

# MK RESTAURANT GROUP

THAILAND / FOOD &amp; BEVERAGE

M TB

## HOLD

UNCHANGED

TARGET PRICE	THB23.00
CLOSE	THB20.60
UP/DOWNSIDE	+11.7%
PRIOR TP	THB23.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-5.8%

## Potential Bonus turnaround in 1H26

- 4Q25 earnings expected to decline further, potentially reaching a 17-quarter low.
- Accelerated Bonus expansion signals management confidence, with a potential turnaround in 1H26.
- Positive on strategy, awaiting a clearer earnings recovery.

### Buffet offering supports revenue growth

We expect 4Q25 total revenue to grow by 1.5% q-q and 7.0% y-y, driven by SSSG of +1% y-y, led by MK (+3%), while Yayoi and LCS remain weak at -1% and -15% y-y. For MK, buffet-driven traffic remains positive y-y, while flat q-q buffet sales keep a la carte revenue at a high around 70% of MK sales. As of end-2025, the company had opened 15 Bonus Suki branches, which have been well received. We estimate Bonus to contribute around 2.5% of total revenue in 2H25, or 1.3% of 2025 revenue. Meanwhile, we expect Bonus's gross margin to remain below 50% as the menu is still being optimized. Therefore, we forecast overall gross margin in 4Q25 to soften to 62.5%, from 63.9% in 3Q25.

### Bonus Suki expenses continue to pressure 4Q25 earnings

We expect 4Q25 net profit to decline to THB192m (-15.0% q-q, -45.6% y-y), marking the lowest level in 17 quarters since the COVID period. The decline is driven by expenses related to the accelerated rollout of Bonus Suki branches and higher labor costs, as stores remain overstaffed to support training for new outlets. In addition, employee bonus expenses are typically higher in 4Q. As a result, total expenses are expected to increase by 1.0% q-q and 6.7% y-y. SG&A to sales for Bonus is expected to remain high at 58.0%, similar to MK and well above peers at 35-40%. Overall, losses from Bonus Suki continue to dilute core earnings.

### Expect Bonus Suki to turn profitable in 1H26

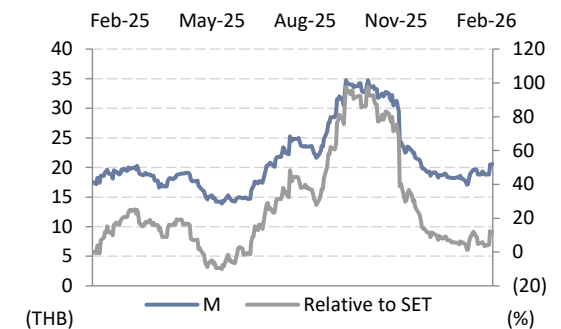
Management targets opening 55 new Bonus branches in 2026, bringing the total to 70 branches. This reflects growing confidence in the model, with a target for Bonus to turn profitable in 1H26 after a full year of operations and further optimization. In 1Q26, the company also opened seven new branches across other brands: 2 MK, 2 Yayoi, 2 LCS, and 1 Hikiniku at Siam Paragon, its 3rd Hikiniku branch. Additional new brands are planned for 2H26. We favor the strategy of expanding new brands with limited store counts, while MK maintains its footprint and closes underperforming outlets. For Bonus, we view around 100 branches as a reasonable ceiling for sustainable growth.

### Maintain HOLD rating, awaiting earnings recovery

We maintain our 2026E earnings at THB1.15b (+24.3% y-y). We expect the company to bottom out in 4Q25, with a gradual recovery from 1Q26 onward, supported by narrowing losses at Bonus Suki. However, our forecasts still face downside risks from intensifying competition and shifting consumer behavior. We therefore maintain a HOLD call and expect an annual dividend yield of 5%.

### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	15,418	15,161	17,383	18,931
Net profit	1,442	928	1,153	1,313
EPS (THB)	1.57	1.01	1.25	1.43
vs Consensus (%)	-	(8.0)	(2.7)	(0.3)
EBITDA	3,769	3,161	3,475	3,701
Recurring net profit	1,442	928	1,153	1,313
Core EPS (THB)	1.57	1.01	1.25	1.43
Chg. In EPS est. (%)	-	(4.5)	0.2	0.0
EPS growth (%)	(14.3)	(35.6)	24.3	13.8
Core P/E (x)	13.2	20.4	16.5	14.5
Dividend yield (%)	7.3	4.8	5.5	6.2
EV/EBITDA (x)	3.9	4.7	4.6	4.5
Price/book (x)	1.4	1.4	1.4	1.4
Net debt/Equity (%)	(33.4)	(31.5)	(25.2)	(17.9)
ROE (%)	10.6	6.9	8.5	9.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	12.0	(34.1)	17.7
Relative to country (%)	6.5	(36.6)	12.5
Mkt cap (USD m)	586		
3m avg. daily turnover (USD m)	2.7		
Free float (%)	36		
Major shareholder	Thirakomen Family (37%)		
12m high/low (THB)	35.25/13.80		
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.

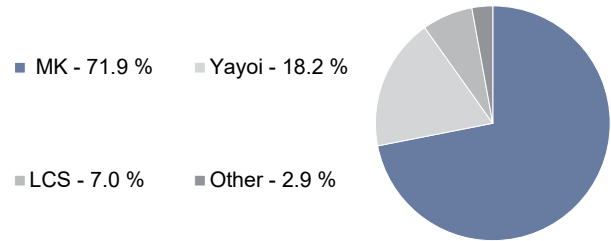
Moving into the buffet model is the right direction, but the company is still refining the model and needs to generate stronger operating leverage. The company is accelerating Bonus Suki expansion, targeting 70-100 in 2026-27. We expect gradual improvements in the buffet model's profitability from 2H26 onward, particularly through stronger operating leverage at MK Buffet, which—if successful—should support a clearer earnings recovery.

### Company profile

M opened its first Sukiyaki restaurant in Thailand in 1984 and 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, such as Miyazaki, Hakata, Na Siam, Le Siam. In 2024, MK gained renewed attention by securing franchise rights to open Hikiniku To Come, a Japanese-style Hamburg steak restaurant. The first branch, located at Central World, has received positive feedback.

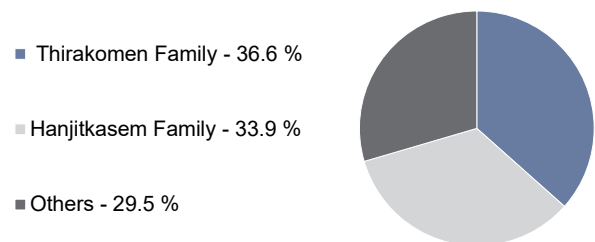
[www.mkrestaurant.com](http://www.mkrestaurant.com)

### Principal activities (revenue, 2024)



Source: MK Restaurant Group

### Major shareholders



Source: MK Restaurant Group

### Catalysts

Potential catalysts for M's earnings growth in 2026 include 1) foot traffic growth and food price hikes; 2) tourism recovery, which would drive international customers; 3) lower raw material costs; and 4) new store expansions.

### Risks to our call

Downside and upside risks to our TP include 1) a slower or faster-than-expected consumption recovery and more intense competition; 2) slower or faster-than-expected decreases in raw material costs; 3) a lower or higher-than-expected new store expansion; and 4) a minimum wage increase and labor shortages.

### Event calendar

Date	Event
26 February 2026	4Q25 results announcement

### Key assumptions

	2025E	2026E	2027E
SSSG (%)	(2.7)	3.0	3.0
Total stores (no.)	689	745	793
Total revenue growth (%)	(1.7)	14.7	8.9
Gross margin (%)	64.5	60.7	60.3
SG&A to sale (%)	58.8	54.4	53.7

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

## Exhibit 1: List of Bonus Suki branches as of February 2026

No.	Year	Date	Branches	Provinces
1	2025	16-Jul	Robinson Saraburi	Saraburi
2	2025	29-Aug	Makro-Lotus Chi Nat	Chi Nat
3	2025	10-Sep	Little Walk Ramkhamhaeng	Bangkok
4	2025	10-Oct	Yes Bangpli	Samutprakarn
5	2025	17-Oct	Fairy Plaza	Khon Kaen
6	2025	24-Oct	Sermthai Complex	Maharakham
7	2025	31-Oct	Srisakol Mall	Sakon Nakhon
8	2025	07-Nov	Star I.T Center	Rayong
9	2025	14-Nov	Sahathai	Suratthani
10	2025	21-Nov	Robinson Banchang	Rayong
11	2025	24-Nov	BigC Rangsit Klong 6	Pathum Thani
12	2025	28-Nov	BigC Bangyai	Nonthaburi
13	2025	04-Dec	BigC Amnat Charoen	Amnat Charoen
14	2025	12-Dec	Sunee Tower	Ubon Ratchathani
15	2025	22-Dec	BigC Aomyai	Nakhon Pathom
16	2026	09-Jan	UD Town	Udon Thani
17	2026	16-Jan	Tukcom Sriracha	Chonburi
18	2026	19-Jan	Hat Yai Village	Songkhla
19	2026	23-Jan	BigC Rama2	Bangkok
20	2026	30-Jan	BigC Hang Dong Mae Hia	Chiang Mai
21	2026	06-Feb	iPlace Park Lat Krabang	Bangkok
22	2026	13-Feb	Thyme Bangna	Bangkok
23	2026	20-Feb	Laemtong Shopping Plaza Bangsaen	Chonburi
24	2026	27-Feb	BigC Chanthaburi	Chanthaburi

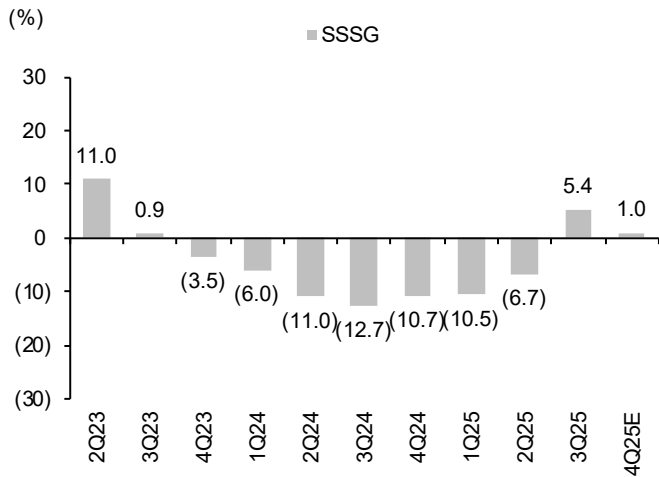
Sources: Bonus Suki's Facebook, FSSIA's compilation

## Exhibit 2: M – 4Q25 earnings preview

	4Q24	1Q25	2Q25	3Q25	4Q25E	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Sales	3,683	3,541	3,793	3,884	3,943	1.5	7.0
Cost of sales	1,217	1,188	1,319	1,403	1,479	5.4	21.5
Gross profit	2,466	2,353	2,474	2,482	2,464	(0.7)	(0.1)
SG&A	2,144	2,147	2,211	2,267	2,287	0.9	6.7
Operating profit	463	298	354	294	253	(13.8)	(45.3)
Interest expense	25	25	24	22	22	(0.1)	(10.3)
Tax expense	85	41	57	46	39	(14.3)	(53.7)
Reported net profit	353	234	276	226	192	(15.0)	(45.6)
Core profit	353	234	276	226	192	(15.0)	(45.6)
<b>Key ratios (%)</b>						<b>(ppt)</b>	<b>(ppt)</b>
Gross margin	67.0	66.5	65.2	63.9	62.5	(1.4)	(4.5)
SG&A to sales	58.2	60.6	58.3	58.4	58.0	(0.4)	(0.2)
Operating margin	12.6	8.4	9.3	7.6	6.4	(1.1)	(6.1)
Net margin	9.6	6.6	7.3	5.8	4.9	(0.9)	(4.7)
Core margin	9.6	6.6	7.3	5.8	4.9	(0.9)	(4.7)
<b>Operating statistics</b>							
SSSG (%)	(10.7)	(10.5)	(6.7)	5.4	1.0		
Total stores (no.)	692	688	684	675	689		
-MK	441	439	437	432	432		
-Yayoi	191	189	187	183	184		
-LCS	40	39	40	40	41		
-Bonus	0	0	0	3	15		
-Hikiniku To Come	1	1	1	2	2		
-Other Brand	19	20	19	15	17		

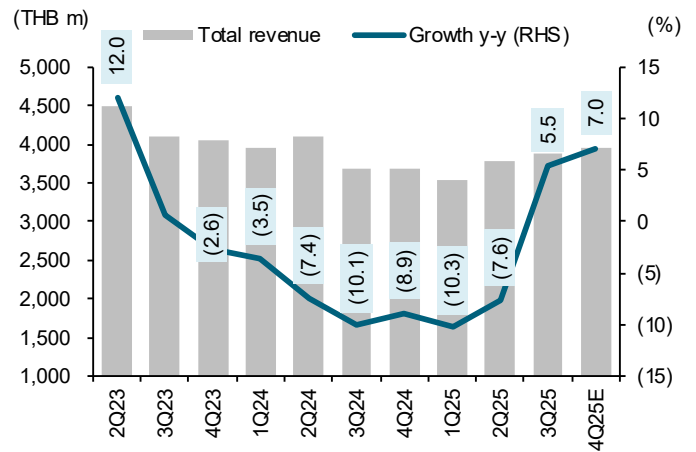
Sources: M; FSSIA estimates

**Exhibit 3: Quarterly SSSG**



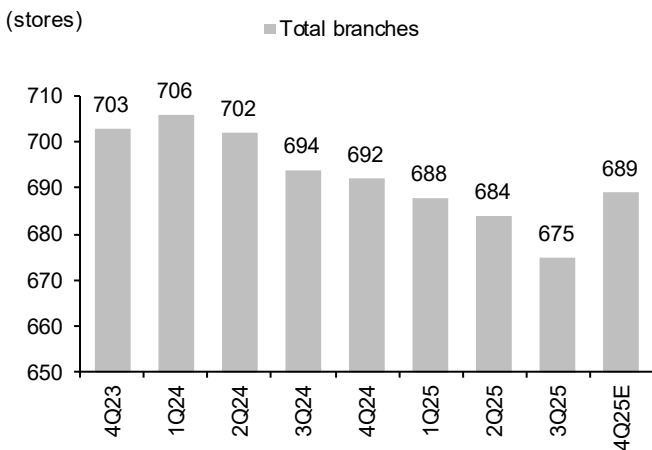
Sources: M; FSSIA estimates

**Exhibit 4: Total revenue and growth**



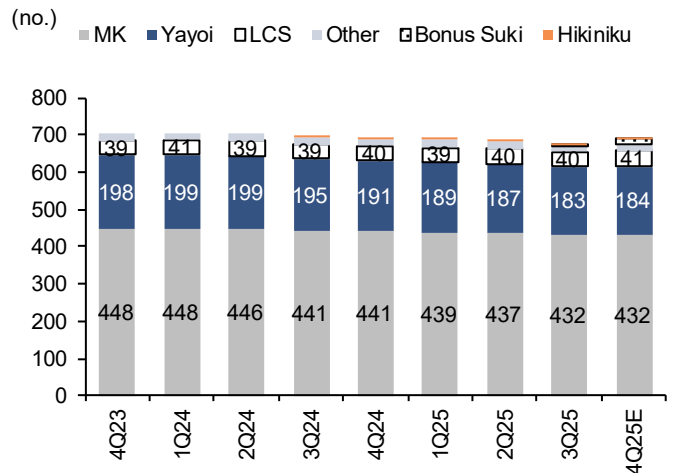
Sources: M; FSSIA estimates

**Exhibit 5: Quarterly total branches**



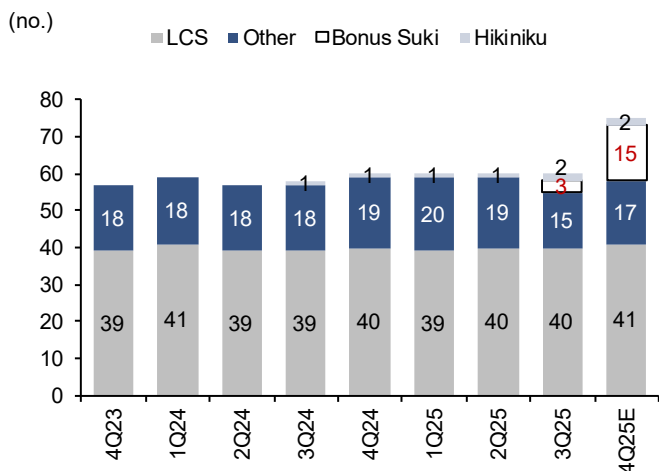
Sources: M; FSSIA estimates

**Exhibit 6: Branch breakdown by brand**



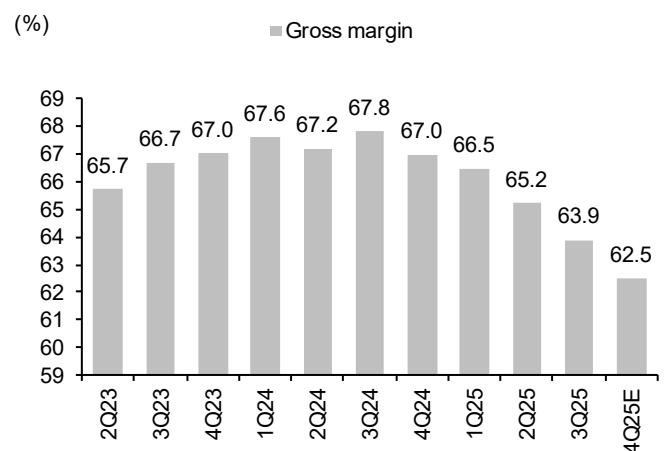
Sources: M; FSSIA estimates

**Exhibit 7: Number of branches (LCS, Bonus Suki, Hikiniku, other brands; excluding MK and Yayoi)**



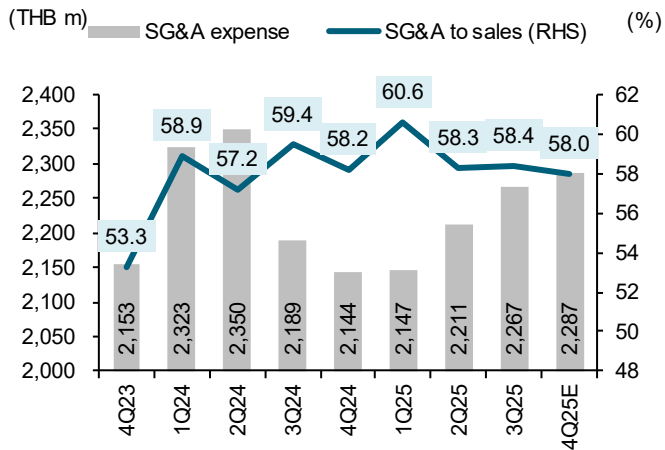
Sources: M; FSSIA estimates

**Exhibit 8: Quarterly overall gross margin**



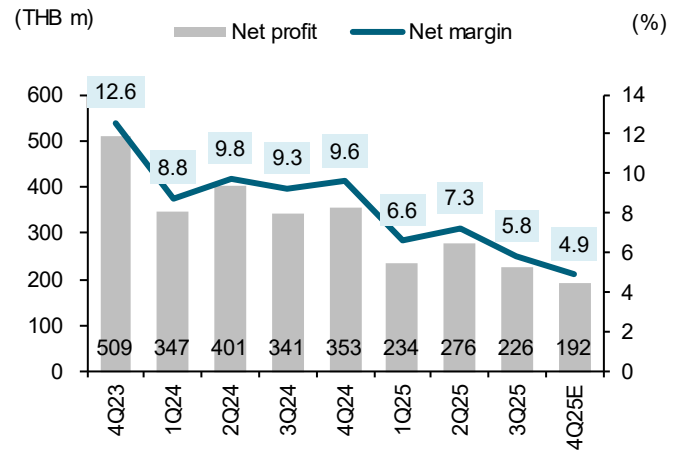
Sources: M; FSSIA estimates

Exhibit 9: SG&amp;A expenses



Sources: M; FSSIA estimates

Exhibit 10: Net profit and net margin



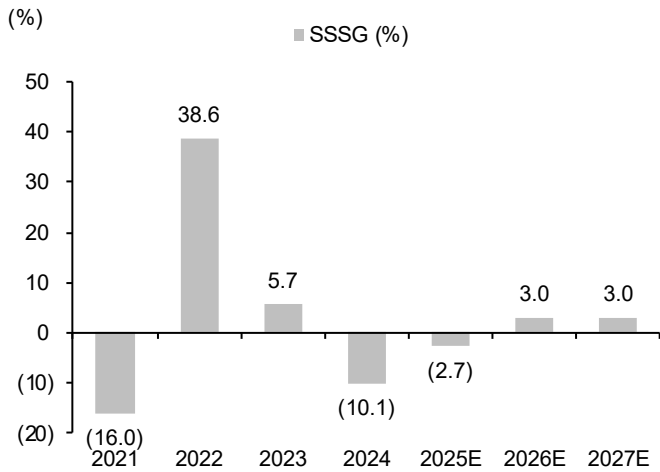
Sources: M; FSSIA estimates

Exhibit 11: Key assumptions for M

	Actual	Current			Growth		
	2024 (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
Sales	15,418	15,161	17,383	18,931	(1.7)	14.7	8.9
Cost of sales	5,028	5,388	6,840	7,515	7.2	26.9	9.9
Gross profit	10,390	9,773	10,543	11,415	(5.9)	7.9	8.3
SG&A	9,006	8,912	9,456	10,162	(1.0)	6.1	7.5
Operating profit	1,822	1,200	1,479	1,679	(34.2)	23.3	13.6
Interest expense	104	93	110	117	(11.3)	18.4	6.4
Tax expense	264	183	206	235	(30.6)	12.4	14.1
Reported net profit	1,442	928	1,153	1,313	(35.6)	24.3	13.8
Core profit	1,442	928	1,153	1,313	(35.6)	24.3	13.8
<b>Key ratios (%)</b>							
Gross margin	67.4	64.5	60.7	60.3	(2.9)	(3.8)	(0.4)
MK and others (excl. Bonus)	67.4	64.5	60.0	60.0	(2.9)	(4.5)	0.0
Bonus Suki		45.0	48.0	50.0		3.0	2.0
SG&A to sales	58.4	58.8	54.4	53.7	0.4	(4.4)	(0.7)
Operating margin	11.8	7.9	8.5	8.9	(3.9)	0.6	0.4
Net margin	9.3	6.1	6.6	6.9	(3.2)	0.5	0.3
Core margin	9.3	6.1	6.6	6.9	(3.2)	0.5	0.3
<b>Operating statistics</b>							
SSSG (%)	(10.1)	(2.7)	3.0	3.0			
Total stores (no.)	692	689	745	793			
MK	441	432	435	438			
Yayoi	191	184	187	190			
LCS	40	41	42	43			
Bonus Suki	0	15	60	100			
Hikiniku To Come	1	2	3	4			
Others	19	15	18	18			
<b>Revenue breakdown by brand (THB m)</b>							
MK	11,088	10,841	11,383	11,725	(2.2)	5.0	3.0
Yayoi	2,811	2,713	2,849	2,991	(3.5)	5.0	5.0
LCS	1,078	890	934	962	(17.4)	5.0	3.0
Bonus Suki		200	1,500	2,500		649.6	66.7
Others	441	517	717	752	17.1	38.7	5.0
<b>Revenue contribution by brand (%)</b>							
MK	71.9	71.5	65.5	61.9			
Yayoi	18.2	17.9	16.4	15.8			
LCS	7.0	5.9	5.4	5.1			
Bonus Suki		1.3	8.6	13.2			
Others	2.9	3.4	4.1	4.0			

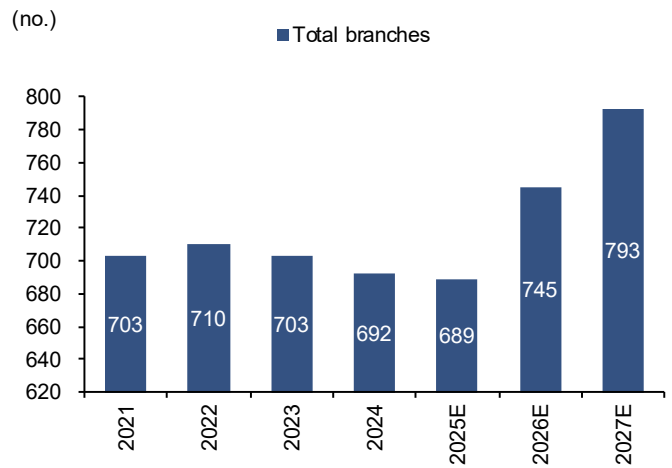
Source: FSSIA estimates

**Exhibit 12: Yearly SSSG**



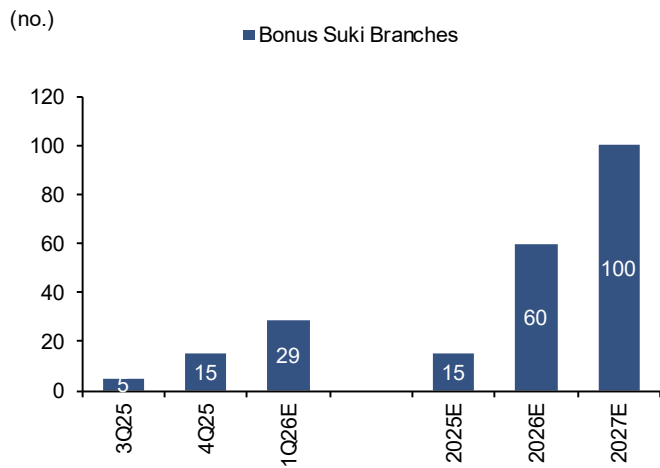
Sources: M; FSSIA estimates

**Exhibit 13: Yearly total branches forecast by FSSIA**



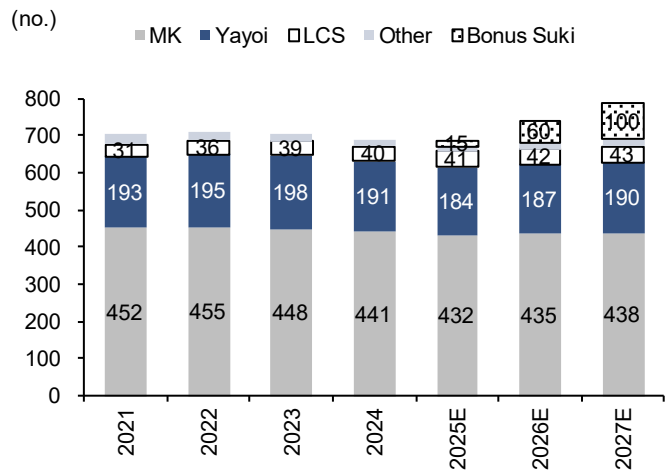
Sources: M; FSSIA estimates

**Exhibit 14: Bonus Suki Branches forecast by FSSIA**



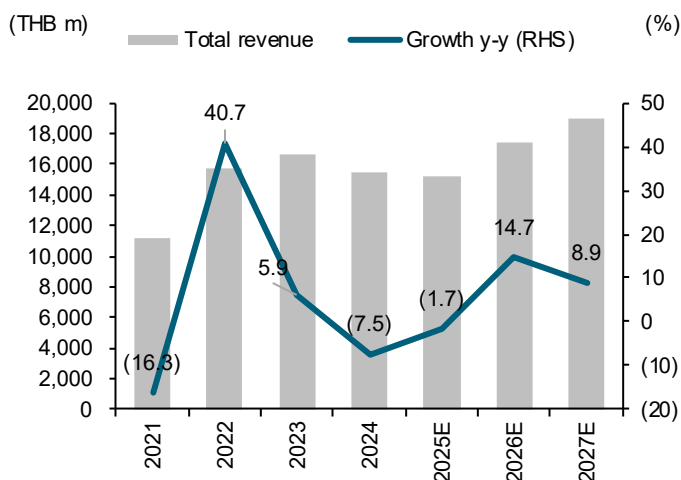
Sources: M; FSSIA estimates

**Exhibit 15: Yearly total branches breakdown by brand**



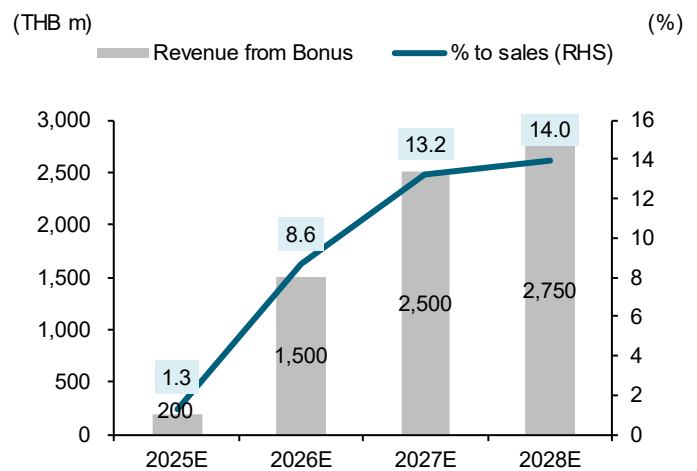
Sources: M; FSSIA estimates

**Exhibit 16: Yearly total revenue and growth**



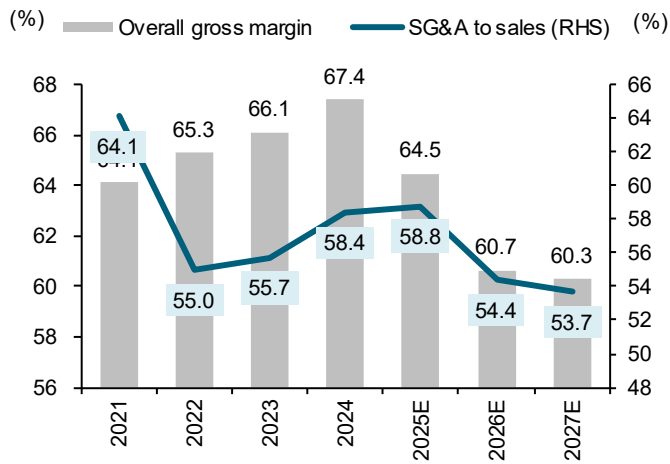
Sources: M; FSSIA estimates

**Exhibit 17: Revenue from Bonus Suki**



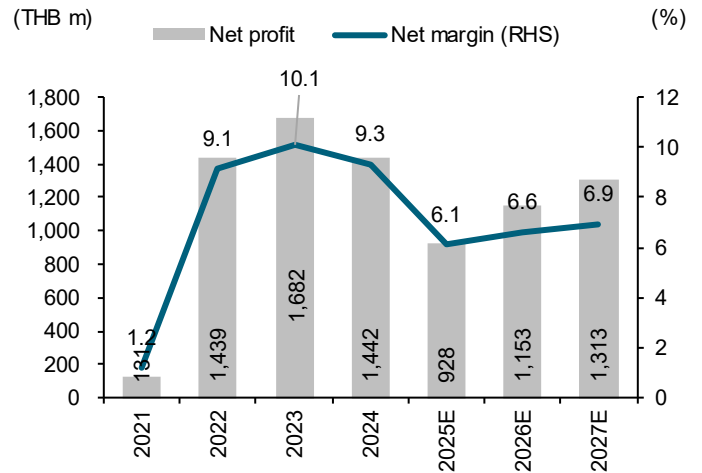
Source: FSSIA estimates

**Exhibit 18: Yearly gross margin and SG&A to sales**



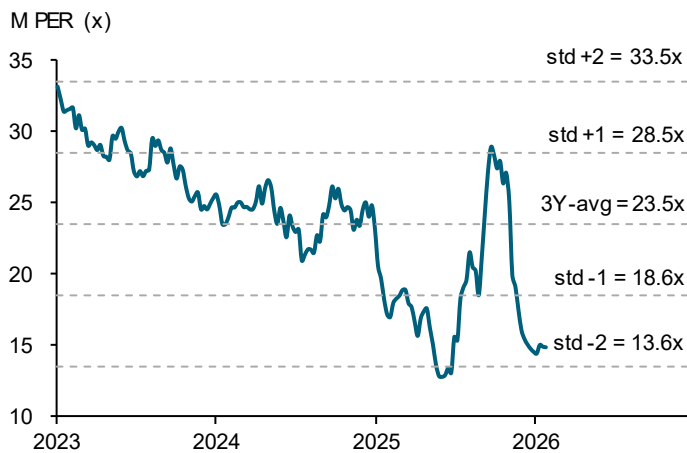
Sources: M; FSSIA estimates

**Exhibit 19: Yearly net profit and net margin**



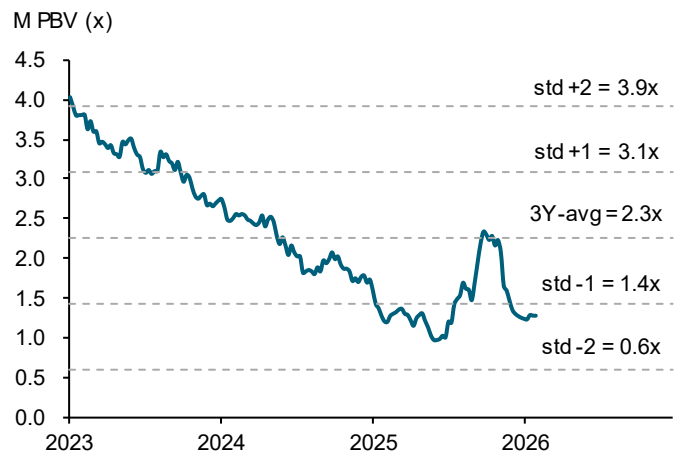
Sources: M; FSSIA estimates

**Exhibit 20: Historical P/E band**



Sources: Bloomberg, FSSIA estimates

**Exhibit 21: Historical P/BV band**



Sources: Bloomberg, FSSIA estimates

## Financial Statements

### MK Restaurant Group

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	16,661	15,418	15,161	17,383	18,931
Cost of goods sold	(5,648)	(5,028)	(5,388)	(6,840)	(7,515)
<b>Gross profit</b>	<b>11,013</b>	<b>10,390</b>	<b>9,773</b>	<b>10,543</b>	<b>11,415</b>
Other operating income	365	438	338	391	426
Operating costs	(9,288)	(9,006)	(8,912)	(9,456)	(10,162)
<b>Operating EBITDA</b>	<b>4,072</b>	<b>3,769</b>	<b>3,161</b>	<b>3,475</b>	<b>3,701</b>
Depreciation	(1,980)	(1,946)	(1,961)	(1,996)	(2,021)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>2,091</b>	<b>1,822</b>	<b>1,200</b>	<b>1,479</b>	<b>1,679</b>
Net financing costs	(95)	(104)	(93)	(110)	(117)
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>1,111</b>	<b>1,374</b>	<b>1,568</b>
Tax	(280)	(264)	(183)	(206)	(235)
<b>Profit after tax</b>	<b>1,707</b>	<b>1,461</b>	<b>928</b>	<b>1,168</b>	<b>1,333</b>
Minority interests	(25)	(20)	0	(15)	(20)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>1,682</b>	<b>1,442</b>	<b>928</b>	<b>1,153</b>	<b>1,313</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>928</b>	<b>1,153</b>	<b>1,313</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.83	1.57	1.01	1.25	1.43
Reported EPS	1.83	1.57	1.01	1.25	1.43
DPS	1.60	1.50	1.00	1.13	1.28
Diluted shares (used to calculate per share data)	921	921	921	921	921
<b>Growth</b>					
Revenue (%)	5.9	(7.5)	(1.7)	14.7	8.9
Operating EBITDA (%)	5.3	(7.4)	(16.1)	9.9	6.5
Operating EBIT (%)	11.8	(12.9)	(34.2)	23.3	13.6
Recurring EPS (%)	16.9	(14.3)	(35.6)	24.3	13.8
Reported EPS (%)	16.9	(14.3)	(35.6)	24.3	13.8
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	66.1	67.4	64.5	60.7	60.3
Gross margin exc. depreciation (%)	78.0	80.0	77.4	72.1	71.0
Operating EBITDA margin (%)	24.4	24.4	20.8	20.0	19.5
Operating EBIT margin (%)	12.6	11.8	7.9	8.5	8.9
Net margin (%)	10.1	9.3	6.1	6.6	6.9
Effective tax rate (%)	14.1	15.3	16.5	15.0	15.0
Dividend payout on recurring profit (%)	87.6	95.8	99.0	90.0	90.0
Interest cover (X)	21.9	17.5	13.0	13.5	14.5
Inventory days	40.1	44.9	43.2	37.9	39.2
Debtor days	2.5	2.9	3.1	2.8	2.9
Creditor days	154.0	174.9	140.4	113.6	117.6
Operating ROIC (%)	450.4	104.0	38.4	45.4	48.2
ROIC (%)	17.9	14.9	9.3	10.7	11.0
ROE (%)	12.3	10.6	6.9	8.5	9.6
ROA (%)	8.9	7.8	5.1	6.2	6.8
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
MK	12,455	11,088	10,841	11,383	11,725
Yayoi	2,999	2,811	2,713	2,849	2,991
LCS	1,000	1,078	890	934	962
Other	207	441	517	717	752

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	928	1,153	1,313
Depreciation	1,980	1,946	1,961	1,996	2,021
Associates & minorities	37	12	(18)	0	0
Other non-cash items	0	0	0	0	0
Change in working capital	214	(456)	117	269	132
<b>Cash flow from operations</b>	<b>3,914</b>	<b>2,943</b>	<b>2,988</b>	<b>3,419</b>	<b>3,466</b>
Capex - maintenance	(1,982)	(3,322)	(2,589)	(3,350)	(3,500)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(449)	999	161	(95)	(65)
<b>Cash flow from investing</b>	<b>(2,431)</b>	<b>(2,322)</b>	<b>(2,427)</b>	<b>(3,445)</b>	<b>(3,565)</b>
Dividends paid	(1,270)	(1,856)	(919)	(1,038)	(1,181)
Equity finance	0	0	0	0	0
Debt finance	(10)	(219)	225	227	323
Other financing cash flows	(118)	39	(35)	156	108
<b>Cash flow from financing</b>	<b>(1,397)</b>	<b>(2,036)</b>	<b>(728)</b>	<b>(655)</b>	<b>(750)</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>(168)</b>	<b>(682)</b>	<b>(848)</b>
Free cash flow to firm (FCFF)	1,577.48	725.50	653.07	83.11	18.19
Free cash flow to equity (FCFE)	1,355.18	440.98	750.93	356.14	333.01

Per share (THB)	2023	2024	2025E	2026E	2027E
FCFF per share	1.71	0.79	0.71	0.09	0.02
FCFE per share	1.47	0.48	0.82	0.39	0.36
Recurring cash flow per share	4.02	3.69	3.12	3.42	3.62

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	12,203	14,022	14,322	15,022	15,522
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>5,332</b>	<b>5,735</b>
<b>Intangible fixed assets (net)</b>	<b>5,434</b>	<b>5,060</b>	<b>5,494</b>	<b>6,244</b>	<b>7,319</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	6,282	5,600	4,752
A/C receivable	110	133	125	143	156
Inventories	391	368	443	562	618
Other current assets	76	132	76	87	95
<b>Current assets</b>	<b>8,441</b>	<b>7,081</b>	<b>6,925</b>	<b>6,392</b>	<b>5,620</b>
Other assets	834	839	682	782	852
<b>Total assets</b>	<b>20,347</b>	<b>19,372</b>	<b>19,697</b>	<b>20,618</b>	<b>21,394</b>
Common equity	13,843	13,429	13,450	13,565	13,696
Minorities etc.	351	371	357	362	367
<b>Total shareholders' equity</b>	<b>14,194</b>	<b>13,800</b>	<b>13,807</b>	<b>13,927</b>	<b>14,063</b>
Long term debt	2,008	1,836	1,936	2,086	2,236
Other long-term liabilities	1,058	1,096	1,061	1,217	1,325
<b>Long-term liabilities</b>	<b>3,065</b>	<b>2,933</b>	<b>2,998</b>	<b>3,303</b>	<b>3,561</b>
A/C payable	1,646	1,307	1,329	1,687	1,853
Short term debt	0	0	0	0	0
Other current liabilities	1,441	1,332	1,564	1,701	1,916
<b>Current liabilities</b>	<b>3,087</b>	<b>2,639</b>	<b>2,893</b>	<b>3,388</b>	<b>3,769</b>
<b>Total liabilities and shareholders' equity</b>	<b>20,347</b>	<b>19,372</b>	<b>19,697</b>	<b>20,618</b>	<b>21,394</b>
Net working capital	(2,511)	(2,007)	(2,250)	(2,596)	(2,901)
Invested capital	9,395	10,283	10,522	11,630	12,873

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

Per share (THB)	2023	2024	2025E	2026E	2027E
Book value per share	15.03	14.58	14.61	14.73	14.87
Tangible book value per share	9.13	9.09	8.64	7.95	6.92

Financial strength	2023	2024	2025E	2026E	2027E
Net debt/equity (%)	(41.3)	(33.4)	(31.5)	(25.2)	(17.9)
Net debt/total assets (%)	(28.8)	(23.8)	(22.1)	(17.0)	(11.8)
Current ratio (x)	2.7	2.7	2.4	1.9	1.5
CF interest cover (x)	15.2	5.2	9.1	4.3	3.9

Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>11.3</b>	<b>13.2</b>	<b>20.4</b>	<b>16.5</b>	<b>14.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>12.6</b>	<b>14.7</b>	<b>22.8</b>	<b>18.4</b>	<b>16.1</b>
Reported P/E (x)	11.3	13.2	20.4	16.5	14.5
Dividend yield (%)	7.8	7.3	4.8	5.5	6.2
Price/book (x)	1.4	1.4	1.4	1.4	1.4
Price/tangible book (x)	2.3	2.3	2.4	2.6	3.0
EV/EBITDA (x) **	3.3	3.9	4.7	4.6	4.5
EV/EBITDA @ target price (x) **	3.8	4.5	5.4	5.2	5.1
EV/invested capital (x)	1.4	1.4	1.4	1.4	1.3

\* 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**

**46.65 /100**
**Exhibit 22: 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.
★★★	<b>&gt;39-59</b>	<b>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.</b>
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

**Exhibit 23: 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	46.65	--	Y	A	5.00	5.00	Certified	Medium	--	--	--	67.21	32.00	--	--
TFG	31.28	--	--	AA	5.00	5.00	Certified	Severe	--	--	--	38.50	--	--	49.40

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation
**Exhibit 24: 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 25: ESG score by Bloomberg (cont.)**

<b>FY ending Dec 31</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
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 (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <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.																			
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&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.																			
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &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 border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <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> </tbody> </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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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

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

Source: FSSIA's compilation

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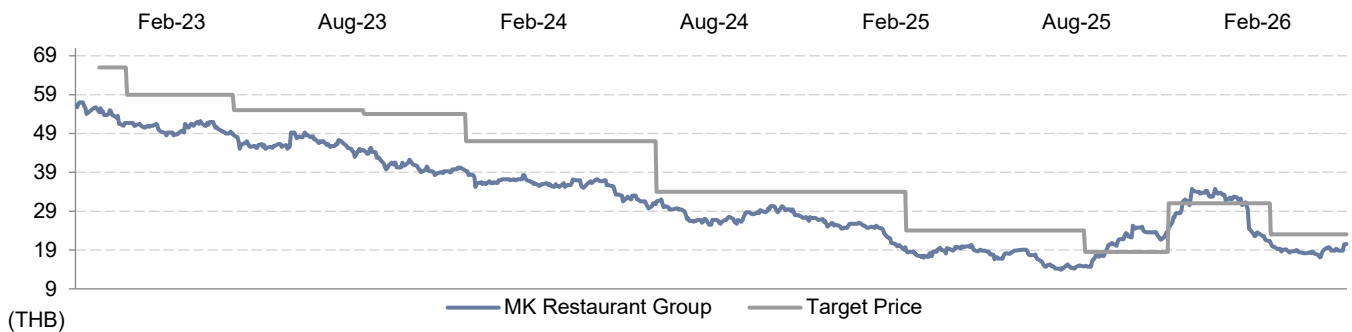
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### History of change in investment rating and/or target price

#### MK Restaurant Group (M TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
24-Feb-2023	BUY	66.00	08-Jan-2024	BUY	47.00	04-Sep-2025	BUY	31.00
22-Mar-2023	BUY	59.00	20-Jun-2024	HOLD	34.00	01-Dec-2025	HOLD	23.00
22-Jun-2023	BUY	55.00	21-Jan-2025	HOLD	24.00			
12-Oct-2023	BUY	54.00	24-Jun-2025	HOLD	18.50			

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 20.60	HOLD	Downside and upside risks to our TP include 1) a slower or faster-than-expected consumption recovery and more intense competition; 2) slower or faster-than-expected decreases in raw material costs; 3) a lower or higher-than-expected new store expansion; and 4) a minimum wage increase and labor shortages.

Source: FSSIA estimates

### Additional Disclosures

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

All share prices are as at market close on 05-Feb-2026 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.