Carabao Group Pcl (CBG TB) - BUY

Analyst Meeting

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Skeptical on bullish guidance

- **CBG maintains a 20% growth target**
- **Bullish domestic outlook**
- **Hope in Myanmar**
- **We maintain a flat growth assumption**

- CBG held an analyst meeting yesterday. The company maintained its plan to achieve 20% growth this year, driven by accelerating domestic energy drink market share gains, rising revenue from spirit bottle OEM, and mainly increasing Myanmar sales.
- Under its growth assumptions, CBG expects:
  - **Domestic energy drink:** CBG expects 20% growth in this segment. It expects market share to rise to 32% from 28% in December 2025, and 27% on average in 2025. CBG believes its products have gained strong momentum as the leading single-product market share brand, and more stores are willing to carry CBG products. The company is also positive about its new distribution network targeting very small stores that previously sold limited volumes of its products. These stores are also CBG's indirect customers for spirit products.
  - **Domestic OEM:** This is mainly for spirit products. Spirit customers continue to gain market share, and CBG expects its customers' market share to increase from 18% in 2025.
  - **Myanmar energy drink:** We recap that CBG suffered from import restrictions imposed by the Myanmar government over the past five years and opened a factory in Myanmar in 4Q25. Sales are likely to increase by about 30% from the average level in 2025 but would still be at around 80% of the 2021 peak.
  - **Cambodia:** Sales in Cambodia also disappeared in 4Q25, and CBG is studying the OEM business model.
- On margins, CBG plans additional cost savings from further reducing cullet content for glass bottles this year. It is building a new cullet furnace and expects lower switching costs for the existing two furnaces.
- We remain skeptical and maintain our flat growth assumption for this year. Under our assumption, we expect 5% domestic sales growth, supported by a 28% market share in 2026F (reached 28% in December) versus27% average in 2025, and -2.% export growth due to continued difficulties in Cambodia, although we expect moderate improvement in Myanmar as OSP, CBG's key competitor, plans aggressive competition. We prefer to wait and see the success of the Cambodia OEM business.

Key Valuations

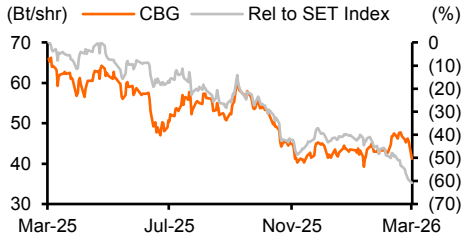
Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Revenue	22,042	21,944	23,568	24,944
Net profit	2,320	2,655	3,081	3,247
Norm net profit	2,837	2,655	3,081	3,247
Norm EPS (Bt)	2.8	2.7	3.1	3.2
Norm EPS gr (%)	(0.2)	(6.4)	16.1	5.4
Norm PE (x)	14.5	15.5	13.4	12.7
EV/EBITDA (x)	9.8	9.9	8.4	8.1
P/BV (x)	2.9	2.6	2.4	2.3
Div. yield (%)	3.2	3.7	5.2	7.9
ROE (%)	20.8	17.8	18.8	18.7
Net D/E (%)	0.7	(8.6)	(15.3)	(13.4)

Source: Thanachart estimates

Stock Data

Closing price (Bt)	41.25
Target price (Bt)	50.00
Market cap (US$ m)	1,311
Avg daily turnover (US$ m)	6.1
12M H/L price (Bt)	66.25/39.25

Price Performance



Source: Bloomberg

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