# Berli Jucker (BJC TB)

## Site Visit Takeaways: Strong Glass And Retail Recovery

### Highlights

- We organised a site visit for institutional clients to BJC's glass factory and the new Big C DC, and came back with a bullish view.
- Packaging earnings are set to reach a decade-high, while Big C's SSSG should turn positive for the first time since 1Q25. MMVN performance was also stronger than expected.
- Maintain BUY with a higher target price of Bt21.00 (from Bt18.00). Our 2027 earnings forecast is 13% above consensus, driven by cost saving initiatives.

### Analysis

- **Came back from the site visit with a bullish view.** We organised a site visit for institutional clients to Berli Jucker's (BJC) glass factory and the Big C new distribution centre (DC) in Bang Pa-in. The visit reinforced our positive view, with both businesses showing solid operational momentum.
- **Our new 2027 earnings forecast is 13% above consensus.** We raise our 2027 core profit forecast by 7%, driven by three key factors: a) cost savings initiatives, as one-off expenses may be incurred in 2H26 but should generate significant savings from 2027 onwards, which we believe are not yet reflected in market perception; b) Big C recovery, with 3Q26 SSSG expected to turn positive for the first time since 1Q25; and c) stronger-than-expected MM Mega Market Vietnam (MMVN) performance.
- **Glass business: Best performance in the past decade.** BJC's glass factory is the largest glass production facility in Southeast Asia. After discussions with the glass business' management, we remain confident in its 2H26 outlook. Orders from both existing and new customers remain strong, supported by stronger demand and production disruptions at two key competitors. This has allowed BJC to gain market share across various product categories. We see BJC's strong customer relationships and cost leadership as key advantages in winning new orders. Meanwhile, its existing customer, Thai Beverage, continues to gain market share in both alcohol and non-alcohol beverages, supporting demand. As a result, the factory continues to operate at full capacity, similar to 2Q26. We expect glass gross margin to expand yoy in 3Q26, driven by operating leverage and lower raw material costs, which should more than offset higher natural gas costs. Overall, we expect the glass business to remain a key earnings driver throughout 2H26.

### Key Financials

| Year to 31 Dec (Btm) | 2024 | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|---|
| Net turnover | 170,814 | 166,542 | 192,820 | 194,300 | 198,300 |
| EBITDA | 22,292 | 21,005 | 24,628 | 23,331 | 23,587 |
| Operating profit | 12,904 | 11,795 | 14,787 | 13,437 | 13,632 |
| Net profit (rep./act.) | 4,001 | 4,011 | 6,228 | 5,426 | 5,604 |
| Net profit (adj.) | 4,771 | 4,373 | 4,742 | 5,426 | 5,604 |
| EPS | 1.0 | 1.0 | 1.6 | 1.4 | 1.4 |
| PE (x) | 15.1 | 16.5 | 15.2 | 13.3 | 12.9 |
| P/B (x) | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| EV/EBITDA (x) | 10.5 | 11.2 | 9.3 | 9.7 | 9.6 |
| Dividend yield (%) | 3.9 | 2.8 | 4.4 | 3.8 | 4.0 |
| Net margin (%) | 2.3 | 2.4 | 3.2 | 2.8 | 2.8 |
| Net debt/(cash) to equity(%) | 129.9 | 129.6 | 120.2 | 115.6 | 111.0 |
| Interest cover (x) | 4.0 | 3.9 | 4.5 | 4.3 | 4.3 |
| ROE (%) | 3.2 | 3.2 | 4.8 | 4.1 | 4.1 |
| Consensus net profit | n.a. | n.a. | 5,393 | 4,843 | 5,210 |
| UOBKH/Consensus (x) | n.a. | n.a. | 1.2 | 1.1 | 1.1 |

*Source: Berli Jucker, UOB Kay Hian*

**Analyst(s)**

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### BUY (Maintained)

| | |
|---|---|
| Share Price | Bt18.00 |
| Target Price | Bt21.00 |
| Upside | 16.67% |
| Previous TP | Bt18.00 |

### Stock Data

| | |
|---|---|
| Sector | Consumer Staples |
| Bloomberg ticker | BJC TB |
| Shares issued (m) | 4,007.8 |
| Market cap (Btm) | 72,140.3 |
| Market cap (US$m) | 2,166.5 |
| 3-mth avg daily t'over (US$m) | 5.1 |

### Price Performance (%)

| 52-week high/low | | | | Bt20.5/Bt13.3 |
|---|---|---|---|---|
| 1mth | 3mth | 6mth | 1yr | YTD |
| 7.8 | 24.1 | 26.8 | (11.3) | 25.0 |

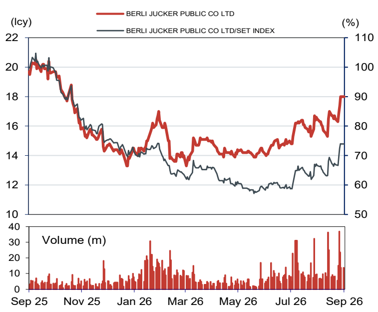
### Major Shareholders (%)

| | |
|---|---|
| TCC Corporation | 45.68 |
| TCC Holding (1995) | 29.32 |
| RAFFLES NOMINEES (PTE) LIMITED | 4.07 |

### Balance Sheet Metrics

| | |
|---|---|
| FY26 NAV/Share (Bt) | 33 |
| FY26 Net Debt/Share (Bt) | 38 |

### Price Chart




*Source: Bloomberg*

### Company Description

Berli Jucker (BJC) is a conglomerate that operates in: a) packaging supply chain, b) consumer supply chain, c) healthcare and technical supply chains, and d) modern retail supply chain.

- **Big C Bang Pa-in DC: Improving efficiency and lower distribution costs.** The new Bang Pa-in DC started operations in Jul 26 and is gradually ramping up towards full efficiency. The DC will distribute products to Big C hypermarkets, Pure Pharmacies, and online marketplaces. BJC is working with DHL to leverage its supply-chain expertise and improve logistics efficiency. Once fully implemented, we expect the new DC to lower distribution costs, shorten lead times, and improve inventory and logistics efficiency.
- **Promising Big C and MMVN outlook.**
  - **Big C's SSSG rose 5% yoy in the first two weeks of Sep 26,** bringing qtd SSSG to 1-2% yoy. Fresh and dry food remained the key growth drivers, while non-food categories, particularly Homeline and hardline, continued to improve. SSSG momentum strengthened across all three formats — hypermarket, supermarket, and mini Big C. Tourist-location stores continued to outperform, while renovation-related disruption was lower than in previous periods. Newly renovated stores also showed a strong improvement in sales performance.
  - **MMVN SSSG increased 10.5% yoy in Jul-Aug 26 in local currency,** in line with the strong momentum among peers in Vietnam and a 14% yoy growth in Vietnam retail sales during Jul-Aug 26. B2C sales contribution continued to increase, while Horeca sales momentum also improved following MMVN's expansion of its depot format. Appreciation of the Vietnamese dong against the Thai baht should also benefit 3Q26 earnings through forex translation.

## Valuation/Recommendation

- **Maintain BUY and raise target price to Bt21.00 (from Bt18.00)**. We roll over our target price to a 2027F PE of 15x, equivalent to -2SD to BJC's and -1.5SD to peers' five-year averages. BJC trades at 15x PE, in line with peers, but offers stronger earnings momentum.

## Earnings Revision/Risk

- **Revise up earnings.** We revise up 2026-27 core profit by 1.4% and 6.9% to reflect: a) the stronger-than-expected MMVN outlook, b) the recovery of Big C, and c) cost saving initiatives.
- **Risks:** Consumer businesses remaining under pressure in 3Q26 from higher packaging costs, which could weigh on margins.

## Share Price Catalyst

- Strong packaging businesses, cost saving initiatives, and Big C recovery should support earnings growth.

## Environment, Social, Governance (ESG) Updates

CG Report: 5, SET ESG Rating: AA

### Environmental

- BJC aims to become a net zero company by 2050. It is committed to developing the business to be sustainable in accordance with sustainable development frameworks, to comply with Sustainable Development Goals.

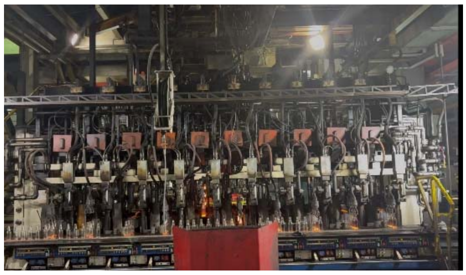
### Social

- The company emphasises business operations with social responsibility in every operation by treating every stakeholder with respect for human rights as a basis, emphasises fair and equal treatment of workers, and strictly complies with relevant laws.

### Governance

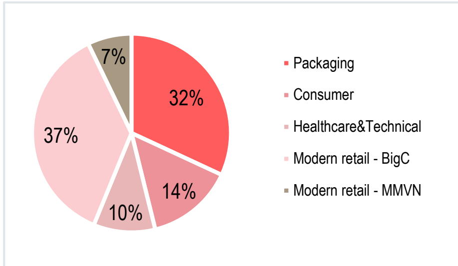
- BJC is committed to operating its business in accordance with good corporate governance policy and management excellence. BJC received the "Excellent" rating on good corporate governance from the Thai Institute of Directors.

### Glass Forming Machine



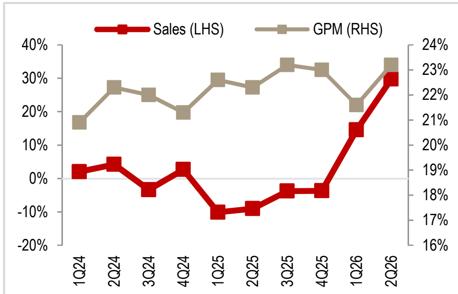
*Source: Berli Jucker, UOB Kay Hian*

### 2027 EBIT contribution



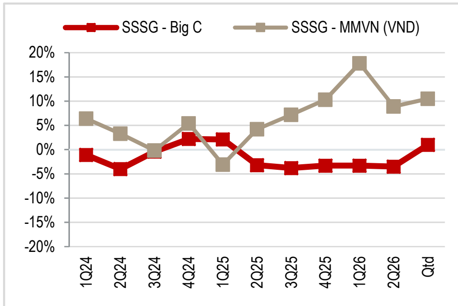

*Source: Berli Jucker, UOB Kay Hian*

### Packaging Businesses



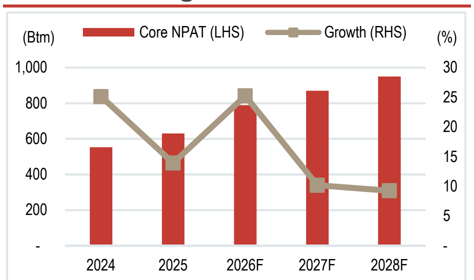

*Source: Berli Jucker, UOB Kay Hian*

### Same-store Sales Growth




*Source: Berli Jucker, UOB Kay Hian*

### MMVN Earnings Forecast




*Source: Berli Jucker, UOB Kay Hian*

## Profit & Loss

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Net turnover | 166,542 | 192,820 | 194,300 | 198,300 |
| EBITDA | 21,005 | 24,628 | 23,331 | 23,587 |
| Deprec. & amort. | 9,209 | 9,841 | 9,894 | 9,954 |
| EBIT | 11,795 | 14,787 | 13,437 | 13,632 |
| Total other non-operating income | - | - | - | - |
| Associate contributions | 100 | 130 | 139 | 146 |
| Net interest income/(expense) | (5,345) | (5,431) | (5,431) | (5,431) |
| Pre-tax profit | 6,440 | 9,486 | 8,145 | 8,347 |
| Tax | (1,527) | (1,965) | (1,681) | (1,722) |
| Minorities | (903) | (1,293) | (1,038) | (1,020) |
| Net profit | 4,011 | 6,228 | 5,426 | 5,604 |
| Net profit (adj.) | 4,373 | 4,742 | 5,426 | 5,604 |

## Balance Sheet

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Fixed assets | 285,312 | 285,544 | 286,012 | 286,807 |
| Other LT assets | 2,492 | 3,140 | 3,154 | 3,156 |
| Cash/ST investment | 4,133 | 28,766 | 31,857 | 34,574 |
| Other current assets | 39,944 | 46,161 | 47,012 | 47,946 |
| Total assets | 334,491 | 366,272 | 370,751 | 375,257 |
| ST debt | 34,544 | 23,540 | 23,540 | 23,540 |
| Other current liabilities | 58,718 | 52,790 | 53,554 | 54,365 |
| LT debt | 125,478 | 154,856 | 154,856 | 154,856 |
| Other LT liabilities | 11,710 | 14,564 | 14,989 | 14,823 |
| Shareholders' equity | 126,616 | 132,093 | 135,383 | 139,243 |
| Minority interest | 6,292 | 7,584 | 8,623 | 9,643 |
| Total liabilities & equity | 334,490 | 366,272 | 370,750 | 375,257 |

## Cash Flow

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Operating | 19,959 | 19,432 | 19,482 | 19,667 |
| Pre-tax profit | 6,440 | \9,486 | 8,145 | 8,347 |
| Tax | (1,527) | (1,965) | (1,681) | (1,722) |
| Deprec. & amort. | 9,209 | 9,841 | 9,894 | 9,954 |
| Working capital changes | 1,138 | (965) | (140) | (149) |
| Non-cash items | 1,487 | (175) | 53 | 27 |
| Other operating cashflows | 3,210 | 3,210 | 3,210 | 3,210 |
| Investing | (8,905) | (11,129) | (13,217) | (14,186) |
| Capex (growth) | (10,137) | (10,073) | (10,362) | (10,749) |
| Investments | 21 | (52) | (55) | (58) |
| Others | 1,210 | (1,004) | (2,799) | (3,378) |
| Financing | (11,738) | 16,330 | (3,174) | (2,765) |
| Dividend payments | (3,444) | (2,044) | (3,174) | (2,765) |
| Issue of shares | - | - | - | - |
| Proceeds from borrowings | (1,007) | 18,374 | - | - |
| Others/interest paid | (7,287) | - | - | - |
| Net cash inflow (outflow) | (684) | 24,633 | 3,091 | 2,716 |
| Beginning cash & cash equivalent | 5,144 | 4,133 | 28,766 | 31,857 |
| Ending cash & cash equivalent | 4,460 | 28,766 | 31,857 | 34,574 |

## Key Metric

| Year to 31 Dec (%) | 2025 | 2026F | 2027F | 2028F |
|---|---|---|---|---|
| Profitability | | | | |
| EBITDA margin | 12.6 | 12.8 | 12.0 | 11.9 |
| Pre-tax margin | 3.9 | 4.9 | 4.2 | 4.2 |
| Net margin | 2.4 | 3.2 | 2.8 | 2.8 |
| ROE | 3.2 | 4.8 | 4.1 | 4.1 |
| Growth | | | | |
| Turnover | (2.5) | 15.8 | 0.8 | 2.1 |
| EBITDA | (5.8) | 17.2 | (5.3) | 1.1 |
| Pre-tax profit | (11.3) | 47.3 | (14.1) | 2.5 |
| Net profit | 0.2 | 55.3 | (12.9) | 3.3 |
| Net profit (adj.) | (8.3) | 8.4 | 14.4 | 3.3 |
| Leverage | | | | |
| Debt to total capital | 126.4 | 135.1 | 131.8 | 128.1 |
| Debt to equity | 133.0 | 143.3 | 140.7 | 137.7 |
| Net debt/(cash) to equity | 129.6 | 120.2 | 115.6 | 111.0 |
| Interest cover | 3.9 | 4.5 | 4.3 | 4.3 |