

MK RESTAURANT GROUP

THAILAND / FOOD & BEVERAGE

M TB

BUY

UNCHANGED

Hit the bottom in 4Q22

- We think 1Q23 net profit will recover q-q as there is no extra bonus expense and the ASP should increase by 4%.
- Maintain our 2023 net profit forecast of THB2.4b (+69% y-y).
- We are impressed by its strong balance sheet. Reiterate BUY call with TP of THB66.

TARGET PRICE	THB66.00
CLOSE	THB55.50
UP/DOWNSIDE	+18.9%
PRIOR TP	THB66.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+3.2%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	15,728	18,008	18,639	19,347
Net profit	1,439	2,424	2,643	2,827
EPS (THB)	1.56	2.63	2.87	3.07
vs Consensus (%)	-	55.5	19.2	9.3
EBITDA	3,867	5,019	5,288	5,524
Core net profit	1,439	2,424	2,643	2,827
Core EPS (THB)	1.56	2.63	2.87	3.07
Chg. In EPS est. (%)	nm	(0.3)	(1.0)	nm
EPS growth (%)	998.5	68.5	9.0	7.0
Core P/E (x)	35.5	21.1	19.3	18.1
Dividend yield (%)	2.5	4.0	4.7	5.0
EV/EBITDA (x)	11.8	9.0	8.5	8.2
Price/book (x)	3.8	3.7	3.6	3.6
Net debt/Equity (%)	(41.8)	(44.8)	(45.0)	(43.1)
ROE (%)	10.8	17.8	19.0	19.9

4Q22 profit missed our estimate, but likely hit the bottom

M reported a 4Q22 net profit of THB321m (-21% q-q, -20% y-y), missing our expectation and the Bloomberg consensus estimate by 19% and 13%, respectively. The poor profit was from an extra bonus expense of around THB100m. Total revenue was good, in line with our forecast at +2% q-q and +16% y-y. 4Q22 SSSG rose 14% y-y, driven by the low base in 4Q21 due to Covid-19 lockdowns and a tourism recovery. M and Yayoi's sales rebounded to the pre-Covid level, but Laem Charoen (LCS) was still short. However, LCS's 2022 operations turned profitable at THB46m from a loss of THB6m in 2021. M's gross margin dipped to 65% (vs 65.2% in 3Q22 and 66.9% in 4Q21) due to high raw material costs and a higher utility cost. 2022 net profit amounted to THB1.44b, +11x y-y.

Expect 1Q23 to rebound

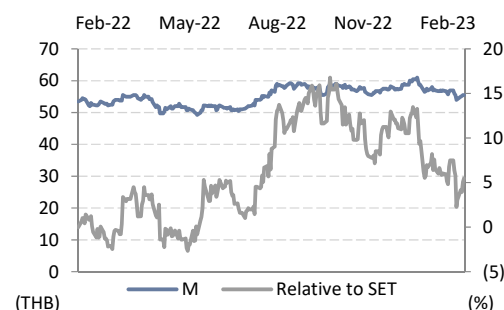
We think 1Q23 net profit will recover q-q as there is no extra bonus expense. Even though the duck price has risen by 10% in 2023, after negotiating with suppliers, we believe it could be offset by a higher ASP by 4% since 10 Feb-23. Aside from that, the expected drop in pork prices should support its gross margin to improve in 2Q23 onward.

Maintain our 2023 profit forecast

Management targets opening 27 new branches in 2023, consisting of 10 MK, 10 Yayoi and 7 LCS. We project 2023 SSSG at 10% y-y, supported by 1) a higher ASP by 4%; and 2) a tourism recovery. China's reopening should serve as a catalyst for LCS. We forecast M's 2023 gross margin to rise to 66.7% from 65.3% in 2022, but still be below the pre-Covid level due to higher utility costs and salary expenses. We maintain our 2023 net profit forecast of THB2.4b (+69% y-y).

Recommend BUY based on strong balance sheet

We reiterate our BUY call with our TP of THB66, based on 25x 2023E P/E. The share price fell by 10% in the past month, reflecting the poor 4Q22 earnings. This is a good time to accumulate the stock, in our view. We are impressed by its strong balance sheet with 1) a low D/E of 0.46x, which is interest-free debt from a financial institution; 2) high cash and cash equivalents of THB7.78b (THB8.4/share) at the end 2022; and 3) a 2023E ROE at 17.8% (vs 1% in 2021 and 10.8% in 2022). M announced a 2H22 DPS of THB0.9, implying a dividend yield of 1.6%.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.5)	(1.3)	5.7
Relative to country (%)	(1.6)	(3.0)	8.5
Mkt cap (USD m)	1,472		
3m avg. daily turnover (USD m)	2.0		
Free float (%)	36		
Major shareholder	Thirakomen Family (37%)		
12m high/low (THB)	61.50/49.25		
Issued shares (m)	920.88		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

We think M is one of the leading chain restaurant companies in Thailand. Although the chain restaurant business is highly competitive, in our view, M has an edge based on its superior distribution and store networks, as well as its product quality and service.

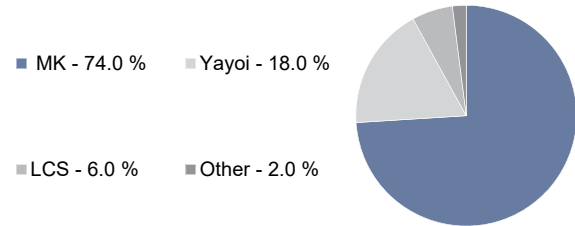
Looking ahead, M plans to continuously expand both locally and abroad within its various restaurant brands. We are impressed by the company's track record of profitability and its balance sheet, which we think is among the strongest both locally and internationally. Its M&A strategy could create growth opportunities in the future. Furthermore, its management strategy has traditionally been conservative and aimed at maximising return on equity.

Company profile

M opened its first Sukiyaki branch in Thailand in 1984 and first branch in Japan in 1994. M celebrated 100th in 2000 and 400th in 2013. Other food in portfolio of M include Yayoi Japanese restaurant, Hakata Ramen, Miyazaki, Laem Charoen Seafood, and Na Siam Thai restaurants.

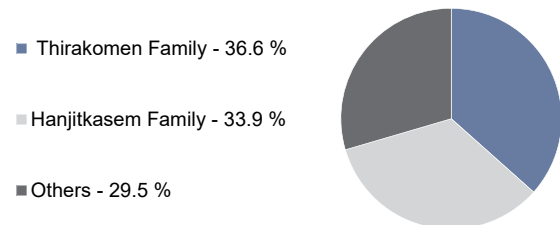
www.mkrestaurant.com

Principal activities (revenue, 2022)



Source: MK Restaurant Group

Major shareholders



Source: MK Restaurant Group

Catalysts

Potential catalysts for M's earnings growth in 2023 are 1) revenue growth driven by a tourism recovery; 2) its new store expansion plan; and 3) a decline in raw material costs which could offset higher utility costs.

Risks to our call

Downside risks to our P/E-based TP include potential rises in raw material costs (~32% of total revenue), labour costs, given its labour-intensive nature, the renewal of the 3-year Yayoi franchise, and risk from animal diseases.

Event calendar

Date	Event
May 2023	1Q23 results announcement

Key assumptions

	2023E	2024E	2025E
SSSG (%)	10.0	2.0	2.0
New stores (no.)	25	25	20
Total stores (no.)	735	760	780
GPM (%)	66.7	67.0	67.5
SG&A to sales (%)	52.0	51.5	51.5

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2023 net profit to rise by 0.8%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2023 net profit to rise by 3%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2023 net profit to fall by 3%, and vice versa, all else being equal.

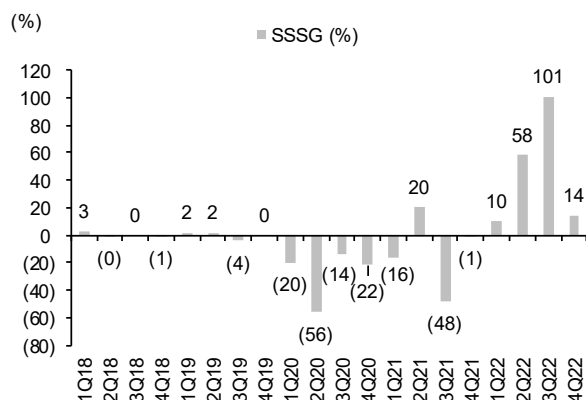
Source: FSSIA estimates

Exhibit 1: 4Q22 earnings results

	4Q21	1Q22	2Q22	3Q22	4Q22	Change		2021	2022	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	3,583	3,495	4,016	4,067	4,149	2.0	15.8	11,182	15,728	40.7
Cost of sales	1,186	1,204	1,394	1,413	1,450	2.6	22.3	4,015	5,461	36.0
Gross profit	2,397	2,291	2,623	2,654	2,699	1.7	12.6	7,167	10,267	43.2
SG&A	1,931	2,008	2,118	2,182	2,337	7.1	21.0	7,170	8,646	20.6
Operating profit	512	347	555	527	442	(16.1)	(13.6)	204	1,870	816.8
Interest expense	18	21	21	21	23	9.7	32.5	69	87	25.4
Tax expense	90	51	89	86	82	(4.7)	(8.6)	(10)	308	nm
Reported net profit	399	271	439	408	321	(21.4)	(19.7)	131	1,439	998.5
Core profit	399	271	418	408	321	(21.4)	(19.7)	131	1,439	998.5
Key ratios (%)						(ppt)	(ppt)			
Gross margin	66.9	65.6	65.3	65.2	65.0	(0.2)	(1.8)	64.1	65.3	1.2
SG&A / Sales	53.9	57.5	52.7	53.7	56.3	2.7	2.4	64.1	55.0	(9.2)
Operating margin	14.3	9.9	13.8	12.9	10.7	(2.3)	(3.6)	1.8	11.9	10.1
Net margin	11.1	7.7	10.9	10.0	7.7	(2.3)	(3.4)	1.2	9.1	8.0
Norm margin	11.1	7.7	10.4	10.0	7.7	(2.3)	(3.4)	1.2	9.1	8.0
Operating statistics (no.)										
SSSG (%)	(1.0)	10.0	58.0	101.0	14.0	nm	nm	(16.0)	38.6	nm
Total stores	703	705	707	710	710	0.0	1.0	703	710	1.0
- MK Brand	452	454	454	455	455	0.0	0.7	452	455	0.7
- Yayoi Brand	193	193	194	196	195	(0.5)	1.0	193	195	1.0
- Laem Charoen Brand	31	33	34	35	36	2.9	16.1	31	36	16.1
- Other Brand	27	25	25	24	24	0.0	(11.1)	27	24	(11.1)

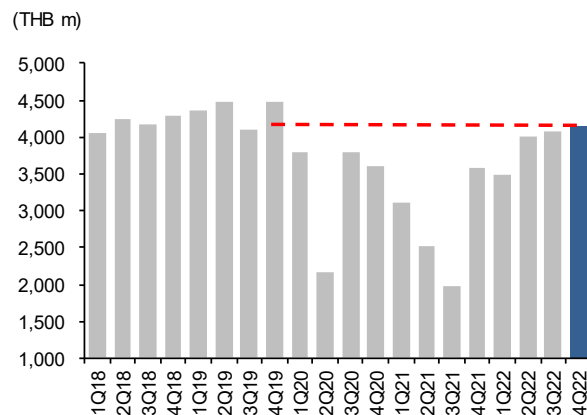
Sources: M; FSSIA estimates

Exhibit 2: Same-store sales growth



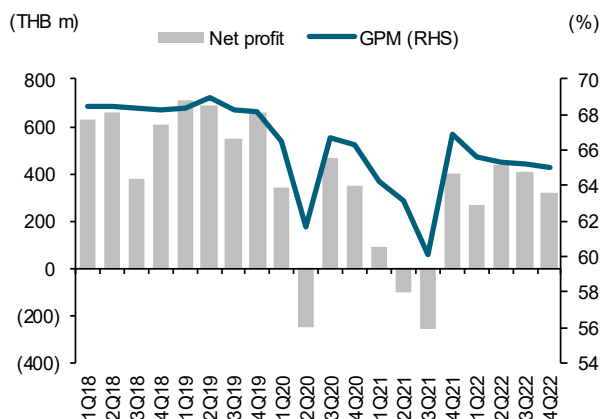
Source: M

Exhibit 3: Quarterly sales



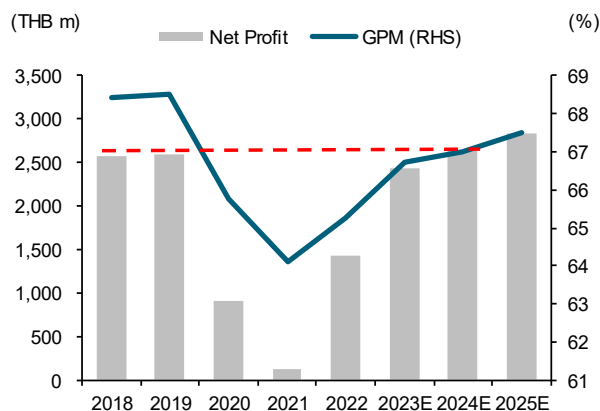
Source: M

Exhibit 4: Quarterly GPM and net profit



Source: M

Exhibit 5: Yearly GPM and net profit



Source: M

Financial Statements

MK Restaurant Group

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	11,182	15,728	18,008	18,639	19,347
Cost of goods sold	(2,005)	(3,465)	(3,985)	(4,124)	(4,246)
Gross profit	9,176	12,263	14,023	14,515	15,101
Other operating income	207	249	360	373	387
Operating costs	(7,170)	(8,646)	(9,364)	(9,599)	(9,964)
Operating EBITDA	2,213	3,867	5,019	5,288	5,524
Depreciation	(2,009)	(1,997)	(2,012)	(2,027)	(2,042)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	204	1,870	3,007	3,262	3,482
Net financing costs	(69)	(87)	(81)	(81)	(80)
Associates	(23)	(29)	0	9	10
Recurring non-operating income	(23)	(29)	0	9	10
Non-recurring items	0	0	0	0	0
Profit before tax	111	1,755	2,926	3,190	3,413
Tax	10	(308)	(497)	(542)	(580)
Profit after tax	121	1,447	2,429	2,648	2,832
Minority interests	10	(8)	(5)	(5)	(5)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	131	1,439	2,424	2,643	2,827
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	131	1,439	2,424	2,643	2,827
Per share (THB)					
Recurring EPS *	0.14	1.56	2.63	2.87	3.07
Reported EPS	0.14	1.56	2.63	2.87	3.07
DPS	0.80	1.40	2.24	2.58	2.76
Diluted shares (used to calculate per share data)	921	921	921	921	921
Growth					
Revenue (%)	(16.3)	40.7	14.5	3.5	3.8
Operating EBITDA (%)	(32.3)	74.7	29.8	5.4	4.5
Operating EBIT (%)	(82.0)	816.8	60.8	8.5	6.8
Recurring EPS (%)	(85.6)	998.5	68.5	9.0	7.0
Reported EPS (%)	(85.6)	998.5	68.5	9.0	7.0
Operating performance					
Gross margin inc. depreciation (%)	64.1	65.3	66.7	67.0	67.5
Gross margin of key business (%)	65.3	66.7	67.0	67.5	0.0
Operating EBITDA margin (%)	19.8	24.6	27.9	28.4	28.6
Operating EBIT margin (%)	1.8	11.9	16.7	17.5	18.0
Net margin (%)	1.2	9.1	13.5	14.2	14.6
Effective tax rate (%)	(8.5)	17.5	17.0	17.0	17.0
Dividend payout on recurring profit (%)	562.5	89.6	85.0	90.0	90.0
Interest cover (X)	2.6	21.2	37.0	40.5	43.9
Inventory days	73.8	42.5	45.3	51.5	51.3
Debtor days	4.5	3.3	2.7	2.9	2.9
Creditor days	242.7	147.7	149.1	162.0	161.1
Operating ROIC (%)	17.2	230.6	498.5	469.8	430.2
ROIC (%)	1.5	16.1	26.6	29.2	30.1
ROE (%)	1.0	10.8	17.8	19.0	19.9
ROA (%)	0.9	7.7	12.4	13.2	13.8
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
2021	2022	2023E	2024E	2025E	
MK	8,274	11,639	13,268	13,666	14,144
Yayoi	2,124	2,831	3,227	3,324	3,441
LCS	559	944	1,151	1,266	1,355
Other	224	315	362	382	407

Sources: MK Restaurant Group; FSSIA estimates

Financial Statements

MK Restaurant Group

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	131	1,439	2,424	2,643	2,827
Depreciation	2,009	1,997	2,012	2,027	2,042
Associates & minorities	13	37	25	(4)	(5)
Other non-cash items	0	0	0	0	0
Change in working capital	(147)	295	224	39	36
Cash flow from operations	2,007	3,768	4,684	4,704	4,901
Capex - maintenance	(5,049)	(1,653)	(1,900)	(2,250)	(2,600)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	3,910	(691)	19	(28)	(32)
Cash flow from investing	(1,139)	(2,344)	(1,881)	(2,278)	(2,632)
Dividends paid	(460)	(1,197)	(2,060)	(2,379)	(2,545)
Equity finance	0	0	0	0	0
Debt finance	(410)	(187)	(270)	(23)	177
Other financing cash flows	28	51	(95)	38	42
Cash flow from financing	(842)	(1,333)	(2,425)	(2,364)	(2,325)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	26	91	378	62	(56)
Free cash flow to firm (FCFF)	937.23	1,510.24	2,884.91	2,506.82	2,348.64
Free cash flow to equity (FCFE)	486.05	1,287.71	2,438.65	2,440.93	2,488.64

Per share (THB)

FCFF per share	1.02	1.64	3.13	2.72	2.55
FCFE per share	0.53	1.40	2.65	2.65	2.70
Recurring cash flow per share	2.34	3.77	4.84	5.07	5.28

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	11,525	11,913	12,213	12,513	12,813
Less: Accumulated depreciation	(8,683)	(9,167)	(9,258)	(9,351)	(9,444)
Tangible fixed assets (net)	2,842	2,747	2,955	3,163	3,369
Intangible fixed assets (net)	5,810	5,533	5,213	5,229	5,580
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,690	2,366	2,366	2,375	2,385
Cash & equivalents	7,689	7,779	8,158	8,220	8,164
A/C receivable	167	121	148	153	159
Inventories	392	414	575	590	603
Other current assets	170	111	180	186	193
Current assets	8,418	8,426	9,061	9,149	9,119
Other assets	808	830	810	839	871
Total assets	19,569	19,901	20,405	20,755	21,325
Common equity	13,194	13,443	13,806	14,071	14,353
Minorities etc.	314	322	347	352	357
Total shareholders' equity	13,509	13,765	14,153	14,423	14,710
Long term debt	2,207	2,023	1,823	1,723	1,823
Other long-term liabilities	1,124	1,175	1,081	1,118	1,161
Long-term liabilities	3,331	3,198	2,903	2,841	2,984
A/C payable	1,355	1,449	1,807	1,854	1,895
Short term debt	0	0	0	0	0
Other current liabilities	1,374	1,489	1,541	1,637	1,735
Current liabilities	2,729	2,938	3,349	3,491	3,630
Total liabilities and shareholders' equity	19,569	19,901	20,405	20,755	21,325
Net working capital	(2,000)	(2,291)	(2,445)	(2,561)	(2,675)
Invested capital	9,151	9,184	8,899	9,044	9,530

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	14.33	14.60	14.99	15.28	15.59
Tangible book value per share	8.02	8.59	9.33	9.60	9.53

Financial strength

Net debt/equity (%)	(40.6)	(41.8)	(44.8)	(45.0)	(43.1)
Net debt/total assets (%)	(28.0)	(28.9)	(31.0)	(31.3)	(29.7)
Current ratio (x)	3.1	2.9	2.7	2.6	2.5
CF interest cover (x)	8.0	15.9	31.0	31.2	32.3

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	390.2	35.5	21.1	19.3	18.1
Recurring P/E @ target price (x) *	464.0	42.2	25.1	23.0	21.5
Reported P/E (x)	390.2	35.5	21.1	19.3	18.1
Dividend yield (%)	1.4	2.5	4.0	4.7	5.0
Price/book (x)	3.9	3.8	3.7	3.6	3.6
Price/tangible book (x)	6.9	6.5	5.9	5.8	5.8
EV/EBITDA (x) **	20.8	11.8	9.0	8.5	8.2
EV/EBITDA @ target price (x) **	25.1	14.3	10.9	10.3	9.9
EV/invested capital (x)	5.0	5.0	5.1	5.0	4.7

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: MK Restaurant Group; FSSIA estimates

Corporate Governance report of Thai listed companies 2022

EXCELLENT LEVEL – Score range 90-100											
AAV	BAM	CIMBT	ECL	HENG	LALIN	NEP	PRG	SCC	SPRC	THRE	TTW
ADVANC	BANPU	CK	EE	HMPRO	LANNA	NER	PRM	SCCC	SPVI	THREL	TU
AF	BAY	CKP	EGCO	ICC	LHFG	NKI	PSH	SCG	SSC	TIPCO	TVDH
AH	BBIK	CM	EPG	ICHI	LIT	NOBLE	PSL	SCGP	SSSC	TISCO	TVI
AIRA	BBL	CNT	ETC	III	LOXLEY	NSI	PTG	SCM	SST	TK	TVO
AJ	BCP	COLOR	ETE	ILINK	LPN	NVD	PTT	SCN	STA	TKN	TPWC
AKP	BCPG	COM7	FN	ILM	LRH	NYT	PTTEP	SDC	STEC	TKS	UAC
AKR	BDMS	COMAN	FNS	IND	LST	OISHI	PTTGC	SEAFECO	STGT	TKT	UBIS
ALLA	BEM	COTTO	FPI	INTUCH	MACO	OR	PYLON	SEAOIL	STI	TMILL	UPOIC
ALT	BEYOND	CPALL	FPT	IP	MAJOR	ORI	Q-CON	SE-ED	SUN	TMT	UV
AMA	BGC	CPF	FSMART	IRC	MAKRO	OSP	QH	SELIC	SUSCO	TNDT	VCOM
AMARIN	BGRIM	CPI	FVC	IRPC	MALEE	OTO	QTC	SENA	SUTHA	TNITY	VGI
AMATA	BIZ	CPN	GC	ITEL	MBK	PAP	RABBIT	SENAJ	SVI	TOA	VIH
AMATAV	BKI	CRC	GEL	IVL	MC	PCSGH	RATCH	SGF	SYMC	TOP	WACOAL
ANAN	BOL	CSS	GFPT	JTS	MCOT	PDG	RBF	SHR	SYNTEC	TPBI	WAVE
AOT	BPP	DDD	GGC	JWD	METCO	PDJ	RS	SICT	TACC	TPJ	WHA
AP	BRR	DELTA	GLAND	K	MFEC	PG	S	SIRI	TASCO	TRC	WHAUP
APURE	BTS	DEMCO	GLOBAL	KBANK	MINT	PHOL	S&J	SIS	TCAP	TRUE	WICE
ARIP	BTW	DOHOME	GPI	KCE	MONO	PLANB	SAAM	SITHAI	TEAMG	TSC	WINNER
ASP	BWG	DRT	GPSC	KEX	MOONG	PLANET	SABINA	SMPC	TFMAMA	TSR	XPG
ASW	CENTEL	DTAC	GRAMMY	KGI	MSC	PLAT	SAMART	SNC	THANA	TSTE	ZEN
AUCT	CFRESH	DUSIT	GULF	KKP	MST	PORT	SAMTEL	SONIC	THANI	TSTH	
AWC	CGH	EA	GUNKUL	KSL	MTC	PPS	SAT	SORKON	THCOM	TTA	
AYUD	CHEWA	EASTW	HANA	KTB	MVP	PR9	SC	SPALI	THG	TTB	
BAFS	CHO	ECF	HARN	KTC	NCL	PREB	SCB	SPI	THIP	TTCL	
VERY GOOD LEVEL – Score range 80-89											
2S	ASIMAR	CHOTI	ESSO	INSURE	LH	NRF	PROEN	SCI	SR	TMC	UMI
7UP	ASK	CHOW	ESTAR	IRCP	LHK	NTV	PROS	SCP	SRICHA	TMD	UOBKH
ABM	ASN	CI	FE	IT	M	NUSA	PROUD	SE	SSF	TMI	UP
ACE	ATP30	CIG	FLOYD	ITD	MATCH	NWR	PSG	SECURE	SSP	TNL	UPF
ACG	B	CITY	FORTH	J	MBAX	OCC	PSTC	SFLEX	STANLY	TNP	UTP
ADB	BA	CIVIL	FSS	JAS	MEGA	OGC	PT	SFP	STC	TNR	VIBHA
ADD	BC	CMC	FTE	JCK	META	ONEE	PTC	SFT	STPI	TOG	VL
AEONTS	BCH	CPL	GBX	JCKH	MFC	PACO	QLT	SGP	SUC	TPA	VPO
AGE	BE8	CPW	GCAP	JMT	MGT	PATO	RCL	SIAM	SVOA	TPAC	VRANDA
AHC	BEC	CRANE	GENCO	JR	MICRO	PB	RICHY	SINGER	SVT	TPCS	WGE
AIE	BH	CRD	GJS	KBS	MILL	PICO	RJH	SKE	SWC	TIPL	WIK
AIT	BIG	CSC	GTB	KCAR	MTSIB	PIMO	ROJNA	SKN	SYNEX	TIPIP	WIN
ALUCON	BJC	CSP	GYT	KGEN	MK	PIN	RPC	SKR	TAE	TPLAS	WINMED
AMANA	BJCHI	CV	HEMP	KIAT	MODERN	PJW	RT	SKY	TAKUNI	TPS	WORK
AMR	BLA	CWT	HPT	KISS	MTI	PL	RWI	SLP	TCC	TQR	WP
APCO	BR	DCC	HTC	KK	NATION	PLE	S11	SMART	TCMC	TRITN	XO
APCS	BRI	DHOUSE	HUMAN	KOOL	NCAP	PM	SA	SMD	TFG	TRT	YUASA
AQUA	BROOK	DITTO	HYDRO	KTIS	NCH	PMTA	SABUY	SMIT	TFI	TRU	ZIGA
ARIN	BSM	DMT	ICN	KUMWEL	NDR	PPP	SAK	SMT	TFM	TRV	
ARROW	BYD	DOD	IFS	KUN	NETBAY	PPPM	SALEE	SNNP	TGH	TSE	
AS	CBG	DPAINT	IIG	KWC	NEX	PRAPAT	SAMCO	SNP	TIDLOR	TVT	
ASAP	CEN	DV8	IMH	KWM	NINE	PRECHA	SANKO	SO	TIGER	TWP	
ASEFA	CHARAN	EASON	INET	L&E	NNCL	PRIME	SAPPE	SPA	TIPH	UBE	
ASIA	CHAYO	EFORL	INGRS	LDC	NOVA	PRIN	SAWAD	SPC	TITLE	UEC	
ASIAN	CHG	ERW	INSET	LEO	NPK	PRINC	SCAP	SPCG	TM	UKEM	
GOOD LEVEL – Score range 70-79											
A	BEAUTY	CMAN	EMC	HL	KWI	MORE	PF	RSP	SUPER	TOPP	VARO
A5	BGT	CMO	EP	HTECH	KYE	MPIC	PK	SIMAT	TC	TPCH	W
AI	BLAND	CMR	EVER	IHL	LEE	MUD	PPM	SISB	TCCC	TPOLY	WFX
ALL	BM	CPANEL	F&D	INOX	LPH	NC	PRAKIT	SK	TCJ	TRUBB	WPH
ALPHAX	BROCK	CPT	FMT	JAK	MATI	NEWS	PTECH	SOLAR	TEAM	TTI	YGG
AMC	BSBM	CSR	GIFT	JMART	M-CHAI	NFC	PTL	SPACK	THE	TYCN	
APP	BTNC	CTW	GLOCON	JSP	MCS	NSL	RAM	SPG	THMUI	UMS	
AQ	CAZ	D	GLORY	JUBILE	MDX	NV	ROCK	SQ	TKC	UNIQ	
AU	CCP	DCON	GREEN	KASET	MENA	PAF	RP	STARK	TNH	UPA	
B52	CGD	EKH	GSC	KCM	MJD	PEACE	RPH	STECH	TNPC	UREKA	

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ('IOD') regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCPG	CPI	GCAP	JR	MCOT	PHOL	RABBIT	SNC	THANI	TTCL
7UP	BE8	CPL	GEL	K	META	PK	RATCH	SNP	THCOM	TU
ADVANC	BEC	CPN	GFPT	KASET	MFC	PL	RML	SORKON	THIP	TVDH
AF	BEYOND	CRC	GGC	KBANK	MFEC	PLANB	RWI	SPACK	THRE	TVI
AI	BGC	CSC	GJS	KBS	MILL	PLANET	S&J	SPALI	THREL	TVO
AIE	BGRIM	DCC	GPI	KCAR	MINT	PLAT	SAAM	SPC	TIDLOR	TWPC
AIRA	BKI	DELTA	GPSC	KCE	MONO	PM	SABINA	SPI	TIPCO	UBE
AJ	BLA	DEMCO	GSTEEL	KGEN	MOONG	PPP	SAPPE	SPRC	TISCO	UBIS
AKP	BPP	DIMET	GULF	KGI	MSC	PPPM	SAT	SRICHA	TKS	UEC
AMA	BROOK	DRT	GUNKUL	KKP	MST	PPS	SC	SSF	TKT	UKEM
AMANAHA	BRR	DTAC	HANA	KSL	MTC	PR9	SCB	SSP	TMILL	UOBKH
AMATA	BSBM	DUSIT	HARN	KTB	MTI	PREB	SCC	SSSC	TMT	UPF
AMATAV	BTS	EA	HEMP	KTC	NEP	PRG	SCCC	SST	TNITY	UV
AP	BWG	EASTW	HENG	KWI	NINE	PRINC	SCG	STA	TNL	VGI
APCS	CEN	EGCO	HMPRO	L&E	NKI	PRM	SCGP	STGT	TNP	VIH
AS	CENDEL	EP	HTC	LANNA	NOBLE	PROS	SCM	STOWER	TNR	WACOAL
ASIAN	CFRESH	EPG	ICC	LH	NOK	PSH	SCN	SUSCO	TOG	WHA
ASK	CGH	ERW	ICHI	LHFG	NSI	PSL	SEAOL	SVI	TOP	WHAUP
ASP	CHEWA	ESTAR	IFS	LHK	NWR	PSTC	SE-ED	SYMC	TOPP	WICE
AWC	CHOTI	ETE	III	LPN	OCC	PT	SELIC	SYNTEC	TPA	WIIK
AYUD	CHOW	FE	ILINK	LRH	OGC	PTG	SENA	TAE	TPCS	XO
B	CIG	FNS	INET	M	ORI	PTT	SGP	TAKUNI	TPP	YUASA
BAFS	CIMBT	FPI	INSURE	MAJOR	PAP	PTTEP	SINGER	TASCO	TRU	ZEN
BAM	CM	FPT	INTUCH	MAKRO	PATO	PTTGC	SIRI	TCAP	TRUE	ZIGA
BANPU	CMC	FSMART	IRC	MALEE	PB	PYLON	SITHAI	TCMC	TSC	
BAY	COM7	FSS	IRPC	MATCH	PCSGH	Q-CON	SKR	TFG	TSTE	
BBL	COTTO	FTE	ITEL	MBAX	PDG	QH	SMIT	TFI	TSTH	
BCH	CPALL	GBX	IVL	MBK	PDJ	QLT	SMK	TFMAMA	TTA	
BCP	CPF	GC	JKN	MC	PG	QTC	SMPC	TGH	TTB	
DECLARED										
AH	CHG	DHOUSE	EVER	J	KUMWEL	NRF	RS	SUPER	TQM	VIBHA
ALT	CI	DOHOME	FLOYD	JMART	LDC	NUSA	SAK	SVT	TRT	W
APCO	CPR	ECF	GLOBAL	JMT	MEGA	OR	SIS	TKN	TSI	WIN
ASW	CPW	EKH	ILM	JTS	NCAP	PIMO	SSS	TMD	VARO	
B52	DDD	ETC	INOX	KEX	NOVA	PLE	STECH	TMI	VCOM	

Level

Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Sources: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

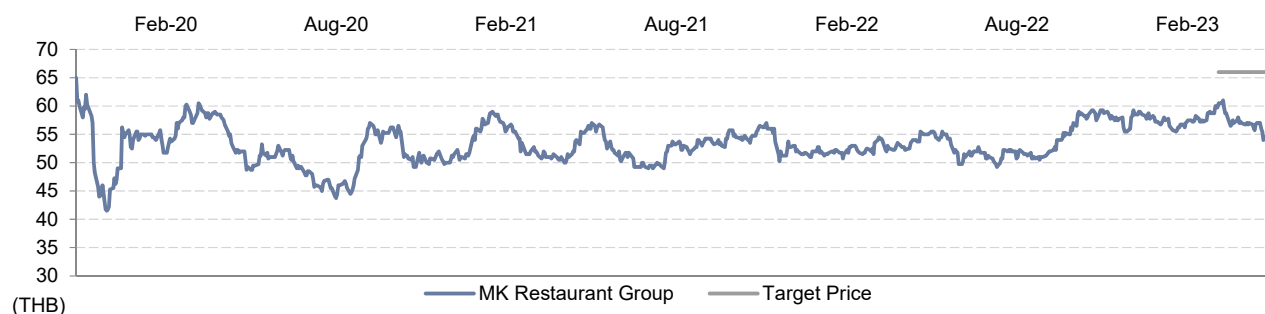
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History of change in investment rating and/or target price

MK Restaurant Group (M TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Jan-2023	BUY	66.00	-	-	-	-	-	-

Sureeporn Teewasuwet started covering this stock from 05-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
MK Restaurant Group	M TB	THB 55.50	BUY	Downside risks to our P/E-based TP include potential rise of raw material cost (~32% of total revenues), labour cost given its labour intensive nature, renewal of 3-year Yayoi franchise, and risk from animal diseases.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

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All share prices are as at market close on 23-Feb-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.