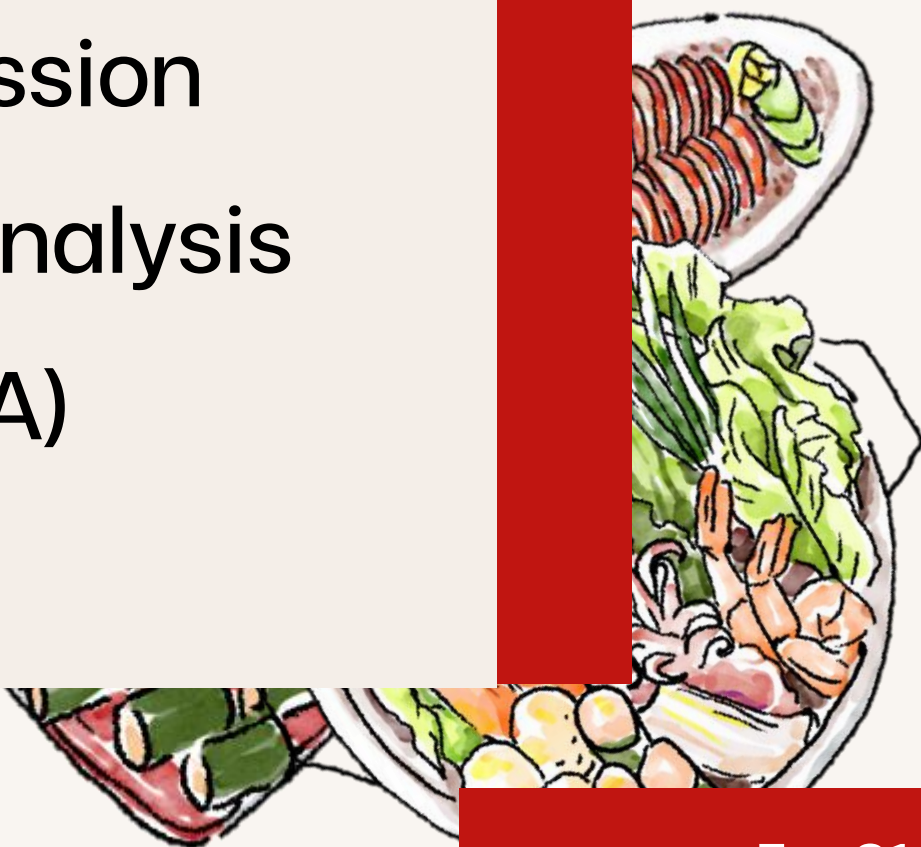




MK RESTAURANT GROUP PUBLIC COMPANY LIMITED



Management
Discussion
and Analysis
(MD&A)



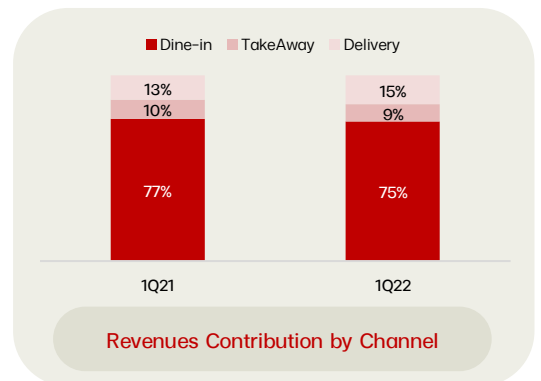
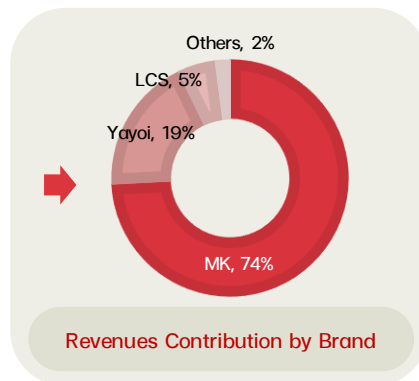
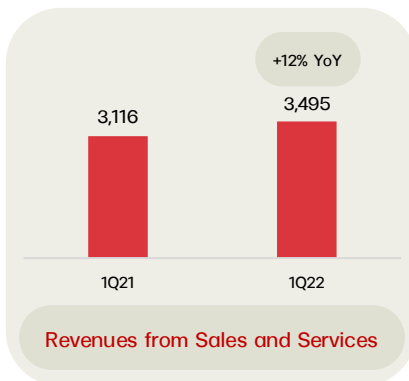
For Q1/2022

Summary of the Operating Results for 1Q22

| | 1Q2021 | 1Q2022 | %Change |
|---------------------|--------|--------|---------|
| Revenues from Sales | 3,116 | 3,495 | 12.2% |
| Cost of Sales | 1,116 | 1,204 | 7.9% |
| Gross Profit | 2,000 | 2,291 | 14.6% |
| SG&A | 1,925 | 2,008 | 4.3% |
| Net Profit | 89 | 271 | 205.0% |



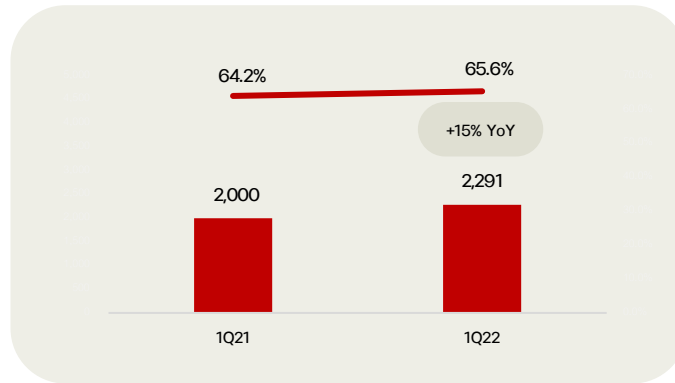
Revenues from Sales and Services



For the first quarter of 2022, the Company and its subsidiaries recorded revenues from sales and services of Baht 3,495 million, increased by Baht 379 million or an increase of 12.2% as compared to the same period of last year. This was due largely to the 2nd wave of COVID outbreak occurred in mid-December 2020 and continued until the beginning of the year 2021. Some branches had to close down the dine-in service and people concerned about their safety and avoided eating out. As a result, the revenues from sales and services in the first quarter of 2021 dropped significantly. However, there were a lot of new infected cases in this quarter, most of them did not have severe symptoms due to the vaccination and can be treated themselves at home and the government also relaxed the control measures. Therefore, the revenues from sales and services had been recovered in this quarter.



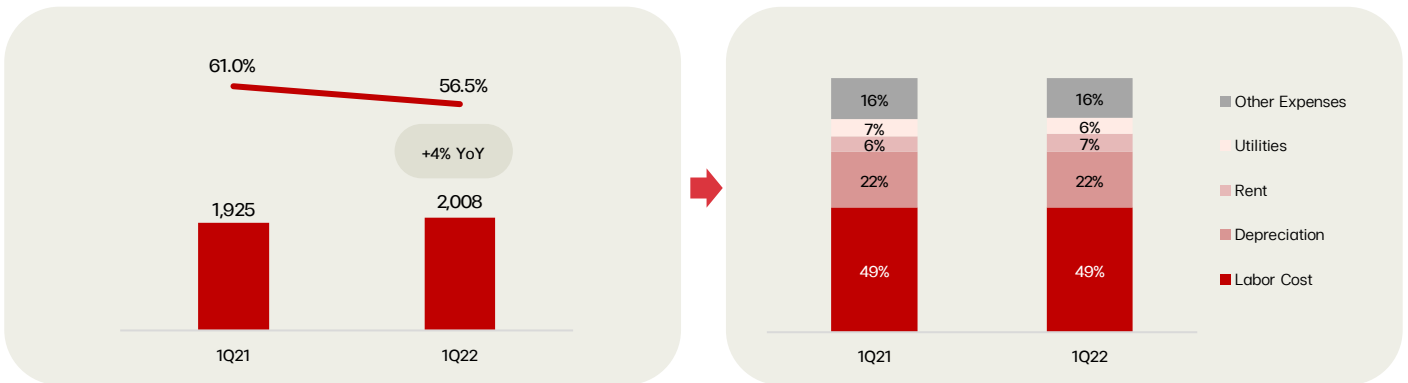
Gross Profit



Gross profit represents the difference between revenues from sales and services and costs of sales and services which included food costs and transportation and warehousing costs. For the first quarter of 2022, gross profit of the Company and its subsidiaries amounted to Baht 2,291 million, or up by 14.6% year-on-year. Gross profit as a percentage of revenues from sales and services also increased from 64.2% for the first quarter of 2021 to 65.6% for the same period of 2022. This was because the 2nd wave of COVID outbreak as mentioned above had a huge negative impact to the revenues from sales and services; therefore the Company had applied the marketing promotions for all channels in order to boost sales. This was affected to the drop of the gross profit margin in the first quarter of 2021. In addition, the Company has adjusted the menu prices slightly in the beginning of 2022 to cope with the increase of all costs especially the cost of raw materials which rise up considerably. As a result, the gross profit margin for this quarter slightly improved compared to the same period of last year.



Selling and Administrative Expenses



Selling and administrative expenses consist mainly of employee expenses, rents, utilities, advertising and sales promotion, restaurant supplies, depreciation and amortization. Selling and administrative expenses of the Company and its subsidiaries for the first quarter of 2022 was Baht 2,008 million, or an increase of 4.3% year-on-year, owing mainly to an increase of staff cost and depreciation. However, selling and administrative expenses as a percentage of total revenues decreased from 61.0% for the first quarter of 2021 to 56.5% for the same period of this year, mainly due to an increase of revenues from sales and services while most of the expenses did not rise as much as revenues from sales and services.

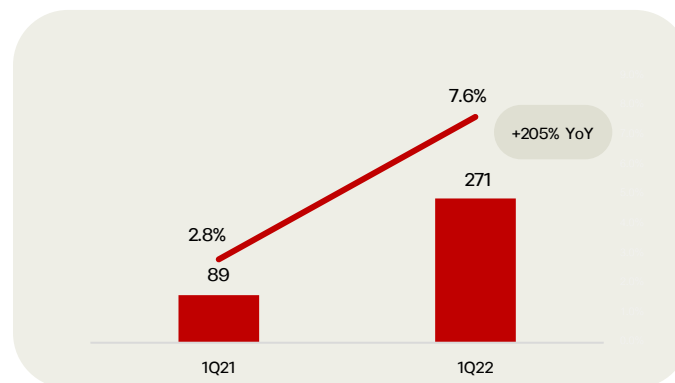


Financial Cost

The Company and its subsidiaries recorded the financial cost of Baht 21 million for the first quarter of 2022 which was the interest expenses from the lease liabilities due to the adoption of TFRS16.

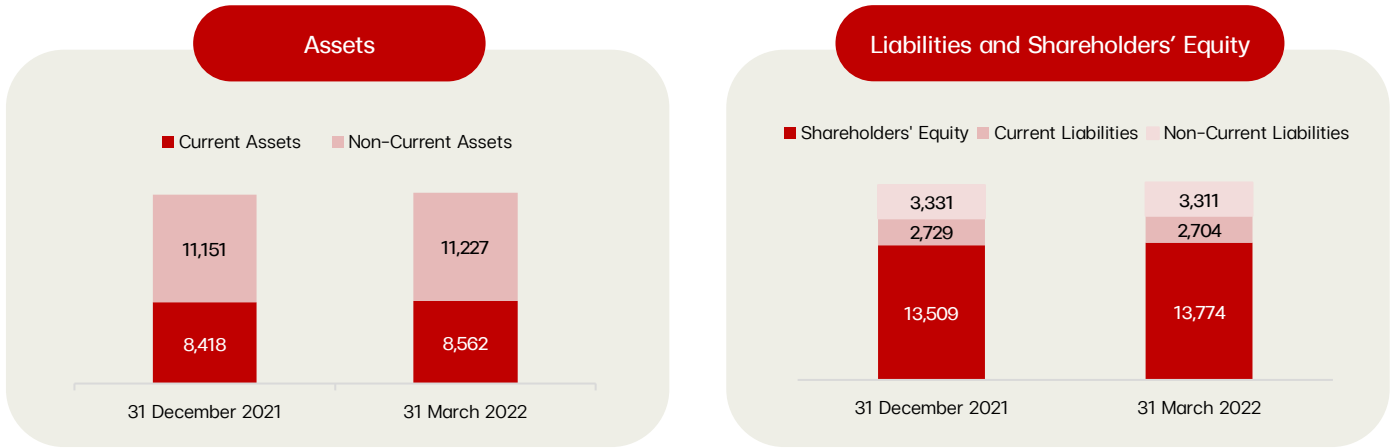


Net Profit



As a result of the various factors which affected the operating results of the Company and its subsidiaries as mentioned above, net profit of the Company and its subsidiaries increased from Baht 89 million for the first quarter of 2021 to Baht 271 million for this quarter, increased by Baht 182 million or an increase of 205.0%

Summary of Financial Positions as at 31 March 2022



Assets

As of March 31, 2022, the Company and its subsidiaries recorded total assets of Baht 19,789 million, comprising of current assets of Baht 8,562 million and non-current assets of Baht 11,227 million. The total assets increased Baht 220 million or an increase of 1.1% as compared to the end of last year due mainly to an increase of cash and cash equivalents amounted Baht 335 million and a decrease of property, plant and equipment amounted Baht 35 million, other current assets amounted Baht 35 million and trade and other receivables amounted Baht 22 million.



Liabilities

As of March 31, 2022, the Company and its subsidiaries recorded total liabilities of Baht 6,015 million, decreased Baht 45 million or 0.7% from the end of last year due primarily to a decrease of trade and other payables amounted Baht 115 million and an increase of income tax payable amounted Baht 53 million.



Shareholders' Equity

As of March 31, 2022, the Company and its subsidiaries recorded shareholders' equity of Baht 13,774 million, increased Baht 265 million or 2.0% from the end of last year due primarily to an increase of retained earnings.

