

## Overview

Referring to the operating performance in the consolidated statement of financial position in the first quarter, ending March 31, 2021, Phol Dhanya PCL (the Company)'s total revenue from sales and service provision stood at 323.32 MB, increasing by 49.97 MB or 18.28% YoY at 273.35 MB, and increasing by 57.50 MB or 21.63% QoQ at 265.83 MB. Safety, occupational health and personal protective equipment as well as control environment products are still top-selling items with continuous purchase orders from the COVID-19 situation, especially gloves that have high demand both for the industrial and medical sectors. The effective supply chain management system has contributed to the increase in revenue both from existing customer base and new customers. However, gloves normally do not secure high gross margin, despite higher sales. Meanwhile, sales of products with higher gross margin has decreased, leading to lower average gross margin compared to the same time last year. The gross margin was not much different from the previous quarter, with the gross margin in the first quarter of 2021 standing at 75.88 MB, or equivalent to 23.47%.

Selling and administrative expenses decreased YoY and did not differ much from the previous quarter. The Company's net profit for the first quarter of 2021 stood at 26.82 MB; equivalent to 8.28%, decreasing by 3.54 MB or 11.65% YoY at 30.36 MB; equivalent to 10.96%. However, the net profit increased by 13.81 MB or 106.10% QoQ at 13.01; equivalent to 4.86 %.

## Operating performance

	Q1/2021	Q1/2020	Increased (Decreased)	% YoY	Q4/2020	Increased (Decreased)	% QoQ
Revenue from sales	315.50	265.89	49.61	18.66%	258.34	57.16	22.13%
Revenue from services	7.82	7.46	0.36	4.82%	7.49	0.33	4.46%
<b>Total Revenues</b>	<b>323.32</b>	<b>273.35</b>	<b>49.97</b>	<b>18.28%</b>	<b>265.83</b>	<b>57.50</b>	<b>21.63%</b>
Cost of sales	(241.04)	(182.65)	58.39	31.97%	(197.33)	43.71	22.15%
Cost of services	(6.40)	(4.93)	1.47	29.75%	(6.42)	(0.01)	-0.22%
<b>Total Costs</b>	<b>(247.45)</b>	<b>(187.59)</b>	<b>59.86</b>	<b>31.91%</b>	<b>(203.75)</b>	<b>43.70</b>	<b>21.45%</b>
<b>Gross Profit</b>	<b>75.88</b>	<b>85.76</b>	<b>(9.89)</b>	<b>-11.53%</b>	<b>62.07</b>	<b>13.80</b>	<b>22.23%</b>
<b>Gross Profit Margin (%)</b>	<b>23.47%</b>	<b>31.37%</b>			<b>23.35%</b>		
Other income	0.44	3.79	(3.35)	-88.41%	2.18	(1.74)	-79.89%
Total Selling and Administrative Expenses	(46.63)	(51.09)	(4.46)	-8.73%	(47.48)	(0.85)	-1.79%
Profit before finance Costs and income taxes	29.68	38.45	(8.77)	-22.81%	16.78	12.91	76.94%
<b>Profit before finance Costs and income taxes (%)</b>	<b>9.17%</b>	<b>13.88%</b>			<b>6.26%</b>		
Financial Cost	(0.53)	(0.64)	(0.11)	-16.65%	(0.60)	(0.07)	-10.93%
Reversal of impairment of trade and other receivables	4.46	0.00	4.46		0.00	4.46	
Income tax expenses	(6.78)	(7.45)	(0.67)	-8.98%	(3.16)	3.62	114.55%
<b>Profit attributable to equity holders</b>	<b>26.82</b>	<b>30.36</b>	<b>(3.54)</b>	<b>-11.65%</b>	<b>13.01</b>	<b>13.81</b>	<b>106.10%</b>
<b>Net profit margin (%)</b>	<b>8.28%</b>	<b>10.96%</b>			<b>4.86%</b>		
Basic earnings per share (Baht)	0.13	0.15	(0.02)	-11.65%	0.06	0.07	106.10%

Unit : MB

## Revenue from Sales and Services

Revenue by Products	Q1/2021		Q1/2020		Increased (Decreased)		Q4/2020		Increased (Decreased)		Unit : MB
	MB	%	MB	%	MB	%	MB	%	MB	%	
Occupational Safety, Health and Environment Products (SAFETY)	208.19	64.39%	213.82	78.22%	(5.63)	-2.63%	209.86	78.95%	(1.67)	-0.80%	
Control Environment Products (CE)	107.66	33.30%	53.24	19.48%	54.42	102.20%	55.28	20.79%	52.38	94.77%	
Water Solution Products (WATER)	7.48	2.31%	6.29	2.30%	1.19	18.95%	0.68	0.26%	6.79	991.39%	
<b>Total revenue from sales and services</b>	<b>323.32</b>	<b>100%</b>	<b>273.35</b>	<b>100%</b>	<b>49.97</b>	<b>18.28%</b>	<b>265.82</b>	<b>100%</b>	<b>57.50</b>	<b>21.63%</b>	

The total revenue from sales and service provision in the first quarter of 2021 stood at 323.32 MB, with 208.19 MB of Occupational Safety, Health and Environment Products or SAFETY accounting for 64.39%, 107.66 MB of Control Environment Products or CE accounting for 33.30 % and 7.48 MB of Water Solution Product or WATER accounting for 2.31%.

The revenue from sales and service provisions from SAFETY business stood at 208.19 MB, from increased revenue from industrial customers. Existing customers in the core industries such as automotive and petrochemicals have started to resume production, though not to the point where it used to be pre-COVID-19. Furthermore, the Company generated higher revenue from new customers in the food industry, medical and public health organizations. Nevertheless, the overall revenue landscape in the SAFETY business decreased from COVID-related products, disease prevention items such as face masks and preventive gears that have had lower sales following market demand and price compared to the same time in 2020, which was the beginning period of the transmission, leading to increased demand in every sector.

The revenue from sales and service provision in CE business stood at 107.66 MB, mainly from customers in the electronics industry that have expanded their production capacity, leading to higher demand for CE products, while product prices have increased in pursuit of the higher market prices. Besides, higher demand for clean room gloves and disposable gloves amidst COVID-19 has led to an increase in revenue for CE products both from existing and new customers, compared to the same time in 2020 and the previous quarter.

The revenue from sales and service provision in WATER business stood at 7.48 MB, from the installation of water supply system for existing customers who have allowed the Company to continue providing services, as well as from after-sales services and maintenance. However, the COVID-19 situation has caused certain customers' new projects to delay.

## Cost of Sales and Services

The Company's total costs in Quarter 1/2021 were 247.45 MB, comprising of 241.04 MB cost of sales and 6.40 MB cost of services. Cost of sales and services increased proportionally with more revenue from sales and services and cost of sales in some product categories increased.

In quarter 1/2021, costs of sales and services accounted for 76.53% of revenue from sales and service. Gross profit was 75.88 MB with gross profit margin 23.47%, decreased from gross profit of 85.76 MB with gross profit margin 31.37% in the same quarter of previous year, due to the proportion of sales of products with lower gross profit margins increased while the proportion of sales of products with higher gross profit margin decreased. However, gross profit increased 13.80 MB or 22.23% compared to the previous quarter with a gross profit of 203.75 MB with Gross profit margin 23.35%.

## Selling and Administrative Expenses

In Quarter 1/2021, selling and administrative expenses were 46.43 MB comprised 22.58 MB of selling expenses, 22.59 MB of administrative expenses and 1.46 MB of loss from exchange rates. Total selling and administrative expenses decreased by 4.46 MB or 8.73% compare to the same quarter of previous year mainly from lower travelling expenses and expenses for marketing activities and events due to the spread of the COVID-19 virus. However, there was the increase in expenses that were variable with revenue from sales and services, such as sales commissions, etc.

The company's financial cost was 0.53 MB, decreasing by 0.11 MB or 16.65% compared to financial cost of 0.64 MB in the same quarter of previous year and decreasing by 0.07 MB or 10.93% compared to the previous quarter due to the decrease in loan from financial institution.

## Other Transaction

In Quarter 1/2021, the Company reversed the impairment of trade receivables and other receivables of 4.46 MB, its comes from the operation of offsetting creditors, retention payments due to the debtor of sub-contractor, which the company has reserved the loss on impairment of receivables.

## Net Profit

In Quarter 1/2021, the company's consolidate net profit attributable to equity holders was 26.82 MB, accounted for net profit margin 8.28%, decreasing by 3.54 MB or 11.65% compared to net profit attributable to equity holders of 30.36 MB, accounted for net profit margin 10.96% in the same quarter of previous year. However, net profit increasing by 13.81 MB or 106.10% compared to net profit attributable to equity holders of 13.81 MB, accounted for net profit margin 4.86% in the previous quarter.

## Financial Position

Unit : MB

	March 31, 2021		December 31, 2020		Increased	%
	Amount	%	Amount	%	(Decreased)	Changed
Current Assets	474.64	73.00%	428.90	70.78%	45.73	10.66%
Non-Current Assets	175.53	27.00%	177.10	29.22%	(1.57)	-0.88%
<b>Total Assets</b>	<b>650.17</b>	<b>100.00%</b>	<b>606.00</b>	<b>100.00%</b>	<b>44.17</b>	<b>7.29%</b>
Current Liabilities	249.30	38.27%	231.44	38.11%	17.85	7.71%
Non-Current Liabilities	46.95	7.21%	47.41	7.81%	(0.46)	-0.97%
<b>Total Liabilities</b>	<b>296.24</b>	<b>45.47%</b>	<b>278.85</b>	<b>45.92%</b>	<b>17.39</b>	<b>6.24%</b>
<b>Shareholder's Equity of the Company</b>	<b>355.23</b>	<b>54.53%</b>	<b>328.45</b>	<b>54.08%</b>	<b>26.77</b>	<b>8.15%</b>

## Assets

As of March 31, 2021, the Company's total assets were 650.17 MB, increasing by 44.17 MB or 7.29% from December 31, 2020. The assets increased mainly from current assets, which increasing from 30.02 MB of trade and other current receivables-net, trade accounts receivable increased from higher sales revenue and other receivables increased mainly from advance payments for inventories. And net-inventories increasing by 38.07 MB due to purchases of inventory in the first quarter of 2021. While, cash and cash equivalents decreased by 21.59 MB.

## Liabilities

As of March 31, 2021, the Company's total liabilities were 296.24 MB, increasing by 17.39 MB or 6.24% from December 31, 2020. The Liabilities increased mainly from the increase of 38.67 MB of trade payables and 5.93 MB of accrued income tax. However, other payables decreased 24.59 MB. Non-current liabilities decreased mainly from 1.79 MB of long-term loans from financial institutions and 0.84 MB of lease liabilities-net while the provision for employee benefit liabilities increasing by 0.74 MB.

## Shareholder's equity

As of March 31, 2021, Shareholders' equity of the Company was 355.23 MB, increasing by 26.77 MB or 8.15% from December 31, 2020 from net profit for the period.

## Cash flows

	Unit : MB	
<b>Cash flows</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Cash flow from (used in) operating activities	(16.46)	20.55
Cash flow from (used in) investing activities	(0.21)	(1.58)
Cash flow from (used in) financing activities	(4.88)	(26.69)
Net increase (decrease) in cash and cash equivalents	(21.54)	(7.71)
Cash and cash equivalents at the end of the period	70.79	77.82

The Company's net cash used in the operating activities was 16.46 MB, with operating profits prior to changes in the operating assets and liabilities of 34.98 MB. Cash flow used for trade and other receivables increased 24.45 MB and inventories increased 38.31 MB, while cash flow received from net-trade and other payables increased 11.76 MB.

Cash flow used in investment activities was 0.21 MB to purchase fix assets and intangible assets of 0.66 MB, while cash flow acquired 0.35 MB from loan to employees and interest received of 0.10 MB.

Cash flow used in financing activities was 4.88 MB mainly used to repayment of loans from financial institutions of 4.17 MB, repayment of liabilities under lease agreement of 0.20 MB and interest expense of 0.51 MB.