



CBG-LG-LT-2026-0010

15 May 2026

Subject Management discussions and analysis for 3-month period ended 31 March 2026

To Directors and Manager
The Stock Exchange of Thailand

We, Carabao Group Public Company Limited, are pleased to submit management discussions and analysis regarding consolidated financial performance and position of the Company and subsidiaries (the “Company” or “CBG”) for 3-month period ended 31 March 2026 in comparison with the corresponding period last year as follows:

Consolidated financial performance for 3-month period ended 31 March 2026

1. Revenue from sales

For 3-month period ended 31 March 2026, the Company recorded total sales revenue of THB 5,321 million, representing a slight decrease of -0.1% YoY compared to the same period of the prior year. The decline was primarily attributable to lower overseas sales, particularly Cambodia, due to the impact of heightened international tensions arising from recent border conflicts.

Nevertheless, sales revenue from Carabao Dang products in Thailand amounted to THB 1,823 million, increasing by +7% YoY. This growth was driven by the Company’s continued key strategy of maintaining the retail selling price at THB 10, as well as refinements to its distribution strategy to achieve wider and more comprehensive coverage through district- and sub-district-level retail partners. In addition, the Company expanded distribution channels by increasing the number of partners for energy drink products through the product portfolios of alcohol beverage distributors.

Furthermore, the Company generated revenue from the distribution of other products of THB 2,478 million, representing a +20% YoY increase, mainly driven by the distribution of alcoholic beverages, which continue to gain popularity among consumers. Revenue from others amounted to THB 174 million, a decrease of -12% YoY, in line with the purchasing plans of the Company’s business partners.

Revenue from sales by product group Unit: THB million	1Q2025	% to total	4Q2025	% to total	1Q2026	% to total	%YoY	%QoQ
Manufacture and distribution of beverages 1/	3,009	56%	2,748	49%	2,607	49%	(13%)	(5%)
Distribution of OEM products 2/	59	1%	58	1%	62	1%	+4%	+6%
Distribution of other products	2,062	39%	2,424	43%	2,478	47%	+20%	+2%
Others	198	4%	411	7%	174	3%	(12%)	(58%)
Total	5,328	100%	5,641	100%	5,321	100%	(0.1%)	(6%)

Note: 1/ Energy Drinks, Sport Drinks, and Functional Drinks

2/ Drinking Water, 3-in-1 Coffee and RTD Coffee



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Revenue from sales by geography Unit: THB million	1Q2025	% to total	4Q2025	% to total	1Q2026	% to total	%YoY	%QoQ
Domestic	4,018	75%	4,961	88%	4,528	85%	+13%	(9%)
Overseas	1,310	25%	680	12%	793	15%	(40%)	+17%
CLMV	1,191	22%	614	11%	701	13%	(41%)	+14%
UK	31	1%	23	0%	25	0%	(20%)	+11%
Others	88	2%	43	1%	67	1%	(25%)	+55%
Total	5,328	100%	5,641	100%	5,321	100%	(0.1%)	(6%)

1.1) Revenue from domestic sales amounted to THB 4,528 million, representing an increase of +13% YoY, while revenue from international markets totaled THB 792 million, declining by -40% YoY. In this regard, the Company's revenue contribution from domestic and international operations was 85%:15%

(1.1.1) For 3-month period ended 31 March 2026, the Company reported domestic sales revenue of THB 4,528 million, representing an increase of THB 510 million or +13% YoY. The growth was driven by the continued expansion of Carabao Dang energy drink sales in Thailand, primarily attributable to the Company's ongoing core strategy of maintaining the retail selling price at THB 10 to help alleviate the cost of living for Thai consumers. This was complemented by the continuation of joint marketing activities with Thairath under the "Carabao Dang Helping Thai People Build Careers" campaign aired on Thairath TV, now in its fifth consecutive year. In addition, the Company maintained strong distribution efficiency through its continued efforts to strengthen and further densify its sales network, enabling broader and more granular market coverage. Effective consumer communication reinforcing the product's strengths and price positioning, together with initiatives to support the development of Thai football—emphasizing the Carabao brand's long-standing association with Thai football alongside CSR initiatives such as the Carabao 7-a-Side Cup and Carabao Coach the Coaches programs—also contributed positively. Furthermore, promotional campaigns conducted through convenience store channels supported consumer engagement. As a result of the aforementioned factors, consumer awareness was further strengthened and domestic sales of Carabao Dang energy drinks continued to grow, leading to sustained growth in revenue from Carabao Dang products in Thailand.

(1.1.2) For 3-month period ended 31 March 2026, the Company recorded overseas revenue of THB 792 million, representing a decrease of THB 518 million or -40% YoY. The decline was primarily attributable to overseas sales in the CLMV countries, particularly Cambodia, resulting from heightened international tensions stemming from recent border conflicts. In this regard, the Company is in the process of assessing and adjusting its overall distribution and marketing strategies to better align with current market conditions and the prevailing situation.



Nevertheless, operations remain in line with the Company's plans following the establishment of a manufacturing facility in Myanmar, which commenced commercial operations in 4Q2025. As a result, sales revenue in Myanmar for 1Q2026 increased by +49% YoY. This initiative is expected to enhance business opportunities, mitigate long-term uncertainties related to product imports, and strengthen the Company's competitiveness in the domestic energy drink market in 2026.

In addition, export sales to Vietnam in 1Q2026 continued to grow significantly, rising by +96% YoY following the Company's collaboration with a new distribution partner with extensive market coverage and a strong understanding of local market dynamics. The Company anticipates that Vietnam represents a market with substantial potential to generate meaningful sales growth going forward.

- 1.2) Revenue from distribution of other products amounted to THB 2,478 million, increasing by THB 417 million or +20% YoY This growth was driven by positive factors including product diversity, quality, and distinctive brand positioning, which contributed to the continued success and rising popularity of alcoholic beverages among consumers. The performance was further supported by the Company's extensive and comprehensive distribution network across all sales channels. In addition, the strategic use of beer as a key marketing tool further strengthened brand visibility and contributed to the sustained growth and resilience of the alcoholic beverage business.

The Company has established a "Beer" strategy focused on two key strategic pillars:

(1) To build consumer preference and expand the drinker base by focusing on the on-trade channel (pubs, bars, and restaurants in major cities), as well as events and concerts, including the Carabao Cup, in order to highlight product strengths and enhance brand awareness of "Carabao Beer" and "Tawandang Beer," making them more recognizable and accessible to consumers; and

(2) To develop strategic retail partnerships in order to broaden brand penetration and expand distribution coverage, ensuring that products are widely available and easily accessible to consumers.

- 1.3) Revenue from distribution of OEM products amounted to THB 62 million, increasing by THB 2 million or +4% YoY. The increase was primarily attributable to higher sales of drinking water compared to the same period of the prior year.
- 1.4) Revenue from others amounted to THB 174 million, decreasing by THB 24 million or -12% YoY. Revenue from others mainly comprised revenue from the manufacturing and distribution of glass bottles, aluminum cans, packaging materials, and other products to third-party customers under the operations of APG, ACM, and APM. The decline was in line with the purchasing plans of the Company's business partners.



2. Gross profits and gross profits margin

For the 3-month period ended 31 March 2026, the Company recorded a gross profit of THB 1,378 million, representing a decrease of THB 84 million or -6% YoY. Gross profit margin stood at 26%, declining slightly compared to the same period of the prior year. The decrease was primarily attributable to a change in the sales mix, with a higher proportion of revenue contributed by the distribution of other products, which carry lower gross margins, compared to the same period of the prior year (Q1/2026: 47% vs. Q1/2025: 39%). Although aluminum coil costs increased in line with market conditions, the Company was able to effectively manage other raw materials and packaging costs, thereby mitigating the overall impact on cost of sales.

Gross profits by product group Unit: THB million	1Q2025	GPM	4Q2025	GPM	1Q2026	GPM	%YoY	%QoQ
Manufacture and distribution of beverages 1/	1,214	40%	1,123	41%	1,115	43%	(8%)	(1%)
Distribution of OEM products 2/	9	16%	9	15%	10	17%	+12%	+17%
Distribution of other products	188	9%	194	8%	223	9%	+19%	+15%
Others	51	26%	147	36%	30	17%	(42%)	(80%)
Total	1,462	27%	1,473	26%	1,378	26%	(6%)	(6%)

Note: 1/ Energy Drinks, Sport Drinks, and Functional Drinks

2/ Drinking Water, 3-in-1 Coffee and RTD Coffee

3. Selling, general and administrative (SG&A) expenses

For the 3-month period ended 31 March 2026, the Company recorded selling, general and administrative expenses of THB 624 million, representing an increase of THB 88 million or +16% YoY. Selling, general and administrative expenses accounted for 12% of total sales revenue, compared to 10% in the same period of the prior year. The increase was mainly attributable to higher administrative expenses, primarily resulting from the reclassification of excess production costs from normal production costs. This was due to a slowdown in purchase orders from Cambodia, as discussed above. In this regard, the Company is in the process of restructuring its cost structure to enhance flexibility by reducing fixed costs, including manufacturing overhead and non-essential labor management costs, as well as increasing OEM production by securing additional external customers. Furthermore, the Company continues to implement its cost control strategy across marketing expenses, sales promotion expenses, and operating expenses to ensure cost efficiency and maximum effectiveness. This remains a key strategic focus of the Company on an ongoing basis.



Selling and Administrative expenses	1Q2025	% to sales	4Q2025	% to sales	1Q2026	% to sales	%YoY	%QoQ
Unit: THB million								
Selling expenses	308	6%	354	6%	308	6%	(0%)	(13%)
Sponsorship fees	32	1%	33	1%	32	1%	+2%	(2%)
Selling without sponsorship fees	276	5%	321	6%	275	5%	(0%)	(14%)
Administrative expenses	229	4%	298	5%	317	6%	+39%	+6%
Total SG&A	537	10%	652	12%	624	12%	+16%	(4%)

4. Financial cost

For the 3-month period ended 31 March 2026, the Company recorded finance costs of THB 26 million, representing an increase of THB 2 million or +6% YoY, in line with an increase in long-term borrowings.

5. Corporate income tax

For the 3-month period ended 31 March 2026, the Company recorded corporate income tax expense of THB 192 million, representing an increase of THB 1 million or +1% YoY. The effective tax rate for the period was 24%, increasing from 20% in the same period of the prior year. The increase in the effective tax rate was primarily attributable to sales of raw materials and packaging by the company and subsidiaries to overseas subsidiaries. Profits arising from such sales are subject to corporate income tax immediately at the selling entities, while the overseas subsidiaries had not yet commenced production or recognized revenue from the sale of finished products during the period.

6. Net profits and net profits margin

For the 3-month period ended 31 March 2026, the Company recorded a net profit of THB 611 million, representing a decrease of THB 150 million or -20% YoY compared to the same period of the prior year. The decline was primarily attributable to a reduction in export sales to overseas markets, as discussed above. Nevertheless, overall sales performance was supported by the strong growth of domestic Carabao Dang energy drink sales, as well as revenue from the distribution of other products, which are alcoholic beverages, which have continued to perform well and gain increasing popularity among consumers.



Consolidated financial position as of 31 March 2026

Assets

As of 31 March 2026 and 31 December 2025, the company's total assets amounted to THB 20,340 million and THB 19,046 million, respectively, representing an increase of THB 1,294 million. The increase was primarily attributable to (1) an increase in cash and cash equivalents of THB 950 million, to prepare working capital for the redemption of debentures No. 2/2023 due on 4 April 2026 in the amount of THB 546 million, as well as the payment of dividends from 2025 operating results approved by the Annual General Meeting of Shareholders held on 24 April 2026 in the amount of THB 600 million and (2) an increase in inventories of THB 131 million, attributable to preparations to support customer orders expected in the subsequent quarter.

Liabilities

As of 31 March 2026 and 31 December 2025, the Company's total liabilities amounted to THB 5,638 million and THB 4,980 million, respectively, representing an increase of THB 659 million. The increase was primarily attributable to (1) an increase of THB 501 million in long-term borrowings and the current portion of long-term borrowings due within one year, arising from additional long-term loans obtained to finance investments in accordance with the Company's 2026 capital expenditure budget and (2) an increase of THB 175 million in accrued corporate income tax payable, attributable to corporate income tax expenses recognized during the period.

Notwithstanding the increase in liabilities, the Company continues to maintain its corporate credit rating and the credit rating of its unsecured, unsubordinated debentures at the level of "A" with a stable outlook, as affirmed by TRIS Rating. This reflects the Company's ability to sustain sound financial ratios and manage its financial obligations effectively. The Company also maintains a strong position in the domestic energy drink market, supported by its well-recognized brands and extensive, nationwide distribution network.

Shareholders' equity

As of 31 March 2026 and 31 December 2025, the Company's total shareholders' equity amounted to THB 14,702 million and THB 14,066 million, respectively, representing an increase of THB 635 million. The increase primarily reflected the net profit generated in 1Q2026.



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Yours sincerely,

Pongsarn Klongwathanakith

(Pongsarn Klongwathanakith)

Chief Financial Officer