

TRITON

No TRITN-SET 008/2022

May 17, 2022

Subject: Management Discussion and Analysis for the first quarter of 2022

To: President

The Stock Exchange of Thailand

Highlights

- For the 3 months period ended March 31, 2022, the company had reported the total revenues of 184.68 million baht.
- The company generated a net profit - the company of 22.84 million baht, compared to the net loss—the company of (33.82) million baht in the same period last year, an increase of 56.66 million baht or 167.55%.
- The signaling and telecommunication for double track railway project contributed solid progress in the first quarter.
- The power plants reported an increase in both electricity generation and revenues in the first quarter.

For 3 months period ended March 31, 2022

Consolidated Profit & Loss of Triton Holding Public Company Limited

Unit: Million Baht

	1Q22	1Q21	Change	
			million baht	△ %
Total revenues	184.68	190.80	(6.13)	(3.21)
Total expenses	164.72	235.85	(71.14)	(30.16)
Share of gain (loss) of associate accounted for using equity method	1.45	(1.64)	3.09	188.38
Net Profit	21.41	(46.69)	68.10	145.85
Net Profit (loss) - The Company	22.84	(33.82)	56.66	167.55
Net profit margin	11.59%	-24.47%		
Net profit margin - company	12.37%	-17.72%		

- For the 3-month period: the company made total revenues of 184.68 million baht in 1Q22, a slight decrease of 3.21% compared to the same period last year. However, with effective cost controlling in each business unit, total expenses substantial decreased from 235.85 million baht in 1Q21 to 164.72 million baht in 1Q22. The company realized share of gain of associate accounted for using equity method of 1.45 million baht, compared to the share of loss (1.64) million baht in the same period of 2021. In the first quarter, Triton holding reported a net profit of 21.41 million baht, compared to a net loss of (46.69) million baht in the same period last year. The company reported net profit - the company of 22.84 million baht, compared

TRITON

to net loss – the company of (33.82) million baht in the same period of 2021. This mainly was attributable to i) the solid construction progress in the Train and Railway construction, ii) strong electricity generation in the power plants business, iii) the revenue from machinery rental is relatively higher than the same period of last year, and iv) recognition of profit from sale of investment in an associate in the first quarter of 2022.

1. Construction Business

Unit : Million Baht

Construction	1Q22	1Q21	Change	
			million baht	△ %
Revenues	102.90	157.79	(54.89)	(34.79)
Expenses	97.57	167.65	(70.08)	(41.80)
Gross profit	5.34	(9.86)	15.19	154.14
Idle cost on a particular contract	3.36	6.66	(3.30)	(49.51)
Finance cost	1.90	2.04	(0.14)	(6.69)
Gross profit margin	5.19%	-6.25%		

- For the first 3-month of 2022, Construction business had revenues of 102.90 million baht, compared to revenues of 157.79 million baht in the same period last year, or a decrease of 54.89 million baht. Due to the fact that the HDD and civil construction made slightly progress during the first quarter of 2022. However, the construction business had gross profit of 5.34 million baht, compared to negative gross profit (9.86) million baht in the same period last year. Because the Train and Railway construction generated considerable progress and strong gross profit for this quarter.

HDD + Civil	1Q22	1Q21	Change	
			million baht	△ %
Revenues	53.56	155.36	(101.79)	(65.52)
Expenses	52.88	143.88	(91.00)	(63.25)
Gross Profit	0.68	11.48	(10.80)	(94.04)
Idle cost on a particular contract	3.36	6.66	(3.30)	(49.51)
Finance cost	0.27	0.37	(0.10)	(26.20)
Gross profit margin	1.28%	7.39%		

Oil and gas infrastructure construction generated revenue of 53.56 million baht. At the end of first quarter 2022, the company had recognized revenue amounting to 93.65% of all projects under construction phase.

- Oil and gas infrastructure construction to northern area Project (98.43% progress)
- Pipe Jacking Construction Contract under Highway No. 304, Pak Kret District - Chaeng Watthana Government Center (28.03% progress)
- Oil and gas infrastructure construction project to the Northeast (100.00% progress)

TRITON

Civil engineering construction generated revenues of 10.86 million baht in 1Q22. 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 has recognized revenue from Civil engineering construction project amounting to 98.22% of the total project value.

Rail & Train	1Q22	1Q21	Change	
			million baht	△ %
Revenues	49.34	2.43	46.91	1,926.89
Expenses	44.69	23.77	20.92	88.00
Gross profit	4.65	(21.34)	25.99	121.81
Finance cost	1.63	1.67	(0.04)	(2.41)
Gross profit margin	9.43%	-876.48%		

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). For 3 months period ended March 31, 2022, Train and Railway systems and construction generated revenue of 49.34 million baht. The business unit generated gross profit of 4.65 million baht.

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. Currently, the construction was completed.

Power	1Q22	1Q21	Change	
			million baht	△ %
Revenues	30.97	25.85	5.13	19.84
Expenses	26.95	24.00	2.96	12.31
Gross profit	4.02	1.85	2.17	117.50
Finance cost	3.52	1.93	1.59	82.24
Gross profit	12.98%	7.15%		

Note : Revenues in this table already included compensation for operation & maintenance machine under contract.

For the 3-month period, the power plants group report solid electricity output. Power plants business generated revenues, which included compensation for operation & maintenance machine under contract, of 30.97 million baht, increase by 5.13 million baht or increase 19.84%. The power plant business generated gross-profit of 4.02 million baht, compared to gross profit of 1.85 million baht in the same period last year.

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3. Other revenues

	1Q22	1Q21	Change	
			million baht	△ %
Other revenues	20.33	6.22	14.11	226.64

For the 3-month period, other revenues were 20.33 million baht, significantly increased by 226.64% or by 14.11 million baht from the same period last year mainly from machinery rental and sales of supplies.

4. Financial Position and Statement of Cash Flows

Unit : Million Baht

Balance sheet	As of March 31, 2022	As of Dec 31, 2021	△ %
Total Assets	2,720.05	2,653.03	2.53%
Total Liabilities	1,053.28	1,003.60	4.95%
Total Equities	1,666.76	1,649.43	1.05%

Cash Flow (Million Baht)	For 3 months period end March 31, 2022
Cash Flow from Operation	-80.97
Cash Flow from Investment	-0.07
Cash Flow from Financing	6.72
Net Change in Cash	-74.31
Ending Cash	400.30

Financial Ratios	Mar-22	Mar-21
ROE	-20.96%	-0.35%
ROA	-12.41%	-0.20%
ROE (1Q22)	1.39%	-2.10%
ROA (1Q22)	0.82%	-1.18%
Net Profit margin - The company	12.37%	-17.72%
	Mar-22	Dec-21
D/E (time)	0.63	0.58
Current ratio (time)	1.38	1.45

Triton holding reported solid profitability ratios than the same period last year, primarily due to increasing in revenues and improvement in profit margin. As of March 31, 2022, Return on Equity (1Q22) was 1.39 which increased from (2.10)% in the same period last year. Return on Asset (1Q22) was 0.82% which increased from (1.18%) in the same period last year. The company's net profit margin was 12.37% which sharply increased from (-17.72%) in the same period last year. At the end of 1Q22, the company's balance sheet was in a strong position with Net Debt / Equity of 0.63x. Cash and cash equivalents were 400.30 million baht.

TRITON

5. Impact of COVID 19 situation

The Coronavirus disease 2019 (“COVID-19”) pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. Nevertheless, the Group’s 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

Worapong Woottipruk
CFO