

Management Analysis for Q2/2025 Performance

DEMCO Public Company Limited would like to report on the performance of Q2/2025 and for the period of six-months 2025 according to the Company's consolidated financial statements ending June 30, 2025. 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 Q2/2025 operating results

Consolidated Profit and Loss

Unit: Baht Million	Q2 25	Q2 24	Q1 25	Change	%YoY	Change	%QoQ	M6 25	M6 24	Change	%YoY
Revenues from sales and service	27.2	290.5	128.0	(263.3)	-90.6%	(100.8)	-78.8%	155.2	413.3	(258.1)	-62.4%
Revenues from construction service	524.0	452.0	429.5	72.0	15.9%	94.5	22.0%	953.6	819.9	133.7	16.3%
Other income	47.7	8.6	9.2	39.1	454.7%	38.5	418.5%	56.8	42.3	14.5	34.3%
Total revenues	598.9	751.1	566.7	(152.2)	-20.3%	32.2	5.7%	1,165.7	1,275.6	(109.9)	-8.6%
Total costs	458.1	664.5	498.5	(206.4)	-31.1%	(40.4)	-8.1%	956.6	1,140.0	(183.4)	-16.1%
Gross Profit	93.1	78.0	59.0	15.1	19.4%	34.1	57.8%	152.2	93.2	59.0	63.3%
Gross Profit Margin	16.9%	10.5%	10.6%	6.4%	60.8%	6.3%	59.6%	13.7%	7.6%	6.2%	81.6%
Selling and Administrative expenses	86.6	78.4	66.5	8.2	10.5%	20.1	30.2%	153.1	151.0	2.1	1.4%
Total expenses	544.8	742.9	566.9	(198.1)	-26.7%	(22.1)	-3.9%	1,111.6	1,291.1	(179.4)	-13.9%
Profit (loss) from operations activities	54.2	8.3	(0.1)	45.9	553.0%	54.3	-54300.0%	54.1	(15.5)	69.6	-449.0%
Finance costs	15.9	17.2	14.7	(1.3)	-7.6%	1.2	8.2%	30.6	29.8	0.8	2.7%
Share of profit (loss) of associates and joint ventures	-	-	-	-	0.0%	-	0.0%	-	-	-	0.0%
accounted for using the equity method	(8.2)	4.0	13.9	(12.2)	-305.0%	(22.1)	-159.0%	5.7	(0.6)	6.3	-1050.0%
Profit (loss) before income tax expense	23.9	(5.0)	(39.8)	28.9	-578.0%	63.7	-160.1%	(15.7)	(45.9)	30.2	-65.8%
Tax expenses (income)	(0.2)	1.5	(8.4)	(1.7)	-113.3%	8.2	-97.6%	(8.6)	(3.9)	(4.7)	120.5%
Profit (loss) for the period	24.2	(6.5)	(31.4)	30.7	-472.3%	55.6	-177.1%	(7.2)	(42.0)	34.8	-82.9%

Revenue

In Q2/2025, the Company reported total revenue of THB 598.9 million, representing a decrease of THB 152.2 million or 20.3 percent compared to Q2/2024, and an increase of THB 32.2 million baht or 5.7 percent compared to Q1/2025, primarily due to a decrease in revenue from sales of goods and services.

For the six-month period of 2025, total revenue was THB 1,165.7 million, a decrease of THB 109.9 million or 8.6 percent compared to the first six months of 2024, primarily due to a decrease in revenue from sales of goods and services.

Revenue from sales of goods and services

In Q2/2025, the Company reported total revenue from sales of THB 27.2 million, representing a decrease of THB 263.3 million or 90.6 percent compared to Q2/2024. The decrease was primarily due to lower revenue from sales of flue inspection equipment and sales of steel tower.

Compared to Q1/2025, revenue decreased by THB 100.8 million or 78.8 percent from THB 128.0 million, primarily due to lower revenue from sales of flue inspection equipment and sales of steel tower.

For the six-month period of 2025, revenue from sales was THB 155.2 million, a decrease of THB 258.1 million or 62.4 percent compared to the same period in 2024, primarily due to lower revenue from sales of flue inspection equipment and sales of steel tower.

Revenue from construction service works

In Q2/2025, the Company reported total revenue of THB 524 million, an increase of THB 72.0 million or 15.9 percent compared to Q2/2024, mainly due to higher revenue from substation construction projects.

Compared to Q1/2025, the Company recorded total revenue of THB 429.5 million, representing an increase of THB 94.5 million or 22.0 percent, primarily due to higher revenue from substation construction projects.

For the six-month period of 2025, revenue increased primarily from substation construction projects and civil construction works, totaling THB 953.6 million, an increase of THB 133.7 million or 16.3 percent compared to 2024.

Other Income

In Q2/2025, the Company reported other income of THB 47.7 million, representing an increase of THB 31.9 million or 454.7 percent from THB 8.6 million in Q2/2024. The YoY increase was primarily due to lower dividend income from investments in the renewable energy business.

Compared to Q1/2025, the Company reported other incomes of THB 9.2 million, representing an increase of THB 38.5 million or 418.5 percent. The increase was primarily due to lower dividend income from investments in the renewable energy business.

For the six-month period of 2025, other income amounted to THB 56.8 million, representing an increase of THB 14.5 million or 34.3 percent. The increase was primarily due to lower dividend income from investments in the renewable energy business.

Cost and expenses of selling and administrative

In Q2/2025, the Company reported total expenses of THB 544.8 million representing a decrease of THB 198.1 million or 26.7 percent compared to total expenses of THB 742.9 million in Q2/2024.

Compared to Q1/2025, the Company reported total expenses of THB 566.9 million, expenses in this quarter decreased by THB 22.1 million or 3.9 percent, mainly due to a reduction in the cost of goods sold in proportion to the decline in revenue.

For the six-month period of 2025, total expenses amounted to THB 1,111.6 million, representing a decrease of THB 179.4 million or 13.9 percent compared to the previous year, due to a reduction in the cost of goods sold in proportion to the decline in revenue.

Cost of sales goods and services

In Q2/2025, the Company reported total costs of THB 29.1 million, representing a decrease of THB 243.1 million or 89.3 percent compared to THB 272.2 million in Q2/2024. The decrease was due to lower manufacturing and selling costs of steel pole structures in proportion to the decline in revenue.

Compared to Q1/2025, which recorded total costs of THB 143.9 million, costs in this quarter decreased by THB 114.8 million or 79.8 percent, mainly due to lower manufacturing and selling costs of steel pole structures in proportion to the decline in revenue.

For the six-month period of 2025, total costs amounted to THB 173.0 million, representing a decrease of THB 223.2 million or 56.3 percent compared to the previous year, mainly due to lower manufacturing and selling costs of steel pole structures in proportion to the decline in revenue.

Cost of construction services

In Q2/2025, the Company reported total costs of THB 429.0 million, representing an increase of THB 36.7 million or 9.4 percent compared to Q2/2024, in line with the higher revenue.

Compared to Q1/2025, reported total costs of THB 354.6 million, costs in this quarter increased by THB 74.4 million or 21.0 percent, resulting from the increase in revenue.

For the six-month period of 2025, total costs amounted to THB 783.6 million, representing an increase of THB 39.8 million or 5.4 percent compared to the previous year, due to the higher proportion of revenue.

Selling and Administrative

In Q2/2025, the Company reported selling and administrative expenses of THB 86.6 million, representing an increase of THB 8.2 million or 10.5 percent compared to Q2/2024, and an increase of THB 20.1 million or 30.2 percent compared to Q1/2025. The increase was primarily due to the recognition of termination benefits in Q2/2025 arising from the organizational restructuring aimed at reducing costs and enhancing operational efficiency, which is part of the Group's strategic plan.

For the six-month period of 2025, selling and administrative expenses amounted to THB 153.1 million, representing an increase of THB 2.1 million or 1.4 percent compared to the previous year, primarily due to the aforementioned termination benefits.

Gross Profit

In Q2/2025, the Company recorded a gross profit of THB 93.1 million, representing a gross profit margin of 16.9 percent. This was an increase of THB 15.1 million and an improvement in gross profit margin of 19.4 percentage points compared to Q2/2024.

Compared to Q1/2025, gross profit increased by THB 34.1 million, and gross profit margin improved by 57.8 percentage points, primarily due to improved performance in the construction contracting business.

For the six-month period of 2025, the Company recorded a gross profit of THB 152.2 million, representing a gross profit margin of 13.7 percent. This was an increase of THB 59.0 million or 63.3 percent, and an improvement in gross profit margin of 81.6 percentage points compared to the previous year.

Gross profit from sales of goods and services

In Q2/2025, the Company reported a gross loss of THB 1.9 million, representing a gross loss margin of 7.0 percent. This was an increase in gross loss of THB 20.2 million and an increase in gross loss margin of 13.3 percentage points compared to Q2/2024, primarily attributable to lower sales of stack inspection equipment.

Compared to Q1/2025, gross loss decreased by THB 14.0 million or 5.4 percentage points, primarily due to more efficient cost management during the quarter.

For the six-month period of 2025, the Company reported a gross loss of THB 17.8 million, representing a gross loss margin of 11.5 percent. This was an increase in gross loss of THB 34.9 million or 204.1 percent, and an increase in gross loss margin of 15.6 percentage points compared to the previous year, primarily attributable to lower sales of stack inspection equipment.

Gross profit from construction service works

In Q2/2025, the Company reported a gross profit of THB 95.0 million, representing a gross profit margin of 18.1 percent. This was an increase of THB 35.3 million and an improvement in gross profit margin of 4.9 percentage points compared to Q2/2024, primarily due to more efficient on-site cost management.

Compared to Q1/2025, gross profit increased by THB 20.1 million, with gross profit margin improving by 0.7 percentage points, primarily due to the revision of project cost estimates, resulting in revenue recognition that better aligned with project progress.

For the six-month period of 2025, the Company reported a gross profit of THB 170.0 million, representing a gross profit margin of 17.8 percent. This was an increase of THB 93.9 million or 123.4 percent, and an improvement in gross profit margin of 8.5 percentage points compared to the previous year, primarily attributable to improved operational efficiency.

Financial Costs

In Q2/2025, the Company reported finance costs of THB 15.9 million, a decrease of THB 1.3 million or 7.6 percent compared to Q2/2024, primarily due to a reduction in short-term borrowings for working capital.

Compared to Q1/2025, finance costs decreased by THB 1.2 million or 8.2 percent, primarily due to lower short-term borrowings.

For the six-month period of 2025, the Company reported finance costs of THB 30.6 million, an increase of THB 0.8 million or 2.7 percent compared to the previous year, as the reduction in short-term borrowings was offset by higher interest expenses on long-term borrowings.

Net Profit and Loss

In Q2/2025, net profit was 24.2 million baht, an increase of 30.7 million baht or 472.3 percent compared to Q2/2024.

Compared to Q1/2025, net profit increased by THB 55.6 million or 177.1 percent, resulting from improved project management efficiency.

For the six-month period of 2025, net loss was THB 7.2 million, a decrease of THB 34.8 million or 82.9 percent compared to the prior year, due to improved project management efficiency.

Under Construction Projects

The projects still being under construction (not yet delivered to the owner) as of August 6, 2025 are as follows;

Segments	<u>Quantity (Projects)</u>	<u>Amount (Baht Million)</u>
Power Electrical Engineering System	40	3,102
Telecommunication & Signaling	22	78
Total	82	3,180

Summary Financial Position as of Q2/2025

Consolidated Financial Position

Unit: Baht Million	30 Jun 2025		31 Dec 2024		Change	%YoY
Trade and other current receivables	889.8	14.0%	1,035.1	15.5%	(145.3)	-14.04%
Current contract assets	502.5	7.9%	390.1	5.8%	112.4	28.81%
Inventories	277.1	4.3%	350.9	5.2%	(73.8)	-21.02%
Others current assets	111.5	1.7%	184.5	2.8%	(73.1)	-39.60%
Total current assets	1,780.9	27.9%	2,000.4	29.9%	(219.6)	-10.98%
Other non-current financial assets	2,303.3	36.1%	2,367.7	35.4%	(64.4)	-2.72%
Investments in associates	1,423.6	22.3%	1,439.6	21.5%	(16.0)	-1.11%
Investments in joint ventures	72.1	1.1%	72.7	1.1%	(0.6)	-0.78%
Intangible assets	302.4	4.7%	306.5	4.6%	(4.1)	-1.32%
Others non-current assets	564.9	8.9%	581.0	8.7%	(16.2)	-2.78%
Total non-current assets	4,594.2	72.1%	4,694.8	70.1%	(100.7)	-2.14%
Total assets	6,375.0	100.0%	6,695.3	100.0%	(320.2)	-4.78%
OD and short-term loans from financial institutions	1,188.0	18.6%	1,251.8	18.7%	(63.8)	-5.10%
Trade and other current payables	699.5	11.0%	918.5	13.7%	(219.0)	-23.84%
Current contract liabilities	334.2	5.2%	369.9	5.5%	(35.7)	-9.65%
Others current liabilities	109.3	1.7%	107.9	1.6%	1.5	1.35%
Total current liabilities	2,331.0	36.6%	2,648.0	39.6%	(317.1)	-11.97%
Long-term borrowings	67.6	1.1%	72.8	1.1%	(5.3)	-7.24%
Others non-current liabilities	380.9	6.0%	392.0	5.9%	(11.1)	-2.84%
Total non-current liabilities	380.9	6.0%	392.0	5.9%	(11.1)	-2.83%
Total liabilities	2,711.9	42.5%	3,040.1	45.4%	(328.2)	-10.79%
Issued and paid-up share capital	751.0	11.8%	751.0	11.2%	-	0.00%
Premium on common share	1,967.6	30.9%	1,967.6	29.4%	-	0.00%
Retained earnings - Unappropriated	(326.5)	-5.1%	(319.3)	-4.8%	(7.2)	2.27%
Other components of shareholders' equity	1,024.0	16.1%	1,008.8	15.1%	15.2	1.51%
Others equities	247.1	3.9%	247.1	3.7%	-	0.00%
Total shareholders' equity	3,663.1	57.5%	3,655.2	54.6%	7.9	0.22%

Total assets: As of June 30, 2025, total assets amounted to THB 6,375.0 million, representing a decrease of THB 320.2 million or 4.78 percent from December 31, 2024.

(1) The decline was primarily driven by a decrease in current assets, which dropped by THB 219.6 million or 10.98 percent, mainly due to the collection of trade receivables and a decline in inventories resulting from the Company's reduction in production capacity for sales orders.

(2) Non-current assets decreased by THB 100.7 million, due to the redemption of other long-term investments.

Total liabilities: As of June 30, 2025, the Company reported total liabilities of THB 2,711.9 million, representing a decrease of THB 328.2 million or 10.79 percent from December 31, 2024.

(1) A decrease in current liabilities of THB 317.1 million or 11.97 percent, from customer payments received in early 2025, which enabled the Company to repay short-term borrowings from financial institutions and partially settle trade payables.

(2) A decrease in non-current liabilities of THB 11.1 million or 2.83 percent, due to a reduction in long-term borrowings and deferred income tax liabilities.

Shareholders' equity: As of June 30, 2025, the Company reported shareholders' equity of THB 3,663.1 million, representing an increase of THB 7.9 million or 0.22 percent from December 31, 2024. The increase was primarily attributable to a gain recognized in other comprehensive income from the revaluation of long-term investments measured at fair value.

Please be informed accordingly,

Yours sincerely,

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MR. Chokchawan Yangthaworntrakul

(Chief Financial Officer)