

**SISB Pcl (SISB TB) - BUY**

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## News Update

**Land purchase for the halving project**

- **The land is in Supalai's property project in Pathum Thani.**
- **SISB will use it for the new low-cost school model.**
- **This model will capture the middle-income family market.**
- **Net margin is expected to be similar to the existing ones.**
- SISB announced the land purchase for around 20 rai from Supalai (SPALI TB, Bt19.3, BUY) to implement its halving project, the new low-cost school model. The land is in Supalai's property development project which is on Rangsit-Nakhon Nayok rd., Thanyaburi district, Pathum Thani province or the northeast of Bangkok. SISB plans to open this new campus in August 2026.
- SISB's new low-cost international school model will capture the middle-income demand segment for international schools. This new campus would have the same Singapore curriculum as the existing campuses but tuition fees would be 35-40% lower, along with its cost base, thus providing a similar margin to its existing campuses.
- This new campus's capex excluding land costs is estimated at Bt300m (vs. Bt500-600m for the existing campuses). Teaching staff salary would also be lower by 30% as foreign teachers would come more from Asian countries rather than Western ones while a teacher-to-student ratio would be higher at 1:10 (vs. 1:7 at the existing campuses). Online teaching could pool resources with existing SISB schools for scale benefits.
- SISB plans to have around 1,000 seats for this new campus with the break-even level at the occupancy rate of 20-30%. It also expects this new campus's net margin of around 30% (vs. 37% at present) when it achieves economies of scale.
- We like this investment as **1)** this is a "value-for-money" school type offered by the well-established SISB with its proven track record, **2)** the new campus is in the areas where have many property projects, so it should secure some demand, **3)** the middle-income family market is sizable and management expects to gain market share from other private schools, and **4)** the funding costs are low and the management expects to use internal cash flow and foresees no need for loans.
- Given its 33% three-year earnings CAGR in 2024-26F (vs. a 34% y-y growth in 1H24), net cash position, and high profitability of over 45% EBITDA margin and over 30% ROE. We maintain our BUY call on SISB.

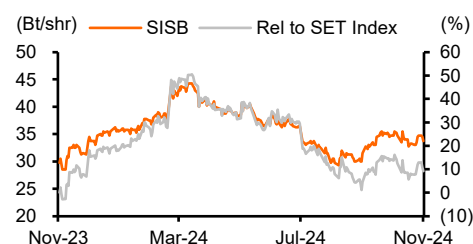
**Key Valuations**

Y/E Dec (Bt m)	2023	2024F	2025F	2026F
Revenue	1,889	2,454	2,908	3,395
Net profit	654	917	1,194	1,530
Norm net profit	654	917	1,194	1,530
Norm EPS (Bt)	0.7	1.0	1.3	1.6
Norm EPS gr (%)	77.0	40.3	30.2	28.2
Norm PE (x)	48.5	34.6	26.6	20.7
EV/EBITDA (x)	38.4	26.8	20.8	15.8
P/BV (x)	11.4	9.5	7.8	6.4
Div. yield (%)	0.9	1.3	1.7	2.2
ROE (%)	25.7	29.9	32.2	33.8
Net D/E (%)	(34.3)	(51.8)	(56.8)	(71.8)

Source: Thanachart estimates

**Stock Data**

Closing price (Bt)	33.75
Target price (Bt)	48.00
Market cap (US\$ m)	928
Avg daily turnover (US\$ m)	2.2
12M H/L price (Bt)	44.25/28.50

**Price Performance**

Source: Bloomberg

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