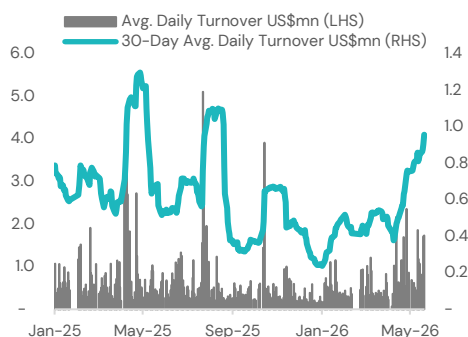
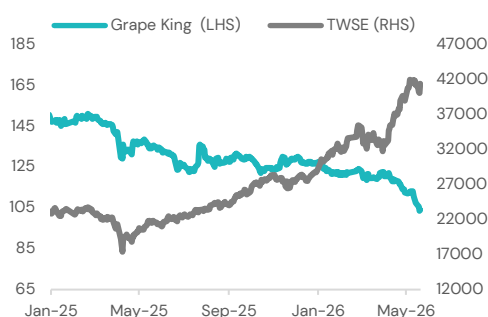


2026/05/21  
TruePulse Equity Research  
research@truepulsecapital.com

## Key Statistics

<b>Ticker:</b>	1707.TW / 1707TT
<b>Current Price:</b>	TWD 103.5
<b>52-Week Range:</b>	TWD 102.0 - 138
<b>Avg. Vol. (30-Day, k share)</b>	268.7
<b>Outstanding Shares (MN)</b>	148.1
<b>FINI Holding (%)</b>	14.14
<b>Market Cap (US\$MN)</b>	485.0

## Price Performance



## Financial Summary

NT\$ mn	2024	2025	2026E	2027E
<b>Revenue</b>	11,160	10,252	10,948	12,563
<b>Revenue YoY (%)</b>	4.9	(8.1)	6.8	14.7
<b>Gross Margin (%)</b>	77.6	75.1	74.5	73.8
<b>OP Margin(%)</b>	22.4	20.9	20.8	21.5
<b>Net Profit</b>	1,448	1,218	1,305	1,594
<b>Net Profit YoY (%)</b>	(0.3)	(15.9)	7.1	22.2
<b>Net Margin(%)</b>	13.0	11.9	11.9	12.7
<b>EPS (NT\$)</b>	9.78	8.22	8.81	10.76
<b>BPS (NT\$)</b>	79.6	81.5	89.1	99.0
<b>ROE (%)</b>	14.5	11.9	12.3	14.3
<b>Yield (%)</b>	5.4	5.8	6.0	-
<b>P/E (x)</b>	13.0	12.6	11.7	9.6
<b>P/B (x)</b>	1.5	1.3	1.2	1.0
<b>P/S (x)</b>	1.4	1.5	1.4	1.2
<b>EV/EBITDA (x)</b>	4.5	4.9	4.5	3.8

# Grape King Bio

## Product Mix Upgrade and Overseas Expansion Drive Long-Term Potential

### 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

**1Q26 Earnings Miss Driven by Cost Inflation and Product Mix Pressure:** Grape King posted 1Q26 revenue of NT\$2.28bn, up 1.1% YoY, supported by continued strength in its OEM/ODM business. However, softer contribution from the higher-margin UVACO segment, together with rising raw material and packaging costs since March, weighed on profitability. Management estimates cost inflation reduced gross margin by roughly 2ppts, bringing consolidated gross margin down to 69.7%. While operating expenses remained well controlled, down 1.6% YoY, this was not enough to fully offset margin pressure, resulting in EPS of NT\$1.18, below market expectations. Management emphasized that the company remains focused on product optimization and formulation upgrades rather than aggressive price increases.

**UVACO Continues Product Upgrade Cycle; Malaysia Expansion Officially Underway:** Although UVACO revenue declined around 5% YoY during the first four months of 2026, management highlighted that newer products and personal care categories are becoming increasingly important growth drivers. The CordiBella skincare series now contributes approximately 13% of segment revenue, while newly launched products such as “Sang Ben Li Yuan” protein mix and “Antrodia Beadlet” each generated roughly NT\$40mn in monthly sales. Meanwhile, UVACO will officially begin trial operations in Malaysia at the end of May, with its initial phase focused primarily on membership expansion and organizational building.

**OEM/ODM Momentum Remains Strong:** OEM/ODM continues to serve as Grape King’s primary growth engine, with revenue rising 35% YoY to NT\$276mn during the first four months of 2026. Management remains optimistic on the segment’s outlook and believes full-year growth could still reach 40%–50%. Order visibility remains healthy following the company’s participation at Vitafoods Europe, while overseas customer engagement continues to expand. We believe OEM/ODM is increasingly evolving into Grape King’s key long-term growth and globalization platform, while the branded and Shanghai businesses are also showing gradual operational improvement.

**Forecasts Revised Lower, but Long-Term Growth Thesis Remains Intact:** We lower our 2026–2027 EPS forecasts to NT\$8.81 and NT\$10.76, respectively. We believe the market remains overly focused on near-term earnings softness while underappreciating the company’s longer-term structural growth drivers, including OEM/ODM international expansion, rising contribution from UVACO’s new product categories, and the long-term opportunity in Malaysia. In addition, the stock’s dividend yield approaching 6% should provide downside support. Under our Base Case scenario (14–16x PE on average 2026–2027 EPS), this implies a valuation range of NT\$137–156 per share.

## Recent Management Meeting Takeaways

### 1Q26 Earnings Weighed by Raw Material Costs and Product Mix Shift

Grape King reported 1Q26 consolidated revenue of NT\$2.28bn, up 1.1% YoY. While the OEM/ODM business continued to deliver strong growth, the higher-margin UVACO direct-selling segment remained relatively soft. In addition, rising raw material and packaging costs since March created an estimated ~2ppt drag on gross margin, driving overall gross margin down to 69.7%. Although the company maintained disciplined operating expense control, with opex down 1.6% YoY, this was insufficient to fully offset margin pressure, resulting in operating profit declining 10.8% YoY to NT\$335mn and EPS falling 15.9% YoY to NT\$1.18, below market expectations.

To mitigate cost pressure, management currently prefers product reformulation, alternative ingredient sourcing, dosage and packaging optimization, as well as incorporating pricing adjustments into new product design, rather than implementing broad-based price hikes. Management also noted that certain substitute ingredients require renewed efficacy validation and certification processes, suggesting gross margin recovery may take time. Nonetheless, the company remains focused on maintaining long-term product competitiveness and member stability, rather than aggressively passing through costs to consumers.

### UVACO Product Competitiveness Remains Strong; New Products and Skin Care Drive Growth

Although UVACO's revenue for the first four months of 2026 reached NT\$2.23bn, down approximately 5% YoY, management indicated that new products and personal care products are increasingly becoming key growth drivers amid softer demand for traditional health supplements. In particular, the "CordiBella" skincare series generated over NT\$80mn in April promotional sales alone, with its revenue contribution rising from approximately 8.8% earlier this year to around 13% currently. Management believes the product positioning is highly competitive, sitting between mass-market and department store brands while offering attractive quality-to-price value.

In addition, the newly launched "Sang Ben Li Yuan" protein drink, which incorporates Grape King's proprietary MYOSS® Sanghuang mycelium ingredient, as well as the "Antrodia Beadlets" product launched late last year, each contributed approximately NT\$40mn in monthly sales. Management highlighted that these three product series alone are now capable of generating over NT\$170mn in monthly revenue, underscoring UVACO's continued strength in product development and member-driven sales capabilities. We believe UVACO's product portfolio is gradually shifting toward more diversified, higher-stickiness, and non-traditional health supplement categories, which should support longer-term growth reacceleration.

### UVACO Malaysia Officially Launches; Initial Focus on Membership Expansion

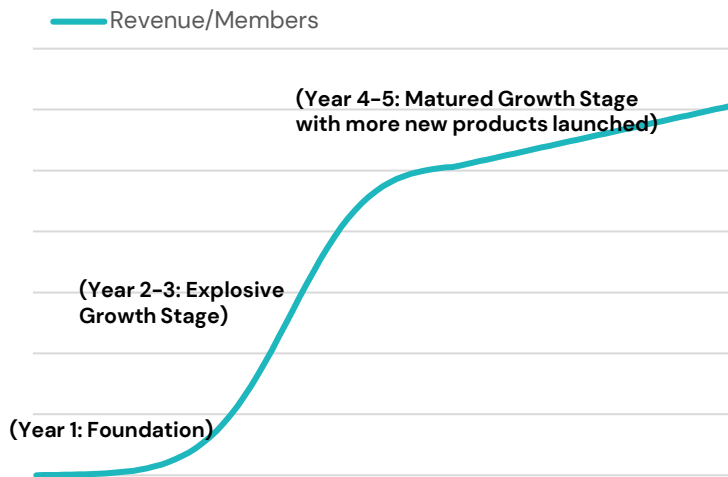
UVACO is scheduled to begin trial operations in Malaysia on May 29, with its official grand opening planned for August 17. Management indicated that the initial product rollout will remain focused on a limited number of core products, with approximately six SKUs during the early stage. At this stage, the company's primary objective is to establish its member base and organizational structure rather than maximize near-term revenue contribution. While management had previously targeted approximately NT\$100mn in Malaysia revenue for 2H26, the delayed launch schedule means final targets are still under internal review.

We believe direct-selling businesses entering new overseas markets typically follow a distinct "S-curve" expansion pattern. The first year is usually

characterized by organizational seeding and market establishment, largely driven by cross-border expansion from existing top distributors. Meaningful acceleration in membership and sales typically occurs during years two to three, once local leadership structures and repeat purchasing behaviors become established. Based on historical expansion cases such as USANA and Atomy across Asia, new markets can ultimately scale meaningfully if strong local leadership and high-repeat-purchase product portfolios are successfully developed.

We believe Malaysia represents a highly attractive first Southeast Asian market for UVACO due to several structural advantages: (1) Malaysia is already one of Asia’s most mature direct-selling markets; (2) its large Chinese-speaking population shares highly similar cultural, linguistic, and health consumption behaviors with Taiwan, enabling easier replication of UVACO’s existing sales and organizational model; (3) Grape King possesses strong biotechnology R&D capabilities and Halal-certified supply chain support; and (4) its core probiotic and immune-health products feature high repeat-purchase characteristics and strong customer stickiness. We continue to view Malaysia as a potentially important long-term beachhead for further Southeast Asian expansion.

Exhibit 1.1: Direct-Selling’s S Curve



Source: Company Data, TruePulse Equity Research

Exhibit 1.2: Overseas Expansion Case Study

	Case 1 : USANA	Case 2 : Atomy
<b>Brand Background</b>	U.S.-based premium nutritional supplement brand focused on functional cellular nutrition	Leading Korean wellness and beauty brand backed by Kolmar BNH
<b>Core Overseas Expansion Strategy</b>	“System replication + top leader expansion” model	“Hero product penetration” strategy
<b>Year 1 in New Market</b>	Primarily driven by existing top distributors, with local member contribution typically below 30%	Focus on 2–3 core hero products to build brand trust and drive high repeat purchases
<b>Year 2–3 Development</b>	Local leadership systems begin forming, often leading to 100%–300% revenue and membership growth	Expansion into adjacencies after hero products gain traction, driving ARPU growth of 35%
<b>Year 4–5 Development</b>	Growth moderates to a more stable 15%–30% range as the market matures	Strong consumer networks and repeat-purchase ecosystems create long-term customer stickiness

Source: Company Data, TruePulse Equity Research

Exhibit 1.3: First Batch of UVACO Products in Malaysia



Source: Company Data, TruePulse Equity Research

### **OEM/ODM Continues to Lead Growth; Branded Business and Shanghai Operations Improving**

OEM/ODM remains Grape King's primary growth engine, with revenue reaching NT\$276mn during the first four months of 2026, representing 35% YoY growth. Management remains highly optimistic regarding the outlook for the OEM/ODM business and expects the segment to deliver 40%–50% growth for the full year. Order visibility remains healthy, and following the company's recent participation at Vitafoods Europe, overseas customer engagement continues to expand. Existing major customer products have already begun distribution rollout in Taiwan, while management also indicated potential opportunities to secure new OEM orders from large U.S. retail channel customers.

We believe OEM/ODM is no longer merely a supplementary business segment, but is increasingly becoming Grape King's core long-term growth and globalization engine. As global health supplement brands continue seeking Asian manufacturing partners and functional ingredient suppliers, Grape King's long-standing expertise in microbial strains, fermentation technologies, and functional ingredient platforms should position the company favorably for sustained medium- to long-term OEM/ODM growth.

Within the branded business, although revenue for the first four months reached NT\$202mn, down approximately 6.6% YoY, management still maintains a full-year growth target of around 10%. The company continues optimizing channels and product mix while preparing several new product launches. Management expects to launch a new functional health beverage utilizing proprietary ingredients during August–September. Given its beverage format, the company expects the product to achieve larger sales volume potential compared to traditional supplements while also carrying favorable margins. In addition, management has recently started exploring livestream-based e-commerce channels, which could become an incremental growth driver if execution proves successful.

Management also acknowledged that the sharp depreciation of the Japanese yen has encouraged Taiwanese consumers to purchase large quantities of Japanese health supplements while traveling abroad, creating headwinds for the domestic supplement market. As a result, the company plans to focus more heavily on differentiated Taiwan-exclusive products tailored specifically for local consumer demand.

Meanwhile, Shanghai Grape King generated NT\$342mn revenue during the first four months of 2026, up approximately 9.8% YoY. Management indicated that the China strategy has now shifted more decisively toward OEM/ODM orders, with the primary goal of improving capacity utilization and operating efficiency. Orders from customers such as Uni-President continue progressing steadily, and management expects Shanghai operations to deliver 10%–20% growth this year.

### **Forecast Revisions and Valuation Update**

Following weaker-than-expected 1Q26 earnings and higher-than-anticipated raw material and packaging cost pressure, we are revising down our 2026–2027 earnings forecasts. The revisions primarily reflect: (1) continued mix shift toward OEM/ODM, which dilutes consolidated gross margin; (2) rising raw material and packaging costs; and (3) a slower-than-expected recovery in both UVACO and Taiwan branded operations.

We now forecast 2026 EPS at NT\$8.81, representing an 11.6% downward revision from our previous estimate, while 2027 EPS is revised from NT\$11.81 to NT\$10.76, an 8.9% reduction. We also lower our 2026–2027 gross margin assumptions to 74.5% and 73.8%, respectively, mainly reflecting ongoing cost pressure and increasing OEM/ODM contribution.

That said, we believe the market remains overly focused on near-term earnings pressure while underestimating the company's longer-term structural transformation potential. The continued globalization of the OEM/ODM business, rising contribution from UVACO's new products and personal care products, as well as the long-term expansion opportunity in Malaysia, could collectively help rebuild Grape King's long-term growth profile and earnings stability. In addition, the stock's current dividend yield approaching 6% should provide meaningful downside support.

Under our Base Case scenario, we apply a 14–16x average 2026–2027 forward P/E multiple, implying a valuation range of NT\$137–156 per share. We believe the market still does not fully reflect the company's long-term overseas expansion potential, OEM/ODM internationalization strategy, and the potential earnings leverage that could emerge as UVACO's overseas organization scales further.

#### Exhibit 1.4: Grape King's 1Q26 Results Summary vs. Our Estimates

NT\$m	1Q26A	1Q26E	Diff.	1Q25	YoY	4Q25	QoQ
Net Sales	2,278	2,363	-3.6%	2,252	1.1%	3,002	-24.1%
COGS	691	653	5.8%	602	14.7%	706	-2.2%
Gross Profit	1,588	1,710	-7.1%	1,650	-3.8%	2,298	-30.9%
Operating Expenses	1,252	1,305	-4.0%	1,274	-1.7%	1,553	-19.3%
Operating Profit	335	405	-17.1%	376	-10.8%	745	-55.0%
Net Non-Op gain/(loss)	28	52	-46.3%	38	-25.1%	57	-50.5%
Profit before Tax	363	457	-20.4%	414	-12.1%	802	-54.7%
Income Tax	77	87	-11.3%	85	-9.6%	145	-46.9%
Minorities	112	122	-8.2%	121	-7.5%	212	-47.3%
Net Income	175	248	-29.7%	208	-15.9%	445	-60.7%
EPS (NT\$)	1.18	1.68	-29.7%	1.40	-15.9%	3.00	-60.7%
Gross margin	69.7%	72.4%		73.3%		76.5%	
Opex Ratio	55.0%	55.2%		56.6%		51.7%	
Operating margin	14.7%	17.1%		16.7%		24.8%	
Income tax %	21.2%	19.0%		20.6%		18.1%	
Pretax-margin	16.0%	19.3%		18.4%		26.7%	
Net margin	7.7%	10.5%		9.2%		14.8%	

Source: Company Data, TruePulse Equity Research

#### Exhibit 1.5: Grape King's 2026–2027E Forecasts Revision

NT\$m	2026E			2027E		
	Revised	Original	Change	Revised	Original	Change
Revenue	10,948	11,240	-2.6%	12,563	12,891	-2.5%
Gross profit	8,158	8,468	-3.7%	9,273	9,582	-3.2%
Operating profit	2,282	2,458	-7.1%	2,701	2,876	-6.1%
Pre-tax profit	2,447	2,673	-8.5%	2,908	3,121	-6.8%
Net profit	1,305	1,476	-11.6%	1,594	1,750	-8.9%
EPS (NT\$)	8.81	9.96	-11.6%	10.76	11.81	-8.9%
Gross margin	74.5%	75.3%		73.8%	74.3%	
Operating margin	20.8%	21.9%		21.5%	22.3%	
Pre-tax margin	22.3%	23.8%		23.2%	24.2%	
Net margin	11.9%	13.1%		12.7%	13.6%	

Source: Company Data, TruePulse Equity Research

### Exhibit 1.6: Grape King's Financial Summary and Forecast

Revenue Breakdown (%)	2023	2024	2025	2026E	2027E
UVACO (MLM)	80.6%	79.2%	76.8%	74.4%	73.1%
Taiwan Own Brand	7.9%	6.5%	6.4%	6.5%	6.5%
OEM/ODM	3.8%	4.1%	7.0%	9.1%	10.7%
Shanghai Grape King	7.7%	10.2%	9.8%	10.0%	9.6%
<b>(NT\$m)</b>					
Revenue	10,635	11,160	10,252	10,948	12,563
Gross Profit	8,536	8,658	7,697	8,158	9,273
Operating Profit	2,499	2,500	2,141	2,282	2,701
Non-op Profit	164	173	156	165	207
Pretax Profit	2,663	2,673	2,297	2,447	2,908
Net Profit	1,455	1,448	1,218	1,305	1,594
EPS (NT\$)	9.82	9.78	8.22	8.81	10.76
<b>Margins</b>					
Gross Margin	80.3%	77.6%	75.1%	74.5%	73.8%
OPEX Ratio	56.8%	55.2%	54.2%	53.7%	52.3%
Operating Margin	23.5%	22.4%	20.9%	20.8%	21.5%
Pretax Margin	25.0%	24.0%	22.4%	22.3%	23.2%
Net Margin	13.7%	13.0%	11.9%	11.9%	12.7%
<b>YoY</b>					
Revenue	2.4%	4.9%	-8.1%	6.8%	14.7%
Gross Profit	0.6%	1.4%	-11.1%	6.0%	13.7%
Operating Profit	-2.1%	0.0%	-14.4%	6.6%	18.4%
Net Profit	-0.2%	-0.5%	-15.9%	7.1%	22.2%
EPS (NT\$)	-0.2%	-0.5%	-15.9%	7.1%	22.2%

Source: Company Data, TruePulse Equity Research

### Exhibit 1.7: Grape King's Financial Summary and Forecast (Quarterly)

Revenue Breakdown	1Q26A	2Q26E	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E
UVACO	70.6%	75.7%	72.0%	77.9%	68.8%	74.1%	71.0%	77.0%
Taiwan Own Brand	7.1%	6.4%	7.1%	5.6%	7.3%	6.6%	7.0%	5.6%
OEM/ODM	9.6%	8.2%	10.6%	8.3%	11.5%	9.9%	12.3%	9.6%
Shanghai Grape King	12.7%	9.6%	10.2%	8.2%	12.5%	9.5%	9.7%	7.8%
<b>(NT\$m)</b>								
Revenue	2,278	2,725	2,640	3,305	2,573	3,065	3,080	3,845
Gross Profit	1,588	2,084	1,953	2,535	1,793	2,313	2,249	2,918
Operating Profit	335	515	616	816	409	600	729	964
Non-op Profit	28	43	46	47	50	51	53	54
Pretax Profit	363	559	662	863	459	650	782	1,017
Net Profit	175	303	360	467	247	361	430	556
EPS (NT\$)	1.18	2.05	2.43	3.16	1.67	2.45	2.91	3.76
<b>Margins</b>								
Gross Margin	69.7%	76.4%	74.0%	76.7%	69.7%	75.5%	73.0%	75.9%
OPEX Ratio	55.0%	57.5%	50.7%	52.0%	53.8%	55.9%	49.3%	50.8%
Operating Margin	14.7%	18.9%	23.3%	24.7%	15.9%	19.6%	23.7%	25.1%
Pretax Margin	16.0%	20.5%	25.1%	26.1%	17.8%	21.2%	25.4%	26.5%
Net Margin	7.7%	11.1%	13.6%	14.1%	9.6%	11.8%	13.9%	14.5%
<b>YoY</b>								
Revenue	1.1%	6.1%	8.7%	10.1%	12.9%	12.5%	16.7%	16.3%
Gross Profit	-3.8%	6.1%	9.3%	10.3%	12.9%	11.0%	15.2%	15.1%
Operating Profit	-10.8%	7.8%	13.6%	9.5%	21.9%	16.4%	18.4%	18.1%
Net Profit	-15.9%	12.3%	21.6%	5.0%	41.1%	19.2%	19.3%	19.1%
EPS (NT\$)	-15.9%	12.3%	21.6%	5.0%	41.1%	19.2%	19.3%	19.1%

Source: Company Data, TruePulse Equity Research

Exhibit 1.8: Grape King's Peer Valuation Comparison Table

	Market Cap (US\$m)	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	485	14.5%	12.6	11.7	9.6	1.3	1.2	1.0	4.9	4.5	3.8	11.9	12.3	14.3	5.8	6.0
Daiken Biomedical	475	55.4%	44.4	26.2	18.4	2.8	-	-	32.8	13.0	9.2	10.0	25.9	27.0	3.8	-
TCI Co.	417	24.0%	13.8	11.4	9.0	1.7	1.7	-	6.9	5.5	4.7	11.9	12.8	15.6	6.2	6.3
Syngen Biotech	83	-	9.7	-	-	1.1	-	-	5.7	2.2	2.2	11.8	-	-	5.1	-
<b>Average</b>		<b>31.3%</b>	<b>20.3</b>	<b>16.4</b>	<b>12.3</b>	<b>1.6</b>	<b>1.4</b>	<b>1.0</b>	<b>12.3</b>	<b>6.3</b>	<b>5.0</b>	<b>10.4</b>	<b>17.0</b>	<b>18.9</b>	<b>5.1</b>	<b>6.1</b>
<b>Global Direct Selling (MLM) Peers</b>																
Nu Skin	284	-35.5%	1.8	5.6	4.3	0.3	-	-	2.7	-	-	22.0	-	-	4.1	-
Herbalife	1,303	21.7%	5.7	4.5	3.9	-	-	-	4.9	4.4	4.2	NM	-	-	-	-
USANA Health	335	118.0%	31.1	8.6	6.5	0.6	0.6	0.6	2.8	2.3	2.0	2.0	4.4	7.5	-	-
Nature's Sunshine	386	11.6%	19.8	17.8	15.9	2.4	-	-	8.3	6.0	5.5	12.7	-	-	-	-
LifeVantage	66	-16.6%	8.4	12.2	12.1	2.0	-	-	5.4	4.5	5.9	25.0	-	-	3.3	-
Medifast	129	-40.5%	-	-	-	0.7	-	-	-	-	-	9.1	-	-	-	-
DXN Holdings	570	9.2%	7.7	7.5	6.5	1.7	-	-	3.5	4.0	3.4	21.3	-	-	7.7	7.1
<b>Average</b>		<b>9.7%</b>	<b>12.4</b>	<b>9.4</b>	<b>8.2</b>	<b>0.7</b>	<b>0.6</b>	<b>0.6</b>	<b>4.6</b>	<b>4.2</b>	<b>4.2</b>	<b>10.4</b>	<b>4.4</b>	<b>7.5</b>	<b>5.5</b>	<b>7.1</b>
<b>Global Consumer Health &amp; VDS Br</b>																
Jamieson Wellness	1,049	28.8%	23.1	16.0	13.9	3.0	2.4	2.1	15.0	10.8	9.7	12.0	16.9	17.5	-	2.8
By-health Co.	2,473	13.0%	21.5	19.8	16.8	1.5	1.5	1.5	10.3	9.6	8.5	7.3	7.4	8.6	4.5	4.0
H&H International	1,029	120.8%	35.7	8.9	7.3	1.2	1.1	1.0	7.9	6.5	6.0	3.3	11.7	13.3	2.9	3.1
Simply Good Foods	1,012	29.9%	11.1	6.6	6.6	0.6	-	-	5.5	6.1	6.0	5.2	-	-	-	-
BellRing Brands	1,043	-1.3%	5.7	7.2	5.9	2.1	-	-	6.6	7.1	6.4	NM	-	-	-	-
Applied Nutrition	745	9.8%	20.1	18.4	16.6	8.0	-	-	13.2	12.7	11.6	49.4	-	-	-	44.6
BioGaia AB	1,462	23.1%	41.0	32.3	27.1	10.4	10.2	9.6	27.2	22.8	19.2	21.9	32.0	36.8	1.2	3.1
FitLife Brands	93	-	14.8	-	-	2.1	-	-	9.9	8.6	7.2	15.9	-	-	-	-
<b>Average</b>		<b>32.0%</b>	<b>21.6</b>	<b>15.6</b>	<b>13.5</b>	<b>3.1</b>	<b>3.8</b>	<b>3.6</b>	<b>12.0</b>	<b>10.5</b>	<b>9.3</b>	<b>16.4</b>	<b>17.0</b>	<b>19.0</b>	<b>2.9</b>	<b>11.5</b>
<b>Global Ingredients &amp; Supply Chain</b>																
Glanbia	5,762	43.9%	31.4	16.3	15.2	3.0	2.9	2.7	1.2	1.7	1.6	9.2	17.5	17.5	2.1	2.0
Novozymes	27,108	36.8%	39.9	23.5	21.3	2.1	2.1	2.0	10.9	6.8	6.3	5.3	8.3	8.8	1.7	1.9
DSM-Firmenich	19,651	-	-	18.6	16.6	0.9	1.0	1.0	1.9	2.3	2.3	1.7	4.3	5.1	3.7	3.7
<b>Average</b>		<b>40.4%</b>	<b>35.7</b>	<b>19.5</b>	<b>17.7</b>	<b>2.0</b>	<b>2.0</b>	<b>1.9</b>	<b>4.7</b>	<b>3.6</b>	<b>3.4</b>	<b>5.4</b>	<b>10.0</b>	<b>10.5</b>	<b>2.5</b>	<b>2.5</b>

Source: Company Data, Capital IQ, TruePulse Equity Research

Exhibit 1.9: Grape King's Implied Value Scenario Analysis

Scenario	Applied P/E (x)	Implied Value (NT\$)	Underlying Assumptions
Bear Case	11–13x	108–127	Slower OEM/ODM scaling; delayed overseas execution; prolonged consumer softness
Base Case	14–16x	137–156	OEM/ODM expansion on track; UVACO normalization; gradual overseas contribution
Bull Case	17–19x	166–186	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	10,948	12,563
COGS	2,099	2,502	2,555	2,790	3,290
Realized profit (loss) from sales	-2	-0	1	1	0
Gross Profit	8,536	8,658	7,697	8,158	9,273
Selling Expenses	5,046	5,140	4,615	4,883	5,448
G&A Expenses	702	726	667	705	792
R&D Expenses	290	292	275	289	332
Other Operating Expenses	0	0	0	0	0
Operating Profit	2,499	2,500	2,141	2,282	2,701
EBITDA	2,959	3,013	2,698	2,967	3,487
Net Interest Income (Expenses)	48	50	46	42	54
Other, Net	0	0	0	21	42
EBT Excl. Unusual Items	2,547	2,550	2,188	2,346	2,797
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	3	0
Other Unusual Items, Total	117	116	112	98	111
EBT Incl. Unusual Items	2,663	2,673	2,298	2,447	2,908
Income Tax Expense	519	502	437	479	565
Earnings from Cont. Ops.	2,144	2,171	1,861	1,968	2,343
Discontinued Operations	0	0	0	0	0
Net Income to Company	2,144	2,171	1,861	1,968	2,343
Minority Interest	689	723	643	663	750
Preferred stock dividends	0	0	0	0	0
Net Income to Parent	1,455	1,448	1,218	1,305	1,594
EPS (NT\$)	9.82	9.78	8.22	8.81	10.76

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	5,215	6,747
Trading Asset Securities	80	41	21	21	21
Short-Term Investment	71	49	92	94	94
AR & NR	291	305	337	347	414
Inventories	688	754	829	881	1,070
Prepaid Expenses	64	73	182	132	132
Other Current Assets	26	32	35	22	22
Total Current Assets	6,039	5,596	5,661	6,713	8,500
Long-term Investment	89	193	352	384	384
Total property plant and equipment	7,539	7,699	7,841	7,724	7,558
Goodwill	0	0	0	0	0
Other intangibles	125	119	108	60	0
Other Non-Current Assets	1,721	1,717	1,776	1,760	1,760
Total Assets	15,512	15,324	15,738	16,640	18,202
AP & NP	290	309	364	386	474
Accrued Expenses	3,122	2,778	2,782	2,571	2,582
Other Current Liabilities	235	235	275	250	250
Total Current Liabilities (excl. ST Debt)	3,647	3,323	3,421	3,207	3,305
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	236	236
Total Liabilities	3,882	3,533	3,672	3,444	3,542
Total Common Equity	9,978	10,056	10,342	10,809	11,522
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	6,411	7,083
Other Adjusted Items	-80	-35	-24	34	76
Total Preferred Equity	0	0	0	0	0
Minority Interest	1,652	1,735	1,725	2,388	3,138
Total Equity	11,630	11,791	12,066	13,197	14,660

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	1,305	1,594
Minority Interest	689	723	643	663	750
D & A, Total	434	475	514	631	724
Amortization of Deferred Charges	26	39	42	54	62
Change in Net Operating Assets	-87	-51	-575	-137	-168
Other Non-Cash Items, Total	5	-757	338	75	0
Other Non-Cash Items, Total (incl. minority profit)	693	-35	980	186	0
Cash Flow-Operating	2,522	1,876	2,180	2,590	2,962
Capital Expenditure	-587	-627	-446	-654	-588
Sales of PP&E	0	1	1	12	30
Other Investing Activities	-68	-36	-161	-28	0
Cash Flow-Investment	-655	-662	-606	-670	-558
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	-889	-913
Other Financing Activities	-45	-54	-69	-17	0
Increase (decrease) in Minority	0	6	26	0	0
Cash Flow-Financing	-1,709	-1,717	-1,745	-906	-913
Foreign Exchange Effects	-10	27	-6	37	42
Change in Cash Flow	148	-476	-178	1,051	1,532
Beginning Cash	4,673	4,819	4,343	4,165	5,215
Ending Cash	4,821	4,343	4,165	5,215	6,747

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%	74.5%	73.8%
Op expense ratio	56.8%	55.2%	54.2%	53.7%	52.3%
Operating margin	23.5%	22.4%	20.9%	20.8%	21.5%
EBITDA margin	27.8%	27.0%	26.3%	27.1%	27.8%
Pretax margin	25.0%	24.0%	22.4%	22.3%	23.2%
Net margin	13.7%	13.0%	11.9%	11.9%	12.7%
<b>Balance sheet ratios</b>					
Receivables	291	305	337	347	414
Inventory	688	754	829	881	1,070
Payables	290	309	364	386	474
Net working capital	689	750	802	842	1,010
Receivable days	9.6	9.7	11.4	11.4	11.1
Inventory days	119.7	105.2	113.1	111.9	108.2
Payable days	50.8	43.7	48.1	49.1	47.7
Cash conversion cycle	78.5	71.2	76.4	74.2	71.6
<b>Liquidity ratios</b>					
Operating cash flow	2,522	1,876	2,180	2,590	2,962
Capex	-587	-627	-446	-654	-588
Free cash flow	1,935	1,249	1,734	1,936	2,374
Cash & Cash equivalent	4,819	4,343	4,165	5,215	6,747
Gross debt	0	0	0	0	0
Net debt	-4,890	-4,391	-4,257	-5,310	-6,842
Gross debt/equity	0%	0%	0%	0%	0%
Net Debt/Equity	-42%	-37%	-35%	-40%	-47%
Liabilities/Equity	33%	30%	30%	26%	24%
Liabilities/Assets	25%	23%	23%	21%	19%
<b>Return ratios</b>					
ROAE	14.9%	14.5%	11.9%	12.3%	14.3%
ROAA	9.5%	9.4%	7.8%	8.1%	9.1%

Source: Company Data, TEJ TruePulse Equity Research

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