

CARABAO GROUP
THAILAND / FOOD & BEVERAGE

CBG TB

BUY

UNCHANGED

การปรับตัวยังคงมาแรง

- ส่วนแบ่งตลาดยังเพิ่มขึ้นต่อเนื่องโดยทำนิวไฮที่ 24.8% ในเดือน ส.ค. และมีเป้าหมายแตะ 26% ภายในสิ้นปีนี้
- เครื่องดื่มชูกำลังในประเทศช่วยชดเชยตลาดต่างประเทศที่ลดลงและยอดขายเบียร์ที่ทรงตัวได้ทั้งหมด
- ปรับเพิ่มประมาณการกำไรสุทธิและราคาเป้าหมายขึ้นเป็น 88 บาท

TARGET PRICE	THB88.00
CLOSE	THB73.00
UP/DOWNSIDE	+20.5%
PRIOR TP	THB81.00
CHANGE IN TP	+8.6%
TP vs CONSENSUS	+10.6%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	18,853	20,647	21,926	23,185
Net profit	1,924	2,869	3,142	3,321
EPS (THB)	1.92	2.87	3.14	3.32
vs Consensus (%)	-	4.5	2.5	(1.4)
EBITDA	3,245	4,471	4,804	5,037
Recurring net profit	1,924	2,869	3,142	3,321
Core EPS (THB)	1.92	2.87	3.14	3.32
Chg. In EPS est. (%)	-	6.9	8.5	8.4
EPS growth (%)	(15.8)	49.1	9.5	5.7
Core P/E (x)	37.9	25.4	23.2	22.0
Dividend yield (%)	1.2	2.0	2.2	2.3
EV/EBITDA (x)	23.9	17.6	16.3	15.6
Price/book (x)	6.4	5.5	4.9	4.4
Net debt/Equity (%)	41.2	43.4	38.3	33.9
ROE (%)	17.4	23.2	22.4	21.3

ส่วนแบ่งตลาดของคาราบาวแดงทำสถิติสูงสุดใหม่ในเดือน ส.ค.

ตลาดเครื่องดื่มชูกำลังในประเทศโตประมาณ 7-8% y-y ในปี 2024 เร่งตัวขึ้นจาก 3-4% ในช่วง 1H24 ในขณะที่ CBG มีส่วนแบ่งตลาดทำสถิติสูงสุดใหม่ที่ 24.8% ในเดือน ส.ค. เพิ่มขึ้นจาก 24% ในเดือน ก.ค. ซึ่งทำให้ได้ค่าเฉลี่ยอยู่ที่ 24.4% ใน 3Q24 (เทียบกับ 24.1% ใน 2Q24) โดยมาจากโปร "2 ขวด 18 บาท" ที่ 7-Eleven ในช่วงเดือน ส.ค. และ ก.ย. เราคาดว่ารายได้จากเครื่องดื่มชูกำลังในประเทศใน 3Q24 จะโต 24.4% q-q และ 8.8% y-y ซึ่งจะช่วยชดเชยรายได้ต่างประเทศที่ลดลงได้ทั้งหมด ทั้งนี้เราคาดว่ายอดขายในพม่าจะลดลง 20-30% q-q ในขณะที่กัมพูชาจะลดลง 5% q-q จากปัจจัยด้านฤดูกาล

คาดการณ์กำไรสุทธิ 3Q24 จะทำสถิติสูงสุดใหม่ในรอบ 13 ไตรมาส

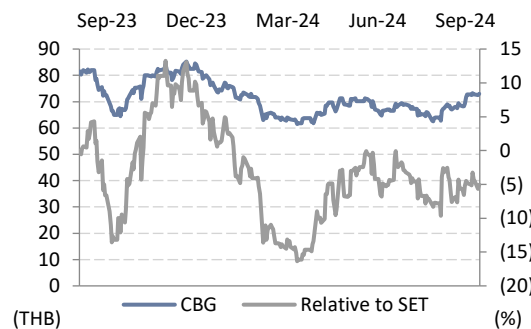
เราคาดว่ารายได้จากเบียร์ใน 3Q24 จะยังทรงตัว q-q ในการจัดจำหน่ายและบรรจุภัณฑ์เนื่องจาก Tawandang กำลังขยายเข้าสู่ตลาด Modern trade ปัจจุบัน Tawandang ยังไม่มีขายที่ 7-Eleven อย่างไรก็ตามจากการเติบโตที่ดีของเครื่องดื่มชูกำลังในประเทศซึ่งมีอัตรากำไรดีกว่าเบียร์อย่างมีนัยสำคัญในขณะที่ยอดขายรวมยังทรงตัว เราคาดว่าอัตรากำไรขั้นต้นในไตรมาส 3Q24 จะอยู่ที่ 28.5% เพิ่มขึ้นจาก 27.7% ใน 2Q24 นับว่าสูงที่สุดในรอบ 8 ไตรมาส ดังนั้นเราจึงคาดการณ์กำไรสุทธิ 3Q24 จะอยู่ที่ 762 ลบ. (+10% q-q, +44% y-y)

ปรับเพิ่มประมาณการกำไรสุทธิปี 2024-25

เราคาดว่ากำไรสุทธิ 4Q24 จะโตต่อเนื่องทั้ง q-q และ y-y และจุดสูงสุดของปีนี้จาก 1) แผนส่งเสริมการขายต่อเนื่องเพื่อให้บรรลุเป้าส่วนแบ่งตลาดที่ 26% ภายในสิ้นปี 2024; และ 2) การเข้าสู่ High season ของธุรกิจเครื่องดื่มแอลกอฮอล์ (ทั้งเหล้าและเบียร์) เราปรับเพิ่มประมาณการกำไรปี 2024-25 ขึ้น 7-8.5% เป็น 2.87 พัน ลบ. และ 3.14 พัน ลบ. คิดเป็นการเติบโตที่ 49% y-y และ 9.5% y-y ตามลำดับ การปรับขึ้นดังกล่าวสะท้อนสมมติฐานเครื่องดื่มชูกำลังที่สูงขึ้นและสมมติฐานรายได้จากเบียร์ที่ลดลง (รวมการจัดจำหน่ายและบรรจุภัณฑ์) เป็น 900 ลบ. จาก 1.5 พัน ลบ.

คำแนะนำซื้อหลังปรับเพิ่มราคาเป้าหมายเป็น 88 บาท

เราปรับราคาเป้าหมายไปเป็นปี 2025 ที่ 88 บาท เราปรับลดค่า P/E เป้าหมายเป็น 28x จาก 30x เพื่อให้สอดคล้องกับค่า P/E เป้าหมายของ OSP มากยิ่งขึ้น ประมาณการกำไรของเราจะไม่รวมความสำเร็จของธุรกิจเบียร์ที่อาจเกิดขึ้นและผลบวกจากโรงงานใหม่ในกัมพูชาซึ่งทำให้ทั้งสองปัจจัยเป็น Upside เพิ่มเติมของเรา เราคงคำแนะนำซื้อจากแนวโน้มส่วนแบ่งตลาดขาขึ้นและกำไรที่คาดว่าจะโตใน 3Q-4Q24



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	8.1	9.8	(13.4)
Relative to country (%)	(1.9)	(0.9)	(7.0)
Mkt cap (USD m)	2,192		
3m avg. daily turnover (USD m)	6.3		
Free float (%)	29		
Major shareholder	Sathienthamholding Co Ltd (25%)		
12m high/low (THB)	86.25/61.25		
Issued shares (m)	1,000.00		

Sources: Bloomberg consensus; FSSIA estimates



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PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 19 กันยายน 2024

Investment thesis

We expect the 2024 energy drink market to record moderate growth of 3% y-y, supported by a low base and a slight consumption recovery. We began to see higher profitability from 2H23 due to lower packaging and utility costs. Our positive outlook is based on the stronger earnings momentum for the remainder of this year, with 1Q24 projected to be the lowest point of the year. We anticipate a gradual increase in beer market share to around 2-3%, which will require time to expand, particularly through the traditional trade channel. However, this modest market share target might be sufficient to support strong profit growth this year.

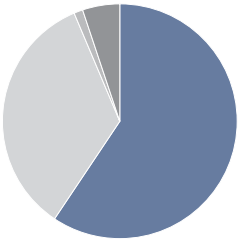
Company profile

Established in 2002, CBG is a joint investment of Mr. Sathien Sathientham, Ms. Nutchamai Thanombooncharoen, and Mr. Yeunyong Opakul (Add Carabao). It is a holding company with investments in subsidiaries that manufacture, market, and distribute energy drinks and other beverages in domestic and overseas markets. Its core product is the Carabao Dang energy drink.

www.carabaogroup.com

Principal activities (revenue, 2023)

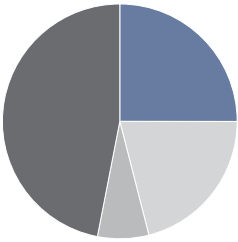
- Branded own - 59.4 %
- 3rd party distribution - 34.3 %
- Branded OEM - 1.2 %
- Others (Packaging) - 5.1 %



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

Potential catalysts for CBG’s earnings growth in 2024-25 are 1) revenue growth driven by rising market share; 2) declining packaging and raw material costs; 3) successful new product launches; and 4) a successful production line established in Myanmar.

Risks to our call

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.

Event calendar

Date	Event
November 2024	3Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Branded Own growth (%)	5.0	6.0	5.2
Branded OEM growth (%)	21.6	10.0	10.0
3rd-party growth (%)	18.2	6.5	6.6
Other - packaging (%)	0.6	5.0	5.0
Total revenue growth (%)	9.5	6.2	5.7
Gross margin (%)	27.6	27.9	27.8

Source: FSSIA estimates

Earnings sensitivity

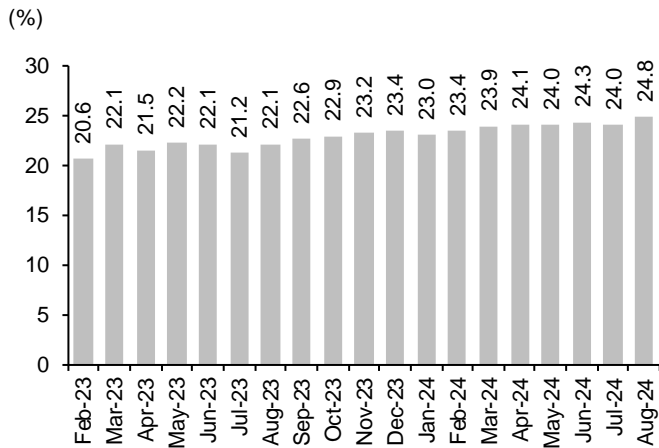
- For every 1% increase in revenue, we estimate 2024 net profit to rise by 1.3%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2024 net profit to rise by 4.2%, and vice versa, all else being equal.
- For every 0.2% increase in SG&A, we estimate 2024 net profit to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

Source: FSSIA estimates

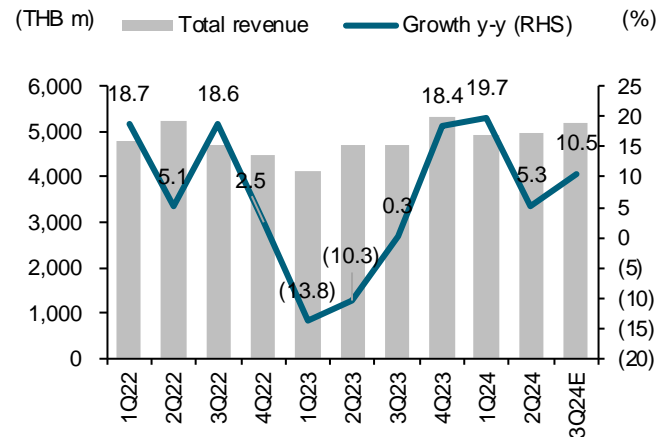
Exhibit 1: CBG – 3Q24 earnings preview

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24E	---- Change ----		2024E	Change	% 9M24E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	to 2024E
Sales	4,124	4,707	4,707	5,316	4,935	4,954	5,202	5.0	10.5	20,647	9.5	73.1
Cost of sales	3,107	3,447	3,445	3,975	3,613	3,583	3,719	3.8	8.0	14,939	6.9	73.1
Gross profit	1,017	1,260	1,262	1,341	1,322	1,371	1,482	8.1	17.5	5,708	17.0	73.2
SG&A	729	712	655	564	576	533	560	5.0	(14.5)	2,250	(15.4)	74.2
Operating profit	350	588	650	819	787	876	962	9.9	48.1	3,618	50.3	72.6
Interest expense	36	44	51	52	45	37	37	0.3	(27.5)	156	(14.7)	76.3
Tax expense	61	80	80	115	123	158	174	10.6	117.0	635	88.6	71.6
Reported net profit	264	482	530	649	628	691	762	10.3	43.8	2,869	49.1	72.5
Core profit	264	482	530	649	628	691	762	10.3	43.8	2,869	49.1	72.5
Key Ratios (%)								(ppt)	(ppt)			
Gross margin	24.7	26.8	26.8	25.2	26.8	27.7	28.5	0.8	1.7	27.6	52.7	
SG&A / Sales	17.7	15.1	13.9	10.6	11.7	10.8	10.8	(0.0)	(3.2)	10.9	(3.2)	
Operating margin	8.5	12.5	13.8	15.4	16.0	17.7	18.5	0.8	4.7	17.5	4.8	
Net margin	6.4	10.2	11.3	12.2	12.7	13.9	14.6	0.7	3.4	13.9	3.7	
Core margin	6.4	10.2	11.3	12.2	12.7	13.9	14.6	0.7	3.4	13.9	3.7	
Operating Statistics (THB m)												
Branded Own sales	2,486	3,017	2,798	2,896	2,838	2,900	2,990	3.1	6.9	11,758	5.0	74.2
Branded Own - domestic	1,163	1,526	1,651	1,505	1,318	1,445	1,797	24.4	8.8	6,410	9.7	71.1
Branded Own - overseas	1,324	1,491	1,147	1,391	1,520	1,455	1,193	(18.0)	4.0	5,348	(0.1)	77.9
Branded OEM sales	49	64	61	59	72	70	70	0.0	14.8	282	21.6	75.2
3rd party sales	1,464	1,452	1,450	2,088	1,823	1,723	1,892	9.8	30.5	7,634	18.2	71.2
Other (packaging)	124	174	398	273	202	261	250	(4.2)	(37.2)	973	0.6	73.3
GM - Branded Own (%)	33.7	35.2	35.6	37.5	38.9	38.9	41.0	2.1	5.4	40.1	4.5	
GM - Branded OEM (%)	12.1	14.1	18.0	18.6	16.7	15.7	15.7	(0.0)	(2.3)	16.0	0.0	
GM - 3rd party (%)	9.6	10.0	10.0	8.2	9.2	9.5	9.5	(0.0)	(0.5)	9.3	(0.0)	
GM - other (%)	26.7	25.3	27.6	25.6	18.8	26.4	26.0	(0.4)	(1.6)	24.6	(1.8)	
Domestic sales (% of total sales)	67.9	68.0	75.3	73.6	69.2	70.6	77.1	6.4	1.7	71.4	7.2	
Overseas sales (% of total sales)	32.1	32.0	24.7	26.4	30.8	29.4	22.9	(6.4)	(1.7)	28.6	(7.2)	
Domestic sales (THB m)	2,799	3,202	3,546	3,911	3,414	3,499	4,009	14.6	13.1	15,299	13.7	71.4
Overseas sales (THB m)	1,325	1,505	1,161	1,405	1,520	1,455	1,193	(18.0)	2.8	5,348	(0.9)	77.9
CLMV	1,194	1,291	953	1,201	1,364	1,333	1,060	(20.5)	11.2	4,772	2.9	78.7
China	9	41	38	0	0	0	0	nm	nm	0	(100.0)	nm
UK	39	56	48	46	53	54	48	(11.1)	0.0	199	5.3	77.9
Others	83	117	123	159	104	68	85	25.0	(30.9)	377	(21.5)	68.2

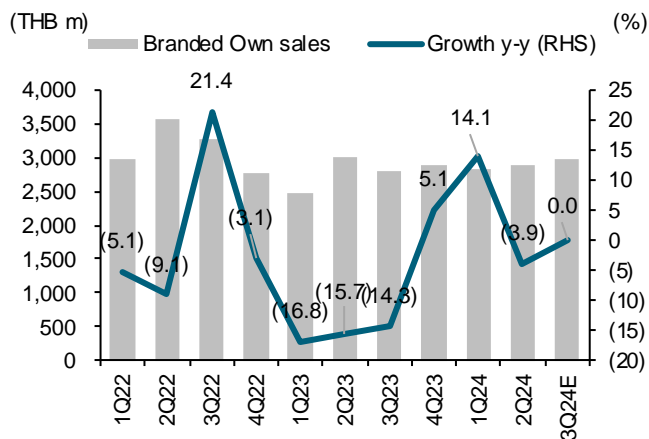
Sources: CBG, FSSIA estimates

Exhibit 2: CBG's energy drink market share by volume

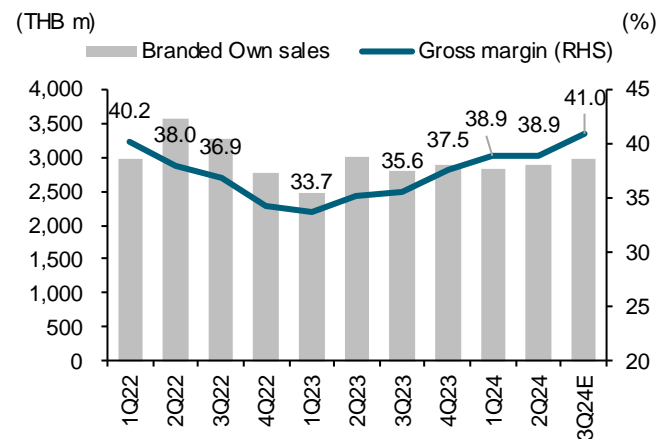
Sources: CBG, FSSIA's compilation

Exhibit 3: Quarterly total revenue and growth

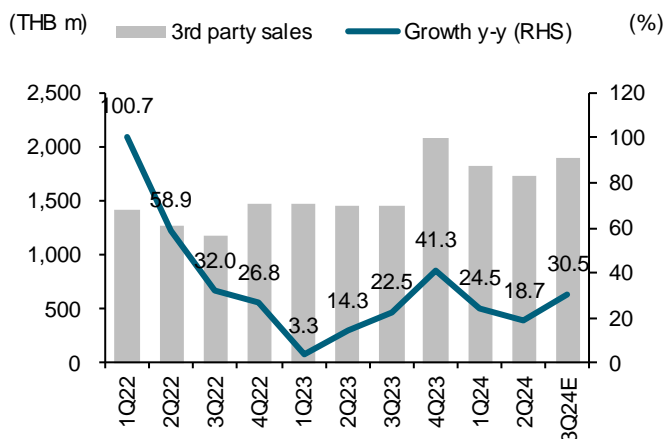
Sources: CBG, FSSIA estimates

Exhibit 4: Quarterly revenue from branded own and growth

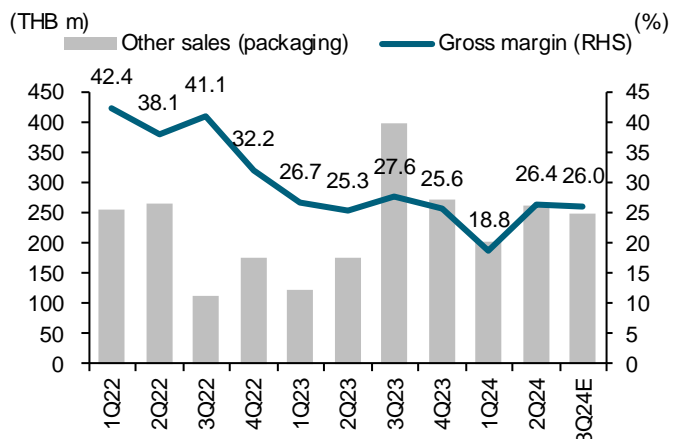
Sources: CBG, FSSIA estimates

Exhibit 5: Gross margin for branded own segment

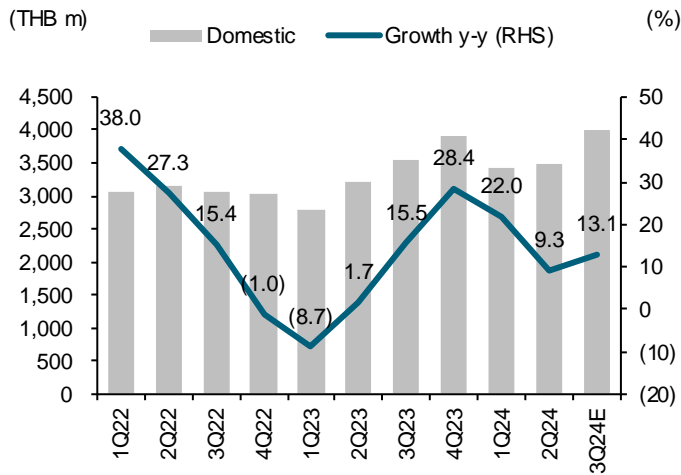
Sources: CBG, FSSIA estimates

Exhibit 6: Quarterly revenue from 3rd party and growth

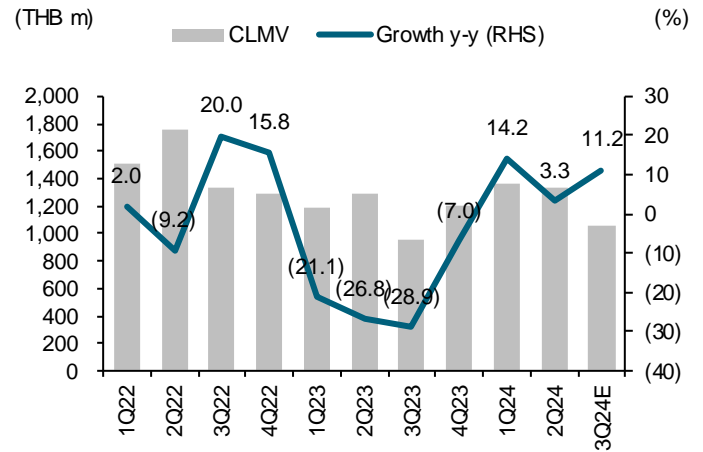
Sources: CBG, FSSIA estimates

Exhibit 7: Quarterly revenue from packaging and gross margin

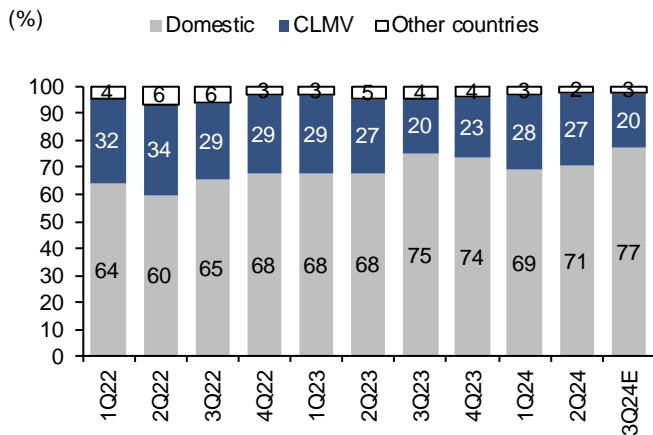
Sources: CBG, FSSIA estimates

Exhibit 8: Domestic revenue and growth

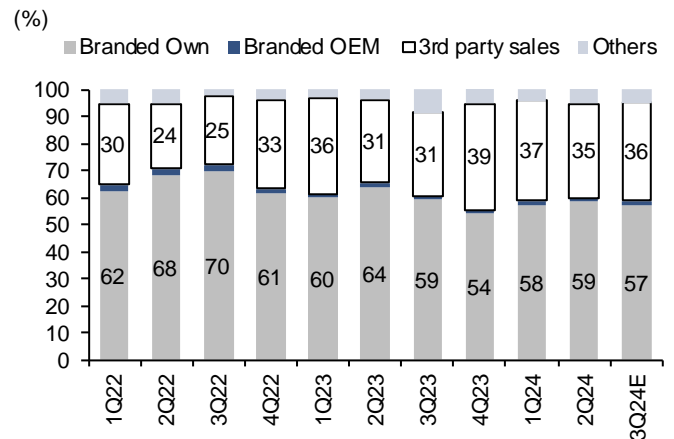
Sources: CBG, FSSIA estimates

Exhibit 9: CLMV revenue and growth

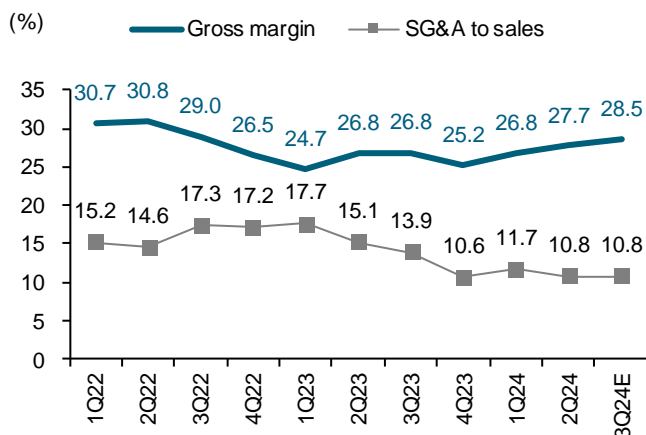
Sources: CBG, FSSIA estimates

Exhibit 10: Quarterly revenue contribution by destination

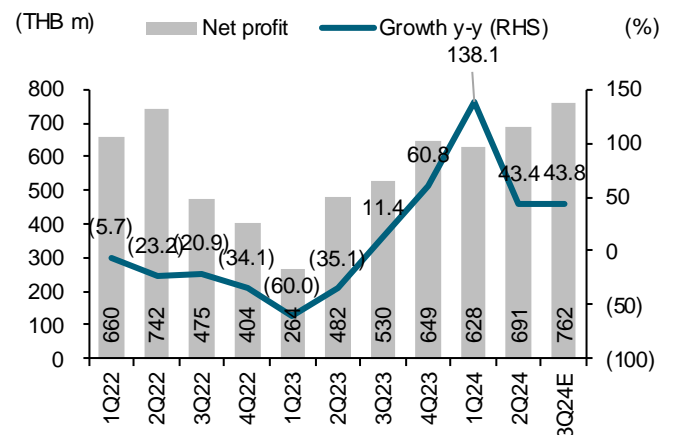
Sources: CBG, FSSIA estimates

Exhibit 11: Revenue contribution by segment

Sources: CBG, FSSIA estimates

Exhibit 12: Quarterly gross margin and SG&A to sales

Sources: CBG, FSSIA estimates

Exhibit 13: Quarterly net profit and growth

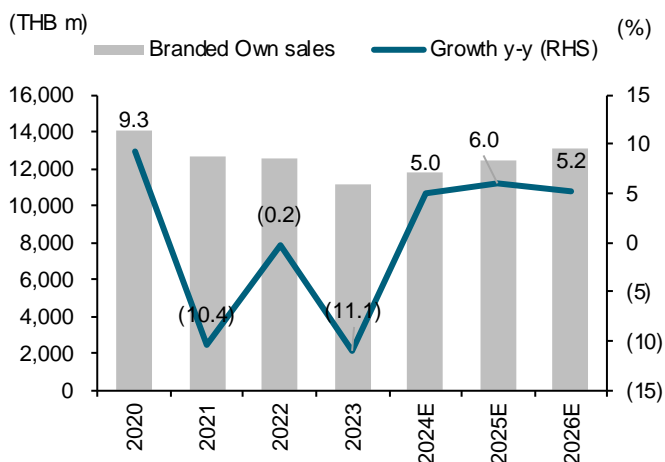
Sources: CBG, FSSIA estimates

Exhibit 14: 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 sales value (THB m)	20,647	21,926	23,185	21,139	22,263	23,344	(2.3)	(1.5)	(0.7)
Costs	14,939	15,819	16,736	15,586	16,356	17,112	(4.2)	(3.3)	(2.2)
Gross profit	5,708	6,106	6,449	5,553	5,907	6,232	2.8	3.4	3.5
SG&A expense	2,250	2,390	2,527	2,473	2,605	2,731	(9.0)	(8.2)	(7.5)
Interest expense	156	156	157	182	182	184	0.0	0.0	0.0
Reported net profit	2,869	3,142	3,321	2,684	2,896	3,065	6.9	8.5	8.4
Core profit	2,869	3,142	3,321	2,684	2,896	3,065	6.9	8.5	8.4
Key ratios (%)									
Total revenue growth	27.6	27.9	27.8	26.3	26.5	26.7	1.4	1.3	1.1
Net profit growth	49.1	9.5	5.7	39.5	7.9	5.8	9.6	1.6	(0.1)
Core profit growth	49.1	9.5	5.7	39.5	7.9	5.8	9.6	1.6	(0.1)
Gross margin	27.6	27.9	27.8	26.3	26.5	26.7	1.4	1.3	1.1
SG&A to sales	10.9	10.9	10.9	11.7	11.7	11.7	(0.8)	(0.8)	(0.8)
Net margin	13.9	14.3	14.3	12.7	13.0	13.1	1.2	1.3	1.2
Core margin	13.9	14.3	14.3	12.7	13.0	13.1	1.2	1.3	1.2
Operating statistics (no.)									
Domestic revenue	13,879	14,625	15,414	13,879	14,625	15,414	0.0	0.0	0.0
Overseas revenue	5,979	6,562	7,202	5,979	6,562	7,202	0.0	0.0	0.0
Domestic revenue growth	3.1	5.4	5.4	3.1	5.4	5.4	0.0	0.0	0.0
Overseas revenue growth	10.8	9.8	9.7	10.8	9.8	9.7	0.0	0.0	0.0
Domestic revenue portion	69.9	69.0	68.2	69.9	69.0	68.2	0.0	0.0	0.0
Overseas revenue portion	30.1	31.0	31.8	30.1	31.0	31.8	0.0	0.0	0.0
Branded Own sales	11,758	12,460	13,104	11,976	12,703	13,368	(1.8)	(1.9)	(2.0)
Branded OEM sales	282	310	341	255	281	309	10.5	10.5	10.5
3rd-party sales	7,634	8,134	8,667	7,781	8,095	8,425	(1.9)	0.5	2.9
Other (packaging) sales	973	1,022	1,073	1,127	1,183	1,243	(13.7)	(13.7)	(13.7)
GM - Branded Own (%)	40.1	40.2	40.3	37.5	37.8	38.0	2.6	2.4	2.3
GM - Branded OEM (%)	16.0	16.0	16.0	17.0	17.0	17.0	(1.0)	(1.0)	(1.0)
GM - 3rd party (%)	9.3	9.6	9.6	9.3	9.3	9.2	(0.0)	0.4	0.4
GM - Beer (%)	5.0	5.0	5.0	5.0	5.0	5.0	0.0	0.0	0.0

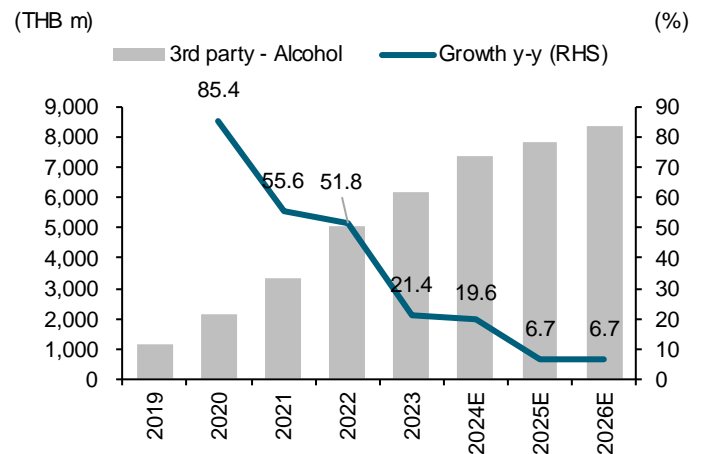
Source: FSSIA estimates

Exhibit 15: Revenue from branded own and growth



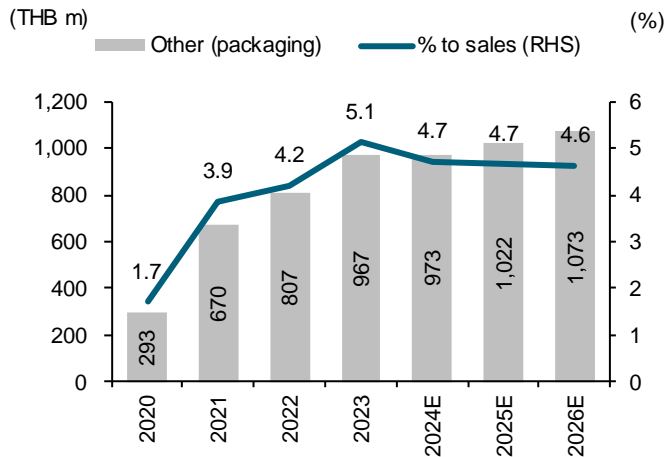
Sources: CBG; FSSIA estimates

Exhibit 16: Revenue from 3rd party and growth



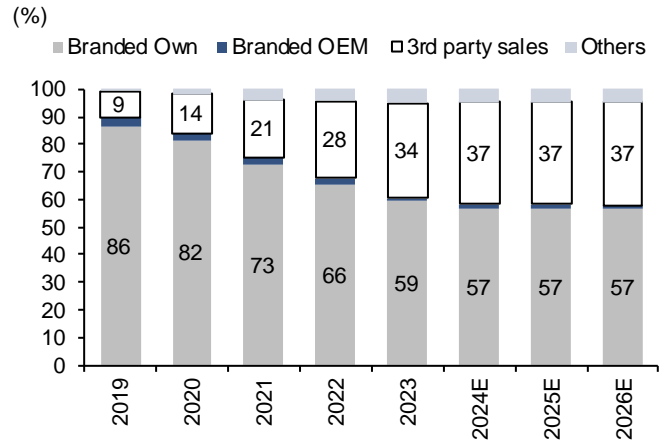
Sources: CBG; FSSIA estimates

Exhibit 17: Revenue from 'other' segment



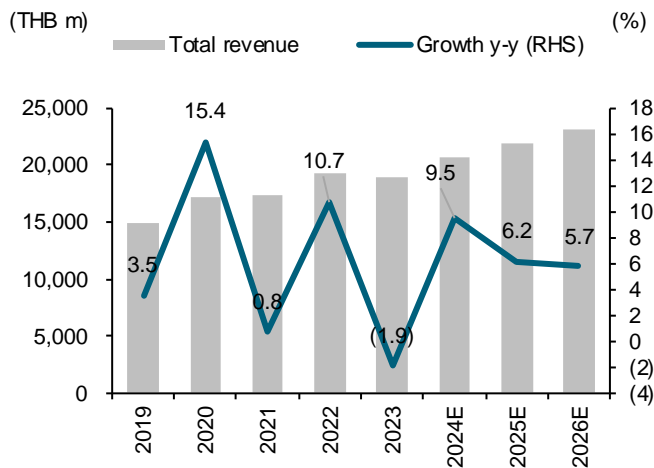
Sources: CBG; FSSIA estimates

Exhibit 18: Revenue contribution by product segment



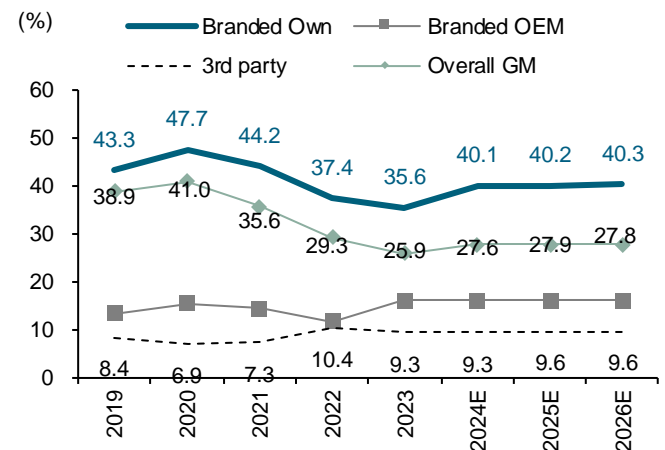
Sources: CBG; FSSIA estimates

Exhibit 19: Total revenue and growth



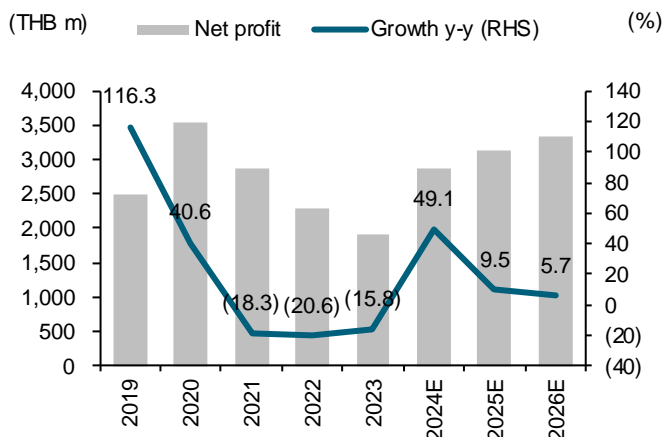
Sources: CBG; FSSIA estimates

Exhibit 20: Gross margin breakdown by segment



Sources: CBG; FSSIA estimates

Exhibit 21: Net profit and growth



Sources: CBG; FSSIA estimates

Exhibit 22: 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	20,647	21,926	23,185
Cost of goods sold	(13,582)	(13,974)	(14,939)	(15,819)	(16,736)
Gross profit	5,633	4,879	5,708	6,106	6,449
Other operating income	239	188	159	219	232
Operating costs	(3,078)	(2,660)	(2,250)	(2,390)	(2,527)
Operating EBITDA	3,607	3,245	4,471	4,804	5,037
Depreciation	(813)	(838)	(853)	(868)	(883)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	2,794	2,407	3,618	3,936	4,154
Net financing costs	(114)	(178)	(148)	(149)	(150)
Associates	5	8	16	17	18
Recurring non-operating income	5	8	16	17	18
Non-recurring items	0	0	0	0	0
Profit before tax	2,684	2,237	3,486	3,804	4,021
Tax	(433)	(337)	(635)	(682)	(721)
Profit after tax	2,251	1,900	2,850	3,122	3,300
Minority interests	35	24	19	21	21
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	2,286	1,924	2,869	3,142	3,321
Non-recurring items & goodwill (net)	-	-	-	-	-
Recurring net profit	2,286	1,924	2,869	3,142	3,321
Per share (THB)					
Recurring EPS *	2.29	1.92	2.87	3.14	3.32
Reported EPS	2.29	1.92	2.87	3.14	3.32
DPS	1.50	0.90	1.43	1.57	1.66
Diluted shares (used to calculate per share data)	1,000	1,000	1,000	1,000	1,000
Growth					
Revenue (%)	10.7	(1.9)	9.5	6.2	5.7
Operating EBITDA (%)	(14.1)	(10.0)	37.8	7.4	4.8
Operating EBIT (%)	(18.9)	(13.8)	50.3	8.8	5.5
Recurring EPS (%)	(20.6)	(15.8)	49.1	9.5	5.7
Reported EPS (%)	(20.6)	(15.8)	49.1	9.5	5.7
Operating performance					
Gross margin inc. depreciation (%)	29.3	25.9	27.6	27.9	27.8
Gross margin exc. depreciation (%)	33.5	30.3	31.8	31.8	31.6
Operating EBITDA margin (%)	18.8	17.2	21.7	21.9	21.7
Operating EBIT margin (%)	14.5	12.8	17.5	18.0	17.9
Net margin (%)	11.9	10.2	13.9	14.3	14.3
Effective tax rate (%)	16.1	15.1	18.2	17.9	17.9
Dividend payout on recurring profit (%)	65.6	46.8	50.0	50.0	50.0
Interest cover (X)	24.5	13.5	24.5	26.5	27.7
Inventory days	72.2	69.6	61.6	61.7	61.6
Debtor days	40.7	45.7	39.4	38.8	38.9
Creditor days	51.8	54.2	54.6	54.5	54.4
Operating ROIC (%)	14.2	12.2	17.3	16.7	16.2
ROIC (%)	13.5	11.6	16.6	16.0	15.7
ROE (%)	21.9	17.4	23.2	22.4	21.3
ROA (%)	11.9	10.3	14.3	14.1	13.8

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Branded own	12,591	11,196	11,758	12,460	13,104
3rd party distribution	5,350	6,458	7,634	8,134	8,667
Branded OEM	467	232	282	310	341
Others (Packaging)	807	967	973	1,022	1,073

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	2,869	3,142	3,321
Depreciation	813	838	853	868	883
Associates & minorities	-	-	-	-	-
Other non-cash items	(19)	(61)	6	17	(12)
Change in working capital	(1,117)	992	(78)	(154)	(153)
Cash flow from operations	1,963	3,694	3,651	3,873	4,039
Capex - maintenance	(737)	(822)	(3,303)	(2,257)	(2,296)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(16)	(26)	55	(4)	(4)
Cash flow from investing	(753)	(848)	(3,247)	(2,261)	(2,300)
Dividends paid	(1,760)	(1,156)	(1,435)	(1,571)	(1,661)
Equity finance	0	0	0	0	0
Debt finance	326	(1,438)	663	8	43
Other financing cash flows	27	(5)	27	14	14
Cash flow from financing	(1,408)	(2,598)	(745)	(1,549)	(1,604)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(198)	248	(342)	63	136
Free cash flow to firm (FCFF)	1,324.54	3,029.30	559.60	1,768.70	1,896.95
Free cash flow to equity (FCFE)	1,562.23	1,403.93	1,092.86	1,634.45	1,796.46
Per share (THB)					
FCFF per share	1.32	3.03	0.56	1.77	1.90
FCFE per share	1.56	1.40	1.09	1.63	1.80
Recurring cash flow per share	3.08	2.70	3.73	4.03	4.19
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)
Tangible fixed assets (net)	12,852	12,875	15,620	17,009	18,422
Intangible fixed assets (net)	612	629	597	598	599
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	162	173	173	173	173
Cash & equivalents	936	1,184	842	905	1,041
A/C receivable	2,533	2,192	2,263	2,403	2,541
Inventories	2,718	2,295	2,456	2,600	2,751
Other current assets	160	131	103	110	116
Current assets	6,347	5,802	5,664	6,018	6,449
Other assets	66	65	41	44	46
Total assets	20,039	19,543	22,095	23,842	25,690
Common equity	10,683	11,491	13,221	14,792	16,453
Minorities etc.	(118)	(178)	(172)	(155)	(167)
Total shareholders' equity	10,565	11,312	13,049	14,637	16,286
Long term debt	1,082	3,747	3,655	3,558	3,407
Other long-term liabilities	205	201	227	241	255
Long-term liabilities	1,287	3,948	3,882	3,799	3,662
A/C payable	1,853	2,045	2,169	2,297	2,430
Short term debt	6,198	2,095	2,850	2,955	3,149
Other current liabilities	137	143	145	153	162
Current liabilities	8,187	4,283	5,164	5,406	5,741
Total liabilities and shareholders' equity	20,039	19,543	22,095	23,842	25,690
Net working capital	3,422	2,430	2,508	2,662	2,815
Invested capital	17,114	16,171	18,939	20,486	22,056
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	10.68	11.49	13.22	14.79	16.45
Tangible book value per share	10.07	10.86	12.62	14.19	15.85
Financial strength					
Net debt/equity (%)	60.0	41.2	43.4	38.3	33.9
Net debt/total assets (%)	31.7	23.8	25.6	23.5	21.5
Current ratio (x)	0.8	1.4	1.1	1.1	1.1
CF interest cover (x)	14.7	8.9	8.4	11.9	12.9
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	31.9	37.9	25.4	23.2	22.0
Recurring P/E @ target price (x) *	38.5	45.7	30.7	28.0	26.5
Reported P/E (x)	31.9	37.9	25.4	23.2	22.0
Dividend yield (%)	2.1	1.2	2.0	2.2	2.3
Price/book (x)	6.8	6.4	5.5	4.9	4.4
Price/tangible book (x)	7.2	6.7	5.8	5.1	4.6
EV/EBITDA (x) **	22.0	23.9	17.6	16.3	15.6
EV/EBITDA @ target price (x) **	26.1	28.5	20.9	19.5	18.5
EV/invested capital (x)	4.6	4.8	4.1	3.8	3.6
* 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 23: 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	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.
★★	>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 24: 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 25: ESG score by Bloomberg

FY ending Dec 31	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	1.42	2.14	—
BESG environmental pillar score	0.67	1.92	—
BESG social pillar score	0.74	0.78	—
BESG governance pillar score	3.60	4.25	—
ESG disclosure score	34.38	41.92	—
Environmental disclosure score	20.27	31.89	—
Social disclosure score	19.20	30.20	—
Governance disclosure score	63.58	63.58	—
Environmental			
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 26: 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	—
Social			
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
Governance			
Board size	11	13	13
No. of independent directors (ID)	5	6	6
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	—	—	—
No. of executives / company managers	7	7	6
No. of female executives	2	2	1
Executive share ownership guidelines	No	No	No
Size of audit committee	3	3	3
No. of ID on audit committee	3	3	3
Audit committee meetings	5	5	5
Audit meeting attendance %	100	100	100
Size of compensation committee	4	4	4
No. of ID on compensation committee	2	2	2
No. of compensation committee meetings	2	4	2
Compensation meeting attendance %	100	100	100
Size of nomination committee	4	4	4
No. of nomination committee meetings	2	4	2
Nomination meeting attendance %	100	100	100
Sustainability governance			
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 THSI inclusion , 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. SETTHSI Index 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&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 Sustainabilitys	The Sustainabilitys' 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 & 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="2">Average:</td><td rowspan="2">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><td rowspan="2">Laggard:</td><td rowspan="2">lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr><tr><td>CCC</td><td>0.000-1.428</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	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	CCC	0.000-1.428
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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; >25 to 50 = satisfactory; >50 to 75 = good; and >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

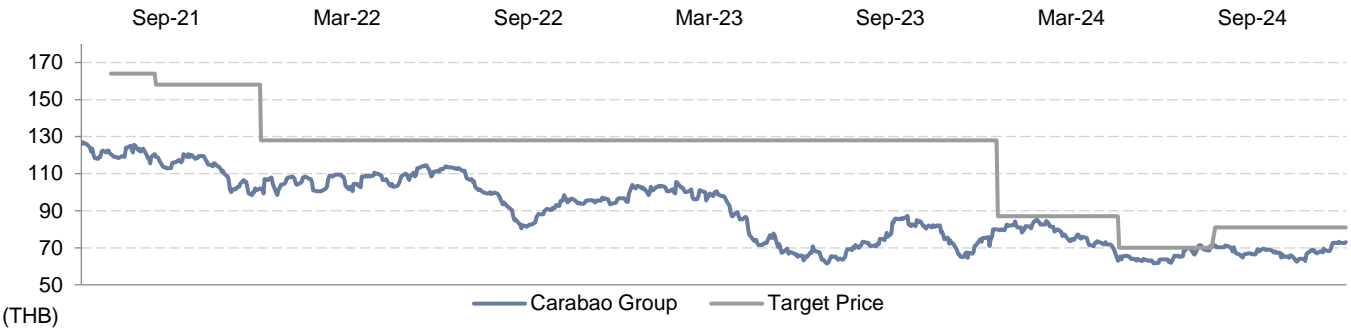
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History of change in investment rating and/or target price

Carabao Group (CBG TB)



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 73.00	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 17-Sep-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.