

TRITON

No TRITN-SET 010/2022

November 14, 2022

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

To: President

The Stock Exchange of Thailand

Highlights

- For 3-month period, the company reported total revenue of 238.02 million baht in 3Q22, an increase of 96.50% compared to the same period last year.
- For 9-month period, the company reported total revenue of 658.23 million baht in Q1-Q3/2022, comparing to total revenue of 607.36 million baht in the same period last year, or an increase of 8.38%. The company generated a net profit - the company of 1.88 million baht. New HDD construction projects started their first construction phase (detail design / vender auditing / site access / site office, main material procurement, etc.).

For 3 months period ended September 30, 2022

Consolidated Profit & Loss of Triton Holding Public Company Limited

	3Q2022	3Q2021	Change	
			million baht	▲ %
Total revenues	238.02	121.13	116.89	96.50
Total expenses	270.04	192.48	77.57	40.30
Share of gain (loss) of associate	(2.28)	1.36	(3.64)	(267.70)
Net Profit	(34.30)	(69.98)	35.68	50.98
Net Profit (loss) - The Company	(28.28)	(61.83)	33.55	54.26
Net profit margin	-14.41%	-57.78%		
Net profit margin - company	-11.88%	-51.05%		

- For 3-month period, the company reported total revenue of 238.02 million baht in 3Q22, an increase of 96.50% compared to the same period last year. The company started first construction activities of several projects in the quarter. The construction progress shall step up after site access activities, site office, design, and procurement ready in place. In this quarter, the company generated a net loss - the company of (28.28) million baht, comparing to net loss—the company of (61.83) million baht in the same accounting period of 2021.

TRITON

For 9 months period ended September 30, 2022

	Q1-Q3/2022	Q1-Q3/2021	Change	
			million baht	▲ %
Total revenues	658.23	607.36	50.87	8.38
Total expenses	665.94	752.70	(86.75)	(11.53)
Share of gain (loss) of associate	0.25	1.52	(1.27)	(83.76)
Net Profit	(7.47)	(143.82)	136.35	94.81
Net Profit (loss) - The Company	1.88	(107.40)	109.28	101.75
Net profit margin	-1.14%	-23.68%		
Net profit margin - company	0.29%	-17.68%		

- For 9-month period, the company reported total revenue of 658.23 million baht in Q1-Q3/2022, comparing to total revenue of 607.36 million baht in the same period last year, or an increase of 8.38%.
- The company generated a net profit - the company of 1.88 million baht, comparing to net loss—the company of (107.40) million baht in the same accounting period of 2021. This was attributable to increasing in construction progress in the period. New HDD construction projects came to first construction phase (detail design / vender auditing / site access / site office, main material procurement, etc.) during the third quarter.

1. Construction Business

Construction Business	Q1-Q3/2022	Q1-Q3/2021	Change	
			million baht	▲ %
Revenues	450.76	476.89	(26.13)	(5.48)
Expenses	445.32	539.81	(94.49)	(17.50)
Gross profit	5.44	(62.92)	68.36	108.64
Idle cost	10.54	17.96	(7.42)	(41.34)
Finance cost	6.58	6.42	0.17	2.57
Gross profit margin	1.21%	-13.19%		

- For 9-month period, Construction business has generated revenues of 450.76 million baht, comparing to revenues of 476.89 million baht a decrease 5.48% compared to the same accounting period of 2021. Construction business generated gross profit of 5.44 million baht, comparing to negative gross profit (62.92) million baht in the same period last year. The company started first construction activities of several projects in the third quarter. The construction progress shall step up after site access activities, site office, design, and procurement ready in place.

TRITON

Construction Business	3Q2022	3Q2021	Change	
			million baht	▲ %
Revenues	187.74	77.38	110.36	142.61
Expenses	196.08	122.08	74.00	60.61
Gross profit	(8.34)	(44.70)	36.36	81.34
Idle cost	3.58	5.68	(2.10)	(36.94)
Finance cost	2.23	2.13	0.10	4.93
Gross profit margin	-4.44%	-57.76%		

- For 3-month period, Construction business has generated revenues of 187.74 million baht, or an increase of 110.36 million baht. New residential decoration projects start in the quarter. New HDD construction projects came to first construction phase (detail design / vender auditing / site access / site office, main material procurement, etc.) during the third quarter. Construction business generated negative gross loss of (8.34) million baht.

HDD + Civil	3Q2022	3Q2021	Change ▲		Q1-Q3/2022	Q1-Q3/2021	Change ▲	
			million baht	%			million baht	%
Revenues	135.68	18.09	117.60	650.18	276.78	424.88	(148.11)	(34.86)
Expenses	140.50	64.18	76.31	118.90	279.12	438.98	(159.86)	(36.42)
Gross Profit	(4.81)	(46.10)	41.28	89.56	(2.34)	(14.10)	11.76	83.38
Idle cost on a pa	3.58	5.68	(2.10)	(36.94)	10.54	17.96	(7.42)	(41.34)
Admin expenses	12.79	14.24	(1.45)	(10.18)	37.97	39.32	(1.35)	(3.43)
Other revenues	25.78	17.93	7.85	43.78	64.43	34.47	29.96	86.92
Finance cost	0.64	0.60	0.04	6.54	1.53	1.66	(0.13)	(7.99)
Net profit	4.56	(46.23)	50.79	109.86	16.52	(35.15)	51.67	147.00
Net profit margin	3.36%	-255.60%			5.97%	-8.27%		

- For 3-month period, HDD+Civil business has generated revenues of 135.68 million baht, or an increase of 117.60 million baht. The business unit reported net profit of 4.56 million baht. New residential decoration projects start in the quarter. New HDD construction projects came to first construction phase (detail design / vender auditing / site access / site office, main material procurement, etc.) during the third quarter.
- For 9-month period, HDD+Civil business has generated revenues of 276.78 million baht, or an increase of 148.11 million baht. The business unit reported net profit of 16.52 million baht. Mainly because i) new residential decoration projects and new HDD projects start in the quarter and ii) revenues from machine rental and sales

TRITON

Oil and gas infrastructure construction generated revenues of 102.95 million baht in 3Q22. At the end of third quarter, the company had recognized revenues amounting to 73.46% of the total project value with the remaining project backlog of 1,958.20 million baht.

- Oil and gas infrastructure construction to northern area Project (99.66% progress)
- Pipe Jacking construction on Chaeng-Watthana Road (44.82% progress)
- Oil and gas infrastructure construction to north-east area Project (100.00% progress)
- Water pipelines transmission construction in Bangkok (3.02% progress)
- Oil and gas infrastructure re-routing in Pathumthanee (0.00% progress)

Civil engineering construction generated revenue of 32.73 million baht in 3Q22. The main construction works are a couple of residential interior design and decoration projects and a residential piling construction in Bangkok. The company had recognized revenues from civil engineering construction project amounting to 69.21% of the total project value with the remaining project backlog of 75.40 million baht.

- Residential interior designed and construction in Bangkok #1 (51.00% progress)
- Residential interior designed and construction in Bangkok #2 (5.90% progress)
- Residential piling construction in Bangkok (1.86% progress)

Rail and train Business	3Q2022	3Q2021	Change		Q1-Q3/2022	Q1-Q3/2021	Change	
			million baht	▲%			million baht	▲%
Revenues	52.06	59.30	(7.24)	(12.21)	173.99	52.01	121.98	234.53
Expenses	55.59	57.90	(2.31)	(4.00)	166.20	100.83	65.37	64.83
Gross profit	(3.53)	1.40	(4.93)	(353.06)	7.78	(48.82)	56.60	115.94
Finance cost	1.60	1.53	0.07	4.30	5.06	4.76	0.30	6.26
Gross profit margin	-6.78%	2.35%			4.47%	-93.87%		

Train and Railway systems and construction On July 1, 2020, a subsidiary of the company, acquired 65% of ordinary shares of Trans Thai Railway Company Limited. For 3 months period, Rail and train construction business generated revenues of 52.06 million baht and generated negative gross profit of (3.53) million baht. The main project under construction is a train signaling project to Lopburee province. As of the date of MD&A presented, the additional scopes were awarded to TTR of 152.20 million baht. For 9 months period, Rail and train construction business generated revenue of 173.99 million baht and generated gross profit of 7.78 million baht. The remaining project backlog is 428.29 million baht.

TRITON

2. Power Business

Power Business	3Q2022	3Q2021	Change	
			million baht	▲ %
Revenues	13.41	12.05	1.36	11.26
Expenses	19.67	28.03	(8.35)	(29.80)
Gross profit	(6.27)	(15.97)	9.71	60.77
Finance cost	2.78	3.06	(0.29)	(9.35)
Gross profit margin	-46.73%	-132.55%		

- On February 17, 2020, 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.
- For 3-month period, Power business generated revenue of 13.41 million baht, increased by 1.36 million baht or 11.26 %. The power plants were under maintenance on a bio scrubber tower, cover lagoon, and engine parts during the third quarter. The power plant business generated negative gross-profit of (6.27) million baht, because the power plants are under plant maintenance process.

3. Other Revenues

Other income	3Q2022	3Q2021	Change		Q1-Q3/2022	Q1-Q3/2021	Change	
			million baht	▲ %			million baht	▲ %
Other income	30.72	30.79	(0.07)	(0.22)	98.80	55.66	43.14	77.52

- For 3-month period, other revenues were 30.72 million baht, almost equal to the same period last year mainly from revenue from sales of supplies, machinery rental and sales, and Gain from sale of investment in equity instruments.
- For 9-month period, other revenues were 98.80 million baht, significantly increased by 77.52% or by 43.14 million baht from the same period last year mainly from revenue from machinery rental, back charging to subcontractors, and gain from sale of investment in equity instruments.

TRITON

4. Financial Position and Statement of Cash Flows

Unit : million baht

Balance sheet	As of Sept 30, 2022	As of Dec 31, 2021	Δ %
Total Assets	2,865.45	2,653.03	8.01%
Total Liabilities	1,242.37	1,003.60	23.79%
Total Equities	1,623.07	1,649.43	-1.60%

Cash Flow	For 3 months period end September 30, 2022
Cash Flow from Operation	-190.28
Cash Flow from Investment	11.20
Cash Flow from Financing	-44.69
Net Change in Cash	-223.77
Ending Cash	250.84

Financial Ratios	Sep-22	Sep-21
ROE	-16.47%	-7.28%
ROA	-9.96%	-4.37%
ROE (3Q22)	-1.60%	-3.41%
ROA (3Q22)	-0.97%	-2.04%
Net Profit margin - The company	-11.88%	-51.05%
	Sep-22	Dec-21
D/E (time)	0.77	0.61
Current ratio (time)	1.18	1.45

Triton reported improvement in profitability ratios compared to the same period last year, primarily due to increasing in revenues. As of September 30, 2022, Return on Equity (3Q22) was (1.60%) slightly improved from (3.41%) in the same period last year. Return on Asset (3Q22) was (0.97%) which improved from (2.04%) in the same period last year. The company's net profit margin was (11.88%) which improved from (51.05%) in the same period last year. At the end of 3Q21, the company balance sheet was in strong position with Net Debt / Equity of 0.77x. Cash and cash equivalents were 250.84 million baht.

5. Impact of COVID 19 situation

The widespread of the COVID-19 pandemic situations have severely affected the global economy in almost all industrial groups. Fortunately, the pandemic situations have not severely affected our business. According to the company, such situation has not adversely impacted construction projects. Nevertheless, the Group 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