Golden Lime Q3 & YTD 2018 Update: Focus On Saraburi Quicklime Value Addition

SET Opportunity Day 3Q 2018

Bangkok, Dec 4th 2018

Golden Lime Public Company Limited

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Purpose Of The Presentation

- **Golden Lime 3Q 2018 & YTD Update**
- Saraburi Quicklime Acquisition: Adding Value Through Successful Integration
- Golden Lime's Growth Strategy Update

Source : Golden Lime quarterly SET reporting

Golden Lime Key Value Drivers

A Good Opportunity For Growth In Stable Diversified Markets

1. **Golden Lime Backed By Key Strategic Investors**
   - Carmeuse with 160 years of experience in the lime business globally who bring expertise and knowledge of the latest engineering and processes
   - GP Group with150 years of experience of doing business in Thailand and Asia

2. **Demonstrated Growth Potential Over The Last Year**
   - Greenfield investment in a new kiln has come online successfully with product sold into the market
   - Acquisition of Saraburi Quicklime being successfully integrated with further benefits to come

3. **Financial Results Are In An Upward Trend**
   - Key financial indicators (EBITDA, Net Income, ROE, ROA) are in an upward trend
   - We see this trend continuing

4. **Dividend Policy Provides Regular Cashflow**
   - Historically Golden Lime has paid out a healthy dividend
   - This policy is set to continue and to become more regularized – quarterly, regular dividends

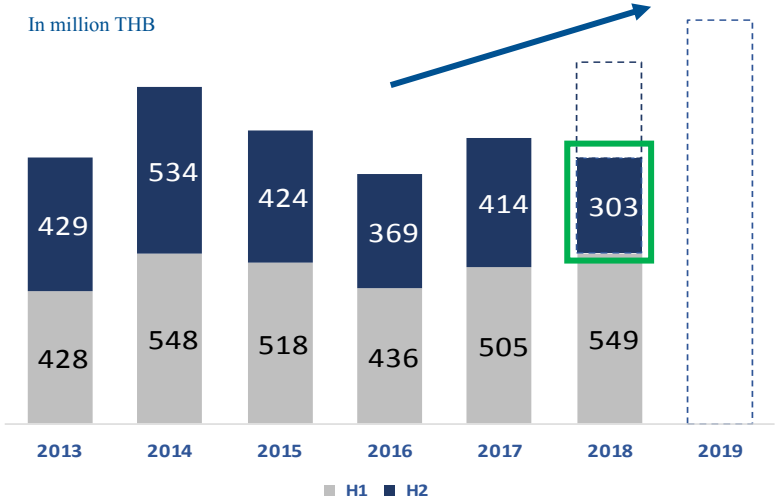
5. **Opportunity For Growth In The Near Term**
   - Promising opportunities in export markets, in Thailand and through new products and markets

Golden Lime Q3 2018 and YTD Financials

Revenue, EBITDA and Net Income Consolidated Including Saraburi Quicklime

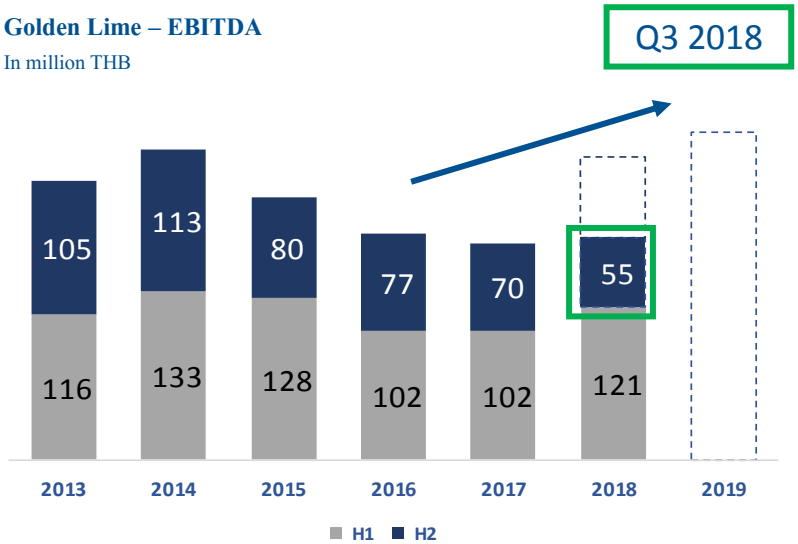
Golden Lime – Total revenues

In million THB



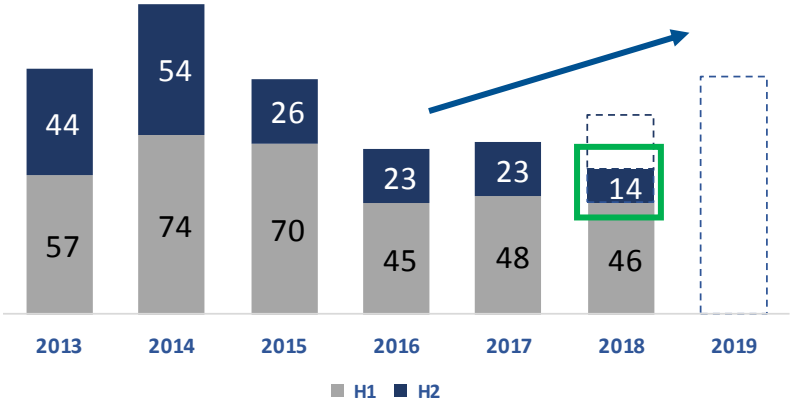
Golden Lime – EBITDA

In million THB



Golden Lime – Net Income

In million THB



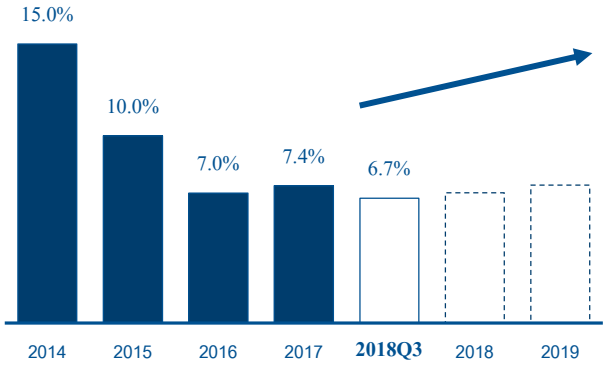
- Revenue increase in 2018 with Q3 already 75% of total H2 2017 revenues. YTD 93% of total 2017 so on track to out perform considerably.
- EBITDA showing similar trends with Q3 2018 already at 80% of full H2 2017 and on track to out perform 2017
- Net income also set to out perform but not to the extent of revenue and EBITDA due to increased depreciation and financing costs (which will decrease over time)

Golden Lime Q3 2018 and YTD Financials

ROA (Return on Assets) And ROE (Return on Equity)

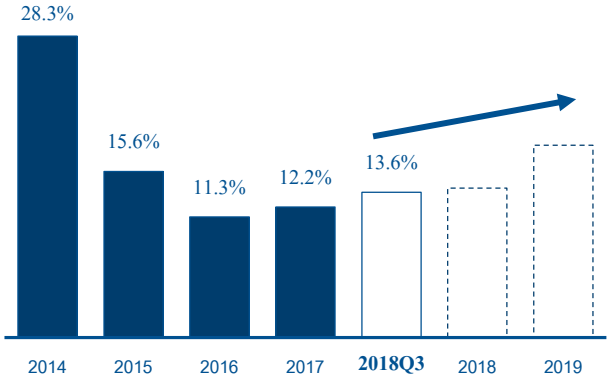
Golden Lime – Return on Assets

In million THB



Golden Lime – Return on Equity

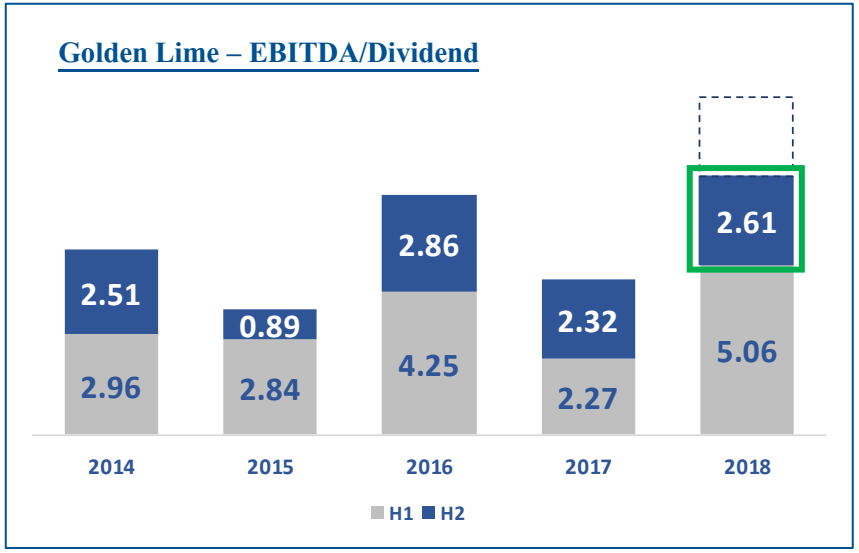
In million THB

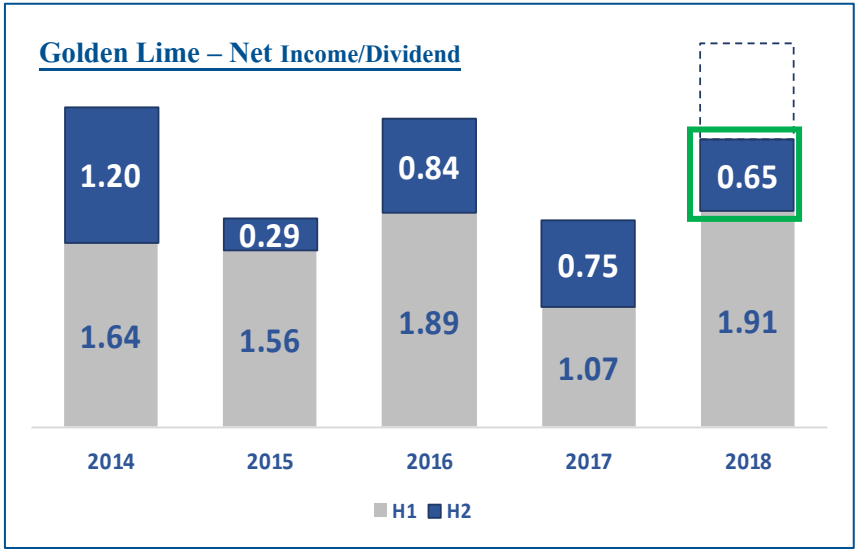


- While ROA (Return on Assets) was slightly down this is as expected considering the increase in asset base in 2018 as an additional new kiln was added along with upgrades to the existing kilns
- ROE (Return on Equity) increased 15% due to the higher net income in H1 2018 vs H2 2017

Golden Lime Q3 2018 and YTD Financials

Dividend: A Regular Cash Stream For Investors





Q3 2018

Golden Lime Dividend History

- Since going public Golden Lime has paid a regular dividend on a bi-annual basis
- In H1 the payout of 0.08THB was 24mTHB total
- Q3 2019 the pay-out will be 0.07THB or 21mTHB total

Future Plan For Dividends

- Golden Lime will continue to pay out regular dividends
- A board decision was taken to pay out quarterly as opposed to bi-annual
- Q4 and final year pay-out will be decided based on final performance but is forecasted to increase compared to Q3 2018

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Saraburi Quicklime Acquisition

A Key Pillar In Golden Lime's Strategy For Stable Growth

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Acquisition Of Saraburi Quicklime

Update On Key Facts And Figures

Saraburi Quicklime

Acquisition Price

- 320mTHB
- Financed through a 100% term loan

Operations

- 300 tonnes per day (100 kt/yr)
- Potential to boost capacity

Markets

- Fully sold out
- 50% of order book sold to steel

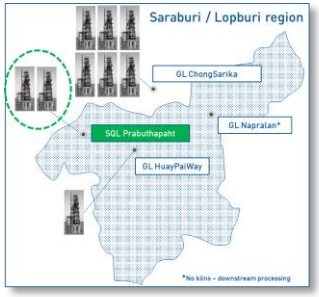
Supply Security Offers Our Customers Peace Of Mind While Fuel Flexibility Allows Management Of Variable Costs

1. Access To New Customers Particularly Steel

- Saraburi Quicklime sells half of its capacity to the steel industry thereby increasing Golden Lime's exposure to this key segment of the economy
- The additional 2 kilns in combination with Golden Lime's original 7 kilns provides extra supply security to markets such as steel that give a premium to this risk management set-up

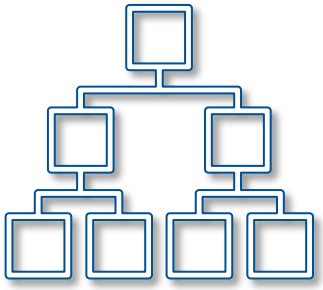
2. Operational Efficiencies

- Running the 4 locations as part of the one organisation allows efficiencies in areas such as maintenance
- Fuel optimization in Saraburi Quicklime has resulted in a significant variable cost decrease and also has a positive effect on working capital as fuel inventory is used quicker



3. Organisational Synergies Optimises G&A Expenses

- One combined organisation has enabled savings in headcount
- Reduction of 20% in employees while maintaining the Golden Lime culture of customer focus and quality products



Acquisition Of Saraburi Quicklime

Performance Year To Date Has Exceeded Forecasts

	Actual Result Q3 YTD	Performance vs Forecast	Comments
Revenue	▪ 150m	+20m	▪ Strong steel sales as growth up 10%
EBITDA	▪ 31m	+10m	▪ Strong revenue and operational efficiencies
Net Income	▪ 15m	+3m	▪ Strong revenue. Depreciation and finance charges inline
Net Debt	▪ 15m	inline	▪ No additional financing

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Golden Lime's Growth Strategy

Three Key Drivers Of Golden Lime's Mid-term Growth

1 Increase exports in Asia

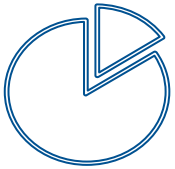
- Versus other major lime players in Thailand Golden Lime has a limited number of exports
- Major growth in surrounding countries (Myanmar, Laos, Cambodia) will open up new markets
- Potential for Taiwan market (600 kton import) and also Sugar Industry in Indonesia to balance the cyclical of Thailand production (Sugar season of Indonesia from Apr – Sept, while Thailand from Dec – Apr)

2 Increase value provided on the domestic Thai market

- Thailand has one of the lowest average lime and hydrate prices in the region due to commodity status of most of the products and relatively low level of customization and services
- For logistical reasons the Thai market experiences little or no imports
- A leading domestic market player like Golden Lime has room to improve the product value and total-cost-of-ownership via customized products and higher added value services in logistics & application
- We provide Value Selling to customer to get better quality and also services, this will provide value added to customer which will enable us to get high value from our customers.

3 Development of New Products and Markets

- Leveraging on the technical know-how of Carmeuse there are a number of high value added products being developed
- This along with South East Asian economies becoming more efficient, quality oriented, focusing on total value instead of only price, and environmentally conscious, is resulting in new markets opening up for more sophisticated producers like Golden Lime
- New Development on products to replace imports to the steel industry



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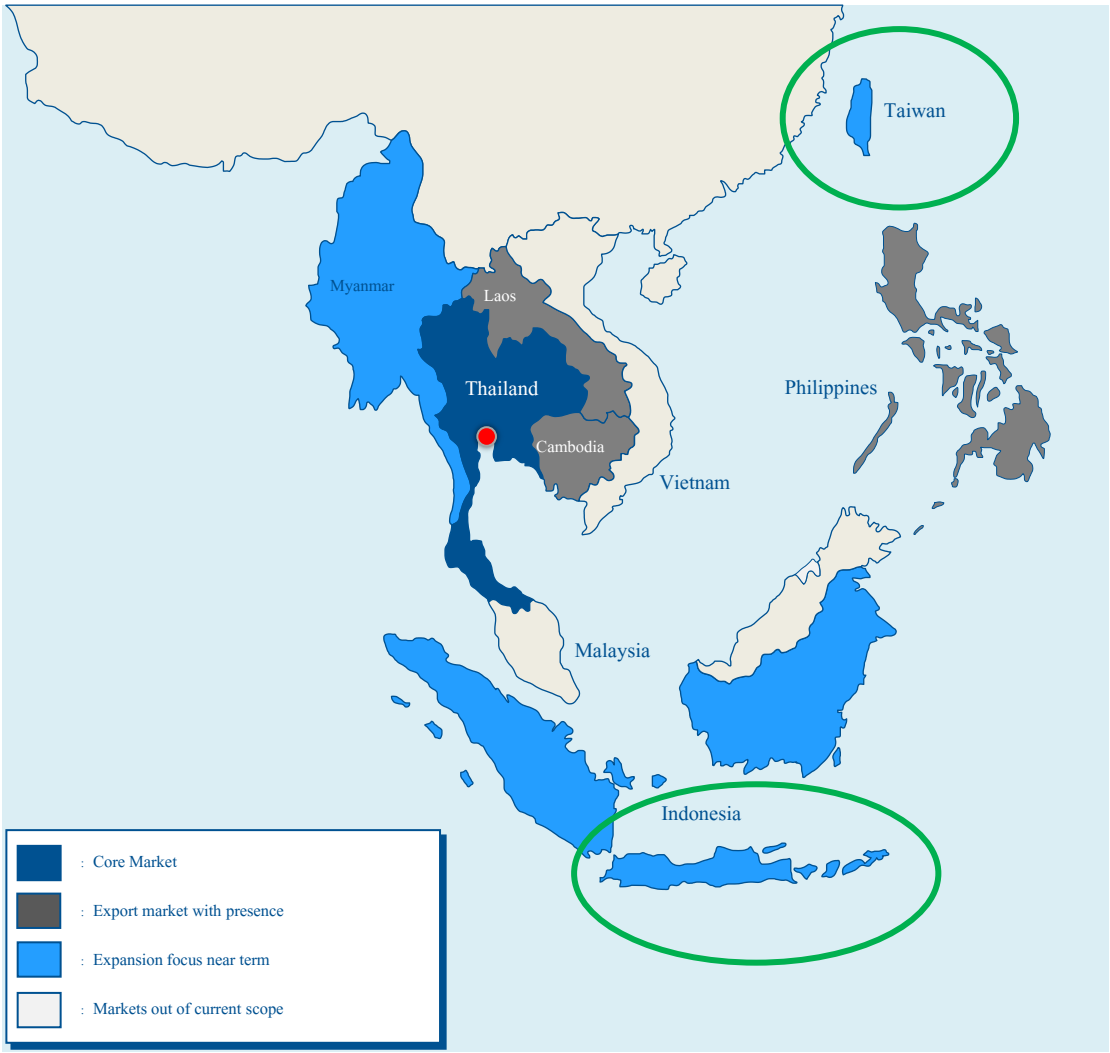
Growth Opportunity: Increased Export Volume

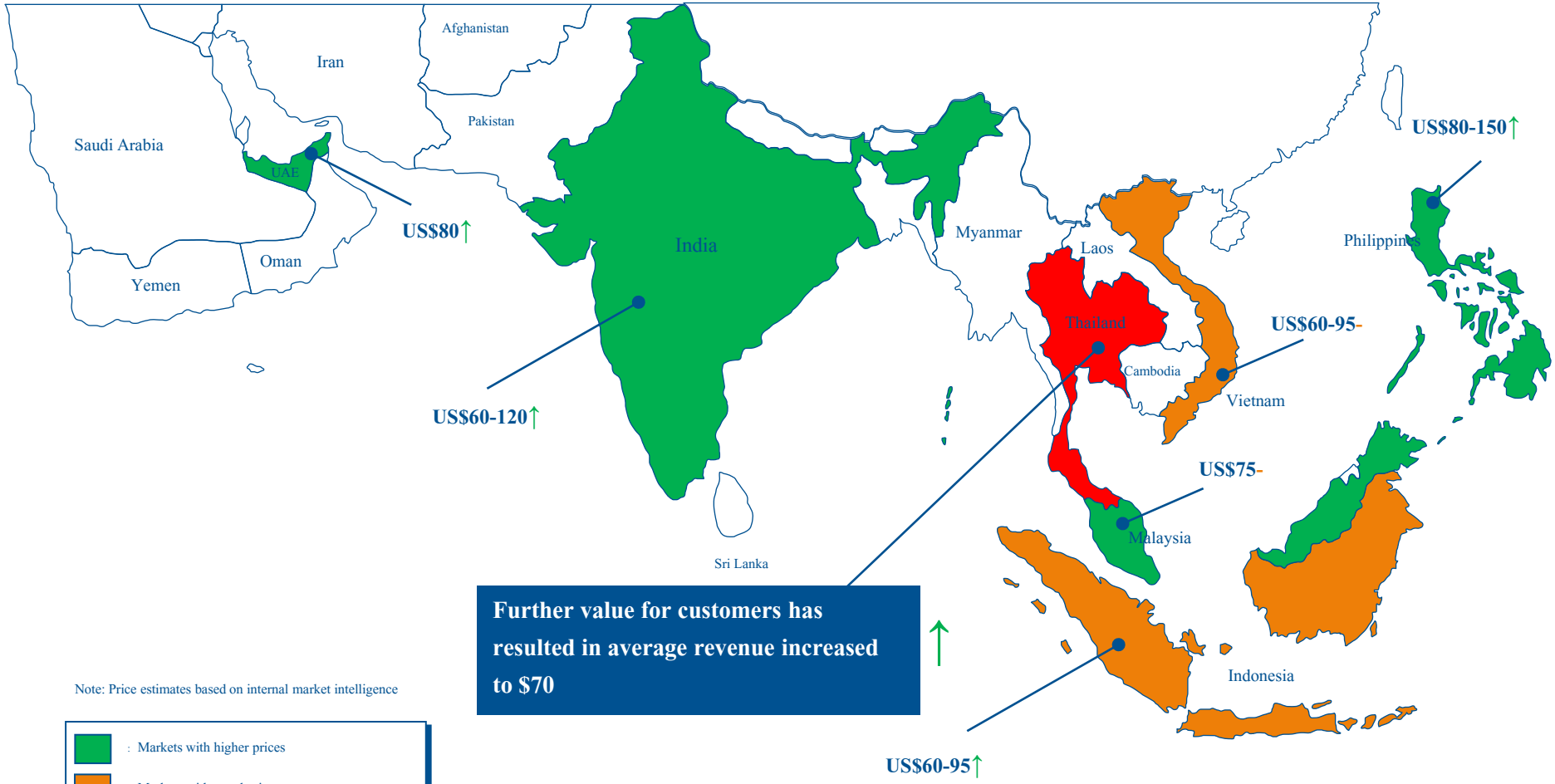
Taiwan A Key Steel Market In Asia And Indonesian Sugar Market (Counter Cyclical with Thailand)



- Golden Lime's core market of Thailand currently accounts for 90% of sales
- With significant experience in steel a good opportunity exists to target one of Asia's largest steel markets (22 million mt of steel production)
- Detailed market study has been performed
- Taiwan currently imports the same amount of lime as India so presents a considerable opportunity
- Indonesia is attractive as a market given the size and also the fact that the sugar season is counter cyclical to the sugar season in Thaiand

2 Growth Opportunity: Value Increase In Thailand

Thailand Value Increase Continues To Add Average Revenue



Further value for customers has resulted in average revenue increased to $70

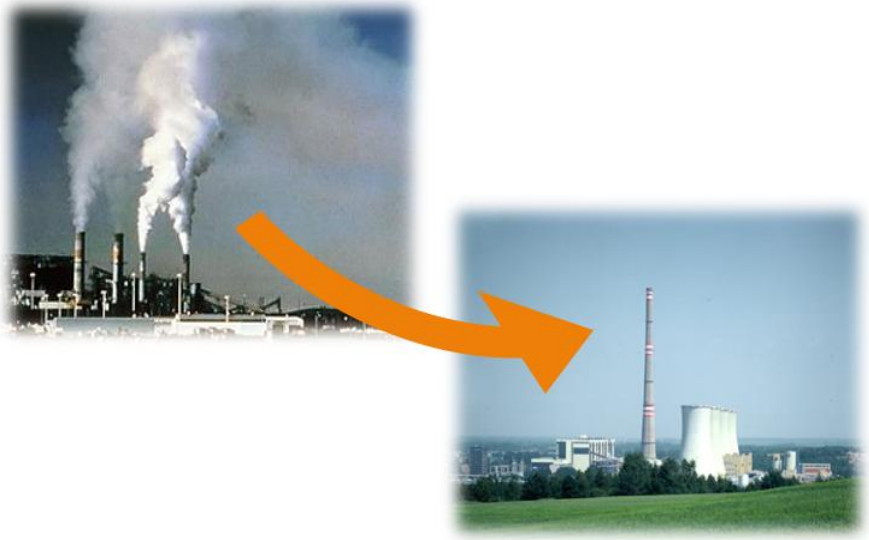
Note: Price estimates based on internal market intelligence

- : Markets with higher prices
- : Markets with equal prices
- : Core market

3 Growth Opportunity: New Products And Markets

Specialty Products For The Steel Industry Ready In H2 2019

1. **Specialized flux for the Steel Industry**
   - Work ongoing to install the equipment needed
   - Low capex investment as current kiln can be used along with additional processing
   - Market for both domestic and also SEA Steel mills
   - Expected to launch by H2 2019



2. **Special product Flu Gas Treatment in power plants and Waste to Energy incinerators**
   - New potential in the Thai market as well as SE-Asia in late 2019/early 2020
   - Municipal Waste incineration is expected to grow 50% year on year from current very low level to the one seen in Japan/Singapore in 20years
   - High end market replacing commodity products

Questions?