

ORIGIN PROPERTY

ORI TB

THAILAND / PROPERTY DEVELOPMENT

HOLD

UNCHANGED

TARGET PRICE	THB5.70
CLOSE	THB5.55
UP/DOWNSIDE	+2.7%
PRIOR TP	THB7.60
CHANGE IN TP	-25.0%
TP vs CONSENSUS	-16.0%

Facing several challenges

- Construction delay caused by changing contractors continues to pressure.
- Cut our 2024-26E core profit by 25-32% to factor in lower-than-expected transfers, resulting in 2024E profit growth of -23% y-y. In the short run, 2Q24 should recover q-q but sharply contract y-y.
- Slash our TP to THB5.70. ORI tumbled after 1Q24 results but lacks catalysts.

Construction delay continues to pressure transfers

1Q24 recovered q-q due to the abnormally low base in 4Q23. However, it showed continued weakness in the transfers and gross margin due to the slow realization of its backlog. Construction delay has been pressuring since 2023 after the original contractors, comprising 3-4 small ones, experienced a crisis and failed to deliver as planned. It hurt five to six projects and resulted in a delay in the delivery and a postponement in the transfers of some new projects. Currently, ORI is trying to fix the problems by hiring new sizable contractors to complete them.

Cut 2024 presales growth target to -15% y-y

ORI slashed its 2024 presales target by 18% to THB40b (-15% y-y). To elaborate, it decreased its condo presales target to THB32b (-8% y-y) and low-rises to THB8b (-36% y-y) to reflect potentially lower-than-expected new launches from its plan of THB37b since the new low-rise launches may amount to only THB10b (from its THB17b plan) due to sluggish presales. However, ORI maintained its new condo launch plan of THB20b. Meanwhile, the tightening balance sheet resulted in a cautious business plan. Given a net gearing at the end of 1Q24 of 1.6x (from 1.0x in 1Q23) and a delay in the IPO of ONEO, ORI had to focus on clearing stock on hand of cTHB15b through price promotion. Besides, it may sell old projects in big lots to companies or foreigners, which could affect margins.

Slash our 2024-26E core profit by 25-32%

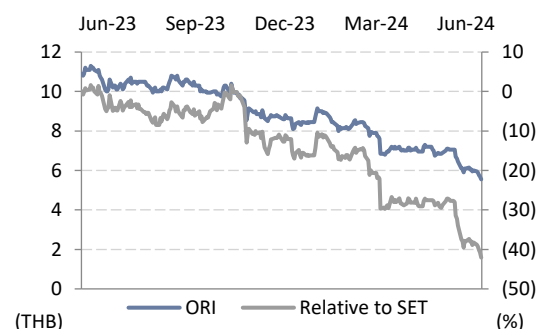
Construction problems affecting the delivery of its condo backlog continue to pressure. Also, they resulted in additional costs due to the changing of contractors and promotions to its customers and a cancellation risk. Meanwhile, presales of new projects remain challenging due to weak purchasing power, high rejection rates, and intense competition. In particular, low-rises are sluggish. We have cut our 2024-26E core profit by 32%/27%/25% mainly to factor in lower-than-expected transfers. After the cut, our 2024E core profit is THB1.4b, implying a decrease of 23% y-y, the second in a row. ORI had a THB46b backlog. It would transfer THB15b in 2024, securing 58% of our 2024E transfers. In 3Q24, it plans to sell warehouses of Alpha (a JV between ORI and SJWD) to a REIT.

Decrease our TP to THB5.70 but maintain our HOLD call

Similarly, we have cut our TP to THB5.70 (SOTP), implying a 2024 PE of 8.2x, its historical average -0.5SD. Since the stock has an upside of under 10%, we retain our HOLD call. In the short run, ORI lacks fresh catalysts. In particular, we expect 2Q24 core profit to recover q-q due to transfers of three new condos but sharply contract y-y.

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	13,866	13,345	16,387	18,590
Net profit	2,718	1,704	1,711	1,874
EPS (THB)	1.11	0.69	0.70	0.76
vs Consensus (%)	-	(26.8)	(31.2)	(35.9)
EBITDA	3,857	3,641	3,919	4,077
Recurring net profit	1,869	1,436	1,711	1,874
Core EPS (THB)	0.76	0.59	0.70	0.76
Chg. In EPS est. (%)	12.8	(31.8)	(26.9)	(25.4)
EPS growth (%)	(34.3)	(23.2)	19.2	9.5
Core P/E (x)	7.3	9.5	8.0	7.3
Dividend yield (%)	8.3	5.8	6.9	7.6
EV/EBITDA (x)	12.9	13.7	12.8	12.5
Price/book (x)	0.7	0.7	0.7	0.6
Net debt/Equity (%)	161.9	156.1	151.3	149.0
ROE (%)	10.1	7.4	8.4	8.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(21.8)	(27.0)	(48.6)
Relative to country (%)	(20.5)	(25.6)	(41.4)
Mkt cap (USD m)	375		
3m avg. daily turnover (USD m)	1.1		
Free float (%)	38		
Major shareholder	Peerapong and Arada Jaroong-Ek (36%)		
12m high/low (THB)	11.50/5.55		
Issued shares (m)	2,454.12		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

2024 is a challenging year for ORI. In particular, construction delay has been pressuring since 2023 after the original contractors experienced a crisis and failed to deliver as planned. It resulted in a delay in the delivery of its backlog and a postponement in the transfers of some projects, consequently affecting transfers. Meanwhile, presales of new projects remain challenging due to a sluggish market, higher rejection rate, and intense competition, particularly in the low-rise market. Also, the IPO plan of ONEO faces delays, resulting in a tight balance sheet.

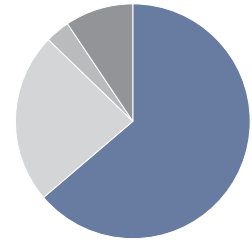
Company profile

Established in 2009, Origin Property is a real estate development company. It started developing condominiums along train lines in Bangkok and vicinity and close to expressways. ORI later expanded to developing low-rise projects under Britania Pcl. (BRI). Also, it diversified to recurring businesses under One Origin Pcl. (One Origin) and services under Primo Service Solution Pcl. (PRI).

www.origin.co.th

Principal activities (revenue, 2023)

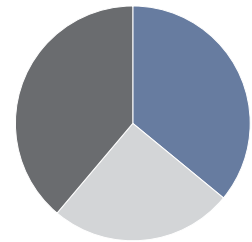
- Project sales - 63.8 %
- Project management - 23.5 %
- Hotel operations and rental - 3.4 %
- Service income - 9.4 %



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 and upside risks to our P/E-based TP include 1) lower or higher-than-expected presales and new launches, 2) slower or faster-than-expected realization from the backlog due to construction delays, 3) lower or higher-than-expected new JV projects, 4) slower or faster-than-expected economic recovery, 5) higher or lower-than-expected rejection and cancellation rates, and 6) weaker or stronger-than-expected performance of its subsidiaries.

Event calendar

Date	Event
August 2024	2Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Total revenue (THB m)	13,345	16,387	18,590
Transfers (THB m)	8,701	11,529	13,790
Project management (THB m)	2,500	2,500	2,300
Equity income from JV (THB m)	(182)	(96)	(7)
Property GPM (%)	30.9	31.5	31.8
GPM (%)	42.9	40.5	38.7
SG&A to sales (%)	22.7	21.9	21.7

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.

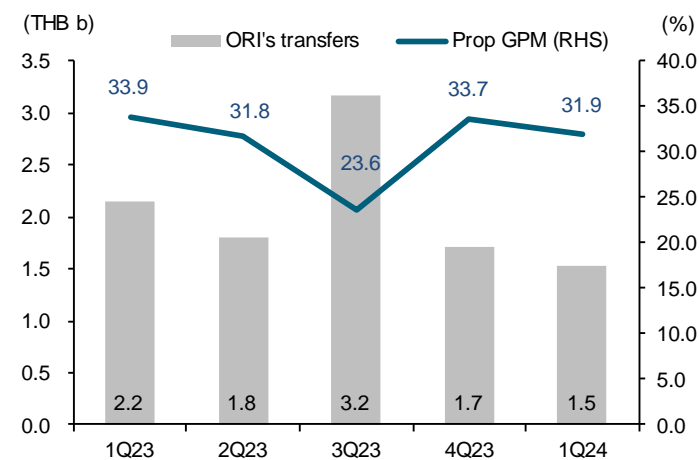
Source: FSSIA estimates

Exhibit 1: 1Q24 results preview

	1Q23	2Q23	3Q23	4Q23	1Q24	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	3,478	3,363	4,785	2,240	2,739	22.3	(21.2)
Cost of sales	1,643	1,546	2,809	1,453	1,437	(1.1)	(12.6)
Gross profit	1,835	1,817	1,976	787	1,302	65.5	(29.0)
SG&A	708	768	782	1,050	662	(37.0)	(6.4)
Operating profit	1,127	1,048	1,194	(263)	640	na	(43.2)
Interest expense	101	131	131	96	157	63.6	54.8
Tax expense	237	202	204	(46)	140	(402.2)	(40.8)
Equity income from JV	(32)	(64)	(138)	263	(179)	(168.0)	467.7
Reported net profit	798	873	1,000	47	464	889.7	(41.8)
Normalised profit	700	568	618	(17)	196	na	(71.9)
Key ratios (%)						(ppt)	(ppt)
Property gross margin	33.9	31.8	23.6	33.7	31.9	(1.7)	(2.0)
Gross margin	52.8	54.0	41.3	35.1	47.5	12.4	(5.2)
SG&A / Sales	20.3	22.8	16.3	46.9	24.2	(22.7)	3.8
Operating margin	32.4	31.2	25.0	(11.8)	23.4	35.1	(9.0)
Net margin	22.9	26.0	20.9	2.1	16.9	14.9	(6.0)
Normalised margin	20.1	16.9	12.9	(0.7)	7.2	7.9	(13.0)
Revenue breakdown							
Residential	2,150	1,812	3,162	1,715	1,525	(11.1)	(29.1)
Project management	950	1,187	1,074	44	691	1,483.1	(27.3)

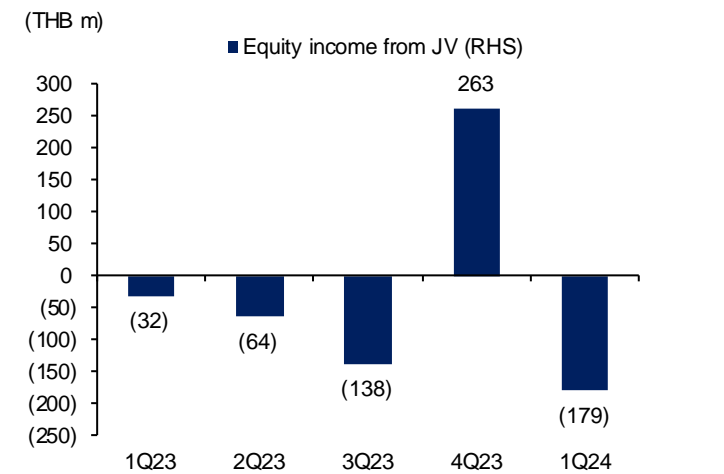
Sources: ORI; FSSIA's compilation

Exhibit 2: Quarterly transfers and property GPM

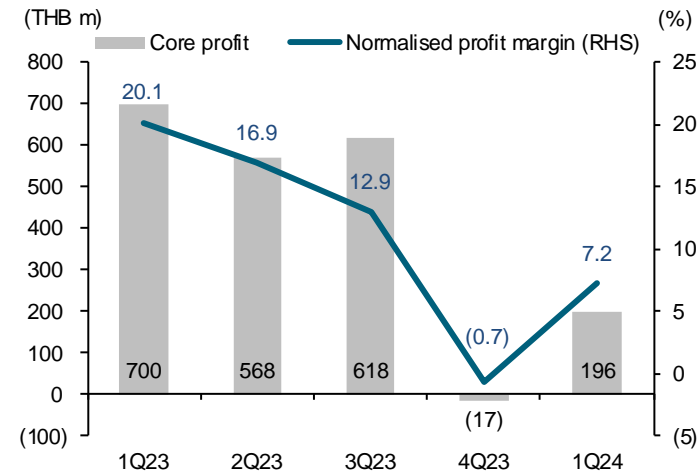


Sources: ORI; FSSIA's compilation

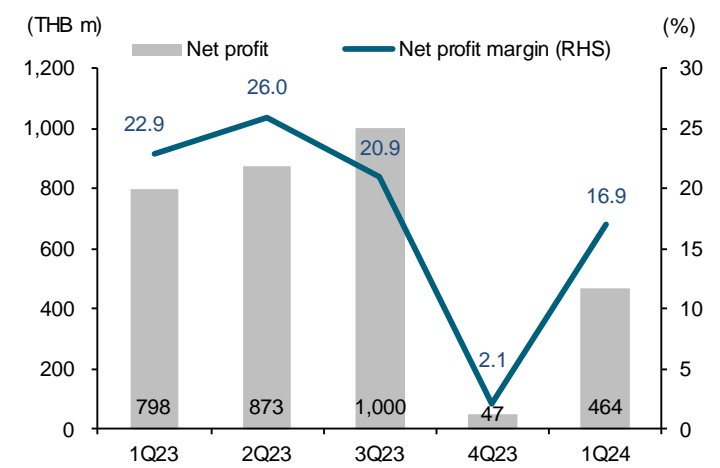
Exhibit 3: Quarterly equity income from JV



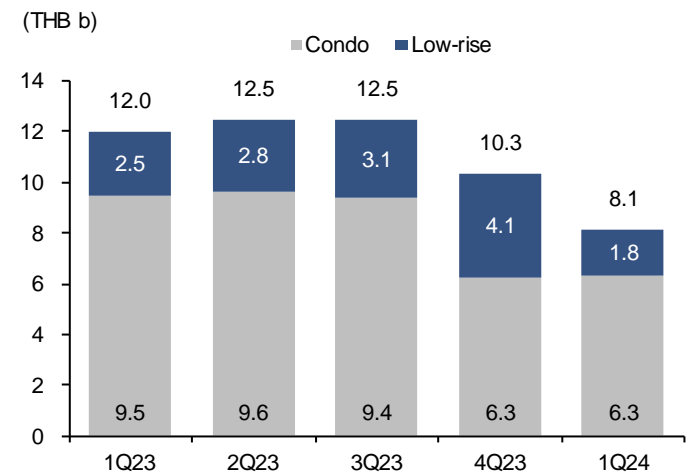
Sources: ORI; FSSIA's compilation

Exhibit 4: Quarterly core profit and normalised profit margin

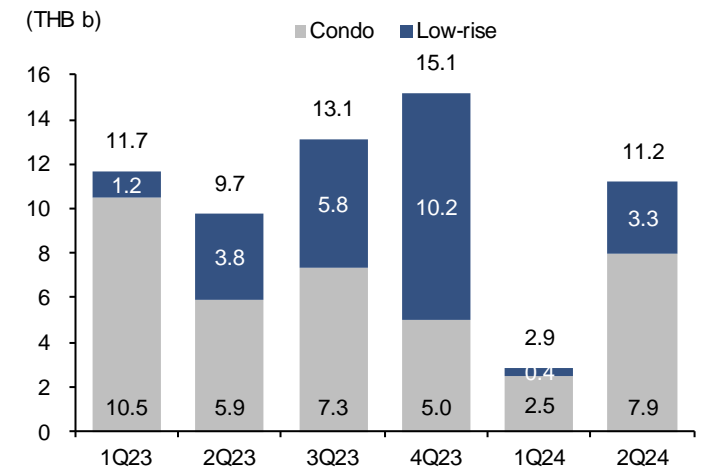
Sources: ORI; FSSIA's compilation

Exhibit 5: Quarterly net profit and net profit margin

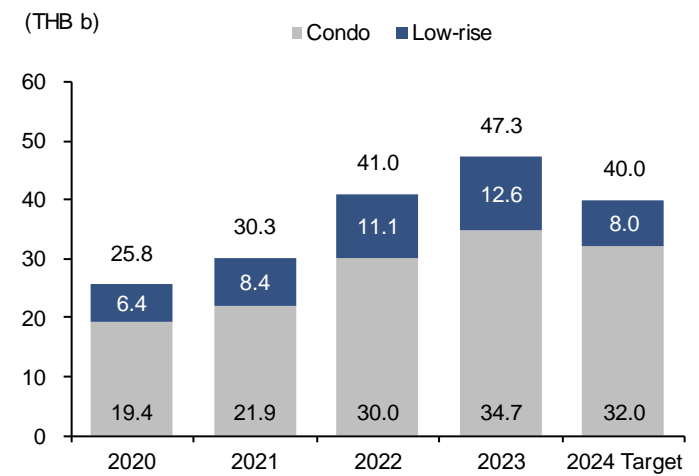
Sources: ORI; FSSIA's compilation

Exhibit 6: Quarterly presales

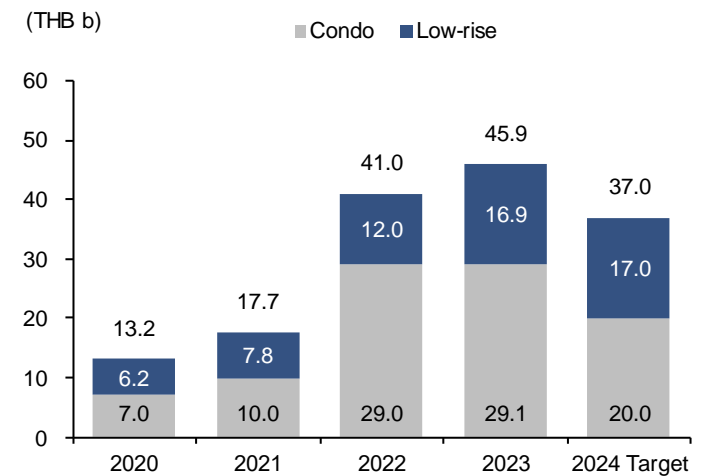
Sources: ORI; FSSIA's compilation

Exhibit 7: Quarterly new launches

Sources: ORI; FSSIA's compilation

Exhibit 8: Yearly presales

Sources: ORI; FSSIA's compilation

Exhibit 9: Yearly new launches

Sources: ORI; FSSIA's compilation

Exhibit 10: Key assumptions for ORI

	Actual	Current			Previous			Change		
	2023	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Total revenue (THB m)	13,866	13,345	16,387	18,590	14,647	17,371	19,107	(9)	(6)	(3)
%Growth	(3.7)	(3.8)	22.8	13.4	5.6	18.6	10.0	(9)	4	3
- Transfers	8,840	8,701	11,529	13,790	10,703	13,213	14,807	(19)	(13)	(7)
%Growth	(24.3)	(1.6)	32.5	19.6	21.1	23.4	12.1	(23)	9	8
Condo transfers	4,794	4,843	7,349	9,485	5,891	8,585	10,115	(18)	(14)	(6)
Housing transfers	4,274	3,858	4,180	4,306	4,813	4,628	4,692	(20)	(10)	(8)
- Management fee	3,254	2,500	2,500	2,300	1,800	1,800	1,800	39	39	28
- Rental and services	1,771	2,144	2,358	2,500	2,144	2,358	2,500	0	0	0
Property gross margin (%)	29.8	30.9	31.5	31.8	30.6	30.7	30.8	0.3	0.8	1.0
Gross margin (%)	46.3	42.9	40.5	38.7	39.3	36.9	36.4	3.6	3.6	2.4
SG&A (THB m)	3,308	3,025	3,584	4,027	2,993	3,401	3,684	1	5	9
SG&A to revenue (%)	23.9	22.7	21.9	21.7	20.4	19.6	19.3	2.2	2.3	2.4
Interest expense (THB m)	460	631	629	631	575	556	523	10	13	21
Share of profit/loss from JV (THB m)	30	(182)	(96)	(7)	595	632	601	na	na	na
Core profit (THB m)	1,869	1,436	1,711	1,874	2,105	2,341	2,513	(32)	(27)	(25)
%Growth	(34.3)	(23.2)	19.2	9.5	27.1	11.2	7.4	(50)	8	2
Net profit (THB m)	2,718	1,704	1,711	1,874	2,105	2,341	2,513	(19)	(27)	(25)
%Growth	(28.0)	(37.3)	0.4	9.5	(22.6)	11.2	7.4	(15)	(11)	2

Sources: ORI; FSSIA estimates

Exhibit 11: New condo values to be transferred in 2024

Transfer	Project	Value	% Sold
		(THB m)	(%)
1Q24	Brixton Kaset Sriracha Campus	1,060	60
2Q24	Origin Plug & Play Nonthaburi Station	2,800	79
	Origin Play Sri Udom Station (JV)	2,180	47
	SO ORIGIN KASET INTERCHANGE (JV)	1,680	99
3Q24	Origin Play Phahol 50 Station	680	48
	Knightsbridge Space Rama 4 (JV)	2,400	98
4Q24	SO ORIGIN PHAHOL 69 STATION (JV)	1,870	63
	Origin Plug & Play Sirindhorn Station (JV)	3,160	92
	The Origin Bangna - Bangpakong	1,300	19

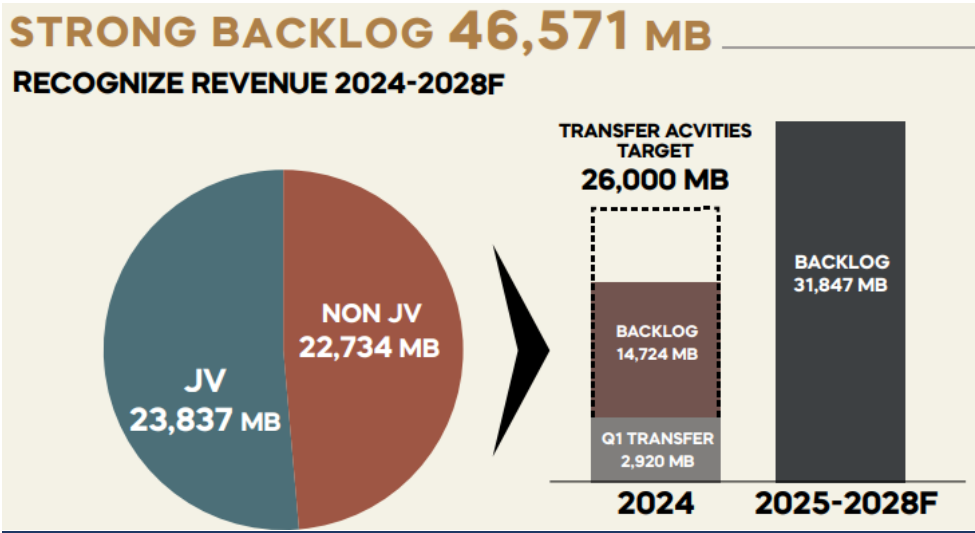
Sources: ORI; FSSIA's compilation

Exhibit 12: Transfer plan in 2024

	CONDOMINIUM	HOUSE
Q1 2024	BRIXTON KASET - SRIRACHA CAMPUS	GRAND BRITONIA CHAIYAPHUREK CHANGWATTANA BRITONIA BANGNA - BANGPAKONG
Q2 2024	SO ORIGIN KASET INTERCHANGE ORIGIN Plug & Play Nonthaburi Station ORIGIN PLAY SRI UDOM STATION	BRITONIA RATCHAPHUREK 345 BRITONIA WESTGATE
Q3 2024	KNIGHTSBRIDGE SPACE SUKHUMVIT - RAMA 4 ORIGIN PLAY PHAHOL 50 STATION	BELGRAVIA PUTTHAMONTHON SAI 3 BELGRAVIA RATCHAPHUREK - NAKORNIN
Q4 2024	SO PHAHOL 69 ORIGIN Plug & Play Sirindhorn Station The ORIGIN BANGNA - BANGPAKONG	GRAND BRITONIA RAMA 9 - MOTORWAY

Source: ORI

Exhibit 13: Backlog at end-1Q24



Source: ORI

Exhibit 14: Financial strategy plans



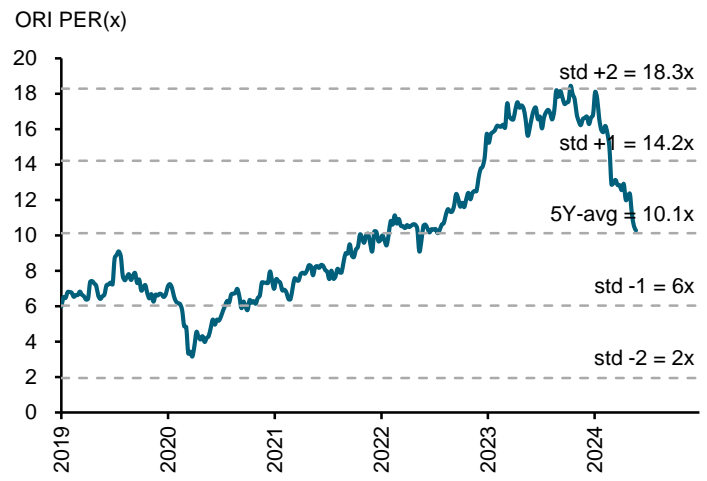
Source: ORI

Exhibit 15: SoTP-based valuation

	Target P/E	Holding	TP	EV	Per share
	(x)	(%)	(THB/shr)	(THB m)	(THB)
Real estate development (excluding low-rise)	7.2			10,738	4.4
BRI TB		70.33	5.4	3,240	1.3
SoTP				13,978	5.7

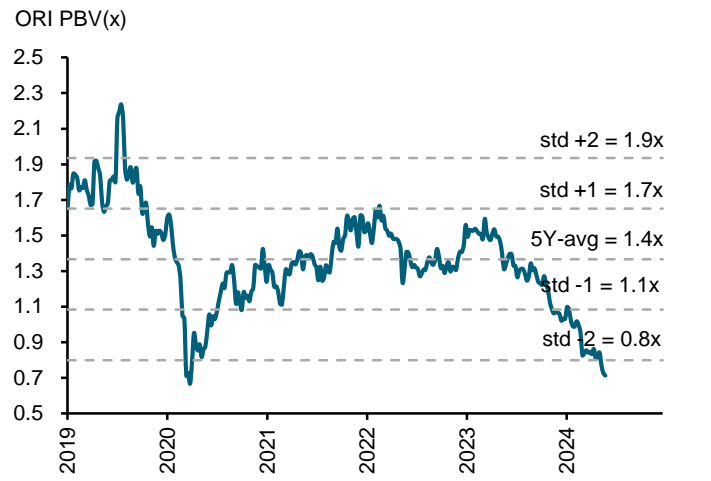
Sources: ORI; FSSIA estimates

Exhibit 16: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 17: 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	13,345	16,387	18,590
Cost of goods sold	(8,177)	(7,452)	(7,621)	(9,755)	(11,387)
Gross profit	6,220	6,414	5,724	6,632	7,202
Other operating income	182	230	370	270	270
Operating costs	(2,431)	(3,308)	(3,025)	(3,584)	(4,027)
Operating EBITDA	4,271	3,857	3,641	3,919	4,077
Depreciation	(300)	(521)	(573)	(602)	(632)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	3,971	3,336	3,068	3,318	3,445
Net financing costs	(390)	(460)	(631)	(629)	(631)
Associates	416	30	(182)	(96)	(7)
Recurring non-operating income	416	30	(182)	(96)	(7)
Non-recurring items	930	849	268	0	0
Profit before tax	4,927	3,756	2,523	2,592	2,807
Tax	(715)	(596)	(500)	(551)	(577)
Profit after tax	4,212	3,160	2,023	2,041	2,230
Minority interests	(438)	(442)	(319)	(329)	(356)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	3,775	2,718	1,704	1,711	1,874
Non-recurring items & goodwill (net)	(930)	(849)	(268)	0	0
Recurring net profit	2,845	1,869	1,436	1,711	1,874
Per share (THB)					
Recurring EPS *	1.16	0.76	0.59	0.70	0.76
Reported EPS	1.54	1.11	0.69	0.70	0.76
DPS	0.72	0.46	0.32	0.38	0.42
Diluted shares (used to calculate per share data)	2,453	2,453	2,453	2,453	2,453
Growth					
Revenue (%)	(3.5)	(3.7)	(3.8)	22.8	13.4
Operating EBITDA (%)	4.5	(9.7)	(5.6)	7.6	4.0
Operating EBIT (%)	1.7	(16.0)	(8.0)	8.1	3.9
Recurring EPS (%)	7.2	(34.3)	(23.2)	19.2	9.5
Reported EPS (%)	18.2	(28.0)	(37.3)	0.4	9.5
Operating performance					
Gross margin inc. depreciation (%)	43.2	46.3	42.9	40.5	38.7
Gross margin exc. depreciation (%)	45.3	50.0	47.2	44.1	42.1
Operating EBITDA margin (%)	29.7	27.8	27.3	23.9	21.9
Operating EBIT margin (%)	27.6	24.1	23.0	20.2	18.5
Net margin (%)	19.8	13.5	10.8	10.4	10.1
Effective tax rate (%)	14.5	15.9	19.8	21.3	20.6
Dividend payout on recurring profit (%)	62.1	60.4	55.0	55.0	55.0
Interest cover (X)	11.3	7.3	4.6	5.1	5.5
Inventory days	1,139.6	1,638.7	1,832.8	1,393.3	1,197.6
Debtor days	59.1	112.5	125.7	99.3	103.0
Creditor days	121.3	176.3	174.1	138.6	143.5
Operating ROIC (%)	11.3	7.2	5.7	6.2	6.4
ROIC (%)	10.0	5.6	4.1	4.5	4.7
ROE (%)	17.2	10.1	7.4	8.4	8.9
ROA (%)	8.6	4.7	3.5	3.9	4.0

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Project sales	11,676	8,840	8,701	11,529	13,790
Project management	1,665	3,254	2,500	2,500	2,300
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	2,845	1,869	1,436	1,711	1,874
Depreciation	300	521	573	602	632
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	(5,183)	(9,789)	(37)	379	(304)
Cash flow from operations	(2,038)	(7,399)	1,972	2,692	2,202
Capex - maintenance	(5,166)	-	(1,669)	(1,852)	(1,894)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	(6,383)	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(5,166)	(6,383)	(1,669)	(1,852)	(1,894)
Dividends paid	(470)	(950)	(522)	(941)	(1,031)
Equity finance	1,618	245	0	0	0
Debt finance	7,272	12,797	280	78	82
Other financing cash flows	-	-	-	-	-
Cash flow from financing	8,421	12,092	(242)	(863)	(949)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	1,217	(1,689)	61	(23)	(642)
Free cash flow to firm (FCFF)	(6,814.03)	(13,322.19)	934.38	1,469.23	937.95
Free cash flow to equity (FCFE)	68.67	(985.02)	583.53	917.85	389.07
Per share (THB)					
FCFF per share	(2.78)	(5.43)	0.38	0.60	0.38
FCFE per share	0.03	(0.40)	0.24	0.37	0.16
Recurring cash flow per share	1.28	0.97	0.82	0.94	1.02
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)
Tangible fixed assets (net)	2,698	4,746	4,970	5,219	5,479
Intangible fixed assets (net)	783	1,534	1,536	1,538	1,540
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	7,427	10,296	11,166	12,166	13,166
Cash & equivalents	3,183	1,493	1,555	1,531	890
A/C receivable	3,360	5,186	4,004	4,916	5,577
Inventories	26,339	35,896	34,888	34,996	35,585
Other current assets	3,435	4,575	4,737	4,906	5,084
Current assets	36,317	47,151	45,183	46,350	47,135
Other assets	865	1,503	1,581	1,659	1,741
Total assets	48,091	65,230	64,437	66,932	69,061
Common equity	18,132	19,051	19,965	20,735	21,579
Minorities etc.	1,801	2,047	2,047	2,047	2,047
Total shareholders' equity	19,933	21,098	22,012	22,782	23,625
Long term debt	14,204	21,025	21,261	21,320	21,382
Other long-term liabilities	595	782	653	807	896
Long-term liabilities	14,799	21,806	21,914	22,127	22,278
A/C payable	3,018	3,676	3,049	3,902	4,555
Short term debt	8,641	14,617	14,660	14,679	14,699
Other current liabilities	1,701	4,034	2,802	3,441	3,904
Current liabilities	13,359	22,326	20,511	22,023	23,158
Total liabilities and shareholders' equity	48,091	65,230	64,437	66,932	69,061
Net working capital	28,416	37,948	37,777	37,475	37,787
Invested capital	40,190	56,028	57,031	58,057	59,713
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	7.39	7.77	8.14	8.45	8.80
Tangible book value per share	7.07	7.14	7.51	7.83	8.17
Financial strength					
Net debt/equity (%)	98.6	161.9	156.1	151.3	149.0
Net debt/total assets (%)	40.9	52.3	53.3	51.5	51.0
Current ratio (x)	2.7	2.1	2.2	2.1	2.0
CF interest cover (x)	1.2	(1.1)	1.9	2.5	1.6
Valuation					
	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	4.8	7.3	9.5	8.0	7.3
Recurring P/E @ target price (x) *	4.9	7.5	9.7	8.2	7.5
Reported P/E (x)	3.6	5.0	8.0	8.0	7.3
Dividend yield (%)	13.0	8.3	5.8	6.9	7.6
Price/book (x)	0.8	0.7	0.7	0.7	0.6
Price/tangible book (x)	0.8	0.8	0.7	0.7	0.7
EV/EBITDA (x) **	8.2	12.9	13.7	12.8	12.5
EV/EBITDA @ target price (x) **	8.3	13.0	13.8	12.9	12.6
EV/invested capital (x)	0.9	0.9	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 18: 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 19: 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 20: 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 21: 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><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="2">Average:</td><td rowspan="2">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><td rowspan="2">Laggard:</td><td rowspan="2">lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr><tr><td>CCC</td><td>0.000-1.428</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	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	CCC	0.000-1.428
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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.																				

[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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

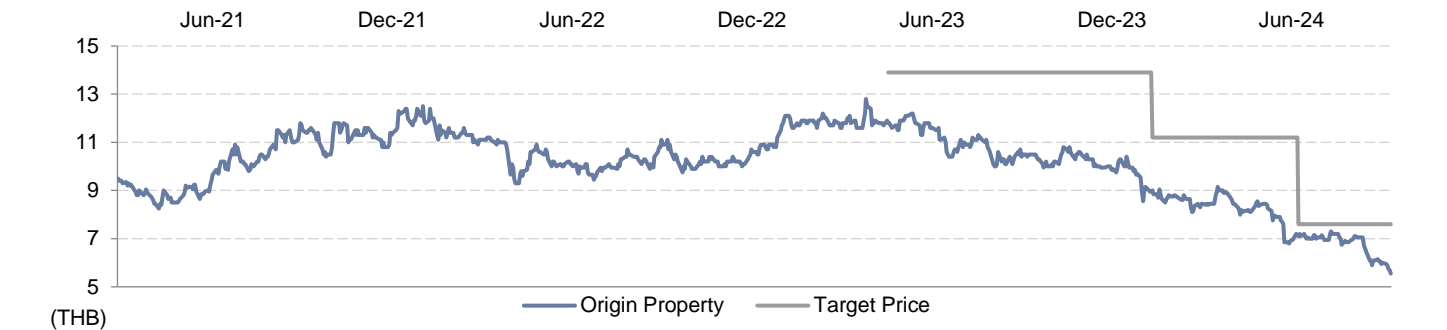
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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	08-Nov-2023	BUY	11.20	12-Mar-2024	HOLD	7.60

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 5.55	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 31-May-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.