

# MK RESTAURANT GROUP

## THAILAND / FOOD & BEVERAGE

M TB

**HOLD**  
UNCHANGED

## 3Q24 results at first glance

### 3Q24 profit was in line our estimate, no recovery yet

#### Highlights

- M reported a 3Q24 net profit of THB341m (-15% q-q, -12% y-y), in line with our and the market's expectations, but still reflected a lack of recovery.
- SSSG remained negative for the fourth consecutive quarter at -12.7% y-y, compared to -11% y-y in 2Q24. Despite opening new branches, M closed more locations due to expired leases and underperforming stores. By the end of 3Q24, the net number of branches stood at 694, a decrease of 8 branches from 2Q24, resulting in a 10% decline in total revenue both q-q and y-y.
- The gross margin remained strong at 67.8%, up from 67.2% in 2Q24, thanks to lower raw material prices.
- However, expenses remained high. Despite efforts to control costs, the decline in revenue led to an increase in SG&A, which rose to 59.4%, hitting a new high (excluding the Covid period).
- M's 9M24 net profit equaled THB1.09b (-7.2% y-y), accounting for 70% of our full-year estimate.

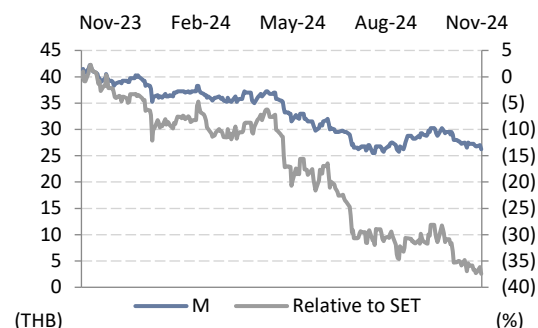
#### Outlook

- For 4Q24, the profit recovery outlook remains slow. While the new brand "Hikiniku To Come" has received positive feedback, it currently has only one location, which is not yet significant enough to impact the overall performance.

TARGET PRICE	THB34.00
CLOSE	THB26.25
UP/DOWNSIDE	+29.5%
TP vs CONSENSUS	+4.2%

#### KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	16,661	16,711	17,567	18,283
Net profit	1,682	1,549	1,664	1,775
EPS (THB)	1.83	1.68	1.81	1.93
vs Consensus (%)	-	8.0	9.8	9.8
EBITDA	4,072	3,928	4,068	4,201
Recurring net profit	1,682	1,549	1,664	1,775
Core EPS (THB)	1.83	1.68	1.81	1.93
EPS growth (%)	16.9	(7.9)	7.4	6.7
Core P/E (x)	14.4	15.6	14.5	13.6
Dividend yield (%)	6.1	5.4	5.5	5.9
EV/EBITDA (x)	4.6	4.8	4.7	4.6
Price/book (x)	1.7	1.7	1.7	1.6
Net debt/Equity (%)	(41.3)	(38.3)	(36.7)	(33.3)
ROE (%)	12.3	11.1	11.7	12.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(11.0)	(1.9)	(34.8)
Relative to country (%)	(9.5)	(11.9)	(37.3)
Mkt cap (USD m)	686		
3m avg. daily turnover (USD m)	0.9		
Free float (%)	36		
Major shareholder	Thirakomen Family (37%)		
12m high/low (THB)	42.25/25.25		
Issued shares (m)	920.88		

Sources: Bloomberg consensus; FSSIA estimates


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## Exhibit 1: M – 3Q24 results summary

	3Q23	4Q23	1Q24	2Q24	3Q24	----- Change -----		2024E	Change	% 9M24
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	to 2024E
Sales	4,094	4,042	3,946	4,107	3,683	(10.3)	(10.1)	16,711	0.3	70.2
Cost of sales	1,365	1,336	1,279	1,346	1,187	(11.8)	(13.0)	5,515	(2.4)	69.1
Gross profit	2,730	2,706	2,667	2,761	2,495	(9.6)	(8.6)	11,196	1.7	70.8
SG&A	2,360	2,153	2,323	2,350	2,189	(6.8)	(7.2)	9,659	4.0	71.0
Operating profit	473	653	443	497	419	(15.6)	(11.3)	1,930	(7.7)	70.4
Profit sharing	(0.3)	2.3	(0.3)	0.0	0.5	<i>nm</i>	<i>nm</i>	(5.0)	<i>nm</i>	(3.2)
Interest expense	20	26	27	27	26	(2.4)	29.3	92	(3.5)	87.0
Tax expense	60	108	66	65	48	(25.6)	(19.4)	275	(1.8)	65.2
Reported net profit	389	509	347	401	341	(14.9)	(12.3)	1,549	(7.9)	70.2
Core profit	389	509	347	401	341	(14.9)	(12.3)	1,549	(7.9)	70.2
<b>Key ratios (%)</b>						<b>(ppt)</b>	<b>(ppt)</b>			
Gross margin	66.7	67.0	67.6	67.2	67.8	0.5	1.1	67.0	0.9	
SG&A to sales	57.6	53.3	58.9	57.2	59.4	2.2	1.8	57.8	2.1	
Operating margin	11.5	16.2	11.2	12.1	11.4	(0.7)	(0.2)	11.6	(1.0)	
Net margin	9.5	12.6	8.8	9.8	9.3	(0.5)	(0.2)	9.3	(0.8)	
Core margin	9.5	12.6	8.8	9.8	9.3	(0.5)	(0.2)	9.3	(0.8)	
<b>Operating statistics</b>										
SSSG (%)	0.9	(3.5)	(6.1)	(11.0)	(12.7)			(2.0)		
Total stores (no.)	698	703	706	702	694			703		
-MK Brand	448	448	448	446	441			448		
-Yayoi Brand	194	198	199	199	195			195		
-LCS Brand	36	39	41	39	39			34		
-Other Brand	20	18	18	18	19			21		

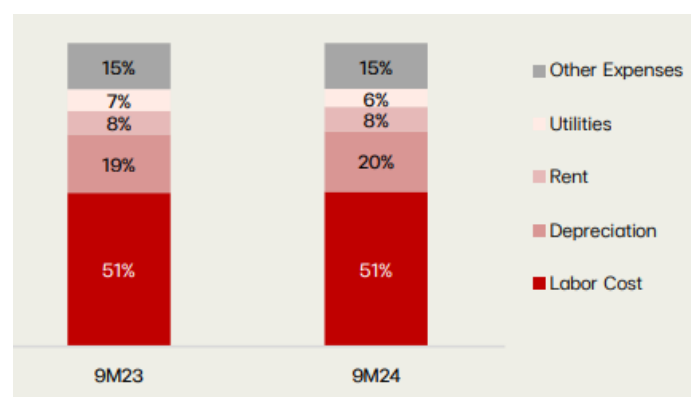
Sources: M; FSSIA's compilation

## Exhibit 2: Revenue contribution by brand in 9M24



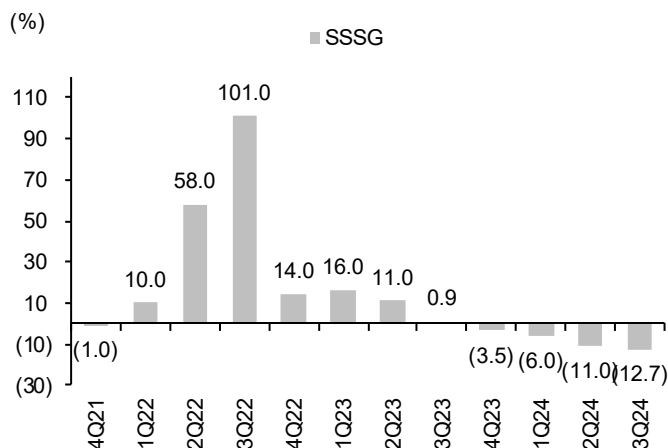
Source: M

## Exhibit 3: Selling expense breakdown in 9M24



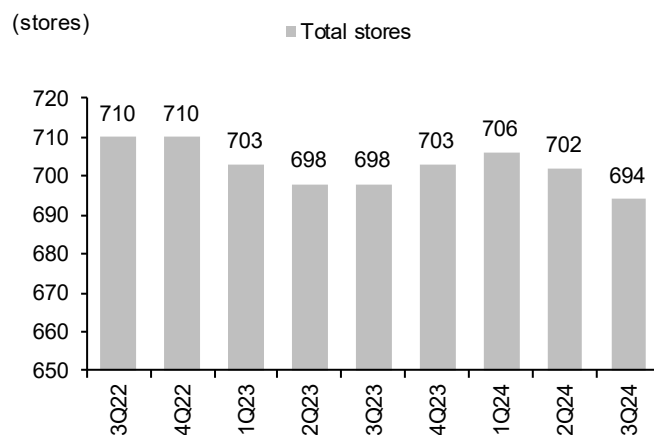
Source: M

Exhibit 4: Same-store-sales growth



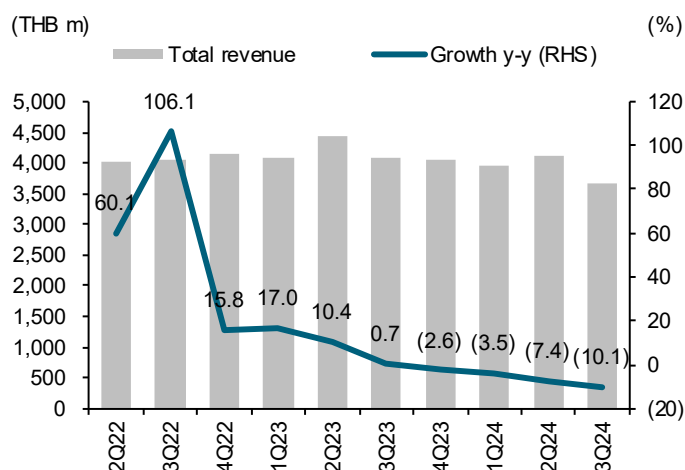
Sources: M, FSSIA's compilation

Exhibit 5: Total number of branches



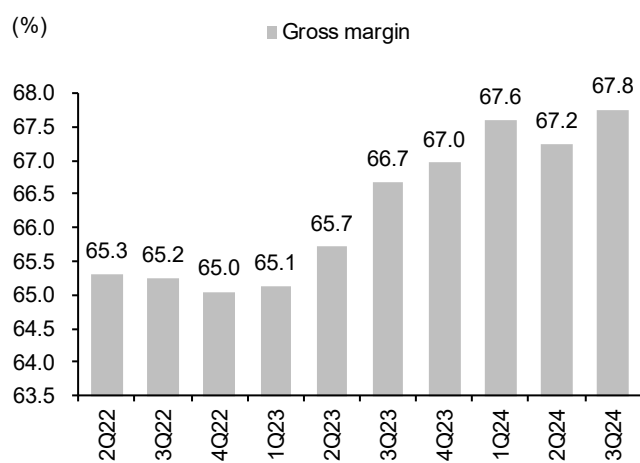
Sources: M, FSSIA's compilation

Exhibit 6: Total revenue and growth



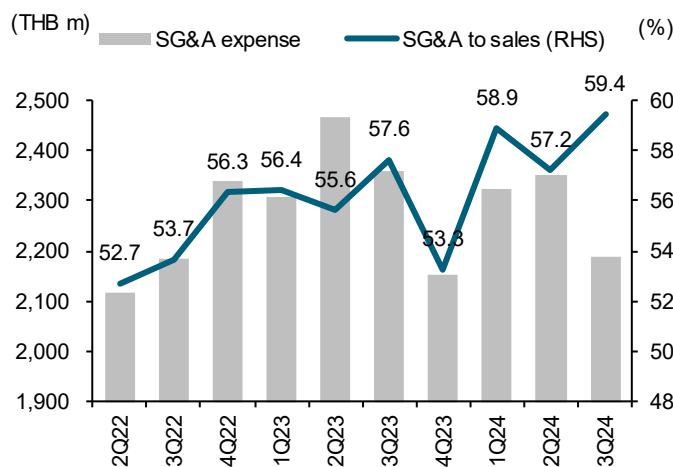
Sources: M, FSSIA's compilation

Exhibit 7: Gross margin



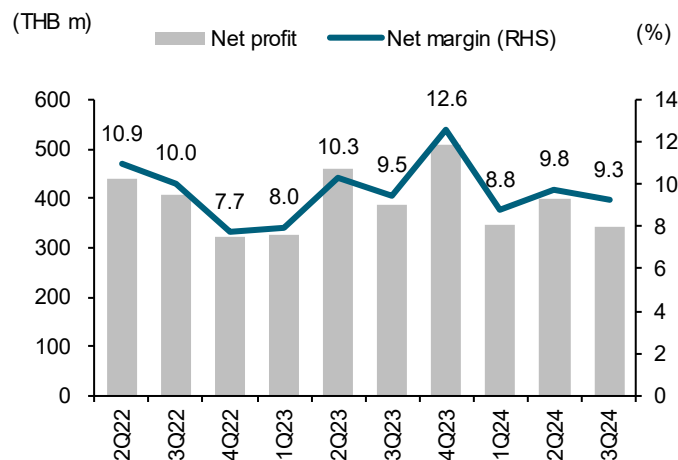
Sources: M, FSSIA's compilation

Exhibit 8: SG&amp;A to sales



Sources: M, FSSIA's compilation

Exhibit 9: Net profit and net margin



Sources: M, FSSIA's compilation

## Financial Statements

### MK Restaurant Group

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	15,728	16,661	16,711	17,567	18,283
Cost of goods sold	(5,461)	(5,648)	(5,515)	(5,779)	(5,997)
<b>Gross profit</b>	<b>10,267</b>	<b>11,013</b>	<b>11,196</b>	<b>11,787</b>	<b>12,286</b>
Other operating income	249	365	393	386	402
Operating costs	(8,646)	(9,288)	(9,659)	(10,118)	(10,512)
<b>Operating EBITDA</b>	<b>3,867</b>	<b>4,072</b>	<b>3,928</b>	<b>4,068</b>	<b>4,201</b>
Depreciation	(1,997)	(1,980)	(1,998)	(2,013)	(2,025)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>1,870</b>	<b>2,091</b>	<b>1,930</b>	<b>2,055</b>	<b>2,176</b>
Net financing costs	(87)	(95)	(92)	(92)	(93)
Associates	(29)	(9)	(5)	4	12
Recurring non-operating income	(29)	(9)	(5)	4	12
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>1,755</b>	<b>1,987</b>	<b>1,833</b>	<b>1,966</b>	<b>2,095</b>
Tax	(308)	(280)	(275)	(295)	(314)
<b>Profit after tax</b>	<b>1,447</b>	<b>1,707</b>	<b>1,558</b>	<b>1,671</b>	<b>1,780</b>
Minority interests	(8)	(25)	(9)	(7)	(5)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>1,439</b>	<b>1,682</b>	<b>1,549</b>	<b>1,664</b>	<b>1,775</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>1,439</b>	<b>1,682</b>	<b>1,549</b>	<b>1,664</b>	<b>1,775</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.56	1.83	1.68	1.81	1.93
Reported EPS	1.56	1.83	1.68	1.81	1.93
DPS	1.40	1.60	1.43	1.45	1.54
Diluted shares (used to calculate per share data)	921	921	921	921	921
<b>Growth</b>					
Revenue (%)	40.7	5.9	0.3	5.1	4.1
Operating EBITDA (%)	74.7	5.3	(3.5)	3.6	3.3
Operating EBIT (%)	816.8	11.8	(7.7)	6.5	5.9
Recurring EPS (%)	998.5	16.9	(7.9)	7.4	6.7
Reported EPS (%)	998.5	16.9	(7.9)	7.4	6.7
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	65.3	66.1	67.0	67.1	67.2
Gross margin exc. depreciation (%)	78.0	78.0	79.0	78.6	78.3
Operating EBITDA margin (%)	24.6	24.4	23.5	23.2	23.0
Operating EBIT margin (%)	11.9	12.6	11.6	11.7	11.9
Net margin (%)	9.1	10.1	9.3	9.5	9.7
Effective tax rate (%)	17.5	14.1	15.0	15.0	15.0
Dividend payout on recurring profit (%)	89.6	87.6	85.0	80.0	80.0
Interest cover (X)	21.2	21.9	21.0	22.3	23.5
Inventory days	42.5	40.1	43.8	45.0	44.5
Debtor days	3.3	2.5	2.7	2.9	2.9
Creditor days	147.7	154.0	156.0	134.9	133.4
Operating ROIC (%)	230.6	450.4	274.0	187.7	187.6
ROIC (%)	16.1	17.9	16.0	16.2	16.2
ROE (%)	10.8	12.3	11.1	11.7	12.2
ROA (%)	7.7	8.9	8.0	8.5	8.7

\* Pre exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
MK	11,639	12,455	12,330	12,947	13,465
Yayoi	2,831	2,999	3,143	3,300	3,432
LCS	944	1,000	1,020	1,091	1,146
Other	315	207	218	229	240

Sources: MK Restaurant Group; FSSIA estimates

## Financial Statements

### MK Restaurant Group

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	1,439	1,682	1,549	1,664	1,775
Depreciation	1,997	1,980	1,998	2,013	2,025
Associates & minorities	37	37	6	2	(7)
Other non-cash items	0	0	0	0	0
Change in working capital	295	214	(297)	55	46
<b>Cash flow from operations</b>	<b>3,768</b>	<b>3,914</b>	<b>3,256</b>	<b>3,734</b>	<b>3,840</b>
Capex - maintenance	(1,653)	(1,982)	(2,289)	(2,600)	(2,900)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(691)	(449)	77	(35)	(20)
<b>Cash flow from investing</b>	<b>(2,344)</b>	<b>(2,431)</b>	<b>(2,211)</b>	<b>(2,635)</b>	<b>(2,920)</b>
Dividends paid	(1,197)	(1,270)	(1,317)	(1,332)	(1,420)
Equity finance	0	0	0	0	0
Debt finance	(187)	(10)	(99)	177	227
Other financing cash flows	51	(118)	(55)	51	43
<b>Cash flow from financing</b>	<b>(1,333)</b>	<b>(1,397)</b>	<b>(1,471)</b>	<b>(1,103)</b>	<b>(1,150)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>91</b>	<b>85</b>	<b>(426)</b>	<b>(4)</b>	<b>(231)</b>
Free cash flow to firm (FCFF)	1,510.24	1,577.48	1,136.67	1,191.64	1,012.26
Free cash flow to equity (FCFE)	1,287.71	1,355.18	891.12	1,327.63	1,189.26
<b>Per share (THB)</b>					
FCFF per share	1.64	1.71	1.23	1.29	1.10
FCFE per share	1.40	1.47	0.97	1.44	1.29
Recurring cash flow per share	3.77	4.02	3.86	4.00	4.12
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	11,913	12,203	12,553	12,853	13,103
Less: Accumulated depreciation	(9,167)	(9,405)	(9,499)	(9,594)	(9,689)
<b>Tangible fixed assets (net)</b>	<b>2,747</b>	<b>2,798</b>	<b>3,054</b>	<b>3,259</b>	<b>3,413</b>
<b>Intangible fixed assets (net)</b>	<b>5,533</b>	<b>5,434</b>	<b>5,480</b>	<b>5,862</b>	<b>6,582</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	2,366	2,840	2,840	2,840	2,840
Cash & equivalents	7,779	7,865	7,439	7,435	7,204
A/C receivable	121	110	137	144	150
Inventories	414	391	453	475	493
Other current assets	111	76	84	88	91
<b>Current assets</b>	<b>8,426</b>	<b>8,441</b>	<b>8,113</b>	<b>8,142</b>	<b>7,938</b>
Other assets	830	834	752	791	823
<b>Total assets</b>	<b>19,901</b>	<b>20,347</b>	<b>20,239</b>	<b>20,893</b>	<b>21,596</b>
Common equity	13,443	13,843	14,087	14,420	14,775
Minorities etc.	322	351	352	357	362
<b>Total shareholders' equity</b>	<b>13,765</b>	<b>14,194</b>	<b>14,439</b>	<b>14,777</b>	<b>15,137</b>
Long term debt	2,023	2,008	1,908	2,008	2,158
Other long-term liabilities	1,175	1,058	1,003	1,054	1,097
<b>Long-term liabilities</b>	<b>3,198</b>	<b>3,065</b>	<b>2,911</b>	<b>3,062</b>	<b>3,255</b>
A/C payable	1,449	1,646	1,360	1,425	1,479
Short term debt	0	0	0	0	0
Other current liabilities	1,489	1,441	1,529	1,629	1,726
<b>Current liabilities</b>	<b>2,938</b>	<b>3,087</b>	<b>2,889</b>	<b>3,054</b>	<b>3,204</b>
<b>Total liabilities and shareholders' equity</b>	<b>19,901</b>	<b>20,347</b>	<b>20,239</b>	<b>20,893</b>	<b>21,596</b>
Net working capital	(2,291)	(2,511)	(2,215)	(2,347)	(2,470)
Invested capital	9,184	9,395	9,911	10,404	11,188
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	14.60	15.03	15.30	15.66	16.04
Tangible book value per share	8.59	9.13	9.35	9.29	8.90
<b>Financial strength</b>					
Net debt/equity (%)	(41.8)	(41.3)	(38.3)	(36.7)	(33.3)
Net debt/total assets (%)	(28.9)	(28.8)	(27.3)	(26.0)	(23.4)
Current ratio (x)	2.9	2.7	2.8	2.7	2.5
CF interest cover (x)	15.9	15.2	10.7	15.4	13.8
Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>16.8</b>	<b>14.4</b>	<b>15.6</b>	<b>14.5</b>	<b>13.6</b>
<b>Recurring P/E @ target price (x) *</b>	<b>21.8</b>	<b>18.6</b>	<b>20.2</b>	<b>18.8</b>	<b>17.6</b>
Reported P/E (x)	16.8	14.4	15.6	14.5	13.6
Dividend yield (%)	5.3	6.1	5.4	5.5	5.9
Price/book (x)	1.8	1.7	1.7	1.7	1.6
Price/tangible book (x)	3.1	2.9	2.8	2.8	3.0
EV/EBITDA (x) **	4.8	4.6	4.8	4.7	4.6
EV/EBITDA @ target price (x) **	6.7	6.3	6.7	6.4	6.3
EV/invested capital (x)	2.0	2.0	1.9	1.8	1.7
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: MK Restaurant Group; FSSIA estimates

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) 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 ( <a href="#">THSI</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	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 <a href="#">THSI inclusion</a> , 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. <a href="#">SETTHSI Index</a> 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.																				
<b>CG Score</b> 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%).																				
<b>AGM level</b> 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%). <i>(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&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	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.																				
<a href="#">Thai CAC</a> 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. <i>(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.)</i>	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.																				
<a href="#">Morningstar Sustainabilitys</a>	The Sustainabilitys' 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. <i>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 &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
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<a href="#">ESG Book</a>	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.																				
<a href="#">MSCI</a>	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. <table><tr><td><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>		<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<a href="#">Moody's ESG solutions</a>	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.																					
<a href="#">Refinitiv ESG rating</a>	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. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																					
<a href="#">S&amp;P Global</a>	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.																					
<b>Bloomberg</b>	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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

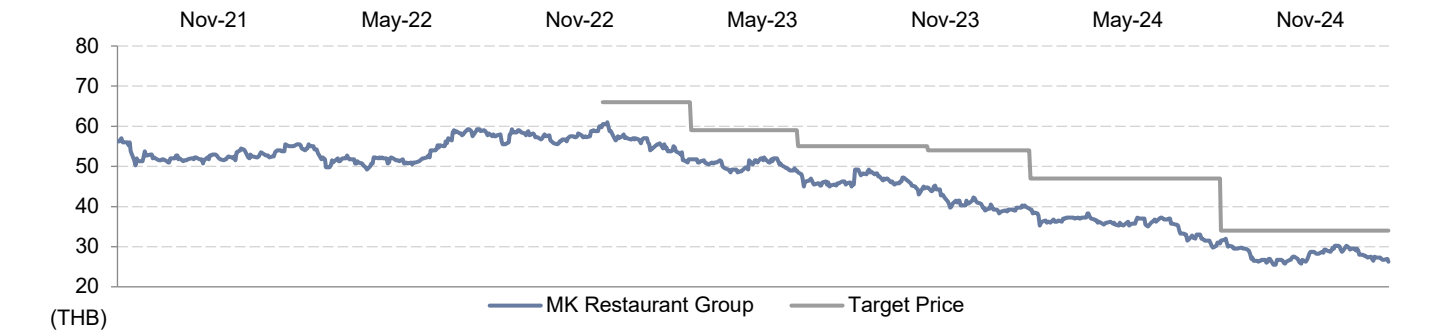
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History of change in investment rating and/or target price

MK Restaurant Group (M TB)



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

Company	Ticker	Price	Rating	Valuation & Risks
MK Restaurant Group	M TB	THB 26.25	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.

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 12-Nov-2024 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.