

After You Public Company Limited



MANAGEMENT DISCUSSION & ANALYSIS

Q1/2022





Executive SUMMARY:



Operating Highlights in Q1/2022	Q1/21	Q1/22	Change + / (-)
(THB million)			%YoY
Operating Revenue	179	198	11%
Gross Profit	105	120	14%
EBITDA	57	58	2%
Net Profit (Loss) for the Company	12	15	25%
Gross Profit Margin (%)	58.7%	60.6%	1.9%
EBITDA Margin¹ (%)	31.5%	29.0%	(2.5%)
Net Profit (Loss) Margin¹ (%)	6.6%	7.5%	0.9%
Number of branches as at March 31	39	39	-

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

Q1/2022 Key Financial Highlights



REVENUE:

- After You Public Company Limited (“the Company”) reported consolidated operating revenue of THB 198 million in Q1/2022 and THB 179 million in Q1/2021, increased by 11%, mainly due to the revenue growth from dessert café as a result of the relaxation of COVID-19 control measures. In addition, the Company achieved higher sales of raw material to Mikka Café franchise.



GROSS PROFIT and GROSS PROFIT MARGIN:

- The Company's gross profit in Q1/2022 and Q1/2021 were THB 120 million and THB 105 million, respectively, increased by 14% from Q1/2021, mainly due to the higher operating revenue as a result of the relaxation of COVID-19 control measures.
- Gross profit margin in Q1/2022 was 60.6%, increased from 58.7% in Q1/2021, mainly due to the higher proportion of sales from dessert café, which have higher margin than food delivery and take-home services. In addition, the Company has adjusted the selling price of certain menus in March 2022.



EBITDA and EBITDA MARGIN:

- The Company's EBITDA in Q1/2022 and Q1/2021 were THB 58 million and THB 57 million, respectively, increased by 2% from Q1/2021, corresponding to the increase in gross profit.
- EBITDA margin in Q1/2022 was 29.0%, decreased by 2.5% from Q1/2021.



NET PROFIT and NET PROFIT MARGIN:

- The Company reported net profit in Q1/2022 and Q1/2021 of THB 15 million and THB 12 million respectively, increased by 25%, corresponding to the higher operating revenue as a result of the relaxation of COVID-19 control measures.
- Net profit margin in Q1/2022 was 7.5%, increased from net profit margin of 6.6% in Q1/2021, mainly due to the higher operating revenue as a result of the relaxation of COVID-19 control measures, as well as the higher proportion of sales from dessert café. In addition, the Company achieved higher sales of products and raw materials to Mikka Café franchise.

Significant events In Q1/2022



Expand "After You Marketplace" Stores

In the first quarter of 2022, **the Company opened the first After You Marketplace standalone store on Pradipat Road.** In which the store will focus on selling products through food delivery services and takeaway. In addition, all products displayed in existing After You Marketplace will be displayed in the new standalone store.



Continuously Launching New Products

In the first quarter of 2022, the Company has **continuously introduced new products**, including festive products such as ZEN Mousse Cake or the Valentine's Chocolate Bar Box Set which was launched during the past Valentine's Day. In addition, seasonal menus were also launched, such as the Mayongchid line which received overwhelming feedbacks



Expanding to Overseas Market

On January 25, 2022, **the Company opened the first overseas branch in Causeway Bay, Hong Kong,** which is another strategy to serve long-term growth and diversify risk. The store has continuously received good response following the government's relaxation of COVID-19 prevention measures.

Outlook In Q2/2022

AU Projects



Launching a New Brand "(Luggaw)"



At the beginning of the second quarter of 2022, **the Company plans to open the first LUGGAW fruit shop** at Marketplace, Nanglinchee Community Mall to meet the current customer demands, which focuses more on health-conscious products. The Company enhance growth through introducing new brand into the portfolio to increase the accessibility to new target consumers and create opportunities for sustainable growth.



Expanding (Pop-Up Stores)



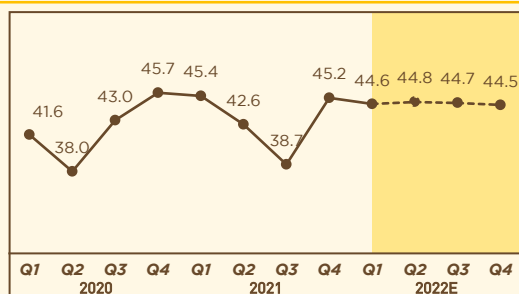
At the beginning of the second quarter of 2022, **the Company plans to open 2 pop-up stores called After You on the beach**, including Cave Beach Club Pattaya and SO Sofitel Hua Hin, as a marketing campaign for summer, in order to learn about the market and the purchasing power of consumers who go travelling at the beach. In addition, special menus was launched including the Watermelon Kagirori, Coconut Kagirori or the Blended Guava with Plum.



Expand dessert shops and small branches under "After You Marketplace"



In the middle of the second quarter of 2022, **the Company plans to open After You dessert shop at The Mall Ngamwongwan** to meet the needs of customers thoroughly. In addition, the Company sees an opportunity to open an After You Marketplace branch at a PTT gas station, aiming at 3 branches in 2022, while Pattanakan Branch has completed construction.



Perspectives on Consumer Spending

The Consumer Confidence Index has increased in the first quarter of 2022 compared to the average of 2021 as a result of economic activities began to recover as a result of the relaxation of the COVID-19 control measures, especially in the domestic tourism sector. In addition, the government's various economic stimulus measures also encourage the purchasing power of consumers to increase.

Operating Results Of the Company:

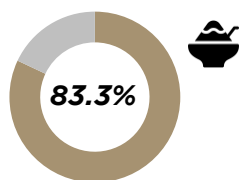
Overall operating results of the Company in Q1/2022	Q1/21	Q1/22	Change +/-(-)
(THB million)			%YoY
Operating Revenue	179	198	11%
Cost of Sales	(74)	(78)	5%
Gross Profit	105	120	14%
Other income	2	3	50%
Selling and Distribution Expenses	(57)	(62)	9%
Administrative Expenses	(33)	(40)	21%
Finance Cost	(3)	(2)	(33%)
Profit (Loss) before Income Tax Expenses	14	19	36%
Tax Expenses	(2)	(4)	100%
Net Profit (Loss) for the Company	12	15	25%

Analysis of Statement of Income

1. Revenue:

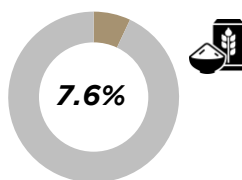
After You Public Company Limited operates dessert and bakery business. The Company divides its business into 4 categories as follows:

Revenue Breakdown in Q1/2022



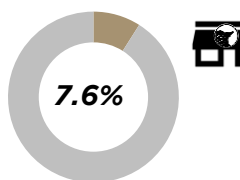
Dessert Café
AND DRINKS

- In-store menu sales across 39 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. 55%:45%)
- Sales of beverages and desserts across 10 company-owned outlets under “Mikka” brand



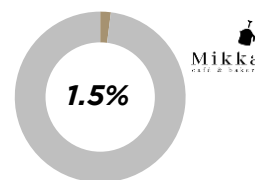
Sales of Goods
AND RAW MATERIAL

- Selling raw materials to franchisee of “Mikka Café” in Thailand and “After You” franchise in Hong Kong.
- OEM/Food Manufacturing under the Company’s trademark or per customers’ demand
- Online sales products and Head office pick up



Catering, Events
AND POP-UP

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



Franchise
FEE INCOME

- Revenue recognition of initial franchise fee and other fees including royalty fee from “After You” franchise in Hongkong and “Mikka” brand



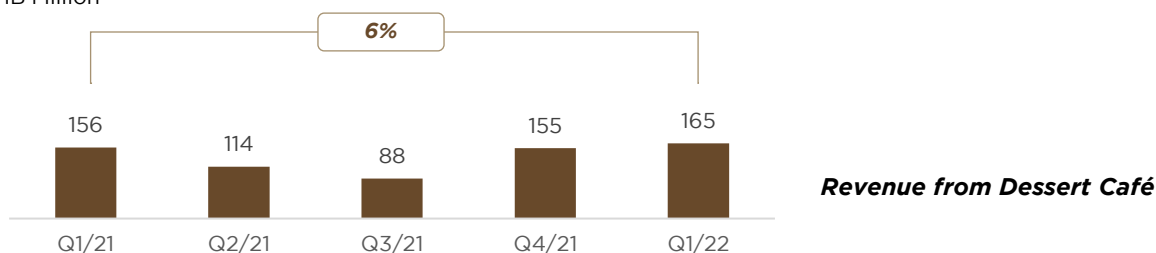
¹ The proportion of In-store sales to take home products sales was calculated as of Q1/2022



Revenue	Q1/21	Q1/22	Change +/-
(THB Million)			%YoY
Revenue from Dessert Café and Drinks	156	165	6%
Revenue from Non-Café	9	15	67%
Revenue from Catering / Pop-Up	12	15	25%
Revenue from Franchising	2	3	50%
Total Operating Revenue	179	198	11%
Other Income	2	3	50%
Total Revenue	181	201	11%

Key Drivers	Q1/21	Q1/22	Change +/-
Number of branches as of March 31, 2022	39	39	-
Same-Store-Sales-Growth (SSSG)	(26.5%)	8.9	35.4%

Unit: THB Million



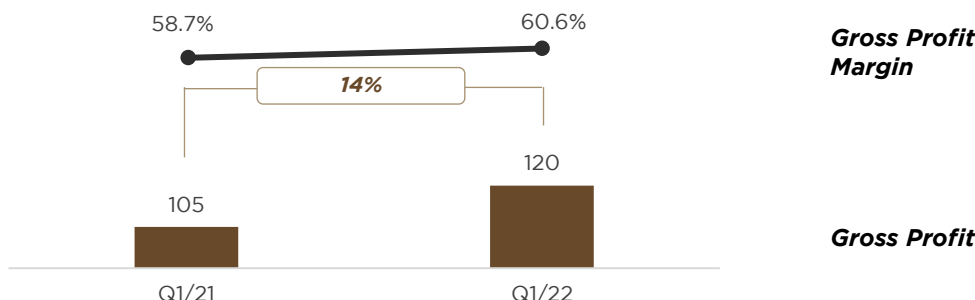
(26.5%)	(14.1%)	(49.9%)	(8.4%)	+8.9%	Same-Store-Sales-Growth (%)
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YoY Q1/2021 vs Q1/2022

- **Revenue from Dessert Café** in Q1/2022 was THB 165 million, increased by THB 9 million or 6% from Q1/2021 mainly due to the increase in same store sales growth, corresponding to the increase in number of dine-in customers as a result of the relaxation of COVID-19 prevention measures.
- **Revenue from Non-café** in Q1/2022 was THB 15 million, increased by THB 6 million or 67% from Q1/2021 due to the increase in sales of raw material to Mikka Café franchisee, in which there was a total of 83 Mikka Café branches in Q1/2022, increased by 41 branches from Q1/2021.
- **Revenue from Catering and Pop-Up** in Q1/2022 was THB 15 million, increased by THB 3 million or 25% from Q1/2021 due to the increase in average sales per pop-up store, as well as the increase in the number of catering services.

2. Gross Profit and Gross Profit Margin:

Unit: THB Million





Gross profit = Total Operating Revenue - Cost of Sales

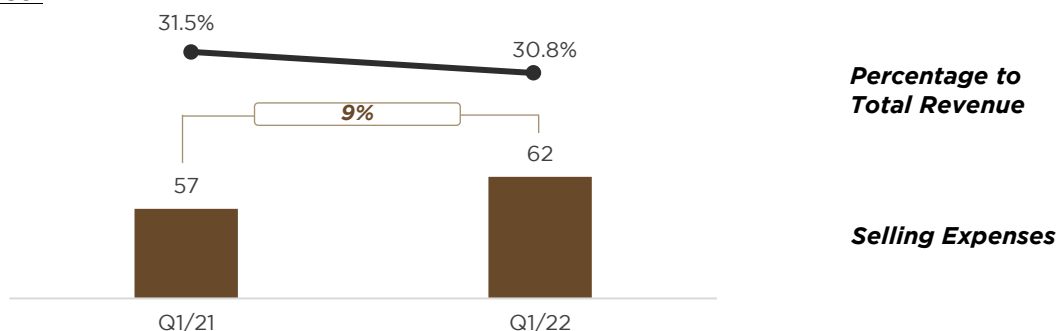
Cost of sales mainly consists of cost of raw materials, packages, supplies, salary of production unit's staff, depreciations, kitchen utensils and space usage expense of production unit. Major part of cost of sales is raw materials.

YoY Q1/2021 vs Q1/2022

- **Gross Profit** in Q1/2022 was THB 120 million, increased by THB 15 million or 14% from Q1/2021, corresponding to the increase in total sales as a result of the relaxation of COVID-19 prevention measures.
- **Gross Profit Margin** in Q1/2022 was 60.6%, increased from 58.7% in Q1/2021, mainly due to the higher proportion of dine-in sales, which have a relatively higher margin than food delivery and take-home services. In addition, the Company has adjusted the selling price of certain menus in March 2022.

3. Selling Expenses:

Unit: THB Million



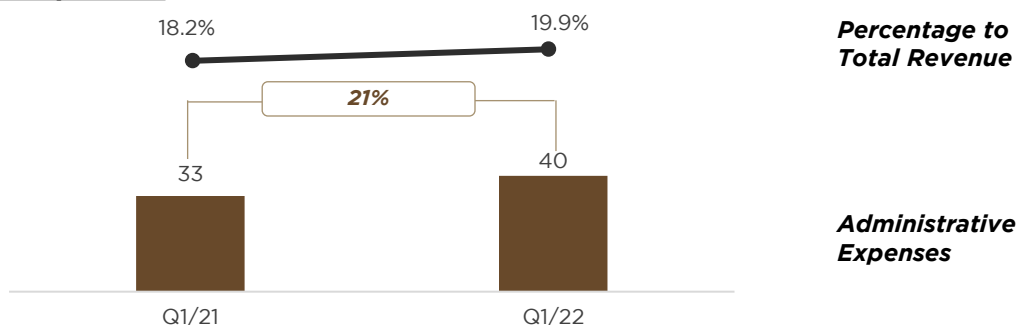
Selling expenses mainly consist of salaries of dessert café's staff, space and equipment rental expenses, utility expenses, and other selling expenses such as marketing and promotional expenses, and depreciation of asset in each branch.

YoY Q1/2021 vs Q1/2022

- **Selling Expenses** in Q1/2022 was THB 62 million, increased by THB 5 million or 9% from Q1/2021 mainly due to the increase in variable costs that increase in line with sales, such as utility expenses, transportation costs, and employee-related expenses, as well as the increase in rental expenses due to the relaxation of COVID-19 situation as the Company obtained lower rental discount.
- **Selling Expenses to Total Revenue** in Q1/2022 was 30.8%, decreased from 31.5% in Q1/2021 due to the increase in revenue in a higher proportion than the increase in selling expenses, as well as the Company's ability to control expenses efficiently.

4. Administrative Expenses:

Unit: THB Million



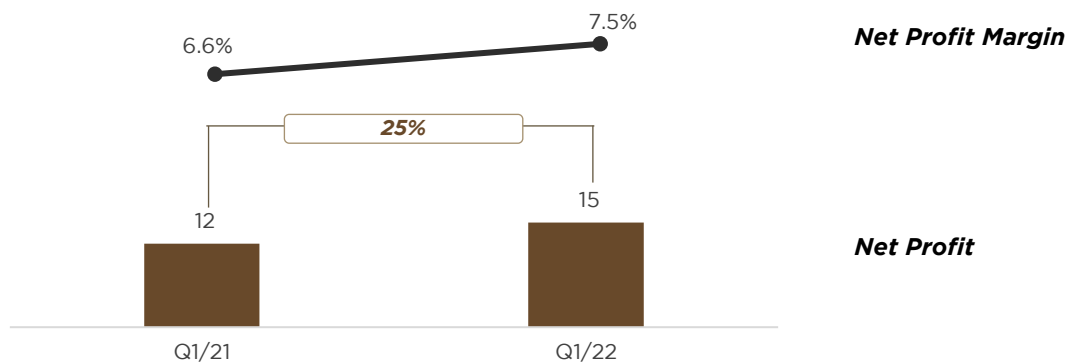
Administrative expenses mainly consist of salaries of head office employees, maintenance expenses, consulting and professional fees, depreciation and amortization, Loss from premature termination of lease and other expenses such as rent of office buildings, factories and warehouses, utility expenses and tax expenses

YoY Q1/2021 vs Q1/2022

- **Administrative Expenses** in Q1/2022 was THB 40 million, increased by THB 7 million or 21% from Q1/2021. This is mainly due the increase in employee-related expenses, as well as the increase in property tax expenses due to the cancellation of property tax expenses reduction according to the government measures.
- **Administrative Expenses to Total Revenue** in Q1/2022 was 19.9%, slightly increased from 18.2% in Q1/2021 mainly due to the higher operating revenue, which increased at a lower proportion than the increase in total administrative expenses.

5. Net Profit and Net Profit Margin:

Unit: Million THB



YoY

Q1/2021 vs Q1/2022

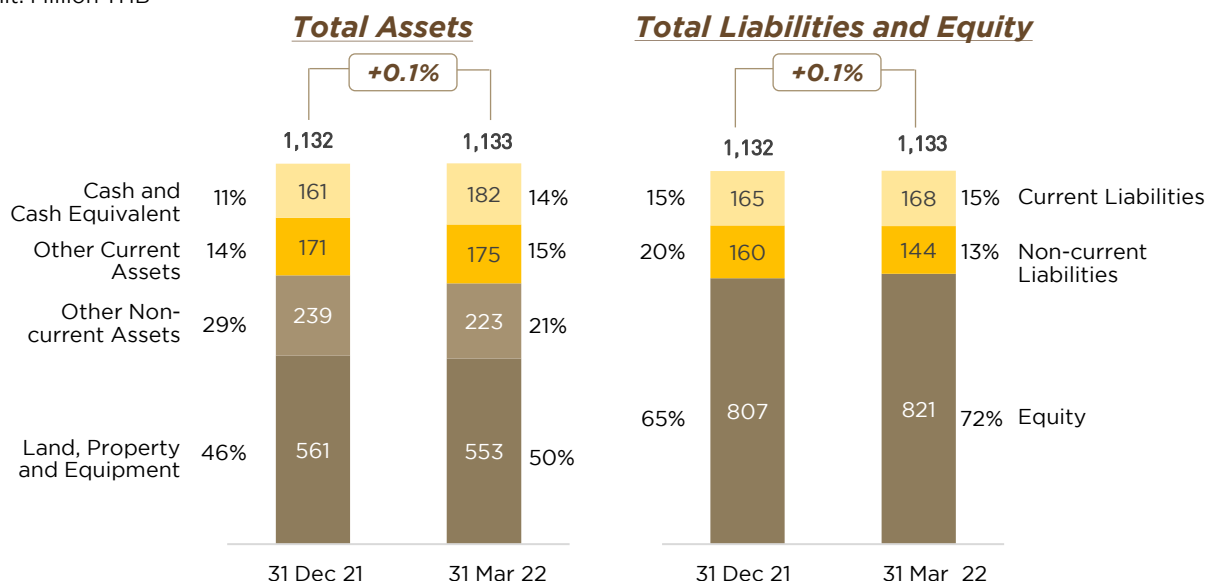
- **Net Profit** in Q1/2022 was THB 15 million, increased by THB 3 million or 25% from Q1/2021, corresponding to the increase in total sales as a result of the relaxation of COVID-19 prevention measures.
- **Net Profit Margin** in Q1/2022 was 7.5%, increased from Net Profit Margin of 6.6% in Q1/2021 mainly due to the increase in total sales as a result of the relaxation of COVID-19 prevention measures, as well as the higher proportion of dine-in sales. In addition, the Company achieved higher sales of raw material to Mikka Café franchise.

6. Finance Cost:

Finance cost arises from the recognition of lease liabilities 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 March 2022, the total assets of the Company were THB 1,133 million, increased by THB 1 million or 0.1% from 31 December 2021. Changes are highlighted as follows:

- **Cash and Cash Equivalent** increased by THB 21 million mainly due to the higher operating revenue as a result of the relaxation of COVID-19 situation.
- **Other Non-Current Assets** decreased by THB 16 million mainly due to the amortization of the right-of-use asset following the Accounting Standard for the accounting period.
- **Other Current Assets** increased by THB 4 million due to the increase in account receivable, inventories, and other current assets.
- **Land, Property and Equipment** decreased by THB 8 million mainly due to the recognition of depreciation expenses for the accounting period.

L Total Liabilities

As of 31 March 2022, the total liabilities of the Company were THB 312 million, decreased by THB 13 million or 4.3% from 31 December 2021. The decrease was mainly due to:

- **Current Liabilities** increased by THB 3 million as a result of the increase in accrued income tax and other current liabilities despite the lower trade account payable.
- **Non-current Liabilities** decreased by THB 16 million mainly due to repayment of the lease liabilities due more than 12 months.

E Total Equity

As of 31 March 2022, the total equity of the Company was THB 821 million, increased by THB 14 million or 1.7% from 31 December 2021. The increase was due to the increase in net profit in Q1/2022.