



# Management Discussion & Analysis

for the Period Ended 30 June 2023

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SISB PUBLIC COMPANY LIMITED

15 August 2023

Re: Management Discussion &amp; Analysis for the Period Ended 30 June 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 30 June 2023 as follows:

## Executive Summary

Consolidated financial statement	30 June 2022	30 June 2023	Change
(THB million)			
Revenue from sales and services	302.86	423.23	39.74%
Total revenues	307.26	431.37	40.39%
Tuition and services cost	154.62	181.91	17.65%
Gross Profit	148.24	241.32	62.79%
EBITDA	123.71	201.08	62.54%
Net Profit	78.29	155.43	98.53%
<b>Gross Profit Margin (%)</b>	<b>48.95%</b>	<b>57.02%</b>	<b>8.07%</b>
<b>EBITDA Margin (%)</b>	<b>40.26%</b>	<b>46.61%</b>	<b>6.35%</b>
<b>Net Profit Margin (%)</b>	<b>25.48%</b>	<b>36.03%</b>	<b>10.55%</b>

## Q2'2023 Key Financial Highlight

### Revenue from sales and services

- The Company's revenue from sales and services for the 3-month period ended 30 June 2022 and 2023 were THB 302.86 million and THB 423.23 million respectively. Revenue increased by THB 120.37 million or 39.74%. This mainly came from the schools have at the schools (On-site) Learning for AY2022/2023, higher number of students both Thai students and Foreign students and increased tuition fee of AY2022/2023.

### Net Profit and Net Profit Margin

- The company reported net income of THB 155.43 million in Q2'2023, with net profit margin at 36.03%, an increase from the same period of previous year of THB 78.29 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

### Campus and Education Development

- 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 has commenced the renovation of Singapore International School of Bangkok for Secondary Classroom. The renovation was expected to be ready by August 2023.



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

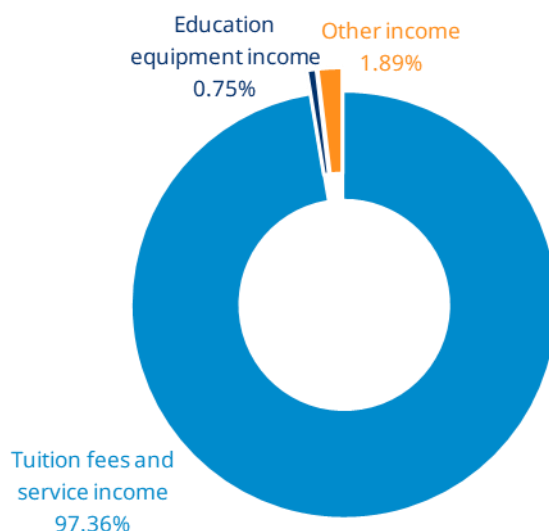


## Financial Performance

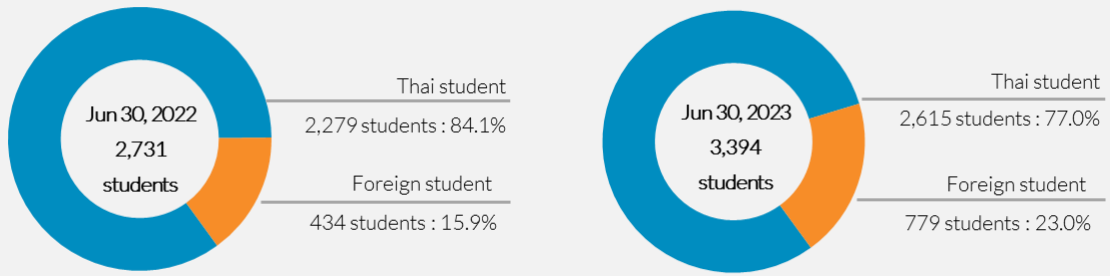
Statement of Income	Consolidated financial statement for 3-month period					
	30 June 2022		30 June 2023		Change	
	Million THB	%	Million THB	%	Million THB	%
<b>Revenues</b>						
Revenues from sales and services	302.86	98.57	423.23	98.11	120.37	39.74
- Tuition fees and services income	301.53	98.14	419.98	97.36	118.45	39.28
- Education equipment income	1.33	0.43	3.25	0.75	1.92	144.36
Other income	4.40	1.43	8.14	1.89	3.74	85.00
<b>Total revenues</b>	<b>307.26</b>	<b>100.00</b>	<b>431.37</b>	<b>100.00</b>	<b>124.11</b>	<b>40.39</b>
<b>Expenses</b>						
Tuition and services cost	154.62	50.32	181.91	42.17	27.29	17.65
Administrative expenses	69.77	22.71	92.43	21.43	22.66	32.48
<b>Total expenses</b>	<b>224.39</b>	<b>73.03</b>	<b>274.34</b>	<b>63.60</b>	<b>49.95</b>	<b>22.26</b>
Share of profit (loss) from investment accounted for under equity method	1.18	0.38	4.06	0.94	2.88	244.07
Finance revenue	0.67	0.22	1.12	0.26	0.45	67.16
Finance cost	6.38	2.07	6.53	1.51	0.15	2.35
<b>Profit before income tax expense</b>	<b>78.34</b>	<b>25.50</b>	<b>155.68</b>	<b>36.09</b>	<b>77.34</b>	<b>98.72</b>
Income tax expenses (revenue)	0.05	0.02	0.25	0.06	0.20	400.00
<b>Profit for the year</b>	<b>78.29</b>	<b>25.48</b>	<b>155.43</b>	<b>36.03</b>	<b>77.14</b>	<b>98.53</b>

## Analysis of Statement of Income

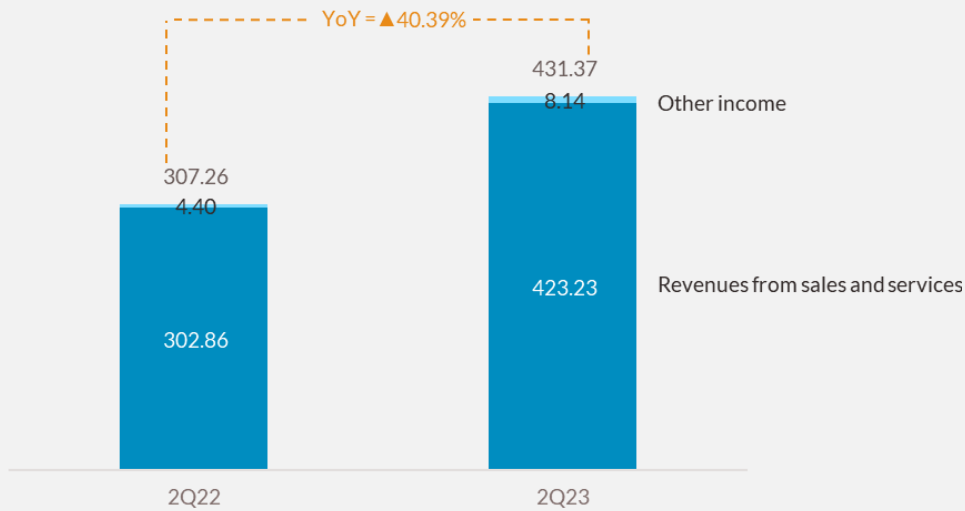
Revenue  
Revenue Breakdown in Q2'2023



### Number of Student by Nationality

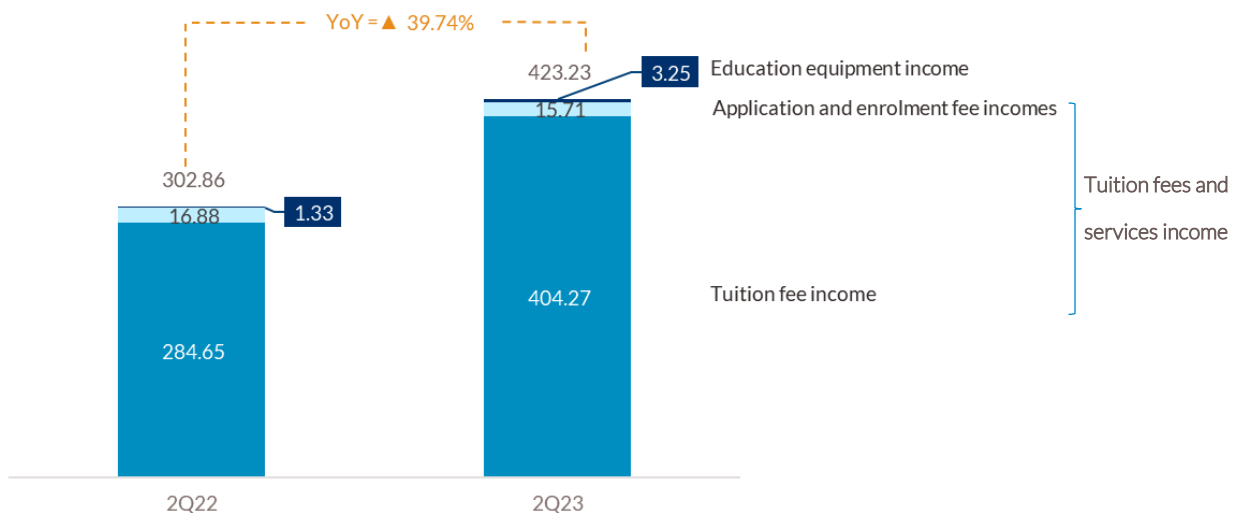


The Company's revenue for the 3-month period ended 30 June 2022 and 2023 were THB 307.26 million and THB 431.37 million respectively. Revenue increased by THB 124.11 million or 40.39%. The summary is as follows:



### Revenues from sales and services

Revenues from sales and services of the company for 3-month period ended 30 June 2022 and 2023 were THB 302.86 million and THB 423.23 million respectively. Revenues from sales and services consist of Tuition fees and services income and Education equipment income which accounted for 99.23% and 0.77% 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 Q2'2022 and 2023 was THB 284.65 million and THB 404.27 million respectively, increasing by 42.02% resulting from the number of students that increased from both Thai students and Foreign students from 2,526 to 3,094 (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 0.53 million per student or 15.61%, 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 Q2'2022 and 2023 were THB 16.88 million and THB 15.71 million respectively. Application and enrolment fee decreased by 6.93% from the same period of previous year.

### **Education equipment income**

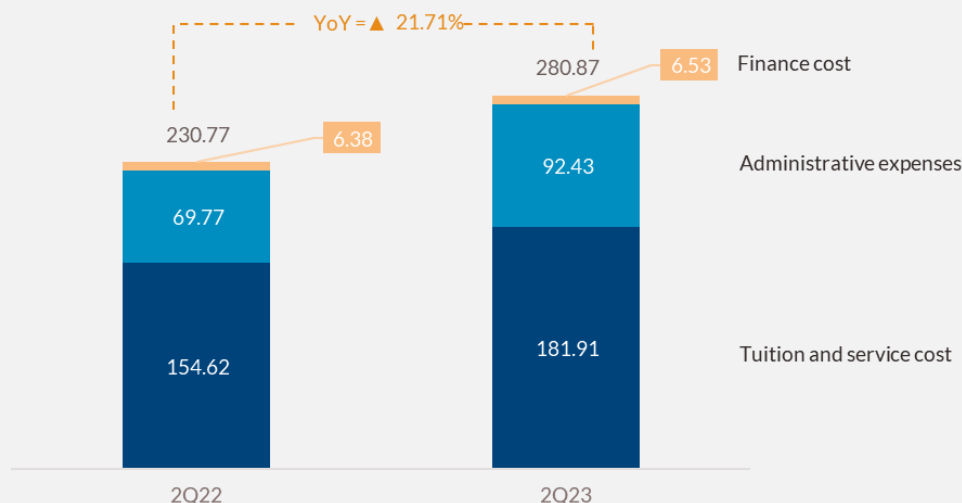
Education equipment income for Q2'2022 and 2023 were THB 1.33 million and THB 3.25 million respectively. Education equipment income increased by THB 1.92 million or 144.36% due to increasing number of students.

### **Other incomes**

Other incomes for the Q2'2022 and 2023 were THB 4.40 million and THB 8.14 million respectively. Other incomes mainly consisted of income from food and beverage 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 Q2'2022 and 2023 were THB 230.77 million and THB 280.87 million respectively, which accounted for 75.10% and 65.11% of total revenue.



#### Tuition and services cost

Tuition and services cost were the major component of the company's total cost. For Q2'2022 and 2023, tuition and services cost were THB 154.62 million and THB 181.91 million respectively, increasing by THB 27.29 million or 17.65%. 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 126.30 million for Q2'2023 increased from THB 104.48 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 and also increasing in number of academic staffs for new campuses (Nonthaburi and Rayong). However, cost of education to revenue from sales and services decreased from 34.50% in the 3-month period of 2022 to 29.84% 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 Q2'2022. Therefore, revenue's growth rate higher than higher cost in Q2'2023.

##### Cost of Building Management

Cost of building management for Q2'2023 was THB 55.61 million. The cost increased from the same period of the previous year at THB 50.14 million. This mainly came from utilities cost and repair and maintenance cost. Cost of building management to Tuition fee and service income was at 13.14% for Q2'2023 which decreased from 16.56% 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 92.43 million which is 21.43% of total revenue. The expenses consisted of employee-related expenses which amounted to THB 63.54 million. Administrative expenses to total revenue decreased from 22.71% in Q2'2022 to 21.43% in Q2'2023, due to an increase in total revenue while most of administrative expenses were fixed cost.

#### Finance cost

The company reported finance cost at THB 6.53 million in Q2'2023 which increased from the same period of last year at THB 6.38 million mainly due to increasing in cost of bank charges.

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

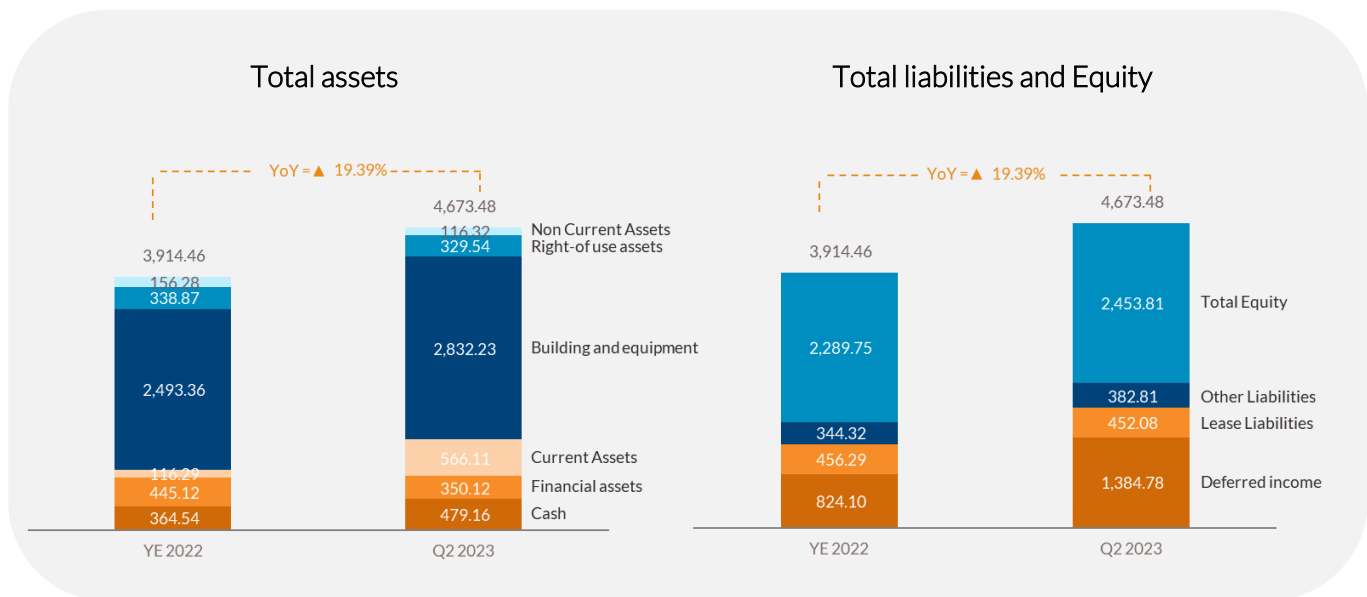
For 3-month period ended 30 June 2022 and 2023, SISB-SIRI which included Singapore International School Chiangmai, reported net income of THB 2.37 million and THB 8.13 million respectively. Therefore, the company realized share of profit from investment accounted for under equity method amounted to THB 1.18 million and THB 4.06 million in Q2'2022 and 2023, respectively.

**Net income**

The company reported net income of THB 155.43 million, with net profit margin at 36.03%, an increase from the same period of previous year of THB 78.29 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 30 June 2023, the company’s total assets increased from the balance as of 31 December 2022 by THB 759.02 million or 19.39%. Significant changes mainly came from the following items:

- Cash and cash equivalent increased by THB 114.62 million. Significant movements were as follows:
  - Net cash flows from operating activities of THB 591.32 million from increased number of students.
  - Net cash flows used in investing activities of THB 308.30 million from construction-in-progress at Singapore International School Nonthaburi and Singapore International School Rayong and cash from mature financial assets.
  - Net cash flows used in financing activities of THB 168.40 million for payments of dividend in 2023 and liabilities under finance lease agreements.
- Financial assets decreased by THB 95.00 million. This is because of the mature fixed deposit during the period. As of 30 June 2023, the company has other current financial assets of THB 350.12 million.
- Current assets increased by THB 449.82 million mainly from account receivables of tuition fee for AY2023/2024.
- Property, plant, and equipment increased by THB 338.87 million. The movements were as follows:
  - Building and equipment increased by THB 407.05 million mainly came from construction-in-progress at Singapore International School Nonthaburi and Singapore International School Rayong.
  - Depreciation during the period of THB 67.66 million.
  - Other movements decreased by THB 0.52 million.
- Non-current assets decreased by THB 39.96 million, which mainly came from advance payments of construction of Singapore International School Rayong.

### **Total liabilities**

As of 30 June 2023, the company's total liabilities increased from the balance as of 31 December 2022 by THB 594.96 million or 36.62%. Significant changes mainly came from the following items:

- Deferred income increased by THB 560.68 million. This was because of advance tuition fee for AY2023/2024 and enrolment fee from new students during the period.
- Other liabilities increased THB 38.49 million, which mainly came from the deposit from new students during the period.

### **Total shareholders' equity**

At the end of June 2023, total shareholders' equity was at THB 2,453.81 million, which increased by THB 164.06 million or 7.16%. Significant changes mainly came from the following items:

- Net profit for the 6-month period ended 30 June 2023 of THB 314.46 million.
- Dividend payment of THB 150.40 million. The dividend payment was approved the 2023 Annual General Meeting of Shareholders on 24 April 2023.

Please be informed accordingly.

Yours Sincerely,

Mr. Yew Hock Koh  
Chief Executive Officer