

Management Analysis for Q3/2025 Performance

DEMCO Public Company Limited would like to report on the performance of Q3/2025 and the nine-month period of 2025 according to the Company's consolidated financial statements ended September 30, 2025. The analysis below provides an overview of the Company's performance and the factors affecting the consolidated financial statements as follows:

Summary of Q3/2025 operating results

Consolidated Profit and Loss

Unit: Baht Million	Q3 25	Q3 24	Q2 25	Change	%YoY	Change	%QoQ	M9 25	M9 24	Change	%YoY
Revenues from sales and service	36.1	201.7	27.2	(165.6)	-82.1%	8.9	32.7%	191.3	615.1	(423.8)	-68.9%
Revenues from construction service	474.6	596.8	524.0	(122.2)	-20.5%	(49.4)	-9.4%	1,428.2	1,416.8	11.4	0.8%
Other income	2.4	43.8	47.8	(41.4)	-94.5%	(45.4)	-95.0%	59.3	75.0	(15.7)	-20.9%
Total revenues	513.1	842.4	599.0	(329.3)	-39.1%	(85.9)	-14.3%	1,678.8	2,106.8	(428.0)	-20.3%
Total costs	422.9	689.3	458.1	(266.4)	-38.6%	(35.2)	-7.7%	1,379.6	1,818.3	(438.7)	-24.1%
Gross Profit	87.8	109.2	93.1	(21.4)	-19.6%	(5.3)	-5.7%	239.9	213.6	26.3	12.3%
Gross Profit Margin	17.2%	13.7%	16.9%	3.5%	3.5%	0.3%	0.3%	14.8%	10.5%	4.3%	4.3%
Selling and Administrative expenses	64.6	71.9	85.9	(7.3)	-10.2%	(21.3)	-24.8%	216.5	220.8	(4.3)	-1.9%
Total expenses	489.1	764.0	544.8	(274.9)	-36.0%	(55.7)	-10.2%	1,600.7	2,044.0	(443.2)	-21.7%
Profit (loss) from operations activities	24.0	78.3	54.2	(54.3)	-69.3%	(30.2)	-55.7%	78.2	62.8	15.4	24.5%
Finance costs	15.9	19.0	15.9	(3.1)	-16.3%	-	0.0%	46.5	48.8	(2.3)	-4.7%
Impairment loss determined in accordance with TFRS 9	(2.3)	-	6.2	(2.3)	na	(8.5)	-137.1%	42.7	-	42.7	na
Share of profit (loss) of associates and joint ventures	-	-	-	-	0.0%	-	0.0%	-	-	-	0.0%
accounted for using the equity method	8.9	3.0	(8.2)	5.9	196.7%	17.1	-208.5%	14.6	2.5	12.1	484.0%
Profit (loss) before income tax expense	19.3	62.4	23.9	(43.1)	-69.1%	(4.6)	-19.2%	3.5	16.5	(13.0)	-78.8%
Tax expenses (income)	0.6	(0.1)	(0.2)	0.7	-700.0%	0.8	-400.0%	(8.0)	(4.0)	(4.0)	100.0%
Profit (loss) for the period	18.7	62.5	24.2	(43.8)	-70.1%	(5.5)	-22.7%	11.4	20.5	(9.1)	-44.4%

Revenue

For Q3/2025, the Company reported total revenue of THB 513.1 million, a decrease of THB 329.3 million or 39.1% compared to the same quarter of the previous year (Q3/2024), and a decrease of THB 85.9 million or 14.3% compared to the previous quarter (Q2/2025). The primary reasons were decreases in revenue from construction services and sales of goods and services.

For the nine-month period of 2025, total revenue was THB 1,678.8 million, a decrease of THB 428.0 million or 20.3% compared to the same period in 2024, primarily due to a decrease in revenue from sales of goods and services. However, the Company was able to maintain its gross profit margin at a similar level through more efficient project cost and expense management.

Revenue from sales of goods and services

For Q3/2025, the Company reported revenue from sales of goods and services of THB 36.1 million, a decrease of THB 165.6 million or 82.1% compared to the same quarter of the previous year (Q3/2024, YoY). The decrease was primarily due to lower sales of flue inspection equipment and steel tower.

Compared to Q2/2025 (QoQ), revenue increased by THB 8.9 million or 32.7%, primarily due to higher sales of steel tower in the current period.

For the nine-month period of 2025, revenue from sales was THB 191.3 million, a decrease of THB 423.8 million or 68.9% compared to the same period in 2024 (YoY), primarily due to lower sales of flue inspection equipment and steel tower.

Revenue from construction services

For Q3/2025, The Company reported revenue from construction services of THB 474.6 million, a decrease of THB 122.2 million or 20.5% compared to Q3/2024 (YoY). The decrease was primarily due to lower revenue from underground electrical systems, distribution systems, and transmission line systems

Compared to Q2/2025 (QoQ), revenue decreased by THB 49.4 million or 9.4%, mainly due to a slight decrease in revenue from substation construction projects.

For the nine-month period of 2025, revenue from construction services was THB 1,428.2 million, an increase of THB 11.4 million or 0.8% compared to the same period in 2024 (YoY). The increase was primarily from progressive revenue recognition of substation construction projects and civil construction works.

Other Income

For Q3/2025, the Company reported other income of THB 2.4 million, a decrease of THB 41.4 million or 94.5% compared to Q3/2024 (YoY). The decrease was primarily because the same quarter of the previous year included dividend income from investments in the renewable energy business, while there was no such transaction in the current quarter.

Compared to Q2/2025 (QoQ), other income decreased by THB 45.4 million or 95.0%, as the previous quarter also included dividend income from investments in the renewable energy business.

For the nine-month period of 2025, other income was THB 59.3 million, a decrease of THB 15.7 million or 20.9% compared to the same period in 2024 (YoY), primarily due to lower dividend income from investments in the renewable energy business.

Cost and expenses of selling and administrative

For Q3/2025, the Company reported total cost and expenses of selling and administrative of THB 489.1 million, a decrease of THB 274.9 million or 36.0% compared to Q3/2024 (YoY).

Compared to Q2/2025 (QoQ), cost and expenses of selling and administrative decreased by THB 55.7 million or 10.2%, mainly due to a reduction in the cost of goods sold in proportion to the decline in revenue in the current period.

For the nine-month period of 2025, total cost and expenses of selling and administrative amounted to THB 1,600.7 million, a decrease of THB 443.2 million or 21.7% compared to the same period in 2024 (YoY), due to a reduction in the cost of goods sold in proportion to the decline in revenue. Overall, the Company was able to manage costs more efficiently, resulting in an improved overall gross profit margin compared to the previous year.

Cost of sales of goods and services

For Q3/2025, the Company reported cost of sales of goods and services of THB 24.8 million, a decrease of THB 164.2 million or 86.9% compared to Q3/2024 (YoY). The decrease was due to lower manufacturing and selling costs of steel tower in proportion to the decline in revenue.

Compared to Q2/2025 (QoQ), cost of sales decreased by THB 4.3 million or 14.8%, mainly due to lower manufacturing and selling costs of steel tower in proportion to the decline in revenue.

For the nine-month period of 2025, cost of sales of goods and services amounted to THB 197.9 million, a decrease of THB 376.3 million or 65.5% compared to the same period in 2024 (YoY), mainly due to lower manufacturing and selling costs of steel tower in proportion to the decline in revenue.

Cost of construction services

For Q3/2025, the Company reported cost of construction services of THB 398.1 million, a decrease of THB 102.2 million or 20.4% compared to Q3/2024 (YoY). The decrease was primarily due to lower revenue from underground electrical systems and transmission line systems, along with more efficient project cost management.

Compared to Q2/2025 (QoQ), cost of construction services decreased by THB 30.9 million or 7.2%, mainly due to a decrease in the proportion of construction services revenue in the current period.

For the nine-month period of 2025, cost of construction services amounted to THB 1,181.7 million, a decrease of THB 62.4 million or 5.0% compared to the same period in 2024 (YoY), due to more efficient project cost management and continuous control of on-site expenses.

Selling and Administrative Expenses

For Q3/2025, the Company reported selling and administrative expenses of THB 64.6 million, a decrease of THB 7.3 million or 10.2% compared to Q3/2024 (YoY), and a decrease of THB 21.3 million or 24.9% compared to Q2/2025 (QoQ). The decrease compared to the previous quarter was because the Company recognized 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 nine-month period of 2025, selling and administrative expenses amounted to THB 216.5 million, a decrease of THB 4.3 million or 1.9% compared to the same period in 2024 (YoY). The main reason was the recognition of termination benefits from organizational restructuring in the current period. Overall, total expenses for the year continue to show a declining trend in line with the organizational restructuring policy and cost management to improve the Company's overall efficiency.

Gross Profit

For Q3/2025, the Company recorded a gross profit of THB 87.8 million, a decrease of THB 21.4 million, with a gross profit margin of 17.2%, an improvement of 3.5 percentage points compared to Q3/2024 (YoY). The improvement in gross profit margin was due to improved cost management efficiency and better operations of the construction business.

Compared to Q2/2025 (QoQ), gross profit decreased by THB 5.3 million. However, the gross profit margin improved slightly by 0.3 percentage points due to improved cost management efficiency in the construction business in the current period.

For the nine-month period of 2025, the Company recorded a gross profit of THB 239.9 million, an increase of THB 26.3 million or 12.3%, with a gross profit margin of 14.8%, an improvement of 4.3 percentage points compared to the same period in 2024 (YoY), resulting from more efficient project cost management.

Gross profit from sales of goods and services

For Q3/2025, the Company reported a gross profit of THB 11.3 million, a decrease of THB 1.4 million, with a gross profit margin of 31.3%, an improvement of 25.0 percentage points compared to Q3/2024 (YoY). The main reason was more efficient cost management.

Compared to Q2/2025 (QoQ), gross profit increased by THB 13.2 million or 694.7%, and the gross profit margin improved by 38.3 percentage points because the Company was able to manage production and selling costs of steel tower more efficiently in this quarter.

For the nine-month period of 2025, the Company reported a gross loss of THB 6.6 million, an increase in loss of THB 47.5 million or 116.1%, with a gross loss margin of 3.5%, an increase of 10.1 percentage points compared to the same period in 2024 (YoY). The main reason was lower sales of flue inspection equipment and improvements in production cost management efficiency.

Gross profit from construction services

For Q3/2025, the Company reported a gross profit from construction services of THB 76.5 million, a decrease of THB 20.0 million or 20.7%, with a gross profit margin of 16.1%, similar to the same quarter of the previous year which had a gross profit margin of 16.3% compared to Q3/2024 (YoY). Although gross profit decreased with the decline in revenue from underground electrical systems and transmission lines, the Company was able to manage on-site costs efficiently and continuously.

Compared to Q2/2025 (QoQ), gross profit decreased by THB 18.5 million or 19.5%, with a gross profit margin decrease of 2.0 percentage points. The main reason was the revision of cost estimates for some projects to make revenue recognition more consistent with project progress.

For the nine-month period of 2025, the Company reported a gross profit from construction services of THB 246.4 million, an increase of THB 73.8 million or 42.7%, with a gross profit margin of 17.3%, an improvement of 5.1 percentage points compared to the same period in 2024 (YoY). The main reasons were more efficient operations and continuous good project cost control.

Finance Cost

For Q3/2025, the Company reported finance cost of THB 15.9 million, a decrease of THB 3.1 million or 16.3% compared to Q3/2024 (YoY). The main reason was the decrease in liabilities from progressive repayment of long-term loans.

Compared to Q2/2025 (QoQ), finance cost remained unchanged without significant changes.

For the nine-month period of 2025, the Company reported finance cost of THB 46.5 million, a decrease of THB 2.3 million or 4.7% compared to the same period in 2024 (YoY). The main reason was the decrease in liabilities from continuous repayment of long-term loans. The Company has continuously repaid long-term loans to maintain the interest burden at an appropriate level and strengthen the financial position in the long term.

Net Profit

For Q3/2025, the Company reported net profit of THB 18.7 million, a decrease of THB 43.8 million or 70.1% compared to Q3/2024 (YoY).

Compared to Q2/2025 (QoQ), net profit decreased by THB 5.5 million or 22.7%. The main reasons were the decrease in revenue from construction services and the decrease in recognition of other income from dividends in this quarter. However, the Company was able to maintain a better gross profit margin through more efficient project cost management.

For the nine-month period of 2025, net profit was THB 11.4 million, a decrease of THB 9.1 million or 44.4% compared to the same period in 2024 (YoY). The main reasons were the decrease in revenue from construction services and other income from dividends. However, the Company was able to maintain a better gross profit margin through efficient cost and expense management.

Projects Under Construction

Projects not yet delivered and under operation as of October 31, 2025, which are expected to progressively recognize revenue within 2027, are categorized by project type as follows:

Segments	Project Value (Baht Million)
Substation	2,359
Distribution	139
Underground	130
Transmission line	168
Telecommunication	38
Operation & Maintenance	23
Engineering design	5
Sales	10
Grand Total	2,872

Financial Position Summary as of September 30, 2025

Consolidated Financial Position

Unit: Baht Million	30 Sep 2025		31 Dec 2024		Change	%YoY
Trade and other current receivables	913.3	14.8%	1,035.1	15.5%	(121.8)	-11.77%
Current contract assets	374.5	6.1%	390.1	5.8%	(15.6)	-4.00%
Inventories	176.0	2.8%	350.9	5.2%	(174.9)	-49.84%
Others current assets	159.7	2.6%	184.5	2.8%	(24.9)	-13.47%
Total current assets	1,623.5	26.3%	2,000.4	29.9%	(377.0)	-18.85%
Other non-current financial assets	2,302.2	37.2%	2,367.7	35.4%	(65.5)	-2.77%
Investments in associates	1,386.8	22.4%	1,439.6	21.5%	(52.8)	-3.67%
Investments in joint ventures	71.9	1.2%	72.7	1.1%	(0.9)	-1.17%
Intangible assets	301.2	4.9%	306.5	4.6%	(5.3)	-1.74%
Others non-current assets	568.5	9.2%	581.0	8.7%	(12.5)	-2.15%
Total non-current assets	4,558.6	73.7%	4,694.8	70.1%	(136.2)	-2.90%
Total assets	6,182.1	100.0%	6,695.3	100.0%	(513.2)	-7.66%
OD and short-term loans from financial institutions	1,098.0	17.8%	1,251.8	18.7%	(153.9)	-12.29%
Trade and other current payables	559.5	9.1%	918.5	13.7%	(359.0)	-39.08%
Current contract liabilities	367.1	5.9%	369.9	5.5%	(2.8)	-0.75%
Others current liabilities	96.2	1.6%	107.9	1.6%	(11.7)	-10.82%
Total current liabilities	2,120.8	34.3%	2,648.0	39.6%	(527.3)	-19.91%
Long-term borrowings	64.9	1.1%	72.8	1.1%	(7.9)	-10.86%
Others non-current liabilities	379.8	6.1%	392.0	5.9%	(12.3)	-3.13%
Total non-current liabilities	379.8	6.1%	392.0	5.9%	(12.3)	-3.12%
Total liabilities	2,500.5	40.4%	3,040.1	45.4%	(539.5)	-17.75%
Issued and paid-up share capital	751.0	12.1%	751.0	11.2%	-	0.00%
Premium on common share	1,967.6	31.8%	1,967.6	29.4%	-	0.00%
Retained earnings - Unappropriated	(307.9)	-5.0%	(319.3)	-4.8%	11.4	-3.58%
Other components of shareholders' equity	1,023.7	16.6%	1,008.8	15.1%	15.0	1.48%
Others equities	247.1	4.0%	247.1	3.7%	-	0.00%
Total shareholders' equity	3,681.6	59.6%	3,655.2	54.6%	26.4	0.72%

As of September 30, 2025, the Company has a strong financial position with total assets of THB 6,182.1 million and shareholders' equity of THB 3,681.6 million.

Total assets:

As of September 30, 2025, the Company had total assets of THB 6,182.1 million, a decrease of THB 513.2 million or 7.66% compared to December 31, 2024. The main reasons were:

1. Current assets decreased by THB 377.0 million or 18.85% due to the decrease in trade receivables from cash collection and the decrease in inventory due to the business adjusting and reducing production capacity in the sales of goods segment.

2. Non-current assets decreased by THB 136.2 million from the return of other long-term investments and the decrease in investments in associates.

Total liabilities

As of September 30, 2025, the Company had total liabilities of THB 2,500.5 million, a decrease of THB 539.5 million or 17.75% compared to December 31, 2024. The main reasons were:

1. Current liabilities decreased by THB 527.3 million or 19.91% because in early 2025, the Company received cash from trade receivables and was able to use it to repay short-term loans from financial institutions and partially settle trade payables.

2. Non-current liabilities decreased by THB 12.3 million or 3.12% due to the decrease in long-term loans and deferred income tax liabilities.

Shareholders' Equity

As of September 30, 2025, the Company had shareholders' equity of THB 3,681.6 million, an increase of THB 26.4 million or 0.72% compared to December 31, 2024. The increase was from the decrease in accumulated deficit and gains from fair value measurement of long-term investments through other comprehensive income.

Please be informed accordingly,

Yours sincerely,

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MR. Chokchawan Yangthaworntrakul

(Chief Financial Officer)