

# Berli Jucker Public Company Limited

## Investor Presentation

June 2016



# Disclaimer



This presentation has been prepared by Berli Jucker Public Company Limited ("BJC") for informational purposes only and does not constitute a recommendation regarding the securities of BJC or any of its subsidiaries. This presentation is not intended as, and does not form part of, any offer to sell or solicitation or invitation to buy or subscribe for any securities. Neither this presentation nor anything contained herein shall form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

This presentation is not an offer for the sale of securities in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended. BJC does not intend to register any portion of any proposed offering in the United States or to conduct a public offering of securities in the United States.

BJC makes no representation or warranty, either expressed or implied, in relation to the accuracy, completeness or reliability of the information contained in this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment without notice and such information may change materially. The information in this presentation should not be regarded by recipients as a substitute for the exercise of their own judgment.

This presentation may contain forward-looking statements and estimates with respect to the future operations and performance of BJC, its subsidiaries and affiliates. These forward-looking statements are subject to various assumptions, risks and uncertainties, many of which are difficult to predict and are generally beyond the control of BJC. Such assumptions, risks and uncertainties could cause actual results and developments to differ materially from those expressed in or implied by the forward-looking statements. Neither BJC nor any of its directors, officers, employees, advisors or representatives assumes any responsibility to update any of the forward-looking statements to conform such statements to actual results or developments, to reflect the occurrence of anticipated results or otherwise. Neither BJC nor any of its directors, officers, employees, advisors or representatives nor any other person accepts any liability whatsoever for any loss, however arising, from any use of this document or its contents or otherwise arising in connection therewith.

Any opinions expressed in this presentation are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of BJC as a result of using different assumptions and criterion.

# Table of Contents



## Section 1

BJC at a Glance

---

## Section 2

Investment Highlights

---

## Section 3

Financial Summary

---

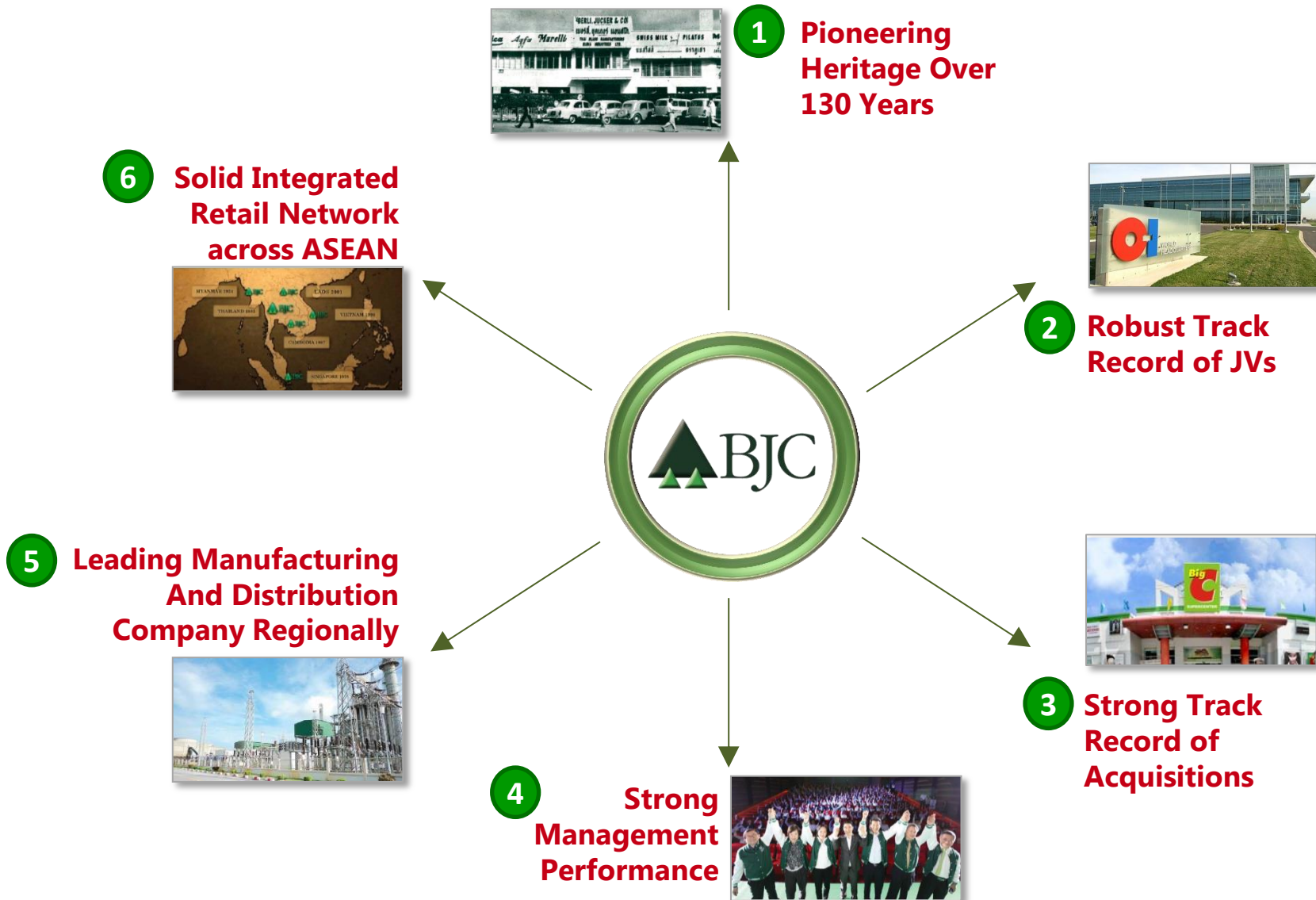
# Section 1

## BJC at a Glance





# BJC at a Glance



# 1/2 A Pioneering Heritage of Over 130 Years



- Since its inception in 1882, BJC has evolved from a supply chain and distribution powerhouse to a leading integrated retail platform in ASEAN with strong manufacturing and distribution capability

## From Our Origins in Import/Export...

- ✓ Founded in 1882 as "Jucker & Sigg & Co."
- ✓ Established to export rice and teak wood
- ✓ Relentless expansion into manufacturing & packaging
- ✓ TCC Group became our major shareholder in 2001



## ... to being the Preferred Partner of Choice of Global Companies for Marketing and Distribution in Thailand

- ✓ One of the first seven companies listed on Stock Exchange of Thailand in 1975
- ✓ Among the first Thai companies to have joint venture with foreign investors
- ✓ Formed JV with Australian Consolidated Industries, now Owen-Illinois (NYSE: OI) in 1972



In 1951, partnered with ACI to form Thai Glass Industries (100% owned by BJC since 1992)



50:50 JV with Ball Corporation (NYSE:BLL) to establish aluminum can factory in Vietnam



50% JV with OI to manage Vietnam's largest glass container manufacturer



50% JV with OI to manage Malaysia's largest glass container manufacturer

# 3/4 Strong Acquisition Track Record and Outstanding Management Experience



## Strong History of Successful Acquisitions...



- Acquired 100% of Malaya Glass Products from Fraser & Neave in 2010 (through JV with OI)
- Total acquisition size: US\$345MM (~THB11,385MM)



- Acquired 75% of Thai Corp, a leading distributor of consumer products in Southern Vietnam in 2010
- Total acquisition size: US\$6.5MM (~THB229MM)



- Acquired 100% of Asia Books, Southeast Asia's largest English bookstore in 2011
- Total acquisition size: US\$34MM (~THB1,195MM) with IRR of 16.2%



- Acquired 65% of Thai An, one of the leading distributors of consumer products in Northern Vietnam in 2013
- Total acquisition size: US\$28MM (~THB989MM)



- Acquired 100% of Thai Dairy (formerly known as Danone Dairy Thailand) in 2015, after initial JV with France's Groupe Danone in 2012

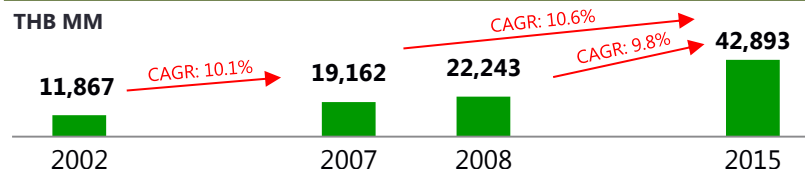


- Acquired 98% of Big C Supercenter in 2016
- Total acquisition size: US\$6,235MM (~THB218,244MM)

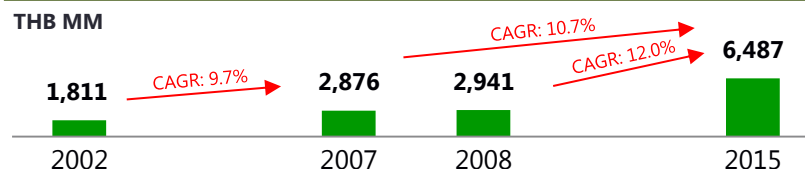
## ... Based on an Outstanding Management Record

- Top management team with over 158 years of combined experience with average of 20 years tenure at BJC
- Delivered strong shareholder return: 2002 –2007, 2007-2015, 2008-2015 annual TSR of 25.8%, 26.4%, 39.5%<sup>(1)</sup> respectively
- Newly acquired companies deliver average sales growth of 17.1% CAGR within the first 5 years after acquisition

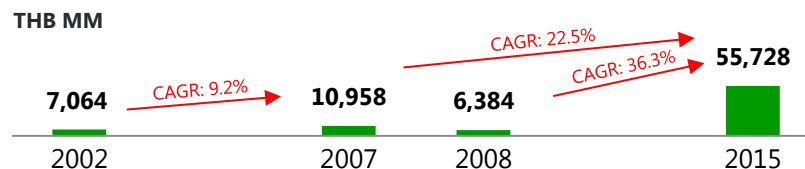
### Sales<sup>(2)</sup>



### EBITDA<sup>(2)</sup>



### Market Cap<sup>(3)</sup>



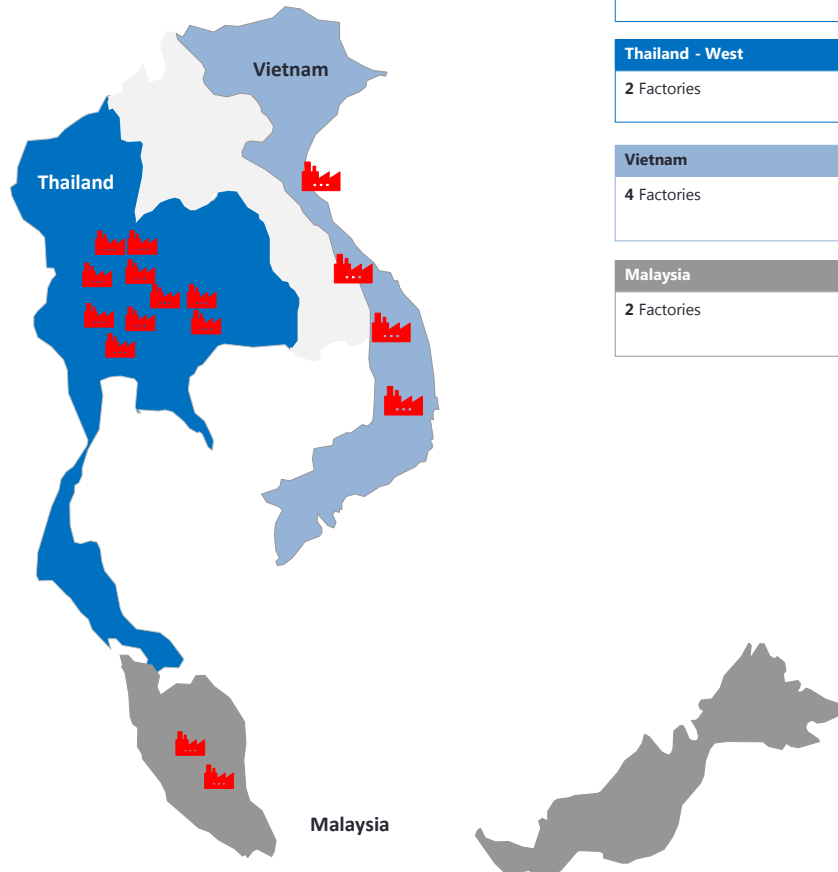
#### Notes

- Source: Bloomberg on annualised basis, assuming dividends are reinvested in the stock at share price at dividend payment date
- Excluding Big C
- As of 31 December in each corresponding year

# 5/6 Leading Manufacturing, Distribution and Retail Network



## 16 Manufacturing Sites Across ASEAN

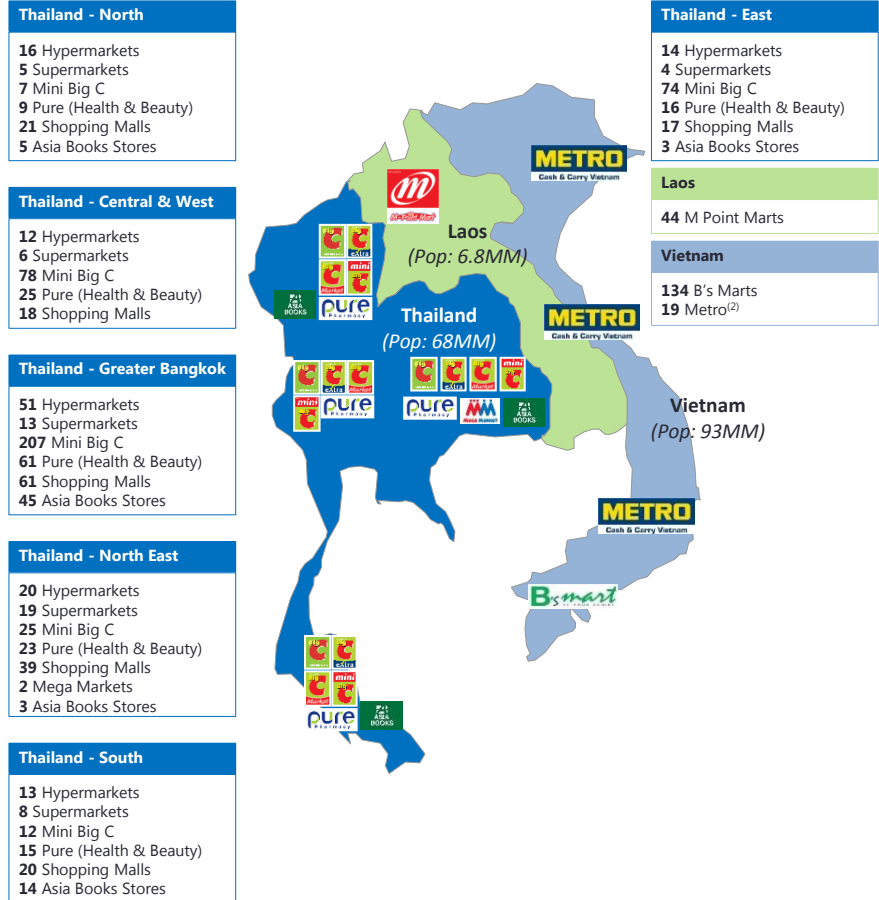


Factories<sup>(1)</sup>

### Notes

1. Illustrative only, not actual location
2. Owned by TCC Group
3. As of May 2016

## 1,000 Retail Stores and 176 Shopping Malls across Thailand, Laos and Vietnam<sup>(3)</sup>



- More than 200,000 points of sale throughout Vietnam



# BJC – Key Facts



## Manufacturing

- 10 factories in Thailand, 4 in Vietnam and 2 in Malaysia

### Glass, Can, Steel

- >4.3Bn glass bottles per year
- >3.0Bn cans/year
- >2.7Bn aluminum lids/year
- Steel: >24,000 ton/year

### Tissue

- >60Bn pieces per year

### Bar and Liquid Soap

- >260MM pieces of bar soap per year
- 24MM bottles of liquid soap per year

### Extrude Snack

- 450MM packs per year

## Marketing

### Parrot Soap

- #1 market share by sales volume

### Tissue Paper

- #2 market share

### Dozo

- #1 market share

### Tasto

- #2 market share

## Distribution

### Thailand

#### Point of Sales

- 55,000 point of sales in Thailand

#### Hospital Network

- 5,800 hospital clinics + pharmacy services

### Vietnam

#### Point of Sales

- 200,000 point of sales in Vietnam

#### Export and Distribution

- Exports to 15 countries across 4 continents
- Authorised distributors of 230 brands to >30 countries worldwide
- Key products include pharmaceutical products, medical equipment, food ingredients, cosmetics and electronics

## Agriculture

### Cambodia

- Palm oil with plantation area of approx. 97,000 rais (16,150 hectares)

### Laos

- 3<sup>rd</sup> largest coffee plantation in the world with approx. 15,288 rais (2,400 hectares)

## Section 2

# Investment Highlights



# BJC - ASEAN's Leading Integrated Retail Platform



1

**Dominant Multi-Format** Retail Platform with Strong Brand and Dynamic **Omni-Channel** Capability...

2

...Operating Across the **Full Value Chain** from Raw Materials to the End Consumer

3

**Diversified Earnings Mix** Anchored By Stable and High Cashflow Generative **Dual Retail / Property Business Model**

4

Significant **Synergy Potential** Through Integration of Big C Within BJC

5

**Capturing Growth Opportunities** in Thailand and Regionally Under TCC Ownership



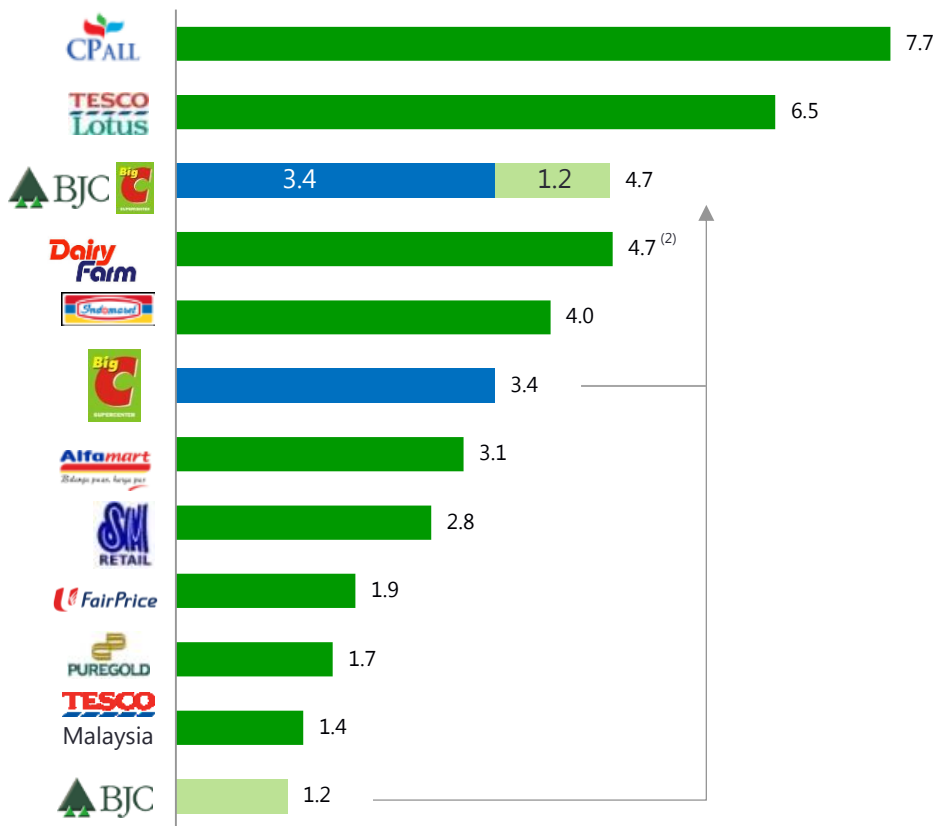
# 1 Dominant Multi-Format Retail Platform...



- BJC is the third largest grocery retailer and one of the leading hypermarket operators in Southeast Asia

## Third Largest Grocery Retail Group in Southeast Asia

2015 Retail Sales, US\$ Bn<sup>(1)</sup>

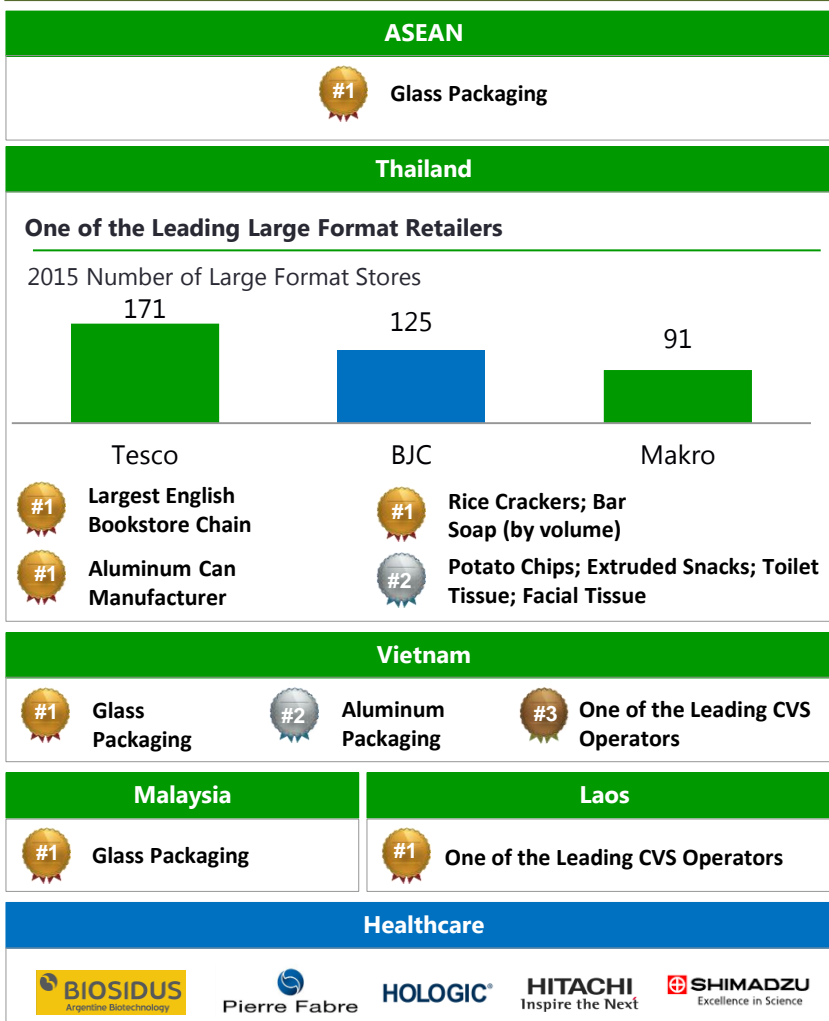


Source: Industry Data

### Notes

- Includes retailer and wholesaler markups and sales taxes and excises taxes, in addition to retail revenues, at constant foreign exchange rate as at 31 December 2015
- Includes Malaysia, Indonesia, Singapore and Philippines

## Leading Presence in ASEAN



Source: Industry Data

# ... with Strong Big C Brand at the Heart of the Community for Thai Customers...



- Access to ~700,000 customers per day with "Big Card" database of 8.6 MM members



## 1 Thai-ness



- Opened the 1<sup>st</sup> hypermarket in Thailand
- Support local farmers, OTOP, Royal Projects, local SMEs

## 2 Price Leadership



- Perceived as a price leader by 67%<sup>(1)</sup> of customers
- 'Cheaper than Last Year' promotion

## 3 Destination for food and entertainment



- Voted as No. 1 hypermarket brand in Thailand 4 years in a row<sup>(2)</sup>
- Voted as 'Trusted brand' 2 years in a row<sup>(3)</sup>

## Strength vs. Competitors

(pp, 2014)



*"Big C has a lot of promotions and many activities to make shopping fun"*  
(marketing activities)

*"I like shopping at Big C because it has a shopping mall"*  
(dual-retail model)

### Notes

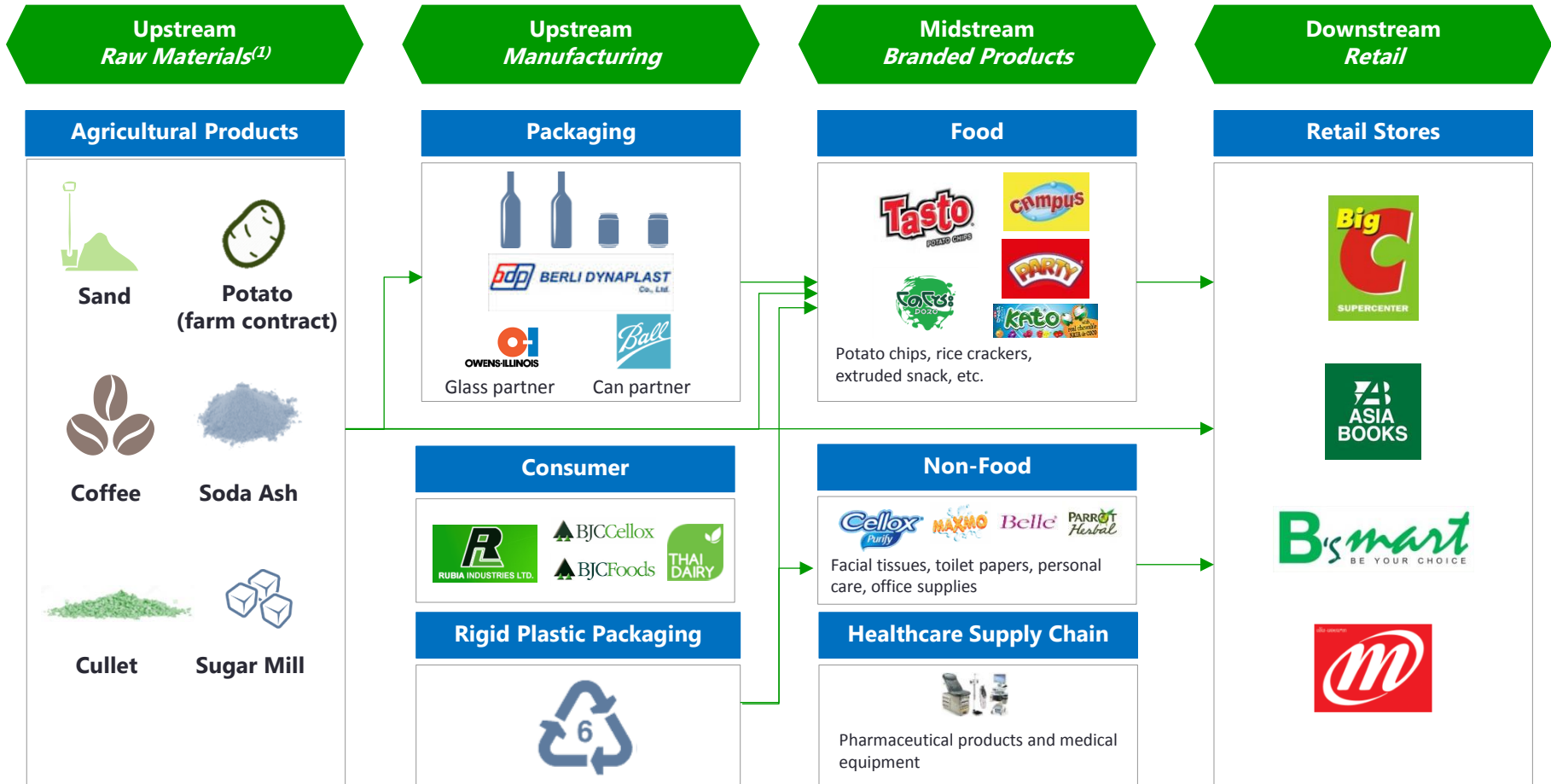
- Based on Pricing Research by Nielson Q4 2015
- By Marketeer 2012, 2013, 2014, 2015
- By Readers' Digest 2012, 2013





- One of the few retailers in Southeast Asia to have a multi-format portfolio with integrated e-commerce platform

Segments	Banners	Country	Positioning	Stores <sup>(1)</sup>	E-Commerce Platform
Hypermarket			<ul style="list-style-type: none"> <li>Stores at heart of the community with full service proposition and towncenters (Dual Retail model)</li> </ul>	123	   
Hybrid			<ul style="list-style-type: none"> <li>Innovative cash-and-carry format addressing all customers, from professionals to large families</li> </ul>	3	
Market			<ul style="list-style-type: none"> <li>Small hypermarket as "destination" for the local community</li> </ul>	55	
Proximity & Convenience Store			<ul style="list-style-type: none"> <li>Proximity format with top-up offerings (c. 150 sqm)</li> <li>Convenience stores to fulfill everyday needs (60-140 sqm)</li> </ul>	232 / 171	
Drugstore			<ul style="list-style-type: none"> <li>Modern quality pharmacy &amp; well being drugstore</li> </ul>	149	
Shopping Mall			<ul style="list-style-type: none"> <li>Complete and attractive one-stop shopping and entertainment destination</li> </ul>	176	
English Bookstores			<ul style="list-style-type: none"> <li>Largest English language bookseller in Thailand</li> </ul>	70	
Convenience Stores			<ul style="list-style-type: none"> <li>Top three convenience store chain in Vietnam</li> </ul>	134	
Convenience Stores			<ul style="list-style-type: none"> <li>Largest convenience store chain in Laos</li> </ul>	44	
Cash & Carry			<ul style="list-style-type: none"> <li>Leading cash &amp; carry wholesale center in Vietnam</li> </ul>	19	
Hypermarket / Cash & Carry			<ul style="list-style-type: none"> <li>Hybrid cash &amp; carry wholesale center in Thailand</li> </ul>	2	



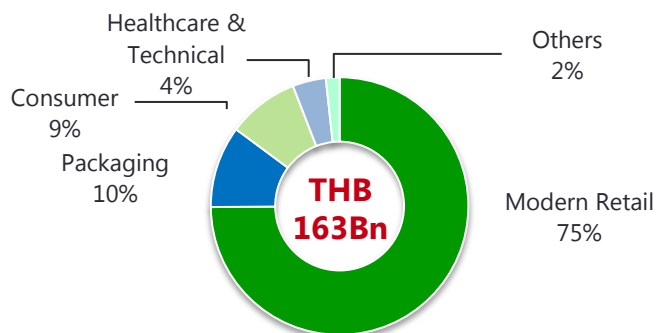
- **Integrated logistics and transportation network with significant capacity for future expansion**
  - ✓ 10 warehouses of BJC (area of 101,320 sqm) and 4 DCs of Big C (area of 123,000 sqm) with built-in capacity to support growth vision
- **Customer feedback and data analytics from downstream businesses used to improve the product manufacturing**

# 3 Diversified Earnings Mix Anchored By Stable and High Cashflow Generative Dual Retail / Property Business Model

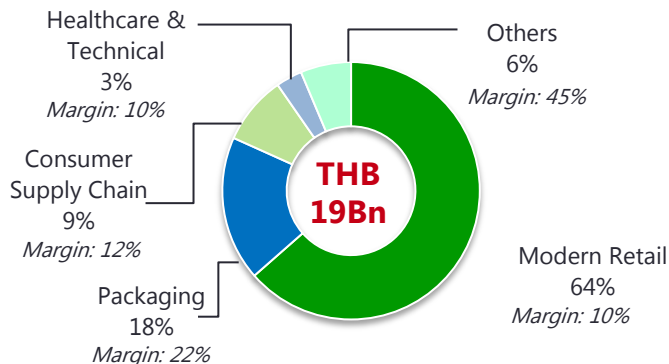


## Diversified Earnings Mix

### PF FY15 Revenue Breakdown by Segment



### PF FY15 EBITDA Breakdown and Margin by Segment



- ✓ BJC's vertically integrated business model generates a diversified earnings mix spanning the full value chain
- ✓ Majority of earnings come from distribution to end-users through retail stores, especially hypermarkets

## Unique Dual Retail Model Positioning Big C as a One-stop Destination at the Heart of Community



## Diversified and Blue-Chip Tenant Base



- Shopping malls drive additional footfall to retail stores
- Average occupancy rate of ~95% in 2015
- 97% of the current hypermarkets and supermarkets have adjoining shopping mall area
- All of the targeted hypermarkets and supermarkets expected to have shopping malls

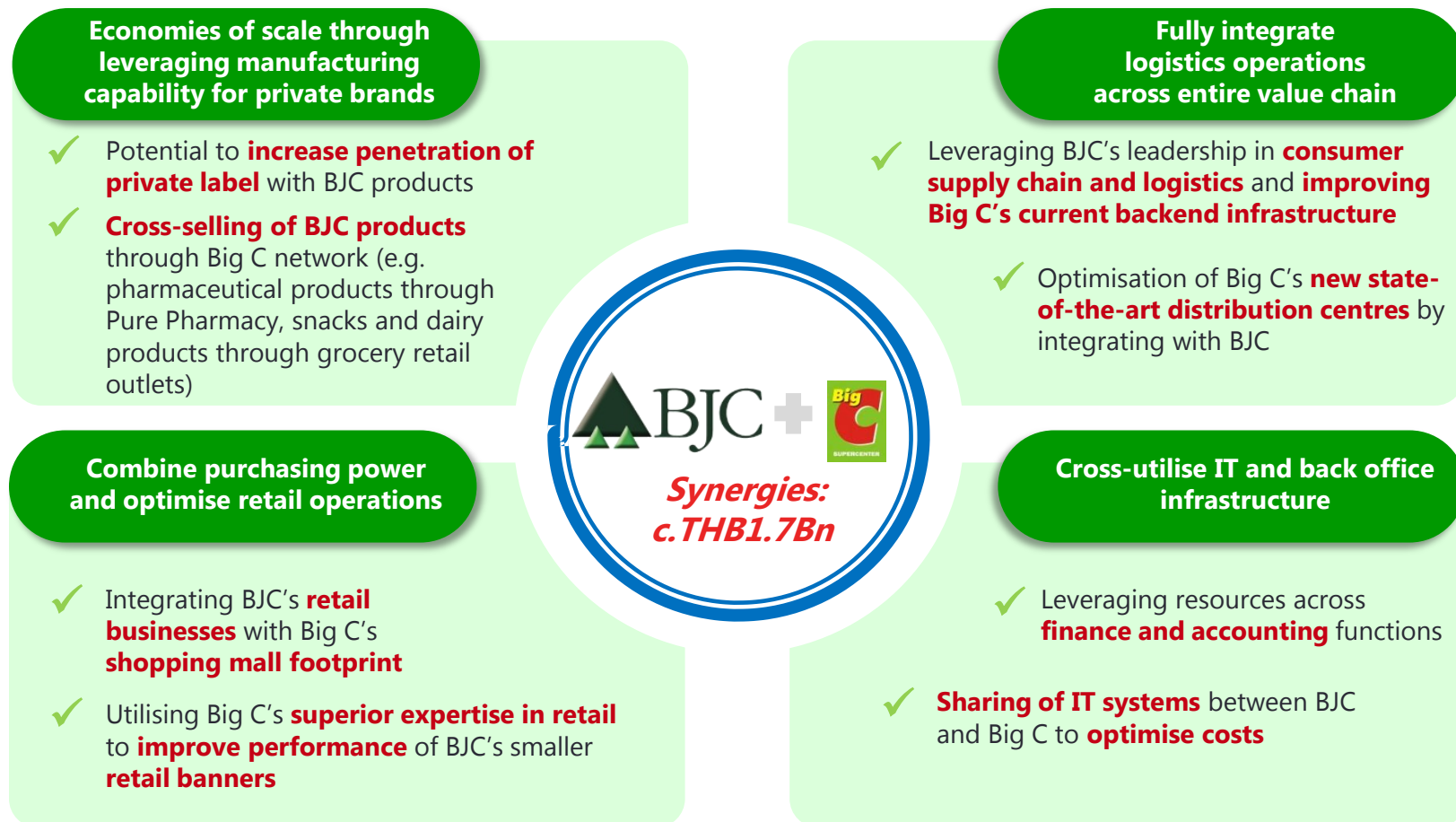
### Notes

1. As of 31 May 2016, Hypermarket and Market Stores
2. FY2015

## Significant Synergy Potential Through Integration of Big C Within BJC



- Target synergies of THB1.7Bn<sup>(1)</sup> within 3 years by leveraging Big C's strong retail platform of expertise and BJC's product, production capacity and property assets



### Note

1. Projected annual recurring EBITDA level synergies upon full implementation

# Accelerated Expansion Plan to Capitalise on Growth in Thai Modern Retail Market



- Under the new ownership of BJC/TCC Group, Big C is well positioned to accelerate store expansion to capitalise on significant growth opportunity in the Thai modern retail market

## Highly Attractive Thai Modern Retail Market...

THB Bn

% of Total Grocery Retail

39.6%

45.3%

50.7%

2010 - 2015  
CAGR: 7.6%

2015 - 2020  
CAGR: 5.3%

566

816

1,056

2010

2015

2020

Source: Industry Data

### Notes

1. Includes international expansion
2. Includes Mini Big C
3. Includes Pure

## BJC to Capitalise on Growth Opportunities by Expanding the Store Network Across Multiple Formats

Number of Stores

2015

2016B

2017F<sup>(1)</sup>

Hypermarkets

125

+6

131

+10

141

Supermarkets

55

+3

58

+10

68

Small Format<sup>(2)</sup>

391

+70

461

+200

661

Specialty<sup>(3)</sup>

163

+10

173

+5

178

Shopping Mall

174

+9

183

+20

203

TOTAL

908

+98

1,006

+245

1,251



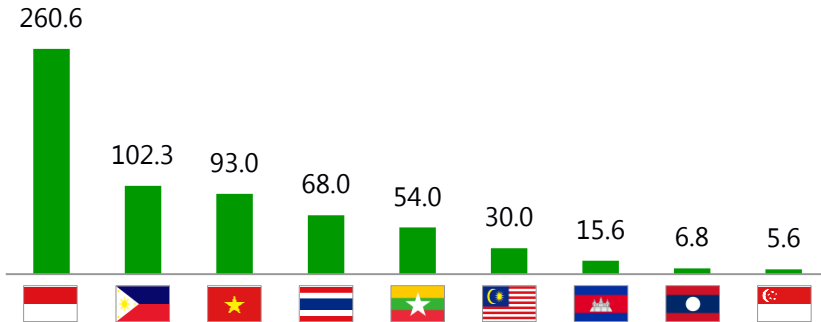
# Opportunity to Replicate the Successful Business Model Across ASEAN



- Through its established presence, BJC is well positioned to replicate the fully integrated business model across ASEAN, which has significant growth potential

## Large Consumer Base of ~600MM People

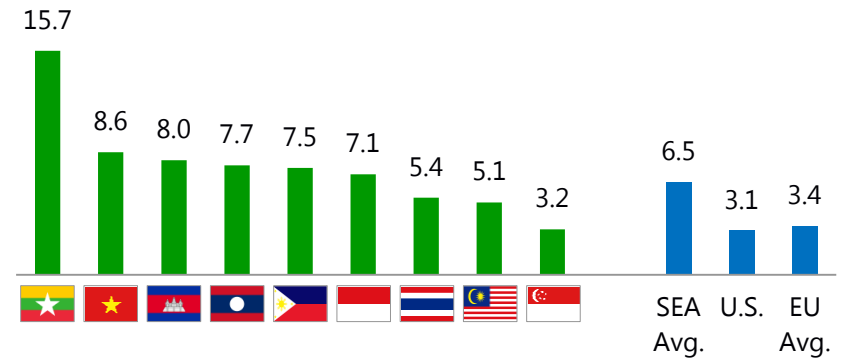
2015, MM People



Source: Industry Data

## High Growth Economies

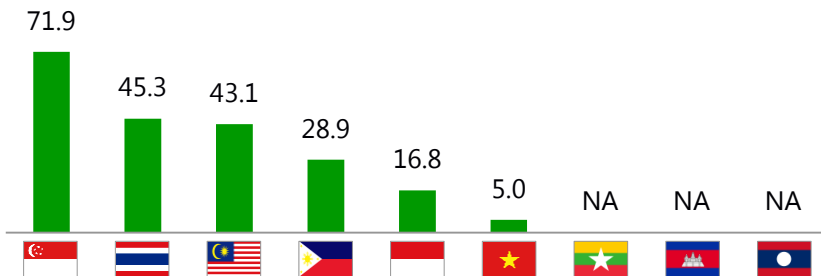
2015-2020 GDP per Capita CAGR, %



Source: Industry Data

## Significant Potential for Modern Retail Penetration

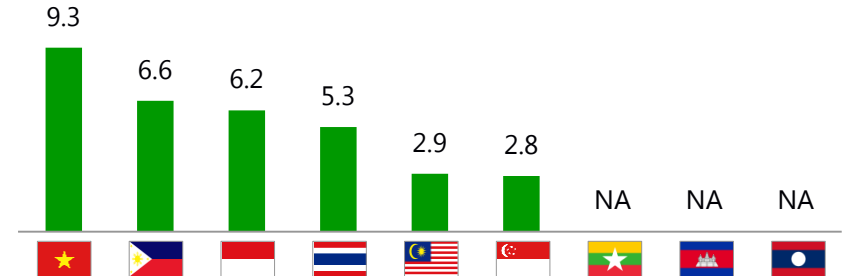
2015, Modern Grocery Retail Sales % of Total Grocery Retail



Source: Industry Data

## Fast Growing Modern Retail Markets

2015-2020 Modern Grocery Retail Sales CAGR, %

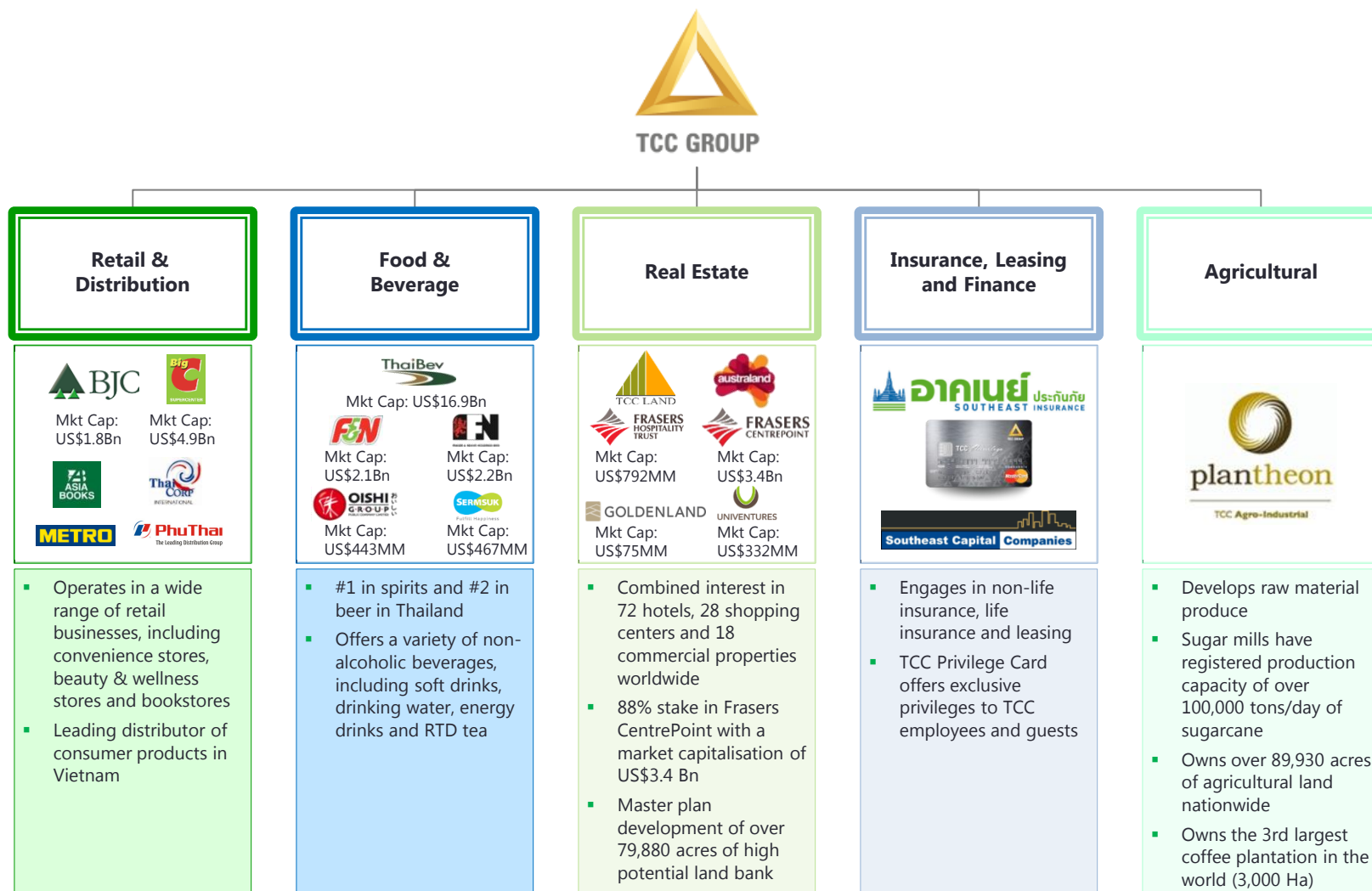


Source: Industry Data

## 5 Sponsorship from TCC Group



- BJC will be TCC Group's flagship retail and distribution vehicle going forward
- Opportunity to leverage capabilities across the group to realise BJC's strategic vision



# Clear Strategies in Place to Utilise Assets and Drive Growth



## A Maximise Utilisation of Existing Assets

A-1

**Deliver Significant Synergies through the Integration of Big C**



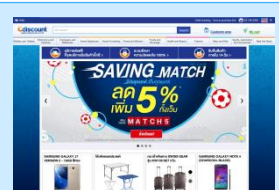
A-2

**Fully Utilise Existing Logistics Network Across the Entire Value Chain**



A-3

**Leverage Store Network to Realise Omni-channel Strategy**

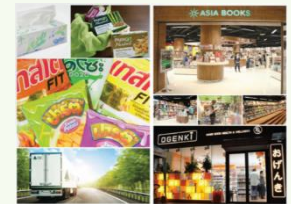


B

**Accelerate Growth Through Domestic and International Expansion**

B-1

**Accelerate Retail Store Expansion Across All Formats**



B-2

**Replicate Existing Businesses in Other Growth Markets Across AEC**



## Section 3

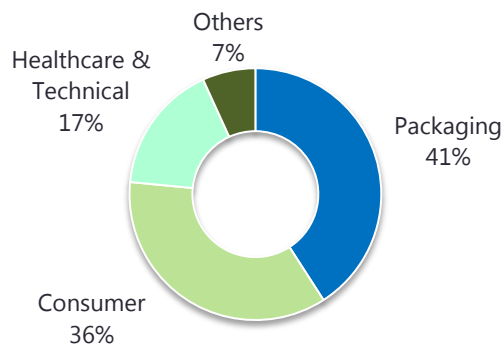
### Financial Summary



# Combined Business Focused on Retail

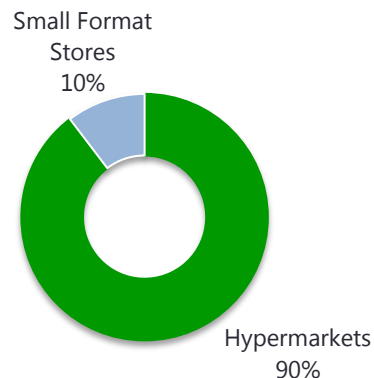


## BJC



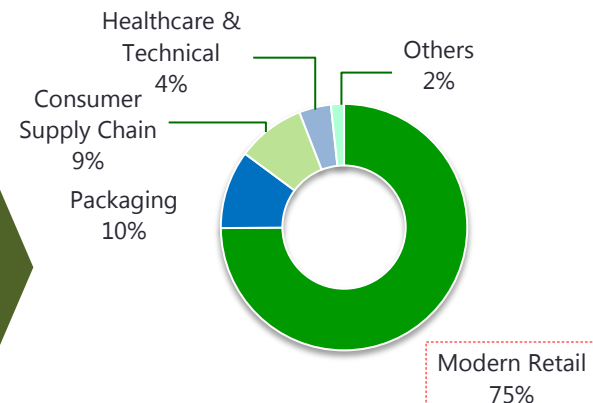
**THB 42.9Bn**  
(c.US\$1.2Bn)

## Big C



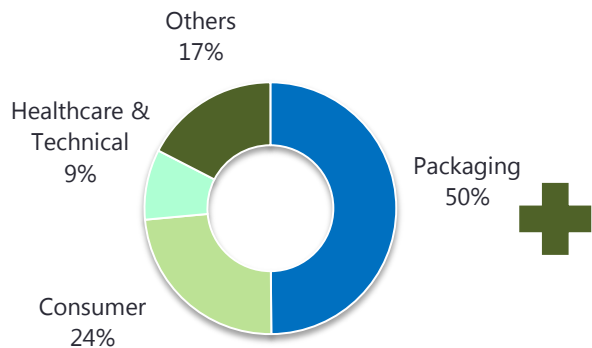
**THB 119.6Bn**  
(c.US\$3.4Bn)

## BJC + Big C

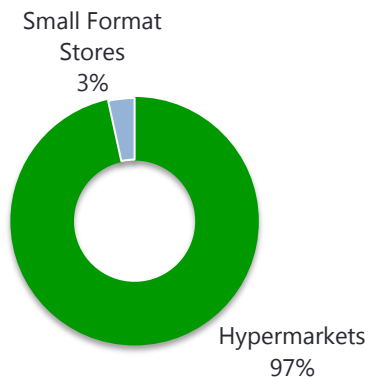


**THB 162.5Bn**  
(c.US\$4.7Bn)

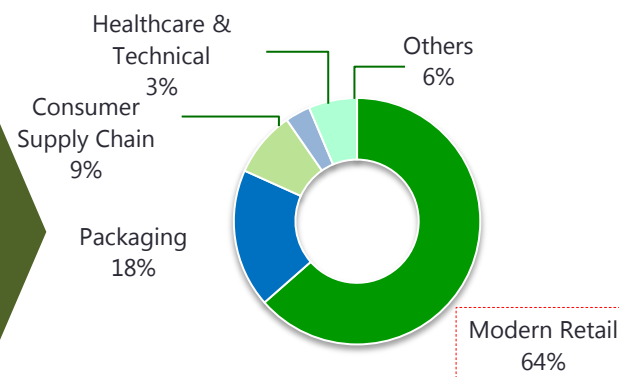
## FY15 EBITDA Breakdown by Format



**THB 5.8Bn<sup>(1)</sup>**  
(c.US\$164MM)



**THB 13.0Bn**  
(c.US\$369MM)



**THB 18.7Bn**  
(c.US\$533MM)

### Note

1. Adjusted for one-time gains



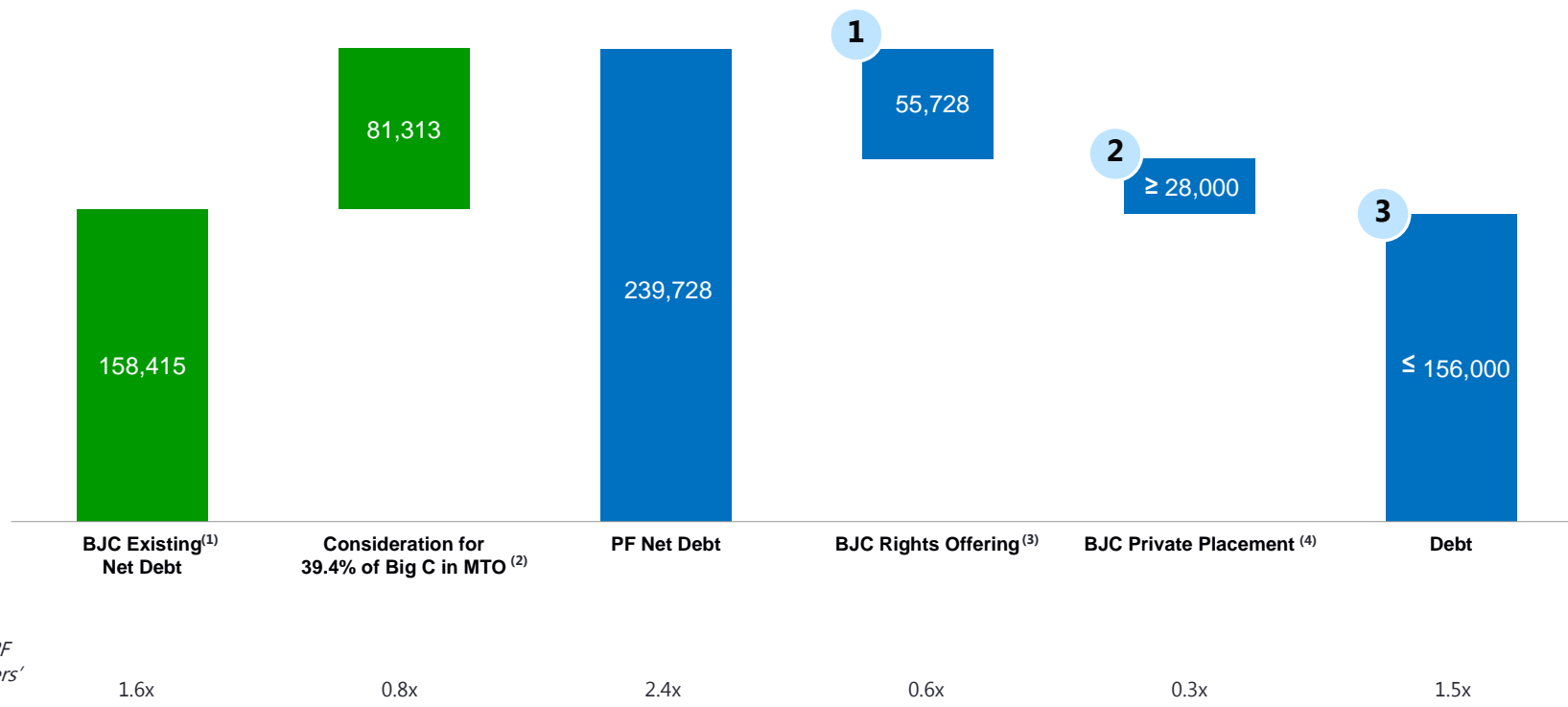
# Capital Structure and Dividend Policy



- Pro-forma capitalisation plan is expected to have leverage of 1.5x
- Long-term target net debt / EBITDA of 5.0x and target net debt to equity of 1.0x by 2020

## Financing Structure – PF Debt Buildup and Deleveraging Components

THB MM



Implied x PF Shareholders' Equity<sup>(5)</sup>

### Notes

- As of 31 March 2016; post acquisition of 58.6% of Big C from Casino (consolidating Big C net debt)
- 250.26 per share; 324.9MM shares (39.4% of 825MM shares)
- 1:1 Rights Offering at THB35.00 per share
- 800MM shares at no less than THB35.00 per share
- PF Shareholders' Equity (THB100.7Bn) = Shareholders' Equity as of 31 March (THB16.9Bn) + Proceeds from Rights Offering (THB55.7Bn) + Proceeds from Private Placement (≥ THB28.0Bn)

## Q&A

