

Ref. AU 6 /2018

14 May 2018

Subject: Management Discussion and Analysis for the three-month period ended 31 March 2018

 To : Director and the President  
 The Stock Exchange of Thailand

**Summary of the Company's Financial Position and Operating Result for the three-month period ended 31 March 2018**

After You Public Company Limited (the "Company") operates dessert and bakery businesses. The Company divided its businesses into 2 categories, including

- 1) Dessert café under the trademark name of "After You" and "Maygori". As of 31 March 2018, there were 28 branches of After You dessert café (26 branches as of 31 December 2017) and 1 branch of Maygori (1 branches as of 31 December 2017)
- 2) Catering service and original equipment manufacturers (OEM) for parties, wedding receptions, and any festivals. In addition, the Company produces its products under its trademark for airline business, restaurants and etc. such products as pies, cookies and bakeries.

The Company has a subsidiary, Aurum and Aurum Company Limited (together with the Company, the "Group") which operates raw material and equipment sourcing and import.

**Analysis of Financial Performance**
Revenues

Business categories	Operated by	For the three-month period ended 31 March				Changes Increase (Decrease)
		2018		2017		
		THB mm	%	THB mm	%	
<u>Sales</u>						
1. Sales from Dessert café	Company	197.28	97.89	153.94	97.56	28.15
2. Sales from Catering service and OEM	Company	2.15	1.07	2.26	1.43	(4.87)
<b>Total sales</b>		<b>199.43</b>	<b>98.95</b>	<b>156.20</b>	<b>98.99</b>	<b>27.68</b>
<b>Other revenues</b>		<b>2.11</b>	<b>1.05</b>	<b>1.59</b>	<b>1.01</b>	<b>32.70</b>
<b>Total revenues</b>		<b>201.54</b>	<b>100.00</b>	<b>157.79</b>	<b>100.00</b>	<b>27.73</b>

The quarter 1/2018 sales were THB 197.28 million, increased 28.15% from THB 153.94 million of same period last year due to the introduction of 9 new branches and same store sale growth of 1.53%.

The Group had other revenues of THB 2.11 million in quarter 1/2018 escalating from THB 1.59 million of the same period last year. Such growth was yields from short-term investment spent since January 2017.

#### Cost of Sales and Gross Profit

Unit : THB mm Unless otherwise stated	For the three-month period ended 31 March	
	2018	2017
Total sales	199.43	156.20
Cost of sales	64.68	54.99
Gross Profit	134.75	101.21
Gross Profit Margin (%)	<b>67.57</b>	<b>64.80</b>

For quarter 1/2018, gross profit of the Group was THB 134.75 million or equivalent to gross profit of 67.57%, compared with 64.80% last year. Boost in gross profit margin was mostly from cost management lowering the price of raw material , the main part in cost of sales. In addition, menus of the month launched in January and February this year yielded higher gross profit margin than average.

#### Selling Expenses

Selling expenses mainly consist of salary for the café's staff, space and equipment rental expenses at each After You dessert café and Maygori, utility expenses, and other selling expenses such as marketing and promotional expenses, and depreciation of asset in each branch. For the first quarter of 2018 and 2017, selling expenses were THB 66.35 million and THB 51.48 million, respectively. Selling expenses grew by THB 14.87 million or 22.41%, mainly from more staffs and rental in branch expansion. Compared to sales, the first quarter's selling expenses were 33.27% and 32.96% in 2018 and 2017 respectively.

#### Administrative Expenses

The Administrative Expenses in quarter 1/2018 was THB 32.98 million or 16.36% of total revenues, compared to THB 24.66 million in quarter 1/2017.

Such Increase was mainly due to higher office employees supporting expansion. In addition, depreciation in quarter 1, 2018 climbed up from the same period in 2017 as the head office, distribution and training center began to book such expense since June 2017.

#### Financial Cost

Financial costs for the first quarter of 2018 and 2017 were THB 0.07 million and THB 0.50 million with 0.03% and 0.32% of total revenues, respectively. Such fall resulted from the repayment of bank loan in January 2017.

### Tax Expenses

Tax expenses for the first quarter of 2018 and 2017 were 6.30 million and 4.42 million, respectively or equivalent to effective tax rate of 16.81% and 16.91%, respectively.

### Net Profit and Net Profit Margin

Net profit of the Group was THB 31.17 million in quarter 1/2018 increased THB 9.43 million or 43.39% from THB 21.74 million of the first quarter last year. Net profit margin in quarter 1/2018 were 15.47% and 13.78% in quarter 1 /2017. Such rises were mainly due to the sales & margin escalation and better cost management.

### **Analysis of Financial Position**

#### Assets

As of 31 March 2018 and 31 December 2017, the Group had total assets of THB 1,048.72 million and THB 1,033.81 million, respectively which mainly consist of cash and cash equivalents, short-term investment and property, plant and equipment.

#### *Cash and Cash Equivalents*

As of 31 March 2018 and 31 December 2017, cash and cash equivalents were THB 35.28 million and THB 48.63 million respectively. The decrease of THB 13.35 million was mainly because the Company used surplus cash from operation to invest in short-term investment.

#### *Trade and Other Receivables*

As of 31 March 2018 and 31 December 2017, the Group had trade and other receivables of THB 3.79 million and THB 11.10 million respectively. The THB 7.31 million reduction resulted from the repayment from customers.

#### *Restricted Bank Deposits*

As of 31 March 2018 and 31 December 2017, the Group had restricted bank deposit of THB 3.68 million and THB 0.40 million respectively. The increase was mainly because bank deposit was used as the guarantee for rental fee.

#### Liabilities

As at 31 March 2018 and 31 December 2017, the Group's liabilities mainly consisted of trade and other payables and income tax payable. Total liabilities were THB 85.25 million and THB 101.51 million respectively.

#### *Trade and Other Payables*

As at 31 March 2018 and 31 December 2017, the Group had trade and other payables of THB 34.23 million and THB 59.38 million respectively. The plunge of THB 25.15 million was brought by repayment to suppliers and payment of accrued bonus.



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Shareholders' Equity

As of 31 March 2018 and 31 December 2017, the Group had shareholders' equity of THB 963.47 million and THB 932.30 million, respectively. The increase in shareholders' equity was brought by THB 31.17 million net profit during the period

Please be informed accordingly,

Yours sincerely,

(Mr. Maetup T.Suwan)  
Managing Director