

SET Opportunity Day

Second Quarter 2021

14 Sep 2021



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Agenda

01

Business Overview

- Company Overview
- Operating Assets

02

Financial Performance

- Key Highlights
- Financial Results

03

Outlook

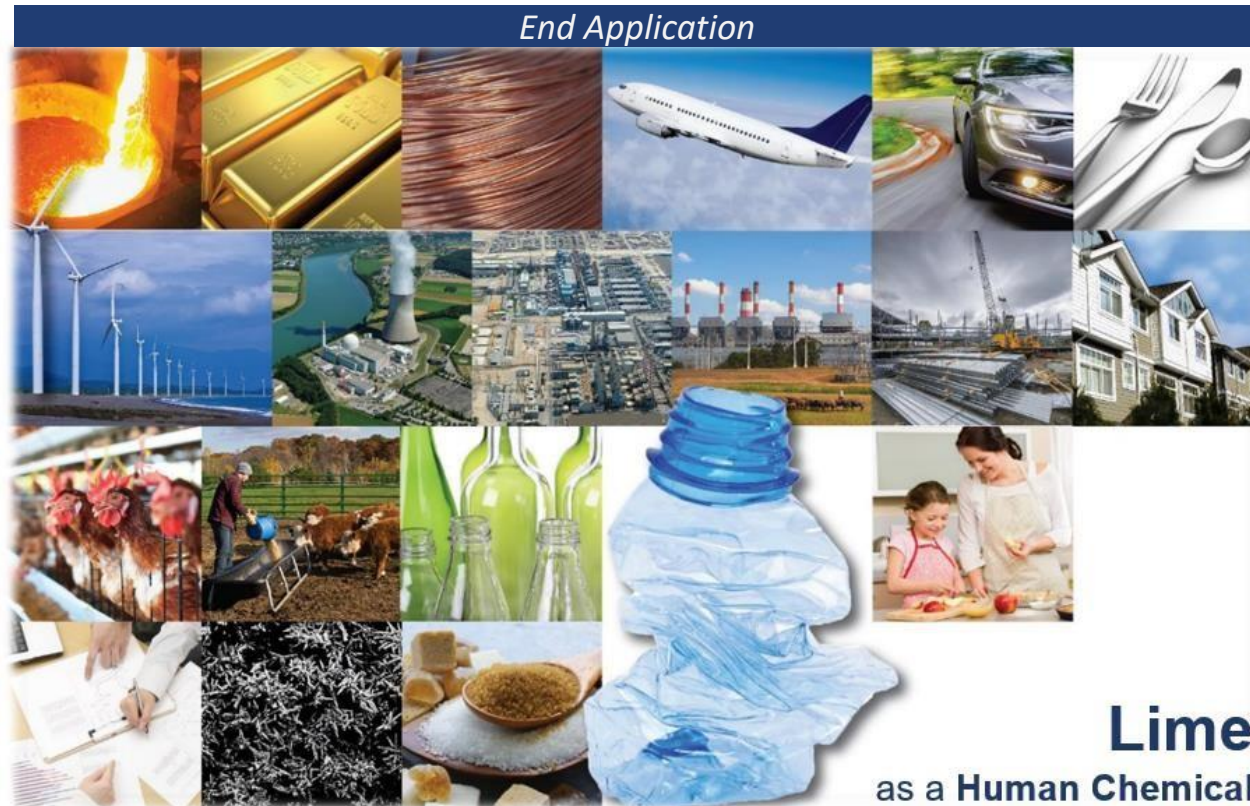
- CMAN Growth Strategy
- Environment, Social, and Governance (ESG) Policies

04

Q&A

Chememan At A Glance

- Established in 2003, **Chememan Plc (CMAN)** is among the world's top 10 producers of lime and lime derivative chemical products and has the largest production capacity in Asia of 1,000,000 tons per year ("TPY")
- CMAN's well-known product quality and customer service has allowed it to be a preferred supplier of customers in over 30 countries across Asia, Australia, and Africa
- Lime products are used in many industries, including ferrous and non-ferrous metal mining (gold, aluminium, nickel, copper, lithium), iron and steel, construction, pulp and paper, sugar, bio-plastics, and flue gas and wastewater treatment

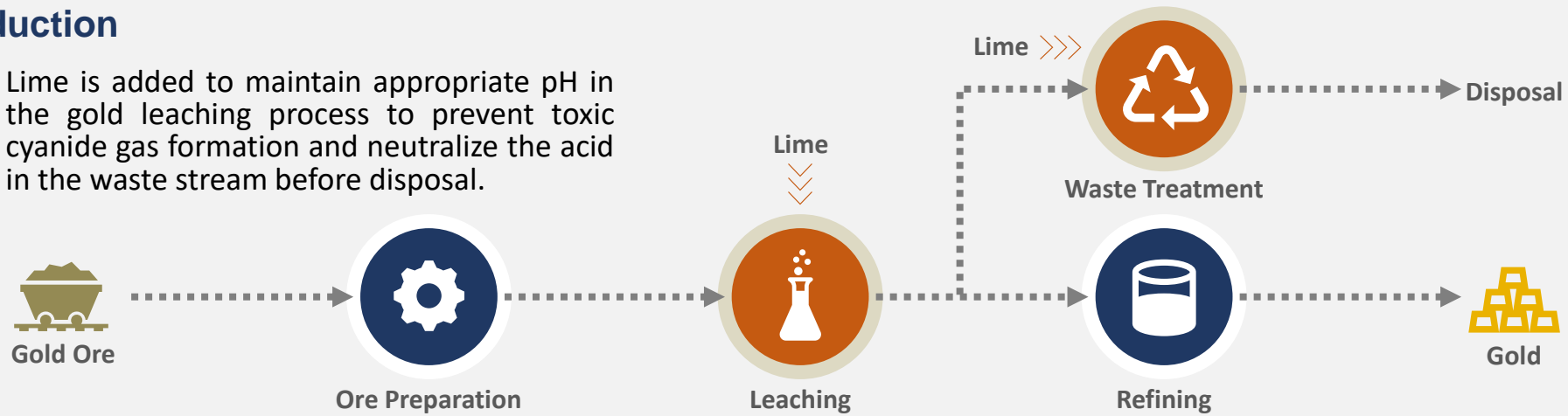


Lime in Gold & Aluminium Industry

Gold Production

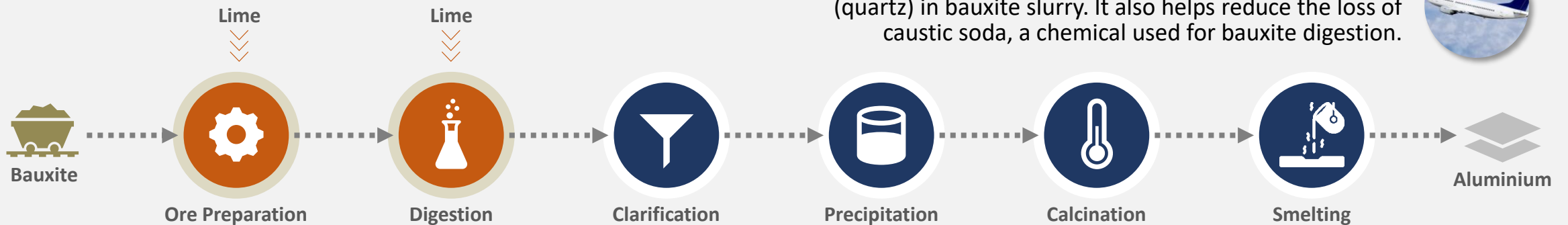


Lime is added to maintain appropriate pH in the gold leaching process to prevent toxic cyanide gas formation and neutralize the acid in the waste stream before disposal.



Aluminium Production

Lime is used for removing the remaining clay and silica (quartz) in bauxite slurry. It also helps reduce the loss of caustic soda, a chemical used for bauxite digestion.

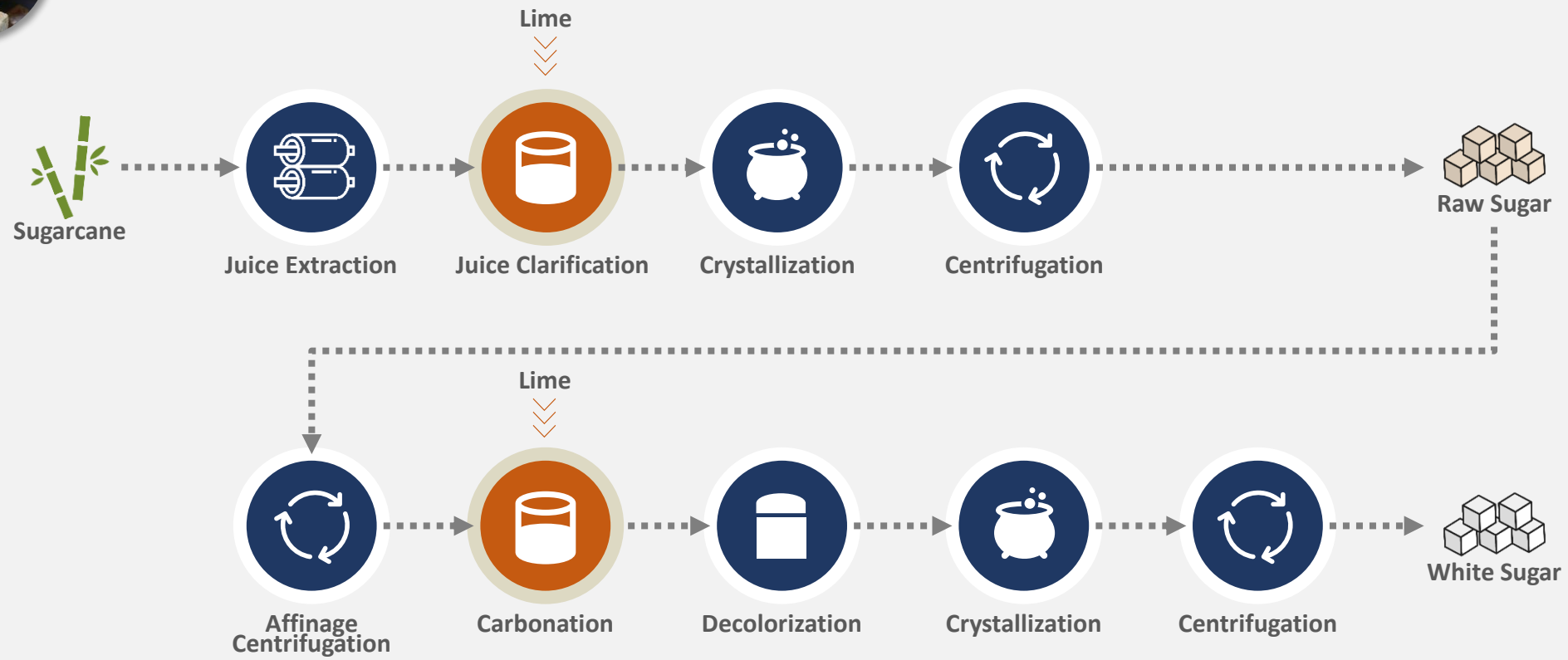


Lime in Sugar Industry

Sugar Production



Lime is added to remove impurities found in raw sugar and white sugar. It also helps adjust the pH of the juice extracted from sugarcane.

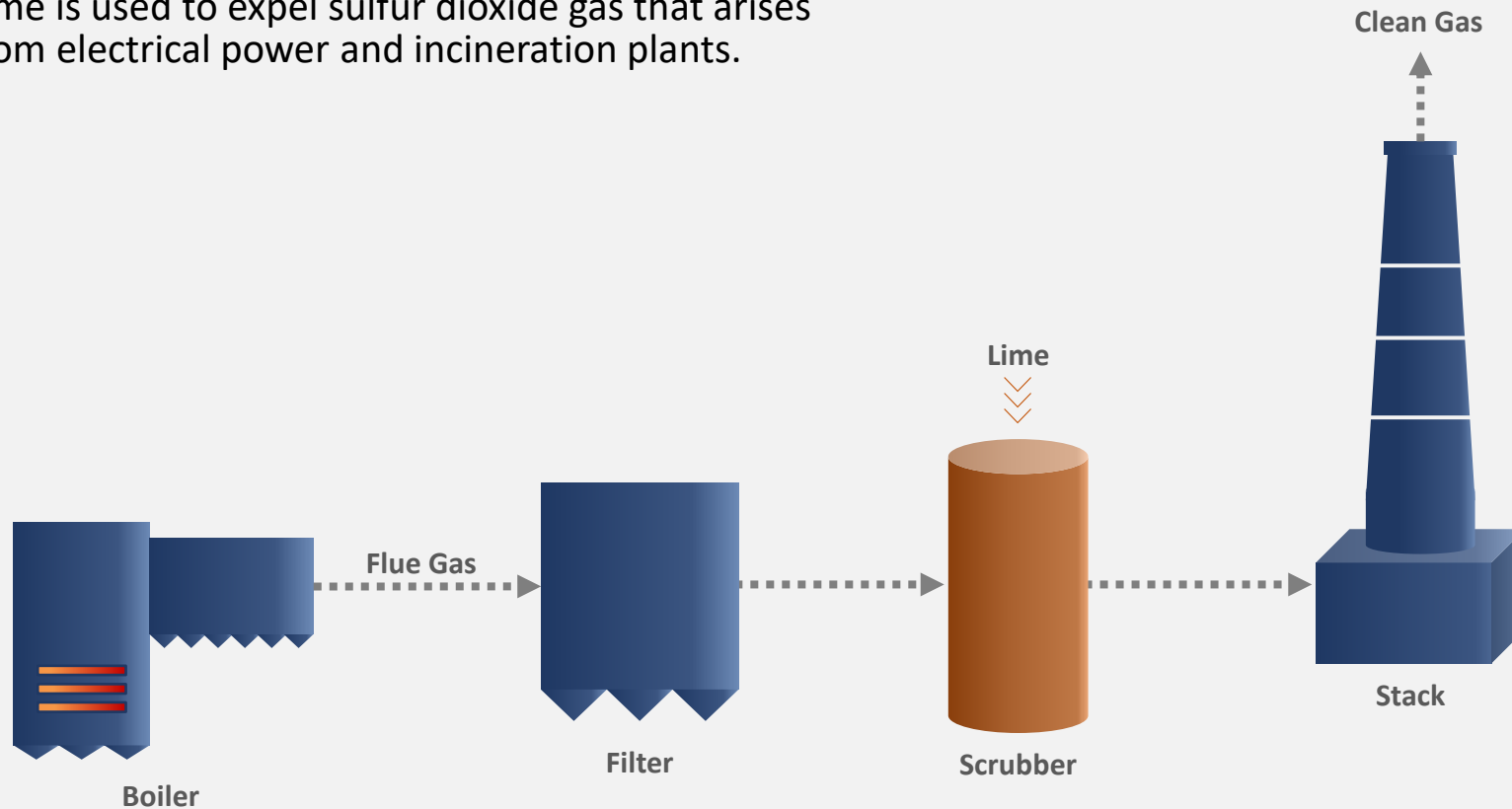


Lime in Flue Gas Treatment Industry

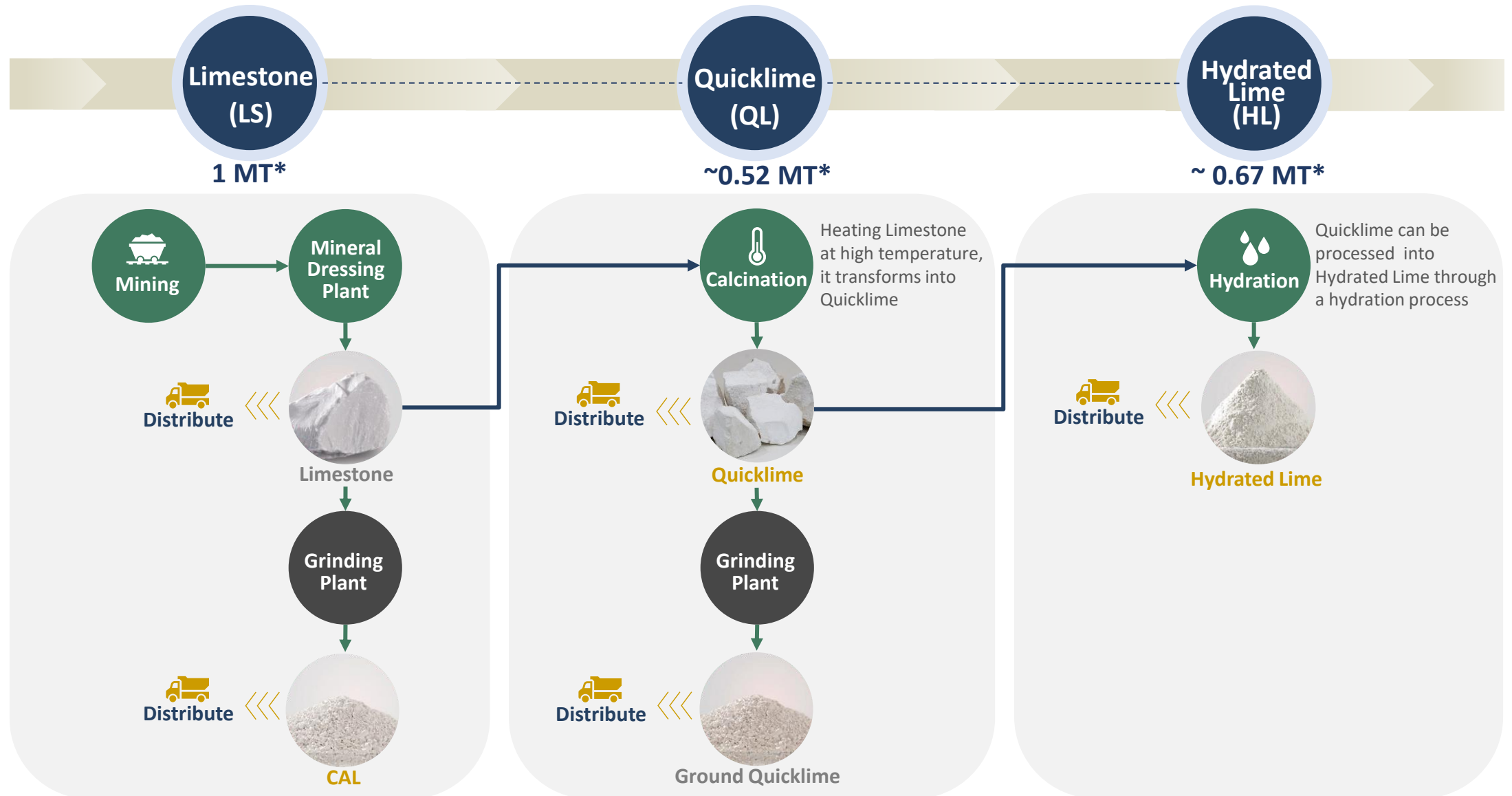
Flue Gas Treatment



Lime is used to expel sulfur dioxide gas that arises from electrical power and incineration plants.



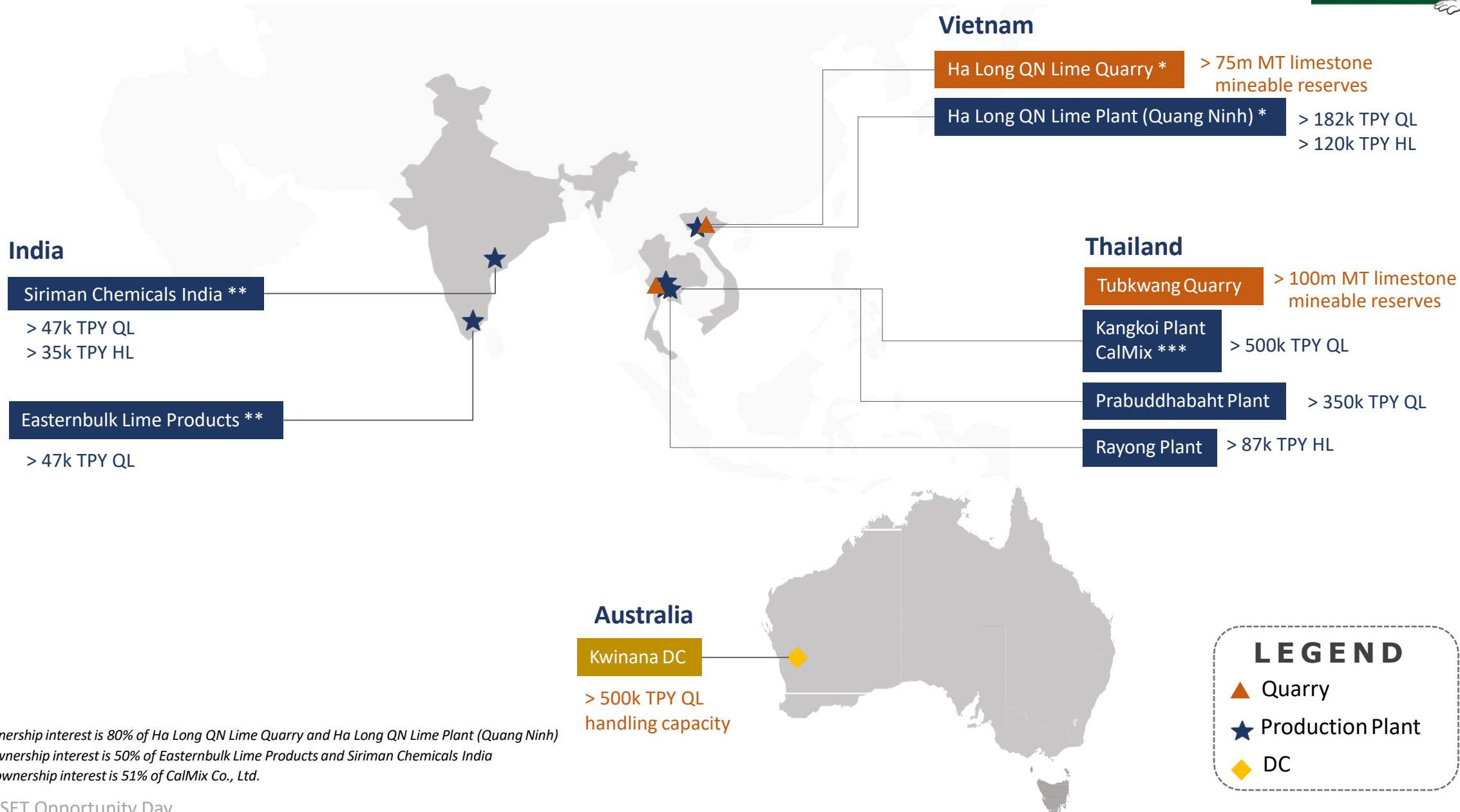
Production of Lime



* Conversion ratio is based on existing manufacturing process

Operating Assets *(as of September 2021)*

Total Installed Capacity 2021: >1,000,000 TPY



* CMAN's ownership interest is 80% of Ha Long QN Lime Quarry and Ha Long QN Lime Plant (Quang Ninh)

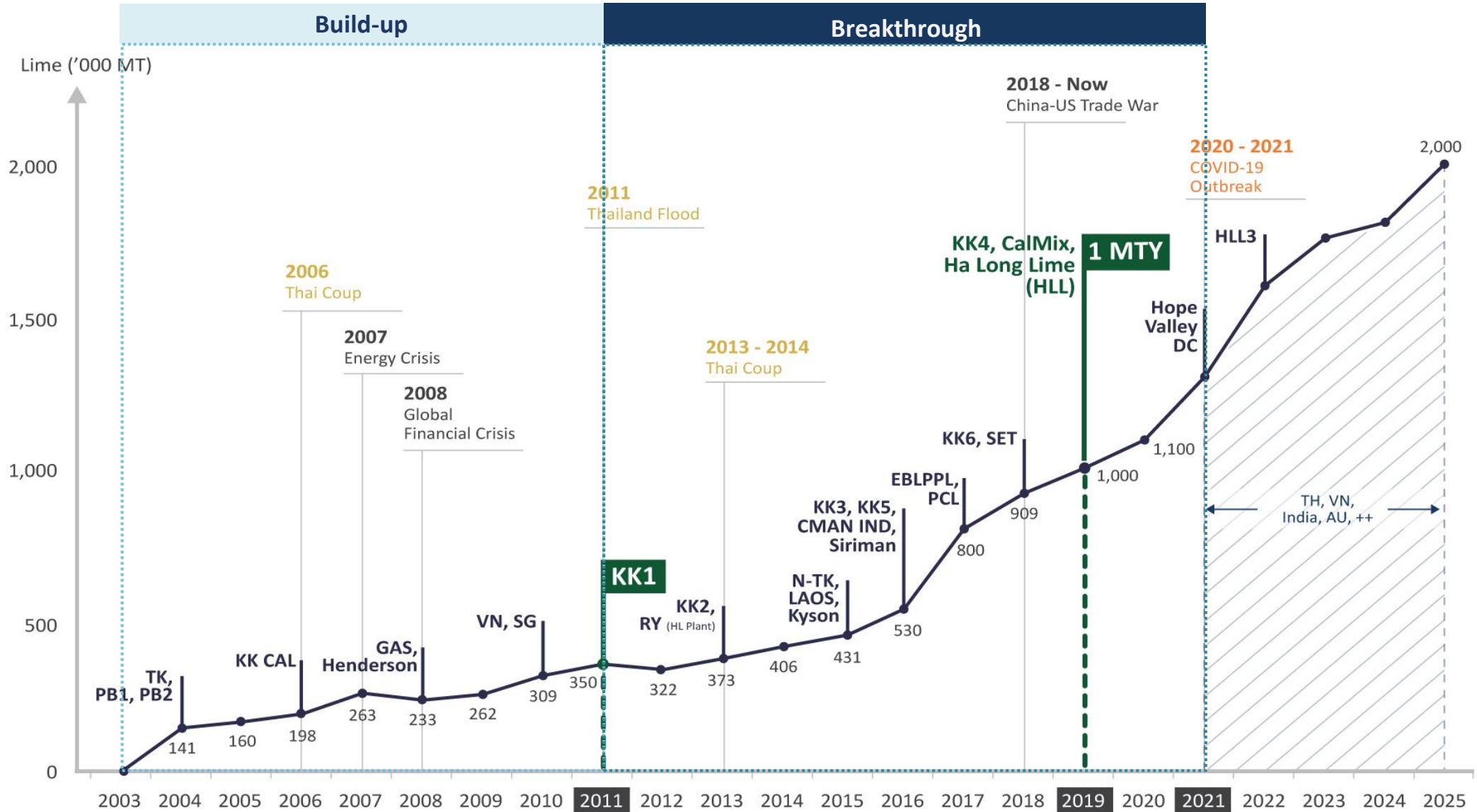
** CMAN's ownership interest is 50% of Easternbulk Lime Products and Siriman Chemicals India

*** CMAN's ownership interest is 51% of CalMix Co., Ltd.

Proven Performance



Compelling growth through continuous capacity expansion, technological advancement and cost management



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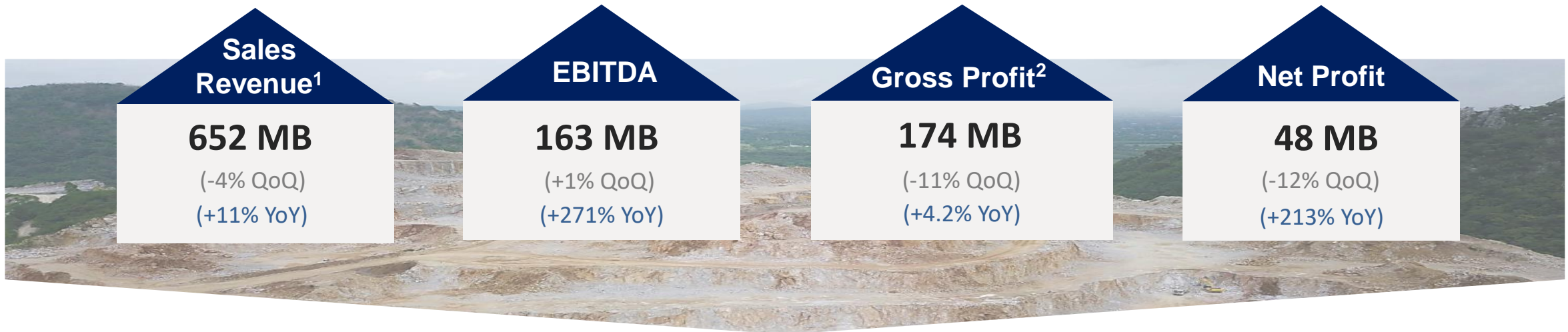
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Q&A

2Q2021 Key Performance Highlights



- **Hope Valley Distribution Center (WA)** commissioned in June 2021 and **commenced long-term supply agreement** with the world's largest mining companies
- **2nd lime kiln, HL plant and CAL station** at Easternbulk Lime Products (India) is underway
- **Global commodity strengths/challenges:** while commodity demand remains strong, energy and freight costs have also risen significantly



¹ Revenue = Sales Revenue from sales of products and transportation cost

² Gross Profit = Sales Revenue – Cost of Goods sold – Transportation cost

Consolidated Financial Performance: *maintaining good momentum*



Unit : THB Millions	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Profitability Highlights						
Revenues	653	587	442	557	679	652
EBITDA	143	44	52	(7)	161	163
Net Profits (Losses)	32	(43)	(30)	(96)	55	48
Cash Flow Highlight						
Cash Flows from Operations	45	112	(52)	(26)	173	67
Cash Flows from Investments	(63)	(79)	(116)	(227)	(204)	(370)
Cash Flows from Financing	122	17	179	359	105	262
Cash & Cash Equivalents	306	376	374	494	516	444

	%QoQ	%YoY
	-4%	11%
	1%	271%
	-12%	213%
	-61%	-40%
	-81%	-370%
	150%	1434%
	-14%	18%

Key Highlights

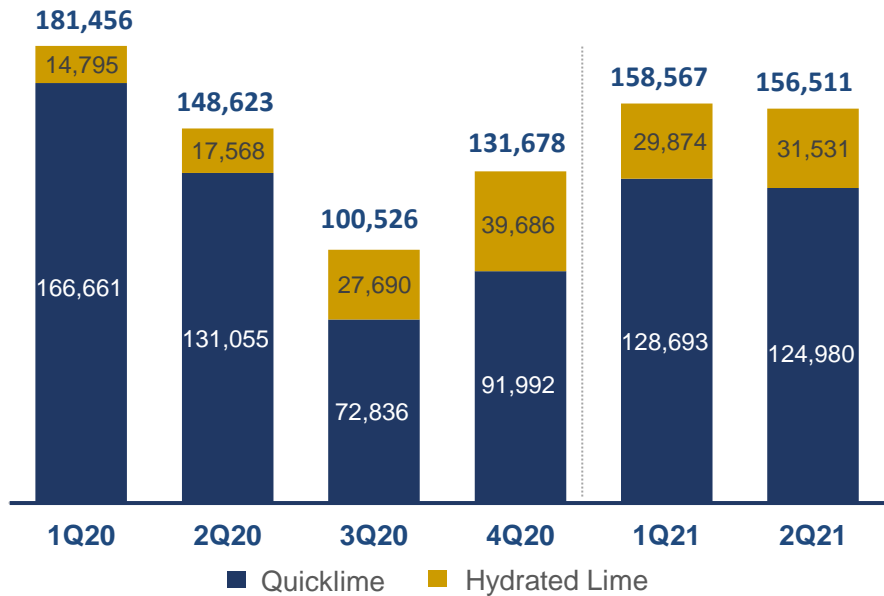
- 2Q21 sales revenue decreased slightly from 1Q21, due to the end of Thailand's sugar production season, but increased 11% on a year-on-year basis
- 2Q21 EBITDA maintained at 163 MB
- Cash outflows from investing activities increased, primarily due to the Hope Valley Distribution Center in Australia
- 2Q21 operating cash flows dropped 40% YoY due to higher SG&A while longer credit terms for a major customer required higher working capital

Consolidated Sales Performance



Lime Sales Quantities

Unit : MT



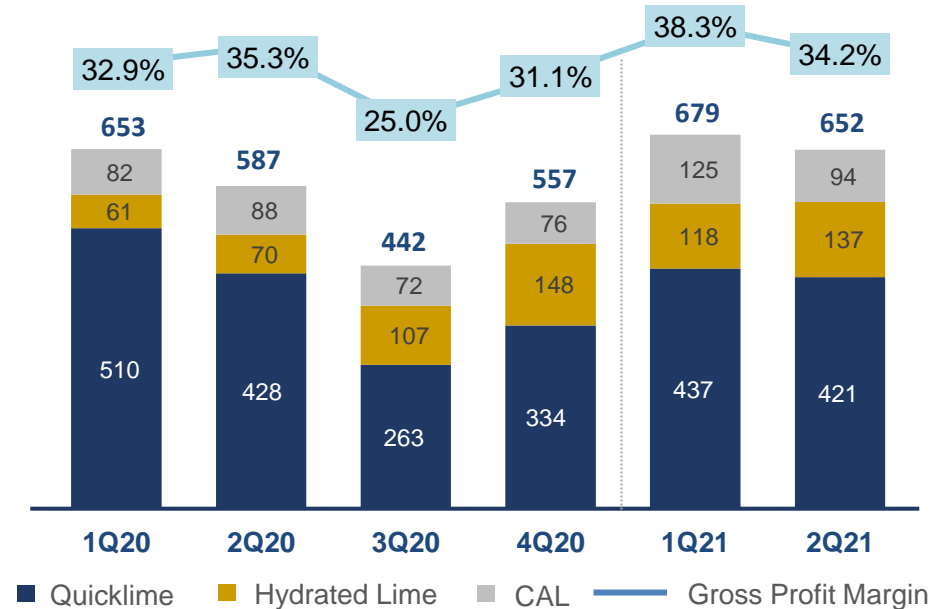
	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
CAL						
MT	274,927	297,753	257,948	268,414	366,311	361,639

Key Highlights

- Historically, CMAN experienced lower sales in the second and third quarters of each year
- Given our more diversified customer portfolio, 2Q21 sales level remained steady, as higher demand from the mining industry offset lower demand from the sugar industry

Sales Revenues

Unit : THB million



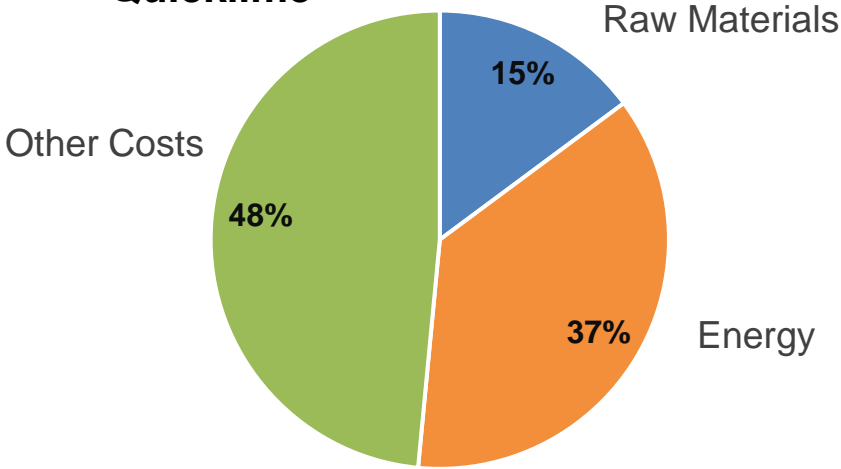
Key Highlights

- 2Q21 gross profit margins dropped due to higher coal and transportation costs

Key Operating Costs Breakdown

Composition of quicklime and hydrated lime production costs

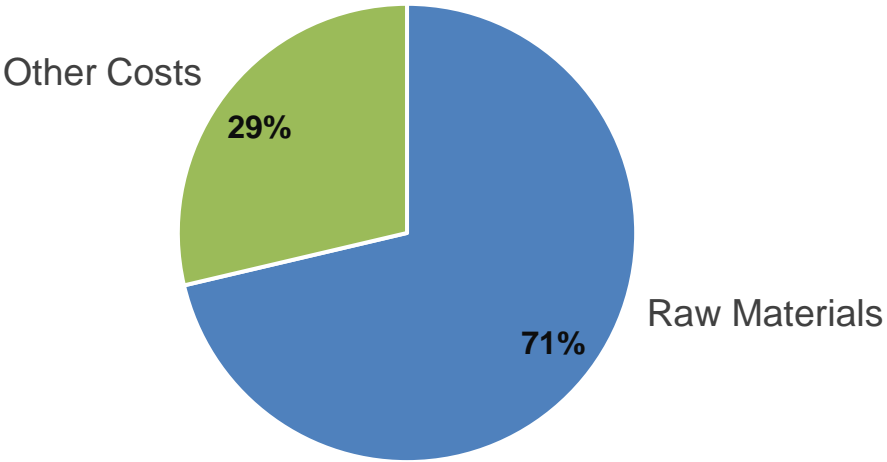
Quicklime



Key Highlights

- Quicklime production costs consist mainly of raw materials (limestone), energy and other costs
- **Limestone** comes from the Tubkwang and Hoanh Bo quarries, where the Company owns mining licenses to secure consistent supplies and costs
- **Energy** prices vary according to prevailing coal and natural gas prices
- **Other costs** include utility, manpower, and other related costs

Hydrated Lime



Key Highlights

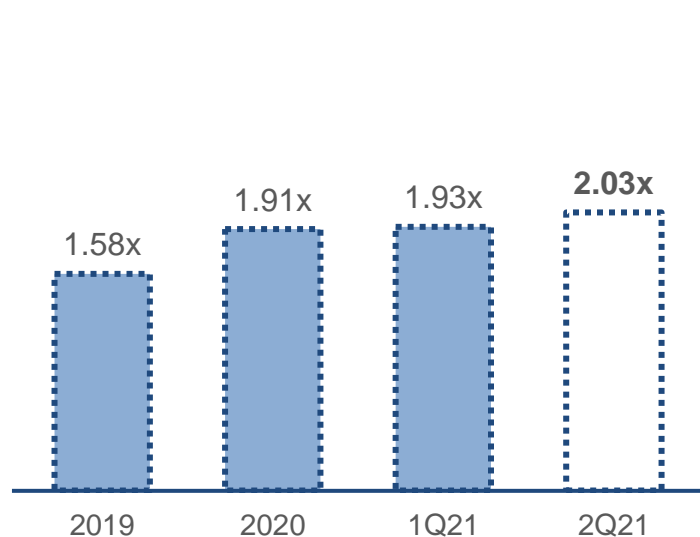
- Hydrated lime production costs consist mainly of quicklime and other costs
- **Quicklime** represents 71% of the total production cost
- **Other costs** include utility, manpower, and other related costs

Capital Structure



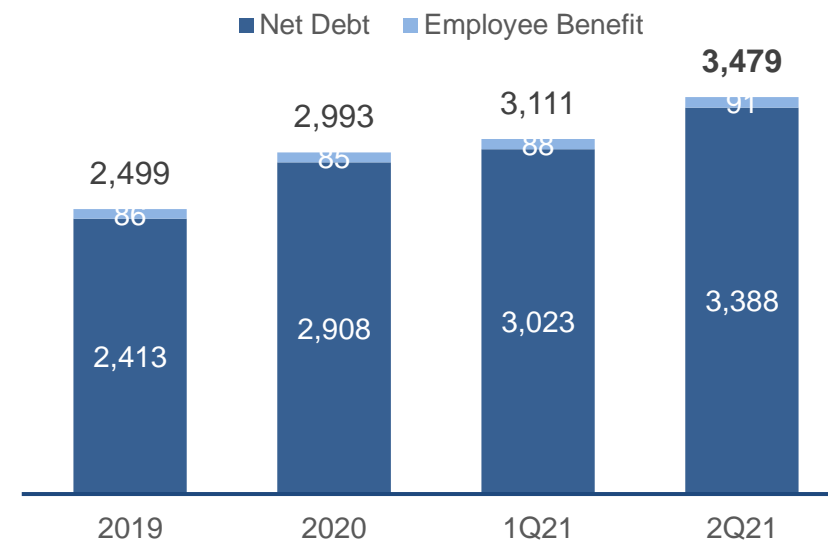
Total Liabilities to Equity ratio

Unit : times



Components of Proportional Adjusted Net Debt

Unit : THB million



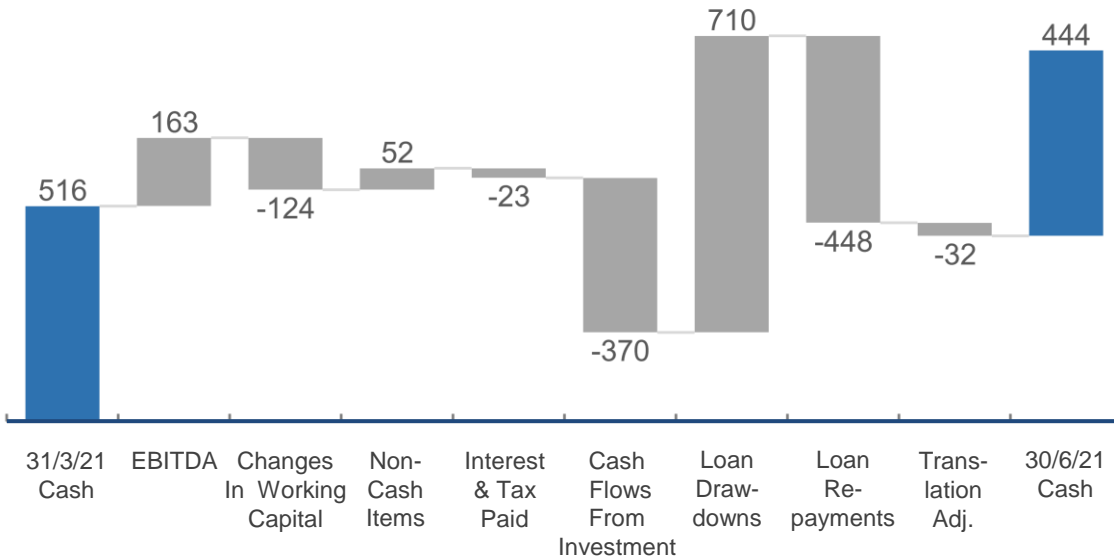
Key Highlights

- Increase in long-term debt used to support both domestic and overseas investments
- Equity gradually increased due to performance improvements

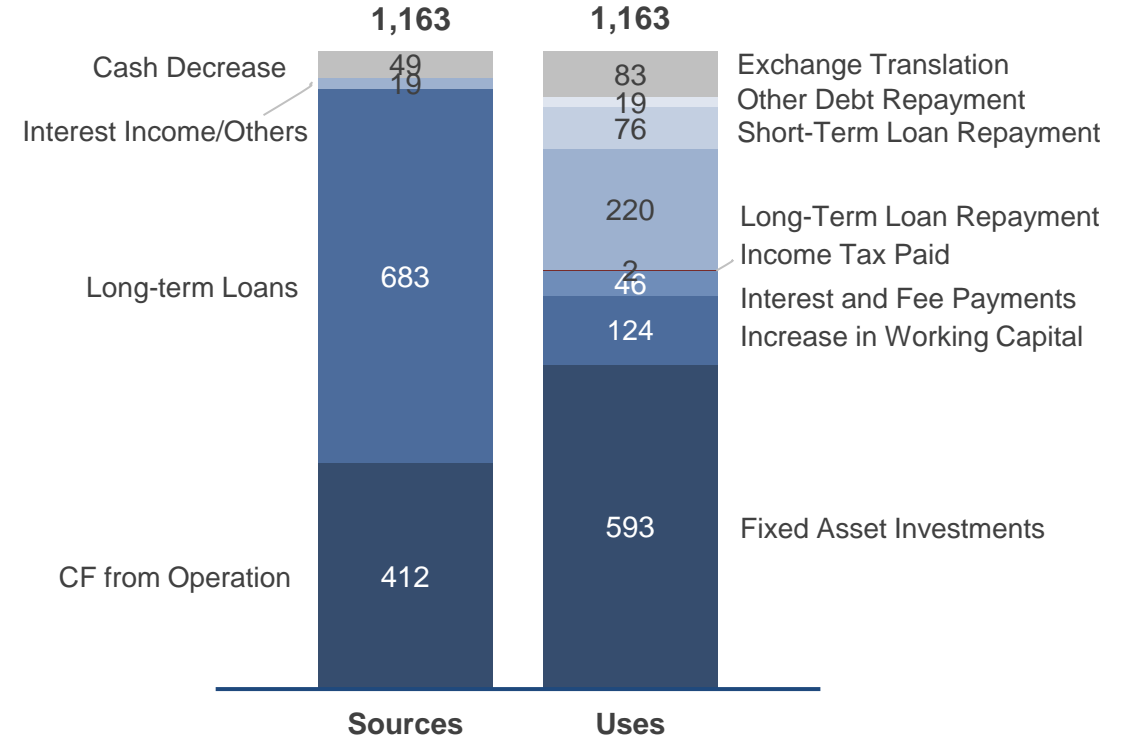
Group Cash Flow Position

Sequential Quarterly and YTD Cash Flow Information

1Q2021 to 2Q2021 Cash Changes, THB Millions



YTD Cash Flow Information, THB Millions



Key Highlights

- Long-term loans were drawn down to complete the Hope Valley Distribution Center in Australia
- Short-term loans were rolled over to support additional working capital needs

2Q2021 Key Financial Metrics



Key Financial Metrics

2Q2021 Days Working Capital (DWC)
59 Days

2Q2021 Return on Equity (Annualized)
9.62%

1H2021 Capital Expenditures
575 MB

Proportional Adjusted Net Debt
3,479 MB

1H2021 Adjusted Free Cash Flow
-335 MB

2Q2021 Cash Balance
444 MB

Note:

- *Days working capital = Receivable days + Inventory days – Payable days*
- *Return on Equity = Net income (annualized)/Equity (average)*
- *Capital Expenditures = Cash outflow for capital expenditures*
- *Proportional Adjusted Net Debt = Net debt + Employee benefit*
- *Adjusted Free Cash Flow = Free cash flow + contributions from JV – distributions to JV*
- *Cash balance = Ending cash as at 30 June 2021*

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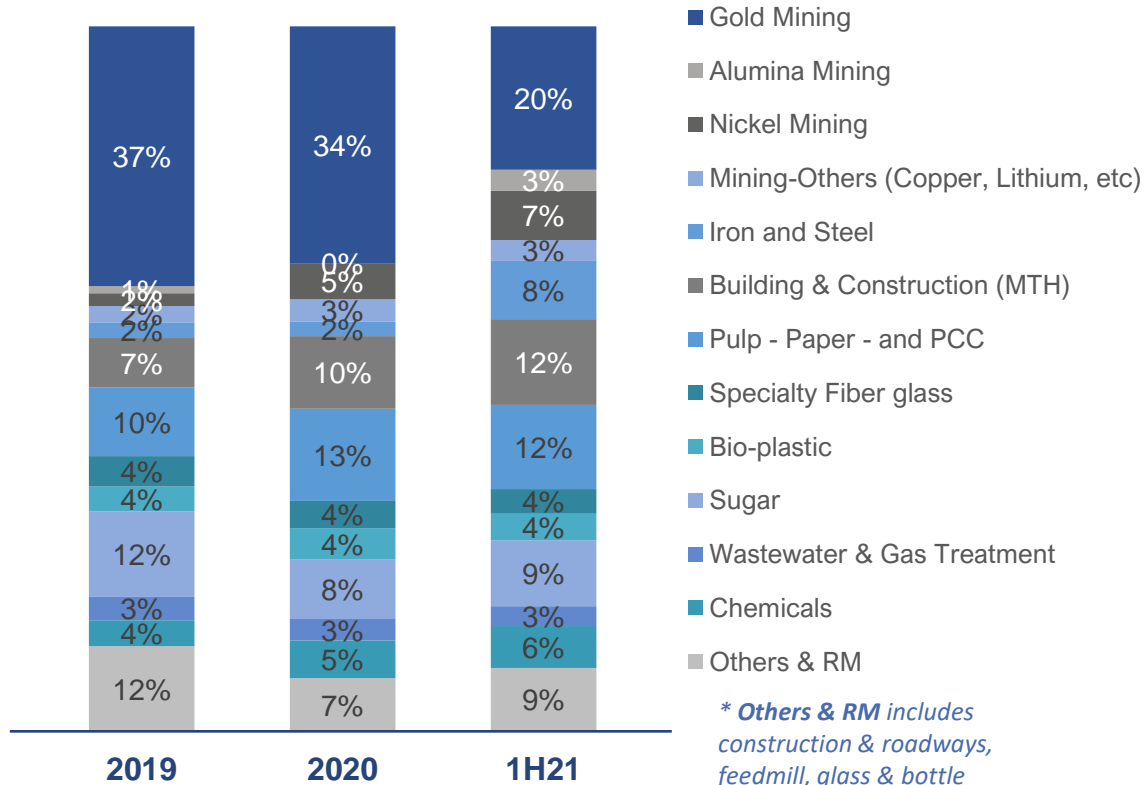
Q&A

Market Segmentation



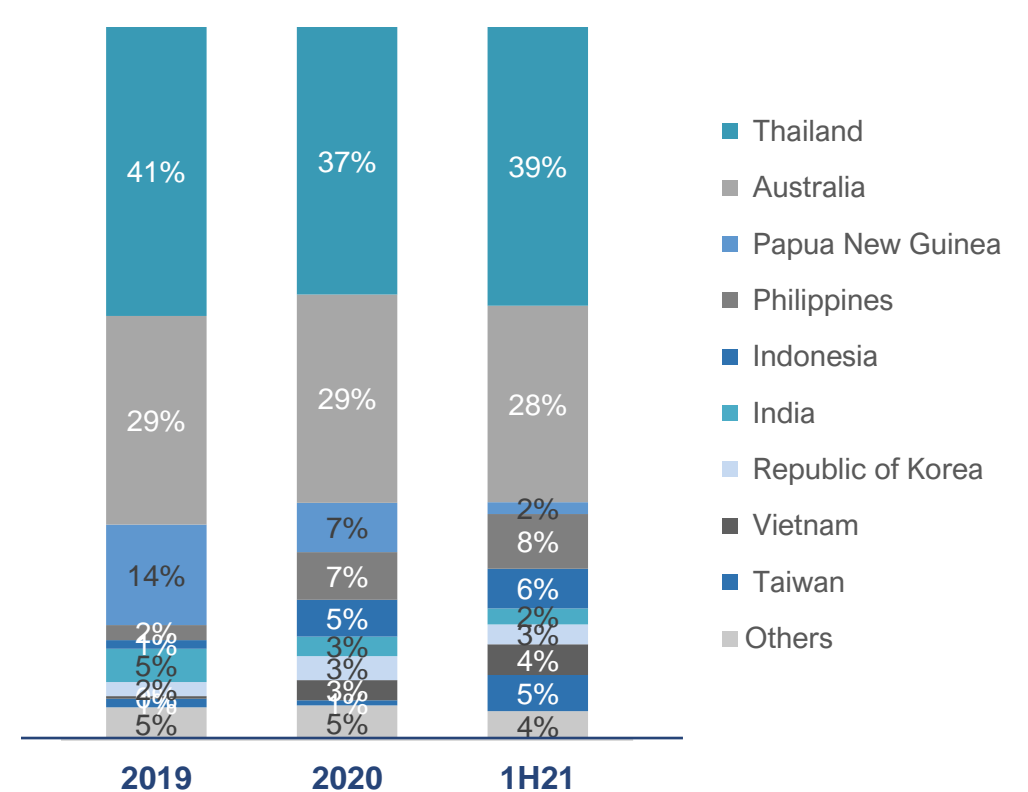
Industry Perspective

% of Total Sales Revenue



End Destination Perspective

% of Total Sales Revenue



Key Highlights

- CMAN and its subsidiaries currently export 64% of volume outside of Thailand
- Mining, pulp & paper and sugar are major customers, representing 55% of total sales revenues
- Even in the midst of higher freight costs and significant supply chain disruptions in container shipping, CMAN has been able to meet its increasing customer demand

- Lime demand is expected to **increase steadily** due to

Higher work-from-home trends support growing demand for **construction materials**, as evidenced by **higher prices for aluminum, nickel, and steel, among others**



Increased focus on the environment (Go Green) supports demand for premium-quality lime for use in the **bio-plastic, chemical, and energy from waste and waste treatment sectors**



Sugar and pulp & paper remain stable over the medium term



- CMAN also reviews and adjusts **pricing strategy** to cope with the higher energy cost

CMAN Growth Strategy

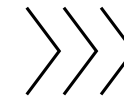
Global Headquarters

Integrated Solutions Provider
by building strategic relationships
with key customers

Build Strategic Partnerships
through new high-value product
development and new venture
opportunities in other territories

Organization Transformation
by developing and implementing new
organization structure together with
people strategy

Strategic Focus Capability
Includes digital transformation,
sustainability development together
with strategic management in
Energy, Global Supply Chain and
Investment



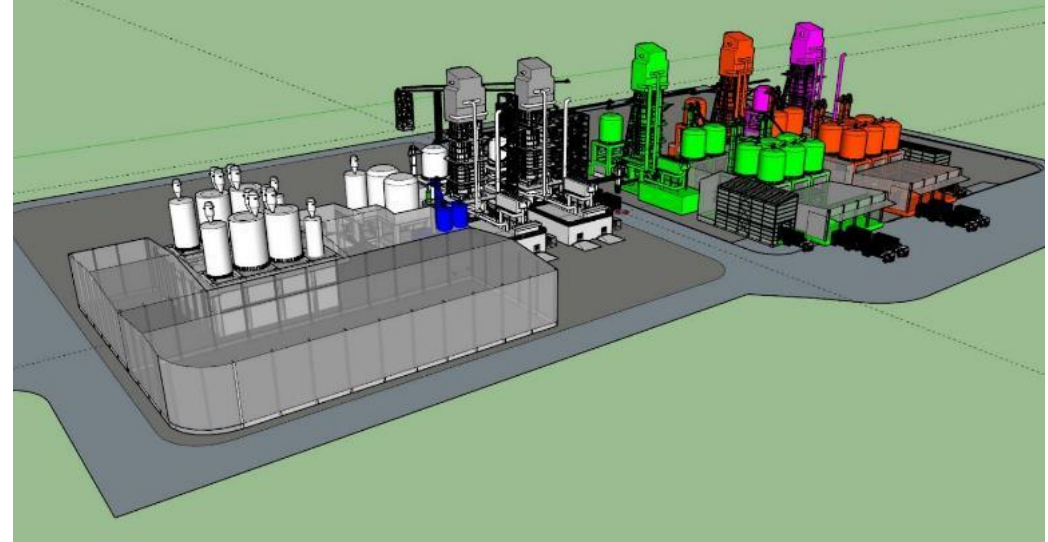
Drive and deliver returns
to all stakeholders over the
long term with good
corporate governance

CMAN Growth Strategy: *Thailand*



Thailand BU Level

- Given CMAN's future orderbook, operate **all lime kilns** at their **full production capacity** (current capacity utilization is 60%)
- Emphasize on **cost optimization as top priority** (both day-to-day cost management and cost-saving investment initiatives)
- Actively study **new value-added product development**



Vietnam BU Level

- **Uplift operational standards in all key areas** through
 - Higher capacity utilization at Hoanh Bo quarry and lime kilns;
 - More efficient work processes across the entire organization
- Emphasize on **cost optimization for energy cost as top priority**
- Increase **economies of scale** by adding production capacity
- Penetrate **additional markets in Asia and Oceania**

CMAN Growth Strategy: *India*



India BU Level

Easternbulk Lime Product (EB)

- **2nd lime kiln** is under construction (target COD: early 2022)
- **HL plant and CAL station** is underway (target COD: end 2022)

Siriman Chemicals India (Siriman)

- **Grow and strengthen customer base**
- Expand capacity through **2nd lime kiln** (target COD: 2022)



- Study **new joint ventures and product expansion opportunity** in other territories of India

CMAN Growth Strategy: *Australia*



Australia BU Level

- Started **operation of Hope Valley DC in June 2021** with 500,000 TPY capacity to serve demand from many world-class mining companies in Western Australia
- Embark on **organization transition** at Chememan Australia in response to larger business footprint
- Develop a **larger customer base** while maintaining excellent distribution services

ENVIRONMENTAL

- Operating under strict mining standards that are well above the Thai government's environmental requirements
 - Environmental Impact Assessment (EIA)
 - Noise pollution control
 - Ambient air quality
- Supporting environmental activities through various methods and closely coordinating with local communities

SOCIAL

- Anti-corruption
- Respect for human rights
- Fair business conduct
- Fair treatment of labor
- Customer accountability
- Community and social development



GOVERNANCE

- Clear leadership role and responsibilities of the Board to promote sustainable value
- Clearly defined objectives to promote sustainable value creation
- Strengthen Board effectiveness
- Ensure effective CEO and people management
- Nurture innovation and responsible businesses
- Strengthen effective risk management and internal controls
- Ensure transparent disclosure and financial integrity
- Ensure engagement and communication with shareholders

Investment Takeaways



Well-diversified portfolio of customers, including many global players, across various end user segments and market territories



World-class fully-integrated supply network with significant multiple chemicals-grade limestone reserves and production facilities with best-in-class technologies, and competitive production costs



Focus and motivation to become the leading lime producer in the fast-growing Asia-Pacific region



Multiple growth initiatives driven by core business expansion, both vertical and horizontal integration, supplemented by new venture opportunities



Balanced investment strategies between short-term benefits and long-term growth and sustainability



Experienced and reliable team with high level of professional commitment and entrepreneurship

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Q&A



Thank you for your attention

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