

Carabao Group Plc (CBG TB) - BUY, Price Bt46.75, TP Bt50.00**Results Comment**

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In-line 4Q25

- CBG reported net earnings of Bt142m. Excluding the Bt518m impairment of goodwill from its UK energy drink business, normalized earnings of Bt660m declined by 16% y-y but grew 7% q-q. Earnings were relatively in line with our expectation.
- Domestic energy drink sales were flat y-y, despite CBG stating that its market share increased. We suspect CBG may have adjusted down inventory levels at its distributors to maintain an optimal level, a practice the company typically undertakes toward year-end.
- Export energy drink sales fell 51% y-y, as sales to Cambodia, CBG's largest market, almost disappeared amid the conflict with Thailand. This more than offset increased sales from Myanmar after CBG commenced operations at its factory there, adding production capacity in 4Q25.
- Sales from OEM and distribution for third-party customers grew 15% y-y, likely due to CBG's customers gaining market share in the spirits market.
- EBIT margin remained relatively stable at 15%, as CBG focused on cost savings, particularly in marketing expenses.
- Note that CBG recorded an impairment of goodwill from its UK energy drink business due to continued weakness in the business and a fair value assessment of the recoverable amount against the carrying value. There has been no report that CBG will exit the business. CBG recorded a normalized loss of Bt112m from the UK business in 2025 vs. Bt88m in 2024.

Income Statement						Income Statement					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25	(Bt m)	q-q%	y-y%	% 2025F	2025A	2026F
Revenue	5,978	5,328	5,577	5,496	5,641	Revenue	3	(6)	103	22,042	21,944
Gross profit	1,597	1,462	1,504	1,405	1,473	Gross profit	5	(8)	105	5,844	5,380
SG&A	663	537	553	658	652	SG&A	(1)	(2)	109	2,400	2,224
Operating profit	933	926	951	746	821	Operating profit	10	(12)	102	3,444	3,156
EBITDA	1,135	1,123	1,151	944	1,015	EBITDA	8	(11)	101	4,233	4,027
Other income	47	40	52	46	28	Other income	(38)	(39)	86	167	198
Other expense	0	0	0	0	0	Other expense					
Interest expense	31	25	17	18	21	Interest expense	12	(33)	109	81	60
Profit before tax	949	941	986	774	829	Profit before tax	7	(13)	101	3,529	3,294
Income tax	171	191	198	174	174	Income tax	0	2	105	736	659
Equity & invest. income	4	4	4	4	4	Equity & invest. income	(2)	(17)	na	15	0
Minority interests	(0)	7	8	12	2	Minority interests	(83)	na	153	29	19
Extraordinary items	0	0	0	0	(518)	Extraordinary items	na	na	na	(518)	0
Net profit	783	760	800	616	142	Net profit	(77)	(82)	82	2,320	2,655
Normalized profit	783	760	800	616	660	Normalized profit	7	(16)	101	2,837	2,655
EPS (Bt)	0.78	0.76	0.80	0.62	0.14	EPS (Bt)	(77)	(82)	82	2.32	2.65
Normalized EPS (Bt)	0.78	0.76	0.80	0.62	0.66	Normalized EPS (Bt)	7	(16)	101	2.84	2.65
Balance Sheet						Financial Ratios					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25	(%)	4Q24	1Q25	2Q25	3Q25	4Q25
Cash & ST investment	1,384	2,193	1,392	1,604	1,483	Sales grow th	12.4	8.0	12.6	7.8	(5.6)
A/C receivable	1,434	1,545	1,438	1,538	1,814	Operating profit grow th	20.1	24.1	13.5	(12.7)	(12.0)
Inventory	2,224	2,175	2,097	2,126	1,905	EBITDA grow th	15.5	18.0	10.3	(11.0)	(10.5)
Other current assets	97	140	142	176	188	Norm profit grow th	20.5	21.1	15.9	(16.9)	(15.7)
Investment	168	171	174	176	179	Norm EPS grow th	20.5	21.1	15.9	(16.9)	(15.7)
Fixed assets	11,991	12,026	12,078	12,276	12,389	Gross margin	26.7	27.4	27.0	25.6	26.1
Other assets	1,079	1,256	1,678	1,630	1,090	Operating margin	15.6	17.4	17.1	13.6	14.6
Total assets	18,378	19,505	18,999	19,527	19,046	EBITDA margin	19.0	21.1	20.6	17.2	18.0
S-T debt	2,155	2,031	1,430	1,874	1,166	Norm net margin	13.1	14.3	14.4	11.2	11.7
A/C payable	1,540	1,559	1,867	1,875	1,711	D/E (x)	0.2	0.2	0.1	0.2	0.1
Other current liabilities	490	709	628	471	649	Net D/E (x)	0.1	0.0	0.0	0.0	0.0
L-T debt	526	530	0	333	418	Interest coverage (x)	36.9	45.7	66.7	51.5	49.3
Other liabilities	577	685	1,008	1,019	1,035	Interest rate	3.8	3.8	3.5	4.0	4.3
Minority interest	(119)	3	(17)	(25)	(36)	Effective tax rate	18.0	20.3	20.0	22.5	21.0
Shareholders' equity	13,209	13,987	14,082	13,980	14,103	ROA	16.9	16.1	16.6	12.8	13.7
Working capital	2,118	2,160	1,668	1,789	2,007	ROE	24.4	22.4	22.8	17.6	18.8
Total debt	2,681	2,561	1,430	2,208	1,584						
Net debt	1,297	368	39	603	101						

Sources: Company data, Thanachart estimates

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