

### COMPANY UPDATE

## Origin Property (ORI TB)

Cautious Outlook; Management Lowers Presales Target and Project Launches Amid Headwinds

Management remains cautious about the residential market, lowering its presales target and scaling back on project launches for 2024. 4Q24 earnings are expected to improve from a low base, supported by newly completed projects. However, challenges in the residential sector will persist in 2025, compounded by a tight financial position, and prompting a more conservative stance on new project launches. We recommend waiting for new catalysts. Maintain HOLD. Target price: Bt4.10.

### WHAT'S NEW

- Analyst meeting after 3Q24 results.** We attended Origin Property's (ORI) analyst meeting to review its 3Q24 results and obtain an update on its business outlook.

### STOCK IMPACT

- Revised down presales target in 2024.** The company has lowered its 2024 presales target to Bt35b from Bt40b (-13%) due to weak presales of Bt26.8b in 9M24 (-27% yoy). This underperformance underscores significant challenges in the residential market, including subdued demand and a reduction in project launches.
- More conservative on launching projects.** Management remains cautious about market conditions and has adopted a more conservative approach to project launches while awaiting market recovery. ORI has reduced its 2024 launch plan by 34% from Bt37b to Bt24.5b; these comprise Bt14.5b in the condo segment and Bt10b in the low-rise segment. For 2025, we expect project launches to remain similar to that in 2024 a Bt25b-28b, as the company focuses more on reducing inventories.
- 4Q24 earnings outlook.** In 4Q24, we expect earnings to improve from a low base, up yoy and qoq, underpinned by newly-completed projects including one ORI project and three JV projects. The key projects during the quarter are SO PHAHOL 69, Knightsbridge Space Sukhumvit-Rama4, and Origin Plug & Play Sirindhorn Station. Meanwhile, we expect gross margin to be compressed slightly qoq due to more aggressive promotional campaigns being carried out.
- Announces interim dividend.** ORI announced an interim dividend of Bt0.021 per share from retained earnings (ex-dividend date: 28 Nov 24), offering a modest yield of 0.5%. This reflects the company's tight financial position, with a high interest-bearing debt-to-equity ratio of 1.7x as of 3Q24.

### KEY FINANCIALS

Year to 31 Dec (Btm)	2022	2023	2024F	2025F	2026F
Net turnover	14,397	13,866	11,432	13,222	14,184
EBITDA	4,089	3,627	2,471	2,691	2,868
Operating profit	3,789	3,106	1,807	2,007	2,163
Net profit (rep./act.)	3,775	2,718	1,748	1,753	1,888
Net profit (adj.)	2,613	1,657	766	1,033	1,168
EPS (Bt)	1.1	0.7	0.3	0.4	0.5
PE (x)	4.0	6.3	13.5	10.0	8.9
P/B (x)	0.6	0.5	0.5	0.5	0.5
EV/EBITDA (x)	11.0	12.4	18.2	16.7	15.6
Dividend yield (%)	17.1	10.9	6.7	6.8	7.3
Net margin (%)	26.2	19.6	15.3	13.3	13.3
Net debt/(cash) to equity (%)	104.8	171.5	167.9	158.4	149.5
Interest cover (x)	11.8	9.8	4.6	5.0	5.4
ROE (%)	22.8	14.6	9.2	9.0	9.1
Consensus net profit	-	-	1,868	1,886	2,134
UOBKH/Consensus (x)	-	-	0.41	0.55	0.55

Source: Origin Property, Bloomberg, UOB Kay Hian

## HOLD

(Maintained)

Share Price	Bt4.22
Target Price	Bt4.10
Upside	-2.8%
(Previous TP	Bt4.80)

### COMPANY DESCRIPTION

Origin Property is a development company that covers the entire real estate industry and businesses related to real estate.

### STOCK DATA

GICS sector	Real Estate
Bloomberg ticker:	ORI TB
Shares issued (m):	2,454.1
Market cap (Btm):	10,502.1
Market cap (US\$m):	303.1
3-mth avg daily t'over (US\$m):	1.5

### Price Performance (%)

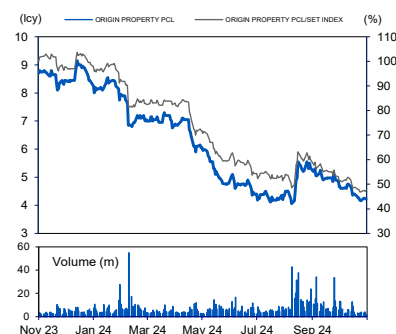
52-week high/low	Bt10.80/Bt4.12			
<b>1mth</b>	<b>3mth</b>	<b>6mth</b>	<b>1yr</b>	<b>YTD</b>
(13.2)	(2.8)	(30.2)	(51.2)	(50.1)

### Major Shareholders

	%
Mr. Peerapong Jaroon-ek	29.7
Peerada Capital Co.,Ltd	25.2
Mrs. Arada Jaroon-ek	10.7

FY24 NAV/Share (Bt)	7.85
FY24 Net Debt/Share (Bt)	13.47

### PRICE CHART



Source: Bloomberg

### ANALYST(S)

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### 3Q24 RESULTS RECAP

Year to 31 Dec (Btm)	3Q23	2Q24	3Q24	yoy %	qoq %	9M23	9M24	yoy %
Revenue	4,785	3,052	2,676	(44.1)	(12.3)	11,626	8,467	(27.2)
Operating EBIT	1,194	409	424	(64.5)	3.6	3,370	1,473	(56.3)
Equity income	-138	44	22	115.9	(50.2)	233	113	(51.3)
Core profit	598	183	199	(66.7)	8.4	1,815	485	(73.3)
Net profit	725	452	402	(44.5)	(11.0)	2,396	1,318	(45.0)
Percent	3Q23	2Q24	3Q24	yoy ppt	qoq ppt	9M23	9M24	yoy %
Gross margin	41.3	33.7	38.9	(2.4)	5.2	48.4	39.8	(8.6)
SG&A to sales	16.3	20.3	23.1	6.7	2.8	1.3	4.0	2.7
EBIT margin	25.0	13.4	15.8	(9.1)	2.4	29.0	17.4	(11.6)
Net margin	15.1	14.8	15.0	(0.1)	0.2	20.6	15.6	(5.0)

Source: Origin Property, UOB Kay Hian

- **3Q24 earnings decrease yoy and qoq.** ORI reported a net profit of Bt402m for 3Q24 (-45% yoy, -11% qoq). In 3Q24, revenue came in at Bt2.7b (-44% yoy, -12% qoq), mainly impacted by lower residential transfers (ORI projects) and reduced management fees. Overall gross margin was at 38.9%, down 240bp yoy but up 520bp qoq following a change in product mix. Transfer activities, including JV projects, totalled Bt3.9b (-38% yoy, +7% qoq). ORI also recorded a Bt231m gain from the disposal of investments in subsidiaries (two condominium projects and one housing project), which declined yoy and qoq.

### EARNINGS REVISION

Year to 31 Dec (Btm)	2024			2025F		
	New	Old	Chg.	New	Old	Chg.
Sales and services	11,432	12,058	-5.2%	13,222	14,350	-7.9%
Gross profit	4,569	5,304	-13.9%	4,943	6,093	-18.9%
Operating profit	1,807	2,266	-20.2%	2,007	2,721	-26.3%
Core Profit	754	1,026	-26.5%	969	1,340	-27.7%
Net profit	1,748	2,012	-13.1%	1,753	2,098	-16.4%

Source: UOB Kay Hian

### EARNINGS REVISION/RISK

- We revise down 2024-25 earnings by 13% and 16% respectively to reflect lower-than-expected performance and more conservative assumptions for revenue and gross margin.

### VALUATION/RECOMMENDATION

- **Maintain HOLD with a lower target price of Bt4.10.** Our earnings revision resulted in a lower target price, based on 5.7x 2025F PE or about 2SD below its five-year historical mean. The residential business remains challenging, impacted by weaker purchasing power among homebuyers. Management has adopted a more conservative strategy.

### SHARE PRICE CATALYST

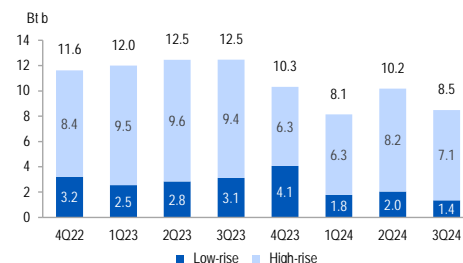
- a) Better-than-expected presales and faster-than-expected unit transfers, and b) improvement in gross margin and SG&A-to-sales-ratio.

### ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

<b>CG Report: 5</b>
<b>SET ESG Rating: AA</b>
<ul style="list-style-type: none"> <li>• <b>Environmental</b></li> <li>- ORI has implemented policies and guidelines to ensure energy conservation and environmental protection throughout its business operations.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Social</b></li> <li>- ORI has a human rights policy aligned with international standards, promoting fair labour practices in all aspects of employment. It supports global Sustainable Development Goals and fosters a family-like work environment.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Governance</b></li> <li>- The company follows the Stock Exchange of Thailand and SEC guidelines, including the ASEAN CG Scorecard, to ensure good corporate governance. This approach promotes efficiency, transparency, and fairness to all stakeholders.</li> </ul>

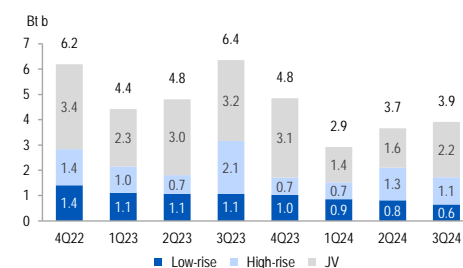
Source: Origin Property, UOB Kay Hian

### QUARTERLY PRESALES



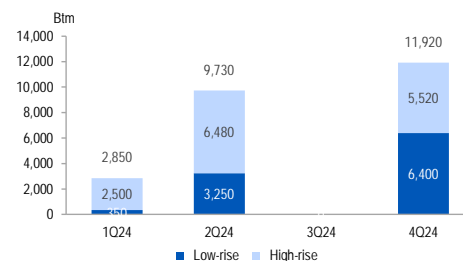
Source: ORI, UOB Kay Hian

### QUARTERLY TRANSFERS



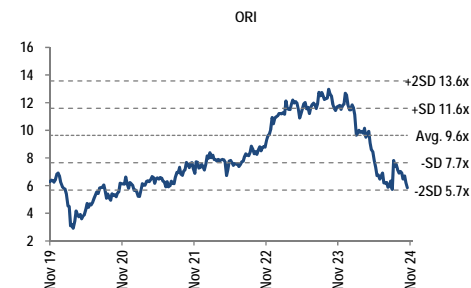
Source: ORI, UOB Kay Hian

### 2024 LAUNCH PLAN



Source: ORI, UOB Kay Hian

### PE BAND



Source: Bloomberg, UOB Kay Hian

### PROFIT & LOSS

Year to 31 Dec (Btm)	2023	2024F	2025F	2026F
Net turnover	13,866	11,432	13,222	14,184
EBITDA	3,627	2,471	2,691	2,868
Deprec. & amort.	521	664	684	705
EBIT	3,106	1,807	2,007	2,163
Total other non-operating income	1,201	1,242	980	980
Associate contributions	30	100	130	150
Net interest income/(expense)	(370)	(535)	(533)	(533)
<b>Pre-tax profit</b>	<b>3,968</b>	<b>2,614</b>	<b>2,583</b>	<b>2,760</b>
Tax	(808)	(530)	(491)	(522)
Minorities	(442)	(337)	(340)	(350)
<b>Net profit</b>	<b>2,718</b>	<b>1,748</b>	<b>1,753</b>	<b>1,888</b>
Net profit (adj.)	1,657	766	1,033	1,168

### CASH FLOW

Year to 31 Dec (Btm)	2023	2024F	2025F	2026F
<b>Operating</b>	<b>(5,683)</b>	<b>3,262</b>	<b>3,884</b>	<b>3,163</b>
Pre-tax profit	3,968	2,614	2,583	2,760
Tax	(808)	(530)	(491)	(522)
Deprec. & amort.	521	664	684	705
Working capital changes	(10,725)	729	844	655
Non-cash items	1,362	(216)	263	(435)
<b>Investing</b>	<b>(5,990)</b>	<b>(828)</b>	<b>(3,040)</b>	<b>(2,383)</b>
Capex (growth)	(3,319)	(949)	(887)	(884)
Investments	(2,868)	(639)	(2,368)	(1,615)
Others	197	760	215	115
<b>Financing</b>	<b>9,983</b>	<b>(1,093)</b>	<b>(700)</b>	<b>(728)</b>
Dividend payments	(1,791)	(914)	(700)	(728)
Issue of shares	0	0	0	0
Proceeds from borrowings	11,979	641	0	0
Others/interest paid	(204)	(821)	0	0
<b>Net cash inflow (outflow)</b>	<b>(1,689)</b>	<b>1,340</b>	<b>144</b>	<b>52</b>
<b>Beginning cash &amp; cash equivalent</b>	<b>3,183</b>	<b>1,493</b>	<b>2,834</b>	<b>2,978</b>
<b>Ending cash &amp; cash equivalent</b>	<b>1,493</b>	<b>2,834</b>	<b>2,978</b>	<b>3,029</b>

### BALANCE SHEET

Year to 31 Dec (Btm)	2023	2024F	2025F	2026F
Fixed assets	6,471	6,755	6,959	7,138
Other LT assets	11,609	11,442	13,886	15,542
Cash/ST investment	1,493	2,834	2,978	3,029
Other current assets	45,658	44,892	43,766	43,263
<b>Total assets</b>	<b>65,230</b>	<b>65,924</b>	<b>67,589</b>	<b>68,971</b>
ST debt	14,255	14,435	14,155	13,556
Other current liabilities	8,072	7,819	7,801	7,518
LT debt	19,903	20,363	20,643	21,242
Other LT liabilities	1,904	1,858	2,149	2,305
Shareholders' equity	19,051	19,064	20,117	21,277
Minority interest	2,047	2,384	2,724	3,074
<b>Total liabilities &amp; equity</b>	<b>65,230</b>	<b>65,924</b>	<b>67,589</b>	<b>68,971</b>

### KEY METRICS

Year to 31 Dec (%)	2023	2024F	2025F	2026F
<b>Profitability</b>				
EBITDA margin	26.2	21.6	20.3	20.2
Pre-tax margin	28.6	22.9	19.5	19.5
Net margin	19.6	15.3	13.3	13.3
ROA	4.8	2.7	2.6	2.8
ROE	14.6	9.2	9.0	9.1
<b>Growth</b>				
Turnover	(3.7)	(17.6)	15.7	7.3
EBITDA	(11.3)	(31.9)	8.9	6.6
Pre-tax profit	(23.1)	(34.1)	(1.2)	6.8
Net profit	(28.0)	(35.7)	0.3	7.7
Net profit (adj.)	(36.6)	(53.8)	34.8	13.1
EPS	(36.6)	(53.8)	34.8	13.1
<b>Leverage</b>				
Debt to total capital	61.8	61.9	60.4	58.8
Debt to equity	179.3	182.7	173.1	163.7
Net debt/(cash) to equity	171.5	167.9	158.4	149.5
Interest cover (x)	9.8	4.6	5.0	5.4

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