

 How Carabao generates revenue ▾

Share

MF Explain in simple terms how Carabao makes money

 Synthesized Carabao's revenue model into accessible explanation. ▾

 Carabao Group is a Thai company that makes most of its money in a few straightforward ways:

Core Business: Energy Drinks

Carabao produces and sells energy drinks, primarily under the "Carabao Dang" brand. Their main revenue streams are:

1. **Domestic Thailand sales** – They sell directly to distributors and retailers across Thailand, where energy drinks are hugely popular among blue-collar workers, drivers, and laborers who want an affordable energy boost.
2. **Export sales** – They ship concentrate and finished products to international markets across Asia, Europe, and beyond. In some markets they work through local bottling partners.
3. **UK subsidiary (Intercarabao)** – They attempted to build a major presence in the UK market, notably through a sponsorship deal with Chelsea FC and the EFL Cup (rebranded as the "Carabao Cup"). However, as you've researched, this venture has struggled significantly and resulted in large impairments.

The Economics

The product itself is simple: water, sugar, caffeine, taurine, and B-vitamins mixed together. Manufacturing costs are low, so gross margins are quite high. The challenge is distribution and marketing—getting the product onto shelves and into consumers' hands.

Related Party Complexity

As you've uncovered in your forensic work, a significant portion of Carabao's business flows through related parties—particularly distribution arrangements and transactions with companies connected to the founding shareholders. This creates questions about whether the economics you see in the financials reflect arm's-length commercial reality.

Reply...

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