



## Berli Jucker Public Company Limited

August 9<sup>th</sup>, 2023

The President

The Stock Exchange of Thailand

Re: Management Discussion and Analysis on 2Q23 and 1H23 performance

### Financial performance of Berli Jucker Public Company Limited for 2Q23 and 1H23

#### Revenues

BJC's consolidated total revenue for 2Q23 reached THB 42,828 million, representing an increase of THB 1,426 million or +3.4% over the same period last year. This increase was due to the consolidated sales and service revenue increasing to THB 39,402 million, an increase of THB 1,299 million or +3.4% over the same period last year, due to increasing sales from Healthcare & Technical and Modern Retail supply chains. Whilst the consolidated other income reached THB 3,375 million, an increase of THB 122 million or +3.8% over the same period last year, driven by increasing other income at Modern Retail Supply Chain due to continued rental income recovery.

BJC's consolidated total revenue for 1H23 reached THB 83,632 million, representing an increase of THB 2,797 million or +3.5% over the same period last year, mainly driven by increasing sales from all Supply Chains, and increasing other income.

#### Expenses

BJC's consolidated total expenses for 2Q23 amounted to THB 41,108 million, an increase of THB 1,340 million or +3.4% over the same period last year. This increase was mainly due to (1) increasing cost of goods sold expenses due to growing sales and higher raw material and utilities costs, (2) increasing selling expenses at Modern Retail Supply Chain mainly due to higher electricity expenses and (3) increasing interest expenses due to higher interest rates.

BJC's consolidated total expenses for 1H23 amounted to THB 80,314 million, an increase of THB 2,652 million or +3.4% over the same period last year. This increase was mainly due to (1) increasing cost of goods sold expenses due to growing sales and higher raw material and utilities prices, (2) increasing selling expenses at Modern Retail Supply Chain mainly due to higher electricity expenses, and (3) increasing interest expenses due to higher interest rates.

#### Earnings before Interest and Tax

BJC's earnings before interest and tax for 2Q23 amounted to THB 2,921 million, an increase of THB 147 million or +5.3% over the same period last year driven by growing sales from Healthcare & Technical and Modern Retail Supply Chain, and improving other income and profitability at Modern Retail Supply Chain.

BJC's earnings before interest and tax for 1H23 amounted to THB 5,733 million, an increase of THB 184 million or +3.3% over the same period last year driven by the strong sales growth at all Supply Chain, and other income and profitability growth at Modern Retail Supply Chain.



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

Tel +66 2146 5999 | [www.bjc.co.th](http://www.bjc.co.th)



## Berli Jucker Public Company Limited

### Net Profit Attributable to Equity Holders

BJC's consolidated net profit attributable to the equity holders of the Company for 2Q23 reached THB 1,210 million, an increase of THB 7 million or +0.5% 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 1H23 reached THB 2,464 million, an increase of THB 15 million or 0.6% over the same period last year, driven by the abovementioned reasons.

### Key highlights of 2Q23 and 1H23

Unit: Million THB	2Q23	1Q23	2Q22	%QoQ	%YoY	1H23	1H22	%YoY
Packaging Supply Chain	6,060	6,215	6,062	(2.5)	(0.0)	12,275	11,893	3.2
Consumer Supply Chain	5,194	5,328	5,326	(2.5)	(2.5)	10,522	10,510	0.1
Healthcare and Technical Supply Chain	2,429	2,129	2,324	14.1	4.5	4,558	4,369	4.3
Modern Retail Supply Chain	26,152	24,256	24,850	7.8	5.2	50,408	48,439	4.1
Others	(433)	(408)	(459)	(6.1)	5.6	(841)	(876)	3.9
<b>Sales &amp; Services</b>	<b>39,402</b>	<b>37,520</b>	<b>38,103</b>	<b>5.0</b>	<b>3.4</b>	<b>76,922</b>	<b>74,335</b>	<b>3.5</b>
Other income	3,375	3,239	3,253	4.2	3.8	6,614	6,457	2.4
Gain from foreign exchange	51	45	46	11.7	10.7	96	43	122.3
<b>Total revenues</b>	<b>42,828</b>	<b>40,804</b>	<b>41,402</b>	<b>5.0</b>	<b>3.4</b>	<b>83,632</b>	<b>80,835</b>	<b>3.5</b>
Cost of goods sold	31,949	30,251	31,234	5.6	2.3	62,200	60,719	2.4
<b>Gross profit</b>	<b>7,453</b>	<b>7,269</b>	<b>6,869</b>	<b>2.5</b>	<b>8.5</b>	<b>14,722</b>	<b>13,616</b>	<b>8.1</b>
Selling expenses	6,692	6,555	6,201	2.1	7.9	13,247	12,236	8.3
Administrative expenses	1,173	1,161	1,165	1.0	0.7	2,334	2,344	(0.4)
Share of profits (loss) from investments	(93)	(25)	(28)	(261.2)	(228.1)	(118)	13	(996.0)
<b>Earnings before interest and tax</b>	<b>2,921</b>	<b>2,812</b>	<b>2,774</b>	<b>3.9</b>	<b>5.3</b>	<b>5,733</b>	<b>5,549</b>	<b>3.3</b>
Interest expense	1,294	1,239	1,168	4.4	10.7	2,533	2,363	7.2
<b>Earnings before tax</b>	<b>1,627</b>	<b>1,573</b>	<b>1,606</b>	<b>3.4</b>	<b>1.4</b>	<b>3,200</b>	<b>3,186</b>	<b>0.5</b>
Tax	202	131	153	54.5	32.3	333	290	14.9
<b>Net profit</b>	<b>1,425</b>	<b>1,442</b>	<b>1,453</b>	<b>(1.2)</b>	<b>(1.9)</b>	<b>2,867</b>	<b>2,896</b>	<b>(1.0)</b>
Attributable to:								
Minority interests	215	188	250	14.4	(13.6)	403	447	(9.6)
<b>Equity holders of the Company</b>	<b>1,210</b>	<b>1,254</b>	<b>1,203</b>	<b>(3.6)</b>	<b>0.5</b>	<b>2,464</b>	<b>2,449</b>	<b>0.6</b>



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Key Financial Ratios	2Q23	1Q23	2Q22	QoQ	YoY	1H23	1H22	YoY
Gross profit as % to sales <sup>1</sup>	18.9%	19.4%	18.0%	(46) bps	89 bps	19.1%	18.3%	82 bps
SG&A as % to sales <sup>1</sup>	20.0%	20.6%	19.3%	(60) bps	63 bps	20.3%	19.6%	64 bps
EBIT margin as % to sales <sup>1</sup>	7.4%	7.5%	7.3%	(8) bps	13 bps	7.5%	7.5%	(1) bps
Net Profit margin (attributable to equity holders of the Company) as % to sales <sup>1</sup>	3.1%	3.3%	3.2%	(27) bps	(9) bps	3.2%	3.3%	(9) bps
Net IBD to equity (times) <sup>2</sup>	1.2	1.2	1.2	-	3 bps	1.2	1.2	3 bps

Note: <sup>1</sup>As percentage to sales excluding other income

<sup>2</sup>Excluding lease liability

<sup>3</sup>The Company has restructured its businesses under common control since January 1, 2023. Therefore, the Company has adjusted the presentation of historical financial information for the year 2022 to be consistent.

### Financial performance summary by supply chain

#### Packaging Supply Chain

Unit: Million THB	2Q23	1Q23	2Q22	%QoQ	%YoY	1H23	1H22	%YoY
Sales	6,060	6,215	6,062	(2.5)	(0.0)	12,275	11,893	3.2
Net profit	397	477	556	(16.8)	(28.7)	874	1,143	(23.6)
% Net profit margin	6.5%	7.7%	9.2%	(113) bps	(263) bps	7.1%	9.6%	(249) bps

#### Performance in 2Q23

In 2Q23, Packaging Supply Chain reported sales of THB 6,060 million, a decrease of THB 2 million or 0.0% over the same period last year, mainly driven by decreasing sales from Aluminum Can packaging due to weak economic situation in Vietnam, negatively impacting consumer purchasing power.

Packaging Supply Chain's gross profit margin decreased to 18.1% in 2Q23 from 20.1% in 2Q22, mainly driven by Glass packaging due to impacted of increasing raw material and utility costs. Packaging Supply Chain's EBIT margin decreased to 12.4% in 2Q23 from 15.4% in 2Q22, due to a lower gross profit margin.

Net profit attributable to the equity holders of the Company in 2Q23 reached THB 397 million, a decrease of THB 159 million or 28.7% over the same period last year, driven by the abovementioned reasons.

#### Glass Packaging Business

In 2Q23, Glass packaging business reported sales of THB 3,327 million, an increase of 8.1% over the same period last year, driven by strong sales in non-alcoholic beverage categories, particularly sod. 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 2Q23 decreased over the same period last year, due to higher raw material and utility costs and temporary shutdown of one glass furnace in order to improve production efficiency. However, the utility costs have started to decline, therefore, the company expects that the situation will improve in 2H23.



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### Aluminum Can Business

In 2Q23, Aluminum can business reported sales of THB 2,733 million, a decrease of 8.4% over the same period last year, driven by weak economic situation in Vietnam, negatively impacting consumer purchasing power. However, the Vietnamese government has announced the corrective policy to boost domestic trade. Aluminum can business contributed approximately 45% of total Packaging Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 2Q23 decreased over the same period last year, due to lower sales.

### Consumer Supply Chain

Unit: Million THB	2Q23	1Q23	2Q22	%QoQ	%YoY	1H23	1H22	%YoY
Sales	5,194	5,328	5,326	(2.5)	(2.5)	10,522	10,510	0.1
Net profit	281	278	198	1.3	42.3	559	477	17.3
% Net profit margin	5.4%	5.2%	3.7%	21 bps	170 bps	5.3%	4.5%	78 bps

### Performance in 2Q23

In 2Q23, Consumer Supply Chain reported sales of THB 5,194 million, a decrease of THB 132 million or 2.5% over the same period last year, mainly driven by decreasing sales in International business segments due to weak economic situation in Vietnam.

Consumer Supply Chain's gross profit margin increased to 17.9% in 2Q23 from 15.7% in 2Q22, mainly driven by higher gross profit margin from Foods and Non-Foods business segment due to declining raw material and transportation cost, whilst EBIT margin increased to 7.0% in 2Q23 from 4.5% in 2Q22 driven by increasing gross profit margin.

Net profit attributable to the equity holders of the Company in 2Q23 reached THB 281 million, increase of THB 83 million or 42.3% over the same period last year, mainly driven by higher Net profit from Foods and Non-Foods business segment due to abovementioned reason.

### Foods Group

In 2Q23, Foods Group reported sales of THB 1,440 million, an increase of 4.4% over the same period last year. Foods Group contributed approximately 28% of total Consumer Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 2Q23 delivered strong increased over the same period last year mainly driven by increasing sales, and lower palm oil and transportation cost.

### Non-Foods Group

In 2Q23, Non-Foods Group reported sales of THB 2,157 million, a decrease of 1.2% over the same period last year, mainly driven by lower sales of Paper business segment due to intense market price competition. 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 2Q23 increased over the same period last year driven by strong performance of Personal care business segment.

### International Business



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In 2Q23, International Business reported sales of THB 1,464 million, a decrease of 10.4% over the same period last year, due to weak economic situation in Vietnam, negatively impacting consumer purchasing power. International Business contributed approximately 28% of total Consumer Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 2Q23 decreased over the same period last year due to declining sales.

### Healthcare & Technical Supply Chain

Unit: Million THB	2Q23	1Q23	2Q22	%QoQ	%YoY	1H23	1H22	%YoY
Sales	2,429	2,129	2,324	14.1	4.5	4,558	4,369	4.3
Net profit	246	194	236	26.4	4.0	440	475	(7.5)
% Net profit margin	10.1%	9.1%	10.2%	98 bps	(5) bps	9.7%	10.9%	(123) bps

### Performance in 2Q23

In 2Q23, Healthcare and Technical Supply Chain reported sales of THB 2,429 million, an increase of THB 105 million or 4.5% over the same period last year, mainly driven by increasing sales from both Healthcare and Technical Supply Chains due to increasing sales of Mobile mammogram from Medical division and high-voltage transmission line towers, and general steel projects from technical division.

Healthcare and Technical Supply Chain's gross profit margin increased to 29.6% in 2Q23 from 28.5% in 2Q22 due to increased Healthcare Supply Chain's gross profit margin, whilst EBIT margin decreased slightly to 13.4% in 2Q23 from 13.6% in 2Q22.

Net profit attributable to the equity holders of the Company in 2Q23 reached THB 246 million, an increase of THB 10 million or 4.0% over the same period last year due to the abovementioned reasons.

### Modern Retail Supply Chain

Unit: Million THB	2Q23	1Q23	2Q22	%QoQ	%YoY	1H23	1H22	%YoY
Sales	26,152	24,256	24,850	7.8	5.2	50,408	48,439	4.1
Total Revenues	29,465	27,433	27,980	7.4	5.3	56,898	54,656	4.1
Net profit	1,009	899	880	12.4	14.8	1,908	1,705	11.9
% Net profit margin	3.9%	3.7%	3.5%	16 bps	32 bps	3.8%	3.5%	27 bps

### Performance in 2Q23

In 2Q23, Modern Retail Supply Chain reported total revenue of THB 29,465 million, an increase of THB 1,485 million or 5.3% over the same period last year. This was driven by retail sales reaching to THB 26,152 million, an increase of THB 1,302 million or 5.2% from the same period last year, driven mainly by strong same-store-sales growth at hypermarket stores that benefitted from tourism rebound, good Songkran festival and hot summer related sales, leading to solid retail-same-store-sales growth of 4.8% (Ex. B2B) for the quarter. Meanwhile, our other income reached THB 3,311 million, representing an increase of THB 181 million or 5.8% over the same period last year driven by increasing rental income.





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Modern Retail Supply Chain's gross profit margin increased to 17.7% in 2Q23, up from 16.5% recorded in 2Q22, mainly driven by a sales mix change, successful promotion campaigns, continued category development, effective supply chain management, and improving margin from opening of Big C Food Services stores and from e-commerce channel. EBIT margin increased to 5.9% in 2Q23 from 5.1% in 2Q22, mainly driven by increasing gross profit margin and rental income growth.

Net profit attributable to the equity holders of the Company in 2Q23 reached THB 1,010 million, an increase of THB 130 million or 14.8% over the same period last year driven by the abovementioned reasons.

Modern Retail Supply Chain continued its store expansion during 2Q23 by opening 17 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 to reach 154 hypermarket stores (Including 1 Big C Supercenter store in Cambodia), 46 supermarket stores (35 Big C Market; 11 Big C Foodplace supermarkets), 1,471 Big C Mini stores (including 52 franchise stores in Thailand, 18 Big C Mini and 2 Kiwi Mart stores in Cambodia) 11 Big C Depot, 4 Big C Food Services stores, 8 Open-air markets, 146 Pure drugstores, 107 Wawee Coffee, and 56 Asia Book stores at the end of June 2023. Our Donjai store network also grew by 1,427 stores during the quarter and reached 2,597 stores at the end of the quarter. Our work to strengthen our omnichannel platform also continued during the 2Q23 as we increased Ecommerce integration by connecting selected Big C Mini stores to the Big C PLUS application, starting with over 400 Big C Mini stores as a pilot, enabling Big C Mini customers to order products online and receive 1-hour delivery within 5 kilometers from the store.

### Dividend Payment

On 9<sup>th</sup> August 2023, the Board of Directors Meeting approved the 2023 interim dividend payment at the rate of THB 0.15 per share, which will be paid on 8<sup>th</sup> September 2023.

Please be informed.

Yours faithfully,

Berli Jucker Public Company Limited

Thirasakdi Nathikanchanalab  
Director

Thapanee Techajareonvikul  
Director



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