

# TRITON

No TRITN-SET 015/2021

August 13, 2021

Subject: Management Discussion and Analysis for the second quarter of 2021

To: President

The Stock Exchange of Thailand

## Highlights

- During 2Q21, some warrant holders intended to exercise warrant “TRITN-W3”. Total ordinary shares given from exercising were 1,479.60 million shares with exercise price at 0.2499 baht per share, totaling amount of 369.80 million baht. As a result, the Company's paid-up share capital and share premium increased in total amount of 147.96 million baht and 221.84 million baht respectively.
- During 2Q21, the Company sold an investment in GLOCON in the proportion of 153.33 million shares or representing 8.02% of paid-up share capital with totaling of 122.29 million baht. The Company had recorded profit in amount of 13.10 million baht. The Company holds 288.17 million shares or representing 15.06 % of paid-up share capital.
- HDD & Civil show consistency performance with total revenue of 251.44 million baht and gross profit of 20.52 million baht. Anyway, there was one-time decreasing in project value of a subsidiary which incurred negative effect of 36.00 million baht during 1H21.

## For 3 months period ended June 30, 2021

Consolidated Profit & Loss of Triton Holding Public Company Limited

Unit: Million Baht

|  | Q2/2021 | Q2/2020 | Change       |          |
|--|---------|---------|--------------|----------|
|  |         |         | million baht | △ %      |
| Total revenues   | 294.34  | 312.90  | (18.56)      | (5.93)   |
| Total expenses   | 323.29  | 300.44  | 22.85        | 7.61     |
| Share of loss of associate accounted for using equity method | 1.80    | 0.02    | 1.78         | 9,980.06 |
| Net Profit   | (27.15) | 12.49   | (39.63)      | (317.41) |
| Net Profit (loss) - The Company                              | (11.75) | 12.68   | (24.44)      | (192.68) |
| Net Profit margin  | -9.22%  | 3.99%   |              |          |
| Net profit margin-company                                    | -3.99%  | 4.05%   |              |          |

- For 3-month period, the company reported total revenue of 294.34 million baht in 2Q21, a decrease of 5.93% compared to the same period last year. The company generated a net loss-the company of (11.75) million baht, comparing to net profit-the company of 12.68 million baht in the same accounting period of 2020. This was attributable to relatively slow construction progress in the period, challenging environment

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from COVID-19 pandemic on overall of new projects acquiring and one-time decreasing in project-value of a subsidiary.

## For 6 months period ended June 30, 2021

|  | Q1-Q2/2021 | Q1-Q2/2020 | Change       |          |
|--|------------|------------|--------------|----------|
|  |            |            | million baht | △ %      |
| Total revenues   | 484.54     | 765.94     | (281.40)     | (36.74)  |
| Total expenses   | 558.53     | 744.30     | (185.77)     | (24.96)  |
| Share of loss of associate accounted for using equity method | 0.16       | 0.02       | 0.14         | 772.80   |
| Net Profit   | (73.84)    | 21.65      | (95.49)      | (440.99) |
| Net Profit (loss) - The Company                              | (45.57)    | 20.50      | (66.07)      | (322.30) |
| Net Profit margin  | -15.24%    | 2.83%      |              |          |
| Net profit margin-company                                    | -9.40%     | 2.68%      |              |          |

- For 6-month period, Triton Holding Public Company Limited (“TRITN”) reported total revenue of 484.54 million baht in Q1-Q2/2021, comparing to total revenue of 765.94 million baht in the same period last year. The company generated a net loss-the company of (45.57) million baht, comparing to net profit—the company of 20.50 million baht in the same accounting period of 2020. This was attributable to relatively slow construction progress in the period, challenging environment from COVID-19 pandemic on overall of new projects acquiring and one-time decreasing in project-value of a subsidiary which incurred negative effect of 36 million baht.

## 1. Construction Business

Unit : Million Baht

| Construction                       | Q2/2021 | Q2/2020 | Change       |          |
|------------------------------------|---------|---------|--------------|----------|
|                                    |         |         | million baht | △ %      |
| Revenues                           | 241.72  | 294.08  | (52.37)      | (17.81)  |
| Expenses                           | 250.08  | 254.80  | (4.71)       | (1.85)   |
| Gross profit                       | (8.37)  | 39.29   | (47.65)      | (121.29) |
| Idle cost on a particular contract | 5.62    | 4.45    | 1.17         | 26.29    |
| Finance cost                       | 2.25    | 0.21    | 2.04         | 965.94   |
| Gross profit margin                | -3.46%  | 13.36%  |              |          |

- For 3-month period, Construction business has generated revenues of 241.72 million baht, comparing to revenues of 294.08 in the same period last year, or a decrease of 52.37 million baht or (17.81%). Construction business generated gross loss of (8.37) million baht, comparing to gross profit 39.29 million baht in the same period last year. This resulted mainly from slow progress in ongoing projects both in Horizontal directional drilling projects and Rails and trains projects. Moreover, the new project, ST8, in rail and train business unit was delay starting, and decreasing in project-value of a rail and train projects.

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| Construction                       | Q1-Q2/2021 | Q1-Q2/2020 | Change       |          |
|------------------------------------|------------|------------|--------------|----------|
|                                    |            |            | million baht | △ %      |
| Revenues                           | 399.51     | 724.98     | (325.47)     | (44.89)  |
| Expenses                           | 417.73     | 648.03     | (230.30)     | (35.54)  |
| Gross profit                       | (18.22)    | 76.95      | (95.17)      | (123.68) |
| Idle cost on a particular contract | 12.28      | 9.44       | 2.84         | 30.09    |
| Finance cost                       | 4.29       | 0.95       | 3.34         | 350.02   |
| Gross profit margin                | -4.56%     | 10.61%     |              |          |

- For 6-month period, Construction business has generated revenues of 399.51 million baht, comparing to revenues of 724.98, a decrease of 325.47 million Baht or 44.89% compared to the same accounting period of 2020. Construction business generated gross loss of (18.22) million baht, comparing to gross profit 76.95 million baht in the same period last year. This resulted mainly from one-time decreasing in project value of a subsidiary. Moreover, the new mega project was delay starting.

| HDD + civil                        | Q2/2021 | Q2/2020 | Change       |         |
|------------------------------------|---------|---------|--------------|---------|
|                                    |         |         | million baht | △ %     |
| Revenues                           | 251.44  | 294.08  | (42.64)      | (14.50) |
| Expenses                           | 230.92  | 254.80  | (23.87)      | (9.37)  |
| Gross Profit                       | 20.52   | 39.29   | (18.77)      | (47.78) |
| Idle cost on a particular contract | 5.62    | 4.45    | 1.17         | 26.29   |
| Finance cost                       | 0.69    | 0.21    | 0.48         | 228.53  |
| Gross profit margin                | 8.16%   | 13.36%  |              |         |

Oil and gas infrastructure construction generated revenue of 243.92 million baht in 2Q21. At the end of second quarter, the company had recognized revenue amounting to 93.42% of the total project value with the remaining project backlog of 358.92 million baht.

- Oil and gas infrastructure construction to northern area Project (98.73% progress)
- Underground Piping Construction and Electrical Conduit Installation Project under Chao Phraya river with Metropolitan Electricity Authority (100% progress)
- Pipe Jacking Construction Contract under Highway No. 304, Pak Kret District - Chaeng Watthana Government Center (18.45% progress)
- Oil and gas infrastructure construction to north east area Project (82.44% progress)

Civil engineering construction generated revenue of 7.52 million baht in 2Q21. 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 93.70% of the total project value with the remaining project backlog of 20.38 million Baht.

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Train and Railway systems and construction On July 1, 2020, Triton Engineering and Construction Company Limited, a subsidiary of the company, acquired 65% of ordinary shares of Trans Thai Railway Company Limited (TTR). Train and Railway systems and construction generated revenue of 8.76 million baht. Anyway, there are one-time decreasing in project-value which incurred negative effect of (36.00) million baht during 1H21. At the end of the second quarter, TTR had recognized revenue amounting to 40.44% of the total project value with the remaining project backlog of 505.5 million baht. The new awarded project, double track rail & train or ST8, of 337 million baht was not start major construction in the period.

## 2. Power Business

On February 17, 2020, Triton Power Co., Ltd., a subsidiary of the company, acquired 75% of ordinary shares of Aukkrarawat Renewable Energy Power Plant Company Limited (AKP). The power plant is under Power Purchase Agreement (PPA) with Provincial Electricity Authority (PEA) of 4.9 megawatts. Now, the construction was completed.

For 3-month period, Power business generated revenue of 22.02 million baht, increase by 16.97 million baht or increase 335.43%. Power plant business generated gross-profit(loss) of (5.52) million baht, which lower than expected because i) electricity outputs were lower than plan which mainly resulted from the plant maintenance at Nongree power plant and the plant improvement at Aukkrarawat power plant. ii) Vinasses logistic cost increasing. Anyway, the power plants already change vinasses sourcing plan and pay attention to both distance and quality of vinasses.

| Power        | Q2/2021 | Q2/2020 | Change       |        |
|--------------|---------|---------|--------------|--------|
|              |         |         | million baht | △ %    |
| Revenue      | 22.02   | 5.06    | 16.97        | 335.43 |
| Expenses     | 27.54   | 9.73    | 17.81        | 183.02 |
| Gross profit | (5.52)  | (4.67)  | (0.85)       | 18.10  |
| Finance cost | 3.07    | 0.80    | 2.27         | 284.34 |
| Gross profit | -25.06% | -92.41% |              |        |

## 3. Other Revenues

| Other income | Q2/2021 | Q2/2020 | Change       |        |
|--------------|---------|---------|--------------|--------|
|              |         |         | million baht | △ %    |
| Other income | 30.14   | 12.47   | 17.67        | 141.64 |

For 3-month period, other revenues were 30.14 million baht, significantly increased by 141.64% or by 17.67 million Baht from the same period last year mainly from revenues from profit from selling of profit from sale of investment in an associate and selling of unused assets and machine & equipment rental income.

## 4. Financial Position and Statement of Cash Flows

Unit : Million Baht

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| Balance sheet     | As of June 30,2021 | As of Dec 31, 2020 | Δ %    |
|-------------------|--------------------|--------------------|--------|
| Total Assets      | 3,170.77           | 2,717.08           | 16.70% |
| Total Liabilities | 1,124.12           | 969.89             | 15.90% |
| Total Equities    | 2,046.64           | 1,747.19           | 17.14% |

| Cash Flow (Million Baht)  | For 3 months period end June 30, 2021 |
|---------------------------|---------------------------------------|
| Cash Flow from Operation  | -157.94                               |
| Cash Flow from Investment | -134.82                               |
| Cash Flow from Financing  | 649.27                                |
| Net Change in Cash        | 356.51                                |
| Ending Cash               | 823.40                                |

| Financial Ratios     | Jun-21 | Jun-20 | Δ %      |
|----------------------|--------|--------|----------|
| ROE                  | -1.65% | 4.51%  | -136.68% |
| ROA                  | -1.52% | 2.64%  | -157.60% |
| Net Profit margin    | -4.46% | 4.29%  | -8.75%   |
|                      | Jun-21 | Dec-20 |          |
| D/E (time)           | 0.58   | 0.58   |          |
| Current ratio (time) | 1.35   | 1.35   |          |

Triton reported lower profitability ratios than the same period last year, primarily due to decreasing in revenue. In 2Q21, Return on Equity was (1.65%) which decreased from 4.51% in the same period last year. Return on Asset was downed to (1.52%) which decreased from 2.64% in the same period last year. The company's net profit margin was (4.46%) which decreased from 4.29% in the same period last year. At the end of 2Q21, the company balance sheet was in strong position with Net Debt / Equity of 0.58x. Cash and cash equivalents were 823.40 million baht.

## 5. 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 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

(Mr. Worapong Woottipruk)

Chief Financial Officer