

Key Points on Carabao Group (CBG TB)

- Research suggests Carabao Group holds a strong position as Thailand's second-largest energy drink producer, with a market share around 21-22%, trailing TCP Group's Red Bull but ahead of Osotspa in some segments; however, market share estimates vary by source and could be influenced by distribution channels.
- Evidence leans toward solid historical growth, with revenue rising from about THB 17.4 billion in 2021 to THB 21 billion in 2024, driven primarily by domestic sales and cost efficiencies, though overseas volatility from border issues introduces uncertainty.
- It seems likely that competitive advantages stem from vertical integration, but this may not fully offset risks like regulatory changes in sugar taxes or supply chain disruptions, which have impacted margins in recent years.
- Growth prospects appear positive with planned expansions into Cambodia and Myanmar, potentially boosting exports, yet economic uncertainties in Southeast Asia could temper optimism.
- Valuation multiples are currently below historical averages (e.g., trailing P/E at 16.5x vs. 5-year average of 29x), suggesting relative attractiveness compared to peers like Osotspa, but controversy exists around whether this reflects undervaluation or slower growth expectations.

Company Overview

Carabao Group Public Company Limited (CBG TB), listed on the Stock Exchange of

Thailand since 2014, operates as a holding company focused on beverages. Its core business revolves around energy drinks, with the flagship "Carabao Dang" brand launched in 2002. The company employs a vertically integrated model, handling sourcing, production (capacity: 2.5 billion cans and 2.4 billion bottles annually), marketing, and distribution. Key products include energy drinks, sports drinks, vitamin C beverages, coffee, and drinking water, plus third-party distribution services. Subsidiaries support this chain, such as Carabao Tawandang for production and Tawandang DCM for distribution. In 2024, revenue reached THB 21 billion, with 73% from domestic markets and 27% from exports to 42 countries.

Financial Performance Snapshot

Historical financials show resilience amid challenges. Revenue grew at a CAGR of about 6% from 2021-2024, peaking at THB 21 billion in 2024 (+11% YoY), fueled by domestic branded sales (+25% in Q2 2025) and third-party distribution (+22%). Net profit rebounded to THB 2.8 billion in 2024 (+48% YoY) after dips in 2022-2023 due to cost pressures. Key drivers include economies of scale, reduced packaging costs, and marketing campaigns, though gross margins fluctuated (35.6% in 2021 to 27.3% in 2024) from product mix shifts. For 6M 2025, revenue hit THB 10.9 billion (+11% YoY), with net profit at THB 1.6 billion (+24% YoY).

Growth and Risks Outlook

Management's strategy emphasizes overseas expansion, with new plants in Cambodia (end-2025) and Myanmar (Q3 2025) to cut costs and boost competitiveness in high-growth markets like Vietnam (+38% YoY in Q2 2025). Sustainability goals target Net Zero by 2068 and 30% emissions reduction by 2030. Prospects include 10-20% annual revenue growth from innovation and distribution, but risks like supply chain disruptions, sugar tax hikes (Phase 4 effective April 2025), and climate impacts could pressure earnings by 5-10% in volatile scenarios.

Valuation Context

CBG trades at a trailing P/E of 16.5x and forward P/E of 14.6x, below its 5-year average of

29x, with EV/EBITDA at 10.9x (vs. 19x average). Compared to peer Usotspa (USP 1B), which has similar multiples but higher historical P/E (around 30x in older data), CBG appears more attractive given its growth rebound. Market cap is THB 49 billion, with enterprise value at THB 49.9 billion.

Carabao Group Public Company Limited (CBG TB) is a prominent player in Thailand's beverage sector, specializing in energy drinks and related products. Established in 2001 as Carabao Tawandang Co., Ltd., with an initial capital of THB 1 million, the company launched its flagship "Carabao Dang" energy drink in October 2002. This product name combines elements from the iconic Thai band Carabao (led by co-founder Yuenyong Opakul) and Tawandang Brewery (owned by co-founders Sathien Sathientham and Nutchamai Thanombooncharoen). The company restructured into Carabao Group PCL in July 2014 and went public on the Stock Exchange of Thailand (SET) in November 2014. Headquartered in Bangkok, it operates as a holding company with investments in subsidiaries focused on production, marketing, sales, and distribution of beverages both domestically and internationally.

The business model is fully integrated, covering the entire value chain from raw material sourcing to end-consumer distribution. This includes in-house manufacturing of packaging (glass bottles and aluminum cans) to reduce costs and ensure supply chain efficiency. Production facilities in Bangpakong, Chachoengsao Province, boast a capacity of 2,500 million cans and 2,400 million bottles annually, strategically adjacent to glass and aluminum plants for streamlined operations. The model allows for flexibility in producing multiple stock-keeping units (SKUs) in various formats and flavors, adapting to diverse consumer preferences across markets. Revenue streams are diversified: branded own products (e.g., energy drinks contributing ~58% of Q2 2025 sales), third-party distribution (38%), branded OEM products (1%), and other sales like packaging (3%). In 2024, domestic sales accounted for 73% of revenue, with overseas at 27%, exporting to 42 countries.

Key subsidiaries include Carabao Tawandang Co., Ltd. (production and marketing of energy

and sports drinks), Iawandang DCM Co., Ltd. (distribution), Asia Pacific Glass Co., Ltd. (glass bottles), Asia Packaging Manufacturing Co., Ltd. (aluminum cans), and international entities like Carabao Trading (Hong Kong) Limited. Products encompass energy drinks (core: Carabao Dang), caffeine-herb mixes, non-carbonated and carbonated variants, vitamin C and zinc drinks, drinking water, 3-in-1 instant coffee, ready-to-drink coffee, and third-party items (food and non-food). The company also provides distribution services, enhancing revenue through partnerships.

Competitive advantages include vertical integration, which lowers costs and improves margins compared to peers reliant on external suppliers. For instance, in-house packaging reduced costs in 2024 via weight optimization. Strong brand equity from associations with music, sports (e.g., Carabao Cup sponsorships), and CSR (e.g., "Bao Daeng Helps Thais Create Careers" providing livelihoods) differentiates it in a crowded market. Distribution reaches traditional trade (small wholesalers) and modern channels, with alcoholic beverages leveraging on-trade segments like pubs. Compared to main competitors—TCP Group (Red Bull, ~50% Thai market share, global brand strength but less integration), Osotspa (OSP TB, M-150 and Shark brands, strong in functional drinks but higher P/E multiples historically), and smaller players like Monster or local brands—Carabao excels in cost efficiency and export growth (e.g., Vietnam +38% YoY in Q2 2025). However, it lags in global scale, with uncertainties around market share data (estimates range 20-22%, per sources like Thanachart Securities).

Historical financials reflect growth with fluctuations. Revenue increased from THB 17.4 billion in 2021 to THB 21 billion in 2024 (CAGR ~8%), dipping slightly in 2022 due to

BILLION IN 2021 TO THB 21 BILLION IN 2024 (CAGR ~6%), dipping slightly in 2023 due to overseas challenges. Net profit varied: THB 2.9 billion (2021), THB 2.3 billion (2022, -21% YoY from rising costs), THB 1.9 billion (2023, -16% from margin pressure), rebounding to THB 2.8 billion (2024, +48%). For 6M 2025, revenue was THB 10.9 billion (+11% YoY), net profit THB 1.6 billion (+24%). Key drivers: domestic branded sales (25% growth in Q2 2025 from pricing at THB 10/retail and expanded channels), cost management (e.g., lower energy/packaging costs, economies of scale), and third-party distribution (+22% YoY from alcoholic beverages). Margins: Gross profit fell from 35.6% (2021) to 25.9% (2023) due to input inflation and mix shifts, recovering to 27.3% (2024). EBITDA grew to THB 4.4 billion in 2024 (+36% YoY). Balance sheet: Total assets THB 19 billion (2024), liabilities down to THB 5.3 billion, equity THB 13.1 billion. Debt-to-equity 0.4x (2024), indicating low leverage.

The energy drinks industry in Thailand operates within the broader Asia-Pacific market, valued at USD 22.2 billion in 2025, projected to grow at 7.14% CAGR to USD 31.4 billion by 2030. Demand is driven by youth demographics, fitness trends (440 million Chinese participants in sports, similar patterns in Thailand), urban lifestyles, and functional benefits like mental focus. In Thailand, consumption is high among working professionals and gamers (18% of Vietnamese consume multiple times weekly; analogous in Thailand). Supply features innovation in natural, sugar-free variants amid health shifts (40-50% regional consumers prioritize natural ingredients). Key players: Red Bull (TCP, dominant), Carabao (21% share), Osotspa (M-150). Regulatory framework: Thai FDA oversees caffeinated beverages with ingredient recommendations (e.g., max caffeine levels implied but not strict for energy drinks, often 150-300mg/can). Sugar tax (implemented 2017, phased increases) taxes high-sugar drinks (e.g., up to THB 1/liter for >10g/100ml), prompting reformulations. Advertising criteria limit claims, with focus on labeling and health warnings. Uncertainties: Potential stricter caffeine caps (e.g., aligning with FDA's coffee limits ~68mg/cola) or EU-style regulations could raise costs.

The management team has a track record of value creation through expansions and efficiency. CEO Sathien Sathasit (since 2014, 22% ownership) led the IPO and revenue

efficiency. CEO Samien Setthasit (since 2014, 52% ownership) led the IPO and revenue growth from THB 10-15 billion pre-listing to THB 21 billion, delivering consistent dividends (payout ratio ~39%) and share price appreciation (though volatile). Vice Chairman Nutchamai Thanombooncharoen and Chairman (non-executive) provide strategic oversight from founding roots in brewing/music. Board includes experienced directors in finance and governance, with AA ESG ratings. Track record: Navigated COVID dips, achieved market leadership in Thailand by 2024, and expanded exports despite challenges, creating shareholder returns via 23% ROE in 2024.

Long-term plans target "World Class Product, World Class Brand" by 2030, with sustainability at core: Net Zero by 2068, 30% emissions cut by 2030, recycled materials to 80% in glass. Growth prospects: 10-20% annual revenue via overseas plants (Cambodia/Myanmar), Vietnam/Myanmar focus, product innovation (low-sugar variants for sugar tax compliance), and distribution partnerships. Prospects lean positive with APAC CAGR 7%, but depend on economic recovery.

Potential risks to earnings include supply chain disruptions (e.g., border issues cut CLMV sales 4% in Q2 2025), margin erosion from low-margin third-party mix or input inflation, regulatory changes (sugar tax Phase 4 from April 2025 could add 5-10% costs if not reformulated), climate impacts (water scarcity in Chachoengsao), cybersecurity, and geopolitical tensions. Employee turnover (71% in 2024) and safety (LTIFR 3.01 vs. target 0.75) pose operational risks. Controversies: High caffeine/sugar content draws health scrutiny, potentially leading to bans or labels.

Valuation multiples: Trailing P/E 16.5x (below 5-year avg 29x), forward P/E 14.6x, EV/EBITDA 10.9x (vs. 19x avg), P/S 2.3x (vs. 3.4x), P/B 3.5x (vs. 5.5x), indicating undervaluation relative to history amid growth rebound. Vs. peers: Osotspa historically at 30x P/E (2022 data), but current similar; CBG more attractive with 12-23% EPS growth forecasts (2024-2026). Aligns with prospects, but lower multiples reflect risks; analysts target THB 74-88 (20-40% upside).



Revenue from Sales	17,364	19,215	18,853	20,964	10,905
Gross Profit	6,183	5,633	4,879	5,721	2,966
EBITDA	4,198	3,608	3,239	4,410	2,373
Net Profit	2,881	2,286	1,924	2,843	1,561
Gross Margin (%)	35.6	29.3	25.9	27.3	27.2
Net Margin (%)	16.2	11.6	10.0	13.4	14.1

Valuation Multiples Comparison	CBG Current	CBG 5-Yr Avg	OSP Historical (2022)
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Trailing P/E	16.5x	29x	30x
Forward P/E	14.6x	N/A	N/A
EV/EBITDA	10.9x	19x	N/A
P/S	2.3x	3.4x	N/A
P/B	3.5x	5.5x	N/A



Key Citations

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- Investor Relations Financial Highlights
- MD&A Q2 2025
- Sustainability Report 2024
- Asia-Pacific Energy Drinks Market Report
- Yahoo Finance CBG.BK Key Statistics
- Thailand Energy Drink Sector Report
- Thai Excise Department Sugar Tax
- Finansia Research on CBG
- Thanachart Securities CBG Report

↳ Detailed peer comparison with Osotspa

↳ TCP Group Red Bull analysis

↳ More concise executive summary