

Carabao (Carabao Group) operates a straightforward but highly efficient business model. While they are famous for energy drinks, they don't *just* sell drinks; they also make money by controlling the entire process of making and delivering them.

Here is a simple breakdown of how they generate revenue:

1. Selling Their Own Drinks (The Core Business)

The majority of their money comes from manufacturing and selling beverages under their own brands.

- **Energy Drinks:** Their flagship product is **Carabao Dang** (the red buffalo logo). It is a market leader in Thailand and is exported to "CLMV" countries (Cambodia, Laos, Myanmar, Vietnam), China, and the UK.
- **Other Drinks:** They have diversified into other categories, such as **Woody C+ Lock** (a Vitamin C drink) and **Carabao Sport** (an electrolyte sports drink) to reach consumers who don't drink energy drinks.

2. "Vertical Integration" (Making the Packaging)

Carabao is unique because they don't just fill the cans; they **make** the cans and bottles themselves. This is a massive part of their business model called "vertical integration."

- **Glass & Aluminum:** They own factories that manufacture their own glass bottles and aluminum cans.
- **Why this makes money:**
 - **Cost Savings:** It is cheaper than buying cans from a supplier.
 - **Selling to Others:** They have such huge capacity that they sell their excess bottles and cans to *other* beverage companies. Notably, they manufacture the packaging for the "Carabao" and "Tawandang" beer brands (which are owned by the company's founders, not the public company itself).

3. Distribution Services (The Delivery Network)

Carabao has built one of the strongest distribution networks in Thailand. They have dozens of

distribution centers and hundreds of "**Cash Vans**" that drive deep into rural villages to sell directly to small mom-and-pop shops.

- **Third-Party Distribution:** Because their trucks are already going to these shops, they charge other companies a fee to carry their products too. They distribute snack foods, alcohol, and other goods for third parties.
- **Beer Distribution:** They are the exclusive distributor for the founders' beer business. Carabao Group earns a margin for every bottle of beer they deliver, even though they don't brew the beer themselves.

4. Export & Licensing

While Thailand is their home base, they make significant money selling abroad.

- **CLMV Markets:** Countries like Cambodia and Myanmar are huge markets for their energy drinks.
- **Global Branding:** You might know them from the "**Carabao Cup**" in English football. While this is a marketing cost, it opens doors to sell their drinks in supermarkets across the UK and Europe.

Summary: The "Carabao" Strategy

In simple terms, Carabao makes money by:

1. **Making** the drink, the bottle, and the can (keeping costs low).
2. **Selling** the drink to you (profit on the product).
3. **Delivering** the drink—and other people's products—to shops (profit on the service).

Would you like a breakdown of how much of their revenue comes from domestic (Thai) sales versus exports?