



Update

We maintain BUY rating and roll over target price to Bt10.3 (Previous TP: Bt9.2) based on 7.5xPE'22E, the average of top 10 stocks in the Thai Real Estate sector. Our target price has not excluded upside from new business.

- ORI presales continues to grow MoM amid 3rd wave COVID-19, which is better than market expectation. Moreover, we foresee presales momentum to speed up in 2H21 through aggressive launch of new 14 projects worth Bt12bn in 2H21 up from six projects launch worth Bt8bn in 1H21. (1Q21 ORI's presales accounted for 26% of the management target in 2021)
- ORI diversifies income portfolio to asset that generate recurring income. The management target revenue contribution from new businesses at 10% of total revenue in the next three years. We believe that ORI will re-rate PER valuation following the developing progress of new businesses.

We still like this stock on the back of; (1) Secured backlog of Bt35bn that will support 2021-23 earnings recovery; (2) Solid presales momentum; (3) Attractive dividend yield of 6%-7% in 2021-22E.

Valuation table

Year end Dec	19A	20A	21E	22E	23E
PE (x)	7.9	8.4	7.1	6.3	6.0
Recurring net profit growth (%)	(13.8)	(5.3)	18.4	12.5	5.3
Recurring EPS (Bt)	1.09	1.03	1.22	1.37	1.44
Recurring EPS growth (%)	(13.8)	(5.4)	18.4	12.5	5.3
PBV (x)	2.2	1.9	1.6	1.4	1.2
BVPS (Bt)	3.9	4.6	5.4	6.1	6.9
ROE (%)	35.4	25.3	25.6	24.4	22.5
DPS (Bt)	0.5	0.5	0.6	0.6	0.7
Dividend yield (%)	5.8	5.7	6.5	7.3	7.7
Enterprise value (Bt m)	35,819	36,904	34,602	36,527	37,325
EV-to-EBITDA (x)	9.2	10.4	8.1	7.4	7.1

Thanawich Boonchuwong
Registration No. 110556
thanawich.bo@countrygroup.co.th
+66 2 205 7000 ext. 4403

Origin Property PCL

Recommendation: BUY

Current price: Bt8.6

Target price: Bt10.3

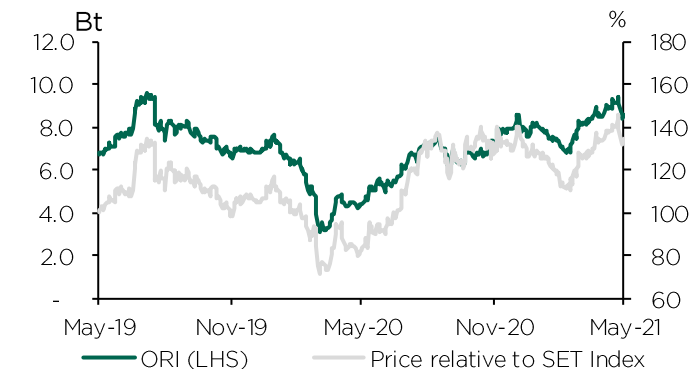
Up/(downside): 20%

IOD: 4 out of 5

CAC: Declared

Stock data

RIC code	ORI.BK
Index	.SETI
SET Index (14 May 2021)	1,549.48
Market cap (Bt m)	21,095
Shares outstanding (million)	2,453
Par (Bt)	0.50



ORI: Updated Scorecard

(Bt m)	1Q20	2Q20	3Q20	4Q20	1Q21	YoY (%)	3M21	21E	% of 21E
Revenue	2,121	3,216	2,400	2,748	3,630	71.1	3,630	13,736	26.4
Cost of sales	(1,174)	(1,997)	(1,427)	(1,710)	(2,206)	87.8	(2,206)	(8,352)	26.4
Gross profit	947	1,220	973	1,038	1,424	50.4	1,424	5,385	26.5
SG&A	(475)	(419)	(468)	(460)	(575)	20.9	(575)	(2,459)	23.4
Other (exp)/inc	102	71	135	124	112	9.8	112	449	25.0
EBIT	574	871	640	702	962	67.6	962	3,375	28.5
Finance cost	(74)	(67)	(51)	(71)	(67)	(9.1)	(67)	(258)	26.1
Other inc/(exp)	4	5	4	3	2	(56.7)	2	9	19.1
Earnings before taxes	503	809	593	634	896	78.0	896	3,125	28.7
Income tax	(147)	(164)	(122)	(127)	(202)	36.7	(202)	(666)	30.3
Earnings after taxes	356	646	471	507	694	95.1	694	2,460	28.2
Equity income	139	61	250	153	48	(65.2)	48	650	7.4
Minority interest	(81)	0	(5)	(17)	(43)	(46.8)	(43)	(169)	25.4
Earnings from cont. operations	414	707	717	642	700	68.9	700	2,941	23.8
Forex gain/(loss) & unusual items	181	-	-	0	125	(30.7)	125	202	61.9
Net profit	595	707	717	642	825	38.6	825	3,144	26.2
Recurring profit	453	707	717	642	725	59.8	725	2,982	24.3
EBITDA	758	968	929	902	1,055	39.3	1,055	4,282	24.6
Recurring EPS (Bt)	0.185	0.288	0.292	0.262	0.295	59.8	0.295	1.216	24.3
Reported EPS (Bt)	0.243	0.288	0.292	0.262	0.336	38.7	0.336	1.282	26.2
Profits (%)	1Q20	2Q20	3Q20	4Q20	1Q21	Diff (%)	3M21	21E	Diff (%)
Gross margin	44.6	37.9	40.6	37.8	39.2	(5.4)	39.2	39.2	(0.0)
Operating margin	27.0	27.1	26.7	25.5	26.5	(0.6)	26.5	24.6	(1.9)
Net margin	28.1	22.0	29.9	23.4	22.7	(5.3)	22.7	22.9	0.2

Result summary

- ORI's 1Q21 net profit was Bt825m (+39%YoY, +29%QoQ), came out better than our expectation and accounted for 26% of 2021E forecast.
- The YoY growth in 1Q21 earnings was mainly driven by an increased in revenue which was at Bt3.6bn (+71%YoY, +32% QoQ).
- In 1Q21, ORI has transferred activities (Non JV + JV projects) worth Bt4.4bn (+30%YoY, +12%QoQ),
- 1Q21 gross profit margin contracted to 39.2% mainly from higher contribution from housing projects (GPM of 24%).
- In 1Q21, the company also has presales of Bt7.7bn (+58%YoY, +11%QoQ), from 73 condominium projects and 27% housing projects.

Story

Sales

P5F

Team

WCB

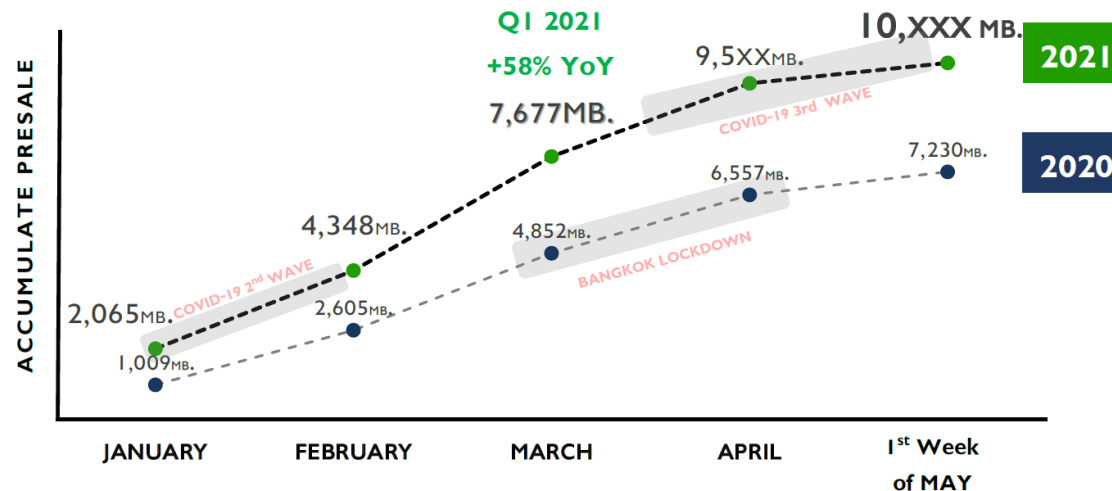
ESG

Value

Risks

PRESALE 5M 2021

COMPARISON OF ACCUMULATE PRESALE BETWEEN 2020 & 2021 DURING COVID-19 PANDEMIC



Presales on growing phase

- ORI presales continues to grow MoM among 3rd wave COVID-19, better than market expectation. Moreover, we foresee presales momentum to speed up in 2H21 through aggressive launch of new 14 projects worth Bt12bn in 2H21 up from six projects launch worth Bt8bn in 1H21. In 1Q21, ORI's presales accounted for 26% of the management target in 2021.
- As of 1Q21, ORI has secure 90% of our 2021 revenue forecast comprise of revenue recognition worth Bt3.4bn and backlog worth Bt7.5bn. We maintain our 2021E revenue forecast at +30%YoY and our 2021E net profit forecast at +18%YoY.

ORIGIN NEXT LEVEL



Diversify income portfolio

- ORI diversifies its portfolio to more on recurring income assets. The new businesses comprise of hotel business, service business (PRIMO), healthcare related business, logistic center & cold storage, and AMC business.
- The management target revenue contribution from new businesses at 10% of total revenue in the next three years.
- We believe that ORI will re-rate PER valuation following the developing progress of new businesses
- We will update again after we take more information in the next analyst meeting.

ORI: Quarterly presales and new projects launch

Story

Sales

P5F

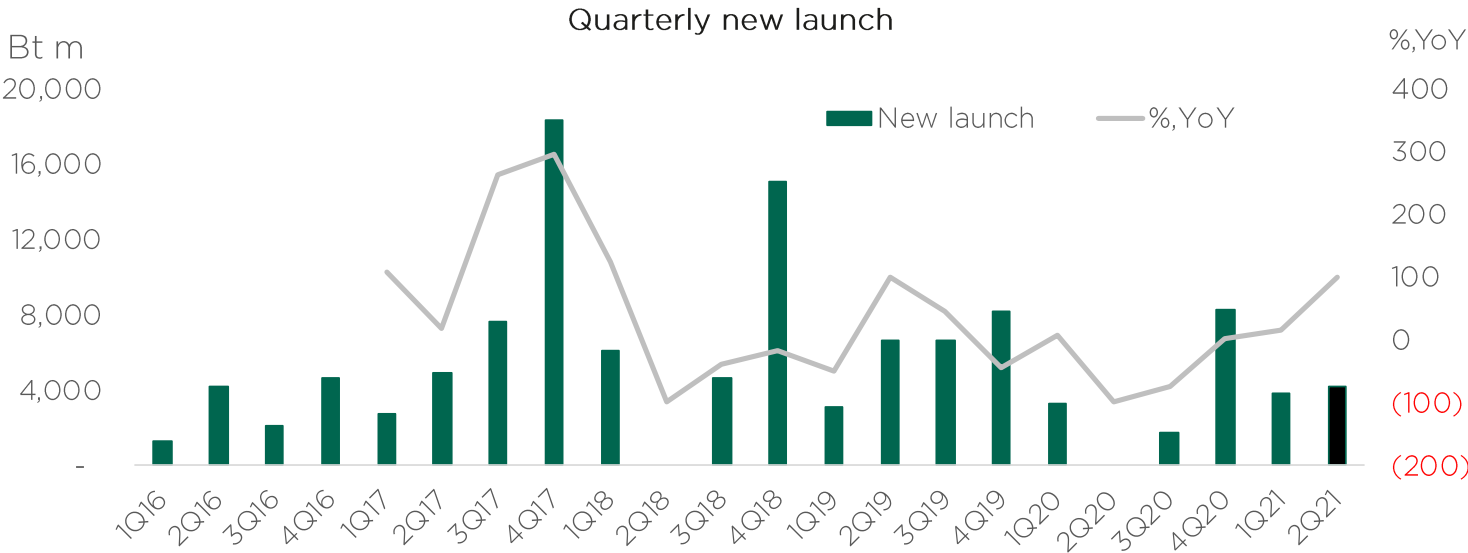
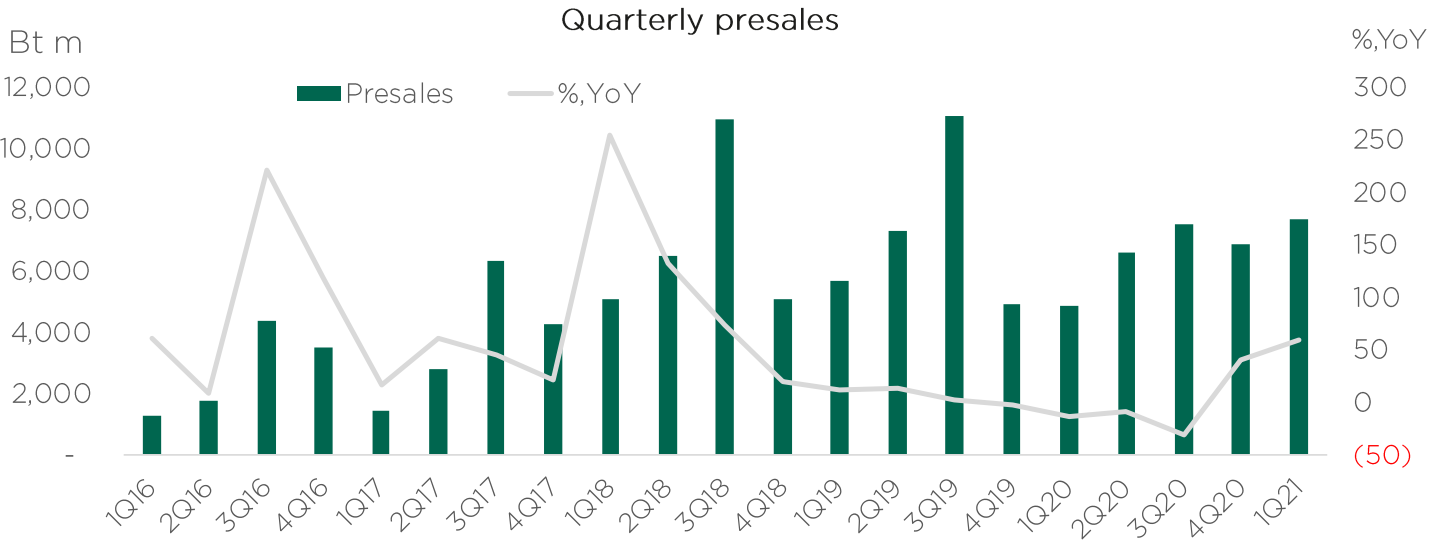
Team

WCB

ESG

Value

Risks



ORI: Projects launch and transfer in 2021

Story

Sales

P5F

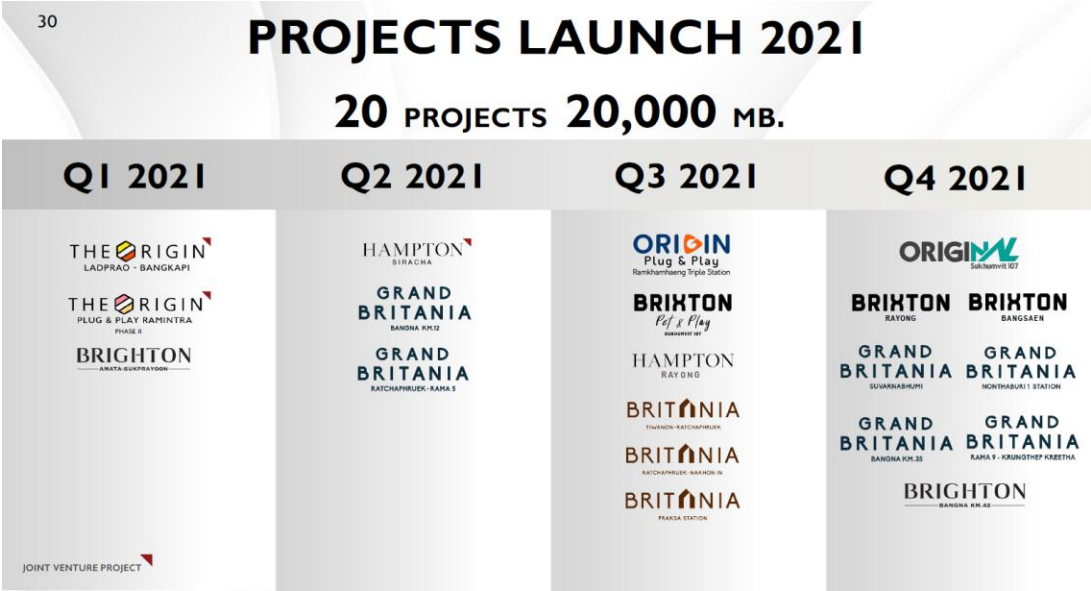
Team

WCB

ESG

Value

Risks



ORI: Revenue breakdown

Story

Sales

P5F

Team

WCB

ESG

Value

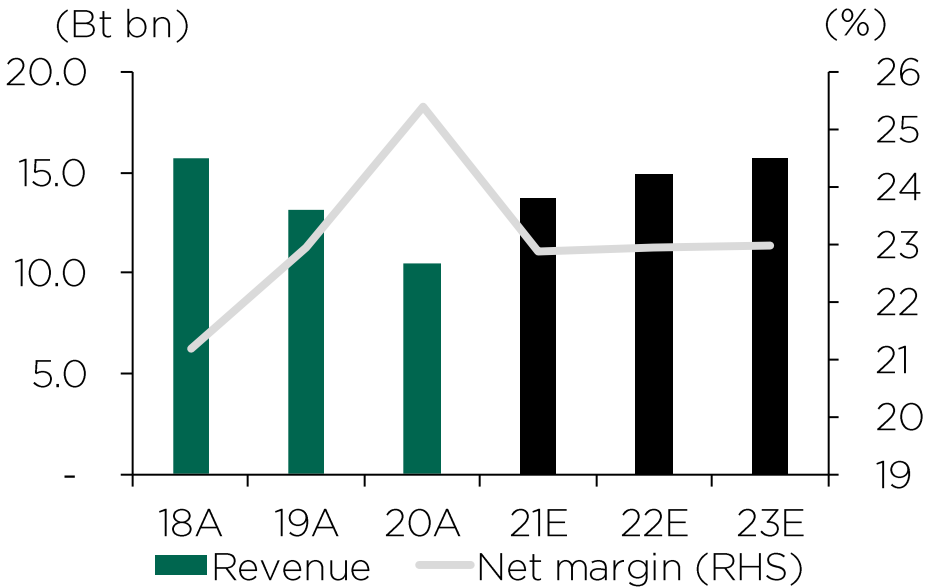
Risks

ORI and its subsidiaries have four core businesses. Condominiums account for 80% of ORI's total sales. The company builds condominiums catering to a wide range of customer demand including its brands Kensington (mid-level), Notting Hill (mid-high level), Knightsbridge (upper mid-high level) and Park (high level).

Project management services contribute 7% of total sales. This segment is related to management services provided to other property projects.

The low-rise segment contributes 12% of total sales. (The company also develops low-rise properties under the Britania brand.)

Through a subsidiary, ORI also provides services related to the real estate business such as housekeeping services, handyman services and laundry services. This division contributes 1% of sales.



Revenue by segment 2019

Condominium 80%



Management 7%



Low-rise 12%



Services 1%



ORI: Summary financials

Story

Sales

P5F

Team

WCB

ESG

Value

Risks

Profit & loss (Bt m)	19A	20A	21E	22E	23E	Mar '20	Jun '20	Sep '20	Dec '20	Mar '21
Revenue	13,197	10,486	13,736	14,973	15,721	2,121	3,216	2,400	2,748	3,630
Cost of goods sold	(6,934)	(6,308)	(8,352)	(9,358)	(9,826)	(1,174)	(1,997)	(1,427)	(1,710)	(2,206)
Gross profit	6,263	4,178	5,385	5,615	5,895	947	1,220	973	1,038	1,424
SG&A	(2,687)	(1,822)	(2,459)	(2,695)	(2,751)	(475)	(419)	(468)	(460)	(575)
Other (exp)/inc	455	432	449	449	449	102	71	135	124	112
Operating profit	4,031	2,787	3,375	3,369	3,593	574	871	640	702	962
Finance cost	(273)	(263)	(258)	(260)	(273)	(74)	(67)	(51)	(71)	(67)
Other inc/(exp)	11	16	9	7	4	4	5	4	3	2
Earnings before taxes	3,769	2,540	3,125	3,116	3,324	503	809	593	634	896
Income tax	(848)	(560)	(666)	(643)	(685)	(147)	(164)	(122)	(127)	(202)
After-tax profit	2,921	1,980	2,460	2,473	2,639	356	646	471	507	694
Equity income	(239)	604	650	1,200	1,230	139	61	250	153	48
Minorities	(114)	(102)	(169)	(340)	(357)	(81)	0	(5)	(17)	(43)
Earnings from cont. operations	2,569	2,481	2,941	3,333	3,512	414	707	717	642	700
Forex gain/(loss) & unusual items	459	181	202	101	101	181	-	-	0	125
Net income	3,027	2,662	3,144	3,434	3,613	595	707	717	642	825
Recurring EPS (Bt)	1.09	1.03	1.22	1.37	1.44	0.18	0.29	0.29	0.26	0.30
Weighted average shares (m)	2,451	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453
Balance sheet (Bt m)	19A	20A	21E	22E	23E	Mar '20	Jun '20	Sep '20	Dec '20	Mar '21
Assets	32,079	33,694	37,360	41,053	44,617	32,601	33,915	33,762	33,694	34,963
Liabilities	21,146	21,686	23,411	24,873	26,091	21,732	22,336	22,171	21,686	22,107
Equity	9,657	11,373	13,145	15,037	17,025	10,256	10,966	10,974	11,373	12,200
Invested capital	22,582	23,668	22,656	25,613	27,526	23,343	23,113	23,457	23,668	34,963
Growth (YoY, %)	19A	20A	21E	22E	23E	Mar '20	Jun '20	Sep '20	Dec '20	Mar '21
Revenue	(16.2)	(20.5)	31.0	9.0	5.0	(32.5)	3.6	(31.7)	(20.0)	71.1
Operating income	(11.0)	(30.8)	21.1	(0.2)	6.7	(28.5)	(14.0)	(41.2)	(37.7)	67.6
Recurring EPS	(13.8)	(5.4)	18.4	12.5	5.3	(17.7)	2.3	8.7	(15.5)	59.8
Assets	17.9	5.0	10.9	9.9	8.7	18.5	18.7	10.4	5.0	7.2
Liabilities	14.9	2.6	8.0	6.2	4.9	23.6	18.4	7.6	2.6	1.7
Equity	29.8	17.8	15.6	14.4	13.2	19.6	28.3	25.2	17.8	18.9
Profits (%)	19A	20A	21E	22E	23E	Mar '20	Jun '20	Sep '20	Dec '20	Mar '21
Gross margin	47.5	39.8	39.2	37.5	37.5	44.6	37.9	40.6	37.8	39.2
Operating margin	30.5	26.6	24.6	22.5	22.9	27.0	27.1	26.7	25.5	26.5
Net margin	22.9	25.4	22.9	22.9	23.0	28.1	22.0	29.9	23.4	22.7
ROE	35.4	25.3	25.6	24.4	22.5	23.9	26.7	26.1	23.0	28.0

Disclaimer

Investment ratings

BUY:	Expected return excluding dividends of more than 10% within the next 12 months.
HOLD:	Expected return excluding dividends between -10% and 10% within the next 12 months.
SELL:	Expected return excluding dividends of less than -10% within the next 12 months.
NR:	Not Rated- Stock is not in our research coverage.

Analyst certification

The analyst(s) named in this report certifies that (i) all views expressed in this report accurately reflect the personal views of the analyst(s) with regard to any of all of the subject securities and companies 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 recommendation or views expressed by that analyst herein.

General disclaimer

This document is prepared by Country Group Securities Public Company Limited (CGS). This research is aimed to provide information and analysis based on data received from public sources and interviews with company executives. The information is carefully examined but their completeness and accuracy are not guaranteed. The analysis, conclusions and recommendations in this research are mainly based on the fundamental analysis without the intention to influence or lead the users of this report. The recommendations in this research belong solely to the analyst(s). CGS may not agree with the opinions in this research. Investors and users of this research should rely on their personal judgment.

Disclaimer on CG Scoring and THAI-CAC

CG Scoring: The disclosure of the survey result of the Thai Institute of Directors Association (“IOD”) regarding corporate governance is made pursuant to the policy of the office of the Securities and Exchange Commission. The survey of IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. Country Group Securities Public Company Limited does not confirm nor certify the accuracy of such survey result. The IOD assigns numbers of logos to each company based on their scoring as follows: 90-100 = Excellent (5), 80-89 = Very Good (4), 70-79 = Good (3), 60-69 = Satisfactory (2), 50-59 = Pass (1), <50 = N/A (No logo given).

Anti-corruption Progress Indicator: The assessment on progress level of Thai listed companies with respect to anticorruption called “anti-corruption progress indicator” conducted by Thaipat Institute. This is an initiative under the SEC’s Sustainability Development Roadmap for Listed Companies emphasizing on running business operation with good corporate governance, corporate social responsibility and firm commitment against corruption; which will pave the way for them to become role models for others in the Thai business sector. The indicator comprises level 1 to 5 as follows: Level 1: Committed, Level 2: Declared, Level 3: Established, Level 4: Certified, Level 5: Extend.