

Based on my analysis of the latest (late 2025) market consensus and analyst reports, the earnings outlook for Carabao Group (CBG) has seen significant downward revisions.

The core issue is a major disruption in the high-margin Cambodian market, which is offsetting strong domestic performance. Earlier, optimistic forecasts for 2025-2027 have been cut by multiple brokers in September and October 2025.

Here is my estimated EPS forecast, synthesized from this recent data, followed by a detailed breakdown of the seven drivers you requested.

 Estimated Earnings Per Share (EPS) Forecast (2025-2027)

These estimates are based on a consensus view that has been revised downward due to significant near-term headwinds.

Fiscal Year	Estimated EPS (THB)
2025E	3.00
2026E	3.10
2027E	3.17

breakdowns of Key Earnings Drivers

Here is a detailed analysis of the seven factors you specified, explaining how they contribute to this flatter-than-expected earnings trajectory.

1. Industry Growth

- **Domestic (Thailand):** The domestic energy drink market remains a source of strength. Market research forecasts a robust compound annual growth rate (CAGR) of approximately **8.8%** for the Thai energy drink market from 2025 to 2030.

- **International (CLMV & China):** This was previously the main growth engine but is now the primary source of risk. The CLMV (Cambodia, Laos, Myanmar, Vietnam) markets are volatile, and as detailed below, the Cambodian segment has seen a severe downturn.

2. Market Share Gains

This is a story of two extremes:

- **Domestic Gains:** CBG is successfully executing its domestic strategy. Its market share surged to a **record high of ~27%** in the third quarter of 2025. The company is on track to hit its target of **29% share by the end of 2025**, which would make it the #1 player in Thailand, surpassing M-150.
- **International Losses:** These domestic gains are being overshadowed by a significant, adverse situation in Cambodia. Analyst reports from October 2025 note a **~43% year-on-year drop in overseas sales**, primarily driven by border closures and geopolitical tensions impacting Thai products in Cambodia. This has forced the company to shift from land to sea freight, increasing transit times and disrupting sales.

3. Price Increases

- CBG's strategy is focused on **volume, not price**. The company is deliberately **maintaining its core 10 Baht price point** in Thailand.
- This pricing strategy is the key driver of its domestic market share gains, but it is also "price-driven," meaning it relies on heavy promotions and compresses margins. No significant price *increases* are factored into the forecast.

4. Cost Pressures

- This is the most significant **tailwind** for the company.
- Analysts universally note that cost pressures from key raw materials—namely **aluminum, sugar, and glass**—have been **easing** through 2025.
- This decline in input costs is helping to offset the margin pressure from the 10 Baht pricing strategy and the recently implemented sugar tax.

5. Operating Leverage

- **Current Status:** Operating leverage is currently **negative**. The loss of sales from Cambodia, which is a **high-margin** business, is dragging down the company's overall gross margin (forecasted to fall to ~25.5% - 25.9% in Q3 2025). This is because those high-margin sales are being replaced by lower-margin, promotion-heavy domestic sales.
- **Future Potential:** The *potential* for positive operating leverage is high. CBG is completing new, highly-efficient factories in **Myanmar (operational in 2025)** and **Cambodia (expected by end-of-2025 or early 2026)**. Once these plants are fully operational and the Cambodian market normalizes, they should provide "considerable cost savings" and significantly improve margins.

6. Financing Costs

- This is a minor **positive driver**.
- The company has been actively repaying its debt. Analyst reports from Q2 2025 note that interest expenses have **continued to decline**, reaching an eight-year low.
- CBG's balance sheet is strong, with a very low debt-to-equity ratio (0.4x) and interest-bearing debt-to-EBITDA (0.6x). Financing costs are not a headwind.

7. Share Count Dilution

- This is not a factor. The company's share count is **stable and fixed at 1.00 billion shares**.
- All EPS calculations are based on this number, and no analyst reports anticipate any future dilution.

Summary Conclusion

The consensus forecast for 2025-2027 reflects a "survival mode" period. The positive domestic story (gaining #1 market share) and easing raw material costs are fully offset by the collapse of the high-margin Cambodian market.

The muted EPS growth shown in the forecast assumes that 2026-2027 will see a **slow**

recovery in Cambodia and a gradual realization of cost savings from the new factories.

Would you like me to find more specific details on the new factory in Cambodia and its expected contribution to earnings?