

SET 2021/21

11 November, 2021

Subject: Management Discussion and Analysis (MD&A) for the Third Quarter of 2021

To President  
The Stock Exchange of Thailand

TEAM Consulting Engineering and Management Public Company Limited would like to submit this Management Discussion and Analysis for the third quarter ended 30 September 2021 of the Company and subsidiaries (TEAM GROUP) with details as follows:

**Operating Performance for the Three-month Period Ended 30 September 2021**

Consolidated Financial Performance	Jul – Sep 2020		Apr – Jun 2021		Jul – Sep 2021		% Growth Y-o-Y	% Growth Q-o-Q
	Million Baht	% of Total Revenue	Million Baht	% of Total Revenue	Million Baht	% of Total Revenue		
Service Revenue	430.05	99.2%	377.97	98.6%	434.12	98.6%	0.9%	14.9%
Total Revenue	433.33	100.0%	383.36	100.0%	440.23	100.0%	1.6%	14.8%
Cost of Services	(316.21)	(73.5%)	(280.60)	(74.2%)	(322.17)	(74.2%)	1.9%	14.8%
Administrative Expenses	(79.96)	(18.5%)	(79.98)	(20.9%)	(76.75)	(17.4%)	(4.0%)	(4.0%)
Operating Profit	37.15	8.6%	22.79	5.9%	41.31	9.4%	11.2%	81.3%
Share of Profit from Investment in Associated Companies	(1.16)	(0.3%)	0.08	0.0%	(0.03)	0.0%	(97.1%)	(142.9%)
Financial Revenue	1.79	0.4%	1.99	0.5%	1.82	0.4%	1.4%	(8.7%)
Financial Cost	(0.77)	(0.2%)	(1.01)	(0.3%)	(0.77)	(0.2%)	0.9%	(23.4%)
Revenue Tax	(7.82)	(1.8%)	(5.27)	(1.4%)	(8.50)	(1.9%)	8.7%	61.3%
<b>Profit for the Period</b>	<b>29.21</b>	<b>6.7%</b>	<b>18.58</b>	<b>4.8%</b>	<b>33.82</b>	<b>7.7%</b>	<b>15.8%</b>	<b>82.0%</b>

**Revenue**

The total revenue of TEAM GROUP for the third quarter ended 30 September 2021 was 440.23 Million Baht, increasing by 14.8% from 383.36 Million Baht in the second quarter of 2021, and by 1.6% from the total revenue of 433.33 Million Baht in the third quarter of 2020. The total revenue in this quarter consisted of service revenue in the amount of 434.12 Million Baht and other revenue of 6.11 Million Baht.

## Service Revenue

TEAM GROUP had the service revenue for the third quarter of 2021 in a total amount of 434.12 Million Baht, accounting for 98.6% of the total revenue with the following revenue structure:

Service Revenue (Million Baht)	Q3 (2021)	Q2 (2021)	Q-o-Q	Q3 (2020)	Y-o-Y	Jan-Sep 2021	Jan-Sep 2020	% Growth
Government Sector (G)	291	216	35%	269	8%	728	754	(3%)
Private Sector (P)	112	127	(12%)	110	2%	358	350	2%
International Sector (I)	19	27	(29%)	41	(54%)	76	141	(46%)
Related Business Sector (R)	12	8	54%	10	26%	39	54	(27%)
<b>Total Service Revenue</b>	<b>434</b>	<b>378</b>	<b>15%</b>	<b>430</b>	<b>1%</b>	<b>1,201</b>	<b>1,299</b>	<b>(8%)</b>

### (1) Service Revenue from Government Sector

During the third quarter of 2021, the service revenue from the government projects amounted to 291.03 Million Baht, accounting for 67% of the total service revenue, increasing by 8% from the same period of 2020 and by 35% from the second quarter in 2021. This was because further progress was made on the new feasibility study and design projects awarded in the beginning of this year whereas the large-scale PMSC projects continually performed since last year could be carried out as planned.

### (2) Service Revenue from Private Sector

During the third quarter of 2021, the service revenue from the private sector amounted to 111.71 Million Baht, equaling 26% of the total service revenue, slightly increasing by 2% from 110.07 Million Baht gained in the same period of the previous year and decreasing by 12% from 127.07 Million Baht in the second quarter of this year due to closure of construction sites to comply with the government's measures to control the spread of COVID-19 proclaimed during the end of June to the end of July.

### (3) Service Revenue from International Sector

During the third quarter of 2021, the service revenue from the international sector was 18.98 Million Baht, or 4% of the total service revenue, continuously declining since 2020 after the COVID-19 outbreak at the rates of 54% from the same period of the previous year, and 29% from that in the second quarter of 2021. This was due to the fact that TEAM GROUP still has difficulties in exploring new projects during the new wave of COVID-19 which became more severe in the country and other countries in 2021.

### (4) Service Revenue from Related Business Sector

During the third quarter of 2021, the revenue from the related business sector was in the amount of 12.40 Million Baht, accounting for 3% of the total service revenue. The amount was higher than the same period of 2020 and the second quarter of 2021 at the rates of 26% and 54% respectively. The increase in the service revenue

from this sector resulted from more new dam instrumentation works gained and implemented in the third quarter.

### Cost of Services and Gross Profit Margin

In the third quarter of 2021, the total cost of services of TEAM GROUP increased from the same period of 2020 and the second quarter of 2021 by 5.96 Million Baht and 41.57 Million Baht, or 1.9% and 14.8% respectively, due to the increase in the service revenue. The percentage of the cost of services in 2021 increased to 74.2% of the service revenue, compared to 73.5% in the same period of the previous year. This was because TEAM GROUP had to increase the expenses to correspond to the extended periods as well as the scope of work of some projects. Consequently, the gross profit margin reduced to 25.8% of the service revenue.

### Administrative Expenses

The administrative expenses in the third quarter of 2021 slightly diminished by 4.0%, resulting the administrative ratio to total revenue declined to 17.4% compared to 18.5% in the same period of last year and 20.9% in the second quarter of this year.

### Net Profit, and Net Profit Margin

On account of higher revenue recognition in the third quarter and efficient management of administrative expenses, TEAM GROUP earned the net profit for the third quarter of 2021 in a total amount of 33.82 Million Baht, increasing from the same period of 2020 and the second quarter of 2021 by 15.8% and 82.0% respectively. The net profit margin in this third quarter increased to 7.7% of the total revenue, compared to 6.7% in the same period of 2020, and 4.8% in the second quarter of 2021.

### Financial Position as of 30 September 2021

<i>Unit: Million Baht</i>	31 Dec 2020	30 Sep 2021	% Change
Cash and Cash Equivalents	491.86	345.24	(42.5%)
Trade and Other Receivables	333.44	429.81	28.9%
Unbilled Receivables	580.76	690.83	18.9%
Other Current Assets	65.66	95.25	45.1%
Non-current Assets	536.71	546.47	1.8%
<b>Total Assets</b>	<b>2,008.43</b>	<b>2,107.60</b>	<b>4.9%</b>
Current Liabilities	770.40	827.43	7.4%
Non-current Liabilities	323.70	326.24	0.8%
<b>Total Liabilities</b>	<b>1,094.10</b>	<b>1,153.67</b>	<b>5.4%</b>
Shareholder's Equity	914.33	953.93	4.3%
<b>Total Liabilities and Shareholder's Equity</b>	<b>2,008.43</b>	<b>2,107.60</b>	<b>4.9%</b>

### Assets

As of 30 September 2021, TEAM GROUP had the total assets of 2,107.60 Million Baht, increasing by 4.9% from the end of 2020. Unbilled receivables increased by 110.07 Million Baht and also trade and other receivables rose by 96.37 Million Baht. Whereas

cash and cash equivalents decreased in a total amount of 146.62 Million Baht as more project works were carried out during the quarter.

### Liabilities and Shareholder's Equity

As of 30 September 2021, TEAM GROUP had the total liabilities of 1,153.67 Million Baht and the shareholders' equity of 953.93 Million Baht, compared to the end of 2020, increasing at the rates of 5.4% and 4.3% respectively, resulting from the higher advances received and the increase in the net profit during the 9-month period.

### Significant Financial Ratios

<i>Unit: Times</i>	30 Sep 2020	30 Jun 2021	30 Sep 2021
Current Ratio	1.85	1.98	1.89
Quick Ratio	1.14	0.94	0.94
Debt to Equity Ratio (D/E ratio)	1.24	1.13	1.21
Gearing Ratio	0.07	0.10	0.10

At the end of the third quarter of 2021, TEAM GROUP could maintain the liquidity at the satisfactory level of 1.89 times. The quick ratio was 0.94 times owing to higher unbilled receivables as mentioned above. Moreover, the debt to equity ratio increased to 1.21 times from the previous quarter but comparable to the D/E ratio at the end of 2020. The gearing ratio remained the same at 0.10 times when compared to that of the second quarter in 2021.

Please be informed accordingly.

Yours sincerely,

(Mrs. Penpilai Phonchaipanich)

Chief Financial Officer

TEAM Consulting Engineering and Management Public Company Limited