

Thai Wah Public Company Limited

Creating Innovation and Sustainability from Farm to Shelf

Management Discussion and Analysis (MD&A) Q1'26

12 May 2026



Management Discussion and Analysis (MD&A)

Consolidated Financial Results for Q1/2026

Executive Summary

Thai Wah Public Company Limited (“**TWPC**”) began 2026 with the TW 2030 transformation agenda firmly taking hold Q1/2026 consolidated revenue reached THB 2,418.9 million (+5.2% YoY), driven by total volume growth of 12.6%, net profit attributable to owner of the parent rising to THB 121.2 million (+71.4%YoY) as the Company’s deliberate portfolio rebalancing toward higher-margin Food and Specialty Ingredients continued to reshape The Company’s earnings profile.

The Company’s Food Business, delivered strong margin improvement YoY and now represent 45.2% of total Group gross profit. The Starch Business demonstrated strong commercial execution with volume growth of 20.4%. The Specialty Ingredients (HVA) portfolio delivered volume growth of 5.8% YoY, supported by application diversification across existing and new regions.

The Company's proactive risk management framework and Business Continuity Planning (BCP) have materially insulated operations from the most acute effects of the geopolitical conflict. Ahead of the escalation, TWPC had already executed multi-region sourcing strategies across many countries and secured raw material coverage for 9 to 12 months forward, a decision that is now delivering structural protection rather than reactive cost containment. Packaging remains the primary cost exposure, with resin, film, and polymer costs rising. The Company’s multi-region sourcing has delivered a significant cost offsets. There is no inbound logistics disruption to raw materials, and outbound distribution costs remain under control through June 2026. The Company moved quickly upon escalation to assess, ringfence, and quantify all war-related exposures. Residual impact remains within manageable and anticipated bounds. On the commercial front, TWPC's China starch operations (TWIT) demonstrated continued resilience amid the challenging environment, delivering the highest Q1 sales volume compared with the prior year,



driven by the expansion of the sales and distribution model and the positive perception of the Rose brand in the Chinese market.

Looking ahead, the convergence of geopolitical conflict, potential Super El Niño disruption, and elevated input costs will require continued agility. However, the Q1/2026 results validate that the transformation is delivering a structurally higher-margin, more diversified earnings profile that positions TWPC to generate sustained shareholder value under the TW 2030 ambition.

Key Development in Q1/2026

TWPC is committed to building a resilient food system that creates lasting value for communities, customers, and generations to come. Through strategic partnerships with global food leaders and technology innovators, we are driving meaningful transformation across the food value chain, integrating food science with sustainability to strengthen every link in our ecosystem.

- **February 9, 2026:** TWPC has launched a New Product Development (NPD) under the Double Dragon Ready brand, “Yentafo Glass Noodles ‘Love Confession’ Cup.” This product was introduced to enhance brand awareness, reinforce brand recall among consumers, and refresh the brand image to better resonate with younger, modern consumers, while supporting the continued expansion of the Company’s ready-to-eat food business.
- **February 10, 2026:** Thai Wah Fuji Nihon Co., Ltd. received the CSR-DIW Continuous Award 2025 from the Department of Industrial Works, reinforcing the Company’s ongoing commitment to ESG practices and its consistent operational excellence across environmental, social, and workforce management at the factory level.
- **February 24, 2026:** The Board of Directors has resolved to propose a dividend payment for the 2025 operating results at a rate of THB 0.114 per share, subject to approval at the 2026 Annual General Meeting of Shareholders.





Figure 1: Launched the Double Dragon Ready brand “Yentafo Glass Noodles ‘Love Confession’ Cup.”



Figure 2: Received the CSR-DIW Continuous Award 2025 from the Department of Industrial Works,

Business and Industry Overview

- **Cassava Market and Starch Business Performance 2026 & Outlook**

During Q1/2026, the cassava market continued its recovery trajectory, with fresh cassava root prices rising steadily throughout the quarter. After averaging THB 1.98 per kilogram in Q4/2025, farmgate prices climbed from THB 2.25 per kilogram in early January to THB 2.41 per kilogram by late March, bringing the Q1/2026 quarterly average to approximately THB 2.33 per kilogram, a 17.6% increase QoQ. The impact from Super El Nino and diseases is expected to lower domestic supply. Thailand's 2025/26 cassava production is estimated at approximately 22 million tons against industry processing demand of around 37 million tons, sustaining upward pressure on farmgate prices. Domestic tapioca starch prices followed a similar trajectory, rising steadily throughout the quarter to approximately THB 15.4 per kilogram by end-March. Export FOB prices for native tapioca starch also strengthened, reaching the range of USD 480–510 per metric ton by end of Q1/2026, reflecting the tightening supply environment.

Against this backdrop, the Thai Wah Group delivered strong starch volume growth of 20.4% YoY in Q1/2026 and contributing THB 1,727.8 million in sales. This outperformance was led by the native starch segment, which recorded volume growth of 20.4%YoY, supported by The Company's sourcing model and expanded customer base. The HVA segment delivered volume growth of

5.8%YoY, underpinned by continued application diversification across food markets and disciplined pricing management.

- **Thai Food, RTE, and Modern Trade Industry Outlook - remains strong growth momentum in 2026.** The Thai food industry and ready-to-eat (RTE) segment remain the backbone of private consumption heading into 2026. The Thai restaurant and food services market reached THB 337.2 billion in 2025, with annual revenue growth forecast at 2.9 – 3.9% over 2026 – 2028 (*Krungsri Research, April 2026*). The modern trade sector, valued at THB 3.2 trillion, continues to expand, with convenience stores projected at 4.5 – 5.2% CAGR, the fastest among all retail segments. Food and beverages account for 42.6% of total household consumption expenditure, reinforcing the structural resilience of food-related spending even amid broader macroeconomic uncertainty. While the Food Business faces near-term cost headwinds from elevated freight and packaging costs, the fundamental demand drivers remains intact. TWPC demonstrated its ability to navigate cost inflation while sustaining profitable growth, with Food Business gross profit margin expanding YoY in Q1/2026.
- **Geopolitical Headwinds: Iran–U.S. Conflict and Implications for Thailand’s Food Export and Supply Chain.** The escalation of conflict between the United States, Israel, and Iran from late February 2026, and the risk of Strait of Hormuz closure, represents the most material near-term geopolitical shock to Thailand’s export and supply chain. Approximately 34% of global crude oil trade passes through this strait (*Krungsri Research, March 2026*), and Thailand, sourcing 58% of its crude oil from the Middle East, is among the most exposed economies in Southeast Asia. Dubai crude prices surged ~61% to USD 115/barrel as of March 10, 2026. Krungsri Research estimates Thailand’s GDP growth may be dampened by 0.2 – 0.3% under a limited escalation scenario, worsening to -0.6 to -0.9% under a prolonged conflict, with inflation rising 1.2 – 4.5% above baseline depending on severity.



For TWPC, the impact is manageable. The Company's Food Business is anchored in domestic consumption with limited direct exposure to Middle East export markets. Management is actively deploying operational efficiency and product mix optimization measures to absorb anticipated cost headwinds in the periods ahead. Inventory pre-positioning provided a meaningful near-term buffer against energy-driven cost escalation. Management continues to monitor the geopolitical situation closely, with adaptive procurement and pricing strategies in place to safeguard margin performance through the remainder of 2026.

- **Industry Outlook Summary.** Thailand's tapioca starch industry demonstrated the diverging fortunes of commodity versus modified tapioca starch segment in 2025. Total native starch exports contracted 10.9% to 2.89 million metric tons (Thai Tapioca Starch Association), reflecting continued pricing pressure from Vietnam's competitive cost position and China's accelerating self-sufficiency strategy in Laos. Export value declined from THB 110 billion in 2024 to THB 95 billion in 2025. In contrast, modified starch exports proved resilient, growing 0.7% to 1.07 million metric tons, with sustained demand from premium markets, Korea (+10.2%) and Japan (+3.3%), reflecting continued uptake across food, pharmaceutical, and industrial applications. This momentum has extended into Q1/2026, with Thailand's modified starch exports reaching 281,477 metric tons in the first quarter alone, an annualized pace that exceeds the full-year 2025 figure, reflecting accelerating demand from Japan, Korea, and broader Asian markets. Native starch exports totaled 657,816 metric tons in Q1/2026, a 29% decline YoY, consistent with the tighter domestic cassava supply environment that has underpinned the ongoing price recovery (*Thai Tapioca Starch Association, 2026*).
- Looking into 2026, supply conditions are tightening materially. Thailand's cassava production for the 2025/26 crop year is estimated at approximately 22 million metric tons against industry processing demand of 37 million metric tons, a structural deficit that is already translate into higher farm-gate



prices, with fresh cassava root prices forecast to increase to over 3.00 per kilogram in 2026, a ~25% uptick from the 2025 average.

Summary of Consolidated Statement of Profit or Loss

Financial Performance for Q1/2026

Unit: Million Baht	Q1'25	Q1'26	%YoY	3M25	3M26	%YoY
Total Sales	2,298.8	2,418.9	5.2%	2,298.8	2,418.9	5.2%
Gross Profit	561.9	513.2	(8.7%)	561.9	513.2	(8.7%)
SG&A	435.8	370.5	(15.0%)	435.8	370.5	(15.0%)
Other income ⁽¹⁾	30.5	42.1	38.0%	30.5	42.1	38.0%
Loss from fair value measurement of derivatives	5.0	3.5	(30.0%)	5.0	3.5	(30.0%)
EBIT	151.6	181.3	19.6%	151.6	181.3	19.6%
Core EBIT ⁽²⁾	170.6	181.3	6.3%	170.6	181.3	6.3%
EBITDA	266.2	293.9	10.4%	266.2	293.9	10.4%
Core EBITDA ⁽²⁾	285.2	293.9	3.0%	285.2	293.9	3.0%
Profit (Loss) for the Period	84.8	140.6	65.8%	84.8	140.6	65.8%
Profit (Loss) to attributable to owner of the parent	70.7	121.2	71.4%	70.7	121.2	71.4%
Key ratios (%)						
Gross profit margin	24.4%	21.2%	(3.2%)	24.4%	21.2%	(3.2%)
SG&A to net sale ratio	19.0%	15.3%	(3.7%)	19.0%	15.3%	(3.7%)
EBIT margin	6.6%	7.5%	0.9%	6.6%	7.5%	0.9%
EBITDA margin	11.6%	12.2%	0.6%	11.6%	12.2%	0.6%
Net profit margin for the period	3.7%	5.8%	2.1%	3.7%	5.8%	2.1%
Net profit margin to the owner of the parent	3.1%	5.0%	1.9%	3.1%	5.0%	1.9%
Core Profit margin from operation	5.1%	5.5%	0.4%	5.1%	5.5%	0.4%

⁽¹⁾ Including net exchange gain

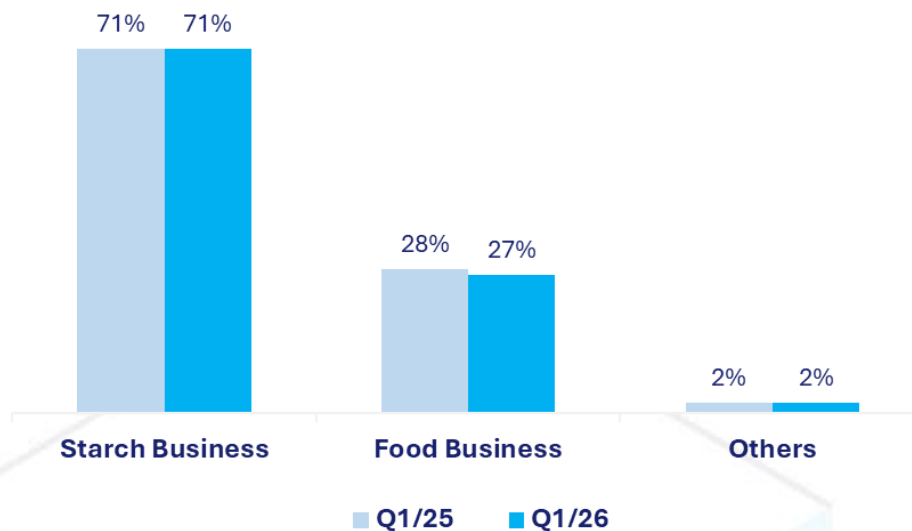
⁽²⁾ Excluding non-recurring item from restructuring

Breakdown of Sales by Business Segment in Q1/2026

Unit: Million Baht	Q1'25	Q1'26	%YoY	3M25	3M26	%YoY
Total Sales	2,298.8	2,418.9	5.2%	2,298.8	2,418.9	5.2%
Starch Business	1,628.4	1,727.8	6.1%	1,628.4	1,727.8	6.1%
<i>Native Starch</i>	863.8	999.8	15.7%	863.8	999.8	15.7%
<i>HVA</i>	764.6	728.0	(4.8%)	764.6	728.0	(4.8%)
Food Business	633.0	649.3	2.6%	633.0	649.3	2.6%
Others	37.4	41.8	11.8%	37.4	41.8	11.8%



Change in Revenue Mix: Q1/2025 vs Q1/2026



Summary of Operating Results for Q1/2026

In Q1/2026, TWPC recorded net profit of THB 121.2 million, an increase of 71.4% from THB 70.7 million in Q1/2025. Total sales grew 5.2% to THB 2,418.9 million, underpinned by a 12.6% increase in total consolidated volumes. Gross profit margin softened to 21.2% from 24.4%, reflecting higher cassava root costs amid tightening domestic supply conditions, driven by the lingering effects of El Niño-induced drought and the continued spread of Cassava Mosaic Disease (CMD).

While the Food Business sustained its growth momentum with revenue rising 2.6% YoY, supported by food volume growth of 8.8%, with growth driven by the Ready-to-Eat (RTE) product range, Export business, and Vietnam food operations.

The Starch Business delivered strong commercial execution with revenue rising 6.1% to THB 1,727.8 million, driven by native starch volume growth of 20.4% YoY, supported by multi-region procurement capabilities and expanded customer penetration in key export markets, particularly China.

Administrative expenses declined 29.1% and selling expenses decreased 3.8%, reflecting the Company's ongoing cost discipline and organizational efficiency,



resulting in overall SG&A declining 15.0% YoY. Strong cash from operation, EBITDA improved 10.4% to THB 293.9 million with EBITDA margin strengthening to 12.2%. Finance costs declined 58.7% YoY to THB 8.6 million as the benefit of debt repayment with IBD/E remaining conservative at 0.27x.

Food Business Performance

The Food Business sustained its growth trajectory in Q1/2026, with revenue reaching THB 649.3 million from THB 633.0 million in Q1/2025, supported by food volume growth of 8.8%. The Modern Trade channel delivered growth of 5.8% YoY, underpinned by continued distribution expansion and the rollout of new Ready-to-Cook (RTC) pouch formats across convenience store and supermarket networks. The export channel delivered solid growth of 9.4% YoY, reflecting expanding demand for the Company's noodle and vermicelli products in international markets. The Vietnam food business continued its positive trajectory, contributing incremental revenue growth and demonstrating the viability of the Company's regional expansion strategy. Ongoing investments in new product development, including the launch of the Yentafo Glass Noodles "Love Confession" cup under the Double Dragon Ready brand, continued to strengthen brand relevance among younger consumer segments and support long-term category growth. With distribution deepening across both domestic and regional markets and a pipeline of product innovation, the Food Business remains well-positioned as the primary growth engine within TWPC's portfolio.



Starch Business Performance

TWPC demonstrated disciplined management of its Starch business with sale revenues increased 6.1% to THB 1,727.8 million from THB 1,628.4 million in Q1/2025, driven by strong volume growth across both native and specialty ingredients segments. Native starch revenue rose 15.7% to THB 999.8 million from THB 863.8 million, supported by a 20.4% increase in sales volume, reflecting The Company's multi-region procurement advantage and expanded customer penetration in key export markets, particularly China. Thai Wah's Rose brand maintained its premium positioning in the Chinese market and continuing to command a meaningful price premium over competing suppliers. The HVA segment recorded revenue of THB 728.0 million from THB 764.6 million, with volume growth of 5.8% driven by continued application diversification and expansion into premium export markets across food, bakery, dairy, and sauce applications. The segment continues to deepen its customer application support capabilities globally, gearing

the portfolio toward new market penetration and expanded presence in high-value specialty applications. The Company is actively pursuing further capacity and capability expansion to support the next phase of specialty ingredients growth, reinforcing TWPC's positioning as a leading high-value modified starch supplier in international markets.

Gross Profit and Gross Profit Margin

in Q1/2026 gross profit declined 8.7% to THB 513.2 million from THB 561.9 million, as the gross profit margin contracted to 21.2% from 24.4%. The margin compression was primarily attributable to higher cassava root costs amid tightening domestic supply conditions. However, cost efficiency improvements across manufacturing operations helped mitigating the impact. The Food Business delivered gross profit margin improvement YoY, partially offsetting the starch segment headwind, and now represents a higher proportion of The Company's total gross profit compared to the prior year period.

Selling and Distribution Expenses (SG&A)

In Q1/2026, SG&A expenses were well controlled, declining 15.0% YoY to THB 370.5 million from THB 435.8 million, with SG&A as a percentage of net sales improving to 15.3% from 19.0%. Selling expenses decreased 3.8% to THB 233.4 million, while administrative expenses declined 29.1% to THB 137.1 million, reflecting the Company's ongoing cost discipline, organizational efficiency improvements, and a reduction in one-off charges relative to the prior year period.

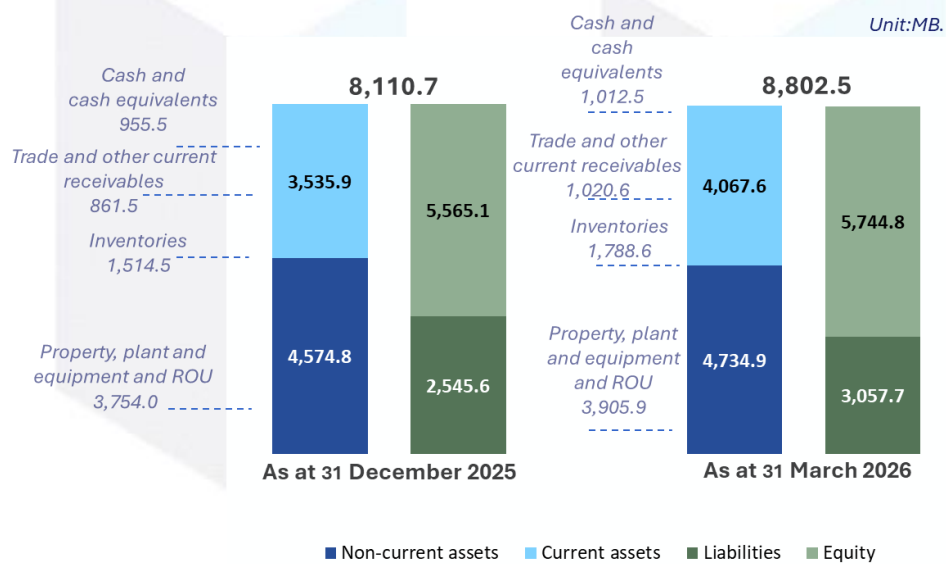
Profit Attributable to Owners of the Parent & NPM to the Owners of the Parent

For Q1/2026, net profit attributable to owners of the parent reached THB 121.2 million, an increase of 71.4% from THB 70.7 million in Q1/2025. This performance reflects the continued execution of the Company's TW 2030 strategic roadmap, rebalancing the portfolio toward higher-margin food and specialty ingredients, driving operational efficiency across starch operations, and maintaining disciplined



cost management. The Food Business served as the primary earnings growth engine, supported by favorable raw material costs and improved operational productivity, while the Starch Business delivered strong volume growth underpinned by The Company's diversified production and sourcing capabilities. The Company continues to emphasize operational excellence, cost discipline, and portfolio profitability to sustain momentum amid external headwinds including commodity price fluctuations, the impact of the Iran–U.S. conflict on energy and logistics costs, and the emerging risk of Super El Niño conditions on cassava supply. Robust risk management frameworks, including supply chain diversification, strategic inventory positioning, and adaptive pricing mechanisms, are in place to manage market volatility and ensure efficient sourcing of key raw materials.

Financial Positions Analysis



As of 31 March 2026, the Company's total assets amounted to THB 8,802.5 million, an increase of THB 691.8 million, or 8.5%, from THB 8,110.7 million as at 31 December 2025. The increase was mainly driven by higher current assets, particularly inventories, which rose by THB 274.1 million from both finished goods and raw materials to support future sales and mitigate supply chain risks. Trade and other current receivables also increased by THB 159.1 million in line with sales growth in Q1 2026. In addition, property, plant and equipment and right-of-use

assets increased by THB 151.9 million to support business expansion and enhance the Company’s production capacity.

Total liabilities stood at THB 3,057.7 million, increasing by THB 512.1 million, or 20.1%, from 31 December 2025. The increase was mainly attributable to higher borrowings from financial institutions of THB 336.9 million to support capital expenditures and working capital.

Total equity was THB 5,744.8 million, increasing by THB 179.7 million, or 3.2%, from 31 December 2025, primarily driven by net profit for the period.

Cash Flow Analysis



As at 31 March 2026, the Company had cash and cash equivalents of THB 1,012.5 million, an increase of THB 57.0 million from THB 955.5 million as at 31 December 2025.

For the three-month period ended 31 March 2026, the Company recorded net cash used in operating activities of THB 110.3 million, primarily due to an increase in net working capital, particularly higher trade receivables and inventories.

The Company recorded net cash used in investing activities of THB 170.9 million, mainly attributable to investments in property, plant and equipment to support operations and business expansion.

In addition, the Company recorded net cash generated from financing activities of THB 317.5 million, primarily from borrowings from financial institutions.

Financial Ratio Analysis

Key Ratios	Q1 - 25	Q1- 26	3M-25	3M-26
Gross profit margin	24.4%	21.2%	24.4%	21.2%
Net profit margin (owner)	3.1%	5.0%	3.1%	5.0%
EBITDA margin	11.6%	12.2%	11.6%	12.2%
Cash cycle (days)	81	75	81	75
Number of day of inventory (days)	63	56	63	56
Collection period (days)	40	35	40	35
Account payable (days)	22	16	22	16
Current ratio (times)	2.1	1.7	2.1	1.7
Interest bearing debt/Equity (times)	0.3	0.3	0.3	0.3
Return on equity, ROE	1.5%	2.5%	1.5%	2.5%
Return on asset, ROA	1.8%	2.1%	1.8%	2.1%

In Q1 & 3M 2026, the Company's **cash conversion cycle** decreased from 81 days to 75 days compared to the same period last year, reflecting improved working capital management. This was mainly driven by a reduction in inventory days, resulting from more efficient inventory management, as well as improved collection efforts in line with credit terms, leading to a shorter collection period. In addition, the Company's payment period to suppliers also shortened.

Liquidity and financial position slightly weakened, with the current ratio decreasing to 1.7x from 2.1x. This was mainly due to the loan restructuring; whereby long-term borrowings were converted into short-term borrowings to optimize funding costs.

Return on equity (ROE) increased to 2.5% from 1.5%, reflecting improved operating performance.

Return on assets (ROA) increased to 2.1% from 1.8%, indicating improved efficiency in utilizing assets to generate income.

Business Outlook and Strategy for 2026

Looking ahead, The Company anticipates a more challenging operating environment driven by two concurrent headwinds, the risk of cassava raw material tightening from Super El Niño conditions across Southeast Asia, and continued cost transmission from the Iran–U.S. conflict through energy prices, freight rates, and packaging inputs. Both are recognized in the Company's full-year planning assumptions.

The Company entered 2026 with proactive mitigation measures firmly in place. Approximately 90% of critical raw material requirements have been secured at contracted terms for the next 9 to 12 months, providing meaningful insulation against spot market volatility. The Company continues to monitor the geopolitical situation closely, with dedicated cross-functional teams tracking supply chain developments and adjusting sourcing strategies as conditions evolve. Stock on hand for critical raw materials is maintained at prudent levels, sufficient to sustain uninterrupted operations without creating unnecessary working capital burden, reflecting The Company's disciplined inventory management approach. Multi production sites across Thailand, Cambodia, Vietnam, further reduces concentration risk across the supply base.

In parallel, the Company's Business Continuity Planning (BCP) response to the Iran conflict has been actively executed, identifying meaningful cost optimization opportunities across procurement, logistics, and energy, further reinforcing The Company's confidence in its ability to manage the elevated cost environment through the remainder of 2026.

Corporate Sustainability Development

Thai Wah continues to drive industry-leading sustainability transformation through its four strategic pillars; Farmer Development, Green Factory and community, Employee & Family and Well-being, and Food and Finished good Quality, underpinned by the 4F Sustainability Framework; Farm, Factory, Family, and Finished Goods. Guided by its long-term vision targeting 50% carbon neutrality by 2030 and net-zero greenhouse gas emissions by 2050, the Company remains



committed to translating sustainability ambition into verified, measurable outcomes across every stage of the value chain.

In Q1/2026, Thai Wah advanced its climate accountability framework with independent third-party verification of its Corporate Greenhouse Gas Inventory and Carbon Footprint of Organization under **ISO 14064-1**, assured by Bureau Veritas and endorsed by the Thailand Greenhouse Gas Management Organization (TGO). This milestone marks Thai Wah's transition from climate disclosure to verified accountability, a standard increasingly expected by institutional investors and global procurement partners. Extending this commitment to the product level, seven SKUs, comprising five Specialty Ingredients (HVA) starch products and two Native Starch products, received **ISO 14067 Product Carbon Footprint (CFP)** certification, also verified by Bureau Veritas. Product-level cradle-to-gate emissions data directly supports customer sustainability procurement requirements and strengthens TWPC's positioning as a climate-transparent ingredient supplier in global markets.

Thai Wah Fuji Nihon Co., Ltd. received the **CSR-DIW Continuous Award 2025** from the Department of Industrial Works, Ministry of Industry, recognizing sustained multi-year excellence in environmental management, community engagement, and employee welfare at the factory level. The Company's **Sustainability Development Report 2025**, publicly released in Q1 2026 and accessible at <https://sdjourney.thaiwah.com/en/home>, consolidates full ESG disclosures aligned with GRI Standards, CDP framework, and FTSE Russell ESG criteria, reflecting material progress across all four pillars of the 4F Framework.

Looking ahead, Thai Wah will maintain this momentum by scaling ISO 14064-1 certification across all operational sites, further embedding verified climate accountability into every facet of its value chain from Farm to Shelf.





Pride and Success of 2025 - Q1/26



FTSE RUSSELL
An LSEG Business

FTSE RUSSELL score 3.8,
outperforming national averages
with a perfect 5.0 in Governance



**Achieved A level for SET
ESG Rating 2025**



Earned **CDP 2025** ratings of
B- rating for Climate Change,
C for Forests, and B- for Water Security



Rated a **Bronze medal**
by **EcoVadis** in 2025



Won **gold level for Excellence**
in **Talent Management** at the
HR Excellence Awards 2025



Recognized for the
**Sustainability Disclosure
2025** by **Thaipat Institute**



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Award 2025** from the Department of
Industrial Works

