

Origin Property

(ORI.BK/ORI TB)*

Outperform • Initiate

| | |
|-------------------------------|-------|
| Price as of 9 Sep 2021 | 9.85 |
| 12M target price (Bt/shr) | 13.50 |
| Unchanged/Revised up(down)(%) | N.A. |
| Upside/downside (%) | 37.1 |

Key messages

We take a positive view on ORI's fundamental prospects as: i) earnings momentum is expected to achieve 2-year CAGR of 24% supported by solid backlog in high-rise as well as continued expansion in the housing segment, ii) innovative and adaptive strategy should help the company to avoid red seas and maintain superior profitability in the long-run, and iii) expanding to other businesses under "Origin Next Level" could provide additional upside in the longer-term. We initiate coverage on ORI with a rating of Outperform and a target price of Bt13.50.

Trading data

| | | | |
|----------------------------|----------|------|------|
| Mkt cap (Btbn/US\$m) | 24.2/604 | | |
| Outstanding shares (mn) | 2,453 | | |
| Foreign ownership (mn) | 83 | | |
| 3M avg. daily trading (mn) | 13 | | |
| 52-week trading range (Bt) | 6.1/10.2 | | |
| Performance (%) | 3M | 6M | 12M |
| Absolute | 5.9 | 18.7 | 52.7 |
| Relative | 6.4 | 14.2 | 21.0 |

Quarterly EPS

| EPS | Q1 | Q2 | Q3 | Q4 |
|------|------|------|------|------|
| 2019 | 0.29 | 0.30 | 0.28 | 0.36 |
| 2020 | 0.24 | 0.29 | 0.29 | 0.26 |
| 2021 | 0.34 | 0.35 | | |

Share price chart



Source: SET

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The 'Origin' of new growth chapter

Event

Initiate coverage.

Impact

Unique business strategy leads to best of bunch ROIC

ORI has delivered the best Return on Invested Capital (ROIC) at a 3-year average of 14.3% compared with the sector average of 6.2% (Figure 1), implying its business strategy has yielded a competitive advantage over peers. ORI usually picks high-rise land plots with less price competition and with its in-house product development (e.g. Duo Space layout), we expect the company to continue to deliver superior profitability (Figure 4) as well as maintain the positive feedback for its new launches in the foreseeable future (Figure 6).

Hefty backlog securing 55% of our total transfer forecast in 2022F

As of 2Q21, the company reported a total backlog on hand of Bt34.7bn, of which Bt9.4bn will be recognized in 2021F and Bt13.8bn will be recognized in 2022F. Among local peers, ORI has a relatively high backlog, securing 96% and 55% of our full-year transfer forecasts for 2021F and 2022F, respectively. This should imply enough buffer to handle unexpected events, amid the uncertainties during the COVID-19 pandemic.

Expect earnings to grow at 2-year CAGR of 24% in 2021-22F

We expect normalized profit to grow at a 2-year CAGR of 24% in 2021-22F to reach a record-high at Bt3.8bn in 2022F (from Bt2.5bn in 2020) on the back of: i) strong growth in low-rise transfers at 2-year CAGR of 44% through 2022F (Figure 14), and ii) new condominiums to start transfers on eight projects in 2021F and six projects in 2022F (Figure 22), which will also spur condominium transfers and share income from JV.

In the short-term, earnings momentum is expected to accelerate further in 2H21F due to the start of transfers on sizable condominiums such as Park Origin Payathai in 3Q21F (61% sold) and Park Origin Thonglor in 4Q21F (74% sold).

Valuation & action

With strong earnings growth ahead and our confidence that ORI's business strategy would sustain its long-term growth prospects, we initiate coverage with a rating of Outperform and a target price of Bt13.50 based on 8.7x 2022F PE or +0.5SD to its long-term mean.

Risks

Longer-than-expected COVID-19 outbreak and construction delays

Key financials and valuations

| | Dec - 18A | Dec - 19A | Dec - 20A | Dec - 21F | Dec - 22F |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| Revenue (Btmn) | 15,749 | 13,197 | 10,486 | 14,232 | 15,168 |
| Gross Profit (Btmn) | 7,138 | 6,263 | 4,178 | 5,707 | 6,235 |
| SG&A (Btmn) | 2,872 | 2,687 | 1,822 | 2,462 | 2,548 |
| Net Profit (Btmn) | 3,338 | 3,027 | 2,662 | 3,119 | 3,817 |
| Normalized Profit (Btmn) | 2,711 | 2,569 | 2,481 | 3,119 | 3,817 |
| EPS (Bt) | 1.4 | 1.2 | 1.1 | 1.3 | 1.6 |
| Normalized EPS (Bt) | 1.1 | 1.0 | 1.0 | 1.3 | 1.6 |
| DPS (Bt) | 0.4 | 0.5 | 0.5 | 0.6 | 0.6 |
| EPS Growth (%) | 65.2 | (9.3) | (12.1) | 17.2 | 22.4 |
| Normalized EPS Growth | 96.5 | (5.3) | (3.4) | 25.7 | 22.4 |
| P/E (X) | 5.4 | 5.3 | 6.9 | 7.7 | 6.3 |
| P/B (X) | 2.1 | 1.5 | 1.5 | 1.7 | 1.5 |
| EV/EBITDA (X) | 6.2 | 7.4 | 11.4 | 10.1 | 9.4 |
| Net Debt to Equity (%) | 142.4 | 146.8 | 134.6 | 127.4 | 124.0 |
| Dividend Yield (%) | 5.4 | 7.6 | 6.5 | 5.8 | 6.3 |
| Return on Average Equity (%) | 37.9 | 27.7 | 22.2 | 22.4 | 23.2 |

Source: Company data, KGI Securities Research

Key investment themes

Unique business strategy leads to best of the bunch ROIC

ORI's Return on Invested Capital (ROIC) has remained the best-in-class with a 3-year average of 14.3%, far outweighing the industry average of 6.2% (Figure 1). This implies the company's business strategy has yielded a competitive advantage compared to its competitors. Key success factors include:

i) Superior profitability over peers. ORI has delivered an above average return on sales (Figure 2) as well as outperforming residential gross margin (Figure 4), backed by: i) own in-house product development leading to product differentiation as well as high perceived value compared with properties in the same location, ii) effective construction cost management, and iii) the company usually picks high-rise land plots with less price competitions (e.g. 0.8m - 1km away from BTS stations), while public transportation remains accessible.

ii) Cash flow management. ORI has maintained an above average asset turnover ratio the past few years (Figure 3) which partly implies no issues from obsolete inventories. For real estate business, high turnover implies more spending flexibility, avoiding financial trouble or implying revenue has been concentrated in the housing segment.

Figure 1: Return on invested capital (ROIC)

| ROIC | 2018 | 2019 | 2020 |
|----------------|--------------|--------------|-------------|
| ORI | 20.5% | 14.0% | 8.6% |
| SPALI | 11.5% | 10.4% | 7.5% |
| AP | 7.0% | 4.8% | 5.3% |
| LH | 7.5% | 7.0% | 4.7% |
| PSH | 9.3% | 7.8% | 4.4% |
| Average | 8.0% | 6.2% | 4.3% |
| LPN | 7.3% | 6.1% | 3.7% |
| QH | 5.2% | 3.0% | 2.5% |
| SIRI | 2.6% | 2.3% | 1.8% |
| ANAN | 0.7% | 0.3% | 0.4% |

Source: Bloomberg, KGI Securities Research

Figure 2: Return on sales (Net profit / Sales)

| Return on sales | 2018 | 2019 | 2020 |
|-----------------|--------------|--------------|--------------|
| ORI | 21.2% | 22.9% | 25.4% |
| LH | 30.8% | 33.7% | 24.1% |
| QH | 23.9% | 26.7% | 23.2% |
| SPALI | 22.6% | 22.9% | 20.6% |
| AP | 14.5% | 12.9% | 14.1% |
| Average | 18.9% | 18.1% | 14.1% |
| LPN | 12.2% | 12.6% | 9.7% |
| PSH | 13.4% | 13.4% | 9.5% |
| SIRI | 7.8% | 9.8% | 4.9% |
| ANAN | 23.7% | 8.1% | -5.0% |

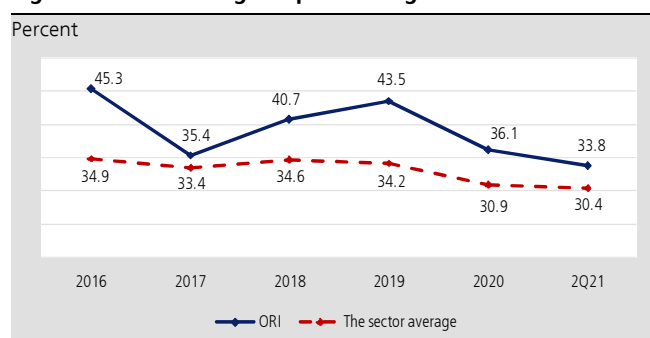
Source: Bloomberg, KGI Securities Research

Figure 3: Capital turnover (Sales / Invested capital)

| Capital turnover | 2018 | 2019 | 2020 |
|------------------|--------------|--------------|--------------|
| PSH | 69.5% | 58.1% | 46.3% |
| LPN | 60.3% | 48.1% | 38.2% |
| AP | 48.3% | 37.5% | 37.6% |
| SIRI | 33.1% | 23.7% | 37.2% |
| SPALI | 50.8% | 45.3% | 36.2% |
| ORI | 96.8% | 61.0% | 33.7% |
| Average | 45.3% | 34.4% | 27.9% |
| LH | 24.3% | 20.7% | 19.5% |
| QH | 21.8% | 11.1% | 10.5% |
| ANAN | 3.1% | 3.9% | N.A. |

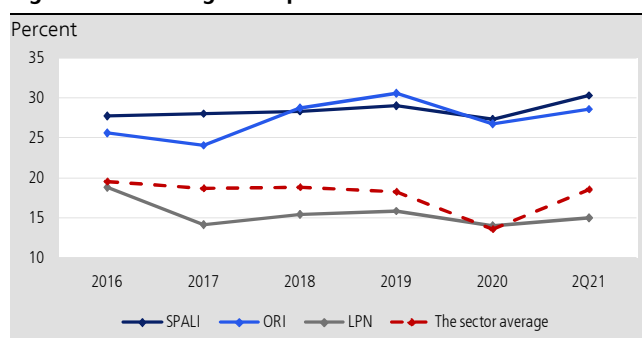
Source: Bloomberg, KGI Securities Research

Figure 4: Residential gross profit margin



Source: Company data, KGI Securities Research

Figure 5: EBIT margin comparison



Source: Company data, KGI Securities Research

Achieving overwhelming positive feedback for new launches

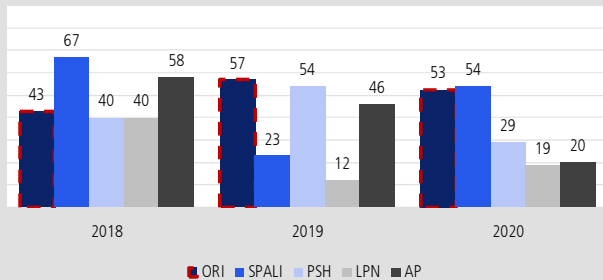
We expect ORI to continue to maintain its position as an innovative and adaptive developer that will enable the company to capture changes in customer demand in the foreseeable future and create a high perceived value in the eyes of customers. In our view, the fast-adaptive strategy is one of its most preferable attributes, helping the company to avoid red seas and maintain its superior profitability compared to competitors.

Evidence of this is seen in average single-quarter take-up rate of ORI's new condominiums achieving nearly 50% during the past three years (Figure 6), and still receiving positive feedback in terms of presales. In addition, the company's proportion of new launches in 2020-21F are geared towards low-rise, which reflects its adaptive ability to capture shifting consumer preference amid the work-from-home era.

In terms of innovative product development, The Origin Plug & Play Ramintra (launched in 4Q20) and BRIXTON Pet & Play Sukhumvit 107 (launched in 2Q21), achieved overwhelming positive feedback as there were only a handful of pet-friendly condominiums in those particular areas, while several insights were added such as: i) CCTV for each unit, and ii) pet-friendly designs. In addition, some condominiums have offered Duo Space layout resulting in strong presales performances (Figure 9).

Figure 6: Feedback on new condominiums launches

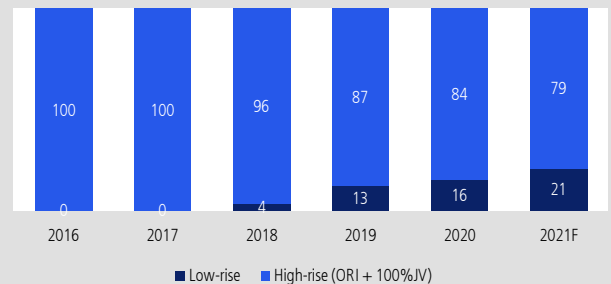
Average 1-quarter take-up rate of new launches, percent



Source: Company data, KGI Securities Research

Figure 7: ORI's new launch breakdown (including JV projects)

Percent



Source: Company data, KGI Securities Research

Figure 8: Advertising for The Origin Plug & Play Ramintra



Source: Company data

Figure 9: Duo Space at Knightsbridge Space Sukhumvit-Rama4 (sold out, launched in 3Q20)



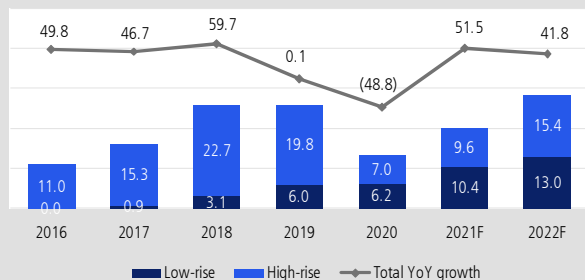
Source: Company data

On track to launch 20 new projects in 2021F worth Bt20bn

ORI plans to launch 20 new projects in 2021F worth Bt20bn (+52% YoY), comprising: i) low-rise of Bt10.4bn (+67% YoY) and ii) high-rise of Bt9.6bn (+37% YoY). On a positive note, almost all condominiums launched in 2020-2H21 received strongly positive feedback, which will support the revenue visibilities in the foreseeable future (Figure 12).

Figure 10: Yearly new launch value

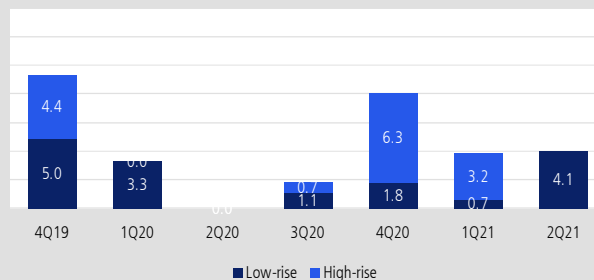
New launch value, Btbn; YoY change, percent



Source: Company data, KGI Securities Research

Figure 11: Quarterly new launch value

New launch value, Btbn



Source: Company data, KGI Securities Research

Figure 12: Condominiums launched in 2020-21F

| | Launch date | Beg. transfer | Accumulated presales (% as of 2Q21) |
|--------------------------------------|-------------|---------------|-------------------------------------|
| THE ORIGIN Onnut | 3Q20 | 2Q22 | 79 |
| B-Loft Lite Sukhumvit 107 | 1Q20 | 1Q20 | 61 |
| THE ORIGIN Sukhumvit Sailuat E22 | 4Q20 | 1Q23 | 51 |
| THE ORIGIN Plug&Play Ramintra | 4Q20 | 2Q23 | 56 |
| Knightsbridge Space Sukhumvit-Rama4 | 4Q20 | 1Q24 | 100 |
| SOHO BANGKOK RATCHADA | 4Q20 | 3Q23 | 92 |
| THE ORIGIN Ladprao-Bangkapi | 1Q21 | 1Q23 | 47 |
| Hampton Sriracha by Origin and Dusit | 1Q21 | 4Q22 | 71 |
| BRIXTON Pet&Play Sukhumvit 107 C | 2Q21 | 2Q21 | 51 |

Source: Company data, KGI Securities Research

Figure 13: Housing projects to be launched in 3Q21F



Source: Company data

Earnings visibilities in 2021-22F

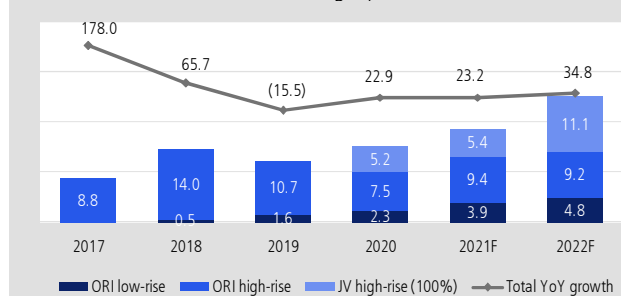
We expect normalized profit to grow at a 2-year CAGR of 24% through 2022F, reaching a record-high of Bt3.8bn in 2022F (from Bt2.5bn in 2020) backed by: i) residential revenue growth of 29% p.a. (including revenue from JV condominiums), and ii) residential gross margin to come in at 35.5%/36.2% in 2021-22F.

For the top-line growth prospects, sustainable residential revenue growth in the next two years will come from continued investment in both low-rise and high-rise segments. We expect low-rise transfers to jump 65% YoY in 2021F to Bt3.9bn, and grow another 25% YoY in 2022F to Bt4.8bn. For the high-rise segment, there will be new condominiums with solid backlog ready to transfer eight projects in 2021F and six projects in 2022F (Figure 20).

In terms of profitability, we expect residential gross margin to soften in 2021F to 35.5% (from 36.1% in 2020) partly due to a higher proportion of low-rise and transfers of Park 24, which has yielded a relatively lower gross profit margin. Meanwhile, residential gross margin is expected to improve in 2022F by 0.7ppts YoY to 36.2% partly propelled by contributions from new projects. Note that the targeted gross margin of ORI's high rise is at 39-40%, while housing is set at 33-35%.

Figure 14: Residential revenue

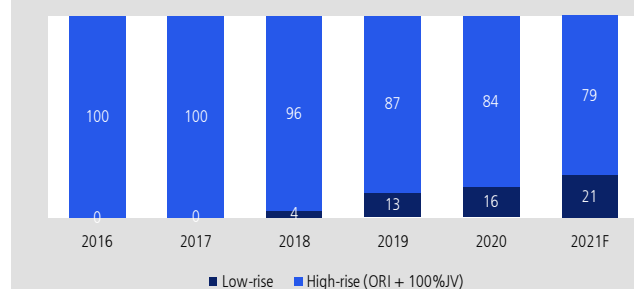
Residential revenue, Btbn; YoY change, percent



Source: Company data, KGI Securities Research

Figure 15: Total revenue breakdown (including 100% JV)

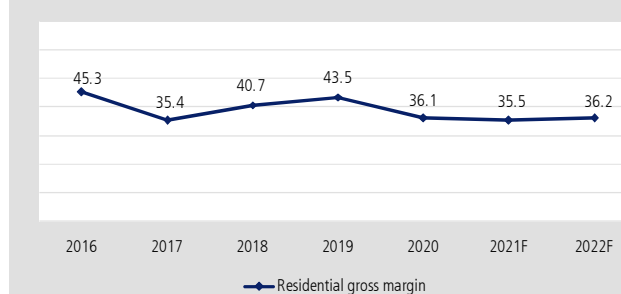
Percent



Source: Company data, KGI Securities Research

Figure 16: Residential gross margin

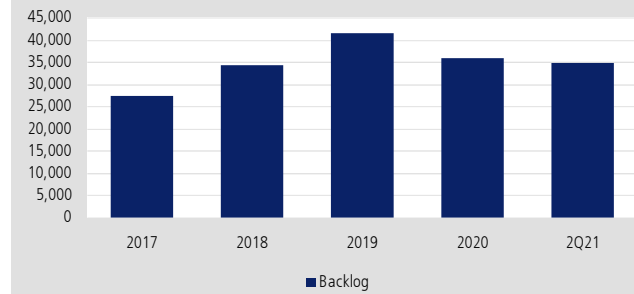
Percent



Source: Company data, KGI Securities Research

Figure 17: Total backlog comparison

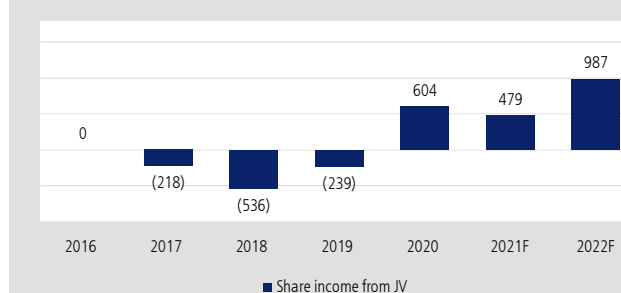
Btmn



Source: Company data, KGI Securities Research

Figure 18: Share income from JV

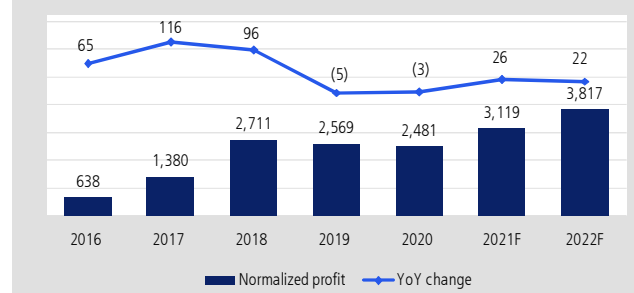
Btmn



Source: Company data, KGI Securities Research

Figure 19: Normalized profit momentum

Normalized profit, Btmn; YoY change, percent



Source: Company data, KGI Securities Research

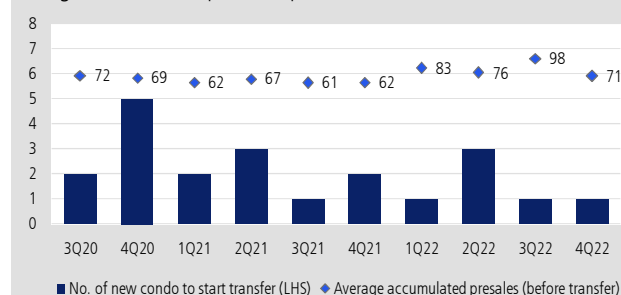
Figure 20: Completed condominium projects to be transferred in 2021-22F

| Project | Ownership | Value | Avg price per unit (Btmn) | Sold (%) | Beg. Transfer |
|--------------------------------------|-----------|--------|---------------------------|----------|---------------|
| Knightsbridge Space Rama IX | | 2,300 | 7.1 | 64 | 1Q21 |
| THE ORIGIN Ramintra 83 Station | | 2,100 | 2.4 | 61 | 1Q21 |
| THE ORIGIN Ratchada-Ladprao | | 750 | 3.6 | 87 | 2Q21 |
| Knightsbridge Sukhumvit-Thepharak | JV | 1,300 | 2.7 | 64 | 2Q21 |
| BRIXTON Pet&Play Sukhumvit 107 C | | 180 | 2.3 | 51 | 2Q21 |
| Park Origin Phayathai | | 4,600 | 8.4 | 61 | 3Q21 |
| Notting Hill Rayong | | 1,200 | 2.2 | 50 | 4Q21 |
| Park Origin Thonglor | JV | 12,000 | 10.2 | 74 | 4Q21 |
| The Origin Ram 209 Interchange | | 2,050 | 2.0 | 83 | 1Q22 |
| THE ORIGIN Ladprao 15 | | 400 | 2.5 | 55 | 2Q22 |
| Park Origin Ratchathewi | JV | 3,000 | 11.3 | 95 | 2Q22 |
| Park Origin Chula-Samyan | JV | 4,600 | 9.2 | 98 | 3Q22 |
| THE ORIGIN Onnut | | 700 | 1.8 | 79 | 2Q22 |
| Hampton Sriracha by Origin and Dusit | JV | 1,400 | 3.0 | 71 | 4Q22 |

Source: Company data, KGI Securities Research

Figure 21: Number of new condominiums ready to be transferred (Quarterly)

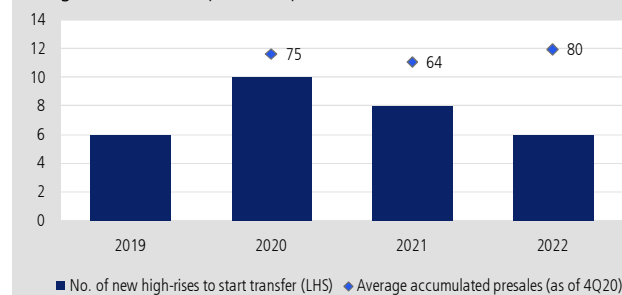
Number of new condominium ready to be transferred, number (LHS); average accumulated presales, percent (RHS)



Source: Company data, KGI Securities Research

Figure 22: Number of new condominiums ready to be transferred (Yearly)

Number of new condominium ready to be transferred, number (LHS); average accumulated presales, percent (RHS)



Source: Company data, KGI Securities Research

Figure 23: Key assumptions

| | 2018 | 2019 | 2020 | 2021F | 2022F |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Total Revenue (Bt mn) | 15,749 | 13,197 | 10,486 | 14,232 | 15,168 |
| Residential revenue (excl. JV) | 14,523 | 12,279 | 9,870 | 13,217 | 14,000 |
| Low-rise | 514 | 1,557 | 2,339 | 3,859 | 4,824 |
| High-rise | 14,009 | 10,722 | 7,531 | 9,358 | 9,176 |
| Growth of total revenue (%) | 70.2 | (16.2) | (20.5) | 35.7 | 6.6 |
| Growth of residential revenue (%) | 66 | (15) | (20) | 34 | 6 |
| Residential gross margin (%) | 40.7 | 43.5 | 36.1 | 35.5 | 36.2 |
| SG&A-to-sales (%) | 18.2 | 20.4 | 17.4 | 17.3 | 16.8 |
| Share income from JV | (536) | (239) | 604 | 479 | 987 |
| Share income growth (%) | 145.5 | (55.4) | (352.8) | (20.7) | 105.9 |
| Normalized profit (Bt mn) | 2,711 | 2,569 | 2,481 | 3,119 | 3,817 |
| YoY growth (%) | 96 | (5) | (3) | 26 | 22 |
| Net profit (Bt mn) | 3,338 | 3,027 | 2,662 | 3,119 | 3,817 |
| YoY growth (%) | 65 | (9) | (12) | 17 | 22 |
| D/E | 1.4 | 1.5 | 1.3 | 1.3 | 1.2 |

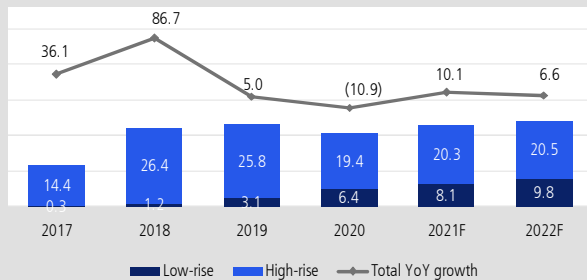
Source: Company data, KGI Securities Research

Hefty backlog securing 55% of our transfer forecast in 2022F

As of 2Q21, the company reported a total backlog on hand of Bt34.7bn, of which Bt9.4bn will be recognized in 2021F and Bt13.8bn will be recognized in 2022F. As shown in Figure 27, total backlog has secured 96% and 55% of our residential revenue forecasts (including 100% JV) in 2021-22F, respectively, suggesting enough buffers against unexpected events in the short- to medium-term.

Figure 24: Presales forecast

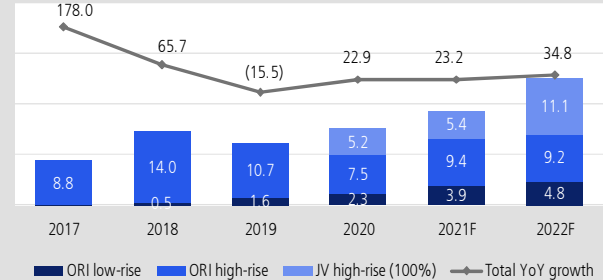
Presales, Btbn; YoY growth, percent



Source: Company data, KGI Securities Research

Figure 25: Transfer forecast

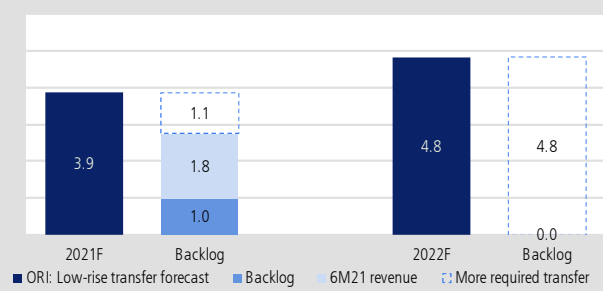
Residential revenue, Btbn; YoY growth, percent



Source: Company data, KGI Securities Research

Figure 26: Low-rise transfer forecast

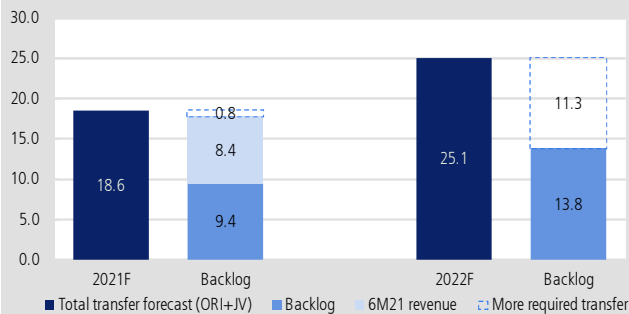
Low-rise transfer forecast and backlog, Bt bn



Source: Company data, KGI Securities Research

Figure 27: All transfer forecast

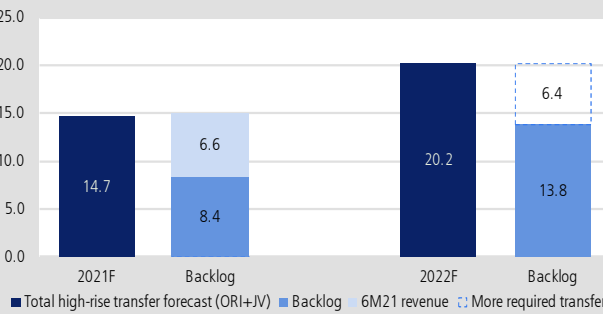
All transfer forecast and backlog, Bt bn



Source: Company data, KGI Securities Research

Figure 28: High-rise transfer forecast (ORI+JV)

High-rise transfer forecast and backlog, Bt bn



Source: Company data, KGI Securities Research

Expanding to other businesses under “Origin Next Level” business group

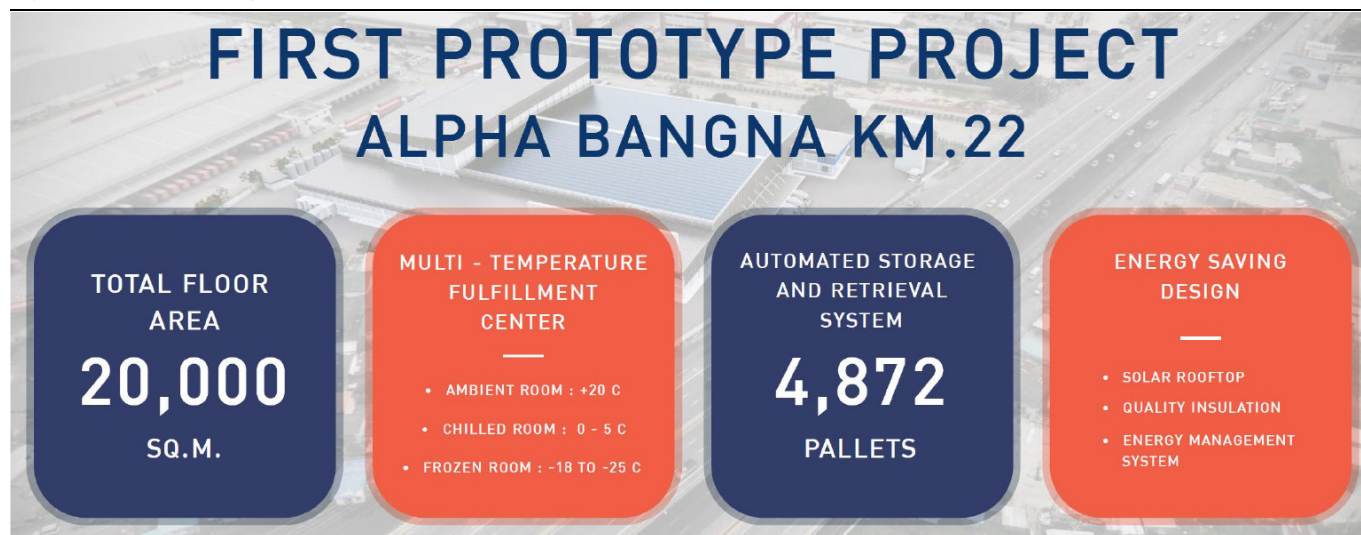
Apart from ORI’s core business of residential development, the company has concrete plans to expand to other business under “Origin Next Level” including: i) Origin Health Care, ii) Alpha Industrial Solutions, a joint venture (50:50) with JWD Infologistics (JWD.BK/JWD TB), iii) Origin Energy, iv) Primo Insurance Broker, and v) Prominent Asset Management. However, those businesses are expected to see more contributions starting from 2022-23F onwards and have not yet been factored into our valuations.

Figure 29: Origin Health Care



Source: Company data

Figure 30: The first project of Alpha Industrial Solutions (CAPEX: Bt550mn, expected operation: 2Q22)



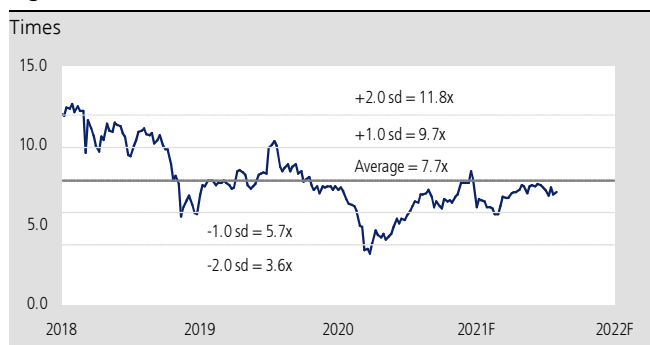
Source: Company data

Valuation and Recommendation

With the strong earnings outlook ahead with 2-year CAGR of 24% in 2021-22F and our confidence in ORI's business strategy to sustain its long-term growth prospects, we initiate coverage with a rating of Outperform and a target price of Bt13.50, based on 8.7x 2022F PE or +0.5SD to its long-term mean.

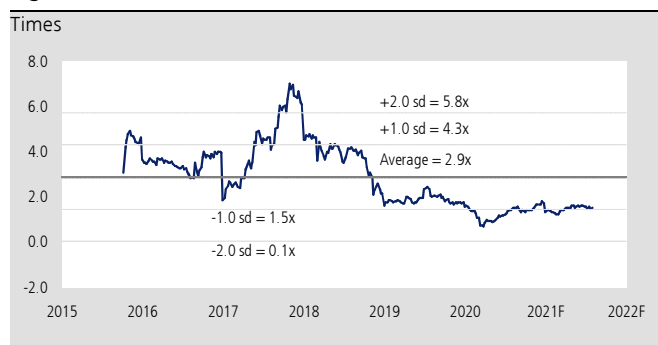
Our premium valuation is justified as the company is still in a growth stage with net profit expected to hit a record high in 2022F, while several new businesses could offer long-term growth opportunities that have not yet been factored into our valuation.

Figure 31: P/E band



Source: Company data, KGI Securities Research

Figure 32: P/BV band



Source: Company data, KGI Securities Research

Figure 33: Peer comparison

| Company | Rating | Target Price (Bt) | Mkt Price (Bt) | Upside (%) | Mkt Cap (Btmn) | Net Profit (Btmn) | | | PE (x) | | | PB (x) | | | EPS Growth (%) | | |
|---------------|--------|-------------------|----------------|-------------|----------------|-------------------|---------------|---------------|------------|-------------|------------|------------|------------|------------|----------------|------------|-------------|
| | | | | | | 2020 | 2021F | 2022F | 2020 | 2021F | 2022F | 2020 | 2021F | 2022F | 2020 | 2021F | 2022F |
| ANAN | U | 1.70 | 1.72 | (1.2) | 5,733 | (207) | 56 | 621 | N.A. | 102.2 | 9.2 | 0.4 | 0.3 | 0.3 | N.A. | N.A. | 1,007.0 |
| AP* | OP | 11.50 | 8.20 | 40.2 | 25,796 | 4,227 | 4,242 | 4,812 | 5.4 | 6.1 | 5.4 | 0.8 | 0.8 | 0.7 | 37.8 | 0.4 | 13.4 |
| LH* | OP | 9.90 | 7.95 | 24.5 | 95,000 | 7,145 | 7,016 | 9,663 | 13.3 | 13.5 | 9.8 | 1.9 | 1.8 | 1.7 | (28.7) | (1.8) | 37.7 |
| LPN | N | 5.20 | 4.94 | 5.3 | 7,290 | 716 | 580 | 846 | 9.6 | 12.6 | 8.6 | 0.6 | 0.6 | 0.6 | (43.0) | (19.0) | 45.8 |
| ORI* | OP | 13.50 | 9.85 | 37.1 | 24,161 | 2,662 | 3,119 | 3,817 | 7.4 | 7.7 | 6.3 | 1.5 | 1.7 | 1.5 | (12.1) | 17.2 | 22.4 |
| PSH* | OP | 15.50 | 12.80 | 21.1 | 28,013 | 2,771 | 2,950 | 3,827 | 9.8 | 9.5 | 7.3 | 0.6 | 0.6 | 0.6 | (48.3) | 6.5 | 29.7 |
| QH* | N | 2.70 | 2.18 | 23.9 | 23,357 | 2,123 | 2,274 | 2,612 | 11.7 | 10.3 | 8.9 | 0.9 | 0.9 | 0.8 | (25.6) | 7.1 | 14.9 |
| SPALI* | OP | 27.50 | 20.40 | 34.8 | 43,719 | 4,251 | 5,804 | 6,265 | 10.3 | 7.5 | 7.0 | 1.2 | 1.1 | 1.0 | (21.3) | 36.5 | 7.9 |
| Sector | | | | 23.2 | 253,069 | 23,688 | 26,042 | 32,464 | 9.6 | 21.2 | 7.8 | 1.0 | 1.0 | 0.9 | (17.4) | 9.9 | 24.7 |

Source: Company data, KGI Securities Research

Industry outlook

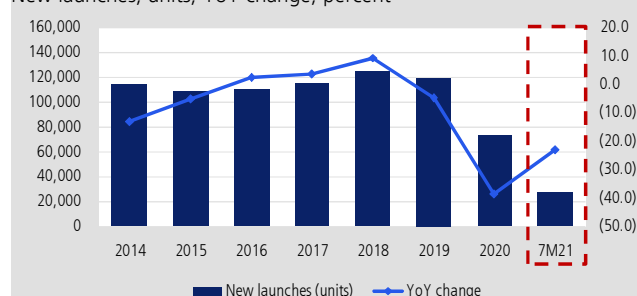
In the transitional period to recovery cycle

We re-iterate our view that Thailand's property sector remains in the transitional period to recovery cycle, while more signs of an upcycle should take time. Although we have already seen progress of the supply correction (Figure 34) with the inventories of the nine listed developers falling below their 5-year averages (Figure 35 to Figure 37), the demand side will still act as the driver of change depending on Thailand's economic outlook and the willingness of banks to lend.

At the same time, we believe the inventory-to-sales ratio, which reflects the absorption rate, peaked in 2020 and should gradually fall in 2021-22F backed by the gradual recovery on the demand side.

Figure 34: Total new launches (low-rise + high-rise)

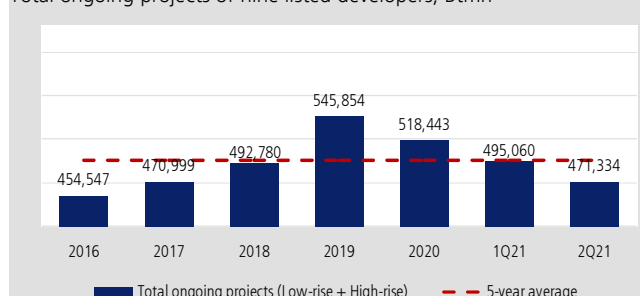
New launches, units; YoY change, percent



Source: AREA, KGI Securities Research

Figure 35: Total ongoing projects

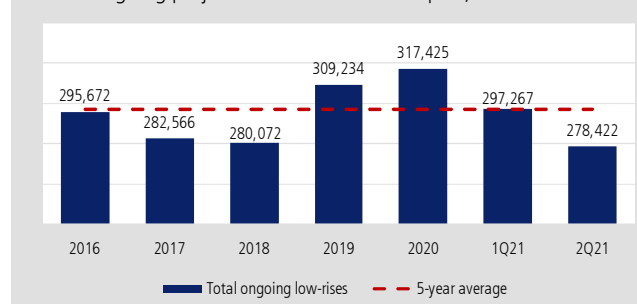
Total ongoing projects of nine listed developers, Btmn



Source: Company data, KGI Securities Research

Figure 36: Low-rise ongoing projects

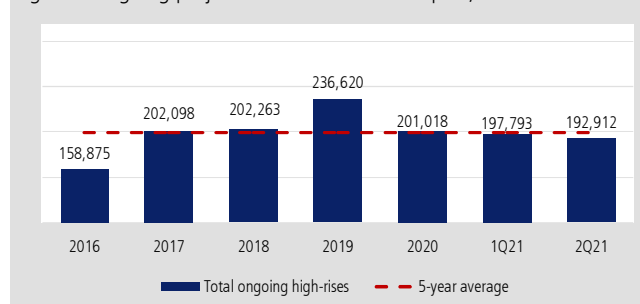
Low-rise ongoing projects of nine listed developers, Btmn



Source: Company data, KGI Securities Research

Figure 37: High-rise ongoing projects

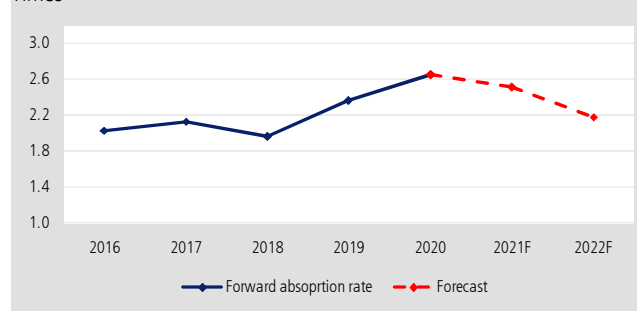
High-rise ongoing projects of nine listed developers, Btmn



Source: Company data, KGI Securities Research

Figure 38: Inventory-to-sales ratio

Times



Source: Company data, KGI Securities Research

Figure 39: Less financial constraint on high-rise developers

D/E ratio, times

| | 1Q20 | 2Q20 | 3Q20 | 4Q20 | 1Q21 |
|-----------------|-------------|-------------|-------------|-------------|-------------|
| ORI TB Equity | 1.57 | 1.50 | 1.50 | 1.38 | 0.87 |
| U TB Equity | 0.88 | 0.90 | 1.15 | 0.82 | 0.79 |
| LPN TB Equity | 0.67 | 0.92 | 0.82 | 0.57 | 0.83 |
| ANAN TB Equity | 1.44 | 1.39 | 1.42 | 1.27 | 1.42 |
| NOBLE TB Equity | 1.81 | 2.18 | 1.90 | 1.56 | 1.51 |
| SENA TB Equity | 1.30 | 1.28 | 1.25 | 1.34 | 1.10 |
| RML TB Equity | 1.02 | 1.04 | 0.83 | 0.63 | 0.73 |
| MJD TB Equity | 1.93 | 1.82 | 1.74 | 1.87 | 1.99 |
| RICHY TB Equity | 1.42 | 1.54 | 1.65 | 1.69 | 1.69 |
| SIRI TB Equity | 2.07 | 1.74 | 1.61 | 1.55 | 1.54 |
| Average | 1.41 | 1.43 | 1.39 | 1.27 | 1.25 |

Source: Bloomberg, KGI Securities Research

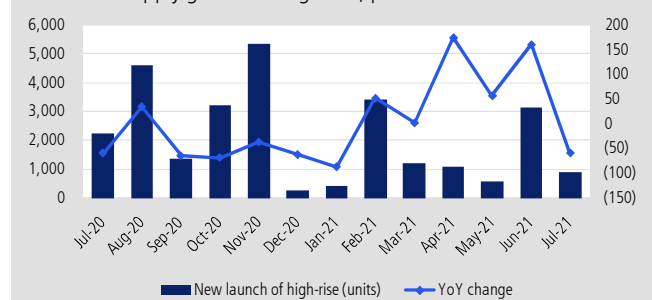
Take-up rate has not yet seen clear signs of recovery

In July 2021, total take-up rate saw a sharp drop to 6% (7M21: 22%) due mainly to inactive launch activity amid the escalating COVID-19 outbreak in Thailand. Both low-rise and high-rise take up rates were sluggish (Figure 41 and Figure 43).

Overall, we foresee no clear signs in the short-term, while some developers have continued to conduct promotional campaigns on finished inventory, especially for high-rise projects.

Figure 40: New supply growth of high-rise

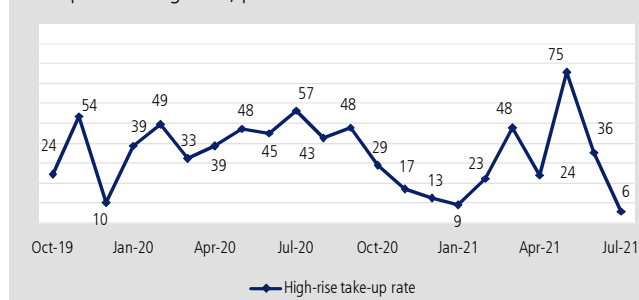
New launch supply growth of high-rise, percent



Source: AREA, KGI Securities Research

Figure 41: Take-up rate of high-rise

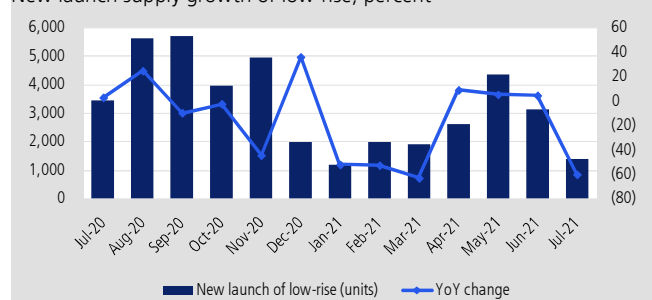
Take-up rate of high-rise, percent



Source: AREA, KGI Securities Research

Figure 42: New supply growth of low-rise

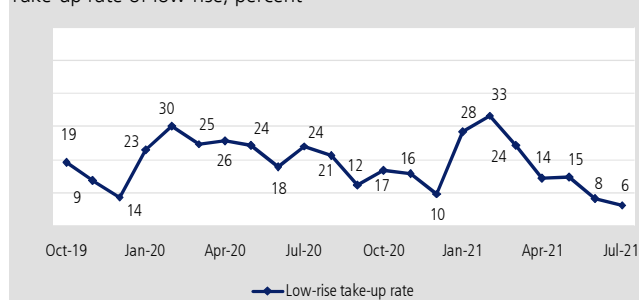
New launch supply growth of low-rise, percent



Source: AREA, KGI Securities Research

Figure 43: Take-up rate of low-rise

Take-up rate of low-rise, percent



Source: AREA, KGI Securities Research

Figure 44: High-rise units launched compared with units sold

Units

| High-rise | 2019 | 2020 | 1H21 | 7M21 |
|-----------------------------|----------|--------|--------|------|
| New launch | 66,367 | 25,906 | 9,959 | 912 |
| YoY change | (11) | (61) | 13 | (59) |
| Unit sold | 54,303 | 28,947 | 14,067 | |
| YoY change | (22) | (47) | 15 | |
| Unit remaining | 93,882 | 90,841 | 86,734 | |
| YoY change | 15 | (3) | (4) | |
| Units sold minus New supply | (12,064) | 3,041 | 4,108 | |
| Take-up rate | 49 | 37 | 33 | 30 |

Source: AREA, KGI Securities Research

Figure 45: Low-rise units launched compared with units sold

Units

| Low-rise | 2019 | 2020 | 1H21 | 7M21 |
|-----------------------------|---------|----------|---------|-------|
| New launch | 51,670 | 46,846 | 15,082 | 1,365 |
| YoY change | 3 | (9) | (29) | (60) |
| Unit sold | 44,307 | 35,589 | 23,638 | |
| YoY change | (11) | (20) | 56 | |
| Unit remaining | 120,321 | 131,447 | 122,701 | |
| YoY change | 7 | 9 | (3) | |
| Units sold minus New supply | (7,363) | (11,257) | 8,556 | |
| Take-up rate | 25 | 20 | 18 | 17 |

Source: AREA, KGI Securities Research

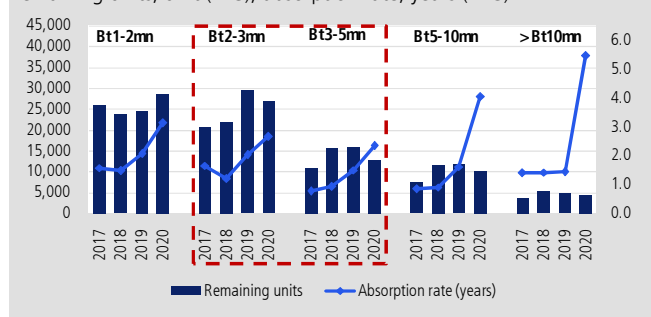
Low-rise housing expected to outperform high-rise

In the short-to-medium-term, we expect the low-rise segment to continue to outperform condominium backed by real demand buyers and shifting consumer preference amid the work-from-home era. As a result, property names with exposure to the low-rise segment tend to encounter lower business risk as i) supply can be constructed phase by phase, and ii) shorter business cycle leads to quicker cash flow generation.

For the condominium segment, we expect mid-end pricing (Bt3-5mn) to be preferred as this segment will receive less negative impact than any other segment. The low-end segment has been hit by high rejection rates by banks, while the high-end segment has faced temporary oversupply conditions. As evidence, we have seen developers who have high exposure to mid-end condominiums generally outperforming peers during 2020-1H21, in terms of inventory clearance and pace of presales performance.

Figure 46: Condominium absorption rate by segment

Remaining units, unit (LHS); absorption rate, years (RHS)



Source: AREA, KGI Securities Research

Figure 47: Breakdown of ongoing condo projects

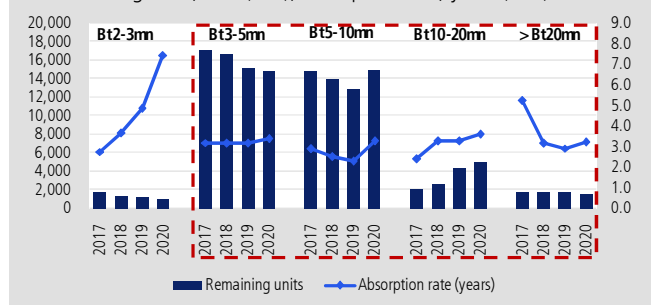
Value of ongoing condominiums breakdown by average price per unit, percent

| | Bt1-2mn | Bt2-3mn | Bt3-5mn | Bt5-10mn | >Bt10mn |
|------------|----------|-----------|-----------|-----------|----------|
| ANAN | 2 | 12 | 19 | 43 | 25 |
| AP | 1 | 14 | 32 | 0 | 53 |
| LH | 0 | 5 | 14 | 27 | 54 |
| LPN | 31 | 32 | 14 | 18 | 5 |
| ORI | 7 | 13 | 28 | 51 | 1 |
| PSH | 13 | 32 | 40 | 8 | 9 |
| QH | 31 | 16 | 2 | 0 | 51 |
| SPALI | 2 | 36 | 20 | 19 | 22 |

Source: Company data, KGI Securities Research

Figure 48: SDH absorption rate by segment

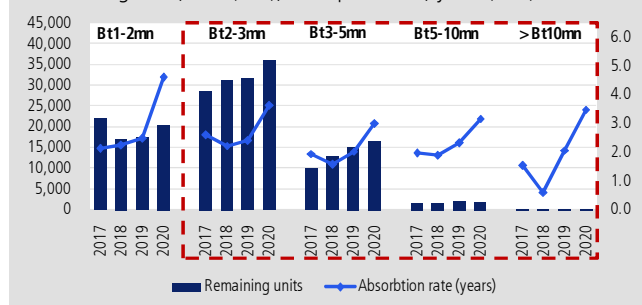
SDH remaining units, unit (LHS); absorption rate, years (RHS)



Source: AREA, KGI Securities Research

Figure 49: TH absorption rate by segment

TH remaining units, unit (LHS); absorption rate, years (RHS)



Source: AREA, KGI Securities Research

Company Overview

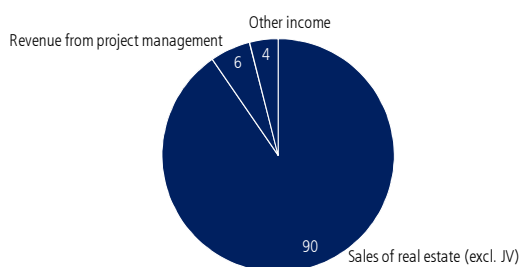
Origin Property (ORI) was established in 2009 as a mid-end condominium developer offering unique project designs and functional condominium layouts along the mass transit railway system and in the Eastern Economic Corridor Zone (EEC). The company also developed condominium projects under joint venture (holding 51%) with partners such as Nomura Real Estate Development, and GS Engineering & Construction Corporation. ORI's condominium brands include: i) Kensington, ii) Notting Hill, iii) The Origin, iv) SOHO, v) Knightsbridge, and vi) Park Origin.

In 2017, the company stepped into the housing segment under the operation of Britannia Group. The low-rise brands include: i) Brighton, ii) Britania, iii) Grand Britania, and iv) Belgravia.

Apart from residential development (Figure 50), the company also operates three business groups: i) recurring business group (e.g. hotel and office building) under the operations of One Origin Group Company Limited, ii) service business related to real estate such as juristic person management services under the operation of Primo Service Solution Company Limited, and iii) "Origin Next Level" business group which includes healthcare and logistics business.

Figure 50: Total revenue breakdown (2020)

Percent



Source: Company data, KGI Securities Research

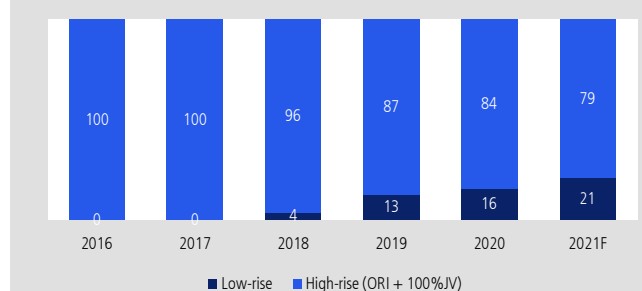
Figure 52: Condominium brands

| | Segment | Avg. price per sq.m. (Bt) |
|---------------|-------------------------|---------------------------|
| Kensington | Mid-level | 70,000 |
| Notting Hill | Upper mid level | 83,000 |
| The Origin | Upper mid level | 90,000 |
| SOHO | Upper mid level | 170,000 |
| Knightsbridge | Upper mid to high level | 100,000 - 200,000 |
| Park Origin | High level | >200,000 |

Source: Company data, KGI Securities Research

Figure 51: Real estate revenue breakdown (incl. 100% JV projects)

Percent



Source: Company data, KGI Securities Research

Figure 53: Housing brands

| | Segment | Avg. price per unit (Btmn) |
|----------------|-----------|----------------------------|
| Brighton | DH/TH | 3.3 |
| Britania | DH/SDH/TH | 5.0 |
| Grand Britania | DH/SDH | 8.6 |
| Belgravia | DH | 28.0 |

Source: Company data, KGI Securities Research

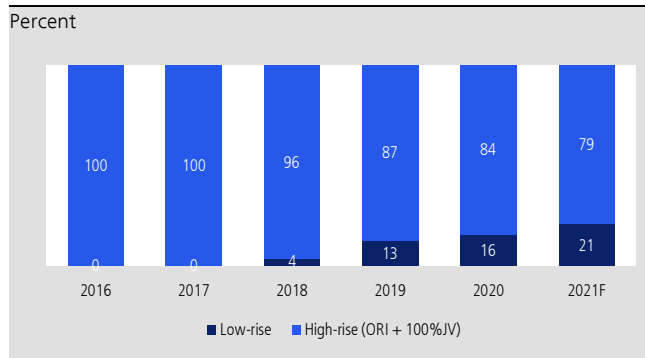
To spin-off Britannia Group

ORI plans to list Britannia Group (BRI) on SET, and its holding in BRI will decrease from 99.99% to 70% through the offering of newly issued common shares (252.7mn shares at a par value of Bt0.50/share). Management's guidance suggests the spin-off will strengthen BRI's financial position as well as offer a faster pace of business expansion in the longer-term. BRI has already submitted filing and is expected to be listed during 4Q21-1Q22F.

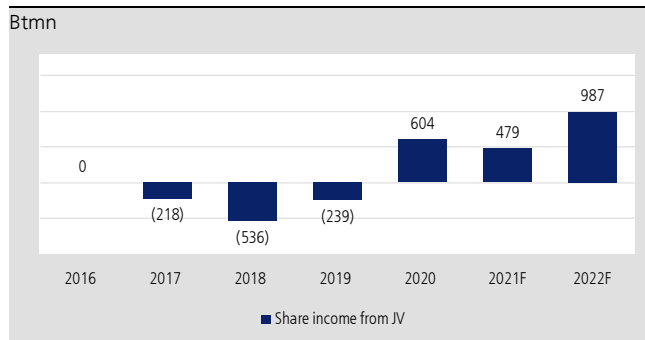
Figure 54: Company profile

Origin Property (ORI) develops residential property covering all segments; townhouse, single-detached house and condominium. Apart from residential development, the company also operates three business groups: i) recurring business group (e.g. hotel and office building) under the operations of One Origin Group Company Limited, ii) service business related to real estate such as juristic person management services under the operation of Primo Service Solution Company Limited, and iii) "Origin Next Level" business group which includes healthcare and logistics business.

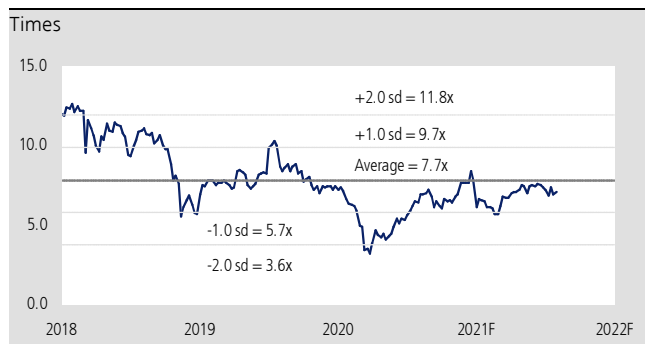
Source: Company data

Figure 56: Transfer breakdown (including 100% JV)


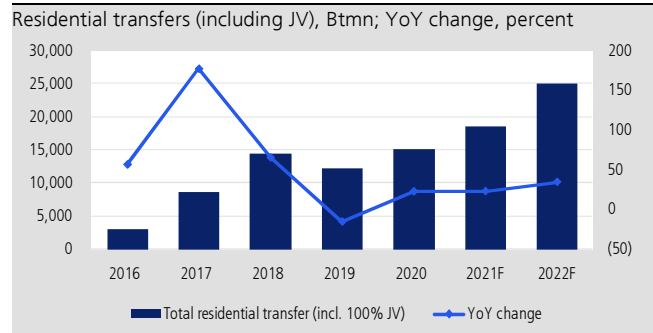
Source: Company data, KGI Securities Research

Figure 58: Share income from JV


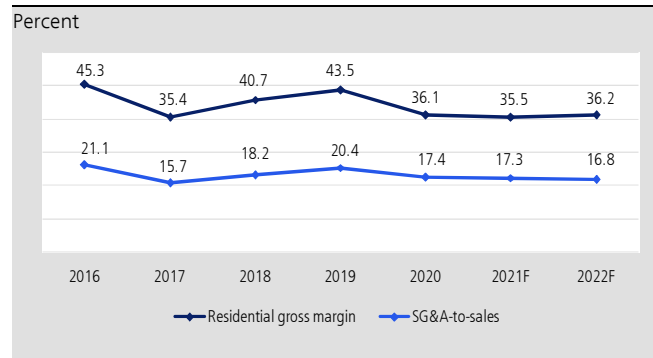
Source: Company data, KGI Securities Research

Figure 60: P/E band


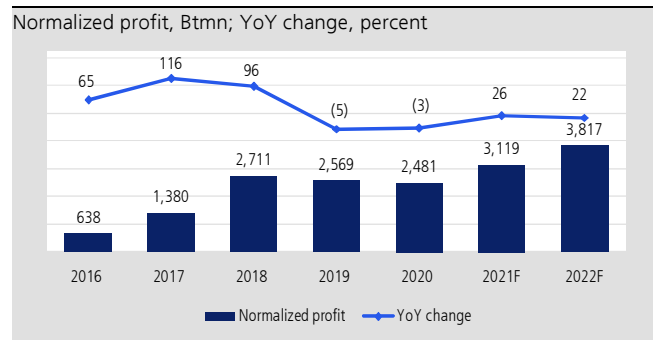
Source: KGI Securities Research

Figure 55: Residential transfers


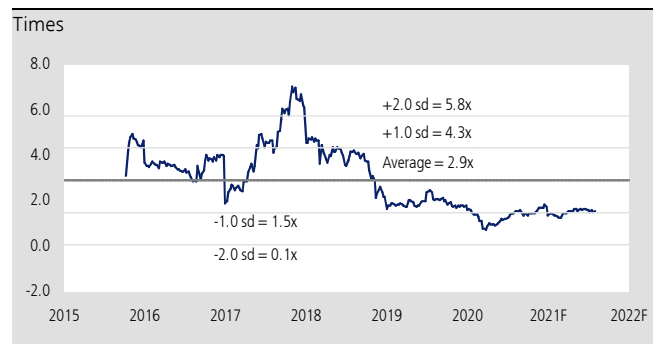
Source: Company data, KGI Securities Research

Figure 57: Profitability


Source: Company data, KGI Securities Research

Figure 59: Normalized profit momentum


Source: Company data, KGI Securities Research

Figure 61: P/BV band


Source: KGI Securities Research

Quarterly Income Statement

| | Sep-17A | Dec-17A | Mar-18A | Jun-18A | Sep-18A | Dec-18A | Mar-19A | Jun-19A | Sep-19A | Dec-19A | Mar-20A | Jun-20A | Sep-20A | Dec-20A | Mar-21A | Jun-21A |
|---------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Income Statement (Bt mn) | | | | | | | | | | | | | | | | |
| Revenue | 1,665 | 5,563 | 2,405 | 3,821 | 3,658 | 5,865 | 3,143 | 3,106 | 3,512 | 3,437 | 2,121 | 3,216 | 2,400 | 2,748 | 3,630 | 3,405 |
| Cost of Goods Sold | (886) | (3,691) | (1,209) | (2,139) | (1,923) | (3,340) | (1,702) | (1,614) | (1,797) | (1,821) | (1,174) | (1,997) | (1,427) | (1,710) | (2,206) | (2,043) |
| Gross Profit | 779 | 1,872 | 1,196 | 1,682 | 1,735 | 2,525 | 1,441 | 1,492 | 1,715 | 1,616 | 947 | 1,220 | 973 | 1,038 | 1,424 | 1,362 |
| Operating Expense | (367) | (642) | (386) | (599) | (664) | (1,221) | (734) | (647) | (706) | (600) | (475) | (419) | (468) | (460) | (575) | (540) |
| Other incomes | 27 | 37 | 69 | 50 | 62 | 80 | 95 | 168 | 80 | 111 | 102 | 71 | 135 | 124 | 112 | 152 |
| Operating Profit | 440 | 1,266 | 878 | 1,133 | 1,133 | 1,384 | 802 | 1,013 | 1,089 | 1,127 | 574 | 871 | 640 | 702 | 962 | 975 |
| Depreciation of fixed asset | (17) | (45) | (28) | (30) | (63) | (13) | (29) | (30) | (28) | (32) | (45) | (35) | (38) | (47) | (45) | (43) |
| Operating EBITDA | 457 | 1,311 | 907 | 1,163 | 1,196 | 1,397 | 833 | 1,047 | 1,118 | 1,163 | 622 | 912 | 683 | 751 | 1,009 | 1,019 |
| Non-Operating Income | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 4 | 2 | 4 | 4 | 5 | 4 | 3 | 2 | 1 |
| Interest Income | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 4 | 2 | 4 | 4 | 5 | 4 | 3 | 2 | 1 |
| Other Non-op Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-Operating Expense | (4) | (264) | (226) | (144) | (260) | (170) | (105) | (133) | (186) | (89) | 65 | (6) | 199 | 82 | (19) | (72) |
| Interest Expense | (2) | (48) | (47) | (57) | (73) | (85) | (60) | (64) | (75) | (74) | (74) | (67) | (51) | (71) | (67) | (76) |
| Other Non-op Expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Equity Income/(Loss) | (3) | (216) | (179) | (87) | (186) | (85) | (45) | (69) | (111) | (14) | 139 | 61 | 250 | 153 | 48 | 4 |
| Pre-tax profit | 438 | 1,218 | 831 | 1,076 | 1,059 | 1,299 | 744 | 953 | 1,015 | 1,057 | 503 | 809 | 593 | 634 | 896 | 900 |
| Current Taxation | (146) | (322) | (164) | (282) | (285) | (250) | (192) | (206) | (206) | (244) | (147) | (164) | (122) | (127) | (202) | (238) |
| Minorities | 0 | 0 | 0 | (0) | (12) | (26) | 0 | 0 | (46) | (68) | (81) | 0 | (5) | (17) | (43) | (57) |
| Extraordinary items | 267 | 0 | 0 | 312 | 315 | 0 | 213 | 59 | 35 | 152 | 181 | 0 | 0 | 0 | 125 | 243 |
| Net Profit | 556 | 680 | 489 | 1,019 | 892 | 938 | 721 | 737 | 687 | 882 | 595 | 707 | 717 | 642 | 825 | 852 |
| Normalized Profit | 289 | 680 | 489 | 707 | 577 | 938 | 507 | 679 | 652 | 730 | 414 | 707 | 717 | 642 | 700 | 609 |
| EPS (Bt) | 0.23 | 0.28 | 0.20 | 0.42 | 0.36 | 0.38 | 0.29 | 0.30 | 0.28 | 0.36 | 0.24 | 0.29 | 0.29 | 0.26 | 0.34 | 0.35 |
| Normalized EPS (Bt) | 0.12 | 0.28 | 0.20 | 0.29 | 0.24 | 0.38 | 0.21 | 0.28 | 0.27 | 0.30 | 0.17 | 0.29 | 0.29 | 0.26 | 0.29 | 0.25 |
| Margins | | | | | | | | | | | | | | | | |
| Gross profit margin | 46.8 | 33.6 | 49.7 | 44.0 | 47.4 | 43.1 | 45.8 | 48.0 | 48.8 | 47.0 | 44.6 | 37.9 | 40.6 | 37.8 | 39.2 | 40.0 |
| Operating EBIT margin | 26.4 | 22.8 | 36.5 | 29.6 | 31.0 | 23.6 | 25.5 | 32.6 | 31.0 | 32.8 | 27.0 | 27.1 | 26.7 | 25.5 | 26.5 | 28.6 |
| Operating EBITDA margin | 27.5 | 23.6 | 37.7 | 30.4 | 32.7 | 23.8 | 26.5 | 33.7 | 31.8 | 33.8 | 29.3 | 28.4 | 28.5 | 27.3 | 27.8 | 29.9 |
| Net profit margin | 33.4 | 12.2 | 20.3 | 26.7 | 24.4 | 16.0 | 22.9 | 23.7 | 19.6 | 25.7 | 28.1 | 22.0 | 29.9 | 23.4 | 22.7 | 25.0 |
| Growth (YoY) | | | | | | | | | | | | | | | | |
| Revenue growth | #DIV/0! | #DIV/0! | 178.7 | 229.0 | 119.7 | 5.4 | 30.7 | (18.7) | (4.0) | (41.4) | (32.5) | 3.6 | (31.7) | (20.0) | 71.1 | 5.9 |
| Operating EBIT growth | #DIV/0! | #DIV/0! | 301.9 | 268.8 | 157.6 | 9.3 | (8.7) | (10.6) | (3.9) | (18.6) | (28.5) | (14.0) | (41.2) | (37.7) | 67.6 | 11.9 |
| Operating EBITDA growth | #DIV/0! | #DIV/0! | 294.8 | 263.4 | 161.5 | 6.6 | (8.2) | (10.0) | (6.5) | (16.8) | (25.3) | (12.9) | (38.9) | (35.4) | 62.1 | 11.7 |
| Net profit growth | #DIV/0! | #DIV/0! | 184.3 | 327.0 | 60.3 | 37.9 | 47.4 | (27.7) | (22.9) | (6.0) | (17.4) | (4.1) | 4.3 | (27.2) | 38.6 | 20.5 |
| Normalized profit growth | #DIV/0! | #DIV/0! | 184.3 | 196.3 | 99.6 | 37.9 | 3.8 | (4.1) | 13.1 | (22.1) | (18.3) | 4.2 | 9.9 | (12.0) | 68.9 | (14.0) |

Source: KGI Securities Research

Balance Sheet

| As of 31 Dec (Bt mn) | 2018 | 2019 | 2020 | 2021F | 2022F |
|------------------------------|---------------|---------------|---------------|---------------|---------------|
| Total Assets | 27,203 | 32,079 | 33,694 | 37,013 | 42,452 |
| Current Assets | 23,505 | 26,481 | 26,503 | 28,992 | 33,227 |
| Cash & ST Investment | 1,819 | 1,330 | 808 | 1,662 | 2,445 |
| Inventories | 20,151 | 22,582 | 23,430 | 24,842 | 28,145 |
| Account Receivable | 135 | 530 | 314 | 395 | 421 |
| Others | 1,392 | 1,731 | 1,876 | 2,017 | 2,140 |
| Non-current Assets | 3,698 | 5,599 | 7,190 | 8,021 | 9,225 |
| LT Investment | 2,190 | 3,104 | 4,170 | 4,695 | 5,716 |
| Net fixed Assets | 766 | 1,718 | 1,808 | 1,989 | 2,154 |
| Others | 743 | 776 | 1,212 | 1,337 | 1,354 |
| Total Liabilities | 18,402 | 21,146 | 21,686 | 23,061 | 25,964 |
| Current Liabilities | 13,183 | 10,822 | 13,568 | 14,494 | 16,109 |
| Account Payable | 2,603 | 2,574 | 2,874 | 3,410 | 3,573 |
| ST Borrowing | 8,017 | 6,447 | 9,171 | 9,727 | 11,116 |
| Others | 2,563 | 1,800 | 1,523 | 1,357 | 1,420 |
| Long-term Liabilities | 5,219 | 10,323 | 8,118 | 8,567 | 9,855 |
| Long-term Debts | 4,513 | 9,606 | 6,990 | 8,041 | 9,329 |
| Others | 705 | 717 | 1,127 | 526 | 526 |
| Shareholders' Equity | 8,801 | 10,934 | 12,008 | 13,951 | 16,488 |
| Common Stock | 1,225 | 1,226 | 1,226 | 1,226 | 1,226 |
| Capital Surplus | 2,299 | 2,337 | 2,337 | 2,337 | 2,337 |
| Retained Earnings | 3,888 | 6,089 | 7,785 | 9,661 | 11,951 |
| Preferred Stock | | | | | |

Source: KGI Securities Research

Key Ratios

| Year to 31 Dec | 2018 | 2019 | 2020 | 2021F | 2022F |
|----------------------------------|----------|----------|----------|----------|----------|
| Growth (%YoY) | | | | | |
| Sales | 70.2 | (16.2) | (20.5) | 35.7 | 6.6 |
| OP | 102.9 | (11.0) | (30.8) | 35.8 | 12.6 |
| EBITDA | 101.1 | (10.8) | (28.7) | 34.1 | 12.6 |
| NP | 65.2 | (9.3) | (12.1) | 17.2 | 22.4 |
| Normalized Profit | 96.5 | (5.3) | (3.4) | 25.7 | 22.4 |
| EPS | 65.2 | (9.3) | (12.1) | 17.2 | 22.4 |
| Normalized EPS | 96.5 | (5.3) | (3.4) | 25.7 | 22.4 |
| Profitability (%) | | | | | |
| Gross Margin | 45.3 | 47.5 | 39.8 | 40.1 | 41.1 |
| Operating Margin | 28.8 | 30.5 | 26.6 | 26.6 | 28.1 |
| EBITDA Margin | 29.6 | 31.5 | 28.3 | 28.0 | 29.5 |
| Net Margin | 21.2 | 22.9 | 25.4 | 21.9 | 25.2 |
| ROAA | 12.3 | 9.4 | 7.9 | 8.4 | 9.0 |
| ROAE | 37.9 | 27.7 | 22.2 | 22.4 | 23.2 |
| Stability | | | | | |
| Gross Debt/Equity (%) | 209.1 | 193.4 | 180.6 | 165.3 | 157.5 |
| Net Debt/Equity (%) | 142.4 | 146.8 | 134.6 | 127.4 | 124.0 |
| Interest Coverage (x) | 17.3 | 14.8 | 10.6 | 14.0 | 14.0 |
| Interest & ST Debt Coverage (x) | 0.5 | 0.6 | 0.3 | 0.4 | 0.4 |
| Cash Flow Interest Coverage (x) | (0.9) | (4.5) | 6.2 | 6.1 | 0.2 |
| Cash Flow/Interest & ST Debt (x) | (0.0) | (0.2) | 0.2 | 0.2 | 0.0 |
| Current Ratio (x) | 1.8 | 2.4 | 2.0 | 2.0 | 2.1 |
| Quick Ratio (x) | 0.3 | 0.4 | 0.2 | 0.3 | 0.3 |
| Net Debt (Bt mn) | 10,711.5 | 14,724.0 | 15,353.2 | 16,105.2 | 17,999.4 |
| Per Share Data (Bt) | | | | | |
| EPS | 1.4 | 1.2 | 1.1 | 1.3 | 1.6 |
| Normalized EPS | 1.1 | 1.0 | 1.0 | 1.3 | 1.6 |
| CFPS | (0.1) | (0.5) | 0.7 | 0.7 | 0.0 |
| BVPS | 3.6 | 4.5 | 4.9 | 5.7 | 6.7 |
| SPS | 6.4 | 5.4 | 4.3 | 5.8 | 6.2 |
| EBITDA/Share | 1.9 | 1.7 | 1.2 | 1.6 | 1.8 |
| DPS | 0.4 | 0.5 | 0.5 | 0.6 | 0.6 |
| Activity | | | | | |
| Asset Turnover (x) | 0.6 | 0.4 | 0.3 | 0.4 | 0.4 |
| Days Receivables | 3.1 | 14.7 | 10.9 | 10.1 | 10.1 |
| Days Inventory | 854.2 | 1,188.7 | 1,355.8 | 1,063.6 | 1,150.1 |
| Days Payable | 110.3 | 135.5 | 166.3 | 146.0 | 146.0 |
| Cash Cycle | 747.0 | 1,067.8 | 1,200.4 | 927.7 | 1,014.2 |

Source: KGI Securities Research

Profit & Loss

| Year to Dec 31 (Bt mn) | 2018 | 2019 | 2020 | 2021F | 2022F |
|------------------------------|---------------|---------------|---------------|---------------|---------------|
| Revenue | 15,749 | 13,197 | 10,486 | 14,232 | 15,168 |
| Cost of Goods Sold | (8,611) | (6,934) | (6,308) | (8,525) | (8,932) |
| Gross Profit | 7,138 | 6,263 | 4,178 | 5,707 | 6,235 |
| Operating Expenses | (2,872) | (2,687) | (1,822) | (2,462) | (2,548) |
| Other Incomes | 262 | 455 | 432 | 541 | 576 |
| Operating Profit | 4,528 | 4,031 | 2,787 | 3,786 | 4,264 |
| Depreciation of fixed assets | (134) | (119) | (165) | (183) | (205) |
| Operating EBITDA | 4,662 | 4,161 | 2,968 | 3,980 | 4,481 |
| Non-Operating Income | 0 | 11 | 16 | 11 | 12 |
| Interest Income | 0 | 11 | 16 | 11 | 12 |
| Other Non-op Income | 0 | 0 | 0 | 0 | 0 |
| Non-Operating Expense | (262) | (273) | (263) | (271) | (306) |
| Interest Expense | (262) | (273) | (263) | (271) | (306) |
| Other Non-op Expense | 0 | 0 | 0 | 0 | 0 |
| Equity Income/(Loss) | (536) | (239) | 604 | 479 | 987 |
| Pretax Profit | 4,356 | 3,989 | 3,325 | 4,005 | 4,957 |
| Current Taxation | (981) | (848) | (560) | (793) | (893) |
| Minorities | 38 | 114 | 102 | 93 | 246 |
| Extraordinaries items | 627 | 459 | 181 | 0 | 0 |
| Net Profit | 3,338 | 3,027 | 2,662 | 3,119 | 3,817 |
| Normalized Profit | 2,711 | 2,569 | 2,481 | 3,119 | 3,817 |
| EPS (Bt) | 1.36 | 1.23 | 1.09 | 1.27 | 1.56 |
| Normalized EPS (Bt) | 1.11 | 1.05 | 1.01 | 1.27 | 1.56 |

Source: KGI Securities Research

Cash Flow

| Year to 31 Dec (Bt mn) | 2018 | 2019 | 2020 | 2021F | 2022F |
|-----------------------------|----------------|----------------|----------------|----------------|--------------|
| Operating Cash Flow | (247) | (1,217) | 1,622 | 1,651 | 55 |
| Net Profit | 3,338 | 3,027 | 2,662 | 3,119 | 3,817 |
| Depreciation & Amortization | 134 | 119 | 165 | 183 | 205 |
| Change in Working Capital | (3,666) | (4,256) | (522) | (1,264) | (3,227) |
| Others | | | | | |
| Investment Cash Flow | (1,226) | (1,788) | (561) | (1,135) | (423) |
| Net CAPEX | 254 | (710) | (38) | (486) | (423) |
| Change in LT Investment | (1,273) | (1,152) | (470) | 7 | 0 |
| Change in Other Assets | (133) | 63 | (463) | (55) | 0 |
| Free Cash Flow | (1,473) | (3,004) | 1,061 | 516 | (367) |
| Financing Cash Flow | 2,471 | 2,515 | (1,583) | 338 | 1,150 |
| Change in Share Capital | 477 | 39 | 0 | 0 | 0 |
| Net Change in Debt | 3,458 | 3,523 | 108 | 1,606 | 2,677 |
| Change in Other LT Liab. | 54 | (221) | (725) | (25) | 0 |
| Net Cash Flow | 999 | (489) | (522) | 854 | 783 |

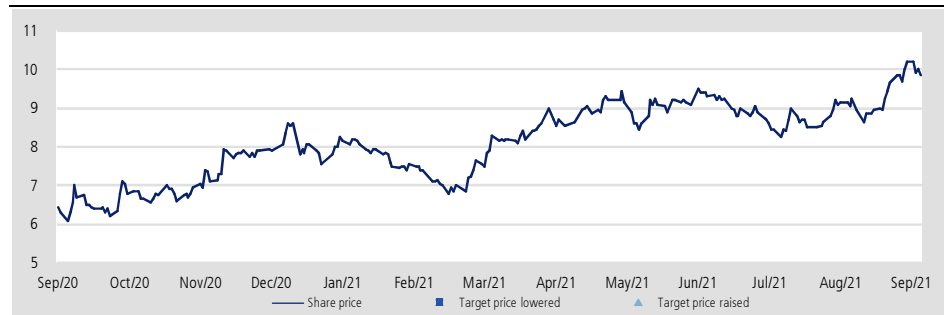
Source: KGI Securities Research

Rates of Return on Invested Capital

| Year | 1- | COGS Revenue | + | Depreciation Revenue | + | Operating Exp. Revenue | = | Operating Margin |
|-------|----|-------------------------|---|----------------------|---|------------------------|---|----------------------------------|
| 2018 | | 54.7% | | 0.9% | | 18.2% | | 26.2% |
| 2019 | | 52.5% | | 0.9% | | 20.4% | | 26.2% |
| 2020 | | 60.2% | | 1.6% | | 17.4% | | 20.9% |
| 2021F | | 59.9% | | 1.3% | | 17.3% | | 21.5% |
| Year | 1/ | Working Capital Revenue | + | Net PPE Revenue | + | Other Assets Revenue | = | Capital Turnover |
| 2018 | | 0.7 | | 0.0 | | 1.7 | | 0.4 |
| 2019 | | 1.2 | | 0.1 | | 2.3 | | 0.3 |
| 2020 | | 1.2 | | 0.2 | | 3.0 | | 0.2 |
| 2021F | | 1.0 | | 0.1 | | 2.5 | | 0.3 |
| Year | | Operating Margin | x | Capital Turnover | x | Cash Tax Rate | = | After-tax Return on Inv. Capital |
| 2018 | | 26.2% | | 0.4 | | 22.5% | | 2.5% |
| 2019 | | 26.2% | | 0.3 | | 21.3% | | 1.5% |
| 2020 | | 20.9% | | 0.2 | | 16.9% | | 0.8% |
| 2021F | | 21.5% | | 0.3 | | 19.8% | | 1.2% |


Source: KGI Securities Research


Origin Property - Recommendation & target price history



Source: KGI Securities Research

Corporate Governance Report of Thai Listed Companies

|  Companies with Excellent CG Scoring | | | | | |
|--|--------------------------------|--------|------------------------|---------|---|
| Stock | Company name | Stock | Company name | Stock | Company name |
| AAV | ASIA AVIATION | EGCO | ELECTRICITY GENERATING | PTTEP | PTT EXPLORATION AND PRODUCTION |
| ADVANC | ADVANCED INFO SERVICE | GFPT | GFPT | PTTGC | PTT GLOBAL CHEMICAL |
| AMA | AMA MARINE | GGC | GLOBAL GREEN CHEMICALS | PYLON | PYLON |
| AMATA | AMATA CORPORATION | GPSC | GLOBAL POWER SYNERGY | QH | QUALITY HOUSES |
| ANAN | ANANDA DEVELOPMENT | HANA | HANA MICROELECTRONICS | RATCH | RATCHABURI ELECTRICITY GENERATING HOLDING |
| AOT | AIRPORTS OF THAILAND | HMPRO | HOME PRODUCT CENTER | RS | RS |
| AP | ASIAN PROPERTY DEVELOPMENT | INTUCH | SHIN CORPORATION | SCB | THE SIAM COMMERCIAL BANK |
| BANPU | BANPU | IRPC | IRPC | SCC | THE SIAM CEMENT |
| BCP | THE BANGCHAK PETROLEUM | IVL | INDORAMA VENTURES | SCCC | SIAM CITY CEMENT |
| BCPG | BCPG | KBANK | KASIKORN BANK | SEAFECO | SEAFECO |
| BDMS | BANGKOK DUSIT MEDICAL SERVICES | KCE | KCE ELECTRONICS | SMPC | SAHAMITR PRESSURE CONTAINER |
| BEC | BEC WORLD | KKP | KIATNAKIN BANK | SPALI | SUPALAI |
| BEM | BANGKOK EXPRESSWAY AND METRO | KTG | KRUNG THAI BANK | SPRC | STAR PETROLEUM REFINING |
| BGRIM | B. GRIMM POWER | KTC | KRUNGTHAI CARD | SVI | SVI |
| BPP | BANPU POWER | LH | LAND AND HOUSES | TACC | T.A.C. CONSUMER |
| BTS | BTS GROUP HOLDINGS | LPN | L.P.N. DEVELOPMENT | TCAP | THANACHART CAPITAL |
| CENDEL | CENTRAL PLAZA HOTEL | MAKRO | SIAM MAKRO | THCOM | THAICOM |
| CK | CH. KARNCHANG | MBK | MBK | TISCO | TISCO FINANCIAL GROUP |
| CKP | CK POWER | MINT | MINOR INTERNATIONAL | TOP | THAI OIL |
| CPALL | CP ALL | MTC | MUANGTHAI CAPITAL | TRUE | TRUE CORPORATION |
| CPF | CHARDEN POKPHAND FOODS | PLANB | PLAN B MEDIA | TTB | TMBTHANACHART BANK |
| CPN | CENTRAL PATTANA | PSH | PRUKSA HOLDING | VGI | VGI GLOBAL MEDIA |
| DELTA | DELTA ELECTRONICS (THAILAND) | PTG | PTG ENERGY | WHA | WHA CORPORATION |
| DTAC | TOTAL ACCESS COMMUNICATION | PTT | PTT | WHAUP | |

|  Companies with Very Good CG Scoring | | | | | |
|--|-------------------------------------|--------|--------------------------|--------|----------------------------|
| Stock | Company name | Stock | Company name | Stock | Company name |
| BAM | BANGKOK COMMERCIAL ASSET MANAGEMENT | GULF | GULF ENERGY DEVELOPMENT | SAPPE | SAPPE |
| BBL | BANGKOK BANK | JMT | JMT NETWORK SERVICES | SAWAD | SIRISAWAD POWER 1979 |
| CBG | CARABAO GROUP | LPH | LADPRAO GENERAL HOSPITAL | SINGER | SINGER THAILAND |
| CHG | CHULARAT HOSPITAL | M | MK RESTAURANT GROUP | SPA | SIAM WELLNESS GROUP |
| COM7 | COM7 | MAJOR | MAJOR CINEPLEX GROUP | TFG | THAIFOODS GROUP |
| DOHOME | DOHOME | MEGA | MEGA LIFESCIENCES | TKN | TAOKAENOI FOOD & MARKETING |
| ERW | THE ERAWAN GROUP | NETBAY | NETBAY | ZEN | ZEN CORPORATION GROUP |
| GLOBAL | SIAM GLOBAL HOUSE | OSP | OSOTSPA | | |

|  Companies with Good CG Scoring | | | | | |
|---|------------------------|-------|-----------------|-------|-------------------------|
| Stock | Company name | Stock | Company name | Stock | Company name |
| BCH | BANGKOK CHAIN HOSPITAL | ESSO | ESSO (THAILAND) | SF | SIAM FUTURE DEVELOPMENT |
| BH | BUMRUNGRAD HOSPITAL | HUMAN | HUMANICA | SISB | SISB |
| EKH | EKACHAI MEDICAL CARE | RBF | R&B FOOD SUPPLY | TPCH | TPC POWER HOLDING |

| Companies classified Not in the three highest score groups | | | | | |
|---|--------------------------|-------|--|-------|-----------------------------|
| Stock | Company name | Stock | Company name | Stock | Company name |
| IIG | I&I GROUP | OR | PTT OIL AND RETAIL BUSINESS | STGT | SRI TRANG GLOVES (THAILAND) |
| KEX | KERRY EXPRESS (THAILAND) | STEC | SINO-THAI ENGINEERING AND CONSTRUCTION | | |

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of 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 assessment 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 or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

| Stock | Company name | Stock | Company name | Stock | Company name |
|--------|--------------------------------|--------|------------------------------|--------|---|
| ADVANC | ADVANCED INFO SERVICE | GLOBAL | SIAM GLOBAL HOUSE | QH | QUALITY HOUSES |
| ANAN | ANANDA DEVELOPMENT | GPSC | GLOBAL POWER SYNERGY | RATCH | RATCHABURI ELECTRICITY GENERATING HOLDING |
| BBL | BANGKOK BANK | HMPRO | HOME PRODUCT CENTER | ROBINS | ROBINSON DEPARTMENT STORE |
| BCH | BANGKOK CHAIN HOSPITAL | IRPC | IRPC | SCC | THE SIAM CEMENT |
| BDMS | BANGKOK DUSIT MEDICAL SERVICES | KBANK | KASIKORNBANK | SIRI | SANSIRI |
| BIGC | BIG C SUPERCENTER | KCE | KCE ELECTRONICS | SPALI | SUPALAI |
| CK | CH. KARNCHANG | KKP | KIATNAKIN BANK | STEC | SINO-THAI ENGINEERING AND CONSTRUCTION |
| DCC | DYNASTY CERAMIC | KTB | KRUNG THAI BANK | TCAP | THANACHART CAPITAL |
| DELTA | DELTA ELECTRONICS (THAILAND) | LPH | LADPRAO GENERAL HOSPITAL | TISCO | TISCO FINANCIAL GROUP |
| DRT | DIAMOND ROOFING TILES | PACE | PACE DEVELOPMENT CORPORATION | TMT | THAI METAL TRADE |
| EGCO | ELECTRICITY GENERATING | PTT | PTT | TOP | THAI OIL |
| GFPT | GFPT | PTTGC | PTT GLOBAL CHEMICAL | | |

Level 4: Certified

| Stock | Company name | Stock | Company name | Stock | Company name |
|--------|----------------------------|--------|--------------------------------|--------|----------------------------|
| AAV | ASIA AVIATION | ERW | THE ERWAN GROUP | SAPPE | SAPPE |
| AP | ASIAN PROPERTY DEVELOPMENT | GLOW | GLOW ENERGY | SAWAD | SRISAWAD POWER 1979 |
| BA | BANGKOK AIRWAYS | GUNKUL | GUNKUL ENGINEERING | SCB | THE SIAM COMMERCIAL BANK |
| BANPU | BANPU | ILINK | INTERLINK COMMUNICATION | SCN | SCAN INTER |
| BCP | THE BANGCHAK PETROLEUM | KTC | KRUNGTHAI CARD | SEAFCO | SEAFCO |
| BH | BUMRUNGRAD HOSPITAL | LH | LAND AND HOUSES | SVI | SVI |
| BJCHI | BJC HEAVY INDUSTRIES | LPN | L.P.N. DEVELOPMENT | TASCO | TIPCO ASPHALT |
| CBG | CARABAO GROUP | MAKRO | SIAM MAKRO | TKN | TAOKAENOI FOOD & MARKETING |
| CENDEL | CENTRAL PLAZA HOTEL | MALEE | MALEE SAMPRAN | TMB | TMB BANK |
| CHG | CHULARAT HOSPITAL | MINT | MINOR INTERNATIONAL | TRT | TIRATHAI |
| CKP | CK POWER | MODERN | MODERNFORM GROUP | TRUE | TRUE CORPORATION |
| CPF | CHAROEN POKPHAND FOODS | NOK | NOK AIRLINES | TVO | THAI VEGETABLE OIL |
| CPN | CENTRAL PATTANA | PTTEP | PTT EXPLORATION AND PRODUCTION | | |
| DTAC | TOTAL ACCESS COMMUNICATION | PYLON | PYLON | | |

Level 3: Established

| Stock | Company name | Stock | Company name | Stock | Company name |
|-------|------------------------------|-------|-------------------|-------|-------------------------|
| BEM | BANGKOK EXPRESSWAY AND METRO | MTLS | MUANGTHAI LEASING | SPRC | STAR PETROLEUM REFINING |
| CPALL | CP ALL | SCI | SCI ELECTRIC | | |

No progress

| Stock | Company name | Stock | Company name | Stock | Company name |
|-------|----------------------|-------|--------------------|-------|-------------------|
| AOT | AIRPORTS OF THAILAND | BPP | BANPU POWER | FN | FN FACTORY OUTLET |
| BCPG | BCPG | BTS | BTS GROUP HOLDINGS | TPCH | TPC POWER HOLDING |

Source: www.cgthailand.org

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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KGI's Ratings

| Rating | Definition |
|-------------------|---|
| Outperform (OP) | The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan).. |
| Neutral (N) | The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan) |
| Under perform (U) | The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan). |
| Not Rated (NR) | The stock is not rated by KGI. |
| Restricted (R) | KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. <i>Excess return = 12M target price/current price-</i> |
| Note | When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically. |

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