
Frasers Property Thailand

Analyst Meeting 1/2019

1st Quarter Fiscal Year 2019 Earnings
Three Months Ended December 31, 2018



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Agenda

- ◆ The New Corporate Identity
- ◆ Business Update
- ◆ Financial Review
- ◆ Industry Outlook





The New Corporate Identity

We have rebranded to Frasers Property Thailand



Change of name has been approved by AGM on January 25, 2019 and

TICON is now Frasers Property Thailand

บริษัท เฟรเซอร์ส พร็อพเพอร์ตี้ (ประเทศไทย) จำกัด
(มหาชน)

Experience
matters.

Our customers' experience matters. Our experience matters.

Rebranding to Frasers Property Thailand will support our future business growth

Changing Contexts



Strategic Direction

Direction for expansion into adjacent business for long-term sustainable growth

Market Landscape

- > End-to-end capability requirement
- > Real estate as a service
- > Mixed-use & technology driven developments

Regionalization

- > Marketing network
- > Customer network
- > Brand reputation



- > TICON is associated with Industrial Property platform, but has limited association with other real estate asset classes
- > It has strong reputation around ready-built warehouse and ready-built factory but not BTS
- > TICON is known in Thailand but has limited brand presence internationally



- ✓ Frasers Property is associated with all real estate asset class, which will support business expansion of the company
- ✓ Global reputation
- ✓ Proven execution capability in various markets, like Singapore, Australia, Europe, China and Southeast Asia
- ✓ Access to real estate specialization and network

- ➔ Frasers Property's capability will allow **FPT to deepen the expertise and expand into select markets in ASEAN**
- ➔ **A unifying brand creates harmony** among customer experience, the products, the company and the employees
- ➔ **Global recognition will accelerate growth**
- ➔ **Scalable platform** is important for overseas expansion

Synergistic growth post change of name



Frasers Property Thailand Group Structure



A leading provider of a smart integrated platform that provides complementary real estate services, guided by a unifying idea that both our customers' and our own experience matter



Industrial Property

A leader in industrial real estate with AUM of 2.7 million sq m.

Data Centre

Secure and reliable state-of-the-art facilities.

Smart Solutions

Tech solutions that enhance customers' experiences.

Township

Our new growth driver.

REIT









Sponsor and manager of the largest industrial REIT in Thailand.

Industrial Property and REIT will remain key contributor in near term with more contribution from Data Centre, Smart Solutions and Township in the medium term

Experience matters



How are we changing?

Previous Company Name	New Company Name	Trade Ticker	Email and Website
 <p>TICON Industrial Connection Public Company Limited</p>	 <p>Frasers Property (Thailand) Public Company Limited</p>	FPT	<p>Email: ...@frasersproperty.com Website: frasersproperty.co.th</p>
 <p>TICON Logistics Park Company Limited</p>	 <p>Frasers Property Industrial (Thailand) Company Limited</p>		<p>Email: ...@frasersproperty.com Website: frasersproperty.co.th</p>
 <p>TICON Management Company Limited</p>	 <p>Frasers Property Industrial REIT Management (Thailand) Company Limited</p>		<p>Email: ...@frasersproperty.com Website: frasersproperty.co.th</p>
 <p>TICON Freehold and Leasehold Real Estate Investment Trust</p>	 <p>Frasers Property Thailand Industrial Freehold & Leasehold REIT</p>	FTREIT	<p>Email: ...@frasersproperty.com Website: ftreit.co.th</p>

2019 Strategic Focus

Corporate Focus

Consolidating and aggregating multi-segment real estate capabilities. Creating the 'Platform Organization'



Investment and Partnership



Customer Centric Initiatives



Data & Technology



Multi Asset Class Platform Development

Business Focus

1 Industrial Property

2 Data Centre

3 Smart Solutions

4 Township

5 REIT

6 Infrastructural Expansion

- > Asset Management and AEI
- > Grow Built-To-Suit

- > Development of first hyperscale DC facility
- > Exploring new DC investment potentials

- > Maintain leadership in co-working business
- > New smart solutions partnerships

- > Long term master planning development & Land bank management

- > Maintain high occupancy
- > Growth from assets acquisition in prime areas including from third party

- > Next expansion to select markets in ASEAN

FY19 Targets

- ✓ Sale of assets to FTREIT
- > New BTS Pipeline : 100,000 - 120,000 sqm.
- > Target AUM Occ Rate of 80% with major growth under FPT
- > Potential new partnerships to strengthen business deliveries both in Thailand and in ASEAN



Business updates

For 1st Quarter Fiscal Year 2019

Three Months Ended December 31, 2018

Industrial Property

Highlights for 1Q19 - Growth momentum continued with solid results

1Q19 Revenue
THB 2,577 mn
+ 341% Y-o-Y
+ 22% Q-o-Q



Net Profit
increased to
THB 684 mn
with strong EPS
0.37 THB/share

THB 1.9 bn
Sale of high quality
assets to **FTREIT**
33 Units at NLA of
72,775 sqm.



Strengthened Operating Metrics

- Industrial property portfolio continues to grow with factory AUM occupancy rate ramp-up to **72%** in Dec-18 (**68%** in Dec-17), and warehouse AUM occupancy rate rose to **79%** (**71%** in Dec-17)

Scaled Up Portfolio with Customer-Centric Approach

- Portfolio expansion is on track with net leased area in 1Q19 increased by **70.6K sqm.** driven by demand from customers in Electronics, Automotive & Autoparts, Logistics and E-commerce
- In Aug-18, BTS contract was signed with PowerBuy for a 34,300 sqm. warehouse. The facility was completed and handed over in January 2019

Assets Capitalization to FTREIT

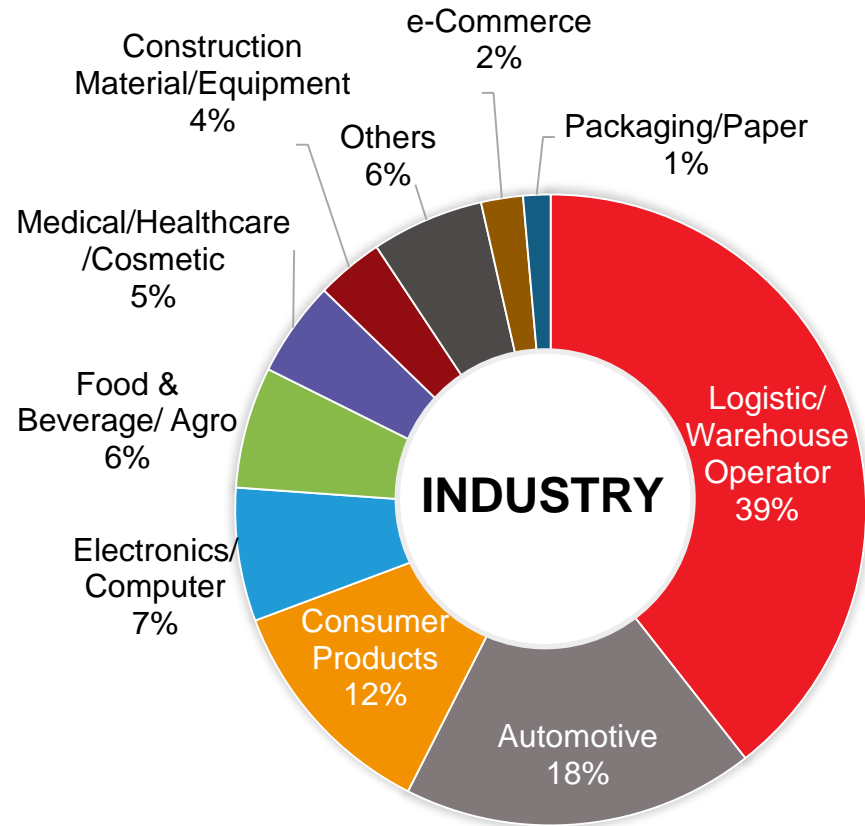
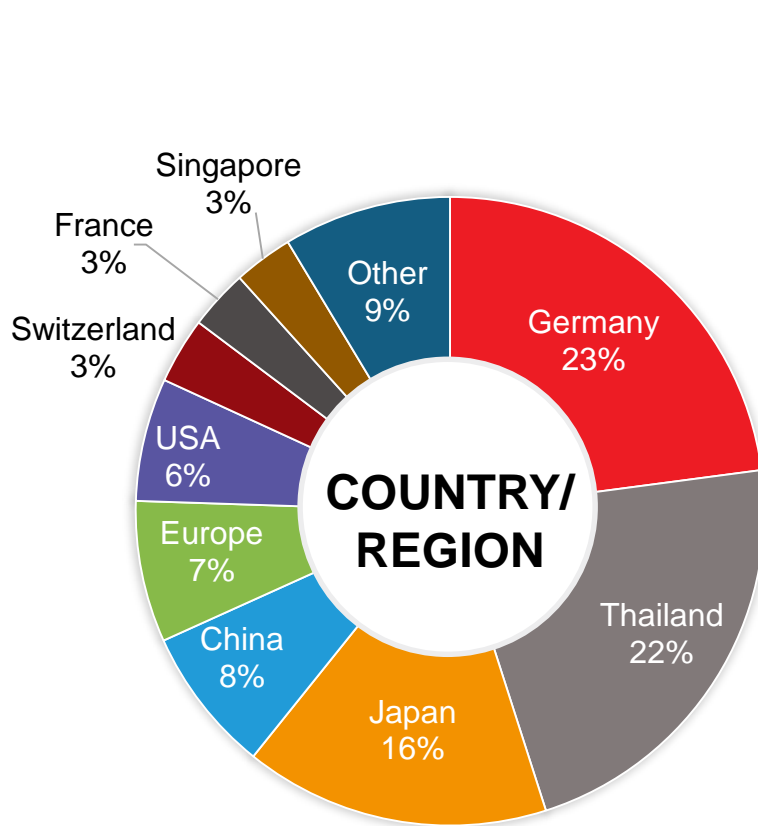
- Assets in 5 provinces (Chonburi, Samutprakarn, Ayutthaya, Pathumthani & Prachinburi) were capitalized to FTREIT for a value of **THB 1,907 mn** in Dec-18

Accelerated Growth with Value-Creation Strategy

- New JV partnership, **Bangkok Logistics Park Co.**, with Sahathai Terminal Plc. to operate logistics park and distribution centre for e-commerce, logistics and shipping industries
- Construction is expected to commence in 2H19

Industrial Property

Portfolio tenant mix by industry and country/region by revenue



As of December, 2018

Industrial Property

1Q19 AUM Portfolio Metrics

Factory

451

properties under
management

1.15mn
sqm.

AUM

	Dec-17	Dec-18	
Portfolio Occupancy Rate	68%	72%	↑

WALE	1.47 years	1.87 years	↑
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Net Add YTD
Dec-18

26.6K
sqm.



Warehouse

404

properties under
management

1.54mn
sqm.

AUM

	Dec-17	Dec-18	
Portfolio Occupancy Rate	71%	79%	↑

WALE	3.69 years	3.44 years	↓
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Net Add YTD
Dec-18

44.0K
sqm.



Industrial Property

1Q19 AUM Portfolio Metrics by Entities

FPT

308
properties

1.06mn
sqm.
Factories &
warehouses

Portfolio
Occupancy
Rate

Dec-17

58%

Dec-18

65%



Net Add YTD
Dec-18



-59.4K
sqm.*

FTREIT

547
properties

1.63mn
sqm.
Factories &
warehouses

Portfolio
Occupancy
Rate

Dec-17

78%

Dec-18

84%



Net Add YTD
Dec-18

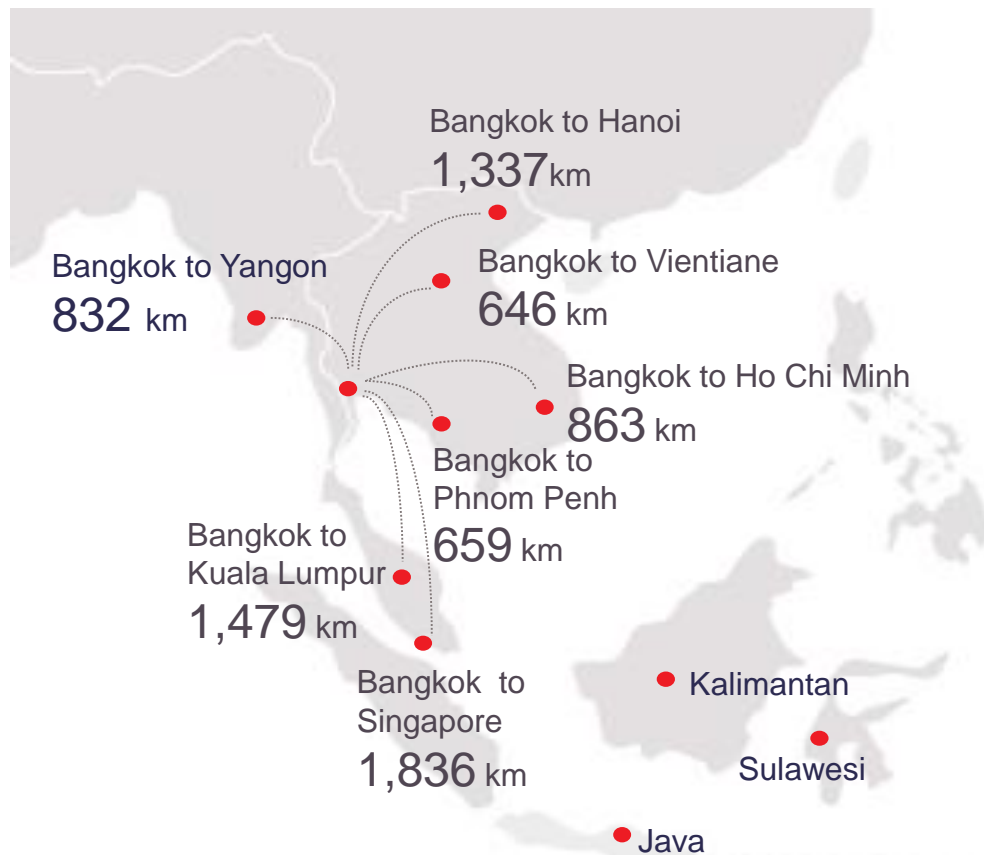


130K
sqm.*

* In the absence of property sale to FTREIT, normalized Net Add YTD Dec-18 would be **5.6K sqm. for FPT** and **65.0K sqm. for FTREIT**, respectively

Industrial Property

Indonesia



- ◆ Completed development of 10,000 sqm. in Karawang in Oct-18, with tenant rental contract started by Dec-18
- ◆ BTS project in pipeline approx. 50,000 sqm. in FY2019

Karawang,

West Java

Occupied Area
77,461 sqm.

OCC rate **96%**



Banjarmasin,

South Kalimantan

Occupied Area
9,705 sqm.

OCC rate **100%**



Makassar,

South Sulawesi

Occupied Area
11,385 sqm.

OCC rate **100%**

1. *as at Dec 31, 2018

Data Centre Business

Support the growth of digital transformation and industrial 4.0



- Exclusive Joint Venture Partnership with STT GDC to operate data centre business in Thailand. First hyperscale data centre in Ramkhamhaeng
- Fraser's Property Technology (Thailand) Co., Ltd., a subsidiary of Fraser's Property Thailand, owns 51% in JV company - Technology Assets Co., Ltd.
- Total project value estimated to be THB 7.3 bn with tentative timeline for groundbreaking in Q419 (Jul-Dec)

**State-of-the-Art,
New Data Centre**

**Future integration
opportunity to
support Smart
Logistic Park**

**Ability to offer
cross platform
services**

**STT GDC is a
Global Data
Centre player**



Smart Solutions : Co-Working Business

Tech-enabled workplace, data analytics, community engagement

- ◆ Exclusive 51:49 JV Partner with JustCo to introduce dynamic, talented co-working communities in Thailand
- ◆ **Strategic locations in the central business district of Bangkok** – AIA Sathorn Tower, Capital Tower, (All Seasons Place) and Samyan Mitrtown by Q419. Overall occupancy rate continues to ramp-up on track to attain a full take-up in FY 2019
- ◆ JustCo organises **a wide spectrum of professional and lifestyle events**, which enable members to network, collaborate, and find business opportunities to drive success to each other's business
- ◆ With increasing demand for tech-enabled physical workspaces, JustCo is creating a **“JustCo Living Lab”, to run a modern technology-driven co-working center** to enable creativity, collaboration, speed, and freedom among its members
- ◆ The newly-launched **JustCo App, onsite program and services are accessible virtually to members**, to book a meeting room, discover members-only perks, contact JustCo team support
- ◆ **The JustCo CRM allows client management data and processes to be done online.** The data enhances better understanding of members and serves as building analytics & work productivity tools useful for landlords

AIA Sathorn
Tower
3,200 SQM.



Capital Tower,
All Seasons
Place
3,700 SQM.



Samyan
MITRTOWN
8,000 SQM.

Township Business

The new growth driver



- ♦ FPRA (joint venture company) was set up in December 2018 under a partnership between Frasers Property Thailand, Rojana and Asia industrial estate
- ♦ FPT holds 50% stake in the JV while Rojana and AIE each holds 25%
- ♦ FPRA won the land auction of 4,300 rai at Bangna-Trad km.32
- ♦ Development of township comprising industrial property, residential development and commercial development
- ♦ The last major industrial land plot close to Bangkok CBD and Suvarnabhumi Airport
- ♦ Currently under land transfer process

Project Location

Key Strategic location near Industrial Estates, Logistic Parks and Suvarnabhumi Airport, CBD Bangkok and Laem Chabang Deep Sea Port.



40 - 50 km
from Bangkok CBD



85 km
from Eastern Seaboard



20 km
from Airport



75 km from
Laem Chabang, Sea Port



10 km
from Bangplee IEs



30 km from
AMATA Chonburi



Located in
Bangna-
Trad km.32

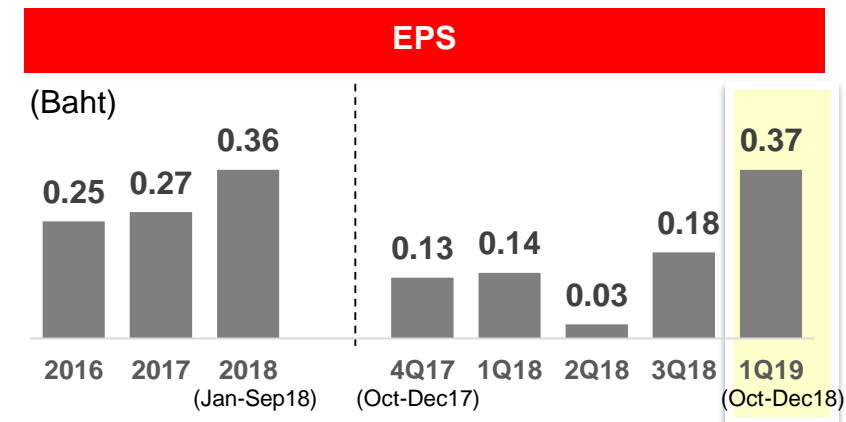
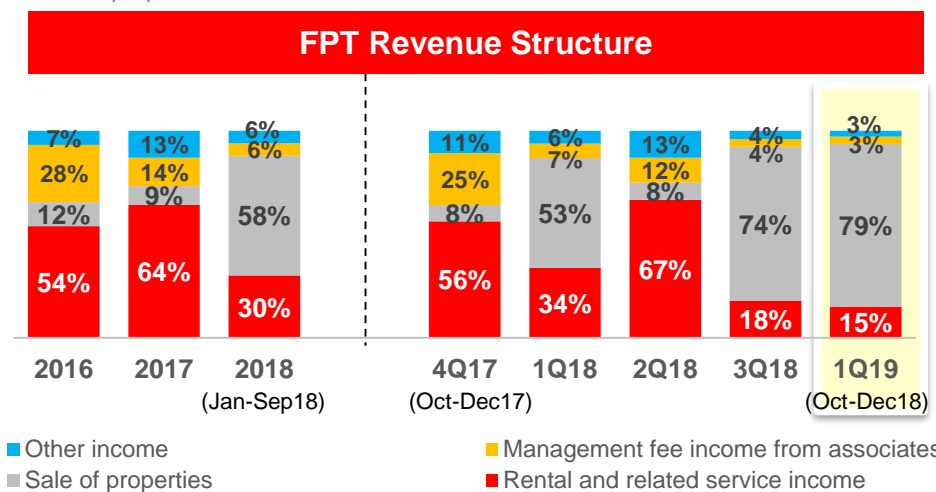
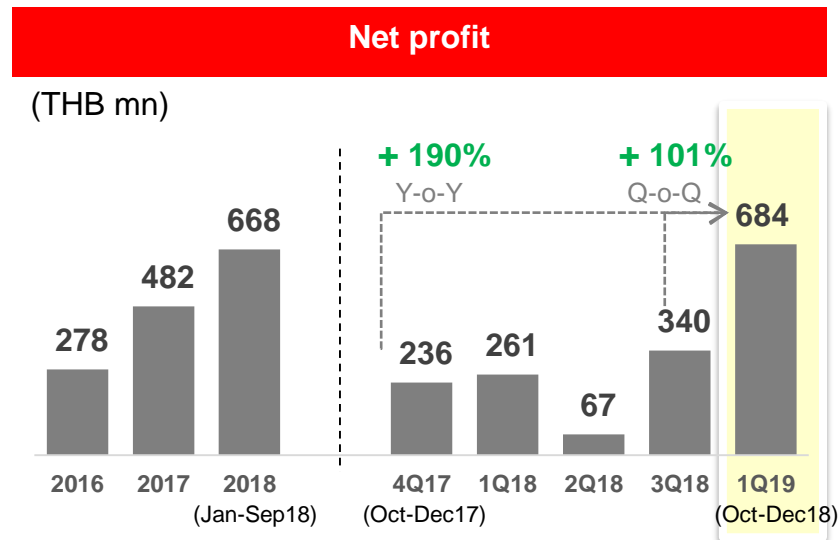
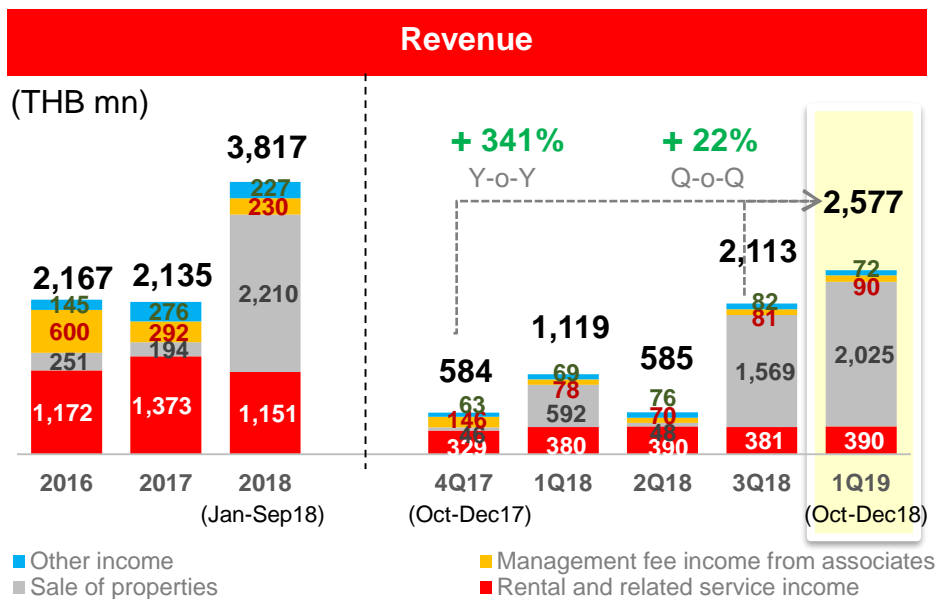


Financial Review

For 1st Quarter Fiscal Year 2019

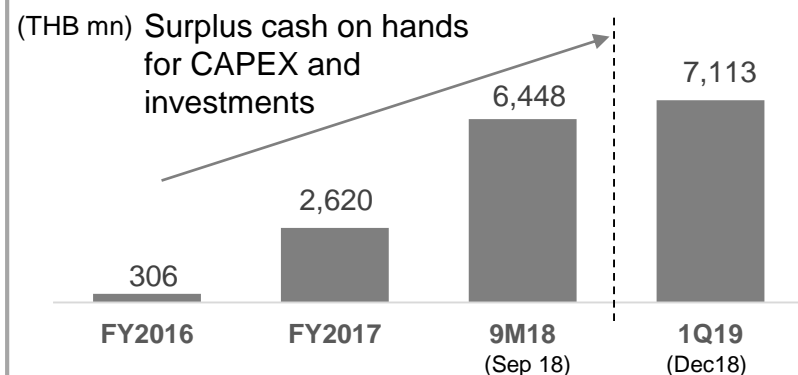
Three Months Ended December 31, 2018

1Q19 revenue and profit performance

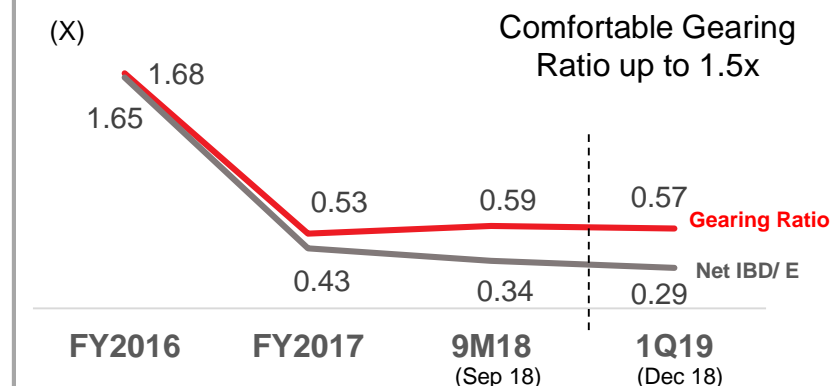


Balance sheet strength

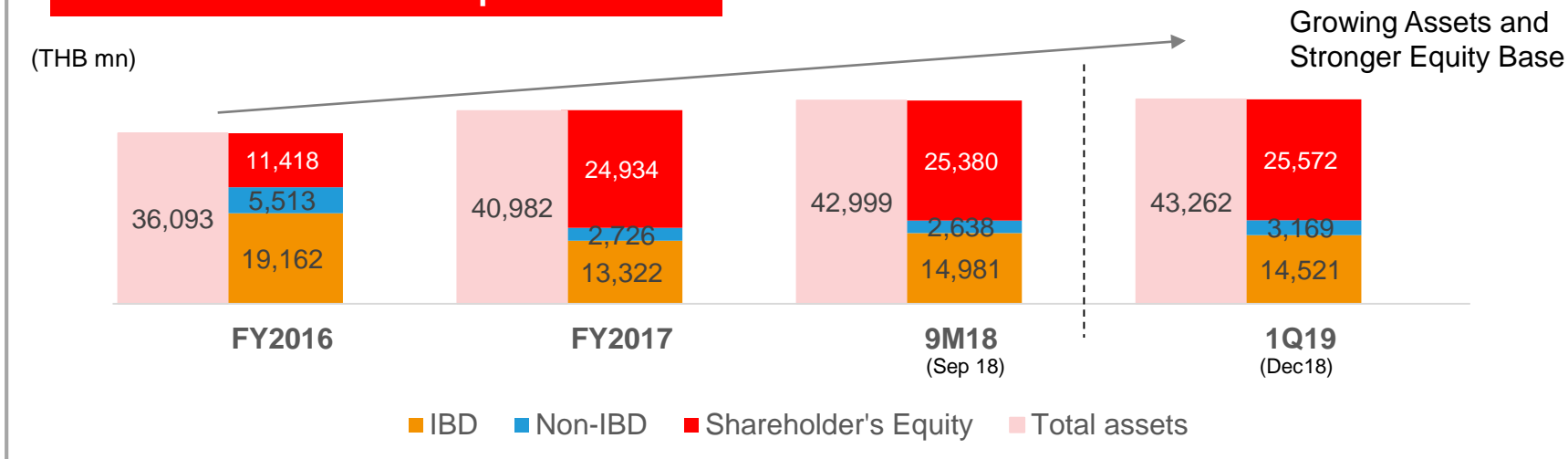
Cash & Current Investments



Gearing Ratio



Balance Sheet Composition



1Q19 financial performance

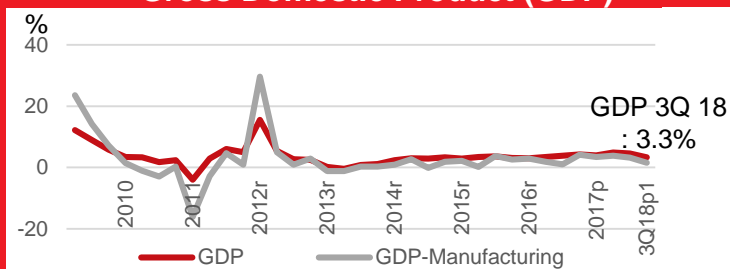
Profit & Loss statement (THB mn)	1Q19 Oct-Dec 18	4Q17 Oct-Dec 17	%YoY		
Total revenue	2,577	584	341%	▲	Outstanding growth mainly from higher rental and sales of properties to FTREIT in Dec 18
Rental and relate service income	390	329	18%	▲	Rising rental income of THB61mn from higher occupied area of factory and warehouse
Management fee from funds/REIT	90	146	-38%	▼	Higher fee in 4Q17 due to commission and property management income from TFUND, TLOGIS & TGROWTH prior to conversion
Sales of properties	2,025	46	4,323%	▲	Sales of properties hiked from sales of FPT's properties to FTREIT in Dec 18
Share of profit from investments	66	102	-36%	▼	Higher share in 4Q17 from recognized profits in the conversion of property funds into TREIT by Dec 2017
Finance cost	132	125	6%	▲	Higher cost from the debenture issuance early 2018 to support investment plan
Net Income	684	236	190%	▲	
Earnings per share	0.37	0.13	0.24	▲	

Industry Outlook

Thailand operating
environment

Thailand's Economy : Year in Review 2018

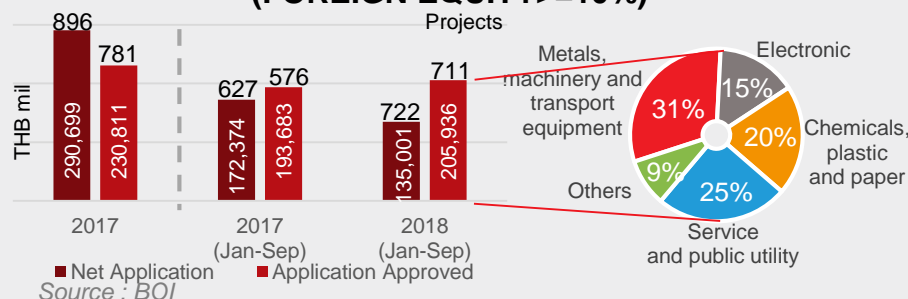
Gross Domestic Product (GDP)



Source : NESDB

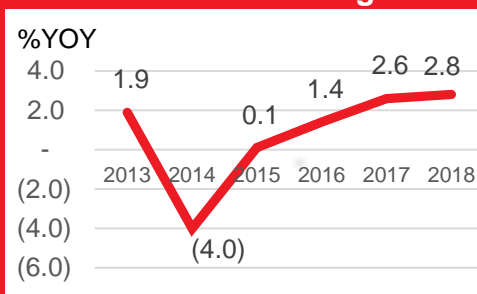
r = revised / p = preliminary based on annual figure / p1 = without annual figure

FOREIGN INVESTMENT FROM MAJOR COUNTRIES (FOREIGN EQUITY >= 10%)



Source : BOI

Manufacturing Production Index (MPI)



Source : OIE

Industries that positively effect to MPI (% YOY)

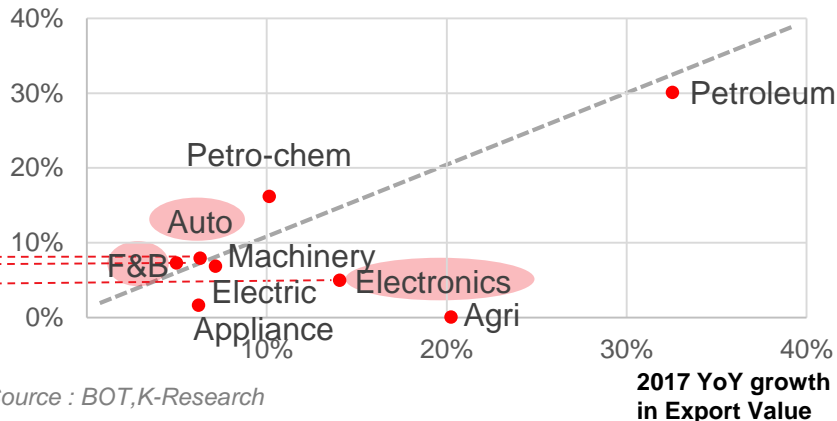


- Over 2H18, the overall Thai economy recorded a slower pace of growth. **Export-led manufacturing sector continued to experience good growth**, while domestic-oriented ones remained stable as private consumption grew moderately following the slow recovery of consumers' purchasing power in regional areas
- Application for Foreign Direct investment (FDI)** in first 9 months of 2018 was approved THB 205.9 billion mainly in metals, machinery & transport equipment sectors accounted for 31% with high value projects including hybrid electric vehicles, vehicle tire production, aviation transport business
- The Manufacturing Production Index (MPI)** increased 2.8% in FY2018. The automotive production saw an expansion of 9.7% from rising demand of pickup trucks, diesel cars, mid-size cars, gasoline engine and sales promotion activities. In addition, electronics production expanded 7.0% from increasing global demand on printed circuit board assembly (PBCA)
- The positive factors from macroeconomic number will eventually lead to **an increase in demand for both Serviced Industrial Land Plots (SILPs) and Ready Built Factories (RBFs)**, while the escalating trade war prolonged between US and China could influence Thai industrial market as some Chinese manufacturers may shift their production base to Thailand to avoid tariffs

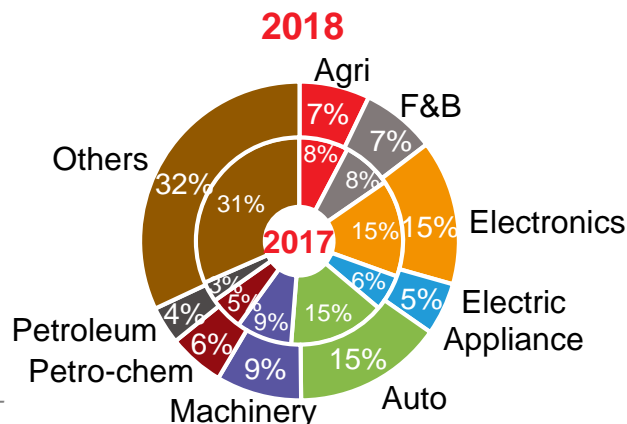
Industrial goods made up major contribution to total exports

Growth of Key Industry Export 2018 vs. 2017

2018 YoY growth
in Export Value



Breakdown of Total Export Value by Sector 2018 vs. 2017



2019 Outlook

- Export growth is likely to soften in 2019 from downside risks in weaker-than-expected global economy and trade
- Progress in US-China trade talks may be favorable for exports as close dialogue improve confidence and reduce risk of higher tariffs in the near future

Automotive

- Thai automotive industry from 2018 represented 15% of total export value with higher growth trend Y-o-Y
- Promising outlook is seen in Oceania and Asia, in particular Vietnam that will likely become the 3rd largest car export market in 2019 after problems related to the Decree 116 have subsided somewhat

Electronics

- Domestic market for electrical & electronics industry represent 15% share of the country's total export value for 2018 with OIE projected 2018 to 2020 growth trend in terms of both volume and value
- Investment promotion in electric vehicles (EV) and hybrid cars from government with granted BOI approval projects will support development of a full range of electric vehicles

Food & Beverages

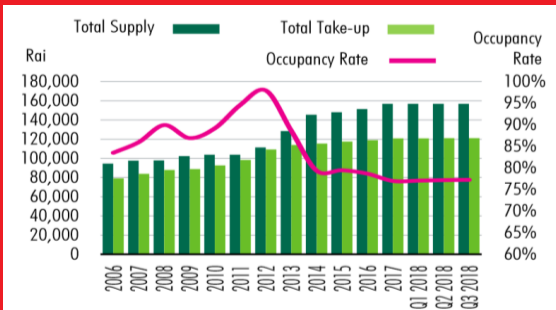
- F&B industry represented 7% of total export value with stronger growth trend in 2018, indicating potential growth of demand for production facility

Thailand Industrial Market View

Rising demand for logistics property

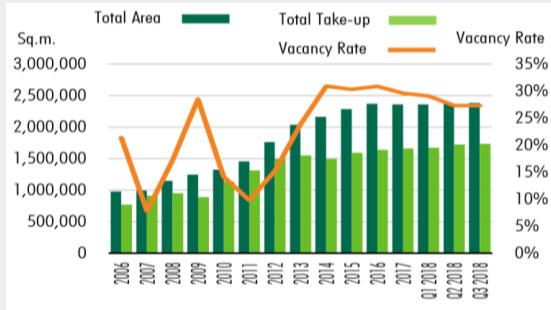
Demand and Occupancy Rate of Serviced Industrial Land Plots (SILP)

▲ Supply of SILP +0% YOY
▼ Demand for SILP -62% YOY



Supply, Demand and Vacancy Rate of Ready Built Factories (RBF)

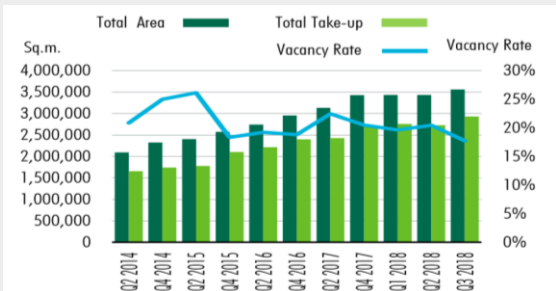
▲ Supply of RBF +1% YOY
▲ Demand for RBF +3% YOY



- **Total supply of RBFs** as of Q3 2018 was stable with vacancy rate remained unchanged Q-o-Q, while over the period there was a drop in the **demand for SILPs**. The low level SILPs sales and demand for RBFs show that manufacturers are upgrading their machinery in their existing facilities instead of expanding

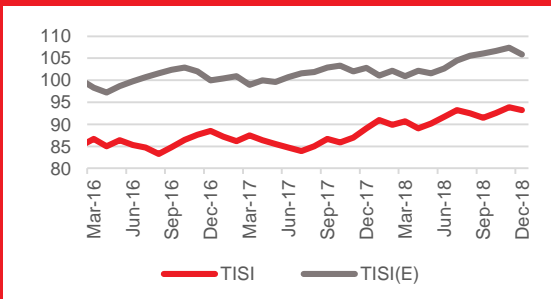
Demand and Occupancy Rate of Modern Logistics Properties (MLP)

▲ Supply of MLP +5% YOY
▲ Demand for MLP +10% YOY



Thai Industries Sentiment Index (TISI)

▲ 2018TISI:93.2% (2017:89.1%)
▲ 2018TISI(E):105.9% (2017:102.8%)



- **Demand for MLP**, on the other hand, is expected to continue growing in line with rapidly growing e-commerce business. Rentals in the most sought-after location like Bangna-Trad might rise due to limited land for new MLPs development

- **Thai Industries Sentiment Index (TISI)** fell to 93.2 in December from 93.9 in November, as businesses (especially SMEs) feared a policy interest rate hike would raise financial costs and a slower China economy would dampen purchase orders. Positive impact of clear election timeline should lift business sentiment.

Source : CBRE Research, Krungsri Research, FTI







Remarks:

Serviced Industrial Land Plots (SILP): Industrial estates are developed or managed by, or in joint venture with, the Industrial Estate Authority of Thailand (IEAT), a government organization

Ready Built Factories (RBF): There are several developers who are building factories for rent that are now available on many industrial estates and parks. The sizes range between 1,000 sqm. and 3,000 sqm.

Modern Logistics Properties (MLP): The properties has highly-functional leasable logistics facilities with a minimum gross floor area of 10,000 sqm.

Monitoring Progress on EEC Projects

 High Speed Train	 U-Tapao Airport	 Laem Chabang Deep Seaport-Phase III	 Maintenance, Repair and Overhaul (MRO)	 Map Ta Phut Industrial Port-Phase III	 Digital Park Thailand Project
Project Progress					
<ul style="list-style-type: none"> Negotiation is on-going with target for approval in first quarter 2019 	<ul style="list-style-type: none"> Between Q&A phase Proposal submission on 28 Feb 2019 was postponed Expect to get the qualified contractors within April 2019 	<ul style="list-style-type: none"> Opening for 2nd round selling PPP proposal document between 28 Jan – 1 Feb 2019 Now, 42 private companies have bought the proposal Target to submit the proposal on 29 Mar 2019 Expect to get the qualified contractor within this April 	<ul style="list-style-type: none"> Target to open the proposal from Airbus S.A.S in 18 Feb 2019 Evaluate the proposal within February 2019 	<ul style="list-style-type: none"> 2nd round of submitting PPP proposal target by 15 Feb 2019 Expect to get the qualified contractor within March 2019 	<ul style="list-style-type: none"> Opening for selling PPP proposal document between 25 Jan – 15 Feb 2019 Target to submit the proposal on 18 Mar 2019
Target to have full operation					
2023	2023	2025	-	2024	2021

Source : www.eeco.or.th and Thailand Property News by Knightfrank dated on 25 Jan 19

**Experience
matters.**



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