

No. 009/2022

May 10, 2022

Subject: Submission of Management discussion and analysis of Thai Wah Public Company Limited for the three months period ended March 31, 2022

To: Managing Director
The Stock Exchange of Thailand

Enclosures: Management discussion and analysis for the three months period ended March 31, 2022

Thai Wah Public Company Limited ("TWPC") submits herewith TWPC's Management discussion and analysis for the three months period ended March 31, 2022.

For public announcement and distribution.

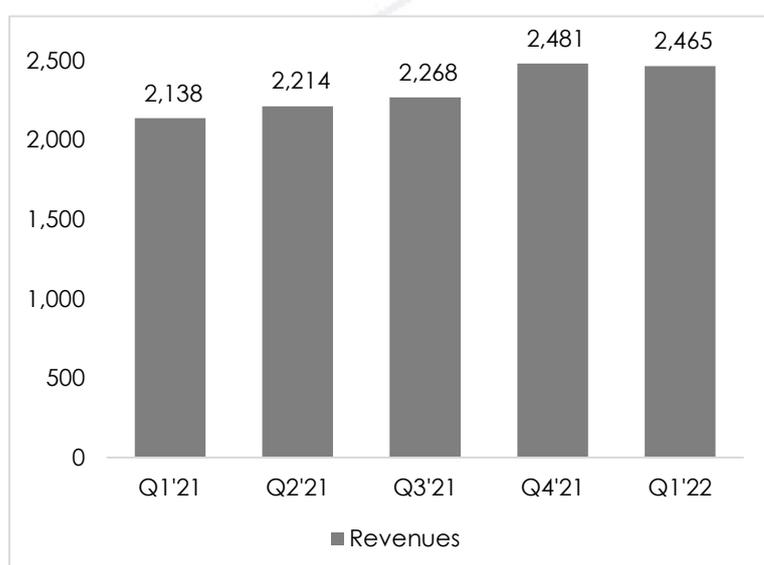
Yours sincerely,

(Mrs. Orn-a-nong Witchucharn)
Group Chief Financial Officer

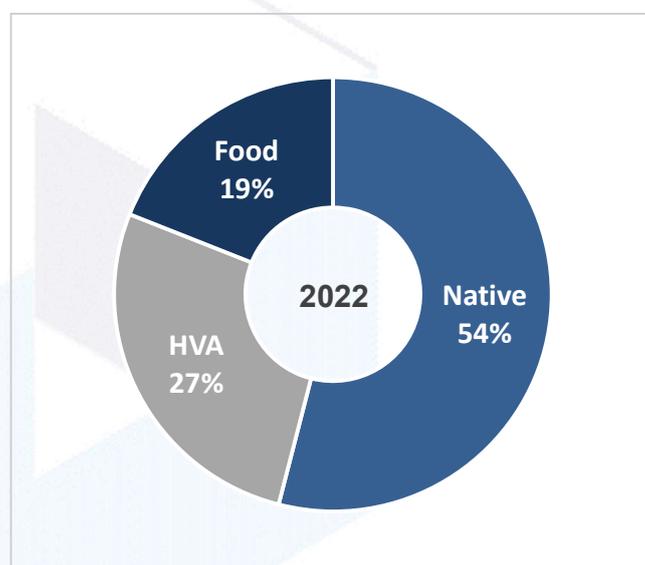
THAI WAH PCL

Management Discussion and Analysis For Q1'22 Performance ended March 31, 2022

Sale Revenue Breakdown by Quarter



Sales Breakdown by Business



Key summary

In Q1/2022, the Company consolidated Sales comprised of revenue from the Native tapioca business THB 1,321 million or 54 percent, the High value-added (HVA) products business THB 664 million or 27 percent, and the Food business THB 480 million or 19 percent. The

group's sale was THB 2,465 million, which increased by THB 328 million or 15 percent over the same period last year.

The gross profit margin recorded 24 percent, which increased 1 percent YOY. The profit rose despite various cost pressure, i.e., an

increase in the energy price. However, due to the strong demand for native tapioca starch, the market price increased by 15%. For the Food business, the Company increased the Selling price of food products this quarter. Also, the continuous LEAN program helped

improve production efficiency and was also the key driver in improving the margin.

The net profit margin was 7 percent, which was the same as the previous year.

	Q1'22	Q1'21	YoY	Q4'21	QoQ
Sales	2,465	2,138	15%	2,487	-1%
COGS	1,891	1,653	14%	2,030	-7%
GP	573	484	18%	457	26%
SG&A	363	319	14%	383	-5%
Other income*	18	35	-47%	27	-33%
EBIT	228	200	14%	101	126%
Finance cost	18	17	4%	16	11%
EBT	210	183	15%	85	148%
Tax	32	34	-6%	-3	-1307%
Net Profit	178	149	20%	88	104%
Share to NCI	12	21	-44%	7	78%
Share to equity holder	167	128	30%	81	106%
EPS	0.19	0.15	30%	0.09	106%
FX: USD/THB	33.1	30.3	9%	33.4	-1%
GPM	24%	23%	1%	18%	5%
%SG&A/Sales	15%	15%	0%	15%	-1%
NPM	7%	7%	0%	4%	4%

*Including net exchange gain and loss on fair value of derivatives



The Company's consolidated financial performance by business units as follows:

Revenue from Tapioca Starch and High value-added Businesses

In Q1/2022, the sale of tapioca starch business was THB 1,321 million, which had increased by 36 percent from the previous year. The high value-added (HVA) products business sales were THB 664 million, which had decreased by 9 percent from the previous year.

The increased sales of native tapioca starch resulted from the high demand of key import countries.

As a result, the market price of native tapioca starch also increased by 17% (including FX favorable impact from Baht depreciation against US Dollar).

Thailand's tapioca starch export volume in Q1/2022 increased by 2 percent, while the

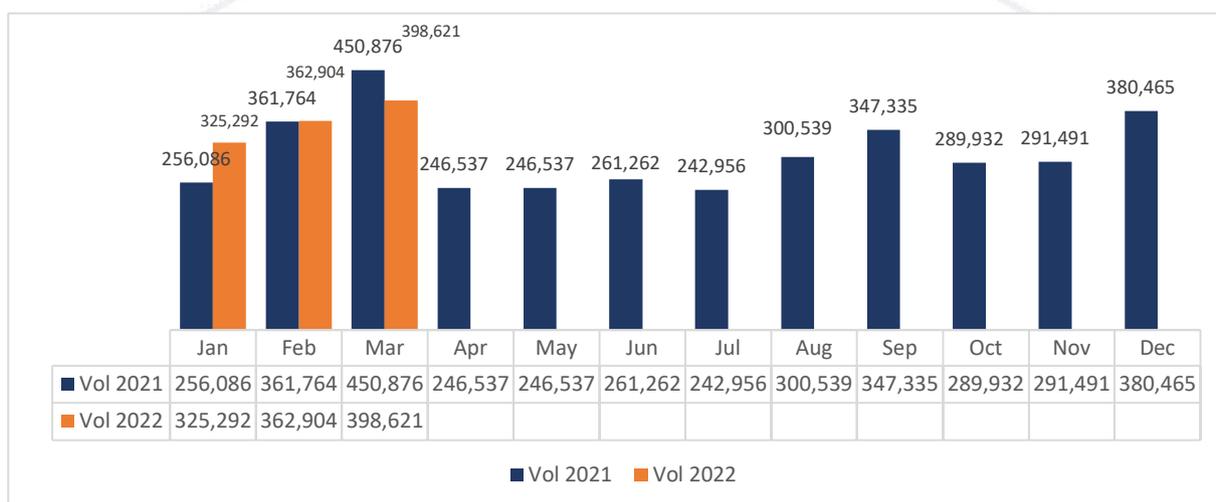
export value increased by 20% YoY. (Source: Thai Customs).

The sales of HVA products dropped by 9%, mainly from the glucose business.

The Company still faced the challenge of high ocean container freight fees. However, the availability of containers had a good sign of improvement.

The Company expected that the current COVID-19 lockdown in China, the primary market, will likely affect the industry in the short run. However, the Company's export outlook in 2022 would be positive for continuing to grow in terms of customer portfolio expansion.

Volume and value of tapioca starch exports in Thailand



Source: Thai Custom

Revenue from Food Business

The Company continues to be one of the top market leaders for vermicelli and rice noodle in Thailand, with solid growth in all key channels.

In Q1/2022, the Company recorded sales for the food business of THB 480 million, which

increased by 10 percent over the same period of the previous year. Domestic sales contributed 86 percent of the food revenue, while export sales accounted for 14 percent. In Q1'22, the Company adjusted the selling

price to cover the increase in raw materials and energy costs.

The sales that increased in key channels, mainly Wholesales, Van sales, and Industrial & Catering channels. The food business in Vietnam delivered 52 percent growth due to expansion in distribution and offered more product assortments. The New products

Gross Profit

In Q1/2022, the gross profit was THB 573 million, or a gross profit margin of 24 percent, which increased by 1 percent over the same period as the previous year.

The Company was under pressure from several cost inflation, such as increased tapioca root costs, the raw material for producing vermicelli and rice noodles, the ocean freight fee, and the energy cost. However, the gross profit margin increased by 1% from the higher selling price of tapioca starch together with the foreign exchange rate that favored the export price. These favorable prices absorbed the increase of tapioca root

launched were also the key in driving the growth in 2022.

With the Covid-19 pandemics, consumers looked for safety, hygiene, and healthy food, which aligned with the Company's strategy of offering innovative healthy food that were convenient to use.

price which increased at the same level as the increase in the tapioca starch price. For the Food business, the increase in the Company's selling price during this quarter along with adjusting the portfolio to sell more in high margin channels and continuing the lean program to increase production cost-efficiency, resulted in a higher gross profit

The Company's gross profit for the tapioca starch business was 21 percent, the same level as the previous year. The gross profit of the food business was 33 percent, 3 percent higher than the previous year.



Sales and Administrative Expenses

In Q1/2022, the sales and administrative expenses were THB 363 million, which increased by 14 percent from the previous year.

The increase was mainly due to the higher logistic costs which were aligned with the

increased in sales volume. The higher freight and transportation fee resulted from the increase in the oil prices, and the increase in people's cost to serve the new business.

Net Profit Attributable to Shareholders

In Q1/2022, the Company's consolidated net profit was THB 167 million, which had increased by THB 39 million compared to the previous year. This was mainly due to the increase in sales that had resulted from higher selling prices, higher gross margin, and the

favorable impact of the foreign exchange rate. Furthermore, the effective tax rate was reduced since the Company had utilized the tax incentive granted by BOI privileges on the Energy-saving project.

Cash Flow analysis

In 2021, net cash used for operating activities was THB 367 million, increased by THB 50 million mainly from higher finished goods pending for shipments in Q2/2022. However, the operating cash flow before the change in

working capital increased by THB 32 million due to strong operational performance.

The Company continued to be in a strong cash flow position that was sufficient for future



The Outlook for the year 2022

The Company's overall performance in 2022 was expected to be a double-digit growth with gross profit levels higher than the previous year. Even though raw material and logistics remained key challenges, the Company continued to drive cost-efficiency and apply innovative technology from farm to shelf.

In the 2021/2022 crop season, the tapioca root production was expected to be 33.0 million tons, an increase of 4 percent from the 2020/2021 season. However, the high demand for tapioca chips, which increased by approximately 39%, resulted in the root price increasing higher than 3 BHT/KG in April, which might cause root shortage during the low season. On the demand side, the Company expected that the shutdown of China would affect the short term, while the demand would bounce back to normalcy after the main port re-opened.

The outlook business of Food continued to grow from distribution expansion and the new product launch, while the cost inflation would be managed by production efficiency through the lean program.

The Bioplastic line was on track and expected to start selling by May 2022. This project aimed to drive the circular economy through a step-change in tapioca-based bioplastics for supporting sustainable growth in the long term.

As for Thai Wah Ventures Co., Ltd, it was in the process of closing the deal with three overseas start-ups that all had synergy with the Company's future business model.