

**DISCOUNTED CASH FLOW VALUATION OF
MK RESTAURANT GROUP PUBLIC COMPANY LIMITED**



**A THEMATIC PAPER SUBMITTED IN PARTIAL
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MK RESTAURANT GROUP PUBLIC COMPANY LIMITED**

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DISCOUNTED CASH FLOW VALUATION OF MK RESTAURANT GROUP PUBLIC COMPANY LIMITED

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VASAN SIRAPRAPASIRI, M.Sc., KAIPICHIT RUENGRICHAIYA, Ph.D.,**ABSTRACT**

The objective of this study was to illustrate the beneficial of discounted cash flow on the valuation in stock price. To be able to find an intrinsic value or fair value of an interesting stock, MK Restaurant Group Public Company Limited, as it is one of the most popular techniques which can help investors to make an investment decision more accurately. The methodology under discounted cash flow valuation method are focused on fundamental of the company such company's capability to generate future income called cash flow, cost of fund, investment plan, asset utilization, and etc. Therefore, after I have calculated MK Restaurant Group Public Company Limited stock price with discounted free cash flow to equity method plugging in all assumptions to find an appropriate price. The result is that current price as of December 4, 2014 at 60 Baht still undervalued comparing with projected fair value at 63.75 Baht. It has available upside gain about 6.22% which not reflect in the current situation. With this result, I do suggest to "HOLD" position in MK Restaurant Group Public Company Limited.

KEY WORDS: Valuation, discounted cash flow, free cash flow to equity, chain restaurant business

33 pages

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CHAPTER I

VALUATION

1.1 Highlights

1.1.1 Market leader in Hotpot and Japanese restaurant market:

Strong brand reputation of MK & Yayoi and being a market leader, it can ensure stable and ongoing business performance which currently generates about 14 Billion baht in year 2013 with the strong net profit margin of 14% and average growth rate at 15%. Also, MK Brand grasped market share in Suki restaurant about 60%. Furthermore, the company owns 381 of MK branches and 113 of Yayoi branches all over the country held the market leader in both of market share and number of store comparing with Japanese restaurant market and Hotpot restaurant Market. In addition, outstanding company's performance over the past 28 year and its expansion plan in urban area can ensure their sustainable growth.

1.1.2 Better SSSG in the second half supportive with "Eating Outside" trend:

Since year 2013, the company faced with the downtrend of negative's SSSG resulting from political unrest and bad economic condition which recently its starts to recover with the little negative in Q3/2014 and expected to be positive in the near future supporting business to grow following with consumer confidence level and private consumption expenditure.

1.1.3 Excessive of cash with Upside potential on inorganic growth:

The company has excessive of cash including S-T investment and L-T investment total amount of 9.2 Billion Baht with no debt leverage as its raised fund from Initial Public Offering in H2/2013. With this financial flexibility, it make company has high potential to expand their business, also high probability for merging and acquisition deal which will boost company growth significantly instead of saving and investment at 3.5% annually.

1.1.4 Fast cash turning in business operation with high dividend yield:

Company's operation has a negative cash conversion cycle as their collection method all in cash as restaurant business while defer payment to supplier by receiving credit term. It looks clear that company has no need of additional working capital and high opportunity to grasp an opportunity of liquidity gap to maximize on cash. Furthermore, the company's dividend policy of at least 50% of its net income which they never pay less than target before showing dividend on average about 3% which in high level.

Table 1.1 Financial Highlights

Current Price (4 Dec 2014)	60.00 Baht		Recommendation Target Price		HOLD 63.73 Baht		
	Year	2011A	2012A	2013A	2014F	2015F	2016F
Total Revenue (MM Baht)		10,824.27	13,141.13	14,240.35	14,749.66	16,298.04	18,025.20
- MK		9,610.00	11,263.00	11,761.00	11,682.15	12,724.79	13,876.74
- Yayoi		1,031.00	1,595.00	1,983.00	2,485.56	2,916.34	3,408.29
EBITDA (MM Baht)		2,729.81	3,147.34	3,145.63	3,338.44	3,677.74	4,034.68
Net Income (MM Baht)		1,617.93	2,031.42	2,039.17	2,140.16	2,365.36	2,617.96
EPS		39.43	2.82	2.25	2.36	2.61	2.89
DPS		74.09	2.48	0.48	1.65	1.83	2.02
PER(x)				25.80	25.43	23.01	20.79
Div Yield (%)		N/A (MK Listed in 2013)		N/A	2.75%	3.04%	3.37%
P/BV(x)				3.88	4.13	3.92	3.71
ROE(%)		97.96%	146.72%	29.14%	16.66%	17.49%	18.35%
Cash & Investment		572.13	987.80	9,209.50	9,932.04	10,985.03	12,180.31
Total Assets		3,803.72	5,086.36	15,006.18	15,749.99	16,714.69	17,784.40
D/E(x)		1.93	2.46	0.20	0.20	0.20	0.21

1.2 Business Description

1.2.1 Company Background

MK Restaurant Group Public Company Limited is a listed company in The Stock Exchange of Thailand in foods and beverages sector. The Company mainly offers foods and beverages under its trademarks of MK Restaurants and another Japanese restaurant chain under a franchising agreement, with name of Yayoi. For MK Restaurants brand, the Company operates chain restaurants business providing Thai-style sukiyaki with fresh meats and vegetables. For Yayoi brand, it provides a traditional Japanese food under affiliated company of MK Group namely MK Interfood Company Limited. The company also operates other type of restaurants under its brands including of Hakata Ramen, Miyazaki Teppanyaki, Na Siam Thai Restaurant, Le Siam Thai Restaurant and Le Petite (Coffee & Bakery). Last but not least, The Company also distributes their franchise agreements with the trademark and service mark of MK SUKI to be used in Japan, Singapore and Vietnam. Its affiliate companies under MK Group also include of MK Service Training Center Company Limited which is training center to support MK Group business.

MK Restaurant Group Public Company Limited (the “Company”) was started on July 10, 1989, with a registered capital of Baht 1 million to operate Suki restaurants. “MK Suki” Restaurant was opened its first branch at Central Plaza Lat Phrao in 1986. At the meantime, Thai-style sukiyaki was not popular and has not many restaurants; however the customers were have good response to concept of MK restaurant at that time. An interesting techniques and marketing strategies was implemented to manage the business supporting the Company become a well-known company and keep expanding a new branches all over the countries.

At the end of year 2013, the Company own about 500 branches all over countries which could be mainly breakdown into 381 MK Restaurants; 113 Yayoi Restaurants, and the rest for other restaurant business. Furthermore, The Company has also given MK Suki franchise to overseas. In term of company's performance, the company can generated revenue in year 2013 about 13,970 Million Baht with an outstanding growth CAGR (2009-2013) at 15% which revenue break down shows as follows;

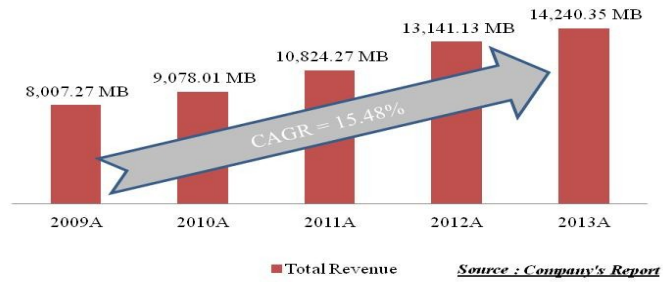


Figure 1.1 Historical Revenue growths since 2009A - 2013A

Table 1.2 Revenue Contribution in each brands

Revenue Breakdown	2012		2013		Unit: MB
		%		%	
MK & MK Gold	11,263.00	87%	11,761.00	84%	
Yayoi	1,595.00	12%	1,983.00	14%	
Le Siam & Na Siam	68.00	1%	75.00	1%	
Franchise	8.00	0%	24.00	0%	
Oversea	49.00	0%	101.00	1%	
Miyazaki & Hakata	3.00	0%	22.00	0%	
Le Petit	1.00	0%	4.00	0%	
Total	12,987.00	100%	13,970.00	100%	

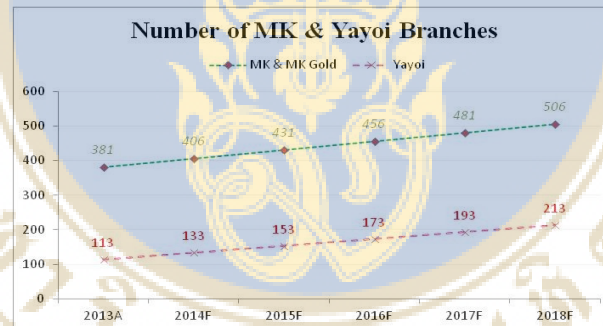


Figure 1.2 Number of MK & Yayoi Branch expansion

1.2.2 Products and Services

1.2.2.1. Suki Restaurant Business

MK Suki Restaurant

MK Suki is a Suki-restaurant set under MK Restaurant Group Plc. In addition, MK Suki also provides variety of food type such dim sum ice cream and beverages. MK segmented itself as a family restaurant. The restaurant highlights is warm-welcome environment where everyone can enjoy moment with their own Suki pot.

MK Gold Restaurant

MK Gold Restaurant is similar to MK Suki, which is also operates by MK Restaurant Group Plc. It provides the high-quality of Thai-Suki while using a great raw material with luxurious decoration in gold color. MK Gold's targets are existing MK Suki Restaurant customers, focusing on high incomes level.

1.2.2.2. Japanese Restaurant Businesses

Yayoi Restaurant

Yayoi Restaurant is operates under the company subsidiary name of MK Interfood Co., Ltd. ,which has been granted franchised license to run Japanese restaurant under the Yayoi Ken trademark from Plenus Co., Ltd. which a public company listed in Japan's stock exchange and well-known Japanese restaurant operators. The first Yayoi's branch started to operate in Thailand in 2006. Yayoi has cooperated with Japan-based franchiser to introduce new menus while keep the uniqueness of Japanese components in its food. At the end of year 2013, there were 113 Yayoi Restaurant nationwide.

Hakata Restaurant

Hakata is a Japanese Ramen restaurant which provides several type and taste of traditional Japanese ramen, also others Japanese dumpling and beverages. It first branch is located in Siriraj hospital under CSR program which contribute all profit to hospital.

Miyazaki Restaurant

Miyazaki Japanese Restaurant was initially stated its first branch on October 2012 at Town in Town Shopping Center. The restaurant serves Japanese Teppanyaki, beverages and desserts.

1.2.2.3. Thai Restaurant Business

Na Siam Thai Restaurant

Na Siam is a traditional Thai Restaurant where the former MK restaurant business in Siam Square before the Company started turning to operate Suki restaurant business. Na Siam aim to grasp market share in medium to High-end customers segment. Currently, there is only one Na Siam Restaurant at Central Plaza, Bangna Branch.

Le Siam Thai Restaurant

Le Siam is also premium Traditional Thai restaurant which its positioning to target foreign customers and high income person who looking for luxurious place with the premium quality of uniqueness Thai food.

1.2.2.4. Coffee Shop and Bakery business

Le Petit

Le Petit was started its first branch on September 2012. It is the coffee shop which offers coffee, beverage, bakery locate at Siriraj Hospital. This shop is under CSR program of the company which contributes all profit to Siriraj hospital.

1.2.2.5. Home delivery and catering business

MK and Yayoi brands also have home delivery service which its service available time during 10.00 to 21.00 with the minimum purchase rate of 199 baht and 150 baht respectively. Customers can make an order via phone or through the websites which its can easily be paid in cash or credit. Furthermore the catering service, MK and Yayoi also allow advanced orders and do set of food prepare for any events. The Company also expects to serve a full- catering service which company will provide all facilities including pot, electronic outlets, dining tables and service employees making customers feel like at restaurant.

1.2.2.6. Training Center

MK Training Center was set under MK Service Training Co., Ltd. to serve internal training for employees of MK Restaurant group Plc. It has implemented several training courses to enhance personnel capability of all departments whether they are full-time or temporary staff. It locates on Km. 3, Bangna-Trad Highway, opposite of Central Plaza, Bangna Branch. Most training courses vary on knowledge and competency of staff. Guest speaker and Lecturers are management team of each department or sector at difference management levels, also out-sourcing expertise and experienced-person in field to teach and share knowledge.

1.2.2.7. Overseas Restaurant Business

At the end of year 2013, the Company had explored MK Suki Restaurants and Yayoi Japanese Restaurants brand abroad as follows:

Table 1.3 MK & Yayoi branch and investment in overseas summary

Countries	Number of MK Suki Restaurant	Number of Yayoi Restaurant	Operated by
Japan	35	-	Plenus MK Co., Ltd. (Holds 12% of its shares)
Singapore	2	4	Plenus & MK Pte. Ltd. (Holds 50% of its shares)
Vietnam	4	-	Global Investment Gate Joint-Stock Company
Indonesia	1	-	PT Master <u>Kuliner</u>

1.3 Macro-Economic Analysis and Industry Analysis

1.3.1 Recovering in Thailand Economic

In Q3/2014, Thailand's GDP was recovered from H1/2014 which almost zero to 0.6% due to solving in political instability, also boost up in confidence index as clear government direction to stimulate well-being by develop infrastructure and export more. With this path, Public sector is confidence to invest and consume. As a result, Thailand's GDP tend to move with positive support which forecasted GDP 2015 equal to 3.5-4.5% with inflation 1%-2%

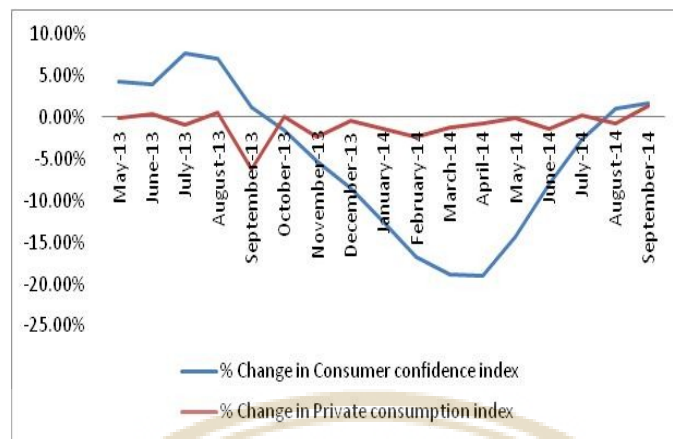


Figure 1.3 Consumer confidence index and private consumption index trend

1.3.2 Potential growth in Restaurant industry

Growth rate of restaurant business is in relation to Thailand's economic and growth in population of the country, as it classify as one basic need of human living and non-durable goods. Over the past three years (2010-2013), the chain restaurant business grew up significantly, with the current total market value in year 2013 of 629,000 Baht. Growth rate of the industry was slow down during the period of political instability. However, restaurant industry still has potential to recover by the end of this year, which reflects in consumer, business confidence index and Thailand's GDP.

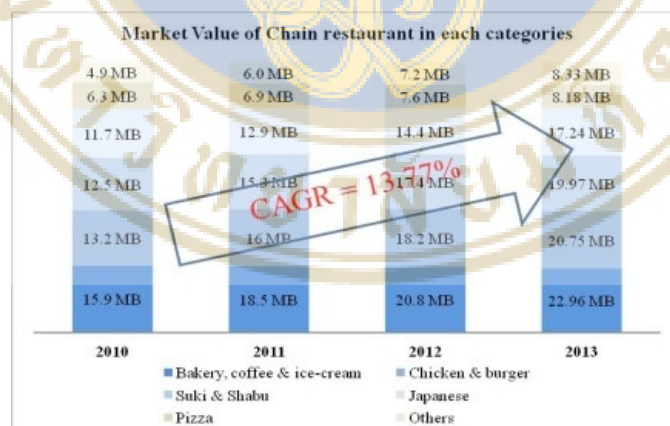


Figure 1.4 Market size and growth of chain restaurant in each category

1.3.3 Increasing trend of chain restaurant

Historical growth rate of retail business is approximately 14% per year. In 2013, market value of chain restaurant is about 97,000 million baht, which is mainly categorized in 6 types; Bakery, Chicken & Burger, Suki-Shabu, Japanese, Pizza and others. Also, Japanese food category grew significantly at a rate of 20% per year reflecting Thailand's trend toward Japanese food.

1.3.4 Changing in lifestyle of Thai's people

Implementation of government policy, for example, increasing of country's salary rate, reduction of personal's tax rate and development of infrastructure to value urban area, lead to higher spending among Thai's people. Furthermore, Thai people were more educated. As a result, their lifestyle is changed to "Eating Outside and Healthy food concern". Consumers have change preferences to spend more on food expenditure, as they value on service and quality of food. In addition, people are more time-rushing and socialize, which they prefer to consume at the restaurant and meet others, instead of self cooking. As you can see from chart, Thai's people is more than 70% eat outside per week.

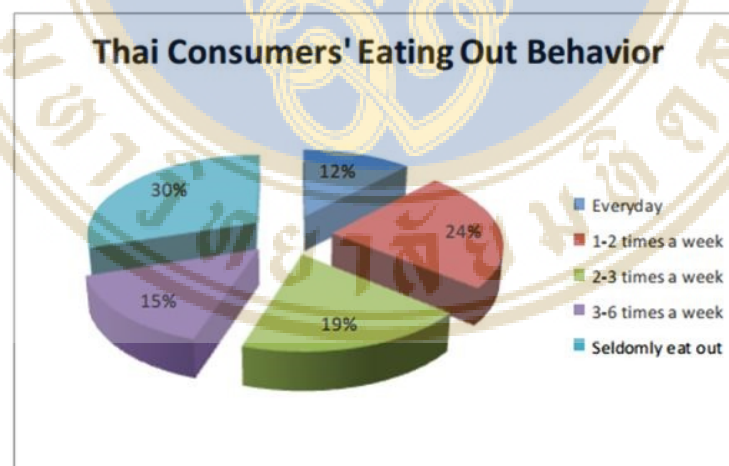


Figure 1.5 Thai Consumers' Eating Out Behavior

1.3.5 Upcoming AEC in 2015

A emerging of AEC would generate a potential for Thailand to grow, since people, in particular travelers and investors, are freely shift across ASEAN members

country. As a result, high demand in overall market will be increased, including restaurant market.

1.4 Competition Analysis

Company's business is segmented under chain restaurant business. The company is one of the largest food restaurant chains in Asia and one of the largest hot pot restaurants in the world in term of number of stores. The company runs full-service restaurants under its well-known brands such as MK Suki, Yayoi. The company expanded its outlets rapidly from 290 stores in year 2010 to 381 stores in year 2013 for MK Suki & MK Gold and 51 stores to 113 stores in year 2010 to 2013 for Yayoi respectively. Moreover, the company put effort on renovating stores, launching new products and campaign and adopting various strong marketing strategies in order to boost up its sales, expand the customer base and increase brand awareness. The company also utilized new technology such as social networks to communicate with consumers, and installed gadgets such as iPads at the tables to provide consumers with more convenience when ordering food.

The target customers for the company is mostly medium to high income earning and family for MK suki and Yayoi Japanese restaurant and high earning income for MK Gold. From restaurant chain market, Direct competitors of MK is all every restaurant chain brand that mostly located in shopping mall, community mall such KFC, PIZZA, Mcdonald, etc. But restaurant brand that close most are HOT POT, SHABU SHI, SUKISHI and BAR B Q Plaza. As of Q2/2014 the number of store of MK and Yayoi comparing to their competitors still be the highest one while industry of restaurant chain keep growing, also generate the highest margin in industry.

As the company has well-recognition in the market and with the good quality of foods and services. Recently, Changing in people lifestyle as they are more eating outside can support business performance. Also, expansion of shopping mall and community mall in each area is also one of supporting factor for business growth.

For the competitors, the company has classified other full-service restaurants which run business mostly similar to the company as follow;

Hot Pot Public Company Limited

Hot Pot Inter Buffet: International buffet restaurant with the concept of “All You Can Eat” that offers international buffet e.g. Chinese dim sum, Japanese noodle, Sushi, Shabu and Western salad under Hot Pot Group. The Company operates 135 outlets for Hot Pot and 18 outlets for Daidomon. All outlets are located in shopping complexes, modern trade, community malls in Bangkok and metropolitan area.

Fuji Restaurant

Fuji Japanese Restaurants: The Company dominates the Thai Japanese restaurant market with delicious, nutritious Japanese food. All items are reasonably priced and certain to please Thai taste. Today Fuji Group owns and operates one of Thailand’s largest health restaurant chains with 90 branches across the country.

OISHI GROUP PUBLIC COMPANY LIMITED

Business operation of OISHI Group has divided into two divisions; the first one is food business which consist of 9 Japanese restaurant brands with 193 stores such as OISHI Grand - An outstanding and luxurious buffet environment with a limited time of 3 hours at the price per head of Baht 749, OISHI Buffet - Japanese food buffet style with a limited time of 1 hour and 45 minutes at the price per head of Baht 519, Shabushi - Shabu buffet style with the ingredients served along a conveyor (kaiten) together with assorted sushi with price per head is Baht 339 with a limited time of 1 hour and 15 minutes, OISHI Ramen - A unique style of ramen and soup localized to meet local taste, provide both Japanese and spicy Thai menus and etc. The second one is the Beverage business such as OISHI Green tea, Fuito, Chakulza and Amino Plus.

BAR B Q Plaza Company Limited

Bar B Q Plaza is a self-cooking Mongolian and Japanese style barbeque restaurant selecting on the high-quality meats and vegetables where customers can feel self-grilling. It is located in shopping malls, modern trade outlets and community malls as our company.

Table 1.4 Peer comparison financial performance with competitors

	MK Restaurant	Oishi	Hotpot	Bar B Q Plaza
Revenue	14,141.55	12,267.01	2,353.68	9,524.54
EBIT Margin	17.32%	4.25%	2.78%	6.86%
Net Profit Margin	14.42%	3.71%	1.82%	3.96%
Current Ratio	2.17	0.51	0.32	0.56
Debt to equity Ratio	0.20	1.32	1.49	0.93
Return on Asset	13.59	5.76	4.19	8.40
Return on Equity	16%	13%	10%	16%
Market Capitalization	46,424.81	16,218.75	1,502.20	N/A

From peer comparison above, we saw that MK restaurant generated high profit margin, ROA, ROE comparing with competitors as well-cost control with its good supply chain of self-training center and central kitchen. Not only profitability margin, the company also grasps 60% of total hot pot market as proportionate of MK's Suki sale with total hot pot market and 12% of total Japanese Restaurant being a market leader in term of sale and number of branch. Furthermore, the company has high financial flexibility with low liquidity and solvency risk as D/E ratio is low at 0.2 times and current ratio more than 1 times. Because, MK's business structure has no additional finance need showing a negative cash conversion cycle and less capital expenditure to open its branch as most of its under leasehold contract only spend 8-10 Million baht per branch. Not only financial strength of company but also good management and business structure show proven track-record.

1.5 Investment Summary

1.5.1 Market leader in chain restaurant in Thailand:

MK Restaurant are aggressively expand its branch in which currently owned about 395 branches all over the country, also continuing plan to expand branch in upcountry area which high growth potential. The company hold market leader position for a period of time as of year 2013, total market value of SUKI and SHABU approximately equal to 20,000 Million baht which 60% of its from MK.. Furthermore, with the strong brand reputation can support and guarantee future growth and smooth business in the near future.

1.5.2 Second source of income supportive from "Yayoi":

Yayoi brand drive around 14% of total company's revenue which quite significant and supportive as its has still available rooms to grow in Japanese restaurant market following with trend nowadays. Furthermore, it is just coming into the growth stage of business with the highest branch in the Japanese restaurant segment. It has high growth potential on business expansion plan all over countries.

1.5.3 Uptrend on private consumption expenditure & "Eating outside" lifestyle:

After Thailand passed through economic downturn from political unrest and world economic pressure which force GDP and consumption index to decrease since the second half of year 2013. So, same store sale growth ("SSSG") of MK & Yayoi has positive relationship with Private consumption index and GDP.

Currently, it start to turn up to positive sign which people confidence to spend more and its pick up point of business in the near future. Furthermore, Thai people tend to eat outside more than before which you can see from increasing in number of restaurant and expenditure.

1.5.4 Business growth opportunity by branch expansion and M&A Deal:

As the company has excessive of cash on hand plus long-term investment approximately 9 billion baht which has sufficient cash to expand branches in upcountry and abroad following its plan and mall expansion. Furthermore, it has high possibility to use their surplus fund to acquire business in the same industry to achieve target growth around 20% per year creating value by organic growth and Inorganic growth. As a result, it is an interesting stock with upside gain on business acquisition and expansion in domestic and overseas.

1.5.5 Sustainable cash generative business with high dividend profile:

Company running business with cash basis as all transaction settled immediately in cash while high bargaining on its supplier resulting in negative cash

conversion cycle. Furthermore, the company all finance by their internal cash with no debt and current cash & marketable securities is around 2 Million baht excluding 5 Million in long-term investment. D/E ratio is only 0.2 times. In term of performance, the company can generate operating profit margin and net profit margin around 18% and 14% respectively on total sale of 14,000 Million baht. With the historical of dividend payout not less than 50% which expected dividend yield about 3%

1.5.6 High Standardization with Reliable of Supply chain and Expertise

Management team

With centralized distribution system and internal training center of company, it enhance and efficient quality of raw materials and services standard. Furthermore, high bargaining power on supplier with a sizeable scale of raw material purchased is an advantage of company. These factors make the company can maintain a market leader position in SUKI business and Japanese restaurant.

In addition, Proven-track record of Management team during the past 28 years that can certify company's performance.

1.6 Valuation

1.6.1 Discounted Cash Flow Model: Free Cash Flow to Equity

This method can explain how M doing business, it has shown a proven track record along period with continuously growth paralleling the restaurant chain market. M become a market leader in such market. FCFE model can imply company's performance and structure of business operation in term of net working capital and capital expenditure as part of valuation. With this method, we also value its in two ways as accounting business operation benefit (Positive net working capital) and no benefit (assume equal to zero). Therefore, we get share price equal to 63.73 bath and 60.59 Baht respectively. We chose to use share price with business operation benefit which showing a core benefit of company (fast cash-turning), it equal to 63.73 baht. However, without benefit share price is still appropriate at 60.59 Baht

Constant Cost structure (CGS and SG&A)

From the historical past 5 years, M can maintain cost structure of cost of goods sold and SG&A on average at around 34% and 48%, however, we forecast on conservative approach which chose the highest one in the recent year 2013, then it equal to 33% and 51% respectively.

Terminal Value Component Assumptions

We assume Terminal growth of company paralleling with nominal gross domestic product in the future forecasting by National Economic and Social Development Board (NESDB) which minimum approximately equal to 5%.

Capital Expenditure

Company's capital expenditure will be based on information of branch expansion which each branch its will use about 8-10 million for preparation of business. Moreover, most of its rental contracts have 3 years period which reflecting on expense in each year. Intangible assets set to grow with sale.

Weighted Average Cost of Capital

As the company financing structure, it has no debt they only use their internal cash flow. Therefore, we can use cost of equity represent weighted average cost of capital (Weight of debt = 0). We use CAPM theory to find cost of equity which risk free rate equal to 3.45% (10 years government bond as of Oct, 2 2014), Risk premium equal to 7.40% (Professor Aswath Damodaran's research paper) and beta from Bloomberg equal to 1.016. We plug-in all input then cost of equity equal to 10.97%

Table 1.6 Beta and Cost of Equity Calculation

Linear Beta		Weight Average Cost of Capital	
Raw BETA	1.024	Risk-free rate (Rf)	3.45%
Adjusted BETA	1.016	Risk premium (Rm - Rf)	7.40%
ALPHA (Intercept)	0.139	Adjusted Beta (b)	1.016
R^2 (correlation^2)	0.400	CAPM (Ks)	10.97%
R (Correlation)	0.632		
Std Dev of Error	3.084	Value of equity (Million Baht)	54,425
Std Error of ALPHA	0.406	Weight of Debt (Wd)	0.00%
Std Error of BETA	0.168	Weight of Equity (We)	100.00%
t-Test	6.111	Tax Rate	20%
Significance	0.000	WACC	10.97%
Last T-Value	-0.747		
Last P-Value	0.229		
Number of Points	58		
Last Spread	0.00		
Last Ratio	0.000		

Source : Bloomberg

Table 1.7 Free Cash Flow to Equity Calculation

Free Cash Flow to Equity	2014F	2015F	2016F	2017F	2018F
EBT	2,675	2,957	3,272	3,606	3,958
Tax on EBT	(535)	(591)	(654)	(721)	(792)
Net Income	2,140	2,365	2,618	2,885	3,167
Add: Depreciation	663	721	762	804	845
+/- Change in net working capital (**)	144	170	192	199	209
+/- Investment in gross fixed asset	(1,035)	(567)	(569)	(571)	(573)
Free cash flow to equity	1,913	2,690	3,003	3,316	3,648
Terminal value of firm					64,172
Net cash flow	1,913	2,690	3,003	3,316	67,819
Period	1	2	3	4	5
Discounted Cash flow	1,723.72	2,184.24	2,197.83	2,187.17	40,304.84
Enterprise value	48,598				
Vale of non-operating asset	9,209				
Value of equity	57,807				
Share price (THB)	63.73				
No. of share	907.08				
Discount rate	10.97% Please see assumption used in WACC table				
Terminal Growth	5.00% Based on Nominal GDP Forecasting by NEDSB				

* Company has no debt, then its equal to FCFE

**Note: The Company has positive net working capital since fast cash turning business with negative cash conversion cycle (A/R + Inventory - A/P), then less account receivable while high bargaining on their suppliers.

Table 1.8 Free Cash Flow to Equity without net working capital benefit comparing intrinsic value with competitors whether this price still competitive or interesting.

Free Cash Flow to Equity	2014F	2015F	2016F	2017F	2018F
EBT	2,675	2,957	3,272	3,606	3,958
Tax on EBT	(535)	(591)	(654)	(721)	(792)
Net Income	2,140	2,365	2,618	2,885	3,167
Add: Depreciation	663	721	762	804	845
+/- Change in net working capital	-	-	-	-	-
+/- Investment in gross fixed asset	(1,035)	(567)	(569)	(571)	(573)
Free cash flow to equity	1,769	2,519	2,811	3,118	3,439
Terminal value of firm					60,501
Net cash flow	1,769	2,519	2,811	3,118	63,940
Period	1	2	3	4	5
Discounted Cash flow	1,593.90	2,045.89	2,057.35	2,056.07	37,999.46
Enterprise value	45,753				
Vale of non-operating asset	9,209				
Value of equity	54,962				
Share price (THB)	60.59				
No. of share	907.08				
Discount rate	10.97% Please see assumption used in WACC table				
Terminal Growth	5.00% Based on Nominal GDP Forecasting by NEDSB				
<i>* Company has no debt, then its equal to FCFE</i>					

However, we use valuation with working capital benefit as M's stock price reference in this report to show an advantage and intrinsic value of company.

1.7 Financial Analysis

1.7.1 Size Analysis

Balance Sheet

For Size analysis on balance sheet of company and competitors, we bring its composition of each financial status to show how its construct.

Table 1.9 Size Analysis Peer Comparison in Balance Sheet

Assets	M	HOTPOT	OISHI
Cash & Investment	9,209	55	132
Trade and Other receivable	160	12	660
Inventories	226	54	371
Property, plant and equipment	4,286	651	6,145
Leasehold rights	365	76	65
Total Asset	15,006	1,021	7,908
Short-term loan from financial institution	-	30	63
Trade and Other payable	1,858	328	2,298
Current portion of long-term debt	-	133	-
Long-term debt	-	90	2,045
Total Liabilities	2,482	611	4,499
Total Equity	12,524	409	3,408

Total Asset size of M, Hotpot, and OISHI are equal to 15,006 MB, 1,020 MB and 7,907 MB respectively. Most of M's Asset is consist of Cash & Investment, Property & Equipment and Account receivable as company got surplus fund from Initial Public offering about 9,000 MB and PP&E (Central Kitchen & Branch's renovation and equipment). On the other hands, Our competitors balance sheet are mainly driven by Property & Equipment.

In term of Total Liabilities & Equity, M has no debt leverage which most of M's asset is financed by account payable and its equity while comparing with other using additional funding from financial institutions.

Profit and Loss Statement

For Size analysis on profit and loss statement of company and competitors, we bring its revenue and cost structure to show how Business goes on.

Table 1.10 Size Analysis Peer Comparison in Profit and Loss Statement

	M	HOTPOT	OISHI
Total Revenue	14,240	2,354	12,269
Cost of Good Sold	4,627	1,047	8,209
Gross Profit	9,613	1,307	4,060
Selling & Administration	7,066	1,242	3,548
Earning Before Interst and Taxes	2,548	66	512
Interst Expense	21	11	87
Earning Before Taxes	2,526	54	425
Taxes	487	11	30
Net Income	2,039	43	395

Total Revenue of M, Hotpot, and OISHI are equal 14,240 MB, 2,320 MB and 12,208 MB respectively which its profitability of each company showing as table above.

1.7.2 Common Size Analysis

Balance Sheet

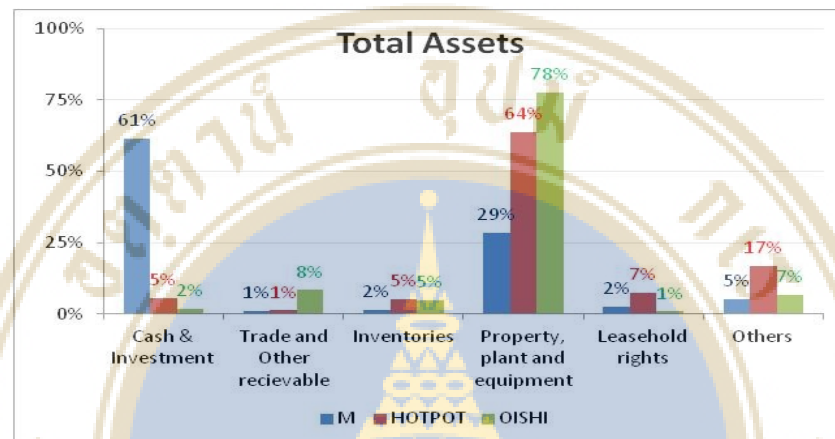


Figure 1.6 Common Size Peer Comparison in Total Asset

We explain more in detail about balance sheet in year 2013 of our company and competitors, as you can see from table above, most of M's asset consists of cash and investment about 61% of total assets. The excess of cash & investment are from Initial Public Offering fund ("IPO") raising 9,000 Million baht in the last quarter of year 2013. The second is property plant and equipment about 29% of total asset which mostly accounted for central kitchens and equipment in each branch under leasehold right located around shopping mall, and community mall. Total company branch as of December 2013 is approximately equal to 500 branches. The reason why leasehold right is small portion as its booked only leasehold that have rental contract more than 10 -30 years which recently company's rental contract is about 3 years and booked in profit and loss statement as expense. Comparing to competitors balance sheet structure is loaded in PP&E.

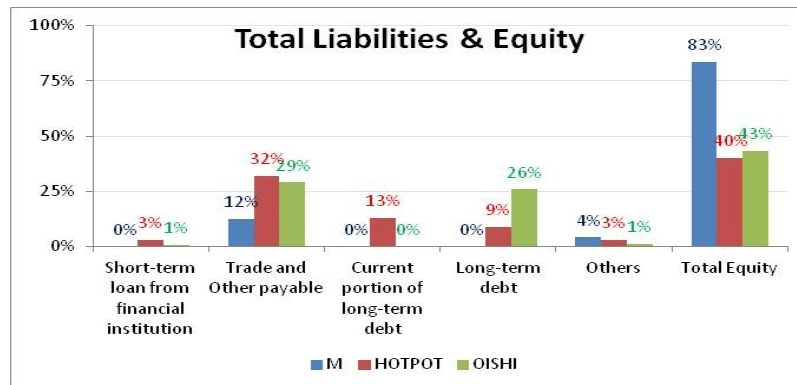


Figure 1.7 Common Size Peer Comparison in Total Liabilities and Equity

On liabilities and equity side, the company has no financial leverage with financial institution since it got funding from IPO to repay all debt. Also, it has no additional financing need since negative cash conversion cycle meaning that all business transactions are mostly settled in cash while the company can defer payment with credit terms. Furthermore, the business structure is not capital intensive. As a result, liabilities and equity of the company are mostly accounted for equity (83%) and Trade and other payables (12%). Referring to the above statement, it supports the logic of a high dividend yield for the company. Comparing with competitors, they still have an additional financing need with financial institutions for their business operations and investment in assets.

Income Statement

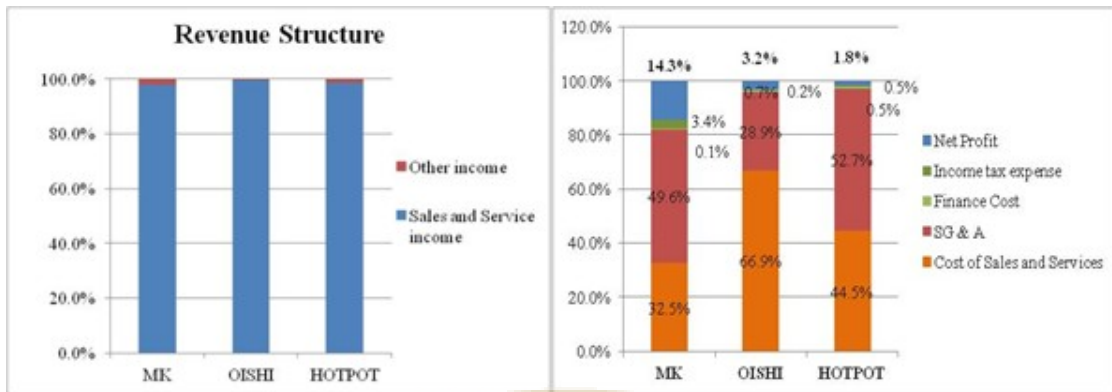


Figure 1.8 Common Size Peer Comparison in Income statement

The company has well-cost control while generate high margin from business, total expense of M, OISHI and HOTPOT is equal to 82.1%, 95.8%, and 97.2% respectively. It show M has the highest net profit margin among its competitors. The company cost structure can breakdown into following items as follows:

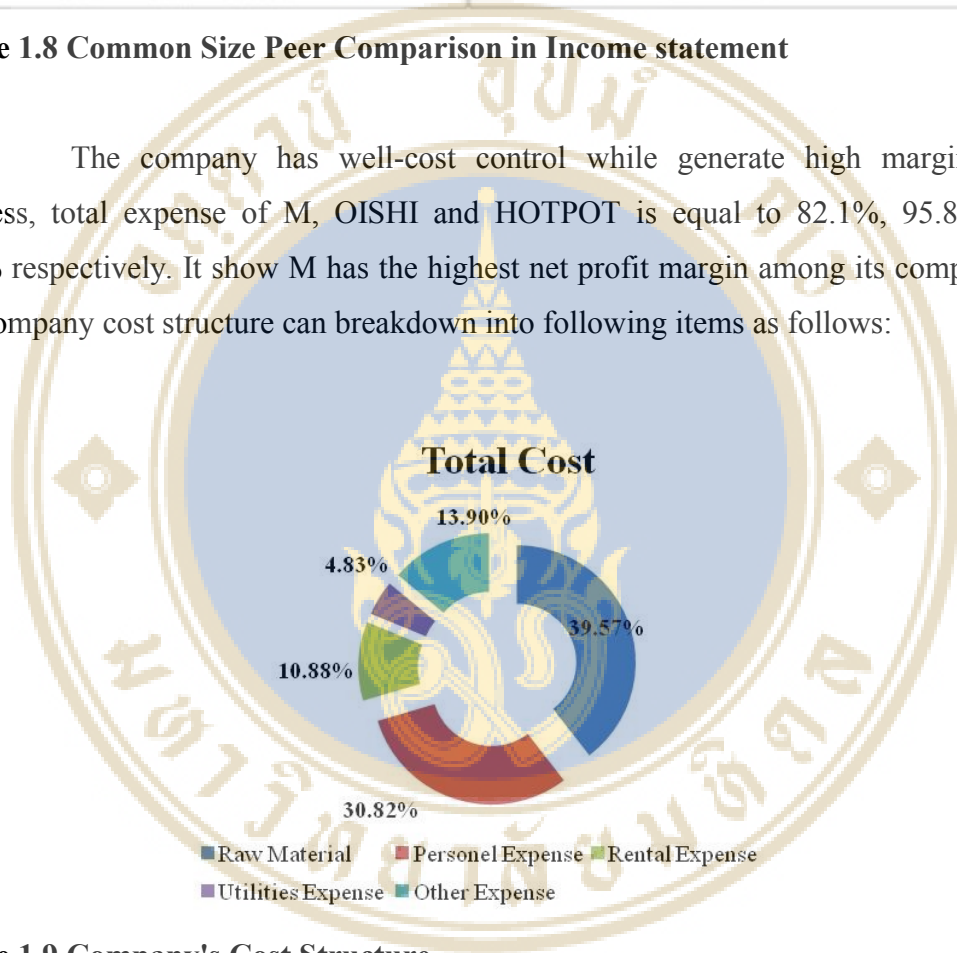


Figure 1.9 Company's Cost Structure

1.7.3 Trend Analysis

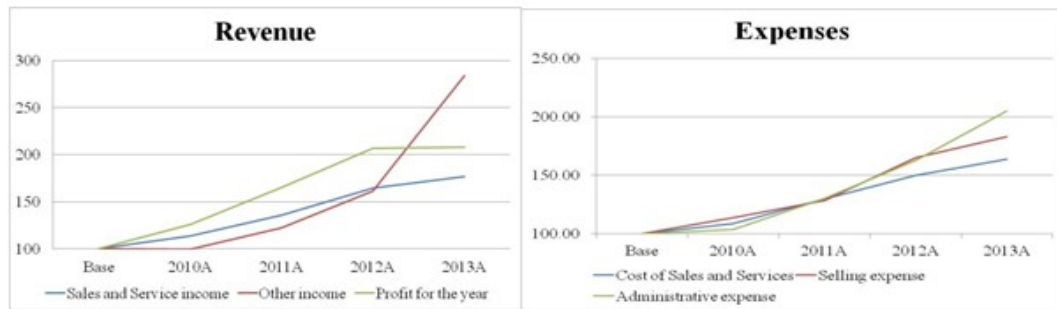


Figure 1.10 Trend Analysis in Income Statement



Figure 1.11 Trend Analysis in Balance Sheet

Total Revenue has increased significantly from year 2009 (Base year) to 2013 with CAGR equal to 15% as rapidly MK & Yayoi branch expansion. Furthermore, other income has boosted up in year 2013 because interest income from surplus fund. Total expense including cost of goods sold and SG&A increase constantly with sale growth at the same portion which Cost of goods sold and SG&A at 33% and 49% of sale respectively. Property, Plant & Equipment has growth paralleling with branch expansion and sale. Short-term investment increased sky rocket in year 2013 since its got surplus cash from IPO. Leasehold right continue to decrease since company's rental contract less than 10 years which no need to book as asset. Total shareholder's equity increased in year 2013 as share premium from IPO fund raising. Trade and other payable were increased in year 2012 from accrual expense (Salary & Bonus) that will usually pay on beginning of every month and fixed asset payable.

1.7.4 Financial Ratios

Profitability Ratio

Continuously growth in revenue with High profit margin

From year 2010 - 2013, Company's revenue has showed a significantly increase with a good business outlook by expanding branches in Thailand and Oversea, making revenue increase from 9 Billion baht to 14 Billion baht or approximately 55% within the matter of 4 years as MK and Yayoi keep growing bigger. At the end of year 2013, the company totally owned Yayoi and MK branch around 551 branches including domestic and oversea.

An increasing in revenue not only came from opening new branch but good performance of existing branches also SSSG of MK on average equal to 4 % and Yayoi on average equal to 9% which quite impressive. Other things are Thai people well-being during a time is good and people spend more on restaurant which company focusing on medium income and family. Then, with an outstanding performance, it makes company become market leader in restaurant chain business. In term of expense, Company can maintain cost of goods sold and SG&A to sale at the same level which approximately 33% and 47% respectively. Most of Company's cost derived from salaries, raw material and rental expense. With well-managed company's cost, the company can generate net profit margin around 14% per year or 2 billion baht in year 2013 which quite huge. We still believe that the company can maintain growth in business around 10% year and maintain cost at the same level in the future supporting with positive business outlook. Furthermore, in March 2014, new central kitchen has been started its operation as centralized to distribute material for all branches to make its more efficient. Comparing with its key competitor are HOTPOT and OISHI, the company also can generate the highest margin in the market such gross profit margin and net profit margin.



Figure 1.12 Profitability Ratio Comparison

Generating on efficient scale showing in high return

The company can generate ROA & ROE in year 2013 equal to 20.29% and 29.14% resulting from great cost controlling and efficiency on utilizing on its asset to generate income since company's business is chain restaurant mostly located in mall under the leasehold contract, also it own their central distribution. Furthermore, It is not a capital intensive business. Therefore, it reflects in fixed asset turnover to be high excluding long-term investment because restaurant business can generate high margin with their services.

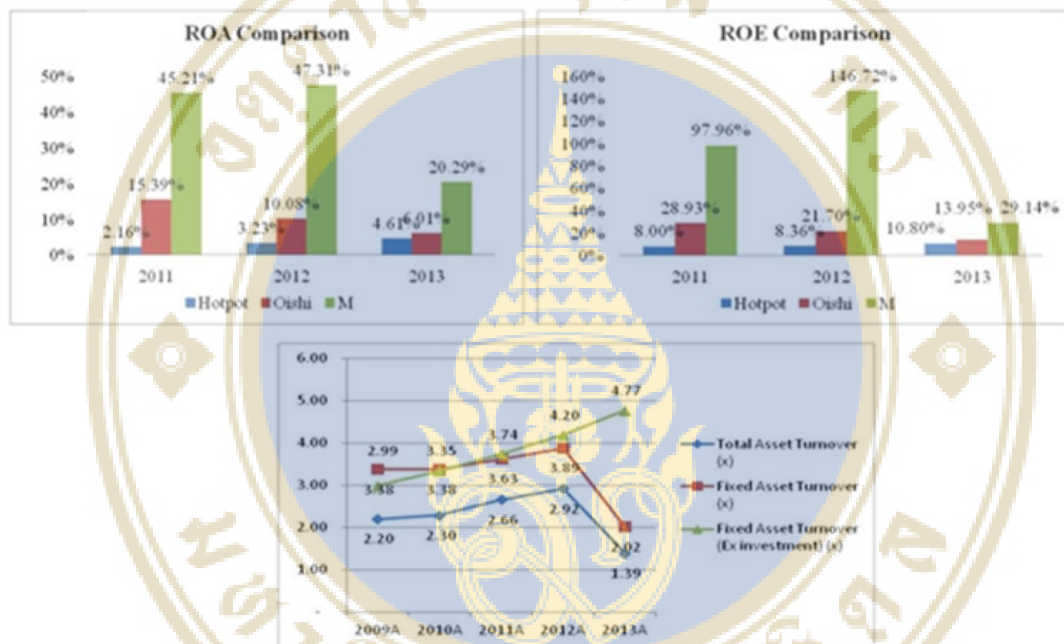


Figure 1.13 Efficiency Ratio Comparison

Liquidity Ratio

High financial flexibility with excess of cash and strong liquidity ratio

In year 2013, the company has current ratio and liquidity ratio approximately equal to 2 times showing a strong liquidity which its meant that the company has high capability to pay its short-term debt or short-term payment as the company get a lot of cash surplus from Initial Public Offering. Comparing to our competitors, the company has highest liquidity.

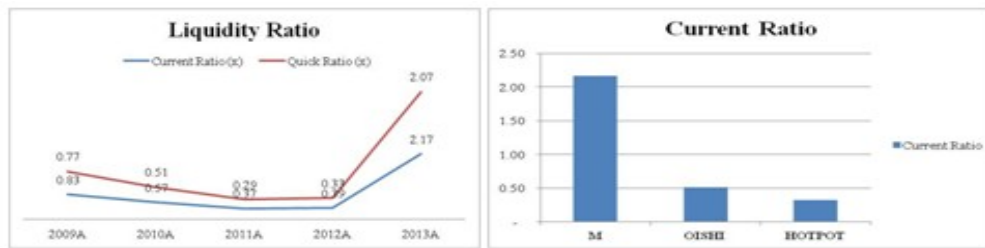


Figure 1.14 Liquidity Ratio Comparison

Negative cash conversion cycle

As the company business operation is on cash basis which immediately collect from its customers (restaurant business) while they can bargain a credit term from their supplier and sizeable procurement can reduce the company cost. With this structure, the company will not face with the issue of cash shortage as its turn very fast. Furthermore, this negative cash conversion cycle also support business to be ready for any opportunity that might have at the appropriate time. As of year 2013, the cash conversion cycle is equal to negative 22 days.

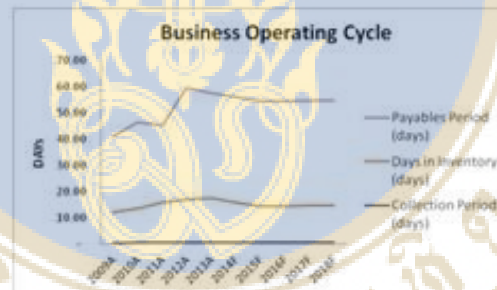


Figure 1.15 Cash Conversion Cycle Analysis

Solvency Ratio

The company has low solvency risk as debt to equity ratio is equal to 0.2 times. Furthermore, it has no interest bearing debt. It has only trade and other payable which the company has sufficient fund to meet its with total cash and investment approximately of 9,000 Million baht. Furthermore, when compare with competitors which all have interest-bearing debt and debt to equity ratio more than 1 times which show high bankruptcy than company.

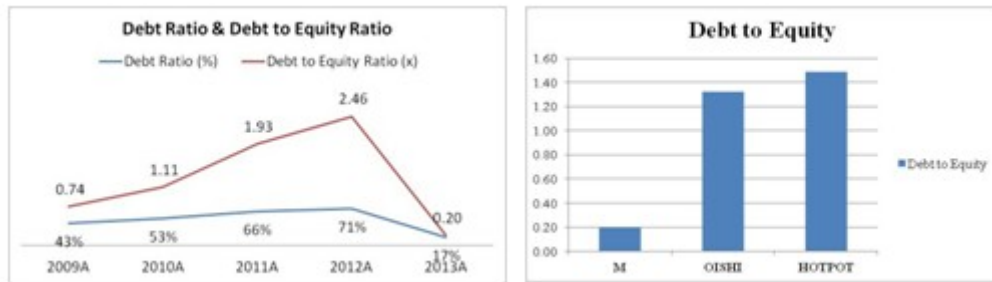


Figure 1.16 Solvency Ratio Analysis

Table 1.11 Summary of key financial Ratio

Key Financial Ratio			
Year 2013	M	HOTPOT	OISHI
Profitability Ratio			
Gross profit margin	66.90%	54.91%	32.76%
Operating profit margin	16.30%	2.30%	3.73%
Net Profit Margin	14.30%	1.82%	8.51%
Fixed Asset turnover	3.91	4.07	2.25
Total Asset turnover	1.42	2.54	1.62
Return on Asset	20.30%	4.61%	6.01%
Return on Equity	29.10%	10.80%	13.95%
Liquidity Ratio			
Current Ratio	2.20	0.32	0.51
Quick Ratio	1.90	0.59	0.28
Cash conversion cycle	- 23.00	59.68	- 16.27
Solvency Risk			
Debt to equity Ratio	0.20	1.49	1.32
Interest Coverage Ratio	119.99	5.71	5.88
Multiple			
P/E	23.14	43.07	16.5
P/BV	3.88	3.64	5.24

1.8 Investment Risks

1.8.1 Finding and Renewing the leased space under a condition deemed appropriate by the Company as branch expansion planned

Most of MK and Yayoi branch are located under leased contract of shopping mall and community mall all over the country, in case of the company cannot renewal an existing contract and find a new space for branch expansion as planned. it

might cause a negative impact to fundamental of the company as contraction on revenue and growth reduction. Currently, lease contract period per branch is around 3 years.

1.8.2 Downsizing in SSSG and Bad business condition

Decreasing in SSSG reflects from uncertainty in economic condition and less purchasing power will effect to company's revenue to drop down significantly.

1.8.3 Threat of new entrant

As low barrier of entry in the market leads to intense of competitors which they provide variety of foods and more alternative to chose, it can affect the customer's base of company to decrease and rapidly change in trend might influence consumer perception also.

1.8.4 Increasing in raw material price and employees wages

Since costs of food and employee are significant which account for 33 percent and 27 percent of the Company's revenues from sales and services. Changing in raw material prices and employee wages could make a negative impact to the Company's performance. Furthermore, as branch increase as much the number of employee will increase at the meantime.

1.8.5 Renewal of Yayoi contract

As Yayoi franchise agreement contract is 3-years contract with Plenus Co., Ltd., the company might face risk of renewal a new franchise agreement contract which direct impact to company performance as 13-14% of revenue come from Yayoi brand, also the capital investment on such brand might be sunk.

1.8.6 Risk from epidemic

The restaurant businesses have been facing of several outbreaks which corrode customer's confidence to consume meat, chicken and pork which are major raw materials of all branches under MK group.

1.8.7 Majority Vote

Since, the portion of company's free float providing to investors is only 24.63% which lower than 25%. It meant that investor has low possibility to disagree or argue on main shareholder's decision.


Impact 	1	2	3
Probability	Negligible	Moderate	Severe
High	- Threat of new entrant		
Moderate		- Free float <25% - Increasing in raw material price and employees wages - Downsizing in SSSG and Bad business condition	
Low		- Risk from epidemic - Finding and Renewing the leased space	- Renewal of Yayoi contract

Figure 1.17 Risk Matrix

CHAPTER II

DATA

2.1 Balance Sheet

Table 2.1 Company's Balance Sheet

Unit: MB

	2009A	2010A	2011A	2012A	2013A	2014F	2015F	2016F	2017F	2018F
Assets										
Current Assets										
Cash and cash equivalents	742.26	976.05	440.87	786.84	870.95	1,112.42	1,229.14	1,359.17	1,495.90	1,639.61
Short-term investment	44.31	20.22	131.26	200.96	3,338.55	3,482.87	3,763.75	4,083.33	4,439.96	4,835.88
Trade and other Receivables	130.16	69.93	68.40	59.64	159.91	74.80	81.81	87.45	96.44	106.20
<i>Related Trade Receivables</i>	101.80	-	-	-	-	-	-	-	-	-
<i>Unrelated Trade Receivables</i>	14.00	23.26	25.66	32.72	35.24	35.17	38.86	42.98	47.30	51.84
<i>Other Receivable</i>	14.35	46.67	42.74	26.92	124.67	39.63	42.94	44.48	49.15	54.35
Short-term loan to related party	157.80	-	-	-	-	-	-	-	-	-
Inventories	89.53	126.19	177.65	202.82	226.05	190.71	210.72	233.01	256.45	281.09
Other Current assets	83.57	69.16	56.86	83.07	347.32	98.84	109.21	120.76	132.91	145.68
Total Current Assets	1,247.63	1,261.54	875.04	1,333.33	4,942.77	4,959.64	5,394.63	5,883.72	6,421.67	7,008.46
Non-current assets										
Advances for purchase of building and equipment	-	-	-	11.85	9.52	-	-	-	-	-
Investment in subsidiaries	-	-	-	-	-	-	-	-	-	-
Investment in joint venture	-	-	-	-	-	-	-	-	-	-
Other long-term investments	-	-	-	-	5,000.00	5,336.75	5,992.14	6,737.81	7,569.95	8,493.77
Property, plant and equipment - net	1,672.09	2,264.19	2,243.55	2,992.83	4,285.76	4,667.97	4,524.84	4,342.35	4,120.51	3,859.32
Intangible assets - net	34.45	36.84	46.58	50.13	55.78	60.57	65.33	70.06	74.67	79.05
Leasehold rights - net	499.73	505.24	453.55	408.23	365.09	349.52	333.96	318.39	302.83	287.26
Deferred tax assets	-	-	-	45.13	64.09	64.09	64.09	64.09	64.09	64.09
Deposits	135.94	168.19	185.00	244.86	283.18	311.45	339.71	367.98	396.25	424.51
Total Non-Current Assets	2,342.21	2,974.46	2,928.69	3,753.03	10,063.42	10,790.35	11,320.07	11,900.68	12,528.29	13,208.00
Total Assets	3,589.84	4,236.00	3,803.72	5,086.36	15,006.18	15,749.99	16,714.69	17,784.40	18,949.95	20,216.46
Liabilities and shareholder's equity										
Short-term loan from financial institution	-	-	900.00	850.00	-	-	-	-	-	-
Trade and other payables	278.31	913.35	887.83	1,639.75	1,857.62	1,881.24	2,078.62	2,298.52	2,529.75	2,772.77
<i>Related Trade Payable</i>	-	-	-	-	-	-	0	0	0	0
<i>Unrelated Trade Payable</i>	231.61	288.82	308.73	518.47	532.06	544.74	601.90	665.58	732.53	802.90
<i>Other Payable</i>	46.69	624.53	579.10	1,121.29	1,325.55	1,336.49	1,476.72	1,632.95	1,797.22	1,969.87
Short-term loan from related party	-	-	45.00	-	-	-	-	-	-	-
Income tax payable	-	298.66	367.76	298.16	229.48	288.92	319.32	353.42	389.46	427.49
Dividend payable	-	830.53	-	439.20	-	-	-	-	-	-
Current portion of long-term debt	5.64	5.64	-	-	-	-	-	-	-	-
Current portion of deferred income of membership fee	22.85	22.84	25.31	28.96	35.34	35.84	39.57	43.73	48.10	52.70
Other current liabilities	1,203.18	148.29	158.26	183.82	155.67	163.39	173.39	184.49	196.58	209.72
Total current liabilities	1,509.98	2,219.30	2,384.16	3,439.89	2,278.10	2,369.38	2,610.90	2,880.16	3,163.89	3,462.68
Non-current liabilities										
Long-term debt	9.21	3.57	-	-	-	-	-	-	-	-
Deferred income of membership fee-net of current portion	6.60	7.39	8.94	9.20	12.48	12.23	13.50	14.92	16.42	17.98
Provision for long-term employee benefits	-	-	112.96	165.84	191.39	200.87	213.18	226.82	241.68	257.84
Total non-current liabilities	15.81	10.96	121.90	175.03	203.86	213.10	226.68	241.74	258.10	275.82
Total Liabilities	1,525.79	2,230.26	2,506.06	3,614.92	2,481.96	2,582.49	2,837.58	3,121.90	3,421.99	3,738.50
Registered Capital										
Issued and Fully paid	410.36	410.36	410.36	720.00	905.85	907.08	907.08	907.08	907.08	907.08
Share Premium	-	-	-	-	8,785.03	8,785.03	8,785.03	8,785.03	8,785.03	8,785.03
Capital reserve for share-based payment transactions	-	-	-	-	36.07	36.07	36.07	36.07	36.07	36.07
Retained earnings										
Appropriated	41.04	41.04	41.04	92.00	92.59	92.59	92.59	92.59	92.59	92.59
Unappropriated	1,612.66	1,554.34	845.28	656.72	2,695.31	3,337.36	4,046.97	4,832.36	5,697.83	6,647.81
Other Component of shareholder's equity	-	-	0.98	2.72	9.38	9.38	9.38	9.38	9.38	9.38
Total Shareholder's equity	2,064.06	2,005.74	1,297.67	1,471.44	12,524.22	13,167.50	13,877.11	14,662.50	15,527.97	16,477.96
Total Liabilities and shareholder's equity	3,589.84	4,236.00	3,803.72	5,086.36	15,006.18	15,749.99	16,714.69	17,784.40	18,949.95	20,216.46

2.2 Income Statement

Table 2.2 Company's Income Statement

Unit: MB

	2009A	2010A	2011A	2012A	2013A	2014F	2015F	2016F	2017F	2018F
Revenue										
Sales and Service income	7,911.74	8,983.05	10,707.58	12,987.17	13,969.23	14,425.13	15,938.65	17,624.83	19,397.83	21,261.36
Other income	95.53	94.96	116.69	153.96	271.12	324.53	359.39	400.37	445.12	493.60
Total Revenue	8,007.27	9,078.01	10,824.27	13,141.13	14,240.35	14,749.66	16,298.04	18,025.20	19,842.95	21,754.96
Expense										
Cost of Sales and Services	2,826.00	3,066.18	3,661.29	4,239.58	4,627.14	4,778.15	5,279.49	5,838.01	6,425.30	7,042.57
Selling expense	3,347.69	3,802.76	4,297.18	5,529.83	6,130.39	6,330.47	6,994.67	7,734.65	8,512.73	9,330.54
Administrative expense	456.32	471.39	593.97	743.30	935.32	965.84	1,067.18	1,180.08	1,298.79	1,423.56
Total Expense	6,630.01	7,340.34	8,552.44	10,512.71	11,692.85	12,074.46	13,341.34	14,752.74	16,236.83	17,796.68
EBIT	1,377.26	1,737.68	2,271.82	2,628.41	2,547.51	2,675.20	2,956.70	3,272.45	3,606.13	3,958.29
Finance Cost	0.70	0.48	15.33	23.09	21.23	-	-	-	-	-
EBT	1,376.56	1,737.20	2,256.49	2,605.32	2,526.27	2,675.20	2,956.70	3,272.45	3,606.13	3,958.29
Income tax expense	394.86	503.27	638.57	573.90	487.10	535.04	591.34	654.49	721.23	791.66
Net Income	981.70	1,233.93	1,617.93	2,031.42	2,039.17	2,140.16	2,365.36	2,617.96	2,884.90	3,166.63
No. of Share	41.04	41.04	41.04	720.00	905.85	907.08	907.08	907.08	907.08	907.08
EPS	23.92	30.07	39.43	2.82	2.25	2.36	2.61	2.89	3.18	3.49
Depreciation	363.55	379.93	457.99	518.92	598.13	663.24	721.03	762.22	803.60	845.17
EBITDA	1,740.81	2,117.61	2,729.81	3,147.34	3,145.63	3,338.44	3,677.74	4,034.68	4,409.72	4,803.46
Dividend paid	820.73	1,005.39	3,040.33	1,784.04	439.20	1,498.11	1,655.75	1,832.57	2,019.43	2,216.64
DPS	20.00	24.50	74.09	2.48	0.48	1.65	1.83	2.02	2.23	2.44

2.3 Statement of Cash Flow

Table 2.3 Company's Statement of Cash Flow

Unit : MB

	2011A	2012A	2013A	2014F	2015F	2016F	2017F	2018F
Cash flow from operating activities								
Profit before tax	2,256.49	2,605.32	2,526.27	2,675.20	2,956.70	3,272.45	3,606.13	3,958.29
Depreciation and Amortization & Non cash expense	451.11	572.74	646.39	663.24	721.03	762.22	803.60	845.17
Change in NOWC	- 144.81	601.62	- 12.57	144.06	170.37	191.96	198.79	208.64
Change in non-operating working capital	- 35.64	- 33.62	- 277.44	297.11	19.08	24.60	28.44	32.45
Interest Income/Payable	1.18	- 18.13	- 16.63	-	-	-	-	-
Income tax paid	- 569.47	634.41	- 540.79	- 535.04	- 591.34	- 654.49	- 721.23	- 791.66
Total cash from operations	2,030.15	3,093.52	2,325.24	3,244.57	3,275.84	3,596.74	3,915.73	4,252.89
Cash from investing activities								
Change in capital expenditure	- 338.46	- 1,107.19	- 1,684.22	- 1,034.68	- 567.09	- 568.90	- 570.80	- 572.80
Change in Investment	-	- 67.12	- 8,121.35	- 481.06	- 936.28	- 1,065.24	- 1,188.77	- 1,319.75
Other Assets	- 122.96	- 23.41	- 12.38	9.52	-	-	-	-
Total cash from investing activities	- 461.42	- 1,197.72	- 9,817.95	- 1,506.22	- 1,503.37	- 1,634.14	- 1,759.57	- 1,892.54
Cash from financing activities								
Dividend paid	- 3,040.33	- 1,784.04	- 439.20	- 1,498.11	- 1,655.75	- 1,832.57	- 2,019.43	- 2,216.64
Share Issued	-	309.64	8,936.93	1.23	-	-	-	-
Other financing activities	935.79	214.64	8,086.93	1.23	-	-	-	-
Total cash from financing activities	- 2,104.54	- 1,259.77	16,584.67	- 1,495.65	- 1,655.75	- 1,832.57	- 2,019.43	- 2,216.64
Net change in cash	976.05	440.87	786.84	242.70	1,113.65	1,230.37	1,360.40	1,497.13
Beginning cash balance	- 535.17	345.97	84.11	870.95	116.72	130.03	136.73	143.71
Ending cash balance	440.87	786.84	870.95	1,113.65	1,230.37	1,360.40	1,497.13	1,640.84

2.4 Financial Ratio

Table 2.4 Company's Financial Ratio

Key Financial Ratio	2009A	2010A	2011A	2012A	2013A	2014F	2015F	2016F	2017F	2018F
Liquidity Ratio										
Current Ratio (x)	0.83	0.57	0.37	0.39	2.17	2.09	2.07	2.04	2.03	2.02
Quick Ratio (x)	0.77	0.51	0.29	0.33	2.07	2.01	1.99	1.96	1.95	1.94
Cash Ratio (x)	0.49	0.44	0.18	0.23	0.38	0.47	0.47	0.47	0.47	0.47
Efficiency Ratio										
Total Asset Turnover (x)	2.20	2.30	2.66	2.92	1.39	0.94	0.98	1.02	1.06	1.09
Fixed Asset Turnover (x)	3.38	3.38	3.63	3.89	2.02	1.38	1.44	1.52	1.59	1.65
Fixed Asset Turnover (Ex investment) (x)	3.38	3.38	3.63	3.89	3.17	2.74	2.96	3.36	3.83	4.40
Acc Receivable Turnover (x)	564.94	482.12	437.73	444.89	411.12	409.75	430.55	430.72	429.75	428.91
Collection Period (days)	0.65	0.76	0.83	0.82	0.89	0.89	0.85	0.85	0.85	0.85
Inventory Turnover (x)	31.56	28.43	24.10	22.29	21.58	22.93	26.30	26.31	26.25	26.20
Days in Inventory (days)	11.56	12.84	15.14	16.38	16.92	15.92	13.88	13.87	13.90	13.93
Payables Turnover (x)	12.59	11.05	12.43	8.57	9.12	9.12	9.12	9.12	9.12	9.12
Payables Period (days)	29.00	33.02	29.35	42.60	40.02	40.02	40.02	40.02	40.02	40.02
Operating cycle	12.21	13.60	15.98	17.20	17.80	16.81	14.72	14.72	14.75	14.78
Cash Conversion Cycle (days)	- 16.79	- 19.43	- 13.37	- 25.40	- 22.21	- 23.21	- 25.29	- 25.30	- 25.26	- 25.23
Profitability Ratio										
Gross Profit Margin (%)	64.28%	65.87%	65.81%	67.36%	66.88%	66.88%	66.88%	66.88%	66.88%	66.88%
EBIT Margin (%)	17.20%	19.14%	20.99%	20.00%	17.89%	18.14%	18.14%	18.15%	18.17%	18.19%
EBITDA Margin (%)	21.74%	23.33%	25.22%	23.95%	22.09%	22.63%	22.57%	22.38%	22.22%	22.08%
Net Profit Margin (%)	12.26%	13.59%	14.95%	15.46%	14.32%	14.51%	14.51%	14.52%	14.54%	14.56%
ROA (%)	30.69%	35.53%	45.21%	47.31%	20.29%	13.92%	14.57%	15.18%	15.71%	16.17%
ROE (%)	47.56%	60.64%	97.96%	146.72%	29.14%	16.66%	17.49%	18.85%	19.11%	19.79%
CGS/Sale	35.72%	34.13%	34.19%	32.64%	33.12%	33.12%	33.12%	33.12%	33.12%	33.12%
SG&A/Sale	48.08%	47.58%	45.68%	48.30%	50.58%	50.58%	50.58%	50.58%	50.58%	50.58%
Solvency Ratio										
Debt Ratio (%)	43%	53%	66%	71%	17%	16%	17%	18%	18%	18%
Debt to Equity Ratio (x)	0.74	1.11	1.93	2.46	0.20	0.20	0.20	0.21	0.22	0.23
Equity Multiply (x)	1.74	2.11	2.93	3.46	1.20	1.20	1.20	1.21	1.22	1.23
Long Term Debt Ratio (%)	0.26%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Coverage Ratio (x)	1971.22	3612.54	148.17	113.82	119.99	N/A	N/A	N/A	N/A	N/A

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