

**Carabao Group Pcl (CBG TB) - BUY, Price Bt61.25, TP Bt81.00****Results Comment**

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**In-line decent 1Q25**

- CBG reported Bt760m profit in 1Q25, up 21% y-y but down 3% q-q from the high season in 4Q24. Earnings were in line with our expectation but came in 5% below consensus, mainly due to weak sales in Myanmar.
- Domestic energy drink sales grew 30% y-y, supported by CBG's market share gain after two key competitors raised their selling prices.
- Spirit distribution and bottled OEM sales rose 12% y-y, driven by continued market share gains by CBG's customers.
- Exports were the weak spot, falling 14% y-y. Cambodia showed some softness, likely due to weak consumer affordability, while CBG likely faced stricter import restrictions in Myanmar.
- EBIT margin improved to 17.4%, up from 15.1% in 1Q24 and 16.9% in 4Q24. Despite a weaker product mix (higher share of lower-margin distribution and OEM), CBG managed to reduce its cost structure—likely through lower marketing expenses amid softer market competition, and reduced use of aluminum. There was also falling raw material prices for sugar and cullet.
- We maintain a BUY rating on CBG, expecting the commencement of its Myanmar factory in 3Q25, which should help eliminate import restrictions, to result in CBG gaining back the market share.

Income Statement						Income Statement					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25	(Bt m)	q-q%	y-y%	% 2025F	2025F	2026F
Revenue	4,935	4,954	5,098	5,978	5,328	Revenue	(11)	8	23	23,082	25,875
<b>Gross profit</b>	<b>1,322</b>	<b>1,371</b>	<b>1,431</b>	<b>1,597</b>	<b>1,462</b>	<b>Gross profit</b>	<b>(8)</b>	<b>11</b>	<b>23</b>	<b>6,382</b>	<b>7,066</b>
SG&A	576	533	576	663	537	SG&A	(19)	(7)	23	2,381	2,505
Operating profit	746	838	855	933	926	Operating profit	(1)	24	23	4,000	4,562
<b>EBITDA</b>	<b>951</b>	<b>1,043</b>	<b>1,061</b>	<b>1,135</b>	<b>1,123</b>	<b>EBITDA</b>	<b>(1)</b>	<b>18</b>	<b>23</b>	<b>4,852</b>	<b>5,431</b>
Other income	42	40	77	47	40	Other income	(15)	(5)	18	221	247
Other expense	0	0	0	0	0	Other expense					
Interest expense	45	37	33	31	25	Interest expense	(20)	(46)	41	59	12
<b>Profit before tax</b>	<b>742</b>	<b>841</b>	<b>899</b>	<b>949</b>	<b>941</b>	<b>Profit before tax</b>	<b>(1)</b>	<b>27</b>	<b>23</b>	<b>4,162</b>	<b>4,797</b>
Income tax	123	158	168	171	191	Income tax	11	55	25	769	886
Equity & invest. income	3	3	4	4	4	Equity & invest. income	(18)	31	na	0	0
Minority interests	6	4	6	(0)	7	Minority interests	na	8	35	19	19
Extraordinary items	0	0	0	0	0	Extraordinary items					
<b>Net profit</b>	<b>628</b>	<b>691</b>	<b>741</b>	<b>783</b>	<b>760</b>	<b>Net profit</b>	<b>(3)</b>	<b>21</b>	<b>22</b>	<b>3,412</b>	<b>3,930</b>
<b>Normalized profit</b>	<b>628</b>	<b>691</b>	<b>741</b>	<b>783</b>	<b>760</b>	<b>Normalized profit</b>	<b>(3)</b>	<b>21</b>	<b>22</b>	<b>3,412</b>	<b>3,930</b>
EPS (Bt)	0.63	0.69	0.74	0.78	0.76	EPS (Bt)	(3)	21	22	3.41	3.93
Normalized EPS (Bt)	0.63	0.69	0.74	0.78	0.76	Normalized EPS (Bt)	(3)	21	22	3.41	3.93

  

Balance Sheet						Financial Ratios					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25	(%)	1Q24	2Q24	3Q24	4Q24	1Q25
Cash & ST investment	788	938	1,254	1,384	2,193	Sales grow th	19.7	5.3	8.3	12.4	8.0
A/C receivable	1,738	1,545	1,416	1,434	1,545	Operating profit grow th	159.0	53.0	40.9	20.1	24.1
Inventory	2,285	2,394	2,502	2,224	2,175	EBITDA grow th	93.5	38.5	30.8	15.5	18.0
Other current assets	128	99	109	97	140	Norm profit grow th	138.2	43.4	39.9	20.5	21.1
Investment	160	162	165	168	171	Norm EPS grow th	138.2	43.4	39.9	20.5	21.1
Fixed assets	12,306	12,155	12,083	11,991	12,026	Gross margin	26.8	27.7	28.1	26.7	27.4
Other assets	1,220	1,222	1,111	1,079	1,256	Operating margin	15.1	16.9	16.8	15.6	17.4
<b>Total assets</b>	<b>18,625</b>	<b>18,514</b>	<b>18,639</b>	<b>18,378</b>	<b>19,505</b>	EBITDA margin	19.3	21.1	20.8	19.0	21.1
S-T debt	1,180	2,502	2,808	2,155	2,031	Norm net margin	12.7	13.9	14.5	13.1	14.3
A/C payable	1,716	1,758	1,721	1,540	1,559	D/E (x)	0.3	0.3	0.3	0.2	0.2
Other current liabilities	357	373	325	490	709	Net D/E (x)	0.3	0.2	0.2	0.1	0.0
L-T debt	2,805	1,118	972	526	530	Interest coverage (x)	21.0	28.3	32.4	36.9	45.7
Other liabilities	609	614	564	577	685	Interest rate	3.9	3.9	3.5	3.8	3.8
Minority interest	(181)	(185)	(204)	(119)	3	Effective tax rate	16.5	18.8	18.7	18.0	20.3
<b>Shareholders' equity</b>	<b>12,139</b>	<b>12,335</b>	<b>12,453</b>	<b>13,209</b>	<b>13,987</b>	ROA	13.2	14.9	16.0	16.9	16.1
Working capital	2,308	2,181	2,196	2,118	2,160	ROE	21.3	22.6	23.9	24.4	22.4
Total debt	3,985	3,619	3,780	2,681	2,561						
<b>Net debt</b>	<b>3,196</b>	<b>2,682</b>	<b>2,526</b>	<b>1,297</b>	<b>368</b>						

Sources: Company data, Thanachart estimates

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