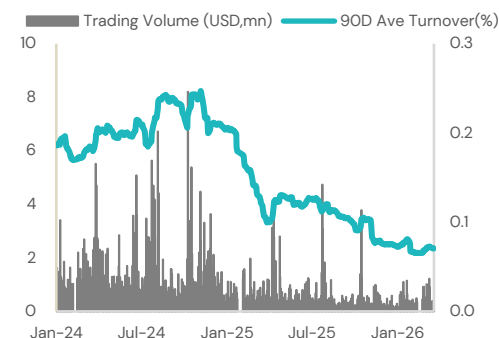


2026/03/19  
TruePulse Equity Research  
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## Key Statistics

<b>Ticker:</b>	1707.TW / 1707TT
<b>Current Price:</b>	TWD 119.5
<b>52-Week Range:</b>	TWD 117.5 - 151
<b>Avg. Vol. (30-Day, k share)</b>	122.4
<b>Outstanding Shares (MN)</b>	148.0
<b>FINI Holding (%)</b>	14.35
<b>Market Cap (US\$MN)</b>	555.0



## Financial Summary

NT\$ mn	2024	2025	2026E	2027E
<b>Revenue</b>	11,160	10,252	11,240	12,891
<b>Revenue YoY (%)</b>	4.9	(8.1)	9.6	14.7
<b>Gross Margin (%)</b>	77.6	75.1	75.3	74.3
<b>OP Margin(%)</b>	22.4	20.9	21.9	22.3
<b>Net Profit</b>	1,448	1,218	1,476	1,750
<b>Net Profit YoY (%)</b>	(0.5)	(15.9)	21.2	18.6
<b>Net Margin(%)</b>	13.0	11.9	13.1	13.6
<b>EPS (NT\$)</b>	9.78	8.22	9.96	11.81
<b>BPS (NT\$)</b>	79.6	81.5	87.0	92.8
<b>ROE (%)</b>	14.5	12.1	15.0	15.0
<b>Yield (%)</b>	5.4	5.0	5.9	-
<b>P/E (x)</b>	13.0	14.5	12.0	10.1
<b>P/B (x)</b>	1.9	1.5	1.4	1.3
<b>P/S (x)</b>	1.7	1.7	1.6	1.4
<b>EV/EBITDA (x)</b>	5.9	5.7	5.1	4.4

# Grape King Bio

## Dual Engines from OEM/ODM and Overseas Drive Structural Improvement and Re-rating

### Company Overview

Founded in 1969, Grape King Bio (1707.TW) is a leading Taiwan health-supplement company built on vertically integrated fermentation, branded products, and a fast-growing OEM/ODM platform. Its four business units—Taiwan own-brand, OEM/ODM, UVACO, and Shanghai—are supported by in-house R&D and decades of fermentation expertise. With a portfolio grounded in functional mushrooms, probiotics, and clinically supported actives, the company serves both domestic consumers and global brands. Backed by a solid balance sheet and steady cash flow, Grape King is focused on product innovation and international expansion to support long-term growth.

### Key Points

**4Q25 earnings beat driven by cost control, supporting operating margin expansion:** Grape King reported 4Q25 revenue of NT\$3bn, in line with expectations, while EPS came in at NT\$3.00, beating our estimate of NT\$2.93 (+2.6%). Gross margin of 76.5% missed our forecast (77.3%) due to a higher OEM mix and lower Shanghai utilization. However, stronger cost control, with the OPEX declining to 51.7%, supported operating profit beat. For FY25, revenue declined 8.1% YoY and EPS reached NT\$8.22, reflecting Taiwan channel adjustments and weak China demand. Despite this, the company raised its payout ratio to 73%, maintaining a NT\$6 dividend, highlighting resilient cash flow and shareholder returns.

**OEM/ODM drives visibility, with support from new clients and formats:** We see OEM/ODM as the most visible growth driver for 2026. Revenue grew 54% YoY in 2025, driven by from its largest US pharmaceutical client. With utilization reaching full levels by end-2025, we expect the strong momentum to carry into 2026, with most orders backed by one-year forecasts. Looking ahead, a major Japanese customer will be onboarded in 2H26, supported by the new Slim Can line, with potential to become a long-term anchor order. Together with new formats (e.g., jelly) and rising export demand for proprietary ingredients, we expect OEM/ODM to sustain double-digit growth and remain the group's key revenue pillar.

**UVACO shifting into a multi-engine growth platform:** UVACO is moving beyond its Taiwan-centric base, with growth increasingly driven by product expansion and overseas markets. CordiBella skincare has lifted non-health food contribution from ~4% to nearly 9% in 2025, enhancing product mix and member monetization, and is set to remain a key growth driver into 2026. On the geographic front, the company has secured a direct selling license in Malaysia and plans to launch in 2Q26. Replicating its Taiwan model in Southeast Asia would expand its addressable market and reposition UVACO from a stable cash generator to a mid-term growth engine.

**Forecast revisions reflect mix shift, structural improvement supports re-rating:** We revise our 2026–2027 earnings forecasts to reflect a higher contribution from OEM and Shanghai. Our estimates imply EPS of NT\$9.96 for 2026 and NT\$11.81 for 2027. While gross margin is slightly lowered to 75.3%/74.3% due to mix dilution, operating margin continues to improve, supported by operating leverage and cost optimization. Meanwhile, Taiwan adjustments and a Shanghai turnaround should stabilize earnings quality. Under our Base Case, we apply a 14–16x 2026E P/E, implying a valuation range of NT\$139–159 (~16%–33% upside). For more details of our assumptions, please visit our [initiation of coverage report](#).

## 4Q25 Results Analysts Meeting Summary

### **2025 review: Domestic weakness and China drag, offset by strong OEM/ODM growth**

FY25 revenue declined 8.1% YoY, with EPS at NT\$8.22, mainly reflecting channel adjustments in the Taiwan branded business and weak demand in China. The Shanghai business, impacted by low capacity utilization, contributed approximately -2% to group profits and was a key drag on earnings. That said, OEM/ODM maintained strong growth (+54% YoY), effectively supporting overall revenue and utilization. The company also raised its payout ratio to 73%, maintaining a NT\$6 cash dividend, highlighting resilient cash flow and commitment to shareholder returns.

### **2026 outlook: Broad-based recovery across segments, with improving earnings trajectory**

Management indicated that all three core segments (Taiwan, UVACO, Shanghai) delivered positive growth in the first two months of 2026, with full-year performance expected to improve versus 2025. Growth drivers are shifting from domestic demand toward OEM/ODM long-cycle orders and overseas expansion, while the Shanghai business is expected to return to profitability alongside improving utilization.

### **OEM/ODM: High order visibility, supported by regulatory advantages and new clients**

Orders from its largest US pharmaceutical client reached full capacity by end-2025, providing strong support into 2026, with most orders backed by one-year forecasts. In addition, a major Japanese customer is expected to be onboarded in 2H26, supported by the dedicated Slim Can production line, with potential to develop into a long-term anchor order. Furthermore, proprietary fermentation-based ingredients unique to Taiwan (e.g., Antrodia cinnamomea, Lion's Mane) have gained regulatory approval in overseas markets, enabling export-driven OEM growth. Together with new dosage formats (e.g., jelly), these factors are expected to sustain growth momentum.

### **UVACO: Scaling non-health products and expanding into Southeast Asia**

UVACO is transitioning from a health supplement-focused direct selling model toward a broader lifestyle brand. Non-health product contribution has increased from ~4% to nearly 9%, emerging as a higher-margin growth driver. The company has secured a direct selling license in Malaysia and plans to launch operations in Kuala Lumpur in 2Q26. Management conservatively guides for ~NT\$100mn revenue contribution in the first year, with potential for step-up growth thereafter. Leveraging proprietary Taiwan-origin ingredients, the company aims to differentiate its offering and use Malaysia as a base for further Southeast Asia expansion.

### **Margin outlook: Cost optimization and mix improvement to support profitability**

Management guides for a 2026 gross margin range of 75%–78%. While a higher contribution from OEM/ODM and Shanghai may create dilution pressure, this is expected to be offset by internalization of the probiotic freeze-drying process and scaling of higher-margin UVACO products and overseas markets. In addition, the company is phasing out lower-margin products (e.g., kombucha) and shifting toward proprietary ingredient-based offerings, supporting an improvement in earnings quality.

### **Capex and R&D: Capacity upgrades alongside new drug development**

Capex is expected to reach approximately NT\$650mn in 2026, mainly allocated to capacity upgrades at the Longtan and Pingzhen plants and the build-out of the Slim Can production line. On the pipeline side, the Antrodia cinnamomea-based NASH drug is expected to sign its clinical trial agreement

in 2Q26, with Phase II trials to commence in 3Q26 and run for approximately three years. Management indicated that existing cash flow is sufficient to fund ongoing R&D without financial strain.

### Exhibit 1.1: Grape King's 4Q25 Results Summary vs. Our Estimates

NT\$m	4Q25A	4Q25E	Diff.	4Q24	YoY	3Q25	QoQ
Net Sales	3,002	3,002	0.0%	3,155	-4.8%	2,428	23.7%
COGS	706	683	3.4%	684	3.3%	640	10.3%
Gross Profit	2,298	2,319	-0.9%	2,473	-7.1%	1,787	28.6%
Operating Expenses	1,553	1,656	-6.2%	1,708	-9.1%	1,245	24.7%
Operating Profit	745	664	12.3%	764	-2.5%	542	37.5%
Net Non-Op gain/(loss)	57	11	432.1%	56	1.8%	36	59.4%
Profit before Tax	802	674	18.9%	820	-2.2%	578	38.8%
Income Tax	145	129	12.7%	149	-2.4%	116	24.9%
Minorities	212	112	89.3%	225	-5.6%	165	28.2%
Net Income	445	434	2.6%	447	-0.4%	296	50.2%
EPS (NT\$)	3.00	2.93	2.6%	3.02	-0.4%	2.00	50.2%
<b>Margin Metrics</b>							
Gross margin	76.5%	77.3%		78.4%		73.6%	
Opex Ratio	51.7%	55.1%		54.1%		51.3%	
Operating margin	24.8%	22.1%		24.2%		22.3%	
Income tax %	18.1%	19.1%		18.1%		20.1%	
Pretax-margin	26.7%	22.5%		26.0%		23.8%	
Net margin	14.8%	14.4%		14.2%		12.2%	

Source: Company Data, TruePulse Equity Research

### Exhibit 1.2: Grape King's 2026-2027E Forecasts Revision

NT\$m	2026E			2027E		
	Revised	Original	Change	Revised	Original	Change
Revenue	11,240	11,407	-1.5%	12,891	13,063	-1.3%
Gross profit	8,468	8,656	-2.2%	9,582	9,792	-2.1%
Operating profit	2,458	2,441	0.7%	2,876	2,856	0.7%
Pre-tax profit	2,673	2,611	2.4%	3,121	3,047	2.4%
Net profit	1,476	1,482	-0.4%	1,750	1,703	2.8%
EPS (NT\$)	9.96	10.01	-0.4%	11.81	11.49	2.8%
<b>Margin Metrics</b>						
Gross margin	75.3%	75.9%		74.3%	75.0%	
Operating margin	21.9%	21.4%		22.3%	21.9%	
Pre-tax margin	23.8%	22.9%		24.2%	23.3%	
Net margin	13.1%	13.0%		13.6%	13.0%	

Source: Company Data, TruePulse Equity Research

### Exhibit 1.3: Grape King's Financial Summary and Forecast

Revenue Breakdown (%)	2023	2024	2025	2026E	2027E
UVACO (MLM)	80.6%	79.2%	76.8%	75.1%	73.8%
Taiwan Own Brand	7.9%	6.5%	6.4%	6.4%	6.4%
OEM/ODM	3.8%	4.1%	7.0%	9.0%	10.6%
Shanghai Grape King	7.7%	10.2%	9.8%	9.6%	9.3%
<b>(NT\$m)</b>					
Revenue	10,635	11,160	10,252	11,240	12,891
Gross Profit	8,536	8,658	7,697	8,468	9,582
Operating Profit	2,499	2,500	2,141	2,458	2,876
Non-op Profit	164	173	156	215	245
Pretax Profit	2,663	2,673	2,297	2,673	3,121
Net Profit	1,455	1,448	1,218	1,476	1,750
EPS (NT\$)	9.82	9.78	8.22	9.96	11.81
<b>Margins</b>					
Gross Margin	80.3%	77.6%	75.1%	75.3%	74.3%
OPEX Ratio	56.8%	55.2%	54.2%	53.5%	52.0%
Operating Margin	23.5%	22.4%	20.9%	21.9%	22.3%
Pretax Margin	25.0%	24.0%	22.4%	23.8%	24.2%
Net Margin	13.7%	13.0%	11.9%	13.1%	13.6%
<b>YoY</b>					
Revenue	2.4%	4.9%	-8.1%	9.6%	14.7%
Gross Profit	0.6%	1.4%	-11.1%	10.0%	13.1%
Operating Profit	-2.1%	0.0%	-14.4%	14.8%	17.0%
Net Profit	-0.2%	-0.5%	-15.9%	21.2%	18.6%
EPS (NT\$)	-0.2%	-0.5%	-15.9%	21.2%	18.6%

Source: Company Data, TruePulse Equity Research

### Exhibit 1.4: Grape King's Financial Summary and Forecast (Quarterly)

Revenue Breakdown	1Q26E	2Q26E	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E
UVACO	71.5%	76.7%	73.1%	77.7%	69.7%	75.1%	72.1%	76.8%
Taiwan Own Brand	7.1%	6.2%	6.6%	5.9%	7.2%	6.3%	6.5%	5.8%
OEM/ODM	9.8%	7.9%	10.3%	8.3%	11.7%	9.5%	11.9%	9.6%
Shanghai Grape King	11.6%	9.2%	9.9%	8.2%	11.4%	9.1%	9.4%	7.8%
<b>(NT\$m)</b>								
Revenue	2,363	2,842	2,722	3,314	2,668	3,193	3,175	3,855
Gross Profit	1,710	2,189	2,031	2,539	1,892	2,428	2,339	2,923
Operating Profit	405	564	662	828	459	656	784	978
Non-op Profit	52	53	54	55	60	60	61	62
Pretax Profit	457	617	716	883	519	716	845	1,040
Net Profit	248	344	398	486	286	408	475	581
EPS (NT\$)	1.68	2.32	2.68	3.28	1.93	2.76	3.21	3.92
<b>Margins</b>								
Gross Margin	72.4%	77.0%	74.6%	76.6%	70.9%	76.1%	73.7%	75.8%
OPEX Ratio	55.2%	57.2%	50.3%	51.6%	53.7%	55.5%	49.0%	50.4%
Operating Margin	17.1%	19.8%	24.3%	25.0%	17.2%	20.5%	24.7%	25.4%
Pretax Margin	19.3%	21.7%	26.3%	26.6%	19.4%	22.4%	26.6%	27.0%
Net Margin	10.5%	12.1%	14.6%	14.7%	10.7%	12.8%	15.0%	15.1%
<b>YoY</b>								
Revenue	4.9%	10.6%	12.1%	10.4%	12.9%	12.4%	16.6%	16.3%
Gross Profit	3.6%	11.5%	13.7%	10.5%	10.7%	11.0%	15.1%	15.1%
Operating Profit	7.6%	17.9%	22.1%	11.1%	13.4%	16.3%	18.4%	18.2%
Net Profit	19.6%	27.4%	34.3%	9.4%	15.1%	18.9%	19.5%	19.4%
EPS (NT\$)	19.6%	27.4%	34.3%	9.4%	15.1%	18.9%	19.5%	19.4%

Source: Company Data, TruePulse Equity Research

Exhibit 1.5: Grape King's Peer Valuation Comparison Table

	Market Cap (US\$mn)	EPS CAGR 2025-2027E	P/E (x)			P/B (x)			EV/EBITDA			ROE (%)			Div. Yield (%)	
			2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026	2027	2025	2026
<b>Taiwan Strategic Peers</b>																
Grape King Bio	555	19.9%	14.5	12.0	10.1	1.5	1.4	1.3	5.7	5.1	4.4	11.9	14.2	16.6	5.0	5.9
Daiken Biomedical	489	55.4%	46.2	27.2	19.1	2.8	-	-	35.4	14.1	9.9	10.0	25.9	27.0	-	-
TCI Co.	425	-	14.2	11.1	-	1.7	1.7	-	6.9	-	-	11.9	-	-	6.1	6.1
Syngen Biotech	93	-	11.0	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Average</b>		<b>37.6%</b>	<b>21.5</b>	<b>16.8</b>	<b>14.6</b>	<b>1.3</b>	<b>-</b>	<b>-</b>	<b>6.5</b>	<b>2.7</b>	<b>2.7</b>	<b>11.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Global Direct Selling (MLM) Peers</b>																
Nu Skin	344	-36.1%	2.1	6.9	5.2	0.4	-	-	-	-	-	-	-	-	-	-
Herbalife	1,540	19.3%	6.7	5.9	4.7	-	-	-	2.9	-	-	22.0	-	-	3.4	-
USANA Health	136	117.1%	29.4	8.7	6.2	0.6	0.6	0.5	5.5	4.9	4.7	-	-	-	-	-
Nature's Sunshine	421	7.2%	21.5	22.6	18.7	2.6	-	-	2.9	2.4	1.9	2.0	4.1	7.6	-	-
LifeVantage	61	-	7.7	7.2	-	1.8	-	-	9.0	6.7	5.9	12.7	-	-	-	-
Medifast	104	27.4%	-	-	-	0.5	-	-	5.2	3.4	-	25.0	-	-	3.7	-
DXN Holdings	600	13.1%	8.1	7.0	6.3	1.8	-	-	-	-	-	9.1	-	-	-	-
<b>Average</b>		<b>24.7%</b>	<b>12.6</b>	<b>9.7</b>	<b>8.3</b>	<b>0.7</b>	<b>0.6</b>	<b>0.5</b>	<b>3.7</b>	<b>3.7</b>	<b>3.3</b>	<b>21.3</b>	<b>-</b>	<b>-</b>	<b>7.4</b>	<b>8.5</b>
<b>Global Consumer Health &amp; VDS Brands</b>																
Jamieson Wellness	1,099	27.5%	22.2	15.5	13.6	2.9	-	-	-	-	-	-	-	-	-	-
By-health Co.	2,811	36.2%	27.0	20.9	14.5	1.7	1.7	1.6	14.2	10.3	9.3	12.0	18.2	19.0	-	2.9
H&H International	1,041	23.4%	10.8	8.4	7.1	1.2	1.1	1.0	12.4	10.4	8.2	-	8.1	9.8	-	3.6
Simply Good Foods	1,350	49.8%	14.9	7.0	6.6	0.8	-	-	7.1	6.2	5.8	-	11.6	13.0	-	4.2
BellRing Brands	2,033	19.9%	11.1	8.6	7.7	-	-	-	6.5	5.8	5.4	5.2	-	-	-	-
Applied Nutrition	737	13.9%	21.5	18.3	16.6	-	-	-	9.4	7.3	6.8	NM	-	-	-	-
BioGaia AB	1,230	22.2%	34.5	27.4	23.1	8.7	8.7	8.2	15.2	12.9	11.7	-	-	-	-	-
FitLife Brands	124	62.9%	18.1	9.1	6.8	-	-	-	22.4	19.7	16.7	21.9	31.8	36.4	1.4	3.7
<b>Average</b>		<b>32.0%</b>	<b>20.0</b>	<b>14.4</b>	<b>12.0</b>	<b>1.9</b>	<b>3.8</b>	<b>3.6</b>	<b>11.8</b>	<b>7.9</b>	<b>6.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Global Ingredients &amp; Supply Chain</b>																
Glanbia	4,694	42.3%	25.6	13.4	12.7	2.4	2.4	2.2	-	-	-	-	-	-	-	-
Novozymes	24,599	36.5%	36.5	21.6	19.6	2.0	1.9	1.8	1.0	1.4	1.3	9.2	17.2	17.5	2.6	2.5
DSM-Firmenich	16,842	-	-	19.1	16.7	0.8	0.8	0.8	10.0	6.3	5.8	5.3	8.0	8.6	1.9	1.9
<b>Average</b>		<b>39.4%</b>	<b>31.1</b>	<b>18.0</b>	<b>16.3</b>	<b>1.7</b>	<b>1.7</b>	<b>1.6</b>	<b>1.7</b>	<b>2.0</b>	<b>2.0</b>	<b>1.7</b>	<b>3.9</b>	<b>4.7</b>	<b>4.3</b>	<b>4.3</b>

Source: Company Data, Capital IQ, TruePulse Equity Research

Exhibit 1.6: Grape King's Implied Value Scenario Analysis

Scenario	Applied P/E (x)	Implied Value (NT\$)	Underlying Assumptions
Bear Case	11-13x	110-129	Slower OEM/ODM scaling; delayed overseas execution; prolonged consumer softness
Base Case	14-16x	139-159	OEM/ODM expansion on track; UVACO normalization; gradual overseas contribution
Bull Case	17-19x	169-189	Strong OEM/ODM momentum; successful overseas ramp, improved earnings visibility

Source: Company Data, TruePulse Equity Research

### Key Risks and Challenges

- **OEM/ODM execution risk:** While OEM/ODM is a key growth engine, project-based revenue can be subject to timing delays, longer development cycles, and customer launch schedules, which may introduce short-term volatility despite strong medium-term demand visibility.
- **Direct-selling product-cycle and engagement risk:** UVACO's performance depends on sustained member engagement and successful product launches. Shifts in purchasing patterns, competitive offerings, or slower-than-expected adoption of new categories could affect near-term revenue momentum.
- **Overseas expansion and regulatory complexity:** International growth requires navigating diverse regulatory frameworks, product registrations, and localization efforts. Delays in approvals or higher compliance costs could affect the pace of expansion.

- **China consumption and channel execution:** Shanghai Grape King operates in a highly competitive and price-sensitive environment. Prolonged consumer downtrading, slower channel ramp-up, or execution challenges in new distribution partnerships could limit near-term recovery.
- **Market competition and pricing pressure:** Taiwan's supplement market remains crowded, with increasing online competition and private-label offerings. Maintaining brand positioning and pricing discipline while defending market share remains an ongoing challenge.

### Grape King's Income Statement

NT\$m	2023	2024	2025	2026E	2027E
Net Sales	10,635	11,160	10,252	11,240	12,891
COGS	2,099	2,502	2,555	2,772	3,309
Realized profit (loss) from sales	-2	-0	1	0	0
Gross Profit	8,536	8,658	7,697	8,468	9,582
Selling Expenses	5,046	5,140	4,615	5,035	5,600
G&A Expenses	702	726	667	715	806
R&D Expenses	290	292	275	261	299
Other Operating Expenses	0	0	0	0	0
Operating Profit	2,499	2,500	2,141	2,458	2,876
EBITDA	2,959	3,013	2,698	2,988	3,484
Net Interest Income (Expenses)	48	50	46	75	86
Other, Net	0	0	0	26	42
EBT Excl. Unusual Items	2,547	2,550	2,188	2,559	3,005
Gain (Loss) on Sales of Investments	0	0	0	0	0
Gain (Loss) on Sale of Assets	-1	1	-1	0	0
Gain (Loss) on FX	1	7	-1	0	0
Other Unusual Items, Total	117	116	112	114	116
EBT Incl. Unusual Items	2,663	2,673	2,298	2,673	3,121
Income Tax Expense	519	502	437	507	591
Earnings from Cont. Ops.	2,144	2,171	1,861	2,166	2,529
Discontinued Operations	0	0	0	0	0
Net Income to Company	2,144	2,171	1,861	2,166	2,529
Minority Interest	689	723	643	690	779
Preferred stock dividends	0	0	0	0	0
Net Income to Parent	1,455	1,448	1,218	1,476	1,750
EPS (NT\$)	9.82	9.78	8.22	9.96	11.81

Source: Company Data, TEJ TruePulse Equity Research

### Grape King's Balance Sheet

NT\$m	2023	2024	2025	2026E	2027E
Cash & Equivalent	4,819	4,343	4,165	4,771	5,535
Trading Asset Securities	80	41	21	21	21
Short-Term Investment	71	49	92	92	92
AR & NR	291	305	337	348	415
Inventories	688	754	829	887	1,076
Prepaid Expenses	64	73	182	182	182
Other Current Assets	26	32	35	35	35
Total Current Assets	6,039	5,596	5,661	6,336	7,356
Long-term Investment	89	193	352	352	352
Total property plant and equipment	7,539	7,699	7,841	7,829	7,801
Goodwill	0	0	0	0	0
Other intangibles	125	119	108	67	20
Other Non-Current Assets	1,721	1,717	1,776	1,776	1,776
Total Assets	15,512	15,324	15,738	16,360	17,306
AP & NP	290	309	364	388	476
Accrued Expenses	3,122	2,778	2,782	2,557	2,560
Other Current Liabilities	235	235	275	275	275
Total Current Liabilities (excl. ST Debt)	3,647	3,323	3,421	3,220	3,311
Working Capital Revolver (ST Debt)	0	0	0	0	0
Total Debt (excl. Working Capital Revolver+incl. LT Debt within 1 yr)	0	0	0	0	0
Other Liabilities	235	210	251	251	251
Total Liabilities	3,882	3,533	3,672	3,471	3,562
Total Common Equity	9,978	10,056	10,342	10,475	10,550
Common Stock	1,481	1,481	1,481	1,481	1,481
Capital Reserve	2,876	2,879	2,882	2,882	2,882
Retained Earnings	5,700	5,730	6,003	6,110	6,143
Other Adjusted Items	-80	-35	-24	2	44
Total Preferred Equity	0	0	0	0	0
Minority Interest	1,652	1,735	1,725	2,414	3,193
Total Equity	11,630	11,791	12,066	12,889	13,744

Source: Company Data, TEJ TruePulse Equity Research

### Grape King's Cashflow Statement

NT\$m	2023	2024	2025	2026E	2027E
Net Income	1,455	1,448	1,218	1,476	1,750
Minority Interest	689	723	643	690	779
D & A, Total	434	475	514	489	561
Amortization of Deferred Charges	26	39	42	41	47
Change in Net Operating Assets	-87	-51	-575	-44	-168
Other Non-Cash Items, Total	5	-757	338	0	0
Other Non-Cash Items, Total (incl. minority profit)	693	-35	980	0	0
Cash Flow-Operating	2,522	1,876	2,180	2,652	2,969
Capital Expenditure	-587	-627	-446	-491	-563
Sales of PP&E	0	1	1	14	30
Other Investing Activities	-68	-36	-161	0	0
Cash Flow-Investment	-655	-662	-606	-477	-533
Issue/(Retire) of Debt	0	0	0	0	0
Bank Revolver Draw/(Paydown)	0	0	0	0	0
LT Debt (Paydown)	0	0	0	0	0
Issue/(Retire) of Common Equity	0	0	0	0	0
Issue/(Retire) of Preferred Equity	0	0	0	0	0
Cash dividends paid	-1,664	-1,670	-1,703	-1,594	-1,714
Other Financing Activities	-45	-54	-69	0	0
Increase (decrease) in Minority	0	6	26	0	0
Cash Flow-Financing	-1,709	-1,717	-1,745	-1,594	-1,714
Foreign Exchange Effects	-10	27	-6	26	42
Change in Cash Flow	148	-476	-178	606	764
Beginning Cash	4,673	4,819	4,343	4,165	4,771
Ending Cash	4,821	4,343	4,165	4,771	5,535

Source: Company Data, TEJ TruePulse Equity Research

### Grape King's Financial Ratios

NT\$m / % / Days	2023	2024	2025	2026E	2027E
<b>Margins</b>					
Gross margin	80.3%	77.6%	75.1%	75.3%	74.3%
Op expense ratio	56.8%	55.2%	54.2%	53.5%	52.0%
Operating margin	23.5%	22.4%	20.9%	21.9%	22.3%
EBITDA margin	27.8%	27.0%	26.3%	26.6%	27.0%
Pretax margin	25.0%	24.0%	22.4%	23.8%	24.2%
Net margin	13.7%	13.0%	11.9%	13.1%	13.6%
<b>Balance sheet ratios</b>					
Receivables	291	305	337	348	415
Inventory	688	754	829	887	1,076
Payables	290	309	364	388	476
Net working capital	689	750	802	846	1,014
Receivable days	9.6	9.7	11.4	11.1	10.8
Inventory days	119.7	105.2	113.1	113.0	108.2
Payable days	50.8	43.7	48.1	49.5	47.7
Cash conversion cycle	78.5	71.2	76.4	74.5	71.3
<b>Liquidity ratios</b>					
Operating cash flow	2,522	1,876	2,180	2,652	2,969
Capex	-587	-627	-446	-491	-563
Free cash flow	1,935	1,249	1,734	2,160	2,406
Cash & Cash equivalent	4,819	4,343	4,165	4,771	5,535
Gross debt	0	0	0	0	0
Net debt	-4,890	-4,391	-4,257	-4,863	-5,627
Gross debt/equity	0%	0%	0%	0%	0%
Net Debt/Equity	-42%	-37%	-35%	-38%	-41%
Liabilities/Equity	33%	30%	30%	27%	26%
Liabilities/Assets	25%	23%	23%	21%	21%
<b>Return ratios</b>					
ROAE	14.9%	14.5%	11.9%	14.2%	16.6%
ROAA	9.5%	9.4%	7.8%	9.2%	10.4%

Source: Company Data, TEJ TruePulse Equity Research

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