



No. Demco AC005/2024

February 27, 2024

Subject : The company's operating result for the year ended 2023

To : The president,
The Stock Exchange of Thailand.

Demco Public Company Limited would like to inform you herewith the company result for the year 2023 according to the company's consolidated financial statements for the year ended December 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 2023, total revenues of Baht 2,300.73 million, marking an increase of Baht 163.28 million or 7.64% compared to the total revenues of Baht 2,137.45 million in 2022. This upward trend in revenues is indicative of the company's trading revenue and other income.

1.1 The revenues from service business:

In 2023, total service revenues of Baht 1,800.33 million, presenting a drop of Baht 60.64 million or 3.26% from the prior year amounting to Baht 1,860.97 million with a decrease in Substation works, Civil Construction and Others, whereas increase in Transmission line and Distribution works.

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 2023, revenues from the sale business totaled Baht 355.26 million, reflecting a remarkable increase of Baht 116.13 million or 48.56% compared to last year's amounted to Baht 239.13 million.

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

In 2023, other income amounted to Baht 145.14 million, representing a notable growth from the previous year's total of Baht 37.35 million with an increase of Baht 107.79 million or 288.59%

2. Gross profit:

In 2023, the total gross profit is Baht 164.83 million, an increase of Baht 67.15 million or 68.74% compared to the gross profit of Baht 97.68 million reported in 2022.

2.1 The gross profit from service business:

In 2023, a gross profit of Baht 164.29 million, equivalent to 9.13% of revenue with a significant increase of Baht 64.94 million from the year 2022 gross profit of Baht 99.35 million, which accounted for 5.34% of revenues.

The growth can be largely attributed to the Substation work and Underground work offsetting the decline in Transmission line.

2.2 The gross profit/ loss from sale business:

In 2023, a gross profit of Baht 0.54 million, equivalent to 0.15% of revenues. This demonstrates an increase of Baht 2.21 million compared to the year 2022 gross loss of Baht 1.67 million, accounting for -0.70% of revenues. The gross profit was the primary derived from Sales of wood chip fuel to biomass power plant accounted for Baht 112.3 or averaged 5.0% of revenues.

3. Selling and Administrative Expenses

In 2023, selling and administrative expenses totaled Baht 286.74 million, reflecting a decrease of Baht 25.77 million or 8.25% compared to the prior year, which recorded expenses of Baht 312.51 million with a decrease in employee expenses and bank fee.

4. Net Profit/Loss:

In 2023, reporting a net loss of Baht 549.93 million. This represents a dramatic loss decrease of Baht 422.08 million when compared with the net loss of Baht 127.85 million reported in 2022 which can be attributed to the impairment loss on service concession agreement, which was recognized as intangible asset of the subsidiary company - Demco De Laos Co. Ltd., This impairment was a result of the severe depreciation of the Kip currency, and uncertainty persists regarding whether it will stabilize in the near future.

5. The projects still being under construction (not yet delivered to the owner) at February 27, 2024 are as follows;

	Quantity (Projects)	Amount (Million Baht)
Power Electrical Engineering System	81	2,570
Telecommunication & Signaling	23	173
Total	104	2,743

Consolidated Financial Position information

Current assets

The total current assets as of December 31, 2023, amounted to Baht 1,942.72 million, reflecting an increase of Baht 63.84 million or 3.40% compared to December 31, 2022 (Baht 1,878.88 million). An increase accounted for Trade and other current receivables Baht 192.86 million and Inventory amounted Baht 384.58 million However, the decrease in current contract assets Baht 354.26 million lead to a significant impact on the reduction in current assets partially offset the overall increase.

Non-current assets

The non-current assets as of December 31, 2023, stood at Baht 4,476.48 million, presenting a decrease of Baht 606.47 million or 11.93% compared to December 31, 2022 (Baht 5,082.95 million). The decrease was primarily driven by an impairment loss on Demco de Lao's intangible asset amounted Baht 586.59 million.

Current liabilities

The total current liabilities as of December 31, 2023, were Baht 2,438.29 million, indicating a decrease of Baht 89.90 million or 3.56% compared to December 31, 2022 (Baht 2,528.19 million). A significant decrease of Baht 477.79 million in Bank overdrafts and Short-term loans contributed to the reduction in current liabilities. However, an increase of Baht 261.03 million in current contract liabilities and Baht 118.75 million in accounts payable and other current payables partially offset the overall decrease.

Non-current liabilities

The non-current liabilities as of December 31, 2023, totaled Baht 393.28 million, presenting an increase of Baht 41.70 million or 11.86% compared to December 31, 2022 (Baht 351.58 million). The significant increase of Baht 44.69 million in lease liability and Baht 28.56 million in long-term loans was the primary driver of the rise in non-current liabilities. However, a decrease of Baht 36.49 million in deferred tax liabilities partially offset the overall increase.

Shareholders' equity

Shareholders' equity as of December 31, 2023, amounted to Baht 3,587.62 million, indicating a decrease of Baht 494.44 million or 12.11% compared to December 31, 2022 (Baht 4,082.06 million). This decline is primarily attributed to the impairment loss on intangible assets related to the service concession agreement granted to Demco de Lao Co., Ltd. However, it's important to note that this loss does not currently impact on the company's operations or cash flow.

Please be informed accordingly,

Yours sincerely,

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