

# SISB SISB TB

## THAILAND / PROFESSIONAL SERVICE

# BUY

## UNCHANGED

TARGET PRICE	THB39.00
CLOSE	THB19.10
UP/DOWNSIDE	+104.2%
PRIOR TP	THB42.00
CHANGE IN TP	-7.1%
TP vs CONSENSUS	+15.8%

## โรงเรียนนานาชาติเติบโตสวนทางโรงเรียนไทย

- แม้อัตราการเกิดของประชากรไทยจะมีแนวโน้มลดลง แต่ความต้องการการศึกษาในหลักสูตรโรงเรียนนานาชาติเติบโต
- โรงเรียนจำกัดดูแลผู้ปกครองและนักเรียนมากกว่าจะมุ่งหวังกำไรอย่างเดียว การขึ้นค่าเทอมอาจจะลดตามสภาพเศรษฐกิจซึ่งพิจารณาปีต่อไป
- เป็นโอกาสในการซื้อลงทุน ราคาเป้าหมายใหม่ 39 บาท

## International schools booming amidst decline of Thai curriculum

โรงเรียนนานาชาติเติบโตอย่างต่อเนื่อง สวนทางโรงเรียนหลักสูตรไทย และสวนทางอัตราการเกิดในประเทศไทยที่ลดลงอย่างต่อเนื่อง ในช่วง 10 ปีที่ผ่านมา จำนวนโรงเรียนนานาชาติเพิ่มขึ้นจาก 154 แห่งในปี 2014 เป็น 249 แห่งในปี 2024 คิดเป็นการเติบโตเฉลี่ย 4.9% CAGR ขณะที่โรงเรียนหลักสูตรไทยกลับลดลง 0.3% CAGR (2014-2024) จาก 3,810 แห่งในปี 2014 เป็น 3,697 แห่งในปี 2024 และปี 2024 จำนวนนักเรียนในโรงเรียนนานาชาติปรับตัวเพิ่มขึ้นถึง 10.7% y-y เป็น 77,734 คน

### พื้นที่อีกมากพอสมควรสำหรับการขยายตัวของโรงเรียนนานาชาติ

เห็นได้ชัดว่าแม้อัตราการเกิดของประชากรไทยจะมีแนวโน้มลดลง แต่ความต้องการการศึกษาในหลักสูตรโรงเรียนนานาชาติ ทำให้ธุรกิจนี้ยังคงเติบโตได้อย่างต่อเนื่อง ถึงแม้การแข่งขันจะสูงขึ้นตามมา แต่ด้วยจำนวนนักเรียนที่อยู่ในหลักสูตรนานาชาติมีสัดส่วนเพียง 0.7% ของจำนวนนักเรียนทั่วประเทศ จึงยังมีพื้นที่อีกมากพอสมควรสำหรับการขยาย

### โรงเรียนดูแลผู้ปกครองและนักเรียนมากกว่าจะมุ่งหวังกำไรอย่างเดียว

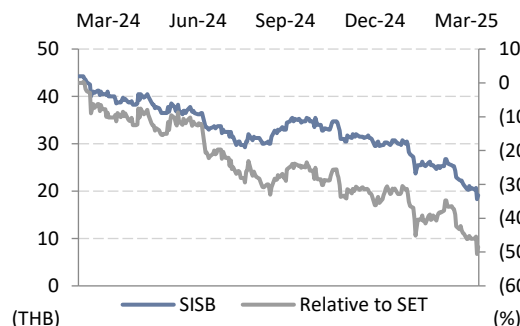
ปฏิเสธไม่ได้ว่าภาวะเศรษฐกิจไทยปัจจุบันส่งผลกระทบกับทุกธุรกิจ ไม่เว้นแม้แต่โรงเรียนซึ่งต้องดูแลนักเรียนและผู้ปกครองมากกว่าจะมุ่งแต่กำไรเพียงอย่างเดียว เราปรับประมาณการกำไรของ SISB ในปี 2025-2026 ลง 6.4% และ 8.7% ตามลำดับ โดยปรับลดการขึ้นอัตราค่าเทอมค่าการศึกษาในปีการศึกษาหน้า (ส.ค. 2025 - ก.ค. 2026) เป็น 3% จากประมาณการเดิมที่ให้ปรับขึ้น 5% และคงประมาณการการขึ้นค่าเทอมในปีการศึกษาถัดๆไปที่ 5% ตามเดิม บนสมมติฐานภาวะเศรษฐกิจไทยจะฟื้นตัวในทิศทางที่ดีขึ้น

### เป็นโอกาสในการซื้อลงทุน

จากการปรับประมาณการ และเพิ่ม WACC เป็น 9.2% จากเดิม 8.5% ทำให้ราคาเป้าหมายใหม่ที่ 39 บาท จากเดิม 42 บาท เรายังคงชอบธุรกิจโรงเรียนนานาชาติของ SISB เพราะอยู่ในอุตสาหกรรมที่มีการเติบโต มีความมั่นคงเพราะการศึกษาเป็นสิ่งจำเป็น ผู้บริหารมีประสบการณ์และความชำนาญและมีวิสัยทัศน์ในการขยายโรงเรียนอย่างต่อเนื่อง ราคาหุ้นปัจจุบันเทรดที่ 2025E P/E 17.6x, -2SD ของค่าเฉลี่ย 5 ปี และต่ำกว่ากลุ่ม Consumer staple ที่เทรดที่ 20x+ เรายังมองเป็นโอกาสซื้อลงทุน

## KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	2,353	2,611	2,943	3,406
Net profit	885	995	1,118	1,298
EPS (THB)	0.94	1.06	1.19	1.38
vs Consensus (%)	-	(3.5)	(8.0)	(2.1)
EBITDA	1,116	1,250	1,379	1,562
Recurring net profit	885	995	1,118	1,298
Core EPS (THB)	0.94	1.06	1.19	1.38
Chg. In EPS est. (%)	-	(6.4)	(8.7)	(5.5)
EPS growth (%)	35.4	12.4	12.4	16.1
Core P/E (x)	20.3	18.0	16.1	13.8
Dividend yield (%)	2.2	2.4	2.7	3.1
EV/EBITDA (x)	15.2	13.7	12.8	11.3
Price/book (x)	5.3	4.9	4.3	3.8
Net debt/Equity (%)	(30.4)	(21.8)	(8.7)	(6.6)
ROE (%)	28.7	28.1	28.4	29.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(26.5)	(35.3)	(55.3)
Relative to country (%)	(18.7)	(20.1)	(46.7)
Mkt cap (USD m)			532
3m avg. daily turnover (USD m)			2.3
Free float (%)			29
Major shareholder		Mr. Yew Hock Koh (33%)	
12m high/low (THB)			45.00/17.60
Issued shares (m)			940.00

Sources: Bloomberg consensus; FSSIA estimates



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### Investment thesis

International schools have been experiencing continuous growth, in contrast to Thai curriculum schools and Thailand’s steadily declining birth rate. However, it is undeniable that the current state of the Thai economy is impacting all businesses, including schools, which must also prioritize the well-being of students and parents rather than solely focusing on profitability. We have decreased our profit estimates for 2025-2026, reflecting a reduction in the anticipated tuition fee increase for the upcoming academic year (Aug 2025 – Jul 2026) from 5% to 3%.

We remain positive about SISB’s international school business, as it operates in a growing industry with high stability. The management team has extensive experience, and a clear vision for continuous school expansion.

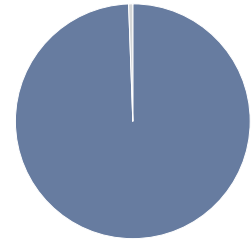
### Company profile

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, 2024)

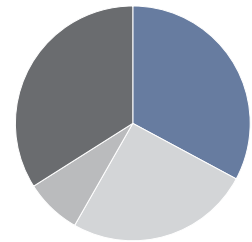
- Tuition fees and service income - 99.4 %
- Education equipment revenue - 0.6 %



Source: SISB

### Major shareholders

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



Source: SISB

### Catalysts

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

### Risks to our call

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

### Event calendar

Date	Event
11 April 2025	Annual general shareholders’ meeting

### Key assumptions

	2024A	2025E	2026E	2027E
Students, all campus	4,620	5,000	5,600	6,100
New students	423	380	600	500
Tuition fee (THB/year)	0.57	0.58	0.60	0.63
Revenue (THB m)	2,353	2,611	2,943	3,406
Student to teacher ratio	7.2	8.2	8.3	8.4
Gross margin (%)	54.2	55.3	55.4	55.4
EBITDA margin (%)	48.8	49.1	48.2	47.1
SG&A to sales (%)	19.1	19.0	19.0	19.0

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

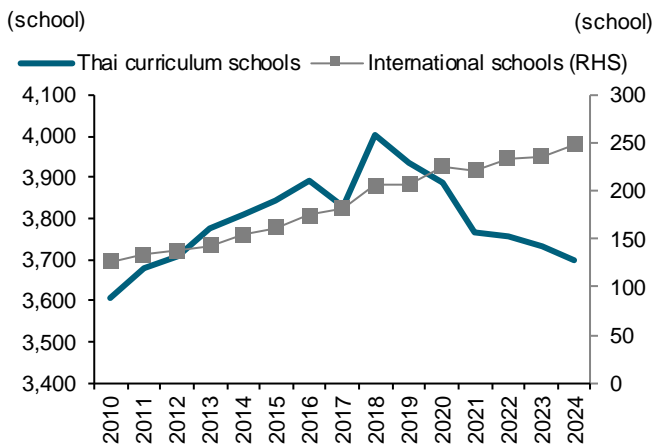
## International schools booming amidst a decline of Thai curriculum schools

International schools have been experiencing continuous growth, in contrast to Thai curriculum schools and Thailand’s steadily declining birth rate. Over the past 10 years, the number of international schools increased from 154 in 2014 to 249 in 2024, representing an average growth rate of 4.9% CAGR. Meanwhile, the number of Thai curriculum schools declined at an average rate of 0.3% CAGR over the same period, decreasing from 3,810 schools in 2014 to 3,697 schools in 2024.

Similarly, the number of students in private Thai schools has declined at an average rate of 0.6 CAGR (2014-2024), in contrast to the number of students in international schools, which has grown at an average rate of 6.3% CAGR (2014-2024). Notably, in 2024, the number of students in international schools saw a significant increase of 10.7% y-y, reaching 77,734 students.

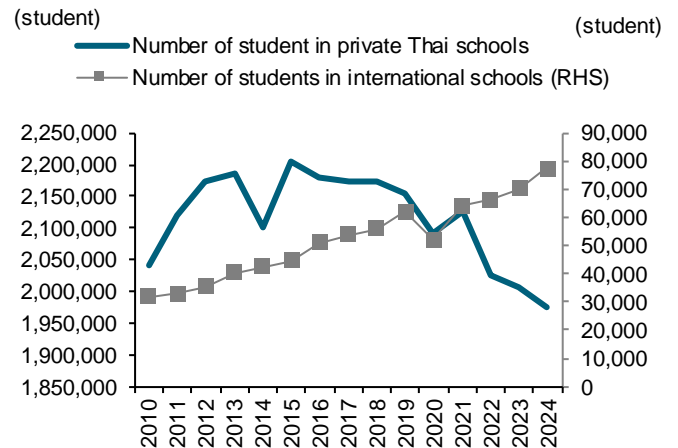
The factors driving the popularity of international schools remain investment in education for children, growing awareness of the importance of multilingual skills and modern curricula, as well as increasing demand from expatriates relocating to work in Thailand.

**Exhibit 1: No. of Thai curriculum and international schools**



Sources: Ministry of Education, FSSIA’s compilation

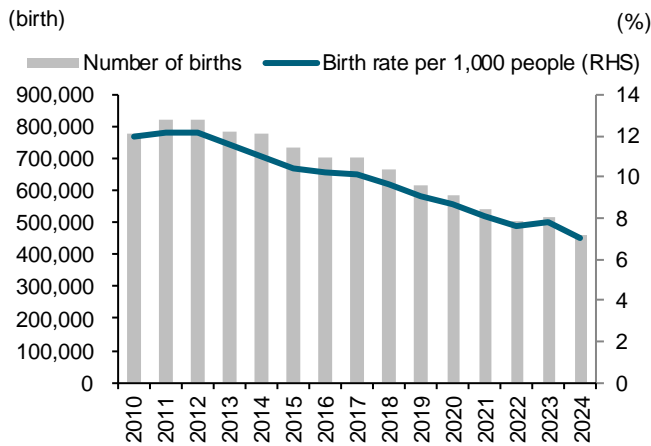
**Exhibit 2: No. of students in private Thai and international schools**



Sources: Ministry of Education, FSSIA’s compilation

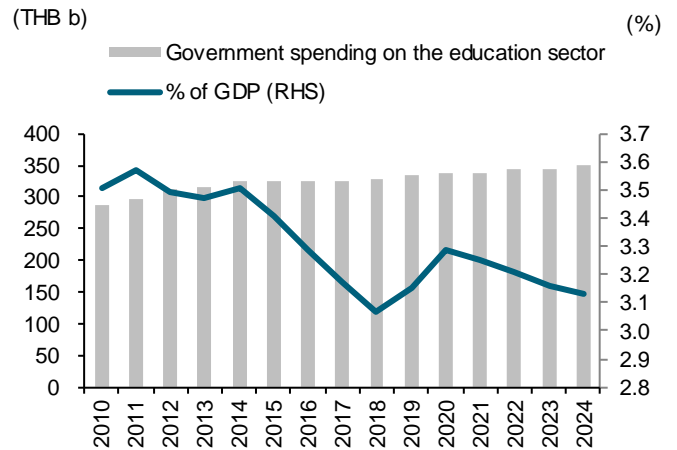
Thailand’s birth rate has been declining and is expected to continue decreasing. In 2024, the number of Thai newborns was 462,240, marking the first time in 70 years that annual births fell below 500,000, contrary to government policies. Meanwhile, the education budget has seen little growth over the past decade, remaining at approximately 340 billion baht per year. When measured as a percentage of GDP, it has been continuously decreasing.

**Exhibit 3: Thailand birth rate**



Sources: National Statistical Office, FSSIA's compilation

**Exhibit 4: Government spending on the education sector**

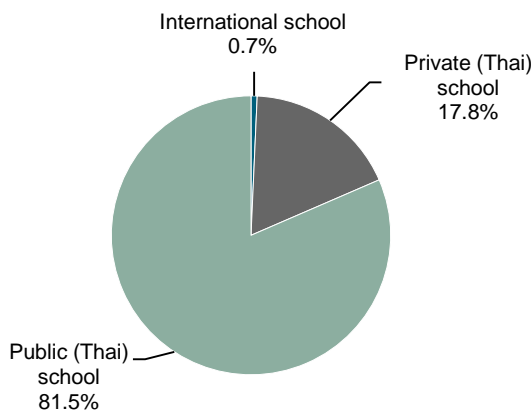


Sources: National Economic and Social Development (NESDC), FSSIA's compilation

**Despite high competition, there is ample opportunity for growth**

It is evident that despite the declining birth rate in Thailand, the demand for international school education continues to drive the steady growth of this sector. Although competition is increasing, the proportion of students enrolled in international curricula remains at only 0.7% of the total student population. This suggests that there is still significant room for market expansion, particularly in private schools and English Program (EP) schools, which had a combined student population of 2m as of the end of 2024, 25 times higher than the number of students in international schools.

**Exhibit 5: Number of K12 students in Thailand (2024)**



Sources: Ministry of Education, SISB, FSSIA's compilation

**Exhibit 6: Potential demands in upcountry**



Sources: SISB, FSSIA's compilation

Additionally, international schools in Thailand, which were traditionally concentrated in Bangkok and major cities with high purchasing power and a significant expatriate population, are now expanding into other provinces beyond Bangkok. This trend has led to the launch of SISB's first halving project, marking the establishment of its seventh international school at a more accessible tuition price point in Rangsit, Khlong 3, near the Supalai Prima Village project. This location is close to a residential community and currently lacks a fully-fledged international school.

The school aims to complete construction and commence operations by August 2026. We already factored this development into our estimates, anticipating an initial enrollment of 200 students in the first academic year, with an annual increase of approximately 120 students. The tuition fee for the first year is also set at THB300,000 per head per year.

## Adjusting our projections to align with Thailand's economic condition

It is undeniable that the current state of the Thai economy is impacting all businesses, including schools, which must prioritize the well-being of students and parents rather than solely focusing on profitability. As a result, we have decreased our profit estimates for 2025-2026 by 6.4% and 8.7%, respectively. This adjustment reflects a reduction in the anticipated tuition fee increase for the upcoming academic year (Aug 2025 – Jul 2026) from 5% to 3% while maintaining our projected 5% tuition fee increase for subsequent years, based on the assumption of a recovering Thai economy.

Additionally, we have slightly adjusted our estimated student enrollment for 2025 to align with the company's targets. Our projected student count at the end of 2025 is 5,000 (+380 students), while by the end of 2026, the number is expected to reach 5,600 students (+600 students), comprising 400 students from the six existing schools and 200 from the newly planned seventh school.

As for 1Q25, student numbers may not differ significantly from 4Q24, but we believe it is still too early to revise our enrollment estimates. Typically, a clearer picture of student enrollment emerges around Jun - Jul, closer to a new academic year.

Therefore, the lower projected tuition fee increase for the upcoming academic year will affect earnings during the last five months of 2025 and the first seven months of 2026. Based on our revised estimates, we project SISB's net profit to reach THB995m in 2025 (+12.4% y-y) and THB1.1b in 2026 (+12.4% y-y), implying a 14.2% CAGR during 2024-2026.

Looking ahead to 2027, we estimate a net profit of THB13b (+16% y-y), with accelerated growth driven by full-year revenue recognition from the newly established seventh school and the assumption that tuition fees will continue to increase by an average of 5% per year as previously projected.

### Exhibit 7: Key changes in assumptions

	Current				Previous			Change		
	2024A (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
Tuition and services revenue	2,353	2,611	2,943	3,406	2,697	3,114	3,406	(3.2)	(5.5)	0.0
Cost of services	1,078	1,166	1,313	1,521	1,164	1,366	1,521	0.2	(3.9)	0.0
Gross profit	1,275	1,444	1,630	1,885	1,533	1,748	1,885	(5.8)	(6.7)	0.0
Administrative expense	449	496	559	647	518	576	647	(4.2)	(3.0)	0.0
EBITDA	1,116	1,250	1,379	1,562	1,318	1,486	1,562	(5.2)	(7.2)	0.0
Share of profit from associate	32	33	38	41	33.1	38.1	41.1	0.0	0.0	0.0
Net profit	885	995	1,118	1,298	1,063	1,225	1,298	(6.4)	(8.7)	0.0
<b>Key assumptions</b>										
Students, all campus (students)	4,620	5,000	5,600	6,100	5,020	5,620	6,100	(0.4)	(0.4)	0.0
- Six existing schools	4,620	5,000	5,400	5,780	5,020	5,420	5,780	(0.4)	(0.4)	0.0
- Halving project in Pathum Thani			200	320		200	320		0.0	0.0
Net additions (students)	423	380	600	500	400	600	500	(5.0)	0.0	0.0
Average tuition fee (THB m/student)	0.57	0.58	0.60	0.63	0.60	0.63	0.63	(3.4)	(5.3)	0.0
Gross profit	54.2	55.3	55.4	55.4	56.8	56.1	55.4	(1.5)	(0.7)	0.0
SG&A to revenue	19.1	19.0	19.0	19.0	19.2	18.5	19	(0.2)	0.5	0.0
EBITDA margin	48.8	49.1	48.2	47.1	50.1	49.0	47.1	(1.0)	(0.8)	0.0
Net profit margin	37.6	38.1	38.0	38.1	39.4	39.3	38.1	(1.3)	(1.3)	0.0

Source: FSSIA estimates

## Buying opportunity for long-term investment

With our revised estimates and an increase in WACC to 9.2% from 8.5% (due to a higher beta), our new TP is THB39, down from THB42. Despite this downward adjustment, we remain positive about SISB's international school business, as it operates in a growing industry with high stability, given that education is a necessity. The management team has extensive experience, expertise, and a clear vision for continuous school expansion.

The current stock price decline does not align with SISB's student growth and record-high financial performance. At the beginning of 2023, SISB had only 3,100 students across four schools, whereas by the end of 2024, it had expanded to 4,600 students across six schools.

Currently, the stock trades at a 2025E P/E of 18x, -2SD below its five-year average and lower than the consumer staples sector, which trades above 20x. We view this as a strong buying opportunity for long-term investment.

### Exhibit 8: DCF valuation

Cost of equity assumption	(%)	Cost of debt assumption	(%)
Risk free rate	3.0	Pre-tax cost of debt	3.0
Market risk premium	8.0	Tax rate	0.0
Stock beta	0.8		
Cost of equity, Ke	9.2	Cost of debt, Kd	0.0
Weight applied	100.0	Weight applied	0.0
WACC	9.2		
Terminal growth	5.0		
	(THB m)		
Sum of PV of FCF	5,995		
PV of Terminal value	29,567		
Enterprise value	35,562		
Net debt	1,342		
<b>Equity value</b>	<b>36,904</b>		
No. of shares	940		
<b>Equity value per share</b>	<b>39</b>		

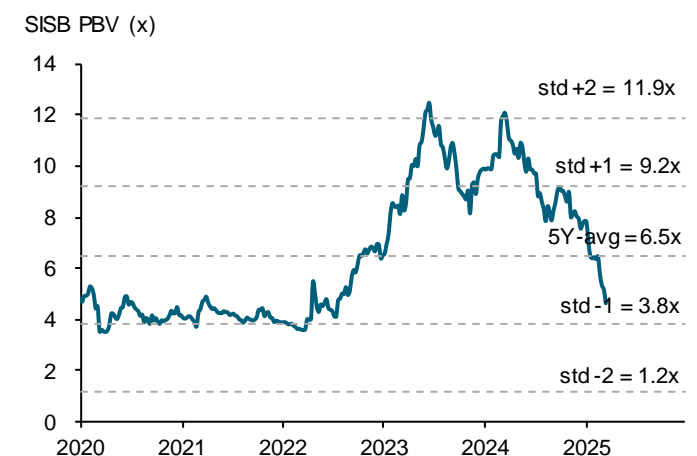
Source: FSSIA estimates

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



Sources: Bloomberg, FSSIA estimates

### Exhibit 10: One-year rolling forward P/BV band



Sources: Bloomberg, FSSIA estimates

## Financial Statements

### SISB

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	1,889	2,353	2,611	2,943	3,406
Cost of goods sold	(898)	(1,078)	(1,166)	(1,313)	(1,521)
<b>Gross profit</b>	<b>992</b>	<b>1,275</b>	<b>1,444</b>	<b>1,630</b>	<b>1,885</b>
Other operating income	51	66	59	54	59
Operating costs	(382)	(449)	(496)	(559)	(647)
<b>Operating EBITDA</b>	<b>851</b>	<b>1,116</b>	<b>1,250</b>	<b>1,379</b>	<b>1,562</b>
Depreciation	(191)	(225)	(242)	(255)	(265)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>661</b>	<b>891</b>	<b>1,007</b>	<b>1,125</b>	<b>1,298</b>
Net financing costs	(26)	(30)	(36)	(34)	(28)
Associates	20	32	33	38	41
Recurring non-operating income	20	32	33	38	41
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>655</b>	<b>894</b>	<b>1,004</b>	<b>1,129</b>	<b>1,310</b>
Tax	(1)	(9)	(9)	(10)	(12)
<b>Profit after tax</b>	<b>654</b>	<b>885</b>	<b>995</b>	<b>1,118</b>	<b>1,298</b>
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>654</b>	<b>885</b>	<b>995</b>	<b>1,118</b>	<b>1,298</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>654</b>	<b>885</b>	<b>995</b>	<b>1,118</b>	<b>1,298</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.70	0.94	1.06	1.19	1.38
Reported EPS	0.70	0.94	1.06	1.19	1.38
DPS	0.31	0.42	0.46	0.51	0.59
Diluted shares (used to calculate per share data)	940	940	940	940	940
<b>Growth</b>					
Revenue (%)	43.2	24.5	11.0	12.7	15.7
Operating EBITDA (%)	54.6	31.1	12.0	10.4	13.3
Operating EBIT (%)	69.4	34.9	13.0	11.7	15.4
Recurring EPS (%)	77.0	35.4	12.4	12.4	16.1
Reported EPS (%)	77.0	35.4	12.4	12.4	16.1
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	52.5	54.2	55.3	55.4	55.4
Gross margin exc. depreciation (%)	62.6	63.7	64.6	64.0	63.1
Operating EBITDA margin (%)	45.1	47.4	47.9	46.9	45.9
Operating EBIT margin (%)	35.0	37.9	38.6	38.2	38.1
Net margin (%)	34.6	37.6	38.1	38.0	38.1
Effective tax rate (%)	0.2	1.0	0.9	0.9	0.9
Dividend payout on recurring profit (%)	44.6	44.6	43.0	43.0	43.0
Interest cover (X)	26.3	30.8	28.7	34.0	47.0
Inventory days	5.7	6.9	6.9	6.4	5.6
Debtor days	21.4	20.3	19.5	21.4	23.2
Creditor days	55.7	28.5	25.7	23.4	16.5
Operating ROIC (%)	34.3	41.5	40.1	34.3	32.0
ROIC (%)	28.4	35.0	34.2	30.6	29.3
ROE (%)	25.7	28.7	28.1	28.4	29.2
ROA (%)	15.9	18.1	18.3	19.2	20.6
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Tuition fees and service income	1,875	2,339	2,596	2,926	3,389
Education equipment revenue	14	13	15	16	17

Sources: SISB; FSSIA estimates

## Financial Statements

### SISB

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	654	885	995	1,118	1,298
Depreciation	191	225	242	255	265
Associates & minorities	(20)	(32)	(33)	(38)	(41)
Other non-cash items	(404)	23	(507)	(405)	(534)
Change in working capital	324	127	(15)	354	(28)
<b>Cash flow from operations</b>	<b>745</b>	<b>1,228</b>	<b>682</b>	<b>1,284</b>	<b>960</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(1,330)	(1,207)	(538)	(856)	(567)
Net acquisitions & disposals	1,047	20	0	0	0
Other investments (net)	28	18	50	51	120
<b>Cash flow from investing</b>	<b>(254)</b>	<b>(1,169)</b>	<b>(488)</b>	<b>(805)</b>	<b>(447)</b>
Dividends paid	(150)	(291)	(428)	(481)	(558)
Equity finance	0	0	0	0	0
Debt finance	(36)	(40)	0	(36)	(79)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(187)</b>	<b>(331)</b>	<b>(428)</b>	<b>(517)</b>	<b>(637)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	735	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>735</b>	<b>0</b>	<b>(455)</b>	<b>0</b>
<b>Movement in cash</b>	<b>304</b>	<b>462</b>	<b>(234)</b>	<b>(493)</b>	<b>(125)</b>
Free cash flow to firm (FCFF)	516.19	88.87	230.59	513.43	540.92
Free cash flow to equity (FCFE)	453.91	753.88	194.27	(11.87)	433.31

#### Per share (THB)

FCFF per share	0.55	0.09	0.25	0.55	0.58
FCFE per share	0.48	0.80	0.21	(0.01)	0.46
Recurring cash flow per share	0.45	1.17	0.74	0.99	1.05

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	3,919	4,386	4,686	5,286	5,586
Less: Accumulated depreciation	(986)	(1,175)	(932)	(678)	(413)
<b>Tangible fixed assets (net)</b>	<b>2,933</b>	<b>3,211</b>	<b>3,753</b>	<b>4,608</b>	<b>5,173</b>
<b>Intangible fixed assets (net)</b>	<b>321</b>	<b>410</b>	<b>408</b>	<b>400</b>	<b>392</b>
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	60	73	60	60	60
Cash & equivalents	1,113	1,576	1,342	849	724
A/C receivable	128	134	145	200	232
Inventories	15	17	18	19	20
Other current assets	14	17	18	18	18
<b>Current assets</b>	<b>1,270</b>	<b>1,744</b>	<b>1,523</b>	<b>1,087</b>	<b>995</b>
Other assets	52	49	52	53	56
<b>Total assets</b>	<b>4,636</b>	<b>5,488</b>	<b>5,797</b>	<b>6,208</b>	<b>6,675</b>
Common equity	2,788	3,382	3,690	4,190	4,701
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>2,788</b>	<b>3,382</b>	<b>3,690</b>	<b>4,190</b>	<b>4,701</b>
Long term debt	431	531	521	469	398
Other long-term liabilities	362	388	398	414	405
<b>Long-term liabilities</b>	<b>793</b>	<b>919</b>	<b>919</b>	<b>883</b>	<b>804</b>
A/C payable	67	66	64	72	42
Short term debt	14	15	16	17	17
Other current liabilities	974	1,106	1,108	1,046	1,111
<b>Current liabilities</b>	<b>1,055</b>	<b>1,187</b>	<b>1,187</b>	<b>1,135</b>	<b>1,170</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,636</b>	<b>5,488</b>	<b>5,797</b>	<b>6,208</b>	<b>6,675</b>
Net working capital	(884)	(1,003)	(990)	(881)	(882)
Invested capital	2,482	2,740	3,283	4,240	4,799

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

#### Per share (THB)

Book value per share	2.97	3.60	3.93	4.46	5.00
Tangible book value per share	2.62	3.16	3.49	4.03	4.58

#### Financial strength

Net debt/equity (%)	(23.9)	(30.4)	(21.8)	(8.7)	(6.6)
Net debt/total assets (%)	(14.4)	(18.8)	(13.9)	(5.9)	(4.6)
Current ratio (x)	1.2	1.5	1.3	1.0	0.9
CF interest cover (x)	69.8	66.5	21.2	25.7	36.1

Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>27.5</b>	<b>20.3</b>	<b>18.0</b>	<b>16.1</b>	<b>13.8</b>
<b>Recurring P/E @ target price (x) *</b>	<b>56.1</b>	<b>41.4</b>	<b>36.8</b>	<b>32.8</b>	<b>28.2</b>
Reported P/E (x)	27.5	20.3	18.0	16.1	13.8
Dividend yield (%)	1.6	2.2	2.4	2.7	3.1
Price/book (x)	6.4	5.3	4.9	4.3	3.8
Price/tangible book (x)	7.3	6.0	5.5	4.7	4.2
EV/EBITDA (x) **	20.3	15.2	13.7	12.8	11.3
EV/EBITDA @ target price (x) **	42.3	31.9	28.7	26.3	23.3
EV/invested capital (x)	7.0	6.2	5.2	4.1	3.7

\* 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 ( <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.																			
<b>Thai CAC</b> 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 Sustainalytics</a>	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &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 border="1" data-bbox="877 1137 1500 1198"> <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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<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 border="1" data-bbox="239 1388 1500 1601"> <tbody> <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> </tbody> </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

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	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 19.10	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 13-Mar-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.