

SISB

(SISB.BK/SISB TB)

Outperform • Maintained

| | |
|--------------------------------|-------|
| Price as of 3 Apr 2023 | 29.25 |
| 12M target price (Bt/shr) | 33.50 |
| Unchanged/Revised up (down)(%) | 39.6 |
| Upside/downside (%) | 14.5 |

Key messages

เราคาดว่า ผลประกอบการของ SISB จะยังดีเยี่ยมใน 1Q66F โดยมีกำไรสุทธิ 150 ล้านบาท (+136.9% YoY, +16.7% QoQ) เนื่องจากผลการดำเนินงานของบริษัทแข็งแกร่งเกินคาด และจำนวนนักเรียนมีแนวโน้มจะสูงกว่าที่เราคาดไว้ นับจากปี 2566F เราจึงปรับเพิ่มประมาณการกำไรสุทธิปี 2566F ขึ้นอีก 27.1% และปี 2567F ขึ้นอีก 21.9% ดังนั้น เราจึงยังคงคำแนะนำซื้อ โดยขยับไปใช้ราคาเป้าหมาย DCF กลางปี 2567 ที่ 33.50 บาท (ใช้ WACC ที่ 9%, TG ที่ 4%) จากเดิมที่ 24 บาท (WACC ที่ 9%, TG ที่ 3%)

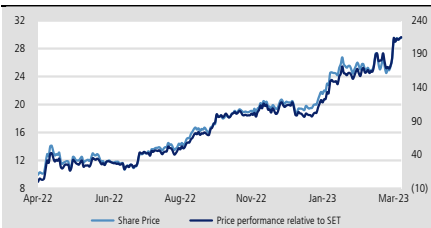
Trading data

| | | | |
|----------------------------|------------|------|-------|
| Mkt cap (Btbn/US\$m) | 27.5/799.7 | | |
| Outstanding shares (mn) | 940 | | |
| Foreign ownership (mn) | 335 | | |
| 3M avg. daily trading (mn) | 2 | | |
| 52-week trading range (Bt) | 10.0-29.5 | | |
| Performance (%) | 3M | 6M | 12M |
| Absolute | 47.7 | 60.7 | 192.5 |
| Relative | 55.0 | 58.6 | 211.2 |

Quarterly EPS

| Bt | Q1 | Q2 | Q3 | Q4 |
|------|------|------|------|------|
| 2020 | 0.06 | 0.00 | 0.03 | 0.07 |
| 2021 | 0.08 | 0.07 | 0.04 | 0.03 |
| 2022 | 0.07 | 0.08 | 0.11 | 0.14 |

Share price chart



Source: SET

Parin Kitchatornpatik
66.2658.8888 Ext. 8858
parink@kgi.co.th

ประมาณการ 1Q66F: มีแนวโน้มจะเติบโตเร็วกว่าที่คาดไว้ก่อนหน้านี้

Event

ประมาณการ 1Q66, ปรับเพิ่มประมาณการกำไร และขยับไปใช้ราคาเป้าหมายกลางปี 2567

Impact

คว่ากำไรสุทธิใน 1Q66F จะทำสถิติสูงสุดใหม่

เราคาดว่า ผลประกอบการของ SISB จะยังดีเยี่ยมใน 1Q66F โดยมีกำไรสุทธิ 150 ล้านบาท (+136.9% YoY, +16.7% QoQ) คิดเป็น 24.1% ของประมาณการกำไรใหม่สำหรับปี 2566F ของเรา ทั้งนี้ เราคาดว่า ผลการดำเนินงานโดยรวมใน 1Q66F จะดีขึ้นอย่างต่อเนื่อง หนุนโดย i) จำนวนนักเรียนที่เพิ่มขึ้นประมาณ 157 คน (จาก 3,114 คนเมื่อสิ้นงวด 4Q65) ii) ค่าธรรมเนียมสูงขึ้นตามโครงสร้างนักเรียนที่เปลี่ยนไปอยู่ในระดับชั้นที่สูงขึ้น iii) สัดส่วน SG&A/รายได้ลดลง เพราะอัตราการเติบโตของจำนวนนักเรียนสูงกว่าที่คาดเอาไว้ เราคาดว่าจำนวนนักเรียนจะอยู่ที่ 3,271 คน (+24.8% YoY, +5.0% QoQ) และคาดว่า ค่าธรรมเนียมเฉลี่ยจะอยู่ที่ 130,000 บาท/ไตรมาส/คน (+17.3% YoY, +1.6% QoQ) เราคาดว่ารายได้ของ SISB จะอยู่ที่ 416 ล้านบาท (+46.3% YoY, +6.7% QoQ) และคาดว่าอัตรากำไรขั้นต้นจะอยู่ที่ 54.0% เพิ่มขึ้นจาก 49.2% ใน 1Q65 และ 53.3% ใน 4Q65 นอกจากนี้ เรายังคาดว่าสัดส่วน SG&A/รายได้จะลดลงเหลือ 19.0% ใน 1Q66F จาก 26.5% ใน 1Q65 และ 19.8% ใน 4Q65

คาดว่ากำไรสุทธิจะเร่งตัวขึ้นในระยะยาว

สำหรับแนวโน้มในปี 2566F เรายังคงมองบวกมากกับแนวโน้มการเติบโตของบริษัทที่โตเร็วกว่าที่เราคาดเอาไว้ก่อนหน้านี้ เพราะจำนวนนักเรียนเติบโตอย่างแข็งแกร่งใน 1Q66F ซึ่งตามปกติแล้ว จำนวนนักเรียนมักจะเพิ่มขึ้นใน 3Q แต่ในปีนี้น่าจะโตมากขึ้นกว่าปกติอีก เนื่องจากมีการเปิด campus ใหม่สองแห่งที่พื้นที่นนทบุรีและระยอง โดยจำนวนนักเรียนที่เพิ่มขึ้นจะมาจก i) การเปิดโรงเรียนใหม่สองแห่ง (ประมาณ 300 คนจากนนทบุรี เฟส 1 และระยอง เฟส 1) ในเดือนสิงหาคม 2566 ii) การเติบโตตามปกติของโรงเรียนที่เปิดดำเนินการอยู่ในปัจจุบัน (เกือบ 600 คนในปีนี้)

ปรับเพิ่มประมาณการกำไรปี 2566F อีก 27.1% และปี 2567F อีก 21.9%

เนื่องจากผลการดำเนินงานของบริษัทแข็งแกร่งเกินคาด และจำนวนนักเรียนมีแนวโน้มจะสูงกว่าที่เราคาดไว้จาก 2566F ไป เราจึงปรับเพิ่มประมาณการกำไรสุทธิปี 2566F ขึ้นอีก 27.1% เป็น 622 ล้านบาท (+60.1% YoY) และปี 2567F ขึ้นอีก 21.9% เป็น 756 ล้านบาท (+21.5% YoY) (Figure 2) โดยเราปรับสมมติฐาน i) จำนวนนักเรียนปี 2566F เป็น 4,000 คน (จากเป้าหมายของบริษัทที่ 3,700) และยังคงประมาณการว่าจำนวนนักเรียนจะเพิ่มขึ้นปีละ 400 คนในช่วงปี 2567-2570F ii) อัตรากำไรขั้นต้นปี 2566F เป็น 53.0% จากเดิม 51.0% และปี 2567F เป็น 54.0% จากเดิม 52.0% และ iii) สัดส่วน SG&A/รายได้ปี 2566-2567F เป็น 22.5% และ 22.0% จากเดิมที่ 23.5% และ 23.0% ตามลำดับ

Valuation & Action

จากแนวโน้มที่น่าประทับใจ เราคงคำแนะนำซื้อ โดยขยับไปใช้ราคาเป้าหมาย DCF กลางปี 2567 ที่ 33.50 บาท (ใช้ WACC ที่ 9%, TG ที่ 4%) จากเดิมที่ใช้ราคาเป้าหมายปี 2566 ที่ 24 บาท (ใช้ WACC ที่ 9%, TG ที่ 3%) ทั้งนี้ ราคาเป้าหมายที่เพิ่มขึ้นมาจาก 1) การปรับเพิ่มประมาณการกำไร 2.90 บาท 2) การขยับราคาเป้าหมายไปกลางปีหน้า 2.40 บาท และ 3) การปรับเพิ่ม TG ขึ้น 1% บวกราว 4.20 บาท

Risks

COVID-19 ระบาด, เศรษฐกิจฟื้นตัวช้ากว่าที่คาดไว้ และ ความขัดแย้งทางการเมือง

Key financials and valuations

| | Dec-20A | Dec-21A | Dec-22A | Dec-23F | Dec-24F |
|---------------------------|---------|---------|---------|---------|---------|
| Revenue (Bt mn) | 1,048 | 1,055 | 1,319 | 2,000 | 2,310 |
| Gross profit (Bt mn) | 447 | 496 | 666 | 1,060 | 1,247 |
| Pretax profit (Bt mn) | 159 | 208 | 365 | 623 | 758 |
| Net profit (Bt mn) | 160 | 209 | 369 | 622 | 756 |
| EPS (Bt) | 0.17 | 0.22 | 0.39 | 0.66 | 0.80 |
| DPS (Bt) | 0.08 | 0.10 | 0.16 | 0.33 | 0.40 |
| EPS growth (%) | (27.6) | 30.5 | 76.9 | 68.4 | 21.5 |
| P/E (x) | 52.3 | 42.3 | 74.5 | 44.2 | 36.4 |
| P/B (x) | 4.5 | 4.4 | 12.0 | 10.3 | 8.9 |
| EV/EBITDA (x) | 25.2 | 23.3 | 51.6 | 25.5 | 23.7 |
| Net Debt to Equity (%) | Cash | Cash | Cash | Cash | Cash |
| Dividend Yield (%) | 0.3 | 0.3 | 0.5 | 1.1 | 1.4 |
| Return on Avg. Equity (%) | 8.6 | 10.7 | 16.9 | 24.8 | 26.0 |

Source: Company data, KGI Securities Research

*The Company may be issuer of Derivative Warrants on these securities.

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Figure 1: SISB's 1Q23F earnings preview

| Bt mn | 1Q23F | 1Q22 | YoY (%) | 4Q22 | QoQ (%) |
|--|-------|-------|------------|-------|------------|
| Revenue from tuition fees, service and education equipment | 416 | 285 | 46.3 | 390 | 6.7 |
| Cost of tuition fees, service and education equipment | (192) | (145) | 32.5 | (182) | 5.1 |
| Gross profit | 225 | 140 | 60.6 | 208 | 8.1 |
| SG&A | (79) | (75) | 5.1 | (77) | 2.6 |
| Pretax profit | 150 | 63 | 137.3 | 135 | 10.9 |
| Normalized profit | 150 | 63 | 136.9 | 135 | 11.0 |
| Net profit | 150 | 63 | 136.9 | 128 | 16.7 |
| EPS (Bt) | 0.16 | 0.07 | 136.9 | 0.14 | 16.7 |
| Percent | 1Q23F | 1Q22 | YoY (ppts) | 4Q22 | QoQ (ppts) |
| Gross margin | 54.0 | 49.2 | 4.8 | 53.3 | 0.7 |
| EBIT margin | 37.5 | 24.4 | 13.1 | 36.3 | 1.3 |
| SG&A/Sales | 19.0 | 26.5 | (7.5) | 19.8 | (0.8) |
| Effective tax rate | 0.2 | 0.1 | 0.2 | 0.3 | (0.0) |
| Net margin | 36.0 | 22.2 | 13.8 | 32.9 | 3.1 |
| Assumption | 1Q23F | 1Q22 | YoY (%) | 4Q22 | QoQ (%) |
| Student numbers (students) | 3,271 | 2,622 | 24.8 | 3,114 | 5.0 |
| Average fee per quarter (Bt mn/student) | 0.13 | 0.11 | 17.3 | 0.13 | 1.6 |

Source: Company data, KGI Securities Research

Figure 2: Earnings revisions

| | 2023F | | Change | 2024F | | Change |
|-------------------------------|---------|----------|--------|---------|----------|--------|
| | Revised | Previous | (%) | Revised | Previous | (%) |
| Revenue (Bt mn) | 2,000 | 1,779 | 12.4 | 2,310 | 2,120 | 8.9 |
| Gross profit (Bt mn) | 1,060 | 907 | 16.8 | 1,247 | 1,102 | 13.1 |
| Depreciation (Bt mn) | 172 | 167 | 2.8 | 175 | 170 | 2.5 |
| Normalized profit (Bt mn) | 622 | 489 | 27.1 | 756 | 620 | 21.9 |
| Net profit (Bt mn) | 622 | 489 | 27.1 | 756 | 620 | 21.9 |
| EPS (Bt/share) | 0.7 | 0.5 | 27.1 | 0.8 | 0.7 | 21.9 |
| Number of students (students) | 4,000 | 3,700 | 8.1 | 4,400 | 4,200 | 4.8 |
| Key financial ratios | Revised | Previous | Change | Revised | Previous | Change |
| Gross profit margin (%) | 53.0 | 51.0 | 2.0 | 54.0 | 52.0 | 2.0 |
| SG&A to sales (%) | 22.5 | 23.5 | (1.0) | 22.0 | 23.0 | (1.0) |
| Net profit margin (%) | 30.8 | 27.5 | 3.4 | 32.5 | 29.2 | 3.3 |

Source: Company data, KGI Securities Research

Figure 3: Key assumptions

| | 2019 | 2020 | 2021 | 2022 | 2023F | 2024F |
|---|---------|---------|---------|---------|---------|---------|
| Revenues (Bt mn) | 1,095 | 1,048 | 1,055 | 1,319 | 2,000 | 2,310 |
| Additional students (people) | 242 | 27 | -204 | 680 | 886 | 400 |
| Number of students at year-end (people) | 2,611 | 2,638 | 2,434 | 3,114 | 4,000 | 4,400 |
| Average fee (Bt/head/year) | 419,465 | 397,320 | 433,385 | 423,654 | 499,912 | 524,907 |
| Capacity (seats) | 4,060 | 3,965 | 3,965 | 4,675 | 6,675 | 6,675 |
| Utilization rate (%) | 64.3 | 66.5 | 61.4 | 66.6 | 59.9 | 65.9 |
| Gross margin (%) | 42.1 | 42.7 | 47.1 | 50.5 | 53.0 | 54.0 |
| SG&A/Sales (%) | 24.8 | 27.8 | 26.4 | 22.8 | 22.5 | 22.0 |
| Net margin (%) | 19.9 | 15.2 | 19.7 | 27.6 | 30.8 | 32.5 |

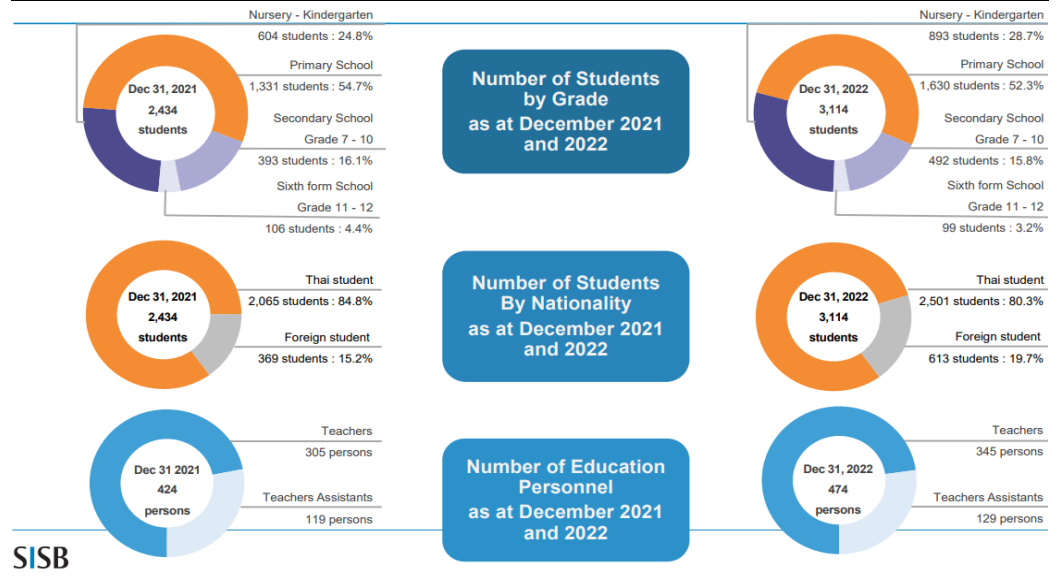
Source: Company data, KGI Securities Research

Figure 4: SISB's campuses

| Name | Level | Land Lease Termination Date | School Ground Area | Seat (Total) | Student Number 4Q22 | % Utilization |
|-----------------------------------|-------|-----------------------------|-----------------------|--------------|---------------------|---------------|
| 1) PU ⁽¹⁾ | K-12 | Y2040, Y2044 | 31,085 m ² | 2,175 | 1,499 | 68.9% |
| 2) SV | K-6 | Y2033 | 14,342 m ² | 510 | 254 | 49.8% |
| 3) TR | K-12 | Freehold | 29,213 m ² | 1,590 | 1,109 | 69.7% |
| 4) CM | K-12 | Y2031 (+15) | 8,540 m ² | 400 | 252 | 63.0% |
| 5) NR ⁽²⁾ | TBA | Freehold | 29,571 m ² | - | - | - |
| 6) Rayong ⁽²⁾ | TBA | Freehold | 39,141 m ² | - | - | - |
| | | | | 4,675 | 3,114 | 66.6% |
| Education Level | | | | Seat (Total) | #Student 4Q22 | % Utilization |
| 1) Secondary Level | | | | 1,440 | 591 | 41.0% |
| 2) Primary Level | | | | 1,875 | 1,630 | 86.9% |
| 3) Nursery and Kindergarten Level | | | | 1,360 | 893 | 65.7% |
| Total | | | | 4,675 | 3,114 | 66.6% |

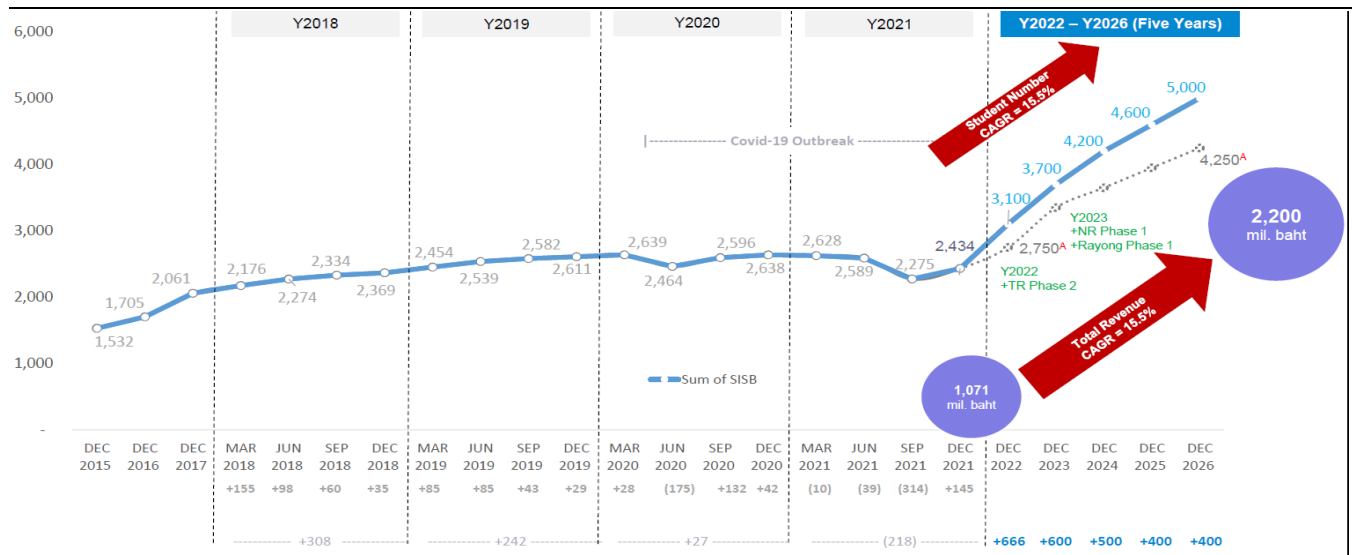
Source: Company data

Figure 5: Number of students and education personnel during 2021-2022



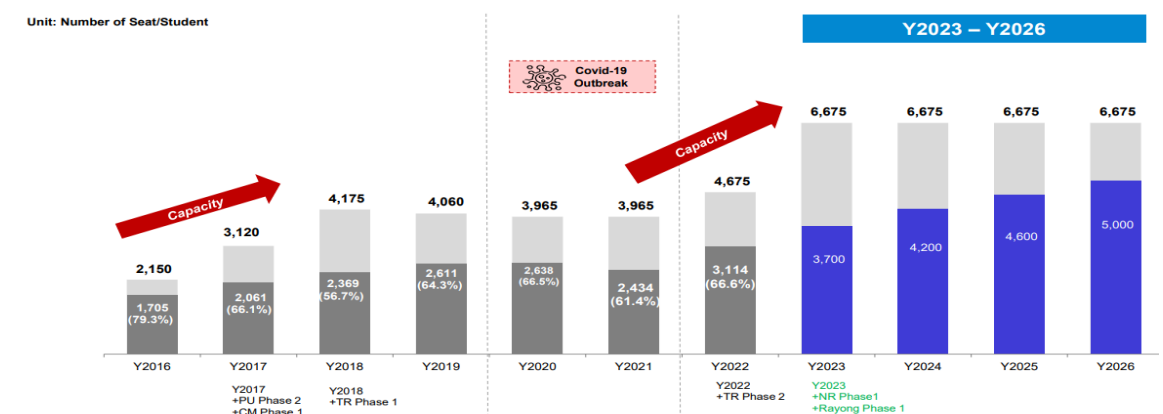
Source: Company data

Figure 6: Number of students projected by SISB



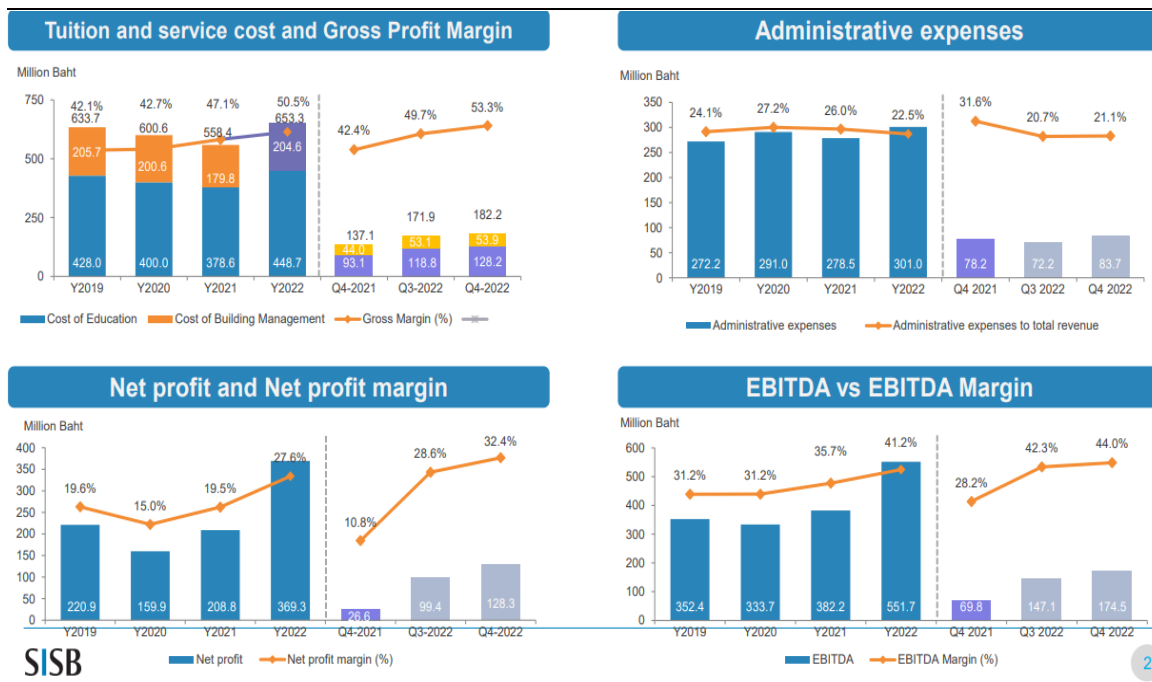
Source: Company data

Figure 7: SISB expanding seating capacity



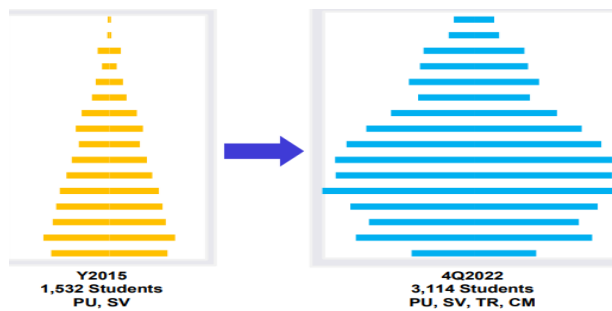
Source: Company data

Figure 8: Efficient school operations



Source: Company data

Figure 9: SISB student distribution by levels of education



Source: Company data

Figure 10: Number of students by level of education

| Levels of Education | As of 31 December 2020 | | As of 31 December 2021 | | As of 31 December 2022 | |
|----------------------|------------------------|---------------|------------------------|---------------|------------------------|---------------|
| | Number | % | Number | % | Number | % |
| Nursery-Kindergarten | 891 | 33.78 | 604 | 24.82 | 893 | 28.68 |
| Primary | 1,342 | 50.87 | 1,331 | 54.68 | 1,630 | 52.34 |
| Grade 7 - 10 | 335 | 12.70 | 393 | 16.15 | 492 | 15.80 |
| Grade 11 - 12 | 70 | 2.65 | 106 | 4.35 | 99 | 3.18 |
| Total | 2,638 | 100.00 | 2,434 | 100.00 | 3,114 | 100.00 |

Source: Company data

Figure 11: Number of students by nationality

| Nationalities | As of 31 December 2020 | | As of 31 December 2021 | | As of 31 December 2022 | |
|---------------|------------------------|---------------|------------------------|---------------|------------------------|---------------|
| | Number of Students | % | Number of Students | % | Number of Students | % |
| Thai | 2,191 | 83.06 | 2,065 | 84.84 | 2,501 | 80.31 |
| Foreign | 447 | 16.94 | 369 | 15.16 | 613 | 19.69 |
| Total | 2,638 | 100.00 | 2,434 | 100.00 | 3,114 | 100.00 |

Source: Company data

Figure 12: ESG implementation

| |
|---|
| <p>Environmental</p> <ul style="list-style-type: none"> • Encourage environmental awareness among students, parent, teachers and staffs • Improve building facility design and equipment for optimum utility consumption, good air quality, more neutral lighting, noise reduction and safety usage. • Track and measure greenhouse gas emission |
| <p>Social</p> <ul style="list-style-type: none"> • Provide quality education and related services to nurture students to be a global citizen • Hire teaching staffs from global source with international standard employment contract • Develop human capital by professional development day and scholarship for staffs and students • Grant support to surrounded school community such as donation, sport event and language program |
| <p>Governance</p> <ul style="list-style-type: none"> • Strick to good corporate governance best practices • Be Transparency and independence of financial reporting practices • Oversight employees to follow company business ethics • Endorse and enhance Personal data protection police |

Source: Company data

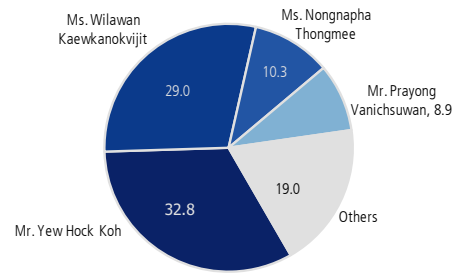
Figure 13: Company profile

SISB was incorporated on June 26, 2001, with initial registered capital of Bt8mn. The key objective of the company is not to maximise profit but to promote education development and to raise standards of education in Thailand to meet international standards. The company established Singapore International School of Bangkok to meet the growing demand from both Thai and international families for an international curriculum based on socio-cultural diversity. Licensed as formal education by the Office of the Private Education Commission on August 24, 2001, the school is the first in Thailand to adopt the Singapore curriculum. Pre-primary and primary education was first introduced at 154 Ekkamai 14, North Klongton Sub-District, Wattana District.

Source: Company data

Figure 14: Shareholding structure

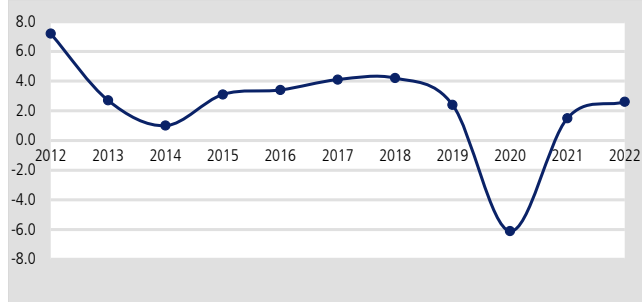
Percent



Source: Company data, KGI Securities Research

Figure 15: Thailand's GDP growth during 2012-2022

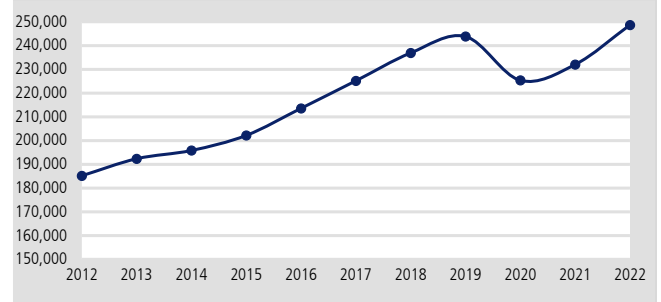
Percent



Source: NESDB, KGI Securities Research

Figure 16: Thailand's per capita income during 2012-2022

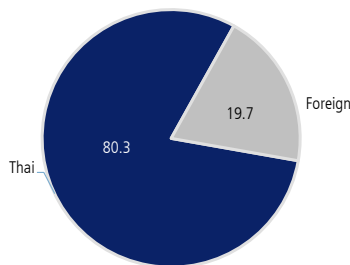
Bt/year



Source: NESDB, KGI Securities Research

Figure 17: Breakdown of students by nationality in 2022

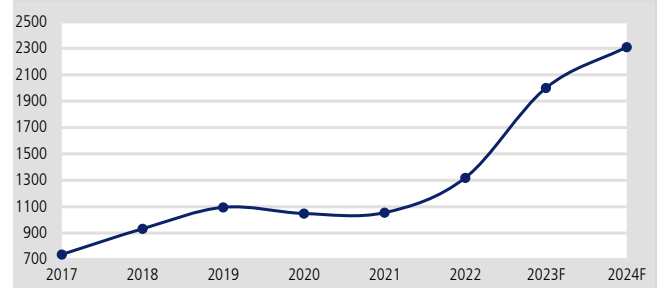
Percent



Source: Company data, KGI Securities Research

Figure 18: Core revenue during 2017-2022 and 2023-2024F

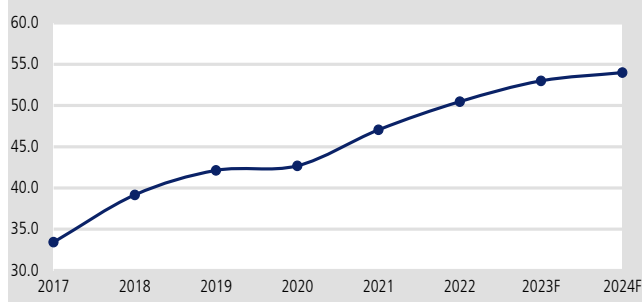
Bt mn



Source: Company data, KGI Securities Research

Figure 19: Gross margin during 2017-2022 and 2023-2024F

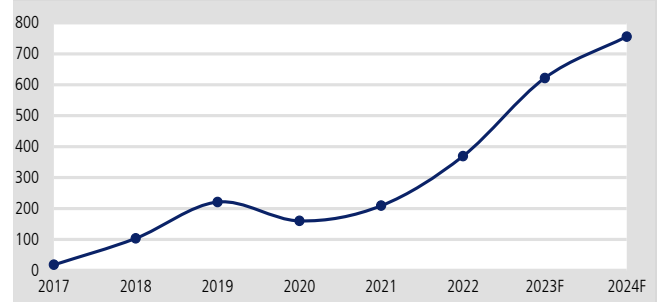
Percent



Source: Company data, KGI Securities Research

Figure 20: Net profit during 2017-2021 and 2023-2024F

Bt mn



Source: Company data, KGI Securities Research

Quarterly Income Statement

| | Mar-19A | Jun-19A | Sep-19A | Dec-19A | Mar-20A | Jun-20A | Sep-20A | Dec-20A | Mar-21A | Jun-21A | Sep-21A | Dec-21A | Mar-22A | Jun-22A | Sep-22A | Dec-22A |
|---------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Income Statement (Bt mn) | | | | | | | | | | | | | | | | |
| Revenue | 261 | 263 | 281 | 290 | 277 | 221 | 262 | 288 | 292 | 269 | 255 | 238 | 285 | 303 | 342 | 390 |
| Cost of hospital and services | (151) | (156) | (161) | (166) | (151) | (134) | (161) | (155) | (148) | (133) | (140) | (137) | (145) | (155) | (172) | (182) |
| Gross Profit | 110 | 107 | 121 | 124 | 126 | 87 | 101 | 133 | 144 | 136 | 115 | 101 | 140 | 148 | 170 | 208 |
| Operating Expenses | (74) | (62) | (69) | (67) | (69) | (60) | (58) | (74) | (73) | (66) | (62) | (78) | (75) | (70) | (79) | (77) |
| Other incomes | 8 | 9 | 10 | 10 | 11 | (2) | 5 | 15 | 5 | 2 | (1) | 10 | 5 | 6 | 9 | 11 |
| Operating Profit | 43 | 54 | 61 | 67 | 67 | 25 | 48 | 75 | 77 | 72 | 53 | 33 | 69 | 85 | 100 | 142 |
| Non-Operating Income | | | | | | | | | | | | | | | | |
| Interest Income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Non-op Income | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Non-Operating Expenses | (1) | (1) | (1) | (0) | (8) | (7) | (5) | (7) | (7) | (6) | (6) | (6) | (6) | (6) | (6) | (6) |
| Interest Expense | (1) | (1) | (1) | (0) | (8) | (7) | (5) | (7) | (7) | (6) | (6) | (6) | (6) | (6) | (6) | (6) |
| Other Non-op Expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Investment Income/(Loss) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Pre-tax Profit | 43 | 53 | 61 | 67 | 59 | 18 | 43 | 68 | 71 | 65 | 46 | 27 | 63 | 78 | 93 | 135 |
| Current taxation | (0) | (1) | (0) | (1) | (1) | 1 | (0) | 0 | (0) | (0) | (0) | (0) | (0) | (0) | (0) | (0) |
| Minorities | - | - | - | (0) | - | - | - | - | - | - | - | - | - | - | - | - |
| Extraordinary items | - | - | - | - | - | (15) | (14) | (0) | - | - | (4) | 4 | - | - | 7 | (7) |
| Net Profit | 42 | 52 | 60 | 66 | 59 | 4 | 29 | 68 | 71 | 65 | 42 | 31 | 63 | 78 | 99 | 128 |
| EPS (Bt) | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 |
| Margins (%) | | | | | | | | | | | | | | | | |
| Gross profit margin | 42.1 | 40.8 | 42.9 | 42.7 | 45.5 | 39.5 | 38.6 | 46.2 | 49.4 | 50.5 | 45.1 | 42.4 | 49.2 | 48.9 | 49.7 | 53.3 |
| Operating margin | 16.6 | 20.5 | 21.9 | 23.2 | 24.4 | 11.3 | 18.4 | 26.0 | 26.4 | 26.7 | 20.6 | 13.7 | 24.4 | 28.0 | 29.2 | 36.3 |
| Net profit margin | 16.3 | 19.8 | 21.5 | 22.8 | 21.3 | 1.9 | 11.0 | 23.6 | 24.2 | 24.3 | 16.5 | 12.8 | 22.2 | 25.9 | 29.1 | 32.9 |
| Growth (%) | | | | | | | | | | | | | | | | |
| Revenue growth | 16.9 | 18.1 | 20.9 | 14.1 | 6.0 | (16.0) | (6.9) | (0.5) | 5.6 | 21.6 | (2.5) | (17.3) | (2.6) | 12.6 | 33.8 | 63.8 |
| Operating growth | 44.7 | 68.6 | 60.9 | 73.8 | 55.4 | (53.7) | (21.7) | 11.4 | 14.5 | 187.6 | 9.2 | (56.2) | (10.0) | 17.8 | 89.8 | 332.2 |
| Net profit growth | 85.5 | 150.2 | 116.8 | 106.3 | 38.6 | (91.8) | (52.4) | 3.2 | 20.0 | 1,435.4 | 46.5 | (55.1) | (10.5) | 19.6 | 136.2 | 319.6 |

Source: KGI Securities Research

Balance Sheet

| As of 31 Dec (Bt mn) | 2020 | 2021 | 2022 | 2023F | 2024F |
|------------------------------|-------|-------|-------|-------|-------|
| Total Assets | 3,166 | 3,334 | 3,914 | 4,048 | 4,236 |
| Current Assets | 1,098 | 863 | 926 | 1,008 | 1,143 |
| Cash & ST Investments | 1,008 | 764 | 810 | 837 | 946 |
| Inventories | 7 | 8 | 7 | 10 | 12 |
| Accounts Receivable | 77 | 78 | 93 | 137 | 158 |
| Others | 6 | 12 | 15 | 23 | 27 |
| Non-current Assets | 2,068 | 2,471 | 2,989 | 3,040 | 3,093 |
| LT Investments | 54 | 55 | 60 | 60 | 60 |
| Net fixed Assets | 1,904 | 2,353 | 2,832 | 2,882 | 2,932 |
| Others | 110 | 63 | 96 | 98 | 101 |
| Total Liabilities | 1,289 | 1,319 | 1,625 | 1,124 | 1,124 |
| Current Liabilities | 626 | 635 | 859 | 832 | 856 |
| Accounts Payable | 77 | 84 | 149 | 129 | 146 |
| ST Borrowings | 10 | 12 | 15 | 1 | 1 |
| Others | 539 | 539 | 696 | 703 | 710 |
| Long-term Liabilities | 663 | 684 | 766 | 519 | 519 |
| Long-term Debts | 0 | 0 | 0 | 0 | 0 |
| Others | 663 | 684 | 766 | 519 | 519 |
| Shareholders' Equity | 1,877 | 2,014 | 2,290 | 2,681 | 3,092 |
| Common Stock | 470 | 470 | 470 | 470 | 470 |
| Capital Surplus | 1,128 | 1,128 | 1,128 | 1,128 | 1,128 |
| Retained Earnings | 279 | 416 | 692 | 1,083 | 1,494 |
| Preferred Stock | 0 | 0 | 0 | 0 | 0 |

Source: KGI Securities Research

Key Ratios

| Year to 31 Dec | 2020 | 2021 | 2022 | 2023F | 2024F |
|----------------------------------|--------|--------|--------|--------|--------|
| Growth (% YoY) | | | | | |
| Sales | (4.3) | 0.6 | 25.1 | 51.6 | 15.5 |
| EBIT | (17.3) | 39.2 | 67.5 | 67.1 | 21.2 |
| EBITDA | (1.0) | 18.2 | 42.2 | 48.7 | 16.9 |
| NP | (27.6) | 30.5 | 76.9 | 68.4 | 21.5 |
| EPS | (27.6) | 30.5 | 76.9 | 68.4 | 21.5 |
| Profitability (%) | | | | | |
| Gross Margin | 42.7 | 47.1 | 50.5 | 53.0 | 54.0 |
| Operating Margin | 14.9 | 20.7 | 27.7 | 30.5 | 32.0 |
| EBITDA Margin | 29.8 | 35.0 | 39.8 | 39.1 | 39.6 |
| Net Profit Margin | 15.2 | 19.7 | 27.6 | 30.8 | 32.5 |
| ROAA | 5.5 | 6.4 | 10.2 | 15.6 | 18.2 |
| ROAE | 8.6 | 10.7 | 16.9 | 24.8 | 26.0 |
| Stability | | | | | |
| Gross Debt/Equity (%) | 0.5 | 0.6 | 0.6 | 0.0 | 0.0 |
| Net Debt/Equity (%) | Cash | Cash | Cash | Cash | Cash |
| Interest Coverage (X) | 6.0 | 8.5 | 14.4 | 24.1 | 29.2 |
| Interest & ST Debt Coverage (X) | 6.1 | 8.6 | 14.5 | 24.2 | 29.3 |
| Cash Flow Interest Coverage (X) | 6.0 | 8.5 | 14.4 | 24.1 | 29.2 |
| Cash Flow/Interest & ST Debt (X) | 6.3 | 8.8 | 14.7 | 24.4 | 29.5 |
| Current Ratio (X) | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| Quick Ratio (X) | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| Net Debt (Bt mn) | (502) | (233) | (351) | (392) | (392) |
| Per Share Data (Bt) | | | | | |
| EPS | 0.2 | 0.2 | 0.4 | 0.7 | 0.8 |
| CFPS | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 |
| BVPS | 2.0 | 2.1 | 2.4 | 2.9 | 3.3 |
| SPS | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| EBITDA/Share | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| DPS | 0.1 | 0.1 | 0.2 | 0.3 | 0.4 |
| Activity | | | | | |
| Asset Turnover (x) | 0.4 | 0.3 | 0.4 | 0.5 | 0.6 |
| Days Receivables (days) | 26.7 | 27.1 | 25.9 | 25.0 | 25.0 |
| Days Inventory (days) | 4.2 | 5.2 | 4.1 | 4.0 | 4.0 |
| Days Payable (days) | 46.5 | 55.1 | 83.0 | 50.0 | 50.0 |
| Cash Cycle (days) | (15.7) | (22.8) | (53.1) | (21.0) | (21.0) |

Source: KGI Securities Research

Profit & Loss

| Year to 31 Dec (Bt mn) | 2020 | 2021 | 2022 | 2023F | 2024F |
|---------------------------------|-------|-------|-------|-------|-------|
| Sales | 1,048 | 1,055 | 1,319 | 2,000 | 2,310 |
| Cost of operations | 601 | 558 | 653 | 940 | 1,062 |
| Gross Profit | 447 | 496 | 666 | 1,060 | 1,247 |
| Operating Expenses | 291 | 279 | 301 | 450 | 508 |
| Operating Profit | 157 | 218 | 365 | 610 | 739 |
| Net Interest | (26) | (26) | (25) | (25) | (25) |
| Interest Income | - | - | - | - | - |
| Interest Expense | 26 | 26 | 25 | 25 | 25 |
| Net Investment Income/(Loss) | 1 | 1 | 5 | 5 | 5 |
| Net other Non-op. Income/(Loss) | 28 | 20 | 25 | 38 | 44 |
| Net Extraordinaries | - | - | - | - | - |
| Pretax Income | 159 | 213 | 370 | 628 | 763 |
| Income Taxes | (1) | 0 | 1 | 6 | 8 |
| Net Profit | 160 | 209 | 369 | 622 | 756 |
| EBITDA | 313 | 370 | 526 | 782 | 914 |
| EPS (Bt) | 0.17 | 0.22 | 0.39 | 0.66 | 0.80 |

Source: KGI Securities Research

Cash Flow

| Year to 31 Dec (Bt mn) | 2020 | 2021 | 2022 | 2023F | 2024F |
|-----------------------------|-------|-------|-------|-------|-------|
| Operating Cash Flow | 356 | 386 | 734 | 726 | 928 |
| Net Profit | 160 | 209 | 369 | 622 | 756 |
| Depreciation & Amortization | 156 | 152 | 161 | 172 | 175 |
| Change in Working Capital | 40 | 25 | 204 | (67) | (2) |
| Others | 0 | 0 | 0 | 0 | 0 |
| Investment Cash Flow | 30 | (591) | (524) | (308) | (308) |
| Net CAPEX | (289) | (573) | (640) | (222) | (225) |
| Change in LT Investment | 0 | 0 | 67 | 0 | 0 |
| Change in Other Assets | 319 | (18) | 49 | (249) | (3) |
| Free Cash Flow | 386 | (205) | 210 | 302 | 302 |
| Financing Cash Flow | 251 | (267) | 87 | 105 | 105 |
| Change in Share Capital | 0 | 0 | 0 | 0 | 0 |
| Net Change in Debt | 378 | (162) | 235 | 327 | 327 |
| Change in Other LT Liab. | (127) | (104) | (148) | (257) | (370) |
| Net Cash Flow | 637 | (472) | 297 | 406 | 406 |

Source: KGI Securities Research

Rates of Return on Invested Capital

| Year | 1- $\frac{\text{COGS Revenue}}{\text{Revenue}}$ | + $\frac{\text{Depreciation Revenue}}{\text{Revenue}}$ | + $\frac{\text{Operating Exp. Revenue}}{\text{Revenue}}$ | = Operating Margin |
|-------|--|---|--|---|
| 2020 | 57.3% | 14.9% | 27.8% | 0.0% |
| 2021 | 52.9% | 14.4% | 26.4% | 6.3% |
| 2022 | 49.5% | 12.2% | 22.8% | 15.5% |
| 2023F | 47.0% | 12.1% | 22.5% | 18.4% |
| 2024F | 46.0% | 7.6% | 22.0% | 24.4% |
| Year | 1/ $\frac{\text{Working Capital Revenue}}{\text{Revenue}}$ | + $\frac{\text{Net PPE Revenue}}{\text{Revenue}}$ | + $\frac{\text{Other Assets Revenue}}{\text{Revenue}}$ | = Capital Turnover |
| 2020 | 0.7 | 0.1 | 0.0 | 1.2 |
| 2021 | 0.8 | 0.1 | 0.0 | 1.1 |
| 2022 | 1.0 | 0.1 | 0.0 | 0.9 |
| 2023F | 0.9 | 0.1 | 0.0 | 1.0 |
| 2024F | 0.9 | 0.1 | 0.0 | 1.0 |
| Year | Operating Margin | x $\frac{\text{Capital Turnover}}{\text{Capital Turnover}}$ | x $\frac{\text{Cash Tax Rate}}{\text{Cash Tax Rate}}$ | = After-tax Return on Inv. Capital |
| 2020 | 0.0% | 1.2 | 100% | 0.1% |
| 2021 | 6.3% | 1.1 | 100% | 6.6% |
| 2022 | 15.5% | 0.9 | 100% | 14.6% |
| 2023F | 18.4% | 1.0 | 59% | 10.9% |
| 2024F | 24.4% | 1.0 | 99% | 25.3% |

Source: KGI Securities Research

SISB – Recommendation & target price history



Source: KGI Securities Research

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

| Stock | Company name | Stock | Company name | Stock | Company name |
|--------|--------------------------------|--------|------------------------|--------|---|
| AAV | ASIA AVIATION | EGCO | ELECTRICITY GENERATING | PTTEP | PTT EXPLORATION AND PRODUCTION |
| ADVANC | ADVANCED INFO SERVICE | GFPT | GFPT | PTTGC | PTT GLOBAL CHEMICAL |
| AMA | AMA MARINE | GGC | GLOBAL GREEN CHEMICALS | PYLON | PYLON |
| AMATA | AMATA CORPORATION | GPSC | GLOBAL POWER SYNERGY | QH | QUALITY HOUSES |
| ANAN | ANANDA DEVELOPMENT | HANA | HANA MICROELECTRONICS | RATCH | RATCHABURI ELECTRICITY GENERATING HOLDING |
| AOT | AIRPORTS OF THAILAND | HMPRO | HOME PRODUCT CENTER | RS | RS |
| AP | ASIAN PROPERTY DEVELOPMENT | INTUCH | SHIN CORPORATION | SCB | THE SIAM COMMERCIAL BANK |
| BANPU | BANPU | IRPC | IRPC | SCC | THE SIAM CEMENT |
| BCP | THE BANGCHAK PETROLEUM | IVL | INDORAMA VENTURES | SCCC | SIAM CITY CEMENT |
| BCPG | BCPG | KBANK | KASIKORNBANK | SEAFCO | SEAFCO |
| BDMS | BANGKOK DUSIT MEDICAL SERVICES | KCE | KCE ELECTRONICS | SMPC | SAHAMITR PRESSURE CONTAINER |
| BEC | BEC WORLD | KKP | KIATNAKIN BANK | SPALI | SUPALAI |
| BEM | BANGKOK EXPRESSWAY AND METRO | KTB | KRUNG THAI BANK | SPRC | STAR PETROLEUM REFINING |
| BGRIM | B.GRIMM POWER | KTC | KRUNGTHAI CARD | SVI | SVI |
| BPP | BANPU POWER | LH | LAND AND HOUSES | TACC | T.A.C. CONSUMER |
| BTS | BTS GROUP HOLDINGS | LPN | L.P.N. DEVELOPMENT | TCAP | THANACHART CAPITAL |
| CENTEL | CENTRAL PLAZA HOTEL | MAKRO | SIAM MAKRO | THCOM | THAICOM |
| CK | CH. KARNCHANG | MBK | MBK | TISCO | TISCO FINANCIAL GROUP |
| CKP | CK POWER | MINT | MINOR INTERNATIONAL | TOP | THAI OIL |
| CPALL | CP ALL | MTC | MUANGTHAI CAPITAL | TRUE | TRUE CORPORATION |
| CPF | CHAROEN POKPHAND FOODS | PLANB | PLAN B MEDIA | TTB | TMBTHANACHART BANK |
| CPN | CENTRAL PATTANA | PSH | PRUKSA HOLDING | VGI | VGI GLOBAL MEDIA |
| DELTA | DELTA ELECTRONICS (THAILAND) | PTG | PTG ENERGY | WHA | WHA CORPORATION |
| DTAC | TOTAL ACCESS COMMUNICATION | PTT | PTT | WHAUP | |



Companies with Very Good CG Scoring

| Stock | Company name | Stock | Company name | Stock | Company name |
|--------|-------------------------------------|--------|--------------------------|--------|----------------------------|
| BAM | BANGKOK COMMERCIAL ASSET MANAGEMENT | GULF | GULF ENERGY DEVELOPMENT | SAPPE | SAPPE |
| BBL | BANGKOK BANK | JMT | JMT NETWORK SERVICES | SAWAD | SRIAWAD POWER 1979 |
| CBG | CARABAO GROUP | LPH | LADPRAO GENERAL HOSPITAL | SINGER | SINGER THAILAND |
| CHG | CHULARAT HOSPITAL | M | MK RESTAURANT GROUP | SPA | SIAM WELLNESS GROUP |
| COM7 | COM7 | MAJOR | MAJOR CINEPLEX GROUP | TFG | THAIFOODS GROUP |
| DOHOME | DOHOME | MEGA | MEGA LIFESCIENCES | TKN | TAOKAENOI FOOD & MARKETING |
| ERW | THE ERAWAN GROUP | NETBAY | NETBAY | ZEN | ZEN CORPORATION GROUP |
| GLOBAL | SIAM GLOBAL HOUSE | OSP | OSOTSPA | | |



Companies with Good CG Scoring

| Stock | Company name | Stock | Company name | Stock | Company name |
|-------|------------------------|-------|-----------------|-------|-------------------------|
| BCH | BANGKOK CHAIN HOSPITAL | ESSO | ESSO (THAILAND) | SF | SIAM FUTURE DEVELOPMENT |
| BH | BUMRUNGRAD HOSPITAL | HUMAN | HUMANICA | SISB | SISB |
| EKH | EKACHAI MEDICAL CARE | RBF | R&B FOOD SUPPLY | TPCH | TPC POWER HOLDING |

Companies classified Not in the three highest score groups

| Stock | Company name | Stock | Company name | Stock | Company name |
|-------|--------------------------|-------|---|-------|-----------------------------|
| IIG | I&I GROUP | OR | PTT OIL AND RETAIL BUSINESS | STGT | SRI TRANG GLOVES (THAILAND) |
| KEX | KERRY EXPRESS (THAILAND) | STEC | SINDO-THAI ENGINEERING AND CONSTRUCTION | | |

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

| Stock | Company name | Stock | Company name | Stock | Company name |
|--------|--------------------------------|--------|------------------------------|--------|---|
| ADVANC | ADVANCED INFO SERVICE | GLOBAL | SIAM GLOBAL HOUSE | QH | QUALITY HOUSES |
| ANAN | ANANDA DEVELOPMENT | GPSC | GLOBAL POWER SYNERGY | RATCH | RATCHABURI ELECTRICITY GENERATING HOLDING |
| BBL | BANGKOK BANK | HMPRO | HOME PRODUCT CENTER | ROBINS | ROBINSON DEPARTMENT STORE |
| BCH | BANGKOK CHAIN HOSPITAL | IRPC | IRPC | SCC | THE SIAM CEMENT |
| BDMS | BANGKOK DUSIT MEDICAL SERVICES | KBANK | KASIKORN BANK | SIRI | SANSIRI |
| BIGC | BIG C SUPERCENTER | KCE | KCE ELECTRONICS | SPALI | SUPALAI |
| CK | CH. KARNCHANG | KKP | KIATNAKIN BANK | STEC | SINO-THAI ENGINEERING AND CONSTRUCTION |
| DCC | DYNASTY CERAMIC | KTB | KRUNG THAI BANK | TCAP | THANACHART CAPITAL |
| DELTA | DELTA ELECTRONICS (THAILAND) | LPH | LADPRAO GENERAL HOSPITAL | TISCO | TISCO FINANCIAL GROUP |
| DRT | DIAMOND ROOFING TILES | PACE | PACE DEVELOPMENT CORPORATION | TMT | THAI METAL TRADE |
| EGCO | ELECTRICITY GENERATING | PTT | PTT | TOP | THAI OIL |
| GFPT | GFPT | PTTGC | PTT GLOBAL CHEMICAL | | |

Level 4: Certified

| Stock | Company name | Stock | Company name | Stock | Company name |
|--------|----------------------------|--------|--------------------------------|---------|----------------------------|
| AAV | ASIA AVIATION | ERW | THE ERAWAN GROUP | SAPPE | SAPPE |
| AP | ASIAN PROPERTY DEVELOPMENT | GLOW | GLOW ENERGY | SAWAD | SRISAWAD POWER 1979 |
| BA | BANGKOK AIRWAYS | GUNKUL | GUNKUL ENGINEERING | SCB | THE SIAM COMMERCIAL BANK |
| BANPU | BANPU | ILINK | INTERLINK COMMUNICATION | SCN | SCAN INTER |
| BCP | THE BANGCHAK PETROLEUM | KTC | KRUNGTHAI CARD | SEAFECO | SEAFECO |
| BH | BUMRUNGRAD HOSPITAL | LH | LAND AND HOUSES | SVI | SVI |
| BJCHI | BJC HEAVY INDUSTRIES | LPN | L.P.N. DEVELOPMENT | TASCO | TIPCO ASPHALT |
| CBG | CARABAO GROUP | MAKRO | SIAM MAKRO | TKN | TAOKAENOI FOOD & MARKETING |
| CENDEL | CENTRAL PLAZA HOTEL | MALEE | MALEE SAMPRAN | TMB | TMB BANK |
| CHG | CHULARAT HOSPITAL | MINT | MINOR INTERNATIONAL | TRT | TIRATHAI |
| CKP | CK POWER | MODERN | MODERNFORM GROUP | TRUE | TRUE CORPORATION |
| CPF | CHAROEN POKPHAND FOODS | NOK | NOK AIRLINES | TVO | THAI VEGETABLE OIL |
| CPN | CENTRAL PATTANA | PTTEP | PTT EXPLORATION AND PRODUCTION | | |
| DTAC | TOTAL ACCESS COMMUNICATION | PYLON | PYLON | | |

Level 3: Established

| Stock | Company name | Stock | Company name | Stock | Company name |
|-------|------------------------------|-------|-------------------|-------|-------------------------|
| BEM | BANGKOK EXPRESSWAY AND METRO | MTLS | MUANGTHAI LEASING | SPRC | STAR PETROLEUM REFINING |
| CPALL | CP ALL | SCI | SCI ELECTRIC | | |

No progress

| Stock | Company name | Stock | Company name | Stock | Company name |
|-------|----------------------|-------|--------------------|-------|-------------------|
| AOT | AIRPORTS OF THAILAND | BPP | BANPU POWER | FN | FN FACTORY OUTLET |
| BCPG | BCPG | BTS | BTS GROUP HOLDINGS | TPCH | TPC POWER HOLDING |

Source: www.cgthailand.org

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

KGI Locations

| | | |
|------------------|----------|---|
| China | Shanghai | Room 1507, Park Place, 1601 Nanjing West Road, Jingan District, Shanghai, PRC 200040 |
| | Shenzhen | Room 24D1, 24/F, A Unit, Zhen Ye Building, 2014 Bao'annan Road, Shenzhen, PRC 518008 |
| Taiwan | Taipei | 700 Mingshui Road, Taipei, Taiwan Telephone 886.2.2181.8888 · Facsimile 886.2.8501.1691 |
| Hong Kong | | 41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Telephone 852.2878.6888 Facsimile 852.2878.6800 |
| Thailand | Bangkok | 8th - 11th floors, Asia Centre Building 173 South Sathorn Road, Bangkok 10120, Thailand Telephone 66.2658.8888 Facsimile 66.2658.8014 |
| Singapore | | 4 Shenton Way #13-01 SGX Centre 2 Singapore 068807 Telephone 65.6202.1188 Facsimile 65.6534.4826 |

KGI's Ratings

| Rating | Definition |
|-------------------|---|
| Outperform (OP) | The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan).. |
| Neutral (N) | The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan) |
| Under perform (U) | The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan). |
| Not Rated (NR) | The stock is not rated by KGI. |
| Restricted (R) | KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. Excess return = 12M target price/current price- |
| Note | When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically. |

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