

## SE-EDUCATION PUBLIC COMPANY LIMITED

### And its subsidiaries

### Management Discussion and Analysis

### Performance Report for the Year period ended 31 December, 2025

#### Overview

In 2025, the Thai economy continued to slow down from the previous quarter, particularly in private consumption, industrial production, and the tourism sector, which declined. Headline inflation decreased due to lower energy prices, while core inflation rose slightly. In addition, several natural disasters occurred during the year, including an earthquake at the end of the first quarter, severe flooding in the northern region during the third quarter, and flooding in the southern region during the fourth quarter. These events affected the overall economic conditions in many provinces, weakened consumer purchasing power and spending sentiment, and further increased 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 planned 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. However, children's books and books for students continued to record growth. The categories affected by weakened purchasing power were primarily in the nonfiction segment, such as finance, self-development, and management, due to the decline in the number of 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 well as study guides and examination preparation books. 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 27 unprofitable branches, allowing the Company to control expenses more efficiently. The Company recently had 176 branches that are still in operation as of December 31, 2025.
- **Opening new branches** The Company has opened 3 new branches in 2025 as follows:
  1. The Mall Lifestore Thapra
  2. Sahathai Garden Plaza Surat Thani
  3. Central Bangna (Resize)

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

For 2025, the Company had a net loss according to the consolidated financial statements of THB 33 million, an increase in losses of THB 7.72 million or 30.49%, resulting from a net loss according to the separate financial statements of THB 43.50 million, an increase in losses of THB 15.97 million, due to a decrease in retail business revenue of 12.90%, 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 103.10% compared to the previous year. The Company has restructured its New High Margin Segment to enable the Company to generate sustainable profits and reduce volatility arising from external factors.

The summary of key performance results was as follows:

- **Total income** according to the consolidated financial statements was THB 1,943.63 million, decreased by THB 69.03 million or 3.43% with income from sales according to the separate financial statements of the company decreasing by 4.78%.
- **Selling and administrative expenses** were THB 710.61 million, an increase of THB 2 million or 0.28%. 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 26.15 million, increased by THB 3.45 million in with an increase of the principal burden.

**Table 1 : Operation results of 2025 and 2024**

(Unit : Million Baht)

	<b>Consolidated financial statement</b>			
	<b>2025</b>	<b>2024</b>	<b>Increase (decreas)</b>	<b>%</b>
Revenue from sales of goods	1,894.10	1,971.45	(77.35)	-3.92%
Cost of sales	1,221.05	1,289.18	(68.13)	-5.28%
Gross profit	673.05	682.27	(9.22)	-1.35%
<b>Gross profit margin</b>	<b>35.53%</b>	<b>34.61%</b>		<b>0.92%</b>
<b>EBITDA</b>	<b>89.93</b>	<b>68.50</b>	<b>21.43</b>	<b>31.28%</b>
<b>Profit (loss) attributable to</b>				
Equity holders of the Company	(33.03)	(25.31)	(7.72)	-30.50%
Net earnings per share (Unit : Baht)	(0.084)	(0.065)	(0.019)	-29.23%

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

**Margin increased  
or 0.92%**

For 2025, gross profit amounted to THB 673.05 million, a decrease of THB 9.22 million or 1.35% from the previous year. The gross profit margin was 35.53%, representing an increase of 0.92% compared to the previous year. This was primarily due to fluctuations in foreign exchange rates, which resulted in higher gross profit from imported products. In addition, the products manufactured by SE-ED include Reprint products, such as study guides, examination preparation books, and dictionaries. In addition, the Company has sought to adjust its revenue mix by focusing on product groups with higher gross profit margins. Furthermore, the Company has adjusted its revenue mix by focusing on product groups with higher gross profit margins.

**cost of sales and  
services decreased by  
THB 68.13 million**

Cost of sales of goods and services according to the consolidated financial statements was THB 1,221.05 million, decreased by THB 68.13 million or 5.28%, which related to an decrease in sales.

**EBITDA increased by  
THB 21.43 million or  
31.28%**

EBITDA was THB 89.93 million, increased by THB 21.43 million or 31.28% 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 31 December 2025 and 2024**

(Unit : Million Baht)

	<b>Consolidated financial statement</b>			
	<b>31 December 2025</b>	<b>31 December 2024</b>	<b>Increase (decrease)</b>	<b>%</b>
Current assets	451.41	402.66	48.75	12.11%
Non-current assets	2,247.69	2,216.32	31.37	1.42%
<b>Total assets</b>	<b>2,699.10</b>	<b>2,618.98</b>	<b>80.12</b>	<b>3.06%</b>
Current liability	934.04	798.05	135.99	17.04%
Non-current liability	462.90	498.33	(35.43)	-7.11%
Total liability	1,396.94	1,296.38	100.56	7.76
Total shareholder's equity	1,302.16	1,322.60	(20.44)	-1.55%
<b>Total liability and shareholder's equity</b>	<b>2,699.10</b>	<b>2,618.98</b>	<b>80.12</b>	<b>3.06%</b>

**Current assets**

**increased by THB  
48.75 million or 12.11%**

Current assets increased by THB 48.75 million as follows:

- Trade accounts receivable and other receivables increased by THB 11.24 million or 21.34%. Most of them were receivable from educational institutes, preparing for the new semester as usual.
- Inventories increased by THB 31.83 million or 14% from orders for the new semester.

**Non-current assets**

**increased by THB  
31.37 million or 1.42%**

Non-current assets increased by THB 31.37 million due to

- Property, plant and equipment increased by THB 64.39 million, or 3.71%, resulting from the completion of the construction of a nutrition building and a multipurpose building, as well as the expansion of a kindergarten building of a subsidiary, which is currently under construction.
- Intangible assets increased by THB 4.56 million or 19.72% 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 26.34 million or 14.20%, primarily due to regular depreciation expenses recognized during the period and the closure of certain branches during 2025.

**Current liability increased by THB 135.99 million or 17.05%**

Current liability increased by THB 135.99 million as follows:

- Overdraft and short-term loan from financial institution increased by THB 114.54 million.
- Short-term loans from related parties increased by THB 25 million.
- Trade accounts payable and other payables increased by THB 11.36 million due to purchasing goods for a new semester.
- The unearned income waiting to be recognized as income within one year of the subsidiary decreased by THB 17.28 million or 26.40%.

**Non-current liability decreased by THB 35.43 million or 7.11%**

Non-current liabilities decreased by THB 35.43 million due to:

- Long-term loans decreased by THB 29.10 million, resulting from loan repayments of THB 47.90 million in accordance with loan agreements, additional borrowings of THB 18.80 million by a subsidiary.

**Shareholder's equity decreased by THB 20.44 million or 1.55%**

- Shareholders' equity decreased by THB 20.44 million due to operating losses.

**Table 3 : Statement of cash flows for 31 December 2025 and 2024**

(Unit : Million Baht)

	<b>Consolidated financial statement</b>			
	<b>2025</b>	<b>2024</b>	<b>Increase (decrease)</b>	<b>%</b>
Cash flows from (used) operation activities	97.71	103.69	(5.98)	-5.77%
Cash flows from (used) investing activities	(144.36)	(85.10)	(59.26)	-69.64%
Cash flows from (used) financing activities	53.66	(30.70)	84.36	274.79%
<b>Net Cash flows (decreased)</b>	<b>7.01</b>	<b>(12.11)</b>	<b>19.12</b>	<b>157.89%</b>

**Cash flows from operation activities in 2025 was THB 97.71 million.**

The net cash flows from operation in the amount of THB 97.71 million came from:

Profit in the form of cash from operation was THB 134.63 million.

- From changes in operating assets increased by THB 45.45 million, most of which were products sold to institutional and school debtors during the opening of the semester every year.

**Cash flows used in investing activities in 2025 was THB 144.36 million.**

- Operation liabilities increased by THB 35.37 million, from trade payables ordered products for selling to educational institutes that prepared for the new semester and recognized advance income from subsidiary companies.
- Cash decreased by THB 2.42 million from reconditioning of closed branches and renovating branches.
- Cash decreased by THB 25.79 million due to interest payments on borrowings from financial institutions.
- Cash decreased by THB 129.50 million due to the completion of the construction of a nutrition building and a multipurpose building, as well as the expansion of a kindergarten building which is currently under construction, and the purchase of educational equipment by a subsidiary.
- 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 2025 was THB 53.66 million.**

- Cash increased by THB 139.54 million from short-term loans obtained from financial institutions and related parties.
- Cash decreased from due long-term loans of THB 46.38 million.
- Cash decreased by THB 33.45 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 2025 and 2024**

Financial ratios	Consolidated financial statement	
	2025	2024
Return On Equity (ROE)	% (0.66)	(2.10)
Return on Asset (ROA)	% 0.04	0.42
Debt to Equity Ratio	times 1.07	0.98
Interest Coverage Ratio	times 6.31	6.43

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 -0.66%  
increased by 1.44%  
while ROA was 0.04%  
decreased by 0.38%**

Return on Equity (ROE) was -0.66%, an increase of 1.44%, and Return on Assets (ROA) was 0.04%, a decrease of 0.38%, due to a decrease in net profit compared to the previous year.

**Debt to Equity Ratio  
was 1.07 times,  
increased by 0.09  
times**

Debt to equity ratio increased by 0.09 times due to increased debt burden.

**Interest Coverage  
Ratio was 6.31 times,  
decreased by 0.12  
times**

Interest Coverage Ratio decreased 0.12 times due to the increased principal burden.

Signature.....

(Mr. Rungkan Paisitpanichtrakul)

Managing Director