

# MK Restaurant Group

(M.BK/M TB)

## Neutral · Maintained

Price as of 11 Oct 2023	44.75
12M target price (Bt/shr)	52.25
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	16.8

### Key messages

เราคาด M รายงานกำไรสุทธิใน 3Q66F อยู่ที่ 404 ล้านบาท (ทรงตัว YoY แต่ -12% QoQ) โดยกำไรสุทธิ YoY จะเป็นเพราะต้นทุนค่าจ้างสูงขึ้นผลักดันให้สัดส่วนค่าใช้จ่ายในการขายและบริหารลดลง (SG&A ค่อยขยาย) พุ่งขึ้นและปรับเพิ่มกำไรสุทธิและอัตรากำไร (margin) ส่วนกำไรที่ลดลง QoQ หลัก ๆ เกิดจากรายได้ออนไลน์ตามฤดูกาล ขณะที่ เราคงประมาณการกำไรสุทธิปี 2566F อยู่ที่ 1.7 พันล้านบาท (+15% YoY) และที่ 1.8 พันล้านบาท (+12% YoY) ในปี 2567F ทั้งนี้ เราคงราคาเป้าหมายปลายปี 2567 อยู่ที่ 52.25 บาทและยังคงคำแนะนำ “ถือ”

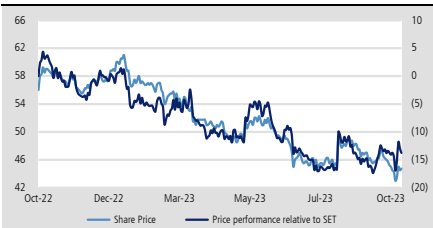
### Trading data

Mkt cap (Btmn/US\$m)	41.2/1288		
Outstanding shares (mn)	921		
Foreign ownership (mn)	38.2		
3M avg. daily trading (mn)	0.8		
52-week trading range (Bt)	43-61		
Performance (%)	3M	6M	12M
Absolute	-1.1	-12.3	-19.4
Relative	1.4	-4.0	-13.6

### Quarterly EPS

	1Q	2Q	3Q	4Q
2021	0.10	(0.11)	(0.28)	0.43
2022	0.29	0.48	0.44	0.35
2023	0.45	0.50		

### Share price chart



Source: SET

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## ประมาณการ 3Q66F : คาดกำไรออนตัว

### Event

ประมาณการ 3Q66F

### Impact

#### คาดการณ์กำไรสุทธิทรงตัว YoY แต่ลดลง QoQ

เราคาด M รายงานกำไรสุทธิ 3Q66F ออนตัวอยู่ที่ 404 ล้านบาท (ทรงตัว YoY แต่ -12% QoQ) โดยกำไรสุทธิ YoY จะเป็นเพราะต้นทุนค่าจ้างสูงขึ้นผลักดันให้สัดส่วน SG&A ค่อยขยายพุ่งขึ้นและไปปรับเพิ่มกำไรสุทธิและอัตรากำไรขึ้นด้วย ส่วนกำไรที่ลดลง QoQ หลัก ๆ เกิดจาก i) รายได้ออนไลน์ตามฤดูกาล และ ii) มีรายการพิเศษที่เกิดขึ้นเพียงครั้งเดียวใน 2Q66 ราว 16 ล้านบาทจากการรับรู้งำไรของการขายเงินลงทุนใน Plenus & MK Pte. Ltd. ทั้งนี้ เราประเมินกำไรสุทธิใน 9M66F อยู่ที่ 1.2 พันล้านบาท (+6% YoY) คิดเป็น 72% ของประมาณการกำไรเต็มปี 2566F ของเรา

#### คาดยอดขายสาขาเดิม (same store sales: SSS) ทรงตัวใน 3Q66F

เราประเมินรายได้จากยอดขายใน 3Q66F ดีขึ้น 3% YoY แต่ลดลง 6% QoQ อยู่ที่ 4.2 พันล้านบาท ทำให้รายได้ 9M66F เพิ่มขึ้นเป็น 1.27 หมื่นล้านบาท (+10% YoY) แม้ว่ามีการปรับราคาขายในรายการอาหารเพิ่มขึ้นราว +3-4% YoY แต่ อัตรากำไรสุทธิของรายได้ในสาขาเดิม (Same store sales growth : SSSG) ของ MK คาดเพิ่มขึ้นเพียง +1 % ในไตรมาสนี้ (เทียบกับ +107% ใน 3Q65 และ +10% in 2Q66) ขณะที่ เราคาด SSSG ของร้าน Yayoï ทรงตัว (เทียบกับ +100% ใน 3Q65 และ +8% ใน 2Q66) โดยเรามองว่าอาจเป็นเพราะการแข่งขันที่มากขึ้นกับร้านชาบูและร้านสุกี้รายอื่น ๆ

#### คาดอัตรากำไรขั้นต้นดีขึ้น

จากการที่ราคาเนื้อสัตว์ลดลงในอัตราที่เร็วกว่าราคาเปิด เราประเมินว่าอัตรากำไรขั้นต้น (GPM) จะเพิ่มขึ้นอยู่ที่ 66.0% ใน 3Q66F (เทียบกับ 65.2%/65.7% ใน 3Q65/2Q66) ส่งผลให้ GPM ใน 9M66F อยู่ที่ 65.6% (เทียบสมมติฐานประมาณการ GPM เต็มปี 2566 ของเราที่ 65.5%) ขณะที่ คาดค่าใช้จ่ายในการขายและบริหารออนตัว QoQ ตามต้นทุนค่าจ้างรูปโภคลดลงแต่ที่เพิ่มขึ้น YoY เพราะมีต้นทุนค่าจ้างสูงขึ้น ทั้งนี้ คาดสัดส่วน SG&A ค่อยขยายอยู่ที่ 55.5% (เทียบกับ 53.7% ใน 3Q65 และ 55.6% ใน 2Q66).

### Valuation & action

เราคงประมาณการกำไรสุทธิปี 2566F อยู่ที่ 1.7 พันล้านบาท (+15% YoY) และที่ 1.8 พันล้านบาท (+12% YoY) ในปี 2567F ทั้งนี้ เราคงราคาเป้าหมายปลายปี 2567 อยู่ที่ 52.25 บาท (อิงจาก PE ที่ 26x หรือเท่ากับ -0.5 S.D) และยังคงคำแนะนำ “ถือ”

### Risks

เศรษฐกิจฟื้นตัวช้ากว่าที่คาดไว้ SSSG จะลดตัวเกินคาด การแข่งขันในธุรกิจอาหาร

### Key financials and valuations

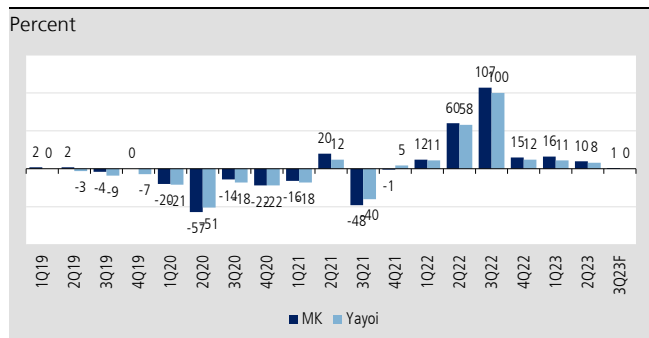
	Dec - 19A	Dec - 20A	Dec - 21A	Dec - 22A	Dec - 23F	Dec - 24F
Revenue (Btmn)	17,409	13,361	11,182	15,728	17,422	18,264
Net Profit (Btmn)	2,587	907	131	1,439	1,657	1,848
Normalized Profit (Btmn)	2,604	907	131	1,439	1,657	1,848
EPS (Bt)	2.81	0.99	0.14	1.56	1.80	2.01
EPS Growth (%)	0.5	(64.9)	(85.6)	998.5	15.1	11.6
DPS (Bt)	2.6	1.8	0.8	1.4	1.6	1.8
P/E (X)	24.9	51.5	365.6	28.8	25.0	22.4
P/B (X)	4.4	3.4	3.5	3.0	3.0	2.9
EV/EBITDA (X)	8.4	11.5	16.7	9.5	8.3	7.5
Net Debt to Equity (X)	Net cash	Net cash	Net cash	Net cash	Net cash	Net cash
Dividend Yield (%)	3.7	3.5	1.5	3.1	3.6	4.0
Return on Average Equity (%)	17.7	6.6	1.0	10.5	11.9	13.1

Source: Company data, KGI Securities Research

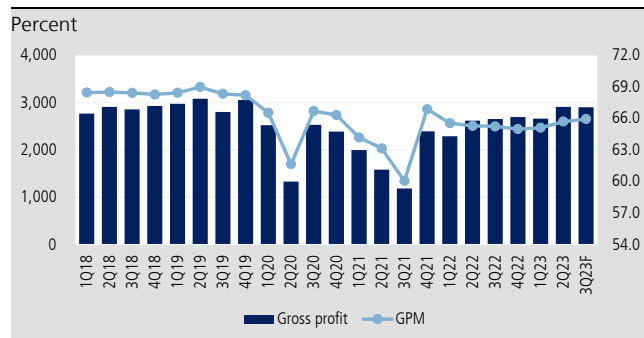
**Figure 1: M's 3Q23F earnings preview**

Bt mn	3Q23F	3Q22	YoY (%)	2Q23	QoQ (%)	9M23F	9M22	YoY (%)
<b>Revenue</b>	<b>4,180</b>	<b>4,067</b>	<b>2.8</b>	<b>4,435</b>	<b>(5.8)</b>	<b>12,705</b>	<b>11,578</b>	<b>9.7</b>
Gross Profit	2,757	2,654	3.9	2,914	(5.4)	8,334	7,568	10.1
SG&A	2,312	2,182	5.9	2,468	(6.3)	7,086	6,309	12.3
Operating Profit	445	471	(5.5)	447	(0.4)	1,248	1,259	(0.9)
Other income	65	44	48.3	82	(20.7)	201	142	41.4
Pre-tax Profit	496	505	(1.8)	515	(3.6)	1,412	1,365	3.5
<b>Net Profit</b>	<b>404</b>	<b>408</b>	<b>(1.1)</b>	<b>459</b>	<b>(12.0)</b>	<b>1,188</b>	<b>1,118</b>	<b>6.2</b>
<b>Normalized profit</b>	<b>404</b>	<b>408</b>	<b>(1.1)</b>	<b>459</b>	<b>(12.0)</b>	<b>1,188</b>	<b>1,118</b>	<b>6.2</b>
EPS (Bt)	0.44	0.44	(1.1)	0.50	(12.0)	1.29	1.21	6.2
Normalized EPS (Bt)	0.44	0.44	(1.1)	0.50	(12.0)	1.29	1.21	6.2
Percent	3Q23F	3Q22	YoY (ppts)	2Q23	QoQ (ppts)	9M23F	9M22	YoY (ppts)
Gross margin	66.0	65.2	0.7	65.7	0.2	65.6	65.4	0.2
EBIT margin	10.7	11.6	(0.9)	10.1	0.6	9.8	10.9	(1.1)
SG&A/sales	55.3	53.7	1.6	55.6	(0.3)	55.8	54.5	1.3

Source: Company data, KGI Securities Research

**Figure 2: Same-store-sales growth (SSSG)**


Source: Company data, KGI Securities Research

**Figure 3: Gross margin**


Source: Company data, KGI Securities Research

**Figure 4: Raw material costs**

Raw materials	Assume Portion	3Q22	2Q23	3Q23	%YoY in costs	%QoQ in costs
<b>Meats</b>						
Pork (Bt/Kg)	20%	190	130	122	-7%	-1%
Chicken (Bt/Kg)	10%	87	70	66	-2%	-1%
Shrimp (Bt/Kg)	10%	238	235	230	0%	0%
Egg (unit)	5%	4.1	4.3	4.6	1%	0%
<b>Vegetables</b>						
Cabbage (Bt/Kg)	5%	26	23	23	-1%	0%
Water spinach (Bt/Kg)	5%	17	16	19	1%	1%
<b>Total</b>	<b>75%</b>				<b>-9%</b>	<b>-1%</b>

Source: Company data, KGI Securities Research

**Figure 5: Key assumptions**

	Unit	2019	2020	2021	2022	2023F	2024F
Restaurant Revenue	Btmn						
MK Suki/MK Gold/MK Live		13,580	9,898	8,274	11,639	12,985	13,325
Yayoi		3,320	2,440	2,124	2,831	2,963	3,113
Laem Charoen Seafood		117	748	559	944	1,210	1,562
Others		392	276	244	315	264	264
Total Restaurant Revenue		17,409	13,362	11,182	15,728	17,422	18,264
Number of branches	Branch						
MK Suki/MK Gold/MK Live		463	458	452	455	453	458
Yayoi		198	194	193	195	197	207
Laem Charoen Seafood		27	29	31	36	41	46
Others		45	41	27	24	24	24
Overseas		58	48	43	43	43	43
Total branches		791	770	746	753	758	778
SSSG	%						
MK		0.0	(28.7)	(15.7)	39.0	5.0	1.0
Yayoi		(4.8)	(28.5)	(13.2)	39.0	5.0	1.0
GPM	%	68.5	65.7	64.1	65.3	65.5	65.1
SG&A to sales	%	52.7	59.5	64.1	55.0	55.4	54.2

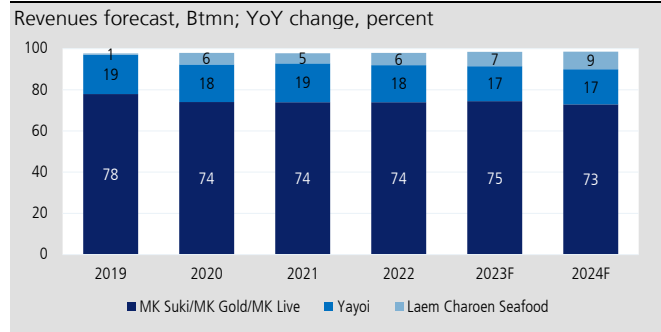
Source: Company data, KGI Securities Research

**Figure 6: Company profile**

MK Restaurant Group (M) is a food services company. As of 1H23, M operated 698 restaurant outlets, comprising MK suki (at 448 stores), Yayoi (at 195 stores), Laem Charoen Seafood (at 34 stores), and others in Thailand. The company also has franchise business in Laos, Vietnam.

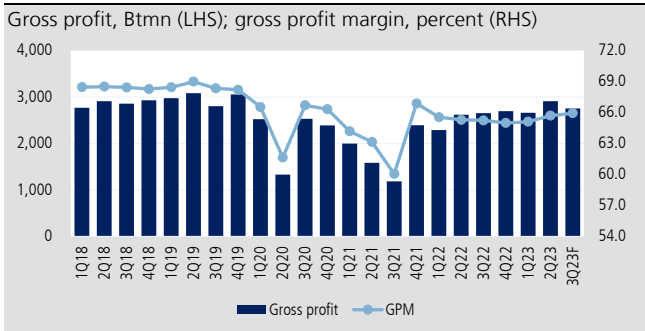
Source: Company data, KGI Securities Research

**Figure 7: Revenue**



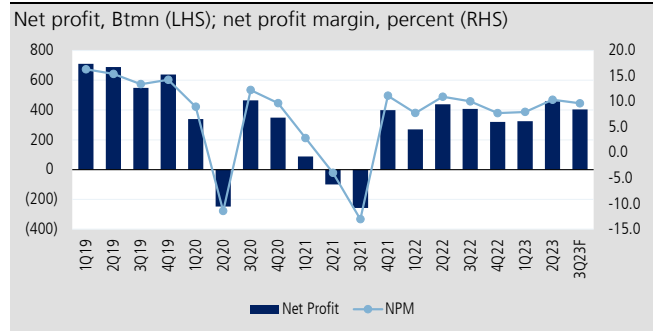
Source: Company data, KGI Securities Research

**Figure 8: Gross profits and GPM**



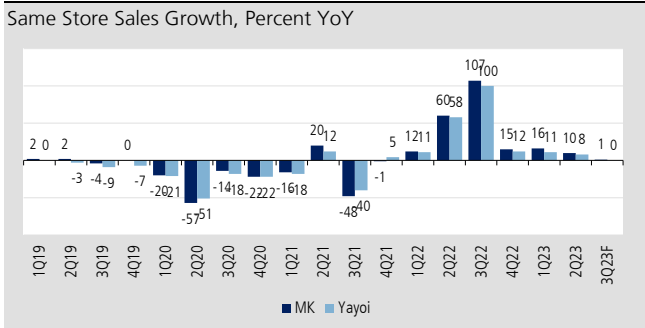
Source: Company data, KGI Securities Research

**Figure 9: Net profit and NPM**



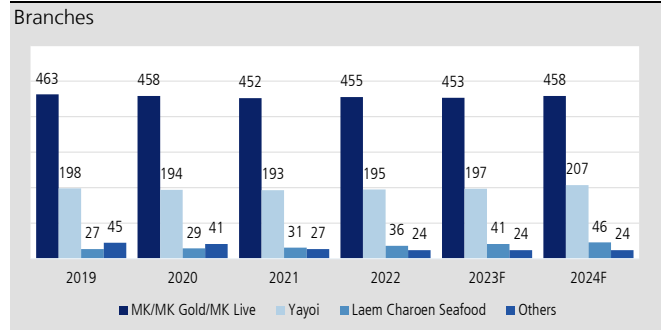
Source: Company data, KGI Securities Research

**Figure 10: Same store sales growth (SSSG)**



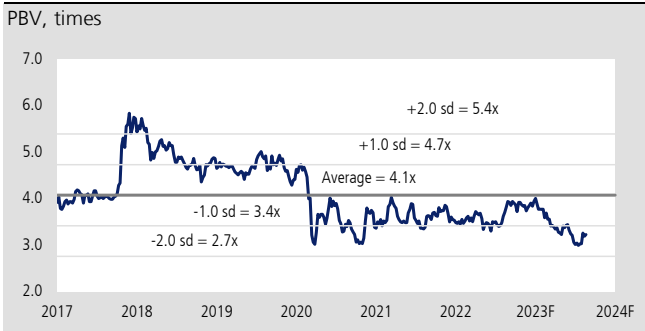
Source: Company data, KGI Securities Research

**Figure 11: Outlet breakdown by type**



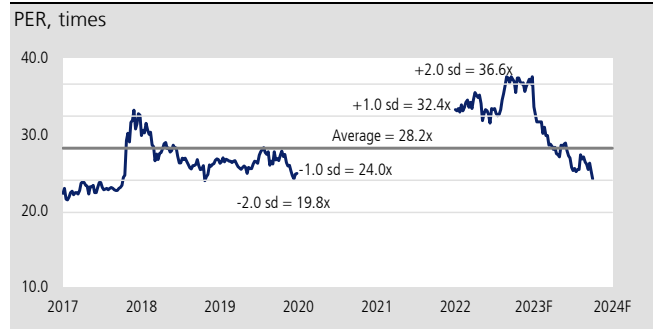
Source: Company data, KGI Securities Research

**Figure 12: PBV**



Source: KGI Securities Research

**Figure 13: PER**



Source: KGI Securities Research

**Quarterly Income Statement**

	Mar-19A	Jun-19A	Sep-19A	Dec-19A	Mar-20A	Jun-20A	Sep-20A	Dec-20A	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A	Dec-22A	Mar-23A	Jun-23A	Sep-23F
Income Statement (Bt mn)																			
<b>Revenue</b>	<b>4,352</b>	<b>4,470</b>	<b>4,102</b>	<b>4,485</b>	<b>3,795</b>	<b>2,163</b>	<b>3,799</b>	<b>3,604</b>	<b>3,116</b>	<b>2,509</b>	<b>1,973</b>	<b>3,583</b>	<b>3,495</b>	<b>4,016</b>	<b>4,067</b>	<b>4,149</b>	<b>4,089</b>	<b>4,435</b>	<b>4,180</b>
Cost of Goods Sold	(1,373)	(1,386)	(1,298)	(1,426)	(1,270)	(829)	(1,265)	(1,213)	(1,116)	(924)	(788)	(1,186)	(1,204)	(1,394)	(1,413)	(1,450)	(1,426)	(1,521)	(1,423)
<b>Gross Profit</b>	<b>2,979</b>	<b>3,085</b>	<b>2,804</b>	<b>3,059</b>	<b>2,525</b>	<b>1,333</b>	<b>2,534</b>	<b>2,391</b>	<b>2,000</b>	<b>1,585</b>	<b>1,185</b>	<b>2,397</b>	<b>2,291</b>	<b>2,623</b>	<b>2,654</b>	<b>2,699</b>	<b>2,663</b>	<b>2,914</b>	<b>2,757</b>
Operating Expenses	(2,218)	(2,344)	(2,269)	(2,352)	(2,188)	(1,657)	(2,004)	(2,098)	(1,925)	(1,770)	(1,544)	(1,931)	(2,008)	(2,118)	(2,182)	(2,337)	(2,307)	(2,468)	(2,312)
Other incomes	70	77	100	83	82	33	66	80	40	60	46	40	57	41	44	68	55	82	65
<b>Operating Profit</b>	<b>831</b>	<b>818</b>	<b>634</b>	<b>790</b>	<b>420</b>	<b>(291)</b>	<b>596</b>	<b>373</b>	<b>115</b>	<b>(125)</b>	<b>(312)</b>	<b>506</b>	<b>340</b>	<b>546</b>	<b>515</b>	<b>430</b>	<b>411</b>	<b>529</b>	<b>510</b>
Depreciation of fixed assets	196	191	192	198	538	534	536	528	510	500	501	499	490	494	490	524	495	531	535
<b>Operating EBITDA</b>	<b>1,027</b>	<b>1,009</b>	<b>826</b>	<b>988</b>	<b>958</b>	<b>244</b>	<b>1,132</b>	<b>901</b>	<b>624</b>	<b>375</b>	<b>188</b>	<b>1,005</b>	<b>830</b>	<b>1,040</b>	<b>1,005</b>	<b>954</b>	<b>905</b>	<b>1,060</b>	<b>1,045</b>
<b>Non-Operating Income</b>	<b>35</b>	<b>38</b>	<b>34</b>	<b>25</b>	<b>16</b>	<b>12</b>	<b>9</b>	<b>(3)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>9</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>13</b>
Interest Income	35	38	34	25	16	12	9	(3)	5	5	5	6	7	9	12	12	13	13	13
Other Non-op Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Non-Operating Expenses</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>(25)</b>	<b>(11)</b>	<b>(19)</b>	<b>(19)</b>	<b>(19)</b>	<b>(20)</b>	<b>(12)</b>	<b>(18)</b>	<b>(21)</b>	<b>(21)</b>	<b>(21)</b>	<b>(23)</b>	<b>(23)</b>	<b>(26)</b>	<b>(26)</b>
Interest Expenses	0	0	(0)	(0)	(25)	(11)	(19)	(19)	(19)	(20)	(12)	(18)	(21)	(21)	(21)	(23)	(23)	(26)	(26)
Other Non-op Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Equity Income/(Loss)</b>	<b>(2)</b>	<b>(7)</b>	<b>(5)</b>	<b>(27)</b>	<b>(2)</b>	<b>(6)</b>	<b>(0)</b>	<b>2</b>	<b>(6)</b>	<b>(8)</b>	<b>(8)</b>	<b>(1)</b>	<b>(9)</b>	<b>(4)</b>	<b>(7)</b>	<b>(9)</b>	<b>(7)</b>	<b>(4)</b>	<b>(4)</b>
<b>Pre-tax Profit</b>	<b>863</b>	<b>850</b>	<b>663</b>	<b>787</b>	<b>409</b>	<b>(297)</b>	<b>586</b>	<b>353</b>	<b>95</b>	<b>(148)</b>	<b>(328)</b>	<b>493</b>	<b>317</b>	<b>530</b>	<b>498</b>	<b>410</b>	<b>393</b>	<b>512</b>	<b>492</b>
Current Taxation	(154)	(144)	(114)	(141)	(65)	41	(113)	(2)	(8)	42	65	(90)	(51)	(89)	(86)	(82)	(65)	(47)	(84)
Minorities	0	0	0	(7)	(3)	8	(8)	(1)	2	7	5	(4)	5	(2)	(4)	(7)	(3)	(6)	(4)
Extraordinary items	0	(17)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Profit</b>	<b>710</b>	<b>689</b>	<b>549</b>	<b>639</b>	<b>340</b>	<b>(247)</b>	<b>465</b>	<b>349</b>	<b>89</b>	<b>(99)</b>	<b>(257)</b>	<b>399</b>	<b>271</b>	<b>439</b>	<b>408</b>	<b>321</b>	<b>325</b>	<b>459</b>	<b>404</b>
<b>Normalized Profit</b>	<b>710</b>	<b>706</b>	<b>549</b>	<b>639</b>	<b>340</b>	<b>(247)</b>	<b>465</b>	<b>349</b>	<b>89</b>	<b>(99)</b>	<b>(257)</b>	<b>399</b>	<b>271</b>	<b>439</b>	<b>408</b>	<b>321</b>	<b>325</b>	<b>459</b>	<b>404</b>
EPS (Bt)	0.77	0.75	0.60	0.69	0.37	(0.27)	0.50	0.38	0.10	(0.11)	(0.28)	0.43	0.29	0.48	0.44	0.35	0.35	0.50	0.44
Normalized EPS (Bt)	0.77	0.77	0.60	0.69	0.37	(0.27)	0.50	0.38	0.10	(0.11)	(0.28)	0.43	0.29	0.48	0.44	0.35	0.35	0.50	0.44
<b>Margins</b>																			
Gross profit margin	68.4	69.0	68.3	68.2	66.5	61.7	66.7	66.3	64.2	63.2	60.1	66.9	65.6	65.3	65.2	65.0	65.1	65.7	66.0
Operating EBIT margin	19.1	18.3	15.5	17.6	11.1	(13.4)	15.7	10.3	3.7	(5.0)	(15.8)	14.1	9.7	13.6	12.7	10.4	10.0	11.9	12.2
Operating EBITDA margin	23.6	22.6	20.1	22.0	25.2	11.3	29.8	25.0	20.0	14.9	9.5	28.0	23.8	25.9	24.7	23.0	22.1	23.9	25.0
Net profit margin	16.3	15.4	13.4	14.2	9.0	(11.4)	12.2	9.7	2.8	(4.0)	(13.0)	11.1	7.7	10.9	10.0	7.7	8.0	10.3	9.7
<b>YoY growth</b>																			
Revenue growth	7.5	5.2	(1.8)	4.4	(12.8)	(51.6)	(7.4)	(19.6)	(17.9)	16.0	(48.1)	(0.6)	12.2	60.1	106.1	15.8	17.0	10.4	2.8
Operating EBIT growth	11.0	5.1	(19.3)	13.0	(49.5)	(135.5)	(6.1)	(52.8)	(72.6)	57.0	(152.4)	35.8	196.6	N.A	N.A	(15.0)	20.6	(3.2)	(1.0)
Operating EBITDA growth	7.3	2.5	(16.4)	9.7	(6.7)	(75.8)	36.9	(8.8)	(34.8)	53.8	(83.4)	11.5	32.9	177.3	433.9	(5.1)	9.0	1.9	4.0
Net profit growth	12.3	4.4	(18.7)	5.4	(52.1)	(135.9)	(15.4)	(45.3)	(73.9)	N.A	N.A	14.2	205.0	N.A	N.A	(19.7)	20.1	4.5	(1.1)
Normalized profit growth	12.3	7.0	(18.7)	5.4	(52.1)	(135.0)	(15.4)	(45.3)	(73.9)	N.A	N.A	14.2	205.0	N.A	N.A	(19.7)	20.1	4.5	(1.1)

Source: Company data, KGI Securities Research

**Balance Sheet**

As of 31 Dec (Bt mn)	2019	2020	2021	2022	2023F	2024F
<b>Total Assets</b>	<b>17,942</b>	<b>20,353</b>	<b>19,569</b>	<b>19,901</b>	<b>18,931</b>	<b>18,712</b>
<b>Current Assets</b>	<b>8,740</b>	<b>8,310</b>	<b>8,418</b>	<b>8,426</b>	<b>9,788</b>	<b>11,115</b>
Cash & ST Investments	8,033	7,663	7,689	7,779	9,125	10,416
Inventories	358	418	392	414	396	420
Accounts Receivable	158	110	167	121	143	150
Others	191	119	170	111	123	129
<b>Non-current Assets</b>	<b>9,201</b>	<b>12,044</b>	<b>11,151</b>	<b>11,475</b>	<b>9,144</b>	<b>7,597</b>
LT Investments	2,121	4,851	4,325	4,726	3,053	2,448
Net fixed Assets	3,769	3,254	2,842	2,747	1,816	739
Others	3,311	3,939	3,984	4,002	4,274	4,409
<b>Total Liabilities</b>	<b>3,315</b>	<b>6,506</b>	<b>6,036</b>	<b>6,136</b>	<b>4,990</b>	<b>4,576</b>
<b>Current Liabilities</b>	<b>2,467</b>	<b>2,845</b>	<b>2,706</b>	<b>2,938</b>	<b>1,556</b>	<b>1,506</b>
Accounts Payable	519	416	1,355	1,449	561	595
ST Borrowings	0	1,126	1,075	1,071	533	426
Others	1,948	1,303	276	417	462	485
<b>Long-term Liabilities</b>	<b>848</b>	<b>3,661</b>	<b>3,331</b>	<b>3,198</b>	<b>3,434</b>	<b>3,070</b>
Long-term Debts	0	2,565	2,207	2,023	2,132	1,706
Others	848	1,096	1,124	1,175	1,302	1,365
<b>Shareholders' Equity</b>	<b>14,627</b>	<b>13,847</b>	<b>13,509</b>	<b>13,765</b>	<b>13,941</b>	<b>14,136</b>
Common Stock	921	921	921	921	921	921
Capital Surplus	8,785	8,785	8,785	8,785	8,785	8,785
Retained Earnings	3,845	3,064	2,735	2,976	3,142	3,327

Source: KGI Securities Research

**Key Ratios**

Year to 31 Dec	2019	2020	2021	2022	2023F	2024F
<b>Growth (% YoY)</b>						
Sales	3.8	(23.3)	(16.3)	40.7	10.8	4.8
OP	2.3	(64.7)	(82.0)	816.8	14.0	11.4
EBITDA	0.8	(17.9)	(32.3)	74.7	8.7	5.3
NP	0.5	(64.9)	(85.6)	1,214.6	33.8	33.8
Normalized Profit	1.2	(65.1)	(85.6)	1,214.6	33.8	33.8
EPS	0.5	(64.9)	(85.6)	1,214.6	33.8	33.8
Normalized EPS	1.2	(65.1)	(85.6)	1,214.6	33.8	33.8
<b>Profitability (%)</b>						
Gross Margin	68.5	65.7	64.1	65.3	65.5	65.1
Operating Margin	18.4	8.5	1.8	11.9	12.2	13.0
EBITDA Margin	22.9	24.5	19.8	24.6	24.1	24.3
Net Profit Margin	14.9	6.8	1.2	9.1	9.5	10.1
ROAA	14.4	4.5	0.7	7.2	8.8	9.9
ROAE	17.7	6.6	1.0	10.5	11.9	13.1
<b>Stability</b>						
Gross Debt/Equity (%)	22.7	47.0	44.7	44.6	35.8	32.4
Net Debt/Equity (%)	Net cash	Net cash	Net cash	Net cash	Net cash	Net cash
Interest Coverage (x)	N.A.	15.4	2.9	21.6	22.4	30.0
Interest & ST Debt Coverage (x)	N.A.	15.4	2.9	21.6	22.4	30.0
Cash Flow Interest Coverage (x)	N.A.	28.0	28.0	43.9	22.4	46.2
Cash Flow/Interest & ST Debt (x)	N.A.	28.0	28.0	43.9	22.4	46.2
Current Ratio (x)	4.5	6.4	30.5	20.2	21.2	22.9
Quick Ratio (x)	4.3	6.1	29.1	19.2	20.3	22.1
Net Debt (Bt mn)	(8,033)	(3,972)	(4,407)	(4,685)	(6,460)	(8,284)
<b>Per Share Data (Bt)</b>						
EPS	2.8	1.0	0.1	1.6	1.8	2.0
Normalized EPS	2.8	1.0	0.1	1.6	1.8	2.0
CFPS	4.2	2.2	2.1	4.1	2.3	4.0
BVPS	15.9	15.0	14.7	14.9	15.1	15.4
SPS	18.9	14.5	12.1	17.1	18.9	19.8
EBITDA/Share	4.3	3.5	2.4	4.2	4.6	4.8
DPS	2.6	1.8	0.8	1.4	1.6	1.8
<b>Activity</b>						
Asset Turnover (x)	1.0	0.7	0.6	0.8	0.9	1.0
Days Receivables	3.3	3.0	5.4	2.8	3.0	3.0
Days Inventory	23.8	33.3	35.7	27.7	24.0	24.0
Days Payable	34.5	33.2	123.2	96.8	34.0	34.0
Cash Cycle	(7.4)	3.2	(82.1)	(66.4)	(7.0)	(7.0)

Source: KGI Securities Research

**Profit & Loss**

Year to 31 Dec (Bt mn)	2019	2020	2021	2022	2023F	2024F
<b>Revenue</b>	<b>17,409</b>	<b>13,361</b>	<b>11,182</b>	<b>15,728</b>	<b>17,422</b>	<b>18,264</b>
Cost of Goods Sold	(5,483)	(4,577)	(4,015)	(5,461)	(6,019)	(6,383)
<b>Gross Profit</b>	<b>11,926</b>	<b>8,784</b>	<b>7,167</b>	<b>10,267</b>	<b>11,403</b>	<b>11,881</b>
Operating Expenses	(9,183)	(7,947)	(7,170)	(8,646)	(9,643)	(9,899)
Other Incomes	330	261	186	210	287	301
<b>Operating Profit</b>	<b>3,074</b>	<b>1,097</b>	<b>183</b>	<b>1,831</b>	<b>2,047</b>	<b>2,283</b>
Depreciation of fixed assets	(777)	(2,137)	(2,009)	(1,997)	(2,072)	(2,055)
<b>Operating EBITDA</b>	<b>3,851</b>	<b>3,234</b>	<b>2,192</b>	<b>3,828</b>	<b>4,120</b>	<b>4,338</b>
<b>Non-Operating Income</b>	<b>132</b>	<b>34</b>	<b>21</b>	<b>39</b>	<b>85</b>	<b>91</b>
Interest Income	132	34	21	39	85	91
Other Non-op Income	0	0	0	0	0	0
<b>Non-Operating Expenses</b>	<b>(1)</b>	<b>(73)</b>	<b>(69)</b>	<b>(87)</b>	<b>(95)</b>	<b>(79)</b>
Interest Expenses	(1)	(73)	(69)	(87)	(95)	(79)
Other Non-op Expenses	0	0	0	0	0	0
<b>Equity Income/(Loss)</b>	<b>(41)</b>	<b>(6)</b>	<b>(23)</b>	<b>(29)</b>	<b>(25)</b>	<b>(25)</b>
<b>Pre-tax Profit</b>	<b>3,163</b>	<b>1,051</b>	<b>111</b>	<b>1,755</b>	<b>2,012</b>	<b>2,270</b>
Current Taxation	(553)	(140)	10	(308)	(346)	(413)
Minorities	(7)	(4)	10	(8)	(9)	(9)
Extraordinary items	(17)	0	0	0	0	0
<b>Net Profit</b>	<b>2,587</b>	<b>907</b>	<b>131</b>	<b>1,439</b>	<b>1,657</b>	<b>1,848</b>
<b>Normalized Profit</b>	<b>2,604</b>	<b>907</b>	<b>131</b>	<b>1,439</b>	<b>1,657</b>	<b>1,848</b>
EPS (Bt)	2.81	0.99	0.14	1.56	1.80	2.01
Normalized EPS (Bt)	2.83	0.99	0.14	1.56	1.80	2.01

Source: KGI Securities Research

**Cash Flow**

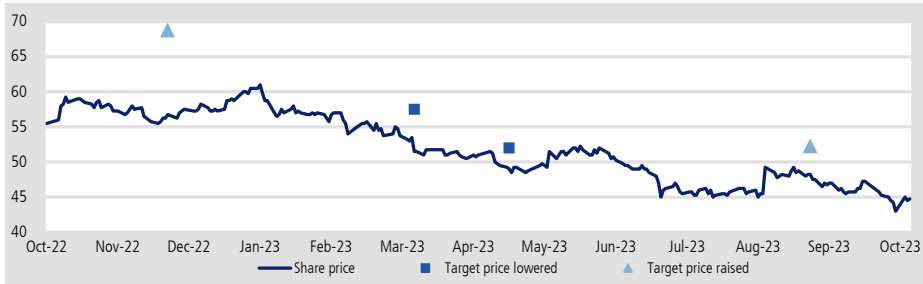
Year to 31 Dec (Bt mn)	2019	2020	2021	2022	2023F	2024F
<b>Operating Cash Flow</b>	<b>3,851</b>	<b>2,049</b>	<b>1,938</b>	<b>3,806</b>	<b>2,129</b>	<b>3,658</b>
Net Profit	2,587	907	131	1,439	1,657	1,848
Depreciation & Amortization	777	2,137	2,009	1,997	2,072	2,055
Change in Working Capital	1,877	(616)	(185)	338	(1,455)	(172)
Others	(1,390)	(379)	(17)	33	(145)	(72)
<b>Investment Cash Flow</b>	<b>0</b>	<b>(3,854)</b>	<b>(531)</b>	<b>(790)</b>	<b>531</b>	<b>(373)</b>
Net CAPEX	(414)	(84)	(30)	(388)	(500)	(400)
Change in LT Investment	(165)	(3,770)	(501)	(402)	1,031	27
Change in Other Assets	579	0	0	0	0	0
<b>Free Cash Flow</b>	<b>3,851</b>	<b>(1,805)</b>	<b>1,407</b>	<b>3,017</b>	<b>2,660</b>	<b>3,285</b>
<b>Financing Cash Flow</b>	<b>0</b>	<b>2,035</b>	<b>(879)</b>	<b>(1,369)</b>	<b>(1,910)</b>	<b>(2,186)</b>
Change in Share Capital	0	(0)	0	0	0	0
Net Change in Debt	0	3,691	(410)	(187)	(429)	(533)
Change in Other LT Liab.	(0)	(1,656)	(470)	(1,182)	(1,481)	(1,653)
<b>Net Cash Flow</b>	<b>3,851</b>	<b>229</b>	<b>527</b>	<b>1,647</b>	<b>750</b>	<b>1,099</b>

Source: KGI Securities Research

**Rates of Return on Invested Capital**

Year	1- Revenue	+ COGS Revenue	+ Depreciation Revenue	+ Operating Exp. Revenue	= Operating Margin	
2019	27.0%		4.5%	50.1%	18.4%	
2020	18.3%		16.0%	57.3%	8.5%	
2021	17.9%		18.0%	62.3%	1.8%	
2022	22.0%		12.7%	53.4%	11.9%	
2023F	22.7%		11.9%	53.2%	12.2%	
2024F	23.6%		11.9%	53.2%	11.3%	
Year	1/ Revenue	+ Working Capital Revenue	+ Net PPE Revenue	+ Other Assets Revenue	= Capital Turnover	
2019	0.1		0.2	0.8	0.9	
2020	0.0		0.2	1.3	0.7	
2021	0.0		0.3	1.5	0.6	
2022	0.0		0.2	1.1	0.8	
2023F	-0.1		0.1	1.0	1.0	
2024F	-0.1		0.1	1.0	1.0	
Year	Operating Margin	x	Capital Turnover	x	Cash Tax Rate	= After-tax Return on Inv. Capital
2019	18.4%		0.9		17.3%	2.8%
2020	8.5%		0.7		13.2%	0.8%
2021	1.8%		0.6		-7.1%	-0.1%
2022	11.9%		0.8		17.3%	1.6%
2023F	12.2%		1.0		17.3%	2.1%
2024F	11.3%		1.0		-2.6%	-0.3%

Source: KGI Securities Research

**MK Restaurant Group - Recommendation & target price history**


Date	Rating	Target	Price
30-Aug-23	Neutral	52.25	48.25
25-Apr-23	Neutral	52.00	49.00
16-Mar-23	Neutral	57.50	51.50
2-Dec-22	Outperform	68.75	56.75

Source: KGI Securities Research

# Corporate Governance Report of Thai Listed Companies



## Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	GLOBAL	SIAM GLOBAL HOUSE	RATCH	RATCH GROUP
ADVANC	ADVANCED INFO SERVICE	GPSC	GLOBAL POWER SYNERGY	RBF	R&B FOOD SUPPLY
AMA	AMA MARINE	GULF	GULF ENERGY DEVELOPMENT	SAT	SOMBOON ADVANCE TECHNOLOGY
AMATA	AMATA CORPORATION	HANA	HANA MICROELECTRONICS	SCB	SCB X
ANAN	ANANDA DEVELOPMENT	HENG	HENG LEASING AND CAPITAL	SCC	THE SIAM CEMENT
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	SCCC	SIAM CITY CEMENT
AP	AP (THAILAND)	INTOUCH	INTOUCH HOLDINGS	SCGP	SCG PACKAGING
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	IRPC	IRPC	SEAFECO	SEAFECO
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	IVL	INDORAMA VENTURES	SHR	S HOTELS AND RESORTS
BANPU	BANPU	KBANK	KASIKORN BANK	SICT	SILICON CRAFT TECHNOLOGY
BBL	BANGKOK BANK	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BCP	BANGCHAK CORPORATION	KEX	KERRY EXPRESS (THAILAND)	SNC	SNC FORMER
BCPG	BCPG	KKP	KIATNAKIN PHATRA BANK	SPALI	SUPALAI
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BEM	BANGKOK EXPRESSWAY AND METRO	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BGRIM	B. GRIMM POWER	LPN	L.P.N. DEVELOPMENT	STGT	SRI TRANG GLOVES (THAILAND)
BPP	BANPU POWER	MAJOR	MAJOR CINEPLEX GROUP	SUN	SUNSWEET
BTS	BTS GROUP HOLDINGS	MBK	MBK	SVI	SVI
CENTEL	CENTRAL PLAZA HOTEL	MINT	MINOR INTERNATIONAL	TACC	T.A.C. CONSUMER
CK	CH. KARNCHANG	MTC	MUANGTHAI CAPITAL	TCAP	THANACHART CAPITAL
CKP	CK POWER	OR	PTT OIL AND RETAIL BUSINESS	THCOM	THAICOM
COM7	COM7	ORI	ORIGIN PROPERTY	TISCO	TISCO FINANCIAL GROUP
CPALL	CP ALL	OSP	OSOTSPA	TKN	TAOKAENOI FOOD & MARKETING
CPAXT	CP AXTRA	PLANB	PLAN B MEDIA	TOP	THAI OIL
CPF	CHAROEN POKPHAND FOODS	PSH	PRUKSA HOLDING	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PTG	PTG ENERGY	TU	THAI UNION GROUP
DELTA	DELTA ELECTRONICS (THAILAND)	PTT	PTT	VGI	VGI
DOHOM	DOHOME	PTTEP	PTT EXPLORATION AND PRODUCTION	WHA	WHA CORPORATION
EGCO	ELECTRICITY GENERATING	PTTGC	PTT GLOBAL CHEMICAL	WHAUP	WHA UTILITIES AND POWER
GFPT	GFPT	PYLON	PYLON	ZEN	ZEN CORPORATION GROUP
GGC	GLOBAL GREEN CHEMICALS	QH	QUALITY HOUSES		



## Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AEONTS	AEON THANA SINSAP (THAILAND)	JMT	JMT NETWORK SERVICES	SFT	SHRINKFLEX (THAILAND)
BCH	BANGKOK CHAIN HOSPITAL	LH	LAND AND HOUSES	SINGER	SINGER THAILAND
BEC	BEC WORLD	M	MK RESTAURANT GROUP	SMD	SAINTMED
BH	BUMRUNGRAD HOSPITAL	MEGA	MEGA LIFESCIENCES	SNNP	SRINANAPORN MARKETING
CBG	CARABAO GROUP	NETBAY	NETBAY	SPA	SIAM WELLNESS GROUP
CHG	CHULARAT HOSPITAL	PJW	PANJAWATTANA PLASTIC	TFG	THAIFOODS GROUP
ERW	THE ERAWAN GROUP	SAK	SAKSAM LEASING	TIDLOR	NGERN TID LOR
ESSO	ESSO (THAILAND)	SAPPE	SAPPE	TNP	THANAPIRIYA
HUMAN	HUMANICA	SAWAD	SRISAWAD CORPORATION	UBE	UBON BIO ETHANOL
IIG	I&I GROUP	SFLEX	STARFLEX	XO	EXOTIC FOOD



## Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	LPH	LADPRAO GENERAL HOSPITAL	TPCH	TPC POWER HOLDING
EKH	EKACHAI MEDICAL CARE	MENA	MENA TRANSPORT		
JMART	JAYMART GROUP HOLDINGS	SISB	SISB		

## Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
BBGI	BBGI	NTSC	Nutrition SC	TGE	THACHANG GREEN ENERGY
BTG	BETAGRO	PLT	Pilatus Marine		
ITC	i-Tail Corporation	PQS	Premier Quality Starch		

Source: www.thai-iod.com

**Disclaimer:** The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.



## Anti-corruption Progress Indicator

### Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

### Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFECO	SEAFECO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENDEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

### Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

### No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

**Disclaimer:** The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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**KGI's Ratings**

<b>Rating</b>	<b>Definition</b>
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances.  Excess return = 12M target price/current price-
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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