



No. Demco AC002/2020

May 18, 2020

Subject : The company's operating result for the quarter 1/2020

To : The president,
The Stock Exchange of Thailand.

Demco Public Company Limited would like to inform you herewith the company result for the quarter 1/2020 according to the company's consolidated financial statements for the year ended March 31, 2020. The conclusions are as follow;

Operating performance :

1. Revenues : The total revenues of the quarter 1/2020 was Baht 549.05 million representing a decrease 22.22% comparing with the total revenues of Baht 705.89 million of quarter 1/2019.

The revenues from service business of the quarter 1/2020 amount Baht 494.92 million was decreased of Baht 139.90 million or 22.04% from the revenues from services business of Baht 634.83 million of the quarter 1/2019. The significant decreasing came from the revenues decreasing of Transmission line work.

The revenues from sale business of the quarter 1/2020 Baht 44.91 million was decreased of Baht 12.19 million or 21.35% from the revenues of Baht 57.10 million of the quarter 1/2019. The revenue was decreased from the contract manufacturing and telecommunication towers because the communication system turning to 5G.

2. Gross profit : The total gross profit of the quarter 1/2020 was Baht 107.60 million representing a decreased of Baht 15.69 million or 12.73% of the total gross profit of Baht 123.29 million of the quarter 1/2019. The total gross profit margin was increased from 17.82% to 19.93% as follows:

The gross profit from service business of the quarter 1/2020, the Company had gross profit from service income of Baht 108.24 million or 21.87% decreased from quarter 1/2019 of Baht 3.17 million or 2.85% However, gross profit margin in quarter 1/2020 increased from 17.55% to 21.87% comparing with quarter 1/2019 due to improvement in project cost management.

The gross loss from sale business of the quarter 1/2020, the company had gross loss from sale income of Baht 0.64 million or 1.43% of sale revenue that decreased from quarter 1/2019 of gross profit Baht 11.88 million or 20.81%. The gross profit decreased 12.52 million comparing with quarter 1/2019 because of steel poles bidding plan postponement that impacted to new order.

3. Sales and administrative expenses : Sales and administrative expenses of quarter 1/2020 was Baht 93.39 million decreased of Baht 4.44 million comparing with the quarter 1/2019 which was Baht 97.83 million or 4.54%.

4. Net profit : quarter 1/2020 the company's net profit is Baht 23.19 million representing decreased of 54.5% of quarter 1/2019 of Baht 50.98 million mainly due to decreasing in revenue. The Net profit margin was decreased from 7.22% to 4.22%



5. The projects still being under construction (not yet delivered to the owner) at April 30, 2020 are as follows;

	Quantity (Projects)	Amount (Million Baht)
Power Electrical Engineering System	35	2,096.09
Telecommunication & Signaling	6	1,012.30
Renewable Energy Project	1	6.27
Total	42	3,114.66

Consolidated Financial Position information

Current assets as at 31 March, 2020 was Baht 1,777.36 million. decreased amount of Baht 252.29 million or 12.43% was from current assets amount of Baht 2,029.65 million as at 31 December 2019. The mainly decreased from the Trade and other current receivables Baht 84.17 million, Cash and cash equivalents Baht 67.25 million and Current contract assets Baht 64.12 million.

Non-current assets as at 31 March, 2020 was Baht 5,581.49 million which increased amount Baht 1,626.52 million or 41.13% compared to non-current assets as at 31 December 2019 due to from fair value of investments measurement amount of Baht 1,771.18 million.

Current liabilities as at 31 March, 2020 was Baht 2,149.53 million which decreased of Baht 214.65 million or 9.08% from current liabilities amount of Baht 2,364.18 million as at 31 December 2019, the mainly decreased from Trade and other current payables Baht 266.14 million, Current contract liabilities Baht 72.75.

Non-current liabilities as at 31 March, 2020 was Baht 609.79 million which increased amount Baht 160.04 million or 35.58% from non-current liabilities amount of Baht 449.75 million as at 31 December 2019 due to increasing in deferred income tax from measurement of fair value in investment.

Shareholders' equity as at 31 March, 2020 was Baht 4,599.53 million. Increased amount of Baht 1,428.84 million or 45.06% due to fair value measurement of investment in Wind Energy Holding co., Ltd and Khao Kor Wind Power co., Ltd through other comprehensive income according to TFRS9 – Financial Instruments.

The company has been affected by the government measures under the Emergency decree due to the prohibition a restriction on the people movement across provinces for some ongoing projects. However, the company management is not affected from this situation, determined necessary measures such as people screening both employees and visitors, work from home and business continuity plan supporting for both project sites and also head quarter office thus business operations can continue.

Please be informed accordingly,

Yours sincerely,

.....

Paitoon Gumchai
Director and The Company's Secretary
Authorized sign on behalf of the Company