

Frasers Property Thailand

Corporate Day 2/2020

2nd Quarter Fiscal Year 2020 Earnings
Three Months Ended March 31, 2020



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Agenda

- Business updates
- Portfolio operating metrics
- Financial performance
- 2020 Outlook
- Q&A



Business updates

Quarterly highlights

Soaring EPS with diversified portfolio to cushion business amidst challenging operating environment



Organic growth
in recurring
incomes by
+1.85% Y-o-Y



91% OCC rate for
commercial
property
portfolio (AUM)



80% OCC rate
for industrial
portfolio (AUM)



Soaring EPS from Golden Land's Contribution

- > Total revenue of THB 5,090 million, an increase of **+10.4%** Q-o-Q, but a slight dip of **-7.6%** Y-o-Y. Gain from sales of land and investment at THB 414 million provided uplift for 2Q20.
- > Net profit totaled THB 851 million, a healthy increase of **+9.4%** Y-o-Y with EPS of THB0.42 per share or an increase of **+1,009%** from 2Q19 from Golden Land's contribution.
- > TRIS rating affirmed credit rating at investment grade of A- with stable outlook.

Derailing residential growth from the looming recession caused by Covid-19 crisis

- > Residential sales stabled Q-o-Q but slipped by **-19.1%** Y-o-Y to THB 3,557 million from slowdown in residential property market following LTV and Covid-19 lockdown measures.

Industrial property keeping up momentum

- > 2Q20 revenue stabled at THB 443 million with gains from divestment of small FTREIT units and sales of land in EEC area recorded.
- > Portfolio occupancy softened to **80%**. Occupancy of ready-built factory at five-year record high of **76%** from **73%** in 2Q19. Warehouse occupancy at **83%** from **84%** in 2Q19.

Growth in recurring income provides operational resilience

- > 2Q20 revenue from rental and related services rose by **+1.8%** Y-o-Y to THB 691 million from **+5.1%** increase of rental revenue under Golden Land.

Business updates



Industrial Property & Related Businesses

- ✓ Built-to-Suit pipelines target between 120K - 150K sq.m. for FY2020. New 10-yr 20K sq.m. BTS contract secured for F&N Dairies (Thailand) in Jan-20.
- ✓ Project development & renovations in progress.
- ✓ Promote virtual marketing & sales to support demand of new and expansion leases.
- ✓ TRA: 100% of land transferred YTD with master planning in progress.



Residential

- ✓ Residential portfolio faced challenges from impact of Covid-19 given softening demand and delaying of unit transfer from social distancing encouragement.
- ✓ Demand in selected location remains high with projects sold-out.
- ✓ Delay of new projects launch, in line with market demand.
- ✓ Rigorous cashflow management through cost savings and deferring of marketing activities.



Commercial & Hospitality

- ✓ SYM recorded a ramp-up occupancy for Mitrtown office tower to 73%, while occupancy of retail space was 98%.
- ✓ Golden Land launched 'Friend helps Friends' rescue package to waive rent of selected tenants whose stores were closed under emergency decree.
- ✓ The priority is to ensure highest hygienic condition for safety of tenants and visitors.

Progressive Built-to-Suit development project

> Transforming concept design to project completion



Havi Logistics, Bangplee 2

Last mile food processing and cold chain DC facility



30,649 sqm

Industrial GFA



March 2020

Completion & handover

> New BTS wins demonstrating FPT's design and development capability



F&N, Wangnoi

F&N's first fully-automated distribution center in Thailand



20K sqm

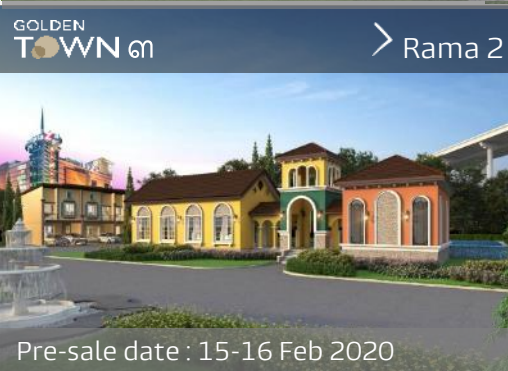
Industrial GFA



Q2 FY2021

Completion & handover

4 new residential projects launched IN 2Q/20 worth THB 3.5 billion



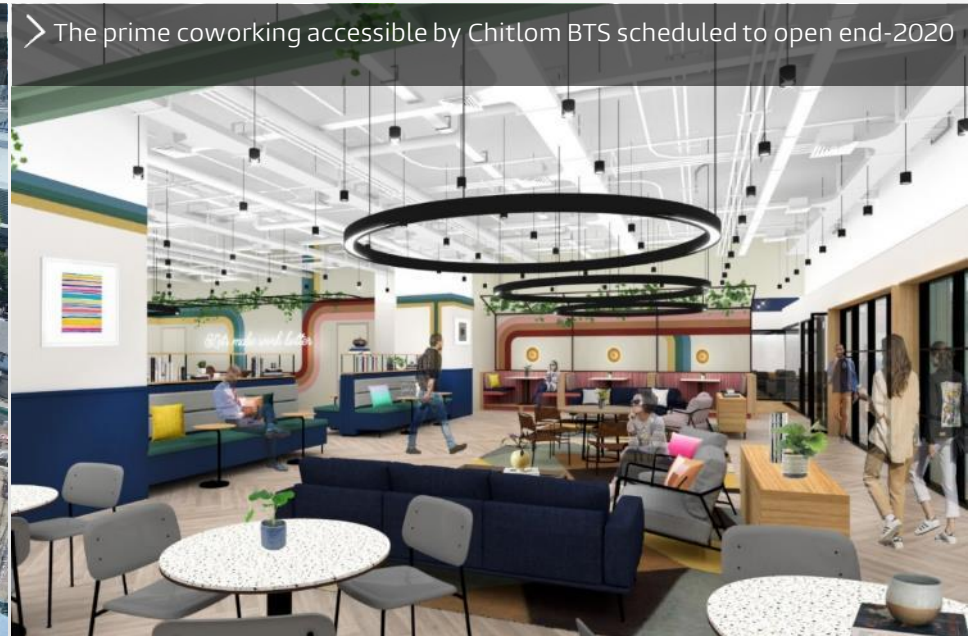
Good progress for JV investments

➤ Construction well in progress, with target launch remains by 1H/2021



Bangkok's First Hyperscale Data Centre Campus, Hua Mark

➤ The prime coworking accessible by Chitlom BTS scheduled to open end-2020



New JustCo Centre at Amarin Tower, Ratchaprasong

Portfolio operating metrics



Segmental Performance – Industrial Property

52K sq.m. YTD Net Add for total portfolio of asset under management

Factory



Warehouse

451
properties
under
management

	Mar-19	Mar-20
Occ rate	73%	76%
WALE	2.06 Years	2.06 Years
YTD Net add	25.3K sq.m.	

1.15
mn sq.m.
AUM

435
properties
under
management

	Mar-19	Mar-20
Occ rate	84%	83%
WALE	3.57 Years	3.26 Years
YTD Net add	26.6K sq.m.	

1.68
mn sq.m.
AUM

FPT



FTREIT

308
properties
under
management

	Mar-19	Mar-20
Occ rate	76%	77%
YTD Net add	-26.6K sq.m.	

1.07
mn sq.m.
AUM

578
properties
under
management

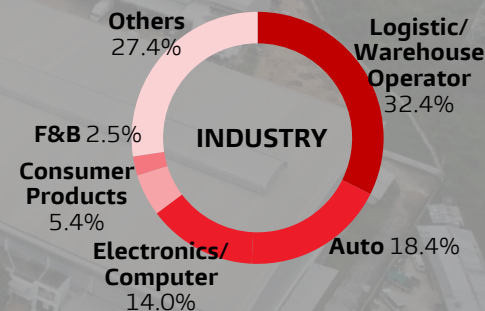
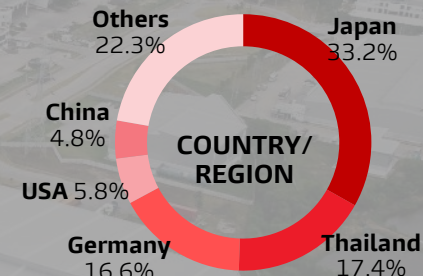
	Mar-19	Mar-20
Occ rate	82%	85%
YTD Net add	78.5 K sq.m.**,**	

1.76
mn sq.m.
AUM

* Including 3rd party assets in two locations; 80K sqm in Laem Chabang & 18K sqm in Wangnoi

** Excluding guaranteed lease area of 51.5 K sqm

Breakdown of industrial property tenants



Segmental Performance – Residential Property

61 Active projects

THB 70 bn project value



16 Single detached house



9 Semi detached house

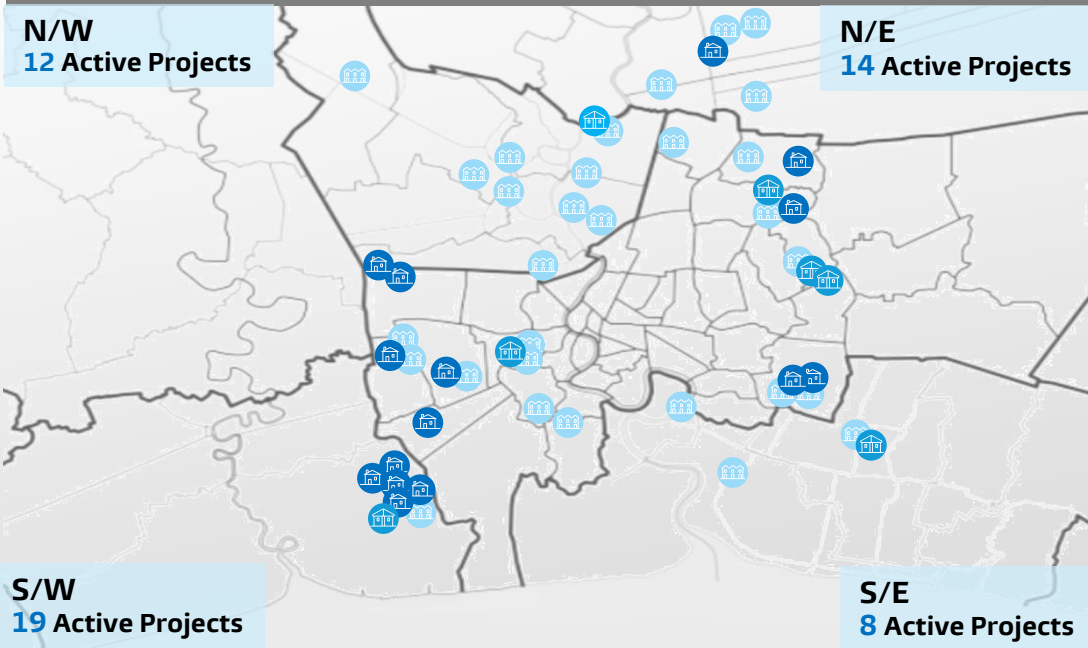


36 Townhouse

Bangkok & Vicinity

N/W
12 Active Projects

N/E
14 Active Projects



S/W
19 Active Projects

S/E
8 Active Projects

Upcountry



8 Active Projects

- Chiangrai
- Chiangmai
- Ayutthaya
- Korat
- Chonburi
- Chachoengsao

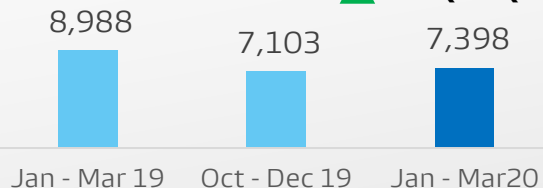
Segmental Performance – Residential Property

Residential Presale

7,398 MB Presale in 3 months

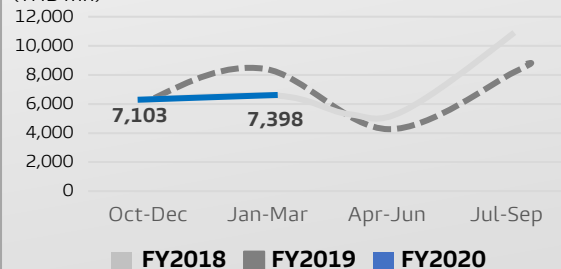
(THB mn)

▼ **18% Y-o-Y**
▲ **4% Q-o-Q**



Presale

(THB mn)



Residential Revenue

3,557 MB Revenue 3 months

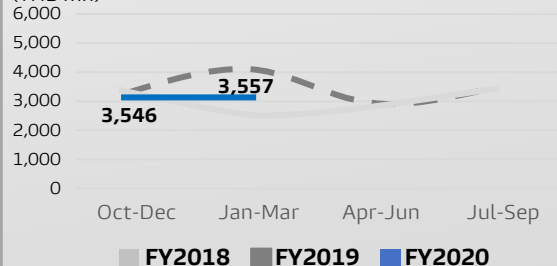
(THB mn)

▼ **19% Y-o-Y**
▲ **0.3% Q-o-Q**



Revenue

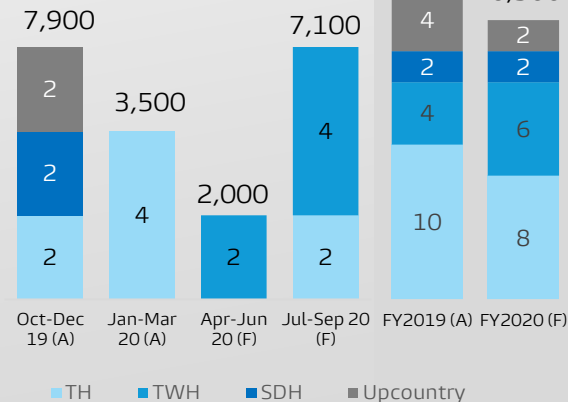
(THB mn)



Residential Project Launch Plan

FY2020

▼ **1% Y-o-Y**



Segmental Performance – Commercial Property

golden land



Occ rate : **91%**
Asking rent : **THB 600/sq.m.**

FYI CENTER
FOR YOUR INSPIRATION & WELL PLACE



Occ rate : **99%**
Asking rent : **THB 900/sq.m.**

MITRTOWN
OFFICE TOWER

SAMYAN
MITRTOWN



Occ rate : **Office : 73% Retail : 98%**
Asking rent : **Office : THB 1,200/sq.m.**

SATHORN
SQUARE



Occ rate : **97%**
Asking rent : **THB 1,100/sq.m.**

PARK VENTURES
THE ECOPLEX ON WITTHAYU



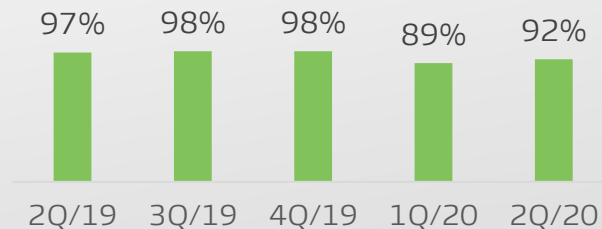
Occ rate : **100%**
Asking rent : **THB 1,500/sq.m.**


**REIT
Management**

Overall occupancy rate

	1H/20	1H/19	Change
Occ rate	91%	97%	▼ 5.9 pp

Overall occupancy rate by quarter



- 2Q20 rental revenue from FYI Center increased by 9% as a result of rental adjustment and higher occupancy rate to 99%.
- Occupancy rate for Golden Land Building remained high at 91%.
- COVID-19 impacted revenue from rental of exhibition area and meeting rooms, but recovery is expected in 2H20.

Segmental Performance – Hospitality

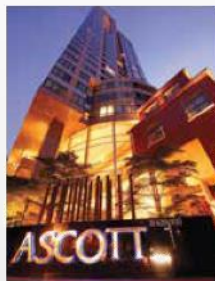
High-rise Residential / Serviced Apartment and Hotel

Project size: 1,100 keys

MODENA
BY FRASERS
SERVICES



ASCOTT
GATEWAY
BANGKOK



Marriott
EXECUTIVE APARTMENTS



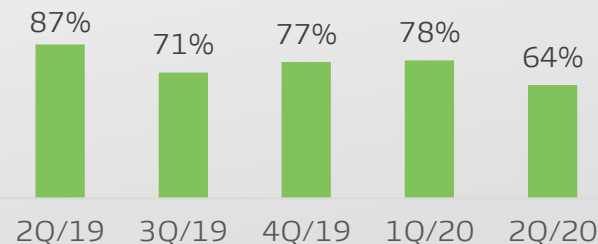
W
HOTELS



Overall occupancy rate

	1H/20	1H/19	Change
Occ rate	71%	82%	▼ 11.0 pp
RevPar (Baht)	2,460	2,732	▼ 9.9%

Overall occupancy rate by quarter



- 2Q20 revenue from hospitality business declined 26% as a result of lower occupancy rate and RevPar pursuant to COVID-19.
- Lower impact to Mayfair Marriott Executive Apartment and The Ascott Sathorn given its long-term stay nature.

SAMYAN
MITRTOWN

Triple Y Hotel

Triple Y Residence



* W Bangkok hotel and Triple Y Hotel are operated by GOLD's subsidiaries and joint venture

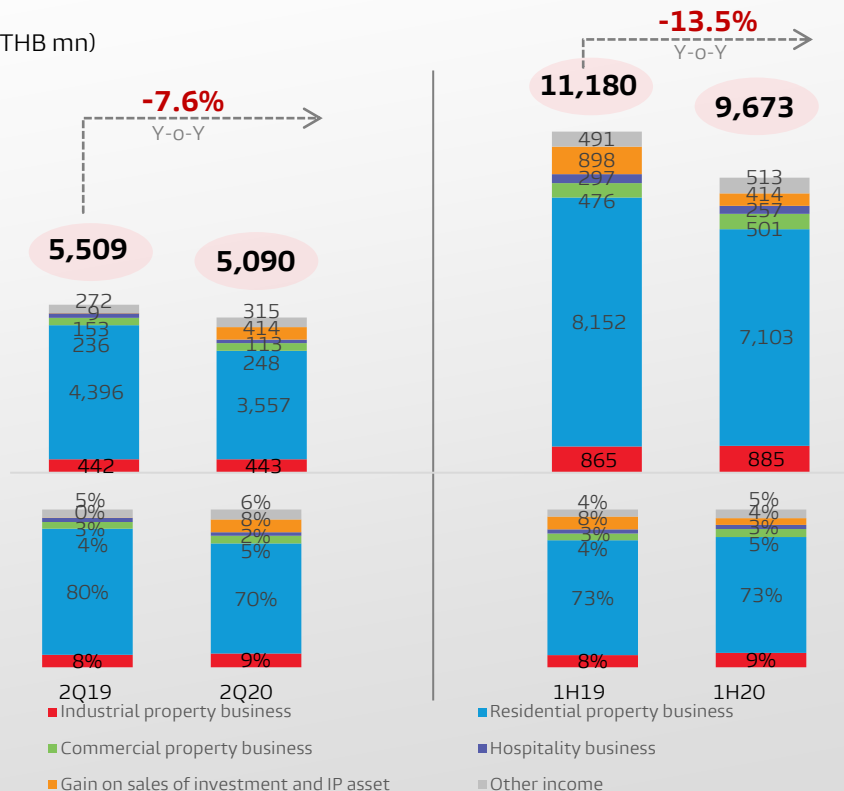
Financial performance



2Q20 revenue and earning performance

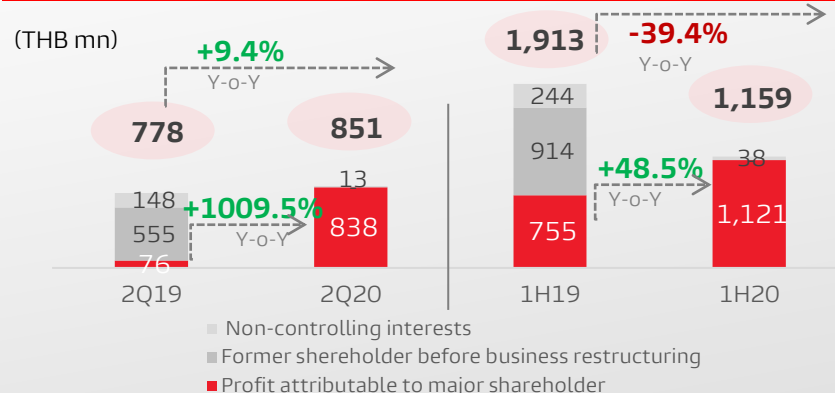
Revenue Structure

(THB mn)



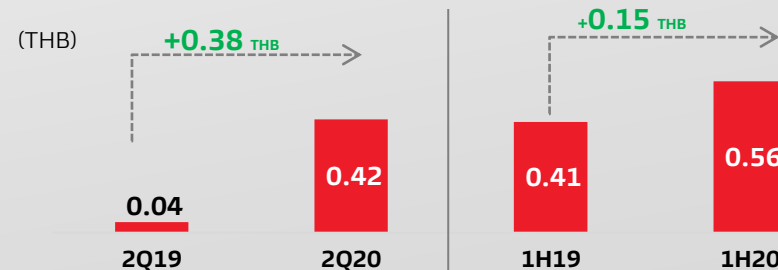
Net Profit

(THB mn)



EPS*

(THB)

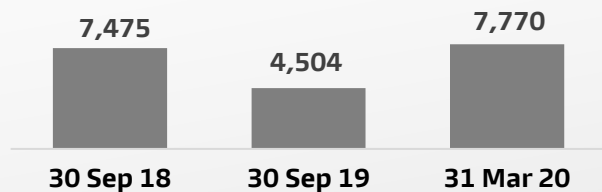


*Calculated by dividing profit attributable to owners of the company over number of paid-up shares

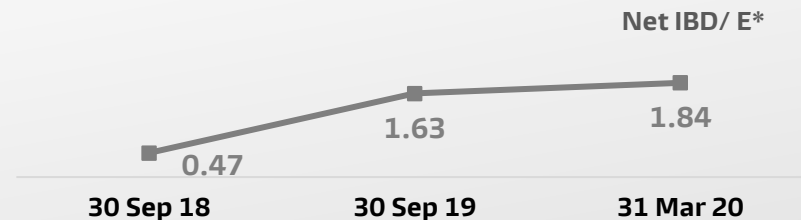
Balance sheet position

Cash & Current Investments

(THB mn)

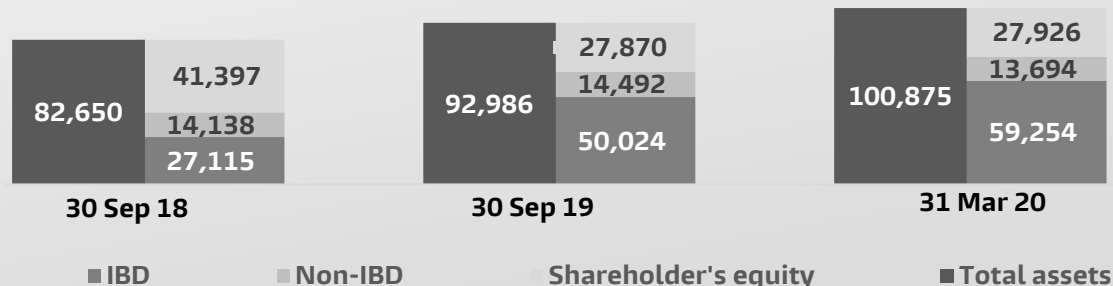


Gearing Ratio



Balance Sheet Composition

(THB mn)



Enlarging asset from residential project under construction

*Calculated by a ratio of total loans, borrowings and liability under financial lease, net of cash & cash equivalents & current investment, to total shareholders' equity

Key financial performance

Profit & Loss statement (THB mn)	2Q20 (Jan - Mar 20)	2Q19 (Jan - Mar 19)	%	1H20 (Oct 19 - Mar 20)	1H19 (Oct 18 - Mar 19)	%	Remark
Total revenue	5,090	5,509	▼ 8%	9,673	11,180	▼ 13%	
Revenue from sales of real estate	3,557	4,396	▼ 19%	7,103	8,152	▼ 13%	<ul style="list-style-type: none"> • Lower sales from single detached house and twin houses. • Sale in townhome and upcountry home continued to grow up.
Rental and related service revenue	691	678	▲ 2%	1,387	1,342	▲ 3%	<ul style="list-style-type: none"> • Rise in occupancy rate and rental rate of FYI center. • More new leases in IP business boosted rental and service income.
Revenue from hotel business	113	153	▼ 26%	257	297	▼ 14%	• Occupancy rate of 3 hotels decreased by c.10%
Management fee income	142	126	▲ 13%	317	256	▲ 24%	• Higher fee income from securing new assets & customers to FTREIT
Gain on sales of properties	30	(1)	▲ 2528%	30	888	▼ 97%	• Gain from land sales of THB49 mn to Midea Group, offsetting losses from expropriation of assets by the government
Gain on sales of investment	384	-	▲ N/A	384	-	▲ N/A	• Gain from sales of small FTREIT units.
Share of profits of associates / JV, net of unrealized gains on sales of properties	51	73	▼ 31%	56	(41)	▲ 235%	• Contribution from FTREIT cushioned losses under JVs and associates (BLP, WLP, PBA and SYM) which remain under incubation stage.
Finance cost	288	168	▲ 71%	551	321	▲ 71%	
Profit for the year	851	778	▲ 9%	1,159	1,913	▼ 39%	
Profit attributable to major shareholder	838	76	▲ 1009%	1,121	755	▲ 49%	
Net profit margin*	16.5%	1.4%	▲ 15.1 pp	11.6%	6.8%	▲ 4.8 pp	

*Calculated by profit attributable to owner of the company over total revenue

FPT COVID-19 Center

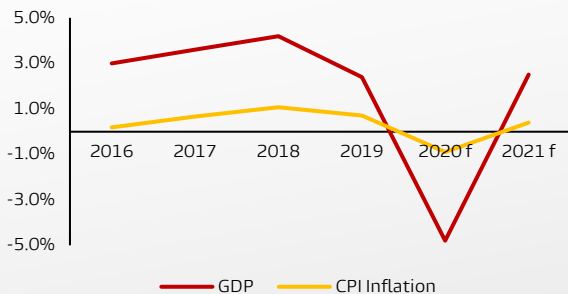


#FPTห้องไอแอลไม่ห้องกัน #FPTAlwaysTogether

2020 Outlook

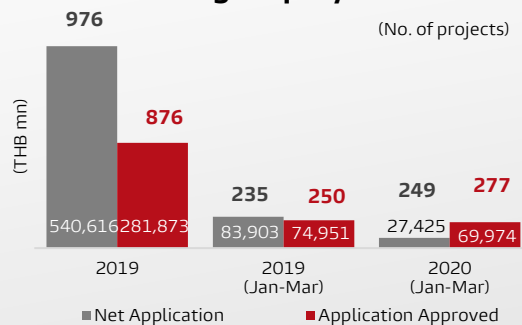
Thailand operating environment

GDP growth and CPI inflation expected to drop due to the COVID-19 outbreak



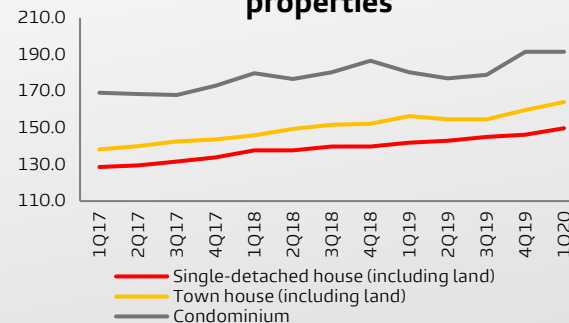
Source: Asian Development Outlook 2020 (April 2020)

Foreign investment from major countries decline (Foreign equity >=10%)



Source: BOI in March 2020

Housing price index (before COVID-19) on a rising trend from organic demand of landed residential properties



Source: Bank of Thailand data extracted in March 2020

- The Coronavirus episode presents an unusual combination of a shock to both the supply and demand side of economy.
- In Jan-20, BOT relaxed LTV rule to allow additional 10% of LTV value for houses valued <10 MB ie from 100% LTV to 110% LTV. For houses valued >10MB, BOT allowed 10% down-payment instead of 20%. Other existing measures from the government includes 0.01% registration and transfer fee for houses valued <3 MB until December 2020.
- The combining stimulus packages for COVID-19 which accounted for 10% of GDP have so far targeted small businesses, SMEs, unemployed workers. Real estate sector remains hopeful for more support from the government with respect to Special Business Tax, foreign ownership and LTV measures.

Potential sectoral implications from Covid-19



Sector Impact

- Developers concentrating on clearing stocks rather than new built. Heavy promotions for existing projects.
- Demand continues for specific housing sub-sectors and in selected Greater Bangkok areas.
- Developers will adopt online platforms to maintain visibility and facilitate payment. Health and wellness proposition for new development.

- Labour shortage will accelerate adoption of robotics and automation.
- Global supply chain disruption incidence triggered re-location of manufacturing facilities from China to Southeast Asia.
- Rising demand for last-mile logistics, e-commerce hub, food & cold storage and data center

- Developers re-evaluating project design to incorporate 'new normal' features eg work-from-home, hygiene, density and safety requirements.
- Tourism and hospitality sectors will be impacted throughout 2020. Hotels now offer vouchers, rebooking options and long-stays to manage cashflow.

Impact to FPT/ GOLD



Lower number of homebuyers visiting the showroom but higher proportion of 'real' buyers



Postpone new launch. Lockdown interrupted transfer process.



Defer new land acquisitions and implement cost saving initiatives.



Review of tenant's credit scoring to ascertain receivable and collection risk.



Rental rebate and deferment to selected clients on a case-by-case basis.



Rental rebates for selected tenants of office and retail sectors. Ensure safety & hygiene standard of all properties.



30% retail opt-in delivery service. Cost savings initiatives to cushion lower hospitality occupancy.

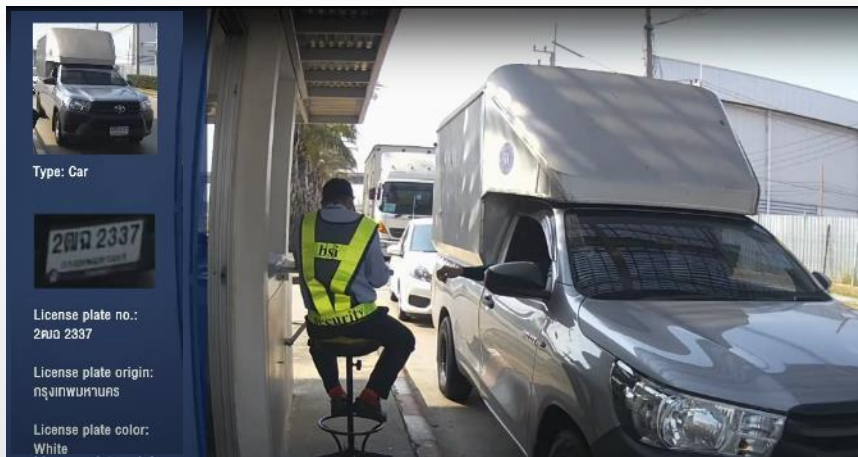


Utilize resources under lock-down to plan recovery & engage customers.

Navigating the 'New Normal' using data and technology

DASHWAY Project

Boosting efficiency and cost optimization



Dashway objectives :

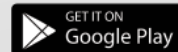
1. Operational cost reduction
2. Customer experience improvement
3. Data monetization

GOLD CARE application

Direct access and enhance services to home buyers



A blissful experience
Privilege for GOLDENLAND's House Owner
AVAILABLE NOW....



Take care of you delicately with GOLD CARE
Everywhere, anytime with 'one stop service'
app for repair, maintenance and news.
Quick and Convenience !!!

FPT remains on top of capital management

Discipline Capital Management Framework



FY2020 Initiatives



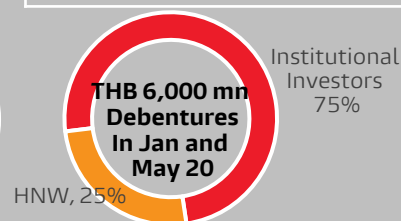
RO proceeds	THB 3,207 million
Offer price	THB 10.6 per share
# of share	302,514,446 shares (15% of paid-up capital)
RD date	27 May 2020
Subscription	29 June – 3 July 2020



For general operating, investment and capex requirement



Strengthening balance sheet via higher equity base



- FPT remains well supported by banks and debenture investors with ability to capitalize on borrowing at competitive rates.
- TRIS reaffirm A- credit rating with stable outlook.

Deleveraging plan in action

1H20

Unlock value of landbank and investment

2H20

Monetization of high-quality assets to FTREIT

Beyond

Active asset management and divestment of non-core assets

Key takeaways



Looking forward 2020

We remain **cautious on overall industry outlook as impact from COVID-19** unfolds. Short-term market sentiment is expected to remain weak in the coming quarters :



Industrial Property Business :

- Built-to-Suit target at 120,000 - 150,000 sq.m.
- AUM increases to 3 million sq.m. by end 2020.
- Property management to be a key focus with enhancement initiatives and tenant engagement strategy to maintain IP overall portfolio occupancy rate above 80%.



Residential Property Business

- 2H20 revenue will be impacted by COVID-19 and residential market slowdown. Pre-sales is expected to drop by 20% - 30% from pre-COVID time.
- New project launches and new site acquisition has been delayed in response to change in operating environment.



Commercial Property Business

- Moderate impact to commercial property business is expected considering semi-closure of retail segment and Triple Y hotel of SYM. Impact to office properties is limited at this juncture.

Proceeds from Rights Offerings and available banking facilities will ensure **sufficient liquidity for 2020.**

Deleveraging expected from assets recycling initiative in 2H20.



Experience matters.