

A seasonal soft, a structural might

- Expect a softer y-y 2Q26 net profit on higher raw material costs
- SG&A discipline and a richer revenue mix to buffer the impact
- Maintain BUY and lowered TP to THB3.30

Expect a seasonally sharper dip in 2Q26-3Q26

Following a record THB121m net profit (NP) in 1Q26 (+71% y-y), we expect Native Starch and HVA to post higher revenue y-y in 2Q26, supported by volume growth and higher selling prices, but gross margins in these segments will compress by ~4pts y-y as cassava root prices rise from ~THB2.5/kg in 1Q26 to ~THB3.0/kg in 2Q26. This is a familiar seasonal pattern for TWPC, though this year carries more intense uncertainty thanks to a potential Super El Niño. Hence, we expect 2Q26 NP to decline y-y (THB51m, -24% y-y) despite the revenue rise (+29% y-y), before recovering into 4Q26 high season.

Buffer #1: SG&A cost discipline strengthens net profit margin

Despite the gross margin pressure, we think TWPC's NP will remain highly resilient, supported by its superior cost control to drive SG&A/sales down, witnessed in 1Q26 at 15.3% vs 19.0% in 1Q25. We project SG&A/sales to stay around 16% in 2026, allowing net profit margin to outshine gross profit margin.

Buffer #2: superior portfolio with lower commodity swings

TWPC's key strengths - HVA and Food – have proved to be profitability weapon as they both carry high pricing power that Native Starch lacks. We expect TWPC's twin buffers to further improve TWPC's gross profit mix and margins under TWPC's 2030 roadmap. In 1Q26, HVA and Food together accounted for ~70% of group gross profit versus ~58% of revenue, a mix shift that meaningfully dampens the earnings impact of Native Starch margin swings.

Marketing, exports, and NPD keep RTE's runway intact

TWPC has launched an aggressive marketing push targeting GenY/GenZ consumers who remain largely unfamiliar with the Double Dragon brand, aimed at converting awareness into Ready-To-Eat (RTE) volume growth. It has also begun exporting Double Dragon RTE products into Vietnam with encouraging early traction, opening a new addressable market beyond Thailand. TWPC will also continue to launch new products under the Double Dragon Ready line, a steady cadence of New Product Development (NPD) that has historically been the key driver behind RTE's revenue growth. Together, these reinforce our view that RTE remains the segment with the clearest multi-year growth runway.

Maintain BUY; TP cut to THB3.21

We maintain BUY but trimmed our SoTP-based TP to THB3.30 from THB3.58, to reflect our 10% cut in 2026E net profit forecast to THB219m as we raised our assumption for raw material costs. We hence lower our margin assumptions for Native Starch and HVA accordingly, while keeping our Food segment forecast unchanged.

Analyst

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ESG Rating : n.a.

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	3.30
VS. BB Consensus TP (%)	n.a.
Share Price (THB)	2.88
Upside/Downside	+14.7%

Share Data

Market Cap (THB m)	2,535.61
Par (THB)	1.00
Free Float (%)	43.51
Issued shares (m shares)	880.42

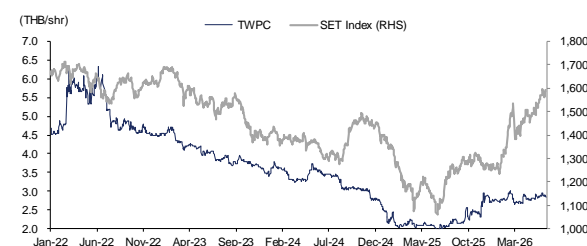
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	9,206	11,220	10,515	10,866
Net profit	156	219	289	331
Core net profit	156	219	289	331
vs Consensus (%)		n.a.	n.a.	n.a.
Net profit growth (%)	318.4	40.5	31.8	14.7
Core net profit growth (%)	318.4	40.5	31.8	14.7
EPS (THB)	0.18	0.25	0.33	0.38
Core EPS (THB)	0.18	0.25	0.33	0.38
Chg from previous (%)		(10.00)	8.41	(3.24)
DPS (THB)	0.06	0.08	0.11	0.13
P/E (x)	16.38	11.57	8.78	7.66
P/BV (x)	0.53	0.51	0.49	0.47
ROE (%)	3.23	4.48	5.71	6.29
Dividend yield (%)	2.07	2.93	3.86	4.43

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(0.70)	2.16	1.43	(2.07)
Market	(5.08)	(9.62)	(19.48)	(22.32)
12M High/Low (THB)				3.28 / 2.00



Major Shareholders (%) as of 30 Apr 2026

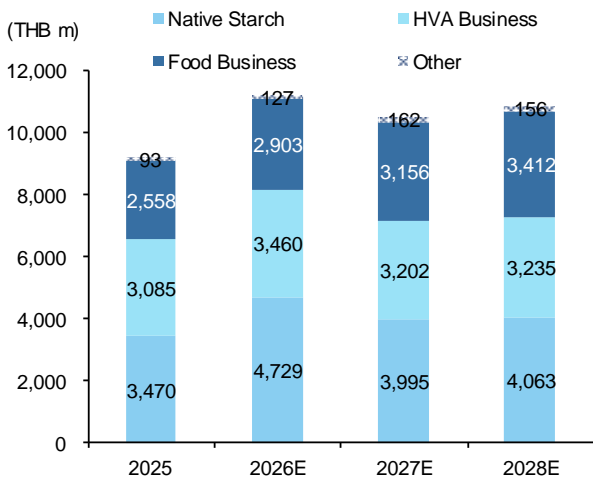
Chang Fung Company Limited	10.12
Laguna Resorts And Hotels Public Company Limited	10.03
BIBACE (BANGKOK) Limited	6.50

Company Profile

Manufacture and distribute tapioca starch and starch-related products, food products, and biodegradable products.

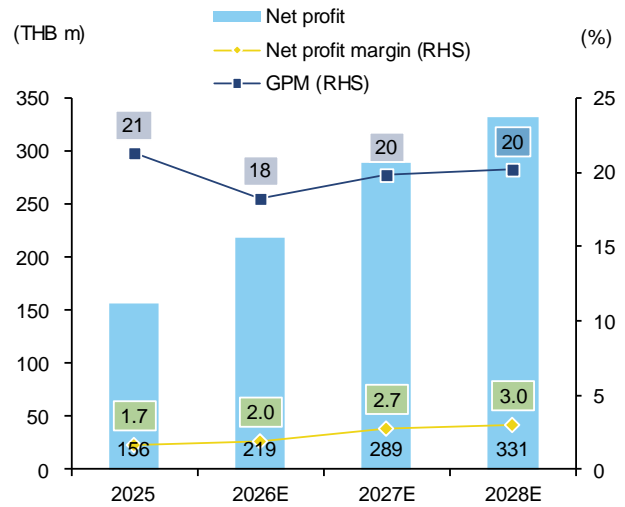
Source: SETSMART, SET

Exhibit 1: Revenue breakdown by segment



Sources: TWPC; Globlex Research

Exhibit 2: Net profit, net profit margin, GPM



Sources: TWPC; Globlex Research

Exhibit 3: Key changes in assumptions and EPS forecasts

(THB m)	Current			Previous			Change (%)		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Revenue	11,220	10,515	10,866	10,014	10,381	10,908	12.0	1.3	(0.4)
Gross profit	2,049	2,082	2,191	1,987	2,085	2,215	3.1	(0.2)	(1.1)
Operating profit	254	347	398	285	321	416	(10.9)	8.1	(4.2)
Net profit	219	289	331	243	266	342	(9.8)	8.5	(3.2)
EPS (THB/share)	0.25	0.33	0.38	0.28	0.30	0.39	(11.1)	9.3	(3.5)
Key assumptions									
Revenue - native starch	4,729	3,995	4,063	3,543	3,616	3,689	33.5	10.5	10.1
Revenue - HVA	3,460	3,202	3,235	3,401	3,441	3,644	1.7	(6.9)	(11.2)
Revenue - Food	2,903	3,156	3,412	2,903	3,156	3,412	0.0	0.0	0.0
Revenue - Food Ready-to-Eat	650	813	975	650	813	975	0.0	0.0	0.0
Gross profit margin (% pts)	18.3	19.8	20.2	19.8	20.1	20.3	(1.5)	(0.3)	(0.1)

Sources: Globlex Research

Exhibit 4: SoTP target price

SoTP valuation	Net profit growth	Net profit margin	2026E Profit weight	Net Profit	EPS	Value	Valuation	Rationals for valuations
	(%)	(%)	(%)	(THB m)	(THB/share)	(THB/share)	(x)	
Native Starch	18.8	1.3	27.3	59.7	0.07	0.54	8.0	Based on commodity P/E
HVA Business	26.5	1.5	24.0	52.7	0.06	0.84	14.0	Justified by higher margin and higher growth compare to Native starch
Food Business	41.2	3.6	47.9	105.0	0.12	1.91	16.0	Highest growth and Gross profit margin
Other	71.2	1.3	0.8	1.7	0.00	0.02	8.0	
Target price	31.8	2.0	100.0	219.1	0.25	3.30	13.3	

Sources: Globlex Research

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets					
Cash & ST investment	922	955	1,248	1,700	2,126
Account receivable	1,074	862	884	912	921
Inventories	1,488	1,515	1,759	1,617	1,664
Others	258	204	249	233	241
Non-current assets					
Net fixed assets	3,746	3,651	3,534	3,422	3,302
Others	1,030	924	924	924	924
Total Assets	8,518	8,111	8,597	8,808	9,177

Current liabilities					
Account payable	775	796	1,008	927	954
ST borrowing	1,217	700	735	772	810
Others	90	120	146	137	142
Long-term liabilities					
Long-term debts	918	587	645	710	781
Others	358	343	343	343	343
Total liabilities	3,357	2,546	2,877	2,888	3,029
Paid-up capital	880	880	880	880	880
Retained earnings	3,216	3,307	3,452	3,643	3,862
Others	736	631	631	631	631
Minority interest	329	746	755	765	774
Shareholders' equity	5,161	5,565	5,719	5,919	6,148

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)					
Sales	(1.9)	(8.3)	21.9	(6.3)	3.3
Operating profit	(216.6)	513.1	1.1	36.7	14.9
EBITDA	(23.2)	72.8	(1.2)	14.6	7.7
Net profit	(251.1)	318.4	40.5	31.8	14.7
Core net profit	(251.1)	318.4	40.5	31.8	14.7
EPS	(251.1)	318.4	40.5	31.8	14.7
Core EPS	(251.1)	318.4	40.5	31.8	14.7
Profitability (%)					
Gross margin	15.0	21.3	18.3	19.8	20.2
Operation margin	(0.6)	2.7	2.3	3.3	3.7
EBITDA margin	4.1	7.8	6.3	7.7	8.0
Net margin	(0.7)	1.7	2.0	2.7	3.0
ROE	(1.4)	3.2	4.5	5.7	6.3
ROA	(0.8)	1.9	2.6	3.3	3.7
Stability					
Interest bearing debt/equity (x)	0.4	0.2	0.2	0.3	0.3
Net debt/equity (x)	0.2	0.1	0.0	n.a.	n.a.
Interest coverage (x)	(0.6)	4.5	5.9	7.5	8.0
Interest & ST debt coverage (x)	(0.0)	0.3	0.3	0.4	0.5
Cash flow interest coverage (x)	0.3	0.3	0.2	0.2	0.2
Current ratio (x)	1.8	2.2	2.2	2.4	2.6
Quick ratio (x)	1.0	1.1	1.1	1.4	1.6
Net debt (THB m)	1,213	331	133	(218)	(534)
Activity					
Asset turnover (X)	1.2	1.1	1.3	1.7	3.5
Days receivables	39.2	34.4	28.8	31.7	30.9
Days inventory	63.7	76.3	70.0	70.0	70.0
Days payable	33.2	40.1	40.1	40.1	40.1
Cash cycle days	69.7	70.6	58.6	61.5	60.8

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue					
Revenue	10,037	9,206	11,220	10,515	10,866
Cost of goods sold	(8,529)	(7,244)	(9,171)	(8,433)	(8,675)
Gross profit	1,508	1,962	2,049	2,082	2,191
Operating expenses	(1,568)	(1,710)	(1,795)	(1,735)	(1,793)
Operating profit	(61)	251	254	347	398
EBIT	(61)	251	254	347	398
Depreciation	(475)	(464)	(453)	(463)	(473)
EBITDA	414	715	707	810	872
Non-operating income					
Other incomes	90	84	75	72	77
Other non-op income	8	6	0	0	0
Non-operating expense	(103)	(64)	(43)	(47)	(50)
Interest expense	(97)	(56)	(43)	(47)	(50)
Other non-op expense	(6)	(9)	0	0	0
Equity income/(loss)	0	0	0	0	0
Pre-tax Profit	(66)	277	285	373	426
Extraordinary items					
Current taxation	(26)	(111)	(57)	(75)	(85)
Minorities	21	(9)	(9)	(9)	(9)
Net Profit	(71)	156	219	289	331
Core net profit	(71)	156	219	289	331
EPS (THB)	(0.08)	0.18	0.25	0.33	0.38
Core EPS (THB)	(0.08)	0.18	0.25	0.33	0.38

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow					
Net profit	(71)	156	219	289	331
Depre. & amortization	475	464	453	463	473
Change in working capital	599	291	(73)	38	(31)
Others	(90)	(244)	(132)	(168)	(190)
Investment cash flow	(196)	(784)	(874)	(897)	(948)
Net CAPEX	(429)	(369)	(369)	(369)	(369)
Change in LT investment	534	641	273	449	429
Change in other assets	(302)	(1,055)	(777)	(976)	(1,008)
Free cash flow	716	(116)	(406)	(274)	(365)
Financing cash flow					
Change in share capital	0	0	0	0	0
Net change in debt	(18)	417	9	9	9
Dividend paid	(50)	(53)	(74)	(98)	(112)
Others	(840)	(214)	763	815	894
Net cash flow	(193)	34	292	452	426

Per share (THB)					
EPS	(0.08)	0.18	0.25	0.33	0.38
Core EPS	(0.08)	0.18	0.25	0.33	0.38
CFPS	0.43	0.71	0.77	0.86	0.92
BVPS	5.49	5.47	5.64	5.86	6.10
Sales/share	11.40	10.46	12.74	11.94	12.34
EBITDA/share	0.47	0.81	0.80	0.92	0.99
DPS	0.06	0.06	0.08	0.11	0.13
Valuation					
P/E (x)	(32.8)	16.4	11.6	8.8	7.7
P/BV (x)	0.48	0.53	0.51	0.49	0.47
Dividend yield (%)	2.14	2.07	2.93	3.86	4.43
Dividend payout ratio (%)	-70.28	33.88	33.88	33.88	33.88

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Analyst Certification

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

- BUY:** Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.