

AFTER YOU

EST. 2007  
Bangkok



**After You  
Public Company Limited**

Management Discussion & Analysis

**Q1/2021**

# Executive Summary



Operating highlight in Q1/2021	Q1/20	Q1/21	Change +/-
(THB million)			YoY
Operating Revenue	219	179	(18%)
Gross Profit	137	105	(23%)
EBITDA	58	57	(2%)
<b>Net Profit for the Company</b>	<b>13</b>	<b>12</b>	<b>(8%)</b>
<b>Gross profit margin (%)</b>	<b>62.6%</b>	<b>58.7%</b>	<b>(3.9%)</b>
<b>EBITDA margin (%)</b>	<b>26.4%</b>	<b>31.5%</b>	<b>5.1%</b>
<b>Net profit margin (%)</b>	<b>5.9%</b>	<b>6.6%</b>	<b>0.7%</b>
<b>Number of branches as at March 31</b>	<b>39</b>	<b>39</b>	<b>0%</b>



## Q1/2021 Key Financial Highlights

### Revenue

- After You Public Company Limited (“the Company”) reported consolidated operating revenue of THB 179 million in Q1/2021 which decreased by THB 40 million or 18% from Q1/2020.
- The decrease was mainly from the full-quarter impact of the COVID-19 pandemic, the unrecovered household consumption, and the decrease of foreign tourists.

### Gross Profit and Gross Profit Margin

- The Company’s gross profit in Q1/2021 was THB 105 million, decreased by THB 32 million or 23% from Q1/2020 corresponding to the drop in total sales.
- Gross profit margin in Q1/2021 were 58.7%, dropped by 3.9% from Q1/2020 due to the increase in sales mix of To Go products, which usually have lower gross profit margin than dine-in products.

### EBITDA and EBITDA margin

- The Company’s EBITDA in Q1/2021 was THB 57 million, decreased by THB 1 million or 2% from Q1/2020
- However, EBITDA margin in Q1/2021 was 31.5%, increased by 5.1% from Q1/2020 as a result of the effective control of selling and administrative expenses under the implementation of the Company’s cost reduction measures.

### Net Profit and Net Profit Margin

- The Company reported net profit in Q1/2021 of THB 12 million, decreased by THB 1 million or 8% from Q1/2020 corresponding to the decrease in total revenue as well as the full-quarter impact of the COVID-19 pandemic.
- However, Net profit margin in Q1/2021 was 6.6% which increased by 0.7% from Q1/2020 as a result of effective control of selling and administration expenses by implementing cost reduction measures.

## Q1/2021 Management Highlights



### Continuous expansion of new store format "After You Marketplace"

After You continues to renovate certain areas of the Dessert Shop into a new store format under "After You Marketplace" to generate additional income streams and to maximize the utilization of areas in the existing stores, especially during the new COVID-19 outbreak.

As of March 31, 2021, the Company has renovated areas in the Dessert Shop to open a total of 14 "After You Marketplace", with 3 newly opened branches including Future Park Rangsit branch, Central Plaza Bangna branch, and The Mall Bangkok branch.



### Developed and created more than 17 new products

In the first quarter of 2021, the Company has developed more than 17 new products to increase choices for consumers, attract consumers attention, and maintain continuity of launching new products both in the fresh-made product groups such as Tangthai Avocado Kakigori and Mayongchid Cheese Pie, and To Go product groups such as Chocolate bars, French Butter Croissants, and Murasaki Imo Shokupan etc.



### Expand pop-up stores coverage to 8 provinces nationwide

During the new outbreak of COVID-19 pandemic, the Company focuses on pop-up stores by adding more service points to enhance customer convenience and to reduce travelling time to purchase the products.

As of March 31, 2021, the Company has over 15 off-site pop-up stores distributing over 8 provinces including Bangkok, Phuket, Samut Sakhon, Nakhon Pathom, Khon Kaen, Rayong, Phitsanulok and Lampang.



### Growth from sales of the Mikka franchise as expected

The branches of the Mikka Café franchise grew as expected, where the Company has focused mainly on branch expansion through franchise model, both in Bangkok and major provinces.

At the end of the first quarter of 2021, the Company has 41 Mikka Café branches under the franchise contract.

## 2021 Outlook

Both the new outbreak of COVID-19 and the announcement of the lockdown measure in May 2021 are expected to affect both the purchasing power of consumers and the level of domestic economic recovery. However, if COVID-19 vaccination can be carried out according to the measures laid down, the situation can be resolved, and the economy could recover. The Company has been monitoring the situation closely and has launched several policies to respond to the new outbreak as follows:

### After You's Policies in response to new COVID-19 outbreak



AU  
Business  
Operation

After You implemented policy according to plan in respond to the COVID-19 outbreak including:

1. **Effective cost control:** controls employee-related expenses such as setting the maximum number of employees per branch based on sales volume, issues a Leave Without Pay policy, and controls the costs associated with rent by requesting a rent reduction to the landlord.
2. **Research and develop of new products for New Normal:** focus on research and development of Take-away and To Go products as well as develop appropriate packaging to be in line with the new consumer lifestyle that emphasizes on speed and convenience in transportation.
3. **Enhance sales management to reach consumers precisely** such as adding more pop-up store locations which are highly flexible and widely expanded across more areas. Furthermore, the Company also introduced various products through online channels to keep customers informed and able to access products more easily
4. **Efficient management and utilization of in-store spaces** by renovating some areas of the dessert café to accommodate a new store format "After You Marketplace".
5. **Growth through the Mikka Café franchise** by providing an opportunity for any investors to become one of the owners of the Mikka Café franchise in Bangkok and other major cities.



Corporate  
Social  
Responsibility

The Company has continuously paid attention to the society especially during the COVID-19 pandemic, by donating consumer products to several hospitals and several COVID-19 screening points throughout Bangkok to encourage doctors and public health personnel working in high-risk areas.



Donating consumer goods for hospitals

# Operating Results

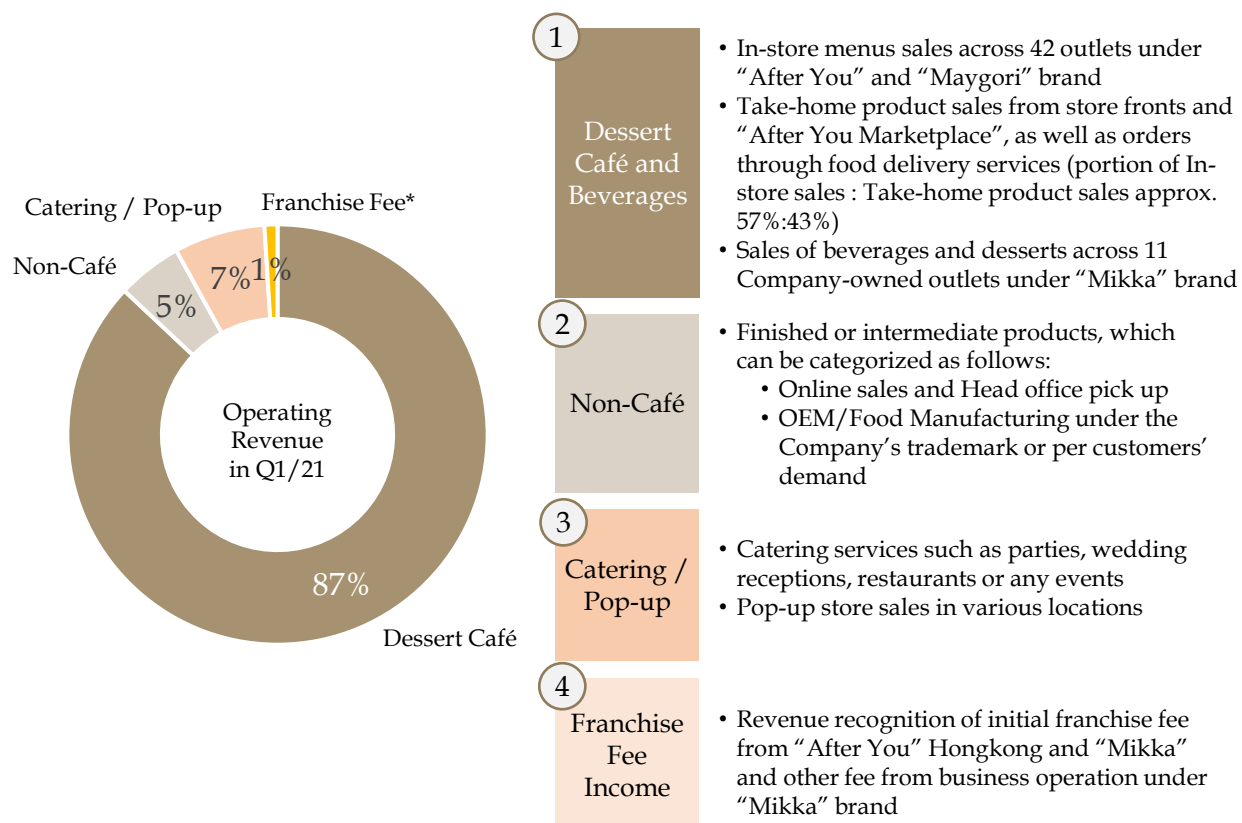


Overall operating results of the Company in Q1/2021	Q1/20	Q1/21	Change +/- YoY
(THB million)			
Operating Revenue	219	179	(18%)
Cost of sales	(82)	(74)	(10%)
<b>Gross Profit</b>	<b>137</b>	<b>105</b>	<b>(23%)</b>
Other Income	1	2	100%
Selling and distribution expenses	(76)	(57)	(25%)
Administrative expenses	(43)	(33)	(23%)
Finance Cost	(4)	(3)	(25%)
<b>Profit before income tax expenses</b>	<b>15</b>	<b>14</b>	<b>(7%)</b>
Tax expenses	(2)	(2)	0%
<b>Net Profit for the Company</b>	<b>13</b>	<b>12</b>	<b>(8%)</b>

## Analysis of Statement of Income

### 1. Revenue:

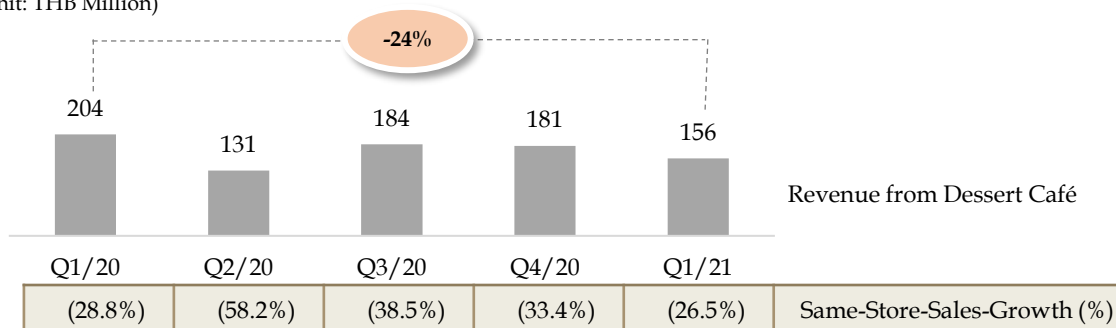
After You Public Company Limited operates dessert and bakery business. The Company divides its business into 4 categories as follows:



Revenue	Q1/20	Q1/21	Change +/-
			<b>YoY</b>
<b>(THB million)</b>			
Revenue from Dessert Café	204	156	(24%)
Revenue from Non-Café	3	9	200%
Revenue from Catering / Pop-Up	12	12	0%
Revenue from Franchising	0.5	2	300%
<b>Total Operating Revenue</b>	<b>219</b>	<b>179</b>	<b>(18%)</b>
Other Income	1	2	100%
<b>Total Revenue</b>	<b>220</b>	<b>181</b>	<b>(18%)</b>

Key Drivers	Q1/20	Q1/21	Change +/-
Number of branches as at March 31	39	39	0%
Same-Store-Sales-Growth (SSSG)	(28.8%)	(26.5%)	2.3%

(Unit: THB Million)



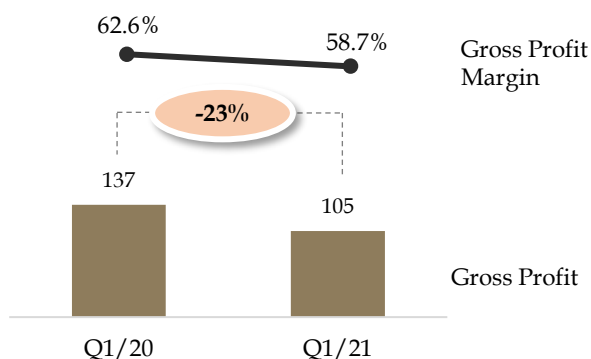
YoY

**Q1/2021 vs Q1/2020**

- **Revenue from Dessert Café** in Q1/2021 was THB 156 million, decreased by THB 48 million or 24% from Q1/2020 due to the full-quarter impact of the COVID-19 pandemic, the unrecovered household consumption, and the decrease of foreign tourists.
- **Revenue from Non-café** in Q1/2021 was THB 9 million, increased by THB 6 million or 200% from Q1/2020 due to the recognized sales of raw material to Mikka Café franchisee.
- **Revenue from Franchising** in Q1/2021 was THB 2 million, increased by THB 1.5 million or 300% from Q1/2020 due to higher franchise royalty fee from Mikka Café as a result of franchise expansion.

**2. Gross Profit and Gross Profit Margin:**

(Unit: THB Million)



YoY

**Q1/2021 vs Q1/2020**

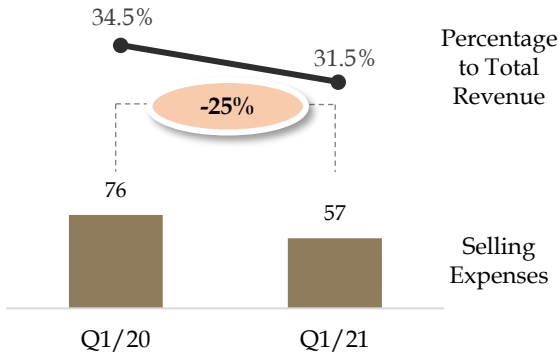
- **Gross profit** in Q1/2021 was THB 105 million, decreased by THB 32 million or 23% from Q1/2020, in line with the lower sales in Q1/2021 compared to Q1/2020.
- **Gross profit margin** in Q1/2021 was 58.7%, decreased by 3.9% from Q1/2020, due to the increase in sales mix of To Go products, which usually have lower gross profit margin than dine-in products.

Gross profit = Total Operating Revenue - Cost of Sales

Cost of sales mainly consists of cost of raw materials, packages, supplies, salary of production unit's staff, depreciations, kitchen utensils and space usage expense of production unit. Major part of cost of sales is raw materials.

### 3. Selling Expenses:

(Unit: THB Million)



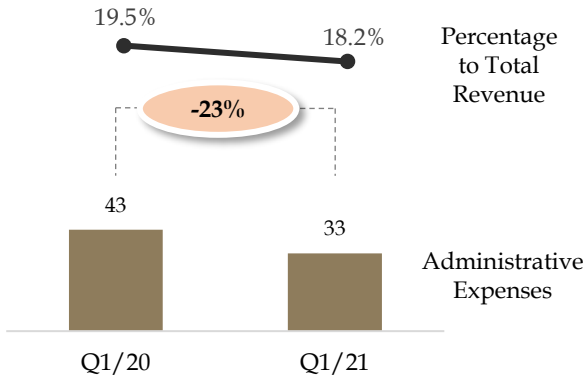
YoY Q1/2021 vs Q1/2020

- **Selling expenses** in Q1/2021 was THB 57 million, decreased by THB 19 million or 25% from Q1/2020 due to employee cost control and negotiation for rental expenses reduction according to the COVID-19 outbreak.
- **Selling expenses to total revenue** in Q1/2021 was 31.5%, improved by 3.0% from Q1/2020. The improvement was due to the efficient implementation of cost reduction measures.

**Selling expenses** mainly consist of salaries of dessert 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.

### 4. Administrative Expenses:

(Unit: THB Million)



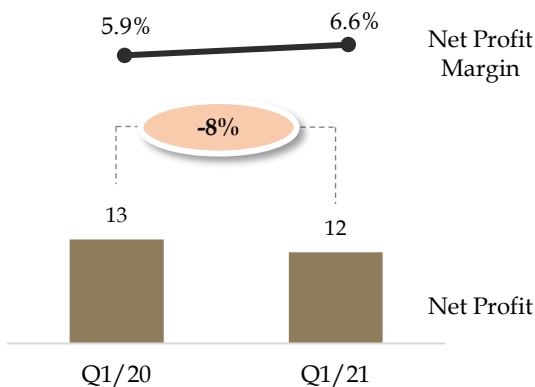
YoY Q1/2021 vs Q1/2020

- **Administrative expenses** in Q1/2021 was THB 33 million, decreased by THB 10 million or 23% from Q1/2020 mainly due to successful control of employee-related expenses according to the cost reduction measures.
- **Admin expenses to total revenue** in Q1/2021 was 18.2%, improved by 1.3% from Q1/2020 due to the implementation of the Company's cost reduction measures, especially employees cost controlling.

**Administrative expenses** mainly consist of salaries of back-office staff, utility expenses, and depreciation of property, plant, and equipment in the back office.

### 5. Net Profit and Net Profit Margin:

(Unit: THB Million)



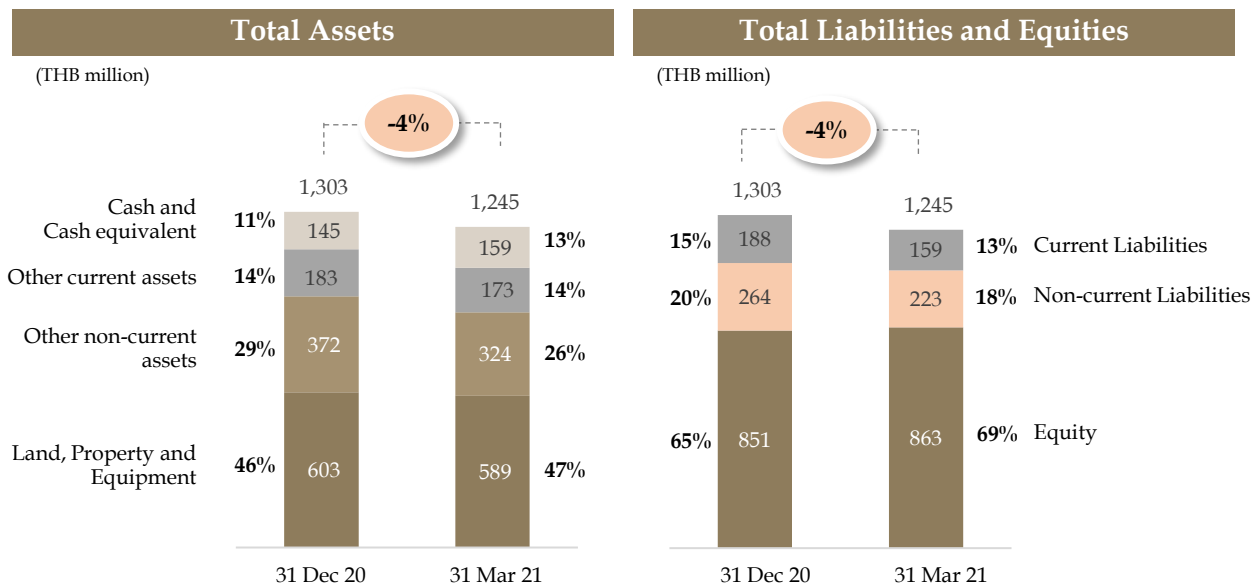
YoY Q1/2021 vs Q1/2020

- **Net profit** in Q1/2021 was THB 12 million which decreased by THB 1 million or 8% from Q1/2020 corresponding to the decrease in total revenue as well as the full-quarter impact of the COVID-19 pandemic.
- **Net profit margin** in Q1/2021 was 6.6% which increased by 0.7% from Q1/2020 due to effective control of selling and administration expenses by implementing cost reduction measures.

**6. Finance Cost:**

Finance cost arise from the recognition of interest expense from the adoption of Thai Financial Reporting Standards 16 Leases (IFRS 16). The company has no interest-bearing debt.

**Analysis of Statement of Financial Position**



**Total Assets**

As of 31 March 2021, the total assets of the Company were THB 1,245 million, decreased by THB 58 million or 4% from 31 December 2020. Changes are highlighted as follows:

- **Other Non-Current Assets** decreased by THB 48 million. This was mainly due to the amortization of **the right of use assets** following Accounting Standard as regular periods.
- **Other Current Financial Assets** decreased by THB 10 million due to the debt repayment from customer on **trade and other receivables** and the lower **inventory**.

**Total Liabilities**

As of 31 March 2021, the total liabilities of the Company were THB 382 million, decreased by THB 70 million or 15% from 31 December 2020. The decrease was mainly due to:

- **Current Liability** decreased by THB 29 million as a result of the decrease of **trade and other payables** from Goods Payments and accrued bonuses settlement.
- **Non-current Liabilities** decreased by THB 41 million mainly due to the amortization of **the lease liabilities that are more than 12 months** following Accounting Standard as regular periods.

**Total Equity**

As of 31 March 2021, the total equity of the Company was THB 863 million, increased by THB 12 million or 1% from 31 December 2020. The is due to the increase of **retained earnings** as a result of the recognition of **net profit** in Q1/2021.