

# TRITON

No SET-TRITON 005/2021

March 1, 2021

Subject: Management Discussion and Analysis Yearly Ending 31 Dec 2020

To: President

The Stock Exchange of Thailand

## Overview FY2020 and 4Q20 Performance

- **Solid performance of Horizontal directional drilling engineering construction and additional revenue stream from Train and Railway systems and construction, TRITN achieved solid revenue of 1,409.08 million Baht, increased by 10.54% from the same period last year.**
- **Net profit for the year slightly increased to 41.03 million Baht or increased by 6.49% from the same period last year.**
- **Power plant no.2 of the group, “Aukkrarawat” 4.9 MW, has construction progress about 96.6% as of December 31, 2020, targeting to start commercial operation in 1Q21.**

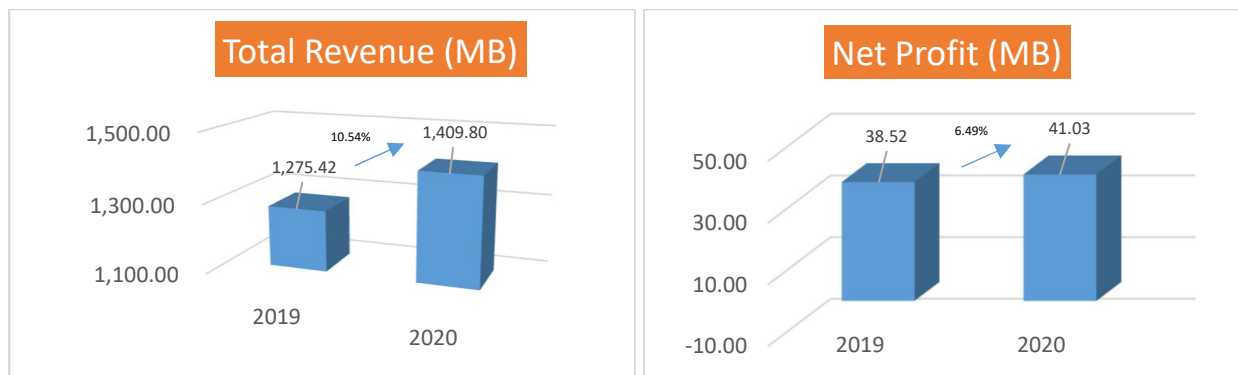
## For 12 months period ended December 31, 2020

Consolidated Profit & Loss of Triton Holding Public Company Limited

Unit: Million Baht

|                 | FY2020   | FY2019   | Change | Δ%     |
|-----------------|----------|----------|--------|--------|
| Revenues        | 1,409.80 | 1,275.42 | 134.38 | 10.54% |
| Expenses        | 1,368.78 | 1,236.90 | 131.88 | 10.66% |
| Net Profit      | 41.03    | 38.52    | 2.50   | 6.49%  |
| Net Profit(%)   | 2.92%    | 3.02%    |        |        |
| Net Profit(TTH) | 36.11    | 32.36    | 3.75   | 11.59% |

For 12-month period, the company reports the consolidated revenue of 1,409.80 million Baht, up 10.54% or by 134.38 million Baht compared to the same period of 2019. The increment of revenues is derived from solid performance of **Horizontal directional drilling engineering construction (HDD)** and additional revenue stream from **Train and Railway systems and construction**. The company realized construction revenue of a new subsidiary in rail and train construction business since 3Q20. The company generated a net profit of 41.03 million Baht, an increase of 2.50 million Baht or 6.49% compared to the same accounting period of 2019.



### For 3 months period ended December 31, 2020

The company report consolidated revenue of 147.37 million Baht, a decrease of 334.23 million Baht or 69.40% compared to the same period of last year. Because the major progress of construction projects both from **Horizontal directional drilling engineering construction (HDD)** and **Train and Railway systems and construction** already recognized significant construction-progress in previous quarter. Moreover, new construction projects will start in 1Q21 rather than in the quarter as planned. Lastly, power plant construction and commissioning were not completed in 4Q20 but slip out to 1Q21.

**For 12-month period, the company recognized comprehensive profit of 99.70 million Baht. Because the company recognized profit from the differences between cost and fair value of other current financial assets of 57.64 million Baht in comprehensive incomes.**

On March 31, 2020, the company invested in Global Consumer Public Company Limited (“GLOCON”) for 4.94% of the paid-up share capital. Subsequently, during 2Q20, the Company increased investment to 20.01% of total paid-up capital of GLOCON. The Company reclassified such investment from other current financial asset to investment in associated company on June 18, 2020. The company recognized profit from the differences between cost and fair value of other current financial assets of 57.64 million Baht in comprehensive income.

On September 23, 2020, the Board of Directors’ meeting of the company passed a resolution to have representatives as Directors more than half in GLOCON’s Directors on October1, 2020, but the company has no power to control over GLOCON. Thus, the company had maintained the proportion investment of GLOCON in significant influence over a determined financial and operating policy of such company. The company realized an investment in equity of GLOCON as investment in associated.

Regarding to the status of Global Consumer Public Company Limited (GLOCON), after meeting with the auditor on February 22, 2021, the auditor has additional notice related to Control matter as per the financial reporting standard No. 10 : Consolidated financial statements. The notice is related to voting right in the shareholder meeting of the

# TRITON

company which related to percentage of shares and free float portion. Those matters may affect to Control. In order to allow the Company to consider whether to continue to recognize GLOCON as an associated company or to change to be a subsidiary, therefore the Company maintain status of GLOCON as an associated in the financial statements of 4<sup>th</sup> quarter.

**Even in Covid-19 pandemic situation during FY2020, the company continues to deliver solid revenues from construction business.**

## 1. Construction Business

Unit : Million Baht

| Construction | FY2020   | FY2019   | Change | Δ%      |
|--------------|----------|----------|--------|---------|
| Revenues     | 1,333.43 | 1,150.23 | 183.20 | 15.93%  |
| Expenses     | 1,159.38 | 1,088.73 | 70.64  | 6.49%   |
| Gross Margin | 174.05   | 61.50    | 112.55 | 183.03% |
| Margin(%)    | 13.05%   | 5.35%    |        |         |

For 12-month period, Construction business generated solid revenues of 1,333.43 million Baht, an increase of 183.20 million Baht or 15.93% compared to the same accounting period of 2019. Construction business generated gross margin of 174.05 million Baht, an increase of 112.55 million Baht or 183.03% compared to the same accounting period of 2019. This resulted mainly from revenue recognition of a combination of HDD, Civil, and Train and Railway installation and construction.

Unit : Million Baht

| Construction | 4Q20   | 4Q19   | Change   | Δ%      |
|--------------|--------|--------|----------|---------|
| Revenues     | 133.60 | 407.87 | (274.27) | -67.24% |
| Expenses     | 106.92 | 392.07 | (285.15) | -72.73% |
| Gross Margin | 26.68  | 15.80  | 10.88    | 68.86%  |
| Margin(%)    | 19.97% | 3.87%  |          |         |

For 3-month period, Construction business has generated revenues of 133.60 million Baht, a decrease of 274.27 million Baht or 67.24% compared to the same accounting period of 2019. Construction business generated gross margin of 26.68 million Baht, an increase of Baht 10.88 million or 68.86% compared to the same accounting period of 2019. This resulted mainly from revenue recognition and effective cost control in HDD, Civil, and Train and Railway systems and construction projects.

Oil and gas infrastructure construction generated revenue of 63.35 million Baht in 4Q20. By the end of the year, the company had recognized revenue amounting to 87.17% of the total project-value.

- Oil and gas infrastructure construction to northern area Project (94.58% progress)

# TRITON

- Underground Piping Construction and Electrical Conduit Installation Project under Chao Phraya river with Metropolitan Electricity Authority (99.17% progress)
- Pipe Jacking Construction Contract under Highway No. 304, Pak Kret District - Chaeng Watthana Government Center (9.68% progress)
- Oil and gas infrastructure construction to north east area Project (23.69% progress)

Civil engineering construction generated revenue of 35.18 million Baht in 4Q20. The construction works consist of the Train Station and U-turn Overpass Crossing over Double-track Railway Projects in the southern part of Thailand. The company had recognized revenue from Civil engineering construction project amounting to 85.60% of the total project-value.

Train and Railway system installation and construction Train and Railway system installation and construction generated revenue of 35.07 million Baht in 4Q20. By the end of the year, TTR had recognized revenue amounting to 65.34% of the total project-value.

## 2. Power Business

**Power plant no.2 of the group “Aukkrawat” 4.9 MW has construction progress about 96.6 % as of December 31, 2020, targeting to COD in 1Q21.**

On February 17, 2020, Triton Power Co., Ltd., a subsidiary of the company, acquired 75% of ordinary shares of Aukkrawat Renewable Energy Power Plant Co. Ltd. The power plant is under Power Purchase Agreement (PPA) with Provincial Electricity Authority of 4.9 megawatts. At the end of December 2020, the overall construction progress of AKW was about 96.6% of total construction works. The company expects the new biogas power plant to generate revenue of approximately 100 million Baht per year and to start commercial operation in 1Q21.

For 12-month period, Power business generated revenue of 36.08 million Baht, with negative gross profit of (6.07) million Baht, which lower than expected due to the temporary shortage of Vinasse water (a by-product of the sugar or ethanol industry) for use to generate gas to feed a generator to produce electricity. However, according to the operation and maintenance agreement, the power plant received compensation of 8.44 million Baht. Currently, the additional suppliers were engaged to supply additional Vinasse water to the plant. Moreover, management already fully reserved Vinasse in acid pond.

## 3. Other Revenues

For 12-month period, other revenues were 45.43 million Baht mainly from revenues of selling unused assets and machine & equipment rental incomes. For 3-month period, other revenues were 12.71 million Baht.

# TRITON

## 4. Financial Position and Statement of Cash Flows

Unit : Million Baht

| Balance sheet     | As of Dec 31,2020 | As of Dec 31, 2019 | Δ %   |
|-------------------|-------------------|--------------------|-------|
| Total Assets      | 2,702.89          | 2,550.22           | 5.99% |
| Total Liabilities | 962.66            | 948.93             | 1.45% |
| Total Equities    | 1,740.23          | 1,601.30           | 8.68% |

| Cash Flow                 | For 12 months period end December 31, 2020 |  |  |
|---------------------------|--|--|--|
| Cash Flow from Operation  | 73.58                                      |  |  |
| Cash Flow from Investment | -467.52                                    |  |  |
| Cash Flow from Financing  | 61.30                                      |  |  |
| Net Change in Cash        | -332.64                                    |  |  |
| Ending Cash               | 466.88                                     |  |  |

| Financial Ratios                | Dec-20 | Dec-19 | Δ %     |
|---------------------------------|--------|--------|---------|
| ROE                             | 2.22%  | 2.50%  | -11.19% |
| ROA                             | 2.14%  | 2.10%  | 1.97%   |
| Net Profit margin               | 2.91%  | 2.47%  | 0.44%   |
| Net Profit margin (The Company) | 2.56%  | 2.08%  | 0.48%   |
|                                 | Dec-20 | Dec-19 |         |
| D/E (time)                      | 0.58   | 0.60   | -4.21%  |
| Current ratio (time)            | 1.35   | 1.95   |         |

TRITN has reported higher profitability ratios than the same period of last year, primarily due to increasing revenue of construction business along with effective cost control. In FY2020, the Return on Asset was improved to 2.14% which increased from 2.10% in the same period of last year. Net profit margin was 2.91% in FY2020. The company's net profit margin was 2.56% which slightly increased from 2.08% in the same period of last year. Return on Equity slightly decreased due to the larger of total equities from profit in the period. At the end of FY2020, the company balance sheet showed the company was in a strong position with Net Debt / Equity of 0.58x. Cash and cash equivalents were 466.88 million Baht at the end of the year.

## 5. The 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 directly to 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,

(Miss Louise Taechaubol)  
Authorized Directors