

After You Public Company Limited



MANAGEMENT DISCUSSION & ANALYSIS

YE/2022



Executive SUMMARY:

Operating Highlights in Q4/2022	Q4/21	Q4/22	Change + / (-)	2021	2022	Change + / (-)
(THB million)			%YoY			%YoY
Operating Revenue	188	264	40%	620	938	51%
Gross Profit	112	166	48%	355	592	67%
EBITDA	58	83	43%	172	306	78%
Net Profit (Loss) for the Company	13	36	177%	4	118	2,850%
Gross Profit Margin (%)	59.6%	62.9%	3.3%	57.3%	63.1%	5.8%
EBITDA Margin¹ (%)	30.1%	30.9%	0.8%	27.4%	32.1%	4.7%
Net Profit (Loss) Margin¹ (%)	6.7%	13.4%	6.7%	0.6%	12.4%	11.8%
Number of After You dessert café branches as of 31 December	40	51	27.5%	40	51	27.5%

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

2022 Key Financial Highlights



REVENUE:

- After You Public Company Limited (“the Company”) reported consolidated operating revenue of THB 264 million in Q4/2022 and THB 938 million in 2022, increased by 40% from Q4/2021 and 51% from 2021, respectively.
- The increase in revenue was mainly due to the growth in sales of dessert cafés, which accounts for the largest share of revenue. The growth in sales of dessert cafés was mainly due to the improving COVID-19 situation and the recovery of incoming tourists due to the relaxation of government measures against COVID-19, as a result more customers are eating-out and having desserts.



GROSS PROFIT and GROSS PROFIT MARGIN:

- The Company’s Gross Profit in Q4/2022 and 2022 were THB 166 million and THB 592 million, respectively, increased by 48% from Q4/2021 and 67% from 2021, corresponding to the increase in sales and the Company’s efficient cost management since the beginning of this year which allows the Company to benefit from economies of scale.
- Gross Profit margin in Q4/2022 was 62.9%, increased from 59.6% in Q4/2021, and Gross Profit margin in 2022 was 63.1%, increased from 57.3% in 2021.
- The increase in gross profit was mainly due to increase in the proportion of sales from dessert café (Dine-in) which has a higher gross profit margin than sales from takeaways or purchasing through food delivery services.



EBITDA and EBITDA MARGIN:

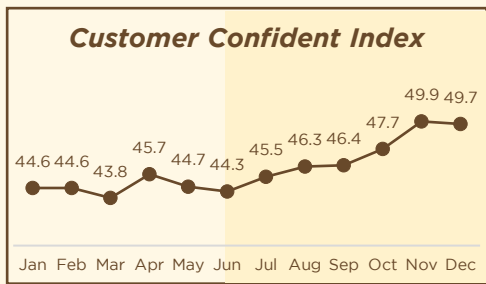
- The Company’s EBITDA in Q4/2022 and 2022 were THB 83 million and THB 306 million respectively, increased by 43% from Q4/2021 and 78% from 2021, corresponding to the increase in gross profit.
- EBITDA margin in Q4/2022 was 31.4%, increased from 30.1% in Q4/2021, and EBITDA margin in 2022 was 32.6%, increased from 27.4% in 2021. The increase was mainly due to a higher increase in proportion of total revenue than total expenses.



NET PROFIT and NET PROFIT MARGIN:

- The Company reported Net Profit in Q4/2022 and 2022 of THB 36 million and THB 118 million respectively, increased by 177% from Q4/2021 and 2,850% from 2021 respectively.
- Net profit margin in Q4/2022 was 13.6%, increased from Net Profit margin of 6.7% in Q4/2021. While Net Profit margin in 2022 was 12.6%, increased from a Net Profit margin of 0.6% in 2021.
- The increase in Net Profit and Net Profit margin was due to the increase in total revenue especially from dessert café. At the same time, the expense has increased at a smaller proportion as a result of the Company’s ability to manage costs which allows the Company to benefit from economies of scale.

2023 Outlook



Perspective on customers' purchasing behavior

In 2022, the customer confident index has gradually increased since June 2022, as a result from an economic recovery from COVID-19 pandemic. As a result, more tourists on both domestically and abroad have travelled in Thailand which results in a significant increase in purchasing volume. In addition, stabled oil price also have played a significant role in the Company's production costs was able to stabilize, as well as to increase the customers confidence in the country's economy.

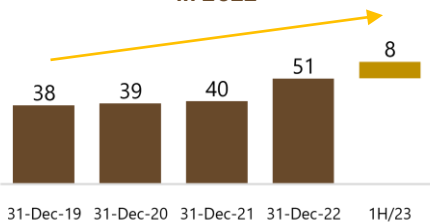
As a result, from the mentioned factors, the tourist industry which includes the food and retail industries have been positively impacted.

Source: Trade Policy and Strategy Office (TPSO)

Significant Events & Business Direction

AU's strategic approaches in 2023

The number of After You Dessert Cafe in 2022



Reopening of Dessert Cafés and Expanding of After You Branches According to Higher Demand of Customers

As of 31 December 2022, the Company has a total of 51 operating branches, including 11 new branches comparing to December 31 2021 which consisting of 6 new dessert cafés and 5 new AU marketplace.

In addition, by mid 2023, the Company plans to open approximately 8 additional branches, which 7 branches are in Bangkok and 1 branch is in other provinces, consisting of 3 new dessert cafés and 5 new After You Marketplaces. The expansion is to increase reach to targeted customer while also responding to higher customers' demand.

Expansion of "Pop-up" Store

The Company continues to expand new versions of Pop-up store beside from traditional Pop-up store, by opening specifically in many tourism places that has high density of customers while inventing new special menu for each seasonal events. During Q4/2022, the Company opened 2 additional Pop-up stores under the concept "After you into the woods" at Minwinter in KhaoYai and Niman Soi 3 in ChiangMai province.

In addition, by 2023, the Company continuously plans to expand the Pop-up stores as mentioned by launching 2 additional seasonal concepts called "After you on the beach" and during the winter called "After you into the woods" in order to expand revenue sources while also obtaining new information about the market and consumer behavior in each demographics.

Expansion of "Mikka" Café Franchises

As of 31 December 2022, The Company has Mikka Café under the Company's management and operation in total of 10 branches. In 2023, the Company continues to expand more branches by opening additional 4-5 new Mikka Café branches

In addition, the Company still gives high importance to the expansion of Mikka Café franchises in both Bangkok and other provinces in order to reach more targeted customers. As of 31 December 2022, the Company has a total of 109 Mikka Café franchises and plans to expand to a total of 150 Mikka Café franchises by the end of 2023.

Expansion of "Luggaw" Branches

As of 31 December 2022, the Company has a fruit store under the brand "Luggaw" with a total of 5 branches. In Q4/2022, the Company has opened in addition of 4 new branches at Central world (in the office zone), Terminal 21 Rama 3, Sirikit Conventional Center, and Suvarnabhumi Airport branch. In addition, in 2023, the Company will continuously seek for new opportunities for Luggaw brand for expansion both in Bangkok and Metropolitan areas.



Operating Results Of the Company:

Overall operating results of the Company in Q4/2022	Q4/21	Q4/22	Change +/-	2021	2022	Change +/-
(THB million)			%YoY			%YoY
Operating Revenue	188	264	40%	620	938	51%
Cost of Sales	(76)	(98)	29%	(265)	(346)	31%
Gross Profit	112	166	48%	355	592	67%
Other income	3	6	100%	8	15	88%
Selling and Distribution Expenses	(57)	(82)	44%	(213)	(289)	36%
Administrative Expenses	(40)	(45)	13%	(135)	(165)	22%
Finance Cost ¹	(2)	-	(200%)	(11)	(6)	(45%)
Profit (Loss) before Income Tax Expenses	16	45	181%	4	147	3,575%
Tax Expenses	(3)	(9)	200%	-	(29)	N/A
Net Profit (Loss) for the Company	13	36	177%	4	118	2,850%

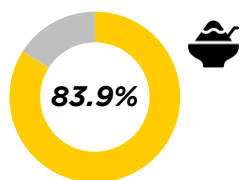
¹Finance costs are presented as net of financial income

Analysis of Statement of Income

1. Revenue:

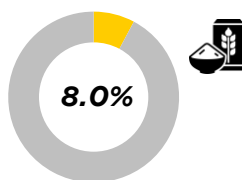
After You Public Company Limited operates dessert and bakery business. The Company divides its business into 4 categories as follows:

Revenue Breakdown in 2022



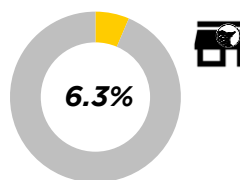
Dessert Café
AND DRINKS

- In-store menu sales across 51 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. 63%:37%)
- Sales of beverages and desserts across 10 company-owned outlets under "Mikka" brand



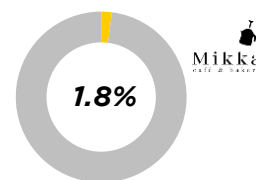
Sales of Goods
AND RAW MATERIAL

- Sale of raw materials to Mikka Café franchisees in Thailand and After You Dessert Café 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 fees, other fees and royalty fees from "After You" franchise in Hongkong and "Mikka" franchise store



¹The proportion of In-store sales to take home products sales was calculated as of 12M/2022

Executive Summary

Significant Events

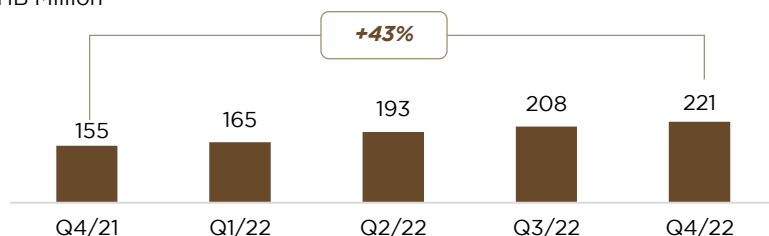


Financial Performance

Revenue	Q4/21	Q4/22	Change +/-	2021	2022	Change +/-
(THB Million)			%YoY			%YoY
Revenue from Dessert Café and Drinks	155	221	43%	514	787	53%
Revenue from Non-Café	16	22	38%	43	75	74%
Revenue from Catering / Pop-Up	14	16	14%	53	59	11%
Revenue from Franchising*	3	5	67%	10	17	70%
Total Operating Revenue	188	264	40%	620	938	51%
Other Income	3	6	100%	8	15	88%
Total Revenue	191	269	41%	628	953	52%

Key Drivers	Q4/21	Q4/22	Change +/-	2021	2022	Change +/-
Number of After You dessert café branches as of 31 December	40	51	27.5%	40	51	27.5%
Same-Store-Sales-Growth (SSSG)	(8.4%)	30.2%	38.6%	(26.9%)	48.3%	75.2%

Unit: THB Million



Revenue from Dessert Café and Drinks

Q4/21	Q1/22	Q2/22	Q3/22	Q4/22	Same-Store-Sales-Growth (%)
(8.4%)	+8.9%	+69.8%	+122.9%	+30.2%	

YoY

Q4/2022 vs Q4/2021

- **Revenue from Dessert Café** in Q4/2022 was THB 221 million, increased by THB 66 million or 43% from Q4/2021. The increase in revenue was mainly due to the improving COVID-19 situation and the increasing of incoming tourists due to the relaxation of government measures against COVID-19, as a result more customers are eating-out and having desserts.
- **Revenue from Non-café** in Q4/2022 was THB 22 million, increased by THB 6 million or 38% from Q4/2021 due to the increase in sales of raw material to Mikka Café franchisees, and the After You dessert café franchise in Hong Kong.
- **Revenue from Catering and Pop-Up** in Q4/2022 was THB 16 million, increased by THB 2 million or 14% from Q4/2021 due to the increase in sales from the Company's new project called "After You into the wood" at KhaoYai and Chiang Mai, and out of store sales at Bluport, HuaHin.
- **Revenue from Franchising** in Q4/2022 was THB 5 million, increased by THB 2 million or 67% from Q4/2021 due to increase in revenue from initial franchise fees and royalty fees from the Mikka Café franchise and the revenue from the After You dessert café franchise in Hong Kong.

12M

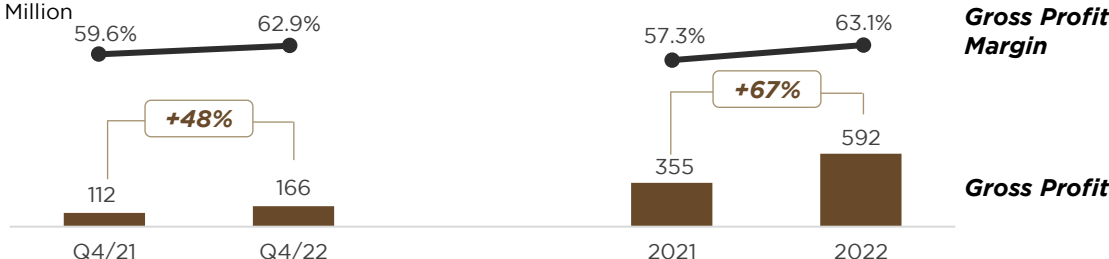
2022 vs 2021

- **Revenue from Dessert Café** in 2022 was THB 787 million, increased by THB 273 million or 53% from 2021 due to the increase in 11 additional number of branches and from the existing branches same store sales growth which increased by 75.2% when compared to 2021. The increase in revenue was from the increasing in customer confidence corresponding to economic recovery which positively impacts the food industry.
- **Revenue from Non-café** in 2022 was THB 75 million, increased by THB 32 million or 74% from 2021 mainly due to the increase in sales of raw material to Mikka Café franchisees, which increased by 40 branches from 69 branches as of December 31, 2021 to 109 branches as of December 31, 2022. In addition, there was an increase in revenue from the Hong Kong dessert café franchise.
- **Revenue from Catering and Pop-Up** in 2022 was THB 59 million, increased by THB 6 million or 11% from 2021 due to the increase in average sales per pop-up store.
- **Revenue from Franchising** in 2022 was THB 17 million, increased by THB 7 million or 70% from 2021 due to the increase in initial franchise fees and royalty fees of Mikka Café branches and the revenue of the After You dessert café franchise in Hong Kong.



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 Q4/2022 vs Q4/2021

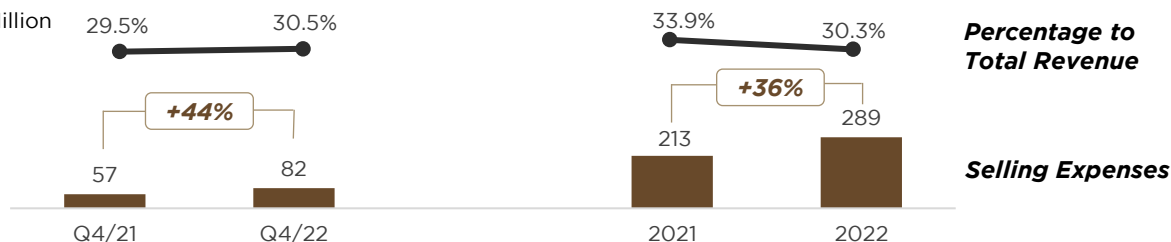
- **Gross Profit** in Q4/2022 was THB 166 million, increased by THB 54 million or 48% from Q4/2021, corresponding to the increase in total sales due to the improving COVID-19 situation, and the Company’s efficient cost management since the beginning of this year which allows the Company to benefit from economies of scale.
- **Gross Profit Margin** in Q4/2022 was 62.9%, increased from 59.6% in Q4/2021, mainly due to increase in the proportion of sales from dessert café (Dine-in) which has a higher gross profit margin than sales from takeaways or purchasing through food delivery services.

12M 2022 vs 2021

- **Gross Profit** in 2022 was THB 592 million, increased by THB 237 million or 67% from 2021, corresponding to the increase in gross profit in every quarters in 2022 when compared to 2021 which also correlated with 11 additional branches, the continuous offering new menus throughout the year and the seasoning menus.
- **Gross Profit Margin** in 2022 was 63.1%, increased from 57.3% in 2021, mainly due to increase in proportion of sales from dessert café (Dine-in) which has a higher gross profit margin than sales from takeaways or purchasing through food delivery services. On the other hand, the proportion of sales from takeaways or purchasing through food delivery services was lower when compared to 2021. In addition, the increase in revenue allows the Company to benefit the economies of scale.

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 Q4/2022 vs Q4/2021

- **Selling Expenses** in Q4/2022 was THB 82 million, increased by THB 25 million or 44% from Q4/2021 mainly due to the increase in staff expenses as the dessert café have resumed to normal operation, thus the number of employees must increase to support the full service of branches, as well as the increase in rental fee which received lower discount after the recovery of COVID-19 situation. In addition, an increase in selling expense was from an increase in utility expenses and logistic costs corresponding to higher revenue growth.
- **Selling Expenses to Total Revenue** in Q4/2022 was 30.5%, increased slightly from 29.5% in Q4/2021 due to the increase in selling and distribution expenses at a higher proportion than the increase in total revenue, resulting from the reserve of extra bonus expenses for employees, as well as the additional costs for employees working during New year holiday.

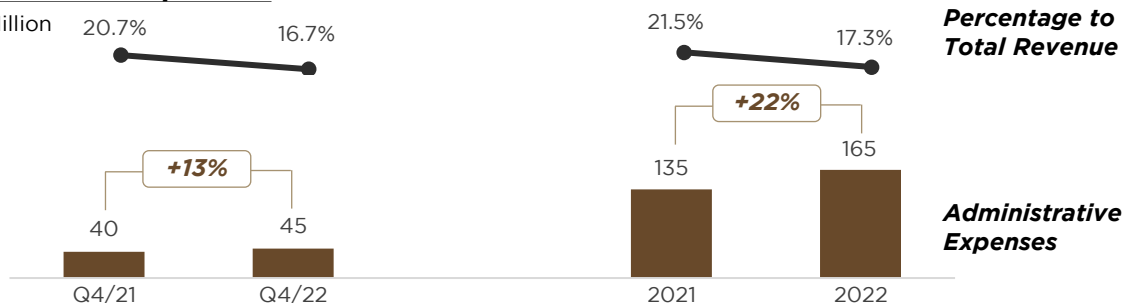
12M 2022 vs 2021

- **Selling Expenses** in 2022 was THB 289 million, increased by THB 76 million or 36% from 2021, mainly from the increase in staff expenses to support the full operation and the branch expansions, as well as the reduction in discount of rental fees for the dessert cafés after the recovery of COVID-19.
- **Selling Expenses to Total Revenue** in 2022 was 30.3%, improved from 33.9% in 2021, due to the increase in sales revenue at a higher proportion than the increase in selling and distribution expenses. In addition, the increase in revenue allows the Company to benefit from economies of scale such as the logistics costs.



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 Q4/2022 vs Q4/2021

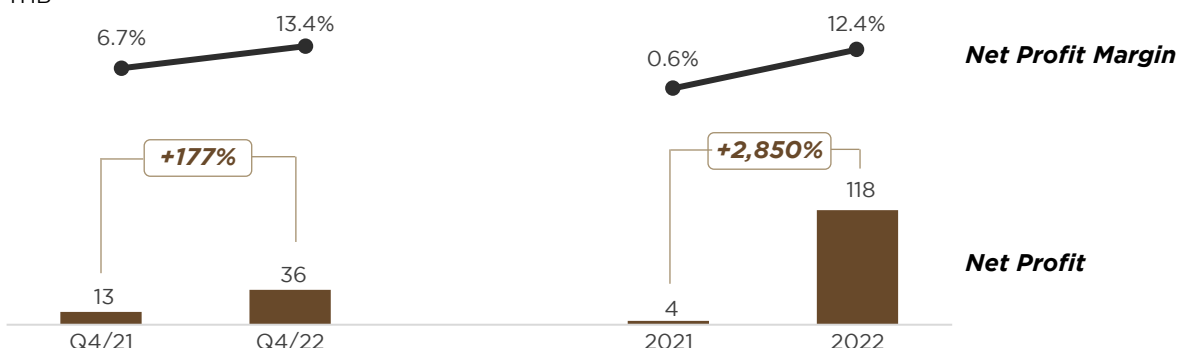
- **Administrative Expenses** in Q4/2022 was THB 45 million, increased by THB 5 million or 13% from Q4/2021. This was due to an increase in the head office employee expenses.
- **Administrative Expenses to Total Revenue** in Q4/2022 was 16.7%, improved from 20.7% in Q4/2021 mainly due to the increase sales revenue at a higher proportion than the increase in administrative expenses which are mostly fixed costs.

12M 2022 vs 2021

- **Administrative Expenses** in 2022 was THB 165 million, increased by THB 30 million or 22% from 2021. This was due to an increase in the head office employee expenses.
- **Administrative Expenses to Total Revenue** in 2022 was 17.3%, improved from 21.5% in 2021 due to the increase in administrative expenses at a lower proportion than the increase in sales revenue.

5. Net Profit and Net Profit Margin:

Unit: Million THB



YoY Q4/2022 vs Q4/2021

- **Net Profit** in Q4/2022 was THB 36 million, increased by THB 23 million or 177% from Q4/2021, corresponding to the increase in sales revenue due to the relaxation of COVID-19 measures resulting in the Company being able to run normal operations and the recovery of incoming tourists.
- **Net Profit Margin** in Q4/2022 was 13.4%, increased from 6.7% in Q4/2021 mainly due to the increase in total revenue from the relaxation of COVID-19 control measures. The major growth came from the increase in proportion of sales from dessert café. In addition, the improved Net Profit Margin was a result of the Company's ability to manage costs efficiently allowing them to benefit from Economies of Scale.

12M 2022 vs 2021

- **Net Profit** in 2022 was THB 118 million, increased by THB 114 million or 2,850% from 2021, corresponding to the increase in sales revenue according to good management and the Company's benefit from Economies of Scale from branch increase and the increase in revenue.
- **Net Profit Margin** in 2022 was 12.4%, improved from 0.6% in 2021 mainly due to the increase in total revenue higher proportion than the increase in total expenses from an efficient costs and expense management.

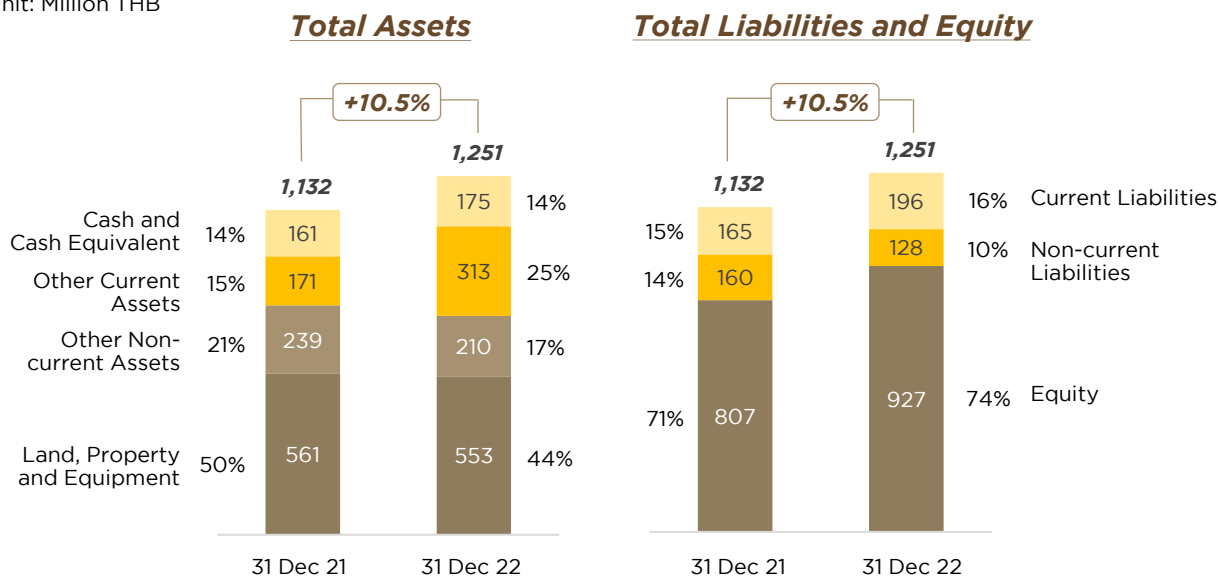


4. Finance Cost:

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 2022, the total assets of the Company were THB 1,251 million, increased by THB 119 million or 10.5% from 31 December 2021. Changes are highlighted as follows:

- **Cash and Cash Equivalent** increased by THB 14 million corresponding to the increase in sales
- **Other Current Assets** increased by THB 142 million mainly due to the increase in other current financial assets such as short-term investment of THB 124 million together with increasing in inventory and trade accounts receivable corresponding to higher sales
- **Other Non-Current Assets** decreased by THB 29 million mainly due to the recognition of depreciation expenses of right-of-use assets for the accounting period.
- **Land, Property and Equipment** decreased by THB 8 million mainly due to the recognition of depreciation on assets that are higher than assets purchased during the period.

L Total Liabilities

As of 31 December 2022, the total liabilities of the Company were THB 324 million, slightly decreased by THB 1 million or 0.3% from 31 December 2021. The increase (decrease) of liabilities was mainly due to:

- **Current Liabilities** increased by THB 31 million mainly due to an increase in accrued bonus and income tax payable.
- **Non-current Liabilities** decreased by THB 32 million mainly due to the repayment of lease liabilities that are more than 12 months.

E Total Equity

As of 31 December 2022, the total equity of the Company was THB 927 million, increased by THB 120 million or 14.9% from 31 December 2021. The increase was mainly due to the increase in profit during the 12-month period of 2022.