



Berli Jucker Public Company Limited

May 10th, 2023

The President

The Stock Exchange of Thailand

Re: Management Discussion and Analysis on 1Q23 performance

Financial performance of Berli Jucker Public Company Limited for 1Q23

Revenues

BJC's consolidated total revenue for 1Q23 reached THB 40,804 million, representing an increase of THB 1,368 million or +3.5% over the same period last year. This increase was due to the consolidated sales and service revenue increasing to THB 37,520 million, an increase of THB 1,288 million or +3.6% over the same period last year, due to increasing sales from all supply chains. Whilst the consolidated other income reached THB 3,239 million, an increase of THB 35 million or +1.1% over the same period last year, driven by increasing other income at Modern Retail Supply Chain from less rental reduction provided to tenants.

Expenses

BJC's consolidated total expenses for 1Q23 amounted to THB 39,206 million, an increase of THB 1,309 million or +3.5% over the same period last year. This increase was mainly due to (1) increased cost of goods sold expenses due to growing sales and increased raw material and utilities prices, and (2) increased selling expenses at Modern Retail mainly due to increasing electricity expenses, and higher advertising and promotion expenses.

Earnings before Interest and Tax

BJC's earnings before interest and tax for 1Q23 amounted to THB 2,812 million, an increase of THB 37 million or +1.3% over the same period last year. The increase was driven by growing sales at all Supply Chain, other income recovery, and improving profitability at Modern Retail Supply Chain.

Net Profit Attributable to Equity Holders

BJC's consolidated net profit attributable to the equity holders of the Company for 1Q23 reached THB 1,254 million, an increase of THB 8 million or +0.6% from the same period last year, driven by the abovementioned reasons.



99 Berli Jucker House, Soi Rubia, Sukhumvit 42 Road, Phrakhanong Subdistrict, Khlongtoei District, Bangkok 10110 Thailand

Tel +66 2146 5999 | www.bjc.co.th



Berli Jucker Public Company Limited

Key highlights of 1Q23

Unit: Million THB	1Q23	4Q22	1Q22 ³	%QoQ	%YoY
Packaging Supply Chain	6,215	6,681	5,831	(7.0)	6.6
Consumer Supply Chain	5,328	5,423	5,184	(1.8)	2.8
Healthcare and Technical Supply Chain	2,129	2,183	2,045	(2.5)	4.1
Modern Retail Supply Chain	24,256	25,142	23,589	(3.5)	2.8
Others	(408)	(300)	(417)	(36.1)	2.3
Sales & Services	37,520	39,129	36,232	(4.1)	3.6
Other income	3,239	3,421	3,204	(5.3)	1.1
Gain from foreign exchange	45	-	-	100.0	100.0
Total revenues	40,804	42,550	39,436	(4.1)	3.5
Cost of goods sold	30,251	31,759	29,485	(4.7)	2.6
Gross profit	7,269	7,370	6,747	(1.4)	7.8
Selling expenses	6,555	6,587	6,035	(0.5)	8.6
Administrative expenses	1,161	1,165	1,179	(0.3)	(1.5)
Loss from foreign exchange	-	(44)	(3)	(100.0)	(100.0)
Share of profits (loss) from investments	(25)	6	41	(557.4)	(161.9)
Earnings before interest and tax	2,812	3,001	2,775	(6.3)	1.3
Interest expense	1,239	1,222	1,195	1.3	3.7
Earnings before tax	1,573	1,779	1,580	(11.6)	(0.5)
Tax	131	14	137	810.5	(4.4)
Net profit	1,442	1,765	1,443	(18.2)	(0.1)
Attributable to:					
Minority interests	188	137	197	38.8	(4.6)
Equity holders of the Company	1,254	1,628	1,246	(23.0)	0.6

Key Financial Ratios	1Q23	4Q22	1Q22	QoQ	YoY
Gross profit as % to sales ¹	19.4%	18.8%	18.6%	54 bps	76 bps
SG&A as % to sales ¹	20.6%	19.8%	19.9%	76 bps	66 bps
EBIT margin as % to sales ¹	7.5%	7.7%	7.7%	(18) bps	(16) bps
Net Profit margin (attributable to equity holders of the Company) as % to sales ¹	3.3%	4.2%	3.4%	(82) bps	(10) bps
Net IBD to equity (times) ²	1.2	1.2	1.2	-	4 bps

Note: ¹As percentage to sales excluding other income

²Excluding lease liability

³For the three-month period ended March 31, 2022, the Company has restated the financial information in order to comply with the restatement of the financial statements due to the impact from the business combination under common control. Therefore, the results of operation for the three-month period ended March 31, 2022 have been restated accordingly.



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Financial performance summary by supply chain

Packaging Supply Chain

Unit: Million THB	1Q23	4Q22	1Q22	%QoQ	%YoY
Sales	6,215	6,681	5,831	(7.0)	6.6
Net profit	477	413	587	15.4	(18.7)
% Net profit margin	7.7%	6.2%	10.1%	149 bps	(239) bps

Performance in 1Q23

In 1Q23, Packaging Supply Chain reported sales of THB 6,215 million, an increase of THB 384 million or +6.6% over the same period last year. The strong sales growth was mainly driven by Glass packaging business due to increasing sales volume and higher selling prices of packaging products reflecting increasing raw material and utility costs.

Packaging Supply Chain's gross profit margin decreased to 18.6% in 1Q23 from 22.0% in 1Q22. The decrease was driven by high comparison base as the 1Q22 gross profit margin benefited from cheaper raw material inventory from 2021, while the 1Q23 gross profit margin was affected by higher natural gas and soda ash prices for Glass Packaging, and higher aluminum cost for Aluminum Can Packaging. Packaging Supply Chain's EBIT margin decreased to 12.9% in 1Q23 from 16.1% in 1Q22, due to a lower gross profit margin.

Net profit attributable to the equity holders of the Company reached THB 477 million, a decrease of THB 110 million or -18.7% over the same period last year, mainly driven by the increasing raw material and utility costs as mentioned above.

Glass Packaging Business

In 1Q23, Glass packaging business reported sales of THB 3,409 million, an increase of +11.7% over the same period last year, driven by solid sales in alcoholic and non-alcoholic beverage categories. Glass packaging contributed approximately 55% of total Packaging Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 1Q23 decreased over the same period last year, due to increasing Cost of Goods Sold driven by higher raw material and utility costs.

Aluminum Can Business

In 1Q23, Aluminum can business reported sales of THB 2,806 million, an increase of +0.9% over the same period last year, driven by continued sale growth in Thailand, whilst Vietnam faced higher base due to strong sales last year. Aluminum can business contributed approximately 45% of total Packaging Supply Chain sales. Net profit attributable to the equity holders of the Company in 1Q23 increased over the same period last year, mainly driven by sales growth and efficient expense management, leading to lower SG&A expenses.





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Consumer Supply Chain

Unit: Million THB	1Q23	4Q22	1Q22	%QoQ	%YoY
Sales	5,328	5,423	5,184	(1.8)	2.8
Net profit	278	230	279	20.6	(0.5)
% Net profit margin	5.2%	4.2%	5.4%	97 bps	(17) bps

Performance in 1Q23

In 1Q23, Consumer Supply Chain reported sales of THB 5,328 million, an increase of THB 144 million or +2.8% over the same period last year. This increase was mainly driven by increasing sales in Foods, Non-Food, and International business segments.

Consumer Supply Chain's gross profit margin increased to 17.8% in 1Q23 from 17.6% in 1Q22 mainly driven by higher gross profit margin from Foods business segment due to declining raw material prices, while EBIT margin decreased slightly to 6.6% in 1Q23 from 6.8% in 1Q22.

Net profit attributable to the equity holders of the Company in 1Q23 reached THB 278 million, a slight decrease of THB 1 million or -0.5% over the same period last year due to abovementioned reason.

Foods Group

In 1Q23, Foods Group reported sales of THB 1,587 million, an increase of +6.5% over the same period last year. Foods Group contributed approximately 30% of total Consumer Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 1Q23 increased over the same period last year mainly driven by increasing sales, lower palm oil price and lower import freight.

Non-Foods Group

In 1Q23, Non-Foods Group reported sales of THB 2,243 million, an increase of +0.9% over the same period last year. Non-Foods Group contributed approximately 42% of total Consumer Supply Chain sales during the quarter. Net profit attributable to the equity holders of the Company in 1Q23 decreased over the same period last year driven by increasing raw material and utility prices for paper products.

International Business

In 1Q23, International Business reported sales of THB 1,367 million, an increase of +2.0% over the same period last year. International Business contributed approximately 26% of total Consumer Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 1Q23 decreased over the same period last year mainly due to declining gross profit margin due to sale mix change.





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Healthcare & Technical Supply Chain

Unit: Million THB	1Q23	4Q22	1Q22	%QoQ	%YoY
Sales	2,129	2,183	2,045	(2.5)	4.1
Net profit	194	196	239	(0.7)	(18.7)
% Net profit margin	9.1%	9.0%	11.7%	16 bps	(257) bps

Performance in 1Q23

In 1Q23, Healthcare and Technical Supply Chain reported sales of THB 2,129 million, an increase of THB 84 million or +4.1% over the same period last year, driven by increasing sales from both, Healthcare, and Technical Supply Chains due to increasing sales of Pharmaceutical, Power, Graphic, and Engineering divisions.

Healthcare and Technical Supply Chain's gross profit margin increased to 31.4% in 1Q23 from 30.2% in 1Q22 due to the increase in Healthcare Supply Chain's gross profit margin, whilst EBIT margin decreased to 12.6% in 1Q23 from 15.4% in 1Q22 due to increasing SG&A expenses and high base due to share of profits from investment in joint venture recorded in 1Q22.

Net profit attributable to the equity holders of the Company in 1Q23 reached THB 194 million, a decrease of THB 45 million or -18.7% over the same period last year due to the abovementioned reasons.

Modern Retail Supply Chain

Unit: Million THB	1Q23	4Q22	1Q22	%QoQ	%YoY
Sales	24,256	25,142	23,589	(3.5)	2.8
Total Revenues	27,433	28,496	26,676	(3.7)	2.8
Net profit	899	1,288	825	(30.2)	8.9
% Net profit margin	3.7%	5.1%	3.5%	(142) bps	21 bps

Performance in 1Q23

In 1Q23, Modern Retail Supply Chain reported total revenue of THB 27,433 million, an increase of THB 757 million or +2.8% over the same period last year. This was driven by retail sales reaching to THB 24,256 million, an increase of THB 667 million or +2.8% from the same period last year, due to continued economic recovery driven by recovering tourist arrivals, positively impacting sales growth and same-store-sales growth of +1.6% year-on-year for the quarter (excluding B2B sales same-store-sales growth for the quarter was +5.8%). Meanwhile, other income reached THB 3,170 million, representing an increase of THB 83 million or +2.7% over the same period last year driven by growing rental income. Rental income growth was driven by lower average discount provided to tenants when compared with the same period last year.

Modern Retail Supply Chain's gross profit margin increased to 18.2% in 1Q23 from 16.3% in 1Q22, mainly due to a combination of sales mix change, successful promotion campaigns, and effective category development and inventory management. EBIT margin increased to 5.4% in 1Q23 from 4.9% in 1Q22, mainly driven by increasing gross profit margin and rental income growth.





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Net profit attributable to the equity holders of the Company in 1Q23 reached THB 899 million, an increase of THB 74 million or +8.9% over the same period last year driven by the abovementioned reasons.

Modern Retail Supply Chain continued its store expansion during 1Q23 by opening 1 Big C Food Service store, 12 Big C Mini stores in Thailand, and 1 Big C Mini store in Cambodia. These openings together with the closure of 1 Big C Market, and 7 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 (35 Big C Market; 11 Big C Foodplace supermarkets; 11 Big C Depot; and 4 Big C Food Service wholesale stores), 1,455 Big C Mini stores (including 53 franchise stores in Thailand, 18 Big C Mini, and 2 Kiwi Mart stores in Cambodia), and 146 Pure drugstores at the end of March 2023, whilst our Donjai store network reached 1,170 stores. To strengthen our omnichannel platform, we entered into a new partnership with Lineman to deliver Big C products to more than 800 stores where Lineman provides delivery service, and we expanded our footprints on the new cross-border e-marketplace platform in China with Tmall.

Please be informed.

Yours faithfully,

Berli Jucker Public Company Limited

Thirasakdi Nathikanchanalab
Director

Aswin Techajareonvikul
Director



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