

**SELL** (Unchanged)

Change in Numbers

**TP: Bt 45.00**

(From: Bt 40.00)

**30 OCTOBER 2013****Downside : -12.6%**

# Berli Jucker Pcl (BJC TB)

## Retail off to slow start

**BJC's retail business expansions in Thailand and Vietnam are still in their early years and making some losses. So, its earnings in next two years should still be driven by its original manufacturing and trading businesses, whose growth is weaker than we'd expected. We cut earnings by 18-21% in 2013-15F and reaffirm SELL.**

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Thanachart Securities

### New retail businesses

In order not to get squeezed in the business chain, BJC, originally a packaging and consumer product manufacturer and trading company, has tried to move into the modern trade (or distribution chain) business. BJC bought a 100% stake in Asia Books in July 2011. In mid-2013 it set up the "Ogenki" drug store business in Thailand and acquired a 65% stake in PhuThai, which runs Family Mart convenience stores in Vietnam. PhuThai has re-branded its stores to "B's mart". Over the next few years BJC plans to open 20 Ogenki and 100 "B's mart" stores p.a. BJC also plans to acquire a convenience store business in Laos and it expects the acquisition to be completed by year end or early next year.

### Still loss making in early years

We actually like BJC's plan to get into downstream retail businesses as manufacturing is being squeezed by the rising bargaining power of modern trade operators. But we see the new business ventures likely contributing only 3-6% of total revenues and posting losses in the early years. We forecast BJC's retail business to contribute EBIT losses of Bt72m, Bt71m and Bt30m in 2013-15 before turning a profit in 2016F. We value BJC's retail business at Bt3.0 which is already included in our new TP.

### Existing businesses have slowed down

As a result of the consumption slowdown, BJC's manufacturing businesses (packaging, consumer and healthcare) have decelerated this year, especially in 3Q13. Meanwhile, earnings of its trading firms Thai Corp international in the South of Vietnam and Thai An in the North have been quite flat this year. We thus project BJC's earnings to rise by only 6% in 2013. But we estimate BJC's earnings to grow by 12% in 2014 and 15% in 2015 as we expect improved performances of its existing businesses.

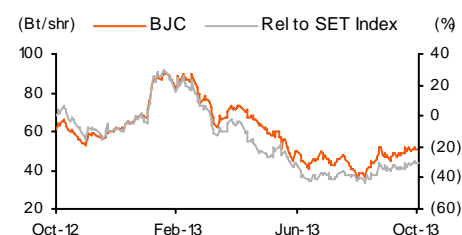
### Maintain SELL

We now factor in the new retail businesses in our model. As we see these businesses making losses in the early years and also given that BJC's manufacturing and trading businesses have performed weaker than we'd expected, we cut our earnings forecasts by 20%, 21% and 18% in 2013-15. However, we revise up our 12-month DCF-based TP to Bt45.0/share from Bt40.0 because: 1) we now factor in the new retail businesses which we see eventually contributing returns over the longer term, and 2) we roll over our the base year of our DCF model to 2014. We reaffirm our SELL recommendation on BJC as we view the shares as expensive, trading at 29.8x PE in 2014F.

### COMPANY VALUATION

Y/E Dec (Bt m)	2012A	2013F	2014F	2015F
Sales	37,429	43,269	46,927	51,656
Net profit	2,415	2,577	2,771	3,191
Consensus NP	—	2,817	3,360	3,673
Diff frm cons (%)	—	(8.5)	(17.5)	(13.1)
Norm profit	2,328	2,477	2,771	3,191
Prev. Norm profit	—	3,090	3,495	3,912
Chg frm prev (%)	—	(19.8)	(20.7)	(18.4)
Norm EPS (Bt)	1.5	1.6	1.7	2.0
Norm EPS grw (%)	10.3	6.1	11.2	14.1
Norm PE (x)	35.1	33.1	29.8	26.1
EV/EBITDA (x)	20.4	18.0	16.1	14.1
P/BV (x)	6.0	5.5	5.1	4.8
Div yield (%)	1.6	1.8	2.0	2.4
ROE (%)	17.7	17.3	17.9	19.0
Net D/E (%)	68.5	78.2	76.0	72.5

### PRICE PERFORMANCE



### COMPANY INFORMATION

Price as of 29-Oct-13 (Bt)	51.50
Market cap (US\$ m)	2,637.7
Listed shares (m shares)	1,590.4
Free float (%)	30.0
Avg daily turnover (US\$ m)	5.6
12M price H/L (Bt)	92.8/34.0
Sector	Retail
Major shareholder	TCC Holding Ltd. 70.0%

Sources: Bloomberg, Company data, Thanachart estimates

## New retail businesses

**Set up a drug store chain in Thailand and bought a CVS business in Vietnam**

In order not to get squeezed in the business chain, Berli Jucker Pcl (BJC), originally a packaging and consumer product manufacturer and trading company, has tried to move into the modern trade (or distribution chain) business. BJC invested in a 100% stake in Asia Books in July 2011. In mid-2013 it set up the “Ogenki” drug store business in Thailand and also acquired a 65% holding in PhuThai, which runs the Family Mart convenience store (CVS) chain in Vietnam. PhuThai has rebranded its stores as “B’s mart”. In the CVS business in Vietnam, there are four key operators. Shop & Go is the No.1 in Vietnam in terms of store numbers with a market share of 42%, followed by Circle K, “B’s mart” and Ministop with market shares of 27%, 22% and 9%, respectively.

**BJC also plans to acquire a CVS chain in Laos**

For BJC’s drug store business in Thailand, at present there are three Ogenki stores (located at Asoke Tower, Future Park Rangsit and Central Rama 3). BJC targets to have a total of eight of these stores by the end of this year. For “B’s mart”, currently, there are 50 stores in Vietnam and BJC plans to have a total of 60 stores there by the end of this year. Over the next few years BJC plans to open 20 Ogenki stores in Thailand and 100 “B’s mart” stores p.a. in Vietnam. BJC also aims to acquire a CVS business in Laos and it expects the acquisition process to be completed by the end of this year or early next year.

**Ex 1: B’s mart Store In Vietnam**



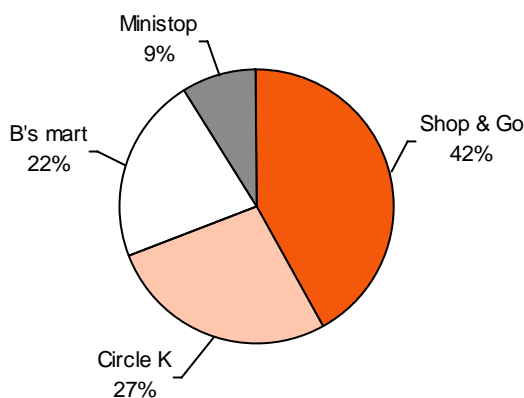
Source: Company data

**Ex 2: Ogenki Drug Store In Thailand**



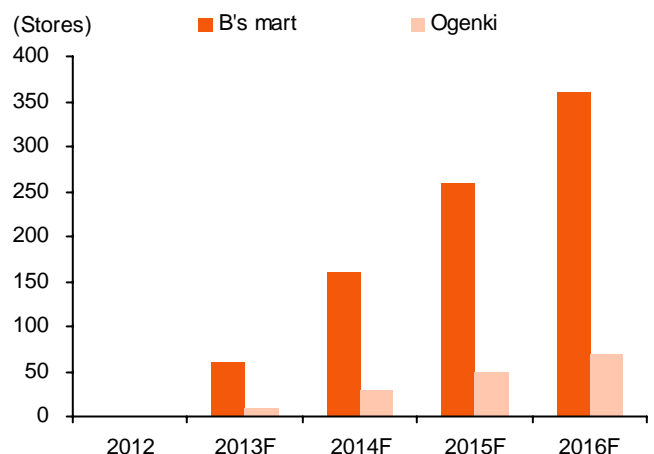
Source: Company data

**Ex 3: B’s mart Market Share In Vietnam At End 2Q13**



Source: Company data

**Ex 4: Numbers Of Ogenki And B’s mart Stores**



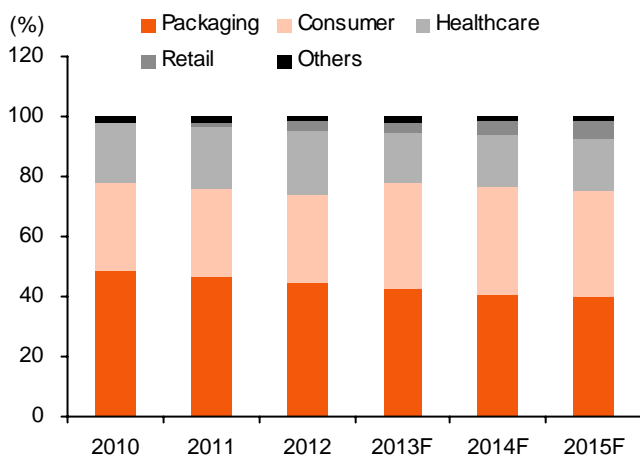
Sources: Company data, Thanachart estimates

## Still loss making in the early years

**Retail business to contribute EBIT losses of Bt30m-72m in 2013-15F**

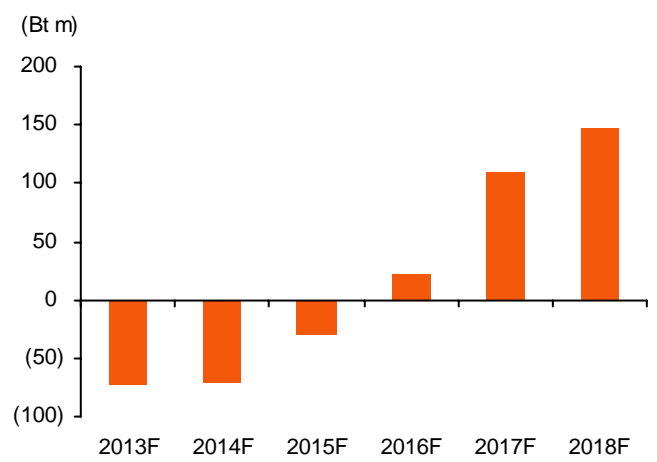
We actually like BJC's plan to move into the downstream retail businesses as manufacturing is being squeezed by the rising bargaining power of modern trade operators. However, given that BJC's new business ventures are only in their early stages of expansion while we expect it to take time for people's lifestyles in Vietnam to change so they visit these stores more often, we therefore estimate revenue contribution from its new retail businesses to amount to only 3-6% of the total and for them to post losses in the early years. We forecast BJC's retail businesses to contribute EBIT losses of Bt72m, Bt71m and Bt30m in 2013-15 before turning a profit in 2016F. Meanwhile, we value BJC's retail businesses at Bt3.0/share which we already include in our new TP.

**Ex 5: Low Revenue Contribution From Retail Businesses**



Sources: Company data; Thanachart estimates

**Ex 6: Retail Businesses Makes Losses In Early Years**



Source: Thanachart estimates

**All businesses in Thailand have been hit by the consumption slowdown**

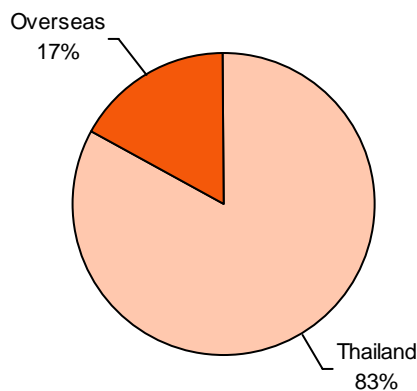
## Existing businesses have slowed down

Given that 83% of BJC's revenue in 1H13 came from its operations in Thailand, BJC's manufacturing businesses of packaging, consumer and healthcare were unable to avoid the negative impact from the domestic consumption slowdown this year, especially in 3Q13. Meanwhile, earnings of its trading firms Thai Corp international in the South of Vietnam and Thai An in the North of the country have been quite flat this year. We therefore project BJC's earnings in 2H13 to post only mid-single-digit growth both y-y and h-h.

**We forecast BJC's earnings to grow only 6% in 2013**

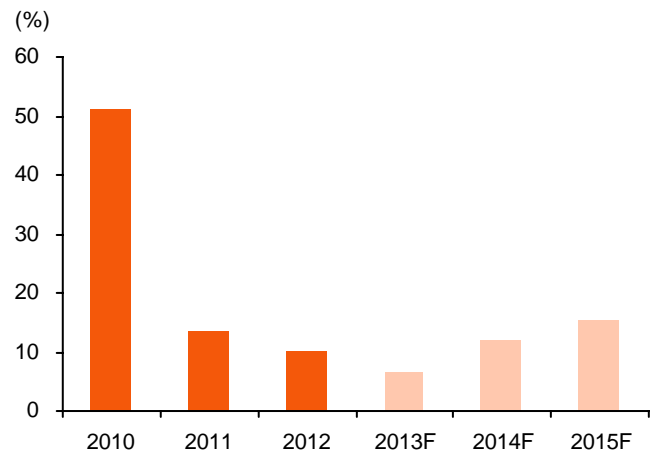
Given our expectation for weak earnings in 2H13, we therefore forecast BJC's earnings to rise by only 6% in 2013. Looking forward to 2014-15, we project earnings to grow by 12% in 2014 and 15% in 2015, mainly driven by improved performances of its existing businesses.

Ex 7: Revenue Breakdown By Region In 1H13



Source: Company data

Ex 8: BJC's Earnings Growth



Sources: Company data, Thanachart estimates

## Reaffirm SELL

**We cut our earnings forecasts by around 20% on average in 2013-15F ...**

**... but lift our TP Bt45.0**

We now factor in the new retail businesses in our model. As we see them making losses in their early years and also with BJC's manufacturing and trading businesses in Thailand performing weaker than we had expected, we cut our earnings estimates by a hefty 20%, 21% and 18% in 2013-15.

However, we revise up our 12-month DCF-based TP to Bt45.0/share from Bt40.0 because: 1) we now factor in the new retail businesses which we see eventually contributing returns over the longer term, and 2) we roll over the base year of our DCF model to 2014.

Ex 9: Changes In Key Assumptions And Earnings Revisions

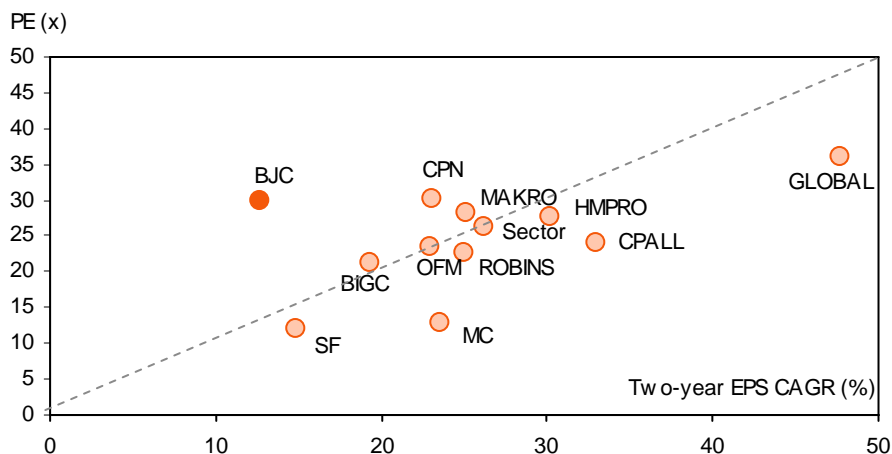
	2013F	2014F	2015F
<b>Revenue contribution from manufacturing and trading businesses (Bt m)</b>			
- New	41,191	44,258	47,860
- Old	41,769	46,092	50,707
- Change (%)	(1)	(4)	(6)
<b>Revenue contribution from retail business (Bt m)</b>			
- New	1,465	2,045	3,162
- Old	1,588	1,779	1,957
- Change (%)	(8)	15	62
<b>Normalized profit (Bt m)</b>			
- New	2,477	2,771	3,191
- Old	3,090	3,495	3,912
- Change (%)	(20)	(21)	(18)

Source: Thanachart estimates

## Reaffirm SELL

We reaffirm our SELL rating on BJC as we view its shares as expensive. Its current trading PE is at 29.8x in 2014F compared with the retail sector's average PE of 26.2x. Meanwhile, BJC is also less exciting in terms of EPS growth outlook on our estimates as BJC's two-year EPS CAGR in 2014-15F is at 13% versus the sector average of 26%.

## Ex 10: PE vs Two-Year EPS CAGR In 2014-15F



Source: Thanachart estimates

## Ex 11: 12-month DCF-based TP Calculation

(Bt m)	2013F	2014F	2015F	2016F	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F	Terminal Value
EBITDA	5,333	6,060	6,998	7,903	8,656	9,193	9,690	10,086	10,488	10,893	11,301	11,713	—
Free cash flow	(479)	1,603	2,246	2,874	3,635	5,453	5,944	6,444	6,826	7,270	7,715	8,163	132,875
PV of free cash flow	—	1,599	1,917	2,265	2,645	3,666	3,691	3,695	3,615	3,557	3,486	3,406	55,442
Risk-free rate (%)	4.5												
Market risk premium (%)	8.0												
Beta	0.7												
WACC (%)	8.3												
Terminal growth (%)	2.0												
Enterprise value	88,983												
Net debt (2013F)	13,947												
Minority interest	2,936												
Equity value	72,100												
# of shares	1,604												
<b>Equity value/share (Bt)</b>	<b>45.0</b>												

Sources: Company data, Thanachart estimates

## Valuation Comparison

## Ex 12: Valuation Comparison With Regional Peers

Name	BBG code	Country	EPS growth		— PE —		— P/BV —		EV/EBITDA		Div yield	
			13F (%)	14F (%)	13F (x)	14F (x)	13F (x)	14F (x)	13F (x)	14F (x)	13F (%)	14F (%)
Marks & Spencer Group	MKS LN	U.K.	11.0	1.9	13.4	13.2	2.8	2.6	7.5	7.4	3.9	4.1
J Sainsbury	SBRY LN	U.K.	(8.6)	7.4	12.2	11.3	1.2	1.2	7.4	7.0	4.6	4.8
Tesco	TSCO LN	U.K.	1,841.6	6.0	11.3	10.6	1.4	1.5	7.9	7.6	4.4	4.4
Fujian New Hua Du	002264 CH	China	(24.3)	20.3	26.8	22.3	2.3	2.1	7.5	7.0	1.0	1.2
Beijing Hualian	600361 CH	China	6.3	29.4	53.1	41.0	1.0	1.0	0.6	0.6	1.8	2.2
Wumart Stores	8277 HK	China	na	na	na	na	na	na	na	na	na	na
Lianhua Supermarket	980 HK	China	(0.3)	11.7	17.0	15.2	1.6	1.5	na	na	2.4	2.6
Carrefour SA	CA FP	France	(24.6)	18.0	19.9	16.9	2.3	2.1	7.2	6.7	2.2	2.6
Casino Guichard	CO FP	France	(45.8)	11.5	16.1	14.5	1.2	1.1	7.7	7.3	3.7	4.0
Aeon	8267 JP	Japan	(10.0)	7.0	15.5	14.5	1.0	1.0	6.7	6.2	1.8	1.9
UNY	8270 JP	Japan	7.3	(64.2)	4.1	11.4	0.5	0.5	5.8	6.0	3.8	3.9
Lotte Shopping	023530 KS	S. Korea	(9.9)	17.1	12.6	10.7	0.8	0.7	6.7	6.0	0.4	0.4
Shinsegae	004170 KS	S. Korea	15.6	15.1	16.2	14.1	1.1	1.1	11.4	10.2	0.4	0.4
Wal-Mart Stores	WMT US	USA	3.2	(5.5)	14.8	15.7	3.1	2.9	8.1	7.8	2.4	2.7
Big C Supercenter*	BIGC TB	Thailand	5.8	19.7	25.4	21.2	4.5	3.9	13.8	11.6	1.2	1.4
Berli Jucker *	BJC TB	Thailand	6.1	11.2	33.1	29.8	5.5	5.1	18.0	16.1	1.8	2.0
CP All*	CPALL TB	Thailand	0.1	32.4	31.8	24.0	12.1	10.0	24.4	15.5	2.3	2.4
Central Pattana *	CPN TB	Thailand	33.0	22.0	36.9	30.2	7.4	5.0	24.9	19.9	0.8	1.3
Siam Global House *	GLOBAL TB	Thailand	42.8	40.6	50.5	35.9	4.8	4.4	29.5	20.7	0.6	0.8
Home Product*	HMPRO TB	Thailand	21.4	26.7	35.1	27.7	8.6	7.7	20.4	16.6	2.0	2.5
Siam Makro *	MAKRO TB	Thailand	24.8	26.7	35.7	28.2	13.7	12.5	23.9	19.1	2.5	3.2
Mc Gropu *	MC TB	Thailand	(11.1)	26.4	16.3	12.9	2.9	2.7	10.5	8.3	4.3	5.0
Officemate *	OFM TB	Thailand	(58.0)	27.9	29.9	23.4	2.5	2.3	81.6	38.5	1.7	2.1
Robinson Dept Store *	ROBINS TB	Thailand	8.0	27.6	29.0	22.7	5.1	4.5	15.6	12.2	1.6	2.0
Siam Future Development *	SF TB	Thailand	(65.9)	15.7	13.8	11.9	1.4	1.3	17.7	16.0	2.1	2.5
<b>Average</b>			<b>73.7</b>	<b>14.7</b>	<b>23.8</b>	<b>20.0</b>	<b>3.7</b>	<b>3.3</b>	<b>15.9</b>	<b>11.9</b>	<b>2.2</b>	<b>2.5</b>

Sources: Company data, Thanachart estimates

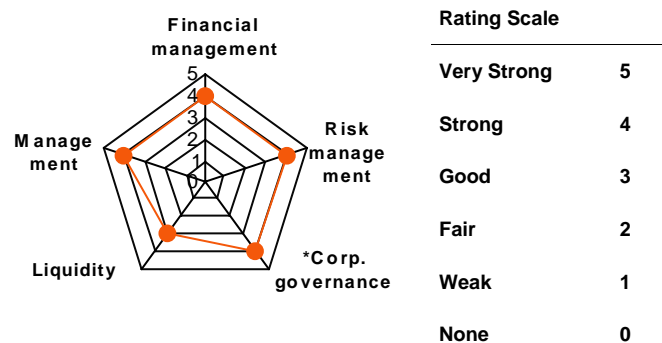
Based on 29 Oct 2013 closing prices

## COMPANY DESCRIPTION

Berli Jucker Pcl (BJC) was set up more than 125 years ago. Its businesses relate to the trading, manufacturing and servicing fields which can be classified into five main groups: packaging, consumer, healthcare, retail and other. Sales contributions from each group in 2012 were at 45%, 29%, 21%, 3% and 2%, respectively.

Source: Thanachart

## COMPANY RATING



Source: Thanachart; \*CG Awards

## THANACHART'S SWOT ANALYSIS

### S — Strength

- BJC is the largest glass bottle manufacturer in Southeast Asia. For its can business, BJC is No.1 in Thailand.
- The larger size of the packaging business after expanding overseas by acquisitions and new investments should boost BJC's bargaining power with suppliers.
- BJC has strong ties with Thai Beverage Pcl (Beer Chang).

### O — Opportunity

- High growth of Indochina economies and of alcohol consumption, particularly of brewery products, should provide opportunities for BJC to penetrate this market.
- Slow development of the modern trade business in Indochina should allow BJC to expand in the region and fully integrate its supply chain in the consumer business.

### W — Weakness

- BJC has lacked modern trade outlets to gain access to end-consumers. This has caused it to lose bargaining power to modern trade operators.

### T — Threat

- Aggressive expansion of new modern trade stores and outlets.

## CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	47.75	45.00	-6%
Net profit 13F (Bt m)	2,817	2,577	-9%
Net profit 14F (Bt m)	3,360	2,771	-18%
Consensus REC	BUY: 4	HOLD: 5	SELL: 5

## HOW ARE WE DIFFERENT FROM THE STREET?

- Our TP is below the Street's as we have a lower earnings forecast.
- Our earnings are below other brokers' as we are less bullish about the earnings contributions from its existing and new retail businesses.

Sources: Bloomberg consensus, Thanachart estimates

## RISKS TO OUR INVESTMENT CASE

- If demand and supply in Thailand and Vietnam are stronger than our expectation.
- If raw material prices move lower than our assumptions, BJC's gross margin would fatten.
- If BJC's trading and retail businesses in Indochina grow faster than our expectations, we see this providing upside risk to our earnings forecasts.

Source: Thanachart



## INCOME STATEMENT

*Earnings pressured by slowing consumption and retail business losses*

FY ending Dec (Bt m)	2011A	2012A	2013F	2014F	2015F
Sales	31,235	37,429	43,269	46,927	51,656
Cost of sales	23,519	28,402	32,653	35,260	38,706
<b>Gross profit</b>	<b>7,715</b>	<b>9,027</b>	<b>10,616</b>	<b>11,666</b>	<b>12,950</b>
% gross margin	24.7%	24.1%	24.5%	24.9%	25.1%
Selling & administration expenses	4,820	6,116	7,106	7,683	8,314
<b>Operating profit</b>	<b>2,896</b>	<b>2,911</b>	<b>3,510</b>	<b>3,983</b>	<b>4,635</b>
% operating margin	9.3%	7.8%	8.1%	8.5%	9.0%
Depreciation & amortization	1,660	1,643	1,823	2,077	2,362
<b>EBITDA</b>	<b>4,556</b>	<b>4,554</b>	<b>5,333</b>	<b>6,060</b>	<b>6,998</b>
% EBITDA margin	14.6%	12.2%	12.3%	12.9%	13.5%
Non-operating income	444	539	454	471	506
Non-operating expenses	0	0	0	0	0
Interest expense	(366)	(503)	(565)	(638)	(735)
<b>Pre-tax profit</b>	<b>2,974</b>	<b>2,947</b>	<b>3,399</b>	<b>3,816</b>	<b>4,406</b>
Income tax	672	605	612	706	837
<b>After-tax profit</b>	<b>2,302</b>	<b>2,342</b>	<b>2,787</b>	<b>3,110</b>	<b>3,569</b>
% net margin	7.4%	6.3%	6.4%	6.6%	6.9%
Shares in affiliates' Earnings	46	66	69	73	76
Minority interests	(238)	(80)	(380)	(412)	(454)
Extraordinary items	30	87	100	0	0
<b>NET PROFIT</b>	<b>2,140</b>	<b>2,415</b>	<b>2,577</b>	<b>2,771</b>	<b>3,191</b>
<b>Normalized profit</b>	<b>2,110</b>	<b>2,328</b>	<b>2,477</b>	<b>2,771</b>	<b>3,191</b>
EPS (Bt)	1.3	1.5	1.6	1.7	2.0
Normalized EPS (Bt)	1.3	1.5	1.6	1.7	2.0

## BALANCE SHEET

*Assets continue to grow from its new investments and acquisitions*

FY ending Dec (Bt m)	2011A	2012A	2013F	2014F	2015F
<b>ASSETS:</b>					
Current assets:	14,310	16,972	18,193	19,539	21,306
Cash & cash equivalent	1,828	2,015	700	700	700
Account receivables	6,322	6,871	8,298	9,000	9,907
Inventories	5,124	6,864	7,783	8,308	9,014
Others	1,036	1,221	1,412	1,531	1,685
Investments & loans	417	433	1,711	1,711	1,711
Net fixed assets	14,143	16,583	17,760	19,278	20,510
Other assets	4,130	4,272	4,939	5,356	5,896
<b>Total assets</b>	<b>32,999</b>	<b>38,260</b>	<b>42,603</b>	<b>45,884</b>	<b>49,423</b>
<b>LIABILITIES:</b>					
Current liabilities:	9,151	12,227	12,587	13,488	14,570
Account payables	5,615	7,052	8,051	8,694	9,544
Bank overdraft & ST loans	2,631	4,065	2,929	3,100	3,227
Current LT debt	567	762	1,172	1,240	1,291
Others current liabilities	338	347	435	453	509
<b>Total LT debt</b>	<b>7,912</b>	<b>8,344</b>	<b>10,546</b>	<b>11,161</b>	<b>11,616</b>
Others LT liabilities	788	770	890	965	1,062
<b>Total liabilities</b>	<b>18,469</b>	<b>21,976</b>	<b>24,758</b>	<b>26,411</b>	<b>28,126</b>
Minority interest	1,987	2,556	2,936	3,348	3,802
Preferred shares	0	0	0	0	0
Paid-up capital	1,588	1,588	1,593	1,604	1,620
Share premium	3,751	3,751	3,751	3,751	3,751
Warrants	0	54	54	54	54
Surplus	(469)	(530)	(530)	(530)	(530)
<b>Retained earnings</b>	<b>7,673</b>	<b>8,865</b>	<b>10,040</b>	<b>11,245</b>	<b>12,600</b>
Shareholders' equity	12,543	13,728	14,908	16,124	17,495
<b>Liabilities &amp; equity</b>	<b>32,999</b>	<b>38,260</b>	<b>42,603</b>	<b>45,884</b>	<b>49,423</b>

Sources: Company data, Thanachart estimates



**CASH FLOW STATEMENT**

*Free cash flow starts to turn positive in 2013F*

<b>FY ending Dec (Bt m)</b>	<b>2011A</b>	<b>2012A</b>	<b>2013F</b>	<b>2014F</b>	<b>2015F</b>
Earnings before tax	2,974	2,947	3,399	3,816	4,406
Tax paid	(684)	(624)	(519)	(699)	(784)
Depreciation & amortization	1,660	1,643	1,823	2,077	2,362
Chg In working capital	(154)	(851)	(1,347)	(583)	(763)
Chg In other CA & CL / minorities	(1,077)	397	(189)	(106)	(158)
<b>Cash flow from operations</b>	<b>2,720</b>	<b>3,512</b>	<b>3,167</b>	<b>4,505</b>	<b>5,064</b>
Capex	(3,343)	(4,083)	(3,000)	(3,595)	(3,595)
ST loans & investments	0	0	0	0	0
LT loans & investments	(4)	(16)	(1,278)	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(822)	(143)	(384)	(209)	(280)
<b>Cash flow from investments</b>	<b>(4,169)</b>	<b>(4,242)</b>	<b>(4,662)</b>	<b>(3,804)</b>	<b>(3,875)</b>
Debt financing	3,064	2,148	1,576	854	632
Capital increase	0	0	5	11	16
Dividends paid	(1,146)	(1,345)	(1,401)	(1,566)	(1,837)
Warrants & other surplus	135	115	0	0	0
<b>Cash flow from financing</b>	<b>2,053</b>	<b>918</b>	<b>180</b>	<b>(701)</b>	<b>(1,188)</b>
<b>Free cash flow</b>	<b>(623)</b>	<b>(572)</b>	<b>167</b>	<b>910</b>	<b>1,469</b>

**VALUATION**

*Valuation is not attractive versus retail peers*

<b>FY ending Dec</b>	<b>2011A</b>	<b>2012A</b>	<b>2013F</b>	<b>2014F</b>	<b>2015F</b>
Normalized PE (x)	38.8	35.1	33.1	29.8	26.1
Normalized PE - at target price (x)	33.9	30.7	28.9	26.0	22.8
PE (x)	38.2	33.9	31.8	29.8	26.1
PE - at target price (x)	33.4	29.6	27.8	26.0	22.8
EV/EBITDA (x)	20.0	20.4	18.0	16.1	14.1
EV/EBITDA - at target price (x)	17.7	18.1	16.1	14.3	12.6
P/BV (x)	6.5	6.0	5.5	5.1	4.8
P/BV - at target price (x)	5.7	5.2	4.8	4.5	4.2
P/CFO (x)	30.1	23.3	25.9	18.3	16.4
Price/sales (x)	2.6	2.2	1.9	1.7	1.6
Dividend yield (%)	1.4	1.6	1.8	2.0	2.4
FCF Yield (%)	(0.8)	(0.7)	0.2	1.1	1.8
<b>(Bt)</b>					
Normalized EPS	1.3	1.5	1.6	1.7	2.0
EPS	1.3	1.5	1.6	1.7	2.0
DPS	0.7	0.8	0.9	1.0	1.2
BV/share	7.9	8.6	9.4	10.1	10.8
CFO/share	1.7	2.2	2.0	2.8	3.1
FCF/share	(0.4)	(0.4)	0.1	0.6	0.9

Sources: Company data, Thanachart estimates

## FINANCIAL RATIOS

*Net gearing has been maintained because BJC has kept expanding*

FY ending Dec	2011A	2012A	2013F	2014F	2015F
<b>Growth Rate</b>					
Sales (%)	21.9	19.8	15.6	8.5	10.1
Net profit (%)	12.5	12.8	6.7	7.5	15.2
EPS (%)	12.5	12.8	6.4	6.9	14.1
Normalized profit (%)	13.5	10.3	6.4	11.9	15.2
Normalized EPS (%)	13.5	10.3	6.1	11.2	14.1
Dividend payout ratio (%)	54.2	55.2	57.0	60.0	63.0
<b>Operating performance</b>					
Gross margin (%)	24.7	24.1	24.5	24.9	25.1
Operating margin (%)	9.3	7.8	8.1	8.5	9.0
EBITDA margin (%)	14.6	12.2	12.3	12.9	13.5
Net margin (%)	7.4	6.3	6.4	6.6	6.9
D/E (incl. minor) (x)	0.8	0.8	0.8	0.8	0.8
Net D/E (incl. minor) (x)	0.6	0.7	0.8	0.8	0.7
Interest coverage - EBIT (x)	7.9	5.8	6.2	6.2	6.3
Interest coverage - EBITDA (x)	12.4	9.1	9.4	9.5	9.5
ROA - using norm profit (%)	7.0	6.5	6.1	6.3	6.7
ROE - using norm profit (%)	17.6	17.7	17.3	17.9	19.0
<b>DuPont</b>					
ROE - using after tax profit (%)	19.2	17.8	19.5	20.0	21.2
- asset turnover (x)	1.0	1.1	1.1	1.1	1.1
- operating margin (%)	10.7	9.2	9.2	9.5	10.0
- leverage (x)	2.5	2.7	2.8	2.9	2.8
- interest burden (%)	89.0	85.4	85.7	85.7	85.7
- tax burden (%)	77.4	79.5	82.0	81.5	81.0
WACC (%)	8.3	8.3	8.3	8.3	8.3
ROIC (%)	12.3	10.6	11.6	11.2	12.1
NOPAT (Bt m)	2,242	2,314	2,878	3,246	3,755

Sources: Company data, Thanachart estimates

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