

SE-EDUCATION PUBLIC COMPANY LIMITED

And its subsidiaries

Management Discussion and Analysis

Performance Report As of March 31, 2026

Overview

During the first quarter of 2026, the Thai economy continued to slow down from the previous quarter, particularly in industrial production and the tourism sector. Private consumption was also affected, as consumers grew concerned over rising prices of consumer goods due to the energy crisis caused by the conflict in the Middle East. In the publishing and book retail industry, operators continued to be impacted by the shift in consumer behaviour toward online channels, leading to price wars and high levels of competition. However, demand remained steady for educational books, children's books, and test prep & study guides. Many operators adjusted their strategies by increasing their non-book product offerings and expanding online sales channels, with the aim of improving profit margins and maintaining long-term competitiveness.

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

○ **Online Business Channel**

The Company has focused on expanding sales through online channels, in line with current consumer behavior and prevailing market trends. Online sales have continued to grow significantly.

○ **The Retail Business**

The Company's retail business continued to grow, driven by non-book products, particularly educational toys and stationery through effective product category management and marketing strategies aligned with consumer behavior, especially among children and teenagers. Although overall book sales grew below target due to weakening purchasing power and fewer popular titles, children's books and educational books continued to grow steadily.

○ **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 10 unprofitable branches, allowing the Company to control expenses more efficiently. The Company recently had 166 branches that are still in operation as of March 31, 2026.

**SE-ED's Loss
In Q1'2026 is
THB 4.15
million.**

For the first quarter of 2026, the Company reported a consolidated net loss of THB 4.15 million, a reduction of THB 4.85 million, or 53.87%. This was primarily driven by a net loss from the Company's separate financial statements of THB 7.94 million, reduced by THB 4.26 million year-on-year. This improvement was driven by the Company's shift toward higher-margin products, particularly non-book merchandise and SE-ED's own-published titles with reprint demand, resulting in an overall improvement in gross profit margin.

The summary of key performance results was as follows:

- **Total income** according to the consolidated financial statements was THB 479.40 million, decreased by THB 38.68 million or 7.47% with income from sales according to the separate financial statements of the company decreasing by 8.77%.
- **Selling and administrative expenses** were THB 163.45 million, an decrease of THB 14.13 million or 7.96%. 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 7.37 million, increased by THB 1.02 million in with a increase of the principal burden.

Table 1 : Operation results for the three-month period ended 31 March of 2026 and 2025

(Unit : Million Baht)

	Consolidated financial statement			
	Q1'2026	Q1'2025	Increase (decreas)	%
Revenue from sales of goods	470.95	509.30	(38.35)	-7.53%
Cost of sales	308.83	339.55	(30.72)	-9.05%
Gross profit	162.12	169.75	(7.63)	-4.50%
Gross profit margin	34.42%	33.33%		1.09%
EBITDA	24.69	23.87	0.82	3.44%
Profit (loss) attributable to				
Equity holders of the Company	(4.15)	(8.99)	4.84	53.84%
Net earnings per share (Unit : Baht)	(0.011)	(0.023)	0.012	52.17%

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

**Margin increased
or 1.09%**

For the first quarter of 2026, gross profit amounted to THB 162.12 million, a decrease of THB 7.63 million, or 4.50%, from the prior year. The gross profit margin stood at 34.42%, an increase of 1.09% from the prior year. This improvement was driven by SE-ED's own-published reprint titles, such as test prep and study guides, and dictionaries, as well as fluctuations in foreign exchange rates, which resulted in higher gross profit margins on imported products.

**cost of sales and
services decreased by
THB 30.72 million**

Cost of sales of goods and services according to the consolidated financial statements was THB 308.83 million, decreased by THB 30.72 million or 9.05%, which related to an decrease in sales.

**EBITDA increased by
THB 0.82 million or
3.44%**

EBITDA was THB 24.69 million, increased by THB 0.82 million or 3.44%, driven by higher operating.

Table2: Statement of financial position As at 31 March 2026 and 31 December 2025

(Unit : Million Baht)

	Consolidated financial statement			
	31 March	31 December	Increase	
	2026	2025	(decrease)	%
Current assets	569.76	451.41	118.35	26.22%
Non-current assets	2,227.48	2,247.69	(20.21)	-0.90%
Total assets	2,797.24	2,699.10	98.14	3.64%
Current liability	1,060.99	934.04	126.95	13.59%
Non-current liability	434.25	462.90	(28.65)	-6.19%
Total liability	1,495.24	1,396.94	98.30	7.04%
Total shareholder's equity	1,302.00	1,302.16	(0.16)	-0.01%
Total liability and shareholder's equity	2,797.24	2,699.10	98.14	3.64%

Current assets

increased by THB 118.35 million or 26.22%

Current assets increased by THB 118.35 million as follows:

- Trade accounts receivable and other receivables increased by THB 73.18 million or 114.57%. Most of them were receivable from educational institutes, preparing for the new semester as usual.
- Inventories increased by THB 86.57 million or 33.39% from orders for the new semester.

Non-current assets

decreased by THB 20.21 million or 0.90%

Non-current assets decreased by THB 20.21 million due to

- Right-of-use assets decreased by THB 14.85 million or 9.33%
- Property, plant and equipment decreased by THB 2.79 million, or 0.16%, primarily due to depreciation expenses for the period amounting to THB 14.06 million. Meanwhile, the cost of property, plant and equipment increased by THB 10.54 million, mainly attributable to the construction and expansion of kindergarten school buildings by a subsidiary.
- Intangible assets decreased by THB 1.56 million or 5.64% due to regular amortization.

Current liability increased by THB 126.95 million or 13.59%

Current liability increased by THB 126.95 million as follows:

- Trade accounts payable and other payables increased by THB 134.09 million due to purchasing goods for a new semester.
- Overdraft and short-term loan from financial institution increased by THB 17.35 million.
- The unearned income waiting to be recognized as income within one year of the subsidiary decreased by THB 29.36 million.

Non-current liability decreased by THB 28.65 million or 6.19%

Non-current liabilities decreased by THB 28.65 million due to:

- Long-term loans decreased by THB 26.96 million due to loan repayment under the contract.

Shareholder's equity decreased by THB 0.16 million or 0.01%

- Shareholders' equity decreased by THB 0.16 million, primarily due to the net loss reported for the period.

Table 3 : Statement of cash flows the three-month period 31 March 2026 and 2025

(Unit : Million Baht)

	Consolidated financial statement			
	Q1'2026	Q1'2025	Increase (decrease)	%
Cash flows from (used) operation activities	(29.99)	(7.76)	(22.23)	-286.47%
Cash flows from (used) investing activities	(3.29)	(31.63)	28.34	89.60%
Cash flows from (used) financing activities	(6.36)	2.75	(9.11)	-331.27%
Net Cash flows (decreased)	(39.64)	(36.64)	(3.00)	-8.19%

Cash flows used in operation activities in Q1'2026 was THB 29.99 million.

The net cash flows used in operation in the amount of THB 29.99 million came from:

Profit in the form of cash from operation was THB 37.62 million.

- From changes in operating assets increased by THB 160.04 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 101.94 million, from trade payables ordered products for selling to educational institutes that prepared for the new semester.

- Cash decreased by THB 0.96 million from reconditioning of closed branches and renovating branches.
- Cash decreased by THB 7.40 million due to interest payments on borrowings from financial institutions.

Cash flows used in investing activities in Q1'2026 was THB 3.29 million.

- Cash decreased by THB 6.47 million, primarily due to the construction and expansion of kindergarten school buildings and the purchase of educational equipment by a subsidiary.

Cash flows used in financing activities in Q1'2026 was THB 6.36 million.

- Cash increased by THB 17.35 million from short-term loans obtained from financial institutions and related parties.
- Cash decreased from due long-term loans of THB 16.12 million.
- Cash decreased by THB 7.58 million due to paying liabilities under lease agreements.

Table 4 : Financial ratio of Q1'2026 and Q1'2025

Financial ratios		Consolidated financial statement	
		Q1'2026	Q1'2025
Return On Equity (ROE)	%	-2.41	-3.10
Return on Asset (ROA)	%	0.65	-0.07
Debt to Equity Ratio	times	1.15	1.09
Interest Coverage Ratio	times	6.11	7.06

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 -2.41%
increased by 0.69%
while ROA was 0.65%
decreased by 0.72%**

Return on Equity (ROE) was -2.41%, an increase of 0.69%, and Return on Assets (ROA) was 0.65%, a increase of 0.72%, driven by increased operating profit.

**Debt to Equity Ratio
was 1.15 times,
increased by 0.06
times**

Debt to equity ratio increased by 0.06 times due to increased debt burden.

**Interest Coverage
Ratio was 6.11 times,
decreased by 0.95
times**

Interest Coverage Ratio decreased 0.95 times due to the increased principal burden.

Signature.....

(Mr. Rungkan Paisitpanichtrakul)

Managing Director