



Berli Jucker Public Company Limited

November 9th, 2022

The President

The Stock Exchange of Thailand

Re: Management Discussion and Analysis on 3Q22 and 9M22 performance

Financial performance of Berli Jucker Public Company Limited for 3Q22 and 9M22

Revenues

BJC's consolidated total revenue for 3Q22 reached THB 40,283 million, representing an increase of THB 3,361 million or +9.1% over the same period last year. This increase was due to the consolidated sales and service revenue increasing to THB 36,874 million, an increase of THB 2,408 million or +7.0% over the same period last year, due to increasing sales at Packaging, and Modern Retail Supply Chains. Whilst the consolidated other income reached THB 3,367 million, an increase of THB 978 million or +40.9% over the same period last year, mainly driven by increasing other income at Modern Retail Supply Chain mainly due to the increasing rental income driven by higher occupancy rates and lower average discount provided to tenants when compared with the same period last year.

BJC's consolidated total revenue for 9M22 reached THB 121,095 million, representing an increase of THB 11,455 million or +10.4% over the same period last year, mainly driven by increasing sales at the Packaging, and Modern Retail Supply Chains, and increasing other income driven by rental income recovery.

Expenses

BJC's consolidated total expenses for 3Q22 amounted to THB 39,000 million, an increase of THB 2,872 million or +7.9% 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 utility and personnel expenses driven by higher electricity cost and increasing number of stores.

BJC's consolidated total expenses for 9M22 amounted to THB 116,617 million, an increase of THB 10,203 million or +9.6% over the same period last year 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 utility and personnel expenses driven by higher electricity cost and increasing number of stores.

Earnings before Interest and Tax

BJC's earnings before interest and tax for 3Q22 amounted to THB 2,429 million, an increase of THB 460 million or +23.4% over the same period last year. This increase was driven by sales, other income recovery, and improving profitability at Modern Retail Supply Chain.

BJC's earnings before interest and tax for 9M22 amounted to THB 7,987 million, an increase of THB 1,151 million or +16.8% over the same period last year. This increase was driven by sales growth at Packaging Supply Chain, sales and other income recovery, 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 3Q22 reached THB 932 million, an increase of THB 565 million or +153.9% 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 9M22 reached THB 3,382 million, an increase of THB 1,180 million or +53.6% over the same period last year, driven by the abovementioned reasons.

Key highlights of 3Q22 and 9M22

Unit: Million THB	3Q22	2Q22	3Q21	%QoQ	%YoY	9M22	9M21	%YoY
Packaging Supply Chain	6,247	6,062	4,504	3.1	38.7	18,140	13,961	29.9
Consumer Supply Chain	5,477	5,326	5,958	2.8	(8.1)	15,987	16,607	(3.7)
Healthcare and Technical Supply Chain	2,329	2,324	2,609	0.2	(10.7)	6,697	6,724	(0.4)
Modern Retail Supply Chain	23,149	24,718	22,805	(6.3)	1.5	71,348	67,230	6.1
Others	(328)	(327)	(1,410)	(0.6)	76.7	(963)	(3,374)	71.5
Sales & Services	36,874	38,103	34,466	(3.2)	7.0	111,209	101,148	9.9
Other income	3,367	3,242	2,389	3.9	40.9	9,801	8,344	17.5
Gain from foreign exchange	42	45	66	(8.4)	(36.9)	85	148	(42.6)
Total revenues	40,283	41,390	36,922	(2.7)	9.1	121,095	109,640	10.4
Cost of goods sold	30,229	31,234	28,193	(3.2)	7.2	90,948	82,389	10.4
Gross profit	6,645	6,869	6,273	(3.3)	5.9	20,261	18,759	8.0
Selling expenses	6,396	6,192	5,693	3.3	12.3	18,614	17,278	7.7
Administrative expenses	1,195	1,157	960	3.3	24.6	3,525	2,952	19.4
Loss from foreign exchange	-	-	-	-	-	-	-	-
Share of profits (loss) from investments	(34)	(28)	(107)	(21.4)	68.2	(21)	(184)	88.8
Earnings before interest and tax	2,429	2,779	1,969	(12.6)	23.4	7,987	6,836	16.8
Interest expense	1,180	1,162	1,283	1.5	(8.0)	3,530	3,795	(7.0)
Earnings before tax	1,249	1,617	686	(22.8)	82.1	4,457	3,041	46.6
Tax	131	153	194	(14.4)	(32.5)	421	386	9.1
Net profit	1,118	1,464	492	(23.6)	127.2	4,036	2,655	52.0
Attributable to:								
Minority interests	186	261	125	(28.6)	48.5	654	453	44.4
Equity holders of the Company	932	1,203	367	(22.5)	153.9	3,382	2,202	53.6





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Key Financial Ratios	3Q22	2Q22	3Q21	QoQ	YoY	9M22	9M21	YoY
Gross profit as % to sales ¹	18.0%	18.0%	18.2%	(1) bps	(18) bps	18.2%	18.5%	(33) bps
SG&A as % to sales ¹	20.6%	19.3%	19.3%	130 bps	128 bps	19.9%	20.0%	(9) bps
EBIT margin as % to sales ¹	6.6%	7.3%	5.7%	(71) bps	87 bps	7.2%	6.8%	42 bps
Net Profit margin (attributable to equity holders of the Company) as % to sales ¹	2.5%	3.2%	1.1%	(63) bps	147 bps	3.0%	2.2%	86 bps
Net IBD to equity (times) ²	1.2	1.2	1.3	-	(7) bps	1.2	1.3	(7) bps

Note: ¹As percentage to sales excluding other income

²Excluding lease liability

Financial performance summary by supply chain

Packaging Supply Chain

Unit: Million THB	3Q22	2Q22	3Q21	%QoQ	%YoY	9M22	9M21	%YoY
Sales	6,247	6,062	4,504	3.1	38.7	18,140	13,961	29.9
Net profit	395	556	507	(29.0)	(22.2)	1,538	1,581	(2.7)
% Net profit margin	6.3%	9.2%	11.3%	(285) bps	(493) bps	8.5%	11.3%	(285) bps

Performance in 3Q22

In 3Q22, Packaging Supply Chain reported sales of THB 6,247 million, an increase of THB 1,743 million or +38.7% 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 the higher selling prices of packaging products due to increasing raw material and utility costs.

Packaging Supply Chain's gross profit margin decreased to 16.5% in 3Q22 from 24.0% in 3Q21 driven by increasing natural gas and soda ash cost impacting Glass Packaging, and higher aluminum cost impacting Aluminum Can Packaging. Packaging Supply Chain's EBIT margin decreased to 11.1% in 3Q22 from 15.9% in 3Q21, due to a lower gross profit margin.

Net profit attributable to the equity holders of the Company reached THB 395 million, a decrease of THB 112 million or -22.2% over the same period last year, mainly driven by the increasing raw material and utility costs as mentioned above.

Glass Packaging Business

In 3Q22, Glass packaging business reported sales of THB 3,125 million, an increase of +11.1% over the same period last year, driven by solid sales in alcoholic and non-alcoholic beverage categories. Glass packaging contributed approximately 50% of total Packaging Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 3Q22 decreased over the same period last year, due to increasing Cost of Goods Sold driven by higher raw material and utility costs.



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Aluminum Can Business

In 3Q22, Aluminum can business reported sales of THB 3,122 million, a strong increase of +84.6% over the same period last year, driven by continued economic recovery in Thailand and Vietnam. Aluminum can business contributed approximately 50% of total Packaging Supply Chain sales. Net profit attributable to the equity holders of the Company in 3Q22 increased over the same period last year, mainly driven by strong sales growth and good expense control leading to a declining SG&A-to-Sales ratio.

Consumer Supply Chain

Unit: Million THB	3Q22	2Q22	3Q21	%QoQ	%YoY	9M22	9M21	%YoY
Sales	5,477	5,326	5,958	2.8	(8.1)	15,987	16,607	(3.7)
Net profit	206	198	321	4.3	(35.8)	683	994	(31.3)
% Net profit margin	3.8%	3.7%	5.4%	4 bps	(163) bps	4.3%	6.0%	(171) bps

Performance in 3Q22

In 3Q22, Consumer Supply Chain reported sales of THB 5,477 million, a decrease of THB 481 million or -8.1% over the same period last year, as although we saw solid sales growth from Food, and Non-Food segments, and stable sales at International business segment, 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 the same period during last year.

Consumer Supply Chain's gross profit margin decreased to 15.9% in 3Q22 from 16.6% in 3Q21 mainly driven by lower gross profit margin from Foods, Non-Foods, and International business segments due to higher raw material and packaging material prices, and exchange rate impact, whilst EBIT margin decreased to 5.0% in 3Q22 from 7.0% in 3Q21 mainly driven by declining gross profit margin.

Net profit attributable to the equity holders of the Company in 3Q22 reached THB 206 million, a decrease of THB 115 million or -35.8% over the same period last year. The net profit decrease was mainly driven by declining sales and increasing expenses.

Foods Group

In 3Q22, Foods Group reported sales of THB 1,456 million, an increase of +13.1% over the same period last year. Foods Group contributed approximately 27% of total Consumer Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 3Q22 decreased over the same period last year mainly driven by increasing raw material and packaging material prices.

Non-Foods Group

In 3Q22, Non-Foods Group reported sales of THB 2,190 million, an increase of +4.2% over the same period last year. Non-Foods Group contributed approximately 40% of total Consumer Supply Chain sales during the quarter. Net profit attributable to the equity holders of the Company in 3Q22 decreased over the same period last year driven by increasing raw material and packaging material prices.



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International Business

In 3Q22, International Business reported sales of THB 1,694 million, a slight increase of +0.3% over the same period last year. International Business contributed approximately 31% of total Consumer Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company decreased in 3Q22 over the same period last year mainly due to declining gross profit margin.

Healthcare & Technical Supply Chain

Unit: Million THB	3Q22	2Q22	3Q21	%QoQ	%YoY	9M22	9M21	%YoY
Sales	2,329	2,324	2,609	0.2	(10.7)	6,697	6,724	(0.4)
Net profit	277	236	404	17.3	(31.5)	752	894	(15.9)
% Net profit margin	11.9%	10.2%	15.5%	174 bps	(363) bps	11.2%	13.3%	(207) bps

Performance in 3Q22

In 3Q22, Healthcare and Technical Supply Chain reported sales of THB 2,329 million, a decrease of THB 280 million or -10.7% over the same period last year. The sales decrease was mainly driven by decreasing sales at Healthcare Supply Chain due to lower sales of COVID related products when compared to high base from last year and longer delivery times of certain medical equipment due to tighter global supply situation of semiconductors, whilst Technical Supply Chain sales declined slightly due to declining sales of galvanized steel structures.

Healthcare and Technical Supply Chain's gross profit margin decreased to 29.6% in 3Q22 from 33.6% in 3Q21 due to the decrease in Healthcare Supply Chain's gross profit margin, whilst EBIT margin decreased to 15.6% in 3Q22 from 20.3% in 3Q21 driven by declining gross profit margin.

Net profit attributable to the equity holders of the Company in 3Q22 reached THB 277 million, a decrease of THB 127 million or -31.5% over the same period last year mainly driven by lower sales and declining gross profit margin at Healthcare Supply Chain.

Modern Retail Supply Chain

Unit: Million THB	3Q22	2Q22	3Q21	%QoQ	%YoY	9M22	9M21	%YoY
Sales	23,149	24,718	22,805	(6.3)	1.5	71,348	67,230	6.1
Total Revenues	26,319	27,836	25,145	(5.4)	4.7	80,711	75,351	7.1
Net profit	675	917	103	(26.3)	554.6	2,430	1,347	80.4
% Net profit margin	2.9%	3.7%	0.5%	(79) bps	246 bps	3.4%	2.0%	140 bps

Performance in 3Q22

In 3Q22, Modern Retail Supply Chain reported total revenue of THB 26,319 million, an increase of THB 1,174 million or +4.7% over the same period last year. This was driven by retail sales reaching to THB 23,149 million, an increase of THB 344 million or +1.5% from the same period last year, driven by sales from new store openings offsetting the negative same-store-sales growth of -2.4% year-on-year for the quarter (excluding B2B sales same-store-sales growth for the quarter was -0.5%). The decrease in same-store-sales



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performance was mainly driven by a combination of heavy rains and flooding in certain areas in Thailand, high base effect from last year's lockdown impacting fresh food sales comparison, and negative impact from the Government stimulus scheme targeting traditional trade. Meanwhile, the other income reached THB 3,170 million, representing a strong increase of THB 829 million or +35.4% over the same period last year driven by continued rental income recovery. Rental income growth was driven by higher occupancy rate which reached 87.9% for the quarter increasing from 85.4% over the same period last year, and lower average discount provided to tenants when compared with the same period last year.

Modern Retail Supply Chain's gross profit margin increased to 16.9% in 3Q22 from 14.5% in 3Q21, mainly due to a combination of sales mix change, and continued successful promotional investments, category development, and good inventory management. EBIT margin increased to 4.1% in 3Q22 from 1.1% in 3Q21, mainly driven by increasing gross profit margin and strong rental income growth.

Net profit attributable to the equity holders of the Company in 3Q22 reached THB 676 million, a strong increase of THB 573 million or +554.6% over the same period last year driven by the abovementioned reasons.

Modern Retail Supply Chain continued its store expansion during 3Q22 by opening 1 Big C Food Place, 1 MM Food Service, and 25 Big C Mini stores in Thailand. These openings together with the closure of 1 Big C Mini store during the quarter led to our store network reaching 154 large format stores (Including 1 Big C Supercenter store in Cambodia), 63 supermarket-sized stores (38 Big C Market and 11 Big C Foodplace supermarkets, and 11 Big C Depot and 3 MM Food Service wholesale stores), 1,456 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 September 2022.

Please be informed.

Yours faithfully,

Berli Jucker Public Company Limited

Thirasakdi Nathikanchanalab
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