

Based on my analysis of financial news and analyst reports for Carabao Group PCL (SET: CBG) in 2025, the stock has seen a significant price decline. As of early November 2025, the stock is trading near its 52-week low and is down approximately 48.7% year-to-date.

The primary driver for this negative performance, particularly in the second half of the year, is a severe disruption in the high-margin Cambodian market. While domestic performance has been strong, it has been overshadowed by this significant international challenge.

Here is a summary of the key news and drivers affecting Carabao's business and stock price in 2025:

Primary Negative Driver: The Cambodia Conflict

The most significant factor impacting the stock was a "Thailand-Cambodia conflict" (as described in analyst reports) that led to border closures and a backlash against Thai products in Cambodia.

- **Impact on Q3 2025:** This situation severely affected the third quarter. Analyst firm Kiatnakin Phatra Securities (KKPS) noted in an October 2025 report that this disruption caused a 43% year-on-year drop in overseas sales.
- **Margin Erosion:** Because the overseas business (particularly Cambodia) is high-margin, this loss dragged the company's overall gross margin down. KKPS projected 3Q25 profit to be down 15% year-on-year as a result.
- **Analyst Downgrades:** Reflecting this challenge, KKPS cut its price target for the stock to THB 62, though it maintained a 'Buy' rating, suggesting the stock may have "bottomed out" in Q3.

Secondary Drivers: Domestic Market and Costs

- **Strong Domestic Performance (A Positive Driver):** Despite the international issues, Carabao's domestic business performed well. The company saw robust 22% growth in domestic sales in Q3 2025, increasing its market share to 26.7%.
- **Competitive Pressure:** While domestic sales were strong, analysts noted in October that the company's full-year domestic revenue growth target of 20-30% was "aggressive" amid increasing competition.
- **Cost Pressures:** The company also faced margin pressure from Phase 4 of the Thai sugar tax, which took effect on April 1, 2025.

Key Company News and Strategic Initiatives in 2025

In response to these challenges and as part of its ongoing strategy, Carabao announced several key initiatives throughout the year:

- **Overseas Factory Expansion:** To mitigate border issues and reduce costs, the company is accelerating the construction of new factories. A new factory in Cambodia is expected to be completed by the end of 2025, with another new plant in Yangon, Myanmar, beginning commercial runs in the second half of the year.
- **Product Innovation:** The company won a "Taste Innovation Award" at THAIFEX–Anuga Asia 2025 for its new "Carabao Kanzou" drink. It is also developing new sugar tax-exempt beverage formulas to offset the new tax.
- **Brand Marketing:** Carabao continued its heavy investment in brand visibility, celebrating 10 years of sponsoring the "Carabao Cup" in England and launching new local tournaments, such as the "Carabao Futsal Champion Cup 2025" in Myanmar.
- **Financial Results:**
 - **First Half 2025 (6M/2025):** The company reported a strong first half, with a net profit of 1,561 million Baht.
 - **Q2 2025:** Net profit was 800 million Baht, a 16% year-on-year increase. However, the Q2 report in August was the first to mention that the Cambodia border closure had begun to disrupt deliveries in June.
 - **Dividend:** The company announced an interim dividend payment of 0.70 Baht per share on August 8, 2025.