

**Berli Jucker Pcl (BJC TB) - U.R.****Analyst Meeting**

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**Key takeaways from analyst meeting**

- **Target low to mid-teen sales growth in 2022F.**
  - **Despite cost pressure, growth is expected for industrial biz.**
  - **BIGC supercenter passed the bottom.**
  - **A laggard play with earnings turnaround.**
- BJC targets total revenues growth of low to mid-teen level this year. Sales growth will be from both industrial supply chains (packaging, consumer, healthcare & technical) and BIGC supercenter business.
  - For industrial supply chains, it targets 6% revenues growth; 10% growth from packaging business driven by recovery in Aluminum can packaging demand in both Thailand and Vietnam post COVID, 3% growth from consumer business from new products, and 7% growth from healthcare & technical business. Despite cost pressure on rising raw material price and energy cost, a stable gross margin is expected.
  - For BIGC business, a turnaround was seen in 4Q21 on both hypermarket sales revenues and lower rental discount given. Good momentum continues into this year with YTD SSSG of 3-4% and rent discount in January this year fell to less than 5%. It guides for BIGC's retail sales growth by low teen on a high single-digit SSSG this year and rental income growth by high teen. Average occupancy rate on rental space bottomed in 3Q21 and it expects 91-92% in 2022F, improving from 87.4% last year. However, it targets flat gross margin and rising energy cost could cause higher logistics expense. Key strategy is to focus on growing fresh food sales via store renovation (15 branches were renovated last year with double-digit growth in fresh food sales and 20 will be renovated this year) and growing private labels from softline and homeline.
  - We put our SELL rating under review given an earnings turnaround starting this year with room for earnings upgrade and the stock has been underperformed so its PE valuation is at a discount to sector average.

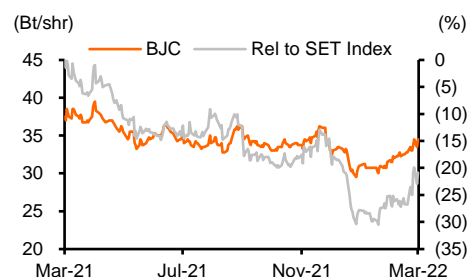
**Key Valuations**

Y/E Dec (Bt m)	2021A	2022F	2023F	2024F
Revenue	138,465	164,256	181,847	194,705
Net profit	3,585	4,895	5,360	5,953
Norm net profit	3,428	4,895	5,360	5,953
Norm EPS (Bt)	0.9	1.2	1.3	1.5
Norm EPS gr (%)	(12.4)	42.8	9.5	11.1
Norm PE (x)	41.3	28.9	26.4	23.8
EV/EBITDA (x)	15.3	13.8	13.1	12.3
P/BV (x)	1.2	1.2	1.2	1.1
Div. yield (%)	1.9	1.7	1.9	2.1
ROE (%)	3.0	4.2	4.5	4.8
Net D/E (%)	122.2	120.6	124.0	121.4

Source: Thanachart estimates

**Stock Data**

Closing price (Bt)	35.50
Target price (Bt)	30.00
Market cap (US\$ m)	4,353
Avg daily turnover (US\$ m)	7.9
12M H/L price (Bt)	39.50/29.50

**Price Performance**

Source: Bloomberg

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