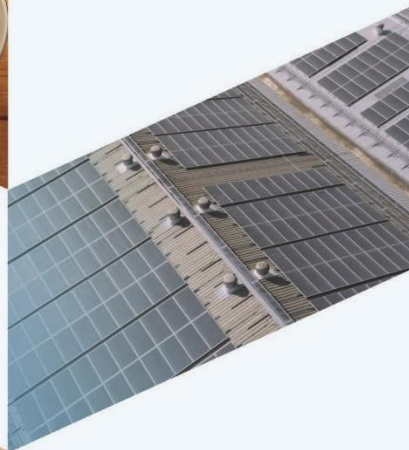
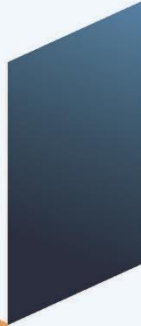




**THAI WAH**  
PUBLIC COMPANY LIMITED

# Management Discussion and Analysis For Q2/2025 Operating Results

**11<sup>th</sup> August 2025**



Creating  
Innovation  
and Sustainability  
**from Farm to Shelf**

Thai Wah Public Company Limited

## Management Discussion and Analysis (MD&A)

### Consolidated Financial Results for Q2 2025

#### Executive Summary

**Thai Wah Public Company Limited (“TWPC”)** is positioned to deliver exceptional shareholder value through the strategic 2030 roadmap. The Company is rapidly scaling its high margin food and specialty ingredients portfolio, diversification into new geographies, and supply chain cost optimization. Through targeted acquisitions and operational synergies across business units, TWPC is building a resilient, diversified food platform designed to strengthen its core businesses.

The Company continues to make progress on rebalancing its business portfolio for greater flexibility and resilience, while reinforcing its core operations. Since late 2024, TWPC has implemented a portfolio transformation strategy, cost reductions and organization restructure, and disciplined expense control, alongside the development of new products to expand its customer base and increase sales.

These initiatives have delivered clear results in the first half of 2025, with sales revenue reaching THB 4,599.7 million and net profit attributable to the Company of THB 138.3 million. The gross profit margin stood at 22.8%, reflecting the successful execution of its strategy and reaffirming that the Company is on the right track toward its long-term objectives.

#### **Key Performance Highlights**

**In Q2/2025, TWPC recorded a turnaround net profit of THB 67.6 million,** compared to a net loss of THB 60.1 million in the previous year. This change was attributed to a 16.7% increase in volume and a gross margin rise to 21.2%, up from 13.5% in Q2/2024. Though total revenue declined 3.8% to THB 2,300.9 million due to lower tapioca starch market prices, the food business grew 14.9% YoY. SG&A expenses were controlled, particularly a decline in administration expenses. However, selling expenses increased attributed to higher distribution costs corresponding to volume growth. Strong cash from operation, with EBITDA at THB

216.8 million and IBD/E at 0.26x. Cash received from the partnership with Fuji Nihon (Thailand) was allocated to repay high-interest debt, leading to a 53% reduction in cost of funds to THB 13.6 million in Q2/2025.

- **Starch Business:** Thai Wah Rose Brand remained the leading brand in China's food segment, with volumes increasing by 17.4% compared to a market growth rate of 2%. Gross margin increased by 773 bps YoY, despite a major shutdown period of native starch factories in June. Improvements in gross margin were observed in both native and high value-added segments (HVA), due to measures in root cost management and production efficiency. Revenue was THB 1,633.5 million, a decrease of 10.5% from THB 1,825.0 million, primarily due to a decline in market prices within the tapioca sector.
- **Food Business:** Revenue increased by 14.9% YoY, reaching THB 646.6 million from THB 562.9 million, primarily driven by growth in the Ready-to-eat (RTE) segment (+51.7% YoY), improved performance in the export business (+55.2% YoY), and profitability turnaround of Vietnam business. This was supported by effective marketing strategies and enhanced customer acquisition across a diversified portfolio, including exports, ready-to-eat categories, and strong expansion in the Vietnam market.

In 1H/2025, TWPC achieved a net profit of THB 138.3 million, a significant improvement compared to THB 5.8 million in 2H/2024. Both the Starch and Food segments delivered promising performance, resulting in gross margin increase to 22.8%, versus 15.6% in 1H/2024, despite total sales revenue declining 8.3% YoY to THB 4,599.7 million. YTD SG&A expenses were well managed, with a reduction in administrative expenses, reflecting improved cost management, while selling expenses rose as a result of higher distribution costs and investment in marketing expenses to drive growth in Food business.

### Key Development in Q2/2025

TWPC is forging strategic global partnerships with industry leaders, technology pioneers, and sustainability champions to revolutionize innovation across the entire agri-food value chain, accelerating transformative solutions that benefit farmers, communities, and consumers worldwide. Our commitment extends beyond

business growth to building collaborative ecosystems that create lasting positive impact through shared expertise, resources, and vision for a more sustainable food future.

- **April 21, 2025:** The 2025 Annual General Meeting of Shareholders approved the agenda on dividend payment at a rate of THB 0.057 per share, with the payment scheduled for May 20, 2025.
- **April 29, 2025:** TWPC, in collaboration with VGREEN KU and the Large-Scale Tapioca Farmers Community Enterprise in Non-Sa-at District, Udon Thani Province, launched the **“Cassava Farm Carbon Credit” project** under the “Thai Wah Model” to promote sustainable and environmentally friendly farming.
- **May 27, 2025:** TWPC, in collaboration with Temasek, hosted the regional seminar **“The Southeast Asia Agri-Food Roundtable 2025.”**
- **May 28, 2025:** TWPC participated at the ***First Movers Coalition*** for Food Regional Meeting hosted by The World Economic Forum. The initiative aims to accelerate the adoption of sustainable production methods and technologies for high emitting agricultural commodities to through the power of aggregated demand.
- **May 31, 2025:** Mr. Ho Ren Hua, CEO, and the TWPC executive team participated in **THAIFEX–ANUGA ASIA 2025**, showcasing a full range of innovative food products and launching a new menu item, Tam Sen Lek Pla Ra (fermented fish spicy noodle salad), under the Double Dragon brand.
- **June 5, 2025:** Dr. Kobkarn Phutrakul posed for a photo with Ms. Sasinee Pansailom from TWPC to commemorate the Company’s recognition award for its participation in the **“Think to Trash” project**, organized by the Thai Listed Companies Association and the Securities and Exchange Commission (SEC).





Figure 1: Launched the pilot project to decarbonize Cassava Supply Chain in Udon Thani together with V Green



Figure 2: Co-hosted the 4<sup>th</sup> SEA Agri Food Roundtable in collaboration with Temasek focusing on sustainable agri-food innovation



Figure 3: Participated as a Member of the First Movers Coalition for Food by the World Economic Forum



Figure 4: Double Dragon Innovative Product launch at THAIFEX-ANUGA ASIA 2025



Figure 5: Recognized by SEC and SET for "Think to Trash" project participation promoting circular economy principles

## Business and Industry Overview

- Q2/2025 Cassava market dynamics fundamentally shifted as the industry entered its traditional "low season."** Fresh cassava root supply constraints created a supply-demand imbalance that limited starch factory operations across Thailand. Native starch demonstrated modest volume growth of 3% to 1.7 million MT in H1/2025, but export values decreased 30% to THB 22.3 billion YoY, reflecting price compression in the commodity starch market. Modified starch showed resilient volume expansion of 2.0% to 527,410 MT, with export values declining a more moderate 13% to THB 14.6 billion, indicating better price stability in the value-added segment. Tapioca pearl achieved the

strongest volume growth at 8% to 22,365 MT, though export values still contracted 9% to THB 615 million, demonstrating the specialty product's relative market resilience despite broader pricing headwinds. Thai Wah Group continue to outperform the market on all product categories with over 10% average growth YoY.

- ***The Thai food industry showing signs of recovery towards end of Q2/2025***, outlook for food consumption reveals a strategic shift toward value-driven hybrid models balancing in-home and out-of-home options. Post confirmation of the reciprocal tax announcement, economic pressures with modest 2.3% growth and rising living costs are driving Thai consumers toward value-driven pragmatism, prioritizing essentials like groceries and health products, while inflation and cost-consciousness are making online delivery services more attractive than traditional dining out due to affordability and convenience. Meanwhile, in-home consumption is strengthening as consumers gravitate toward preserved foods, shelf-stable items, and convenience foods growing close to 10% over the next 3 years. Thai Wah Food business is well positioned with strong core product portfolio, global export distribution network and ready to eat portfolio has outperformed market with over 10% growth YoY.
- ***Trump administration tariff policies*** are reshaping global food trade flows with mixed implications for Thai exporters across key markets. While potential US tariffs on Thai food products could pressure direct exports to America, the policy creates significant trade diversion opportunities as Chinese, Vietnamese, Indonesian, and Philippine importers seek alternative suppliers amid US-China trade tensions. European and Middle Eastern markets remain largely insulated from direct tariff impacts, potentially absorbing increased Thai export volumes as global supply chains reconfigure. Thai food companies with diversified export portfolios like Thai Wah are strategically positioned to capitalize on these shifts, leveraging established relationships across China, ASEAN, Europe, and the Middle East to offset any US market constraints. The

tariff environment may accelerate Thailand's pivot toward high-growth Asian and Middle East markets where demand fundamentals remain robust, and trade relationships face fewer political headwinds.

- **Industry outlook remains optimistic** despite identifiable headwinds that require strategic navigation. Krungsri research forecast of 0.6 – 2.6% year-over-year growth in Thailand's tapioca native starch exports to 3.3 – 3.4 million tons reflects fundamental market strength, reinforcing Thailand's global export leadership position. The Company has also prepared and implemented comprehensive risk mitigation strategies to maintain cost to price gap, including supply chain diversification across multiple geographic locations, strategic inventory positioning, and flexible sourcing arrangements. These measures ensure operational continuity and sustainable growth while minimizing vulnerability to external market volatility and geopolitical developments.





## Financial Performance for Q2 and 1H/2025

### Summary of Consolidated Statement of Profit or Loss

Unit: Million Baht	Q2-24	Q2-25	%YoY	1H-24	1H-25	%YoY
Total Sales	2,391.2	2,300.9	(3.8%)	5,017.4	4,599.7	(8.3%)
Cost of Sales	2,067.4	1,813.8	(12.3%)	4,234.5	3,550.7	(16.2%)
Gross Profit	323.8	487.1	50.4%	782.9	1,049.0	34.0%
Selling and Distribution Expenses (SG&A)	382.3	409.8	7.2%	755.7	845.6	11.9%
Other income <sup>(1)</sup>	18.8	23.8	26.2%	44.2	49.3	11.4%
EBIT	(39.7)	101.1	354.8%	71.4	252.7	253.8%
<b>Core EBIT <sup>(2)</sup></b>	<b>(39.7)</b>	<b>101.1</b>	<b>354.8%</b>	<b>71.4</b>	<b>271.7</b>	<b>280.4%</b>
EBITDA	81.8	216.8	165.1%	314.4	483.0	53.6%
<b>Core EBITDA <sup>(2)</sup></b>	<b>81.8</b>	<b>216.8</b>	<b>165.1%</b>	<b>314.4</b>	<b>502.0</b>	<b>59.7%</b>
Profit (Loss) for the Period	(75.2)	61.9	182.3%	(3.5)	146.7	4,315.2%
Profit to attributable to owner of the parent	(60.1)	67.6	212.6%	5.8	138.3	2,269.8%
<b>Core Profit from operation <sup>(2)</sup></b>	<b>(93.5)</b>	<b>52.4</b>	<b>156.1%</b>	<b>(27.6)</b>	<b>169.1</b>	<b>711.7%</b>
<b>Key ratios (%)</b>						
Gross profit margin	13.5%	21.2%	7.7%	15.6%	22.8%	7.2%
SG&A to net sale ratio	16.0%	17.8%	1.8%	15.1%	18.4%	3.3%
EBIT margin	(1.7%)	4.4%	6.1%	1.4%	5.5%	4.1%
EBITDA margin	3.4%	9.4%	6.0%	6.3%	10.5%	4.2%
Net profit margin for the period	(3.1%)	2.7%	5.8%	(0.1%)	3.2%	3.3%
Net profit margin to the owner of the parent	(2.5%)	2.9%	5.4%	0.1%	3.0%	2.9%
Core Profit margin from operation	(3.9%)	2.3%	6.2%	(0.6%)	3.7%	4.3%

(1) Including net exchange gain (loss) and profit (loss) on fair value of derivatives

(2) Excluding non-recurring item from restructuring

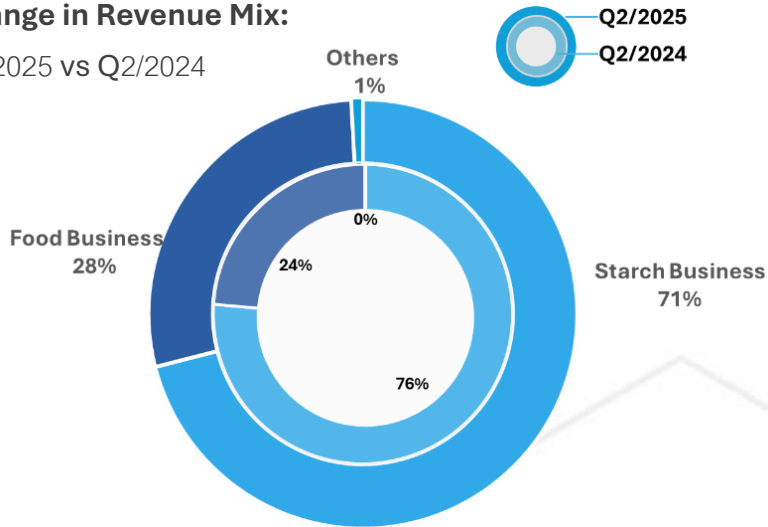
### Breakdown of Sales by Business Segment in Q2 and 1H/2025

Unit: Million Baht	Q2-24	Q2-25	%YoY	1H-24	1H-25	%YoY
<b>Total Sales</b>	<b>2,391.2</b>	<b>2,300.9</b>	<b>(3.8%)</b>	<b>5,017.4</b>	<b>4,599.7</b>	<b>(8.3%)</b>
Starch Business	1,825.0	1,633.5	(10.5%)	3,797.8	3,262.8	(14.1%)
<i>Native Starch</i>	924.5	802.7	(13.2%)	2,067.9	1,667.4	(19.4%)
<i>HVA</i>	900.5	830.8	(7.7%)	1,729.9	1,595.4	(7.8%)
Food Business	562.9	646.6	14.9%	1,133.9	1,279.6	12.9%
Others	3.3	20.8	529.9%	85.8	57.3	(33.2%)



### Change in Revenue Mix:

Q2/2025 vs Q2/2024



## Summary of Operating Results for Q2 and H1/2025

In Q2/2025, TWPC recorded a turnaround net profit of THB 67.6 million, compared to a net loss of THB 60.1 million in the previous year. This change was attributed to a 16.7% increase in volume and a gross margin rise to 21.2%, up from 13.5% in Q2/2024. Though

total revenue declined 3.8% to THB 2,300.9 million due to lower tapioca starch market prices, the food business grew 14.9% YoY. SG&A expenses were controlled, particularly a decline in administration expenses. However, selling expenses increased attributed to higher distribution costs corresponding to volume growth. Strong cash from operation, with EBITDA at THB 216.8 million and IBD/E at 0.26x. Cash received from the partnership with Fuji Nihon (Thailand) was allocated to repay high-interest debt, leading to a 53% reduction in cost of funds to THB 13.6 million in Q2/2025.

In 1H/2025, TWPC achieved a net profit of THB 138.3 million, a significant improvement compared to THB 5.8 million in 2H/2024. Both the Starch and Food segments delivered exceptional performance, resulting in gross margin increase to 22.8%, versus 15.6% in 1H/2024, despite total sales revenue declining 8.3% YoY to THB 4,599.7 million. YTD SG&A expenses were in control, with administrative expenses reduction, reflecting improved cost management, while selling expenses rose as a result of higher distribution costs and higher investment in marketing to drive growth in Food business.

### Starch Business Sales

In Q2/2025, overall volume increased by 17.4% YoY from a continuous growth recovery of key market in China and a turnaround of Vietnam business. However,

revenue was at THB 1,633.5 million, a decrease of 10.5% from THB 1,825.0 million in Q2/2024, as higher volumes were outweighed by lower average selling prices reflecting commodity nature of the products impacted by softer market prices.

For 1H/2025, volumes for native starch and HVA starch rose 13% and 4% YoY respectively, underscoring stable underlying demand. Starch business generated THB 3,262.8 million in revenue, down 14.1% YoY from THB 3,797.8 million in 1H/2024, mainly driven by lower average selling prices in native starch in line with global commodity trends.

### **Food Business Sales**

Food business was a key growth driver for TWPC, the growth was outpaced that of starch business. In Q2/2025, revenue from the food grew strongly by 14.9% YoY to THB 646.6 million, supported by successful new product developments (NPDs) that broadened the portfolio and captured incremental demand in both domestic and export markets. The introduction of premium SKUs and targeted marketing campaigns boosted brand visibility, attracting new customers while increasing penetration in existing channels. Strong customer uptake of NPDs helped offset price competition in some traditional SKUs, enabling the segment to achieve double-digit revenue growth

For 1H/2025, revenue from the food business totaled THB 1,279.6 million, up 12.9% YoY. The growth was primarily supported by successful rollout of NPDs launched in late 2024 and early 2025, which together contributed a meaningful share of the period's incremental sales. Expansion into new distribution channels and enhanced customer engagement program further strengthened sales momentum. Food performance reflects the effectiveness of the Company's innovation pipeline and reinforces its ability to generate sustainable growth through continuous product development.



## Gross Profit and Gross Profit Margin

In Q2/2025, the Company achieved gross profit of THB 487.1 million, representing increase of 50.4% YoY, lifting gross margin to 21.2% from 13.5% in Q2/2024. All segments recorded gross profit and gross profit margin growth, supported by cost control measures, particularly in starch business (both raw material costs and production efficiency), on top with favorable product mix and volume gains in all segments.

For 1H/2025, gross profit reached THB 1,049.0 million, an increase of 34.0% YoY, with gross margin improving to 22.8% from 15.6% in 1H/2024. The improvement was driven by continuous cost management strategies (both raw material costs and production efficiency), accretive innovations in foods, HVA starch portfolio management toward high-margin product lines and favorable product mix.

The results highlight our commitment in expanding value-driven opportunities, improving cost efficiency, and elevating the quality of the product portfolio across all business segments.

## **Selling and Distribution Expenses (SG&A)**

SG&A was controlled. The rise in SG&A was largely driven by higher selling expenses, with investment in marketing expenses driving growth in the food business (particularly targeting wholesale and modern trade channels), coupled with higher distribution costs resulting from increased sales volumes. In contrast, 2Q/2025 administrative expenses decreased.

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

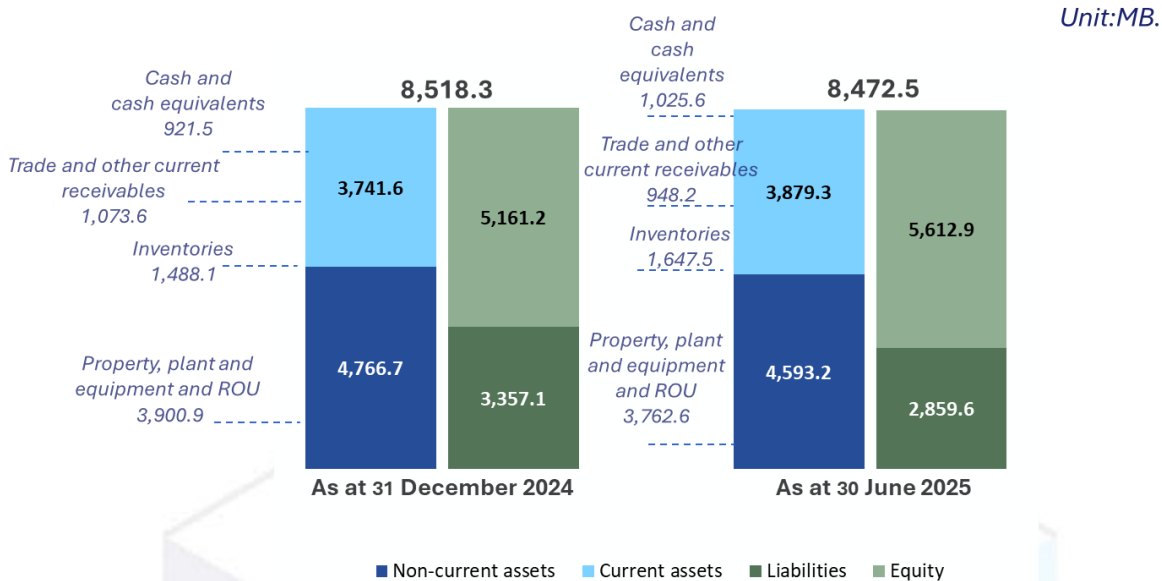
In Q2/2025, the Company posted a net profit attributable to owners of the parent of THB 67.6 million, compared with a net loss of THB 60.1 million in Q2/2024. The net profit margin recovered to 2.9%, reflecting strong operational performance and effective cost management in line with strategic priorities.

For 1H/2025, net profit attributable to owners of the parent reached THB 138.3 million, up 2,269.8% from THB 5.8 million in 1H/2024. with margin rising to 3.0% from 0.1%, supported by improved profitability across all segments, led by the food business. The Company remains focused on sustaining momentum through operational efficiency, disciplined cost control, and profitable portfolio growth, while navigating headwinds from commodity price volatility, U.S. tariffs, and geopolitical tensions. Strategic risks management measures are in place to address market uncertainties and optimize raw material sourcing.





## Financial Positions Analysis



As of June 30, 2025, the Company reported total assets of THB 8,472.5 million, a decrease of THB 45.8 million (or 0.5%) from December 31, 2024, primarily due to depreciation and amortization of fixed assets during the first half of the year.

Total liabilities stood at THB 2,859.6 million, a decrease of THB 497.4 million (or 14.8%) from December 31, 2024, mainly due to loan repayments to financial institutions.

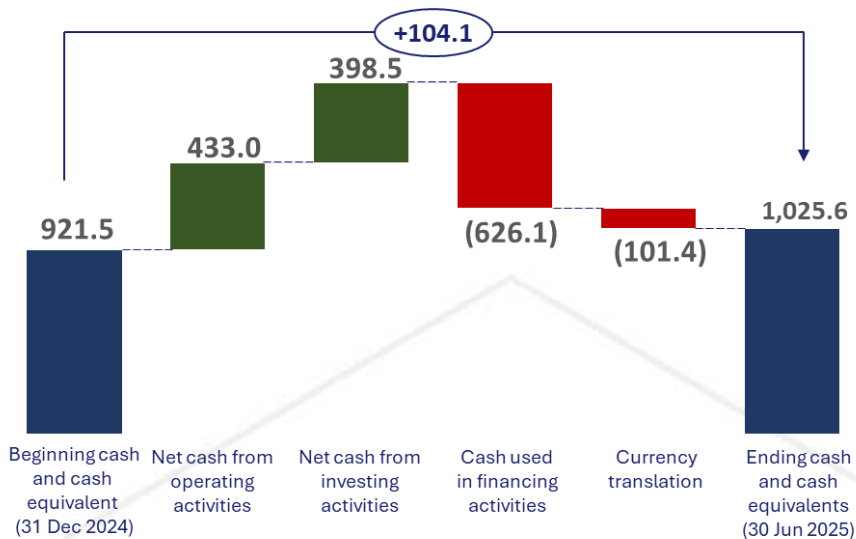
Total shareholders' equity was THB 5,612.9 million, an increase of THB 451.6 million (or 8.8%) from December 31, 2024, driven by net profit for the period and the increase in non-controlling interests following the investment by Fuji Nihon (Thailand) Co., Ltd. in the tapioca starch business.





## Cash Flow Analysis

Unit:MB



As of June 30, 2025, the Company had cash and cash equivalents of THB 1,025.6 million, an increase of THB 104.1 million from THB 921.5 million as of December 31, 2024.

The Company generated net cash inflows from operating activities of THB 433.0 million, primarily driven by operating profit.

In addition, the Company recorded net cash inflows from investing activities of THB 398.6 million, mainly from the partial divestment of a subsidiary to Fuji Nihon (Thailand) Co., Ltd.

The Company reported net cash outflows from financing activities of THB 626.1 million, primarily due to loan repayments to financial institutions.

## Financial Ratio Analysis

Key Ratios	Q2-24	Q2-25	1H-24	1H-25
Cash cycle (days)	106	87	92	86
Number of day of inventory (days)	81	68	68	64
Collection period (days)	42	40	40	42
Account Payable (days)	17	21	16	20
Current ratio (times)	1.74	2.13	1.74	2.13
IBD/Equity (times)	0.53	0.26	0.53	0.26
Return on Equity (ROE %)	1.5	1.3	1.5	1.3
Return on Asset (ROA %)	1.0	2.4	1.0	2.4

In Q2 and 1H 2025, the **Company's cash cycle** shortened significantly, dropping from 106 to 87 days in Q2 and from 92 to 86 days in 1H, reflecting more efficient working capital utilization and improved cash flow management.

In addition, **Number of days of inventory improved**, with average inventory days falling from 81 to 68 days in Q2 and from 68 to 64 days in 1H 2025, indicating better inventory management.

Liquidity and financial position also improved noticeably, with the **current ratio rising** to 2.13x from 1.74x.

The **interest-bearing debt-to-equity (IBD/E)** ratio declined to 0.26x from 0.53x, following loan repayments to financial institutions in the first half of 2025.

The **Return on Equity (ROE)** slightly decreased to 1.3% from 1.5%, due to net profit still in recovery mode.

Meanwhile, the **Return on Asset (ROA)** increased to 2.4% from 1.0%, reflecting improved efficiency in generating revenue from the Company's asset base.

## Business Outlook and Strategy for 2H/2025

In Q3, the tapioca starch business will continue enter its seasonal low period, as is typical for the industry cycle during the peak of the rainy season, leading to a temporary decline in raw material supply before recovery begins in Q4. Nevertheless, the Company has prepared a strategic plan to systematically manage raw material risks, aiming to minimize the impact of input cost volatility.

For the food business in 2H/2025, the Company will continue to drive growth through new product development (NPD), particularly in the Ready-to-Eat (RTE) and Ready-to-Cook (RTC) categories, with 3–4 new noodle-based products planned. These initiatives are designed to boost sales, expand the customer base, and enhance brand awareness in key target segments in Thailand and Vietnam.

The Company also aims to strengthen domestic offline distribution channels while accelerating export expansion in the Asia-Pacific (APAC) region to access new consumer segments.

In response to the long-term growth of the food market in APAC, the Company is adapting its product strategies to meet rising demand for healthier, clean-label, gluten-free, and non-GMO options, catering to health-conscious and sustainability-minded consumers.

The Company's cost efficiency program continues to maintain positive momentum to unlock costs for further investment to drive growth in our Food and Specialty Starch business. All these efforts reflect the Company's commitment to building a sustainable growth platform for its food business, creating long-term value for consumers, partners, and all stakeholders.

### **Corporate Sustainability Development**

Thai Wah drives industry-leading sustainability transformation through four strategic pillars: farmer development, green factories, employee family well-being, and food quality. The Company aggressively pursues renewable energy adoption, targeting 50% renewable electricity consumption and carbon neutrality by 2030, with net-zero greenhouse gas emissions by 2050.

Sustainability momentum accelerates with measurable impact: 22% renewable energy consumption achieved, and greenhouse gas emissions slashed by 37% year-over-year. These results demonstrate Thai Wah's unwavering commitment to building a carbon-neutral future while maintaining operational excellence across all business segments. The Company's sustainability excellence earned recognition through the EcoVadis Bronze Certificate, validating Thai Wah's comprehensive

approach to environmental stewardship, labor practices, ethics, and sustainable procurement across global operations.

Thai Wah catalyzes global agri-food ecosystem transformation through strategic partnerships with world-class institutions. On May 27, the Company co-**hosted the Southeast Asia Agri-Food Roundtable 2025 with Temasek**, convening regional leaders to accelerate sustainable innovation across the agri-food value chain. The following day, Thai Wah participated in **the World Economic Forum's First Movers Coalition for Food Regional Meeting**, joining global corporations committed to driving demand aggregation for breakthrough sustainable agriculture technologies. These high-profile collaborations position Thai Wah as a thought leader in building comprehensive partnerships that transcend traditional industry boundaries, fostering collective action toward sustainable food system transformation across Southeast Asia and beyond.

At community level, Thai Wah mobilized over 500 farmers and local government delegates at the TDC Open House, showcasing the "Thai Wah Model" for driving Bio Circular Green Economy transformation across rural communities. This large-scale engagement platform demonstrated how sustainable agriculture practices, circular economic principles, and community empowerment converge to create lasting economic and environmental value. The event reinforced Thai Wah's commitment to knowledge transfer and capacity building, enabling farmers and local authorities to implement scalable Bio Circular Green Economy solutions that enhance productivity while preserving natural resources for future generations.

#### SET ESG Rating



Awarded SET A ESG rating in 2024 for our commitment and execution in the Agri Food Sector

#### SEA Agri Food Roundtable



Co Hosted the 3rd SEA Agri Food Roundtable in Bangkok to catalyze sustainability and innovation from Farm to Shelf

#### HR ASIA AWARDS



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