

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

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**News Update****Additional assistance measures to help parents are expected**

- It already announced no tuition fee increase in the year 2021/22.
  - We expect SISB to announce additional assistance measures.
  - 5-20% discount on tuition fee will cause it to lose Bt30m revenue.
  - Looking beyond these hiccups, its fundamental is still solid.
- To ease the Covid-19's financial impacts on families, the cabinet has approved additional Bt23bn relief packages. This fund will be focused on education-related assistance including Bt2,000/child to help finance school fees and some subsidies to be granted to schools to cut or keep tuition fees at 2020 levels.
  - These assistance measures will not have any positive/negative impacts on SISB. However, it has already been hit by the closures of its campuses for online study since mid-April 2021, causing a loss in food and after-school-activity revenue. It has also announced no increase in tuition fees for the next academic year (August 2021 – June 2022).
  - To keep number of students (2,628 students in 1Q21 and 2,600 in 2Q21), we expect additional measures from SISB, such as a discount on tuition fees, to help the parents. Last year, it offered 5-20% discount on tuition fees for Term 3 (April-June 2020), causing it to lose revenue by around Bt30m. If we assume the same measure to be applied in Term 1 (August-December 2021), There will be a downside risk to our earnings forecast of Bt224m this year by around 10-15%.
  - Based on our assumption that the Covid-19 situations will get better late this year and the government will allow the schools to reopen again in January 2022, we maintain our earnings forecast of Bt310m in 2022F and our 2022F-based-year TP of Bt12.
  - SISB's long-term fundamental is still solid in our view and we still like its growth strategy via expansions into communities, market share gain from normal private schools and strong financial status. Profitability is also high at over 30% EBITDA margin. Thus, we maintain our BUY rating on SISB.

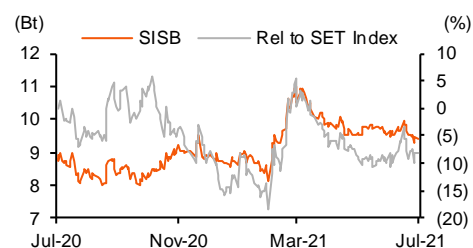
**Key Valuations**

Y/E Dec (Bt m)	2020	2021F	2022F	2023F
Revenue	1,048	1,122	1,378	1,543
Net profit	160	224	310	375
Norm net profit	175	224	310	375
Norm EPS (Bt)	0.2	0.2	0.3	0.4
Norm EPS gr (%)	(20.7)	28.0	38.5	20.8
Norm PE (x)	50.4	39.4	28.5	23.6
EV/EBITDA (x)	27.0	22.4	17.5	14.9
P/BV (x)	4.7	4.4	4.0	3.6
Div. yield (%)	0.8	1.1	1.6	1.9
ROE (%)	9.5	11.5	14.7	16.2
Net D/E (%)	(49.6)	(40.3)	(40.3)	(47.6)

Source: Thanachart estimates

**Stock Data**

Closing price (Bt)	9.40
Target price (Bt)	12.00
Market cap (US\$ m)	268.0
Avg daily turnover (US\$ m)	0.3
12M H/L price (Bt)	11.00/8.00

**Price Performance**

Source: Bloomberg

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