

BERLI JUCKER BJC TB

THAILAND / CONSUMER STAPLES

BUY

UNCHANGED

TARGET PRICE	THB40.00
CLOSE	THB33.25
UP/DOWNSIDE	+20.3%
PRIOR TP	THB40.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+1.2%

2Q22 net profit to improve y-y

- We expect BJC's 2Q22 NP to grow 27% y-y but drop 16% q-q to THB1.04b on improving SSSG and a higher gross margin.
- We believe BJC's earnings are poised for a meaningful recovery in 2022-23, backed by improving operating efficiency and demand.
- BUY call maintained with TP of THB40.

Expect sound 2Q22 results

We project BJC to post a 2Q22 net profit of THB1.04b, down 16% q-q but up 27% y-y. We expect 2Q22 core net profit to similarly improve y-y to THB1.04b, down 17% q-q but up 30% y-y. Key drivers, in our estimation, would be continually improving sales to lift its SSSG to 3.1% and a 5% y-y increase in rental income due to the impact of the economic reopening and store expansions. We expect the operating margin to dip to 6.3% and the net margin to slide to 2.6% in 2Q22 due to the rising cost of gas for glass packaging and higher logistics expenses. The SG&A to sales ratio should remain flat q-q at 18.3% as the company was able to improve efficiency to timely offset the higher raw material costs, in our view.

Small is beautiful in 2Q22 for modern retail

We project Big C's net profit to rise to 65% of its pre-Covid level in 2Q22, up from 62% in 1Q22, due to higher customer traffic that should also help drive SSSG to 3.1% in 2Q22. Hypermarkets should see an improving sales momentum after a slow 1Q22, and are likely to post a small rise in SSSG at 1%, but should still lag far behind the convenience store formats under Big C Market and Mini Big C, indicating that consumers now prefer smaller-sized, convenience-over-price value propositions.

Packaging unit to see continued improvement

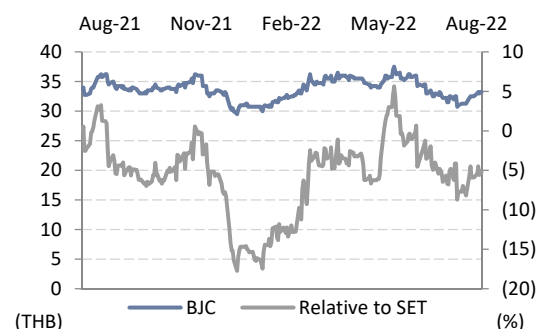
We project the packaging business to post a solid net profit of THB602m in 2Q22, up from THB587m in 1Q22, due to the strong demand for glass packaging and aluminium cans in Thailand and Vietnam, allowing BJC to partially pass its higher costs on to its consumers. The packaging gross margin should rise slightly to 23% in 2Q22, up from 22% in 1Q22, as the lower margin of glass packaging due to the higher costs of gas and soda ash should be more than offset by the higher margin of aluminium cans due to the lower raw material costs.

A good candidate to capture the margin and demand recoveries

We maintain BUY and our DCF-based target price of THB40. We think BJC's earnings are poised for a meaningful recovery in 2022-23, backed by the lower raw material cost for aluminium cans, continually improving sales for Big C, and a higher margin for modern retail thanks to the positive impact of higher farm incomes.

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 (%)	-	2.1	1.7	2.3
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
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(12.4)	51.0	22.0	14.1
Core P/E (x)	38.9	25.7	21.1	18.5
Dividend yield (%)	2.0	2.9	3.5	4.0
EV/EBITDA (x)	15.7	15.5	14.2	13.5
Price/book (x)	1.2	1.1	1.1	1.1
Net debt/Equity (%)	131.4	147.4	147.5	149.5
ROE (%)	3.0	4.4	5.4	6.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	5.6	(2.2)	(2.2)
Relative to country (%)	2.7	(0.5)	(7.1)
Mkt cap (USD m)	3,725		
3m avg. daily turnover (USD m)	4.3		
Free float (%)	26		
Major shareholder	TCC Corporation (74%)		
12m high/low (THB)	37.50/29.25		
Issued shares (m)	4,007.80		

Sources: Bloomberg consensus; FSSIA estimates


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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. The second revenue contributor, the packaging supply chain (13%), delivered 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).

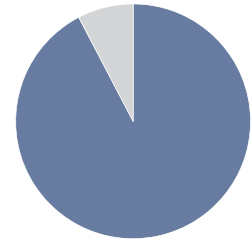
Company profile

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, 2021)

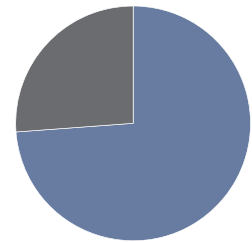
- Sales of goods/services - 92.3 %
- Other income - 7.7 %



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 are all potential catalysts.

Risks to our call

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.

Event calendar

Date	Event
Aug-22	2Q22 results announcement

Key assumptions

	2022E (%)	2023E (%)	2024E (%)
Retail sales growth	12.6	3.0	4.2
- Packaging	7.0	5.0	5.0
- Consumer	2.0	5.0	5.0
- Healthcare	2.0	2.0	2.0
- Modern retailing (Big C)	12.0	2.0	4.0
Gross margin	18.8	19.0	19.1
- Packaging	22.9	22.6	22.7
- Consumer	17.3	17.2	17.3
- Healthcare	31.0	31.0	32.5
- Modern retailing (Big C)	16.0	16.5	16.6
SG&A to sales	18.3	18.0	17.9

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2022 EPS would rise 1.4%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2022 EPS would rise 1.7%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to sales, we estimate 2022 EPS would fall 2.2%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: BJC – 2Q22 earnings preview

YE Dec 31	2Q21	1Q22	2Q22E	-----Change-----		2Q22E	----- 1H22E -----			2022E	Change
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(%22E)	(THB m)	(y-y%)	(%22E)	(THB m)	(y-y%)
Total revenue	37,074	39,418	39,563	0	7	23	78,981	9	47	169,233	13
Sales income	34,161	36,232	38,562	6	13	25	74,794	12	48	155,975	13
Other income	2,913	3,187	3,185	(0)	9	24	6,372	7	48	13,258	15
Gross profit	9,177	9,933	9,747	(2)	6	23	19,680	7	46	42,534	13
Operating costs	(6,822)	(7,198)	(7,236)	1	6	23	(14,434)	6	47	(30,983)	12
Operating profit	2,354	2,734	2,511	(8)	7	22	5,245	8	45	11,550	17
Operating EBITDA	4,535	4,945	4,788	(3)	6	23	9,733	5	47	20,716	9
interest income	5	6	5	(17)	(7)	11	11	17	24	45	88
Interest expense	(1,258)	(1,188)	(1,186)	(0)	(6)	25	(2,374)	(6)	50	(4,750)	(7)
Profit before tax*	1,102	1,552	1,330	(14)	21	19	2,882	23	42	6,845	42
Tax	(69)	(137)	(132)	(4)	90	18	(269)	40	37	(721)	42
Equity income	(22)	41	40	(3)	(278)	(20)	81	(206)	(41)	(197)	5
Minority interests	(210)	(208)	(201)	(3)	(4)	27	(409)	25	54	(752)	7
Non recurring items	22	(3)	5	(295)	(78)	-	2	(97)	-	0	-
Reported net profit	822	1,246	1,042	(16)	27	20	2,288	25	44	5,176	44
Recurring net profit	800	1,249	1,037	(17)	30	20	2,286	30	44	5,176	51
EPS (THB)	0.21	0.31	0.26	(16)	27	20	0.57	25	44	1.29	44
Recurring EPS (THB)	0.20	0.31	0.26	(17)	30	20	0.57	30	44	1.29	51
Key Ratios	(%)	(%)	(%)	(ppt)	(ppt)		(%)	(ppt)		(%)	(ppt)
Sales margin	18.3	18.6	22.7	4.1	4.3		20.7	2.0		18.8	(0.0)
Operating margin	6.4	6.9	6.3	(0.6)	(0.0)		6.6	(0.0)		6.8	0.2
Recurring net margin	2.2	3.2	2.6	(0.5)	0.5		2.9	0.5		3.1	0.8
SG&A / Sales	18.4	18.3	18.3	0.0	(0.1)		18.3	(0.4)		18.3	(0.1)

*excluding equity income

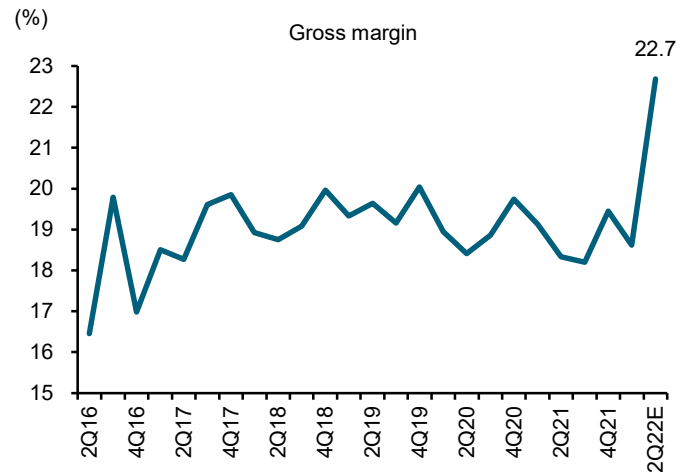
Sources: BJC; FSSIA estimates

Exhibit 2: Same-store-sales growth



Sources: BJC; FSSIA estimates

Exhibit 3: Sales gross margin



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)	2020	2021	2022E	2023E	2024E
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) *	34.1	38.9	25.7	21.1	18.5
Recurring P/E @ target price (x) *	41.0	46.8	31.0	25.4	22.2
Reported P/E (x)	33.3	37.2	25.7	21.1	18.5
Dividend yield (%)	2.3	2.0	2.9	3.5	4.0
Price/book (x)	1.2	1.2	1.1	1.1	1.1
Price/tangible book (x)	1.2	1.2	1.1	1.1	1.1
EV/EBITDA (x) **	15.4	15.7	15.5	14.2	13.5
EV/EBITDA @ target price (x) **	16.8	17.2	16.8	15.3	14.6
EV/invested capital (x)	1.0	1.0	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 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	PSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFECO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOL	SYMC	TQM	WHA
AP	CENEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MTSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIJK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQU	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEA OIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIJK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Sources: 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

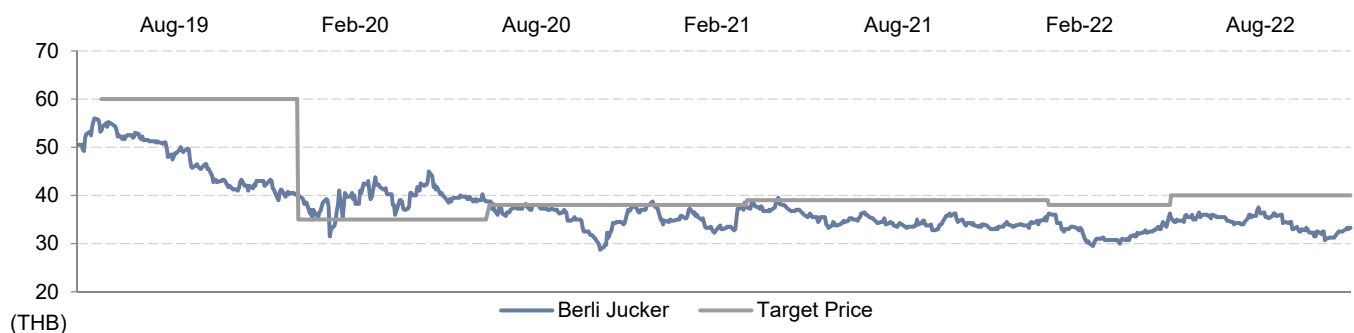
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History of change in investment rating and/or target price

Berli Jucker (BJC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
29-Aug-2019	BUY	60.00	24-Jul-2020	HOLD	38.00	18-Nov-2021	HOLD	38.00
14-Feb-2020	REDUCE	35.00	04-Mar-2021	HOLD	39.00	03-Mar-2022	BUY	40.00

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 33.25	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

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All share prices are as at market close on 05-Aug-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.