

After You Public Company Limited



MANAGEMENT DISCUSSION & ANALYSIS

Q4/2023





Executive Summary:

Operating Highlights in Q4/2023	Q4/22	Q4/23	Change +/-	2022	2023	Change +/-
(THB million)			%YoY			%YoY
Operating Revenue	264	317	20%	938	1,217	30%
Gross Profit	166	206	24%	592	789	33%
EBITDA	83	103	24%	306	391	28%
Net Profit (Loss) for the Company	36	47	31%	118	178	51%
Gross Profit Margin (%)	62.9%	65.0%	2.1%	63.1%	64.8%	1.7%
EBITDA Margin¹ (%)	30.7%	32.1%	1.3%	32.1%	31.8%	(0.3%)
Net Profit (Loss) Margin¹ (%)	13.3%	14.6%	1.3%	12.4%	14.5%	2.1%
Number of After You dessert café branches as of 31 Dec	51	60	17.6%	51	60	17.6%

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

Q4/2023 Key Financial Highlights



REVENUE:

- After You Public Company Limited ("the Company") reported consolidated operating revenue of THB 317 million in Q4/2023 and THB 1,217 million in 2023, increased by 20% from Q4/2022 and 30% from 2022, respectively. The increase in revenue was mainly due to the growth in sales of dessert cafés which was a result of same-store sales growth (SSSG), the increase in the number of foreign customers following the reopening of the country and the increase in After You branches.



GROSS PROFIT and GROSS PROFIT MARGIN:

- The Company's Gross Profit in Q4/2023 and 2023 were THB 206 million and THB 789 million respectively, increased by 24% from Q4/2022 and 33% from 2022, corresponding to the increase in sales revenue of dessert cafés, which was a result of same-store sales growth (SSSG), the increase in the number of foreign customers and the increase in number of branches. In addition, the cost per unit decreased due to the increased production volume (Economy of scale).
- Gross Profit margin in Q4/2023 was 65.0%, increased from 62.9% in Q4/2022, and Gross Profit margin in 2023 was 64.8%, increased from 63.1% in 2022, mainly due to the increase in the revenue from dessert cafés as well as the Company's ability to manage costs effectively.



EBITDA and EBITDA MARGIN:

- The Company's EBITDA in Q4/2023 and 2023 were THB 103 million and THB 391 million respectively, increased by 24% from Q4/2022 and 28% from 2022, corresponding to the increase in gross profit and the Company's ability to manage costs effectively.
- EBITDA margin in Q4/2023 was 32.1%, increased from 30.7% in Q4/2022 mainly due to the increase in the revenue from dessert cafés as well as the Company's ability to manage costs effectively. EBITDA margin in 2023 was 31.8%, slightly decrease from 2022.



NET PROFIT and NET PROFIT MARGIN:

- The Company reported net profit in Q4/2023 and 2023 of THB 47 million and THB 178 million respectively, increased by 31% from Q4/2022 and 51% from 2022 respectively, corresponding to the increase in sales revenue from same-store sales growth (SSSG) and the increase in number of branches. In addition, the cost per unit decreased due to the increased production volume (Economy of scale) and the Company's ability to manage costs effectively.
- Net profit margin in Q4/2023 was 14.6%, increased from 13.3% in Q4/2022 and in 2023 was 14.5%, increased from 12.4% in 2022 due to the increase in sales revenue and the Company's ability to manage costs and expenses effectively.

Executive Summary

Significant Event

Financial Performance

Significant Event

In Q4/2023:



Introducing 4 New Menus

In Q4/2023, the Company launched four new menus.

- **Quattro Formaggi Toast**, a special menu item to celebrate 16th anniversary of After You. It is the original honey toast of After You, topped with 4 types of cheese, Parma ham, and figs to create a harmonious taste.
- **Oatmilk Kakigōri with Mango, Pineapple, and Passion Fruit flavors and Oatmilk & Peanut Butter Pancake with Coconut Flower Syrup** in collaboration with Oatside to launch 2 new menus to welcome the Vegetarian Festival.
- **Dark Beer Cake and Cheddar Cheese Chiffon Cake**, the collaborative project to launch special menus for the New Year festival, including Dark Beer Cake in collaboration with AS.IS and Cheddar Cheese Chiffon Cake in collaboration with The Fat Beagle, available both for dine-in and takeaway.

Opening a Pop-up Store in tourist destinations

In Q4/2023, the Company opened two pop-up stores in tourist destination, which included **Khao-Sō-i restaurant in Chiang Mai under the concept of "After You Tea House"**, offering entirely new items that are not available at other branches, such as Chestnut Matcha Toast and Red Bean Matcha. Another location is the **Midwinter restaurant at Khao Yai in Nakhon Ratchasima province under the concept of After You Farm House**, the new menu featured products from Suwan Corn Farm, such as Corn Soup Kakigōri, Corn Cheesecake Souffle, and Corn Soup Bread.



Significant Event and Business Direction:



Focus on Continuous Branch Expansion of Dessert Café According to Plan

In Q4/2023, the Company expanded 1 new dessert café in Bangkok, which is located at Asiatique. In 2024, the Company plans to open an additional of 10-12 branches, focusing on areas that are tourist centers and residential areas with high purchasing power and a large number of customers, in order to increase the opportunity to reach target customers more comprehensively.



Focus on Expanding Luggaw and Mikka Cafe

In Q4/2023, the Company opened 2 new Luggaw branches at the EmSphere and the The Mall Bangkae branch. Luggaw will focus on selling a variety products made from Thai fruits. In 2024, the Company plans to expand further by opening 5-7 more branches, focusing on shopping mall locations in Bangkok. **As for Mikka Coffee, there are currently 125 branches.** In 2024, the Company will continue to expand Mikka Coffee branches according to plan.



Focus on launching new products group: Consumer Goods

In 2024, the Company plans to develop new products in the Consumer Goods category to be sold in convenience stores and other retail channels and also plans to partner with both domestic and international partners to launch new products for sale through Modern Trade channels in full force. The aim is to expand distribution channels to cover a wider range of areas, expand to new customer base, and increase the Company's growth opportunities. In addition, the Company also plans to find new partners to increase sales of the Company's existing product categories.



Focus on Expanding Oversea Branches

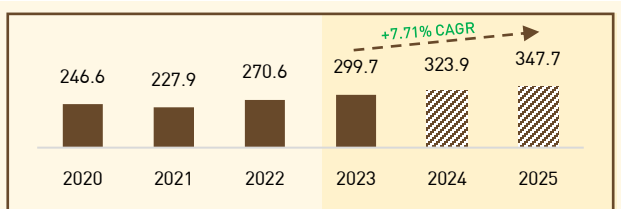
On January 6, 2024, After You opened its branch at Airside Hong Kong. The Company is still looking for growth opportunities overseas to diversify its risk from relying solely on domestic revenue and to create long-term growth for the Company. **In Q3/2024, the Company plans to open its first branch in a CLMV country in Phnom Penh, Cambodia.**

Forecast of the Thai restaurant market in 2023-2025

The restaurant industry in Thailand has begun to recover after the full reopening of the country. The market for restaurant services is expected to continue to recover, with a market value of THB 299.7 billion in 2023. The compound annual growth rate (CAGR) is expected to grow at 7.71% between 2023 and 2025, reaching a market value of THB 347.7 billion in 2025.

In 2023, the Company's foreign customer ratio was 25.7%, increased from 11.7% in 2022 of total customers. This was driven by the recovery of Thai tourism from Asian tourists, especially Vietnamese, who have been a new customer group since the end of 2022.

Trends of the restaurant business in Thailand (Billion baht)



Sources : Euromonitor, MOTs

Note: The restaurant service business includes dessert shops, cafes, bars, limited-time restaurants, and self-service restaurants.



Operating Results

Of the Company:

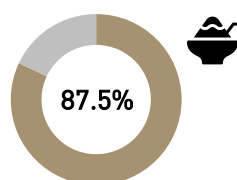
Overall operating results of the Company in Q4/2023	Q4/22	Q4/23	Change +/-	2022	2023	Change +/-
(THB million)			%YoY			%YoY
Operating Revenue	264	317	20%	938	1,217	30%
Cost of Sales	(98)	(111)	13%	(346)	(428)	24%
Gross Profit	166	206	24%	592	789	33%
Other income	6	4	(33%)	15	14	(7%)
Selling and Distribution Expenses	(82)	(98)	20%	(289)	(373)	29%
Administrative Expenses	(45)	(52)	16%	(165)	(203)	23%
Finance Cost	-	(1)	100%	(6)	(4)	(33%)
Profit (Loss) before Income Tax Expenses	45	59	31%	147	223	52%
Tax Expenses	(9)	(12)	33%	(29)	(45)	55%
Net Profit (Loss) for the Company	36	47	31%	118	178	51%

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:

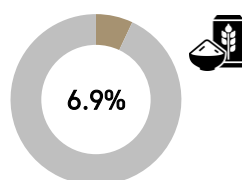
Revenue Breakdown in 2023



Dessert Café

AND DRINKS

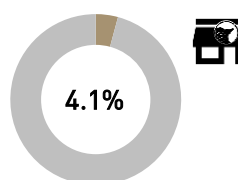
- In-store menu sales across 61 outlets under "After You"
- Take-home product sales at Dessert Café branch, as well as orders through food delivery services (portion of In-store sales: Take home product sales¹ approximately 68%:32%)
- Sales of beverages and desserts across 8 company-owned outlets under "Mikka" brand
- The sale of products from fresh fruit in Luggaw stores across 9 branches



Sales of Goods

AND RAW MATERIAL

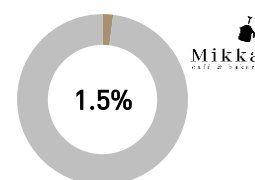
- Sale of raw materials to Mikka Café franchisees in Thailand and After You Dessert Café in Hong Kong.
- OEM/Food Manufacturing under the Company's trademark or per customers' demand
- Online sales products and Head office pick up



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 2023

Executive Summary

Significant Events

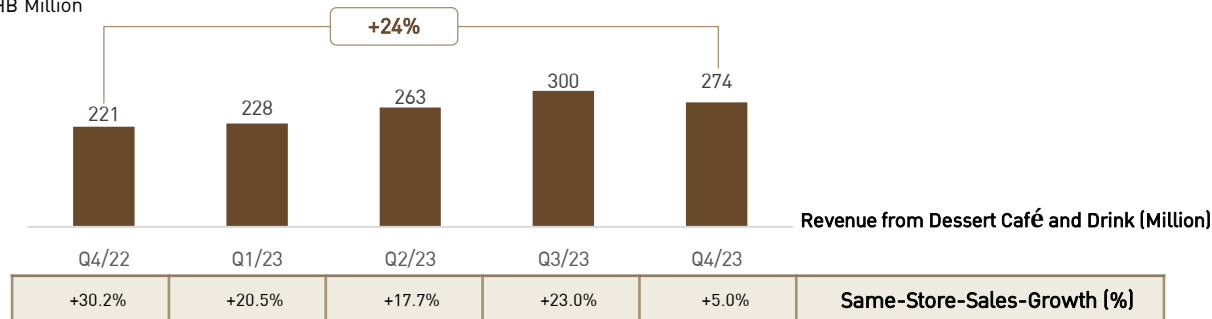


Financial Performance

Revenue	Q4/22	Q4/23	Change +/-	2022	2023	Change +/-
(THB Million)			%YoY			%YoY
Revenue from Dessert Café and Drinks	221	274	24%	787	1,065	35%
Revenue from Non-Café	22	22	0%	75	84	12%
Revenue from Catering / Pop-Up	16	16	0%	59	50	(15%)
Revenue from Franchising	5	5	0%	17	18	6%
Total Operating Revenue	264	317	20%	938	1,217	30%
Other Income	6	4	(33%)	15	13	(13%)
Total Revenue	270	321	19%	953	1,230	29%

Key Drivers	Q4/22	Q4/23	Change +/-	2022	2023	Change +/-
Number of branches at 31 Dec	51	60	17.6%	51	60	17.6%
Same-Store-Sales-Growth (SSSG)	30.2%	5.0%	(25.2%)	48.3%	14.2%	(34.1%)

Unit: THB Million



YoY

Q4/2023 vs Q4/2022

- **Revenue from Dessert Café** in Q4/2023 was THB 274 million, increased by THB 53 million or 24% from Q4/2022 mainly due to the increase in same-store sales growth (SSSG) and the increase in number of After You branches by 10 branches, from a total of 51 branches in Q4/2022 to 61 branches in Q4/2023.
- **Revenue from Non-café** in Q4/2023 was THB 22 million, unchanged from Q4/2022. During Q4/2023, the total number of Mikka Cafe was 119 branches, increased by 10 branches from Q4/2022.
- **Revenue from Catering and Pop-Up** in Q4/2023 was THB 16 million, unchanged from Q4/2022.
- **Revenue from Franchising** in Q4/2023 was THB 5 million, unchanged from Q4/2022

12M

2023 vs 2022

- **Revenue from Dessert Café** in 2023 was THB 1,065 million, increased by THB 278 million or 35% from 2022 due to an increase in same-store sales growth (SSSG) and the number of foreign customers, which increased from 12% in 2022 to 26% in 2023, as well as the launch of new products. In addition, the number of After You branch increased by 10 branches, from a total of 51 branches in 2022 to 61 branches in 2023.
- **Revenue from Non-café** in 2023 was THB 84 million, increased by THB 9 million or 12% from 2022 mainly due to the increase in sales of raw materials to Mikka Café franchisee.
- **Revenue from Catering and Pop-Up** in 2023 was THB 50 million, decreased by THB 9 million or 15% from 2022, as The Company have transformed some of the pop-up stores into permanent branches after receiving positive feedback from many pop-up stores which was used to test the market.
- **Revenue from Franchising** in 2023 was THB 18 million, increased by THB 1 million or 6% from 2022 due to the increase in royalty fees of Mikka Café branches.

Executive Summary

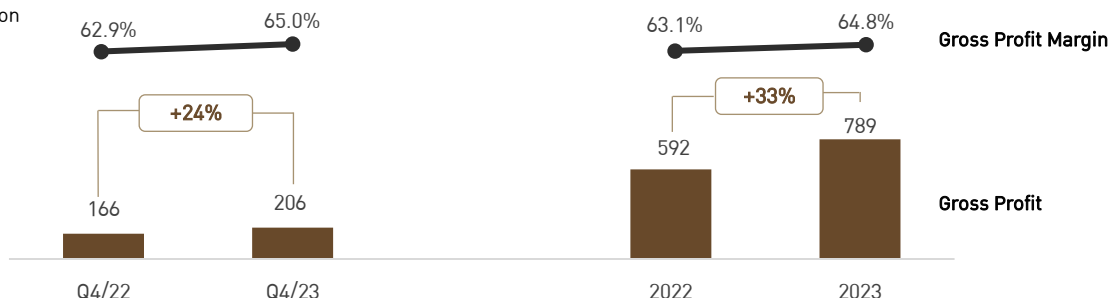
Significant Events



Financial Performance

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 of factory, kitchen utensils and equipment, expense of production unit. Major part of cost of sales is raw materials.

YoY Q4/2023 vs Q4/2022

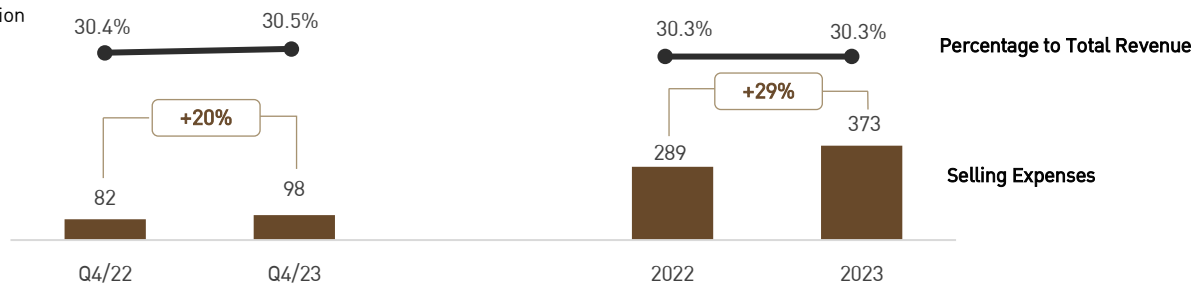
- **Gross Profit** in Q4/2023 was THB 206 million, increased by THB 40 million or 24% from Q4/2022, corresponding to the increase in sales revenue, while the cost per unit also decreased due to the increase in production volume, resulting in economies of scale.
- **Gross Profit Margin** in Q4/2023 was 65.0%, increased from 62.9% in Q4/2022, mainly due to the increase in revenue from dessert café. In addition, the Company have displayed the ability to manage cost efficiently.

12M 2023 vs 2022

- **Gross Profit** in 2023 was THB 789 million, increased by THB 197 million or 33% from 2022, corresponding to the increase in sales revenue from same-store sales growth (SSSG), the increase in number of foreign customers and the increase in number of branches. In addition, the cost per unit also decreased due to the increase in production volume, resulting in economies of scale.
- **Gross Profit Margin** in 2023 was 64.8%, increased from 63.1% in 2022, mainly due to the increase in revenue from dessert café. In addition, the Company have also displayed the ability to manage cost efficiently.

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 Q4/2023 vs Q4/2022

- **Selling Expenses** in Q4/2023 was THB 98 million, increased by THB 16 million or 20% from Q4/2022 mainly due to an increase in employee expenses and rental fee of dessert café, corresponding to the increase in the number of branches.
- **Selling Expenses to Total Revenue** in Q4/2023 was 30.5%, slightly increased from 30.4% in Q4/2022

12M 2023 vs 2022

- **Selling Expenses** in 2023 was THB 373 million, increased by THB 84 million or 29% from 2022 due to an increase in employee expenses and rental fees of dessert café, corresponding to the increase in the number of branches.
- **Selling Expenses to Total Revenue** in 2023 was 30.3%, unchanged from 2022.

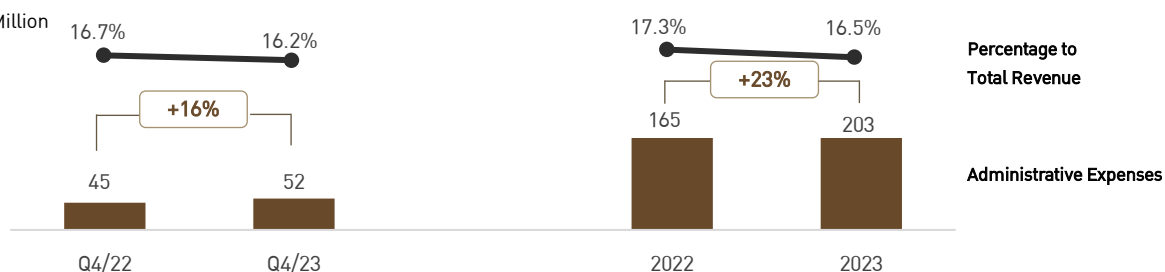
Executive Summary

Significant Events

Financial Performance

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

Q4/2023 vs Q4/2022

- **Administrative Expenses** in Q4/2023 was THB 52 million, increased by THB 7 million or 16% from Q4/2022 mainly due to the increase in employee expenses.
- **Administrative Expenses to Total Revenue** in Q4/2023 was 16.2%, improved from 16.7% in Q4/2022 due to the increase in sales revenue at a higher proportion than administrative expenses, as well as the Company’s ability to control administrative expenses effectively.

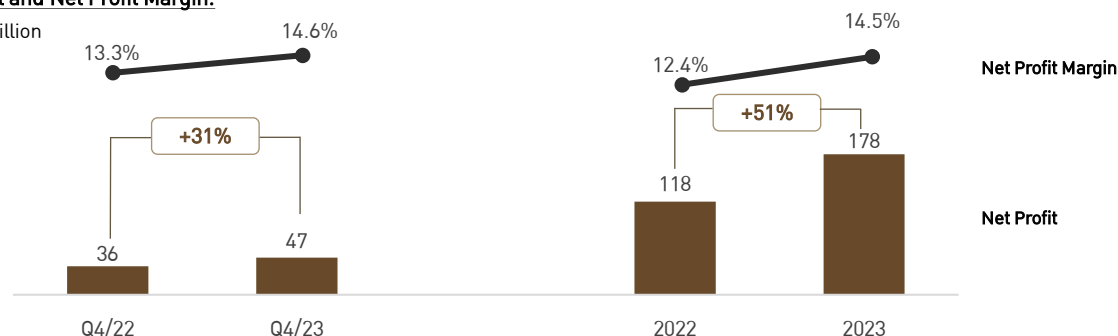
12M

2023 vs 2022

- **Administrative Expenses** in 2023 was THB 203 million, increased by THB 38 million or 23% from 2022 due to an increase in employee expenses, as well as the cost of consumables, office supplies, utilities expenses, repair and maintenance fee, bank fees and property tax.
- **Administrative Expenses to Total Revenue** in 2023 was 16.5%, improved from 17.3% in 2022 due to the increase in sales revenue at a higher proportion than administrative expenses, as well as the Company’s ability to control administrative expenses effectively.

5. Net Profit and Net Profit Margin:

Unit: THB Million



YoY

Q4/2023 vs Q4/2022

- **Net Profit** in Q4/2023 was THB 47 million, increased by THB 11 million or 31% from Q4/2022, corresponding to the increase in sales revenue. In addition, cost per unit also decreased due to the increase in production volume, resulting in economies of scale.
- **Net Profit Margin** in Q4/2023 was 14.6%, increased from 13.3% in Q4/2022 due to the increase in sales revenue as well as the Company’s ability to manage costs and expenses effectively.

12M

2023 vs 2022

- **Net Profit** in 2023 was THB 178 million, increased by THB 60 million or 51% from 2022, corresponding to the increase in sales revenue from the increase in same-store sales growth (SSSG), the increase in the number of branches, as well as the decrease in cost per unit due to the increase in production volume, resulting in economies of scale. In addition, the increase in net profit also came from the Company’s ability to manage costs and expenses effectively.
- **Net Profit Margin** in 2023 was 14.5%, increased from 12.4% in 2022 due to the increase in sales revenue, as well as the Company’s ability to manage costs and expenses effectively.

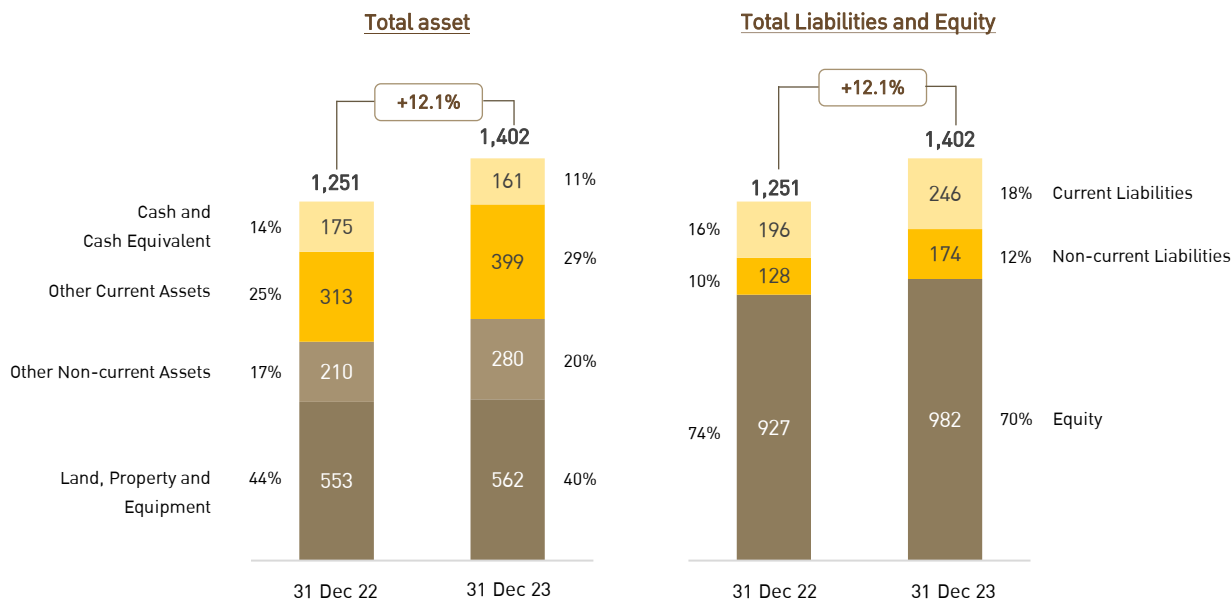


6. Financial Cost:

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 December 2023, the total assets of the Company were THB 1,402 million, increased by THB 151 million or 12.1% from 31 December 2022. Changes are highlighted as follows:

- **Cash and Cash Equivalent:** decreased by THB 14 million mainly due to the payment of dividends to shareholders.
- **Other Current Assets:** increased by THB 86 million mainly due to the increase in investments in other current financial assets and the increase in inventories.
- **Other Non-Current Assets:** increased by THB 70 million mainly due to the increase in right-of-use assets.

L Total Liabilities

As of 31 December 2023, the total liabilities of the Company were THB 420 million, increased by THB 96 million or 29.6% from 31 December 2022. The increase in liabilities was mainly due to:

- **Current Liabilities:** increased by THB 50 million due to the increase in lease liabilities due within one year, trade and other payables, accrued income taxes, and other current liabilities.
- **Non-current Liabilities:** increased by THB 46 million mainly due to an increase in lease liabilities.

E Total Equity

As of 31 December 2023, the total equity of the Company was THB 982 million, increased by THB 55 million or 5.9% from 31 December 2022 due to the increase in profits of THB 178 million in 2023. However, the Company paid THB 122 million for 2022 annual dividends.