



Management Discussion & Analysis

for the Period Ended 31 December 2023

SISB PUBLIC COMPANY LIMITED

23 February 2024

Re: Management Discussion & Analysis for the Period Ended 31 December 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 12-month period ended 31 December 2023 as follows:

Executive Summary

Consolidated financial statement	31 December 2022	31 December 2023	Change
(THB million)			
Revenue from sales and services	1,319.26	1,889.24	43.20%
Total revenues	1,339.97	1,930.56	44.07%
Tuition and services cost	653.32	897.51	37.38%
Gross Profit	665.94	991.73	48.92%
EBITDA	551.70	861.57	56.17%
Net Profit	369.28	653.53	76.97%
Gross Profit Margin (%)	50.48%	52.49%	2.01%
EBITDA Margin (%)	41.17%	44.63%	3.46%
Net Profit Margin (%)	27.56%	33.85%	6.29%
Net Profit (Excluded new schools in Nonthaburi and Rayong)	369.28	718.41	94.55%
Net Profit Margin (%) (Excluded new schools in Nonthaburi and Rayong)	27.56%	38.58%	11.02%

2023 Key Financial Highlight

Revenue from sales and services

- The Company’s revenue from sales and services for the 12-month period ended 31 December 2022 and 2023 were THB 1,319.26 million and THB 1,889.24 million respectively. Revenue increased by THB 569.98 million or 43.20%. This mainly came from the opening of new schools in Nonthaburi and Rayong, 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 653.53 million in 2023, with net profit margin at 33.85%, an increase from the same period of previous year of THB 369.28 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.
- Net income excluded new schools in Nonthaburi and Rayong was THB 718.41 million in 2023, with net profit margin at 38.58%. Net loss from new schools was THB 64.88 million divided into one-time pre-operating expense of THB 25.83 million and operating cost and expense of THB 39.05 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 the first quarter of 2024.

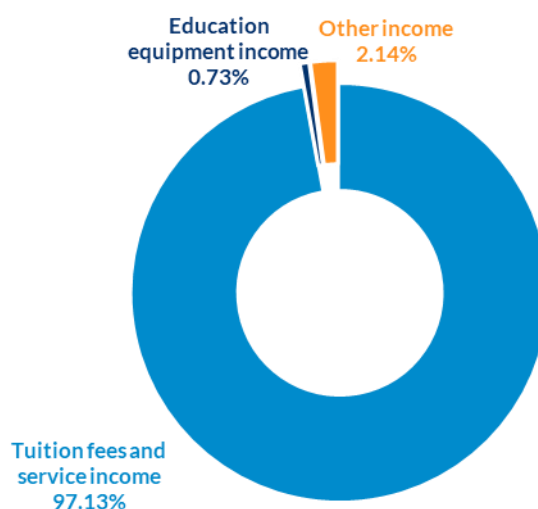


Financial Performance

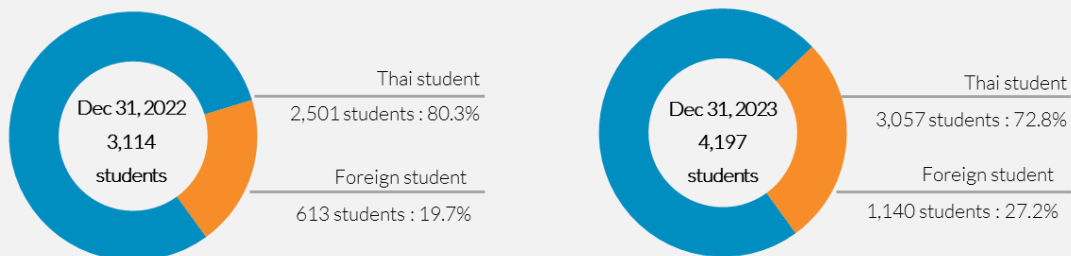
Statement of Income	Consolidated financial statement for 3-month period					
	31 December 2022		31 December 2023		Change	
	Million THB	%	Million THB	%	Million THB	%
Revenues						
Revenues from sales and services	1,319.26	98.46	1,889.24	97.86	569.98	43.20
- Tuition fees and services income	1,310.74	97.82	1,875.10	97.13	564.36	43.06
- Education equipment income	8.52	0.64	14.14	0.73	5.62	65.96
Other income	20.71	1.54	41.32	2.14	20.61	99.52
Total revenues	1,339.97	100.00	1,930.56	100.00	590.59	44.07
Expenses						
Tuition and services cost	653.32	48.76	897.51	46.49	244.19	37.38
Administrative expenses	300.97	22.46	381.85	19.78	80.88	26.87
Total expenses	954.29	71.22	1,279.36	66.27	325.07	34.06
Share of profit (loss) from investment accounted for under equity method	5.36	0.40	19.70	1.02	14.34	267.54
Finance revenue	4.44	0.33	9.62	0.50	5.18	116.67
Finance cost	25.28	1.89	25.92	1.34	0.64	2.53
Profit before income tax expense	370.20	27.63	654.60	33.91	284.40	76.82
Income tax expenses (revenue)	0.92	0.07	1.07	0.06	0.15	16.30
Profit for the year	369.28	27.56	653.53	33.85	284.25	76.97
Profit for the year (Excluded new schools in Nonthaburi and Rayong)	369.28	27.56	718.41	38.58	349.13	94.55

Analysis of Statement of Income

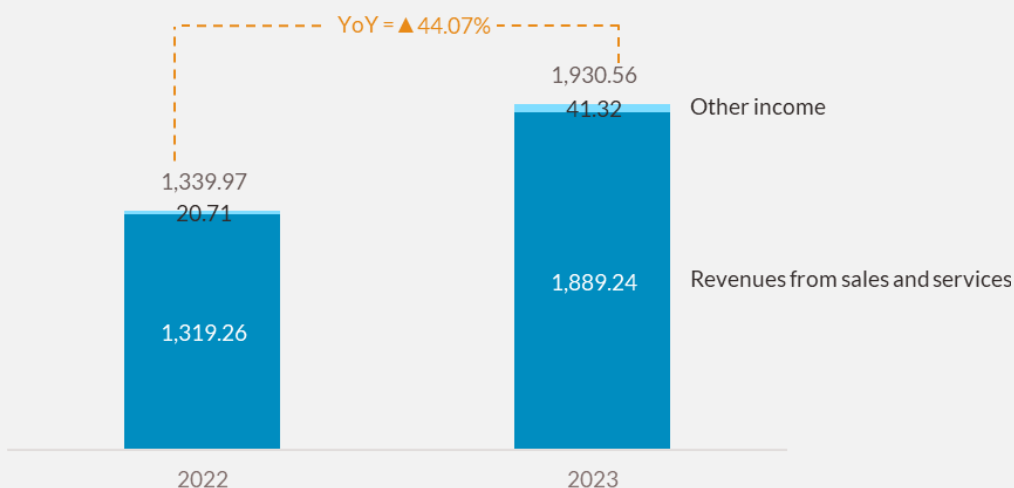
Revenue Revenue Breakdown in 2023



Number of Student by Nationality

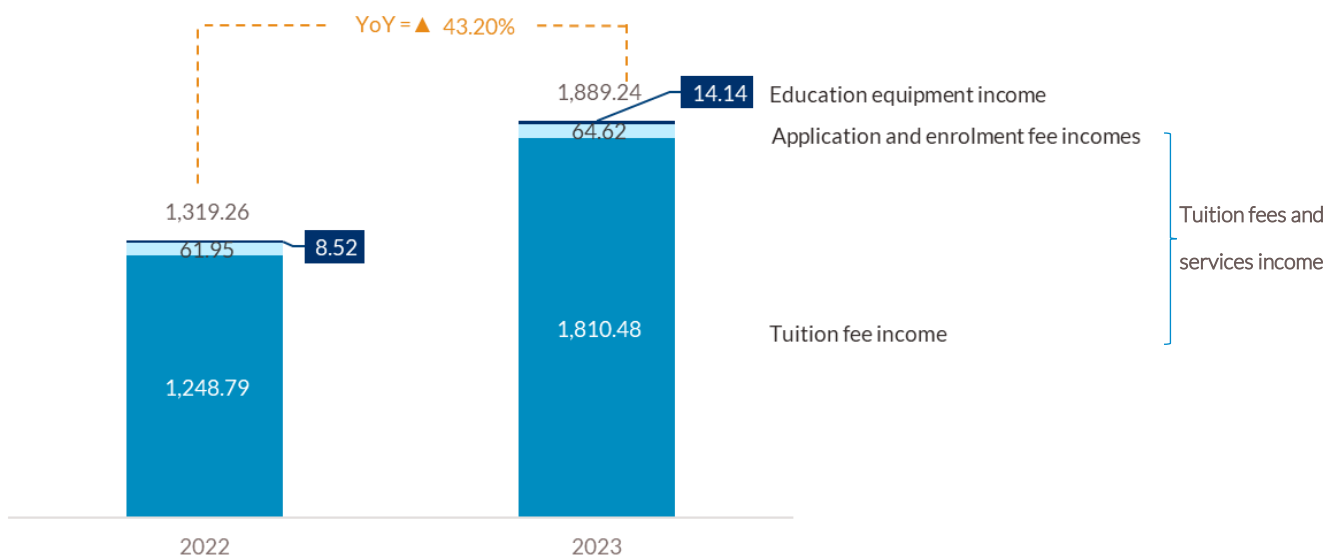


The Company's revenue for the 12-month period ended 31 December 2022 and 2023 were THB 1,339.97 million and THB 1,930.56 million respectively. Revenue increased by THB 590.59 million or 44.07%. The summary is as follows:



Revenues from sales and services

Revenues from sales and services of the company for 12-month period ended 31 December 2022 and 2023 were THB 1,319.26 million and THB 1,889.24 million respectively. Revenues from sales and services consist of Tuition fees and services income and Education equipment income which accounted for 99.25% and 0.75% of revenues from sales and services in 12-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 2022 and 2023 was THB 1,248.79 million and THB 1,810.48 million respectively, increasing by 44.98% resulting from the number of students that increased from both Thai students and Foreign students from 2,862 to 3,827 (excluded the number of students from Singapore International School Chiang Mai, the promotion of student classes during the change of academic year. In addition, average tuition fee income per student increased from THB 0.49 million to THB 0.54 million per student or 10.86%, mainly came from the opening of new schools in Nonthaburi and Rayong. Moreover, the school 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 2022 and 2023 were THB 61.95 million and THB 64.62 million respectively. Application and enrolment fee increased by 4.31% from the same period of previous year due to increasing number of students.

Education equipment income

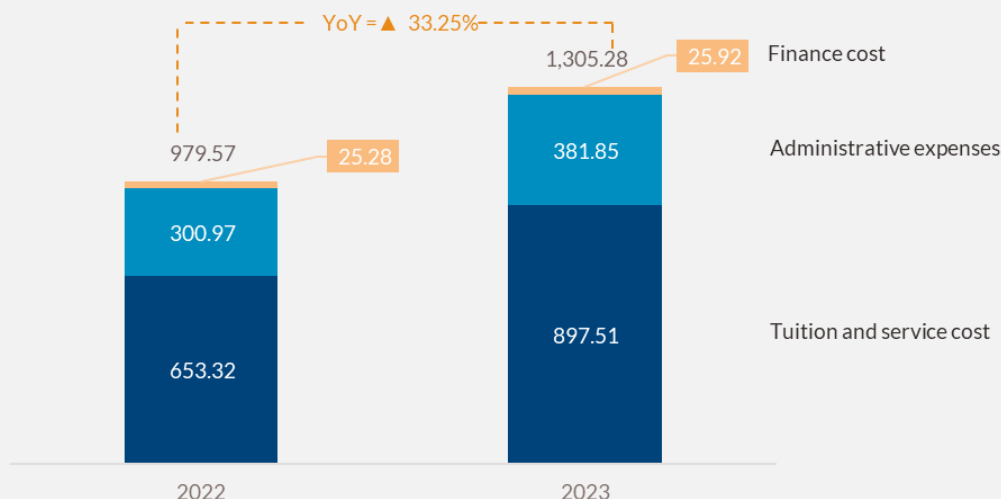
Education equipment income for 2022 and 2023 were THB 8.52 million and THB 14.14 million respectively. Education equipment income increased by THB 5.62 million or 65.96% due to increasing number of students.

Other incomes

Other incomes for 2022 and 2023 were THB 20.71 million and THB 41.32 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 2022 and 2023 were THB 979.57 million and THB 1,350.28 million respectively, which accounted for 73.10% and 67.61% of total revenue.



Tuition and services cost

Tuition and services cost were the major component of the company’s total cost. For 2022 and 2023, tuition and services cost were THB 653.32 million and THB 897.51 million respectively, increasing by THB 244.19 million or 37.38%. 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 637.58 million for 2023 increased from THB 448.72 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 (August 2023) 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 34.01% in the 12-month period of 2022 to 33.75% in the 12-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. Therefore, revenue’s growth rate higher than higher cost in 2023.

Cost of Building Management

Cost of building management for 2023 was THB 259.93 million. The cost increased from the same period of the previous year at THB 204.60 million. This mainly came from depreciation cost of new campuses. Cost of building management to Tuition fee and service income was at 13.76% for 2023 which decreased from 15.51% 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 381.85 million which is 19.78% of total revenue. The expenses consisted of employee-related expenses which amounted to THB 280.61 million. Administrative expenses to total revenue decreased from 22.46% in 2022 to 19.78% in 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 25.92 million in 2023 which increased from the same period of last year at THB 25.28 million mainly due to increasing in cost of bank charges.

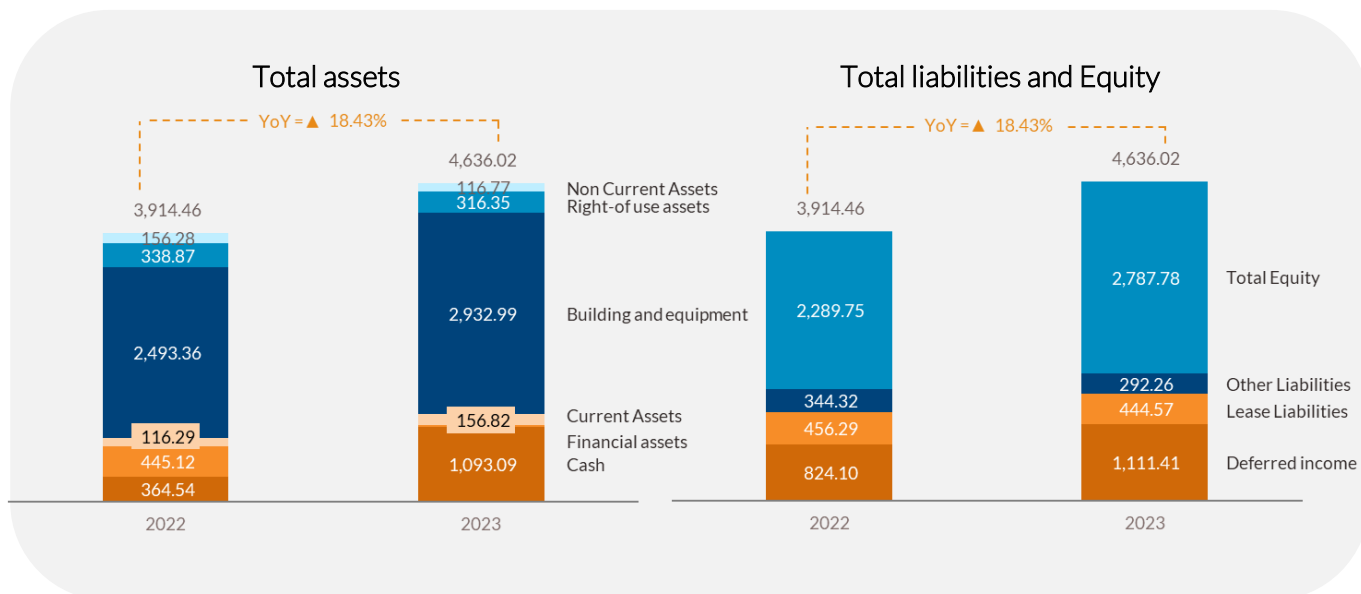
Share of profit (loss) from investment accounted for under equity method

For 12-month period ended 31 December 2022 and 2023, SISB-SIRI which included Singapore International School Chiangmai, reported net income of THB 10.71 million and THB 39.40 million respectively. Therefore, the company realized share of profit from investment accounted for under equity method amounted to THB 5.36 million and THB 19.70 million in 2022 and 2023, respectively.

Net income

The company reported net income of THB 653.53 million, with net profit margin at 33.85%, an increase from the same period of previous year of THB 369.28 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 2023, the company’s total assets increased from the balance as of 31 December 2022 by THB 721.57 million or 18.43%. Significant changes mainly came from the following items:

- Cash and cash equivalent increased by THB 728.54 million. Significant movements were as follows:
 - Net cash flows from operating activities of THB 1,169.76 million from increased number of students.
 - Net cash flows used in investing activities of THB 254.46 million mainly 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 186.76 million for payments of dividend in 2023 and liabilities under finance lease agreements.
- Current Financial assets decreased by THB 425.12 million. This is because of the mature fixed deposit during the period. As of 31 December 2023, the company has other current financial assets of THB 20.00 million.
- Current assets increased by THB 40.54 million mainly account from receivables of tuition fee for AY2023/2024.
- Property, plant, and equipment increased by THB 439.63 million. The movements were as follows:
 - Building and equipment increased by THB 605.22 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 165.05 million.
 - Other movements decreased by THB 0.54 million.
- Right-of use assets decreased by THB 22.52 million, which mainly from depreciation.
- Non-current assets decreased by THB 39.51 million, which mainly came from advance payments of construction of Singapore International School Rayong.

Total liabilities

As of 31 December 2023, the company's total liabilities increased from the balance as of 31 December 2022 by THB 223.54 million or 13.76%. Significant changes mainly came from the following items:

- Deferred income increased by THB 287.30 million. This was because of advance tuition fee for AY2023/2024 and enrolment fee from new students during the period.
- Lease Liabilities decreased by THB 11.72 million from payments of liabilities under finance lease agreements.
- Other Liabilities decreased by THB 52.05 million, which mainly 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.

Total shareholders' equity

As of 31 December 2023, total shareholders' equity was at THB 2,787.77 million, which increased by THB 498.02 million or 21.75%. Significant changes mainly came from the following items:

- Net profit for the year ended 31 December 2023 of THB 653.53 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