

F R O S T & S U L L I V A N



INDUSTRIAL

2022 COMPANY OF THE YEAR

*THAILAND
SUSTAINABLE WAREHOUSE
DEVELOPMENT INDUSTRY*

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Frasers Property Industrial (Thailand) Company Limited excels in many of the criteria in the sustainable warehouse property development space.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

Market Snapshot and Company Profile

Warehouses, also known as industrial or logistics real estate property, are an integral part of the logistics industry. They serve as key storage and exchange points for goods. Warehouses are in high demand, driven by the needs of express and parcel delivery, third-party logistics, healthcare, life sciences, and construction. A further factor driving market dynamics is the emergence and growth of eCommerce, which has led to a growing demand for faster response times and the ability to manage large orders. Additionally, occupiers of warehouses increasingly expect landlords or providers to secure a suitable facility in advance for their specific needs, including modern and green features.

Global logistics companies are also looking to better serve their customers by having a presence in Asia-Pacific, including Thailand. Although the Thailand logistics and industrial real estate markets have been suffering due to the COVID-19 pandemic, there are many opportunities for forward-looking, eagle-eyed industry players. Besides, existing constraints on future growth include a limited supply of agricultural land for logistics, high rental rates, and a need to satisfy sustainability goals. Today, most customers believe that improving energy efficiency is the most important global priority. Therefore, stakeholders need to be aware of the emerging trends to implement the appropriate strategies and actions within the warehouse property development market.

Frasers Property Industrial (Thailand) Company Limited (“FPIT”) is a leading industrial property seamless provider in Thailand, a subsidiary of Frasers Property (Thailand) Public Company Limited (“FPT”) formerly known as TICON Industrial Connection PCL (“TICON”). In 2021, Frost & Sullivan recognized FPIT for its remarkable brand image, innovative rebranding strategies, and continued innovation, and remains impressed with the company’s continuing innovation and sustained leadership as well as its distinctive capabilities, financial performance, established branding, best practices, and industry leadership. Its strong Industrial portfolio consists of factories and warehouses with over three million square meters under management in Thailand alone.

Demonstrated Leadership through Sustainable Solutions

FPIT creates innovative products through continuous engagement with customers, enhancing solutions to stay on top of industry developments. The company developed and refined these processes over ten years, perfecting its approach. As a result, FPIT has the most comprehensive line of warehousing or logistics real-estate properties solutions available, boasting robust features and capabilities. Highlights include:

- Modern and strategic real estate locations.
- Competitive rental advantage.
- Advanced warehouse facilities allowing customers to enjoy greater profits with excellent supply chain operations.

Unlike its competitors, FPIT aspires to create places that benefit businesses, society, and the environment without compromising quality. With a broad portfolio of factories and warehouses totaling 3.4 million square meters (sq m) in key locations nationwide, the company offers excellent and integrated industrial

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***- Norazah Bachok,
Best Practices Research Analyst***

property development services. The company provides both ready-built and built-to-suit manufacturing facilities, with a strong focus on expanding built-to-suit development projects. Currently, the company manages over 500 factories and 450 warehouses in Thailand.

Frost & Sullivan's analysis shows that the company continually built logistics facilities despite the COVID-19 pandemic and its related challenges. Currently, there are more than 100,000 sq m of completed warehouse projects and about 200,000 sq m under construction. The company has built over 900 warehouses and factories across 11 provinces within 45 strategic

locations. In addition, its solid capabilities and growing demands within the logistics industry have led the company to pre-commit more than 100,000 sq m of built-to-suit projects by the first quarter of 2021. Its excellent logistics properties and wide portfolio led to a high total occupancy rate of about 85% in 2021.

Some of FPIT's ongoing projects include:

- Multi-tenant warehouse in new Bangplee logistics center (40,000 sq m)
- eCommerce fulfillment and sortation center in Ayutthaya (70,000 sq m)
- Speculative industrial unit in Binh Duong Industrial Park in Vietnam (40,000 sq m)

FPIT's executive team monitors emerging market trends and evolving customer demands closely and then responds with novel solutions. The company's strategic team has always valued current and potential future market and existing tenant demand when selecting warehouse locations. Besides location, other factors that the company considers when choosing a site are its proximity to Bangkok, accessibility to ports and airports, and the quality of its infrastructure, including industrial estates and industrial parks. With this leadership focus, Frost & Sullivan expects FPIT to sustain its leadership in the warehouse properties market.

Sustainability makes the company stand out from its competitors. The company uses proper utility systems in its projects to reduce their environmental impact. For instance, water-saving sanitary wares are being used and replaced in all toilets. During the construction process, a central wastewater treatment system treats all wastewater generated by the project. In addition, wastewater will be inspected for quality compliance prior to being discharged into the public sewer. Furthermore, the new health and wellbeing concerns of the workers working in warehouses are now incorporated into the warehouse study and design.

The company is also always striving to increase the green space in its projects beyond law requirements to improve the surrounding environment. All new developments are required to receive green building certifications. In addition, FPIT launched a pilot program involving artificial intelligence (AI), machine learning, and cloud computing for logistics parks. As a result, the company helps to improve security, productivity, and environmental indicators, such as greenhouse gas emissions and energy consumption.

As a testament to its commitment to sustainability, FPIT designs and constructs buildings according to the internationally prescribed quality standards of Leadership in Energy and Environmental Design (LEED) certification from the United States Green Building Council. To further demonstrate the company's constant dedication to sustainability, several global sustainability recognitions were received in 2021, indicating the company's commitment to green logistics:

- Received eight LEED green building certifications (including two Gold LEED level which is the highest level among the industrial property in Thailand).
- Launched new sustainability programs (solar energy and light-emitting diode replacement program).

Advancements in Technology Improve Sustainability Efforts

FPIT serves clients across various industry verticals, including beverage, chemicals, auto parts, electronics, consumer products, and logistics. The company helps about 500 clients in Thailand. Moreover, Frasers Property provides exceptional 24/7 customer service through its dedicated team of client success experts that support customers with specific customer requirements, for instance, designing a factory or

warehouse according to the client's specifications. Furthermore, the company offers clients essential resources, including resources such as blogs, newsletters, and events, enabling clients to learn more about warehouse operations and green sustainability and what the future holds for the warehouse industry.

FPIT is known for its outstanding ability to provide comprehensive industrial and logistics solutions to meet all customer needs. With its customer-centric approach, the company strives to create enriching experiences and enhance customer satisfaction at all levels of its business operation. As AI and the Internet of Things (IoT) become increasingly prevalent in the industrial sector, the company has evolved with emerging technology to enhance its property management capabilities by offering best-in-class products and services. For instance, through AI and IoT integration, FPIT launched its first fully integrated

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real estate platform, "One Platform", to enhance the customer ownership experience and ease logistics business operations. Having shifted to this platform at the right time has enabled the company to achieve financial flexibility and operational excellence and has also developed the capacity to withstand the current volatility while navigating a fast-changing business environment.

In addition, the company deployed new initiatives called "PropTech" to upgrade the standard of property management at its logistics parks in line with the national strategy to drive Thailand's economic transformation towards Industry 4.0. The smart platform combines cloud-

based technology with innovative features, such as computer vision, geo-fencing, drone inspection, and machine learning, to provide an enhanced level of security while ensuring sustainable management of the property. Today, around 80% of logistics parks are being managed through this platform. Within the next few years, the company plans to integrate AI technology across all of its logistics properties to deliver the industry's highest standard of services and solutions and help support the sustainability of the logistics industry through the use of pollution-control technology.

Robust Growth Strategy Leads to Stable Financial Performance

Since its inception, FPIT's sterling reputation and customer-centric framework led to its coveted preferred partner status. Over the years, it added a range of new customers to its established base. Besides Thailand, the company plans to expand into other Southeast Asian Nations countries such as Indonesia, Malaysia, and Vietnam. Furthermore, industrial properties, including factories and warehouses, are in high demand, allowing the company to provide various products and services. The company entered the Vietnam property market in 2021 by acquiring a land to develop more than 200,000 sq m of rentable space located in a premier industrial area and logistics park in Binh Duong City, Vietnam. It expects to generate revenue beginning in mid-2022 from the first development phase. Frost & Sullivan believes the company is well-positioned to drive the warehousing space into its next growth phase, capturing market share and sustaining its leadership in the coming years.

Due to eCommerce and online shopping, industrial property posted an outstanding year-on-year growth rate in 2021, fueling the demand for modern warehouse space. Frasers Property Industrial (Thailand)

generated more than THB 2 billion in annual rental and service revenue. Even with the pandemic, the company maintained a stable revenue trend for two years. Its impressive growth momentum and trajectory are a testament to its customer-centric approach, revolutionary solutions, and exceptional operations, which earn it customers' trust and loyalty.

Conclusion

Warehouses are an important component of efficient, sustainable supply chains. Increasing globalization has made business expansion difficult, resulting in increased competition, more consumer expectations, and rising manpower costs. As a result of these challenges, companies have begun to develop efficient, sustainable ways to deal with business needs. FPIT is at the forefront of the fiercely competitive warehouse market. Overall, FPIT addresses these unmet needs with a strong leadership focus that incorporates customer-centric strategies and exemplifies best practice implementation. Through the use of emerging technology, the company has offered best-in-class sustainable warehouse property solutions. With a deep-rooted history of purpose-fit innovation, FPIT shapes the industry's trends, impacting its role in the sustainable warehouse market. The company remains a trusted partner, earning a reputation for offering the overall best in sustainable warehouse property development.

With its strong overall performance, FPIT earns Frost & Sullivan's 2022 Thailand Company of the Year Award in the sustainable warehouse property development industry.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends:

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

