



Berli Jucker Public Company Limited

August 10th, 2022

The President

The Stock Exchange of Thailand

Re: Management Discussion and Analysis on 2Q22 and 1H22 performance

Financial performance of Berli Jucker Public Company Limited for 2Q22 and 1H22

Revenues

BJC's consolidated total revenue for 2Q22 reached THB 41,390 million, representing an increase of THB 4,289 million or +11.6% over the same period last year. This increase was mainly driven by the consolidated sales and service revenue increasing to THB 38,103 million, an increase of THB 3,942 million or +11.5% over the same period last year, driven by increasing sales in Packaging, Healthcare and Technical, and Modern Retail Supply Chains. Whilst the consolidated other income reached THB 3,242 million, an increase of THB 324 million or +11.1% over the same period last year, mainly driven by increasing other income at Modern Retail Supply Chain due to the continued economic recovery leading to improving rental rates and lower average discount provided to tenants when compared with the same period last year.

BJC's consolidated total revenue for 1H22 reached THB 80,812 million, representing an increase of THB 8,094 million or +11.1% over the same period last year, mainly driven by increasing sales in Packaging, Healthcare and Technical, and Modern Retail Supply Chains, and increasing other income.

Expenses

BJC's consolidated total expenses for 2Q22 amounted to THB 39,745 million, an increase of THB 3,768 million or 10.5% over the same period last year. This increase was mainly due to (1) increased cost of goods sold expenses due to growing sales and increasing raw material prices, and (2) increasing SG&A expenses mainly due to increasing personnel expenses, and premises and plant expenses.

BJC's consolidated total expenses for 1H22 amounted to THB 77,617 million, an increase of THB 7,331 million or +10.4% over the same period last year. This increase was mainly due to (1) increased cost of goods sold expenses due to growing sales and increasing raw material prices, and (2) increasing SG&A expenses mainly due to increasing personnel expenses, and premises and plant expenses.

Earnings before Interest and Tax

BJC's earnings before interest and tax for 2Q22 amounted to THB 2,779 million, an increase of THB 420 million or +17.8% over the same period last year. This increase was driven by the strong sales growth at Packaging Supply Chain, and strong sales and other income growth and improving profitability at Modern Retail Supply Chain.

BJC's earnings before interest and tax for 1H22 amounted to THB 5,558 million, an increase of THB 691 million or +14.2% over the same period last year. This increase was driven by the strong sales growth at Packaging Supply Chain, and strong sales and other income growth and improving profitability at Modern Retail Supply Chain.





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Net Profit Attributable to Equity Holders

BJC's consolidated net profit attributable to the equity holders of the Company for 2Q22 reached THB 1,203 million, an increase of THB 381 million or +46.3% from the same period last year, driven by the abovementioned reasons.

BJC's consolidated net profit attributable to the equity holders of the Company for 1H22 reached THB 2,449 million, an increase of THB 614 million or 33.5% over the same period last year, driven by the abovementioned reasons.

Key highlights of 2Q22 and 1H22

Unit: Million THB	2Q22	1Q22	2Q21	%QoQ	%YoY	1H22	1H21	%YoY
Packaging Supply Chain	6,062	5,831	4,885	4.0	24.1	11,893	9,456	25.8
Consumer Supply Chain	5,326	5,184	5,679	2.7	(6.2)	10,510	10,650	(1.3)
Healthcare and Technical Supply Chain	2,324	2,044	2,189	13.7	6.1	4,368	4,115	6.1
Modern Retail Supply Chain	24,718	23,480	22,403	5.3	10.3	48,198	44,425	8.5
Others	(327)	(307)	(995)	(6.5)	67.1	(634)	(1,964)	67.7
Sales & Services	38,103	36,232	34,161	5.2	11.5	74,335	66,682	11.5
Other income	3,242	3,192	2,918	1.6	11.1	6,434	5,955	8.0
Gain from foreign exchange	45	-	22	100.0	104.3	43	81	(47.1)
Total revenues	41,390	39,424	37,101	5.0	11.6	80,812	72,718	11.1
Cost of goods sold	31,234	29,485	27,897	5.9	12.0	60,719	54,196	12.0
Gross profit	6,869	6,747	6,264	1.8	9.7	13,616	12,486	9.1
Selling expenses	6,192	6,026	5,828	2.8	6.2	12,218	11,585	5.5
Administrative expenses	1,157	1,173	994	(1.3)	16.4	2,330	1,993	17.0
Loss from foreign exchange	-	(2)	-	100.0	-	-	-	-
Share of profits (loss) from investments	(28)	41	(23)	(168.1)	(25.0)	13	(77)	117.1
Earnings before interest and tax	2,779	2,779	2,359	0.0	17.8	5,558	4,867	14.2
Interest expense	1,162	1,188	1,258	(2.2)	(7.6)	2,350	2,512	(6.5)
Earnings before tax	1,617	1,591	1,101	1.6	46.8	3,208	2,355	36.2
Tax	153	137	69	11.6	120.6	290	192	51.2
Net profit	1,464	1,454	1,032	0.7	41.9	2,918	2,163	34.9
Attributable to:								
Minority interests	261	208	210	25.8	24.5	469	328	42.9
Equity holders of the Company	1,203	1,246	822	(3.5)	46.3	2,449	1,835	33.5

Key Financial Ratios (%)	2Q22	1Q22	2Q21	QoQ	YoY	1H22	1H21	YoY
Gross profit as % to sales ¹	18.0%	18.6%	18.3%	(59) bps	(31) bps	18.3%	18.7%	(41) bps
SG&A as % to sales ¹	19.3%	19.9%	20.0%	(58) bps	(68) bps	19.6%	20.4%	(79) bps
EBIT margin as % to sales ¹	7.3%	7.7%	6.9%	(38) bps	39 bps	7.5%	7.3%	18 bps
Net Profit margin (attributable to equity holders of the Company) as % to sales ¹	3.2%	3.4%	2.4%	(28) bps	75 bps	3.3%	2.8%	54 bps
Net IBD to equity (times) ²	1.2	1.2	1.3	(1) bps	(6) bps	1.2	1.3	(6) bps

Note: ¹ As percentage to sales excluding other income

² Excluding lease liability





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Financial performance summary by supply chain

Packaging Supply Chain

Unit: Million THB	2Q22	1Q22	2Q21	%QoQ	%YoY	1H22	1H21	%YoY
Sales	6,062	5,831	4,885	4.0	24.1	11,893	9,456	25.8
Net profit	556	587	586	(5.2)	(5.0)	1,143	1,074	6.5
% Net profit margin	9.2%	10.1%	12.0%	(89) bps	(281) bps	9.6%	11.4%	(174) bps

Performance in 2Q22

In 2Q22, Packaging Supply Chain reported sales of THB 6,062 million, an increase of THB 1,177 million or 24.1% over the same period last year. The strong sales growth was driven by the continued economic recovery in Thailand and Vietnam, positively impacting both, Glass and Aluminum Can packaging businesses, and higher selling price of packaging products due to increasing raw material and utility costs.

Packaging Supply Chain's gross profit margin decreased to 20.1% in 2Q22 from 24.0% in 2Q21 driven by increasing natural gas and soda ash cost impacting Glass Packaging, and higher aluminum cost impacting Aluminum Can Packaging. However due to the strong sales growth the absolute THB value of gross profit grew from same period last year. Meanwhile Packaging Supply Chain's EBIT margin decreased to 15.4% in 2Q22 from 17.4% in 2Q21, due to lower gross profit margin.

Net profit attributable to the equity holders of the Company reached THB 556 million, a decrease of THB 30 million or -5.0% over the same period last year, mainly driven by the increasing raw material and utility costs as mentioned above.

Glass Packaging Business

In 2Q22, Glass packaging business reported sales of THB 3,078 million, an increase of +6.4% over the same period last year, driven by solid sales in alcoholic beverage, and food and pharmaceutical categories. Glass packaging contributed approximately 51% of total Packaging Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 2Q22 decreased over the same period last year, due to increasing Cost of Goods Sold expense driven by higher raw material and utility costs.

Aluminum Can Business

In 2Q22, Aluminum Can business reported sales of THB 2,984 million, an increase of +49.7% over the same period last year, driven by continued economic recovery in Thailand and Vietnam, and higher selling price reflecting increasing raw material costs. Aluminum Can business contributed approximately 49% of total Packaging Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 2Q22 increased over the same period last year, mainly driven by strong sales growth and good expenses control leading to declining SG&A-to-Sales ratio.





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Consumer Supply Chain

Unit: Million THB	2Q22	1Q22	2Q21	%QoQ	%YoY	1H22	1H21	%YoY
Sales	5,326	5,184	5,679	2.7	(6.2)	10,510	10,650	(1.3)
Net profit	198	279	333	(29.1)	(40.7)	477	672	(29.1)
% Net profit margin	3.7%	5.4%	5.9%	(167) bps	(216) bps	4.5%	6.3%	(178) bps

Performance in 2Q22

In 2Q22, Consumer Supply Chain reported sales of THB 5,326 million, a decrease of THB 353 million or -6.2% over the same period last year, as although we saw solid sales growth from Food, Non-Food, and International Trading business segments, the declining sales at the Logistic business segment due to moving Big C logistic management from Logistic business segment back to Modern Retail Supply Chain since the beginning of the year, dragged down the overall sales when compared to same period during last year.

Consumer Supply Chain's gross profit margin decreased to 15.7% in 2Q22 from 17.5% in 2Q21 driven by lower gross profit margin from Food and Non-Food business segments due to continued increases of raw material costs, particularly palm oil, coconut oil, pulp, and packaging materials. Meanwhile EBIT margin decreased to 4.5% in 2Q22 from 6.3% in 2Q21 mainly due to decreasing gross profit margin.

Net profit attributable to the equity holders of the Company in 2Q22 reached THB 198 million, a decrease of THB 135 million, or -40.7% over the same period last year. The net profit decrease was mainly driven by increasing raw material costs.

Foods Group

In 2Q22, Foods Group reported sales of THB 1,379 million, an increase of +8.8% over the same period last year. Foods Group contributed approximately 26% of total Consumer Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 2Q22 decreased over the same period last year mainly driven by increasing raw material and packaging material costs during the quarter.

Non-Foods Group

In 2Q22, Non-Foods Group reported sales of THB 2,184 million, an increase of +4.1% over the same period last year, driven by increasing tissue sales. Non-Foods Group contributed approximately 41% of total Consumer Supply Chain sales during the quarter. Net profit attributable to the equity holders of the Company in 2Q22 decreased over the same period last year mainly driven by increasing raw material and packaging material costs during the quarter.

International Trading

In 2Q22, International Trading reported sales of THB 1,634 million, an increase of +9.0% over the same period last year. International Trading contributed approximately 31% of total Consumer Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 2Q22 decreased over the same period last year due to higher SG&A expenses.





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Healthcare & Technical Supply Chain

Unit: Million THB	2Q22	1Q22	2Q21	%QoQ	%YoY	1H22	1H21	%YoY
Sales	2,324	2,044	2,189	13.7	6.1	4,368	4,115	6.1
Net profit	236	239	256	(1.2)	(8.0)	475	489	(2.9)
% Net profit margin	10.2%	11.7%	11.7%	(153) bps	(156) bps	10.9%	11.9%	(101) bps

Performance in 2Q22

In 2Q22, Healthcare and Technical Supply Chain reported sales of THB 2,324 million, an increase of THB 135 million or +6.1% over the same period last year, due to increasing sales at the Technical Supply Chain driven by strong growth at Specialties, Graphic, and Engineering Divisions.

Healthcare and Technical Supply Chain's gross profit margin increased to 28.5% in 2Q22 from 28.3% in 2Q21 driven by increasing gross profit margin at Healthcare Supply Chain. Meanwhile EBIT margin decreased to 13.6% in 2Q22 from 15.5% in 2Q21, mainly driven by higher SG&A expenses.

Net profit attributable to the equity holders of the Company in 2Q22 reached THB 236 million, a decrease of THB 20 million or -8.0% over the same period last year mainly due to the increasing SG&A expenses and lower share of profits from investment in joint venture.

Modern Retail Supply Chain

Unit: Million THB	2Q22	1Q22	2Q21	%QoQ	%YoY	1H22	1H21	%YoY
Sales	24,718	23,480	22,403	5.3	10.3	48,198	44,425	8.5
Total Revenues	27,836	26,556	25,239	4.8	10.3	54,392	50,205	8.3
Net profit	917	838	508	9.4	80.5	1,755	1,244	41.1
% Net profit margin	3.7%	3.6%	2.3%	14 bps	144 bps	3.6%	2.8%	84 bps

Performance in 2Q22

In 2Q22, Modern Retail Supply Chain reported total revenue of THB 27,836 million, an increase of THB 2,597 million or 10.3% over the same period last year. This was driven by a retail sales increasing to THB 24,718 million, an increase of THB 2,315 million or +10.3% from the same period last year, driven by new store openings, and continued recovery of same-store-sales growth reaching to +5.2% year-on-year for the quarter (excluding B2B sales same-store-sales growth for the quarter was +4.4%). The strong same-store-sales performance was driven by strong recovery of our softline and homeline categories and continued good dry food sales, as we saw good Songkran holiday and Back-to-School season as these events had been negatively impacted during the past two years by the Covid pandemic situation. Meanwhile the other income reached THB 3,118 million, an increase of THB 282 million or +9.9% over the same period last year driven by continued rental income recovery as we saw improving rental rate due to the continued economic recovery and lower average discount provided to tenants when compared with the same period last year, whilst rental occupancy rate of 87.7% for the quarter still remained slightly below the 87.9% level reached same period last year.





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Modern Retail Supply Chain's gross profit margin increased to 16.4% in 2Q22 from 14.9% in 2Q21, mainly due to a combination of continued successful promotional investments, category development, and good inventory management. EBIT margin increased to 5.1% in 2Q22 from 3.3% in 2Q21, mainly due to increasing gross profit margin, increasing rental income, and good cost control leading to declining SG&A-to-Sales ratio for the quarter.

Net profit attributable to the equity holders of the Company in 2Q22 reached THB 917 million, an increase of THB 409 million or +80.5% over the same period last year driven by abovementioned reasons.

Modern Retail Supply Chain continued its store expansion during 2Q22 by opening 25 Big C Mini stores in Thailand and by acquiring 18 Kiwi Mart convenience stores in Cambodia. These openings together with the closure of 3 Big C Mini stores during the quarter led to our store network to reach 154 large format stores (Including 1 Big C Supercenter store in Cambodia), 61 supermarket sized stores (38 Big C Market and 10 Big C Foodplace supermarkets, and 11 Big C Depot and 2 MM Food Service wholesale stores), 1,431 Big C Mini stores (including 56 franchise stores in Thailand, and 1 Big C Mini and 18 Kiwi Mart stores in Cambodia), and 146 Pure drugstores at the end of June 2022.

Dividend Payment

On 10th August 2022, the Board of Directors Meeting approved the 2022 interim dividend payment at the rate of THB 0.15 per share, which will be paid on 8th September 2022.

Please be informed.

Yours faithfully,

Berli Jucker Public Company Limited

Thirasakdi Nathikanchanalab
Director

Aswin Techajareonvikul
Director

