

November 12th, 2020

The President

The Stock Exchange of Thailand

Re: Management Discussion and Analysis on 3Q20 and 9M20 performance

1. Financial performance of Berli Jucker Public Company Limited for 3Q20 and 9M20

COVID-19 pandemic

During the third quarter of the year, whilst COVID-19 situation was well under the control in Thailand with significantly reduced number of daily cases due to the effective control measures, and the overall economic activity did post some relative improvements from the previous quarter as the lockdown measures, in Thailand and abroad, were gradually lifted, the general economic conditions remained still soft with declining exports, and lack of foreign tourists due to strict travel restrictions on foreign tourist arrivals.

Regarding the impact of the situation to the operations of the Company's different supply chains during the third quarter of the year:

Packaging Supply Chain: Although the Packaging Supply Chain's overall sales still declined slightly year-on-year, the improvement we started seeing in late second quarter, after the various COVID-19 related measures such as alcohol sales ban were lifted, continued in Thailand in both glass and aluminum packaging business, with both of the businesses recovering well from previous quarter in Thailand, whilst in Vietnam we did experienced some negative impact from the COVID-19 second wave related measures during the quarter.

Consumer Supply Chain: Overall, our Consumer Supply Chain delivered continued solid growth in third quarter with Non-Food, Logistics, and International trading businesses growing year-on-year, whilst our Foods Group continued being negatively impacted by the soft overall snack sales. However also the Food business recorded sales recovery from the previous quarter.

Healthcare and Technical Supply Chain: At the Healthcare and Technical supply chain, whilst our healthcare supply chain continued seeing some benefits from the COVID-19 related sales, the lower than usual demand in certain types of medicine such as antibiotics continued, as social distancing and increased personal hygiene has lowered certain common illnesses. Our Medical Division also faced high base effect from large project sale recorded in 3Q19. At the Technical Supply chain, the negative effects of economic slowdown from COVID-19 situation continued from the previous quarter. When compared with the previous quarter, healthcare and technical supply chains remained relatively flat.

Modern Retail Supply Chain: Our retail operations continued to be negatively affected by the general soft economic conditions leading to slow consumer spending, and the lack of foreign tourist arrivals which remained a significant drag to our sales at tourist destinations. Due to these factors our total same-store-sale-growth remained at similar level recorded in second quarter of the year. However if we remove the B2B sales, we saw some improvement in our retail same-store-sales-growth from previous quarter. Meanwhile, whilst the rental income has still not reached the pre-COVID level, we saw significant improvement from previous quarter as we were able to maintain our occupancy rate at c.91% for the quarter.

Revenues

BJC's consolidated total revenue for 3Q20 reached THB 38,239 million, representing a decrease of THB 4,483 million or -10.5% over the same period last year. This decrease was mainly driven by the

consolidated sales and service revenue declining to THB 35,027 million, a decrease of THB 3,593 million or -9.3% over the same period last year, driven by decreasing sales at Packaging, Healthcare and Technical, and Modern Retail Supply Chain. Whilst the consolidated other income reached THB 3,179 million, a decrease of THB 891 million or -21.9% over the same period last year, mainly driven by declining other income at Modern Retail Supply Chain due to the rental discounts and lower occupancy rate when compared to the same period last year.

When compared to 2Q20, BJC's consolidated total revenue in 3Q20 decreased THB 365 million or -0.9% from the previous quarter. The decrease was mainly driven by seasonality impact to Modern Retail Supply Chain's sales, whilst Packaging Supply Chain and Consumer Supply Chain both posted solid quarter-on-quarter improvements.

BJC's consolidated total revenue for 9M20 reached THB 119,110 million, representing a decrease of THB 10,388 million or -8.0% over the same period last year, mainly driven by decreasing sales at the Packaging, Healthcare and Technical, and Modern Retail Supply Chains, and declining other income at Modern Retail Supply Chain due to the rental discounts and lower occupancy rate when compared to the same period last year.

Expenses

BJC's consolidated total expenses for 3Q20 amounted to THB 36,923 million, a decrease of THB 3,550 million or -8.8% over the same period last year. This decrease was mainly due to (1) decreased cost of goods sold expenses due to lower sales, and (2) decreased SG&A expenses mainly due to strong cost control focus and lean organization initiatives.

When compared to 2Q20, BJC's consolidated expenses in 3Q20 decreased THB 994 million or -2.6% from the previous quarter. This decrease was mainly due to (1) decreased cost of goods sold expenses due to lower sales, and (2) decreased SG&A expenses mainly due to strong cost control focus and lean organization initiatives

BJC's consolidated total expenses for 9M20 amounted to THB 115,353 million, a decrease of THB 7,697 million or -6.3% over the same period last year mainly due to (1) decreased cost of goods sold expenses due to lower sales, (2) decreased SG&A expenses mainly due to strong cost control focus and lean organization initiatives.

Earnings before Interest and Tax

BJC's earnings before interest and tax for 3Q20 amounted to THB 2,648 million, a decrease of THB 814 million or -23.5% over the same period last year. This decrease was due to the abovementioned reasons. If we remove the one-time expense relating to the employee severance pay due to corporate restructuring amounting to THB 28 million, recorded in 3Q20, and the positive impact from the reversal of 1H2019 property tax provision impact of THB 366 million, recorded in 3Q19, the recurring earnings before interest and tax for 3Q20 reached THB 2,675 million, a decrease of THB 420 million or -13.6% from the same period last year.

When compared to 2Q20, BJC's consolidated earnings before interest and tax in 3Q20 increased THB 772 million or 41.2% from the previous quarter. This decrease was due to the abovementioned reasons. If we remove the one-time expense relating to the employee severance pay due to corporate restructuring amounting to THB 28 million, recorded in 3Q20, and THB 449 million, recorded in 2Q20, the recurring earnings before interest and tax for 3Q20 increased THB 351 million or 15.1% from the previous quarter.

BJC's earnings before interest and tax for 9M20 amounted to THB 7,598 million, a decrease of THB 2,123 million or -21.8% over the same period last year. This decrease was due to the abovementioned reasons. If we remove the one-time expense relating to the acquisition project amounting to THB 76 million, recorded in 1Q20, the one-time expense relating to the employee severance pay due to corporate restructuring amounting to THB 476 million recorded in 9M20, the non-cash impact from the expenses relating to amendment of the post-employment benefit plans of THB 306 million recorded in 2Q19, and the positive impact from the reversal of 1H2019 property tax provision impact of THB 366 million, recorded in 3Q19, the recurring earnings before interest and tax for 3Q20 reached THB 8,150 million, a decrease of THB 1,512 million or -15.6% from the same period last year.

Net Profit Attributable to Equity Holders

BJC's consolidated net profit attributable to the equity holders of the Company for 3Q20 reached THB 1,062 million, a decrease of THB 712 million or -40.1% from the same period last year, driven by the abovementioned reasons. If we remove the one-time expense relating to the employee severance pay due to corporate restructuring amounting to THB 27 million after tax and minority interests, recorded in 3Q20, and the positive impact from the reversal of 1H2019 property tax provision impact of THB 298 million after tax and minority interests, recorded in 3Q19, the recurring net profit available for the equity holders of the Company for 3Q20 reached THB 1,090 million, a decrease of THB 386 million or -26.2% from the same period last year.

When compared to 2Q20, BJC's consolidated net profit attributable to the equity holders of the Company in 3Q20 increased THB 756 million or 247.2% from the previous quarter. This increase strong improvements at the Packaging, and Modern Retail Supply Chains as they started to recover from the previous quarter. If we remove the one-time expense relating to the employee severance pay due to corporate restructuring amounting to THB 27 million, recorded in 3Q20, and THB 437 million, recorded in 2Q20, consolidated net profit attributable to the equity holders of the Company in 3Q20 increased THB 347 million or 46.7% from the previous quarter.

BJC's consolidated net profit attributable to the equity holders of the Company for 9M20 reached THB 2,648 million, a decrease of THB 2,158 million or -44.9% over the same period last year, driven by the abovementioned reasons. If we remove the one-time expense relating to the acquisition project amounting to THB 61 million after tax and minority interests, recorded in 1Q20, the employee severance pay due to corporate restructuring amounting to THB 464 million after tax and minority interests, recorded in 9M20, the non-cash impact from the expenses relating to amendment of the post-employment benefit plans of THB 237 million after tax and minority interests recorded in 2Q19, and the positive impact from the reversal of 1H2019 property tax provision impact of THB 298 million after tax and minority interests, recorded in 3Q19, the recurring net profit available for the equity holders of the Company for 9M20 reached THB 3,173 million, a decrease of THB 1,571 million or -33.1% from the same period last year.

Key highlights of 3Q20 and 9M20

Unit: Million THB	3Q20	2Q20	3Q19	%QoQ	%YoY	9M20	9M19	%YoY
Packaging Supply Chain	4,943	4,433	5,064	11.5	(2.4)	14,414	14,949	(3.6)
Consumer Supply Chain	5,146	4,956	4,470	3.8	15.1	15,681	13,931	12.6
Healthcare and Technical Supply Chain	1,953	1,958	2,239	(0.3)	(12.8)	5,791	6,317	(8.3)
Modern Retail Supply Chain	23,899	25,698	27,274	(7.0)	(12.4)	76,567	83,311	(8.1)
Others	(913)	(926)	(427)	(1.4)	113.8	(2,824)	(1,063)	165.7
Sales & Services	35,027	36,119	38,620	(3.0)	(9.3)	109,629	117,445	(6.7)
Other income	3,179	2,485	4,070	27.9	(21.9)	9,360	12,042	(22.3)
Gain from foreign exchange	33	-	32	100.0	1.3	121	11	1,010.7
Total revenues	38,239	38,604	42,722	(0.9)	(10.5)	119,110	129,498	(8.0)
Cost of goods sold	28,421	29,469	31,222	(3.6)	(9.0)	89,080	94,684	(5.9)
Gross profit	6,606	6,650	7,398	(0.6)	(10.7)	20,549	22,761	(9.7)
Selling expenses	6,155	5,975	6,739	3.0	(8.7)	18,822	20,982	(10.3)
Administrative expenses	1,013	1,151	1,256	(12.0)	(19.3)	3,464	3,686	(6.0)
Expenses from adjustment of employee benefit obligation	-	-	-	-	-	-	306	(100.0)
Loss from foreign exchange	-	(61)	-	(100.0)	-	-	-	-
Share of profits (loss) from investments	(2)	(72)	(44)	(96.8)	(94.7)	(146)	(119)	23.3
Earnings before interest and tax	2,648	1,876	3,461	41.2	(23.5)	7,598	9,721	(21.8)
(Recurring earnings before interest and tax)¹	2,675	2,325	3,095	15.1	(13.6)	8,150	9,661	(15.6)
Interest expense	1,334	1,322	1,256	0.9	6.2	3,987	3,699	7.8
Earnings before tax	1,314	554	2,205	137.4	(40.4)	3,610	6,022	(40.1)
Tax	139	131	317	6.1	(56.2)	569	819	(30.5)
Net profit	1,175	423	1,888	178.0	(37.8)	3,041	5,203	(41.6)
Attributable to:								
Minority interests	113	117	114	(3.5)	(1.1)	393	398	(1.2)
Equity holders of the Company	1,062	306	1,774	247.2	(40.1)	2,648	4,805	(44.9)
One-time items after tax:								
Expenses from adjustment of employee benefit obligation	-	-	-	-	-	-	(237)	(100.0)
Reversal of property tax provision	-	-	298	-	(100.0)	-	298	(100.0)
Expenses relating to acquisition project	-	-	-	-	-	(61)	-	100.0
Expenses relating to severance pay due to corporate restructuring	(27)	(437)	-	(93.8)	100.0	(464)	-	100.0
Equity holder of the Company (Excluding one-time items)¹	1,090	743	1,476	46.7	(26.2)	3,173	4,744	(33.1)

Key Financial Ratios	3Q20	2Q20	3Q19	%QoQ	%YoY	9M20	9M19	%YoY
Gross profit as % to sales*	18.9%	18.4%	19.2%	+45 bps	-30 bps	18.7%	19.4%	-64 bps
SG&A as % to sales*	20.5%	19.7%	20.7%	+73 bps	-24 bps	20.3%	21.0%	-68 bps
Recurring EBIT margin as % to sales* ¹	7.6%	6.4%	8.0%	+120 bps	-38 bps	7.4%	8.2%	-79 bps
Recurring Net Profit margin (attributable to equity holders of the Company) as % to sales* ¹	3.1%	2.1%	3.8%	+105 bps	-71 bps	2.9%	4.0%	-115 bps
Net IBD to equity (times)	1.3	1.3	1.3	+0 bps	-2 bps	1.3	1.3	-2 bps

* As percentage to sales excluding other income

¹ Excluding THB 306 million (THB 237 million after tax and minority interest expense) expenses relating to amendment of the post-employment benefit plans in 2Q19, reversal of property tax provision of THB 366 million (THB 298 million after tax and minority interests) in 3Q19, THB 76 million (THB 61 million after tax and minority interest expense) expenses relating to

acquisition project in 1Q20, and expenses relating to severance pay due to corporate restructuring of THB 449 million (THB 437 million after tax and minority interest expense) in 2Q20 and THB 28 million (THB 27 million after tax and minority interest expense) in 3Q20.

2. Financial performance summary by supply chain

Packaging Supply Chain

Unit: Million THB	3Q20	2Q20	3Q19	%QoQ	%YoY	9M20	9M19	%YoY
Sales	4,943	4,433	5,064	+11.5%	-2.4%	14,414	14,949	-3.6%
Net profit	535	354	401	+51.0%	+33.3%	1,380	1,362	+1.4%
Recurring net profit ¹	535	361	401	+48.2%	+33.3%	1,387	1,422	-2.4%
<i>% Recurring net profit margin¹</i>	<i>10.8%</i>	<i>8.1%</i>	<i>7.9%</i>	<i>+268 bps</i>	<i>+290 bps</i>	<i>9.6%</i>	<i>9.5%</i>	<i>+11 bps</i>

¹ Excluding the expenses relating to amendment of the post-employment benefit plans of THB 60 million in 2Q19, and expenses relating to severance pay due to corporate restructuring of THB 7 million in 2Q20 after tax and minority interest.

Performance in 3Q20 and 9M20

In 3Q20, Packaging Supply Chain reported sales of THB 4,943 million, a decrease of THB 121 million or -2.4% over the same period last year. Whilst particularly the sales of glass packaging recovered significantly from the previous quarter after the various COVID-19 related measures such as alcohol sales ban were lifted, they still remained slightly behind the previous year. When compared to 2Q20, the sales increase was strong THB 510 million or 11.5% over the previous quarter driven by strong recovery at the Glass Packaging.

Packaging Supply Chain's gross profit margin increased to 20.8% in 3Q20 from 18.2% in 3Q19 due to increasing gross profit margin in both Glass and Aluminum Packaging businesses, particularly driven by Glass Packaging business due to lower natural gas and soda ash prices, whilst EBIT margin increased to 15.1% in 3Q20 from 12.6% in 3Q19 due to improving gross profit margin and good cost control.

Net profit attributable to the equity holders of the Company reached THB 535 million, an increase of THB 134 million or 33.3% over the same period last year. This was mainly driven by improving gross profit margin, good cost control, and recovering Malaysian Glass packaging business performance due to easing of COVID-19 related restrictions. When compared to 2Q20, the net profit attributable to the equity holders of the Company increase was strong THB 181 million or 51.0% over the previous quarter driven by the same factors that drove year-on-year growth.

In 9M20, Packaging Supply Chain reported sales of THB 14,414 million, a decrease of THB 535 million or -3.6% over the same period last year. This was driven by the COVID-19 related impact to both Glass and Aluminum Packing businesses.

Packaging Supply Chain's gross profit margin increased to 21.4% in 9M20 from 20.6% in 9M19 driven by Glass Packaging business due to lower natural gas and soda ash prices, whilst EBIT margin increased to 15.5% in 9M20 from 13.9% in 9M19. If we remove the one-time expense relating to the employee severance pay due to corporate restructuring amounting to THB 8 million, recorded in 2Q20, and the non-cash impact from the expenses relating to amendment of the post-employment benefit plans of THB 84 million recorded in 2Q19, the recurring EBIT margin increased to 15.5% in 9M20 from 14.5% in 9M19.

Net profit attributable to the equity holders of the Company in 9M20 reached THB 1,380 million, an increase of THB 18 million or 1.4% over the same period last year. This was mainly driven by improving gross profit margin, and good cost control. If we remove the one-time expense relating to the employee severance pay due to corporate restructuring amounting to THB 7 million after tax and minority interest, recorded in 2Q20, and the non-cash impact from the expenses relating to amendment of the post-

employment benefit plans of THB 60 million after tax and minority interest recorded in 2Q19, the recurring net profit available for the equity holders of the Company for 9M20 reached THB 1,387 million, a decrease of THB 35 million or -2.4% from the same period last year driven by the COVID-19 related impact.

Glass Packaging Business

In 3Q20, glass packaging business reported sales of THB 2,959 million, a slight decrease of -1.5% over the same period last year, but increased strongly with growth of 21.2% from 2Q20, driven particularly by good growth in beverage segment. Glass packaging contributed approximately 60.0% of total Packaging Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 3Q20 increased over the same period last year, and from the previous quarter, driven by improving gross profit margin and good cost control.

In 9M20, glass packaging business reported sales of THB 8,310 million, a decrease of -1.9% over the same period last year, and contributed approximately 58.0% of total Packaging Supply Chain sales. Net profit attributable to the equity holders of the Company in 9M20 increased over the same period last year driven by improving gross profit margin.

Aluminum Can Business

In 3Q20, aluminum can business reported sales of THB 1,984 million, a decrease of -3.7% over the same period last year, and were relatively flat with slight decline of -0.4% from 2Q20. This decrease was mainly driven by COVID-19 second wave impact in Vietnam during the quarter. Aluminum can business contributed approximately 40.0% of total Packaging Supply Chain sales. Net profit attributable to the equity holders of the Company in 3Q20 decreased slightly over the same period last year, and from the previous quarter, mainly driven by lower sales.

In 9M20, aluminum can business reported sales of THB 6,104 million, a decrease of -5.8% over the same period last year, and contributed approximately 42.0% of total Packaging Supply Chain sales. Net profit attributable to the equity holders of the Company in 9M20 decreased over the same period last year, mainly driven by lower sales.

Consumer Supply Chain

Unit: Million THB	3Q20	2Q20	3Q19	%QoQ	%YoY	9M20	9M19	%YoY
Sales	5,146	4,956	4,470	+3.8%	+15.1%	15,681	13,931	+12.6%
Net profit	285	316	272	-10.0%	+4.9%	950	827	+14.8%
Recurring net profit ¹	286	330	272	-13.4%	+5.3%	965	867	+11.3%
% Recurring net profit margin ¹	5.6%	6.7%	6.1%	-111 bps	-52 bps	6.2%	6.2%	-7 bps

¹ Excluding the expenses relating to amendment of the post-employment benefit plans of THB 40 million in 2Q19, and expenses relating to severance pay due to corporate restructuring of THB 14 million in 2Q20 and THB 1 million in 3Q20 after tax and minority interest.

Performance in 3Q20 and 9M20

In 3Q20, Consumer Supply Chain reported sales of THB 5,146 million, an increase of THB 676 million or 15.1% over the same period last year. This increase was driven by increased sales in Non-Food, Logistic, and International Trading business segments. When compared to 2Q20, the sales increase was solid THB 190 million or 3.8% over the previous quarter driven by improvements in all business segments.

Consumer Supply Chain's gross profit margin decreased to 20.1% in 3Q20 from 20.9% in 3Q19 mainly driven by lower gross profit margin from Food business segment due to lower utilization rate and

increased palm oil price, whilst EBIT margin decreased to 7.4% in 3Q20 from 7.9% in 3Q19 mainly due to declining gross profit margin.

Net profit attributable to the equity holders of the Company in 3Q20 reached THB 285 million, an increase of THB 13 million or 4.9% over the same period last year. The net profit increase was driven by increased sales. When compared to 2Q20, the net profit attributable to the equity holders of the Company decreased by THB 32 million or -10.0% due to the seasonality.

In 9M20, Consumer Supply Chain reported sales of THB 15,681 million, an increase of THB 1,750 million or 12.6% over the same period last year. This sales growth was driven by growing sales from Non-Food, Logistics segments, and International Trading.

Consumer Supply Chain's gross profit margin decreased to 19.9% in 9M20 from 21.5% in 9M19, mainly driven by lower gross profit margin from Food business segment due to lower utilization rate and increased palm oil price. Whilst EBIT margin increased to 8.2% in 9M20 from 7.9% in 9M19 due to lower SG&A expenses. If we remove the one-time expense relating to the employee severance pay due to corporate restructuring amounting to THB 19 million, recorded during 9M20, and the non-cash impact from the expenses relating to amendment of the post-employment benefit plans of THB 50 million recorded in 2Q19, the recurring EBIT margin was stable at 8.2% in 9M20 from 8.2% in 9M19.

Net profit attributable to the equity holders of the Company in 9M20 reached THB 950 million, an increase of THB 122 million or 14.8% over the same period last year. This net profit increase was driven by Non-Food, Logistics segments, and International Trading business. If we remove the one-time expense relating to the employee severance pay due to corporate restructuring amounting to THB 15 million after tax and minority interest, recorded during 9M20, and the non-cash impact from the expenses relating to amendment of the post-employment benefit plans of THB 40 million after tax and minority interest recorded in 2Q19, the recurring net profit available for the equity holders of the Company for 9M20 reached THB 965 million, an increase of THB 98 million or 11.3% from the same period last year.

Foods Group

In 3Q20, Foods Group reported sales of THB 1,254 million, a decrease of -9.1% over the same period last year, whilst here was clear recovery from previous quarter with sales increasing by 5.4% from 2Q20. Foods Group contributed approximately 24.0% of total Consumer Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 3Q20 decreased over the same period last year driven by lower sales, and declining profitability due to raw material price increases and lower utilization rate, and from previous quarter due to increased expenses.

In 9M20, Foods Group reported sales of THB 3,882 million, a decrease of -9.1% over the same period last year, and contributed approximately 25.0% of total Consumer Supply Chain sales. The decrease was mainly driven by the generally weak snack sales. Net profit attributable to the equity holders of the Company in 9M20 decreased over the same period last year driven by lower sales, and declining profitability due to raw material price increase and lower utilization rate.

Non-Foods Group

In 3Q20, Non-Foods Group reported sales of THB 1,758 million, an increase of 1.1% over the same period last year, and increase of 4.1% from the 2Q20. Non-Foods Group contributed approximately 34.0% of total Consumer Supply Chain sales. The increase was driven by strong sales at the personal care business segment due to continued strong performance of cleaning products, alcohol spray and hand sanitizing gel. Tissue sales also improved strongly from the previous quarter. Net profit attributable to the equity holders of the Company in 3Q20 increased over the same period last year due to increased sales, improving gross margin due to lower pulp price, and good cost control, but decreased from the previous quarter due to increased expenses.

In 9M20, Non-Foods Group reported sales of THB 5,372 million, an increase of 2.9% over the same period last year, and contributed approximately 34.0% of total Consumer Supply Chain sales. The increase was driven by strong personal care products sales during COVID-19 period. Net profit attributable to the equity holders of the Company in 9M20 increased over the same period last year due to increased sales, improving gross margin due to lower pulp price, and good cost control.

International Trading

In 3Q20, International Trading reported sales of THB 1,200 million, an increase of 28.6% over the same period last year, and were relatively flat when compared with previous quarter with an increase of 0.4% from the 2Q20. International Trading contributed approximately 23.0% of total Consumer Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company increased in 3Q20 over the same period last year, driven by increased sales, but decreased from previous quarter due to increased expenses.

In 9M20, International Trading reported sales of THB 3,618 million, an increase of 11.7% over the same period last year, and contributed approximately 23.0% of total Consumer Supply Chain sales. Net profit attributable to the equity holders of the Company increased in 9M20 over the same period last year, driven by increased sales.

Healthcare & Technical Supply Chain

Unit: Million THB	3Q20	2Q20	3Q19	%QoQ	%YoY	9M20	9M19	%YoY
Sales	1,953	1,958	2,239	-0.3%	-12.8%	5,791	6,317	-8.3%
Net profit	166	183	175	-9.1%	-4.7%	526	568	-7.4%
Recurring net profit ¹	166	195	175	-14.8%	-4.7%	539	584	-7.8%
% Recurring net profit margin ¹	8.5%	10.0%	7.8%	-145 bps	+72 bps	9.3%	9.2%	+6 bps

¹ Excluding the expenses relating to amendment of the post-employment benefit plans of THB 16 million in 2Q19, and expenses relating to severance pay due to corporate restructuring of THB 12 million in 2Q20 after tax and minority interest.

Performance in 3Q20 and 9M20

In 3Q20, Healthcare and Technical Supply Chain reported sales of THB 1,953 million, a decrease of THB 287 million or -12.8% over the same period last year. The sales decrease was mainly driven by lower sales at the both, Healthcare, and Technical Supply Chains, due to COVID-19 related impact, and high base impact from the hospital project sales recorded in Q3 2019. When compared to 2Q20, the sales were relatively flat with a slight decrease of was solid THB 5 million or 0.3% over the previous quarter.

Healthcare and Technical Supply Chain's gross profit margin increased to 31.4% in 3Q20 from 28.2% in 3Q19 mainly due to the absence of the lower margin large hospital project sales recorded in 3Q19, whilst EBIT margin increased to 10.9% in 3Q20 from 10.3% in 3Q19 driven by higher gross profit margin.

Net profit attributable to the equity holders of the Company in 3Q20 reached THB 166 million, a decrease of THB 9 million or -4.7% over the same period last year manly due to the lower sales.

In 9M20, Healthcare and Technical Supply Chain reported sales of THB 5,791 million, a decrease of THB 526 million or -8.3% over the same period last year. The sales decrease was mainly driven by lower sales at the both, Healthcare, and Technical Supply Chains due to COVID-19 related impact. When compared to 2Q20, the net profit attributable to the equity holders of the Company decreased by THB 17 million or -14.8% due increased expenses.

Healthcare and Technical Supply Chain's gross profit margin increased to 31.3% in 9M20 from 30.3% in 9M19, whilst EBIT margin increased to 12.1% in 9M20 from 11.7% in 9M19 mainly due to improved gross profit margin. If we remove the one-time expense relating to the employee severance pay due to corporate restructuring amounting to THB 15 million, recorded during 9M20, and the non-cash impact from the expenses relating to amendment of the post-employment benefit plans of THB 20 million recorded in 2Q19, the recurring EBIT margin increased to 12.4% in 9M20 from 12.0% in 9M19.

Net profit attributable to the equity holders of the Company in 9M20 reached THB 526 million, a decrease of THB 42 million or -7.4% over the same period last year, mainly due to the lower sales. If we remove the one-time expense relating to the employee severance pay due to corporate restructuring amounting to THB 12 million after tax and minority interest, recorded during 9M20, and the non-cash impact from the expenses relating to amendment of the post-employment benefit plans of THB 16 million after tax and minority interest recorded in 2Q19, the recurring net profit available for the equity holders of the Company for 9M20 reached THB 539 million, a decrease of THB 45 million or -7.8% from the same period last year.

Modern Retail Supply Chain

Unit: Million THB	3Q20	2Q20	3Q19	%QoQ	%YoY	9M20	9M19	%YoY
Sales	23,899	25,698	27,274	-7.0%	-12.4%	76,567	83,311	-8.1%
Total Revenues	27,024	28,062	31,247	-3.7%	-13.5%	85,650	95,016	-9.9%
Net profit	950	496	1,830	+91.4%	-48.1%	2,706	4,680	-42.2%
Recurring net profit ¹	972	814	1,532	+19.4%	-36.5%	3,046	4,484	-32.1%
<i>% Recurring net profit margin¹</i>	<i>4.1%</i>	<i>3.2%</i>	<i>5.6%</i>	<i>+90 bps</i>	<i>-155 bps</i>	<i>4.0%</i>	<i>5.4%</i>	<i>-140 bps</i>

¹ Excluding the expenses relating to amendment of the post-employment benefit plans of THB 102 million in 2Q19, expenses relating to severance pay due to corporate restructuring of THB 318 million in 2Q20 and of THB 22 million in 3Q20, and reversal of property tax provision of THB 298 million in 3Q19 after tax and minority interest.

Performance in 3Q20 and 9M20

In 3Q20, Modern Supply Chain reported total revenue of THB 27,024 million, a decrease of THB 4,224 million or -13.5% over the same period last year. This was driven by a retail sales declining to THB 23,899 million, a decrease of THB 3,375 million or -12.4% from the same period last year, driven by negative same-store-sales growth of -17.8% year-on-year for the quarter (excluding B2B sales same-store-sales growth for the quarter was -18.3%) adversely impacted by generally soft consumption environment due to COVID-19, and the lack of foreign tourist arrivals significantly impacting our sales at the tourist destinations. Meanwhile the other income decreased to THB 3,125 million, a decrease of THB 848 million or -21.3% over the same period last year, also driven by COVID-19 related impact to rental income as we offered discounts to impacted tenants to support them during the difficult time and whilst the occupancy rate increased to 91% for the full quarter, it has still not recovered to pre-COVID levels. When compared to 2Q20, the total revenues decreased THB 1,038 million or -3.7% over the previous quarter. This was mainly due to seasonality impact on retail sales which declined by THB 1,799 million or -7.0% over the previous quarter. However the other income recorded a strong growth of THB 761 million or 32.2% over previous quarter due to strong recovery in both Rental and Other Income.

Modern Supply Chain's gross profit margin decreased to 15.9% in 3Q20 from 17.1% in 3Q19, mainly due to sales mix impact, and increased B2B sales contribution. EBIT margin decreased to 5.4% in 3Q20 from 8.5% in 3Q19, mainly due to lower gross profit margin and the decreasing rental income. If we remove the one-time expense relating to the employee severance pay due to corporate restructuring amounting to THB 27 million, recorded in 3Q20, and the positive impact from the reversal of 1H2019

property tax provision impact of THB 366 million, recorded in 3Q19, the recurring EBIT margin decreased to 5.5% in 3Q20 from 7.2% in 3Q19.

Net profit attributable to the equity holders of the Company in 3Q20 reached THB 950 million, a decrease of THB 880 million or -48.1% over the same period last year driven by abovementioned reasons. If we remove the one-time expense relating to the employee severance pay due to corporate restructuring amounting to THB 22 million after tax and minority interest, recorded in 3Q20, and the positive impact from the reversal of 1H2019 property tax provision impact of THB 298 million, recorded in 3Q19 the recurring net profit available for the equity holders of the Company for 3Q20 reached THB 972 million, a decrease of THB 560 million or -36.5% from the same period last year. When compared to 2Q20, the net profit attributable to the equity holders of the Company surged by THB 454 million or 91.4% due improving profitability. If we remove the one-time expense relating to the employee severance pay due to corporate restructuring amounting to THB 22 million, recorded in 3Q20, and THB 318 million, recorded in 2Q20, consolidated net profit attributable to the equity holders of the Company in 3Q20 increased THB 158 million or 19.4% from the previous quarter

In 9M20, Modern Supply Chain reported total revenues of THB 85,650 million, a decrease of THB 9,366 million or -9.9% over the same period last year. This decrease was driven by a retail sales reaching THB 76,567 million, a decrease of -8.1% from the same period last year, driven by negative same-store-sales growth of -13.5% year-on-year for the 9M20 (excluding B2B sales same-store-sales growth for the 9M20 was -15.2%). The other income, including rental income and other income, reached THB 9,083 million, a decrease of -22.4% over the same period last year, mainly driven by COVID-19 related impact to rental income.

Modern Supply Chain's gross profit margin decreased to 15.9% in 9M20 from 16.8% in 9M19, mainly due to sales mix change driven by COVID-19 related impact, and increased B2B sales contribution. EBIT margin decreased to 4.8% in 9M20 from 7.2% in 9M19, mainly due to lower gross profit margin and the decreasing rental income. If we remove the one-time expense relating to the employee severance pay due to corporate restructuring amounting to THB 416 million, recorded during 9M20, the non-cash impact from the expenses relating to amendment of the post-employment benefit plans of THB 127 million recorded in 2Q19, and the positive impact from the reversal of 1H2019 property tax provision impact of THB 366 million, recorded in 3Q19, the recurring EBIT margin decreased to 5.3% in 9M20 from 6.9% in 9M19.

Net profit attributable to the equity holders of the Company in 9M20 reached THB 2,706 million, a decrease of THB 1,974 million or -42.2% over the same period last year driven by abovementioned reasons. If we remove the one-time expense relating to the employee severance pay due to corporate restructuring amounting to THB 341 million after tax and minority interest, recorded during 9M20, the non-cash impact from the expenses relating to amendment of the post-employment benefit plans of THB 102 million after tax and minority interest recorded in 2Q19, and the positive impact from the reversal of 1H2019 property tax provision impact of THB 298 million, recorded in 3Q19, the recurring net profit available for the equity holders of the Company for 9M20 reached THB 3,046 million, a decrease of THB 1,437 million or -32.1% from the same period last year.

Modern Retail Supply Chain continued its store expansion and opened first large stores for the year, with opening of 1 Big C Supercenter, 2 Big C Food Place, 64 Mini Big C, and 3 Pure stores during the quarter. These openings together with the closure of 1 Big C Market, 5 Mini Big C, and 1 Pure stores during the quarter, led to our store network to reach 152 large format stores (Big C Supercenter and Big C Extra), 62 supermarkets (Big C Market, Big C Food Place, and Big C Depot), 1,153 Mini Big C (including 61 franchise stores), and 144 Pure drugstores at the end of September 2020.



Yours faithfully,
Berli Jucker Public Company Limited

Thirasakdi Nathikanchanalab
Director

Aswin Techajareonvikul
Director