

Overview

Referring to the operating performance in the consolidated financial statement in the second quarter, ending June 30, 2021, Phol Dhanya PCL (the Company)'s total revenue from sales and service provision at 300.85 MB, increasing by 55.37 MB or 22.56% YoY at 245.47 MB. Occupational Safety, Health and Personal Protective equipment as well as control environment products with continuous purchase orders from electronics industry and foods industry that have continue expanded their production capacity and main customers in automotive have increased production compared to the same quarter of previous year. In addition, the situation of the epidemic of COVID-19, there is still the demand for disease prevention items continuously, leading to increase the revenues from hospital, medical and public health organizations, especially gloves that have high demand both for the industrial and medical sectors. However, normally do not secure high gross margin for gloves, despite higher sales, leading to lower average gross margin compared to the same time last year. The gross profit margin in the second quarter of 2021 standing at 70.21 MB, or equivalent to 23.34%. Selling and Administrative expenses were comparable to the same quarter of previous year. The Company's net profit for the second quarter of 2021 at 18.36 MB; equivalent to 6.10%.

For the six months period, ending June 30, 2021, the Company's total revenue from sales and service provision at 624.17 MB, increasing by 105.35 MB or 20.30%, compared to the revenue from sales and services of 518.82 MB in the same period of previous year. The Company's net profit for the six months period of 2021 at 45.19 MB; equivalent to 7.23%.

Operating performance

	Q2/2021	Q2/2020	Increased (Decreased)	% YoY	1H/2021	1H/2020	Increased (Decreased)	% YoY
Revenue from sales	298.19	242.98	55.21	22.72%	613.69	508.87	104.82	20.60%
Revenue from services	2.65	2.49	0.17	6.68%	10.48	9.95	0.53	5.29%
Total Revenues	300.85	245.47	55.37	22.56%	624.17	518.82	105.35	20.30%
Cost of sales	(228.85)	(178.16)	50.69	28.45%	(469.90)	(360.81)	109.08	30.23%
Cost of services	(1.78)	(1.83)	(0.04)	-2.40%	(8.18)	(6.76)	1.42	21.07%
Total Costs	(230.63)	(179.99)	50.65	28.14%	(478.08)	(367.57)	110.51	30.06%
Gross Profit	70.21	65.49	4.73	7.22%	146.09	151.25	(5.16)	-3.41%
Gross Profit Margin (%)	23.34%	26.68%			23.41%	29.15%		
Other income	0.23	3.35	(3.13)	-93.28%	0.66	5.99	(5.32)	-88.91%
Total Selling and Administrative Expenses	(46.71)	(45.41)	1.30	2.86%	(93.34)	(95.35)	(2.01)	-2.11%
Profit before finance Costs and income taxes	23.73	23.43	0.30	1.27%	53.41	61.88	(8.47)	-13.69%
Profit before finance Costs and income taxes (%)	7.88%	9.42%			8.55%	11.79%		
Loss from impairment of trade and other receivables	(0.70)	0.00	0.70	n/a	(0.70)	0.00	0.70	0.00%
Financial Cost	(0.62)	(0.49)	0.13	27.29%	(1.16)	(1.13)	0.03	2.38%
Reversal of impairment of trade and other receivables	0.70	0.00	0.70	n/a	5.15	0.00	5.15	0.00%
Income tax expenses	(4.74)	(4.58)	0.16	3.53%	(11.52)	(12.03)	(0.51)	-4.22%
Profit attributable to equity holders	18.36	18.37	(0.00)	-0.01%	45.19	48.73	(3.54)	-7.26%
Net profit margin (%)	6.10%	7.38%			7.23%	9.28%		
Basic earnings per share (Baht)	0.09	0.09	(0.00)	-0.01%	0.22	0.24	(0.02)	-7.26%

Unit : MB

Revenue

Revenue Structure	Q2/2021		Q2/2020		Increased (Decreased)		1H/2021		1H/2020		Increased (Decreased)		Unit : MB
	MB	%	MB	%	MB	% YoY	MB	%	MB	%	MB	% YoY	
Occupational Safety, Health and Environment Products (SAFETY)	223.29	74.22%	185.60	75.61%	37.69	20.31%	431.48	69.13%	399.42	76.99%	32.06	8.03%	
Control Environment Products (CE)	74.36	24.72%	52.99	21.59%	21.36	40.31%	182.01	29.16%	106.24	20.48%	75.78	71.33%	
Water Solution Products (WATER)	3.20	1.06%	6.88	2.80%	(3.68)	-53.46%	10.68	1.71%	13.17	2.54%	(2.49)	-18.90%	
Total revenue from sales and services	300.85	100%	245.47	100%	55.37	22.56%	624.17	100%	518.82	100%	105.35	20.30%	

The total revenue from sales and service provision in the second quarter of 2021 at 300.85 MB, consisting of 223.29 MB of Occupational Safety, Health and Environment Products or SAFETY accounting for 74.22%, 74.36 MB of Control Environment Products or CE accounting for 24.72% and 3.20 MB of Water Solution Products or WATER accounting for 1.06%.

The revenue from sales and service provisions from SAFETY products at 223.29 MB, increasing by 37.69 MB or 20.31%, mainly from existing customers and new customers in the foods industry and electronics industry that have continue expanded their production capacity and main customers in automotive have increased production compared to the same quarter of previous year. In addition, the situation of the epidemic of COVID-19, there is still the demand for disease prevention items continuously, leading to increased revenues from hospital, medical and public health organizations.

The revenue from sales and service provision in CE products at 74.36 MB, increasing by 21.36 MB or 40.31% mainly from customers in the electronics industry that have continued expanded their production capacity together with hiring other sub-contractor to produce, that's the opportunity for the company to expanded sales to their sub-contractors, leading to increased revenues from both existing customers and new customers.

The revenue from sales and service provision in WATER Products at 3.20 MB, decreasing by 3.68 MB or 53.46% mainly due to the COVID-19 situation has caused certain customers' new projects to delay.

Cost of Sales and Services

The Company's total costs in the second quarter of 2021 at 230.63 MB, comprising of 228.85 MB cost of sales and 1.78 MB cost of services. Cost of sales increased proportionally with more revenue from sales and cost of sales in some product categories increased. The cost of services was similar compared to the same quarter of the previous year.

In the second quarter of 2021, costs of sales and services accounted for 76.66% of revenue from sales and service. Gross profit was 70.21 MB with gross profit margin 23.34%, increased proportionally with more revenue from sales compared to gross profit of 65.49 MB with gross profit margin 26.68% in the same quarter of pervious year. However, gross profit margin decreased 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

Selling and Administrative Expenses

In the second quarter of 2021, selling and administrative expenses were 46.71 MB comprised 21.71 MB of selling expenses, 24.28 MB of administrative expenses and 0.72 MB of loss from exchange rates. Total selling and administrative expenses increasing by 1.30 MB or 2.86% compared to the same quarter of previous year mainly from expenses that were variable with revenue from sales and services, such as sales commissions, etc. However, there was the decrease in expenses mainly from lower travelling and expenses for marketing activities and events due to the spread of the COVID-19.

The company's financial cost was 0.62 MB, increasing by 0.13 MB or 27.29% compared to financial cost of 0.49 MB in the same quarter of previous year due to the increasing in short term loan from financial institution.

Other Transaction

In the second quarter of 2021, the Company recorded loss from impairment of trade receivables and other receivables of 0.70 MB and reversed the impairment of trade receivables and other receivables of 0.70 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 the second quarter of 2021, the company's consolidate net profit attributable to equity holders was 18.36 MB, accounted for net profit margin 6.10%, similar with the net profit of 18.37 MB, accounted for net profit margin 7.38% in the same quarter of the previous year.

Financial Position

Unit : MB

	June 30, 2021		December 31, 2020		Increased	%
	Amount	%	Amount	%	(Decreased)	Changed
Current Assets	501.65	74.23%	428.90	70.78%	72.75	16.96%
Non-Current Assets	174.20	25.77%	177.10	29.22%	(2.90)	-1.64%
Total Assets	675.85	100.00%	606.00	100.00%	69.85	11.53%
Current Liabilities	286.28	42.28%	231.44	38.11%	54.84	23.69%
Non-Current Liabilities	45.65	6.74%	47.41	7.81%	(1.75)	-3.70%
Total Liabilities	331.94	49.02%	278.85	45.92%	53.09	19.04%
Shareholder's Equity of the Company	345.22	50.98%	328.45	54.08%	16.76	5.10%

Assets

As of June 30, 2021, the Company's total assets were 675.85 MB, increasing by 69.85 MB or 11.53% from December 31, 2020. The assets increased mainly from current assets, which increased from 83.46 MB of net-inventories, 26.63 MB of trade receivables-net from higher sales revenue. While, cash and cash equivalents decreased by 31.68 MB, and non-current assets decreased mainly from depreciation and amortization.

Liabilities

As of June 30, 2021, the Company's total liabilities were 331.94 MB, increasing by 53.09 MB or 19.04% from December 31, 2020. The Liabilities increased mainly from the increase of 27.94 MB of short-term loans from financial institutions, 43.74 MB of trade payables and 5.14 MB of accrued income tax. However, other payables decreased 22.23 MB. Non-current liabilities decreased mainly from 3.57 MB of long-term loans from financial institutions and 0.66 MB of lease liabilities-net while the provision for employee benefit liabilities increasing by 1.48 MB.

Shareholder's equity

As of June 30, 2021, Shareholders' equity of the Company was 345.22 MB, increasing by 16.76 MB or 5.10% from December 31, 2020 from the resulting from net profit of 45.19 MB, while, decreasing by 28.35 MB from dividend payment.

Cash flows

Unit : MB		
Cash flows	June 30, 2021	June 30, 2020
Cash flow from (used in) operating activities	(25.52)	53.67
Cash flow from (used in) investing activities	(0.61)	(3.57)
Cash flow from (used in) financing activities	(5.47)	(11.31)
Net increase (decrease) in cash and cash equivalents	(31.61)	38.79
Cash and cash equivalents at the end of the period	60.70	124.35

The Company's net cash used in the operating activities was 25.52 MB, with operating profits prior to changes in the operating assets and liabilities of 61.26 MB. Cash flow used for trade and other receivables increased 16.22 MB and inventories increased 83.76 MB, while cash flow received from net- trade and other payables increased 19.35 MB.

Cash flow used in investment activities was 0.61 MB to purchase fix assets and intangible assets of 1.47 MB, while cash flow acquired 0.65 MB from loan to employees and interest received of 0.20 MB.

Cash flow used in financing activities was 5.47 MB mainly used to repayment of loans from financial institutions of 3.57 MB, repayment of liabilities under lease agreement of 0.40 MB, interest expense of 1.11 MB and dividend payment of 28.34 MB. However, cash flow acquired 27.94 MB from short-term loans-trust receipt from financial institutions.