

## Overview

Referring to the operating performance in the consolidated financial statement for the second quarter, ending June 30, 2022, Phol Dhanya PCL (the Company)'s total revenue from sales and services were 240.75 MB, decreasing by 60.09 MB or 19.97% YoY at 300.85 MB. The decline in revenue is mainly from Occupational Safety, Health and Environment Products or 'SAFETY' and Control Environment Products or 'CE', due to a significant drop in market prices of rubber and nitrile gloves, together with an excessive supply, compared with the same period of time in the last year when there was a product shortage in the supply chain, causing prices to go up. Furthermore, the sales revenue from COVID-19-related products also decreased in accordance with the intensity of the spread. However, SAFETY and CE products used in the industrial sector are still securing a continuous increase in purchase orders in pursuit of the expansion of the manufacturing sector in key industries. The gross profit decreased in line with lower revenue from sales and services, however, the gross profit margin increased due to effectively cost management and the proportion of sales of products with high gross profit margins increased with 60.57 MB of the Company's gross profit, representing gross profit margin of 25.16%, compared to gross profit of 70.21 MB, representing gross profit margin of 23.34% in the same quarter of previous year. Distribution costs and administrative expenses were similar compared to the same quarter of the previous year. The Company's net profit for the second quarter of 2022 was 10.56 MB; equivalent to 4.38%, decreasing by 7.80 MB or 42.50% YoY at 18.36 MB; equivalent to 6.10%.

For the six months period, ending June 30, 2022, the Company's total revenue from sales and service were 517.29 MB, decreasing by 106.88 MB or 17.12% YoY at 624.17 MB. The Company's consolidate net profit attributable to equity holders of 27.67 MB, representing a net profit margin of 5.33%.

## Operating performance

	Q2/2022	Q2/2021	Increased (Decreased)	% YoY	1H/2022	1H/2021	Increased (Decreased)	% YoY
Revenue from sales	237.87	298.19	(60.32)	-20.23%	508.17	613.69	(105.52)	-17.20%
Revenue from services	2.88	2.65	0.23	8.56%	9.13	10.48	(1.35)	-12.91%
<b>Total Revenues</b>	<b>240.75</b>	<b>300.85</b>	<b>(60.09)</b>	<b>-19.97%</b>	<b>517.29</b>	<b>624.17</b>	<b>(106.88)</b>	<b>-17.12%</b>
Cost of sales	(178.56)	(228.85)	(50.29)	-21.97%	(382.07)	(469.90)	(87.83)	-18.69%
Cost of services	(1.62)	(1.78)	(0.16)	-8.94%	(6.27)	(8.18)	(1.92)	-23.43%
<b>Total Costs</b>	<b>(180.19)</b>	<b>(230.63)</b>	<b>(50.45)</b>	<b>-21.87%</b>	<b>(388.33)</b>	<b>(478.08)</b>	<b>(89.75)</b>	<b>-18.77%</b>
<b>Gross Profit</b>	<b>60.57</b>	<b>70.21</b>	<b>(9.64)</b>	<b>-13.74%</b>	<b>128.96</b>	<b>146.09</b>	<b>(17.13)</b>	<b>-11.73%</b>
<b>Gross Profit Margin (%)</b>	<b>25.16%</b>	<b>23.34%</b>			<b>24.93%</b>	<b>23.41%</b>		
Other income	0.15	0.23	(0.07)	-31.61%	2.22	0.66	1.56	234.46%
Total Distribution costs and Administrative expenses	(46.29)	(46.71)	(0.42)	-0.89%	(94.68)	(93.34)	1.34	1.43%
Profit before finance costs and income taxes	14.43	23.73	(9.30)	-39.18%	36.50	53.41	(16.91)	-31.66%
<b>Profit before finance costs and income taxes (%)</b>	<b>5.99%</b>	<b>7.88%</b>			<b>7.03%</b>	<b>8.55%</b>		
Financial Cost	(0.69)	(0.62)	0.06	9.97%	(1.27)	(1.16)	0.11	9.45%
Reversal of impairment (Loss from impairment) on trade and other receivables-nets	0.03	0.70	(0.67)	0.00%	0.02	5.15	(5.13)	-99.53%
Income tax expenses	(3.22)	(4.74)	(1.52)	-32.07%	(7.59)	(11.52)	(3.93)	-34.11%
<b>Profit attributable to equity holders</b>	<b>10.56</b>	<b>18.36</b>	<b>(7.80)</b>	<b>-42.50%</b>	<b>27.67</b>	<b>45.19</b>	<b>(17.52)</b>	<b>-38.77%</b>
<b>Net profit margin (%)</b>	<b>4.38%</b>	<b>6.10%</b>			<b>5.33%</b>	<b>7.23%</b>		
Basic earnings per share (Baht)	0.05	0.09	(0.04)	-42.50%	0.14	0.22	(0.09)	-38.77%

Unit:MB

## Revenue from Sales and Services

Revenue Structure	Q2/2022		Q2/2021		Increased (Decreased)		1H/2022		1H/2021		Increased (Decreased)		Unit : MB
	MB	%	MB	%	MB	%	MB	%	MB	%	MB	%	
Occupational Safety, Health and Environment Products (SAFETY)	180.99	75.18%	223.29	74.22%	(42.30)	-18.94%	382.52	73.95%	431.48	69.13%	(48.96)	-11.35%	
Control Environment Products (CE)	57.07	23.70%	74.36	24.72%	(17.29)	-23.25%	112.59	21.77%	182.01	29.16%	(69.42)	-38.14%	
Water Solution Products (WATER)	2.70	1.12%	3.20	1.06%	(0.50)	-15.70%	22.18	4.29%	10.68	1.71%	11.50	107.69%	
<b>Total revenue from sales and services</b>	<b>240.75</b>	<b>100%</b>	<b>300.85</b>	<b>100%</b>	<b>(60.09)</b>	<b>-19.97%</b>	<b>517.29</b>	<b>100%</b>	<b>624.17</b>	<b>100%</b>	<b>(106.88)</b>	<b>-17.12%</b>	

The total revenue from sales and service provision in the second quarter of 2022 were 240.75 MB, with 180.99 MB of Occupational Safety, Health and Environment Products or SAFETY accounting for 75.18%, 57.07 MB of Control Environment Products or CE accounting for 23.70% and 2.70 MB of Water Solution Products or WATER accounting for 1.12%.

The revenue from sales and service provision in SAFETY products was 180.99 MB, decreasing by 42.30 MB or 18.94%, mainly due to a decrease in prices of rubber and nitrile gloves, coupled with lower purchase orders from distributors and medical sectors, compared with the same quarter in the last year. Meanwhile, the revenue from COVID-19 preventive equipment also dropped in relation to the intensity of the situation. However, SAFETY products in other categories are still generating a continuous increase in purchase orders both from existing customer bases and new customers in accordance with the expansion of the industrial sector.

The revenue from sales and service provision in CE products was 57.07 MB, has also dropped by 17.29 MB or 23.25% due to a decrease in market prices of rubber and nitrile gloves, compared with the same period of time in the last year when there was a product shortage caused by COVID-19, causing product prices to soar. Hence, key customers in the electronics industry including distributor customers have increased purchase orders to accumulate the inventory,

The revenue from sales and service provision in the WATER products was 2.70 MB, decreasing by 0.50 MB or 15.70% compare to the same quarter in the last year, mainly due to the impact of COVID-19, customers have decided to delay or cancel the water treatment projects.

## Cost of Sales and Services

The Company's total costs in quarter 2/2022 were 180.19 MB, comprising of 178.56 MB cost of sales and 1.62 MB cost of services. Cost of sales and services decreased proportionally with lower revenue from sales and services. In quarter 2/2022, costs of sales and services accounted for 74.84% of revenue from sales and service. The Company's gross profit was 60.57 MB, decreased by 9.64 MB or 13.74% due to lower revenue from sales and services. However, gross profit margin was 25.16%, increase from the same quarter last year with a gross profit margin of 23.34% due to effectively cost management and the proportion of sales of products with high gross profit margins increased.

## Distribution Costs and Administrative Expenses

In Quarter 2/2022, Distribution costs and administrative expenses were 46.29 MB comprised 21.51 MB of distribution costs, 22.53 MB of administrative expenses and 2.25 MB. Of loss on exchange rate. Distribution costs and administrative expenses were similar compared to the same quarter of the previous year which mainly increased transportation and traveling expenses in line with

oil prices, meanwhile, the employee welfare and product donations expenses related to situation of the epidemic of COVID-19 decreased compared to the same quarter of the last year.

The company's financial cost was 0.69 MB, increasing by 0.06 MB or 9.97% compared to financial cost of 0.62 MB in the same quarter of previous year.

### Net Profit

In Quarter 2/2022, the company's consolidate net profit attributable to equity holders was 10.56 MB, accounted for net profit margin 4.38%, decreasing by 7.80 MB or 42.50% compared to net profit attributable to equity holders of 18.36 MB, accounted for net profit margin 6.10% in the same quarter of previous year.

### Financial Position

Unit : MB

	June 30, 2022		December 31, 2021		Increased	%
	Amount	%	Amount	%	(Decreased)	Changed
Current Assets	480.69	73.11%	461.67	72.56%	19.02	4.12%
Non-Current Assets	176.82	26.89%	174.56	27.44%	2.25	1.29%
<b>Total Assets</b>	<b>657.51</b>	<b>100.00%</b>	<b>636.23</b>	<b>100.00%</b>	<b>21.28</b>	<b>3.34%</b>
Current Liabilities	271.97	41.28%	246.31	38.63%	25.67	10.42%
Non-Current Liabilities	42.16	6.40%	41.76	6.55%	0.41	0.97%
<b>Total Liabilities</b>	<b>314.14</b>	<b>47.68%</b>	<b>288.06</b>	<b>45.18%</b>	<b>26.07</b>	<b>9.05%</b>
<b>Shareholder's Equity of the Company</b>	<b>344.67</b>	<b>52.32%</b>	<b>349.47</b>	<b>54.82%</b>	<b>(4.80)</b>	<b>-1.37%</b>

### Assets

As of June, 2022, the Company's total assets were 657.51 MB, increasing by 21.28 MB or 3.34% from December 31, 2021. The assets increased mainly from current assets, which increasing from 21.39 MB of cash and cash equivalents and 10.54 MB of net-inventories. However, trade and other current receivables-net decreased 12.10 MB. Non-current assets mainly increased from investments in joint venture of 3.72 MB in the construction of solid waste management center project. However, property, plant and equipment-net mainly decreased from depreciation and amortization.

### Liabilities

As of June, 2022, the Company's total liabilities were 314.14 MB, increasing by 26.07 MB or 9.05% from December 31, 2021. The Liabilities increased mainly from current liabilities which increase from 42.94 MB of short-term loans from financial institutions to pay for goods and working capital. However, trade and other payables decreased by 12.54 MB, current portion of long-term loan from financial institution-net decreased by 2.96 MB and current income tax payable decreased by 1.56 MB.

### Shareholder's equity

As of June 30, 2022, Shareholders' equity of the Company was 344.67 MB, decreasing by 4.80 MB or 1.37% from December 31, 2021 from net profit for the period. The shareholders' equity increased from the net profit for the period of 27.67 MB and decreased from dividend payment of 32.39 MB.

## Cash flows

	Unit : MB	
<b>Cash flows</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>
Cash flow from (used in) operating activities	21.34	(25.52)
Cash flow from (used in) investing activities	(5.24)	(0.61)
Cash flow from (used in) financing activities	5.36	(5.48)
Net increase (decrease) in cash and cash equivalents	21.46	(31.61)
Cash and cash equivalents at the end of the period	80.10	60.70

For the six month period, ending June 30, 2022, the Company's net cash from the operating activities was 21.34 MB, with operating profits prior to changes in the operating assets and liabilities of 43.82 MB. Cash flow increased from trade and other receivables decreased 12.56 MB and net-trade and other payables decreased 13.47 MB. However, cash flow decreased from inventories increased 11.91 MB and paid for corporate income tax of 9.77 MB.

Cash flow used in investment activities was 5.24 MB to purchase fix assets of 2.27 MB, purchase intangible assets of 0.15 MB and investment in joint venture of 3.72 MB, while cash flow acquired 0.61 MB from loan to employees, 0.12 MB from sales fix assets and interest received of 0.19 MB.

Cash flow acquired from financing activities was 5.36 MB mainly from short-term loan from financial institutions amount of 42.93 MB, however, cash flow used to repayment of long-term loans from financial institutions of 3.57 MB, repayment of liabilities under lease agreement of 0.40 MB, interest expense of 1.22 MB and dividend payment of 32.38 MB.