

No TRITN-SET018/2023

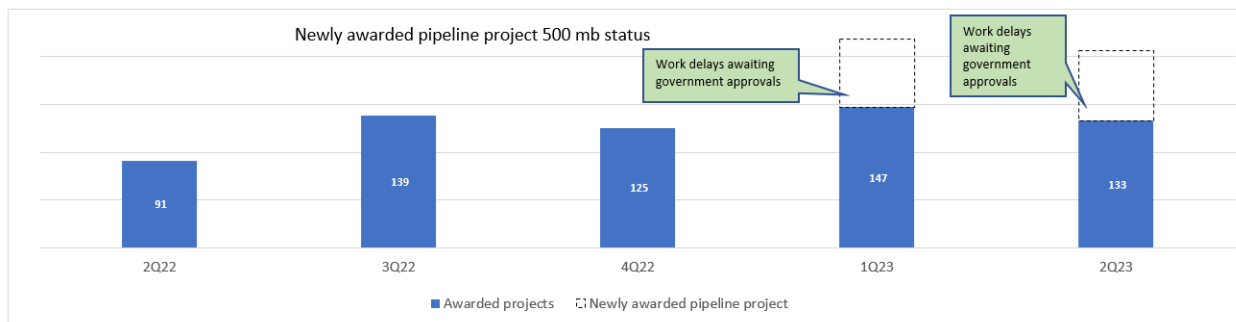
August 15, 2023

Subject: Management Discussion and Analysis for the second quarter of 2023 (EDIT)

To: President, The Stock Exchange of Thailand

Management discussion and analysis

- The company added 3 new pipeline projects to construction portfolio, total value of 176.98 million baht. Some construction had occurred in the 2Q23 period. Those 3 pipeline projects were planned to complete major construction portion in FY2023.
- For 6-month period, revenues from construction increase by 23.89% from 263.02 million baht to 325.85 million baht. Even, the newly awarded pipeline project, which was estimated to contribute significant progress in 2Q23, delay to kick-off by project owner matters. The owner of the pipeline construction project expected to able to issue notice to proceed to Triton in late 4Q23 to 1Q24. The construction work of the big pipeline project shall begin in that quarter. Moreover, the monthly progress of the existing projects such as Combined Sewer Overflow and pipe jacking construction are also likely to peak in 4Q23.



- For 3-month period, the company reported total revenues of 175.33 million baht which decreased from 233.65 million baht.
- As per TFRS 9, the company realized impairment loss determined in accordance with TFRS 9 for the amount of (11.57) million baht in the quarter. In the future, If the company can issue invoice from the unbilled contract revenues or the trade and other current receivables, the impairment amount shall be reversed.

T R I T O N

For 3 months period ended June 30, 2023

Unit: Million Baht

Items	Consolidated				Separated			
	2Q2023	2Q2022	Change		2Q2023	2Q2022	Change	
			mb	%			mb	%
Revenues								
Revenue from construction	148.51	160.12	(11.61)	(7.25)	0.00	0.00	0.00	na
Revenue from sales	21.59	23.43	(1.85)	(7.88)	0.00	0.00	0.00	na
Revenue from adder	0.40	0.38	0.02	4.53	0.00	0.00	0.00	na
Gain from slaes of investment	0.00	8.66	(8.66)	(100.00)	0.00	6.60	(6.60)	(100.00)
Other income	4.83	41.05	(36.22)	(88.24)	2.84	17.98	(15.14)	(84.20)
Total revenues	175.33	233.65	(58.32)	(24.96)	2.84	24.57	(21.74)	(88.45)
Expenses					-	-	0.00	-
Cost of construction	147.04	151.68	(4.64)	(3.06)	0.00	0.00	0.00	na
Cost of Sales	26.24	27.61	(1.37)	(4.96)	0.00	0.00	0.00	na
Idle cost on a particular contracts	4.39	3.59	0.80	22.16	0.00	0.00	0.00	na
Cost of Sales	8.53	7.58	0.95	12.59	0.00	0.00	0.00	na
Admisistrative expenses	35.75	33.66	2.09	6.20	13.83	13.42	0.41	3.06
Total expenses	221.95	224.11	(2.17)	(0.97)	13.83	13.42	0.41	3.06
Profit(loss) from operation	(46.62)	9.54	(56.16)	na	(10.99)	11.16	(22.15)	na
					-	-	0.00	-
Finance income	0.31	0.30	0.02	5.07	5.22	3.63	1.58	43.50
Finance costs	(9.24)	(7.07)	(2.17)	30.73	(3.27)	(1.70)	(1.56)	na
Impairment loss deter.TFRS9	(11.57)	0.00	(11.57)	na	0.00	0.00	0.00	na
Share of loss equity method	0.10	(6.46)	6.56	na	0.00	0.00	0.00	na
Income tax expense	(0.79)	(1.58)	0.79	na	0.08	0.00	0.08	na
Net Profit (loss)	(66.23)	(2.12)	(64.12)	na	(9.12)	13.09	(22.20)	na
Net Profit (loss) - The Company	(57.20)	(0.22)	(56.98)	na	(9.12)	13.09	(22.20)	na
Net profit margin	-37.78%	-0.91%			-321.05%	53.26%		
Net profit margin - company	-32.62%	-0.09%			-321.05%	53.26%		

- For the 3-month period: the company made total revenues of 175.33 million baht in 2Q23, a decrease of 24.96% compared to the same period last year. The newly awarded pipeline project which was estimated to contribute significant progress in 2Q23 slip out. The key ongoing construction project, combined sewer overflow (CSO) projects in Bangkok, contributed solid progress approximately 80.83 million baht. By plan, the project would increase much more construction progress during 3Q23-4Q23. Total expenses decreased from 224.11 million baht in 2Q22 to 221.95 million baht in 2Q23.
- In the second quarter, Triton holding reported a net loss of (57.20) million baht, compared to a net loss of (0.22) million baht in the same period last year. One of the main reasons is from the delay start-up of one big pipeline project which the company already be awarded. And loss from power business which is under maintenance shutdown in the period. Anyway, the company added new small pipeline projects to construction portfolio, total value of 176.98 million baht. During 2Q23, there are some construction had

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occurred in the period. Those 3 pipeline projects were planned to complete major construction portion in FY2023.

For 6 months period ended June 30, 2023

Unit: Million Baht

Items	Consolidated				Separated			
	Q1-2/2023	Q1-2/2022	Change		Q1-2/2023	Q1-2/2022	Change	
			mb	%			mb	%
Revenues								
Revenue from construction	325.85	263.02	62.82	23.89	0.00	0.00	0.00	na
Revenue from sales	49.38	47.22	2.16	4.56	0.00	0.00	0.00	na
Revenue from adder	0.40	0.88	(0.48)	(54.33)	0.00	0.00	0.00	na
Gain from slaes of investment	0.00	36.22	(36.22)	(100.00)	0.00	27.73	(27.73)	(100.00)
Other income	8.72	68.08	(59.36)	(87.19)	5.23	20.43	(15.19)	(74.38)
Total revenues	384.34	415.42	(31.07)	(7.48)	5.23	48.16	(42.93)	(89.13)
Expenses								
Cost of construction	310.40	249.24	61.16	24.54	0.00	0.00	0.00	na
Cost of Sales	48.86	54.56	(5.70)	(10.45)	0.00	0.00	0.00	na
Idle cost on a particular contracts	10.81	6.96	3.85	55.35	0.00	0.00	0.00	na
Cost of Sales	18.47	7.58	10.89	143.68	0.00	0.00	0.00	na
Admisistrative expenses	76.33	64.04	12.30	19.20	27.19	25.15	2.04	8.13
Total expenses	464.87	382.37	82.50	21.58	27.19	25.15	2.04	8.13
Profit(loss) from operation	(80.53)	33.04	(113.57)	na	(21.96)	23.01	(44.97)	na
Finance income	0.36	0.58	(0.22)	(38.20)	11.31	6.78	4.53	66.86
Finance costs	(17.67)	(12.78)	(4.88)	38.21	(5.72)	(2.53)	(3.19)	125.76
Impairment loss determined TFRS9	(9.47)	(0.74)	(8.73)	1,175.25	0.00	0.00	0.00	na
Share of loss associate accounted equ	(2.43)	(5.01)	2.58	(51.49)	0.00	0.00	0.00	na
Income tax expense	2.29	(4.21)	6.50	(154.45)	0.46	0.00	0.46	na
Net Profit (loss)	(112.04)	19.29	(131.33)	(680.65)	(16.82)	27.26	(44.09)	161.72
Net Profit (loss) - The Company	(94.95)	22.62	(117.57)	-	(16.82)	27.26	(44.09)	-
Net profit margin	-29.15%	4.64%			-321.51%	56.60%		
Net profit margin - company	-24.70%	5.45%			-321.51%	56.60%		

- For the 6-month period: the company made total revenues of 384.34 million baht during Q1-2/2023, a decrease of 7.48% compared to the same period last year. Construction revenues contributed 84.78% of total revenues. By plan, the ongoing construction projects would increase much more construction progress in 3Q23-4Q23. Total expenses increased from 382.37 million baht in 2Q22 to 464.87 million baht in 2Q23. For the 6-month period, the company reported net loss-the company of (94.95) million baht. The loss in the period mainly from i) the delay start-up of the newly awarded pipeline project which was estimated to contribute significant progress in 2Q23 ii) the 3MW power plant was under maintenance shutdown almost the whole period.

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1. Revenue from construction

For 3 months period ended June 30, 2023

Unit: Million Baht

Construction	2Q23	2Q22	Change	
			million baht	△ %
Revenues	148.51	160.12	(11.61)	(7.25)
Expenses	147.04	151.68	(4.64)	(3.06)
Gross profit	1.47	8.45	(6.97)	(82.57)
Idle cost	3.13	3.59	(0.46)	(12.88)
Finance cost	6.50	5.13	1.37	26.63
Gross profit margin	0.99%	5.27%		

- For the 3-month period, Construction business had revenues of 148.51 million baht, compared to revenues of 160.12 million baht in the same period last year, or a decrease of 11.61 million baht. Even, existing pipe jacking and Combined Sewer Overflow (CSO) projects in Bangkok contributed solid progress. However, the newly awarded water pipe project which planned to contribute significantly in the period was slip out. The construction business had a gross profit of 1.47 million baht, compared to gross profit of 8.45 million baht in the same period last year.

For 6 months period ended June 30, 2023

Unit: Million Baht

Construction	Q1-Q2/23	Q1-Q2/22	Change	
			million baht	△ %
Revenues	325.85	263.02	62.82	23.89
Expenses	310.40	249.24	61.16	24.54
Gross profit	15.45	13.78	1.67	12.08
Idle cost	6.30	6.96	(0.66)	(9.43)
Finance cost	14.07	9.36	4.71	50.32
Gross profit margin	4.74%	5.24%		

- For 6-month period, revenues from construction increase 23.89% from 263.02 million baht to 325.85 million baht. Even, the newly awarded pipeline project which was estimated to contribute significant progress in 2Q23 slip out. The construction generated gross profit of 15.45 million baht compare to gross profit of 13.78 million baht in the same period last year.

As of June 30, 2023, the company had recognized revenue amounting to 69.13% of total project value

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 (64.95% progress)
- Combined Sewer Overflow and pipe jacking construction in Bangkok 1 (24.30% progress)

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- Combined Sewer Overflow and pipe jacking construction in Bangkok 2 (13.07% progress)
- Combined Sewer Overflow and pipe jacking construction in Bangkok 3 (13.32% progress)
- Combined Sewer Overflow and pipe jacking construction in Bangkok 4 (20.11% progress)
- Combined Sewer Overflow and pipe jacking construction in Bangkok 5 (9.38% progress)
- New Pipeline relocation in Chieng rak area (35.85% progress)
- New water pipeline project in Bangkok (3.11% progress)

Civil engineering construction

- Group of civil projects in the Southern part of Thailand (99.98% progress)
- Civil project with condominium decoration 1, Bangkok (77.07% progress)
- Civil project with condominium decoration 2, Bangkok (73.37% progress)
- Civil project with condominium decoration 3, Bangkok (46.14% progress)
- Civil project with Luxury village construction phase 1, Bangkok (85.16% progress)

Rail and train infrastructure

- Double track signaling project, Lopburi (41.28% progress)
- Trackwork Lopburee C1 (46.77%)
- maintenance airport rail link, (35.21% progress)

2. Revenue from sales

For 3 months period ended June 30, 2023

Unit: Million Baht

Revenues from sales	2Q23	2Q22	Change	
			million baht	△ %
Revenues	21.59	23.43	(1.85)	(7.88)
Expenses	26.24	27.61	(1.37)	(4.96)
Gross profit	(4.65)	(4.17)	(0.48)	11.41
Gross profit margin	-21.54%	-17.81%		

For 6 months period ended June 30, 2023

Unit: Million Baht

Revenues from sales	Q1-Q2/23	Q1-Q2/22	Change	
			million baht	△ %
Revenues	49.38	47.22	2.16	4.56
Expenses	48.86	54.56	(5.70)	(10.45)
Gross profit	0.52	(7.34)	7.85	(107.05)
Gross profit margin	1.05%	-15.54%		

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Power Business

Power	2Q23	2Q22	Change	
			million baht	△%
Revenues	13.34	24.51	(11.17)	(45.56)
Expenses	21.80	26.72	(4.92)	(18.42)
Gross profit	(8.45)	(2.21)	(6.25)	(283.00)
Idle cost for the particular contract	1.27	0.00	1.27	na
Finance cost	4.30	2.92	1.38	47.40
Gross profit margin	-63.36%	-9.01%		

Remark: One power plant was shut down for maintenance purpose during 2Q23.

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 13.34 million baht, decrease from 24.51 million baht in the same period last year. The power plant business generated negative gross-profit of (8.45) million baht, compared to negative gross profit of (2.21) million baht in the same period last year. The 3MW power plant was expected to completed its maintenance process and operate at normal level in 3Q23.

3. Other revenues

Other income	2Q23	2Q22	Change	
			million baht	△%
Other income	4.83	41.05	(36.22)	(88.24)
Profit from sales of investment in an associa	0.00	8.66	(8.66)	(100.00)

For the 3-month period, other revenues were 4.83 million baht, significantly decreased by (36.22) million baht from the same period last year. During 2Q22, last year, the company realized gain from sell of investment in 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, 2023	As of Dec 31, 2022	△%
Total Assets	2,929.13	2,731.27	7.24%
Total Liabilities	1,500.22	1,192.98	25.75%
Total Equities	1,421.65	1,517.54	-6.32%

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Financial Ratios	Jun-23	Jun-22
ROE	-13.28%	-18.92%
ROA	-6.76%	-11.06%
ROE (2Q23)	-3.89%	-0.01%
ROA (2Q23)	-1.98%	-0.01%
Net Profit margin - The company	-32.62%	-0.12%
	Jun-23	Dec-22
D/E (time)	1.06	0.79
Current ratio (time)	1.09	1.16

Cash Flow (Million Baht)	For 3 months period end June 30, 2023
Cash Flow from Operation	75.33
Cash Flow from Investment	-7.45
Cash Flow from Financing	10.89
Net Change in Cash	78.77
Ending Cash	148.28

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 June 30, 2023, Return on Equity was (13.28%) which improved from (18.92%) in the same period last year. Return on Asset was (6.76%), which improved from (11.06%) in the same period last year. The company's net profit margin was (32.62%). At the end of 2Q23, the company's balance sheet was in a strong position with Net Debt / Equity of 1.06x. Cash and cash equivalents were 148.28 million baht.

Faithfully yours
(Worapong Woottipruk)
CFO