MK GROUP

MK RESTAURANT GROUP PUBLIC COMPANY LIMITED

Management Discussion and Analysis (MD&A)

For Q2/2026

Overview of Business Operations, Economic Conditions and Industry Outlook

In 2026, the Thai economy is expected to grow at a more moderate pace amid domestic and global challenges. Geopolitical tensions have led to higher oil prices and increased raw material cost, while consumer purchasing power remains weak, causing consumers to spend more cautiously.

The restaurant industry continues to face higher operating costs, particularly for transportation, raw materials, and consumable supplies, while intense market competition has limited operators' ability to pass these higher costs on to consumers through price adjustments.

Despite these challenges, the Company continues to offer value-for-money menu items and attractive promotional campaigns, while maintaining effective cost control and managing its brand portfolio to meet the needs of different customer segments. These efforts help strengthen the Company's competitiveness and support sustainable long-term growth.

The Company also continues to respond to changing consumer preferences by introducing new menu items, improving marketing communications, and enhancing the overall customer experience. These initiatives help retain existing customers, attract new customers, and support sustainable growth over the long term.

Business Strategies and Strategic Directions for 2026

Key Events and Developments in 2Q2026

❖ Awarded "LINE MAN Wongnai Users' Choice Best of 2026"

"Hikiniku To Come" recognized as the Best New Japanese Restaurant, selected based on real customer reviews, ratings, and order volumes across LINE MAN and Wongnai combined user base of over 26 million nationwide.

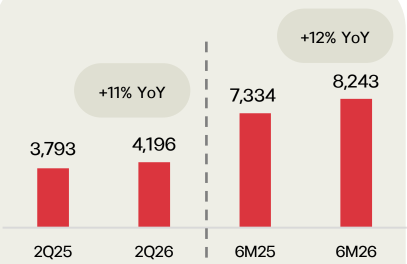
❖ Received the "Organization of Opportunity for Persons with Intellectual Disabilities" Award

The Company was honored by the Rajanukul Institute, Department of Mental Health, for its commitment to employing persons with intellectual disabilities and fostering their self-reliance and quality of life.

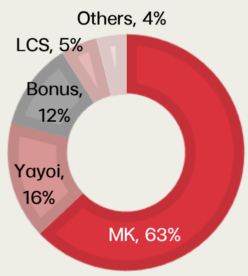
Summary of the Operating Results for 2Q and 6M of Y2026

	2Q2025	2Q2026	%Change	6M2025	6M2026	%Change
Revenues from Sales	3,793	4,196	10.6%	7,334	8,243	12.4%
Cost of Sales	1,319	1,605	21.6%	2,507	3,143	25.3%
Gross Profit	2,474	2,591	4.7%	4,827	5,100	5.7%
SG&A	2,211	2,414	9.2%	4,358	4,776	9.6%
Net Profit	276	221	-19.7%	509	385	-24.5%

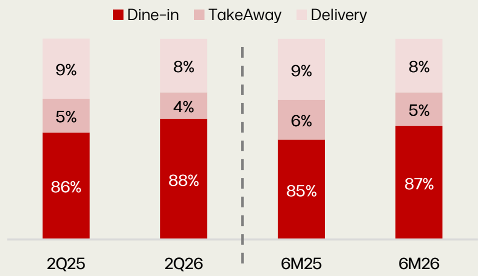
Revenues from Sales and Services



Revenues from Sales and Services



Revenues Contribution by Brand

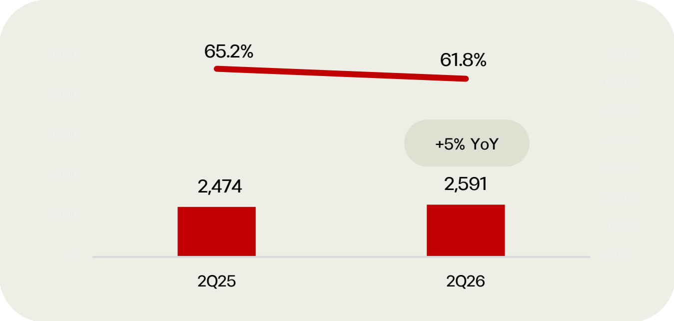


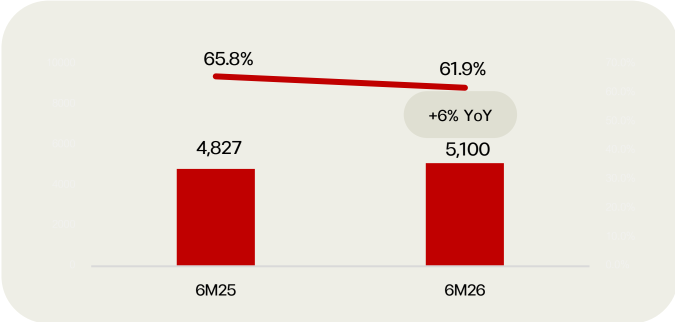
Revenues Contribution by Channel

For the second quarter of 2026, the Company and its subsidiaries recorded revenues from sales and services of Baht 4,196 million, representing an increase of Baht 402 million or 10.6% year-on-year. The growth was primarily driven by the continuous branch expansion of "Bonus Suki", a new buffet-style suki restaurant that commenced operations in the second half of 2025. However, the same-store sales growth declined by 3.8% compared to the same period of last year. This decrease was mainly due to a drop in same-store sales in June, resulting from a high base effect from the previous year. In June 2025, MK Suki launched its first-ever "Koom Gern Koom" buffet promotion priced at Baht 299, which was well received from customers and drove exceptional sales growth during that period. Additionally, the government introduced an economic stimulus program from June to September 2026 aimed at easing the cost of living by subsidizing eligible consumer spending. However, participation in the program was limited only to small-scale merchants and SMEs. As the Company was not eligible to participate in the program, it did not benefit from the increased consumer spending generated by the scheme, resulting in lower customer traffic during that period.

For the first half of 2026, revenues from sales and services were Baht 8,243 million, increased 12.4% from the same period of last year while the same-store sales growth decreased 0.3% from the same period of last year.

Gross Profit

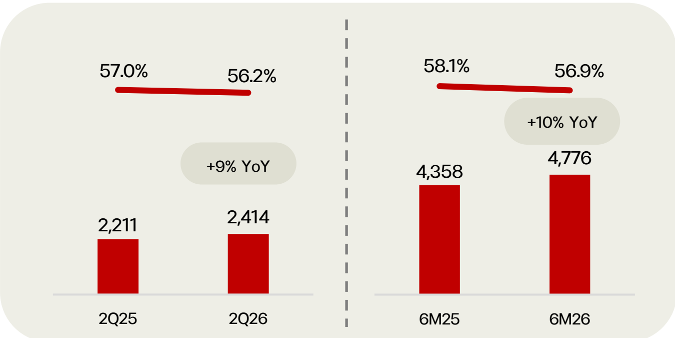


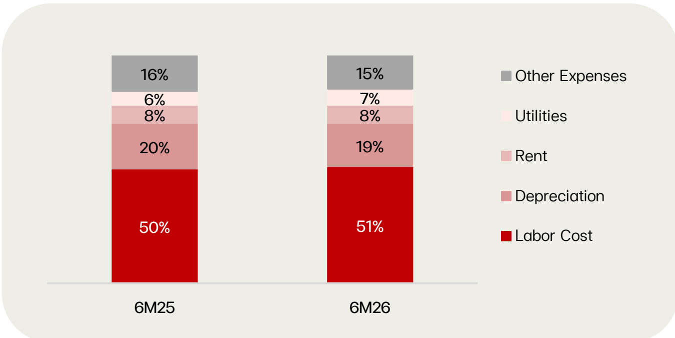


Gross profit represents the difference between revenues from sales and services and costs of sales and services which included food costs and transportation and warehousing costs. In the second quarter of 2026, the Company recorded the gross profit of Baht 2,591 million, representing a 4.7% increase compared to the same period of last year. However, the gross profit margin declined from 65.2% in the second quarter of 2025 to 61.8% in this quarter. The decline was primarily attributable to the Company's market penetration into the buffet segment driven by MK buffet "Koom Gern Koom" promotion and the continuous branch expansion of the full-scale buffet brand "Bonus Suki", led to higher raw material cost ratios in line with the business structure of buffet model. In addition, geopolitical tensions between the US and Iran put upward pressure on energy prices and logistics costs, subsequently driving up the cost of various raw materials and consumables.

Gross profit for the first half of 2026 amounted to Baht 5,100 million, representing an increase of 5.7% year-on-year. However, the gross profit margin decreased from 65.8% for the first half of 2025 to 61.9% for the same period of this year, primarily due to the launch of the "Koom Gern Koom" buffet promotion and the expansion of "Bonus Suki", the full-scale buffet concept.

Selling and Administrative Expenses





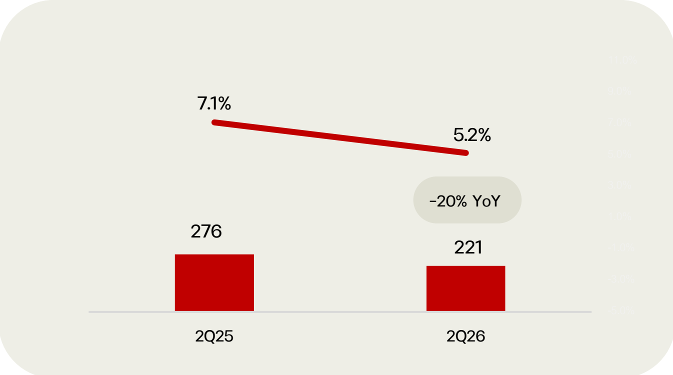
Selling and administrative expenses consist mainly of employee expenses, rents, utilities, advertising and sales promotion, restaurant supplies, depreciation and amortization. Selling and administrative expenses of the Company and its subsidiaries for the second quarter of 2026 was Baht 2,414 million, an increase of Baht 203 million or 9.2% 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 57.0% in the second quarter of 2025 to 56.2% in this quarter, mainly because certain expenses, such as rental expenses, were fixed costs and did not increase in the same proportion as the growth in sales and service revenues.

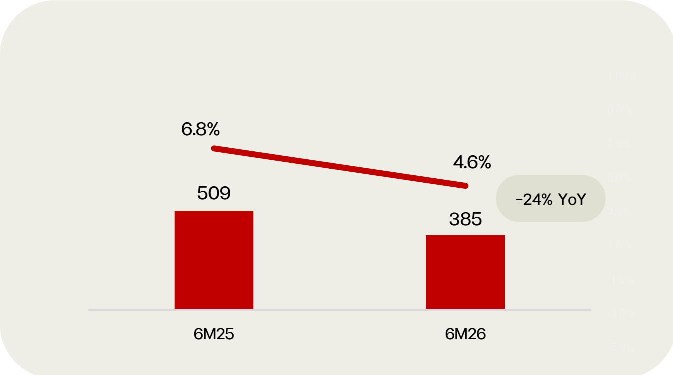
For the first half of 2026, selling and administrative expenses amounted to Baht 4,776 million, or increased by 9.6% year-on-year while the selling and administrative expenses as a percentage of total revenues decreased from 58.1% for the first half of 2025 to 56.9% for the same period of 2026 because some expenses were not the viable expenses which not increased as the increase of revenues from sales and services.

Financial Cost

The Company and its subsidiaries recorded the financial cost of Baht 21 million for the second quarter of 2026 and Baht 42 million for the first half of 2026 which were the interest expenses from the lease liabilities due to the adoption of TFRS16.

Net Profit



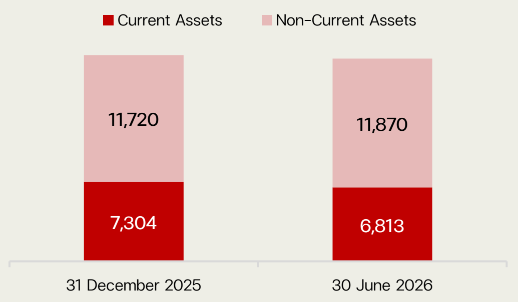


As a result of the various factors which affected the operating results of the Company and its subsidiaries as mentioned above, net profit of the Company and its subsidiaries decreased from Baht 276 million for the second quarter of 2025 to Baht 221 million for this quarter, decreased by Baht 54 million or a decrease of 19.7%.

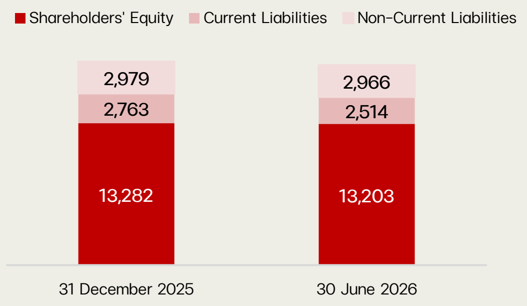
For the first half of 2026, the Company and its subsidiaries recorded a net profit of Baht 385 million, decreased by Baht 125 million or 24.5% as compared to the same period of last year.

Summary of Financial Positions as at 30 June 2026

Assets



Liabilities and Shareholders' Equity



Assets

As of June 30, 2026, the Company and its subsidiaries recorded total assets of Baht 18,683 million, comprising of current assets of Baht 6,813 million and non-current assets of Baht 11,870 million. The total assets decreased Baht 341 million or a decrease of 1.8% as compared to the end of last year due mainly to the decrease of cash and cash equivalents amounted Baht 365 million, other financial assets amounted Baht 222 million and right-of-use assets amounted Baht 184 million. However, there were the increase of property, plant and equipment amounted Baht 379 million and inventory amounted Baht 59 million.

Liabilities

As of June 30, 2026, the Company and its subsidiaries recorded total liabilities of Baht 5,481 million, decreased Baht 261 million or a decrease of 4.5% from the end of last year due primarily to the decrease of lease liabilities amounted Baht 179 million and trade and other current payables amounted Baht 91 million while there was an increase of income tax payable amounted Baht 8 million.

Shareholders' Equity

As of June 30, 2026, the equity attributable to owners of the Company was Baht 12,844 million, decreased Baht 68 million or a decrease of 0.5% from the end of last year due primarily to a decrease of retained earnings resulting from the payment of annual dividends.