11 OCTOBER 2024

EQUITY RESEARCH - COMPANY REPORT

FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

MAGURO GROUP MAGURO TB

THAILAND / AGRO & FOOD INDUSTRY

BUY

UNCHANGED

TARGET PRICE	THB22.00
CLOSE	THB16.90
UP/DOWNSIDE	+30.2%
PRIOR TP	THB22.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+5.4%

สาขาใหม่กำลังไปได้สวย

- เราคาดว่ากำไรสุทธิ 3Q24 จะกลับมาฟื้นตัวดีจากค่าใช้จ่ายพิเศษที่หายไปและผลบวกของสาขาใหม่
- มีแผนขยายสาขาอย่างต่อเนื่องโดยจะเปิดอีก 6 สาขาใน 4Q24 มีทั้ง 2 แบรนด์ใหม่ และสาขา Stand-alone แห่งแรกบนถนนประดิษฐ์มนูธรรม
- คงคำแนะนำซื้อที่ราคาเป้าหมายเดิมที่ 22 บาท

คาดกำไรสุทธิ 3Q24 จะกลับมาฟื้นตัวดี

เราคาดกำไรสุทธิ 3Q24 อยู่ที่ 22 ลบ. (+74% q-q, +18% y-y) ฟื้นตัวดีเนื่องจากจะไม่มีค่าใช้จ่ายพิเศษเหมือนใน 2Q24 ผลประกอบการโดยรวมดูดี แม้ว่าการเติบโตของยอดขายจากสาขาเดิมน่าจะติดลบเล็กน้อยที่ 1% y-y ปัจจัยดังกล่าวจะชดเชยได้โดยผลบวกของการเปิดสาขาใหม่ (สาขาใหม่ 4 แห่ง: Maguro 1 และ Hitori 3) ใน 3Q24 ซึ่งทำให้จำนวนสาขารวมเพิ่มเป็น 32 จาก 21 ใน 3Q23 และทำให้เราคาดว่ารายได้จะโต 4% q-q และ 25% y-y

ราคาแซลมอนลดลงต่ำสุดในรอบ 2 ปี

จากรายได้ที่คาดว่าจะโตและราคาแซลมอนเฉลี่ยใน 3Q24 ที่ NOK78/กก. (-28% q-q, -3% y-y) นับเป็นระดับที่ต่ำที่สุดในรอบ 2 ปี เราคาดอัตรากำไรขั้นต้น 3Q24 ที่ 43.5% เพิ่มขึ้นจาก 42.6% ใน 2Q24 แต่ต่ำกว่า 45.5% ใน 3Q23 เนื่องจากราคาวัตถุดิบอื่นน่าจะสูงกว่าปีที่แล้ว เราคาดว่าค่าใช้จ่ายรวมจะเพิ่ม 2.6% q-q และ 18.4% y-y จากต้นทุนในการขยายสาขาและพนักงานที่เพิ่มขึ้น แม้ว่าค่าใช้จ่ายที่เกี่ยวข้องกับการจดทะเบียนในตลาดหลักทรัพย์จะหายไป อย่างไรก็ดีจากรายได้ที่คาดว่าจะโตเร็วกว่าค่าใช้จ่าย สัดส่วนค่าใช้จ่ายการขายและบริหารต่อยอดขายอาจลดลงเล็กน้อยเป็น 33% จาก 33.5% ใน 2Q24 และ 34.8% ใน 3Q23

เปิดสาขาใหม่เพิ่มต่อเนื่อง

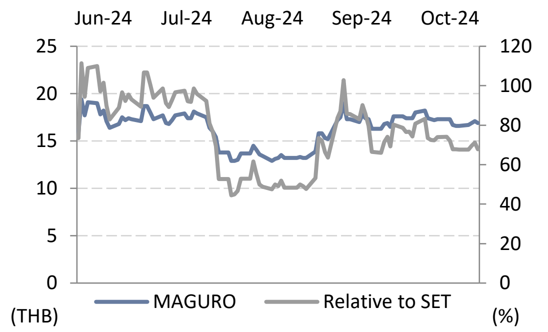
ทุกสาขาของบริษัทอยู่ในกรุงเทพและปริมณฑล ดังนั้นจึงยังไม่ได้รับผลกระทบจากน้ำท่วม นอกจากนี้บริษัทฯ ยังมีแผนเปิด 6 สาขาใหม่ใน 4Q24 โดยเตรียมเปิด Maguro สาขาใหม่ที่ One Bangkok ในวันที่ 25 ต.ค. และในเดือน พ.ย. - ธ.ค. สาขา Stand-alone ซึ่งรวมร้านอาหาร 3 แบรนด์จะเปิดให้บริการบนถนนประดิษฐ์มนูธรรมโดยหนึ่งในนั้นจะเป็นแบรนด์ใหม่ นอกจากนี้ MAGURO ยังจะเปิดตัวแบรนด์ใหม่อีกหนึ่งแบรนด์โดยจะเป็นแฟรนไชส์ชื่อ Tonkatsu Aoki (เป็นร้านหมูทอด ที่มีชื่อเสียงของญี่ปุ่น) ที่ Central World หลังได้รับสิทธิในการดำเนินงานแต่เพียงผู้เดียวในไทย ในขั้นต้นเราคาดว่ากำไร 4Q24 จะปรับตัวขึ้นต่อเนื่องสู่ระดับสูงสุดของปีนี้

คงคำแนะนำซื้อที่ราคาเป้าหมายเดิมที่ 22 บาท

เราคงประมาณการอัตราการเติบโตของกำไรสุทธิในปี 2024-25 ของเราที่ 16% y-y และ 44% y-y บนสมมติฐาน 13 และ 11 สาขาใหม่ตามลำดับและคงราคาเป้าหมายปี 2025 ของเราที่ 22 บาท ปัจจุบันหุ้นมีการซื้อขายเทียบเท่า 2025E P/E ที่เพียง 17.8x ในขณะที่กำไรอยู่ในแนวโน้มขาขึ้น ดังนั้นเราจึงยังคงคำแนะนำซื้อ

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	1,044	1,333	1,598	1,892
Net profit	72	84	121	156
EPS (THB)	0.69	0.67	0.96	1.24
vs Consensus (%)	-	(6.3)	(0.5)	(1.6)
EBITDA	218	262	314	368
Recurring net profit	72	84	121	156
Core EPS (THB)	0.69	0.67	0.96	1.24
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	131.1	(3.7)	44.0	28.5
Core P/E (x)	24.4	25.3	17.6	13.7
Dividend yield (%)	4.9	2.4	3.4	4.4
EV/EBITDA (x)	9.5	8.2	6.9	5.9
Price/book (x)	6.6	3.4	3.1	2.9
Net debt/Equity (%)	117.1	4.0	6.2	4.5
ROE (%)	26.5	18.7	18.4	21.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.6	(2.9)	n/a
Relative to country (%)	(2.2)	(12.5)	n/a

Mkt cap (USD m)	63
3m avg. daily turnover (USD m)	1.1
Free float (%)	29
Major shareholder	Mr Jakkrit Saisomboon (15%)
12m high/low (THB)	23.70/12.60
Issued shares (m)	126.00

Sources: Bloomberg consensus; FSSIA estimates

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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 11 ตุลาคม 2024

Investment thesis

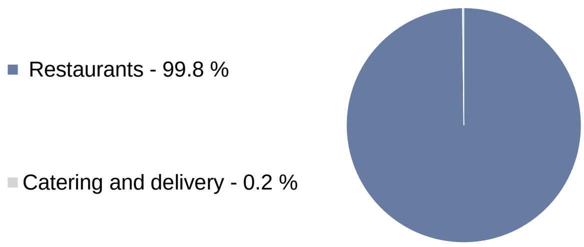
Although the overall outlook for Thailand's restaurant industry in 2024 may appear less optimistic due to weak purchasing power and high competition, MAGURO's negative 1H24 SSSG of 2.9% y-y is smaller compared to other operators like M and ZEN, which dropped by 9% and 11.4%, respectively. However, due to the positive impact of opening new branches, MAGURO's total revenue in 1H24 grew by a substantial 23.4% y-y. The company has plans to open more branches in 2H24 but should see no sizable listing-related expenses as in 2Q24. We expect revenue and profit growth to accelerate in 2H24 and perform well into 2025-26. MAGURO is considered a growth stock in this sector.

Company profile

Established in 2015, MAGURO is in the restaurant business, offering food and beverages across the premium-mass range under the MAGURO, SSAMTHING TOGETHER, and HITORI SHABU brands. In addition, the company provides delivery and catering services.

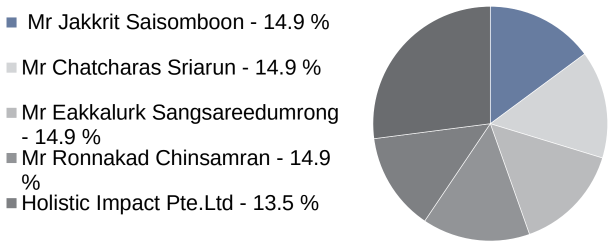
www.maguro.co.th

Principal activities (revenue, 2023)



Source: Maguro Group

Major shareholders



Source: Maguro Group

Catalysts

Potential catalysts for MAGURO's earnings growth in 2025 include 1) foot traffic growth and food price hikes; 2) a tourism recovery, which would drive international customers; 3) lower raw material costs; and 4) new store expansion.

Risks to our call

Downside risks to our TP include 1) a slower-than-expected consumption recovery and more intense competition; 2) higher raw material prices; 3) a lower-than-expected new store expansion; and 4) a minimum wage increase and labor shortage.

Event calendar

Date	Event
13 November 2024	3Q24 results announcement

Key assumptions

	2024E	2025E	2026E
SSSG (%)	0.0	2.0	2.0
New branches (no.)	11	10	8
Total branches (no.)	36	46	54
Total revenue growth (%)	25.3	18.7	15.3
Gross margin (%)	44.8	44.6	44.8
SG&A to sales (%)	33.8	33.7	33.5

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2025 net profit to rise by 0.6%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2025 net profit to rise by 5.1%, and vice versa, all else being equal.
- For every 0.2% increase in SG&A, we estimate 2025 net profit to fall by 2.1%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: Current locations of SSAMTHING Together branches (as of 3Q24)

Brand logo	Numbers	Location	Open date
	1	Maga Bangna	28 Jul 2021
	2	Central Westgate	19 May 2022
	3	Central Rama 2	5 Oct 2022
	4	Samyan Mitrtown	9 Dev 2022
	5	Robinson Lifestyle Ratchapruek	10 Feb 2023
	6	The Nine Rama IX	4 Dec 2023

Source: MAGURO, FSSIA's compilation

Exhibit 2: Current locations of Maguro branches (as of 3Q24)

Brand logo	Numbers	Location	Open date
	1	Chic Republic Bangna	27 May 2015
	2	Int Intersect Rama 3	18 Jun 2016
	3	Chic Republic Ratchapruek	22 Nov 2016
	4	Health Land Chaengwattana	21 Dec 2016
	5	Mega Bangna	8 Dec 2017
	6	The Circle Ratchapruek	8 Feb 2019
	7	The Esplanade Ratchadapisek	18 Apr 2019
	8	Siam Square One	10 May 2019
	9	SB Design Square Rama 2	26 Nov 2020
	10	Central World	12 May 2021
	11	The Nine Rama IX	18 Aug 2022
	12	The Promenade Ramintra	1 Feb 2023
	13	The Mall Lifestyle Bangkae	1 Nov 2023
	14	Maeche Thonglor	15 Mar 2024
	15	Paradise Park	25 Jun 2024
	16	NIRVANA Krungthep Kreetha	2 Aug 2024

Source: MAGURO, FSSIA's compilation

Exhibit 3: Current locations of Hitori Shabu branches (as of 3Q24)

Brand logo	Numbers	Location	Open date
	1	Siam Paragon	11 Jul 2022
	2	Chic Republic Ratchapruek	30 Jan 2023
	3	Marche Thonglor	11 Apr 2023
	4	Mega Bangna	3 Jul 2023
	5	The Promenade Ramintra	16 Nov 2023
	6	The Emsphere	1 Dec 2023
	7	Paradise Park	1 Apr 2024
	8	Ekkamai 12	15 Jul 2024
	9	Market Place Krungthep Kreetha	1 Aug 2024
	10	Int-Intersect Rama 3	27 Aug 2024

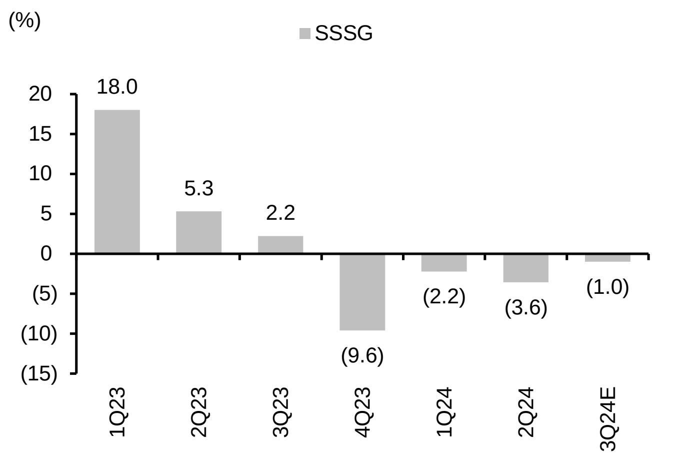
Source: MAGURO, FSSIA's compilation

Exhibit 4: MAGURO – 3Q24 earnings preview

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24E	----- Change ----		9M24E	Change	2024E	Change	% 9M24E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	*(q-q%)*	*(y-y%)*	(THB m)	*(y-y%)*	(THB m)	*(y-y%)*	*to 2024E*
Sales	236	265	267	276	297	321	334	*4.0*	*25.0*	952	*24.0*	1,333	*27.7*	*71.4*
Cost of sales	127	147	146	153	163	184	189	*2.3*	*29.6*	536	*27.8*	753	*31.6*	*71.1*
Gross profit	109	118	122	123	134	137	145	*6.2*	*19.5*	416	*19.4*	580	*22.9*	*71.8*
SG&A	81	89	93	101	102	107	110	*2.6*	*18.4*	320	*21.7*	440	*20.9*	*72.7*
Operating profit	28	30	29	23	33	30	36	*19.1*	*24.9*	99	*13.9*	143	*30.2*	*69.2*
Interest expense	4	5	5	6	7	8	8	*5.4*	*73.6*	23	*73.7*	31	*60.2*	*73.4*
Tax expense	5	5	5	3	5	3	6	*76.4*	*7.1*	14	*(8.8)*	21	*15.5*	*65.9*
Reported net profit	19	20	19	14	20	13	22	*73.8*	*18.1*	55	*(5.5)*	84	*16.1*	*65.9*
Core profit	19	20	19	14	21	18	22	*23.4*	*18.1*	61	*4.3*	91	*25.9*	*67.1*
Key Ratios (%)								***(ppt)***	***(ppt)***					
Gross margin	46.2	44.6	45.5	44.5	45.3	42.6	43.5	*0.9*	*(2.0)*	43.7	*(1.7)*	43.5	*(1.7)*	
SG&A to sales	34.3	33.5	34.8	36.7	34.4	33.5	33.0	*(0.5)*	*(1.8)*	33.6	*(0.6)*	33.0	*(1.9)*	
Operating margin	11.9	11.3	10.8	8.3	11.0	9.4	10.8	*1.4*	*(0.0)*	10.4	*(0.9)*	10.7	*0.2*	
Net margin	8.2	7.7	7.1	5.0	6.8	4.0	6.7	*2.7*	*(0.4)*	5.8	*(1.8)*	6.3	*(0.6)*	
Core margin	8.2	7.7	7.1	5.0	6.9	5.7	6.7	*1.1*	*(0.4)*	6.4	*(1.2)*	6.8	*(0.1)*	
Operating Statistics (THB m)														
SSSG (%)	18.0	5.3	2.2	(9.6)	(2.2)	(3.6)	(1.0)			(2.3)		0.0		
Existing branches (no.)	16	19	20	21	25	26	28			21		25		
New branches (no.)	3	1	1	4	1	2	4			11		13		
Total branches (no.)	19	20	21	25	26	28	32	*14.3*	*52.4*	32	*52.4*	38	*52.0*	
Maguro (no.)	12	12	12	13	14	15	16	*6.7*	*33.3*					
SSAMTHIBG Together (no.)	5	5	5	6	6	6	6	*0.0*	*20.0*					
Hitori (no.)	2	3	4	6	6	7	10	*42.9*	*150.0*					
Salmon price (NOK/kg)	107	103	80	86	109	108	78	*(28.2)*	*(2.9)*	98	*1.6*	91	*(3.3)*	

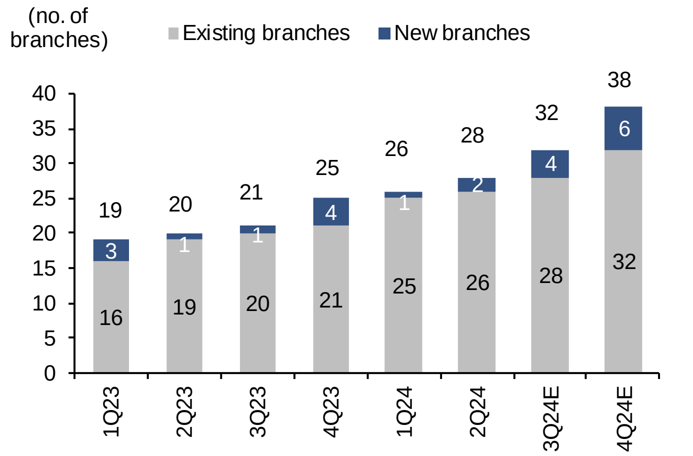
Sources: MAGURO, FSSIA estimates

Exhibit 5: Same-store sales growth



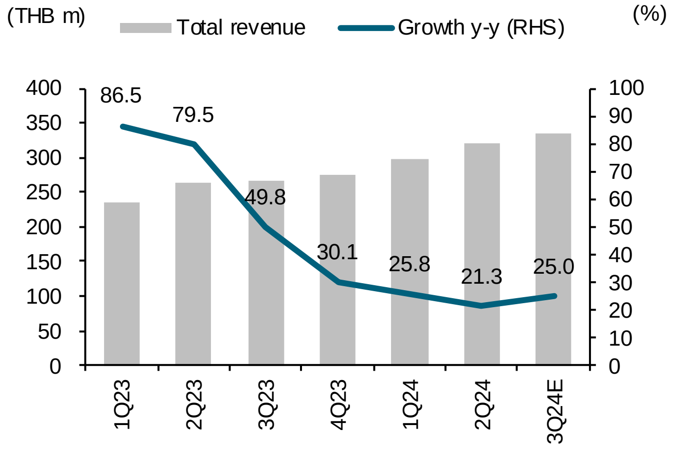
Sources: MAGURO, FSSIA estimates

Exhibit 6: Total new branch expansions



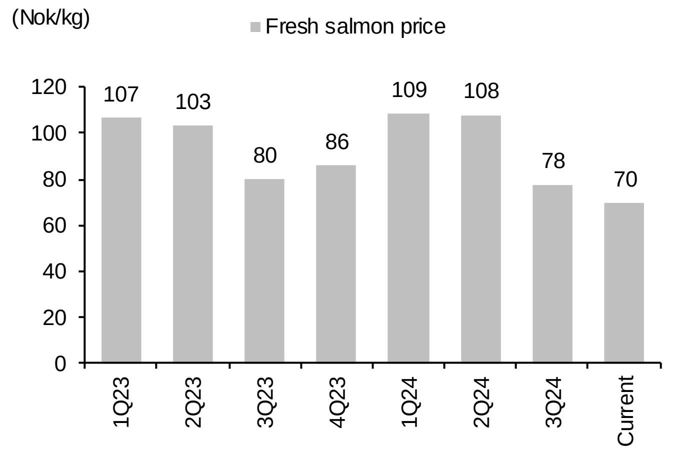
Sources: MAGURO, FSSIA estimates

Exhibit 7: Quarterly total revenue growth



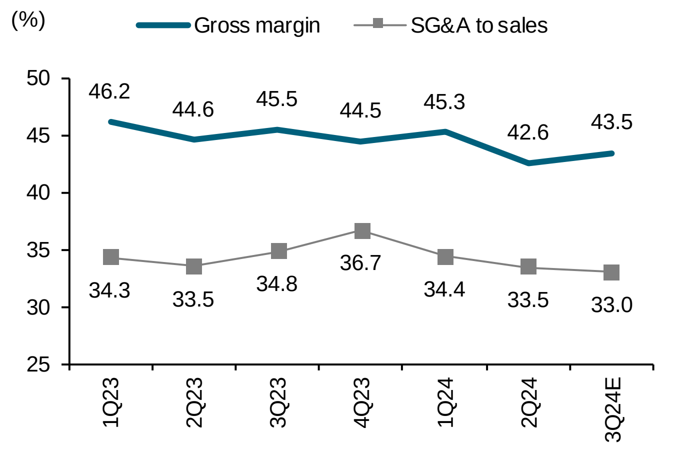
Sources: MAGURO, FSSIA estimates

Exhibit 8: Quarterly Norway fresh salmon prices



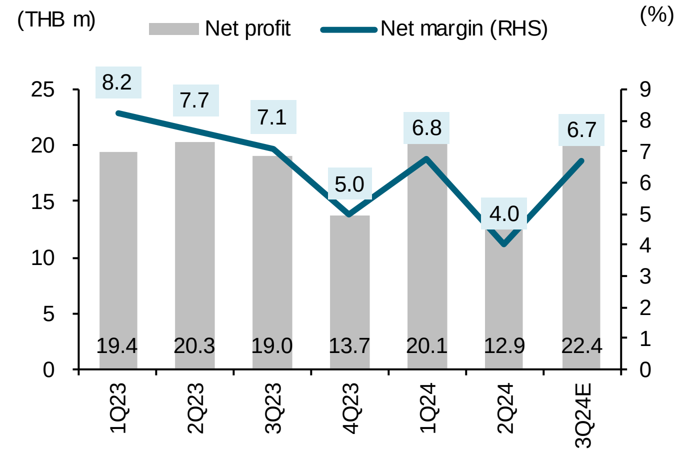
Sources: Bloomberg, FSSIA estimates

Exhibit 9: Quarterly gross margin and SG&A to sales



Sources: MAGURO, FSSIA estimates

Exhibit 10: Quarterly net profit and net margin



Sources: MAGURO, FSSIA estimates

Exhibit 11: Maguro's One Bangkok branch

Sources: MAGURO, FSSIA's compilation

Exhibit 12: First standalone on Pradit Manutham

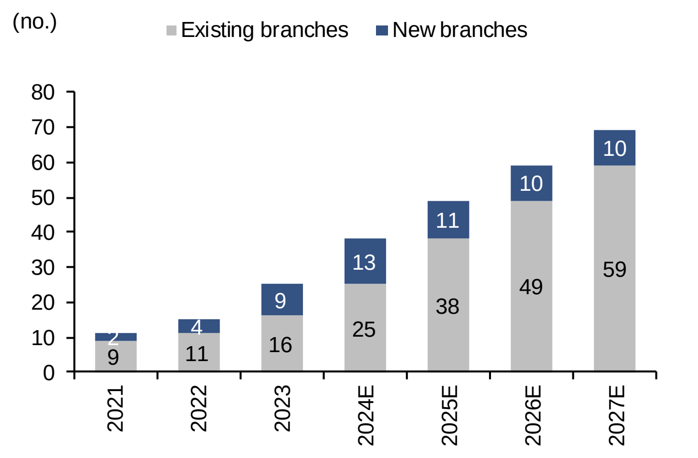
Sources: MAGURO, FSSIA's compilation

Exhibit 13: Key assumptions for MAGURO

	Actual	-------------------- Forecast--------------------			-------------------- Growth --------------------		
	2023	2024E	2025E	2026E	2024E	2025E	2026E
	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Total revenue	1,044	1,333	1,598	1,908	27.7	19.9	19.4
Costs	572	753	887	1,050	31.6	17.8	18.3
Gross profit	471	580	711	858	22.9	22.6	20.8
SG&A expense	364	440	529	630	20.9	20.3	19.0
Interest expense	19	31	34	35	60.2	8.7	4.9
Tax expense	18	21	30	39	15.5	44.3	30.3
Reported net profit	72	84	121	158	16.1	44.0	30.3
Core profit	72	91	121	158	25.9	32.8	30.3
Key ratios (%)							
Gross margin	45.2	43.5	44.5	45.0	(1.7)	1.0	0.5
SG&A to sales	34.9	33.0	33.1	33.0	(1.9)	0.1	(0.1)
Net margin	6.9	6.3	7.6	8.3	(0.6)	1.3	0.7
Core margin	6.9	6.8	7.6	8.3	(0.1)	0.7	0.7
Operating statistics							
SSSG (%)	4.0	0.0	2.0	2.0			
Existing branches (no.)	16	25	38	49			
New branches (no.)	9	13	11	10			
Total branches (no.)	25	38	49	59			
Restaurant revenue by brand (THB m)							
Maguro	645	770	826	902	19.4	7.2	9.3
SSAMTHING Together	199	199	203	207	0.0	2.0	2.0
Hitori Shabu	197	351	422	494	78.0	20.1	17.2
Others		10	145	302		1,350.0	108.0
Restaurant revenue contribution (%)							
Maguro	61.8	57.8	51.7	47.3			
SSAMTHING Together	19.1	14.9	12.7	10.9			
Hitori Shabu	18.9	26.4	26.4	25.9			
Others	0.0	0.8	9.1	15.8			

Source: FSSIA estimates

Exhibit 14: Total new branch expansions

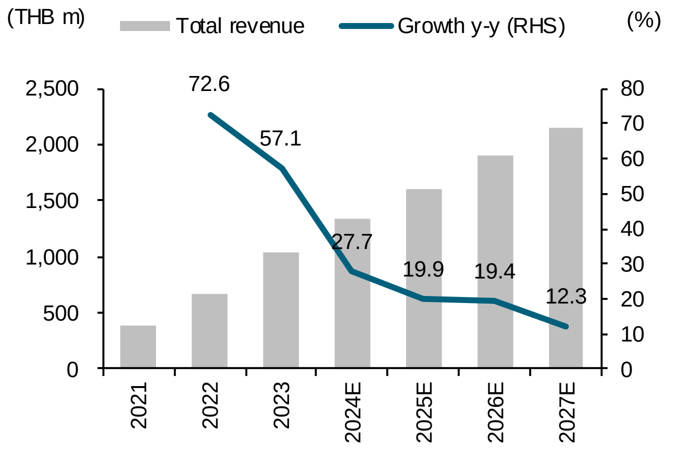


Sources: MAGURO, FSSIA estimates

Exhibit 15: Same-store sales growth

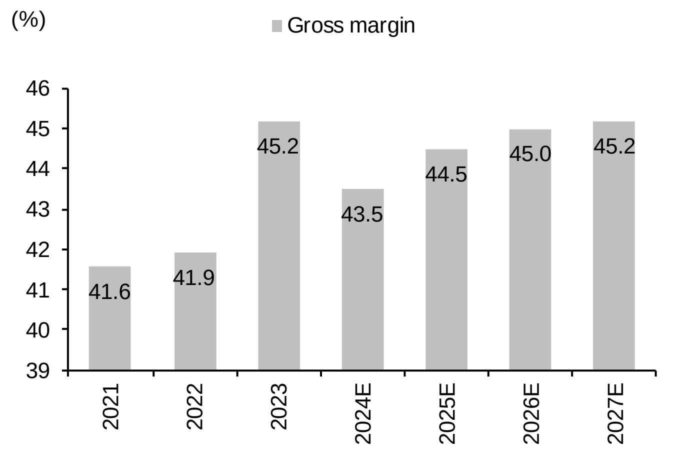
Sources: MAGURO, FSSIA estimates

Exhibit 16: Total revenue and growth



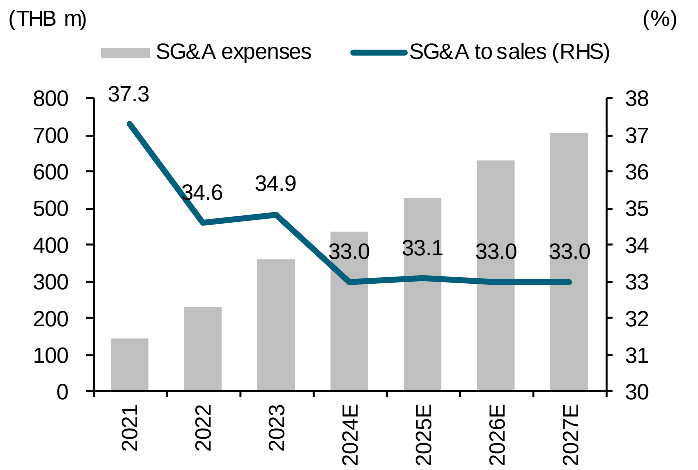
Sources: MAGURO, FSSIA estimates

Exhibit 17: Gross margin



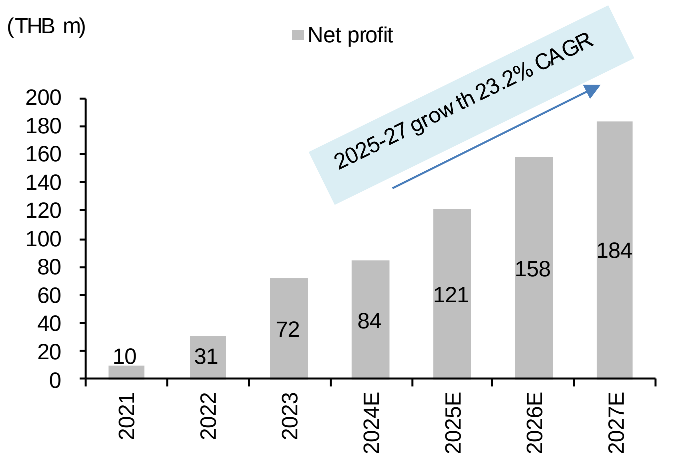
Sources: MAGURO, FSSIA estimates

Exhibit 18: SG&A to sales



Sources: MAGURO, FSSIA estimates

Exhibit 19: Net profit



Sources: MAGURO, FSSIA estimates

Exhibit 20: Peer comparison as of 10 Oct 2024

Company	BBG	Market Cap (USD m)	PE 5Y-avg (x)	PE 24E (x)	PE 25E (x)	ROE 24E (%)	ROE 25E (%)	PBV 24E (x)	PBV 25E (x)	EV/ EBITDA 24E (x)	EV/ EBITDA 25E (x)
Thailand											
MK Restaurants Group	M TB	792	31.1	17.4	16.2	11.1	11.7	1.9	1.9	5.5	5.4
Maguro Group	MAGURO TB	63	n/a	25.3	17.6	18.7	18.4	3.4	3.1	8.2	6.9
Zen Corp Group	ZEN TB	67	29.0	26.5	19.8	6.0	7.8	1.6	1.5	5.1	4.4
After You*	AU TB	247	67.8	32.8	27.3	26.3	29.1	7.8	7.2	18.0	16.2
S&P Syndicate*	SNP TB	199	24.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Thailand average		**1,368**	**38.1**	**25.5**	**20.2**	**15.5**	**16.8**	**3.7**	**3.4**	**9.2**	**8.2**

Sources: *Bloomberg; FSSIA estimates

Financial Statements

Maguro Group

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	664	1,044	1,333	1,598	1,892
Cost of goods sold	(386)	(572)	(753)	(887)	(1,042)
Gross profit	**278**	**471**	**580**	**711**	**851**
Other operating income	2	2	3	3	4
Operating costs	(230)	(364)	(440)	(529)	(625)
Operating EBITDA	**115**	**218**	**262**	**314**	**368**
Depreciation	(65)	(109)	(119)	(129)	(139)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	**50**	**110**	**143**	**185**	**230**
Net financing costs	(11)	(19)	(31)	(34)	(35)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	(7)	0	0
Profit before tax	**39**	**91**	**105**	**151**	**195**
Tax	(8)	(18)	(21)	(30)	(39)
Profit after tax	**31**	**72**	**84**	**121**	**156**
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	**31**	**72**	**84**	**121**	**156**
Non-recurring items & goodwill (net)	**-**	**-**	**-**	**-**	**-**
Recurring net profit	**31**	**72**	**84**	**121**	**156**
Per share (THB)					
Recurring EPS *	0.30	0.69	0.67	0.96	1.24
Reported EPS	0.30	0.69	0.67	0.96	1.24
DPS	0.29	0.82	0.40	0.58	0.74
Diluted shares (used to calculate per share data)	105	105	126	126	126
Growth					
Revenue (%)	72.6	57.1	27.7	19.9	18.4
Operating EBITDA (%)	73.2	89.3	19.8	19.8	17.5
Operating EBIT (%)	162.7	119.9	30.2	29.3	24.3
Recurring EPS (%)	227.6	131.1	(3.7)	44.0	28.5
Reported EPS (%)	227.6	131.1	(3.7)	44.0	28.5
Operating performance					
Gross margin inc. depreciation (%)	41.9	45.2	43.5	44.5	44.9
Gross margin exc. depreciation (%)	51.8	55.6	52.4	52.5	52.3
Operating EBITDA margin (%)	17.4	20.9	19.6	19.6	19.5
Operating EBIT margin (%)	7.5	10.5	10.7	11.6	12.1
Net margin (%)	4.7	6.9	6.3	7.6	8.2
Effective tax rate (%)	20.3	20.0	20.0	20.0	20.0
Dividend payout on recurring profit (%)	96.7	118.3	60.0	60.0	60.0
Interest cover (X)	4.7	5.7	4.6	5.5	6.5
Inventory days	16.4	24.0	29.6	32.4	32.0
Debtor days	7.6	7.1	5.1	4.6	4.6
Creditor days	74.0	71.4	71.6	75.7	74.7
Operating ROIC (%)	17.2	21.0	20.4	23.8	27.3
ROIC (%)	14.9	18.5	17.9	20.6	23.5
ROE (%)	11.2	26.5	18.7	18.4	21.9
ROA (%)	6.9	12.2	10.4	11.1	12.6

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Restaurants	662	1,042	1,331	1,595	1,890
Catering and delivery	3	2	2	2	3

Sources: Maguro Group; FSSIA estimates

Financial Statements

Maguro Group

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	31	72	84	121	156
Depreciation	65	109	119	129	139
Associates & minorities	-	-	-	-	-
Other non-cash items	2	0	7	0	0
Change in working capital	(2)	19	20	14	16
Cash flow from operations	**96**	**200**	**230**	**263**	**310**
Capex - maintenance	(217)	(352)	(200)	(200)	(200)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(13)	(25)	(29)	(12)	(13)
Cash flow from investing	**(231)**	**(377)**	**(229)**	**(212)**	**(213)**
Dividends paid	(26)	(85)	(50)	(73)	(93)
Equity finance	0	0	332	0	0
Debt finance	82	151	47	39	24
Other financing cash flows	3	8	5	5	5
Cash flow from financing	**59**	**73**	**333**	**(29)**	**(64)**
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	**0**	**0**	**0**	**0**	**0**
Movement in cash	**(75)**	**(104)**	**334**	**23**	**33**
Free cash flow to firm (FCFF)	(123.56)	(157.84)	32.08	85.02	132.08
Free cash flow to equity (FCFE)	(48.67)	(18.70)	52.52	95.55	126.42
Per share (THB)					
FCFF per share	(0.98)	(1.25)	0.25	0.67	1.05
FCFE per share	(0.39)	(0.15)	0.42	0.76	1.00
Recurring cash flow per share	0.94	1.73	1.67	1.98	2.34

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	418	696	788	870	941
Less: Accumulated depreciation	(73)	(108)	(119)	(129)	(139)
Tangible fixed assets (net)	**345**	**588**	**670**	**741**	**803**
Intangible fixed assets (net)	**13**	**23**	**30**	**30**	**30**
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	198	94	428	451	484
A/C receivable	21	19	18	22	26
Inventories	20	41	62	73	86
Other current assets	4	3	7	8	9
Current assets	**243**	**158**	**515**	**554**	**605**
Other assets	30	45	60	72	85
Total assets	**631**	**814**	**1,274**	**1,397**	**1,523**
Common equity	280	267	633	681	743
Minorities etc.	0	0	0	0	0
Total shareholders' equity	**280**	**267**	**633**	**681**	**743**
Long term debt	196	331	353	385	402
Other long-term liabilities	12	19	24	29	34
Long-term liabilities	**208**	**351**	**377**	**414**	**436**
A/C payable	77	105	144	170	200
Short term debt	60	76	100	108	115
Other current liabilities	6	17	20	24	28
Current liabilities	**143**	**197**	**265**	**302**	**343**
Total liabilities and shareholders' equity	**631**	**814**	**1,274**	**1,397**	**1,523**
Net working capital	(39)	(57)	(78)	(91)	(107)
Invested capital	350	599	682	752	811
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	2.68	2.55	5.02	5.40	5.90
Tangible book value per share	2.55	2.34	4.78	5.17	5.66
Financial strength					
Net debt/equity (%)	20.8	117.1	4.0	6.2	4.5
Net debt/total assets (%)	9.2	38.4	2.0	3.0	2.2
Current ratio (x)	1.7	0.8	1.9	1.8	1.8
CF interest cover (x)	(3.6)	0.0	2.7	3.9	4.6

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	**56.3**	**24.4**	**25.3**	**17.6**	**13.7**
Recurring P/E @ target price (x) *	**73.3**	**31.7**	**32.9**	**22.9**	**17.8**
Reported P/E (x)	56.3	24.4	25.3	17.6	13.7
Dividend yield (%)	1.7	4.9	2.4	3.4	4.4
Price/book (x)	6.3	6.6	3.4	3.1	2.9
Price/tangible book (x)	6.6	7.2	3.5	3.3	3.0
EV/EBITDA (x) **	15.8	9.5	8.2	6.9	5.9
EV/EBITDA @ target price (x) **	20.4	12.0	10.7	9.0	7.6
EV/invested capital (x)	5.2	3.5	3.2	2.9	2.7

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

Sources: Maguro Group; FSSIA estimates

MAGURO GROUP PCL (MAGURO TB)

FSSIA ESG rating
n/a

Exhibit 21: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Source: FSSIA estimates

Exhibit 22: ESG – peer comparison

	FSSIA	------------------ Domestic ratings -----------------------						-------------------------------- Global ratings ------------------------						--- Bloomberg ---	
	ESG score	DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
AU	11.75	--	--	--	--	3.00	--	High	--	--	--	--	--	--	--
M	26.38	--	--	--	4.00	4.00	Certified	Medium	--	--	--	--	17.00	--	--
MAGURO	n/a	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SNP	39.25	--	--	Y	4.00	5.00	Certified	--	64.55	--	--	57.45	--	--	--
ZEN	37.06	--	--	Y	5.00	4.00	Certified	--	52.09	--	--	52.41	--	--	--

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 23: ESG disclosure from the company's one report

FY ending Dec 31	FY 2023
Environmental	
Climate change policy	Yes
Climate change opportunities discussed	--
GHG scope 2 location-based policy	Yes
Biodiversity policy	Yes
Energy efficiency policy	Yes
Electricity used	--
Fuel used - crude oil/diesel	--
Waste reduction policy	Yes
Water policy	Yes
Water consumption	--
Social	
Human rights policy	Yes
Policy against child labor	Yes
Quality assurance and recall policy	--
Consumer data protection policy	Yes
Equal opportunity policy	Yes
Gender pay gap breakout	--
Pct women in workforce	Yes
Business ethics policy	Yes
Anti-bribery ethics policy	Yes
Health and safety policy	Yes
Lost time incident rate - employees	--
Training policy	Yes
Fair remuneration policy	Yes
Number of employees - CSR	--
Total hours spent by firm - employee training	--
Social supply chain management	Yes

FY ending Dec 31	FY 2023
Governance	
Board size / Independent directors (ID) / Female	**9 / 3 / 1**
No. of board meetings for the year / % attendance	9 / 95%
Company conducts board evaluations	--
Number of non-executive directors on board	4
Director share ownership guidelines	No
Board age limit	No
Age of the youngest / oldest director	-- / --
Number of executives / female	5 / 2
Executive share ownership guidelines	No
Size of audit committee / ID	**3 / 3**
Audit committee meetings	5
Audit committee meeting attendance (%)	100
Size of compensation committee	**3 / 2**
Number of compensation committee meetings	5
Compensation committee meeting attendance (%)	100
Size of nomination committee / ID	**3 / 2**
Number of nomination committee meetings	5
Nomination committee meeting attendance (%)	100
Board compensation (THB m)	1.61
Auditor fee (THB m)	2.20
(PricewaterhouseCoopers ABAS Ltd.)	

Source: FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for **THSI inclusion**, verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. **SETTHSI Index** is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). *(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)*	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. *(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)*	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. *Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.*	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. **NEGL** 0-10; **Low** 10-20; **Medium** 20-30; **High** 30-40; **Severe** 40+
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.	

AAA	8.571-10.000	**Leader:**	leading its industry in managing the most significant ESG risks and opportunities
AA	7.143-8.570		
A	5.714-7.142		
BBB	4.286-5.713	**Average:**	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
BB	2.857-4.285		
B	1.429-2.856		
CCC	0.000-1.428	**Laggard:**	lagging its industry based on its high exposure and failure to manage significant ESG risks

Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.	
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. *(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)*	
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.	
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

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Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

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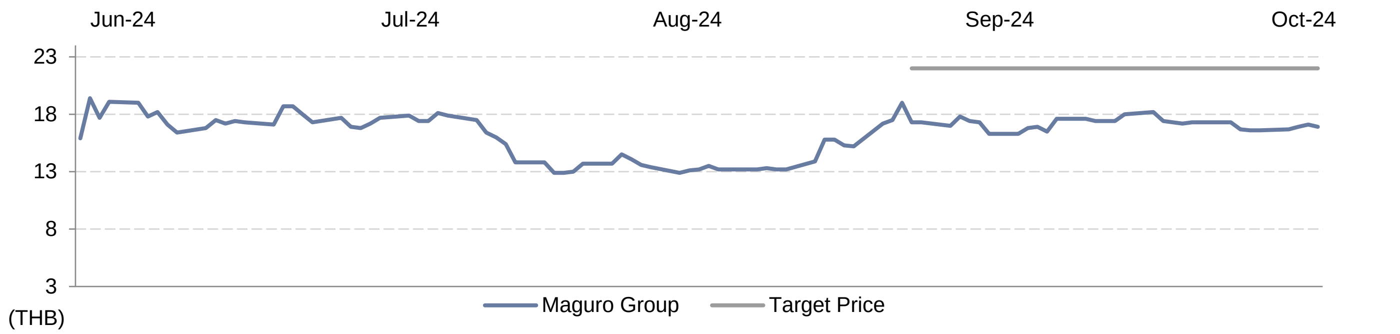
 Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

Maguro Group (MAGURO TB)



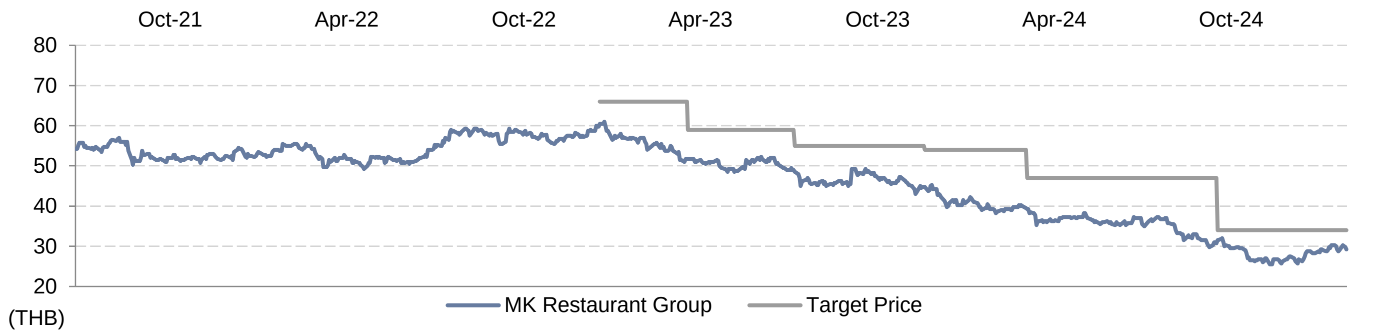
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
28-Aug-2024	BUY	22.00	-	-	-	-	-	-

Sureeporn Teewasuwet started covering this stock from 28-Aug-2024

Price and TP are in local currency

Source: FSSIA estimates

MK Restaurant Group (M TB)



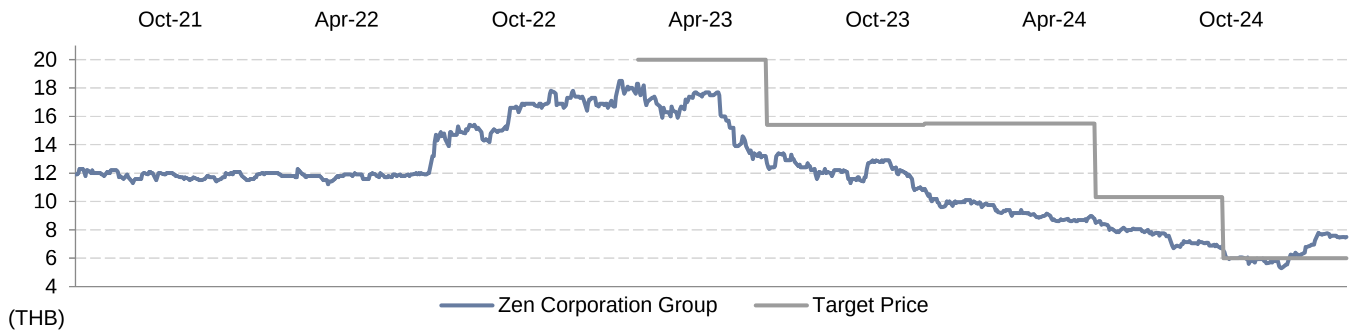
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Jan-2023	BUY	66.00	22-Jun-2023	BUY	55.00	08-Jan-2024	BUY	47.00
22-Mar-2023	BUY	59.00	12-Oct-2023	BUY	54.00	20-Jun-2024	HOLD	34.00

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

Price and TP are in local currency

Source: FSSIA estimates

Zen Corporation Group (ZEN TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
07-Feb-2023	BUY	20.00	12-Oct-2023	BUY	15.50	25-Jun-2024	REDUCE	6.00
29-May-2023	BUY	15.40	07-Mar-2024	BUY	10.30			

Sureeporn Teewasuwet started covering this stock from 07-Feb-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Maguro Group	MAGURO TB	THB 16.90	BUY	Downside risks to our TP include 1) a slower-than-expected consumption recovery and more intense of competition; 2) higher raw material prices; 3) a lower-than-expected new stores expansion; and 4) a minimum wage increase and labor shortage.
MK Restaurant Group	M TB	THB 29.25	HOLD	Downside and upside risks to our TP include 1) a slower or faster-than-expected consumption recovery and more intense competition; 2) slower or faster-than-expected decreases in raw material costs; 3) a lower or higher-than-expected new store expansion; and 4) a minimum wage increase and labor shortages.
Zen Corporation Group	ZEN TB	THB 7.50	REDUCE	Upside risks to our P/E-based TP include 1) a faster-than-expected purchasing power recovery; 2) a faster-than-expected decrease in raw material costs; 3) greater-than-expected store expansion; and 4) a minimum wage increase or labor shortages.

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.

All share prices are as at market close on 10-Oct-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.