

# SISB SISB TB

THAILAND / PROFESSIONAL SERVICE

**BUY**  
 UNCHANGED

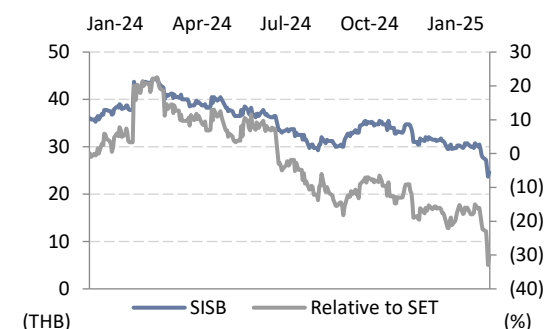
## Overly concerned

- Expect 4Q24 profit to continue to reach a new high.
- In case of no tuition fee increase and zero student growth, our TP would be THB32 for the year 2026.
- The impacts should be temporary, while SISB plans to open its 7th school by 2026. The falling price reflects an excessive concern.

TARGET PRICE	THB42.00
CLOSE	THB24.60
UP/DOWNSIDE	+70.7%
PRIOR TP	THB42.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+8.3%

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	1,889	2,358	2,695	3,111
Net profit	654	887	1,072	1,232
EPS (THB)	0.70	0.94	1.14	1.31
vs Consensus (%)	-	(2.0)	(3.4)	(5.0)
EBITDA	851	1,076	1,275	1,440
Recurring net profit	654	887	1,072	1,232
Core EPS (THB)	0.70	0.94	1.14	1.31
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	77.0	35.7	20.9	14.9
Core P/E (x)	35.4	26.1	21.6	18.8
Dividend yield (%)	1.3	1.6	2.0	2.3
EV/EBITDA (x)	26.4	20.7	17.5	15.4
Price/book (x)	8.3	7.0	6.3	5.5
Net debt/Equity (%)	(23.9)	(26.1)	(23.6)	(20.7)
ROE (%)	25.7	29.2	30.9	31.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(17.3)	(30.7)	(30.7)
Relative to country (%)	(13.2)	(23.9)	(28.2)
Mkt cap (USD m)	668		
3m avg. daily turnover (USD m)	1.6		
Free float (%)	29		
Major shareholder	Mr. Yew Hock Koh (33%)		
12m high/low (THB)	45.00/22.80		
Issued shares (m)	940.00		

Sources: Bloomberg consensus; FSSIA estimates

## Expect 4Q24 profit to continue to reach a new high

We estimate SISB's 4Q24 net profit to reach a new high of THB247m (+13.2% q-q, +17.3% y-y). We expect the number of students this quarter to increase by about 13, as it is still within the first semester (Aug-Dec). This should come after an increase of 230 students during the school opening period (3Q24). The 4Q24 performance would benefit from the full-quarter impact of new students and a 5% average increase in tuition fees. Thus, the 2024 net profit should register THB887m (+35.7% y-y) with 4,600 students (+403 students as planned).

## Every 1% change in tuition fee impacts our profit estimate by 2%

Our sensitivity analysis shows that every 1% change in tuition fees impacts SISB's net profit by approximately THB20m per year based on the current profit base, affecting our TP by THB0.80. In a worst-case scenario, with no tuition fee increase and zero student growth, we estimate net profit growth for 2025–26 to be +7%/-10%, with an average negative profit growth of 2% CAGR (2024–26). The TP under this scenario would be THB32 for the year 2026.

## Too soon for a revision, maintain our projection

We maintain our estimates since we believe a revision may be too early. We assume an increase of 400 students in 2025 and 600 students in 2026, in line with the company's target, and an average tuition fee increase of 5% per year. With these assumptions, we expect SISB's net profit for 2025–26 to grow by 21%/15%, respectively, reflecting an average growth rate of 18% CAGR (2024–26). Also, we value our TP at THB42.

## Impacts are temporary and do not change its expansion plan

However, should the economic slowdown persist throughout the year, causing SISB to raise tuition fees by only 3% for the next academic year (August 2025 - July 2026), our profit growth estimate would decelerate to an average of 13% CAGR (2024–26), down from the current projection of +18% CAGR. Additionally, our TP would decrease by THB4. However, SISB's share price has already declined by THB6.30 in the last two weeks, while the impacts should be temporary and not alter the underlying structure of the business. Note that SISB plans to open its 7th school with affordable fees by the end of 2026. We have not yet factored into our current estimates.


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Investment thesis

We estimate SISB's 4Q24 net profit to reach a new high of THB247m (+13.2% q-q, +17.3% y-y). The 4Q24 performance would benefit from the full-quarter impact of new students and a 5% average increase in tuition fees.

Due to concerns about the country's economic conditions, we conducted a sensitivity analysis. It shows that every 1% change in tuition fees impacts net profit by approximately 20 million baht per year based on the current profit base. If SISB raises tuition fees by only 3% for the next academic year (August 2025 - July 2026), it would impact our TP by THB4. However, the impacts should be temporary and not alter the underlying structure of the business. Hence, we maintain our BUY rating.

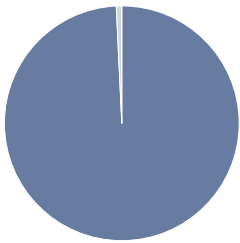
Company profile

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](http://www.sisb.ac.th)

Principal activities (revenue, 2023)

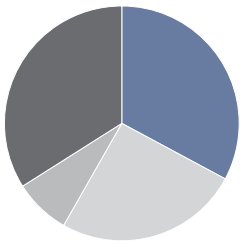
- Tuition fees and service income - 99.3 %
- Education equipment revenue - 0.7 %



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
February 2025	4Q24/2024 earnings announcement
May 2025	1Q25 earnings announcement

Key assumptions

	2024E	2025E	2026E
Students, all campuses	4,600	5,000	5,600
New students	403	400	600
Tuition fee (THB/year)	0.57	0.60	0.63
Revenue (THB m)	2,358	2,695	3,111
Student to teacher ratio	8.1	8.2	8.3
Gross margin (%)	54.7	56.9	56.0
EBITDA margin (%)	46.9	48.6	46.9
SG&A to sales (%)	19.5	19.2	18.9

Source: FSSIA estimates

Earnings sensitivity

- For every 100-student change in enrollment, we project SISB's 2025 net profit to change by 3%, all else being equal.
- For every 1% change in gross margin, we project SISB's 2025 net profit to change by 2%, all else being equal.
- For every 1% change in SG&A expenses, we project SISB's 2025 net profit to change by 2%, all else being equal.

Source: FSSIA estimates

## Earnings set to reach a new high in 4Q24

We estimate SISB's 4Q24 net profit to reach a new high of THB247m (+13.2% q-q, +17.3% y-y). We expect the number of students this quarter to increase by about 13, as it is still within the first semester (Aug-Dec). This should come after an increase of 230 students during the school opening period (3Q24). However, the 4Q24 performance would benefit from the full-quarter impact of new students and a 5% average increase in tuition fees compared to 3Q24, which only partially reflected these effects. On the other hand, expenses, particularly personnel costs related to education, were fully accounted for in 3Q24.

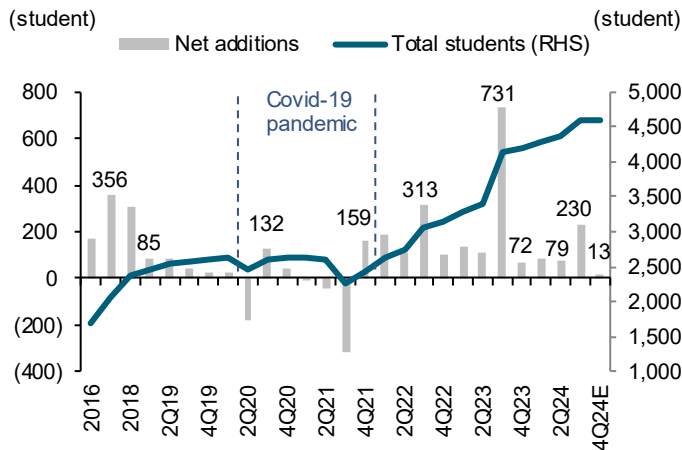
By the end of 2024, we expect SISB to have 4,600 students, an increase of 403 students in line with the management's target. 2024 marked the first full year of revenue recognition from the 5th and 6th branches in Nonthaburi and Rayong. We estimate that students from Nonthaburi and Rayong accounted for 11% and 4% of the total students, respectively. As a result, we estimate its revenue to increase by 24.8% y-y to THB2.4b, with a net profit of THB887m (+35.7% y-y), supported by a gross profit margin of 54.7% and a net profit margin of 37.6%, both improving y-y and at record-high levels.

### Exhibit 1: SISB - 4Q24 earnings preview

Year to Dec 31	4Q23	1Q24	2Q24	3Q24	4Q24E	----- Change -----		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Service revenue	564	561	559	596	643	7.9	14.0	1,889	2,358	24.8
Cost of service	(261)	(252)	(247)	(286)	(284)	(0.9)	8.9	(898)	(1,069)	19.1
Gross profit	303	309	312	309	359	16.0	18.3	993	1,289	29.8
Operating costs	(104)	(111)	(115)	(107)	(127)	19.2	22.7	(382)	(460)	20.4
Operating profit	200	198	197	203	232	14.4	16.1	611	830	35.7
Operating EBITDA	270	272	269	278	303	9.3	12.6	863	1,122	30.1
Other income	9	11	10	10	11	4.6	27.1	41	43	3.3
Interest expense	(4)	(4)	(4)	(7)	(5)	(31.7)	13.9	(10)	(20)	112.1
Profit before tax	213	214	211	221	249	13.1	17.3	656	646	(1.6)
Associates	7	7	8	8	8	0.7	20.3	20	23	15.6
<b>Net profit</b>	<b>211</b>	<b>212</b>	<b>210</b>	<b>218</b>	<b>247</b>	<b>13.2</b>	<b>17.3</b>	<b>654</b>	<b>887</b>	<b>35.7</b>
<b>Core profit</b>	<b>211</b>	<b>212</b>	<b>210</b>	<b>218</b>	<b>247</b>	<b>13.2</b>	<b>17.3</b>	<b>654</b>	<b>887</b>	<b>35.7</b>
Reported EPS (THB)	0.22	0.23	0.22	0.23	0.23	0.0	3.7	0.70	0.94	35.7
Core EPS (THB)	0.22	0.23	0.22	0.23	0.23	0.0	3.7	0.70	0.94	35.7
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	53.8	55.1	55.8	51.9	55.8	3.9	2.1	52.5	54.7	2.2
Operating margin	38.1	38.6	38.5	37.1	39.0	1.9	0.9	35.5	38.3	2.8
EBITDA margin	47.8	48.5	48.2	46.6	47.2	0.6	(0.6)	44.1	46.9	2.8
Net margin	37.3	37.8	37.5	36.6	38.4	1.8	1.1	34.6	37.6	3.0
Admin. expense / revenue	18.4	19.8	20.6	17.9	19.8	1.9	1.4	20.2	19.5	(0.7)
<b>Number of students (no.)</b>						<b>(q-q %)</b>	<b>(y-y %)</b>			<b>(y-y %)</b>
Total students	4,197	4,278	4,357	4,587	4,600	0.3	9.6	4,197	4,600	9.6
Net additions	72	81	79	230	13	(94.3)	(81.9)	1,083	403	(62.8)

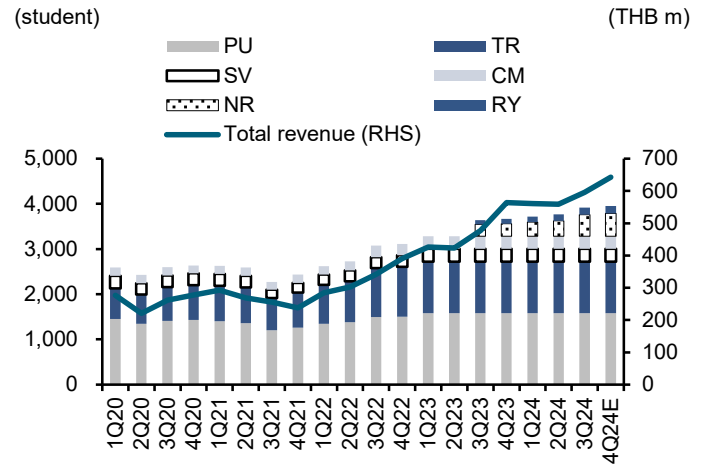
Sources: SISB, FSSIA estimates

### Exhibit 2: Net enrolments and accumulated students



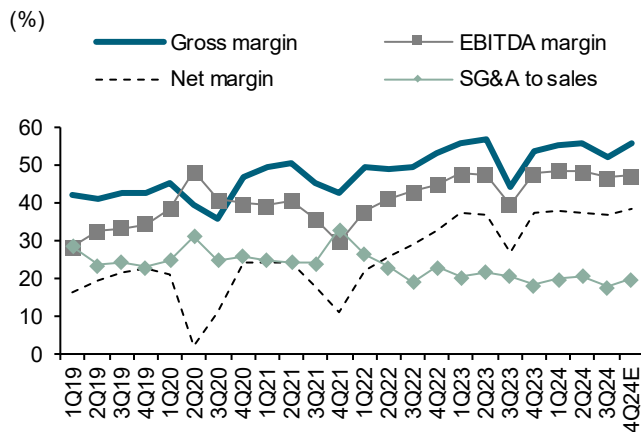
Sources: SISB, FSSIA estimates

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



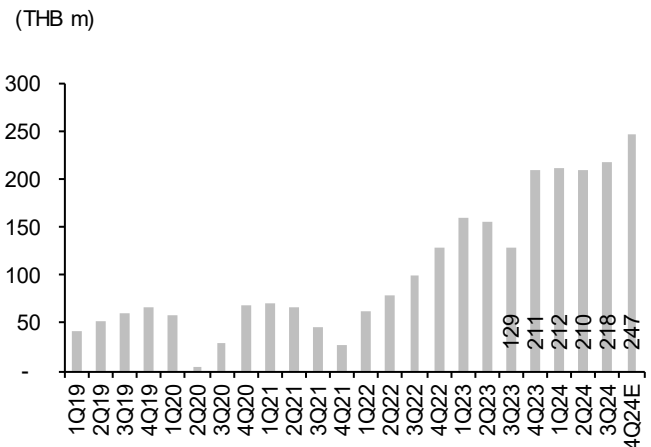
Note: PU: Singapore International School of Bangkok, TR: Singapore International School Thonburi, SV: Singapore International School Suvarnabhumi, CM: Singapore International School Chinagmai, NR: Singapore International School Nonthaburi, RY: Singapore International School Rayong  
Sources: SISB, FSSIA estimates

### Exhibit 4: Margins



Sources: SISB, FSSIA estimates

### Exhibit 5: Net profit



Sources: SISB, FSSIA estimates

### Every 1% change in tuition fee impacts our profit estimate by 2%

Due to concerns about the country's economic conditions, we conduct a sensitivity analysis. It shows that every 1% change in tuition fees impacts SISB's net profit by approximately THB20m per year (or 2%) based on the current profit base, affecting our TP by about THB0.80.

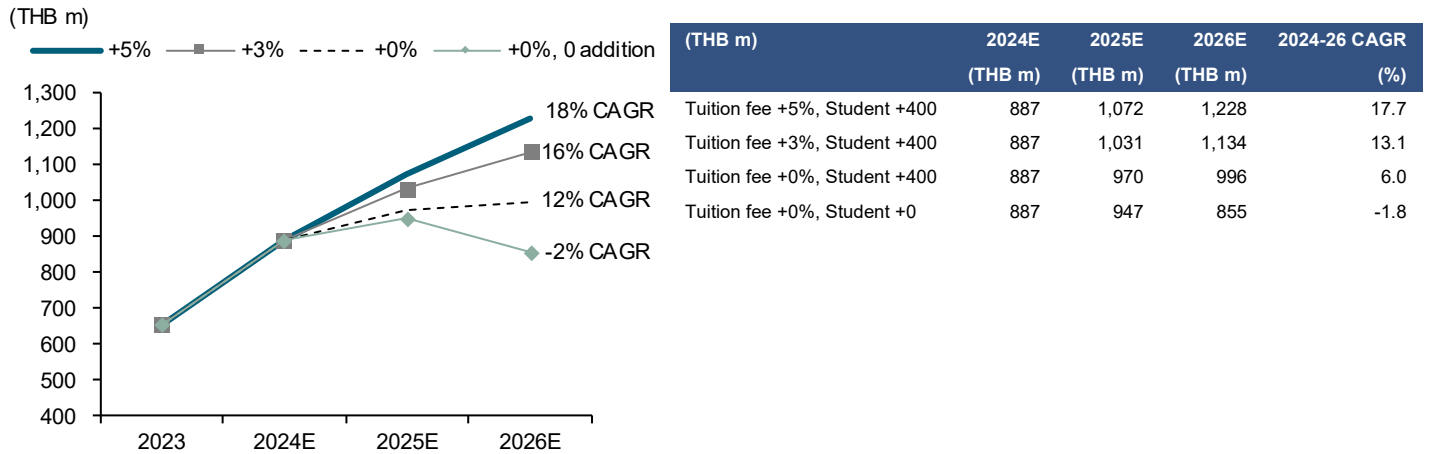
If SISB does not raise tuition fees for the new academic year (starting August 2025) as per the usual 5% increase:

- We expect SISB's net profit for 2025 to be THB970m (+9.4% y-y).
- For 2026, which reflects the full-year impact, we expect SISB's net profit to be THB996m (+2.7% y-y).
- This equates to a three-year average profit growth of 6% CAGR (2024–26). The 2026 TP, based on an implied P/E of 35x, would be THB37.

In a worst-case scenario, with no tuition fee increase and zero student growth:

- We estimate net profit growth for 2025–26 to be +7%/-10%.
- The three-year average profit would decline by 2% CAGR (2024–26).
- The 2026 TP under this scenario would be THB32.

### Exhibit 6: Sensitivity analysis of net profit and tuition fee adjustments



Note: All cases assume 400 students growth per year unless otherwise stated.  
Sources: FSSIA estimates

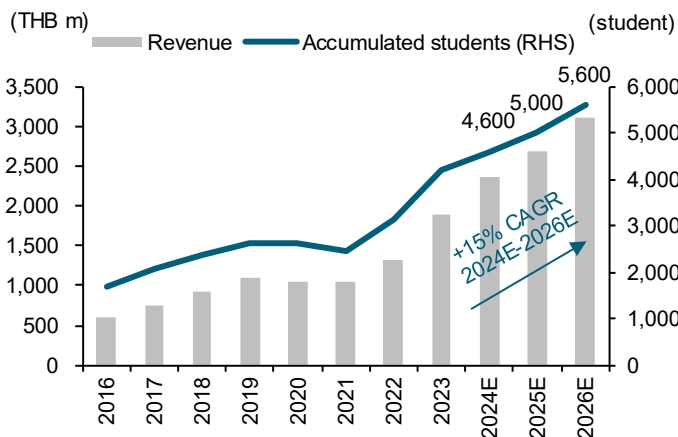
### Maintain our projections and BUY rating

We maintain our estimates, assuming an increase of 400 students in 2025 and 600 students in 2026, aligning with the company's targets. The significant rise in student numbers in 2026 should come from the expansion of the Pracha Uthit campus, Phase 3 (+600 seats), scheduled for completion in 1Q26, and the Thonburi campus, Phase 3.2 (+600 seats). We also assume an average tuition fee increase of 5% per year.

With these assumptions, we expect SISB's net profit for 2025 and 2026 to grow by 21% y-y and 15% y-y, respectively, reflecting an average growth rate of 18% CAGR (2024-26). Also, we value our TP at THB42, based on DCF valuation (8% WACC and 5% LTG).

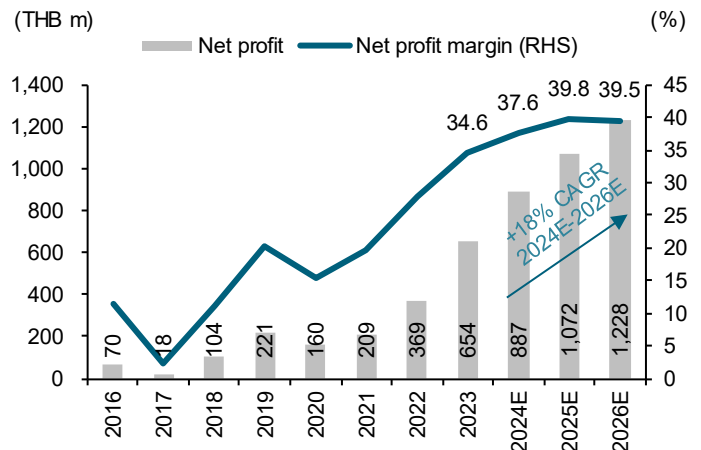
If the economic slowdown persists throughout the year, causing SISB to raise tuition fees by only 3% for the next academic year (August 2025 - July 2026), our profit estimates for 2025-26 would be overstated by 4% and 8%, respectively. Net profit growth would decelerate to an average of 13% CAGR (2024-26), down from the current projection of +18% CAGR. Additionally, our TP would decrease by THB4. However, SISB's share price has already declined by THB6.30 in the last two weeks. Moreover, SISB plans to open its 7th school with affordable fees by the end of 2026. We have not yet factored it into our current estimates. Therefore, we maintain our BUY rating.

### Exhibit 7: Accumulated students and revenue



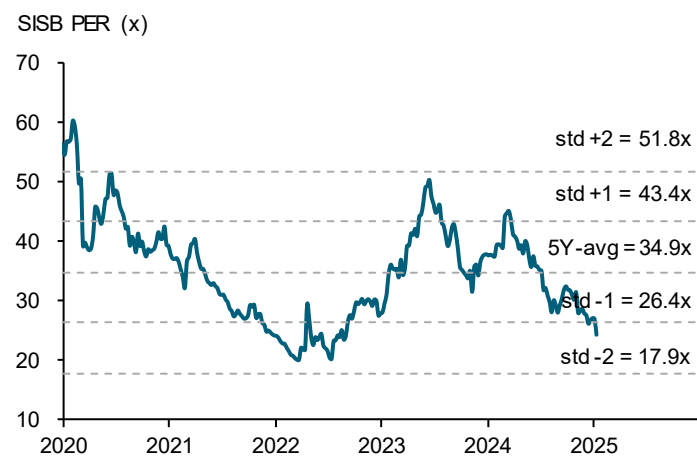
Sources: SISB, FSSIA estimates

### Exhibit 8: Net profit and net margin



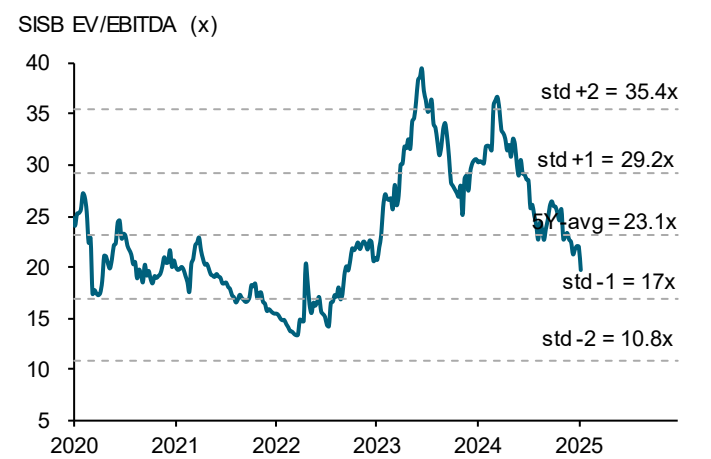
Sources: SISB, FSSIA estimates

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



Sources: Bloomberg, FSSIA estimates

Exhibit 10: One-year rolling forward EV/EBITDA 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	2,358	2,695	3,111
Cost of goods sold	(653)	(898)	(1,069)	(1,161)	(1,363)
<b>Gross profit</b>	<b>666</b>	<b>992</b>	<b>1,289</b>	<b>1,534</b>	<b>1,748</b>
Other operating income	25	51	63	61	60
Operating costs	(301)	(382)	(460)	(517)	(576)
<b>Operating EBITDA</b>	<b>551</b>	<b>851</b>	<b>1,076</b>	<b>1,275</b>	<b>1,440</b>
Depreciation	(161)	(191)	(183)	(198)	(208)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>390</b>	<b>661</b>	<b>893</b>	<b>1,077</b>	<b>1,233</b>
Net financing costs	(25)	(26)	(28)	(29)	(27)
Associates	5	20	31	33	38
Recurring non-operating income	5	20	31	33	38
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>370</b>	<b>655</b>	<b>895</b>	<b>1,082</b>	<b>1,244</b>
Tax	(1)	(1)	(8)	(10)	(11)
<b>Profit after tax</b>	<b>369</b>	<b>654</b>	<b>887</b>	<b>1,072</b>	<b>1,232</b>
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>369</b>	<b>654</b>	<b>887</b>	<b>1,072</b>	<b>1,232</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>369</b>	<b>654</b>	<b>887</b>	<b>1,072</b>	<b>1,232</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.39	0.70	0.94	1.14	1.31
Reported EPS	0.39	0.70	0.94	1.14	1.31
DPS	0.16	0.31	0.41	0.49	0.56
Diluted shares (used to calculate per share data)	940	940	940	940	940
<b>Growth</b>					
Revenue (%)	25.1	43.2	24.8	14.3	15.4
Operating EBITDA (%)	41.3	54.6	26.3	18.5	13.0
Operating EBIT (%)	63.8	69.4	35.1	20.7	14.4
Recurring EPS (%)	73.1	77.0	35.7	20.9	14.9
Reported EPS (%)	73.1	77.0	35.7	20.9	14.9
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	50.5	52.5	54.7	56.9	56.2
Gross margin exc. depreciation (%)	62.7	62.6	62.4	64.3	62.9
Operating EBITDA margin (%)	41.7	45.1	45.6	47.3	46.3
Operating EBIT margin (%)	29.6	35.0	37.9	40.0	39.6
Net margin (%)	28.0	34.6	37.6	39.8	39.6
Effective tax rate (%)	0.2	0.2	0.9	0.9	0.9
Dividend payout on recurring profit (%)	40.7	44.6	43.0	43.0	43.0
Interest cover (X)	15.6	26.3	32.5	38.4	46.4
Inventory days	5.7	5.7	6.3	6.1	5.3
Debtor days	22.6	21.4	20.8	20.5	21.9
Creditor days	86.3	55.7	48.8	44.2	21.8
Operating ROIC (%)	23.8	34.3	39.9	(0.4)	(40.7)
ROIC (%)	18.6	28.4	34.5	(0.4)	(36.8)
ROE (%)	17.2	25.7	29.2	30.9	31.3
ROA (%)	10.9	15.9	18.5	19.6	20.3

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Tuition fees and service income	1,311	1,875	2,342	2,676	3,091
Education equipment revenue	9	14	17	18	20

Sources: SISB; FSSIA estimates



## Financial Statements

### SISB

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	369	654	887	1,072	1,232
Depreciation	161	191	183	198	208
Associates & minorities	(5)	(20)	(31)	(33)	(38)
Other non-cash items	(36)	(404)	(102)	(156)	(98)
Change in working capital	138	324	203	(91)	(69)
<b>Cash flow from operations</b>	<b>627</b>	<b>745</b>	<b>1,140</b>	<b>989</b>	<b>1,234</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(1,923)	(1,330)	(439)	(399)	(509)
Net acquisitions & disposals	1,471	1,047	0	0	0
Other investments (net)	0	28	(150)	(150)	(206)
<b>Cash flow from investing</b>	<b>(452)</b>	<b>(254)</b>	<b>(589)</b>	<b>(549)</b>	<b>(715)</b>
Dividends paid	(94)	(150)	(381)	(461)	(530)
Equity finance	0	0	0	0	0
Debt finance	(36)	(36)	13	14	(16)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(130)</b>	<b>(187)</b>	<b>(368)</b>	<b>(447)</b>	<b>(546)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>46</b>	<b>304</b>	<b>183</b>	<b>(7)</b>	<b>(27)</b>
Free cash flow to firm (FCFF)	201.06	516.19	579.33	469.57	546.37
Free cash flow to equity (FCFE)	139.91	453.91	564.37	454.52	502.71

#### Per share (THB)

FCFF per share	0.21	0.55	0.62	0.50	0.58
FCFE per share	0.15	0.48	0.60	0.48	0.53
Recurring cash flow per share	0.52	0.45	1.00	1.15	1.39

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	3,327	3,919	4,169	4,369	4,669
Less: Accumulated depreciation	(833)	(986)	(803)	(605)	(397)
<b>Tangible fixed assets (net)</b>	<b>2,493</b>	<b>2,933</b>	<b>3,366</b>	<b>3,764</b>	<b>4,271</b>
<b>Intangible fixed assets (net)</b>	<b>340</b>	<b>321</b>	<b>323</b>	<b>317</b>	<b>311</b>
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	60	60	60	60	60
Cash & equivalents	810	1,113	1,296	1,290	1,262
A/C receivable	93	128	141	161	212
Inventories	7	15	16	16	17
Other current assets	15	14	14	15	15
<b>Current assets</b>	<b>926</b>	<b>1,270</b>	<b>1,467</b>	<b>1,482</b>	<b>1,506</b>
Other assets	95	52	53	54	55
<b>Total assets</b>	<b>3,914</b>	<b>4,636</b>	<b>5,270</b>	<b>5,677</b>	<b>6,204</b>
Common equity	2,290	2,788	3,293	3,650	4,222
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>2,290</b>	<b>2,788</b>	<b>3,293</b>	<b>3,650</b>	<b>4,222</b>
Long term debt	442	431	423	414	373
Other long-term liabilities	323	362	384	406	431
<b>Long-term liabilities</b>	<b>766</b>	<b>793</b>	<b>806</b>	<b>820</b>	<b>804</b>
A/C payable	149	67	170	64	75
Short term debt	14	14	14	15	15
Other current liabilities	696	974	986	1,128	1,088
<b>Current liabilities</b>	<b>858</b>	<b>1,055</b>	<b>1,170</b>	<b>1,207</b>	<b>1,178</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,914</b>	<b>4,636</b>	<b>5,270</b>	<b>5,677</b>	<b>6,204</b>
Net working capital	(728)	(884)	(985)	(1,000)	(918)
Invested capital	2,260	2,482	2,818	3,195	3,779

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

#### Per share (THB)

Book value per share	2.44	2.97	3.50	3.88	4.49
Tangible book value per share	2.07	2.62	3.16	3.55	4.16

#### Financial strength

Net debt/equity (%)	(15.4)	(23.9)	(26.1)	(23.6)	(20.7)
Net debt/total assets (%)	(9.0)	(14.4)	(16.3)	(15.2)	(14.1)
Current ratio (x)	1.1	1.2	1.3	1.2	1.3
CF interest cover (x)	82.6	69.8	36.4	30.5	38.0

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>62.6</b>	<b>35.4</b>	<b>26.1</b>	<b>21.6</b>	<b>18.8</b>
<b>Recurring P/E @ target price (x) *</b>	<b>106.9</b>	<b>60.4</b>	<b>44.5</b>	<b>36.8</b>	<b>32.0</b>
Reported P/E (x)	62.6	35.4	26.1	21.6	18.8
Dividend yield (%)	0.7	1.3	1.6	2.0	2.3
Price/book (x)	10.1	8.3	7.0	6.3	5.5
Price/tangible book (x)	11.9	9.4	7.8	6.9	5.9
EV/EBITDA (x) **	41.3	26.4	20.7	17.5	15.4
EV/EBITDA @ target price (x) **	71.0	45.6	35.9	30.3	26.8
EV/invested capital (x)	10.1	9.0	7.9	7.0	5.9

\* 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 ( <a href="#">DJSI</a> ) 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.																				
SET ESG Ratings List ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	SET ESG 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 <b>SETESG inclusion</b> , 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. <b>SETESG Index</b> is extended from the SET ESG Ratings 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.																				
<b>CG Score</b> 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%).																				
<b>AGM level</b> 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&amp;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.																				
<a href="#">Thai CAC</a> 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.																				
<a href="#">Morningstar Sustainabilitys</a>	The Sustainabilitys' 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 &amp; 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><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
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0-10	10-20	20-30	30-40	40+																		
<a href="#">ESG Book</a>	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.																				
<a href="#">MSCI</a>	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><tr><td><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></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><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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<a href="#">Moody's ESG solutions</a>	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.																					
<a href="#">Refinitiv ESG rating</a>	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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																					
<a href="#">S&amp;P Global</a>	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.																					
<b>Bloomberg</b>	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

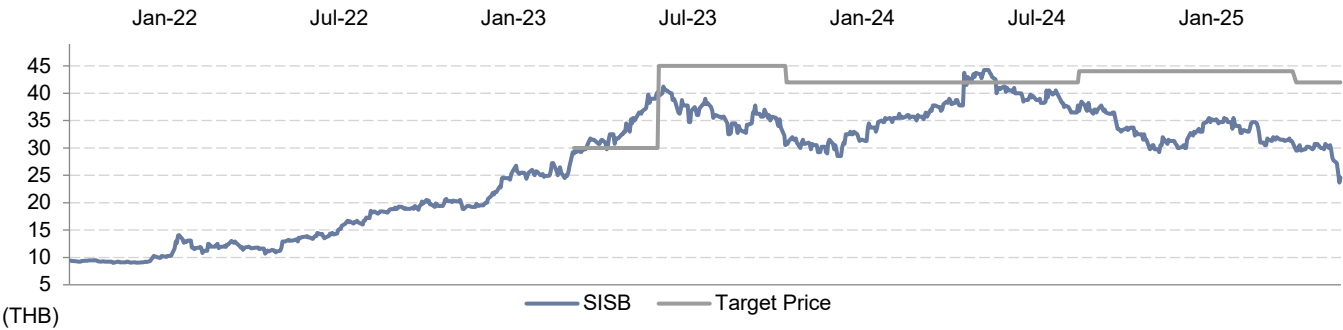
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History of change in investment rating and/or target price

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	04-Jun-2024	BUY	44.00
08-Jun-2023	BUY	45.00	25-Mar-2024	HOLD	42.00	06-Dec-2024	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 24.60	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 16-Jan-2025 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.