

Berli Jucker Pcl (BJC TB) - SELL, Price Bt22.40, TP Bt22.00**Results Comment**

Phannarai Tiypittayarut | Email: phannarai.von@thanachartsec.co.th

In-line 4Q24 results

- BJC reported 4Q24 net profit of Bt1.65bn, flat y-y but up 134% q-q on high season in 4Q. Excluding FX gain in 4Q24, core profit was Bt1.5bn, down 8% y-y on a negative effective tax rate in 4Q23 from the use of carrying tax loss from restructuring within the group.
- At EBT level, it grew by 21% y-y and 70% q-q, driven by both BJC's industrial supply chain and BIGC modern retail businesses.
- BJC's businesses:** Packaging, consumer and healthcare businesses altogether reported Bt1,335m profit, up 22% y-y and 31% q-q. Healthcare had the most-improved profit to Bt309m (+Bt158m y-y, +Bt100m q-q), which we expect it was coming from falling SG&A (apart from sales growth of 8% y-y and widening gross margin by 221bp y-y to 34.1%).
- BIGC** had 4Q24 net profit of Bt1,311m, rose by 28% y-y and 115% q-q. Retail sales were up 3% y-y to Bt26.9bn on a 1.5% SSSG. Gross margin on sales increased by 30bp y-y to 19.4% on good inventory management and lower logistic costs. Rental income fell slightly by 1% y-y to Bt2.35bn.
- 2024 core profit came to 90% of our forecast, down 2% y-y.
- BJC will pay final dividend of Bt0.56/share, XD on Apr 29th with payment date on May 21st.

| Income Statement | | | | | | Income Statement | | | | | |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|--------------------------|------------|------------|------------|---------------|---------------|
| (consolidated) | | | | | | 12M as | | | | | |
| Yr-end Dec (Bt m) | 4Q23 | 1Q24 | 2Q24 | 3Q24 | 4Q24 | (Bt m) | q-q% | y-y% | % 2024F | 2024A | 2025F |
| Revenue | 39,849 | 38,633 | 39,739 | 38,534 | 40,821 | Revenue | 6 | 2 | 98 | 157,727 | 167,522 |
| Gross profit | 8,046 | 7,710 | 8,060 | 7,610 | 8,584 | Gross profit | 13 | 7 | 101 | 31,963 | 32,838 |
| SG&A | 8,042 | 7,817 | 8,070 | 8,029 | 8,157 | SG&A | 2 | 1 | 97 | 32,073 | 34,326 |
| Operating profit | 3,415 | 3,137 | 3,310 | 2,822 | 3,774 | Operating profit | 34 | 10 | 109 | 12,977 | 12,340 |
| EBITDA | 5,755 | 5,463 | 5,667 | 5,180 | 6,122 | EBITDA | 18 | 6 | 102 | 22,365 | 22,570 |
| Other income | 3,412 | 3,245 | 3,320 | 3,241 | 3,347 | Other income | 3 | (2) | 98 | 13,153 | 13,880 |
| Other expense | 0 | 0 | 0 | 0 | 0 | Other expense | | | na | 0 | 0 |
| Interest expense | 1,447 | 1,427 | 1,433 | 1,419 | 1,391 | Interest expense | (2) | (4) | 110 | 5,669 | 4,852 |
| Profit before tax | 1,968 | 1,711 | 1,877 | 1,403 | 2,383 | Profit before tax | 70 | 21 | 107 | 7,374 | 7,541 |
| Income tax | (9) | 439 | 411 | 315 | 536 | Income tax | 70 | na | 246 | 1,691 | 980 |
| Equity & invest. income | (59) | (45) | 18 | 2 | (59) | Equity & invest. income | na | na | 47 | (84) | (162) |
| Minority interests | (277) | (221) | (276) | (208) | (284) | Minority interests | na | na | 105 | (989) | (954) |
| Extraordinary items | (9) | (578) | 20 | (181) | 140 | Extraordinary items | na | na | na | (608) | 0 |
| Net profit | 1,633 | 428 | 1,228 | 701 | 1,645 | Net profit | 134 | 1 | 79 | 4,001 | 5,445 |
| Normalized profit | 1,642 | 1,006 | 1,208 | 883 | 1,504 | Normalized profit | 70 | (8) | 90 | 4,610 | 5,445 |
| EPS (Bt) | 0.41 | 0.11 | 0.31 | 0.17 | 0.41 | EPS (Bt) | 134 | 1 | 78 | 1.00 | 1.36 |
| Normalized EPS (Bt) | 0.41 | 0.25 | 0.30 | 0.22 | 0.38 | Normalized EPS (Bt) | 70 | (8) | 90 | 1.15 | 1.36 |
| Balance Sheet | | | | | | Financial Ratios | | | | | |
| (consolidated) | | | | | | 12M as | | | | | |
| Yr-end Dec (Bt m) | 4Q23 | 1Q24 | 2Q24 | 3Q24 | 4Q24 | (%) | 4Q23 | 1Q24 | 2Q24 | 3Q24 | 4Q24 |
| Cash & ST investment | 4,857 | 4,552 | 4,598 | 3,687 | 5,144 | Sales growth | 1.8 | 3.0 | 0.9 | 1.7 | 2.4 |
| A/C receivable | 17,061 | 16,544 | 17,261 | 16,637 | 19,490 | Operating profit growth | 12.2 | 12.4 | 11.7 | 13.0 | 10.5 |
| Inventory | 22,338 | 21,715 | 20,783 | 20,468 | 21,701 | EBITDA growth | 8.4 | 9.8 | 10.0 | 8.7 | 6.4 |
| Other current assets | 3,160 | 3,146 | 3,452 | 2,732 | 759 | Norm profit growth | (1.9) | (17.4) | 3.3 | 30.9 | (8.4) |
| Investment | 2,741 | 2,739 | 2,723 | 2,631 | 2,597 | Norm EPS growth | (1.9) | (17.4) | 3.3 | 30.9 | (8.4) |
| Fixed assets | 62,854 | 63,331 | 63,862 | 63,843 | 64,037 | Gross margin | 20.2 | 20.0 | 20.3 | 19.7 | 21.0 |
| Other assets | 225,960 | 224,460 | 223,838 | 222,949 | 223,285 | Operating margin | 8.6 | 8.1 | 8.3 | 7.3 | 9.2 |
| Total assets | 338,970 | 336,488 | 336,517 | 332,948 | 337,012 | EBITDA margin | 14.4 | 14.1 | 14.3 | 13.4 | 15.0 |
| S-T debt | 35,735 | 29,757 | 20,608 | 34,928 | 31,924 | Norm net margin | 4.1 | 2.6 | 3.0 | 2.3 | 3.7 |
| A/C payable | 32,880 | 30,750 | 31,844 | 29,575 | 33,744 | D/E (x) | 1.2 | 1.2 | 1.2 | 1.2 | 1.1 |
| Other current liabilities | 2,829 | 2,420 | 2,304 | 3,476 | 2,966 | Net D/E (x) | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| L-T debt | 113,517 | 118,970 | 127,801 | 111,781 | 112,467 | Interest coverage (x) | 4.0 | 3.8 | 4.0 | 3.6 | 4.4 |
| Other liabilities | 28,113 | 27,857 | 28,636 | 28,639 | 29,709 | Interest rate | 3.9 | 3.8 | 3.9 | 3.8 | 3.8 |
| Minority interest | 6,230 | 6,431 | 6,378 | 6,116 | 6,203 | Effective tax rate | (0.5) | 25.7 | 21.9 | 22.4 | 22.5 |
| Shareholders' equity | 119,665 | 120,301 | 118,947 | 118,433 | 119,999 | ROA | 1.9 | 1.2 | 1.4 | 1.1 | 1.8 |
| Working capital | 6,519 | 7,508 | 6,200 | 7,531 | 7,447 | ROE | 5.5 | 3.4 | 4.0 | 3.0 | 5.0 |
| Total debt | 149,252 | 148,727 | 148,409 | 146,708 | 144,391 | | | | | | |
| Net debt | 144,395 | 144,175 | 143,810 | 143,021 | 139,247 | | | | | | |

Sources: Company data, Thanachart estimates

General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) as a resource only for clients of TNS, Thanachart Capital Public Company Limited (TCAP) and its group companies. Copyright © Thanachart Securities Public Company Limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TCAP or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TCAP nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TCAP and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TCAP and its group companies perform and seek to perform business with companies covered in this report. TNS, TCAP, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TCAP or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: Thanachart Securities Public Company Limited act as a Market Maker and Derivative Warrants Issuer. At present, TNS has issued Derivative Warrants underlying securities before making investment decisions.

Note: Thanachart Capital Pcl (TCAP) holds an 89.96% of Thanachart Securities (TNS). TCAP holds a 100% of Thanachart SPV1 Co. Ltd. TCAP and Thanachart SPV1 combinedly hold a 60% stake in THANI.

Note: Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 24.35% of the shareholding in TMBThanachart Bank Pcl.

Note: Thanachart Capital Public Company Limited (TCAP), Ratchthani Leasing Public Company Limited (THANI), MBK PUBLIC COMPANY LIMITED (MBK) and PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMITED (PRG) are related companies to Thanachart Securities Public Company Limited (TNS) . Since TNS covers those securities in research report, consequently TNS incurs conflicts of interest.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of MUANGTHAI CAPITAL PUBLIC COMPANY LIMITED No. 1/2025 (B.E. 2568) tranche 1-3 which its maturity at 2028, 2030, 2032 (B.E. 2571, 2573, 2575)”, therefore investors need to be aware that there could be conflicts of interest in this research.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of SRISAWAD CAPITAL 1969 PUBLIC COMPANY LIMITED No. 1/2025 (B.E. 2568) tranche 1-3 which its maturity at 2027-2029 (B.E. 2570-2572)”, therefore investors need to be aware that there could be conflicts of interest in this research.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED No. 1/2025 (B.E. 2568) tranche 1 which its maturity at 2028 (B.E. 2571)”, therefore investors need to be aware that there could be conflicts of interest in this research.

Disclosure of Interest of Thanachart Securities

Investment Banking Relationship

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: