

After You Public Company Limited



MANAGEMENT DISCUSSION & ANALYSIS

Q1/2023





Executive Summary:



Operating Highlights in Q1/2023	Q1/22	Q1/23	Change +/(-)
(THB million)			%YoY
Operating Revenue	198	264	33%
Gross Profit	120	168	40%
EBITDA	58	80	38%
Net Profit (Loss) for the Company	15	34	127%
Gross Profit Margin (%)	60.6%	63.6%	3.0%
EBITDA Margin ¹ (%)	29.0%	30.0%	1.0%
Net Profit (Loss) Margin ¹ (%)	7.5%	12.7%	5.2%
Number of After You dessert café branches as of 31 March	39	53	35.9%

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

Q1/2023 Key Financial Highlights



REVENUE:

- After You Public Company Limited ("the Company") reported consolidated operating revenue of THB 264 million in Q1/2023, increased by 33% from Q1/2022. The increase in revenue was mainly due to the growth in sales from dessert cafés which was a result of the same-store-sales growth, corresponding to the increased number of customers dining in at the branches, as well as the increase in the number of branches during Q1/2023.



GROSS PROFIT and GROSS PROFIT MARGIN:

- The Company's Gross Profit in Q1/2023 was THB 168 million, increased by 40% from Q1/2022, corresponding to the increase in sales due to the improved COVID-19 situation. As a result, income from both domestic consumption and foreign tourists increased.
- Gross Profit margin in Q1/2023 was 63.6%, increased from 60.6% in Q1/2022, 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 Q1/2023 was THB 80 million, increased by 38% from Q1/2022, corresponding to the increase in gross profit
- EBITDA margin in Q1/2023 was 30%, increased by 1% from Q1/2022. The increase was mainly due to the increase in total revenue at a higher proportion than the increase in total expenses.



NET PROFIT and NET PROFIT MARGIN:

- The Company reported Net Profit in Q1/2023 of THB 34 million, increased by 127% from Q1/2022, corresponding to the increase in total revenue especially from dessert café.
- Net profit margin in Q1/2023 was 12.7%, increased from 7.5% in Q1/2022, mainly due to the increase in total revenue at a higher proportion than the increase in total expenses.



Significant Events

Q1/2023:



Expanding branches of After You Dessert Café to meet higher demands

During Q1/2023, the Company opened two more dessert cafe in the form of After You Marketplace. These include the branch at Petch Pratep PTT Petrol Station, opened on 6 March 2023 and the branch at Rama 4 PTT Petrol Station, opened on 29 March 2023. As a result, as of 31 March 2023, the Company had a total of 53 branches.

Offering new products to enhance the customer experience.

During Q1/2023, the Company continued to introduce new unique products, such as the White Chocolate Cheese Pie, which was first launched in February 2023. The Company partnered with well-known influencers for the product promotion. In addition, the Company also had seasonal products that received good response from customers, such as Marian Plum.



Significant Events and Business Direction:



Expansion of After You Dessert Café branches

In April 2023, the Company have plans to expand 3 more After You branches, including 2 branches in Bangkok at Bangyai PTT Petrol station and Porto Chino, and 1 branch in Rayong. In addition, for the remaining first half of the year in 2023, the Company have plans to open 3 more branches in the Bangkok area to access target customers even more comprehensively.



Expansion of "Luggaw" and Mikka Café Branches

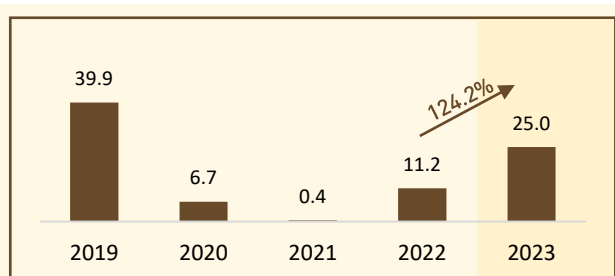
In the previous year, the Company opened a new brand called "Luggaw" that focuses on selling products made from Thai fruits. The brand received a positive response from health-conscious customers, leading to the opening of 5 branches. In 2023, the Company plans to expand 4 more branches, targeting locations in community malls and shopping centers in Bangkok and Metropolitan areas, and continue to expand "Mikka Café", including both company-owned branches and franchise branches.



International Expansion

During the second half of 2023, the Company plans to open the second After You Dessert Cafe in Hong Kong. Additionally, the company continued to seek opportunities for growth beyond Hong Kong. The Company plans to sign a franchise contract with partners in the CLMV region to open more After You branches. By expanding internationally, the Company's will be able to diversify risks and be less reliant on domestic revenue to ensure long-term sustainable growth.

Number of foreign tourists traveling to Thailand (people)



Source : Ministry of tourism and sports

The Recovery of the Tourism Industry

After the improving COVID-19 situation along with the relaxation of the zero-COVID policy measures, the tourism industry has started to recover in Thailand. The number of tourists traveling to Thailand has been continuously increasing and expected to reach up to 25 million in 2023. The growth of the tourism industry is a major driving factor for the food and beverage industry in the country to grow further this year.



Operating Results

Of the Company:

Overall operating results of the Company in Q1/2023

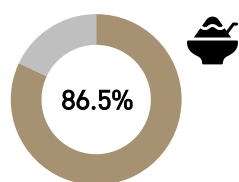
(THB million)	Q1/22	Q1/23	Change +/-
			%YoY
Operating Revenue	198	264	33%
Cost of Sales	(78)	(96)	(23%)
Gross Profit	120	168	40%
Other income	3	4	33%
Selling and Distribution Expenses	(62)	(83)	34%
Administrative Expenses	(40)	(46)	15%
Finance Cost	(2)	(1)	(50%)
Profit (Loss) before Income Tax Expenses	19	43	126%
Tax Expenses	(4)	(9)	125%
Net Profit (Loss) for the Company	15	34	127%

Analysis of Statement of Income

1. Revenue

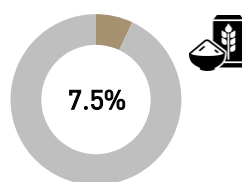
After You Public Company Limited operates dessert and bakery business. The Company divides its business into 4 categories as follows:

Revenue Breakdown in Q1/2023



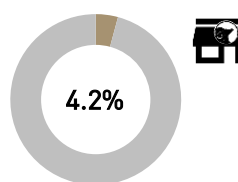
Dessert Café
AND DRINKS

- In-store menu sales across 53 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. 68%:32%)
- Sales of beverages and desserts across 8 company-owned outlets under "Mikka" brand
- The sale of products from fresh fruit in Luggaw stores across 5 branches



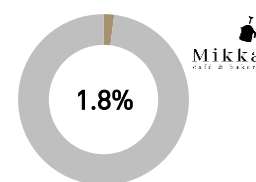
Sales of Goods
AND RAW MATERIAL

- 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

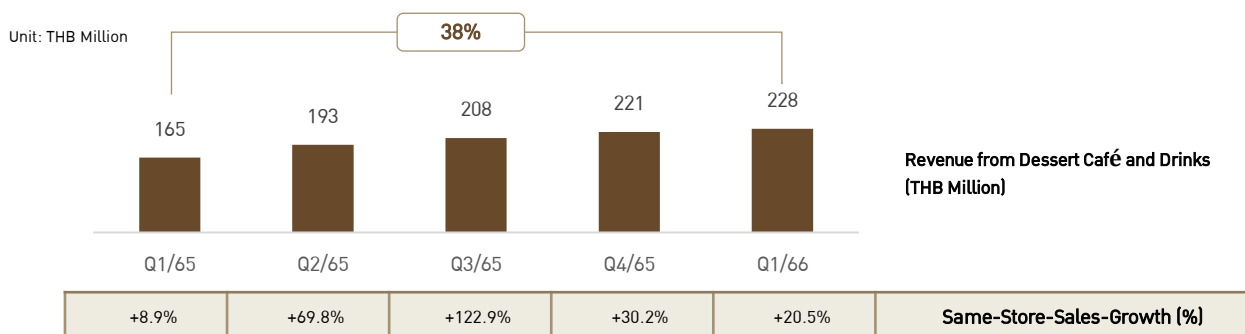


¹ The proportion of In-store sales to take home products sales was calculated as of Q1/2023



Revenue	Q1/22	Q1/23	Change +/-
(THB Million)			%YoY
Revenue from Dessert Café and Drinks	165	228	38%
Revenue from Non-Café	15	20	33%
Revenue from Catering / Pop-Up	15	11	(27%)
Revenue from Franchising*	3	5	67%
Total Operating Revenue	198	264	33%
Other Income	3	4	33%
Total Revenue	201	268	33%

Key Drivers	Q1/22	Q1/23	Change +/-
Number of After You dessert café branches as of 31 March	39	53	35.9%
Same-Store-Sales-Growth (SSSG)	8.9	20.5	11.6%



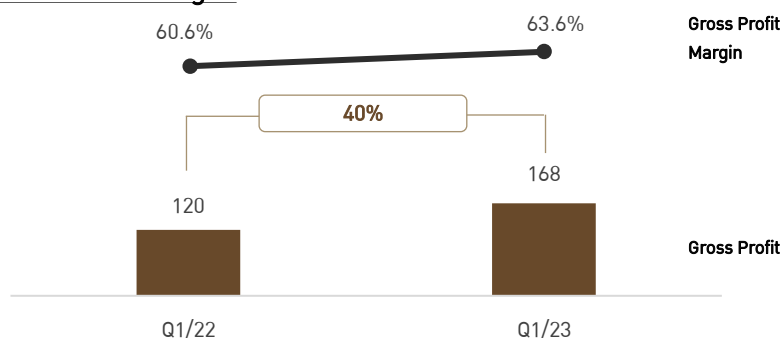
YoY

Q1/2022 vs Q1/2023

- **Revenue from Dessert Café** in Q1/2023 was THB 228 million, increased by THB 63 million or 38% from Q1/2022, mainly due to increase in same-store-sales growth, corresponding to the increased in number of customers dining in at the branches, as well as the increase in the number of branches during Q1/2023
- **Revenue from Non-café** in Q1/2023 was THB 20 million, increased by THB 5 million or 33% from Q1/2022 due to the increase in sales of raw material to Mikka Café franchisees. In Q1/2023, there was a total of 114 branches, increased by 31 branches from Q1/2022.
- **Revenue from Catering and Pop-Up** in Q1/2023 was THB 11 million, decreased by THB 4 million or 27% from Q1/2022, due to the decrease in the number of booths as the Company have opened permanent dessert café branch instead due to positive feedback from market testing.
- **Revenue from Franchising** in Q1/2023 was THB 5 million, increased by THB 2 million or 67% from Q1/2022 due to increase in revenue from initial franchise fees and royalty fees from the Mikka Café franchise and the increase in revenue from 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.

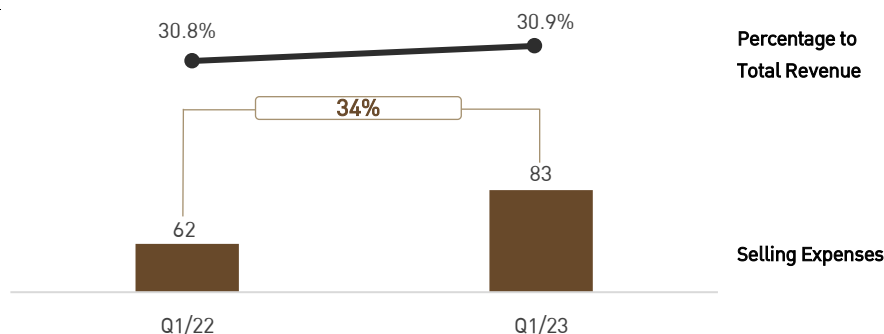
YoY

Q1/2022 vs Q1/2023

- **Gross Profit** in Q1/2023 was THB 168 million, increased by THB 48 million or 40% from Q1/2022, corresponding to the increase in sales due to the improved COVID-19 situation. As a result, income from both domestic consumption and foreign tourists increased.
- **Gross Profit Margin** in Q1/2023 was 63.6%, increased from 60.6% in Q1/2022, 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.

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.

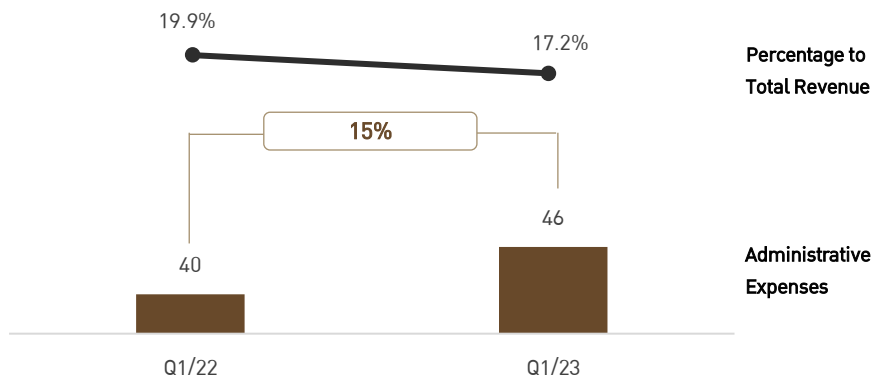
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Q1/2022 vs Q1/2023

- **Selling Expenses** in Q1/2023 was THB 83 million, increased by THB 21 million or 34% from Q1/2022 mainly due to the increase in staff expenses as the dessert café have resumed to normal operation, and an increase in the number of staff for newly opened branches. In addition, the Company experienced increase in rental fee which received lower discount after the recovery of COVID-19 situation.
- **Selling Expenses to Total Revenue** in Q1/2023 was 30.9%, which was relatively similar to 30.8% of Q1/2022.

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

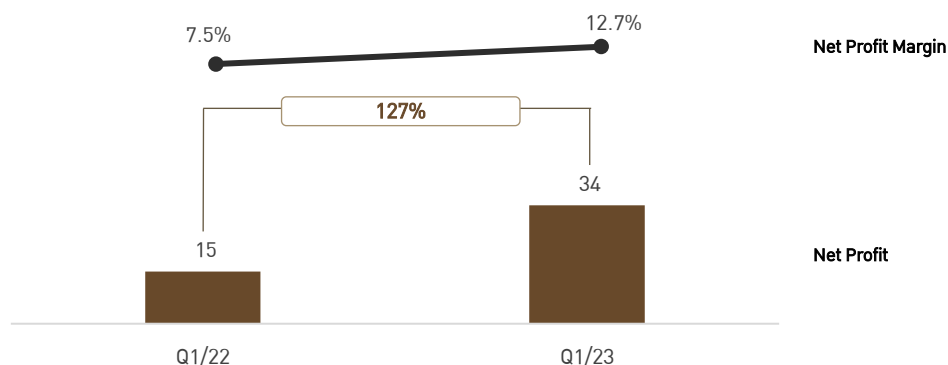
Q1/2022 vs Q1/2023

- **Administrative Expenses** in Q1/2023 was THB 46 million, increased by THB 6 million or 15% from Q1/2022 mainly due to an increase in employee expenses.
- **Administrative Expenses to Total Revenue** in Q1/2023 was 17.2%, decreased from 19.9% in Q1/2022 mainly due to the increase in sales revenue at a higher proportion than the increase in administrative expenses.



5. Net Profit and Net Profit Margin:

Unit: THB Million



YoY

Q1/2022 vs Q1/2023

- **Net Profit** in Q1/2023 was THB 34 million, increased by THB 19 million or 127% from Q1/2022, corresponding to the increase in total revenue especially from dessert café due to the improved COVID-19 situation. As a result, income from both domestic consumption and foreign tourists increased.
- **Net Profit Margin** in Q1/2023 was 12.7%, increased from 7.5% in Q1/2022 mainly due to the increase in total revenue at a higher proportion than total expense as a result of the Company's efficient cost management .

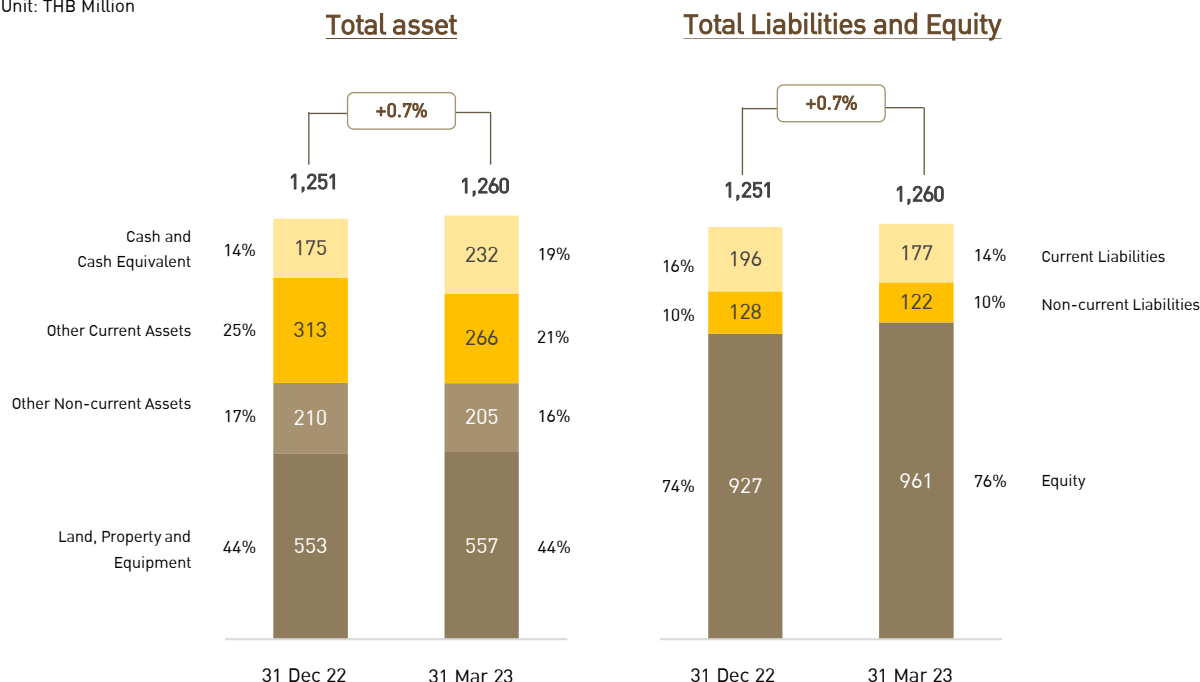
6. Financial Cost:

Financial 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: THB Million



A Total Assets

As of 31 March 2023, the total assets of the Company were THB 1,260 million, increased by THB 9 million or 0.7% from 31 December 2022. Changes are highlighted as follows:

- **Cash and Cash Equivalent** increased by THB 57 million corresponding to the increase in sales and cash received from the sale of other current financial assets.
- **Other Current Assets** decreased by THB 47 million mainly due to the sale of other current financial assets.
- **Other Non-Current Assets** decreased by THB 5 million mainly due to the decrease in deferred income tax.
- **Land, Property and Equipment** increased by THB 4 million mainly due to the value of investment in expanding branches is higher than the depreciation expense recognized during the period.

L Total Liabilities

As of 31 March 2023, the total liabilities of the Company were THB 299 million, decreased by THB 25 million or 7.7% from 31 December 2022. The decrease in liabilities was mainly due to:

- **Current Liabilities:** decreased by THB 19 million mainly due to the payment of accrued bonus and account payable.
- **Non-current Liabilities** decreased by THB 6 million mainly due to the repayment of lease liabilities that are more than 12 months.

E Total Equity

As of 31 March 2022, the total equity of the Company was THB 961 million, increased by THB 34 million or 3.7% from 31 December 2022. The increase was mainly due to the increase in operating profit in Q1/2023.