



# Management Discussion & Analysis

for the Period Ended 30 June 2024

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SISB PUBLIC COMPANY LIMITED

13 August 2024

Re: Management Discussion &amp; Analysis for the Period Ended 30 June 2024

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 2024 as follows:

## Executive Summary

Consolidated financial statement	30 June 2023	30 June 2024	Change
(THB million)			
Revenue from sales and services	423.23	558.96	32.07%
Total revenues	431.37	569.22	31.96%
Tuition and services cost	181.91	246.92	35.74%
Gross Profit	241.32	312.03	29.30%
EBITDA	201.08	269.40	33.98%
Net Profit	155.43	209.73	34.94%
<b>Gross Profit Margin (%)</b>	<b>57.02%</b>	<b>55.82%</b>	<b>-1.20%</b>
<b>EBITDA Margin (%)</b>	<b>46.61%</b>	<b>47.33%</b>	<b>0.72%</b>
<b>Net Profit Margin (%)</b>	<b>36.03%</b>	<b>36.85%</b>	<b>0.82%</b>

## Q2'2024 Key Financial Highlight

### Revenue from sales and services

- The Company's revenue from sales and services for the 3-month period ended 30 June 2023 and 2024 were THB 423.23 million and THB 558.96 million respectively. Revenue increased by THB 135.73 million or 32.07%. 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 209.73 million in Q2'2024, with net profit margin at 36.85%, an increase from the same period of previous year of THB 155.43 million. The increase in net profit was due to the increase in the total revenues and most administrative expenses of the Company are fixed.

## Significant Events

### Campus and Education Development

- The company entered into a building construction agreement and has commenced the construction of the second phase of Singapore International School Chiangmai. The construction was completed in February 2024
- The company planned the construction of the third phase of Singapore International School Bangkok and expected to open in Q1'2026.
- The company commenced the construction of Singapore International School Thonburi phase 3.1 and expected to open in August 2024 and expected to open in Q1'2026 for phase 3.2.



## Significant Events

SISB Public Company Limited is committed to its vision to be the leading education provider and making quality education accessible to all. The Company recognizes the significance of sustainable business development and aims to support the United Nation for Sustainability Development Goals (SDGs) by considering the impacts of its business operations on environment, society, and stakeholders. Accordingly, the Company has identified the business value chain and stakeholder engagement. Moreover, the Company has identified accessed and ranked materiality topic. The company use materiality topic in sustainability to set up Sustainability Management Policy and use those topics throughout the organization with disclosure the performance information in three demission: Environmental dimension, Social dimension and Governance dimension

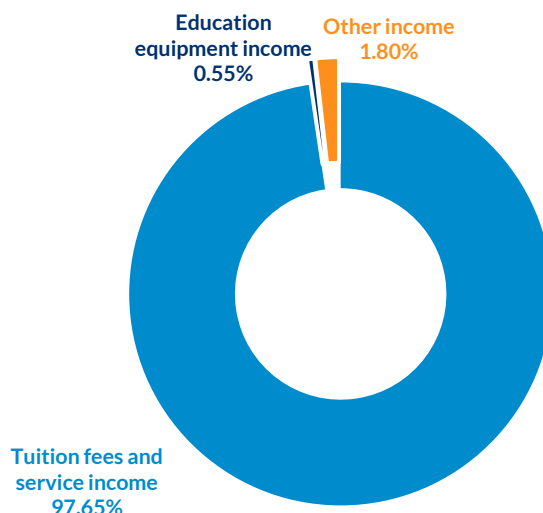
The company has revealed details according to the information mentioned above and progress in sustainable business development at <https://sisb.ac.th/esg/>

## Financial Performance

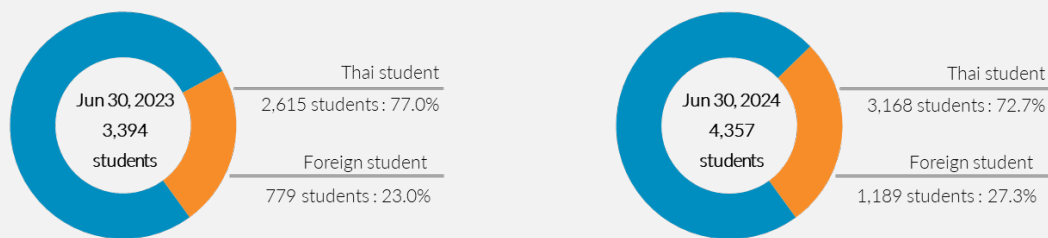
Statement of Income	Consolidated financial statement for 3-month period					
	30 June 2023		30 June 2024		Change	
	Million THB	%	Million THB	%	Million THB	%
<u>Revenues</u>						
Revenues from sales and services	423.23	98.11	558.96	98.20	135.73	32.07
- Tuition fees and services income	419.98	97.36	555.82	97.65	135.84	32.34
- Education equipment income	3.25	0.75	3.14	0.55	(0.11)	(3.38)
Other income	8.14	1.89	10.26	1.80	2.12	26.04
<b>Total revenues</b>	<b>431.37</b>	<b>100.00</b>	<b>569.22</b>	<b>100.00</b>	<b>137.85</b>	<b>31.96</b>
<u>Costs and Expenses</u>						
Tuition and services cost	181.91	42.17	246.92	43.38	65.01	35.74
Administrative expenses	92.43	21.43	115.10	20.22	22.67	24.53
<b>Total costs and expenses</b>	<b>274.34</b>	<b>63.60</b>	<b>362.02</b>	<b>63.60</b>	<b>87.68</b>	<b>31.96</b>
Share of profit from investment accounted for under equity method	4.06	0.94	7.89	1.39	3.83	94.33
Finance income	1.12	0.26	4.36	0.77	3.24	289.29
Finance cost	6.53	1.51	8.12	1.43	1.59	24.35
<b>Profit before income tax expenses</b>	<b>155.68</b>	<b>36.09</b>	<b>211.33</b>	<b>37.13</b>	<b>55.65</b>	<b>35.75</b>
Income tax expenses	0.25	0.06	1.60	0.28	1.35	540.00
<b>Profit for the period</b>	<b>155.43</b>	<b>36.03</b>	<b>209.73</b>	<b>36.85</b>	<b>54.30</b>	<b>34.94</b>

## Analysis of Statement of Income

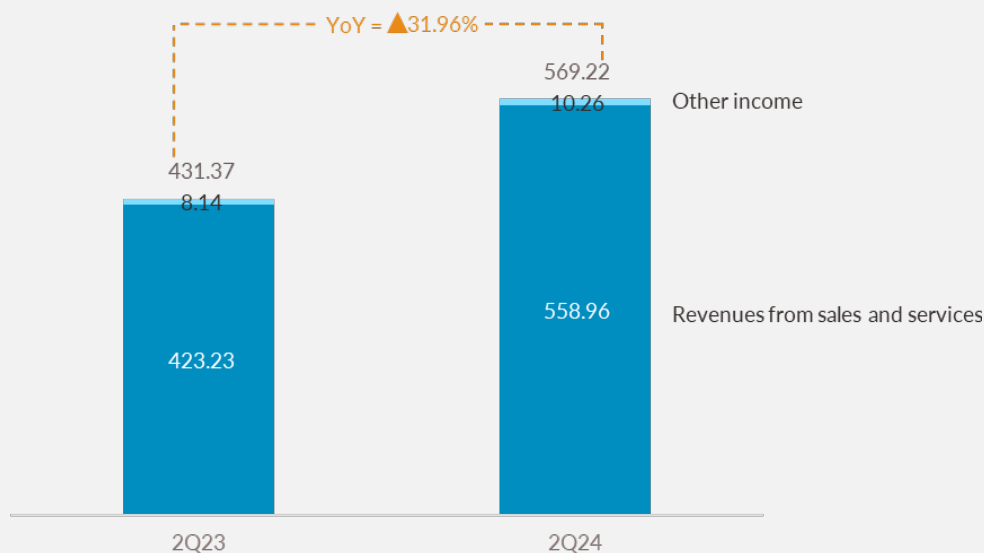
Revenue  
Revenue Breakdown in Q2'2024



### Number of Student by Nationality (SISB Group)

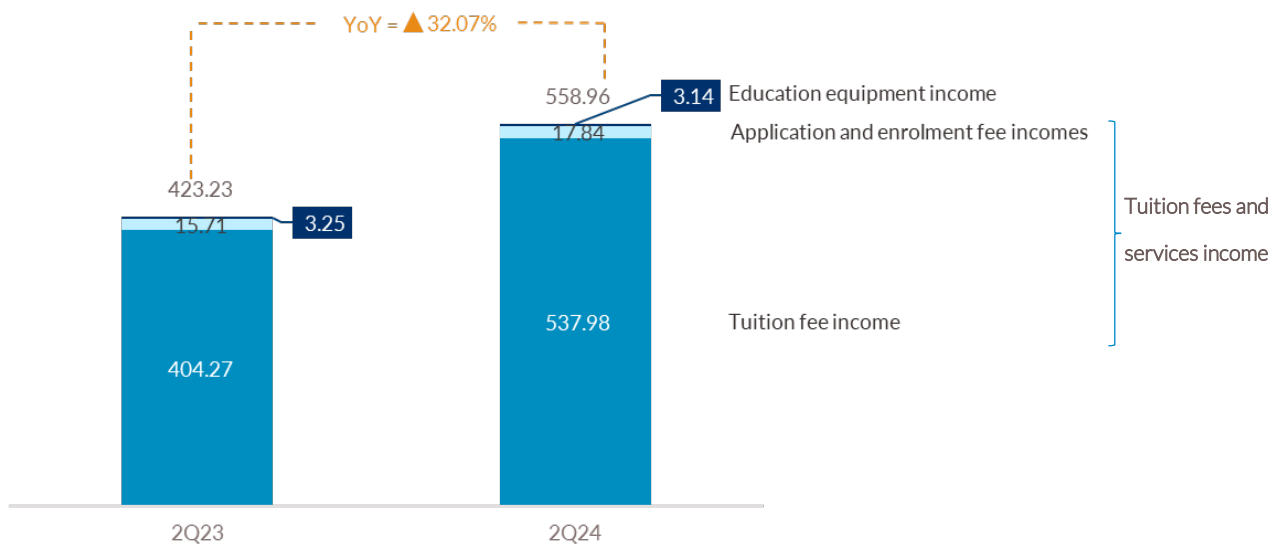


The Company's revenue for the 3-month period ended 30 June 2023 and 2024 were THB 431.37 million and THB 569.22 million respectively. Revenue increased by THB 137.85 million or 31.96%. The summary is as follows:



### Revenues from sales and services

Revenues from sales and services of the company for 3-month period ended 30 June 2023 and 2024 were THB 423.23 million and THB 558.96 million respectively. Revenues from sales and services consist of Tuition fees and services income and Education equipment income which accounted for 99.44% and 0.56% of revenues from sales and services in 3-month period 2024 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 Q2'2023 and 2024 was THB 404.27 million and THB 537.98 million respectively, increasing by 33.07% resulting from the number of students increased from both Thai students and Foreign students from 3,094 to 3,959 (excluded the number of students from Singapore International School Chiang Mai). In addition, average tuition fee income per student increased from THB 0.53 million to THB 0.55 million per student or 3.34%, mainly came from the opening of new schools in Nonthaburi and Rayong, majority of students were in nursery, kindergarten and primary level and increased tuition fee of AY2023/2024 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 Q2'2023 and 2024 were THB 15.71 million and THB 17.84 million respectively. Application and enrolment fee increased by 13.56% from the same period of previous year, due to the increasing number of students.

**Education equipment income**

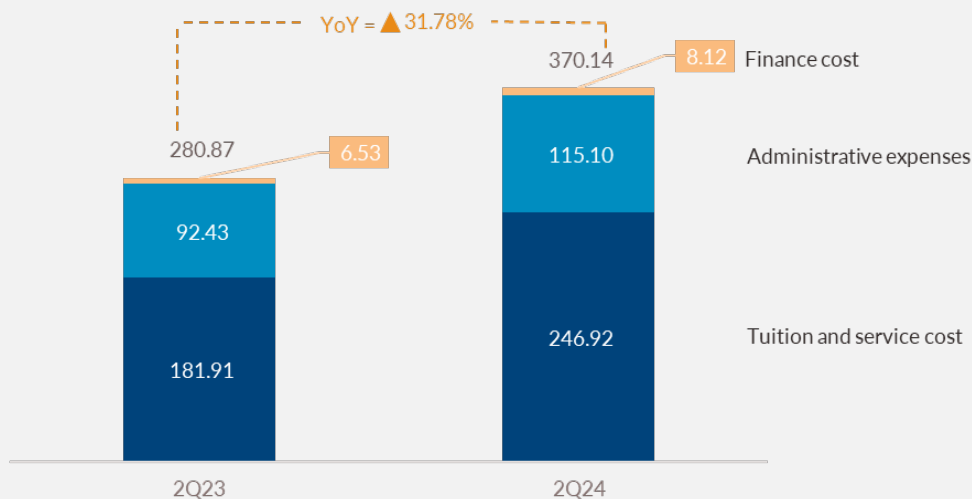
Education equipment income for Q2'2023 and 2024 were THB 3.25 million and THB 3.14 million respectively, decreased by THB 0.11 million or 3.38%. Education equipment income mainly consisted of income from school uniform.

**Other income**

Other income for Q2'2023 and 2024 were THB 8.14 million and THB 10.26 million respectively. Other incomes mainly consisted of income from food and beverage, credit card fee income.

### Costs and Expenses

Costs and expenses of the company consist of tuition and services cost, administrative expenses and finance cost. Costs and expenses for Q2'2023 and 2024 were THB 280.87 million and THB 370.14 million respectively, which accounted for 65.11% and 65.03% of total revenue.



#### Tuition and services cost

Tuition and services cost were the major component of the company's total cost. For Q2'2023 and 2024, tuition and services cost were THB 181.91 million and THB 246.92 million respectively, increasing by THB 65.01 million or 35.74%. 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 174.67 million for Q2'2024 increased from THB 126.30 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). Cost of education to revenue from sales and services increased from 29.84% in the 3-month period of 2023 to 31.25% in the 3-month period of 2024.

##### Cost of Building Management

Cost of building management for Q2'2024 was THB 72.25 million. The cost increased from the same period of the previous year at THB 55.61 million. This mainly came from depreciation cost, utilities cost of new campuses. Cost of building management to Tuition fee and service income was at 12.93% for Q2'2024 which decreased from 13.14% at the same period of the previous year.

#### Administrative expenses

The company reported administrative expenses at THB 115.10 million which is 20.22% of total revenue. The expenses consisted of employee-related expenses which amounted to THB 83.00 million. The expenses increased mainly came from increased staff for new campuses. Administrative expenses to total revenue decreased from 21.43% in Q2'2023 to 20.22% in Q2'2024, due to an increase in total revenue while most of administrative expenses were fixed cost.

#### Finance cost

The company reported finance cost at THB 8.12 million in Q2'2024 which increased from the same period of last year at THB 6.53 million mainly due to interest from right of use assets under TFRS 16 Leases.

**Share of profit from investment accounted for under equity method**

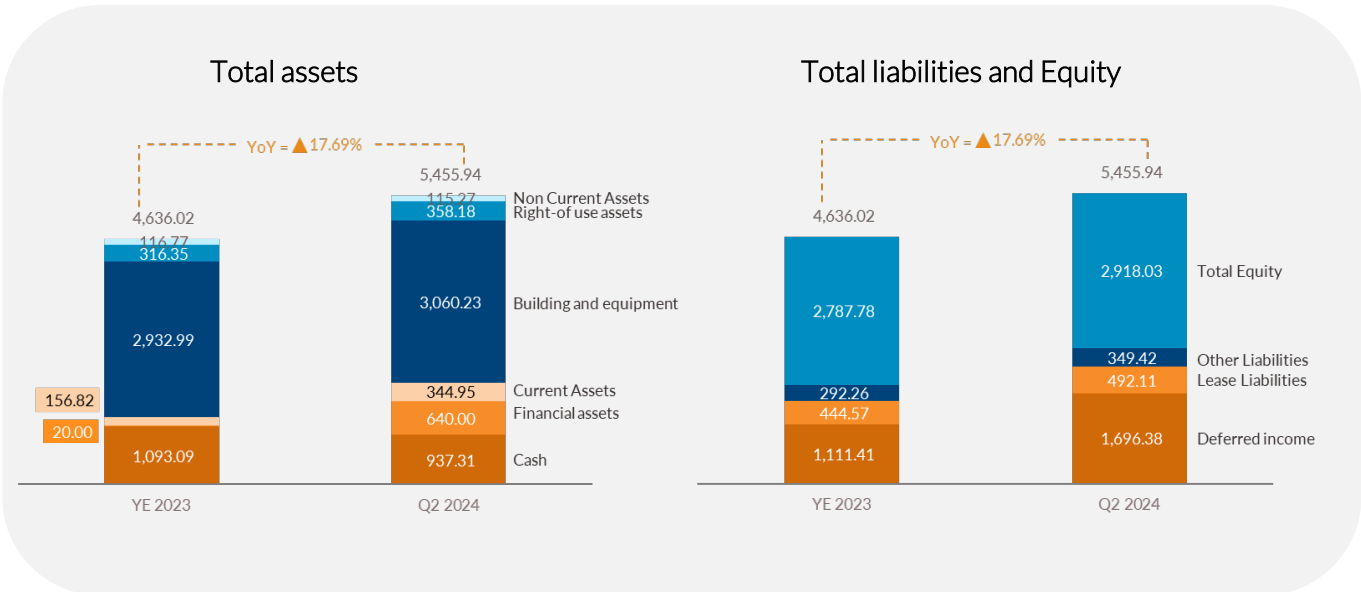
For 3-month period ended 30 June 2023 and 2024, SISB-SIRI which included Singapore International School Chiangmai, reported net income of THB 8.13 million and THB 15.79 million respectively. Therefore, the company realized share of profit from investment accounted for under equity method amounted to THB 4.06 million and THB 7.89 million in Q2'2023 and 2024, respectively.

**Net income**

The company reported net income of THB 209.73 million, with net profit margin at 36.85%, an increase from the same period of previous year of THB 155.43 million. The increase in net profit was due to the increase in the revenue and most administrative expenses of the Company are fixed.



## Analysis of Statement of Financial Position



### Total assets

As of 30 June 2024, the company’s total assets increased from the balance as of 31 December 2023 by THB 819.92 million or 17.69%. Significant changes mainly came from the following items:

- Cash and cash equivalent decreased by THB 155.78 million. Significant movements were as follows:
  - Net cash flows from operating activities of THB 963.48 million from increased number of students.
  - Net cash flows used in investing activities of THB 807.69 million, mainly used in net investments in fixed deposits of THB 620.00 million and also used in land purchased of Singapore International School Thonburi and Singapore International School Nonthaburi and construction project of Singapore International School Thonburi (Phase 3.1).
  - Net cash flows used in financing activities of THB 311.57 million for payments of dividend in 2024 and liabilities under finance lease agreements.
- Financial assets increased by THB 620.00 million. This is because the company has increased the fixed deposits during the period. As of 30 June 2024, the company has other current financial assets of THB 640.00 million.
- Current assets increased by THB 188.13 million, mainly from account receivables of tuition fee for AY2024/2025.
- Property, plant, and equipment increased by THB 127.24 million. The movements were as follows:
  - Building and equipment increased by THB 222.99 million mainly came from land purchased of Singapore International School Thonburi and Singapore International School Nonthaburi and construction project of Singapore International School Thonburi (Phase 3.1).
  - Depreciation during the period of THB 95.69 million.
  - Other movements decreased by THB 0.06 million.
- Right-of-use assets increased by THB 41.83 million, which mainly came from land rental agreement for the third phase of Singapore International School Thonburi.

**Total liabilities**

As of 30 June 2024, the company's total liabilities increased from the balance as of 31 December 2023 by THB 689.67 million or 37.31%. Significant changes mainly came from the following items:

- Lease Liabilities increased by THB 47.54 million from land rental agreement for the third phase of Singapore International School Thonburi.
- Other Liabilities increased by THB 57.16 million. Significant movements were as follows:
  - Trade and other payables increased by THB 30.09 million, mainly came from accrued bonus, construction payable and accrued cost of extra activity courses.
  - Deposit from students increased by THB 24.01 million, which mainly came from the deposit from new students during the period.
- Deferred income increased by THB 584.97 million, mainly came from advance tuition fee for AY2024/2025, after school activities fee and enrolment fee from new students during the period.

**Total shareholders' equity**

As of 30 June 2024, total shareholders' equity was at THB 2,918.03 million, which increased by THB 130.25 million or 4.67%. Significant changes mainly came from the following items:

- Net profit for the 6-month period ended 30 June 2024 of THB 421.65 million.
- Dividend payment of THB 291.40 million. The dividend payment was approved the 2024 Annual General Meeting of Shareholders on 11 April 2024.

Please be informed accordingly.

Yours Sincerely,

Mr. Yew Hock Koh  
Chief Executive Officer