



CHEMEMAN PUBLIC COMPANY LIMITED

Management Discussion and Analysis

For three-month period ended 31 March 2026

Business Overview



Chememan Public Company Limited (SET: CMAN) is currently one of the world's top ten lime producers, with more than 1.2 million tons of annual production capacity. Lime is one of the world's most vital and versatile chemicals and is widely used in various industries and applications. With high chemical-grade limestone quarries in Thailand and Vietnam, modern lime production facilities in Thailand, Vietnam, and India, and a state-of-the-art distribution center in Australia, CMAN has successfully developed a highly diversified customer portfolio that focuses on high-value-added end users in its targeted industries, especially mining (alumina, gold, copper, nickel, lithium, rare earth), iron & steel, construction (lightweight concrete blocks), pulp & paper, precipitated calcium carbonate (PCC), chemicals & derivative chemicals, sugar, bioplastics, glass & bottles, feedmills, flue gas treatment, and waste & wastewater treatment. International customers accounted for 55% of its lime sales volumes that span across 30 countries in Asia, Australia, and Africa. With an extensive business network leading to various growth opportunities, CMAN aims to strengthen its position as the leading lime company in the growing Asia-Pacific region and become one of the world's top five lime producers.





Discussion and Analysis

In the first quarter of 2026, Chememan Public Company Limited (“CMAN”) delivered strong profitability in its peak season through a combination of disciplined customer portfolio management, strong cost controls, high production uptime, and lower financing and tax expenses. Despite a 4.6% decrease in consolidated revenues, CMAN delivered net profits of THB 172 million.

Year 2026 Performance

<i>Unit: Million Baht, Except per share amounts</i>	1Q26	1Q25	%YoY
Revenues	980	1,028	(4.6)
Net income (loss) attributable to CMAN	172	130	32.0
Earnings (loss) per share attributable to CMAN	0.18	0.14	32.0

- Revenues from Sales and Service:** Thailand’s sales were THB 408 million, up 12.2%; international sales were THB 498 million, down 18.2%; and service revenues were THB 74 million, up 34.5%, compared to Q1/2025. Overall revenues were affected by lower average lime and limestone selling prices due to higher market competition and the appreciation of the Thai Baht against the US Dollar, Australia Dollar, and Vietnam Dong. The effects of price declines and a stronger Thai Baht were partially offset by higher lime sales volumes to domestic sugar and international mining companies.
- Cost of Goods Sold and Service:** The cost of goods sold and service equaled THB 574 million, down 12.7% compared to Q1/2025. This reduction was mainly driven by effective management of energy costs and strong cost controls at all production and distribution facilities.
- Gross Profits:** CMAN increased its Q1/2026 gross margin to 41.4% (up from 36.0% in Q1/2025). Higher gross profits were the result of continuous process improvements and investments to reduce operating costs, such as significant investments in EV trucks, solar power, and technology.
- Finance Costs:** Finance costs were THB 30 million, down 13.4% from Q1/2025, primarily due to lower average interest rates. On a net basis, CMAN had a 3.8% decrease in total debt compared to Q1/2025.
- Adjusted Net Profits Attributable to CMAN:** Consolidated net profits attributable to shareholders of CMAN were THB 172 million. Tax expenses were THB 14 million, down 52.3% from Q1/2025, due to the approval of higher tax benefits.



- Cash:** As of 31 March 2026, CMAN had THB 275 million cash on hand. In Q1/2026, cash flow from operations was THB 204 million. Cash flow for investing activities was minus THB 39 million, from major maintenance costs and improvements at the Prabuddhabaht plant. Cash flow from financing activities was minus THB 33 million, as CMAN drew down THB 389 million in long-term loans, repaid THB 180 million of long-term loans and leases and repaid a net short-term debt of THB 198 million.
- Assets:** Total assets as of 31 March 2026 were THB 6,301 million, a 4.3% increase from the end of 2025, due to higher cash balances, outstanding account receivables, and net fixed assets after depreciation.
- Liabilities:** Total liabilities increased to THB 3,366 million, up 1.7% from the end of 2025, primarily due to new long-term bank debt and leases for new investments.

Financial Ratios

	1Q26	1Q25
Gross Profit Margin	41.4%	36.0%
Net Profit Margin	17.7%	12.9%
Return on Equity	14.6%	8.0%
Return on Assets	6.5%	3.3%
Total Liabilities to Equity	1.2x	1.3x
Interest Bearing Debt to Equity	1.0x	1.0x



Sustainability in Action 2026



CMAN is committed to sustainability. CMAN currently has total solar power capacity of 8.7 MW across its Kangkoi, Prabuddhabaht, and Rayong Plants and Tubkwang Quarry after completion of its latest 2 MW project at its Kangkoi Plant. The additional solar power capacity will further reduce energy costs.

CMAN will acquire more electric vehicles to cover 50% of its total fleet requirements by the end of 2026, which further reduces transportation costs. Electric vehicle investments are being considered in Vietnam and Australia.

CMAN has studied the use of biomass fuel at its Kangkoi Plant in Saraburi and plans to construct additional infrastructure to support biomass use in its kilns. Biomass fuel should reduce CO₂ emissions.

CMAN prioritizes employee management and continues its organizational transformation to prepare for the future. CMAN recently established Gritsman Company Limited to focus on advanced technologies and STEM-related work to ensure that the organization can adapt to its long-term growth and sustainability plans.

2026 Business Outlook

The operating environment for the remainder of 2026 remains highly challenging. The conflict between the United States, Israel, and Iran has disrupted more than 20% of global oil and natural gas flows through the Strait of Hormuz blockade, sending energy prices sharply higher and adding uncertainty across global supply chains. Higher energy costs have caused higher inflation, which in turn has delayed interest rate cuts by the world's major central banks.

In the Indo-Pacific lime market, competitive pressures are high, as Chinese producers redirect their lime supply into the region. Middle Eastern lime exporters face some business disruptions because of the Middle East war, partially offsetting the broader pricing pressure.

Combined with various industrial companies reducing their overall risks, global lime demand is projected to remain flat or grow at a very low level in 2026. To remain competitive, CMAN continues to strengthen relationships with strategic partners and customers and work on its expansion plans in Indonesia and India. These projects will localize production and reduce costs to local customers, thereby allowing CMAN to better penetrate its target markets. To support the regional growth strategy, CMAN will develop more local financing relationships to reduce foreign exchange mismatches.



CMAN remains focused on driving operational excellence through stronger process improvements and more investments into technologies to enhance operational efficiency, optimize planning, and strengthen data-driven decision-making. These digital initiatives are also supported by Thai government tax benefits under the Industry 4.0 Program.

With more than 23 years of industry expertise, a strong eco-system of partners, customers, suppliers, banks, other stakeholders and a healthy financial position, CMAN is well-positioned to expand its footprint in the Indo-Pacific region.

