

Company Update

Tuesday, May 27, 2025



I V Global Securities Public Company Limited

Berli Jucker Plc (BJC)

Rating: BUY

Fair price: Bt26.4

Close price: Bt21.0

Company Information

Ticker:	BJC TB
Sector:	Consumer
Shares outstanding (m):	4,007.80
Market capitalization (Btm):	84,163.73
Trading vol/day (Btm):	81.27
Free float (%):	25.00
Beta:	1.19

Major Shareholders

TCC Corp	45.68%
TCC Holding Co	29.32%

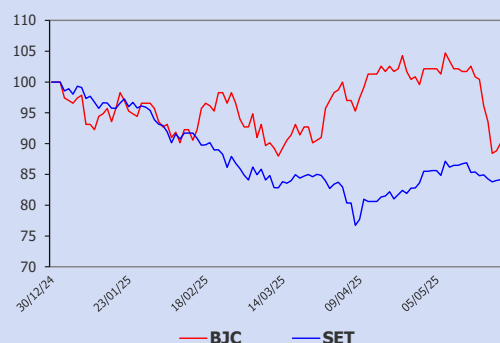
Consensus Bloomberg

2025F EPS (Bt):	1.28
Target price (Bt):	25.37

Price Performance

52 Wk high/low:	25.75 / 19.20
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	1M	3M	1Y	YTD
Absolute (%)	-10.3	-8.3	-5.8	-9.9
Relative (%)	-11.9	-4.0	7.8	6.0



Rating	CGR	Thai CAC	SET ESG
BJC		N/A	AA

Analyst

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Earnings growth prospects remain intact

- At the analyst meeting, management fine-tuned their key financial targets for 2025. Consolidated sales may rise by low single digits rather than mid-single digits (versus -0.3% in 1Q25), driven by the consumer and modern-trade businesses. Meanwhile, the gross profit margin improvement target is maintained at 20-40bps this year (versus +40bps YoY in 1Q25), boosted by cost-saving program initiatives. The cost savings are targeted at Bt765m for 2025 (versus Bt238m achieved in 1Q25).
- Overall earnings in 2Q25F will likely improve QoQ and YoY, with a soft operating performance of the modern-trade (Big C) business offset by a better performance of the packaging business, particularly from rising demand for aluminum cans following new orders for an aluminum can beverage product (coffee) after the market leader resumed operation. The packaging supply chain business should, therefore, see improving sales in 2Q25 (after a 10% decline in 1Q25).
- The largest revenue contributor, Big C modern-trade (65% of total sales and 47% of net profit) may see softening 2Q25F same-store-sales growth (versus +2.1% in 1Q25) due to the weak season and rainfall depressing sales of electrical appliances (such as air conditioners) and beverages. The decline in rental income was claimed to be related to store renovations. The renovated stores showed double-digit SSSG. The company completed full renovations of three stores, with overhauls of another 14 stores to be carried out during the year. At end-1Q25, there were 207 big formats, 1,629 small formats, and 300 other formats. The company plans to open seven new big formats and 200 small formats.
- Margin enhancement will be thanks largely to improving profitability from the packaging supply chain (PSC) division due to declining raw material prices, particularly cullet (20% of COGS) and soda ash (8% of costs). Gross profit margin from the packaging business improved most (+171bps YoY in 1Q25) while management believed the PSC business hit bottom in 1Q25 (due to weak demand). The PSC business contributed 15% of total sales and 24% of net profits.
- Meanwhile, sales from the consumer and healthcare & technical supply chain divisions contributed 15% and 5% of total sales, with net profit contributions of 18% and 11%, respectively. The sales improvement will be from new product initiatives and government budgets related to the healthcare industry. Meanwhile, the divestment of Thai Scandic Steel will remove an operating loss of Bt134m/year.
- The capex budget is Bt10bn-12bn this year. Net D/E ratio was 1.2x at end-1Q25.
- The effective tax rate is 20-24%, while 2027's tax will fall to 20%.
- Maintain BUY.** We prefer to maintain our earnings estimates and BUY call with a price target of Bt26.4, based on a 22x 2025F P/E multiple. The stock currently trades at a 17.5x P/E multiple for 2025F. The key downside risk to our earnings forecasts is related to rising inflation and interest rates depressing consumption sentiment.

Investment summary

FY end Dec	2022	2023	2024	2025F	2026F	2027F
Revenues (Btm)	150,338	154,672	157,727	163,298	168,715	174,341
Change (%)	8.6	2.9	2.0	3.5	3.3	3.3
Net profit (Btm)	5,010	4,795	4,001	4,803	5,175	5,527
Change (%)	39.8	(4.3)	(16.5)	20.0	7.8	6.8
EPS (Bt)	1.25	1.20	1.00	1.20	1.29	1.38
Change (%)	39.8	(4.3)	(16.5)	20.0	7.8	6.8
P/E (x)	16.8	17.6	21.0	17.5	16.3	15.2
EV/EBITDA (x)	12.3	11.9	10.8	10.4	9.9	9.7
DPS (Bt)	0.80	0.80	0.71	0.84	0.90	0.97
Yield (%)	3.8	3.8	3.4	4.0	4.3	4.6
BVPS (Bt)	29.52	29.86	29.94	30.68	31.50	32.36
P/BV (x)	0.7	0.7	0.7	0.7	0.7	0.6
ROE (%)	4.3	4.0	3.3	4.0	4.2	4.3
ROA (%)	1.5	1.4	1.2	1.4	1.6	1.7
Net DE ratio (%)	129.3	128.6	123.9	120.2	113.6	107.3

Source: Company and IVG estimates

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Store Network

Number of store - as of March 2025

Thailand		Laos	
Big C Hypermarket	153	Big C Hypermarket	1
Big C Supermarket ¹	50	Big C mini ⁴	65
Big C mini ²	1,610		
Big C Food Services ³	12		
Big C Depot	11		
Open-air market	9		
Pure Pharmacy	145		
Asia Books	70		
Wawee Coffee	36		
Donjai	11,911		
Renovation completed	3		

Hong Kong		Cambodia	
Big C Hong Kong	17		
		Big C Hypermarket	1
		Big C foodplace	2
		Big C mini	19



¹ Supermarket: Big C Market and Big C Foodplace stores.

³ Including Big C Food Services Hub.

² Big C Mini: Including own and franchise stores.

⁴ Big C Mini stores in Laos are owned and operated by third parties licensed under "Big C Mini" trademark which is owned by BJC Big C.

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Results

(Btm)	1Q25	1Q24	% YoY	4Q24	% QoQ	2024	2023	% YoY
Sales	38,500	38,633	(0.3)	40,821	(5.7)	157,727	154,672	2.0
Gross profit	7,841	7,710	1.7	8,584	(8.7)	31,963	30,043	6.4
SG&A	7,891	7,890	0.0	8,157	(3.3)	32,146	31,650	1.6
Other income	3,108	3,245	(4.2)	3,347	(7.1)	13,153	13,273	(0.9)
EBIT	3,069	3,102	(1.1)	3,879	(20.9)	12,931	11,552	11.9
Interest expense	1,336	1,427	(6.3)	1,391	(3.9)	5,669	5,338	6.2
Pre-tax profits	1,733	1,676	3.4	2,488	(30.4)	7,262	6,215	16.9
Tax	433	1,027	(57.8)	559	(22.5)	2,272	503	351.7
Net profit	1,091	428	155.1	1,645	(33.7)	4,001	4,795	(16.5)
EPS (Bt)	0.27	0.11	155.1	0.41	(33.7)	1.00	1.20	(16.5)

Source: Company and IVG estimates

Financial ratios

(%)	1Q24	2Q24	3Q24	4Q24	1Q25
Sales growth YoY	3.0	0.9	1.7	2.4	(0.3)
Sales growth QoQ	(3.1)	2.9	(3.0)	5.9	(5.7)
Gross margin	20.0	20.3	19.7	21.0	20.4
SG&A as % of sales	20.4	20.3	20.8	20.0	20.5
EBIT margin	8.0	8.4	6.7	9.0	8.0
Net margin	1.1	3.1	1.8	4.0	2.8
Net profit growth YoY	(65.9)	1.5	1.2	0.4	155.1
Net profit growth QoQ	(73.9)	187.1	(42.9)	134.5	(33.7)
Net D/E ratio (%)	126.9	128.0	128.8	123.9	122.5

Source: Company and IVG estimates

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Quarterly performance

(Btm)	1Q24	2Q24	3Q24	4Q24	1Q25
Sales	38,633	39,739	38,534	40,821	38,500
Gross profit	7,710	8,060	7,610	8,584	7,841
SG&A	7,890	8,070	8,029	8,157	7,891
Other income	3,245	3,320	3,241	3,347	3,108
EBIT	3,102	3,353	2,598	3,879	3,069
Interest expense	1,427	1,433	1,419	1,391	1,336
Pre-tax profits	1,676	1,920	1,178	2,488	1,733
Tax	1,027	416	269	559	433
Net profit	428	1,228	701	1,645	1,091
EPS (Bt)	0.11	0.31	0.17	0.41	0.27

Source: Company and IVG estimates

P&L

(Btm)	2021	2022	2023	2024
Sales	138,465	150,338	154,672	157,727
Gross profit	26,017	27,631	30,043	31,963
SG&A	27,675	29,891	31,650	32,146
Other income	11,552	13,222	13,273	13,153
EBIT	(1,658)	10,988	11,552	12,931
Interest expense	5,120	4,752	5,338	5,669
Pre-tax profits	4,744	6,236	6,215	7,262
Tax	507	435	503	2,272
Net profit	3,585	5,010	4,795	4,001
EPS (Bt)	0.89	1.25	1.20	1.00

Source: Company and IVG estimates

Financial ratios

(%)	2021	2022	2023	2024
Sales growth YoY	(4.3)	8.6	2.9	2.0
Sales growth QoQ	-	-	-	-
Gross margin	18.8	18.4	19.4	20.3
SG&A as % of sales	20.0	19.9	20.5	20.4
EBIT margin	7.1	7.3	7.5	8.1
Net margin	2.6	3.3	3.1	2.5
Net profit growth YoY	(10.4)	39.8	(4.3)	(16.5)
Net profit growth QoQ	-	-	-	-
Net D/E ratio (%)	131.5	129.3	128.6	123.9

Source: Company and IVG estimates

BJC

E: Environmental

In 2023, BJC arranged various activities and projects that support environmental conservation, especially energy management and climate change issues management. These activities and projects included expanding the solar roof installation project at factories, Big C stores, and warehouses to increase clean energy usage, implementing innovations for building an energy management system, using natural substances (LIMEX) to manufacture Big C baskets instead of plastic beads, the "Plant Big Trees for Our Home" project with the goal of planting 150,000 trees by 2032, using more electric vehicles to deliver goods and operate in the warehouses, reusing water and thermal energy in the factories, and improving packages to be more environment friendly, e.g., using AI furnaces, designing lightweight glass product with customers, reusing aluminum cans as raw materials for new production endlessly, and reducing PVC used in shower gel packages, etc.

S: Social

BJC is well aware of the importance of having quality employees to help drive the organization to achieve its goals. Therefore, the company pays attention to creating a working environment that attracts new generations and promotes diversity and inclusion so that the new generations of knowledgeable and capable workers want to join the organization. The company also offers fair salaries based on knowledge, ability, and job position, improves welfare to satisfy employees, meets basic needs, helps employees to have quality of life and well-being, as well as assesses employee engagement every year to analyze the assessment results and plans to improve the quality of the employee caring process.

G: Governance

BJC understands the importance of the quality and safety of products and services, especially during economic recessions and situations where competitors start offering more new promotions. Therefore, the quality of products produced by the factories of affiliated companies has been continuously developed. Various technologies and innovations are used to provide better-quality products. All factories are certified to international quality standards. In the retail business, the company pays attention to the quality and safety of the products sold, especially branded products, fresh food products, and food cooked locally, in order for them to be good quality, safe, and reasonably priced. The company also promotes the improvement of customer service in both online and offline channels to meet customer needs and satisfy customers. A survey of opinions and suggestions from customers is conducted regularly to improve products and services, such as improving current sales channels and developing new ones, improving the standard and image of Big C stores to create a good experience for customers, selling special group products (Only@BigC) to differentiate the products, and using various communication channels with a focus on social media platforms to reach more customers, etc.

Comment

BJC indicates a strong commitment to environmental, social, and governance (ESG) practices, as well as clear long-term objectives. Furthermore, the company demonstrates the ability to execute short-term goals effectively.

Source: Company and IVG estimates

I V Global Investment Research – Recommendation Definitions

Sector Recommendations

OVERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index by at least 10% over the next 12 months.

NEUTRAL: The industry, as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months.

UNDERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index by 10% over the next 12 months.

Stock Recommendations

BUY: Expecting positive total returns of 15% or more over the next 12 months.




HOLD: Expecting total returns of not more than -10% to +10% over the next 3 months.

SELL: Expecting negative total returns of 15% or more over the next 12 months

Anti-corruption Progress Indicator Definitions

Level 5 Extended	Extension of the anti-corruption policy to business partners in the supply chain, and disclosure of any current investigations, prosecutions or closed cases
Level 4 Certified	Audit engagement by audit committee or auditors approved by the office of SEC, and receiving certification or assurance by independent external assurance providers (CAC etc.)
Level 3 Established	Carrying out preventive measures, risk assessment, communication and training for all employees, including consistent monitoring and review processes. (3A: Established by Declaration of Intent, 3B: Established by Internal Commitment and Policy)
Level 2 Declared	Public declaration statement to participate in Thailand's private sector Collective Action Coalition Against Corruption (CAC) or equivalent initiatives
Level 1 Committed	Organization's statement or board's resolution to work against corruption and to be in compliance with all relevant laws
Partially progress	Insufficient or not clearly defined policy
No progress	Data not available / no policy

Corporate Governance Report (CGR)

	Excellent
	Very good
	Good

Disclaimers

The disclosure of the survey result of corporate governance, which is surveyed by the Thai Institute of Directors Association ("IOD"), and the Anti-Corruption Progress Indicators, which is assessed by Thaipat Institute, are the disclosure of the survey or assessment result based on the information received from the listed company that was stipulated in the form for Annual Corporate Governance Report of Thai Listed Companies (CGR) and the form for the assessment of Anti-corruption that refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2) or other relevant documents or reports of such listed company (as the case may be). The survey or assessment result is based on the information of the listed company, which is disclosed to the public and can be accessed by all investors and is made in order to comply with the policy of the Office of the Stock Exchange of Thailand.

Nevertheless, the survey or assessment result is made from the perspective of the IOD or Thaipat Institute that are the third party only. It is not an assessment of operation of the listed company and is not based on any inside information."

Since this survey or assessment result is only the survey or assessment result as of the date appearing in the survey or assessment result only, it may be changed after that date or when there is any change to the relevant information. Nevertheless, I V Global Securities Plc. (IVG) does not confirm, verify, or certify the accuracy and completeness of the survey or assessment result.



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