

After You Public Company Limited



MANAGEMENT DISCUSSION & ANALYSIS

YE/2021





Executive SUMMARY:

Operating Highlights in Q4/2021	Q4/20	Q4/21	Change +/-)	2020	2021	Change +/-)
(THB million)			%YoY			%YoY
Operating Revenue	207	188	(9%)	768	620	(19%)
Gross Profit	127	112	(12%)	468	355	(24%)
EBITDA	60	58	(3%)	210	172	(18%)
Net Profit (Loss) for the Company	17	13	(24%)	55	4	(93%)
Gross Profit Margin (%)	61.4%	59.6%	(1.8%)	60.9%	57.3%	(3.6%)
EBITDA Margin¹ (%)	28.6%	30.4%	1.8%	27.2%	27.4%	0.2%
Net Profit (Loss) Margin¹ (%)	8.1%	6.8%	(1.3%)	7.1%	0.6%	(6.5%)
Number of branches as at December 31	42	40	(5%)	42	40	(5%)

¹EBITDA Margin and Net Profit Margin are calculated from Total Revenue

Q4/2021 Key Financial Highlights



REVENUE:

- After You Public Company Limited (“the Company”) reported consolidated operating revenue of THB 188 million in Q4/2021 and THB 620 million in 2021, decreased by 9% from Q4/2020 and 19% from 2020, respectively.
- The decrease was mainly from the decline in operating revenue due to the decrease in consumers’ purchasing power as a result of the impact from the new wave of COVID-19 outbreak, as well as the temporary closure of some branches according to government measures in Q2/2021 and Q3/2021.



GROSS PROFIT and GROSS PROFIT MARGIN:

- The Company’s gross profit in Q4/2021 and 2021 were THB 112 million and THB 355 million, respectively, decreased by 12% from Q4/2020 and 24% from 2020, corresponding to the decrease in total sales.
- Gross profit margin in Q4/2021 was 59.6%, decreased from 61.4% in Q4/2020, and gross profit margin in 2021 was 57.3%, decreased from 60.9% in 2020.
- The decrease was mainly due to the temporary closure of some branches in areas and the higher proportion of take-home products and orders via food delivery services, which have lower margins due to higher packaging costs. In addition, the Company achieved higher sales of raw material to Mikka Café franchise, which have relatively lower margins.



EBITDA and EBITDA MARGIN:

- The Company’s EBITDA in Q4/2021 and 2021 were THB 58 million and THB 172 million, respectively, decreased by 3% from Q4/2020 and 18% from 2020, corresponding to the decrease in operating revenue as a result of the impact from the new wave of COVID-19 outbreak.
- EBITDA margin in Q4/2021 was 30.4%, increased from 28.6% in Q4/2020, and in 2021 was 27.4%, slightly decreased from 27.2% in 2020. The increase was mainly due to the decrease in operating revenue, which was less than the decrease in overall expenses.

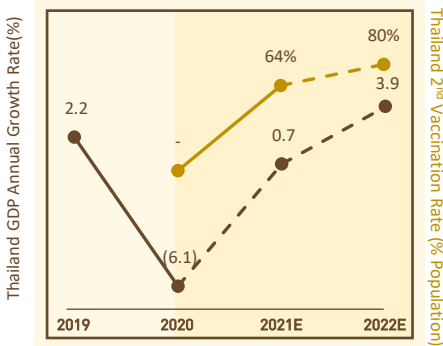


NET PROFIT and NET PROFIT MARGIN:

- The Company reported net profit in Q4/2021 and 2021 of THB 13 million and THB 4 million respectively, decreased by 24% from Q4/2020 and 93% from 2020 respectively, corresponding to the lower operating revenue.
- Net profit margin in Q4/2021 was 6.8%, decreased from net profit margin of 8.1% in Q4/2020 due to the decrease in Company’s sales at a higher proportion than the decrease in overall expenses.
- Net profit margin in 2021 was 0.6%, decreased from net profit margin of 7.1% in 2020 mainly due to the decrease in revenue from sales when compared to the same period in 2020 as well as the recognition of net loss in Q2/2021 and Q3/2021.



Outlook TOWARD 2022



Source: BOT and Ministry of Public Health

Perspectives on Thai economy in 2022

- The Thai economy is expected to recover gradually in 2022. During the first half of the year, slow recovery is expected due to the discovery of the new Omicron variant; however, high vaccination rate along with the increasing proportion of population who received booster dose will likely lead to the tendency for the government to gradually ease the strict measures. In addition, the prolonged epidemic situation has resulted in people beginning to adjust their lifestyle to live safely in the new normal.
- This trend is in line with the forecast from the Bank of Thailand's (BOT) stating that the Thai economy will begin to recover in 2022 following the indicators of economic growth (GDP) at 3.9 percent, driven by higher domestic consumer spending, higher investment, and the rebound of the tourism industry after a higher vaccination rate.

Strategies Targets AND STRATEGIC DIRECTIONS IN 2022:

Business

2022 Strategies Plan



After you (Domestic)

Improving Business Operations in Response to COVID-19 situation



Aside from opening normal branches, the company plans to **open small branches similar to Cloud Kitchen to increase the service points** to reach more consumers and better respond to situations. The company aims to open 15 small branches called "After You Marketplace," focusing on selling products through food delivery channels and take-home services. In addition, products that are sold in the marketplace area of the regular branch are also available at these new branches



The company will **continuously develop new special products** with a focus on dine-in products to be in line with the easing government measures in preventing the spread of COVID-19 as previously the Company has focused mainly on the development of take-home products. In addition, the company expects that during the second half of the year the tourism sector is likely to begin to recover and will likely result in a higher dessert café revenue from foreign customers.



Focus on growing through online channels by using After you application that allows customers to order products without intermediary and facilitate customers with E-wallet payment system.

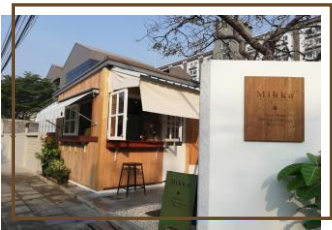


After you (Overseas)

Expanding to Overseas Market



During January 2022, The company **opened its first overseas branch in Hong Kong following a successful market trial** via "Pop-up Store" format to create awareness in the Hong Kong market. The Company also plans to open a second branch in Hong Kong in the third quarter of 2022. In the long term, the Company goal is to expand not less than 5 franchise branches of dessert café in Hong Kong.



Mikka Cafe

Growing Mikka Franchise



As of the end of 2021, the company has 9 Mikka cafes under the Company's management and operation. The company has started to continuously open branches as planned. In January 2022, the company successfully opened the 10th branch in Bangsaen area in Chonburi Province.



The Company set high priority on the expansion of Mikka cafe branches with franchise contracts by focusing on distribution branches to provide services in provincial areas in large cities to increase opportunities to reach consumers. At the end of 2021, Mikka cafe has a total of 69 franchise branches in Bangkok and metropolitan areas and has a goal of expanding 200 franchise branches by 2022



New Brand

Launching Products under New Brands in April 2022



The company plans to launch new branded products in April 2022 to increase access to new target groups of consumers.



Operating Results Of the Company:

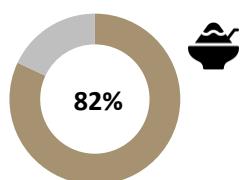
Overall operating results of the Company in Q4/2021	Q4/20	Q4/21	Change +/-	2020	2021	Change +/-
(THB million)			%YoY			%YoY
Operating Revenue	207	188	(9%)	768	620	(19%)
Cost of Sales	(80)	(76)	(5%)	(300)	(265)	(12%)
Gross Profit	127	112	(12%)	468	355	(24%)
Other income	3	3	0%	5	8	60%
Selling and Distribution Expenses	(68)	(57)	(16%)	(251)	(213)	(15%)
Administrative Expenses	(39)	(40)	3%	(148)	(135)	(9%)
Finance Cost	(3)	(2)	(33%)	(10)	(11)	10%
Profit (Loss) before Income Tax Expenses	20	16	(20%)	64	4	(94%)
Tax Expenses	(3)	(3)	0%	(9)	0	(100%)
Net Profit (Loss) for the Company	17	13	(24%)	55	4	(93%)

Analysis of Statement of Income

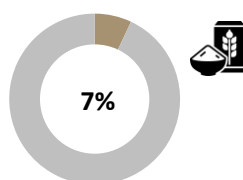
1. Revenue:

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

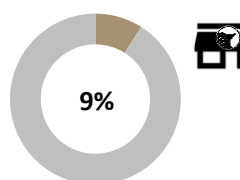
Revenue Breakdown in 2021



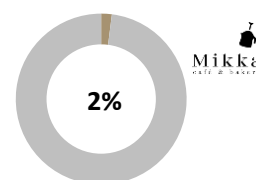
Dessert Café
AND DRINKS



Sales of Goods
AND RAW MATERIAL



Catering, Events
AND POP-UP



Franchise
FEE INCOME

- In-store menu sales across 40 outlets under "After You"
- Take-home product sales at Dessert Café branch and under "After You Marketplace" as well as orders through food delivery services (portion of In-store sales : Take home product sales¹ approx. 43%:57%)
- Sales of beverages and desserts across 9 company-owned outlets under "Mikka" brand

- Finished or intermediate products, which can be categorized as follows:
- Online sales products and Head office pick up
- OEM/Food Manufacturing under the Company's trademark or per customers' demand

- Catering services such as parties, wedding receptions, restaurants or any events
- Pop-up store sales in various locations

- Revenue recognition of initial franchise fee from "After You" franchise in Hongkong, "Mikka", and other fees from operating under "Mikka" brand



¹ The proportion of In-store sales to take home products sales was calculated as of 2021

Executive Summary

Significant Events

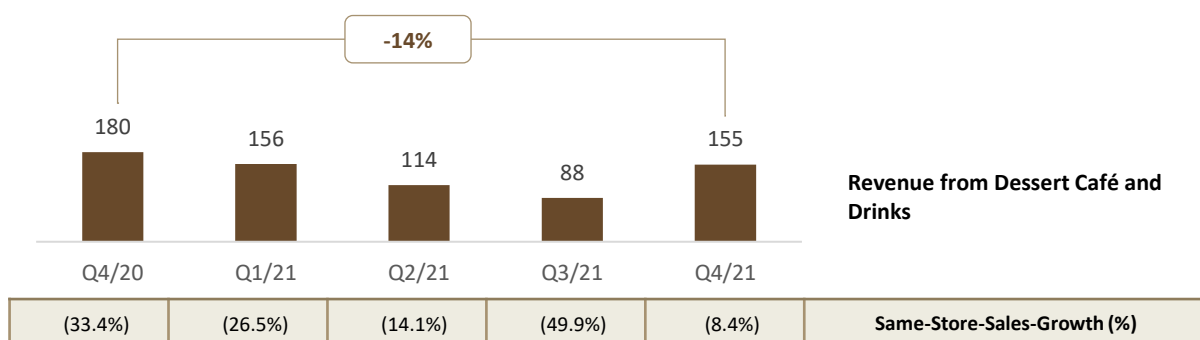


Financial Performance

Revenue	Q4/20	Q4/21	Change +/-	2020	2021	Change +/-
(THB Million)			%YoY			%YoY
Revenue from Dessert Café and Drinks	180	155	(14%)	700	514	(27%)
Revenue from Non-Café	9	16	78%	21	43	105%
Revenue from Catering / Pop-Up	16	14	(13%)	44	53	20%
Revenue from Franchising*	2	3	50%	3	10	233%
Total Operating Revenue	207	188	(9%)	768	620	(19%)
Other Income	3	3	0%	5	8	60%
Total Revenue	210	191	(9%)	773	628	(19%)

Key Drivers	Q4/20	Q4/21	Change +/-	2020	2021	Change +/-
Number of branches as at December 31	42	40	(5%)	42	40	(5%)
Same-Store-Sales-Growth (SSSG)	(33.4%)	(8.4%)	25%	(40.2%)	(26.9%)	13%

Unit: THB Million



YoY

Q4/2021 vs Q4/2020

- **Revenue from Dessert Café** in Q4/2021 was THB 155 million, decreased by THB 25 million or 14% from Q4/2020 mainly due to the decrease in consumers' purchasing power as a result of the impact from the new wave of COVID-19 outbreak, as well as the decrease in the number of dessert cafe branches when compared to the same period in 2020.
- **Revenue from Non-café** in Q4/2021 was THB 16 million, increased by THB 7 million or 78% from Q4/2020 due to the increase in sales of raw material to Mikka Café franchisee.
- **Revenue from Catering and Pop-Up** in Q4/2021 was THB 14 million, decreased by THB 2 million or 13% from Q4/2020 due to the decrease in average sales per pop-up store, corresponding to the decrease in consumers' purchasing power.

12M

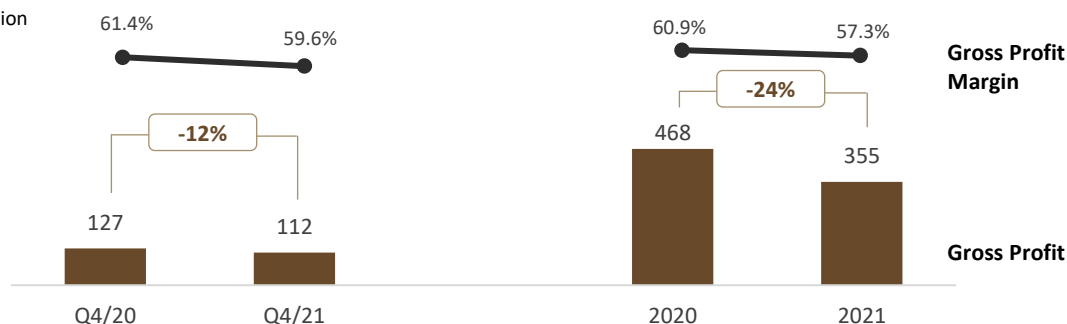
2021 vs 2020

- **Revenue from Dessert Café** in 2021 was THB 514 million, decreased by THB 186 million or 27% from 2020 due to the decreased revenue in Q2/2021 and Q3/2021 as a result of the temporary closure of some dessert café according to the government measures in order to control the spread of COVID-19, as well as the enforcement of curfew measures during 9.00 PM – 04.00 AM.
- **Revenue from Non-café** in 2021 was THB 43 million, increased by THB 22 million or 105% from 2020 mainly due to the increase in sales of raw material to Mikka Café franchisee.
- **Revenue from Catering and Pop-Up** in 2021 was THB 53 million, increased by THB 9 million or 20% from 2020 due to the increase in average number of pop-up stores during Q2/2021 and Q3/2021 across Bangkok and other provinces.
- **Revenue from Franchising** in 2021 was THB 10 million, increased by THB 7 million or 233% from 2020 due to the increase in initial franchise fees and royalty fees of Mikka Café branches.



2. Gross Profit and Gross Profit Margin:

Unit: THB Million



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.

YoY

Q4/2021 vs Q4/2020

- **Gross Profit** in Q4/2021 was THB 112 million, decreased by THB 15 million or 12% from Q4/2020, corresponding to the decrease in total sales during Q4/2021 when compared to Q4/2020.
- **Gross Profit Margin** in Q4/2021 was 59.6%, decreased from 61.4% in Q4/2020, mainly due to the higher proportion of take-home products and orders through food delivery services, which generated lower gross profit margins due to higher packaging costs.

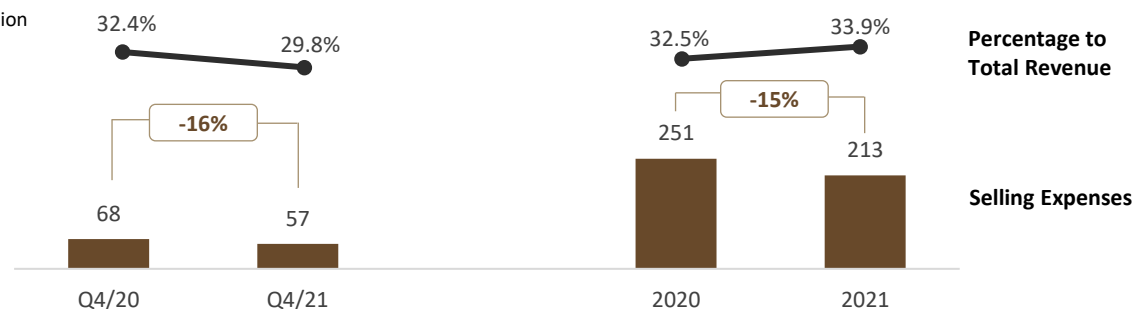
12M

2021 vs 2020

- **Gross Profit** in 2021 was THB 355 million, decreased by THB 113 million or 24% from 2020, corresponding to the temporary closure of some branches, as well as the reduction of overall opening hours due to compliance with government measures during Q2/2021 and Q3/2021.
- **Gross Profit Margin** in 2021 was 57.3%, decreased from 60.9% in 2020 due to the temporary closure of some branches, as well as higher proportion of take-home products and orders through food delivery services, which have lower margins due to higher packaging costs. In addition, the Company achieved sales of raw material to Mikka Café franchise, which have lower margins.

3. Selling Expenses:

Unit: THB Million



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.

YoY

Q4/2021 vs Q4/2020

- **Selling Expenses** in Q4/2021 was THB 57 million, decreased by THB 11 million or 16% from Q4/2020 due to the decrease in expenses related to dessert café staffs and lower rental expenses during new wave of COVID-19 pandemic.
- **Selling Expenses to Total Revenue** in Q4/2021 was 29.8%, increased from 32.4% in Q4/2020 due to the decrease in selling expenses in a higher proportion than the decrease in revenue.

12M

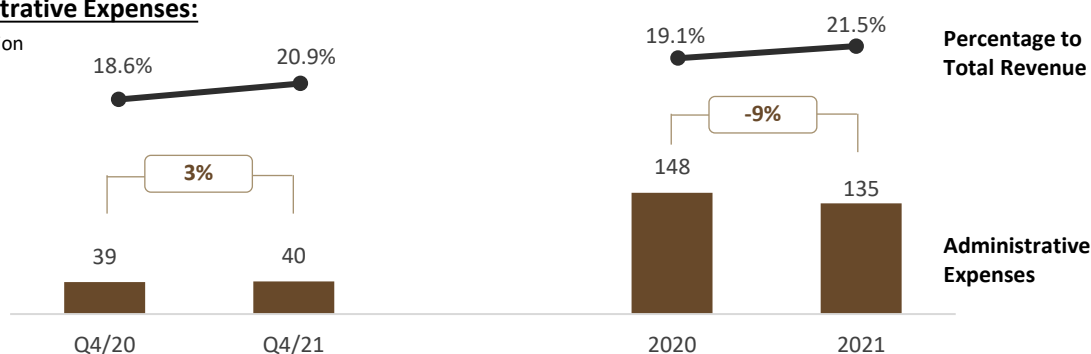
2021 vs 2020

- **Selling Expenses** in 2021 was THB 213 million, decreased by THB 38 million or 15% from 2020 due to the decrease in expenses related to dessert café staffs and lower rental expenses from temporary closure of certain dessert café branches according to government measures.
- **Selling Expenses to Total Revenue** in 2021 was 33.9%, increased from 32.5% in 2020, due to the decrease in revenue in a higher proportion than the decrease in selling expenses.



4. Administrative Expenses:

Unit: THB Million



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

YoY

Q4/2021 vs Q4/2020

- **Administrative Expenses** in Q4/2021 was THB 40 million, slightly increased by THB 1 million or 3% from Q4/2020. This is due to the recognition of expenses related to closing of the branch during the year, as well as the impairment of fixed assets for branches expected to close in early 2022 amounting THB 3 million.
- **Administrative Expenses to Total Revenue** in Q4/2021 was 20.9%, slightly increased from 18.6% in Q4/2020 mainly due to the recognition of expenses related to the closure of the branch.

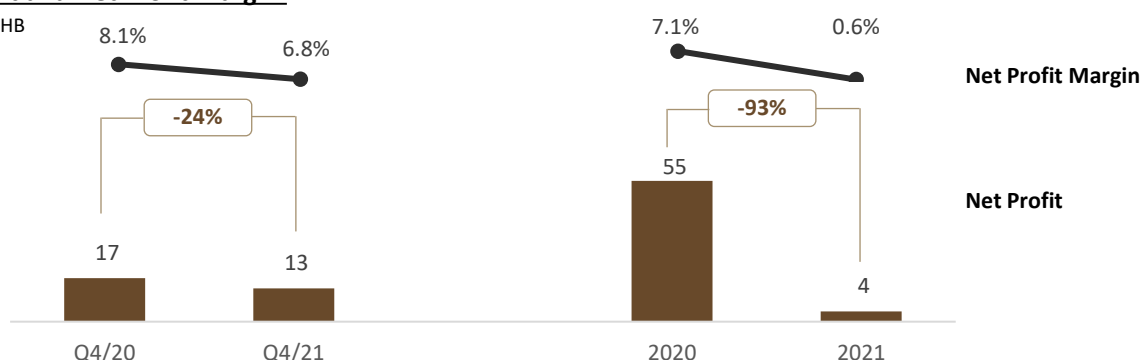
12M

2021 vs 2020

- **Administrative Expenses** in 2021 was THB 135 million, decreased by THB 13 million or 9% from 2020 mainly due to the decrease in employee expenses and property tax expenses .
- **Administrative Expenses to Total Revenue** in 2021 was 21.5%, slightly increased from 19.1% in 2020 due to the decrease in revenue from sales at a higher proportion than the decrease in overall expenses.

5. Net Profit and Net Profit Margin:

Unit: Million THB



YoY

Q4/2021 vs Q4/2020

- **Net Profit** in Q4/2021 was THB 13 million, decreased by THB 4 million or 24% from Q4/2020, corresponding to the significant decrease in revenue from sales as a result of the impact from the new wave of COVID-19 outbreak.
- **Net Profit Margin** in Q4/2021 was 6.8%, decreased from Net Profit Margin of 8.1% in Q4/2020 mainly due to the decrease in Company's sales at a higher proportion than the decrease in overall expenses.

12M

2021 vs 2020

- **Net Profit** in 2021 was THB 4 million, decreased by THB 51 million or 93% from 2020 due to the recognition of net loss during Q2/2021 and Q3/2021 as a result of the temporary closure of some branches as well as the reduction of overall opening hours due to compliance with government measures.
- **Net Profit Margin** in 2021 was 0.6%, decreased from 7.1% in 2020 due to the decrease in the Company's revenue from sales as well as the recognition of net loss in Q2/2021 and Q3/2021.

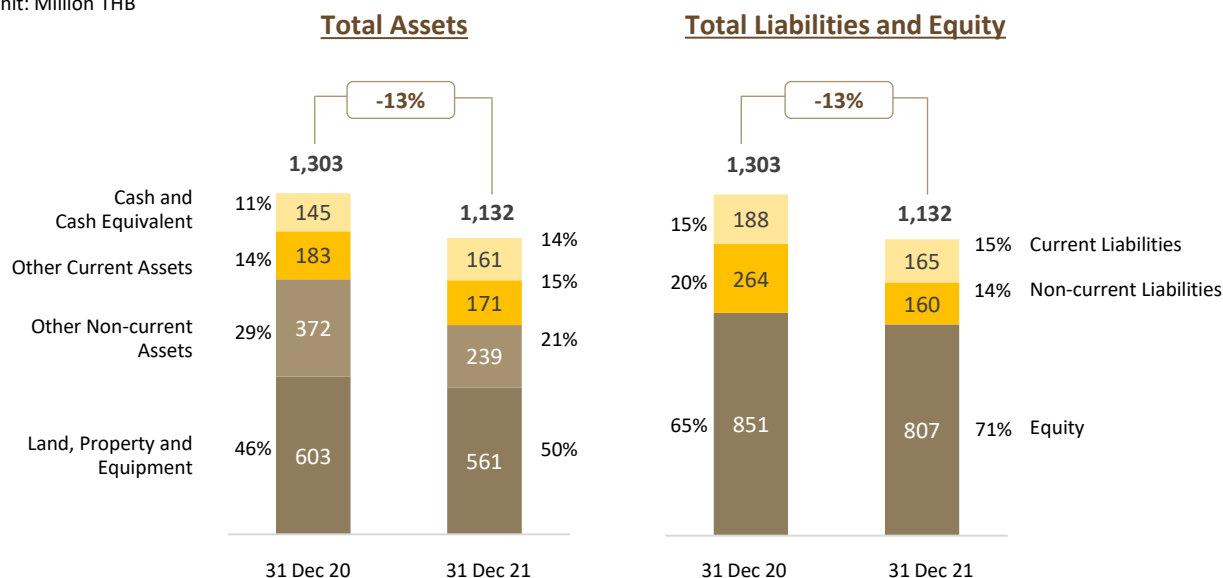


4. Finance Cost:

Finance cost arises from the recognition of interest expenses 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

Unit: Million THB



A Total Assets

As of 31 December 2021, the total assets of the Company were THB 1,132 million, decreased by THB 171 million or 13% from 31 December 2020. Changes are highlighted as follows:

- **Cash and Cash Equivalent** increased by THB 16 million mainly due to the conversion of other current financial assets into cash in order to maintain the Company's liquidity.
- **Land, Property and Equipment** decreased by THB 42 million mainly due to the recognition of depreciation expenses for the accounting period.
- **Other Non-Current Assets** decreased by THB 133 million mainly due to the amortization of the **right-of-use asset** following the Accounting Standard for the accounting period.
- **Other Current Assets** decreased by THB 12 million mainly due to the sales of other current financial assets.

L Total Liabilities

As of 31 December 2021, the total liabilities of the Company were THB 325 million, decreased by THB 127 million or 28% from 31 December 2020. The decrease was mainly due to:

- **Current Liabilities** decreased by THB 23 million as a result of the decrease in **trade and other payables** from goods payments and accrued bonuses settlement as well as annual accrued tax payment of 2020.
- **Non-current Liabilities** decreased by THB 104 million mainly due to the amortization of **lease liabilities that are more than 12 months** following Accounting Standard for the accounting period.

E Total Equity

As of 31 December 2021, the total equity of the Company was THB 807 million, decreased by THB 44 million or 5% from 31 December 2020. The decrease was due to dividend payment in Q2/2021 of THB 49 million.