

BERLI GOES SHOPPING

Berli Jucker plans to speed up growth by buying businesses in Thailand and abroad, including a Vietnamese trading firm within next three months. **B10**

MERGERS & ACQUISITIONS

Berli Jucker taking shortcut to growth

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The SET-listed trading firm Berli Jucker Plc (BJC) is hoping to accelerate its growth through a series of business acquisitions in Thailand and abroad.

The strategy is also aimed at raising the contribution of exports to 50% of sales — up from 5% now — in the next five or six years.

Berli Jucker expects to complete a deal to take over a Vietnamese trading firm within the next three months, said president Aswin Techajareonvikul.

“The deal will increase the company’s sales revenue by 2 billion baht. At the same time, Berli Jucker can utilise the distribution network of the Vietnamese company by distributing our consumer products there,” he said.

Berli Jucker is also negotiating to acquire another Vietnamese firm, which

manufactures industrial products, and expects to finalise a deal next year, said Mr Aswin.

Several other acquisitions are in the pipeline, although the company declined to disclose their details.

Next year, Berli Jucker plans to provide health care services for home delivery through a partnership with a Japanese company. In addition, BJC is developing its own cosmetic brand targeted at teenagers. These initiatives could improve next year’s business performance.

The company expects sales of 24 billion baht in 2009, up by 5% from 22 billion last year, said Mr Aswin.

Of this year’s sales, 46% is expected to come from the industrial supply chain, 32% from the consumer supply chain, 20% from health care and the technical supply chain, and 2% from other sources.

BJC’s third-quarter sales slipped by

3.6% year-on-year to 5.47 billion baht. The fall was mainly attributed to a drop in sales of industrial products such as glass packaging and aluminium cans, which was triggered by falling demand for soft drinks and energy drinks.

But third-quarter net profit rose to 492 million baht — up by 19.4% year-on-year and 20.3% quarter-on-quarter — largely due to an outstanding performance by the tissue paper and personal-care business and to better cost control in the glass packaging business.

Although the company has seen the local economy pick up since June, Mr Aswin said he was unsure if the rebound would last. But BJC’s business in Cambodia saw no impact from the spat between Thailand and Cambodia, he added.

BJC shares closed yesterday on the SET at 4.90 baht, up four satang, in thin trade worth 305,000 baht.