

ORIGIN PROPERTY ORI TB
THAILAND / PROPERTY DEVELOPMENTBUY
UNCHANGED

คาดการณ์ไรเสดุดใน 2Q23

- คาดกำไรปกติ 2Q23 ลดลง 32% q-q และ 16% y-y จากยอดโอนของ ORI ลดลงและการรับรู้ Backlog ของ JV ที่อ่อนลง
- แนวโน้ม 2H23 ดูดีขึ้นโดยเฉพาะใน 4Q23 จากผลประกอบการที่ฟื้นตัวและแผน Spin off One Origin จะเป็นปัจจัยหนุน
- คงแนะนำซื้อที่ราคาเป้าหมาย 13.9 บาท (SoTP)

TARGET PRICE	THB13.90
CLOSE	THB10.40
UP/DOWNSIDE	+33.7%
PRIOR TP	THB13.90
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-0.2%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	14,397	14,241	17,298	19,566
Net profit	3,775	3,309	3,704	3,801
EPS (THB)	1.54	1.35	1.51	1.55
vs Consensus (%)	-	(5.0)	(1.6)	(2.9)
EBITDA	4,271	4,096	4,759	5,211
Recurring net profit	2,613	3,309	3,704	3,801
Core EPS (THB)	1.07	1.35	1.51	1.55
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	3.8	26.6	11.9	2.6
Core P/E (x)	9.8	7.7	6.9	6.7
Dividend yield (%)	6.9	7.1	7.3	7.5
EV/EBITDA (x)	11.0	11.8	10.1	9.2
Price/book (x)	1.4	1.3	1.2	1.1
Net debt/Equity (%)	98.6	97.3	90.2	81.1
ROE (%)	15.8	17.5	18.0	17.0

ความสำเร็จของโครงการเปิดตัวใหม่ช่วยหนุน Presales ใน 2Q23

ORI รายงาน Presales ใน 2Q23 อยู่ที่ 12.5 พันลบ. (+4% q-q, +29% y-y) โดย Presales ของโครงการคอนโดเพิ่มเป็น 9.6 พันลบ. (+2% q-q, +37% y-y) โดยได้ปัจจัยหนุนจากการเปิดตัว 5 คอนโดใหม่ มูลค่ารวม 5.9 พันลบ. โครงการทั้งหมดมีการตอบรับที่ดีพร้อมอัตราการขายเฉลี่ยที่ 60% (เทียบกับ 10-15% ใน 1Q23) จากจุดแข็งที่ทำให้มีศักยภาพทั้งในกรุงเทพฯ และจังหวัดใหม่ๆ อาทิ กูเกิ้ลและขอนแก่น ในขณะที่ Presales ของโครงการแนวราบอยู่ที่ 2.8 พันลบ. (+12% q-q, +8% y-y) หลักๆ มาจากการขายสินค้าเหลือขาย ส่งผลให้ช่วง 1H23 Presales อยู่ที่ 24.5 พันลบ. (+38% y-y) คิดเป็น 54% ของเป้าหมายทั้งปีของบริษัทฯ ที่ 45 พันลบ. (+10% y-y)

คาดการณ์ไรปกติ 2Q23 จะชะลอลง q-q และ y-y

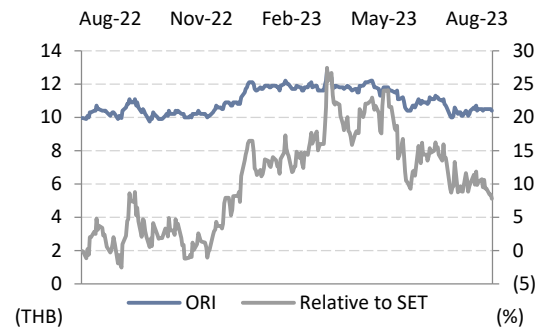
เราคาดว่าไรสุทธิ 2Q23 ที่ 808 ลบ. (+1% q-q, -30% y-y) หากหักกำไรจากการลงทุนราว 350 ล้านบาทจากการเซ็น JV ใหม่ 25 โครงการ กำไรปกติคาดว่าจะอยู่ที่ 458 ลบ. (-32% q-q, -16% y-y) จากยอดโอนลดลง 14% q-q และ 37% y-y มาอยู่ที่ 1.85 พันลบ. สาเหตุจากการเปิดตัวโครงการแนวราบในช่วงปลายไตรมาสและไม่มีคอนโด ORI ที่สร้างเสร็จใหม่ นอกจากนี้ ยอดขายสินค้าเหลือขายที่พร้อมโอนยังชะลอลงจากผลกระทบของการสิ้นสุดมาตรการผ่อนคลายนโยบาย LTV นอกจากนี้ ส่วนแบ่งจาก JV คาดจะลดลง เราคาดว่าผลขาดทุน 80 ลบ. ใน 2Q23 (เทียบกับขาดทุน 32 ลบ. ใน 1Q23 และกำไร 97 ลบ. ใน 2Q22) แม้ว่าจะมีคอนโดสร้างเสร็จใหม่ 1 แห่ง (The Origin Sukhumvit Sailuat E22, มูลค่า 1.8 พันลบ., ขายได้ 88%) แต่ผลประกอบการของ JV คาดถูกกดดันจากค่าใช้จ่ายที่เพิ่มขึ้นจากการเปิดตัวโครงการใหม่และการรับรู้ Backlog ที่ช้ากว่าคาดของโครงการคอนโดขนาดใหญ่ (Park Origin Chula Samyan) เนื่องจากผู้ซื้อใช้เวลาตรวจสอบก่อนส่งมอบ

ผลประกอบการ 2H23 มีแนวโน้มฟื้นตัวดีขึ้น

เราประเมินว่าผลประกอบการจะปรับตัวดีขึ้นในช่วง 2H23 โดยคาดว่าทยอยฟื้นตัว q-q ใน 3Q23 ก่อนเร่งขึ้นเป็นระดับสูงสุดใน 4Q23 ได้ปัจจัยหนุนจากโครงการคอนโดสร้างเสร็จใหม่ 6 แห่ง รวมถึงแผนการเปิดตัวโครงการแนวราบจำนวนมากโดยเฉพาะใน 4Q23 นอกจากนี้ RealX tokens คาดเข้าจดทะเบียนในตลาดฯ ได้ใน 3Q23 ซึ่งทำให้ ORI อาจบันทึกยอดโอนจากการขาย Park Origin Phrom Phong, Phaya Thai, และ Thong Lor (JV) มูลค่ารวมราว 2.4 พันลบ. ได้ภายในไตรมาส

คงราคาเป้าหมายและคำแนะนำ

แม้ว่าหุ้นจะขาดปัจจัยบวกในระยะสั้น แต่ระยะกลางปัจจัยหนุนจะอยู่ที่กำไร 2H23 ที่คาดฟื้นตัวดีขึ้นและแผนการจดทะเบียน One Origin ในตลาดหลักทรัพย์ใน 4Q23 ปัจจุบันราคาหุ้นของ ORI มีการซื้อขายที่ P/E 2023E ที่ 7.7x เราคาดเงินปันผลที่ 0.15 บาท/หุ้นในช่วง 1H23 คิดเป็นผลตอบแทนเงินปันผลที่ 1.5%



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.9)	(11.9)	4.0
Relative to country (%)	(4.6)	(12.8)	7.0
Mkt cap (USD m)	754		
3m avg. daily turnover (USD m)	1.9		
Free float (%)	38		
Major shareholder	Peerapong and Arada Jaroon-Ek (36%)		
12m high/low (THB)	12.90/9.65		
Issued shares (m)	2,454.12		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 3 สิงหาคม 2023

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Investment thesis

ORI not only aims to be a residential developer, but also a “lifetime well-being company” whose business covers megatrends and businesses related to lifelong consumer care. We think ORI’s share price should be driven by its growth potential and aggressive business plans in both real estate and new businesses to scale up its portfolio. Moreover, the company stands to benefit from a condominium market recovery as it has a strong market share.

Two of ORI’s subsidiaries, Britania (BRI TB, BUY, TP THB14) and Primo Service Solutions (PRI TB, NR), are already listed on the SET. It plans to list One Origin in 2023. Additionally, three companies may be spun-off in 2024-26.

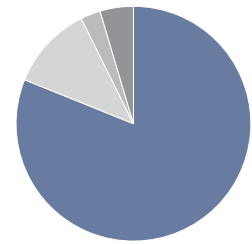
Company profile

Origin Property was established in 2009 as a real estate development company. This includes condominiums and low-rise projects under BRI. Moreover, it has expanded to operate a service business related to real estate under PRI, providing condominium tenant management services and juristic person management. Additionally, it develops build-to-rent property and operates a service business related to real estate under One Origin.

www.origin.co.th

Principal activities (revenue, 2022)

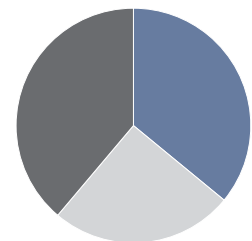
- Project sales - 81.1 %
- Project management - 11.6 %
- Hotel operations and rental - 2.7 %
- Service income - 4.6 %



Source: Origin Property

Major shareholders

- Peerapong and Arada Jaroon-Ek - 36.0 %
- Peerada Capital Co Ltd - 25.2 %
- Others - 38.8 %



Source: Origin Property

Catalysts

Key potential growth drivers include 1) the success of new launches; 2) the condominium market recovery; 3) more overseas customers; 4) new business expansion; 5) the spin-off of its subsidiary; and 6) new JV project developments which leave room for one-time gains on investments.

Risks to our call

Downside risks to our SoTP-based TP include 1) a slower-than-expected economic recovery; 2) weaker-than-expected presales; 3) a high cancellation rate of presales and rejections from banks; 4) delays in construction and/or a labour shortage; 5) intense competition and an increase in raw material costs; and 6) lower-than-expected performance for its subsidiaries.

Event calendar

Date	Event
15 August 2023	2Q23 results announcement

Key assumptions

	2023E	2024E	2025E
Total revenue (THB m)	14,241	17,298	19,566
Transfers (THB m)	11,198	14,145	16,279
Project management (THB m)	1,700	1,700	1,700
Equity income from JV (THB m)	1,388	1,367	1,213
Property GPM (%)	33.8	34.2	34.2
GPM (%)	42.7	41.5	40.7
SG&A to sales (%)	17.5	17.0	16.8

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in transfers, we estimate 2023 earnings to rise 2%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2023 earnings to rise 1.3%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to revenue, we estimate 2023 earnings to fall by 1.6%, and vice versa, all else being equal.
- For every 5% increase in equity income from its JV, we estimate 2023 earnings to rise by 2.1%, and vice versa, all else being equal.

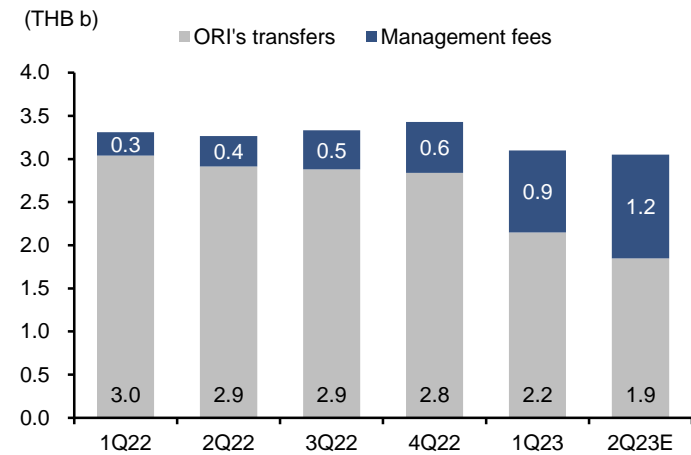
Source: FSSIA estimates

Exhibit 1: 2Q23 results preview

	2Q22	3Q22	4Q22	1Q23	2Q23E	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	3,267	3,332	4,486	3,478	3,440	(1.1)	5.3
Cost of sales	1,857	1,845	2,504	1,643	1,558	(5.2)	(16.1)
Gross profit	1,410	1,487	1,982	1,835	1,882	2.6	33.5
SG&A	741	738	327	708	850	20.2	14.8
Operating profit	669	749	1,654	1,127	1,031	(8.5)	54.1
Interest expense	99	112	111	101	110	8.5	11.0
Tax expense	235	230	260	261	284	8.6	20.5
Equity income from JV	97	39	328	(32)	(80)	na	na
Reported net profit	1,155	848	1,033	798	808	1.3	(30.1)
Normalised profit	545	671	955	675	458	(32.2)	(16.0)
Key ratios (%)						(ppt)	(ppt)
Property gross margin	36.3	35.9	32.0	33.9	33.9	0.0	(2.4)
Gross margin	43.2	44.6	44.2	52.8	54.7	2.0	11.5
SG&A / Sales	22.7	22.1	7.3	20.3	24.7	4.4	2.0
Operating margin	20.5	22.5	36.9	32.4	30.0	(2.4)	9.5
Net margin	35.4	25.4	23.0	22.9	23.5	0.5	(11.9)
Normalised margin	16.7	20.1	21.3	19.4	13.3	(6.1)	(3.4)
Revenue breakdown							
Residential	2,914	2,881	2,840	2,150	1,850	(14.0)	(36.5)
Project management	353	452	590	950	1,200	26.4	240.1

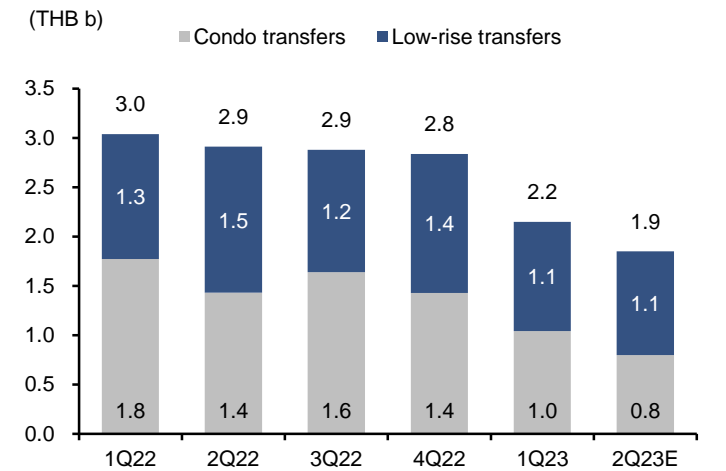
Sources: ORI; FSSIA estimates

Exhibit 2: ORI's transfers and management fees



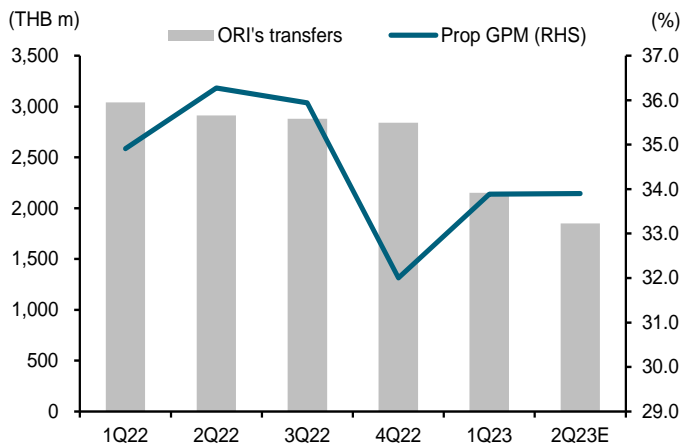
Sources: ORI; FSSIA estimates

Exhibit 3: ORI's transfers breakdown



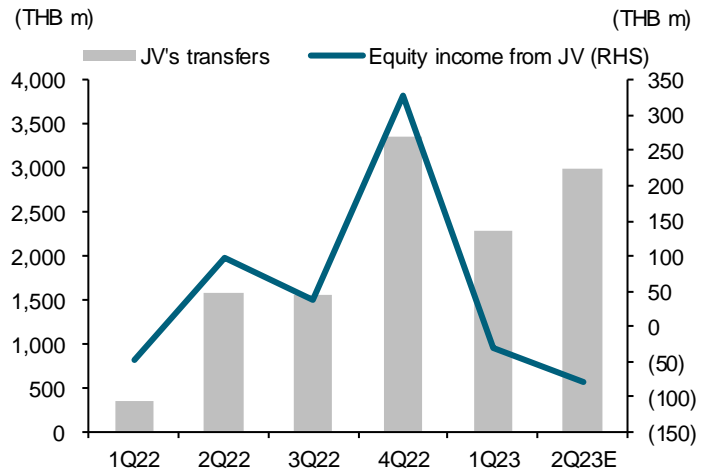
Sources: ORI; FSSIA estimates

Exhibit 4: Quarterly ORI transfers and property GPM



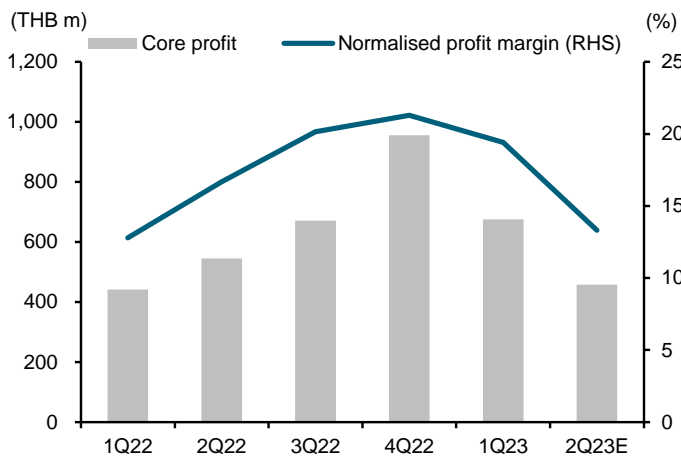
Sources: ORI; FSSIA estimates

Exhibit 5: Quarterly JV transfers and equity income from JVs



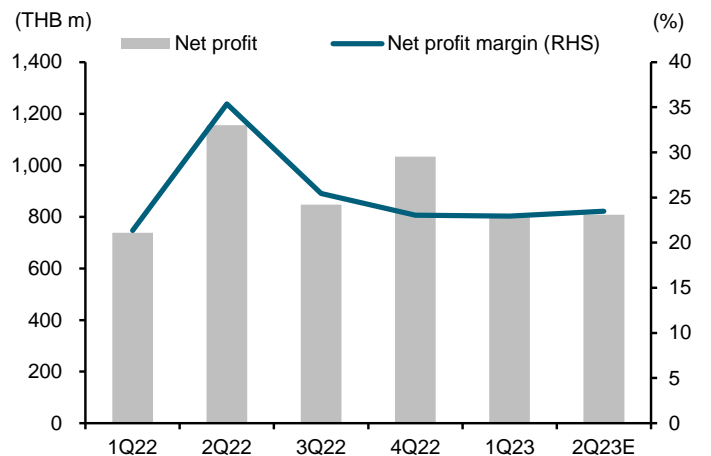
Sources: ORI; FSSIA estimates

Exhibit 6: Quarterly core profit and normalised profit margin



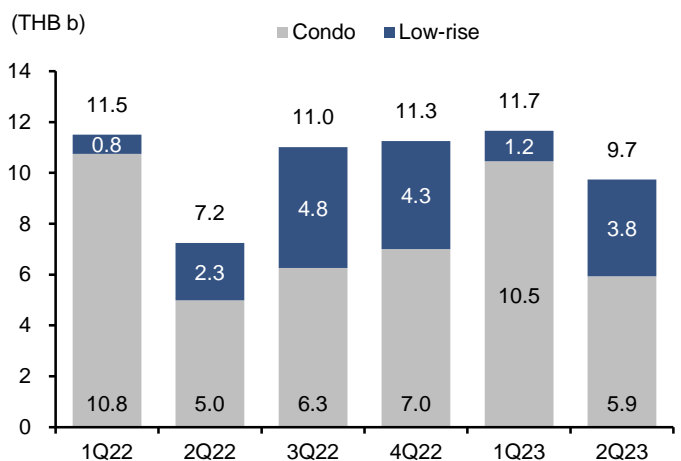
Sources: ORI; FSSIA estimates

Exhibit 7: Quarterly net profit and net profit margin



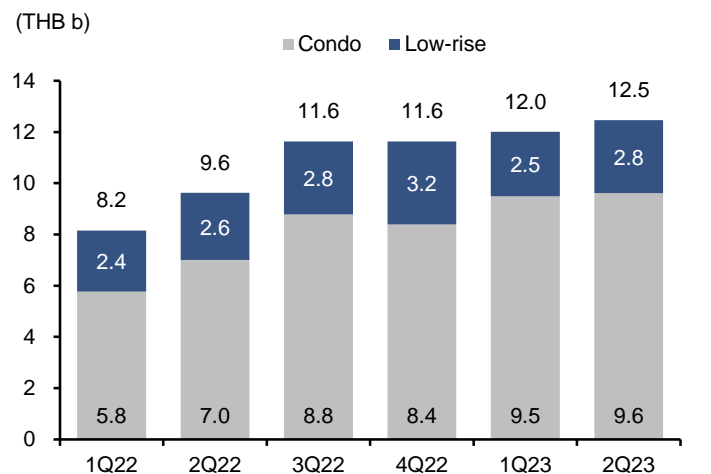
Sources: ORI; FSSIA estimates

Exhibit 8: Quarterly new launches



Sources: ORI; FSSIA's compilation

Exhibit 9: Quarterly presales



Sources: ORI; FSSIA's compilation

Exhibit 10: New launch plans in 2Q23

No.	Product	Project	Total value (THB m)	Take-up rate (%)
1	Condo	SO ORIGIN SIRIRAJ	1,310	90
2	Condo	THE ORIGIN BANGKAE	1,580	60
3	Condo	THE ORIGIN PATTAYA	945	50
4	Condo	THE ORIGIN CENTRAL PHUKET	1,310	80
5	Condo	THE ORIGIN CAMPUS KHON KAEN	790	60
6	Low-rise	BRITANIA AYUTTHAYA	1,400	
7	Low-rise	BRITANIA THEPHARAK-SRINAKARIN	1,200	
8	Low-rise	BRITANIA BANGNA KM.39	1,200	

Sources: ORI; FSSIA's compilation

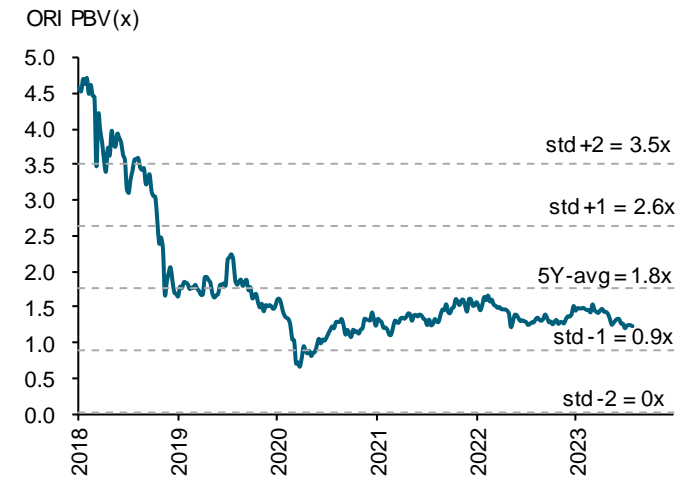
Exhibit 11: Condo values to be transferred in 2023

Transfer	Project	Value (THB m)	% Sold (%)
1Q23	Park Origin Chula-Samyang (JV)	4,600	96
	The Origin Ladprao-Bangkapi (JV)	2,000	67
2Q23	The Origin Sukhumvit Sailuath E22 (JV)	1,800	88
3Q23	SOHO Bangkok Ratchada (JV)	1,840	97
4Q23	The Origin Plug&Play Ramintra (JV)	2,200	95
	Origin Plug&Play Ramkhamhaeng Triple Station (JV)	1,470	97
	Brixton Kaset Sriracha Campus	1,060	59
	Brixton Campus Bangsaen	560	98
	Brixton Rayong	880	39

Sources: ORI; FSSIA's compilation

Exhibit 12: Historical P/E band

Sources: Bloomberg; FSSIA estimates

Exhibit 13: Historical P/BV band

Sources: Bloomberg; FSSIA estimates

Financial Statements

Origin Property

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	14,923	14,397	14,241	17,298	19,566
Cost of goods sold	(9,277)	(8,177)	(8,155)	(10,113)	(11,596)
Gross profit	5,646	6,220	6,086	7,185	7,970
Other operating income	344	182	190	190	190
Operating costs	(2,085)	(2,431)	(2,492)	(2,941)	(3,287)
Operating EBITDA	4,087	4,271	4,096	4,759	5,211
Depreciation	(183)	(300)	(312)	(324)	(337)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	3,904	3,971	3,784	4,434	4,873
Net financing costs	(297)	(390)	(487)	(506)	(507)
Associates	(42)	416	1,388	1,367	1,213
Recurring non-operating income	(42)	416	1,388	1,367	1,213
Non-recurring items	676	1,162	0	0	0
Profit before tax	4,242	5,159	4,685	5,295	5,579
Tax	(865)	(947)	(857)	(1,021)	(1,135)
Profit after tax	3,377	4,212	3,828	4,274	4,444
Minority interests	(183)	(438)	(519)	(570)	(642)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	3,194	3,775	3,309	3,704	3,801
Non-recurring items & goodwill (net)	(676)	(1,162)	0	0	0
Recurring net profit	2,518	2,613	3,309	3,704	3,801
Per share (THB)					
Recurring EPS *	1.03	1.07	1.35	1.51	1.55
Reported EPS	1.30	1.54	1.35	1.51	1.55
DPS	0.54	0.72	0.74	0.75	0.77
Diluted shares (used to calculate per share data)	2,453	2,453	2,453	2,453	2,453
Growth					
Revenue (%)	42.3	(3.5)	(1.1)	21.5	13.1
Operating EBITDA (%)	37.7	4.5	(4.1)	16.2	9.5
Operating EBIT (%)	39.3	1.7	(4.7)	17.2	9.9
Recurring EPS (%)	0.0	3.8	26.6	11.9	2.6
Reported EPS (%)	18.4	18.2	(12.3)	11.9	2.6
Operating performance					
Gross margin inc. depreciation (%)	37.8	43.2	42.7	41.5	40.7
Gross margin exc. depreciation (%)	39.1	45.3	44.9	43.4	42.5
Operating EBITDA margin (%)	27.4	29.7	28.8	27.5	26.6
Operating EBIT margin (%)	26.2	27.6	26.6	25.6	24.9
Net margin (%)	16.9	18.1	23.2	21.4	19.4
Effective tax rate (%)	20.4	18.4	18.3	19.3	20.3
Dividend payout on recurring profit (%)	52.6	67.6	55.0	50.0	50.0
Interest cover (X)	13.0	11.3	10.6	11.5	12.0
Inventory days	928.6	1,139.6	1,286.0	1,110.3	1,013.5
Debtor days	19.8	59.1	79.6	66.6	68.8
Creditor days	102.2	121.3	140.4	126.0	130.2
Operating ROIC (%)	12.9	11.3	9.4	10.4	11.0
ROIC (%)	10.5	10.0	10.0	10.6	10.7
ROE (%)	19.1	15.8	17.5	18.0	17.0
ROA (%)	8.5	8.1	8.6	9.0	8.9
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Project sales	13,623	11,676	11,195	14,145	16,279
Project management	925	1,665	1,700	1,700	1,700
Hotel operations and rental	87	394	414	422	431
Service income	288	661	932	1,031	1,156

Sources: Origin Property; FSSIA estimates

Financial Statements

Origin Property

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	2,518	2,613	3,309	3,704	3,801
Depreciation	183	300	312	324	337
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	(1,335)	(5,183)	(2,064)	(1,590)	(1,021)
Cash flow from operations	1,366	(2,270)	1,556	2,438	3,118
Capex - maintenance	(577)	(5,166)	-	(724)	(637)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	(922)	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(577)	(5,166)	(922)	(724)	(637)
Dividends paid	(578)	(237)	(1,820)	(1,852)	(1,901)
Equity finance	1,992	1,618	0	0	0
Debt finance	(1,046)	7,272	666	50	50
Other financing cash flows	-	-	-	-	-
Cash flow from financing	369	8,653	(1,154)	(1,802)	(1,851)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	1,158	1,217	(519)	(88)	630
Free cash flow to firm (FCFF)	1,085.95	(7,046.40)	1,121.43	2,219.67	2,987.32
Free cash flow to equity (FCFE)	(256.33)	(163.71)	1,300.25	1,763.67	2,530.24

Per share (THB)

FCFF per share	0.44	(2.87)	0.46	0.90	1.22
FCFE per share	(0.10)	(0.07)	0.53	0.72	1.03
Recurring cash flow per share	1.10	1.19	1.48	1.64	1.69

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	2,553	3,125	3,227	3,327	3,427
Less: Accumulated depreciation	(322)	(427)	(427)	(427)	(427)
Tangible fixed assets (net)	2,232	2,698	2,800	2,900	3,000
Intangible fixed assets (net)	329	783	788	788	788
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	4,410	7,427	7,930	8,230	8,430
Cash & equivalents	1,966	3,183	2,663	2,575	3,205
A/C receivable	1,306	3,360	2,848	3,460	3,913
Inventories	22,846	26,339	28,931	30,623	31,904
Other current assets	1,939	3,435	3,464	3,579	3,603
Current assets	28,056	36,317	37,906	40,236	42,625
Other assets	372	865	921	944	920
Total assets	35,398	48,091	50,346	53,099	55,764
Common equity	14,937	18,132	19,621	21,473	23,373
Minorities etc.	1,003	1,801	1,801	1,801	1,801
Total shareholders' equity	15,940	19,933	21,422	23,274	25,175
Long term debt	7,063	14,204	14,697	14,732	14,768
Other long-term liabilities	584	595	616	707	733
Long-term liabilities	7,647	14,799	15,313	15,440	15,500
A/C payable	2,219	3,018	3,017	3,742	4,291
Short term debt	8,509	8,641	8,813	8,828	8,842
Other current liabilities	1,084	1,701	1,780	1,816	1,957
Current liabilities	11,811	13,359	13,611	14,386	15,089
Total liabilities and shareholders' equity	35,398	48,091	50,346	53,099	55,764
Net working capital	22,788	28,416	30,445	32,103	33,173
Invested capital	30,130	40,190	42,885	44,966	46,312

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	6.09	7.39	8.00	8.75	9.53
Tangible book value per share	5.96	7.07	7.68	8.43	9.21

Financial strength

Net debt/equity (%)	85.4	98.6	97.3	90.2	81.1
Net debt/total assets (%)	38.4	40.9	41.4	39.5	36.6
Current ratio (x)	2.4	2.7	2.8	2.8	2.8
CF interest cover (x)	0.1	0.6	3.7	4.5	6.0

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	10.1	9.8	7.7	6.9	6.7
Recurring P/E @ target price (x) *	13.5	13.0	10.3	9.2	9.0
Reported P/E (x)	8.0	6.8	7.7	6.9	6.7
Dividend yield (%)	5.2	6.9	7.1	7.3	7.5
Price/book (x)	1.7	1.4	1.3	1.2	1.1
Price/tangible book (x)	1.7	1.5	1.4	1.2	1.1
EV/EBITDA (x) **	9.8	11.0	11.8	10.1	9.2
EV/EBITDA @ target price (x) **	11.9	13.0	13.9	12.0	10.8
EV/invested capital (x)	1.3	1.2	1.1	1.1	1.0

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: Origin Property; FSSIA estimates

Public disclosures related to sustainable development evaluation of Thai listed companies

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**" by the Thai Institute of Directors Association (Thai IOD); 2) "**AGM Checklist**" by the Thai Investors Association (TIA), a "**CAC certified member**" of the Thai Private Sector Collective Action Against Corruption (CAC); and 3) "**Sustainability Investment List (THSI)**" by the Stock Exchange of Thailand. The ratings are updated on an annual basis. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such ratings.

CG Score by the Thai Institute of Directors Association (Thai IOD)¹

The **CG Score** indicates corporate governance (CG) strength in the sustainable development of Thai listed companies. Annually, the Thai IOD, with support from the Stock Exchange of Thailand (SET), surveys and assesses the CG practices of companies and publishes the results on the [Thai IOD website](#) in a bid to promote and enhance the CG of Thai listed companies in order to promote compliance with international standards for better investment decisions. The results are from the perspective of a third party, not an evaluation of operations, as of the date appearing in the report, and may be changed after that date.

The **five underlying categories and weighting** used for the CG scoring in 2022 include the rights of shareholders and equitable treatment of shareholders (weight 25% combined), the role of stakeholders (25%), disclosure and transparency (15%), and board responsibilities (35%).

The CGR report rates CG in six categories: 5 for Excellent (score range 90-100), 4 for Very Good (score range 80-89), 3 for Good (Score range 70-79), 2 for Fair (score range 60-69), 1 for Pass (score range 60-69), and not rated (score below 50).

Corporate Governance Report Disclaimer

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of companies listed on the Stock Exchange of Thailand and the Market of Alternative Investment disclosed to the public and able to be accessed by a general public investor at [Thai IOD website](#). The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the data appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. **FSSIA** does not confirm nor certify the accuracy of such survey result.

AGM Checklist by the Thai Investors Association (TIA)²

The "**AGM Checklist**" quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and the extent to which information is sufficiently disclosed and the level of its transparency. All the considered factors form important elements of two out of five the CG components. Annually, the TIA, with support from the SEC, leads the project to evaluate the quality of Annual General Meetings of Shareholders (AGMs) and to rate quality of the meetings.

The **Checklist** contains the minimum requirements under law that companies must comply with, or best practices according to international CG guidance. Representatives of the TIA will attend the meetings and perform the evaluation. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating of how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.

The results are classified into four categories: 5 for Excellent (score 100), 4 for Very Good (score 90-99), 3 for Fair (score 80-89), and not rated (score below 79).

CAC certified member by the Thai Private Sector Collective Action Against Corruption (CAC)³

A **CAC certified member** is a listed company whose Checklist satisfies the CAC Certification's criteria and is approved by the CAC Council. The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. Note that the CAC does not certify the behaviour of the employees nor whether the companies have engaged in bribery, and Certification is good for three years.

Companies deciding to become a CAC certified member **start with** by submitting a Declaration of Intent signed by the Chairman of the Board to kick off the 18-month deadline for companies to submit the CAC Checklist for Certification. The 18-month provision is for risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.

The checklist document will be reviewed by the CAC Certification Committee for adequate information and evidence. It is worth noting that the committee consists of nine professionals in business law, corporate governance, internal audit, financial audit and experienced representatives from certified members.

A passed Checklist will move on to the **CAC Council** for granting certification approvals. The CAC Council consists of twelve prominent individuals who are highly respected in professionalism and ethical achievements. Among them are former ministers, a former central bank governor, the former head of the Thai Listed Companies Association, Chairman of Anti-Corruption Organizations (Thailand), Chairman of Thai Institute of Directors, and reputable academic scholars.

Sustainability Investment (THSI)⁴ by the Stock Exchange of Thailand (SET)

Thailand Sustainability Investment (**THSI**) quantifies responsibility in **Environmental**, and **Social** issues, by managing business with transparency in **Governance**. The THSI serves as another choice for investors who desire to adopt a responsible investment approach, according to the SET.

Annually, the SET will announce the voluntary participation of the company candidates which pass the preemptive criteria, and whose two key crucial conditions are met, i.e. no irregular trading of the board members and executives and a free float of >150 by the number of shareholders, and combined holding must >15% of paid-up capital. Some key disqualifying criteria include a CG score of below 70%; independent directors and free float violation; executives' wrongdoing related to CG, social and environmental impacts, equity in negative territory, and earnings in the red for more than three years in the last five years. To become eligible for THSI, the candidate must pass three indicators in data declaration: **Economic** (CG, risk management, customer relation management, supply chain management, and innovation); **Environmental** (environmental management, eco-efficiency, and climate risk); **Social** (human rights, talent attraction, operational health & safety, community development, and stakeholder engagement); and the incorporation of ESG in business operations.

To be approved for THSI inclusion, verified data must be scored at a 50% minimum for each indicator, unless the company is a part of the Dow Jones Sustainability Indices⁵ (DJSI) during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality.

Note that, from the **THSI list**, the SET further developed a sustainability **SETTHSI Index** in June 2018 from selected THSI companies whose 1) market capitalisation > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.

Sources: [SEC](#); [Thai IOD](#); [Thai CAC](#); [SET](#); FSSIA's compilation

Disclaimer:

¹ Thai Institute of Directors Association ([Thai IOD](#)) was established in December 1999 and is a membership organisation that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

² Thai Investors Association ([TIA](#)) was established in 1983 with a mission to promote investment knowledge and to protect the investment rights of Thai investors. In 2002, the association was appointed by the Securities and Exchange Commission (SEC) to represent individual shareholders. To obtain information for evaluation, the association recruits volunteer investors to join AGMs and score the meetings. Weightings for each meeting are at a 45:45:10 ratio. They have been applied since 2017 and subject to change.

³ Thai Private Sector Collective Action against Corruption ([CAC](#)) was founded in 2010 and is 100% privately funded. It is an initiative by the Thai private sector to take part in tackling corruption problems via collective action. The CAC promotes the implementation of effective anti-corruption policies in order to create a transparent business ecosystem by developing a unique certification program for large/medium/small companies to apply for and to control corruption risk systematically and efficiently. The CAC's operations are sponsored by the US-based Center for Private Enterprise (CIPE) and the UK Prosperity Fund.

⁴ Sustainability Investment List ([THSI](#)), created by the Stock Exchange of Thailand in 2015, comprises the listed companies that conduct sustainable business operations.

⁵ Dow Jones Sustainability Indices – [Wikipedia](#) – Launched in 1999, DJSI evaluates the sustainability performance of companies based on corporate economic, environmental, and social performance.

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

Origin Property (ORI TB)



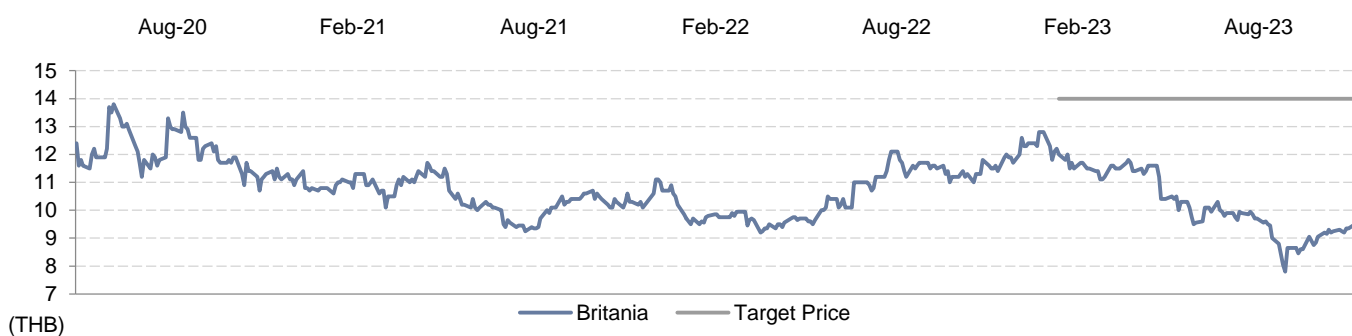
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Mar-2023	BUY	13.90	-	-	-	-	-	-

Thanyatorn Songwutti started covering this stock from 27-Mar-2023

Price and TP are in local currency

Source: FSSIA estimates

Britania (BRI TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Mar-2023	BUY	14.00	-	-	-	-	-	-

Thanyatorn Songwutti started covering this stock from 16-Mar-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Origin Property	ORI TB	THB 10.40	BUY	Downside risks to our SoTP-based TP include 1) a slower-than-expected economic recovery; 2) weaker-than-expected presales; 3) a high cancellation rate of presales and rejections from banks; 4) delays in construction and/or a labour shortage; 5) intense competition and an increase in raw material costs; and 6) lower-than-expected performance for its subsidiaries.
Britania	BRI TB	THB 9.35	BUY	Downside risks to our P/E-based TP include 1) weaker-than-expected take-up rates of new launches; 2) a slower-than-expected economic recovery and weak purchasing power; 3) intense competition; 4) construction delays and labour shortages; 5) an increase in raw material costs; and 6) challenging new launches in the upcountry market.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 02-Aug-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.