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NO. (SUTHA-SET) 010/2021/EN

17 May 2021

Subject: Clarification of the Net Profit for the three-month period ended 31 March 2021
changed more than 20%

To: The President of the Stock Exchange of Thailand

Attachment: Management Discussion and Analysis for the period ended 31 March 2021

Golden Lime Public Company Limited (the “Company”) would like to report the operating performance for the three-month period ended 31 March 2021 compared to the same period last year.

In the interim consolidated financial statements for the three-month period ended 31 March 2021, the total revenue of Golden Lime and its subsidiary was THB 343.870 million, an increase of THB 48.791 million (17%). The net profit for the period was THB 29.726 million (9% of total revenues), an increase of THB 10.448 million or (54%), compared to the same period last year.

Please kindly find more details in the attachment

Yours faithfully,

Mr. Geza Emil Perlaki
Managing Director





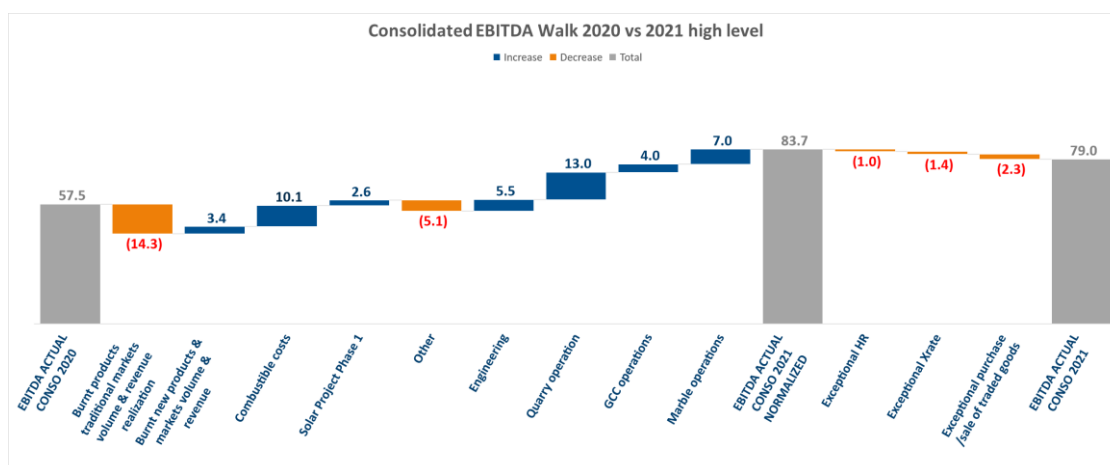
Golden Lime Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

For period ended 31 March 2021

1. Highlights

- ▶ Health and safety: There were **four lost time injuries** in Q1 2021
- ▶ Sales revenue (consolidated): **343mTHB in Q1 2021** compared to 294mTHB in Q1 2020 an increase of 16%
- ▶ EBITDA (consolidated): **79mTHB in Q1 2021** compared to 58mTHB in Q1 2020 an increase of 37%
- ▶ Net income (consolidated): **30mTHB in Q1 2021** compared to 19mTHB in FY2020 an increase of 54%



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

Golden Lime along with its fully consolidated subsidiaries Golden Lime Engineering (GLE) and Thai Marble Corporation (TMC) had a good start into 2021, a year that is expected to be the transition from the Covid-19 influenced 2020 into a post pandemic 2022, full of challenges, rapid and often unpredictable changes in the economic environment both within Thailand and in the global economy. The impact of the pandemic on Golden Lime is not major, and not direct, but definitely can be felt in the performance of certain segments (primarily construction and exports).

The core BURNT PRODUCT markets experienced in Q1 2021 the continuation of the trends of the previous quarters: demand from steel, chemical, and paper segments was robust, the construction related segments as well as the export underperformed primarily due to the impact of Covid on the residential construction activity in Thailand, and the global market disturbance in the international container shipping, while sugar season of 2020/2021 was another exceptionally low one (in comparison to last 5 year much higher 2015-2019 seasons, similar to the previous one in 2019/2020) resulting that both volumes and revenue from the core markets was still under pressure. DOLIME as new product, launched in 2019, established now on the market, continued to meet healthy demand, proving that the market appreciated the high value addition to customer's processes.



The SOLAR (I) project, that started regular operation in September 2020, had its best quarter ever in Q1 2021, continued to contribute significantly to the cost reduction efforts, resulting that further SOLAR (II) project is in the planning now with realization expected late this year and early next year.

The limestone quarry operations of TMC performed as expected, however the aggregate sales experience the same construction slump related setback, that we see also on the burnt and marble markets. The TMC ground calcium carbonate (GCC) sales represented also an important result contribution to consolidated result, meeting expectations. TMC is complementing in the low and mid-market segment the GCC offering of Golden Lime in the high value-added markets. The TMC MARBLE contribution was also important, but feels also the headwinds of the construction market, while having its own marble quarry within the country represents a clear advantage vs fully import based competitors, resulting in a safe and cost competitive supply of raw blocks.

The GL production NETWORK RATIONALIZATION project, launched in Q2 2020, came to a conclusion in Q1 2021, and will contribute to the fix production cost reduction program significantly in the future. The ENGINEERING revenues and margin realization of GLE on external markets were also an important contributor to revenue and results in Q1, and we expect the same to be the case in all 2021.



2. Outlook

The global economy is on a clear recovery path from the 2020 Covid-19 pandemic shock, and this recovery will continue in 2021 and 2022. Due to Thailand's special status as a tourist hub, the recovery will be likely to stretch well into 2022, after the setbacks of the 2nd and 3rd wave late 2020 and in 2021 recent months, with steady improvement, but the domestic economy will not be back to its full potential until after full reopening of the borders and the return of international tourism that is expected only at some point next year only. This will continue to affect the Thai GDP, that after a 2020 GDP – 6.5%, will see this year an expansion of +2-3% only as per recent estimates, so return to pre-endemic output is only expected in 2022. We forecast the overall burnt and crude product demand to be thus either flat or only slight increase this year 2021, while an expansion in 2022.

This year we plan further NEW PRODUCT introductions, with objective to expand the overall market, and NEW APPLICATION SOLUTIONS that bring further value to customers via innovation. The COMBUSTIBLE COST is along with the global commodity price increase, on the rise, and much less predictable than in previous years, still be expected the costs of GL to be reasonably under control via multiple options and fuels being used now vs the past single fuel regime. The EXPORT performance will be further influenced by a (despite all the foes of the economy) strong THB, and the recent turmoil on the container freight market. With the successful startup of the SOLAR(I) project further expansion SOLAR(II) is considered for this year, with startup in 2022. The performance of TMC is expected to be solid in the quarrying and GCC segments, but MARBLE and AGGREGATE sales will continue to be under the influence of a weak construction market.

Overall compared to 2020, the 2021 performance is expected to be positively influenced by an overall slightly improving burnt product market, new product and application introductions resulting in a more diverse product portfolio, the solar projects, the addition of TMC, and the continuation of the strict cost cutting and cost control measures, while facing headwinds from the Covid and tourism related construction market slump, and diverse barriers on the export markets, overall the positives outweighing the negatives.



3. Financial highlights (based on Thai FRS)

Q1 2021 Income Statement Summary as of 31 March 2021 compared to Q1 2020:

	Q1 2021	Q1 2020	Q1 2019	YoY change Q1 2021 vs Q1 2020	YoY % change Q1 2021 vs Q1 2020
Unit: Million Thai Baht (THB)					
Sales and service income	342.64	294.28	296.06	48.36	16%
Other income	1.23	0.81	0.70	0.42	52%
Total revenues	343.87	295.09	296.76	48.78	17%
Cost of sales and services	240.42	208.12	213.83	32.30	16%
Gross profit	102.22	86.16	82.23	16.06	19%
Gross profit margin	30%	29%	28%		
SG&A	62.60	58.00	52.09	4.60	8%
EBITDA	78.99	57.50	60.28	21.49	37%
EBITDA margin	23%	19%	20%		
Depreciation and amortization	38.14	28.53	29.44	9.61	34%
EBIT	40.85	28.97	30.84	11.88	41%
Finance cost	-8.93	-5.33	-5.87	3.60	68%
Income tax expenses	-2.19	-4.36	-6.68	-2.17	-50%
Net income for period	29.73	19.28	18.29	10.45	54%
Earnings per share (THB)	0.10	0.06	0.06	0.03	54%

3.1. Analysis of 2021 in comparison with 2020 results

Revenue from sales and services in Q1 2021 was higher from Q1 2020 mainly from the TMC revenue has included, while there was no TMC addition last year. In addition, the engineering business by Golden Lime Engineering has gradually recognized the revenue from the kiln project in Indonesia as planned, and we expect to recognize the rest by this year. There was a slight decrease in burnt core business mainly from an ultra-weak sugar this year however, this has compensated by the strong steel, chemical and paper market segment.

On the **costs** side stone variable cost were largely in line with expectations, together with the acquired of TMC quarry which has good quality limestone material, will be utilized, and benefit overall consolidated results. Combustible cost has been reduced significantly compared to last year together with electricity costs started to be revenue and expect to recognize the rest by next year. reduced as we have started to generate electricity from our owned solar farm.

The consequence of both revenue and costs side mentioned above, **the Gross profit** (Sales and service income – Cost of sales and services) in Q1 2021 was improved from the same period last year, Gross profit margin for Q1 2021 has increased by 1% from Q1 2020.



SG&A in Q1 2021 was higher than the same period in 2020 due to the TMC addition, while there was decreasing trend in the Company fixed cost arose from our implementation of Network Rationalization project last year which is the long-term cost saving that will be benefit to the Company for the future. Moreover, the general fixed expense has been decreased due to Covid-19 restrictions on travel and mitigation plans in place for fixed cost savings in all departments.

EBITDA (Earnings before tax, depreciation, and amortization) in Q1 2021 increased from the same period last year as TMC results was added this year. Moreover, burnt core business results has increasing trend due to the improvement in cost of good sold. The engineering business has not shown significantly positive impact on Indonesia project; however, we expect the positive contributor to happen within 2021.

Depreciation Q1 2021 was higher from the same period last year as there were the revaluation of fixed asset and intangible asset from business acquisition and the assets depreciation of TMC figures were included.

Income tax expense in 2021 has decreased compared to the same period last year even the earnings before tax (EBT) was higher as there was Board on Investment (BOI) tax benefit from Solar farm project

Net income in 2021 was up compared to the same period last year

3.2. Assets, Liabilities & Shareholders' Equity

Current assets and non-current assets: have increased mainly from fuel purchasing

Current liabilities and non-current liabilities: the short-term borrowing facility from financial institutions increased as the company borrowed for fuel purchasing.

Shareholder equity: has increased due to higher net results in 2021

Financial Position Summary as of 31 March 2021 compared to 31 December 2020:

Unit: Million Thai Baht (THB)	31st Mar 2021	31st Dec 2020	31st Dec 2019	YoY change 2021 vs 2020	YoY % change 2021 vs 2020
Total current assets	801.33	728.35	439.78	72.98	10%
Total non-current assets	1,474.02	1,487.94	901.66	-13.92	-1%
Total assets	2,275.35	2,216.29	1,341.44	59.06	3%
Total current liabilities	841.28	795.55	632.37	45.73	6%
Total non-current liabilities	793.90	810.29	221.78	-16.39	-2%
Total liabilities	1,635.18	1,605.84	854.15	29.34	2%
Total shareholders equity	640.17	610.45	487.29	29.72	5%
Total liabilities plus shareholders equity	2,275.35	2,216.29	1,341.44	59.06	3%



3.3. Cash Flow Analysis

Cash and cash equivalents at the end of Q1 2021 decreased from the start of the period to 36mTHB mainly due to the repayment in short-term loan and long-term loan.

Net cash flows used in investing activities has increased from the reserve of principal and interest payments under the condition according to the loan agreement

Net cash flows provided by financing activities has increased from short-term for fuel purchasing. The Company has repaid the loan on schedule for both Saraburi Quicklime acquisition and TMC acquisition. Moreover, the short-term loan for fuel was also partly repaid.

Cashflow Summary as of 31 March 2021 compared to 31 December 2020:

Unit: Million Thai Baht (THB)	FY 2021 YTD	FY 2020 YTD	FY 2019 YTD	YoY change FY 2021 vs FY 2020	YoY % change FY 2021 vs FY 2020
Cash and cash equivalents at beginning of period	133.48	83.39	38.85	50.09	60%
Net cash flows from operating activities	-54.85	27.34	37.62	-82.19	-301%
Net cash flows from (used in) investing activities	-72.37	-45.94	-7.50	26.43	58%
Net cash flows from (used in) financing activities	29.58	-22.00	-7.15	51.58	-234%
Net increase (decrease) in cash and cash equivalents	-97.64	-40.61	22.96	-57.03	140%
Cash and cash equivalents at end of period	35.83	42.78	61.81	-6.95	-16%

4. Financial Ratios

	Q1 2021	Q1 2020	Q1 2019	FY 2021	FY 2020	FY 2019
Return on Equity (ROE)	19.02%	15.52%	12.22%	19.02%	15.52%	12.22%
Return on Assets (ROA)	5.30%	5.71%	5.03%	5.30%	5.71%	5.03%
Return on Fixed Assets (ROFA)	21.19%	26.77%	25.90%	21.19%	26.77%	25.90%
Debt/Equity Ratio	2.55	1.68	1.40	2.55	1.68	1.40
Net Debt/Equity Ratio	1.94	1.29	1.11	1.94	1.29	1.11
Leverage (Net Debt/EBITDA)	3.06	4.01	2.85	3.06	4.01	2.85
Collection period (Days)	49.42	44.37	56.97	49.42	44.37	56.97

- 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 2021 and Q4 2020) of property, plant and equipment

Mr. Geza Perlaki

Authorized Director

Mr. Krishnan Subramanian Aylur

Authorized Director

