

Overview

Phol Dhanya Public Company Limited (the Company) consolidated financial statement of the second quarter, ending June 30, 2019 reported the revenue from sales and services of 221.79 MB increasing by 2.72 MB or 1.24%, compared to the revenue from sales and services of 219.07 MB in the same quarter of previous year. In Quarter 2/2019, the Company's gross profit was 55.06 MB, accounted for gross profit margin of 24.83%, gross profit was decrease, compare with gross profit of 62.53 MB, accounted for gross profit margin of 28.54% in the same quarter of previous year due to competition situation and the proportion of sales of products with low gross margin increases. Selling and administrative expenses were 55.19 MB increasing by 5.64 MB or 11.39%, due to the record of employee benefit expense. As the operating results for Quarter 2/2019, the Company's net profit attributable to equity holders of 1.73 MB, accounted for net profit margin of 0.77%,

For the six months period, ending June 30, 2019, The Company's revenue from sales and services totals 461.76 MB, increasing 4.29 MB or 0.94%, compared to the revenue from sales and services of 457.47 MB in the same period of previous year. The Company's consolidate net profit attributable to equity holders of 14.25 MB, representing a net profit margin of 3.05%.

Operating performance

Unit : MB

	Q2/2019	Q2/2018	Increased (Decreased)	% Changed	6M/2019	6M/2018	Increased (Decreased)	% Changed
Revenue from sales and services	221.79	215.26	6.53	3.03%	461.66	442.13	19.53	4.42%
Revenue from construction and service contracts	-	3.81	(3.81)	-100.00%	0.11	15.35	(15.24)	-99.31%
Total Revenues	221.79	219.07	2.72	1.24%	461.76	457.47	4.29	0.94%
Cost of sales and services	166.03	154.96	11.06	7.14%	342.99	319.14	23.85	7.47%
Cost of construction and service contracts	0.71	1.58	(0.87)	-55.23%	1.37	18.88	(17.51)	-92.76%
Total Costs	166.73	156.54	10.19	6.51%	344.36	338.02	6.34	1.87%
Gross Profit	55.06	62.53	(7.47)	-11.95%	117.41	119.46	(2.05)	-1.72%
Gross Profit Margin (%)	24.83%	28.54%			25.43%	26.11%		
Other income	3.83	2.25	1.58	70.31%	5.95	4.29	1.66	38.72%
Total Selling and Administrative Expenses	55.19	49.55	5.64	11.39%	102.00	95.09	6.91	7.27%
Profit before finance Costs and income taxes	3.71	15.24	(11.53)	-75.68%	21.35	28.65	(7.30)	-25.49%
Profit before finance Costs and income taxes (%)	1.64%	6.89%			4.56%	6.20%		
Profit attributable to equity holders	1.73	16.09	(14.36)	-89.22%	14.25	24.55	(10.31)	-41.98%
Net profit margin (%)	0.77%	7.27%			3.05%	5.32%		
Basic earnings per share (Baht)	0.01	0.08	(0.07)	-89.22%	0.07	0.12	(0.05)	-41.98%
Weighted average number of ordinary shares (million shares)	202.50	202.50			202.50	202.50		

Revenue

Revenue by Products	Unit : MB											
	Q2/2019	%	Q2/2018	%	Increased (Decreased)	% Changed	6M/2019	%	6M/2018	%	Increased (Decreased)	% Changed
Occupational Safety, Health and Environment Products (SAFETY)	170.92	77.06%	169.83	77.52%	1.09	0.64%	366.73	79.42%	353.35	77.24%	13.38	3.79%
Control Environment Products (CE)	40.99	18.48%	42.57	19.43%	(1.58)	-3.70%	81.92	17.74%	82.27	17.98%	(0.35)	-0.42%
Water Solution Products (WATER)	9.88	4.46%	6.68	3.05%	3.21	48.05%	13.11	2.84%	21.86	4.78%	(8.75)	-40.04%
Total revenue from sales and services	221.79	100%	219.07	100%	2.72	1.24%	461.76	100%	457.47	100%	4.29	0.94%

In Quarter 2/2019, the Company's revenue from sales and services were 221.79 MB, comprise 213.98 MB of revenue from sales and 7.82 MB of revenue from services. Revenues from sales and services increased slightly to 1.24% compared to the same quarter of previous year.

Revenue from Occupational Safety, Health and Environment Products or SAFETY was 170.92 MB, increasing by 1.09 MB or 0.64% compared to the same quarter of previous year, revenue from government sector and new customers were increase, however, revenue from existing customers in some sectors were decrease such as petrochemical industry, due to competition situation and reduced budget for orders. The revenue from Control Environment Products or CE was 40.99 MB, decreasing by 1.58 MB or 3.70% compared to the same quarter of previous year, major customers are in the electronics industry reduce production capacity according to the slowing export market. Revenue from Water Solution Products or WATER was 9.88 MB, increasing by 3.21 MB or 48.05% compared to the same quarter of previous year, due to revenue from sales and services in industrial project sector.

Cost of Sales and Services

The Company's total costs in Quarter 2/2019 were 166.73 MB, comprising of 159.76 MB cost of sales, 6.26 MB cost of services and 0.71 MB cost of construction. Cost of sales and services increased proportionally with more revenue from sales and services. Cost of construction was repairing expenses for the community water supply construction projects after delivered.

In quarter 2/2019, costs of sales and services account for 75.17% of revenue from sales and service. Gross profit margin was 24.83% which decrease, compare with 28.54% in the same quarter of previous year, due to competition situation and the proportion of sales of products with low gross margin increases. In addition, revenue from services in water projects had a low gross profit margin.

Selling and Administrative Expenses

In Quarter 2/2019, selling and administrative expenses were 55.19 MB comprised 23.94 MB of selling expenses, 31.03 MB of administrative expenses and 0.22 of penalties arising from delays projects. Total selling and administrative expenses were decrease by 5.64 MB or 11.39% compare to the same quarter of previous year, mainly due to the record of employee benefit expense, however, the legal expenses was decrease from previous year.

The company's financial cost was 1.32 MB, decreasing by 0.86 MB or 39.43% compared to financial cost of 2.18 MB in the same quarter of previous year due to the decrease in loan from financial institution.

Net profit

In Quarter 2/2019, the company's consolidate net profit attributable to equity holders was 1.73 MB, accounted for net profit margin 0.77%.

Financial Position

Unit : MB

	As of June 30, 2019		As of December 31, 2018		Increased (Decreased)	% Change
	Amount	%	Amount	%		
Current Assets	443.32	70.03%	457.87	70.21%	(14.55)	-3.18%
Non-Current Assets	189.75	29.97%	194.24	29.79%	(4.50)	-2.32%
Total Assets	633.07	100.00%	652.12	100.00%	(19.05)	-2.92%
Current Liabilities	289.66	45.66%	325.30	49.78%	(35.64)	-10.96%
Non-Current Liabilities	55.83	8.80%	53.83	8.24%	1.99	3.70%
Total Liabilities	345.49	54.46%	379.14	58.02%	(33.65)	-8.88%
Shareholder's Equity of the Company	288.89	45.54%	274.28	41.98%	14.60	5.32%

Assets

As of June 30, 2019, the Company's total assets were 633.07 MB, decreasing by 19.05 MB or 2.92% from December 31, 2018. The decreased assets were mainly from current assets, which decreasing from 9.50 MB of unbilled receivables to the subcontractors for the construction, 14.14 MB of net-inventories. While, cash and cash equivalents increase 10.89 MB and trade receivables increase 3.63 MB. Non-Current Assets mainly decrease from property, plant and equipment-net of 6.92 MB from disposition of assets for drilling machines and depreciation and amortization for the period.

Liabilities

As of June 30, 2019, the Company's total liabilities were 345.49 MB, decreasing by 33.65 MB or 8.88% from December 31, 2018. The decreased of current liabilities mainly due to the decreased of 26.56 MB in short-term loans from financial institution and 10.77 MB of trade and other payables, however, accrued income tax was increase 1.99 MB. Non-Current Liabilities were increase from 9.31 MB of provisions for employee benefits, while, liabilities under finance lease agreement was decrease 3.02 MB and long-term loan from financial institution was decrease 3.57 MB

Shareholder's equity

The company has decreased the registered capital from the original registered capital of 251 MB to the registered capital of 210.50 MB by cutting ordinary shares to support the exercise of warrants PHOL-W1 that has not yet been released and clear the accumulated losses of 89.26 MB by transferring legal reserve amount of 16.20 MB and share premium of 73.06 MB regarding the AGM's resolution on 24 April 2019.

As of June 30, 2019, Shareholders' equity was 288.89 MB, with the premium on share of 64.78 MB and unappropriated retained earnings of 22.80 MB.

Cash Flows

Unit : MB		
Cash Flows	June 30, 2019	June 31, 2018
Cashflow from (used in) operating activities	47.05	80.07
Cashflow from (used in) investing activities	0.36	(0.91)
Cashflow from (used in) financing activities	(36.84)	(104.46)
Net increase (decrease) in cash and cash equivalents	10.57	(25.30)
Cash and cash equivalents at the end of the period	68.10	66.84

The Company's net cash acquired from the operating activities was 47.05 MB, with operating profits prior to changes in the operating assets and liabilities of 40.06 MB and cash flow received from 9.50 MB of unbilled receivables for the construction, net-inventories decreased 11.35 MB and trade and other payables decreased 2.60 MB. While, cash flow used for trade and other payables of 11.26 MB and paid for income tax of 5.18 MB.

Cash flow acquired from investment activities was 0.36 MB, cash flow received from disposal of fixed assets of 1.23 MB and interest received of 0.27 MB. While, cash flow used to purchase fix assets of 0.82 MB.

Cash flow utilized in financing activities was 36.84 MB mainly used to repayment of loans from financial institutions of 30.13 MB and repayment of liabilities under lease agreement of 4.24 MB and interest expense of 2.48 MB.