

บริษัท เด็มโก้ จำกัด (มหาชน)

DEMCO PUBLIC COMPANY LIMITED

SEPTEMBER 14th, 2023



AGENDA

- 👍 TYPES OF BUSINESS
- 👍 FINANCIAL HIGHLIGHTS
- 👍 KEY DRIVER FOR FUTURE REVENUE
- 👍 Q & A



AGENDA



TYPES OF BUSINESS

A. Services (as turnkey contractor)

B. Factory & Sale

C. Investment



FINANCIAL HIGHLIGHTS



KEY DRIVER FOR FUTURE REVENUE



Q & A



TYPES OF BUSINESS

A. Services (as turnkey contractor)

- Electrical System
- Mechanical, Electrical, Instrumentation and Telecommunication System (MEIT)
- Renewable Power Plant (Wind Farm, Solar Farm, Waste to Energy)

B. Factory & Sale

- Steel structure for transmission line and telecommunication tower including supporting structure for main equipment in switchyard.

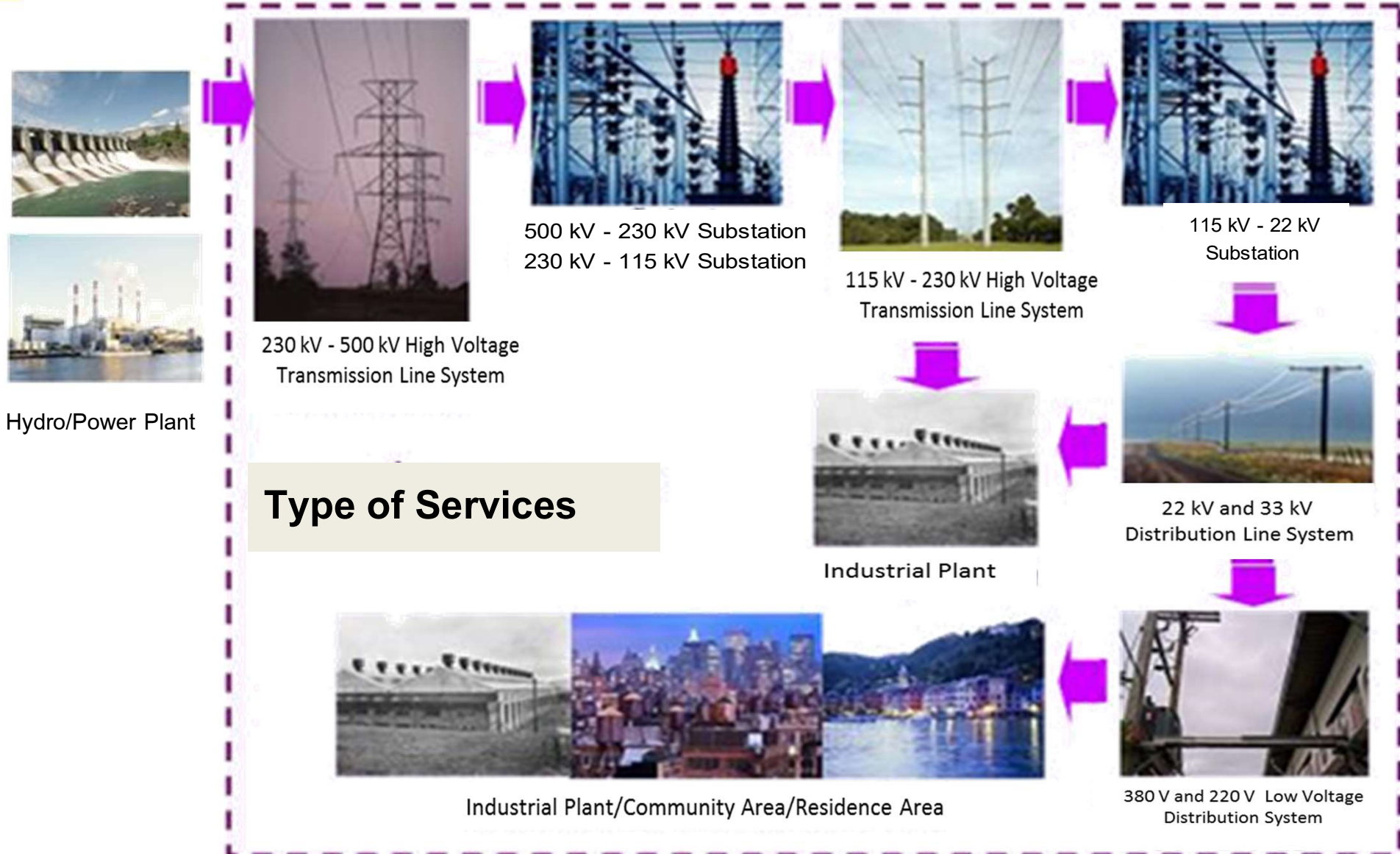
C. Investment

- Power Plant : Wind Farm & Solar Farm
- Public Utility : Water Supply

A : Services (as turnkey contractor)



Electrical System





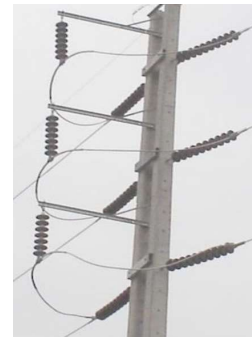
A : Services (as turnkey contractor)



Electrical System

1. High Voltage Transmission Line System Construction :

To transmit electrical power from electrical generators to 69 kV – 500 kV substations



Hot dip galvanized steel tower for transmission line manufactured by DEMCO PLC as well.

2. High Voltage Substation Construction :

To control, monitor, and step up/down 69 kV – 500 kV power system transmitted from electrical generators through high voltage transmission line



- Air Insulated or Conventional Type (Out door)
- SF6 Gas Insulated Type (In door)



A : Services (as turnkey contractor)

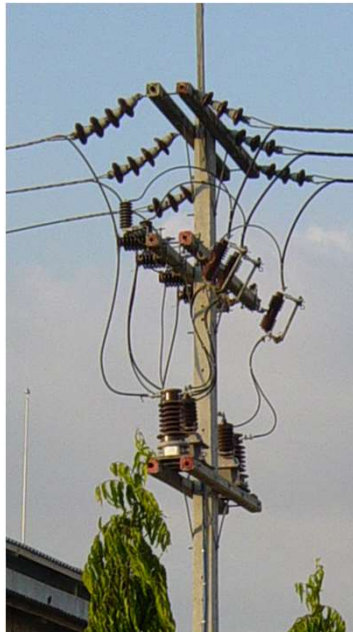


Electrical System

3. High Voltage Distribution Line System Construction and Underground Cable System

Construction :

- HV Distribution system – Concrete poles with accessories construction & stringing conductors or cables to 22kV or 33 kV electrical equipment
- HV Underground Cable System – Conduit work and 22 kV – 115 kV underground cable extrusion





A : Services (as turnkey contractor)



Mechanical, Electrical, Instrumentation and Telecommunication System (MEIT)

1. Mechanical and Piping System :

Provide comprehensive system of Heating, Ventilation, and Air-conditioning (HVAC), Water supply system and sanitation (WSS), Industrial and Process Piping, Firewater Protection and Deluge Services, Water Supply Pump and Pipeline System, and Storage Tank system for Oil, Gas, Water or Chemical product.



2. Electrical and Instrumentation System :

Provide electrical service, measuring system including the control system.

3. Telecommunication System :

Design, procure, install and test system for communication and telecommunication including the installation of fiber optic cable networks with the installation of communication equipment both on electric pole and underground.



A : Services (as turnkey contractor)



Renewable Power Plants

Renewable Energy :

Design , procure, construct, and install equipment for renewable power plant of Biomass, Wind farm and Solar energy



Past Experience :

- Constructed 453 MW wind farm as balance of plant contractor, contracts amount ₱ 8,046 million
- Constructed 321 MW solar farms, contracts amount ₱ 8,677 million



B : Factory & Sale

Steel structure for transmission line & telecommunication tower



Annual capacity 16,000 ton per year

Telecommunication Tower



High Voltage Transmission Line



One of five EGAT Authorized Vendors for the supply of 500kV transmission line towers



C : Investment



Wind farm : 57.9 MW

- 15% in 180 MW. Wind farm (operated in 2012 - 2013) = 27.0 MW
- 14% in 60 MW. Wind farm (operated in 2016) = 8.4 MW
- 3.9% in 576 MW. Wind farm (operated in 2018 - 2019) = 22.5 MW



Solar farm : 3.0 MW

- 100% in 1 MW. Solar rooftop (COD operated in 2014) = 1.0 MW
- 45.7% in 3 MW. Solar farm (COD operated in 2014) = 1.3 MW
- 49-51% in 1.4 MW. Solar rooftop (COD operated in 2015) = 0.7 MW



Solar PPA : 5.22 MW

- 3 Projects (COD operated 2021 - Q1 2023) = 1.8 MW
- 9 Projects (Under construction Expect COD in 2H/2023) = 3.4 MW
- 2 Projects (Expect COD in 1H/2024) = 1.5 MW



Water supply system:

- 100% in water supply system concession (operated in 2017)



AGENDA



TYPES OF BUSINESS



FINANCIAL HIGHLIGHTS

Revenues Structure

Gross Profit

Net Profit

Statements of Financial Position

Projects Backlog



KEY DRIVER FOR FUTURE REVENUE



Q & A



FINANCIAL HIGHLIGHTS Q2'2023

Q2'2022			Q2'2023
420 MB	Revenue	23.6%	519 MB
16 MB	Gross Profit	133.8%	37 MB
3.8 %	Gross Profit Margin	4.6%	8.5 %
-37 MB	Net Profit	257.5%	58 MB
-8.8 %	Net Profit Margin	20%	11.2 %



FINANCIAL HIGHLIGHTS 1H'2023

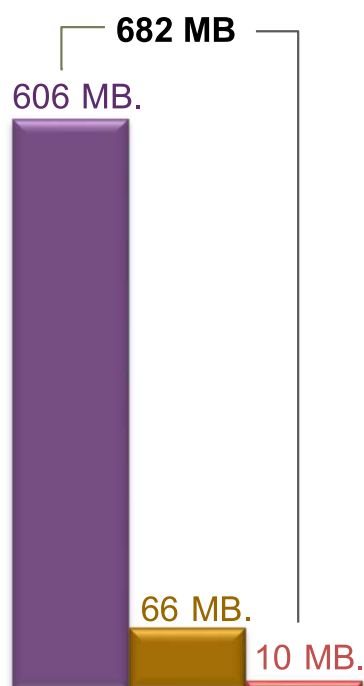
1H'2022			1H'2023
806 MB	Revenue	18.1%	952 MB
10 MB	Gross Profit	254.2%	36 MB
1.3 %	Gross Profit Margin	2.9%	4.2 %
-104 MB	Net Profit	131.4%	33 MB
-12.9 %	Net Profit Margin	16.3%	3.4 %



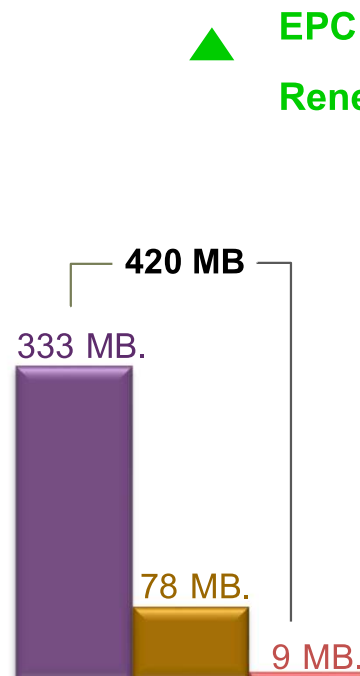
FINANCIAL HIGHLIGHTS Q2'2023

Revenues Structure

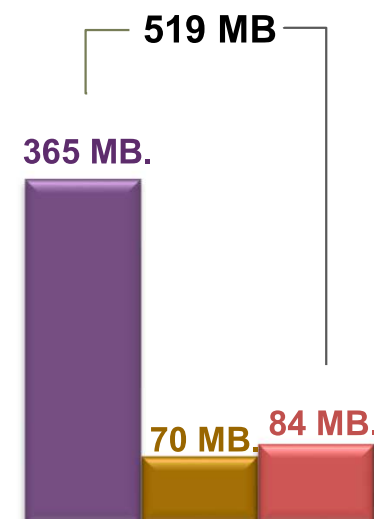
■ Service ■ Sales ■ Other Income



Q2'21



Q2'22



Q2'23

Revenues Structure >>

89 : 10 : 1

79 : 19 : 2

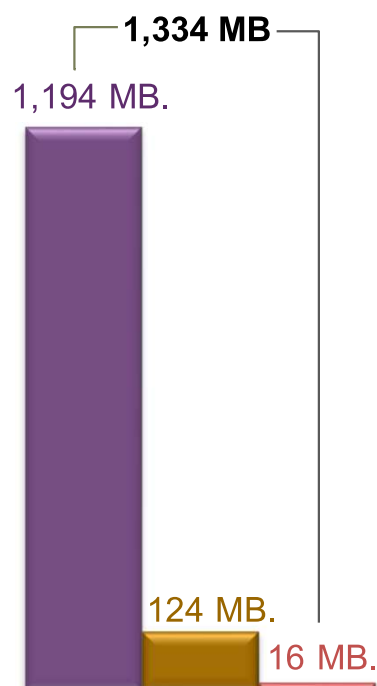
70 : 14 : 16



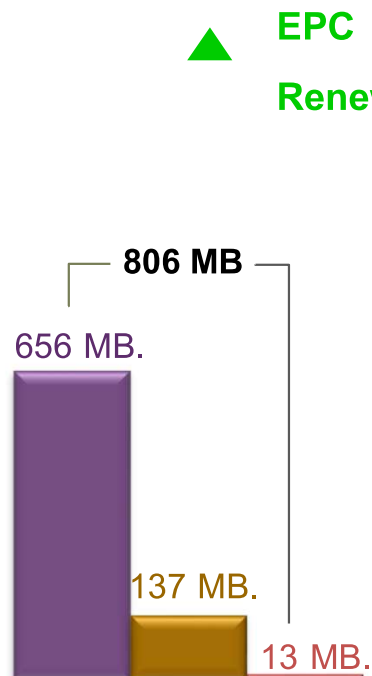
FINANCIAL HIGHLIGHTS 1H'2023

Revenues Structure

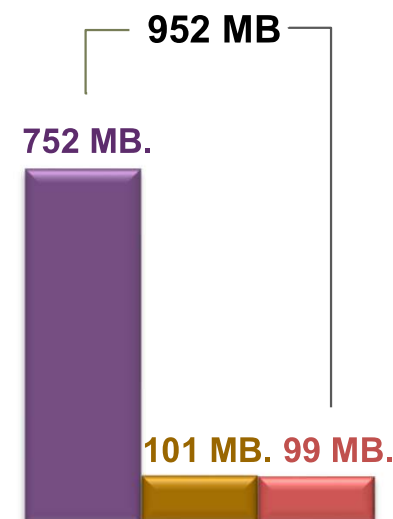
■ Service ■ Sales ■ Other Income



1H'21



1H'22



1H'23

90 : 9 : 1

81 : 17 : 2

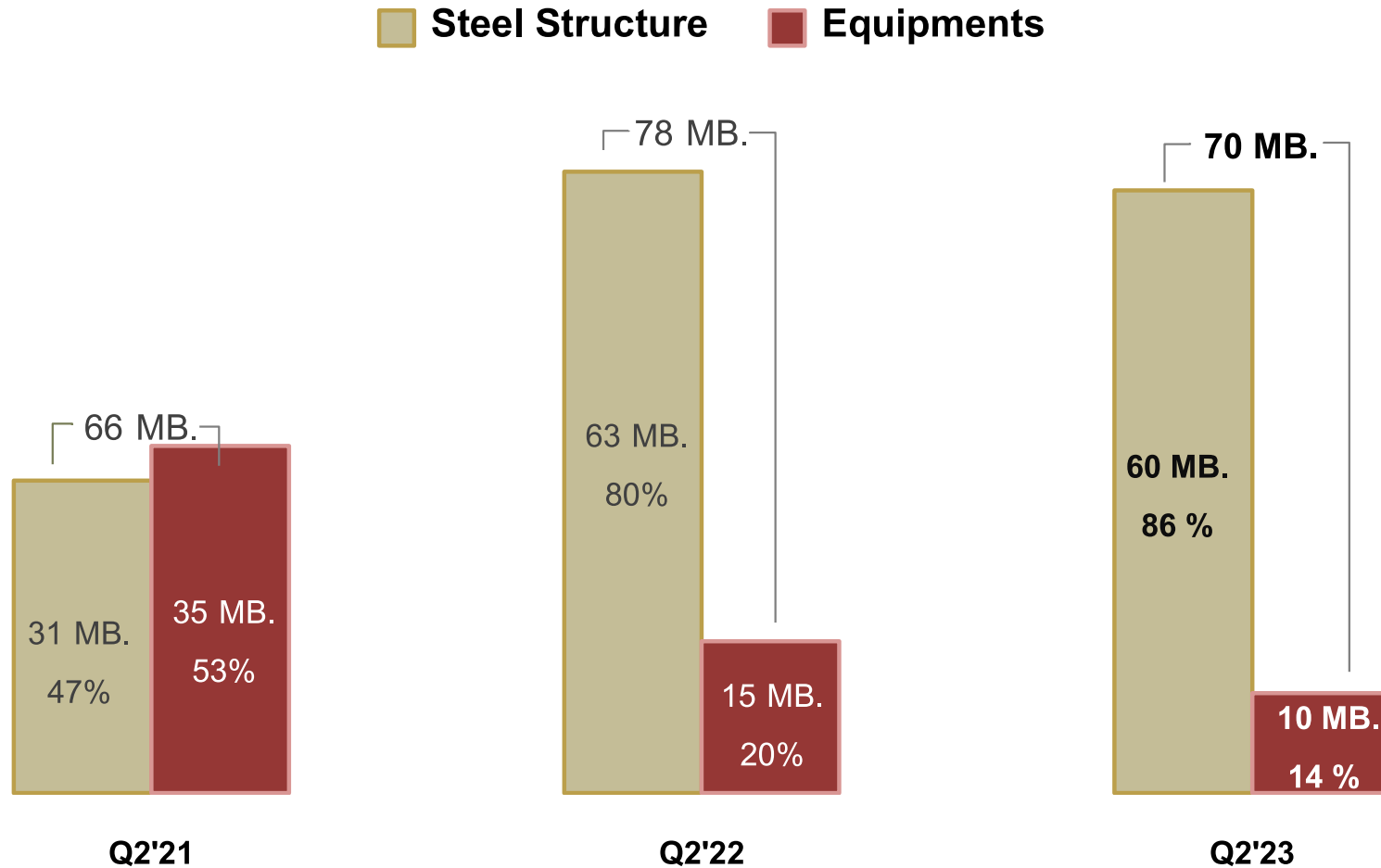
79 : 11 : 10

Revenues Structure >>



FINANCIAL HIGHLIGHTS Q2'2023

Revenues from Sales

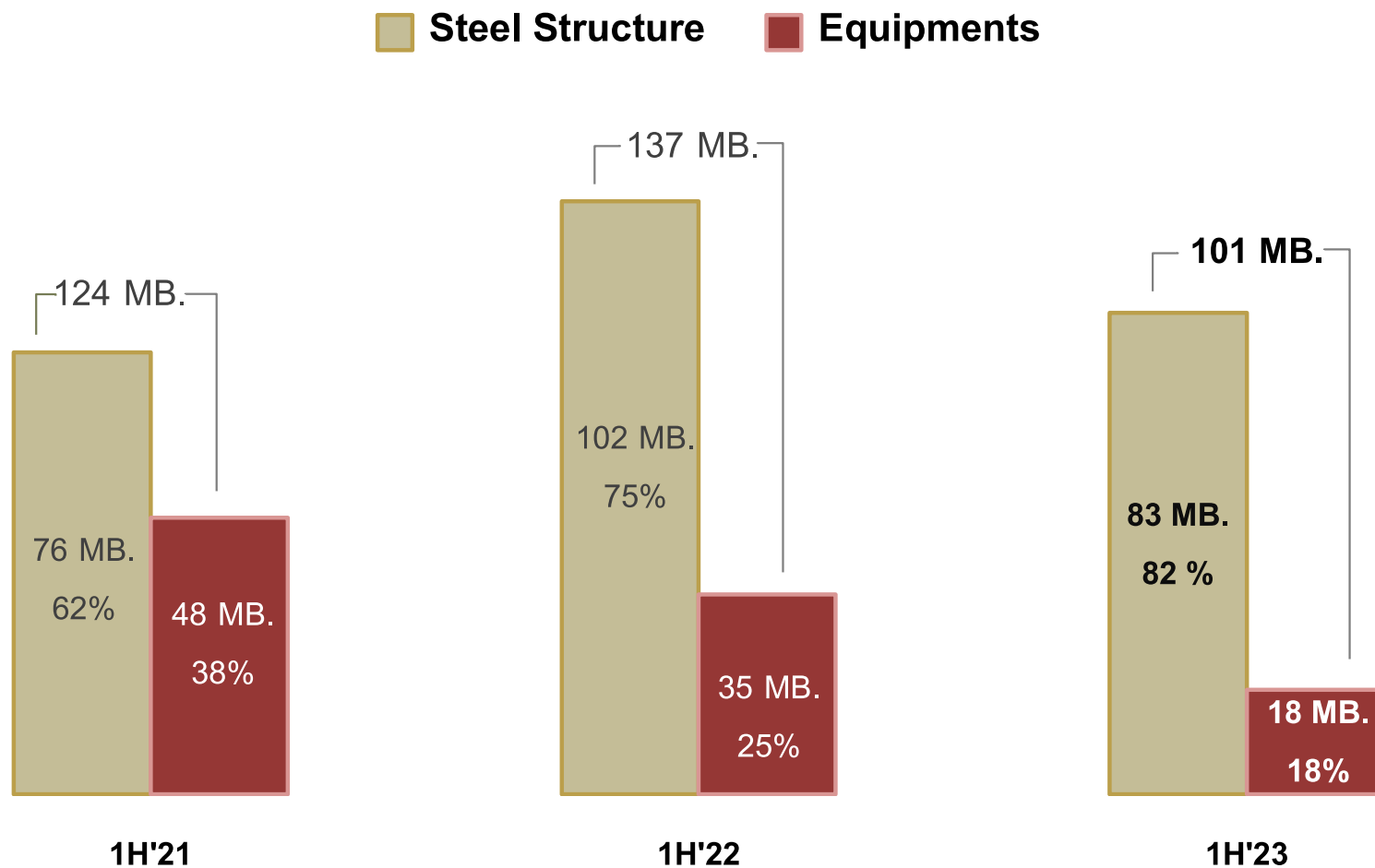


Revenues from Sales Q2'23 decreased from Q2'22 from both steel structure and equipment



FINANCIAL HIGHLIGHTS 1H'2023

Revenues from Sales



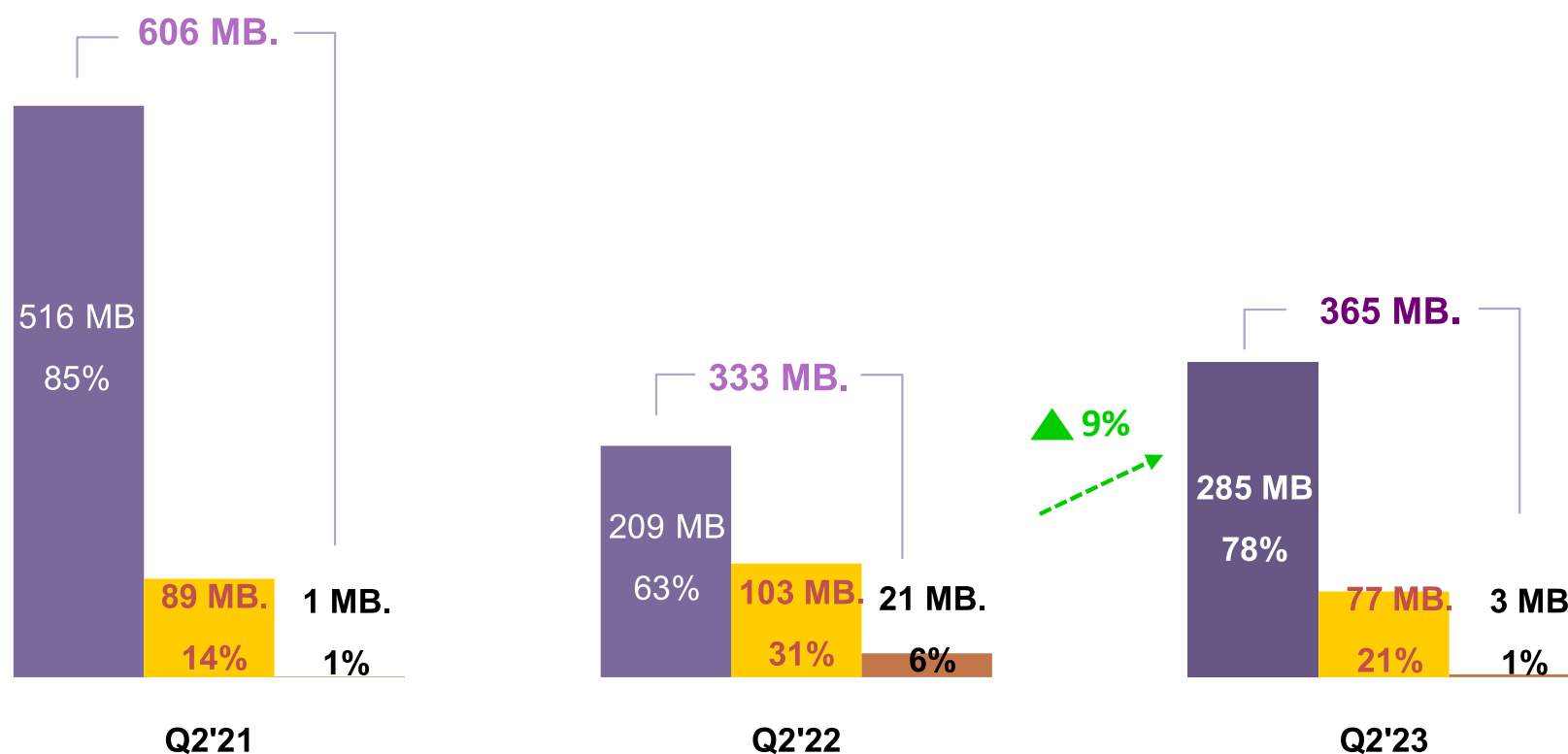
Revenues from Sales 1H'23 decreased from 1H'22 from both steel structure and equipment



FINANCIAL HIGHLIGHTS Q2'2023

Revenues from Services

■ Electrical Work ■ Signaling Work & MEIT & Other ■ Renewable



Revenues from services increased from Distribution works and Transmission line , whereas decrease of Underground and Other works partially offset the overall increase



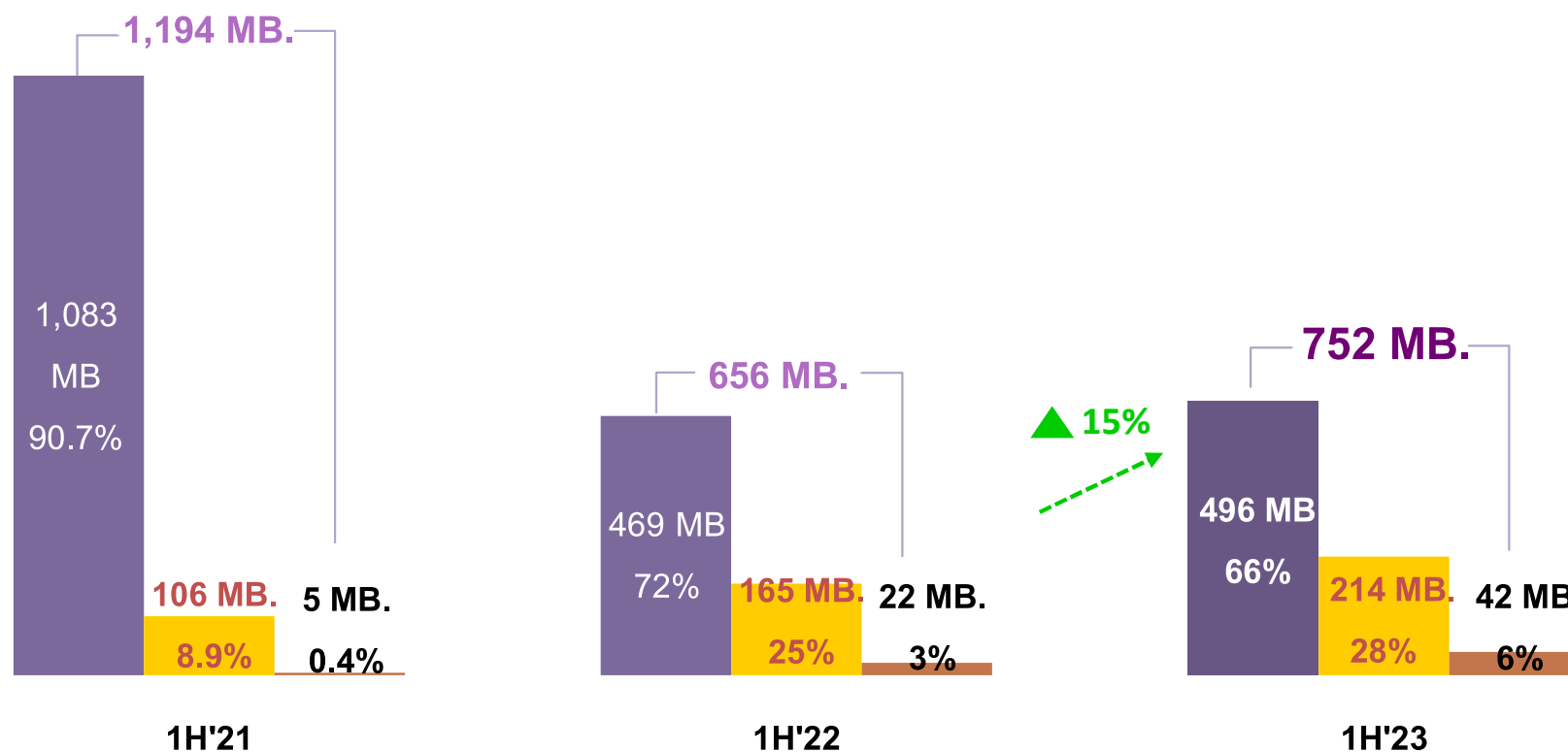
FINANCIAL HIGHLIGHTS 1H'2023

Revenues from Services

■ Electrical Work

■ Signaling Work & MEIT & Other

■ Renewable



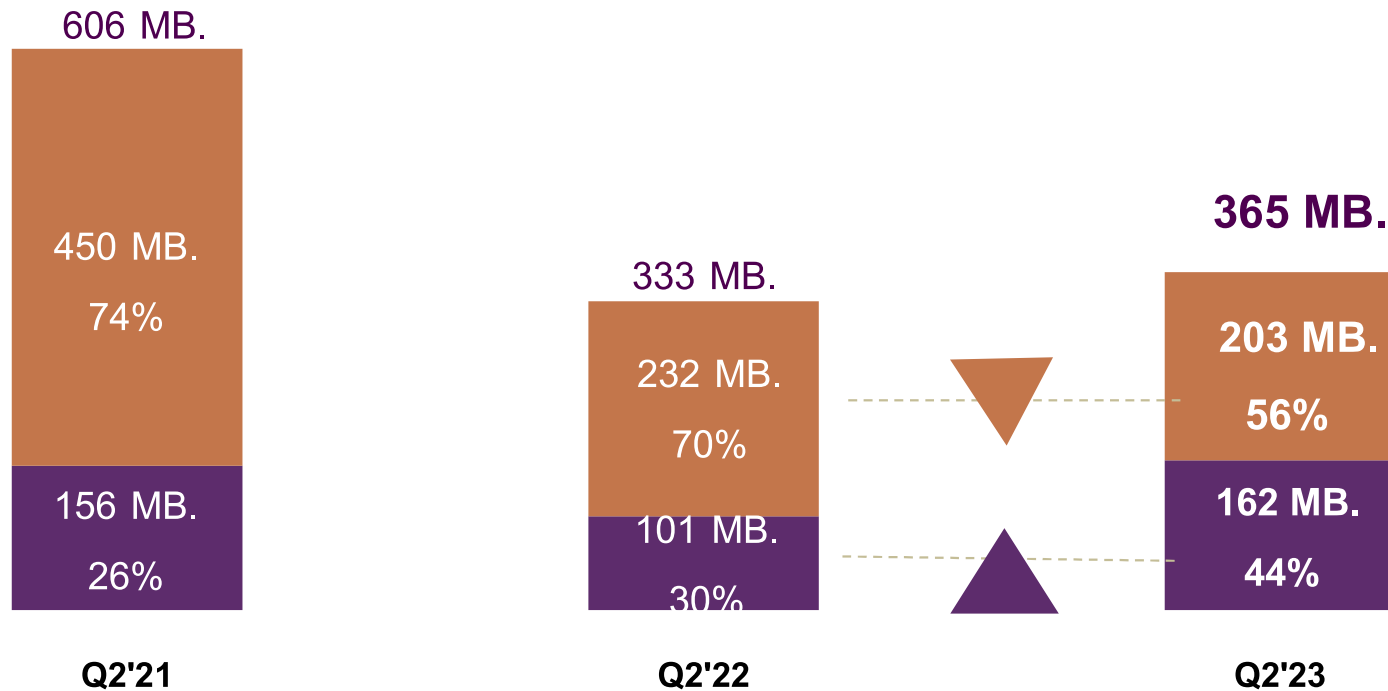
Revenues from services increased from Distribution works and Civil , whereas decrease of Substation Construction and Other works partially offset the overall increase



FINANCIAL HIGHLIGHTS Q2'2023

Services Revenues by Customer

■ Government ■ Private



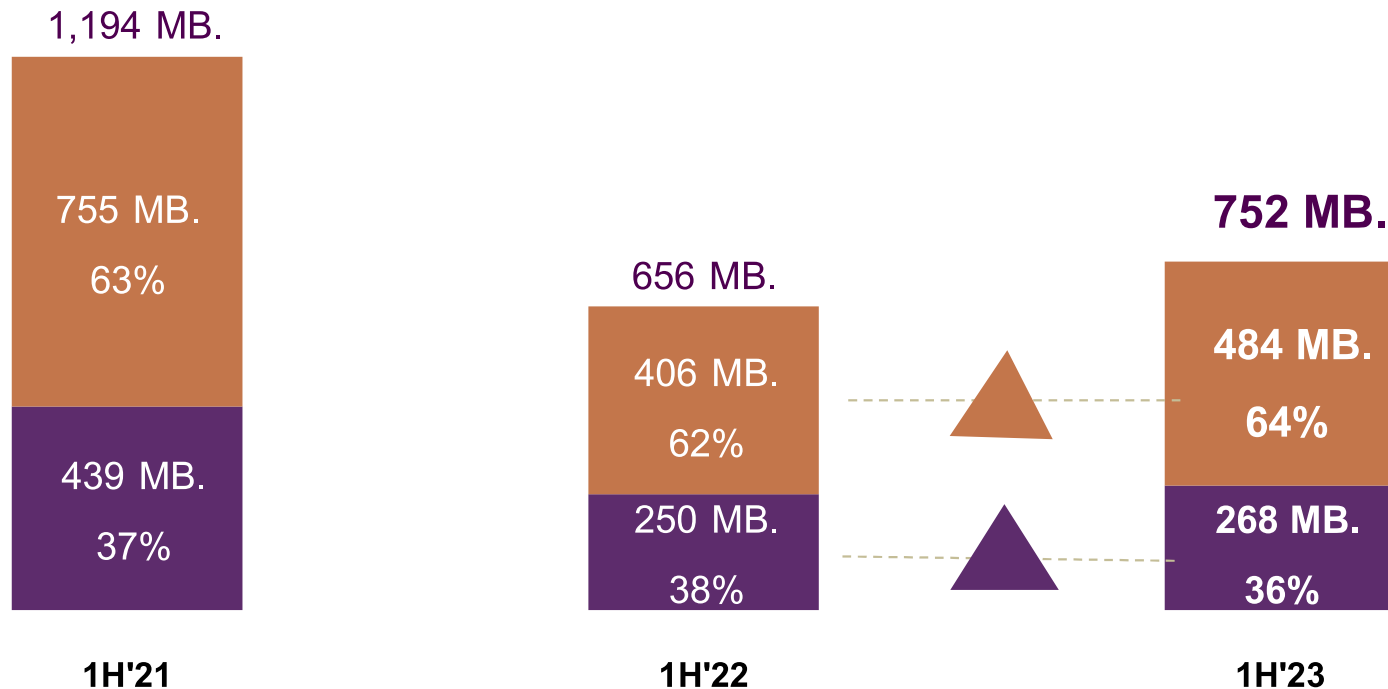
The overall revenue has been increased due to higher in bidding activities. However, the delays were encountered in bidding process of EGAT substation projects and deferred of investments in renewable energy power plants caused the lower in revenue growth compared to the target.



FINANCIAL HIGHLIGHTS 1H'2023

Services Revenues by Customer

■ Government ■ Private

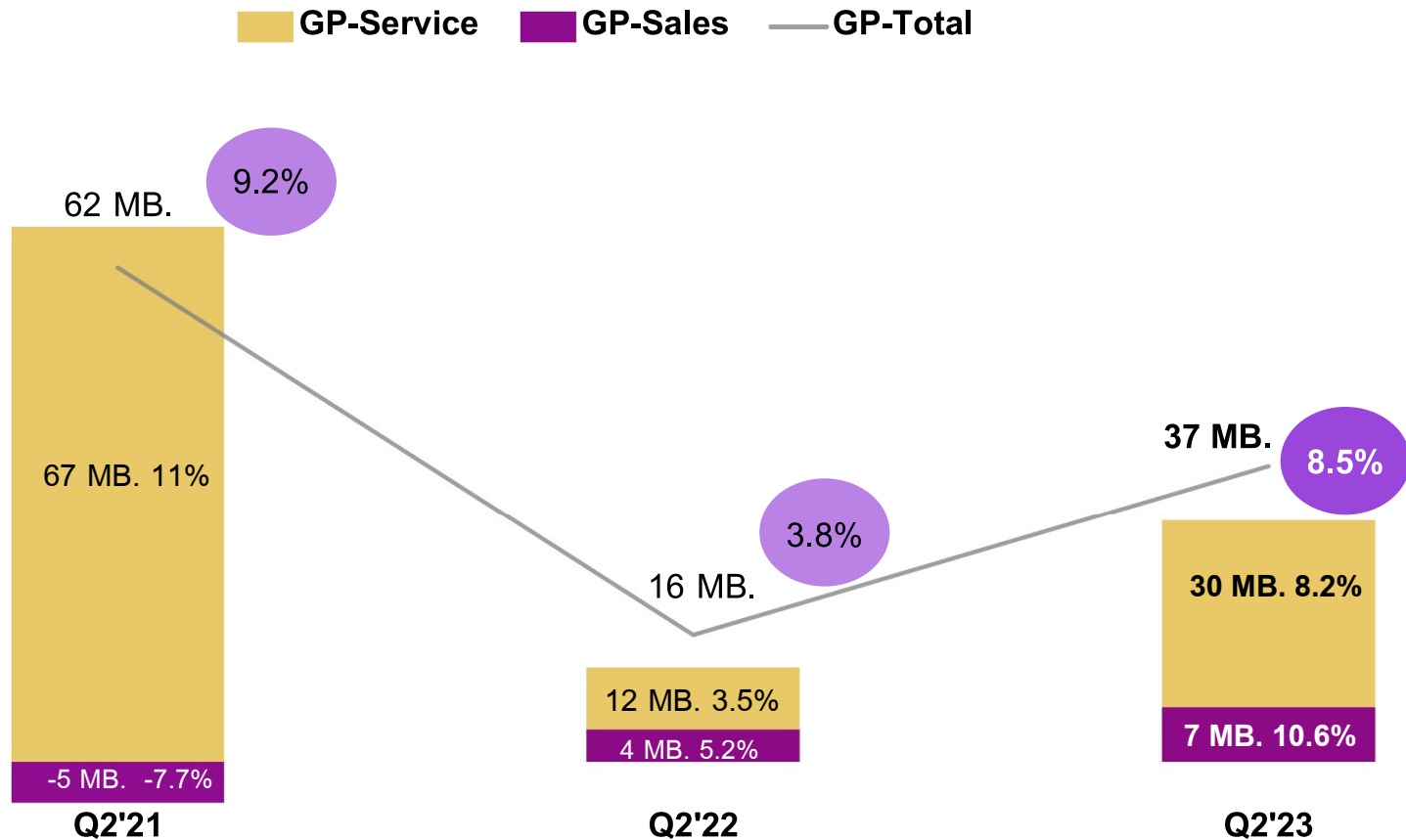


The overall revenue has been increased due to higher in bidding activities. However, the delays were encountered in bidding process of EGAT substation projects and deferred of investments in renewable energy power plants caused the lower in revenue growth compared to the target.



FINANCIAL HIGHLIGHTS Q2'2023

Gross Profit



21 MB

GP Amount : Q2'23 increased from the revenue recognition in Transmission line and Distribution work.

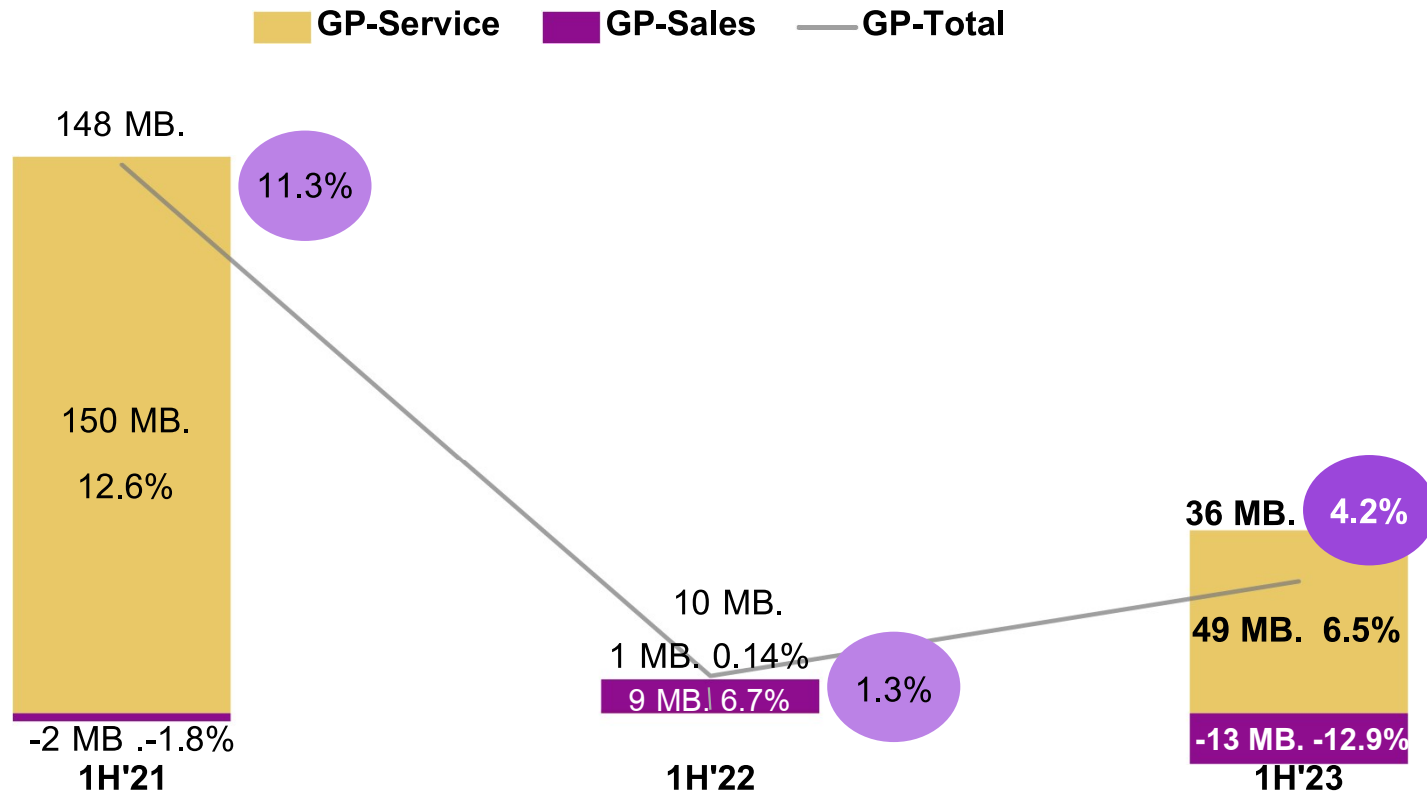
4.6%

GP margin : Q2'23 increased from the revenue recognition in Transmission line and Distribution work.



FINANCIAL HIGHLIGHTS 1H'2023

Gross Profit



26 MB

GP Amount : 1H'23 increased from the revenue recognition in Substation and Distribution work.

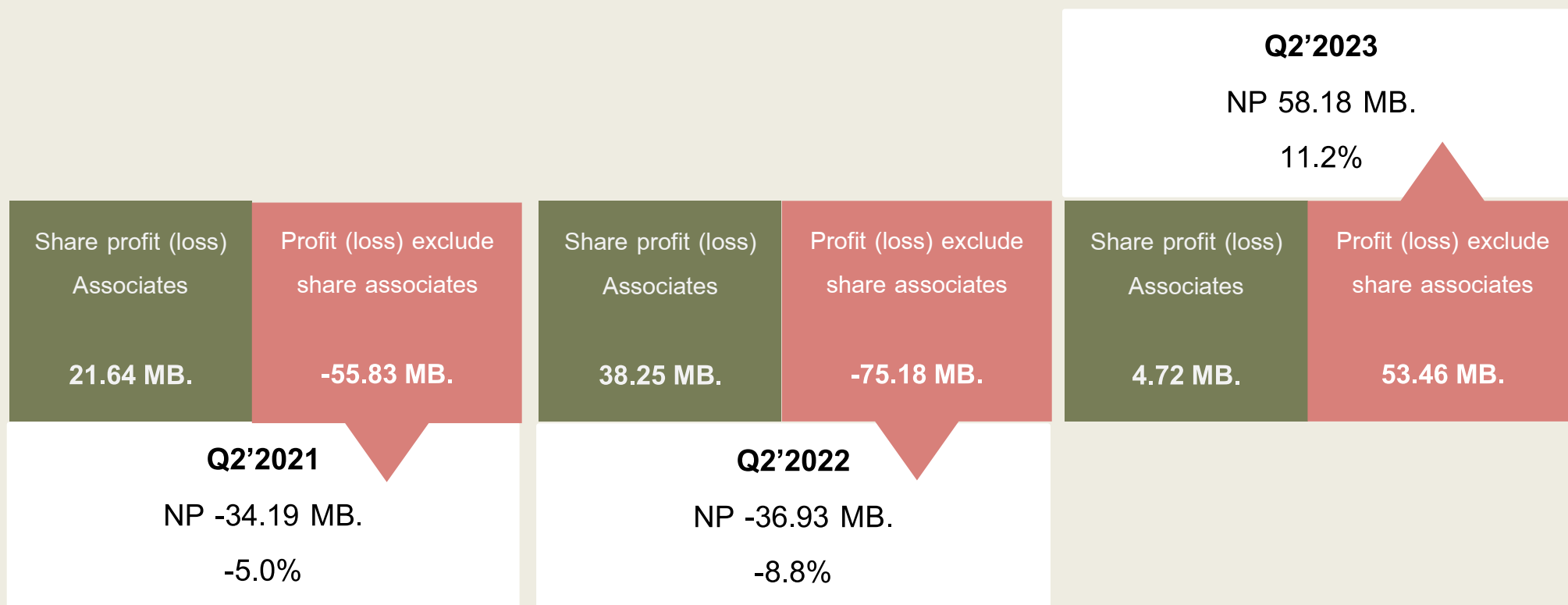
2.9%

GP margin : 1H'23 increased from the revenue recognition in Substation and Distribution work.



FINANCIAL HIGHLIGHTS Q2'2023

Net Profit



Net profit Q2'23 can be attributed to the increase in gross profit margin, share profit of investment in associates and joint venture and dividend income from Other non-current financial assets.



FINANCIAL HIGHLIGHTS 1H'2023

Net Profit

1H'2021

NP 7.36 MB.

0.6%

Share profit (loss)
Associates

61.96 MB.

Profit (loss) exclude
share associates

-54.60 MB.

Share profit (loss)
Associates

55.61 MB.

Profit (loss) exclude
share associates

-159.55 MB.

1H'2023

NP 32.64 MB.

3.4%

Share profit (loss)
Associates

47.89 MB.

Profit (loss) exclude
share associates

-15.25 MB.

1H'2022

NP -103.94 MB.

-12.9%

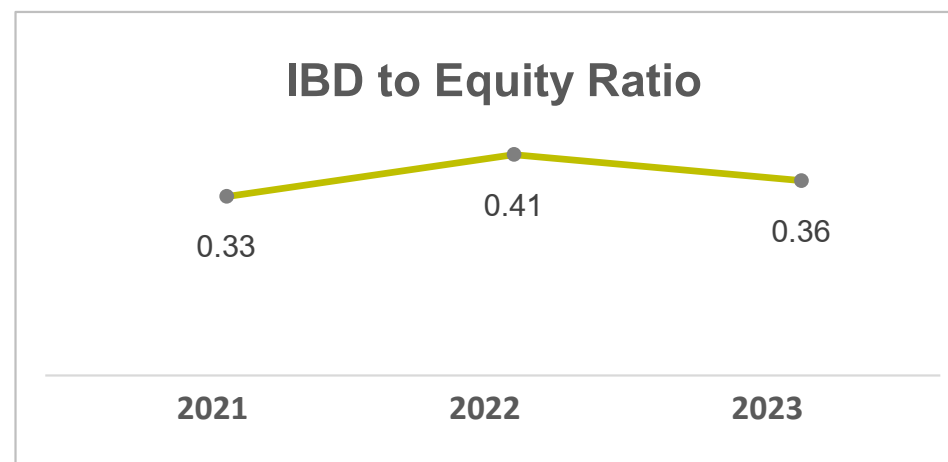
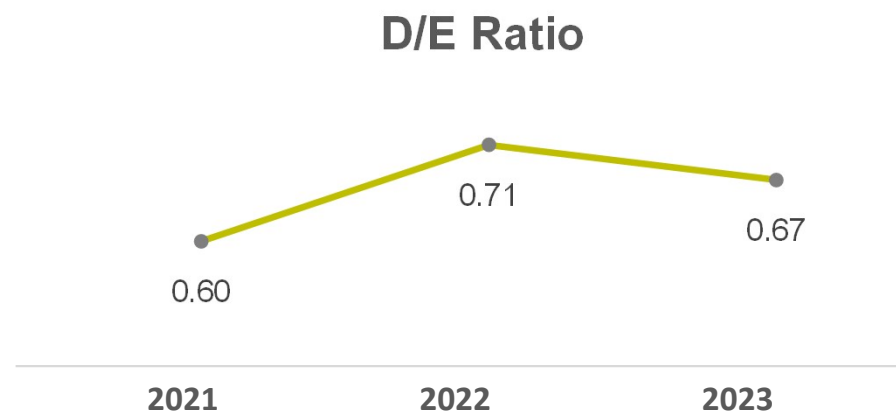
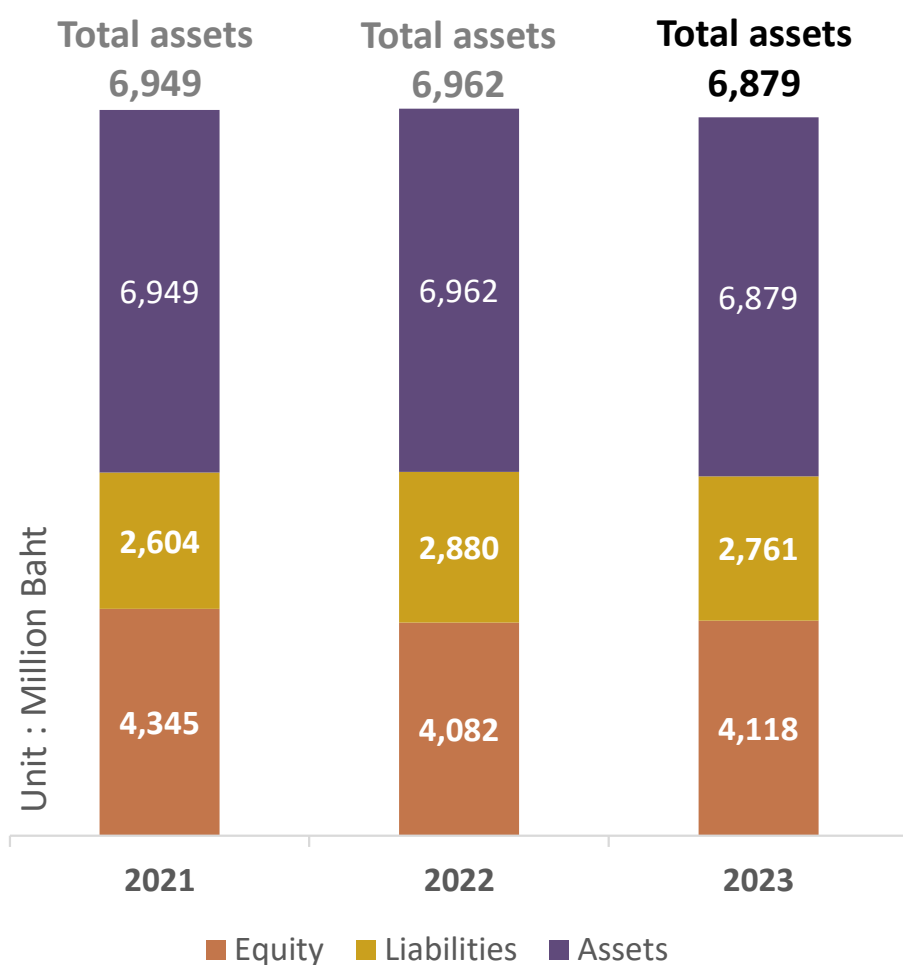


Net profit 1H'23 can be attributed to the increase in gross profit margin, dividend income, and share profit of investment in associates and joint venture and dividend from Other non-current financial assets.



FINANCIAL HIGHLIGHTS 1H'2023

Statements of Financial Position



Total Assets and Liability significantly decreased from last year and Equity increased due to operating results.

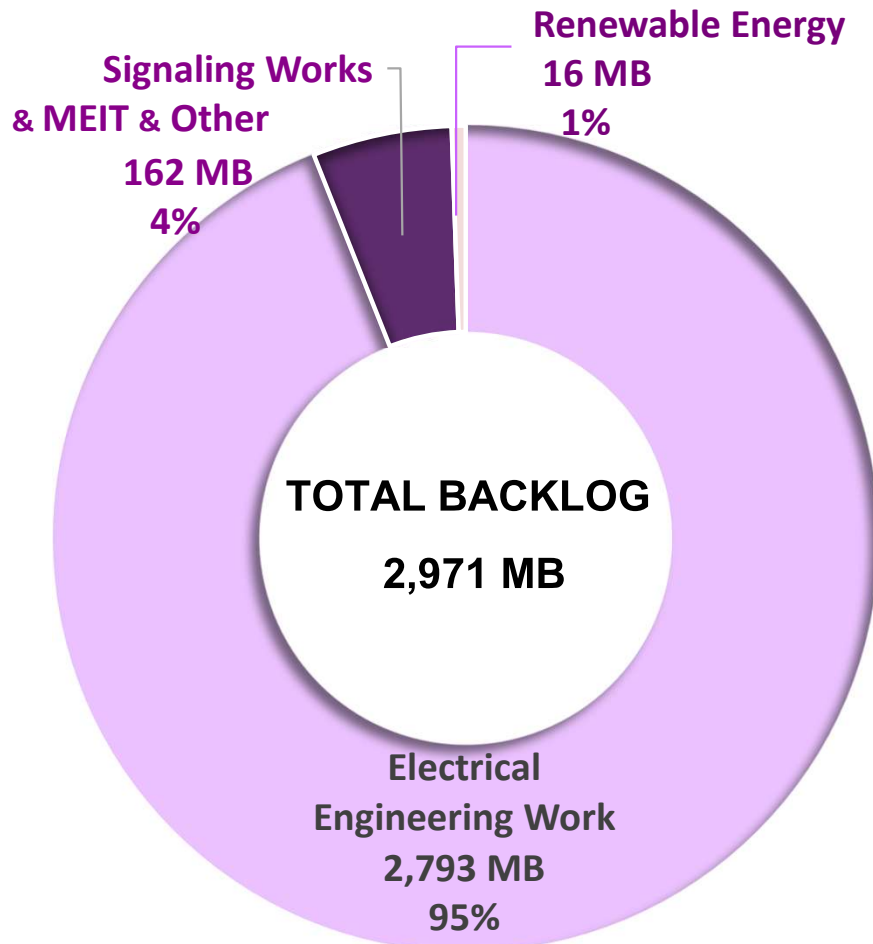


FINANCIAL HIGHLIGHTS

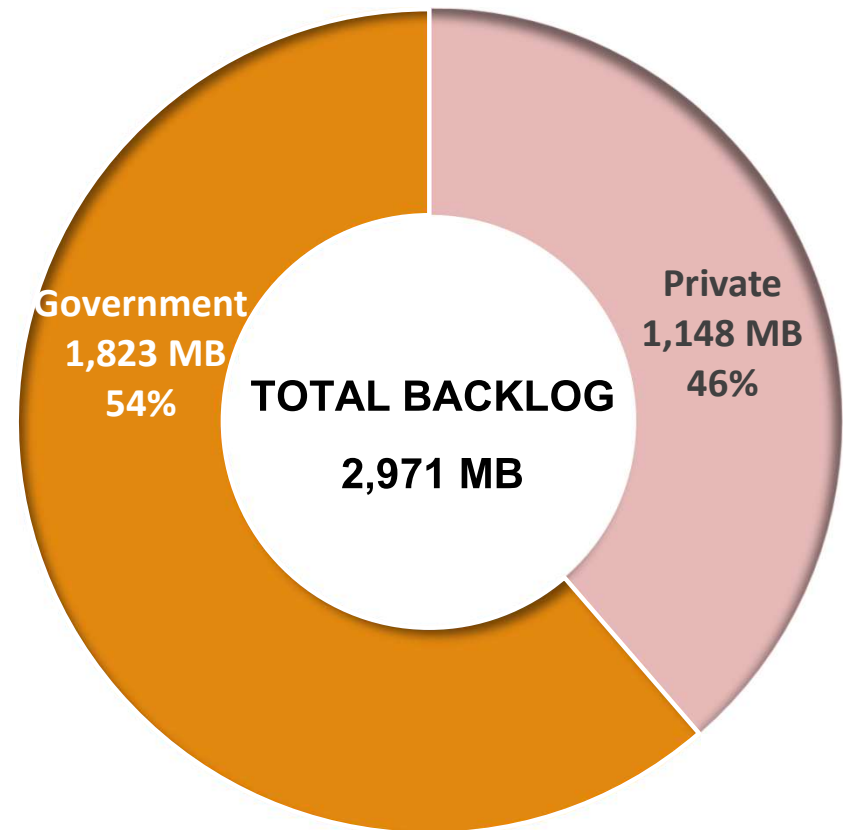
Projects Backlog (Separate Financial Statements)



Until 6 August 2023



By project type



By Customer



FINANCIAL HIGHLIGHTS

Projects Backlog (Separate financial statements)



Until 6 August of amount 2,971.06 MB

Project Type	BACKLOG PROJECT		
	Q1-Q2'2023	Backlog	
		Q3-Q4'2023-Y2025	
	Project value (MB.)	No. of Project	Project value (MB.)
Electrical Engineering Work	490.90	82	2,792.51
Signaling Work & MEIT & Other	208.61	22	162.25
Hardware sale	4.53	-	-
Subtotal	704.04	104	2,954.76
Renewable Energy	54.71	7	16.30
Subtotal	54.71	7	16.30
Grand total	758.75	111	2,971.06



AGENDA

-  TYPES OF BUSINESS
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-  **KEY DRIVER FOR FUTURE REVENUE**
-  Q & A



KEY DRIVER FOR FUTURE REVENUE

1. Renewable and Alternative Energies Development Plan during the year 2021 - 2030

Private PPA, Community-Based Power Plants.

- Focusing on the BOP - Balance of Plant for Wind Farm and Solar Farm projects as well as the Grid connecting to PEA and EGAT Electrical Network. Estimated projects' value is more than MTHB 10,000.

2. EGAT's Investment plan during the year 2020 - 2030 MTHB 300,000

- Constructing Transmission and Distribution Line and Substations to support the Grid modernization & Asian power grid policy.

3. MEA's Investment Budget during the year 2016 - 2026 MTHB 50,000

- Constructing Underground Cable System in Metropolitan Area and Renovating Substations.

4. PEA's Investment Budget during the year 2022 - 2023 MTHB 30,000

- Constructing Transmission and Distribution Line, Substations and Underground Cable.



KEY DRIVE FOR FUTURE REVENUE

5. MEIT Projects on CEMS- Continuous Emission Monitoring System

- CEMs, a regulation announced in Thailand since July 2022, aims to require 600 factories to install CEMs by 2024 or if no later than 2027 subject to special authorization for pending system installation

6. Entering to new businesses by moving to Computerized Base and Platforms such as Smart Grid, Micro Grid, Energy Storage including businesses related to Electric Vehicles.

7. Invest in Solar rooftop (Private PPA) targets 40 MW during the year 2021 – 2025

8. Feasibility Studies with Partners : VSPP including O&M service , Automatic Parking System and Water Supply.



Q&A