

**DISCOUNTED CASH FLOW VALUATION OF  
MK RESTAURANT GROUP**



**BUTTREE RERKRUIPIMOL**

**A THEMATIC PAPER SUBMITTED IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR  
THE DEGREE OF MASTER OF MANAGEMENT  
COLLEGE OF MANAGEMENT  
MAHIDOL UNIVERSITY  
2023**

**COPYRIGHT OF MAHIDOL UNIVERSITY**

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


was submitted to the College of Management, Mahidol University  
for the degree of Master of Management

on  
May 1, 2023




.....

Miss Buttree Rerkrujipimol  
Candidate




.....

Prof. Roy Kouwenberg,  
Ph.D.  
Advisor



.....

Asst. Prof. Simon Zaby,  
Ph.D.  
Chairperson



.....

Assoc. Prof. Vichita Ractham,  
Ph.D.  
Dean  
College of Management  
Mahidol University



.....

Eakapat Manitkajornkit,  
Ph.D.  
Committee member

## ACKNOWLEDGEMENTS

Words cannot express my gratitude to my advisor, Prof. Dr. Roy Kouwenberg for his essential patience and feedback on my thematic paper. I also could not have undertaken this journey without my defense committee, Dr. Simon Zaby and Dr. Eakapat Manitkajornkit, who sincerely provided their knowledge and expertise. Furthermore, this endeavor would not have been feasible without the generous support, experience, and supervision from all of my professors at Mahidol University's College of Management.

I am also grateful to my classmates, especially my team partner, Mr. Kajeepop Khunphasee for their editing guidance, late-night feedback sessions, and moral support. Thank you for your encouragement and support throughout the master's degree program.

Lastly, I would be remiss in not mentioning my family, especially my parents and sisters. Their faith in me has kept my spirits and motivation strong throughout the program of Master of Management to accomplish the success of this thematic paper.

Buttree Rerkrujipimol

**DISCOUNTED CASH FLOW VALUATION OF MK RESTAURANT GROUP**

BUTTREE RERKRUIPIMOL 6449182

M.M. (CORPORATE FINANCE)

THEMATIC PAPER ADVISORY COMMITTEE: PROFESSOR ROY  
KOUWENBERG, Ph.D., ASSISTANT PROFESSOR SIMON ZABY, Ph.D.,  
EKAPAT MANITKAJORNKIT, Ph.D.

**ABSTRACT**

The objective of this thematic paper is to evaluate whether the price of MK Restaurant Group Public Company Limited's stock (M) on 13 March 2023 at 53.25 baht is undervalued or overvalued. This thematic paper applied the principle of discounted cash flow (DCF) valuation approach, which represents the concept that a company's stock price should reflect its intrinsic value in terms of cash flow, growth, and risk of M's share price.

According to the DCF analysis, the company's sales revenue grows at a 5.9% CAGR from 2023 to 2027, driven by GDP growth in the Restaurants and Hotels sector as a result of COVID-19 vaccine efficiency and economic recovery. After 2027, I assume the sales growth of the company is 3.82% per annum (perpetual growth), which is a conservative rate considering the past five years' performance of the company. The target stock price of M is 64.36 baht per share as of 31 December 2023, representing a 21% upside compared to the latest stock price as of 13 March 2023 which was 53.25 baht per share. The current stock price is undervalued based on our DCF valuation. As the difference is in the range of "20% or Greater upside", my recommendation for M is "BUY".

**KEY WORDS:** MK/ Restaurant/ Valuation/ Discounted Cash Flow/ DCF

53 pages

## CONTENTS

	<b>Page</b>
<b>ACKNOWLEDGEMENTS</b>	<b>ii</b>
<b>ABSTRACT</b>	<b>iii</b>
<b>LIST OF TABLES</b>	<b>vi</b>
<b>LIST OF FIGURES</b>	<b>vii</b>
<b>CHAPTER I INTRODUCTION</b>	<b>1</b>
<b>CHAPTER II BUSINESS DESCRIPTION</b>	<b>3</b>
2.1 Company's group structure	4
2.2 Products and services Characteristics	5
2.3 Revenue structure	9
2.4 Marketing and business strategy	12
2.5 Corporate Governance	14
2.6 Major Shareholders	15
<b>CHAPTER III MACROECONOMICS, INDUSTRY, AND COMPETITION ANALYSIS</b>	<b>17</b>
3.1 Macro-Economic analysis	17
3.2 Industry analysis	21
3.3 Competition analysis	23
<b>CHAPTER IV FINANCIAL ANALYSIS</b>	<b>29</b>
4.1 Growth Analysis	29
4.2 Discounted cash flow valuation	32
4.3 Valuation recommendation	44
<b>CHAPTER V INVESTMENT RISKS</b>	<b>45</b>
5.1 Competitor risk	45
5.2 Liability risk	46
5.3 Volatility of raw material prices risk	47
5.4 Additional staff costs risk	47
5.5 New branch opening risk	47

**CONTENTS (cont.)**

	<b>Page</b>
<b>CHAPTER VI CONCLUSIONS</b>	<b>49</b>
6.1 Investment recommendation	49
6.2 Triggers for reassessment	50
6.3 Limitations	50
<b>REFERENCES</b>	<b>51</b>



## LIST OF TABLES

<b>Table</b>	<b>Page</b>
2.1 List of MK Shareholders	16
3.1 Balances of Financial Assets and Liabilities in Foreign Currencies	21
3.2 Foreign Exchange Forward Contracts	21
3.3 Thai Economy Outlook	22
4.1 Revenue 5-years projection plan	33
4.2 Revenue 5-years projection plan by brand	33
4.3 Gross margin 5-years protection plan	34
4.4 Pro forma statement	34
4.3 M's valuation by Investment Analyst Association (IAA) Consensus	36
4.4 Market value of debt	36
4.5 Market value of equity	37
4.6 Weight of debt	37
4.7 Weight of equity	38
4.8 Cost of equity	39
4.9 WACC calculation	39
4.10 Terminal Growth	40
4.11 Terminal Value	41
4.12 Discounted cash flow	41
4.13 Estimate share value	42
4.14 Sensitivity analysis	42
4.15 Implied WACC and cost of equity	43
5.1 Total Liabilities of MK	46

## LIST OF FIGURES

<b>Figure</b>	<b>Page</b>
2.1 Company's Group Structure	4
2.2 The Branches of MK and Yayoi Restaurants	5
2.3 Revenue Growth	9
2.4 Gross Profit and Net Profit	10
2.5 Total Revenues and Net Profit 5 years	11
3.1 GDP Growth (annual %) of Global and Thailand	17
3.2 Inflation Rate of Global and Thailand	18
3.3 Thailand Interest Rate	19
3.4 SGD/THB-Singapore Dollar Thai Baht	20
3.5 JPY/THB-Japanese Yen Thai Baht	20
3.6 MK 4Q22 Company Same-Store Sale Growth	23
4.1 Graph 1 Growth of MK	29
4.2 Graph 2 Growth of Oishi	30
4.3 Graph 3 Growth of ZEN	30
4.4 Revenue contribution result	32
4.5 Revenue contribution result by brand	35
4.6 Thailand equity market premium	38
4.7 Sensitivity analysis	43



## CHAPTER I

### INTRODUCTION



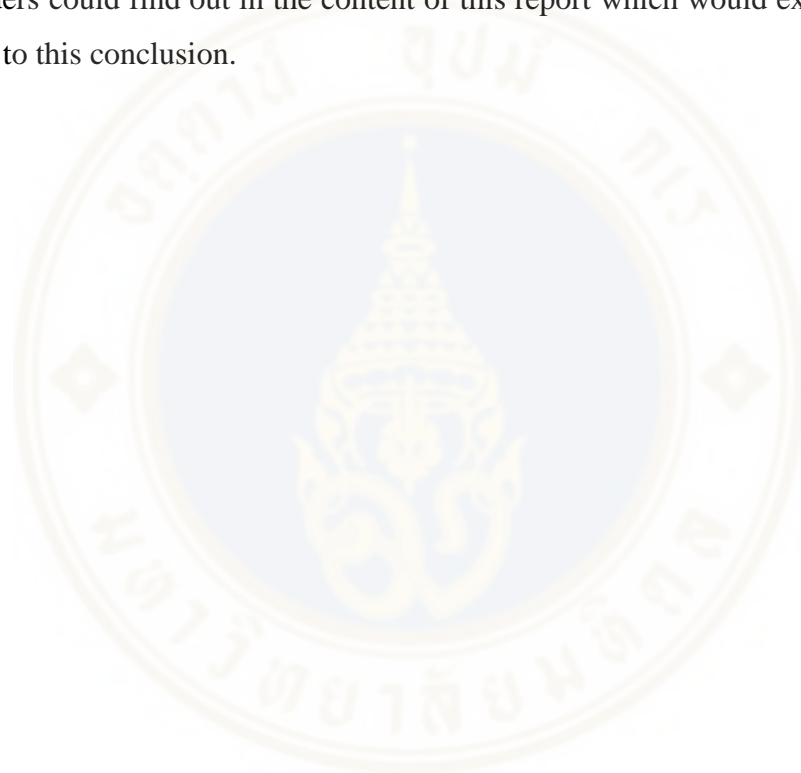
MK Restaurant Group Public Company Limited is a restaurant which is famous for its Thai-style Sukiyaki, noodles, roasted ducks, and dim sum. The company was listed on the stock exchange of Thailand in August 2013 under the symbol of ‘M’.

MK was named after Makong King Yee, a Hongkong businesswoman who encouraged Aunty Thongkam Mekto, a Thai cook at the restaurant, to carry on the business, before moving to USA in 1962 (Marketingoops, 2016). At first, MK had variety of Thai food, but after Central Group offered Aunty Thongkam to open a branch in their department store in 1984, MK shifted its main focus to Thai-style Sukiyaki. In 1996, the company became the first restaurant in Thailand to install electric pots at every table for the safety and the convenience of the customers. Furthermore, MK is also among the pioneers to adopt using condo plates, food serving robots, and tablet ordering system. At the end of 2022, MK has 446 branches in Thailand, 25 branches in Japan, six branches in Vietnam, and three branches in Laos. Currently, 74 percent of MK’s revenue is derived from Sukiyaki restaurant, while another 18 percent is from Yayoi.

Recently, Thailand’s economic recovery in the period ahead based on a as result of the government’s easing of the strict COVID-19 control measures in all economic activity. This is driven by GDP growth and domestic spending rise. Furthermore, the Company and its subsidiaries reported favorable operating results for the year 2022, with revenue from sales and services of Baht 15,728 million, an increase of Baht 4,546 million, or 41 percent, over the same period last year.

According to the DCF analysis, the company's sales revenue grows at a 5.9% CAGR from 2023 to 2027, driven by GDP growth in the Restaurants and Hotels sector as a result of COVID-19 vaccine efficiency and economic recovery. After 2027, I assume the sales growth of the company is 3.82% per annum (perpetual growth), which is a conservative rate considering the past five years' performance of the company.

As a result, the appropriate target price for M is 64.36 baht per share, which is approximately 21% higher than the latest price on 13 March 2023, which is 53.25 baht per share. My recommendation for M stock is "BUY". Regarding further details, the readers could find out in the content of this report which would explain the factors that led to this conclusion.



## **CHAPTER II**

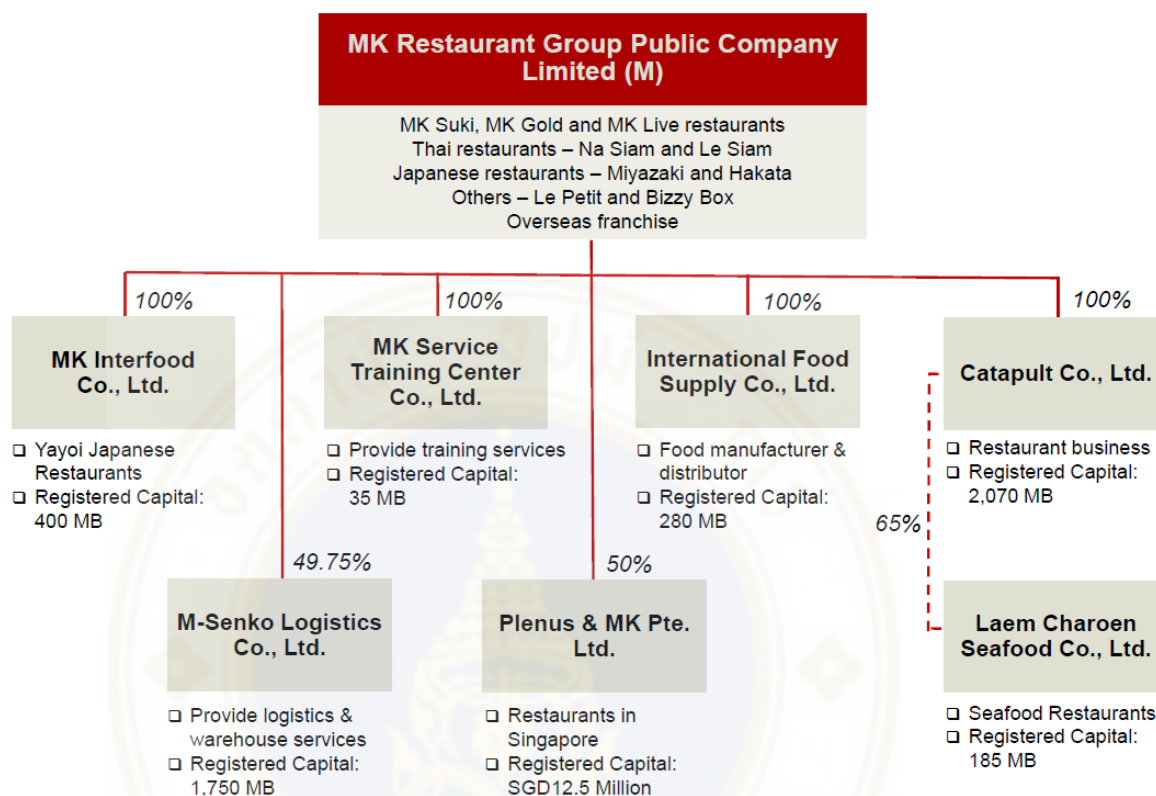
### **BUSINESS DESCRIPTION**

MK Restaurant Group Public Company Limited (“the Company”) was incorporated on July 10, 1989. Under the trademark "MK Restaurants," the Company primarily sells foods and beverages through restaurants. On August 15, 2013, the Company subsequently registered to a public limited company set its 185.85 million initial public offering (IPO) shares at 49 baht each. As of December 31, 2022, the Company has a paid-up registered capital of 920,878,100 baht with a par value of 1 Baht per share. There are currently operates 710 restaurants nationwide under various brands, comprising of 455 MK suki, 195 Yayoi, 36 Laem Charoen Seafood, and 24 other stores in Thailand. The company also has franchise operations in Laos and Vietnam, as well as a joint venture in Singapore.

The Company's vision is to provide happiness to customers by delivering delicious, high-quality meals and an extraordinary restaurant experience, while working for the greater good of employees, community, and environment.

## 2.1 Company's Group Structure

Figure 2.1 Company's Group Structure



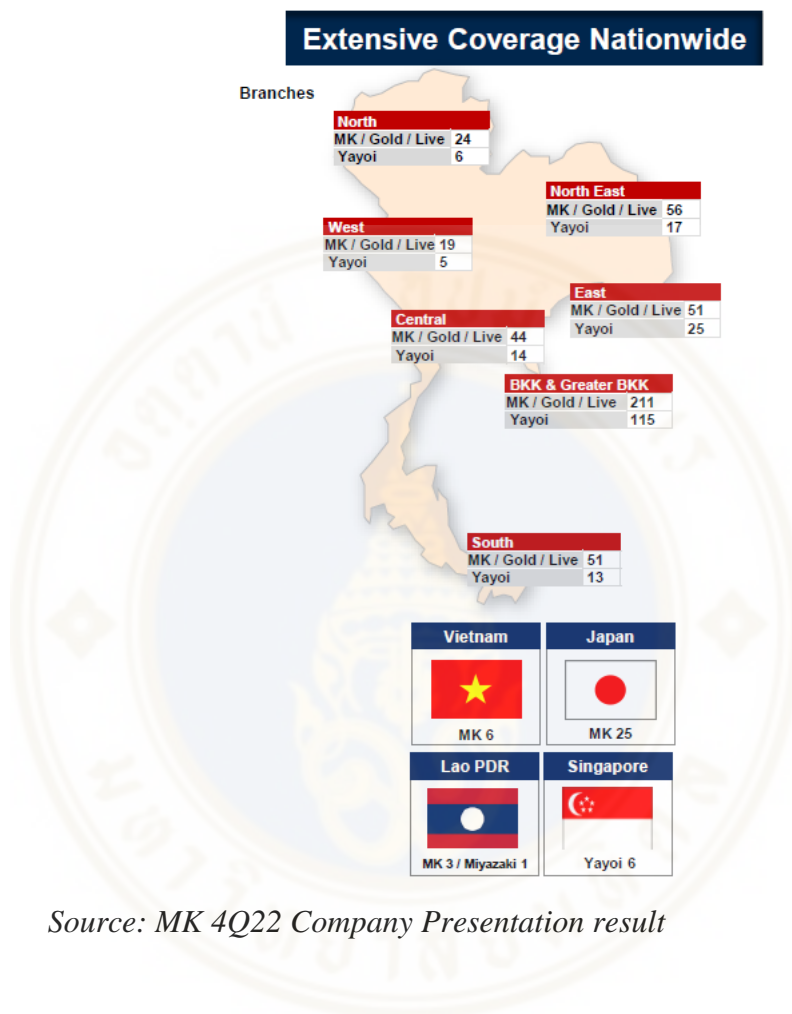
For the year 2022, the Company's structure consisted of 7 direct and indirect investments. The Company sold its subsidiary Mark One Innovation Center Company Limited on June 14, 2022 and recognised gain from sales of investment of approximately Baht 21.0 million. The composition of the Group company was as follows:

In addition to domestical expansion, the Company has expanded its business internationally to create opportunities and future growth through joint ventures and franchise sales. The Company participates in a joint venture with the Plenus, a Japanese stock exchange-listed company that serves as a market leader in the lunch box industry in Japan and owns the Yayoi-ken restaurant chain. The Company and Plenus have opened seven Yayoi restaurants in Singapore with a 50:50 joint venture operation.

According to the Company's fourth quarter of 2022 result, it has sold MK franchises internationally along with 25 branches in Japan, six branches in Vietnam, and

three MK and one Miyazaki in Laos. The proportion of international sales from stock ownership and from franchise fees accounted for less than 1 percent of total revenue.

**Figure 2.2 The Branches of MK and Yayoi Restaurants**



*Source: MK 4Q22 Company Presentation result*

## 2.2 Products and Services Characteristics

One of the very distinctive characteristics of the Company is that they have several services and diverse brands under its operation. Due to the fact that the Company recognized that the customers nowadays are prone to get bored easily and they prefer to have a variety of food. As a result, MK believes that expanding their product line is the most important. They keep looking for new opportunities to create a new brand and buying an interesting franchise from overseas to gain more customers from every segment. In addition, the Company tends to open a new restaurant according to the appropriateness of the location. For example, the company choose to open an MK Gold

branch in a luxurious mall, while locating a small ordinary MK branch with easy-to-go menu at Don Mueang International Airport.

The Company's current brands can be classified into five categories as Suki restaurant, Japanese restaurant, Thai or seafood restaurant, Grab and Go business, and Coffee Shop and Bakery business.

### 2.2.1 Suki restaurant brands

#### MK Suki



MK Suki is a Thai-style hotpot restaurant which has over 100 varieties of items, including meat, pork balls, fish balls, and vegetables. They also offer jade noodles, roasted duck, crispy pork, wonton, beverages and desserts. MK Suki used to position itself as a family restaurant which targets group customers, such as a group of family and friends. However, recently, they want to get rid of that image because they demand to be a restaurant for anyone who is in the middle-high income range, especially the individuals who can drop by at their restaurant during lunch time. For the year 2022, the Company reported 446 branches of MK Suki restaurants which were mainly situated in middle-class shopping malls around Thailand.

#### MK Gold



MK Gold offers similar dishes to MK Suki but it targets higher-class customers. The quality of the food is higher than the normal one. The decoration is in the theme of luxurious gold with golden pot and porcelain tableware. The average price per person is approximately 600 to 700 baht. For the year 2022, MK Gold Restaurant had five branches, all of which were in prime locations, four in Bangkok and one in Phuket. The buffet is available in some locations.

#### MK Live



MK LIVE is a theme restaurant created under the concept of being 'ALIVE', which includes "live ingredients, lively service, live showcase, live decoration, live experience, and live bonding". The concept of decoration is inspired by the



greenhouse. The food at MK LIVE is totally different from the normal MK Suki restaurant. Their signature dishes are steamed shabu and Japanese-styled Sukiyaki. The highlight of this restaurant is that the staff would interact with the customers in a lively way and they can see the chefs cooking their food. For the year 2022, there were four branches of MK LIVE which were all located at high-end shopping malls in Bangkok.

### 2.2.2 Japanese restaurant

#### Yayoi



Yayoi is a franchised restaurant which MK has acquired its license from the Plenus company in Japan. The concept of the restaurant is to be a homely and lively restaurant. Thus, it is decorated in a colorful and bright theme. The prices of food at Yayoi restaurant are not too expensive as the company prefers it to be reachable and mass among the middle class. The signature dishes of Yayoi include Pork Tonkatsu Set, Japanese-style bento, Udon, and Ramen. For the year 2022, there were 195 branches across Thailand.

#### Hakata



Hakata is a Japanese restaurant which offers various types of ramen served with dumplings. The first branch of the restaurant is located at Siriraj Hospital whereby the branch's net profit is all donated to the hospital as a part of the company's Corporate social responsibility (CSR). Apart from the Siriraj hospital branch, another branch of Hakata is located at Don Mueang International Airport.

#### Miyazaki



Miyazaki is a Japanese teppanyaki restaurant which offers different types of grilled meat, desserts and beverages. For the year 2022, there were 13 Miyazaki branches in Thailand.

### 2.2.3 Thai restaurant

#### Laem Charoen Seafood Restaurant



Laem Charoen Seafood Restaurant is a Thai restaurant originally from Rayong province. Their famous dish is fried seabass with fish sauce. The menus also include fish, squid, crab, and shrimp. The Company had 36 Laem Charoen Seafood locations by the year 2022.

#### Na Siam Restaurant



Na Siam is a Thai restaurant decorated in Thai style which offers chili paste food, soups, noodles, and classic desert located at Central Plaza Bangna Shopping Center.

#### Le Siam Restaurant



Le Siam is a Thai restaurant decorated in traditional style like Na Siam, but the decoration is more luxurious and the food is top-graded. Le Siam focuses on high class customers and foreigners who are seeking for exclusive eating experience. There were two branches of Le Siam restaurant in Bangkok and one branch in Phuket as reported for the year 2022.

### 2.2.4 Grab and Go business

#### Bizzy Box



Bizzy Box is a meal box set station which offer a variety of food including Thai, Japanese, and Western dishes. The price is set in the range which they expect that the customers can come back to purchase the food at their shop repeatedly. For the year 2022, there were 2 branches of Bizzy Box in Bangkok.



## 2.2.5 Coffee Shop and Bakery business

### Le Petit



Le Petit is a café which sells beverages, snacks, bakeries, and western food.

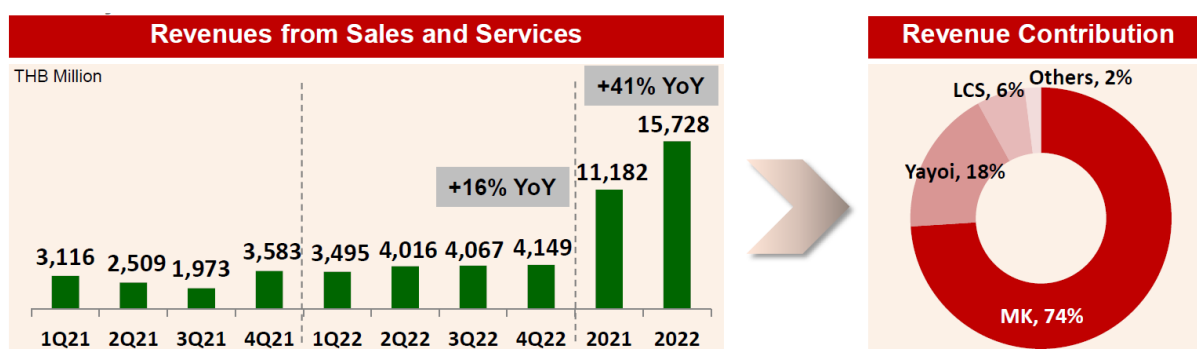
For the year 2022, there were 3 branches of Le Petit café in Bangkok. One of them is operated at Siriraj Hospital whereby the net profit of the Le Petit branch is all donated to the hospital as well.

## 2.3 Revenue Structure

The Company operates in two business segments which are restaurant business and other businesses that support restaurant business. The support business consists of training service provider, food manufacturing and distribution as well as research and development (R&D) of technology and innovation of food and beverage products. The Company's sales and service income primarily represent revenues from food and beverage sales through restaurants, which are recognised when goods are delivered and services are rendered. Other income primarily from membership card fee revenue and revenues from partners to support the marketing promotion as agreed.

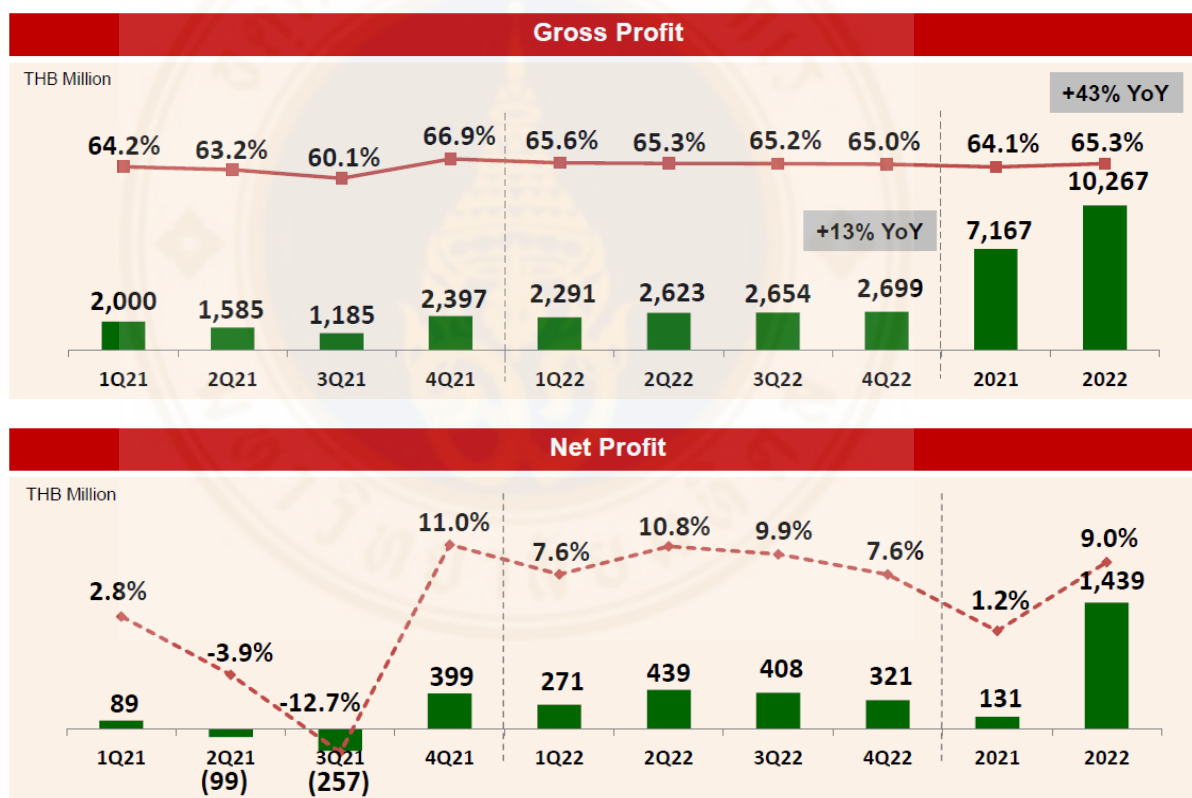
According to the Company's financial position for the year ended of December 2022, operating revenues from sales and services increased 16 percent from the third quarter result and 41 percent over the previous year respectively, owing primarily to a small base from the previous year as a result of the Coronavirus disease 2019 (COVID-19) epidemic situation

**Figure 2.3 Revenue Growth**



In year 2022 operating results of the Company and its subsidiaries were also favorably recovered to register a revenue from sales and services of Baht 4,149 million as result of the government's easing of the strict COVID-19 control measures imposed by the government according to the decrease of number of infected cases. For the year ended 31 December 2022, the Group Company recorded revenues from sales and services of Baht 15,728 million, increased by Baht 4,546 million or an increase of 41 percent as compared to the same period of last year. Revenues Contribution by Brands represent MK contribute significantly 74 percent of revenue, Yayoi adds 18 percent Laem Charoen Seafood helps 6 percent, and others contribute by 2 percent.

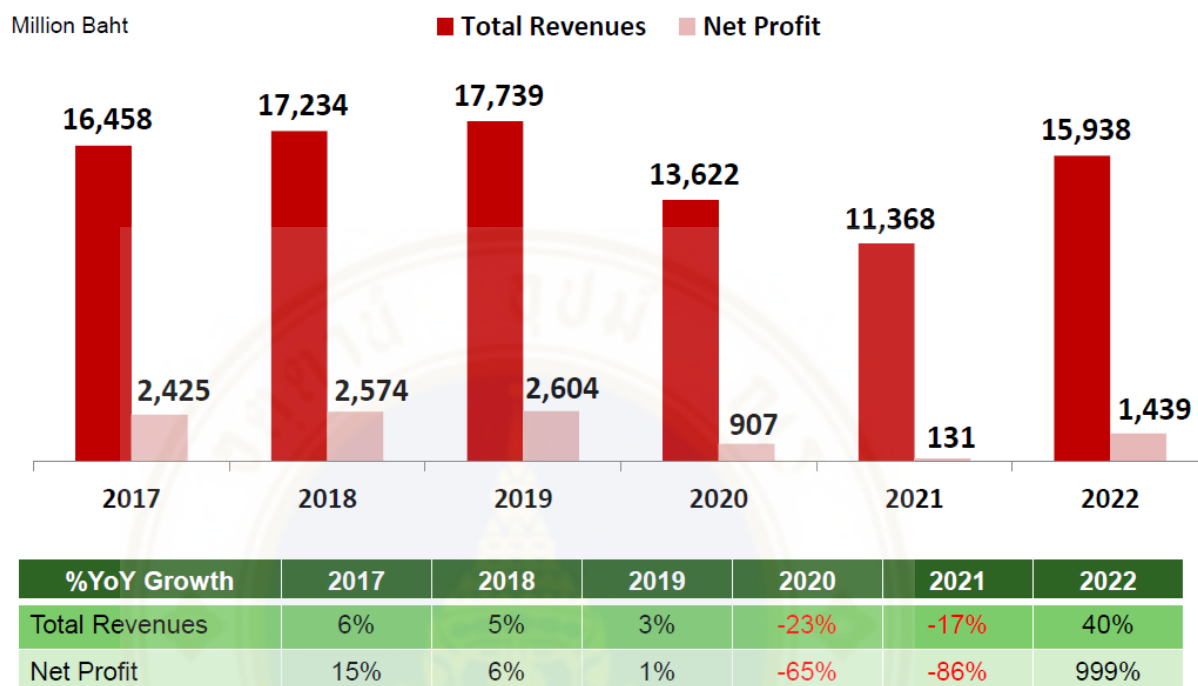
**Figure 2.4 Gross Profit and Net Profit**



The table 2.4 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. The Group Company reported the fourth-quarter gross profit of Baht 2,699 million, increase by 13 percent from the same quarter of last year. As a result, the year 2022 gross profit was Baht 10,267 million or an increase of

43 percent as compared to the last year. As a result, the Group's net profit of Baht 1,439 million increased by Baht 1,308 million, or 9 percent, when compared to the last year.

**Figure 2.5 Total Revenues and Net Profit 5 years**



During the year 2020 and 2021 performance, the COVID-19 measures had a significant impact on the Company's sales and service revenues due to the restaurant's closure, prohibition of dine-in service, seating capacity limit in the restaurant, operating hours restriction, and so on. The Company's net profit growth rate was significantly decreased by 65 percent and 86 percent for the year of 2020 and 2021, respectively. To summarize, the net profit for year of 2022 increased strongly due to the increased relaxation of COVID-19 restrictions.

## **2.4 Marketing and Business Strategy**

### **2.4.1 Creativity**

In terms of customer experience management, The Company worked hard to attract and impress their customers by utilizing creativity and new technology. The inventiveness of the Company is evidenced by the following facts:

2.4.1.1 They are the first leader among the Suki businesses in Thailand who started to use electric hot pot.

2.4.1.2 Inspired by the 'Pinto lunch box' of Thailand and the 'Bento lunch box' of Japan, MK invented 'condo plates' to make it convenient for the customers to order the food without having to worry about the space on their table.

2.4.1.3 MK was one of the very first pioneers among the Thai restaurant entrepreneurs who used robots to serve food to the customers.

2.4.1.4 MK is one of the first adopters who allowed the customers to use the tablets provided on the tables to order the food by themselves.

2.4.1.5 MK accepts reservations via their application.

2.4.1.6 MK provides a complementary birthday cake with photo taking and birthday song playing services to the customers who ordered more than 500 baht.

2.4.1.7 MK has a welcome dance show performed by the waiters occasionally.

Prior to the COVID-19, there was a campaign called "MK X", which was based on the company's collaboration with a group of people from various fields of interest, such as art, music, games, fashion, and so on. They redesigned the employee uniforms to be more fashionable in order to make it a symbol of the new era. Unfortunately, due to the pandemic, this campaign appeared to be put on hold for a time.

### **2.4.2 Collaboration**

Apart from acquiring potential franchises from abroad, another important strategy employed by MK is collaboration with other business entities, particularly joint ventures with M-Senko Logistics, a logistics company ranked second in Japan's transportation industry. This company specializes in business-to-business and business-to-customer freight transport. M-Senko, which specializes in 'cold chain' transportation using temperature-controlled trucks, provides a significant benefit to MK by strengthening the company's food distribution system. Management claimed that 'know-how' and robotic technology of M-Senko will aid in lowering costs, increasing delivery speed, and improving food quality in terms of freshness.

### **2.4.3 Increasing the Delivery Channels and Providing Service for Public Events**

The Company has their own application and has placed their food on delivery platforms in order to increase the quantity of orders. The COVID-19 outbreaks stimulated the company to focus even more on online sales. However, there are a few limitations with the ordering application, such as the fact that customers can only order food between 10 a.m. and 9 p.m., the minimum order is 150 baht, and there is a delivery fee of 40 baht per trip. Therefore, the company's app review on the app store appears to be unsatisfactory, with a score of only 2.4 out of 5, indicating a major issue with the application's smoothness. As a result, ordering through other food delivery platforms would be less expensive and have fewer restrictions. However, due to the highly competitive nature of the food platform nowadays, the Company has reported that the net profit from the delivery platform is not that high and it can only assist the company to get through the crisis.

In order to gain more customers, the Company also expanded their service to include providing food at private events. They would prepare the necessary dishware, hotpot, and food, and serve the guests at the events like they were dining in the Company restaurants.

### **2.4.5 Enhancing and Maintaining the Quality of the Service Via Training Center**

Paying attention to recruiting the right people and developing their employees is one of the methods that the Company used to improve and maintain the quality of service. The company has a training center located in Km.3 Bangna-Trad Highway, that is specifically built and equipped with tools for developing the skills of their full-time and part-time employees in almost every position. To ensure that the restaurants' service is always consistent and up to standard, the company hires trainers from both inbound and outbound.

## **2.5 Corporate Governance**

The Board of Directors reviewed the implementation of the Corporate Governance Code 2017 for listed companies (CG Code) for the Company's business at least once a year, according to the Form 56-1 one report for the year of 2021. In order to make the Company an efficient organization when it comes to business operation, the Board of Directors has adopted the following CG policy for itself, the Company's executives and employees to adhere to. Key processes are as follows:

### **Section 1: Shareholders' Rights**

The Board of Directors is aware of shareholders' rights to own and control the Company through the Board of Directors appointed to perform duties on their behalf and make major changes to the Company.

### **Section 2: Equal treatment of shareholders**

The Board of Directors has done giving information prior to the shareholders' meeting, protecting the rights of minority shareholders, protection against the use of insider information and director's interest.



### **Section 3: Roles of Stakeholders**

The Board of Directors prioritized the rights of all stakeholders, including customers, suppliers, competitors, creditors, society, employees, and shareholders. To protect the interests of all parties in an honest and fair manner, the Board has formulated the Code of Conduct and best practices for employees to be aware of the stakeholders, to be faithful to their duties, and to refrain from corruption.

### **Section 4: Disclosure of information and transparency**

The Board of Directors is responsible for timely and reliable disclosure of all financial and non-financial information to shareholders and stakeholders, as well as requiring the Audit Committee to examine and oversee risk management. Moreover, the Company established the Investor Relations Unit to provide performance and investment information regarding the Company.

### **Section 5: Responsibilities of the Board of Directors**

Directors shall possess qualifications and shall not have prohibited characteristics as stated in components and qualifications of the Board of Directors and appointment, Roles and responsibilities of the Chairman of the Board of Directors. Remunerations of the Board and CEO are determined and proposed by Nominating and Compensation Committee to avoid a conflict of interest.

## **2.6 Major Shareholders**

Following the latest information from the Stock Exchange in Thailand (SET), the percentage of shares owned by Minor Shareholders (% Free float) is 36.19% of total shares. Top 10 shareholders in the shareholder registration book as of August 24, 2022 were as follows:

**Table 2.1 List of MK Shareholders**

Rank	Lists of Shareholder	No. of Shares	%
1	Mrs. Yupin Thirakomen	182,396,802	19.81
2	Mr. Somchai Hanjtkasem <sup>(1)</sup>	147,494,812	16.02
3	Mr. Rit Thirakomen <sup>(2)</sup>	123,059,333	13.36
4	Mrs. Aumporn Hanjtkasem	82,403,989	8.95
5	Mr. Varakorn Hanjtkasem	41,039,694	4.46
6	Ms. Varaporn Hanjtkasem	41,031,994	4.46
7	Aunt Thongkam Foundation <sup>(3)</sup>	31,265,983	3.40
8	Bualuang Long-term Equity Fund	22,802,600	2.48
9	Social Security Office	18,171,000	1.97
10	Thai NVDR Company Limited	13,830,415	1.50

**Remark:**

(1) Mr. Somchai Hanjtkasem is a brother of Mrs. Yupin Thirakomen

(2) Mr. Rit Thirakomen is a spouse of Mrs. Yupin Thirakomen

(3) Aunt Thongkam Foundation was founded by Mrs. Yupin Thirakomen and Mr. Somchai Hanjtkasem, a daughter and a son of Mrs. Thongkam Mekto. Mrs. Yupin Thirakomen and Mr. Somchai Hanjtkasem are the chairman and vice chairman of Aunt Thongkam MK Foundation respectively.

MK was founded in 1962 by Aunty Thongkam Mekto, Mr. Rit Thirakomen's mother-in-law. The founding family owns 648,692,607 shares, accounting for 70.46% of the total shareholders. Furthermore, according to Forbes, Rit Thirakomen and family are ranked #23 among 2022 Thailand's 50 richest net worth (total \$1.55 billion).

*Source: The Stock Exchange of Thailand (SET) and MK annual report 2021*



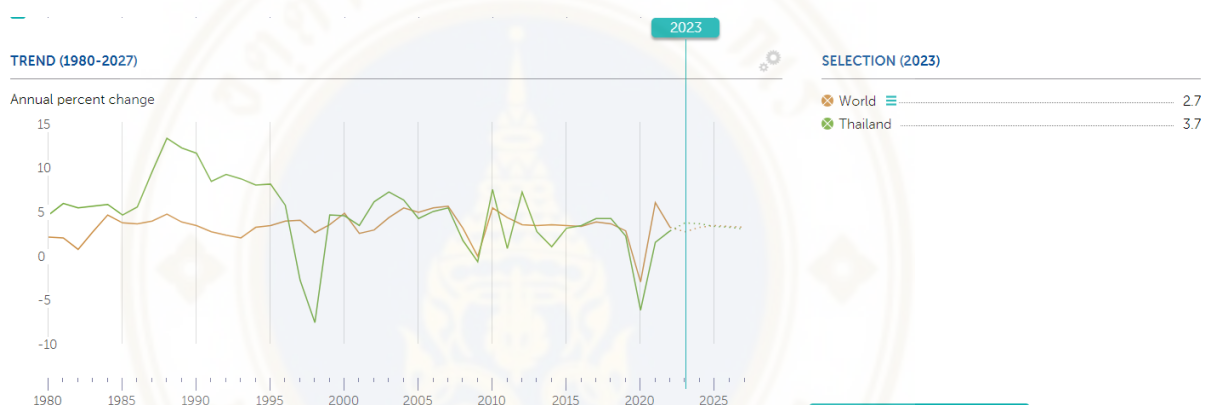
## CHAPTER III

### MACROECONOMICS, INDUSTRY, AND COMPETITION ANALYSIS

### 3.1 Macro-Economic Analysis

#### 3.1.1 Global and Thai Gross Domestic Product (GDP)

**Figure 3.1 GDP Growth (annual %) of Global and Thailand**



*Source: International Monetary Fund (IMF)*

According to the annual percentage growth rate of GDP from the IMF indicators, Table 3.1 shows that the historical GDP growth both globally and for Thailand decreased during the global financial crisis and the acute phase of the COVID-19 pandemic during 2019 to 2020, causing significant slowdowns for the largest economies. Full-year GDP growth in World economic has risen by 2.9 percent in 2022, compared to -5.87 percent in 2021. In addition, Thailand's GDP growth increased 2.6 percent in 2022, up from -1.5 percent in 2021, boosted primarily by a rebound in tourism and continued improvement in domestic demand in both private consumption and investment.

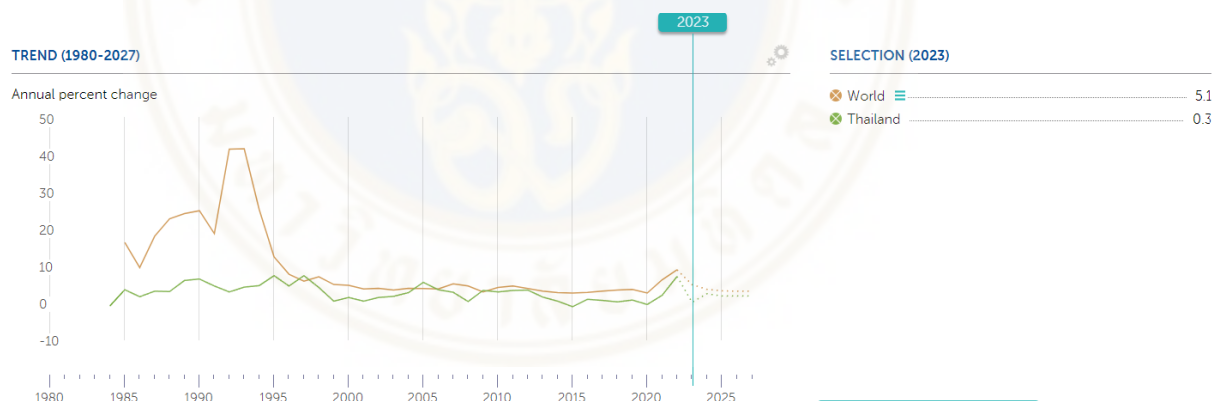
Global growth is projected to fall to 2.5 percent in 2023 before rising to 3.1 percent in 2024, according to the IMF World economic outlook update January 2023. The growth rate in 2023 is relatively slow, due to high inflation, tighter global financial conditions due to monetary tightening in many countries, and China's economic

slowdown as a result of the government's Zero-COVID policy. The IMF expects stronger growth in 2024 as the impact of consumer price inflation gradually fades and financial conditions loosen. According to the Bank of Thailand's November 2022 monetary policy report, Thailand GDP growth is expected to be 3.7 percent in 2023 and 3.9 percent in 2024. A stronger recovery in tourism and private consumption would accelerate the recovery, helping to offset the impact of the global economic slowdown.

The continued rise in tourist arrivals and the recovery in private consumption should support sales growth for MK, Yyoi and LCS, as their proportion of sales to tourists amounts to 5 percent, 5 percent and 20-30 percent, respectively. From the Company's results as reported in Figure 2.5, the Company's total revenues and net profit for the year of 2022 have gradually improved. As a consequence, this could have an impact on the Company's future earnings and cashflow.

### 3.1.2 Interest Rate, Inflation Rate and Exchange Rate

**Figure 3.2 Inflation Rate of Global and Thailand**



According to the inflation rate from the IMF World economic outlook update in January 2023, global headline inflation is expected to be lower in 2023 than in 2022. Global inflation is set to fall from the peak 9.1 percent in 2022 to 6.6 percent in 2023 and 4.3 percent in 2024 above pre-COVID during 2017 to 2019 levels that has been approximately 2 to 3 percent in past few years (table 3.2). The rise in interest rates by central banks to control inflation, as well as Russia's war in Ukraine, are still having an impact on economic activity. The recent reopening in China has opened up the

possibility for a faster-than-expected recovery. Meanwhile, the Bank of Thailand is expected Thailand headline inflation to decline from 7.3 percent in 2022 to 3.0 percent in 2023 and 2.1 percent in 2024 with declining global crude oil and commodity prices as a result of the slowdown in global demand, and declining cost pressure as labor shortages resolve.

### ***Interest Rate Risk***

**Figure 3.3 Thailand Interest Rate**



The Bank of Thailand raised interest rates by 25 basis points to 1.50 percent during January 2023, confirming market expectations and pushing borrowing costs to their highest level since mid-2019, as the Bank of Thailand committee considers economic growth and inflation outlook. Thailand's interest rate is expected to be 1.50 percent by the end of this quarter, before falling to around 1.25 percent in 2024. The Company's exposure to interest rate risk relates primarily to its cash at banks, most of financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. As at 31 December 2022, the Group Company's debt-to-equity ratio was 0.45:1 (2021: 0.45:1).

### ***Foreign Currency Risk***

The Bank of Thailand forecasts that interest rates will continue to rise over the next six months. All currencies in the region are expected to appreciate against the US dollar as the US Federal Reserve slows its rate hikes. The Singapore-dollar was the

only currency to appreciate against the US dollar last year, making it a strong competitor in the region.

The Japanese yen has been weakening throughout the year in the midst of global inflation. A huge gap between Japanese and U.S. interest rates has been a leading cause of the depreciation of the yen, since it supports the selling of the yen in the market. However, raising interest rates would be difficult for the Bank of Japan as it could have a devastating effect on the Japanese economy.

**Figure 3.4 SGD/THB-Singapore Dollar Thai Baht**    **Figure 3.5 JPY/THB-Japanese Yen Thai Baht**



As stated in the Company's financial statements for the year ended 2022, M's exposure to foreign currency risk is primarily due to its foreign currency trading transactions and borrowings. The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

**Table 3.1 Balances of Financial Assets and Liabilities in Foreign Currencies**

Foreign currency	Consolidated		Separate		Average exchange rate	
	financial statements		financial statements			
	2022	2021	2022	2021	2022	2021
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
<b>Financial assets</b>						
US dollar	10.2	10.1	10.2	10.1	34.3913	33.2469
Japanese yen	1.2	1.1	1.2	1.1	0.2573	0.2869
<b>Financial liabilities</b>						
Singapore dollar	0.2	0.2	-	-	26.0167	25.0254
Japanese yen	-	8.4	-	8.4	0.2645	0.2944

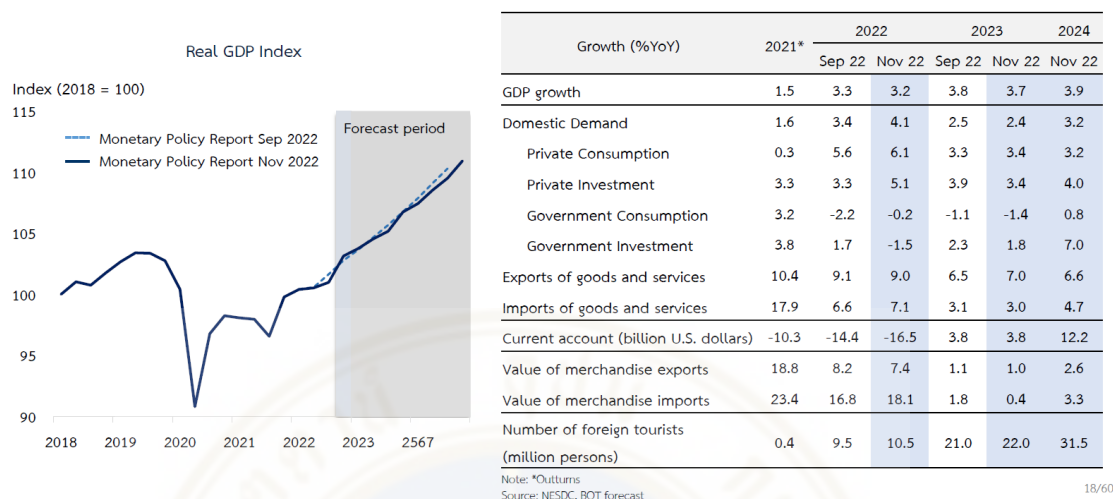
The Company uses foreign exchange forward contracts to manage some of its transaction exposures. As of 31 December 2022, the Company reported a fair value as follows:

**Table 3.2 Foreign Exchange Forward Contracts**

	(Unit: Million Baht)			
	Consolidated financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVTPL				
Debt investments	-	7,642	-	7,642
Derivatives - forward exchange contracts - gain	-	23	-	23

### 3.2 Industry Analysis

MK Restaurant Group is a food services company. Bank of Thailand forecasts that the Thai economy is expected to continue growth mainly by tourism and private consumption. The current account balance is expected to return to a surplus in 2023 and 2024. The food service industry is expected to revive going forward, driven by Thailand's economic activity that has gradually returned to normal, along with recovery in the tourism sector. The increasing number of Thai and foreign tourists, particularly in light of the expected increase in international tourist arrivals, will support revenue generation in the restaurant industry.

**Table 3.3 Thai Economy Outlook**

According to the Kasikorn Research Center (Issue no. 3352/2022), the restaurant industry's sales growth will be cautiously optimistic (Kasikorn Research Center, 2022). In 2023, the industry's sales turnover could reach 418-425 billion baht, up 2.7-4.5 percent year on year. However, consumption is decelerating due to limited purchasing power, while expenditures, particularly electricity and cooking gas, are rising in line with global energy prices. Over the next three years, the restaurant industry will improve as a result of economic growth, which will support higher levels of consumption, and an increase in tourist arrivals, leading to an increase in the number of visitors and spending in tourist areas.

With the current economic situation, the total value for the period of 2023 remains lower than pre-COVID-19 levels due to difficulties in the recovery of full-service restaurants, as reported in Figure 2.5 Total Revenues and Net Profit 5 years. In contrast, the Company reported in 4Q 2022 performance that same-store sales resume and growth by 14 percent compared to the previous year.

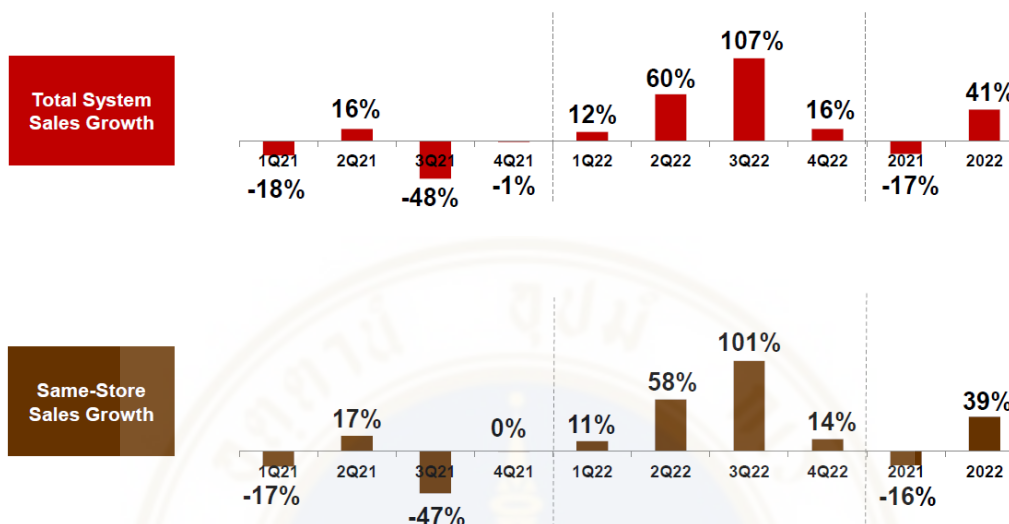


**Figure 3.6 MK 4Q22 Company Same-Store Sale Growth**

### Same-Store Sales vs. Total System Sales Growth

**MK**

*In 4Q2022, same-store sales growth increased 14% compared to the previous year mainly due to the better COVID situation.*



### 3.3 Competition Analysis

It is undeniable that MK Restaurant Group Public Company Limited has been among the top tier hotpot restaurants in Thailand for a very long time. Prior to COVID-19, they received Thailand Top Company Awards from the University of the Thai Chamber of Commerce and No.1 Brand Thailand Marketeer from Marketeer. Nevertheless, in this day and age, with the society that is becoming more and more modern, eating has more than ever turned to be a tool that people use to socialize with each other. This trend has attracted a number of new competitive players to the hotpot market. In this part of the report, we are going to discuss about the emerging competitors, their identity, and their strengths in comparison to MK Restaurant Group Public Company Limited.

### **3.3.1 Non-listed Companies**

#### **3.3.1.1 BNN Restaurant Group Company Limited**

BNN Restaurant Group Company Limited has been running a hotpot restaurant under the name of ‘Suki Teenoi’ for five years. Despite being a new company, their marketing tactics and their business management are remarkably on point. By positioning themselves as a relatively cheap (276 baht) buffet hotpot restaurant which opens from 12 a.m. to 5 a.m., Suki Teenoi has become so successful to the point that some customers are willing to wait a few hours to dine in. In February 2023, there are 45 branches of the restaurant which are mainly located inside the community malls in Bangkok. The company also expanded their branches to the nearby provinces such as Nonthaburi, Pathum Thani, Samut Prakan, Samut Sakhon, Ayutthaya, and Nonthaburi.

Suki Teenoi is a competitor which MK has to beware of. They have special characteristics which MK does not possess. The fact that they are cheap buffet restaurants which operate until dawn made them very appealing to the new generation who value worthiness. In addition to this, the company is also considering opening more branches, creating new brands, purchasing other potential companies, and aiming to open new branches in neighboring countries. This is a sign which shows that their business structure would become even more similar to MK in the future.

#### **3.3.1.2 Hai Di Lao Proprietary (Thailand) Limited**

Hai Di Lao is a hot pot restaurant originated from Sichuan, China. It is the largest hotpot brand in the mainland with more than one thousand branches. As of February 2023, there are nine branches of Hai Di Lao in Thailand - five in Bangkok and four in other major cities namely, Pattaya, Chiangmai, and Phuket. The price of this restaurant is higher than MK, as the average cost is approximately six hundred to one thousand per person. Operating from 10 a.m. to 3 p.m., Hai Di Lao is so successful to the point that some customers are willing to wait for more than five hours. The specialty of this hot pot restaurant lies in their service which gives an exceptional eating experience. The followings are some of the examples of their strengths:



- While waiting for the ques, the customers can eat free ice-cream, relax on massage chairs, have their nails polished, have their shoes shined, eat free ice-cream, play with their children in the kid room, or ask for UNO cards from the staff.
- The waiters would provide rubber bands for the customers who have long hairs and lens cleaning cloth for the customers who wear glasses.
- The customers can ask for free toys and take away soup by saying the secret codes in Chinese.
- There is a mask-changing show and a Kungfu noodle stretching dance performed at their restaurants.
- There is a wireless phone charger on every table.
- There are a number of staffs who can communicate with the customers in English and Chinese fluently.

Apparently, the thing that Haidilao could do better than MK is the attentiveness of the staff towards their customers. Despite the fact that MK also have some extra services, such as a welcome dance in the past and a birthday-photo taking service, the things that Hai Di Lao provide for their customers are undeniably much more impressive. Luckily, this restaurant brand targets higher-class customers or a group of friends and family who may visit their restaurants on special occasions, thus they still have some differences in terms of their positionings.

### **3.3.1.3 Noble Restaurant Company Limited**

Noble Restaurant Company Limited run a Shabu Hot Pot restaurant under the name of Mo-Mo Paradise. The company bought the franchise from Japan. In February 2023, there are 25 branches of the restaurants which largely based in Bangkok, and in some nearby provinces such as Nonthaburi and Chonburi. The buffet is approximately seven hundred baht per person. Their signature ingredients are the Japanese soups which include original shabu, black suki, Karamiso, and Tonkotsu soups. The strategy of Mo-Mo Paradise restaurant is based on the concept of ‘quality over quantity’, making the customers become addicted to the limited number of foods on the menus that they have. By this approach, they are able to better control the amount of food in their stocks and save the cost by minimizing the waste.

The method of quality over quantity of Noble Restaurant Company is relatively different from the strategy of MK which is based on the thinking of variety to escape the boredom. Both strategies seem to be working for both companies. Currently, the buffet price of Mo-Mo Paradise is relatively high, so their targets might not be in the same area with MK that much. However, provided that Momo- paradise put more emphasis on a la carte menus with reasonable prices, they could become MK's tough competitor due to the quality of the food.

### **3.3.2 Listed Companies**

#### **3.3.2.1 Oishi Group Public Company Limited**

Oishi Group Public Company Limited conduct three main sectors of business which are composed of beverages, restaurants, and packaged food. 60 percent of their revenue is from the beverage sector and the other 40 percent is from the food sector. The food brands that are under their business are comprised of Oishi Grand, Oishi Eaterium, Oishi Buffet, Shabushi, Oishi Ramen, Kakashi, Sakae, Hou Yuu, and Nikuya. Among these restaurants, the one that has the greatest number of branches is Shabushi which has 162 branches in February 2023. It is noted that a number of branches are located in the provinces other than Bangkok such as, Kanchanaburi, Chanthaburi, Chiangmai, Trang, Suratthani, and Phuket. Shabushi focuses on buffet food served on conveyor belt with an average price of four hundred to five hundred baht per person. Nevertheless, recently the restaurant also attempts to provide more A la carte menus. There are also long tables with stools to make the customers who come alone do not feel out of place while eating.

Oishi Group Public Company Limited is a competitor that MK has to beware of because their food business model is quite similar to one another. Same as MK, Shabushi has extended their branches to other provinces across Thailand already and they also pay attention the customers who come to their restaurant alone. They are planning to open more 24 hours branches in the future. In addition, the other Japanese restaurants of Oishi group, such as Oishi Grand and Oishi Ramen, could be considered as strong opponents to Yayoi, Hakata, and Miyazaki of MK.

### **3.3.2.2 JCK Hospitality Public Company Limited**

JCK Hospitality Public Company Limited operate a buffet hot pot restaurant under the name of Hotpot Buffet. As of December 2022, there are approximately 59 branches under their management, located in Bangkok and other provinces around Thailand. The concept of the restaurant is ‘All You Can Eat’. Hotpot Buffet serves various types of food, ranging from pork, beef, seafood, sushi, Dim sum, and salad. The price is around four hundred baht per person. The customers can pay forty baht for the table with a grill pan.

Hotpot Buffet might not be a competitor that MK has to worry that much because they seem not to have a strong position in the market. The brand provides too many types of food, causing it a little bit difficult for the customers to feel the specialty of their brand. Moreover, the variety of ingredients made the cost more expensive than usual. As a result, Hotpot Buffet need a high volume of consumers to compensate for that.

### **3.3.2.3 ZEN Corporation Group Public Company Limited**

The famous restaurant brands under ZEN Corporation Group Public Company Limited are Zen, AKA, Kiang, and Tummour. Zen is a Japanese sushi restaurant which provide both buffet and a-la cart menus. They have branches in Bangkok and in other major provinces. The price is approximately six hundred baht per person. AKA is a high-end Japanese buffet yakiniku restaurant with prices ranging from four hundred to seven hundred baht per person. Kiang, Krapao restaurant and Tummour, Somtum restaurant, are another two brands of ZEN Corporation which have much lower price to target the other sectors of customer.

The key feature of Zen Corporation which we can detect is that they have both premium Japanese food brands and street food brands to capture a wide range of people. MK might have to be cautious of this company because they seem to be successful in managing their brands to attract both types of customers.

### **3.3.2.4 Mud & Hound Public Company Limited**

Mud & Hound Public Company Limited has both fashion and food businesses. Food sector accounts for 90 percent of the company's revenue. Their food brands include Greyhound café, Au Bon Pain, Baskin Robin and Dunkin Donuts. In terms of restaurants, the most well-known brand of Mud & Hound company is Greyhound café. Since they originated from a fashion store, the decoration of the restaurant and the style of the dish are quite classy compared to the normal café. Greyhound café has 4 sub-restaurants under their brand, namely Greyhound Café, Another Hound Café, Kin-Hey, and Gai Hound. Each focus on different types of food and targets different sections of customers. For example, Kin-Hey restaurant is based on the concept of street food, targeting office workers, while Another Hound is much fancier, targeting customers who prefer a sense of high-class.

There might be some overlapping of the customers of Greyhound restaurants and Na Siam and Le Siam restaurants of MK, but the majority of the customer base of both companies are not the same one, as Mud & Hound pays much more attention to the upper-class market.

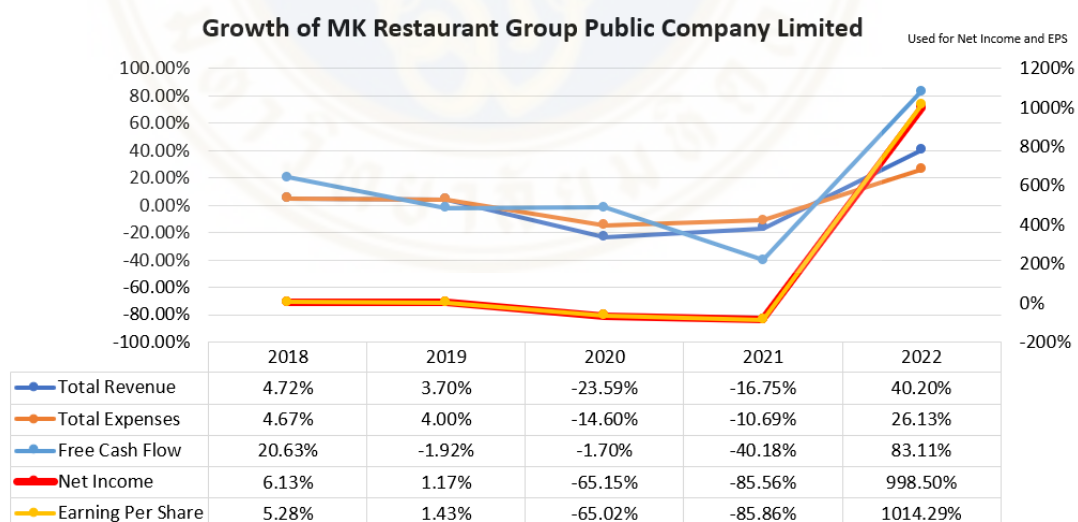
## CHAPTER IV

### FINANCIAL ANALYSIS

#### 4.1 Growth Analysis

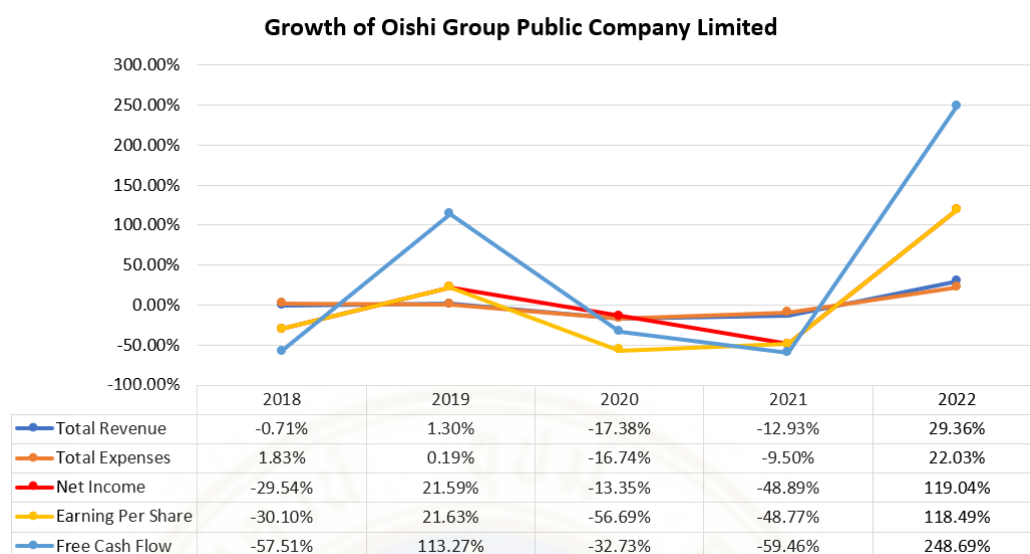
The companies which we chose to be the competitors of MK in the growth analysis section are Oishi and ZEN. Despite the fact that 60 percent of Oishi's revenue is from the beverage business, we believe that Oishi is an appropriate competitor of MK. This is due to the fact that Oishi possess a hotpot restaurant chain (Shabushi) which brings a huge profit to the company. The business size of MK and Oishi and the amount of the revenue they gained each year are also on par with one another. Although ZEN does not have a hotpot restaurant, we believe that they should be included in this analysis section because their revenue primarily derived from selling food.

**Figure 4.1 Graph 1 Growth of MK**



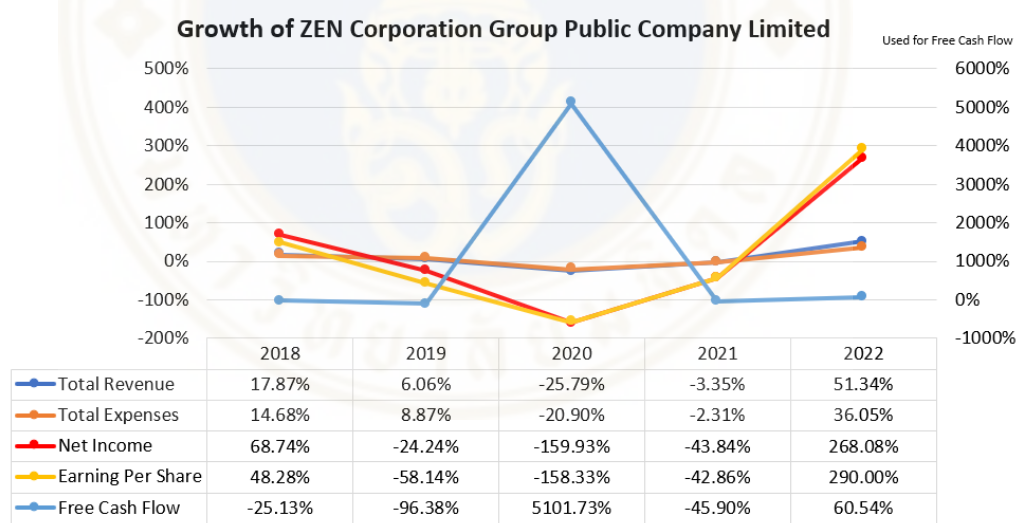
Source: <https://www.setsmart.com/ssm/stockQuotationByStock/M>

**Figure 4.2 Graph 2 Growth of Oishi**



Source: <https://www.setsmart.com/ssm/stockQuotationByStock/Oishi>

**Figure 4.3 Graph 3 Growth of ZEN**



Source: <https://www.setsmart.com/ssm/stockQuotationByStock/ZEN>

COVID-19 made 2019, 2020 and 2021 harsh years for MK, as we can see from the graph 1 that all the items are in decreasing trends with a significant drop in the net income of 65% in 2020 and 85% in 2021.

- The decrease in net income accordingly caused the free cash flow and EPS growth of MK to sink tremendously in the same direction.



- In terms of the growth of Oishi, the net income in 2021 also showed a minus of 49%, but it is still lower than the net income decreases of MK. One of the reasons might be because in 2021, MK had to bear the joint venture costs of M-Senko Logistics Co., Ltd. and Plenus & MK Pte. Ltd. MK believes that the joint venture between MK and Senko logistic would give them advantages in controlling the transportation costs of their company in the future.
- Net income growth of ZEN decreased the most among the 3 companies, especially in 2020 which dropped to 159.93%.
- The reason that free cash flow of ZEN is extremely high in 2020 (5101.73%) is because of a decrease in the number of new branches opening that year, a huge decrease in fixed assets purchase, and the disposals of assets in 2020. According to ZEN's financial report this is an abnormal activity (ZEN, 2021).
- During the recovery in 2022, the net income and earnings per share of M increased to 998.5% and 1,014.29% respectively. They raised the price slightly, and the delivery orders with a lower profit margin were reduced.
- In the same way, the net income and free cash flow of Oishi increased by 119% and 248% respectively. The net income and free cash flow of ZEN also rose to 268.08% and 290%.

Based on the overall picture, it seems like the financial health of Oishi is slightly better than MK's during COVID-19, probably because they still have revenue from the beverage. Nevertheless, in 2020 the recovery of MK is extremely high as the eat-in number of customers tremendously increased. However, it should be pointed out that the net income of MK has not yet recovered to the pre-pandemic periods.

## 4.2 Discounted Cash Flow Valuation

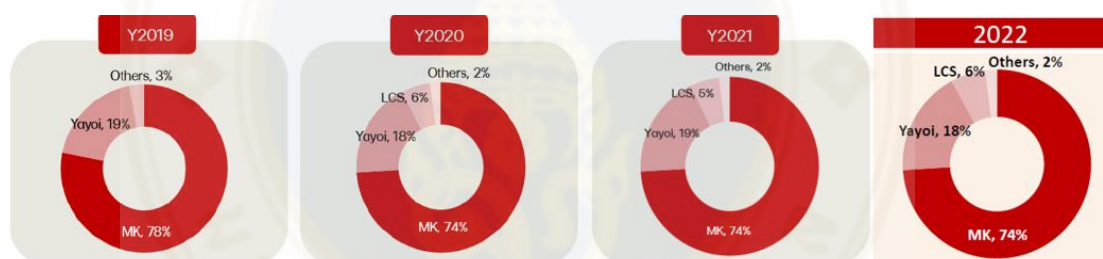
Discounted cash flow (DCF) analysis is an underlying valuation method that uses expected future cash flows to determine the value of a business or investment based on the present value. This method calculates a rate of return or discount rate based on dividends, earnings, as well as free cash flow.

### 4.2.1 Pro forma statement

#### Revenue

The total revenue from sales and services from MK business can be breakdown into 4 types of business brands which are MK Suki restaurants (MK, MK Gold, MK Live), Yayoi Japanese restaurant, Laem Charoen Seafood restaurants and other brands.

**Figure 4.4 Revenue contribution result**



*Source: MK 4Q19-22 Company Presentation result*

Revenue growth driven by tourism recovery, new store expansion plans, and a decline in raw material costs that could offset higher utility costs are potential catalysts for M's earnings growth. As a result, I forecast revenue growth by assessing Thailand's nominal GDP growth rate from IMF forecasts between 2023 and 2026.

This assumption was observed by referring to the IMF's forecast of Thailand's nominal GDP growth rate and the actual composition of private final consumption expenditure, chain volume measures of the Restaurants and Hotels Industry Size (Office of The National Economic and Social Development Council, 2023). Following the estimation of the GDP growth rate, the Company's industry growth was multiplied by the GDP growth rate for each year, and MK sales were determined by multiplying the result of the industry growth with the implied constant market share

ratio. The implied MK's market share rate was calculated by averaging the market share rate from 2019 to 2022, which equals 1.92%. Since there is no significant change in the MK's market share, we used a constant market share to drive the revenue forecasts in the 5-years projection plan. The revenue forecast is as follows:

**Table 4.1 Revenue 5-years projection plan**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2026
<b>Nominal GDP Size (BNTHB)</b>	16,373.34	16,892.41	15,636.89	16,178.72	17,325.99	18,177.86	18,621.70	19,964.74	21,043.12	22,899.26
<i>Nominal GDP Growth</i>	5.7%	3.2%	-7.4%	3.5%	7.1%	4.9%	2.4%	7.2%	5.4%	8.8%
<b>Restaurants and Hotels Industry Size (MTHB)</b>	1,111,947	1,196,612	621,349	504,648	847,297	888,956	910,661	976,340	1,029,077	1,119,848
<i>- Industry growth</i>	7.6%	-48.1%	-18.8%	67.9%	4.9%	2.4%	7.2%	5.4%	8.8%	
<b>MK sales</b>	16,770	17,409	13,361	11,182	15,728	17,062	17,478	18,739	19,751	21,493
<i>- Growth</i>	3.8%	-23.3%	-16.3%	40.7%	8.5%	2.4%	7.2%	5.4%	8.8%	
<i>Implied % Market Share of MK sales</i>	1.5%	1.5%	2.2%	2.2%	1.86%	1.92%	1.92%	1.92%	1.92%	1.92%

In terms of the revenue contribution by Brand, I referred to the latest contribution in year 2022 which were MK 74%, Yayoi 18%, Laem Charoen Seafood 6%, and other brands 2%. The revenue projection by brand is shown as follows:

**Table 4.2 Revenue 5-years projection plan by brand**

	ACT	ACT	ACT	ACT	ACT	Forecast	Forecast	Forecast	Forecast	Forecast
SALES DISTRIBUTION (BTMNB)	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Total Sales</b>	17,113	17,739	13,622	11,368	15,938	17,272	17,688	18,949	19,961	21,703
<b>1. Revenues Contribution by Brand</b>	16,770	17,409	13,361	11,182	15,728	17,062	17,478	18,739	19,751	21,493
>> <i>MK Suki/MK Gold/MK Live</i>	13,081	13,579	9,887	8,274	11,639	12,626	12,934	13,867	14,616	15,905
>> <i>Yayoi</i>	3,354	2,960	2,405	2,124	2,831	3,071	3,146	3,373	3,555	3,869
>> <i>Laem Charoen Seafood</i>	-	-	802	559	944	1,024	1,049	1,124	1,185	1,290
>> <i>Others</i>	335	522	267	224	315	341	350	375	395	430
<b>2. Other revenues (Investment, member card, partne</b>	343	330	261	186	210	210	210	210	210	210

### Gross margin

Using a historical gross margin, I discovered that the historical 5-year gross margin rate ranged between 64% and 69%. As a result, I estimate the gross margin rate for the next five years will progressively revert to pre-COVID levels by calculating an incremental gross margin from Thailand's nominal GDP growth rate in each year. The gross margin projection is shown as follows:

**Table 4.3 Gross margin 5-years protection plan**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2026
<b>GROSS MARGIN</b>	<b>68.43%</b>	<b>68.51%</b>	<b>65.74%</b>	<b>64.10%</b>	<b>65.28%</b>	<b>66.55%</b>	<b>66.41%</b>	<b>66.67%</b>	<b>66.57%</b>	<b>66.76%</b>
<i>Nominal GDP Growth</i>	5.7%	3.2%	-7.4%	3.5%	7.1%	4.9%	2.4%	7.2%	5.4%	8.8%

### Selling and administrative expenses

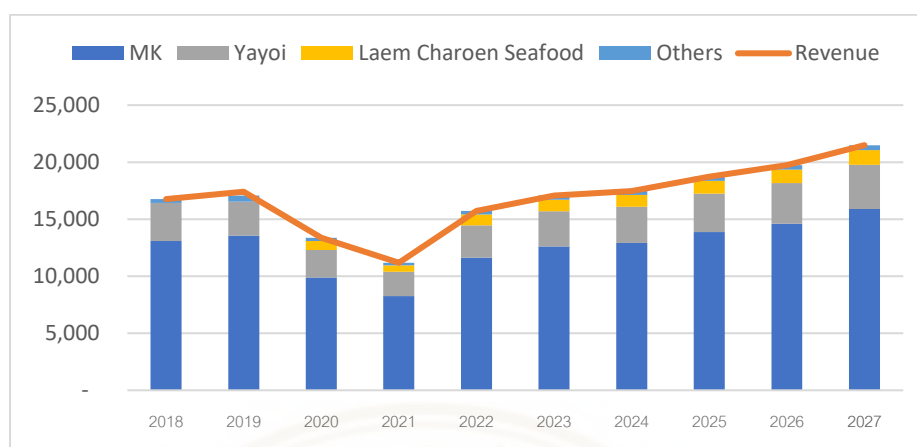
I found that the historical 5-year rates for selling expense per revenue and administrative expense per revenue were between 46% and 55% for selling expense to sale and 7% to 10% for administrative expense to sale. Therefore, I estimate both margins using a 5-year average in 2023 and 2024. The Company's latest development on work process streamlining is the plan to install over 500 delivery robots at restaurant outlets to ease the burden of servers, which is expected to reduce selling expenses slightly from 2025 onwards. Over 250 restaurants have already been equipped with robots. All of these efforts will assist the company in reducing costs such as rent, electricity expenses, and wages. (M Annual report, 2021).

### Income Tax expense

Following the regulatory standard, I applied for a 20% corporate tax.

**Table 4.4 Pro forma statement**

	ACT	ACT	ACT	ACT	ACT	Forecast	Forecast	Forecast	Forecast	Forecast	Y18-Y22	Y18-Y27
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	CAGR	CAGR
<b>Profit &amp; Loss</b>												
Revenue	16,770	17,409	13,361	11,182	15,728	17,062	17,478	18,739	19,751	21,493	-1.6%	2.8%
<i>MK</i>	13,081	13,579	9,887	8,274	11,639	12,626	12,934	13,867	14,616	15,905	-2.9%	2.2%
<i>Yayoi</i>	3,354	2,960	2,405	2,124	2,831	3,071	3,146	3,373	3,555	3,869	-4.1%	1.6%
<i>Laem Charoen Seafood</i>	-	-	802	559	944	1,024	1,049	1,124	1,185	1,290	8.5%	7.0%
<i>Others</i>	335	522	267	224	315	341	350	375	395	430	-1.6%	2.8%
Cost of sales	5,295	5,483	4,577	4,015	5,461	5,708	5,871	6,246	6,602	7,145	0.8%	3.4%
Gross profit	11,475	11,926	8,784	7,167	10,267	11,354	11,607	12,493	13,148	14,348	-2.7%	2.5%
SG&A	8,806	9,183	7,947	7,170	8,646	9,112	9,335	10,008	10,549	11,479	-0.5%	3.0%
Operating profit	3,012	3,074	1,097	183	1,831	2,452	2,483	2,695	2,810	3,079	-11.7%	0.2%
Interest Income (Expense)	121	131	40	48	48	-	-	-	-	-	-	-100.0%
Income taxes	558	553	140	10	308	490	497	539	562	616	-13.8%	1.1%
<b>Net profit</b>	<b>2,574</b>	<b>2,610</b>	<b>912</b>	<b>121</b>	<b>1,447</b>	<b>1,961</b>	<b>1,986</b>	<b>2,156</b>	<b>2,248</b>	<b>2,463</b>	<b>-13.4%</b>	<b>-0.5%</b>
EBITDA	3,272	3,256	1,707	861	2,178	2,645	2,832	3,160	3,388	3,950	-9.7%	2.1%
<i>Shares Outstanding</i>	921	921	921	921	921	921	921	921	921	921		
<i>Earnings per share (EPS)</i>	2.79	2.83	0.99	0.14	1.56	2.13	2.16	2.34	2.44	2.67		

**Figure 4.5 Revenue contribution result by brand**

The Company's revenue is expected to rise from 17,062 million baht in 2023 to 21,493 million baht by the end of 2027, representing a 2.8% CAGR (2018 – 2027). Revenue will begin to recover from pre-COVID levels in 2024. In line with the gross profit, I expected a 12,493 million baht increase in total gross profit from pre-COVID performance starting in 2025, representing a 2.5% CAGR (2018 – 2027).

The ratio of selling and administrative expenses to sales margin increases by approximately 53.4%. This results in an increase in operating profit from 2,452 million baht in 2023 to 3,097 million in 2027. As a result, the company's EBITDA margin increased by 1.7%, from 2,645 million baht to 3,950 million. Earnings per share in 2023 will be 2.13 baht per share, rising to 2.67 baht per share in 2027.

The table below compares the valuation with that provided by different analysts. The valuation appears to be in line with other analysts.

**Table 4.3 M's valuation by Investment Analyst Association (IAA) Consensus**

Broker	Analyst Name	EPS		Net Income		Target price	Date Updated
		2023F	2024F	2023F	2024F		
YUANT A	Kritawit Ratanakhanokchai	2.32	2.74	2,136	2,527	68.50	13/03/2023
KS	Varaj Tharamart	1.88	2.23	1,729	2,050	58.20	03/03/2023
FSSIA	Sureeporn Teewasuwet	2.63	2.87	2,424	2,643	66.00	27/02/2023
CNS	Samanun Polsomboonchok, Nontapat Sahakitpinyo	1.84	2.48	1,692	2,285	59.00	27/02/2023
PI	Thanawich Boonchuwong	2.14	2.83	1,970	2,606	64.00	27/02/2023
CGS-CIMB	Tanida Jirapornkasemsuk	2.02	2.52	1,860	2,318	63.50	24/02/2023
ASPS	Pasakorn Wangvivatchareon	1.98	2.47	1,821	2,271	65.00	24/02/2023
BLS	Kalvalee Thongsomaung	2.30	2.63	2,119	2,424	53.00	24/02/2023
MST	Yuwanee Prommaporn	2.39	2.94	2,205	2,712	69.40	10/01/2023
<b>Per our valuation result</b>		<b>2.13</b>	<b>2.16</b>	<b>1,961</b>	<b>2,832</b>	<b>64.36</b>	

Source: <https://www.settrade.com/th/equities/quote/M/analyst-consensus>

#### 4.2.2 Weighted Average Cost of Capital

The weighted average cost of capital (WACC) is the average of the cost of individual sources of capital when averaged. The WACC represents the minimum rate of return at which a company can generate value for its investors. WACC is then used to calculate the company's net present value.



**Table 4.4 Market value of debt**

Market value of debt (D)		
BV Debt	3,094	millions

The interest-bearing debt consists of short-term and long-term borrowings from lease liabilities, totaling 3,094 million baht in market value.

**Table 4.5 Market value of equity**

Market value of equity (E)			
Stock price * Shares outstanding	=	53.25 * 921	million
	=	49,037	million

The value of equity is then calculated by multiplying the stock price as of 13 March 2023 (53.25 baht per share) by the number of shares outstanding (921 million baht). As a result, the equity value is 49,037 million baht, per the table above.

The calculated value of debt and equity is then used to calculate the weight of debt and equity, which is 5.94%.

**Table 4.6 Weight of debt**

Weight of debt (Wd)				
Weight of debt (Wd)	=	D		
		E + D		
	=	3,094	=	3,094
		49,037 + 3,094		52,131
	=	5.94%		

The calculation of the market value of debt and equity is 52,131 million baht. Hence, the weight of equity is 94.06%.

**Table 4.7 Weight of equity**

Weight of equity				
Weight of equity (We)	=	E		
		E + D		
	=	49,037	=	49,037
		49,037 + 3,094		52,131
	=	94.06%		

Cost of debt (rd) is calculated using the most recent effective interest rate of 3.41% by dividing financial cost by the average interest-bearing debt.

The CAPM model is used to calculate the cost of equity. The risk-free rate is based on the yield on a 10-year government bond as of March 13, 2023, which is 2.45%. The market risk premium from Research Affiliates's estimated nominal returns (over the next ten years) is 7.01% as of 28 February 2023.

**Figure 4.6 Thailand equity market premium**

Asset Class	Index Name	Nominal Return (Expected 10)	Real Return (Expected 10)
Thailand Cash	Thailand 3M Gov't Bill	3.4%	0.1%
Thailand	MSCI Thailand	10.4%	7.1%

**Thailand equity market premium = 7.0%** As of 28 Feb 2023

Source: <https://interactive.researchaffiliates.com/>

As a source for Beta, I use the Company's beta year-to-date 10 March 2023 from SET, which is 0.76.

These numbers are then used to calculate the cost of equity using the formula as shown in the table above which results in a cost of equity of 7.77%.

**Table 4.8 Cost of equity**

Risk-free (Rf)		2.45%
Market Risk Premium		7.01%
Beta		0.76
<b>Cost of equity</b>		
Cost of equity (Re)	=	$R_f + (R_m - R_f) * \text{Beta}$
	=	$2.45\% + 7.01\% * 0.76$
	=	7.77%

The result shows that WACC calculated is 7.48% by using the formula as follows;

**Table 4.9 WACC calculation**

Weight of debt (Wd)	5.94%
Weight of equity (We)	94.06%
Cost of debt (Rd)	3.41%
Cost of equity (Re)	7.77%
Tax rate (T)	20%

<b>WACC</b>		
WACC	=	$W_d * R_d * (1 - T) + W_e * R_e$
	=	$5.94\% * 3.41\% * (1-20\%) + 94.06\% * 7.77\%$
	=	7.48%

The summary of net cash flows for each year of the investment project was calculated by beginning with cash flow from operating activities and then adjusting for non-cash items such as depreciation expense, change in net working capital, and any capital expenditures (CAPEX) undertaken that year.

**Free Cash Flow = NOPAT + Depreciation +/- change in working capital - CAPEX**

In terms of a discounted cash flow model, the terminal growth rate begins at the end of the last forecasted cash flow period and continues in perpetuity. According to the CAGR (2018-2027) of sales contributions by brand and number of opening sites, I use a terminal growth rate of 3.82%, which is consistent with the nominal GDP growth rate forecasted for 2023, which is 4.9%.

**Table 4.10 Terminal Growth**

	<b>LT Growth</b>	<b>PROP. Sales</b>
MK	3.5%	74%
Yayoi	4.1%	18%
Laem Charoen Seafood	7.0%	6%
Others	2.8%	2%
<b>TERMINAL GROWTH</b>		<b>3.82%</b>

The terminal value of 73,834 million baht was calculated by using free cash flow balance year 2027 estimation multiplying  $1 + \text{WACC}$  and then dividing the WACC of 7.48% minus the Terminal growth rate of 3.82%.

**Table 4.11 Terminal Value**

Terminal Value		
Terminal Value	=	$\text{FCF Y2027} * (1 + \text{WACC}) / (\text{WACC} - \text{Terminal Growth})$
	=	$2,596 \text{ million} * (1 + 7.48\%) / (7.48\% - 4.12\%)$
	=	73,834 million

The discounted cash flow as shown in Table below.

**Table 4.12 Discounted cash flow**

Unit : Million THB						0	1	2	3	4	Terminal
Year	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F	
EBIT	3,011	3,032	1,091	160	1,802	2,452	2,483	2,695	2,810	3,079	
TAX	(558)	(553)	(140)	10	(308)	(490)	(497)	(539)	(562)	(616)	
EBIT AFTER TAX	2,453	2,479	951	169	1,495	1,961	1,986	2,156	2,248	2,463	
DEPRECIATION	819	777	756	692	683	683	845	1,004	1,140	1,487	
WORKING CAPITAL CHANGE	-	(178)	(555)	12	118	93	29	658	97	146	
CAPEX	(819)	(777)	(2,137)	(2,009)	(1,997)	(2,137)	(1,923)	(1,500)	(1,500)	(1,500)	
<b>CASHFLOW TO THE FIRM</b>	<b>2,453</b>	<b>2,301</b>	<b>(985)</b>	<b>(1,136)</b>	<b>299</b>	<b>601</b>	<b>938</b>	<b>2,318</b>	<b>1,985</b>	<b>2,596</b>	<b>73,834</b>
<b>DISCOUNTED CASHFLOW</b>						<b>601</b>	<b>873</b>	<b>2,007</b>	<b>1,599</b>	<b>1,946</b>	<b>55,338</b>

Enterprise value (EV) provides an accurate calculation of a company's overall current value and analyzes future cash flows.

$$\text{EV} = \text{Net Present Value} - \text{total debt}$$

The net present value of the terminal value is 62,364 million baht, subtracting by net debt of 3,094 million baht. As a result, I calculate an enterprise or equity value of 59,269 million baht. The estimated price per share of the equity value calculated by dividing the enterprise value by the number of shares, which is 921 million shares. As a result, I arrive at a price per share of 64.36 baht. The estimated share value is greater than the current share price of 53.25 baht per share as of 13 March 2023, by 21 percent.

**Table 4.13 Estimate share value**

PV OF FIRM VALUE (NPV)	62,364
NET DEBT	3,094
PV OF EQUITY VALUE	59,269
# OF SHARES (MN)	921
<b>EST. SHARE VALUE</b>	<b>64.36</b>

#### 4.1.3 Sensitivity Analysis

For the purpose of calculating the discounted cash flow valuation, a number of input factors are used, including WACC, terminal growth, cost of debt, cost of equity, respectively. The stock price is affected by these factors. I create hypothetical scenarios that indicate the sensitivity to show how sensitive these variables are to changes in the stock price of  $\pm 5\%$ ,  $\pm 10\%$ ,  $\pm 20\%$ ,  $\pm 30\%$ ,  $\pm 40\%$ , and  $\pm 50\%$ , respectively as shown in Table 4.2.1.2

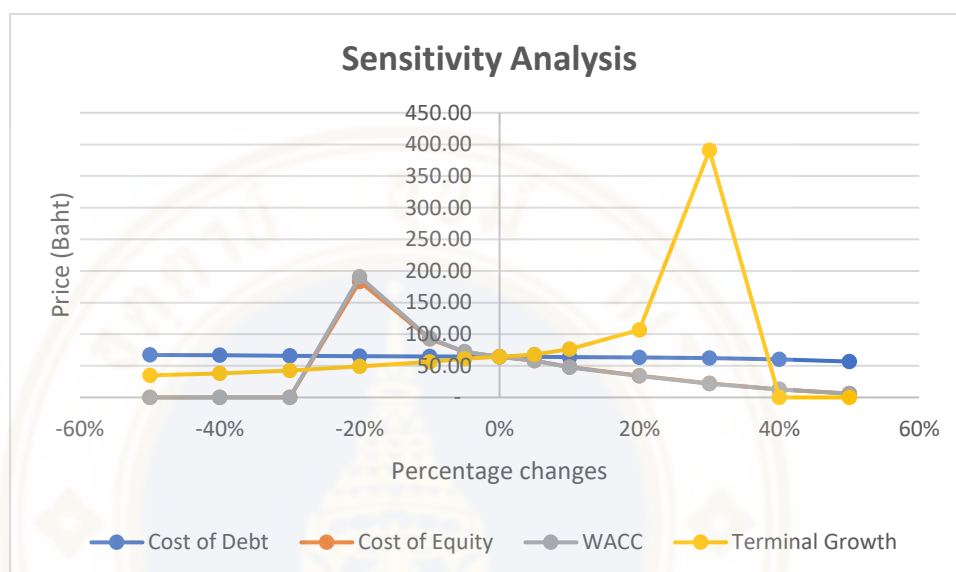
**Table 4.14 Sensitivity analysis**

Deviation	Cost of Debt	Price (Baht)	Cost of Equity	Price (Baht)	WACC	Price (Baht)	Terminal Growth	Price (Baht)
50%	12.90%	56.79	29.42%	6.28	28.28%	6.10	14.47%	n/a
40%	8.60%	60.00	19.61%	12.66	18.86%	12.39	9.65%	n/a
30%	6.14%	62.00	14.01%	21.98	13.47%	21.63	6.89%	390.67
20%	4.73%	63.20	10.78%	34.35	10.36%	33.98	5.30%	106.59
10%	3.94%	63.89	8.98%	48.04	8.63%	47.77	4.42%	76.42
5%	3.58%	64.21	8.16%	58.09	7.85%	57.96	4.02%	67.80
0%	3.41%	64.36	7.77%	64.36	7.48%	64.36	3.82%	64.36
-5%	3.24%	64.51	7.39%	72.03	7.10%	72.22	3.63%	61.27
-10%	2.92%	64.81	6.65%	92.58	6.39%	93.47	3.27%	56.16
-20%	2.33%	65.34	5.32%	183.31	5.11%	190.77	2.62%	48.89
-30%	1.63%	65.99	3.72%	n/a	3.58%	n/a	1.83%	42.39
-40%	0.98%	66.61	2.23%	n/a	2.15%	n/a	1.10%	37.77
-50%	0.49%	67.08	1.12%	n/a	1.07%	n/a	0.55%	34.95



According to the sensitivity spider chart, the stock price is most sensitive to WACC and cost of equity. WACC directly discounts future free cash flow value to present value. And because the company's capital structure has equity accounting for 94.06% of total capital, it is more price sensitive to changes in the cost of capital.

**Figure 4.7 Sensitivity analysis**



I determined the implied WACC and implied cost of equity, as indicated in the table below, to determine if the stock price is undervalued or overvalued. In order to maintain the present stock price at 53.25 baht, using the same 3.82% perpetual growth rate, the implied WACC is 8.18%, and the implied cost of equity is 8.52%. Moreover, the implied cost of equity changes to 9.15% when I assume that the terminal growth rate is equal to long-term nominal GDP growth at 4.92%. Comparing to our estimate of WACC and the implied cost of equity in our valuation, which is 7.48% and 7.77%, respectively, the company's implied cost of equity is higher. As a result, it can be concluded that the stock of M is undervalued.

**Table 4.15 Implied WACC and cost of equity**

Stock Price (Baht)	Perpetual growth	Implied WACC	Implied Cost of Equity
53.25	3.82%	8.18%	8.52%
53.25	4.92%	9.55%	9.15%

### **4.3 Valuation Recommendation**

As a result, the appropriate target price for M is 64.36 baht per share, which is approximately 21% higher than the latest price on 13 March 2023, which is 53.25 baht per share. My recommendation for M stock is “BUY”.



## **CHAPTER V**

### **INVESTMENT RISKS**

The company's business is exposed to various risks. The following risks are possibilities that may adversely affect the Company's business, financial position and performance in a material matter.

#### **5.1 Competitor Risk**

Due to the fact that the demand for eating and socializing in restaurants increases along with the growing number of the new middle class and owing to the fact that food business has low barriers of entry in comparison to other industry sectors, the success of MK greatly depends upon their ability to stand out from the competitors and to hold on their market share. In the competitor analysis section of this report, the firms that were selected were composed of Suki Teenoi, Hai Di Lao, Mo-Mo Paradise for the non-listed companies and Oishi, Hot Pot buffet, ZEN, and Greyhound for the listed companies. Among the names mentioned, the restaurant which MK should pay attention to is 'Suki Teenoi'. Although the company was established four years ago, their success in terms of the branding strategy is extremely remarkable.

The following are the reasons which explain why this company could become a significant 'risk' for MK in the future. First, the business model of Suki Teenoi is becoming more and more like MK. They are expanding their branches to other provinces in Thailand and aiming to become a listed company within a few years. Second, Suki Teenoi is very appealing to the teenagers and the people who work late at night because they operate from 12 a.m. to 5 a.m. Third, the price (276 baht) is cheaper than MK and some people might think that it is more worthwhile for the reason that Suki Teenoi is a buffet restaurant. Fourth, the net income of Suki Teenoi keeps increasing every year. In 2021, the pandemic even caused the net income of MK (131 million baht) to be lower than Suki Teenoi (148 million baht), in spite of MK's greater

number of branches (Spotlight, 2022). Fifth, because Suki Teenoi is quite new to the market, it is popular to the point that, at some branches, customers have to wait for a few hours to dine in.

In order to minimize this particular risk, it might be necessary for MK to maintain and focus on their strong point which is creativity. It is evident that MK has been doing quite good in terms of putting innovative ideas into practice, such as, serving robot, and a welcoming dance. Nevertheless, since the potential rival has appeared in the market, it is inevitable for them to enhance their brand and services with new creative approaches that are on-point and appealing to people of all age ranges.

## 5.2 Liability Risk

**Table 5.1 Total Liabilities of MK**

Unit in Million

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Total Liabilities</b>	2,482	2,197	2,124	2,265	2,454	2,997	3,314	6,506	6,059	6,135

From 2013 to 2018, the total liabilities of MK were in between two thousand million and three thousand million. After the pandemic broke out in 2019, the total liabilities jumped from three thousand million to six thousand million in one year. Although the debt increased in a large amount, the 2022 Debt to Asset and Debt to Equity proportion of this company are still relatively low, having the ratios of 0.31 and 0.45 respectively. Based on the history, MK was quite conservative and did not prefer debt financing. They tended to pay off their debts when they had enough financial flexibility. Consequently, investors might not need to worry about this category of risk that much.

### **5.3 Volatility of Raw Material Prices Risk**

The Company's most important item is costs of food as it accounts for 31-36 percent of the total revenues from sales and services. The majority of the Company's raw materials are fresh produce, with market prices and quantities fluctuating at any time based on demand and supply and could be impacted by unfavorable weather, natural disasters, or contagious diseases in animals or plants, which are all beyond the Company's control. As an outcome of these negative factors, the Company is required to purchase raw materials at higher prices and in greater quantities than planned.

Furthermore, changes in raw material prices will materially and adversely affect the Company's performance if the Company is unable to increase its sales prices to compensate for the rise, or if the Company could only partially compensate for the rise due to intense competition or weakening purchasing power. This may result in a negative impact on the Company's performance in the long run.

### **5.4 Additional Staff Costs Risk**

The second most important cost of the Company is costs of employee. The restaurant business is a labor-intensive industry which depends very much on employees especially service staff who will make customers satisfy through their services. As a result, changes in staff costs will materially and adversely affect the Company's performance if the Company is unable to increase its sales prices to compensate for the rise, or if the Company could only partially compensate for the rise due to intense competition or weakening purchasing power. This may result in a negative impact on the Company's performance in the long run.

### **5.5 New Branch Opening Risk**

To consistently support the Company's growth, opening new branches is an essential component of accomplishing the goal. However, operating a new branch for design, construction, merchandise and electricity system, furniture, kitchen equipment, and other office equipment costs between 8 and 10 million Baht. Furthermore, the areas

of newly-opened branches may overlap with existing branches located nearby, leading to an impact on the Company's sales and performance in a long run. Therefore, the Company is vulnerable to the risk that its new branch may not accomplish its target sales, resulting in an unsatisfactory investment return and payback period.





## **CHAPTER VI**

### **CONCLUSIONS**

#### **6.1 Investment recommendation**

We recommend investors to “BUY” M stock. Our appropriate target price for M is 64.36 baht per share from the result of the discounted cash flow valuation. The favorable target price is approximately 21% higher than the latest price on 13 March 2023, which was 53.25 baht per share. According to our evaluation of the target price, key driving factors of its share price are incremental operating income from sale growth, cost of capital, and perpetual growth.

In year 2022, the Group Company recognized revenues from sales and services of Baht 15,728 million, increased by Baht 4,546 million or an increase of 41 percent as compared to the same period of last year. The sales growth was directly driven by tourism recovery, new store expansion plans, and the economic situation. We projected the sales growth rate consistent with the IMF forecasted nominal GDP growth rate along with its percentage of market share.

In terms of the total cost of capital (WACC) of 7.48%, the cost of equity is 7.77% (from the weighted average of equity 94.06%) and the cost of debt is 3.41% (from the weighted average of debt 5.94%). The cost of equity is more strongly influenced since the Company only has interest-bearing lease obligations, that are fixed rate.

The terminal growth rate of 3.82% was used by considering the CAGR (2018-2027) of sales contributions by brand and number of opening sites, which is consistent with the nominal GDP growth rate forecasted for 2023, which is 4.9%.

The aforementioned factors were analyzed with hypothetical scenarios that indicate sensitivity to demonstrate how sensitive these variables are to changes in stock price. The stock price output ranges from 56.79 to 67.08 Baht per share due to a cost of

debt deviation, 6.28 to 183.31 Baht per share due to cost of equity, 6.10 to 190.77 Baht per share due to WACC, and 34.95 to 390.67 Baht per share due to terminal growth.

## **6.2 Triggers for re-assessment**

The cost of equity is determined by the risk-free rate, the equity risk premium, and the beta, which needs to be re-assessed if there is a significant change in the risk-free rate of a 10-year government bond, Thailand equity market premium, and the stock's volatility relative to the market. Since the founding family accounted for 70.46% of total shareholders, a change in shareholder structure is the most relevant trigger for re-evaluating shareholders' required rate of return.

The cost of capital structure is a discount rate factor that should also be re-evaluated. The Company currently uses up to 94% of its equity to run the business. As a result, if the structure is changed, the cost of capital would then change.

Thailand's nominal GDP growth rate from IMF forecasting between 2023 and 2026 was a key factor in determining the Company's growth sales and existing Restaurants and Hotels Industry Size for terminal growth. If the Company has a potential operating in other industries or invest more in other countries, the impact on terminal growth should be reevaluated. Further, the valuation needs to be reassessed if there is a significant change in M's market share relative to its competitors, as market share was assumed to be constant in the forecasts.

## **6.3 Limitations**

A discounted cash flow analysis has limitations since it requires a substantial amount of financial data, including projections for cash flow and capital expenditure over several years and relies on assumptions that can be inaccurate or false in some cases. The analysis is particularly sensitive to its key parameters, which include future cash flow projections, the investment's perpetual growth rate, and the appropriate discount rate, according to experts. In addition, the discounted cash flow analysis does not consider competitor valuations or market realities.

In terms of terminal value, it could represent the expected cash flow in all future years beyond the forecast period of 2027 or the total value of the company or investment if sold at the end of the forecast period. Estimating the terminal value is difficult in any scenario, but it contributes significantly to the total value produced by the discounted cash flow valuation.



## REFERENCES

- Finansia. (2023, January 5). *MK Restaurant Group MTB*. Retrieved February 21, 2023, from  
[https://www.fnsyrus.com/uploads/research/20230105MKRESTAURANTGROUP\(MTB\)-Returntostrongmode;InitiatewithBUYTPTHB66.00.pdf](https://www.fnsyrus.com/uploads/research/20230105MKRESTAURANTGROUP(MTB)-Returntostrongmode;InitiatewithBUYTPTHB66.00.pdf)
- Forbes. (2022, June 7). *Rit Thirakomen & Family - 2022 Thailand's 50 Richest Net Worth*. Retrieved March 14, 2023, from <https://www.forbes.com/profile/rit-thirakomen/?sh=6bb0685258d1>
- IMF. (2022, October). *Real GDP growth Annual percent change*. International Monetary Fund. Retrieved February 21, 2023, from [https://www.imf.org/external/datamapper/NGDP\\_RPCH@WEO/WEO\\_WORLD/THA](https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/WEO_WORLD/THA)
- IMF. (2023, January). *Inflation Peaking Amid Low Growth*. International Monetary Fund. Retrieved February 21, 2023, from <https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>
- Investing.com. (n.d.). *SGD/THB - Singapore Dollar Thai Baht*. Retrieved February 21, 2023, from <https://www.investing.com/currencies/sgd-thb>
- JCK Hospitality. (n.d.). *JCK Hospitality Company's Business*. HOT POT RESTAURANT: investor relations. Retrieved February 21, 2023, from [http://jckh.listedcompany.com/company\\_business.html](http://jckh.listedcompany.com/company_business.html)
- Kasikorn Research Center. (2022, October 25). *Turnover of restaurant business to grow in 2022-2023 amid the challenges of operating costs and profitability maintenance*. Retrieved March 14, 2023, from <https://www.kasikornresearch.com/en/analysis/k-econ/business/Pages/restaurant-z3352.aspx>
- Marketingoops. (2016, February 5). *18 facts about MK*. Retrieved April 18, 2023, from <https://www.marketingoops.com/zfeature/18-mk-suki-facts/>

## REFERENCES (cont.)

- MK. (n.d.). *Financial Statement (Full version) MK RESTAURANT GROUP PUBLIC COMPANY LIMITED*. The Securities and Exchange Commission, Thailand. Retrieved March 14, 2023, from <https://www.forbes.com/profile/rit-thirakomen/?sh=6bb0685258d1>
- Oishi. (n.d.). *Business Overview - Business Operations of the Company and Its Subsidiaries*. Oishi Group. Retrieved February 21, 2023, from <https://investor.oishigroup.com/en/about-oishi/business-overview>
- R.Somboon. (2018, June 3). *5 Strategies of MK*. Brandage Online. Retrieved February 21, 2023, from <https://www.brandage.com/article/5020/MK>
- SET. (2022, August 24). *MK RESTAURANT GROUP PUBLIC COMPANY LIMITED - Top 10 Shareholders*. Retrieved February 21, 2023, from <https://www.set.or.th/en/market/product/stock/quote/M/major-shareholders>
- Spotlight. (2022, November 10). *The Profit of Suki Teenoi has surpassed MK's*. Amarintv. Retrieved April 3, 2023, from <https://www.amarintv.com/spotlight/business-marketing/detail/36068>
- Trading Economics. (2022). *Thailand Full Year GDP Growth*. Retrieved February 21, 2023, from <https://tradingeconomics.com/thailand/full-year-gdp-growth>
- Trading Economics. (2023, January). *Thailand Inflation Rate*. Retrieved February 21, 2023, from <https://tradingeconomics.com/thailand/inflation-cpi>
- ZEN. (2021). *56-1 One Report - Annual registration statement / Annual report*. Retrieved March 14, 2023, from <https://zen.listedcompany.com/misc/one-report/20210326-zen-one-report2020-en.pdf>
- Consensus, I.A.A. (2023) *M - IAA Consensus - settrade.com*, settrade. Investment Analyst Association. Retrieved March 31, 2023 from <https://www.settrade.com/th/equities/quote/m/analyst-consensus>
- Interactive, A.A. (2023) *Thailand equity market premium, researchaffiliates.com*. Asset Allocation Interactive. Retrieved March 31, 2023 from <https://interactive.researchaffiliates.com>

## REFERENCES (cont.)

Market Association, T.T.B. (2023) *Government bond yield curve*, ThaiBMA. The Thai Bond Market Association. Retrieved March 31, 2023 from <https://www.thaibma.or.th/EN/Market/YieldCurve/Government.aspx>

