

MK RESTAURANT GROUP M TB

THAILAND / FOOD & BEVERAGE

HOLD

UNCHANGED

ผลประกอบการโดยรวมยังอ่อนแอ

- คาดว่ากำไรสุทธิ 1Q25 จะลดลง 16% q-q และ 14% y-y สู่ระดับต่ำสุดใน 12 ไตรมาส จากการบริโภคที่อ่อนแอ
- อัตราการเติบโตของยอดขายสาขาเดิม (SSSG) ในเดือน เม.ย. ได้ลดลงอย่างต่อเนื่องในปัจจุบันโดยอยู่ที่ -18% ถึง -20% y-y ลดลงต่อเนื่องจาก -11% y-y ใน 1Q25
- ราคาหุ้นลดลงแล้วแต่กำไรยังไม่โต

TARGET PRICE	THB24.00
CLOSE	THB18.30
UP/DOWNSIDE	+31.1%
PRIOR TP	THB24.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-1.0%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	15,418	15,933	16,443	16,970
Net profit	1,442	1,461	1,528	1,539
EPS (THB)	1.57	1.59	1.66	1.67
vs Consensus (%)	-	(4.7)	8.3	17.0
EBITDA	3,769	3,794	3,881	3,904
Recurring net profit	1,442	1,461	1,528	1,539
Core EPS (THB)	1.57	1.59	1.66	1.67
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(14.3)	1.4	4.5	0.7
Core P/E (x)	11.7	11.5	11.0	11.0
Dividend yield (%)	8.2	7.4	7.7	7.8
EV/EBITDA (x)	3.3	3.3	3.4	3.6
Price/book (x)	1.3	1.2	1.2	1.2
Net debt/Equity (%)	(33.4)	(32.5)	(27.9)	(21.3)
ROE (%)	10.6	10.8	11.1	11.0

คาดการณ์กำไรที่อ่อนแอใน 1Q25

เรคาดกำไรสุทธิ 1Q25 อยู่ที่ 298 ลบ. (-16% q-q, -14% y-y) ซึ่งจะเป็นกำไรที่ต่ำที่สุดใน 12 ไตรมาสหรือตั้งแต่การระบาดของโควิดในปี 2022 ตัวเลขที่ลดลงน่าจะเกิดจากอำนาจในการซื้อของผู้บริโภคที่อ่อนแอและความพยายามอย่างต่อเนื่องในการปรับตัวให้ทันกับการแข่งขันที่รุนแรง ทั้งนี้เรคาด SSSG จะติดลบเป็นไตรมาสที่ 6 ติดต่อกันที่ -11% y-y โดยคาดว่าทั้ง 3 แปรนต์หลักจะรายงานตัวเลขลดลงประกอบด้วย MK (-11%), Yayoi (-8%), และ LCS (-14%) ในขณะที่บริษัท ปิดสาขาเพิ่มอีก 5 แห่ง แม้ว่าแปรนต์ใหม่ (Hikiniku To Come) จะยังมีผลตอบรับที่ดี แปรนต์ดังกล่าวมีสาขาเดียวซึ่งไม่พอที่จะช่วยหนุนผลประกอบการโดยรวม ดังนั้นเรจึงคาดว่ารายได้รวม 1Q25 จะลดลง 4.7% q-q และ 11% y-y

เห็นที่การควบคุมค่าใช้จ่าย

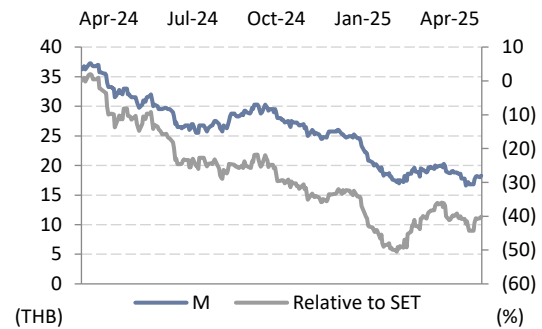
ต้นทุนวัตถุดิบน่าจะทรงตัวหรือสูงขึ้นเล็กน้อยใน 1Q25 หลังราคาเปิดและหมุยทรงตัว ในขณะที่ราคาอาหารทะเลโดยเฉพาะปลาทูน่ามีราคาสูงขึ้นซึ่งทำให้เรคาดอัตรากำไรขั้นต้น 1Q25 อยู่ที่ 66.8% ลดลงเล็กน้อยจาก 67% ใน 4Q24 ทั้งนี้ M กำลังพยายามอย่างยิ่งในการลดค่าใช้จ่ายโดยคาดว่าต้นทุนค่าแรงจะลดลงเล็กน้อยจากจำนวนบุคลากรที่ลดลงโดยไม่มีการจ้างใหม่ ค่าเช่าและค่าเสื่อมยังคงเดิมเนื่องจากเป็นต้นทุนคงที่ อย่างไรก็ดีจากรายได้ที่ลดลงในอัตราที่สูงกว่าเรคาดว่าสัดส่วนค่าใช้จ่ายการขายและบริหารต่อยอดขายจะสูงขึ้นเป็น 59.3% จาก 58.2% ใน 4Q24 และ 58.9% ใน 1Q24

แนวโน้มระยะสั้นใน 2Q25 ยังอ่อนแอ

ถ้าผลประกอบการออกมาตามคาด กำไร 1Q25 จะคิดเป็นเพียง 20% ของประมาณการทั้งปีของเรา ใน 2Q25 แนวโน้มยังคงอ่อนแอหลัง SSSG ลดลงต่อเนื่องเป็น -18% ถึง -20% y-y ในเดือน เม.ย. จากผลกระทบของบรรยากาศเชิงลบจากเหตุแผ่นดินไหวและการใช้จ่ายของผู้บริโภคที่ตกต่ำ ในภาพรวมอำนาจในการซื้อลดลงต่อเนื่องจากระดับใน 1Q25 แม้ว่าโดยปกติ 3Q25 จะเป็น Low season M วางแผนเปิด Hikiniku สาขา 2 และอาจเปิดตัวแปรนต์ใหม่ในช่วง 2H25 เราจะจับตาดูแนวโน้มการฟื้นตัวใน 2H25 อย่างต่อเนื่อง

ราคาหุ้นลดลงแต่กำไรยังไม่โต

เรคาดประมาณการกำไรสุทธิปี 2025 ของเรอยู่ที่ 1.46 พัน ลบ. (ทรงตัว y-y) และราคาเป้าหมายของเราที่ 24 บาท จากสถานะตลาดที่อ่อนแอในปัจจุบันประมาณการของเรา มี Downside เพิ่มขึ้น ดังนั้นเรจึงยังคงคำแนะนำถือ แม้ว่าบริษัท จะมีสถานะทางการเงินที่ดี กำไรยังขาดการเติบโตและบริษัท ยังอยู่ในช่วงการปรับตัวให้ทันกับการแข่งขันที่สูงขึ้น



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.7)	(3.2)	(49.2)
Relative to country (%)	(0.1)	15.3	(40.0)
Mkt cap (USD m)	498		
3m avg. daily turnover (USD m)	1.3		
Free float (%)	36		
Major shareholder	Thirakomen Family (37%)		
12m high/low (THB)	37.25/16.30		
Issued shares (m)	920.88		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

M is a leading chain restaurant company in Thailand. It has several branches across the country, in Bangkok, its vicinity, and other provinces. M's strengths lie in its professional management, training centers, distribution centers, and central kitchens. It focuses on offering fresh and quality food to its customers and excellent services.

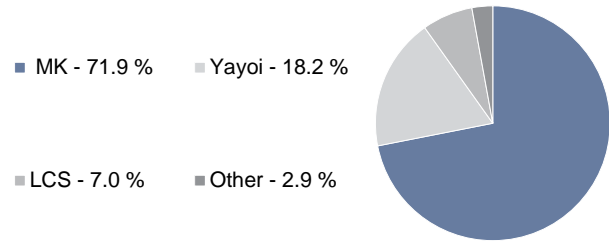
We are optimistic about the new strategies being implemented by MK Group under the leadership of both Gen 1 and the new management team. However, we have yet to see significant results in terms of numbers. The share of new brands and retail products still accounts for only c2-3% of total revenue, so we need to continue monitoring the recovery.

Company profile

M opened its first Sukiyaki restaurant in Thailand in 1984 and Japan in 1994. At the end of 2023, it had 703 branches under several brands, led by MK (448), Yayoi (198), and several others, such as Miyazaki, Hakata, Na Siam, and Le Siam. In 2020, it invested in Laem Charoen, which had 39 branches in 2023.

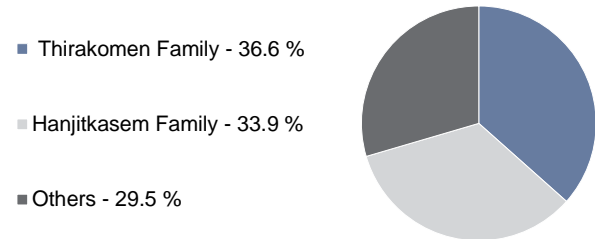
www.mkrestaurant.com

Principal activities (revenue, 2024)



Source: MK Restaurant Group

Major shareholders



Source: MK Restaurant Group

Catalysts

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

Risks to our call

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.

Event calendar

Date	Event
13 May 2025	1Q25 results announcement

Key assumptions

	2025E	2026E	2027E
SSSG (%)	3.0	3.0	3.0
Total stores (no.)	701	711	721
Total revenue growth (%)	3.3	3.2	3.2
Gross margin (%)	67.5	67.5	67.5
SG&A to sales (%)	58.5	58.3	58.0

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2025 net profit to rise by 0.8%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2025 net profit to rise by 3%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2025 net profit to fall by 3%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: M – 1Q25 earnings preview

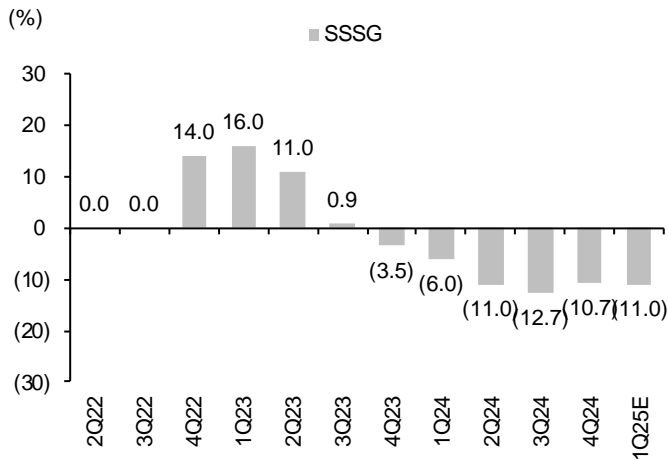
	1Q24	2Q24	3Q24	4Q24	1Q25E	----- Change -----		2024	2025E	Change	% 1Q25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
Sales	3,946	4,107	3,683	3,683	3,512	(4.7)	(11.0)	15,418	15,933	3.3	22.0
Cost of sales	1,279	1,346	1,187	1,217	1,166	(4.2)	(8.8)	5,028	5,178	3.0	22.5
Gross profit	2,667	2,761	2,495	2,466	2,346	(4.9)	(12.0)	10,390	10,755	3.5	21.8
SG&A	2,323	2,350	2,189	2,144	2,082	(2.9)	(10.4)	9,006	9,321	3.5	22.3
Operating profit	443	497	419	463	383	(17.2)	(13.5)	1,822	1,832	0.5	20.9
Interest expense	27	27	26	25	25	1.9	(7.0)	104	108	3.7	23.1
Tax expense	66	65	48	85	63	(26.5)	(5.2)	264	259	(2.0)	24.2
Reported net profit	347	401	341	353	298	(15.7)	(14.1)	1,442	1,461	1.4	20.4
Core profit	347	401	341	353	298	(15.7)	(14.1)	1,442	1,461	1.4	20.4

Key ratios (%)						(ppt)	(ppt)				
Gross margin	67.6	67.2	67.8	67.0	66.8	(0.2)	(0.8)	67.4	67.5	0.1	
SG&A to sales	58.9	57.2	59.4	58.2	59.3	1.1	0.4	58.4	58.5	0.1	
Operating margin	11.2	12.1	11.4	12.6	10.9	(1.7)	(0.3)	11.8	11.5	(0.3)	
Net margin	8.8	9.8	9.3	9.6	8.5	(1.1)	(0.3)	9.3	9.2	(0.2)	
Core margin	8.8	9.8	9.3	9.6	8.5	(1.1)	(0.3)	9.3	9.2	(0.2)	

Operating statistics											
SSSG (%)	(6.1)	(11.0)	(12.7)	(10.7)	(11.0)			(10.1)	3.0		
Total stores (no.)	706	702	694	692	690			692	702		

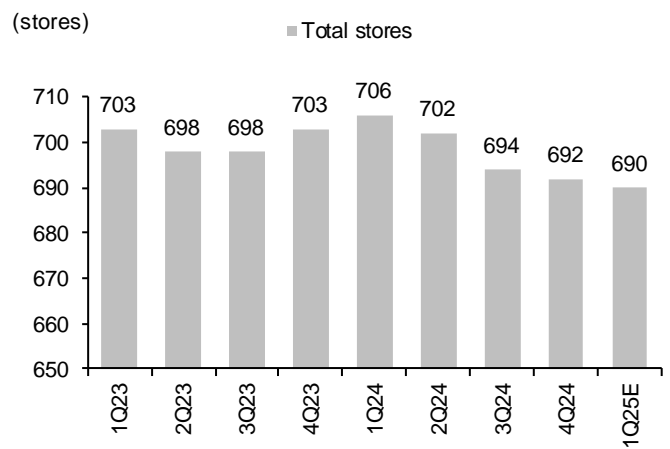
Sources: M; FSSIA estimates

Exhibit 2: Quarterly same-store-sales growth



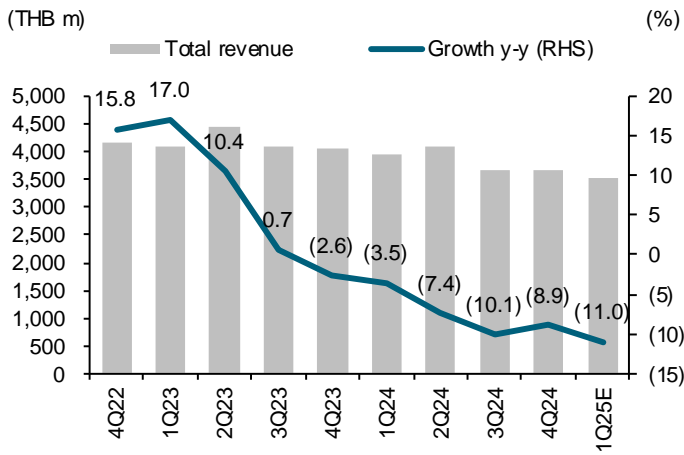
Sources: M; FSSIA estimates

Exhibit 3: Total number of branches



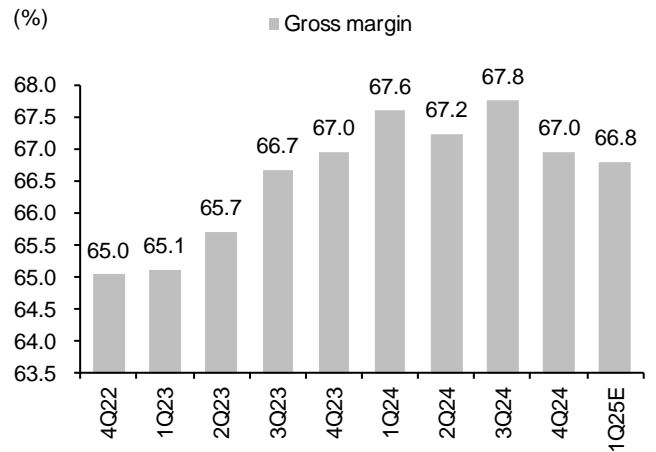
Sources: M; FSSIA estimates

Exhibit 4: Quarterly total revenue and growth



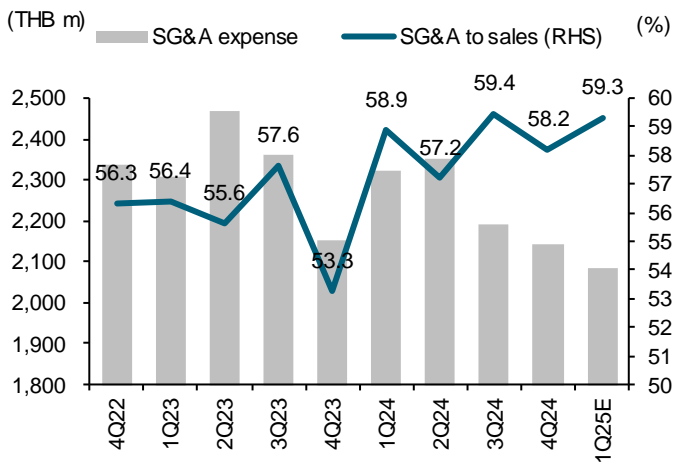
Sources: M; FSSIA estimates

Exhibit 5: Quarterly gross margin



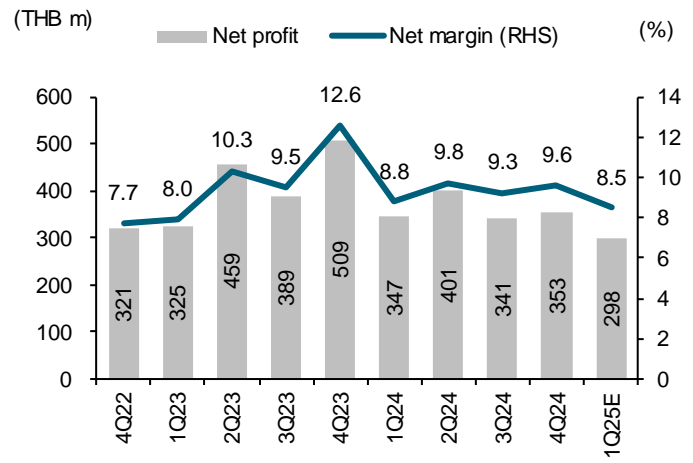
Sources: M; FSSIA estimates

Exhibit 6: Quarterly SG&A to sales



Sources: M; FSSIA estimates

Exhibit 7: Net profit and net margin



Sources: M; FSSIA estimates

Financial Statements

MK Restaurant Group

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	16,661	15,418	15,933	16,443	16,970
Cost of goods sold	(5,648)	(5,028)	(5,178)	(5,344)	(5,515)
Gross profit	11,013	10,390	10,755	11,099	11,455
Other operating income	365	438	398	395	305
Operating costs	(9,288)	(9,006)	(9,321)	(9,586)	(9,843)
Operating EBITDA	4,072	3,769	3,794	3,881	3,904
Depreciation	(1,980)	(1,946)	(1,961)	(1,974)	(1,986)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	2,091	1,822	1,832	1,907	1,918
Net financing costs	(95)	(104)	(108)	(116)	(124)
Associates	(9)	8	4	12	21
Recurring non-operating income	(9)	8	4	12	21
Non-recurring items	0	0	0	0	0
Profit before tax	1,987	1,726	1,728	1,803	1,814
Tax	(280)	(264)	(259)	(270)	(272)
Profit after tax	1,707	1,461	1,468	1,533	1,542
Minority interests	(25)	(20)	(7)	(5)	(3)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,682	1,442	1,461	1,528	1,539
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	1,682	1,442	1,461	1,528	1,539
Per share (THB)					
Recurring EPS *	1.83	1.57	1.59	1.66	1.67
Reported EPS	1.83	1.57	1.59	1.66	1.67
DPS	1.60	1.50	1.35	1.41	1.42
Diluted shares (used to calculate per share data)	921	921	921	921	921
Growth					
Revenue (%)	5.9	(7.5)	3.3	3.2	3.2
Operating EBITDA (%)	5.3	(7.4)	0.7	2.3	0.6
Operating EBIT (%)	11.8	(12.9)	0.5	4.1	0.5
Recurring EPS (%)	16.9	(14.3)	1.4	4.5	0.7
Reported EPS (%)	16.9	(14.3)	1.4	4.5	0.7
Operating performance					
Gross margin inc. depreciation (%)	66.1	67.4	67.5	67.5	67.5
Gross margin exc. depreciation (%)	78.0	80.0	79.8	79.5	79.2
Operating EBITDA margin (%)	24.4	24.4	23.8	23.6	23.0
Operating EBIT margin (%)	12.6	11.8	11.5	11.6	11.3
Net margin (%)	10.1	9.3	9.2	9.3	9.1
Effective tax rate (%)	14.1	15.3	15.0	15.0	15.0
Dividend payout on recurring profit (%)	87.6	95.8	85.0	85.0	85.0
Interest cover (X)	21.9	17.5	17.0	16.5	15.6
Inventory days	40.1	44.9	45.0	46.8	46.2
Debtor days	2.5	2.9	3.0	3.0	3.0
Creditor days	154.0	174.9	146.6	140.5	138.5
Operating ROIC (%)	450.4	104.0	58.4	60.5	59.8
ROIC (%)	17.9	14.9	14.1	14.0	12.9
ROE (%)	12.3	10.6	10.8	11.1	11.0
ROA (%)	8.9	7.8	7.9	8.0	7.9
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
MK	12,455	11,088	11,420	11,763	12,116
Yayoi	2,999	2,811	2,896	2,983	3,072
LCS	1,000	1,078	1,153	1,211	1,272
Other	207	441	463	487	511

Sources: MK Restaurant Group; FSSIA estimates

Financial Statements

MK Restaurant Group

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	1,682	1,442	1,461	1,528	1,539
Depreciation	1,980	1,946	1,961	1,974	1,986
Associates & minorities	37	12	(18)	(7)	(16)
Other non-cash items	0	0	0	0	0
Change in working capital	214	(456)	93	34	35
Cash flow from operations	3,914	2,943	3,499	3,529	3,545
Capex - maintenance	(1,982)	(3,322)	(2,589)	(2,900)	(3,250)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(449)	999	126	(11)	(3)
Cash flow from investing	(2,431)	(2,322)	(2,463)	(2,911)	(3,253)
Dividends paid	(1,270)	(1,856)	(1,242)	(1,299)	(1,308)
Equity finance	0	0	0	0	0
Debt finance	(10)	(219)	225	227	227
Other financing cash flows	(118)	39	19	36	37
Cash flow from financing	(1,397)	(2,036)	(998)	(1,036)	(1,044)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	85	(1,415)	38	(418)	(752)
Free cash flow to firm (FCFF)	1,577.48	725.50	1,143.77	734.00	416.01
Free cash flow to equity (FCFE)	1,355.18	440.98	1,279.98	880.59	555.83

Per share (THB)

FCFF per share	1.71	0.79	1.24	0.80	0.45
FCFE per share	1.47	0.48	1.39	0.96	0.60
Recurring cash flow per share	4.02	3.69	3.70	3.79	3.81

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	12,203	14,022	14,322	14,572	14,822
Less: Accumulated depreciation	(9,405)	(9,499)	(9,594)	(9,689)	(9,786)
Tangible fixed assets (net)	2,798	4,523	4,728	4,882	5,035
Intangible fixed assets (net)	5,434	5,060	5,494	6,266	7,377
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	2,840	1,868	1,868	1,868	1,868
Cash & equivalents	7,865	6,449	6,487	6,069	5,317
A/C receivable	110	133	131	135	139
Inventories	391	368	426	439	453
Other current assets	76	132	80	82	85
Current assets	8,441	7,081	7,123	6,726	5,995
Other assets	834	839	717	740	764
Total assets	20,347	19,372	19,930	20,482	21,038
Common equity	13,843	13,429	13,660	13,889	14,120
Minorities etc.	351	371	357	362	367
Total shareholders' equity	14,194	13,800	14,017	14,251	14,487
Long term debt	2,008	1,836	1,936	2,086	2,236
Other long-term liabilities	1,058	1,096	1,115	1,151	1,188
Long-term liabilities	3,065	2,933	3,052	3,237	3,424
A/C payable	1,646	1,307	1,277	1,318	1,360
Short term debt	0	0	0	0	0
Other current liabilities	1,441	1,332	1,585	1,676	1,767
Current liabilities	3,087	2,639	2,862	2,994	3,127
Total liabilities and shareholders' equity	20,347	19,372	19,930	20,482	21,038
Net working capital	(2,511)	(2,007)	(2,226)	(2,337)	(2,450)
Invested capital	9,395	10,283	10,581	11,419	12,594

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

Per share (THB)

Book value per share	15.03	14.58	14.83	15.08	15.33
Tangible book value per share	9.13	9.09	8.87	8.28	7.32

Financial strength

Net debt/equity (%)	(41.3)	(33.4)	(32.5)	(27.9)	(21.3)
Net debt/total assets (%)	(28.8)	(23.8)	(22.8)	(19.4)	(14.6)
Current ratio (x)	2.7	2.7	2.5	2.2	1.9
CF interest cover (x)	15.2	5.2	12.8	8.6	5.5

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	10.0	11.7	11.5	11.0	11.0
Recurring P/E @ target price (x) *	13.1	15.3	15.1	14.5	14.4
Reported P/E (x)	10.0	11.7	11.5	11.0	11.0
Dividend yield (%)	8.7	8.2	7.4	7.7	7.8
Price/book (x)	1.2	1.3	1.2	1.2	1.2
Price/tangible book (x)	2.0	2.0	2.1	2.2	2.5
EV/EBITDA (x) **	2.8	3.3	3.3	3.4	3.6
EV/EBITDA @ target price (x) **	4.1	4.7	4.7	4.8	5.0
EV/invested capital (x)	1.2	1.2	1.2	1.2	1.1

* 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 (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.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG 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 SETESG 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. SETESG Index is extended from the SET ESG Ratings 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%). <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&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.																			
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. <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.																			
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. <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 & 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 border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
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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. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td rowspan="3">Leader:</td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td rowspan="3">Average:</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>BB</td> <td>2.857-4.285</td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	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
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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. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

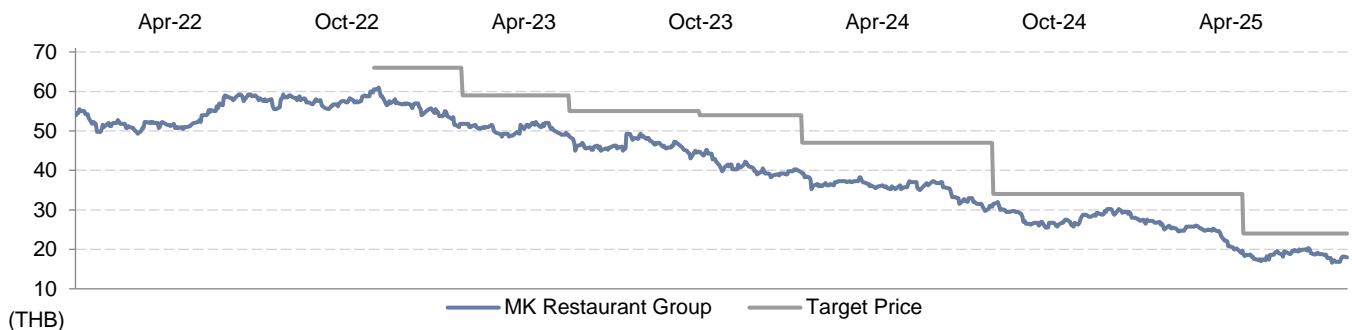
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History of change in investment rating and/or target price

MK Restaurant Group (M TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Jan-2023	BUY	66.00	12-Oct-2023	BUY	54.00	21-Jan-2025	HOLD	24.00
22-Mar-2023	BUY	59.00	08-Jan-2024	BUY	47.00			
22-Jun-2023	BUY	55.00	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 18.30	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 22-Apr-2025 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.