



No. Demco AC005/2023

November 14, 2023

Subject : The company's operating result for the quarter 3/2023

To : The president,  
The Stock Exchange of Thailand.

Demco Public Company Limited would like to inform you herewith the company result for the quarter 3/2023 according to the company's consolidated financial statements for the nine-month period September 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 3/2023, total revenues of Baht 524.85 million, marking a increase of Baht 9.65 million or 1.87% compared to the total revenues of Baht 515.20 million in Quarter 3/2022. This upward trend in revenues is indicative of the company's trading revenue and other income.

Over the nine-month period of 2023, total revenues of Baht 1,491.79 million, reflecting an impressive growth of Baht 170.94 million or 12.94% when compared to total revenues of Baht 1,320.85 million in the corresponding period of 2022.

#### 1.1 The revenues from service business:

In Quarter 3/2023, total service revenues of Baht 398.60 million, signifying a drop of Baht 51.46 million or 11.43% from the same period in 2022 amounting to Baht 450.06 million with a decrease in Substation works, Civil Construction and Others, whereas increase in Transmission line.

For the nine-month period of 2023, revenues from the service business were Baht 1,150.48 million, presenting an impressive increase of Baht 44.58 million or 4.03% compared to the same period in 2022 amounting to Baht 1,105.90 million. This growth was driven by a substantial increase in Distribution work and Transmission line, offsetting the decline in Substation work and Others.

1.2 The revenues from sale business; revenues from the sale business witnessed an increase. The surge in revenues primarily from increased sales of woodchip fuel.

In Quarter 3/2023, revenues from the sale business totaled Baht 111.40 million, reflecting a remarkable increase of Baht 56.47 million or 102.80% compared to Quarter 3/2022 amounting to Baht 54.93 million.

For the nine-month period of 2023, the sale revenues amounting to Baht 228.98 million, an increase of Baht 37.33 million or 19.48% from the comparing period revenues of Baht 191.65 million in 2022.

1.3 The other income This substantial increase is primarily attributed to dividend income from investment in renewable energy business.

In Quarter 3/2023, other income amounted to Baht 14.85 million, up from Baht 10.21 million in Quarter 3/2022 with an incline of Baht 4.64 million.

For the nine-month period of 2023, other income was Baht 112.34 million, rose dramatically by Baht 89.04 million from the comparing period of other income of Baht 23.30 million in 2022.

## 2. Gross profit:

In Quarter 3/2023, the total gross profit to Baht 28.32 million, a decrease of Baht 3.87 million or 12.02% compared to the gross profit of Baht 32.19 million reported in Quarter 3/2022.

Over the nine-month period of 2023, the gross profit reached Baht 65.16 million, representing an impressive surge of Baht 22.89 million or 54.15% in comparison to the gross profit of Baht 42.27 million recorded during Quarter 3/2022

### 2.1 The gross profit from service business:

In Quarter 3/2023, reported a gross profit of Baht 31.11 million, equivalent to 7.80% of revenue with a slightly increase of Baht 0.82 million from the quarter 2022 gross profit of Baht 30.29 million, which accounted for 6.73% of revenues.

Over the nine-month period of 2023, the gross profit from the Service Business reached Baht 75.37 million, equivalent to 6.55% of revenues. This represents a remarkable upturn of Baht 44.17 million from the corresponding period in 2022, which reported a gross profit of Baht 31.20 million, or 2.82% of revenues. The growth can be largely attributed to the Substation work, Transmission Line and Distribution work, offsetting the decline in Civil construction.

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

In Quarter 3 2023, a gross loss of Baht 2.79 million, equivalent to -2.50% of revenues. This demonstrates a decrease of Baht 4.69 million compared to the Quarter 3 2022 gross profit of Baht 1.90 million, accounting for 3.46% of revenues. The gross profit primary driver from Sales of wood chip fuel to biomass power plant.

Over the nine-month period of 2023, a gross loss of Baht 10.21 million, comprising -4.46% of revenues. This presents a decrease of Baht 21.28 million contrasting to the same period in 2022, which recorded a gross profit of Baht 11.07 million, representing 5.78% of revenues. This can be predominantly attributed to two primary factors – production quantities were lower than standard and an increase of raw material cost.

## 3. Selling and administrative expenses:

In Quarter 3 /2023, selling and administrative expenses totaled Baht 76.13 million, reflecting a decrease of Baht 6.13 million or 7.45% compared to the same period in 2022, which recorded expenses of Baht 82.26 million.

Over the nine-month 2023, selling and administrative expenses amounted to Baht 216.67 million, marking a decrease of Baht 20.52 million or 8.65% in contrast to the corresponding period in 2022, which recorded expenses of Baht 237.19 million.

#### 4. Net Profit/Loss:

In Quarter 3/2023, reporting a net loss of Baht 42.29 million. This represents a decrease of Baht 5.97 million when compared with the net loss of Baht 48.26 million reported in the third quarter of 2022 which can be attributed to the increase in dividend income.

Over nine-month 2023, net loss totaled Baht 9.65 million, decrease of Baht 142.54 million in comparison to the net loss of Baht 152.19 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 November 14, 2023 are as follows;

	Quantity (Projects)	Amount (Million Baht)
Power Electrical Engineering System	84	2,733
Telecommunication & Signaling	22	122
Renewable Energy Project	7	12
<b>Total</b>	<b>113</b>	<b>2,867</b>

### **Consolidated Financial Position information**

#### **Current assets**

The total current assets as of September 30, 2023, amounted to Baht 1,874.50 million, reflecting a decrease of Baht 4.38 million or 0.23% compared to December 31, 2022 (Baht 1,878.88 million). The decrease in Trade and other current receivables by Baht 87.17 million and current contract assets by Baht 85.60 million had a significant impact on the reduction in current assets. However, an increase in Inventory by Baht 135.17 million partially offset the overall decrease.

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

The non-current assets as of September 30, 2023, stood at Baht 5,021.99 million, reflecting a decrease of Baht 60.96 million or 1.20% compared to December 31, 2022 (Baht 5,082.95 million). The decrease was primarily driven by a reduction of Baht 58.13 million in investment in associates. However, an increase of Baht 26.61 million in right of use assets contributed partially to mitigating the decrease.

#### **Current liabilities**

The total current liabilities as of September 30, 2023, were Baht 2,419.30 million, indicating a decrease of Baht 108.89 million or 4.31% compared to December 31, 2022 (Baht 2,528.19 million). A significant decrease in Bank overdrafts and Short-term loans of Baht 240.24

million and Trade and other current payables by Baht 21.64 million contributed to the reduction in current liabilities. However, an increase of Baht 147.39 million in current contract liabilities partially offset the overall decrease.

**Non-current liabilities**

The non-current liabilities as of September 30, 2023, totaled Baht 401.25 million, reflecting an increase of Baht 49.67 million or 14.13% compared to December 31, 2022 (Baht 351.58 million). The significant increase in long-term loans of Baht 40.21 million and lease liability of Baht 24.32 million was the primary driver of the rise in non-current liabilities. However, a decrease of Baht 23.29 million in deferred tax liabilities partially offset the overall increase.

**Shareholders' equity**

Shareholders' equity as of September 30, 2023, amounted to Baht 4,075.93 million, indicating a decrease of Baht 6.13 million or 0.15% compared to December 31, 2022 (Baht 4,082.06 million). The decrease derives from operating results for the third quarter of 2023.

Please be informed accordingly,

Yours sincerely,

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