



Berli Jucker Public Company Limited

November 8th, 2023

The President

The Stock Exchange of Thailand

Re: Management Discussion and Analysis on 3Q23 and 9M23 performance

Financial performance of Berli Jucker Public Company Limited for 3Q23 and 9M23

Revenues

BJC's consolidated total revenue for 3Q23 reached THB 41,171 million, representing an increase of THB 877 million or 2.2% over the same period last year. The consolidated sales and service revenue was THB 37,900 million, an increase of THB 1,026 million or 2.8% 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 3,247 million, a decrease of THB 131 million or 3.9% over the same period last year.

BJC's consolidated total revenue for 9M23 reached THB 124,803 million, representing an increase of THB 3,674 million or 3.0% over the same period last year, driven by increasing sales from Packaging, Healthcare & Technical and Modern Retail Supply Chains.

Expenses

BJC's consolidated total expenses for 3Q23 amounted to THB 40,008 million, an increase of THB 987 million or 2.5% over the same period last year. This increase was mainly due to (1) increasing cost of goods sold expenses due to growing sales. We were able to manage cost down through several cost efficiency projects, resulting in better gross margin in all Supply Chains, (2) increasing SG&A expenses, mainly driven by store expansion, and higher electricity expenses at Modern Retail Supply Chain due to higher FT rate when compared with last year, and (3) increasing interest expenses due to higher interest rates.

BJC's consolidated total expenses for 9M23 amounted to THB 120,322 million, an increase of THB 3,639 million or 3.1% over the same period last year.

Earnings before Interest and Tax

BJC's earnings before interest and tax for 3Q23 amounted to THB 2,498 million, an increase of THB 73 million or 3.0% over the same period last year driven by growing sales from Healthcare & Technical and Modern Retail Supply Chain, and improving gross profit margin from all Supply Chains.

BJC's earnings before interest and tax for 9M23 amounted to THB 8,231 million, an increase of THB 257 million or 3.2% over the same period last year driven by growing sales from Packaging, Healthcare & Technical, and Modern Retail Supply Chain, and improving gross profit margin from Consumer, Healthcare & Technical and 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 3Q23 reached THB 693 million, a decrease of THB 240 million or 25.6% 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 9M23 reached THB 3,175 million, a decrease of THB 225 million or 6.6% over the same period last year, driven by the abovementioned reasons.

Key highlights of 3Q23 and 9M23

Unit: Million THB	3Q23	2Q23	3Q22	%QoQ	%YoY	9M23	9M22	%YoY
Packaging Supply Chain	6,081	6,060	6,247	0.3	(2.7)	18,356	18,140	1.2
Consumer Supply Chain	5,253	5,194	5,477	1.1	(4.1)	15,775	15,987	(1.3)
Healthcare and Technical Supply Chain	2,357	2,429	2,328	(3.0)	1.2	6,915	6,697	3.2
Modern Retail Supply Chain	24,611	26,152	23,260	(5.9)	5.8	75,019	71,699	4.6
Others	(402)	(433)	(438)	7.3	8.7	(1,243)	(1,314)	5.5
Sales & Services	37,900	39,402	36,874	(3.8)	2.8	114,822	111,209	3.2
Other income	3,247	3,375	3,378	(3.8)	(3.9)	9,861	9,835	0.3
Gain from foreign exchange	24	51	42	(52.5)	(42.7)	120	85	41.0
Total revenues	41,171	42,828	40,294	(3.9)	2.2	124,803	121,129	3.0
Cost of goods sold	30,624	31,949	30,229	(4.1)	1.3	92,824	90,948	2.1
Gross profit	7,276	7,453	6,645	(2.4)	9.5	21,998	20,261	8.6
Selling expenses	6,689	6,692	6,405	(0.0)	4.4	19,936	18,641	6.9
Administrative expenses	1,337	1,173	1,201	13.9	11.3	3,671	3,545	3.6
Share of profits (loss) from investments	(23)	(93)	(34)	74.9	31.7	(141)	(21)	(580.8)
Earnings before interest and tax	2,498	2,921	2,425	(14.5)	3.0	8,231	7,974	3.2
Interest expense	1,358	1,294	1,186	4.9	14.4	3,891	3,549	9.6
Earnings before tax	1,140	1,627	1,239	(29.9)	(8.0)	4,340	4,425	(1.9)
Tax	210	202	130	4.0	61.0	543	420	29.2
Net profit	930	1,425	1,109	(34.8)	(16.1)	3,797	4,005	(5.2)
Attributable to:								
Minority interests	237	215	176	9.7	34.1	640	623	2.8
Equity holders of the Company	693	1,210	933	(42.7)	(25.6)	3,157	3,382	(6.6)



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Key Financial Ratios	3Q23	2Q23	3Q22	QoQ	YoY	9M23	9M22	YoY
Gross profit as % to sales ¹	19.2%	18.9%	18.0%	28 bps	118 bps	19.2%	18.2%	94 bps
SG&A as % to sales ¹	21.2%	20.0%	20.6%	121 bps	55 bps	20.6%	20.0%	61 bps
EBIT margin as % to sales ¹	6.6%	7.4%	6.6%	(82) bps	1 bps	7.2%	7.2%	(0) bps
Net Profit margin (attributable to equity holders of the Company) as % to sales ¹	1.8%	3.1%	2.5%	(124) bps	(70) bps	2.7%	3.0%	(29) bps
Net IBD to equity (times) ²	1.2	1.2	1.2	- bps	- bps	1.2	1.2	- bps

Note: ¹As percentage to sales excluding other income

²Excluding lease liability

³The 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	3Q23	2Q23	3Q22	%QoQ	%YoY	9M23	9M22	%YoY
Sales	6,081	6,060	6,247	0.3	(2.7)	18,356	18,140	1.2
Net profit	504	397	395	26.9	27.6	1,378	1,538	(10.4)
% Net profit margin	8.3%	6.5%	6.3%	174 bps	197 bps	7.5%	8.5%	(97) bps

Performance in 3Q23

In 3Q23, Packaging Supply Chain reported sales of THB 6,081 million, a decrease of THB 166 million or 2.7% over the same period last year, mainly driven by decreasing sales from Aluminum Can packaging, however, sales improved from the previous quarter.

Packaging Supply Chain's gross profit margin increased to 19.8% in 3Q23 from 16.5% in 3Q22, driven by Glass and Can packaging due to decreasing natural gas and aluminum costs, as well as implementation of cost efficiency projects. Packaging Supply Chain's EBIT margin increased to 14.5% in 3Q23 from 11.1% in 3Q22, due to higher gross profit margin.

Net profit attributable to the equity holders of the Company in 3Q23 reached THB 504 million, an increase of THB 109 million or 27.6% over the same period last year, driven by the abovementioned reasons.

Glass Packaging Business

In 3Q23, Glass packaging business reported sales of THB 3,167 million, an increase of 1.3% over the same period last year, mainly driven by selling price adjustment. Glass packaging contributed approximately 52% of total Packaging Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 3Q23 increased over the same period last year, decreasing natural gas cost.



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Aluminum Can Business

In 3Q23, Aluminum can business reported sales of THB 2,914 million, a decrease of 6.7% over the same period last year, driven by weak economic situation in CLMV, negatively impacting consumer purchasing power. However, we noticed the improving sales from previous quarter. Aluminum can business contributed approximately 48% of total Packaging Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 3Q23 increased over the same period last year.

Consumer Supply Chain

Unit: Million THB	3Q23	2Q23	3Q22	%QoQ	%YoY	9M23	9M22	%YoY
Sales	5,253	5,194	5,477	1.1	(4.1)	15,775	15,987	(1.3)
Net profit	240	281	206	(14.7)	16.4	799	683	17.0
% Net profit margin	4.6%	5.4%	3.8%	(85) bps	80 bps	5.1%	4.3%	79 bps

Performance in 3Q23

In 3Q23, Consumer Supply Chain reported sales of THB 5,253 million, a decrease of THB 224 million or 4.1% over the same period last year, mainly driven by decreasing sales in International business segments as the economic situation in Vietnam has not yet fully recovered. Sales from Foods business segment was at stable level while sales from Non-Foods business segment slightly declined, compared with the same period last year.

Consumer Supply Chain's gross profit margin increased to 18.5% in 3Q23 from 15.9% in 3Q22, driven by higher gross profit margin from all business segments, mainly due to declining palm oil, hardwood pulp and transportation cost, as well as implementation of cost efficiency projects. Whilst EBIT margin increased to 5.9% in 3Q23 from 5.0% in 3Q22 driven by increasing gross profit margin.

Net profit attributable to the equity holders of the Company in 3Q23 reached THB 240 million, increase of THB 34 million or 16.4% over the same period last year, due to abovementioned reason.

Foods Group

In 3Q23, Foods Group reported sales of THB 1,447 million, a slight decrease of 0.6% 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 3Q23 delivered strong increase over the same period last year, mainly driven by decreasing palm oil and transportation cost.

Non-Foods Group

In 3Q23, Non-Foods Group reported sales of THB 2,138 million, a decrease of 2.4% over the same period last year, mainly driven by lower OEM 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 3Q23 decreased over the same period last year.





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International Business

In 3Q23, International Business reported sales of THB 1,545 million, a decrease of 8.8% over the same period last year. However, we saw improvement from previous quarter due to Vietnam's improving economic trend. International Business contributed approximately 29% of total Consumer Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 3Q23 decreased over the same period last year.

Healthcare & Technical Supply Chain

Unit: Million THB	3Q23	2Q23	3Q22	%QoQ	%YoY	9M23	9M22	%YoY
Sales	2,357	2,429	2,328	(3.0)	1.2	6,915	6,697	3.2
Net profit	225	246	277	(8.1)	(18.6)	665	752	(11.6)
% Net profit margin	9.6%	10.1%	11.9%	(54) bps	(233) bps	9.6%	11.2%	(161) bps

Performance in 3Q23

In 3Q23, Healthcare and Technical Supply Chain reported sales of THB 2,357 million, an increase of THB 29 million or 1.2% over the same period last year, driven by increasing sales from Technical Supply Chains due to increasing sales of high-voltage transmission line towers and general steel projects of Thai-Scandic Steel, Engineering divisions, Graphic divisions, kidney disease and Aesthetic products from Pharmaceutical division. While Medical division sales dropped as last year we received orders for mobile X-ray from COVID budget.

Healthcare and Technical Supply Chain's gross profit margin increased to 29.7% in 3Q23 from 29.6% in 3Q22 due to increased Healthcare Supply Chain's gross profit margin, whilst EBIT margin decreased to 13.1% in 3Q23 from 15.6% in 3Q22.

Net profit attributable to the equity holders of the Company in 3Q23 reached THB 225 million, a decrease of THB 52 million or 18.6% over the same period last year.

Modern Retail Supply Chain

Unit: Million THB	3Q23	2Q23	3Q22	%QoQ	%YoY	9M23	9M22	%YoY
Sales	24,611	26,152	23,260	(5.9)	5.8	75,019	71,699	4.6
Total Revenues	27,779	29,465	26,431	(5.7)	5.1	84,677	81,087	4.4
Net profit	680	1,111	665	(38.8)	2.3	2,752	2,370	16.1
% Net profit margin	2.8%	4.2%	2.9%	(148) bps	(10) bps	3.7%	3.3%	36 bps

Performance in 3Q23

In 3Q23, Modern Retail Supply Chain reported total revenue of THB 27,779 million, an increase of THB 1,348 million or 5.1% over the same period last year. This was driven by retail sales reaching to THB 24,611 million, an increase of THB 1,351 million or 5.8% from the same period last year, driven by same-store-sales growth of 2.1% (Ex. B2B) for the third quarter of the year due to continued positive performance of hypermarket stores that benefit from tourism rebound and by Big C Mini format SSSG turning back to positive level for the quarter, and by ramped up store expansion. Meanwhile, our other income reached THB 3,185 million, representing a slight increase of THB 12 million or 0.4% over the same period last year driven by increasing rental and service income.



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Modern Retail Supply Chain's gross profit margin increased to 17.4% in 3Q23, up from 17.0% recorded in 3Q22, mainly driven by good stock management, and lower supply chain expenses due to improving efficiency and increasing distribution center income. EBIT margin increased to 4.2% in 3Q23 from 4.1% in 3Q22, mainly driven by increasing gross profit margin.

Net profit attributable to the equity holders of the Company in 3Q23 reached THB 680 million, an increase of THB 15 million or 2.3% over the same period last year driven by the abovementioned reasons.

Modern Retail Supply Chain continued its store expansion during 3Q23 by opening 1 Big C Hypermarket at Su Ngai Kolok, 1 Big C Foodplace at Pantip Ngamwongwan, 2 Big C Food Services at Bangna and Sanambinnam, 32 Big C Mini stores in Thailand, 2 Pure drugstores, 1 Wawee coffee shop, and 4 Asia Book bookstores. During the quarter Big C also entered Hong Kong retail business with acquisition of 24 AbouThai stores that were subsequently converted to Big C stores during the quarter. These additional stores, together with the closure of 13 Big C Mini stores and 10 Wawee coffee shops during the quarter, led to our store network to reach 155 hypermarket stores (Including 1 Big C Supercenter store in Cambodia), 49 supermarket stores (35 Big C Market; 12 Big C Foodplace supermarkets in Thailand and 2 in Cambodia), 24 Big C Hong Kong stores, 1,488 Big C Mini stores (including 51 franchise stores in Thailand, and 18 Big C Mini in Cambodia), 11 Big C Depot, 6 Big C Food Services stores, 8 Open-air markets, 148 Pure drugstores, 98 Wawee Coffee, 60 Asia Book stores. Our Donjai store network also grew by 1,429 stores and reached 4,026 stores at the end of the quarter. During 3Q23, our omnichannel platform successfully integrated all Big C Mini stores to Big C PLUS application, enabling customers to order products and get delivery within 1 hour. In addition, in order to capture rising Chinese tourist inflow, we launched Wechat Mini Program for inbound tourists, allowing for pre-purchase and convenient pick up at Big C Rajdamri store.

Please be informed.

Yours faithfully,

Berli Jucker Public Company Limited

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