

MK Restaurant Group

(M.BK/M TB)*

Neutral · Downgraded

Price as of 15 Mar 2023	53.50
12M target price (Bt/shr)	57.50
Unchanged/Revised up(down)(%)	(16.4)
Upside/downside (%)	7.5

Key messages

เรามองว่าสมมติฐาน GPM ของเรายังมี downside อีกจากต้นทุนวัตถุดิบที่เพิ่มขึ้น (หลัก ๆ จากราคาเปิด) ในขณะที่บริษัทคาดว่ารายได้ในปีนี้จะโต 15-20% YoY ดังนั้น เราจึงปรับลดประมาณการกำไรปี 2566F/2567F ลง 16%/6% เนื่องจากเราปรับลดสมมติฐาน GPM และปรับเพิ่มสมมติฐานรายได้ เมื่ออิงตามประมาณการใหม่ เราปรับลดราคาเป้าหมายปี 2566 ลงเหลือ 57.50 บาท (PE ที่ 27x เท่ากับค่าเฉลี่ยในอดีต) จากเดิมที่ 68.75 บาท ทั้งนี้ เนื่องจากเหลือ upside จำกัด เราจึงปรับลดคำแนะนำจากซื้อเป็นถือ

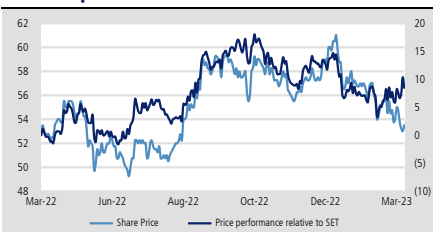
Trading data

Mkt cap (Btbn/US\$m)	49.3/1540		
Outstanding shares (mn)	921		
Foreign ownership (mn)	38.2		
3M avg. daily trading (mn)	1.3		
52-week trading range (Bt)	49.3-61		
Performance (%)	3M	6M	12M
Absolute	-7.0	-7.0	1.9
Relative	-3.7	-3.1	8.6

Quarterly EPS

	1Q	2Q	3Q	4Q
2020	0.37	(0.27)	0.50	0.38
2021	0.10	(0.11)	(0.28)	0.43
2022	0.29	0.48	0.44	0.35

Share price chart



Source: SET

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GPM ถูกกดดัน

Event

ประชุมนักวิเคราะห์

Impact

GPM มี downside

บริษัทตั้งเป้าว่ารายได้ปี 2566 จะฟื้นตัวกลับขึ้นไปใกล้ระดับก่อน COVID ระบาดจากการบริโภคที่ดีขึ้นและการขยายสาขา ซึ่งหมายความว่ารายได้ในปีนี้จะโต 15-20% YoY ในขณะที่สมมติฐานอัตราการเติบโตของรายได้ปีนี้ของเราที่ 5% YoY อาจจะถูกอนุรักษ์นิยมมากเกินไป ทั้งนี้ บริษัทมีแผนจะเปิดสาขา ร้าน MK/ยาโย/LCS เพิ่มอีก 10/10/7 ร้านในปี 2566F ในขณะที่สมมติฐานของเราอยู่ที่ 10/10/5 ร้าน ส่วนในแง่ของอัตรากำไรขั้นต้นนั้น ราคาเปิด (15-20% ของต้นทุนวัตถุดิบ) เพิ่มขึ้น 10-15% จากราคาเฉลี่ยเดิมในปี 2565 และแม้ว่าราคาหมูจะมีแนวโน้มลดลงอย่างต่อเนื่อง แต่บริษัทอาจจะไม่ได้อานิสต์เต็มที่เพราะมีการกำหนดราคาหมูเอาไว้คงที่หนึ่งปี ดังนั้น บริษัทจึงคาดว่า GPM จะทรงตัว YoY (GPM ปี 2565 อยู่ที่ 65.3%) ซึ่งน่าจะทำให้สมมติฐาน GPM ปี 2566 ของเราที่ 68.0% มี downside อีก

คาดว่าผลประกอบการจะดีขึ้น YoY ใน 1Q66F

เรายังคงมองบวกกับแนวโน้มกำไรใน 1Q66F โดย SSSG ในช่วงสองเดือนแรกของปีนี้อยู่ที่ 13-14% YoY เพราะการบริโภคเพิ่มขึ้นจากผลของฐานที่ต่ำ ทั้งนี้ บริษัทได้ปรับขึ้นราคาประมาณ 4% ในเดือนกุมภาพันธ์เพื่อบรรเทาผลกระทบจากต้นทุนวัตถุดิบ (ที่เพิ่มขึ้น 5-6%) ในขณะเดียวกัน บริษัทยังบริหารจัดการค่าใช้จ่าย SG&A ได้ดี

ปรับลดประมาณการกำไรปี 2566F/2567F ลง 16%/6%

จากเป้าหมายของบริษัททำให้เราปรับลดประมาณการกำไรปี 2566F/2567F ลง 16%/6% เพื่อสะท้อนถึง i) การปรับเพิ่มสมมติฐานรายได้ในปี 2566F/2567F ขึ้นอีก 4%/8% ซึ่งจะทำให้รายได้โต 11%/3% ii) การปรับลดสมมติฐาน GPM ในปี 2566F/2567F ลงเหลือ 65.6%/66.7% (จากเดิมที่ 68.0%/68.1%) ทั้งนี้ หลังจากที่เราปรับประมาณการแล้ว เราคาดว่ากำไรของ M ในปี 2566F จะอยู่ที่ 2.0 พันล้านบาท (+37% YoY) และในปี 2567F จะอยู่ที่ 2.3 พันล้านบาท (+15% YoY) เนื่องจาก i) ยอดขายเพิ่มขึ้น และ ii) สัดส่วน SG&A/ยอดขายลดลง

Valuation & action

เมื่ออิงตามประมาณการใหม่ เราปรับลดราคาเป้าหมายปี 2566 ลงเหลือ 57.50 บาท (PE ที่ 27x เท่ากับค่าเฉลี่ยในอดีต) จากเดิมที่ 68.75 บาท ทั้งนี้ เนื่องจากเหลือ upside จำกัด เราจึงปรับลดคำแนะนำจากซื้อเป็นถือ

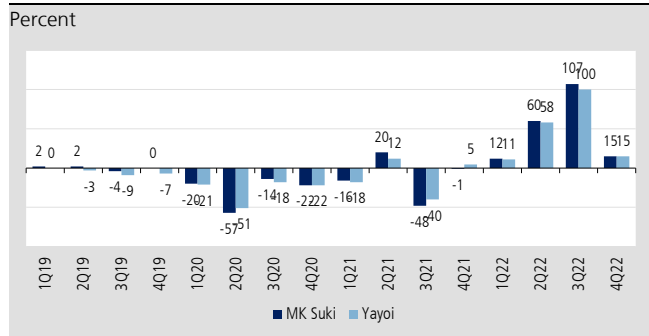
Risks

เศรษฐกิจฟื้นตัวช้ากว่าที่คาดไว้, SSSG จะลดตัวมากกว่าที่คาด, การแข่งขันในธุรกิจอาหาร

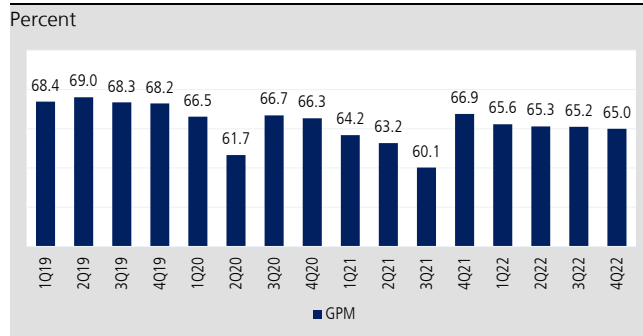
Key financials and valuations

	Dec - 19A	Dec - 20A	Dec - 21A	Dec - 22A	Dec - 23F	Dec - 24F
Revenue (Btmn)	17,409	13,361	11,182	15,728	17,440	18,024
Net Profit (Btmn)	2,587	907	131	1,439	1,966	2,261
Normalized Profit (Btmn)	2,604	907	131	1,439	1,966	2,261
EPS (Bt)	2.81	0.99	0.14	1.56	2.13	2.45
EPS Growth (%)	0.5	(64.9)	(85.6)	998.5	36.6	15.0
DPS (Bt)	2.6	1.8	0.8	1.4	1.9	2.0
P/E (X)	24.9	51.5	365.6	34.2	25.1	21.8
P/B (X)	4.4	3.4	3.5	3.6	3.5	3.5
EV/EBITDA (X)	10.4	13.9	20.3	11.5	9.2	8.3
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	2.6	3.5	3.7
Return on Average Equity (%)	17.7	6.6	1.0	10.5	14.1	15.9

Source: Company data, KGI Securities Research

Figure 1: Same-store-sales growth (SSSG)


Source: Company data, KGI Securities Research

Figure 2: Gross profit margin


Source: Company data, KGI Securities Research

Figure 3: Raw material costs

Raw materials	Assume Portion	2022	2023YTD	%Chg in price	%Chg in costs
Meats					
Pork (Bt/Kg)	20%	204	190	-7%	-1%
Chicken (Bt/Kg)	10%	81	68	-15%	-2%
Shrimp (Bt/Kg)	10%	251	260	4%	0%
Egg (unit)	5%	4.2	4.4	5%	0%
Vegetables					
Cabbage (Bt/Kg)	5%	33	29	-11%	-1%
Water spinach (Bt/Kg)	5%	31	30	-4%	0%
Total	55%			-29%	-3%

Source: Company data, KGI Securities Research

Figure 4: Earnings revisions

	2023F			2024F		
	Revised	Previous	Change	Revised	Previous	Change
Financials (Btmn)			Percent			Percent
Sales	17,440	16,779	3.9	18,580	17,285	7.5
COGS	5,999	5,369	11.7	6,187	5,514	12.2
SG&A	9,287	8,935	3.9	9,884	9,196	7.5
Net profit	1,966	2,345	(16.2)	2,323	2,459	(5.5)
Normalized profit	1,966	2,345	(16.2)	2,323	2,459	(5.5)
EPS (Bt/shr)	2.13	2.55	(16.2)	2.52	2.67	(5.5)
Normalized EPS (Bt/shr)	2.13	2.55	(16.2)	2.52	2.67	(5.5)
Key financial ratio (%)			ppts			ppts
GPM	65.6	68.0	(2.4)	66.7	68.1	(1.4)
SG&A/Revenue	53.3	53.3	0.0	53.2	53.2	0.0

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	12,608	12,744
Yayoi		3,320	2,440	2,124	2,831	3,155	3,309
Laem Charoen Seafood		117	748	559	944	1,236	1,595
Others		392	276	244	315	377	377
Total Restaurant Revenue		17,409	13,362	11,182	15,728	17,440	18,024
Number of branches	Branch						
MK Suki/MK Gold/MK Live		463	458	452	455	465	470
Yayoi		198	194	193	195	205	215
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	778	798
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	65.6	66.7
SG&A to sales	%	52.7	59.5	64.1	55.0	53.3	53.2

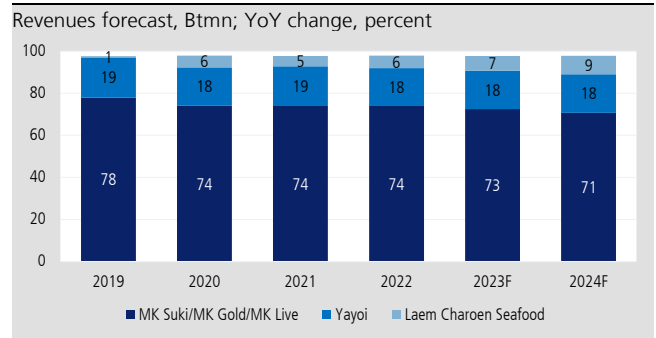
Source: Company data, KGI Securities Research

Figure 6: Company profile

MK Restaurant Group (M) is a food services company. As of 2022, M operated 710 restaurant outlets, comprising MK suki (at 455 stores), Yayoi (at 195 stores), Laem Charoen Seafood (at 36 stores), and others in Thailand. The company also has franchise business in Laos, Vietnam, and JV in Singapore.

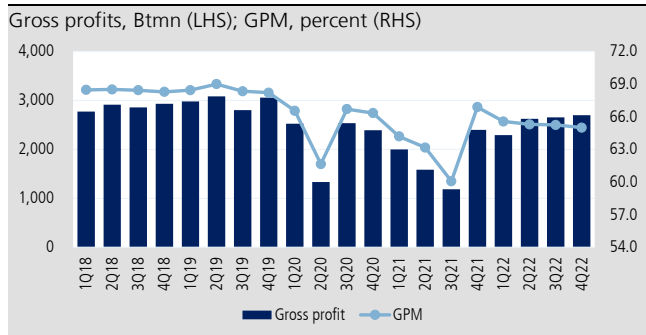
Source: Company data

Figure 7: Revenue breakdown



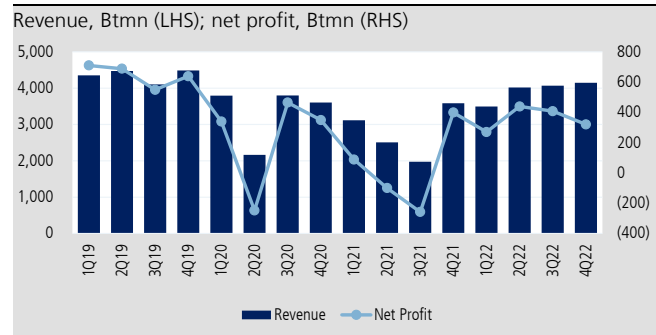
Source: Company data, KGI Securities Research

Figure 8: Gross profits and GPM



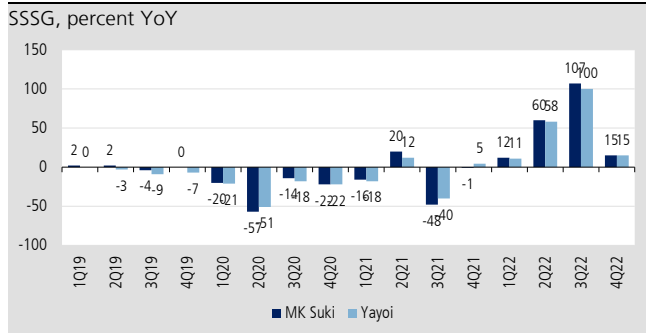
Source: Company data, KGI Securities Research

Figure 9: Revenue and net profit



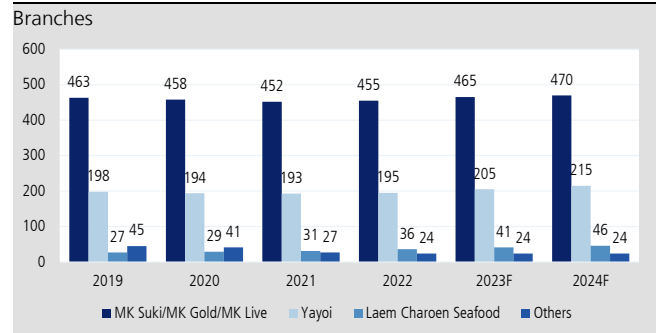
Source: Company data, KGI Securities Research

Figure 10: Same store sales growth (SSSG)



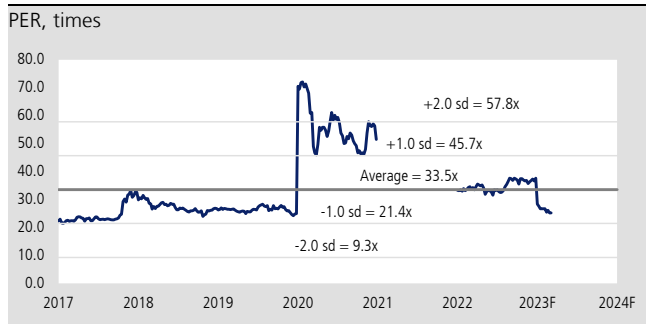
Source: Company data, KGI Securities Research

Figure 11: Outlet breakdown by type



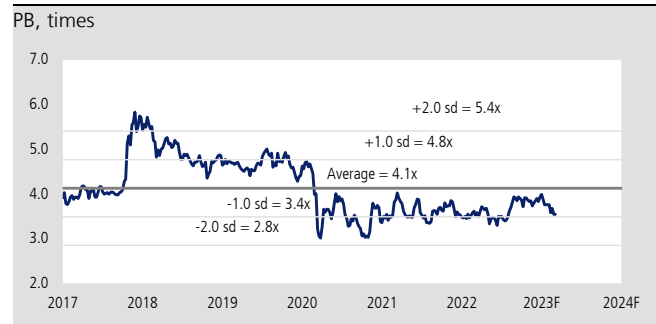
Source: Company data, KGI Securities Research

Figure 12: PER



Source: KGI Securities Research

Figure 13: PB



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
Income Statement (Bt mn)																
Revenue	4,352	4,470	4,102	4,485	3,795	2,163	3,799	3,604	3,116	2,509	1,973	3,583	3,495	4,016	4,067	4,149
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)
Gross Profit	2,979	3,085	2,804	3,059	2,525	1,333	2,534	2,391	2,000	1,585	1,185	2,397	2,291	2,623	2,654	2,699
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)
Other incomes	70	77	100	83	82	33	66	80	40	60	46	40	57	41	44	68
Operating Profit	831	818	634	790	420	(291)	596	373	115	(125)	(312)	506	340	546	515	430
Depreciation of fixed assets	196	191	192	198	538	534	536	528	510	500	501	656	490	494	490	524
Operating EBITDA	1,027	1,009	826	988	958	244	1,132	901	624	375	188	1,162	830	1,040	1,005	954
Non-Operating Income	35	38	34	25	16	12	9	(3)	5	5	5	6	7	9	12	12
Interest Income	35	38	34	25	16	12	9	(3)	5	5	5	6	7	9	12	12
Other Non-op Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Operating Expenses	0	0	(0)	(0)	(25)	(11)	(19)	(19)	(19)	(20)	(12)	(18)	(21)	(21)	(21)	(23)
Interest Expenses	0	0	(0)	(0)	(25)	(11)	(19)	(19)	(19)	(20)	(12)	(18)	(21)	(21)	(21)	(23)
Other Non-op Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity Income/(Loss)	(2)	(7)	(5)	(27)	(2)	(6)	(0)	2	(6)	(8)	(8)	(1)	(9)	(4)	(7)	(9)
Pre-tax Profit	863	850	663	787	409	(297)	586	353	95	(148)	(328)	493	317	530	498	410
Current Taxation	(154)	(144)	(114)	(141)	(65)	41	(113)	(2)	(8)	42	65	(90)	(51)	(89)	(86)	(82)
Minorities	0	0	0	(7)	(3)	8	(8)	(1)	2	7	5	(4)	5	(2)	(4)	(7)
Extraordinary items	0	(17)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Profit	710	689	549	639	340	(247)	465	349	89	(99)	(257)	399	271	439	408	321
Normalized Profit	710	706	549	639	340	(247)	465	349	89	(99)	(257)	399	271	439	408	321
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
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
Margins																
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
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
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	32.4	23.8	25.9	24.7	23.0
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
YoY growth																
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
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)
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)	29.0	32.9	177.3	433.9	(17.9)
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)
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)

Source: KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2019	2020	2021	2022	2023F	2024F
Total Assets	17,942	20,353	19,569	19,901	18,959	18,696
Current Assets	8,740	8,310	8,418	8,426	9,813	11,138
Cash & ST Investments	8,033	7,663	7,689	7,779	9,151	10,467
Inventories	358	418	392	414	394	395
Accounts Receivable	158	110	167	121	144	148
Others	191	119	170	111	123	127
Non-current Assets	9,201	12,044	11,151	11,475	9,146	7,558
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	4,277	4,371
Total Liabilities	3,315	6,506	6,036	6,136	4,990	4,516
Current Liabilities	2,467	2,845	2,706	2,938	1,555	1,464
Accounts Payable	519	416	1,355	1,449	559	559
ST Borrowings	0	1,126	1,075	1,071	533	426
Others	1,948	1,303	276	417	463	478
Long-term Liabilities	848	3,661	3,331	3,198	3,435	3,053
Long-term Debts	0	2,565	2,207	2,023	2,132	1,706
Others	848	1,096	1,124	1,175	1,303	1,347
Shareholders' Equity	14,627	13,847	13,509	13,765	13,969	14,180
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	3,170	3,371

Source: KGI Securities Research

Key Ratios

Year to 31 Dec	2019	2020	2021	2022	2023F	2024F
Growth (% YoY)						
Sales	3.8	(23.3)	(16.3)	40.7	10.9	3.3
OP	2.3	(64.7)	(82.0)	816.8	38.3	11.2
EBITDA	0.8	(17.9)	(27.5)	63.1	64.2	11.8
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
Profitability (%)						
Gross Margin	68.5	65.7	64.1	65.3	65.6	66.7
Operating Margin	18.4	8.5	1.8	11.9	14.8	16.0
EBITDA Margin	22.9	24.5	21.2	24.6	36.4	39.4
Net Profit Margin	14.9	6.8	1.2	9.1	11.3	12.5
ROAA	14.4	4.5	0.7	7.2	10.4	12.1
ROAE	17.7	6.6	1.0	10.5	14.1	15.9
Stability						
Gross Debt/Equity (%)	22.7	47.0	44.7	44.6	35.7	31.9
Net Debt/Equity (%)		Net cash	Net cash	Net cash	Net cash	Net cash
Interest Coverage (x)	N.A.	15.4	2.9	21.6	27.2	36.3
Interest & ST Debt Coverage (x)	N.A.	15.4	2.9	21.6	27.2	36.3
Cash Flow Interest Coverage (x)	N.A.	28.0	30.3	43.9	42.9	77.1
Cash Flow/Interest & ST Debt (x)	N.A.	28.0	30.3	43.9	42.9	77.1
Current Ratio (x)	4.5	6.4	30.5	20.2	19.4	21.3
Quick Ratio (x)	4.3	6.1	29.1	19.2	18.6	20.5
Net Debt (Bt mn)	(8,033)	(3,972)	(4,407)	(4,685)	(5,668)	(7,376)
Per Share Data (Bt)						
EPS	2.8	1.0	0.1	1.6	2.1	2.4
Normalized EPS	2.8	1.0	0.1	1.6	2.1	2.4
CFPS	4.2	2.2	2.3	4.1	4.4	6.6
BVPS	15.9	15.0	14.7	14.9	15.2	15.4
SPS	18.9	14.5	12.1	17.1	18.9	19.6
EBITDA/Share	4.3	3.5	2.6	4.2	6.9	7.7
DPS	2.6	1.8	0.8	1.4	1.9	2.0
Activity						
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
Revenue	17,409	13,361	11,182	15,728	17,440	18,024
Cost of Goods Sold	(5,483)	(4,577)	(4,015)	(5,461)	(5,999)	(6,002)
Gross Profit	11,926	8,784	7,167	10,267	11,440	12,022
Operating Expenses	(9,183)	(7,947)	(7,170)	(8,646)	(9,287)	(9,589)
Other Incomes	330	261	186	210	349	360
Operating Profit	3,074	1,097	183	1,831	2,503	2,794
Depreciation of fixed assets	(777)	(2,137)	(2,009)	(1,997)	(2,072)	(2,055)
Operating EBITDA	3,851	3,234	2,192	3,828	4,575	4,849
Non-Operating Income	132	34	21	39	85	92
Interest Income	132	34	21	39	85	92
Other Non-op Income	0	0	0	0	0	0
Non-Operating Expenses	(1)	(73)	(69)	(87)	(95)	(79)
Interest Expenses	(1)	(73)	(69)	(87)	(95)	(79)
Other Non-op Expenses	0	0	0	0	0	0
Equity Income/(Loss)	(41)	(6)	(23)	(29)	(25)	(25)
Pre-tax Profit	3,163	1,051	111	1,755	2,467	2,781
Current Taxation	(553)	(140)	10	(308)	(492)	(511)
Minorities	(7)	(4)	10	(8)	(9)	(9)
Extraordinary items	(17)	0	0	0	0	0
Net Profit	2,587	907	131	1,439	1,966	2,261
Normalized Profit	2,604	907	131	1,439	1,966	2,261
EPS (Bt)	2.81	0.99	0.14	1.56	2.13	2.45
Normalized EPS (Bt)	2.83	0.99	0.14	1.56	2.13	2.45

Source: KGI Securities Research

Cash Flow

Year to 31 Dec (Bt mn)	2019	2020	2021	2022	2023F	2024F
Operating Cash Flow	3,851	2,049	1,938	3,806	2,398	3,942
Net Profit	2,587	907	131	1,439	1,936	2,010
Depreciation & Amortization	777	2,137	2,009	1,997	2,072	2,055
Change in Working Capital	1,877	(616)	(185)	338	(1,463)	(73)
Others	(1,390)	(379)	(17)	33	(147)	(50)
Investment Cash Flow	0	(3,854)	(531)	(790)	531	(373)
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
Free Cash Flow	3,851	(1,805)	1,407	3,017	2,929	3,569
Financing Cash Flow	0	2,035	(879)	(1,369)	(2,161)	(2,333)
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)	(1,732)	(1,800)
Net Cash Flow	3,851	229	527	1,647	768	1,237

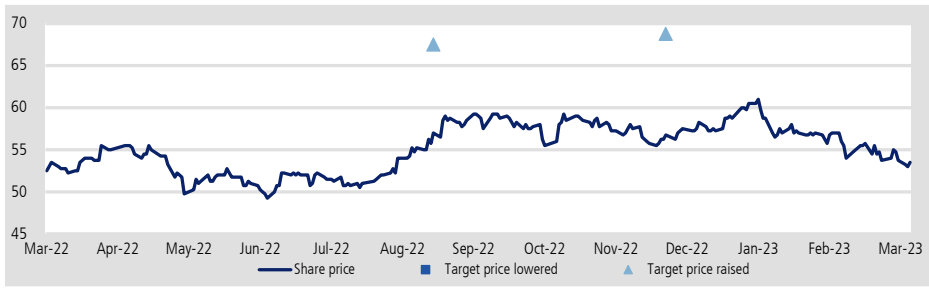
Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1- 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	22.5%	11.9%	50.8%	14.8%
2024F	21.8%	11.9%	50.8%	15.6%
Year	1/ 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	14.8%	1.0	17.3%	2.6%
2024F	15.6%	1.0	-2.6%	-0.4%

Source: KGI Securities Research

MK Restaurant Group – Recommendation & target price history



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	EGCO	ELECTRICITY GENERATING	PTTEP	PTT EXPLORATION AND PRODUCTION
ADVANC	ADVANCED INFO SERVICE	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
AMA	AMA MARINE	GGC	GLOBAL GREEN CHEMICALS	PYLON	PYLON
AMATA	AMATA CORPORATION	GPSC	GLOBAL POWER SYNERGY	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	RS	RS
AP	ASIAN PROPERTY DEVELOPMENT	INTUCH	SHIN CORPORATION	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	IRPC	IRPC	SCC	THE SIAM CEMENT
BCP	THE BANGCHAK PETROLEUM	IVL	INDORAMA VENTURES	SCCC	SIAM CITY CEMENT
BCPG	BCPG	KBANK	KASIKORNBANK	SEAFCO	SEAFCO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KKP	KIATNAKIN BANK	SPALI	SUPALAI
BEM	BANGKOK EXPRESSWAY AND METRO	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BGRIM	B.GRIMM POWER	KTC	KRUNGTHAI CARD	SVI	SVI
BPP	BANPU POWER	LH	LAND AND HOUSES	TACC	T.A.C. CONSUMER
BTS	BTS GROUP HOLDINGS	LPN	L.P.N. DEVELOPMENT	TCAP	THANACHART CAPITAL
CENTEL	CENTRAL PLAZA HOTEL	MAKRO	SIAM MAKRO	THCOM	THAICOM
CK	CH. KARNCHANG	MBK	MBK	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CPALL	CP ALL	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING	VGI	VGI GLOBAL MEDIA
DELTA	DELTA ELECTRONICS (THAILAND)	PTG	PTG ENERGY	WHA	WHA CORPORATION
DTAC	TOTAL ACCESS COMMUNICATION	PTT	PTT	WHAUP	



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GULF	GULF ENERGY DEVELOPMENT	SAPPE	SAPPE
BBL	BANGKOK BANK	JMT	JMT NETWORK SERVICES	SAWAD	SRI SAWAD POWER 1979
CBG	CARABAO GROUP	LPH	LADPRAO GENERAL HOSPITAL	SINGER	SINGER THAILAND
CHG	CHULARAT HOSPITAL	M	MK RESTAURANT GROUP	SPA	SIAM WELLNESS GROUP
COM7	COM7	MAJOR	MAJOR CINEPLEX GROUP	TFG	THAIFOODS GROUP
DOHOME	DOHOME	MEGA	MEGA LIFESCIENCES	TKN	TAOKAENOI FOOD & MARKETING
ERW	THE ERAWAN GROUP	NETBAY	NETBAY	ZEN	ZEN CORPORATION GROUP
GLOBAL	SIAM GLOBAL HOUSE	OSP	OSOTSPA		



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	ESSO	ESSO (THAILAND)	SF	SIAM FUTURE DEVELOPMENT
BH	BUMRUNGRAD HOSPITAL	HUMAN	HUMANICA	SISB	SISB
EKH	EKACHAI MEDICAL CARE	RBF	R&B FOOD SUPPLY	TPCH	TPC POWER HOLDING

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	OR	PTT OIL AND RETAIL BUSINESS	STGT	SRI TRANG GLOVES (THAILAND)
KEX	KERRY EXPRESS (THAILAND)	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION		

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 ERWAN 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	SEAFCO	SEAFCO
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
CENTEL	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

Rating	Definition
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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