

## SE-EDUCATION PUBLIC COMPANY LIMITED

### And its subsidiaries

### Management Discussion and Analysis

#### Performance Report for nine-month period ended 30 September, 2025

##### Overview

For the 9-month period 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.

The Company, however, adjusted to better align with the current situation as follows:

○ **Online Channel Business**

The Company developed and upgraded its online channel systems to enhance its efficiency in providing faster, more convenient, and better customer service experiences. Furthermore, the Company upgraded its Back Office System related to product data management and delivery processes to effectively link and respond to consumer demands. As a result, online channel sales grew significantly compared to the previous year. This significant online sales growth had been instrumental in expanding the new customer base while continuously maintaining existing customers. Moving forward, the Company planed to continuously develop the online channel to analyze purchasing behaviours in order to implement proactive marketing strategies, which is expected to reinforce the Company's long-term revenue growth and competitive strength.

○ **Retail Business**

The Company continuously executed strategies to drive sales through the retail channel. The Non-book product group experienced prominent growth across several categories, particularly in educational toys and stationery. Compared to the previous year, this growth resulted from effective category management and product variety expansion aligned with consumer behaviors, as well as implementing marketing strategies appropriately tailored to the demands of each customer segment, especially teenagers and children. This was achieved even though the Book category did not meet its target and lacked current on-trend titles compared to the previous year.

○ **Wholesale business**

The Company strongly maintained its customer base within educational institutions, particularly for children's products which continued to be popular. As a result, overall wholesale sales remained at a level similar to the previous year despite the fact that its Chain stores were affected by the economic slowdown, similar to the bookstore industry nationwide.

In addition, it had also more efficiently controlled branch-related expenses, rent, and employee compensation, including closing unprofitable branches.

- **Branch Closing** The Company closed 19 unprofitable branches, allowing the Company to control expenses more efficiently. The Company recently had 182 branches that are still in operation as of September 30, 2025.
- **Opening new branches** The Company has opened one new branch in June, at The Mall Lifestore ThaPra.

**SE-ED's Loss  
In 9M'2025 is  
THB 6.59  
million.**

For the 9-month period of 2025, the Company had a net loss according to the consolidated financial statements of THB 6.59 million, an increase in losses of THB 12.29 million or 215.69%, resulting from a net loss according to the separate financial statements of THB 15.17 million, an increase in losses of THB 16.60 million, due to a decrease in retail business revenue of 13.5%, 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 has enhanced its online system to better align with the current situation, resulting in online channel growth of more than 57% compared to the previous year.

The summary of key performance results was as follows:

- **Total income** according to the consolidated financial statements was THB 1,509.66 million, decreased by THB 78.39 million or 4.94% with income from sales according to the separate financial statements of the company decreasing by 6.33%.
- **Selling and administrative expenses** were THB 526.46 million, an decrease of THB 10.57 million or 1.97%. 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 19.46 million, increased by THB 2.42 million in with a increase of the principal burden.

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

(Unit : Million Baht)

	Consolidated financial statement			
	9M'2025	9M'2024	Increase (decreas)	%
Revenue from sales of goods	1,478.19	1,559.62	(81.43)	-5.22%
Cost of sales	953.76	1,015.75	(61.99)	-6.10%
Gross profit	524.43	543.87	(19.44)	-3.57%
<b>Gross profit margin</b>	<b>35.48%</b>	<b>34.87%</b>		<b>0.61%</b>
<b>EBITDA</b>	<b>83.50</b>	<b>79.59</b>	<b>3.91</b>	<b>4.91%</b>
<b>Profit (loss) attributable to</b>				
Equity holders of the Company	(6.59)	5.70	12.29	215.60%
Net earnings per share (Unit : Baht)	(0.017)	0.015	(0.032)	213.30%

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

**Margin increased  
or 0.61%**

For the 9-month period of 2025, gross profit was THB 524.43 million, down THB 19.44 million or 3.57% from the previous year. The gross profit margin was 35.48%, increased by 0.61% 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 61.99 million**

Cost of sales of goods and services according to the consolidated financial statements was THB 953.76 million, decreased by THB 61.99 million or 6.10%, which related to an decrease in sales.

**EBITDA increased by  
THB 3.91 million or  
4.91%**

EBITDA was THB 83.50 million, increased by THB 3.91 million or 4.91%. This increase was primarily attributable to the reversal of the provision for slow-moving inventory recorded last year, which resulted from the negotiation to return such inventory to the foreign creditor.

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

(Unit : Million Baht)

	<b>Consolidated financial statement</b>			
	<b>30 September 2025</b>	<b>31 December 2024</b>	<b>Increase (decrease)</b>	<b>%</b>
Current assets	371.52	402.66	(31.14)	-7.73%
Non-current assets	2,237.63	2,216.32	21.31	0.96%
<b>Total assets</b>	<b>2,609.15</b>	<b>2,618.98</b>	<b>(9.83)</b>	<b>-0.38%</b>
Current liability	813.60	798.05	15.55	1.95%
Non-current liability	468.96	498.33	(29.37)	-5.89%
Total liability	1,282.56	1,296.38	(13.82)	-1.07%
Total shareholder's equity	1,326.59	1,322.60	3.99	0.30%
<b>Total liability and shareholder's equity</b>	<b>2,609.15</b>	<b>2,618.98</b>	<b>(9.83)</b>	<b>-0.38%</b>

**Current assets**
**decreased by THB**
**31.14 million or 7.73%**

Current assets decreased by THB 31.14 million as follows:

- Cash and cash equivalents decreased by THB 48.43 million or 45.43%.
- Trade accounts receivable and other receivables increased by THB 19.15 million or 42.79%. Most of them were receivable from educational institutes, preparing for the new semester as usual.

**Non-current assets**
**increased by THB**
**21.31 million or 0.96%**

Non-current assets increased by THB 21.31 million due to

- Land, buildings, and equipment increased by THB 55.06 million or 3.17%, from the expansion of the subsidiary's early childhood school building, which is under construction.
- Intangible assets increased by THB 6.17 million or 26.69% from the working-in-progress development of program systems and websites which aimed to increase work efficiency and better services.
- Right-of-use assets decreased by THB 22.70 million or 12.23%, primarily due to regular depreciation expenses recognized during the period.

**Current liability**
**increased by THB**
**15.55 million or 1.95%**

Current liability increased by THB 15.55 million as follows:

- Overdraft and short-term loan from financial institution increased by THB 80.87 million.

- Trade accounts payable and other payables decreased by THB 16.89 million from paying and reducing the order quantity according to the sales.
- The unearned income waiting to be recognized as income within one year of the subsidiary decreased by THB 36.06 million or 44.84%.

**Non-current liability decreased by THB 29.37 million or 5.89%**

Non-current liabilities decreased by THB 29.37 million due to:

- Long-term loans decreased by THB 24.94 million, resulting from loan repayments of THB 49 million in accordance with loan agreements, additional borrowings of THB 18.80 million by a subsidiary, and a reclassification of loans due within one year under the loan agreements, which decreased by THB 5 million.

**Shareholder's equity increased by THB 3.99 million or 0.30%**

- Shareholders' equity increased by THB 3.99 million from operating profit.

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

(Unit : Million Baht)

	<b>Consolidated financial statement</b>			
	<b>9M/2025</b>	<b>9M/2024</b>	<b>Increase (decrease)</b>	<b>%</b>
Cash flows from (used) operation activities	41.44	79.56	(38.12)	-47.91%
Cash flows from (used) investing activities	(109.35)	(84.72)	(24.63)	-29.07%
Cash flows from (used) financing activities	19.47	(61.00)	80.47	131.92%
<b>Net Cash flows (decreased)</b>	<b>(48.44)</b>	<b>(66.16)</b>	<b>17.72</b>	<b>26.78%</b>

**Cash flows from operation activities in 9M/2025 was THB 41.44 million.**

The net cash flows from operation in the amount of THB 41.44 million came from:

Profit in the form of cash from operation was THB 117.87 million.

- From changes in operating assets increased by THB 10.13 million, most of which were products sold to institutional and school debtors during the opening of the semester every year.
- Operating liabilities decreased by THB 48.95 million due to payment of trade accounts payable and recognized advance income from subsidiary companies.
- Cash decreased by THB 2 million from reconditioning of closed branches and renovating branches.

**Cash flows used in investing activities in 9M/2025 was THB 109.35 million.**

- Cash decreased by THB 19.14 million due to interest payments on borrowings from financial institutions.
- Cash decreased by THB 96.57 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 business and online sales channels.

**Cash flows from in financing activities in 9M/2025 was THB 19.47 million.**

- Cash increased from short-term loans and long-term loans from financial institutions of THB 80.91 million.
- Cash decreased from due long-term loans of THB 30.27 million.
- Cash decreased by THB 25.08 million due to paying liabilities under lease agreements.
- Cash decrease from the subsidiary companies' dividend payment of THB 6.05 million.

**Table 4 : Financial ratio of 9M/2025 and 9M/2024**

Financial ratios	Consolidated financial statement	
	9M/2025	9M/2024
Return On Equity (ROE)	% (3.13)	0.88
Return on Asset (ROA)	% 0.19	2.28
Debt to Equity Ratio	times 0.97	0.88
Interest Coverage Ratio	times 7.26	8.26

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 -3.13%  
decreased by 4.01%  
while ROA was 0.19%  
decreased by 2.08%**

Return on Equity (ROE) was -3.13%, a decrease of 4.01%, and Return on Assets (ROA) was 0.19%, a decrease of 2.08%, due to a decrease in net profit compared to the previous year.

**Debt to Equity Ratio  
was 0.97 times,  
increased by 0.08  
times**

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

**Interest Coverage  
Ratio was 7.26 times,  
decreased by 1 times**

Interest Coverage Ratio decreased 1 times due to lower cash operating profit.

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(Mr. Rungkan Paisitpanichtrakul)

Managing Director