

No. Demco AC017/2024

August 14, 2024

Subject : The company's operating result for the quarter 2/2024

To : The president,
an The Stock Exchange of Thailand.

Demco Public Company Limited would like to inform you herewith the company result for the quarter 2/2024 according to the company's consolidated financial statements for the six-month period June 30, 2024. 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 2/2024, total revenues of Baht 751.14 million, marking an increase of Baht 217.25 million or 40.69% compared to the total revenues of Baht 533.89 million in Quarter 2/2023. This upward trend in revenues is indicative of the company's trading revenue and construction service revenue.

Over the six-month period of 2024, total revenues of Baht 1,275.56 million, reflecting an impressive growth of Baht 308.62 million or 31.92% when compared to total revenues of Baht 966.94 million in the corresponding period of 2023.

1.1 The revenues from service business:

In Quarter 2/2024, total service revenues of Baht 451.9 million, signifying an increase of Baht 87.42 million or 23.98% from the same period in 2023 amounting to Baht 364.57 million with an increase in Underground, Substation and Transmission line, whereas decrease in Civil construction.

For the six-month period of 2024, revenues from the service business were Baht 819.92 million, presenting an impressive increase of Baht 68.04 million or 9.05% compared to the same period in 2023 amounting to Baht 751.88 million. This growth was driven by a substantial increase in Underground, Distribution and Transmission line, offsetting the decline in Civil construction.

1.2 The revenues from sale business: revenues from the sale business witnessed an increase. The surge in revenues primarily increased from sales of flue inspection equipment and woodchip fuel.

In Quarter 2/2024, revenues from the sale business totaled Baht 290.51 million, reflecting a increase of Baht 203.66 million or 234.50% compared to Quarter 2/2023 amounting to Baht 86.85 million.

For the six-month period of 2024, the sale revenues amounting to Baht 413.35 million, a remarkable increase of Baht 295.78 million or 251.58% from the comparing period revenues of Baht 117.57 million in 2023.

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

In Quarter 2/2024, other income amounted to Baht 8.64 million, drop from Baht 82.47 million in Quarter 2/2023 with a decline of Baht 73.83 million.

For the six-month period of 2024, other income was Baht 42.29 million, drop by Baht 55.20 million from the comparing period of other income of Baht 97.49 million in 2023.

2. Gross profit:

In Quarter 2/2024, the total gross profit to Baht 77.97 million, an increase of Baht 39.99 million or 105.29% compared to the gross profit of Baht 37.98 million reported in Quarter 2/2023.

Over the six-month period of 2024, the gross profit reached Baht 93.23 million, representing an impressive surge of Baht 56.40 million or 153.14% in comparison to the gross profit of Baht 36.83 million recorded during the same period in 2023

2.1 The gross profit from service business:

In Quarter 2/2024, reported a gross profit of Baht 59.71 million, equivalent to 13.21% of revenue with an increase of Baht 36.69 million from the quarter 2/2023 gross profit of Baht 23.02 million, which accounted for 6.31% of revenues.

Over the six-month period of 2024, the gross profit from the Service Business reached Baht 76.13 million, equivalent to 9.29% of revenues. This represents a remarkable upturn of Baht 33.77 million from the corresponding period in 2023, which reported a gross profit of Baht 42.36 million, or 5.63% of revenues. The growth can be largely attributed to the Underground, Transmission Line and Substation.

2.2 The gross profit/loss from sale business:

In Quarter 2/2024, a gross profit of Baht 18.26 million, equivalent to 6.29% of revenues. This demonstrates an increase of Baht 3.30 million compared to the Quarter 2/2023 gross profit of Baht 14.96 million, accounting for 17.23% of revenues. The gross profit primary driver from Sales of flue inspection equipment.

Over the six-month period of 2024, a gross profit of Baht 17.10 million, comprising 4.14% of revenues. This presents a significant increase of Baht 22.63 million contrasting to the same period in 2023, which recorded a gross loss of Baht 5.53 million, representing -4.70% of revenues. This can be predominantly attributed to Sales of flue inspection equipment.

3. Selling and administrative expenses:

In Quarter 3 /2024, selling and administrative expenses totaled Baht 78.36 million, reflecting an increase of Baht 4.78 million or 6.50% compared to the same period in 2023, which recorded expenses of Baht 73.58 million.

Over the six-month 2024, selling and administrative expenses amounted to Baht 151.02 million, marking an increase of Baht 10.47 million or 7.45% in contrast to the corresponding period in 2023, which recorded expenses of Baht 140.55 million.

4. Net Profit/Loss:

In Quarter 2/2024, reporting a net loss of Baht 6.50 million. This represents a decrease of Baht 64.68 million when compared with the net profit of Baht 58.18 million reported in the second quarter of 2023 which can be attributed to the decrease in dividend income.

Over six-month 2024, net loss totaled Baht 42.01 million, a decrease of Baht 74.65 million in comparison to the net profit of Baht 32.64 million reported during the same period in 2023 which can be attributed to the decrease in dividend income.

5. The projects still being under construction (not yet delivered to the owner) at August 14, 2024 are as follows;

	Quantity (Projects)	Amount (Million Baht)
Power Electrical Engineering System	65	2,509
Telecommunication & Signaling	30	178
Renewable Energy Project	1	44
Total	96	2,691

Consolidated Financial Position information

Current assets

The total current assets as of June 30, 2024, amounted to Baht 2,340.25 million, reflecting an increase of Baht 397.53 million or 20.46% compared to December 31, 2023 (Baht 1,942.72 million). The increase in Inventory by Baht 200.24 million and Trade and other current receivables by Baht 174.62 million had a significant impact on the increase in current assets.

Non-current assets

The non-current assets as of June 30, 2024, stood at Baht 4,562.85 million, reflecting an increase of Baht 86.37 million or 1.93% compared to December 31, 2023 (Baht 4,476.48 million). The increase was primarily driven by an increase of Baht 48.58 million in Other non-current assets, Baht 31.32 million in Other non-current financial assets, and Baht 28.41 million in intangible assets. However, a decrease of Baht 25.37 million in investment in associates contributed partially to mitigating the increase.

Current liabilities

The total current liabilities as of June 30, 2024, were Baht 2,938.18 million, indicating an increase of Baht 499.89 million or 20.50% compared to December 31, 2023 (Baht 2,438.29 million). A significant increase in Bank overdrafts and Short-term loans by Baht 449.47 million and Current contract liabilities by Baht 31.47 and Trade and other current payables by Baht 21.40 million contributed to the surge in current liabilities.

Non-current liabilities

The non-current liabilities as of June 30, 2024, totaled Baht 394.84 million, reflecting a slight increase of Baht 1.56 million or 0.40% compared to December 31, 2023 (Baht 393.28 million).

Shareholders' equity

Shareholders' equity as of June 30, 2024, amounted to Baht 3,570.08 million, indicating a decrease of Baht 17.54 million or -0.49% compared to December 31, 2023 (Baht 3,587.62 million). The decrease derives from operating results during 2024.

Please be informed accordingly,

Yours sincerely,

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MR. Paitoon Gumchai
(Acting Chief Financial Officer)