



# **Management Discussion & Analysis**

for the Period Ended 31 March 2023

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SISB PUBLIC COMPANY LIMITED

15 May 2023

Re: Management Discussion &amp; Analysis for the Period Ended 31 March 2023

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 31 March 2023 as follows:

## Executive Summary

Consolidated financial statement	31 March 2022	31 March 2023	Change
(THB million)			
Revenue from sales and services	284.59	425.88	49.65%
Total revenues	288.30	435.47	51.05%
Tuition and services cost	144.60	188.71	30.50%
Gross Profit	139.99	237.17	69.43%
EBITDA	106.39	203.45	91.24%
Net Profit	63.20	159.03	151.63%
<b>Gross Profit Margin (%)</b>	<b>49.19%</b>	<b>55.69%</b>	<b>6.50%</b>
<b>EBITDA Margin (%)</b>	<b>36.90%</b>	<b>46.72%</b>	<b>9.82%</b>
<b>Net Profit Margin (%)</b>	<b>21.92%</b>	<b>36.52%</b>	<b>14.60%</b>

## Q1'2023 Key Financial Highlight

### Revenue from sales and services

- The Company's revenue from sales and services for the 3-month period ended 31 March 2022 and 2023 were THB 284.59 million and THB 425.88 million respectively. Revenue increased by THB 141.29 million or 49.65%. This mainly came from the schools have at the schools (On-site) Learning for AY2022/2023 and higher number of students both Thai students and Foreign students.

### Net Profit and Net Profit Margin

- The company reported net income of THB 159.03 million in Q1'2023, with net profit margin at 36.52%, an increase from the same period of previous year of THB 63.20 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. 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.



- The company entered into a building construction agreement of the second phase of Singapore International School Chiangmai, and expected to open in January 2024.



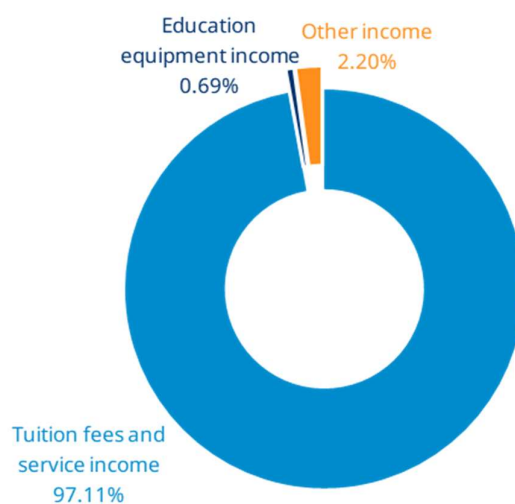
## Financial Performance

Statement of Income	Consolidated financial statement for 3-month period					
	31 March 2022		31 March 2023		Change	
	Million THB	%	Million THB	%	Million THB	%
<u>Revenues</u>						
Revenues from sales and services	284.59	98.72	425.88	97.80	141.29	49.65
- Tuition fees and services income	283.16	98.22	422.90	97.11	139.74	49.35
- Education equipment income	1.43	0.50	2.98	0.69	1.55	108.39
Other income	3.71	1.28	9.59	2.20	5.88	158.49
<b>Total revenues</b>	<b>288.30</b>	<b>100.00</b>	<b>435.47</b>	<b>100.00</b>	<b>147.17</b>	<b>51.05</b>
<u>Expenses</u>						
Tuition and services cost	144.60	50.16	188.71	43.34	44.11	30.50
Administrative expenses	75.38	26.14	87.06	19.99	11.68	15.49
<b>Total expenses</b>	<b>219.98</b>	<b>76.30</b>	<b>275.77</b>	<b>63.33</b>	<b>55.79</b>	<b>25.36</b>
Share of profit (loss) from investment accounted for under equity method	0.31	0.11	3.92	0.90	3.61	1,164.52
Finance revenue	0.84	0.29	1.98	0.46	1.14	135.71
Finance cost	6.22	2.16	6.43	1.48	0.21	3.38
<b>Profit before income tax expense</b>	<b>63.25</b>	<b>21.94</b>	<b>159.17</b>	<b>36.55</b>	<b>95.92</b>	<b>151.65</b>
Income tax expenses (revenue)	0.05	0.02	0.14	0.03	0.09	180.00
<b>Profit for the year</b>	<b>63.20</b>	<b>21.92</b>	<b>159.03</b>	<b>36.52</b>	<b>95.83</b>	<b>151.63</b>

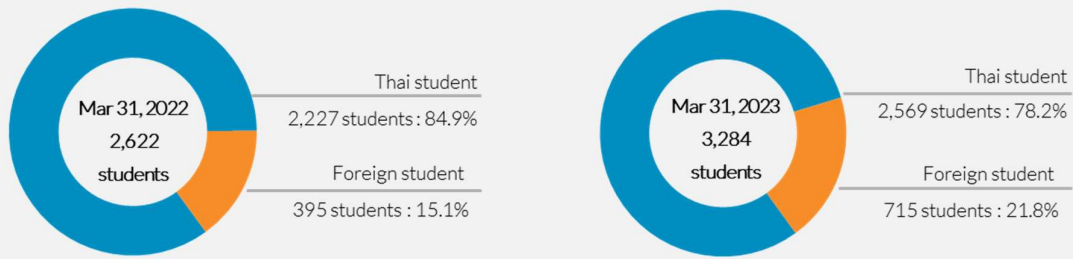
## Analysis of Statement of Income

### Revenue

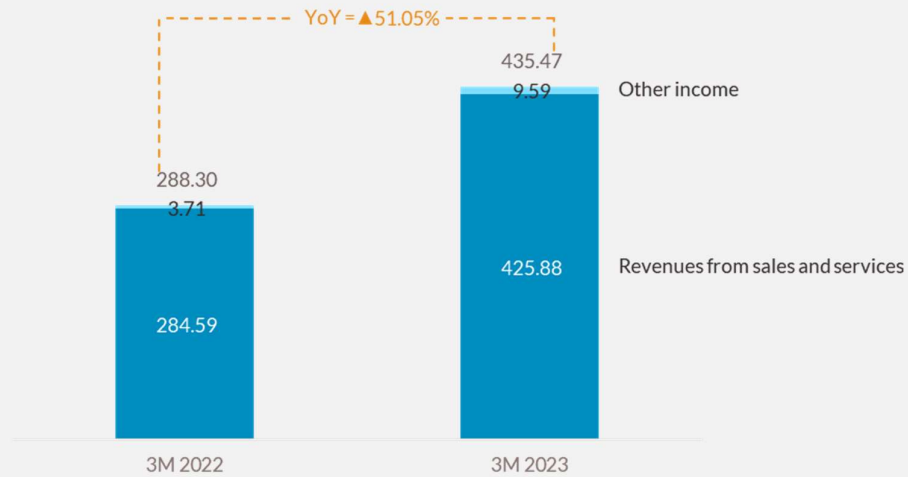
Revenue Breakdown in Q1'2023



### Number of Student by Nationality

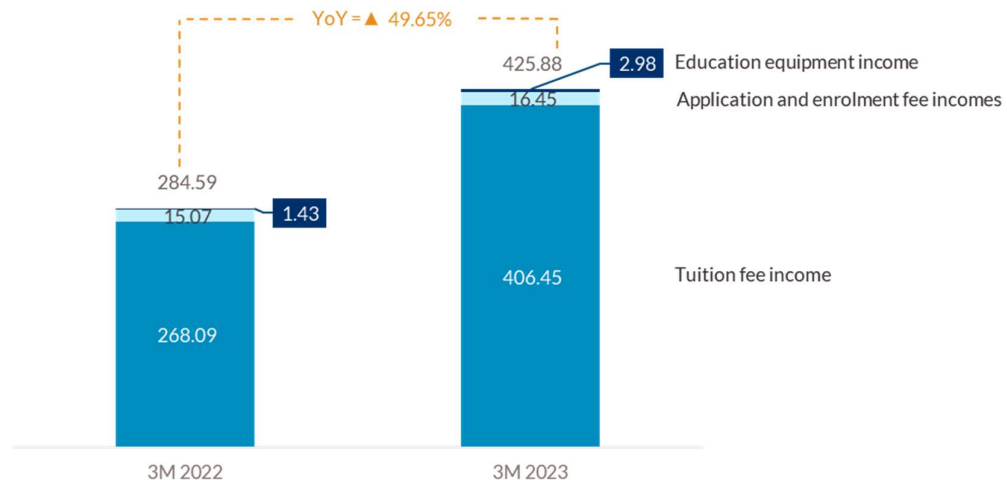


The Company's revenue for the 3-month period ended 31 March 2022 and 2023 were THB 288.30 million and THB 435.47 million respectively. Revenue increased by THB 147.17 million or 51.05%. The summary is as follows:



### Revenues from sales and services

Revenues from sales and services of the company for 3-month period ended 31 March 2022 and 2023 were THB 284.59 million and THB 425.88 million respectively. Revenues from sales and services consist of Tuition fees and services income and Education equipment income which accounted for 99.30% and 0.70% of revenues from sales and services in 3-month period 2023 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 Q1'2022 and 2023 was THB 268.09 million and THB 406.45 million respectively, increasing by 51.61% resulting from the number of students that increased from both Thai students and Foreign students from 2,437 to 3,003 (excluded the number of students from Singapore International School Chiang Mai). In addition, average tuition fee income per student increased from THB 0.46 million to THB 0.55 million per student or 21.24%, 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.

#### Application and enrolment fee incomes

Application and enrolment fee incomes of the company for Q1'2022 and 2023 were THB 15.07 million and THB 16.45 million respectively. Application and enrolment fee increased by 9.16% from the same period of previous year, which is related to the increased number of students.

### Education equipment income

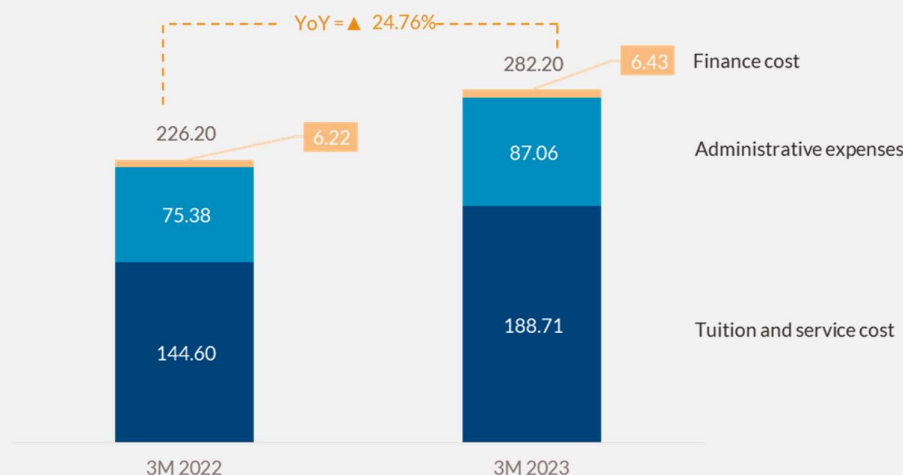
Education equipment income for Q1'2022 and Q1'2023 were THB 1.43 million and THB 2.98 million respectively. Education equipment income increased by THB 1.55 million or 108.39% due to increasing number of students.

### Other incomes

Other incomes for the Q1'2022 and 2023 were THB 3.71 million and THB 9.59 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 Q1'2022 and 2023 were THB 226.20 million and THB 282.20 million respectively, which accounted for 78.46% and 64.80% of total revenue.



#### Tuition and services cost

Tuition and services cost were the major component of the company's total cost. For Q1'2022 and 2023, tuition and services cost were THB 144.60 million and THB 188.71 million respectively, increasing by THB 44.11 million or 30.50%. 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 134.93 million for Q1'2023 increased from THB 97.51 million in the same period of previous year. The cost increased related to increasing in tuition fees income and adjustment in academic staff remunerations at the beginning of academic year. However, cost of education to revenue from sales and services decreased from 34.26% in the 3-month period of 2022 to 31.68% in the 3-month period of 2023, due to the company's ability to manage utilization of resource of teachers effectively, most of academic staff remunerations were fixed cost and the hybrid learning in Q1'2022. Therefore, revenue's growth rate higher than higher cost in Q1'2023.

##### Cost of Building Management

Cost of building management for Q1'2023 was THB 53.79 million. The cost increased from the same period of the previous year at THB 47.09 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 12.63% for Q1'2023 which decreased from 16.55% 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 87.06 million which is 19.99% of total revenue. The expenses consisted of employee-related expenses which amounted to THB 61.70 million. Administrative expenses to total revenue decreased from 26.14% in Q1'2022 to 19.99% in Q1'2023, due to an increase in total revenue while most of administrative expenses were fixed cost.

#### Finance cost

The company reported finance cost at THB 6.43 million in Q1'2023 which increased from the same period of last year at THB 6.22 million mainly due to increasing in cost of bank charges.

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

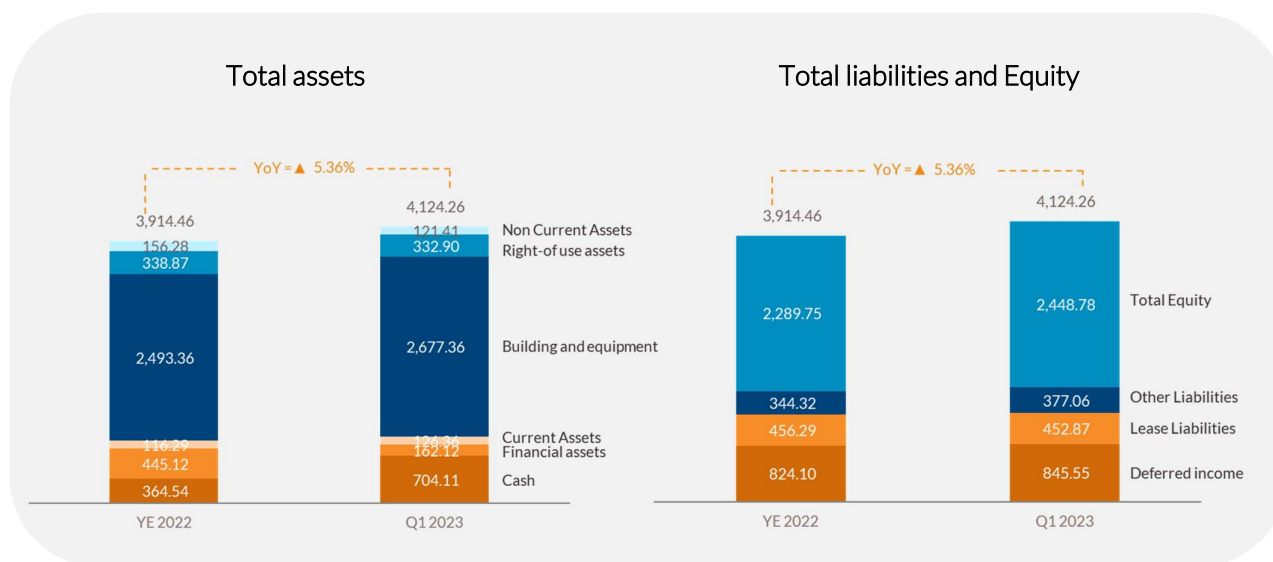
For 3-month period ended 31 March 2022 and 2023, SISB-SIRI which included Singapore International School Chiangmai, reported net income of THB 0.62 million and THB 7.85 million respectively. Therefore, the company realized share of profit from investment accounted for under equity method amounted to THB 0.31 million and THB 3.92 million in Q1'2022 and 2023, respectively.

**Net income**

The company reported net income of THB 159.03 million, with net profit margin at 36.52%, an increase from the same period of previous year of THB 63.20 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 March 2023, the company's total assets increased from the balance as of 31 December 2022 by THB 209.80 million or 5.36%. Significant changes mainly came from the following items:

- Cash and cash equivalent increased by THB 339.56 million. Significant movements were as follows:
  - Net cash flows from operating activities of THB 272.21 million from improved operations and increased number of students.
  - Net cash flows from investing activities of THB 76.35 million from mature financial assets and used in construction-in-progress at Singapore International School Nonthaburi campus and Singapore International School Rayong campus.
  - Net cash flows used in financing activities of THB 9.01 million for payments of liabilities under finance lease agreements.
- Financial assets decreased by THB 281.70 million. This is because of the mature fixed deposit during the period. As of 31 March 2023, the company has other current financial assets of THB 162.12 million.
- Property, plant, and equipment increased by THB 184.00 million. The movements were as follows:
  - Building and equipment increased by THB 217.99 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 33.77 million.
  - Other movements decreased by THB 0.23 million.
- Investment in joint venture accounted for under equity method decreased by THB 16.10 million, which mainly came from dividend payment of SISB Siri.
- Non-current assets decreased by THB 19.97 million, which mainly came from advance payments of construction of Singapore International School Rayong campus.

**Total liabilities**

As of 31 March 2023, the company's total liabilities increased from the balance as of 31 December 2022 by THB 50.77 million or 3.12%. Significant changes mainly came from the following items:

- Deferred income increased by THB 21.44 million. This was because of advance tuition fee and enrolment fee new student during the period.
- Other liabilities increased THB 32.75 million. Significant movements were as follows:
  - Trade and other payables increased by THB 8.90 million, mainly came from accrued cost of extra activity courses and accrued bonus.
  - Deposit from students increased by THB 13.04 million, which mainly came from the deposit from new students during the period.
  - Other liabilities increased by THB 9.61 million, which mainly came from retention payable from the construction of Singapore International School Rayong campus.

**Total shareholders' equity**

At the end of March 2023, total shareholders' equity was at THB 2,448.78 million, which increased by THB 159.03 million or 6.94%. Significant changes came from net profit for the 3-month period ended 31 March 2023.

Please be informed accordingly.

Yours Sincerely,

Mr. Yew Hock Koh  
Chief Executive Officer