

SISB SISB TB
THAILAND / PROFESSIONAL SERVICE

BUY

UNCHANGED

กำไรทำสถิติสูงสุดใน 4Q23

TARGET PRICE	THB42.00
CLOSE	THB37.75
UP/DOWNSIDE	+11.3%
PRIOR TP	THB42.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+0.1%

- กำไรสุทธิ 4Q23 ทะยานขึ้นทำสถิติสูงสุดใน 211 ลบ. (+64% q-q and y-y) ใกล้เคียงกับที่เราคาด
- เมื่อหักผลขาดทุนจากโรงเรียนใหม่ SISB รายงานกำไรสุทธิโต 95% ในปี 2023
- เราคงประมาณการและราคาเป้าหมายที่ 42 บาท

SISB รายงานกำไรไตรมาศทำสถิติสูงสุดใน 4Q23 ตามคาด

SISB เปิดเผยผลประกอบการทำสถิติสูงสุดใน 4Q23 หลัง 2 โรงเรียนใหม่ในนนทบุรีและระยอง เปิดดำเนินงานเต็มไตรมาส ตัวเลขนักเรียนเข้าใหม่สุทธิใน 4Q23 อยู่ที่ 72 คนซึ่งทำให้ตัวเลขนักเรียนรวมเพิ่มเป็น 4,197 คน ณ สิ้นปี 2023 รายได้จากค่าบำรุงการศึกษาและอุปกรณ์การศึกษาใน 4Q23 ปรับขึ้น 18% q-q และ 45% y-y เป็น 564 ลบ. พร้อมอัตรากำไรขั้นต้นที่สูงขึ้นเป็น 53.8% จากตัวเลขนักเรียนที่เพิ่มขึ้น ผลขาดทุนจากโรงเรียนใหม่ที่ลดลงและค่าใช้จ่ายพิเศษที่เคยเกิดใน 3Q23 ที่หายไป กำไรสุทธิ 4Q23 ทำสถิติสูงสุดใหม่ที่ 211 ลบ. (+64% q-q and y-y) พร้อมอัตรากำไรสุทธิสูงสุดที่ 37.3% ใกล้เคียงกับที่เราคาด

เมื่อหักผลขาดทุนจากโรงเรียนใหม่ กำไรปี 2023 กระโดดเพิ่ม 95% y-y

SISB เปิดโรงเรียนใหม่ในเดือน ส.ค. 2023 โรงเรียนที่นนทบุรีพลิกมารายงานกำไร 4 ลบ. ใน 4Q23 จากที่เคยขาดทุนสุทธิ 38 ลบ. ใน 3Q23 พร้อมตัวเลขนักเรียนรวมที่ 277 คน ณ สิ้นปีคิดเป็น 26.6% ของความสามารถในการรับนักเรียน โรงเรียนที่ระยองซึ่งมีตัวเลขนักเรียนรวมอยู่ที่ 108 คนคิดเป็น 11.6% ของความสามารถในการรับนักเรียนรายงานผลขาดทุนลดลงเหลือ 11 ลบ. ใน 4Q23 จากที่เคยขาดทุนสุทธิ 25 ลบ. ใน 3Q23 เมื่อหักผลขาดทุนจากโรงเรียนใหม่ กำไรสุทธิอยู่ที่ 217 ลบ. ใน 4Q23 และอยู่ที่ 718 ลบ. (+95% y-y) ในปี 2023

คาดโรงเรียนที่นนทบุรีและระยองจะกำไรในปี 2024 และปี 2025 ตามลำดับ

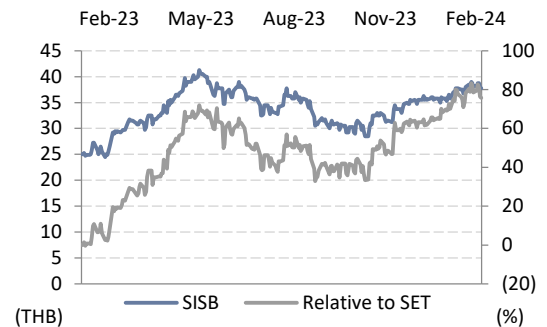
ในปี 2023 SISB รายงานกำไรสุทธิโต 77% หลังการเรียนกลับมาเป็นปกติเต็ม 100% และโรงเรียนใหม่เปิดดำเนินงาน แม้ว่าโรงเรียนใหม่จะให้ผลขาดทุนสุทธิ 65 ลบ. ใน 2023 เราคาดว่าโรงเรียนที่นนทบุรีจะมี Momentum ดีต่อเนื่องในปี 2024 ในขณะที่โรงเรียนที่ระยองจะเข้าสู่จุดคุ้มทุนในปี 2025 เมื่อมีนักเรียนเกือบ 300 คน

คงประมาณการกำไรและราคาเป้าหมายที่ 42 บาท

บริษัทฯ ยังคงขยายกิจการอย่างต่อเนื่องโดยการปรับปรุงครึ่งหลังของโรงเรียนที่ประจำอุทิศแล้วเสร็จภายในเดือน ส.ค. 2024 (+150 คน), การปรับปรุงระยะ 2 ของโรงเรียนที่เชียงใหม่แล้วเสร็จภายใน 1Q24 (+300 คน) และการปรับปรุงระยะที่ 3.1 ของโรงเรียนที่ธนบุรีแล้วเสร็จภายใน 3Q24 (+600-900 คน) เราคงประมาณการการเติบโตของกำไรที่ 36%/18%/17% ในปี 2024-26 จากจำนวนนักเรียนที่คาดว่าจะเพิ่ม 400 คนต่อปี เราคงคำแนะนำซื้อ SISB ที่ราคาเป้าหมายปี 2024 ที่ 42 บาท (DCF, 8.2% WACC, 5% LTG) คิดเป็น 44x ของค่า 2024E P/E

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	1,889	2,371	2,733	3,107
Net profit	654	891	1,048	1,227
EPS (THB)	0.70	0.95	1.11	1.31
vs Consensus (%)	-	37.5	17.6	8.3
EBITDA	851	1,076	1,244	1,429
Recurring net profit	654	891	1,048	1,227
Core EPS (THB)	0.70	0.95	1.11	1.31
Chg. In EPS est. (%)	nm	(0.1)	0.1	nm
EPS growth (%)	77.0	36.3	17.6	17.1
Core P/E (x)	54.3	39.8	33.9	28.9
Dividend yield (%)	0.8	1.1	1.3	1.5
EV/EBITDA (x)	40.9	32.4	28.1	24.4
Price/book (x)	12.7	10.8	9.8	8.4
Net debt/Equity (%)	(23.9)	(18.5)	(15.8)	(14.7)
ROE (%)	25.7	29.3	30.2	31.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	7.1	16.2	46.6
Relative to country (%)	4.9	17.5	74.0
Mkt cap (USD m)	983		
3m avg. daily turnover (USD m)	1.1		
Free float (%)	29		
Major shareholder	Mr. Yew Hock Koh (33%)		
12m high/low (THB)	41.50/24.20		
Issued shares (m)	940.00		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 27 กุมภาพันธ์ 2024

Investment thesis

SISB had a record performance in 4Q23 after its two new schools in Nonthaburi and Rayong operated for a full quarter. 4Q23 net profit hit a record of THB211m (+64% q-q and y-y), in line with our expectation. Excluding losses from new schools, SISB would register a net profit of THB217m in 4Q23, with an improved student-to-teacher ratio of 7.96 from 7.92 in 3Q23.

In 2023, SISB recorded 77% net profit growth as 100% on-site learning resumed and new schools opened. We maintain our profit growth projection of 36%/18%/17% in 2024-26 based on an incremental c400 students a year. We maintain our DCF-based 2024 TP at THB42 (8.2% WACC, 5% LTG), implying 44x 2024E P/E, and reiterate our BUY call on SISB.

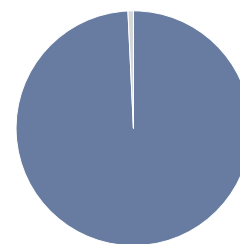
Company profile

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, 2023)

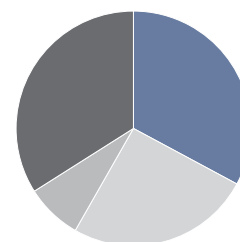
- Tuition fees and service income - 99.3 %
- Education equipment revenue - 0.7 %



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
8 March 2024	Ex-dividend and ex-meeting date
11 April 2024	Annual general meeting of shareholders
2 May 2024	Payment date of the dividend

Key assumptions

	2023A	2024E	2025E	2026E
Students, all campuses	4,197	4,600	5,000	5,400
New students	1,083	403	400	400
Tuition fee (THB/year)	0.54	0.57	0.60	0.63
Revenue (THB m)	1,889	2,371	2,733	3,107
Growth (%)	30.3	25.5	15.3	13.7
Gross margin (%)	52.5	58.7	59.5	59.8
EBITDA margin (%)	44.1	46.2	46.3	46.8
SG&A to sales (%)	20.2	22.0	22.1	21.5

Source: FSSIA estimates

Earnings sensitivity

- For every 100-student change in enrollment, 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.

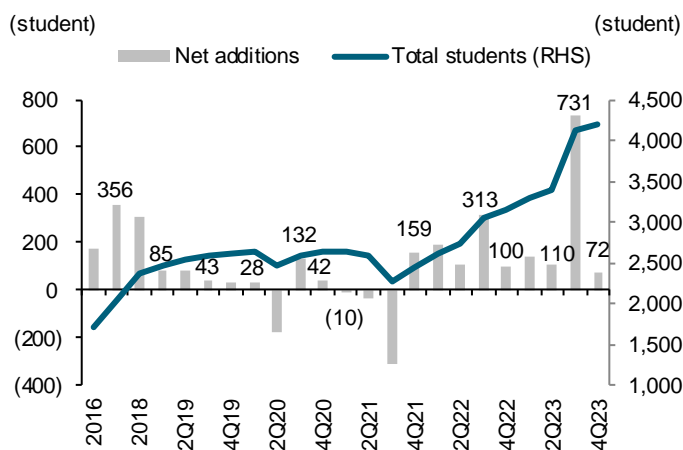
Source: FSSIA estimates

Exhibit 1: SISB – 4Q23/2023 earnings results

Year to Dec 31	4Q22	1Q23	2Q23	3Q23	4Q23	----- Change -----		2022	2023	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	564	18.1	44.5	1,319	1,889	43.2
Cost of service	(182)	(189)	(182)	(266)	(261)	(2.0)	43.1	(653)	(898)	37.4
Gross profit	208	237	241	211	303	43.4	45.7	666	992	48.9
Operating costs	(90)	(87)	(92)	(99)	(104)	4.9	14.7	(301)	(382)	26.9
Operating profit	118	150	149	113	200	77.2	69.5	391	671	71.6
Operating EBITDA	174	203	201	189	267	41.5	53.3	235	833	254.8
Other income	6	10	8	15	9	(43.1)	36.1	21	41	99.5
Interest expense	2	2	1	2	4	74.7	120.5	(25)	(26)	2.5
Profit before tax	129	159	156	129	213	65.2	65.1	370	655	76.8
Associates	2	4	4	5	7	25.0	179.0	5	20	267.8
Net profit	128	159	155	129	211	63.8	64.0	369	654	77.0
Core profit	128	159	155	129	211	63.8	64.0	369	654	77.0
Reported EPS (THB)	0.14	0.17	0.17	0.14	0.22	63.8	64.0	0.39	0.70	77.0
Core EPS (THB)	0.14	0.17	0.17	0.14	0.22	63.8	64.0	0.393	0.695	77.0
Key ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	53.3	55.7	57.0	44.3	53.8	9.5	0.4	50.5	52.5	2.0
Operating margin	34.1	38.4	38.1	27.8	38.1	10.2	4.0	29.6	35.5	5.9
EBITDA margin	44.7	47.8	47.5	39.6	47.4	7.9	2.7	17.8	44.1	26.3
Net margin	32.9	37.3	36.7	26.9	37.3	10.4	4.4	28.0	34.6	6.6
SG&A / Sales	23.2	20.4	21.8	20.7	18.4	(2.3)	(4.8)	22.8	20.2	(2.6)
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

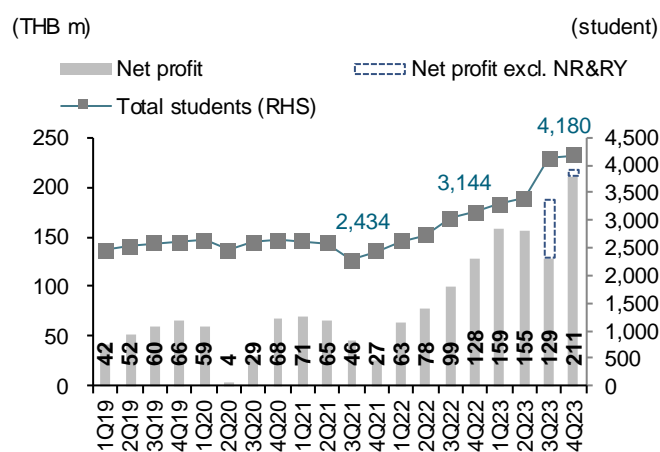
Sources: SISB, FSSIA's compilation

Exhibit 2: Net enrollments and accumulated students



Sources: SISB, FSSIA's compilation

Exhibit 3: Total students and net profit



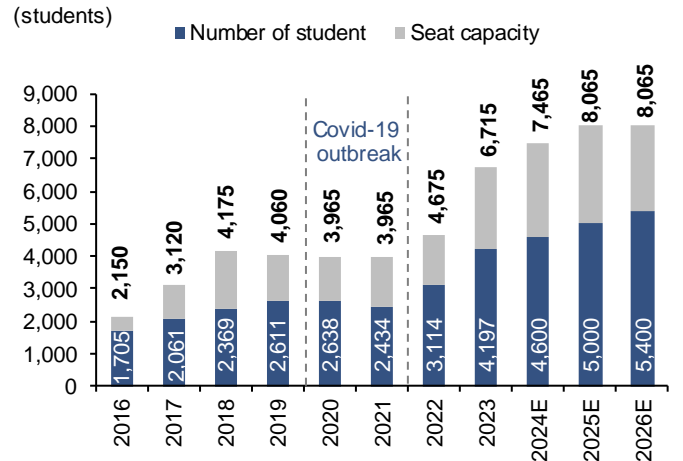
Sources: SISB, FSSIA's compilation

Exhibit 4: Student numbers by campus



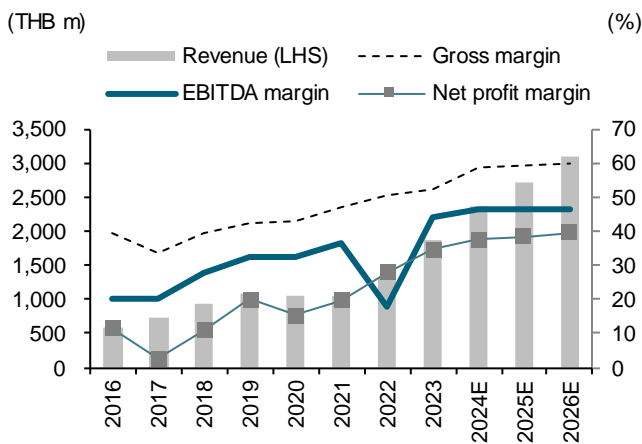
Source: SISB

Exhibit 5: Seat capacity and student number forecast



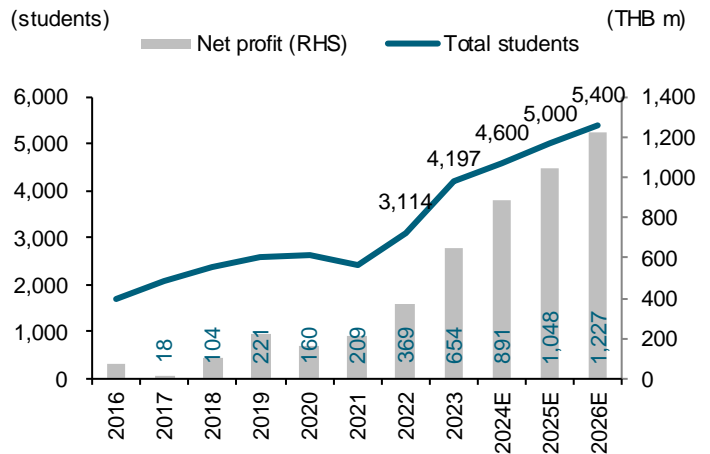
Sources: SISB, FSSIA estimates

Exhibit 6: Revenue and margins



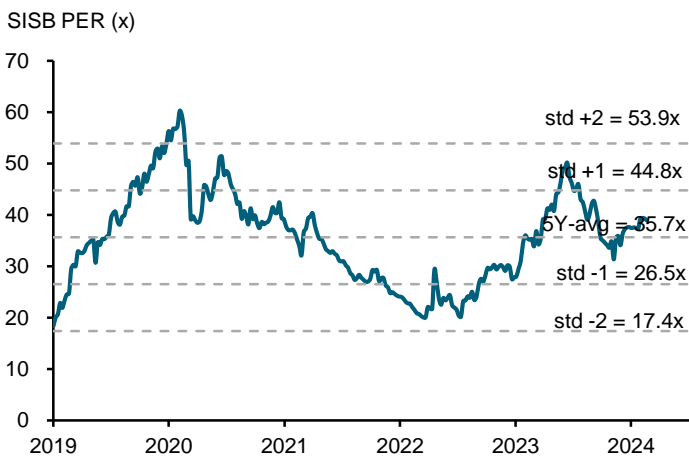
Sources: SISB, FSSIA estimates

Exhibit 7: Total student numbers and net profit



Sources: SISB, FSSIA estimates

Exhibit 8: One-year rolling forward P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 9: One-year rolling forward P/BV band



Sources: Bloomberg, FSSIA estimates

Financial Statements

SISB

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	1,319	1,889	2,371	2,733	3,107
Cost of goods sold	(653)	(898)	(979)	(1,108)	(1,248)
Gross profit	666	992	1,392	1,625	1,859
Other operating income	25	51	27	32	36
Operating costs	(301)	(382)	(522)	(605)	(668)
Operating EBITDA	551	851	1,076	1,244	1,429
Depreciation	(161)	(191)	(178)	(193)	(202)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	390	661	897	1,052	1,227
Net financing costs	(25)	(26)	(25)	(24)	(21)
Associates	5	20	20	22	23
Recurring non-operating income	5	20	20	22	23
Non-recurring items	0	0	0	0	0
Profit before tax	370	655	892	1,049	1,229
Tax	(1)	(1)	(2)	(2)	(2)
Profit after tax	369	654	891	1,048	1,227
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	369	654	891	1,048	1,227
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	369	654	891	1,048	1,227
Per share (THB)					
Recurring EPS *	0.39	0.70	0.95	1.11	1.31
Reported EPS	0.39	0.70	0.95	1.11	1.31
DPS	0.16	0.31	0.41	0.48	0.56
Diluted shares (used to calculate per share data)	940	940	940	940	940
Growth					
Revenue (%)	25.1	43.2	25.5	15.3	13.7
Operating EBITDA (%)	41.3	54.6	26.3	15.7	14.9
Operating EBIT (%)	63.8	69.4	35.8	17.2	16.7
Recurring EPS (%)	73.1	77.0	36.3	17.6	17.1
Reported EPS (%)	73.1	77.0	36.3	17.6	17.1
Operating performance					
Gross margin inc. depreciation (%)	50.5	52.5	58.7	59.5	59.8
Gross margin exc. depreciation (%)	62.7	62.6	66.3	66.5	66.3
Operating EBITDA margin (%)	41.7	45.1	45.4	45.5	46.0
Operating EBIT margin (%)	29.6	35.0	37.8	38.5	39.5
Net margin (%)	28.0	34.6	37.6	38.3	39.5
Effective tax rate (%)	0.2	0.2	0.2	0.2	0.2
Dividend payout on recurring profit (%)	40.7	44.6	43.0	43.0	43.0
Interest cover (X)	15.6	26.3	36.9	43.9	58.6
Inventory days	5.7	5.7	7.0	6.4	5.9
Debtor days	22.6	21.4	20.8	20.4	22.1
Creditor days	86.3	55.7	50.8	43.1	22.5
Operating ROIC (%)	23.8	34.3	37.9	(0.4)	(37.3)
ROIC (%)	18.6	28.4	32.7	(0.3)	(33.7)
ROE (%)	17.2	25.7	29.3	30.2	31.3
ROA (%)	10.9	15.9	18.5	19.1	20.3
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Tuition fees and service income	1,311	1,875	2,356	2,718	3,092
Education equipment revenue	9	14	15	15	16

Sources: SISB; FSSIA estimates

Financial Statements

SISB

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	369	654	891	1,048	1,227
Depreciation	161	191	178	193	202
Associates & minorities	(5)	(20)	(20)	(22)	(23)
Other non-cash items	(36)	(404)	(94)	(175)	(104)
Change in working capital	138	324	179	(59)	(90)
Cash flow from operations	627	745	1,135	984	1,212
Capex - maintenance	-	-	-	-	-
Capex - new investment	(1,923)	(1,330)	(685)	(444)	(453)
Net acquisitions & disposals	1,471	1,047	0	0	0
Other investments (net)	0	28	(150)	(150)	(206)
Cash flow from investing	(452)	(254)	(835)	(594)	(660)
Dividends paid	(94)	(150)	(383)	(451)	(528)
Equity finance	0	0	0	0	0
Debt finance	(36)	(36)	16	17	(21)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(130)	(187)	(368)	(433)	(549)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	46	304	(67)	(43)	3
Free cash flow to firm (FCFF)	201.06	516.19	324.95	414.87	573.62
Free cash flow to equity (FCFE)	139.91	453.91	315.62	407.72	530.94

Per share (THB)

FCFF per share	0.21	0.55	0.35	0.44	0.61
FCFE per share	0.15	0.48	0.34	0.43	0.56
Recurring cash flow per share	0.52	0.45	1.02	1.11	1.39

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	3,327	3,919	4,419	4,669	4,919
Less: Accumulated depreciation	(833)	(986)	(807)	(615)	(412)
Tangible fixed assets (net)	2,493	2,933	3,611	4,054	4,507
Intangible fixed assets (net)	340	321	323	317	311
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	60	60	60	60	60
Cash & equivalents	810	1,113	1,046	1,003	1,006
A/C receivable	93	128	142	164	212
Inventories	7	15	16	16	17
Other current assets	15	14	14	15	15
Current assets	926	1,270	1,218	1,198	1,250
Other assets	95	52	53	54	55
Total assets	3,914	4,636	5,265	5,683	6,183
Common equity	2,290	2,788	3,296	3,637	4,207
Minorities etc.	0	0	0	0	0
Total shareholders' equity	2,290	2,788	3,296	3,637	4,207
Long term debt	442	431	423	414	373
Other long-term liabilities	323	362	386	412	432
Long-term liabilities	766	793	809	826	804
A/C payable	149	67	155	61	68
Short term debt	14	14	14	15	15
Other current liabilities	696	974	992	1,145	1,088
Current liabilities	858	1,055	1,162	1,220	1,172
Total liabilities and shareholders' equity	3,914	4,636	5,266	5,683	6,183
Net working capital	(728)	(884)	(975)	(1,011)	(912)
Invested capital	2,260	2,482	3,072	3,475	4,020

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

Per share (THB)

Book value per share	2.44	2.97	3.51	3.87	4.48
Tangible book value per share	2.07	2.62	3.16	3.53	4.14

Financial strength

Net debt/equity (%)	(15.4)	(23.9)	(18.5)	(15.8)	(14.7)
Net debt/total assets (%)	(9.0)	(14.4)	(11.6)	(10.1)	(10.0)
Current ratio (x)	1.1	1.2	1.0	1.0	1.1
CF interest cover (x)	82.6	69.8	41.2	35.8	47.1

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	96.1	54.3	39.8	33.9	28.9
Recurring P/E @ target price (x) *	106.9	60.4	44.3	37.7	32.2
Reported P/E (x)	96.1	54.3	39.8	33.9	28.9
Dividend yield (%)	0.4	0.8	1.1	1.3	1.5
Price/book (x)	15.5	12.7	10.8	9.8	8.4
Price/tangible book (x)	18.2	14.4	11.9	10.7	9.1
EV/EBITDA (x) **	63.8	40.9	32.4	28.1	24.4
EV/EBITDA @ target price (x) **	71.0	45.6	36.1	31.3	27.2
EV/invested capital (x)	15.5	14.0	11.4	10.0	8.7

* 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 (50-59), 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" 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.																											

[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

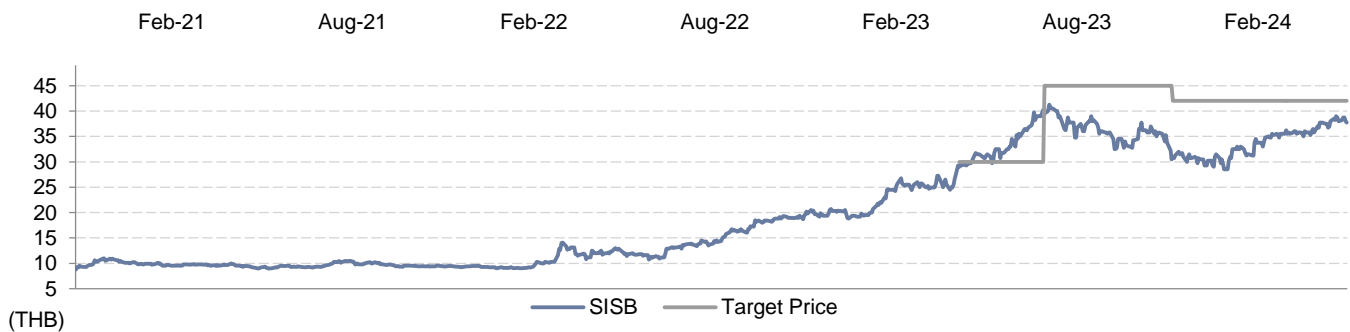
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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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 37.75	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 23-Feb-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.