



REINFORCING LEADERSHIP

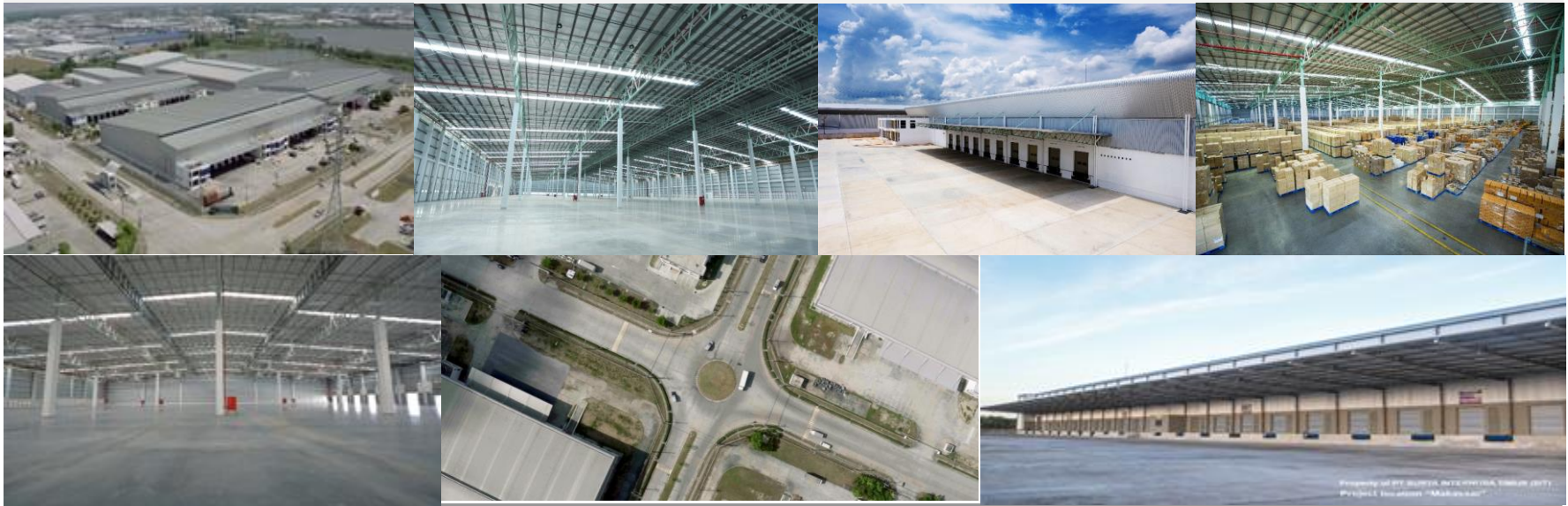
IN INDUSTRIAL PROPERTY DEVELOPMENT

Analyst Meeting
6th March 2018

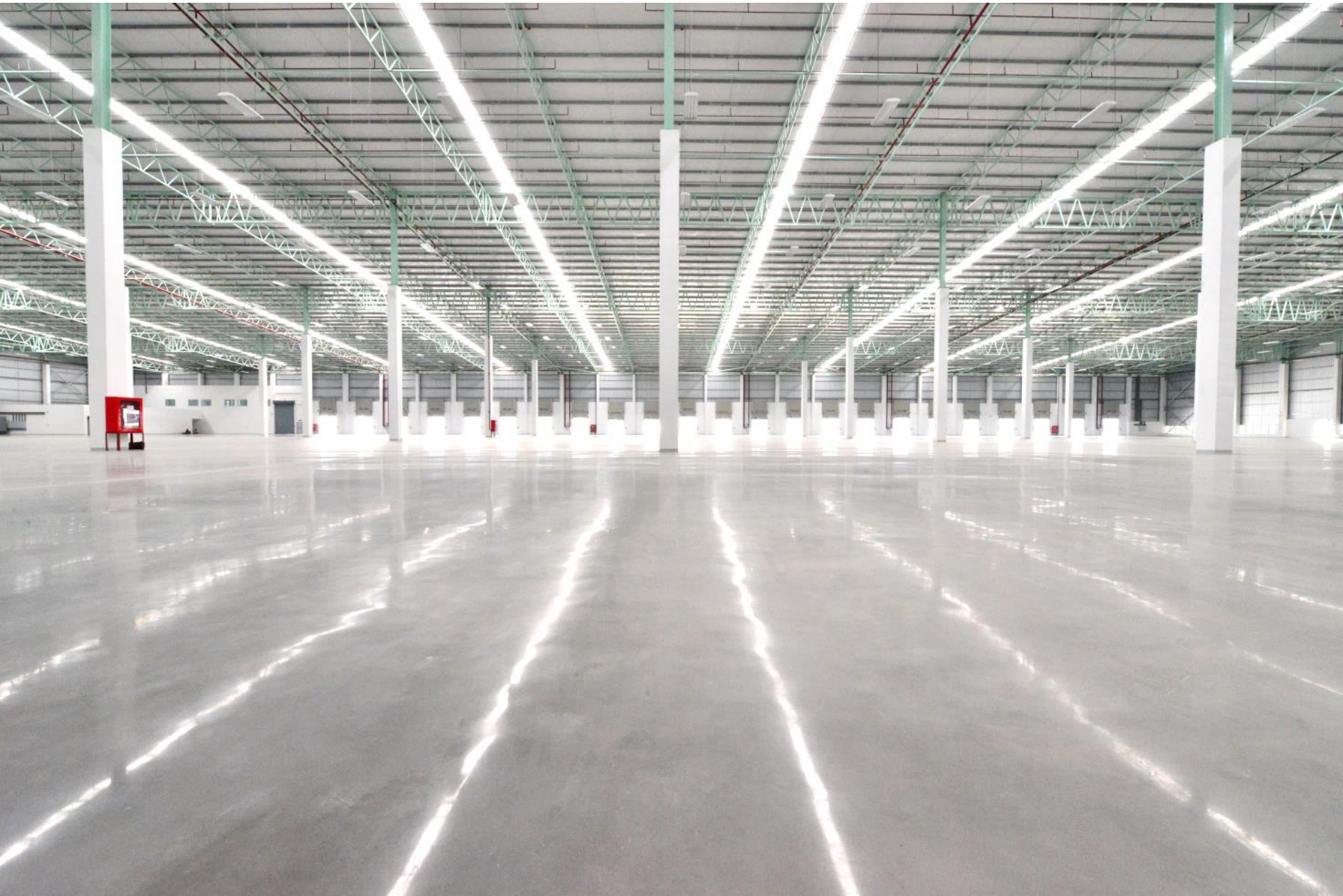


Agenda

- I. Company Profile**
- II. Portfolio Overview & Performance**
- III. Financial Performance Review**
- IV. 2020 TICON Total Dimension Strategy**



Company Profile



Key Milestone

TICON is a leading total solution provider of industrial properties in Thailand



Listing of PFPOs - TFUND, TLOGIS and TGROWTH on the Stock Exchange of Thailand (SET) in 2005, 2009 and 2013 respectively.

Listing of TREIT in 2015

Bt13,230mn of capital injection into TICON with sharing of know-how and best practices for future expansion.



TFUND TLOGIS TGROWTH



1990-2002

2005

2009

2013

2015

2017

TICON was established in 1990 and was listed on the SET in 2002



Anti-corruption certified by CAC / Green factory & warehouse certified from LEED GOLD and EDGE



TFUND

TLOGIS

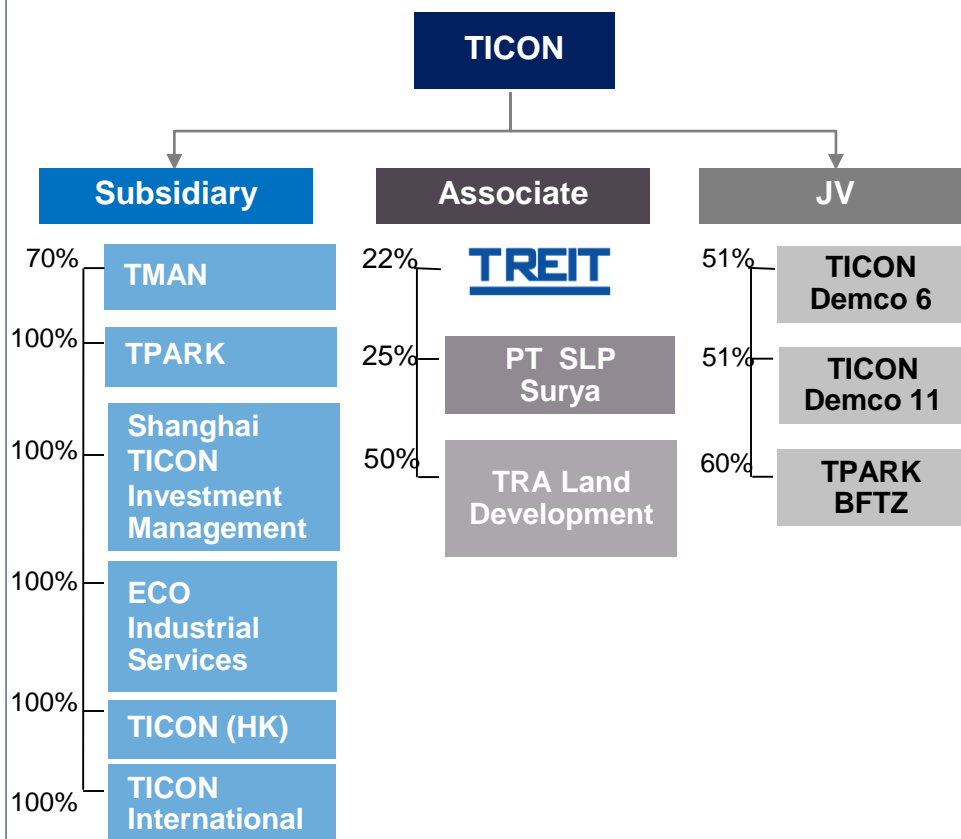
TGROWTH

After the conversion, "TREIT becomes the largest Industrial REIT in Thailand"

Company Profile

TICON Group Structure

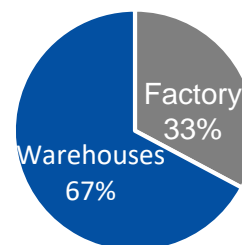
As of Dec. 31, 2017



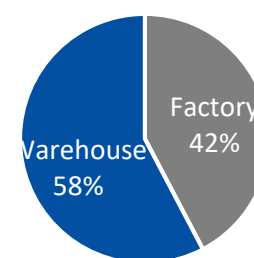
Company Profile

Title	Ticon Industrial Connection (PCL)
Establishment	Year 1990
Business	Total solutions provider of industrial properties.
Registered Capital	Bt 2,751 mn (Dec. 31, 2017)
Total Equity	Bt 24,934 mn (Dec. 31, 2017)
Company Rating	"A" Stable
CG Rating	★★★★
TICON leasable area	1,211,400 sqm.
Total leasable (AUM)	2,696,385 sqm.

TICON portfolio



Portfolio AUM



As of Dec. 31, 2017



Delivered end-to-end tailored property solutions in strategic locations.



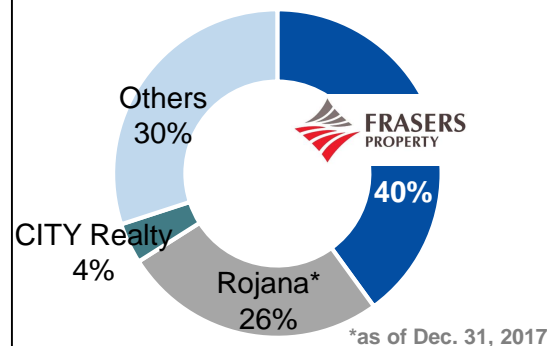
Diversified portfolio under TICON & TREIT with RB & BTS assets over 2.7 million sqm. under managed.



Funding vehicle for reinvestment into real estate development projects.



Shareholder Structure









*Pending Rojana's EGM approval in Mar-18



Leading Industrial Developer in Thailand

Factory		Warehouse		International Quality
				1. Well maintained common area <ul style="list-style-type: none"> • Wide Road with lots of parking • Lot of Green area 2. Floor Quality <ul style="list-style-type: none"> • High compressive strength concrete • Burnished floor or hard trowel finishing technique • Expansion joint • Super flat and level floor 3. Roof – Design to improve air circulation 4. Green Buildings certified by LEED & EDGE
Size Range	550 – 12,000 sqm.	Size Range	310 – 38,000 sqm.	
Average Size	1,500 – 3,000 sqm.	Average Size	1,000 – 3,000 sqm.	
Floor Loading	1 – 3 Tons/sqm.	Floor Loading	3 – 5 Tons/sqm.	
Location	18 Industrial Estates (including land banks)	Location	34 locations (including land banks)	

Total Solutions for Industrial Properties

- | | |
|--|--|
|  Superior quality |  Ready built and/or customized buildings |
|  Strategic locations |  Flexibility for business |
|  One-stop Services |  Prime location in industrial estate, general industrial zones, export processing zone or Duty-Free Zones |

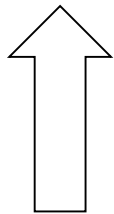
Sustainability: Green building



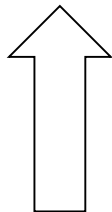
TREIT : the largest Industrial REIT in Thailand



Property Manager



REIT Manager



Largest Industrial REIT in Thailand

REIT is a fundraising alternative to monetize asset owner via investment trust vehicle
REIT is a good investment alternative for investors requiring stable income

De-leverage
Lower
Debt/Equity ratio

Property Manager
Still manage the property
and maintain relationship
with tenants

Exit
Opportunity to
exit

- Asset owner could **allocate new funding to higher return investment**.
- Asset owner can choose to **sell leasehold right** to REIT instead freehold. In case asset owner need the right of using asset back after leasehold agreement expire.

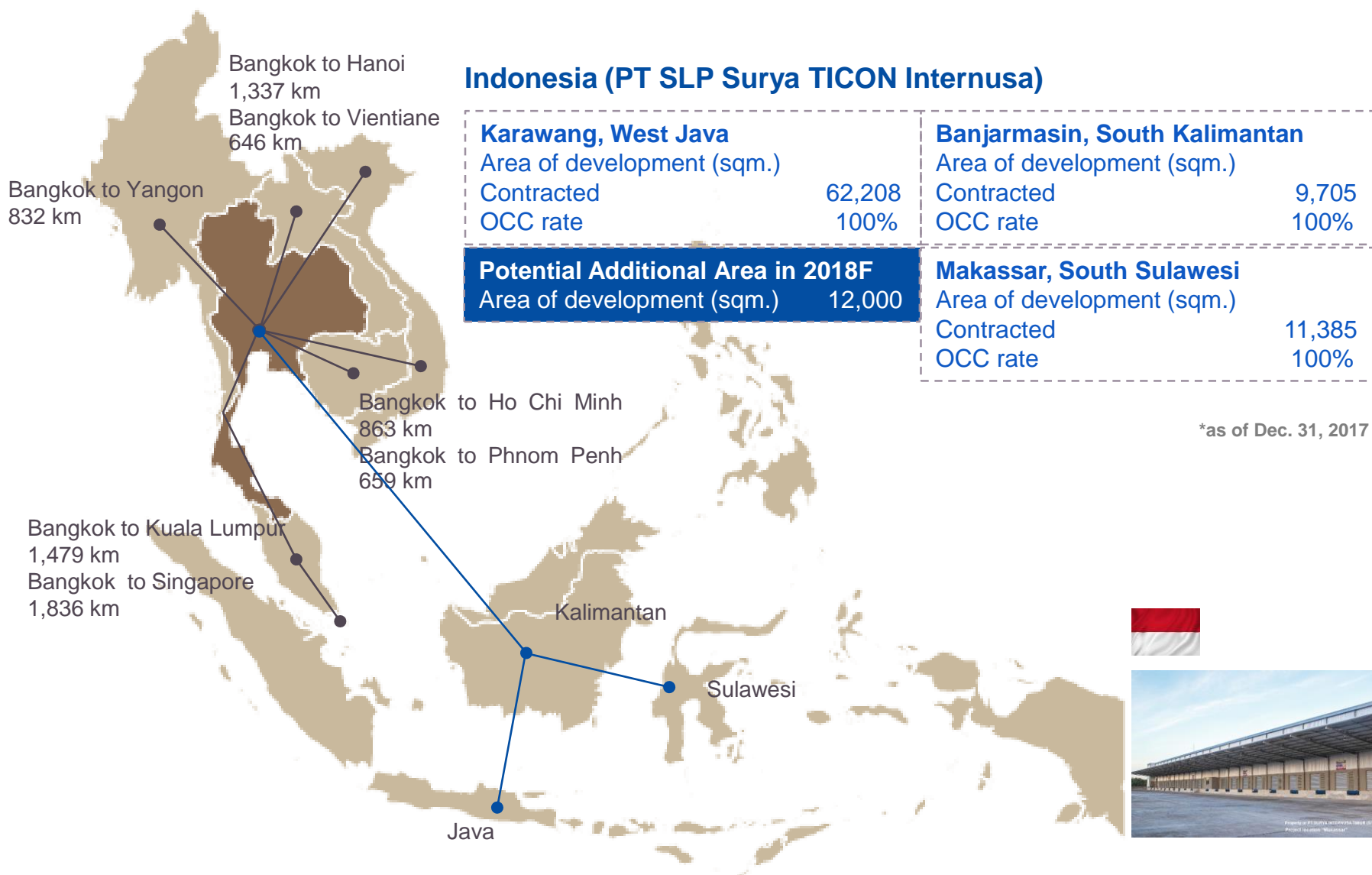


Asset manager
PM fee
Incentive fee

REIT manager
RM fee

Mgt. income

- Higher management income from RM income
- Combining all property funds into TREIT makes asset management better co-ordinated, which should enhance TREIT's net income.



Portfolio Overview & Performance



Factory

450

properties under
management

1.14^{mn}

sqm.
AUM



68%

Portfolio Occupancy
Rate

WALE **1.6**
(years)

16K
sqm

Net Add

Warehouse

410

properties under
management

1.56^{mn}

sqm.
AUM



70%

Portfolio Occupancy
Rate

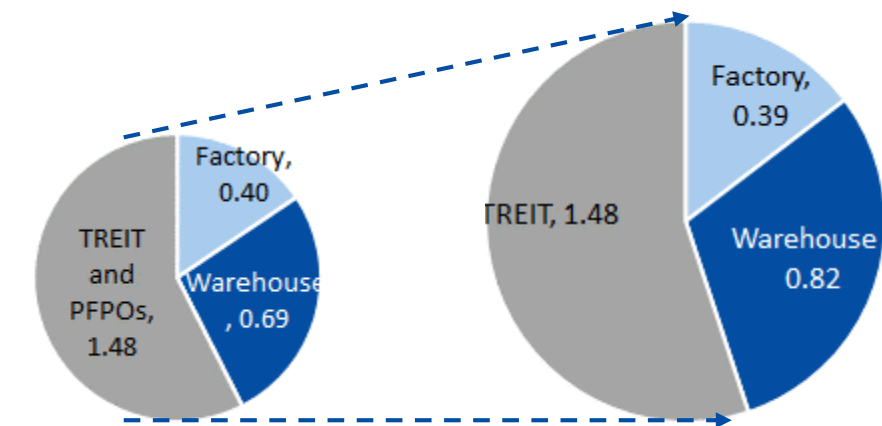
WALE **2.5**
(years)

69K
sqm

Net Add

Growing portfolio and Net Adds

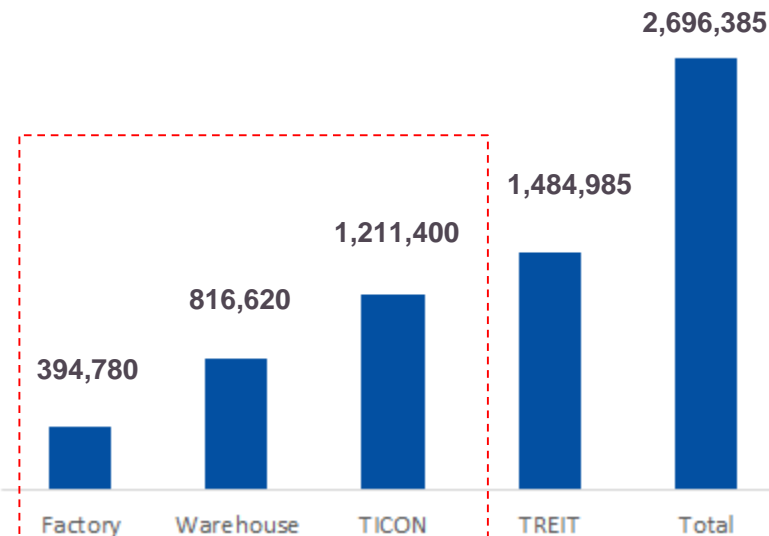
Total AUM (mn sqm.)



Total AUM 2016 2.57mn sqm

Total AUM 2017 = 2.69mn sqm

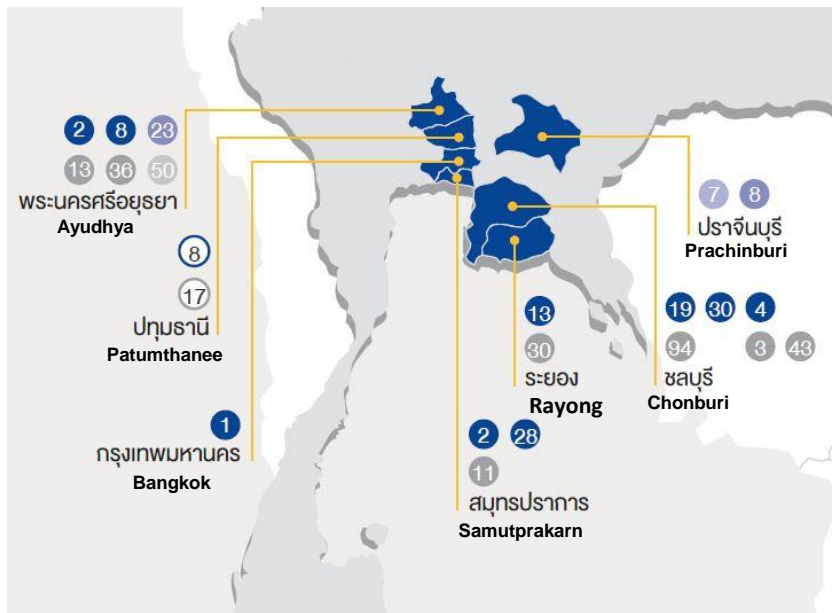
2017 Area by Entity (sqm.)



- TICON is a leading developer factories and warehouses with total leasable area under management of 2,696,385 sqm. in 2017 (1,140,640 sqm. for Factories and 1,555,745 sqm. for Warehouse).
- Total AUM increased by 4.67% in 2017 mainly from 110,875 sqm. of newly built warehouses.
- Net Additions were reported at 16,357 sqm. for Factory under management and 68,611 sqm. for Warehouse under management. By entities, TICON reported total Net Additions of 87K whilst TREIT reported a slight reduction of 2.3K.

Portfolio Distribution

Factory

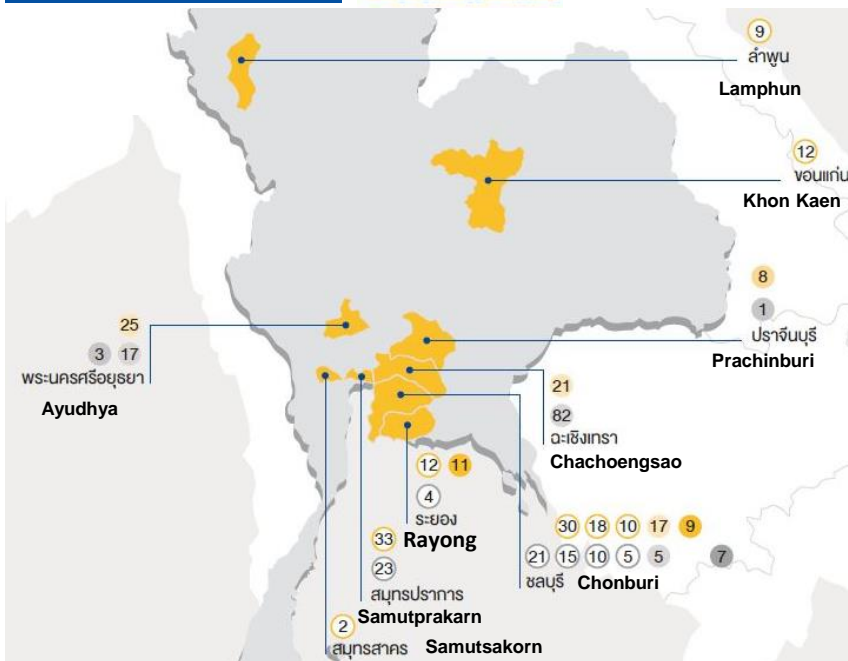


236 of 450 factories under management are located in EEC area

Area	Provinces	No. of properties	Locations
Northern BKK	Ayudhya	132	<ul style="list-style-type: none"> • ROJANA • Hi-tech • Bangpa-In
	Patumthanee	25	<ul style="list-style-type: none"> • Navanakorn
Greater BKK	Bangkok	1	<ul style="list-style-type: none"> • Ladkrabang
	Samutprakarn	41	<ul style="list-style-type: none"> • Bangpoo • Asia
Eastern Thailand	Prachinburi	15	<ul style="list-style-type: none"> • Kabinburi • ROJANA
EEC	Chonburi	193	<ul style="list-style-type: none"> • Amata Nakorn • HEMRAJ • Chonburi • Laemchabang • Pinthong
	Rayong	43	<ul style="list-style-type: none"> • AMATA CITY

Portfolio Distribution

Warehouse

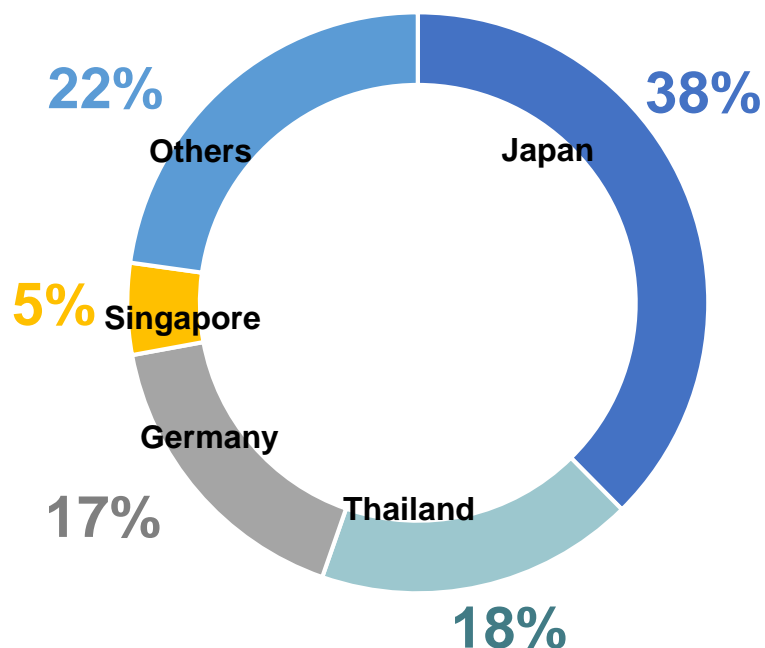


277 of 410 warehouses under management are located in EEC area

Area	Provinces	No. of properties	Locations
Northern BKK	Ayudhya	45	- ROJANA - Wangnoi
	Grater BKK	56	- Bangplee
Eastern Thailand	Samutprakarn	2	- Samutsakorn
	Prachinburi	9	- ROJANA
EEC	Chonburi	147	- AMATA Nakorn - HEMRAJ (Bowin) - Laemchabang - Panthong - Sriracha - Eastern Seaboard
	Rayong	27	- AMATA CITY - Eastern Seaboard
	Chachoengsao	103	- Bangna
	Northern region	9	- Lamphun
	Northeast region	12	- Khon Kaen

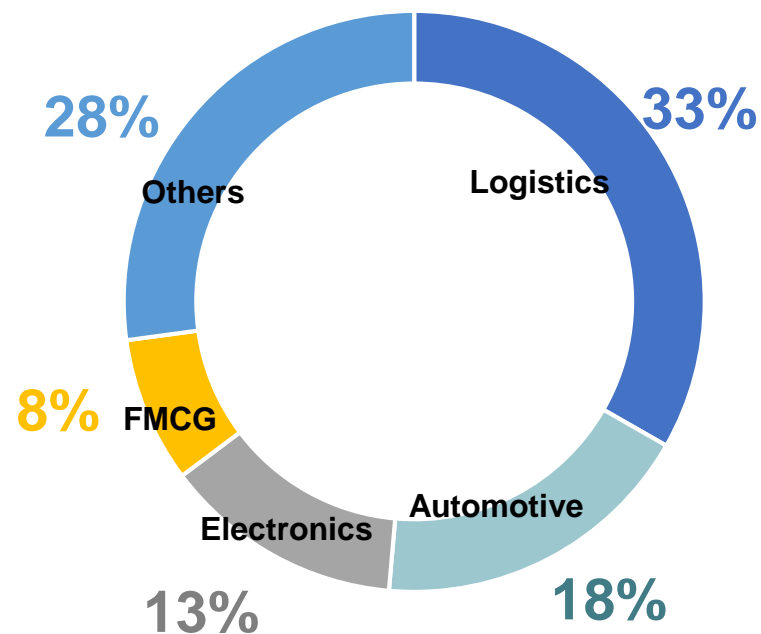
Diversified Tenant Base (AUM)

Nationality



- Well diversified portfolio across nationalities
- Primary contribution remains from Japanese tenants which form 38% of total portfolio by rental revenue

Industry



- Well diversified portfolio across industries
- Logistics which is major tenant of warehouses is the main contribution of 33% of rental revenue. Automotive is second largest tenant and is the main tenant for factory portfolio.

Key clients by business clusters

FMCG	Logistics	E- commerce	Auto	Electronics	Retail

Financial Performance Review



FY2017 Financial Highlight

Profit & Loss statement (Btmn)	FY2017	FY2016	%YoY		
Total revenue	2,086.8	1,872.5	11%	▲	Higher revenue from rental income and management fee
Rental and relate service income	1,372.6	1,172.1	17%	▲	Rising in rental income from higher occupied area in warehouse.
Management fee from funds/REIT	239.2	201.1	19%	▲	Fee income rose from change in calculation method for property management fee
Sales of properties	194.4	250.7	22%	▼	
Share of profit from investments	275.4	252.4	9%	▲	
Finance cost	570.9	811.9	30%	▼	Early debt repayment funded by capital injection.
Net Income	482.4	278.1	73%	▲	
Earnings per share	0.27	0.25	8%	▲	

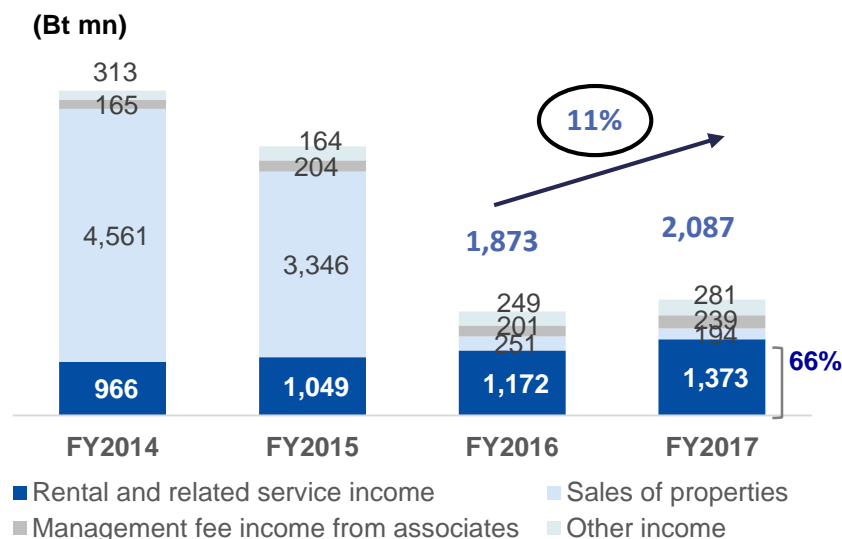
FY2017 Financial Highlight



Balance Sheet (Btmn)	Dec-17	Dec-16	%YoY		
Cash & ST investments	2,619.7	306.4	755%	▲	Strong cash position to fund and expansion.
Investment in associates and joint ventures	3,848.6	2,920.0	32%	▲	Higher investments in TREIT post conversion. TICON currently holds 22% in TREIT
Total assets	40,799.9	36,092.7	13%	▲	
Interest Bearing Debt	13,320.0	22,242.4	40%	▼	Early debt repayment.
Total Liabilities	15,865.7	24,675.0	36%	▼	
Shareholders' equity	24,934.2	11,417.7	118%	▲	Strong equity base from capital injection from new shareholders.

Growing Rental Revenue from expanded leasable area

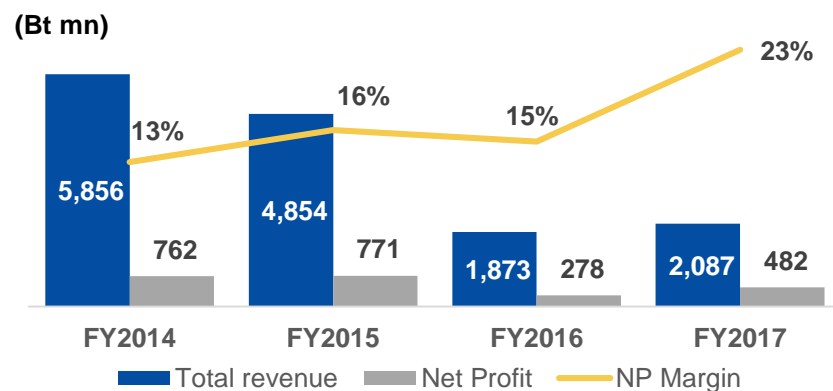
Revenue Structure



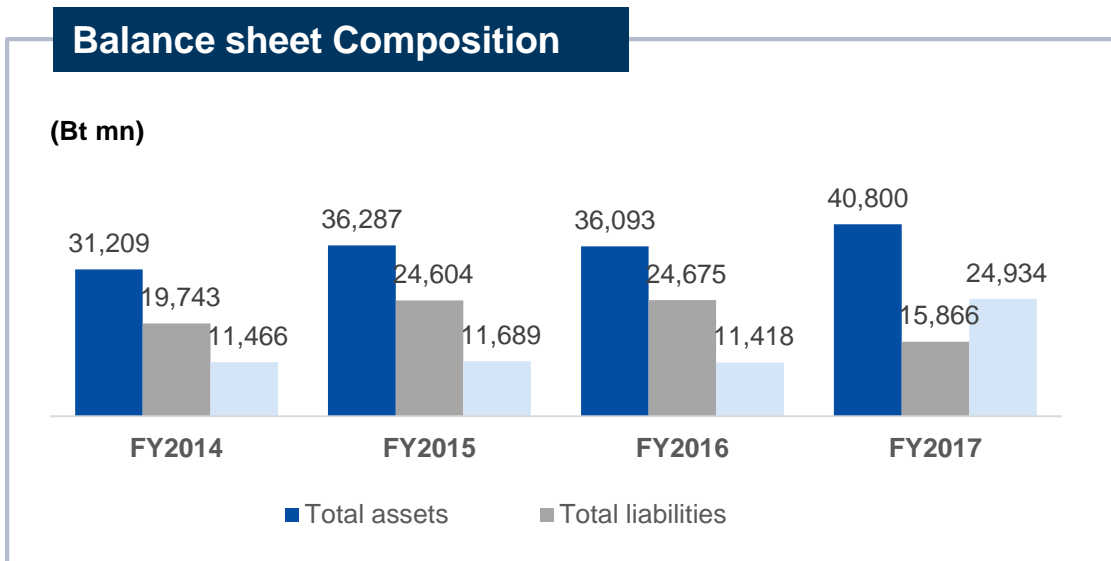
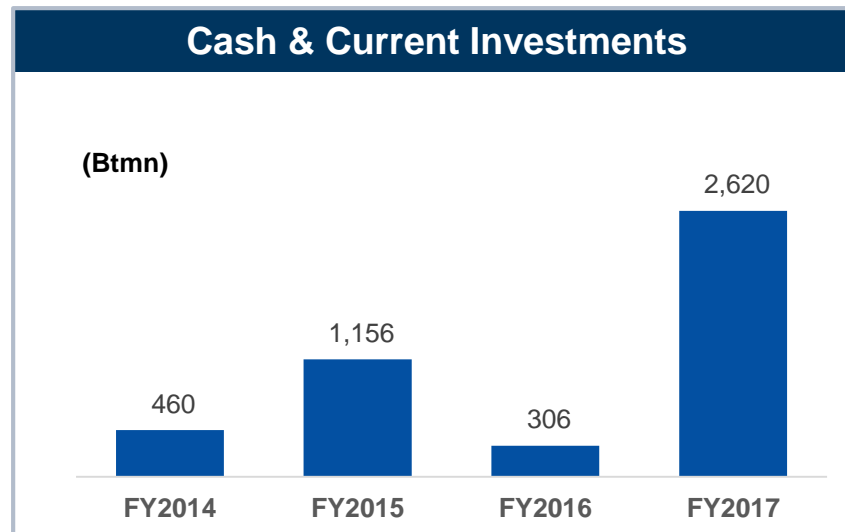
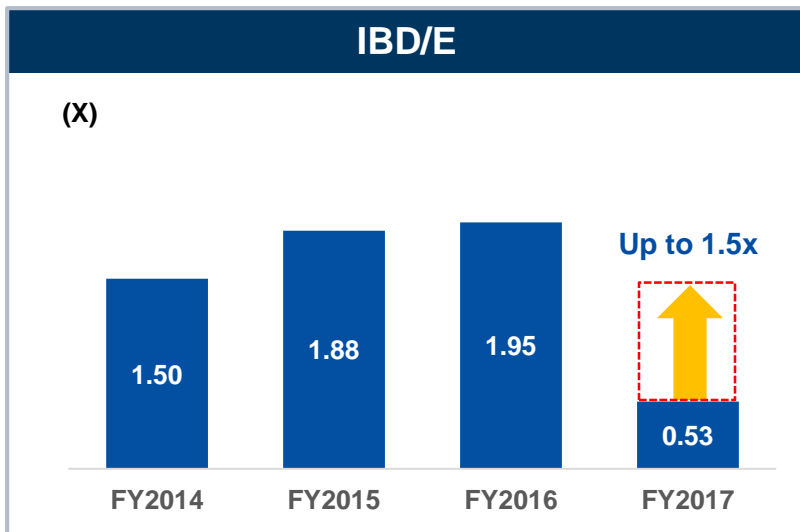
Commentaries

- FY2017 performance reported revenue growth of 11% YoY
- Rental and related service income is the main revenue contribution at 66% of total revenue
- Rental and related service income grew 17% YoY from higher occupied areas under warehouses.
- Net Profit Margin uplift to 23% in 2017.

Net Profit Margin



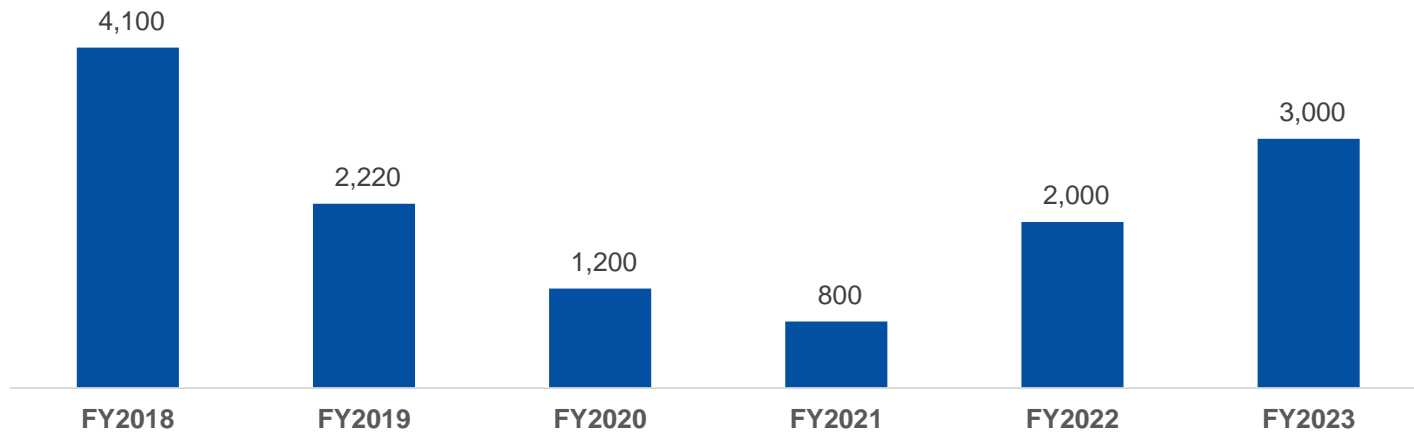
Strong assets and equity base



- ### Commentaries
- Strong assets and equity base from new capital injection
 - Lower IBD/E to support growth. Internal debt buffer up to gearing of 1.5x
 - Strong cash position for capex and future investments

Debt Maturity Profile

(Bt mn)

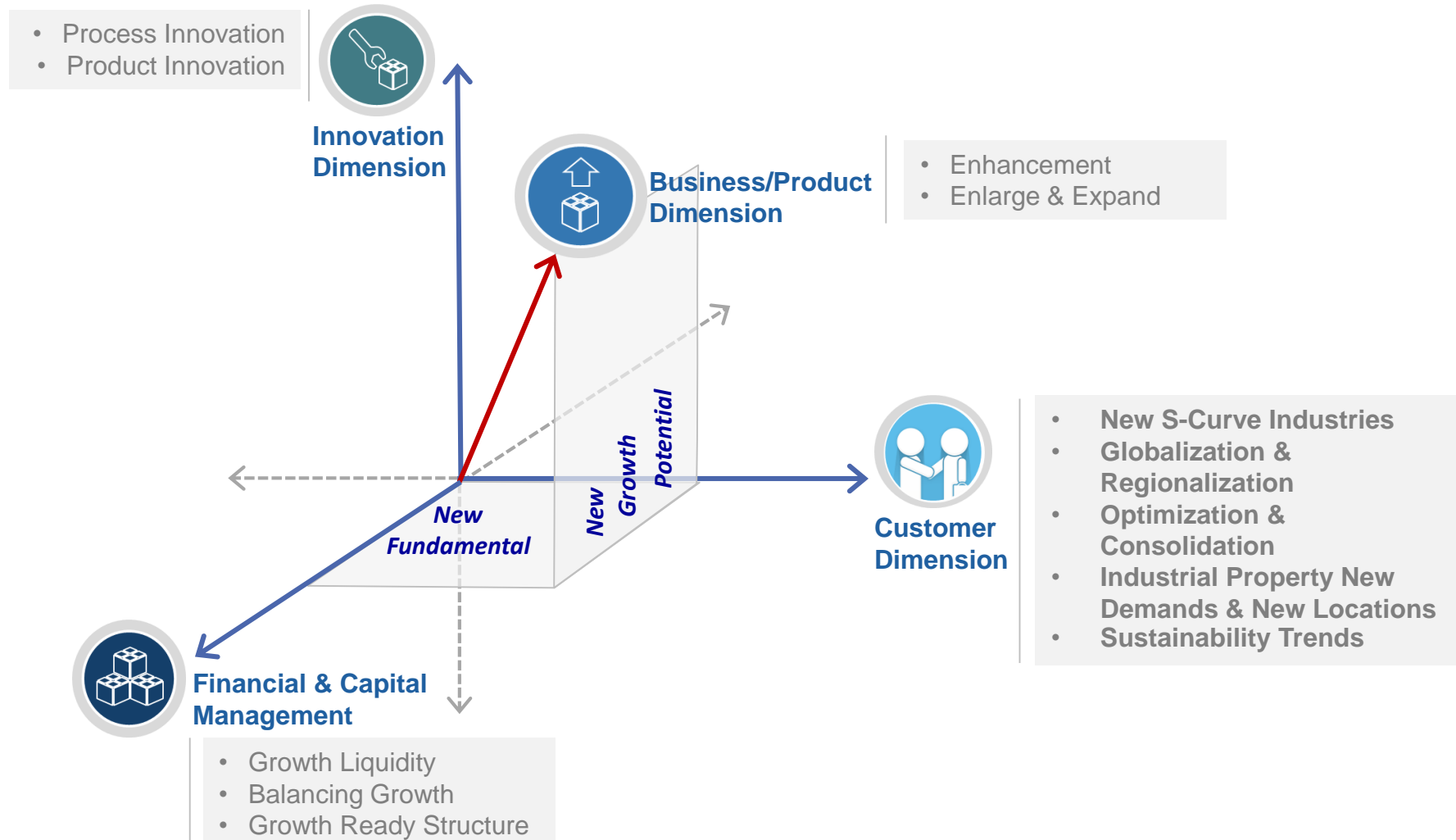


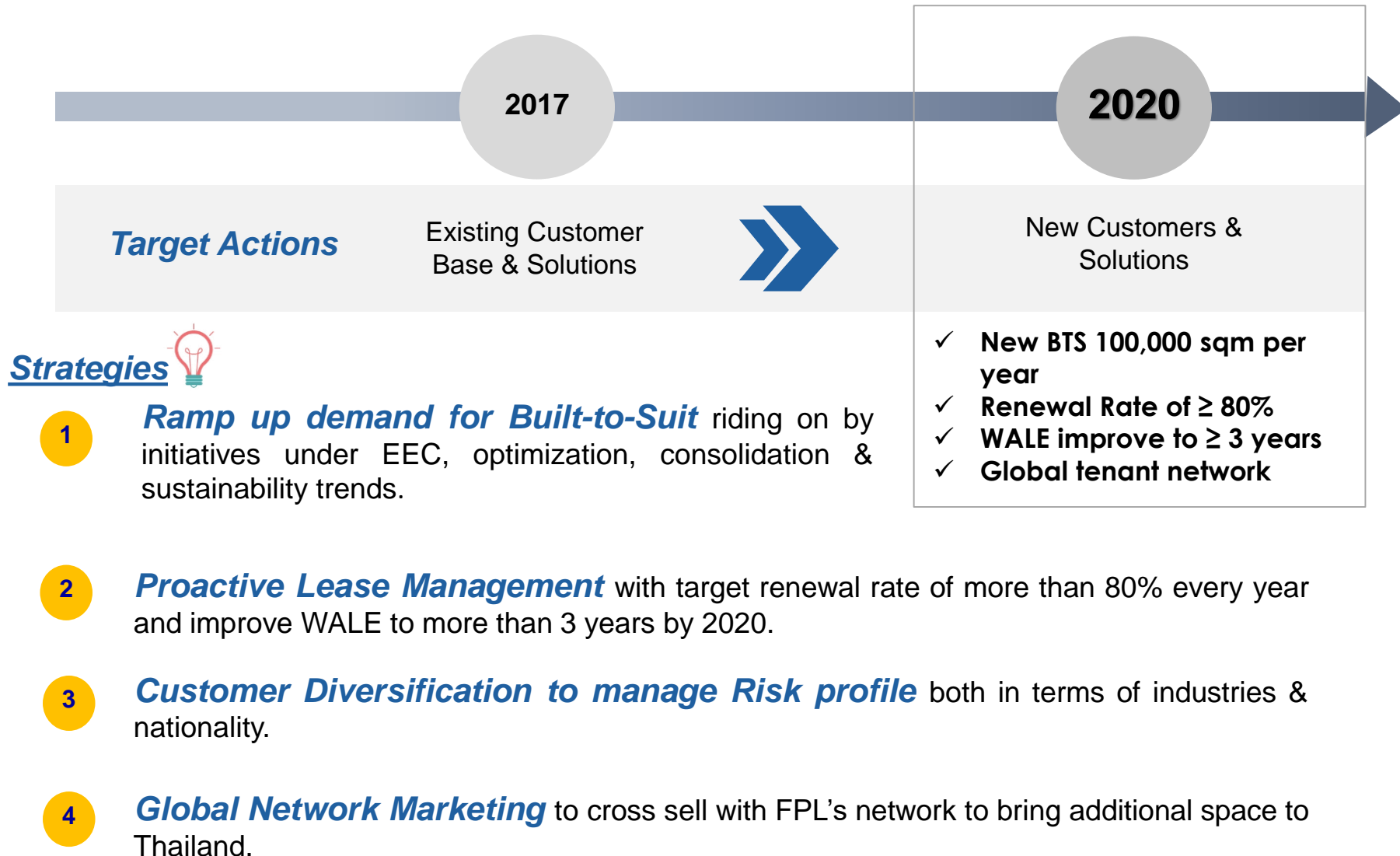
- Refinancing risk for FY2018 is fully mitigated as TICON successfully issued Baht 5 billion debenture in Mar-18
- Healthy balance sheet with strong cash position and low gearing of 0.53x. Strong interest cover of 2.2x
- Consistent cash flow from recurring rental revenue with various diversified locations.
- Investment grade rating at A Stable by TRIS

2020 TICON TOTAL DIMENSION Strategy



Creating Business Readiness & Competitive in all Dimensions







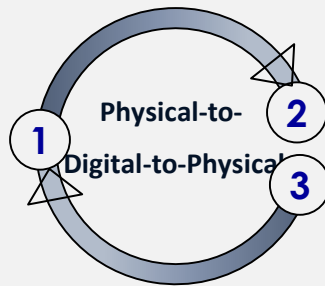
2020

Process Innovation

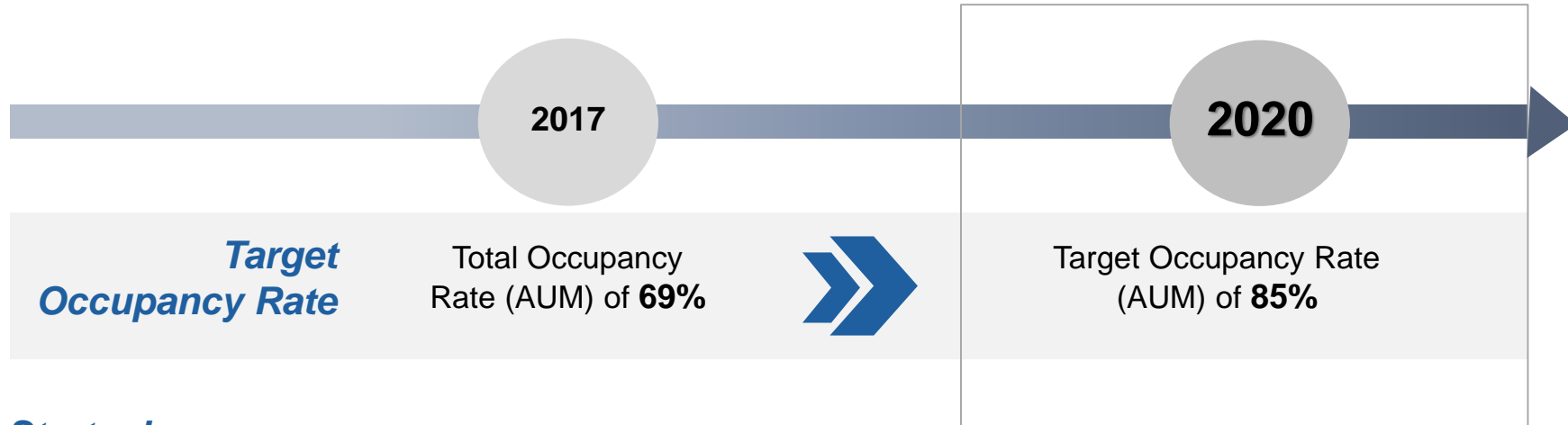


- ✓ Aim to be the best & capable in designing and developing all classes of industrial properties including hi-tech industrial buildings
- ✓ Become total solution provider not only in real estate development but also in production technology & supply chain professional.
- ✓ Innovative commercial solutions that is win-win to TICON and tenants.
- ✓ Flexible development scheme which includes built-to-sale, built-to-lease, equipment leasing.

Product Innovation



- ✓ Providing optimized BTS solutions that fits technology advancement within the required space.
- ✓ Value creative solutions to real estate e.g. Intelligent Logistic Park powered by IOT, fiber connectivity, automation, robotic, touchless control system etc.
- ✓ Industrial specialization facilities including R&D centers, test center, incubation, and techno park.
- ✓ New product & service solutions from existing network of locations & network of manufacturing and logistics e.g. footprint product.

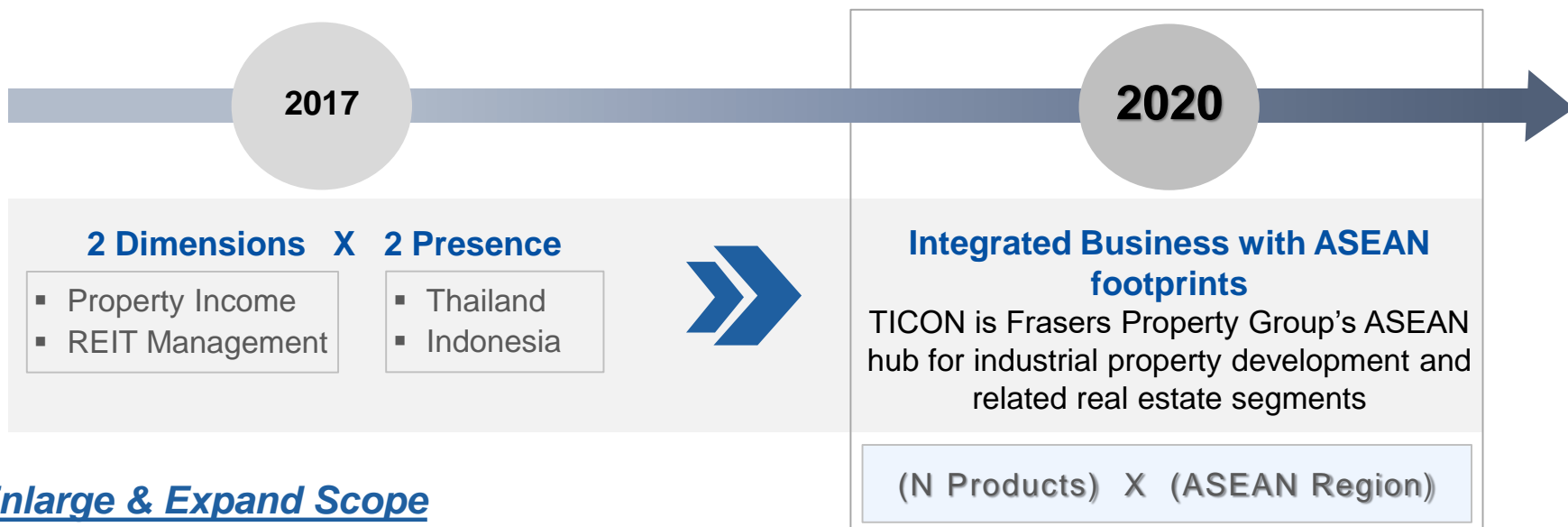


Strategies

- 1** **Reinforcing improvement of Occupancy Rate** in both RB products and creating pre-leased BTS products including considering asset divestment to third party & owner occupiers (non-core).
- 2** **Asset Enhancement Initiative (“AEI”)** to increase assets value especially for RB products. This includes asset re-sizing, asset combination, conversion, modification and renovation. Global marketing campaign will be launched with AEI propositions to partners, investors and tenants.
- 3** **Introducing Ancillary Services** that compliments TICON current portfolio and our existing tenants. These will help improving demand in RB and BTS products. It shows our commitment to become total solution provider in Industrial Property.



Business Dimension – Enlarge & Expand



Enlarge & Expand Scope

Land Bank Expansion

- ✓ Land acquisition & partnership in strategic locations including Greater Bangkok and EEC
- ✓ Continue to look for additional land bank in other regions across Thailand

Adjacent Business Expansion

- ✓ Expansion possibilities into
 - Technology-based
 - Utility-based
 - Service income-based
 - Sustainability-based
 - Real-estate related
 - Mix-used development

International Expansion

- ✓ Crafting TICON development model to be ready for an international roll-out
- ✓ ASEAN expansion to capture FDI production & logistics network from Thailand
- ✓ Benefits from existing relationship and connection with Group Companies

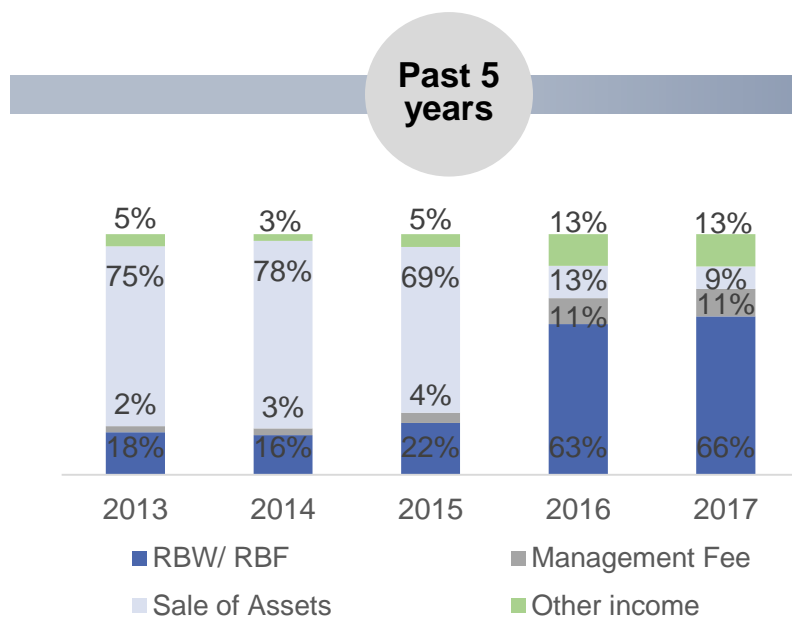


Target Revenue CAGR of at least 15% per year from 2017 – 2020



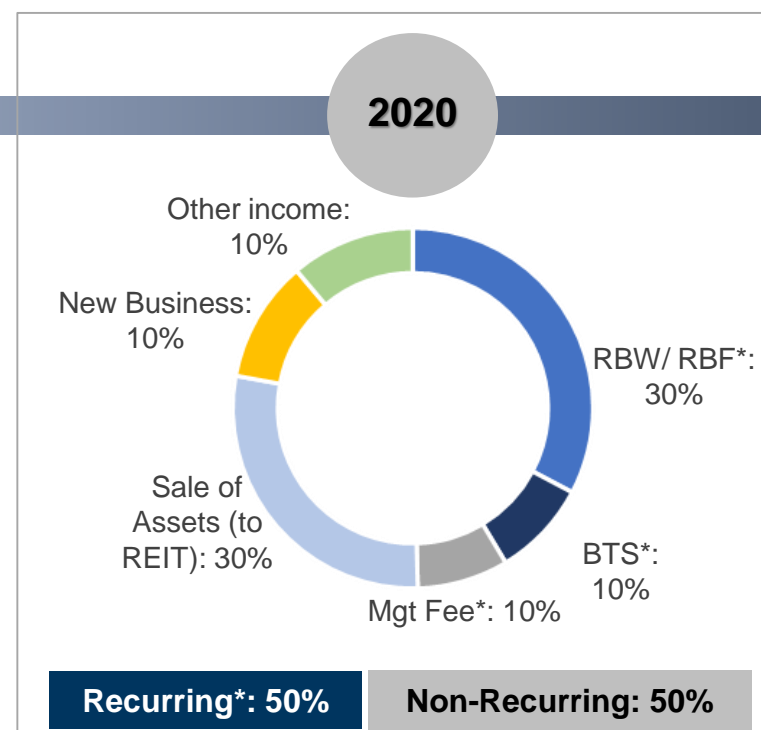
Balanced revenue contribution from :

- 1) **Rental Business; 2) Sale of Assets; 3) REIT Management and 4) New Business**
- 2) **Min Recurring Revenue of 50%**



Avg Recurring: 43%

Avg Non-Recurring: 57%



Maintain strong balance sheet with Investment Grade Rating and Gearing Ratio of 1.5x



Financial & Capital Management – Growth Vehicle (TREIT) **TICON**



- 1 The largest Industrial REIT in Thailand

THB30.36 bn
(USD 0.92 bn)

NLA 1,484,985 sqm

- 2 Financial Soundness

FitchRatings

A

(Stable Outlook)

*The Best REIT Credit Rating
in Thailand*

- 3 Low Cost of Debt
Compare to Industry

2.87%

- 4 Low Leverage Ratio
Compare to Industry

16.97%

Leading Industrial REIT of Region

High Quality Assets
In Prime Location

Constant Growth in
TAV

Maintain High
OCC

Maintain Lowest
Cost of Debt

Maintain Appropriate
Leverage %



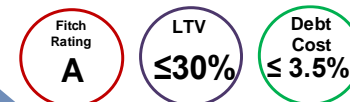
✓ Development Capital

TICON

- ✓ Right to invest in TICON assets
value ~THB 3.5 billion by 2018
- ✓ Right of first refusal

- ✓ Sales Proceeds
- ✓ Property Management Fee
- ✓ Share of Profit / Dividend

TREIT



✓ Capital Management

THANK YOU



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