

27 OCTOBER 2023

EQUITY RESEARCH - COMPANY REPORT

SISB SISB TB

THAILAND / PROFESSIONAL SERVICE

FSSIA ESG rating



BUY

UNCHANGED

TARGET PRICE	THB42.00
CLOSE	THB29.25
UP/DOWNSIDE	+43.6%
PRIOR TP	THB42.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+2.5%

3Q23E better than previous thought

- Expect a 3Q23 net profit of THB122m (-22% q-q, +22% y-y), 12% higher than our earlier prediction.
- We have raised our 2023-25 profit forecast by 4-5%.
- We project a 31% CAGR in 2023-25. TP maintained at THB42.

3Q23 net profit likely better than our previous prediction

SISB's 3Q23 earnings are likely better than our previous prediction due mainly to a strong enrolment. We currently project SISB's 3Q23 net profit at THB122m (12% higher than our previous forecast), a decrease of 22% q-q but a rise of 22% y-y, still being the bottom of the year. The net new enrolment in 3Q23 is expected at 730 students (370 students from its existing four campuses and 360 students from the two new campuses). Parents warmly received the Nonthaburi campus, with around 250-260 students enrolling once the school opened, in line with the management's target. Rayong registered around 100 students, slightly lagging behind the management's guidance of 120.

Slightly revise up our 2023-25 profit forecast by 4-5%

We assume a net new enrolment of 55 students in 4Q23 as it is still in the first semester, bringing the total number of students to 4,180 at the end of 2023. We have slightly increased our 2023-25 profit forecast by 4%/5%/5% by increasing our projected number of new students by the end of 2023 to 4,180 but maintaining it at 4,600 and 5,000 by 2024 and 2025, respectively. We have also raised our yearly average tuition fee estimate due mainly to changes in student demographic distribution.

Expansion of existing campuses on the way

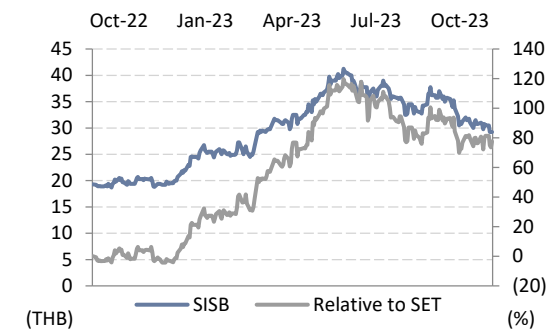
SISB's expansion plan for its existing campuses is on the way. SISB plans a phase-three expansion at its Thonburi campus with an additional capacity of 700 seats in 2024-25, while Pracha Uthit and Chiangmai will add another 300 and 325 seats in 2024. Once completed, SISB will have a total capacity of 8,000 seats.

TP maintained at THB42, reiterate BUY

Following the projection revisions, we now expect SISB's 2023-25 net profit to grow by 66%/46%/18% or 31% CAGR, a tiny increase from our previous projection of 30% CAGR. We maintain our DCF-based TP at THB42 (8.2% WACC, 5% LTG). Our TP implies 2024E P/E of 30.8x or 2024E PEG of only 1.0. The implied P/E should decline to only 21.7x in 2026 when the capacity expansion is completed. We reiterate our BUY call on SISB.

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	1,319	1,894	2,384	2,723
Net profit	369	613	892	1,052
EPS (THB)	0.39	0.65	0.95	1.12
vs Consensus (%)	-	(7.5)	0.4	(6.5)
EBITDA	551	801	1,110	1,283
Recurring net profit	369	613	892	1,052
Core EPS (THB)	0.39	0.65	0.95	1.12
Chg. In EPS est. (%)	-	3.6	4.9	4.9
EPS growth (%)	73.1	66.0	45.6	17.9
Core P/E (x)	74.5	44.9	30.8	26.1
Dividend yield (%)	0.3	0.9	1.3	1.5
EV/EBITDA (x)	49.3	33.9	24.5	21.2
Price/book (x)	12.0	10.3	8.6	7.7
Net debt/Equity (%)	(15.4)	(14.3)	(9.7)	(7.4)
ROE (%)	17.2	24.8	30.5	31.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(5.6)	(18.8)	53.9
Relative to country (%)	3.0	(8.6)	79.9
Mkt cap (USD m)	756		
3m avg. daily turnover (USD m)	2.9		
Free float (%)	29		
Major shareholder	Mr. Yew Hock Koh (33%)		
12m high/low (THB)	41.50/18.30		
Issued shares (m)	940.00		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

International education has seen rapid growth in Thailand. Smaller family sizes have resulted in parents considering an international education a priority and a worthy investment in their children's future. SISB provides the Singapore curriculum, renowned for mathematics and science with a strong trilingual focus. With the current six campuses, SISB is one of the top-ranked international schools in the country with 3,394 students in 3Q23. Its earnings are still in a growth stage with expected net profit growth of 31% CAGR during 2023-25. Longer-term, SISB plans to tap new demand in suburban areas with its proposed lower-cost 'Halving' project.

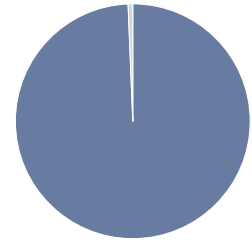
Company profile

The company operates international schools under its own brand. SISB provides the Singapore curriculum, which is ranked highest in the world for mathematics and science. Its unique strength is its trilingual focus that includes English, Chinese, and Thai. Besides the Singapore curriculum, SISB also provides Cambridge IGCSE A and AS Levels, as well as the International Baccalaureate programme.

www.sisb.ac.th

Principal activities (revenue, 2022)

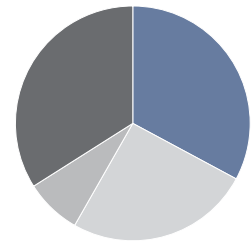
- Tuition fees and service income - 99.4 %
- Education equipment revenue - 0.6 %



Source: SISB

Major shareholders

- Mr. Yew Hock Koh - 32.8 %
- Ms. Wilawan Kaewkanokvijit - 25.4 %
- Mr. Prayong Vanichsuwan - 7.8 %
- Others - 34.0 %



Source: SISB

Catalysts

Key potential catalysts include 1) capacity expansion; 2) stronger demand from both Thai and foreign families; and 3) more SISB students accepted at top universities.

Risks to our call

Downside risks to our DCF-based TP include 1) intensified competition; 2) less demand from China; 3) staff shortages; and 4) risks from legal requirements and government policies relating to the business of private schools.

Event calendar

Date	Event
13 November 2023	3Q23 earnings announcement
6 December 2023	Post-result meeting

Key assumptions

	2023E	2024E	2025E
Students, all campus	4,180	4,600	5,000
New students	1,066	420	400
Tuition fee (THB/year)	0.55	0.57	0.60
Revenue (THB m)	1,894	2,384	2,723
Growth (%)	30.3	25.9	14.2
Gross margin (%)	55.3	59.2	59.7
EBITDA margin (%)	43.3	47.4	48.0
SG&A to sales (%)	24.1	22.6	22.1

Source: FSSIA estimates

Earnings sensitivity

- For every 100-student change in enrolment, we project SISB's 2024 net profit to change by 3%, all else being equal.
- For every 1% change in gross margin, we project SISB's 2024 net profit to change by 3%, all else being equal.
- For every 1% change in SG&A expenses, we project SISB's 2024 net profit to change by 2%, all else being equal.

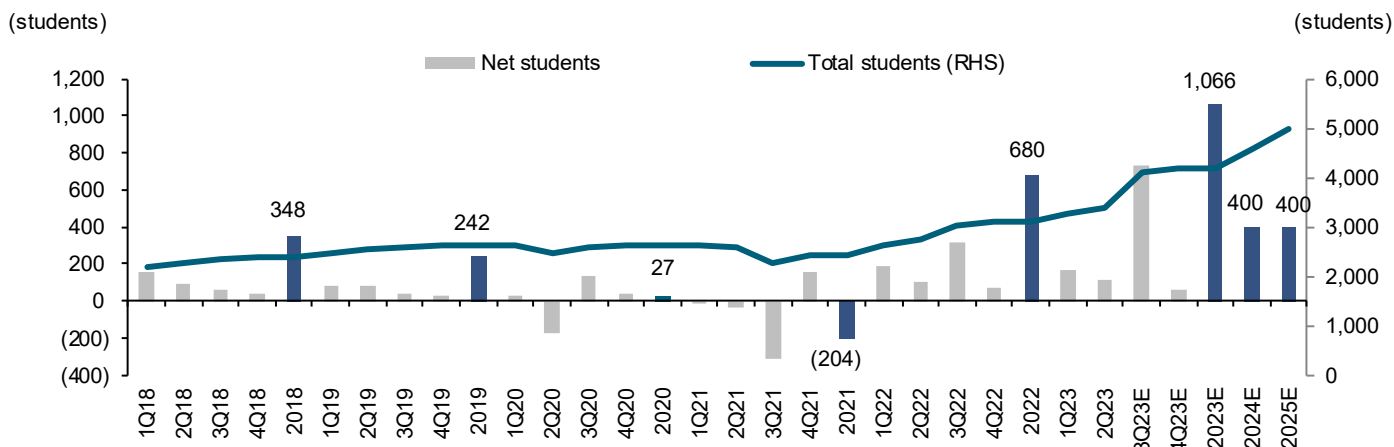
Source: FSSIA estimates

Exhibit 1: 3Q23 earnings preview

Year to Dec 31	3Q22	4Q22	1Q23	2Q23	3Q23E	-----Change-----		9M22	9M23E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Service revenue	342	390	426	423	487	15.0	42.5	929	1,336	43.8
Cost of service	(172)	(182)	(189)	(182)	(235)	29.2	36.7	(471)	(606)	28.6
Gross profit	170	208	237	241	252	4.3	48.3	458	730	59.5
Operating costs	(66)	(90)	(87)	(92)	(137)	48.7	109.6	(211)	(317)	50.5
Operating profit	104	118	150	149	114	(23.3)	9.7	247	413	67.1
Operating EBITDA	147	174	203	201	175	(12.9)	19.0	379	580	53.1
Other income	6	6	10	8	8	(6.6)	20.3	14	25	75.6
Interest expense	1	2	2	1	2	71.0	80.5	3	5	96.2
Profit before tax	100	129	159	156	122	(21.7)	22.0	241	437	80.9
Associates	2	2	4	4	5	23.1	226.6	1	13	769.7
Net profit	99	128	159	155	122	(21.7)	22.3	241	436	81.0
Core profit	99	128	159	155	122	(21.7)	22.3	241	436	81.0
Reported EPS (THB)	0.11	0.14	0.17	0.17	0.13	(21.8)	22.3	0.26	0.46	79.3
Core EPS (THB)	0.11	0.14	0.17	0.17	0.13	(21.8)	22.3	0.26	0.46	79.3
Key ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	49.7	53.3	55.7	57.0	51.7	(5.3)	2.0	49.3	54.7	5.4
Operating margin	30.8	34.1	38.4	38.1	26.1	(12.0)	(4.8)	27.8	33.8	6.0
EBITDA margin	43.1	44.7	47.8	47.5	36.0	(11.5)	(7.1)	40.8	43.4	2.6
Net margin	29.1	32.9	37.3	36.7	25.0	(11.7)	(4.1)	25.9	32.6	6.7
SG&A / Sales	19.2	23.2	20.4	21.8	28.2	6.4	9.0	22.7	23.7	1.1
Number of students	(no.)	(no.)	(no.)	(no.)	(no.)	(q-q %)	(y-y %)	(no.)	(no.)	(y-y %)
Total students	3,044	3,144	3,284	3,394	4,124	21.5	35.5	3,044	4,124	35.5
Net additions	313	100	140	110	730	563.6	133.2	610	980	60.7

Sources: SISB, FSSIA estimates

Exhibit 2: Net students and total numbers



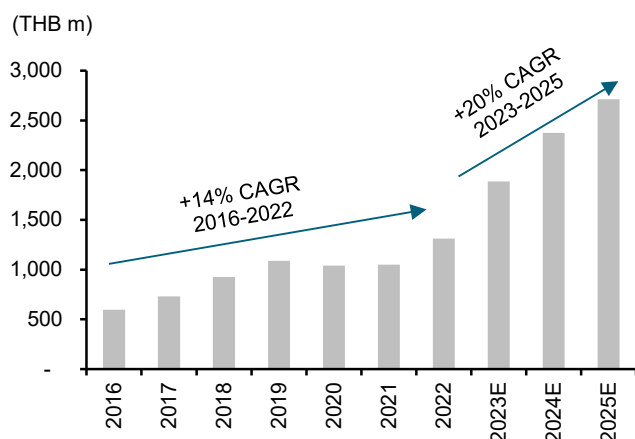
Sources: SISB, FSSIA estimates

Exhibit 3: Change of key assumptions

	Current			Previous			Change		
	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (%)	2024E (%)	2025E (%)
Tuition and services revenue	1,894	2,384	2,723	1,826	2,246	2,568	3.7	6.1	6.0
Growth (%)	43.6	26.0	14.2	38.4	23.1	14.3	5.2	2.9	(0.1)
Gross profit	1,047	1,410	1,626	980	1,294	1,495	6.9	9.0	8.8
Growth (%)	57.3	34.6	15.3	47.1	32.0	15.5	10.2	2.6	(0.2)
EBITDA	801	1,110	1,283	789	1,076	1,243	1.5	3.1	3.3
Growth (%)	47.3	38.5	15.7	43.1	36.4	15.5	4.2	2.1	0.2
Net profit	613	892	1,052	592	851	1,002	3.6	4.9	4.9
Growth (%)	66.0	45.6	17.9	60.2	43.8	17.8	5.8	1.8	0.0
Key ratios	(%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(ppt)
Gross profit	55.3	59.2	59.7	53.7	57.6	58.2	1.6	1.6	1.5
EBITDA	43.3	47.4	48.0	43.6	48.3	48.8	(0.3)	(0.9)	(0.8)
Net profit margin	32.4	37.4	38.6	32.4	37.9	39.0	(0.0)	(0.4)	(0.4)
Key assumptions									
Students, all campus (students)	4,180	4,600	5,000	4,100	4,600	5,008	2.0	0.0	(0.2)
Net additions (students)	1,066	420	400	986	500	408	8.1	(16.0)	(2.0)
Annual tuition fee (THB m/student)	0.55	0.57	0.60	0.53	0.54	0.56	3.9	5.9	6.9

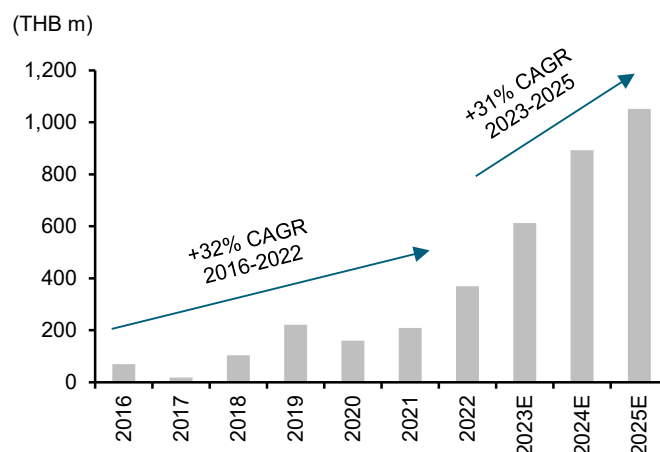
Sources: SISB, FSSIA estimates

Exhibit 4: Revenue and growth projection



Sources: SISB, FSSIA estimates

Exhibit 5: Net profit and growth projection



Sources: SISB, FSSIA estimates

Financial Statements

SISB

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	1,055	1,319	1,894	2,384	2,723
Cost of goods sold	(558)	(653)	(847)	(974)	(1,096)
Gross profit	496	666	1,047	1,410	1,626
Other operating income	20	25	30	28	32
Operating costs	(279)	(301)	(456)	(539)	(602)
Operating EBITDA	390	551	801	1,110	1,283
Depreciation	(152)	(161)	(180)	(211)	(227)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	238	390	621	899	1,056
Net financing costs	(26)	(25)	(26)	(25)	(25)
Associates	1	5	18	20	22
Recurring non-operating income	1	5	18	20	22
Non-recurring items	0	0	0	0	0
Profit before tax	213	370	614	894	1,054
Tax	0	(1)	(1)	(2)	(2)
Profit after tax	213	369	613	892	1,052
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	213	369	613	892	1,052
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	213	369	613	892	1,052
Per share (THB)					
Recurring EPS *	0.23	0.39	0.65	0.95	1.12
Reported EPS	0.23	0.39	0.65	0.95	1.12
DPS	0.08	0.10	0.26	0.38	0.45
Diluted shares (used to calculate per share data)	940	940	940	940	940
Growth					
Revenue (%)	0.6	25.1	43.6	25.9	14.2
Operating EBITDA (%)	14.4	41.3	45.4	38.5	15.7
Operating EBIT (%)	28.8	63.8	59.2	44.8	17.5
Recurring EPS (%)	33.2	73.1	66.0	45.6	17.9
Reported EPS (%)	33.2	73.1	66.0	45.6	17.9
Operating performance					
Gross margin inc. depreciation (%)	47.1	50.5	55.3	59.2	59.7
Gross margin exc. depreciation (%)	61.4	62.7	64.8	68.0	68.1
Operating EBITDA margin (%)	37.0	41.7	42.3	46.5	47.1
Operating EBIT margin (%)	22.6	29.6	32.8	37.7	38.8
Net margin (%)	20.2	28.0	32.4	37.4	38.6
Effective tax rate (%)	0.1	0.2	0.2	0.2	0.2
Dividend payout on recurring profit (%)	33.5	25.5	40.0	40.0	40.0
Interest cover (X)	9.4	15.6	25.0	36.6	43.7
Inventory days	6.7	5.7	4.1	3.8	3.5
Debtor days	25.3	22.6	20.0	23.6	28.0
Creditor days	72.2	86.3	83.9	74.7	45.1
Operating ROIC (%)	19.5	23.8	31.5	36.0	(0.3)
ROIC (%)	13.7	18.6	25.8	30.5	(0.3)
ROE (%)	11.0	17.2	24.8	30.5	31.1
ROA (%)	7.3	10.9	15.4	20.2	21.8
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Tuition fees and service income	1,050	1,311	1,885	2,375	2,713
Education equipment revenue	5	9	9	10	10

Sources: SISB; FSSIA estimates

Financial Statements

SISB

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	213	369	613	892	1,052
Depreciation	152	161	180	211	227
Associates & minorities	(1)	(5)	(18)	(20)	(22)
Other non-cash items	0	0	0	0	0
Change in working capital	22	198	362	(284)	(160)
Cash flow from operations	386	723	1,137	799	1,097
Capex - maintenance	-	-	-	-	-
Capex - new investment	(591)	(452)	(556)	(448)	(432)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	0	0	0	0	0
Cash flow from investing	(591)	(452)	(556)	(448)	(432)
Dividends paid	(71)	(94)	(245)	(357)	(421)
Equity finance	0	0	0	0	0
Debt finance	(33)	(36)	44	49	46
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(104)	(130)	(202)	(308)	(375)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	65	0	0	0	0
Net other adjustments	65	(96)	(359)	(124)	(341)
Movement in cash	(244)	46	19	(80)	(51)
Free cash flow to firm (FCFF)	(179.69)	296.58	605.78	376.47	689.88
Free cash flow to equity (FCFE)	(172.72)	139.69	264.42	276.60	370.10

Per share (THB)

FCFF per share	(0.19)	0.32	0.64	0.40	0.73
FCFE per share	(0.18)	0.15	0.28	0.29	0.39
Recurring cash flow per share	0.39	0.56	0.82	1.15	1.34

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	2,697	3,327	3,927	4,427	4,927
Less: Accumulated depreciation	(697)	(833)	(1,013)	(1,224)	(1,451)
Tangible fixed assets (net)	1,999	2,493	2,913	3,203	3,475
Intangible fixed assets (net)	8	1	10	10	10
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	55	60	60	60	60
Cash & equivalents	764	810	829	749	698
A/C receivable	70	93	114	195	223
Inventories	8	7	8	8	8
Other current assets	21	15	16	16	16
Current assets	863	926	966	968	946
Other assets	408	434	442	451	460
Total assets	3,334	3,914	4,392	4,692	4,951
Common equity	2,014	2,290	2,657	3,193	3,568
Minorities etc.	0	0	0	0	0
Total shareholders' equity	2,014	2,290	2,657	3,193	3,568
Long term debt	445	442	434	425	416
Other long-term liabilities	239	323	376	434	488
Long-term liabilities	684	766	809	859	904
A/C payable	84	149	158	155	60
Short term debt	12	14	16	15	16
Other current liabilities	539	696	752	470	403
Current liabilities	635	858	925	640	479
Total liabilities and shareholders' equity	3,334	3,914	4,392	4,692	4,951
Net working capital	(524)	(728)	(773)	(406)	(215)
Invested capital	1,947	2,260	2,653	3,318	3,791

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	2.14	2.44	2.83	3.40	3.80
Tangible book value per share	2.13	2.43	2.82	3.39	3.79

Financial strength

Net debt/equity (%)	(15.2)	(15.4)	(14.3)	(9.7)	(7.4)
Net debt/total assets (%)	(9.2)	(9.0)	(8.6)	(6.6)	(5.4)
Current ratio (x)	1.4	1.1	1.0	1.5	2.0
CF interest cover (x)	17.4	24.4	33.1	29.9	33.5

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	128.9	74.5	44.9	30.8	26.1
Recurring P/E @ target price (x) *	185.1	106.9	64.4	44.2	37.5
Reported P/E (x)	128.9	74.5	44.9	30.8	26.1
Dividend yield (%)	0.3	0.3	0.9	1.3	1.5
Price/book (x)	13.6	12.0	10.3	8.6	7.7
Price/tangible book (x)	13.7	12.0	10.4	8.6	7.7
EV/EBITDA (x) **	69.7	49.3	33.9	24.5	21.2
EV/EBITDA @ target price (x) **	100.5	71.0	48.8	35.3	30.6
EV/invested capital (x)	14.0	12.0	10.2	8.2	7.2

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: SISB; FSSIA estimates

SISB PCL (SISB TB)

FSSIA ESG rating

13 / 100
Exhibit 6: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★☆	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★☆☆	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★☆☆☆	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★☆☆☆☆	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 7: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET	THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BWG	37.62	--	--	Y	5.00	5.00	Certified	--	49.71	--	--	51.28	--	--	--
GENCO	13.00	--	--	--	4.00	4.00	--	--	--	--	--	--	--	--	--
PRTR	8.00	--	--	--	--	--	Declared	--	--	--	--	--	--	--	--
SISB	13.00	--	--	--	3.00	5.00	--	--	--	--	--	--	--	--	--
SO	13.00	--	--	--	4.00	4.00	--	--	--	--	--	--	--	--	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation
Exhibit 8: ESG disclosure from the company's one report

FY ending Dec 31	FY 2022	FY ending Dec 31	FY 2022
Environmental		Governance	
Climate change policy	Yes	Board size / Independent directors (ID) / Female	7 / 4 / 2
Climate change opportunities discussed	Yes	No. of board meetings for the year / % attendance	6 / 98.33%
GHG scope 2 location-based policy	Yes	Company conducts board evaluations	--
Biodiversity policy	--	Number of non-executive directors on board	5
Energy efficiency policy	Yes	Director share ownership guidelines	No
Electricity used	Yes	Board age limit	No
Fuel used - crude oil/diesel	Yes	Age of the youngest / oldest director	--
Waste reduction policy	Yes	Number of executives / female	7 / 5
Water policy	Yes	Executive share ownership guidelines	No
Water consumption	Yes	Size of audit committee / ID	3 / 3
Social		Audit committee meetings	5
Human rights policy	Yes	Audit committee meeting attendance (%)	93.33
Policy against child labor	Yes	Size of compensation committee	4 / 3
Quality assurance and recall policy	Yes	Number of compensation committee meetings	--
Consumer data protection policy	Yes	Compensation committee meeting attendance (%)	--
Equal opportunity policy	Yes	Size of nomination committee / ID	4 / 3
Gender pay gap breakout	Yes	Number of nomination committee meetings	--
Pct women in workforce	Yes	Nomination committee meeting attendance (%)	--
Business ethics policy	Yes	Board compensation (THB m)	4.39
Anti-bribery ethics policy	Yes	Auditor fee (THB m)	2.81
Health and safety policy	Yes	<i>(PricewaterhouseCoopers ABAS Ltd.)</i>	
Lost time incident rate - employees	Yes		
Training policy	Yes		
Fair remuneration policy	Yes		
Number of employees - CSR	Yes		
Total hours spent by firm - employee training	Yes		
Social supply chain management	Yes		

Source: SISB, FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																												
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																												
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																												
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																												
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																												
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																												
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																		
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ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																												
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570			A	5.714-7.142			BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285			B	1.429-2.856			CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																													
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																													
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																													
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																												
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																												

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

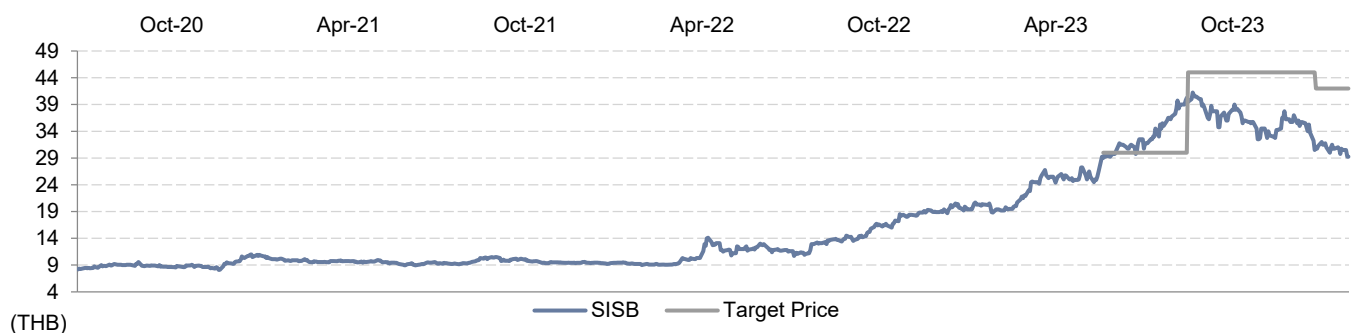
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History of change in investment rating and/or target price

SISB (SISB TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Mar-2023	BUY	30.00	08-Jun-2023	BUY	45.00	26-Sep-2023	BUY	42.00

Jitra Amornthum started covering this stock from 27-Mar-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
SISB	SISB TB	THB 29.25	BUY	Downside risks to our DCF-based TP include 1) intensified competition; 2) less demand from China; 3) staff shortages; and 4) risks from legal requirements and government policies relating to the business of private schools.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 26-Oct-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.