

SET 2020/19

November 12, 2020

Subject: Management Discussion and Analysis (MD&A) for the Third Quarter of 2020

To President
The Stock Exchange of Thailand

TEAM Consulting Engineering and Management Public Company Limited (“the Company”) would like to submit this Management Discussion and Analysis for the third quarter ended 30 September 2020 with details as follows:

Revenue

The total revenue of the Company and its subsidiaries for the third quarter ended 30 September 2020 was 433.33 Million Baht, decreasing by 1.53% from 440.06 Million Baht in the second quarter of 2020, and by 4.44% from the total revenue of 453.48 Million Baht in the third quarter of 2019. The total revenue in this quarter consisted of service revenue for 430.05 Million Baht and other revenue for of 3.28 Million Baht.

Service Revenue

The Company and its subsidiaries generated service revenue for the third quarter of 2020 in a total amount of 430.05 Million Baht, accounting for 99.24% of the total revenue with the following revenue structure:

| Service Revenue (Million Baht) | Q3 (2020) | Q2 (2020) | Q-o-Q | Q3 (2019) | Y-o-Y | Jan - Sep 2020 | Jan - Sep 2019 | % Growth |
|-----------------------------------|--------------|--------------|-------------|--------------|-------------|-------------------|-------------------|-------------|
| Government Sector (G) | 269 | 256 | 5% | 248 | 8% | 754 | 707 | 7% |
| Private Sector (P) | 110 | 125 | (12%) | 133 | (17%) | 350 | 411 | (15%) |
| International Sector (I) | 41 | 32 | 26% | 57 | (28%) | 141 | 185 | (24%) |
| Related Business Sector (R) | 10 | 25 | (60%) | 14 | (29%) | 54 | 60 | (10%) |
| Total Service Revenue | 430 | 438 | (2%) | 452 | (5%) | 1,299 | 1,363 | (5%) |

(1) Service Revenue from Government Sector

During the third quarter of 2020, the Company and its subsidiaries gained service revenue from the government projects for 269.34 Million Baht, accounting for 62.63% of the total service revenue, increasing by 8.60% from the same period of 2019 and increased 5.41% compared to the second quarter of 2020. In this quarter, the Company and its subsidiaries generated continuous revenue from the ongoing government projects in accordance with the project plans and situation.

(2) Service Revenue from Private Sector

During the third quarter of 2020, the Company and its subsidiaries earned the service revenue from the private sector for 110.07 Million Baht, equaling 25.59% of

the total service revenue, decreasing at the rate of 17.24% from the same period of 2019 and 12.08% from the second quarter of 2020. The decrease in the revenue from private sector resulted from the temporary suspension of some private owned projects during the pandemic of COVID-19 that continued from the previous quarter although some projects could resume normal operations.

(3) Service Revenue from International Sector

During the third quarter of 2020, the Company and its subsidiaries generated service revenue from the international sector of 40.79 Million Baht, accounting for 9.49% of the total service revenue, decreasing at the rate of 28.44% from the same period of the previous year. This resulted from the COVID-19 outbreak, especially in foreign countries. However, the service revenue in the third quarter of 2020 increased at the rate of 26.32% from that of the second quarter. This was resulted from the gradual resume of the project operation abroad. Nevertheless, since the cross-border travel still required staff to undergo quarantine for a specified period, the project operation still could not mobilize staff at its full capacity.

(4) Service Revenue from Related Business Sector

During the third quarter of 2020, the Company and its subsidiaries had revenue from the related business sector for 9.85 Million Baht, accounting for 2.29% of the total service revenue. This revenue decreased by 29.65% from the same period of 2019 and 60.96% from the previous quarter because most Instrumentation Works were completed and currently entering into the guarantee period. Meanwhile, the Company and its subsidiaries has additional revenue from the Drone-Based Survey in this quarter.

| Consolidated Financial Performance | Jul - Sep 2020 | | Jul - Sep 2019 | | % Growth (Y-o-Y) |
|---|----------------|--------------------|----------------|--------------------|------------------|
| | Million Baht | % of Total Revenue | Million Baht | % of Total Revenue | |
| Service Revenue | 430 | 99.2% | 451 | 99.6% | (4.7%) |
| Total Revenue | 433 | 100.0% | 453 | 100.0% | (4.3%) |
| Cost of Services | (316) | (73.0%) | (302) | (66.7%) | 4.7% |
| Administrative Expenses | (80) | (18.5%) | (96) | (21.2%) | (16.7%) |
| Operating Profit | 37 | 8.6% | 55 | 12.1% | 32.4% |
| Share of Profit from Investment in Associated Companies | (1) | 0.3% | 0 | 0.0% | (59.0%) |
| Financial Income | 2 | 0.4% | 1 | 0.1% | 225.5% |
| Financial Cost | (1) | (0.2%) | (0) | (0.1%) | 63.8% |
| Income Tax | (8) | (1.8%) | (11) | (2.4%) | 27.7% |
| Profit for the Period | 29 | 6.7% | 44 | 9.8% | (34.0%) |

| Consolidated Financial Performance | Jan - Sep 2020 | | Jan - Sep 2019 | | % Growth (Y-o-Y) |
|---|----------------|--------------------|----------------|--------------------|------------------|
| | Million Baht | % of Total Revenue | Million Baht | % of Total Revenue | |
| Service Revenue | 1,299 | 99.5% | 1,363 | 99.7% | (4.7%) |
| Total Revenue | 1,305 | 100.0% | 1,369 | 100.0% | (4.7%) |
| Cost of Services | (950) | (73.1%) | (968) | (71.0%) | 1.9% |
| Administrative Expenses | (239) | (18.3%) | (302) | (22.1%) | (20.9%) |
| Operating Profit | 116 | 8.9% | 99 | 7.2% | 17.2% |
| Share of Profit from Investment in Associated Companies | 1 | 0.0% | 0 | 0.0% | 394.3% |
| Financial Income | 7 | 5.4% | 2 | 0.1% | 250.0% |
| Financial Cost | (2) | (0.2%) | (2) | (0.1%) | 0.0% |
| Income Tax | (23) | (1.8%) | (19) | (1.4%) | 21.1% |
| Profit for the Period | 98 | 7.5% | 80 | 5.8% | 22.5% |

Cost of Services, Administrative Expenses, Net Profit, and Net Profit Margin

In the third quarter of 2020, the total cost of services of the Company and its subsidiaries accounted for 73% of the total revenue, increasing by 4.7% from that of 66.7% in the same period of the previous year. The total cost of services during the first 9 months of 2020 accounted for 73.1% of the total revenue, increasing by 1.9% from that of 71.0% in the same period of 2019. This was because of adjustment of few project work plans and extension of project periods. Meanwhile, the administrative expenses decreased due to the constant management of personnel-related expenses as results of the efficient control and continuous

management of employee workload since the first quarter of 2020. Consequently, the administrative expenses in the third quarter of 2020 decreased to 18.5% of the total revenue compared to 21.2% in the same period of the previous year, representing the decline by 16.7%. Similarly, the administrative expenses in the first nine months of 2020 decreased to 18.3% of the total revenue compared to 22.1% in the same period of 2019, a decline by 20.9%. However, during the third quarter of 2020 the Company and its subsidiaries had higher cost of services and lower service revenue compared to the same period of 2019, resulting in the decrease in the net profit to 29.21 Million Baht, equaling 6.7% of the total revenue. As for the net profit in the first nine months ended 30 September 2020, the Company and its subsidiaries gained the net profit of 98 Million Baht, increasing by 22.5% compared to the net profit of 80 Million Baht in the first nine months of 2019. The net profit margin in the first nine months of 2020 was 7.5% of the total revenue, increasing from that of 5.8% in the same period of 2019.

Please be informed accordingly.

Yours sincerely,

(Mrs. Penpilai Phonchaipanich)

Chief Financial Officer

TEAM Consulting Engineering and Management Public Company Limited