

## Overview

Phol Dhanya Public Company Limited (the Company) consolidated financial statement of the third quarter, ending September 30, 2019 reported the revenue from sales and services of 227.58 MB decreasing by 6.92 MB or 2.95%, compared to the revenue from sales and services of 234.50 MB in the same quarter of previous year. Revenue from sales decreased because industrial sector customers have reduced their production capacity due to the economic slowdown. Revenue from services decreased due to project postponement. However, in Quarter 3/2019, the Company's gross profit was 60.64 MB, accounted for gross profit margin of 26.65%, gross profit was increase, compare with gross profit of 58.97 MB, accounted for gross profit margin of 25.15% in the same quarter of previous year. In addition, selling and administrative expenses were decreases, as the results for the Company's net profit attributable to equity holders of 12.12 MB, accounted for net profit margin of 5.28% in quarter 3/2019, increasing by 7.03 MB or 138.05% compare with net profit attributable to equity holders of 5.09 MB, accounted for net profit margin of 2.15% in the same quarter of previous year.

For the nine months period, ending September 30, 2019, The Company's revenue from sales and services totals 689.34 MB, decreasing by 2.63 MB or 0.38%, compared to the revenue from sales and services of 691.97 MB in the same period of previous year. The Company's consolidate net profit attributable to equity holders of 26.37 MB, representing a net profit margin of 3.78%.

## Operating performance

Unit : MB

	Q3/2019	Q3/2018	Increased (Decreased)	% Changed	9M/2019	9M/2018	Increased (Decreased)	% Changed
Revenue from sales and services	227.58	232.01	(4.43)	-1.91%	689.24	674.14	15.10	2.24%
Revenue from construction and service contracts	-	2.49	(2.49)	-100.00%	0.11	17.84	(17.73)	-99.41%
<b>Total Revenues</b>	<b>227.58</b>	<b>234.50</b>	<b>(6.92)</b>	<b>-2.95%</b>	<b>689.34</b>	<b>691.97</b>	<b>(2.63)</b>	<b>-0.38%</b>
Cost of sales and services	166.93	172.67	(5.74)	-3.33%	509.92	491.81	18.10	3.68%
Cost of construction and service contracts	0.01	2.85	(2.84)	-99.61%	1.38	21.73	(20.35)	-93.66%
<b>Total Costs</b>	<b>166.94</b>	<b>175.53</b>	<b>(8.59)</b>	<b>-4.89%</b>	<b>511.30</b>	<b>513.55</b>	<b>(2.25)</b>	<b>-0.44%</b>
<b>Gross Profit</b>	<b>60.64</b>	<b>58.97</b>	<b>1.67</b>	<b>2.83%</b>	<b>178.05</b>	<b>178.42</b>	<b>(0.38)</b>	<b>-0.21%</b>
<b>Gross Profit Margin (%)</b>	<b>26.65%</b>	<b>25.15%</b>			<b>25.83%</b>	<b>25.79%</b>		
Other income	2.10	2.05	0.05	2.64%	8.05	6.26	1.79	28.51%
Total Selling and Administrative Expenses	45.89	52.98	(7.09)	-13.38%	147.89	148.00	(0.11)	-0.07%
Profit before finance Costs and income taxes	16.85	8.04	8.82	109.70%	38.20	36.69	1.51	4.13%
<b>Profit before finance Costs and income taxes (%)</b>	<b>7.34%</b>	<b>3.40%</b>			<b>5.48%</b>	<b>5.25%</b>		
Profit attributable to equity holders	12.12	5.09	7.03	138.05%	26.37	29.65	(3.28)	-11.05%
<b>Net profit margin (%)</b>	<b>5.28%</b>	<b>2.15%</b>			<b>3.78%</b>	<b>4.25%</b>		
Basic earnings per share (Baht)	0.06	0.03	0.03	138.05%	0.13	0.15	(0.02)	-11.05%
Weighted average number of ordinary shares (million shares)	202.50	202.50			202.50	202.50		

## Revenue

Revenue by Products	Unit : MB											
	Q3/2019	%	Q3/2018	%	Increased (Decreased)	% Changed	9M/2019	%	9M/2018	%	Increased (Decreased)	% Changed
Occupational Safety, Health and Environment Products (SAFETY)	174.37	76.62%	180.15	76.82%	(5.78)	-3.21%	541.11	78.50%	533.50	77.10%	7.61	1.43%
Control Environment Products (CE)	42.28	18.58%	44.99	19.18%	(2.71)	-6.03%	124.20	18.02%	127.26	18.39%	(3.06)	-2.40%
Water Solution Products (WATER)	10.93	4.80%	9.36	3.99%	1.57	16.73%	24.04	3.49%	31.22	4.51%	(7.18)	-23.01%
<b>Total revenue from sales and services</b>	<b>227.58</b>	<b>100%</b>	<b>234.50</b>	<b>100%</b>	<b>(6.92)</b>	<b>-2.95%</b>	<b>689.34</b>	<b>100%</b>	<b>691.98</b>	<b>100%</b>	<b>(2.64)</b>	<b>-0.38%</b>

In Quarter 3/2019, the Company's revenue from sales and services were 227.58 MB, comprise 223.46 MB of revenue from sales and 4.12 MB of revenue from services. Revenues from sales and services decreases by 6.92 MB or 2.95% compared to the same quarter of previous year.

Revenue from Occupational Safety, Health and Environment Products or SAFETY was 174.37 MB, decreasing by 5.78 MB or 3.21% compared to the same quarter of previous year, Revenue from sales decreased from economic slowdown. Revenue from services decreased due to Customers reduced budget and postponed project. However, revenue from government sector and new customers were increase. The revenue from Control Environment Products or CE was 42.28 MB, decreasing by 2.71 MB or 6.03% 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 10.93 MB, increasing by 1.57 MB or 16.73% 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 3/2019 were 166.94 MB, comprising of 163.64 MB cost of sales, 3.29 MB cost of services and 0.01 MB cost of construction. Cost of sales and services decreased proportionally with less revenue from sales and services and cost of sales has dropped following the Baht appreciation and cost of sales had lower than previous year. In quarter 3/2019, costs of sales and services account for 73.35% of revenue from sales and service. Gross profit margin was 26.65% which increase, compare with 25.15% in the same quarter of previous year.

## Selling and Administrative Expenses

In Quarter 3/2019, selling and administrative expenses were 45.89 MB comprised 22.20 MB of selling expenses and 25.44 MB of administrative expenses, with a reversal of loss on impairment of assets of 1.74 MB. Total selling and administrative expenses were decrease by 7.09 MB or 13.38% compare to the same quarter of previous year, mainly due to the record of allowance for doubtful debt for receivables for penalties arising from delays of construction in previous year and the legal expenses was decrease because most of expenses occurred in previous year. In addition, the Company

reversal of the loss of asset impairment of 1.74 MB due to the disposition of assets in quarter 3/2019, while loss for impairment of asset of 3.99 MB in the same quarter of previous year.

The company's financial cost was 1.22 MB, decreasing by 0.49 MB or 28.67% compared to financial cost of 1.72 MB in the same quarter of previous year due to the Company has more financial liquidity. Therefore, the Company paid up the loan from financial institutions.

### Net profit

In Quarter 3/2019, the company's consolidate net profit attributable to equity holders was 12.12 MB, accounted for net profit margin 5.28%, increasing by 7.03 MB or 138.05% compared to net profit of 5.09 MB, accounted for net profit margin 2.15% in the same quarter of previous year.

### Financial Position

Unit : MB

	As of September 30, 2019		As of December 31, 2018		Increased	%
	Amount	%	Amount	%	(Decreased)	Change
Current Assets	411.54	68.94%	457.87	70.21%	(46.33)	-10.12%
Non-Current Assets	185.40	31.06%	194.24	29.79%	(8.84)	-4.55%
<b>Total Assets</b>	<b>596.94</b>	<b>100.00%</b>	<b>652.12</b>	<b>100.00%</b>	<b>(55.17)</b>	<b>-8.46%</b>
Current Liabilities	254.80	42.59%	325.30	49.78%	(70.50)	-21.67%
Non-Current Liabilities	52.85	8.83%	53.83	8.24%	(0.98)	-1.83%
<b>Total Liabilities</b>	<b>307.65</b>	<b>51.43%</b>	<b>379.14</b>	<b>58.02%</b>	<b>(71.49)</b>	<b>-18.86%</b>
<b>Shareholder's Equity of the Company</b>	<b>290.60</b>	<b>48.57%</b>	<b>274.28</b>	<b>41.98%</b>	<b>16.31</b>	<b>5.95%</b>

### Assets

As of September 30, 2019, the Company's total assets were 596.94 MB, decreasing by 55.17 MB or 8.46% from December 31, 2018. The decreased assets were mainly from current assets, which decreasing from 37.90 MB of inventories, 11.01 MB of unbilled receivables to the subcontractors for the construction and 10.91 MB of other receivables. However, cash and cash equivalents increase 10.46 MB and trade receivables increase 2.72 MB. Non-Current Assets mainly decrease from property, plant and equipment-net of 9.87 MB from disposition some of assets for drilling machines and depreciation and amortization for the period.

## Liabilities

As of September 30, 2019, the Company's total liabilities were 307.65 MB, decreasing by 71.49 MB or 18.86% from December 31, 2018. The decreased of current liabilities mainly due to the decreased of 42.02 MB in short-term loans from financial institution and 26.71 MB of trade and other payables. Non-Current Liabilities were decrease from 5.10 MB of liabilities under finance lease agreement and 5.36 MB of long-term loan from financial institution however, provisions for employee benefits was increase 10.42 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 September 30, 2019, Shareholders' equity was 290.60 MB, increased from the resulting from net profit for the period of 26.37 MB, which decreased from the interim dividend payment of 10.12 MB and legal reserve of 0.72 MB.

## Cash Flows

	Unit : MB	
Cash Flows	September 30, 2019	September 30, 2018
Cash flow from (used in) operating activities	77.90	114.81
Cash flow from (used in) investing activities	0.82	(1.30)
Cash flow from (used in) financing activities	(68.33)	(139.82)
Net increase (decrease) in cash and cash equivalents	10.39	(26.31)
Cash and cash equivalents at the end of the period	67.67	66.01

The Company's net cash acquired from the operating activities was 77.90 MB, with operating profits prior to changes in the operating assets and liabilities of 60.43 MB and cash flow received from net-inventories decreased by 35.47 MB, unbilled receivables for the construction 11.01 MB, trade and other payables decreased by 4.24 MB and Cash received from income tax refund amounted to 4.29 MB. While, cash flow used for trade and other payables of 25.26 MB and paid for income tax of 11.54 MB.

Cash flow acquired from investment activities was 0.82 MB, cash flow received from disposal of fixed assets of 3.04 MB and interest received of 0.41 MB. While, cash flow used to purchase fix assets of 2.32 MB.

Cash flow utilized in financing activities was 68.33 MB mainly used to repayment of loans from financial institutions of 47.38 MB, repayment of liabilities under lease agreement of 7.22 MB, interim dividend payment of 10.12 MB and interest expense of 3.61 MB.