

## SE-EDUCATION PUBLIC COMPANY LIMITED

### And its subsidiaries

### Management Discussion and Analysis

### Performance Report for six-month period ended 30 June, 2025

#### Overview

For the first half of 2025, the Thai economy continued to slow down from the previous quarter, especially the retail business, industrial production, and tourism sectors, which declined. Meanwhile, the headline inflation had been decreased in the energy sector, but the core inflation had been rose slightly. Furthermore, because of the natural disasters, such as the earthquake at the end of the first quarter and the massive flooding in the North, which reduced consumer consumption continuously and further exacerbated the fragility of the economy.

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 12 unprofitable branches, allowing the Company to control expenses more efficiently. The Company recently had 189 branches that are still in operation as of June 30, 2025.
- **Opening new branches** The Company has opened one new branch in June, at The Mall Lifestore ThaPra.

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 Profit  
In 1H'2025 is  
THB 28.66  
million.**

For the first half of 2025, the Company had a net profit according to the consolidated financial statements of THB 28.66 million, a decrease of THB 1.70 million or 5.59%, resulting from a net profit according to the separate financial statements of THB 21.65 million, a decrease of THB 5.54 million or 20.37%, due to a decrease in retail business revenue of 12.9%, following consumer behavior that has shifted to online shopping more, with consumers receiving discounts from each platform that uses competitive pricing strategies. However, the Company was still able to increase sales from wholesale channels by 0.5% from the previous year and grew in online channels by more than 39.6% from the previous year.

The summary of key performance results was as follows:

- **Total income** according to the consolidated financial statements was THB 1,106.83 million, decreased by THB 44.42 million or 3.86% with income from sales according to the separate financial statements of the company decreasing by 4.94%.
- **Selling and administrative expenses** were THB 352.47 million, an decrease of THB 12.71 million or 3.48%. This was due to more efficient cost control, especially the reduction of expenses from branches that were closed due to non-profits and better product turnover management.
- **Financial expenses** were THB 12.87 million, increased by THB 1.30 million in with a increase of the principal burden.

**Table 1 : Operation results for the six-month period ended 30 June of 2025 and 2024**

(Unit : Million Baht)

	Consolidated financial statement			
	1H'2025	1H'2024	Increase (decreas)	%
Revenue from sales of goods	1,085.35	1,132.81	(47.46)	-4.19%
Cost of sales	698.04	733.71	(35.67)	-4.86%
Gross profit	387.31	399.11	(11.80)	-2.96%
<b>Gross profit margin</b>	<b>35.69%</b>	<b>35.23%</b>		<b>0.45%</b>
<b>EBITDA</b>	<b>95.04</b>	<b>86.96</b>	<b>8.08</b>	<b>9.29%</b>
<b>Profit (loss) attributable to</b>				
Equity holders of the Company	28.66	30.36	(1.70)	-5.59%
Net earnings per share (Unit : Baht)	0.073	0.077	(0.004)	-5.59%

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

**Margin increased  
or 0.45%**

For the first half of 2025, gross profit was THB 387.31 million, down THB 11.80 million or 2.96% from the previous year. The gross profit margin was 35.69%, increased by 0.45% from the previous year. Due to, the gross profit of imported products from abroad has increased. Because of the fluctuations in foreign exchange rates, the gross profit of imported products has increased.

**cost of sales and  
services decreased by  
THB 35.67 million**

Cost of sales of goods and services according to the consolidated financial statements was THB 698.04 million, decreased by THB 35.67 million or 4.86%, which related to an decrease in sales.

**EBITDA increased by  
THB 8.08 million or  
9.29%**

EBITDA was THB 95.04 million, increased by THB 8.08 million or 9.29%, from operating profit.

**Table2: Statement of financial position As at 30 June 2025 and 31 December 2024**

(Unit : Million Baht)

	<b>Consolidated financial statement</b>			
	<b>30 June 2025</b>	<b>31 December 2024</b>	<b>Increase (decrease)</b>	<b>%</b>
Current assets	542.15	402.66	139.49	34.64%
Non-current assets	2,240.28	2,216.32	23.96	1.08%
<b>Total assets</b>	<b>2,782.43</b>	<b>2,618.98</b>	<b>163.45</b>	<b>6.24%</b>
Current liability	956.87	798.05	158.82	19.90%
Non-current liability	465.40	498.33	(32.93)	-6.61%
Total liability	1,422.27	1,296.38	125.89	9.71%
Total shareholder's equity	1,360.16	1,322.60	37.56	2.84%
<b>Total liability and shareholder's equity</b>	<b>2,782.43</b>	<b>2,618.98</b>	<b>163.45</b>	<b>6.24%</b>

**Current assets  
increased by THB  
139.49 million or  
34.64%**

Current assets increased by THB 139.49 million as follows:

- Trade accounts receivable and other receivables increased by THB 149.76 million or 334.74%. Most of them were receivable from educational institutes, preparing for the new semester as usual.
- Cash and cash equivalents decreased by THB 22.42 million or 21.03%.

<p><b>Non-current assets increased by THB 23.96 million or 1.08%</b></p>	<p>Non-current assets increased by THB 23.96 million due to</p> <ul style="list-style-type: none"> <li>- Land, buildings, and equipment increased by THB 32.73 million or 1.89%, from the expansion of the subsidiary's early childhood school building, which is under construction.</li> <li>- Intangible assets increased by THB 7.96 million or 34.46% from the working-in-progress development of program systems and websites which aimed to increase work efficiency and better services.</li> <li>- Right-of-use assets decreased by THB 11.84 million or 6.38%</li> </ul>
<p><b>Current liability increased by THB 158.82 million or 19.90%</b></p>	<p>Current liability increased by THB 158.82 million as follows:</p> <ul style="list-style-type: none"> <li>- Trade accounts payable and other payables increased by THB 128.34 million due to purchasing goods for a new semester.</li> <li>- Overdraft and short-term loan from financial institution increased by THB 40.36 million.</li> </ul>
<p><b>Non-current liability decreased by THB 32.93 million or 6.61%</b></p>	<p>Non-current liabilities decreased by THB 32.93 million due to:</p> <ul style="list-style-type: none"> <li>- Long-term loans decreased by THB 31.99 million due to loan repayment under the contract.</li> </ul>
<p><b>Shareholder's equity increased by THB 37.56 million or 2.84%</b></p>	<p>Shareholders' equity decreased by THB 37.56 million from operating profit.</p>

**Table 3 : Statement of cash flows the six-month period 30 June 2025 and 2024**

(Unit : Million Baht)

	<b>Consolidated financial statement</b>			
	<b>1H'2025</b>	<b>1H'2024</b>	<b>Increase (decrease)</b>	<b>%</b>
Cash flows from (used) operation activities	75.38	53.70	21.68	40.37%
Cash flows from (used) investing activities	(78.62)	(55.88)	(22.74)	-40.69%
Cash flows from (used) financing activities	(19.18)	(31.81)	12.63	39.70%
<b>Net Cash flows (decreased)</b>	<b>(22.42)</b>	<b>(33.99)</b>	<b>11.57</b>	<b>34.04%</b>

**Cash flows from operation activities in 1H'2025 was THB 75.38 million.**

The net cash flows from operation in the amount of THB 75.38 million came from:

Profit in the form of cash from operation was THB 119.85 million.

- From changes in operating assets increased by THB 154.15 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 126.31 million, from trade payables ordered products for selling to educational institutes that prepared for the new semester.
- Cash decreased by THB 1.61 million from reconditioning of closed branches and renovating branches.
- Cash decreased by THB 12.60 million from paying an interest of the long-term loans.

**Cash flows used in investing activities in 1H'2025 was THB 78.62 million.**

- Cash decreased by THB 62.45 million from expanding school building and purchasing the school supplies of the subsidiary company.
- Cash decreased by THB 9.49 million, from the purchase of intangible assets to develop new businesses related to digital and online sales channels.

**Cash flows used in financing activities in 1H'2025 was THB 19.18 million.**

- Cash decreased by THB 17.24 million due to paying liabilities under lease agreements.
- Cash decreased from due short-term loans and long-term loans of THB 118.10 million.
- Cash increased from short-term loans and long-term loans from financial institutions of THB 122.21 million.
- Cash decrease from the subsidiary companies' dividend payment of THB 6.05 million.

**Table 4 : Financial ratio of 1H'2025 and 1H'2024**

<b>Consolidated financial statement</b>			
<b>Financial ratios</b>		<b>1H'2025</b>	<b>1H'2024</b>
Return On Equity (ROE)	%	(2.19)	2.34
Return on Asset (ROA)	%	0.54	2.92
Debt to Equity Ratio	times	1.05	0.97
Interest Coverage Ratio	times	10.61	11.54

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 -2.19% decreased by 4.53% while ROA was 0.54% decreased by 2.38%**

Return on Equity (ROE) was -2.19%, decreased by 4.53%, and Return on Assets (ROA) was 0.54%, decreased by 2.38%, following the lower operating performance.

**Debt to Equity Ratio was 1.05 times, increased by 0.08 times**

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

**Interest Coverage Ratio was 10.61 times, decreased by 0.93 times**

Interest Coverage Ratio decreased 0.93 times due to lower cash operating profit.

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(Mr. Rungkan Paisitpanichtrakul)

Managing Director