

I want to understand the primary drivers for Carabao's recent stock price performance. Find and summarize the key pieces of news that might have affected Carabao's business in 2025.

Thought for 5m 38s >

In 2025 Carabao (CBG TB) has basically traded as a tug-of-war between **strong Thai domestic momentum** and **growing worries about exports (especially Cambodia), margins, and competition**. By mid-July, one broker explicitly noted the share price was down about **30% YTD**, with that decline "partly reflecting the risks" around Cambodia logistics and competition. FNSyrus As of mid-August, another broker showed the stock down about **12% over 12 months and underperforming the SET**, with the price at **THB 56.25 vs a 12-month high of THB 82**. FNSyrus +1

Below is a 2025 news timeline and what it likely did to the stock.

1. Starting point: strong FY2024, high expectations (Feb–Apr 2025)

21 Feb 2025 – FY2024 results and dividend

- Carabao reported **FY2024 revenue from sales of THB 20.964bn** and net profit attributable to shareholders of **THB 2.843bn**. TradingView
- On the same day, the company proposed a **cash dividend for 2H24**, payable in May 2025. MarketScreener

25 Apr 2025 – 2024 dividend approval and new independent director

- AGM approved the **2024 dividend** (payable 16 May 2025).
- Carabao appointed **Pakorn Peetathawatchai** (former SET president) as an independent director and audit committee member. MarketScreener

Likely stock impact

- FY24 numbers and dividends confirmed a solid recovery and strong profitability going into 2025, supporting the valuation early in the year.
 - Appointment of a high-profile independent director is governance-positive, but not a big earnings driver – more of a mild sentiment tailwind.
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2. Q1 2025: solid earnings but export weakness already visible (May 2025)

8–9 May 2025 – Q1 2025 results

- Reuters/MarketScreener report Q1 2025 total revenue from sales of THB 5.33bn. MarketScreener
- StockEvents notes Q1 2025 EPS of about THB 0.76 per share. Stock Events

21 May 2025 – Analyst meeting takeaways

A Thanachart Securities note after the analyst meeting highlighted: Thanachart Secu...

- **Strong domestic momentum:** “strong business momentum into 2Q25” led by domestic energy drink growth and solid market share.
- **Margins holding up despite sugar tax** – suggesting Carabao can manage input-cost/tax pressure better than feared.
- **Weak exports already known:** export softness is emphasised but described as “not new news”.
- Rating: **BUY** maintained.

Likely stock impact

- Q1 results and commentary reinforced the “**domestic strong, exports soft**” narrative but didn’t add a new negative shock.
- With earnings tracking well, domestic share gains, and sugar tax manageable, any price pressure at this stage likely came from investors questioning **how sustainable export growth is**, not from the quarter itself.

3. Mid-2025: Cambodia logistics problem + rising competition = big derating (Jul 2025)

17 Jul 2025 – “Cambodia issue begins to impact” (FNSyrus)

An FNSyrus report flagged a clear deterioration in the story: FNSyrus

- **Cambodia logistics problem:** Thailand–Cambodia border disruption affects deliveries; revenue from Cambodia expected to be weaker than previously thought.
- **High domestic competition:** analysts start to see downside risk to 2025 profit from “high domestic competition” in energy drinks.
- Despite expecting Q2 net profit still up **+5% q-q** and **+16% y-y**, they warn of rising risk and say:

"The stock price has declined 30% YTD, partly reflecting the risks."

Likely stock impact

- This is the key inflection point: the market **reprices the export story**, especially Cambodia, from "short-term noise" to "structural risk".
 - A 30% YTD drop by mid-July suggests:
 - **Multiple compression** on worries that export growth won't deliver as modelled.
 - Fears that domestic competition will force continued heavy marketing spend and cap margins.
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4. Q2 2025: strong 1H profit but margins and exports under pressure (Aug 2025)

8 Aug 2025 – Q2 2025 results and 1H dividend

- Carabao releases Q2 2025 results and announces a **cash dividend for 1H25**, payable 5 Sep 2025. MarketScreener +1

13 Aug 2025 – FSSIA "2Q25 results at first glance"

Key points from the FSSIA flash note: FNSyrus

- **Q2 net profit THB 800m, +5.3% q-q, +16% y-y**, broadly in line with expectations.
- **Domestic revenue up +3.3% q-q and +18.6% y-y**, driven by energy drink sales and distribution revenue.
- **Overseas revenue up +8.9% q-q but -2% y-y**, weaker than expected because the **Thailand–Cambodia border closure** disrupted product deliveries in June.
- **Gross margin slipped to 27.0% from 27.4% in Q1 and 27.7% in Q2 2024**, due to:
 - Less favourable product mix.
 - Lower margin from the distribution business (7.9% vs usual 9–9.5%), despite lower raw-material and packaging costs.
- **SG&A ratio** dropped to **9.9%** (from a normal 10–11%) thanks to cost control and lower football sponsorship spending.
- **Interest expense** down to **THB 17m**, the lowest quarterly figure in eight years, due to ongoing debt repayment.
- **1H25 net profit THB 1.56bn (+18% y-y)**, already 49% of their full-year forecast.
- Outlook:
 - Management still **positive on 2H25 domestic performance**.

- **Overseas may weaken further** (Myanmar low season, Cambodian land border still closed).
- Company is building a **new plant in Cambodia**, expected to start operations as early as December, to ease logistics issues.

14 Aug 2025 – Company analyst meeting deck

The company's own Q2 presentation highlights: [cbg.listedcompa...](#)

- **Domestic branded energy drinks sales up +25% y-y and +6% q-q**, with rising market share.
- Confirms domestic growth is the main engine, but overseas volatility continues.

Mid-Aug 2025 – Analyst rating actions

- **18 Aug 2025:** Investing.com notes that Macquarie upgrades Carabao from *Neutral* to **Outperform**, with a **THB 70** price target, citing signs of recovery. [Investing.com](#)

Likely stock impact

- Operationally, Q2 reinforced that **profits are still growing double-digit**, but:
 - Margins are **drifting down**.
 - Overseas (especially Cambodia) is **clearly a problem**.
- The upgrade from Macquarie plus strong 1H numbers likely triggered a **short-term rebound**, which matches FSSIA's data showing 1-month absolute performance of **+5.1%** by 13 Aug, although the stock was still down **~12% over 12 months and underperforming the SET by ~10 pts**. [FNSyrus](#)

In other words: **fundamentals were good enough to stop the free-fall, but not strong enough to re-rate the stock fully** because export risks remained unresolved.

5. Non-financial news: ESG recognition (1H 2025)

- Carabao was recognised in the **S&P Global Sustainability Yearbook 2025** for the second consecutive year, with "significantly improved scores" reflecting sustainable business growth. [Carabao Group +1](#)

Likely stock impact

- Positive for **ESG perception and long-only demand**, but it doesn't move the earnings needle. Likely a mild, background positive rather than a driver of daily price moves.

6. H2 2025: more Cambodia downgrades, then talk of 4Q recovery (Oct 2025)

13 Aug 2025 – FSSIA 2Q flash (already covered)

- Notes **downside risks** from slower consumption recovery, higher competition, and potential rises in raw-material/packaging costs and regulatory risks. FNSyrus

2 weeks ago (Oct 2025) – FNSyrus “Headwinds persist; maintain HOLD”

- FNSyrus cut **2025–26E earnings by 4–8%**, mainly lowering Cambodia assumptions; they still **do not include China** in forecasts. FNSyrus
- They estimate **3Q25 net profit down 21% q-q and 15% y-y**, around **10% below** their earlier forecast, due to:
 - Weaker-than-expected Cambodian revenue.
 - **Gross-margin contraction.**
 - Higher marketing expenses.
- They **lower their target price to THB 50** and keep a **HOLD** rating. FNSyrus

22 Oct 2025 – KKPS expects 4Q25 recovery

- Kiatnakin Phatra Securities (KKPS) says Carabao faces a **challenging Q3 2025** due to reduced sales in Cambodia but expects a **rebound in Q4**, forecasting domestic market share approaching **27%** and sustained domestic growth. KAOHOON INTER...

Likely stock impact

- The FNSyrus downgrade in October – after a 30% YTD fall already – likely **kept a lid on the stock**, reinforcing the idea that:
 - Cambodia could be weak for longer.
 - Marketing spend must stay high to defend share.
- The KKPS call on a 4Q recovery offsets this somewhat by reminding the market that **domestic share gains are real**, but it's still forward-looking rather than in the numbers.

7. Putting it together – primary 2025 drivers of the share price

From all of this, the **key fundamental drivers** behind Carabao's 2025 share-price performance look like:

1. Cambodia / export disruption and uncertainty (major negative)

- Border closure and logistics issues materially affected Cambodian shipments in mid-2025 and led multiple brokers to **cut export assumptions and 2025–26 earnings.** FNSyrus +2

- The market has moved from assuming "temporary noise" to embedding a **lower, riskier export trajectory**, which explains much of the ~30% YTD drawdown by July.

2. Intensifying domestic competition (negative, but partly offset by share gains)

- Brokers repeatedly flag "**high domestic competition**" in energy drinks as a risk to 2025 profits. [FNSyrus +1](#)
- Carabao is still **gaining share** (e.g. +25% y-y domestic branded energy drink sales in Q2), but at the cost of sustained marketing intensity and some margin pressure. [cbg.listedcompa... +1](#)

3. Margins: small but persistent erosion (negative)

- Gross margin slipped from ~27.7% (Q2 2024) to 27.4% (Q1 2025) and 27.0% (Q2 2025), with distribution margins dropping from 9–9.5% to 7.9%. [FNSyrus](#)
- Even with SG&A discipline and lower interest expenses, investors are worried this signals a **structurally lower profitability level** if promotions and weaker overseas pricing persist.

4. Domestic demand resilience and market-share gains (major positive anchor)

- Strong growth in Thai energy drink sales (+18–19% y-y domestic revenue in Q2, +25% y-y branded energy drinks) and rising share are the **main reason earnings are still up double-digit**. [FNSyrus +1](#)
- This is why analysts like Macquarie and FSSIA can still justify **BUY** calls despite the derating, and why some expect a **4Q25 recovery**. [Investing.com +1](#)

5. Capital allocation and balance sheet (mild positive)

- Ongoing **dividends** (2H24 and 1H25) and steadily **falling interest expenses** (lowest in eight years in Q2 2025) support the equity story and signal balance-sheet strength. [FNSyrus +1](#)
- Approval of debenture issuance in Feb 2025 gives funding flexibility but hasn't been a major narrative driver. [Carabao Group In...](#)

6. Analyst downgrades vs upgrades (sentiment driver)

- **Downward earnings revisions and target cuts** (e.g. FNSyrus July and October notes) have reinforced the bearish camp. [FNSyrus +1](#)
- **Macquarie's August upgrade** and KKPS's 4Q recovery call provide some support, but as long as export numbers disappoint, these positives are capped. [Investing.com +1](#)

7. ESG / reputation (background positive)

- Sustainability Yearbook 2025 recognition improves Carabao's ESG profile and may help with certain investors but is **secondary to earnings and growth concerns**. [Carabao Group +1](#)

Quick takeaway

- **Why is the stock down so much in 2025?**

Mostly because the market has lost confidence in **export growth (Cambodia)** and worries that **competition-driven promotions and rising marketing spend are chipping away at margins**, leading to earnings downgrades.

- **What's holding it up?**

Strong **domestic energy-drink growth, market-share gains, solid 1H25 profits, dividends, and a clean balance sheet** – enough to keep many analysts at *Buy*, but not enough yet to drive a full re-rating while Cambodia is unresolved.

If you'd like, I can next translate this into a simple **driver tree** tying volumes, mix, margins and geographies to EPS and valuation, so you can plug your own assumptions into a quick Carabao model.

         Sources