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Subject: Management Discussion and Analysis of the Company and its subsidiary
for period ended 31 March 2024

To: The President of the Stock Exchange of Thailand

Attachment: Management Discussion and Analysis ended 31 March 2024

As Golden Lime Public Company Limited (“the Company”) and its subsidiaries have submitted the Interim Consolidated Financial Statements ended 31 March 2024, which have been reviewed by the Company’s authorized auditor appointed by the Annual General Meeting of Shareholder on 4 April 2024.

The Company would like to clarify the operating results of the Company and its subsidiary, please kindly find in attachment.

Please kindly be informed accordingly.

Yours faithfully,

Mr. Geza Emil Perlaki
Managing Director





Golden Lime Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

For period ended 31 March 2024

1. Highlights

- ▶ Health and safety: There was **no lost time accident** in 2024.
- ▶ Consolidated Sales revenue: **416mTHB in Q1 2024** compared with 418mTHB in Q1 2023 a decrease of 0.4%.
- ▶ Consolidated EBITDA: statutory **93.3mTHB in Q1 2024** compared with 72.5mTHB in Q1 2023, an increase of 29%, normalized **92.6mTHB in Q1 2024** compared with 79.8mTHB in Q1 2023, an increase of 16%.
- ▶ Consolidated Net income: statutory **42.2mTHB in Q1 2024** compared with 22.4mTHB in Q1 2023, an increase of 89%, normalized **50.9mTHB in Q1 2024** compared with 36.7mTHB in Q1 2023, an increase of 39%.

Commenting Mr. Geza Perlaki, Golden Lime Managing Director said:

MACRO trends: Thailand GDP growth forecast for 2024 revised up by the IMF to 4.4% from last estimate 3.6% due to expectations of government stimulus, and stronger exports due to a weak THB. The low interest rate environment is favorable for capital expenditure projects and attraction of FDI. Pricing of global commodities will have a mixed impact, sugar industry outlook is boosted, but steel performance is expected to suffer from global oversupply.

DOMESTIC LIME MARKET segment performance: STEEL was very weak in Q1, the global production of steel dropped 8% YOY in Q1 2024, leaving large overcapacity depressing price levels, import of semi-finished billets and slabs was on the rise, multiple EAF operators limited or idled production for periods, overall a very weak quarter. The SUGAR market had a better first quarter vs last year, offtake volumes up significantly by +10-20%. The CONSTRUCTION market of AAC-lime from GL, and aggregates as well as marble products from TMC, all performed very well, significantly above last year same period. In contrast MARBLE sales were stagnant in Q4 2022, while performing much better in 2023 overall vs previous years, still not back to 2015-2019 levels. The CHEMICAL industry was another strong performer, with quality-sensitivity on the rise, and increasing market for high value-added top quality as well as specialty products. ENVIRONMENTAL sector sales to flue gas treatment, water treatment, acid neutralization show progress that is steady but slow. Certain segments of the GCC (ground calcium carbonate) market, specifically stone-plastic composites, show rapid progress, with multiple new projects generating additional demand.

EXPORT MARKET performance of GL was tepid compared with last years, due to weak offtake from series of traditional customers, simultaneously.



FUEL costs: Commodity pricing of combustibles was relatively flat in the last 9 months, thus Q1 2024 costs were flat vs the previous H2 of 2023, at levels around 50% above of long-term historic averages.

VARIABLE PRODUCTION COSTS, notably electricity, were noticeably on the lower end in Q1 2024.

FIXED PRODUCTION COSTS, on the rise, due to weak THB increasing cost of imported components and materials, last year's CPI still higher than long term trend, as well as pressure on wages and scarcity of labor in certain blue-collar positions impacting HR costs. BURNT PRODUCT (quicklime and dolomitic lime) sales experienced a modest volume growth of +4%, but pricing was lower last year, resulting overall lower revenue generation in this key core product line. Sales to sugar and AAC markets were on the rise, while steel and chemical underperformed.

AGGREGATE sales of both GL and TMC, ready-mix and environmental FGC sales, increased beyond last year's level, due to improved product quality (washing), and a stronger offtake on the local construction market.

TMC GCC (medium grade) volumes and revenue generation also increased further above last year's level, mainly via sales to new customers entering the market.

MARBLE sales performance of TMC started to improve since Q4 2022, along with the construction recovery, Q1 performance was less strong in volume, but a shift to higher added value products resulted in healthy revenue and margin growth.

The FINANCING structure of GL was shifted towards equity vs debt in the period Q1 2023 (capital increase) to Q1 2024. In the last one-year period, the reduction of net debt from 1108mTHB 1st Jan 2023 to 778mTHB 31st Mar 2024 (- 330m THB) was close to 100m above the capital raised in Q1 2023.

FINANCING facilities: No change in the LT facility structure. The GL opened a new relation in its WC financing was first used in Q1 2024 to secure a fuel shipment.

The TMC KK quarry is undergoing a perimeter-change that will add to the reserve pool, a process expected to be completed by Q2 2024.

The FINANCIAL PERFORMANCE, with EBITDA generation consolidated statutory 93mTHB and very similar normalized, vs last year same period 72mTHB statutory and 79mTHB consolidated the operational performance was 16% above last year on normalized comparison basis, and 29% higher in the statutory reports. Net result improves similarly on normalized basis from 36m to 42m THB, an improvement of +15%



2. Outlook

GL BURNT PRODUCTS: We target to strengthen presence of growth segments on the domestic market, notable construction related AAC, where GL is present with two product lines (modified reactivity AAC lime, and the new innovative CAVA product introduced in. For the chemical industry, to supply specific customer needs, specific customized product introduction is targeted. We also expect certain traditional export customers to return, as well as acquisition of new accounts, capitalizing on the competitiveness boosted by a weak THB as well as currently affordable sea freight to major markets in SE-Asia and Australia.

TMC CRUDE PRODUCTS: GCC product of TMC is sold to a market in transition, where sales of significantly higher volumes in the coming years is a realistic target, thus, to strengthen the production base of this product, is on the agenda.

The pilot BIOMASS project is on hold for the time being, as economics not favorable until after the CO2 policy in Thailand changes in the direction that rewards the use of 100% carbon free green fuels also financially.

The FINANCING structure is expected to evolve in the same direction seen in the last 1 year, debt is expected to drop further down to levels below 600m THB by the end of FY 2024, along with financing costs.



3. Financial highlights (based on Thai FRS)

Q1 2024 Income Statement Summary as of 31 March 2024 compared to Q1 2023:

	Q1 2024	Q1 2023	Q1 2022	YoY change 2024 vs 2023	YoY %change 2024 vs 2023
Unit: Million Thai Baht (THB)					
Sales and service income	415.78	417.57	390.65	-1.79	-0.4%
Other income	2.17	6.09	2.11	-3.92	-64%
Total revenues	417.95	423.66	392.76	-5.71	-1%
Cost of sales and services	287.41	308.56	286.34	-21.15	-7%
Gross profit	128.37	109.01	104.31	19.36	18%
Gross profit margin	31%	26%	27%		
SG&A	69.66	75.40	65.91	-5.74	-8%
EBITDA	93.32	72.53	75.90	20.79	29%
EBITDA margin	22%	17%	19%		
Depreciation and amortization	32.44	32.83	35.39	-0.39	-1%
EBIT	60.88	39.70	40.51	21.18	53%
Finance cost	-9.28	-9.96	-9.01	-0.68	-7%
Income tax expenses	-9.37	-7.36	0.69	2.01	27%
Net income for period	42.23	22.38	32.19	19.85	89%
Earnings per share (THB)	0.12	0.07	0.11	0.05	72%

3.1. Analysis of 2024 in comparison with 2023 results

Despite the increase in volume of core burnt product (quicklime and dolomitic lime) **Revenue from sales and services** in Q1 2024 were slightly lower from the same period last year partly from the lower in sales price due to price pressure, the sales from our subsidiary, the marble business started to recover since Q4 2022 and the GCC business also increased from last year level as there were new customers entering the market.

Other income in 2024 decreased from last year as there was one-time transaction from insurance claim from damaged assets.

Cost of sales and services in Q1 2024 compared to the same period last year, has significantly decreased due to a soften situation in fuel cost, diesel cost, and electricity cost, together with our subsidiary TMC business has improved and able to cover the cost more efficiently. As a result, the **gross profit margin** in Q1 2024 improved by 5% compared to the same period last year.



SG&A in Q1 2024 was lower than the same period last year due to one-time quarry concession renewal expense, if exclude this transaction the SG&A was increased from Q1 2023 from higher logistic expense following the higher sales volume.

EBITDA (Earnings before tax, depreciation, and amortization) in Q1 2024 has improved from the same period last year by 29%.

Depreciation this year has decreased from last year as some of the assets have fully depreciated.

Finance costs Q1 2024 decreased from Q1 2023 by 7% mainly due to the repayment of long-term loan even the average interest rate Q1 2024 was higher than Q1 2023 as our prudent approach of consistently repaying principal, paying the debt more than scheduled, and adopting a more conservative approach to utilizing working capital has effectively minimized the resulting impact of higher interest rate.

Income tax expense in Q1 2024 has increased compared to the same period last year from the profit net results that caused to the utilization of the unused tax losses which was booked as deferred tax assets, the company recorded the reversal of deferred tax assets into income tax expense in this year, together with the subsidiary's profit net results.

All in all, from above mentioned resulting in the statutory **Net income** in Q1 2024 have increased compared to Q1 2023

3.2. Assets, Liabilities & Shareholders' Equity

Current assets: increased from fuel purchase for this year operation and from account receivables following the increase in sales.

Non-current assets: decreased from the depreciation of fixed assets and amortization of intangible assets, together with the reversal of deferred tax asset.

Current liabilities: slightly increased from end of 2023.

Non-current liabilities: decrease from the repayment of scheduled long-term loan.

Shareholder equity: increased from the accumulated profit net results.



Financial Position Summary as of 31 March 2024 compared to 31 December 2023:

Unit: Million Thai Baht (THB)	31st Mar 2024	31st Dec 2023	31st Dec 2022	YoY change 2024 vs 2023	YoY %change 2024 vs 2023
Total current assets	817.16	786.84	758.40	30.32	4%
Total non-current assets	1,391.72	1,426.83	1,442.33	-35.11	-2%
Total assets	2,208.88	2,213.67	2,200.73	-4.79	0%
Total current liabilities	890.91	886.75	1,142.65	4.16	0%
Total non-current liabilities	264.35	315.53	339.91	-51.18	-16%
Total liabilities	1,155.26	1,202.28	1,482.56	-47.02	-4%
Total shareholders equity	1,053.62	1,011.39	718.17	42.23	4%
Total liabilities plus shareholders equity	2,208.88	2,213.67	2,200.73	-4.79	0%

3.3. Cash Flow Analysis

Cash and cash equivalents at the end of Q1 2024 were 46mTHB, slightly increase from end of Q1 2023 but decrease from end of 2023.

Net cash flows provided by operating activities from the increase in the cash-basis results and the collection of account receivable, and the inventory usage while Q1 last year the cash flow from operating was negative from fuel purchasing.

Net cash flows used in investing activities in Q1 2024 was low due to the payment of fixed asset purchases decreased from Q1 2023

Net cash flows used in financing activities in Q1 2024 resulting from the scheduled loan repayment while last year was positive due to the capital increase.

Cashflow Summary as of 31 March 2024 compared to 31 December 2023:

Unit: Million Thai Baht (THB)	3M 2024	3M 2023	3M 2022	YoY change 2024 vs 2023	YoY %change 2024 vs 2023
Cash and cash equivalents at beginning of period	66.99	44.44	40.10	22.55	51%
Net cash flows provided by (used in) operating activities	26.33	-52.76	31.26	79.09	-150%
Net cash flows from (used in) investing activities	-0.75	-28.94	-13.86	-28.19	-97%
Net cash flows from (used in) financing activities	-47.01	81.74	1.46	-128.75	-158%
Net increase (decrease) in cash and cash equivalents	-21.43	0.04	18.86	-21.47	-53675%
Cash and cash equivalents at end of period	45.56	44.48	58.96	1.08	2%



4. Financial Ratios

	Q1 2024	Q1 2023	Q1 2022	3M 2024	3M 2023	3M 2022
Return on Equity (ROE)	16.36%	10.50%	20.06%	16.36%	10.50%	20.06%
Return on Assets (ROA)	7.64%	3.96%	5.74%	7.64%	3.96%	5.74%
Return on Fixed Assets (ROFA)	24.31%	18.20%	21.61%	24.31%	18.20%	21.61%
Debt/Equity Ratio	1.10	1.35	2.43	1.10	1.35	2.43
Net Debt/Equity Ratio	0.74	0.96	1.81	0.74	0.96	1.81
Leverage (Net Debt/EBITDA)	3.15	4.26	5.14	3.15	4.26	5.14
Collection period (Days)	52.31	54.62	48.30	52.31	54.62	48.30

Note: 1) Net Debt = Interest bearing liabilities - cash and cash equivalents
 2) Leverage Q1 and FY use annualized EBITDA for the previous 4 quarters
 3) ROFA = (Net profit + Depreciation) / Average (Q1 2024 and Q4 2023) of property, plant and equipment

Mr. Geza Perlaki

Authorized Director

Mr. Krishnan Subramanian Aylur

Authorized Director

