

IPO FACT SHEET
ESR Cayman Limited (1821)
ISSUE STATISTICS

Offer Size:	HK\$9,083.34m - HK\$9,756.18m
Placement Tranche:	560.7m
Price:	HK\$16.20 - HK\$17.40
Board lot:	200
Entry fee:	HK\$3,515.06
Historical PE	29.48x – 31.67x
Net tangible asset per share:	HK\$6.77 - HK\$6.89
Market Cap (post-IPO):	HK\$49,324m- HK\$52,987m
Open:	6 Jun 2019
Close:	12.00 noon on 12 Jun 2019
Trading:	20 Jun 2019
Sponsor:	Deutsche Securities Asia Limited, CLSA Capital Markets Limited

Year ended 31 Dec	(USD'000)	yoy % chg
Revenue		
2017	153,289	58.5%
2018	254,148	65.8%
Profit for the year		
2017	201,194	91.6%
2018	213,134	5.9%

BACKGROUND

- The Group is the largest APAC focused logistics real estate platform by GFA and by value of the assets we own directly and those owned by the funds and investment vehicles they manage and have the largest development pipeline in aggregate across the major APAC markets as measured by GFA from April 1, 2019 to December 31, 2020, according to the JLL Report.
- They develop and manage modern logistics facilities that cater to e-commerce companies, 3PL providers, bricks-and-mortar retailers, manufacturers, cold-chain logistics providers and others in APAC as logistics infrastructure continues to evolve for the modern economy.
- They focus solely on APAC, which comprised over 3.6 billion people (around 50% of the global population) and over US\$28.5 trillion of GDP (over 33% of the global GDP) in 2018, according to the JLL Report.
- They currently operate in the PRC, Japan, South Korea, Singapore, Australia and India markets that represent close to 90% of GDP in APAC in 2018, according to the JLL Report.
- They hold a portfolio of logistics properties on their balance sheet and manage a broad range of funds and investment vehicles that invest in logistics properties at various stages of the property life cycle across APAC.
- As of December 31, 2018, they managed 18 private third-party pooled investment vehicles, with over US\$5.1 billion in total equity commitments, and one REIT listed on the SGX-ST with an appraised carrying value of approximately US\$2.2 billion.

BUSINESS STRATEGIES

- Continue to execute their integrated strategy and capitalize on the significant market opportunities across APAC.
- Leverage their scale and geographic presence to expand into new growth markets to deepen their regional connectivity.
- Expand their fund management platform across geographies, strategies and liquidity profiles and attract new capital partners while bringing existing capital partners across markets.
- Strategically explore and expand into adjacent businesses and investment products within Asia.

COMPETITIVE STRENGTHS

- They are the largest APAC focused logistics real estate platform.
- They have an integrated development platform with strong project sourcing and execution capabilities, complemented by their efficient

capital recycling strategy.

- Their fund management platform provides us with high margin and stable fee income largely independent of property values.
- Their platform is supported by a network of high-quality tenants and capital partners with whom they have strong and long-standing relationships.
- They have a proven ability to grow organically and to execute opportunistic merger and acquisition (“M&A”) transactions to expand their capabilities, broaden the scope of the Portfolio Assets, and support their growth in the logistics real estate industry.
- They are led by a strong management team and backed by reputable shareholders.

KEY RISKS

- Their business is concentrated in APAC and may be affected by regional and global economic and political developments.
- The success of their business depends on their ability to service the rising demand of the e-commerce and 3PL sectors in APAC and the sustainability of this rising demand in APAC.
- They operate a multinational business in APAC with a relatively short operating history and are subject to complex operational risks which may be difficult to address.
- Their business is intensely competitive.
- The returns from investments in the Portfolio Assets could be adversely affected by fluctuations in the income generated from, and the value of, the Portfolio Assets and other factors, including the concentration of the Portfolio Assets in the logistics real estate sector.
- Their profitability may be affected by revaluation of the properties held on their balance sheet, as well as the properties held by the funds and investment vehicles that they manage.
- They may not be able to secure capital resources, either through equity or debt financing, on commercially reasonable terms, or at all.
- They depend on their senior management team and certain key senior personnel as well as skilled employees.
- They may face difficulties in realizing the benefits of any acquisitions and successfully integrating acquired businesses.
- They may not be successful in executing their business strategy, including the expansion into new geographical locations and adjacent businesses.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation
Repayment of the Hana Notes that were issued in November 2016 and redemption of the Class C Preference Shares that were issued in December 2016 and that have not been converted into ordinary shares.	4,732.5	89.7%
Development of logistics properties on their own balance sheet and making co-investments in the funds and investment vehicles they manage.	541.0	10.3%
Total:	5,273.5	100.0%

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