



**Management Discussion and Analysis (“MD&A”) for operating performance  
for the three-month and nine-month period ended 30 September 2021  
of TRC Construction Public Company Limited and Its Subsidiaries**

Operating Results of the Company and its subsidiaries (Unit : Million Baht)	Q3 2021	Q2 2021	Q3 2020	QoQ Amount	YoY Amount	9-Month 2021	9-Month 2020	YoY Amount
Construction services income	800.29	1,219.07	592.79	(418.78)	207.50	3,204.38	2,256.83	947.55
Cost of construction services	718.50	1,121.99	952.28	(403.49)	(233.78)	3,078.37	2,518.59	559.78
<b>Gross profit (loss) for construction services income</b>	<b>81.79</b>	<b>97.08</b>	<b>(359.49)</b>	<b>(15.29)</b>	<b>441.28</b>	<b>126.01</b>	<b>(261.76)</b>	<b>387.77</b>
Other service income	4.33	5.27	6.31	(0.94)	(1.98)	16.17	15.05	1.12
Cost of other services	2.43	3.90	4.56	(1.47)	(2.13)	9.53	9.96	(0.43)
<b>Gross profit (loss) for other service income</b>	<b>1.90</b>	<b>1.37</b>	<b>1.75</b>	<b>0.53</b>	<b>0.15</b>	<b>6.64</b>	<b>5.09</b>	<b>1.55</b>
Sales income	0.13	0.37	-	(0.24)	0.13	0.73	-	0.73
Cost of sales	0.20	0.27	-	(0.07)	0.20	0.60	-	0.60
<b>Gross profit (loss) for sales</b>	<b>(0.07)</b>	<b>0.10</b>	<b>-</b>	<b>(0.17)</b>	<b>(0.07)</b>	<b>0.13</b>	<b>-</b>	<b>0.13</b>
Interest and other income	4.92	17.63	15.63	(12.17)	(10.71)	30.71	37.35	(6.64)
Administrative expenses	64.80	61.95	65.55	2.85	(0.75)	188.59	237.14	(48.55)
Finance cost	9.52	8.79	7.47	0.73	2.05	25.77	17.53	8.24
Share of profit (loss) from investment in joint venture	(0.36)	0.76	0.62	(1.12)	(0.98)	(0.91)	(2.34)	1.43
Income tax income (expenses)	(4.60)	(6.48)	32.00	(1.88)	(36.60)	(9.19)	26.44	(35.63)
Non-controlling interests of the subsidiaries	0.49	0.46	1.54	0.03	(1.05)	1.40	2.49	(1.09)
<b>Profit (loss) attribute to equity holders of the Company</b>	<b>9.75</b>	<b>40.18</b>	<b>(380.97)</b>	<b>(30.43)</b>	<b>390.72</b>	<b>(59.57)</b>	<b>(447.40)</b>	<b>387.83</b>
<b>Earnings per Share (Baht)</b>	<b>0.0010</b>	<b>0.0042</b>	<b>(0.0397)</b>			<b>(0.0062)</b>	<b>(0.0467)</b>	

### The 3<sup>rd</sup> Quarter of 2021 Operating Performance Summary

1. **Construction services income** was Baht 800.29 million, representing an increase of Baht 207.50 million or 35.00% from the same period of last year because this quarter, the Company has many projects on hand. Revenue structure came from civil work and pipeline work, respectively as same the 3<sup>rd</sup> quarter of 2020 and 2<sup>nd</sup> quarter of 2021. In 3<sup>rd</sup> quarter of 2021, the revenue was recognized from civil work of Baht 463.68 million and pipeline work of Baht 320.21 million that came from the significant projects such as Baht 123.50 million of Drainage system on the east side of railway- parallel road Phase 1 Pattaya city Project, Baht 93.50 million of the restoration of highway network connecting region, Highway Route No. 41, Ban Mai Siap – Phatthalung and Baht 75.52 million of the Raw Water Pipeline System Klong Luang Reservoir-Chonburi Project. The change of revenue of the 3<sup>rd</sup> quarter, comparing with previous quarter decreased Baht 418.78 million or 34.35% due to the surge of COVID-19 pandemic phase 3, the government enhanced the intensive prevention measures to prevent the spread of the COVID-19 Disease, impacted on the temporary closure of some construction sites of the Company.

2. **Gross Profit for construction services** was Baht 81.79 million, whereas loss profit for construction service for the 3<sup>rd</sup> quarter of 2020 was Baht 359.49 million due to the recognition of the significant increase in construction costs of the smart warehouse project. The comparison gross profit for construction services between the 3<sup>rd</sup> quarter of 2021 and 2020 increased of Baht 411.28 million or 122.75%.

3. **Administrative expenses** was Baht 64.80 million, slightly decreasing from the same period of last year. Mostly administrative expense was salary and other expenses related to employee.

4. **Finance cost** was Baht 9.52 million, representing an increase of Baht 2.05 million or 27.44% from the same period of last year, caused from the increase of bank overdrafts and short-term loan that was used as working capital. As of 30 September 2021, the outstanding balance of bank overdrafts and short-term loan was Baht 781.96 million.

5. **Profit attribute to equity holders of the Company** was Baht 9.75 million, representing Baht 0.0010 earnings per share whereas loss attribute to equity holders of the Company for the 3<sup>rd</sup> quarter of 2020 was Baht 380.97 million, representing Baht -0.0397 earnings per share. The profit increasing is explained according to no. 2.

### The 9-Month of 2021 Operating Performance

TRC and its subsidiaries recorded the services income of Baht 3,204.38 million, representing an increase of Baht 947.55 million or 41.99% from the same period of last year because the Company has many projects on hand as a result the work delivery is more than previous year. Gross profit for construction services increased of Baht 387.77 million and administrative expense decreased of Baht 48.55 million from the same period of last year.

9-Month of 2021 and 2020, loss profit attribute to equity holders of the Company was Baht 59.57 million and Baht 447.40 million, representing Baht -0.0062 earnings per share and Baht -0.0467 earnings per share, respectively.

### Finance Position

Finance Position (Unit: MB)	30 Sep 2021	31 Dec 2020	Inc. / (Dec.)	%
Current Assets	3,349.00	2,809.07	539.93	19.22%
Non-current Assets	819.60	870.17	(50.57)	(5.81%)
<b>Total assets</b>	<b>4,168.60</b>	<b>3,679.24</b>	<b>489.36</b>	<b>13.30%</b>
Current Liabilities	3,726.75	3,164.76	561.99	17.76%
Non-Current Liabilities	89.93	117.78	(27.85)	(23.65%)
<b>Total liabilities</b>	<b>3,816.68</b>	<b>3,282.54</b>	<b>534.14</b>	<b>16.27%</b>
Equity	351.92	396.70	(44.78)	(11.29%)

**Total assets** was Baht 4,168.60 million, representing an increase of Baht 489.36 million or 13.30%, caused from the increase of current assets of Baht 539.93 million and the decrease of non-current assets of Baht 50.57 million.

Significant item of current assets are as follows.

1. Unbilled receivables increased by Baht 671.18 million because the company has more projects and the continuity of operation work, resulting in the increase of revenue from construction. Unbilled receivables are the revenue from construction, calculated by the proportion of completed work which is not able to issue until meet the conditions in the contract.
2. Advance payment to subcontractor decreased by Baht 107.07 million since subcontractor gradually delivered their work to the Company.
3. Construction in progress decreased by Baht 162.02 million because most of the brought forward construction in progress was gradually recognized as project cost and implementation of cost control.

**Total Liabilities** was Baht 3,816.68 million, representing an increase of Baht 534.14 million or 16.27%, caused from the increase of current liabilities of Baht 561.99 million and the decrease of non-current liabilities of Baht 27.85 million.

Significant item of current liabilities are as follows.

1. Trade and other current payables increased by Baht 190.98 million since the Company has more projects and some construction sites are temporarily closed according to the government's prevention measure on the COVID-19 pandemic phase 3.
2. Unbilled payable increased by Baht 375.22 million because the creditors, who provide construction services, are not able to issue the invoice until meet the conditions in the contract.
3. Advance received from customer under construction service decreased by Baht 70.28 million since the Company delivered work to customer.

**Equity** was Baht 351.92 million, representing a decrease of Baht 44.78 million or 11.29%, resulting from loss of operating performance for nine-month of Baht 60.97 million and other comprehensive income of Baht 18.27 million.

### Key Financial Ratios

Financial Ratios	Q3/2021	Q2/2021	Q3/2020	9M/2021	9M/2020
Net Profit (loss) Margin (%)	1.14%	3.20%	-62.22%	-1.87%	-19.48%
EBITDA Margin (%)	4.97%	5.92%	-62.93%	0.88%	

Financial Ratios	30 Sep 2021	31 Dec 2020
Current Ratio (Times)	0.90	0.89
Debt to Total Asset Ratio (Times)	0.92	0.89
Debt to Equity Ratio (Times)	10.85	8.27

#### Note

Net Profit (Loss) Margin (%)	=	Net Profit (Loss) / Total Revenue
EBITDA Margin (%)	=	Earnings before Interest, Taxes, Depreciation and Amortization / Total Revenue
Current Ratio (Times)	=	Current Assets / Current Liabilities
Debt to Total Asset Ratio (Times)	=	Total Debt / Total Assets
Debt to Equity Ratio (Times)	=	Total Debt / Equity

### Backlog on Hand

As of 30 September 2021, the Company and its subsidiaries had projects on hand with the remaining uncompleted works as follows.

Company	Number of the Projects	Uncompleted Work Value (MB)
TRC Construction Public Company Limited	14	1,303.96
Sahakarn Wisavakorn Co., Ltd.	14	6,205.97
<b>Total</b>	<b>28</b>	<b>7,509.93</b>



## New Projects

Since 1 January 2021 to 30 September 2021, TRC has obtained 8 projects, total work value of Baht 1,308.43 million which has awarded in the 3<sup>rd</sup> quarter of 2021 for 5 projects, total work value of Baht 983.66 million, the significant project as follows.

TRC

- Fabrication and Installation of Fuel Tanks at Phetchaburi Tank Terminal from Pan Asia Storage and Terminal Co., Ltd.

The project work value is Baht 186.29 million with 365 days constructions period.

- Fabrication and Installation of Fuel Tanks at Bangpakong Tank Terminal from Pan Storage and Service Co., Ltd.

The project work value is Baht 116.43 million with 365 days constructions period.

Sahakarn Wisavakorn Co., Ltd.

- Highway No.4 Route Ban TamNang - Khok Khian Intersection, Section 1 from Department of Highways.

The project work value is Baht 653.23 million with 840 days constructions period.

(Mr. Pasit Leesakul)

Director and Chief Executive Officer

12 November 2021