

# CARABAO GROUP

THAILAND / FOOD & BEVERAGE

## CBG TB

# BUY

UNCHANGED

### ส่วนแบ่งการตลาดเบียร์มาช้ากว่าคาด

- ผู้บริหารอยู่ระหว่างปรับลดเป้ารายได้เบียร์ หลังส่วนแบ่งการตลาดขึ้นช้ากว่าคาด
- เราปรับลดสมมติฐานรายได้จากเบียร์ปี 2024 ลงเหลือ 11% ของรายได้รวม จากเดิมคาดที่ 35% ของรายได้รวม ระยะสั้นคาดว่าจะ 1Q24 ลดลง q-q แต่โตสูง y-y
- ปรับลดราคาเป้าหมายเป็น 70 บาท และนำซื้ออ่อนตัว

TARGET PRICE	THB70.00
CLOSE	THB63.00
UP/DOWNSIDE	+11.1%
PRIOR TP	THB87.00
CHANGE IN TP	-19.5%
TP vs CONSENSUS	-19.2%

### KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	18,853	20,712	21,712	22,766
Net profit	1,924	2,481	2,663	2,824
EPS (THB)	1.92	2.48	2.66	2.82
vs Consensus (%)	-	27.8	1.8	(5.9)
EBITDA	3,245	3,886	4,100	4,315
Recurring net profit	1,924	2,481	2,663	2,824
Core EPS (THB)	1.92	2.48	2.66	2.82
Chg. In EPS est. (%)	-	(12.3)	(8.9)	(8.4)
EPS growth (%)	(15.8)	28.9	7.3	6.0
Core P/E (x)	32.7	25.4	23.7	22.3
Dividend yield (%)	1.4	2.0	2.1	2.2
EV/EBITDA (x)	20.8	17.7	16.8	16.0
Price/book (x)	5.5	4.8	4.4	4.0
Net debt/Equity (%)	41.2	45.7	42.4	39.5
ROE (%)	17.4	20.2	19.5	18.7

### บริษัทอยู่ระหว่างปรับลดเป้ารายได้เบียร์ หลังได้ส่วนแบ่งตลาดน้อยกว่าคาด

เรามีมุมมองเป็นลบจากประชุมนักวิเคราะห์วันที่ 4 มี.ค. ภายหลังผู้บริหารระบุว่าเดือน พ.ย.-ธ.ค. 23 กลุ่มบริษัทมีส่วนแบ่งการตลาดของเบียร์เพียง 2% และถัดมาในเดือน ม.ค.-ก.พ. 24 เข้าสู่ Low season ของการบริโภคแอลกอฮอล์ กอปรกับการแข่งขันในตลาด Traditional Trade ที่สูงระดับหนึ่ง ทำให้รายได้จากการจัดจำหน่ายเบียร์ปรับลดลง q-q นั้นหมายถึงส่วนแบ่งการตลาดอาจหย่อนกว่า 2% ลงไปอีก บริษัทอยู่ระหว่างทบทวนปรับลดเป้ารายได้เบียร์จากเดิมที่ 25 ล้านยูนิต/เดือน (รวมทุกช่องทาง) และตั้งเป้าส่วนแบ่งตลาดที่ 7-10% จึงเลื่อนแผนการขยายกำลังการผลิตขวดแก้วออกไปก่อน (จากเดิมที่คาดเห็นแผนใน 2Q24) และตั้งเป้ารายได้เครื่องดื่มชูกำลังในประเทศปี 2024 รว 5-7% y-y และต่างประเทศตั้งเป้าสูงกว่าที่ 10%

### คาดการณ์ 1Q24 อ่อนตัวลง q-q แต่ยังโตสูง y-y

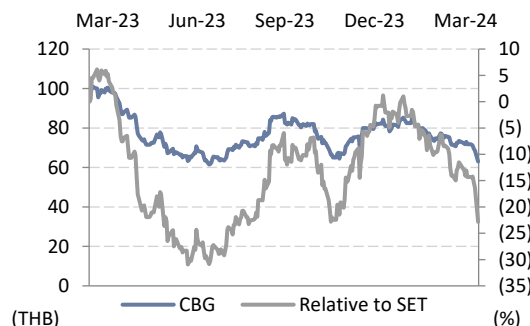
ระยะสั้น คาดกำไร 1Q24 อยู่ที่ราว 601 ลบ. (-7.5% q-q, +128% y-y) โตสูง y-y เพราะฐานต่ำมากปีก่อน แต่คาดลด q-q มาจากรายได้เครื่องดื่มชูกำลังในประเทศอ่อนลงเล็กน้อย โดยล่าสุดส่วนแบ่งตลาดคาราบาวแดงเดือน ม.ค.24 ขยับลงเป็น 23.2% จาก 23.6% ใน 4Q23 ขณะที่คาดรายได้ส่งออกปรับขึ้นทั้ง q-q และ y-y ทั้งกัมพูชา พม่า และเวียดนาม ส่วนรายได้จากบรรจุกัญท์เบียร์น่าจะปรับขึ้น 19% q-q หลังผลิตระบือมากขึ้น แต่เรคาดรายได้จัดจำหน่ายเบียร์จะลดลง 26% q-q เป็น 370 ลบ. ตามฤดูกาล

### ปรับลดประมาณการกำไรปี 2024 ลง 12% แต่ยังโต 29% y-y

ด้วยส่วนแบ่งการตลาดเบียร์ที่มาช้ากว่าคาด เราจึงปรับลดสมมติฐานรายได้จากธุรกิจเบียร์ปี 2024 ลงเป็น 11% จากเดิม 35% ของรายได้รวม โดยปรับลดยอดขายเบียร์ลงเหลือ 8 ล้านยูนิตต่อเดือน (คิดเป็น 30% ของเป้าเดิม) สมมติฐานใหม่ของเราต่ำกว่าที่บริษัททำได้จริงใน 4Q23 ส่วนประมาณการของกลุ่มเครื่องดื่มชูกำลังยัง Conservative ตามเดิม ด้วยรายได้ในประเทศและส่งออกโตเฉลี่ย 4-5% y-y แม้ส่วนแบ่งการตลาดเบียร์จะต่ำกว่าเป้า แต่ตัววันแดงยังสนับสนุนค่าสเปกนเซอร์รายการ EFL รว 50% ตามเดิม ดังนั้นจึงปรับลดกำไรสุทธิ ปี 2024 ลง 12% เป็น 2.48 พันลบ. ยังเติบโต 29% y-y

### ปรับลดราคาเป้าหมายเป็น 70 บาท และนำซื้ออ่อนตัว

จากการปรับลดกำไร ขณะที่แนวโน้มข้างหน้ายังไม่ชัดเจนนัก ยังมีประเด็นให้ติดตามหลายส่วน เราจึงปรับลด Target PE ลงเป็น 28x จากเดิม 30x นำไปสู่การปรับลดราคาเป้าหมายลงเป็น 70 บาท จากเดิม 87 บาท แต่ด้วยราคาที่ปรับลงแรงวันนี้ สะท้อนธุรกิจเบียร์ที่ต่ำกว่าคาดไปพอสมควร จึงแนะนำซื้ออ่อนตัว



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(17.1)	(23.4)	(34.5)
Relative to country (%)	(15.8)	(22.2)	(22.8)
Mkt cap (USD m)	1,759		
3m avg. daily turnover (USD m)	8.5		
Free float (%)	29		
Major shareholder	Sathienthamholding Co Ltd (25%)		
12m high/low (THB)	101.50/61.25		
Issued shares (m)	1,000.00		

Sources: Bloomberg consensus; FSSIA estimates



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### Investment thesis

เราคาดมูลค่าตลาดเครื่องดื่มชูกำลังในปี 2024 จะเติบโตในอัตราปานกลางราว 3% y-y แรงแหน่นมาจากฐานต่ำและคาดหวังการฟื้นตัวของบริโภคเล็กน้อย เราเริ่มเห็นความสามารถทำกำไรขยับขึ้นตั้งแต่ 2H23 จากต้นทุนบรรจุภัณฑ์ และค่าสาธารณูปโภคที่ลดลง อย่างไรก็ตาม CBG ต้องเผชิญกับต้นทุนน้ำตาลที่ปรับตัวสูงขึ้น ซึ่งจะเริ่มส่งกระทบตั้งแต่ 1Q24 เป็นต้นไป กอปรกับ Product Mix ของธุรกิจเบียร์ที่สูงขึ้น จึงคาดว่ากำไรขั้นต้นรวมจะอ่อนตัวลง อย่างไรก็ตาม เรายังต้องติดตามการประสบความสำเร็จของเบียร์ต่อไป

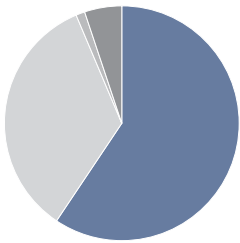
### Company profile

CBG ก่อตั้งขึ้นในปี 2002 เป็นการร่วมลงทุนระหว่างคุณเสถียร เศรษฐสิทธิ์ คุณณัฐชัย ถนอมบุญเจริญ และคุณยืนยง โอภากุล (แอ๊ด คาราบาว) โดย CBG เป็น Holding company ที่ลงทุนในบริษัทย่อยซึ่งประกอบธุรกิจ ผลิต ทำการตลาด และจัดจำหน่ายเครื่องดื่มชูกำลัง และเครื่องดื่มประเภทอื่นๆ ทั้งในประเทศและต่างประเทศ โดยมีผลิตภัณฑ์หลักคือ เครื่องดื่มบำรุงกำลังชื่อ คาราบาวแดง

[www.carabaugroup.com](http://www.carabaugroup.com)

### Principal activities (revenue, 2023)

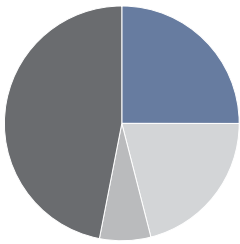
- Branded own - 59.4 %
- 3rd party distribution - 34.3 %
- Branded OEM - 1.2 %
- Others (Packaging) - 5.1 %



Source: Carabao Group

### Major shareholders

- Sathienthamholding Co Ltd - 25.0 %
- Ms Nutchamai Thanombooncharoen - 21.0 %
- Mr Yuenyong Opakul - 7.1 %
- Others - 46.9 %



Source: Carabao Group

### Catalysts

ปัจจัยหนุนการเติบโตในปี 2024 จะมาจาก 1) ส่วนแบ่งการตลาดเครื่องดื่มชูกำลังสูงขึ้น ช่วยหนุนรายได้ในประเทศ 2) ต้นทุนวัตถุดิบและบรรจุภัณฑ์ปรับลดลง 3) สินค้าใหม่ของกลุ่มประสบความสำเร็จ และ 4) ประสบความสำเร็จในการติดตั้งสายการผลิตเครื่องดื่มที่พม่า

### Risks to our call

ความเสี่ยงต่อประมาณการและราคาเป้าหมายของเรา 1) การฟื้นตัวของการบริโภคช้ากว่าคาด 2) การแข่งขันในตลาดเครื่องดื่มชูกำลังรุนแรงขึ้น 3) ต้นทุนวัตถุดิบและบรรจุภัณฑ์ปรับขึ้นมากกว่าคาด 4) การเปลี่ยนแปลงกฎระเบียบ ข้อบังคับทั้งในไทยและต่างประเทศ

### Event calendar

Date	Event
May 2024	1Q24 results announcement

### Key assumptions

	2024E	2025E	2026E
Branded Own growth (%)	4.9	5.2	5.2
Branded OEM growth (%)	10.0	10.0	10.0
3rd party growth (%)	17.5	4.0	4.0
Other-packaging (%)	16.5	5.0	5.0
Total revenue growth (%)	9.9	4.8	4.9
Gross margin (%)	25.3	25.6	25.8

Source: FSSIA estimates

### Earnings sensitivity

- For every 1% increase in revenue, we estimate 2024 net profit to rise by 1.3%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2024 net profit to rise by 4.2%, and vice versa, all else being equal.
- For every 0.2% increase in SG&A, we estimate 2024 net profit to fall by 1.7%, and vice versa, all else being equal.

Source: FSSIA estimates

## Exhibit 1: CBG - 1Q24 earnings preview

	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24E	----- Change -----	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Sales	4,490	4,124	4,707	4,707	5,316	5,132	(3.5)	24.5
Cost of sales	3,299	3,107	3,447	3,445	3,975	3,803	(4.3)	22.4
Gross profit	1,191	1,017	1,260	1,262	1,341	1,329	(0.9)	30.7
SG&A	772	729	712	655	564	616	9.2	(15.5)
Operating profit	492	350	588	650	819	755	(7.7)	115.6
Interest expense	35	36	44	51	52	53	1.2	46.7
Tax expense	55	61	80	80	115	106	(8.3)	74.0
Reported net profit	404	264	482	530	649	601	(7.5)	127.7
Core profit	404	264	482	530	649	601	(7.5)	127.7
<b>Key Ratios (%)</b>							<b>(ppt)</b>	<b>(ppt)</b>
Gross margin	26.5	24.7	26.8	26.8	25.2	25.9	0.7	1.2
SG&A / Sales	17.2	17.7	15.1	13.9	10.6	12.0	1.4	(5.7)
Operating margin	11.0	8.5	12.5	13.8	15.4	14.7	(0.7)	6.2
Net margin	9.0	6.4	10.2	11.3	12.2	11.7	(0.5)	5.3
Core margin	9.0	6.4	10.2	11.3	12.2	11.7	(0.5)	5.3
<b>Operating Statistics (THB m)</b>								
Branded Own sales	2,756	2,486	3,017	2,798	2,896	2,955	2.0	18.8
Branded Own - domestic	1,325	1,163	1,526	1,651	1,505	1,480	(1.7)	27.3
Branded Own - overseas	1,432	1,324	1,491	1,147	1,391	1,475	6.0	11.4
Branded OEM sales	82	49	64	61	59	62	5.1	25.3
3rd party sales	1,478	1,464	1,452	1,450	2,088	1,790	(14.3)	22.3
Other (packaging)	174	124	174	398	273	325	19.0	162.7
GM - Branded Own (%)	34.2	33.7	35.2	35.6	37.5	37.0	(0.5)	3.3
GM - Branded OEM (%)	12.2	12.1	14.1	18.0	18.6	18.0	(0.6)	5.9
GM - 3rd party (%)	12.2	9.6	10.0	10.0	8.2	8.0	(0.2)	(1.6)
GM - other (%)	32.2	26.7	25.3	27.6	25.6	25.0	(0.6)	(1.7)
Domestic sales (% of total sales)	67.8	67.9	68.0	75.3	73.6	71.3	(2.3)	3.4
Overseas sales (% of total sales)	32.2	32.1	32.0	24.7	26.4	28.7	2.3	(3.4)
Domestic sales (THB m)	3,046	2,799	3,202	3,546	3,911	3,657	(6.5)	30.7
Overseas sales (THB m)	1,444	1,325	1,505	1,161	1,405	1,475	5.0	11.3
CLMV	1,292	1,194	1,291	953	1,201	1,285	7.0	7.6
China	22	9	41	38	0	0	nm	nm
UK	45	39	56	48	46	40	(13.0)	2.6
Others	84	83	117	123	159	150	(5.7)	80.7

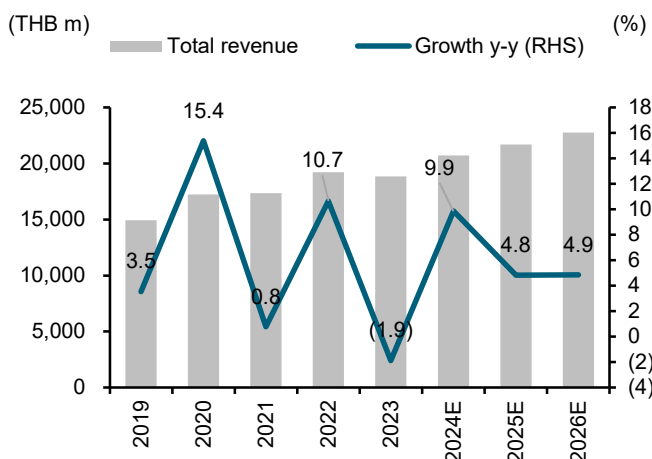
Sources: CBG; FSSIA estimates

## Exhibit 2: Changes in key assumptions for CBG

	Current			Previous			Change		
	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
Total sale value (THB m)	20,712	21,712	22,766	27,797	29,229	30,736	(25.5)	(25.7)	(25.9)
Costs	15,463	16,157	16,897	21,801	22,962	24,142	(29.1)	(29.6)	(30.0)
Gross profit	5,249	5,555	5,868	5,996	6,267	6,594	(12.5)	(11.4)	(11.0)
SG&A expense	2,423	2,540	2,664	2,780	2,923	3,074	(12.8)	(13.1)	(13.3)
Interest expense	163	163	164	187	197	201	0.0	0.0	0.0
Reported net profit	2,481	2,663	2,824	2,828	2,925	3,083	(12.3)	(8.9)	(8.4)
Core profit	2,481	2,663	2,824	2,828	2,925	3,083	(12.3)	(8.9)	(8.4)
<b>Key ratios (%)</b>									
Total revenue growth	25.3	25.6	25.8	21.6	21.4	21.5	3.8	4.1	4.3
Net profit growth	28.9	7.3	6.0	46.9	3.4	5.4	(18.0)	3.9	0.6
Core profit growth	28.9	7.3	6.0	46.9	3.4	5.4	(18.0)	3.9	0.6
Gross margin	25.3	25.6	25.8	21.6	21.4	21.5	3.8	4.1	4.3
SG&A to sales	11.7	11.7	11.7	10.0	10.0	10.0	1.7	1.7	1.7
Net margin	12.0	12.3	12.4	10.2	10.0	10.0	1.8	2.3	2.4
Core margin	12.0	12.3	12.4	10.2	10.0	10.0	1.8	2.3	2.4
<b>Operating statistics (no.)</b>									
Branded Own sales	11,744	12,358	13,005	11,945	12,571	13,230	(1.7)	(1.7)	(1.7)
Branded OEM sales	255	281	309	267	293	323	(4.3)	(4.3)	(4.3)
3rd party sales	7,586	7,890	8,210	14,086	14,790	15,530	(46.1)	(46.7)	(47.1)
Other (packaging) sales	1,127	1,183	1,243	1,500	1,575	1,654	(24.9)	(24.9)	(24.9)
GM - Branded Own (%)	36.0	36.3	36.5	36.2	36.0	36.0	(0.2)	0.3	0.5
GM - Branded OEM (%)	17.0	17.0	17.0	18.0	18.0	18.0	(1.0)	(1.0)	(1.0)
GM - 3rd party (%)	9.0	9.0	9.1	7.4	7.2	7.2	1.7	1.9	1.9
GM - Beer (%)	5.0	5.0	5.0	5.0	5.0	5.0	0.0	0.0	0.0

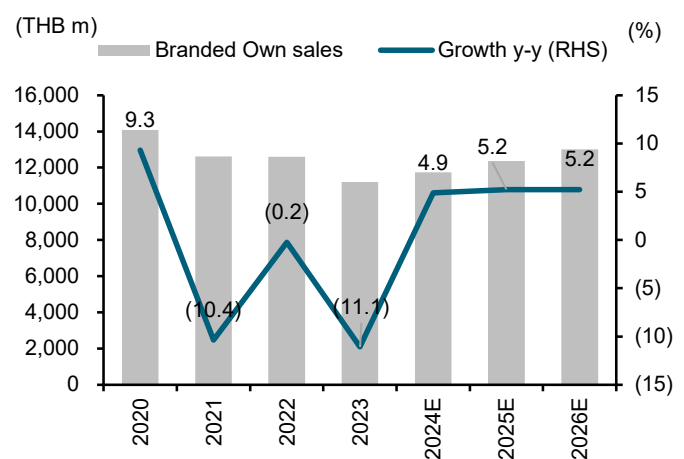
Source: FSSIA estimates

## Exhibit 3: Total revenue and growth

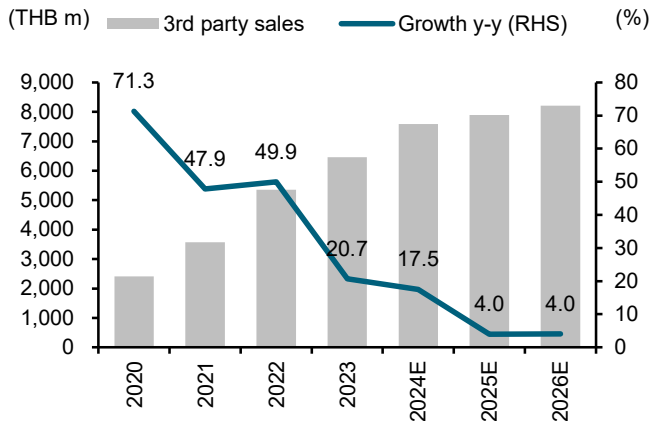


Sources: CBG; FSSIA estimates

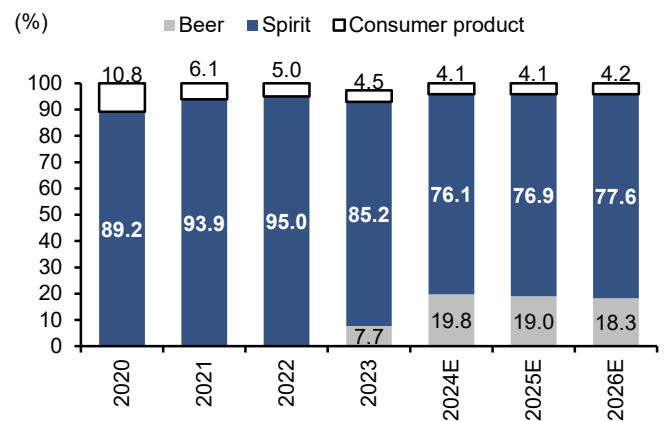
## Exhibit 4: Revenue from branded own product and growth



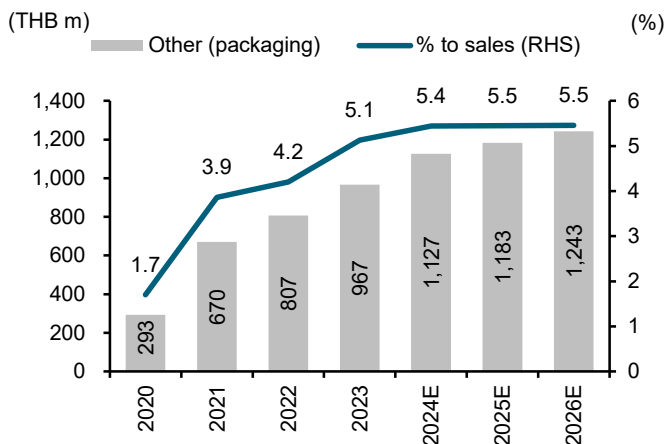
Sources: CBG; FSSIA estimates

**Exhibit 5: Revenue from distribution service and growth**

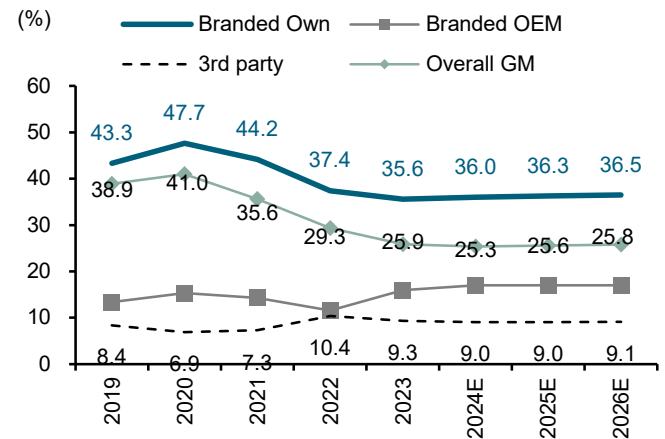
Sources: CBG; FSSIA estimates

**Exhibit 6: Revenue from distribution by product**

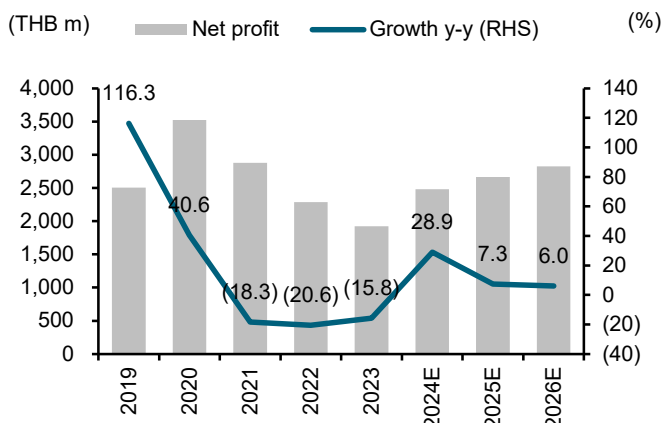
Sources: CBG; FSSIA estimates

**Exhibit 7: Packaging revenue and % to sales**

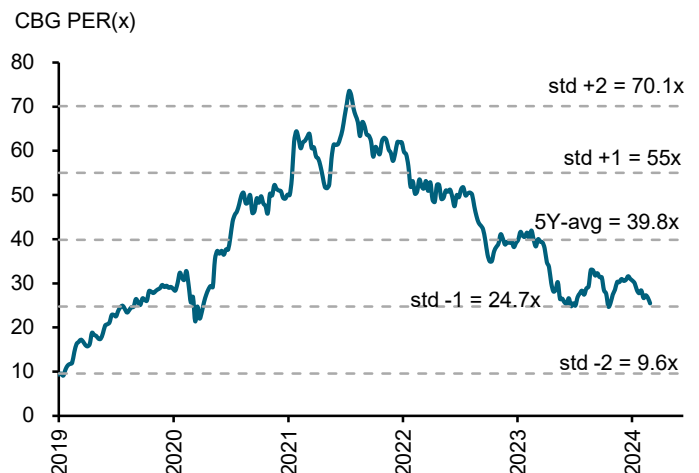
Sources: CBG; FSSIA estimates

**Exhibit 8: Gross margin by segment**

Sources: CBG; FSSIA estimates

**Exhibit 9: Net profit and growth**

Sources: CBG; FSSIA estimates

**Exhibit 10: Historical P/E band**

Sources: Bloomberg, FSSIA estimates

## Financial Statements

### Carabao Group

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	19,215	18,853	20,712	21,712	22,766
Cost of goods sold	(13,582)	(13,974)	(15,463)	(16,157)	(16,897)
<b>Gross profit</b>	<b>5,633</b>	<b>4,879</b>	<b>5,249</b>	<b>5,555</b>	<b>5,868</b>
Other operating income	239	188	207	217	228
Operating costs	(3,078)	(2,660)	(2,423)	(2,540)	(2,664)
<b>Operating EBITDA</b>	<b>3,607</b>	<b>3,245</b>	<b>3,886</b>	<b>4,100</b>	<b>4,315</b>
Depreciation	(813)	(838)	(853)	(868)	(883)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>2,794</b>	<b>2,407</b>	<b>3,033</b>	<b>3,232</b>	<b>3,432</b>
Net financing costs	(114)	(178)	(158)	(160)	(161)
Associates	5	8	10	12	14
Recurring non-operating income	5	8	10	12	14
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>2,684</b>	<b>2,237</b>	<b>2,886</b>	<b>3,084</b>	<b>3,285</b>
Tax	(433)	(337)	(431)	(461)	(491)
<b>Profit after tax</b>	<b>2,251</b>	<b>1,900</b>	<b>2,454</b>	<b>2,623</b>	<b>2,795</b>
Minority interests	35	24	27	40	30
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>2,286</b>	<b>1,924</b>	<b>2,481</b>	<b>2,663</b>	<b>2,824</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Recurring net profit</b>	<b>2,286</b>	<b>1,924</b>	<b>2,481</b>	<b>2,663</b>	<b>2,824</b>
<b>Per share (THB)</b>					
Recurring EPS *	2.29	1.92	2.48	2.66	2.82
Reported EPS	2.29	1.92	2.48	2.66	2.82
DPS	1.50	0.90	1.24	1.33	1.41
Diluted shares (used to calculate per share data)	1,000	1,000	1,000	1,000	1,000
<b>Growth</b>					
Revenue (%)	10.7	(1.9)	9.9	4.8	4.9
Operating EBITDA (%)	(14.1)	(10.0)	19.8	5.5	5.2
Operating EBIT (%)	(18.9)	(13.8)	26.0	6.6	6.2
Recurring EPS (%)	(20.6)	(15.8)	28.9	7.3	6.0
Reported EPS (%)	(20.6)	(15.8)	28.9	7.3	6.0
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	29.3	25.9	25.3	25.6	25.8
Gross margin exc. depreciation (%)	33.5	30.3	29.5	29.6	29.7
Operating EBITDA margin (%)	18.8	17.2	18.8	18.9	19.0
Operating EBIT margin (%)	14.5	12.8	14.6	14.9	15.1
Net margin (%)	11.9	10.2	12.0	12.3	12.4
Effective tax rate (%)	16.1	15.1	14.9	14.9	14.9
Dividend payout on recurring profit (%)	65.6	46.8	50.0	50.0	50.0
Interest cover (X)	24.5	13.5	19.3	20.3	21.4
Inventory days	72.2	69.6	60.4	62.0	61.9
Debtor days	40.7	45.7	39.3	39.1	39.1
Creditor days	51.8	54.2	53.6	54.8	54.7
Operating ROIC (%)	14.2	12.2	14.5	13.7	13.4
ROIC (%)	13.5	11.6	13.9	13.2	13.0
ROE (%)	21.9	17.4	20.2	19.5	18.7
ROA (%)	11.9	10.3	12.4	12.1	12.1

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Branded own	12,591	11,196	11,744	12,358	13,005
3rd party distribution	5,350	6,458	7,586	7,890	8,210
Branded OEM	467	232	255	281	309
Others (Packaging)	807	967	1,127	1,183	1,243

Sources: Carabao Group; FSSIA estimates

## Financial Statements

### Carabao Group

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	2,286	1,924	2,481	2,663	2,824
Depreciation	813	838	853	868	883
Associates & minorities	-	-	-	-	-
Other non-cash items	(19)	(61)	6	17	(12)
Change in working capital	(1,117)	992	(95)	(121)	(128)
<b>Cash flow from operations</b>	<b>1,963</b>	<b>3,694</b>	<b>3,245</b>	<b>3,428</b>	<b>3,568</b>
Capex - maintenance	(737)	(822)	(3,303)	(2,257)	(2,296)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(16)	(26)	55	(3)	(3)
<b>Cash flow from investing</b>	<b>(753)</b>	<b>(848)</b>	<b>(3,247)</b>	<b>(2,260)</b>	<b>(2,299)</b>
Dividends paid	(1,760)	(1,156)	(1,241)	(1,332)	(1,412)
Equity finance	0	0	0	0	0
Debt finance	326	(1,438)	663	8	43
Other financing cash flows	27	(5)	27	11	12
<b>Cash flow from financing</b>	<b>(1,408)</b>	<b>(2,598)</b>	<b>(550)</b>	<b>(1,313)</b>	<b>(1,358)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(198)</b>	<b>248</b>	<b>(552)</b>	<b>(145)</b>	<b>(89)</b>
Free cash flow to firm (FCFF)	1,324.54	3,029.30	160.65	1,330.35	1,432.52
Free cash flow to equity (FCFE)	1,562.23	1,403.93	688.24	1,186.52	1,323.21
<b>Per share (THB)</b>					
FCFF per share	1.32	3.03	0.16	1.33	1.43
FCFE per share	1.56	1.40	0.69	1.19	1.32
Recurring cash flow per share	3.08	2.70	3.34	3.55	3.70
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	16,143	17,819	19,525	21,262	23,028
Less: Accumulated depreciation	(3,291)	(4,944)	(3,905)	(4,252)	(4,606)
<b>Tangible fixed assets (net)</b>	<b>12,852</b>	<b>12,875</b>	<b>15,620</b>	<b>17,009</b>	<b>18,422</b>
<b>Intangible fixed assets (net)</b>	<b>612</b>	<b>629</b>	<b>597</b>	<b>598</b>	<b>599</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	162	173	173	173	173
Cash & equivalents	936	1,184	632	486	397
A/C receivable	2,533	2,192	2,270	2,379	2,495
Inventories	2,718	2,295	2,542	2,656	2,778
Other current assets	160	131	104	109	114
<b>Current assets</b>	<b>6,347</b>	<b>5,802</b>	<b>5,547</b>	<b>5,630</b>	<b>5,784</b>
Other assets	66	65	41	43	46
<b>Total assets</b>	<b>20,039</b>	<b>19,543</b>	<b>21,978</b>	<b>23,454</b>	<b>25,023</b>
Common equity	10,683	11,491	13,027	14,359	15,771
Minorities etc.	(118)	(178)	(172)	(155)	(167)
<b>Total shareholders' equity</b>	<b>10,565</b>	<b>11,312</b>	<b>12,855</b>	<b>14,204</b>	<b>15,604</b>
Long term debt	1,082	3,747	3,655	3,558	3,407
Other long-term liabilities	205	201	228	239	250
<b>Long-term liabilities</b>	<b>1,287</b>	<b>3,948</b>	<b>3,883</b>	<b>3,797</b>	<b>3,657</b>
A/C payable	1,853	2,045	2,245	2,346	2,454
Short term debt	6,198	2,095	2,850	2,955	3,149
Other current liabilities	137	143	145	152	159
<b>Current liabilities</b>	<b>8,187</b>	<b>4,283</b>	<b>5,240</b>	<b>5,453</b>	<b>5,762</b>
<b>Total liabilities and shareholders' equity</b>	<b>20,039</b>	<b>19,543</b>	<b>21,978</b>	<b>23,454</b>	<b>25,023</b>
Net working capital	3,422	2,430	2,525	2,646	2,773
Invested capital	17,114	16,171	18,956	20,469	22,013
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	10.68	11.49	13.03	14.36	15.77
Tangible book value per share	10.07	10.86	12.43	13.76	15.17
<b>Financial strength</b>					
Net debt/equity (%)	60.0	41.2	45.7	42.4	39.5
Net debt/total assets (%)	31.7	23.8	26.7	25.7	24.6
Current ratio (x)	0.8	1.4	1.1	1.0	1.0
CF interest cover (x)	14.7	8.9	5.4	8.4	9.2
Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>27.6</b>	<b>32.7</b>	<b>25.4</b>	<b>23.7</b>	<b>22.3</b>
<b>Recurring P/E @ target price (x) *</b>	<b>30.6</b>	<b>36.4</b>	<b>28.2</b>	<b>26.3</b>	<b>24.8</b>
Reported P/E (x)	27.6	32.7	25.4	23.7	22.3
Dividend yield (%)	2.4	1.4	2.0	2.1	2.2
Price/book (x)	5.9	5.5	4.8	4.4	4.0
Price/tangible book (x)	6.3	5.8	5.1	4.6	4.2
EV/EBITDA (x) **	19.2	20.8	17.7	16.8	16.0
EV/EBITDA @ target price (x) **	21.1	23.0	19.5	18.5	17.6
EV/invested capital (x)	4.0	4.2	3.6	3.4	3.1
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: Carabao Group; FSSIA estimates



# Carabao Group PCL (CBG TB)

## FSSIA ESG rating


**51.54 /100**

### Exhibit 11: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★☆	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★☆☆	>39-59	<b>Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.</b>
★★☆☆☆	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★☆☆☆☆	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

### Exhibit 12: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
CBG	51.54	--	Y	Y	4.00	4.00	Declared	High	59.58	B	--	33.28	56.00	2.14	41.92
ICHI	43.67	--	Y	Y	5.00	5.00	Certified	High	61.36	--	--	--	18.00	--	--
OSP	61.48	--	Y	Y	5.00	4.00	Declared	Medium	68.64	BBB	--	63.08	51.00	3.00	63.65
SAPPE	35.25	--	Y	Y	4.00	5.00	Certified	Medium	--	--	--	--	--	--	--
TACC	15.00	--	--	--	5.00	5.00	--	--	--	--	--	--	--	--	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

### Exhibit 13: ESG score by Bloomberg

FY ending Dec 31	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>1.42</b>	<b>2.14</b>	<b>—</b>
BESG environmental pillar score	0.67	1.92	—
BESG social pillar score	0.74	0.78	—
BESG governance pillar score	3.60	4.25	—
<b>ESG disclosure score</b>	<b>34.38</b>	<b>41.92</b>	<b>—</b>
Environmental disclosure score	20.27	31.89	—
Social disclosure score	19.20	30.20	—
Governance disclosure score	63.58	63.58	—
<b>Environmental</b>			
Emissions reduction initiatives	Yes	Yes	No
Climate change policy	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No
Risks of climate change discussed	Yes	Yes	Yes
GHG scope 1	—	16	82
GHG scope 2 location-based	—	43	42
GHG Scope 3	—	1	74
Carbon per unit of production	—	—	—
Biodiversity policy	No	No	No
Energy efficiency policy	Yes	Yes	No
Total energy consumption	90	135	—
Renewable energy use	—	6	—
Electricity used	90	88	—
Fuel used - natural gas	—	—	—

Sources: Bloomberg; FSSIA's compilation



**Exhibit 14: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No
Waste reduction policy	Yes	Yes	No
Hazardous waste	—	0	—
Total waste	5	7	—
Waste recycled	4	7	—
Waste sent to landfills	—	0	—
Environmental supply chain management	No	No	No
Water policy	Yes	Yes	Yes
Water consumption	3,070,910	1,110,020	—
<b>Social</b>			
Human rights policy	Yes	Yes	Yes
Policy against child labor	No	No	No
Quality assurance and recall policy	Yes	Yes	Yes
Consumer data protection policy	No	No	No
Equal opportunity policy	No	No	No
Gender pay gap breakout	No	No	Yes
Pct women in workforce	33	34	—
Pct disabled in workforce	—	—	—
Business ethics policy	No	Yes	Yes
Anti-bribery ethics policy	No	Yes	Yes
Health and safety policy	Yes	Yes	Yes
Lost time incident rate - employees	0	0	—
Total recordable incident rate - employees	—	—	—
Training policy	Yes	Yes	Yes
Fair remuneration policy	No	No	No
Number of employees – CSR	2,993	3,232	3,325
Employee turnover pct	—	—	—
Total hours spent by firm - employee training	38,150	33,137	—
Social supply chain management	No	No	No
<b>Governance</b>			
<b>Board size</b>	<b>11</b>	<b>13</b>	<b>13</b>
<b>No. of independent directors (ID)</b>	<b>5</b>	<b>6</b>	<b>6</b>
No. of women on board	4	4	4
No. of non-executive directors on board	6	7	8
Company conducts board evaluations	Yes	Yes	Yes
No. of board meetings for the year	7	6	6
Board meeting attendance pct	91	100	95
Board duration (years)	—	—	—
Director share ownership guidelines	No	No	No
Age of the youngest director	—	—	—
Age of the oldest director	—	—	—
<b>No. of executives / company managers</b>	<b>7</b>	<b>7</b>	<b>6</b>
No. of female executives	2	2	1
Executive share ownership guidelines	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3	3
Audit committee meetings	5	5	5
Audit meeting attendance %	100	100	100
<b>Size of compensation committee</b>	<b>4</b>	<b>4</b>	<b>4</b>
No. of ID on compensation committee	2	2	2
No. of compensation committee meetings	2	4	2
Compensation meeting attendance %	100	100	100
<b>Size of nomination committee</b>	<b>4</b>	<b>4</b>	<b>4</b>
No. of nomination committee meetings	2	4	2
Nomination meeting attendance %	100	100	100
<b>Sustainability governance</b>			
Verification type	No	No	No

Sources: Bloomberg; FSSIA's compilation

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar Sustainability	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>		AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

**Rating** regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

#### Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

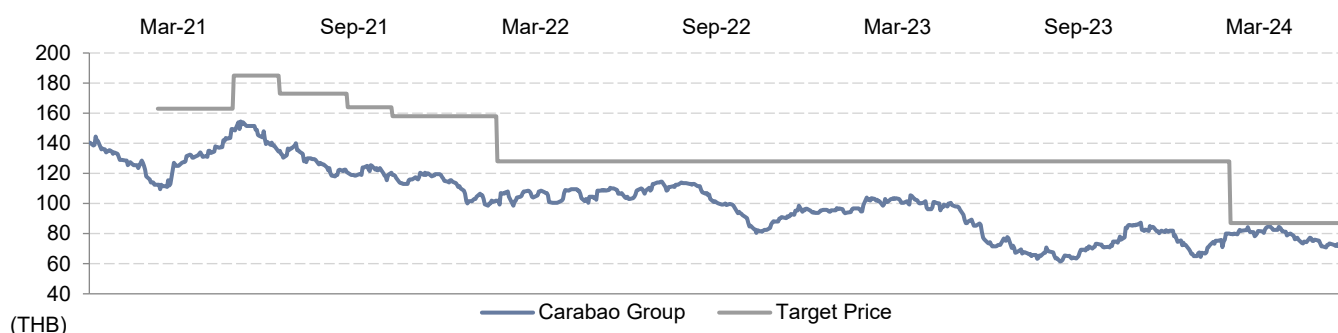
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#### History of change in investment rating and/or target price

##### Carabao Group (CBG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
30-Apr-2021	BUY	163.00	14-Oct-2021	BUY	164.00	20-Nov-2023	HOLD	87.00
07-Jul-2021	BUY	185.00	22-Nov-2021	BUY	158.00	19-Feb-2024	BUY	87.00
16-Aug-2021	BUY	173.00	21-Feb-2022	BUY	128.00			

Sureeporn Teewasuwet started covering this stock from 20-Nov-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Carabao Group	CBG TB	THB 63.00	BUY	Downside risks to our P/E-based TP are 1) a slower-than-expected recovery in consumption; 2) higher competition in the domestic energy drink market; 3) a potential rise in packaging and raw material costs; and 4) regulatory risks from domestic and international markets.

Source: FSSIA estimates

#### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 04-Mar-2024 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

**BUY (B).** The upside is 10% or more.

**HOLD (H).** The upside or downside is less than 10%.

**REDUCE (R).** The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

### Country (Strategy) Recommendations

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.