Management Discussion & Analysis

for the Period Ended 30 September 2024

SISB PUBLIC COMPANY LIMITED

14 November 2024

Re: Management Discussion & Analysis for the Period Ended 30 September 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 September 2024 as follows:

Executive Summary

Consolidated financial statement	30 September 2023	30 September 2024	Change
(THB million)			
Revenue from sales and services	477.57	595.63	24.72%
Total revenues	492.6 1	606.02	23.02%
Tuition and services cost	266. 14	286.35	7.59%
Gross Profit	2 1 1.43	309.28	46.28%
EBITDA	188.93	277.60	46.93%
Net Profit	128.53	2 18.23	69.78%
Gross Profit Margin (%)	**44.27%**	**5 1.92%**	**7.65%**
EBITDA Margin (%)	**38.35%**	**45.8 1%**	**7.46%**
Net Profit Margin (%)	**26.09%**	**36.0 1%**	**9.92%**

Q3'2024 Key Financial Highlight

Revenue from sales and services

- The Company's revenue from sales and services for the 3-month period ended 30 September 2023 and 2024 were THB 477.57 million and THB 595.63 million respectively. Revenue increased by THB 118.06 million or 24.72%. This mainly came from higher number of students both Thai students and Foreign students and increased tuition fee of AY2024/2025.

Net Profit and Net Profit Margin

- The company reported net income of THB 218.23 million in Q3'2024, with net profit margin at 36.01%, an increase from the same period of previous year of THB 128.53 million. The increase in net profit was due to the increase in the total revenues and most administrative expenses of the Company are fixed. Additionally, the increase in net profit was from one-time pre-operating costs and expenses of THB 25.83 million associated with new schools opening in Q3'2023.
- Without pre-operating costs and expenses, net income for Q3'2023 were THB 154.36 million with net profit margin at 31.34%. The company reported net income for Q3'2024 of THB 218.23 million, increase by THB 63.87 million or 41.37% from net income of Q3'2023.

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 Q 1'2026.

• The company commenced the construction of Singapore International School Thonburi phase 3. 1 and complete in August 2024. For phase 3.2 is in progress of planning and design.

• The company entered into a land sale and purchased agreement in Pathum Thani Province in November 2024. The company commenced the construction of the seventh Singapore International School.

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 dimension: 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/

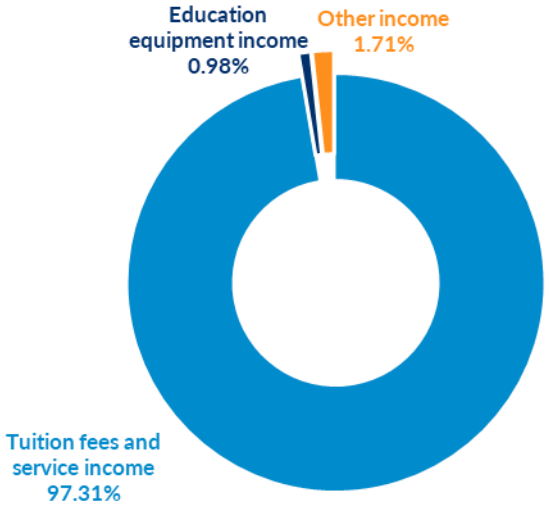
Financial Performance

Statement of Income	Consolidated financial statement for 3-month period					
	30 September 2023		30 September 2024		Change	
	Million THB	%	Million THB	%	Million THB	%
Revenues						
Revenues from sales and services	477.57	96.94	595.63	98.29	1 18.06	24.72
- Tuition fees and services income	47 1.34	95.68	589.70	97.3 1	1 18.36	25. 1 1
- Education equipment income	6.23	1.26	5.93	0.98	(0.30)	(4.82)
Other income	15.04	3.06	10.39	1.7 1	(4.65)	(30.92)
Total revenues	**492.6 1**	**100.00**	**606.02**	**100.00**	**1 13.4 1**	**23.02**
Costs and Expenses						
Tuition and services cost	266. 14	54.03	286.35	47.25	20.2 1	7.59
Administrative expenses	98.76	20.05	106.63	17.59	7.87	7.97
Total costs and expenses	**364.90**	**74.08**	**392.98**	**64.84**	**28.08**	**7.70**
Share of profit from investment accounted for under equity method	5.2 1	1.06	7.78	1.28	2.57	49.33
Finance income	2.37	0.48	6.9 1	1. 14	4.54	19 1.56
Finance cost	6.66	1.35	7.20	1. 19	0.54	8. 1 1
Profit before income tax expenses	**128.63**	**26. 1 1**	**220.53**	**36.39**	**9 1.90**	**7 1.45**
Income tax expenses	0. 10	0.02	2.30	0.38	2.20	2,200.00
Profit for the period	**128.53**	**26.09**	**2 18.23**	**36.0 1**	**89.70**	**69.79**

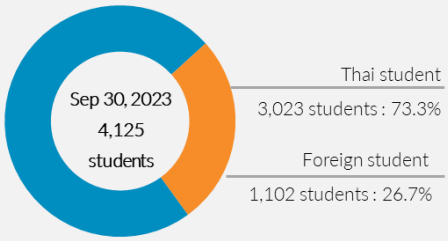
Analysis of Statement of Income

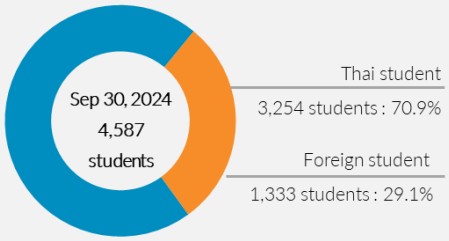
Revenue

Revenue Breakdown in Q3'2024



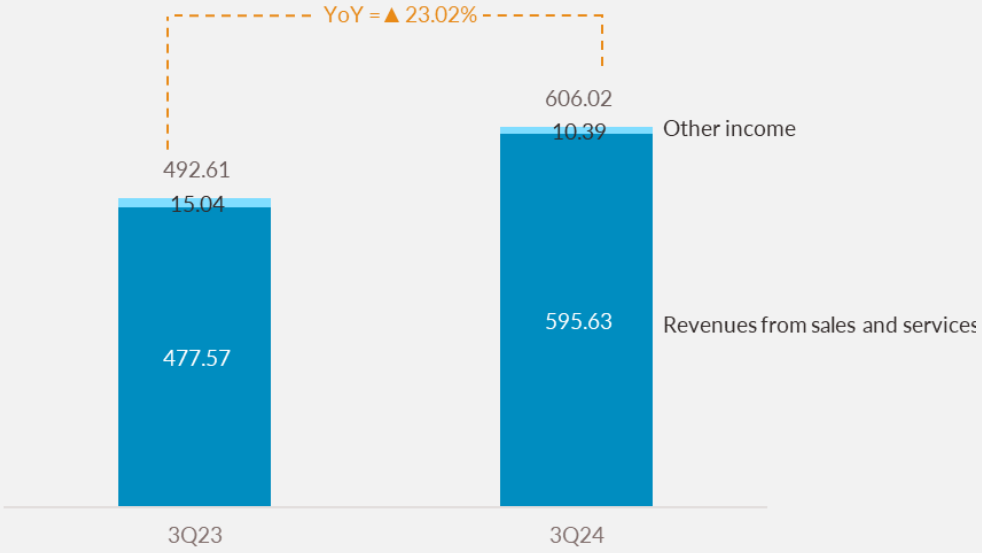
Number of Student by Nationality (SISB Group)





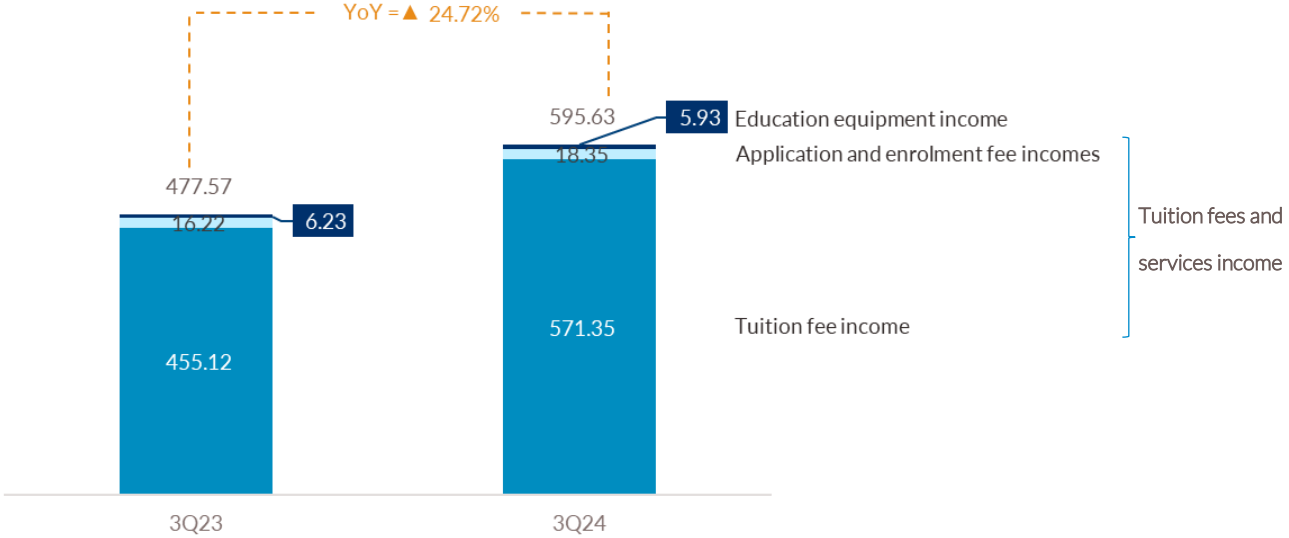
Number of schools:	6 schools	6 schools

The Company's revenue for the 3-month period ended 30 September 2023 and 2024 were THB 492.6 1 million and THB 606.02 million respectively. Revenue increased by THB 1 13.4 1 million or 23.02%. 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 2023 and 2024 were THB 477.57 million and THB 595.63 million respectively. Revenues from sales and services consist of Tuition fees and services income and Education equipment income which accounted for 99.00% and 1.00% 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 Q3'2023 and 2024 was THB 455. 12 million and THB 57 1.35 million respectively, increasing by 25.54% resulting from the number of students increased from both Thai students and Foreign students from 3,756 to 4, 14 1 (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 0.56 million per student or 6. 17%, mainly came from the increasing in after school activities revenue and increased tuition fee of AY2024/2025 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 Q3'2023 and 2024 were THB 16.22 million and THB 18.35 million respectively. Application and enrolment fee increased by 13. 13% from the same period of previous year, due to the increasing accumulated number of students.

Education equipment income

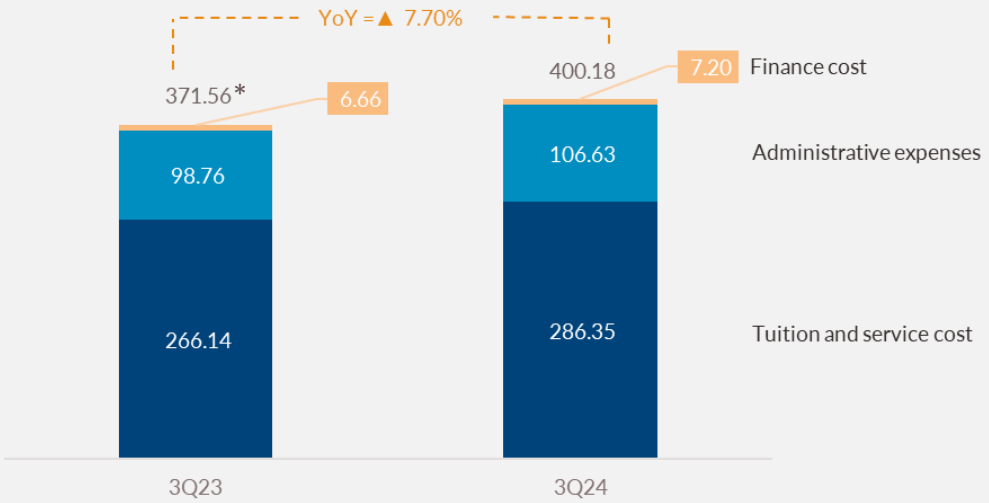
Education equipment income for Q3'2023 and 2024 were THB 6.23 million and THB 5.93 million respectively, decreased by THB 0.30 million or 4.82%. Education equipment income mainly consisted of income from school uniform.

Other income

Other income for Q3'2023 and 2024 were THB 15.04 million and THB 10.39 million respectively, decreased by THB 4.65 or 30.92% million from reverse of trade receivable's expected credit loss in Q3'2023. 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 and finance cost. Costs and expenses for Q3'2023 and 2024 were THB 37 1.56 million and THB 400. 18 million respectively, which accounted for 75.43% and 66.03% of total revenue.



* included one-time per-operating costs and expenses of THB 25.83 million
Without one-time pre-operating costs and expenses, total costs and expenses for Q3'2023 were THB 345.73 million. Total cost and expenses for Q3'2024 were THB 400.18 million, increase by THB 54.45 million or 15.75% from total costs and expenses of Q3'2023 without one-time pre-operating costs and expenses.

Tuition and services cost

Tuition and services cost were the major component of the company's total cost. For Q3'2023 and 2024, tuition and services cost were THB 266. 14 million and THB 286.35 million respectively, increasing by THB 20.2 1 million or 7.59%. 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 208.45 million for Q3'2024 increased from THB 185.78 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. Cost of education to revenue from sales and services decreased from 38.90% in the 3-month period of 2023 to 35.00% in the 3-month period of 2024.

Cost of Building Management

Cost of building management for Q3'2024 was THB 77.90 million. The cost decreased from the same period of the previous year at THB 80.36 million. This mainly came from the exclusion of one-time pre-operating cost which incurred in Q3'2023. Cost of building management to Tuition fee and service income was at 13.08% for Q3'2024 which decreased from 16.83% at the same period of the previous year.

Administrative expenses

The company reported administrative expenses at THB 106.63 million which is 17.59% of total revenue. The expenses consisted of employee-related expenses which amounted to THB 9 1.78 million. Administrative expenses to total revenue decreased from 20.05% in Q3'2023 to 17.59% in Q3'2024, due to an increase in total revenue while most of administrative expenses were fixed cost.

Finance cost

The company reported finance cost at THB 7.20 million in Q3'2024 which increased from the same period of last year at THB 6.66 million mainly due to interest from right of use assets under TFRS 16 Leases.

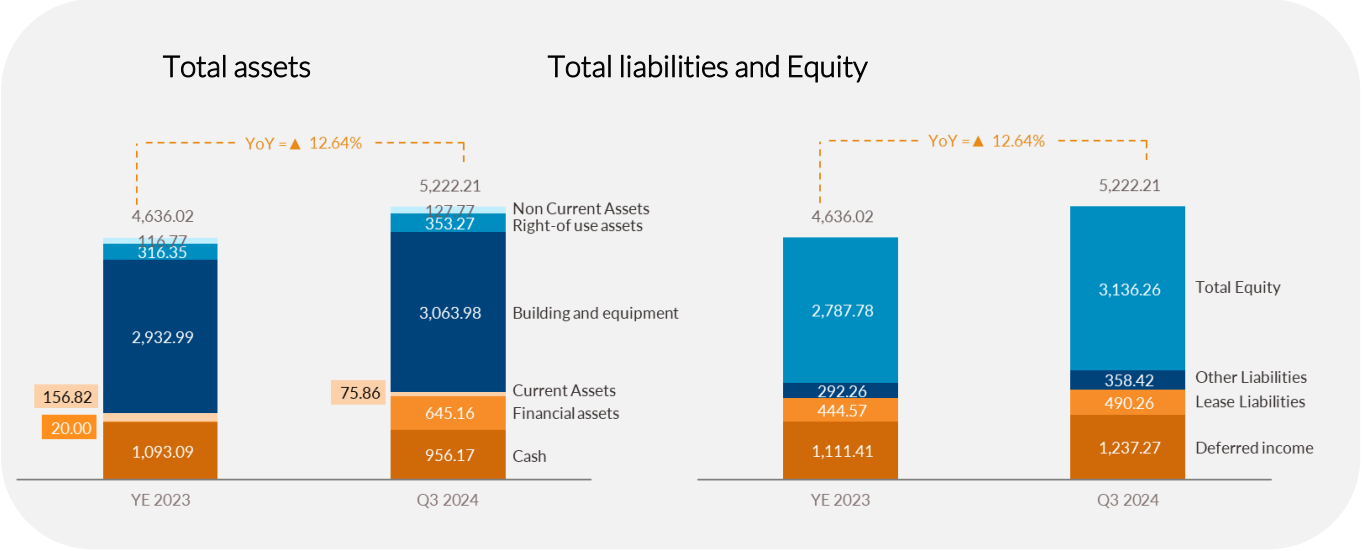
Share of profit from investment accounted for under equity method

For 3-month period ended 30 September 2023 and 2024, SISB-SIRI which included Singapore International School Chiangmai, reported net income of THB 10.42 million and THB 15.55 million respectively. Therefore, the company realized share of profit from investment accounted for under equity method amounted to THB 5.2 1 million and THB 7.78 million in Q3'2023 and 2024, respectively.

Net income

The company reported net income of THB 2 18.23 million, with net profit margin at 36.0 1%, an increase from the same period of previous year of THB 128.53 million. The increase in net profit was due to the increase in the revenue and most administrative expenses of the Company are fixed. Additionally, the increase in net profit was from one-time pre-operating costs and expenses of THB 25.83 million associated with new schools opening in Q3'2023.

Analysis of Statement of Financial Position



Total assets

As of 30 September 2024, the company's total assets increased from the balance as of 3 1 December 2023 by THB 586. 19 million or 12.64%. Significant changes mainly came from the following items:

- Cash and cash equivalent decreased by THB 136.92 million. Significant movements were as follows:
  - Net cash flows from operating activities of THB 1,043.06 million from increased number of students.
  - Net cash flows used in investing activities of THB 858.42 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 32 1.56 million for payments of dividend in 2024 and liabilities under finance lease agreements.
- Financial assets increased by THB 625. 16 million. This is because the company has increased the fixed deposits during the period. As of 30 September 2024, the company has other current financial assets of THB 645. 16 million.
- Current assets decreased by THB 80.96 million mainly from lower tuition fee receivables. This is because the company has collected nearly all the invoices.
- Property, plant, and equipment increased by THB 130.99 million. The movements were as follows:
  - Building and equipment increased by THB 276.62 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 145.36 million.
  - Other movements decreased by THB 0.27 million.
- Right-of-use assets increased by THB 36.92 million, which mainly came from land rental agreement of Singapore International School Thonburi for the purpose of construction project (Phase 3.1) and school's operations.

Total liabilities

As of 30 September 2024, the company's total liabilities increased from the balance as of 3 1 December 2023 by THB 237.7 1 million or 12.86%. Significant changes mainly came from the following items:

- Deferred income increased by THB 125.86 million, mainly came from advance tuition fee for AY2024/2025, after school activities fee and enrolment fee from new students during the period.
- Lease Liabilities increased by THB 45.69 million from land rental agreement of Singapore International School Thonburi.
- Other Liabilities increased by THB 66. 16 million. Significant movements were as follows:
  - Trade and other payables increased by THB 3 1.74 million, mainly came from accrued bonus, construction payable and accrued cost of extra activity courses.
  - Deposit from students increased by THB 27.89 million, which mainly came from the deposit from new students during the period.

Total shareholders' equity

As of 30 September 2024, total shareholders' equity was at THB 3, 136.26 million, which increased by THB 348.48 million or 12.50%. Significant changes mainly came from the following items:

- Net profit for the 9-month period ended 30 September 2024 of THB 639.88 million.
- Dividend payment of THB 29 1.40 million. The dividend payment was approved the 2024 Annual General Meeting of Shareholders on 1 1 April 2024.

Please be informed accordingly.

Yours Sincerely,

Mr. Yew Hock Koh

Chief Executive Officer