

TRITON

No TRITN-SET 010/2024

August 14, 2024

Subject: Management Discussion and Analysis for the second quarter of 2024

To: President, The Stock Exchange of Thailand

Highlights

- **The company reported total revenues of 114.07 million Baht which decreased from 175.33 million Baht or a decrease of 34.94%. The construction phase oil pipeline to north project had already completed. The new water pipeline project with Metropolitan Waterworks Authority (503 million Baht) and Oil and gas infrastructure construction to northern area Project (Phase 3) (603 million Baht) are likely to start the construction phase in the third quarter of 2024. Letter of Intent and Notification of Award have both been received for both projects.**
- **A one-off extraordinary impairment loss of 390 million Baht mainly attributed to CSO project from Sino Thai which has ceased work from February 2024 due to accessibility to site and government permit.**
- **Triton Resources under the brand Madame Louise sales increased by 164.57% and turned profit from Q2-2024 compared to a loss of (4.28) million Baht in Q2-2023. Subsequently sales has taken off gradually with increasing trends.**

TRITON

For 3 months and 6 months period ended June 30, 2024

Unit: Million Baht

Description	Second quarter				Six-months period			
	2024	2023	Increase (Decrease)		2024	2023	Increase (Decrease)	
			Baht Million	%			Baht Million	%
Revenues								
Revenues from construction	67.55	148.51	(80.96)	(54.51)	157.00	325.85	(168.85)	(51.82)
Revenues from sales	41.18	21.59	19.59	90.75	70.21	49.38	20.83	42.19
Revenues from subsidy for adders	0.45	0.40	0.05	11.45	0.97	0.40	0.57	142.43
Gain on sales of asset					57.09	0.00	57.09	
Other income	4.89	4.83	0.06	1.26	6.17	8.72	(2.54)	(29.18)
Total Revenue	114.07	175.33	(61.26)	(34.94)	291.44	384.34	(92.90)	(24.17)
Expenses								
Cost of construction	(122.88)	(147.04)	24.16	(16.43)	(205.21)	(310.40)	105.19	(33.89)
Cost of sales	(34.45)	(26.24)	(8.21)	31.29	(61.87)	(48.86)	(13.01)	26.62
Idle cost on a particular contract	(10.30)	(4.39)	(5.91)	134.69	(14.81)	(10.81)	(4.00)	37.01
Distribution cost	(10.55)	(8.53)	(2.01)	23.59	(17.20)	(18.47)	1.27	(6.89)
Administrative expenses	(40.88)	(35.75)	(5.14)	14.37	(78.64)	(76.33)	(2.31)	3.03
Loss on valuation of investment	(2.88)	0.00	(2.88)		(41.14)	0.00	(41.14)	
Total Expenses	(221.94)	(221.95)	0.01	(0.00)	(418.86)	(464.87)	46.01	(9.90)
Profit (loss) from operating activities	(107.87)	(46.62)	(61.25)	131.39	(127.42)	(80.53)	(46.89)	58.23
Finance income	0.55	0.31	0.23	73.28	0.73	0.36	0.37	103.77
Finance costs	(7.95)	(9.24)	1.30	(14.02)	(16.76)	(17.67)	0.91	(5.13)
Impairment loss determined in accordance with TFRS9	(275.44)	(11.57)	(263.87)	2,280.02	(277.88)	(9.47)	(268.40)	2,833.18
Share of loss of investment in an associate	0.00	0.10	(0.10)	(100.00)	0.00	(2.43)	2.43	(100.00)
Profit (loss) before income tax	(390.71)	(67.02)	(323.69)	482.98	(421.33)	(109.74)	(311.59)	283.92
Income tax revenue (expense)	(0.24)	0.79	(1.03)	(130.48)	(4.90)	(2.29)	(2.61)	113.92
Profit (loss) for the period	(390.95)	(66.23)	(324.72)	490.27	(426.23)	(112.04)	(314.20)	280.44
Profit (loss) - owners of the parent	(378.37)	(57.20)	(321.17)	561.52	(406.45)	(94.95)	(311.50)	328.07

- **For the 3-month period:** the company made total revenues of 114.07 million Baht in 2Q24, a decrease of 34.94% compared to the same period of last year. The new water pipeline project with Metropolitan Waterworks Authority (503 million Baht) and Oil and gas infrastructure construction to Northern area Project (Phase 3) (603 million Baht) are likely to start the construction phase in the third quarter of 2024. Total expense was 221.95 million Baht in 2Q23 while it was 221.94 million Baht in 2Q24.
- In the second quarter of 2024, Triton holding reported a net loss of (390.95) million Baht, compared to a net loss of (66.23) million Baht in the same period of last year. The company reported net loss - the company of (378.37) million Baht, compared to net loss – the company of (57.20) million Baht in the same period of 2023. These main reasons were attributable to the impairment loss on CSO Project due to permit and site accessibility.

TRITON

- **For the 6-month period:** the company made total revenues of 291.44 million Baht during Q1-2/2024, a decrease of 24.17% compared to the same period of last year. Construction revenues contributed 53.87% of total revenues. By plan, the ongoing construction projects would increase much more construction progress in 3Q24-4Q24. Total expenses decreased from 464.87 million Baht in 2Q23 to 418.86 million Baht in 2Q24.
- For the 6-month period, the company reported net loss-the company of (406.45) million Baht. The loss in the period were mainly from i) the decrease of the value of construction projects in 2Q24 ii) the impairment loss on CSO Project.

1. Revenue from construction

Unit : Million Baht

Description	Second quarter		Increase (Decrease)		Six-months period		Increase (Decrease)	
	2024	2023	Baht Million	%	2024	2023	Baht Million	%
Revenues from construction	67.55	148.51	(80.96)	(54.51)	157.00	325.85	(168.85)	(51.82)
Cost of construction	(122.88)	(147.04)	24.16	(16.43)	(205.21)	(310.40)	105.19	(33.89)
Gross profit	(55.33)	1.47	(56.80)	(3,858.63)	(48.21)	15.45	(63.66)	(412.09)
Gross profit rate	-82%	1%			-31%	5%		

For the second quarter of 2024, Construction business had revenues of 67.55 million Baht, compared to revenues of 148.51 million Baht in the same period of last year, or a decrease of 80.96 million Baht. This is because existing pipe jacking projects and combined sewer overflow (CSO) projects in Bangkok contributed slow progress. Moreover, the newly awarded water pipe project and Oil and gas infrastructure construction to Northern area Project (Phase 3) are planned to start the construction in the third quarter. However, the construction business had negative gross profit of (55.33) million Baht in 2Q24 while it had gross profit of 1.47 million Baht in 2Q23.

As of June 30, 2024, the company had recognized revenue amounting to 37.37% of total project value which included a project under draft agreement process.

Backlog

- As of June 30, 2024, the company had 12 construction projects on hand, amounting to 1,804 million Baht.
- During 2Q24, the company is working on short list of 2 new projects, approximately 1,103 million Baht, under business development phase both in HDD/pipeline jacking and rail and train construction.

TRITON

2. Revenue from sales

Description	Second quarter		Increase (Decrease)		Six-months period		Increase (Decrease)	
	2024	2023	Baht Million	%	2024	2023	Baht Million	%
Revenues from sales	23.01	8.70	14.31	164.57	33.09	18.54	14.56	78.53
Cost of sales	(7.68)	(4.44)	(3.24)	72.82	(13.29)	(9.15)	(4.15)	45.33
Cost of sales distribution	(10.55)	(8.53)	(2.01)	23.59	(17.20)	(18.47)	1.27	(8.89)
Gross profit	4.78	(4.28)	9.06	(211.63)	2.60	(9.08)	11.68	(128.65)
Gross profit rate	21%	-49%			8%	-49%		

For the 3-month period, the company had revenue from sales of 23.01 million Baht, an increase of 14.31 million Baht. The gross profit was 4.78 million Baht in 2Q24 while the company had negative gross profit of (4.28) million Baht in 2Q23.

3. Power Business

Description	Second quarter		Increase (Decrease)		Six-months period		Increase (Decrease)	
	2024	2023	Baht Million	%	2024	2023	Baht Million	%
Revenues from sales	22.10	12.96	9.14	70.56	37.10	30.56	6.53	21.37
Revenues from subsidy for adders	0.45	0.40	0.05	11.45	0.97	0.40	0.57	142.43
Cost of sales	(25.78)	(22.67)	(3.11)	13.71	(47.90)	(43.29)	(4.61)	10.65
Gross profit	(3.23)	(9.31)	6.08	(65.33)	(9.83)	(12.32)	2.49	(20.22)
Gross profit rate	-14%	-70%			-26%	-40%		

For the 3-month period, the power plants generated revenues for the amount of 22.10 million Baht, increased from 12.96 million Baht in the same period of last year. The power plant business generated negative gross profit of (3.23) million Baht, compared to negative gross profit of (9.31) million Baht in the same period of last year.

TRITON

4. Financial Position and Statement of Cash Flows

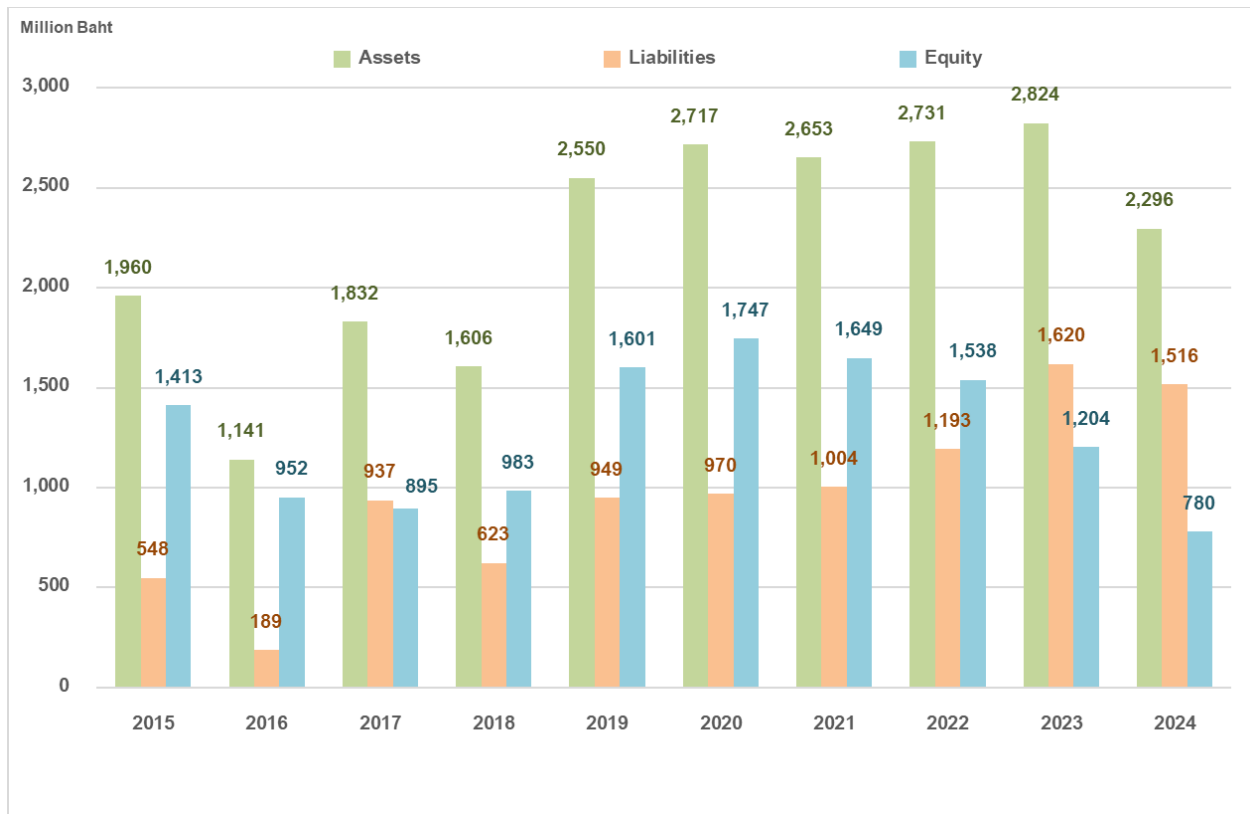
Unit : Million Baht

Statements of financial position	As at June 30, 2024	As at December 31, 2023	Increase (Decrease)	
			Baht Million	%
Total assets	2,296.12	2,823.93	(527.81)	(18.69)
Total Liabilities	1,515.85	1,619.76	(103.91)	(6.42)
Total Shareholders equity	780.27	1,204.17	(423.90)	(35.20)

Financial ratio	As at June 30, 2024	As at December 31, 2023
Return on equity ratio (ROE)	-58.28%	-24.08%
Return on asset ratio (ROA)	-24.56%	-11.89%
Debt to equity ratio (D/E)	1.94	1.35
Interest bearing debt to equity ratio (IBD/E)	0.50	0.39
Current Ratio	0.84	1.06

Statement of cash flows	Six-month period ended June 30	
	2024	2023
Net cash flows generated from (used in) operating activities	2.47	75.33
Net cash flows used in investing activities	164.35	(7.45)
Net cash flows generated from (used in) financing activities	(129.06)	10.89
Net increase (decrease) in cash and cash equivalents	37.76	78.77
Cash and cash equivalents at the beginning of the period	95.37	69.51
Cash and cash equivalents at the ended of the period	133.14	148.28

TRITON



- As of June 30, 2024, the company reported total assets of 2,296.12 million Baht, a decrease of 18.69% from 2,823.93 million Baht as of December 31, 2023. This was from the impairment loss on CSO Project.
- Total liabilities slightly decreased from 1,619.76 million Baht to 1,515.85 million Baht in this year.
- Total equities decreased from 1,204.17 million Baht to 780.27 million Baht in this year according to loss from operation in the period.