

TRITON

No TRITN-SET 009/2022

August 15, 2022

Subject: Management Discussion and Analysis for the second quarter of 2022

To: President

The Stock Exchange of Thailand

Highlights

- For 3-month period, the company reported total revenues of 235.53 million baht which derived from i) construction of 160.12 million baht, ii) power plants of 24.51 million baht, iii) profit from sale of investment in an associate 8.66 million, iv) other revenues of 42.24 million baht.
- For 3-month period, the company generated net profit - the company of 7.32 million baht, compared to the net loss—the company of (11.75) million baht in the same period last year, an increasing of 162.25%. For 6-month period, the company generated net profit – the company of 30.16 million baht, compared to the net loss—the company of (45.57) million baht in the same period last year, an increasing of 166.19%.
- Rail and Train construction contributed solid progress and improvement in gross profit in the second quarter.
- For 6-month period, the power plant business generated revenues of 55.49 million baht, comparing to revenues of 46.27 million baht in the same period last year, a slightly increase of 19.93%

For 3 months period ended June 30, 2022

Consolidated Profit & Loss of Triton Holding Public Company Limited

Unit: Million Baht

	2Q22	2Q21	Change	
			million baht	△%
Total revenues	235.53	295.42	(59.89)	(20.27)
Total expenses	231.18	324.36	(93.18)	(28.73)
Share of gain (loss) of associate accounted fo	1.07	1.80	(0.72)	(40.26)
Net Profit	5.42	(27.15)	32.57	119.97
Net Profit (loss) - The Company	7.32	(11.75)	19.07	162.25
Net profit margin	2.30%	-9.19%		
Net profit margin - company	3.11%	-3.98%		

- For 3-month period, the company reported total revenues of 235.53 million baht in 2Q22, a slightly decrease of 20.27% compared to the same period last year. Each construction projects be able to control expenses as plan. Total expenses significantly decreased of 93.18 million baht or 28.73%. The company realized share of gain of associate accounted for using equity method of 1.07 million baht. Triton holding generated a net profit of 5.42 million baht, compared to net loss of (27.15) million baht in the same period

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last year. The company reported net profit - the company of 7.32 million baht, compared to net loss – the company of (11.75) million baht in the same period of 2021. This mainly was attributable to i) solid construction progress ii) efficient cost control in each business units iii) profit from sale of investment in an associate iv) other income which mainly from construction machine rental, revenue from sale of warrants, other construction related income such as back charging revenues.

	Q1-Q2/22	Q1-Q2/21	Change	
			million baht	△%
Total revenues	420.21	486.22	(66.02)	(13.58)
Total expenses	395.90	560.22	(164.32)	(29.33)
Share of gain (loss) of associate using equity method	2.53	0.16	2.37	1,522.26
Net Profit	26.83	(73.84)	100.67	136.34
Net Profit (loss) - The Company	30.16	(45.57)	75.73	166.19
Net profit margin	6.39%	-15.19%		
Net profit margin - company	7.18%	-9.37%		

- For 6-month period, the company reported total revenues of 420.21 million baht, a slightly decrease of 13.58% compared to the same period last year. Total expenses significantly decreased of 164.32 million baht or 29.33%. Triton holding generated a net profit of 26.83 million baht, compared to net loss of (73.84) million baht in the same period last year. The company reported net profit - the company of 30.16 million baht, compared to net loss – the company of (45.57) million baht in the same period of 2021. This mainly was attributable to i) solid construction progress ii) efficient cost control in each business units iii) profit from sale of investment in an associate iv) other income which mainly from construction machine rental, revenue from sale of warrants, other construction related income such as back charging revenues.

1. Construction Business

Unit : Million Baht

Construction	2Q22	2Q21	Change	
			million baht	△%
Revenues	160.12	241.72	(81.60)	(33.76)
Expenses	151.68	250.08	(98.41)	(39.35)
Gross profit	8.45	(8.37)	16.81	200.96
Idle cost	3.59	5.62	(2.03)	(36.11)
Finance cost	2.45	2.25	0.20	8.74
Gross profit margin	5.27%	-3.46%		

- For 3-month period, Construction business has generated revenues of 160.12 million baht, compared to revenues of 241.72 million baht in the same period last year, or a decrease of 33.76%. Construction business generated gross profit of 8.45 million baht, compared to negative gross profit (8.37) million baht in the same period last year. The construction progress in the second quarter derived from HDD & Civil construction of 87.53 million baht and from Rail & Train construction of 72.59 million baht.

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Construction	Q1-Q2/22	Q1-Q2/21	Change	
			million baht	△%
Revenues	263.02	399.51	(136.49)	(34.16)
Expenses	249.24	417.73	(168.49)	(40.33)
Gross profit	13.78	(18.22)	32.00	175.64
Idle cost	6.96	12.28	(5.33)	(43.37)
Finance cost	4.35	4.29	0.06	1.41
Gross profit margin	5.24%	-4.56%		

- For 6-month period, Construction business has generated revenues of 263.02 million baht, compared to revenues of 399.51 million baht in the same period last year, or a decrease of 34.16%. Construction business generated gross profit of 13.78 million baht, compared to negative gross profit (18.22) million baht in the same period last year. The construction progress during the first half of FY2022 derived from HDD & Civil construction of 141.09 million baht and from Rail & Train construction of 121.93 million baht.

HDD + Civil	2Q22	2Q21	Change	
			million baht	△%
Revenues	87.53	251.44	(163.91)	(65.19)
Expenses	85.75	230.92	(145.18)	(62.87)
Gross Profit	1.78	20.52	(18.73)	(91.31)
Idle cost on a particular contract	3.59	5.62	(2.03)	(36.11)
Finance cost	0.62	0.69	(0.08)	(10.87)
Gross profit margin	2.04%	8.16%		

At the end of second quarter, the company had recognized revenue amounting to 82.64% of the total project under construction.

Oil and gas infrastructure construction

- Oil and gas infrastructure construction to northern area Project (99.23% progress)
- Pipe Jacking Construction Contract under Highway No. 304 (34.61% progress)
- Maintenance pipeline in Bangkok area (69.10% progress)
- Combined Sewer Overflow, CSO / Pipe Jacking project (0.42% progress)

Civil engineering construction The construction works consist of the building demolition work, Interior decoration work, Train Station and U-turn Overpass Crossing over Railway Projects in the southern part of Thailand.

- U-Turn overpass and other civil work in southern part of Thailand (99.92% progress)
- Building demolition project (100% progress)

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- Interior Decoration works project 1(0.73% progress)
- Interior Decoration works project 2 (0.00% progress)

Rail & Train	2Q22	2Q21	Change	
			million baht	%
Revenues	72.59	(9.72)	82.31	846.69
Expenses	65.93	19.16	46.77	244.10
Gross profit	6.66	(28.88)	35.54	123.07
Finance cost	1.83	1.56	0.27	17.48
Gross profit margin	9.18%	297.08%		

Train and Railway systems and construction On July 1, 2020, Triton Engineering and Construction Company Limited, a subsidiary of the company, acquired 65% of ordinary shares of Trans Thai Railway Company Limited (TTR). For 3 months period end June 30, 2022, Train and Railway systems and construction generated revenue of 72.59 million baht. The business unit generated gross profit of 6.66 million baht.

2. Power Business

On February 17, 2020, Triton Power Co., Ltd., a subsidiary of the company, acquired 75% of ordinary shares of Aukkrarawat Renewable Energy Power Plant Company Limited (AKP). The power plant is under Power Purchase Agreement (PPA) with Provincial Electricity Authority (PEA) of 4.9 megawatts.

Power	2Q22	2Q21	Change		Q1-Q2/22	Q1-Q2/21	Change	
			million baht	△%			million baht	△%
Revenues	24.51	22.02	2.49	11.30	55.49	46.27	9.22	19.93
Expenses	26.72	27.54	(0.82)	(2.99)	53.67	51.54	2.13	4.14
Gross profit	(2.21)	(5.52)	3.31	(60.01)	1.81	(5.27)	7.09	(134.39)
Finance cost	2.92	3.07	(0.16)	(5.05)	5.90	5.00	0.90	17.94
Gross profit margin	-9.01%	-25.06%			3.27%	-11.40%		

Note: Revenues included compensation for operation & maintenance machine under contract.

For 3-month period, even power plants were under several plant maintenance activities such as cover lagoon fixing, bio scrubbers washing, equipment and critical spare part fixing, concrete floor construction, and so on, the power plants report still generate higher revenues than last year. Power business generated revenues, which included compensation for operation & maintenance machine under contract, of 24.51 million baht, increased by 2.49 million baht or increased 11.30%. For 6-month period, the power plant business generated revenues of 55.49 million baht and gross-profit of 1.81 million baht, comparing to revenues of 46.27 million baht in the same period last year.

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3. Other revenues

	2Q22	2Q21	Change	
			million baht	Δ%
Other income	41.05	17.04	24.01	140.94
Profit from sales of investment in an associate	8.66	13.10	(4.44)	(33.90)

For 3-month period, other revenues were 49.71 million baht, significantly increased by 64.94% or by 19.57 million baht from the same period last year mainly from profit from sales of investment in an associate, revenue from machinery rental and revenue from sales of warrants.

4. Financial Position and Statement of Cash Flows

Unit : Million Baht

Balance sheet	As of June 30, 2022	As of Dec 31, 2021	Δ %
Total Assets	2,844.02	2,653.03	7.20%
Total Liabilities	1,174.97	1,003.60	17.08%
Total Equities	1,669.05	1,649.43	1.19%

Cash Flow (Million Baht)	For 3 months period end June 30, 2022
Cash Flow from Operation	-168.20
Cash Flow from Investment	54.57
Cash Flow from Financing	-51.79
Net Change in Cash	-165.42
Ending Cash	309.19

Financial Ratios	Jun-22	Jun-21
ROE	-17.83%	-1.65%
ROA	-10.81%	-1.04%
ROE (2Q22)	0.40%	-0.64%
ROA (2Q22)	0.24%	-0.40%
Net Profit margin - The company	3.98%	-4.46%
	Jun-22	Dec-21
D/E (time)	0.70	0.61
Current ratio (time)	1.30	1.45

Triton reported solid improvement in profitability ratios comparing to the same period last year, primarily due to increasing in gross profit margin and recognition of other incomes during the period. As of June 30, 2022, Return on Equity (2Q22) was 0.4% which increased from (0.64)% in the same period last year. Return on Asset (2Q22) was 0.24% which increased from (0.40%) in the same period last year. The company's net profit margin was 3.98% which sharply increased from (4.46%) in the same period last year. At the end of 2Q22, the company balance sheet was in strong position with Net Debt / Equity of 0.70x. Cash and cash equivalents were 309.19 million baht.

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5. Impact of COVID 19 situation

The Coronavirus disease 2019 (“COVID-19”) pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group’s and the Company’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions, and contingent liabilities.

Faithfully yours

Worapong Woottipruk
CFO