



葡萄王生技

Grape King Bio(1707 TT/TW) Investor Presentation

Aug 14, 2024

“ Company Milestones



GrapeKing
Longtan Plant
In Zhongli



葡眾企業
PRO-PARTNER
Pro-Partner
was established



Grape King Bio-Tech
Headquarter in Pingzhen
started operation in September



Taipei Grape King
Sales Headquarter
was established.



統一企業
Uni-President (1216 TT)
became a shareholder and
strategic partner through a
private placement.



DIRECT SELLING NEWS
Pro-Partner's ranked
No.38 among worldwide
direct selling companies

1969 1997 1998 2014 2016 2017 2018 2019 2021 2023 2024

Shanghai Grape King
was established



- Dr. Andrew Tseng succeeded his father to become the CEO and Chairman.
- Grape King is selected as Forbes "Asia's 200 Best Under A Billion."
- Pro-Partner's ranked No.2 among Taiwan direct selling companies.

Grape King's first
Tourist Center



- Grape King Bio-Tech Research Institute was established.
- Grape King formed a JV with All Cosmos Bio-Tech (4148 TT) to expand into Malaysia market.



Grape King Health Bio
Park

The first phase of Grape King Health Bio Park was inaugurated and began production.





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1H24 RESULTS

“ Company Overview : Three core business units

1. Taiwan Grape King (Parent Co)

Taiwan own brand & global OEM & ODM

Focus of all key ingredient design, formulation, and production for the whole Group.

2. Pro-Partner (60%-own)

Taiwan direct selling distribution

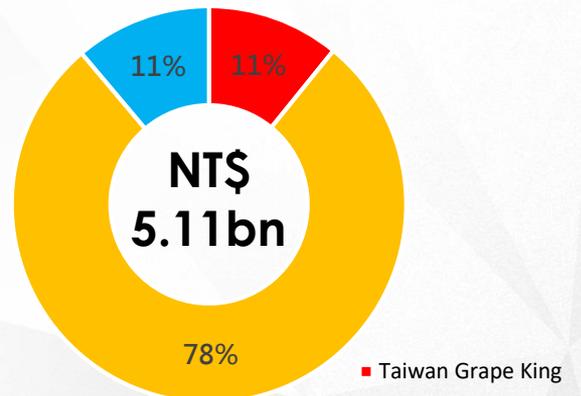
A differentiated distribution channel with products sold through direct-selling by members under the Pro-Partner brand.

3. Shanghai Grape King (100%-own)

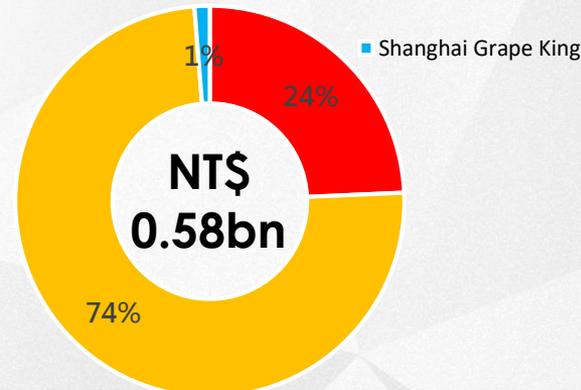
China OEM & ODM

Our manufacturing in China that focuses on OEM and ODM for domestic and global health food companies.

1H24 Revenue



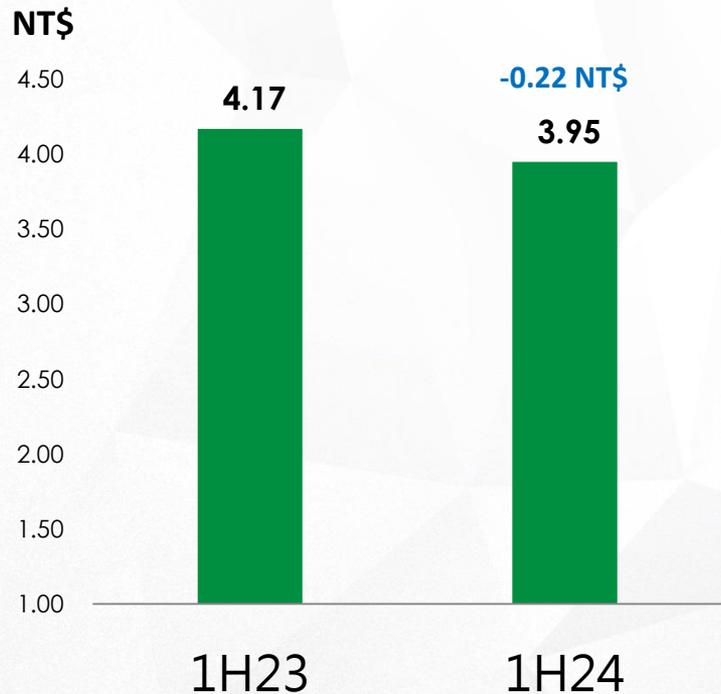
1H24 Profit



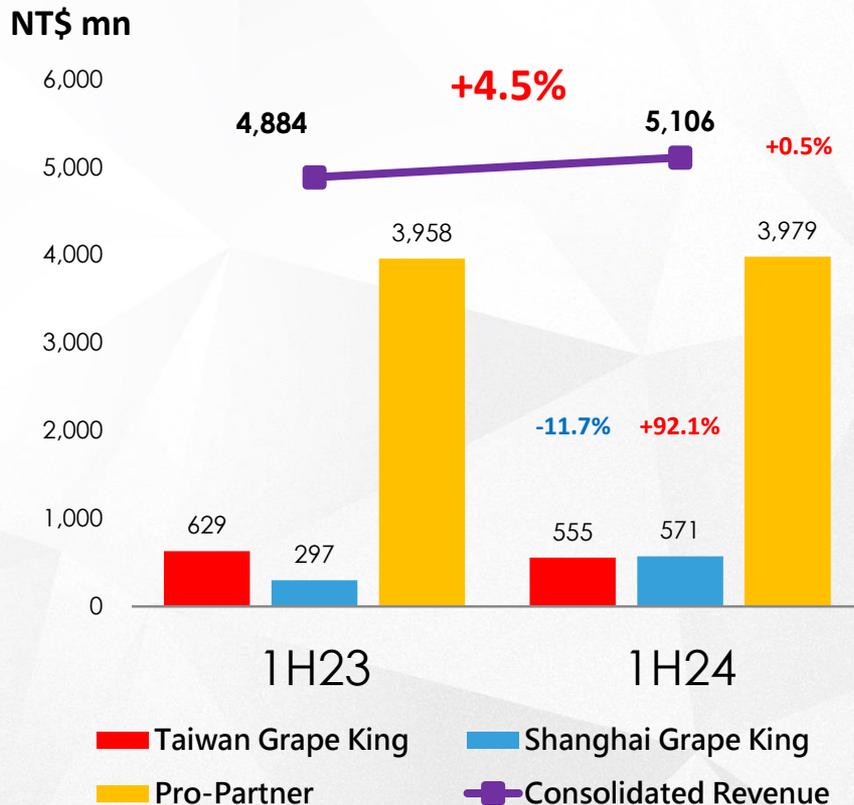
EPS : NT\$3.95

“ 1H24 Earnings and Revenue

EPS



Revenue by Business Units



“ Five-Year & 1H24 Income Statement

(NT\$ mn)	2019	2020	2021	2022	2023	2023H1	2024H1	YoY(%)
Revenue	9,239	9,168	9,798	10,391	10,635	4,884	5,106	4.5%
Gross Profit	7,566	7,537	7,855	8,481	8,534	3,972	3,920	(1.3%)
Operating Expenses	(5,231)	(5,232)	(5,543)	(5,929)	(6,037)	(2,932)	(2,932)	0.0%
Operating Profit	2,335	2,305	2,312	2,552	2,497	1,040	988	(5.0%)
Non Operating Income/(Loss)	105	73	103	136	164	77	88	14.3%
Pretax Income	2,440	2,378	2,415	2,688	2,661	1,117	1,076	(3.7%)
Tax Expenses	(502)	(483)	(467)	(518)	(519)	(222)	(201)	(9.5%)
Minority Interest	(630)	(623)	(647)	(713)	(689)	(277)	(290)	4.7%
Net income to Parent	1,309	1,272	1,300	1,457	1,453	618	585	(5.3%)
Basic EPS (NT\$)	9.63	9.34	8.81	9.84	9.81	4.17	3.95	(5.3%)
1H EPS as % of FY EPS	44%	43%	43%	43%	43%	43%		
Key Financial Ratios (%)								
Gross Margin	81.9	82.2	80.2	81.6	80.2	81.3	76.8	
Operating Expense Ratio	56.6	57.1	56.6	57.1	56.8	60.0	57.4	
Operating Margin	25.3	25.1	23.6	24.6	23.5	21.3	19.3	
Effective Tax Rate	20.6	20.3	19.3	19.3	19.5	19.9	18.7	
Net Margin	14.2	13.9	19.9	20.9	20.1	18.3	17.1	

“ Dividend Payout and Capex

(NT\$m)	2019	2020	2021	2022	2023	2024
Net Profit	1,309	1,272	1,300	1,457	1,453	Not Announce Yet
Cash Dividend	884	948	904	1,022	1,022	
Cash DPS (NT\$)	6.5	6.4	6.1	6.9	6.9	
Payout Ratio	67.4%	68.5%	69.2%	70.1%	70.3%	
EPS (NT\$)	9.63	9.34	8.81	9.84 ^(*1)	9.81	
Capex	630	1,214	1,481	1,005 ^(*2)	1,078 ^(*3)	

Notes(*):

1. Grape King decided to apply for rights issue of 11,851,000 shares through a private placement for Uni-President (1216 TT) to become a shareholder and strategic partner on January 14th, 2021.
2. Capex of 2021 and 2022 include: factory and equipment for the first phase of Yongfeng Plant in Pingzhen.
3. Capex of 2023 include: factory and equipment for Longtan Plant Phase II, new soft capsule production line, new jelly gel production line, and PIC/S line expansion.
4. The phase I of Yongfeng Plant in Pingzhen and the phase II Longtan Plant are on-going projects from 2023, relevant Capex highlighted in 2022 and 2023.

“ Five-Year & 1H24 Balance Sheet

(NT\$ mn)	2019	2020	2021	2022	2023	2024H1
Total Assets	11,359	13,104	14,061	15,053	15,512	15,049
Cash	2,146	2,927	3,635	4,673	4,819	3,982
NR&AR	202	202	301	270	291	310
Inventory	546	689	719	688	688	772
Fixed Asset	6,454	7,308	7,208	7,360	7,539	7,665
TOTAL LIABILITIES	3,888	5,126	3,632	3,912	3,882	4,175
AP & NP	223	255	269	294	290	394
Total Borrowings	1,177	1,921	94	0	0	0
TOTAL EQUITY	7,471	7,978	10,429	11,141	11,630	10,874
Key Financial Ratios (%)						
A/R turnover days	7.3	7.9	9.5	10.1	9.7	10.8
Inv turnover days	119.3	136.4	135.2	139.8	124.6	115.1
A/P turnover days	52.2	52.7	49.3	53.8	50.7	52.7
Cash conversion cycle	74.4	91.6	95.4	96.1	83.6	73.2
ROE (%)	22.0	19.9	21.2	20.1	18.8	15.6
ROA (%)	11.9	10.4	14.4	14.9	14.0	11.5
Net Debt to Equity (%)	(13.0)	(12.6)	(34.0)	(41.9)	(41.4)	(36.6)

Notes :

(1) 1Q24 key financial ratios (%) are annualized.

(2) H1 earnings to full year ratio are around 43%~44%

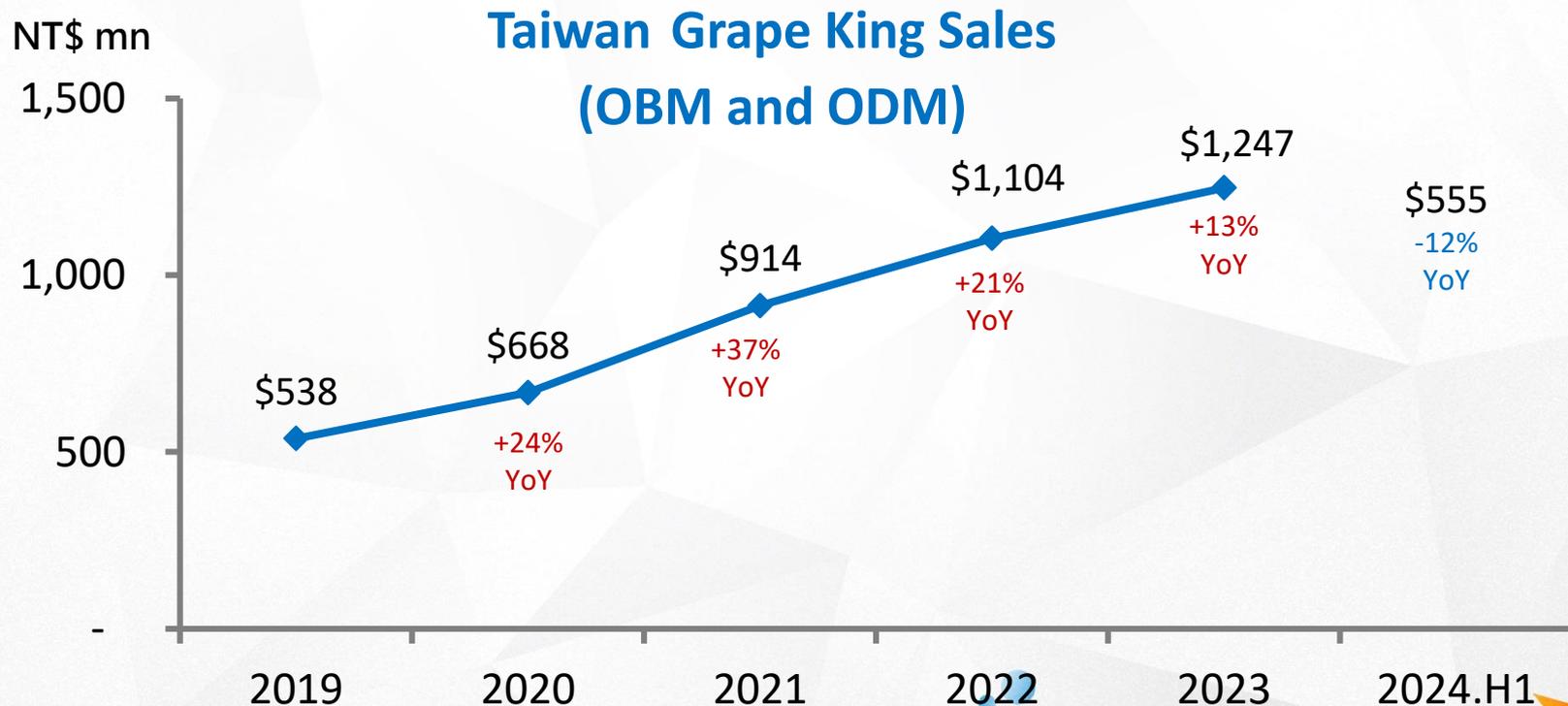
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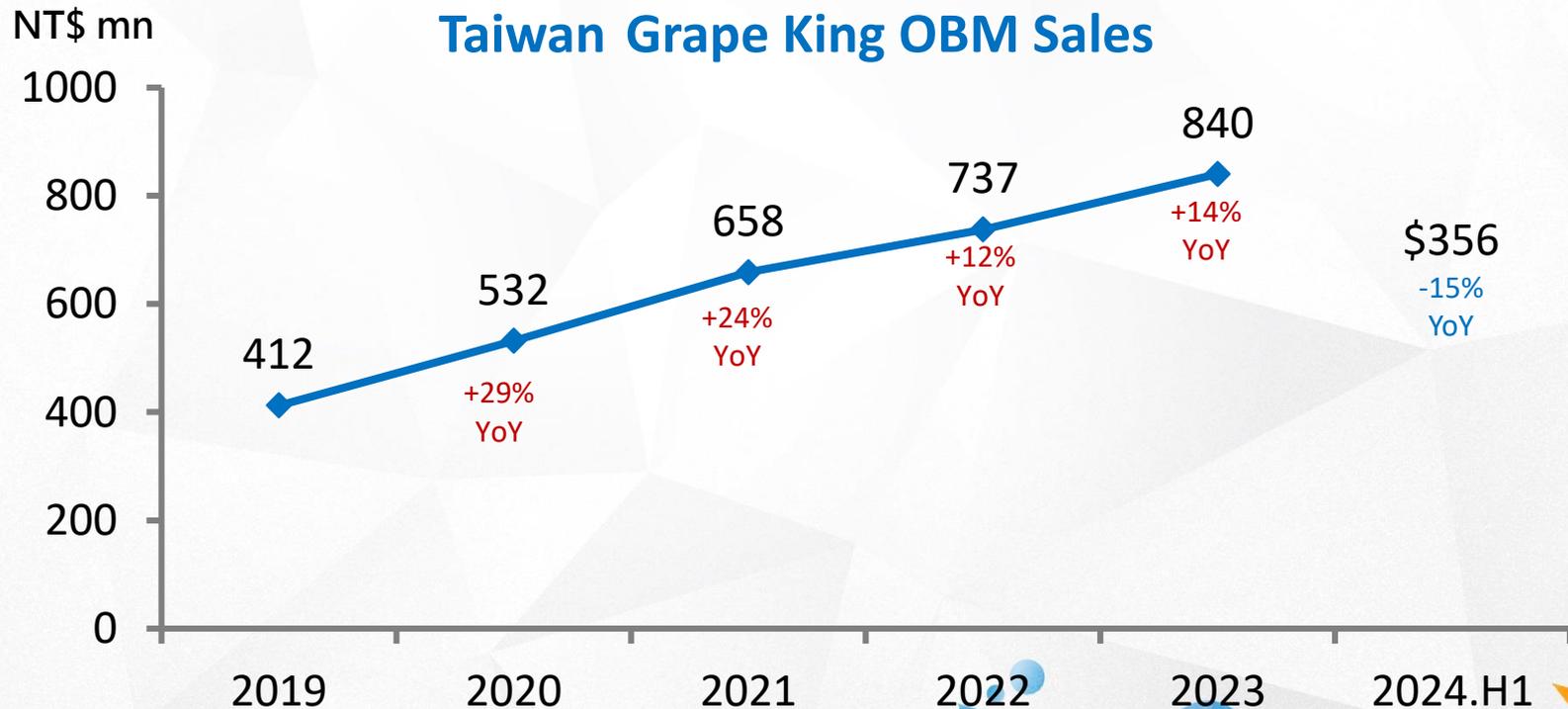
1. Taiwan Grape King



“ Taiwan Grape King – Five Year and 1H24 Overview

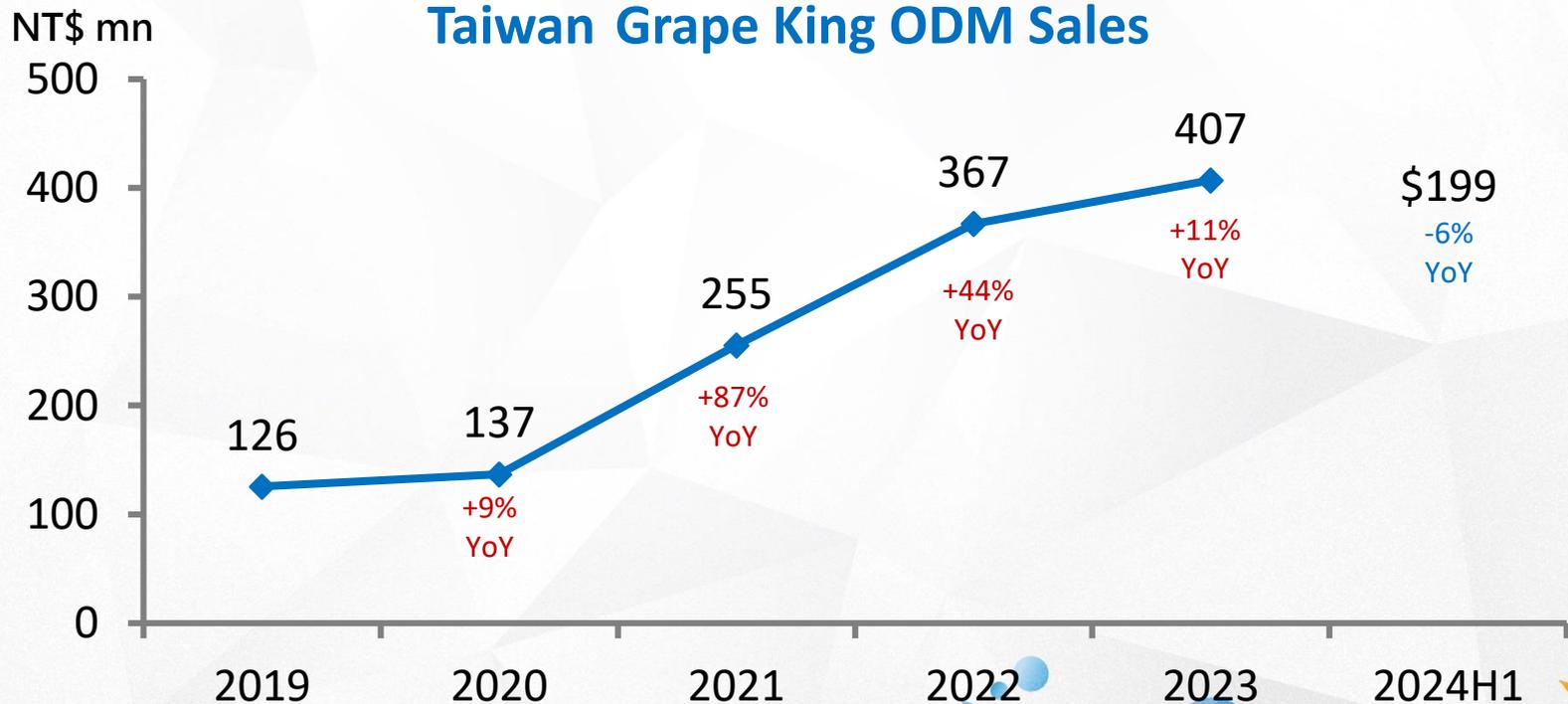


“ Taiwan Grape King – Five Year and 1H24 OBM Overview



“ Taiwan Grape King – Five Year and 1H24 ODM Overview

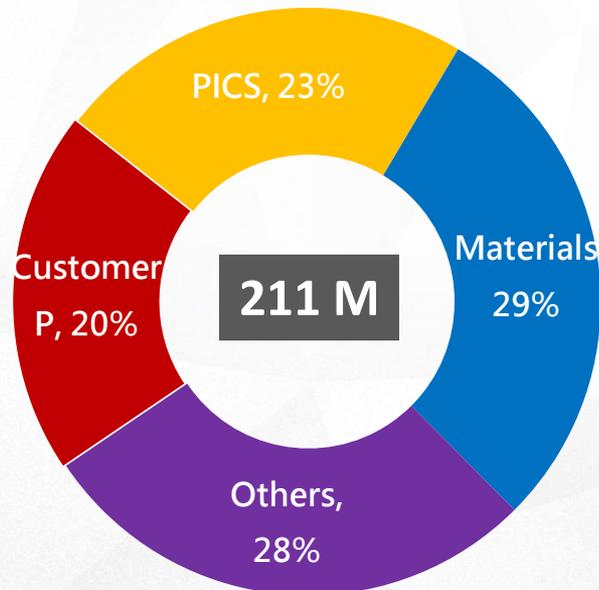
Taiwan Grape King ODM Sales



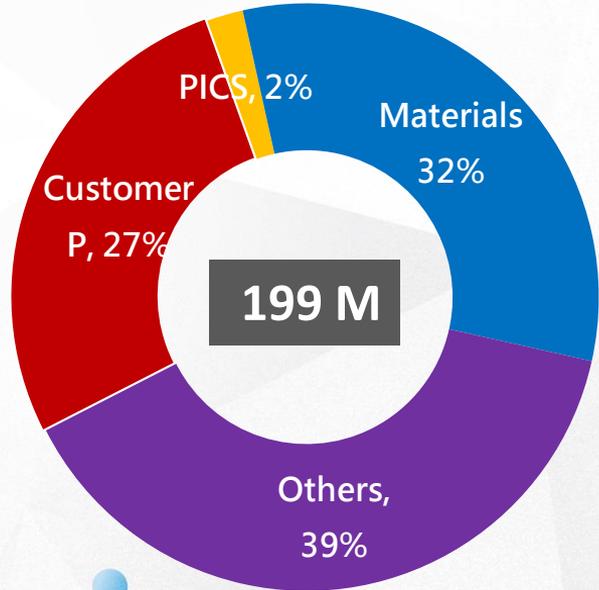
“ Taiwan Grape King – 1H24 ODM Comparison

2024.H1 ↓ 6%

2023. H1



2024. H1



*Due to supply issues of materials for PIC/S, the production stopped in 1H24. However, Taiwan Grape King has resumed the production since July.



“ Botanical Drug Has Entered the 2nd Phase of Testing by the USFDA

14

- Antrodia is a traditional Chinese mushroom unique to Taiwan, it is referred to as the 'Forest Ruby', and is also known for its liver protection and cancers fighting benefits.
- Grape King Bio has been researching Antrodia for more than 20 years. We have completed numerous efficacy studies and hold patents, making us the leading brand in Taiwan.
- Grape King Bio has developed a new botanical medicine - GKAC, targeting non-alcoholic fatty liver disease. At this stage, it has entered Phase II clinical trials with the USFDA.
- According to Report Ocean's forecast, Global non-alcoholic fatty liver disease (NAFLD) drug market to hit \$21.5B by 2025, growing at a 58.4% CAGR.
- Grape King Bio's Antrodia extract improves liver function, prevents cirrhosis and liver cancer in NAFLD patients.
- Grape King Bio aims to be first with plant-based NAFLD drug after USFDA approval.
- Current progress:
 - (1) Undergoing GLP animal testing (rats & beagles).
 - (2) Next step: Human clinical trials.





2. Pro-Partner



“ Pro-Partner Overview

Four Key Numbers of Pro-Partner

1

- Largest Taiwanese owned direct selling company in Taiwan based on revenue.

3

- 3rd largest overall direct selling company in Taiwan. (2023 market share: 9.36%)

38

- No. 38 in the worldwide direct selling company rankings for 2024. (Source: 2024 DSN Global 100- based on 2023 revenues)

47

- 47 products, including various health supplements, topical skincare products, and oral hygiene items.

“ Deeply Cultivating Taiwan and Going International

Pro-Partner

- Pro-Partner has prepared to expand into the overseas market. Considering the vigorous development of the direct selling industry in Malaysia, Malaysia will be the first preparatory location.
- Currently, 20 products are planned, and 5 products have been submitted for MAL certification.
- It is expected that global market sales will be launched in 2025.



葡眾企業
PRO-PARTNER



“



3. Shanghai Grape King



Shanghai Grape King

Plant Size

Covers area of

170

hectares

GMP plant of

12,500

sqm

100K-level
manufacturing site

(Liquid filling 10K-level)

GMP
qualified
manufacturing plant

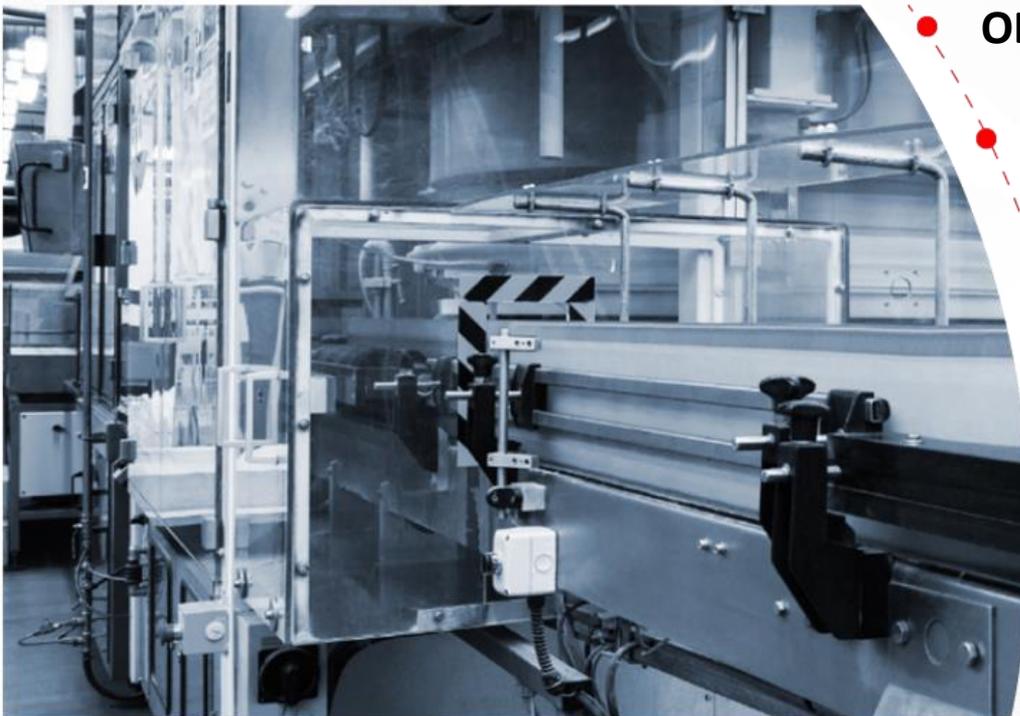
(Conform to the hygiene standards of productions for the health care products and food.)



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One-stop OEM Service Platform

One-stop service



- ODM/OEM
 - R&D
 - Formulation design
 - Package design
 - Production
 - Logistics *
- Regulatory assistance
Training assistance
Declaration assistance

Note(*) : Drop Shipping

(1) Expecting to commence in June 2024 (3) Activate the vacant warehouse space

(2) Provides services and expect to expand ODM opportunities

“Customers of Shanghai Grape King



“Own Brands of Shanghai Grape King

康贝特

人参维生素饮品

运动营养食品—耐力类

CANBET

0 添加防腐劑*

0 添加人工色素*



新!

牛磺酸+维生素B族

小棕瓶

运动营养饮品界的

喝了再上!

牛磺酸·维生素B₁·维生素B₂·速溶红茶·长白山人参粉

运动随时GO ↗

ComeBest Ginseng Vitamins Drinks

I、Distribution points : Gas station、chess room、logistics centers、harbors、7-11、vending machine(*) etc.

II、Revenue generation : Launched in 7-11 in 2Q24.

III、Strategy : Sell fast-moving products through our own distribution channels.

*Vending machine business:

1. It will start in Sep.
2. Increase exposures for our own brand.
3. Enter the unmanned retail market in China.



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Plans and Strategies

“ Grape King – 2024 H2 Outlooks

- **Integration of Chinese distribution resources :**

Extend Grape King’s OBM products to mainland China through cross-border e-commerce. The Tmall International flagship store will open on July 1st, followed by the JD International flagship store at the end of July.

- **Sets up subsidiary in Malaysia :** already done.

- **Capacity in ODM** start shipping : PIC/S- Started production and shipping since July.

- **High Season for Pro-partner :**

From Sep to Dec are the high seasons for Pro-Partner, we will hold numerous activities, including Dream Come True Challenge and hundreds of tour speeches.

- **Distribute dividends semi-annually :**

Between Jan and Feb, 2025, Grape King will distribute the 1H24 dividends, followed by the 2H24 dividends in July 2025.



“



Thank you

Refer to our website to get more information

www.grapeking.com.tw