SISB Pcl (SISB TB) - BUY, Price Bt9.65, TP Bt12.00

Results Comment

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2Q26 weak, slightly below forecast

- SISB posted a 2Q26 normalized profit of Bt196m, down 12% y-y and 9% q-q, slightly below our expectations. The y-y decline was mainly driven by lower student numbers and higher employee expenses. Including a Bt5m gain from sales and fair-value adjustments of financial assets, reported net profit was Bt200m in 2Q26.
- 1H26 earnings account for 47% of our full-year forecast. We expect the weak economy to continue weighing on student growth, with our forecast already assuming flat student numbers and no tuition fee increase this year.
- Despite near-term pressure, we believe SISB's fundamentals remain solid, supported by a 40% EBITDA margin, 20% ROE, net cash position, and 4-5% expected dividend yield. The sharp share price decline also appears to have priced in the bad news, with the stock trading at 10-11x 2026-27F PEs.
- SISB's 2Q26 revenue grew 2% y-y, as a 3% y-y increase in tuition fees was partly offset by a 1% y-y decline in student numbers (4,587 in 2Q26 vs. 4,653 in 2Q25).
- Its cost of goods sold rose 9% y-y in 2Q26, mainly due to higher teaching staff and depreciation expenses, driving gross margin down to 52% from 55% in 2Q25.
- SG&A expenses also rose 9% y-y, mainly due to higher non-teaching staff numbers and remuneration.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	2Q25	3Q25	4Q25	1Q26	2Q26
Revenue	611	627	651	626	624
Gross profit	**334**	**329**	**330**	**321**	**322**
SG&A	128	105	126	125	139
Operating profit	206	224	204	197	183
EBITDA	**264**	**283**	**264**	**261**	**248**
Other income	18	17	16	14	13
Other expense	0	0	0	0	0
Interest expense	10	8	8	8	8
Profit before tax	**214**	**232**	**212**	**203**	**188**
Income tax	0	5	3	(0)	3
Equity & invest. income	9	10	11	11	11
Minority interests	0	0	0	0	0
Extraordinary items	1	41	3	2	5
Net profit	**224**	**278**	**223**	**216**	**200**
Normalized profit	**222**	**237**	**219**	**214**	**196**
EPS (Bt)	0.24	0.30	0.24	0.23	0.21
Normalized EPS (Bt)	0.24	0.25	0.23	0.23	0.21

Income Statement			6M as		
(Bt m)	q-q%	y-y%	% 2026F	2026F	2027F
Revenue	(0)	2	49	2,533	2,651
Gross profit	**0**	**(4)**	**50**	**1,288**	**1,285**
SG&A	11	9	54	486	530
Operating profit	(7)	(11)	47	802	755
EBITDA	**(5)**	**(6)**	**48**	**1,062**	**1,048**
Other income	(6)	(24)	41	68	72
Other expense			na	0	0
Interest expense	4	(17)	47	35	31
Profit before tax	**(8)**	**(12)**	**47**	**835**	**795**
Income tax	na	525	24	10	10
Equity & invest. income	2	16	49	44	48
Minority interests					
Extraordinary items	173	243	na	0	0
Net profit	**(7)**	**(10)**	**48**	**869**	**833**
Normalized profit	**(9)**	**(12)**	**47**	**869**	**833**
EPS (Bt)	(7)	(10)	48	0.92	0.89
Normalized EPS (Bt)	(9)	(12)	47	0.92	0.89

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	2Q25	3Q25	4Q25	1Q26	2Q26
Cash & ST investment	2,118	2,091	2,091	1,733	1,872
A/C receivable	280	36	131	184	270
Inventory	15	16	15	13	13
Other current assets	24	25	22	19	19
Investment	50	59	70	42	52
Fixed assets	3,234	3,276	3,383	3,872	3,925
Other assets	477	461	452	451	449
Total assets	**6,198**	**5,964**	**6,165**	**6,315**	**6,600**
S-T debt	1,490	1,156	1,137	1,072	1,518
A/C payable	121	105	116	117	138
Other current liabilities	85	32	30	35	33
L-T debt	151	142	143	145	145
Other liabilities	902	803	790	781	885
Minority interest	0	0	0	0	0
Shareholders' equity	**3,448**	**3,726**	**3,949**	**4,164**	**3,881**
Working capital	174	(53)	30	81	145
Total debt	1,641	1,298	1,280	1,216	1,664
Net debt	**(477)**	**(793)**	**(811)**	**(516)**	**(208)**

Financial Ratios					
(%)	2Q25	3Q25	4Q25	1Q26	2Q26
Sales growth	9.3	5.3	2.1	0.3	2.1
Operating profit growth	4.5	9.8	(11.7)	(10.9)	(11.3)
EBITDA growth	5.2	8.8	(8.6)	(6.3)	(6.1)
Norm profit growth	6.0	7.9	(11.1)	(10.0)	(12.0)
Norm EPS growth	6.0	7.9	(11.1)	(10.0)	(12.0)
Gross margin	54.6	52.4	50.8	51.3	51.6
Operating margin	33.7	35.6	31.4	31.4	29.3
EBITDA margin	43.3	45.2	40.6	41.6	39.8
Norm net margin	36.4	37.7	33.7	34.2	31.4
D/E (x)	0.5	0.3	0.3	0.3	0.4
Net D/E (x)	(0.1)	(0.2)	(0.2)	(0.1)	(0.1)
Interest coverage (x)	26.1	33.5	33.1	32.2	29.4
Interest rate	2.9	2.3	2.5	2.6	2.3
Effective tax rate	0.2	2.2	1.5	(0.2)	1.6
ROA	14.9	15.6	14.5	13.7	12.1
ROE	25.2	26.4	22.9	21.1	19.4

Sources: Company data, ttb wealth estimates

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