

BERLI JUCKER BJC TB

THAILAND / CONSUMER STAPLES

BUY

UNCHANGED

Improving all around in 1Q22

- BJC's 1Q22 core NP was THB1.25b, down 9% q-q but up 31% y-y on an improvement in modern retail and packaging supply chains.
- Efficient cost management and strong top line backs growth outlook.
- Buy maintained with our DCF-based TP THB40.

TARGET PRICE	THB40.00
CLOSE	THB36.00
UP/DOWNSIDE	+11.1%
TP vs CONSENSUS	+0.6%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	149,959	169,233	174,546	182,165
Net profit	3,585	5,176	6,315	7,208
EPS (THB)	0.89	1.29	1.58	1.80
vs Consensus (%)	-	(0.7)	(1.9)	6.1
EBITDA	18,936	20,716	22,898	24,600
Core net profit	3,428	5,176	6,315	7,208
Core EPS (THB)	0.86	1.29	1.58	1.80
EPS growth (%)	(12.4)	51.0	22.0	14.1
Core P/E (x)	42.1	27.9	22.8	20.0
Dividend yield (%)	1.8	2.6	3.2	3.7
EV/EBITDA (x)	16.3	16.0	14.6	13.9
Price/book (x)	1.2	1.2	1.2	1.2
Net debt/Equity (%)	131.4	147.4	147.5	149.5
ROE (%)	3.0	4.4	5.4	6.1

Solid 1Q22 is just a good start for 2022

BJC posted a 1Q22 core net profit of THB1.25b, down 9% q-q but up 31% y-y, beating Bloomberg's consensus estimate by 7%. In 1Q22, BJC saw an improvement in the revenue from its modern retail supply chain, driven by the demand recovery that led to lower rental discounts despite the low occupancy rate. The SG&A expense to sales ratio remained low at 18.3% in 1Q22, up slightly from 18.2% in 4Q21 due to better cost management, but down from 19.0% in 1Q21.

Two stars are rising (packaging and modern retail)

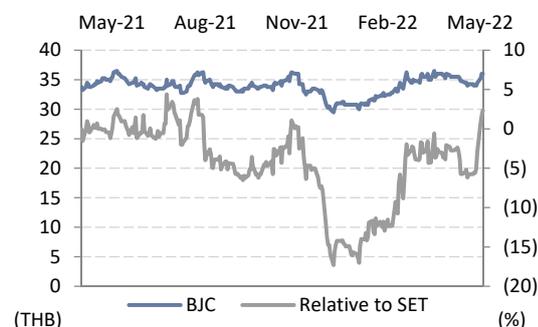
On a y-y net profit growth basis, the packaging supply chain witnessed the strongest net profit growth at 20% y-y, driven by the strong demand in Thailand and Vietnam for glass (52% of packaging sales) and aluminium can (48%) packaging and a higher selling price to more than offset the rising material costs, resulting a high gross margin (GM) at 22% in 1Q22, flat y-y, with a lower GM for glass packaging due to higher gas and soda ash costs. The higher GM for aluminium cans was due to the economies of scales and low material costs. Meanwhile, the modern retail supply chain saw the second highest growth at 14% y-y to THB838m (-24% q-q), driven by the demand recovery on revenue of THB23.5b (-2.5% q-q, +7% y-y), with its net margin at 3.6%, up from 3.3% in 1Q21 due to the stronger SSSG at 2.9% y-y.

Healthcare improved both q-q & y-y while consumer dipped q-q

The healthcare & technical supply chain had a small improvement in 1Q22 sales (+6% y-y to THB2b) and net profit (+2.6% y-y to THB239m), driven by higher sales from the pharmaceutical and medical divisions and a better sales mix of high-margin products, boosting its net margin to 11.7% vs 12.1% in 1Q21 and 5.6% in 4Q21. Unlike the other three chains, the consumer supply chain saw a 19% q-q higher but 18% y-y lower net profit at THB279m, with sales at THB5.2b (-15% q-q, +4% y-y), driven by strong sales growth from the food and non-food businesses to more than offset the weaker sales from the logistics segment.

Time to reload

We maintain BUY and our target price of THB40 and think 2022 will be a growth year for BJC, driven by all four units on solid demand recoveries.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.7	11.6	1.4
Relative to country (%)	4.8	17.6	(0.8)
Mkt cap (USD m)	4,167		
3m avg. daily turnover (USD m)	6.0		
Free float (%)	26		
Major shareholder	TCC Corporation (74%)		
12m high/low (THB)	37.00/29.25		
Issued shares (m)	4,007.80		

Sources: Bloomberg consensus; FSSIA estimates



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Exhibit 1: BJC – summary of 1Q22 operations

YE Dec 31	1Q21	2Q21	3Q21	4Q21	1Q22	-----Change-----		1Q22	2021	2022E	Change
	(THB m)	(q-q%)	(y-y%)	(%22E)	(THB m)	(THB m)	(y-y%)				
Total revenue	35,553	37,074	36,850	40,482	39,418	(3)	11	23	149,959	169,233	13
Sales income	32,520	34,161	34,466	37,317	36,232	(3)	11	23	138,465	155,975	13
Other income	3,033	2,913	2,384	3,164	3,187	1	5	24	11,494	13,258	15
Gross profit	9,254	9,177	8,657	10,423	9,933	(5)	7	23	37,511	42,534	13
Operating costs	(6,755)	(6,822)	(6,653)	(7,386)	(7,198)	(3)	7	23	(27,616)	(30,983)	12
Operating profit	2,499	2,354	2,005	3,037	2,734	(10)	9	24	9,895	11,550	17
Operating EBITDA	4,746	4,535	4,307	5,348	4,945	(8)	4	24	18,936	20,716	9
interest income	4	5	6	9	6	(33)	49	13	24	45	88
Interest expense	(1,254)	(1,258)	(1,283)	(1,299)	(1,188)	(9)	(5)	25	(5,094)	(4,750)	(7)
Profit before tax*	1,249	1,102	727	1,747	1,552	(11)	24	23	4,825	6,845	42
Tax	(123)	(69)	(194)	(123)	(137)	12	12	19	(508)	(721)	42
Equity income	(54)	(22)	(108)	(3)	41	(1,490)	(176)	(21)	(187)	(197)	5
Minority interests	(118)	(210)	(125)	(248)	(208)	(16)	76	28	(701)	(752)	7
Non recurring items	59	22	66	9	(3)	(130)	(104)	Nm	157	0	n/a
Reported net profit	1,013	822	367	1,383	1,246	(10)	23	24	3,585	5,176	44
Recurring net profit	953	800	301	1,374	1,249	(9)	31	24	3,428	5,176	51
EPS (THB)	0.25	0.21	0.09	0.35	0.31	(10)	23	24	0.89	1.29	44
Recurring EPS (THB)	0.24	0.20	0.08	0.34	0.31	(9)	31	24	0.86	1.29	51
Key Ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)		(%)	(%)	(ppt)
Sales margin	19.1	18.3	18.2	19.5	18.6	(0.8)	(0.5)		18.8	18.8	(0.0)
Operating margin	7.0	6.4	5.4	7.5	6.9	(0.6)	(0.1)		6.6	6.8	0.2
Recurring net margin	2.7	2.2	0.8	3.4	3.2	(0.2)	0.5		2.3	3.1	0.8
SG&A / Sales	19.0	18.4	18.1	18.2	18.3	0.0	(0.7)		18.4	18.3	(0.1)
Effective tax rate	9.8	6.3	26.6	7.0	8.8						

*Excluding equity income

Sources: BJC; FSSIA estimates

Exhibit 2: Operations by business segment

	1Q21	2Q21	3Q21	4Q21	1Q22	----- Change -----		2021	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	
Packaging supply chain									
Sales	4,571	4,885	4,504	5,976	5,831	(2.4)	27.6	19,936	
Net profit	488	586	507	586	587	0.2	20.3	2,167	
Recurring profit	488	586	507	586	587	0.2	20.3	2,167	
Recurring profit margin (%)	10.7	12.0	11.3	9.8	10.1	0.3	(0.6)	10.9	
Consumer supply chain									
Sales	4,971	5,679	5,958	6,078	5,184	(14.7)	4.3	22,686	
Net profit	339	333	321	235	279	18.7	(17.7)	1,228	
Recurring profit	339	333	321	235	279	18.7	(17.7)	1,228	
Recurring profit margin (%)	6.8	5.9	5.4	3.9	5.4	1.5	(1.4)	5.4	
Healthcare and technical supply chain									
Sales	1,926	2,189	2,609	2,340	2,044	(12.6)	6.1	9,064	
Net profit	233	256	404	132	239	81.1	2.6	1,025	
Recurring profit	233	256	404	132	239	81.1	2.6	1,025	
Recurring profit margin (%)	12.1	11.7	15.5	5.6	11.7	6.1	(0.4)	11.3	
Modern retail supply chain									
Sales	22,022	22,403	22,805	24,072	23,480	(2.5)	6.6	91,302	
Total modern revenue	24,966	25,239	26,916	27,024	26,556	(1.7)	6.4	104,145	
Net profit	736	508	1,253	1,107	838	(24.3)	13.9	3,604	
Recurring profit	736	508	1,253	1,107	838	(24.3)	13.9	3,604	
Recurring profit margin (%)	3.3	2.3	5.5	4.6	3.6	(1.0)	0.2	3.9	

Changes in recurring profit margin are in percentage points

Sources: BJC; FSSIA estimates

Financial Statements

Berli Jucker

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	157,549	149,959	169,233	174,546	182,165
Cost of goods sold	(108,349)	(103,406)	(117,533)	(120,232)	(124,901)
Gross profit	49,200	46,553	51,699	54,314	57,264
Other operating income	0	0	0	0	0
Operating costs	(29,688)	(27,616)	(30,983)	(31,416)	(32,664)
Operating EBITDA	19,512	18,936	20,716	22,898	24,600
Depreciation	(8,904)	(9,042)	(9,166)	(9,720)	(10,291)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	10,609	9,895	11,550	13,178	14,309
Net financing costs	(5,201)	(5,070)	(4,705)	(5,048)	(5,169)
Associates	(156)	(187)	(197)	(206)	(217)
Recurring non-operating income	(156)	(187)	(197)	(206)	(217)
Non-recurring items	88	157	0	0	0
Profit before tax	5,339	4,794	6,649	7,924	8,923
Tax	(787)	(508)	(721)	(857)	(963)
Profit after tax	4,552	4,286	5,928	7,067	7,960
Minority interests	(551)	(701)	(752)	(752)	(752)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	4,001	3,585	5,176	6,315	7,208
Non-recurring items & goodwill (net)	(88)	(157)	0	0	0
Recurring net profit	3,914	3,428	5,176	6,315	7,208
Per share (THB)					
Recurring EPS *	0.98	0.86	1.29	1.58	1.80
Reported EPS	1.00	0.89	1.29	1.58	1.80
DPS	0.78	0.66	0.95	1.16	1.33
Diluted shares (used to calculate per share data)	4,008	4,008	4,008	4,008	4,008
Growth					
Revenue (%)	(9.4)	(4.8)	12.9	3.1	4.4
Operating EBITDA (%)	(9.5)	(3.0)	9.4	10.5	7.4
Operating EBIT (%)	(23.8)	(6.7)	16.7	14.1	8.6
Recurring EPS (%)	(48.3)	(12.4)	51.0	22.0	14.1
Reported EPS (%)	(45.1)	(10.4)	44.4	22.0	14.1
Operating performance					
Gross margin inc. depreciation (%)	25.6	25.0	25.1	25.5	25.8
Gross margin of key business (%)	19.0	18.8	18.8	19.0	19.1
Operating EBITDA margin (%)	12.4	12.6	12.2	13.1	13.5
Operating EBIT margin (%)	6.7	6.6	6.8	7.5	7.9
Net margin (%)	2.5	2.3	3.1	3.6	4.0
Effective tax rate (%)	14.6	10.5	10.5	10.5	10.5
Dividend payout on recurring profit (%)	79.9	77.2	73.8	73.8	73.8
Interest cover (X)	2.0	1.9	2.4	2.6	2.7
Inventory days	69.7	71.5	67.4	68.8	69.5
Debtor days	34.2	39.6	40.1	41.8	41.6
Creditor days	102.0	102.6	100.9	105.9	105.3
Operating ROIC (%)	12.8	12.5	15.0	17.9	20.2
ROIC (%)	3.1	3.0	3.3	3.6	3.8
ROE (%)	3.4	3.0	4.4	5.4	6.1
ROA (%)	2.7	2.6	2.9	3.2	3.4
* Pre exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Sales of goods/services	144,732	138,465	155,975	160,428	167,124
Other income	12,817	11,494	13,258	14,118	15,041

Sources: Berli Jucker; FSSIA estimates

Financial Statements

Berli Jucker

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	3,914	3,428	5,176	6,315	7,208
Depreciation	8,904	9,042	9,166	9,720	10,291
Associates & minorities	(382)	(228)	0	0	0
Other non-cash items	695	833	812	768	776
Change in working capital	(3,504)	(2,180)	636	(750)	(759)
Cash flow from operations	9,626	10,894	15,789	16,053	17,516
Capex - maintenance	(6,641)	(5,834)	(6,300)	(6,489)	(6,684)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(8,670)	(158)	(27,170)	(7,683)	(10,887)
Other investments (net)	0	0	0	0	0
Cash flow from investing	(15,312)	(5,992)	(33,470)	(14,172)	(17,571)
Dividends paid	(3,126)	(2,645)	(3,819)	(4,660)	(5,319)
Equity finance	(1,244)	258	(396)	(396)	(396)
Debt finance	6,739	(1,146)	22,115	3,175	5,770
Other financing cash flows	0	0	0	0	0
Cash flow from financing	2,370	(3,534)	17,900	(1,881)	55
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(3,316)	1,369	220	0	0
Free cash flow to firm (FCFF)	(413.17)	9,996.05	(12,930.54)	6,974.55	5,160.42
Free cash flow to equity (FCFE)	1,053.57	3,755.98	4,434.71	5,055.70	5,714.63

Per share (THB)

FCFF per share	(0.10)	2.49	(3.23)	1.74	1.29
FCFE per share	0.26	0.94	1.11	1.26	1.43
Recurring cash flow per share	3.28	3.26	3.78	4.19	4.56

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	101,192	102,325	108,625	115,115	121,799
Less: Accumulated depreciation	(35,926)	(40,122)	(49,136)	(58,696)	(68,820)
Tangible fixed assets (net)	65,266	62,202	59,489	56,418	52,979
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	2,786	2,860	3,028	3,204	3,389
Cash & equivalents	3,030	4,398	4,618	4,618	4,618
A/C receivable	15,076	17,448	19,691	20,309	21,195
Inventories	19,359	21,166	22,216	23,142	24,446
Other current assets	243	953	1,075	1,109	1,158
Current assets	37,708	43,965	47,600	49,178	51,417
Other assets	220,398	220,155	248,452	256,253	267,438
Total assets	326,157	329,183	358,569	365,053	375,223
Common equity	114,677	115,875	116,836	118,095	119,589
Minorities etc.	4,859	5,331	6,083	6,835	7,587
Total shareholders' equity	119,536	121,206	122,919	124,931	127,176
Long term debt	128,053	139,046	144,348	146,815	151,299
Other long-term liabilities	13,204	13,008	14,454	14,908	15,559
Long-term liabilities	141,257	152,054	158,802	161,724	166,858
A/C payable	27,571	30,567	34,441	35,325	36,749
Short term debt	36,732	24,593	41,406	42,114	43,400
Other current liabilities	1,060	763	1,000	960	1,039
Current liabilities	65,363	55,923	76,847	78,399	81,188
Total liabilities and shareholders' equity	326,157	329,183	358,569	365,053	375,223
Net working capital	6,047	8,237	7,541	8,275	9,010
Invested capital	294,496	293,455	318,510	324,150	332,816

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	28.61	28.91	29.15	29.47	29.84
Tangible book value per share	28.61	28.91	29.15	29.47	29.84

Financial strength

Net debt/equity (%)	135.3	131.4	147.4	147.5	149.5
Net debt/total assets (%)	49.6	48.4	50.5	50.5	50.7
Current ratio (x)	0.6	0.8	0.6	0.6	0.6
CF interest cover (x)	1.2	1.7	1.9	2.0	2.1

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	36.9	42.1	27.9	22.8	20.0
Recurring P/E @ target price (x) *	41.0	46.8	31.0	25.4	22.2
Reported P/E (x)	36.1	40.2	27.9	22.8	20.0
Dividend yield (%)	2.2	1.8	2.6	3.2	3.7
Price/book (x)	1.3	1.2	1.2	1.2	1.2
Price/tangible book (x)	1.3	1.2	1.2	1.2	1.2
EV/EBITDA (x) **	15.9	16.3	16.0	14.6	13.9
EV/EBITDA @ target price (x) **	16.8	17.2	16.8	15.3	14.6
EV/invested capital (x)	1.1	1.1	1.0	1.0	1.0

* Pre-exceptional, pre-goodwill and 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	ICI	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	PAP	PCSGH	PDJ	PG	PHOL	PLANB
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	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
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	WIJK	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	AMANAHA	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	SEAOIL	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	TTB	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

Suwat Sinsadok, CFA, FRM, ERP 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
30-May-2019	BUY	56.00	24-Jul-2020	HOLD	38.00	03-Mar-2022	BUY	40.00
29-Aug-2019	BUY	60.00	04-Mar-2021	HOLD	39.00			
14-Feb-2020	REDUCE	35.00	18-Nov-2021	HOLD	38.00			

Suwat Sinsadok, CFA, FRM, ERP 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 36.00	BUY	Key downside risks to our DCF-based TP could come from 1) competition with 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.

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 11-May-2022 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.