

SISB SISB TB
THAILAND / PROFESSIONAL SERVICE

HOLD

UNCHANGED

ทำไมยังอยู่ในทิศทางเดิมนะ

- ค่ากำไรสุทธิ 1Q24 เพิ่มขึ้นต่อเนื่อง 1.1% q-q และ 33.8% y-y การเติบโตชะลอ q-q เพราะจำนวนนักเรียนที่เพิ่มขึ้นใกล้เคียง 4Q23
- อัตรากำไรสุทธิยืนใกล้ระดับสูงสุดทั้งที่ค่าเสื่อมเพิ่มขึ้น
- คงประมาณการและราคาเป้าหมาย 42 บาท

TARGET PRICE	THB42.00
CLOSE	THB38.25
UP/DOWNSIDE	+9.8%
PRIOR TP	THB42.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-6.0%

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 (%)	-	(1.8)	(9.1)	(13.5)
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. (%)	-	-	-	-
EPS growth (%)	77.0	36.3	17.6	17.1
Core P/E (x)	55.0	40.4	34.3	29.3
Dividend yield (%)	0.8	1.1	1.3	1.5
EV/EBITDA (x)	41.4	32.9	28.4	24.7
Price/book (x)	12.9	10.9	9.9	8.5
Net debt/Equity (%)	(23.9)	(18.5)	(15.8)	(14.7)
ROE (%)	25.7	29.3	30.2	31.3

ค่ากำไรสุทธิ 1Q24 เพิ่มขึ้นต่อเนื่อง 1.1% q-q และ 33.8% y-y

เราคาดว่ากำไรสุทธิ 1Q24 จะยังคงเกินหน้าทำสถิติสูงสุดใหม่ที่ 213 ล้านบาท +33.8% y-y แต่หากเทียบ q-q จะเติบโตชะลอ +1.1% เนื่องจากจำนวนนักเรียนคาดว่าจะเพิ่มขึ้น 81 คนใกล้เคียง 4Q24 ที่มีนักเรียนเพิ่มขึ้น 72 คน ทั้งนี้ เพราะในเดือน ส.ค. 2023 โรงเรียนเพิ่งเปิดเทอมการศึกษาใหม่ รวมทั้งเปิดสาขาใหม่ที่นนทบุรีและระยอง และมีนักเรียนเพิ่มขึ้นมากที่สุดเป็นประวัติการณ์ถึง 731 คนซึ่งตรงกับ 3Q23 เราเชื่อว่าจำนวนนักเรียนจะเพิ่มขึ้นแบบก้าวกระโดดอีกครั้งในช่วงเปิดเทอมใหม่ใน 3Q24

อัตรากำไรสุทธิน่าจะยืนใกล้ระดับสูงสุด

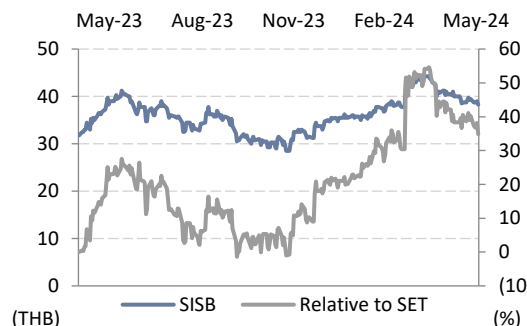
บนสมมติฐานจำนวนนักเรียนเพิ่มขึ้น 81 คนและค่าเทอมการศึกษาเท่ากับไตรมาสก่อน เราคาดว่ารายได้ในไตรมาสนี้ทรงตัว q-q แต่เพิ่มสูงขึ้น 32.7% y-y เป็น 565 ล้านบาท อัตรากำไรขั้นต้นคาดว่าจะทรงตัว q-q แต่เพิ่ม 188 bps y-y เป็น 53.8% และค่าใช้จ่ายในการบริหารต่อรายได้คาดว่าจะทรงตัว q-q แต่ลดลง 187 bps y-y เป็น 18.6% เนื่องจากการเติบโตของรายได้ที่เร็วกว่าค่าใช้จ่ายของบุคลากร ดังนั้น อัตรากำไรสุทธิจึงน่าจะยังคงยืนใกล้ระดับสูงสุดที่ 37.7% ทั้งที่ค่าเสื่อมราคาเพิ่มสูงขึ้นจากการลงทุนใหม่

โรงเรียนสองแห่งใหม่ยังคงแข็งแกร่ง

โรงเรียนที่สาขานนท์บุรีเริ่มทำกำไรได้ตั้งแต่ 4Q23 เป็นจำนวน 4 ล้านบาทจากจำนวนนักเรียนที่มี 277 คนสิ้นปี 2023 ซึ่งคิดเป็น Utilisation rate 26.6% เราเชื่อว่าสาขานนท์บุรีจะสร้างกำไรต่อเนื่องในไตรมาสนี้โดยคาด Utilisation rate 32% (คิดเป็นจำนวนนักเรียนรวมทั้งสิ้น 334 คน) ขณะที่โรงเรียนที่สาขาระยองน่าจะมียอดนักเรียน 140 คน ณ สิ้น 1Q24 ซึ่งยังไม่เพียงพอที่จะทำกำไรได้ เราคาดว่าสาขาระยองจะยังขาดทุนใน 1Q24 แต่เชื่อว่าจะมีกำไรได้ภายใน 2024

คงประมาณการและราคาเป้าหมาย 42 บาท

กำไรที่เราคาดใน 1Q24 คิดเป็น 23.9% ของประมาณการทั้งปี เรายังคงประมาณการตามเดิมในปี 2024-26 บนสมมติฐานจำนวนนักเรียนเพิ่มขึ้นประมาณ 400 คนต่อปี เราคงราคาเป้าหมาย 42 บาท (DCF, 8.2% WACC, 5% LTG) ซึ่งคิดเป็น Implied 2024E P/E 44 เท่า ราคาหุ้น SISB ปรับขึ้นมาเท่าตัวในปี 2023 และยังปรับขึ้นต่ออีก 8% ในปีนี้ 24YTD ทำให้ upside ต่อราคาเป้าหมายเหลือต่ำกว่า 10% จึงยังคงคำแนะนำถือ



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(5.0)	1.3	20.5
Relative to country (%)	(4.6)	2.4	34.8
Mkt cap (USD m)	977		
3m avg. daily turnover (USD m)	1.8		
Free float (%)	29		
Major shareholder	Mr. Yew Hock Koh (33%)		
12m high/low (THB)	45.00/27.25		
Issued shares (m)	940.00		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 7 พฤษภาคม 2024

Investment thesis

Assuming 81 net enrollments and the same tuition as last quarter, SISB's 1Q24 revenue should be flat q-q but grow 32.7% y-y to THB565m. The gross margin should also be flat q-q but increase 188 bps y-y to 53.8%. We, therefore, estimate 1Q24 net profit to reach a record high of THB213m, +33.8% y-y. However, the q-q growth will likely slow to 1.1% as net enrollments in 1Q24 should be close to the 72 net additions in 4Q23.

We maintain our profit growth projections in 2024-26 based on c400 new student additions per year, as well as our DCF-based TP at THB42 (8.2% WACC, 5% LTG). SISB's share price has doubled in 2023 and continued to increase by another 8% YTD, leaving an upside of less than 10%. We maintain our HOLD call.

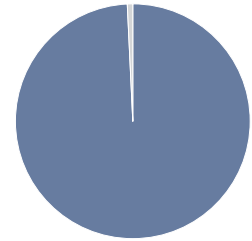
Company profile

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)

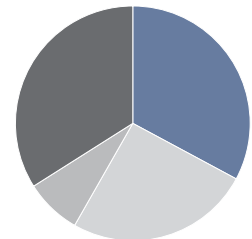
- Tuition fees and service income - 99.3 %
- Education equipment revenue - 0.7 %



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. Upside risks to our DCF-based TP include 1) higher-than-expected demand from both local and international parents; and 2) the Rayong campus reaching the breakeven point sooner than expected.

Event calendar

Date	Event
14 May 2024	1Q24 earnings announcement

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.

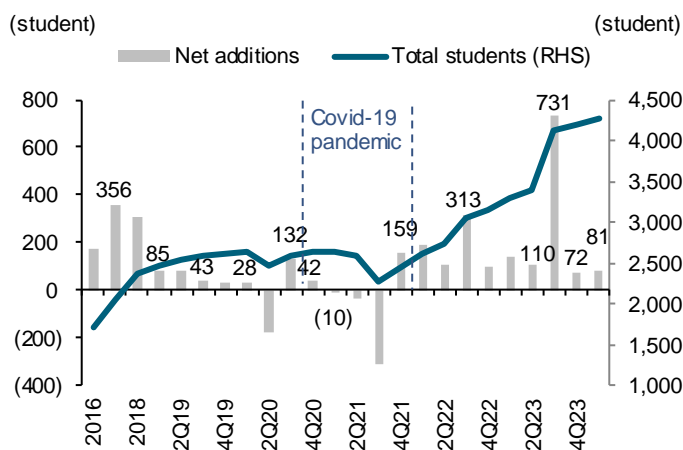
Source: FSSIA estimates

Exhibit 1: SISB – 1Q24 earnings preview

Year to Dec 31	1Q23	2Q23	3Q23	4Q23	1Q24E	----- Change -----		2024E	Change	% of
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)	2024E
Service revenue	426	423	478	564	565	0.2	32.7	2,371	25.5	23.8
Cost of service	(189)	(182)	(266)	(261)	(261)	0.1	38.4	(979)	9.0	26.7
Gross profit	237	241	211	303	304	0.3	28.3	1,392	40.4	21.9
Operating costs	(87)	(92)	(99)	(104)	(105)	1.3	20.6	(522)	36.8	20.1
Operating profit	150	149	113	200	199	(0.2)	32.7	911	35.7	21.9
Operating EBITDA	203	201	189	270	270	0.2	32.7	1,096	31.5	24.6
Other income	10	8	15	9	9	7.5	(4.0)	21	(50.2)	44.7
Interest expense	2	1	2	4	4	(1.1)	106.9	(25)	(4.0)	(16.5)
Profit before tax	159	156	129	213	213	0.2	33.8	892	36.3	23.9
Associates	4	4	5	7	7	0.2	66.2	20	1.7	32.6
Net profit	159	155	129	211	213	1.1	33.8	891	36.3	23.9
Core profit	159	155	129	211	213	1.1	33.8	891	36.3	23.9
Reported EPS (THB)	0.17	0.17	0.14	0.22	0.23	1.1	33.8	0.95	36.3	23.9
Core EPS (THB)	0.17	0.17	0.14	0.22	0.23	1.1	33.8	0.948	36.3	23.9
Key ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)	
Gross margin	55.7	57.0	44.3	53.8	53.8	0.0	(1.9)	58.7	6.2	
Operating margin	38.4	38.1	27.8	38.1	38.0	(0.0)	(0.4)	38.4	2.9	
EBITDA margin	47.8	47.5	39.6	47.8	47.8	(0.0)	(0.0)	46.2	2.1	
Net margin	37.3	36.7	26.9	37.3	37.6	0.3	0.3	37.6	3.0	
Admin. expense / revenue	20.4	21.8	20.7	18.4	18.6	0.2	(1.9)	22.0	1.8	
Number of students (no.)						(q-q %)	(y-y %)		(y-y %)	
Total students	3,284	3,394	4,125	4,197	4,278	1.9	30.3	4,600	9.6	
Net additions	140	110	731	72	81	12.5	(42.1)	403	(62.8)	

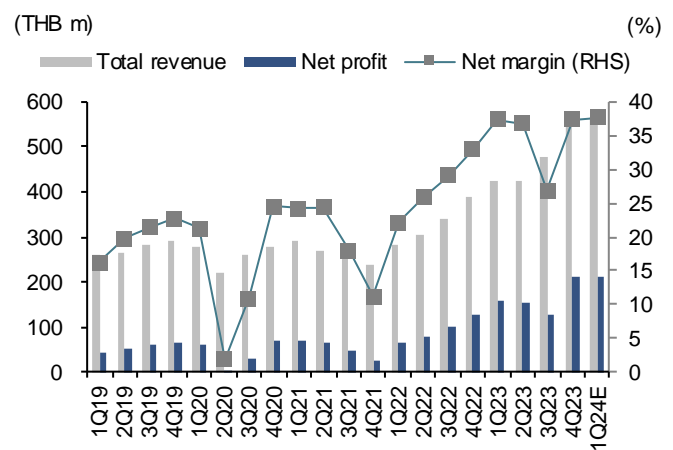
Sources: SISB, FSSIA estimates

Exhibit 2: New enrollments and accumulated students



Sources: SISB, FSSIA estimates

Exhibit 3: Total revenue, net profit, and net margin



Sources: SISB, 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) *	97.4	55.0	40.4	34.3	29.3
Recurring P/E @ target price (x) *	106.9	60.4	44.3	37.7	32.2
Reported P/E (x)	97.4	55.0	40.4	34.3	29.3
Dividend yield (%)	0.4	0.8	1.1	1.3	1.5
Price/book (x)	15.7	12.9	10.9	9.9	8.5
Price/tangible book (x)	18.4	14.6	12.1	10.8	9.2
EV/EBITDA (x) **	64.6	41.4	32.9	28.4	24.7
EV/EBITDA @ target price (x) **	71.0	45.6	36.1	31.3	27.2
EV/invested capital (x)	15.7	14.2	11.5	10.2	8.8

* 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.																					
	<table border="1"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td rowspan="3">Leader:</td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td rowspan="3">Average:</td> <td rowspan="3">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> </tr> <tr> <td>B</td> <td>1.429-2.856</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

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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	26-Sep-2023	BUY	42.00	-	-	-
08-Jun-2023	BUY	45.00	25-Mar-2024	HOLD	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 38.25	HOLD	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. Upside risks to our DCF-based TP include 1) higher-than-expected demand from both local and international parents; and 2) the Rayong campus reaching the breakeven point sooner than expected.

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 03-May-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.