

4Q24 Result Notes

BJC

OUTPERFORM

4Q24 profit as expected

Current price (B)

22.40

Upside (%)

27.2

Target price (B)

28.50

Dividend yield (%)

3.6

Flash Points

4Q24 net profit was B1.6bn, close to our forecast and market projection, growing 135%qoq while unchanged yoy. 4Q24 normalized profit was B1.5bn, growing 60%qoq but falling 12%yoy.

4Q24 grew qoq thanks to high season. Compared with 4Q23 (yoy), although revenue grew and gross margin increased, tax expense increased.

Impact Insight

2024 net profit was B4bn, falling 17%yoy due to higher tax expense. 2024 normal profit was B4.6bn, dropping 2%yoy because effective tax rate increased from 8.1% in 2023 to 31.3% in 2024 (including tax penalty in 1Q25)

BJC announced 2H24 dividend at B0.56; XD date is April 29.

Execution

We maintain net profit forecast at B5bn (growing 26%yoy) in 2025 and B5.2bn (growing 3%yoy) in 2026.

We keep 2025 fair value at B28.50 (P/E ratio of 22.6x, -1SD from three-year average).

We reiterate Outperform. 4Q24 grew strong qoq. 1Q25 profit is expected to grow strong yoy. BJC dropped 4%ytd, still laggard from the sector (+3%ytd on average).



Source: BJC

Technical Chart



Source: ASPS Research

Price Trend: Sideways

Support: 20.50

Resistance: 24.60

Consensus Analysis

EPS (B)	ASPS	IAA Cons	% diff
2025F	1.25	1.29	-3%
2026F	1.29	1.41	-8%

Source: ASPS Research

Global Peers

Stock	PE		P/BV	
	2025F	2026F	2025F	2026F
COSTCO WHOLESALE	57.94	52.81	16.03	13.15
ROBINSONS RETAIL	8.34	7.39	0.62	0.59
JIAJIAYUE GROU-A	28.21	24.64	2.37	2.25
NEW HUADU TECH-A	13.16	10.57	2.05	1.72
SHANG BAILIAN -B	15.13	13.20	0.44	0.44
SUN ART RETAIL	38.61	18.85	0.70	0.68

Source: Bloomberg

Key Financial Forecast

Ending Dec 31	2022	2023	2024	2025F	2026F
Sales & Service Revenue	150,338	154,672	157,727	165,217	174,980
Net Profit	5,010	4,795	4,001	5,023	5,187
Normalized Profit	4,960	4,703	4,615	5,023	5,187
EPS (B)	1.25	1.20	1.00	1.25	1.29
DPS (B)	0.65	0.80	0.71	0.81	0.84
PER (x)	17.9	18.7	22.4	17.9	17.3
Dividend Yield (%)	2.9%	3.6%	3.2%	3.6%	3.8%
PBV (x)	0.7	0.7	0.7	0.7	0.7

ESG Assessment

SET ESG Ratings

CG Score

Anti-corruption Certification

Source: SET

AA

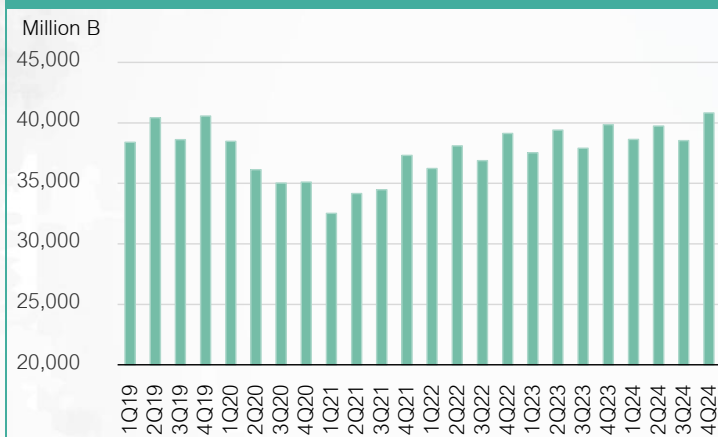
Excellent

Earnings Results by Quarter

Million B	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	QoQ (%)	YoY (%)	2023	2024	YoY (%)
Sales & Service Revenue	37,520	39,402	37,901	39,849	38,633	39,739	38,534	40,821	5.9%	2.4%	154,672	157,727	2.0%
Cost of Sales & Service	(30,250)	(31,949)	(30,625)	(31,804)	(30,924)	(31,679)	(30,923)	(32,237)	4.2%	1.4%	(124,628)	(125,764)	0.9%
Gross Profit	7,269	7,453	7,276	8,045	7,710	8,060	7,610	8,584	12.8%	6.7%	30,043	31,963	6.4%
SG&A	(7,716)	(7,866)	(8,026)	(8,042)	(7,890)	(8,070)	(8,029)	(8,157)	1.6%	1.4%	(31,650)	(32,146)	1.6%
Other Income	3,239	3,375	3,246	3,412	3,245	3,320	3,241	3,347	3.3%	-1.9%	13,273	13,153	-0.9%
Normalized Profit	1,209	1,159	669	1,673	1,004	1,203	928	1,480	59.5%	-11.5%	4,710	4,615	-2.0%
Net Profit	1,254	1,210	693	1,638	428	1,228	701	1,645	134.5%	0.4%	4,795	4,002	-16.5%
Extraordinary Items	45	51	24	(35)	(576)	25	(227)	164	NM	NM	85	(614)	NM
EPS (B)	0.31	0.30	0.17	0.41	0.11	0.31	0.17	0.41	134.5%	0.4%	1.20	1.00	-16.5%
Gross Profit Margin (%)	19.4%	18.9%	19.2%	20.2%	20.0%	20.3%	19.7%	21.0%			19.4%	20.3%	
SG&A/Sales (%)	20.6%	20.0%	21.2%	20.2%	20.4%	20.3%	20.8%	20.0%			20.5%	20.4%	
Net Profit Margin (%)	3.3%	3.1%	1.8%	4.1%	1.1%	3.1%	1.8%	4.0%			3.1%	2.5%	
Normalized Profit Margin (%)	3.2%	2.9%	1.8%	4.2%	2.6%	3.0%	2.4%	3.6%			3.0%	2.9%	

Source: ASPS Research

Sales & Service Revenue



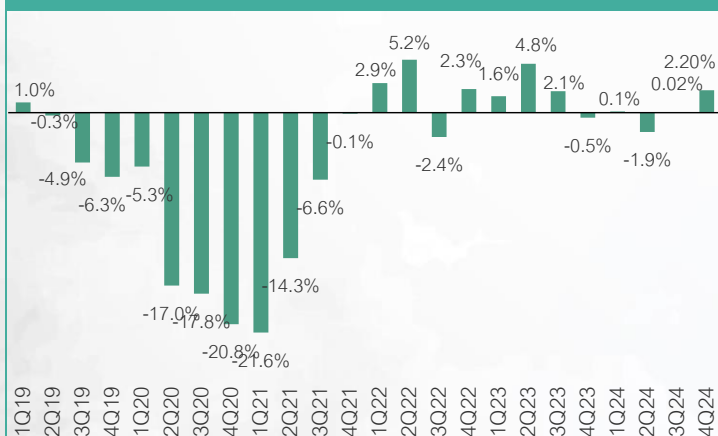
Source: BJC, ASPS Research

Revenue Breakdown



Source: BJC, ASPS Research

Same Store Sales Growth



Source: BJC, ASPS Research

Key Risk

1. Economic deceleration and declining purchasing power due to inflation
2. Competition in core business (retail)
3. Cannibalism among stores in the same area

Source: ASPS Research

2024-2026 Earnings Forecast of BJC

Statement of Income (Million B)					Statement of Cash Flows (Million B)				
Ended Dec31	2023	2024	2025F	2026F	Ended Dec31	2023	2024	2025F	2026F
Sales	154,672	157,727	165,217	174,980	Cash flows from operating activities				
Cost of sales	(124,628)	(125,764)	(130,940)	(138,293)	Net profit	4,795	4,001	5,023	5,187
Gross profit	30,043	31,963	34,278	36,687	Adjustments :	6,248	8,109	3,919	3,859
SG&A	(31,650)	(32,146)	(33,787)	(35,871)	Depreciation and amortisation	8,984	9,389	5,497	5,600
Operating profit	(1,606)	(183)	491	816	Unrealized Fx gain/loss				
Shared profit from associates	(200)	(84)	(200)	(180)	Increase/decrease in operating assets	(1,088)	(376)	16,962	691
Other income/expense	13,224	13,076	13,995	14,678	Net cash flows from operating activities	19,856	22,111	32,467	16,487
Interest expense	(5,338)	(5,669)	(6,578)	(7,292)	Cash flows from investing activities				
Earnings before tax	6,214	7,262	7,708	8,023	Increase/decrease in short-term investments	-	-	38	34
Income tax	(503)	(2,272)	(1,619)	(1,685)	Increase/decrease in fixed assets	(8,771)	(5,632)	(3,000)	(3,000)
Earnings before minority interest	5,712	4,990	6,089	6,338	Others	(641)	(70)	(5,500)	(5,539)
Minority interest	(917)	(989)	(1,066)	(1,151)	Net cash flows from investing activities	(9,412)	(5,702)	(8,462)	(8,505)
Net profit	4,795	4,001	5,023	5,187	Cash flows from financing activities				
Normalized profit	4,703	4,615	5,023	5,187	Increase/decrease in loans	11,860	(10,551)	16,440	15,975
EPS	1.20	1.00	1.25	1.29	Increase/decrease in other liabilities	(18,304)	(2,211)	(37,668)	(20,000)
Normalized EPS	1.17	1.15	1.25	1.29	Increase/decrease in capital & share premium	-	-	-	-
Sales growth (yoy)	2.9%	2.0%	4.7%	5.9%	Increase/decrease in shareholders' equity	-	-	-	-
Operating profit growth (yoy)	-28.9%	-88.6%	-368.2%	66.3%	Dividend paid	(3,206)	(3,206)	(2,966)	(3,265)
Gross margin	19.4%	20.3%	20.7%	21.0%	Net cash flows from financing activities	(9,650)	(15,968)	(24,194)	(7,290)
Net profit margin	-1.0%	-0.1%	0.3%	0.5%	Increase/decrease in net cash	794	442	(189)	692
					Net cash flow	4,857	5,298	5,109	5,801
Statement of Income (Million B)					Statement of Financial Position				
Quarterly	1Q24	2Q24	3Q24	4Q24	Ended Dec31	2023	2024	2025F	2026F
Sales	38,633	39,739	38,534	40,821	Cash and cash equivalents	4,857	5,144	5,109	5,801
Cost of sales	(30,924)	(31,679)	(30,923)	(32,237)	Account receivables	9,588	10,059	6,609	6,999
Gross profit	7,710	8,060	7,610	8,584	Inventories	22,338	21,701	19,000	20,123
SG&A	(7,890)	(8,070)	(8,029)	(8,157)	Other current assets	10,633	10,190	5,404	5,667
Operating profit	3,245	3,320	3,241	3,347	Net PP&E	62,854	64,037	61,848	59,559
Shared profit from associates	(45)	18	2	(59)	Other non-current assets	228,700	225,882	226,975	228,330
Earnings before tax	1,676	1,920	1,178	2,488	Total assets	338,970	337,012	324,945	326,479
Income tax	(1,027)	(416)	(269)	(559)	Account payables	23,118	23,847	29,739	31,496
Earnings before minority interest	649	1,504	909	1,929	Other current liabilities	11,385	11,675	11,730	12,358
Minority interest	(221)	(276)	(208)	(284)	Short-term interest-bearing debt (1yr)	36,942	33,112	31,604	11,973
Net profit	428	1,228	701	1,645	Long-term interest-bearing debt	129,749	128,320	108,578	124,163
Extraordinary items	(576)	25	(227)	164	Other non-current liabilities	11,880	13,856	13,969	14,091
Normalized profit	1,004	1,203	928	1,480	Total liabilities	213,074	210,810	195,620	194,081
Sales growth (qoq)	-3.1%	2.9%	-3.0%	5.9%	Paid-up share capital	4,008	4,008	4,008	4,008
Gross profit growth (qoq)	-4.2%	4.5%	-5.6%	12.8%	Share premium	85,926	85,926	85,926	85,926
Operating profit growth (qoq)	-10.3%	8.0%	-14.7%	33.7%	Retained earnings	29,811	30,515	32,572	34,494
					Total shareholders' equity	125,895	126,202	129,326	132,398
					Total liabilities and shareholders' equity	338,970	337,012	324,945	326,479
Financial Ratio					Assumption				
Ended Dec31	2023	2024	2025F	2026F	Ended Dec31	2023	2024	2025F	2026F
Current ratio	0.7	0.7	0.5	0.7	Sales				
Quick ratio	0.4	0.4	0.2	0.3	- Retail	101,113	103,544	109,361	117,016
Account receivables turnover	16.0	16.1	19.8	25.7	- Packaging	25,128	25,458	26,443	27,765
Inventory turnover	5.3	5.7	6.4	7.1	- Consumer goods	19,533	19,662	20,074	20,579
Account payables turnover	5.2	5.4	4.9	4.5	- Medical supplies	8,853	9,062	9,340	9,620
Debt to Equity ratio	1.7	1.7	1.5	1.5					
Gearing ratio	0.6	0.5	0.6	0.7					
ROAA	1.4%	1.2%	1.5%	1.6%					
ROAE	3.8%	3.2%	3.9%	4.0%					

Source: ASPS Research