



MANAGEMENT DISCUSSION & ANALYSIS



MAGURO
GROUP

**THE OPERATING RESULTS OF
MAGURO GROUP PUBLIC COMPANY LIMITED**

for the year ended 31 March 2026

No. CS058/2026

14 May 2026

Subject Management Discussion and Analysis for the 1st Quarter Ended 31 March 2026Attention President
The Stock Exchange of Thailand

Maguro Group Public Company Limited (the “Company”) would like to provide the Management Discussion and Analysis for the 1st quarter ended 31 March 2026, as follows:

1. Business Overview, Economic Conditions, and Industry Environment Affecting the Company’s Operations

Economic and Industry Overview

Thailand’s economy in 2026 is expected to experience slower growth, with GDP projected to expand by approximately 1.6%, compared to 2.0% in the previous year. The slowdown is primarily attributable to the export sector, which is expected to contract in line with weaker global demand, the impact of U.S. tariff measures, and the high export base recorded in the prior year. Meanwhile, the tourism sector continues to gradually recover at a moderate pace. Private consumption remains the key driver of the Thai economy. However, consumer purchasing power is expected to remain weak, particularly in durable goods categories, coupled with the gradual reduction in support from government economic stimulus measures. In addition, political uncertainty may affect the timely disbursement of government budgets and weigh on short-term economic confidence.

Furthermore, the Thai economy continues to face additional risks from exchange rate volatility, deflationary pressures, and uncertainties surrounding the global economy, which may affect the recovery of domestic consumption and overall business activities during the remainder of the year.

(Source: Kasikorn Research Center)

Amid economic conditions where consumers remain cautious in their spending and competition in the restaurant industry remains intense, restaurant operators are required to carefully balance customer retention, value-for-money offerings, and gross profit margin management. For the Company, these factors were reflected in same-store sales, which remained slightly negative but improved compared to the same period of the previous year. Meanwhile, promotional campaigns and menu mix management affected the gross profit margin during the quarter.

Nevertheless, the Company continues to focus on expanding its brand portfolio, enhancing operational efficiency, and prudently managing costs to maintain profitability alongside business growth.

Business Overview

The Company operates restaurant businesses offering premium-to-mass food and beverage products under the brands “MAGURO”, “SSAMTHING TOGETHER”, “HITORI SHABU”, “TONKATSU AOKI”, “COUCOU”, “BINCHO”, “KIWAMIYA”, and “CHOP MAN”, as well as food delivery and catering services. The Company focuses on developing distinctive restaurant brands that cater to consumers across various dining occasions, while maintaining product quality, service standards, and operational efficiency to achieve stable and sustainable long-term growth.

Operational Plans and Business Strategies for 2026

MAGURO Group Public Company Limited focuses on sustainable growth through strengthening its existing brands alongside the development of new brands, branch expansion, and operational efficiency enhancement throughout the value chain. The Company’s key strategic directions are as follows:

1) Existing Brands – Same Store Sales Growth

The Company focuses on increasing customer traffic and average spending per bill through menu development, marketing activities aligned with consumer behavior, and enhancement of customer experience to increase visit frequency and continuously support same-store sales growth.

2) New Brand Development and Launching

The Company places importance on the development and launch of new brands to address evolving consumer preferences, expand its customer base into new segments and dining occasions, and diversify revenue streams to strengthen the Group’s long-term growth potential.

3) Existing Brands – New Store Expansion

The Company continues to expand branches in high-potential locations while developing diverse store formats and service concepts to enhance customer accessibility, strengthen brand awareness, and support long-term revenue growth.

4) Value Chain Optimization

The Company focuses on cost management and operational efficiency enhancement through effective control of SG&A expenses, raw material costs, and operating costs, while maintaining product quality and service standards. In addition, the Company integrates ESG principles into its business operations to support sustainable long-term growth

2. Summary of Significant Events and Developments in the First Quarter

- On 6 February 2026, the Company opened the second branch of KIWAMIYA at CentralWorld Shopping Center.
- MAGURO Group Public Company Limited received two awards from the LINE MAN Wongnai Users' Choice Best of 2026, namely "MAGURO – Best of Japanese Restaurant 2026" and "Tonkatsu AOKI – Best of Tonkatsu 2026", reflecting strong consumer recognition and popularity among a broad customer base.

3. Summary of the Operating Result

Statement of Comprehensive Income (Million Baht)	1 st Quarter (Jan-Mar)			
	2025	2026	Change	
Revenue from sales and services	414.9	560.9	145.9	35.2%
Cost of sales and services	(215.7)	(302.2)	(86.5)	40.1%
Gross profit	199.2	258.7	59.5	29.9%
Gross profit margin (%)	48.0%	46.1%		
Other income	0.9	1.4	0.5	54.9%
Selling expenses	(114.2)	(160.1)	(46.0)	40.3%
Administrative expenses	(36.1)	(44.8)	(8.7)	24.1%
EBIT	50.0	55.2	5.1	10.2%
Finance costs	(9.4)	(12.3)	(2.9)	31.1%
Profit before tax	40.6	42.8	2.2	5.4%
Income tax expense	(8.1)	(8.6)	(0.5)	5.9%
Net profit	32.5	34.2	1.7	5.3%
Net profit margin (%)	7.8%	6.1%		

3.1 Revenue from Sales and Services

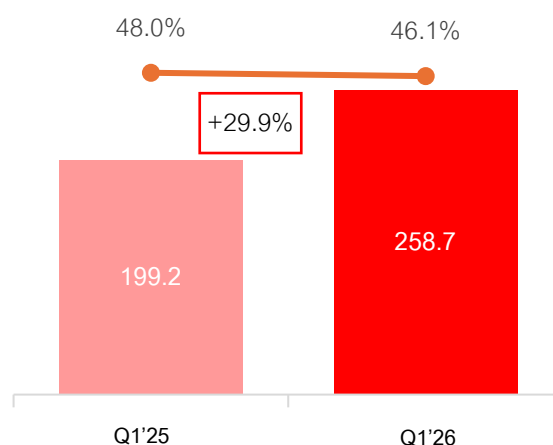
Item (Million Baht)	1st Quarter (Jan-Mar)			
	2025		2026	
	M.	Ratio	M.	Ratio
Revenue from sales and services				
1) Revenue from restaurant business	414.1	99.9%	559.9	99.8%
• MAGURO	222.7	53.7%	245.2	43.7%
• Ssamthing Together	47.0	11.3%	41.7	7.4%
• Hitori Shabu	116.9	28.2%	156.5	27.9%
• Tonkatsu Aoki	19.9	4.8%	48.4	8.6%
• Cou Cou	7.7	1.9%	12.7	2.3%
• Bincho	0.0	0.0%	12.6	2.3%
• Kiwamiya	0.0	0.0%	42.5	7.6%
2) Revenue from catering and delivery	0.8	0.2%	1.0	0.2%
Total revenue from sales and services	414.9	100.0%	560.9	100.0%

The Company recorded revenue from sales and services of 560.9 million baht in the first quarter of 2026, representing an increase of 35.2% compared to the same period of the previous year. The increase was primarily driven by revenue recognition from new branches opened during 2025 through early 2026, resulting in the total number of branches increasing to 54 branches as of the end of the quarter, compared to 40 branches in the same period of the previous year.

Meanwhile, same-store sales growth (SSSG) was (0.8%), improving from (5.3%) in the first quarter of 2025, reflecting a gradual stabilization in same-store sales performance despite continued pressure from cautious consumer spending and value-oriented competition within the restaurant industry. The Company therefore continues to focus on menu development, appropriate promotional campaigns, and enhancement of customer experience in order to support repeat visits and improve same-store sales performance in the periods ahead.

Branch Expansion and SSSG	1st Quarter	
	2025	2026
Number of branches		
Net number of new branches opened	2	1
Number of branches at the end of the period	40	54
Performance and Growth rate		
Revenue from sales and services (THB million)	414.9	560.9
Revenue growth (percent)	39.8	35.2
Same-store sales growth (percent)	(5.3)	(0.8)

3.2 Gross Profit and Gross Profit Margin

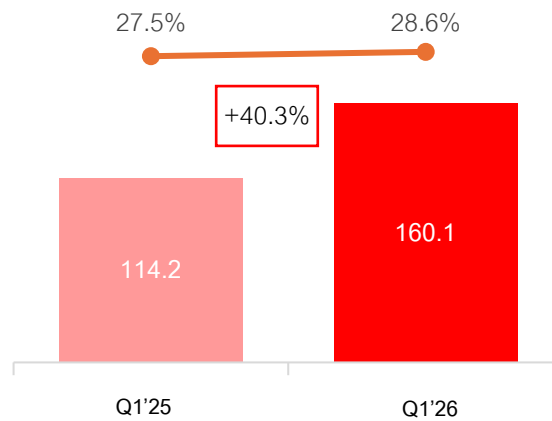


In the first quarter of 2026, the Company's gross profit amounted to 258.7 million baht, increasing by 59.5 million baht, or 29.9% compared to the same period of the previous year. The increase was in line with the growth in revenue from sales and services following branch expansion and revenue recognition from newly opened branches.

However, the gross profit margin was 46.1%, decreasing from 48.0% in the same period of the previous year. The decrease was mainly attributable to higher food raw material cost ratios in certain brands and menu categories, together with the impact of promotional activities and campaign mix implemented to maintain customer traffic and same-store sales amid cautious consumer spending conditions. In addition, certain brands and branches remain in the process of improving efficiency in menu mix management, raw material utilization, and operating cost control to better align with sales levels. The Company has closely implemented gross profit

margin management measures by focusing on optimizing menu mix and campaign structure, increasing the proportion of higher-margin menu items, controlling portion sizes and yield, as well as continuously monitoring food costs by brand and menu category in order to restore gross profit margins and maintain earnings quality in the periods ahead.

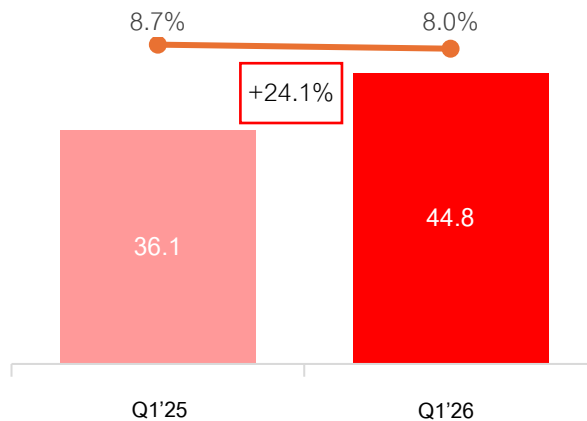
3.3 Selling Expenses



In the first quarter of 2026, the Company's selling expenses amounted to 160.1 million baht, increasing by 46.0 million baht, or 40.3% compared to the same period of the previous year. The increase was primarily attributable to higher branch operating expenses in line with the increase in the number of branches, including rental expenses, utility expenses, depreciation expenses, salaries and employee benefits for branch staff, as well as marketing and promotional expenses to support sales and brand awareness.

Selling expenses as a percentage of revenue from sales and services were 28.6%, increasing from 27.5% in the same period of the previous year. The increase was mainly attributable to fixed costs associated with newly opened branches and certain branches that remain in the process of accelerating revenue generation, resulting in lower fixed cost absorption efficiency during the initial stage of operations. Nevertheless, the Company continues to closely monitor space utilization efficiency, manpower allocation, and branch-related expenses in order to align the expense structure with the sales level of each branch.

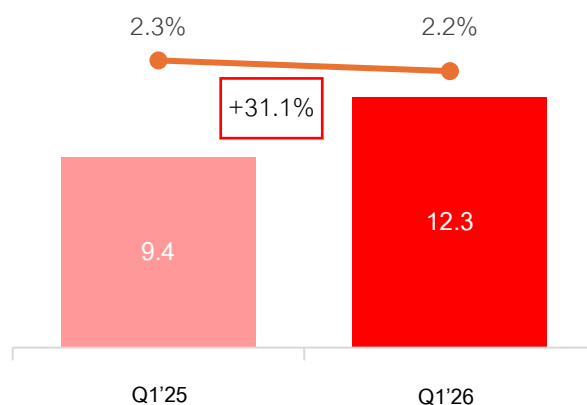
3.4 Administrative Expenses



In the first quarter of 2026, the Company’s administrative expenses amounted to 44.8 million baht, increasing by 8.7 million baht, or 24.1% compared to the same period of the previous year. The increase was in line with business expansion and investments in infrastructure to support the Company’s growth, including head office personnel, information technology systems, operational support systems, and administrative expenses.

However, administrative expenses as a percentage of revenue from sales and services decreased from 8.7% in the first quarter of 2025 to 8.0% in the first quarter of 2026, reflecting effective overhead cost management and operating leverage resulting from revenue growth. The Company continues to emphasize central cost control alongside investments in systems and personnel necessary to support long-term business expansion.

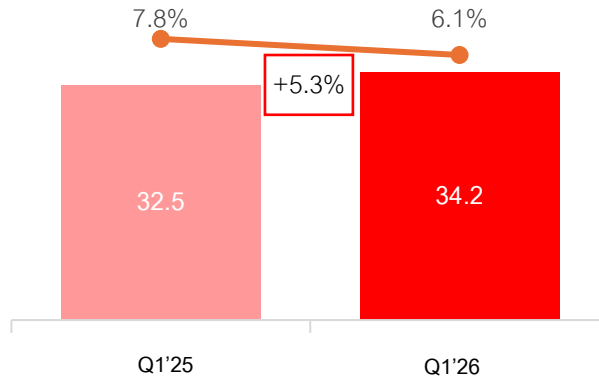
3.5 Finance Costs



In the first quarter of 2026, the Company’s finance costs increased by 2.9 million baht, or 31.1% compared to the same period of the previous year. The increase was primarily attributable to higher lease liabilities resulting from branch expansion and additional lease agreements entered to support business growth, leading to an

increase in interest expenses related to lease liabilities in line with the expansion of the Company's operations. The increase in finance costs was in line with the Company's business expansion plan and revenue growth.

3.6 Net Profit and Net Profit Margin



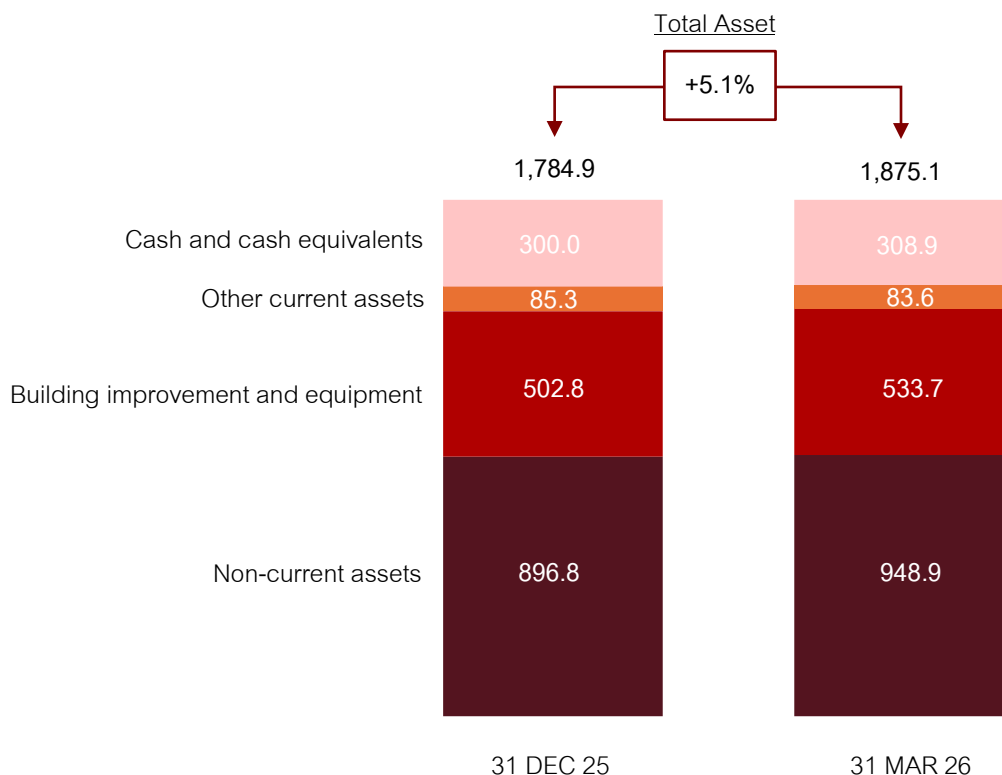
In the first quarter of 2026, the Company's net profit amounted to 34.2 million baht, increasing by 1.7 million baht, or 5.3% compared to the same period of the previous year. The increase was supported by the growth in revenue from sales and services following branch expansion and revenue recognition from newly opened branches.

However, the net profit margin was 6.1%, decreasing from 7.8% in the same period of the previous year, as profit growth was pressured by the lower gross profit margin and lower fixed cost absorption efficiency in certain branches. Key factors included higher raw material costs and campaign mix in certain brands, as well as higher rental expenses, depreciation expenses, and branch-related expenses associated with business expansion.

Nevertheless, administrative expenses as a percentage of revenue improved, reflecting effective overhead cost control and partially offsetting the pressure on gross profit margin and branch-level profitability. The Company continues to focus on raw material cost management, branch efficiency enhancement, expense control, and close monitoring of underperforming branches in order to maintain profitability alongside business growth.

4. Financial Position

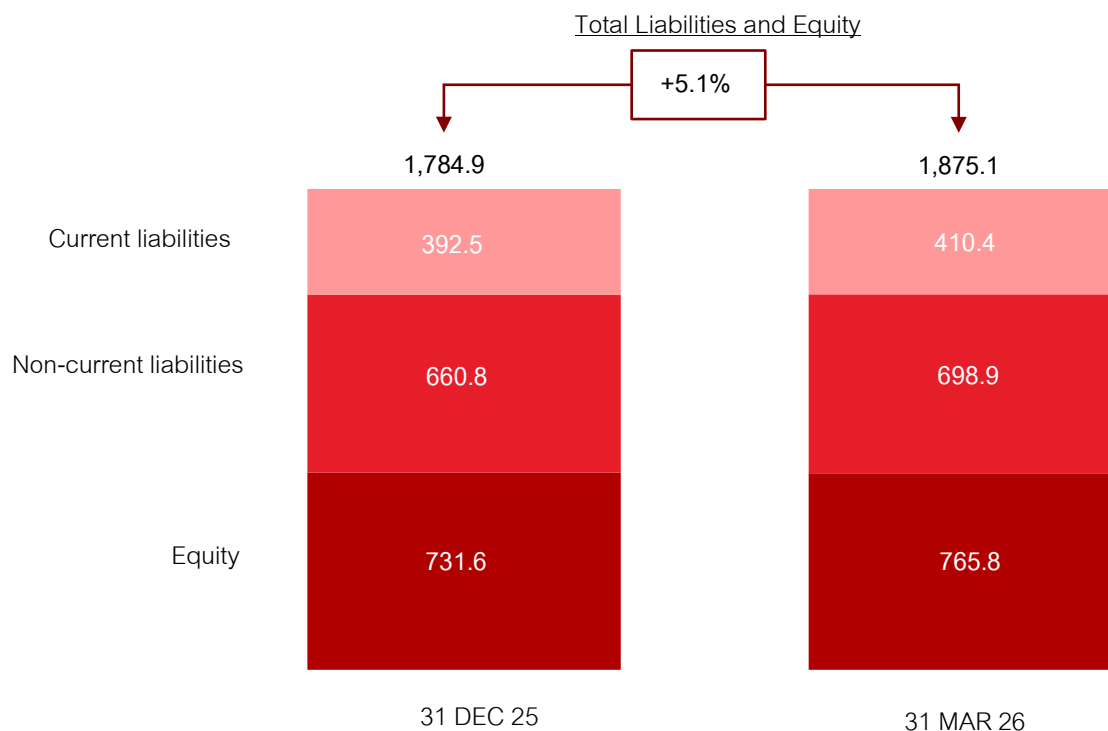
4.1 Assets



As of March 31, 2026, the Company had total assets of 1,875.1 million baht, increased from 1,784.9 million baht as of December 31, 2025, or an increase of 90.2 million baht, representing 5.1%. The key changes were as follows:

- Cash and cash equivalents:** increased from 300.0 million baht to 308.9 million baht, an increase of 8.9 million baht, in line with healthy operating cash flows and effective liquidity management.
- Other current assets:** slightly decreased from 85.3 million baht to 83.6 million baht, a decrease of 1.7 million baht, mainly due to changes in current assets related to the Company's normal business operations.
- Building improvements and equipment:** increased from 502.8 million baht to 533.7 million baht, an increase of 30.9 million baht, primarily due to investments to support the Company's new branch expansion.
- Other non-current assets:** (including right-of-use assets): increased from 896.8 million baht to 948.9 million baht, an increase of 52.1 million baht, mainly attributable to the increase in right-of-use assets in line with the Company's branch expansion and additional lease agreements.

4.2 Liabilities



The Company had total liabilities of 1,109.3 million baht, increasing from 1,053.3 million baht as of December 31, 2025, or an increase of 56.0 million baht, representing 5.3%. The details of significant changes are as follows:

- **Current liabilities:** increased from 392.5 million baht to 410.4 million baht, an increase of 18.0 million baht, mainly due to the increase in trade and other current payables, as well as the current portion of lease liabilities due within one year, in line with the Company's branch expansion and operations.
- **Non-current liabilities:** increased from 660.8 million baht to 698.9 million baht, an increase of 38.0 million baht, mainly due to the increase in lease liabilities and other long-term obligation provisions related to branch expansion and business growth.

The Company had no borrowings from financial institutions as of March 31, 2026.

4.3 Shareholders' Equity

As of March 31, 2026, the Company's shareholders' equity was 765.8 million baht, increased from 731.6 million baht as of December 31, 2025, or an increase of 34.2 million baht, representing 4.7%. The increase was mainly attributable to the Company's profitable operating results in the first quarter of 2026, resulting in higher retained earnings. Despite the Company's continued business expansion and ongoing investments, the Company maintained its capital structure at an appropriate level to support business growth and strengthen long-term financial stability.

5. Factors That May Affect Future Operations or Growth

5.1 Positive Factors

- Continuous branch expansion in high-potential locations with clearly defined target customer groups supports customer accessibility and the Company's revenue growth.
- The development and launch of new brands capable of addressing the needs of diverse consumer segments help enhance business diversification and create long-term growth opportunities.
- Continuous new menu development, promotional activities, and marketing campaigns help encourage repeat customer visits and support same-store sales growth (SSSG).
- The development of technology systems and internal management systems helps enhance operational efficiency, cost management, and data analysis to support business decision-making.
- Effective cost management and raw material procurement, together with economies of scale resulting from business expansion, support the Company's long-term profitability.

5.2 Negative Factors

- Economic conditions and uncertainties in consumer purchasing power may affect consumer spending decisions and the Company's sales growth.
- Volatility in raw material prices, particularly imported raw materials, meat, and seafood, may affect the Company's operating costs and profit margins.
- Intense competition in the restaurant industry in terms of pricing, promotional campaigns, product quality, and services from both existing and new market players may affect the Company's ability to retain its customer base and sustain revenue growth.
- Rising construction costs, branch decoration costs, and expenses related to branch expansion may affect the Company's investment costs and payback period.
- Rapid changes in consumer behavior and consumption trends may require the Company to continuously develop menu offerings, service formats, and marketing strategies to align with evolving consumer preferences and demands.