

12 MARCH 2024

EQUITY RESEARCH - COMPANY REPORT

# ORIGIN PROPERTY **ORI TB**

## THAILAND / PROPERTY DEVELOPMENT

**HOLD**

FROM BUY

TARGET PRICE	THB7.60
CLOSE	THB7.20
UP/DOWNSIDE	+5.6%
PRIOR TP	THB11.20
CHANGE IN TP	-32.1%
TP vs CONSENSUS	-13.5%

## 2024: Tightening the belt to cope with challenges

- A cautious 2024 plan including decreased investments, record-low new launches in two years, and inventory clearing.
- We have cut our 2024-2025E normalized earnings to THB2.1b (+27% y-y) and THB2.3b (+11% y-y), respectively, recovering from the low base in 2023 but still below 2022.
- We have slashed our TP to THB7.60 and our rating to HOLD on a limited upside and a lack of catalysts.

## 2024: Resuming cautious mode with decreased investments and inventory clearing

Amid a challenging property market and a delay in the IPO plan for ONEO from 4Q23 to 2025, the end-2023 net IBD/E surged to 1.6x from 1x in 2022. Since ORI aims to lower it to 1.4x-1.3x in 2024-2025 (compared to its 2.5x covenant), the 2024 plan resumes its cautious mode with lower land acquisition and hotel expansion investments. Also, ORI plans to drive transfers by clearing its inventory of THB12b. In 2024, ORI targets new launches to drop 19% y-y to THB37b (54% condos, 46% low-rises), presales to increase 4% y-y to THB49b (73% condos, 27% low-rises), and total transfers (including JVs) of THB26b (+27% y-y), of which ORI would contribute THB19.5b (+121% y-y).

## Cut 2024-2025E by 27% and 21%, respectively

We have slashed our 2024-2025E core profit by 27% to THB2.1bn (+27% y-y) and 21% to THB2.3b (+11% y-y), respectively, recovering from the low base in 2023 but still below 2022. In particular, we decreased our low-rise transfer estimate to reflect below-estimate new launches, high cancellation and rejection rates, and fewer new JVs. As a result, we expect management fees to decrease to THB1.8b/year from THB3.2b in 2023.

## Transfers should recover from low base, but promotion would pressure margins

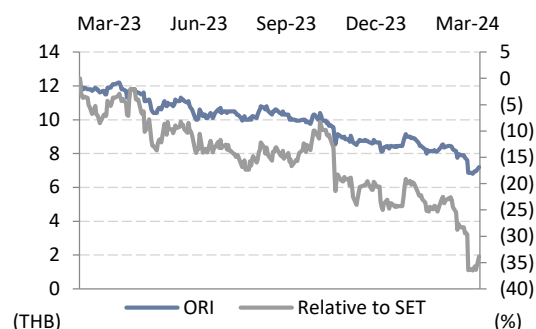
Our assumptions are more conservative than the guidance. In 2024, we anticipate transfers of just THB11b (+21% y-y), sharply lower than the guidance of THB19.5b. In this regard, ORI would realize THB5.3b from its end-2023 backlog as revenue, already securing 50% of our estimate. Also, it would introduce promotions to clear its inventory. It should pressure the gross margin of property sales to hover low at 30.6% vs its normalized level of 34-36% in 2020-2022. Note our estimate is yet to include potential extra gains from 1) the plan of Alpha (in which ORI and SJWD each hold a 50 stake) to sell warehouses and cold storage of 170,000 SQM to REITs in mid-2024, potentially resulting in a before-tax gain of THB150-200m, 2) a potential JV for the two hotels acquired in 3Q23, which would reverse a gain of THB276m from the purchase below fair value.

## Slash TP to THB7.60 and our rating to HOLD

Similarly, we have cut our TP to THB7.60 (SOTP), implying a 2024 PE of 8.9x (its historical average -0.25SD). ORI has an upside of less than 10%. Also, it lacks fresh catalysts, and we expect it to post a y-y lower 1Q24 core profit. Hence, we decrease our rating to HOLD. ORI announced a 2H23 DPS of THB0.30, implying a 4.2% yield. It will go XD on May 8 and pay the dividend on May 23, 2024.

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	13,866	14,647	17,371	19,107
Net profit	2,718	2,105	2,341	2,513
EPS (THB)	1.11	0.86	0.95	1.02
vs Consensus (%)	-	(26.1)	(21.1)	(27.9)
EBITDA	3,857	3,601	3,904	4,198
Recurring net profit	1,657	2,105	2,341	2,513
Core EPS (THB)	0.68	0.86	0.95	1.02
Chg. In EPS est. (%)	nm	(26.9)	(20.8)	nm
EPS growth (%)	(36.6)	27.1	11.2	7.4
Core P/E (x)	10.7	8.4	7.5	7.0
Dividend yield (%)	6.4	5.0	5.6	6.0
EV/EBITDA (x)	14.0	14.4	12.8	11.8
Price/book (x)	0.9	0.9	0.8	0.8
Net debt/Equity (%)	161.9	143.8	128.3	118.7
ROE (%)	8.9	10.7	11.2	11.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(14.3)	(16.8)	(42.4)
Relative to country (%)	(13.8)	(16.7)	(33.2)
Mkt cap (USD m)	506		
3m avg. daily turnover (USD m)	1.6		
Free float (%)	38		
Major shareholder	Peerapong and Arada Jaroen-Ek (36%)		
12m high/low (THB)	12.80/6.55		
Issued shares (m)	2,454.12		

Sources: Bloomberg consensus; FSSIA estimates

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## Investment thesis

ORI aims to be a residential developer and a lifetime well-being company. It expands to business with recurring income through One Origin to invest in commercial properties and PRI in property-related services. Also, its growth strategy entails diversification to other industries in the megatrends through joint ventures with its alliances, such as health and beauty, logistics and warehouses, energy, and financial services. Currently, ORI has two listed subsidiaries, i.e., Britania (BRI TB, HOLD, TP THB7.2) and Primo Service Solutions (PRI TB, NR). Also, it plans to sell warehouses and cold storage under Alpha (in which ORI and SJWD each own a 50% stake) to REIT in the middle of this year.

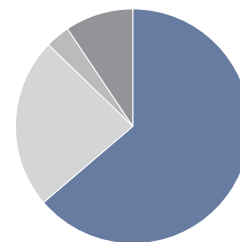
## Company profile

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](http://www.origin.co.th)

## Principal activities (revenue, 2023)

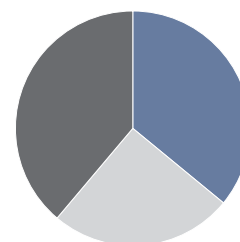
- Project sales - 63.8 %
- Project management - 23.5 %
- Hotel operations and rental - 3.4 %
- Service income - 9.4 %



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 its new launches and the progress of its inventory sales, 2) a condominium market recovery, 3) new business expansion, 4) the spin-off of its subsidiary and asset sales to REIT, 5) new JV projects, generating management fees and potential share premium (if involving a joint investment with partners).

## Risks to our call

Downside risks to our SoTP-based TP include 1) lower new launches and presales than expected and slower-than-expected realization from the backlog, 2) lower-than-expected JVs, 3) economic slowdown, weak purchasing power, and fierce competition, 4) higher rejection and cancellation rates, 5) construction delays and labor shortages, and 6) weaker-than-expected performance of its subsidiaries.

## Event calendar

Date	Event
May 2024	1Q24 results announcement

## Key assumptions

	2024E	2025E	2026E
Total revenue (THB m)	14,647	17,371	19,107
Transfers (THB m)	10,703	13,213	14,807
Project management (THB m)	1,800	1,800	1,800
Equity income from JV (THB m)	595	632	601
Property GPM (%)	30.6	30.7	30.8
GPM (%)	39.3	36.9	36.4
SG&A to sales (%)	20.4	19.6	19.3

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 2%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to revenue, we estimate 2024 earnings to fall by 3%, and vice versa, all else being equal.
- For every 10% increase in management fee from JV project, we estimate 2024 earnings to rise by 2%, and vice versa, all else being equal.

Source: FSSIA estimates

## Disappointing 4Q23 earnings results

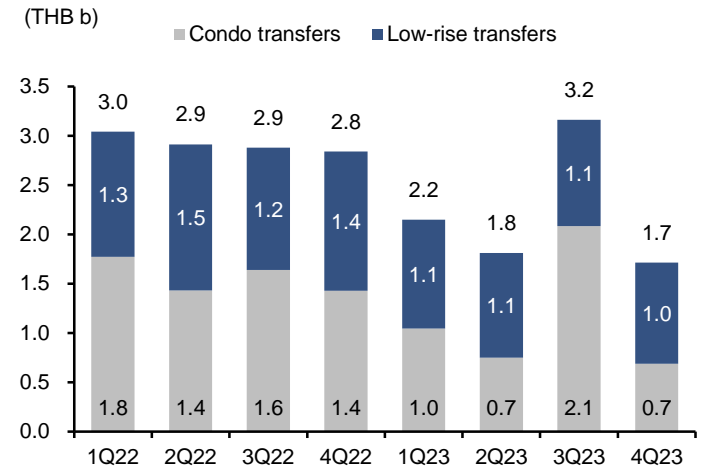
ORI posted a weak 4Q23 net profit of THB47m (-95% q-q, -95% y-y), with extra items including 1) a share premium of THB424m from signing a JV project, 2) a reversal of the gain of THB276m made from the two hotels acquired below their fair value in 3Q23. Excluding them, the core operation turned into a loss of THB102m (vs the profit of THB591m in 3Q23 and 955m in 4Q22), lower than our estimate of THB191m and the consensus forecast of THB555m.

It was due to two crucial factors. First, management fees from JVs of THB44m (-96% q-q, -93% y-y) were significantly lower than the THB1b in 1Q23-3Q23 after new JVs decreased. Also, ORI reversed the revenue of some projects in line with its planned development phases. Second, SG&A expenses jumped due to the aggressive marketing late last year to stimulate sales and employee bonuses. Meanwhile, transfers continued to contract (-46% q-q, -40% y-y) to THB1.7b, pressured by higher cancellation and rejection rates. Also, units available for sales decreased due to the strategy to develop JV projects earlier. As a result, the 2023 net profit ended at THB2.7b (-28% y-y). Excluding a share premium of THB1.1b from signing new JVs, the core profit was THB1.7b (-37% y-y).

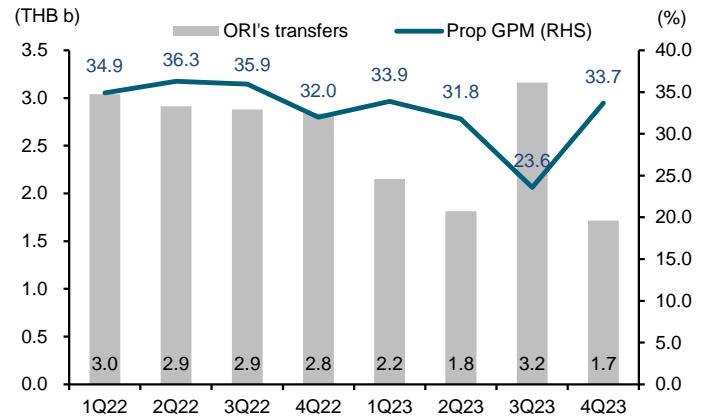
### Exhibit 1: ORI - 4Q23 results review

	4Q22	1Q23	2Q23	3Q23	4Q23	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	4,486	3,478	3,363	4,785	2,240	(53.2)	(50.1)
Cost of sales	2,504	1,643	1,546	2,809	1,453	(48.3)	(42.0)
Gross profit	1,982	1,835	1,817	1,976	787	(60.2)	(60.3)
SG&A	327	708	768	782	1,050	34.3	220.8
Operating profit	1,654	1,127	1,048	1,194	(263)	n/a	n/a
Interest expense	111	101	131	131	96	(26.8)	(13.2)
Tax expense	260	261	278	230	38	(83.3)	(85.2)
Equity income from JV	328	(32)	(64)	(138)	263	n/a	n/a
Reported net profit	1,033	798	873	1,000	47	(95.3)	(95.5)
Normalised profit	955	675	492	591	(102)	n/a	n/a
<b>Key ratios (%)</b>						<b>(ppt)</b>	<b>(ppt)</b>
Property gross margin	32.0	33.9	31.8	23.6	33.7	10.1	1.7
Gross margin	44.2	52.8	54.0	41.3	35.1	(6.2)	(9.1)
SG&A / Sales	7.3	20.3	22.8	16.3	46.9	30.5	39.6
Operating margin	36.9	32.4	31.2	25.0	(11.8)	(36.7)	(48.6)
Net margin	23.0	22.9	26.0	20.9	2.1	(18.8)	(20.9)
Normalised margin	21.3	19.4	14.6	12.4	(4.5)	(16.9)	(25.8)
<b>Revenue breakdown</b>							
Residential	2,840	2,150	1,812	3,162	1,715	(45.8)	(39.6)
Project management	590	950	1,187	1,074	44	(95.9)	(92.6)

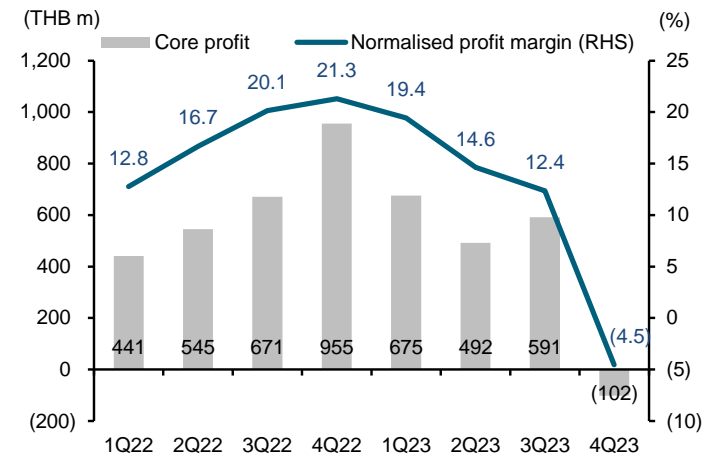
Sources: ORI; FSSIA's compilation

**Exhibit 2: ORI's transfers breakdown**

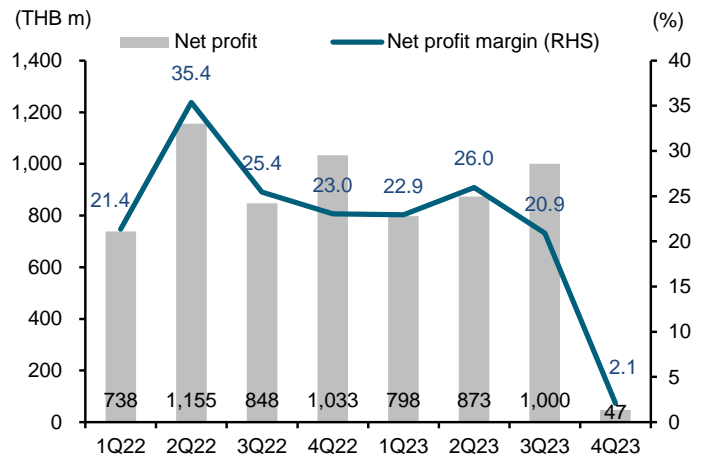
Sources: ORI; FSSIA's compilation

**Exhibit 3: Quarterly ORI transfers and property GPM**

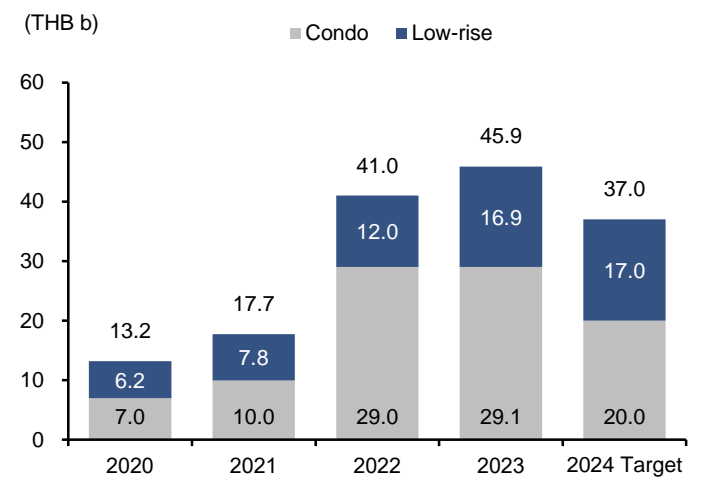
Sources: ORI; FSSIA's compilation

**Exhibit 4: Quarterly core profit and normalised profit margin**

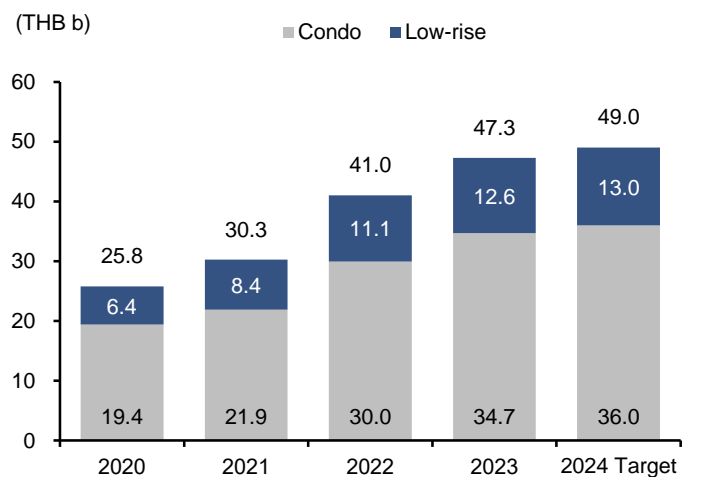
Sources: ORI; FSSIA's compilation

**Exhibit 5: Quarterly net profit and net profit margin**

Sources: ORI; FSSIA's compilation

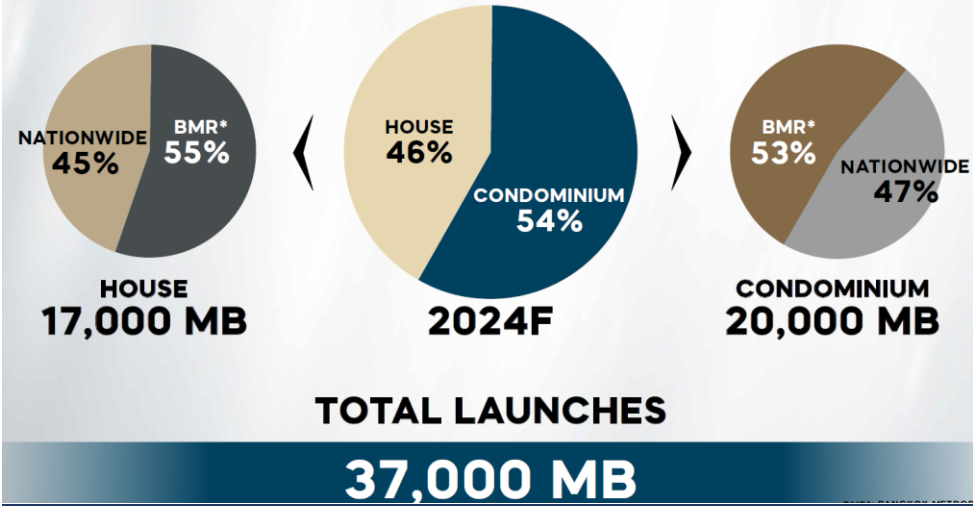
**Exhibit 6: Yearly new launches**

Sources: ORI; FSSIA's compilation

**Exhibit 7: Yearly presales**

Sources: ORI; FSSIA's compilation

Exhibit 8: New launches in 2024



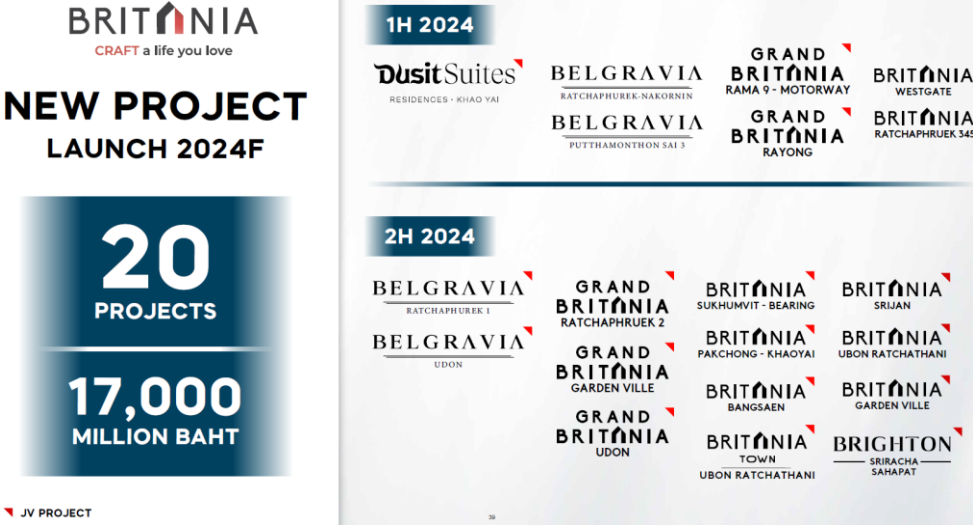
Source: ORI

Exhibit 9: New condos in 2024



Source: ORI

Exhibit 10: New low-rise projects in 2024



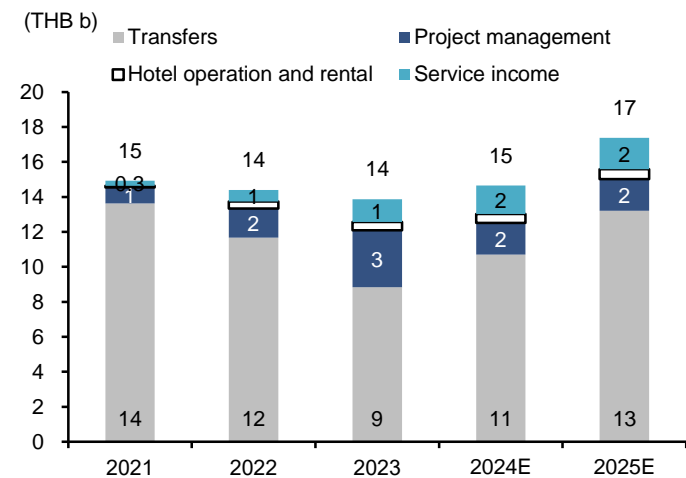
Source: ORI

## Exhibit 11: Key assumptions for ORI

	Actual	Current		Previous		Change	
	2023	2024E	2025E	2024E	2025E	2024E	2025E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)
Total revenue (THB m)	13,866	14,647	17,371	17,083	20,385	(14)	(15)
%Growth	(3.7)	5.6	18.6	23.2	19.3	(18)	(1)
- Transfers	8,840	10,703	13,213	11,866	14,834	(10)	(11)
%Growth	(24.3)	21.1	23.4	34.2	25.0	(13)	(2)
Condo transfers	4,743	5,891	8,585	5,741	8,025	3	7
Housing transfers	4,274	4,813	4,628	6,125	6,809	(21)	(32)
- Management fee	3,254	1,800	1,800	3,500	3,500	(49)	(49)
- Rental and services	1,771	2,144	2,358	1,717	2,051	25	15
Property gross margin (%)	29.8	30.6	30.7	32.0	32.1	(1.4)	(1.4)
Gross margin (%)	46.3	39.3	36.9	45.2	43.1	(5.9)	(6.2)
SG&A (THB m)	3,308	2,993	3,401	3,375	3,977	(11)	(14)
SG&A to revenue (%)	23.9	20.4	19.6	19.8	19.5	0.7	0.1
Interest expense (THB m)	460	575	556	603	621	(5)	(10)
Share of profit/loss from JV (THB m)	30	595	632	222	(9)	169	na
Core profit (THB m)	1,657	2,105	2,341	2,879	2,956	(27)	(21)
%Growth	(36.6)	27.1	11.2	73.8	2.7	(47)	9
Net profit (THB m)	2,718	2,105	2,341	2,879	2,956	(27)	(21)
%Growth	(28.0)	(22.6)	11.2	5.9	2.7	(28)	9

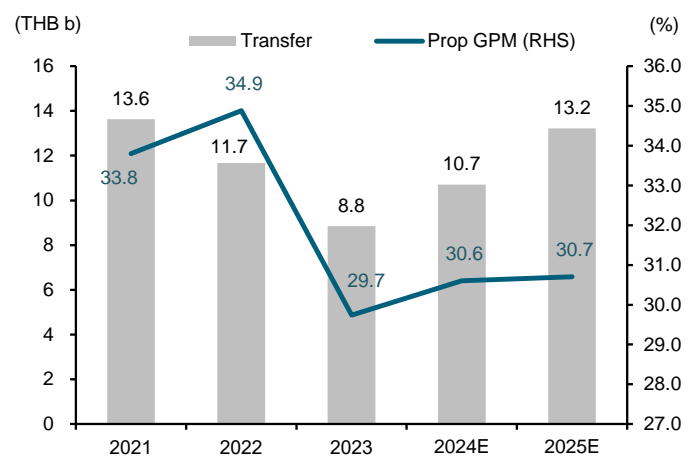
Sources: ORI; FSSIA estimates

## Exhibit 12: Revenue breakdown

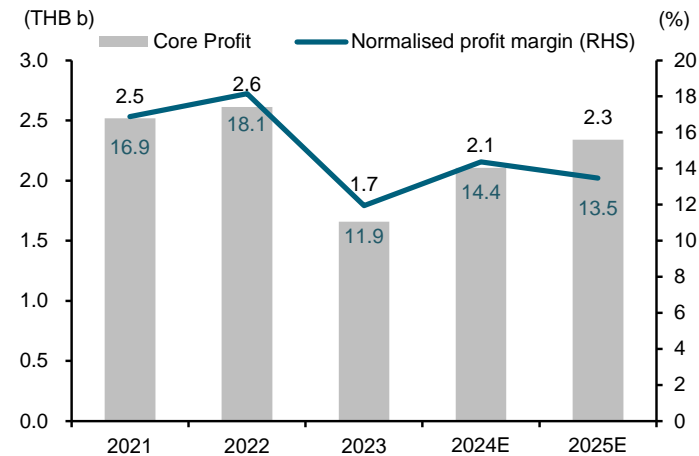


Sources: ORI; FSSIA estimates

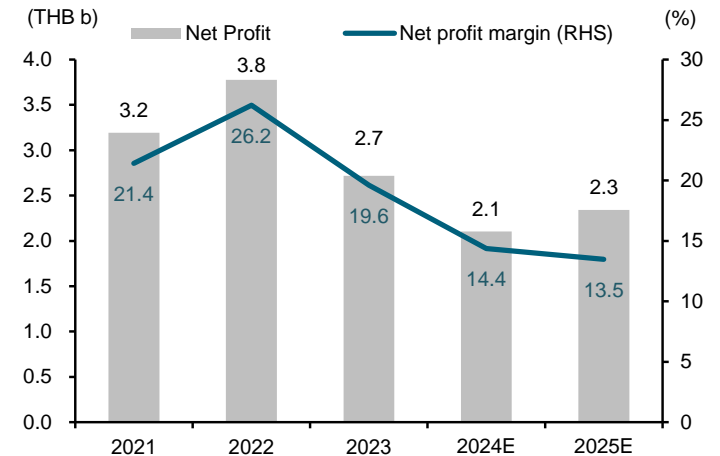
## Exhibit 13: Transfer and property GPM



Sources: ORI; FSSIA estimates

**Exhibit 14: Core profit and normalised profit margin**

Sources: ORI; FSSIA estimates

**Exhibit 15: Net profit and net profit margin**

Sources: ORI; FSSIA estimates

**Exhibit 16: New condo values to be transferred in 2024**

Transfer	Project	Value (THB m)	% Sold (%)
1Q24	Brixton Kaset Sriracha Campus	1,060	64
2Q24	The Hampton Suites Rayong	1,300	75
	Origin Play Phahol 50 Station	680	54
	Origin Plug & Play Nonthaburi Station	2,800	81
	Origin Play Sri Udom Station (JV)	2,180	44
	SO ORIGIN KASET INTERCHANGE (JV)	1,680	99
	The Origin Bangna - Bangpakong	1,300	20
3Q24	Knightsbridge Space Rama 4 (JV)	2,400	98
	SO ORIGIN PHAHOL 69 STATION (JV)	1,870	63
4Q24	Origin Plug & Play Sirindhorn Station (JV)	3,160	92

Sources: ORI; FSSIA's compilation

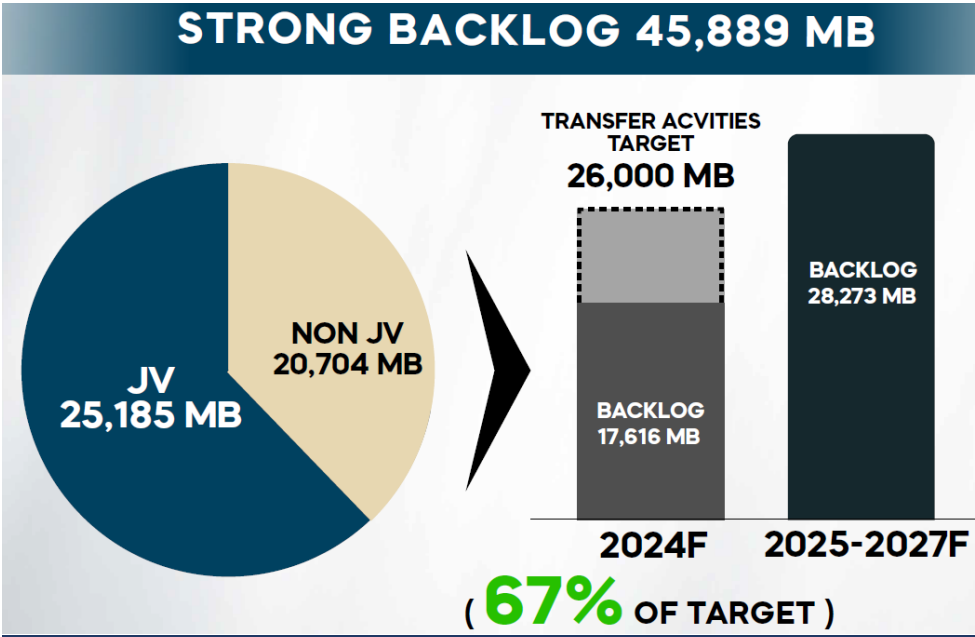
**Exhibit 17: Low-rise project transfer in 2024**

Q1 2024	GRAND BRITANIA CHAIYAPHURE CHANGWATTANA	BRITANIA BANGNA - BANGPAKONG	
Q2 2024	BELGRAVIA RATCHAPHUREK-NAKORNIN	BRITANIA RATCHAPHUREK 345	BRITANIA WESTGATE
Q3 2024	BELGRAVIA PUTTHAMONTHON SAI 3		
Q4 2024	GRAND BRITANIA RAMA 9 - MOTORWAY	GRAND BRITANIA RAYONG	BRITANIA SUKHUMVIT - BEARING BRITANIA PAKCHONG - KHAOTAI

Sources: ORI; FSSIA's compilation

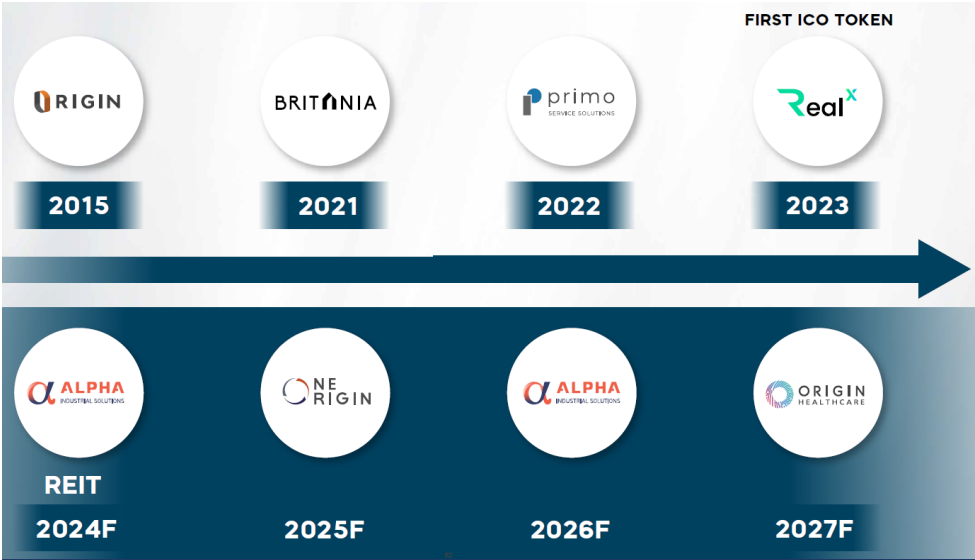


Exhibit 18: Backlog at end-23



Source: ORI

Exhibit 19: Spin-off plan



Source: ORI

Exhibit 20: Alpha Industrial REIT



Source: ORI

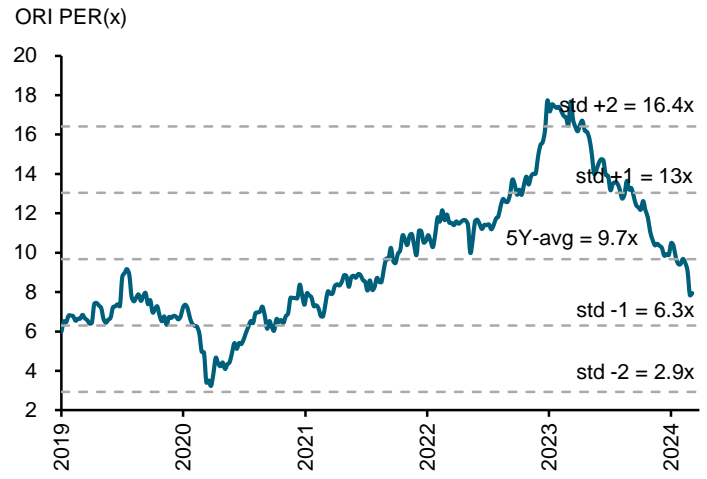


Exhibit 21: SoTP-based valuation

	Target P/E	Holding	TP	EV	Per share
	(x)	(%)	(THB/shr)	(THB m)	(THB)
Real estate development (excluding low-rise)	7.7			14,303	5.8
BRI TB	7.3	70.33	7.2	4,320	1.8
<b>SoTP</b>				<b>18,598</b>	<b>7.6</b>

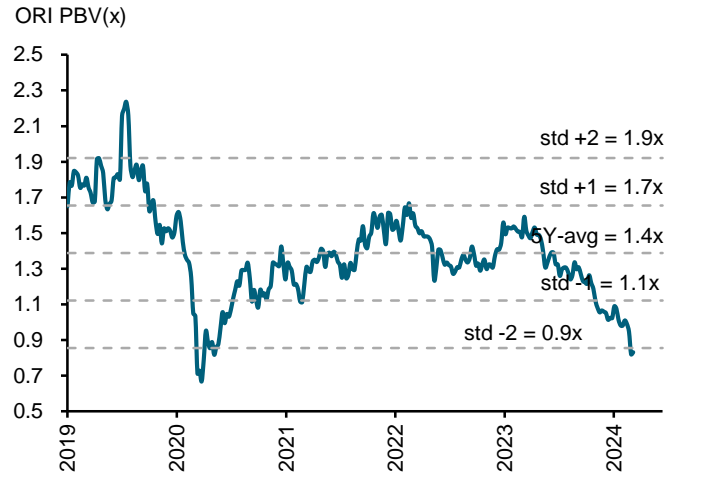
Source: FSSIA estimates

Exhibit 22: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 23: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Origin Property

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	14,397	13,866	14,647	17,371	19,107
Cost of goods sold	(8,177)	(7,452)	(8,896)	(10,958)	(12,156)
<b>Gross profit</b>	<b>6,220</b>	<b>6,414</b>	<b>5,751</b>	<b>6,413</b>	<b>6,951</b>
Other operating income	182	230	270	290	300
Operating costs	(2,431)	(3,308)	(2,993)	(3,401)	(3,684)
<b>Operating EBITDA</b>	<b>4,271</b>	<b>3,857</b>	<b>3,601</b>	<b>3,904</b>	<b>4,198</b>
Depreciation	(300)	(521)	(573)	(602)	(632)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>3,971</b>	<b>3,336</b>	<b>3,028</b>	<b>3,302</b>	<b>3,567</b>
Net financing costs	(390)	(460)	(575)	(556)	(523)
Associates	416	30	595	632	601
Recurring non-operating income	416	30	595	632	601
Non-recurring items	1,162	1,062	0	0	0
<b>Profit before tax</b>	<b>5,159</b>	<b>3,968</b>	<b>3,049</b>	<b>3,378</b>	<b>3,645</b>
Tax	(947)	(808)	(589)	(659)	(731)
<b>Profit after tax</b>	<b>4,212</b>	<b>3,160</b>	<b>2,460</b>	<b>2,719</b>	<b>2,914</b>
Minority interests	(438)	(442)	(355)	(378)	(402)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>3,775</b>	<b>2,718</b>	<b>2,105</b>	<b>2,341</b>	<b>2,513</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(1,162)</b>	<b>(1,062)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>2,613</b>	<b>1,657</b>	<b>2,105</b>	<b>2,341</b>	<b>2,513</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.07	0.68	0.86	0.95	1.02
Reported EPS	1.54	1.11	0.86	0.95	1.02
DPS	0.72	0.46	0.36	0.40	0.43
Diluted shares (used to calculate per share data)	2,453	2,453	2,453	2,453	2,453
<b>Growth</b>					
Revenue (%)	(3.5)	(3.7)	5.6	18.6	10.0
Operating EBITDA (%)	4.5	(9.7)	(6.6)	8.4	7.6
Operating EBIT (%)	1.7	(16.0)	(9.2)	9.0	8.0
Recurring EPS (%)	3.8	(36.6)	27.1	11.2	7.4
Reported EPS (%)	18.2	(28.0)	(22.6)	11.2	7.4
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	43.2	46.3	39.3	36.9	36.4
Gross margin exc. depreciation (%)	45.3	50.0	43.2	40.4	39.7
Operating EBITDA margin (%)	29.7	27.8	24.6	22.5	22.0
Operating EBIT margin (%)	27.6	24.1	20.7	19.0	18.7
Net margin (%)	18.1	11.9	14.4	13.5	13.2
Effective tax rate (%)	18.4	20.4	19.3	19.5	20.0
Dividend payout on recurring profit (%)	67.6	68.1	42.0	42.0	42.0
Interest cover (X)	11.3	7.3	6.3	7.1	8.0
Inventory days	1,139.6	1,638.7	1,520.9	1,159.1	1,019.5
Debtor days	59.1	112.5	119.4	100.9	104.5
Creditor days	121.3	176.3	158.6	139.9	146.4
Operating ROIC (%)	11.3	7.2	5.8	6.6	7.2
ROIC (%)	10.0	5.6	5.2	5.7	6.0
ROE (%)	15.8	8.9	10.7	11.2	11.2
ROA (%)	8.1	4.4	4.5	5.0	5.1

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Project sales	11,676	8,840	10,703	13,213	14,807
Project management	1,665	3,254	1,800	1,800	1,800
Hotel operations and rental	394	468	515	567	601
Service income	661	1,303	1,629	1,792	1,899

Sources: Origin Property; FSSIA estimates

## Financial Statements

### Origin Property

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	2,613	1,657	2,105	2,341	2,513
Depreciation	300	521	573	602	632
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	(5,183)	(9,789)	1,926	1,611	348
<b>Cash flow from operations</b>	<b>(2,270)</b>	<b>(7,612)</b>	<b>4,604</b>	<b>4,553</b>	<b>3,492</b>
Capex - maintenance	(5,166)	-	(1,669)	(1,852)	(1,894)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	(6,383)	-	-	-
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(5,166)</b>	<b>(6,383)</b>	<b>(1,669)</b>	<b>(1,852)</b>	<b>(1,894)</b>
Dividends paid	(237)	(737)	(884)	(983)	(1,055)
Equity finance	1,618	245	0	0	0
Debt finance	7,272	12,797	(2,120)	(1,622)	(418)
Other financing cash flows	-	-	-	-	-
<b>Cash flow from financing</b>	<b>8,653</b>	<b>12,305</b>	<b>(3,004)</b>	<b>(2,605)</b>	<b>(1,473)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>1,217</b>	<b>(1,689)</b>	<b>(69)</b>	<b>96</b>	<b>124</b>
Free cash flow to firm (FCFF)	(7,046.40)	(13,534.50)	3,510.70	3,257.52	2,120.40
Free cash flow to equity (FCFE)	(163.71)	(1,197.33)	815.29	1,079.36	1,179.33
<b>Per share (THB)</b>					
FCFF per share	(2.87)	(5.52)	1.43	1.33	0.86
FCFE per share	(0.07)	(0.49)	0.33	0.44	0.48
Recurring cash flow per share	1.19	0.89	1.09	1.20	1.28
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	3,125	5,339	5,563	5,811	6,072
Less: Accumulated depreciation	(427)	(593)	(593)	(593)	(593)
<b>Tangible fixed assets (net)</b>	<b>2,698</b>	<b>4,746</b>	<b>4,970</b>	<b>5,219</b>	<b>5,479</b>
<b>Intangible fixed assets (net)</b>	<b>783</b>	<b>1,534</b>	<b>1,536</b>	<b>1,538</b>	<b>1,540</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	7,427	10,296	11,166	12,166	13,166
Cash & equivalents	3,183	1,493	1,424	1,521	1,645
A/C receivable	3,360	5,186	4,394	5,211	5,732
Inventories	26,339	35,896	33,468	32,312	32,065
Other current assets	3,435	4,575	4,737	4,906	5,084
<b>Current assets</b>	<b>36,317</b>	<b>47,151</b>	<b>44,023</b>	<b>43,950</b>	<b>44,526</b>
Other assets	865	1,503	1,581	1,659	1,741
<b>Total assets</b>	<b>48,091</b>	<b>65,230</b>	<b>63,277</b>	<b>64,532</b>	<b>66,452</b>
Common equity	18,132	19,051	20,272	21,630	23,087
Minorities etc.	1,801	2,047	2,047	2,047	2,047
<b>Total shareholders' equity</b>	<b>19,933</b>	<b>21,098</b>	<b>22,319</b>	<b>23,676</b>	<b>25,134</b>
Long term debt	14,204	21,025	19,854	18,986	18,739
Other long-term liabilities	595	782	803	925	962
<b>Long-term liabilities</b>	<b>14,799</b>	<b>21,806</b>	<b>20,657</b>	<b>19,911</b>	<b>19,701</b>
A/C payable	3,018	3,676	3,559	4,383	4,862
Short term debt	8,641	14,617	13,667	12,913	12,742
Other current liabilities	1,701	4,034	3,076	3,648	4,012
<b>Current liabilities</b>	<b>13,359</b>	<b>22,326</b>	<b>20,302</b>	<b>20,945</b>	<b>21,617</b>
<b>Total liabilities and shareholders' equity</b>	<b>48,091</b>	<b>65,230</b>	<b>63,277</b>	<b>64,532</b>	<b>66,452</b>
Net working capital	28,416	37,948	35,964	34,398	34,006
Invested capital	40,190	56,028	55,218	54,980	55,932
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	7.39	7.77	8.26	8.82	9.41
Tangible book value per share	7.07	7.14	7.64	8.19	8.78
<b>Financial strength</b>					
Net debt/equity (%)	98.6	161.9	143.8	128.3	118.7
Net debt/total assets (%)	40.9	52.3	50.7	47.1	44.9
Current ratio (x)	2.7	2.1	2.2	2.1	2.1
CF interest cover (x)	0.6	(1.6)	2.4	2.9	3.3
Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>6.8</b>	<b>10.7</b>	<b>8.4</b>	<b>7.5</b>	<b>7.0</b>
<b>Recurring P/E @ target price (x) *</b>	<b>7.1</b>	<b>11.3</b>	<b>8.9</b>	<b>8.0</b>	<b>7.4</b>
Reported P/E (x)	4.7	6.5	8.4	7.5	7.0
Dividend yield (%)	10.0	6.4	5.0	5.6	6.0
Price/book (x)	1.0	0.9	0.9	0.8	0.8
Price/tangible book (x)	1.0	1.0	0.9	0.9	0.8
EV/EBITDA (x) **	9.2	14.0	14.4	12.8	11.8
EV/EBITDA @ target price (x) **	9.4	14.2	14.7	13.1	12.0
EV/invested capital (x)	1.0	1.0	0.9	0.9	0.9
* 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

★ ★ ★

Exhibit 24: FSSIA ESG score implication

53.22 /100

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 25: ESG – peer comparison

	FSSIA	Domestic ratings						Global ratings					Bloomberg		
	ESG score	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](#); FSSIA's compilation

Exhibit 26: 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 27: 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	—	—	—	—	—
<b>Social</b>					
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
<b>Governance</b>					
<b>Board size</b>	<b>11</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
<b>No. of independent directors (ID)</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
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
<b>No. of executives / company managers</b>	<b>8</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>7</b>
No. of female executives	3	3	3	3	2
Executive share ownership guidelines	No	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
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
<b>Size of compensation committee</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
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
<b>Size of nomination committee</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
No. of nomination committee meetings	2	1	1	5	2
Nomination meeting attendance %	100	100	100	100	100
<b>Sustainability governance</b>					
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 <b>THSI inclusion</b> , 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. <b>SETTHSI Index</b> 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&amp;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 &amp; 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><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
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><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">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></tr><tr><td>B</td><td>1.429-2.856</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></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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;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.																				

[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**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

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ANALYST(S) CERTIFICATION

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

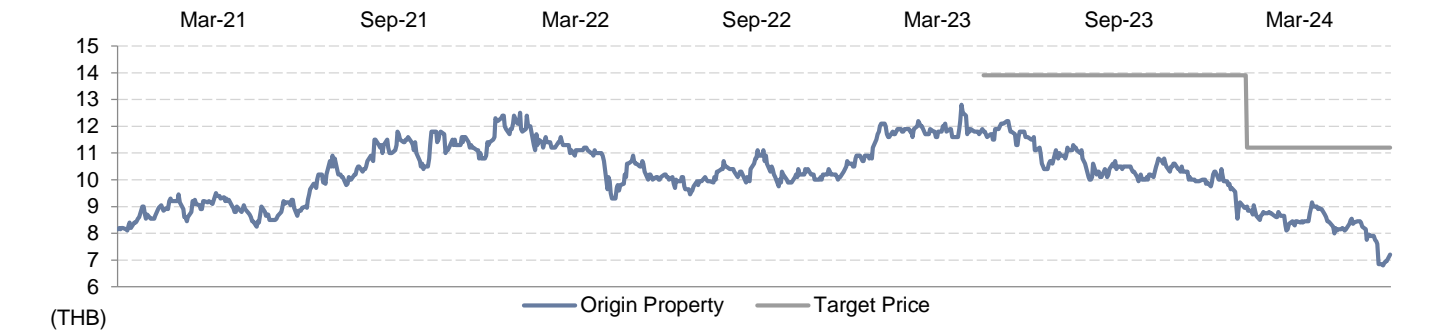
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History of change in investment rating and/or target price

Origin Property (ORI TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Mar-2023	BUY	13.90	08-Nov-2023	BUY	11.20	-	-	-

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Origin Property	ORI TB	THB 7.20	HOLD	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.

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 11-Mar-2024 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.