

Taiwan Tea Corporation (2913 TT)

Unlocking Growth Through Land Development and Sustainability

2025/3/11

QIC Research Team
research@qtumic.com
02-2325-3563

COMPANY OVERVIEW

Established in 1899, Taiwan Tea cultivates plantations across northern, central, and southern Taiwan, ensuring premium quality through strict controls. Beyond tea production, the company has expanded into leisure tourism and land development to enhance profitability and efficiency. Leveraging its extensive land resources, Taiwan Tea collaborates with enterprises on afforestation projects, supporting carbon absorption initiatives and reinforcing its commitment to sustainability. These efforts create new business opportunities, positioning the company as a leader in both heritage and innovative land utilization.

KEY POINTS

From Tea Production to Land Development: Taiwan Tea, the second-largest landowner in Taiwan with 3,714 hectares of land assets, has a rich history as the oldest tea corporation in the region, specializing in tea production and agritourism. The company currently operates four tea gardens and five leisure farms across Taiwan. However, rising price competition from imported tea leaves, particularly from Vietnam and China, has significantly impacted its core business. To enhance operational efficiency and long-term profitability, Taiwan Tea is gradually outsourcing agritourism operations and shifting its focus toward land development and asset utilization. By strategically leveraging its extensive land holdings, the company is positioning itself to unlock new growth opportunities while preserving its legacy in the tea industry.

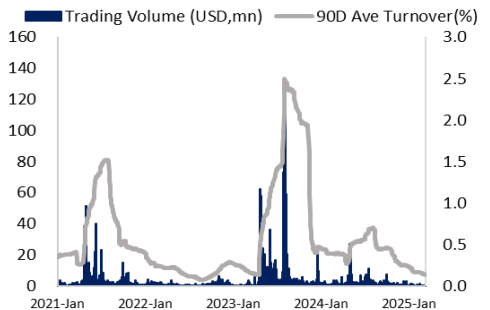
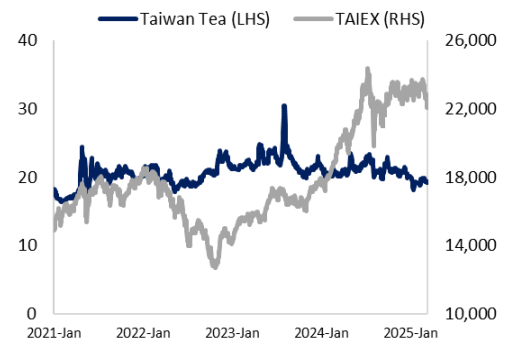
Transformation Under Experienced Leadership: After decades of financial struggles, Taiwan Tea underwent a strategic turnaround under Ching-Yuan Wu, Chairman of SYM (2206 TT), who assumed leadership in 2019. With extensive expertise in land development and corporate restructuring, Chairman Wu led a series of initiatives to enhance profitability. The company introduced smart farming technology, reducing cultivation areas by two-thirds while maintaining tea production efficiency. At the same time, Taiwan Tea outsourced leisure farm operations, cutting operating expenses (OPEX) and making agritourism a profitable segment. Additionally, the company maximized land utilization by developing logistics parks, industrial zones, and residential projects, creating a new revenue stream. These efforts have significantly improved financial performance, with revenue increasing 27% from NT\$299 million in 2019 to NT\$380 million in 2024, while operating losses narrowed from NT\$169 million to NT\$125 million between 2019 and 2023.

Three-Pronged Strategy to Drive Future Growth: Looking ahead, Taiwan Tea is focusing on three core strategies to sustain long-term growth and profitability. First, the company plans to strengthen its core tea business by improving production technologies and marketing strategies, ensuring that its tea and coffee products remain competitive. Second, Taiwan Tea will continue enhancing agritourism efficiency by outsourcing the management of leisure farms, leveraging external expertise to optimize profitability. Lastly, the company is intensifying efforts to unlock land value through asset leasing, transforming idle properties into revenue-generating ventures. A major initiative includes a partnership with INA Energy (6987 TT) to lease part of the Pingtung Laupi Tea Factory for solar energy development, an agreement expected to generate NT\$200 million in annual rental income. These strategic measures underscore Taiwan Tea's commitment to long-term operational efficiency and value creation.

KEY STATISTICS

Ticker:	2913 TT
Current Price:	NT\$ 19.2
52-Week Range:	NT\$ 18.1 - 23.4
Average Volume (30-Day, k shares):	763.8
Outstanding Shares (MN):	790
FINI Holding (%):	7.66
Market Cap (MN):	US\$ 461

PRICE PERFORMANCE



FINANCIAL SUMMARY

mn,NTD	FY21	FY22	FY23	LTM*
Revenue	369	377	380	399
Revenue YoY (%)	18.4	2.1	0.7	4.3
Gross Margin (%)	31.8	43.7	36.4	37.0
Op. Margin (%)	-49.5	-41.0	-32.8	-21.2
Net Income	-1,122	-1,635	-287	-266
Net Income YoY (%)	-	-	-	-
Net Margin (%)	-304.0	-433.7	-75.7	-66.8
EPS (NTD)	-1.42	-2.07	-0.36	-0.34
ROA (%)	-4.5	-7.1	-1.3	-1.2
ROE (%)	-7.4	-11.8	-2.3	-2.1
ROIC (%)	-5.3	-8.3	-1.6	-1.5
P/E (x)	-	-	-	-
P/B (x)	1.1	1.3	1.4	1.2
P/S (x)	43.4	44.5	45.3	38.0
EV/EBITDA (x)	-	-	-	557.0

* 4Q23-3Q24

Source: TEJ

ABOUT QUANTUM INTERNATIONAL CORP (QIC)

QIC is Taiwan's first independent, MiFID II-exempt, research-based capital market advisor specializing in long-term shareholder value creation, AGM-related special event management, and turnkey corporate finance solutions.

Our client base includes public and private companies, money managers, and special project managers. We rely on our many years of experience in the Greater China capital markets, our deep understanding of local market protocols, and our extensive network of contacts to provide turnkey solutions for a variety of client needs.

Founder and CEO Alex Lee and his team collectively have over 60 years of experience in the Greater China capital markets. We have a wide network of contacts within local industry and in the international investment community. We have helped countless companies, chairpersons, key decision-makers, and buy-side funds successfully achieve their financial and strategic goals.

DISCLAIMER

Quantum International Corp. ("QIC") is a corporate and financial advisory firm specializing in capital market solutions. Under the laws and regulations of the Republic of China (Taiwan), QIC is not licensed as a securities broker, securities underwriter, securities dealer, investment bank, underwriter, or securities investment consultant. The articles, research reports, and interviews (collectively, the "Website Materials") are for informational purposes only and should not be construed as an offer, solicitation, provision of analysis, opinions, or recommendations regarding matters relating to investment or trading in securities, securities-related products, or other items approved by the Competent Authority in Taiwan.

The content on this website does not constitute professional financial advice and is not a comprehensive analysis of all material facts concerning any company, industry, or security. Investors should consult their own independent financial, tax, and legal advisors before making any investment decisions.

The website materials are based on sources recognized by QIC and provide general and objective information on securities investments. QIC assumes no liability for the accuracy or completeness of such information or third-party websites. This publication is a bona fide, regularly issued informational resource and is not tailored to the specific needs of any individual investor. QIC does not provide personalized investment advice, and any mention of a particular security in this report should not be considered a recommendation of said particular security or any other security-related products.

QIC and its affiliated entities may receive compensation from covered companies for services unrelated to this report, including but not limited to corporate presentations, investor conferences, strategic advisory, and investor relations services. The provision of such ancillary services does not influence the inclusion of any company in QIC's reports.

The website materials do not constitute an offer, solicitation, provision of analysis, opinions, or recommendation regarding matters relating to securities, securities-related products, or other items approved by the Competent Authority. QIC assumes no responsibility for ensuring compliance with Taiwan's securities laws by any individual or entities relying on this material.

QIC makes no representation or warranties as to the accuracy, completeness, or timeliness of the information contained in the Website Materials. All information is provided on an "as is" basis, and as such, certain information may become outdated, and certain opinions may change. QIC assumes no liability for any direct or indirect losses, including but not limited to investment losses, arising from the use or reliance on the information presented.

All investment information contained herein should be independently verified by the reader or user of this report. For additional information, please visit QIC's official website: <https://www.qtumic.com/en/>.