

May 10th, 2022

The President

The Stock Exchange of Thailand

Re: Management Discussion and Analysis on 1Q22 performance

1. Financial performance of Berli Jucker Public Company Limited for 1Q22

Revenues

BJC's consolidated total revenue for 1Q22 reached THB 39,424 million, representing an increase of THB 3,808 million or +10.7% over the same period last year. This increase was mainly driven by the consolidated sales and service revenue increasing to THB 36,232 million, an increase of THB 3,712 million or +11.4% over the same period last year, driven by increasing sales in all of our Supply Chains. Whilst the consolidated other income reached THB 3,192 million, an increase of THB 155 million or +5.1% over the same period last year, mainly driven by increasing other income at Modern Retail Supply Chain due to the continued recovery leading to lower rental discounts, whilst occupancy rate still remained slightly lower than the same period last year.

Expenses

BJC's consolidated total expenses for 1Q22 amounted to THB 37,872 million, an increase of THB 3,564 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 1Q22 amounted to THB 2,779 million, an increase of THB 271 million or +10.8% over the same period last year. This year-on-year increase was driven by the strong sales growth and recovering other income.

Net Profit Attributable to Equity Holders

BJC's consolidated net profit attributable to the equity holders of the Company for 1Q22 reached THB 1,246 million, an increase of THB 233 million or +23.0% from the same period last year, driven by the abovementioned reasons.

Key highlights of 1Q22

Unit: Million THB	1Q22	4Q21	1Q21	%QoQ	%YoY
Packaging Supply Chain	5,831	5,976	4,571	(2.4)	27.6
Consumer Supply Chain	5,184	6,078	4,971	(14.7)	4.3
Healthcare and Technical Supply Chain	2,044	2,340	1,926	(12.6)	6.1
Modern Retail Supply Chain	23,480	24,072	22,022	(2.5)	6.6
Others	(307)	(1,149)	(970)	73.3	68.3
Sales & Services	36,232	37,317	32,520	(2.9)	11.4
Other income	3,192	3,173	3,037	0.6	5.1
Gain from foreign exchange	-	9	59	(100.0)	(100.0)
Total revenues	39,424	40,499	35,616	(2.7)	10.7
Cost of goods sold	29,485	30,059	26,299	(1.9)	12.1
Gross profit	6,747	7,258	6,221	(7.0)	8.4
Selling expenses	6,026	6,103	5,757	(1.3)	4.7
Administrative expenses	1,173	1,283	998	(8.6)	17.5
Loss from foreign exchange	(2)	-	-	100.0	100.0
Share of profits (loss) from investments	41	(3)	(54)	1,466.7	175.9
Earnings before interest and tax	2,779	3,051	2,508	(8.9)	10.8
Interest expense	1,188	1,298	1,254	(8.5)	(5.3)
Earnings before tax	1,591	1,753	1,254	(9.2)	26.9
Tax	137	122	123	12.3	11.4
Net profit	1,454	1,631	1,131	(10.8)	28.6
Attributable to:					
Minority interests	208	248	118	(16.1)	76.3
Equity holders of the Company	1,246	1,383	1,013	(9.9)	23.0

Key Financial Ratios	1Q22	4Q21	1Q21	%QoQ	%YoY
Gross profit as % to sales ¹	18.6%	19.4%	19.1%	-83 bps	-51 bps
SG&A as % to sales ¹	19.9%	19.8%	20.8%	+8 bps	-90 bps
EBIT margin as % to sales ¹	7.7%	8.2%	7.7%	-51 bps	-4 bps
Net Profit margin (attributable to equity holders of the Company) as % to sales ¹	3.4%	3.7%	3.1%	-27 bps	+33 bps
Net IBD to equity (times) ²	1.2	1.2	1.2	-2 bps	-4 bps

Note: ¹ As percentage to sales excluding other income

² Excluding lease liability

2. Financial performance summary by supply chain

Packaging Supply Chain

Unit: Million THB	1Q22	4Q21	1Q21	%QoQ	%YoY
Sales	5,831	5,976	4,571	-2.4%	27.6%
Net profit	587	586	488	0.2%	20.3%
<i>% Net profit margin</i>	<i>10.1%</i>	<i>9.8%</i>	<i>10.7%</i>	<i>+25 bps</i>	<i>-61 bps</i>

Performance in 1Q22

In 1Q22, Packaging Supply Chain reported sales of THB 5,831 million, an increase of THB 1,260 million or 27.6% over the same period last year. The strong sales growth was driven by the continued 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 was relatively stable and remained at 22.0% in 1Q22, same as in 1Q21, as whilst the Glass packaging business saw some gross profit margin contraction mainly driven by increasing natural gas and soda ash cost, Aluminum Can packaging businesses gross profit margin increased from same period last year due to growing economies of scale, and remaining lower cost raw material inventory left from previous year. Meanwhile Packaging Supply Chain's EBIT margin increased to 16.1% in 1Q22 from 14.9% in 1Q21, due to increasing share of profits from investment in associates.

Net profit attributable to the equity holders of the Company reached THB 587 million, strong increase of THB 99 million or +20.3% over the same period last year, due to above mentioned reason.

Glass Packaging Business

In 1Q22, Glass packaging business reported sales of THB 3,051 million, an increase of +9.2% over the same period last year, driven by strong sales in alcoholic beverage category. 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 1Q22 increased over the same period last year, due to strong sales growth and good cost control.

Aluminum Can Business

In 1Q22, Aluminum Can business reported sales of THB 2,780 million, an increase of +56.4% over the same period last year, driven by continued recovery in Thailand and Vietnam, and higher selling price due to increased raw material costs. 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 1Q22 increased over the same period last year, mainly driven by strong sales growth, and increasing gross profit margin.

Consumer Supply Chain

Unit: Million THB	1Q22	4Q21	1Q21	%QoQ	%YoY
Sales	5,184	6,078	4,971	-14.7%	+4.3%
Net profit	279	235	339	+18.7%	-17.7%
% Net profit margin	5.4%	3.9%	6.8%	+151 bps	-143 bps

Performance in 1Q22

In 1Q22, Consumer Supply Chain reported sales of THB 5,184 million, an increase of THB 213 million or +4.3% over the same period last year, driven by strong sales growth from Food and Non-Food business segments, which were enough to offset the declining sales at the Logistic business segment, driven by moving Big C logistic management from Logistic business segment back to Modern Retail Supply Chain since the beginning of the year.

Consumer Supply Chain's gross profit margin decreased to 17.6% in 1Q22 from 20.2% in 1Q21 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, and the increasing sales contribution from distributing third party principals' products when compared to same period last year. Meanwhile EBIT margin decreased to 6.8% in 1Q22 from 8.9% in 1Q21 mainly due to decreasing gross profit margin.

Net profit attributable to the equity holders of the Company in 1Q22 reached THB 279 million, a decrease of THB 60 million, or -17.7% over the same period last year. The net profit decrease was mainly due to lower gross profit, driven by increasing raw material costs.

Foods Group

In 1Q22, Foods Group reported sales of THB 1,490 million, an increase of +13.0% over the same period last year. Foods Group contributed approximately 29% of total Consumer Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 1Q22 decreased over the same period last year mainly driven by increasing raw material and packaging material costs.

Non-Foods Group

In 1Q22, Non-Foods Group reported sales of THB 2,222 million, an increase of +43.0% over the same period last year, driven by increasing sales from distribution of third party principals' products, and solid personal care sales. Non-Foods Group contributed approximately 43% of total Consumer Supply Chain sales during the quarter. Net profit attributable to the equity holders of the Company in 1Q22 decreased over the same period last year mainly driven by lower gross profit due to increasing raw material and packaging costs during the quarter.

International Trading

In 1Q22, International Trading reported sales of THB 1,340 million, an increase of +2.3% over the same period last year. International Trading contributed approximately 26% of total Consumer Supply Chain sales for the quarter. Net profit attributable to the equity holders of the Company in 1Q22 decreased over the same period last year.

Healthcare & Technical Supply Chain

Unit: Million THB	1Q22	4Q21	1Q21	%QoQ	%YoY
Sales	2,044	2,340	1,926	-12.6%	+6.1%
Net profit	239	132	233	+81.1%	+2.6%
% Net profit margin	11.7%	5.6%	12.1%	+602 bps	+38 bps

Performance in 1Q22

In 1Q22, Healthcare and Technical Supply Chain reported sales of THB 2,044 million, an increase of THB 118 million or +6.1% over the same period last year, driven by increasing sales at the Healthcare Supply Chain's Pharmaceutical and Medical divisions, and Technical Supply Chain's Specialty and Engineering divisions.

Healthcare and Technical Supply Chain's gross profit margin decreased to 30.2% in 1Q22 from 32.3% in 1Q21 due to the decreases at both, Healthcare, and Technical Supply Chain, driven by sales mix change. Meanwhile EBIT margin decreased to 15.4% in 1Q22 from 15.9% in 1Q21, mainly driven lower gross profit margin.

Net profit attributable to the equity holders of the Company in 1Q22 reached THB 239 million, an increase of THB 6 million or 2.6% over the same period last year mainly due to the increasing sales, and increasing share of profits from investment in joint venture.

Modern Retail Supply Chain

Unit: Million THB	1Q22	4Q21	1Q21	%QoQ	%YoY
Sales	23,480	24,072	22,022	-2.5%	+6.6%
Total Revenues	26,556	27,024	24,966	-1.7%	+6.4%
Net profit	838	1,107	736	-24.3%	+13.9%
% Net profit margin	3.6%	4.6%	3.3%	-103 bps	+23 bps

Performance in 1Q22

In 1Q22, Modern Retail Supply Chain reported total revenue of THB 26,556 million, an increase of THB 1,590 million or 6.4% over the same period last year. This was driven by a retail sales increasing to THB 23,480 million, an increase of THB 1,458 million or +6.6% from the same period last year, driven by new store openings, and solid recovery of same-store-sales growth reaching +2.9% year-on-year for the quarter (excluding B2B sales same-store-sales growth for the quarter was +2.8%), as we saw continued seeing solid recovery driven by strong fresh food and dry food sales. Meanwhile the other income reached THB 3,076 million, an increase of THB 132 million or +4.5% over the same period last year driven by rental income recovery, as whilst rental occupancy rate of 87.5% for the quarter still remained below the level reached same period last year, the average discount provided to tenants was lower when compared with previous year due to the continued economic recovery.

Modern Retail Supply Chain's gross profit margin increased slightly to 16.2% in 1Q22 from 15.8% in 1Q21, mainly due to a combination of continued successful promotional investments, category development, and good inventory management. EBIT margin increased to 5.0% in 1Q22 from 4.7% in 1Q21, mainly due to increasing gross profit margin and the increasing rental income driven by the abovementioned reasons.

Net profit attributable to the equity holders of the Company in 1Q22 reached THB 838 million, an increase of THB 102 million or +13.9% over the same period last year driven by abovementioned reasons.

Modern Retail Supply Chain continued its store expansion during 1Q22 by opening 41 Big C Mini stores. 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), 1,391 Big C Mini stores (including 56 franchise stores in Thailand, and 1 Big C Mini store in Cambodia), and 146 Pure drugstores at the end of March 2022.

Dividend Payment

On 21st April 2022, the Company's Annual General Meeting of Shareholders resolved to approve the dividend payment based on the Company's operations for the year 2021, at the rate of THB 0.66 per share. As the Company has already paid the interim dividend of THB 0.15 per share on 8 September 2021, the remaining year-end dividend of THB 0.51 per share will be paid on 19 May 2022.

Yours faithfully,

Berli Jucker Public Company Limited

Thirasakdi Nathikanchanalab
Director

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Director