

Current market data and financial reports for **Carabao Group (CBG)** through November 2025 indicate a challenging year for the stock, characterized by a sharp divergence between its domestic and international performance.

As of late November 2025, CBG stock is trading near its 52-week low, down approximately **48-50% year-to-date**.

Below is a summary of the primary drivers and key news events from 2025 that explain this performance.

1. The Primary Negative Driver: The Cambodia Conflict

The single biggest factor weighing on the stock price in the second half of 2025 was a geopolitical disruption in CBG's most important export market.

- **The Event:** A diplomatic and border conflict between Thailand and Cambodia escalated in mid-2025, leading to border closures and a rise in anti-Thai sentiment in Cambodia.
- **Business Impact:** This disrupted logistics and dampened consumer demand for Thai products. In Q3 2025, revenue from Cambodia—historically a high-margin stronghold for Carabao—plummeted by approximately **43% year-on-year**.
- **Financial Consequence:** Because export sales command higher margins than domestic sales, this volume drop caused a significant contraction in the company's overall gross profit margin (dropping to ~25.6% in Q3), leading to an earnings miss that accelerated the stock's sell-off.

2. The Primary Positive Driver: Domestic Market Share Gains

Contrasting the export struggles, Carabao's domestic energy drink business in Thailand performed exceptionally well, acting as a buffer against steeper losses.

- **Strategy Success:** The company maintained its aggressive pricing strategy (THB 10 per bottle), while competitors raised prices. This allowed CBG to capture significant volume from rivals.
- **Key Metric:** Domestic energy drink market share climbed steadily throughout the year, reaching a record high of **27.6%** by October 2025 (up from ~26% at the start of the year).
- **Revenue Growth:** Domestic branded sales grew significantly (up ~22% YoY in Q3), validating the company's "fighting brand" strategy in a sluggish local economy.

3. Beer & Alcohol Segment: Intense Competition

The much-anticipated beer business (Carabao and Tawandang Beer), launched to diversify revenue, faced a "red ocean" market in 2025.

- **Performance:** While the alcohol distribution segment contributed to top-line revenue growth, analysts noted that sales for the beer segment specifically were stable but not growing explosively due to fierce counter-marketing and pricing pressure from the major incumbents (Leo, Chang, Singha).
- **New Product:** In September 2025, CBG launched "**Pattaya Beach Beer**," a lower-alcohol option aimed at younger consumers and tourists to try and break into new segments.

4. Key Financial & Operational News (2025 Timeline)

- **April 2025 (Regulatory Headwind):** Phase 4 of Thailand's sugar tax came into effect. While this pressured the industry, CBG largely mitigated the impact through reformulations and cost controls on other raw materials like glass and aluminum.
- **August 2025 (Q2 Earnings):** The company reported solid Q2 results (Net Profit +16% YoY), momentarily boosting sentiment. However, management flagged the emerging risks in Cambodia, which foreshadowed the Q3 downturn.
- **November 2025 (Q3 Earnings Miss):** Q3 Net Profit came in at THB 616 million (-17% YoY), missing consensus estimates. The sheer scale of the export decline shocked investors, cementing the bearish trend for the year end.
- **Strategic Pivot (Infrastructure):** To circumvent future border closures, CBG accelerated the construction of local production facilities.
 - **Myanmar Plant:** Commercial runs began in H2 2025.
 - **Cambodia Plant:** Scheduled for completion by the end of 2025 to localize production and avoid import tariffs/blockades.

Summary of Stock Drivers

Driver	Impact on Stock	Description
Cambodia Export Sales	● High Negative	Border conflict caused ~40%+ revenue drop in high-margin market.
Domestic Market Share	● Positive	Gained share vs. Osotspa/M-150 via THB 10 pricing strategy.
Beer Business	● Neutral/Mixed	High volume but low margin; faced intense competitive response.
Gross Margins	● Negative	Shift in sales mix (more low-margin domestic, less high-margin export) hurt profitability.

Next Step: Would you like a breakdown of the analyst consensus for CBG's 2026 outlook, specifically regarding when the new Cambodia factory is expected to restore margins?