

4 MARCH 2021

THAILAND / CONSUMER STAPLES

BERLI JUCKER BJC TB

HOLD

UNCHANGED

TARGET PRICE	THB39.00
CLOSE	THB38.50
UP/DOWNSIDE	+1.3%
PRIOR TP	THB38.00
CHANGE IN TP	+2.6%
TP vs CONSENSUS	-3.3%

แนวโน้มไม่แน่นอน

ผ่านจุดต่ำสุดไปแล้วแต่การฟื้นตัวช้ากว่าเพื่อน

แม้เราคาดว่าจะการดำเนินงานของ BJC ได้ผ่านจุดต่ำสุดไปแล้วเรียบร้อยแล้วในปี 2020 เช่นเดียวกันกับผู้ประกอบการค้าปลีกรายอื่น ระดับการฟื้นตัวของบริษัท อาจช้ากว่าบริษัทอื่นในกลุ่ม โดยการดำเนินงานของ Big C (67% ของยอดขายรวมในปี 2020) ได้อยู่ในแนวโน้มขาลงมาตั้งแต่ 2Q19 เนื่องจากได้รับแรงกดดันจากการแข่งขันที่รุนแรงในตลาด Hypermarket การหายไปของนักท่องเที่ยวอันเกิดจากปัญหาโรคระบาด และความต้องการที่เปลี่ยนไปจากมาตรการของรัฐ ในการสนับสนุนร้านค้าขายสินค้าอุปโภคบริโภคในท้องถิ่น เราคาดว่า การเติบโตของรายได้ต่อสาขา (SSSG) ใน 2Q21 จะพลิกเป็นบวกเป็นครั้งแรกในรอบเกือบ 2 ปี จากฐานที่ต่ำและจากเทศกาลสงกรานต์ในเดือน เม.ย. และการเริ่มภาคการศึกษาใหม่ในเดือน พ.ค. ในภาพรวม เราคาดว่า SSSG จะอยู่ที่ 2% ในปี 2021 (เทียบกับ -15% ในปี 2020 และ -3% ในปี 2019) ซึ่งสอดคล้องกับเป้าหมายของบริษัท

คาดการณ์การเติบโตของยอดขายจะฟื้นตัวเป็นตัวเลขหนึ่งหลักกลางในทุกธุรกิจ

เราคาดว่าอัตราการเติบโตของยอดขายของ BJC จะฟื้นตัว 5% y-y เป็น 153 พัน ลบ. ในปี 2021 โกลด์เดียวกับที่ BJC คาด และอัตรากำไรขั้นต้นจะเพิ่ม 30bps y-y เป็น 19.3% ซึ่งต่ำกว่าเป้าหมายของ BJC ที่ 50bps อยู่เล็กน้อย ธุรกิจบรรจุภัณฑ์อาจโต 5% y-y ตามการฟื้นตัวของการบริโภคในประเทศ ในขณะที่อัตรากำไรขั้นต้นอาจปรับตัวดีขึ้น 90bps y-y แม้ว่าต้นทุนอะลูมิเนียมจะสูงขึ้น เนื่องจาก BJC ได้ทำสัญญาป้องกันความเสี่ยงไว้เต็มจำนวน ธุรกิจสินค้าอุปโภคบริโภคอาจโต 3% y-y แต่อัตรากำไรขั้นต้นอาจถูกกดดันจากราคาวัตถุดิบที่สูงขึ้น เช่น เยื่อกระดาษและน้ำมันปาล์ม เราคาดว่าอัตรากำไรขั้นต้นของบริษัท จะเพิ่ม 10bps y-y เทียบกับเป้าของ BJC ที่ 50-100bps ธุรกิจอุปกรณ์แพทย์ อาจโตได้ 8% y-y จากความต้องการยาและผลิตภัณฑ์ทำความสะอาดที่เพิ่มขึ้น พร้อมอัตรากำไรขั้นต้นที่ทรงตัว y-y

Big C ฟื้นตัวช้า

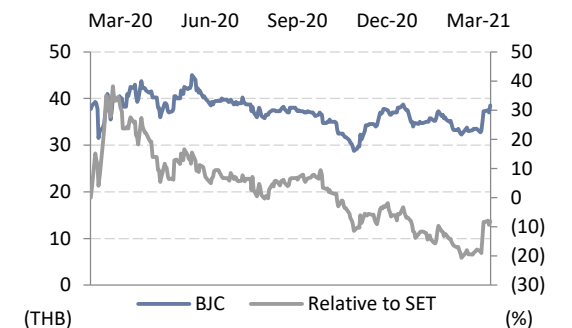
เรามีมุมมองที่ระมัดระวังเกี่ยวกับการดำเนินงานของ Big C หลังส่วนแบ่งยอดขาย B2B เพิ่มขึ้นเป็น 10% ในปี 2020 เทียบกับ 5% ในปี 2019 โดยต้องแลกมาด้วยอัตรากำไรขั้นต้นที่ลดลง แนวโน้มดังกล่าวน่าจะต่อเนื่องไปในช่วง 1H21 ในท่ามกลางมาตรการของรัฐ เช่น คนละครึ่ง และเราชนะ Big C วางแผนปรับสัดส่วนผลิตภัณฑ์โดยจะเพิ่มสินค้าอาหารสดและสินค้า Private Brand ที่มีอัตรากำไรสูง นอกจากนี้ผลกระทบจากการหายไปของนักท่องเที่ยวจะมีต่ำกว่าเพื่อน โดยกระทบกับ SSSG ประมาณ -3% เทียบกับ -15% ในปี 2020 Big C วางแผนเพิ่ม Hypermarket 1-2 แห่ง (คิดเป็นอัตราการเติบโตของสาขาใหม่ 1%) และ Mini Big C อีก 100 สาขาในปี 2021

แนวโน้ม 1H21 ยังไม่แน่นอน

เราลงคำแนะนำถือพร้อมปรับราคาเป้าหมายขึ้นเป็น 39 จาก 38 บาท (DCF) หลังการปรับประมาณการกำไรของเรา ราคาเป้าหมายใหม่คิดเป็นค่า 2021E P/E ที่ 28x หรือ -1 SD ของค่าเฉลี่ยย้อนหลัง 5 ปี เราเห็นว่า BJC จะฟื้นตัวช้ากว่าคาดเมื่อเทียบกับบริษัทอื่นในกลุ่ม เนื่องจากการแข่งขันที่สูงในตลาด Hypermarket และกระแสความเปลี่ยนแปลงของพฤติกรรมผู้บริโภค

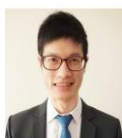
KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	157,549	165,706	172,736	177,922
Net profit	4,001	5,556	6,590	6,976
EPS (THB)	1.00	1.39	1.64	1.74
vs Consensus (%)	-	(5.1)	(5.8)	0.7
EBITDA	19,512	21,397	23,588	24,934
Core net profit	3,914	5,556	6,590	6,976
Core EPS (THB)	0.98	1.39	1.64	1.74
Chg. In EPS est. (%)	nm	(9.9)	(6.7)	nm
EPS growth (%)	(48.3)	42.0	18.6	5.9
Core P/E (x)	39.4	27.8	23.4	22.1
Dividend yield (%)	2.4	3.3	3.9	4.1
EV/EBITDA (x)	16.4	15.5	14.4	13.9
Price/book (x)	1.3	1.3	1.4	1.4
Net debt/Equity (%)	135.3	143.4	149.4	153.2
ROE (%)	3.4	4.9	5.8	6.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	16.7	5.5	5.5
Relative to country (%)	12.0	(1.7)	(6.0)
Mkt cap (USD m)	5,094		
3m avg. daily turnover (USD m)	25.1		
Free float (%)	26		
Major shareholder	TCC Corporation (74%)		
12m high/low (THB)	45.50/25.00		
Issued shares (m)	4,007.80		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 4 มีนาคม 2021

Investment thesis

BJC is one of Thailand's oldest companies providing an integrated supply chain with upstream, midstream, and downstream operations. Its modern trade supply chain (Big C) contributed c67% of total revenue in 2020. The hypermarket segment's strong competition and limited growth has led us to have a cautious view on BJC's growth outlook. Big C's SSSG has been soft due to the high competition in the hypermarket segment. While the second revenue contributor, the packaging supply chain (13%), continued to deliver a softer GPM in 2020 due to a change in its geographical sales mix (more customers from Vietnam which command a lower GPM compared to Thailand's sales due to the intensely competitive industry).

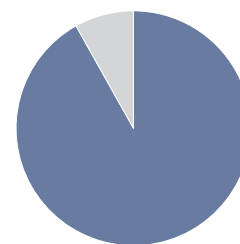
Company profile

BJC is a fully-integrated consumer company with a presence in Thailand and ASEAN. It is part of TCC group, the largest beverage company in Thailand. Businesses include packaging, manufacturing consumer products, healthcare and modern trade. In 2016, it acquired 98% of Big C.

www.bjc.co.th

Principal activities (revenue, 2020)

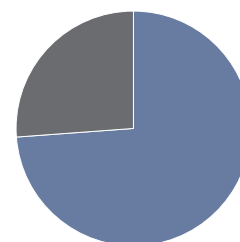
- Sales of goods/services - 91.9 %
- Other income - 8.1 %



Source: Berli Jucker

Major shareholders

- TCC Corporation - 73.8 %
- Others - 26.2 %



Source: Berli Jucker

Catalysts

The recovery of Thailand's economy and increasing consumer confidence, as well as easing competition in the hypermarket segment.

Risks to our call

Key downside risks to our DCF-based TP could come from 1) competition with Tesco Lotus which could impact its sales and gross margin; and 2) a lower-than-expected utilisation rate and profit margin from its packaging unit after losing major customers in Thailand. The key upside risk is from easing competition in the hypermarket segment.

Event calendar

Date	Event
May 2021	1Q21 results announcement

Key assumptions

	2021E (%)	2022E (%)	2023E (%)
Revenue growth			
- Packaging	5.0	5.0	5.0
- Consumer	3.0	3.0	5.0
- Healthcare	8.0	5.0	5.0
- Modern retailing (Big C)	2.0	3.0	2.0
Gross margin	19.3	19.5	19.7
- Packaging	21.5	21.7	21.8
- Consumer	22.0	22.0	22.0
- Healthcare	31.5	32.5	32.5
- Modern retailing (Big C)	16.5	16.5	16.6
SG&A to sales	18.2	18.4	18.4

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue we estimate 2021 EPS would rise 1.4%, and vice versa, all else being equal.
- For every 0.1% increase in GPM we estimate 2021 EPS would rise 1.7%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to sales we estimate 2021 EPS would fall 2.2%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: BJC – 4Q20/2020 results summary

YE Dec 31	4Q19	1Q20	2Q20	3Q20	4Q20	Change		2019	2020	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Total revenue	44,508	42,162	38,581	38,189	38,617	1	(13)	173,955	157,549	(9)
Sales income	40,565	38,483	36,119	35,027	35,103	0	(13)	158,009	144,732	(8)
Other income	3,944	3,679	2,463	3,161	3,514	11	(11)	15,946	12,817	(20)
Gross profit	12,072	10,971	9,112	9,768	10,445	7	(13)	46,835	40,296	(14)
Operating costs	(7,949)	(7,992)	(7,126)	(7,168)	(7,401)	3	(7)	(32,917)	(29,688)	(10)
Operating profit	4,123	2,978	1,986	2,600	3,044	17	(26)	13,918	10,609	(24)
Operating EBITDA	6,084	5,160	4,172	4,876	5,304	9	(13)	21,570	19,512	(10)
Interest income	23	17	23	17	14	(18)	(39)	64	71	12
Interest expense	(1,272)	(1,330)	(1,322)	(1,334)	(1,286)	(4)	1	(4,971)	(5,273)	6
Profit before tax	2,874	1,665	687	1,283	1,772	38	(38)	9,010	5,407	(40)
Tax	(2)	(299)	(131)	(139)	(218)	57	12,185	(821)	(787)	(4)
Equity income	(10)	(72)	(72)	(2)	(9)	301	(3)	(128)	(156)	21
Minority interests	(98)	(164)	(117)	(112)	(157)	40	61	(496)	(551)	11
Non-recurring items	(142)	150	(61)	33	(34)	(202)	(76)	(288)	88	(130)
Reported net profit	2,622	1,279	306	1,062	1,353	27	(48)	7,278	4,001	(45)
Recurring net profit	2,765	1,130	367	1,030	1,387	35	(50)	7,566	3,914	(48)
One-time item			(437)			n/a	n/a			n/a
EPS (THB)	0.65	0.32	0.08	0.27	0.34	27	(48)	1.82	1.00	(45)
Recurring EPS (THB)	0.69	0.28	0.09	0.26	0.35	35	(50)	1.89	0.98	(48)
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Sales margin	20.0	18.9	18.4	18.9	19.7	0.9	(0.3)	19.5	19.0	(0.6)
Operating margin	9.3	7.1	5.1	6.8	7.9	1.1	(1.4)	8.0	6.7	(1.3)
Recurring net margin	6.2	2.7	1.0	2.7	3.6	0.9	(2.6)	4.3	2.5	(1.9)
SG&A / Sales	17.9	19.0	18.5	18.8	19.2	0.4	1.3	18.9	18.8	(0.1)
Operating statistics	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Packaging	5,411	5,038	4,433	4,943	5,373	9	(1)	20,360	19,787	(3)
Consumer	4,965	5,580	4,956	5,146	4,989	(3)	0	18,897	20,671	9
Healthcare and technical	2,526	1,881	1,958	1,953	2,158	10	(15)	8,842	7,950	(10)
Modern trade (Big C)	28,078	26,970	25,698	23,899	23,505	(2)	(16)	111,389	100,072	(10)
SSSG (%)	(6.3)	(5.3)	(17.0)	(17.8)	(20.8)					
Number of large stores (no.)	148	142	151	152	152					

Sources: BJC; FSSIA

Exhibit 2: Revised assumptions

	Current			Previous			Change		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Retail sales (THB m)	152,725	157,894	162,634	155,373	161,711	162,634	(1.7)	(2.4)	0.0
- Packaging	5.0	5.0	5.0	6.0	5.0	5.0	(1.0)	0.0	0.0
- Consumer	3.0	3.0	5.0	3.0	3.0	5.0	0.0	0.0	0.0
- Healthcare	8.0	5.0	5.0	5.0	5.0	5.0	3.0	0.0	0.0
- Modern retailing (Big C)	2.0	3.0	2.0	2.0	4.0	2.0	0.0	(1.0)	0.0
Gross margin	19.3	19.5	19.7	19.7	19.9	19.7	(0.4)	(0.4)	(0.1)
- Packaging	22.0	22.0	22.0	19.7	19.8	21.8	2.3	2.2	0.2
- Consumer	19.5	19.7	19.8	21.2	21.3	21.4	(1.7)	(1.6)	(1.6)
- Healthcare	31.5	32.5	32.5	32.5	33	32.5	(1.0)	(0.5)	0.0
- Modern retailing (Big C)	16.5	16.5	16.6	17.1	17.2	16.6	(0.6)	(0.7)	0.0
SG&A to sales	18.2	18.4	18.4	18.5	18.9	18.6	(0.3)	(0.5)	(0.2)
Earnings (THB m)	5,556	6,590	6,976	6,158	7,053	6,866	(9.8)	(6.6)	1.6

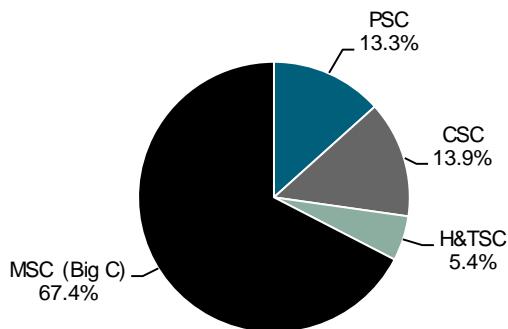
Note: Change of items in percentage terms are represented in ppt change

Sources: BJC; FSSIA estimates

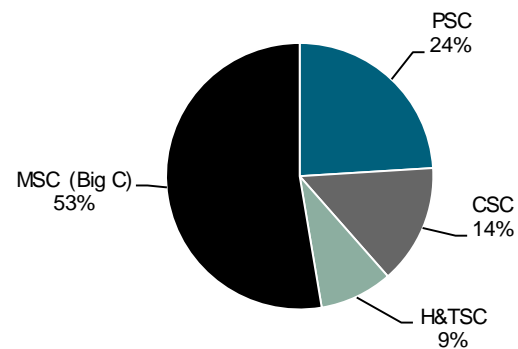
Exhibit 3: DCF-derived TP

	(%)	(THB b)
Discount rate (WACC)	7.5	
Terminal growth	2.0	
NPV		111
Add: terminal value		221
Sum of PV		332
Add: investment		0
Less: debt		172
Less: minorities		5
Residual ordinary equity		155
No. of shares (m)		4,008
Residual ordinary equity (THB/share)		39.0

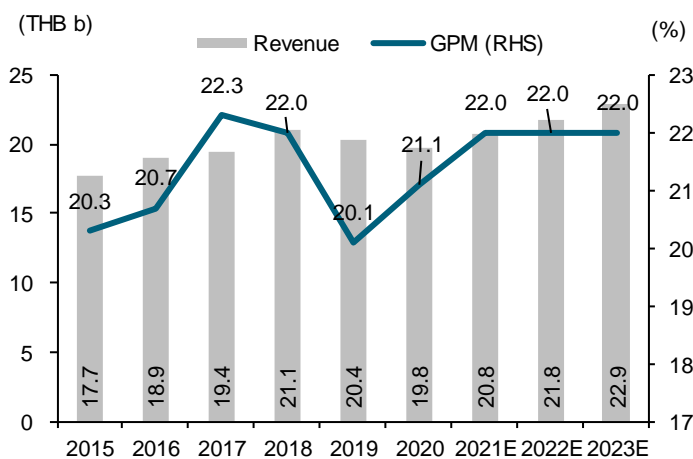
Source: FSSIA estimates

Exhibit 4: Revenue contributions in 2020

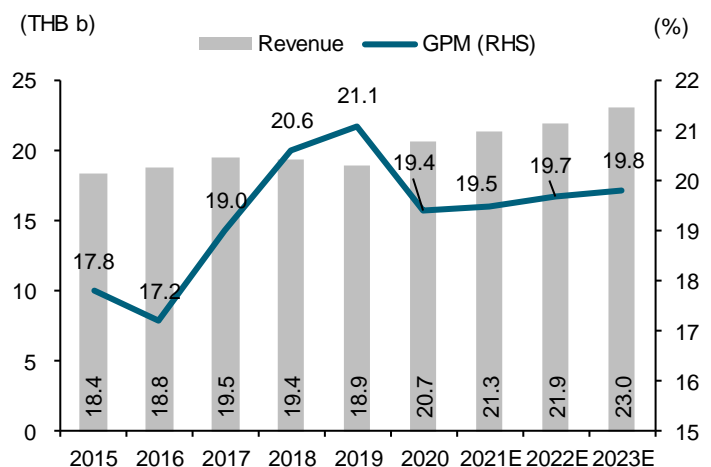
Sources: BJC; FSSIA estimates

Exhibit 5: Net profit contributions in 2020

Sources: BJC; FSSIA estimates

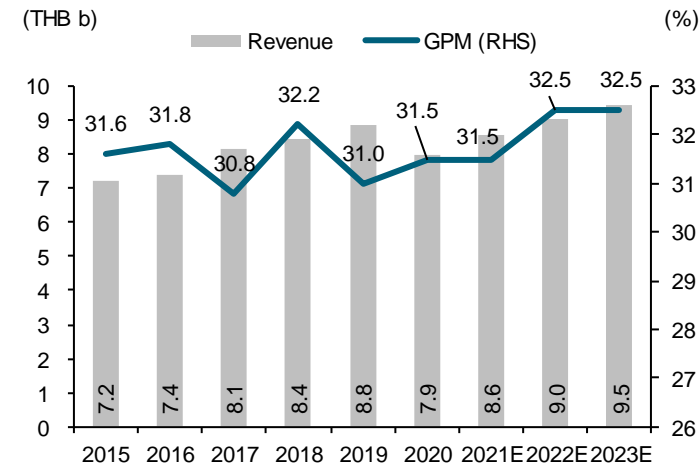
Exhibit 6: PSC revenue and GPM

Sources: BJC; FSSIA estimates

Exhibit 7: CSC revenue and GPM

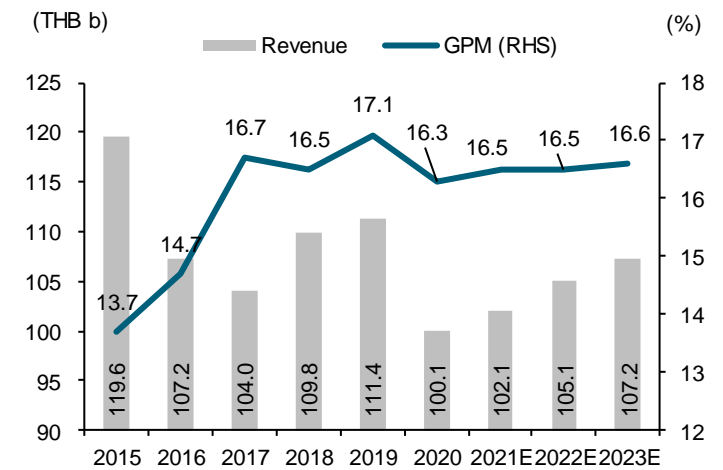
Sources: BJC; FSSIA estimates

Exhibit 8: H&TSC revenue and GPM



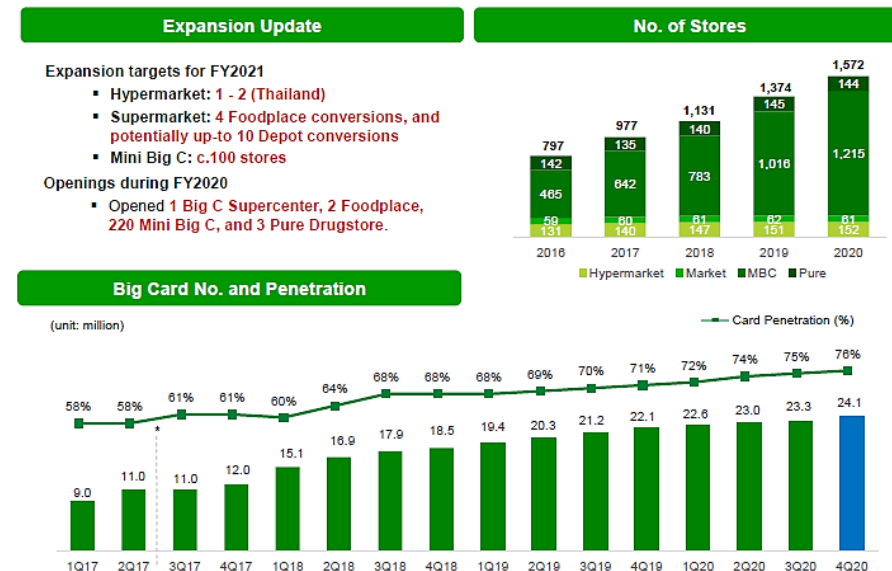
Sources: BJC; FSSIA estimates

Exhibit 9: MSC (Big C) revenue and GPM



Sources: BJC; FSSIA estimates

Exhibit 10: Big C expansion plan and no. of stores



Source: BJC

Financial Statements

Berli Jucker

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	173,955	157,549	165,706	172,736	177,922
Cost of goods sold	(119,468)	(108,349)	(114,145)	(117,426)	(120,260)
Gross profit	54,487	49,200	51,562	55,310	57,662
Other operating income	0	0	0	0	0
Operating costs	(32,917)	(29,688)	(30,164)	(31,722)	(32,728)
Operating EBITDA	21,570	19,512	21,397	23,588	24,934
Depreciation	(7,652)	(8,904)	(9,075)	(9,712)	(10,403)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	13,918	10,609	12,322	13,876	14,531
Net financing costs	(4,907)	(5,201)	(4,935)	(5,219)	(5,413)
Associates	(128)	(156)	(163)	(172)	(180)
Recurring non operating income	(128)	(156)	(163)	(172)	(180)
Non recurring items	(288)	88	0	0	0
Profit before tax	8,594	5,339	7,224	8,485	8,939
Tax	(820)	(787)	(1,075)	(1,260)	(1,327)
Profit after tax	7,774	4,552	6,148	7,225	7,611
Minority interests	(496)	(551)	(592)	(635)	(635)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	7,278	4,001	5,556	6,590	6,976
Non recurring items & goodwill (net)	288	(88)	0	0	0
Recurring net profit	7,566	3,914	5,556	6,590	6,976
Per share (THB)					
Recurring EPS *	1.89	0.98	1.39	1.64	1.74
Reported EPS	1.82	1.00	1.39	1.64	1.74
DPS	0.91	0.91	1.26	1.50	1.59
Diluted shares (used to calculate per share data)	4,003	4,008	4,008	4,008	4,008
Growth					
Revenue (%)	1.1	(9.4)	5.2	4.2	3.0
Operating EBITDA (%)	2.1	(9.5)	9.7	10.2	5.7
Operating EBIT (%)	2.6	(23.8)	16.2	12.6	4.7
Recurring EPS (%)	16.6	(48.3)	42.0	18.6	5.9
Reported EPS (%)	9.5	(45.1)	38.9	18.6	5.9
Operating performance					
Gross margin inc depreciation (%)	26.9	25.6	25.6	26.4	26.6
Gross margin of key business (%)	19.5	19.0	19.3	19.5	19.7
Operating EBITDA margin (%)	12.4	12.4	12.9	13.7	14.0
Operating EBIT margin (%)	8.0	6.7	7.4	8.0	8.2
Net margin (%)	4.3	2.5	3.4	3.8	3.9
Effective tax rate (%)	9.1	14.6	14.6	14.6	14.6
Dividend payout on recurring profit (%)	48.2	93.2	91.1	91.1	91.1
Interest cover (X)	2.8	2.0	2.5	2.6	2.7
Inventory days	66.2	69.7	65.0	67.7	69.1
Debtor days	31.7	34.2	34.1	34.2	34.4
Creditor days	100.9	102.0	90.4	91.5	92.0
Operating ROIC (%)	18.2	12.8	14.8	16.9	18.0
ROIC (%)	4.4	3.1	3.5	3.8	3.9
ROE (%)	6.7	3.4	4.9	5.8	6.1
ROA (%)	3.9	2.7	3.1	3.4	3.5

* Pre-exceptional, pre-goodwill and fully diluted

Revenue By Division (THB m)	2019	2020	2021E	2022E	2023E
Sales of goods/services	158,009	144,732	152,725	157,894	162,634
Other income	15,946	12,817	12,982	14,842	15,288

Sources: Berli Jucker; FSSIA estimates

Financial Statements

Berli Jucker

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	7,566	3,914	5,556	6,590	6,976
Depreciation	7,652	8,904	9,075	9,712	10,403
Associates & minorities	(378)	(382)	0	0	0
Other non-cash items	367	695	(40)	39	(30)
Change in working capital	226	(3,504)	(1,308)	(742)	(643)
Cash flow from operations	15,434	9,626	13,283	15,598	16,706
Capex - maintenance	(7,183)	(6,641)	(7,106)	(7,675)	(8,365)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(3,340)	(8,670)	(11,048)	(9,580)	(7,173)
Other investments (net)	0	0	0	0	0
Cash flow from investing	(10,523)	(15,312)	(18,154)	(17,255)	(15,538)
Dividends paid	(3,647)	(3,647)	(5,064)	(6,006)	(6,359)
Equity finance	564	(723)	(778)	(778)	(778)
Debt finance	(1,760)	6,739	12,277	8,058	5,302
Other financing cash flows	0	0	0	0	0
Cash flow from Financing	(4,843)	2,370	6,435	1,274	(1,834)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	607	643	667
Movement in cash	68	(3,316)	2,171	261	1
Free cash flow to firm (FCFF)	9,881.56	(413.17)	105.34	3,616.23	6,635.03
Free cash flow to equity (FCFE)	3,150.87	1,053.57	8,012.92	7,044.76	7,136.97
Per share (THB)					
FCFF per share	2.47	(0.10)	0.03	0.90	1.66
FCFE per share	0.79	0.26	2.00	1.76	1.78
Recurring cash flow per share	3.80	3.28	3.64	4.08	4.33
Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed asset (gross)	99,500	101,192	108,298	115,973	124,338
Less: Accumulated depreciation	(32,124)	(35,926)	(44,841)	(54,385)	(64,611)
Tangible fixed assets (Net)	67,375	65,266	63,457	61,588	59,727
Intangible fixed assets (Net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. In associates & subsidiaries	3,041	2,786	2,945	3,113	3,289
Cash & equivalents	6,346	3,030	5,200	5,460	5,460
A/C receivable	14,477	15,076	15,857	16,529	17,026
Inventories	22,019	19,359	21,268	22,293	23,269
Other current assets	78	243	255	265	273
Current assets	42,921	37,708	42,580	44,547	46,027
Other assets	212,467	220,398	231,810	241,643	248,898
Total assets	325,804	326,157	340,792	350,891	357,941
Common equity	115,046	114,677	114,391	114,197	114,037
Minorities etc.	4,690	4,859	5,451	6,086	6,721
Total Shareholders' equity	119,736	119,536	119,842	120,283	120,758
Long term debt	116,155	128,053	137,594	143,855	147,976
Other long-term liabilities	14,032	13,204	13,888	14,477	14,911
Long-term liabilities	130,187	141,257	151,481	158,332	162,887
A/C payable	33,009	27,571	28,974	29,895	30,724
Short term debt	41,891	36,732	39,469	41,265	42,447
Other current liabilities	982	1,060	1,025	1,115	1,125
Current liabilities	75,881	65,363	69,468	72,276	74,296
Total liabilities and shareholders' equity	325,804	326,157	340,792	350,891	357,941
Net working capital	2,584	6,047	7,381	8,077	8,718
Invested capital	285,468	294,496	305,593	314,420	320,632
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	28.74	28.61	28.54	28.49	28.45
Tangible book value per share	28.74	28.61	28.54	28.49	28.45
Financial strength					
Net debt/Equity (%)	126.7	135.3	143.4	149.4	153.2
Net debt/total assets (%)	46.6	49.6	50.4	51.2	51.7
Current ratio (x)	0.6	0.6	0.6	0.6	0.6
CF interest cover (x)	1.6	1.2	2.6	2.3	2.3
Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	20.4	39.4	27.8	23.4	22.1
Recurring P/E @ target price (x) *	20.6	39.9	28.1	23.7	22.4
Reported P/E (x)	21.2	38.6	27.8	23.4	22.1
Dividend yield (%)	2.4	2.4	3.3	3.9	4.1
Price/book (x)	1.3	1.3	1.3	1.4	1.4
Price/tangible book (x)	1.3	1.3	1.3	1.4	1.4
EV/EBITDA (x) **	14.4	16.4	15.5	14.4	13.9
EV/EBITDA @ target price (x) **	14.5	16.5	15.6	14.5	14.0
EV/invested capital (x)	1.1	1.1	1.1	1.1	1.1
* Pre-exceptional & pre-goodwill are fully diluted ** EBITDA includes associate income and recurring non operating income					

Sources: Berli Jucker; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TMB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIIK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TMB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									
DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Karun Intrachai FSS International Investment Advisory Securities Co., Ltd

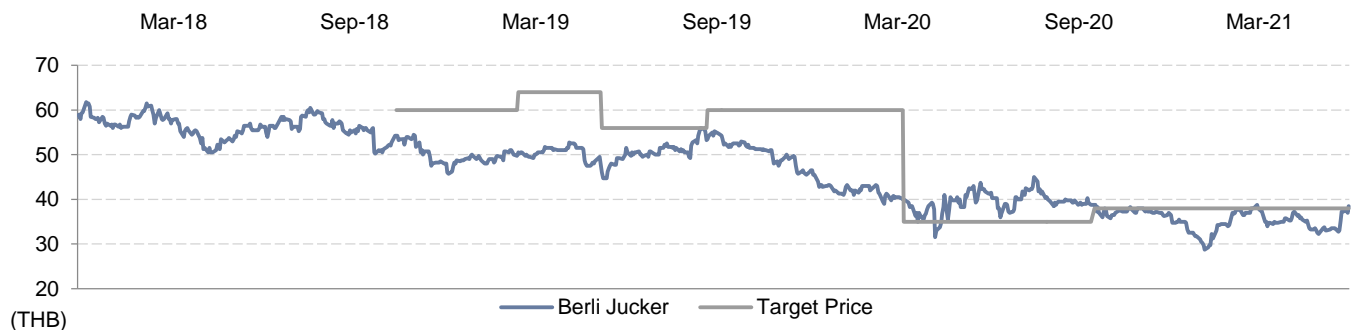
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

Berli Jucker (BJC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
04-Dec-2018	BUY	60.00	29-Aug-2019	BUY	60.00	24-Jul-2020	HOLD	38.00
19-Mar-2019	BUY	64.00	14-Feb-2020	REDUCE	35.00			
30-May-2019	BUY	56.00	02-Apr-2020	REDUCE	35.00			

Karun Intrachai started covering this stock from 24-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Berli Jucker	BJC TB	THB 38.50	HOLD	Key downside risks to our DCF-based TP could come from 1) competition with Tesco Lotus which could impact its sales and gross margin; and 2) a lower-than-expected utilisation rate and profit margin from its packaging unit after losing major customers in Thailand. The key upside risk is from easing competition in the hypermarket segment.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 03-Mar-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.