

# LOGISTICS SPECIALIST JWD ADDS VALUE TO LIFT MARGINS

## EXECUTIVE Q&A

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*JWD Infologistics Plc, an integrated inland logistics service provider that has been expanding beyond its original food and cold-chain focus, listed on the Stock Exchange of Thailand in September last year. CEO Charvanin Bunditkitsada discusses the company's strategy and outlook.*

### What is JWD's business model?

JWD is a third-party logistics provider in Thailand. We focus on providing value-added services to our clients including warehouse management, transport and distribution, moving, record and information management and other value-added services. The combination of these services and our locations allows us to be a one-stop service provider.

We have six locations spread throughout the country located near airports, ports, industrial estates and manufacturing factories. Our main location is within the Laem Chabang Port area and we have other locations for cold-chain services in Mahachai, Suwinthawong and Bang Na.

### Who are JWD's customers?

Our clients typically are multinationals and large domestic corporations in the automotive, food and chemical industries such as Nissan, Isuzu, Tata, GM, CP Group, Betagro, Thai Union and Siam Cement Group.



**Charvanin: Plans regional expansion**

### What is JWD's current capacity and utilisation rate?

In Thailand we have 775,000 square metres of space with an average utilisation rate of 85-90% and are expanding throughout Cambodia, Laos and Myanmar with an additional 6,690 sq m with 60-70% utilisation by the second quarter of 2016.

### Why did you decide to list on the SET?

This business requires people, knowledge and capital. We decided to list to ensure that we have the necessary capital to capture the opportunities available within Thailand and the region.

Becoming a listed company is not an easy process and by doing so we ensure that the foundation, corporate process and the mindset of the company are set for continuous growth so that we do not rest on our laurels.

### What are JWD's plans regarding a potential real estate investment trust?

The REIT is an investment vehicle and we aim to have a size of approximately 2 billion baht offering a 7% yield. We also have to ensure that once we have the capital we have projects to expand, because there is a cost for this and we need to efficiently use the capital raised. Thus we are looking at opportunities to expand throughout the region by ourselves, through partnerships or joint ventures and mergers and acquisitions.

### What differentiates JWD from its competitors?

We are one of the few pure logistics service providers listed on the SET. Our focus on high-complexity industries also gives us a better yield. We are different from companies such as Ticon Industrial Estate Plc (TICON) and Warehousing Asia Plc (WHA) because we are not a pure landlord. Our focus is on operational services which require in-depth expertise that we have accumulated for decades.

JWD is the only logistics firm with a concession from the Port Authority of Thailand to provide services associated with the handling and storage

of dangerous goods within the Laem Chabang Port area. For the food and cold-chain sector, we are the only provider in Thailand with a licence for free zone warehousing, which is designed specifically for high-volume food imports and exports. It is the combination of

these high value-added services and our high quality of service that differentiates us from others in the market.

### Do you plan to expand regionally?

Our focus will be to expand beyond Thailand because of the opportunities in Cambodia, Laos and Myanmar. These three economies are expected to grow by 7-8% annually over the next decade

and because of Thailand's links to them and our strong foundation today, we believe that it is the right time.

By 2020 we expect Cambodia, Laos and Myanmar to represent 25% of our total business, compared with an estimated 8% by the end of 2016. In the future, we will look to expand to Vietnam, the Philippines, Indonesia and Malaysia but each of these is at a different stage in terms of the economy and infrastructure and each possesses different challenges.

Thus we have to be very sure and selective about opportunities.

### What are the biggest risks?

Thailand's main risk is the limited growth potential in the coming years, which is why we are looking at neighbouring countries. The situation in China, oil prices and exports have an impact on the potential growth of our business but these do not affect what we have planned for in the near future.

### Where do you see JWD in five years?

We are focusing more on expanding throughout the region, taking our soft skills and capital to build business awareness so that JWD will be a regionally recognised name similar to that of DHL or Federal Express. This will naturally take time but we believe that with our commitment to a high quality level of service we will succeed.

# Bangkok Post

Bangkok Post  
Circulation: 70,000  
Ad Rate: 1,500

**Section:** Business/NATIONAL

**Date:** Friday 29 January 2016

**Volume:** -      **No:** -

**Col.Inch:** 49.24      **Ad Value:** 73,860

**Page:** B6(Center)

**PRValue (x3):** 221,580

**Clip:** Full Color

**Column:** EXECUTIVE Q&A: LOGISTICS SPECIALIST JWD ADDS VALUE TO LIFT...

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