

Carabao Group

(CBG.BK/CBG TB)*



SET ESG Rating of A

Outperform • Maintained

Price as of 20 Sep 2024	76.50
12M target price (Bt/shr)	86.50
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	13.1

Key messages

การเพิ่มส่วนแบ่งการตลาดเครื่องดื่มชูกำลังในประเทศของ CBG น่าจะเป็นตัวขับเคลื่อนการเติบโตของบริษัทต่อเนื่องใน 3Q67F-4Q67F อีกทั้ง อุปสงค์เครื่องดื่มที่มีแอลกอฮอล์ (spirit drink) แข็งแกร่งจะชดเชยหน่วยรายได้จากการรับจ้างจัดจำหน่ายให้ดื่มโตเชนกันโดยราคาขายปลีกจากการขายของ CBG เพิ่มขึ้น 15% YoY และ 10% QoQ อยู่ที่ 5.42 พันล้านบาท และกำไรโตกวาระคิด 40% YoY และ 7% QoQ อยู่ที่ 742 ล้านบาทใน 3Q67F ขณะที่โมเมนตัมกำไรบวกน่าจะดีต่อเนื่องใน 4Q67F หนุนจากการได้ส่วนแบ่งการตลาดเครื่องดื่มชูกำลังเพิ่มขึ้น, รายได้จากการส่งออกสูงขึ้นและรายได้จากการรับจ้างจัดจำหน่ายสูงขึ้นช่วงงานเทศกาล ทั้งนี้ CBG ยังคงเป็นหุ้นเด่นสุดของเราในกลุ่มอาหารและเครื่องดื่มเพราะแนวโน้มกำไรระยะสั้นถึงยาวเติบโตแข็งแกร่งหนุนจากการ synergy กับธุรกิจอื่นของผู้ถือหุ้นรายใหญ่ (เครื่องดื่มแอลกอฮอล์และรานสะดวกซื้อ)

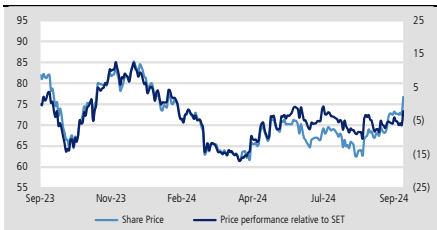
Trading data

Mkt cap (Btmn/US\$m)	77,000/2,232		
Outstanding shares (mn)	1,000		
Foreign ownership (mn)	69		
3M avg. daily trading (mn)	3		
52-week trading range (Bt)	61.5-87.25		
Performance (%)	3M	6M	12M
Absolute	15.8	21.3	-5.2
Relative	3.8	14.9	-1.6

Quarterly EPS

EPS	Q1	Q2	Q3	Q4
2022	0.66	0.74	0.48	0.41
2023	0.26	0.48	0.53	1.92
2024	0.63	0.69	NA	NA

Share price chart



Source: SET

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ประมาณการกำไร 3Q67F: ได้ส่วนแบ่งการตลาดเพิ่มขึ้น

Event

ประมาณการกำไร 3Q67F

Impact

ได้ส่วนแบ่งการตลาดเครื่องดื่มชูกำลังในประเทศเพิ่มขึ้น

เราคาดการณ์รายได้จากการขายของ CBG เพิ่มขึ้น 15% YoY และ 10% QoQ อยู่ที่ 5.42 พันล้านบาทใน 3Q67F โดยที่ตัวขับเคลื่อนการเติบโตหลักจะมาจกยอดขายเครื่องดื่มชูกำลังในประเทศไทยเพิ่มขึ้นเพราะ CBG ได้ส่วนแบ่งการตลาดเพิ่มต่อเนื่องอยู่ที่ 24.8% ในเดือน ส.ค. 67 จาก 24.1% ใน 2Q67 โดยเกินพอที่จะช่วยชดเชยรายได้จากการส่งออกที่ต่ำลงเนื่องจากเป็นช่วง low season ในประเทศกัมพูชา อีกทั้ง รายได้จากรับจ้างจัดจำหน่ายให้แกบุคคลภายนอกจะเป็นอีกหนึ่งตัวขับเคลื่อนการเติบโตหนุนจากอุปสงค์เครื่องดื่มที่มีแอลกอฮอล์แข็งแกร่ง (สุราขาวหอม) ขณะที่ บริษัทมุ่งเน้นกลยุทธ์สร้างการรับรู้ ต่อแบรนด์ เบียร์คาราบาวต่อเนื่อง เช่น การรุกขยายตลาดไปยังการค้าแบบดั้งเดิมในจังหวัดจุดหมายปลายทางของนักท่องเที่ยว รวมทั้งเพิ่มการเจาะตลาดเขาไปยังร้านสะดวกซื้ออีกด้วย

คาดการณ์ไรสุทธิใน 3Q67F เติบโตกวาระคิด 40% YoY และ 7% QoQ

ด้วยปัจจัยหนุนจากรายได้เติบโตแข็งแกร่ง เราคาดว่า CBG จะรายงานกำไรสุทธิที่ 742 ล้านบาท (+40% YoY และ +7% QoQ) ในแง่ อัตรากำไรขั้นต้น (GPM) คาดเพิ่มขึ้น 0.9ppts YoY แต่ตรงตัว QoQ อยู่ที่ 27.7% เนื่องจากอัตรากำไรที่เพิ่มของกลุ่มเครื่องดื่มจะถูกชดเชยผลจากการปรับ sales mix (รายได้จากการรับจ้างจัดจำหน่ายมี margin ต่ำกว่า) ขณะที่ การเพิ่มขึ้นของรายได้จากการขายน่าจะทำให้สัดส่วน SG&A ต่อยอดขายต่ำลง 2.4ppts อยู่ที่ 11.5% แต่อย่างไรก็ตาม เราคาดสัดส่วน SG&A ต่อยอดขายเพิ่มขึ้น 0.7ppts QoQ หลัก ๆ เนื่องจากค่าใช้จ่ายการตลาดต่าง ๆ สูงขึ้น

โมเมนตัมกำไรบวกน่าจะดีต่อเนื่องใน 4Q67F

จากสมมติฐานส่วนแบ่งการตลาดเครื่องดื่มชูกำลังในประเทศของ CBG มีแนวโน้มเพิ่มต่อเนื่อง เรามองคานบวกต่อกำไรของบริษัทใน 4Q67F ซึ่งโดยปกติแล้วการส่งออกเครื่องดื่มชูกำลังจะต่ำที่สุดในไตรมาสที่สามของ ประกอบกับรายได้จากการรับจ้างจัดจำหน่ายให้แกบุคคลภายนอกคาดว่าจะเพิ่มขึ้นใน 4Q67F หนุนจากการเพิ่มขึ้นของการบริโภคในประเทศช่วงเทศกาลวันหยุด ส่วนการกระตุ้นการบริโภคจากภาครัฐบาลที่มุ่งเน้นกลุ่มเศรษฐกิจรากหญ้านั้นจะเป็นอีกแรงหนุนให้กับ CBG ได้

Valuation & action

เราลงคำแนะนำซื้อหุ้น CBG ประเมินราคาเป้าหมายสิ้นปี 2568 ที่ 86.50 บาท (อิงจาก PER ที่ 26x หรือ -1.0 S.D.) เราเลือก CBG เป็นหุ้นเด่นสุดของเราในกลุ่มอาหารและเครื่องดื่ม เนื่องจากโมเมนตัมกำไรเป็นบวกใน 2H67F และมีความเป็นไปได้ของแนวโน้มการเติบโตระยะยาวด้วยแรงหนุนจากการ synergy ระหว่าง CBG และธุรกิจอื่นของผู้ถือหุ้นรายใหญ่ (เครื่องดื่มแอลกอฮอล์และรานสะดวกซื้อ)

Risks

การบริโภคในประเทศ, การส่งออกเติบโตช้าและต้นทุนวัตถุดิบต่าง ๆ สูงขึ้น

Key financials and valuations

	Dec - 21A	22-Dec	Dec - 23A	Dec - 24F	Dec - 25F
Revenue (Btmn)	17,364	19,215	18,853	21,017	23,922
Gross Profit (Btmn)	6,183	5,633	4,879	5,676	6,435
SG&A (Btmn)	2,945	3,078	2,660	2,344	2,568
Net Profit (Btmn)	2,881	2,286	1,924	2,808	3,288
Normalized Profit (Btmn)	2,881	2,286	1,924	2,808	3,288
EPS (Bt)	2.88	2.29	1.92	2.81	3.29
DPS (Bt)	1.90	1.50	0.90	1.30	1.50
EPS Growth (%)	(18.3)	(20.6)	(15.8)	45.9	17.1
Normalized EPS Growth (%)	(18.3)	(20.6)	(15.8)	45.9	17.1
P/E (X)	41.5	42.3	42.9	27.2	23.3
P/B (X)	11.8	9.2	7.3	5.8	5.1
EV/EBITDA (X)	30.4	35.1	27.6	23.3	20.1
Net Debt to Equity (%)	78.5	80.8	62.3	41.1	32.7
Dividend Yield (%)	1.6	1.6	1.1	1.7	2.0
Return on Average Equity (%)	28.4	22.1	17.6	23.0	23.4

Source: Company data, KGI Securities Research

Figure 1: CBG's 3Q24F earnings preview

Bt mn	3Q24F	3Q23	YoY %	2Q24	QoQ %	9M24F	9M23	YoY %
Revenue	5,425	4,707	15.3	4,954	9.5	15,314	13,537	13.1
Cost of Goods Sold	(3,923)	(3,445)	13.9	(3,583)	9.5	(11,119)	(9,998)	11.2
SG&A	(623)	(655)	(5.0)	(533)	16.7	(1,732)	(2,096)	(17.4)
Operating Profit	924	650	42.2	876	5.6	2,587	1,588	62.9
Interest Expense	(37)	(51)	(27.5)	(37)	0.3	(119)	(131)	(8.9)
Equity Income	3	2	47.6	3	0.9	9	14	(35.2)
Current Taxation	(156)	(80)	93.8	(158)	(1.2)	(436)	(221)	97.1
Net Profit	742	530	40.0	691	7.4	2,061	1,275	61.6
Normalized Profit	742	530	40.0	691	7.4	2,061	1,275	61.6
EPS (Bt)	0.74	0.53	40.0	0.69	7.4	2.06	1.27	61.6
Percent	3Q24F	3Q23	YoY %	2Q24	QoQ %	9M24F	9M23	YoY %
Gross margin	27.7	26.8	0.9	27.7	0.0	27.4	26.1	1.3
SG&A/sales	11.5	13.9	(2.4)	10.8	0.7	11.3	15.5	(4.2)
Net profit margin	13.7	11.3	2.4	13.9	(0.3)	13.5	9.4	4.0

Source: Company data, KGI Securities Research

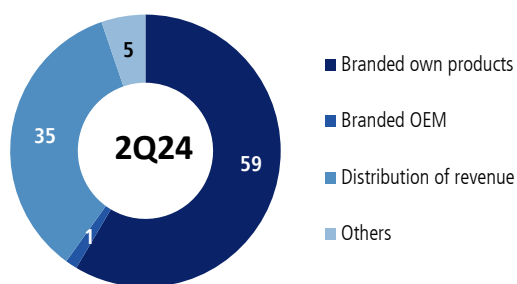
Figure 2: Key assumptions

Our assumption	2020	2021	2022	2023	2024F	2025F	3Q23	4Q23	1Q24	2Q24	3Q24F
Revenue break down by Business (Bt mn)											
Branded own products	14,082	12,622	12,591	11,196	12,092	13,301	2,798	2,896	2,838	2,900	3,100
Branded OEM	443	504	467	232	290	319	61	59	72	70	75
Distribution of other products	2,413	3,568	5,350	6,458	7,427	8,912	1,450	2,088	1,823	1,723	1,900
Others	293	670	807	967	1,209	1,390	397	273	202	261	350
GPM by Business (%)											
Branded own products	47.7	44.2	37.4	35.6	38.9	39.3	35.6	37.5	38.9	38.9	39.2
Branded OEM	15.3	14.3	11.6	15.9	17.2	17.2	18.0	18.6	16.7	17.8	17.8
Distribution of other products	6.9	7.3	10.4	9.3	9.0	9.5	10.0	8.2	9.2	9.5	9.5
Others	38.2	41.0	38.7	26.6	21.0	22.0	27.7	25.6	18.8	26.5	26.5

Source: Company data, KGI Securities Research

Figure 3: Sales breakdown by business

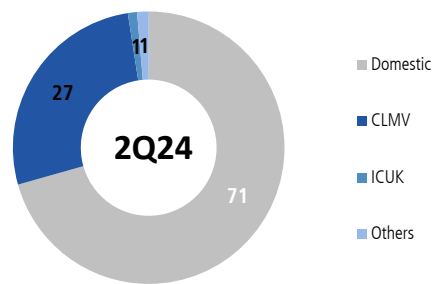
Percent



Source: Company data, KGI Securities Research

Figure 4: Sales breakdown by geography

Percent



Source: Company data, KGI Securities Research

Figure 5: Peer comparison

	CBG*	OSP*	SAPPE*
Sales 1H24			
Revenue breakdown (%)			
Beverage	58	83	94
<i>Domestic</i>	28	58	17
<i>International</i>	30	25	77
Others business	42	17	6
Energy drink market share (domestic, 2Q24) (%)	24.1	46.4	NA
Key overseas markets (% to overseas sales)	CLMV (90%, mostly Cambodia), UK (4%), Others (6%)	CLMV (82%, mostly Myanmar), Others (18%)	Asia (44%), Europe (27%), ME (22%), America (7%)
Profitability 2025F			
GPM (%)	26.9	37.0	44.6
SG&A to sales (%)	10.7	24.5	23.8
OPM (%)	16.9	13.0	22.6
NPM (%)	13.7	11.1	18.0
Growth outlook			
Revenue growth 2024F/2025F (%)	11.5/13.8	7.9/5.6	16.1/12.5
Normalized profit growth 2024F/2025F (%)	45.9/17.1	41.4/7.1	19.9/10.3
Net profit growth 2024F/2025F (%)	45.9/17.1	-14.0/60.0	19.7/10.5
Valuation 2025F			
Current PER (x)	23.3	21.7	15.7
Target PER (x)	26.0	23.0	17.5
ROE (%)	23.4	19.4	29.5
Dividend Yield (%)	2.0	4.0	4.1

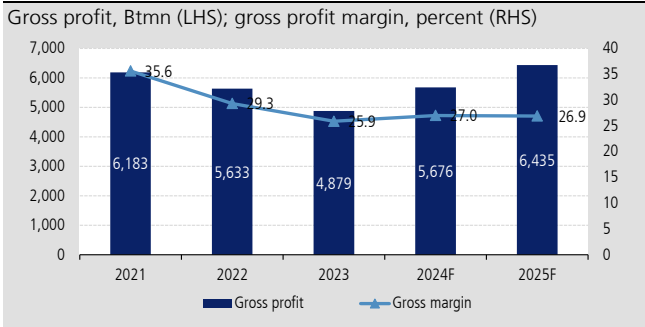
Source: Company data, KGI Securities Research

Figure 6: Company profile

CBG engages as a holding company to hold and invest in companies that operate vertically integrated business activities of manufacturing, marketing, selling and managing distribution of energy drinks and other beverages

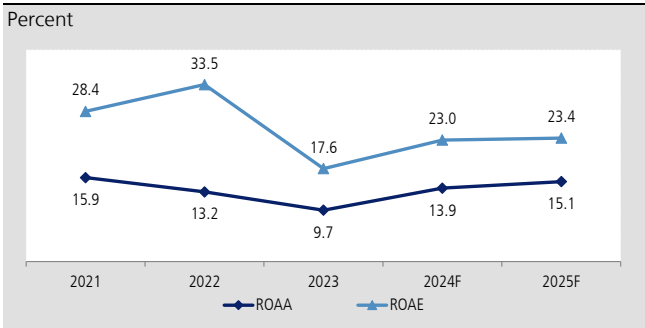
Source: Company data, KGI Securities Research

Figure 8: Gross profit



Source: Company data, KGI Securities Research

Figure 10: ROAA and ROAE



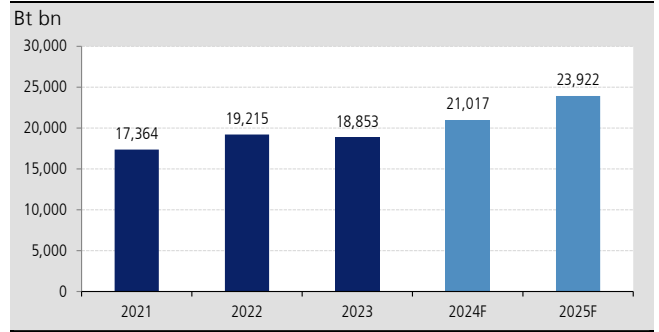
Source: Company data, KGI Securities Research

Figure 12: Company trading PER



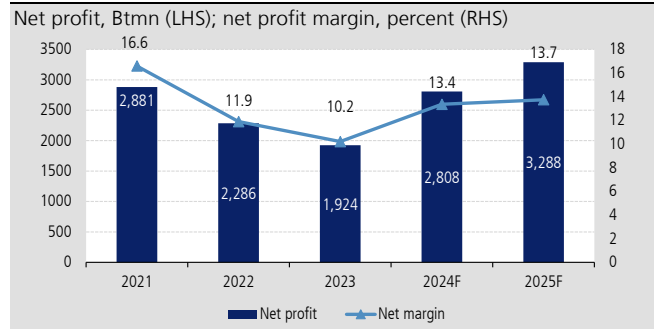
Source: Company data, KGI Securities Research

Figure 7: Revenue



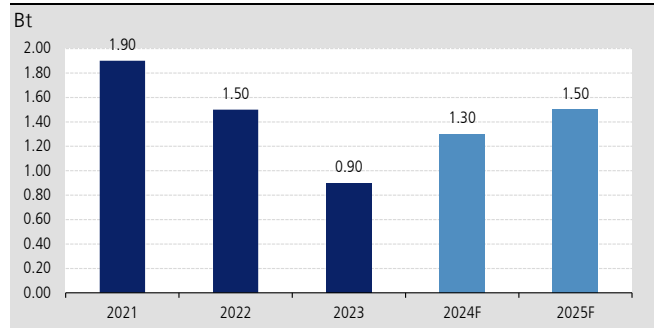
Source: Company data, KGI Securities Research

Figure 9: Net profit



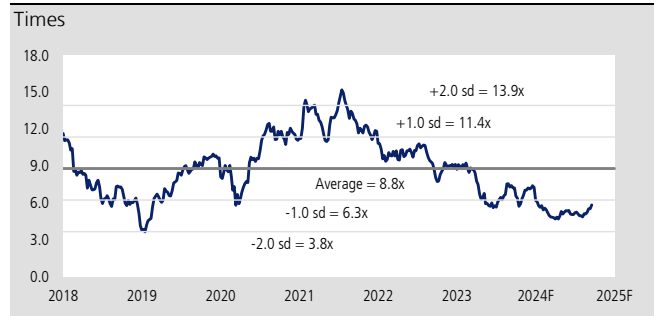
Source: Company data, KGI Securities Research

Figure 11: Dividend



Source: Company data, KGI Securities Research

Figure 13: Company trading PBV



Source: Company data, KGI Securities Research

Quarterly Income Statement

Bt mn	MAR-22A	JUN-22A	SEP-22A	DEC-22A	MAR-23A	JUN-23A	SEP-23A	DEC-23A	MAR-24A	JUN-24A
Income Statement (Bt mn)										
Revenue	4,782.9	5,247.4	4,694.8	4,490.0	4,123.5	4,706.7	4,706.8	5,316.1	4,934.8	4,953.9
Cost of Good Sold	(3,316.8)	(3,631.0)	(3,335.4)	(3,298.8)	(3,106.8)	(3,446.9)	(3,444.8)	(3,975.2)	(3,612.8)	(3,582.7)
Gross Profit	1,466.1	1,616.4	1,359.4	1,191.2	1,016.7	1,259.8	1,262.1	1,340.9	1,321.9	1,371.2
Operating Expenses	(726.7)	(765.4)	(814.5)	(771.6)	(728.8)	(712.1)	(655.3)	(564.0)	(576.1)	(533.4)
Other incomes	43.3	67.7	55.3	72.5	62.4	40.2	43.3	41.9	41.6	37.7
Operating Profit	782.6	918.7	600.3	492.0	350.4	587.9	650.1	818.8	787.4	875.6
Depreciation of Fixed assets	197.3	201.5	206.7	207.6	197.3	211.9	204.0	205.1	203.7	207.0
Operating EBITDA	980.0	1,120.2	806.9	699.6	547.7	799.8	854.1	1,023.8	991.2	1,082.5
Non-Operating Income	0.0	0.5	0.0	0.5	0.0	1.4	0.3	3.1	0.0	2.6
Interest Income	0.0	0.5	0.0	0.5	0.0	1.4	0.3	3.1	0.0	2.6
Other Non-op Income	-	-	-	-	-	-	-	-	-	-
Non-Operating Expenses	(24.6)	(25.9)	(30.0)	(30.1)	(33.5)	(34.3)	(48.9)	(58.0)	(42.6)	(33.7)
Interest Expenses	(24.6)	(25.9)	(30.0)	(34.7)	(36.1)	(43.6)	(51.1)	(52.4)	(45.3)	(36.9)
Other Non-Op Expenses	-	-	-	-	-	-	-	-	-	-
Net investment income/(loss)	-	-	-	4.6	2.6	9.4	2.2	(5.6)	2.8	3.2
Pre-tax Profit	758.1	893.3	570.2	462.4	316.8	555.0	601.5	763.8	744.9	844.5
Current Taxation	(111.9)	(163.6)	(102.8)	(54.5)	(60.8)	(80.2)	(80.4)	(115.4)	(122.8)	(157.8)
Minorities	14.1	12.8	7.8	0.3	7.8	6.7	8.6	0.9	6.1	4.0
Extraordinary items	-	-	-	-	-	-	-	-	-	-
Net Profit	660.3	742.5	475.3	408.2	263.8	481.5	529.6	649.3	628.2	690.7
EPS (Bt)	0.66	0.74	0.48	0.41	0.26	0.48	0.53	0.65	0.63	0.69
Margins (%)										
Gross Profit Margin	30.7	30.8	29.0	26.5	24.7	26.8	26.8	25.2	26.8	27.7
Operating EBIT Margin	16.4	17.5	12.8	11.0	8.5	12.5	13.8	15.4	16.0	17.7
Operating EBITDA Margin	NA	NA	17.2	15.6	13.3	17.0	18.1	19.3	20.1	21.9
Net Profit Margin	13.8	14.1	10.1	9.1	6.4	10.2	11.3	12.2	12.7	13.9
Growth (% YoY)										
Revenue Growth	18.7	5.1	18.6	2.5	(13.8)	(10.3)	0.3	18.4	19.7	5.3
Operating EBIT Growth	(9.4)	(21.6)	NM	(30.9)	(55.2)	(36.0)	8.3	66.4	124.8	48.9
Operating EBITDA Growth	NA	NA	NM	(1.8)	(44.1)	(28.6)	5.8	46.3	81.0	35.4
Net Profit Growth	(5.7)	(23.2)	NM	(33.4)	(60.0)	(35.1)	11.4	59.1	138.2	43.4

Source: Company data, KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2021	2022	2023	2024F	2025F
Total Asset	19,186	20,039	19,544	20,891	22,594
Current Asset	5,382	6,347	5,802	7,061	8,480
Cash and ST Investment	1,134	936	1,184	1,912	2,619
Inventories	2,337	2,718	2,295	2,522	2,871
Account Receivable	1,756	2,533	2,192	2,417	2,751
Others	155	160	131	210	239
Non-Current Assets	13,804	13,692	13,741	13,830	14,114
LT investment	103	56	64	65	65
Net Fixed Assets	12,980	12,852	12,875	12,970	13,259
Others	721	784	802	796	790
Total Liabilities	9,075	9,474	8,231	7,796	7,543
Current Liabilities	5,427	8,187	4,283	5,648	4,431
Account Payable	1,769	1,853	2,045	2,312	2,631
ST Borrowings	2,812	3,518	1,225	1,000	500
Others	847	2,816	1,013	2,336	1,300
LT Liabilities	3,648	1,287	3,948	2,148	3,112
Long-term Debts	3,123	555	3,326	1,546	2,500
Others	525	731	621	602	612
Shareholder's Equity	10,111	10,565	11,312	13,095	15,051
Common Stock	1,000	1,000	1,000	1,000	1,000
Capital Surplus	3,742	3,742	3,742	3,742	3,742
Retained Earnings	5,530	6,055	6,824	8,631	10,619
Other Components	(161)	(232)	(253)	(278)	(311)

Source: KGI Securities Research

Key Ratios

Year to 31 Dec (Bt mn)	2021	2022	2023	2024F	2025F
Forecast Drivers					
Growth (% YoY)					
Sales	0.8	10.7	(1.9)	11.5	13.8
OP	(20.5)	(18.9)	(13.8)	45.5	15.4
EBITDA	(16.0)	(14.1)	(10.6)	33.9	12.6
NP	(18.3)	(20.6)	(15.8)	45.9	17.1
EPS	(18.3)	(20.6)	(15.8)	45.9	17.1
Profitability (%)					
Gross Profit Margin	35.6	29.3	25.9	27.0	26.9
Operating Margin	19.8	14.5	12.8	16.7	16.9
Operating EBITDA Margin	24.2	18.8	17.1	20.5	20.3
Net Profit Margin	16.6	11.9	10.2	13.4	13.7
ROAA	15.9	13.2	9.7	13.9	15.1
ROAE	28.4	33.5	17.6	23.0	23.4
Stability					
Gross Debt/Equity (%)	89.8	89.7	72.8	59.5	50.1
Net Debt/Equity (%)	78.5	80.8	62.3	41.1	32.7
Interest coverage (x)	38.8	24.3	13.2	21.4	22.5
Interest & ST Debt Coverage (x)	1.2	0.8	1.7	3.0	6.0
Cash Flow Interest Coverage (x)	27.8	18.5	21.3	20.4	20.5
Cash Flow/Interest & ST Debt (x)	0.9	0.6	2.8	2.9	5.4
Current Ratio (x)	1.0	0.8	1.4	1.3	1.9
Quick Ratio (x)	0.5	0.4	0.8	0.8	1.2
Net Debt (Bt mn)	7,940.6	8,537.8	7,047.1	5,884.0	4,923.9
Per Share Data (bt)					
EPS	2.9	2.3	1.9	2.8	3.3
CFPS	2.5	2.1	3.9	3.3	3.7
BVPS	10.1	10.6	11.3	13.1	15.1
SPS	17.4	19.2	18.9	21.0	23.9
EBITDA/Share	4.2	3.6	3.2	4.3	4.9
DPS	1.9	1.5	0.9	1.3	1.5
Activity					
Asset Turnover (x)	1.0	1.0	1.0	1.0	1.1
Day Receivables	33.4	40.7	45.7	40.0	39.4
Day Inventories	62.5	67.9	65.5	57.3	56.3
Day Payable	50.7	47.3	52.5	51.1	50.6
Cash Cycle	45.1	61.3	58.7	46.2	45.1

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2021	2022	2023	2024F	2025F
Revenue	17,364	19,215	18,853	21,017	23,922
Cost of Goods Sold	(11,181)	(13,582)	(13,974)	(15,341)	(17,487)
Gross Profit	6,183	5,633	4,879	5,676	6,435
Operating Expenses	(2,945)	(3,078)	(2,660)	(2,344)	(2,568)
Other Income	205	239	188	170	175
Operating Profit	3,444	2,794	2,407	3,502	4,041
Depreciation of Fixed Asset	753	813	818	817	821
Operating EBITDA	4,197	3,607	3,225	4,319	4,863
Non-Operating Income	1	1	5	0	0
Interest Income	1	1	5	0	0
Other Non-op Income	0	0	0	0	0
Non-Operating Expenses	(89)	(111)	(175)	(152)	(168)
Interest Expenses	(89)	(115)	(183)	(164)	(180)
Other Non-Op Expenses	0	0	0	0	0
Net investment income/(loss)	0	5	8	12	12
Pre-tax Profit	3,356	2,684	2,237	3,350	3,873
Current Taxation	(513)	(433)	(337)	(567)	(618)
Minorities	38	35	24	25	33
Extraordinary items	0	0	0	0	0
Net Profit	2,881	2,286	1,924	2,808	3,288
EPS (Bt)	2.88	2.29	1.92	2.81	3.29

Source: KGI Securities Research

Cash Flow

Year to 31 Dec (Bt mn)	2021	2022	2023	2024F	2025F
Operating Cash Flow	2,469	2,131	3,903	3,344	3,697
Net Profit	2,881	2,286	1,924	2,808	3,288
Depreciation and Amortizati	753	813	818	817	821
Change in Working Capital	(1,038)	(1,021)	984	(255)	(379)
Others	(127)	53	177	(25)	(33)
Investment Cash Flow	(1,176)	(498)	(863)	(905)	(1,105)
Net CAPEX	(1,163)	(435)	(855)	(800)	(1,000)
Change in LT Investment	0	(51)	0	(0)	0
Change in Other Assets	(13)	(12)	(8)	(105)	(105)
Free Cash Flow	1,306	1,696	3,049	2,544	2,697
Financial Cash Flow	(1,116)	(1,830)	(2,803)	(1,711)	(1,885)
Change in Share Capital	(550)	0	(26)	0	0
Net Change in Debt	2,015	139	(1,371)	(690)	(585)
Change in other LT Liab.	(2,581)	(1,970)	(1,406)	(1,021)	(1,300)
Net Cash Flow	177	(197)	238	728	707

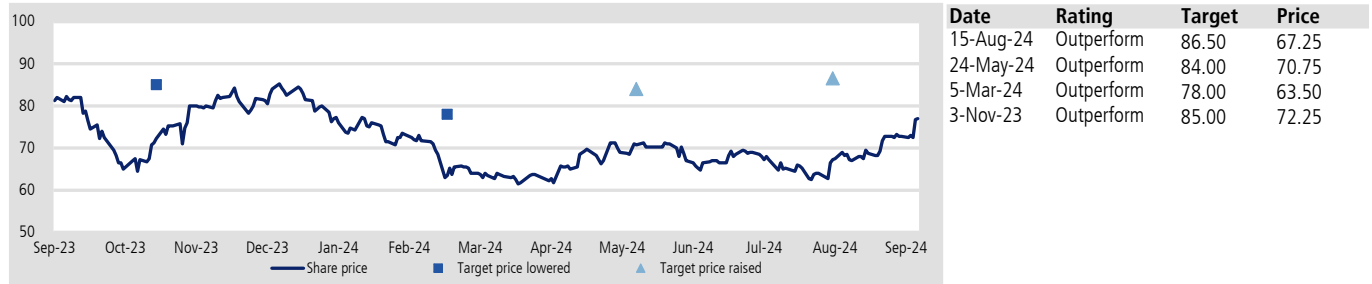
Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1- $\frac{\text{Cost of Goods Sold}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Op. Expenses}}{\text{Revenue}}$	= Operating Margin
2021	64.4%	0.0%	17.0%	18.7%
2022	70.7%	0.0%	16.0%	13.3%
2023	74.1%	0.0%	14.1%	11.8%
2024F	73.0%	0.0%	11.2%	15.9%
2025F	73.1%	0.0%	10.7%	16.2%
Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	= Capital Turnover
2021	0.00	0.75	0.05	1.26
2022	-0.10	0.67	0.04	1.62
2023	0.08	0.68	0.05	1.24
2024F	0.07	0.62	0.04	1.38
2025F	0.17	0.55	0.04	1.32
Year	Operating Margin	X $\frac{\text{Capital Turnover}}$	X $\frac{\text{Cash Tax Rate}}$	= After-tax Return on Inv. Capital
2021	18.7%	1.3	15.3	3.6
2022	13.3%	1.6	16.1	3.5
2023	11.8%	1.2	15.1	2.2
2024F	15.9%	1.4	17.0	3.7
2025F	16.2%	1.3	16.0	3.4

Source: KGI Securities Research

Carabao Group - Recommendation & target price history



Source: KGI Securities Research

Company's ESG details

Environment

In 2023, the company created a project to reduce electrical energy use and increase the use of alternative energy. It has also been installing more solar panels (solar rooftop) since 2022, researching and developing packaging to be sustainable packaging, and reduced the thickness of glass bottles and cans to reduce the use of raw materials in production, etc.

The company promotes waste management, waste separation, and reducing landfill waste. It is also doing various activities so that employees have knowledge and understanding and are the driving force for effective environmental management within the factory.

On February 7, 2024, S&P Global Corporate Sustainability Assessment (S&P CSA), as a provider of financial data and rankings for the global business sustainability, announced the list of companies with the highest scores from sustainability assessments in the top 15% compared to their peers in the same industry globally in "The Sustainability Yearbook 2024". Carabao Group has been ranked among the top sustainable businesses globally in "The Sustainability Yearbook 2024" in the beverage industry, with consistent management by achieving all dimensions of environmental, social, and governance (ESG) aspects with the vision of "World-Class Product, World-Class Brand". This is another success for Carabao Group, reflecting dedication to business growth in line with the sustainability vision of the business, "Creating a society of opportunities for a better life". "The Sustainability Yearbook 2024" is a trusted sustainability report among investors worldwide. In 2023, there were over 9,400 companies from 62 business sectors participating in the S&P CSA assessment.

Social

Responsibility toward consumers

The group is committed to producing and developing quality product to satisfy the needs of consumers, from choosing quality raw materials to using manufacturing processes with advanced standardized technology for cleanliness and safety, with GMP certification, HACCP certification, and approval by Food and Drug Administration at an international level. The group has already obtained ISO 22000.

Development of community and society

Building value in life is the philosophy behind the group's corporate actions that aim to give back value to society. In that regard, the group establishes social projects as a means of providing a valuable and sustainable foundation for life for the public.

Governance

- **Structure and Composition of the Board of Directors:** The company has defined a board diversity policy that must consist of persons with a diversity of genders, skills, knowledge, abilities, professional of working experience that beneficial to the company business operation and their skills matrix.
- **Balance of Non-Executive Directors;** The company has a policy to encourage non-executive directors to hold meetings as deemed appropriate without the presence of the management or executives to allow non-executive directors to discuss various issues related to business operation or other issues as deemed appropriate. At the meeting, the non-executive directors shall elect one director to preside over the meeting.

Carabao Group Public Company Limited and its subsidiaries is committed and operates its business in accordance with corporate governance principles and policies through the performance of directors, executives, and employees for the purpose of the company creates confidence and core values in all stakeholder groups for the company's sustained development and growth. Thus, the company's corporate governance policies are composed of five sections;

1. The Rights of Shareholders
2. The Equitable Treatment of Shareholders
3. The Role of Shareholders
4. Disclosure and Transparency
5. Board Responsibilities

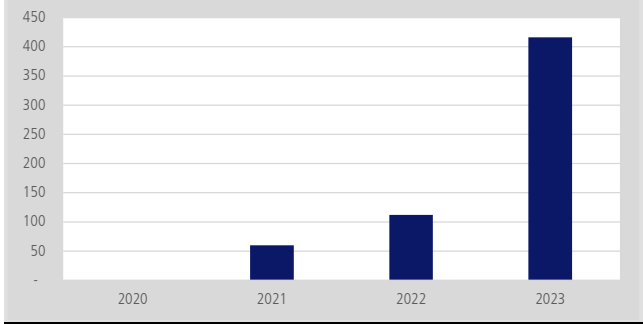
Year 2023, the company has adopted practices in compliance with the Corporate Governance and Code of Conduct policies i.e.

- The company has opened the opportunity for shareholders to purpose the meeting agenda, nominate a candidate for the position of director or any relevant questions of the company in advance of the shareholder's meeting.
- The company encourage shareholders to exercise their rights and not to violate the rights of shareholders whether it's a basic right, to receive adequate and timely appropriate information, throughout to attend the meeting.

Source: Company data, KGI Securities Research

Total GHG emissions

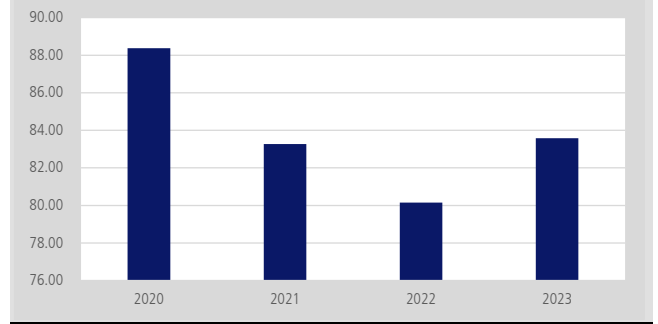
GHG emissions, tons of CO₂e



Source: Company data, SETSMART, KGI Securities Research

Total electricity consumption

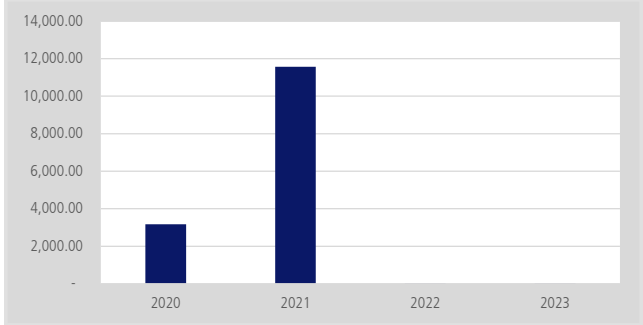
Electricity consumption, GWh



Source: Company data, SETSMART, KGI Securities Research

Total water withdrawal

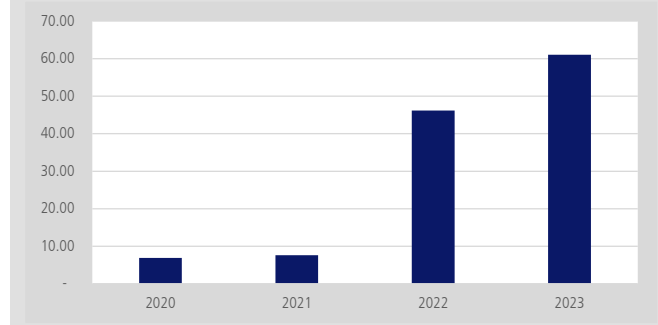
Water withdrawal, '000 m³



Source: Company data, SETSMART, KGI Securities Research

Total waste

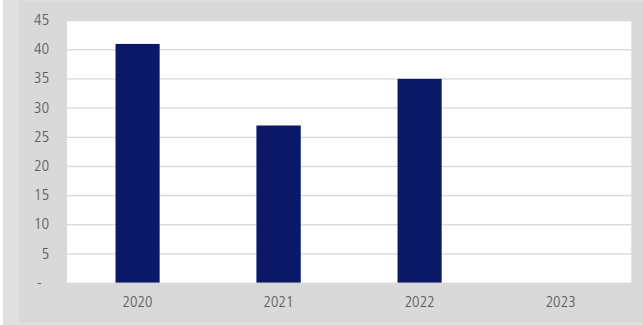
Waste generated, tons



Source: Company data, SETSMART, KGI Securities Research

Employee turnover

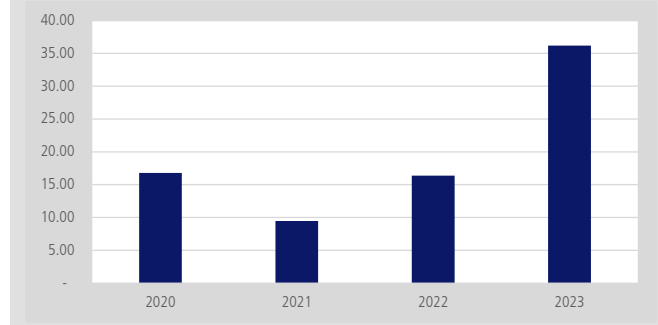
Employee turnover, percent



Source: Company data, SETSMART, KGI Securities Research

Average employee training hours

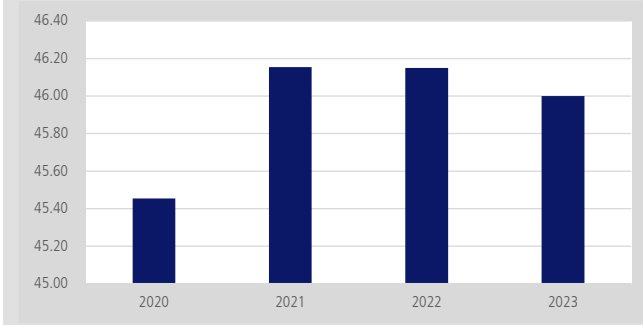
Average employee training hour, hours per person per year



Source: Company data, SETSMART, KGI Securities Research

Proportion of independent directors

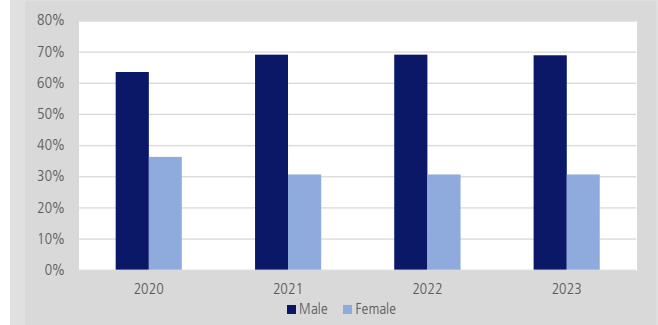
Independent directors, percent



Source: Company data, SETSMART, KGI Securities Research

Gender diversification of directors

Gender diversification, percent



Source: Company data, SETSMART, KGI Securities Research

SET ESG Ratings

Stock	Company name	SET ESG Ratings	Stock	Company name	SET ESG Ratings
ADVANC	ADVANCED INFO SERVICE	AAA	KTC	KRUNGTHAI CARD	AAA
AMATA	AMATA CORPORATION	AAA	LH	LAND AND HOUSES	A
AOT	AIRPORTS OF THAILAND	A	MAJOR	MAJOR CINEPLEX GROUP	AA
AP	AP (THAILAND)	AA	MEGA	MEGA LIFESCIENCES	A
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	AA	MINT	MINOR INTERNATIONAL	AA
BAM	BANGKOK COMMERCIAL ASSET MANAGEMEN	AA	MTC	MUANGTHAI CAPITAL	A
BANPU	BANPU	AAA	OR	PTT OIL AND RETAIL BUSINESS	AAA
BBGI	BBGI	AA	ORI	ORIGIN PROPERTY	AA
BBL	BANGKOK BANK	AA	OSP	OSOTSPA	AA
BCH	BANGKOK CHAIN HOSPITAL	AA	PLANB	PLAN B MEDIA	AA
BCP	BANGCHAK CORPORATION	AAA	PSH	PRUKSA HOLDING	BBB
BCPG	BCPG	AA	PTT	PTT	AAA
BDMS	BANGKOK DUSIT MEDICAL SERVICES	AA	PTTEP	PTT EXPLORATION AND PRODUCTION	AAA
BEM	BANGKOK EXPRESSWAY AND METRO	AA	PTTGC	PTT GLOBAL CHEMICAL	AAA
BGRIM	B. GRIMM POWER	AAA	RATCH	RATCH GROUP	AA
BPP	BANPU POWER	AAA	RBF	R&B FOOD SUPPLY	BBB
BTS	BTS GROUP HOLDINGS	AA	SAK	SAKSIAM LEASING	A
CBG	CARABAO GROUP	A	SAPPE	SAPPE	BBB
CENTEL	CENTRAL PLAZA HOTEL	A	SAT	SOMBOON ADVANCE TECHNOLOGY	AA
CK	CH. KARNCHANG	A	SAWAD	SRISAWAD CORPORATION	BBB
CKP	CK POWER	AAA	SCB	SCB X	AA
COM7	COM7	A	SCC	THE SIAM CEMENT	AAA
CPALL	CP ALL	AAA	SCCC	SIAM CITY CEMENT	AA
CPAXT	CP AXTRA	AAA	SCGP	SCG PACKAGING	AAA
CPF	CHAROEN POKPHAND FOODS	AAA	SHR	S HOTELS AND RESORTS	A
CPN	CENTRAL PATTANA	AA	SICT	SILICON CRAFT TECHNOLOGY	A
EGCO	ELECTRICITY GENERATING	AA	SMPC	SAHAMITR PRESSURE CONTAINER	AA
ERW	THE ERWAN GROUP	A	SNC	SNC FORMER	A
GFPT	GFPT	BBB	SPALI	SUPALAI	AA
GLOBAL	SIAM GLOBAL HOUSE	AA	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION	A
GPSC	GLOBAL POWER SYNERGY	AA	STGT	SRI TRANG GLOVES (THAILAND)	AAA
GULF	GULF ENERGY DEVELOPMENT	AA	TCAP	THANACHART CAPITAL	A
HANA	HANA MICROELECTRONICS	AA	TFG	THAIFOODS GROUP	A
HENG	HENG LEASING AND CAPITAL	A	THCOM	THAICOM	AAA
HMPRO	HOME PRODUCT CENTER	AA	TISCO	TISCO FINANCIAL GROUP	AAA
INTUCH	INTOUCH HOLDINGS	AA	TOP	THAI OIL	AAA
IRPC	IRPC	AA	TTB	TMBTHANACHART BANK	AA
IVL	INDORAMA VENTURES	AA	UBE	UBON BIO ETHANOL	A
KBANK	KASIKORNBANK	AAA	VGI	VGI	AA
KEX	KERRY EXPRESS (THAILAND)	BBB	WHA	WHA CORPORATION	AAA
KKP	KIATNAKIN PHATRA BANK	BBB	WHAUP	WHA UTILITIES AND POWER	AAA
KTB	KRUNG THAI BANK	AAA	ZEN	ZEN CORPORATION GROUP	AA

Source: www.setsustainability.com

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	GFPT	GFPT	SAK	SAKSAM LEASING
ADVANC	ADVANCED INFO SERVICE	GGC	GLOBAL GREEN CHEMICALS	SAPPE	SAPPE
AEONTS	AEON THANA SINSAP (THAILAND)	GLOBAL	SIAM GLOBAL HOUSE	SAT	SOMBOON ADVANCE TECHNOLOGY
AMA	AMA MARINE	GPSC	GLOBAL POWER SYNERGY	SCB	SCB X
AMATA	AMATA CORPORATION	GULF	GULF ENERGY DEVELOPMENT	SCC	THE SIAM CEMENT
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	SCCC	SIAM CITY CEMENT
AOT	AIRPORTS OF THAILAND	HENG	HENG LEASING AND CAPITAL	SCGP	SCG PACKAGING
AP	AP (THAILAND)	HMPRO	HOME PRODUCT CENTER	SEAFECO	SEAFECO
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	INTUCH	INTOUCH HOLDINGS	SFT	SHRINKFLEX (THAILAND)
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	IRPC	IRPC	SHR	S HOTELS AND RESORTS
BANPU	BANPU	ITC	i-Tail Corporation	SICT	SILICON CRAFT TECHNOLOGY
BBGI	BBGI	IVL	INDORAMA VENTURES	SMPC	SAHAMITR PRESSURE CONTAINER
BBL	BANGKOK BANK	KBANK	KASIKORNBANK	SNC	SNC FORMER
BCH	BANGKOK CHAIN HOSPITAL	KCE	KCE ELECTRONICS	SNNP	SRINANAPORN MARKETING
BCP	BANGCHAK CORPORATION	KEX	KERRY EXPRESS (THAILAND)	SPALI	SUPALAI
BCPG	BCPG	KKP	KIATNAKIN PHATRA BANK	SPRC	STAR PETROLEUM REFINING
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KTB	KRUNG THAI BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BEC	BEC WORLD	KTC	KRUNGTHAI CARD	STGT	SRI TRANG GLOVES (THAILAND)
BEM	BANGKOK EXPRESSWAY AND METRO	LH	LAND AND HOUSES	SUN	SUNSWEET
BGRIM	B. GRIMM POWER	LPN	L. P. N. DEVELOPMENT	SVI	SVI
BH	BUMRUNGRAD HOSPITAL	M	MK RESTAURANT GROUP	TACC	T.A.C. CONSUMER
BPP	BANPU POWER	MAJOR	MAJOR CINEPLEX GROUP	TCAP	THANACHART CAPITAL
BTS	BTS GROUP HOLDINGS	MBK	MBK	TFG	THAIFOODS GROUP
CBG	CARABAO GROUP	MEGA	MEGA LIFESCIENCES	THCOM	THAICOM
CENDEL	CENTRAL PLAZA HOTEL	MINT	MINOR INTERNATIONAL	TIDLOR	NGERN TID LOR
CK	CH. KARNCHANG	MTC	MUANGTHAI CAPITAL	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	OR	PTT OIL AND RETAIL BUSINESS	TKN	TAOKAENOI FOOD & MARKETING
COM7	COM7	ORI	ORIGIN PROPERTY	TOP	THAI OIL
CPALL	CP ALL	OSP	OSOTSPA	TTB	TMBTHANACHART BANK
CPAXT	CP AXTRA	PLANB	PLAN B MEDIA	UBE	UBON BIO ETHANOL
CPF	CHAROEN POKPHAND FOODS	PSH	PRUKSA HOLDING	VGI	VGI
CPN	CENTRAL PATTANA	PTT	PTT	WHA	WHA CORPORATION
DELTA	DELTA ELECTRONICS (THAILAND)	PTTEP	PTT EXPLORATION AND PRODUCTION	WHAUP	WHA UTILITIES AND POWER
DOHOM	DOHOME	PTTGC	PTT GLOBAL CHEMICAL	ZEN	ZEN CORPORATION GROUP
EGCO	ELECTRICITY GENERATING	QH	QUALITY HOUSES		
ERW	THE ERAWAN GROUP	RATCH	RATCH GROUP		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BSRC	BANGCHAK SRIRACHA	JMART	JAYMART GROUP HOLDINGS	SINGER	SINGER THAILAND
BTG	BETAGRO	NTSC	Nutrition SC	TNP	THANAPIRIYA
EKH	EKACHAI MEDICAL CARE	PQS	Premier Quality Starch	XO	EXOTIC FOOD
HUMAN	HUMANICA	PYLON	PYLON		



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	SAWAD	SRISAWAD CORPORATION	SPA	SIAM WELLNESS GROUP
JMT	JMT NETWORK SERVICES	SMD	SAINTMED		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	PJW	PANJAWATTANA PLASTIC	TGE	THACHANG GREEN ENERGY
CHG	CHULARAT HOSPITAL	PLT	Pilatus Marine	TPCH	TPC POWER HOLDING
LPH	LADPRAO GENERAL HOSPITAL	PTG	PTG ENERGY	TU	THAI UNION GROUP
MENA	MENA TRANSPORT	SFLEX	STARFLEX		
NETBAY	NETBAY	SISB	SISB		

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFCO	SEAFCO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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Rating	Definition
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. Excess return = 12M target price/current price-
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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