

TRITON

No TRITN-SET 016/2023

May 15, 2023

Subject: Management Discussion and Analysis for the first quarter of 2023

To: President, The Stock Exchange of Thailand

Highlights

- Triton Holding reported improved on construction financial results y-y in 1Q23 with a promising 2023 strong growth outlook. The company realized revenue from construction of 177.34 million baht which increased from 102.90 million baht in the same period last year or 72.34% growth.
- The company reported total revenues of 209.01 million baht which increased from 181.77 million baht or increase of 14.99%.
- 1Q23 the company reported the slowdown in other revenues mainly because some machines be sold. Moreover, there is no gain from sales of investment in this period.

For 3 months period ended March 31, 2023

Unit: Million Baht

Items	Consolidated			Separated			
	1Q2023	1Q2022	Change %	1Q2023	1Q2022	Change	
						mb	%
Revenues							
Revenue from construction	177.34	102.90	72.34	0.00	0.00	0.00	-
Revenue from sales	27.79	23.79	16.82	0.00	0.00	0.00	-
Revenue from adder	0.00	0.49	(100.00)	0.00	0.00	0.00	-
Gain from slaes of investment	0.00	27.56	(100.00)	0.00	21.14	(21.14)	(100.00)
Other income	3.89	27.02	(85.61)	2.39	2.45	(0.06)	(2.29)
Total revenues	209.01	181.77	14.99	2.39	23.58	(21.19)	(89.85)
Expenses							
Cost of construction	163.36	97.57	67.44	0.00	0.00	0.00	-
Cost of Sales	22.62	26.95	(16.07)	0.00	0.00	0.00	-
Idle cost on a particular contracts	6.42	3.36	90.80	0.00	0.00	0.00	-
Cost of Sales	9.94	0.00	na	0.00	0.00	0.00	-
Admisistrative expenses	40.59	30.38	33.61	13.36	11.73	1.63	13.92
Total expenses	242.93	158.26	53.50	13.36	11.73	1.63	13.92
Profit(loss) from operation	(33.91)	23.51	na	(10.97)	11.86	(22.82)	na
Finance income	0.04	0.28	(84.51)	6.10	3.15	2.95	93.85
Finance costs	(8.43)	(5.71)	47.46	(2.45)	(0.83)	(1.62)	195.69
Impairment loss determined TFRS9	2.10	(0.74)	na	0.00	0.00	0.00	-
Share of loss associate accounted fr. equ	(2.53)	1.45	na	0.00	0.00	0.00	-
Income tax expense	3.08	(2.63)	na	0.54	0.00	0.54	-
Net Profit (loss)	(45.80)	21.41	na	(7.86)	14.17	(22.04)	155.50
Net Profit (loss) - The Company	(37.75)	22.84	na	(7.86)	14.17	(22.04)	-
Net profit margin	-21.91%	11.78%	0.00%	-328.57%	60.09%	0.00%	0.00%
Net profit margin - company	-18.06%	12.57%		-328.57%	60.09%		

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- For the 3-month period: the company made total revenues of 209.01 million baht in 1Q23, a significant increase of 14.99% compared to the same period last year. Since, existing 2 pipe jacking and combined sewer overflow (CSO) projects in Bangkok contributed solid progress. However, the newly awarded water pipe project which planned to start construction in the first quarter, was delayed construction to third-quarter. Total expenses increased from 158.26 million baht in 1Q22 to 242.93 million baht in 1Q23. The company realized share of loss of associate accounted for using equity method of (2.53) million baht, compared to the share of gain 1.45 million baht in the same period of 2022.
- In the first quarter, Triton holding reported a net loss of 45.80 million baht, compared to a net profit of 21.41 million baht in the same period last year. The company reported net loss - the company of (37.75) million baht, compared to net profit – the company of 22.84 million baht in the same period of 2022. This mainly was attributable to i) the promising construction progress in the first quarter, even delay startup in the newly pipe jacking project ii) the revenue from machinery rental is relatively lower than the same period of last year, and iii) profit from sale of investment in an associate occurred in 1Q22.

1. Revenue from construction

Unit : Million Baht

Construction	1Q23	1Q22	1Q21	Change	
				million baht	▲ %
Revenues	177.34	102.90	157.79	74.43	72.34
Expenses	163.36	97.57	167.65	65.80	67.44
Gross profit	13.98	5.34	(9.86)	8.64	161.89
Idle cost on a particular contract	3.18	3.36	6.66	(0.18)	(5.38)
Gross profit margin	7.88%	5.19%	-6.25%		

Noted : Change between 1Q23 vs 1Q22

- For the first 3-month of 2023, Construction business had revenues of 177.34 million baht, compared to revenues of 102.90 million baht in the same period last year, or an increase of 74.43 million baht. Since, existing 2 pipe jacking and Combined Sewer Overflow (CSO) projects in Bangkok contributed solid progress. However, the newly awarded water pipe project which planned to start construction in the first quarter, was delayed construction to third-quarter. However, the construction business had a promising gross profit of 13.98 million baht, compared to gross profit of 5.34 million baht in the same period last year.

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As of March 31, 2023, the company had recognized revenue amounting to 66.30% of total project value which included a project under draft agreement process.

Oil and gas infrastructure construction

- Oil and gas infrastructure construction to northern area Project (99.99% progress)
- Pipe Jacking Construction under highway Pak Kret-Chaeng Watthana (62.90% progress)
- Oil and gas infrastructure construction to North-east area Project (100.00% progress)
- New oil and gas infrastructure construction in Bangkok 1 (15.19% progress)
- New oil and gas infrastructure construction in Bangkok 2 (11.82% progress)
- New oil and gas infrastructure construction in Bangkok 3 (13.32% progress)
- New oil and gas infrastructure construction in Bangkok 4 (15.27% progress)
- New oil and gas infrastructure construction in Bangkok 5 (4.74% progress)
- New Pipeline relocation in Chieng rak area (9.60% progress)
- New water pipeline project in Bangkok (0.00% progress)

Civil engineering construction

- Group of civil projects in the Southern part of Thailand (99.98% progress)
- Civil project with condominium decoration 1, Bangkok (66.04% progress)
- Civil project with condominium decoration 2, Bangkok (65.25% progress)
- Civil project with Luxury village construction phase 1, Bangkok (7.55% progress)

Rail and train infrastructure

- Double track signaling project, Lopburi (40.50% progress)
- Trackwork Lopburee C1 (34.43%)
- maintenance airport rail link, (19.55% progress)

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2. Revenue from sales

Revenue from sales	1Q23	1Q22	Change	
			million baht	▲ %
Revenues	27.79	30.97	(3.18)	(10.28)
Expenses	22.62	26.95	(4.33)	(16.08)
Gross profit	5.17	4.02	1.15	28.60
Gross profit margin	18.60%	12.98%		

Power Business

Power	1Q23	1Q22	Change	
			million baht	▲ %
Revenues	19.12	30.97	(11.85)	(38.26)
Expenses	17.80	26.95	(9.16)	(33.98)
Gross profit	1.33	4.02	(2.69)	(67.01)
Idle cost on a particular contract	3.23	0.00	3.23	na
Finance cost	4.12	3.52	0.60	17.03
Gross profit	6.93%	12.97%		

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

For the 3-month period, one power plant was shut down and under maintenance process. Power plants business generated revenues, which included compensation for operation & maintenance machine under contract, for the amount of 19.12 million baht, decrease from 30.97 million baht in the same period last year. The power plant business generated gross-profit of 1.33 million baht, compared to gross profit of 4.02 million baht in the same period last year.

3. Other revenues

Other revenues	1Q23	1Q22	Change	
			million baht	%
Gain from sell of investment	0.00	27.56	(27.56)	na
Other revenues	3.89	27.02	(23.14)	-8561%
Total	3.89	54.58	(50.69)	-9287%

For the 3-month period, other revenues were 3.89 million baht, significantly decreased by (50.69) million baht from the same period last year mainly from gain from sell of investment in associate 27.56 million baht which occurred last year and also decrease machinery rental income in 1Q23.

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4. Financial Position and Statement of Cash Flows

Unit : Million Baht

Balance sheet	As of Mar 31, 2023	As of Dec 31, 2022	Δ %
Total Assets	2,884.67	2,731.27	5.62%
Total Liabilities	1,394.42	1,192.98	16.88%
Total Equities	1,490.26	1,538.28	-3.12%

Cash Flow	For 3 months period end March 31, 2023
Cash Flow from Operation	96.63
Cash Flow from Investment	-7.62
Cash Flow from Financing	12.83
Net Change in Cash	101.84
Ending Cash	171.35

Financial Ratios	Mar-23	Mar-22
ROE	-8.82%	-20.96%
ROA	-4.93%	-12.41%
Net Profit margin - The company	-18.28%	12.57%
	Mar-23	Dec-22
D/E (time)	0.94	0.78
Current ratio (time)	1.15	1.16

During the first quarter, the company issued convertible debenture for the amount of 65.65 million baht with coupon rate 5.50% and tenor is 1 year and 9 months. The long-term fund can strengthen capital structure and can serve as existing projects construction working capital. As of March 31, 2023, Return on Equity was (8.82%) which improved from (20.96%) in the same period last year. Return on Asset was (4.93%), which improved from (12.41%) in the same period last year. The company's net profit margin was (18.28%). At the end of 1Q23, the company's balance sheet was in a strong position with Net Debt / Equity of 0.94x. Cash and cash equivalents were 171.35 million baht.

Faithfully yours

(Worapong Woottipruk)

CFO