

SISB SISB TB
THAILAND / PROFESSIONAL SERVICE

BUY

UNCHANGED

คาดการณ์ 4Q23 จะทำสถิติสูงสุดตลอดกาล

- คาดตัวเลขนักเรียนเข้าใหม่สุทธิใน 4Q23 ที่ 72 คนซึ่งจะทำให้ได้ตัวเลขนักเรียนรวมอยู่ที่ 4,197 คน ณ สิ้นปี 2024
- คาดกำไร 4Q23 จะทำสถิติสูงสุดตลอดกาลที่ 207 ลบ.
- คงราคาเป้าหมายที่ 42 บาทและคำแนะนำซื้อ

TARGET PRICE	THB42.00
CLOSE	THB35.75
UP/DOWNSIDE	+17.5%
PRIOR TP	THB42.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+4.1%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	1,319	1,887	2,389	2,723
Net profit	369	650	892	1,047
EPS (THB)	0.39	0.69	0.95	1.11
vs Consensus (%)	-	0.6	4.6	(6.6)
EBITDA	551	850	1,122	1,293
Recurring net profit	369	650	892	1,047
Core EPS (THB)	0.39	0.69	0.95	1.11
Chg. In EPS est. (%)	-	6.1	(0.1)	(0.5)
EPS growth (%)	73.1	76.1	37.2	17.4
Core P/E (x)	91.0	51.7	37.7	32.1
Dividend yield (%)	0.3	0.8	1.1	1.2
EV/EBITDA (x)	60.4	39.0	29.6	25.7
Price/book (x)	14.7	12.5	10.5	9.4
Net debt/Equity (%)	(15.4)	(15.5)	(11.1)	(9.0)
ROE (%)	17.2	26.2	30.3	30.8

ตัวเลขนักเรียนที่เพิ่มขึ้นดูดีกว่าคาด

ตัวเลขนักเรียนในภาคการศึกษาแรก (กลางเดือน ส.ค. ถึง กลาง ธ.ค.) ดูดีกว่าที่เราเคยคาดโดยคาดว่าตัวเลขนักเรียนเข้าใหม่สุทธิใน 4Q23 จะอยู่ที่ 72 คน (เทียบกับที่เคยคาดไว้ที่ 55) ซึ่งจะทำให้ได้ตัวเลขนักเรียนรวมอยู่ที่ 4,197 คน ณ สิ้นปี 2024 มีนักเรียนประมาณ 27 รายมาจากโรงเรียนใหม่ (นนทบุรีและระยอง) ในขณะที่ส่วนที่เหลือมาจากโรงเรียนเดิมที่ธนบุรีและประชาอุทิศซึ่งมีความต้องการในระดับสูง ในช่วง 3 อาทิตย์แรกของเดือน ม.ค. 2024 บริษัทฯ รับนักเรียนใหม่สุทธิอีก 40 คน หมายเหตุโดยปกติ 3Q เป็นไตรมาสที่มีนักเรียนใหม่เพิ่มสูงที่สุดเนื่องจากภาคการศึกษาเริ่มต้นในเดือน ส.ค.

คาดการณ์ 4Q23 จะทำสถิติสูงสุดตลอดกาลที่ 207 ลบ.

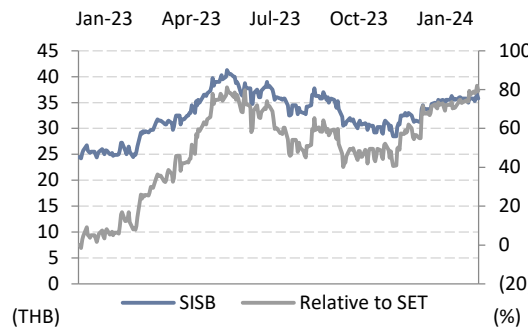
จากตัวเลขนักเรียนรวมที่ 4,197 คนและค่าการศึกษาเฉลี่ยเท่ากับใน 3Q23 เราคาดว่ารายได้รวมใน 4Q23 จะเพิ่ม 18.6% q-q และ 45.1% y-y ทำสถิติสูงสุดตลอดกาลที่ 566 ลบ. พร้อมอัตรากำไรที่ปรับตัวขึ้น q-q ใน 3Q23 EBITDA margin ลดลงอย่างมีนัยสำคัญจากรายได้และต้นทุนที่มากขึ้นซึ่งทำให้เกิดผลขาดทุน 32 ลบ. จาก 2 โรงเรียนใหม่ เราคาดว่าผลขาดทุนจาก 2 โรงเรียนใหม่จะลดลงเหลือ 20-25 ลบ. ใน 4Q23 และคาดว่าโรงเรียนทั้ง 6 แห่งจะรายงานกำไรปกติ 207 ลบ. ใน 4Q23 (+34.2% q-q, +61.4% y-y) ดีกว่าที่เราเคยคาด

ปรับเพิ่มประมาณการกำไรปี 2023 ในขณะที่คงประมาณการปี 2024-25

เราปรับเพิ่มประมาณการกำไรปี 2023 ขึ้น 6.1% ในขณะที่คงประมาณการปี 2024-25 ประมาณการกำไรของเราสัมพันธ์จากตัวเลขนักเรียนเข้าใหม่สุทธิที่ 1,083 คนในปี 2023, 403 คนในปี 2024, และ 400 คนในปี 2025 ซึ่งจะทำให้ได้ตัวเลขนักเรียนรวมที่ 4,197, 4,600, และ 5,000 คน ณ สิ้นปี 2023-25 ตามลำดับ หลังปรับประมาณการราคาตัวกำไรสุทธิปี 2023-25 จะโต 76%/37%/17% คิดเป็น 27% CAGR

คงราคาเป้าหมายที่ 42 บาทและคำแนะนำซื้อ

เราคงราคาเป้าหมายปี 2024 ไว้ที่ 42 บาท (DCF, 8.2% WACC, 5% LTG) หนุนมีการซื้อขายที่ 37.7x ของค่า 2024E P/E หรือคิดเป็นค่า 2024E PEG ที่เพียง 1.4 เราเชื่อว่าการเติบโตของบริษัทฯ จะไม่หยุดที่โรงเรียน 6 แห่งในปัจจุบันเนื่องจากผู้บริหารยังมีความสนใจในความต้องการในต่างจังหวัดซึ่งทำให้มีโอกาสอีกมากในอนาคต เราคงคำแนะนำซื้อสำหรับ SISB



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.4	22.2	45.3
Relative to country (%)	4.8	22.5	77.5
Mkt cap (USD m)	945		
3m avg. daily turnover (USD m)	1.3		
Free float (%)	29		
Major shareholder	Mr. Yew Hock Koh (33%)		
12m high/low (THB)	41.50/23.90		
Issued shares (m)	940.00		

Sources: Bloomberg consensus; FSSIA estimates



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PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 29 มกราคม 2024

Investment thesis

The number of new enrolments during the first term (mid-August to mid-December) looks to be stronger than our previous forecast. Net enrolments in 4Q23 are expected to add another 72 students, bringing the total number of students to 4,197 at the end of 2024. We expect 4Q23 total revenue to rise by 18.6% q-q and 45.1% y-y to hit an all-time high at THB566m, with all margins improved q-q. We then estimate SISB to deliver a THB207m core profit in 4Q23 (+34.2% q-q, +61.4% y-y); better than our previous forecast.

We revise up our 2023 profit forecast by 6.1% but maintain our 2024-25 estimates. We believe SISB's growth will not stop at the current six campuses, as management is still interested in untapped demand in provincial areas. We reiterate our BUY call on SISB.

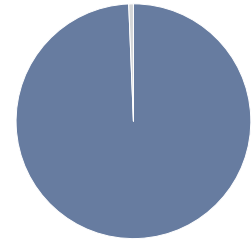
Company profile

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)

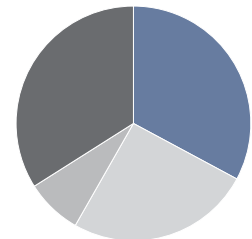
- Tuition fees and service income - 99.4 %
- Education equipment revenue - 0.6 %



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
23 February 2024	2024 earnings announcement

Key assumptions

	2023E	2024E	2025E
Students, all campus	4,197	4,600	5,000
New students	1,083	403	400
Tuition fee (THB/year)	0.55	0.57	0.60
Revenue (THB m)	1,887	2,389	2,723
Growth (%)	30.3	26.6	14.0
Gross margin (%)	54.0	59.0	59.5
EBITDA margin (%)	46.1	47.8	48.3
SG&A to sales (%)	21.3	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.

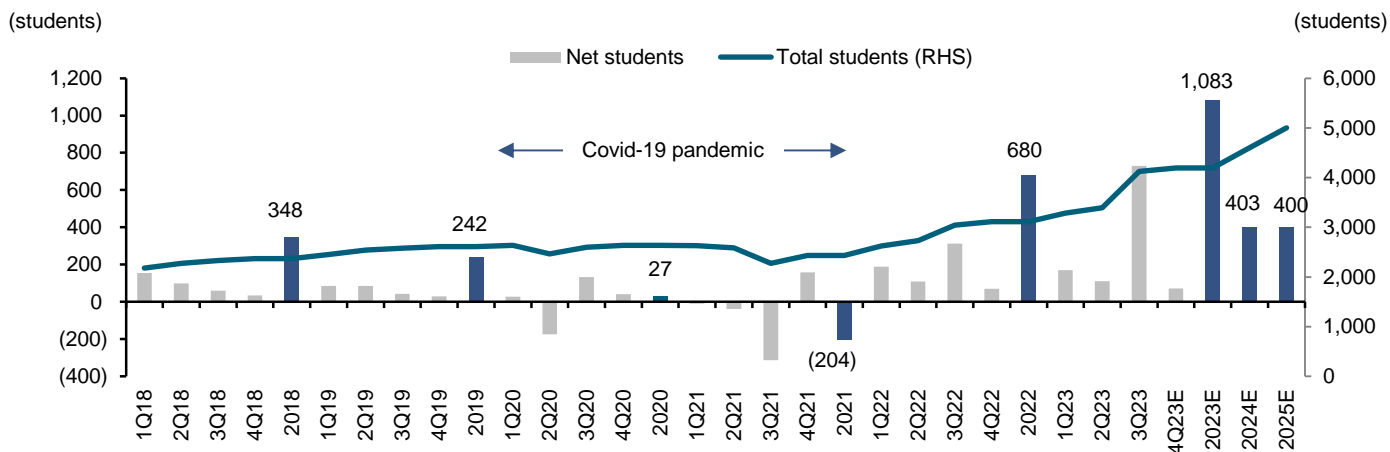
Source: FSSIA estimates

Exhibit 1: 4Q23 earnings preview

Year to Dec 31	4Q22	1Q23	2Q23	3Q23	4Q23E	-----Change-----		2022	2023E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Service revenue	390	426	423	478	566	18.6	45.1	1,319	1,887	43.0
Cost of service	(182)	(189)	(182)	(266)	(232)	(12.9)	27.2	(653)	(868)	32.9
Gross profit	208	237	241	211	334	58.2	60.8	666	1,018	52.9
Operating costs	(90)	(87)	(92)	(99)	(123)	25.0	36.6	(301)	(402)	33.5
Operating profit	118	150	149	113	211	87.3	79.3	391	671	71.6
Operating EBITDA	174	203	201	189	272	44.2	56.2	556	869	56.2
Other income	6	10	8	15	3	(77.1)	(45.3)	21	36	74.8
Interest expense	2	2	1	2	1	(55.7)	(44.1)	(25)	(26)	4.6
Profit before tax	129	159	156	129	214	66.4	66.3	370	651	75.9
Associates	2	4	4	5	5	1.0	125.5	5	18	244.5
Net profit	128	159	155	129	207	61.2	61.4	369	650	76.1
Core profit	128	159	155	154	207	34.2	61.4	369	650	76.1
Reported EPS (THB)	0.14	0.17	0.17	0.14	0.22	61.2	61.4	0.39	0.69	76.1
Core EPS (THB)	0.14	0.17	0.17	0.14	0.22	61.2	61.4	0.393	0.692	76.1
Key ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	53.3	55.7	57.0	44.3	59.1	14.8	5.8	50.5	54.0	3.5
Operating margin	34.1	38.4	38.1	27.8	38.8	11.0	4.7	29.6	35.6	5.9
EBITDA margin	44.7	47.8	47.5	39.6	48.1	8.6	3.4	42.2	46.1	3.9
Net margin	32.9	37.3	36.7	26.9	36.6	9.7	3.7	28.0	34.5	6.5
SG&A / Sales	23.2	20.4	21.8	20.7	21.8	1.1	(1.4)	22.8	21.3	(1.5)
Number of students (no.)						(q-q %)	(y-y %)			(y-y %)
Total students	3,144	3,284	3,394	4,125	4,197	1.7	33.5	3,114	4,197	34.8
Net additions	70	140	110	731	72	(90.2)	2.9	680	1,083	59.3

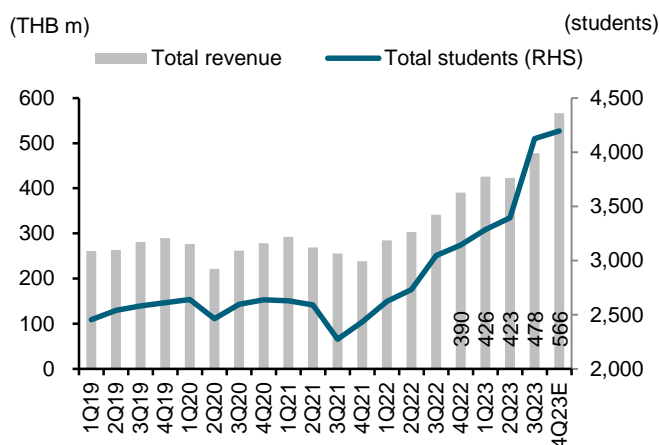
Sources: SISB, FSSIA estimates

Exhibit 2: Net students and total student numbers



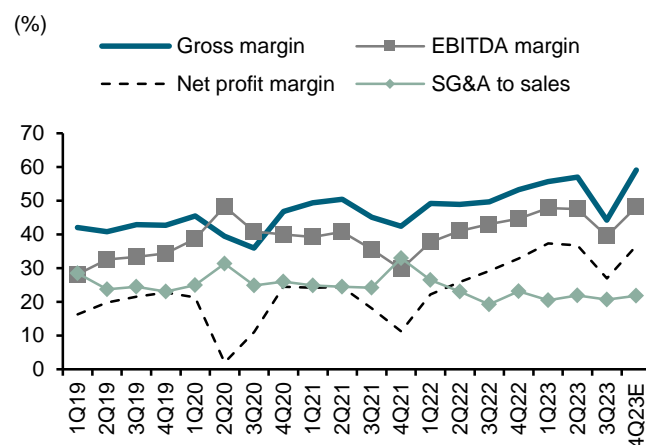
Sources: SISB, FSSIA estimates

Exhibit 3: Total students and total revenue



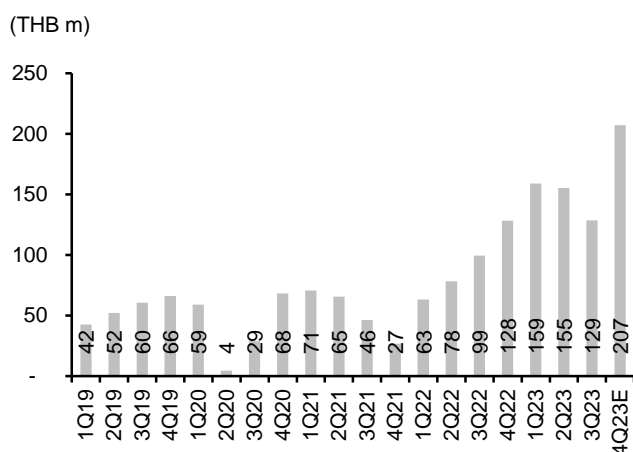
Sources: SISB, FSSIA estimates

Exhibit 4: Margins



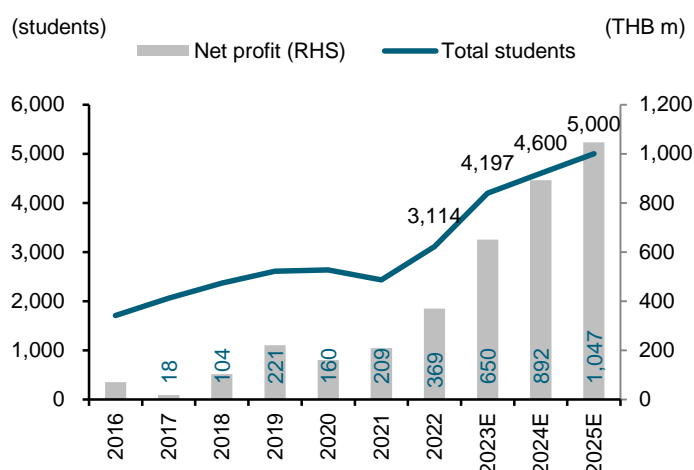
Sources: SISB, FSSIA estimates

Exhibit 5: Net profit, quarterly



Sources: SISB, FSSIA estimates

Exhibit 6: Total students and net profit, yearly



Sources: SISB, FSSIA estimates

Exhibit 7: Changes in 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	1,887	2,389	2,723	1,894	2,389	2,723	(0.4)	0.0	0.0
Growth (%)	43.0	26.8	14.0	43.6	26.8	14.0	(0.5)	0.0	0.0
Gross profit	1,018	1,411	1,621	1,047	1,411	1,621	(2.8)	0.0	0.0
EBITDA	850	1,122	1,293	801	1,122	1,293	6.2	0.0	0.0
Net profit	650	892	1,047	613	892	1,047	6.1	0.0	0.0
Growth (%)	76.1	37.2	17.4	66.0	37.2	17.4	10.1	0.0	0.0
Key ratios	(%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(ppt)
Gross profit	54.0	59.0	59.5	55.3	59.0	59.5	(1.3)	0.0	0.0
EBITDA margin	46.1	47.8	48.3	43.3	47.8	48.3	2.8	0.0	0.0
Net profit margin	34.5	37.3	38.4	32.4	37.3	38.4	2.1	0.0	0.0
Key assumptions									
Students, all campus (students)	4,197	4,600	5,000	4,180	4,600	5,000	0.4	0.0	0.0
Net additions (students)	1,083	403	400	1,066	420	400	1.6	(4.0)	0.0
Annual tuition fee (THB m/student)	0.55	0.57	0.60	0.55	0.57	0.60	0.1	0.0	0.0

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	1,887	2,389	2,723
Cost of goods sold	(558)	(653)	(868)	(979)	(1,101)
Gross profit	496	666	1,018	1,411	1,621
Other operating income	20	25	43	28	32
Operating costs	(279)	(301)	(402)	(540)	(602)
Operating EBITDA	390	551	850	1,122	1,293
Depreciation	(152)	(161)	(191)	(224)	(242)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	238	390	659	898	1,051
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	651	893	1,049
Tax	0	(1)	(1)	(2)	(2)
Profit after tax	213	369	650	892	1,047
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	213	369	650	892	1,047
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	213	369	650	892	1,047
Per share (THB)					
Recurring EPS *	0.23	0.39	0.69	0.95	1.11
Reported EPS	0.23	0.39	0.69	0.95	1.11
DPS	0.08	0.10	0.28	0.38	0.45
Diluted shares (used to calculate per share data)	940	940	940	940	940
Growth					
Revenue (%)	0.6	25.1	43.0	26.6	14.0
Operating EBITDA (%)	14.4	41.3	54.4	31.9	15.2
Operating EBIT (%)	28.8	63.8	69.0	36.3	17.0
Recurring EPS (%)	33.2	73.1	76.1	37.2	17.4
Reported EPS (%)	33.2	73.1	76.1	37.2	17.4
Operating performance					
Gross margin inc. depreciation (%)	47.1	50.5	54.0	59.0	59.5
Gross margin exc. depreciation (%)	61.4	62.7	64.1	68.4	68.4
Operating EBITDA margin (%)	37.0	41.7	45.1	47.0	47.5
Operating EBIT margin (%)	22.6	29.6	34.9	37.6	38.6
Net margin (%)	20.2	28.0	34.5	37.3	38.4
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	25.6	36.6	43.5
Inventory days	6.7	5.7	4.0	3.8	3.5
Debtor days	25.3	22.6	20.0	23.6	28.1
Creditor days	72.2	86.3	83.7	76.7	45.8
Operating ROIC (%)	19.5	23.8	33.5	36.3	(0.4)
ROIC (%)	13.7	18.6	27.4	30.6	(0.3)
ROE (%)	11.0	17.2	26.2	30.3	30.8
ROA (%)	7.3	10.9	16.2	20.1	21.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Tuition fees and service income	1,050	1,311	1,877	2,380	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	650	892	1,047
Depreciation	152	161	191	224	242
Associates & minorities	(1)	(5)	(18)	(20)	(22)
Other non-cash items	0	0	0	0	0
Change in working capital	22	198	364	(283)	(161)
Cash flow from operations	386	723	1,187	812	1,105
Capex - maintenance	-	-	-	-	-
Capex - new investment	(591)	(452)	(545)	(435)	(417)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	0	0	0	0	0
Cash flow from investing	(591)	(452)	(545)	(435)	(417)
Dividends paid	(71)	(94)	(260)	(357)	(419)
Equity finance	0	0	0	0	0
Debt finance	(33)	(36)	42	51	45
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(104)	(130)	(218)	(306)	(374)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	65	0	0	0	0
Net other adjustments	65	(96)	(370)	(138)	(355)
Movement in cash	(244)	46	54	(66)	(41)
Free cash flow to firm (FCFF)	(179.69)	296.58	667.89	402.44	711.94
Free cash flow to equity (FCFE)	(172.72)	139.69	313.59	290.47	377.36
Per share (THB)					
FCFF per share	(0.19)	0.32	0.71	0.43	0.76
FCFE per share	(0.18)	0.15	0.33	0.31	0.40
Recurring cash flow per share	0.39	0.56	0.88	1.17	1.35
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed assets (gross)	2,697	3,327	3,927	4,427	4,927
Less: Accumulated depreciation	(697)	(833)	(1,024)	(1,248)	(1,490)
Tangible fixed assets (net)	1,999	2,493	2,902	3,178	3,437
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	863	797	756
A/C receivable	70	93	113	196	223
Inventories	8	7	8	8	8
Other current assets	21	15	16	16	16
Current assets	863	926	1,000	1,017	1,003
Other assets	408	434	442	451	460
Total assets	3,334	3,914	4,415	4,716	4,971
Common equity	2,014	2,290	2,680	3,215	3,587
Minorities etc.	0	0	0	0	0
Total shareholders' equity	2,014	2,290	2,680	3,215	3,587
Long term debt	445	442	434	425	416
Other long-term liabilities	239	323	375	434	488
Long-term liabilities	684	766	808	859	904
A/C payable	84	149	162	155	60
Short term debt	12	14	16	15	16
Other current liabilities	539	696	749	471	403
Current liabilities	635	858	927	642	479
Total liabilities and shareholders' equity	3,334	3,914	4,415	4,716	4,971
Net working capital	(524)	(728)	(775)	(407)	(215)
Invested capital	1,947	2,260	2,640	3,293	3,752
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	2.14	2.44	2.85	3.42	3.82
Tangible book value per share	2.13	2.43	2.84	3.41	3.81
Financial strength					
Net debt/equity (%)	(15.2)	(15.4)	(15.5)	(11.1)	(9.0)
Net debt/total assets (%)	(9.2)	(9.0)	(9.4)	(7.6)	(6.5)
Current ratio (x)	1.4	1.1	1.1	1.6	2.1
CF interest cover (x)	17.4	24.4	33.5	29.9	33.2
Valuation					
Recurring P/E (x) *	157.6	91.0	51.7	37.7	32.1
Recurring P/E @ target price (x) *	185.1	106.9	60.7	44.3	37.7
Reported P/E (x)	157.6	91.0	51.7	37.7	32.1
Dividend yield (%)	0.2	0.3	0.8	1.1	1.2
Price/book (x)	16.7	14.7	12.5	10.5	9.4
Price/tangible book (x)	16.8	14.7	12.6	10.5	9.4
EV/EBITDA (x) **	85.4	60.4	39.0	29.6	25.7
EV/EBITDA @ target price (x) **	100.5	71.0	45.9	34.9	30.3
EV/invested capital (x)	17.1	14.7	12.6	10.1	8.9
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: SISB; FSSIA estimates

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 Sustainability	The Sustainability's 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"> <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.																					
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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.																				

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

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 35.75	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-Jan-2024 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.