

## Executive Summary: Carabao Group (CBG) EPS Forecast 2025–2027

Based on the latest Q3 2025 financial results (released mid-November 2025) and current analyst consensus, Carabao Group is navigating a "U-shaped" recovery. While domestic market share has hit record highs, severe headwinds in the CLMV region (specifically Cambodia) have prompted a downward revision of near-term earnings.

Below are the estimated Earnings Per Share (EPS) for 2025–2027.

Year	Est. EPS (THB)	YoY Growth	Key Driver
2025F	2.88	+1.3%	Record domestic market share offsets severe Cambodia export drop.
2026F	3.05	+5.9%	New Cambodia plant comes online, bypassing border friction.
2027F	3.35	+9.8%	Full utilization of new CLMV plants and matured beer distribution.

### Detailed Year-by-Year Analysis

#### 2025: The Year of Mixed Fortunes (Domestic Win, Export Loss)

- **EPS Estimate: 2.88 THB** (Range: 2.85 – 2.95)

- **Industry Growth:** The Thai energy drink market is growing at a moderate **3–5%**.
- **Market Share Gains (Major Positive):** CBG is outperforming domestic competitors. As of October 2025, domestic market share reached a **new high of 27.6%**, nearing the company's 29% target. This is driven by maintaining the **THB 10 price point** while competitors like Osotspa (M-150) priced higher.
- **Cost Pressures:**
  - **Sugar Tax:** A tax hike in April 2025 impacted margins, though reformulated lower-sugar products helped mitigate this.
  - **Packaging:** Aluminum costs remain high, pressuring margins, though glass costs have stabilized.
- **The "Cambodia Shock":** This is the primary drag on 2025 EPS. The Thailand-Cambodia border conflict and resulting anti-Thai sentiment caused export revenue to crash (~40-70% drop YoY in Q3). This high-margin income source has significantly severely lowered the blended gross margin to ~25.6%.
- **Financing & Dilution:** Interest expenses are decreasing due to debt repayment. Share count remains stable at **1.0 billion shares**, with no immediate dilution risk.

## 2026: The Recovery Pivot

- **EPS Estimate: 3.05 THB** (Range: 2.94 – 3.15)
- **Strategic Shift (CLMV):** The key catalyst for 2026 is the **opening of the local Cambodia manufacturing plant** (expected Dec 2025/Jan 2026). This allows CBG to bypass border closures and import restrictions, stabilizing sales in its most profitable export market.
- **Beer Business:** After a slow start and heavy marketing spend in 2024–2025, the beer business (distribution) is expected to reach economies of scale, turning from a margin drag to a neutral/slight positive contributor.
- **Operating Leverage:** Utilization rates at the new Myanmar and Cambodia facilities will ramp up. The shift from "exporting finished goods" to "local production" will lower logistics costs and improve margins back toward the 26–27% range.

## 2027: Return to Growth Mode

- **EPS Estimate: 3.35 THB** (Range: 3.20 – 3.50)
- **Market Share Dominance:** By 2027, CBG is projected to solidify its position as the #1 or strong #2 player in Thailand with ~29-30% market share, leveraging its sticky "THB 10" pricing strategy which builds long-term loyalty.
- **Cost Normalization:** With the CLMV supply chain fully localized, CBG will be less

exposed to currency fluctuations and cross-border logistics costs.

- **Earnings Quality:** Revenue mix will be more balanced between domestic energy drinks, localized CLMV production, and a matured alcohol distribution arm.

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## Factor Analysis Matrix

Factor	Impact on EPS (2025-2027)	Notes
Industry Growth	● Neutral/Positive	Domestic market is mature (low single-digit growth); growth must come from stealing share.
Market Share	● Strong Positive	Aggressive pricing is working. Gaining share from M-150 is the primary domestic earnings driver.
Price Increases	● Negative (Lack of)	CBG is <i>not</i> raising prices (sticking to THB 10) to gain share. This limits revenue per unit but maximizes volume.
Cost Pressures	● Moderate Risk	Aluminum and sugar taxes are headwinds, but localized production in CLMV (2026+) will reduce logistics costs.
Operating Leverage	● Neutral -> Positive	2025 is a transition year with high capex/setup costs for new plants. 2026/27 will see the leverage benefits.

<b>Financing Costs</b>	● Positive	Debt levels are manageable and interest expenses are trending down (lowest in 8 years as of mid-2025).
<b>Share Dilution</b>	● Neutral	EPS is calculated on a base of <b>1,000 million shares</b> . No significant warrant overhang or capital calls are currently projected.

**Risk to Estimates**

- **Downside:** If the **Cambodia plant** faces delays or if anti-Thai sentiment persists longer than expected, 2026 EPS could remain flat (closer to 2.90 THB).
- **Upside:** If the **Beer business** gains traction faster than the current "stiff competition" suggests, it could add significant top-line revenue not fully priced into the current conservative estimates.