



# Management Discussion & Analysis

for the Period Ended 30 June 2022

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SISB PUBLIC COMPANY LIMITED

15 August 2022

Re: Management Discussion &amp; Analysis for the Period Ended 30 June 2022

To: The President of the Stock Exchange of Thailand (SET)

SISB PUBLIC COMPANY LIMITED (“the company”) would like to provide an explanation regarding our significant events, financial performance, and position for the 3-month period ended 30 June 2022 as follows:

## Executive Summary

Consolidated financial statement	30 June 2021	30 June 2022	Change
(THB million)			
Tuition fees and services income	268.73	301.53	12.21%
Education equipment income	0.29	1.33	358.62%
Tuition and services cost	133.22	154.62	16.06%
Gross Profit	135.80	148.24	9.17%
EBITDA	108.48	123.71	14.04%
Net Profit	65.47	78.29	19.58%
Gross Profit Margin (%)	50.48%	48.95%	-1.53%
EBITDA Margin (%)	40.16%	40.26%	0.10%
Net Profit Margin (%)	24.23%	25.48%	1.25%

### Q2'2022 Key Financial Highlight

#### Revenue from sales and services

- The Company's tuition fees and services income for the 3-month period ended 30 June 2021 and 2022 were THB 269.02 million and THB 302.86 million respectively. Revenue increased by THB 33.84 million or 12.58%.

#### Net Profit and Net Profit Margin

- The company reported net income of THB 78.29 million, with net profit margin at 25.48%, an increase from the same period of previous year of THB 65.47 million. The increase in net profit was due to the increase in the revenue and most administrative expenses of the Company are fixed.

## Significant Events

### 1. Impacts to the Company due to Coronavirus Disease 2019 (COVID-19) Pandemic

The COVID-19 pandemic is resulting in an economic slowdown. This situation affects the company's business activities from the closure of the schools, following the announcement of the Ministry of Education, and the schools activated the Home-Based Learning during the following periods:

- From 11 January 2021 (Term 2 start date) to 31 January 2021
- From 18 April 2021 to 25 June 2021 (throughout the Term 3).
- From 30 August 2021 (Term 1 start date) to mid-September 2021 (Chiangmai) and October 2021 (Pracha-uthit, Suvarnabhumi and Thonburi).

And after the all schools opened, the schools still activated the hybrid learning, both at the schools (On-site) and Home-Based Learning, while strictly following the guidelines from the regulating agency. However, during the Home-Based Learning duration, the schools refunded snack and lunch fee to the parents.

### 2. Campus and Education Development

- The company commenced the construction of a new Secondary Building at Singapore International School Thonburi campus with a first piling ceremony on 17 July 2020. The building was completed by February 2022.



- The company has commenced the construction of a new campus, Singapore International School Nonthaburi, which is located in Changwatthana-Ratchaphruk area with a groundbreaking ceremony on 10 March 2022. The company expected to be ready by August 2023.



- The company entered into a land purchased agreement in Rayong Province in December 2021. The company will develop to be the Sixth's School of the Group. The company has commenced the first piling ceremony on 26 June 2022 and expected to open in August 2023.



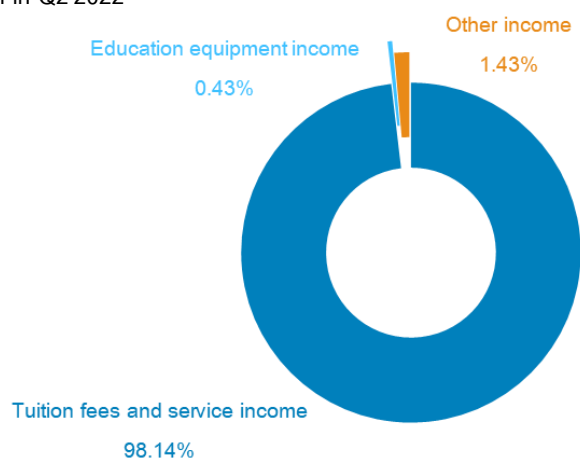
## Financial Performance

Statement of Income	Consolidated financial statement for 3-month period					
	30 June 2021		30 June 2022		Change	
	Million THB	%	Million THB	%	Million THB	%
Revenues						
Tuition fees and services income	268.73	99.47	301.53	98.14	32.80	12.21
Education equipment income	0.29	0.11	1.33	0.43	1.04	358.62
Other income	1.13	0.42	4.40	1.43	3.27	289.38
<b>Total revenues</b>	<b>270.15</b>	<b>100.00</b>	<b>307.26</b>	<b>100.00</b>	<b>37.11</b>	<b>13.74</b>
Expenses						
Tuition and services cost	133.22	49.31	154.62	50.32	21.40	16.06
Administrative expenses	65.85	24.37	69.77	22.71	3.92	5.95
Unrealised loss of investments in debt securities - Debenture	0.27	0.10	-	-	(0.27)	(100.00)
Other expenses	0.12	0.05	-	-	(0.12)	(100.00)
<b>Total expenses</b>	<b>199.46</b>	<b>73.83</b>	<b>224.39</b>	<b>73.03</b>	<b>24.93</b>	<b>12.50</b>
Share of profit (loss) from investment accounted for under equity method	0.16	0.06	1.18	0.38	1.02	637.50
Finance revenue	1.09	0.40	0.67	0.22	(0.42)	(38.53)
Finance cost	6.46	2.39	6.38	2.07	(0.08)	(1.24)
<b>Profit before income tax expense</b>	<b>65.48</b>	<b>24.24</b>	<b>78.34</b>	<b>25.50</b>	<b>12.86</b>	<b>19.64</b>
Income tax expenses (revenue)	0.01	0.01	0.05	0.02	0.04	400.00
<b>Profit for the period</b>	<b>65.47</b>	<b>24.23</b>	<b>78.29</b>	<b>25.48</b>	<b>12.82</b>	<b>19.58</b>

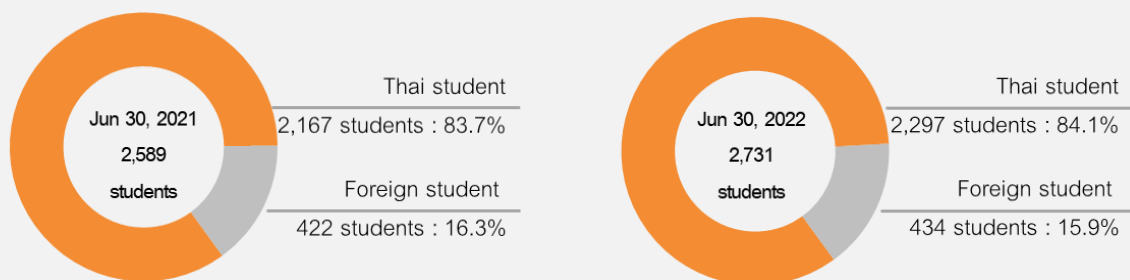
## Analysis of Statement of Income

## Revenue

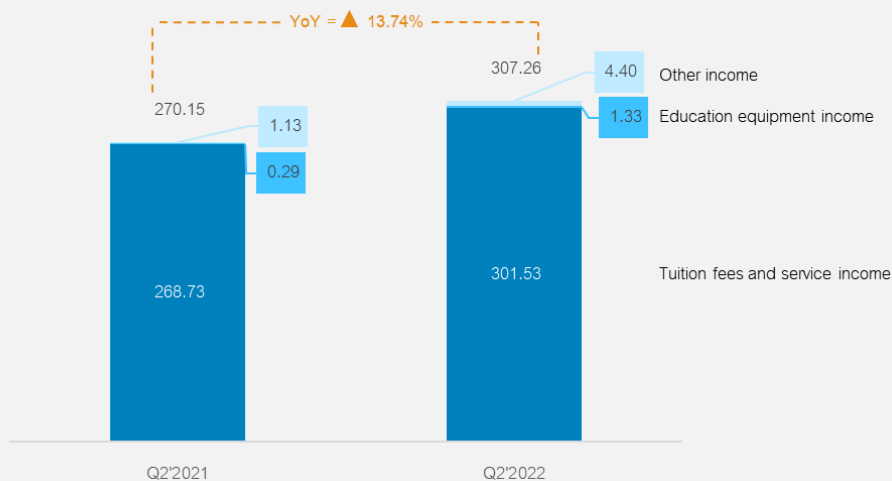
## Revenue Breakdown in Q2'2022



Number of Student by Nationality

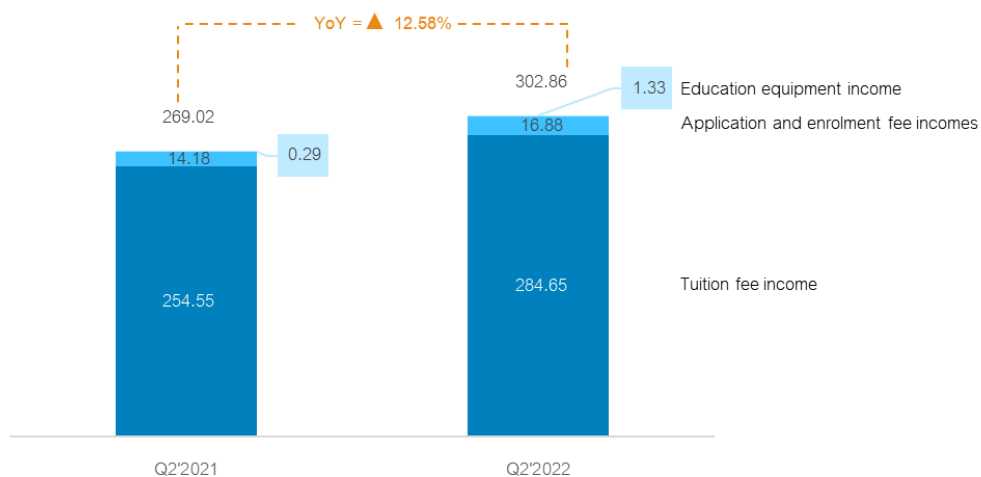


The Company's revenue for the 3-month period ended 30 June 2021 and 2022 were THB 270.15 million and THB 307.26 million respectively. Revenue increased by THB 37.11 million or 13.74%. The summary is as follows:



Revenues from sales and services

Revenues from sales and services of the company for 3-month period ended 30 June 2021 and 2022 were THB 269.02 million and THB 302.86 million respectively. Revenues from sales and services consist of Tuition fees and services income and Education equipment income which accounted for 99.56% and 0.44% of revenues from sales and services in 3-month period 2022 respectively.



#### Tuition fees and services income

Tuition fees and services income consists of Tuition fee income and Application and enrolment fee income. The detail is as follows:

##### Tuition fee income

Tuition fee income for Q2'2021 and 2022 was THB 254.55 million and THB 284.65 million respectively, increasing by 11.82% resulting from the number of students that increased to 2,526 (excluded the number of students from Singapore International School Chiang Mai). In addition, average tuition fee income per student increased to THB 0.46 million per student or 9.42% from same period of last year, mainly came from snack & lunch income and after-school activities income increased due to more onsite student.

##### Application and enrolment fee incomes

Application and enrolment fee incomes of the company for Q2'2021 and 2022 were THB 14.18 million and THB 16.88 million respectively. Application and enrolment fee increased by 19.04% from the same period of previous year, due to increasing number of students.

##### Education equipment income

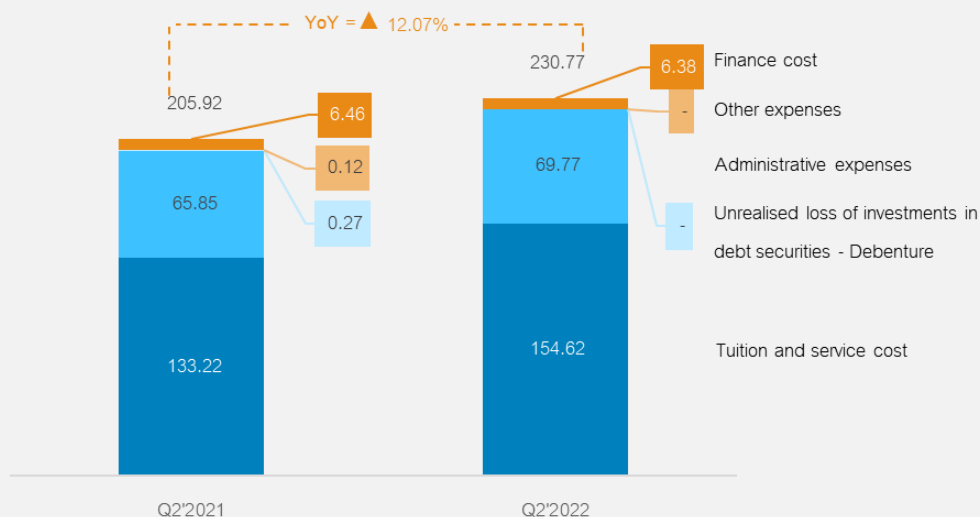
Education equipment income for Q2'2021 and 2022 were THB 0.29 million and THB 1.33 million respectively. Education equipment income increased by THB 1.04 million or 358.62%.

##### Other incomes

Other incomes for the Q2'2021 and 2022 were THB 1.13 million and THB 4.40 million respectively. Other incomes mainly consisted of income from food and beverage, income from short-term investment and credit card fee income.

**Costs and Expenses**

Costs and expenses of the company consist of tuition and services cost, administrative expenses, other expenses, and finance cost. Costs and expenses for Q2'2021 and 2022 were THB 205.92 million and THB 230.77 million respectively, which accounted for 76.22% and 75.10% of total revenue.



**Tuition and services cost**

Tuition and services cost were the major component of the company's total cost. For Q2'2021 and 2022, tuition and services cost were THB 133.22 million and THB 154.62 million respectively, increasing by THB 21.40 million or 16.06%. Tuition and services cost consisted of cost of education and cost of building management, the detail is as follows:

Cost of Education

The company reported cost of education at THB 104.48 million for Q2'2022 increased from THB 89.15 million in the same period of previous year. The cost increased related to increasing in tuition fees income. Cost of education to revenue from sales and services increased from 33.14% in Q2'2021 to 34.50% in Q2'2022.

Cost of Building Management

Cost of building management for Q2'2022 was THB 50.14 million. The cost increased from the same period of the previous year at THB 44.07 million. Cost of building management to Tuition fee and service income was at 16.56% for Q2'2022 which increased from 16.38% at the same period of the previous year. This was because the depreciation of Secondary Building at Singapore International School Thonburi campus and the utilities cost of the hybrid learning.

**Administrative expenses**

The company reported administrative expenses at THB 69.77 million which is 22.71% of total revenue. The expenses consisted of employee related expenses which amounted to THB 50.11 million. Administrative expenses to total revenue decreased from 24.37% to 22.71%, due to an increase in total revenue while most of administrative expenses were fixed cost.

**Finance cost**

The company reported finance cost at THB 6.38 million in Q2'2022 which decreased from the same period of last year at THB 6.46 million mainly due to decreasing in financial cost of lease contracts.

**Share of profit (loss) from investment accounted for under equity method**

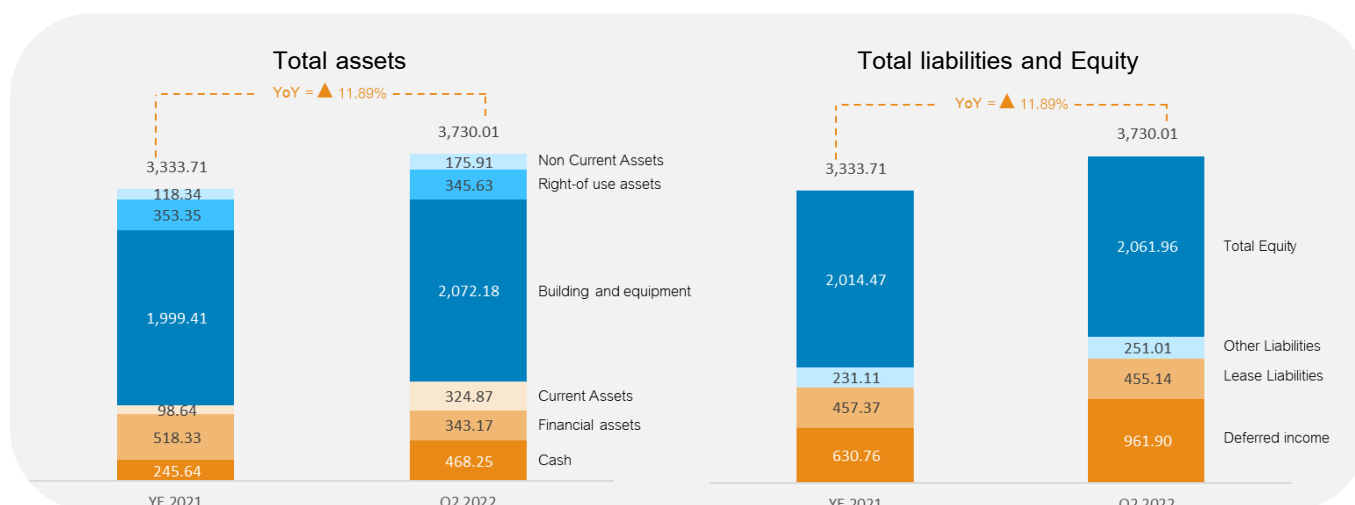
For 3-month period ended 30 June 2021 and 2022, SISB-SIRI which included Singapore International School Chiangmai, reported net income of THB 0.32 million and THB 2.37 million respectively. Therefore, the company realized share of profit from investment accounted for under equity method amounted to THB 0.16 million and THB 1.18 million in Q2'2021 and Q2'2022, respectively.

**Net income**

The company reported net income of THB 78.29 million, with net profit margin at 25.48%, an increase from the same period of previous year of THB 65.47 million. The increase in net profit was due to the increase in the revenue and most administrative expenses of the Company are fixed.



## Analysis of Statement of Financial Position

**Total assets**

As of 30 June 2022, the company's total assets increased from the balance as of 31 December 2021 by THB 396.30 million or 11.89%. Significant changes mainly came from the following items:

- Cash and cash equivalent increased by THB 222.61 million. Significant movements convert from matured fixed deposits into cash THB 175.16 million and tuition fee received of the first term AY2022/2023 THB 98.85 million.
- Trade and Other receivables increased THB 273.37 million. This is because in June 2022, the company issued invoices to collect tuition fees for the first term, which would begin in mid-August 2022.
- Other current financial assets decreased by THB 175.16 million. This is because of the mature fixed deposit during the period. As of 30 June 2022, the company has other current financial assets of THB 343.17 million.
- Property, plant, and equipment increased by THB 72.77 million. The movements were as follows:
  - Building and equipment increased by THB 138.07 million mainly came from construction work-in-progress at Singapore International School Nonthaburi and Singapore International School Rayong.
  - Depreciation during the period of THB 65.30 million.
- Other non-current assets increased by THB 57.32 million, which mainly came from advance payments of construction of Singapore International School Nonthaburi.

**Total liabilities**

As of 30 June 2022, the company's total liabilities increased from the balance as of 31 December 2021 by THB 348.81 million or 26.44%. Significant changes mainly came from the following items:

- Trade and other payables increased by THB 3.30 million, mainly came accrued bonus of the year 2022.
- Deferred income increased by THB 331.14 million. This was because in June 2022, the company issued invoices to collect tuition fees for the first term of academic year 2022/2023, which would begin in mid-August 2022.
- Deposit from students increased by THB 13.29 million, which mainly came from the deposit from new students during the period.
- Other non-current liabilities increased by THB 4.76 million, which mainly came from retention payable from the construction of Singapore International School Nonthaburi.

**Total shareholders' equity**

At the end of June 2022, total shareholders' equity was at THB 2,061.96 million, which increased by THB 47.49 million or 2.36%. Significant changes mainly came from the following items:

- Net profit for the 6-month period ended 30 June 2022 of THB 141.49 million.
- Dividend payment during the period of THB 94.00 million. The dividend payment was the resolution of the 2022

Annual General Meeting of Shareholders on 8 April 2022.

Please be informed accordingly.

Yours Sincerely,

Mr. Yew Hock Koh

Chief Executive Officer