

# Origin Energy Limited ORG

**Mkt Cap \$Mil**  
\$9,749

**Style Box™**  
[Style Box Icon]

**Close Price \$**  
5.56 (23-Aug-2016)

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**Business Summary** as at 01 Oct 2015

Origin Energy (ORG) is an integrated energy company focused on gas and oil exploration and production, power generation and energy retailing in Australia. Its key operating segments include oil & gas exploration and production, LNG operation, energy retailing and power generations. It also conducts the business in New Zealand through a 53.09% investment in Contact Energy.

**Exploration & Production:** ORG operates several offshore exploration permits in Australia, New Zealand and the Pacific and has a portfolio of onshore gas producing facilities. Production basins include SA Cooper & SWQ, Otway, Bass, Surat, Perth, and Taranaki (Onshore and Kupe).

**LNG Operation:** Origin holds 37.5% investment in Australia Pacific LNG including current domestic operations, the Australia Pacific LNG coal seam gas to LNG export project as well as Origin's LNG Upstream Operator activities. LNG has the total 2P CSG reserves position in Australia of 13,778 Pje and is developing CSG-to-LNG project that has a nameplate capacity of 9 million tonnes of LNG each year for export to supply Asian customers under long term supply contracts.

**Power Generation:** Origin is the owner and developer of gas-fired power generation in Australia and also produces renewable energy from wind farms. Origin owns generation portfolios with 6,000 MW of capacity (owned or contracted) and operates eight power stations across NSW, QLD, SA and VIC. Origin generates renewable energy from Cullerin Range wind farm in NSW and invests in a portfolio of renewable energy opportunities including wind, hydro and geothermal.

**Retail:** Origin operates as energy retailer focusing on electricity, natural gas and LPG in NSW, QLD, SA and VIC and is a supplier of LPG in the Pacific. It provides retail automotive LPG through more than 800 service stations throughout Australia.

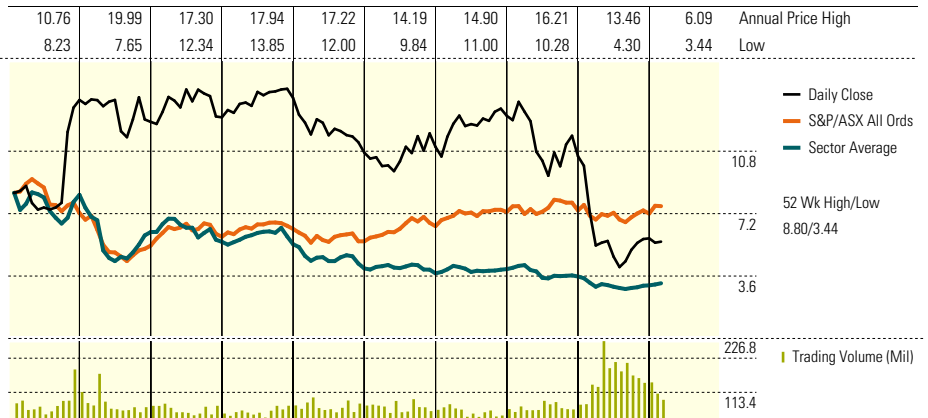
**Contact Energy:** Origin owns a 53.09% interest in Contact Energy, which is a natural gas, electricity, LPG and energy related products and services provider and power generator in New Zealand.

**Shares Issued Mil**  
1753.39

**Morningstar Sector**  
Energy

**Morningstar Industry**  
Oil & Gas Integrated

**GICS Industry Group**  
Energy



	06-08	06-09	06-10	06-11	06-12	06-13	06-14	06-15	06-16	08-16*	Performance
66.01	-5.45	5.28	12.27	-19.93	7.35	20.57	-15.11	-42.15	-21.32	—	Total Return %
78.13	16.69	-8.49	0.11	-12.91	-13.32	2.93	-20.78	-44.15	—	—	+/- Market
	06-08	06-09	06-10	06-11	06-12	06-13	06-14	06-15	06-16	Current	Valuation
27.17	24.40	22.95	22.24	14.81	18.18	22.74	15.86	29.95	26.14	26.14	Price/Earnings
12.28	12.23	14.27	13.83	13.19	15.30	16.12	15.53	17.65	18.40	18.40	Market P/E
2.02	1.89	1.82	1.65	1.17	1.08	1.28	1.31	0.76	0.74	0.74	Price/Sales
2.74	1.15	1.15	1.24	0.92	0.93	1.07	0.94	0.69	0.67	0.67	Price/Book
13.92	12.45	12.17	12.15	7.44	7.49	8.73	7.95	8.08	7.04	7.04	Price/Cash Flow
14198	12801	13157	16809	13293	13801	16135	13282	10080	9749	9749	Market Cap \$Mil
3.10	3.42	3.35	3.17	4.10	3.98	3.42	4.18	1.74	2.25	2.25	Dividend Yield%
	06-08	06-09	06-10	06-11	06-12	06-13	06-14	06-15	06-16	—	Financials
8290	8042	8534	10344	12935	14619	14518	11550	11923	—	—	Operating Revenue \$Mil
15.79	16.30	16.05	16.87	17.70	15.96	16.02	18.37	12.77	—	—	EBITDA Margin %
964	942	962	1206	1675	1638	1594	1502	920	—	—	EBIT \$Mil
11.63	11.71	11.27	11.66	12.95	11.20	10.98	13.00	7.72	—	—	EBIT Margin %
523	530	574	673	893	760	713	835	303	—	—	NPAT Before Abs \$Mil
517	6941	612	186	980	378	530	-658	-589	—	—	Reported Net Profit \$Mil
50.42	51.01	55.33	62.12	72.06	60.50	56.25	66.02	19.20	—	—	Earnings Per Share ¢
875	877	878	948	1082	1094	1101	1106	1578	—	—	Shares Mil
3.93	9.72	9.89	10.05	10.51	10.58	10.66	10.03	8.28	—	—	Book Value Per Share \$
998	851	1074	1401	1822	1642	2227	1833	1404	—	—	Oper Cash Flow \$Mil
—	—	—	—	—	—	-869	—	-691	—	—	Cap Spending \$Mil
1996	-388	—	1532	-509	1311	-114	-288	554	—	—	Free Cash Flow \$Mil
	06-08	06-09	06-10	06-11	06-12	06-13	06-14	06-15	06-16	—	Profitability
5.91	3.56	3.58	3.18	4.21	3.87	3.50	3.47	2.41	—	—	Return on Assets %
12.84	5.30	5.60	5.50	6.82	5.72	5.30	6.56	2.09	—	—	Return on Equity %
6.31	6.59	6.73	6.51	6.90	5.20	4.91	7.23	2.54	—	—	Net Margin %
65.96	36.39	39.09	38.83	46.23	49.41	46.62	34.62	41.26	—	—	Asset Turnover %
242.84	198.33	190.89	197.10	193.53	199.99	205.82	235.66	198.89	—	—	Financial Leverage %
	06-08	06-09	06-10	06-11	06-12	06-13	06-14	06-15	06-16	—	Financial Health
276	-451	444	—	-567	—	-4	3085	646	—	—	Working Capital \$Mil
3146	3494	3373	4193	5734	6375	9025	11839	9506	—	—	Long-Term Debt \$Mil
5176	11144	11438	13516	14458	14794	15129	14159	14530	—	—	Total Equity \$Mil
64.11	-2.41	23.28	30.04	38.19	46.03	60.37	82.82	65.18	—	—	Net Debt/Equity %

Key Dates	
Fiscal Year End	30 Jun 2016
AGM	21 Oct 2015
Listing Date	13 Jul 1961
DRIP	Active

Major Shareholders No. of shares [Mil]	
No Substantial Shareholders	

Dividend History	
Dividend Ex Date	23 Feb 2016
Dividend Pay Date	31 Mar 2016
DPS ¢	10.00
Franking %	0
	Interim
	Final

Consensus out of 3 analysts				
Price/Earnings	28.96	2017E	16.21	—
Dividend Yield %	1.8	1.8	—	—
EPS(\$)	0.19	0.34	—	—
DPS(\$)	0.1	0.1	—	—

\*Represents financial year to date - the day after last financial year to a day before publication date.

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# Investment Detail Disclosure

## Research Methodology

### Currency

All figures for stocks listed on Australian Stock Exchange are in Australian dollars and all figures for stocks listed on New Zealand Stock Exchange are in New Zealand dollars.

### Business Description

A brief description of the company's operations and activities. This information is updated every six months or on the release of important information about the company.

### Market Capitalisation \$ mil

The market value of the company's equity capital. This is calculated by multiplying the number of common shares by the current price. Other classes of equity such as preference shares are normally not included, except in certain cases where the shares are "quasi-ordinary". The most prominent example of this is News Corporation (NWS), where we do include their preferred limited voting ordinary shares in our calculation of market value.

### Style

The Morningstar Style consists of nine categories that provide an overview of the investment strategy. The style is comprised of a combination of market capitalization of the security and the investment style (value, blend, or growth).

### Last Price

Stock price shown represents the market price of the stock as of the most recent close of trading as at the release date noted at the top of the investment detail page.

### Shares Issued

Current number of ordinary shares listed on the Australian/New Zealand Stock Exchange.

### Sector

*Morningstar Sector* : based on Morningstar global equity classification, each equity is mapped into one of 148 industries. This mapping is based on publicly available information about each company and Morningstar Equity Analyst input. Industries are grouped into 69 industry groups and subsequently mapped into one of the 11 sectors. Industry and sector information are available for companies on all major global exchanges.

*GI/CS Sector* : Based on Standard & Poor's Global Industry Classification. All companies listed on the Australian/New Zealand Stock Exchange are grouped into one of 24 industry sectors. This classification is used to compute sector averages and industry peers.

### Performance

Total Return represents shareholders' gains from a stock over a given period of time (YTD, one month, three month, one-, three-, and five year). Total return includes both capital gains and losses and dividend payments. It is calculated by taking the change in the stock's price as of the close of trading of the respective period, assuming the reinvestment of all dividends, then dividing by the initial stock price, and expressing the result as a percentage. Returns for periods longer than one year are annualized. Returns do not include brokerage commission or the effects of taxation.

### Financials

Revenue and Margin line items will depend on the type of company selected – i.e. Industrial, Bank, Insurance, Property or Listed Investment Company. Net Profit \$Mil

represents net operating profit after tax, minorities, preference dividends, significant, and non-recurring items (NPAT). Earnings Per Share \$ is NPAT divided by the weighted average number of ordinary shares on issue during the year. Book Value Per Share \$ is a company's common stock equity as it appears on a balance sheet divided by the number of shares outstanding. Oper Cash Flow \$Mil is net cash flow after paying suppliers, employees, interest expense and tax paid from receipts from customers, dividends and interest received. Cap Spending \$ Mil is money spent to acquire or upgrade physical assets such as buildings and machinery. Free Cash Flow \$Mil is the amount of cash that a company has left over after it has paid all of its expenses, including investments (Oper Cash Flow minus Cap Spending and dividends).

### Avg no. of Shares

The weighted average number of ordinary shares during the financial year. This figure is used to calculate basic earnings per shares (EPS).

### Profitability

Return on Assets % (ROA) is the percentage a company earns on its assets in a given year. It is measured by dividing NPAT before abnormals by total assets. Return on Equity % (ROE) is the percentage a company earns on its total equity in a given year. The calculation is NPAT before abnormals divided by shareholder equity. Net Margin % is A measure of profitability and is equal to NPAT divided by revenues from the same period. Asset Turnover represents how many dollars in revenue a company has generated per each dollar of assets. It is calculated by dividing total revenues for the period by total assets for the same period. Financial leverage is calculated by dividing total assets by total shareholders' equity.

### Financial Health

Working Capital \$Mil is current assets minus current liabilities. Working capital measures how much in liquid assets a company has available to build its business. Long-Term Debt \$Mil includes loans and obligations with a maturity of longer than one year, usually accompanied by interest payments. Total Equity \$Mil is ownership interest in a corporation in the form of common stock or preferred stock. It also refers to total assets minus total liabilities, in which case it is also referred to as shareholder's equity or net worth or book value. Debt/equity ratio is equal to short-term and long-term debt minus cash divided by common shareholders' equity.

### Valuation

Price/Earnings (PE) is the current price divided by the company's trailing 12-month earnings per share. Price/Book (PB) is the most recent stock price divided by the most recent book value per share. Price/Sales (PS) is the current price divided by the company's sales per share over the trailing 12 months. Price/Cash Flow (PC) is the most recent price divided by the cash flow per share of the latest fiscal year.

### Key Dates

Fiscal Year End is the date in which the company closes its books for the previous 12-month period over which a company budgets its spending. AGM is the annual company gathering, usually held at the end of each fiscal year, at which the previous year and the outlook for the future are discussed and directors are elected by common shareholders. Listing Date defines the date the companies share price was first quoted on the stock exchange. DRP is

the dividend reinvestment plan offered by some corporations enabling shareholders to automatically reinvest cash dividends and capital gains distributions, thereby accumulating more stock without paying brokerage commissions.

### Consensus

Current(latest actual) Price/Earnings, Dividend Yield, EPS and DPS are provided for reference. Forecasts are indicated by 'E' and are available for forward years only. Both actual and forecast EPS are presented on a pre-goodwill amortization basis.

### Dividend History

Dividend Ex-Date is the first day of the ex-dividend period. If an investor does not own the stock before the ex-date, he or she will be ineligible for the dividend payout. Dividend Pay Date is the date on which the dividend will actually be paid to shareholders. DPS ¢ is Total dividend for the year, divided by the number of shares ranked for dividend. Franking % shows the percentage of the dividend which contains a dividend imputation credit.

### Major Shareholders

The 3 largest shareholders (individuals or companies) and the number of voting shares they are entitled to.