



Management Discussion & Analysis

for the Period Ended 30 September 2023

SISB PUBLIC COMPANY LIMITED

13 November 2023

Re: Management Discussion & Analysis for the Period Ended 30 September 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 September 2023 as follows:

Executive Summary

Consolidated financial statement	30 September 2022	30 September 2023	Change
(THB million)			
Revenue from sales and services	341.56	477.57	39.82%
Total revenues	347.87	492.61	41.61%
Tuition and services cost	171.92	266.14	54.80%
Gross Profit	169.64	211.43	24.64%
EBITDA	147.13	188.93	28.41%
Net Profit	99.44	128.53	29.25%
Gross Profit Margin (%)	49.67%	44.27%	-5.40%
EBITDA Margin (%)	42.29%	38.35%	-3.94%
Net Profit Margin (%)	28.59%	26.09%	-2.50%
Net Profit (Excluded new schools in Nonthaburi and Rayong)	99.44	186.92	87.98%
Net Profit Margin (%) (Excluded new schools in Nonthaburi and Rayong)	28.59%	39.32%	10.73%

Q3'2023 Key Financial Highlight

Revenue from sales and services

- The Company's revenue from sales and services for the 3-month period ended 30 September 2022 and 2023 were THB 341.56 million and THB 477.57 million respectively. Revenue increased by THB 136.01 million or 39.82%. This mainly came from the opening of new schools (Nonthaburi Campus and Rayong Campus), higher number of students both Thai students and Foreign students and increased tuition fee of AY2023/2024.

Net Profit and Net Profit Margin

- The company reported net income of THB 128.53 million in Q3'2023, with net profit margin at 26.09%, an increase from the same period of previous year of THB 99.44 million. The increase in net profit was due to the increase in the revenue and most administrative expenses of the Company are fixed.
- Net income excluded new schools in Nonthaburi and Rayong was THB 186.92 million in Q3'2023, with net profit margin at 39.32%. Net loss from new schools was THB 58.39 million divided into one-time pre-operating expense of THB 25.83 million and operating cost and expense of THB 32.56 million. The new schools started revenue recognition in September 2023 and operating cost and expense recognition in August 2023.

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. The new campus obtain certification from the Ministry of Education in July 2023 and started providing service in August 2023.



- The company entered into a land purchased agreement in Rayong Province in December 2021. The company commenced the construction of a new campus, Singapore International School Rayong. The new campus obtain certification from the Ministry of Education in July 2023 and started providing service in August 2023.



- The company has commenced the renovation of Singapore International School of Bangkok for Secondary Classroom. The renovation on the first floor was completed in October 2023, and the renovation on the second floor was expected to be ready by August 2024.



- 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.

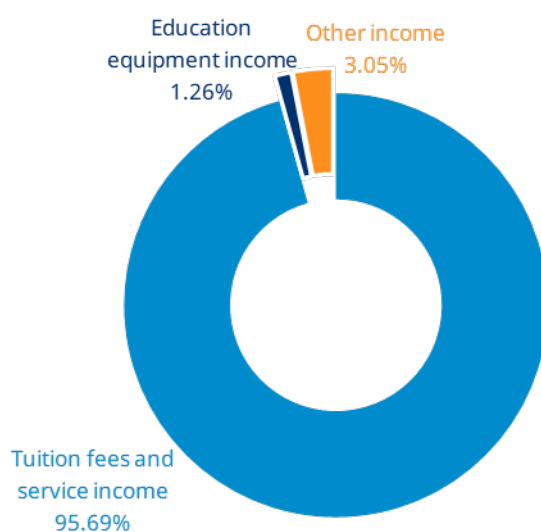


Financial Performance

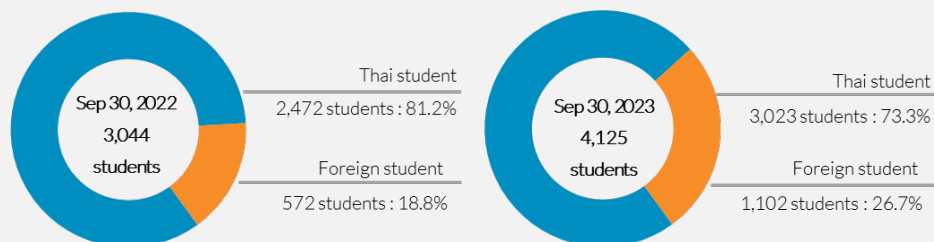
Statement of Income	Consolidated financial statement for 3-month period					
	30 September 2022		30 September 2023		Change	
	Million THB	%	Million THB	%	Million THB	%
Revenues						
Revenues from sales and services	341.56	98.18	477.57	96.95	136.01	39.82
- Tuition fees and services income	337.21	96.93	471.34	95.69	134.13	39.78
- Education equipment income	4.35	1.25	6.23	1.26	1.88	43.22
Other income	6.31	1.82	15.04	3.05	8.73	138.35
Total revenues	347.87	100.00	492.61	100.00	144.74	41.61
Expenses						
Tuition and services cost	171.92	49.42	266.14	54.03	94.22	54.80
Administrative expenses	72.17	20.75	98.76	20.05	26.59	36.84
Total expenses	244.09	70.17	364.90	74.08	120.81	49.49
Share of profit (loss) from investment accounted for under equity method	1.53	0.44	5.21	1.06	3.68	240.52
Finance revenue	1.06	0.31	2.37	0.48	1.31	123.58
Finance cost	6.47	1.86	6.66	1.35	0.19	2.94
Profit before income tax expense	99.90	28.72	128.63	26.11	28.73	28.76
Income tax expenses (revenue)	0.46	0.13	0.10	0.02	(0.36)	(78.26)
Profit for the year	99.44	28.59	128.53	26.09	29.09	29.25
Profit for the year (Excluded new schools in Nonthaburi and Rayong)	99.44	28.59	186.92	39.32	87.48	87.98

Analysis of Statement of Income

Revenue Revenue Breakdown in Q3'2023



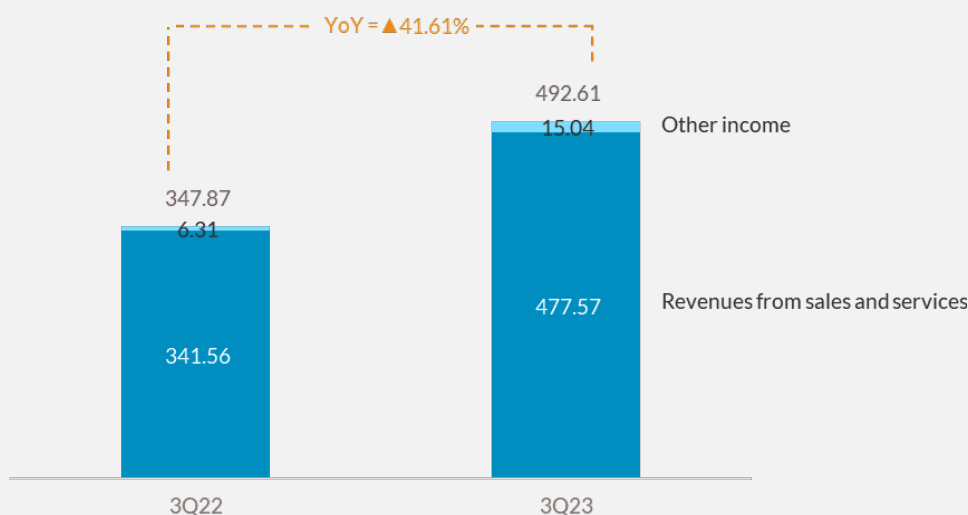
Number of Student by Nationality



Student: Teacher Ratio

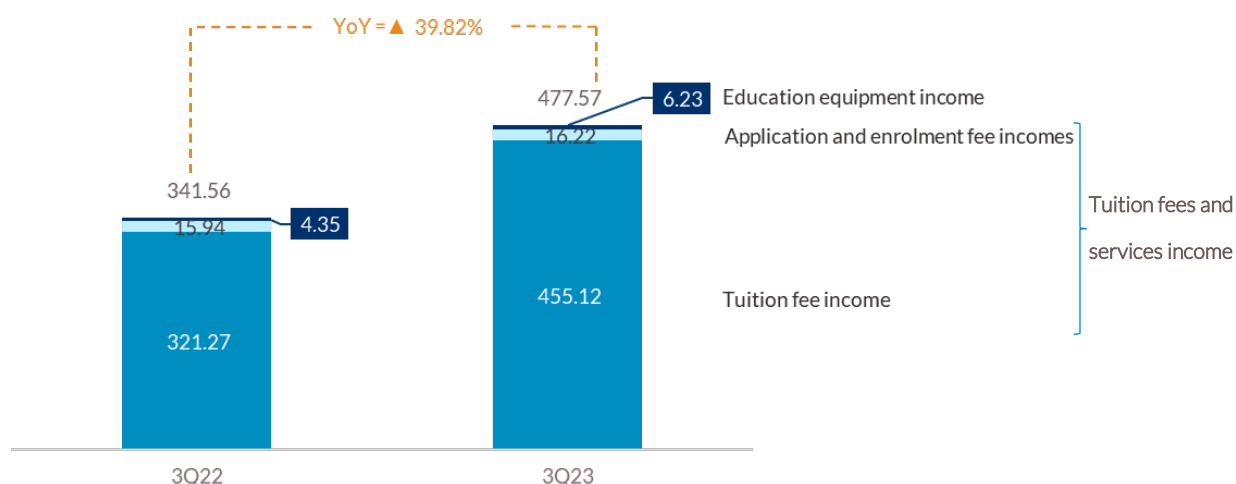
- Included new schools	8.2	7.9
- Excluded new schools	8.2	8.3

The Company’s revenue for the 3-month period ended 30 September 2022 and 2023 were THB 347.87 million and THB 492.61 million respectively. Revenue increased by THB 144.74 million or 41.61%. 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 2022 and 2023 were THB 341.56 million and THB 477.57 million respectively. Revenues from sales and services consist of Tuition fees and services income and Education equipment income which accounted for 98.70% and 1.30% 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 Q3'2022 and 2023 was THB 321.27 million and THB 455.12 million respectively, increasing by 41.66% resulting from the number of students increased from both Thai students and Foreign students from 2,793 to 3,756 (excluded the number of students from Singapore International School Chiang Mai). In addition, average tuition fee income per student increased from THB 0.48 million to THB 0.53 million per student or 10.00%, mainly came from the opening of new schools in Nonthaburi and Rayong and increased tuition fee of AY2023/2024 which is related to the industry and increased in staff remunerations. The new schools and the increased tuition fee started to recognized in September 2023.

Application and enrolment fee incomes

Application and enrolment fee incomes of the company for Q3'2022 and 2023 were THB 15.94 million and THB 16.22 million respectively. Application and enrolment fee increased by 1.76% from the same period of previous year, due to increasing number of student.

Education equipment income

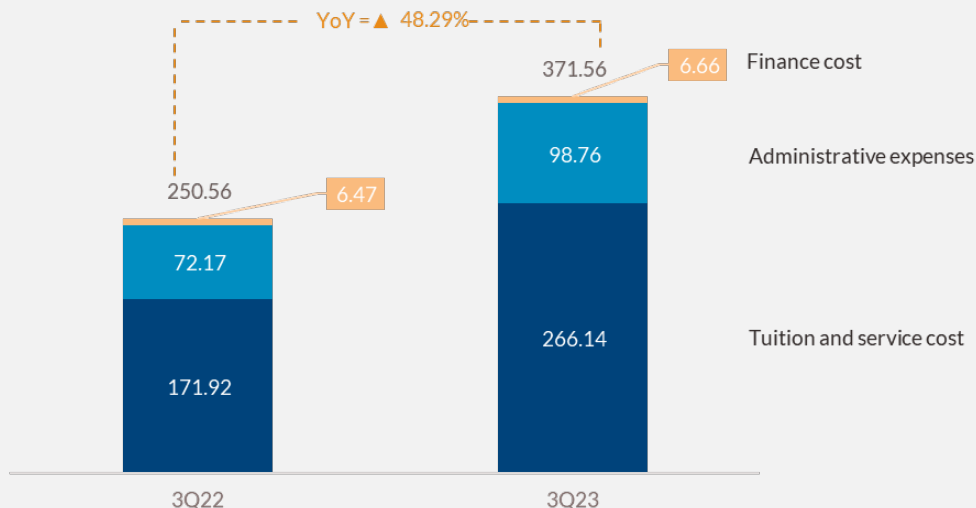
Education equipment income for Q3'2022 and 2023 were THB 4.35 million and THB 6.23 million respectively. Education equipment income increased by THB 1.88 million or 43.22% due to increasing number of students.

Other incomes

Other incomes for the Q3'2022 and 2023 were THB 6.31 million and THB 15.04 million respectively. Other incomes mainly consisted of income from food and beverage, credit card fee income and reversed of trade receivable's expected credit loss. For Q3'2023, trade receivable's expected credit loss was THB 5.38 million.

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 Q3'2022 and 2023 were THB 250.56 million and THB 371.56 million respectively, which accounted for 72.03% and 75.43% of total revenue.



Tuition and services cost

Tuition and services cost were the major component of the company's total cost. For Q3'2022 and 2023, tuition and services cost were THB 171.92 million and THB 266.14 million respectively, increasing by THB 94.22 million or 54.80%. 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 185.78 million for Q3'2023 increased from THB 118.48 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, increasing in number of academic staffs for existing campuses and new campuses (Nonthaburi and Rayong) and also one-time pre-operating cost of education of new campuses. Cost of education to revenue from sales and services increased from 34.69% in the 3-month period of 2022 to 38.90% in the 3-month period of 2023.

Cost of Building Management

Cost of building management for Q3'2023 was THB 80.36 million. The cost increased from the same period of the previous year at THB 53.44 million. This mainly came from depreciation cost, utilities cost and also one-time pre-operating cost of new campuses. Cost of building management to Tuition fee and service income was at 16.83% for Q3'2023 which increased from 15.65% at the same period of the previous year.

Administrative expenses

The company reported administrative expenses at THB 98.76 million which is 20.05% of total revenue. The expenses consisted of employee-related expenses which amounted to THB 80.09 million. The expenses increased mainly came from increased staff for new campuses and also one-time pre-operation administrative expenses. Administrative expenses to total revenue decreased from 20.75% in Q3'2022 to 20.05% in Q3'2023, due to an increase in total revenue while most of administrative expenses were fixed cost.

Finance cost

The company reported finance cost at THB 6.66 million in Q3'2023 which increased from the same period of last year at THB 6.47 million mainly due to increasing in cost of bank charges.

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

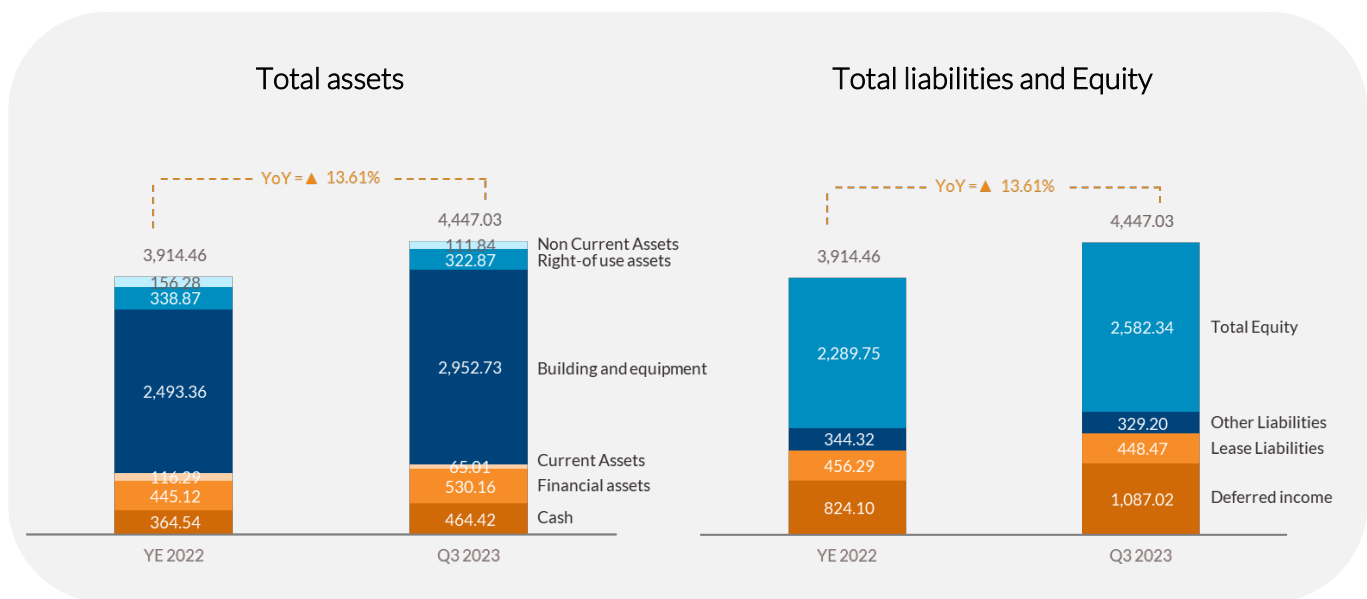
For 3-month period ended 30 September 2022 and 2023, SISB-SIRI which included Singapore International School Chiangmai, reported net income of THB 3.06 million and THB 10.41 million respectively. Therefore, the company realized share of profit from investment accounted for under equity method amounted to THB 1.53 million and THB 5.21 million in Q3'2022 and 2023, respectively.

Net income

The company reported net income of THB 128.53 million, with net profit margin at 26.09%, an increase from the same period of previous year of THB 99.44 million. The increase in net profit was due to the increase in the revenue and most administrative expenses of the Company are fixed.

Net income excluded new schools in Nonthaburi and Rayong was THB 186.92 million in Q3'2023, with net profit margin at 39.32%. Net loss from new schools was THB 58.39 million divided into one-time pre-operating expense of THB 25.83 million and operating cost and expense of THB 32.56 million. The new schools started revenue recognition in September 2023 and operating cost and expense recognition in August 2023.

Analysis of Statement of Financial Position



Total assets

As of 30 September 2023, the company’s total assets increased from the balance as of 31 December 2022 by THB 532.57 million or 13.61%. Significant changes mainly came from the following items:

- Cash and cash equivalent increased by THB 99.88 million. Significant movements were as follows:
 - Net cash flows from operating activities of THB 995.09 million from increased number of students.
 - Net cash flows used in investing activities of THB 717.67 million from construction project of Singapore International School Nonthaburi and Singapore International School Rayong, renovation project of Singapore International School Bangkok’s Sixth form building and investments in current financial assets.
 - Net cash flows used in financing activities of THB 177.55 million for payments of dividend in 2023 and liabilities under finance lease agreements.
- Financial assets increased by THB 85.04 million. This is because the company has increased investments in the fixed deposits during the period. As of 30 September 2023, the company has other current financial assets of THB 530.16 million.
- Current assets decreased by THB 51.28 million mainly from lower tuition fee receivables. This is because the company has collected nearly all the invoices for the first term AY2023/2024 which was issued in June 2023.
- Property, plant, and equipment increased by THB 459.37 million. The movements were as follows:
 - Building and equipment increased by THB 576.81 million mainly came from construction project of Singapore International School Nonthaburi and Singapore International School Rayong and renovation project of Singapore International School Bangkok’s Sixth form building.
 - Depreciation during the period of THB 116.91 million.
 - Other movements decreased by THB 0.54 million.
- Non-current assets decreased by THB 44.44 million, which mainly came from advance payments of construction of Singapore International School Rayong.

Total liabilities

As of 30 September 2023, the company's total liabilities increased from the balance as of 31 December 2022 by THB 239.98 million or 14.77%. Significant changes mainly came from the following items:

- Deferred income increased by THB 262.92 million. This was because of advance tuition fee for AY2023/2024 and enrolment fee from new students during the period.

Total shareholders' equity

At the end of September 2023, total shareholders' equity was at THB 2,582.34 million, which increased by THB 292.59 million or 12.78%. Significant changes mainly came from the following items:

- Net profit for the 9-month period ended 30 September 2023 of THB 442.99 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