

# TRITON

No TRITN-SET022/2023

November 14, 2023

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

To: President, The Stock Exchange of Thailand

## Management discussion and analysis

- **Triton Engineering and Construction and Trans Thai Railway (The subsidiaries) won rail and train construction project bidding in 3Q23 (signaling and trackwork relocation of High-speed train in Nakhon Ratchasima.** The new project value is about 110.57 million baht. The new rail and train construction project with start construction in 4Q23.
- **For the 9-month period: the company made total revenues of 481.56 million baht during Q1-3/2023, an increase of 6.83% compared to the same period last year.** The newly awarded water pipeline project, which was estimated to contribute significant progress in FY2023, delays to kick-off due to government related issues. Metropolitan Water Authority expected to able to issue notice to proceed to Triton in 1Q24-2Q24. The construction work of this project shall begin in that quarter. Moreover, the progress of the existing projects such as Combined Sewer Overflow and pipe jacking construction are likely to peak in FY2024
- **For 3-month period, the company had a total loss of 81.66 million baht of which the majority are one-off expenses in the quarter for the total amount of 48.75 million baht.** i) the company realized impairment loss on investment of 32.26 million baht in consolidated financial statement from divestment of GLOCON. However, there was overall profit from sale of GLOCON's shares and warrants of 61.09 million baht which had been realized in previous quarters. ii) the company realized impairment loss determined in accordance with TFRS 9 for the amount of 16.49 million baht. In the future, If the company issues invoices for the unbilled contract revenues and collects cash from the trade and other current receivables and retention, the impairment amount shall be reversed. For 3-month period, net profit for the period (excluded one off) of (36.19) million baht which is closed to net profit for the period (excluded one off) of (36.75) million baht in the same period last year.
- **For the 3-month period, Power plants business generated revenues for the amount of 28.61 million baht, increase from 13.41 million baht in the same period last year. The power plant business generated gross profit of 8.13 million** comparing to negative gross profit (6.27) million baht in last year.

# TRITON

- **Backlog:** As of Sept 30, 2023, the company already has backlog of 2.6 bn. About 2.0 bn. are under construction. And, approximately 606 million baht from 2- projects on hand will start in FY2024.

Moreover, the company have target project to sign agreement in 1-2Q24 approximately 1.1 bn and 1.8 bn in second half of FY2024.

**For 3 months period ended Sept 30, 2023**

Unit: Million Baht

Items	Consolidated				Separated			
	3Q2023	3Q2022	Change		3Q2023	3Q2022	Change	
			mb	%			mb	%
<b>Revenues</b>								
Revenue from construction	155.71	187.74	(32.03)	(17.06)	0.00	0.00	0.00	na
Revenue from sales	38.10	18.27	19.83	108.52	0.00	0.00	0.00	na
Revenue from adder	0.65	0.35	0.30	86.57	0.00	0.00	0.00	na
Other income	2.78	30.72	(27.95)	(90.96)	2.36	1.84	0.52	28.29
<b>Total revenues</b>	<b>197.24</b>	<b>237.09</b>	<b>(39.85)</b>	<b>(16.81)</b>	<b>2.36</b>	<b>1.84</b>	<b>0.52</b>	<b>28.29</b>
<b>Expenses</b>								
Cost of construction	145.28	196.08	(50.80)	(25.91)	0.00	0.00	0.00	na
Cost of Sales	27.62	22.09	5.53	25.01	0.00	0.00	0.00	na
Idle cost on a particular contracts	3.55	3.58	(0.03)	(0.75)	0.00	0.00	0.00	na
Distribution costs	5.90	9.41	(3.50)	na	0.00	0.00	0.00	na
Admisistrative expenses	31.28	31.80	(0.52)	(1.62)	12.43	11.65	0.78	6.70
Impairment loss on invest't in associate	32.26	0.00	32.26	na	106.56	0.00	106.56	na
<b>Total expenses</b>	<b>245.90</b>	<b>262.96</b>	<b>(17.06)</b>	<b>(6.49)</b>	<b>118.99</b>	<b>11.65</b>	<b>107.34</b>	<b>921.25</b>
<b>Loss from operation</b>	<b>(48.66)</b>	<b>(25.87)</b>	<b>(22.78)</b>	<b>na</b>	<b>(116.63)</b>	<b>(9.81)</b>	<b>(106.82)</b>	<b>1,088.37</b>
Finance income	0.09	0.15	(0.06)	(40.21)	4.70	4.27	0.43	10.08
Finance costs	(9.52)	(7.08)	(2.44)	34.44	(3.24)	(2.08)	(1.16)	55.93
Impairment loss deter.TFRS9	(16.49)	0.00	(16.49)	na	0.00	0.00	0.00	na
Share of loss equity method	(10.04)	(4.73)	(5.31)	na	0.00	0.00	0.00	na
Income tax expense	(0.32)	0.79	(1.10)	(140.71)	0.08	0.00	0.08	na
<i>Net profit for the period</i>	<i>(84.94)</i>	<i>(36.75)</i>	<i>(48.19)</i>	<i>131.11</i>	<i>(115.09)</i>	<i>(7.62)</i>	<i>(107.47)</i>	<i>1,409.85</i>
<i>Net profit for the period (excluded one off)</i>	<i>(36.19)</i>	<i>(36.75)</i>	<i>0.56</i>	<i>(1.52)</i>	<i>(8.54)</i>	<i>(7.62)</i>	<i>(0.91)</i>	<i>11.98</i>
<b>Net profit - The Company</b>	<b>(81.66)</b>	<b>(30.73)</b>	<b>(50.94)</b>	<b>0.00</b>	<b>(115.09)</b>	<b>(7.62)</b>	<b>(107.47)</b>	<b>1,409.85</b>
Net profit margin	-43.06%	-15.50%			-4884.35%	-415.01%		
Net profit margin - company	-41.40%	-12.96%			-4884.35%	-415.01%		

- **For the 3-month period:** the company made total revenues of 155.71 million baht in 3Q23, a decrease of 17.06% compared to the same period last year. The newly awarded pipeline project which was estimated to contribute significant progress in FY2023 slip out. The key ongoing construction project, combined sewer overflow (CSO) projects in Bangkok, contributed solid progress approximately 97.28 million baht. By plan, the project would increase much more construction progress during FY2024. Total expenses decreased from 262.96 million baht in 3Q22 to 245.90 million baht in 3Q23.

# TRITON

- In the third quarter, Triton holding reported a net loss – the company of (81.66) million baht, compared to a net loss of (30.73) million baht in the same period last year. The main reasons are i) one off expenses approximately 48.75 million baht. And ii) The delay start-up of big pipeline project which will start in 1Q24.
- TTR won rail and train construction project bidding in 3Q23. The new project value is about 1.00 million baht. The new rail and train construction project with start construction in 4Q23.

For 9 months period ended Sept 30, 2023

Unit: Million Baht

Items	Consolidated				Separated			
	Q1-3/2023	Q1-3/2022	Change		Q1-3/2023	Q1-3/2022	Change	
			mb	%			mb	%
Revenues								
Revenue from construction	481.56	450.76	30.79	6.83	0.00	0.00	0.00	na
Revenue from sales	87.48	65.49	21.98	33.57	0.00	0.00	0.00	na
Revenue from adder	1.06	1.23	(0.17)	(14.11)	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	11.49	98.80	(87.31)	(88.37)	7.59	22.26	(14.67)	(65.91)
<b>Total revenues</b>	<b>581.59</b>	<b>652.50</b>	<b>(70.92)</b>	<b>(10.87)</b>	<b>7.59</b>	<b>50.00</b>	<b>(42.41)</b>	<b>(84.82)</b>
Expenses								
Cost of construction	455.68	445.32	10.36	2.33	0.00	0.00	0.00	na
Cost of Sales	76.48	76.66	(0.17)	(0.23)	0.00	0.00	0.00	na
Idle cost on a particular contracts	14.36	10.54	3.82	36.28	0.00	0.00	0.00	na
Distribution costs	24.37	16.99	7.39	43.49	0.00	0.00	0.00	na
Admisistrative expenses	107.61	95.83	11.78	12.29	39.62	36.80	2.82	7.68
Impairment loss on invest't in associate	32.26	0.00	32.26	na.	106.56	0.00	106.56	na
<b>Total expenses</b>	<b>710.77</b>	<b>645.33</b>	<b>65.44</b>	<b>10.14</b>	<b>146.18</b>	<b>36.80</b>	<b>109.38</b>	<b>297.26</b>
<b>Profit(loss) from operation</b>	<b>(129.18)</b>	<b>7.17</b>	<b>(136.35)</b>	<b>(1,901.52)</b>	<b>(138.59)</b>	<b>13.20</b>	<b>(151.79)</b>	<b>(1,150.0)</b>
Finance income	0.45	0.73	(0.28)	(38.61)	(0.00)	16.01	(16.01)	(100.00)
Finance costs	(27.19)	(19.87)	(7.32)	36.86	0.00	(8.96)	8.96	(100.00)
Impairment loss determined TFRS9	(25.96)	(0.74)	(25.22)	3,394.48	0.00	0.00	0.00	na
Share of loss asso accounted equity meth	(12.47)	(9.79)	(2.68)	27.37	0.00	0.00	0.00	na
Income tax expense	(2.61)	5.00	(7.61)	(152.29)	(0.00)	(0.38)	0.38	99.96
Net loss for the period	(196.97)	(17.51)	(179.46)	1,024.98	0.00	(131.92)	131.92	100.00
<b>Net Profit (loss) - The Company</b>	<b>(176.62)</b>	<b>(8.16)</b>	<b>(168.46)</b>	<b>0.00</b>	<b>(131.92)</b>	<b>19.64</b>	<b>(151.56)</b>	<b>0.00</b>
Net profit margin	-33.87%	-2.68%			-1738.18%	39.28%		
Net profit margin - company	-30.37%	-1.25%			-1738.18%	39.28%		

- **For the 9-month period: construction revenues increase from 450.76 million baht to 481.56 million baht during Q1-3/2023, an increase of 6.83% compared to the same period last year.** Construction revenues contributed 82.80% of total revenues. By plan, the ongoing construction projects would increase much more construction progress in FY2024. For 9-month period, total expenses increased from 645.33 million baht in 3Q22 to 720.81 million baht. For the 9-month period, the company reported net loss-the company of (176.62) million baht. There are one off expenses in the quarter, i) the company realized loss

# TRITON

from sales of investment of 32.26 million baht in consolidated financial statement. ii) the company realized impairment loss determined in accordance with TFRS 9 for the amount of 25.96 million baht.

## 1. Revenue from construction

For 3 months period ended Sept 30, 2023

Unit: Million Baht

Construction Business	3Q2023	3Q2022	Change	
			million baht	▲%
Revenues	155.71	187.74	(32.03)	(17.06)
Expenses	145.28	196.08	(50.80)	(25.91)
Gross profit	10.43	(8.34)	18.77	(224.99)
Idle cost	3.55	3.58	(0.03)	(0.75)
Gross profit margin	6.70%	-4.44%		

- For the 3-month period, Construction business had revenues of 155.71 million baht, compared to revenues of 187.74 million baht in the same period last year, or a decrease of 32.03 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 10.43 million baht, compared to negative gross profit of (8.34) million baht in the same period last year.

For 9 months period ended Sept 30, 2023

Unit: Million Baht

Construction Business	Q1-Q3/2023	Q1-Q3/2022	Change	
			million baht	▲ %
Revenues	481.56	450.76	30.79	6.83
Expenses	455.68	445.32	10.36	2.33
Gross profit	25.88	5.44	20.44	375.70
Idle cost	9.85	10.54	(7.42)	(41.34)
Gross profit margin	5.37%	1.21%		

- For 9-month period, revenues from construction increase 6.83% from 450.76 million baht to 481.56 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 25.88 million baht compare to gross profit of 5.44 million baht in the same period last year.

# TRITON

As of September 30, 2023, the company had recognized revenues amounting to 69.93% 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 (65.68% progress)
- Combined Sewer Overflow and pipe jacking construction in Bangkok 1 (33.21% progress)
- Combined Sewer Overflow and pipe jacking construction in Bangkok 2 (15.45% progress)
- Combined Sewer Overflow and pipe jacking construction in Bangkok 3 (14.30% progress)
- Combined Sewer Overflow and pipe jacking construction in Bangkok 4 (25.26% progress)
- Combined Sewer Overflow and pipe jacking construction in Bangkok 5 (15.72% progress)
- New Pipeline relocation in Chieng rak area (77.74% progress)
- New water pipeline project in Bangkok (6.29% progress)

## Civil engineering construction

- Group of civil projects in the Southern part of Thailand (99.98% progress)
- Civil project with condominium decoration 1, Bangkok (88.14% progress)
- Civil project with condominium decoration 2, Bangkok (50.28% progress)
- Civil project with Luxury village construction phase 1, Bangkok (100.00% progress)

## Rail and train infrastructure

- Double track signaling project, Lopburi (41.91% progress)
- Trackwork Lopburee C1 (66.37%)
- Maintenance airport rail link, (43.35% progress)
- HSR NE(Thai-Chinese) (0.58% progress)

# TRITON

## 2. Revenue from sales

For 3 months period ended Sept 30, 2023

Unit: Million Baht

	3Q2023	3Q2022	Change	
			million baht	▲%
Revenues from Sales	38.10	18.27	19.83	108.52
Cost of Sales	27.62	22.09	5.53	25.01
Gross profit	10.48	(3.82)	14.30	(374.14)
Gross profit margin	0.00	-20.92%		

For 9 months period ended Sept 30, 2023

Unit: Million Baht

	Q1-Q3/2023	Q1-Q3/2022	Change	
			million baht	▲%
Revenues from Sales	87.48	65.49	21.98	33.57
Cost of Sales	76.48	76.66	(0.17)	(0.23)
Gross profit	11.00	(11.16)	22.16	(198.53)
Gross profit margin	12.57%	-17.04%		

### Power Business

Power Business	3Q2023	3Q2022	Change	
			million baht	▲%
Revenues	28.61	13.41	15.20	113.40
Expenses	20.48	19.67	0.81	4.12
Gross profit	8.13	(6.27)	14.39	229.72
Gross profit margin	28.41%	-46.73%		

For the 3-month period, Power plants business generated revenues for the amount of 28.61 million baht, increase from 13.41 million baht in the same period last year. The power plant business generated gross profit of 8.13 million baht, compared to negative gross profit of (6.27) million baht in the same period last year.

## 3. Other revenues

Other income	3Q2023	3Q2022	Change	
			million baht	▲%
Other income	2.78	30.72	(27.95)	(90.96)

For the 3-month period, other revenues were only 2.78 million baht, significantly decreased by (27.95) million baht from the same period last year. During 3Q22, last year, the company realized substantial revenues from machinery rental and others.

# TRITON

## 4. Financial Position and Statement of Cash Flows

Unit : Million Baht

Balance sheet	As of Sept 30, 2023	As of Dec 31, 2022	Δ %
Total Assets	2,873.21	2,731.27	5.20%
Total Liabilities	1,526.98	1,192.98	28.00%
Total Equities	1,346.22	1,538.28	-12.49%

Financial Ratios	Sep-23	Sep-22
ROE	-17.40%	-16.47%
ROA	-8.93%	-9.96%
Net Profit margin	-43.06%	-15.50%
Net Profit margin - The company	-41.40%	-12.96%
	Sep-23	Dec-22
D/E (time)	1.13	0.61
Current ratio (time)	1.09	1.45

Cash Flow	For 9 months period end September 30, 2023
Cash Flow from Operation	47.22
Cash Flow from Investment	-25.44
Cash Flow from Financing	-12.03
Net Change in Cash	9.75
Ending Cash	79.26

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 September 30, 2023, Return on Equity was (17.40%) which decreased from (16.47%) in the same period last year. Return on Asset was (8.93%), which improved from (9.96%) in the same period last year. The company's net profit margin was (41.40%). At the end of 3Q23, the company's balance sheet was in a strong position with Net Debt / Equity of 1.13x. Cash and cash equivalents were 79.26 million baht.

Faithfully yours  
(Worapong Woottipruk)  
CFO