



MK RESTAURANT GROUP PUBLIC COMPANY LIMITED

Management Discussion and Analysis (MD&A)

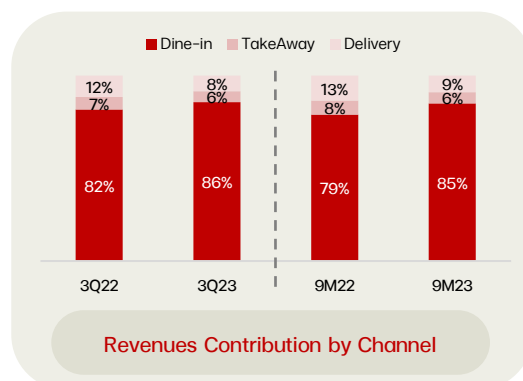
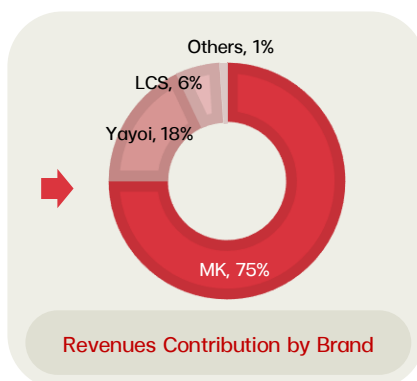
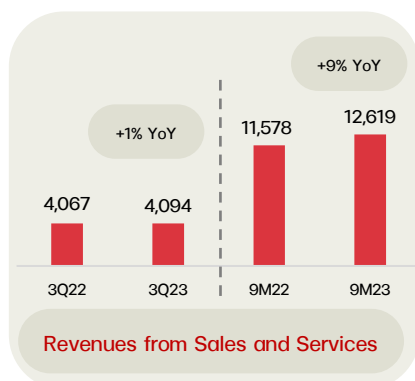
For Q3/2023

Summary of the Operating Results for 3Q and 9M of Y2023

	3Q2022	3Q2023	%Change	9M2022	9M2023	%Change
Revenues from Sales	4,067	4,094	0.7%	11,578	12,619	9.0%
Cost of Sales	1,413	1,365	-3.5%	4,011	4,312	7.5%
Gross Profit	2,654	2,730	2.9%	7,568	8,307	9.8%
SG&A	2,182	2,360	8.1%	6,309	7,134	13.1%
Net Profit	408	389	-4.7%	1,118	1,173	4.9%



Revenues from Sales and Services

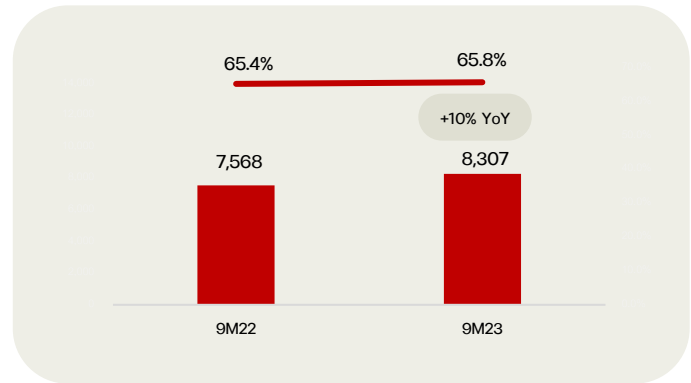
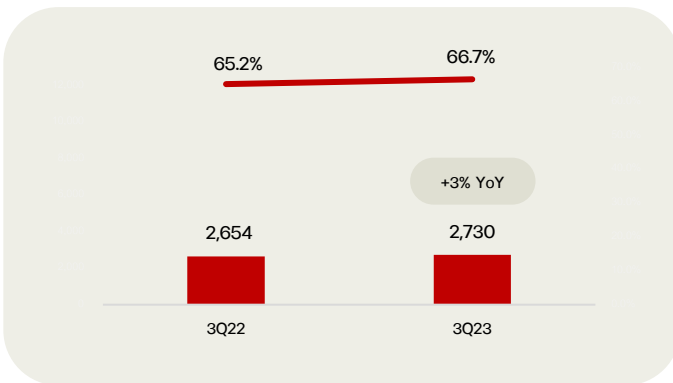


For the third quarter of 2023, the Company and its subsidiaries recorded revenues from sales and services of Baht 4,094 million, increased by Baht 27 million or an increase of 0.7% as compared to the same period of last year. The same-store sales growth also increased 0.9% YoY. The sales growth mainly contributed from dine-in channel. The revenues contribution from dine-in channel increased from 82% in the third quarter of 2022 to 86% for this quarter while the revenues contribution from delivery channel dropped compared to the same period of last year. This was due largely to the better COVID outbreak situation and customers resume to use the service at the restaurants.

For the first 9 months of 2023, revenues from sales and services was Baht 12,619 million, increased 9.0% from the same period of last year and the same-store sales growth also increased 8.9% from the same period of last year.



Gross Profit

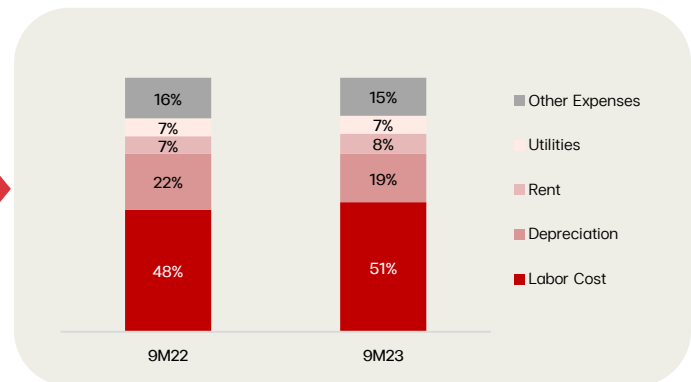
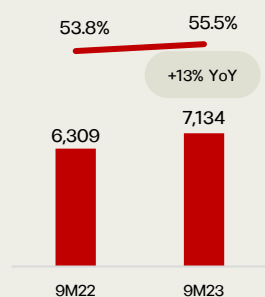
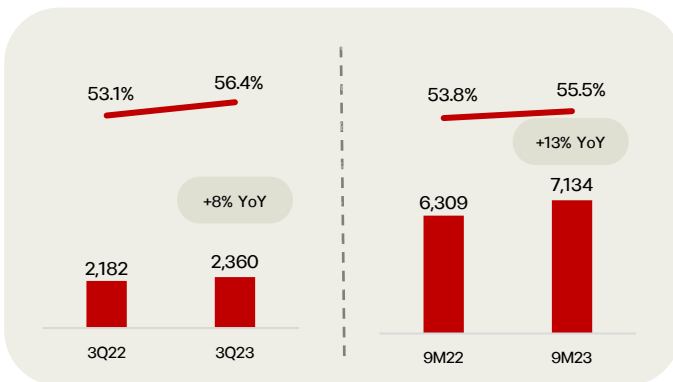


Gross profit represents the difference between revenues from sales and services and costs of sales and services which included food costs and transportation and warehousing costs. For the third quarter of 2023, gross profit of the Company and its subsidiaries amounted to Baht 2,730 million, or up by 2.9% compared to the same period of last year. Gross profit as a percentage of revenues from sales and services also increased from 65.2% for the third quarter of 2022 to 66.7% for the same period of 2023 due mainly to the decrease of raw material prices during this quarter as well as the menu price adjustment since the beginning of this year to cope with an increase of raw material cost.

In the first 9 months of 2023, gross profit of the Company and its subsidiaries amounted to Baht 8,307 million, or increased by 9.8% year-on-year. Gross profit as a percentage of revenues from sales and services also increased from 65.4% for the first 9 months of 2022 to 65.8% for the same period of this 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 third quarter of 2023 was Baht 2,360 million, increased Baht 177 million or an increase of 8.1% year-on-year. The selling and administrative expenses as a percentage of total revenues also increased from 53.1% for the third quarter of 2022 to 56.4% for this quarter, owing mainly to an increase of staff cost and marketing expenses.

For the first 9 months of 2023, selling and administrative expenses amounted to Baht 7,134 million, or increased by 13.1% year-on-year and the selling and administrative expenses as a percentage of total revenues also increased from 53.8% for the first 9 months of 2022 to 55.5% for the same period of 2023 due largely to an increase of staff cost, utilities and marketing expenses.

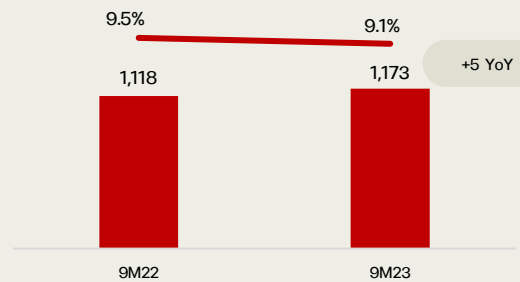
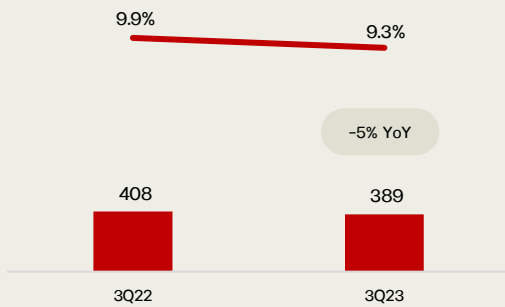


Financial Cost

The Company and its subsidiaries recorded the financial cost of Baht 20 million for the third quarter of 2023 and Baht 69 million for the first 9 months of 2023 which were 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, the Company and its subsidiaries recorded a net profit of Baht 389 million for the third quarter of 2023, decreased Baht 19 million or a decrease of 4.7% year-on-year.

For the first 9 months of 2023, the Company and its subsidiaries recorded a net profit of Baht 1,173 million, representing an increase of Baht 55 million or 4.9% compared to the same period of last year.

Summary of Financial Positions as at 30 September 2023



Assets

As of September 30, 2023, the Company and its subsidiaries recorded total assets of Baht 19,507 million, comprising of current assets of Baht 7,865 million and non-current assets of Baht 11,642 million. The total assets decreased Baht 394 million or a decrease of 2.0% as compared to the end of last year due mainly to the decrease of right-of-use assets amounted Baht 241 million, property, plant and equipment amounted Baht 59 million, inventories amounted Baht 58 million and other financial assets amounted Baht 34 million.



Liabilities

As of September 30, 2023, the Company and its subsidiaries recorded total liabilities of Baht 5,949 million, decreased Baht 187 million or a decrease of 3.0% from the end of last year due primarily to the decrease of lease liabilities amounted Baht 201 million, income tax payable amounted Baht 76 million while there were the increase of other current liabilities and provision for long-term employee benefits amounted Baht 50 million and Baht 47 million respectively.



Shareholders' Equity

As of September 30, 2023, the Company and its subsidiaries recorded shareholders' equity of Baht 13,558 million, decreased Baht 207 million or a decrease of 1.5% from the end of last year due primarily to a decrease of retained earnings as a result of the dividend payment during the year.