



1Q17 BJC & BIGC Opportunity Day

2 June 2017



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- **Highlights**

- Overall performance
- Performance by Supply Chain
- Operations update

1Q17 Highlights



Financial performance

- Delivered a **solid first quarter results.**
 - Strong Healthcare and Technical supply chain performance.
 - Improving margins through out the line in Modern Retail Supply chain.
- **All Big C acquisition related debt converted to debentures.**
 - Third round of debenture raised 40 billion baht with blended rate of 3.09%

Operations

- Packaging Supply Chain: **SB4 and SB5 furnaces construction progressing on schedule.**
- Consumer Supply Chain: **Various new product launches in all categories,** including relaunching Tasto potato chips.
- Modern Retail Supply Chain:
 - **Maintained focus on Fresh Food and Non-Food categories** and continued **Mini Big C** assortment development.
 - **Improving operations through various initiatives.**
 - **Continued good momentum of synergy teams** and confirming targets.

- Highlights
- **Overall performance**
- Performance by Supply Chain
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Overall Performance Q1 2017

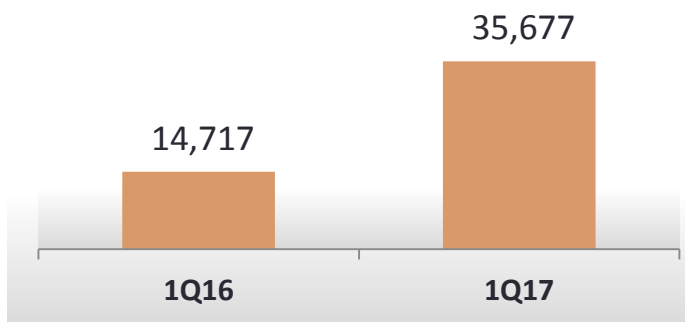


- On May 11, 2016, BJC completed an acquisition of 97.94% shares in BIGC, 99.18% shares in C-Distribution Asia Pte Ltd. and 98.80% shares in C-Distribution (Thailand) Company Limited
- Results of these companies has been consolidated into BJC since March 21, 2016
- Full consolidation of Big C's results into BJC's financial statements in Q1 2017

1Q17 Sales (MB)

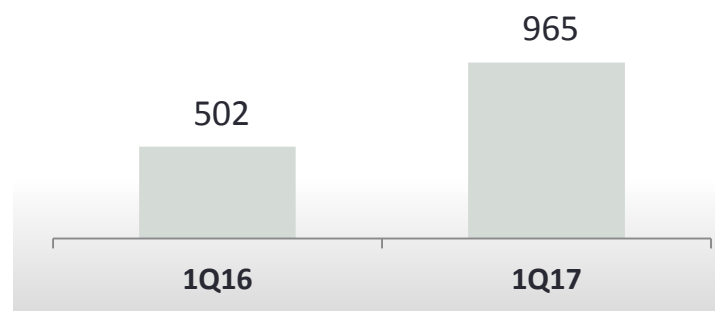
▲ 142.4% YoY

1Q17 Highlights



1Q17 Net Profit (MB)

▲ 92.1% YoY

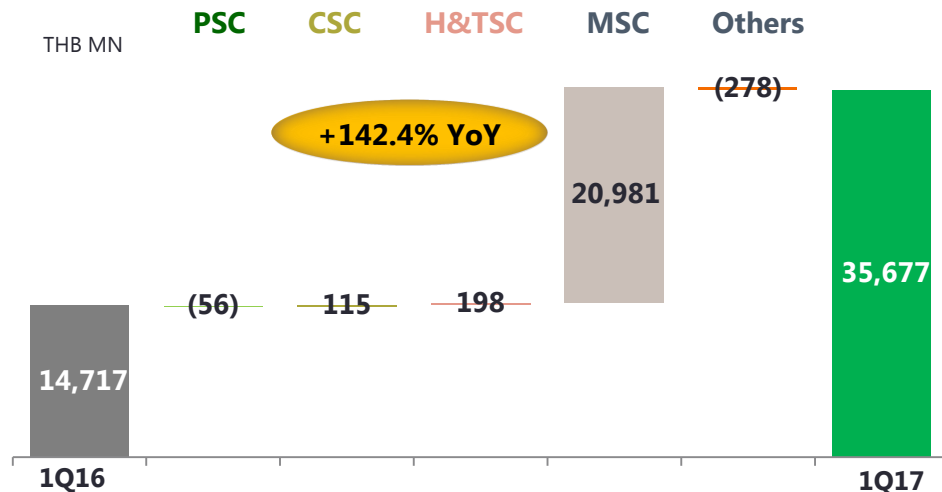


- 1Q17 sales increased 142.4% YoY from BJC existing businesses, together with full consolidation of Big C's results in to BJC's financial statements in 1Q17.
- 1Q17 net profit increased 92.1% YoY mainly driven by the profitability improvements in Healthcare Supply Chain, Technical Supply Chain, and full consolidated net profit from Modern Retail Supply Chain in 1Q17.

1Q17 vs. 1Q16 – Supply Chain performance

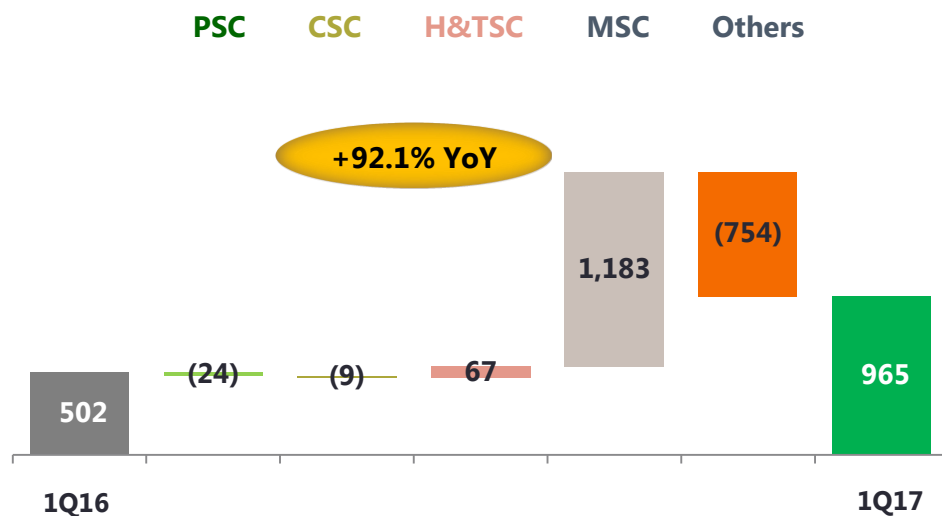


■ **1Q17 Sales of THB 35,677 million, an increase of THB 20,960 million or 142.4% YoY**



- PSC's sales decreased by THB 56 MN mainly from lower sales in glass business due to scheduled maintenance shutdown of one of our furnaces from early January to mid-February 2017.
- CSC's sales increased by THB 115 MN due to higher sales in food, logistics and international businesses.
- H&TSC's sales increased by THB 198 MN due to higher sales from both Healthcare and Technical Supply Chains.
- MSC's sales increased by THB 20,981 MN due to full consolidation of Big C's results into BJC's financial statements in 1Q17.

■ **1Q17 Net Profit of THB 965 million, an increase of THB 463 million or 92.1% YoY**



- PSC's net profit decreased THB 24 MN due to lower sales in glass business as mentioned above and lower net profit from MGP and MVG due to lower local demand.
- CSC's net profit decreased THB 9 MN due to higher SG&A expenses in food business as we launched new Tasto and Party Dairy products, and higher advertisement expenses in non-food business driven by intense competition in the FMCG market.
- H&TSC's net profit increased THB 67 MN due to higher sales from both H&TSC as well as the lower SG&A expenses for the quarter.
- MSC's net profit increased THB 1,183 MN due to full consolidation of Big C's results into BJC's financial statements in 1Q17.

Gross Profit and EBITDA 1Q 2017



Gross Profit (MB)

22.4% 23.7%

2,490

2,629

1Q16

1Q17

EBITDA (MB)

13.0% 14.8%

1,444

1,649

1Q16

1Q17

Gross Profit (MB)

13.2% 16.1%

3,889

3,961

1Q16

1Q17

EBITDA (MB)

10.1% 11.9%

2,976

2,911

1Q16

1Q17

BJC
Highlights

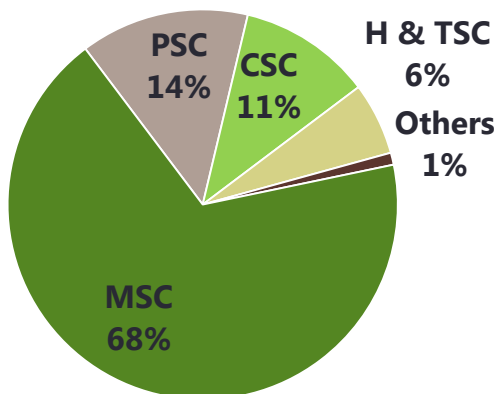
BIG C
Highlights

Performance breakdown

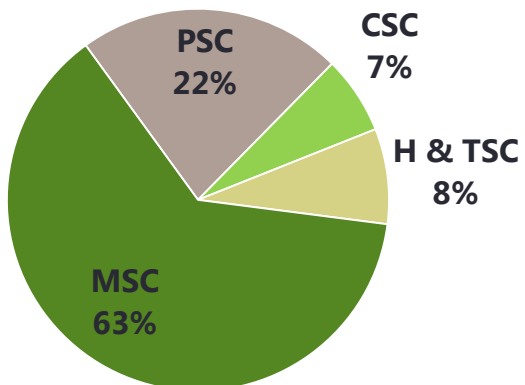


1Q 2017

Sales Breakdown

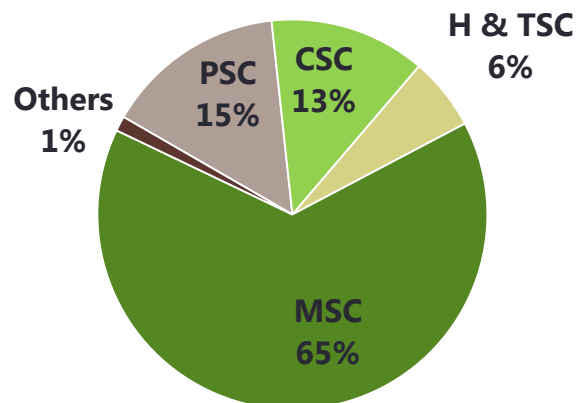


Net Profit Breakdown

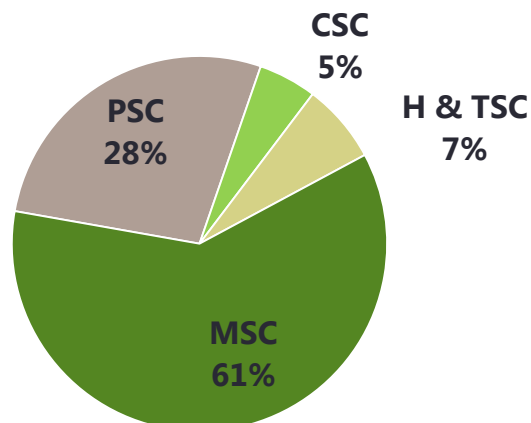


FY 2016

Sales Breakdown



Net Profit Breakdown



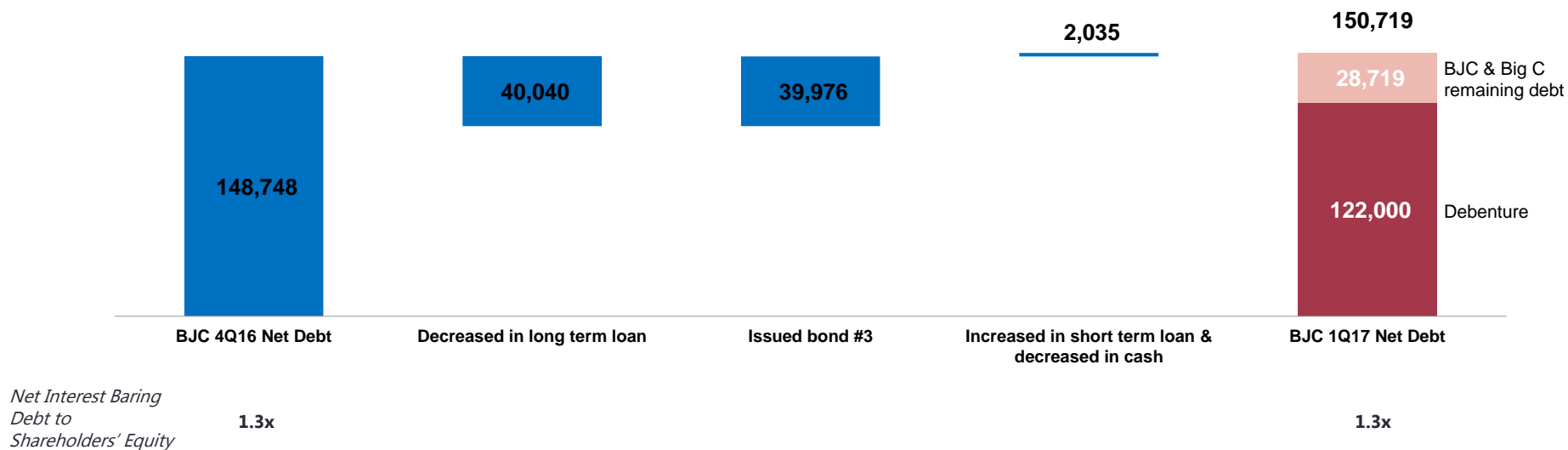
Capital structure



- BJC completed 97.94% Big C acquisition on 11th May 2016
- BJC 1Q17 Net Interest Bearing Debt to Equity of 1.3X

Financing Structure – Net Debt and Deleveraging Components

THB MM



- Highlights
- Overall performance
- **Performance by Supply Chain**
- Operations update

Packaging Supply Chain – 1Q 2017



Sales and Gross Profit Margin

▲ GP% 140 bps
▼ Sales 1.2%

19.1% 20.5%

4,764

4,708

1Q16

1Q17

EBIT and EBIT Margin

▲ EBIT% 89 bps
▲ EBIT 6.1%

12.2% 13.1%

582

618

1Q16

1Q17

Net Profit and Net Profit Margin

▼ NP% 39 bps
▼ NP 5.0%

10.0% 9.7%

479

455

1Q16

1Q17

1Q17 Highlights

- 1Q17 sales reached THB 4,708 MN, down -1.2% YoY, mainly driven by lower sales in glass business due to scheduled maintenance shutdown of one of our furnaces from early January to mid-February 2017.
- Our gross profit margin increased by +140 basis points YoY, reaching 20.5% for the quarter. This increase was driven by higher sales and lower COGS in aluminum can business.
- Our EBIT reached THB 618 MN, up +6.1% YoY, and our EBIT margin increased by +89 basis points YoY, reaching 13.1% for the quarter.
- Our net profit reached THB 455 MN, down -5.0% YoY, and our net profit margin decreased by -39 basis points YoY, reaching 9.7% for the quarter. This decrease was driven by lower sales in glass business due to scheduled maintenance shutdown of one of our furnaces from early January to mid-February 2017 and lower net profit from MGP and MVG due to lower local demand.

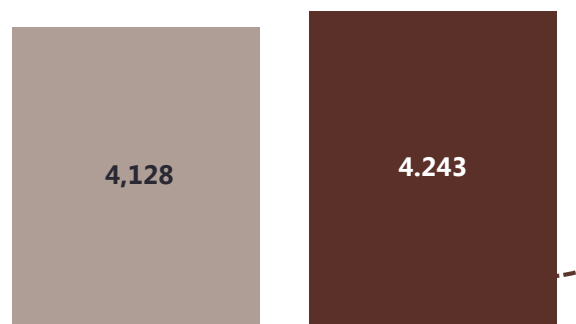
Consumer Supply Chain – 1Q 2017



Sales and Gross Profit Margin

▲ GP% 2 bps
▲ Sales 2.8%

18.0% ————— 18.0%



1Q17 Highlights

EBIT and EBIT Margin

▼ EBIT% 81 bps
▼ EBIT 12.7%

5.4% ————— 4.6%



Net Profit and Net Profit Margin

▼ NP% 32 bps
▼ NP 6.8%

3.5% ————— 3.1%

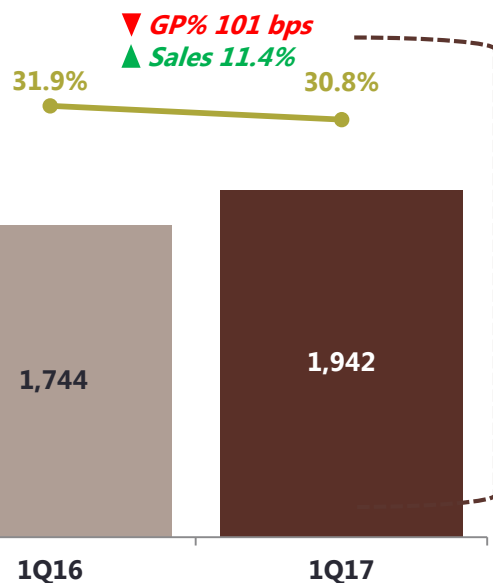


- 1Q17 sales reached THB 4,243 MN, up +2.8% YoY, mainly driven by higher sales in food, logistics and international businesses.
- Our gross profit margin increased by +2 basis points YoY, reaching 18.0% for the quarter.
- Our EBIT reached THB 193 MN, down -12.7% YoY, and our EBIT margin decreased by -81 basis points YoY, reaching 4.6% for the quarter. The decrease was due to higher SG&A expenses in food business as we launched new Tasto and Party Dairy products, and higher advertisement expenses in non-food business driven by intense competition in the FMCG market
- Our net profit reached THB 134 MN, down -6.8% YoY, and our net profit margin decreased by -32 basis points YoY, reaching 3.1% for the quarter, due to abovementioned reasons.

Healthcare & Technical Supply Chain – 1Q 2017

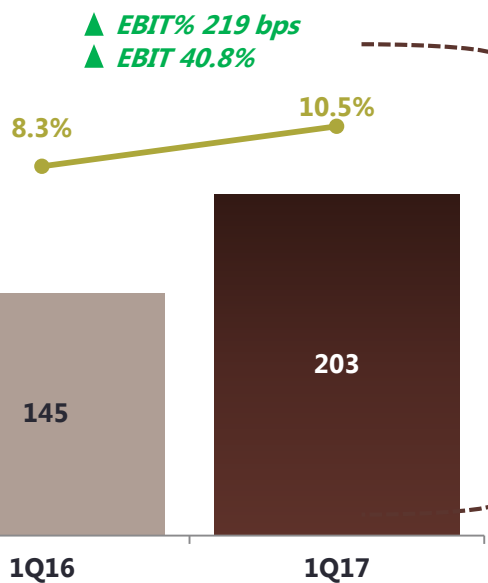


Sales and Gross Profit Margin

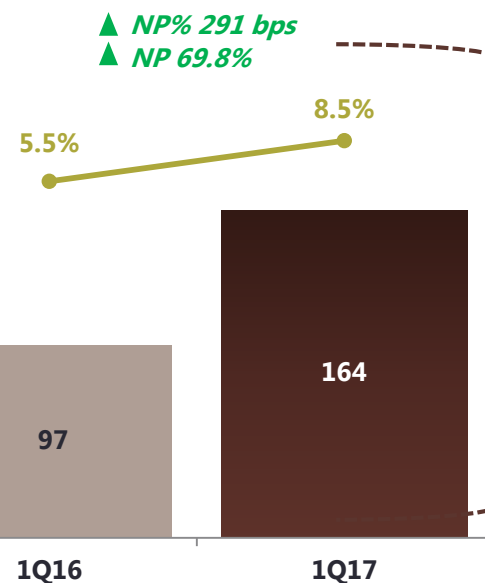


1Q17 Highlights

EBIT and EBIT Margin



Net Profit and Net Profit Margin



- 1Q17 sales reached THB 1,942 MN, up +11.4% YoY, due to higher sales from both Healthcare and Technical Supply Chains.
- Our gross profit margin declined by -101 basis points YoY, reaching 30.8% for the quarter driven by lower gross profit margin in Technical Supply Chain.
- Our EBIT reached THB 203 MN, up +40.8% YoY, and our EBIT margin increased by +219 basis points YoY, reaching 10.5% for the quarter. This increase was due to lower expenses.
- Our net profit reached THB 164 MN, up +69.8% YoY, and our net profit margin increased by +291 basis points YoY, reaching 8.5% for the quarter due to increasing sales and improving EBIT margin.

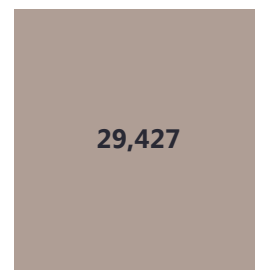
Big C Supercenter – 1Q 2017 (Standalone)



Sales and Gross Profit Margin

▲ GP% 291 bps

▼ Sales 16.5%



1Q16

1Q17

1Q17 Highlights

EBIT and EBIT Margin

▲ EBIT% 118 bps

▼ EBIT 2.1%



1Q16

1Q17

Net Profit and Net Profit Margin

▲ NP% 128 bps

▲ NP 4.3%



1Q16

1Q17

- 1Q17 sales reached THB 24,561MN, down -16.5% YoY, due to negative same-store-sales of -20.0% for the first quarter.
 - SSSG decline was driven by our strategic focus on the quality of sales rather than absolute sales volume, which as also helped our gross profit margin to increase by 291 basis points YoY, reaching 16.1% for the quarter.
- Our EBIT reached THB 1,971 MN, slight decline of -2.1% YoY, and our EBIT margin increased by +118 basis points YoY, reaching 8.0% for the quarter. The slight EBIT decline was driven by increasing personnel expenses.
- Our net profit reached THB 1,572 MN, up +4.3% YoY, and our net profit margin increased by +128 basis points YoY, reaching 6.4% for the quarter, due to margin improvements, lower finance cost, and lower effective tax rate.

- **Board of Directors** meeting of Big C on 12th of May 2017 **passed a resolution to call for EGM to consider delisting of Big C from the Stock Exchange of Thailand to:**
 - **Resolve the issue with incompliance of free float requirement** under the rules on qualifications on maintaining the status as a listed company on the SET.
 - And **to avoid the additional fees** as result of this incompliance.
- **The tender offer price** for remaining 2.0608 percent of the total issued shares (17,001,827 shares) is **225 baht per share.**
 - **Potential total transaction amount of c.3.8 billion baht.**
- The **Extraordinary General Meeting** of Shareholders to vote for delisting will be held on **16 June 2017.**

- Highlights
- Overall performance
- Performance by Supply Chain
- **Operations update**

PSC – Update



Glass Packaging

- Construction work of **SB4 furnace progressing on schedule**
 - Construction work targeted to finish in mid-May.
 - Furnace is targeted to be heated up in August
 - Targeted to be **commercialized in October 2017**
- Construction work of **SB5 furnace progression on schedule**
 - Targeted to be **commercialized in Q2 2018**



CSC - Update



Food

- Tasto Potato Chips:
 - Re-launched Tasto brand communications under **new brand proposition**, “Little challenge make life fun”, and introduced **new brand ambassador** Khun “JJ” Kritsanapoom Pibulsonggram.
 - Generated market excitement by launching **new Tasto Waffle cut**.
- Party Dairy:
 - Introduced **new brand presenter** Khun “Yaya” Urassaya Sperbund and **strengthened brand proposition** of “Fuel the joy in life anytime” through all marketing campaigns and activities
 - **Re-launched Party Dairy Cup Yoghurt** with new product formulation
- Other product launches:
 - Dozo Babybite Organic Carrot Flavored
 - Plern “Pla sam rod” flavored extruded snack
 - Cocoa Dutch Choice 450g



CSC - Update



Non - Food

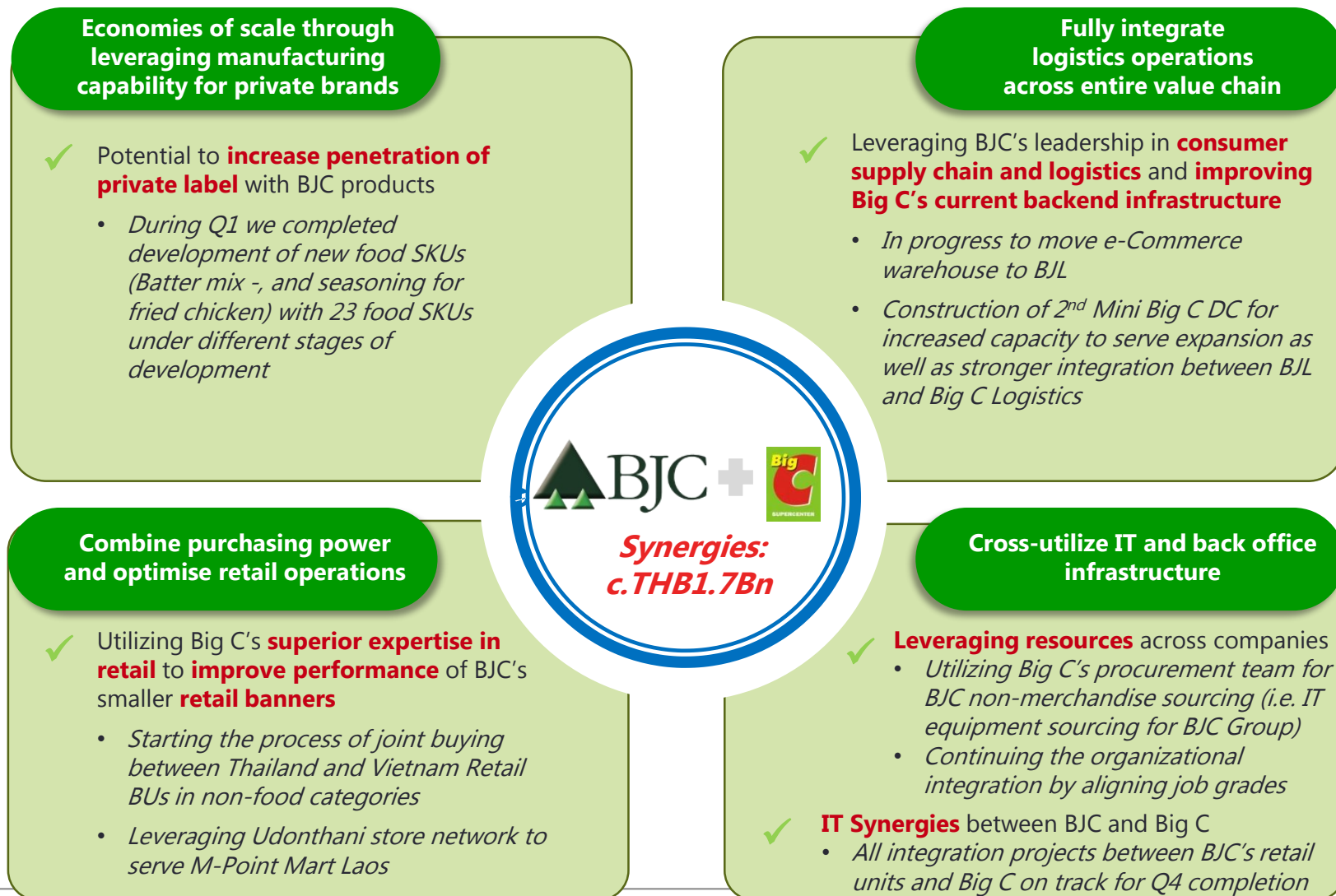
- Parrot Botanicals, Bar and Liquid soap
 - **Launched new Parrot Botanicals “Cool” soap.**
 - More refreshing with Natural Fresh Fragrance. For a clean, cool feeling and long lasting cooling fragranced skin
- Parrot Gold Liquid soap
 - **Launched new Parrot Gold Liquid soap**
 - Brightening and Youthful Skin’ a formula with Pure Gold 100% and Gold Collagen including with Natural BHA and Aloe Butter to provide brighten and youth skin
- Zilk Extra Soft Jumbo
 - **Launched new Zilk Extra Soft Jumbo paper.**
 - Made our of 100% virgin pulp, Longer than regular 3 ply roll tissue with extra roll length and Thicker, stronger touch and 50% more absorbency than regular roll tissues.



Synergies – Update Q1 2017



- We are on track to reach our target of capturing 1/3rd of 1.7 billion baht EBITDA level synergies during 2017 and full amount in 2019.



Note

1. Projected annual recurring EBITDA level synergies upon full implementation

BJC / BIGC Operations



Non-Food

- We are in process of **revamping our Non-Food categories** to make our assortment more relevant to our customers:
 - Using market insights to better **understand our customers and their needs.**
 - **Closely cooperating with our suppliers** and listening them.
- During Q1 we have **completely revamped our house decoration and house ware assortments.**
 - **Focusing on key categories** that matter most to our customers.
 - In process of revamping our Hardline assortment.



Fresh Food

- Fresh Food performance continues improving.
- This improvement is driven by our continued investment and development of our fresh food offer.
 - **Every-day-low-price of key fresh food items.**
 - **Developing attractive Delica, Ready to eat and Bakery offer.**
 - We are also **improving our customer communication** to educate them about our comprehensive range and price.
 - **Engaging customers through digital channels, live cooking shows, food fairs, etc.**



BJC / BIGC Operations (cont.)



Mini Big C

- To better serve our customers preferences we have **divided Mini Big C stores into six clusters**:
 - **Residential**
 - **Wet Market**
 - **Gas station**
 - **Tourist**
 - **School / University / Office**
 - **Hospital**
- Our **Ready-to-Eat development continues** and during Q1 2017:
 - We **launched over 20 Ready-to-Eat SKUs**.
 - Targeting to launch further 30 Ready-to-Eat SKUs during Q2 2017.
- **As a part of synergies with BJC**, we have developed and started rolling out new products to our Mini Big C's Food and Beverage counter:
 - **Fresh coffee**
 - **Fountain Drink**
 - **Soft serve ice cream**
 - **Slush Ice**



MSC - Expanding store footprint and improving existing assets



Targets for 2017

Expansion

- **9 Hypermarkets**
- **2 Big C Markets**
- **200 Mini Big C** in combination of owned stores and franchise stores

Renovations

- **8 Extension** renovations and **4 Right-sizing** renovations
- **Store improvement** renovations in **42 stores**

Retail and Rental Area Q1 2017¹

Retail



Shopping center



of stores:

190

Total space:

c. 1,065,000 sqm

of stores:

184

Total space:

c.837,000 sqm

Q1 2017 Progress

- Opened **11 Mini Big C** including 5 franchise stores
 - At the end of **Q1 2017** we had **131 Hypermarkets**, **59 Big C Market**, **475 Mini Big C** stores (including 42 franchise stores) and **142 Pure drugstores**.
- **Our expansion plan for 2017 is backend loaded** with first hypermarket and Big C Market openings scheduled for Q2 2017
- Big C Supercenter Pattani suffered from car bomb attack on 9th of May, which caused some damages to our property, however building structure was not damaged and we partially reopened store on 18th of May.
 - Big C has insurance policy for property damage and for loss due to business interruption.

MSC – Update

Thailand Post
MOU

- **Signed MOU with Thailand Post**, in order to explore joint activities in the following areas:
 - **Delivery of Online orders** across borders
 - **Post Office openings** at Big C stores
 - **Automatic Parcel Lockers** at Big C stores
 - Potential opening of **Mini Big C stores at post offices**
 - Any other joint opportunities

Other
Developments

- **Restructured organization to introduce “Hub” concept**, which allows us to be closer to the customer and cater better for regional needs.
 - We now have **10 hubs across the country**.
 - Each Hub Director is supporting all stores (across formats) within hub zone.
- Launched **“Happy Work Happy Life”** campaign for employees to drive higher engagement, better motivation and employee retention.
- After successful Supplier Conference, **conducted “Joint Business Planning” workshops with all major suppliers** for better alignment, closer collaboration and partnership and better category planning – to offer stronger assortment to our customers.
- **Invested significantly in training and developing** our Merchandise team.

Community focus



Recent CSR Activities

■ **Big C Saves Hearts for Children**

- On 4th January 2017 at at Big C Supercenter Rajadamri, Big C Supercenter PCL arranged the 23rd Anniversary Celebration by offering 10.95 million Baht to Cardiac Children Foundation of Thailand, under the royal patronage of HRH Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarindra to help children with a heart disease, under the cooperate project - Big C Saves Hearts for Children.



■ **The Wisdom Society – Children’s Magazine “Tonfun”**

- On 5th February 2017, BJC Big C Foundation arranged the opening event of “His Majesty the King Intellectual Development Exhibition” of Phrabat Somdet Phra Poramintharamaha Bhumibol Adulyadej (Rama IX) at Royal Park Rajapruek, Chiang Mai.



Solid performance achieved across most supply chains with strong growth in Healthcare & Technical Supply Chain.

Big C's continued focus on quality of sales led to significantly improved margins, which were enough to offset declining topline.

Issued successfully third round of debentures in March 2017, completing Big C acquisition related debt refinancing.

Continued good momentum in synergy teams in Big C and BJC, with confidence in achieving synergy targets.

Thank You

For more information

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