

# ORIGIN PROPERTY PLC

No. 69/2025  
6 May 2025

## CORPORATES

<b>Company Rating:</b>	BBB+
<b>Issue Ratings:</b>	
Senior unsecured	BBB+
<b>Outlook:</b>	Negative

**Last Review Date:** 03/04/25

### Company Rating History:

Date	Rating	Outlook/Alert
03/04/25	BBB+	Alert Negative
24/03/22	BBB+	Stable
30/04/21	BBB	Positive
05/04/19	BBB	Stable
03/08/18	BBB-	Positive
29/09/17	BBB-	Stable
23/05/17	BBB-	Alert Developing
12/09/16	BBB-	Stable

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## RATIONALE

TRIS Rating replaces the “negative” CreditAlert on Origin Property PLC (ORI) with a “negative” rating outlook. At the same time, TRIS Rating affirms the company rating on ORI and the ratings on its outstanding senior unsecured debentures at “BBB+”. In addition, TRIS Rating assigns a rating of “BBB+” to ORI’s proposed issue of up to THB2 billion senior unsecured debentures due within five years. Proceeds from the new debenture will be used to repay some of the company’s existing loans and/or fund business expansion.

The “negative” outlook reflects ORI’s weaker-than-expected operating performance and the uncertainty surrounding the recovery of its operations, following the adverse impacts of the recent earthquake and the slowdown in the domestic economy amid ongoing global trade tensions. These challenges persist despite supportive measures, such as the relaxation of loan-to-value (LTV) regulations by the Bank of Thailand (BOT) and the reduction of property transfer and mortgage fees to 0.01% for housing units under THB7 million.

The ratings on ORI continue to reflect its acceptable market position in the residential property industry, a substantial backlog, and high financial leverage. Additionally, the ratings take into consideration lower profitability due to intense market competition and the sluggish growth in housing sales, which are impacted by concerns over elevated household debt levels and high mortgage rejection rates.

## KEY RATING CONSIDERATIONS

### Weaker-than-expected operating performance

ORI’s operating performance in 2024 was weaker than TRIS Rating’s projections. The company’s operating revenue totaled THB11 billion, representing 76% of our forecast and a 22% decrease from the previous year. The decline was mainly due to delays in the construction and subsequent transfers of certain condominium projects, as well as high mortgage rejection rates.

Due to heightened competition, ORI’s gross profit margin declined to 39% in 2024 from 46.8% in 2023. Additionally, the company had to set aside an allowance for expected credit losses on project management receivables, amounting to around THB626 million, due to prolonged delays in the launches of certain joint venture (JV) projects. As a result, ORI’s EBITDA margin declined to 31.1%, down from 38.5% in 2023.

Looking forward, we anticipate that the recent earthquake may add further pressure to an already subdued residential market and weigh on the company’s condominium sales over the next one to two years. However, landed property sales are expected to gradually improve, supported by government stimulus measures and a potential shift in preference of some homebuyers toward landed properties.

### Sizable backlog to support revenue over the next three years

Despite the negative impacts of the recent earthquake, ORI’s operating revenue is expected to sustain at around THB11-THB14 billion annually during 2025-2027, driven by the company’s substantial backlog. Shares of profit from investments in JV projects are expected to be around THB0.4-THB0.9 billion per annum during 2025-2027. ORI expects to earn management fee income

from JV projects of approximately THB0.8-THB1.2 billion annually over the next three years. Thus, its EBITDA is expected to improve to a range of THB4.0-THB4.8 billion per annum over the forecast period.

At the end of 2024, ORI's total backlog was valued at around THB44.6 billion, consisting of THB22.5 billion from its own projects and THB22 billion from JV projects. Revenue from residential units of owned projects is projected to be approximately THB7.2 billion in 2025, THB9.6 billion in 2026, and THB5.4 billion in 2027, with the rest in 2028. Backlog from JV projects worth around THB10.7 billion is projected to be transferred to customers in 2025, with a further THB7.8 billion in 2026, and the remainder in 2027. Additionally, at the end of 2024, ORI's total units available for sale (both built and un-built) carried a value of around THB79 billion, comprising its own projects (64%) and JV projects (36%). In 2025, the company plans to launch residential property projects (including JV projects) worth THB20 billion, comprising THB7.5 billion in landed property projects and THB12.5 billion in condominium projects.

#### **Acceptable market position in residential property**

The ratings on ORI are supported by its acceptable position in the residential property market. Residential property sales, including sales from both the company's own projects and JVs, grew steadily during 2020-2023. ORI's presales, including JV projects, peaked at THB28 billion in 2023, up 7% from 2022. Condominium presales totaled THB21.9 billion, increasing by 8% year-on-year (y-o-y), while sales of landed properties under Britannia PLC (BRI) rose to THB6.3 billion in 2023, up by 2% y-o-y. However, due to a sluggish market and intensified competition in 2024, condominium presales dropped to THB11.7 billion while landed property sales fell to THB3.4 billion, representing a 45%-46% y-o-y decline for both product segments. Despite the significant decrease in sales, ORI's earnings, as measured by EBITDA, still ranked in the top five among property developers listed on the Stock Exchange of Thailand (SET) in 2024.

Additionally, the company is expanding into major upcountry provinces, particularly Chonburi, Rayong, Khon Kaen, and Phuket, achieving satisfactory sales performance. Sales in provincial markets reached approximately THB5 billion annually in 2023-2024, up from THB3.3 billion in 2022. Growth in these provincial markets is expected to support the company's long-term expansion.

#### **Recurring income from other businesses remains modest**

ORI's recurring income from other businesses is projected to be around THB1.0-THB1.2 billion per year over the next three years, accounting for around 9%-10% of total operating revenue. ORI's revenues from other businesses include rendering services revenues under Primo Service Solutions PLC (PRI) and rental and hospitality revenues under Origin Hotel PLC (formerly known as One Origin PLC). Currently, the company's commercial real estate portfolio (including JV projects) comprises 11 hotels with a total of 2,657 rooms and 7,000 square meters (sq.m.) of retail space. Additionally, an office building under a JV project, with approximately 32,200 sq.m. of leasable space, is scheduled for completion in the third quarter of 2025. However, the company plans to postpone the development of new pipeline projects to avoid further increasing its debt burden.

ORI has also partnered with SCGJWD Logistics PLC (SJWD) to set up Alpha Industrial Solutions Co., Ltd. (ALPHA), to operate a warehouse and logistics business. At the end of 2024, ALPHA had 258,981 sq.m. of leasable warehouse space, with an average occupancy rate of 96%. ALPHA plans to sell leased warehouse assets to a real estate investment trust (REIT) in line with its exit strategy. Furthermore, ORI has invested in several other businesses, including asset management, health and wellness, and energy businesses. These new ventures are still in the early stages and their success remains uncertain. In our view, successful diversification into these sectors would broaden ORI's business mix and enhance earnings stability over the long term.

#### **High financial leverage, but improvement anticipated**

Due to its aggressive expansion in the past few years, ORI's debt to capitalization ratio rose sharply to 65%-67% during 2023-2024, from only 55% in 2022. ORI's total outstanding debt in 2024, including 51% of JV debt, increased to THB44.7 billion, up from THB28.5 billion at the end of 2022. Meanwhile, the funds from operations (FFO) to debt ratio declined to 1.4%, down from 5.9% in 2023 and well below our 5% threshold. The surge in debt was primarily driven by significant investments in land and fixed assets, the launch of numerous new residential projects in 2023, and the slowdown in the residential property market in 2024. However, we expect ORI's leverage to gradually decrease as the company plans to divest equity stakes in its own projects to JV partnerships. In addition, ORI intends to sell its investments in certain hotels, in order to reduce its debt burden.

Under our base-case scenario, we expect ORI's debt to capitalization ratio will gradually decrease to below 60% by 2026. We also expect its FFO to debt ratio to gradually increase to 5% by the end of 2026. Our projections assume that ORI will launch residential projects worth THB20 billion per annum during 2025-2027, with 60% of the projects to be developed under JVs. Given the company's plan to develop multiple landed property projects with landlords, the budget for new land acquisitions is expected to decline significantly to around THB0.7-THB1.2 billion per annum over the next three years.

The financial covenants on its bank loans and debentures require ORI to maintain its net interest-bearing debt to equity ratio below 2.5 times. The ratio at the end of 2024 was 1.6 times. In our view, ORI should have no problem complying with the financial covenants over the next 12-18 months.

### **Tight but manageable liquidity**

We assess that ORI's liquidity is tight but should remain manageable over the next 12 months. At the end of 2024, ORI had THB13.7 billion maturing debts over the following 12 months, comprising THB3.1 billion short-term loans, THB6.3 billion debentures, THB4.0 billion project loans, and THB0.3 billion financial leases. Short-term loans are mostly for working capital and bridging loans for land purchases which are expected to be converted to project loans over time. We expect project loans to be repaid with internally generated cash from the transfers of residential units. The company plans to refinance maturing debentures with new debenture issuances.

Its sources of funds comprised cash on hand of THB1.4 billion and THB1.0 billion in undrawn committed credit facilities. ORI's FFO over the next 12 months are projected to be THB1.2-THB1.3 billion. The company also had unencumbered assets worth around THB15.2 billion, which can be pledged as collateral for new loans, if needed. Due to its relatively large amount of short-term debt, we expect the company to carefully manage its liquidity.

### **Debt structure**

At the end of December 2024, ORI's consolidated debt, excluding lease liabilities, was THB35 billion. Its priority debt was THB18.9 billion, comprising secured debt owed by ORI and all borrowings incurred by its subsidiaries. The priority debt ratio was 54%, exceeding our 50% threshold for downgrading senior unsecured debt ratings. However, ORI intends to reduce its priority debt over the next 12 months by divesting shares of its own projects to joint ventures, repaying certain bank loans with proceeds from senior unsecured debentures, and increasing BRI's capital to reduce subsidiary debt. As a result, the rating on ORI's senior unsecured debentures remains at the same level as the company rating. If the priority debt ratio continues to exceed 50%, the rating for senior unsecured debt may be downgraded by one notch below the issuer rating. This is due to the disadvantages faced by senior unsecured debt creditors regarding claims on the company's assets.

### **BASE-CASE ASSUMPTIONS**

- Residential property project launches worth THB20 billion yearly during 2025-2027, with projects launches under JVs accounting for around 60% of the total.
- Revenue of THB11-THB14 billion per annum during 2025-2027. Shared profits from JV investments will amount to THB0.4-THB0.9 billion annually, as JVs are expected to deliver condominium units worth around THB8-THB12 billion per annum over the next three years.
- Land acquisitions for its own projects are budgeted at THB0.7-THB1.2 billion yearly over the next three years.
- EBITDA margin to sustain at around 33%-34%.

### **RATING OUTLOOK**

The "negative" outlook reflects ORI's weaker-than-expected operating performance and the uncertainty surrounding the recovery of its operations, following the adverse impacts of the recent earthquake and the slowdown in the domestic economy amid ongoing global trade tensions.

### **RATING SENSITIVITIES**

The outlook could be revised to "stable" if the company enhances its profitability and reduces its leverage, leading to a debt to capitalization ratio below 60% and an FFO to debt ratio above 5%. Conversely, the ratings could be downgraded should operating performance or financial leverage deteriorate from our base-case forecast.

### **COMPANY OVERVIEW**

ORI was established in 2009 by the Jaroon-ek family. The company became a public company in November 2014 and was listed on the SET in October 2015. After the initial public offering, the Jaroon-ek family continued to be ORI's largest shareholder, holding a 65.6% stake in the company as of March 2025.

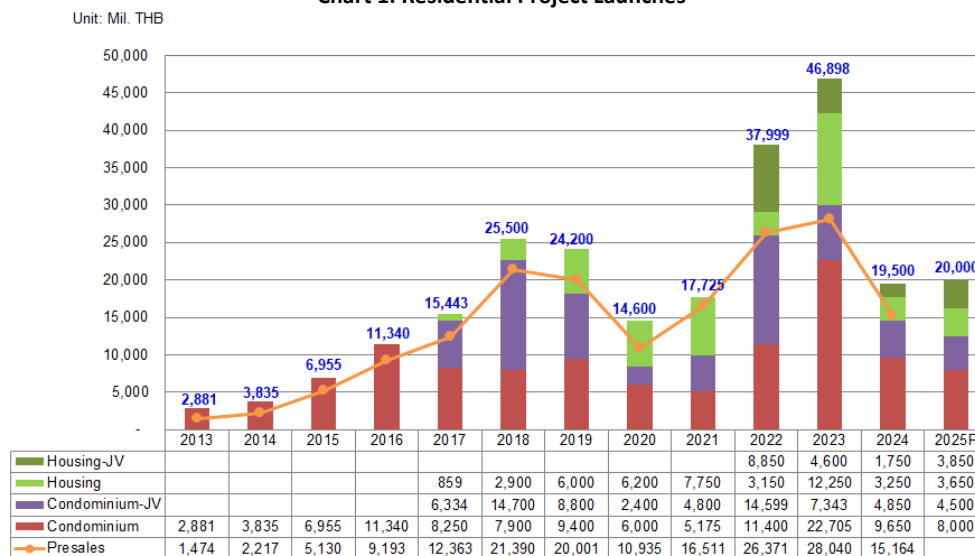
ORI focuses on the residential property development business. The company's condominium projects are developed under "The Origin", "Origin Play", "Origin Place", "So Origin", and "Park Origin" brands. Its condominium products cover the low-to high-end segments, with selling prices ranging from THB50,000 to more than THB200,000 per square meter. Most of its condominium projects are located in Bangkok and its vicinity, Chonburi, and Rayong. The company recently expanded to Phuket, Nakhon Ratchasima, Ubon Ratchathani, Khon Kaen, and Phuket.

ORI began diversifying into the landed property sector in 2017 through its subsidiary, Britania PLC (BRI). ORI's single detached house (SDH) brands include: "Britania", "Grand Britania", "Belgravia", and "Branded Residence Villa", with unit prices from THB4-THB60 million. Its townhouse projects are developed under brand names like "Brighton", with selling prices of THB2.5-THB4.0 million per unit. At the end of 2024, ORI's own existing and ongoing projects consisted of 44 condominium projects with a total project value of THB87 billion, 32 landed property projects with a total project value of THB41 billion, and three commercial properties with a combined project value of THB2.6 billion.

Besides its own projects, ORI has expanded launches of residential and commercial property projects by joining hands with strategic partners in JVs, primarily Nomura Real Estate Development Co., Ltd. (NRED), a Japanese property developer. At the end of 2024, existing and ongoing projects under JVs consisted of 28 condominium projects with a total project value of THB63 billion, ten landed property projects with a total project value of THB15 billion, and eight commercial properties with a combined project value of THB7 billion.

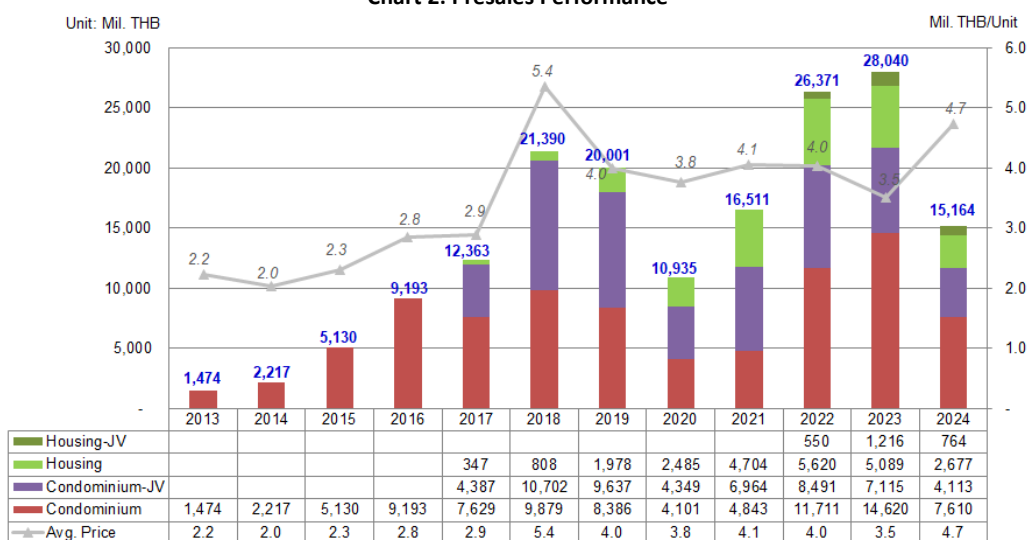
## KEY OPERATING PERFORMANCE

**Chart 1: Residential Project Launches**

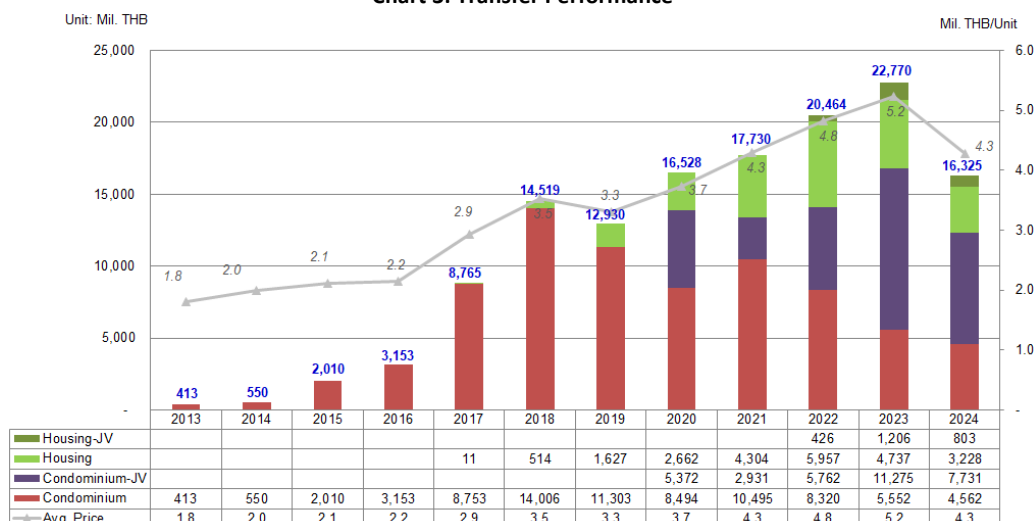


Source: ORI

**Chart 2: Presales Performance**



Source: ORI

**Chart 3: Transfer Performance**


Source: ORI

## FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS\*

Unit: Mil. THB

	-----Year Ended 31 December -----				
	2024	2023	2022	2021	2020
Total operating revenues	10,923	14,006	14,536	15,260	10,917
Earnings before interest and taxes (EBIT)	2,654	4,827	5,673	5,068	3,916
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	3,392	5,393	5,994	5,330	4,129
Funds from operations (FFO)	620	2,713	3,923	3,397	2,668
Adjusted interest expense	1,935	1,448	878	1,011	896
Real estate development investments	35,398	35,916	26,361	22,874	23,458
Total assets	64,809	65,230	48,091	35,398	33,694
Adjusted debt	42,830	39,456	24,873	18,709	19,104
Adjusted equity	21,282	21,098	19,933	14,937	11,373
<b>Adjusted Ratios</b>					
EBITDA margin (%)	31.1	38.5	41.2	34.9	37.8
Pretax return on permanent capital (%)	4.1	8.7	13.5	15.1	12.6
EBITDA interest coverage (times)	1.8	3.7	6.8	5.3	4.6
Debt to EBITDA (times)	12.6	7.3	4.1	3.5	4.6
FFO to debt (%)	1.4	6.9	15.8	18.2	14.0
Debt to capitalization (%)	66.8	65.2	55.5	55.6	62.7

\* Consolidated financial statements

## RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Homebuilders and Real Estate Developers Rating Methodology, 12 January 2023
- Group Rating Methodology, 7 September 2022
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

## Origin Property PLC (ORI)

<b>Company Rating:</b>	BBB+
<b>Issue Ratings:</b>	
ORI259A: THB982.2 million senior unsecured debentures due 2025	BBB+
ORI259B: THB1,000 million senior unsecured debentures due 2025	BBB+
ORI263A: THB1,200 million senior unsecured debentures due 2026	BBB+
ORI263B: THB935 million senior unsecured debentures due 2026	BBB+
ORI267A: THB2,067.9 million senior unsecured debentures due 2026	BBB+
ORI269A: THB714.7 million senior unsecured debentures due 2026	BBB+
ORI271A: THB780.5 million senior unsecured debentures due 2027	BBB+
ORI273A: THB700 million senior unsecured debentures due 2027	BBB+
ORI273B: THB454.4 million senior unsecured debentures due 2027	BBB+
ORI275A: THB941.7 million senior unsecured debentures due 2027	BBB+
ORI277A: THB955.6 million senior unsecured debentures due 2027	BBB+
ORI278A: THB317.4 million senior unsecured debentures due 2027	BBB+
ORI27NA: THB623.3 million senior unsecured debentures due 2027	BBB+
ORI282A: THB430.3 million senior unsecured debentures due 2028	BBB+
ORI282B: THB373.7 million senior unsecured debentures due 2028	BBB+
ORI284B: THB222.7 million senior unsecured debentures due 2028	BBB+
ORI288A: THB454.9 million senior unsecured debentures due 2028	BBB+
ORI292A: THB671.9 million senior unsecured debentures due 2029	BBB+
ORI294B: THB259.3 million senior unsecured debentures due 2029	BBB+
Up to THB2,000 million senior unsecured debentures due within 5 years	BBB+
<b>Rating Outlook:</b>	Negative

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