



S11-008/2568

8 August 2025

Subject: Management Discussion and Analysis for the 2<sup>nd</sup> Quarter ended 30 June 2025

To: The President  
The Stock Exchange of Thailand

S 11 Group Public Company Limited would like to notify the operating performance according to the 2<sup>nd</sup> quarter consolidated financial statement ended 30 June 2025 as follows;

#### Business overview, economic and industrial conditions

In the 2<sup>nd</sup> quarter ended 30 June 2025, the Company still conducts the motorcycle hire purchase business by running business in the existing markets having its customer's base to continuously maintain the market share in such areas. The competition in hire purchase business was decreased since the middle of the year 2023 and continuing to the present day reflected from the slowdown in loan approval which focusing on the quality more than the quantity.

#### Operating Performance

##### Revenues

(Unit : Million)

Type of Revenues	Q2/2024	Q2/2025	%YoY
Hire purchase interest incomes	275.55	251.94	(8.57)
Loan interest incomes	2.10	0.66	(68.55)
Fee and service incomes	12.46	11.35	(8.88)
Other incomes	24.04	34.17	42.15
Total revenues	314.16	298.13	(5.10)

Total revenues of the Company for the 2<sup>nd</sup> quarter ended 30 June 2025 were decreased 5.10% from Baht 314.16 million to Baht 298.13 million compared to the same period of the previous year resulting from the high domestic household debt which caused the Company increased the strictness in loan approval together with the Company give the importance to maintaining the quality of debtors and loans to be more efficiency.



## Expenses

(Unit : Million)

Types of Expenses	Q2/2024	Q2/2025	%YoY
Sale and administrative expenses	72.98	61.99	(15.07)
Expected credit losses	200.10	87.48	(56.28)
Loss on impairment and disposal of assets foreclosed	33.04	9.00	(72.76)
Loss from derivative	-	2.20	-
Total expenses	306.12	160.67	(47.51)

Total expenses of the Company for the 2<sup>nd</sup> quarter ended 30 June 2025 was Baht 160.67 million, decreased 47.51% from Baht 306.12 million compared to the same period of the previous year. The Company's total expenses structure consist of

- Sale and administrative expenses

Sale and administrative expenses of the Company for the 2<sup>nd</sup> quarter ended 30 June 2025 was Baht 61.99 million, decreased 15.07% from Baht 72.98 million compared to the same period of the previous year resulting from the efficient controlling of operating costs.

- Expected credit losses

Expected credit losses of the Company for the 2<sup>nd</sup> quarter ended 30 June 2025 was Baht 87.48 million, decreased 56.28% from Baht 200.10 million compared to the same period of the previous year due to the Company gives the importance to the follow-up process and debtors' quality management as well as increases the strictness in loan approval.

- Loss on impairment and disposal of assets foreclosed

Loss on impairment and disposal of assets foreclosed of the Company for the 2<sup>nd</sup> quarter ended 30 June 2025 was Baht 9.00 million, decreased 72.76% from Baht 33.04 million compared to the same period of the previous year due to the controlling of debtors' quality by increased the strictness in loan approval.

## Financial cost

Financial cost of the Company for the 2<sup>nd</sup> quarter ended 30 June 2025 was decreased 25.39% from Baht 44.21 million to Baht 32.99 million compared to the same period of the previous year due to the decreasing of loans from financial institutions and interest rate.



### Profit for the period

The net profit of the Company for the 2<sup>nd</sup> quarter ended 30 June 2025 was Baht 83.59 million, increased 389.24% from the net loss of Baht 28.90 million compared to the same period of the previous year resulting from the Company's increasing of the strictness in loan approval along with the effective controlling of operating costs.

### Financial Status

#### Assets

(Unit : Million)

Summarized Financial Statement	YE2024	Q2/2025	%YoY
Current assets	3,046.52	3,058.26	0.39
Non-current assets	3,436.35	3,422.39	(0.41)
Total assets	6,482.87	6,480.66	(0.03)

As at 30 June 2025, total assets of the Company was decreased 0.03% from Baht 6,482.87 million to Baht 6,480.66 million compared to the end of last year resulting from the decreasing of hire purchase receivables which are the most of the Company's assets.

#### Hire purchase receivables

As at 30 June 2025, total net hire purchase receivables of the Company was Baht 6,100.42 million, increased 1.01% from Baht 6,039.57 million compared to the end of last year resulting from the increasing of loan approval by increasing of carefulness in loan approval and more focusing on the debtors' quality.

#### Liabilities

(Unit : Million)

Summarized Financial Statement	YE2024	Q2/2025	%YoY
Current liabilities	2,226.18	2,020.11	(9.26)
Non-current liabilities	875.11	961.74	9.90
Total liabilities	3,101.28	2,981.85	(3.85)



As at 30 June 2025, total liabilities of the Company was Baht 2,981.85 million, decreased 3.85% from Baht 3,101.28 million compared to the end of last year resulting from the decreasing of loans from financial institutions.

#### Important Financial Ratios

Important Financial Ratios	Q2/2024	Q2/2025
Interest Coverage Ratio: ICR (Times)	0.35	4.37
Debt Service Coverage Ratio: DSCR (Times)	0.02	0.33
Debt to Equity: D/E (Times)	1.10	0.85

As at 30 June 2025, the Company's interest coverage ratio which calculated from profit before interest, income tax, depreciation and amortization / interest expense was 4.37 times increased from 0.35 times in Q2/2024 due to the decreasing of loans from financial institutions and interest rate.

As at 30 June 2025, the Company's debt service coverage ratio which calculated from profit before interest, income tax, depreciation and amortization / (short-term interest bearing debt + current portion of long-term interest bearing debt) was 0.33 times increased from 0.02 times in Q2/2024.

As at 30 June 2025, the Company's debt to equity ratio was 0.85 times decreased from 1.10 times in Q2/2024.

#### Liquidity

(Unit : Million)

Summarized Cash Flows Statements	6M/2024	6M/2025	%YoY
Net cash flows from (used in) operating activities	466.63	(227.28)	(51.28)
Net cash flows from (used in) investing activities	(0.97)	(6.68)	589.21
Net cash flows from (used in) financing activities	(433.83)	(222.45)	(48.72)

As at 30 June 2025, the Company's cash flows classified by activities consist of



- Cash flows from operating activities

The Company's net cash flows from operating activities were Baht 466.63 million in Q2/2024 and used in operating activities were Baht 227.28 million in Q2/2025, decreased 51.28% compared to the same period of the previous year resulting from the Company's decreasing of loan approval and increasing of carefulness in loan approval.

- Cash flow from investing activities

The Company's net cash flows used in investing activities were increased 589.21% from Baht 0.97 million to Baht 6.68 million compared to the same period of the previous year due to the Company has an increasing investment of permanent property.

- Cash flows from financing activities

The Company's net cash flows used in financing activities were decreased 48.72% from Baht 433.83 million to Baht 222.45 million compared to the same period of the previous year due to the Company's liquidity was sufficient to the business operation.

#### **Shareholders' equity**

As at 30 June 2025, shareholders' equity of the Company was Baht 3,498.81 million, increased 3.47% from Baht 3,381.58 million compared to the end of last year due to the increasing profit from the effective performance.

#### **Negative factors to the financial status and operating performance**

The factors having an important role in determining direction of business growth in the future are the interest rate controlling according to the Notification of Contract Committee, Office of the Consumer Protection Board Re: Prescribing Hire Purchase for Vehicle and Motorcycle Business as Contract-Controlled Business which was effective on 10 January 2023 caused the decreasing of Company's revenue as well as amid the high domestic household debt, the Company then increase the strictness in loan approval.

#### **Sustainable development**

The Company still gives the importance to executing the sustainable development by adhering to the ESG principles (Environmental, Social, and Governance) as follows;



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Environmental dimensions: The Company used natural resource efficiently and tried to reduce the greenhouse gas emission by turning off the light during lunch break or when not in use and setting solar cell on the roof of the Company to promote the use of renewable energy. Moreover, the Company manages wastes by clearly separating waste type in order to reduce the waste volume and reuse the recycle waste.

Social dimensions: The Company strengthens the good relations within the organization by creating the good and safe working environment along with giving the importance to the human rights regarding respect and protection of fundamental rights in order to prevent any form of harassments as well as supporting the projects which caused the benefit to society such as giving scholarship to the employee's children, donation of motorcycle to be a learning media etc.

Governance dimensions: The Company gives the importance to the transparent management and responsible to all stakeholders, conform to the laws and ethical standards as well as audits and controls the business operation in order to prevent the corruption and inappropriate actions.

Please be informed accordingly.

Sincerely yours,

**Mrs. Katika Kusawadee**

Secretary of the Company

Authorized person for the signatory of the IT report