

February 23<sup>rd</sup>, 2021

The President

The Stock Exchange of Thailand

Re: Management Discussion and Analysis on 4Q20 and FY20 performance

## 1. Financial performance of Berli Jucker Public Company Limited for 4Q20 and FY20

### COVID-19 pandemic

After well controlled COVID situation during the third quarter of the year, the new wave of increased daily cases started in mid-December which impacted the year end festivities. However, as the most of the new cases were concentrated to Samut Sakhon province the control measures which were promptly introduced have not had as large overall impact as the measures introduced during the first outbreak in March 2020. The general economic conditions remained still soft with declining exports, and lack of foreign tourists due to strict travel restrictions on foreign tourist arrivals, which have negative impact on customer purchasing power.

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

**Packaging Supply Chain:** Although the ongoing COVID situation continues impacting packaging sales due to its overall negative impact on tourism and border trade, during the fourth quarter we continued seeing quarter-on-quarter sales recovery in both, glass and aluminum can packaging businesses. Whilst the sales still declined slightly year-on-year, the rate of the decline slowed from previous quarters. The second COVID wave that started mid-December in Thailand, did not cause any major impact to our Packaging Supply Chain during the fourth quarter of the year.

**Consumer Supply Chain:** Overall, our Consumer Supply Chain's year-on-year growth rate slowed down from the previous quarter due to the general impact from COVID situation to consumer purchasing power and behavior. In some cases the stocking up behavior we have seen in earlier quarters of the year, also meant that the demand in certain consumer items slowed down as our customers had built up their stocks of them. This impacted particularly our Non-Food and International Trading businesses during the fourth quarter of the year.

**Healthcare and Technical Supply Chain:** At the Healthcare and Technical supply chain, whilst our healthcare supply chain continued seeing some benefits from the COVID 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. At the Technical Supply chain, the negative effects of economic slowdown from COVID situation continued from the previous quarter. However the second COVID wave starting in mid-December did not pose an additional negative impact on our Healthcare and Technical Supply Chain during the fourth quarter as it posted the quarter on quarter sales growth driven by seasonality.

**Modern Retail Supply Chain:** The negative impact from the COVID situation was further magnified by the base comparison against normal year end high-season during the fourth quarter of the year. The consumers' purchasing power continued being impacted by the general soft economic conditions leading to slow consumer spending, together with the lack of foreign tourist arrivals remained a significant drag to our sales. On top of this, during late-2019 we benefitted from the government's "Chim Shop Chai" stimulus scheme which modern retailers were able to participate, whilst the co-payment scheme in 2020 targeted only traditional trade. The second COVID wave starting in mid-December also dampened the consumption sentiment, although the impact was not as large as during the first wave during March 2020. Also, our experience from the first wave meant that we were able to move quickly to mitigate the negative impact, such as

“relaunching” our Call-for-Shop, and Line-for-Shop sales channels, which saw strong demand starting from late December. Meanwhile, whilst the rental occupancy rate remained at 91% for the quarter, the rental income continued posting strong quarter-on-quarter improvement driven by lower rental discount.

## Revenues

BJC’s consolidated total revenue for 4Q20 reached THB 38,631 million, representing a decrease of THB 5,908 million or -13.3% over the same period last year. This decrease was mainly driven by the consolidated sales and service revenue declining to THB 35,103 million, a decrease of THB 5,461 million or -13.5% 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 3,528 million, a decrease of THB 439 million or -11.1% over the same period last year, mainly driven by declining other income at Modern Retail Supply Chain due to the negative impact of COVID situation leading to rental discounts and lower occupancy rate when compared to the same period last year.

When compared to previous quarter, BJC’s consolidated total revenue in 4Q20 increased THB 392 million or +1.0% from 3Q20. The increase was mainly due to improving other income driven by Modern Retail Supply Chain’s continued Rental Income recovery, also Packaging Supply Chain and Healthcare and Technical Supply Chain both posted solid quarter-on-quarter improvements.

BJC’s consolidated total revenue for FY20 reached THB 157,708 million, representing a decrease of THB 16,329 million or -9.4% 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 negative impact of COVID situation during the year leading to rental discounts and lower occupancy rate when compared to the same period last year.

## Expenses

BJC’s consolidated total expenses for 4Q20 amounted to THB 36,859 million, a decrease of THB 5,098 million or -12.2% 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 previous quarter, BJC’s consolidated expenses in 4Q20 were relatively stable, posting slight decrease of THB 63 million or -0.2% from 3Q20. This decrease was mainly due to (1) decreased cost of goods sold expenses due to lower sales, and (2) lower interest expense.

BJC’s consolidated total expenses for FY20 amounted to THB 152,213 million, a decrease of THB 13,102 million or -7.9% 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 4Q20 amounted to THB 3,015 million, a decrease of THB 829 million or -21.6% over the same period last year. This year-on-year decrease was due to the abovementioned reasons.

When compared to previous quarter, BJC’s consolidated earnings before interest and tax in 4Q20 increased THB 367 million or 13.9% from 3Q20. This increase was driven by Modern Retail Supply Chain’s continued Rental Income recovery, and solid quarter-on-quarter sales growth Packaging Supply Chain and Healthcare and Technical Supply Chain. 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, the recurring earnings before interest and tax for 4Q20 increased THB 340 million or 12.7% from 3Q20.

BJC's earnings before interest and tax for FY20 amounted to THB 10,612 million, a decrease of THB 2,953 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 FY20 reached THB 11,165 million, a decrease of THB 2,340 million or -17.3% 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 4Q20 reached THB 1,353 million, a decrease of THB 1,120 million or -45.3% from the same period last year, driven by the abovementioned reasons, and higher effective tax rate when compared with unusually low effective tax rate during same period last year.

When compared to previous quarter, BJC's consolidated net profit attributable to the equity holders of the Company in 4Q20 increased THB 291 million or 27.4% from the previous quarter, driven by improvements at the Packaging, Healthcare and Technical, and Modern Retail Supply Chains. 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, consolidated net profit attributable to the equity holders of the Company in 4Q20 increased THB 263 million or 24.2% from the previous quarter.

BJC's consolidated net profit attributable to the equity holders of the Company for FY20 reached THB 4,001 million, a decrease of THB 3,277 million or -45.0% 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 FY20 reached THB 4,526 million, a decrease of THB 2,691 million or -37.3% from the same period last year.

## Key highlights of 4Q20 and FY2020

Unit: Million THB	4Q20	3Q20	4Q19	%QoQ	%YoY	FY20	FY19	%YoY
Packaging Supply Chain	5,373	4,943	5,411	8.7	(0.7)	19,787	20,360	(2.8)
Consumer Supply Chain	4,989	5,146	4,965	(3.1)	0.5	20,670	18,896	9.4
Healthcare and Technical Supply Chain	2,158	1,953	2,526	10.5	(14.6)	7,949	8,843	(10.1)
Modern Retail Supply Chain	23,505	23,899	28,078	(1.6)	(16.3)	100,072	111,389	(10.2)
Others	(922)	(913)	(416)	1.0	121.6	(3,746)	(1,479)	153.3
<b>Sales &amp; Services</b>	<b>35,103</b>	<b>35,027</b>	<b>40,564</b>	<b>0.2</b>	<b>(13.5)</b>	<b>144,732</b>	<b>158,009</b>	<b>(8.4)</b>
Other income	3,528	3,179	3,967	11.0	(11.1)	12,888	16,009	(19.5)
Gain from foreign exchange	-	33	8	(100.0)	(100.0)	88	19	363.2
<b>Total revenues</b>	<b>38,631</b>	<b>38,239</b>	<b>44,539</b>	<b>1.0</b>	<b>(13.3)</b>	<b>157,708</b>	<b>174,037</b>	<b>(9.4)</b>
Cost of goods sold	28,173	28,421	32,436	(0.9)	(13.1)	117,253	127,120	(7.8)
<b>Gross profit</b>	<b>6,930</b>	<b>6,606</b>	<b>8,128</b>	<b>4.9</b>	<b>(14.7)</b>	<b>27,479</b>	<b>30,889</b>	<b>(11.0)</b>
Selling expenses	6,033	6,155	6,957	(2.0)	(13.3)	24,855	27,939	(11.0)
Administrative expenses	1,369	1,013	1,293	35.1	5.8	4,832	4,979	(2.9)
Expenses from adjustment of employee benefit obligation	-	-	-	-	-	-	306	(100.0)
Loss from foreign exchange	(33)	-	-	100.0	100.0	-	-	-
Share of profits (loss) from investments	(10)	(2)	(9)	(400.0)	(11.1)	(156)	(128)	21.3
<b>Earnings before interest and tax</b>	<b>3,015</b>	<b>2,648</b>	<b>3,844</b>	<b>13.9</b>	<b>(21.6)</b>	<b>10,612</b>	<b>13,565</b>	<b>(21.8)</b>
<b>(Recurring earnings before interest and tax)<sup>1</sup></b>	<b>3,015</b>	<b>2,675</b>	<b>3,844</b>	<b>12.7</b>	<b>(21.6)</b>	<b>11,165</b>	<b>13,505</b>	<b>(17.3)</b>
Interest expense	1,286	1,334	1,272	(3.6)	1.1	5,273	4,971	6.1
<b>Earnings before tax</b>	<b>1,729</b>	<b>1,314</b>	<b>2,572</b>	<b>31.6</b>	<b>(32.8)</b>	<b>5,339</b>	<b>8,594</b>	<b>(37.9)</b>
Tax	218	139	1	56.8	21,700.0	787	820	(4.1)
<b>Net profit</b>	<b>1,511</b>	<b>1,175</b>	<b>2,571</b>	<b>28.6</b>	<b>(41.2)</b>	<b>4,552</b>	<b>7,774</b>	<b>(41.4)</b>
Attributable to:								
Minority interests	158	113	98	40.0	61.2	551	496	11.1
<b>Equity holders of the Company</b>	<b>1,353</b>	<b>1,062</b>	<b>2,473</b>	<b>27.4</b>	<b>(45.3)</b>	<b>4,001</b>	<b>7,278</b>	<b>(45.0)</b>
One-time items after tax:								
Expenses from adjustment of employee benefit obligation	-	-	-	-	-	-	(237)	(100.0)
Reversal of property tax provision	-	-	-	-	-	-	298	(100.0)
Expenses relating to acquisition project	-	-	-	-	-	(61)	-	100.0
Expenses relating to severance pay due to corporate restructuring	-	(27)	-	(100.0)	-	(464)	-	100.0
<b>Equity holder of the Company (Excluding one-time items)<sup>1</sup></b>	<b>1,353</b>	<b>1,090</b>	<b>2,473</b>	<b>24.2</b>	<b>(45.3)</b>	<b>4,526</b>	<b>7,217</b>	<b>(37.3)</b>

Key Financial Ratios	4Q20	3Q20	4Q19	%QoQ	%YoY	FY20	FY19	%YoY
Gross profit as % to sales*	19.7%	18.9%	20.0%	+88 bps	-29 bps	19.0%	19.5%	-56 bps
SG&A as % to sales*	21.1%	20.5%	20.3%	+62 bps	+75 bps	20.5%	20.8%	-32 bps
Recurring EBIT margin as % to sales* <sup>1</sup>	8.6%	7.6%	9.5%	+95 bps	-89 bps	7.7%	8.5%	-83 bps
Recurring Net Profit margin (attributable to equity holders of the Company) as % to sales* <sup>1</sup>	3.9%	3.1%	6.1%	+74 bps	-224 bps	3.1%	4.6%	-144 bps
Net IBD to equity (times)	1.3	1.3	1.3	-5 bps	0 bps	1.3	1.3	0 bps

\* As percentage to sales excluding other income

<sup>1</sup> 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	4Q20	3Q20	4Q19	%QoQ	%YoY	FY20	FY19	%YoY
Sales	5,373	4,943	5,411	+8.7%	-0.7%	19,787	20,360	-2.8%
Net profit	575	535	504	+7.5%	+14.1%	1,955	1,866	+4.8%
Recurring net profit <sup>1</sup>	575	535	504	+7.5%	+14.1%	1,962	1,926	+1.8%
<i>% Recurring net profit margin<sup>1</sup></i>	<i>10.7%</i>	<i>10.8%</i>	<i>9.3%</i>	<i>-12 bps</i>	<i>+138 bps</i>	<i>9.9%</i>	<i>9.5%</i>	<i>+45 bps</i>

<sup>1</sup> 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 4Q20 and FY20

In 4Q20, Packaging Supply Chain reported sales of THB 5,373 million, a slight decrease of THB 38 million or -0.7% over the same period last year. Whilst particularly the sales of aluminum can packaging recovered significantly from the previous quarter, sales still remained slightly behind the previous year. When compared to previous quarter, the sales increase was strong THB 430 million or 8.7% from 3Q20, driven by solid growth in both, glass and aluminum can packaging.

Packaging Supply Chain's gross profit margin increased to 20.4% in 4Q20 from 18.5% in 4Q19 driven by increasing gross profit margin in aluminum can packaging businesses due to increasing economies of scale and sales mix, whilst glass packaging margin was impacted by major furnace renovation which was completed during the quarter. Packaging Supply Chain's EBIT margin increased to 14.4% in 4Q20 from 13.0% in 4Q19 due to improving gross profit margin and good cost control.

Net profit attributable to the equity holders of the Company reached THB 575 million, an increase of THB 71 million or 14.1% over the same period last year. This was mainly driven by improving gross profit margin, good cost control, and continued recovery of Malaysian glass packaging business performance. When compared to previous quarter, the net profit attributable to the equity holders of the Company increased THB 40 million or 7.5% from 3Q20, driven by increased sales, and improved performance of our Malaysian glass packaging business.

In FY20, Packaging Supply Chain reported sales of THB 19,787 million, a decrease of THB 573 million or -2.8% over the same period last year. This was driven by the COVID related impact to both glass and aluminum can packing businesses.

Packaging Supply Chain's gross profit margin increased to 21.1% for FY20 from 20.1% in FY19 driven by increases from both businesses, glass packaging due to efficiency improvement and good cost control, and aluminum can packaging due to increased economies of scale and sales mix change. Packaging Supply Chain's EBIT margin increased to 15.2% in FY20 from 13.6% in FY19. 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 15.2% in FY20 from 14.1% in FY19.

Net profit attributable to the equity holders of the Company in FY20 reached THB 1,955 million, an increase of THB 89 million or 4.8% 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 FY20 reached THB 1,962 million, an increase of THB 36 million or +1.8% from the same period last year.

### **Glass Packaging Business**

In 4Q20, glass packaging business reported sales of THB 3,017 million, relatively flat year-on-year with only a slight decrease of -0.1% over the same period last year. When compared with previous quarter, glass packaging business grew by 1.9% from 3Q20, driven particularly by good growth in beverage segment. Glass packaging contributed approximately 56.0% of total Packaging Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 4Q20 decreased over the same period last year, and from the previous quarter, due to the negative impact on the gross profit margin from the major furnace repair completed during the quarter.

In FY20, glass packaging business reported sales of THB 11,327 million, a decrease of -1.4% over the same period last year, and contributed approximately 57.0% of total Packaging Supply Chain sales. Net profit attributable to the equity holders of the Company in FY20 increased over the same period last year driven by improving gross profit margin.

### **Aluminum Can Business**

In 4Q20, aluminum can business reported sales of THB 2,355 million, a decrease of -1.5% over the same period last year, but recovered strongly from the previous quarter with increase of 18.7% from 3Q20. The year-on-year decrease was mainly driven by general negative impact from COVID pandemic to general economy, whilst quarter-on-quarter growth was driven by continued recovery in both Thailand and Vietnam. Aluminum can business contributed approximately 44.0% of total Packaging Supply Chain sales. Net profit attributable to the equity holders of the Company in 4Q20 increased over the same period last year, and from the previous quarter, mainly driven by increased profitability.

In FY20, aluminum can business reported sales of THB 8,460 million, a decrease of -4.6% over the same period last year, and contributed approximately 43.0% of total Packaging Supply Chain sales. Net profit attributable to the equity holders of the Company in FY20 increased over the same period last year, mainly driven by increased profitability and good cost control.

### **Consumer Supply Chain**

Unit: Million THB	4Q20	3Q20	4Q19	%QoQ	%YoY	FY20	FY19	%YoY
Sales	4,989	5,146	4,965	-3.1%	+0.5%	20,670	18,896	+9.4%
Net profit	220	285	281	-22.8%	-21.7%	1,170	1,108	+5.6%
Recurring net profit <sup>1</sup>	220	286	281	-23.1%	-21.7%	1,185	1,148	+3.2%
<i>% Recurring net profit margin<sup>1</sup></i>	4.4%	5.6%	5.7%	-115 bps	-125 bps	5.7%	6.1%	-34 bps

<sup>1</sup> 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 4Q20 and FY20**

In 4Q20, Consumer Supply Chain reported sales of THB 4,989 million, relatively flat year on year with a slight increase of THB 24 million or 0.5% over the same period last year. This increase was driven by increased sales Logistic business segment, whilst Food, Non-Food, and International trading business decreased year-on-year due to general negative impact from COVID to consumer purchasing power and behavior as in case of certain products at our Non-Food and International Trading segments have seen stocking up during earlier quarters of the year. When compared to previous quarter, the sales decreased by THB 157 million or -3.1% from 3Q20, due to seasonal impact particularly in Food business, and slower personal care sales during the quarter after strong demand during the previous quarters.

Consumer Supply Chain's gross profit margin decreased to 17.7% in 4Q20 from 20.1% in 4Q19 mainly driven by lower gross profit margin from Food and Non-Food business segments due to lower utilization rate, increased raw material prices (palm oil, and coconut oil), and larger contribution from Logistic business segment, whilst EBIT margin decreased to 5.6% in 4Q20 from 7.6% in 4Q19 due to declining gross profit margin.

Net profit attributable to the equity holders of the Company in 4Q20 reached THB 220 million, a decrease of THB 61 million or -21.7% over the same period last year. The net profit decrease was driven by the abovementioned reasons. When compared to previous quarter, the net profit attributable to the equity holders of the Company decreased by THB 65 million or -22.8% from 3Q20, due to the abovementioned reasons.

In FY20, Consumer Supply Chain reported sales of THB 20,670 million, an increase of THB 1,774 million or 9.4% 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 19.4% in FY20 from 21.1% in FY19, mainly driven by lower gross profit margin from Food business segment due to lower utilization rate and increased palm oil and coconut oil price, and increased sales contribution from logistic business segment. Whilst EBIT margin decreased to 7.6% in FY20 from 7.8% in FY19 mainly due to lower gross profit margin. 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 declined to 7.6% in FY20 from 8.1% in FY19.

Net profit attributable to the equity holders of the Company in FY20 reached THB 1,170 million, an increase of THB 62 million or 5.6% over the same period last year. This net profit increase was driven by Non-Food, Logistics, 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 FY20 reached THB 1,185 million, an increase of THB 37 million or 3.2% from the same period last year.

### **Foods Group**

In 4Q20, Foods Group reported sales of THB 1,181 million, a decrease of -9.4% over the same period last year. When compared with previous quarter, Foods Group sales decreased -5.8% from 3Q20, driven by seasonality. 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 4Q20 increased over the same period last year mainly driven by lower SG&A expenses.

In FY20, Foods Group reported sales of THB 5,063 million, a decrease of -9.2% over the same period last year, and contributed approximately 24.0% of total Consumer Supply Chain sales. The decrease was mainly driven by the generally weak snack sales during the year due to the COVID pandemic. Net profit attributable to the equity holders of the Company in FY20 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 4Q20, Non-Foods Group reported sales of THB 1,641 million, a decrease of -8.6% over the same period last year, and a decrease of -6.7% from the 3Q20. Non-Foods Group contributed approximately 33.0% of total Consumer Supply Chain sales during the quarter. The decrease was driven by continued slower tissue sales when compared to last year, whilst there was some quarter-on-quarter

improvement. Personal care products sales also declined year-on-year, although to lesser degree than tissue sales. Net profit attributable to the equity holders of the Company in 4Q20 decreased over the same period last year and from previous quarter driven by lower sales, declining gross margin due to increasing raw material prices during the quarter.

In FY20, Non-Foods Group reported sales of THB 7,013 million, flat over the same period last year, as declining Tissue sales was offset by the increasing personal care sales, and contributed approximately 34.0% of total Consumer Supply Chain sales. Net profit attributable to the equity holders of the Company in FY20 increased over the same period last year due to improving gross margin due to lower pulp price, and good cost control.

### **International Trading**

In 4Q20, International Trading reported sales of THB 1,208 million, a decrease of -14.7% over the same period last year due to slower demand in products that benefitted from consumer stocking behavior during the earlier quarters of the year. When compared with previous quarter the sales increased slight 0.7% from the 3Q20. International Trading contributed approximately 24.0% of total Consumer Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company decreased in 4Q20 over the same period last year, driven by lower sales, and decreased from previous quarter due to exchange rate loss.

In FY20, International Trading reported sales of THB 4,826 million, an increase of 3.7% 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 FY20 over the same period last year, driven by increased sales.

### **Healthcare & Technical Supply Chain**

Unit: Million THB	4Q20	3Q20	4Q19	%QoQ	%YoY	FY20	FY19	%YoY
Sales	2,158	1,953	2,526	+10.5%	-14.6%	7,949	8,843	-10.1%
Net profit	182	166	284	+9.6%	-35.9%	709	852	-16.8%
Recurring net profit <sup>1</sup>	182	166	284	+9.6%	-35.9%	721	868	-16.9%
% Recurring net profit margin <sup>1</sup>	8.4%	8.5%	11.2%	-7 bps	-279 bps	9.1%	9.8%	-74 bps

<sup>1</sup> 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 4Q20 and FY20**

In 4Q20, Healthcare and Technical Supply Chain reported sales of THB 2,158 million, a decrease of THB 368 million or -14.6% over the same period last year. The sales decrease was driven by lower sales at the both, Healthcare, and Technical Supply Chains, due to COVID related impact. When compared to with previous quarter, the sales increase was solid THB 205 million or 10.5% from 3Q20, over the previous quarter due to growth in both, Healthcare, and Technical Supply Chains driven by seasonality.

Healthcare and Technical Supply Chain's gross profit margin decreased to 32.1% in 4Q20 from 32.6% in 4Q19 mainly due to the decrease at the Technical Supply Chain, whilst EBIT margin decreased to 13.6% in 4Q20 from 14.7% in 4Q19 driven by lower sales and lower gross profit margin.

Net profit attributable to the equity holders of the Company in 4Q20 reached THB 182 million, a decrease of THB 102 million or -35.9% over the same period last year mainly due to the lower sales, declining margins, and loss from the investments accounted by using equity method.

In FY20, Healthcare and Technical Supply Chain reported sales of THB 7,949 million, a decrease of THB 894 million or -10.1% 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 related impact.

Healthcare and Technical Supply Chain's gross profit margin increased to 31.5% in FY20 from 31.0% in FY19, whilst EBIT margin remained relatively flat, decreasing slightly to 12.5% in FY20 from 12.6% in FY19. 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 decreased slightly from previous year, reaching 12.7% in FY20 from 12.8% in FY19.

Net profit attributable to the equity holders of the Company in FY20 reached THB 709 million, a decrease of THB 143 million or -16.8% 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 FY20 reached THB 721 million, a decrease of THB 147 million or -16.9% from the same period last year.

### Modern Retail Supply Chain

Unit: Million THB	4Q20	3Q20	4Q19	%QoQ	%YoY	FY20	FY19	%YoY
Sales	23,505	23,899	28,078	-1.6%	-16.3%	100,072	111,389	-10.2%
Total Revenues	26,916	27,024	31,888	-0.4%	-15.6%	112,566	126,904	-11.3%
Net profit	1,253	950	1,924	+31.9%	-34.9%	3,959	6,604	-40.1%
Recurring net profit <sup>1</sup>	1,253	972	1,924	+28.8%	-34.9%	4,299	6,408	-32.9%
<i>% Recurring net profit margin<sup>1</sup></i>	<i>5.3%</i>	<i>4.1%</i>	<i>6.9%</i>	<i>+126 bps</i>	<i>-152 bps</i>	<i>4.3%</i>	<i>5.8%</i>	<i>-146 bps</i>

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

### Performance in 4Q20 and FY20

In 4Q20, Modern Retail Supply Chain reported total revenue of THB 26,916 million, a decrease of THB 4,972 million or -15.6% over the same period last year. This was driven by a retail sales declining to THB 23,505 million, a decrease of THB 4,573 million or -16.3% from the same period last year, driven by negative same-store-sales growth of -20.8% year-on-year for the quarter (excluding B2B sales same-store-sales growth for the quarter was -24.5%), adversely impacted by generally soft consumption environment due to COVID, the lack of foreign tourist arrivals significantly impacting our sales at the tourist destinations, and high comparison base from normal year end high-season during 4Q19. Meanwhile the other income decreased to THB 3,411 million, a decrease of THB 400 million or -10.5% over the same period last year, also driven by COVID related impact to rental income as we offered discounts to impacted tenants to support them during the difficult time, and whilst the occupancy rate remained at c.91% for the full quarter, it has still not recovered to pre-COVID levels. When compared to previous quarter, the total revenues were relatively flat, with a slight decrease of THB 108 million or -0.4% from 3Q20. This was driven by lower retail sales which declined by THB 394 million or -1.6% over the previous quarter. However the other income recorded a solid growth of THB 286 million or 9.1% over previous quarter due to continued recovery in both Rental and Other Income.

Modern Retail Supply Chain's gross profit margin decreased to 17.6% in 4Q20 from 18.0% in 4Q19, mainly due to sales mix impact, and increased B2B sales contribution. EBIT margin decreased to 7.1% in 4Q20 from 8.7% in 4Q19, mainly due to lower gross profit margin and the decreasing rental income.

Net profit attributable to the equity holders of the Company in 4Q20 reached THB 1,253 million, a decrease of THB 672 million or -34.9% over the same period last year driven by abovementioned reasons. When compared to previous quarter, the net profit attributable to the equity holders of the Company increased by THB 303 million or 31.9% from 3Q20, driven by increasing gross profit margin and continued rental income recovery. 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, the net profit attributable to the equity holders of the Company in 4Q20 increased THB 281 million or 28.8% from the previous quarter

In FY20, Modern Retail Supply Chain reported total revenues of THB 112,566 million, a decrease of THB 14,338 million or -11.3% over the same period last year. This decrease was driven by a retail sales reaching THB 100,072 million, a decrease of -10.2% from the same period last year, driven by negative same-store-sales growth of -15.3% year-on-year for the FY20 (excluding B2B sales same-store-sales growth for the FY20 was -17.5%). The other income, including rental income and other income, reached THB 12,494 million, a decrease of -19.5% over the same period last year, mainly driven by COVID related impact to rental income.

Modern Supply Chain's gross profit margin decreased to 16.3% in FY20 from 17.1% in FY19, mainly due to sales mix change driven by COVID related impact, and increased B2B sales contribution. EBIT margin decreased to 5.3% in FY20 from 7.6% in FY19, 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 5.7% in FY20 from 7.4% in FY19.

Net profit attributable to the equity holders of the Company in FY20 reached THB 3,959 million, a decrease of THB 2,646 million or -40.1% 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 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 FY20 reached THB 4,299 million, a decrease of THB 2,109 million or -32.9% from the FY19.

Modern Retail Supply Chain continued its store expansion during 4Q20, with opening of 65 Mini Big C stores, and conversion of 2 Big C Market stores to Big C Depot stores. These openings together with the closure of 1 Big C Market, and 3 Mini Big C stores during the quarter, led to our store network to reach 152 large format stores (Big C Supercenter and Big C Extra), 61 supermarkets (Big C Market, Big C Food Place, and Big C Depot), 1,215 Mini Big C (including 61 franchise stores), and 144 Pure drugstores at the end of December 2020.

Yours faithfully,

Berli Jucker Public Company Limited

Thirasakdi Nathikanchanalab  
Director

Aswin Techajareonvikul  
Director