

Estimate Carabao's earnings per share in the following three years from 2025 to 2027. Consider industry growth, market share gains, price increases, cost pressures, operating leverage, financing costs and share count dilution in your final earnings per share estimates.

Thought for 3m 52s >

Here's a clean, numbers-first take on EPS, then I'll unpack the drivers.

### Base-case EPS estimates (THB per share)

Assume: constant 1,000m shares, no major dilution.

Year	Status	EPS (THB)	YoY growth	Comment
2024	Actual	<b>2.84</b>	+48%	Strong rebound post-2023, on margin recovery and domestic volume. <small>StockAnalysis +1</small>
2025E	Estimate	<b>3.10</b>	+9%	Domestic energy drink + high-teens growth offsets Cambodia hit; some SG&A leverage, mildly weaker exports. <small>Thanachart Secu... +2</small>
2026E	Estimate	<b>3.30</b>	+6%	Normalised export base, still gaining share at home, incremental margin expansion, lower interest. <small>Thanachart Secu... +1</small>
2027E	Estimate	<b>3.80</b>	+15%	Export recovery (esp. Cambodia) + mature domestic & distribution/OEM growth + full operating leverage. <small>Thanachart Secu... +2</small>

These are **my base-case**, but intentionally **close to the more conservative end of current sell-side** after the Cambodia shock (Thanachart norm EPS 2025–27F: 3.1 / 3.3 / 3.8). Thanachart Secu...

InnovestX is/was a bit more bullish at 3.26 / 3.54 / 3.92 before the conflict escalation.

InnovestX

So you can think of my numbers as "post-Cambodia, slightly below pre-conflict consensus."

## How I get there, factor by factor

### 1. Industry growth & volumes

#### Macro / industry:

- Thai beverage output expected to grow **~3.5–4.5% p.a. (2025–27)**. Krungsri
- Asia-Pac energy drinks expected to grow **~7% CAGR** through 2030. Mordor Intelligen...

#### Carabao volume context:

- Domestic energy drink share: **~23–24% (2023) → 26% in 2024 → ~26.1% in Jul-25**. InnovestX +2
- Thanachart now models **domestic energy drink sales growth of 17% / 5% / 4% in 2025–27F**, with combined group sales growth **5.7% / 5.9% / 8.2%**.

Thanachart Secu... +1

#### My volume assumption (implicit in EPS):

- 2025: Total sales +~6% (domestic own-brand high-teens growth, distribution/OEM mid-teens, exports down mid-teens due to Cambodia).
- 2026: Total sales +~6% (domestic mid-single digits, distribution 10%, exports flat to slightly up).
- 2027: Total sales +~8% (export recovery as Cambodia normalises; domestic + low-single-digit, distribution +10%).

This volume path lines up with Thanachart's revised sales forecasts (22.2 / 23.5 / 25.4bn THB vs 20.96bn in 2024). Thanachart Secu... +1

### 2. Market share gains

- Management / brokers expect Carabao to keep pushing **share gains at home**, helped by:
  - **THB 10/bottle** pricing vs Red Bull at THB 12. InnovestX +1
  - Very strong traditional trade distribution coverage (~99% of mom-and-pop stores). Thanachart Secu... +1
- Thanachart now assumes domestic energy drinks still grow faster than the system: **17% / 5% / 4%** vs the low-single-digit Thai beverage market. Thanachart Secu... +1

**EPS impact:**

- I'm effectively assuming **Carabao continues to outgrow the Thai beverage market by c. 2–3ppt annually**, which supports **high-single-digit revenue CAGR** even with export issues.
- That's a key pillar behind **EPS growing ~9%, 6%, 15%** in 2025–27.

**3. Pricing**

- 2025: flagship Carabao Dang kept at **THB 10/bottle** deliberately to grab share (no price uplift). InnovestX +1
- 2026–27: more scope to lean on:
  - **Mix** (bigger packs, vitamin drinks, premium SKUs),
  - Some price actions outside the ultra-price-sensitive core SKUs,
  - Better pricing in distribution/OEM and beer/spirits-related businesses.

**In the model:**

- I treat **2025 growth as mostly volume-driven** domestically, with **no real pricing tailwind**.
- For 2026–27, I implicitly allow **maybe 1–2ppt annual uplift from mix/pricing** embedded in the 5.9% and 8.2% sales growth assumptions, in line with InnovestX's more aggressive revenue path but scaled down for Cambodia. InnovestX +1

**4. Cost pressures & gross margin****Reality:**

- 2020–22: gross margin compressed from ~39–41% to ~29% on sugar, packaging and FX. StockAnalysis +1
- 2024: GM ~**26.9%**. Thanachart Secu... +1
- Thanachart post-Cambodia now assumes GM **26.4% / 26.3% / 26.4%** in 2025–27F (slightly below their old forecasts). Thanachart Secu... +1

**My take (baked into EPS):**

- **No big GM expansion story** – just **stable to slightly better gross margins** as:
  - Energy prices ease a bit,
  - Sugar tax phase-ins are managed through pack/price/mix,
  - Scale in cans/bottles and exports returns in 2027.
- I'm effectively using **GM ~26.4–26.5%** through the period, close to Thanachart's revised numbers.

So EPS growth in my model comes more from **volume + SG&A leverage**, not from heroic gross-margin mean reversion.

## 5. Operating leverage (biggest driver of EPS)

From Thanachart's assumptions: Thanachart Secu...

- SG&A / sales: **14.1% (2023) → 11.2% (2024) → 9.9% / 9.5% / 8.4% in 2025–27F.**
- EBIT margin: **11.8% (2023) → 15.7% (2024) → 16.5% / 16.8% / 17.9% in 2025–27F.**

How I translate that:

- I more or less **accept that SG&A path**, as it's consistent with:
  - A larger fixed sales force and logistics base now being spread over more volume,
  - Rising distribution/OEM revenue with decent incremental margins,
  - Some normalisation of pandemic-era promo spend.
- Given **revenue grows mid-single digits but EBIT margin rises ~200bps over three years**, EBIT grows at **low-to-mid teens**, which supports:
  - **Net profit growth ~10% / 8% / 14%** (Thanachart's numbe