

## Management Analysis for Q3/2024 Performance

DEMCO Public Company Limited would like to report on the performance of Q3/2024 and for the period 9-months 2024 according to the Company's consolidated financial statements ending September 30, 2024. The analysis below is an overview of the Company's performance and the information of the factors affecting the consolidated financial statements as follows:

### Summary of Q3/2024 operating results

#### Consolidated Profit and Loss

Unit: Baht Million	Q3 24	Q3 23	Q2 24	Change	%YoY	Change	%QoQ	M9 24	M9 23	Change	%YoY
Revenues from sales and service	201.7	111.4	290.5	90.3	81.1%	(88.8)	-30.6%	615.1	229.0	386.1	168.6%
Revenues from construction service	596.8	398.6	452.0	198.2	49.7%	144.8	32.0%	1,416.8	1,150.5	266.3	23.1%
Other income	43.8	14.9	8.6	28.9	194.0%	35.2	409.3%	75.0	112.3	(37.3)	-33.2%
<b>Total revenues</b>	<b>842.4</b>	<b>524.9</b>	<b>751.1</b>	<b>317.5</b>	<b>60.5%</b>	<b>91.3</b>	<b>12.2%</b>	<b>2,106.8</b>	<b>1,491.8</b>	<b>615.0</b>	<b>41.2%</b>
Cost of sales and service	189.0	114.2	272.2	74.8	65.5%	(83.2)	-30.6%	574.2	239.2	335.0	140.1%
Cost of construction service	500.3	367.5	392.3	132.8	36.1%	108.0	27.5%	1,244.1	1,075.1	169.0	15.7%
Selling and Administrative expenses	74.7	76.1	78.4	(1.4)	-1.8%	(3.7)	-4.7%	225.7	216.7	9.0	4.2%
<b>Total expenses</b>	<b>764.0</b>	<b>557.8</b>	<b>742.9</b>	<b>206.2</b>	<b>37.0%</b>	<b>21.1</b>	<b>2.8%</b>	<b>2,044.0</b>	<b>1,531.0</b>	<b>513.0</b>	<b>33.5%</b>
<b>Profit (loss) from operations activities</b>	<b>78.3</b>	<b>(32.9)</b>	<b>8.3</b>	<b>111.2</b>	<b>-338.0%</b>	<b>70.0</b>	<b>843.4%</b>	<b>62.8</b>	<b>(39.2)</b>	<b>102.0</b>	<b>-260.2%</b>
Finance costs	19.0	15.4	17.2	3.6	23.4%	1.8	10.5%	48.8	48.3	0.5	1.0%
Share of profit (loss) of associates and joint ventures	-	-	-	-	0.0%	-	0.0%	-	-	-	0.0%
accounted for using the equity method	3.0	5.3	4.0	(2.3)	-43.4%	(1.0)	-25.0%	2.5	53.2	(50.7)	-95.3%
<b>Profit (loss) before income tax expense</b>	<b>62.4</b>	<b>(43.0)</b>	<b>(5.0)</b>	<b>105.4</b>	<b>-245.1%</b>	<b>67.4</b>	<b>-1348.0%</b>	<b>16.5</b>	<b>(34.2)</b>	<b>50.7</b>	<b>-148.2%</b>
Tax expenses (income)	(0.1)	(0.7)	1.5	0.6	-85.7%	(1.6)	-106.7%	(4.0)	(24.6)	20.6	-83.7%
<b>Profit (loss) for the period</b>	<b>62.5</b>	<b>(42.3)</b>	<b>(6.5)</b>	<b>104.8</b>	<b>-247.8%</b>	<b>69.0</b>	<b>-1061.5%</b>	<b>20.5</b>	<b>(9.7)</b>	<b>30.2</b>	<b>-311.3%</b>

#### Revenue

For Q3/2024, total revenue was 842.4 million baht, an increase of 317.5 million baht or 60.5 percent compared to Q3/2023, and an increase of 91.3 million baht or 12.2 percent compared to Q2/2024 due to an increase in revenue from sales of goods and construction services which improved better.

For the period 9-month 2024, total revenue was 2,106.8 million baht, an increase of 615.0 million baht or 41.2 percent compared to the first 9 months of 2023 due to being able for site work commencement, resulting in milestones of works can be completed causing increased revenue recognition, coupled with dividends received from investments in the renewable energy business.

#### Revenue from sales of goods and services

For Q3/2024, revenue from sales increased mainly from sales of chimney inspection equipment and wood chips, including subsidiaries obtained more sales of steel towers, resulting in revenue of 201.7 million baht, an increase of 90.3 million baht or 81.1 percent compared to Q3/2023, while decreasing by 88.8 million baht or 30.6 percent compared to Q2/2024.

For the period 9-month 2024, revenue from sales was 615.1 million baht, an increase of 386.1 million baht or 168.6 percent compared to the first 9 months of 2023, due to revenue from steel towers, chimney detectors, and biomass fuel products supply

### Revenue from construction service works

For Q3/2024, revenue increased mainly from the electrical distribution system, underground, and transmission line works which resulted in Q3/2024 revenue of 596.8 million baht, an increase of 198.2 million baht or 49.7 percent compared to Q3/2023 and an increase of 144.8 million baht or 32.0 percent from Q2/2024.

For the period 9-month 2024, revenue increased mainly from the electrical distribution system, underground, and transmission line works caused income of 1,416.8 million baht, an increase of 266.3 million baht or 23.1 percent compared to 2023.

### Other Income

For Q3/2024, it decreased following the dividend income from investments in renewable energy businesses which was lower, resulting in other income in Q3/2024 of 43.8 million baht, a decrease of 28.9 million baht or 194.0 percent compared to Q3/2023, while it increased by 35.2 million baht or 409.3 percent compared to Q2/2024 due to dividends receiving.

For the period 9-month 2024, there was other income of 75.0 million baht, a decrease mainly from dividends of investments in renewable energy businesses resulting in other income decreasing by 37.3 million baht or 33.2 percent compared to the previous year.

### Cost and expenses of selling and administrative

For Q3/2024, total expenses were 764.0 million baht, an increase of 206.2 million baht or 37.0 percent compared to Q3/2023, and an increase of 21.1 million baht or 2.8 percent compared to Q2/2024 because the increased costs were in proportion to the increased revenue.

For the period 9-month 2024, total expenses were 2,044.0 million baht, an increase of 513.0 million baht or 33.5 percent compared to the previous year due to increased costs in proportion to revenue, coupled with increased expenses for strategic management and employees' increase.

### Cost of sales goods and services

For Q3/2024, the cost varied in line with the increase in revenue quite high, even though the raw materials cost for the production of steel tower decreased, including the amortization cost in the water supply business decreased due to the change in the estimated usable life of the concession, resulting in Q3/2024 costs of 189.0 million baht, an increase of 74.8 million baht or 65.5 percent compared to Q3/2023, while decreasing by 83.2 million baht or 30.6 percent compared to Q2/2024 due to the decrease in revenue.

For the period 9-month 2024, the cost varied in line with the increase in revenue quite high, even though the raw materials cost for the production of steel tower decreased, including the amortization cost in the water supply business decreased due to the change in the estimated usable life of the concession, resulting in the mentioned period costs of 574.2 million baht, an increase of 335 million baht or 140.1 percent compared to the previous year.

### Cost of construction services

For Q3/2024, the recognition of K value and revenue from the sale of scrap at the work site compensated for the higher costs which were in line with the increased revenue. As a result, Q3/2024 had costs of 500.3 million baht, an increase of 132.8 million baht or 36.1 percent compared to Q3/2023, and an increase of 108.0 million baht or 27.5 percent compared to Q2/2024 due to the increased revenue.

For the period 9-month 2024, the cost was 1,244.1 million baht, an increase of 169.0 million baht or 15.7 percent compared to the previous year due to the increased proportion of revenue.

### Selling and Administrative

For Q3/2024, expenses were 74.7 million baht, a decrease of 1.4 million baht or 1.8 percent compared to Q3/2023, while decreasing by 3.7 million baht or 4.7 percent compared to Q2/2024 due to adjustments to the expired warranties.

For the period 9-month 2024, expenses were 225.7 million baht, an increase of 9 million baht or 4.2 percent compared to the previous year due to increased strategic expenses and legal advisory fees.

### Gross Profit

For Q3/2024, gross profit was 109.2 million baht and gross profit margin was 13.7 percent, an increase of 80.9 million baht or 285.9 percent. Gross profit margin increased by 8.1 percent compared to Q3/2023. If compared to Q2/2024 it increased by 31.2 million baht or 40 percent. The gross profit margin increased by 3.2 percent.

For the period 9-month 2024, gross profit was 213.6 million baht and gross profit margin was 10.5 percent, an increase of 148.4 million baht or 227.6 percent. Gross profit margin increased by 5.8 percent compared to the previous year.

### Gross profit from sales of goods and services

For Q3/2024, there was a gross profit of 12.7 million baht and a gross profit margin of 6.3 percent, an increase of 15.5 million baht or 553.6 percent, a gross profit margin of 8.8 percent compared to Q3/2023, and a decrease of 5.6 million baht or 30.6 percent compared to Q2/2024, but the gross profit margin remained the same.

For the period 9-month 2024, there was a gross profit of 40.9 million baht and a gross profit margin of 6.6 percent, an increase of 51.1 million baht or 501.0 percent, and a gross profit margin of 11.1 percent compared to the year 2023 due to lower steel costs and lower amortization costs in the water supply business.

### Gross profit from construction service works

For Q3/2024, there was a gross profit of 96.5 million baht and a gross profit margin of 16.2 percent, an increase of 65.4 million baht or 210.3 percent. The gross profit margin increased by 8.4 percent compared to Q3/2023 due to income from k value and sales of scrap at the work site, coupled with better operations. Compared to Q2/2024, it increased by 36.8 million baht or 61.6 percent and the gross profit margin increased by 3.0 percent.

For the period 9-month 2024, there was a gross profit of 172.7 million baht and a gross profit margin of 12.2 percent, an increase of 97.3 million baht or 129.0 percent. The gross profit margin increased by 5.6 percent compared to the previous year due to more efficient operations.

### Financial Costs

For Q3/2024, financial costs were 19.0 million baht, an increase of 3.6 million baht or 23.4 percent compared to Q3/2023, and an increase of 1.8 million baht or 10.5 percent compared to Q2/2024 due to loaning money for working capital.

For the period 9-month 2024, financial costs were 48.8 million baht, an increase of 0.5 million baht or 1.0 percent compared to the previous year due to the repayment of long-term loans which resulted in lower interest rates and the increased short-term loan for working capital.

### Net Profit and Loss

For Q3/2024, net profit was 62.5 million baht, an increase of 104.8 million baht or 247.8 percent compared to Q3/2023, and an increase of 69 million baht or 1,061.5 percent compared to Q2/2024 due to much better operating results together with dividend income obtained in this period.

For the period 9-month 2024, net profit was 20.5 million baht, an increase of 30.2 million baht or 311.3 percent compared to 2023 due to much better operating results that were able to cover all expenses and costs.

### Under Construction Projects

The projects still being under construction (not yet delivered to the owner) at November 11, 2024 are as follows;

Segments	Quantity (Projects)	Amount (Baht Million)
Power Electrical Engineering System	55	3,009
Telecommunication & Signaling	28	145
Renewable Energy Project	2	1
<b>Total</b>	<b>85</b>	<b>3,155</b>

## Summary Financial Position as of Q3/2024

## Consolidated Financial Position

Unit: Baht Million	30 Sep 2024	31 Dec 2023		Change	%YoY	
Trade and other current receivables	1,155.9	16.9%	988.6	15.4%	167.3	16.92%
Current contract assets	388.2	5.7%	298.7	4.7%	89.5	29.96%
Inventories	640.6	9.4%	470.9	7.3%	169.7	36.04%
Others current assets	139.9	2.0%	184.5	2.9%	(44.6)	-24.17%
<b>Total current assets</b>	<b>2,324.6</b>	<b>34.0%</b>	<b>1,942.7</b>	<b>30.3%</b>	<b>381.9</b>	<b>19.66%</b>
Other non-current financial assets	2,325.1	34.0%	2,293.8	35.7%	31.3	1.37%
Investments in associates	1,429.4	20.9%	1,453.6	22.6%	(24.2)	-1.67%
Investments in joint ventures	72.9	1.1%	76.2	1.2%	(3.3)	-4.33%
Intangible assets	176.4	2.6%	147.6	2.3%	28.8	19.50%
Others non-current assets	577.2	8.4%	581.5	9.1%	(4.3)	-0.73%
<b>Total non-current assets</b>	<b>4,508.1</b>	<b>66.0%</b>	<b>4,476.5</b>	<b>69.7%</b>	<b>31.6</b>	<b>0.71%</b>
<b>Total assets</b>	<b>6,832.7</b>	<b>100.0%</b>	<b>6,419.2</b>	<b>100.0%</b>	<b>413.5</b>	<b>6.44%</b>
OD and short-term loans from financial institutions	1,511.3	22.1%	1,097.0	17.1%	414.3	37.76%
Trade and other current payables	872.2	12.8%	828.6	12.9%	43.6	5.26%
Current contract liabilities	334.0	4.9%	419.4	6.5%	(85.4)	-20.36%
Others current liabilities	91.5	1.3%	93.2	1.5%	(1.8)	-1.89%
<b>Total current liabilities</b>	<b>2,809.0</b>	<b>41.1%</b>	<b>2,438.3</b>	<b>38.0%</b>	<b>370.7</b>	<b>15.20%</b>
Long-term borrowings	75.5	1.1%	83.4	1.3%	(7.9)	-9.49%
Others non-current liabilities	316.8	4.6%	309.9	4.8%	6.9	2.22%
<b>Total non-current liabilities</b>	<b>392.4</b>	<b>5.7%</b>	<b>393.3</b>	<b>6.1%</b>	<b>(0.9)</b>	<b>-0.24%</b>
<b>Total liabilities</b>	<b>3,201.4</b>	<b>46.9%</b>	<b>2,831.6</b>	<b>44.1%</b>	<b>369.8</b>	<b>13.06%</b>
Issued and paid-up share capital	730.5	10.7%	730.3	11.4%	0.1	0.02%
Premium on common share	1,916.4	28.0%	1,916.0	29.8%	0.4	0.02%
Retained earnings - Unappropriated	(237.7)	-3.5%	(258.2)	-4.0%	20.5	-7.95%
Other components of shareholders' equity	975.0	14.3%	952.4	14.8%	22.6	2.38%
Others equities	247.1	3.6%	247.1	3.8%	-	0.00%
<b>Total shareholders' equity</b>	<b>3,631.3</b>	<b>53.1%</b>	<b>3,587.6</b>	<b>55.9%</b>	<b>43.7</b>	<b>1.22%</b>

**Total assets:** As of September 30, 2024, they were at THB 6,832.7 million, an increase of THB 413.5 million or 6.44 percent compared to the date on December 31, 2023. The increase was mainly due to the current assets increasing by THB 381.9 million or 19.66 percent compared to the end of 2023 which is THB 2,324.6 million at present. This was because in 2024, there were more deliveries and revenue recognition, resulting in more current contract assets and trade receivables, coupled with an increase in the inventory awaiting to be installed in each project. Non-current assets were THB 4,508.1 million, an increase of THB 31.6 million or 0.71 percent compared to the end of 2023, mainly from the valuation of investments in the renewable energy business but decreased partly from the sale of investment in 2 joint ventures.

**Total liabilities:** As of September 30, 2024, they were at 3,201.4 million baht, an increase of 369.8 million baht or 13.06 percent compared to the date on December 31, 2023. The increase was mainly from the current liabilities, which increased by 370.7 million baht or 15.20 percent compared to the end of 2023, to 2,809.0 million baht at present. This was because in 2024, works were awarded to the Company and more equipment had to be ordered for installation in each project but have not yet been collected from customers due to contractual conditions. So, the Company had to increase its working capital reserves, resulting in the necessity to utilize more short-term loans from financial institutions for operations. Non-current liabilities were at 392.4 million baht, decreased 0.9 million baht or 0.24 percent compared to the end of 2023.

**Shareholders' equity:** As of September 30, 2024, it was at 3,631.3 million baht, increased 43.7 million baht or 1.22 percent from December 31, 2023, from operating results for the first 9 months of approximately 20.5 million baht and the profit from the adjustment of the value of investments in renewable energy businesses recognized in other comprehensive income, net of tax, of approximately 22.6 million baht. About common shares and premium on common shares, the increase was 0.1 and 0.4 million baht, respectively, due to some exercises of warrants.

Please be informed accordingly,

Yours sincerely,

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MR. Paitoon Gumchai

(Acting Chief Financial Officer)