



MK RESTAURANT GROUP PUBLIC COMPANY LIMITED

# Management Discussion and Analysis (MD&A)

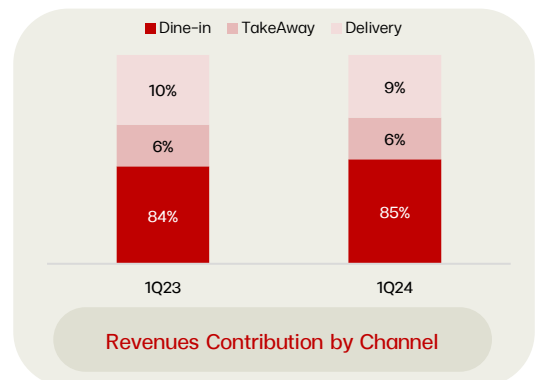
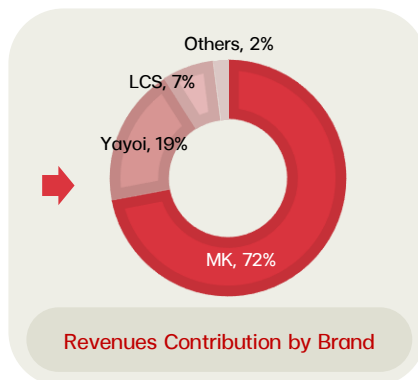
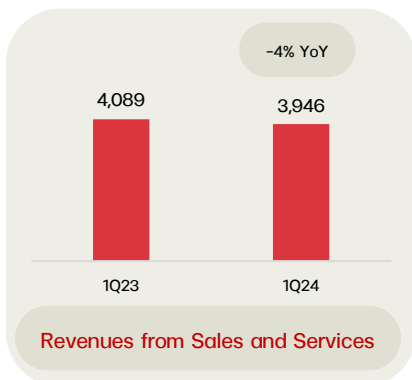
For Q1/2024

## Summary of the Operating Results for Q1/2024

	1Q2023	1Q2024	%Change
Revenues from Sales	4,089	3,946	-3.5%
Cost of Sales	1,426	1,279	-10.4%
Gross Profit	2,663	2,667	0.2%
SG&A	2,307	2,323	0.7%
Net Profit	325	347	6.5%



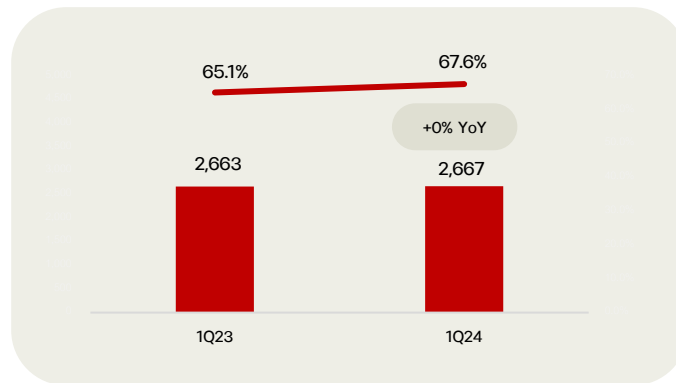
### Revenues from Sales and Services



For the first quarter of 2024, the Company and its subsidiaries recorded revenues from sales and services of Baht 3,946 million, decreased by Baht 143 million or a decrease of 3.5% as compared to the same period of last year. The same-store sales growth also decreased by 6.1% YoY. The decrease of revenues from sales and services was mainly from delivery channel. As a result, the revenues contribution from dine-in channel slightly increased from 84% for the first quarter of 2023 to 85% for this quarter due largely to the better COVID outbreak situation and customers resume to use the service at the restaurants.



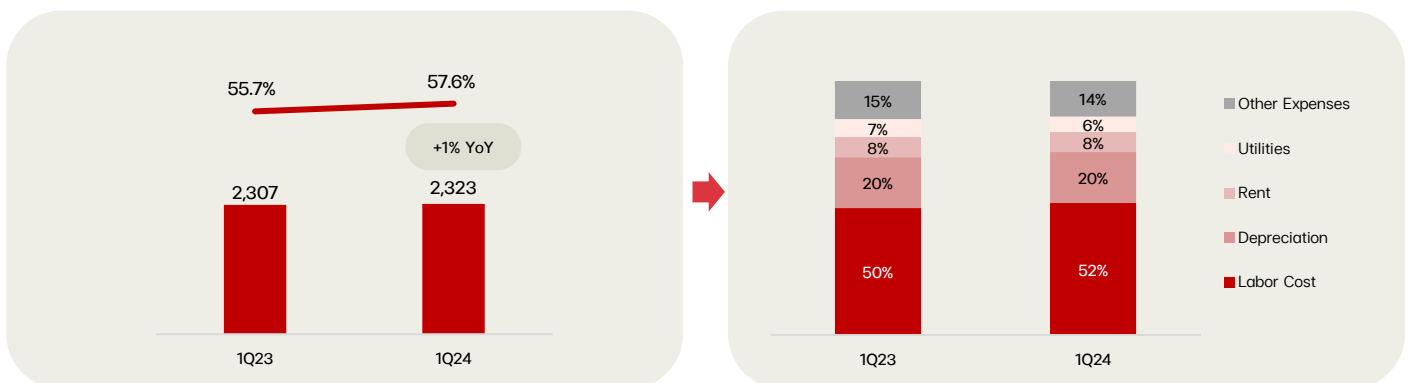
## Gross Profit



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 2024, gross profit of the Company and its subsidiaries amounted to Baht 2,667 million, or up by 0.2% compared to the same period of last year. The raw material price has continued to decrease since last year; as a result, gross profit as a percentage of revenues from sales and services increased from 65.1% for the first quarter of 2023 to 67.6% for the same period of 2024.



## 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 2024 was Baht 2,323 million, increased Baht 17 million or an increase of 0.7% year-on-year. The selling and administrative expenses as a percentage of total revenues also increased from 55.7% for the first quarter of 2023 to 57.6% for this quarter, owing mainly to the increase of staff cost, rental costs and marketing expenses.

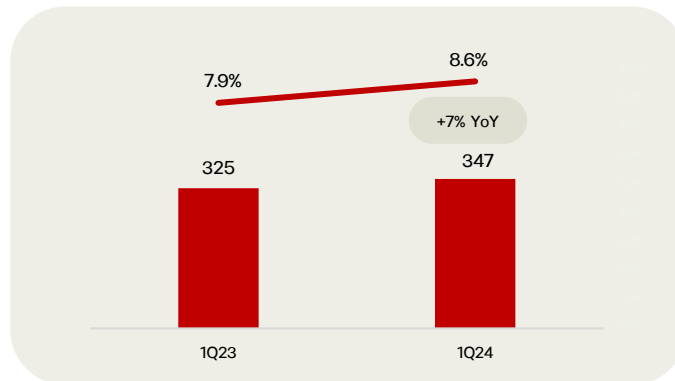


## Financial Cost

The Company and its subsidiaries recorded the financial cost of Baht 27 million for the first quarter of 2024 which were the interest expenses from the lease liabilities due to the adoption of TFRS16.

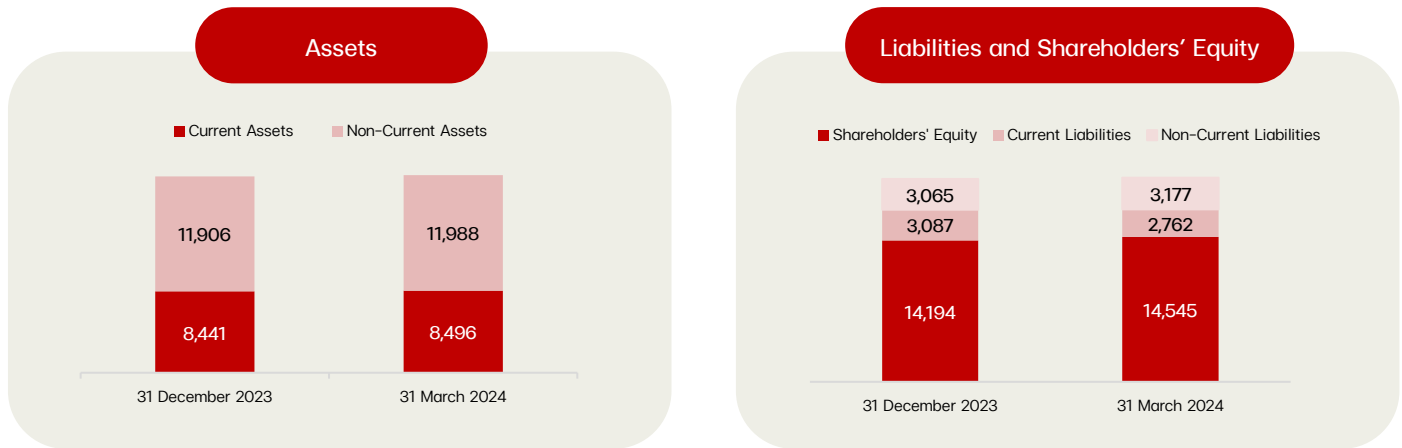


## Net Profit



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 325 million for the first quarter of 2023 to Baht 347 million for this quarter, increased by Baht 21 million or an increase of 6.5%.

## Summary of Financial Positions as at 31 March 2024



### Assets

As of March 31, 2024, the Company and its subsidiaries recorded total assets of Baht 20,484 million, comprising of current assets of Baht 8,496 million and non-current assets of Baht 11,988 million. The total assets increased Baht 137 million or an increase of 0.7% as compared to the end of last year due mainly to the increase of other financial assets amounted Baht 477 million, right-of-use assets amounted Baht 75 million, trade and other receivables amounted Baht 31 million and other current assets amounted Baht 19 million. However, there were the decrease of cash and cash equivalents amounted Baht 396 million, inventory amounted Baht 39 million and property, plant and equipment amounted Baht 32 million.



### Liabilities

As of March 31, 2024, the Company and its subsidiaries recorded total liabilities of Baht 5,939 million, decreased Baht 214 million or a decrease of 3.5% from the end of last year due primarily to a decrease of trade and other payables amounted Baht 415 million while there were the increase of lease liabilities amounted Baht 86 million, income tax payable amounted Baht 68 million and other current financial liabilities amounted Baht 40 million.



### Shareholders' Equity

As of March 31, 2024, the Company and its subsidiaries recorded shareholders' equity of Baht 14,191 million, increased Baht 347 million or an increase of 10.2% from the end of last year due primarily to an increase of retained earnings.