

# MK RESTAURANT GROUP

THAILAND / FOOD &amp; BEVERAGE

M TB

# BUY

FROM HOLD

## Earning Growth Reignited

- MK Buffet drives SSSG positive in 3QTD, Bonus Suki to contribute meaningfully from 2026.
- Earnings expected to rebound 25% y-y in 2026, with 3-year CAGR of 18.7%.
- Rating upgraded to BUY with 2026 TP of THB31.

TARGET PRICE	THB31.00
CLOSE	THB23.60
UP/DOWNSIDE	+31.4%
PRIOR TP	THB18.50
CHANGE IN TP	+67.6%
TP vs CONSENSUS	+68.3%

### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	15,418	14,360	16,784	18,769
Net profit	1,442	1,137	1,423	1,601
EPS (THB)	1.57	1.23	1.55	1.74
vs Consensus (%)	-	8.6	29.7	44.2
EBITDA	3,769	3,412	3,755	3,975
Recurring net profit	1,442	1,137	1,423	1,601
Core EPS (THB)	1.57	1.23	1.55	1.74
Chg. In EPS est. (%)	-	-	5.7	12.6
EPS growth (%)	(14.3)	(21.1)	25.2	12.5
Core P/E (x)	15.1	19.1	15.3	13.6
Dividend yield (%)	6.4	5.0	5.6	6.3
EV/EBITDA (x)	4.6	5.2	4.8	4.8
Price/book (x)	1.6	1.6	1.6	1.6
Net debt/Equity (%)	(33.4)	(31.0)	(28.0)	(22.5)
ROE (%)	10.6	8.4	10.5	11.6

### New strategy shows positive results

After Gen 2 (younger generation) joined forces with Gen 1 (experienced), M stepped out of its comfort zone and kept adjusting its strategy. The MK Buffet (THB299) was well-received, with SSSG turning positive in the first month. The promotion has been extended until end-2025. Bonus Suki (THB219), now with 2 branches, also performed well. The company plans to expand it to reach 10 branches by end-2025 and is preparing a 2026 plan. We assume 20 more branches in 2026, totaling 30, which is within M's capacity.

### Suki market expected to grow 5-8% in 2025-27

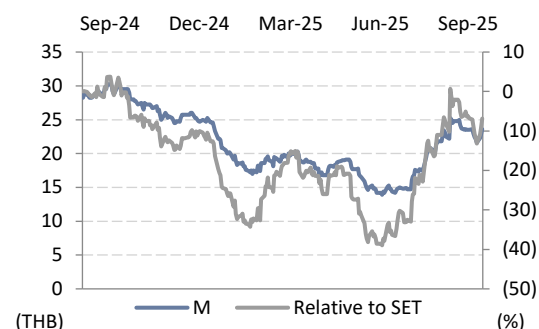
The suki market value is about THB25b, growing at an 11% CAGR over the past 3 years, based on revenue from the top 10 players (MK, Teenoi, Mo-Mo-Paradise, Lucky, etc.). For 2025–27, we expect moderate growth of 5–8% per year, still higher than the overall restaurant market growth of 1–3%. Although M has the largest share at 44%, there is still an opportunity in the THB200–300 segment and the younger age group (26–35 years).

### Earnings expected to rebound in 2026

3QTD SSSG turned positive at +2% y-y, the first time in 8 quarters, driven by MK Buffet. Bonus Suki is expected to contribute from 2026, with a revenue share of 8.9%. We project its gross margin at 50%, lower than a la carte, but higher traffic should support profit growth. We expect 2026 net profit growth of 25% y-y and 3-year CAGR of 18.7%, assuming 30 Bonus Suki branches in 2026 and 50 in 2027. Our sensitivity analysis indicates that every 10 branches would change profit by 3% and TP by THB0.8/shr.

### Rating upgraded to BUY – Top pick among restaurants

We roll forward our TP to 2026 at THB31 after re-rating P/E from 15x (-1.25SD) to 20x (-0.5SD). We upgraded M to BUY due to 1) earnings recovery in 2H25–2026E; 2) strong financials (THB6.5b cash, D/E 0.4x); 3) attractive valuation with 15x 2026E P/E (in line with peers), PBV 1.5x, EV/EBITDA 4.7x (below peers); and 4) a high dividend yield of 5–6% per year. We select M as our top pick in the restaurant sector.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	4.9	66.2	(11.8)
Relative to country (%)	1.5	51.7	(4.4)
Mkt cap (USD m)	659		
3m avg. daily turnover (USD m)	2.8		
Free float (%)	36		
Major shareholder	Thirakomen Family (37%)		
12m high/low (THB)	30.75/13.80		
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 and excellent services to its customers.

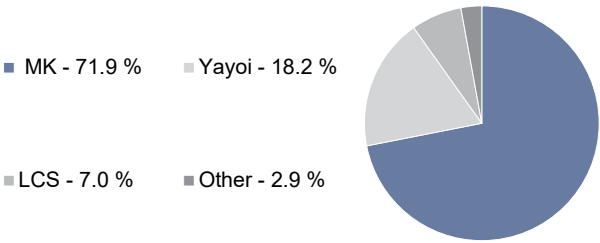
We are optimistic about the new strategies being implemented by MK Group under the leadership of both Gen 1 and Gen 2 management team. M stepped out of its comfort zone and kept adjusting its strategy. The MK Buffet (THB299) was well-received, with SSSG turning positive in the first month. The promotion has been extended until end-2025. Bonus Suki (THB219), now with 2 branches, also performed well. The company plans to expand it to reach 10 branches by end-2025 and is preparing a 2026 plan.

Company profile

M opened its first Sukiyaki restaurant in Thailand in 1984 and in Japan in 1994. At the end of 2024, it had 692 branches under several brands, led by MK (441), Yayoi (191), Laem Charoen (40), and several others, including Miyazaki, Hakata, Na Siam, and Le Siam. In 2024, MK gained renewed attention by securing franchise rights to open Hikiniku To Come, a Japanese-style Hamburg steak restaurant, with its first branch, located at Central World, obtaining positive feedback.

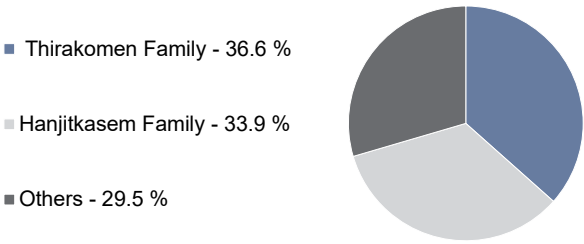
[www.mkrestaurant.com](http://www.mkrestaurant.com)

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 less or 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
November 2025	3Q25 results announcement
February 2026	4Q25 results announcement

Key assumptions

	2025E	2026E	2027E
SSSG (%)	(5.0)	5.0	5.0
Total stores (no.)	711	741	771
Total revenue growth (%)	(6.9)	16.9	11.8
Gross margin (%)	65.3	63.5	62.9
SG&A to sale (%)	57.7	55.3	54.7

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2026 net profit to rise by 0.8%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2026 net profit to rise by 3%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2026 net profit to fall by 3%, and vice versa, all else being equal.

Source: FSSIA estimates

Business Overview Update

The first MK Suki branch was opened in 1986 at Central Plaza Ladprao. In 1989, MK Restaurant Group was established to operate the sukiyaki restaurant business. Later, in 2006, the company expanded into Japanese cuisine under the brand “Yayoi.” Additional brands followed, such as Hakata and Miyazaki. MK also launched Thai cuisine brands like Na Siam and Le Siam, though these have remained limited to only 1–2 branches.

In 2019, the company made a major investment by acquiring a 65% stake in Laem Charoen Seafood for THB2b — its only major deal since listing on the Stock Exchange of Thailand in 2013.

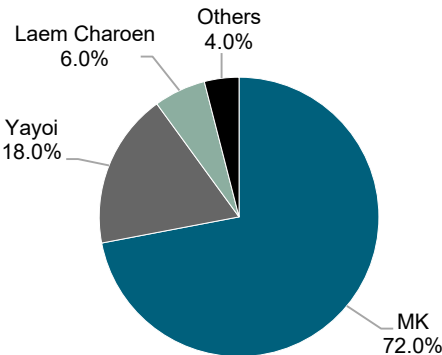
In 2024, MK gained renewed attention by securing franchise rights to open Hikiniku To Come, a Japanese-style Hamburg steak restaurant, with the first branch, located at Central World, obtaining positive feedback. The company is in the process of opening its second branch in 3Q25 and a third in 4Q25.

In June 2025, the company generated significant consumer interest by launching a buffet promotion at a net price of THB299 per person, covering c50% of MK branches.

In July 2025, MK launched a new brand called BONUS SUKI, positioned as a fighting brand, with the first branch located at Robinson Saraburi.

As of the end of 1H25, the company operated a total of **684** branches, comprising 437 MK, 187 Yayoi, 40 LCS, and 20 under other brands. By revenue, MK contributed 72%, followed by Yayoi (18%), LCS (6%), and others (4%).

Exhibit 1: Revenue breakdown by brand in 1H25



Sources: M, FSSIA's compilation

Exhibit 2: M's restaurant outlets in Thailand (as of June 2025)

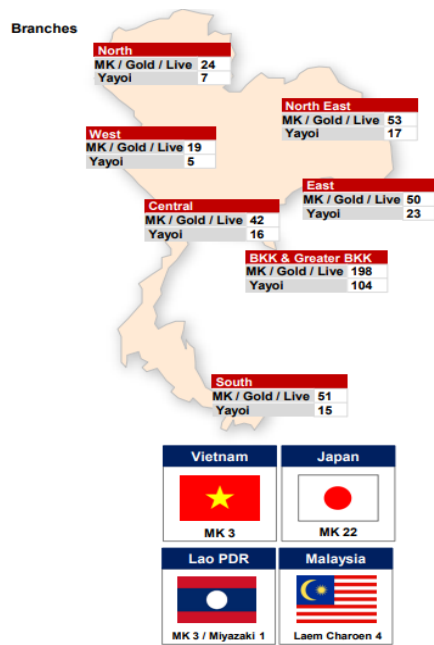
Type of Business	Restaurants	Brand	No. of Outlets
Suki Restaurant	MK		429
	MK Gold		5
	MK Live		3
Japanese Restaurant	Yayoi		187
	Miyazaki		8
	Hikiniku To Come		1
	Hakata		1
Thai / Seafood Restaurants	Laem Charoen Seafood		40
	Le Siam		3
Others	Bizzy Box		2
	Le Petit		3
	Multi-Brand		2

Source: M's 2Q25 presentation

Additionally, the company invested in and expanded internationally through a franchise model. It has granted franchise rights for MK restaurants to Plenus MK Co., Ltd. in Japan, where there were 24 MK branches as of 1H25. Franchise rights have also been granted to partners in other countries, including Vietnam (4 branches) and Laos (4 branches: 3 MK and 1 Miyazaki).

Most recently, the company partnered with a local operator in Malaysia to establish a joint venture, MT Restaurant Sdn. Bhd., to launch Laem Charoen Seafood in Malaysia, which currently operates 4 branches.

Exhibit 3: Overseas restaurant business



Source: M's 2Q25 presentation

Exhibit 4: Details of overseas restaurant business

Country	Brands	Operated by
Japan	24 MK	Plenus MK Co.,Ltd (M holds 12% of its shares, it obtains the franchise right from M).
Vietnam	4 MK	Global Investment Gate Joint-stock company
Laos	3 MK 1 Miyazaki	Premium Foods Co., Ltd V&V Restaurant
Malaysia	4 LCS	MT Restaurant Sdb.Bhd, JV company, indirect subsidiary of the company holds 50% of its shares.
Total	36	

Sources: M, FSSIA's compilation

## Slow momentum for Thai Economy in 2H25-2026E

The Office of the National Economic and Social Development Council (NESDC) reported that Thai GDP grew by 0.6% q-q and 2.8% y-y in 2Q25, slightly above consensus expectations of +0.5% q-q and +2.7% y-y. Key drivers were strong private investment and solid goods exports.

In 2Q25, exports rose strongly by 12.2% y-y, with goods exports accelerating 14.3% y-y, thanks to front-loaded orders ahead of the US reciprocal tariffs deadline in August. By contrast, service exports slowed to +2.7% y-y, due to lower tourist arrivals of 7.14 million, down by 12% y-y. Private investment returned to growth, rising 4.1% y-y after four consecutive quarters of contraction. The rebound was concentrated in manufacturing, particularly in autos, machinery, and equipment, while residential construction remained weak and continued to contract.

Private consumption growth slowed to 2.1% y-y from 2.6% in 1Q25, reflecting the absence of the government's new stimulus packages and US tariff uncertainties. Consumer confidence dropped to 52.7, a 10-quarter low. On the public side, spending growth remained modest at 2.2% y-y, while investment increased by 10.1% y-y, but decelerated from +26.3% y-y in the last quarter due to a high base effect.

The NESDC upgraded its 2025 GDP growth projection from 1.3-2.3% y-y to 1.8-2.3% y-y, incorporating the better-than-expected 1H25 growth. However, the current forecasts imply a sharp slowdown to c1-1.5% growth in 2H25, as exports should lose momentum under the new 19% US tariff starting in August. Private consumption growth is also likely to continue decelerating amid low confidence in both the domestic and global economic outlooks.

According to the Bank of Thailand (BoT), Thailand's GDP in 2H25 is forecast to grow just 0.1% q-q per quarter and 1.7% y-y (compared to +0.6% q-q per quarter and +2.9% y-y in 1H25). These forecasts highlight a likely slowdown, particularly as export momentum fades after front-loading in 1H25. We expect BoT to cut its policy rates by 25-50 bps in 2H25 to support the economy.

### Exhibit 5: NESDC and BoT economic projections

	2021	2022	2023	2024	----- NESDC -----	----- Bank of Thailand -----	
	(y-y%)	(y-y%)	(y-y%)	(y-y%)	2025E	2025E	2026E
	(y-y%)	(y-y%)	(y-y%)	(y-y%)	(y-y%)	(y-y%)	(y-y%)
Real GDP growth	1.5	2.6	2.0	2.5	<b>1.8-2.3</b>	<b>2.3</b>	<b>1.7</b>
Private consumption	0.6	6.2	6.9	4.4	<b>2.1</b>	<b>2.0</b>	<b>1.7</b>
Private investment	3.0	4.6	3.1	(1.6)	<b>1.0</b>	<b>1.7</b>	<b>0.9</b>
Public consumption	3.7	0.1	(4.7)	2.5	<b>1.2</b>	<b>1.2</b>	<b>0.5</b>
Public investment	3.4	(3.9)	(4.2)	4.8	<b>5.2</b>	<b>6.0</b>	<b>6.1</b>
Export value growth (USD b)	19.2	5.4	(1.5)	5.8	<b>5.5</b>	<b>4.0</b>	<b>(2.0)</b>
Headline inflation	1.2	6.1	1.2	0.4	<b>0-0.5</b>	<b>0.5</b>	<b>0.8</b>
Current account to GDP (%)	(2.0)	(3.5)	1.5	2.3	<b>2.1</b>	-	-
Number of tourist arrivals (m)	0.4	11.2	28.1	35.5	<b>33</b>	<b>35</b>	<b>38</b>

Sources: NESDC and Bank of Thailand

Exhibit 6: TH GDP growth to slow in 2H25-1H26

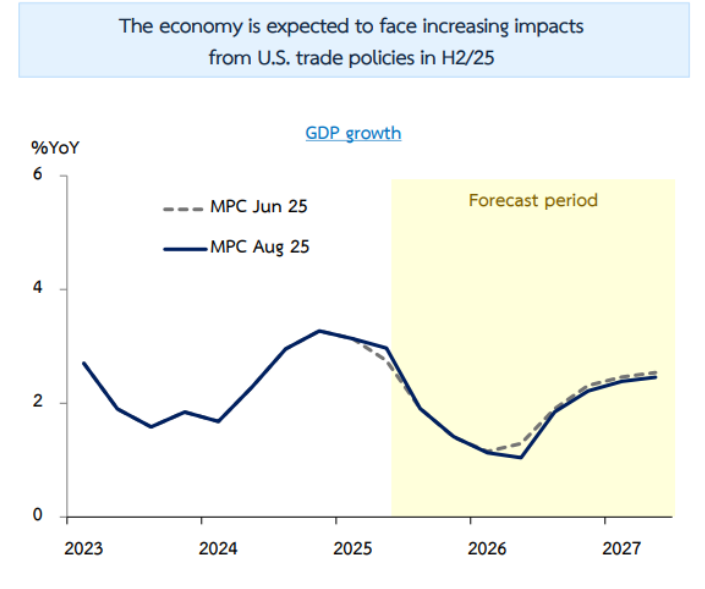
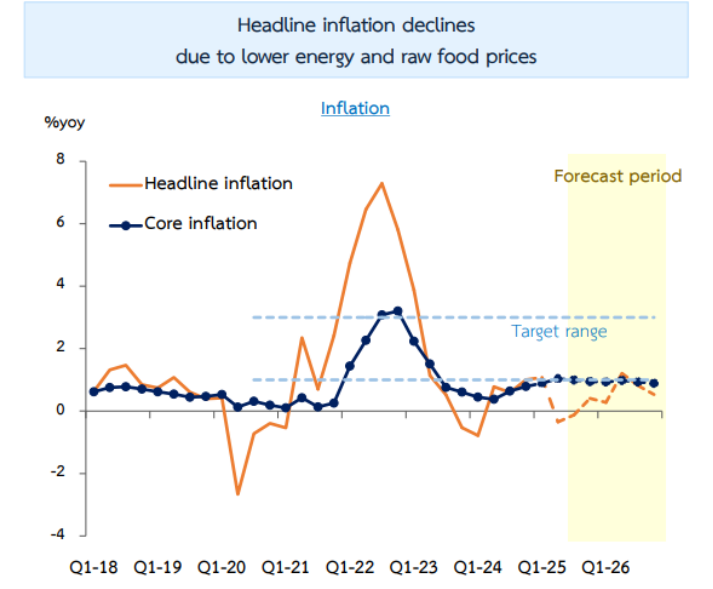


Exhibit 7: TH inflation remains subdued due to supply-side factors



Restaurant market value projected to grow 3-5% during 2025-27

Kasikorn Research Center stated that the value of Thailand's restaurant business in 2024 was approximately THB540b. Although it grew 3.2% y-y, it is lower than the 12–15% CAGR seen during 2021–2023 (12% from Kasikorn Research and 15.6% from TTB Economic Analysis Center), which was a post-COVID recovery period. Nevertheless, the sector continued to grow in 2024, supported by the economic and tourism recovery.

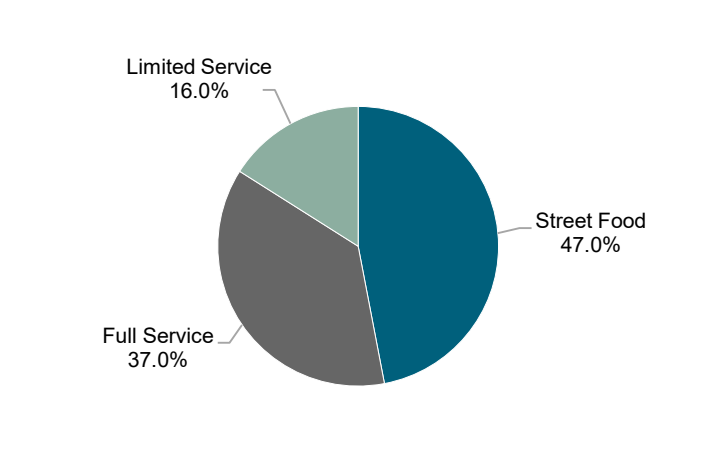
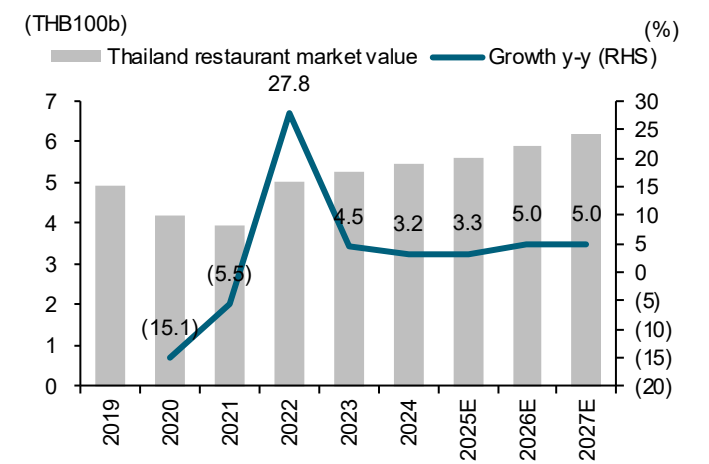
Kasikorn Research Center classifies the restaurant business into three main categories:

- 1. Street Food with storefronts – the largest segment, valued at cTHB253b or 47% of the total market.
- 2. Full-Service Restaurants – valued at THB203b or 37%.
- 3. Limited-Service Restaurants – valued at THB83b or 16%.

In 2025, the market is projected to grow by 3% y-y to THB562b. However, the Full-Service Restaurant segment is expected to grow only 1.1% y-y, marking the slowest growth among all segments. Street Food would grow the most at 6% y-y, reflecting a clear slowdown in consumer purchasing power.

Exhibit 8: Thailand restaurant market value and growth

Exhibit 9: Restaurant market value breakdown by type of restaurant

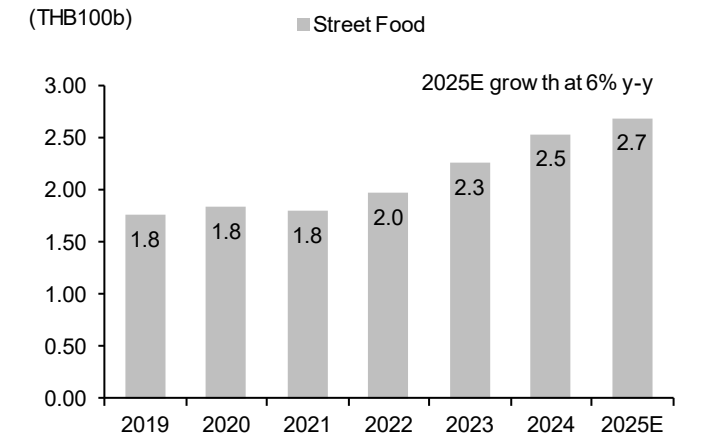
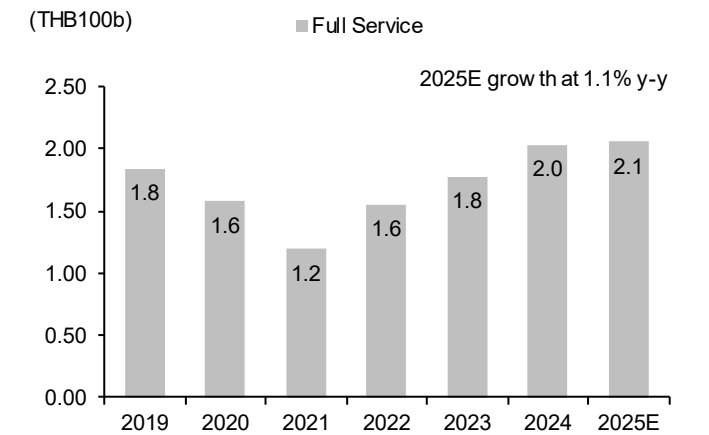


Sources: Kasikorn Research Center, TTB Economic Analytic Center, FSSIA estimates

Sources: Kasikorn Research Center, FSSIA's compilation

Exhibit 10: Full service restaurant market value

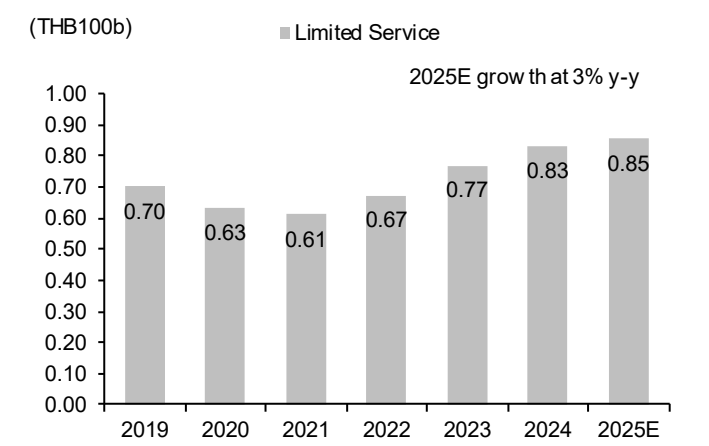
Exhibit 11: Street food market value



Sources: Kasikorn Research Center, FSSIA estimates

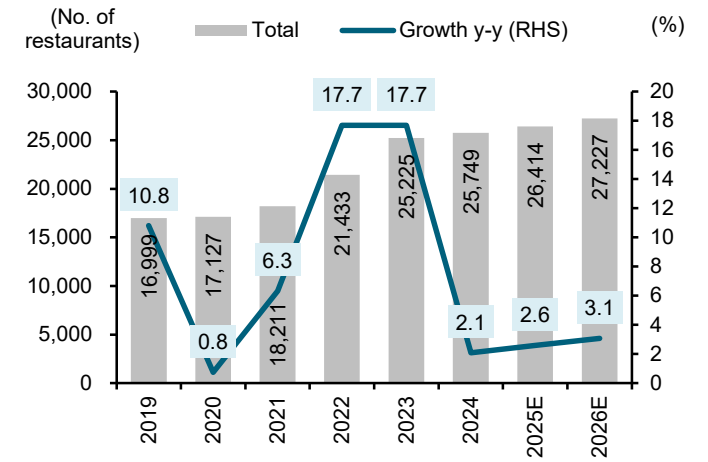
Sources: Kasikorn Research Center, FSSIA estimates

Exhibit 12: Limited service restaurant market value



Sources: Kasikorn Research Center, FSSIA estimates

Exhibit 13: Number of registered restaurants in Thailand



Sources: Krungsri Research, FSSIA's compilation



## Limited-branch models drive Japanese restaurant market growth

Japanese restaurants have long been popular in Thailand, and their growth has accelerated over the past 6–7 years. This is reflected in the increasing number of Japanese restaurant branches expanding into provincial areas. As of 2024, Thailand ranks 6th in the world in terms of the number of Japanese restaurants (the top three are China, US, and South Korea), with around 5,916 restaurants, up from 3,004 restaurants in 2018, representing a 12% CAGR.

However, Japanese restaurants account for only 1.5% of all restaurants in Thailand, though their market value is estimated at no less than THB30b, or 6% of the total restaurant market value in the country.

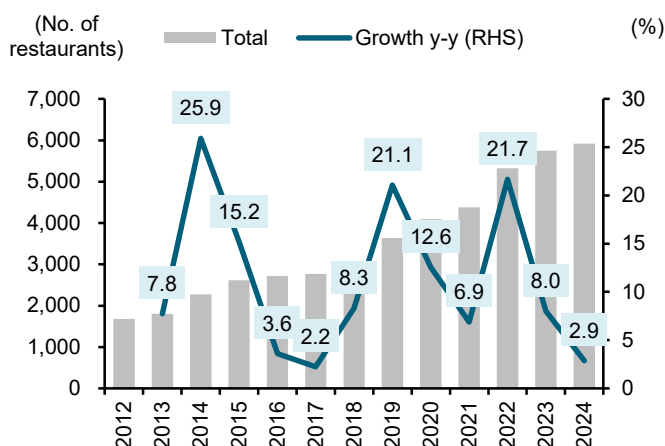
Based on data from Jetro Bangkok (2019–2024), we observe four major trends in Japanese restaurants:

1. Slower growth in the number of restaurants – In 2023, the number of Japanese restaurants increased by 8% y-y, but slowed to 2.9% y-y in 2024.
2. Rising popularity of small-chain operators (2–5 branches/brand) – In 2024, there were around 421 brands, an increase of 12.6% y-y, representing the largest share at around 79% of all Japanese restaurant brands.
3. Restaurant type segmentation – The largest category is Japanese dining restaurants (24.3%), such as Fuji, ZEN, and MAGURO. This is followed by sushi restaurants (21.6%), ramen shops (13.6%), and sukiyaki/shabu restaurants (7.6%).
4. Average spending per head – The THB101–200 segment holds the largest share at 34.7% of all restaurants, followed by the THB251–500 segment at 23.7%. However, in terms of growth, the above THB1,000 segment has seen the highest CAGR of 13.9% over the past 3 years, driven by the outlet expansion of premium brands, such as Hitori Shabu, Shabu Baru, and Nabezo Premium.

### Outlook (2025–2026):

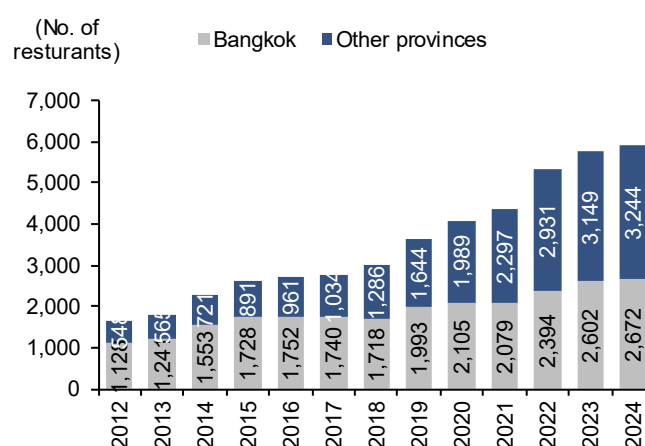
We expect the number of Japanese restaurant branches to continue increasing at a slower pace, primarily focusing on highly popular brands that still face long queues at many outlets, such as Sushiro and Katsu Midori. Given subdued consumer purchasing power, we also expect growth in restaurants with an average ticket size below THB500, as consumers increasingly opt for quality and flavorful menus at reasonable prices. This is the same segment that Yayoi operates in, implying that competition in this category is likely to intensify.

**Exhibit 14: Number of Japanese restaurants in Thailand**



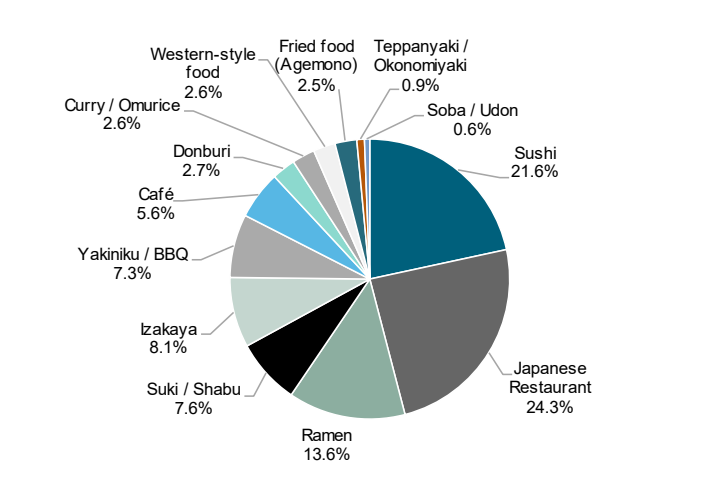
Sources: Jetro Bangkok, FSSIA's compilation

**Exhibit 15: Japanese restaurants in Thailand, breakdown by location**



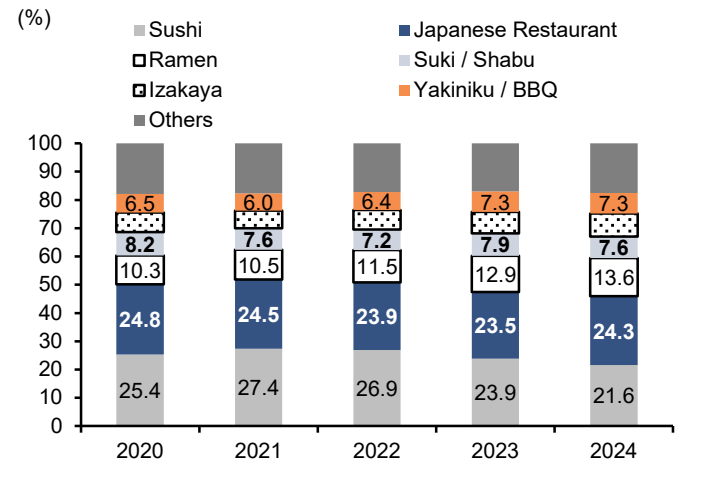
Sources: Jetro Bangkok, FSSIA's compilation

Exhibit 16: Market share by volume, breakdown by type of Japanese restaurants in 2024



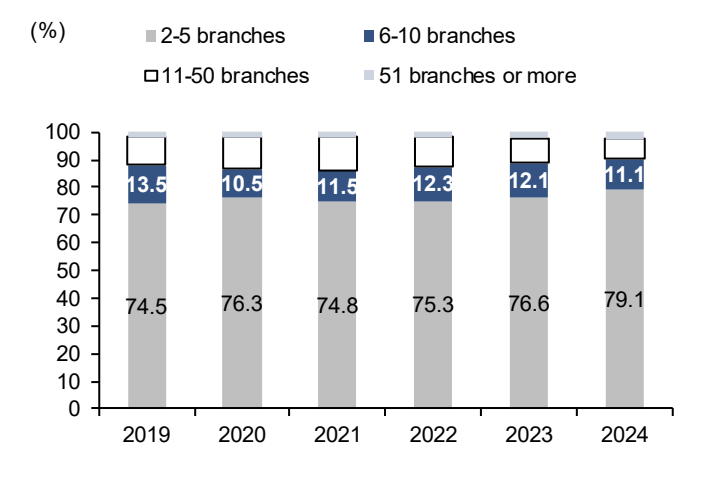
Sources: Jetro Bangkok, FSSIA's compilation

Exhibit 17: Market share by volume, breakdown by type of Japanese restaurants in 2020-24



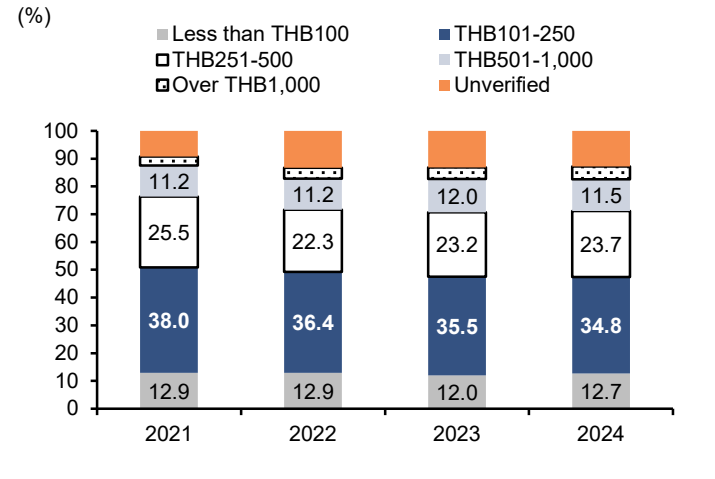
Sources: Jetro Bangkok, FSSIA's compilation

Exhibit 18: Market share by volume, breakdown by the number of branches for each brand



Sources: Jetro Bangkok, FSSIA's compilation

Exhibit 19: Market share by volume, breakdown by average spending per head



Sources: Jetro Bangkok, FSSIA's compilation

Market value of suki restaurants forecast to grow 5-8% CAGR

The market value of suki and shabu restaurants in Thailand in 2024 was at around THB25b, making it one of the highly competitive markets. Competition is intense, with a mix of large, medium, and small operators participating. MK holds the largest market share at 44.4% (calculated from MK brand revenue in 2024), followed by Suki Teenoi at 28%, Mo-Mo-Paradise/Nabezo Premium at 6.9%, and Lucky Suki at 4.1%. These four brands together account for 83% of the total market value. Meanwhile, the remaining 17% is shared by numerous other brands, most of which fall under the premium suki segment, such as Hitori Shabu and Shabu Baru.

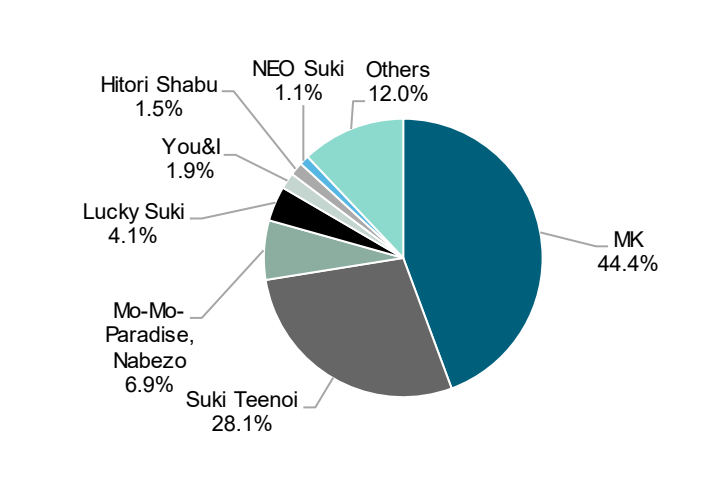
Over the past 3–5 years, the suki market has become increasingly popular among consumers. Key growth drivers include:

- 1. The health-conscious trend has boosted demand for boiled dishes.
- 2. An influx of new operators added vibrancy and variety to the market.
- 3. A broad range of pricing strategies, especially value-for-money mid-range pricing (THB200–300 per head), appealed to value-seeking consumers, alongside the premium suki segment, which has also gained traction among middle- to upper-income groups (THB700–1,000+ per head).

Our analysis of the suki and shabu market in Thailand is based on the combined revenue of major market players, whose financial data is available. In total, we reviewed 10 companies: MK, Suki Teenoi, Mo-Mo-Paradise/Nabezo Premium, Lucky Suki, You&I, NEO Suki, Hitori Shabu, Akiyoshi, Shabu Baru, Earw Thai, and Suki Chinda. Their combined revenue in 2024 reached THB22.3b, up from THB12.5b in 2020, representing a 5-year CAGR of 15.6%. Growth was highly concentrated in four key brands: Lucky Suki (257% CAGR), Suki Teenoi (55% CAGR), Mo-Mo-Paradise (22% CAGR), and Hitori Shabu (227% CAGR). Considering the most recent 3 years (2022–2024), the market still delivered a solid 11.1% CAGR.

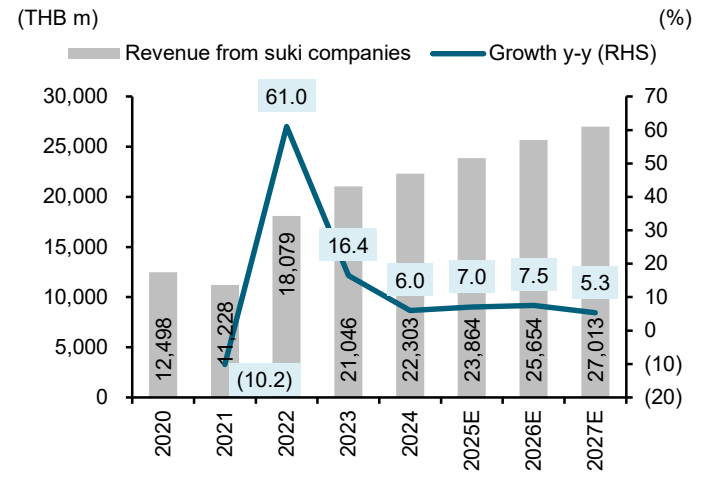
Looking ahead, we expect the suki and shabu market in Thailand to continue expanding during 2025–2027, though at a slower pace. Growth is projected at around 5–8% CAGR, given the slowing economy, the rising number of operators, and increasing price competition.

Exhibit 20: Market share by value, breakdown by leading brand in 2024

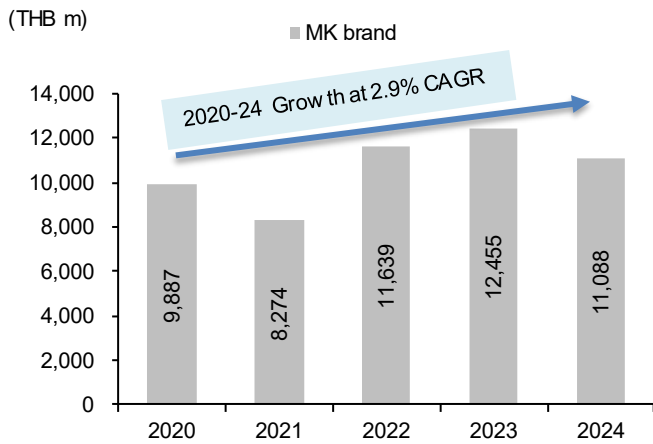


Source: FSSIA's compilation

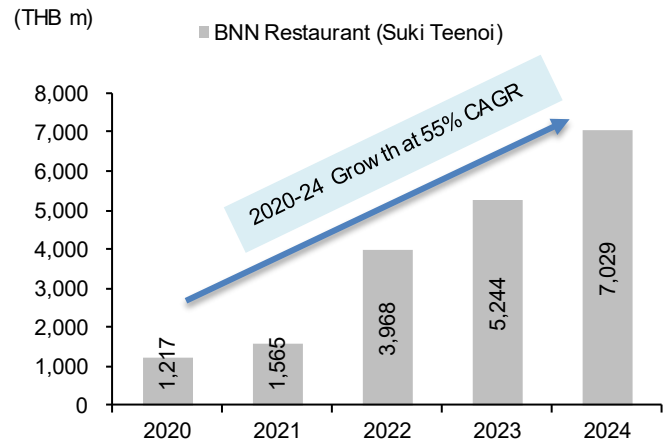
Exhibit 21: Revenue from 10 leading suki restaurant companies in Thailand in 2020-24



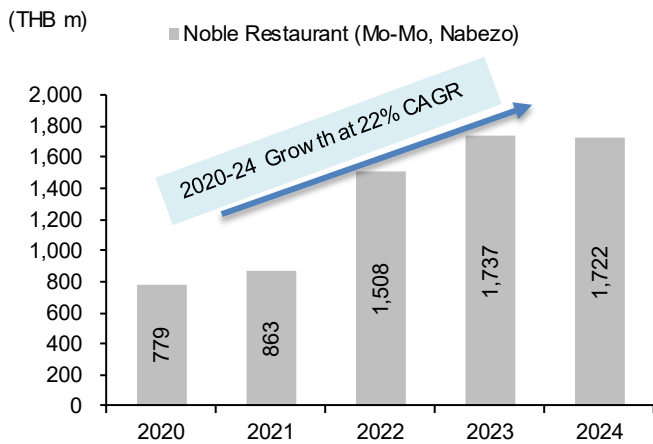
Source: FSSIA estimates

**Exhibit 22: Revenue from MK brand and growth**

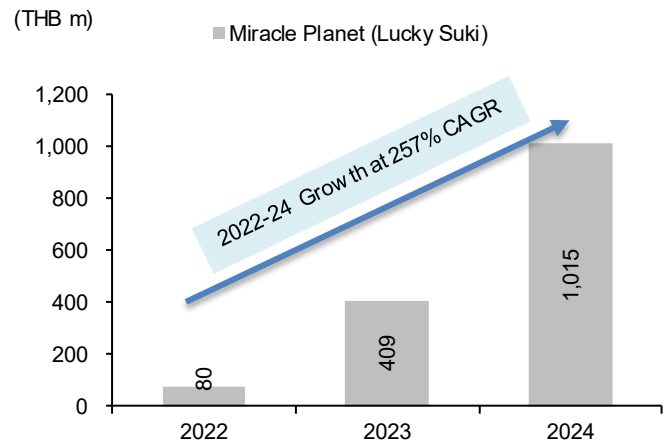
Sources: M, FSSIA's compilation

**Exhibit 23: Revenue from Suki Teenoi and growth**

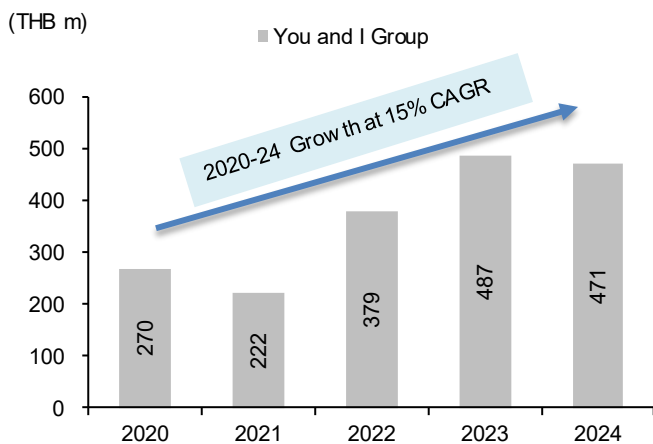
Sources: Data Warehouse, FSSIA's compilation

**Exhibit 24: Revenue from Mo-Mo-Paradise and growth**

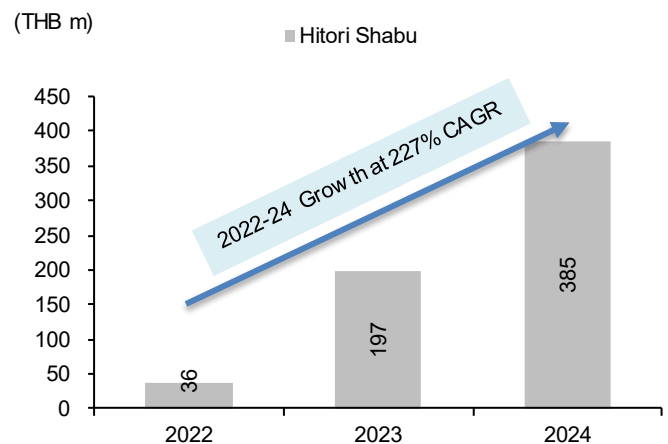
Sources: Data Warehouse, FSSIA's compilation

**Exhibit 25: Revenue from Lucky Suki**

Sources: Data Warehouse, FSSIA's compilation

**Exhibit 26: Revenue from You and I and growth**

Sources: Data Warehouse, FSSIA's compilation

**Exhibit 27: Revenue from Hitori Shabu and growth**

Sources: MAGURO, FSSIA's compilation

## Intense Competition to Continue

By nature, the restaurant business is already highly competitive, with existing operators across various food categories and new entrants continuously entering the market due to low barriers to entry. Over the past 4–5 years, especially after the COVID-19 period, competition has intensified. According to FSSIA, this has been driven by two key factors:

1. Weakening economy and purchasing power prompted consumers to seek affordable and value-for-money dining options.
2. Shifts in consumer behavior, especially among teenagers, students, and working-age groups, who increasingly look for novelty, along with the rise of online channels that accelerate food trends at unprecedented speed.

As a result, value-for-money buffet restaurants (e.g., Suki Teenoi, Lucky Suki) and other categories have gained popularity, including:

- Japanese restaurants (Sushiro, Maguro, Hitori Chabu, Mo-Mo-Paradise, Shinkanzen, You&I)
- Thai restaurants (iBerry Group)
- Healthy food restaurants (Ohkajhu, Salad Factory, Jones Salad)

Additionally, shopping malls have increased the proportion of space dedicated to F&B outlets. This has led to the rise of more non-chain restaurants, larger food courts, and even the inclusion of well-known street food vendors inside malls. Periodic food fairs that bring together restaurants, snacks, and beverages have also emerged. All these factors have intensified competition within the restaurant industry.

## Key players' performance in 2024

In 2024, among listed restaurant companies, those that delivered revenue and net profit growth include AU, MAGURO, and OKJ, driven by branch expansion, rising consumer popularity, and the continuous introduction of new menu items.

On the other hand, many Japanese restaurant operators—both listed and non-listed—saw weaker performance, pressured by declining purchasing power, as well as rising raw material and labor costs. Examples include ZEN, Sukishi, and Kabocha Sushi. However, some brands stood out with differentiated offerings and strong consumer appeal. For instance:

- Sushiro: revenue growth of 53.4% y-y and net profit growth of 114% y-y in 2024.
- Sompasuk Group: brands such as Yuzu Omakase and Yuzu Suki also recorded solid revenue and profit growth.

Meanwhile, iBerry Group outperformed the market with a strong growth strategy, focusing on unique brand storytelling, tasty cuisine, and continuous brand innovation. Typically, each brand operates with a limited number of outlets, emphasizing agility and flexibility. In 2024, iBerry's consolidated revenue grew 30% y-y, with net profit up 21.5% y-y.

**Exhibit 28: Restaurant companies listed on the SET (as of December 2024)**

Company name	Established year	Brands	Number of brands	Number of branches	Revenue (THB m)	Net profit (THB m)	GM (%)	NM (%)
MK Restaurant Group (M TB)	1986	MK, Yayoi, Laem Charoen Seafood	10	692	15,418	1,442	67.4	9.3
S&P Syndicate (SNP TB)	1973	S&P	9	447	6,139	427	56.3	6.9
ZEN Corporation Group (ZEN TB)	1991	ZEN, AKA, On the Table, Tummour	13	317	4,066	57	40.3	1.4
Ohkajhu (OKJ TB)	2013	OhkaJhu, Oh Juice, Joe Wings	3	53	2,421	202	44.5	8.3
After You (AU TB)	2007	After U, Mikka	4	62	1,577	296	65.7	18.8
MAGURO Group (MAGURO TB)	2015	Maguro, SSAMTHING, Hitori Shabu, Tonkatsu Aoki, Cou Cou	5	38	1,373	97	45.9	7.0

Sources: M, BOL, company websites, FSSIA's compilation

**Exhibit 29: Non-listed operators in the suki and Japanese restaurant business**

Company name	Established year	Brands	Number of brands	Number of branches	Revenue (THB m)	Net profit (THB m)	GM (%)	NM (%)
Companies operating in suki restaurant business								
BNN Restaurant	2019	Suki Teenoi, Teenoi BBQ	4	78	7,029	1,169	52.9	16.6
Noble Restaurant	2007	Mo-Mo-Paradise, Nabezo Premium	2	33	1,722	170	55.4	9.9
Miracle Planet	2021	Lucky Suki, Lucky BBQ	2	20	1,015	108	44.9	10.7
You and I Group	2012	You&I	1	18	471	(23)	34.4	(4.9)
Neo Suki	2000	Neo Suki	1	21	280	4.6	46.3	1.6
Akiyoshi	2004	Akiyoshi	1	6	152	0.6	59.0	0.4
Shabu Baru	2021	Shabu Baru	2	5	136	10.4	37.1	7.6
Companies operating in the Japanese restaurant business								
Fuji Gourmet Creation	2000	Fuji	1	105	3,023	200	49.9	6.6
Sushiro GH (Thailand)	2020	Sushiro	1	31	2,897	369	58.3	12.7
Sukishi Intergroup	2001	Sukishi, Wawa Cha, Woo Gogi, Suki King	6	>50	1,575	4.1	52.4	0.3
Sompasook	2019	Yuzu Omakase, Yuzu Suki, Yuzu Ramen	9	33	618	51	52.8	8.2
Khaopun Edo	2011	Kabocha Sushi	1	9	242	4.6	44.2	1.9
Companies operating in iBerry Group								
iBerry Homemade	1999	iBerry, Kub Kao, Kub Pla, Ros'niyom, Fah Pla Than, etc.	15	148	2,639	537	57.6	20.4
Thongsmith Siam	2018	Thongsmith, TOH-KIM			1,154	241	60.6	20.9
The Platters Mahanakorn	2021	An Com An Ca, Fran'sm Chin-Bo-Dang			445	45	54.1	10.2
OMGM Bangkok	2023	Oh My Godmother			109	3.2	41.0	3.0
Total iBerry Group					4,347	826	57.6	19.0

Sources: M, BOL, company websites, FSSIA's compilation

## Suki Segment Performance

Outside the listed market, several suki chains performed strongly in 2024, led by Suki Teenoi and Lucky Suki, both of which benefited from their limited branch networks and value-for-money buffet positioning.

At the same time, premium suki restaurants also enjoyed strong growth, such as Hitori Shabu and Shabu Baru. Conversely, mid-range suki buffets priced at THB500–700 per head—including Mo-Mo-Paradise, You&I, and Akiyoshi—experienced a decline in profitability.

Chinese conveyor-belt suki chains, which had enjoyed strong popularity in earlier years, reported a significant downturn in performance in 2024, with many brands gradually closing down outlets.

For M, it must be acknowledged that its adaptation in recent years has been relatively slow, as the company has continued to focus on its traditional target group—middle- to upper-income families—while gradually losing market share to its competitors among working professionals, teenagers, and students. In 2024, M's total revenue stood at THB15.4b, down from THB17.4b in 2019, representing a 6-year CAGR decline of 2.4%. Net profit contracted even more sharply, at -11.2% CAGR, falling from THB2.6b in 2019 to THB1.44b in 2024, still well below pre-COVID levels, and continuing to decline in 1H25, when revenue and net profit fell by 8.9% y-y and 32% y-y, respectively.

Looking specifically at MK restaurant revenue, it was THB13.6b billion in 2019 prior to COVID-19, before dropping to THB8.2b in 2021. Revenue has since rebounded but has yet to return to pre-COVID levels, averaging around THB11b per year during 2022–24. By 2025, this suggests MK has effectively lost around THB3b in market share to its competitors.

### Exhibit 30: Comparison of the major operators in the suki restaurant business

Suki brands	No. of branches in 2024	Revenue			Net profit			GM	SG&A to sales	NM
		2022	2023	2024	2022	2023	2024	2024	2024	2024
		(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
MK Suki	692	15,728	16,661	15,418	1,439	1,682	1,442	67.4	58.4	9.3
Suki Teenoi	78	3,968	5,244	7,029	591	907	1,169	52.9	32.0	19.6
Mo-Mo-Paradise	33	1,508	1,737	1,722	213	220	170	55.4	42.8	9.9
Lucky Suki	20	79	409	1,015	3	46	108	44.9	31.4	10.7
You and I	18	379	487	471	3	(7)	(23)	34.4	38.7	(4.9)
NEO Suki	21	245	258	280	6	4	5	46.3	43.3	1.6
Akiyoshi	6	189	169	152	5	(3)	1	59.0	59.4	0.4
Shabu Baru	5	24	56	136	4	8	10	37.1	27.5	7.6

Sources: M, Data Warehouse, company websites, FSSIA's compilation

## Industry Headwinds and Performance Trends

Amid weak consumer purchasing power, fewer tourists, and intensifying competition, the industry has seen more negative SSSG trends among listed restaurant groups, especially those with a high revenue base in prior years: AU and OKJ saw deeper declines in 2Q25 SSSG at -9.4% y-y and -22.1% y-y, respectively (worse than in 1Q25). MAGURO also reported SSSG of -9.8% y-y.

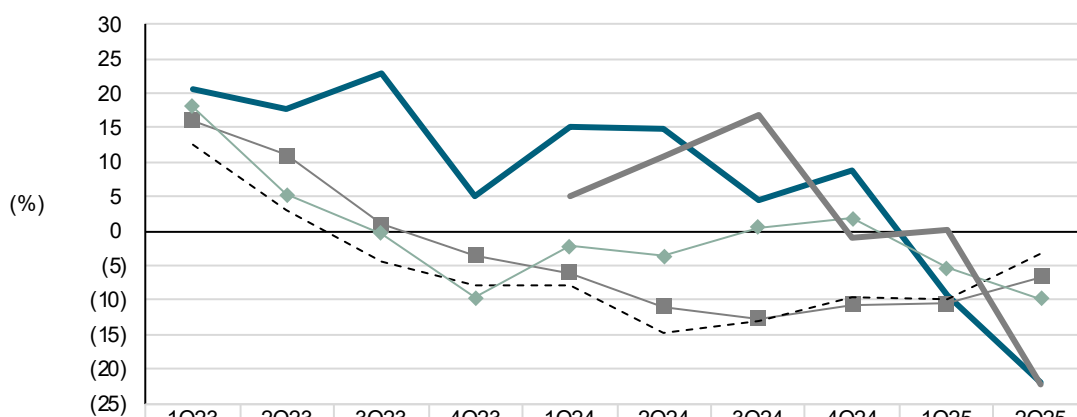
M showed slight improvement after launching a Buffet promotion in June, bringing 2Q25 SSSG to -6.7% y-y (from -10.5% y-y in 1Q25). ZEN also improved to -3.4% y-y, but this still marked its eighth consecutive quarter of negative SSSG.

Even Suki Teenoi, one of the strongest performers in recent years, reported a net profit of THB311m in 2Q25, down by 6.7% y-y, marking its second consecutive y-y profit decline (-2.2% y-y in 1Q25), based on quarterly earnings disclosures from JMART (which holds a 30% stake in Suki Teenoi).

In addition, gross margins in Japanese restaurants and suki chains remain relatively high: 50–60% for premium restaurants, and 35–50% for buffet formats (depending on revenue per outlet, with higher sales typically driving higher margins). For example, Suki Teenoi has gross margins of around 52–53%. Average net margins are around 5–7%, depending on brand. Restaurants achieving double-digit net margins include Suki Teenoi, Lucky Suki, Sushihiro, AU, and iBerry Group.

Raw material prices in 2H25–2026 are expected to remain stable or trend downward, including domestic meat (pork, chicken, shrimp) as well as imported meat and seafood. A key driver is the impact of U.S. tariffs, which have dampened U.S. demand for imported food, putting downward pressure on premium imported meat and seafood prices (e.g., salmon). This is a positive factor for restaurant operators, as it allows for more room for promotions and benefits consumers as well.

### Exhibit 31: Quarterly SSSG of listed restaurant companies



	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25
AU	20.5	17.7	23.0	5.0	15.2	14.9	4.5	8.8	(9.4)	(21.9)
M	16.0	11.0	0.9	(3.5)	(6.1)	(11.0)	(12.7)	(10.7)	(10.5)	(6.7)
ZEN	12.5	3.1	(4.5)	(7.9)	(7.8)	(14.8)	(13.0)	(9.6)	(9.8)	(3.4)
MAGURO	18.0	5.3	(0.3)	(9.6)	(2.2)	(3.6)	0.5	1.8	(5.3)	(9.8)
OKJ					5.0	10.9	16.8	(1.1)	0.1	(22.1)

Sources: Company Data, FSSIA's compilation

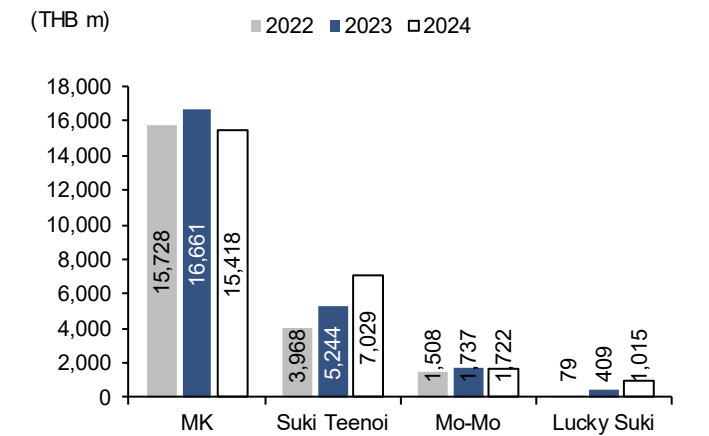


Future Competitive Outlook

Looking ahead, the most likely restaurant trends to resonate with consumers will continue to emphasize value-for-money menus, buzz creation, and unique brand storytelling. The focus will no longer be on rapid outlet expansion. Instead, operators must be flexible and agile, ready to pivot or rebrand quickly once a trend fades.

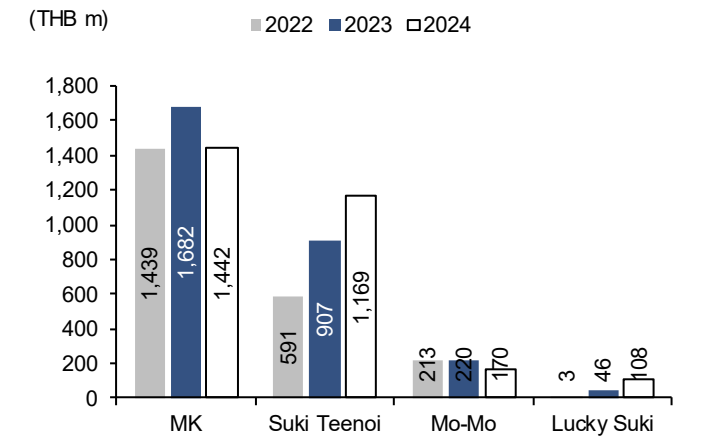
This implies that competition in the restaurant industry will remain intense. If price-based competition escalates further, there is a high likelihood that industry profit margins will decline compared to historical levels.

Exhibit 32: Yearly revenue of suki companies



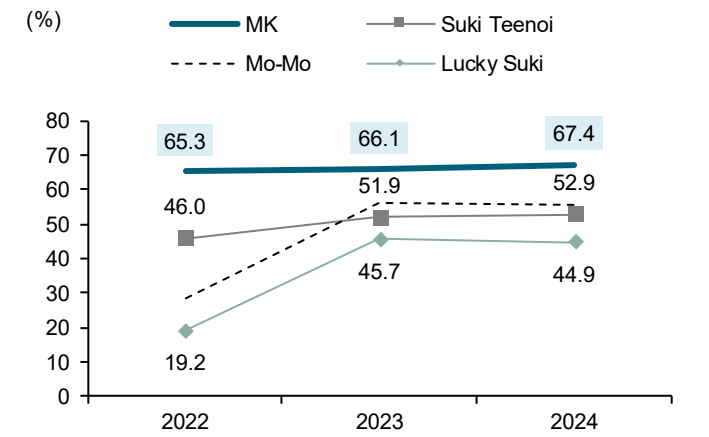
Sources: M, Data Warehouse, FSSIA's compilation

Exhibit 33: Yearly net profit of suki companies



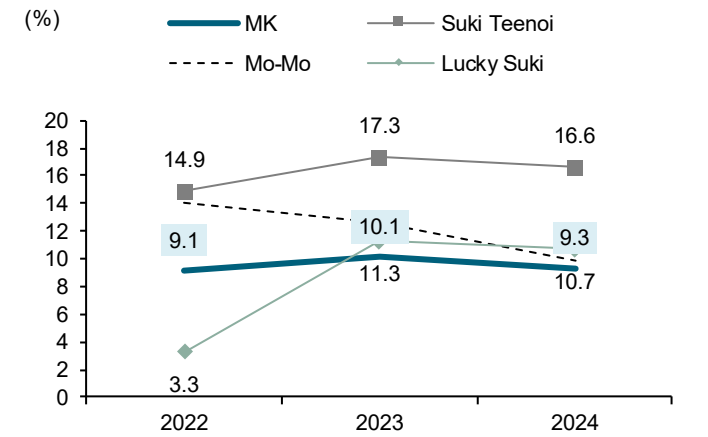
Sources: M, Data Warehouse, FSSIA's compilation

Exhibit 34: Yearly gross margin of suki companies



Sources: M, Data Warehouse, FSSIA's compilation

Exhibit 35: Yearly net margin of suki companies



Sources: M, Data Warehouse, FSSIA's compilation

A strong management team: The strengths of Gen1 combined with the modernity of Gen2

MK Suki Restaurant opened its first branch in 1986 and has been managed by Mr. Rit Thirakomen, Chairman and CEO, who has led MK Group through continuous growth over the past four decades. As of the end of 1H25, the company operated 684 branches under 11 brands. MK Group reached a new revenue high in 2019 at THB17.4b, reflecting a 10-year CAGR of 8.2%. However, revenue declined due to the impact of COVID-19.

Since the pandemic, the suki market has become increasingly competitive with the entry of new players, particularly in the buffet segment—a market that MK has traditionally approached with caution. While MK has managed to retain its key strengths, namely 1) excellent cost management and 2) strong retention of its core customer base of families and older consumers with mid-to-high purchasing power, these were not enough to maintain its previous levels of revenue and profit. As a result, the company lost market share to competitors, leading to a decline in total revenue over the past five years.

In 2024, the company reported total revenue of THB15.4b, reflecting a CAGR decline of 2.4% from 2019. Net profit declined even more sharply, with a CAGR of -11.2%, dropping from THB2.6b in 2019 to THB1.44b in 2024—still well below pre-COVID levels. The downward trend continued into 1H25, with revenue and net profit decreasing by 8.9% y-y and 32% y-y, respectively.

In 2024, MK Group introduced its second-generation leadership team, as Mr. Rit plans to step back from his executive role over the next three years—at which point he will be 75—and continue as an advisor. The new Gen 2 management team consists of his three children: Ms. Tantawan Thirakomen (responsible for marketing) and Mr. Tee Thirakomen (responsible for operations), who both currently serve as Co-Presidents.

Since the Gen 2 leadership team was introduced, MK Group has undergone a noticeable strategic shift, which has made a significant impact in the industry. Notably, the brand’s image has been refreshed to be more modern, with adaptive marketing plans and continuous rollout of new promotions. These efforts have been implemented alongside the company’s traditional strengths, offering high-quality, clean, safe, and flavorful food, along with excellent service. These early moves by the second-generation executives have successfully impressed both consumers and investors.

Exhibit 36: First-and Second-Generation Management



Mr. Rit Thirakomen  
Director / President / CEO



Ms. Tantawan Thirakomen  
Co-President



Mr. Tee Thirakomen  
Co-President

Source: M, FSSIA’s compilation

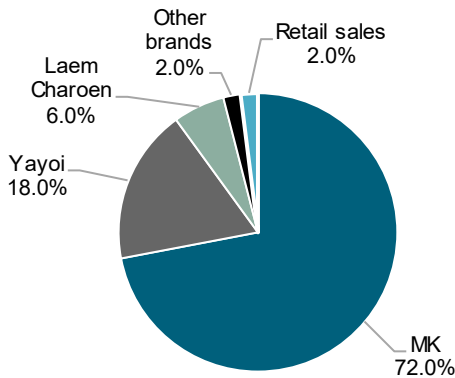
Neutral view on the strategy to expand into retail channels

Due to both weakened purchasing power and intensified competition, the company has continuously adjusted its restaurant strategy. Eventually, it expanded into the retail channel by introducing MK-branded suki sauce in various retail stores and the “MK Mixed Suki Set” in convenience stores as another distribution channel. The company is also expected to continue developing new products to offer more choices to consumers.

We maintain a neutral view on this strategy. Currently, revenue from the retail channel accounts for only around 2% of total revenue and has a lower profit margin compared to the restaurant business. Moreover, the products launched so far are items already sold in the company’s own restaurants—such as the suki sauce, which is considered one of MK’s signature items, and the ready-to-cook suki sets. We see this as a risk of cannibalization that could impact in-store dining traffic at MK restaurants. While retail sales may generate some additional revenue, they might ultimately reduce the number of dine-in customers.

On the other hand, if the company can successfully introduce new products not available in its restaurants, and those products are well-received and achieve significant sales growth—even with lower margins—we believe this could contribute to revenue and net profit growth in the long term.

Exhibit 37: Retail Contribution to Total Revenue in 1H25



Sources: M, FSSIA's compilation

Exhibit 38: Suki Sauce and Fresh Food



Source: M's 2024 One Report

## Positive view on the introduction of new restaurant brands

The company currently operates 11 restaurant brands. Over the years, they have seen a steady expansion of new brands, most of which have been developed in-house. Only Yayoi was launched under a franchise agreement with a Japanese partner, and Laem Charoen Seafood was acquired when it was already a well-known brand.

In 2024, we observed another noteworthy development: the company signed a franchise agreement with the renowned Japanese hamburger steak restaurant “Hikiniku To Come.” Currently, there is only one branch operating at Central World, which has received an overwhelmingly positive response ever since. The table turnover rate is significantly higher than that of the company’s existing brands, thanks to its unique menu that is still relatively unfamiliar in Thailand. This has led to rapid success in a short period.

However, we think the pace of expansion has been relatively slow so far, as management remains cautious in rolling out new branches. This not only delays the contribution to overall revenue growth but also creates room for competitors to identify unmet demand. Recently, MAGURO introduced another popular Japanese Hamburg and steak brand, Kiwamiya, which will open its first branch in Thailand in Sep 2025.

Meanwhile, MK is planning to open the second and third Hikiniku To Come branches in 3Q25 and 4Q25, respectively. We continue to look forward to a broader expansion of new brands to generate more excitement among consumers.

In addition, the company has introduced cross-menu innovations, such as offering new hamburger dishes (both beef and pork) at Yayoi. This not only provides more choices for customers but also helps boost growth within existing restaurants.

We have a positive outlook on the company's strategy to launch 1-2 new brands per year, and expect revenue from these new brands to contribute more to overall revenue growth going forward.

### Exhibit 39: Hikiniku To Come – 1<sup>st</sup> Branch at Central World



Sources: M, FSSIA's compilation

### Exhibit 40: Hikiniku To Come – 2<sup>nd</sup> Branch at Central Park

HELLO!  
CENTRAL PARK!  
COMING SOON



Sources: Hikiniku To Come Thailand Facebook

### Exhibit 41: Hikiniku To Come – 2<sup>nd</sup> Branch



Sources: Hikiniku To Come Thailand Facebook



## Full entry into the buffet segment

### Testing buffet promotions at MK

With consumer purchasing power continuing to deteriorate in 2025, the company faced increasingly negative SSSG. In 1Q25, SSSG fell further to -10.5% y-y, marking the sixth consecutive quarter of slowdown. The trend worsened in April–May, with SSSG down -14-15% y-y, despite this normally being the high season of business.

In response, the company launched a buffet promotion at around 50–60% of MK branches, offering a net price of THB299 per person with only 19 menu items. While the offering was still weaker than competitors in terms of menu variety, we view this as a first step outside the company's comfort zone.

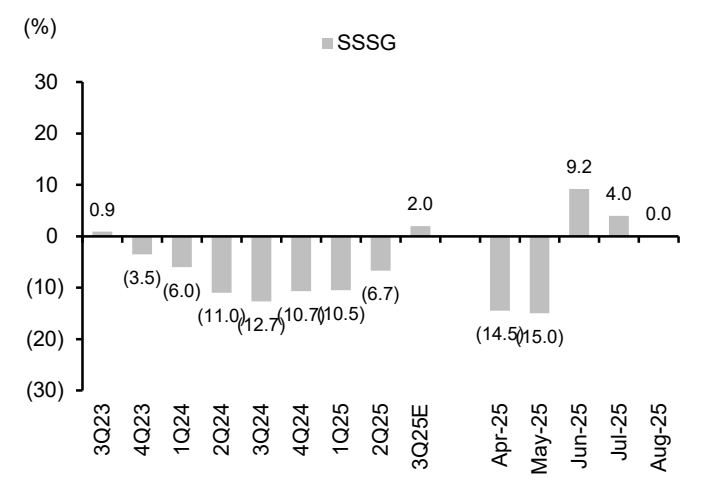
What impressed us was MK's ability to generate buzz quickly and broadly, reflecting greater flexibility and faster adaptation, especially through direct communication with customers via social media. Although consumer feedback was mixed (both positive and negative), the campaign demonstrated that customers have not abandoned the MK brand. Importantly, SSSG turned positive immediately at 9.2% y-y in June, and even non-participating outlets in the buffet promotion saw positive SSSG.

However, the momentum has proven temporary and cannot remain elevated indefinitely. The impact of the promotion began to ease in July–August, with SSSG decreasing to +4% y-y in July before moderating to flat y-y in August. Management noted that the results over the past three months have been satisfactory, as the campaign successfully increased customer traffic — particularly attracting a younger customer base aged 26–35, while the core base of 35–45 years old remained stable. As a result, the company recorded growth in membership and achieved a repeat purchase rate of 31%.

Although the gross margin of the MK buffet is around 60–65%, slightly lower than the 66–67% for à la carte, the initiative strengthened the company's bargaining power in raw material procurement due to higher purchasing volumes. At the same time, higher store traffic also enhanced the leverage on fixed costs (e.g., labor and rent). Overall, the MK buffet promotion has been positive for the company.

Accordingly, the company has extended the MK buffet program to 312 branches out of 437 nationwide (accounting for 71% of total MK outlets) until the end of 2025, while expanding the menu to 29 items (from 19) starting September 1. We preliminarily expect this to support a rebound in September SSSG. Meanwhile, the company is still assessing its MK buffet strategy for 2026. In our view, there is a high likelihood that the promotion could become a permanent offering, provided sales performance continues to meet expectations.

Exhibit 42: Buffet drove positive SSSG in June-Aug



Sources: M, FSSIA's compilation

Exhibit 43: Picture of Buffet Campaign



Source: M's Facebook

Entering the arena with fighting brand “Bonus Suki”

In April, the company established a new subsidiary named Khum Khum Co., Ltd. and launched a new brand, BONUS Suki, positioned as a buffet-style suki restaurant, priced at THB219/person (net THB276/person after including beverages and VAT). This pricing is in line with competitors, such as Suki Teenoi and Lucky Suki. The restaurant format is also similar, with operating hours from 11:00 a.m. to 5:00 a.m. and a menu offering of more than 60 items.

BONUS Suki opened its first branch on July 16 at Robinson Saraburi. Over the past two months, the brand has received a positive market response. The company plans to expand it to 10 branches by the end of 2025, and is currently preparing its 2026 expansion plan, which will be finalized after evaluating performance and customer response from the gradual rollout of new branches in Bangkok.

We have identified both positives and negatives regarding the company’s introduction of this fighting brand, as summarized in the table below.

Exhibit 44: Pros and Cons of Fighting Brand (Bonus Suki) by FSSIA

Pros	Cons
<p><b>Superior food quality and taste image</b> – Over the past two months, we observed strong positive feedback from customers on this aspect, with many sharing favorable reviews on social media.</p> <p><b>In-house central kitchen advantage</b> – M operates a central kitchen capable of producing certain items in-house, such as dim sum, fried dishes, and desserts, ensuring consistent quality and suitability for a buffet format</p> <p><b>Competitive pricing and concept</b> – The restaurant’s pricing and concept are similar to competitors, which aligns well with target customer preferences and should help attract more traffic to Bonus Suki</p> <p><b>Longer service hours</b> – Coverage of all three main meals (breakfast, lunch, dinner), compared to MK and other brands that generally cover only two meals. Combined with lower rental costs and lower capital expenditure per square meter compared to MK restaurants, this should help support gross margins in the buffet format, which are typically lower than in the à la carte format.</p> <p><b>Strong financial position</b> – With a solid capital base and high liquidity (cash on hand of THB6–7b, no interest-bearing debt, and most liabilities arising from lease contracts), MK has ample liquidity to support branch expansion. The company has historically been able to open as many as 40 new outlets per year.</p>	<p><b>Slow strategic response from MK</b> – This major move is seen as delayed and trailing behind competitors. Given MK’s scale and strong financial position, both consumers and investors hold relatively high expectations that MK should outperform its peers</p> <p><b>Intensifying competition</b> – Rivals have quickly adjusted their strategies, introducing new menu items and adopting selective discounting on low-traffic days or time slots to attract more customers and enhance their brand visibility. Recently, Suki Teenoi launched a new premium brand, Teenoi Gold, in partnership with Ho Kitchen, expanding into Chinese cuisine with offerings such as dim sum, roast duck, and wagyu beef, priced at THB599/person. We view this as a direct competitive move to challenge MK in the premium suki segment.</p> <p><b>Market saturation risk</b> – With a wide variety of restaurant formats available and consumers seeking diverse dining options, the average consumer typically chooses buffet or mid- to upper-tier meals only 1–2 times per week. As competition in the suki market intensifies, we believe this will ultimately result in brands cannibalizing market share through aggressive promotions, which could pressure margins across the industry. For reference, Suki Teenoi operates with a gross margin and net margin of 52.9% and 16.6%, respectively, while Lucky Suki lags behind with 44.9% and 10.7%, respectively.</p>

Source: FSSIA Research

Exhibit 45: Bonus Suki – 1<sup>st</sup> Branch at Robinson Saraburi



Source: Bonus Suki’s Facebook

Exhibit 46: Bonus Suki – 1<sup>st</sup> Branch at Robinson Saraburi



Source: Bonus Suki’s Facebook



Exhibit 47: Over 60 menu items at Bonus Suki



Source: Bonus Suki's Facebook

Exhibit 48: Bonus Suki – 2<sup>nd</sup> Branch at Makro Chai Nat



Source: Bonus Suki's Facebook

## 2Q25 profit returned to q-q growth

M posted 2Q25 net profit at THB276m (+18% q-q, -31% y-y), 15% above expectations, showing a strong quarterly recovery.

The rebound was partly due to the successful THB299/person buffet at MK restaurants launched in June, which gained popularity and positive feedback, driving June SSSG to +9.2% y-y. However, this could not fully offset the steep negative SSSG in April–May, so 2Q25 SSSG remained at -6.7% y-y, while total revenue grew 7% q-q but declined 7.6% y-y. The number of branches at the end of 2Q25 was 684, a net reduction of 4 branches q-q (more closures than openings).

Gross margin remained well managed at 65.2%, slightly down from 66.5% in 1Q25, likely due to the buffet being launched for only one month and limited to 14 menu items. Net profit margin improved to 7.3% (from 6.6% in 1Q25) but was still below 9.8% in 2Q24.

### Exhibit 49: M – 2Q25 results summary

	2Q24	3Q24	4Q24	1Q25	2Q25	Change		1H24	1H25	Change	2024	2025E	Change	% 1H25
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
Sales	4,107	3,683	3,683	3,541	3,793	7.1	(7.6)	8,053	7,334	(8.9)	15,418	14,360	(6.9)	51.1
Cost of sales	1,346	1,187	1,217	1,188	1,319	11.1	(1.9)	2,624	2,507	(4.5)	5,028	4,983	(0.9)	50.3
Gross profit	2,761	2,495	2,466	2,353	2,474	5.2	(10.4)	5,429	4,827	(11.1)	10,390	9,377	(9.7)	51.5
SG&A	2,350	2,189	2,144	2,147	2,211	3.0	(5.9)	4,673	4,358	(6.7)	9,006	8,286	(8.0)	52.6
Operating profit	497	419	463	298	354	18.6	(28.8)	940	652	(30.7)	1,822	1,450	(20.4)	44.9
Interest expense	27	26	25	25	24	(3.9)	(11.3)	54	48	(9.6)	104	108	3.7	44.8
Tax expense	65	48	85	41	57	40.8	(11.7)	131	98	(25.2)	264	202	(23.7)	48.5
Reported net profit	401	341	353	234	276	18.0	(31.2)	747	509	(31.8)	1,442	1,137	(21.1)	44.8
Core profit	401	341	353	234	276	18.0	(31.2)	747	509	(31.8)	1,442	1,137	(21.1)	44.8

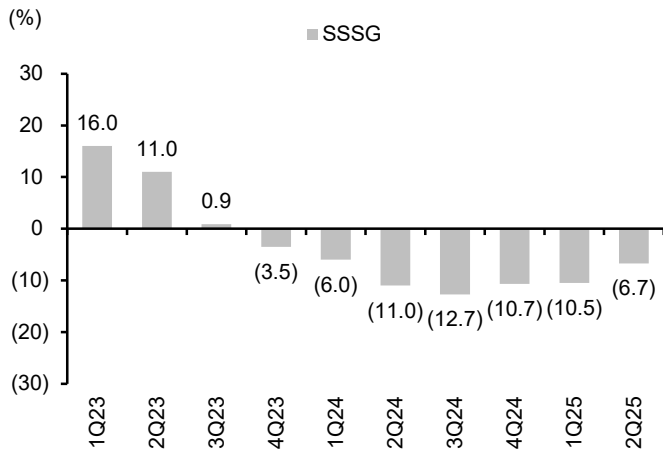
Key ratios (%)						(ppt)	(ppt)							
Gross margin	67.2	67.8	67.0	66.5	65.2	(1.2)	(2.0)	67.4	65.8	(1.6)	67.4	65.3	(2.1)	
SG&A to sales	57.2	59.4	58.2	60.6	58.3	(2.3)	1.1	58.0	59.4	1.4	58.4	57.7	(0.7)	
Operating margin	12.1	11.4	12.6	8.4	9.3	0.9	(2.8)	11.7	8.9	(2.8)	11.8	10.1	(1.7)	
Net margin	9.8	9.3	9.6	6.6	7.3	0.7	(2.5)	9.3	6.9	(2.3)	9.3	7.9	(1.4)	
Core margin	9.8	9.3	9.6	6.6	7.3	0.7	(2.5)	9.3	6.9	(2.3)	9.3	7.9	(1.4)	

Operating statistics														
SSSG (%)	(11.0)	(12.7)	(10.7)	(10.5)	(6.7)			(8.6)	(8.6)		(10.1)	(7.4)		
Total stores (no.)	702	694	692	688	684			702	684		692	702		
-MK Brand	446	441	441	439	437			446	437		441	446		
-Yayoi Brand	199	195	191	189	187			199	187		191	199		
-LCS Brand	39	39	40	39	40			39	40		40	39		
-Other Brand	18	19	20	21	20			18	20		20	18		

Sources: M; FSSIA's compilation

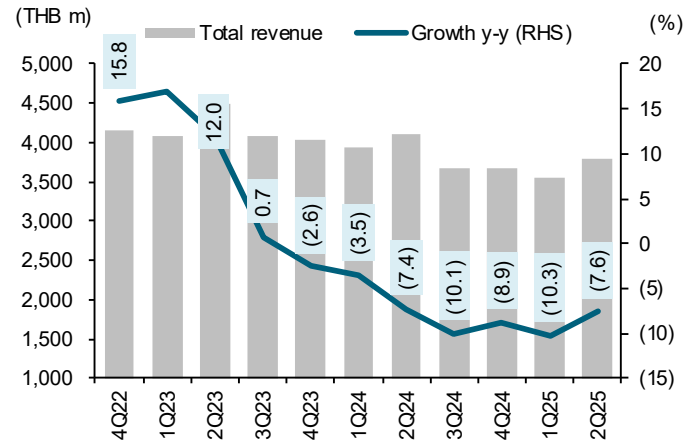


Exhibit 50: Quarterly SSSG



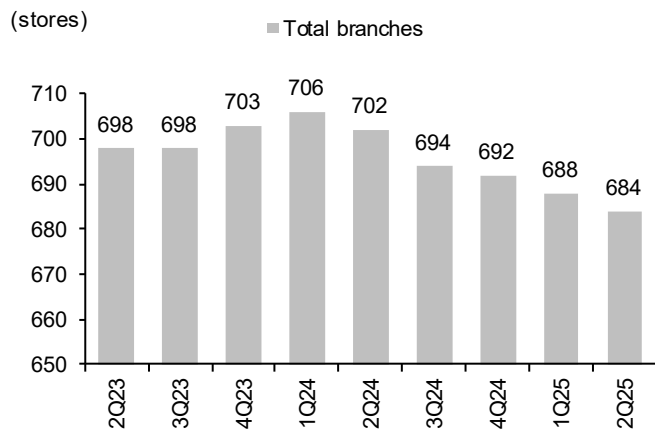
Sources: M; FSSIA's compilation

Exhibit 51: Total revenue and growth



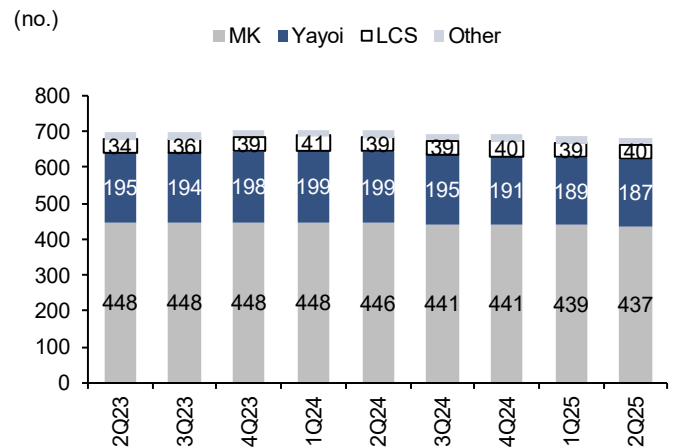
Sources: M; FSSIA's compilation

Exhibit 52: Quarterly total branches



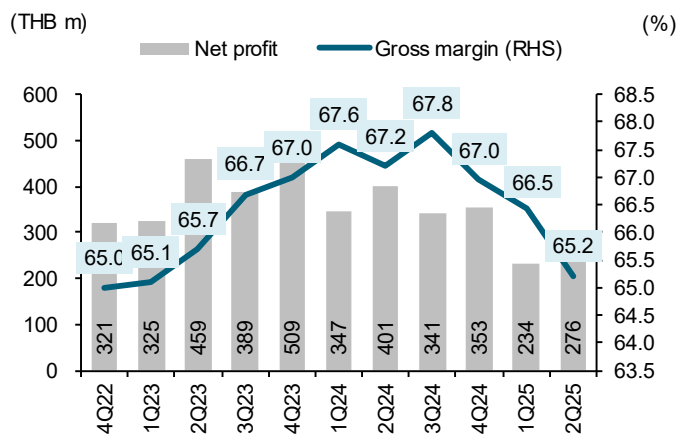
Sources: M; FSSIA's compilation

Exhibit 53: Branch breakdown by brand



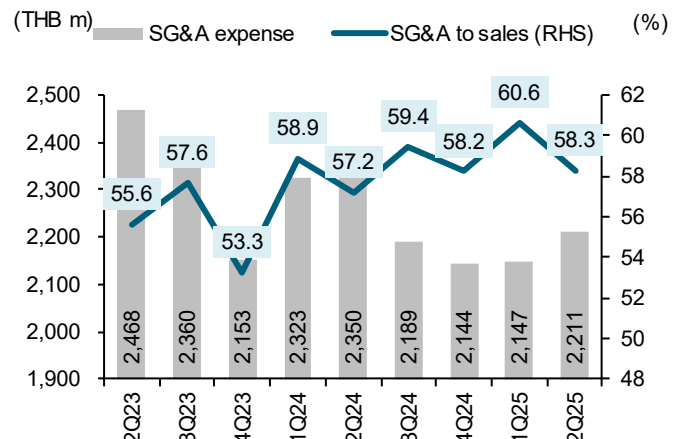
Sources: M; FSSIA's compilation

Exhibit 54: Net profit and gross margin



Sources: M; FSSIA's compilation

Exhibit 55: SG&amp;A expenses



Sources: M; FSSIA's compilation

## Strong profit recovery expected in 2026 with 3-yr CAGR of 18.7%

We expect 2H25 net profit to continue recovering h-h (but still decline y-y). Although domestic consumption remained weak, the strong response to the MK Buffet helped support performance, with SSSG turning positive at 2% y-y in 3QTD from -6.7% y-y in 2Q25. We also expect SG&A to sales to gradually decline, consistent with revenue recovery.

Since the planned expansion of 10 new Bonus Suki branches in 2H25 is unlikely to deliver a significant earnings impact, we maintain our 2025E net profit at THB1.13b, down 21% y-y, with earnings believed to have bottomed out in 1Q25.

Looking ahead, we expect 2026-27 net profit to grow 25% y-y and 12.5% y-y to THB1.42b and THB1.6b, respectively. We project a 3-year average CAGR of 18.7%, driven by:

1. **SSSG recovery:** We expect SSSG to rebound to +5% y-y, supported by ongoing MK Buffet promotions.
2. **Bonus Suki performance:** Management revealed that the first Bonus Suki branch attracted 1,700–2,000 customers/day, with table turnover of 7–8x/day, higher than MK's of 4–5x/day. Based on 1,700 customers/day, daily sales would be THB470k, exceeding Suki Teenoi (THB250k/day). However, as this is an initial phase with only one branch, we assume sales will normalize. For 2026–27, we forecast daily sales of THB140k/branch (or THB50m/branch/year), lower than Suki Teenoi but comparable to Lucky Suki.
3. **Branch expansion:** We project 20 new Bonus Suki branches annually in 2026–27, raising the total to 30 and 50 branches, respectively. Revenue from Bonus Suki would equal THB1.5b in 2026 (8.9% of total) and THB2.5b in 2027 (13.3% of total). The main constraint for expansion lies in finding suitable locations, while the company's capacity and resources for branch expansion should not be a concern. Historically, the company has been able to open up to 40 new branches per year.
4. **Gross margin:** Forecast to decline to 63.5% in 2026 and 62.9% in 2027 (from 65.3% in 2025), pressured by the lower margin of MK Buffet and Bonus Suki. We assume Bonus Suki GM at 50%, in line with peers: Suki Teenoi (52.9%) and Lucky Suki (44.9%).
5. **SG&A leverage:** SG&A to sales would fall to 55.3% in 2026 and 54.7% in 2027 (from 57.7% in 2025), supported by stronger revenue and operating leverage.
6. **Net margin:** Forecast at 8.5% in 2026–27, still below the historical 12–15% due to higher buffet mix. Nevertheless, we see this positively as it enables earnings growth. For Bonus Suki, we conservatively assume a net margin of 7%, below Suki Teenoi (16.6%) and Lucky (10.7%), reflecting higher start-up costs (rent, labor, service focus).

## Risks & Sensitivity

Management's expansion plans for Bonus Suki remain under development, posing risk if actual branch openings fall short of assumptions (20 branches in 2026). If no new branches are added beyond the 10 planned by 2025, our 2026 profit forecast would fall by 6%, with a negative impact of THB1.8/share. Conversely, every additional 10 branches beyond our base case would lift profit by 3% and raise our target price by THB0.8/share.

**Conclusion:** We maintain a positive view on the company's move beyond its comfort zone and believe it can regain some market share in the suki segment. However, whether it can surpass competitors or return revenue and profit to record highs remains to be seen. We also highlight downside risks from intensifying competition in the sector.

Exhibit 56: Financial comparison of Teenoi, Lucky, Bonus Suki

	Suki Teenoi	Lucky Suki	Bonus Suki
	2024	2024	2026 FSSIA assumptions
Number of branch	78	33	30
Net price per head (THB)	276	276	276
Revenue per branch (THB m)	90	50	50
Net profit per branch (THB m)	15	5	4
Total revenue (THB m)	7,029	1,015	1,500
Net profit (THB m)	1,169	108	105
Gross margin (%)	52.9	44.9	50.0
SG&A to sales (%)	32.0	31.4	43.0
Net margin (%)	16.6	10.7	7.0

Sources: Data Warehouse, FSSIA estimates

Exhibit 57: Comparative information on MK and Bonus

Details per branch	MK	Bonus Suki
Branch area (sq.m)	200-300	>450
Number of tables	30-40	>60
Capex/branch (THB m) by FSSIA	8	10-15
Capex/sq.m (THB) by FSSIA	30,000-40,000	25,000-35,000
Breakeven Period	1-2 month	Under Assessment
Payback Period	3 years	Under Assessment
Number of branch in Aug 2025	437	2
Buffet Menu (branches)	312	2
Proportion (%)	71.4	100.0
Gross margin (%) by FSSIA	60-65	50-52
Net margin (%) by FSSIA	8-9	7

Sources: M, FSSIA estimates

Exhibit 58: Changes in key assumptions for M

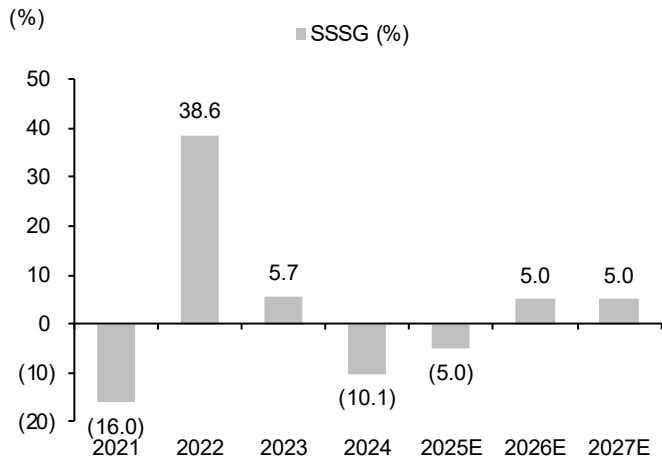
	Current			Previous			Change		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Sales	14,360	16,784	18,769	14,360	14,768	15,191	0.0	13.6	23.6
Cost of sales	4,983	6,125	6,964	4,983	4,874	4,983	0.0	25.7	39.8
Gross profit	9,377	10,659	11,805	9,377	9,895	10,208	0.0	7.7	15.6
SG&A	8,286	9,280	10,267	8,286	8,566	8,811	0.0	8.3	16.5
Operating profit	1,450	1,782	1,988	1,450	1,684	1,762	0.0	5.8	12.8
Interest expense	108	106	106	108	106	106	0.0	0.0	0.0
Tax expense	202	252	283	202	238	251	0.0	5.7	12.6
Reported net profit	1,137	1,423	1,601	1,137	1,346	1,422	0.0	5.7	12.6
Core profit	1,137	1,423	1,601	1,137	1,346	1,422	0.0	5.7	12.6
Key ratios (%)									
Total sales growth	(6.9)	16.9	11.8	(6.9)	2.8	2.9			
Net profit growth	(21.1)	25.2	12.5	(21.1)	18.4	5.6			
Core profit growth	(21.1)	25.2	12.5	(21.1)	18.4	5.6			
Gross margin	65.3	63.5	62.9	65.3	67.0	67.2	0.0	(3.5)	(4.3)
MK and others (excl. Bonus)	65.3	64.0	64.0	65.3	67.0	67.2	0.0	(3.0)	(3.2)
Bonus Suki	50.0	50.0	50.0	-	-	-			
SG&A to sales	57.7	55.3	54.7	57.7	58.0	58.0	0.0	(2.7)	(3.3)
Operating margin	10.1	10.6	10.6	10.1	11.4	11.6	0.0	(0.8)	(1.0)
Net margin	7.9	8.5	8.5	7.9	9.1	9.4	0.0	(0.6)	(0.8)
Core margin	7.9	8.5	8.5	7.9	9.1	9.4	0.0	(0.6)	(0.8)
Operating statistics									
SSSG (%)	(5.0)	5.0	5.0	(7.4)	2.0	2.0			
Total stores (no.)	711	741	771	701	711	721			
MK	444	447	450	444	447	450			
Yayoi	194	197	200	194	197	200			
LCS	43	46	50	43	46	50			
Others	20	21	21	20	21	21			
Bonus Suki	10	30	50	0	0	0			
Revenue contribution by brand (%)									
MK	71.8	65.7	62.9						
Yayoi	18.2	16.4	15.4						
LCS	6.8	6.1	5.7						
Others	3.2	2.9	2.7						
Bonus Suki		8.9	13.3						

Source: FSSIA estimates

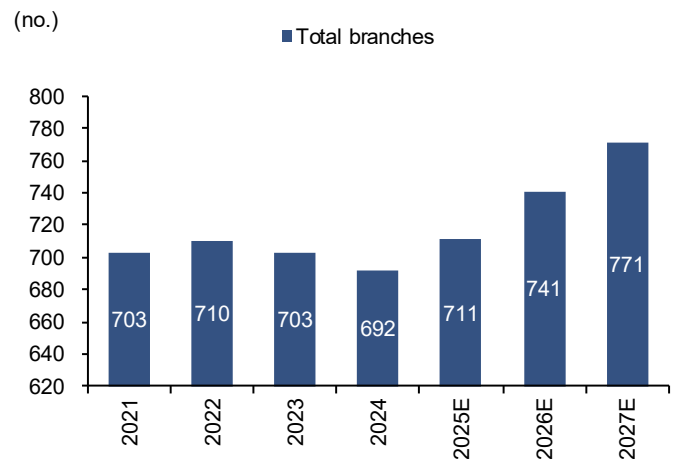
## Exhibit 59: Assumptions and sensitivity analysis for Bonus Suki

Sensitivity analysis by FSSIA	2025E	2026E	2026E			
	Current		Sensitivity: Bonus Suki Branch Assumptions (10-50 branches)			
	10 branches	30 branches	Bonus 10 branches	Bonus 20 branches	Bonus 40 branches	Bonus 50 branches
Bonus Suki Branches	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Sales	14,360	16,784	15,784	16,284	17,284	17,784
Cost of sales	4,983	6,125	5,625	5,875	6,375	6,625
Gross profit	9,377	10,659	10,159	10,409	10,909	11,159
SG&A	8,286	9,280	8,850	9,065	9,495	9,710
Operating profit	1,450	1,782	1,688	1,735	1,829	1,876
Interest expense	108	106	106	106	106	106
Tax expense	202	252	238	245	259	266
Reported net profit	1,137	1,423	1,343	1,383	1,463	1,503
Core profit	1,137	1,423	1,343	1,383	1,463	1,503
<b>Key ratios (%)</b>						
Total sales growth	(6.9)	16.9	9.9	13.4	20.4	23.8
Net profit growth	(21.1)	25.2	18.2	21.7	28.7	32.2
Core profit growth	(21.1)	25.2	18.2	21.7	28.7	32.2
Gross margin	65.3	63.5	64.4	63.9	63.1	62.7
SG&A to sales	57.7	55.3	56.1	55.7	54.9	54.6
Operating margin	10.1	10.6	10.7	10.7	10.6	10.5
Net margin	7.9	8.5	8.5	8.5	8.5	8.5
Core margin	7.9	8.5	8.5	8.5	8.5	8.5
<b>Operating statistics</b>						
SSSG (%)	(5.0)	5.0	5.0	5.0	5.0	5.0
Total stores (no.)	711	741	721	701	711	721
MK	444	447	447	447	447	447
Yayoi	194	197	197	197	197	197
LCS	43	46	46	46	46	46
Others	20	21	21	21	21	21
Bonus Suki	10	30	10	20	40	50
EPS (THB)		1.55	1.46	1.50	1.59	1.63
Target PE (x)		20	20	20	20	20
2026 Target Price (THB)		31.0	29.2	30.0	31.8	32.6
DPS (THB)		1.31	1.24	1.28	1.35	1.39
Dividend yield (%)		5.6	5.3	5.4	5.7	5.9

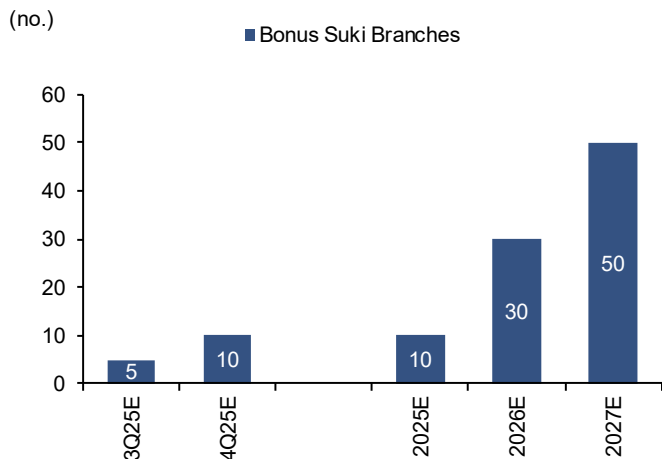
Source: FSSIA estimates

**Exhibit 60: Yearly SSSG**


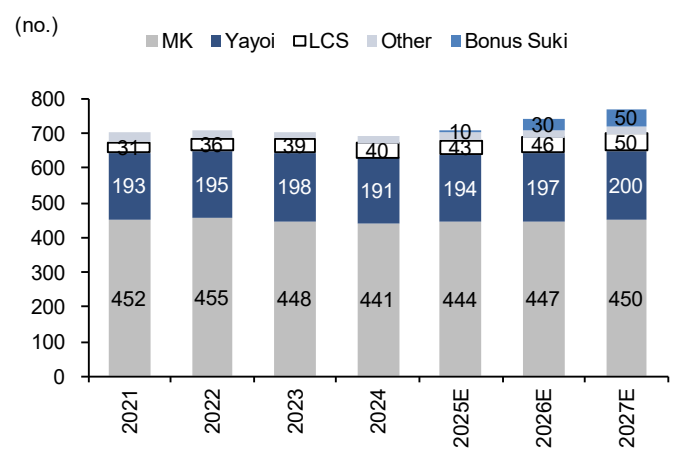
Sources: M; FSSIA estimates

**Exhibit 61: Yearly total branches forecast by FSSIA**


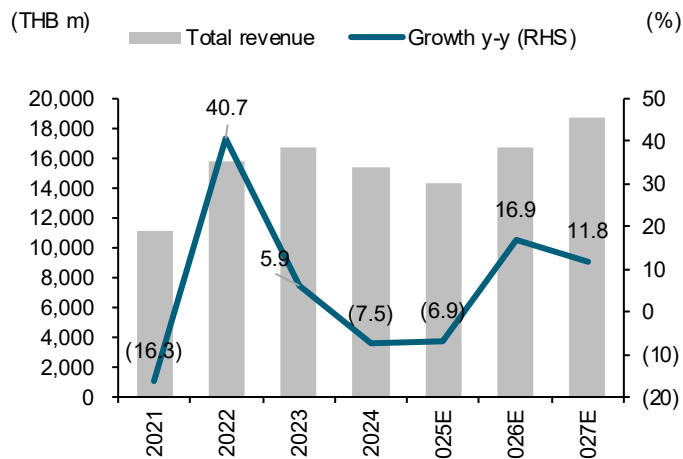
Sources: M; FSSIA estimates

**Exhibit 62: Bonus Suki Branches forecast by FSSIA**


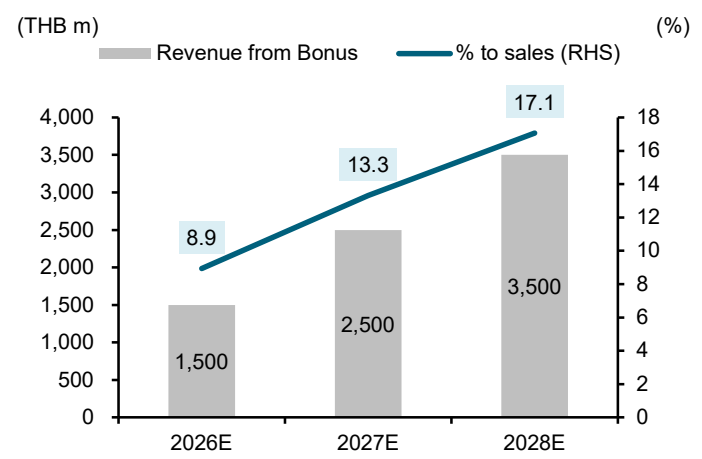
Sources: M; FSSIA estimates

**Exhibit 63: Yearly total branches breakdown by brand**


Sources: M; FSSIA estimates

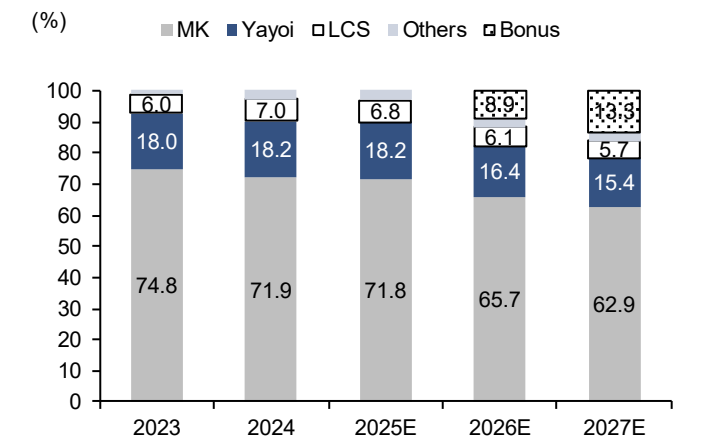
**Exhibit 64: Yearly total revenue and growth**


Sources: M; FSSIA estimates

**Exhibit 65: Revenue from Bonus Suki**


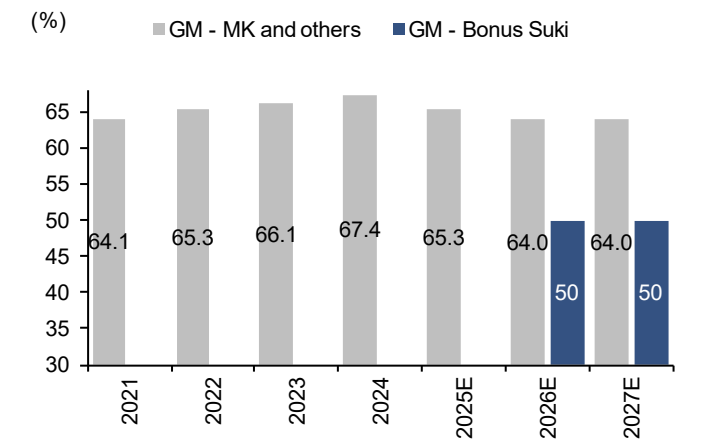
Source: FSSIA estimates

Exhibit 66: Yearly revenue breakdown by brand



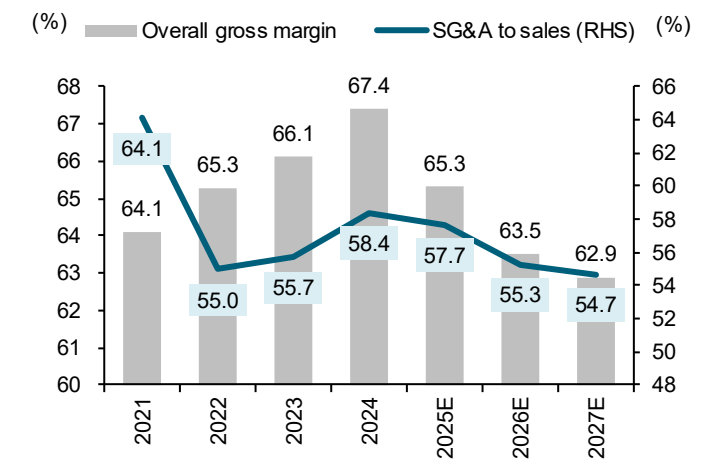
Sources: M; FSSIA estimates

Exhibit 67: Gross margin breakdown by brand



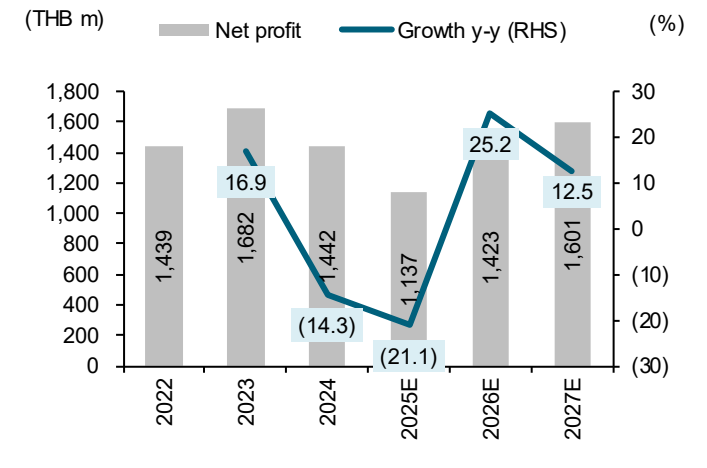
Sources: M; FSSIA estimates

Exhibit 68: Yearly gross margin and SG&A to sales



Sources: M; FSSIA estimates

Exhibit 69: Yearly net profit and growth



Sources: M; FSSIA estimates

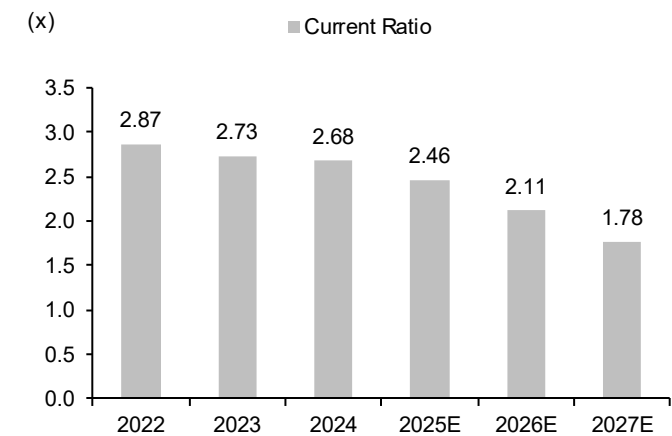
### Strong financial position and liquidity

M maintains a solid financial standing, with cash and cash equivalents of around THB6.5b (THB7/share), accounting for 91% of total current assets. This provided the company with a current ratio of 2.68x at end-2024, which we expect to remain at elevated levels over the next three years.

Most fixed assets consist of central kitchens and branch leasehold rights. The DE ratio is relatively low at 0.4x, with the majority of liabilities (51%) coming from branch lease contracts. Importantly, the company has no interest-bearing debt.

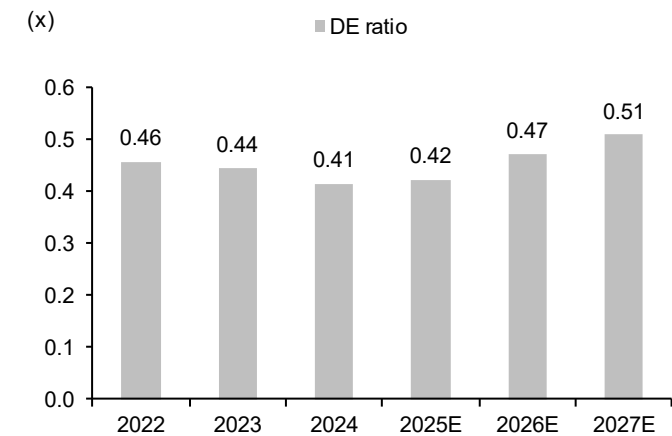
At end-2024, ROE and ROA stood at 10.7% and 7.4%, respectively. We forecast these to decline to 8.4% and 5.8% in 2025, due to lower net profit expectations, before recovering to 10.4% and 6.9% in 2026, in line with earnings growth.

Exhibit 70: Current Ratio



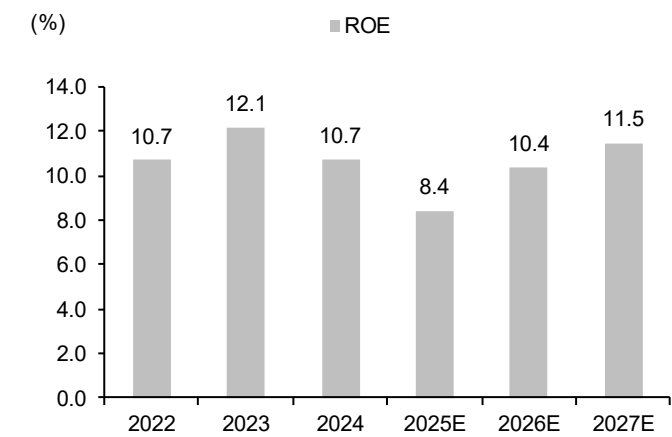
Sources: M, FSSIA estimates

Exhibit 71: D/E ratio



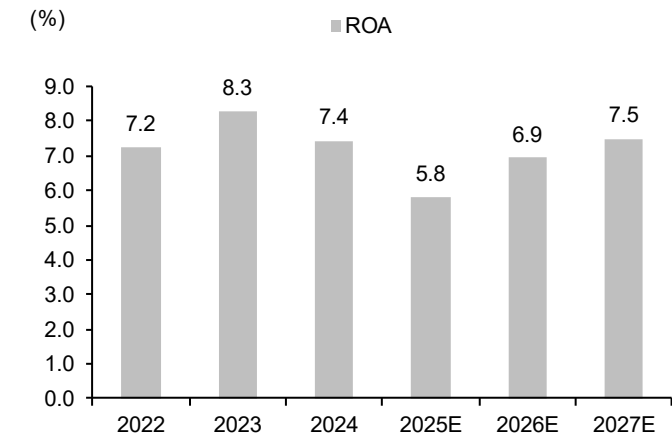
Sources: M, FSSIA estimates

Exhibit 72: ROE



Sources: M, FSSIA estimates

Exhibit 73: ROA



Sources: M, FSSIA estimates

## ESG shows progress, but environment still lags

As of 2024, only two listed restaurant companies have received a SET ESG Rating: SNP (AA) and ZEN (AA). Meanwhile, MAGURO and OKJ, which have only recently been listed, have not yet been rated. Despite having been listed for many years, M and AU have also not received a SET ESG Rating. However, M has obtained external ESG assessments, including a Morningstar ESG Risk rating of “Medium”, an S&P Global score of 27, and a Bloomberg ESG score of 2.55.

That said, we have begun to see notable ESG progress from M in 2024. Our analysis is structured across four dimensions: 1) target setting; 2) ESG operational framework; 3) FSSIA ESG Score assessment; and 4) areas requiring further development.

M's ESG targets (see Exhibit 74) are relatively comprehensive across all three ESG pillars, with particular strength in the social dimension. The company places strong emphasis on stakeholders throughout its supply chain, including customers, employees, suppliers, and communities, which has always been a core strength of M.

- M has a strong track record in food quality, safety, and taste.
- Employee care is notable, particularly in training and development, supported by the company's own dedicated training center, which is considered more advanced than peers.
- M also has a positive reputation in community support, including purchasing raw materials from the Royal Project (benefiting a wide network of farmers) and supporting public healthcare via medical equipment donations and contributions to hospital construction.

### Innovation in Business Operations

- Implementation of the Food Allergen Line Chatbot – introduced as a channel to help branches respond quickly to customer inquiries regarding food allergen information.
- Development of an e-ordering system – providing an alternative option for customers who prefer to place orders on their own.
- Introduction of self-order kiosks – enabling customers to order food, make payments, and access services conveniently through automated kiosks.

## FSSIA ESG Score & Suggestion

M has started evaluating its corporate carbon footprint, having completed assessments of GHG emissions scope 1 and 2 — a positive first step. The assessment of scope 3 is currently underway.

Even though M's environmental development is ahead of peers in the restaurant sector, overall progress remains slower compared to companies in other industries. Key areas requiring further improvement include:

1. Establishing clear carbon neutrality and net-zero emission targets.
2. Completing the scope 3 GHG assessment and setting concrete reduction measures.
3. While electricity consumption assessments and reduction plans have been implemented at the head office and central kitchens, the company has yet to manage energy sourcing across its 684 outlets nationwide. Discussions are ongoing with property owners and shopping malls to support renewable energy initiatives.

Based on our assessment, FSSIA assigns M an ESG Score of 33.45 points (2 stars), higher than peers in the restaurant sector and comparable to ZEN. We will continue to monitor M's ESG development, particularly in the environmental dimension, with the expectation that its ESG score will improve further and that the company will eventually be recognized by the SET ESG Rating or other third-party assessors in the future.



## Exhibit 74: M's ESG targets and performance update

Target		2024 Performance
<b>Governance</b>	Number of cases or issues related to corruption	0 case (2022-24)
	Number of cases or issues related to conflict of interest	0 case (2022-24)
	Number of cases or issues related to the use of insider information	0 case (2022-24)
<b>Social – Customers</b>	The number of complaints regarding food safety and quality does not exceed 0.5 PPM	0.44 PPM
	The number of feedback regarding food safety and quality shall not exceed 810 PPM	535 PPM
<b>Social - Employee</b>	Employee engagement score not less than 80%	83.6%
	Reduce the number of accidents and lower the Lost time Injury Frequency Rate (LTIFR) to zero	1.33 (below target but up from 2023)
	Employment policy for people with disabilities	191 persons (higher than the legal requirement of 1:100)
<b>Social – Supplier</b>	100% of key partners to undergo sustainability risk assessment in line with the supplier code of conduct by 2025	180 partners (accounting for 36% of total partners)
	100% of high-risk food and food-contact suppliers have undergone follow-up audits on food safety	98.73%
<b>Social - Community</b>	At least 1% of annual operating profit is donated to social organizations.	--
<b>Environment</b>	<b>Long-term Target:</b>	
▪ <b>Climate Resilience</b>	▪ Net Zero Emission Target Not Mentioned	--
	▪ Carbon Neutrality Target Not Mentioned	--
	<b>Short-term Target:</b>	
▪ <b>Energy Efficiency</b>	▪ 10% GHG intensity (per revenue) reduction by 2026 (vs. 2024)	--
	10% electricity (production & admin) and fuel (transportation) reduction by 2026 (vs.2024)	--
	6 renewable energy projects = 20% of total electricity	THB24.16m (electricity cost savings)
▪ <b>Food Waste</b>	50% reduction in food waste by 2030 (vs. 2024)	--
	50% reduction in non-food waste sent to landfill to 50% by 2025	
▪ <b>Sustainable Packaging</b>	100% biodegradable/recyclable packaging by 2025 (In-store, Takeaway & Delivery)	92%

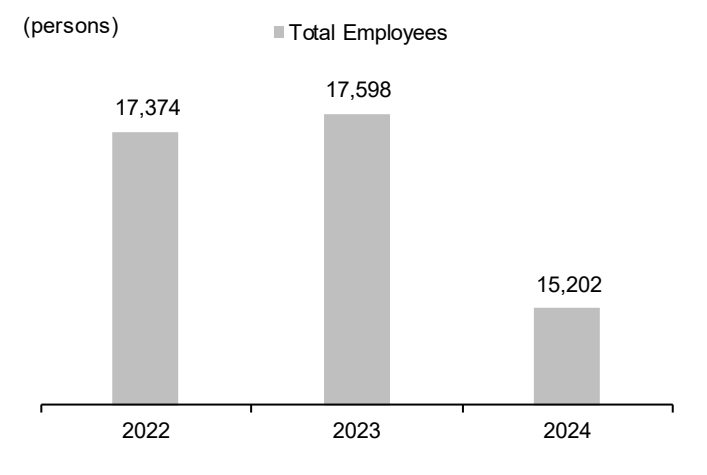
Sources: M's 2024 One Report, FSSIA's compilation

## Exhibit 75: M ESG Initiatives and Impact

ESG Initiatives		Impact
Governance	<ul style="list-style-type: none"> <li>The company places great importance on good corporate governance and operates its business with a commitment to integrity, transparency, and fairness toward all stakeholders. The company has consistently complied with applicable laws and regulations, while ensuring full disclosure of operating performance and business decision-making processes.</li> <li>The company discloses both financial and non-financial information adequately, reliably, and in a timely manner.</li> </ul>	<ul style="list-style-type: none"> <li>To ensure that shareholders and stakeholders receive equal access to information. Shareholders are treated equitably, with the right to access corporate information and appropriate communication channels with the company.</li> </ul>
	<ul style="list-style-type: none"> <li>The company has established a comprehensive policy on the use of insider information. Directors, executives, and employees of the company, as well as their spouses and minor children who have access to material information and the company's financial statements, are prohibited from buying, selling, transferring, or receiving transfers of the company's securities during the one-month period prior to the public disclosure of financial statements and until 24 hours after such disclosure (Blackout Period).</li> </ul>	<ul style="list-style-type: none"> <li>To ensure equal access to information, prevent the use of insider information for personal gain, and uphold good corporate governance</li> </ul>
	<ul style="list-style-type: none"> <li>The company conducts surveys and gathers feedback on the needs and expectations of each stakeholder group at least once a year, through methods such as direct interviews, satisfaction surveys, and various feedback channels including QR codes, the corporate website, and social media platforms.</li> </ul>	<ul style="list-style-type: none"> <li>Engaging with all stakeholders on an equal basis</li> </ul>
Social – Customers	<ul style="list-style-type: none"> <li>The company prioritizes customer safety by not only ensuring the quality and safety of raw materials, but also implementing a policy requiring staff to ask customers about potential allergies and to disclose information on allergenic ingredients.</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring customer safety and satisfaction</li> </ul>
Social - Employee	<ul style="list-style-type: none"> <li>Since 2006, the company has run the MK Service Training Center, a subsidiary that provides comprehensive training programs based on company standards. These programs are designed for all staff members—whether permanent or temporary branch employees—ensuring equal training standards and alignment with each employee's career path.</li> <li>The company reported zero labor disputes in 2024, with no human rights complaints filed by employees or external stakeholders, and no breaches of social laws or regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Develop employee skills to enhance organizational efficiency while also building employee confidence and satisfaction. Meanwhile, the company is able to further deduct employee training expenses for tax purposes.</li> </ul>
Social – Supplier	<ul style="list-style-type: none"> <li>Raw material procurement is guided by clear selection criteria, emphasizing supplier quality and valid production licenses (e.g., FDA approval, GMP, and HACCP certifications). The company also requires at least two suppliers for each material category and performs yearly evaluations on supplier qualifications, including material quality, production sites, and service performance.</li> <li>The company has purchased agricultural produce from the Royal Project since 2015. In 2024, the purchases amounted to 1,711 tonnes, accounting for 18% of the total value of vegetable procurement.</li> </ul>	<ul style="list-style-type: none"> <li>To ensure customer confidence in the quality and safety of food, as well as in the company's services.</li> <li>The program has benefited 1,617 farmers, with an average income of THB 28,118 per farmer in the community</li> </ul>
Social - Community	<ul style="list-style-type: none"> <li>The company signed an agreement with the Office of Vocational Education Commission (OVEC) and 72 affiliated vocational institutions, both public and private, to promote teaching, training, and internships in real-world settings, while also providing scholarships to help develop skilled human resources for society.</li> <li>Initiatives include contributing to the construction of a patient ward at Phra Ajahn Mun Phurithatto Hospital (Sakon Nakhon), funding emergency dialysis equipment for Buddhachinaraj Hospital (Phitsanulok), and sponsoring 13 charity runs in 2024.</li> </ul>	<ul style="list-style-type: none"> <li>Helping to prepare capable human resources for the organization and the broader community.</li> <li>With the aim of generating value for the wider society</li> </ul>
Environment	<ul style="list-style-type: none"> <li>The company has completed its greenhouse gas emissions assessment for Scope 1 and 2, and is in the process of assessing Scope 3.</li> </ul>	<ul style="list-style-type: none"> <li>We expect to see the Scope 3 assessment disclosed in the 2025 report</li> </ul>
▪ Energy Efficiency	<ul style="list-style-type: none"> <li>In 2024, the company expanded its renewable energy investment with the installation of one more solar rooftop at the CK4 Phase 2 plant (warehouse), with another installation planned for the CK5 plant in 2025. Furthermore, a project to adopt electric trucks is under study and expected to be launched by 2026.</li> </ul>	<ul style="list-style-type: none"> <li>THB24.16m (electricity cost savings)</li> </ul>
▪ Water Stewardship	<ul style="list-style-type: none"> <li>The company has not yet set a water management target, but has begun to establish water management practices such as plans to reduce water usage in production processes and reuse water from vegetable washing for cleaning other operational areas.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce water consumption by around 2% of total water usage in cleaning processes</li> </ul>
▪ Waste to wise	<ul style="list-style-type: none"> <li>M entered into an MOU with BCP to transfer used cooking oil collected from M's restaurant outlets for conversion into Sustainable Aviation Fuel (SAF).</li> <li>The company processes part of its food waste into organic fertilizer and distributes some to farmers for use as animal feed (e.g., for fish)</li> </ul>	<ul style="list-style-type: none"> <li>Around 600,000 kg of used cooking oil is upcycled per year, equivalent to a reduction of approximately 197 tCO<sub>2</sub>e</li> <li>Transforming waste into useful resources to prevent environmental harm</li> </ul>
▪ Packaging	<ul style="list-style-type: none"> <li>Redesign food ingredient bag packaging into reusable bulk containers</li> <li>Reduced the use of plastic stickers on sauce bags by printing product details directly on the packaging instead.</li> </ul>	<ul style="list-style-type: none"> <li>Plastic packaging waste reduced by 108,277 units, resulting in production cost savings of about THB0.86m per month</li> </ul>

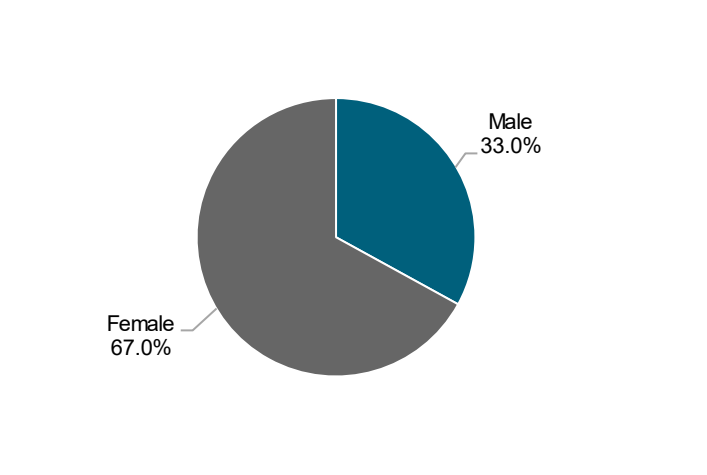
Sources: M's 2024 One Report, FSSIA's compilation

Exhibit 76: Total Number of Employees



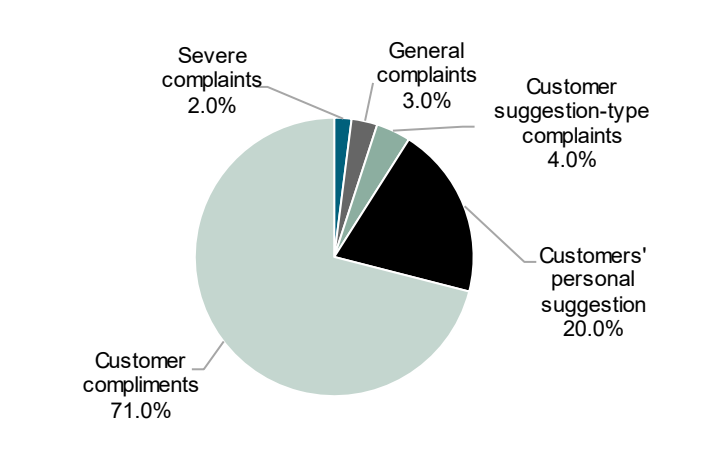
Sources: M's 2024 One Report, FSSIA's compilation

Exhibit 77: Employees breakdown by gender



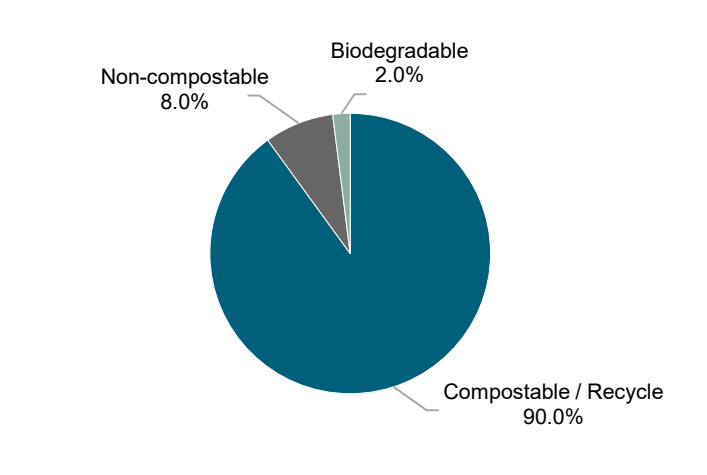
Sources: M's 2024 One Report, FSSIA's compilation

Exhibit 78: Comments and complaints breakdown in 2024



Sources: M's 2024 One Report, FSSIA's compilation

Exhibit 79: Sustainable packaging usage breakdown in 2024



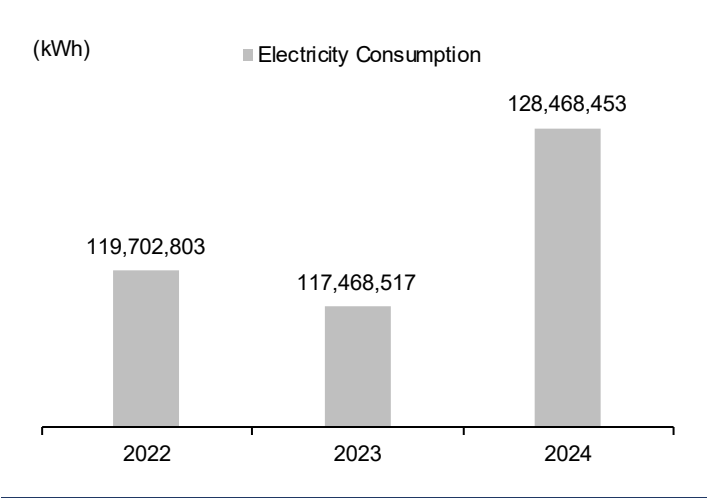
Sources: M's 2024 One Report, FSSIA's compilation

Exhibit 80: Electricity cost savings from six Solar Rooftop projects

Department	Electricity Reduction (kWh/yr)	Cost saving value (THB m)	Renewable Energy Ratio (%)
Headquarter	259,200	0.93	32.0
Central Kitchen (CK4)	800,851	3.92	26.0
CK 4 – Phase 2	455,588	2.22	20.0
Central Kitchen (CK5)	964,464	4.15	13.0
IFS Central Kitchen	571,079	2.57	27.0
M-Senko Logistics DC	2,399,493	10.36	22.0
Total	5,450,676	24.16	20.0

Sources: M's 2024 One Report, FSSIA's compilation

Exhibit 81: Electricity Consumption



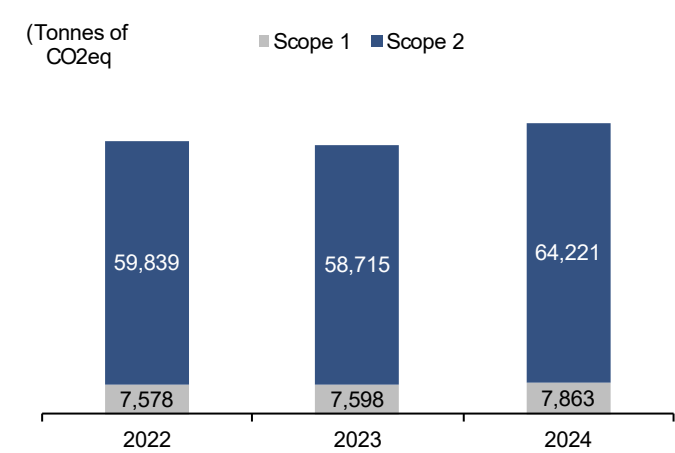
Sources: M's 2024 One Report, FSSIA's compilation

Exhibit 82: Detail of activities related to GHG (Scope1-3)

Business types	Main activity sources of greenhouse gas emissions	Direct greenhouse gas emissions (Scope 1)			Indirect greenhouse gas emission from purchased electricity (Scope 2)	Other indirect greenhouse gas emissions (Scope 3)
		Diesel	LPG	Coolant		
Food business	In-factory production processes		●		●	
	Temperature controlled rooms			●	●	
	Wastewater treatment system				●	
	Food preparation at branch		●		●	
	Office activities				●	
Logistics	Corporate vehicles	●				
Support activities	Employees' commute					●
	Paper usage in the offices					●

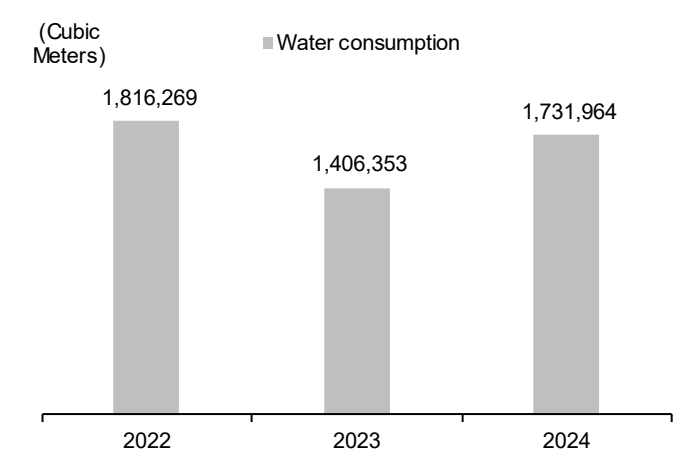
Sources: M's 2024 One Report, FSSIA's compilation

Exhibit 83: Details of sustainable packaging



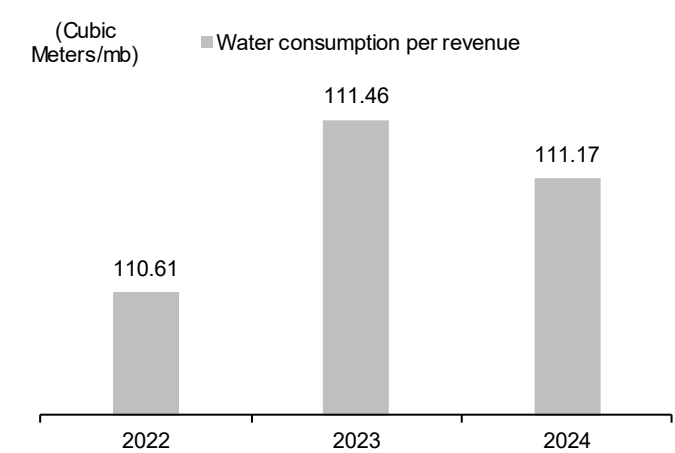
Sources: M's 2024 One Report, FSSIA's compilation

Exhibit 84: Water Consumption



Sources: M's 2024 One Report, FSSIA's compilation

Exhibit 85: Water consumption per unit of Revenue



Sources: M's 2024 One Report, FSSIA's compilation

# MK RESTAURANT GROUP PCL (M TB)

## FSSIA ESG rating


**33.45 /100**

### Exhibit 86: 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	<b>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.</b>
★☆☆☆☆	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.

Sources: FSSIA estimates

### Exhibit 87: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	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	12.75	--	--	--	--	4.00	--	High	--	--	--	--	--	--	--
M	33.45	--	--	--	5.00	5.00	Certified	Medium	--	--	--	--	27.00	2.55	48.13
MAGURO	5.00	--	--	--	--	--	--	--	--	--	--	--	--	--	--
OKJ	5.00	--	--	--	--	--	--	--	--	--	--	--	--	--	--
ZEN	32.93	--	--	AA	5.00	4.00	Certified	--	--	--	--	71.47	--	--	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

### Exhibit 88: ESG score by Bloomberg

FY ending Dec 31	FY 2021	FY 2022	FY 2023
<b>ESG financial materiality scores - ESG score</b>	2.46	2.54	2.55
BESG environmental pillar score	1.84	1.91	1.91
BESG social pillar score	2.00	2.08	2.06
BESG governance pillar score	4.58	4.72	4.78
<b>ESG disclosure score</b>	49.01	46.04	48.13
Environmental disclosure score	33.86	33.86	33.86
Social disclosure score	31.95	23.04	23.04
Governance disclosure score	81.10	81.10	87.36
<b>Environmental</b>			
Emissions reduction initiatives	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No
Risks of climate change discussed	Yes	Yes	Yes
GHG scope 1	7	8	8
GHG scope 2 location-based	53	60	59
GHG Scope 3	—	—	—
Carbon per unit of production	—	—	—
Biodiversity policy	No	No	No
Energy efficiency policy	Yes	Yes	Yes
Total energy consumption	125	139	136
Renewable energy use	—	—	—
Electricity used	106	120	117
Fuel used - natural gas	—	—	—

Sources: Bloomberg; FSSIA's compilation

**Exhibit 89: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No	No
Waste reduction policy	Yes	Yes	Yes
Hazardous waste	—	—	—
Total waste	0	0	0
Waste recycled	—	—	—
Waste sent to landfills	—	—	—
Environmental supply chain management	Yes	Yes	Yes
Water policy	Yes	Yes	Yes
Water consumption	1,387	1,816	1,406
<b>Social</b>			
Human rights policy	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes
Consumer data protection policy	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes
Gender pay gap breakout	No	No	No
Pct women in workforce	71	67	67
Pct disabled in workforce	—	—	—
Business ethics policy	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes
Lost time incident rate - employees	1	1	1
Total recordable incident rate - employees	—	—	—
Training policy	Yes	Yes	Yes
Fair remuneration policy	No	No	No
Number of employees – CSR	15,108	17,374	17,598
Employee turnover pct	52	—	—
Total hours spent by firm - employee training	876,264	712,334	862,302
Social supply chain management	Yes	Yes	Yes
<b>Governance</b>			
<b>Board size</b>	10	10	11
<b>No. of independent directors (ID)</b>	5	6	7
No. of women on board	2	2	2
No. of non-executive directors on board	7	9	10
Company conducts board evaluations	Yes	Yes	Yes
No. of board meetings for the year	7	5	5
Board meeting attendance pct	97	96	98
Board duration (years)	3	3	3
Director share ownership guidelines	No	No	No
Age of the youngest director	60	61	62
Age of the oldest director	82	83	84
<b>No. of executives / company managers</b>	5	9	9
No. of female executives	2	3	3
Executive share ownership guidelines	No	No	No
<b>Size of audit committee</b>	3	3	3
No. of ID on audit committee	3	3	3
Audit committee meetings	6	6	6
Audit meeting attendance %	100	100	100
<b>Size of compensation committee</b>	3	3	3
No. of ID on compensation committee	2	2	2
No. of compensation committee meetings	2	2	2
Compensation meeting attendance %	100	100	100
<b>Size of nomination committee</b>	3	3	3
No. of nomination committee meetings	2	2	2
Nomination meeting attendance %	100	100	100
<b>Sustainability governance</b>			
Verification type	No	No	Yes

Sources: Bloomberg; FSSIA's compilation

## Valuation and Target Price

We roll forward our target price to 2026 at THB31, based on a re-rating of the target P/E multiple from 15x (-1.25 SD) to 20x (-0.5 SD), supported by:

1. The company's move outside its comfort zone and strategy realignment to match consumer demand and purchasing power.
2. Leveraging its core strengths—a strong brand image for high-quality, good-tasting food and impressive service.
3. Initial positive results from this strategy shift, which, though still in the early stage, provide visibility of a positive earnings momentum into 2H25–2026.
4. A robust liquidity and financial position.

That said, we still take a conservative stance in our valuation by applying a target P/E multiple below the 5-year historical average of 24x, given that:

- Our 3-year net profit forecast remains below the company's historical peak of THB2.6b in 2019.
- The shift into a buffet model entails risks from intensifying competition, raw material price volatility, and rising labor and rental costs.
- The company still needs to improve its environmental practices to enhance its chances of receiving an SET ESG rating.

## Peer Comparison and Multiples

Currently, M trades at 15x 2026E P/E, broadly in line with restaurant peers and below the sector's historical average of 20–25x. The strategy shift has already shown a positive impact, with SSSG turning positive, reinforcing clearer growth visibility.

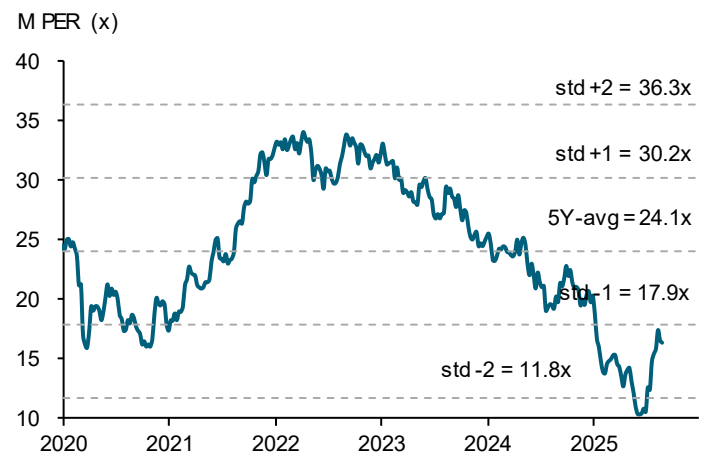
In terms of PBV and EV/EBITDA, M is trading at 1.5x and 4.7x, respectively, below the sector's average of 2.4x and 5.6x. Coupled with its high dividend payout ratio (85%) and expected dividend yield of 5–6% annually (paid semi-annually), we position M as our top pick in the restaurant sector.

### Exhibit 90: Peers comparison as of 3 Sep 2025

Company	BBG	Rec	Share price			Market Cap	PE		ROE		PBV		EV/EBITDA	
			Current	Target	Upside		25E	26E	25E	26E	25E	26E	25E	26E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
<b>Thailand</b>														
MK restaurant group	M TB	BUY	23.60	31.00	31	659	19.1	15.3	8.4	10.5	1.6	1.6	5.2	4.8
Maguro Group	MAGURO TB	BUY	18.70	24.50	31	73	18.0	14.6	19.5	22.5	3.4	3.2	6.9	6.0
Zen corporation group	ZEN TB	HOLD	6.35	6.50	2	59	17.8	15.9	7.8	8.4	1.4	1.3	4.0	3.5
Pluk Phak Praw Rak Mae	OKJ TB	n/a	5.70	n/a	n/a	108	17.8	13.1	11.3	13.8	1.9	1.7	7.0	5.2
After you	AU TB	n/a	6.10	n/a	n/a	154	18.6	16.1	24.1	26.4	4.5	4.2	9.2	8.6
<b>Thailand average</b>						<b>1,053</b>	<b>18.3</b>	<b>15.0</b>	<b>14.2</b>	<b>16.3</b>	<b>2.5</b>	<b>2.4</b>	<b>6.5</b>	<b>5.6</b>
<b>Regional</b>														
Uni-President China Holdings	220 HK	n/a	9.53	n/a	n/a	5,140	16.3	14.9	16.7	17.9	2.7	2.6	8.9	8.2
Xiabuxiabu Catering Manageme	520 HK	n/a	0.83	n/a	n/a	114	n/a	n/a	(14.6)	(14.3)	0.9	0.9	2.3	2.3
Guangzhou Restaurant Group	603043 CH	n/a	16.94	n/a	n/a	1,375	18.0	16.1	13.1	13.6	2.4	2.2	11.4	10.5
Tongqinglou Catering	605108 CH	n/a	20.60	n/a	n/a	761	27.2	17.5	8.2	11.7	2.3	2.1	11.5	8.9
Haidilao International	6862 HK	n/a	13.51	n/a	n/a	9,548	15.6	13.8	40.0	41.6	6.0	5.3	8.4	7.7
Jollibee Foods	JFC PM	n/a	234.00	n/a	n/a	4,558	23.3	19.4	14.0	15.4	3.2	2.9	9.5	8.4
Jubilant Foodworks	JUBI IN	n/a	634.85	n/a	n/a	4,920	160.1	110.9	12.5	16.0	17.8	18.3	30.7	25.6
Yum China Holdings	YUMC US	n/a	44.40	n/a	n/a	16,345	17.6	15.5	16.2	18.1	2.9	2.8	8.5	7.9
Domino's Pizza	DPZ US	n/a	466.60	n/a	n/a	15,841	26.5	23.9	(15.3)	(17.0)	n/a	n/a	19.8	18.3
<b>Regional average</b>						<b>58,602</b>	<b>38.1</b>	<b>29.0</b>	<b>10.1</b>	<b>11.5</b>	<b>4.8</b>	<b>4.6</b>	<b>12.3</b>	<b>10.9</b>
<b>Overall average</b>						<b>59,655</b>	<b>30.4</b>	<b>23.6</b>	<b>11.6</b>	<b>13.2</b>	<b>3.9</b>	<b>3.8</b>	<b>10.2</b>	<b>9.0</b>

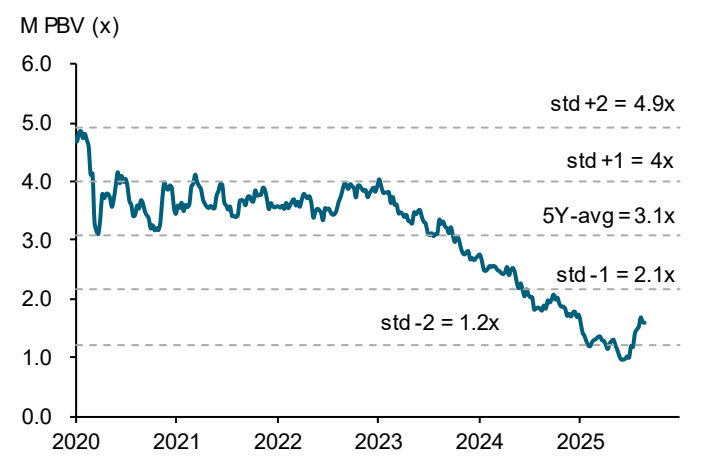
Sources: Bloomberg, FSSIA estimates

Exhibit 91: Historical P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 92: Historical P/BV band



Sources: Bloomberg, FSSIA estimates



## Risk factors

### Risk from high competition

The restaurant industry is inherently competitive due to the large number of operators, the relatively low barriers to entry, and the rapidly changing consumer behavior. Competition is typically based on pricing, food quality, menu variety, value perception, service quality, number of outlets, and locations. Even if the company receives strong customer feedback, there remains the risk of losing market share in the future if it fails to adapt and maintain brand strength, which could ultimately impact operating performance.

### Risk from economic slowdown and weaker purchasing power

Although food is a necessity, restaurants are considered a service industry exposed to competition across different price ranges. The business is therefore vulnerable to economic slowdowns or weaker consumer purchasing power. Middle- to lower-income consumers may see declining affordability, while middle- to upper-income groups may also become more cautious, reflecting in reduced spending on higher-priced meals or less frequent dining out. As such, restaurant operators may experience pressure on revenues.

### Risk from fluctuating raw material prices

Raw materials account for roughly 80–90% of total costs (or about 33–35% of total revenue), making them the largest cost component. MK's key raw materials include duck, pork, beef, seafood, and vegetables, most of which are agricultural products subject to price volatility. Should raw material prices rise significantly, especially duck and pork, which together represent around 20% of total costs, and the company is unable to pass on costs immediately, operating performance would be affected. However, MK is a major buyer and can partially mitigate this risk through forward contracts (typically 3–6 months to 1 year).

### Risk from rising employee expenses

The restaurant industry is labor-intensive, requiring around 30–40 employees per outlet. At the end of 2024, MK had 15,202 employees, of which 86% were full-time and 14% (around 2,147 people) were part-time. Labor costs in 2024 were approximately THB4.7b, representing 53% of total expenses and 30% of total revenue, making them the largest cost item after raw materials. Increases in the minimum wage or annual salary adjustments could push overall expenses higher. If revenue growth does not keep pace with rising labor costs, this could negatively impact operating margins.

### Risk from non-renewal of the Yayoi franchise agreement

MK Interfood operates Yayoi, a Japanese restaurant chain, under a franchise agreement with Plenus Co., Ltd. The contract has a 3-year term, renewable in 3-year increments. The company has operated Yayoi for more than 10 years, and as of 1H25 had 187 outlets, generating around THB2.8b in 2024 (accounting for 18% of MK Group's total revenue). There is therefore a material risk if the franchise contract is not renewed.

### Risk from disease outbreaks and natural disaster

Thailand has faced COVID-19 outbreaks in recent years, which caused consumers to avoid dining out and negatively impacted the restaurant industry through lower customer traffic. With staff and rental costs being largely fixed, delivery sales could not fully compensate for lost dine-in revenue. In addition, natural disasters (e.g., storms, floods, earthquakes) could damage the central kitchen or outlets and disrupt operations, leading to temporary closures and reduced revenue.

## Financial Statements

### MK Restaurant Group

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	16,661	15,418	14,360	16,784	18,769
Cost of goods sold	(5,648)	(5,028)	(4,983)	(6,125)	(6,964)
<b>Gross profit</b>	<b>11,013</b>	<b>10,390</b>	<b>9,377</b>	<b>10,659</b>	<b>11,805</b>
Other operating income	365	438	359	403	450
Operating costs	(9,288)	(9,006)	(8,286)	(9,280)	(10,267)
<b>Operating EBITDA</b>	<b>4,072</b>	<b>3,769</b>	<b>3,412</b>	<b>3,755</b>	<b>3,975</b>
Depreciation	(1,980)	(1,946)	(1,961)	(1,974)	(1,986)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>2,091</b>	<b>1,822</b>	<b>1,450</b>	<b>1,782</b>	<b>1,988</b>
Net financing costs	(95)	(104)	(108)	(106)	(106)
Associates	(9)	8	4	5	5
Recurring non-operating income	(9)	8	4	5	5
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>1,987</b>	<b>1,726</b>	<b>1,346</b>	<b>1,680</b>	<b>1,887</b>
Tax	(280)	(264)	(202)	(252)	(283)
<b>Profit after tax</b>	<b>1,707</b>	<b>1,461</b>	<b>1,144</b>	<b>1,428</b>	<b>1,604</b>
Minority interests	(25)	(20)	(7)	(5)	(3)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>1,682</b>	<b>1,442</b>	<b>1,137</b>	<b>1,423</b>	<b>1,601</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>1,682</b>	<b>1,442</b>	<b>1,137</b>	<b>1,423</b>	<b>1,601</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.83	1.57	1.23	1.55	1.74
Reported EPS	1.83	1.57	1.23	1.55	1.74
DPS	1.60	1.50	1.17	1.31	1.48
Diluted shares (used to calculate per share data)	921	921	921	921	921
<b>Growth</b>					
Revenue (%)	5.9	(7.5)	(6.9)	16.9	11.8
Operating EBITDA (%)	5.3	(7.4)	(9.5)	10.1	5.8
Operating EBIT (%)	11.8	(12.9)	(20.4)	22.8	11.6
Recurring EPS (%)	16.9	(14.3)	(21.1)	25.2	12.5
Reported EPS (%)	16.9	(14.3)	(21.1)	25.2	12.5
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	66.1	67.4	65.3	63.5	62.9
Gross margin exc. depreciation (%)	78.0	80.0	79.0	75.3	73.5
Operating EBITDA margin (%)	24.4	24.4	23.8	22.4	21.2
Operating EBIT margin (%)	12.6	11.8	10.1	10.6	10.6
Net margin (%)	10.1	9.3	7.9	8.5	8.5
Effective tax rate (%)	14.1	15.3	15.0	15.0	15.0
Dividend payout on recurring profit (%)	87.6	95.8	95.0	85.0	85.0
Interest cover (X)	21.9	17.5	13.4	16.8	18.7
Inventory days	40.1	44.9	46.9	40.1	39.4
Debtor days	2.5	2.9	3.2	2.8	2.8
Creditor days	154.0	174.9	153.2	120.4	118.3
Operating ROIC (%)	450.4	104.0	45.7	57.4	67.2
ROIC (%)	17.9	14.9	11.2	13.1	13.5
ROE (%)	12.3	10.6	8.4	10.5	11.6
ROA (%)	8.9	7.8	6.3	7.5	8.1

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
MK	12,455	11,088	10,312	11,033	11,806
Yayoi	2,999	2,811	2,615	2,745	2,883
LCS	1,000	1,078	970	1,019	1,070
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	1,137	1,423	1,601
Depreciation	1,980	1,946	1,961	1,974	1,986
Associates & minorities	37	12	(18)	0	0
Other non-cash items	0	0	0	0	0
Change in working capital	214	(456)	40	221	165
<b>Cash flow from operations</b>	<b>3,914</b>	<b>2,943</b>	<b>3,120</b>	<b>3,618</b>	<b>3,753</b>
Capex - maintenance	(1,982)	(3,322)	(2,589)	(2,900)	(3,250)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(449)	999	197	(104)	(84)
<b>Cash flow from investing</b>	<b>(2,431)</b>	<b>(2,322)</b>	<b>(2,392)</b>	<b>(3,004)</b>	<b>(3,334)</b>
Dividends paid	(1,270)	(1,856)	(1,080)	(1,210)	(1,361)
Equity finance	0	0	0	0	0
Debt finance	(10)	(219)	225	227	227
Other financing cash flows	(118)	39	(91)	170	139
<b>Cash flow from financing</b>	<b>(1,397)</b>	<b>(2,036)</b>	<b>(946)</b>	<b>(813)</b>	<b>(995)</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>85</b>	<b>(1,415)</b>	<b>(218)</b>	<b>(199)</b>	<b>(577)</b>
Free cash flow to firm (FCFF)	1,577.48	725.50	836.11	720.34	524.61
Free cash flow to equity (FCFE)	1,355.18	440.98	862.20	1,010.85	784.20
<b>Per share (THB)</b>					
FCFF per share	1.71	0.79	0.91	0.78	0.57
FCFE per share	1.47	0.48	0.94	1.10	0.85
Recurring cash flow per share	4.02	3.69	3.35	3.69	3.90
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)
<b>Tangible fixed assets (net)</b>	<b>2,798</b>	<b>4,523</b>	<b>4,728</b>	<b>4,882</b>	<b>5,035</b>
<b>Intangible fixed assets (net)</b>	<b>5,434</b>	<b>5,060</b>	<b>5,494</b>	<b>6,266</b>	<b>7,377</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	2,840	1,868	1,868	1,868	1,868
Cash & equivalents	7,865	6,449	6,232	6,033	5,456
A/C receivable	110	133	118	138	154
Inventories	391	368	410	503	572
Other current assets	76	132	72	84	94
<b>Current assets</b>	<b>8,441</b>	<b>7,081</b>	<b>6,831</b>	<b>6,758</b>	<b>6,277</b>
Other assets	834	839	646	755	845
<b>Total assets</b>	<b>20,347</b>	<b>19,372</b>	<b>19,567</b>	<b>20,529</b>	<b>21,401</b>
Common equity	13,843	13,429	13,497	13,711	13,951
Minorities etc.	351	371	357	362	367
<b>Total shareholders' equity</b>	<b>14,194</b>	<b>13,800</b>	<b>13,854</b>	<b>14,073</b>	<b>14,318</b>
Long term debt	2,008	1,836	1,936	2,086	2,236
Other long-term liabilities	1,058	1,096	1,005	1,175	1,314
<b>Long-term liabilities</b>	<b>3,065</b>	<b>2,933</b>	<b>2,941</b>	<b>3,261</b>	<b>3,550</b>
A/C payable	1,646	1,307	1,229	1,510	1,717
Short term debt	0	0	0	0	0
Other current liabilities	1,441	1,332	1,543	1,685	1,816
<b>Current liabilities</b>	<b>3,087</b>	<b>2,639</b>	<b>2,771</b>	<b>3,195</b>	<b>3,533</b>
<b>Total liabilities and shareholders' equity</b>	<b>20,347</b>	<b>19,372</b>	<b>19,567</b>	<b>20,529</b>	<b>21,401</b>
Net working capital	(2,511)	(2,007)	(2,172)	(2,470)	(2,712)
Invested capital	9,395	10,283	10,564	11,301	12,412
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	15.03	14.58	14.66	14.89	15.15
Tangible book value per share	9.13	9.09	8.69	8.08	7.14
<b>Financial strength</b>					
Net debt/equity (%)	(41.3)	(33.4)	(31.0)	(28.0)	(22.5)
Net debt/total assets (%)	(28.8)	(23.8)	(22.0)	(19.2)	(15.0)
Current ratio (x)	2.7	2.7	2.5	2.1	1.8
CF interest cover (x)	15.2	5.2	9.0	10.5	8.4
Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>12.9</b>	<b>15.1</b>	<b>19.1</b>	<b>15.3</b>	<b>13.6</b>
<b>Recurring P/E @ target price (x) *</b>	<b>17.0</b>	<b>19.8</b>	<b>25.1</b>	<b>20.1</b>	<b>17.8</b>
Reported P/E (x)	12.9	15.1	19.1	15.3	13.6
Dividend yield (%)	6.8	6.4	5.0	5.6	6.3
Price/book (x)	1.6	1.6	1.6	1.6	1.6
Price/tangible book (x)	2.6	2.6	2.7	2.9	3.3
EV/EBITDA (x) **	4.0	4.6	5.2	4.8	4.8
EV/EBITDA @ target price (x) **	5.7	6.4	7.2	6.6	6.5
EV/invested capital (x)	1.7	1.7	1.7	1.6	1.5
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: MK Restaurant Group; FSSIA estimates

# MK RESTAURANT GROUP PCL (M TB)

## FSSIA ESG rating


**33.45 /100**

### Exhibit 93: 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	<b>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.</b>
★☆☆☆☆	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.

Sources: FSSIA estimates

### Exhibit 94: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	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	12.75	--	--	--	--	4.00	--	High	--	--	--	--	--	--	--
M	33.45	--	--	--	5.00	5.00	Certified	Medium	--	--	--	--	27.00	2.55	48.13
MAGURO	5.00	--	--	--	--	--	--	--	--	--	--	--	--	--	--
OKJ	5.00	--	--	--	--	--	--	--	--	--	--	--	--	--	--
ZEN	32.93	--	--	AA	5.00	4.00	Certified	--	--	--	--	71.47	--	--	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

### Exhibit 95: ESG score by Bloomberg

FY ending Dec 31	FY 2021	FY 2022	FY 2023
<b>ESG financial materiality scores - ESG score</b>	2.46	2.54	2.55
BESG environmental pillar score	1.84	1.91	1.91
BESG social pillar score	2.00	2.08	2.06
BESG governance pillar score	4.58	4.72	4.78
<b>ESG disclosure score</b>	49.01	46.04	48.13
Environmental disclosure score	33.86	33.86	33.86
Social disclosure score	31.95	23.04	23.04
Governance disclosure score	81.10	81.10	87.36
<b>Environmental</b>			
Emissions reduction initiatives	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No
Risks of climate change discussed	Yes	Yes	Yes
GHG scope 1	7	8	8
GHG scope 2 location-based	53	60	59
GHG Scope 3	—	—	—
Carbon per unit of production	—	—	—
Biodiversity policy	No	No	No
Energy efficiency policy	Yes	Yes	Yes
Total energy consumption	125	139	136
Renewable energy use	—	—	—
Electricity used	106	120	117
Fuel used - natural gas	—	—	—

Sources: Bloomberg; FSSIA's compilation

**Exhibit 96: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No	No
Waste reduction policy	Yes	Yes	Yes
Hazardous waste	—	—	—
Total waste	0	0	0
Waste recycled	—	—	—
Waste sent to landfills	—	—	—
Environmental supply chain management	Yes	Yes	Yes
Water policy	Yes	Yes	Yes
Water consumption	1,387	1,816	1,406
<b>Social</b>			
Human rights policy	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes
Consumer data protection policy	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes
Gender pay gap breakout	No	No	No
Pct women in workforce	71	67	67
Pct disabled in workforce	—	—	—
Business ethics policy	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes
Lost time incident rate - employees	1	1	1
Total recordable incident rate - employees	—	—	—
Training policy	Yes	Yes	Yes
Fair remuneration policy	No	No	No
Number of employees – CSR	15,108	17,374	17,598
Employee turnover pct	52	—	—
Total hours spent by firm - employee training	876,264	712,334	862,302
Social supply chain management	Yes	Yes	Yes
<b>Governance</b>			
<b>Board size</b>	10	10	11
<b>No. of independent directors (ID)</b>	5	6	7
No. of women on board	2	2	2
No. of non-executive directors on board	7	9	10
Company conducts board evaluations	Yes	Yes	Yes
No. of board meetings for the year	7	5	5
Board meeting attendance pct	97	96	98
Board duration (years)	3	3	3
Director share ownership guidelines	No	No	No
Age of the youngest director	60	61	62
Age of the oldest director	82	83	84
<b>No. of executives / company managers</b>	5	9	9
No. of female executives	2	3	3
Executive share ownership guidelines	No	No	No
<b>Size of audit committee</b>	3	3	3
No. of ID on audit committee	3	3	3
Audit committee meetings	6	6	6
Audit meeting attendance %	100	100	100
<b>Size of compensation committee</b>	3	3	3
No. of ID on compensation committee	2	2	2
No. of compensation committee meetings	2	2	2
Compensation meeting attendance %	100	100	100
<b>Size of nomination committee</b>	3	3	3
No. of nomination committee meetings	2	2	2
Nomination meeting attendance %	100	100	100
<b>Sustainability governance</b>			
Verification type	No	No	Yes

Sources: Bloomberg; FSSIA's compilation

## 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.																			
SET ESG Ratings List ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	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 <b>SETESG inclusion</b> , 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. <b>SETESG Index</b> 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.																			
<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 Sustainalytics</a>	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 &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+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
<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

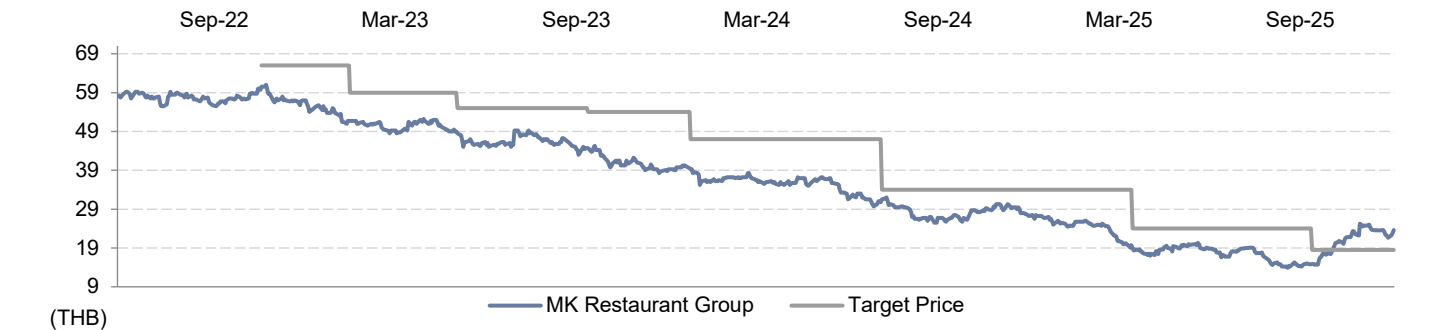
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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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	24-Jun-2025	HOLD	18.50
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 23.60	BUY	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 03-Sep-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.