



Management Discussion & Analysis

for the Year Ended 31 December 2022

SISB PUBLIC COMPANY LIMITED

23 February 2023

Re: Management Discussion & Analysis for the Year Ended 31 December 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 12-month period ended 31 December 2022 as follows:

Executive Summary

Consolidated financial statement	31 December 2021	31 December 2022	Change
(THB million)			
Revenue from sales and services	1,054.86	1,319.26	25.06%
Total revenues	1,071.24	1,339.97	25.09%
Tuition and services cost	558.42	653.32	16.99%
Gross Profit	496.44	665.94	34.14%
EBITDA	382.16	551.70	44.37%
Net Profit	208.75	369.28	76.90%
Gross Profit Margin (%)	47.06%	50.48%	3.42%
EBITDA Margin (%)	35.67%	41.17%	5.50%
Net Profit Margin (%)	19.49%	27.56%	8.07%

2022 Key Financial Highlight

Revenue from sales and services

- The Company’s revenue from sales and services for the 12-month period ended 31 December 2021 and 2022 were THB 1,054.86 million and THB 1,319.26 million respectively. Revenue increased by THB 264.40 million or 25.06%. 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 369.28 million in 2022, with net profit margin at 27.56%, an increase from the same period of previous year of THB 208.75 million. The increase in net profit was due to the increase in the revenue, gross profit margin 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 Singapore International School Rayong. The company has a groundbreaking ceremony on 29 October 2022 and expected to open in August 2023.



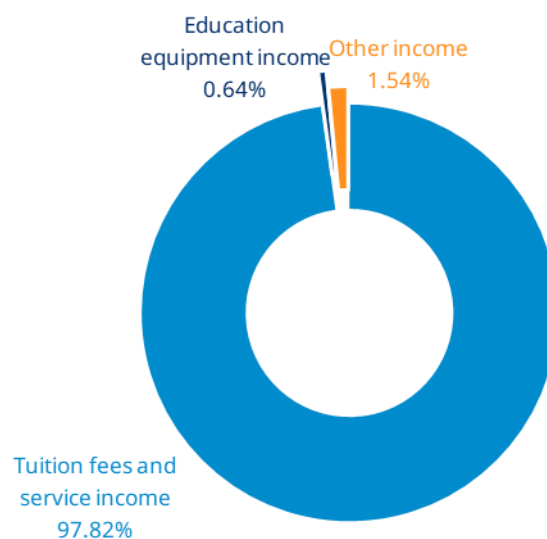
Financial Performance

Statement of Income	Consolidated financial statement for 12-month period					
	31 December 2021		31 December 2022		Change	
	Million THB	%	Million THB	%	Million THB	%
Revenues						
Tuition fees and services income	1,050.09	98.03	1,310.74	97.82	260.65	24.82
Education equipment income	4.77	0.45	8.52	0.64	3.75	78.62
Other income	16.38	1.53	20.71	1.54	4.33	26.43
Total revenues	1,071.24	100.00	1,339.97	100.00	268.73	25.09
Expenses						
Tuition and services cost	558.42	52.13	653.32	48.76	94.90	16.99
Administrative expenses	278.54	26.00	300.97	22.46	22.43	8.05
Other expenses	4.54	0.42	-	-	(4.54)	(100.00)
Total expenses	841.50	78.55	954.29	71.21	112.79	13.40
Share of profit (loss) from investment accounted for under equity method	0.74	0.07	5.36	0.40	4.62	624.32
Finance revenue	3.94	0.37	4.44	0.33	0.50	12.69
Finance cost	(25.52)	2.38	(25.28)	1.89	(0.24)	(0.94)
Profit before income tax expense	208.90	19.50	370.20	27.63	161.30	77.21
Income tax expenses (revenue)	0.15	0.01	0.92	0.07	0.77	513.33
Profit for the year	208.75	19.49	369.28	27.56	160.53	76.90

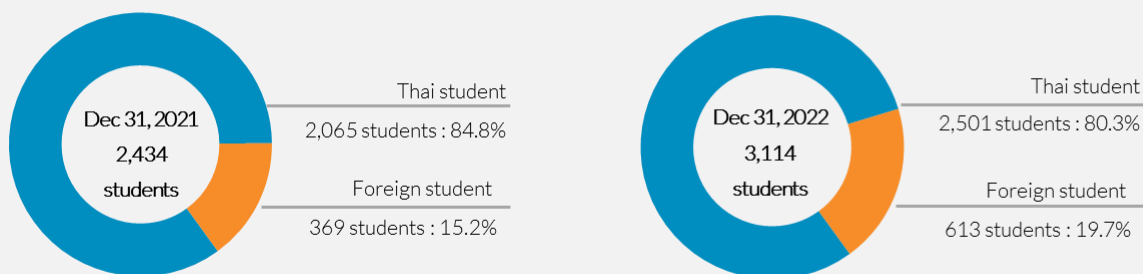
Analysis of Statement of Income

Revenue

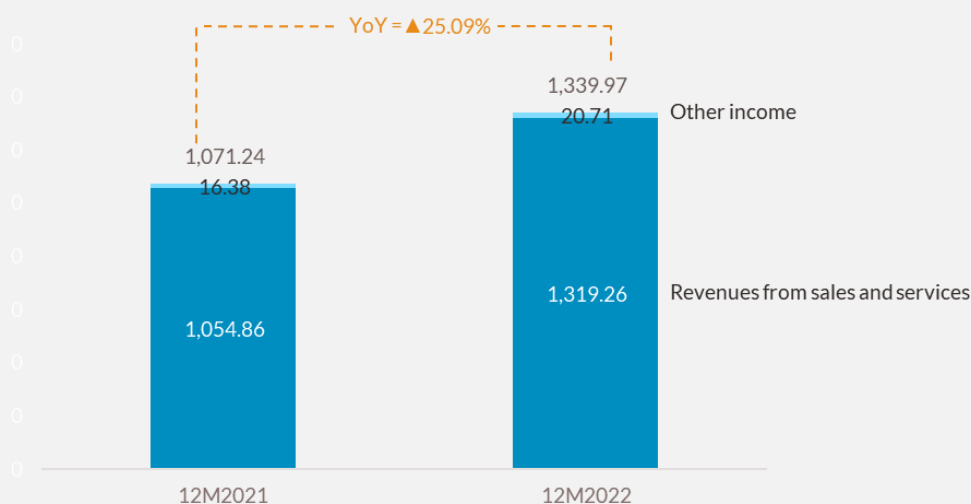
Revenue Breakdown in 2022



Number of Student by Nationality

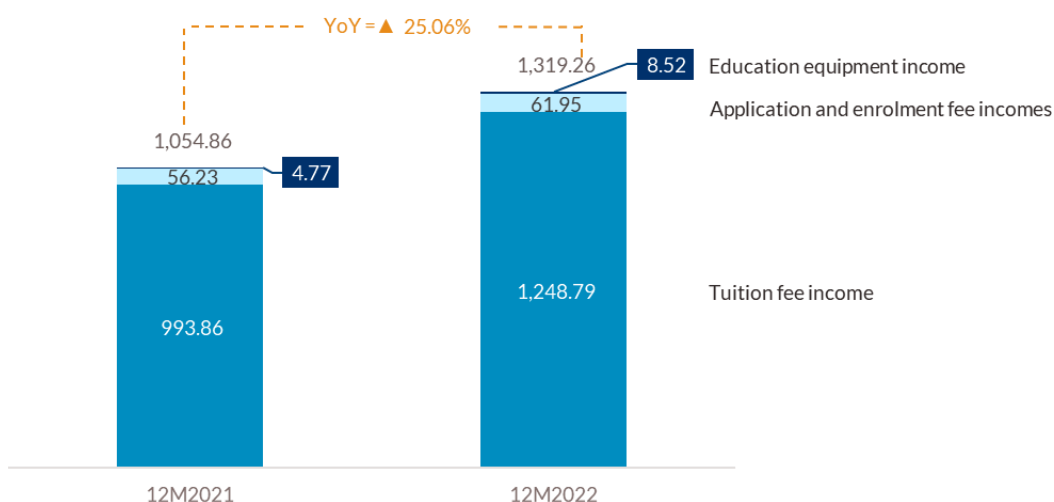


The Company's revenue for the 12-month period ended 31 December 2021 and 2022 were THB 1,071.24 million and THB 1,339.97 million respectively. Revenue increased by THB 268.73 million or 25.09%. The summary is as follows:



Revenues from sales and services

Revenues from sales and services of the company for 12-month period ended 31 December 2021 and 2022 were THB 1,054.86 million and THB 1,319.26 million respectively. Revenues from sales and services consist of Tuition fees and services income and Education equipment income which accounted for 99.36% and 0.64% of revenues from sales and services in 12-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 2021 and 2022 was THB 993.86 million and THB 1,248.79 million respectively, increasing by 25.65% resulting from the number of students that increased from both Thai students and Foreign students from 2,253 to 2,862 (excluded the number of students from Singapore International School Chiang Mai). In addition, average tuition fee income per student increased from THB 0.42 million to THB 0.49 million per student or 15.82%, 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 2021 and 2022 were THB 56.23 million and THB 61.95 million respectively. Application and enrolment fee increased by 10.17% from the same period of previous year, due to increasing number of students.

Education equipment income

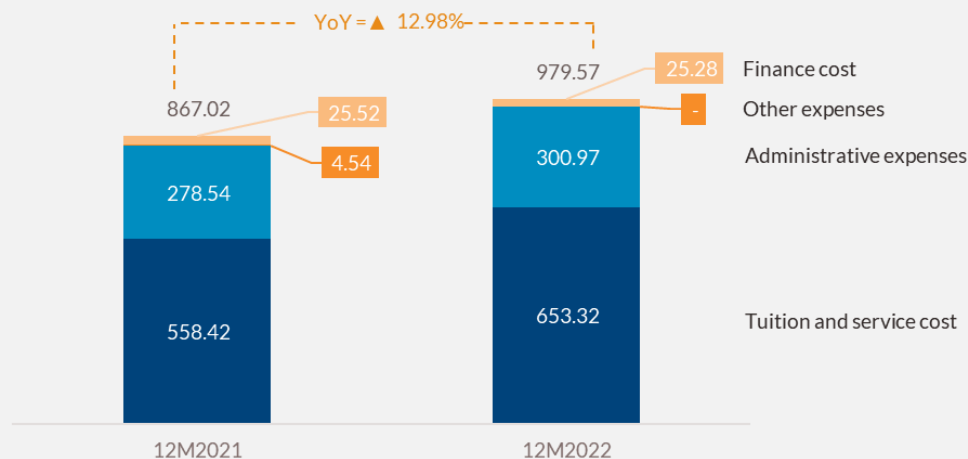
Education equipment income for 2021 and 2022 were THB 4.77 million and THB 8.52 million respectively. Education equipment income increased by THB 3.75 million or 78.62% due to more onsite student.

Other incomes

Other incomes for the 2021 and 2022 were THB 16.38 million and THB 20.71 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 2021 and 2022 were THB 867.02 million and THB 979.57 million respectively, which accounted for 80.94% and 73.10% of total revenue.



Tuition and services cost

Tuition and services cost were the major component of the company's total cost. For 2021 and 2022, tuition and services cost were THB 558.42 million and THB 653.32 million respectively, increasing by THB 94.90 million or 16.99%. 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 448.72 million for 2022 increased from THB 378.63 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 35.89% in the 12-month period of 2021 to 34.01% in the 12-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 most of the year 2021. Therefore, revenue's growth rate higher than higher cost in 2022.

Cost of Building Management

Cost of building management for 2022 was THB 204.60million. The cost increased from the same period of the previous year at THB 179.78 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 15.51% for 2022 which decreased from 17.04% 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 300.97 million which is 22.46% of total revenue. The expenses consisted of employee-related expenses which amounted to THB 221.59 million. Administrative expenses to total revenue decreased from 26.00 to 22.46%, due to an increase in total revenue while most of administrative expenses were fixed cost.

Finance cost

The company reported finance cost at THB 25.28 million in 2022 which decreased from the same period of last year at THB 25.52 million mainly due to decreasing in interest from lease liabilities.

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

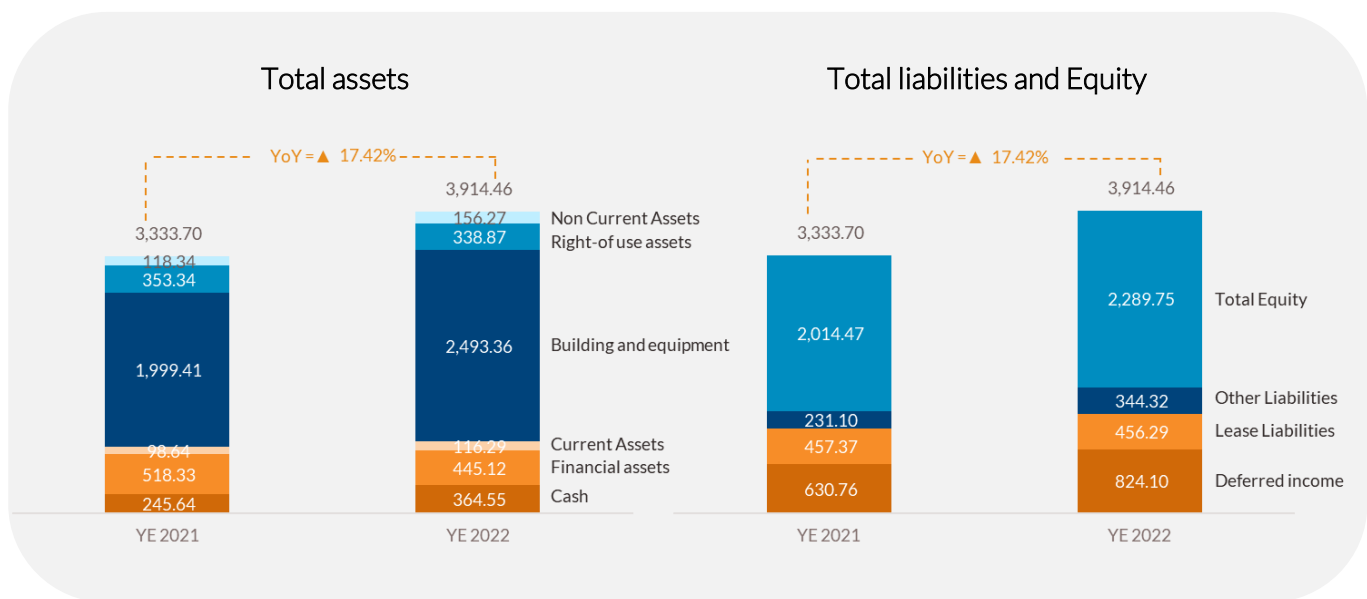
For 12-month period ended 31 December 2021 and 2022, SISB-SIRI which included Singapore International School Chiangmai, reported net income of THB 1.47 million and THB 10.71 million respectively.

Therefore, the company realized share of profit from investment accounted for under equity method amounted to THB 0.74 million and THB 5.36 million in 2021 and 2022, respectively.

Net income

The company reported net income of THB 369.28 million, with net profit margin at 27.56%, an increase from the same period of previous year of THB 208.75 million. The increase in net profit was due to the increase in the revenue and higher in gross profit margin and most administrative expenses of the Company are fixed.

Analysis of Statement of Financial Position



Total assets

As of 31 December 2022, the company’s total assets increased from the balance as of 31 December 2021 by THB 580.75 million or 17.42%. Significant changes mainly came from the following items:

- Cash and cash equivalent increased by THB 118.91 million. Significant movements were as follows:
 - Net cash flows from operating activities of THB 700.30 million from to improved operations and increased number of students.
 - Net cash flows used in investing activities of THB 451.52 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 129.87 million for payments of dividend in 2022 and liabilities under finance lease agreements.
- Financial assets decreased by THB 73.21 million. This is because of the mature fixed deposit during the year. As of 31 December 2022, the company has other current financial assets of THB 445.12 million.
- Current assets increased THB 17.65 million mainly due to higher tuition fee receivable of Y2022/2023.
- Property, plant, and equipment increased by THB 493.95 million. The movements were as follows:
 - Building and equipment increased by THB 625.33 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 128.38 million.
 - Other movements increased by THB 3.00 million
- Right-of use assets decreased by THB 14.47 million, which mainly came from depreciation.
- Non-current assets increased by THB 37.93 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 31 December 2022, the company's total liabilities increased from the balance as of 31 December 2021 by THB 305.48 million or 23.16%. Significant changes mainly came from the following items:

- Deferred income increased by THB 193.34 million. This was because of advance tuition fee and enrolment fee for AY2022/2023.
- Other liabilities increased THB 113.22 million. Significant movements were as follows:
 - Trade and other payables increased by THB 64.38 million, mainly came from construction payable of Singapore International School Nonthaburi campus and Singapore International School Rayong campus.
 - Deposit from students increased by THB 35.29 million, which mainly came from the deposit from new students during the year.
 - Other non-current liabilities increased by THB 26.39 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 December 2022, total shareholders' equity was at THB 2,289.75 million, which increased by THB 275.28 million or 13.66%. Significant changes mainly came from the following items:

- Net profit for the year ended 31 December 2022 of THB 369.28 million.
- Dividend payment 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