



**Management Discussion & Analysis**  
for the Period Ended 30 September 2022

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SISB PUBLIC COMPANY LIMITED

14 November 2022

Re: Management Discussion &amp; Analysis for the Period Ended 30 September 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 September 2022 as follows:

## Executive Summary

Consolidated financial statement	30 September 2021	30 September 2022	Change
(THB million)			
Tuition fees and services income	254.58	337.21	32.46%
Education equipment income	0.78	4.35	457.69%
Tuition and services cost	140.21	171.92	22.62%
Gross Profit	115.51	169.64	47.32%
EBITDA	90.23	147.13	63.06%
Net Profit	46.10	99.44	115.70%
<b>Gross Profit Margin (%)</b>	<b>45.09%</b>	<b>49.67%</b>	<b>4.57%</b>
<b>EBITDA Margin (%)</b>	<b>35.00%</b>	<b>42.29%</b>	<b>7.29%</b>
<b>Net Profit Margin (%)</b>	<b>17.89%</b>	<b>28.59%</b>	<b>10.70%</b>

## Q3'2022 Key Financial Highlight

### Revenue from sales and services

- The Company's tuition fees and services income for the 3-month period ended 30 September 2021 and 2022 were THB 254.58 million and THB 337.21 million respectively. Revenue increased by THB 82.63 million or 32.46%. This mainly came from the schools have at the schools (On-site) Learning for AY2022/2023 and higher number of students.

### Net Profit and Net Profit Margin

- The company reported net income of THB 99.44 million, with net profit margin at 28.59%, an increase from the same period of previous year of THB 46.10 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 AY2020/2021 start date) to 31 January 2021
- From 18 April 2021 to 25 September 2021 (throughout the Term 3 AY2020/2021).
- From 30 August 2021 (Term 1 AY2021/2022 start date) to mid-September 2021 (Chiangmai) and October 2021 (Pracha-uthit, Suvarnabhumi and Thonburi).

After the all schools opened, the schools 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 and provided one-time discount for tuition fee in Term 1 AY2021/2022.

And from 15 August 2022 (Term 1 AY2022/2023 start date), the schools have at the schools (On-site) Learning for AY2022/2023.

### 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 a groundbreaking ceremony on 29 October 2022 and expected to open in August 2023.



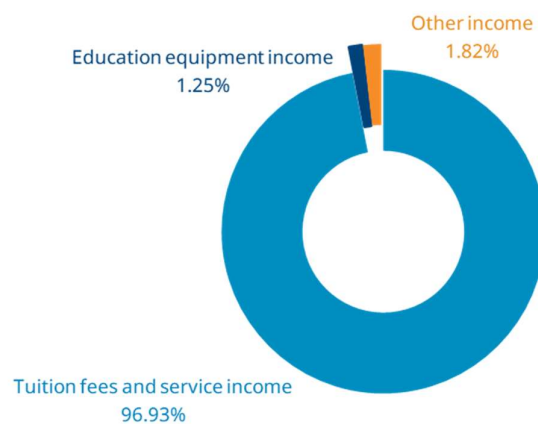
## Financial Performance

Statement of Income	Consolidated financial statement for 3-month period					
	30 September 2021		30 September 2022		Change	
	Million THB	%	Million THB	%	Million THB	%
Revenues						
Tuition fees and services income	254.58	98.75	337.21	96.93	82.63	32.46
Education equipment income	0.78	0.30	4.35	1.25	3.57	457.69
Other income	2.44	0.95	6.31	1.82	3.87	158.61
<b>Total revenues</b>	<b>257.80</b>	<b>100.00</b>	<b>347.87</b>	<b>100.00</b>	<b>90.07</b>	<b>34.94</b>
Expenses						
Tuition and services cost	140.21	54.39	171.92	49.42	31.71	22.62
Administrative expenses	61.75	23.95	72.17	20.75	10.42	16.87
Other expenses	4.29	1.66	-	-	(4.29)	(100.00)
<b>Total expenses</b>	<b>206.25</b>	<b>80.00</b>	<b>244.09</b>	<b>70.17</b>	<b>37.84</b>	<b>18.35</b>
Share of profit (loss) from investment accounted for under equity method	0.20	0.08	1.53	0.44	1.33	665.00
Finance revenue	0.83	0.32	1.06	0.31	0.23	27.71
Finance cost	(6.40)	2.48	(6.47)	1.86	(0.07)	(1.09)
<b>Profit before income tax expense</b>	<b>46.18</b>	<b>17.92</b>	<b>99.90</b>	<b>28.72</b>	<b>53.72</b>	<b>116.33</b>
Income tax expenses (revenue)	0.08	0.03	0.46	0.13	0.38	475.00
<b>Profit for the period</b>	<b>46.10</b>	<b>17.89</b>	<b>99.44</b>	<b>28.59</b>	<b>53.34</b>	<b>115.70</b>

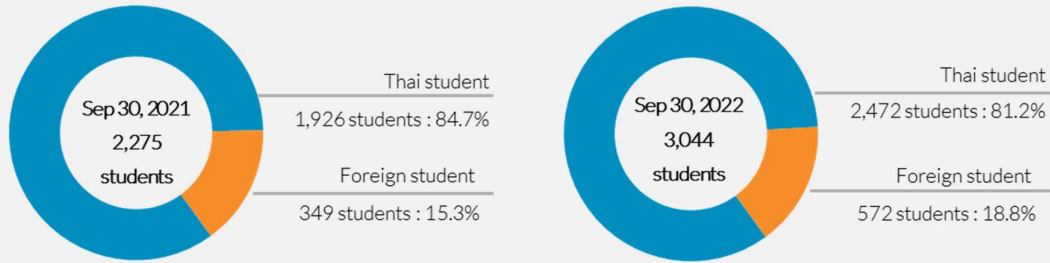
## Analysis of Statement of Income

### Revenue

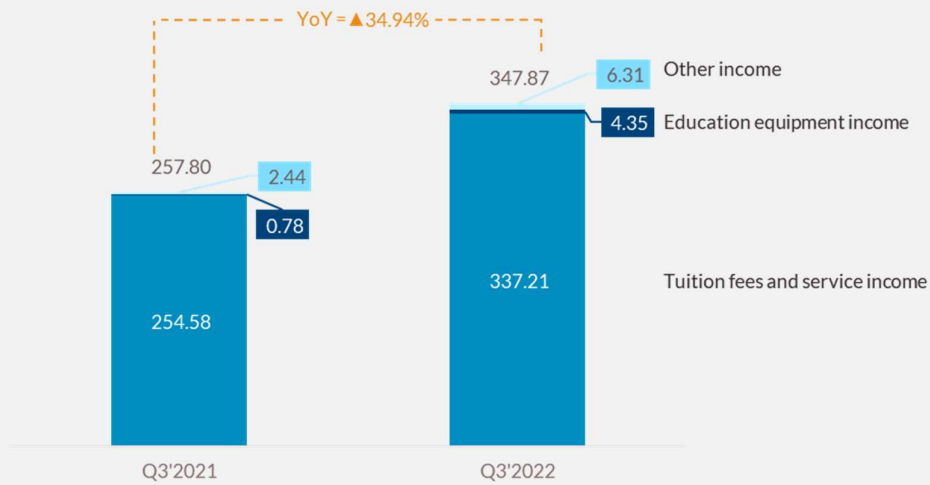
Revenue Breakdown in Q3'2022



### Number of Student by Nationality

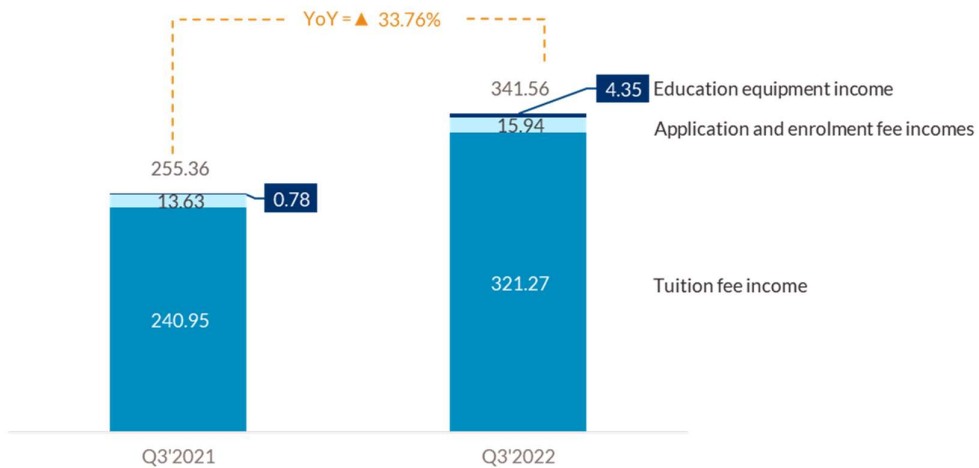


The Company's revenue for the 3-month period ended 30 September 2021 and 2022 were THB 257.80 million and THB 347.87 million respectively. Revenue increased by THB 90.07 million or 34.94%. The summary is as follows:



### Revenues from sales and services

Revenues from sales and services of the company for 3-month period ended 30 September 2021 and 2022 were THB 255.36 million and THB 341.56 million respectively. Revenues from sales and services consist of Tuition fees and services income and Education equipment income which accounted for 98.73% and 1.27% 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 Q3'2021 and 2022 was THB 240.95 million and THB 321.27 million respectively, increasing by 33.33% resulting from the number of students that increased from both Thai students and Foreign students to 2,793 (excluded the number of students from Singapore International School Chiang Mai). In addition, average tuition fee income per student increased from THB 0.43 million to THB 0.48 million per student or 12.98%, mainly came from the normal at schools (On-site) Learning and increased tuition fee of AY2022/2023 which is related to the industry and increased in staff remunerations. The increased tuition fee started to revenue recognized in September 2022.

**Application and enrolment fee incomes**

Application and enrolment fee incomes of the company for Q3'2021 and 2022 were THB 13.63 million and THB 15.94 million respectively. Application and enrolment fee increased by 16.95% from the same period of previous year, due to increasing number of students.

**Education equipment income**

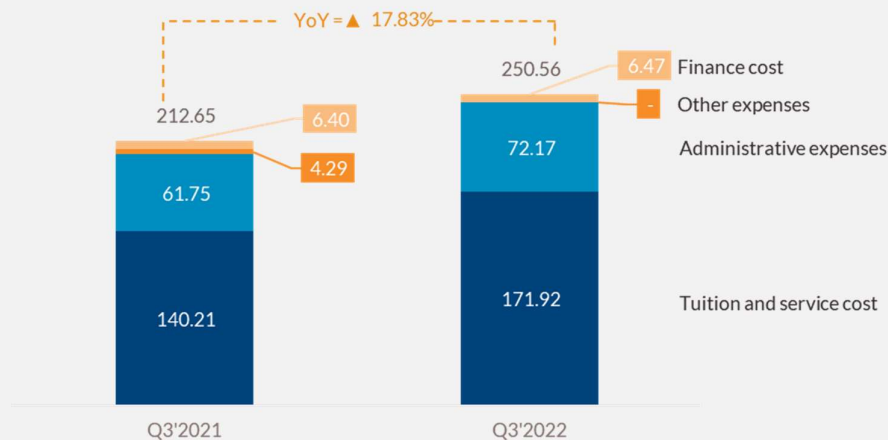
Education equipment income for Q3'2021 and 2022 were THB 0.78 million and THB 4.35 million respectively. Education equipment income increased by THB 3.57 million or 457.69% due to more on-site student.

**Other incomes**

Other incomes for the Q3'2021 and 2022 were THB 2.44 million and THB 6.31 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 Q3'2021 and 2022 were THB 212.65 million and THB 250.56 million respectively, which accounted for 82.49% and 72.03% of total revenue.



#### Tuition and services cost

Tuition and services cost were the major component of the company's total cost. For Q3'2021 and 2022, tuition and services cost were THB 140.21 million and THB 171.92 million respectively, increasing by THB 31.71 million or 22.62%. 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 118.84 million for Q3'2022 increased from THB 95.33 million in the same period of previous year. The cost increased related to increasing in tuition fees income and adjustment in academic staff remunerations. However, cost of education to revenue from sales and services decreased from 37.33% in the 3-month period of 2021 to 34.79% in the 3-month period of 2022, due to the company's ability to manage utilization of resource of teachers effectively and the closure of the schools with activated the Home-Based Learning in Q3'2021. Therefore, revenue's growth rate higher than higher cost in Q3'2022.

##### Cost of Building Management

Cost of building management for Q3'2022 was THB 53.08 million. The cost increased from the same period of the previous year at THB 44.88 million. This mainly came from the new Secondary Building at Singapore International School Thonburi campus. Cost of building management to Tuition fee and service income was at 15.54% for Q3'2022 which decreased from 17.58% at the same period of the previous year. This was because the company had increased revenue, while most of cost of building management were fixed cost.

#### Administrative expenses

The company reported administrative expenses at THB 72.17 million which is 20.75% of total revenue. The expenses consisted of employee related expenses which amounted to THB 57.85 million from increased staff remunerations and expense reversal of THB 6.6 million. The reversal mainly came from lower debt provision. Administrative expenses to total revenue decreased from 23.95% to 20.75%, due to an increase in total revenue while most of administrative expenses were fixed cost and lower allowance for expected credit losses.

#### Finance cost

The company reported finance cost at THB 6.47 million in Q3'2022 which increased from the same period of last year at THB 6.40 million mainly due to increasing in bank charge credit card.

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

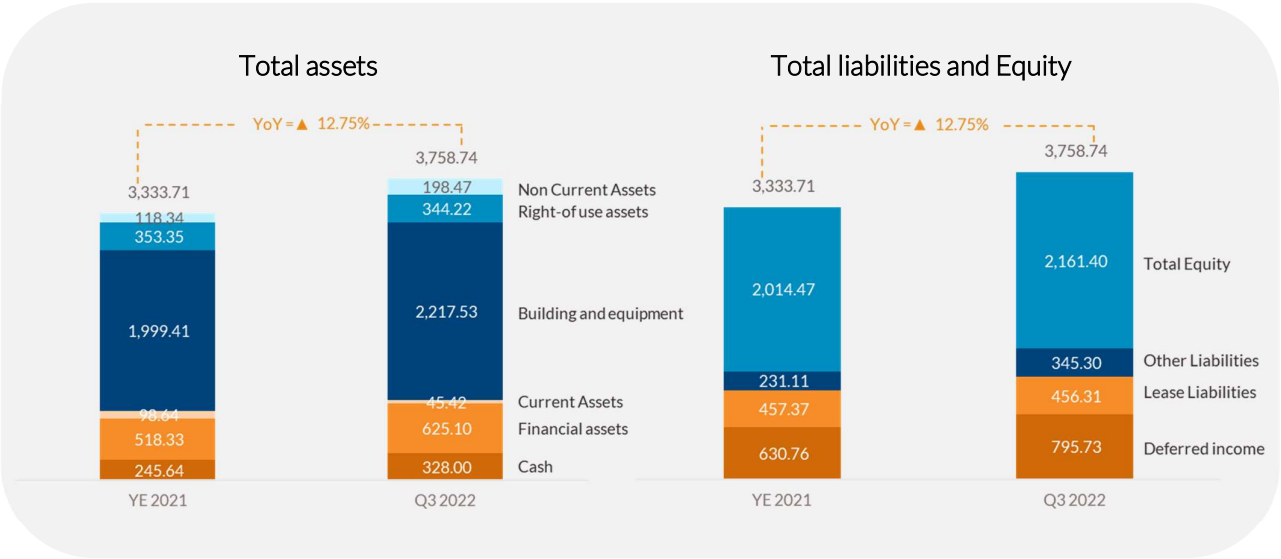
For 3-month period ended 30 September 2021 and 2022, SISB-SIRI which included Singapore International School Chiangmai, reported net income of THB 0.40 million and THB 3.06 million respectively. Therefore, the company realized share of profit from investment accounted for under equity method amounted to THB 0.20 million and THB 1.53 million in Q3'2021 and Q3'2022, respectively.

**Net income**

The company reported net income of THB 99.44 million, with net profit margin at 28.59%, an increase from the same period of previous year of THB 46.10 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 September 2022, the company’s total assets increased from the balance as of 31 December 2021 by THB 425.03 million or 12.75%. Significant changes mainly came from the following items:

- Cash and cash equivalent increased by THB 82.36 million. Significant movements were as follows:
  - Net cash flows from operating activities of THB 530.70 million from to improved operations and increased number of students.
  - Net cash flows used in investing activities of THB 327.27 million for financial assets and construction-in-progress at Singapore International School Nonthaburi campus and Singapore International School Rayong campus.
  - Net cash flows used in financing activities of THB 121.07 million for payments of dividend in Q2’2022 and liabilities under finance lease agreements.
- Financial assets increased by THB 106.77 million. This is because the company has increased investments in the fixed deposits during the period. As of 30 September 2022, the company has other current financial assets of THB 625.10 million.
- Current assets decreased THB 53.22 million mainly due to lower tuition fee receivables. This is because the company has collected nearly all the invoices for the first term AY2022/2023 which was issued in June 2022.
- Property, plant, and equipment increased by THB 218.12 million. The movements were as follows:
  - Building and equipment increased by THB 316.81 million mainly came from construction-in-progress at Singapore International School Nonthaburi campus and Singapore International School Rayong campus.
  - Depreciation during the period of THB 100.27 million.
  - Other movements increased by THB 1.58 million
- Non-current assets increased by THB 80.13 million, which mainly came from advance payments of construction of Singapore International School Nonthaburi campus and Singapore International School Rayong campus.

**Total liabilities**

As of 30 September 2022, the company's total liabilities increased from the balance as of 31 December 2021 by THB 278.10 million or 21.08%. Significant changes mainly came from the following items:

- Deferred income increased by THB 164.97 million. This was because of advance tuition fee and enrolment fee for term 1 AY2022/2023.
- Other liabilities increased THB 114.19 million. Significant movements were as follows:
  - Trade and other payables increased by THB 73.20 million, mainly came from construction payable of Singapore International School Nonthaburi campus and Singapore International School Rayong campus.
  - Deposit from students increased by THB 23.27 million, which mainly came from the deposit from new students during the period.
  - Other non-current liabilities increased by THB 16.08 million, which mainly came from retention payable from the construction of Singapore International School Nonthaburi campus and Singapore International School Rayong campus.

**Total shareholders' equity**

At the end of September 2022, total shareholders' equity was at THB 2,161.40 million, which increased by THB 146.93 million or 7.29%. Significant changes mainly came from the following items:

- Net profit for the 9-month period ended 30 September 2022 of THB 240.93 million.
- Dividend payment during the period of THB 94.00 million. The dividend payment was approved the 2022 Annual General Meeting of Shareholders on 8 April 2022.

Please be informed accordingly.

Yours Sincerely,

Mr. Yew Hock Koh  
Chief Executive Officer