

ORIGIN PROPERTY ORI TB

THAILAND / PROPERTY DEVELOPMENT

BUY

UNCHANGED

Expect dull 3Q23 profit, pressured by margins

- We expect 3Q23 core profit to jump by 14% q-q but drop 17% y-y. Although ORI would record a big-lot THB2.2b transfer of three condos to RealX, their margins are lower than usual.
- We have cut our 2023E core profit to -4% y-y before a 2024-25E growth of 15% y-y and 3% y-y.
- We retain our BUY call after rolling over to our 2024 TP of THB11.20.

3Q23 core profit should recover q-q but decrease y-y

We expect a 3Q23 net profit of THB950m (+9% q-q, +12% y-y). It includes an extra gain from 1) acquiring two hotels at a lower price than its fair value of THB260m and 2) a share premium of THB130m from signing a new JV. Excluding extra items, we anticipate its core profit at THB560m (+14% q-q, -17% y-y). Although transfers should accelerate due to unit sales from three condos, including Park Origin Thonglor (JV), Phayathai, and Phrom Phong, to RealX of THB2.2b, there would be pressure from their margin of under 20% (vs a usual rate of 35-38%) and expenses to guarantee a minimum return. Specifically, we expect transfers of THB3.1b (+73% q-q, +9% y-y), with 51% from sales of condos to RealX. The gross margin of property sales should decrease to 25% from 31.8%-35.9% in 2Q23-3Q22. Although a JV had started transferring from its new condo, it would contribute a higher loss of THB240m due to expenses related to the development of 10 new JV projects.

Cut our 2023-2025 estimate to reflect lower-than-expected transfers and GPM

We have slashed our 2023-2025E normalized earnings by 22-24% to THB2.5b (-4% y-y), THB2.9b (+15% y-y), and THB3b (+3% y-y), respectively. It factors in mainly 1) a lower transfer estimate to reflect a slowdown in the low-rise market, 2) a lower gross margin estimate for property sales after pressure from realizing condo sales to RealX in 2023 and higher competition in 2024-2025, and 3) a lower contribution from its JVs to reflect higher new JV projects, which had incurred development expenses but could not recognize revenue yet. In 2024, profit growth drivers would come mainly from transfers of 11 new condos (six of ORI and five of its JVs). The current backlog has secured 30% of its 2024E transfers. The rest would come from inventory sales and realizing new low-rise projects, which would increase in 4Q23-2024.

4Q23 profit should improve q-q due to higher transfers from new condos

Initially, we expect a 4Q23 core profit of THB700-800m. It would increase q-q due to four newly built condos (two of ORI and two of its JV), year-end sales and transfers, and a gross margin recovery from its low base. However, the profit should decrease y-y.

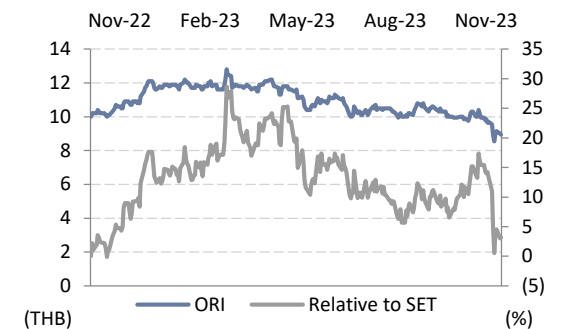
Maintain BUY rating after rolling over to our 2024 TP of THB11.20

We have rolled over to our 2024 TP of THB11.20 (SOTP). After that, we reaffirm our BUY rating. The stock may lack a short-term catalyst due to a lackluster 3Q23 performance. However, it has dropped by 16% within two months. It now implies a 25% upside. ORI trades on a 2024 PE of 7.6x and offers an expected 2H23 DPS of THB0.54, representing a 6% yield.

TARGET PRICE	THB11.20
CLOSE	THB8.95
UP/DOWNSIDE	+25.1%
PRIOR TP	THB13.90
CHANGE IN TP	-19.4%
TP vs CONSENSUS	-12.1%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	14,397	15,003	17,083	20,385
Net profit	3,775	3,406	2,879	2,956
EPS (THB)	1.54	1.39	1.17	1.20
vs Consensus (%)	-	2.7	(22.9)	(23.1)
EBITDA	4,271	5,343	5,070	5,550
Recurring net profit	2,613	2,512	2,879	2,956
Core EPS (THB)	1.07	1.02	1.17	1.20
Chg. In EPS est. (%)	-	(24.1)	(22.3)	(22.2)
EPS growth (%)	3.8	(3.9)	14.6	2.7
Core P/E (x)	8.4	8.7	7.6	7.4
Dividend yield (%)	8.0	7.8	7.9	8.1
EV/EBITDA (x)	10.2	8.7	9.5	8.9
Price/book (x)	1.2	1.1	1.1	1.0
Net debt/Equity (%)	98.6	108.2	111.2	108.8
ROE (%)	15.8	13.5	14.6	14.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.6)	(11.4)	(10.5)
Relative to country (%)	(7.7)	(3.6)	3.2
Mkt cap (USD m)	626		
3m avg. daily turnover (USD m)	1.3		
Free float (%)	38		
Major shareholder	Peerapong and Arada Jaroon-Ek (36%)		
12m high/low (THB)	12.90/8.50		
Issued shares (m)	2,454.12		

Sources: Bloomberg consensus; FSSIA estimates



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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.

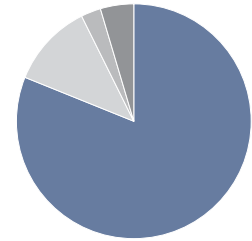
Company profile

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)

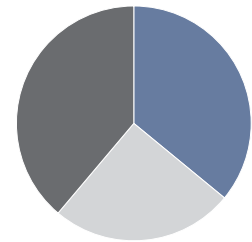
- Project sales - 81.1 %
- Project management - 11.6 %
- Hotel operations and rental - 2.7 %
- Service income - 4.6 %



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
14 November 2023	3Q23 results announcement

Key assumptions

	2023E	2024E	2025E
Total revenue (THB m)	15,003	17,083	20,385
Transfers (THB m)	9,017	11,866	14,834
Project management (THB m)	4,500	3,500	3,500
Equity income from JV (THB m)	(400)	222	(9)
Property GPM (%)	30.0	32.0	32.1
GPM (%)	50.1	45.2	43.1
SG&A to sales (%)	19.4	19.8	19.5

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in transfers, we estimate 2024 earnings to rise 3%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2024 earnings to rise 1.6%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to revenue, we estimate 2024 earnings to fall by 2.5%, and vice versa, all else being equal.
- For every 10% increase in management fee from JV project, we estimate 2024 earnings to rise by 3.2%, and vice versa, all else being equal.

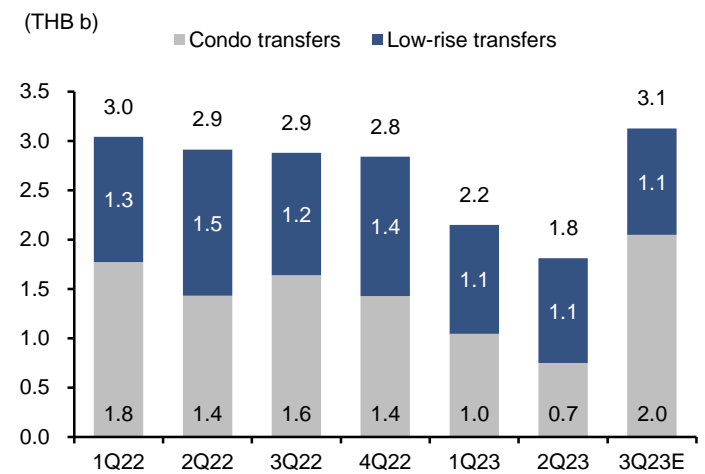
Source: FSSIA estimates

Exhibit 1: 3Q23 results preview

	3Q22	4Q22	1Q23	2Q23	3Q23E	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	3,332	4,486	3,478	3,363	4,691	3,332	4,486
Cost of sales	1,845	2,504	1,643	1,546	2,736	1,845	2,504
Gross profit	1,487	1,982	1,835	1,817	1,955	1,487	1,982
SG&A	738	327	708	768	814	738	327
Operating profit	749	1,654	1,127	1,048	1,142	749	1,654
Interest expense	112	111	101	131	140	112	111
Tax expense	230	260	261	278	231	230	260
Equity income from JV	39	328	(32)	(64)	(240)	39	328
Reported net profit	848	1,033	798	873	950	848	1,033
Normalised profit	671	955	675	492	560	671	955
Key ratios (%)						(ppt)	(ppt)
Property gross margin	35.9	32.0	33.9	31.8	25.0	35.9	32.0
Gross margin	44.6	44.2	52.8	54.0	41.7	44.6	44.2
SG&A / Sales	22.1	7.3	20.3	22.8	17.3	22.1	7.3
Operating margin	22.5	36.9	32.4	31.2	24.3	22.5	36.9
Net margin	25.4	23.0	22.9	26.0	20.2	25.4	23.0
Normalised margin	20.1	21.3	19.4	14.6	11.9	20.1	21.3
Revenue breakdown							
Residential	2,881	2,840	2,150	1,812	3,128	2,881	2,840
Project management	452	590	950	1,187	1,200	452	590

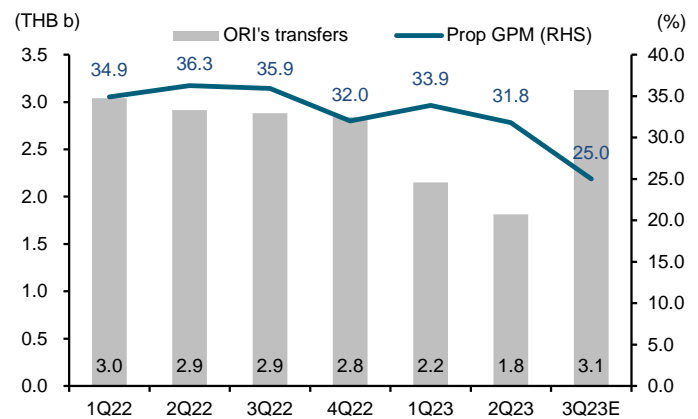
Sources: ORI; FSSIA estimates

Exhibit 2: ORI's transfers breakdown



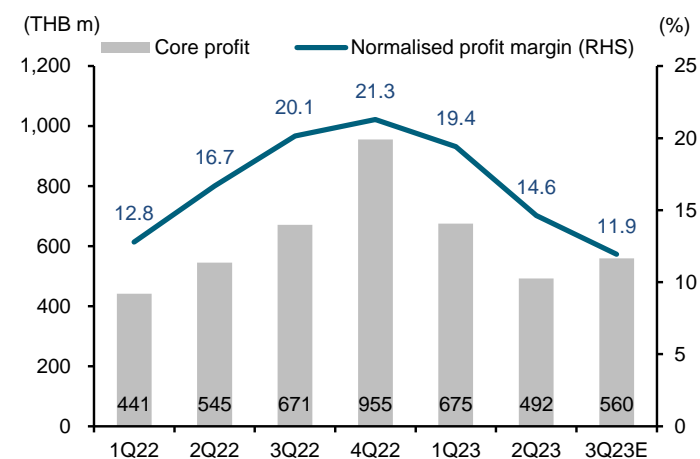
Sources: ORI; FSSIA estimates

Exhibit 3: Quarterly ORI transfers and property GPM



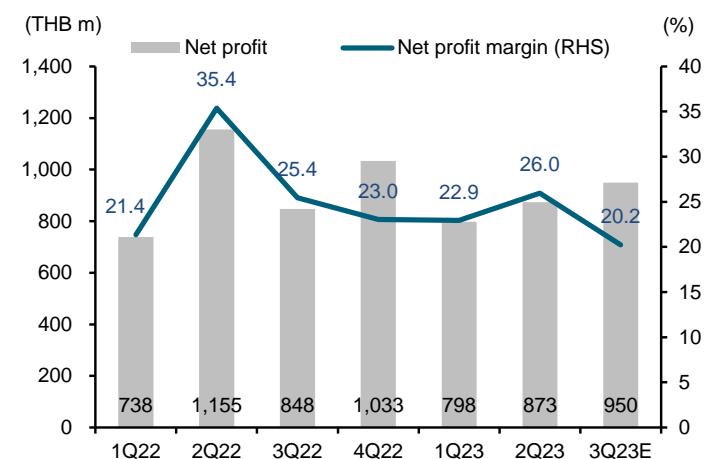
Sources: ORI; FSSIA estimates

Exhibit 4: Quarterly core profit and normalised profit margin



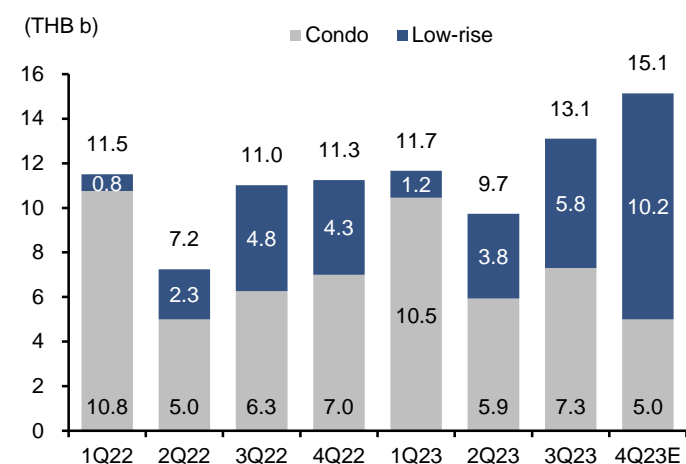
Sources: ORI; FSSIA estimates

Exhibit 5: Quarterly net profit and net profit margin



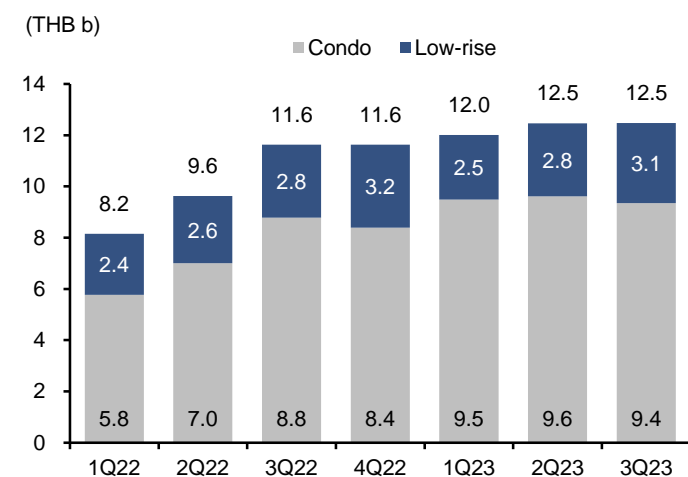
Sources: ORI; FSSIA estimates

Exhibit 6: Quarterly new launches



Sources: ORI; FSSIA's compilation

Exhibit 7: Quarterly presales



Sources: ORI; FSSIA's compilation

Exhibit 8: Key assumptions for ORI

	Current			Previous			Change		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Total revenue (THB m)	15,003	17,083	20,385	14,241	17,298	19,566	5	(1)	4
- Transfers	9,017	11,866	14,834	11,195	14,145	16,279	(19)	(16)	(9)
Condo transfers	4,461	5,741	8,025	4,086	6,210	7,033	9	(8)	14
Housing transfers	4,556	6,125	6,809	7,110	7,935	9,246	(36)	(23)	(26)
- Management fee	4,500	3,500	3,500	1,700	1,700	1,700	165	106	106
- Rental and services	1,486	1,717	2,051	1,346	1,453	1,587	10	18	29
Property gross margin (%)	30.0	32.0	32.1	33.8	34.2	34.2	(3.8)	(2.2)	(2.0)
Gross margin (%)	50.1	45.2	43.1	42.7	41.5	40.7	7.3	3.7	2.4
SG&A (THB m)	2,912	3,375	3,977	2,492	2,941	3,287	17	15	21
SG&A to revenue (%)	19.4	19.8	19.5	17.5	17.0	16.8	1.9	2.8	2.7
Interest expense (THB m)	537	603	621	487	506	507	51	19	22
Share of profit/loss from JV (THB m)	(400)	222	(9)	1,388	1,367	1,213	na	(84)	(101)
Core profit (THB m)	2,512	2,879	2,956	3,309	3,704	3,801	(24)	(22)	(22)
Net profit (THB m)	3,406	2,879	2,956	3,309	3,704	3,801	3	(22)	(22)

Sources: ORI; FSSIA estimates

Exhibit 9: Condo values to be transferred in 2023-2024

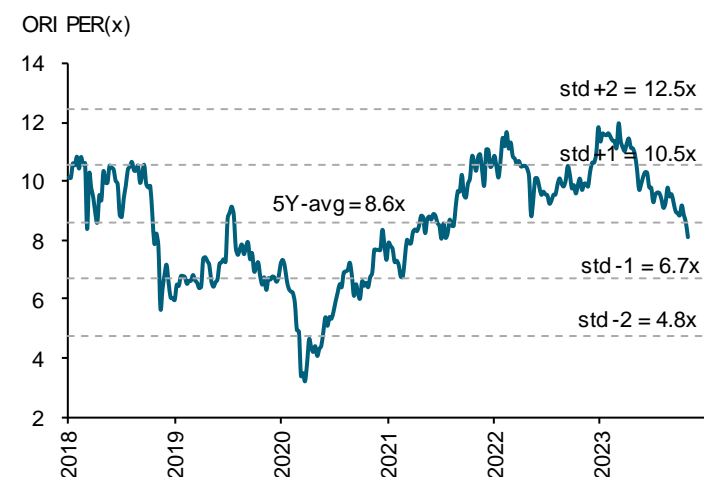
Transfer	Project	Value (THB m)	% Sold (%)
1Q23	Park Origin Chula-Samyang (JV)	4,600	96
	The Origin Ladprao-Bangkapi (JV)	2,000	67
2Q23	The Origin Sukhumvit Sailuath E22 (JV)	1,800	85
3Q22	SOHO Bangkok Ratchada (JV)	1,840	97
4Q23	The Origin Plug&Play Ramintra (JV)	2,200	95
	Origin Plug&Play Ramkhamhaeng Triple Station (JV)	1,470	97
	Brixton Campus Bangsaen	560	98
	Brixton Rayong	880	39
1Q24	Brixton Kaset Sriracha Campus	1,060	59
2Q24	The Hampton Suites Rayong	1,300	68
	Origin Play Phahol 50 Station	680	51
	Origin Play Sri Udom Station (JV)	2,180	35
	Knightsbridge Space Rama 4 (JV)	2,400	98
	SO ORIGIN KASET INTERCHANGE (JV)	1,680	98
3Q24	The Origin Bangna - Bangpakong	1,300	16
	Knightsbridge Space Rayong	1,380	5
	Origin Plug & Play Nonthaburi Station	2,800	81
4Q24	SO ORIGIN PHAHOL 69 STATION (JV)	1,870	60
	Origin Plug & Play Sirindhorn Station (JV)	3,160	92

Sources: ORI; FSSIA's compilation

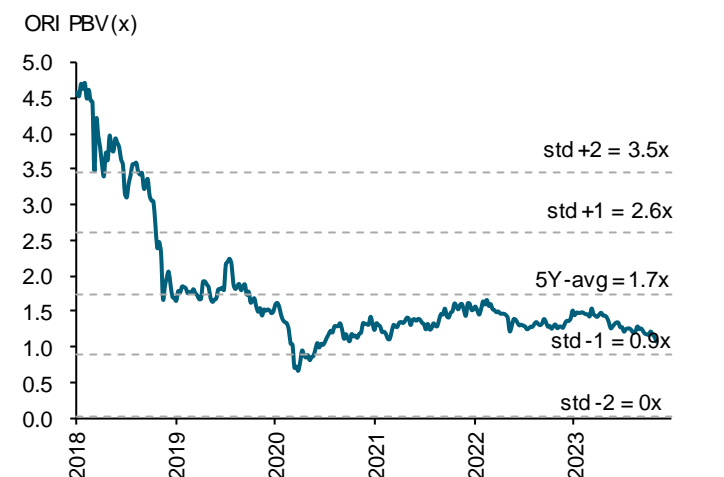
Exhibit 10: SoTP-based valuation

	Target P/E (x)	Holding (%)	TP (THB/shr)	EV (THB m)	Per share (THB)
Real estate development (excluding low-rise)	8.5			21,057	8.6
BRI TB	6.6	70.37	10.40	6,240	2.5
SoTP				27,297	11.2

Sources: FSSIA estimates

Exhibit 11: Historical P/E band

Sources: Bloomberg; FSSIA estimates

Exhibit 12: 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	15,003	17,083	20,385
Cost of goods sold	(9,277)	(8,177)	(7,490)	(9,362)	(11,595)
Gross profit	5,646	6,220	7,513	7,720	8,789
Other operating income	344	182	430	400	400
Operating costs	(2,085)	(2,431)	(2,912)	(3,375)	(3,977)
Operating EBITDA	4,087	4,271	5,343	5,070	5,550
Depreciation	(183)	(300)	(312)	(324)	(337)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	3,904	3,971	5,031	4,746	5,212
Net financing costs	(297)	(390)	(537)	(603)	(621)
Associates	(42)	416	(400)	222	(9)
Recurring non-operating income	(42)	416	(400)	222	(9)
Non-recurring items	676	1,162	894	0	0
Profit before tax	4,242	5,159	4,987	4,365	4,582
Tax	(865)	(947)	(1,078)	(994)	(1,102)
Profit after tax	3,377	4,212	3,908	3,370	3,481
Minority interests	(183)	(438)	(503)	(491)	(525)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	3,194	3,775	3,406	2,879	2,956
Non-recurring items & goodwill (net)	(676)	(1,162)	(894)	0	0
Recurring net profit	2,518	2,613	2,512	2,879	2,956
Per share (THB)					
Recurring EPS *	1.03	1.07	1.02	1.17	1.20
Reported EPS	1.30	1.54	1.39	1.17	1.20
DPS	0.54	0.72	0.70	0.70	0.72
Diluted shares (used to calculate per share data)	2,453	2,453	2,453	2,453	2,453
Growth					
Revenue (%)	42.3	(3.5)	4.2	13.9	19.3
Operating EBITDA (%)	37.7	4.5	25.1	(5.1)	9.5
Operating EBIT (%)	39.3	1.7	26.7	(5.7)	9.8
Recurring EPS (%)	0.0	3.8	(3.9)	14.6	2.7
Reported EPS (%)	18.4	18.2	(9.8)	(15.5)	2.7
Operating performance					
Gross margin inc. depreciation (%)	37.8	43.2	50.1	45.2	43.1
Gross margin exc. depreciation (%)	39.1	45.3	52.2	47.1	44.8
Operating EBITDA margin (%)	27.4	29.7	35.6	29.7	27.2
Operating EBIT margin (%)	26.2	27.6	33.5	27.8	25.6
Net margin (%)	16.9	18.1	16.7	16.9	14.5
Effective tax rate (%)	20.4	18.4	21.6	22.8	24.0
Dividend payout on recurring profit (%)	52.6	67.6	68.5	60.0	60.0
Interest cover (X)	13.0	11.3	8.6	8.2	8.4
Inventory days	928.6	1,139.6	1,433.1	1,271.9	1,099.9
Debtor days	19.8	59.1	77.4	68.6	67.1
Creditor days	102.2	121.3	147.2	125.9	125.7
Operating ROIC (%)	12.9	11.3	12.2	10.5	10.8
ROIC (%)	10.5	10.0	8.8	8.7	8.6
ROE (%)	19.1	15.8	13.5	14.6	14.1
ROA (%)	8.5	8.1	6.9	7.2	7.0
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Project sales	13,623	11,676	9,017	11,866	14,834
Project management	925	1,665	4,500	3,500	3,500
Hotel operations and rental	87	394	414	538	754
Service income	288	661	1,072	1,179	1,297

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	2,512	2,879	2,956
Depreciation	183	300	312	324	337
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	(1,335)	(5,183)	(3,535)	(2,649)	(1,648)
Cash flow from operations	1,366	(2,270)	(711)	554	1,645
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)	(1,438)	(1,727)	(1,773)
Equity finance	1,992	1,618	0	0	0
Debt finance	(1,046)	7,272	3,166	1,550	50
Other financing cash flows	-	-	-	-	-
Cash flow from financing	369	8,653	1,728	(177)	(1,723)
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	95	(348)	(716)
Free cash flow to firm (FCFF)	1,085.95	(7,046.40)	(1,095.30)	432.30	1,627.96
Free cash flow to equity (FCFE)	(256.33)	(163.71)	1,532.85	1,379.64	1,057.30

Per share (THB)

FCFF per share	0.44	(2.87)	(0.45)	0.18	0.66
FCFE per share	(0.10)	(0.07)	0.62	0.56	0.43
Recurring cash flow per share	1.10	1.19	1.15	1.31	1.34

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	3,278	2,930	2,214
A/C receivable	1,306	3,360	3,001	3,417	4,077
Inventories	22,846	26,339	30,029	32,960	34,892
Other current assets	1,939	3,435	3,587	3,548	3,705
Current assets	28,056	36,317	39,895	42,855	44,888
Other assets	372	865	746	796	841
Total assets	35,398	48,091	52,160	55,570	57,947
Common equity	14,937	18,132	19,206	20,357	21,540
Minorities etc.	1,003	1,801	1,801	1,801	1,801
Total shareholders' equity	15,940	19,933	21,007	22,159	23,341
Long term debt	7,063	14,204	16,462	17,541	17,576
Other long-term liabilities	584	595	496	593	668
Long-term liabilities	7,647	14,799	16,958	18,134	18,244
A/C payable	2,219	3,018	2,771	3,464	4,290
Short term debt	8,509	8,641	9,548	10,019	10,034
Other current liabilities	1,084	1,701	1,875	1,794	2,038
Current liabilities	11,811	13,359	14,195	15,277	16,363
Total liabilities and shareholders' equity	35,398	48,091	52,160	55,570	57,947
Net working capital	22,788	28,416	31,970	34,667	36,345
Invested capital	30,130	40,190	44,235	47,382	49,405

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

Per share (THB)

Book value per share	6.09	7.39	7.83	8.30	8.78
Tangible book value per share	5.96	7.07	7.51	7.98	8.46

Financial strength

Net debt/equity (%)	85.4	98.6	108.2	111.2	108.8
Net debt/total assets (%)	38.4	40.9	43.6	44.3	43.8
Current ratio (x)	2.4	2.7	2.8	2.8	2.7
CF interest cover (x)	0.1	0.6	3.9	3.3	2.7

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	8.7	8.4	8.7	7.6	7.4
Recurring P/E @ target price (x) *	10.9	10.5	10.9	9.5	9.3
Reported P/E (x)	6.9	5.8	6.4	7.6	7.4
Dividend yield (%)	6.0	8.0	7.8	7.9	8.1
Price/book (x)	1.5	1.2	1.1	1.1	1.0
Price/tangible book (x)	1.5	1.3	1.2	1.1	1.1
EV/EBITDA (x) **	8.9	10.2	8.7	9.5	8.9
EV/EBITDA @ target price (x) **	10.3	11.5	9.7	10.6	9.9
EV/invested capital (x)	1.2	1.1	1.1	1.0	1.0

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

Sources: Origin Property; FSSIA estimates

Origin Property PCL (ORI TB)

FSSIA ESG rating

53.22 /100
Exhibit 13: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 14: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
AP	53.36	--	Y	Y	5.00	5.00	Certified	Low	43.30	--	--	16.91	24.00	1.89	34.26
ASW	27.00	--	Y	Y	5.00	4.00	Declared	--	--	--	--	--	--	--	--
BRI	16.00	--	--	--	4.00	4.00	Declared	--	--	--	--	--	--	--	--
NOBLE	30.88	--	Y	Y	5.00	5.00	Certified	--	--	--	--	--	7.00	--	--
ORI	53.22	--	Y	Y	5.00	5.00	Certified	Medium	41.33	--	--	48.60	--	3.82	52.01
SC	60.14	--	Y	Y	5.00	4.00	Certified	Low	45.20	--	--	70.85	25.00	2.34	42.60
SIRI	66.14	--	Y	Y	5.00	5.00	Certified	Low	43.82	A	--	57.85	23.00	3.00	61.14
SPALI	59.80	--	Y	Y	5.00	5.00	Certified	Low	52.93	BB	--	36.30	24.00	2.19	42.36

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation
Exhibit 15: ESG score by Bloomberg

FY ending Dec 31	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	—	—	—	3.07	3.82
BESG environmental pillar score	—	—	—	2.18	2.46
BESG social pillar score	—	—	—	3.67	7.82
BESG governance pillar score	—	—	—	4.20	4.69
ESG disclosure score	32.89	32.89	40.42	46.46	52.01
Environmental disclosure score	0.91	0.91	21.93	37.48	37.48
Social disclosure score	14.00	14.00	15.57	18.17	28.54
Governance disclosure score	83.59	83.59	83.59	83.59	89.86
Environmental					
Emissions reduction initiatives	No	No	No	Yes	Yes
Climate change policy	No	No	No	No	No
Climate change opportunities discussed	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No
GHG scope 1	—	—	0	0	0
GHG scope 2 location-based	—	—	1	2	4
GHG Scope 3	—	—	0	0	1
Carbon per unit of production	—	—	—	—	—
Biodiversity policy	No	No	No	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes
Total energy consumption	—	—	2	3	8
Renewable energy use	—	—	—	—	—
Electricity used	—	—	2	3	8
Fuel used - natural gas	—	—	0	0	0

Sources: Bloomberg; FSSIA's compilation

Exhibit 16: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes
Hazardous waste	—	—	0	0	0
Total waste	—	—	0	0	0
Waste recycled	—	—	—	—	—
Waste sent to landfills	—	—	—	—	—
Environmental supply chain management	No	No	No	Yes	Yes
Water policy	No	No	Yes	Yes	Yes
Water consumption	—	—	—	—	—
Social					
Human rights policy	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No
Consumer data protection policy	No	No	No	No	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No
Pct women in workforce	—	—	59	62	59
Pct disabled in workforce	—	—	—	3	0
Business ethics policy	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—
Total recordable incident rate - employees	—	—	—	—	0
Training policy	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No
Number of employees – CSR	949	1,243	1,345	1,441	2,069
Employee turnover pct	—	—	—	—	—
Total hours spent by firm - employee training	12,480	6,901	772	99,150	21,315
Social supply chain management	Yes	Yes	Yes	Yes	Yes
Governance					
Board size	11	9	9	9	9
No. of independent directors (ID)	5	4	4	4	4
No. of women on board	2	2	2	1	1
No. of non-executive directors on board	9	7	7	4	6
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	13	11	8	13	9
Board meeting attendance pct	92	87	93	100	100
Board duration (years)	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No
Age of the youngest director	33	44	38	45	46
Age of the oldest director	72	73	74	74	75
No. of executives / company managers	8	7	8	8	7
No. of female executives	3	3	3	3	2
Executive share ownership guidelines	No	No	No	No	No
Size of audit committee	3	3	3	3	3
No. of ID on audit committee	3	3	3	3	3
Audit committee meetings	12	9	7	8	5
Audit meeting attendance %	94	100	95	100	93
Size of compensation committee	4	4	4	4	4
No. of ID on compensation committee	3	3	3	3	3
No. of compensation committee meetings	2	1	1	5	2
Compensation meeting attendance %	100	100	100	100	100
Size of nomination committee	4	4	4	4	4
No. of nomination committee meetings	2	1	1	5	2
Nomination meeting attendance %	100	100	100	100	100
Sustainability governance					
Verification type	No	No	No	No	Yes

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																												
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																												
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > 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.																												
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																												
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating 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.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																												
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																												
Morningstar Sustainability	The Sustainability's ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																		
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0-10	10-20	20-30	30-40	40+																										
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																												
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570			A	5.714-7.142			BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285			B	1.429-2.856			CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																													
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																													
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																													
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																												
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																												

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

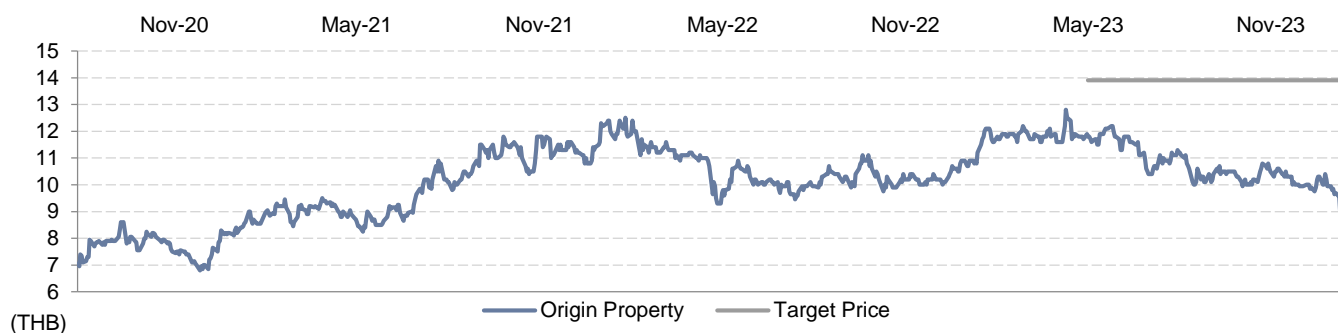
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History of change in investment rating and/or target price

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	06-Nov-2023	BUY	10.40	-	-	-

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 8.95	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 7.60	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.

All share prices are as at market close on 07-Nov-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.