

## SE-EDUCATION PUBLIC COMPANY LIMITED

### And its subsidiaries

### Management Discussion and Analysis

### Performance Report As of March 31, 2025

#### Overview

For the first quarter of 2025, the Thai economy was expected to recover at a slower pace than the previous quarter, although exports and labor had only slightly improved due to the acceleration of exports to reduce risks from uncertainty of US import tariffs, and private consumption had slowed down. It was expected that the Thai economy will grow lower than expected. In addition, at the end of March, an earthquake occurred in Myanmar, affecting some areas of Thailand in Bangkok, which affected sales at the National Book Week.

However, the Company had adjusted itself to be more in line with the current situation by pushing for a higher proportion of products with high gross profit margins, especially self-produced products and imported products. In addition, it had also more efficiently controlled branch-related expenses, rent, and employee compensation, including closing unprofitable branches.

- **Branch Closing** The Company closed 6 unprofitable branches, allowing the Company to control expenses more efficiently. The Company recently had 194 branches that are still in operation as of March 31, 2025.

However, revenue from the wholesale business group increased by 10% from the customer group that is an educational institution, compared to the previous year. The company has broadened its customer base to include new clients, particularly private school groups, through initiatives such as teacher training programs aimed at aligning English language skills in Thai education curriculum with international standards. Consequently, both the Book and Digital Product groups have continued to grow as projected.

In addition, the Company was improving its online channels to be more convenient and faster to facilitate the changes of customer behavior which tended to shop online more. The Company structure had been revised to increase efficiency, reduce costs, and generate new sources of income. The Company also attached great importance to new digital businesses. Currently, the Company was under products & services development with collaboration from alliances specialized in education, content providers, and international technology leaders in order to strengthen and maintain its premier position in book industry and the greatest book store chain store of Thailand. This would embark a new era of learning centers on online and offline platforms.

**SE-ED's Loss  
In Q1'2025 is  
THB 8.99  
million.**

For the first quarter of 2025, the Company had a net loss according to the consolidated financial statements of THB 8.99 million, an increase in losses of 11.96 million baht or 402.70%, resulting from a net loss according to the separate financial statements of THB 12.20 million, an increase in losses of THB 17.48 million or 331.47%, due to a decrease in retail business revenue of 13.4%, following consumer behavior that has shifted to online shopping more, with consumers receiving discounts from each platform that uses competitive pricing strategies. Last year, the Company received dividends from subsidiaries of THB 5.80 million, and the cost of imported goods also increased due to fluctuating foreign exchange rates. However, the Company was still able to increase sales from wholesale channels by 10% from the previous year and grew in online channels by more than 37% from the previous year.

The summary of key performance results was as follows:

- **Total income** according to the consolidated financial statements was THB 518.09 million, decreased by THB 6.61 million or 1.26% with income from sales according to the separate financial statements of the company decreasing by 2.10%. Last year, the Company received dividends from subsidiaries of THB 5.80 million, while this year, the Company will receive dividends in April.
- **Selling and administrative expenses** were THB 177.58 million, an increase of THB 2.24 million or 1.28%. This was because the Company was able to negotiate with foreign partners to return obsolete products for THB 7.8 million last year and recognized unrealized losses from exchange rates due to the fluctuation of the baht.
- **Financial expenses** were THB 6.35 million, increased by THB 0.48 million in with a increase of the principal burden.

**Table 1 : Operation results for the three-month period ended 31 March of 2025 and 2024**

(Unit : Million Baht)

	Consolidated financial statement			
	Q1'2025	Q1'2024	Increase (decreas)	%
Revenue from sales of goods	509.30	514.60	(5.30)	-1.03%
Cost of sales	339.55	335.70	3.85	1.15%
Gross profit	169.75	178.90	(9.15)	-5.11%
<b>Gross profit margin</b>	<b>33.33%</b>	<b>34.77%</b>		<b>-1.44%</b>
<b>EBITDA</b>	<b>23.59</b>	<b>26.66</b>	<b>(3.07)</b>	<b>-11.52%</b>
<b>Profit (loss) attributable to</b>				
Equity holders of the Company	(8.99)	2.97	11.96	402.69%
Net earnings per share (Unit : Baht)	(0.023)	0.008	(0.031)	387.50%

Note: EBITDA is earnings before Interest and Tax, plus Depreciation & Amortization and Allowance for loss of inventories, dilapidated and slow moving.

**Margin decreased  
or 1.44%**

For the first quarter of 2025, gross profit was 169.75 million baht, decreased by THB 9.15 million or 5.11% from the previous year. The gross profit margin was 33.33%, decreased by 1.44% from the previous year due to increased costs of compensation for educational personnel of subsidiaries and income from the English proficiency test project in collaboration with educational institutions, which the Company managed through 185 Human Capital Excellence Center (HCEC) test centers nationwide. Therefore, the gross profit margin was lower than its normal products.

**cost of sales and  
services increased by  
THB 3.85 million**

Cost of sales of goods and services according to the consolidated financial statements was THB 339.55 million, increased by THB 3.85 million or 1.15% from the cost of educational personnel and the beginning of recognition of depreciation of the subsidiary's elementary school building.

**EBITDA decreased by  
THB 3.07 million or  
11.52%**

EBITDA was THB 23.59 million, decreased by THB 3.07 million or 11.52%, according to the decreased operating results.

**Table2: Statement of financial position As at 31 March 2025 and 31 December 2024**

(Unit : Million Baht)

	<b>Consolidated financial statement</b>			
	<b>31 March 2025</b>	<b>31 December 2024</b>	<b>Increase (decrease)</b>	<b>%</b>
Current assets	530.87	402.66	128.21	31.84%
Non-current assets	2,215.87	2,216.32	(0.45)	-0.02%
<b>Total assets</b>	<b>2,746.74</b>	<b>2,618.98</b>	<b>127.76</b>	<b>4.88%</b>
Current liability	966.33	798.05	168.28	21.09%
Non-current liability	463.42	498.33	(34.91)	-7.00%
Total liability	1,429.75	1,296.38	133.37	10.29%
Total shareholder's equity	1,316.99	1,322.60	(5.61)	-0.42%
<b>Total liability and shareholder's equity</b>	<b>2,746.74</b>	<b>2,618.98</b>	<b>127.76</b>	<b>4.88%</b>

**Current assets**

**increased by THB  
128.21 million or  
31.84%**

Current assets increased by THB 128.21 million as follows:

- Trade accounts receivable and other receivables increased by THB 81.05 million or 181.15%. Most of them were receivable from educational institutes, preparing for the new semester as usual.
- Inventories increased by THB 78.58 million or 34.55% from orders for the new semester.
- Cash and cash equivalents decreased by THB 36.64 million or 34.37%.

**Non-current assets**

**decreased by THB 0.45  
million or 0.02%**

Non-current assets decreased by THB 0.45 million due to

- Right-of-use assets decreased by THB 10.35 million or 5.58%
- Intangible assets increased by THB 6.53 million or 28.25% from the working-in-progress development of program systems and websites which aimed to increase work efficiency and better services.
- Land, buildings, and equipment increased by THB 4.75 million or 0.27%, from the expansion of the subsidiary's early childhood school building, which is under construction.

**Current liability increased by THB 168.28 million or 21.09%**

Current liability increased by THB 168.28 million as follows:

- Trade accounts payable and other payables increased by THB 161.95 million due to purchasing goods for a new semester.
- Overdraft and short-term loan from financial institution increased by THB 30.51 million.
- The unearned income waiting to be recognized as income within one year of the subsidiary decreased by THB 21.22 million or 26.38%.

**Non-current liability decreased by THB 34.91 million or 7%**

Non-current liabilities decreased by THB 34.91 million due to:

- Long-term loans decreased by THB 15.85 million due to loan repayment under the contract.
- Advance income pending deduction of subsidiaries decreased by THB 10.33 million from the gradual recognition of income.
- Lease liabilities decreased by THB 7.31 million.

**Shareholder's equity decreased by THB 5.61 million or 0.42%**

Shareholders' equity decreased by THB 5.61 million from operating profit.

**Table 3 : Statement of cash flows the three-month period 31 March 2025 and 2024**

(Unit : Million Baht)

	Consolidated financial statement			
	Q1'2025	Q1'2024	Increase (decrease)	%
Cash flows from (used) operation activities	(7.76)	16.34	(24.10)	-147.49%
Cash flows from (used) investing activities	(31.63)	(35.40)	3.77	10.64%
Cash flows from (used) financing activities	2.75	(28.30)	31.05	109.72%
<b>Net Cash flows (decreased)</b>	<b>(36.64)</b>	<b>(47.36)</b>	<b>10.72</b>	<b>22.64%</b>

**Cash flows used in operation activities in Q1'2025 was THB 103.69 million.**

The net cash flows use in operation in the amount of THB 7.76 million came from:

Profit in the form of cash from operation was THB 36.60 million.

- From changes in operating assets increased by THB 163.06 million, most of which were products sold to institutional and school debtors during the opening of the semester every year.
- Operation liabilities increased by THB 127.80 million, from trade payables ordered products for selling to educational institutes that prepared for the new semester.
- Cash decreased by THB 1.02 million from reconditioning of closed branches and renovating branches.
- Cash decreased by THB 6.15 million from paying an interest of the long-term loans.

***Cash flows used in investing activities in Q1'2025 was THB 31.63 million.***

- Cash decreased by THB 22.88 million from expanding school building and purchasing the school supplies of the subsidiary company.
- Cash decreased by THB 6.78 million, from the purchase of intangible assets to develop new businesses related to digital and online sales channels.

***Cash flows from financing activities in Q1'2025 was THB 2.75 million.***

- Cash increased from short-term loans and long-term loans from financial institutions of THB 42.71 million.
- Cash decreased from due short-term loans and long-term loans of THB 32.41 million.
- Cash decreased by THB 8.81 million due to paying liabilities under lease agreements.

**Table 4 : Financial ratio of Q1'2025 and Q1'2024**

<b>Consolidated financial statement</b>			
<b>Financial ratios</b>		<b>Q1'2025</b>	<b>Q1'2024</b>
Return On Equity (ROE)	%	-3.10	2.77
Return on Asset (ROA)	%	-0.07	3.29
Debt to Equity Ratio	times	1.09	1.01
Interest Coverage Ratio	times	7.06	8.07

Note:

- ROE (Return on Equity) = Net profit (Parent Company only) divided by shareholder's equity (averaged) from Parent Company only
- ROA (Return on Assets) = Net profit before financial and tax expenses divided by total assets (averaged)
- Debt to Equity Ratio = total debts divided by shareholder's equity (minor shareholder's equity included)
- Debt service Coverage Ratio = Profit from operating activities before changes in operating assets and liabilities + interest + income tax expenses divided by interest from operation and investment

**ROE was -3.10% decreased by 5.87% while ROA was -0.07% decreased by 3.36%**

Return on Equity (ROE) was -3.10%, decreased by 5.87%, and Return on Assets (ROA) was -0.07%, decreased by 3.36%, following the lower operating performance.

**Debt to Equity Ratio was 1.09 times, increased by 0.08 times**

Debt to equity ratio increased by 0.08 times due to increased debt burden.

**Interest Coverage Ratio was 7.06 times, decreased by 1.01 times**

Interest Coverage Ratio decreased 1.01 times due to lower cash operating profit.

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(Mr. Rungkan Paisitpanichtrakul)

Managing Director