

**BUY** (Unchanged)

**TP: Bt 12.00** (From: Bt 15.50)

**Change in Numbers**
**Upside : 14.3%**

# SISB Public Co. Ltd. (SISB TB)

## Negative factors priced in

Weak economy, intense competition, and expansion costs continue to weigh on SISB's earnings, so we cut our forecasts and TP to Bt12. But, with the stock already de-rating to 11-12x 2026-28F PE (2SD below its average) and offering 4-5% p.a. dividend yields, we maintain a BUY.


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### Cutting our TP to Bt12; maintaining BUY

We cut our earnings estimates for SISB by 12-20% for 2026–28F, reflecting higher-than-expected operating costs from its aggressive expansion plans. Our DCF-based 12-month TP (2026F base year) falls to Bt12/share (from Bt15.5). However, we maintain our BUY call on SISB. **First**, despite subdued earnings in 2026-27F, we believe the downside is priced in, with the share price having corrected by 22% from its peak this year and now trading at an 11-12x 2026-28F PEs or 2 standard deviations below its historical average. **Second**, fundamentals remain solid with ROEs of 18-21% in 2026-28F, EBITDA margins of 40-42%, and a net cash position. **Third**, even with Bt2bn of capex in 2026–28F, we expect SISB to be able to maintain its 50% dividend payout ratio, implying decent yields of 4-5% p.a. **Finally**, we expect its earnings to turn around in 2028F, with growth of 7% y-y in 2028F, mainly driven by normalizing expenses from its new, low-cost Rangsit campus.

### Still stagnant student growth

SISB's total student numbers fell 1% y-y last year. While student numbers in the primary and secondary segments grew by 3% y-y, nursery-kindergarten enrolment declined by 10% y-y due to weak economic conditions, intensifying competition, and non-compulsory early childhood education. So far in the current academic year (starting August 2025), the total number of students still declined slightly by 1% from end 2025 to around 4,570. Given a prolonged weak economic outlook and competition, we expect SISB's student numbers to remain flat in 2026F, then recover by 7/4% y-y in 2027-28F, mainly driven by the opening of the new low-cost Rangsit campus.

### Earnings trend

Despite assuming no tuition fee hikes in 2026–28F, we expect average tuition fee growth of 1.5%/1%/-1.5% y-y, driven by a higher proportion of high-grade high-tuition students from the existing campuses but offset by 45% lower fees at the new, low-cost Rangsit campus, due to open in August 2027. However, higher operating costs from the opening of the Pracha Uthit Phase 3 expansion in January 2026 and the new Rangsit campus will likely compress gross margin to 51%/49%/48% in 2026-28F (vs. 53% in 2025 and 51% in 4Q25), leading to earnings declines of 5%/4% y-y in 2026-27F, before a 7% y-y recovery in 2028F.

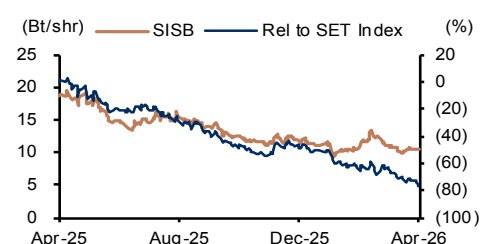
### Low-cost school model a long-term driver

We remain positive on Thailand's structural shift toward international schooling, and we like SISB's new, low-cost model, which offers the same Singapore curriculum at 40-50% lower tuition fees, supported by a leaner cost structure (e.g., ~50% lower capex and ~30% lower teacher costs), enabling comparable profitability to the existing campuses. If proven successful, we believe this model can be replicated in future expansions.

### COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Sales	2,514	2,533	2,651	2,768
Net profit	962	869	833	888
Consensus NP	—	959	979	1,003
Diff frm cons (%)	—	(9.4)	(14.9)	(11.4)
Norm profit	916	869	833	888
Prev. Norm profit	—	982	1,037	1,086
Chg frm prev (%)	—	(11.5)	(19.6)	(18.3)
Norm EPS (Bt)	1.0	0.9	0.9	0.9
Norm EPS grw (%)	3.2	(5.1)	(4.1)	6.6
Norm PE (x)	10.8	11.4	11.8	11.1
EV/EBITDA (x)	7.3	7.9	7.9	7.1
P/BV (x)	2.5	2.3	2.1	1.9
Div yield (%)	4.9	4.4	4.2	4.5
ROE (%)	25.0	20.9	18.3	17.8
Net D/E (%)	(47.8)	(34.9)	(33.2)	(36.6)

### PRICE PERFORMANCE



### COMPANY INFORMATION

Price as of 10-Apr-26 (Bt)	10.50
Market Cap (US\$ m)	307.1
Listed Shares (m shares)	940.0
Free Float (%)	34.7
Avg. Daily Turnover (US\$ m)	1.5
12M Price H/L (Bt)	19.50/9.35
Sector	Professional services
Major Shareholder	Mr. Yew Hook Koh 29%

Sources: Bloomberg, Company data, ttb wealth estimates

**ESG Summary Report ..... P9**

## Cutting our TP to Bt12/share

*Higher-than-expected costs from ongoing expansions...*

*...prompt us to cut our earnings for SISB by 12–20% for 2026-28F*

We cut our earnings estimates for SISB Pcl (SISB TB) by 12-20% for 2026-28F as we make revisions to our following assumptions:

**First**, we revise down our student number assumption by 1% in 2026F to reflect lower-than-expected enrolment in 1Q26. However, we raise it by 2–3% in 2027–28F, driven by the opening of the new low-cost Rangsit campus in August 2027, which is expected to offer more attractive tuition fees (see more details in the next section).

**Second**, we also cut our tuition fee estimates by 0.3–2.8% in 2027–28F to reflect potentially lower-than-expected fees at the Rayong campus.

**Third**, aside from higher-than-expected employee-related costs in 2025, potential expenses from SISB's continued expansion plans lead us to revise our gross margin assumptions down by 4-8ppt to 51%/49%/48% over 2026-28F.

**Fourth**, we also raise our SG&A-to-sales assumption by 1ppt to 20% in 2027F to reflect pre-opening expenses for the Rangsit campus.

As a result, our DCF-based 12-month TP (2026F base year) declines to Bt12/share (from Bt15.5), but we maintain our BUY call on SISB (see more details in the third section).

*Our TP is cut to Bt12, but we maintain our BUY call*

### Ex 1: Key Assumption Changes

	2023	2024	2025	2026F	2027F	2028F
<b>Student numbers (students)</b>						
- New	4,197	4,620	4,594	4,600	4,921	5,133
- Old				4,632	4,841	4,977
- Change (%)				(0.7)	1.7	3.1
<b>Tuition fee hike (Bt/student)</b>						
- New	541,337	566,787	584,875	593,648	599,584	590,591
- Old				595,467	601,422	607,436
- Change (%)				(0.3)	(0.3)	(2.8)
<b>Gross margin (%)</b>						
- New	52.5	54.2	53.1	50.8	48.5	48.0
- Old				55.0	55.6	55.6
- Change (ppt)				(4.2)	(7.1)	(7.6)
<b>SG&amp;A-to-sales ratio (%)</b>						
- New	20.2	18.9	19.1	19.2	20.0	19.0
- Old				19.1	19.0	19.0
- Change (ppt)				0.1	1.0	-
<b>Normalized profit (Bt m)</b>						
- New	654	888	916	869	833	888
- Old				982	1,037	1,086
- Change (%)				(11.5)	(19.6)	(18.3)

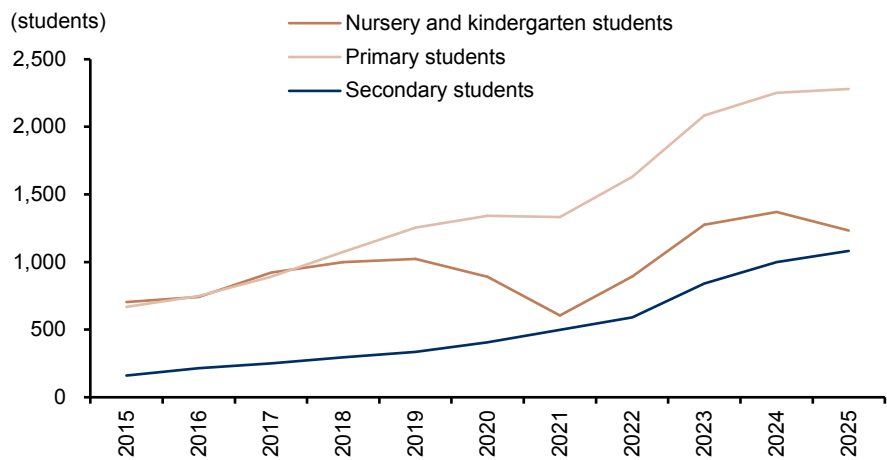
Sources: Company data, ttb wealth estimates

### Despite stagnant student number growth...

*Weak economy and intense rivalry have kept student number growth stagnant*

SISB’s student numbers fell by 1% y-y to 4,594 at the end of 2025. While primary and secondary enrolment still grew by 3% y-y, nursery and kindergarten enrolment declined by 10% y-y due to weaker economic conditions that reduced parents’ purchasing power, intensifying competition, and non-compulsory early childhood education in Thailand. Given a prolonged weak economic outlook and competition intensifying amid a continued increase in international school supply, we assume SISB’s student numbers will grow 0%/7%/4% y-y in 2026-28F. The projected 7%/4% growth in 2027-28F is primarily driven by the planned opening of the new low-cost Rangsit campus in August 2027. We assume it will offer attractive, competitive tuition fees (around 45% lower than existing campuses), supporting an initial intake of 250 students and rising to 400 students by end-2028F.

**Ex 2: SISB’s Student Breakdown By Education Stages**

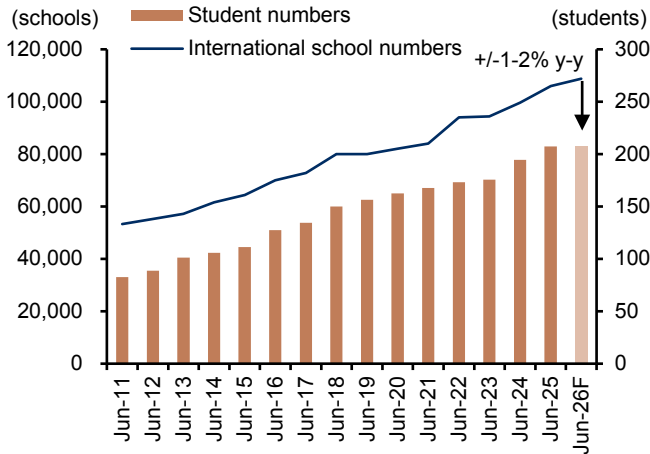


Source: Company data

*We project earnings to fall 5%/4% y-y in 2026-27F before rising 7% in 2028F*

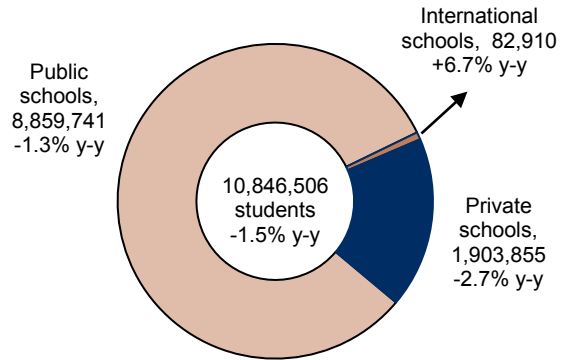
With average tuition fee growth of 1.5%/1%/-1.5% y-y over 2026-28F (driven by a higher proportion of high-grade high-tuition students from the existing campuses but offset by 45% lower fees at the Rangsit campus), higher operating expenses from the opening of the Pracha Uthit Phase 3 expansion in January 2026, and pre-opening expenses for the new Rangsit campus, we estimate SISB’s earnings to fall by 5/4% y-y in 2026-27F before recovering by 7% y-y in 2028F.

**Ex 3: International Students And Schools In Thailand**



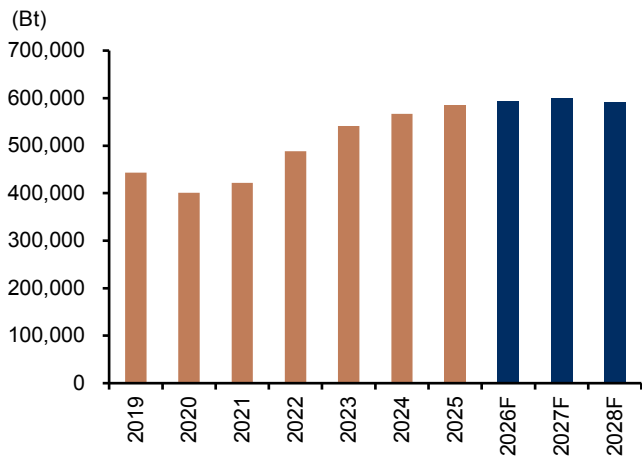
Sources: Office of the Private Education Commission, MOE, Company data

**Ex 4: Thailand's Student Breakdown In 2025**



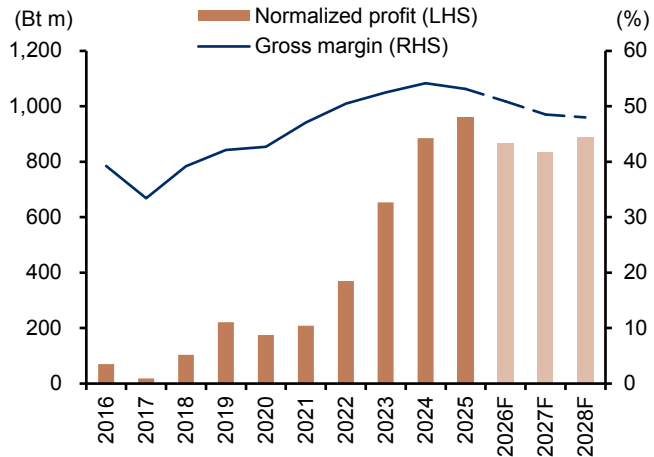
Sources: Office of the Private Education Commission, MOE, Company data

**Ex 5: SISB's Students And Average Tuition Fees**



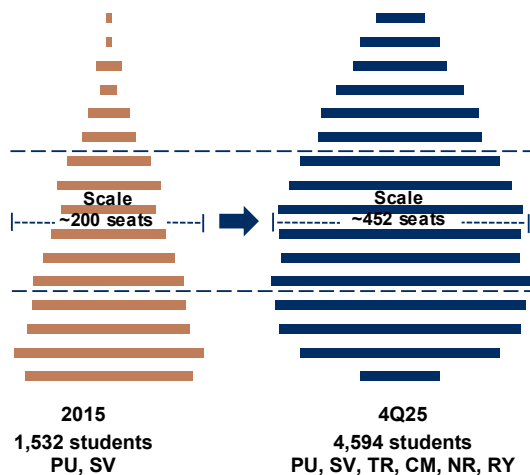
Sources: Company data, ttb wealth estimates

**Ex 6: SISB's Gross Margin And Earnings**



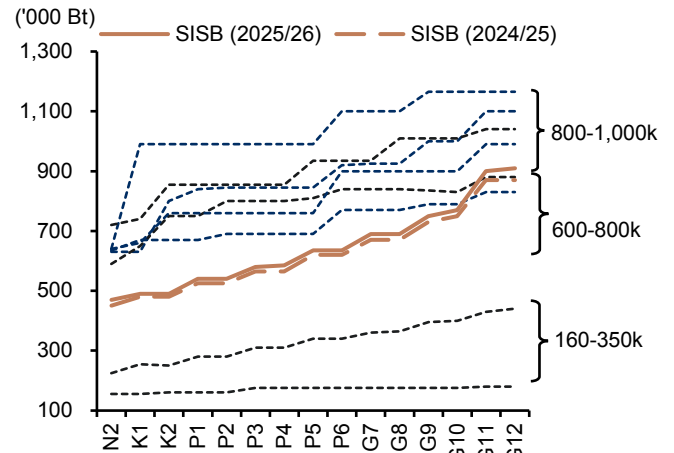
Sources: Company data, ttb wealth estimates

**Ex 7: SISB's Student Distribution**



Source: Company data

**Ex 8: International School Pricing Comparison In 2026**



Source: Company data

**...maintaining our BUY call**

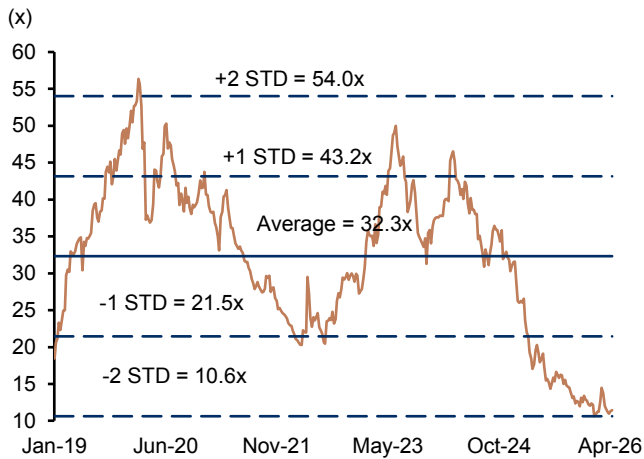
*We maintain our BUY call...*

Despite stagnant student number growth, we maintain our BUY call on SISB as:

*...as its 22% share price correction looks to have priced in the bad news...*

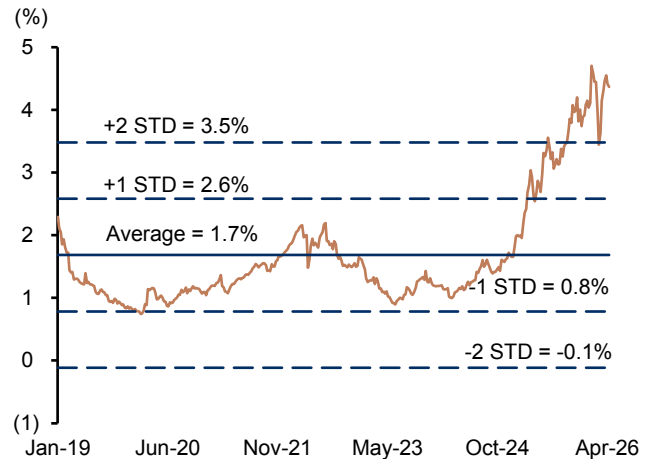
**First**, its 22% share price correction from its peak this year appears to have priced in the negative news. The stock now trades at 11-12x PE multiples for 2026-28F, or 2 standard deviations below its historical average.

**Ex 9: SISB's PE Standard Deviation**



Sources: Bloomberg, ttb wealth estimates

**Ex 10: SISB's Dividend Yield Standard Deviation**



Sources: Bloomberg, ttb wealth estimates

*...profitability remains high...*

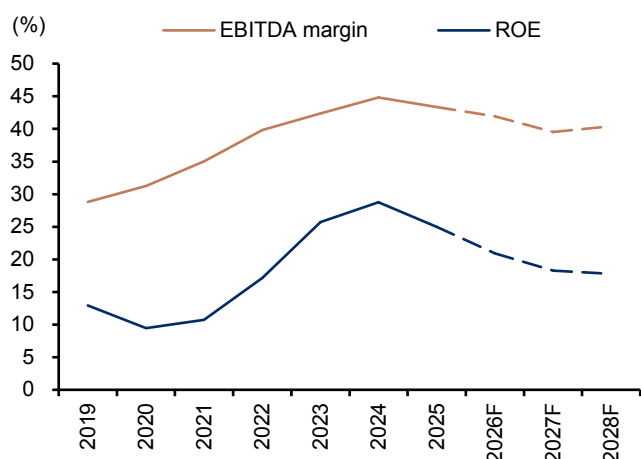
**Second**, its profitability remains high, with ROEs of 18-21% in 2026–28F and EBITDA margins of 40-42%. SISB's balance sheet is also solid, with a net cash position.

*...dividend yield is at 4-5% p.a., and...*

**Third**, despite assuming Bt2bn in capex in 2026-28F, we still expect SISB to be able to maintain its 50% dividend payout ratio, implying decent yields of 4-5% p.a. in 2026-28F.

*...we see potential upside from its low-cost school model*

**Fourth**, we see SISB's low-cost school model acting as a new growth driver. The low-cost Rangsit campus is under construction and scheduled to open in August 2027. We believe the launch comes at the right time amid the weak economy. The campus targets the larger middle-income segment with 35% lower tuition fees than those at its existing campuses, while maintaining similar profitability, given 50% lower capex, 30% lower teacher salaries, and a higher teacher-to-student ratio.

**Ex 11: SISB's EBITDA Margin And ROE**

Sources: Company data, ttb wealth estimates

**Ex 12: T SISB's Low-cost School Model**

Cost-effective facilities and equipment management



New teaching staff salary structure  
(Target: 30% less than that of SISB schools)



Implementation of online teaching services via the pooling of resources



Potential to increase the teacher-to-student ratio of 1:10 (compared to SISB schools' 1:7)

Source: Company data

**Ex 13: 12-month DCF-based TP Calculation Using A Base Year Of 2026F**

(Bt m)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	Terminal value
EBITDA	1,062	1,048	1,118	1,191	1,227	1,281	1,313	1,340	1,366	1,392	1,417	—
Free cash flow	160	341	608	677	865	917	949	977	1,003	1,028	1,054	13,756
PV of free cash flow	160	281	455	461	535	515	484	452	422	393	365	4,333
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	1.0											
WACC (%)	10.1											
Terminal growth (%)	2.0											
Enterprise value - add investments	9,200											
Net debt (2025)	(1,886)											
Minority interest	0											
Equity value	11,086											
# of shares (m)	940											
<b>Target price/share (Bt)</b>	<b>12</b>											

Sources: Company data, ttb wealth estimates

## Valuation Comparison

### Ex 14: Valuation Comparison With Regional Peers

Name	BBG code	Country	—EPS growth—		— PE —		— P/BV —		EV/EBITDA		— Div yield —	
			26F (%)	27F (%)	26F (x)	27F (x)	26F (x)	27F (x)	26F (x)	27F (x)	26F (%)	27F (%)
China East Education	667 HK	Hong Kong	25.8	19.2	10.6	8.9	1.6	1.5	4.2	3.7	5.8	7.1
China New Higher Edu.	2001 HK	Hong Kong	(7.0)	8.2	1.6	1.4	0.2	0.2	2.2	2.5	na	na
Edvantage Group	382 HK	Hong Kong	3.4	9.6	2.4	2.2	0.3	0.3	1.7	1.8	12.8	13.6
SISB Pcl	SISB TB	Thailand	(5.1)	(4.1)	11.4	11.8	2.3	2.1	7.9	7.9	4.4	4.2
<b>Average</b>			<b>4.3</b>	<b>8.2</b>	<b>6.5</b>	<b>6.1</b>	<b>1.1</b>	<b>1.0</b>	<b>4.0</b>	<b>4.0</b>	<b>7.7</b>	<b>8.3</b>

Source: Bloomberg

Note: \* ttb wealth estimates, using ttb wealth normalized EPS

Based on 10 April 2026 closing prices

## COMPANY DESCRIPTION

SISB Public Company Limited (SISB) provides educational services in Thailand. It adopts the Singapore curriculum, with strengths in math and sciences at the primary level and the British curriculum at the secondary level, taught in English, Chinese, and Thai. With six campuses in Bangkok and upcountry areas and over 4,000 students, SISB is the biggest school group in Thailand.

Source: ttb wealth

## COMPANY RATING



Source: ttb wealth; \*CG Rating

### Rating Scale

<b>Excellent</b>	<b>5</b>
<b>Good</b>	<b>4</b>
<b>Fair</b>	<b>3</b>
<b>Weak</b>	<b>2</b>
<b>Very Weak</b>	<b>1</b>
<b>None</b>	<b>0</b>

## TTB WEALTH'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 six campuses are located on leased land, so there is a risk pertaining to lease contract extensions.
- Teachers are 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	ttb wealth	Diff
<b>Target price (Bt)</b>	13.66	12.00	-12%
<b>Net profit 26F (Bt m)</b>	959	869	-9%
<b>Net profit 27F (Bt m)</b>	979	833	-15%
<b>Consensus REC</b>	<b>BUY: 5</b>	<b>HOLD: 5</b>	<b>SELL: 0</b>

## HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2026-27F earnings are 9-15% lower than the Bloomberg consensus numbers, which we attribute to us having more conservative assumptions for gross margin and student numbers.
- Our DCF-based TP is 12% lower than the Street's, likely due to us having lower earnings forecasts.

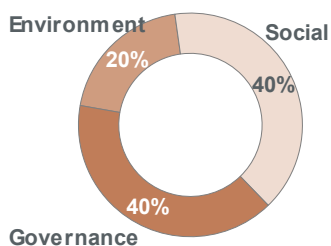
Sources: Bloomberg consensus, ttb wealth estimates

## RISKS TO OUR INVESTMENT CASE

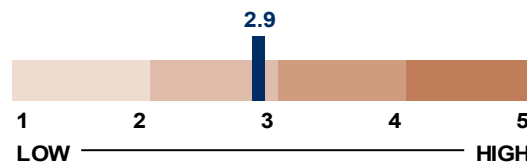
- A weak economic situation in Thailand would represent the key downside risk to our student enrolment and tuition fee growth assumptions.
- A continuation of the COVID-19 crisis would represent a secondary downside risk to our student enrolment and tuition fee growth assumptions.
- If the company is unable to 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: ttb wealth

ESG Weighting



ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	ttb wealth ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
SISB	-	-	-	2.94	0	-	3.0

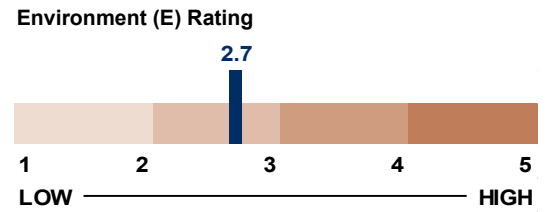
Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI) MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)  
 Note: Please see third party on "terms of use" toward the back of this report.

ESG Summary

- SISB runs the biggest international school business in Thailand. It has six campuses in Greater Bangkok and Chiangmai and more than 4,500 students. Its market position is in the second-tier tuition level, targeting the mid- to high-income family segment.
- We assign SISB a moderate ESG score of 2.9, with Social and Governance receiving the highest scores, followed by Environmental. Thus, it isn't a strong ESG play in our view, given its overall moderate score and weak prospects for an improving trend.
- We assign SISB a decent Social (S) score of 3.0, reflecting good progress in human rights, labor standards, occupational health and safety, product quality, and social development, supported by a safe environment and adherence to international education standards.
- Its Governance (G) score is also decent at 3.0. Its business model is solid with the strategies of targeting mid-to-high income families whose demand for international schools is growing, affordable price points, outer Bangkok locations, and its Singaporean-British curriculums. However, aggressive expansion amid a weak economy may dilute returns, while the board structure remains suboptimal.
- Its Environmental (E) score is moderate at 2.7. While GHG emissions are low, environmental practices remain at a standard level with limited quantitative targets and advanced initiatives.



We assign SISB a moderate Environmental (E) score of 2.7, reflecting its relatively low GHG emissions and compliance with applicable laws and regulations. However, there remains significant room for improvement to reach best-practice standards.

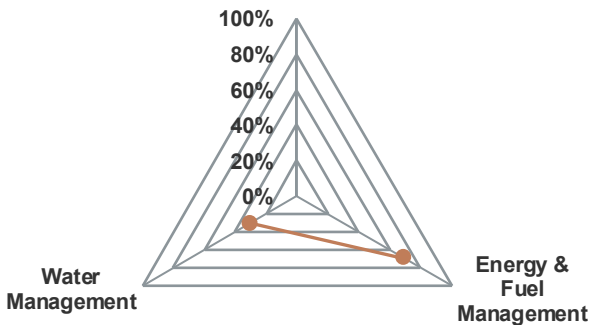


**ENVIRONMENT** **Our Comments**

- Energy & Fuel Management
- Water Management

- We assign a moderate E score of 2.7 to SISB. Even though its business inherently releases only small amounts of greenhouse gases (GHG), its environmental management practices are currently at a standard level rather than best practice, while remaining compliant with relevant regulatory frameworks.
- In 2024, SISB formalized its approach to environmental management and sustainability through the establishment of its Energy Management and Environmental Stewardship Policy as a practice guideline for all management, employees, and its stakeholders including suppliers, contractors and joint ventures, etc. The policy ensures that its business operations meet and comply with the laws and regulations and stakeholders' expectations.
- Key targets under this policy include 1) communicating its sustainability and environmental policies to both internal and external stakeholders, 2) collecting energy consumption and GHG emissions data and establishing a baseline, 3) Reducing Scope 1 and Scope 2 GHG emissions per average student numbers from base year 2023 by 15% in 2028, and 4) Installing rooftop solar systems across its campuses.
- In 2024, GHG emissions per average student were 1.05 tCO<sub>2</sub>e, representing a decline of 0.11 tCO<sub>2</sub>e, or 9.5%, from 1.16 tCO<sub>2</sub>e in 2023. However, in absolute terms, total emissions increased by 323 tCO<sub>2</sub>e, or 7.4% y-y, compared to the previous year.
- SISB utilizes an Automatic Building Management System (BMS) to control lighting and air conditioning, enhancing energy efficiency by automatically switching off systems when not in use across its school buildings. Currently, five out of six campuses have adopted this system. It has also installed rooftop solar systems to harness renewable energy and reduce reliance on grid electricity. However, due to ongoing business expansion, total electricity consumption increased to 8.6m kilowatt-hours in 2024, up 17% y-y.
- SISB is in the process of collecting water consumption data and establishing annual water efficiency plans. Its primary water sources are the Metropolitan Waterworks Authority (MWA) and the Provincial Waterworks Authority (PWA). In 2024, total water consumption reached 98,025 cubic meters, representing an increase of 10,522 cubic meters, or 12%, compared to the previous year.

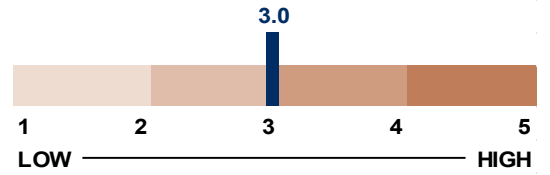
**SCALE WEIGHTING**



Sources: ttb wealth, Company data

We assign SISB a decent S score of 3.0, reflecting its high-quality curriculum aligned with international standards, good health and safety practices that ensure a secure learning and working environment, effective workforce management, and ongoing social development initiatives.

Social (S) Rating



**SOCIAL** **Our Comments**

- Customer Welfare
- Data Security & Customer Privacy
- Diversity & Inclusion
- Human Rights & Community Relations
- Operational Risk Management
- Product Quality & Safety
- Recruitment, Development & Retention

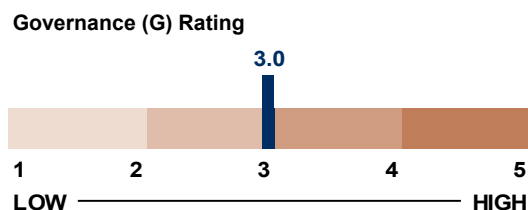
- We assign a decent Social (S) score of 3.0 to SISB due to good progress in areas of human rights, employment and labor standards, occupational health and safety, product quality, and social development.
- It has a human rights management approach that aligns with Sustainability Management Policy (Social dimension) by adhering to and complying with international human rights principles in accordance with Thai Labor Standards Social Responsibility of Thai Business (MRT. 8001-1990) of the Ministry of Labor and the United Nations Guiding Principles on Business and Human Rights ("UNGPs"). It also strictly adheres to child protection and well-being standards under the CIS International Accreditation framework and aligns with the 2021 Expectations for School Communities set by the International Taskforce on Child Protection (ITFCP). In 2024, SISB reported zero complaints related to human rights or discrimination, and no cases of child abuse.
- To ensure strict adherence to labor rights and employment regulations, SISB continues to fully comply with local laws and the International Labor Organization (ILO) standards. The company is committed to maintaining a safe and supportive working environment for employees, teachers, and students by conducting regular security and safety checks, providing safety guidance, and ensuring that work systems and school facilities are adequate and fit for use. In addition, SISB offers employee development programs to enhance knowledge and skills, with average training hours per employee reaching 19 hours in 2024.
- SISB has supported the development of communities and society through the implementation of various social and public benefit initiatives. Key programs include the SISB Corporate Social Responsibility - English Learning (CSR-EL) project, the We Give We Share project, contributions to the Bangkok Community Help Foundation, scholarship programs, and financial support for provincial schools' infrastructure improvements.

**SCALE WEIGHTING**



Sources: ttb wealth, Company data

We also assign SISB a decent G score of 3.0, reflecting its strong business model as Thailand's largest international school, with a solid strategy and a strong balance sheet, despite the risk that aggressive expansion may dilute returns.



**GOVERNANCE & SUSTAINABILITY** **Our Comments**

- **Audit committee**
- **Board Structure**
- **Business Model and Innovation**
- **Ethics & Compliance**
- **Leadership and Governance**
- **Remuneration**
- **Risk Committee**

- We also assign SISB a decent G score of 3.0. We view its business operation and innovation as decent. But that is weighed down by our concerns about its board structure and aggressive expansion plans.
- SISB's business model is solid in our view. It is the largest international school in Thailand with the strategies of targeting mid-to-high income new-generation families whose demand for international schools for their kids is growing, affordable price points, outer Bangkok locations where new-generation families live but are still short of international schools, and its Singaporean-British curriculums taught in English, Chinese and Thai.
- However, we are concerned about management's continued aggressive expansion amid a weak economic environment and intensifying competition, which may result in longer-than-normal payback periods for new campuses and delay returns on investment.
- In our view, SISB's board structure is good but not optimal. While the board chair is independent, five of the eight-member board of directors (BOD) are independent, which is slightly below the ideal two-thirds threshold typically recommended to ensure effective oversight and protection of minority shareholder interests. Gender diversity is also limited, with only two female directors on the board.
- On the positive side, SISB's audit and nomination & remuneration committees are fully independent, although the chair of the corporate governance and sustainability committee is not.

**SCALE WEIGHTING**



Sources: ttb wealth, Company data

## INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Sales	2,353	2,514	2,533	2,651	2,768
Cost of sales	1,078	1,179	1,244	1,366	1,440
<b>Gross profit</b>	<b>1,275</b>	<b>1,335</b>	<b>1,288</b>	<b>1,285</b>	<b>1,328</b>
% gross margin	54.2%	53.1%	50.9%	48.5%	48.0%
Selling & administration expenses	444	481	486	530	526
<b>Operating profit</b>	<b>830</b>	<b>854</b>	<b>802</b>	<b>755</b>	<b>802</b>
% operating margin	35.3%	34.0%	31.7%	28.5%	29.0%
Depreciation & amortization	225	236	260	293	316
<b>EBITDA</b>	<b>1,055</b>	<b>1,090</b>	<b>1,062</b>	<b>1,048</b>	<b>1,118</b>
% EBITDA margin	44.8%	43.4%	41.9%	39.5%	40.4%
Non-operating income	64	68	68	72	75
Non-operating expenses	0	0	0	0	0
Interest expense	(30)	(35)	(35)	(31)	(32)
<b>Pre-tax profit</b>	<b>864</b>	<b>887</b>	<b>835</b>	<b>795</b>	<b>845</b>
Income tax	9	11	10	10	10
<b>After-tax profit</b>	<b>855</b>	<b>876</b>	<b>825</b>	<b>785</b>	<b>835</b>
% net margin	36.3%	34.9%	32.6%	29.6%	30.2%
Shares in affiliates' Earnings	32	40	44	48	53
Minority interests	0	0	0	0	0
Extraordinary items	(2)	46	0	0	0
<b>NET PROFIT</b>	<b>885</b>	<b>962</b>	<b>869</b>	<b>833</b>	<b>888</b>
<b>Normalized profit</b>	<b>888</b>	<b>916</b>	<b>869</b>	<b>833</b>	<b>888</b>
EPS (Bt)	0.9	1.0	0.9	0.9	0.9
Normalized EPS (Bt)	0.9	1.0	0.9	0.9	0.9

*Stagnant student number growth and rising costs...*

*...to pressure its earnings in 2026-27F before recovering in 2028F*

## BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
<b>ASSETS:</b>					
Current assets:	1,744	2,260	1,907	1,981	2,320
Cash & cash equivalent	1,576	2,091	1,730	1,795	2,125
Account receivables	134	131	139	145	152
Inventories	17	15	16	17	18
Others	17	22	23	24	25
Investments & loans	73	70	70	70	70
Net fixed assets	3,211	3,383	3,993	4,400	4,584
Other assets	460	452	454	461	467
<b>Total assets</b>	<b>5,488</b>	<b>6,165</b>	<b>6,424</b>	<b>6,912</b>	<b>7,441</b>
<b>LIABILITIES:</b>					
Current liabilities:	1,187	1,284	1,277	1,339	1,396
Account payables	66	116	102	112	118
Bank overdraft & ST loans	0	0	0	0	0
Current LT debt	44	63	64	65	64
Others current liabilities	1,076	1,105	1,111	1,162	1,214
<b>Total LT debt</b>	<b>143</b>	<b>143</b>	<b>146</b>	<b>147</b>	<b>146</b>
Others LT liabilities	776	790	641	657	673
<b>Total liabilities</b>	<b>2,106</b>	<b>2,217</b>	<b>2,064</b>	<b>2,143</b>	<b>2,215</b>
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
<b>Retained earnings</b>	<b>1,784</b>	<b>2,351</b>	<b>2,763</b>	<b>3,171</b>	<b>3,628</b>
Shareholders' equity	3,382	3,949	4,361	4,769	5,226
<b>Liabilities &amp; equity</b>	<b>5,488</b>	<b>6,165</b>	<b>6,424</b>	<b>6,912</b>	<b>7,441</b>

*Balance sheet still looks solid, and we expect it to keep a net cash position*

Sources: Company data, ttb wealth estimates

**CASH FLOW STATEMENT**

*We factor in Bt2bn of capex in 2026-28F for its expansion plans*

<b>FY ending Dec (Bt m)</b>	<b>2024A</b>	<b>2025A</b>	<b>2026F</b>	<b>2027F</b>	<b>2028F</b>
Earnings before tax	864	887	835	795	845
Tax paid	(6)	(12)	(9)	(10)	(10)
Depreciation & amortization	225	236	260	293	316
Chg In working capital	(9)	55	(22)	2	(1)
Chg In other CA & CL / minorities	177	99	49	98	103
<b>Cash flow from operations</b>	<b>1,250</b>	<b>1,265</b>	<b>1,113</b>	<b>1,179</b>	<b>1,253</b>
Capex	(503)	(408)	(870)	(700)	(500)
Right of use	(90)	(6)	(5)	(5)	(5)
ST loans & investments	0	0	0	0	0
LT loans & investments	(12)	3	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	78	38	(146)	14	14
<b>Cash flow from investments</b>	<b>(527)</b>	<b>(373)</b>	<b>(1,021)</b>	<b>(691)</b>	<b>(491)</b>
Debt financing	31	18	4	2	(2)
Capital increase	0	0	0	0	0
Dividends paid	(291)	(395)	(457)	(426)	(430)
Warrants & other surplus	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(260)</b>	<b>(377)</b>	<b>(453)</b>	<b>(423)</b>	<b>(433)</b>
<b>Free cash flow</b>	<b>723</b>	<b>892</b>	<b>92</b>	<b>488</b>	<b>763</b>

**VALUATION**

*Share price de-rating looks overdone, and its valuation is now attractive, in our view*

<b>FY ending Dec</b>	<b>2024A</b>	<b>2025A</b>	<b>2026F</b>	<b>2027F</b>	<b>2028F</b>
Normalized PE (x)	11.12	10.8	11.4	11.8	11.1
Normalized PE - at target price (x)	12.71	12.3	13.0	13.5	12.7
PE (x)	11.15	10.3	11.4	11.8	11.1
PE - at target price (x)	12.74	11.7	13.0	13.5	12.7
EV/EBITDA (x)	8.0	7.3	7.9	7.9	7.1
EV/EBITDA - at target price (x)	9.4	8.6	9.2	9.3	8.4
P/BV (x)	2.9	2.5	2.3	2.1	1.9
P/BV - at target price (x)	3.3	2.9	2.6	2.4	2.2
P/CFO (x)	7.9	7.8	8.9	8.4	7.9
Price/sales (x)	4.2	3.9	3.9	3.7	3.6
Dividend yield (%)	4.0	4.9	4.4	4.2	4.5
FCF Yield (%)	7.3	9.0	0.9	4.9	7.7
<b>(Bt)</b>					
Normalized EPS	0.9	1.0	0.9	0.9	0.9
EPS	0.9	1.0	0.9	0.9	0.9
DPS	0.4	0.5	0.5	0.4	0.5
BV/share	3.6	4.2	4.6	5.1	5.6
CFO/share	1.3	1.3	1.2	1.3	1.3
FCF/share	0.8	0.9	0.1	0.5	0.8

Sources: Company data, ttb wealth estimates

**FINANCIAL RATIOS**

<b>FY ending Dec</b>	<b>2024A</b>	<b>2025A</b>	<b>2026F</b>	<b>2027F</b>	<b>2028F</b>
<b>Growth Rate</b>					
Sales (%)	24.5	6.8	0.8	4.7	4.4
Net profit (%)	35.4	8.7	(9.7)	(4.1)	6.6
EPS (%)	35.4	8.7	(9.7)	(4.1)	6.6
Normalized profit (%)	35.8	3.2	(5.1)	(4.1)	6.6
Normalized EPS (%)	35.8	3.2	(5.1)	(4.1)	6.6
Dividend payout ratio (%)	44.6	49.8	50.0	50.0	50.0
<b>Operating performance</b>					
Gross margin (%)	54.2	53.1	50.9	48.5	48.0
Operating margin (%)	35.3	34.0	31.7	28.5	29.0
EBITDA margin (%)	44.8	43.4	41.9	39.5	40.4
Net margin (%)	36.3	34.9	32.6	29.6	30.2
D/E (incl. minor) (x)	0.1	0.1	0.0	0.0	0.0
Net D/E (incl. minor) (x)	(0.4)	(0.5)	(0.3)	(0.3)	(0.4)
Interest coverage - EBIT (x)	27.7	24.6	22.9	24.0	25.3
Interest coverage - EBITDA (x)	35.2	31.4	30.3	33.3	35.2
ROA - using norm profit (%)	17.5	15.7	13.8	12.5	12.4
ROE - using norm profit (%)	28.8	25.0	20.9	18.3	17.8
<b>DuPont</b>					
ROE - using after tax profit (%)	27.7	23.9	19.9	17.2	16.7
- asset turnover (x)	0.5	0.4	0.4	0.4	0.4
- operating margin (%)	38.0	36.7	34.4	31.2	31.7
- leverage (x)	1.6	1.6	1.5	1.5	1.4
- interest burden (%)	96.6	96.2	96.0	96.2	96.4
- tax burden (%)	99.0	98.8	98.8	98.8	98.8
WACC (%)	10.1	10.1	10.1	10.1	10.1
ROIC (%)	44.9	42.3	38.4	26.3	24.9
NOPAT (Bt m)	822	844	792	746	793
invested capital (Bt m)	1,993	2,063	2,840	3,186	3,311

Sources: Company data, ttb wealth estimates

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90-100		Excellent
80-89		Very Good
70-79		Good
60-69		Satisfactory
50-59		Pass
Below		N/A

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