



MK RESTAURANT GROUP PUBLIC COMPANY LIMITED

Management Discussion and Analysis (MD&A)

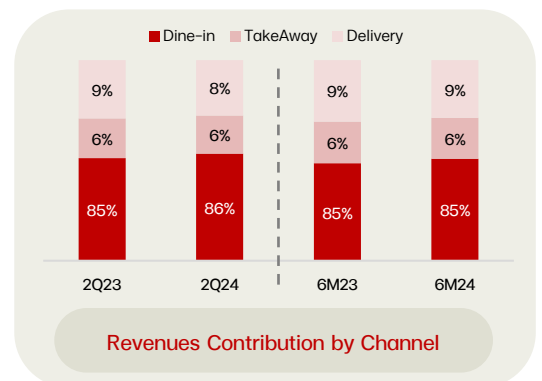
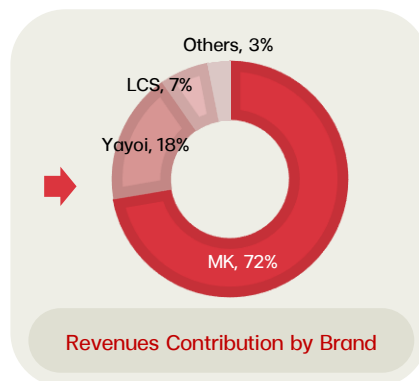
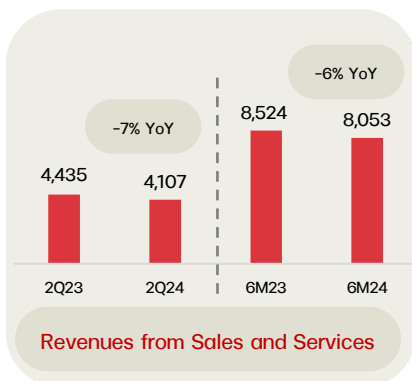
For Q2/2024

Summary of the Operating Results for 2Q and 6M of Y2024

	2Q2023	2Q2024	%Change	6M2023	6M2024	%Change
Revenues from Sales	4,435	4,107	-7.4%	8,524	8,053	-5.5%
Cost of Sales	1,521	1,346	-11.5%	2,947	2,624	-11.0%
Gross Profit	2,914	2,761	-5.2%	5,577	5,429	-2.7%
SG&A	2,468	2,350	-4.8%	4,774	4,673	-2.1%
Net Profit	459	401	-12.7%	784	747	-4.7%



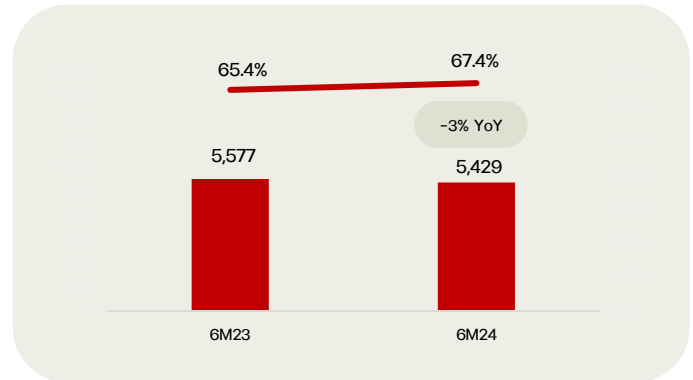
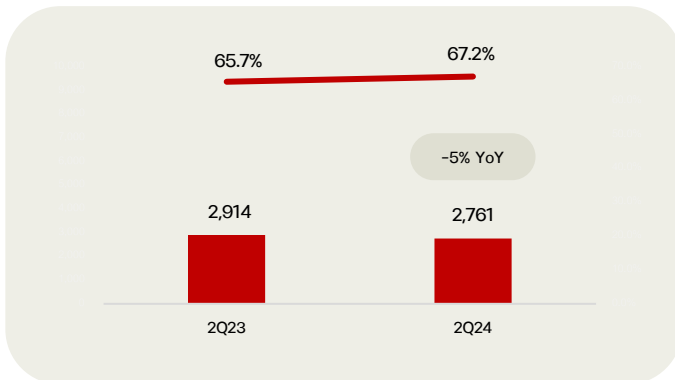
Revenues from Sales and Services



For the second quarter of 2024, the Company and its subsidiaries recorded revenues from sales and services of Baht 4,107 million, decreased by Baht 328 million or a decrease of 7.4% as compared to last year. The same-store sales growth also decreased 11.0% YoY due primarily to the weakness of purchasing power as a result of the high cost of living and household debt.

For the first half of 2024, revenues from sales and services were Baht 8,053 million, decreased 5.5% from the same period of last year and the same-store sales growth also decreased 8.6% from the same period of last year.

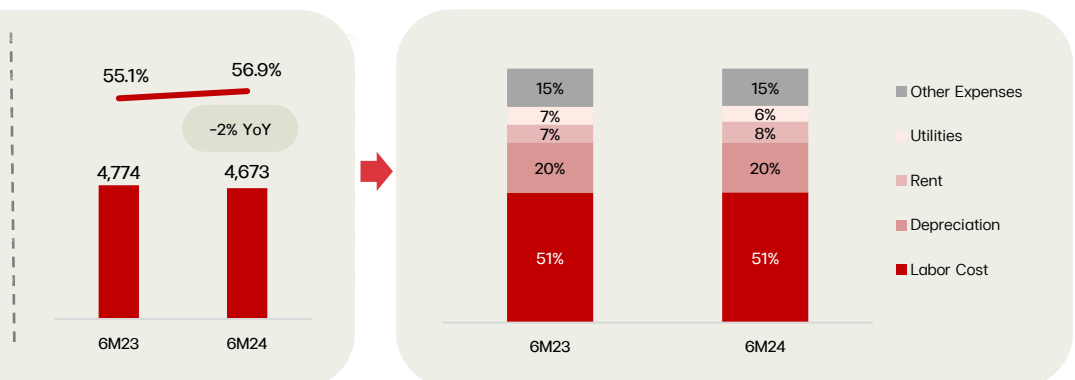
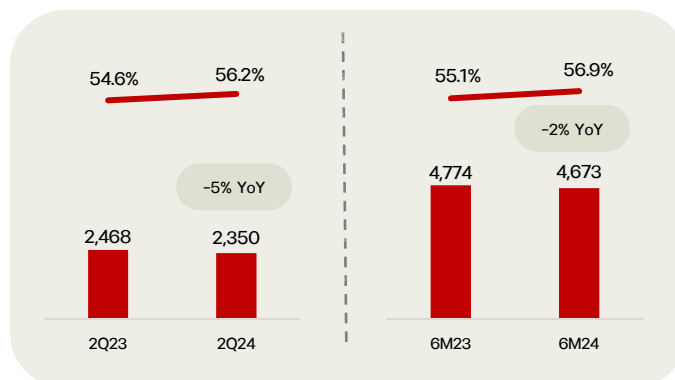
Gross Profit



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 second quarter of 2024, gross profit of the Company and its subsidiaries amounted to Baht 2,761 million, or down by 5.2% compared to the same period of last year. However, gross profit as a percentage of revenues from sales and services increased from 65.7% for the second quarter of 2023 to 67.2% for the same period of 2024 due mainly to the continuous downward trend of the cost of raw material.

In the first half of 2024, gross profit of the Company and its subsidiaries amounted to Baht 5,429 million or decreased by 2.7% year-on-year while gross profit as a percentage of revenues from sales and services increased from 65.4% for the first half of 2023 to 67.4% for the same period of this year due mainly to the continuous decreasing trend of raw material price.

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 second quarter of 2024 was Baht 2,350 million, decreased Baht 118 million or a decrease of 4.8% year-on-year. However, the selling and administrative expenses as a percentage of total revenues increased from 54.6% for the second quarter of 2023 to 56.2% for this quarter, owing mainly to decrease of revenues from sales and services while most expenses did not decrease as much as revenues from sales and services.

For the first half of 2024, selling and administrative expenses amounted to Baht 4,673 million, or decreased by 2.1% year-on-year while the selling and administrative expenses as a percentage of total revenues increased from 55.1% for the first half of 2023 to 56.9% for the same period of 2024 because most expenses were not the viable expenses which not decreased as the decrease of revenues from sales and services.

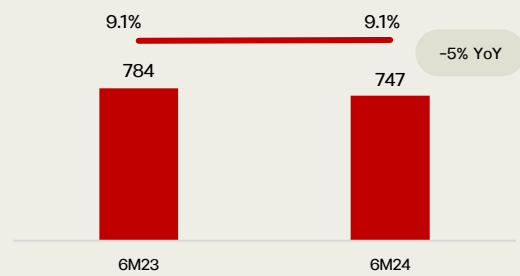
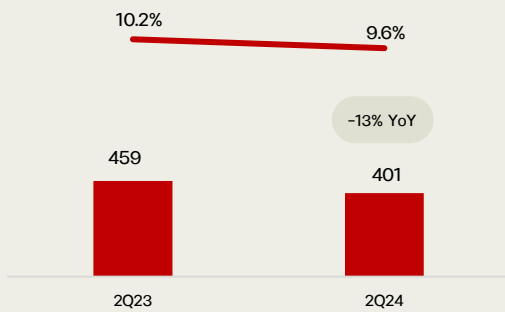


Financial Cost

The Company and its subsidiaries recorded the financial cost of Baht 27 million for the second quarter of 2024 and Baht 54 million for the first half of 2024 which were the interest expenses from the lease liabilities due to the adoption of TFRS16.



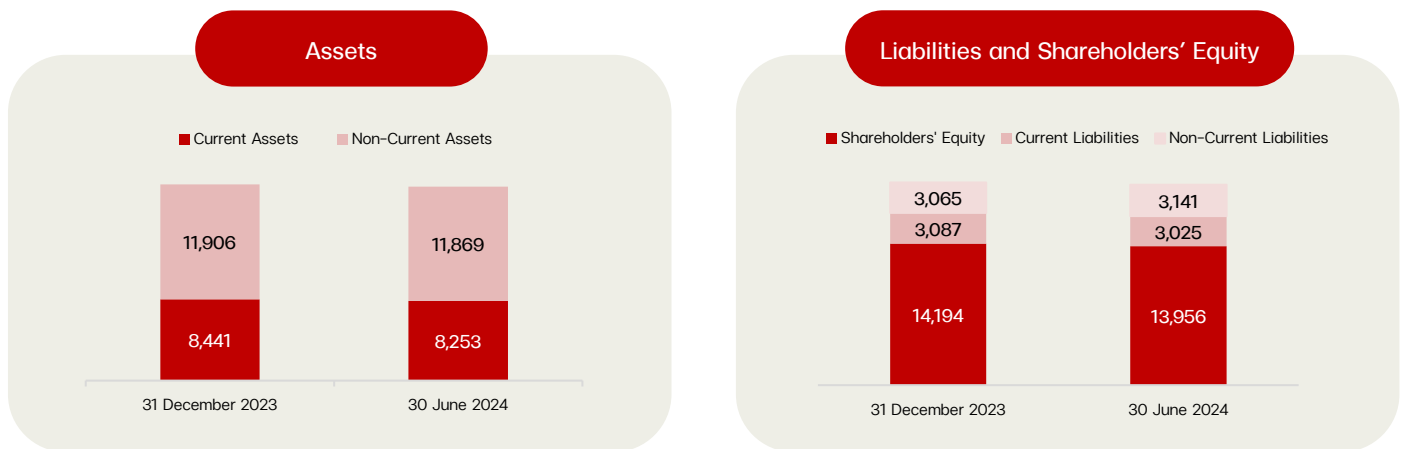
Net Profit



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 decreased from Baht 459 million for the second quarter of 2023 to Baht 401 million for this quarter, decreased by Baht 58 million or a decrease of 12.7%.

For the first half of 2024, the Company and its subsidiaries recorded a net profit of Baht 747 million, decreased by Baht 37 million or 4.7% as compared to the same period of last year.

Summary of Financial Positions as at 30 June 2024



Assets

As of June 30, 2024, the Company and its subsidiaries recorded total assets of Baht 20,121 million, comprising of current assets of Baht 8,253 million and non-current assets of Baht 11,869 million. The total assets decreased Baht 226 million or a decrease of 1.1% as compared to the end of last year due mainly to the decrease of cash and cash equivalents amounted Baht 247 million, other financial assets amounted Baht 190 million, property, plant and equipment amounted Baht 93 million and inventories amounted Baht 49 million. However, there were the increase of other current assets amounted Baht 254 million and trade and other receivables amounted Baht 67 million.



Liabilities

As of June 30, 2024, the Company and its subsidiaries recorded total liabilities of Baht 6,166 million, increased Baht 13 million or an increase of 0.2% from the end of last year due primarily to the increase of other current financial liabilities amounted Baht 54 million, provision for long-term employee benefits amounted Baht 34 million and lease liabilities amounted Baht 27 million while there were the decrease of trade and other payables amounted Baht 76 million, other current liabilities amounted Baht 14 million and income tax payable amounted Baht 12 million.



Shareholders' Equity

As of June 30, 2024, the Company and its subsidiaries recorded shareholders' equity of Baht 13,956 million, decreased Baht 239 million or a decrease of 1.7% from the end of last year due primarily to a decrease of retained earnings, as a result of the dividend payment during the year.