



MK RESTAURANT GROUP PUBLIC COMPANY LIMITED

# Management Discussion and Analysis (MD&A)

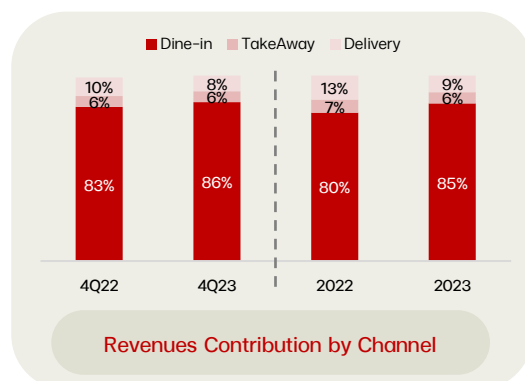
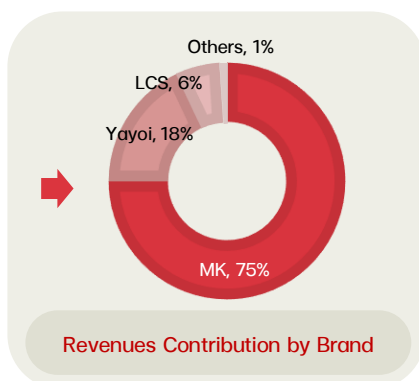
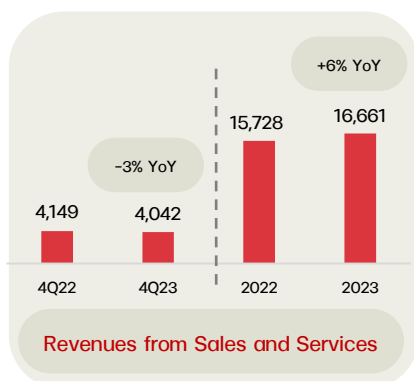
For the Year 2023

## Summary of the Operating Results for 4Q23 and Y2023

	4Q2022	4Q2023	%Change	2022	2023	%Change
Revenues from Sales	4,149	4,042	-2.6%	15,728	16,661	5.9%
Cost of Sales	1,450	1,336	-7.9%	5,461	5,648	3.4%
Gross Profit	2,699	2,706	0.3%	10,267	11,013	7.3%
SG&A	2,337	2,153	-7.9%	8,646	9,288	7.4%
Net Profit	321	509	58.7%	1,439	1,682	16.9%



### Revenues from Sales and Services

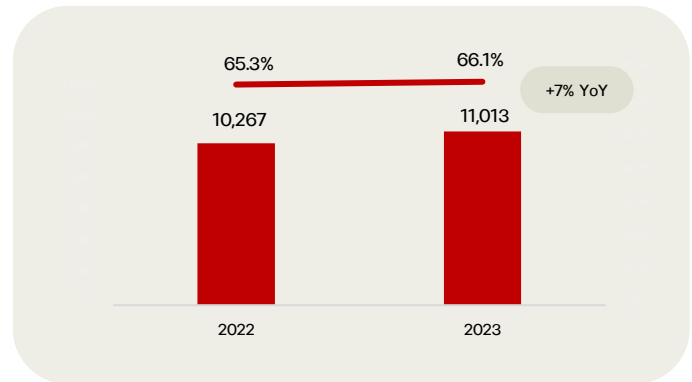
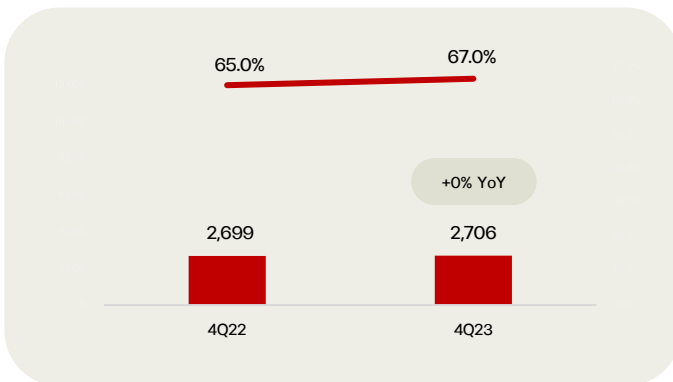


For the year 2023, the Company and its subsidiaries recorded revenues from sales and services of Baht 16,661 million, increased by Baht 933 million or an increase of 5.9% as compared to last year. The same-store sales growth also increased 5.7% YoY. The sales growth mainly contributed from dine-in channel. The revenues contribution from dine-in channel increased from 80% for the year 2022 to 85% for this year 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 fourth quarter of 2023, revenues from sales and services was Baht 4,042 million, decreased by Baht 107 million or a decrease of 2.6% from the same period of last year and the same-store sales growth also dropped by 3.5% YoY due mainly to a decrease of revenues from delivery channel.



## Gross Profit

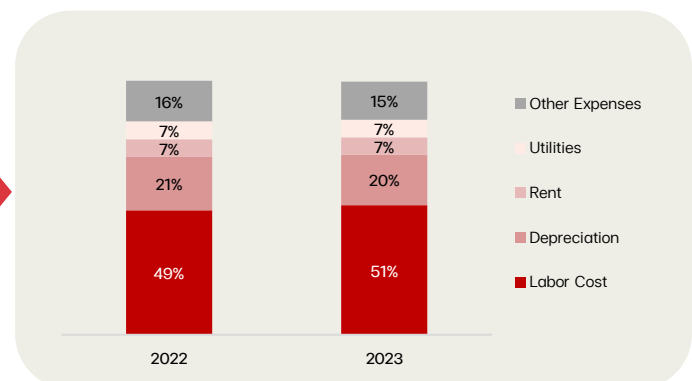
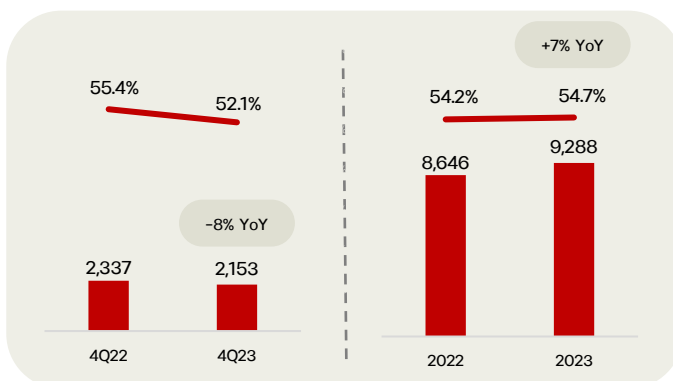


Gross profit represents the difference between revenues from sales and services and costs of sales and services which included food costs and transportation and warehousing costs. For the year 2023, gross profit of the Company and its subsidiaries amounted to Baht 11,013 million, or up by 7.3% year-on-year. Gross profit as a percentage of revenues from sales and services also increased from 65.3% for the year 2022 to 66.1% for this year. The increase of gross profit as a percentage of revenues from sales and services was due largely to the decrease of raw material price especially during the second half of this year as well as the menu price adjustment since the beginning of this year. In addition, due to the better COVID outbreak situation, customers return to visit restaurants, as a result, sales from delivery channel decreased which such channel had lower margin than other channels due to more marketing promotions than other channels.

In the fourth quarter of 2023, gross profit of the Company and its subsidiaries amounted to Baht 2,706 million, or increased by 0.3% year-on-year. Gross profit as a percentage of revenues from sales and services also increased from 65.0% for the year 2022 to 67.0% for this year due mainly to the decrease of raw material cost.



## 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 year 2023 was Baht 9,288 million, increased Baht 642 million or an increase of 7.4% year-on-year. The selling and administrative expenses as a percentage of total revenues also increased from 54.2% for the year 2022 to 54.7% for this year, owing mainly to the increase of staff cost, utilities and marketing expenses.

For the fourth quarter of 2023, selling and administrative expenses amounted to Baht 2,153 million, or decreased by 7.9% compared to the same period of last year due largely to the decrease of staff cost, direct operating expenses and utilities. Selling and administrative expenses as a percentage of total revenues also decreased from 55.4% for the fourth quarter of 2022 to 52.1% for this quarter.

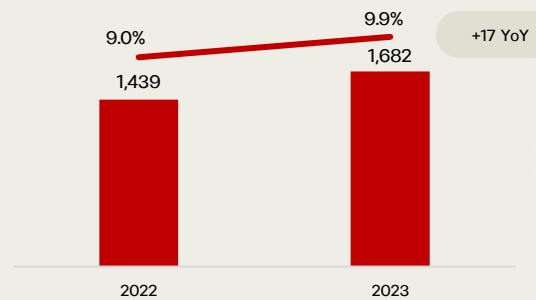
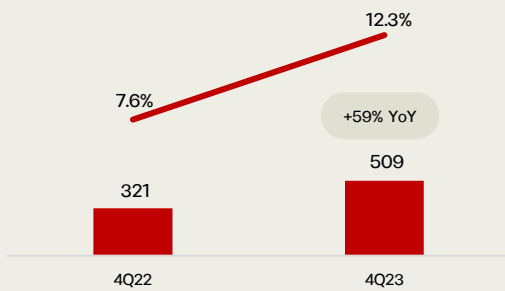


## Financial Cost

The Company and its subsidiaries recorded the financial cost of Baht 95 million for the year 2023 and Baht 26 million for the fourth quarter of 2023 which were the interest expenses from the lease liabilities due to the adoption of TFRS16.



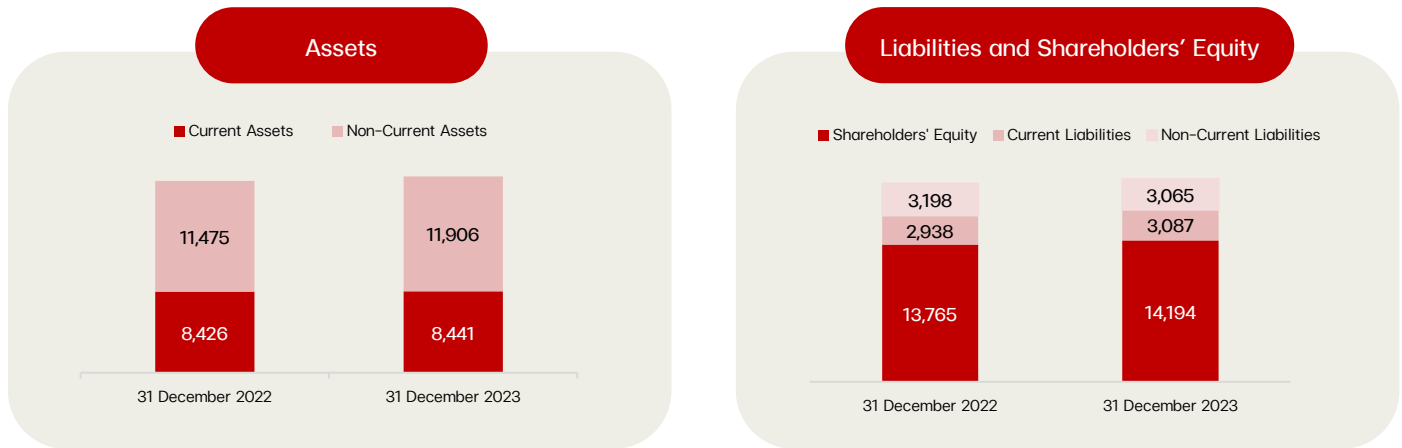
## Net Profit



As a result of the various factors which affected the operating results of the Company and its subsidiaries as mentioned above, net profit of the Company and its subsidiaries increased from Baht 1,439 million for the year 2022 to Baht 1,682 million for the year 2023, increased by Baht 243 million or an increase of 16.9%.

For the fourth quarter of 2023, the Company and its subsidiaries recorded a net profit of Baht 509 million, increased by Baht 188 million or 58.7% compared to the same period of last year.

## Summary of Financial Positions as at 31 December 2023



### Assets

As of December 31, 2023, the Company and its subsidiaries recorded total assets of Baht 20,347 million, comprising of current assets of Baht 8,441 million and non-current assets of Baht 11,906 million. The total assets increased Baht 446 million or an increase of 2.2% as compared to the end of last year due mainly to the increase of other financial assets amounted Baht 404 million, cash and cash equivalents amounted Baht 156 million and property, plant and equipment amounted Baht 51 million. However, there are the decrease of right-of-use assets amounted Baht 61 million, intangible assets amounted Baht 37 million, other current assets amounted Baht 35 million and inventory amounted Baht 23 million.



### Liabilities

As of December 31, 2023, the Company and its subsidiaries recorded total liabilities of Baht 6,153 million, increased Baht 17 million or an increase of 0.3% from the end of last year due primarily to an increase of trade and other payables amounted Baht 197 million while there were the decrease of provision for long-term employee benefits amounted Baht 112 million, other current liabilities amounted Baht 62 million and lease liabilities amounted Baht 10 million.



### Shareholders' Equity

As of December 31, 2023, the Company and its subsidiaries recorded shareholders' equity of Baht 13,843 million, increased Baht 401 million or an increase of 3.0% from the end of last year due primarily to an increase of retained earnings.