



No. Demco AC004/2023

August 11, 2023

Subject : The company's operating result for the quarter 2/2023

To : The president,  
The Stock Exchange of Thailand.

Demco Public Company Limited would like to inform you herewith the company result for the quarter 2/2023 according to the company's consolidated financial statements for the six-month period June 30, 2023. The analysis below provides a comprehensive overview of the company's performance, along with insights into the factors influencing these results as follow;

### **Operating Performance:**

#### 1. Revenues:

In Quarter 2/2023, total revenues of Baht 518.56 million, marking a substantial increase of Baht 98.92 million or 23.59% compared to the total revenues of Baht 419.58 million in Quarter 2/2022. This upward trend in revenues is indicative of the company's service revenue and other income.

Over the six-month period of 2023, total revenues of Baht 951.62 million, reflecting an impressive growth of Baht 145.96 million or 18.12% when compared to total revenues of Baht 805.66 million in the corresponding period of 2022.

1.1 The revenues from service business: The service business segment experienced a notable growth, contributing to the overall revenue increase.

In Quarter 2/2023, total revenues of Baht 364.57 million, signifying a rise of Baht 31.39 million or 9.42% from the same period in 2022 amounting to Baht 333.18 million with an increase in Distribution works and Transmission line, whereas decrease in Underground and Other works.

For the six-month period of 2023, revenues from the service business were Baht 751.88 million, presenting an impressive increase of Baht 96.03 million or 14.64% compared to the same period in 2022 amounting to Baht 655.85 million. This growth was driven by a substantial increase in Distribution work and Civil construction, offsetting the decline in Substation construction and Other work.

1.2 The revenues from sale business: revenues from the sale business witnessed a decrease. The reduction in revenues primarily from decreased sales of Steel Structure Tower due to the competitive market.

In Quarter 2/2023, revenues from the sale business totaled Baht 70.37 million, reflecting a decline of Baht 7.09 million or 9.15% compared to Quarter 2/2022 amounting to Baht 77.46 million.

For the six-month period of 2023, the sale business segment faced challenges over with revenues amounting to Baht 101.09 million, a decline of Baht 35.63 million or 26.06% from the comparing period revenues of Baht 136.72 million in 2022.

1.3 The other income demonstrated remarkable growth in other income, signaling a significant positive impact on the company's financing. This substantial increase is primarily attributed to dividend income from investment in renewable energy business.

In Quarter 2/2023, other income amounted to Baht 83.62 million, up from Baht 8.94 million in Quarter 2/2022 with a remarkable increase of Baht 74.68 million.

For the six-month period of 2023, other income was Baht 98.64 million, rose dramatically by Baht 85.55 million from the comparing period of other income of Baht 13.09 million in 2022.

## 2. Gross profit:

In Quarter 2/2023, the total gross profit to Baht 36.82 million, marking a substantial rise of Baht 21.07 million or 133.78% compared to the gross profit of Baht 15.75 million reported in Quarter 2/2022.

Over the six-month period of 2023, the gross profit reached Baht 35.67 million, representing an impressive surge of Baht 25.60 million or 254.22% in comparison to the gross profit of Baht 10.07 million recorded during Quarter 2/2022

### 2.1 The gross profit from service business:

In Quarter 2/2023, reported a gross profit of Baht 23.02 million, equivalent to 6.31% of revenue. Notably, this segment experienced an impressive increase of Baht 10.96 million. from the quarter 2022 gross profit of Baht 12.06 million, which accounted for 3.62% of revenues. This surge in gross profit can be attributed to the Transmission line and Distribution work.

Over the six-month period of 2023, the gross profit from the Service Business reached Baht 42.36 million, equivalent to 5.63% of revenues. This represents a remarkable upturn of Baht 41.45 million from the corresponding period in 2022, which reported a gross profit of Baht 0.91 million, or 0.14% of revenues. The growth can be largely attributed to the Substation and Distribution work.

### 2.2 The gross profit/ loss from sale business:

In Quarter 2 2023, a gross profit of Baht 13.80 million, equivalent to 19.61% of revenues. This demonstrates a substantial improvement of Baht 10.11 million compared to the Q2 2022 gross profit of Baht 3.69 million, accounting for 4.76% of revenues. The notable increase primary driver from dropping in steel and zinc costs.

Over the six-month period of 2023, a gross loss of Baht 6.69 million, comprising 6.62% of revenues. This presents a decrease of Baht 15.85 million contrasting to the same period in 2022, which recorded a gross profit of Baht 9.16 million, representing 6.70% of revenues. This can be predominantly attributed to two primary factors – production quantities were lower than standard and an incurred cost loss in production process.

## 3. Selling and administrative expenses:

In Quarter 2 /2023, selling and administrative expenses totaled Baht 73.58 million, reflecting a noteworthy decrease of Baht 11.21 million or 13.22% compared to the same period in 2022, which recorded expenses of Baht 84.79 million.

Over the six-month 2023, selling and administrative expenses amounted to Baht 140.55 million, marking a decrease of Baht 14.40 million or 9.29% in contrast to the corresponding period in 2022, which recorded expenses of Baht 154.95 million.

#### 4. Net Profit/Loss:

In Quarter 2/2023, net profit turnaround the second quarter of 2023, reporting a net profit of Baht 58.18 million. This represents an impressive increase of Baht 95.11 million when compared with the net loss of Baht 36.93 million reported in the second quarter of 2022 which can be attributed to the increase in gross profit margin and dividend income.

Over six-month 2023, net profit turnaround totaled Baht 32.64 million, increase of Baht 136.58 million in comparison to the net loss of Baht 103.94 million reported during the same period in 2022 which can be attributed to the increase in gross profit margin and dividend income.

#### 5. The projects still being under construction (not yet delivered to the owner) at August 11, 2023 are as follows;

	Quantity (Projects)	Amount (Million Baht)
Power Electrical Engineering System	82	2,793
Telecommunication & Signaling	22	162
Renewable Energy Project	7	16
<b>Total</b>	<b>111</b>	<b>2,971</b>

### **Consolidated Financial Position information**

#### **Current assets**

The total current assets as of June 30, 2023, amounted to Baht 1,812.36 million, reflecting a decrease of Baht 66.52 million or 3.54% compared to December 31, 2022 (Baht 1,878.88 million). The decrease in Trade and other current receivables by Baht 80.64 million and current contract assets by Baht 69.27 million had a significant impact on the reduction in current assets. However, an increase in Inventory by Baht 62.72 million and other current assets by Baht 23.82 million partially offset the overall decrease.

#### **Non-current assets**

The non-current assets as of June 30, 2023, stood at Baht 5,066.44 million, reflecting a decrease of Baht 16.51 million or 0.32% compared to December 31, 2022 (Baht 5,082.95 million). The decrease was primarily driven by a reduction of Baht 24.65 million in investment in a joint venture and Baht 15.79 million in restricted deposits at financial institutions. However, an increase of Baht 16.85 million in right of use assets and Baht 7.24 million in property plant and equipment contributed to partially mitigating the decrease.

#### **Current liabilities**

The total current liabilities as of June 30, 2023, were Baht 2,367.70 million, indicating a decrease of Baht 160.49 million or 6.35% compared to December 31, 2022 (Baht 2,528.19 million). A significant decrease in Bank overdrafts and Short-term loans of Baht 218.96 million and Trade and other current payables by Baht 109.41 million contributed to the reduction in current liabilities. However, an increase of Baht 161.11 million in current contract liabilities partially offset the overall decrease.

**Non-current liabilities**

The non-current liabilities as of June 30, 2023, totaled Baht 392.89 million, reflecting an increase of Baht 41.31 million or 11.75% compared to December 31, 2022 (Baht 351.58 million). The significant increase in long-term loans of Baht 43.85 million and lease liability of Baht 14.78 million was the primary driver of the rise in non-current liabilities. However, a decrease of Baht 22.91 million in deferred tax liabilities partially offset the overall increase.

**Shareholders' equity**

Shareholders' equity as of June 30, 2023, amounted to Baht 4,118.21 million, indicating an increase of Baht 36.15 million or 0.89% compared to December 31, 2022 (Baht 4,082.06 million). The significant increase can be attributed to improved operating results for the second quarter of 2023.

Please be informed accordingly,

Yours sincerely,

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MR.Surabot Visutimatakul  
Executive Vice President  
(Accounting, Finance and Budget Division)