

# TRITON

No TRITN-SET 007/2025

February 27, 2025

Subject : Management Discussion and Analysis year end 2024  
To : President, The Stock Exchange of Thailand

## Executive Summary

### Our company

Triton Holding Public Company is a holding company with subsidiaries in construction (leaders of pipeline construction and rail construction), beauty (under the name Madame Louise), and renewable energy (2 biogas power plants).

We derive most of our revenue from construction services however there has been some delays in the commencement of projects due to uncontrollable external parties. The year ended 2024 was a challenging year for Triton Holding mostly due to the adverse effects stemming from the construction business.

## Key Financial Highlights

1. Triton Holding Consolidated had a total net loss of 624.34 million Baht. 92.8 million baht loss stemmed from operations but the remaining were from the following:
  - a) CSO waterway project from Sino Thai Construction endured a total impairment loss of approximately 400 million Baht. The project was mutually terminated since February 2024 due to **no permits and rights of way from relevant Government parties**. As such, Triton Holding has still not received work in progress payments from the main contractor till today. An ongoing legal case has occurred but all impairments has been accrued in 2024. Since the termination of the project in February 2024, the company refuted to continue working as false verbal commitment will no longer yield the risk going forward.
  - b) Year 2024 has been a negative year for the Thai stock market as a whole and as such, Triton Holdings investment into Global Consumers Public Company yielded a net realize loss of 13 million and an unrealized loss of 52 million Baht. Nevertheless, management believes that this portion will be recovered as it is a long-term holding. Altogether 65.677 million Baht.
  - c) There was an impairment write off from Biogas Power Plant of 35.96 million Baht and Trans Thai Railway of 12.4 million Baht.
  - d) One off legal fees of 9.2 million due to litigation
  - e) One off fees on advisory services from financial advisors, independent advisors, and design fees from the Haven project of 17 million Baht.
  - f) Additional impairment of 6.3 million from investment into BAFS Fuel Pipeline. This is reversible in managements viewpoint as it is a long-term holding and after the completion of Phase 3 pipeline which Triton Engineering is the main contractor, revenue will be generated on this pipeline.

As such, losses of operations of 92.80 million in 2024 is a reduction compared to 146.6 million in 2023. Most of the impairments which have affected 2024 financial reporting is due to the Sino Thai CSO project of which the construction was terminated since February 2024. As such, there are work in progress payments that Sino Thai has not paid, as well as the termination was done by both sides acknowledging the fact that Triton Engineering shall not bare further risk going forward on a project that has no license and permits.

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## Profit and Loss Statement Three and Twelve-months 2024

Unit: Million

Description	Fourth quarter				Twelve-month period			
	2024	2023	Increase (Decrease)		2024	2023	Increase (Decrease)	
			Baht Million	%			Baht Million	%
<b>Revenues</b>								
Revenues from construction	54.30	165.30	(111.01)	-67.15	258.61	646.86	(388.25)	-60.02
Revenues from sales	83.47	60.05	23.42	39.00	196.89	147.53	49.36	33.46
Revenues from subsidy for adders	0.17	0.75	(0.58)	-77.17	1.53	1.81	(0.28)	-15.48
Gain on sales of asset	(0.35)	0.00	(0.35)		60.30	0.00	60.30	
Other income	3.79	5.38	(1.59)	-29.50	15.75	16.88	(1.13)	-6.69
<b>Total Revenue</b>	<b>141.38</b>	<b>231.49</b>	<b>(90.11)</b>	<b>-38.93</b>	<b>533.07</b>	<b>813.08</b>	<b>(280.00)</b>	<b>-34.44</b>
<b>Expenses</b>								
Cost of construction	(39.66)	(180.97)	141.47	-78.14	(311.75)	(636.66)	324.90	-51.03
Cost of sales	(20.81)	(28.59)	7.78	-27.20	(62.18)	(105.07)	42.89	-40.82
Idle cost on a particular contract	(12.36)	(3.39)	(8.98)	265.09	(25.13)	(17.75)	(7.38)	41.61
Distribution cost	(51.03)	(34.48)	(16.55)	48.00	(80.28)	(58.86)	(21.42)	36.40
Administrative expenses	(39.30)	(33.99)	(5.31)	15.62	(146.54)	(141.60)	(4.93)	3.48
<b>Total Expenses</b>	<b>(163.07)</b>	<b>(281.42)</b>	<b>118.36</b>	<b>-42.06</b>	<b>(625.88)</b>	<b>(959.93)</b>	<b>334.05</b>	<b>-34.80</b>
<b>Profit (loss) from operating activities</b>	<b>(21.68)</b>	<b>(49.93)</b>	<b>28.25</b>	<b>-56.57</b>	<b>(92.80)</b>	<b>(146.86)</b>	<b>54.05</b>	<b>-36.81</b>
Finance income	0.62	0.39	0.23	58.34	1.50	0.84	0.67	79.37
Finance costs	(6.73)	(9.77)	3.04	-31.09	(31.15)	(36.96)	5.81	-15.72
Impairment loss on investment subsidiaries	0.00	32.26	(32.26)	-100.00	0.00	0.00	0.00	
Impairment loss on goodwill	(12.34)	(27.29)	14.95	-54.77	(12.34)	(27.29)	14.95	-54.77
Revaluation surplus/deficit in investments	0.00	(32.59)	32.59	-100.00	0.00	(32.59)	32.59	-100.00
Loss on valuation of investment	(11.69)	(43.59)	31.90	-73.19	(68.44)	(43.59)	(24.85)	57.02
Impairment loss determined in accordance with TFRS 9	(9.05)	(2.44)	(6.61)	270.49	(291.22)	(28.40)	(262.81)	925.33
Share of profit (loss) of associates accounted for using equity method	0.00	0.34	(0.34)	-100.00	0.00	(12.14)	12.14	-100.00
Write-off on Construction	0.00	0.00	0.00		(129.89)	0.00	(129.89)	
<b>Profit (loss) before income tax</b>	<b>(60.87)</b>	<b>(132.63)</b>	<b>71.76</b>	<b>-54.10</b>	<b>(624.34)</b>	<b>(326.99)</b>	<b>(297.35)</b>	<b>90.94</b>
Income tax revenue (expense)	(4.86)	(0.54)	(4.32)	797.55	0.03	(3.15)	3.19	-101.09
<b>Profit (loss) before income tax</b>	<b>(65.74)</b>	<b>(133.17)</b>	<b>67.43</b>	<b>-50.64</b>	<b>(624.30)</b>	<b>(330.14)</b>	<b>(294.16)</b>	<b>89.10</b>

### Outlook

1. Triton Engineering and Construction: We believe that the construction industry in Thailand is heavily affected from a liquidity crunch from all other industries. However, October 28<sup>th</sup> 2024, Triton signed the extension of the Northern Fuel Transportation Pipeline Phase 3 with BPT, a subsidiary of BAFS from Saraburi to Aangthong. This is a 2 year project which is a core competence of Triton Engineering which we believe will turnaround its earnings for 2025 and 2026. In addition, we also believe that the signed Water Project will also be able to commence roughly in quarter 2 of 2025 and is also a 2 year project.
2. Triton Holding will begin commencement of the Haven Project which is a development of an ecological leisure and entertainment park. This projects feasibility yields a remarkable 3-4 year breakeven and a yearly net profit of initially 200 million per year. We believe construction will be for 2.5 years for the operation of the first phase of the project to begin. This will in turn offset the revenue stream for Triton Engineering Phase 3 project.
3. Triton Biogas Power Plants of roughly 8 MW will be generating a positive cashflow stream to the company in 2025 from a major overhaul and maintenance program at the end of 2024.
4. Triton Resources has seen exponential growth with an increase of sales of 275% quarter on quarter. The subsidiary turned a profit of 14 million Baht in 2024 with a revenue of 119.52 million Baht for 2024. Nevertheless, management expect a net margin for 2025 to be roughly 20-30% of sales revenue due to closer cost monitoring in marketing expenses. In 2025 management aims to launch more than 6 sku from its existing skincare line of only 2 sku. Overall in 2024, gross profit increased 394% from 2023.

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The updated outlook also assumes that we will be ensured an anticipated higher 2025 revenues from construction and also undergo a cost reduction program throughout 2025. While we believe we will still generate strong free cash flow, we have impaired all construction losses from the Sino Thai CSO Project all in 2024. We believe that the projects left in Triton Engineering backlog and Biogas Power Plants will yield steady profits from the next two years ready for the operations of the first phase of the ecological leisure and entertainment project.

The sales of Madame Louise Brand into Global Consumers is viewed as a restructuring of the Holding company whereby the MDL Brand is more suitable in a consumer company and operations can support its growth. Nevertheless, Triton Holding is the major shareholder of Global Consumers and will share upside in the long-term from stronger earnings, dividend payments, and possibly an increase in market capitalization of Global Consumers Public Company. Management strongly views that Madame Louise will be able to gain faster traction and its strong revenue and cash generation will lift GLOCON as a consumer company.

Management is upbeat on its 2025 financial earnings going forward. Triton Engineering and Construction will yield good profits from its two main EPC projects which is from BAFS and the other directly from MWA Thailand Water Authority. Again, these two projects will support Triton Holding for two years before the leisure and entertainment project commences – The Haven.

The Haven project is expected to yield positive cashflow for Triton Holding and will diversify its investment for a more sustainable income stream. Nevertheless, the injection of the Baanrai asset of 732.2 rai in the Chonburi region (a total of 62 plots of land) which has a valuation from external parties of approximately 1.9 billion Baht, will be transferred into Triton Holding for only a value of 1.4 billion at a market price of 0.13. The land is situated only 1.5 hours drive from Bangkok and will be the first stop on the high-speed rail network at the Chacheongsao station which once completed will take 20 minutes to reach the land. The land comprises of full highway frontage of almost 1 km long and is the beginning of the Eastern Economic Corridor region. This acquisition will reduce Triton Holdings DE ratio from 2.28 times to 0.72 times. Initial investment will be kept strictly within 890 million Baht whereby management and audit will adhere to quarterly reporting on expenses of the project. This pivotal move from Triton Holding is aimed at diversifying construction towards leisure and entertainment which management views as a sunrise industry which should yield far better financial results.

In conclusion, the Management Discussion and Analysis section serves as a valuable platform for stakeholders to gain insights into our company's performance and our longer-term strategy, and outlook. We believe that transparency and clarity in our communication is essential in fostering trust and confidence among our investors, employees and partners. We were negatively impacted by the Sino Thai CSO project; However we would like to acknowledge that we exerted our best efforts to perform amidst the challenges we faced. It is important to highlight that the absence of proper licenses and permits posed significant risks to our reputation and stakeholders. Therefore, we made the difficult decision to discontinue work on the project to uphold our standards of integrity and compliance.

We remain committed to our vision and look forward to continued growth and success in the upcoming year.