

After You Public Company Limited



MANAGEMENT DISCUSSION & ANALYSIS

Q1/2024



Executive Summary:



Operating Highlights in Q1/2024	Q1/23	Q1/24	Change +/-
(THB million)			%YoY
Operating Revenue	264	340	29%
Gross Profit	168	226	35%
EBITDA	80	113	41%
Net Profit (Loss) for the Company	34	54	59%
Gross Profit Margin (%)	63.6%	66.5%	2.9%
EBITDA Margin¹ (%)	30.0%	32.9%	2.9%
Net Profit (Loss) Margin¹ (%)	12.7%	15.7%	3.0%
Number of After You dessert café branches as of 31 Mar	53	61	15.1%

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

Q1/2024 Key Financial Highlights



REVENUE:

- After You Public Company Limited (“the Company”) reported sales revenue of THB 340 million in Q1/2024, increased by 29% from Q1/2023 mainly due to the growth in sales of dessert and beverage cafés which was a result of same-store sales growth (SSSG) and the increase in After You branches.



GROSS PROFIT and GROSS PROFIT MARGIN:

- The Company’s Gross Profit in Q1/2024 was THB 226 million, increased by 35% from Q1/2023, corresponding to the increase in sales revenue, as well as the decrease in cost per unit from the increased production volume (Economy of scale).
- Gross Profit margin in Q1/2024 was 66.5%, increased from 63.6% in Q1/2023, mainly due to the increase in the revenue, as well as the Company’s ability to manage costs effectively.



EBITDA and EBITDA MARGIN:

- The Company’s EBITDA in Q1/2024 was THB 113 million, increased by 41% from Q1/2023, corresponding to the increase in gross profit and the Company’s ability to manage expenses effectively.
- EBITDA margin in Q1/2024 was 32.9%, increased from 30.0% in Q1/2023 mainly due to the increase in gross profit, as well as the Company’s ability to manage costs and expenses effectively.



NET PROFIT and NET PROFIT MARGIN:

- The Company reported net profit in Q1/2024 of THB 54 million, increased by 59% from Q1/2023, corresponding to the increase in sales revenue from same-store sales growth (SSSG) and the increase in After You branches, as well as the decrease in cost per unit. In addition, Company has shown the ability to manage expenses effectively.
- Net profit margin in Q1/2024 was 15.7%, increased from 12.7% in Q1/2023, 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 Q1/2024:



Continuously Introducing New Menus

In Q1/2024, the Company launched new menus which received positive feedbacks from customers.

- **Palm Sugar Butter Bun**, a special menu to welcome the month of love with bread stuffed with palm sugar filling, sprinkled with white sesame seeds, black sesame seeds, and roasted coconut.
- **Acai Berry Kakigori**, a special Valentine's Day menu of acai berry shaved ice, with a sweet and sour berry flavor, filled with mango, banana, and mochi balls, drizzled with smooth cream, sprinkled with cocoa nibs and blueberries, and served with Nutella sauce.
- **Mayongchid Kakigori**, welcoming the Mayongchid season with the introduction of 4 menus featuring Mayongchid as an ingredient: 1) Mayongchid Yogurt Kakigori, 2) Mayongchid Chili Kakigori, 3) Mayongchid Frappe, and 4) Mayongchid Panna Cotta Frappe.



Photobooth Activity to Celebrate Valentine's Day

During Q1/2024, the Company organized a Valentine's Day welcoming event featuring a Photobooth at the front of 5 After You branches, including 1) Central World, 2) Future Park Rangsit, 3) Mega Bangna, 4) Samyan Mitrtown, and 5) The Unicorn. Customers who purchased After You desserts for THB 500 or more, will receive a coupon for a free photo booth session throughout February.



Dividend Approval for Fiscal Year 2023

At the meeting of the Board of Directors held on February 23, 2024, the Board resolved to approve the payment of dividend for fiscal year 2023 at the rate of THB 0.21 per share, or a total dividend of THB 171.28 million. The record date for shareholders entitled to receive the dividend is May 8, 2024, and the payment date is May 23, 2024.

Significant Event and Business Direction:



Focus on Continuous Branch Expansion of Dessert Café According to Plan

The Company plans to open additional branches totaling 10-12 branches by 2024. In Q1/2024, the Company expanded 1 new dessert café, located at Central Phuket, focusing on areas that are tourist attractions and residential areas with high purchasing power and have large number of customers, in order to increase the opportunity to reach target customers comprehensively.



Focus on Expanding Luggaw and Mikka Cafe

The Company plans to open additional branches totaling 5-7 branches by 2024. In Q1/2024, the Company expanded 1 new Luggaw café, located at Central Ladprao. The Company will focus on expanding to shopping malls in Bangkok. For Mikka café, the Company will continue to expand its Mikka cafés according to its plan.



Focus on Expanding Oversea Branches

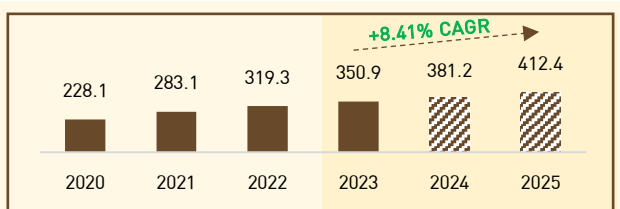
Currently, the Company has opened 2 After You dessert cafés in Hong Kong: 1) Lee Tung Avenue and 2) Airside. The Company continues to seek overseas growth opportunities to diversify its revenue base away from domestic reliance and drive long-term growth. In Q3/2024, the Company plans to open its first branch in the CLMV region 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 350.9 Billion in 2023. The compound annual growth rate (CAGR) is expected to grow at 8.41% between 2023 and 2025, reaching a market value of THB 412.4 Billion in 2025.

In Q1/2024, the Company's foreign customer ratio was 31.6%, increased from 22.7% of total customers in Q1/2023. This was driven by the increase in Asian tourists, particularly from Indonesia.

Trends of the restaurant business in Thailand (Billion THB)



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 Q1/2024

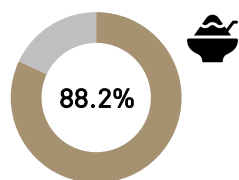
	Q1/23	Q1/24	Change +/-
(THB million)			%YoY
Operating Revenue	264	340	29%
Cost of Sales	(96)	(114)	19%
Gross Profit	168	226	35%
Other income	4	3	(25%)
Selling and Distribution Expenses	(83)	(100)	20%
Administrative Expenses	(46)	(61)	33%
Finance Cost	(1)	(1)	0%
Profit (Loss) before Income Tax Expenses	43	67	56%
Tax Expenses	(9)	(13)	44%
Net Profit (Loss) for the Company	34	54	59%

Analysis of Statement of Income

1. Revenue:

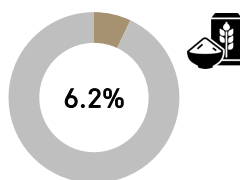
After You Public Company Limited operates dessert and bakery business. The Company divides its business into 4 categories as follows:

Revenue Breakdown in Q1/2024



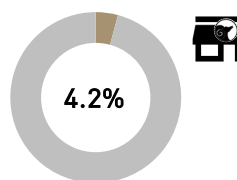
Dessert Café AND DRINKS

- 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 63%:37%)
- Sales of beverages and desserts across 6 company-owned outlets under "Mikka" brand
- The sale of products from fresh fruit in Luggaw stores across 10 branches
- "Song Wat Coffee Roaster" has a total of 1 branch.



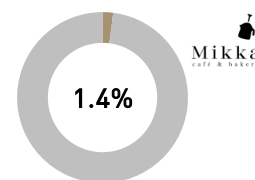
Sales of Goods AND RAW MATERIAL

- 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 2024

Executive Summary

Significant Events

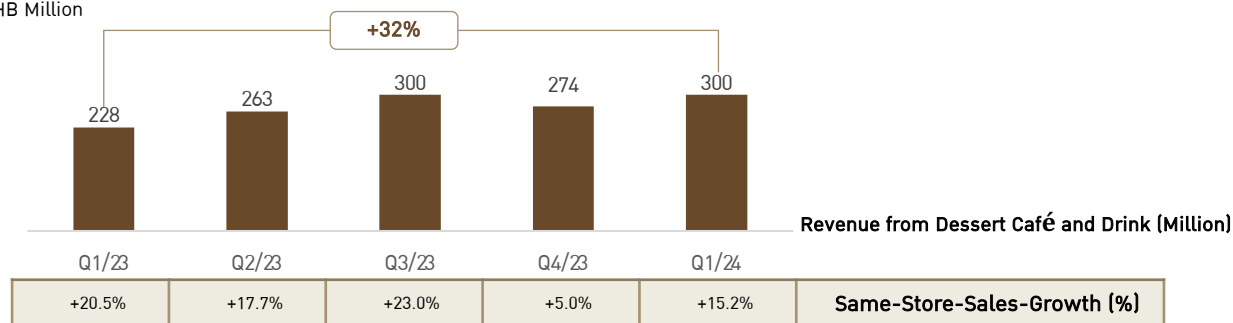


Financial Performance

Revenue	Q1/23	Q1/24	Change +/-(-)
(THB Million)			%YoY
Revenue from Dessert Café and Drinks	228	300	32%
Revenue from Non-Café	20	21	5%
Revenue from Catering / Pop-Up	11	14	27%
Revenue from Franchising	5	5	0%
Total Operating Revenue	264	340	29%
Other Income	4	3	(25%)
Total Revenue	268	343	28%

Key Drivers	Q4/22	Q4/23	Change +/-(-)
Number of branches at 31 Mar	53	61	15.1%
Same-Store-Sales-Growth (SSSG)	20.5%	15.2%	(5.3%)

Unit: THB Million



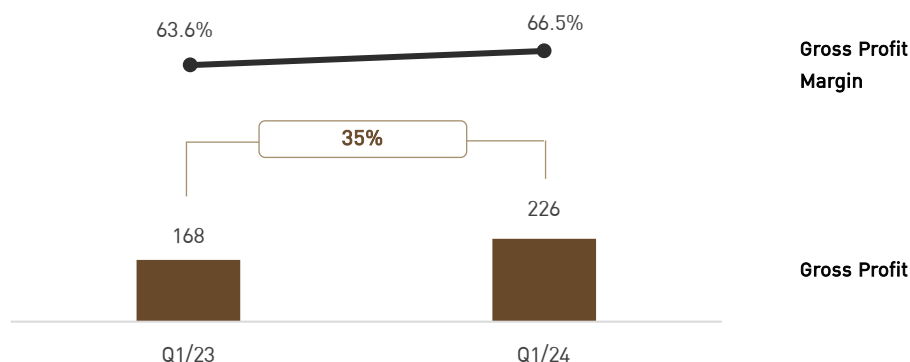
YoY

Q1/2024 vs Q1/2023

- **Revenue from Dessert Café** in Q1/2024 was THB 300 million, increased by THB 72 million or 32% from Q1/2023 mainly due to the increase in same-store sales growth (SSSG) and the increase in number of After You branches by 8 branches, from a total of 53 branches in Q1/2023 to 61 branches in Q1/2024.
- **Revenue from Non-café** in Q1/2024 was THB 21 million, increased by THB 1 million or 5% from Q1/2023 mainly due to increased revenue from existing customers and growth in sales from modern trade channels.
- **Revenue from Catering and Pop-Up** in Q1/2024 was THB 14 million, increased by THB 3 million or 27% from Q1/2023 mainly due to the increase in sales per booth.
- **Revenue from Franchising** in Q1/2024 was THB 5 million, unchanged from Q1/2023

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.

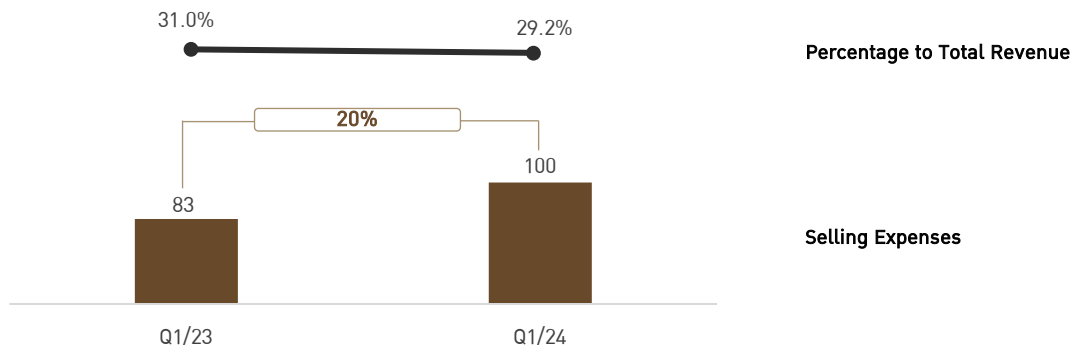


YoY Q1/2024 vs Q1/2023

- **Gross Profit** in Q1/2024 was THB 226 million, increased by THB 58 million or 35% from Q1/2023, corresponding to the increase in sales revenue, particularly from dessert and beverage café, as well as the decrease in cost per unit from the increased production volume, resulting in economies of scale.
- **Gross Profit Margin** in Q1/2024 was 66.5%, increased from 63.6% in Q1/2023, mainly due to the increase in revenue. In addition, the Company's ability to manage cost efficiently.

3. Selling Expenses:

Unit: THB Million



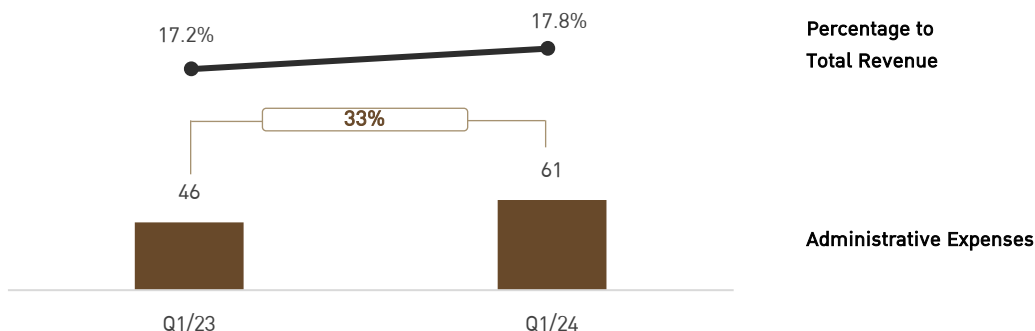
Selling expenses mainly consist of salaries of dessert café's staff, space and equipment rental expenses, utility expenses, and other selling expenses such as marketing and promotional expenses, and depreciation of asset in each branch.

YoY Q1/2024 vs Q1/2023

- **Selling Expenses** in Q1/2024 was THB 100 million, increased by THB 17 million or 20% from Q1/2023 mainly due to the 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 Q1/2024 was 29.2%, improved from 31.0% in Q1/2023 mainly due to the increase in operating revenue and the Company's ability to manage 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.

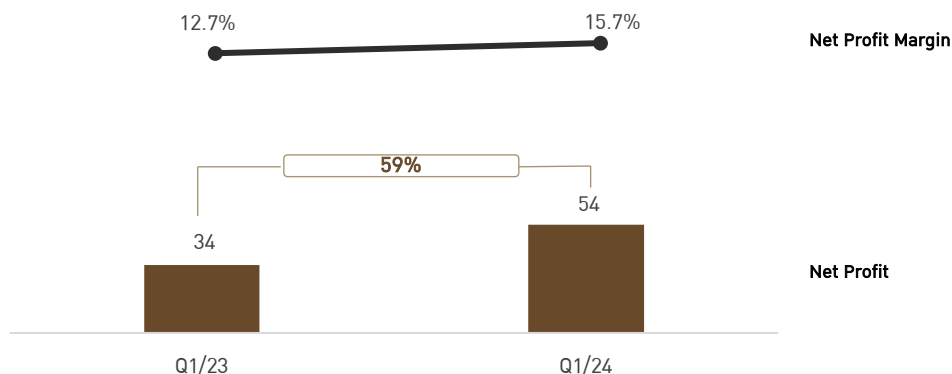
YoY Q1/2024 vs Q1/2023

- **Administrative Expenses** in Q1/2024 was THB 61 million, increased by THB 15 million or 33% from Q1/2023 mainly due to the increase in employee expenses.
- **Administrative Expenses to Total Revenue** in Q1/2024 was 17.8%, remained relatively constant compared to 17.2% in Q1/2023.



5. Net Profit and Net Profit Margin:

Unit: THB Million



YoY

Q1/2024 vs Q1/2023

- **Net Profit** in Q1/2024 was THB 54 million, increased by THB 20 million or 59% from Q1/2023, corresponding to the increase in sales revenue driven by same-store sales growth (SSSG) and the increase in the number of After You branches, as well as the decrease in cost per unit. In addition, the Company have displayed the ability to manage expenses efficiently.
- **Net Profit Margin** in Q1/2024 was 15.7%, increased from 12.7% in Q1/2023 due to the increase in sales revenue, as well as the Company’s ability to manage costs and expenses efficiently.

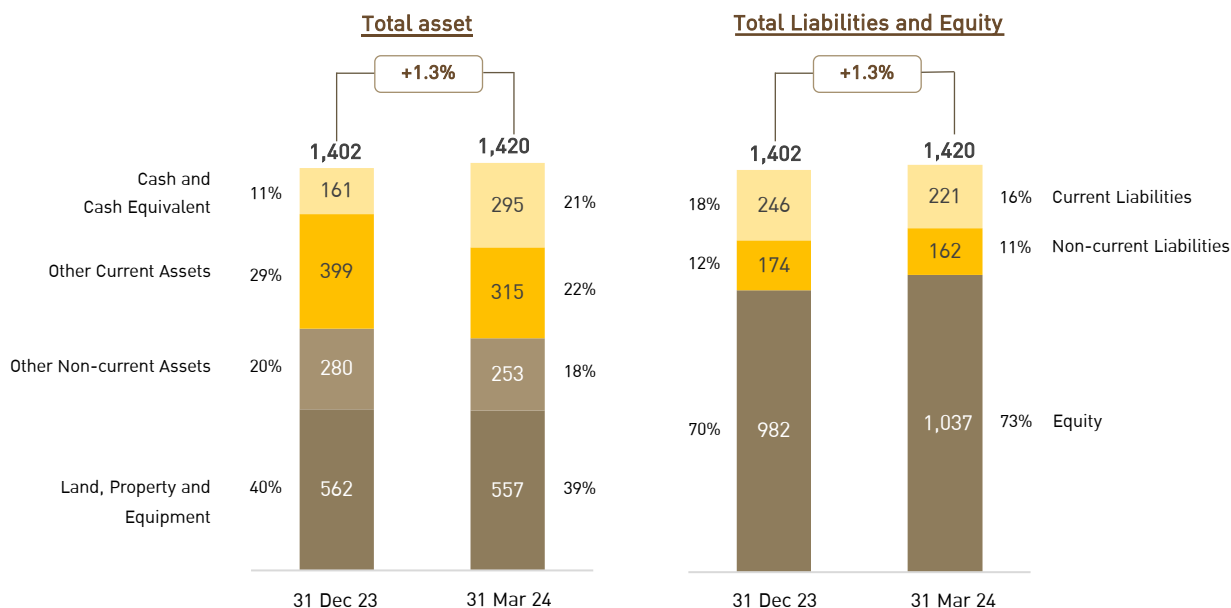
6. Financial Cost:

Financial cost arises from the recognition of interest expenses from the adoption of Thai Financial Reporting Standards 16 Leases (TFRS 16). The Company has no interest-bearing debt.



ANALYSIS OF STATEMENT OF FINANCIAL POSITION

Unit: THB Million



A Total Assets

As of 31 March 2024, the total assets of the Company were THB 1,420 million, increased by THB 18 million or 1.3% from 31 December 2023. Changes are highlighted as follows:

- **Cash and Cash Equivalent:** increased by THB 134 million corresponding to higher operating revenue and cash inflows from the sale of maturing investments.
- **Other Current Assets:** decreased by THB 84 million mainly due to the sale of matured investments.
- **Other Non-Current Assets:** decreased by THB 27 million mainly due to the depreciation expense of right-of-use assets.

L Total Liabilities

As of 31 March 2024, the total liabilities of the Company were THB 383 million, decreased by THB 37 million or 8.8% from 31 December 2023. The decrease in liabilities was mainly due to:

- **Current Liabilities:** decreased by THB 25 million due to the payment of 2023 annual bonus and lease liabilities.
- **Non-current Liabilities:** decreased by THB 12 million mainly due to the decrease in lease liabilities.

E Total Equity

As of 31 March 2024, the total equity of the Company was THB 1,037 million, increased by THB 55 million or 5.6% from 31 December 2023 due to the increased profits in Q1/2024.