

BUY (Unchanged)

TP: Bt 35.00

(From: Bt 26.00)

Change in Numbers

Upside : 19.7%

30 MARCH 2023

SISB Pcl (SISB TB)**Doubling capacity in 3 years**

Strong demand for international schools has led SISB to plan to double its capacity in three years. We raise our earnings by 9-13% in 2023-25F and our TP to Bt35. With a 42% three-year earnings CAGR, a 25-30% ROE, 44-48% EBITDA margins, a net-cash position, and a 44x PE this year before falling to 33/26x in 2024-25F, SISB is a BUY.



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Overwhelming demand

Given pent-up demand after the COVID-19 crisis, its strong brand recognition with Singaporean and British curriculums teaching in English, Chinese and Thai, and its target of mid-to-high income families whose demand for international schools for their kids is growing with the strategy of offering affordable prices and expanding to outer Bangkok locations where they live, SISB's students grew 28% y-y to 3,144 at end-2022 and 19% from 2019 levels. Management expects a further increase to 3,700 students this year. Of these, around 300 new students would come from existing campuses while 250-260 students were already secured in 1H23. The remainder would come from its two new campuses, which are due to open in this August (220 students have already paid the enrollment fees). Also note that 70-75% of the new students in 1H23 are foreign, and most of them are Chinese who have moved to Thailand.

Raising our TP to Bt35; reaffirming BUY

The solid demand has caused SISB to plan to double its capacity by 2026. Besides the two new Nonthaburi and Rayong campuses due to open this August and increase its capacity by 43% this year, SISB now plans to expand the existing Pracha Uthit, Chiang Mai, and Thonburi campuses to further increase its capacity by 10% next year and 9% in 2025. We estimate capex of Bt350m in 2024-25F to be funded by its internal cash flow. As a result of the expansions and operating leverage benefits, we raise our earnings estimates by 9-13% in 2023-25F (see Exhibit 8) and our DCF-based 12-month TP (2023F base year) to Bt35 (from Bt26). We reaffirm our BUY call on SISB.

42% three-year earnings CAGR

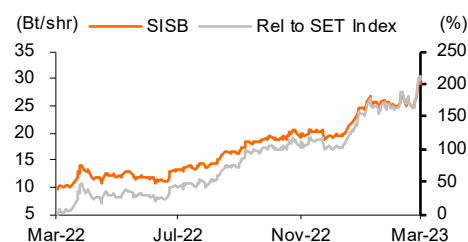
We estimate earnings growth of 68/34/28% in 2023-25F. Key drivers are **1)** 23/10/10% student growth, **2)** an 8% p.a. tuition-fee increase from a 5% annual tuition fee hike and a higher proportion of high-tuition-fee students in the secondary level, and **3)** operating leverage benefits to fatten its gross margin to 54/56/58% vs. 42-51% in 2019-22 and 53% in 4Q22.

Deserves a valuation premium

We view SISB as a structural buy-and-hold growth play with a 42% three-year earnings CAGR in 2023-25F, a 25-30% ROE, a 44-48% EBITDA margin, and a net-cash position. We also assign value to management for its growth mindset with continued growth strategies via expansion. Therefore, SISB's valuation with a PE multiple of 44x this year before falling to 33x next year and 26x in 2025F (vs. its four-year average of 35x in 2019-22) looks acceptable to us.

COMPANY VALUATION

Y/E Dec (Bt m)	2022A	2023F	2024F	2025F
Sales	1,319	1,777	2,234	2,659
Net profit	369	622	832	1,066
Consensus NP	—	580	794	918
Diff frm cons (%)	—	7.2	4.8	16.1
Norm profit	369	622	832	1,066
Prev. Norm profit	—	573	745	945
Chg frm prev (%)	—	8.5	11.7	12.7
Norm EPS (Bt)	0.4	0.7	0.9	1.1
Norm EPS grw (%)	76.9	68.4	33.8	28.1
Norm PE (x)	74.5	44.2	33.0	25.8
EV/EBITDA (x)	51.0	34.1	26.0	20.4
P/BV (x)	12.0	10.2	8.6	7.2
Div yield (%)	0.6	1.0	1.4	1.7
ROE (%)	17.2	25.0	28.3	30.3
Net D/E (%)	(30.5)	(22.0)	(29.1)	(38.4)

PRICE PERFORMANCE**COMPANY INFORMATION**

Price as of 30-Mar-23 (Bt)	29.25
Market cap (US\$ m)	802.9
Listed shares (m shares)	940.0
Free float (%)	21.6
Avg daily turnover (US\$ m)	1.4
12M price H/L (Bt)	29.50/9.95
Sector	Professional services
Major shareholder	Mr. Yew Hook Koh 32.8%

Sources: Bloomberg, Company data, Thanachart estimates

ESG Summary Report P9

Overwhelming demand...

Targeted student growth of 19% this year looks easily achievable given...

After the COVID-19 crisis, SISB Pcl's (SISB) students grew strongly by 28% y-y to 3,144 at the end of 2022. Management's student target of 3,700 students at end 2023 also looks easily achievable to us as:

First, management expects around 300 new students from its four existing campuses and it has already seen 150-160 new students in 1Q23 and 100 more in 2Q23.

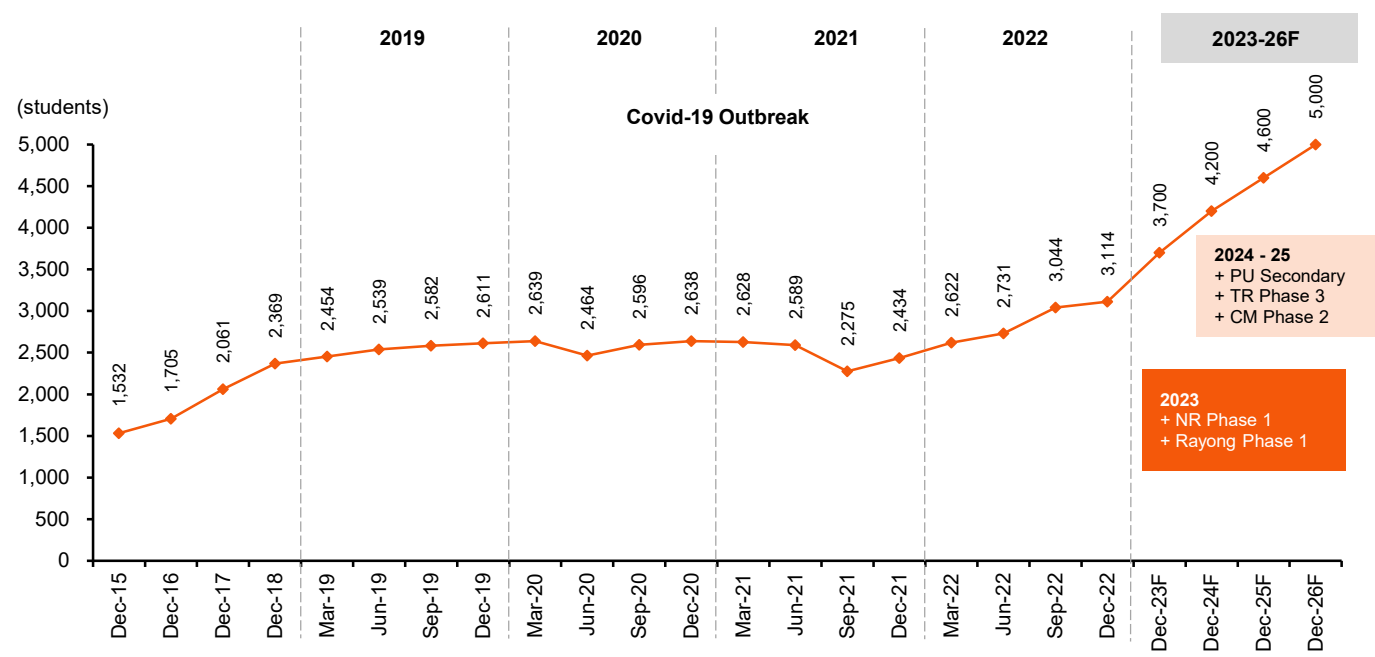
Second, management expects another 300 new students from its new Nonthaburi and Rayong campuses, which are scheduled to open in August this year and, so far, around 220 students have already paid the enrollment fees.

We believe the strong demand for SISB's schools is due to:

...pent-up demand after the COVID-19 crisis...

- 1) Pent-up demand after the COVID-19 crisis. SISB's students grew 14% a year on average in 2016-19 while the COVID-19 crisis caused them to grow by just 2% y-y in 2020 before falling 9% y-y in 2021.

Ex 1: SISB's Student Numbers

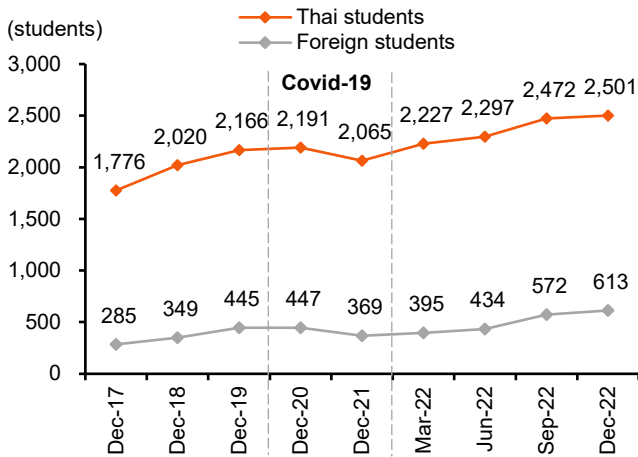


Source: Company data

...strong demand from foreign students, especially from China...

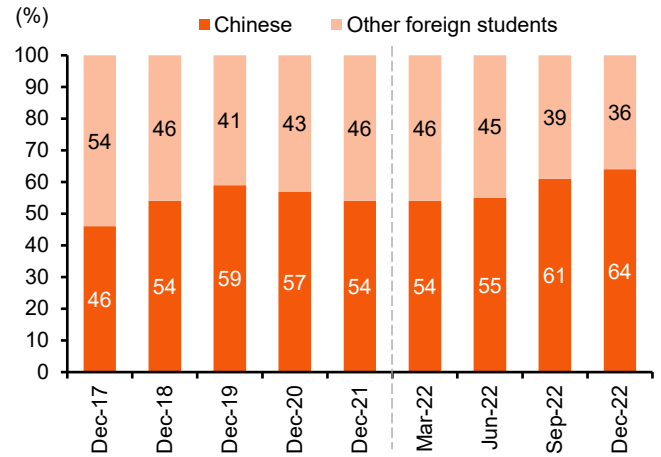
- 2) Growing demand from foreign students, especially from China. Given the Chinese government's education reforms that have led to a reduction in English teaching and a crackdown on private tutoring schools, some parents are concerned about their kids' English skills, so they have decided to send their kids to study abroad. Some 70-75% of SISB's 250-260 new students in 1H23 are foreign students and most are from China.

Ex 2: SISB's Student Numbers By Nationality



Source: Company data

Ex 3: SISB's Foreign Student Breakdown



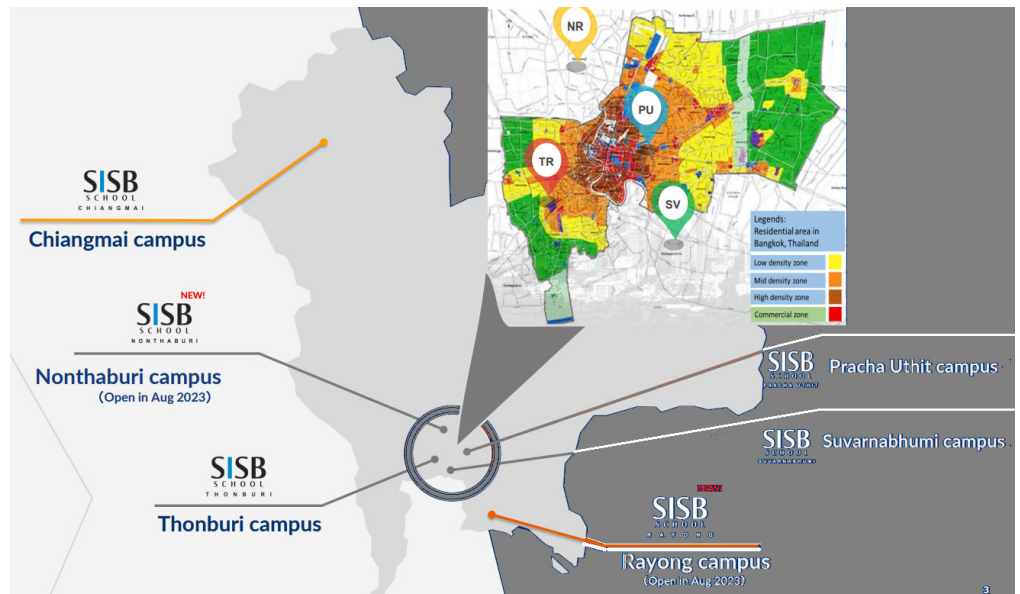
Source: Company data

...its strong brand recognition, and...

...its expansions to where its target customers live

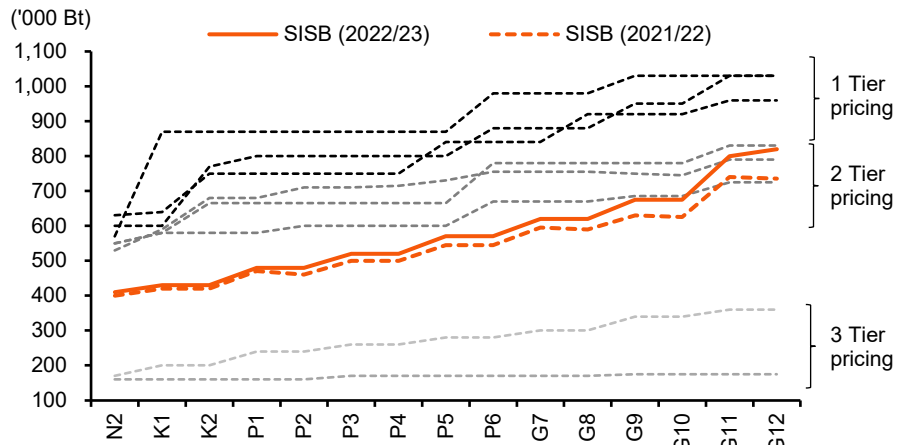
- 3) Its strong brand recognition with Singaporean and British curriculums teaching in English, Chinese and Thai.
- 4) Its target of mid-to-high income families whose demand for international schools for their kids is growing with the strategy of offering affordable prices and expanding to outer Bangkok locations where they live.

Ex 4: SISB's School Locations



Source: Company data

Ex 5: School Fee Comparison



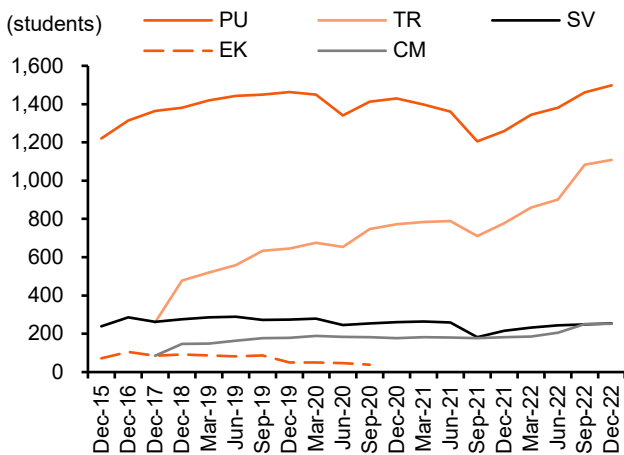
Source: Company data

...speeding up capacity expansion

Strong demand has led SISB to plan to double its capacity in three years

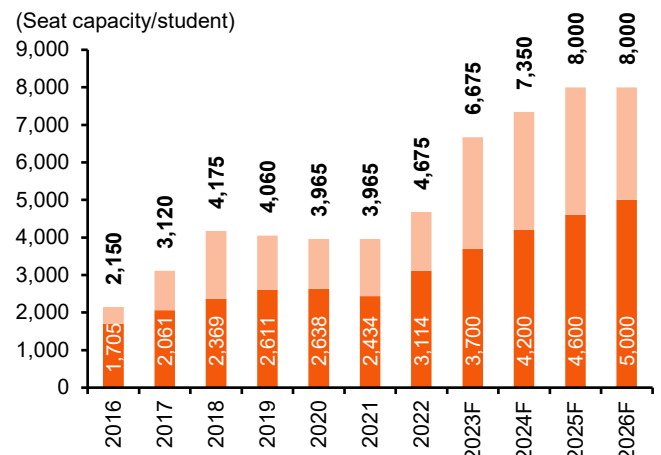
The strong demand has caused SISB to further speed up its capacity expansion. Besides the new Nonthaburi and Rayong campuses that are scheduled to open in August and increase its capacity by 43% this year, SISB now plans to expand its existing Chiang Mai, Pracha Uthit, and Thonburi campuses to further boost capacity by 10% next year and 9% in 2025. While it intends to construct a new building on its existing land plots at the Chiang Mai campus and renovate and restructure the existing buildings at the Pracha Uthit campus, SISB expects to spend Bt100m on capex with completion scheduled for next year. However, for the Thonburi campus, SISB plans to buy more land to construct the new building, so the estimated capex is around Bt250m with completion due in 2025. Given its net-cash position, Bt365m of cash on hand at end 4Q22, and Bt789m-Bt1.3bn of EBITDA in 2023-25F, we believe SISB can easily fund these expansions using its internal cash flow.

Ex 6: SISB's Student Numbers By Campus



Sources: Company data

Ex 7: SISB's Capacity



Sources: Company data

Raising our TP to Bt35; reaffirming BUY

We raise our earnings estimates by 9-13% in 2024-25F and our TP to Bt35

We raise our earnings estimates for SISB by 9-13% in 2024F and our DCF-based 12-month TP, using a 2023F base year, to Bt35/share from Bt26 after making changes to the following assumptions:

First, we revise up our student capacity assumptions by 9-20% in 2024-25F and our capex assumption by Bt350m following SISB's new capacity expansion plan.

Second, we raise our tuition fee assumptions by 1-4% in 2023-25F to reflect a 5% annual tuition fee hike and a higher proportion of high-tuition-fee students in the secondary level.

Third, our previous SG&A expense estimates were probably too aggressive, so we lower them by 5-7% in 2023-25F.

We reiterate our BUY call on SISB

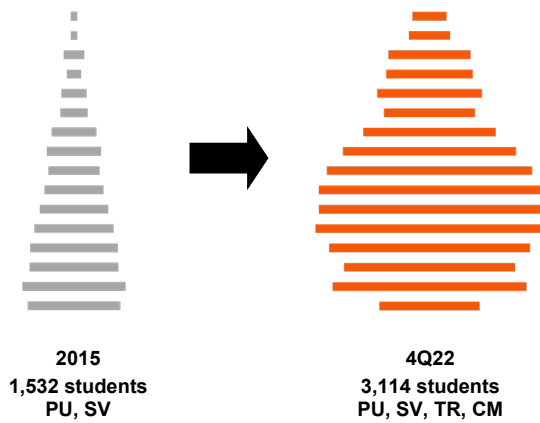
As we still view SISB as a structural buy-and-hold growth play with a 42% three-year earnings CAGR in 2023-25F, a 25-30% ROE, a 44-48% EBITDA margin, and a net-cash position, we see its valuation at a PE multiple of 44x this year before falling to 33x next year and 26x in 2025F (vs. its four-year average of 35x in 2019-22), as acceptable. We, therefore, reaffirm our BUY rating on shares of SISB.

Ex 8: Key Assumption Changes

	2021	2022	2023F	2024F	2025F
Students (students)					
New	2,434	3,114	3,819	4,217	4,616
Old			3,822	4,219	4,609
Change (%)			(0.1)	(0.1)	0.1
Seat capacity (seats)					
New	3,965	4,675	6,675	7,300	8,000
Old			6,675	6,675	6,675
Change (pp)			—	9.4	19.9
Tuition fee & service income (Bt/student)					
New	421,633	488,368	527,437	569,632	615,202
Old			523,668	560,325	593,945
Change (pp)			0.7	1.7	3.6
Gross margin (%)					
New	47.1	50.5	54.3	56.1	58.4
Old			53.3	54.2	56.6
Change (pp)			1.0	1.9	1.8
Normalized earnings (Bt m)					
New	209	369	622	832	1,066
Old			573	745	945
Change (%)			8.5	11.7	12.7

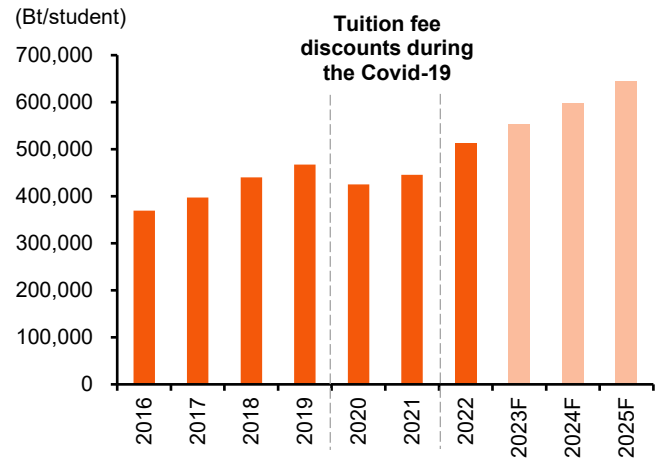
Sources: Company data, Thanachart estimates

Ex 9: SISB's Student Distribution



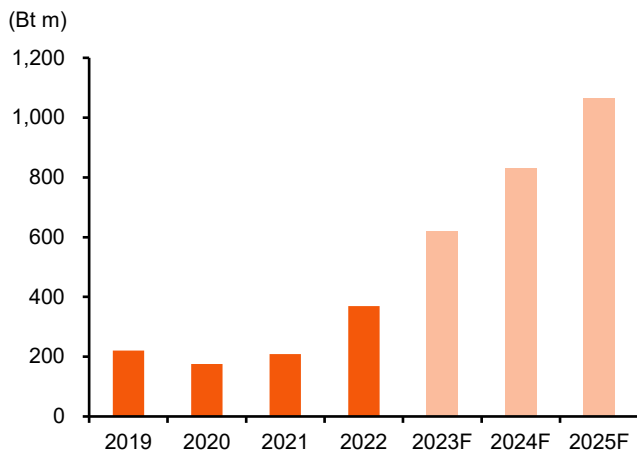
Source: Company data

Ex 10: SISB's Tuition Fees



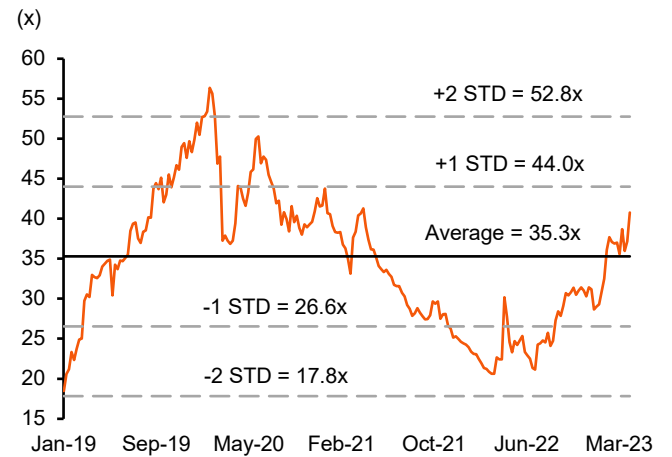
Sources: Company data, Thanachart estimates

Ex 11: SISB's Earnings Growth



Sources: Company data, Thanachart estimates

Ex 12: SISB's PE Standard Deviation



Sources: Bloomberg, Thanachart estimates

Ex 13: 12-month DCF-based TP Calculation Using A Base Year Of 2023F

(Bt m)	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	Terminal Value
EBITDA	789	1,024	1,275	1,573	1,892	2,237	2,582	2,941	3,290	3,651	4,022	—
Free cash flow	238	674	967	1,407	1,723	2,063	2,408	2,616	3,114	3,471	3,841	57,669
PV of free cash flow	238	572	747	997	1,120	1,230	1,317	1,313	1,376	1,400	1,415	19,398
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	0.8											
WACC (%)	8.5											
Terminal growth (%)	2.0											
Enterprise value - add investments	32,547											
Net debt (2022)	(591)											
Minority interest	0											
Equity value	33,138											
# of shares (m)	940											
Target price/share (Bt)	35											

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 14: Valuation Comparison With Regional Peers

Name	BBG code	Country	—EPS growth—		— PE —		— P/BV —		EV/EBITDA		— Div yield —	
			23F (%)	24F (%)	23F (x)	24F (x)	23F (x)	24F (x)	23F (x)	24F (x)	23F (%)	24F (%)
NIIT Ltd	NIIT IN	India	(12.4)	34.9	22.6	16.8	2.7	2.4	11.1	9.0	1.8	2.3
China New Higher Edu.	2001 HK	Hong Kong	15.9	13.3	5.0	4.4	1.0	0.9	4.8	4.3	10.4	11.5
Minsheng Education	1569 HK	Hong Kong	94.6	12.8	1.8	1.6	0.3	0.2	1.1	1.1	16.3	18.8
Edvantage Group	382 HK	Hong Kong	15.0	11.6	3.7	3.4	0.7	0.6	3.5	3.1	8.5	9.2
SISB Pcl	SISB TB	Thailand	68.4	33.8	44.2	33.0	10.2	8.6	34.1	26.0	1.0	1.4
Average			48.5	21.3	15.5	11.8	3.0	2.5	10.9	8.7	7.6	8.6

Sources: Company data, Thanachart estimates

Note: * Thanachart estimates, using normalized EPS

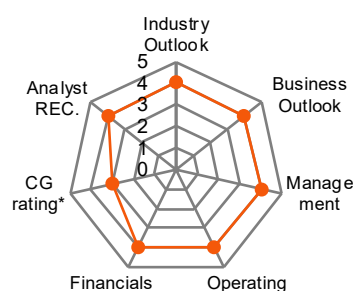
Based on 30 Mar-23 closing prices

COMPANY DESCRIPTION

SISB Public Company Limited (SISB) provides educational services in Thailand. The school offers various subjects such as languages, sciences, social studies, and maths, as well as music, dance, art, and sports. With four campuses in Bangkok, Samut Prakarn and Chiang Mai and more than 2,600 students, it is one of the biggest school groups in Thailand.

Source: Thanachart

COMPANY RATING



Rating Scale

Very Strong	5
Strong	4
Good	3
Fair	2
Weak	1
None	0

Source: Thanachart; * CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Solid brand perception and awareness.
- Economies of scale allow it to offer mid-range tuition fees and broaden targeted households.
- Robust financial status.

O — Opportunity

- Growing demand for international schools in Thailand.
- Opportunities to expand in AEC markets.
- Business diversification.

W — Weakness

- Three out of four campuses are located on leased land, so there is a risk pertaining to lease contract extensions.
- Teachers are the key to its success, so a shortage of teachers presents a risk.

T — Threat

- Intense competition.
- Ageing society trend.
- Laws and regulations for operating schools.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	28.00	35.00	25%
Net profit 23F (Bt m)	580	622	7%
Net profit 24F (Bt m)	794	832	5%
Consensus REC	BUY: 4	HOLD: 0	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings estimates for 2023-24F are 5-7% higher than the Bloomberg consensus numbers, which we attribute to us assuming more aggressive tuition-fee hikes and operating leverage benefits over the period.
- Our DCF-based TP is 25% higher than the Street's, likely due to us also having a higher earnings growth projection over the long term.

Sources: Bloomberg consensus, Thanachart estimates

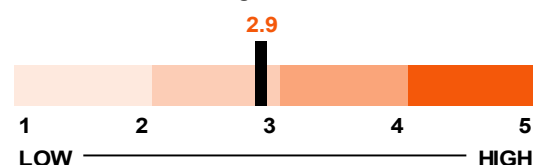
RISKS TO OUR INVESTMENT CASE

- A weak economic situation in Thailand would represent the key downside risk to our student and tuition fee growth assumptions.
- A continuation of the COVID-19 crisis would also represent a secondary downside risk to our student and tuition-fee-growth assumptions.
- If the company can't increase its tuition fees to offset rising teacher costs, this would negatively impact our gross-margin assumptions and therefore our net-profit forecasts.
- To comply with the government's strict regulations, the company may incur extra costs, which would negatively impact our gross-margin assumptions and our net-profit forecasts. This is a secondary downside risk to our call.

Source: Thanachart

SISB runs four school campuses, of which three are in Bangkok and one (50% owned) is in Chiang Mai province. It is currently the second-largest international school operator in Thailand with around 3,000 students. Our ESG score for SISB is moderate at 2.9 reflecting the nature of its business that doesn't produce much greenhouse gas but still lacks clear targets and plans for ESG issues.

Thanachart ESG Rating



	SETTHSI Index	THSI Index	DJSI Index	MSCI (CCC-AAA)	Arabesque S-Ray (0-100)	Refinitiv (0-100)	S&P Global (0-100)	Moody's (0-100)	CG Rating (0-5)
SISB	-	-	-	-	-	-	-	-	3.0

Sources: SETTRADE, SETTHSI Index, Thailand Sustainability Investment (THSI), The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, Arabesque S-Ray®, Refinitiv ESG Information, S&P Global Market Intelligence, Moody's ESG Solutions, Thai IOD (CG rating)

Note: Please see third party on "term of use" in the following back page.

Factors **Our Comments**

ENVIRONMENT

- Environmental Policies & Guidelines
- Energy Management
- Carbon Management
- Water Management
- Waste Management

- Running a school business doesn't produce much greenhouse gas (GHG). In 2021, SISB had direct GHG emissions of 226 tonnes of CO2 equivalent and indirect emissions of 1,573 tonnes, as measured by EY Office Limited.
- SISB has an environmentally friendly approach to reduce pollution and preserve energy in improving its buildings and creating learning environment by designing its buildings to allow good ventilation and using LED light bulbs to save on energy costs.
- SISB arranges green spaces around its buildings and encourages students to be aware of the environment and take part in preserving and improving it.

SOCIAL

- Human Rights
- Staff Management
- Health & Safety
- Product Safety & Quality
- Social Responsibility

- SISB says it has policies to treat all employees with fairness and ensure a safe working environment.
- SISB provides training to develop its employees' professional skills. In addition to life insurance, it also offers health and accident insurance for employees.
- SISB has continuously supported the development of communities and society by organizing social and public benefit projects such as teaching English and donating computers, IT equipment, COVID-19 testing kits, etc.

GOVERNANCE & SUSTAINABILITY

- Board
- Ethics & Transparency
- Business Sustainability
- Risk Management
- Innovation

- We believe SISB has a good board of directors (BOD) structure. It is an eight-member BOD, which we consider an appropriate size for the size and scope of its business. The chairman is an independent director. Of the eight members, four are independent directors. There are three female board members.
- There are two directors who hold over 25% stakes in SISB. However, SISB has appointed an Audit Committee to audit, review and scrutinize transactions to ensure transparency and prevent conflicts of interest.
- SISB has engaged P&L Internal Audit Company Limited, an outsourced service provider, to audit its internal control system while EY Company Limited, the auditor of the group, has not had any observations related to the company's internal control system.

Source: Thanachart

INCOME STATEMENT

FY ending Dec (Bt m)	2021A	2022A	2023F	2024F	2025F
Sales	1,055	1,319	1,777	2,234	2,659
Cost of sales	558	653	813	982	1,106
Gross profit	496	666	965	1,253	1,553
% gross margin	47.1%	50.5%	54.3%	56.1%	58.4%
Selling & administration expenses	279	301	355	436	505
Operating profit	218	365	609	817	1,048
% operating margin	20.7%	27.7%	34.3%	36.6%	39.4%
Depreciation & amortization	152	161	180	207	228
EBITDA	370	526	789	1,024	1,275
% EBITDA margin	35.0%	39.8%	44.4%	45.8%	48.0%
Non-operating income	20	25	35	35	35
Non-operating expenses	(5)	0	0	0	0
Interest expense	(26)	(25)	(29)	(26)	(22)
Pre-tax profit	208	365	615	826	1,060
Income tax	0	1	3	4	5
After-tax profit	208	364	612	822	1,055
% net margin	19.7%	27.6%	34.4%	36.8%	39.7%
Shares in affiliates' Earnings	1	5	10	11	11
Minority interests	0	0	0	0	0
Extraordinary items	0	0	0	0	0
NET PROFIT	209	369	622	832	1,066
Normalized profit	209	369	622	832	1,066
EPS (Bt)	0.2	0.4	0.7	0.9	1.1
Normalized EPS (Bt)	0.2	0.4	0.7	0.9	1.1

*We expect strong earnings in 2023-25F...
...on strong demand, capacity expansion, and operating leverage benefits*

BALANCE SHEET

FY ending Dec (Bt m)	2021A	2022A	2023F	2024F	2025F
ASSETS:					
Current assets:	863	926	1,006	1,221	1,802
Cash & cash equivalent	764	810	850	1,025	1,570
Account receivables	78	93	126	158	188
Inventories	8	7	9	11	12
Others	12	15	21	26	31
Investments & loans	55	60	60	60	60
Net fixed assets	1,999	2,493	2,863	3,007	3,079
Other assets	417	435	482	519	555
Total assets	3,334	3,914	4,411	4,807	5,497
LIABILITIES:					
Current liabilities:	635	859	934	936	971
Account payables	84	149	185	223	252
Bank overdraft & ST loans	0	0	0	0	0
Current LT debt	18	23	54	20	20
Others current liabilities	533	687	695	693	699
Total LT debt	58	89	205	76	76
Others LT liabilities	626	677	582	599	615
Total liabilities	1,319	1,625	1,721	1,612	1,662
Minority interest	0	0	0	0	0
Preferreds shares	0	0	0	0	0
Paid-up capital	470	470	470	470	470
Share premium	1,128	1,128	1,128	1,128	1,128
Warrants	0	0	0	0	0
Surplus	0	0	0	0	0
Retained earnings	416	692	1,093	1,598	2,236
Shareholders' equity	2,014	2,290	2,691	3,196	3,834
Liabilities & equity	3,334	3,914	4,411	4,807	5,497

SISB's balance sheet looks solid and it is in a net-cash position

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2021A	2022A	2023F	2024F	2025F
Earnings before tax	208	365	615	826	1,060
Tax paid	(0)	(0)	(3)	(4)	(5)
Depreciation & amortization	152	161	180	207	228
Chg In working capital	5	50	2	4	(3)
Chg In other CA & CL / minorities	21	181	13	3	13
Cash flow from operations	386	756	807	1,035	1,292
Capex	(595)	(655)	(550)	(350)	(300)
Right of use	(6)	14	(5)	(5)	(5)
ST loans & investments	0	0	0	0	0
LT loans & investments	(1)	(5)	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	43	(6)	(137)	(16)	(14)
Cash flow from investments	(558)	(652)	(692)	(371)	(319)
Debt financing	(0)	35	147	(162)	(0)
Capital increase	0	0	0	0	0
Dividends paid	(71)	(94)	(221)	(327)	(427)
Warrants & other surplus	0	0	0	0	0
Cash flow from financing	(72)	(59)	(74)	(489)	(427)
Free cash flow	(209)	102	257	685	992

We factor in Bt1.2bn of capex over 2023-25F mainly for the capacity expansions

VALUATION

FY ending Dec	2021A	2022A	2023F	2024F	2025F
Normalized PE (x)	131.7	74.5	44.2	33.0	25.8
Normalized PE - at target price (x)	157.6	89.1	52.9	39.5	30.9
PE (x)	131.7	74.5	44.2	33.0	25.8
PE - at target price (x)	157.6	89.1	52.9	39.5	30.9
EV/EBITDA (x)	72.5	51.0	34.1	26.0	20.4
EV/EBITDA - at target price (x)	87.2	61.3	40.9	31.2	24.6
P/BV (x)	13.6	12.0	10.2	8.6	7.2
P/BV - at target price (x)	16.3	14.4	12.2	10.3	8.6
P/CFO (x)	71.3	36.4	34.1	26.6	21.3
Price/sales (x)	26.1	20.8	15.5	12.3	10.3
Dividend yield (%)	0.3	0.6	1.0	1.4	1.7
FCF Yield (%)	(0.8)	0.4	0.9	2.5	3.6
(Bt)					
Normalized EPS	0.2	0.4	0.7	0.9	1.1
EPS	0.2	0.4	0.7	0.9	1.1
DPS	0.1	0.2	0.3	0.4	0.5
BV/share	2.1	2.4	2.9	3.4	4.1
CFO/share	0.4	0.8	0.9	1.1	1.4
FCF/share	(0.2)	0.1	0.3	0.7	1.1

Sources: Company data, Thanachart estimates

Given its solid fundamentals, SISB deserves a premium valuation, in our view

FINANCIAL RATIOS

FY ending Dec	2021A	2022A	2023F	2024F	2025F
Growth Rate					
Sales (%)	0.6	25.1	34.7	25.7	19.0
Net profit (%)	30.5	76.9	68.4	33.8	28.1
EPS (%)	30.5	76.9	68.4	33.8	28.1
Normalized profit (%)	19.2	76.9	68.4	33.8	28.1
Normalized EPS (%)	19.2	76.9	68.4	33.8	28.1
Dividend payout ratio (%)	45.0	43.9	45.0	45.0	45.0
Operating performance					
Gross margin (%)	47.1	50.5	54.3	56.1	58.4
Operating margin (%)	20.7	27.7	34.3	36.6	39.4
EBITDA margin (%)	35.0	39.8	44.4	45.8	48.0
Net margin (%)	19.7	27.6	34.4	36.8	39.7
D/E (incl. minor) (x)	0.0	0.0	0.1	0.0	0.0
Net D/E (incl. minor) (x)	(0.3)	(0.3)	(0.2)	(0.3)	(0.4)
Interest coverage - EBIT (x)	8.5	14.4	20.8	31.2	46.8
Interest coverage - EBITDA (x)	14.5	20.8	27.0	39.1	57.0
ROA - using norm profit (%)	6.4	10.2	14.9	18.1	20.7
ROE - using norm profit (%)	10.7	17.2	25.0	28.3	30.3
DuPont					
ROE - using after tax profit (%)	10.7	16.9	24.6	27.9	30.0
- asset turnover (x)	0.3	0.4	0.4	0.5	0.5
- operating margin (%)	22.2	29.6	36.2	38.1	40.7
- leverage (x)	1.7	1.7	1.7	1.6	1.5
- interest burden (%)	89.1	93.5	95.5	96.9	97.9
- tax burden (%)	99.9	99.7	99.5	99.5	99.5
WACC (%)	#N/A	8.5	8.5	8.5	9.0
ROIC (%)	23.0	27.4	38.1	38.7	46.0
NOPAT (Bt m)	218	364	606	813	1,042
invested capital (Bt m)	1,327	1,592	2,099	2,267	2,360

Sources: Company data, Thanachart estimates

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As a result, SET has created the SETTHSI for the purpose of indicating the price of these sustainable companies that pass the market capital size and liquidity criteria.

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ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk. We identify five categories of ESG risk severity that could impact a company's enterprise value

Moody's ESG Solutions

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80-89	▲▲▲▲	Very Good
70-79	▲▲▲	Good
60-69	▲▲	Satisfactory
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