



MK RESTAURANT GROUP PUBLIC COMPANY LIMITED

Management Discussion and Analysis (MD&A)

For Q1/2026

Overview of Business Operations, Economic Conditions and Industry Outlook

In 2026, the Thai economy is projected to expand at a slower pace compared to the previous year, facing headwinds from both domestic and international factors. Notably, the geopolitical tension between the United States and Iran have had a widespread impact on the global economy. This conflict has driven substantial increases in oil prices, raw material costs, and various commodity prices. This prolonged inflationary trend has led to more cautious consumer spending amidst fragile purchasing power.

The restaurant industry continues to face persistent upward pressure on operating costs, driven by rising logistics expenses, directly impacted by high fuel prices as well as the gradual price hikes of raw materials and consumables. Despite these pressures, the market competition and the slow rebound of consumer purchasing power make it difficult to pass these costs on through price increases.

Despite these pressures, we continue to adapt our strategies to match consumer spending power. Our focus remains on offering value-driven menus and promotions, while driving operational efficiency. Furthermore, we are optimizing our brand portfolio to meet the needs of various market segments, ensuring long-term competitiveness and sustainable expansion.

Furthermore, the rapid and diverse shifts in consumer behavior driven by changing trends require the Company to continuously adapt in various aspects, including new menu development, effective marketing communication, and the delivery of experiences that precisely meet consumer needs. The Company places importance on retaining its existing customer base while simultaneously expanding to new customer segments in order to enhance revenue opportunities and strengthen the foundation for sustainable long-term growth.

Key Events and Developments in 1Q2026

❖ Awarded "2025-2026 Thailand's Most Admired Company"

The Company awarded "2025-2026 Thailand's Most Admired Company" in the "Restaurant Business" category organized by BrandAge Magazine. This recognition reflects the Company's strong capability to effectively reach and respond to customer needs.



❖ Launched the New Brand "MK Paradise"

The Company launched new concept "MK Paradise", with the first branch at Siam Paragon, introducing a new premium suki experience. This concept features a signature freshly stir-fired soup technique, prepared pot by pot, using carefully simmered broths available in five distinctive flavors.

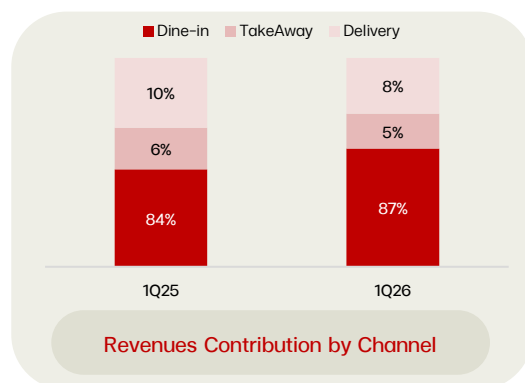
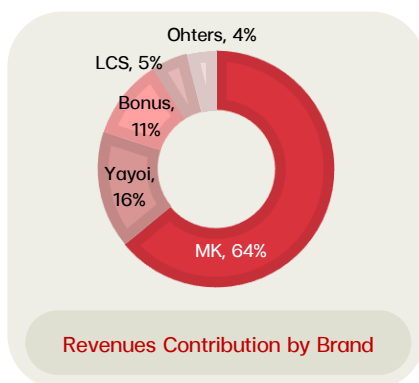
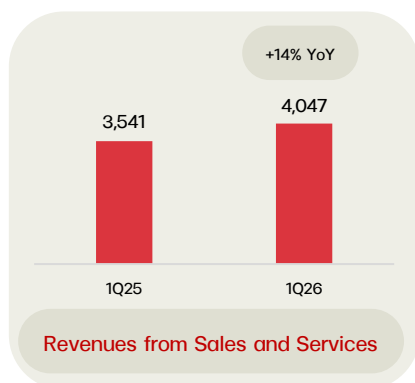


Summary of the Operating Results for Q1/2026

	1Q2025	1Q2026	%Change
Revenues from Sales	3,541	4,047	14.3%
Cost of Sales	1,188	1,538	29.5%
Gross Profit	2,353	2,509	6.6%
SG&A	2,147	2,362	10.0%
Net Profit	234	163	-30.1%



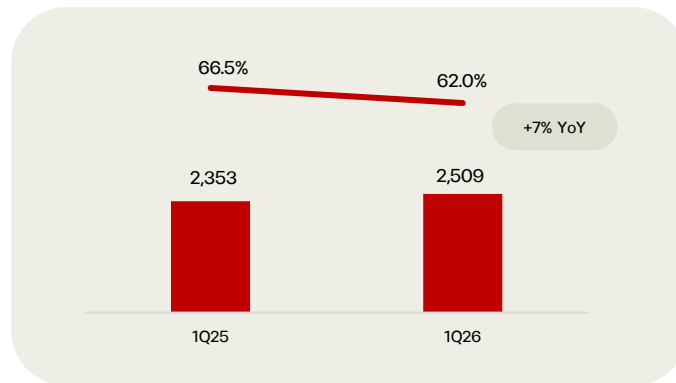
Revenues from Sales and Services



In the first quarter of 2026, the Company and its subsidiaries reported revenues from sales and services of Baht 4,047 million, representing an increase of Baht 506 million or 14.3%, compared to the same period of last year. The key contribution factor was the success of the "Bonus Suki" brand, a new buffet-style suki restaurant concept that commenced operations in the second half of 2025 and has continued to expand its branch network. In addition, the same-store sales grew by 3.5% compared with the same period of the previous year, mainly driven by "MK Suki" brand, which recorded the same-store sales growth of 6.1%, supported by the positive customer response to its "Koom Gem Koom" buffet promotion.



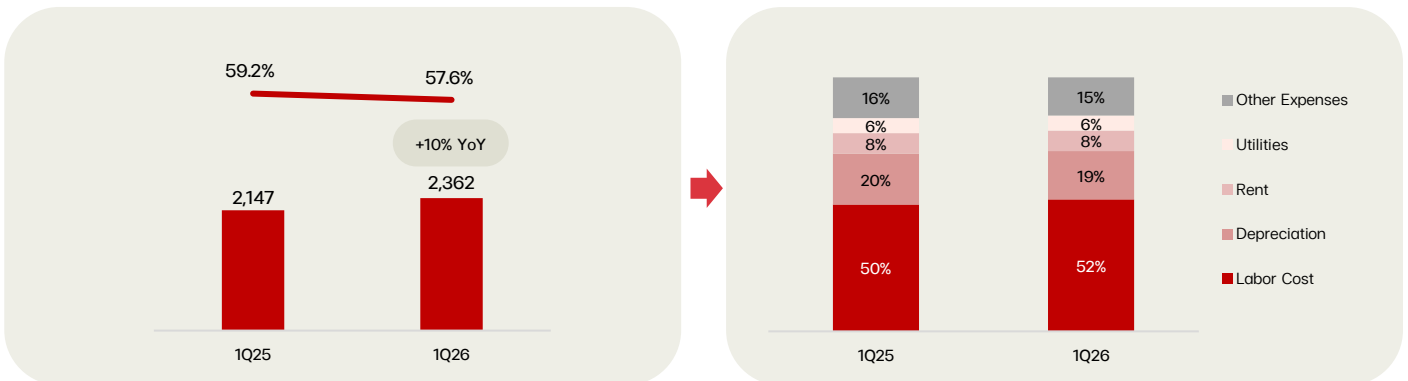
Gross Profit



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. In the first quarter of 2026, the Company recorded the gross profit of Baht 2,509 million, representing an increase of 6.6% compared with the same period of last year. However, the gross profit margin declined from 66.5% for the first quarter of 2025 to 62.0% in this quarter. The decline was mainly attributable to the Company's market penetration strategy through the MK buffet "Koom Gern Koom" promotion, as well as the continued branch expansion of the "Bonus Suki" brand, a full buffet model, resulting in a higher raw material costs relative to sales, in line with the business structure of buffet model. In addition, the Company was affected by geopolitical tensions between the United States and Iran, which put upward pressure on energy prices and transportation costs, and also led to continued increases in the prices of various raw materials and consumable supplies.



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 2026 was Baht 2,362 million, an increase of Baht 216 million or 10.0% compared to the same period of last year. The increase was primarily attributable to higher staff cost and utilities expenses, resulting from the expansion of the "Bonus Suki" brand. Such expansion required an increase in workforce to support new branch openings, as well as higher operating expenses related to the launch of new branches. Nevertheless, the selling and administrative expenses to total revenues ratio decreased from 59.2% for the first quarter of 2025 to 57.6% in this quarter, mainly because certain expenses, such as rental expenses and depreciation, were fixed costs and did not increase in the same proportion as the growth in sales and service revenues.

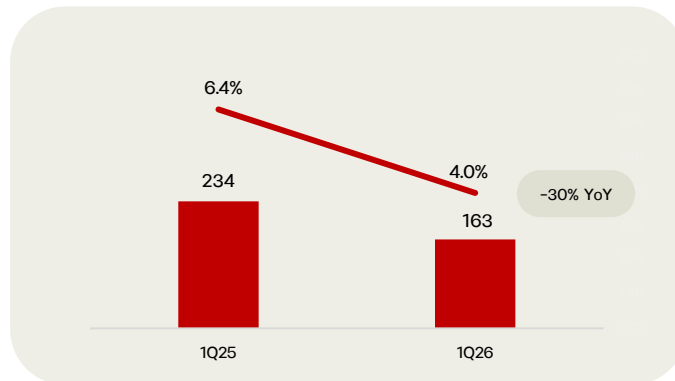


Financial Cost

The Company and its subsidiaries recorded the financial cost of Baht 22 million for the first quarter of 2026 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 234 million for the first quarter of 2025 to Baht 163 million for this quarter, decreased by Baht 70 million or a decrease of 30.1%.

Summary of Financial Positions as at 31 March 2026



Assets

As of March 31, 2026, the Company and its subsidiaries recorded total assets of Baht 19,236 million, comprising of current assets of Baht 7,132 million and non-current assets of Baht 12,103 million. The total assets increased Baht 211 million or an increase of 1.1% as compared to the end of last year due mainly to the increase of property, plant and equipment amounted Baht 248 million, other financial assets amounted Baht 200 million and right-of-use assets amounted Baht 129 million. However, there was the decrease of cash and cash equivalents amounted Baht 358 million.



Liabilities

As of March 31, 2026, the Company and its subsidiaries recorded total liabilities of Baht 5,802 million, increased Baht 60 million or an increase of 1.1% from the end of last year due primarily to the increase of lease liabilities amounted Baht 127 million, income tax payable amounted Baht 27 million, other current liabilities amounted Baht 19 million and non-current provision for employee benefits amounted Baht 11 million while there was the decrease of trade and other current payables amounted Baht 130 million.



Shareholders' Equity

As of March 31, 2026, the equity attributable to owners of the Company was Baht 13,075 million, increased Baht 163 million or an increase of 1.3% from the end of last year due primarily to an increase of retained earnings during the period.