

Cassava peaks, Earnings near bottom

- Diversified plant base lets TWPC shift cassava sourcing
- HVA and Food (~70% of GP) offset Native Starch weakness
- Upgrade to BUY on 12-month basis; TP raised to THB3.25

Cassava spike masks the core strengths

TWPC's share price is down 21% from its 52-week high of THB3.28 on disappointing earnings. 2Q26 net profit fell to THB18m (-73% y-y) as cassava root, the key raw material of Native Starch (NS), climbed to THB3.2/kg (+70% y-y) on mosaic disease and the super El Niño. We see both as black swan events beyond management's control, and they mask TWPC's strength as a diversified NS producer. Such a spike would have pushed the group to a loss before, but High Value-Added (HVA) and Food business, which together account for about 70% of gross profit, have partly absorbed the hit.

Seven plants across three countries

TWPC operates seven NS plants: four in Thailand (Tak, Nakhon Ratchasima, Udon Thani, Kalasin), two in Vietnam and one in Cambodia, each with capacity of about 150 tons of starch per day. This lets TWPC source roots from multiple origins, notably Cambodia, where supply runs 90% above processing capacity, while Vietnam's capacity is 50% above supply. As the Vietnam plants sit close to the Cambodian border, TWPC can shift sourcing across the three countries, which reduces country-specific risk. The footprint also widens market access: Vietnam enjoys easier EU access under its FTA, while NS produced in Thailand has China as a key market.

Root price set to ease into high season

Looking into 2027, we expect cassava roots, now at THB4/kg, to peak and decline from 4Q26 to 1Q27 as the high season lifts starch content from 21-22% in 2Q26 toward nearly 30% and expands root supply. With TWPC also shifting from month-to-month pricing to locking in selling prices in advance. Together, these should let TWPC capture the gap and lift NS gross profit margin (GPM) by 3-5 ppts.

Food keeps growing, with Well-Grow on board

We believe Food, with the highest GPM at 30%+, can keep growing, especially Ready-to-Eat (RTE) products at about 20% of the segment. TWPC is taking the segment overseas, starting with noodles in Vietnam, which have seen encouraging early traction, and plans to export more RTE with authentic Thai and localized flavors. Supporting this push is a strong R&D team, now topped up by Well-Grow, a seasoning maker that supplies TWPC. The company took an 80% stake in Well-Grow in SEP 2026 at a deal value of THB190m.

Upgrade to BUY on 12-month basis; TP THB3.25

We upgrade to BUY from HOLD with a new TP of THB3.25 (from THB3.04), as we roll forward our valuation to 12x 2027E P/E from 15x 2026E. We keep our 2027E net profit forecast of THB241m, as the higher Native starch GPM is already factored in.

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ESG Rating : A

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	3.25
VS. BB Consensus TP (%)	n.a.
Share Price (THB)	2.60
Upside/Downside	+25.0%

Share Data

Market Cap (THB m)	2,289.09
Par (THB)	1.00
Free Float (%)	43.51
Issued shares (m shares)	880.42

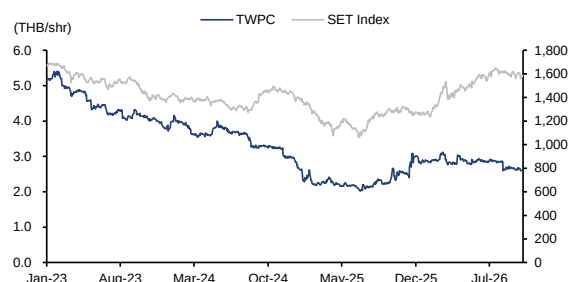
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	9,206	10,070	10,466	10,792
Net profit	156	178	241	324
Core net profit	156	178	241	324
vs Consensus (%)	n.a.	n.a.	n.a.	n.a.
Net profit growth (%)	318.4	14.3	35.2	34.5
Core net profit growth (%)	318.4	14.3	35.2	34.5
EPS (THB)	0.18	0.20	0.27	0.37
Core EPS (THB)	0.18	0.20	0.27	0.37
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.06	0.06	0.08	0.11
P/E (x)	16.38	12.85	9.50	7.06
P/BV (x)	0.53	0.46	0.45	0.43
ROE (%)	3.23	3.65	4.79	6.20
Dividend yield (%)	2.07	2.33	3.16	4.25

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(2.99)	(10.96)	(13.33)	(10.34)
Market	(2.17)	(9.01)	(20.36)	(28.62)
12M High/Low (THB)				3.28 / 2.30



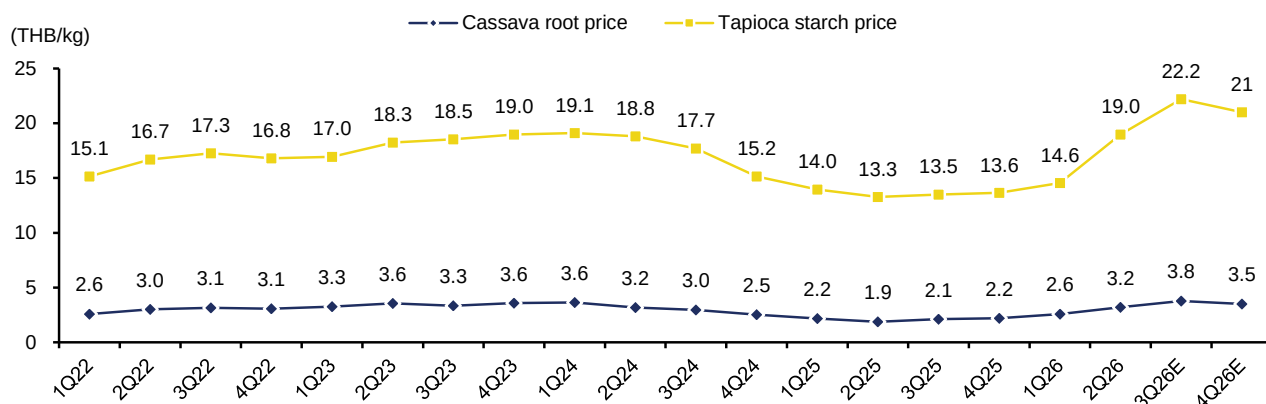
Major Shareholders (%) as of 30 Apr 2026

Chang Fung Company Limited	10.12
Laguna Resorts And Hotels Public Company Limited	10.03
THE HONGKONG AND SHANGHAI BANKING	4.40

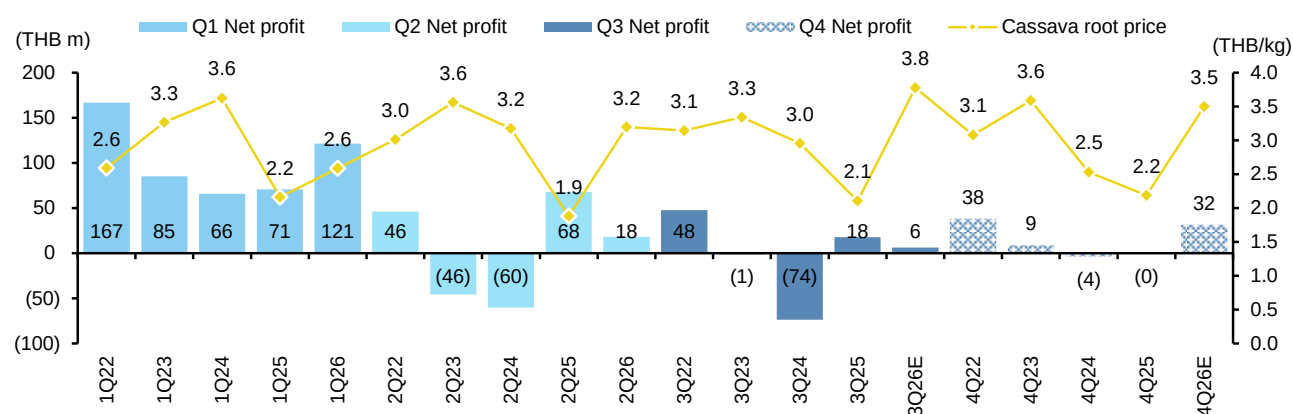
Company Profile

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

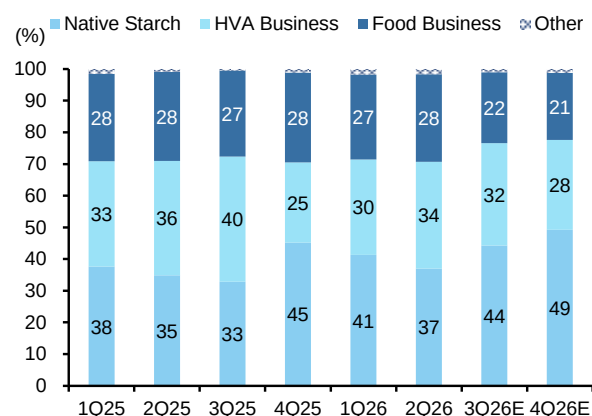
Source: SETSMART, SET

Exhibit 1: Thai fresh cassava price and tapioca starch price

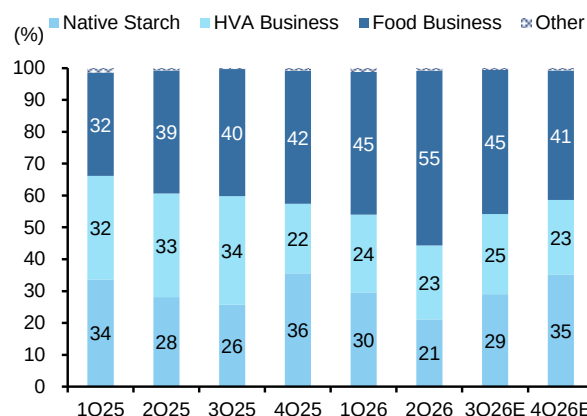
Sources: Ministry of finance; Thai Tapioca Starch Association; Globlex Research

Exhibit 2: TWPC's quarterly net profit comparison and cassava root price

Sources: TWPC; Globlex Research

Exhibit 3: Revenue by segment (%)

Sources: TWPC; Globlex Research

Exhibit 4: Gross profit by segment (%)

Sources: TWPC; Globlex Research

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets					
Cash & ST investment	922	955	1,314	1,654	2,098
Account receivable	1,074	862	882	910	918
Inventories	1,488	1,515	1,587	1,630	1,656
Others	258	204	224	232	240
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	8,463	8,772	9,137
Current liabilities					
Account payable	775	796	910	935	949
ST borrowing	1,217	700	735	772	810
Others	90	120	131	136	141
Long-term liabilities					
Long-term debts	918	587	645	710	781
Others	358	343	343	343	343
Total liabilities	3,357	2,546	2,764	2,895	3,024
Paid-up capital	880	880	880	880	880
Retained earnings	3,216	3,307	3,432	3,601	3,828
Others	736	631	631	631	631
Minority interest	329	746	755	765	774
Shareholders' equity	5,161	5,565	5,699	5,877	6,113

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)					
Sales	(1.9)	(8.3)	9.4	3.9	3.1
Operating profit	(216.6)	513.1	(30.2)	53.1	40.1
EBITDA	(23.2)	72.8	(12.2)	16.4	16.2
Net profit	(251.1)	318.4	14.3	35.2	34.5
Core net profit	(251.1)	318.4	14.3	35.2	34.5
EPS	(251.1)	318.4	14.3	35.2	34.5
Core EPS	(251.1)	318.4	14.3	35.2	34.5
Profitability (%)					
Gross margin	15.0	21.3	17.8	18.8	20.0
Operation margin	(0.6)	2.7	1.7	2.6	3.5
EBITDA margin	4.1	7.8	6.2	7.0	7.9
Net margin	(0.7)	1.7	1.8	2.3	3.0
ROE	(1.4)	3.2	3.6	4.8	6.2
ROA	(0.8)	1.9	2.1	2.8	3.6
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	4.0	5.8	7.5
Interest & ST debt coverage (x)	(0.0)	0.3	0.2	0.3	0.4
Cash flow interest coverage (x)	0.3	0.3	0.2	0.2	0.2
Current ratio (x)	1.8	2.2	2.3	2.4	2.6
Quick ratio (x)	1.0	1.1	1.2	1.4	1.6
Net debt (THB m)	1,213	331	67	(173)	(506)
Activity					
Asset turnover (X)	1.2	1.1	1.2	1.2	1.2
Days receivables	39.2	34.4	32.0	31.7	31.1
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	61.8	61.6	60.9

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue	10,037	9,206	10,070	10,466	10,792
Cost of goods sold	(8,529)	(7,244)	(8,274)	(8,502)	(8,636)
Gross profit	1,508	1,962	1,796	1,964	2,157
Operating expenses	(1,568)	(1,710)	(1,621)	(1,696)	(1,781)
Operating profit	(61)	251	175	268	376
EBIT	(61)	251	175	268	376
Depreciation	(475)	(464)	(453)	(463)	(473)
EBITDA	414	715	628	731	850
Non-operating income	98	90	99	91	90
Other incomes	90	84	95	91	90
Other non-op income	8	6	4	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	231	313	417
Extraordinary items					
Current taxation	(26)	(111)	(44)	(63)	(83)
Minorities	21	(9)	(9)	(9)	(9)
Net Profit	(71)	156	178	241	324
Core net profit	(71)	156	178	241	324
EPS (THB)	(0.08)	0.18	0.20	0.27	0.37
Core EPS (THB)	(0.08)	0.18	0.20	0.27	0.37

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow	912	667	540	510	589
Net profit	(71)	156	178	241	324
Depre. & amortization	475	464	453	463	473
Change in working capital	599	291	13	(51)	(22)
Others	(90)	(244)	(105)	(144)	(187)
Investment cash flow	(196)	(784)	(828)	(1,034)	(946)
Net CAPEX	(429)	(369)	(369)	(369)	(369)
Change in LT investment	534	641	318	312	431
Change in other assets	(302)	(1,055)	(777)	(976)	(1,008)
Free cash flow	716	(116)	(289)	(524)	(357)
Financing cash flow	(908)	150	647	865	801
Change in share capital	0	0	0	0	0
Net change in debt	(18)	417	9	9	9
Dividend paid	(50)	(53)	(53)	(72)	(97)
Others	(840)	(214)	691	928	888
Net cash flow	(193)	34	358	341	443
Per share (THB)					
EPS	(0.08)	0.18	0.20	0.27	0.37
Core EPS	(0.08)	0.18	0.20	0.27	0.37
CFPS	0.43	0.71	0.73	0.81	0.92
BVPS	5.49	5.47	5.62	5.81	6.06
Sales/share	11.40	10.46	11.44	11.89	12.26
EBITDA/share	0.47	0.81	0.71	0.83	0.97
DPS	0.06	0.06	0.06	0.08	0.11
Valuation					
P/E (x)	(32.8)	16.4	12.8	9.5	7.1
P/BV (x)	0.48	0.53	0.46	0.45	0.43
Dividend yield (%)	2.14	2.07	2.33	3.16	4.25
Dividend payout ratio (%)		33.88	30.00	30.00	30.00

THAI WAH (TWPC TB) | THAILAND / SET / FOOD & BEVERAGE
ESG Analysis

ESG Assessment	SET ESG	Bloomberg
Environment Material issues are GHG/energy intensity and water/wastewater from tapioca and food processing. FY2025 emissions: Scope 1 15,806 tCO ₂ e, Scope 2 39,606 tCO ₂ e, Scope 3 76,374 tCO ₂ e (new verified baseline). Water intensity fell to 25.65 L/ton (2024: 27.53; 2023: 31.84), vs. 2026 target of 25. Solar capacity 7.16 MW; renewables 19% of electricity. CDP 2025: B- Climate, C Forests, B- Water. Cassava sourcing is 100% zero-deforestation.	A	n.a.
Social Key exposures are smallholder farmer livelihoods and a multi-country (Thailand/Vietnam/Cambodia) workforce. FY2025: zero fatalities, LTIFR 0.55 (up from 0.39 in 2024); headcount 3,975, 57% women in senior leadership; 100% anti-corruption training completion. 803,810 disease-free cassava stems distributed to farmers; factories certified TLS 8001, FSSC 22000. Four grievances logged (2 terminations), zero human-rights complaints.		n.a.
Governance Founder-controlled: the Ho family (Banyan Tree founders) holds ~55% of shares and occupies Chairman, CEO and two more board seats. Board has 11 directors, 5 independent (45.5%). CAC-certified since 2017, continuously recertified. Microsoft Secure Score 71.15% in 2025, no data breaches. No legal disputes on competition, human rights, or environment in 2025.		n.a.
Overall CG Score: Excellent (Thai IOD, 6th consecutive year) CAC: Certified SET ESG Rating: A (3rd consecutive year)	A	n.a.

CG rating reflects 2025 Thai IOD survey. SET ESG Rating is TWPC's 2025 assessment (level A, 3rd consecutive year). Bloomberg ESG scores are not currently available for TWPC. Sources: SET, Thai IOD, CAC, CDP, Thai Wah Sustainability Report 2025, Thai Wah Annual Report (Form 56-1 One Report) 2025

SET ESG Ratings 2025 | Thai Listed Companies

As of 9 January 2026

Ratings: AAA (90-100)

AAV	ACE	ADVANC	AJ	AMATA	AMATAV	ASW	AWC
BAM	BANPU	BAY	BBGI	BBL	BDMS	BEM	BGC
BGRIM	BJC	BKIH	BPP	BTG	CENTEL	CKP	CPALL
CPF	CPAXT	CPN	CRC	DITTO	EASTW	FPI	FPT
GLOBAL	GPSC	GUNKUL	HANA	HENG	HMPRO	III	ILM
IVL	KBANK	KCG	KJL	KKP	KTB	KTC	LH
LOXLEY	MAJOR	MBK	MC	M-CHAI	MFEC	MTI	NER
NOBLE	OR	ORI	OSP	PB	PLANB	PR9	PSH
PTG	PTT	PTTEP	PTTGC	RATCH	S	S&J	SABINA
SAT	SC	SCB	SCC	SCG	SCGP	SIRI	SJWD
SKY	SNP	STA	STECON	STGT	SVOA	TEAMG	TEGH
TFMAMA	THCOM	TISCO	TMT	TOA	TOP	TPBI	TTA
TTB	TTW	TVO	VNG	WHA	WHAUP		

Ratings: AA (80-89)

ADB	AKP	AOT	AP	ASK	ASP	AURA	BCH
BLA	BRI	BTS	CBG	CIVIL	CK	CMAN	COLOR
COM7	DMT	DRT	EGCO	EPG	ETC	GFPT	GULF
HTC	ICHI	ILINK	IT	ITTHI	JMART	KCE	KUMWEL
LHFG	MINT	MODERN	MOSHI	MSC	MTC	NVD	NYT
PCC	PRM	PSL	QTC	RBF	SA	SAWAD	SCCC
SCGD	SELIC	SFLEX	SHR	SMPC	SNNP	SPALI	SPI
SSP	SUTHA	SYNEX	TASCO	TCAP	TCMC	TGH	THANI
TIPH	TKS	TLI	TOG	TPAC	TPIPP	TSC	TU
UAC	UBE	VIH	WICE	XO	ZEN		

Ratings: A (65-100)

AEONTS	ALLA	ALT	ALUCON	BA	BH	BLC	CFRESH
CHAO	CHASE	CHG	CM	CPL	CREDIT	ERW	GABLE
HARN	HUMAN	INSET	IRC	ITC	JMT	KSL	M
MALEE	MGC	MOONG	NEO	PHOL	PLUS	PM	PPS
PQS	PROUD	PRTR	PSP	Q-CON	QLT	SAK	SAPPE
SCAP	SEAFCO	SEAOIL	SENA	SENX	SGC	SICT	SITHAI
SKR	SNC	SPC	SSSC	SYMC	TAN	TBN	TGE
THANA	THIP	THREL	TPA	TPCS	TQM	TRU	TWPC
UPF	UPOIC	VIBHA	WPH				

Ratings: BBB (50-64)

AKR	ASIMAR	CSC	J	LEO	MEGA	NL	PRIN
SE	SO	SPRC	SUN	TMILL	TSTH	WP	YUASA

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Source: SET ESG Ratings, Stock Exchange of Thailand (setsustainability.com). Ratings as of 9 January 2026. Only companies scoring 50 and above are assigned a rating. Covered company are Bold in letter.

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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.