

FORGING THE FUTURE - THAI WAH 9M 2023 Results



THAI WAH PUBLIC COMPANY LIMITED
Quarter 3 2023 Performance Update

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THAI WAH PUBLIC COMPANY LIMITED
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BUSINESS HIGHLIGHTS

Amplifying our ESG commitments across TH and APAC

STEWARDSHIP ASIA



Thai Wah was selected among the 25 best projects of steward leadership excellence within the APAC Region.

SEA Agri Food Roundtable



Co Hosted the 2nd SEA Agri Food Roundtable in Bangkok to catalyze sustainability and innovation from Farm to Shelf

HR ASIA AWARDS

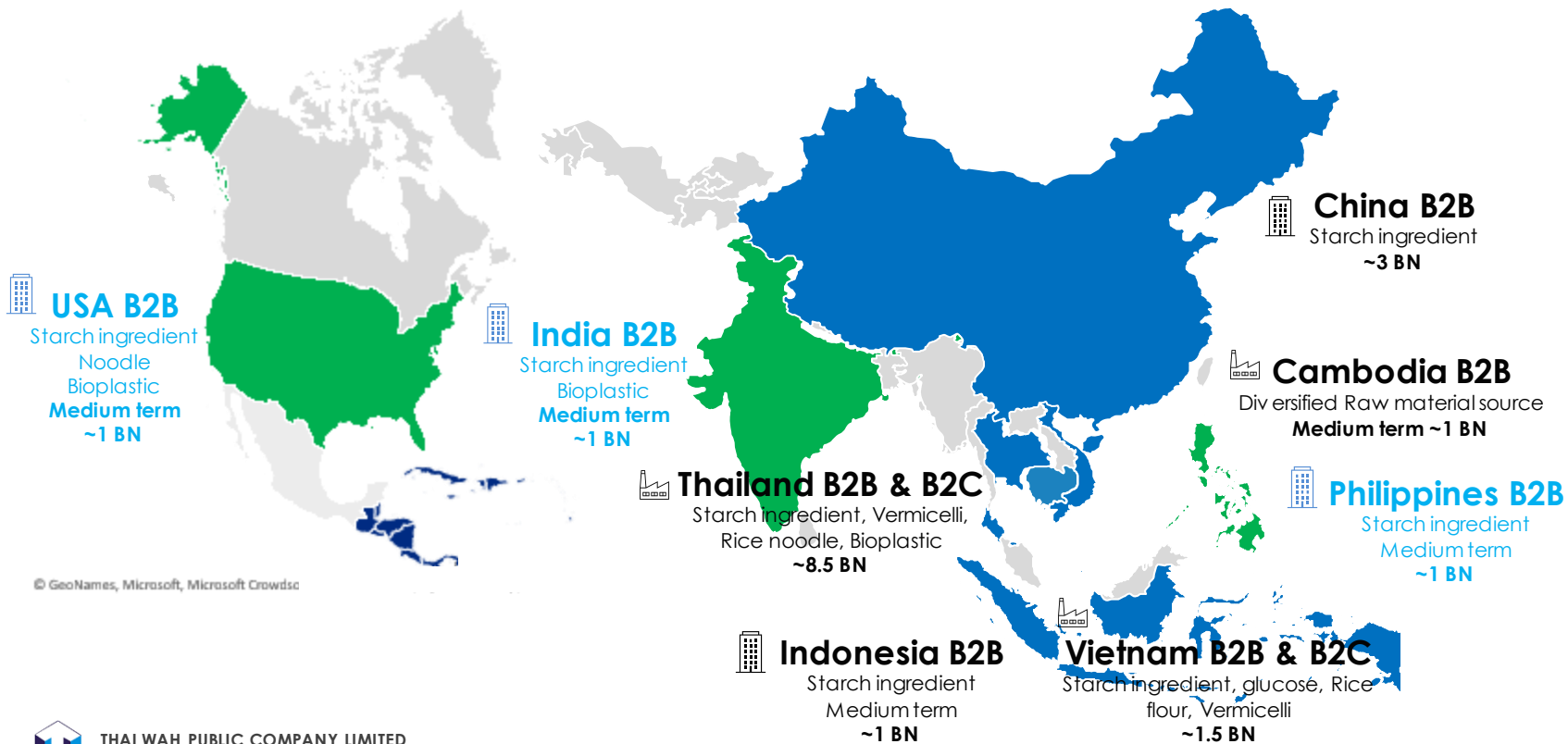


Best Companies to Work for in Asia 2023
2nd consecutive year

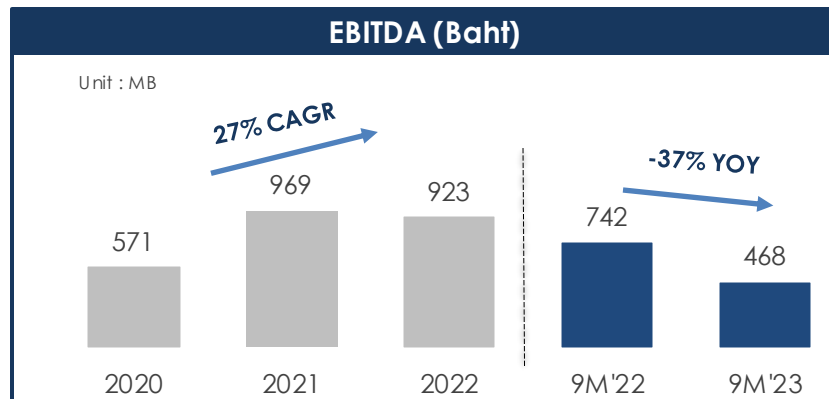
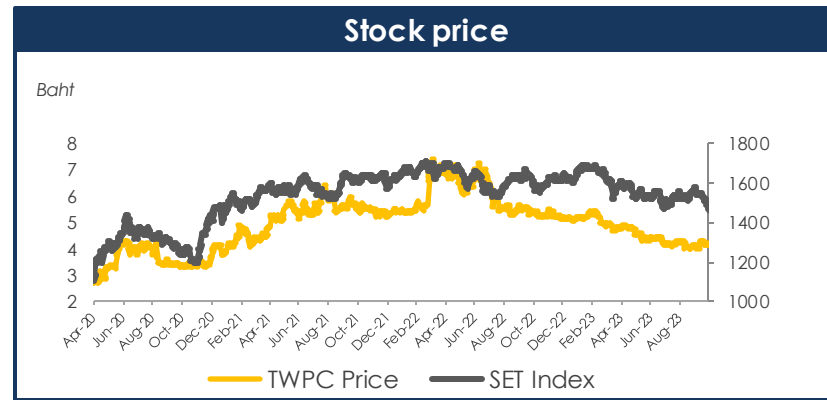
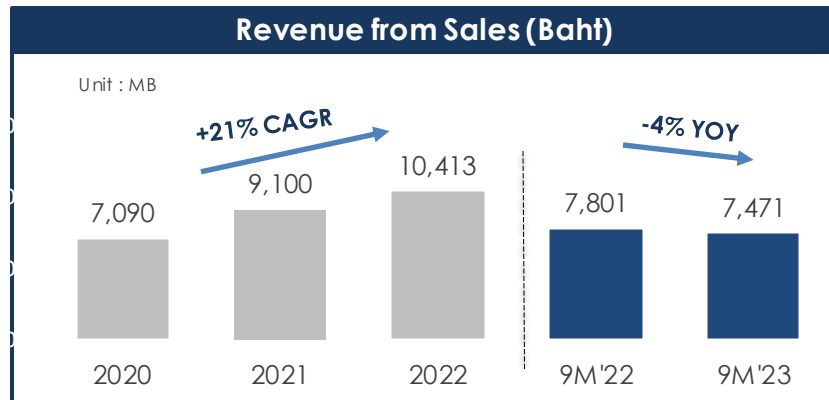


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Quarter 3 2023 Performance Update

Serving starch ingredient and noodle products over 40 countries with aspiration to be top-3 in all categories



Food & Modified starch continued high digit growth, EBITDA dropped impacted from cost inflation



- ### Summary
- **Solid growth** in Food, modified starch, and native sales in China Subsidiary.
 - **Headwinds impacted from shortage of cassava roots** caused volume and margin of native starch dropped
 - **EBITDA dropped mainly reflected high raw material costs** of cassava roots reflected weak harvest in this year. The company continued in Lean program and productivity improvement to mitigate this cost inflation.



9 Month 2023 Key highlights

Solid Growth for Food business

- **Grew 7% YoY revenue** driven by product portfolio expansion and deepening the *market access* across all core channels
- New products are key main driver to drive the growth momentum.

High demand for Modified Starch business

- **Grew 20% YoY** on modified starch with high traction from the 'Global Key Accounts'. strong sales and capability and high traction from 'Global Key Accounts'
- Strong Technical sales service capability with the global sales team to tap in opportunities in the new markets.

Strong ROSE brand in China market

- **Grew 6% YoY** on Native starch distributed in China market, while TH industry export value to China drop 24%.
- ROSE brand is recognized as one of Food grade tapioca starch that take the market leader in China.



Low margin spread for native tapioca starch mainly due to high raw material cost impacted from drought, rain delay, low starch content of cassava roots. The Company implements mitigation measures to manage downside risks in 2023/2024 Crops.



Continue to rebalance and scale a strong global portfolio



FOOD BUSINESS



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Continue to innovate for the changing consumer needs in SEA with over 5 new product launches

Dry Vermicelli



Dry Rice Noodles



Ready to Cook



Fresh Vermicelli



Fresh Rice Noodles



Instant Products



Bean Sheet



Starch / Sago / Pearl



Rice Paper / Other



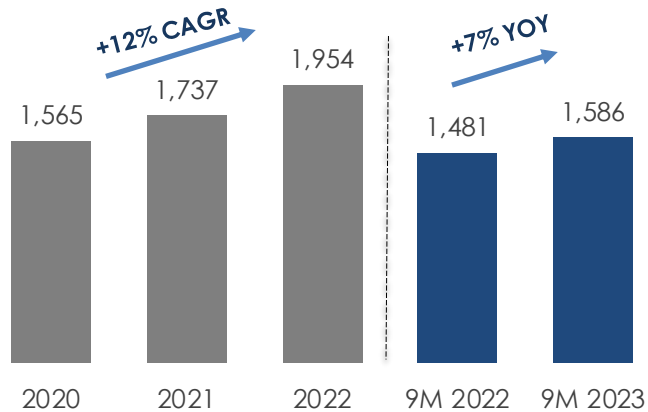


Maintaining the momentum of steady double-digit sales growth

Our Ambition...

CONSISTENTLY DELIVER double digit growth

Unit : MB



Top dishes

'Everyday' dishes



Convenience

'Ready to Cook'



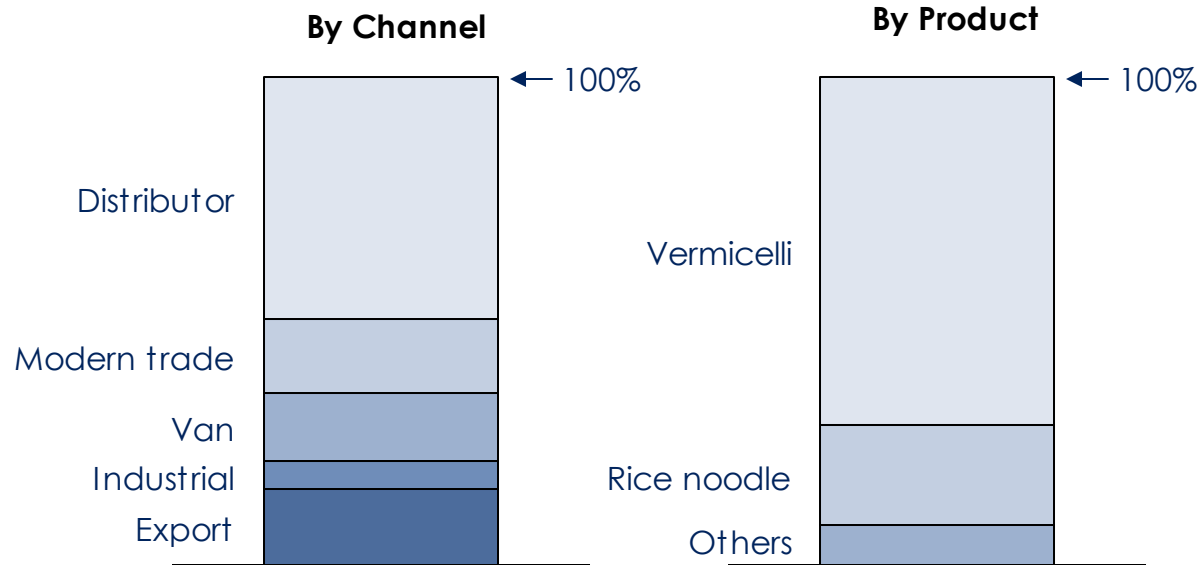
'Anywhere, Any Time,
On the Go'



Healthy for You



Strengthen growth in key channels and continue to build brand awareness



Key strategy :

- Increase distribution coverage in Traditional trade /Modern Trade and Van
- Leverage global standard line to grow Export and Industrial sales
- Continue momentum of Brand building to be 'Top of mind'
- Accelerate launch of new products to the market



Remain number one in Ready to Eat vermicelli category in the nation with over 20 million cups sold



Continue to innovate for our customers with new flavors and textures soothing for the Asian pallet

**2023 SEA Breakthrough
Innovation winner** awarded by
Nielsen IQ.



Launched 'Guay Jub Yuan' flavor to capture the non spicy
consumer segment with health, authentic Ubonrachatani
flav or



Launched 5 new products since September into leading retailers nationwide

Answering different consumer cooking lifestyle

Serving different type of Street Food Operators

Double Dragon Bean Sheet Noodles



Double Dragon Instant Cook Dry Vermicelli



Double Kirin JubChae Fresh Noodles



Double Kirin Dry Vermicelli



Double Kirin Rice paper



B2B Solutions – Starch and Ingredients



Creating a solution – based B2B food platform from our multi-crop expertise

Developed strong capability throughout our 75 years journey with plant-based ingredients: *Tapioca, rice, mung bean, sweet potato, arrowroot* across *starches, flours, proteins and fibers*

Continuously create natural and innovative solutions from starches across 5 main applications including *bakery, noodles, snacks, sauces and food solutions*.



Strengthening our high value starch and food ingredients solutions to serve the global customers

Clean Label

To serve natural, high quality, clean-label friendly ingredients including functional native starch

Tapioca Starch
Cassava Flour
Waxy Tapioca Starch
Rice Starch and Flour
Waxy Rice Starch and Flour
Coarse Flour
Tapioca Pearl
ALPHA



Healthy Solutions

To deliver on-trend solution for health-conscious consumer particularly gluten-free, low GI and Fiber

Organic Tapioca Starch
Organic Rice Flour
Organic Syrup
Gluten-free Premix
Tapioca Fiber
Resistant starch



Functional Solutions

To provide highly functional ingredients that withstand food processing, enhance sensory attributes and provide cost optimization. Our extensive R&D capabilities help move your product to market faster

Modified Tapioca Starch
Functional Starch
Syrup / Sweeteners
Premix



Innovating more than > 50 SKUs and customized solutions with accelerated growth

Cost reduction



FIBIOCA CF

Plant-Based Solution



CASSTEX G1
CASSBIND 321P

Free-From



CASSBAKE 101

Pregelatinized



CASSBAKE 157

Expansion



AMYROSE CRIPS

High Fiber solution



FIBIOCAR S

Stable Thickener



CASSFLO 500

Freeze Thaw Stability



AMYROSE 576 WX

Texturizer



CASSTEX HF201

Savory Formulation



CASSFLO 880



FIA Bangkok: Over 400 visitors from 38 countries paving way to food solutions expansion globally



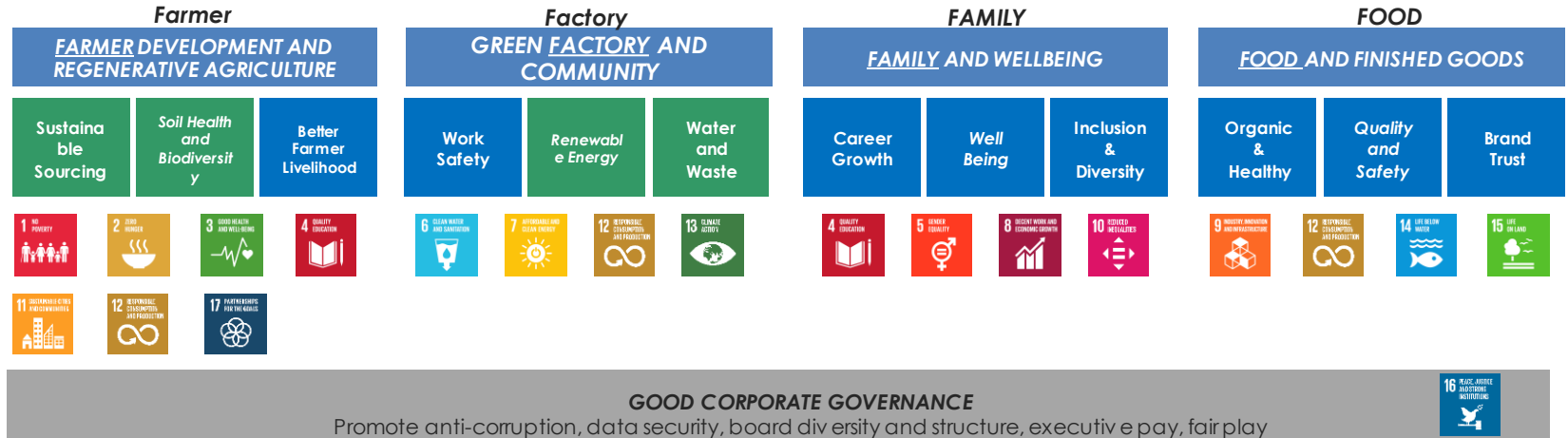
Committed to driving sustainability from Farm to Shelf

Our Purpose

Our Priorities

UN SDG Goals

Creating Innovation and Sustainability from Farm to Shelf



Improving animal health

Step change soil health and crop yield across SEA by 50%



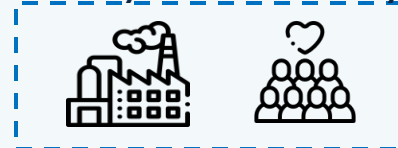
Farmer



Using 50% renewable energy to power factories



Factory and Community



Food and Finished Goods



Together we can create a circular agri food system

Upcycle food waste into...



Composter



Bio Fertilizer

Family



Delivering Clean Label, Functional, Organic ingredients, and biodegradable materials



Upcycle waste into...



Animal Feed



Bio Fertilizer



Bio Fuel



Bio Gas



Successfully certified 859 farmers holding >2,000 Ha of land in Cambodia with SAI



Regenerative Agriculture: Introducing Thai Wah Model to 3,000 rai in 2024

TW8 Innovation

From Nature back to Nature



Biodegradable Mulch-film



Waxy, Clean Stem Multiplication



SPECIALTY BUSINESS



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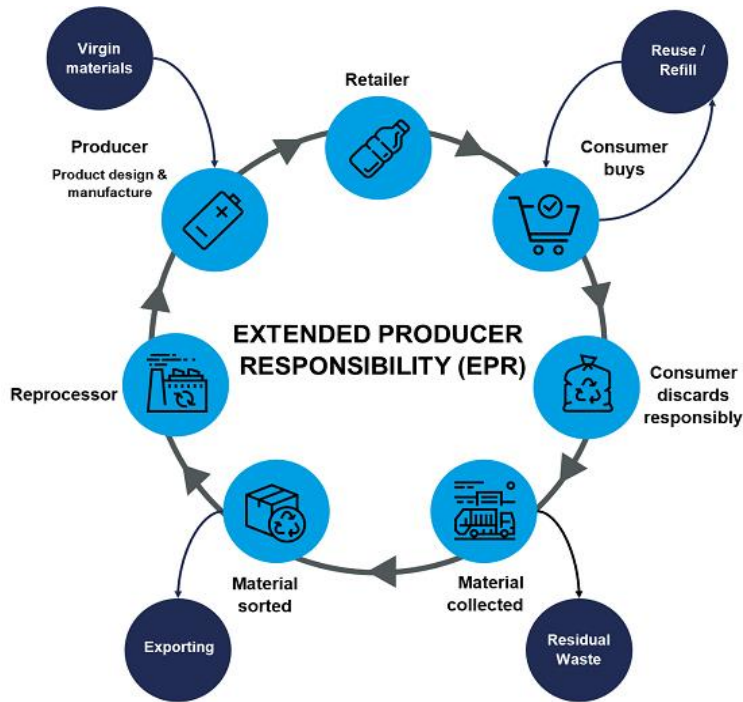
Global Anti-Plastic Waste has evolved into Country-Specific Pragmatic approach from Strict Regulation to Sustainable model for all plastic types

“Design 100% of packaging to be recyclable, compostable by 2025”

“Make 100% of packaging recyclable globally by 2025”

“Use at least 50% recycled materials in our packaging by 2030”

“Half the use of virgin plastic by 50%”



Development for Anti-Plastic Waste plus decarbonization campaign drive >25% CAGR Bioplastics growth

From **Single Use Development to Industrial packaging**



Post-Use awareness: Marine and Soil Compost



Replacing Fossil based with Biomass and Recycled materials Upcycling



Using Renewable and Bio feedstock for Ethanol and Bio-chemical refinery



Extended the sustainable bioplastics solutions into applications for *hotels, airlines, and retailers*

ROSECO

Responsible solution that is
"of nature" and "for nature"

Agricultural product

biocomposed
biobased compound



Bio Mulch Film



Nursery bag



Root trainer



Agriculture tape



Household coffee shop/ village

biocomposed
biobased compound



Cutlery



Tray



Shopping/
Gorbage bag



Coffee capsule



Straw



Coffee ground
composite



Zipper bag



Bio-Cling film



Food Container



Coffee stirrer

Hotel product

biocomposed
biobased compound



Hanger



Shaver



Cup



Pill Box



Food Box



Toothbrush



Box



Comb



Tray



Shampoo Bottle



Introducing bio-mulching services, a sustainable solution that addresses challenges faced by farmers worldwide



Short Labor



El Nino



Drought



Soil Pollution

ROSECO Bio-Mulch Film

- ✓ Soil compost, not create pollution
- ✓ Reduce the use of herbicide
- ✓ Reduce the use of labor
- ✓ Increase yield



50% increased cassava yield



3,000 THB reduced labor and chemical cost



Use case: Thai Wah introduced 'bio mulching service' for cassava farmers as "yield booster" and Good Agricultural Practice enabler



Germination

86%

97%

Canopy (Soil Covered)

120 Days

90 Days

Yield

2X

Without film

With film

Together, we create sustainable, innovative solutions for farmers, reinforcing our position as Southeast Asia's leading agricultural company



76 years of expertise




Innovative product from cassava



Turn wastes to value thru biotech





Creating the responsible
solution that is
‘of nature’ and ‘for nature’



ROSECO





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FINANCIAL PERFORMANCE

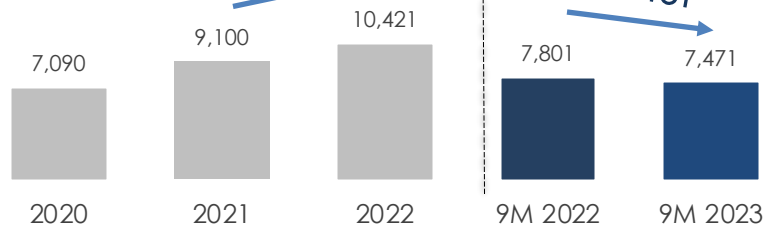
Overall sales and margin drop from starch business that facing

Revenue from Sales

Unit : MB

+21% CAGR

-4% YoY

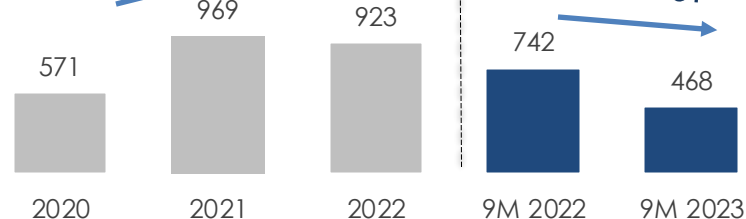


EBITDA

Unit : MB

27% CAGR

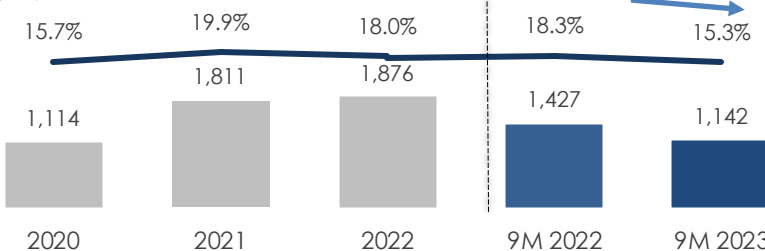
-37% YoY



Gross Profit

Unit : MB

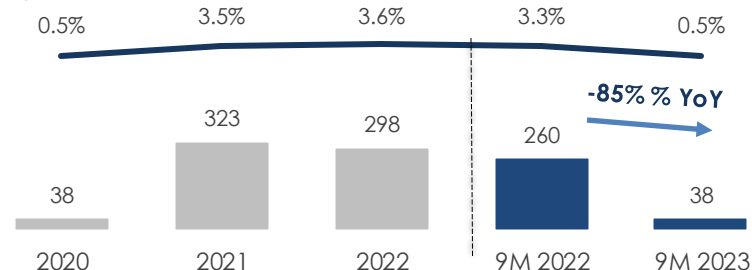
-20% YoY



Net Profit (After MI)

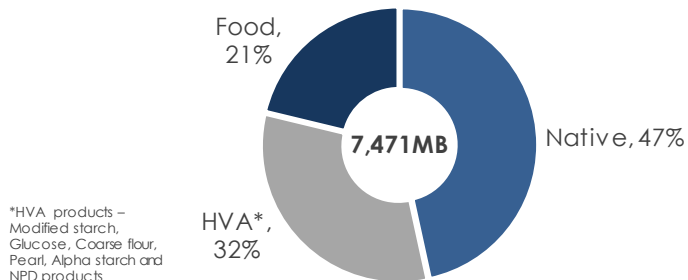
Unit : MB

-85% YoY



Sales breakdown 9M 2023

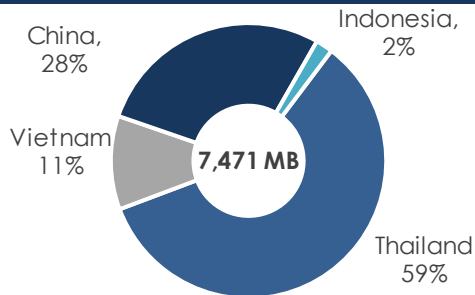
Sales Breakdown by Business



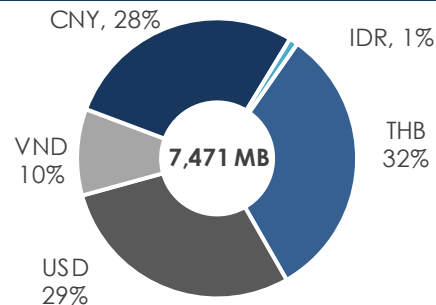
Summary

- Native sale decreased 9% YoY, mainly impacted from the root shortage over the TH / VN due to drought and early harvest caused lower yield in starch content
- Modified starch increase 20% YoY; while overall HVA dropped 4% which also impacted from raw material shortage & high cost.
- Food sale increased 7% from domestic sales across all channels

Sales Breakdown by Country (Operation base)



Sales Breakdown by Currency



Strong Financial position with steady dividend

Strong Cash with Low D/E Ratio

Unit : MB

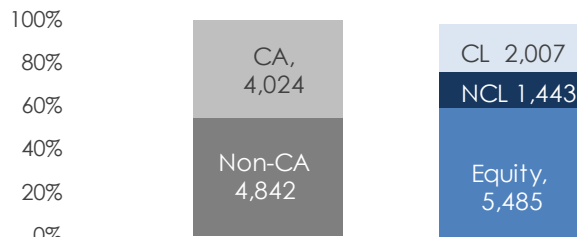


Increase in Loan to support Strategic investment projects

D/E (Debt - Interest bearing) = 0.39

Balance Sheet Composition

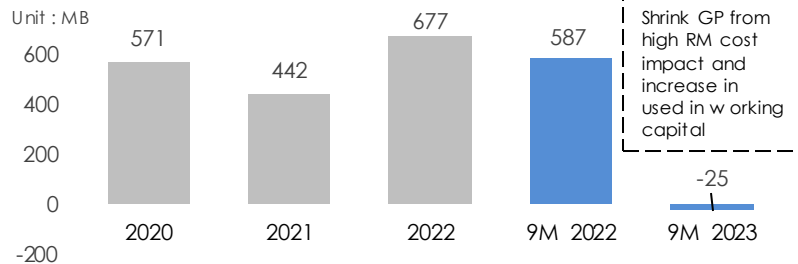
Unit : MB



BV = 6.23 BAHT/share

Operating Cash Flow

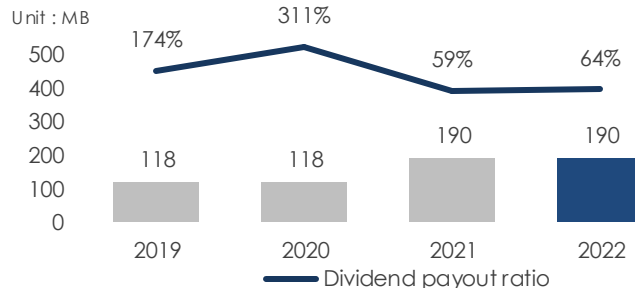
Unit : MB



Shrink GP from high RM cost impact and increase in used in working capital

Dividend Payout

Unit : MB



2017 / 2018 - 0.32 BAHT/share,
2019 - 0.134 BAHT/share,
2020 - 0.134 BAHT/share,
2021 - 0.2159 BAHT/share
2022 - 0.2159 BAHT/share



GOING FORWARD



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Our Thai Wah DNA is to grow sustainably and steadily

2018 - 2021

Expand Regionally, Strategic M&A

- Set up Companies in Vietnam, China, Cambodia
- Acquisition;
 - Tapioca Development Corporation
 - Maesot starch
 - Vietnam Tapioca

2022

New Business and Building Strategic Partnerships

- The 1st Tapioca starch Bioplastic line
- Thai Wah Venture – Invest in 3 start-up co having synergy with the core business
- Thai Wah Agritech – Research unit/ R&D Partnership

2023

Go Global and Scaling Premiumization

- Set up Thai Wah USA, Thai Wah India
- Scaling new businesses with premiumization.
- Invest in new food agri-tech , start-up co.
- Capacity expansion in Core business

2024

Grow Food & HVA & Food ingredient solution

- New Cambodia factory opened (diversify supply source)
- Set up Thai Wah Philippine
- Scaling food ingredient solution platform
- Capacity expansion in Food/ HVA

Key strategic 2023-2024 Capex plan

Prioritize the investment plan

Core Business

~ 500 M

- Expand capacity for starch High value-added lines & Food Line
- Cambodia Native starch factory
- Lean improvement/ Automation



On track

Energy Saving

~ 140 M

- Add on ~5 MW in starch factories



On track

Venture Capital

~ 50 M

- Invest in start-up, venture fund having synergy with Thai Wah Business



Explore



Market Update



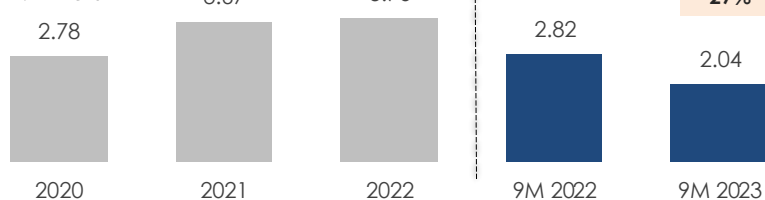
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Thailand Tapioca Industry – Export data

Export volume drop reflected the shortage of cassava root supply

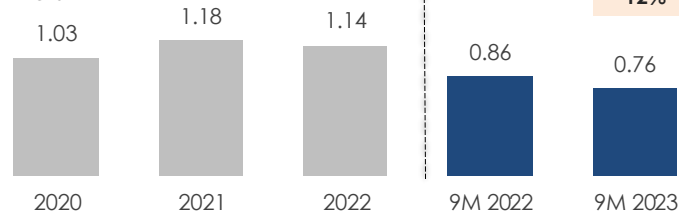
Native Starch

Unit : Mil Tons



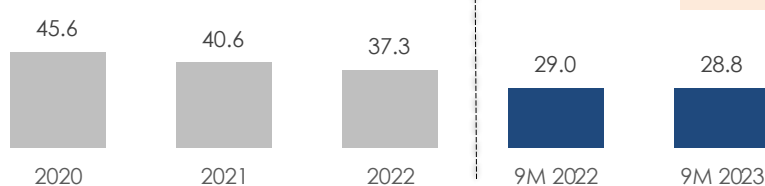
Modified Starch

Unit : Mil Tons



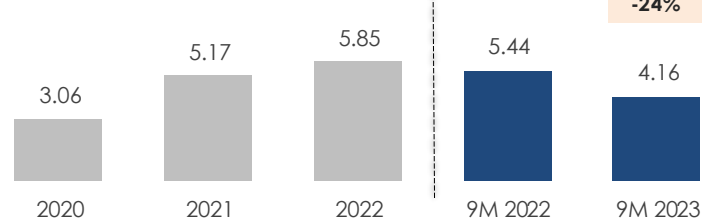
Pearl

Unit : '000 Tons

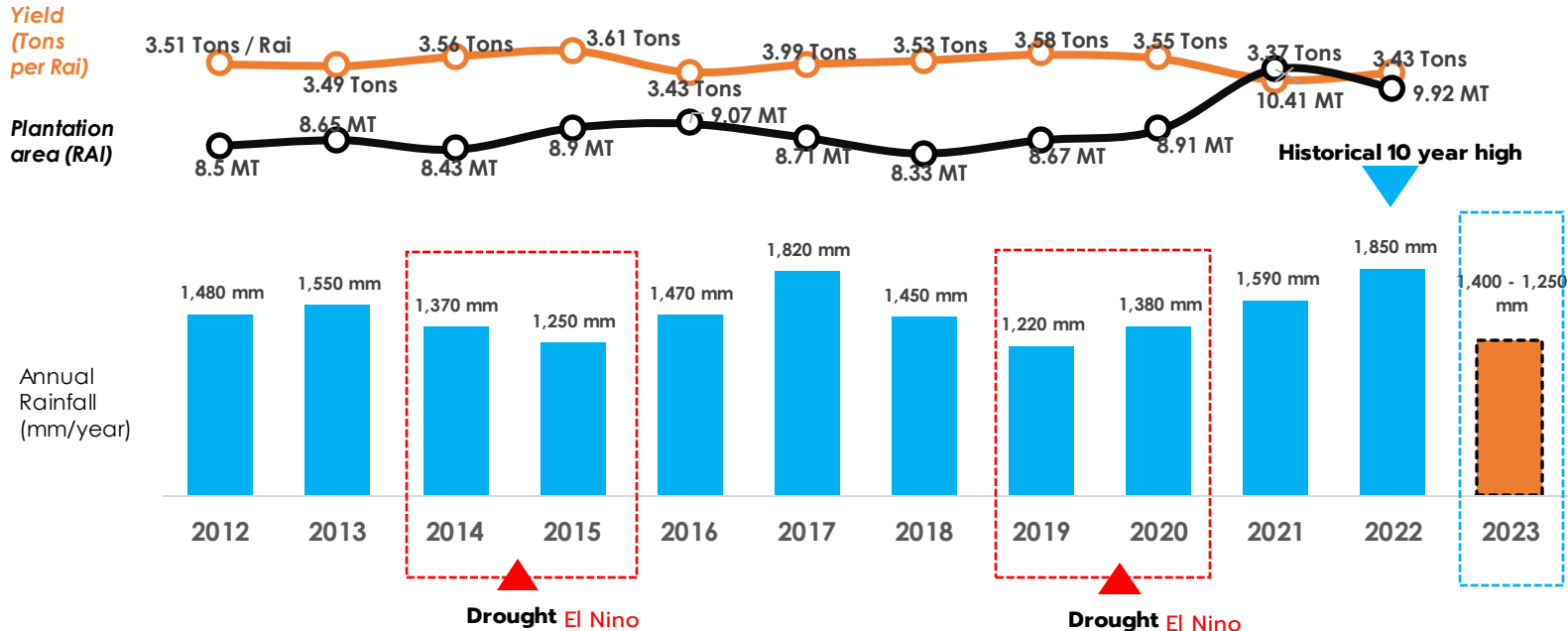


Chip

Unit : Mil Tons



Closely monitoring and planned for Elnino impact on cassava supply since end of 2022

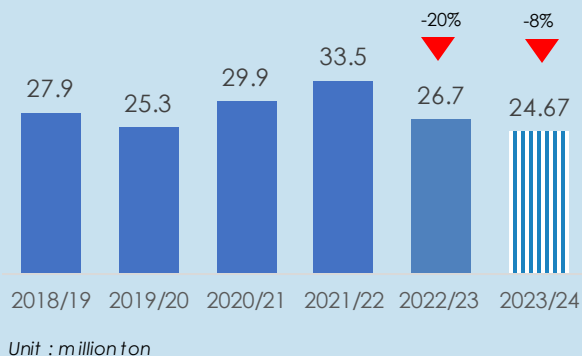


Source:

1. Thailand Meteorological Department – as of Jun 2023
2. TISA for starch price₄₂
3. TISA crop survey

The cassava shortage expected to continue to 2023/2024 Crops

Thailand Cassava output



Source : TTTA, TTSA, Internal data

Reason for supply drop



Farmer **harvested before Root matured**



Big flooding in 2021 and continuous rain in 2022 made rotten roots and less roots productivity



Cassava Mosaic **Disease** (CMD), Rotten Root Disease and Witches Broom Disease, causing the average yield decrease



Drought impact, Rain delay caused stems to dry, planted stems have a lower rate of germination.

Thai Wah closely monitors the impact and has implemented strategic actions to secure raw material supplies across all factories





Appendix

Root price vs. Local starch price



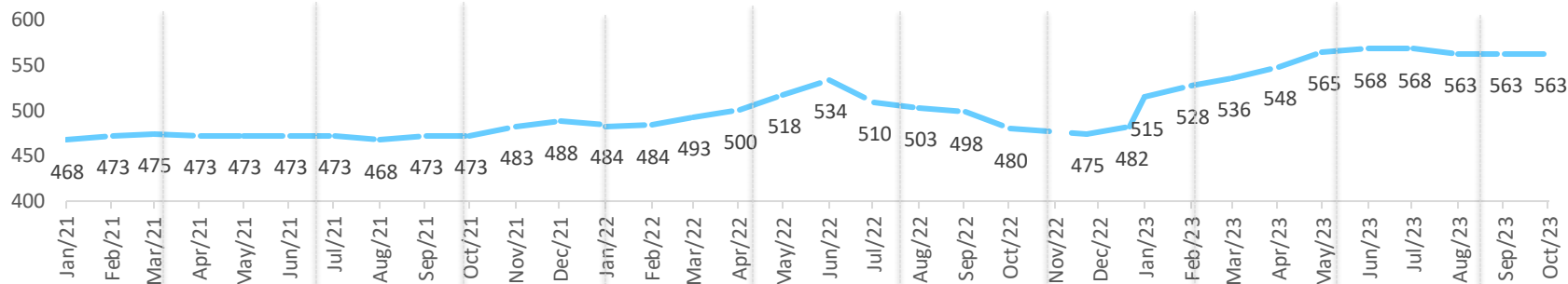
Source : TTSA, TTTA



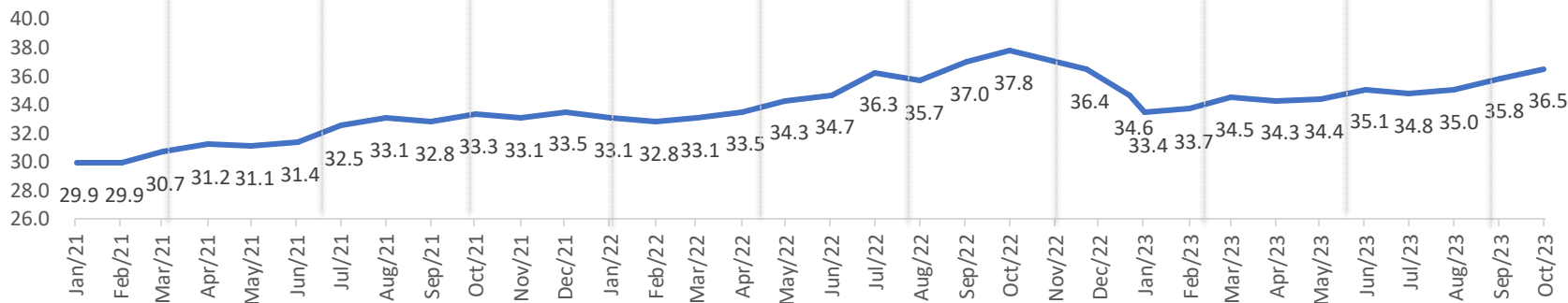
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FOB price and FX

Starch price
USD/ton



BHT/USD



Source : TTSA, TTTA, Company



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Vision

Creating Innovation and Sustainability from Farm to Shelf

Mission

**To be a leading regional agri-food
company to serve our customers with
pride, integrity, and consistency**

