

SISB Pcl (SISB TB) - BUY, Price Bt24.30, TP Bt35.00**Results Comment**

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Strong 4Q earnings in line

- SISB posted a 4Q24 normalized profit of Bt245m, up 17% y-y and 12% q-q. The results were in line with what we had expected. Its earnings growth was mainly due to a rise in its revenue from higher student number and tuition fee, lower loss contribution from its Rayong campus, and operating leverage benefits.
- We expect SISB's earnings to continue to grow y-y due to higher students and tuition fee.
- We maintain our BUY call on SISB given its 18% three-year earnings CAGR in 2025-27F, net cash position, and high profitability of over 40% EBITDA margin and 29% ROE.
- SISB's revenue grew by 13% y-y in 4Q24, driven by its student growth (4,620 students in 4Q24 vs. 4,587 students in 3Q24 and 4,197 in 4Q23), a full-quarter effect of the 5% tuition fee hike, and higher food and after-school activity revenue.
- Its gross margin slightly improved to 53.9% in 4Q24 vs. 53.6% in 4Q23 while its SG&A expenses increased by 12% y-y following higher revenue.
- Its other income increased by 45% y-y in 4Q24 mainly due to higher interest income.

Income Statement						Income Statement					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q23	1Q24	2Q24	3Q24	4Q24	(Bt m)	q-q%	y-y%	% 2024F	2024A	2025F
Revenue	563	561	559	596	637	Revenue	7	13	100	2,353	2,672
Gross profit	302	309	312	309	344	Gross profit	11	14	101	1,275	1,477
SG&A	104	111	115	107	116	SG&A	9	12	103	449	481
Operating profit	198	198	197	203	228	Operating profit	12	15	100	826	996
EBITDA	253	254	251	259	286	EBITDA	10	13	99	1,050	1,257
Other income	13	16	15	17	18	Other income	6	45	114	66	58
Other expense	0	0	0	0	0	Other expense					
Interest expense	6	7	8	7	7	Interest expense	3	18	108	30	26
Profit before tax	205	207	203	213	239	Profit before tax	12	17	100	862	1,028
Income tax	1	2	2	2	3	Income tax	34	439	342	9	3
Equity & invest. income	7	7	8	8	10	Equity & invest. income	25	49	108	32	32
Minority interests	0	0	0	0	0	Minority interests					
Extraordinary items	0	0	0	0	0	Extraordinary items					
Net profit	211	212	210	218	245	Net profit	12	17	100	885	1,057
Normalized profit	211	212	210	218	245	Normalized profit	12	17	100	885	1,057
EPS (Bt)	0.22	0.23	0.22	0.23	0.26	EPS (Bt)	12	17	100	0.94	1.12
Normalized EPS (Bt)	0.22	0.23	0.22	0.23	0.26	Normalized EPS (Bt)	12	17	100	0.94	1.12
Balance Sheet						Financial Ratios					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q23	1Q24	2Q24	3Q24	4Q24	(%)	4Q23	1Q24	2Q24	3Q24	4Q24
Cash & ST investment	1,113	1,209	937	1,601	1,576	Sales grow th	44.2	31.7	32.1	24.7	13.3
A/C receivable	128	138	313	30	134	Operating profit grow th	59.4	32.1	32.3	79.9	14.9
Inventory	15	13	14	17	17	EBITDA grow th	52.6	33.6	33.0	53.8	12.9
Other current assets	14	13	657	28	17	Norm profit grow th	64.0	33.3	34.9	69.8	16.5
Investment	60	47	55	63	73	Norm EPS grow th	64.0	33.3	34.9	69.8	16.5
Fixed assets	2,933	3,067	3,060	3,064	3,211	Gross margin	53.6	55.1	55.8	51.9	53.9
Other assets	373	420	418	418	460	Operating margin	35.2	35.4	35.2	34.0	35.7
Total assets	4,636	4,909	5,456	5,222	5,488	EBITDA margin	45.0	45.2	44.9	43.6	44.8
S-T debt	965	944	1,469	1,097	1,090	Norm net margin	37.4	37.8	37.5	36.6	38.5
A/C payable	67	94	97	99	66	D/E (x)	0.4	0.4	0.5	0.4	0.4
Other current liabilities	24	27	26	27	30	Net D/E (x)	(0.0)	(0.0)	0.2	(0.1)	(0.1)
L-T debt	124	131	135	138	143	Interest coverage (x)	40.2	35.2	31.0	36.0	38.5
Other liabilities	669	713	811	725	776	Interest rate	2.4	2.7	2.4	2.0	2.4
Minority interest	0	0	0	0	0	Effective tax rate	0.3	0.9	0.8	1.1	1.3
Shareholders' equity	2,788	3,000	2,918	3,136	3,382	ROA	18.5	17.8	16.2	16.3	18.3
Working capital	76	58	230	(51)	85	ROE	31.4	29.3	28.4	28.8	30.1
Total debt	1,089	1,075	1,603	1,235	1,234						
Net debt	(24)	(134)	666	(366)	(342)						

Sources: Company data, Thanachart estimates

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