

# BERLI JUCKER PLC

No. 35/2022  
8 April 2022

## CORPORATES

<b>Company Rating:</b>	A
<b>Issue Ratings:</b>	
Senior unsecured	A
<b>Outlook:</b>	Stable

**Last Review Date:** 16/08/21

### Company Rating History:

Date	Rating	Outlook/Alert
16/08/21	A	Stable
09/08/19	A+	Negative
08/08/16	A+	Stable
17/02/16	A+	Alert Developing
25/11/14	A+	Stable
13/08/14	A+	Alert Developing
15/06/07	A+	Stable

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## RATIONALE

TRIS Rating affirms the company rating on Berli Jucker PLC (BJC) and the ratings on BJC's outstanding senior unsecured debentures at "A", with a "stable" rating outlook. At the same time, TRIS Rating assigns the rating of "A" to BJC's proposed issue of up to THB5 billion in senior unsecured debentures. The company intends to use proceeds from the new debenture issuance for debt refinancing and/or investments and/or working capital funding.

The ratings reflect BJC's strong market positions in its core lines of business, diverse range of businesses and sources of income, and broad market coverage. The ratings are constrained by its highly leveraged balance sheet, intense competition in the retailing and consumer products industries, and the lingering impact of the Coronavirus Disease 2019 (COVID-19).

BJC's operating results were in line with our expectation. In 2021, the company's total operating revenue was nearly THB150 billion, a decrease of about 5% year-on-year (y-o-y). BJC's revenues came under pressure from the slowing economic recovery and the government's reintroduction of lockdown measures in 2021 which impacted both the Big C Supercenter PLC (BIGC) retail business, and rental incomes.

In 2021, BIGC which contributed about 66% of BJC's total sales, reported a 10.6% drop in same-store sales. Rental service and other incomes, excluding gains on the sale of investments and assets, came in at THB11.4 billion, down 11% from 2020. Nevertheless, sales of BJC's consumer products as well as healthcare and technical products remained strong, recording a growth in sales of 10% and 14%, respectively.

BJC's adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) dropped slightly by 3% y-o-y to THB19.5 billion. Funds from operations (FFO) were THB13.4 billion.

The ratings on BJC have been constrained by its debt-heavy financial profile. As of December 2021, its debt totaled THB163.3 billion. As its EBITDA weakened during the prolonged COVID-19 period, the net debt to EBITDA ratio rose to 8.4 times in 2021, from 7 times during 2018-2019. The FFO to adjusted net debt ratio was 8.2%. The adjusted net debt to net capitalization ratio was 57.4%.

As of December 2021, BJC's priority debt level was less than the threshold of 50% according to TRIS Rating's "Issue Rating Criteria". We view its unsecured creditors as not being significantly disadvantaged with respect to claims against its assets.

## RATING OUTLOOK

The "stable" outlook embeds our expectation that BJC will maintain competitive positions in its key businesses. TRIS Rating also assumes the company's operating performance to gradually rebound during the next two years and its financial leverage to remain in line with our forecast.

## RATING SENSITIVITIES

The ratings and/or outlook could be revised downward if BJC's operating performance is substantially weaker than expected, or if the company has sizable

debt-funded investment and/or acquisitions. A rating upgrade scenario could develop if there is significant improvement in cash flow protection and substantial reduction in financial leverage.

#### RELATED CRITERIA

- Key Financial Ratio and Adjustments for Corporate Issuers, 11 January 2022
- Issue Rating Criteria, 15 June 2021
- Rating Methodology – Corporate, 26 July 2019

#### Berli Jucker PLC (BJC)

<b>Company Rating:</b>	A
<b>Issue Ratings:</b>	
BJC226A: THB1,740 million senior unsecured debentures due 2022	A
BJC233A: THB5,000 million senior unsecured debentures due 2023	A
BJC233B: THB1,000 million senior unsecured debentures due 2023	A
BJC239A: THB3,000 million senior unsecured debentures due 2023	A
BJC239B: THB4,000 million senior unsecured debentures due 2023	A
BJC23DA: THB2,100 million senior unsecured debentures due 2023	A
BJC243A: THB4,000 million senior unsecured debentures due 2024	A
BJC246A: THB12,256.6 million senior unsecured debentures due 2024	A
BJC249A: THB7,000 million senior unsecured debentures due 2024	A
BJC253A: THB1,000 million senior unsecured debentures due 2025	A
BJC259A: THB3,000 million senior unsecured debentures due 2025	A
BJC269A: THB20,000 million senior unsecured debentures due 2026	A
BJC273B: THB3,000 million senior unsecured debentures due 2027	A
BJC279A: THB1,000 million senior unsecured debentures due 2027	A
BJC283A: THB7,000 million senior unsecured debentures due 2028	A
BJC293A: THB5,000 million senior unsecured debentures due 2029	A
BJC299A: THB7,000 million senior unsecured debentures due 2029	A
BJC303A: THB3,000 million senior unsecured debentures due 2030	A
BJC306A: THB4,003.4 million senior unsecured debentures due 2030	A
Up to THB5,000 million senior unsecured debentures due within 4 years 9 months	A
<b>Rating Outlook:</b>	Stable

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