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10 August 2018

Subject: Management Discussion and Analysis for the three-month period ended 30 Jun. 2018

 To : Director and the President
 The Stock Exchange of Thailand

Summary of the Company's Financial Position and Operating Result for the 3 and 6 month period ended 30 Jun. 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 30 June 2018, there were 29 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 occasion. In addition, the Company produces its products under its trademark as per customers' demands.

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.

Quarter 2/ 2018

Business categories	For the 3-month period ended 30/6/18				% Change Inc. (Dec)	For the 6-month period ended 30/6/18				% Change Inc. (Dec)
	2018		2017			2018		2017		
	THB mm	%	THB mm	%		THB mm	%	THB mm	%	
<u>Sales</u>										
1. Sales from dessert café	202.52	96.80	171.51	97.37	18.08	399.80	97.33	325.45	97.46	22.85
2. catering/ OEM/ sale via head office	3.46	1.65	2.45	1.39	41.22	5.61	1.37	4.71	1.41	19.11
Total sales	205.98	98.46	173.96	98.76	18.41	405.41	98.70	330.16	98.87	22.79
Other revenues	3.23	1.54	2.19	1.24	47.49	5.34	1.30	3.78	1.13	41.27
Total revenues	209.21	100	176.15	100	18.77	410.75	100.	333.94	100.00	23.00

The quarter 2 /2018 sales were THB 202.52 million, increased 18% from THB 171.51 million of same period last year due to the introduction of 9 new branches.

The Group had other revenues of THB 3.23 million in quarter 2 /2018 escalating from THB 1.54 million of the same period last year. Such growth was driven mainly from marketing activities rendered to a corporate customer.

Jan – Jun. 2018

For the first half (1H) of 2018, sales increased to THB 399.8 million from THB 325.45 million in 1H/ 2017, accounted for 22.85% increase due to the introduction of 9 new branches compared to the same period last year.

The Group had other revenues of THB 5.61 million in 1H/ 2018 which increased from THB 4.71 million in 1H/ 2017. Increase in other revenues was mainly from marketing activities rendered.

Cost of Sales and Gross Profit

Unit : THB mm Unless otherwise stated	For the 3 month period ended 30 Jun.		For the 6 month period ended 30 Jun.	
	2018	2017	2018	2017
Total sales	205.98	173.96	405.41	330.16
Cost of sales	67.74	58.04	132.42	113.03
Gross Profit	138.24	115.92	272.99	217.13
Gross Profit Margin (%)	67.11	66.64	67.34	65.77

Gross Profit

For Jan. – Jun. 2018, gross profit of the Group was THB 272.99 million, equivalent to gross profit of 67.34%, compared with 65.77% in 1H/ 2017. 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 early 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, utility expenses, and other selling expenses such as marketing and promotional expenses, and depreciation of asset in each branch.

Quarter 2/ 2018

For the three-month period ended 30 June 2018 and 2017, selling expenses were THB 67.68 million and THB 53.58 million respectively. Rising part of THB 14.1 or 26.32% was brought by additional staff and rental expenses for new branches.

The proportion of selling expenses to total revenue for Q2/ 2018 and Q2/ 2017 were 32.35% and 30.42% respectively. Such growth was soaring depreciation and space's expenses led by Don Mueang branch boosting high share compared to revenue.

The company closed down the branch at the end of May 2018. This will terminate such expense with effective from Q2 /2018.

Jan. – Jun. 2018

For the first half of 2018 and 2017, selling expenses were THB 134.03 million and THB 105.06 million respectively. Selling expenses increased THB 28.97 million or 27.57%, mainly from additional staff and rental expenses for new branches.

The proportion of selling expense to sales were 32.63% and 31.46% in 1H/2018 and 1H/2017 respectively. Higher proportion was brought by soaring assets' depreciation, space expenses at Don Mueang Branch incurring high cost compared to revenues.

The company closed down the branch at the end of May. This will put an end to such high selling expense.

Administrative Expenses (Admin.)

Apr – Jun. 2018

The Administrative Expenses in Q2/ 2018 was THB 38.6 million and THB 26.02 million in Q2/ 2017. The THB 12.58 million or 48.35% increase was mainly from new expenses from new head quarter, more staff hiring in headquarter to serve expansion and new business plan and asset write-off,

The percentage of Admin. / sales from 15% in Q2/ 2017 to 19% was mainly brought by Don Muang branch closing incurring THB 4.24 million asset write-off. The company closed down this branch in May 2018.

Jan – Jun 2018

The Admin. in 1H/ 2018 was THB 71.58 million and THB 50.68 million in 1H/ 2017. The THB 20.39 million shift was mainly due to new expenses from new head quarter, more staff hiring in headquarter to serve expansion and new business plan and asset write-off.

The percentage of Admin. / sales from 15% in Q2/ 2017 to 18% was mainly brought by Don Muang branch closing incurring THB 4.24 million asset write-off.

Financial Cost

Jan. – Jun. 2018

Financial costs for the first half of 2018 and 2017 were THB 0.12 million and THB 0.55 respectively. The reduction was caused by long term bank loan repayment in Jan. 2017.

Net Profit and Net Profit Margin

Quarter 2/ 2018

Net profit of the Group was THB 28.94 million in quarter 2 /2018, decreased from THB 31.46 million or 8.01%. The Net profit margin of Q2/ 2018 was 13.83% and 17.86% in Q2/ 2017. If no Don Muang Branch closure with assets write-off , the net profit margin would be 15.86%.

Jan – Jun 2018

Net profit of the Group was THB 60.11 million in 1H/ 2018, up from THB 53.2 million. The Net profit margin of 1H/ 2018 was 14.63% and 15.93% in 1H/ 2017. If no Don Muang Branch assets write -off , the net profit margin would be 15.67%.

Analysis of Financial Position

Assets

As of Q2/ 2018 and 30/12/2017, the Group had total assets of THB 959.5 million and THB 1,033.81 million, respectively which mainly consist of cash and cash equivalents, short-term investment and property, plant and equipment.

Short term investment

As of Q2/ 2018 and 30/12/2017, cash and cash equivalents were THB 364.5 million and THB 463.35 million respectively. The decrease of THB 98.85 million was mainly from dividend payment.

Trade and Other Receivables

As of Q2/ 2018 and 30/12/2017, the Group had trade and other receivables of THB 3.66 million and THB 11.10 million respectively. The THB 7.44 million reduction resulted from the repayment from customers.

Restricted Bank Deposits

As at Q2/ 2018 and 30/12/2017, 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 Q2/ 2018 and 30/12/2017, the Group's liabilities mainly consisted of trade and other payables and income tax payable. Total liabilities were THB 89.43 million and THB 101.51 million respectively.

Trade and Other Payables

As at Q2/ 2018 and 31/12/2017, the Group had trade and other payables of THB 45.64 million and THB 59.38 million respectively. The plunge of THB 13.74 million was brought by repayment to suppliers and payment of accrued bonus.

Shareholders' Equity

As at Q2/ 2018 and 31/12/2017, the Group had shareholders' equity of THB 870.06 million and THB 932.30 million, respectively. The reduction in shareholders' equity was due to THB 122.64 million dividend payment and offset by net profit during the year

Please be informed accordingly,

Yours sincerely,

(Mr. Maetup T.Suwan)
Managing Director