

# Opportunity Day

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2Q/2018

13 Sep 2018

# Key Corporate Milestones

TICON is a leading provider of SMART Industrial platform



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.



FAS bought 26.10% of TICON and completed tender offer process.

Partner with STTelemedia Global Data Centres in April 2018



TFUND TLOGIS TGROWTH



1990-2002

2005

2009

2013

2015

2017

2018

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



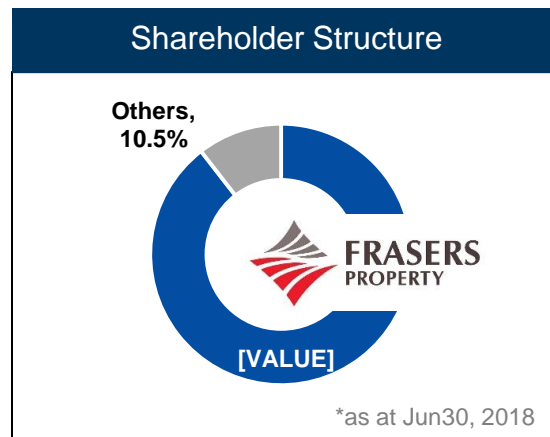
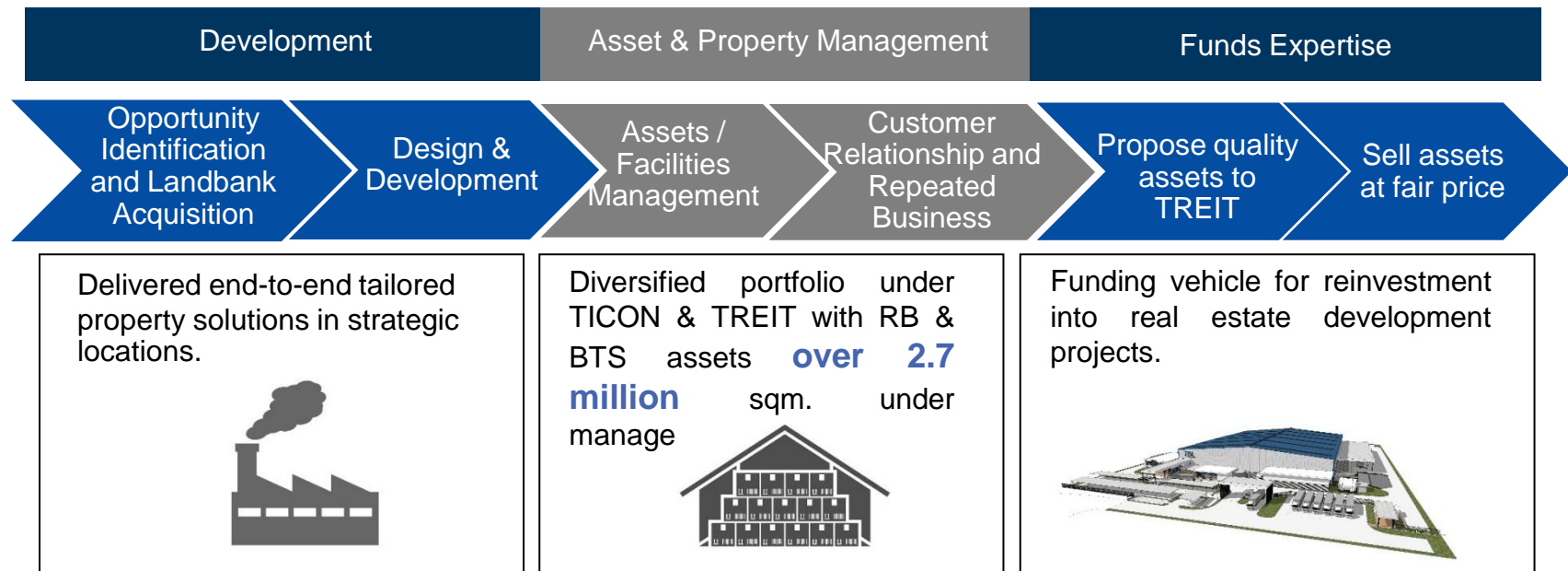
Partner with JUST CO in July 2018

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

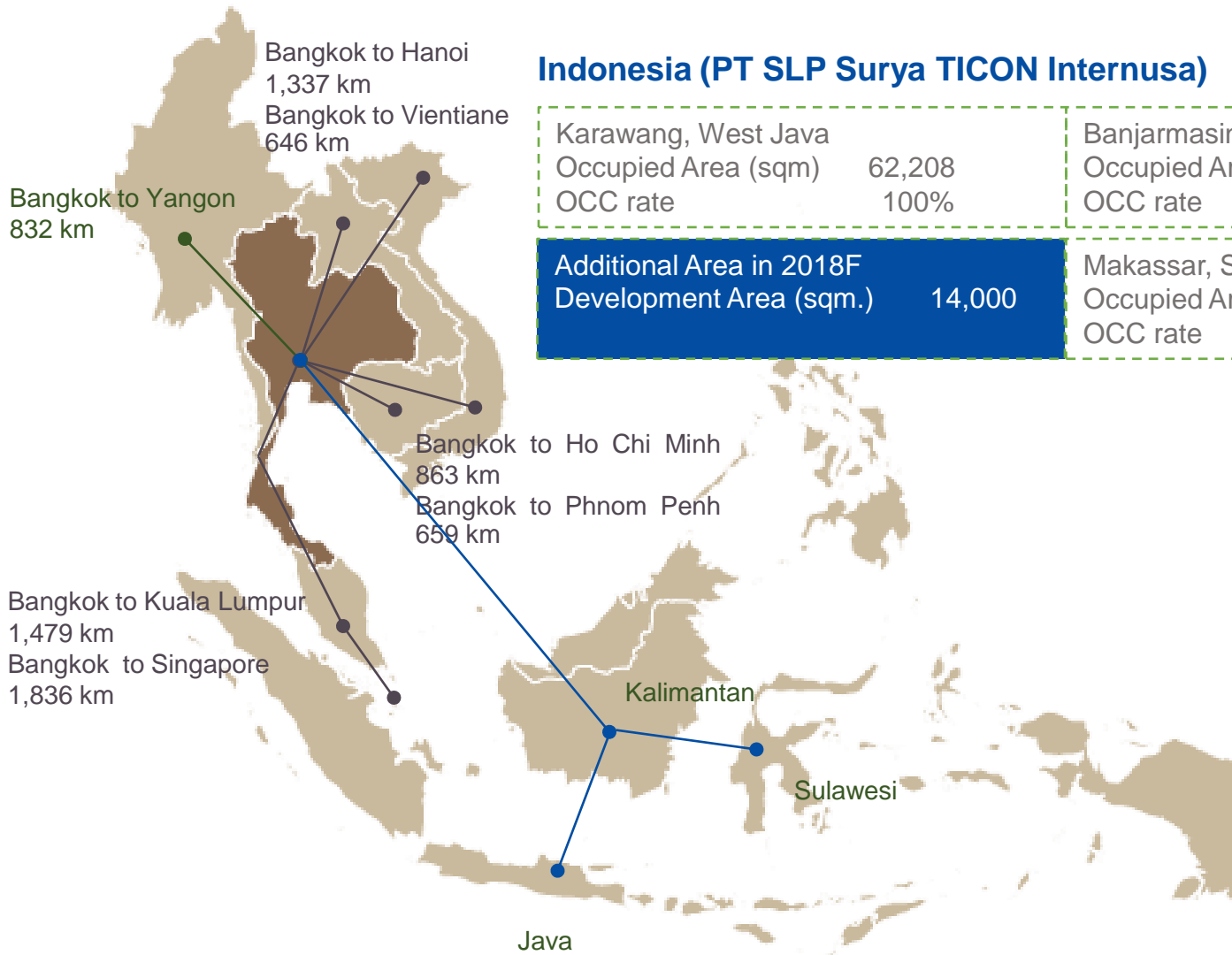
# Overview of TICON's business



# Overview of TICON's Industrial Property business



# TICON's Regional Portfolio



## Indonesia (PT SLP Surya TICON Internusa)

Karawang, West Java  
Occupied Area (sqm) 62,208  
OCC rate 100%

Banjarmasin, South Kalimantan  
Occupied Area (sqm) 9,705  
OCC rate 100%

Additional Area in 2018F  
Development Area (sqm.) 14,000

Makassar, South Sulawesi  
Occupied Area (sqm) 11,385  
OCC rate 100%

\*as at Jun30, 2018



# Key Business Updates

## Operational Performance



YTD Net Add for AUM of 29K sqm.



**71% AUM Occupancy Rate** as at Jun 2018, improved from 68% in June 2017



Signed a built-to-suit contract of **34,300 sqm** with Power Buy, to build its **largest distribution center** in Thailand in Aug-18

## Financial Performance



Total Revenue increased **22% YoY** in **2Q18** to Bt585 mn and rose **66% YoY** in **1H18** to Bt1,704 mn . Rental revenue and sale of assets remain key revenue contribution.



Net Profit increased **50% YoY** in **2Q18** to Bt67 mn and **grew 134%** to **Bt328 mn** for **1H18**

## Other Corporate Initiative



Introducing a vision to become a provider of **Smart Industrial Platform**, integrating real-estate, data and technology solutions to enhance customer journey.



Exclusively **partnered JustCo**, the leading co-working space provider in Southeast Asia





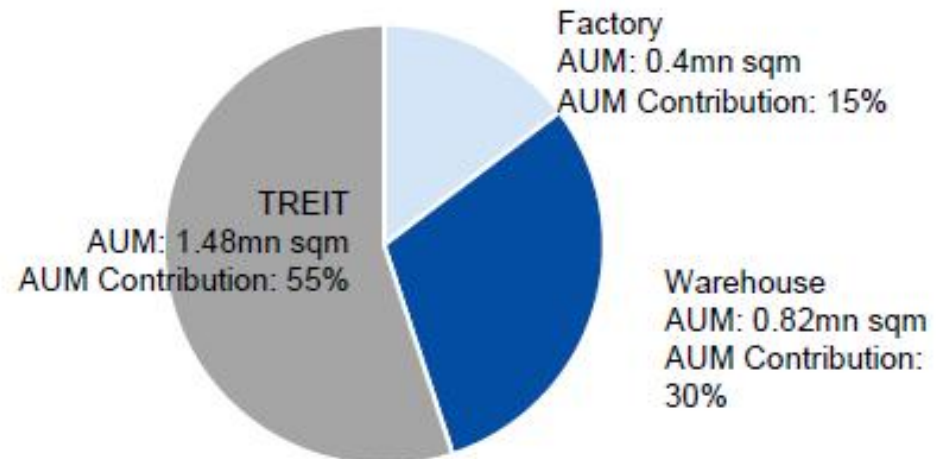
## Business Performance Review

# Snapshot of Portfolio AUM

- YTD Net Additions for AUM were 29K sqm. as at Jun 2018 comprising 40K sqm Net Additions under TICON and Net Reduction of 11K sqm under TREIT.
- TREIT registered Net Reduction during 2Q18 due to two customers moving out to use their own warehouses. Internally, TREIT maintains occupancy rate target at 82%.



## AUM remains unchanged at 2.7 mm sqm





# 1H18 AUM Portfolio Metrics by property types

## Factory

450

properties under  
management

1.1mn  
sqm.  
AUM

Jun-17

Jun-18

Portfolio  
Occupancy  
Rate

67%

70%



WALE

1.9  
years

1.7  
years



Net Add YTD  
Jun-18

22.7K  
sqm



## Warehouse

409

properties under  
management

1.6mn  
sqm.  
AUM

Jun-17

Jun-18

Portfolio  
Occupancy  
Rate

70%

71%



WALE

3.9  
years

3.6  
years



Net Add YTD  
Jun-18

6.6K  
sqm



As at Jun30, 2018

# 1H18 Portfolio Metrics by entities

## TICON

369

properties

1.2mn  
sqm

Factories &  
warehouses

Jun-17

Jun-18

Portfolio  
Occupancy  
Rate

55%

62%



Net Add YTD  
Jun-18



40K  
sqm

## TREIT

490

properties

1.5mn  
sqm

Factories &  
warehouses

Jun-17

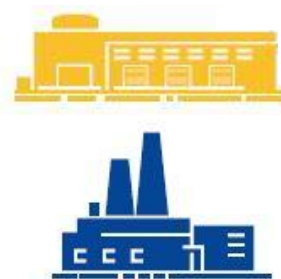
Jun-18

Portfolio  
Occupancy  
Rate

78%

78%

Net Add YTD  
Jun-18

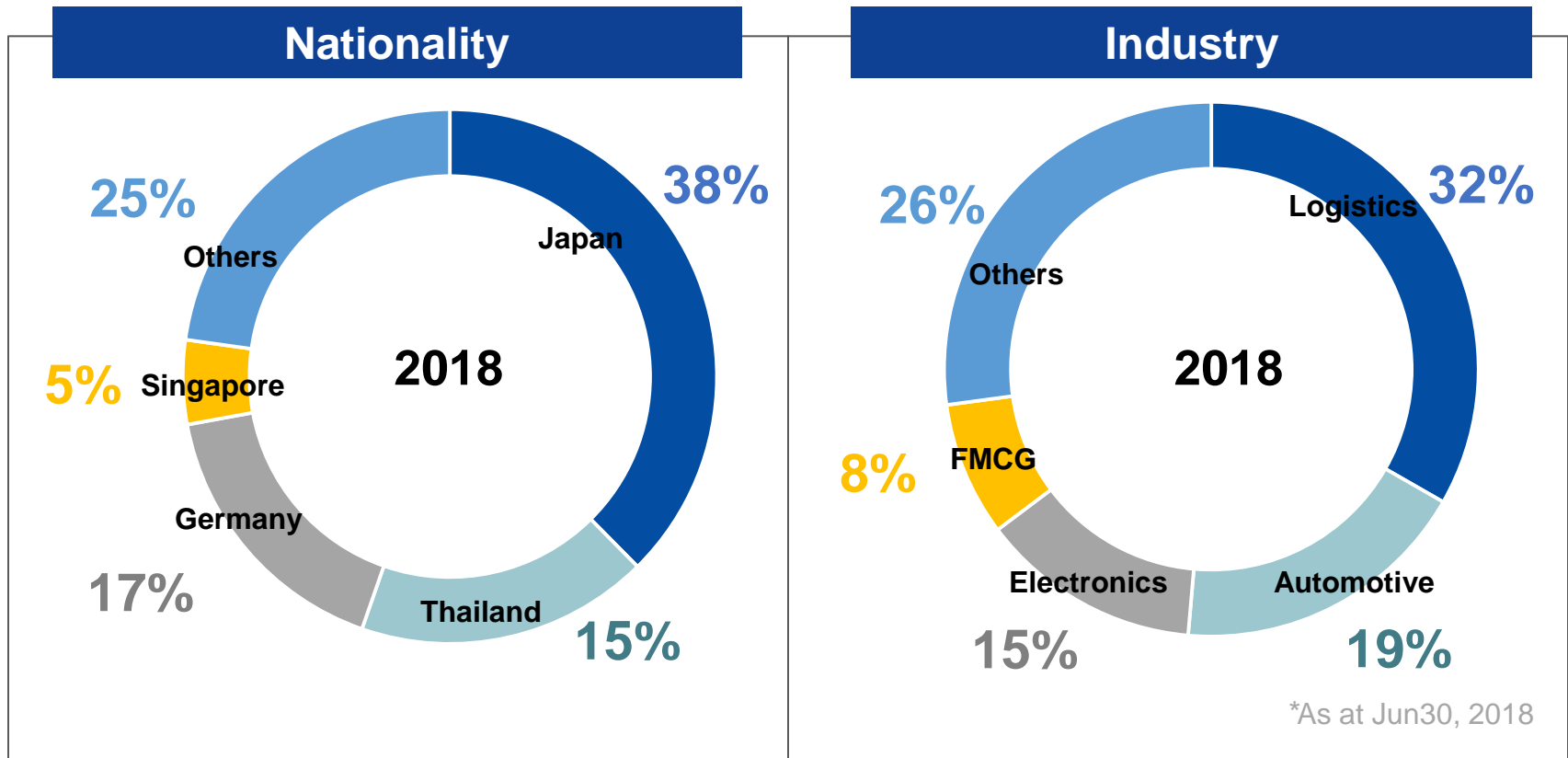


-11K  
sqm

As at Jun30, 2018

## Diversified Tenant Base as at Jun-18

A well diversified portfolio across nationalities and industries – spreading across key industries, including automotive, electrical & electronics, logistics provider, consumer products and retail business, etc.



# Opportunities for TICON in Thailand 4.0

## Upgrading of existing 5 industries



Next-gen  
Automobile



Food  
processing



Biofuels and  
Biochemical



Smart  
electronics



Tourism

## New S-Curve industries



Automation &  
Robotics



Aerospace



Agricultural  
and Biotech



Digital Economy



Medical hub

## Four key goals of Thailand 4.0

1. Economic prosperity based on innovation, technology and creativity.
2. Creating an inclusive society by realizing potentials of all members of the society
3. Transforming Thai competencies in the 21<sup>st</sup> century and Thailand 4.0
4. Environmental protection

## Opportunities for TICON

Diversified land bank locations of approximately 1,500 rais in 15 locations in EEC area and other strategic parts of Thailand. TICON is ready to support growth of Thailand 4.0 industries.

New S-Curve Industries to support Smart City, Electric Vehicles, Automation & Robotics.

Technology enabled platform to support Smart Logistics Park

Unleash TICON potential to drive long-term sustainable growth.





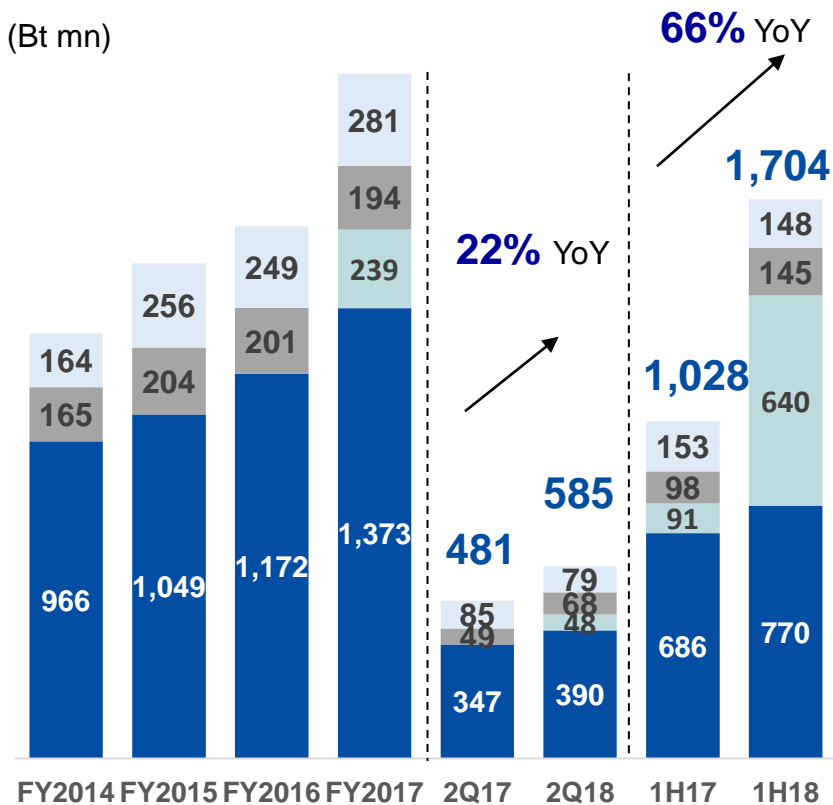
# Financial Performance Review

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# 2Q18 and 1H18 Revenue and Profit Performance

## Revenue Structure

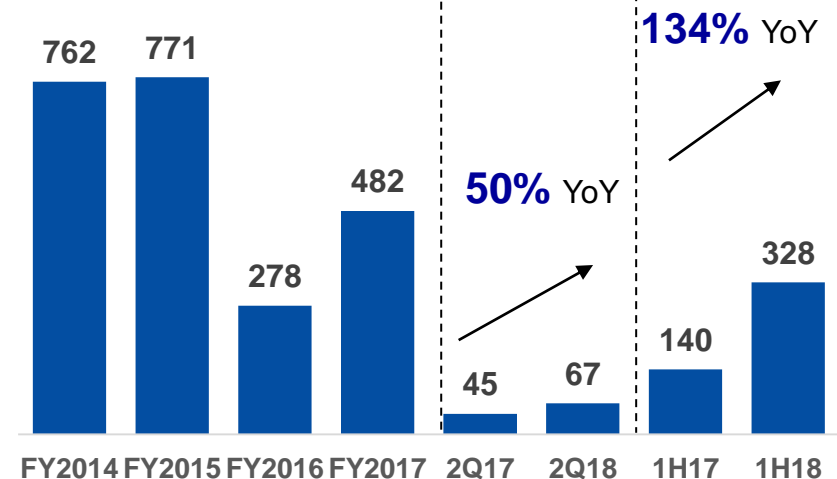
(Bt mn)



■ Rental and related service income 
 ■ Sales of properties  
■ Management fee income 
 ■ Other income

## Net profit

(Bt mn)

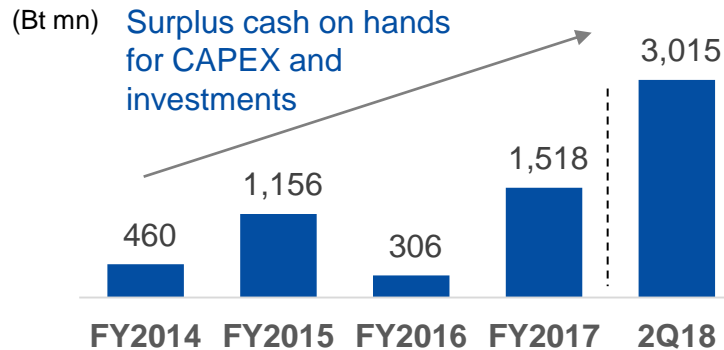


# Summary of Profit & Loss Statement

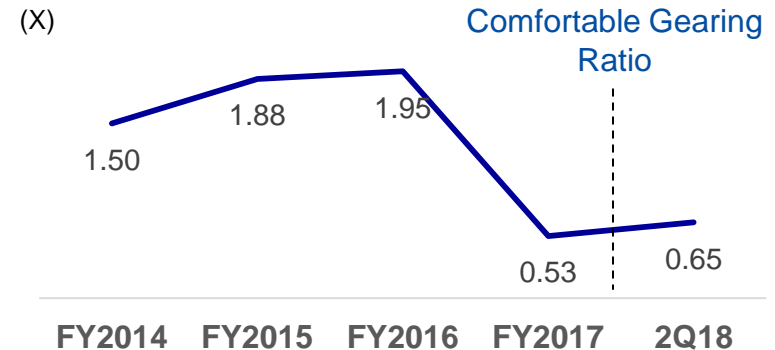
Profit & Loss statement (Btmn)	2Q18	2Q17	%YoY		
Total revenue	585	481	22%	▲	Higher rental revenue of 12% y-o-y from growing lease area. Management fee income increased 38% y-o-y from higher RM fee.
Share of profit from investments	59	58	1%	▲	
Finance cost	150	151	0.7%	▼	
Net Income	67	45	50%	▲	
Profit & Loss statement (Btmn)	1H18	1H17	%YoY		
Total revenue	1,704	1,028	66%	▲	Higher revenue from sale of properties of THB592mn in 1Q18.
Share of profit from investments	127	115	10%	▲	
Finance cost	277	312	11%	▼	Early debt repayment funded by capital injection.
Net Income	328	140	134%	▲	A jump net profit from rental income, management fee and sales of properties.
Earnings per share	0.17	0.08	0.09	▲	

# Balance Sheet Strength

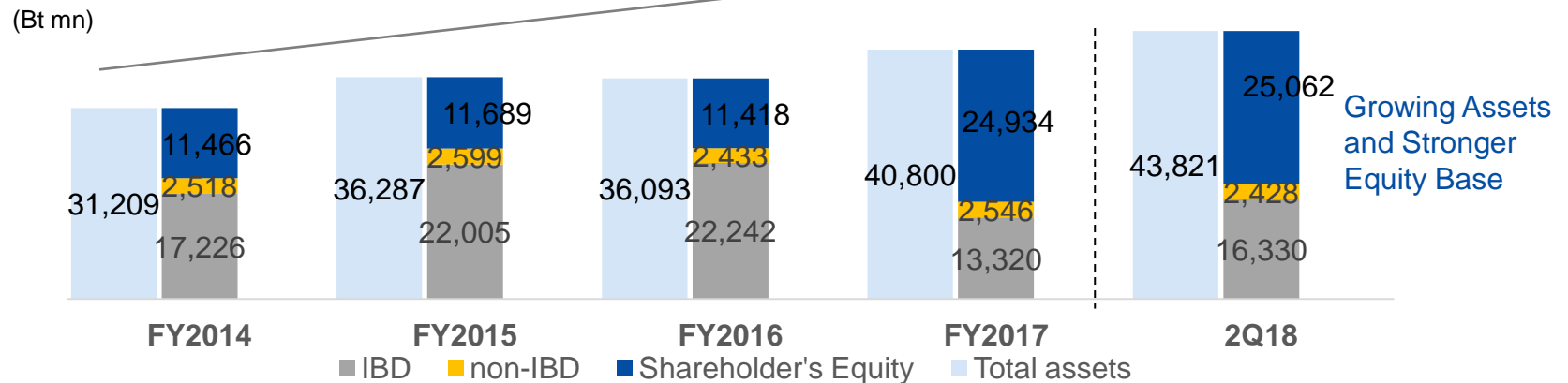
## Cash & Equivalent



## Gearing Ratio



## Balance Sheet Composition







## New Business Development & Outlook

# TICON - JustCo partnership



Co-working office



- JustCo is Singapore's largest premium co-working space provider. JustCo is set to operate centres in the region by 2020.
- TICON holds 51% stake in the JV.
- Strategic location at the center of Bangkok – AIA Sathorn Tower, Capital Tower at All Seasons Place and Samyan Mitrtown

## Why Justco?

- The partnership with JustCo represents a unique opportunity for TICON to enhance its services to the customers, with the ability to provide co-working space and taps on to JustCo's CRM and data analytics capability to boost growth and future business collaboration.

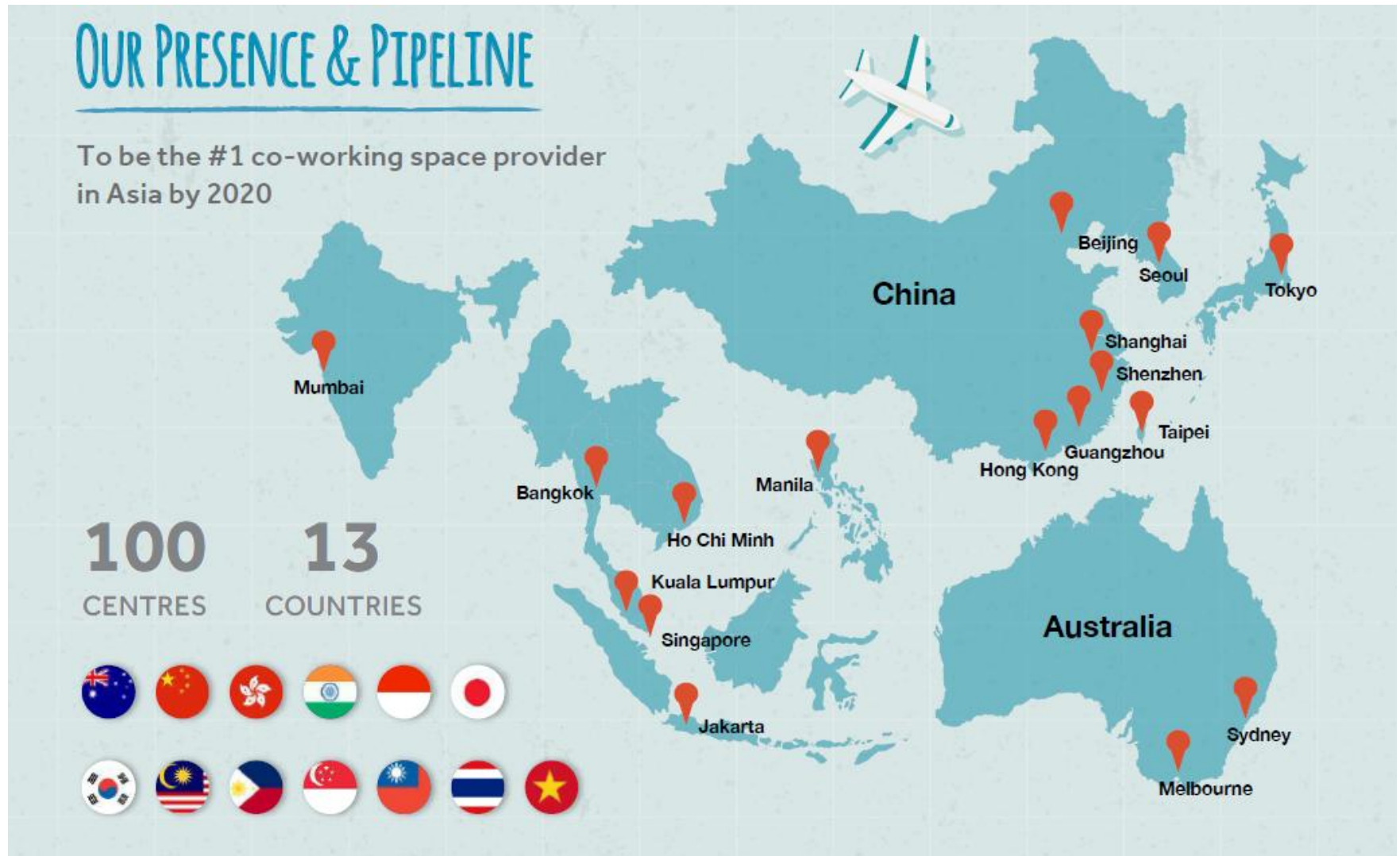


**Data  
Analytics**

**Community  
Management**

**Workspace  
Technology**

# JustCo's presence and pipelines



# UPDATE of sale of properties to TREIT

## Property portfolio to be sold to TREIT

### Key Portfolio Summary

New Assets	Conversion Assets
<b>58</b> Units	<b>23</b> Units <sup>1</sup>
Investment Value (Not Exceed)	Average Age of Properties
<b>3,600.13</b> Million Baht	<b>5.59</b> Years <sup>2</sup>
Net Leasable Area of New Assets	
<b>151,881</b> SQ.M	
Net Leasable Area of Conversion Assets	
<b>63,350</b> SQ.M <sup>3</sup>	
Occupancy Rate	Rental Guarantee by TICON/TPARK
<b>89.7%</b> <sup>4</sup>	
Occupancy Rate with Guarantee	
<b>100%</b> <sup>5</sup>	<b>1 Year</b> <sup>6</sup>

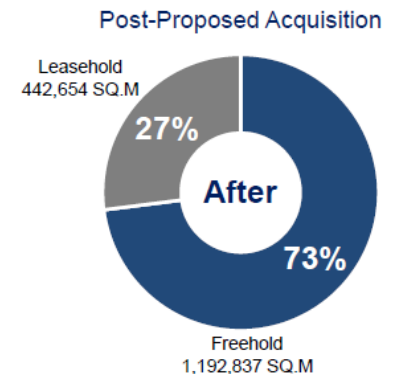
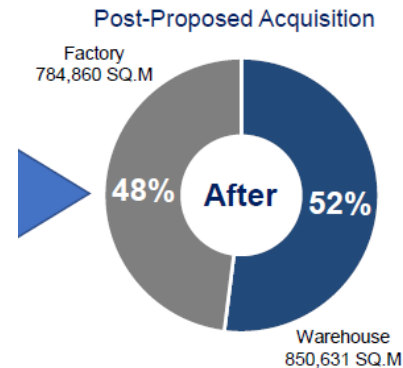
*“TICON’s growth remain supported by strong pipeline with target development of 100K sqm per year”*

## Key Considerations for TICON

1. Monetize portfolio of stabilized yield generating assets for capital recycling for business expansion
2. Re-balance portfolio for TREIT and TICON
3. Increase revenue and net profit and improve return on equity to TICON's shareholders
4. Support TREIT as its sole sponsor to grow its asset size with stable revenue generating portfolio

## Key Considerations for TREIT

1. Prime and strategic locations in Thailand with International Asset Quality
2. Reduce revenue concentration risk and increase proportion of freehold assets
3. Consistent with TREIT's investment strategy to ensure high occupancy rate, reduce revenue concentration risk and diversify tenant base.
4. Enhance TREIT performance and distribution per unit.





# 2018 Outlook

Based on total dimension strategic framework



Business/Product



Innovation



Customer



Financial & Capital  
Management



Asset Enhancement Initiative and Asset Management Exercise on the way to drive occupancy rate. On track to achieve 85% occ rate (AUM) by 2020.



Exploring Property Technology business expansion with potential partners.



Strong BTS pipeline with advanced-level discussion with Group Companies.  
Positive demand from existing tenants for business expansion given EEC clarity.



Sale of Assets to TREIT by Dec-18 will further drive 2018 revenue.



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

# TICON GROUP

The Leading Provider of Smart Industrial **Platform**

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