

Bulldog Investment Company

Team Muscle Men



Introductions



Dylan Swanson - Captain

Major: BBA – Economics
Tenure: 2 Years



Jake Gray

Major: BBA – Accounting
Tenure: 2 Years



Joaquin Rodriguez

Major: BBA – Finance
Tenure: 2 Years



Chris Fischer

Major: BBA – Social Entrepreneurship
Tenure: <1 Years



James Musselman

Major: Computer Science
Tenure: <1 Years

Gameplan



Part	Presenter	Slide #
1. Company Overview	James Musselman	6-9
2. Revenue Breakdown	Joaquin Rodriguez	10-25
3. Interpretation of Financial Statements	Chris Fischer	26-42
4. Economic Moat	Jake Gray	43-47
5. Management	Jake Gray	48-51
6. Capital Allocation	Jake Gray	52-59
7. Risk Factors	Joaquin Rodriguez	60-69
8. Competitor Analysis	Dylan Swanson	70-87
9. Growth Opportunities	Dylan Swanson	88-95
10. Valuation	Dylan Swanson	96-110

Why Monster Beverage Corp.?



- ☪ Easy To Understand
- ☪ Predictable & Consistent
- ☪ Sustained Competitive Advantage
- ☪ Long Runway For Growth
- ☪ Attractive Price



Circle of Competency



- **Every day, 85%** of Americans consume at least 1 energy drink (Science Direct)
- Easy to understand the supply and demand of products
- Caffeine is here to stay

1. Eat Them
- 2. Drink Them**
3. Smoke Them
4. Go To The Doctor
5. Look Good When You Get There



Company Overview

James Musselman



Company Information



Ticker: NASDAQ: MNST

Market Capitalization: \$57.401B

Employee Count: 5,296 as of 2022

HQ Location: Corona, CA

Founded: Hansen's in 1935, Final Rebrand 2012

Our Position



Weighting: ~ 4.2%

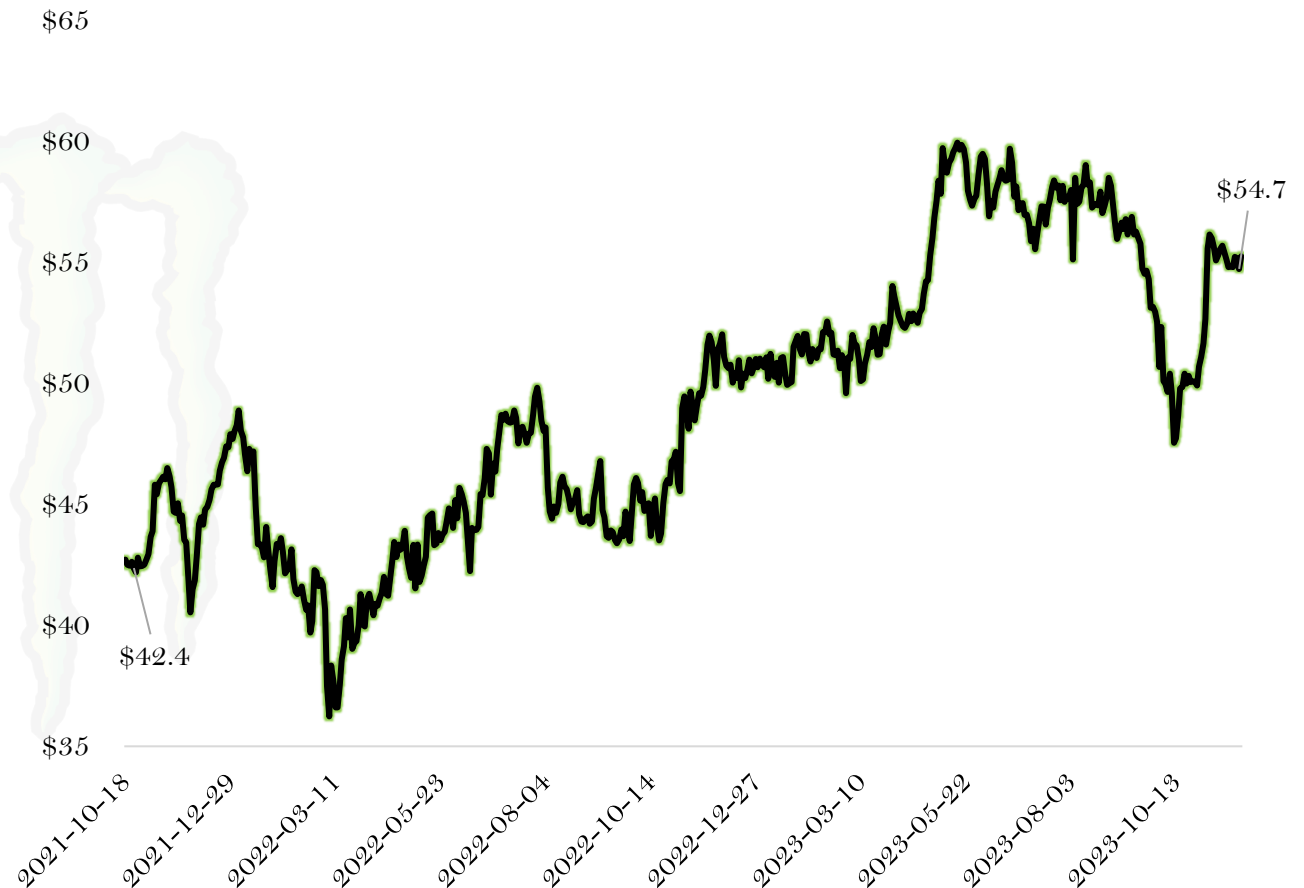
Shares Owned: 1,150

Cost Basis: \$42.85

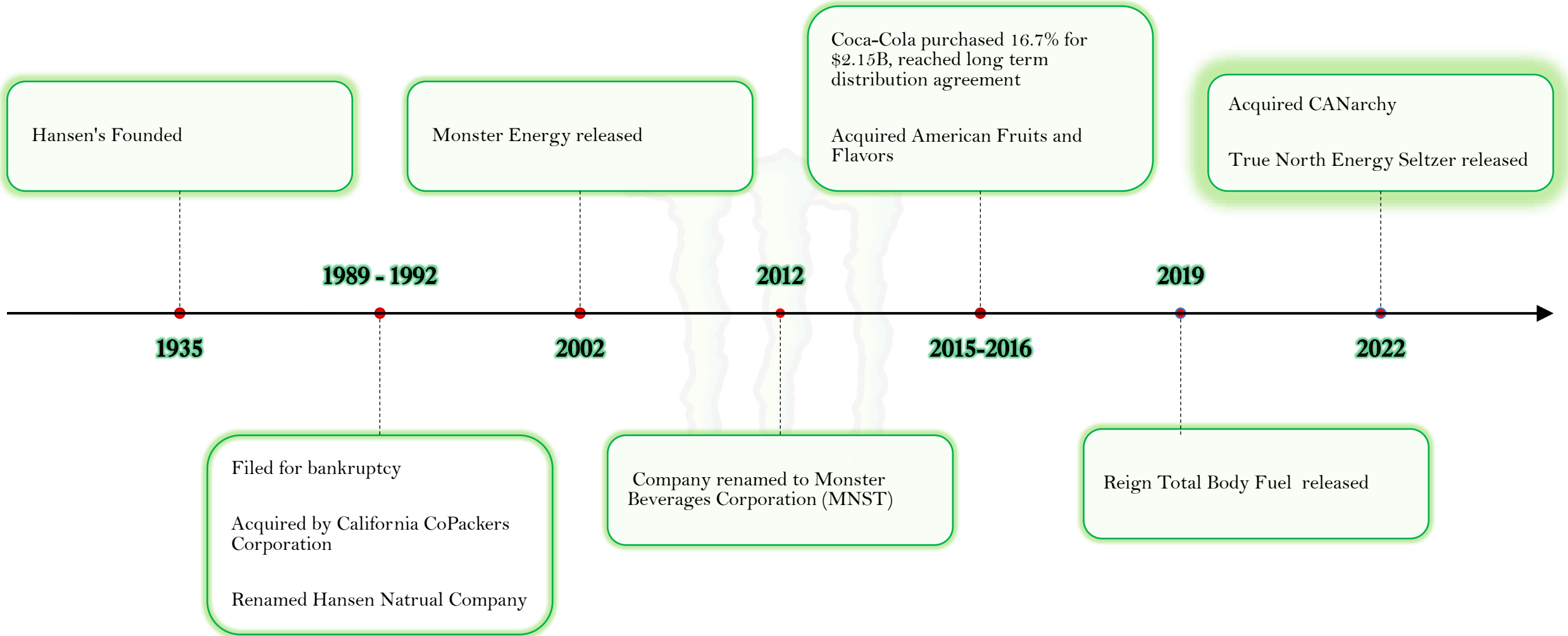
Current Market Value: ~ \$63,600

Our Cumulative Return: ~ 30%

MNST Stock Price Since Purchase (As Of 11/28/30)



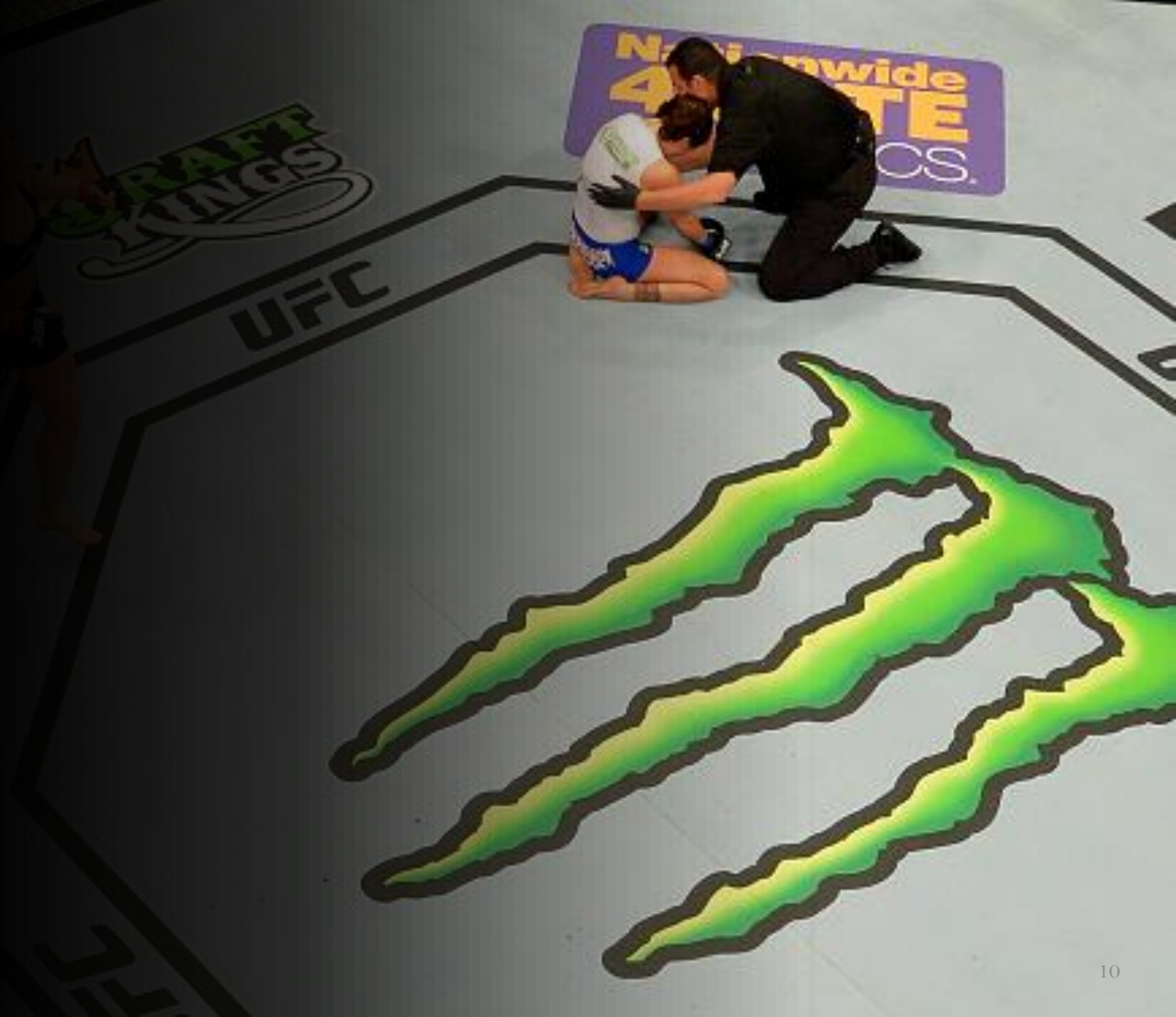
Company History





Revenue Breakdown

Joaquin Rodriguez



Products



Energy Drinks

- Carbonated Water
- Flavoring
- Caffeine
- Aluminum Can
- Packaging



Easy To Understand

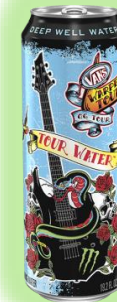
Alcoholic Beverages

- Craft Beers
- Hard Seltzers
- Flavored Malt Beverages



Water

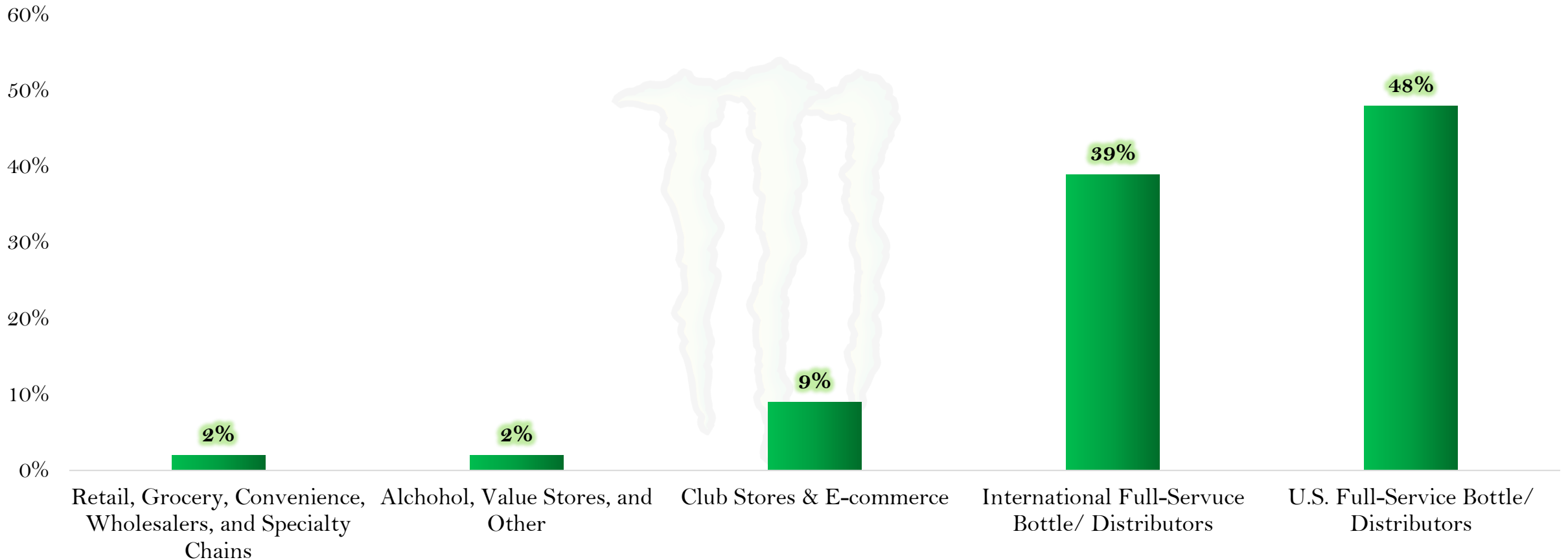
- Still Water
- Sparkling Water



Customers (2022)



Revenue by Customer Type (Totaling 100%)





Reportable Segments (As of 3Q23)

Monster Energy Brands (92% of sales)



Strategic Brands (5.3% of sales)



Alcohol (2.3% of sales)



Other (0.4% of sales)



Monster Energy Brands



The Company's Core Brands:

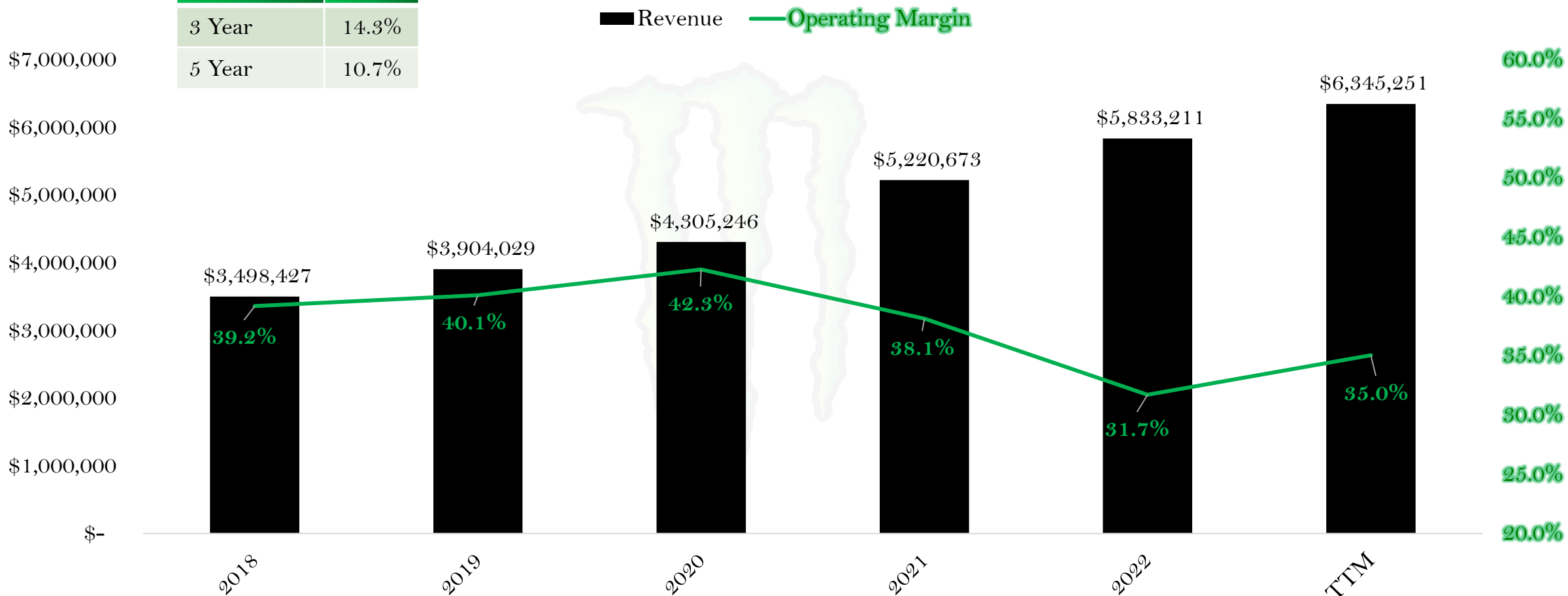
- Monster Energy Drinks
- Monster Energy Nitro
- Monster Tour Water
- Monster Energy Teas
- Java Monster Coffee
- Monster Hydro
- Reign
- Reign Inferno
- Reign Storm
- True North Energy Seltzers



Monster Energy Drinks In Thousands



Year	CAGR
3 Year	14.3%
5 Year	10.7%



Strategic Brands

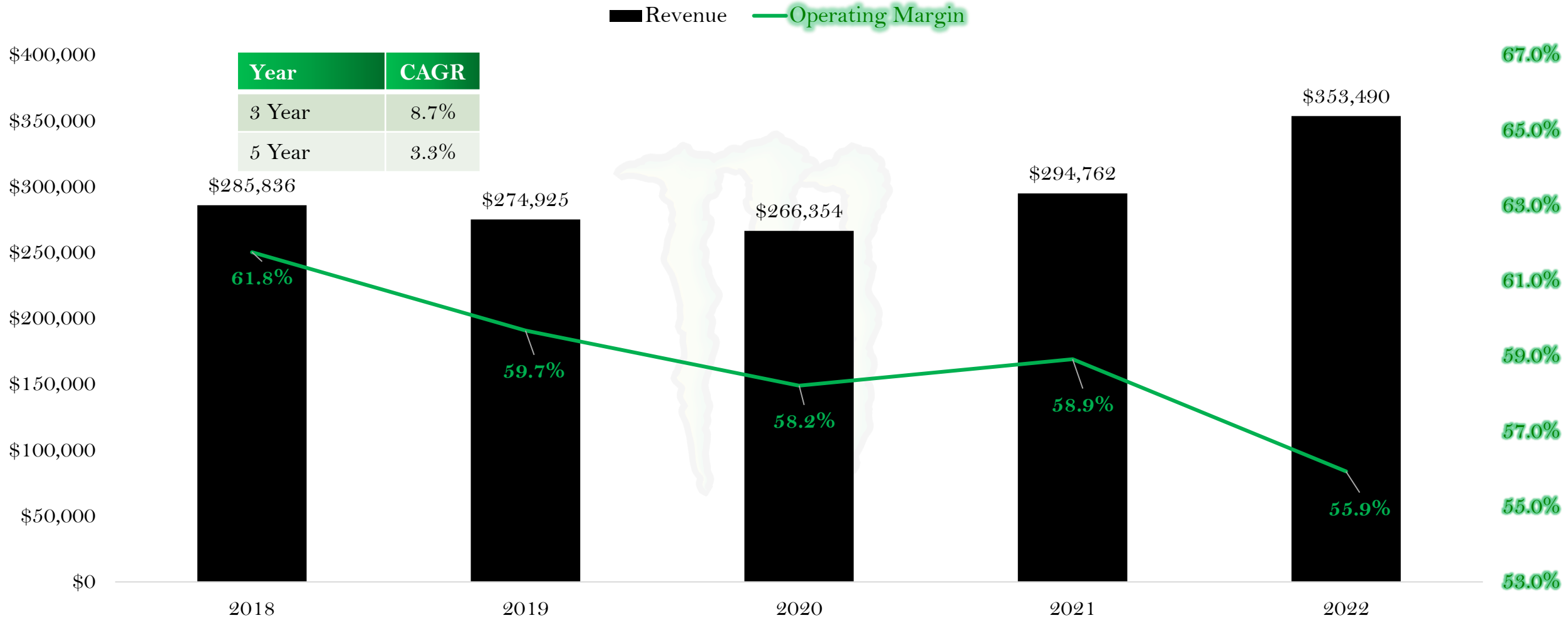


Energy Brands Acquired From Coca Cola In 2015:

- Burn (Coca Cola)
- Full Throttle (Coca Cola)
- Mother (Coca Cola)
- Nalu (Coca Cola)
- NOS (Coca Cola)
- Relentless (Coca Cola)
- Fury
- Gladiator
- Live +
- Predator
- Samurai



Strategic Brands In Thousands

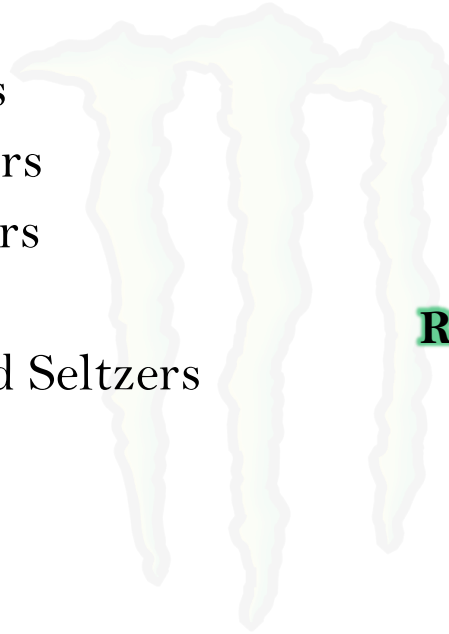


Alcohol



Craft Beers And Hard Seltzers:

- Cigar City Line of Craft Beers
- Oskar Blues Line of Craft Beers
- Deep Ellum Line of Craft Beers
- Squatters Line of Craft Beers
- Wild Basin Line of Craft Hard Seltzers
- Wasatch Line of Craft Beers
- Perrin Line of Craft Beers
- The Beast Unleashed



Acquired April 2022



Released January 2023



CANarchy Portfolio



Cigar City Brands



Oskar Blues Brands



Deep Ellum Brands



Perrin Brands



Squatters Brands

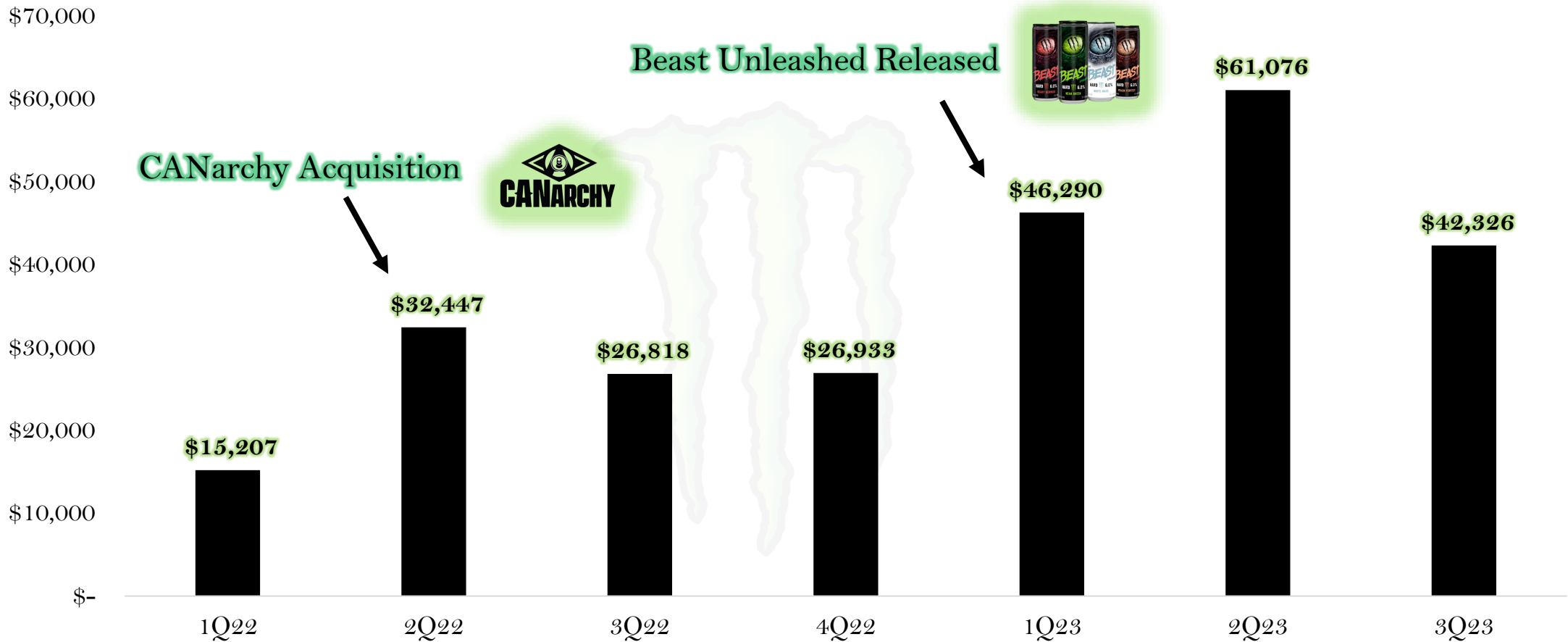


WASATCH[™]
BREWERY

Wasatch Brands



Alcohol Revenue In Thousands

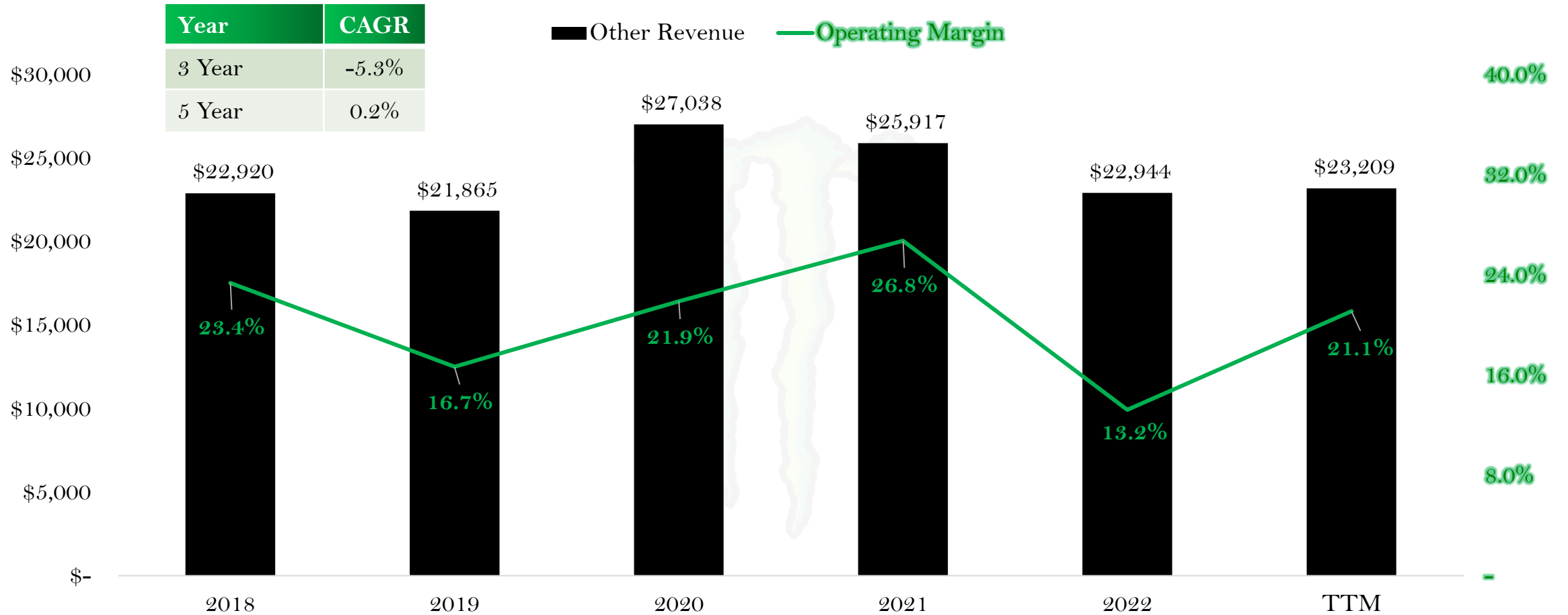




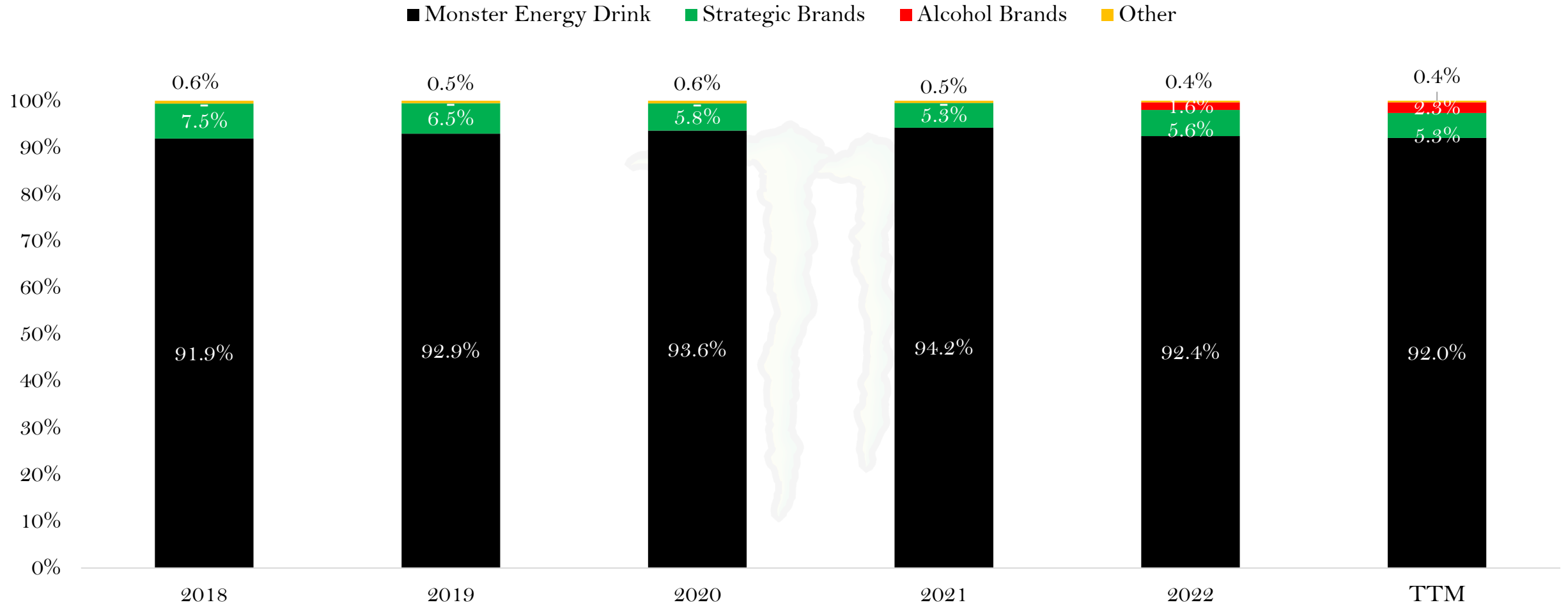
License Agreements to Sell Merchandise



Other Revenue In Thousands



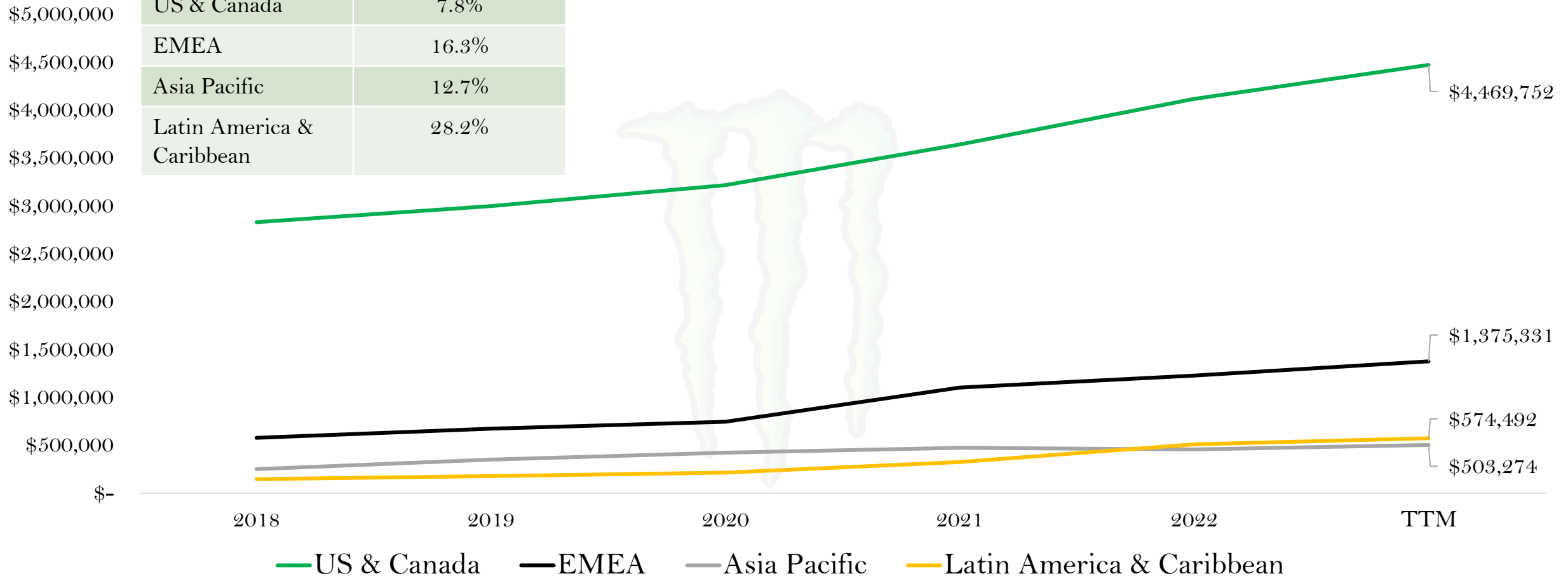
Revenue Mix By Segment (2017 – 2022)



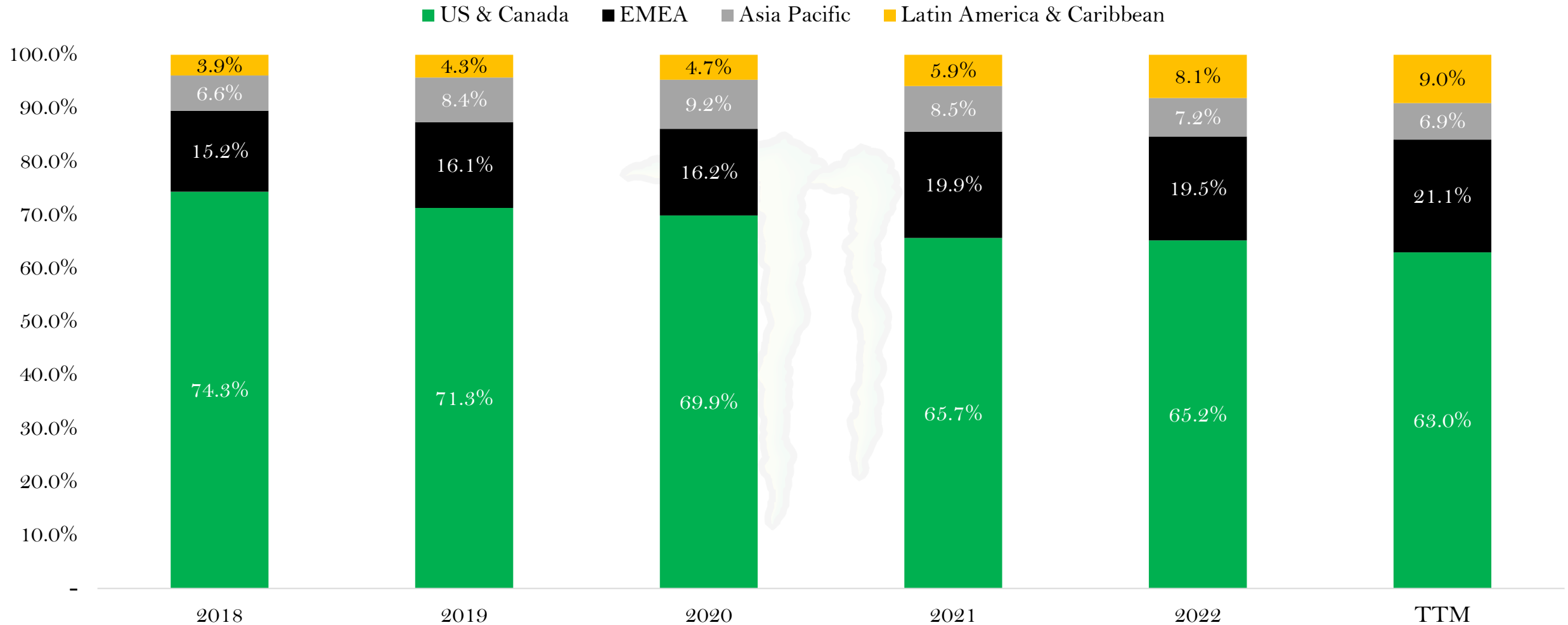
Revenue By Geography (2017 – 2022) In Thousands



	5Y CAGR
US & Canada	7.8%
EMEA	16.3%
Asia Pacific	12.7%
Latin America & Caribbean	28.2%



Revenue Mix By Geography (2017 – 2022)





Interpretation of Financial Statements

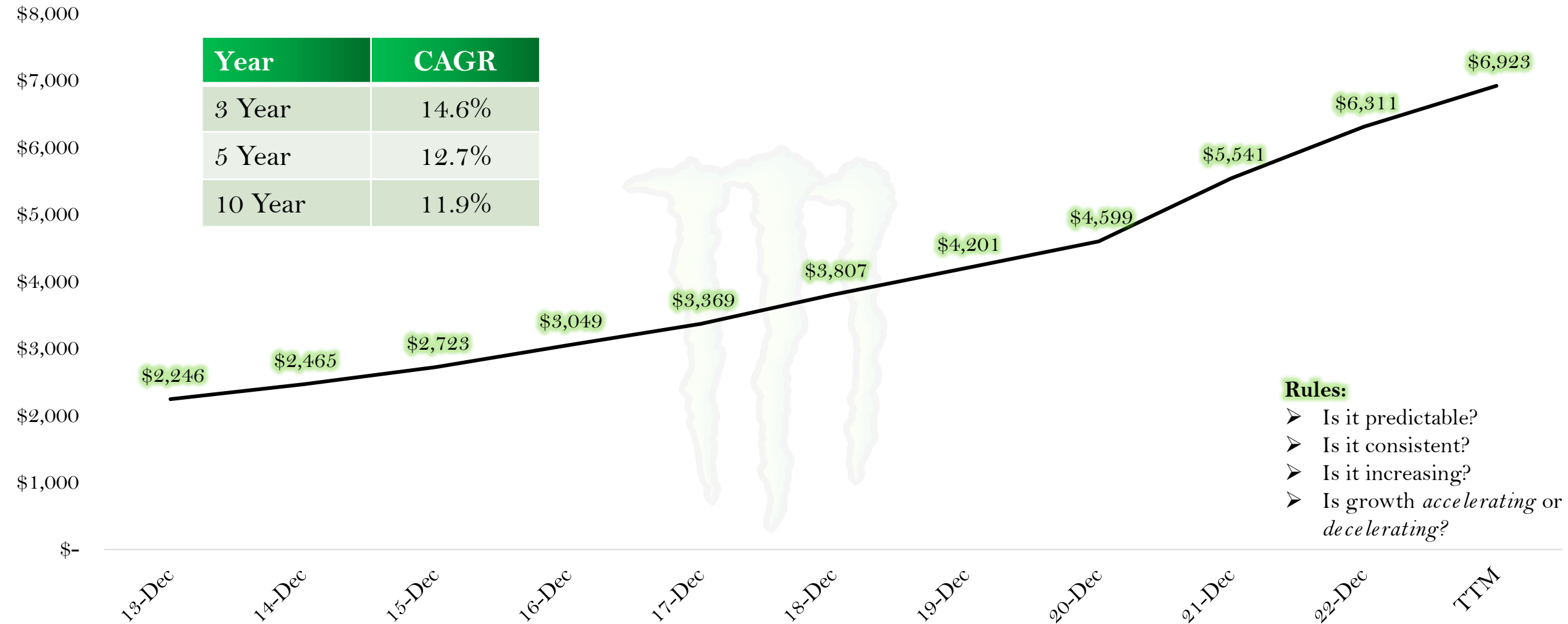
Chris Fischer



10Y Revenue In Millions



Year	CAGR
3 Year	14.6%
5 Year	12.7%
10 Year	11.9%



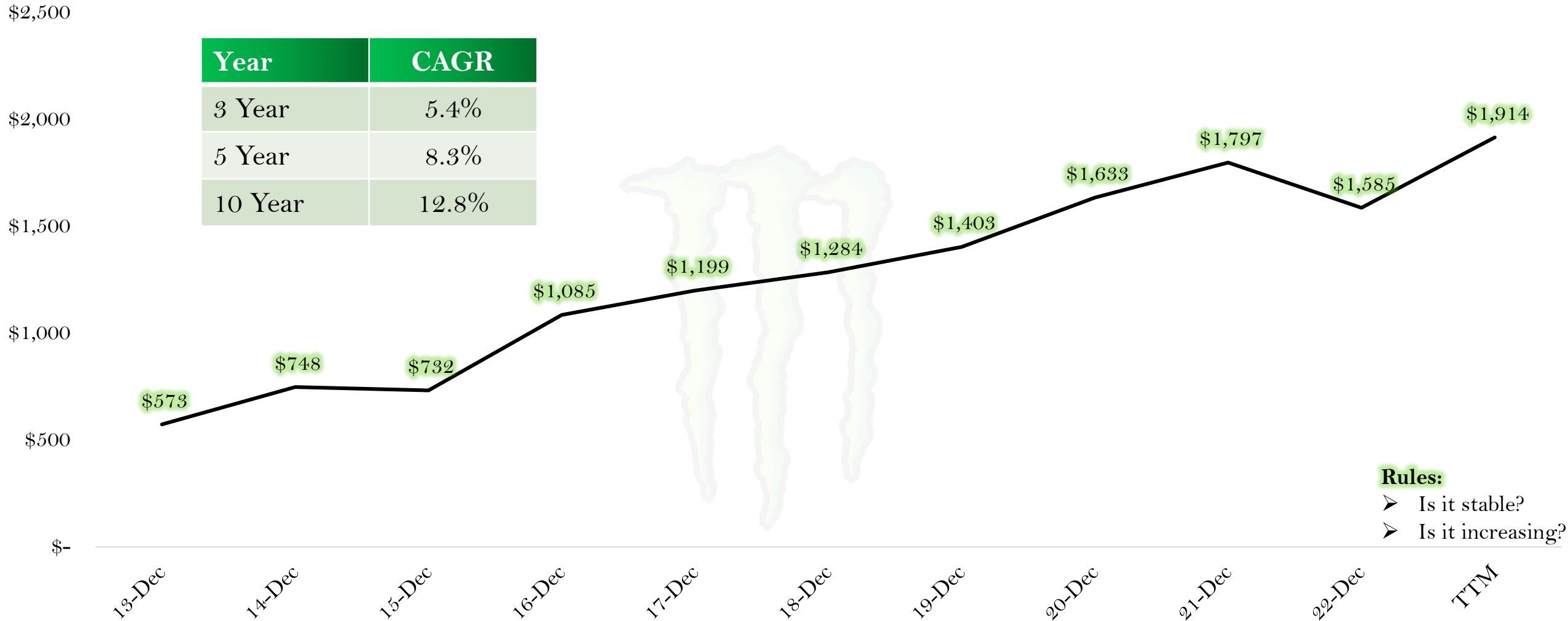
Rules:

- Is it predictable?
- Is it consistent?
- Is it increasing?
- Is growth *accelerating* or *decelerating*?

10Y Operating Income In Millions



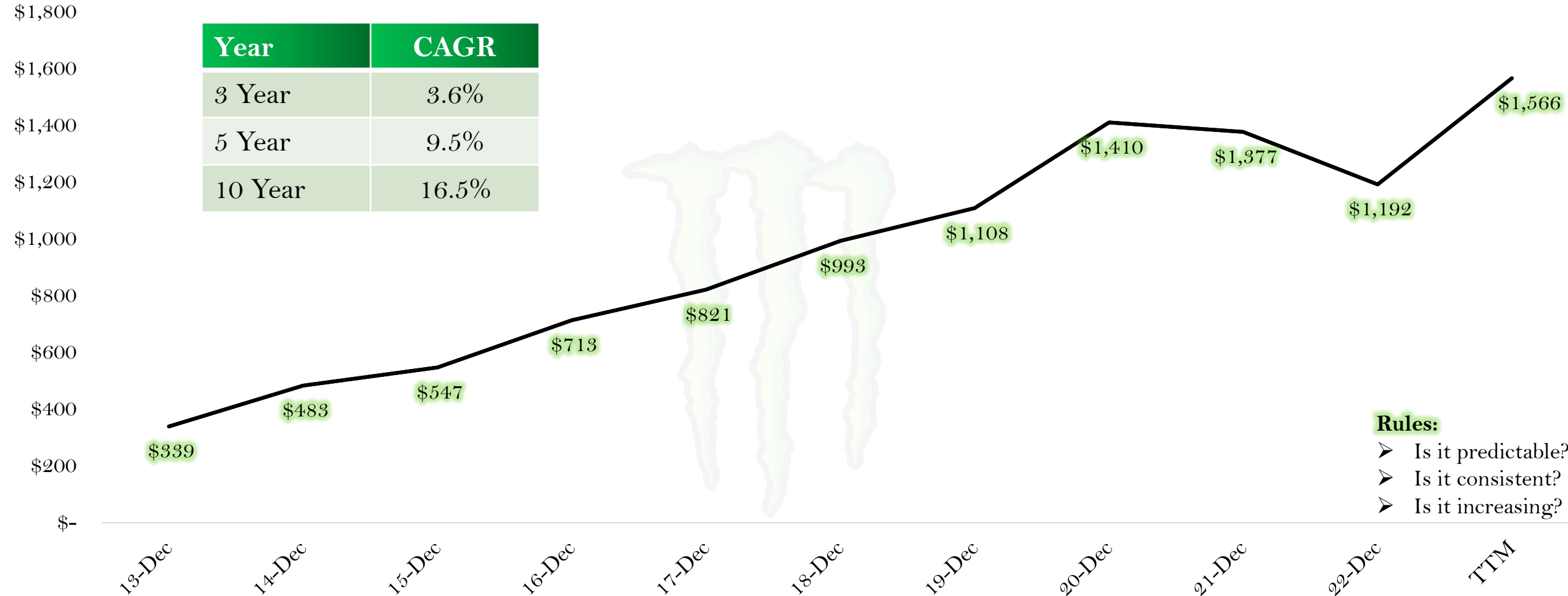
Year	CAGR
3 Year	5.4%
5 Year	8.3%
10 Year	12.8%



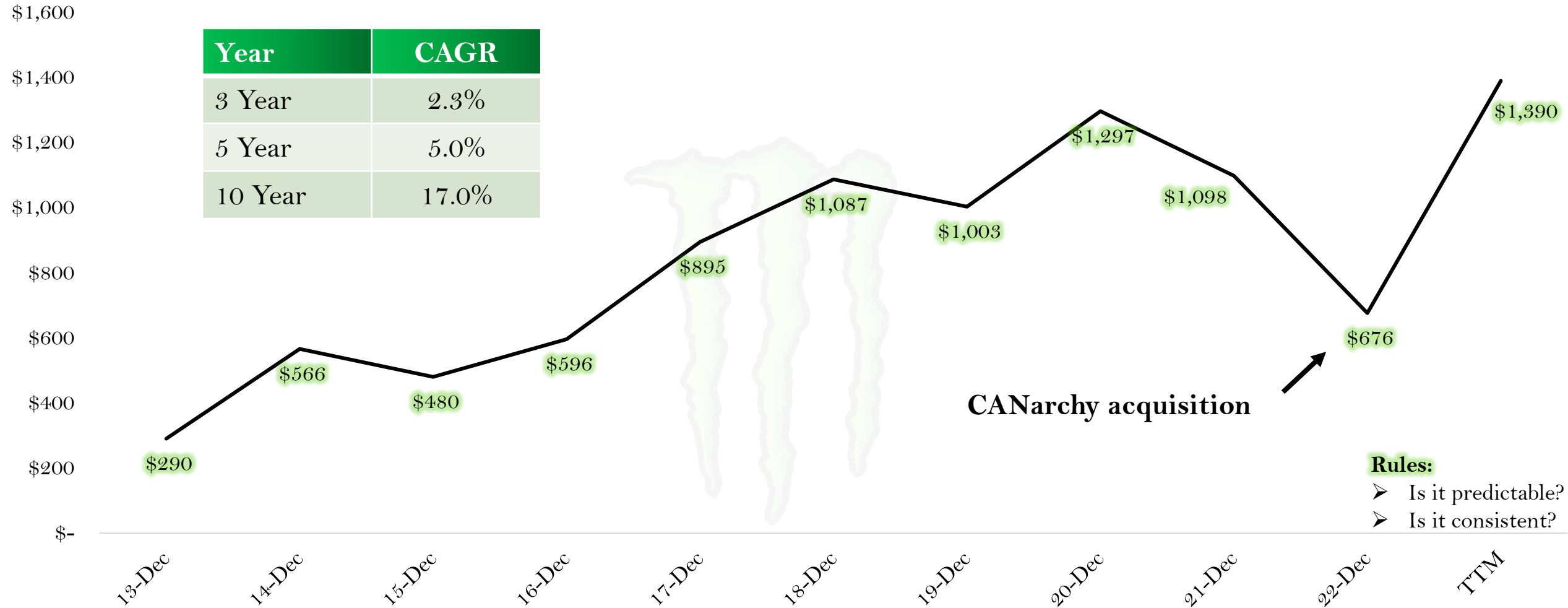
Rules:

- Is it stable?
- Is it increasing?

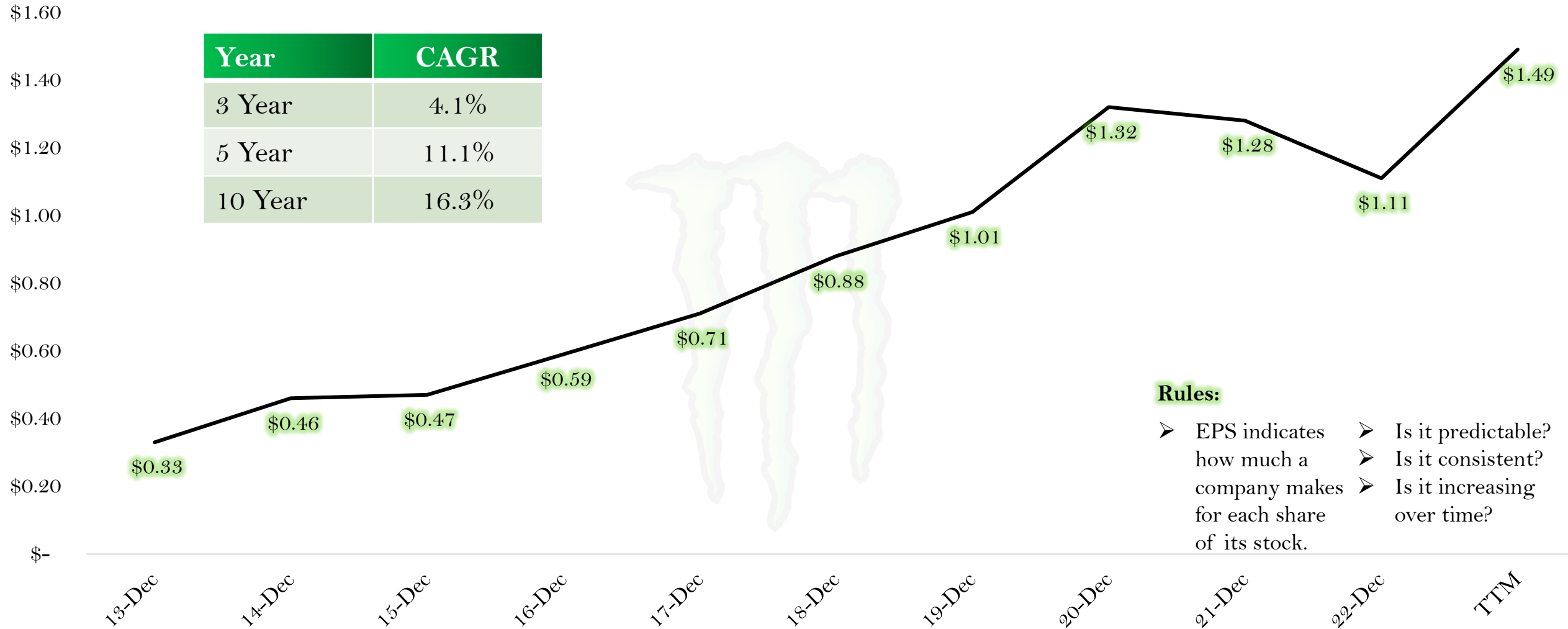
10Y Net Income In Millions



10Y Free Cash Flow In Millions



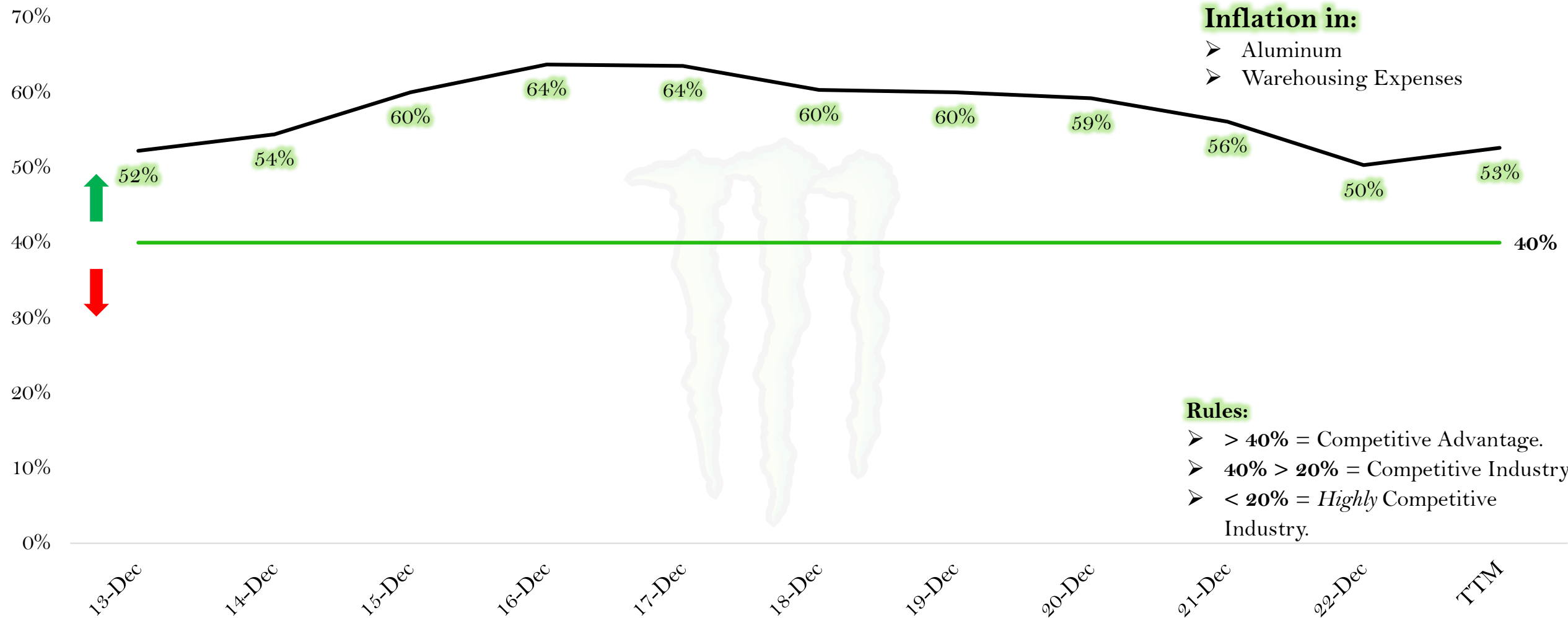
10Y Earnings Per Share



Rules:

- EPS indicates how much a company makes for each share of its stock.
- Is it predictable?
- Is it consistent?
- Is it increasing over time?

Gross Margin



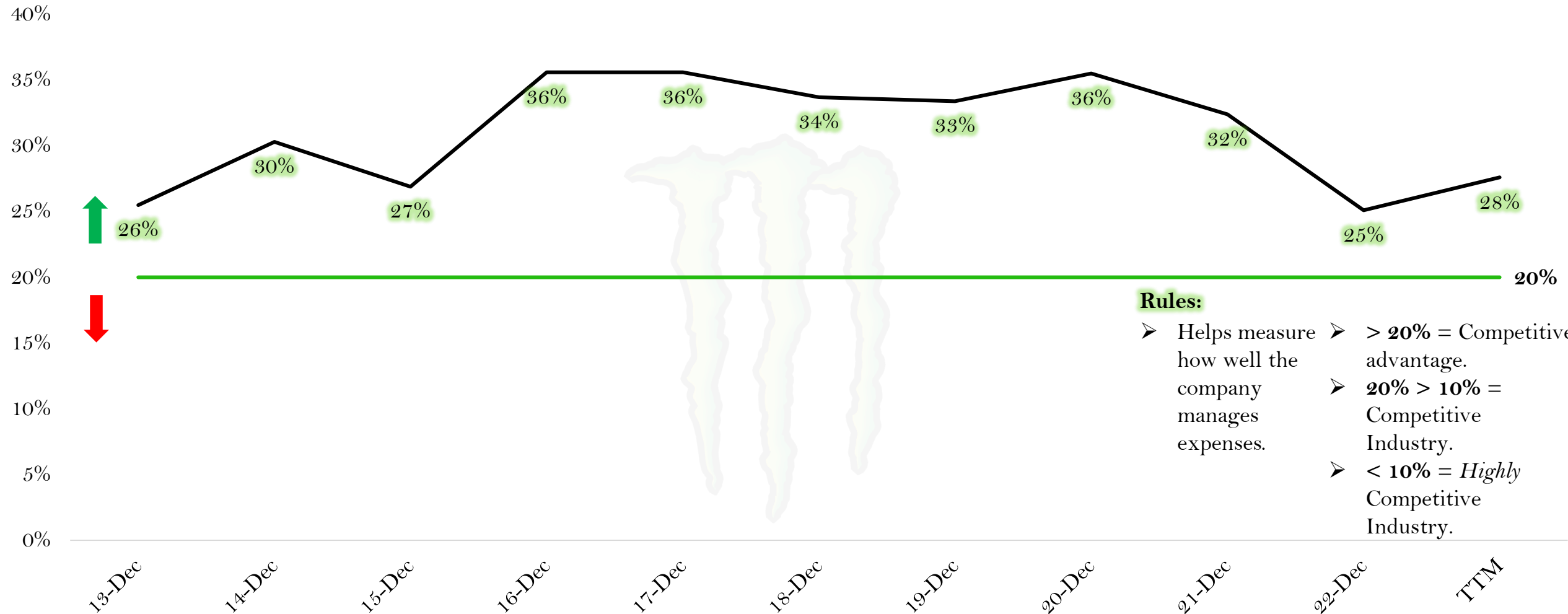
Inflation in:

- Aluminum
- Warehousing Expenses

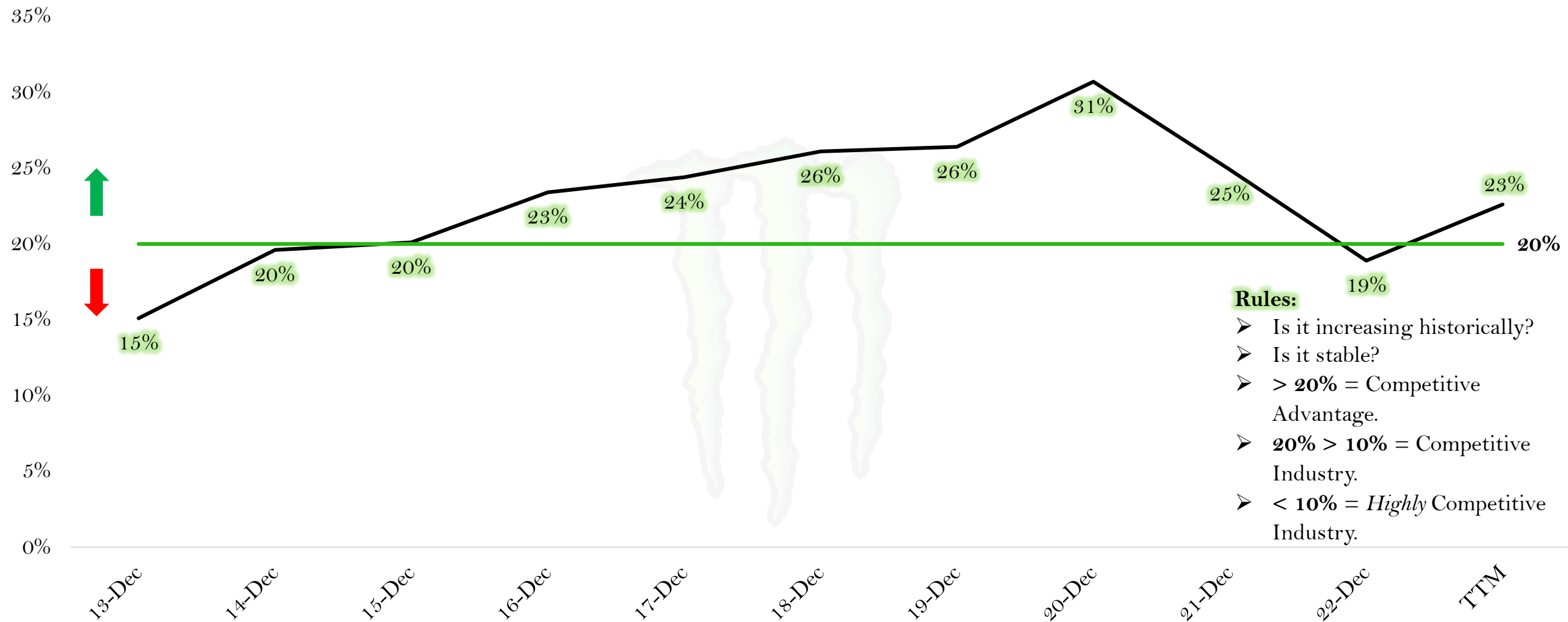
Rules:

- > 40% = Competitive Advantage.
- 40% > 20% = Competitive Industry.
- < 20% = *Highly* Competitive Industry.

10Y Operating Margin



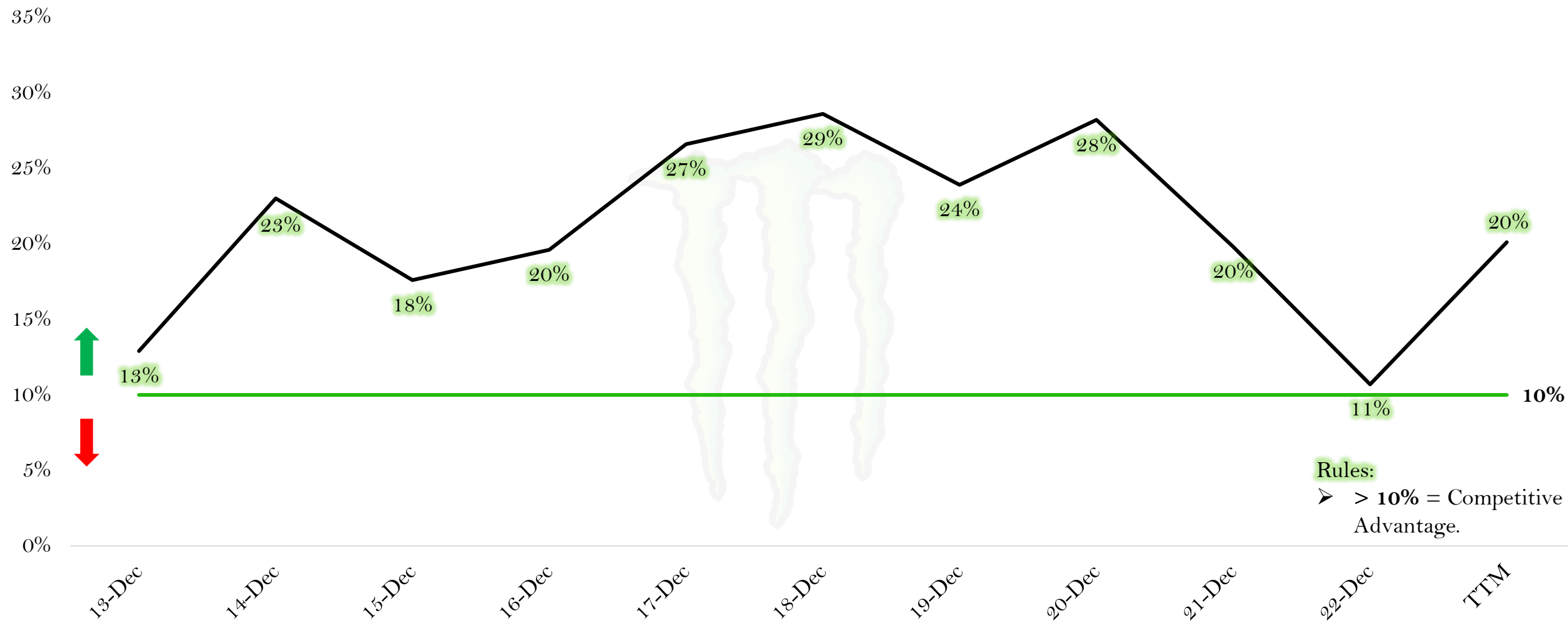
10Y Net Margin



Rules:

- Is it increasing historically?
- Is it stable?
- **> 20%** = Competitive Advantage.
- **20% > 10%** = Competitive Industry.
- **< 10%** = *Highly* Competitive Industry.

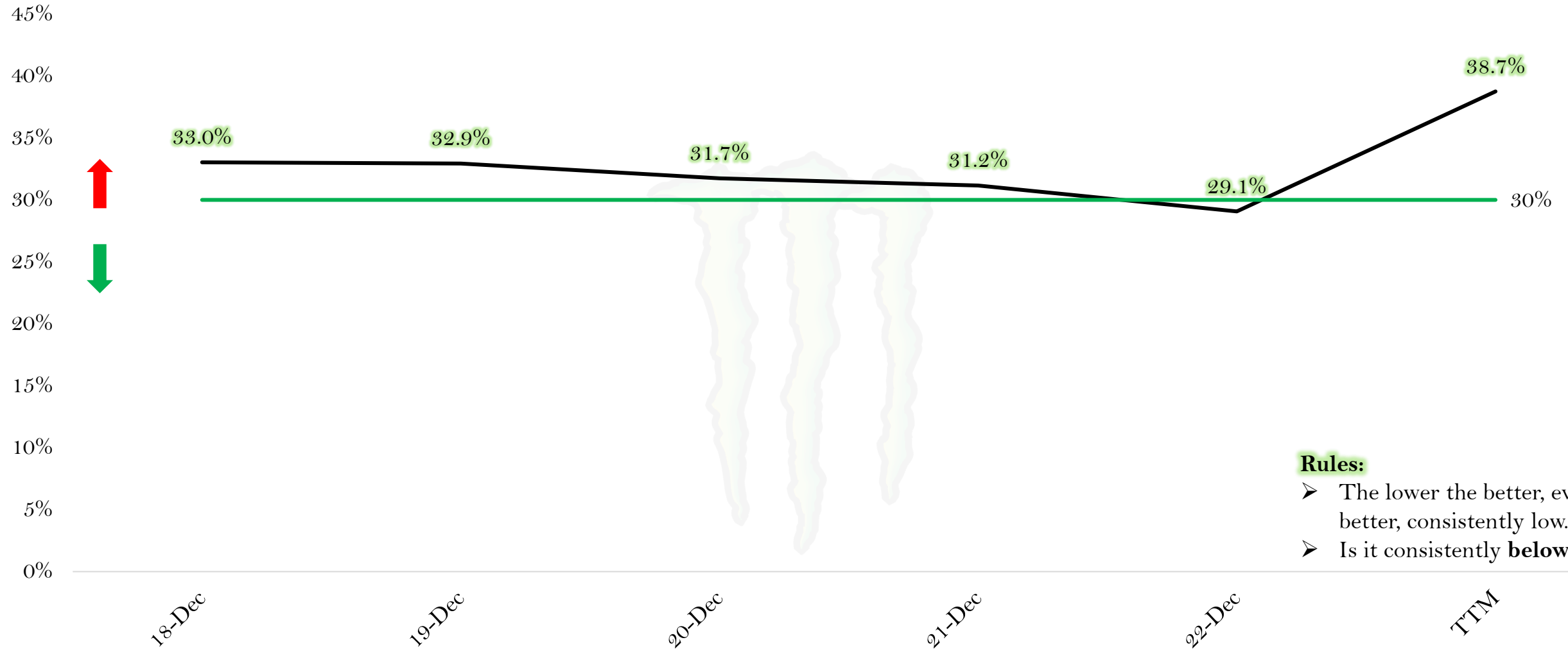
10Y Free Cash Flow Margin



Rules:

- > 10% = Competitive Advantage.

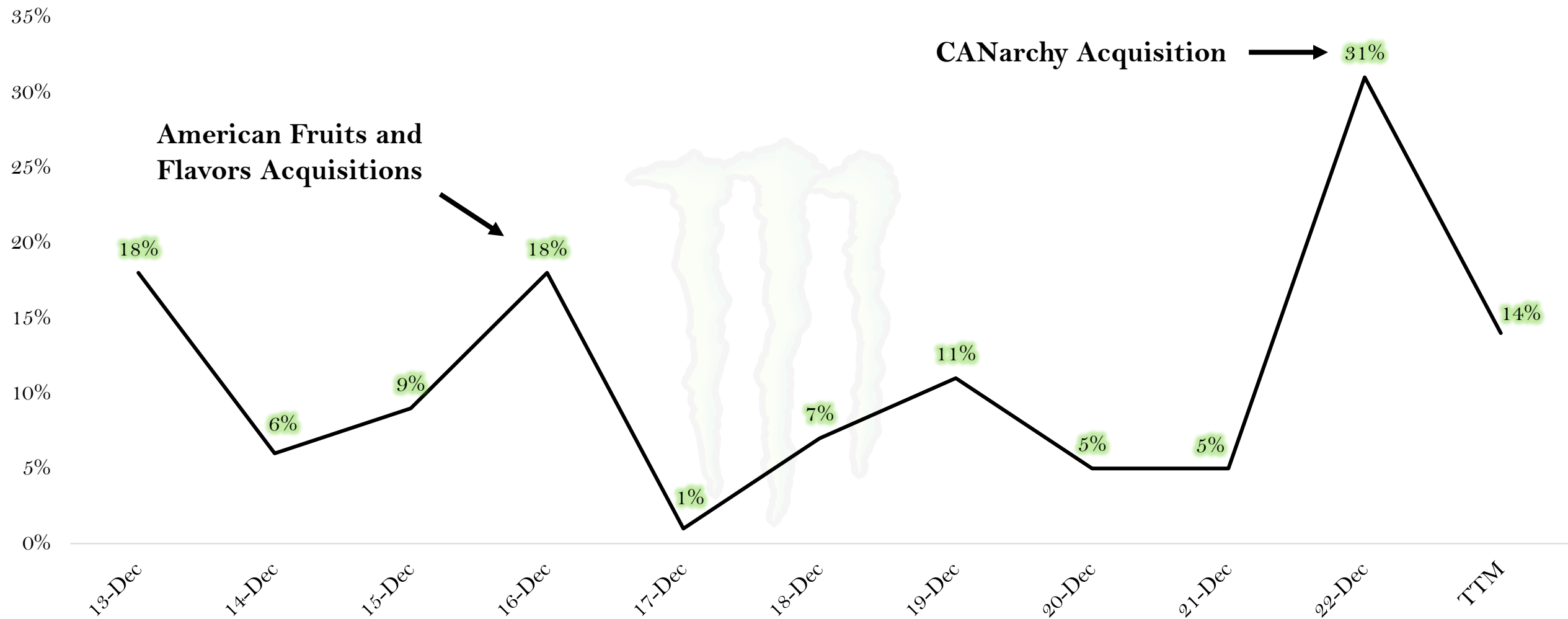
5Y SGA % of Gross Profit



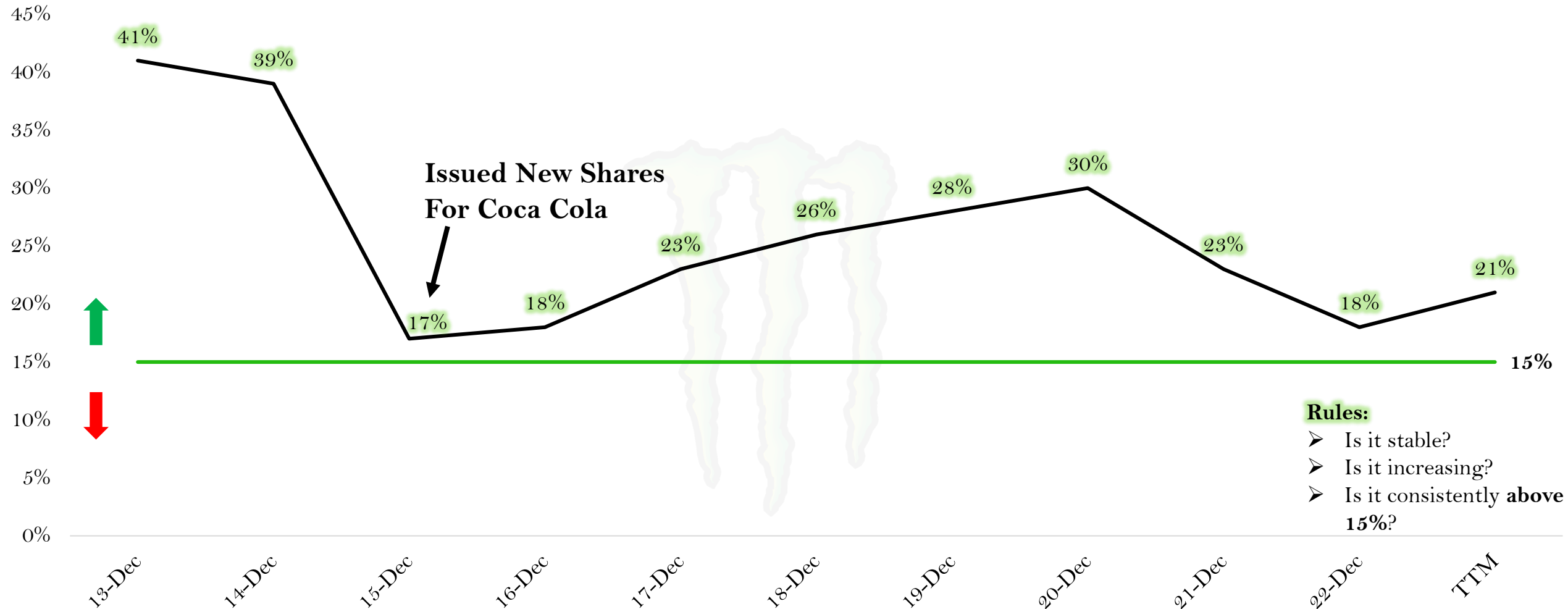
Rules:

- The lower the better, even better, consistently low.
- Is it consistently **below 30%**?

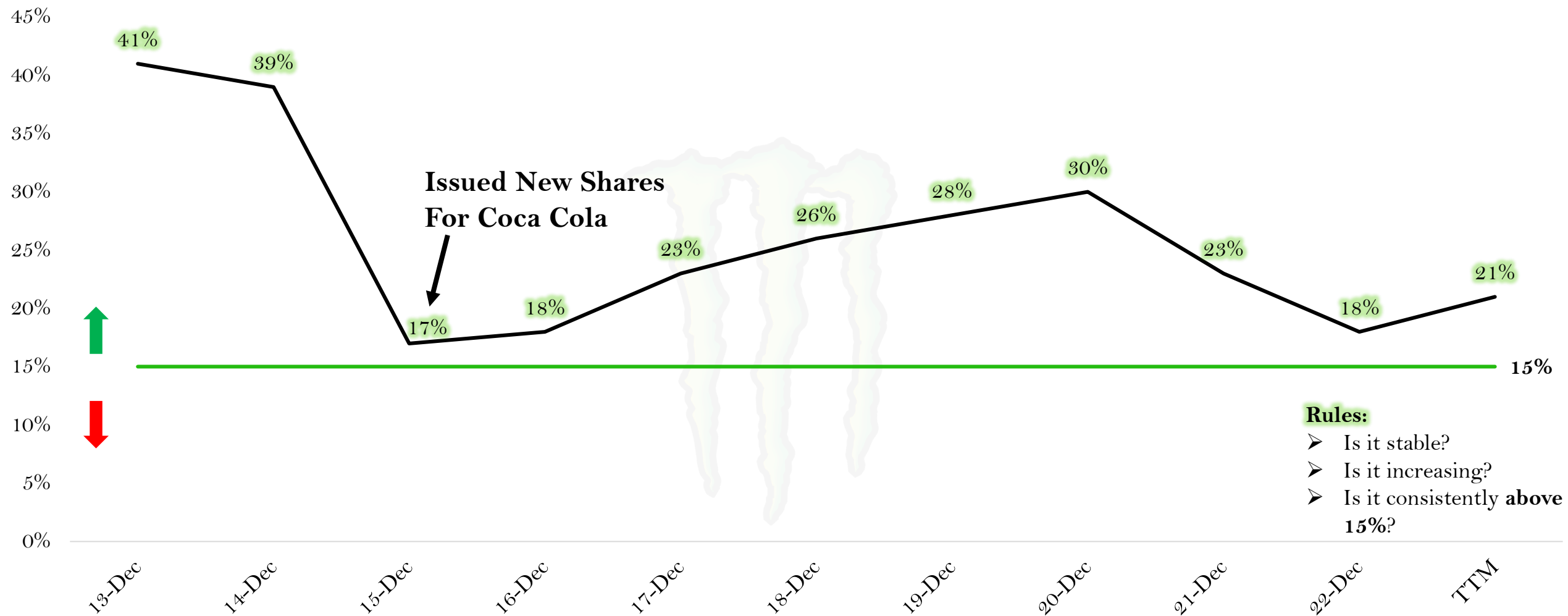
10Y Capital Expenditures / Free Cash Flow



10Y Return on Equity



10Y Return on Capital



Obligation Ratio In Millions (Current)

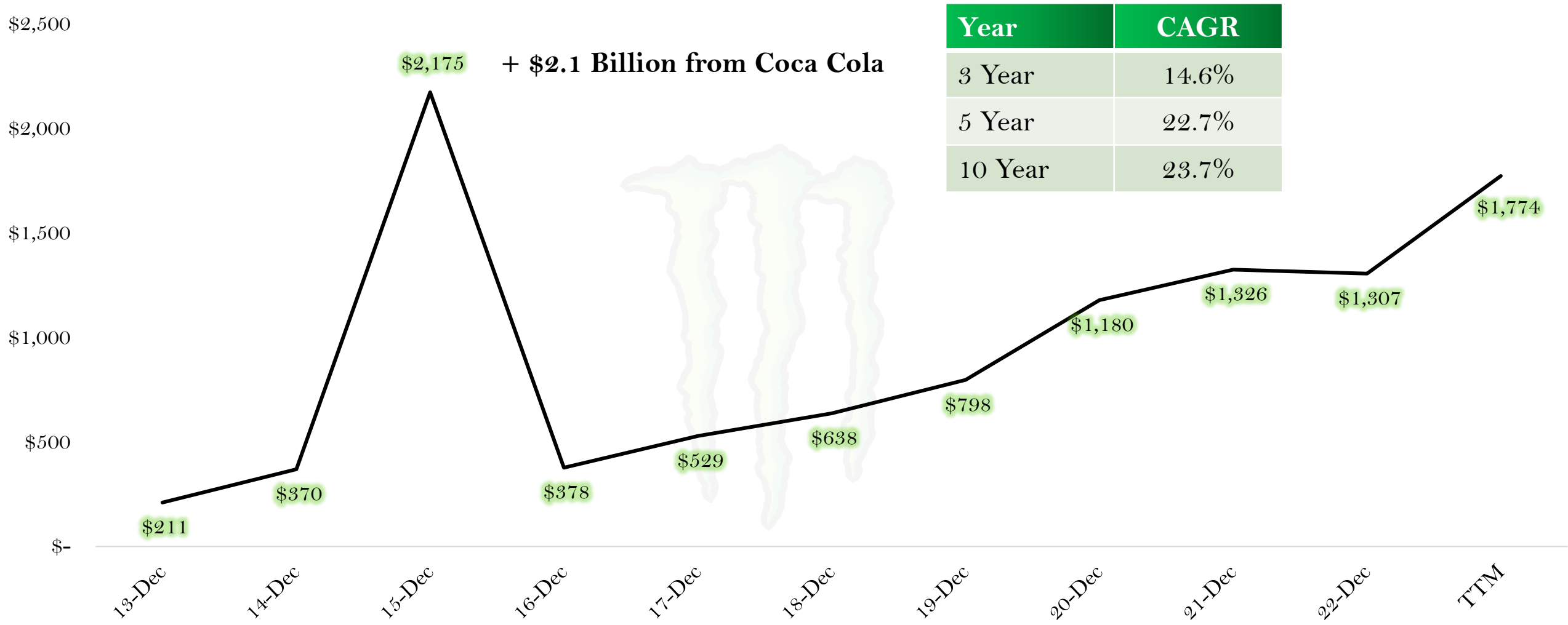


(+) Long-Term Debt & Short-Term Debt	\$0
(+) Preferred Stock	\$0
(+) Pension Funding Shortfall	\$0
(+) Leases X 7	\$0
(-) Cash	\$1,774
(/) Net Income	\$1,566
Obligation Ratio	-1.1x



Can pay off all obligations 1.1 times with 1 year's worth of earnings

Cash Balance In Millions





Economic Moat

Jake Gray



Intangible Assets



Brand Name/Brand Preference:

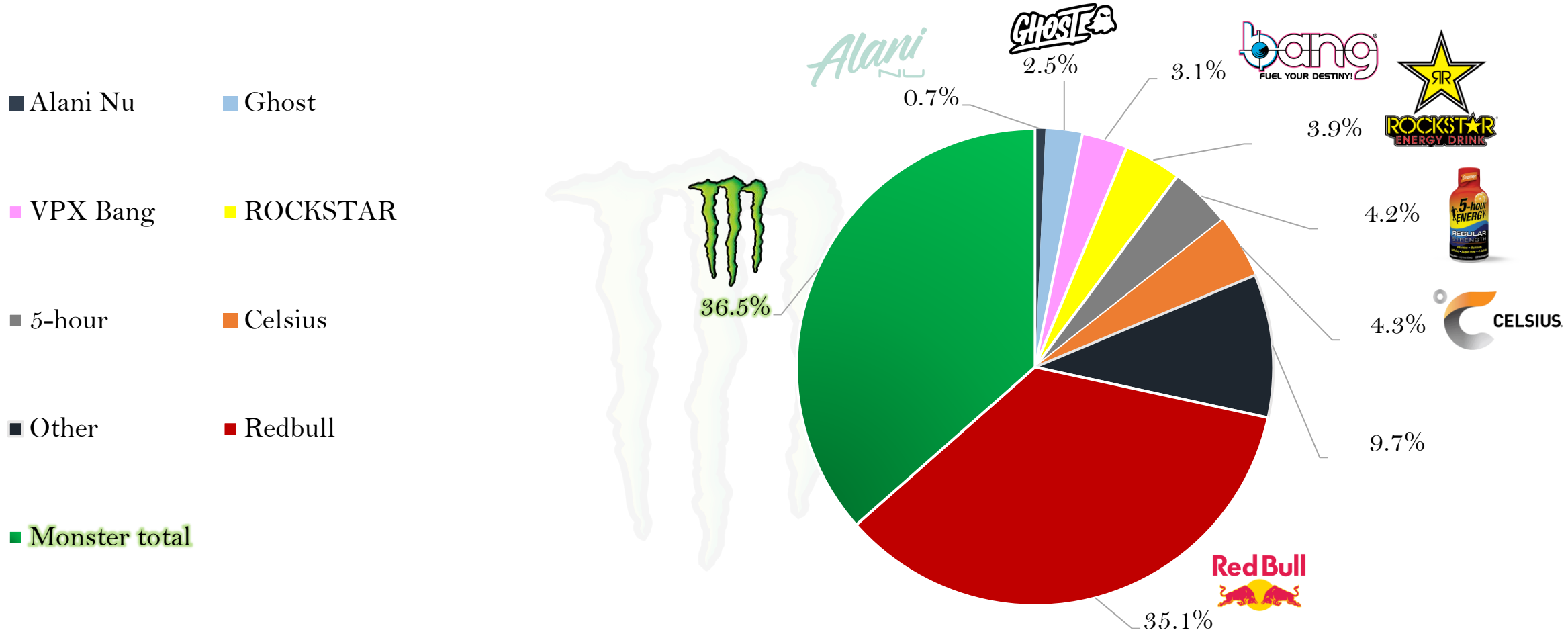
- Not just an energy drink
- A Lifestyle In a Can

Intellectual Property:

- 17,500 Trademarks
- Copyrights.



Leading Market Share (2022)



Cost Advantages

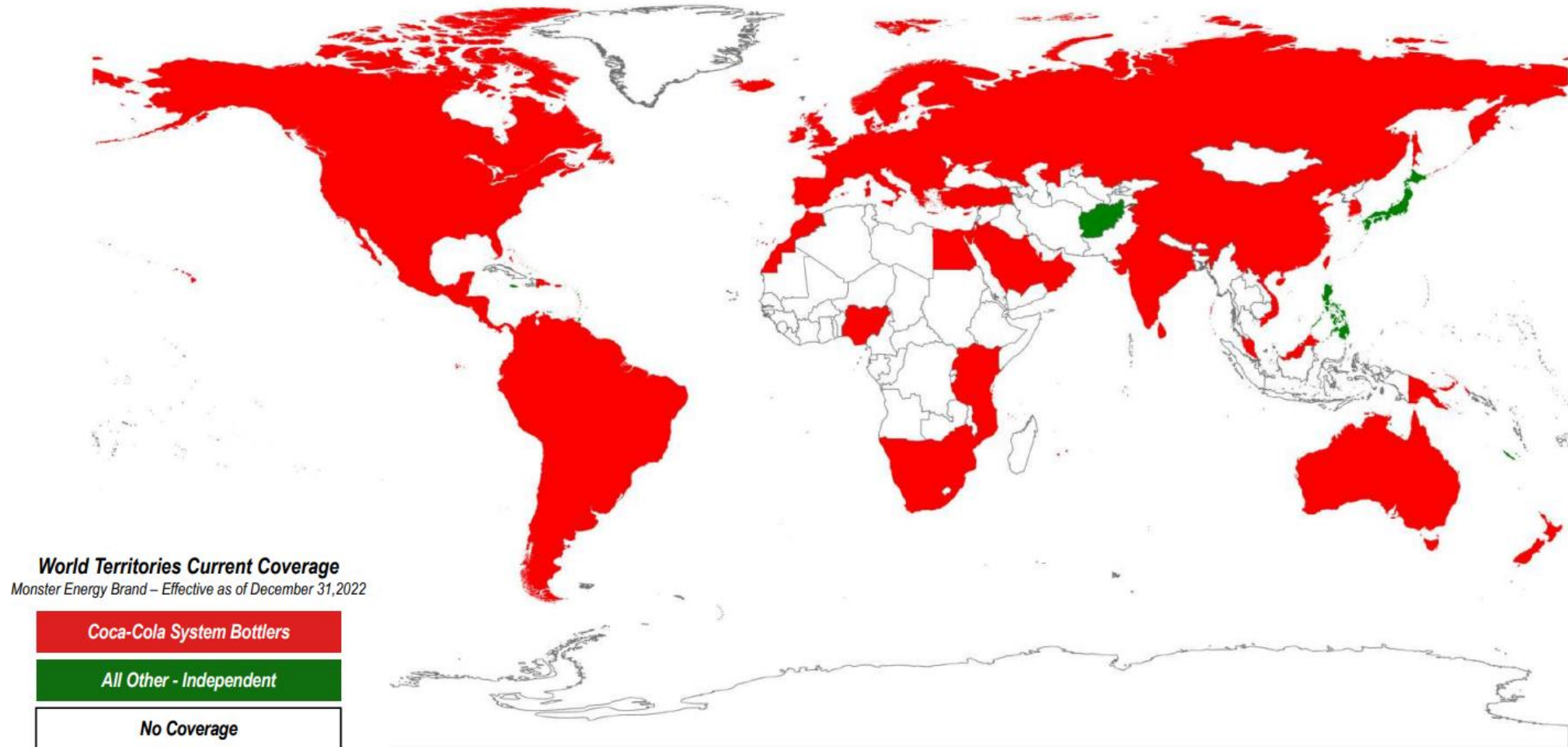


Distribution agreement with The Coca Cola Company (TCCC)

- Exclusive agreement with the **world's largest beverage distribution system.**
- Monster beverage is Coca Cola's **only and exclusive energy brand.**
- Contractual agreement spanning **20 years.**
- Access to bottlers & distributors in over **200 countries.**
- **Minimal capital investment.**
- Negotiates shelf space



Coca Cola Distribution Network





Management & Ownership

Jake Gray



Management Team



Rodney Sachs Co-Chief Executive Officer (73)

- Chairman of The Board since 1990
- CEO from 1990 – 2021
- Led company for 33 years



Hilton Schlosberg Co-Chief Executive Officer (70)

- COO from 1990 – 2021
- CFO from 1996 – 2021
- Appointed CEO in 2021
- 33 Year Tenure

Compensation



3 Main Components:

- **Base Salary**
 - \$1 Million for both CEOs
- **Annual Bonus (AIAs – Annual Incentive Awards)**
 - 50 – 200% of base salary based on adjusted operating income thresholds
- **Equity Awards (LTIs – Long Term Incentives)**
 - PSUs based on adjusted diluted earnings per share thresholds
 - RSUs

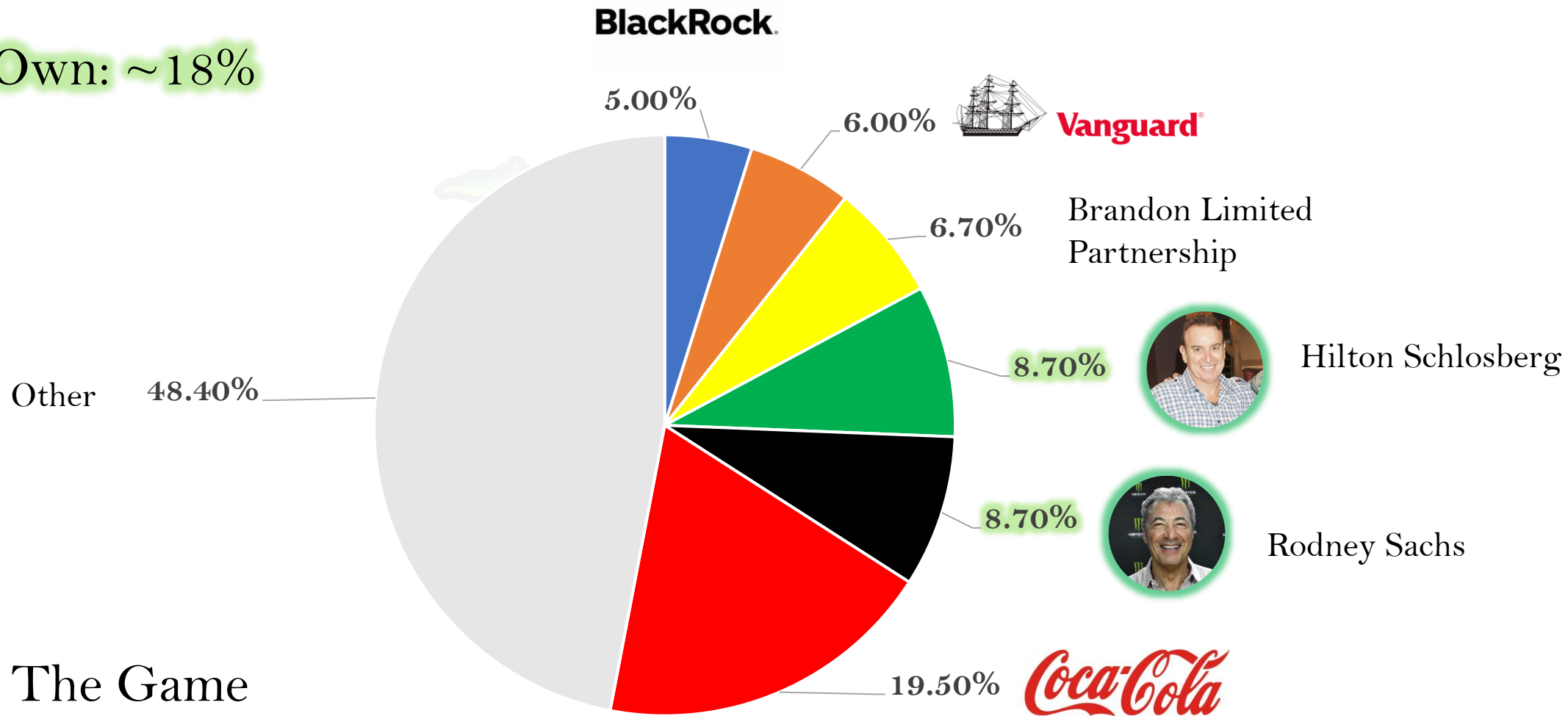


Aligned With Shareholders

Ownership Common Stock >5%



Insiders Own: ~18%



Skin In The Game



Capital Allocation

Jake Gray

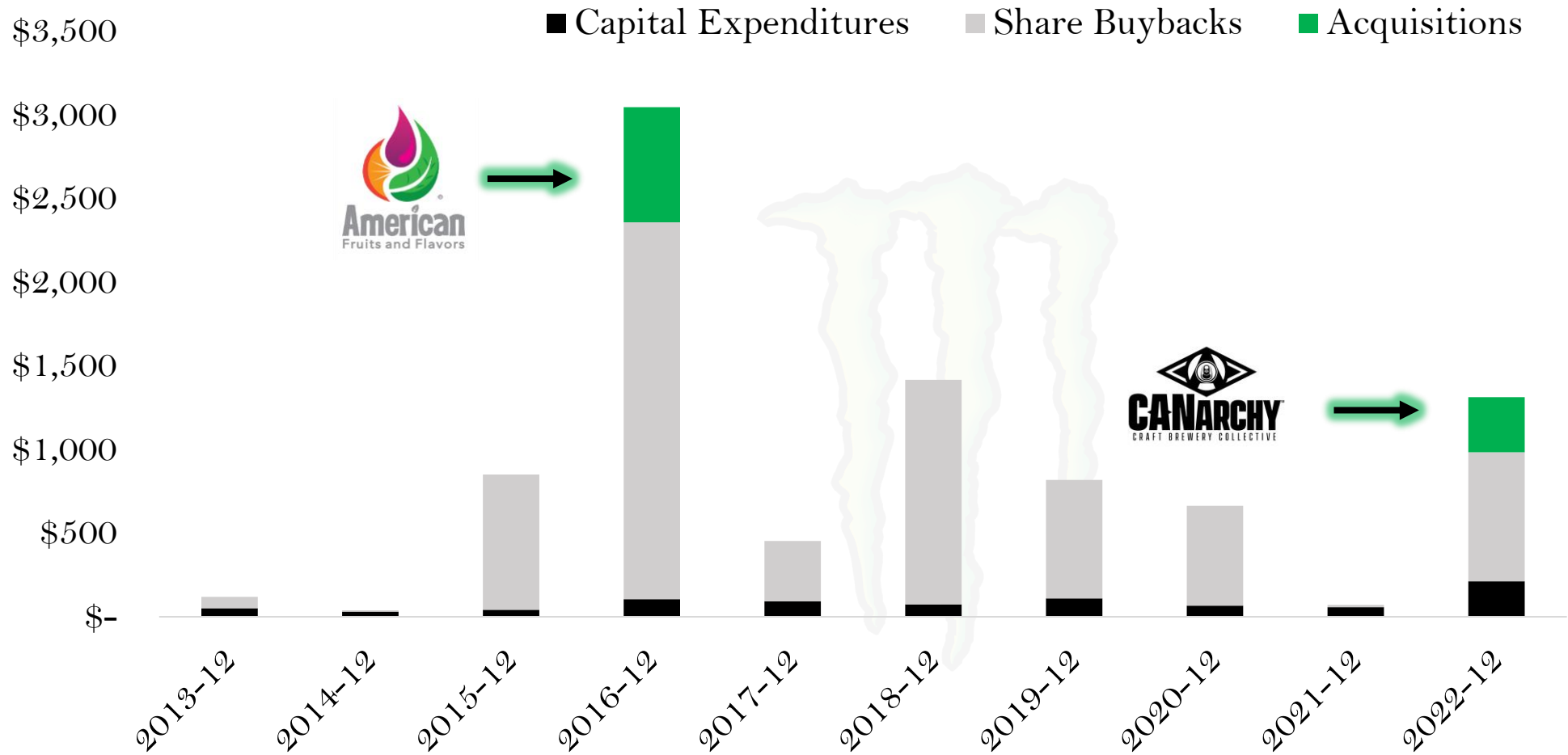
Monday, December 1, 2023



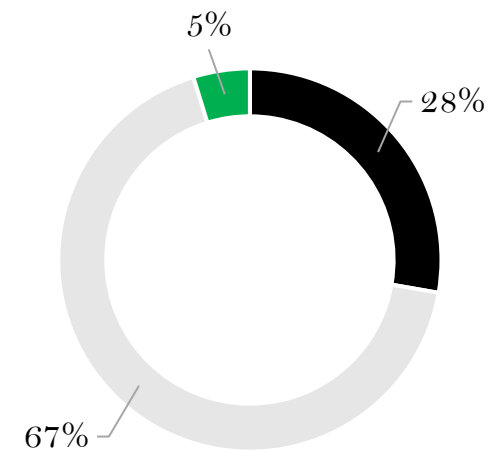
THE
BEAST
UNLEASHED

HARD  6.0%

Capital Allocation



Average



American Fruits and Flavors Acquisition



Purchased AFF (April 2016) For \$688.5 Million Cash

- Long time business partner
- Monster's primary flavor supplier

Secured Intellectual Property & Vertically Integrated

- Secured flagship green flavor & other iconic brands
- Allowed for international expansion of AFF supply chain
- Ability to foster innovation for new flavors



CANarchy Acquisition



Purchased CANarchy (February 2022) For \$329.5 Million Cash

- Entry into alcoholic beverage sector
- Relationships with alcohol distributors

CANarchy:

- Craft Beer & Hard Seltzers
- 6 Families of Brands
- Operated Independent of Monster
- Transaction Doesn't Include Brewery Restaurants



VPX Bang Acquisition



Purchased VPX Bang (July 2023) For \$362 Million

- Maker of lifestyle and performance energy drinks
- Acquired all of VPX Bang's assets
- Acquired state of the 400,000 sq ft manufacturing plant
 - VPX Bang paid ~\$50 million
 - VPX Bang announced in 2019 plans to invest \$260 million into facility





VPX Bang Litigation Timeline

2018: Monster sues VPX Bang for false advertising of products (Super Creatine)



2019: VPX Bang sues Monster over trademark infringement for the release of Reign



2019: VPX Bang sues Monster again



2020: VPX Bang sues PepsiCo for engaging in “gross misconduct”



2022: Monster and Orange Bang awarded \$175 million for violating Bang trademark and Orange Bang/ VPX Bang settlement



2022: Monster awarded \$293 million over false advertising of “super creatine”



2023: Monster awarded \$42.9 million in additional damages & attorney fees

Bang Gain



Monster Beverage Legal Team: 6 – 0

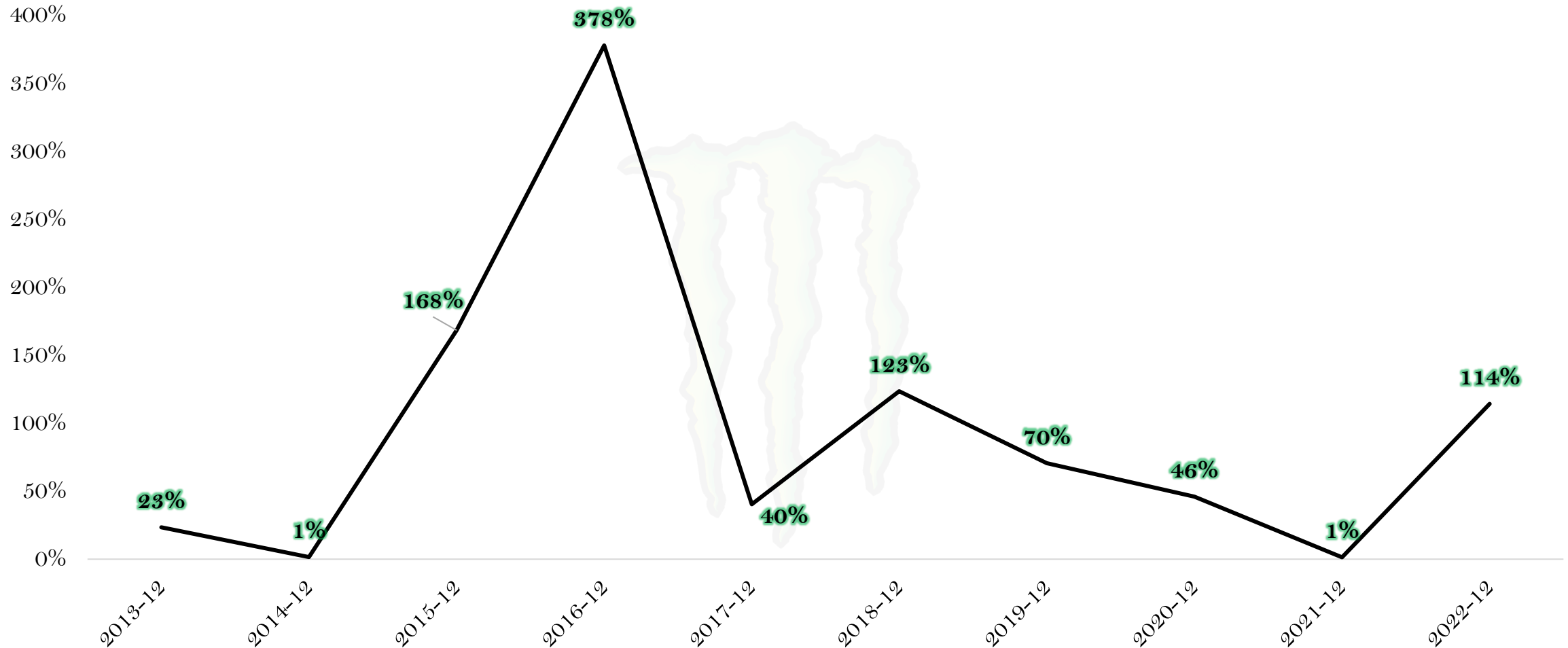
Net Awards: \$501 million

Bang Acquisition: \$362 million

Bang Acquisition Gain: \$45.4 million



Share Repurchases/ Free Cash Flow





Risk Factors

Joaquin Rodriguez



Emergence Of New Energy Categories



Brought New Competitors & Fragmentation

Lifestyle

- 80-200mg Caffeine
- 12-16fl



Performance

- 300mg Caffeine
- 16fl. Oz.
- <10 Calories
- BCAAs, Vitamins, Minerals



Wellness

- 200mg Caffeine
- 12fl. Oz
- 0 Sugar
- <10 Calories
- Vitamins
- “Clean Energy”/ “Plant-based”

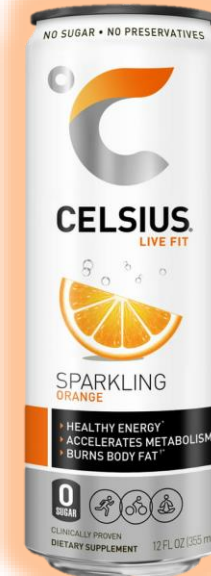


Celsius and PepsiCo Agreement



August 2022 Celsius and Pepsi Co. Reached An Agreement:

- PepsiCo invested \$550mn in Celsius exchange for preferred stock (8.5% stake)
- Long-term distribution agreement
- Help negotiate shelf space
- Go-to market capabilities
- International expansion



Celsius Taking Share

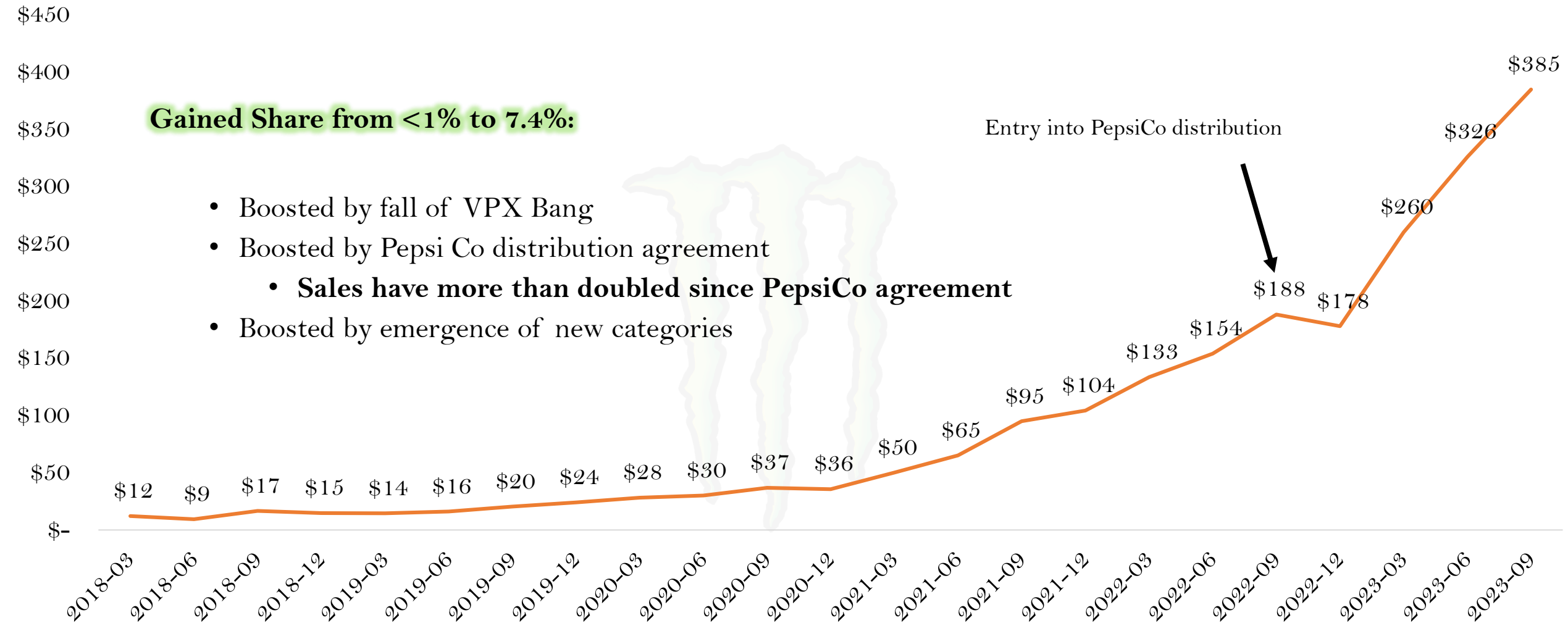
Quarterly Sales In Millions



Gained Share from <1% to 7.4%:

- Boosted by fall of VPX Bang
- Boosted by Pepsi Co distribution agreement
 - Sales have more than doubled since PepsiCo agreement
- Boosted by emergence of new categories

Entry into PepsiCo distribution



New Energy Brands Backed By Celebrities



- Attractive product economics brings new competitors.
- Competitors can be supercharged by backing brand with their image.

Viral New Energy Drink

Founded by YouTubers KSI & Logan Paul

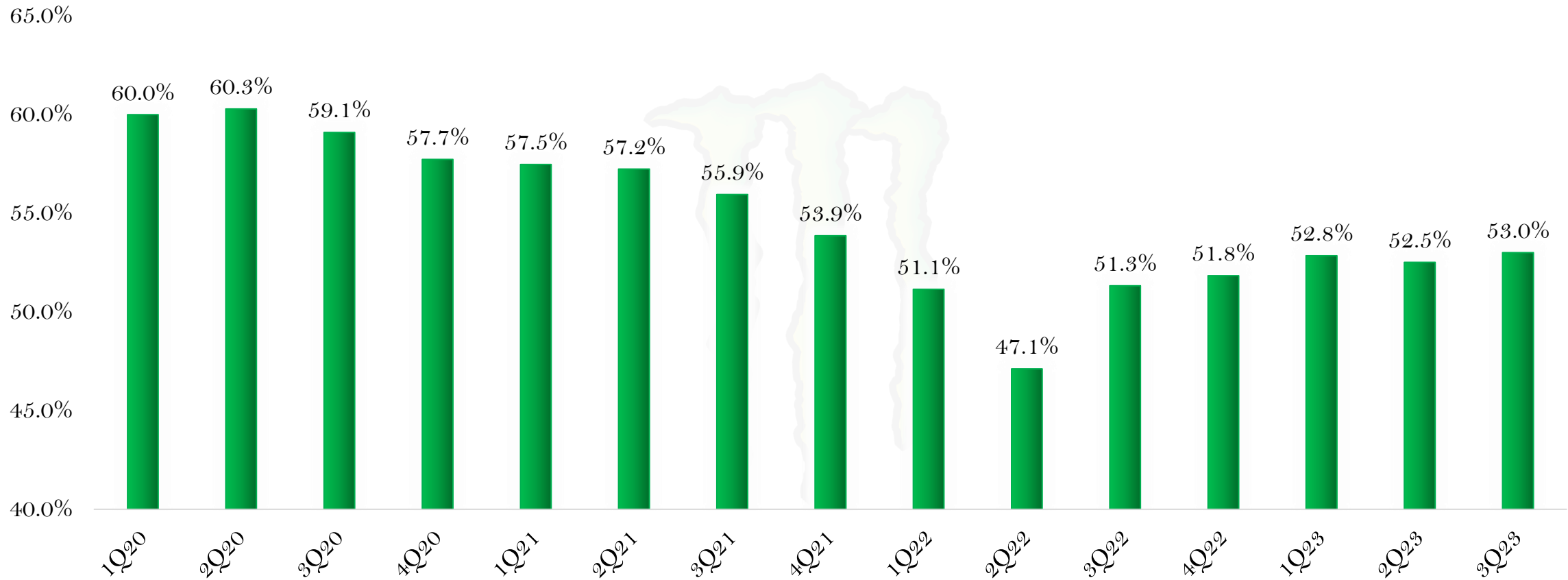
- Logan Paul: 25 Million YouTube Subscribers
- KSI: 40 Million



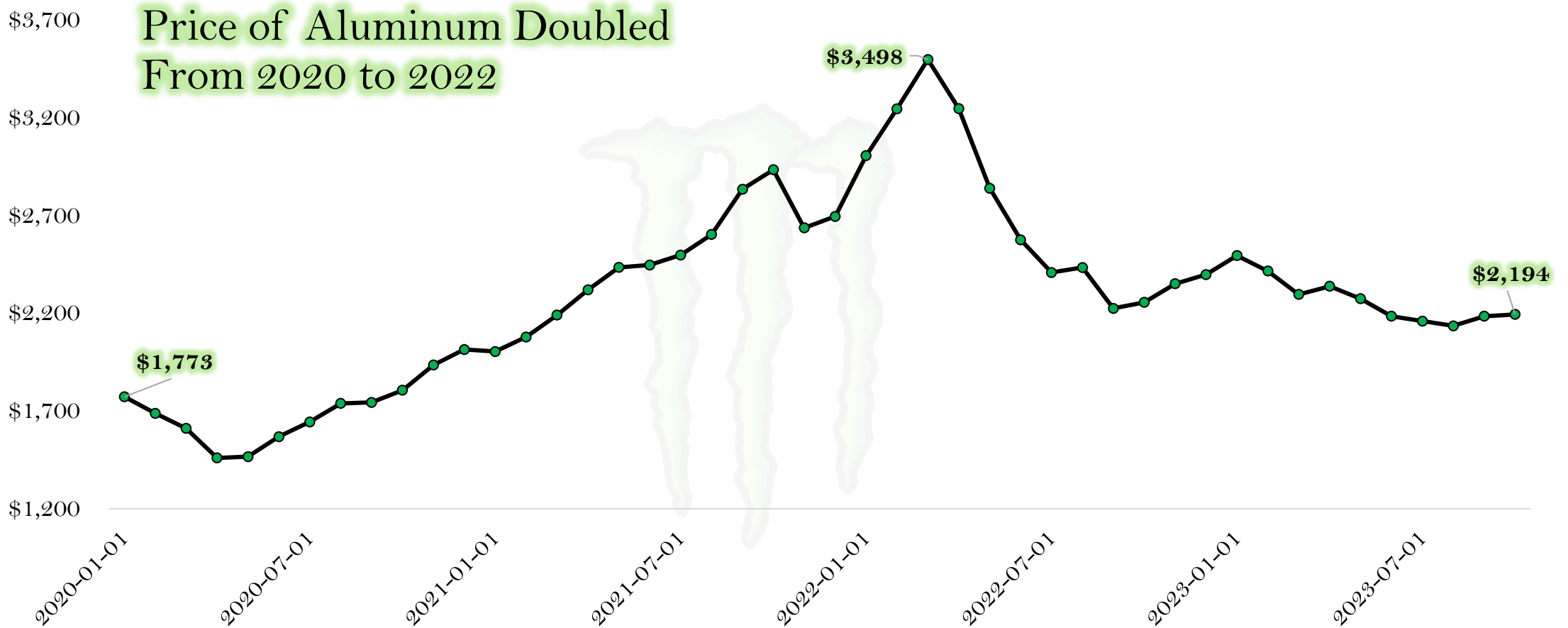
Gross Margin Pressure



Gross Margin



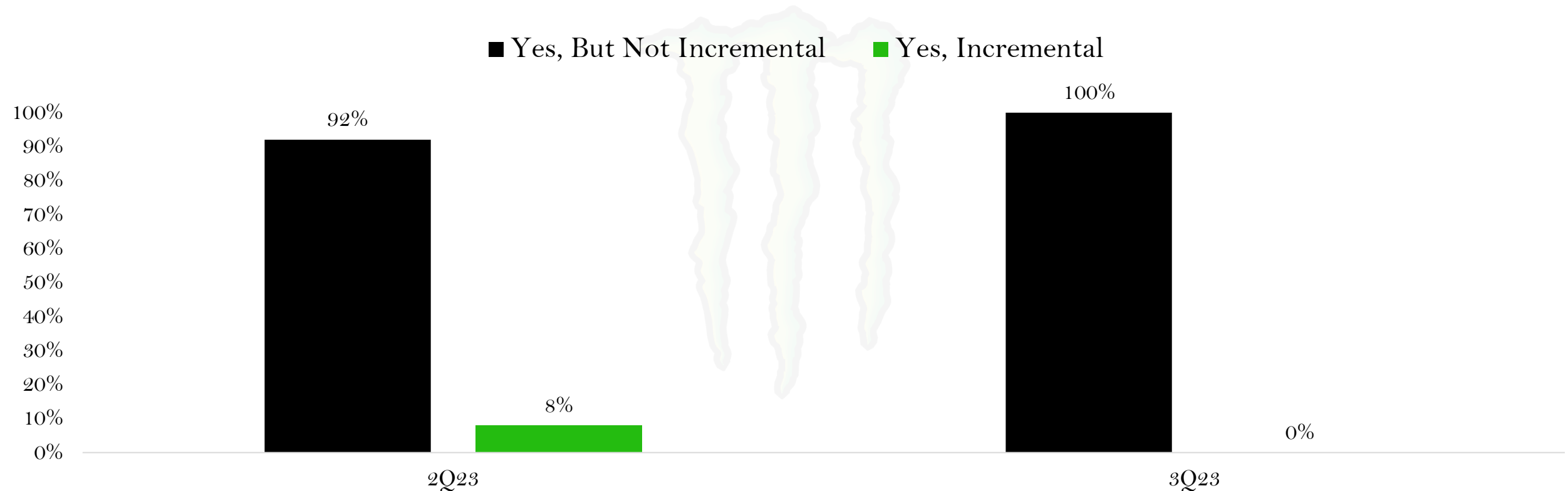
Price of Aluminum



Cannibalization



Goldman Sachs Retailer Survey Question: Are you providing shelf space to Monster Zero Sugar?



Regulation



Monster falls under the dietary supplement category:

- The U.S has very relaxed regulations
 - Not required to register with the FDA
 - No required caffeine cap
 - Don't have to report caffeine content
-
- U.K. banned the sale of energy drinks to children under 16
 - U.S banned the sale of energy drinks in elementary and junior high schools.
 - U.S. state level considerations to ban selling energy drinks to children below 18.



Competitor Analysis

Dylan Swanson



Competitors



Private Energy



Public Energy



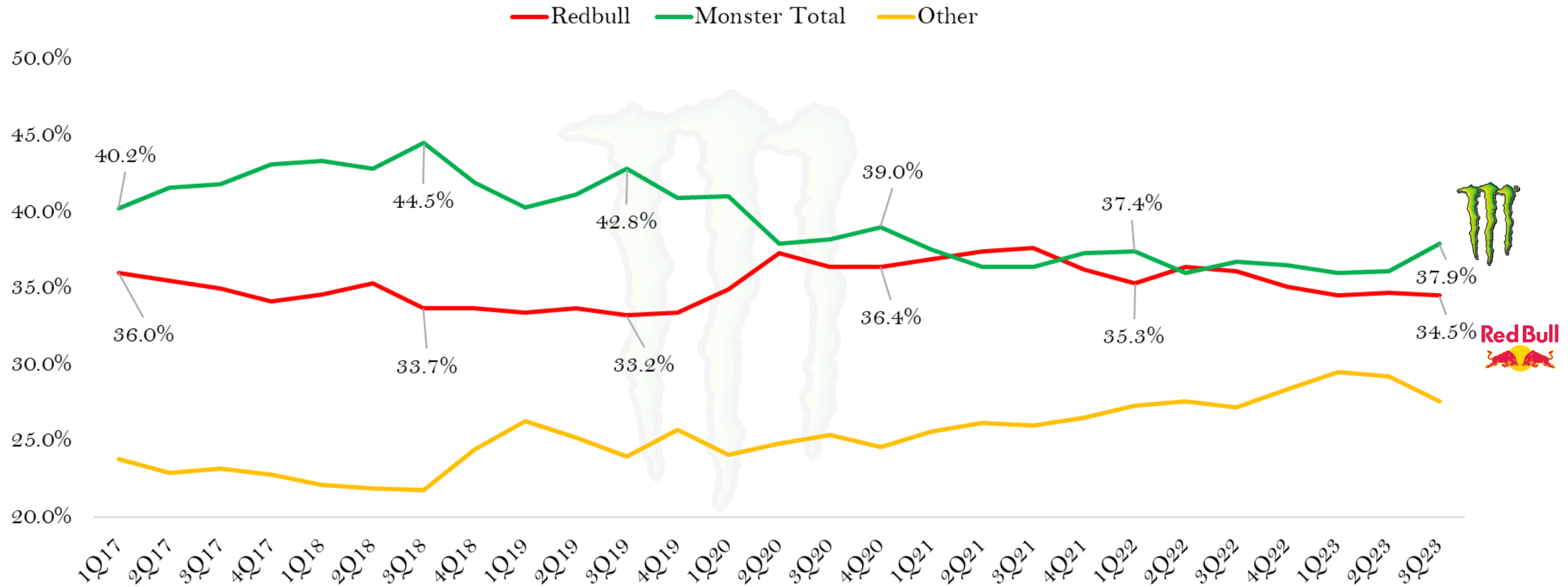
Other Energy



Other Beverage



Energy Market Share (2017-Present)



Monster vs. Red Bull



- Austrian Based
- \$3.99 Per 12.0 Oz Can
- Premium Price
- Less Flavors/ Sizes

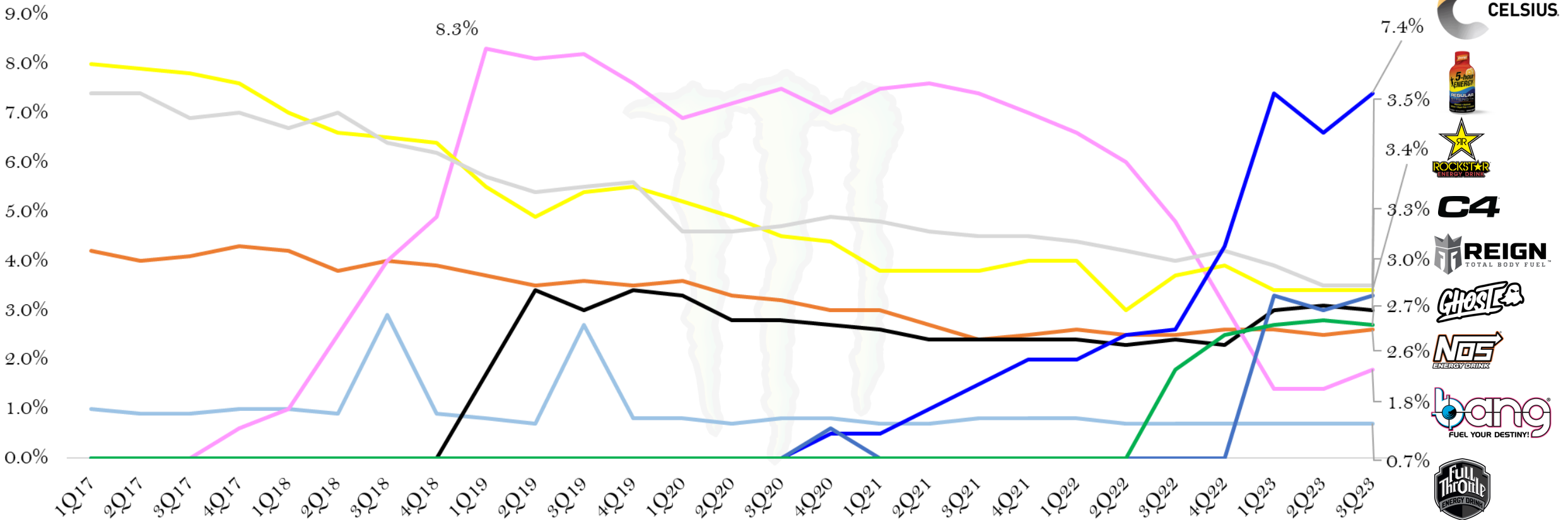


- U.S. Based
- \$2.99 Per 16.0 Oz Can
- Affordable Price
- More Flavors/ Sizes

Energy Market Share <10% (2017-Present)



— NOS
 — Full throttle
 — Reign
 — VPX Bang
 — ROCKSTAR
 — 5-hour
 — Celsius
 — C4
 — Ghost



Monster vs. Celsius



Market Share Increased From <1% to 7.4% in 3 Years

- Boosted by entering Pepsi Distribution System in August 2022
- Boosted by the fall of Bang



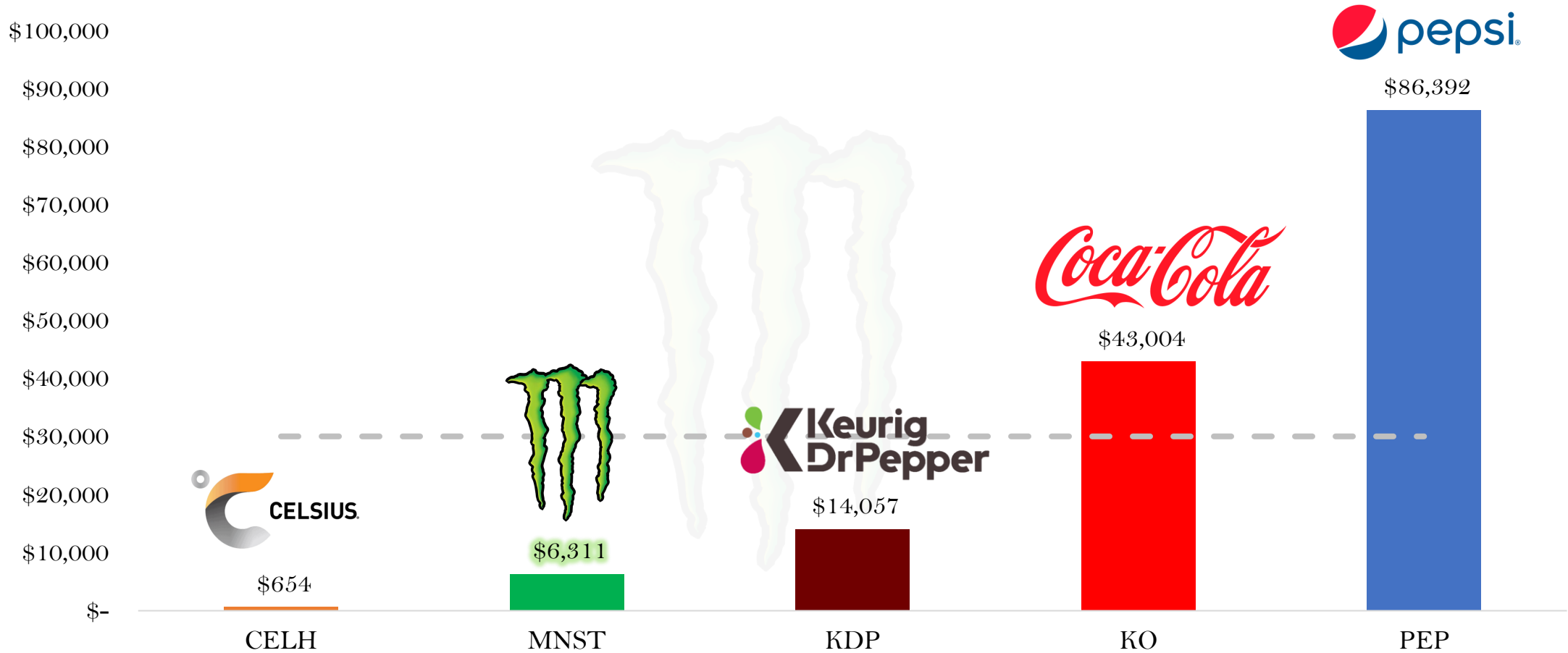
- “Clean Energy”
- 200mg Caffeine
- 12 oz Can
- Plant Based
- Vegan
- 0 Sugar



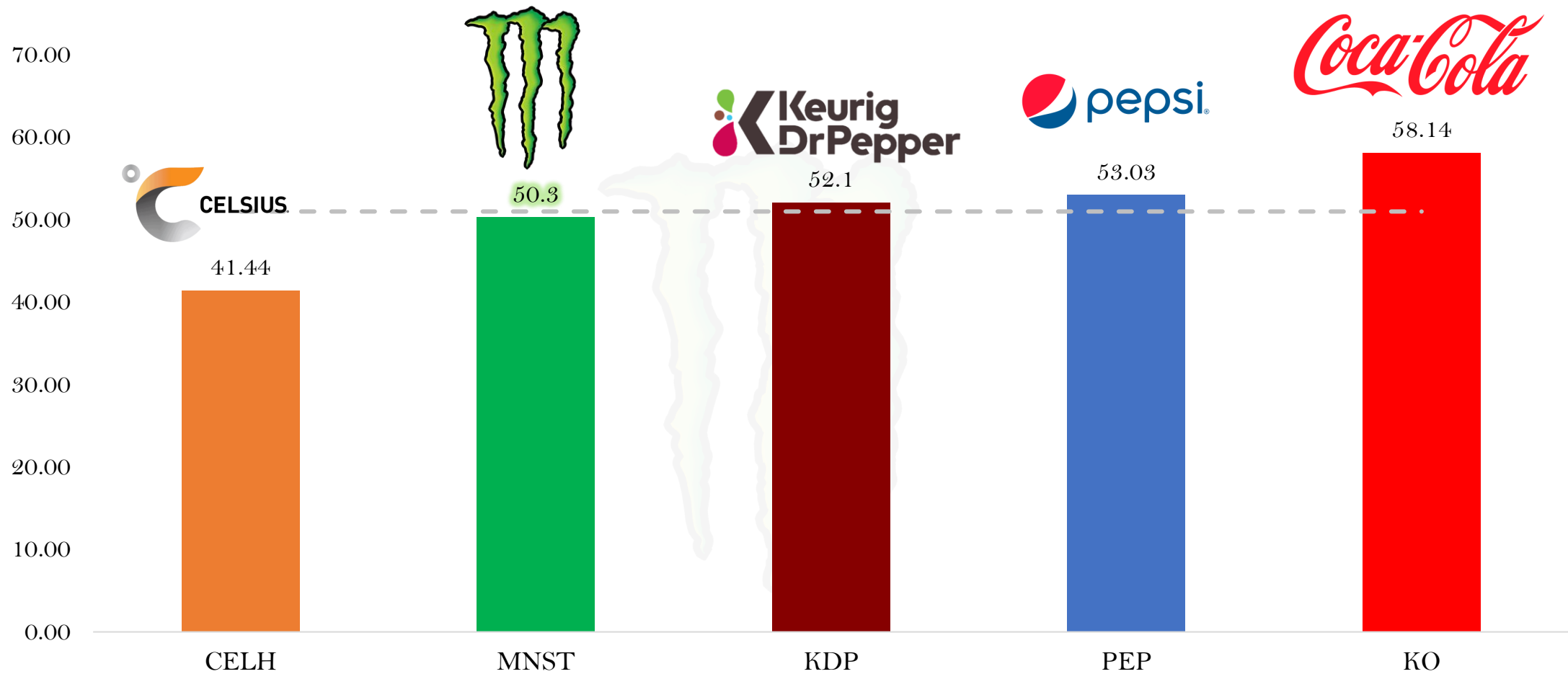
- “Clean Energy”
- “Clinically Proven Ingredients”
- “Burns Fat”
- 200mg Caffeine
- 12 Oz
- 0 Sugar



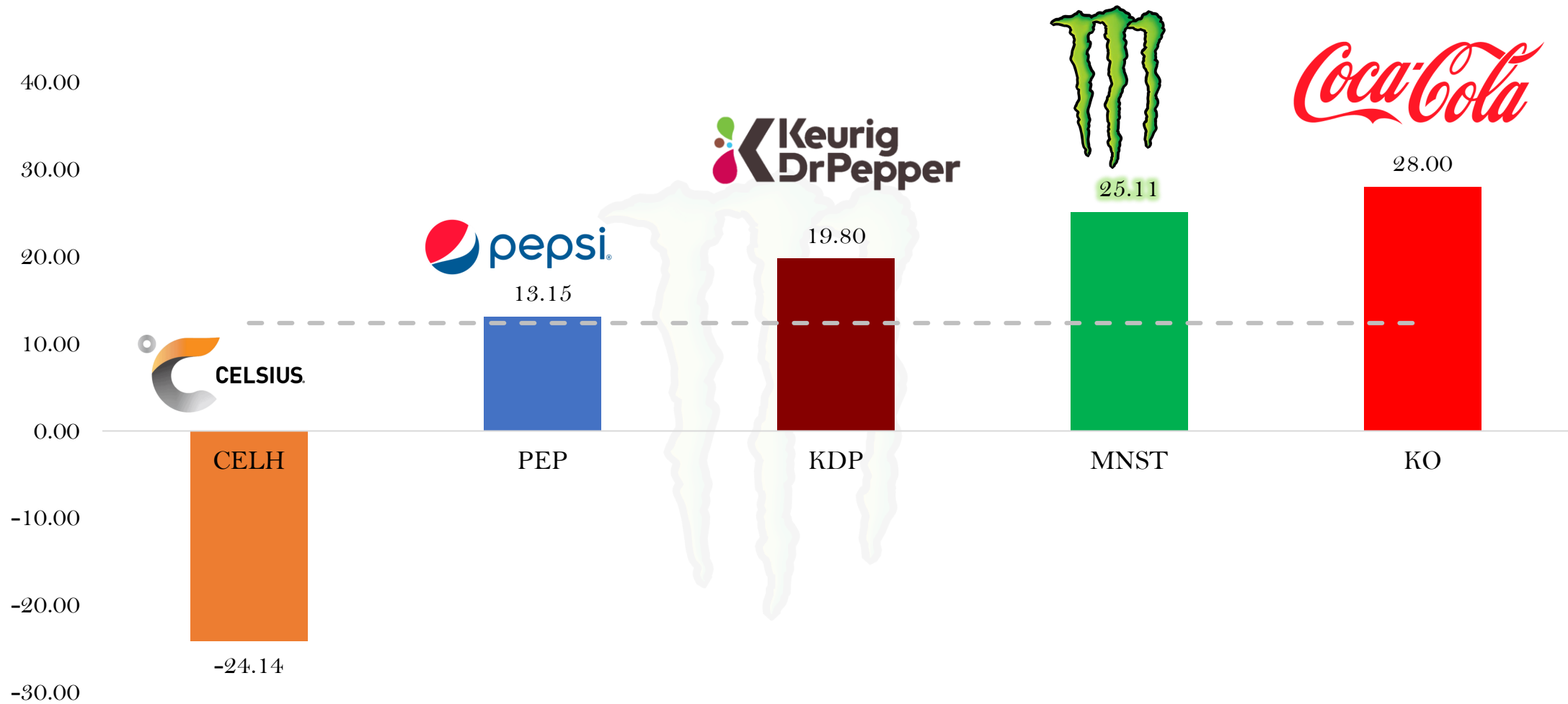
Revenue In Millions (2022)



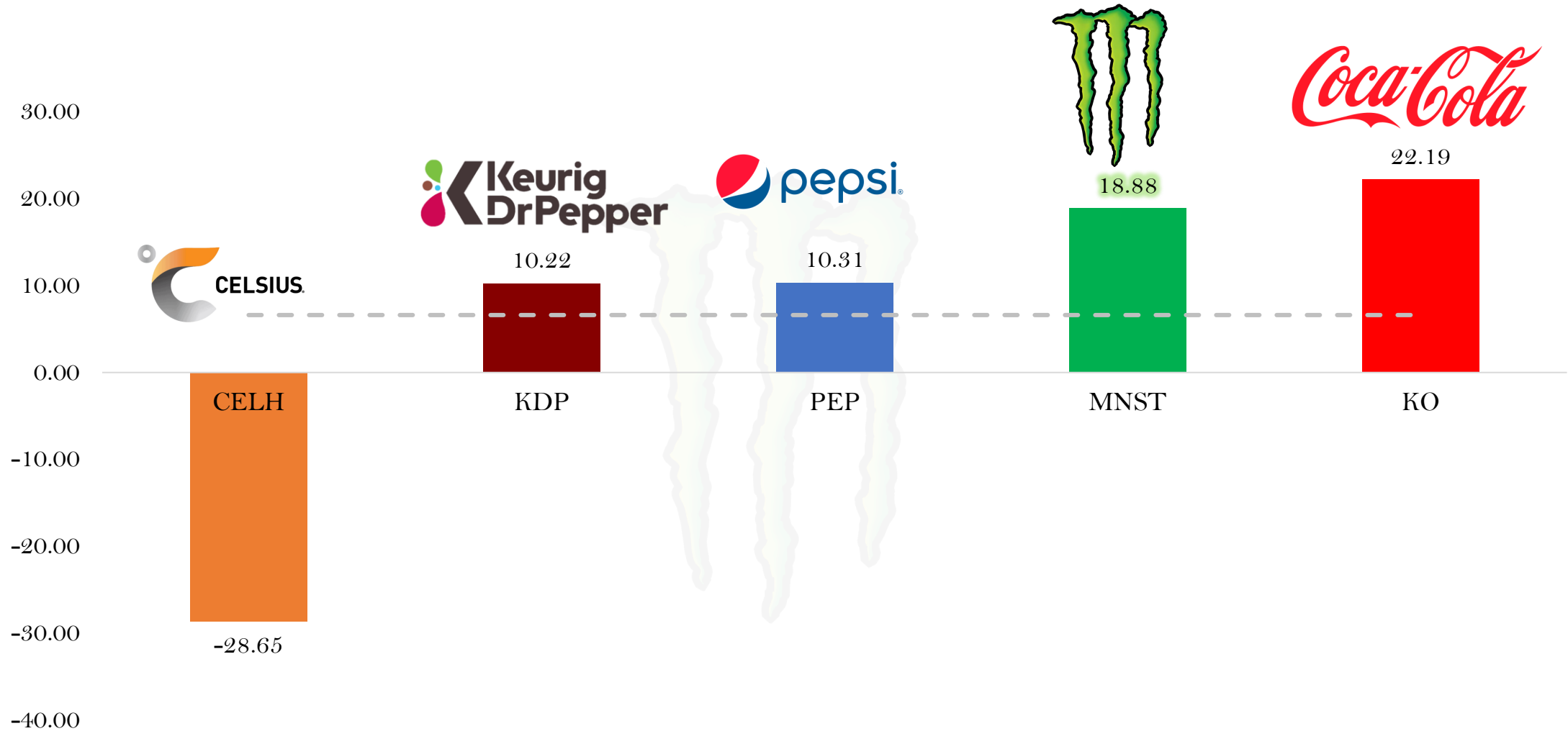
Gross Margin In % (2022)



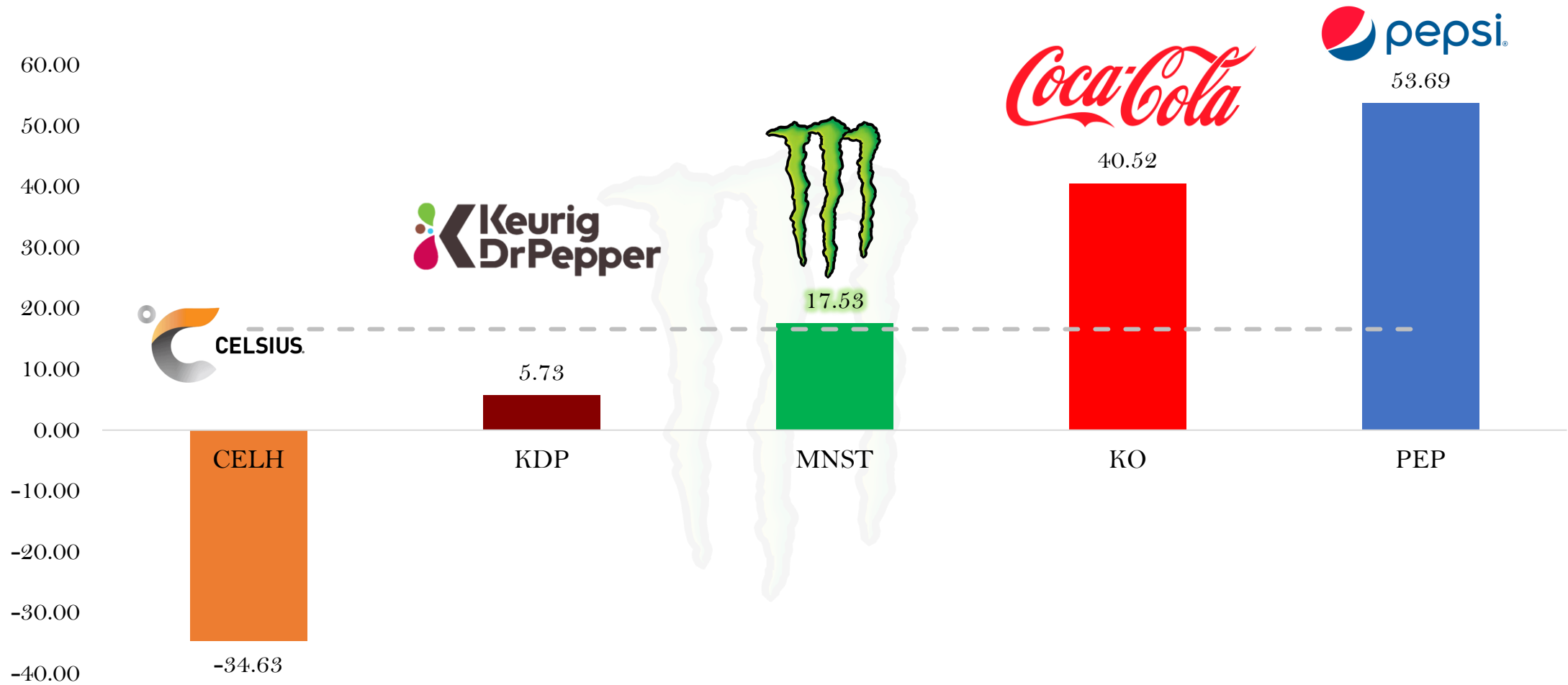
Operating Margin In % (2022)



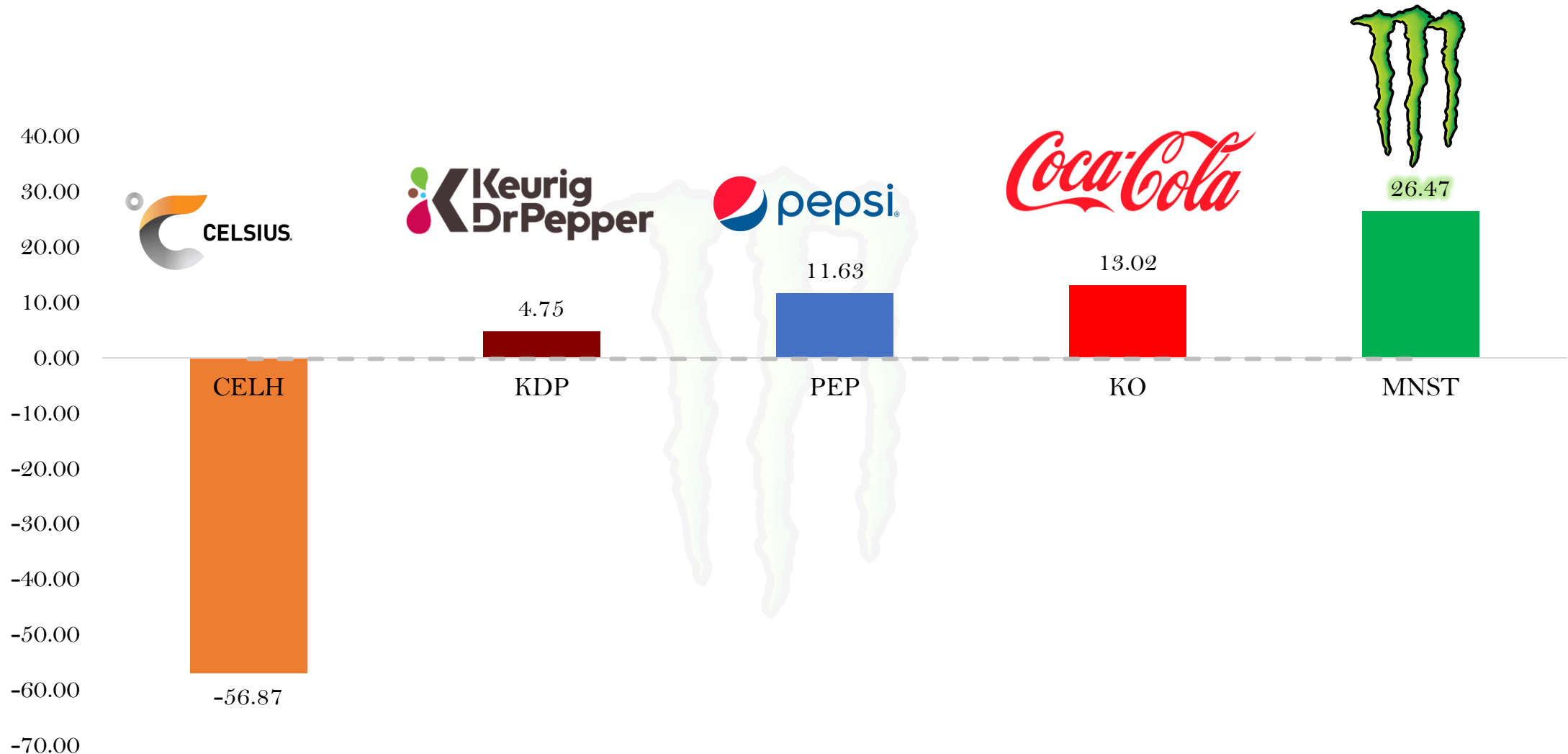
Net Margin In % (2022)



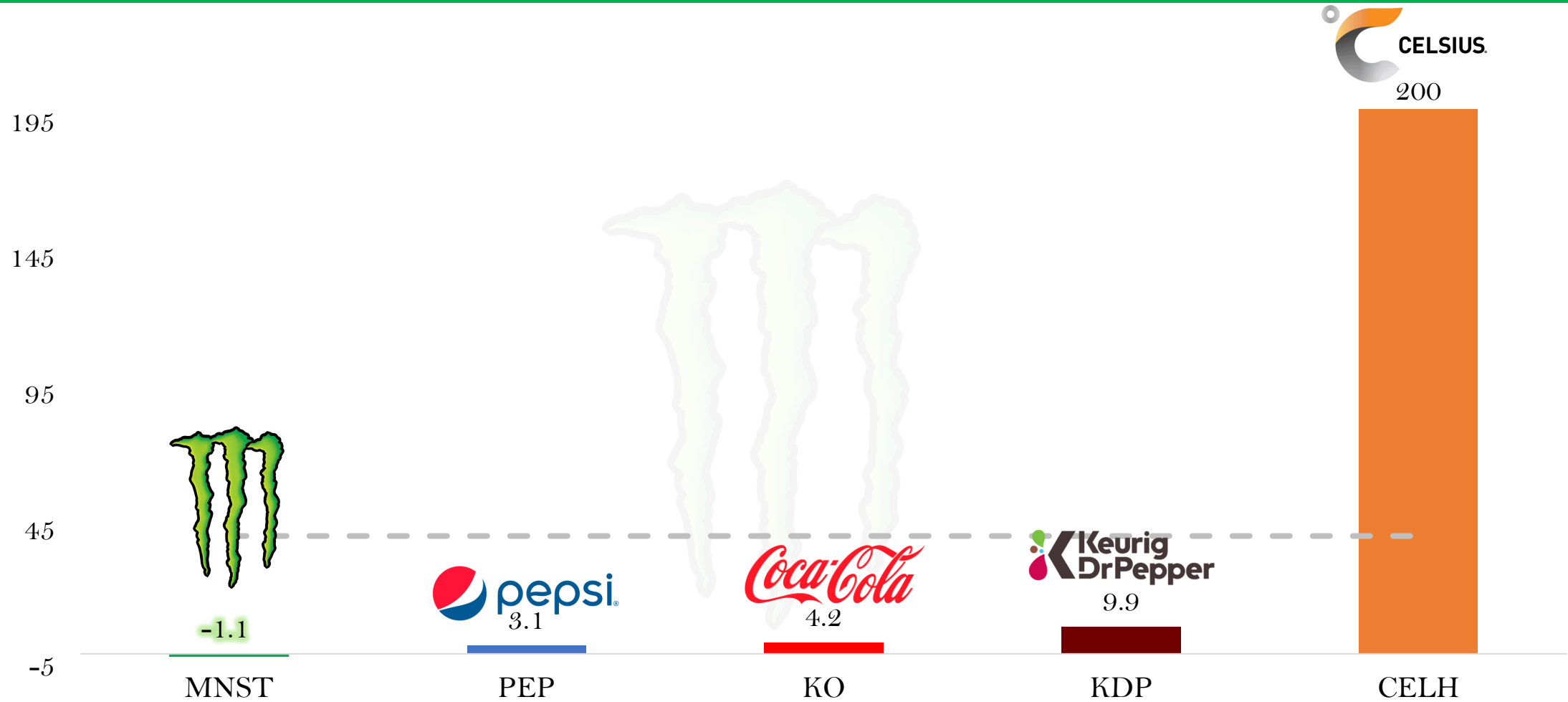
Return on Equity In % (2022)



Return on Invested Capital In % (2022)



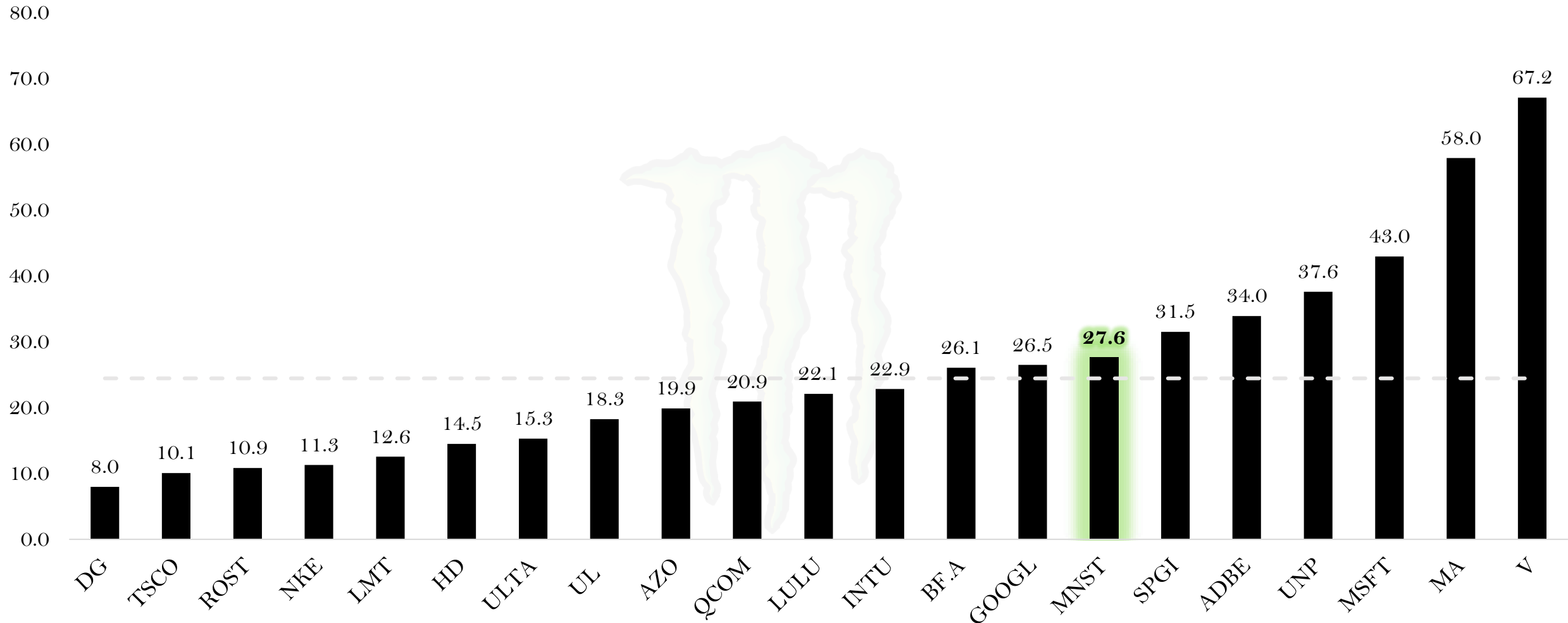
Obligation Ratio In X (2022)



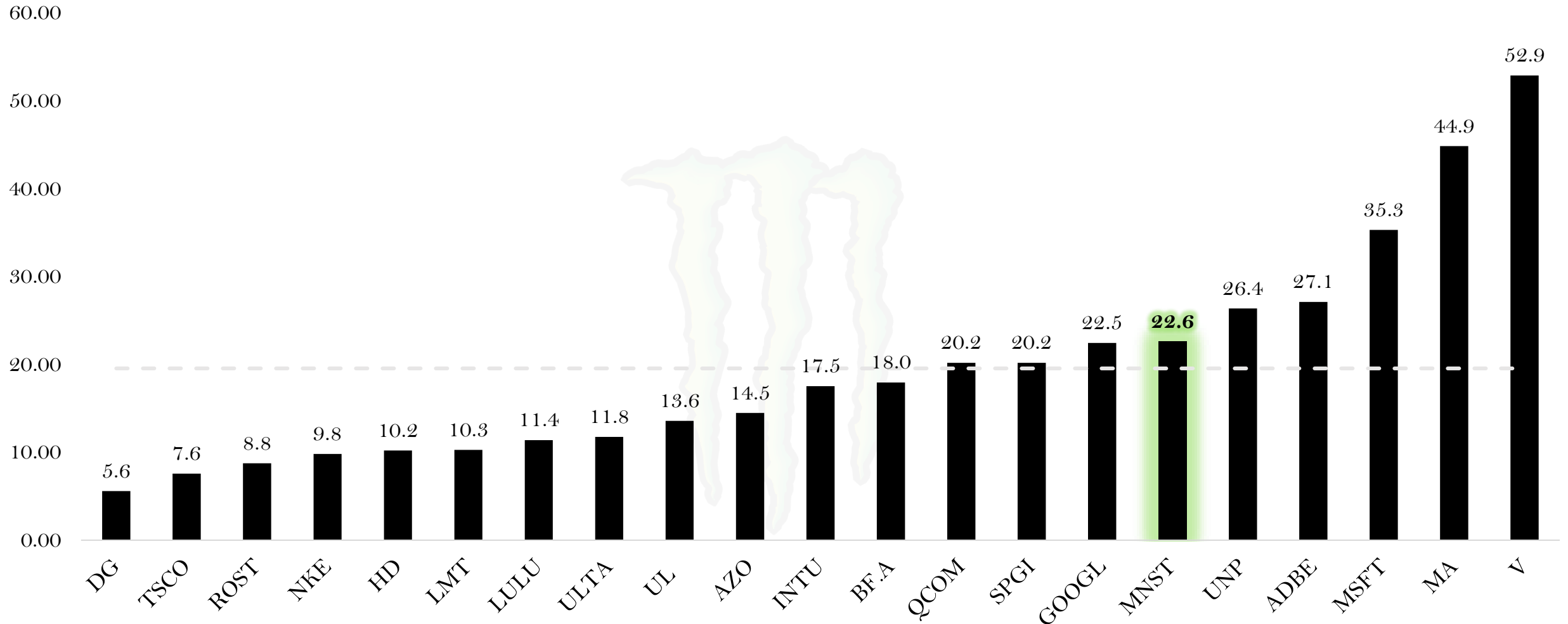
Intraportfolio Analysis Gross Margin (Current)



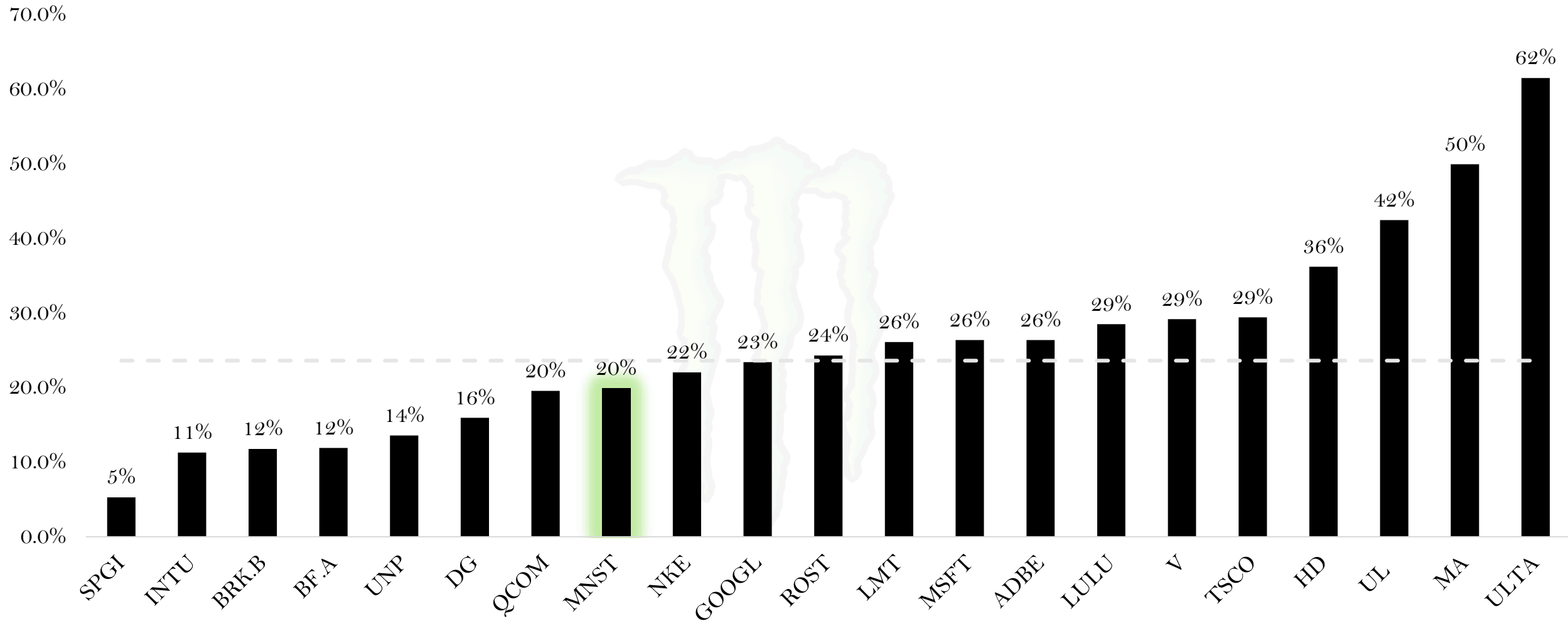
Intraportfolio Analysis Operating Margin (Current)



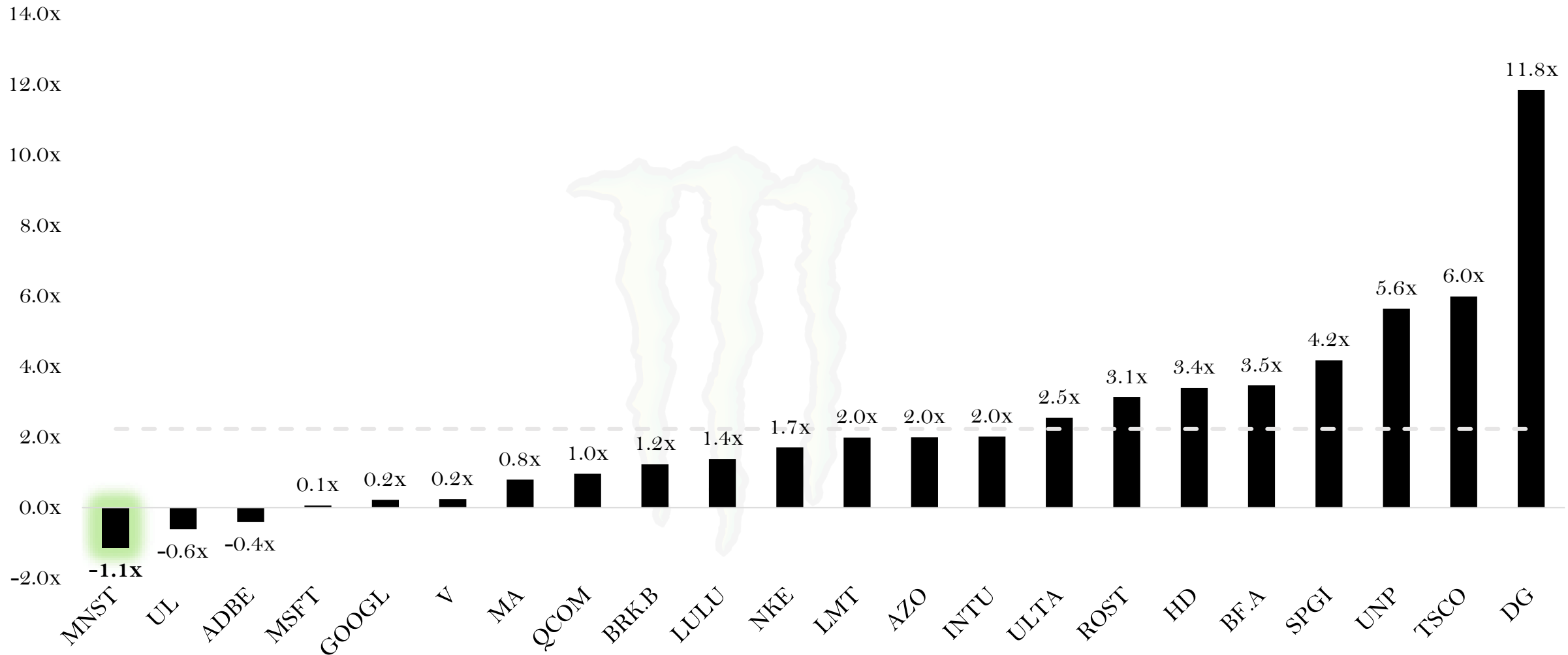
Intraportfolio Analysis Net Margin (Current)



Intraportfolio Analysis Return On Capital (Current)



Intraportfolio Analysis Obligation Ratio (Current)



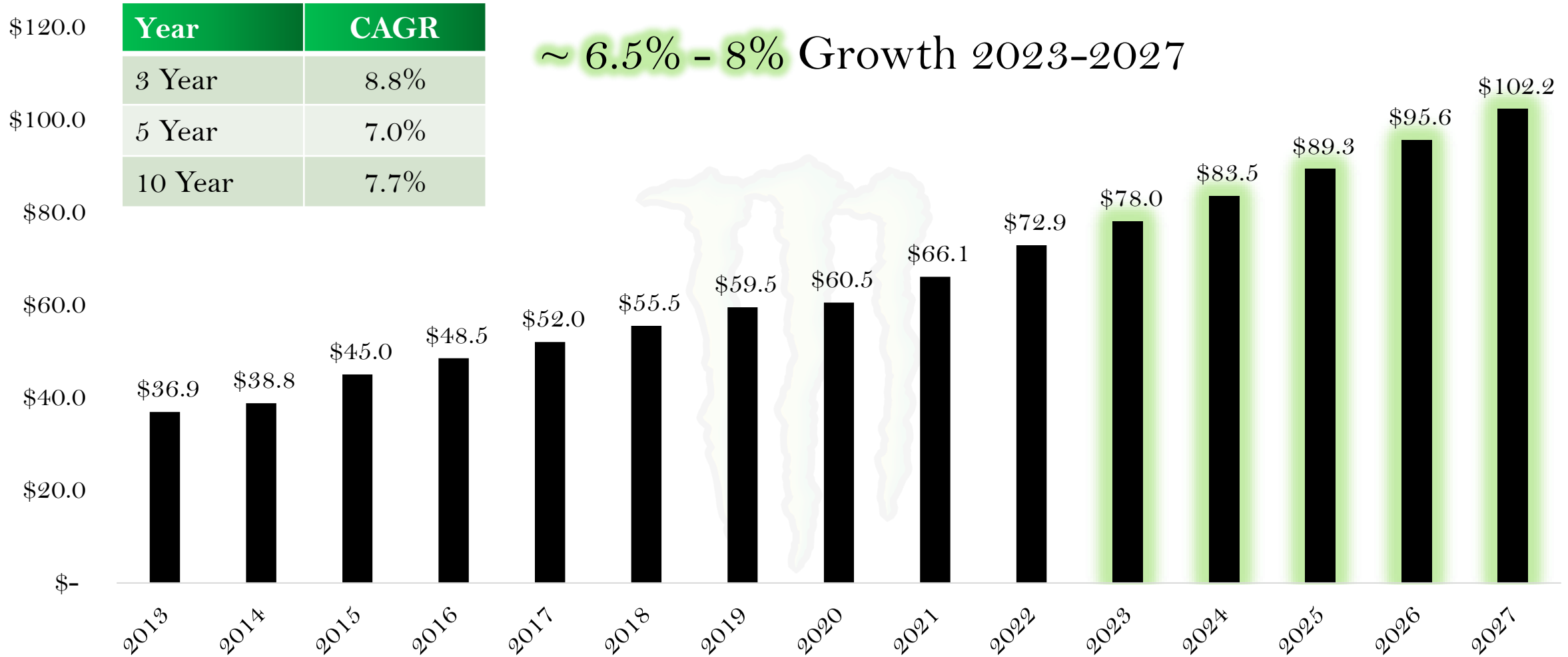


Growth Opportunities

Dylan Swanson



United States Alternative Beverage Market Forecast



Alcohol



The Beast Unleashed

- Beast Unleashed available in 43 states
- Beast Unleashed to be national by end of year

The Nasty Beast 1Q24

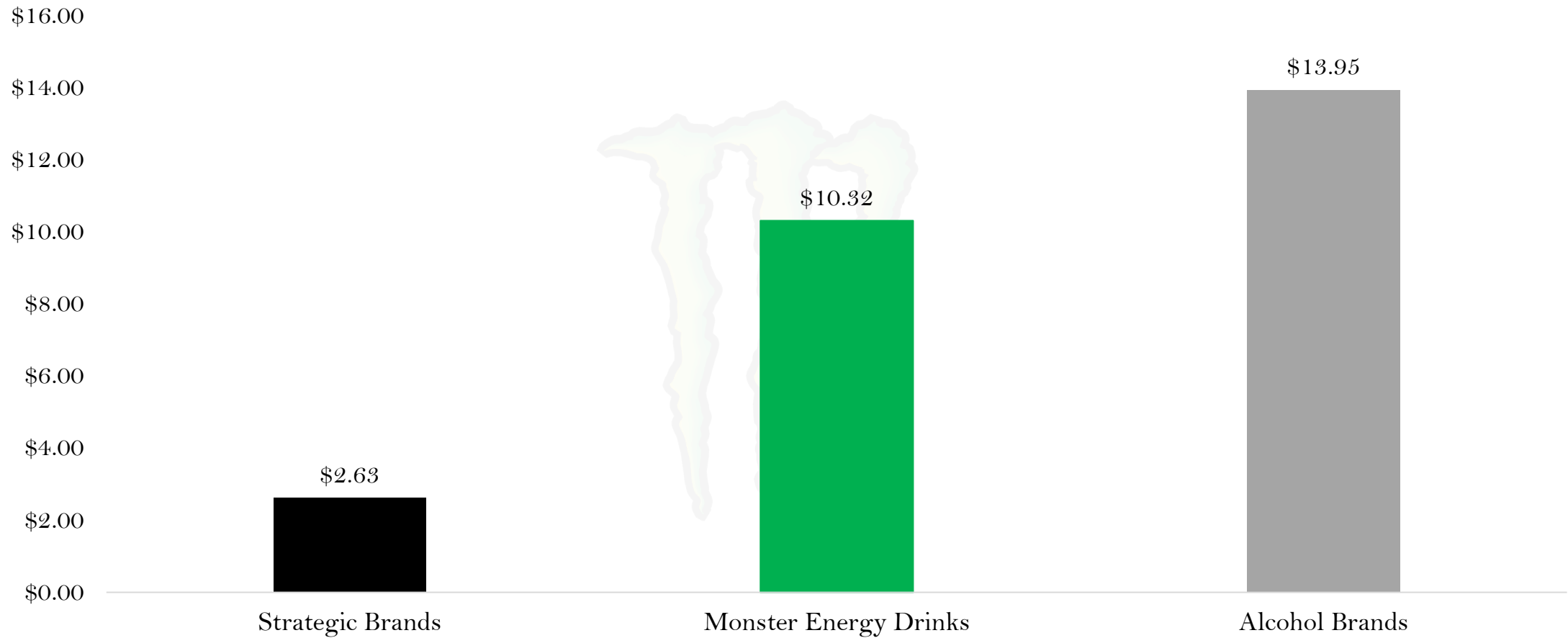
- Spiked tea in 4 flavors:
 - Mean Green
 - Original
 - Peach Perfect
 - White Haze

Spiked Iced Coffee (Potential):

- Monster has ~15% market share in canned/bottled coffee
- Easy segway for alcohol products



Price Per Case By Segment *As of 3Q23*



VPX Bang



Company Plans:

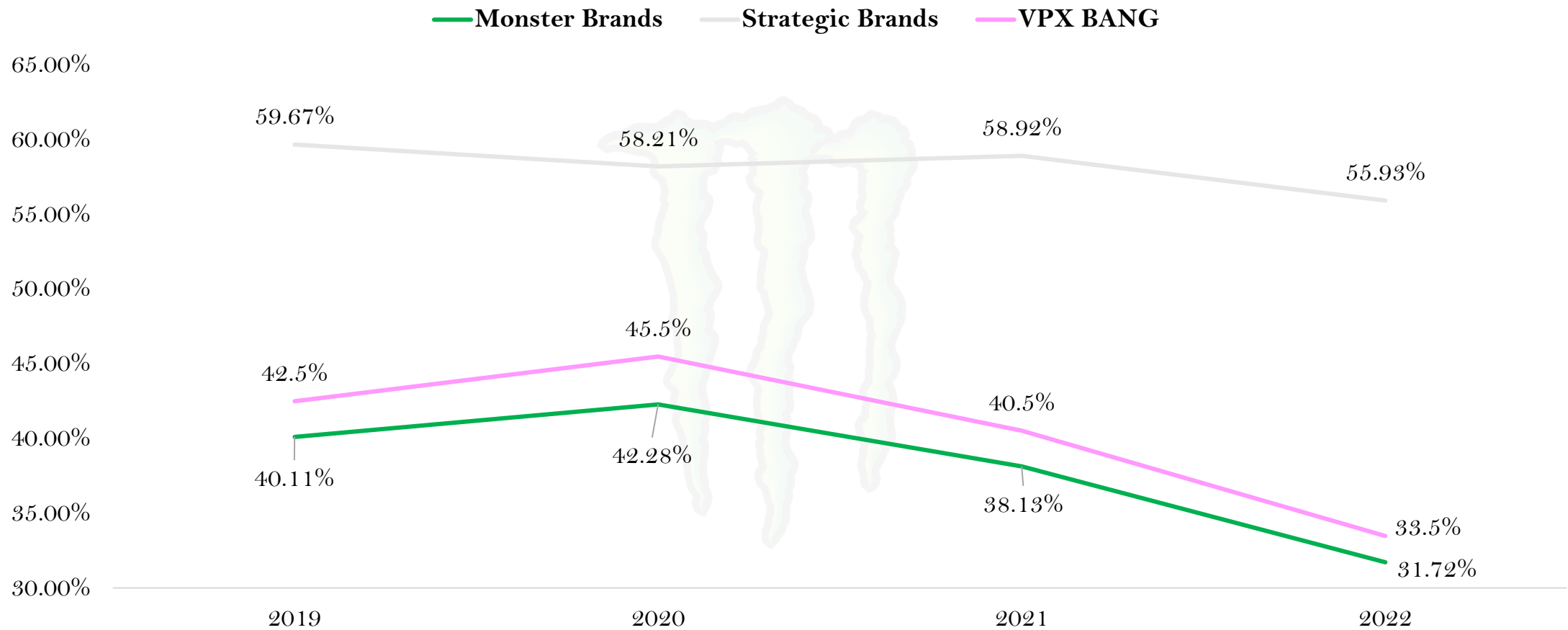
- More lifestyle focused
- White can
- Rebuilding brand reputation
- Shift from “Super Creatine” to “Fuel Your Destiny”
- Placed separately with Lifestyle and Wellness energy drinks

Expectations:

- ~\$700 million in annual sales by 2027
- ~4% Market Share by 2027
- ~7% of Revenue by 2027
- ~+1% To Topline



Operating Margin Per Case

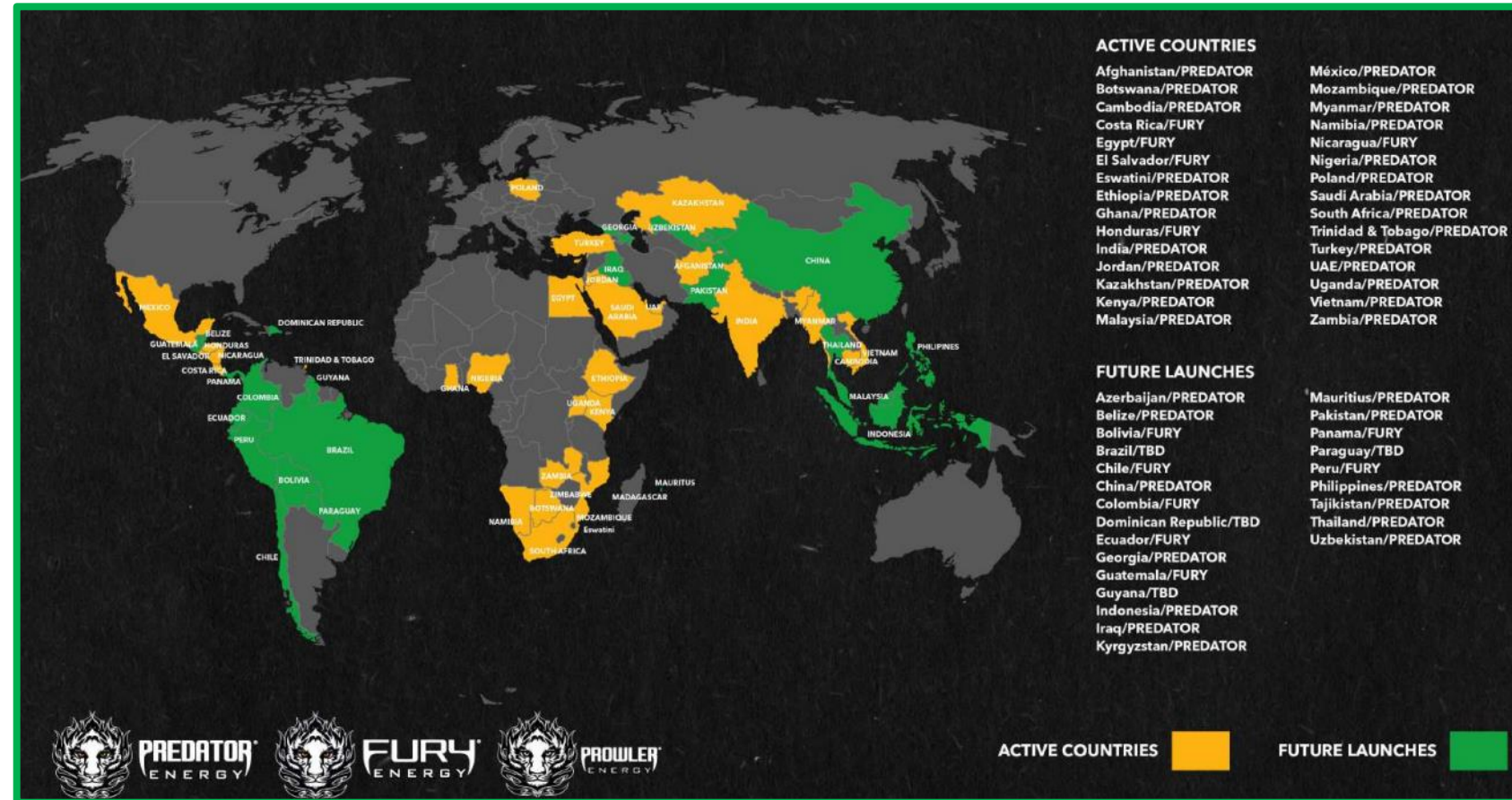


International Expansion



Strategic Brands:

- 24 planned future launches as 2022

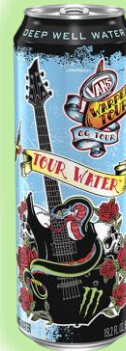


Continued Innovation



- New Flavors
- New Models
- New Ambassadors
- New Customers

Recent Innovation





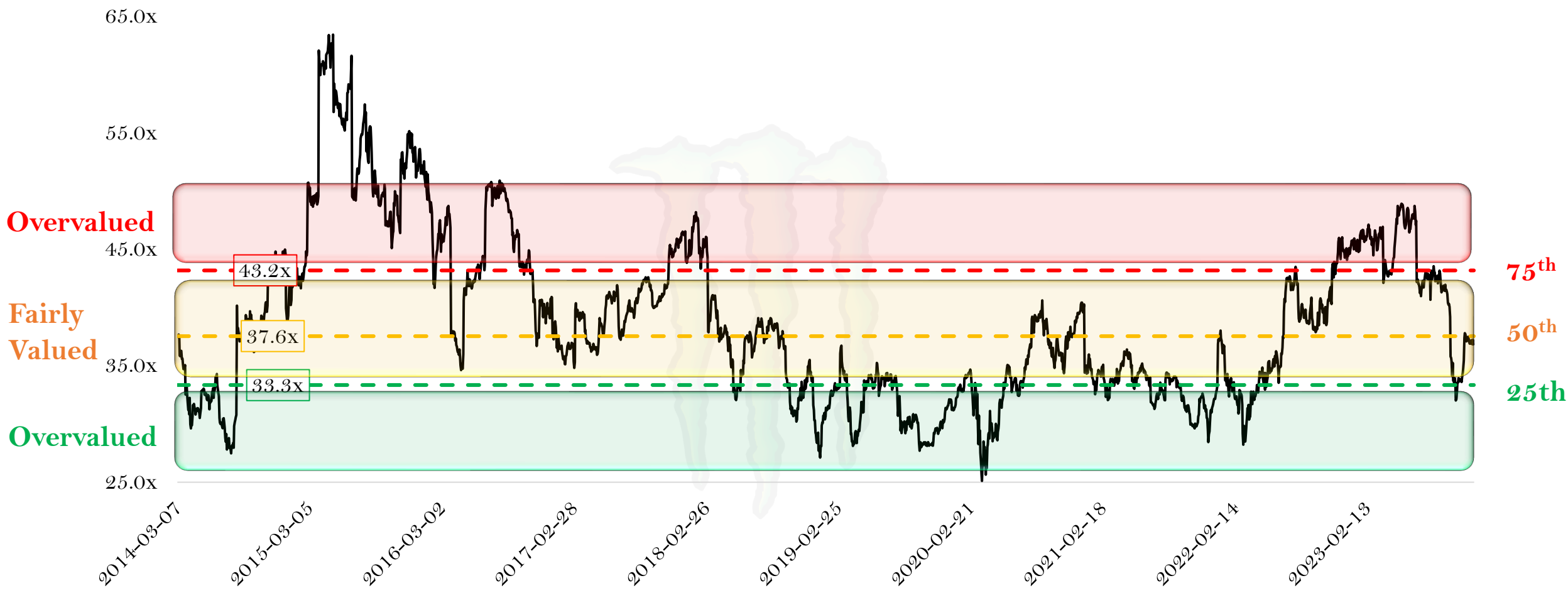
Valuation

Dylan Swanson

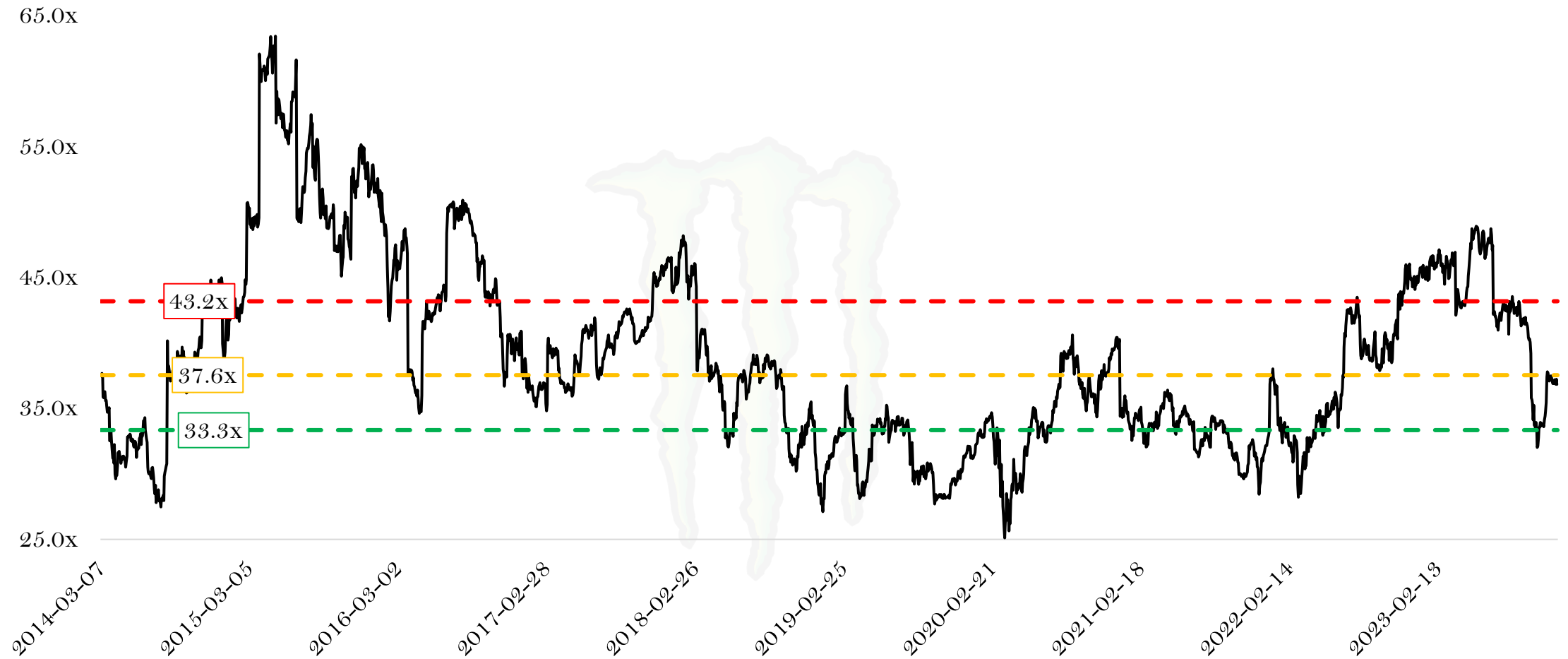
Monday, December 1, 2023



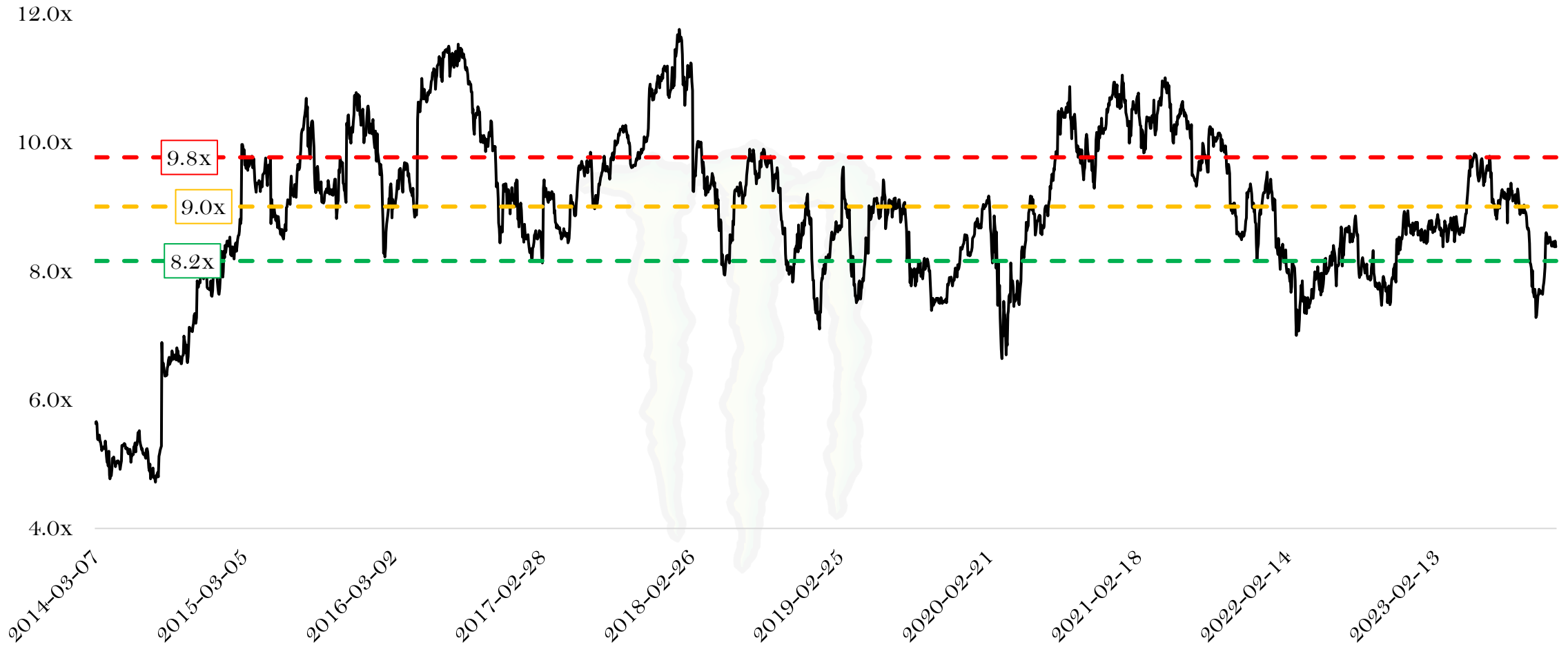
Value Bands Explained



10Y Value Bands Price to Earnings (As of 11/30/23)

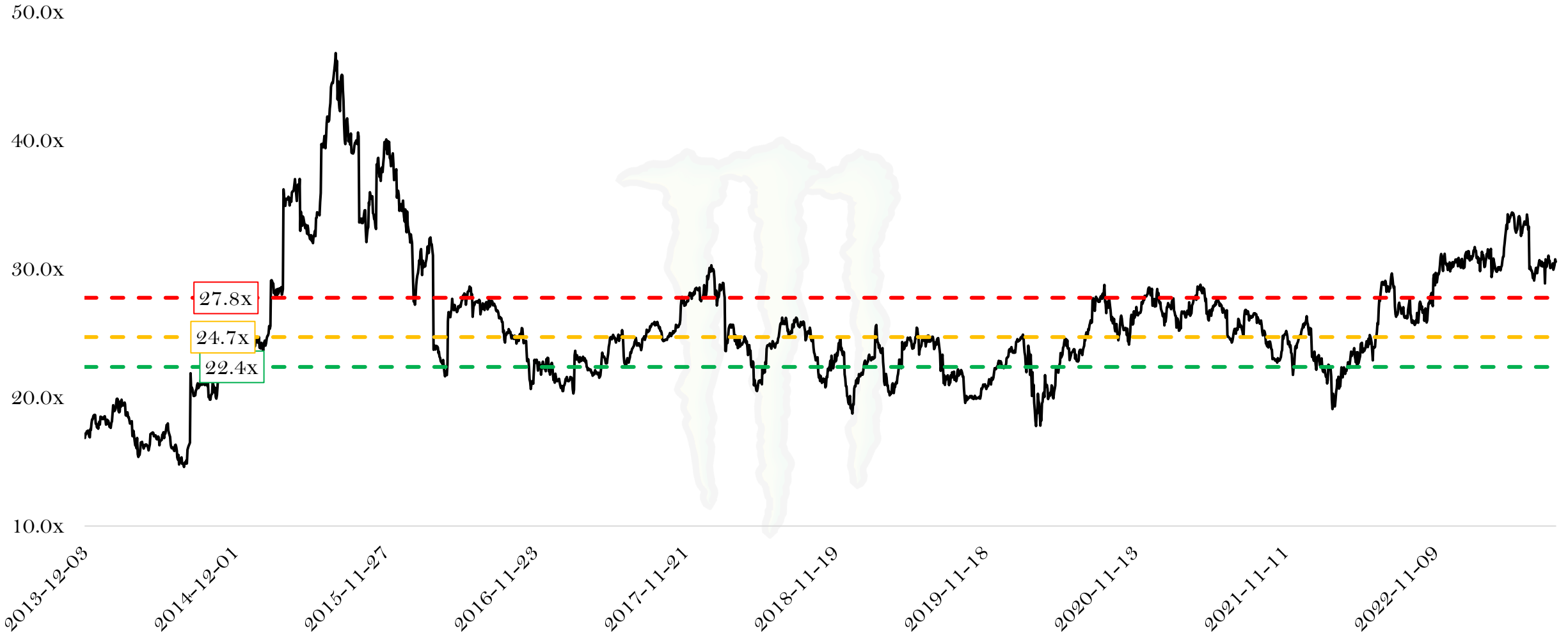


10Y Value Bands Price to Sales (As Of 11/30/23)

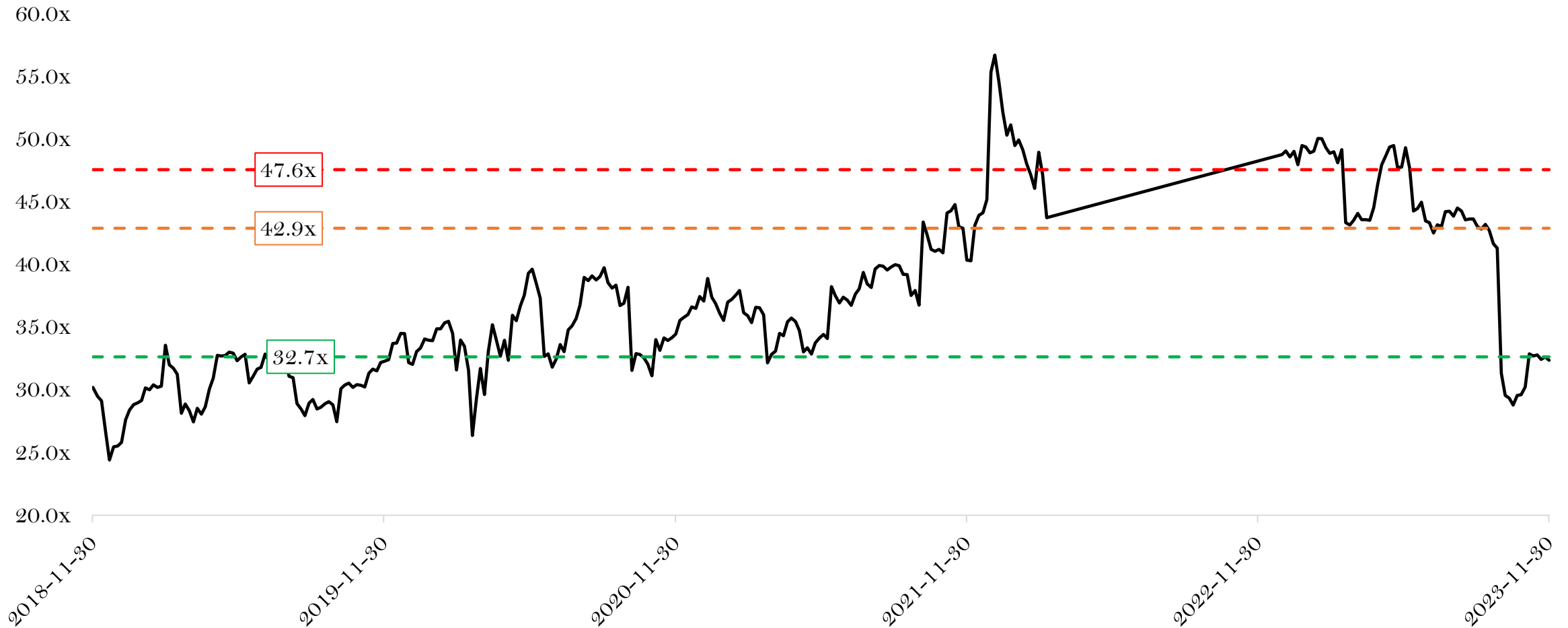


10Y Value Bands

Enterprise Value to EBIT (As Of 11/30/23)

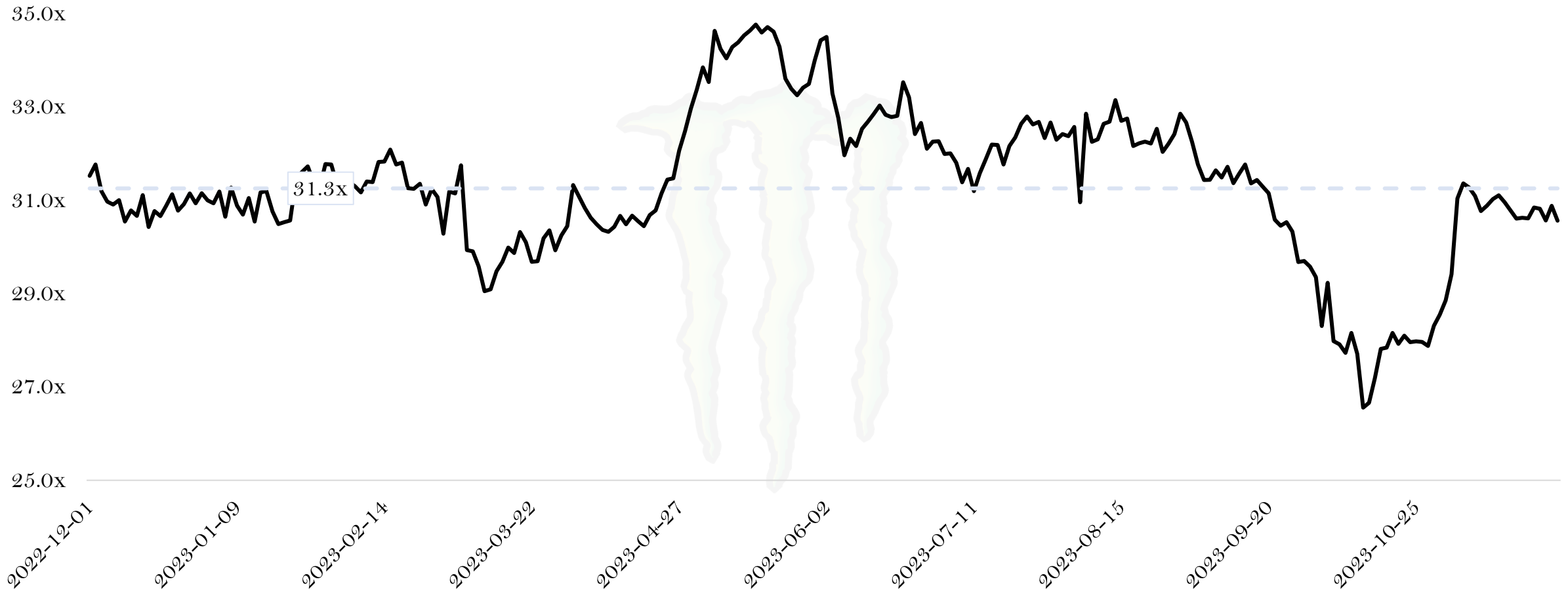


5Y Value Bands Price to FCF (As Of 11/30/23)

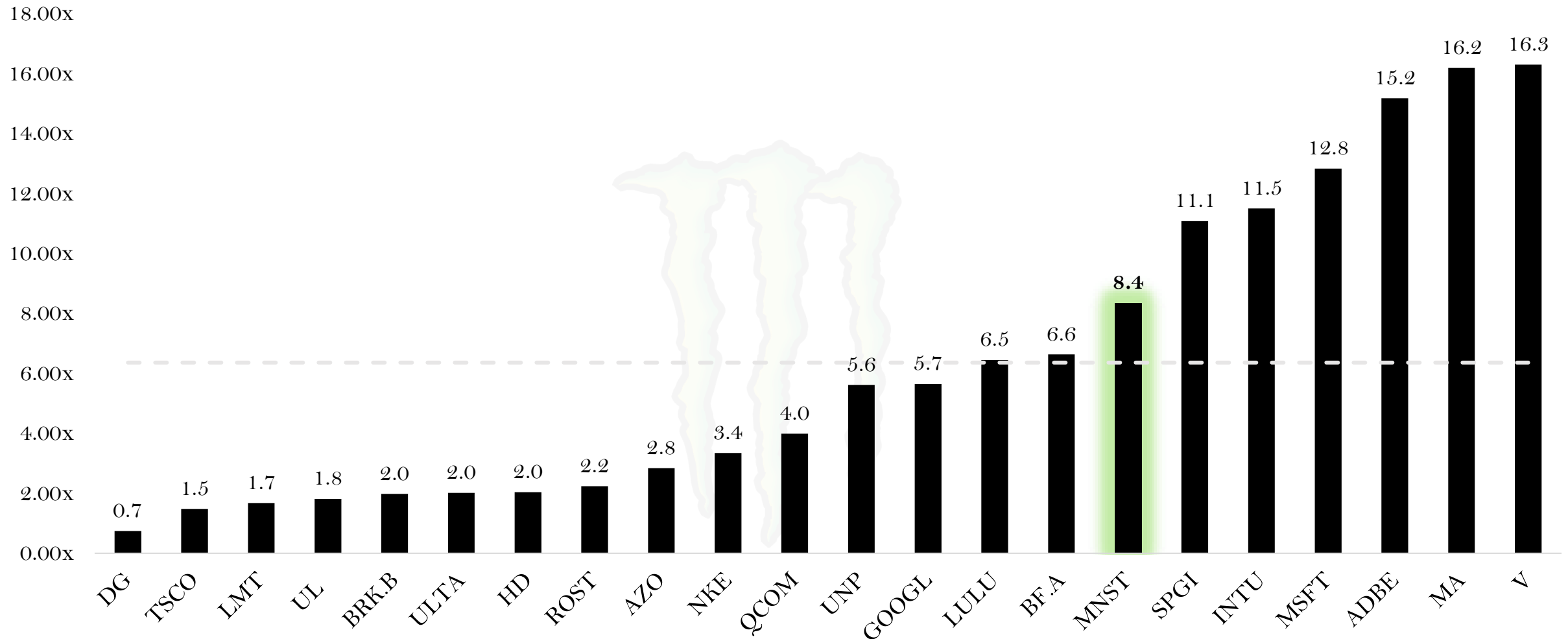


Value Bands

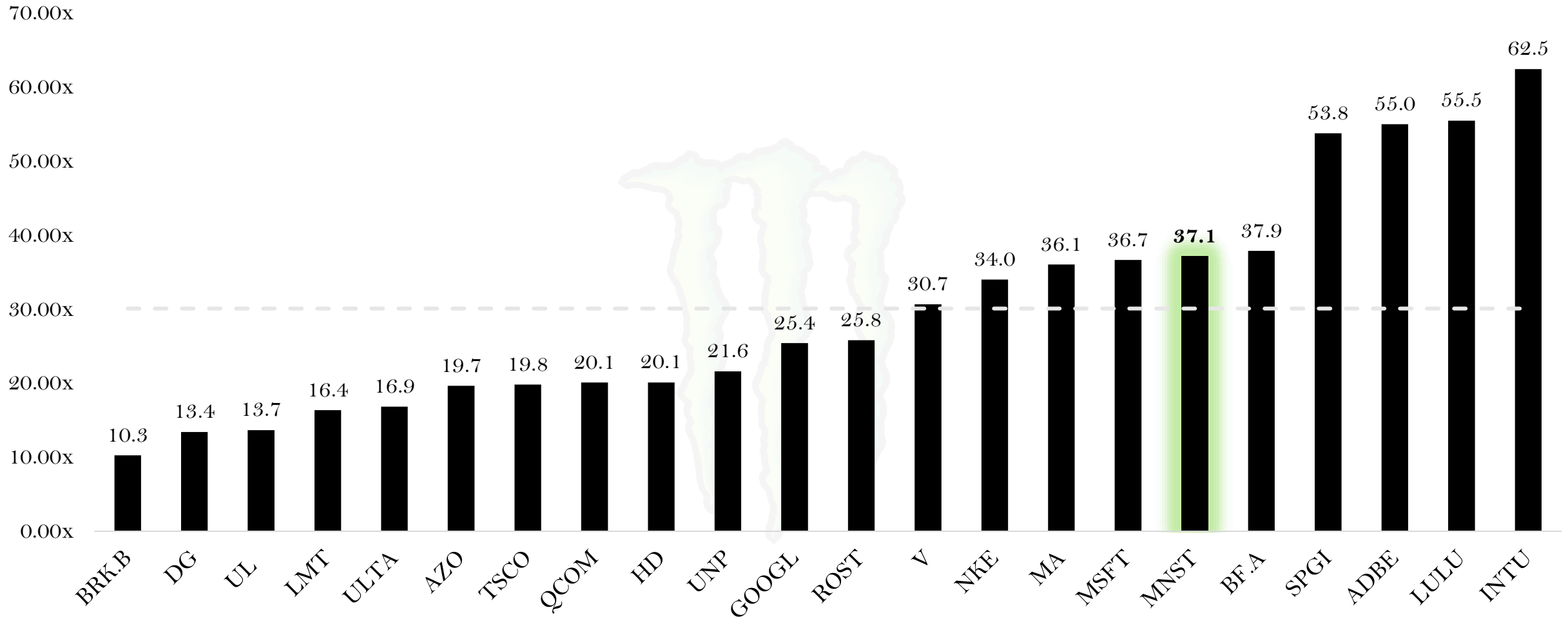
Forward PE Ratio (As Of 11/30/23)



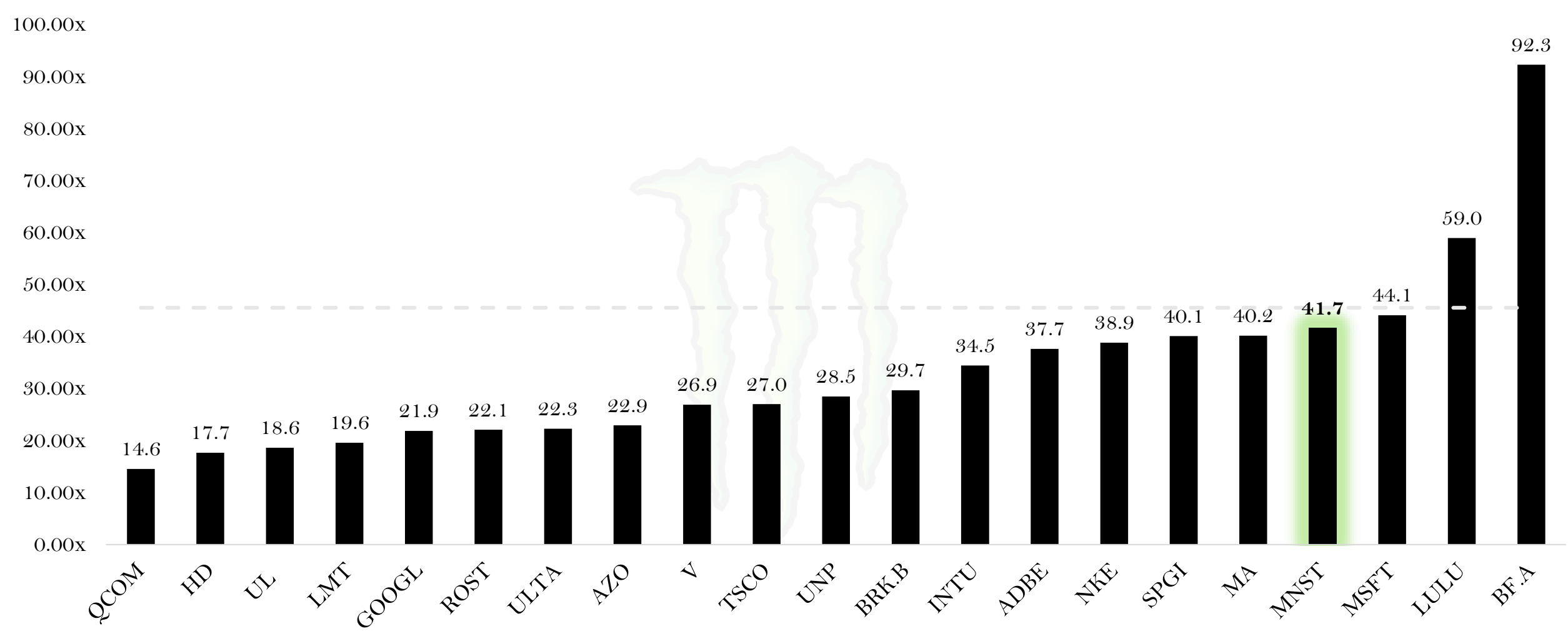
Intraportfolio Analysis Price to Sales (Current)



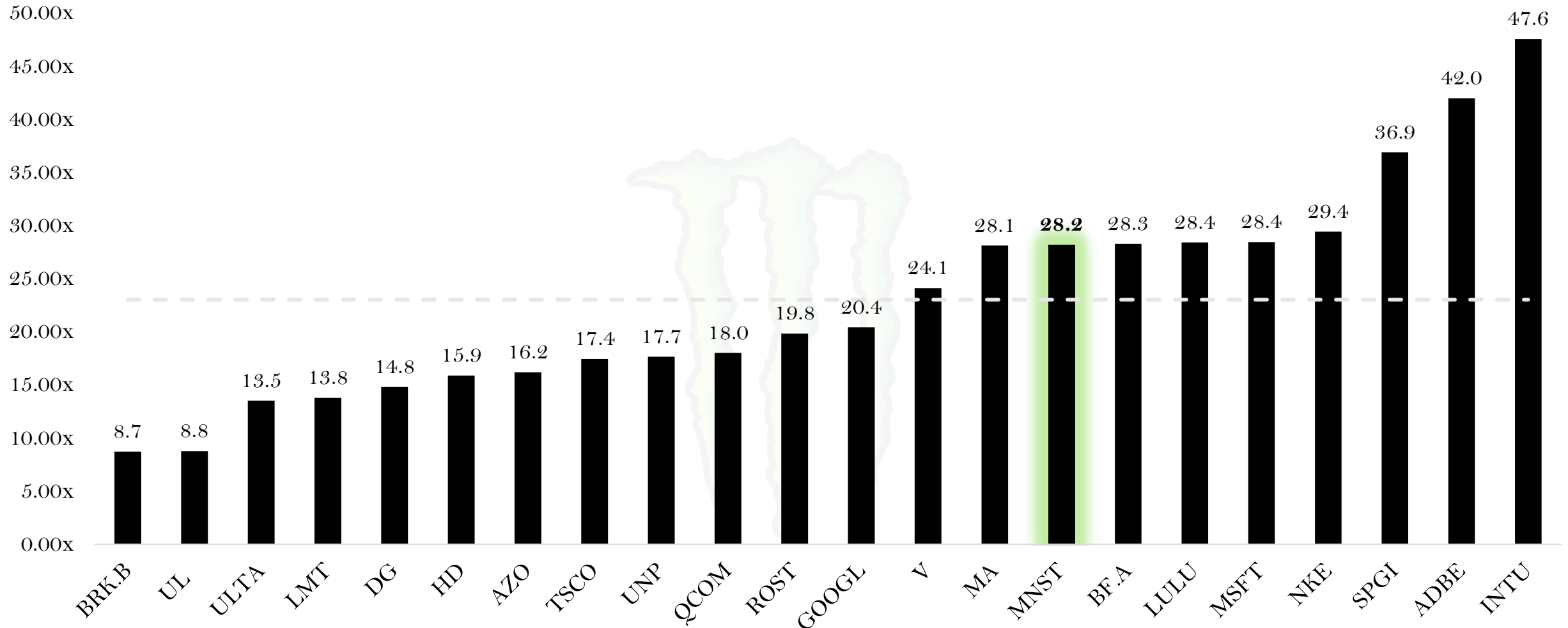
Intraportfolio Analysis Price to Earnings (Current)



Intraportfolio Analysis Price to Free Cash Flow (Current)



Intraportfolio Analysis *EV to EBIT (Current)*



Valuation Model



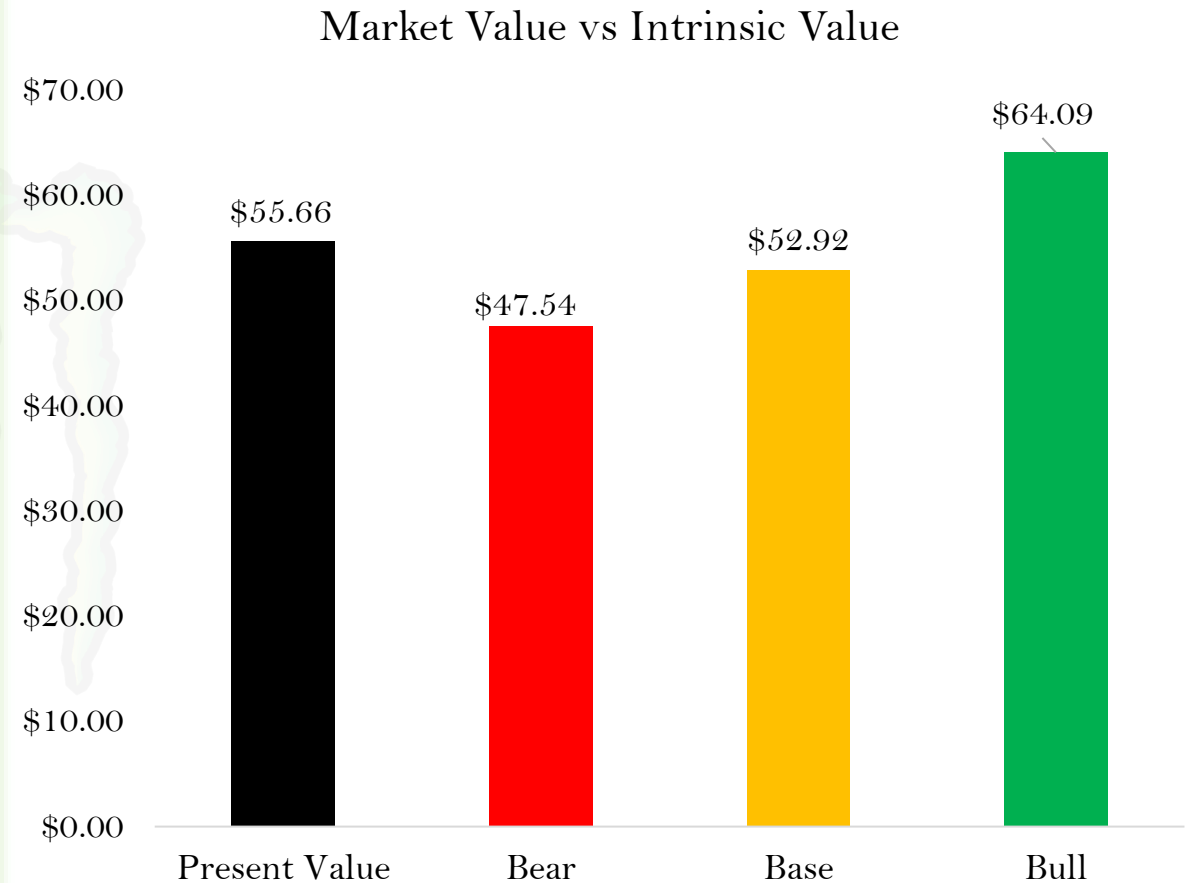
Ticker: MNST		5 Year Discounted Cash Flow										
Price: \$55.66							Total Return				Annual	
							P/E	Price	PV	5 YR Return	Return	
Bear	EPS	<u>Current</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	29.0x	\$68.32	\$40.55	22.7%	4.2%
		\$1.44	\$1.67	\$1.87	\$2.06	\$2.22	\$2.36	34.0x	\$80.10	\$47.54	43.9%	7.6%
			16%	12%	10%	8%	6%	38.0x	\$89.53	\$53.13	60.8%	10.0%
Base	EPS	<u>Current</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	29.0x	\$76.06	\$45.14	36.6%	6.4%
		\$1.44	\$1.70	\$1.97	\$2.21	\$2.43	\$2.62	34.0x	\$89.17	\$52.92	60.2%	9.9%
			18%	16%	12%	10%	8%	38.0x	\$99.66	\$59.14	79.1%	12.4%
Bull	EPS	<u>Current</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	29.0x	\$92.11	\$54.66	65.5%	10.6%
		\$1.44	\$1.77	\$2.11	\$2.47	\$2.84	\$3.18	34.0x	\$107.99	\$64.09	94.0%	14.2%
			23%	19%	17%	15%	12%	38.0x	\$120.70	\$71.63	116.8%	16.7%

Discount rate:
11%



Valuation Model Outputs

Total RoR Sensitivity				
		Est. EPS growth rate		
		10%	13%	17%
P / E	29.0x	4.2%	6.4%	10.6%
	34.0x	7.6%	9.9%	14.2%
	38.0x	10.0%	12.4%	16.7%



Conclusion & Suggestion



Conclusion

- Easy To Understand
- Predictable & Consistent
- Sustained Competitive Advantage
- Long Runway For Growth
- Attractive Price

Suggestion

- 500 Shares
- Limit Order
- Increase weighting from ~4.2% to ~6%

Questions?



Appendix

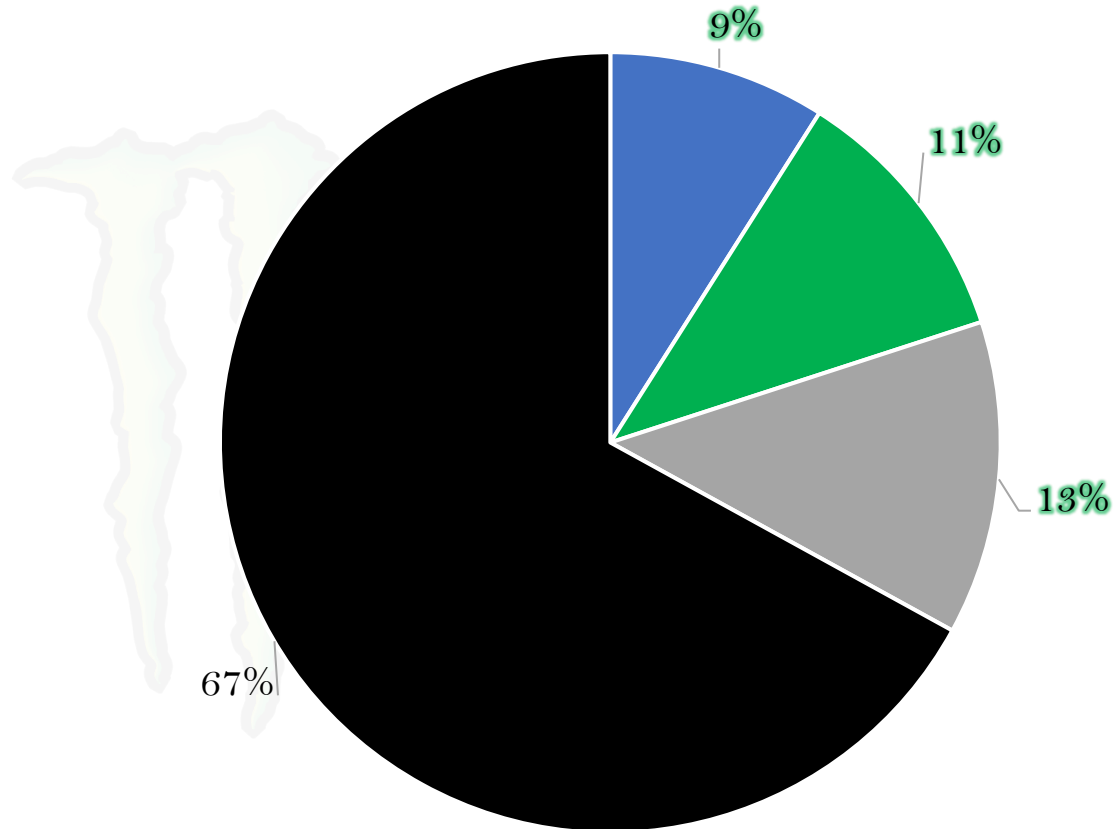


Sales to Coca Cola Bottlers/ Distributors (2022)



Top 3 Customers: 33%

- Reyes Coca Cola Bottling, LLC
- Coca Cola Consolidated, Inc.
- Coca Cola Europacific Partners
- Not Disclosed



Energy Spectrum



STARBUCKS COFFEE



16 OZ MATCHA
80mg



16 OZ GRANDE
260mg



20 OZ VENTI ICED
200mg



20 OZ VENTI HOT
325mg

ESPRESSO SHOT



150mg

12 OZ CUP OF COLD BREW COFFEE



150mg

ON AVERAGE, A CUP OF COLD BREW COFFEE CONTAINS AROUND 205mg OF CAFFEINE PER 16 OUNCES.

AVERAGE ENERGY DRINK



REDBULL
80mg



MONSTER
160mg



ROCKSTAR
160mg



ALANI NU
200mg



CELSIUS
200mg



GHOST
200mg



BANG
300mg

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VPX Bang 3Q23 Commentary



- Mentioned 37 times in call
- Launched 12 SKU's in the United States through Coca Cola bottler distributors
 - Phased rollout
- Set objective for sales team to not sacrifice any existing shelf space.
- Want to position separately as a lifestyle brand. Completely away from energy drinks.
- Cautioned analyst at overestimating Bang sales and that's why management didn't break out sales separately.
 - Rebuilding market share of current 1.8% to historical high of 8.3%
 - Rebuilding reputation after false advertising.
 - Rebuilding shelf space after leaving Pepsi.
 - Emergence of Celsius, Reign Storm, and Reign.

VPX Bang Estimates Goldman Sachs



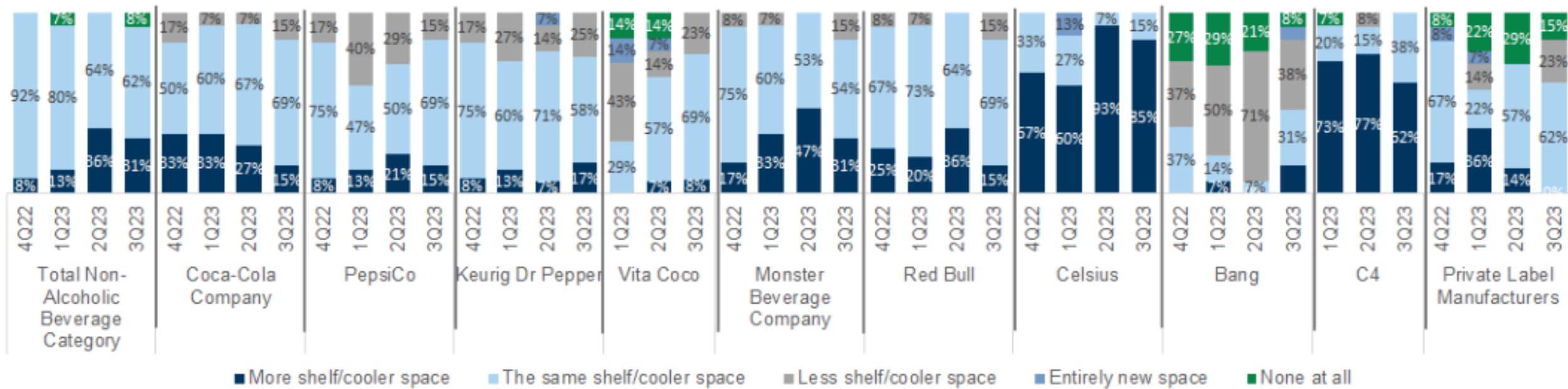
		Hypothetical Bang Energy Drink Market Share by FY27										
		1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	11%
Energy Category Growth Rate FY27E	2%	\$161	\$322	\$484	\$645	\$806	\$967	\$1,128	\$1,290	\$1,451	\$1,612	\$1,773
	3%	\$163	\$326	\$488	\$651	\$814	\$977	\$1,140	\$1,302	\$1,465	\$1,628	\$1,791
	4%	\$164	\$329	\$493	\$657	\$822	\$986	\$1,151	\$1,315	\$1,479	\$1,644	\$1,808
	5%	\$166	\$332	\$498	\$664	\$830	\$996	\$1,162	\$1,328	\$1,494	\$1,659	\$1,825
	6%	\$168	\$335	\$503	\$670	\$838	\$1,005	\$1,173	\$1,340	\$1,508	\$1,675	\$1,843
	7%	\$169	\$338	\$507	\$676	\$846	\$1,015	\$1,184	\$1,353	\$1,522	\$1,691	\$1,860
	8%	\$171	\$341	\$512	\$683	\$853	\$1,024	\$1,195	\$1,366	\$1,536	\$1,707	\$1,878
	9%	\$172	\$345	\$517	\$689	\$861	\$1,034	\$1,206	\$1,378	\$1,550	\$1,723	\$1,895
	10%	\$174	\$348	\$522	\$695	\$869	\$1,043	\$1,217	\$1,391	\$1,565	\$1,739	\$1,912
	11%	\$175	\$351	\$526	\$702	\$877	\$1,053	\$1,228	\$1,403	\$1,579	\$1,754	\$1,930

Source: Company data, Goldman Sachs Global Investment Research

Goldman Sachs Retail Beverage Survey



Please indicate how you've allocated or plan to allocate shelf/cooler space in your stores for the total non-alc beverage category and the following companies in 2023?



Source: Data compiled by Goldman Sachs Global Investment Research



Valuation Model Inputs

Revenue Growth: 9.5%

Margins: 2%

Share Buybacks: 1.5%

Diluted EPS Growth rate: 13%



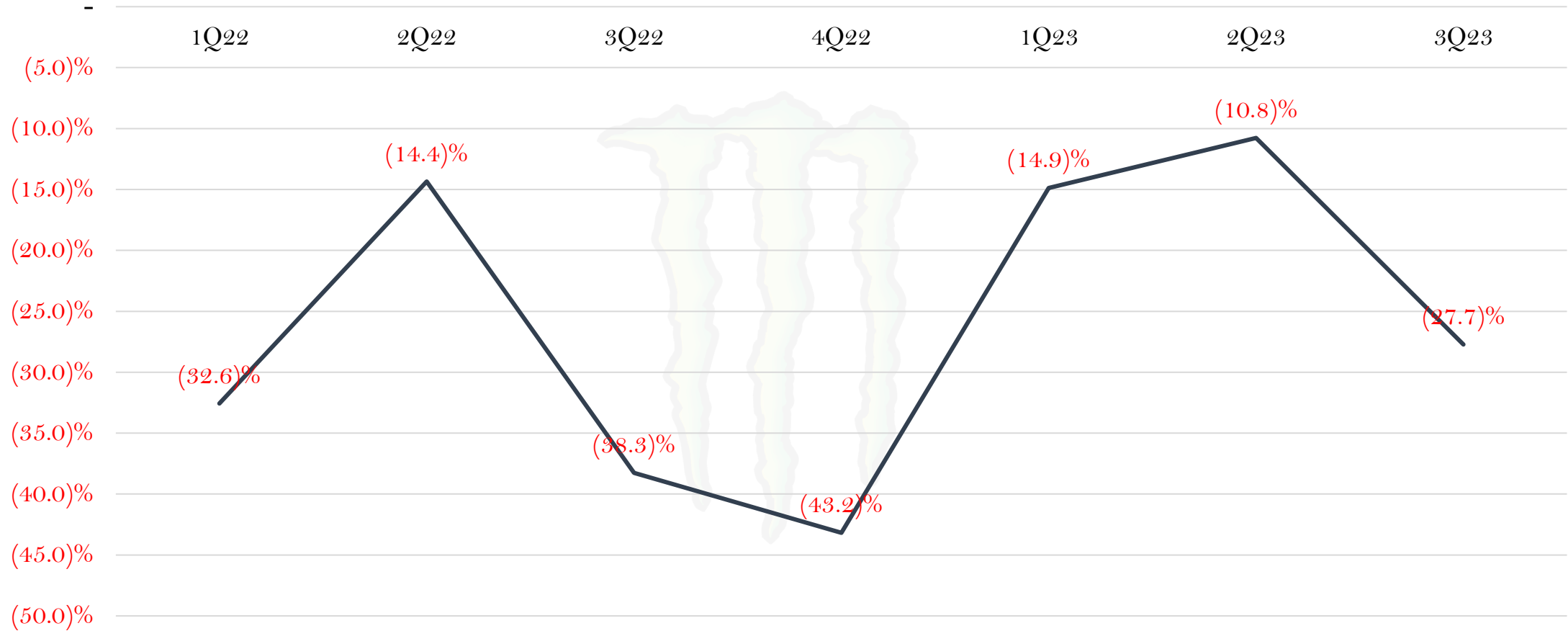
VPX Bang Synergies



Vertical Integration & Cost Advantages



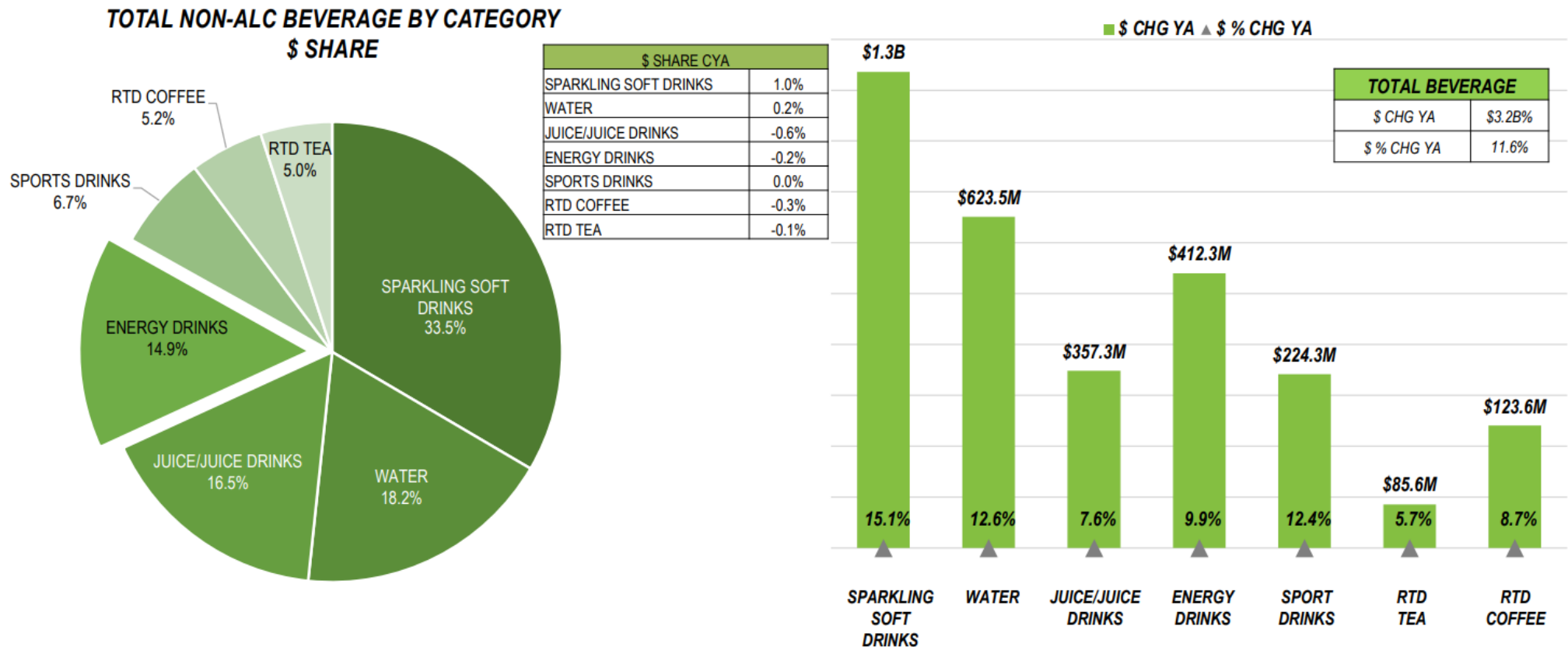
Alcohol Segment Margin



Alternative Beverage Market Share (Jan. 2023)



ALL MEASURED CHANNELS SNAPSHOT 13WKS



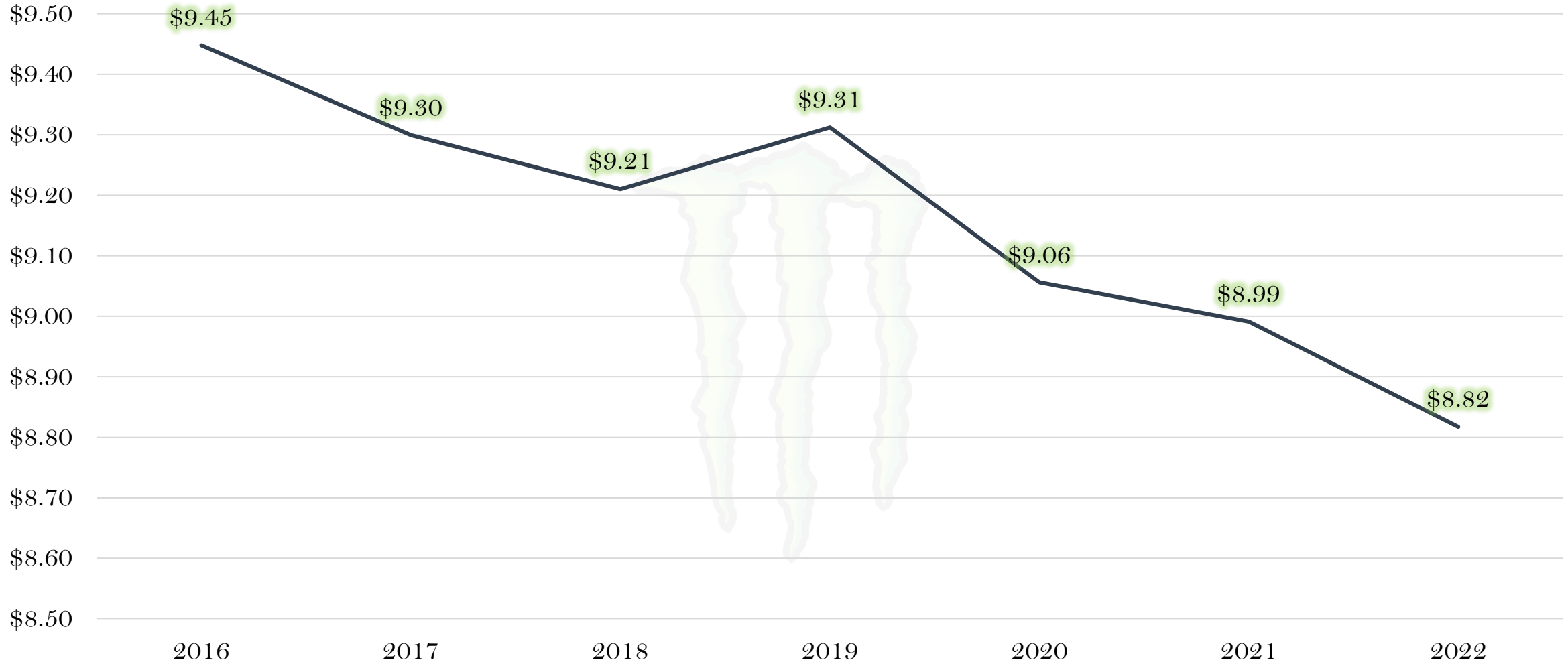
Amazon Sales (Jan. 2023)



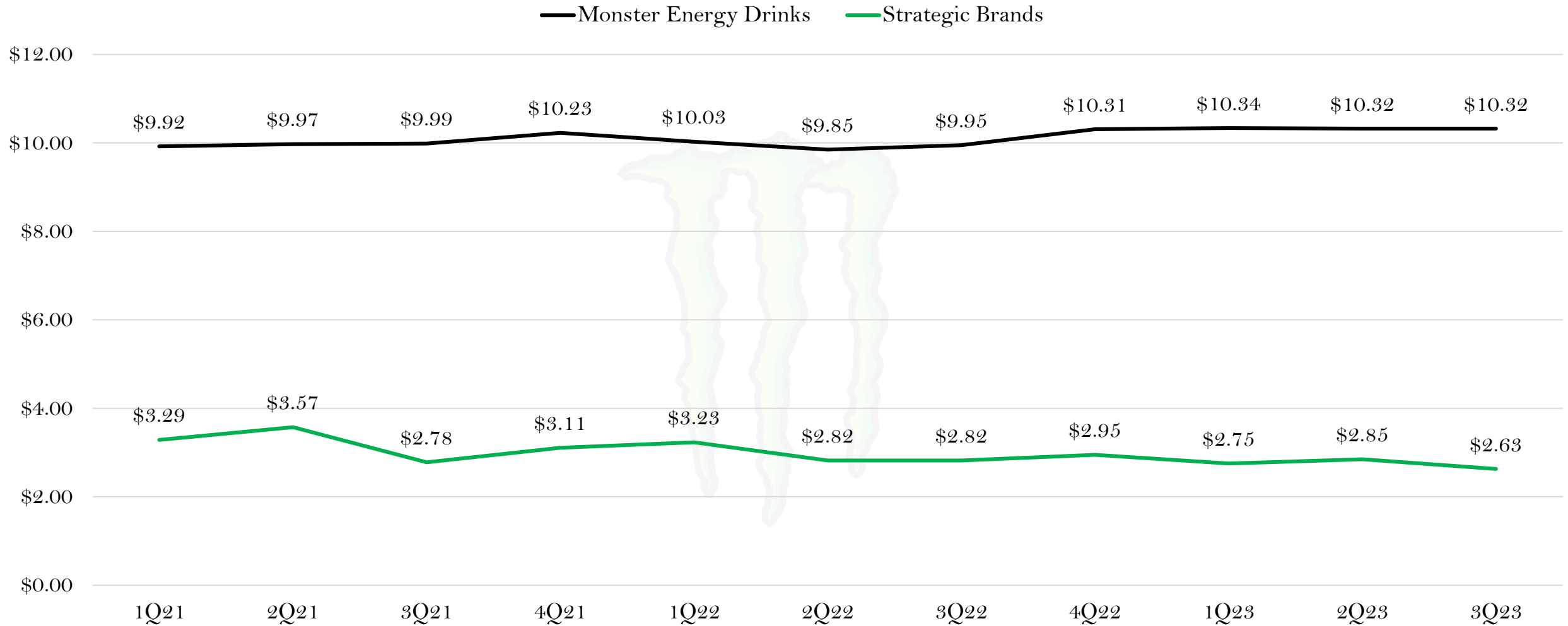
AMAZON SNAPSHOT 13 WKS (STACKLINE)

	\$ Vol	\$ Vol % Chg	U Vol	U Vol % Chg	\$ Shr	\$ Shr Chg
TOTALS	\$165,970,087	36.5%	6,715,960	41.7%	100.0	0.0
MEC	\$54,828,720	49.7%	1,675,076	35.4%	33.0	2.7
MONSTER	\$47,809,152	55.4%	1,342,529	43.4%	28.8	3.4
REIGN	\$7,019,567	19.6%	332,547	10.5%	4.2	-0.7
CELSIUS	\$28,765,575	31.6%	1,240,807	31.5%	17.3	-0.8
RED BULL	\$19,919,240	19.9%	606,470	41.8%	12.0	-1.8
VPX	\$7,852,700	70.2%	321,887	78.4%	4.7	0.9
ROCKSTAR	\$7,767,542	0.0%	334,956	10.6%	4.7	-1.8
C4	\$7,434,482	17.8%	489,130	20.8%	4.5	-0.8
ALANI NU	\$5,613,928	101.6%	232,142	110.5%	3.4	1.1
ZOA	\$5,340,361	473.5%	190,300	656.8%	3.2	2.5
V8	\$4,251,922	24.2%	268,472	21.7%	2.6	-0.3
GHOST ENERGY	\$3,720,501	12701.7%	119,521	9810.5%	2.2	1.4
MOUNTAIN DEW	\$1,937,570	-0.7%	85,512	-1.7%	1.2	-0.5
HIBALL ENERGY	\$1,905,810	70.9%	221,509	129.5%	1.1	0.2
GUAYAKI	\$1,502,445	128.3%	47,069	158.3%	0.9	0.4
OPTIMUM NUTRITION	\$1,239,597	-16.6%	53,568	-14.9%	0.7	-0.5
UPTIME	\$1,237,235	5.7%	37,625	-1.2%	0.7	-0.2
A/O	\$12,652,458	20.0%	791,916	69.6%	7.6	-1.1

Price Per Case (Total MNST)



Price Per Case By Segment



What Could Go Wrong?



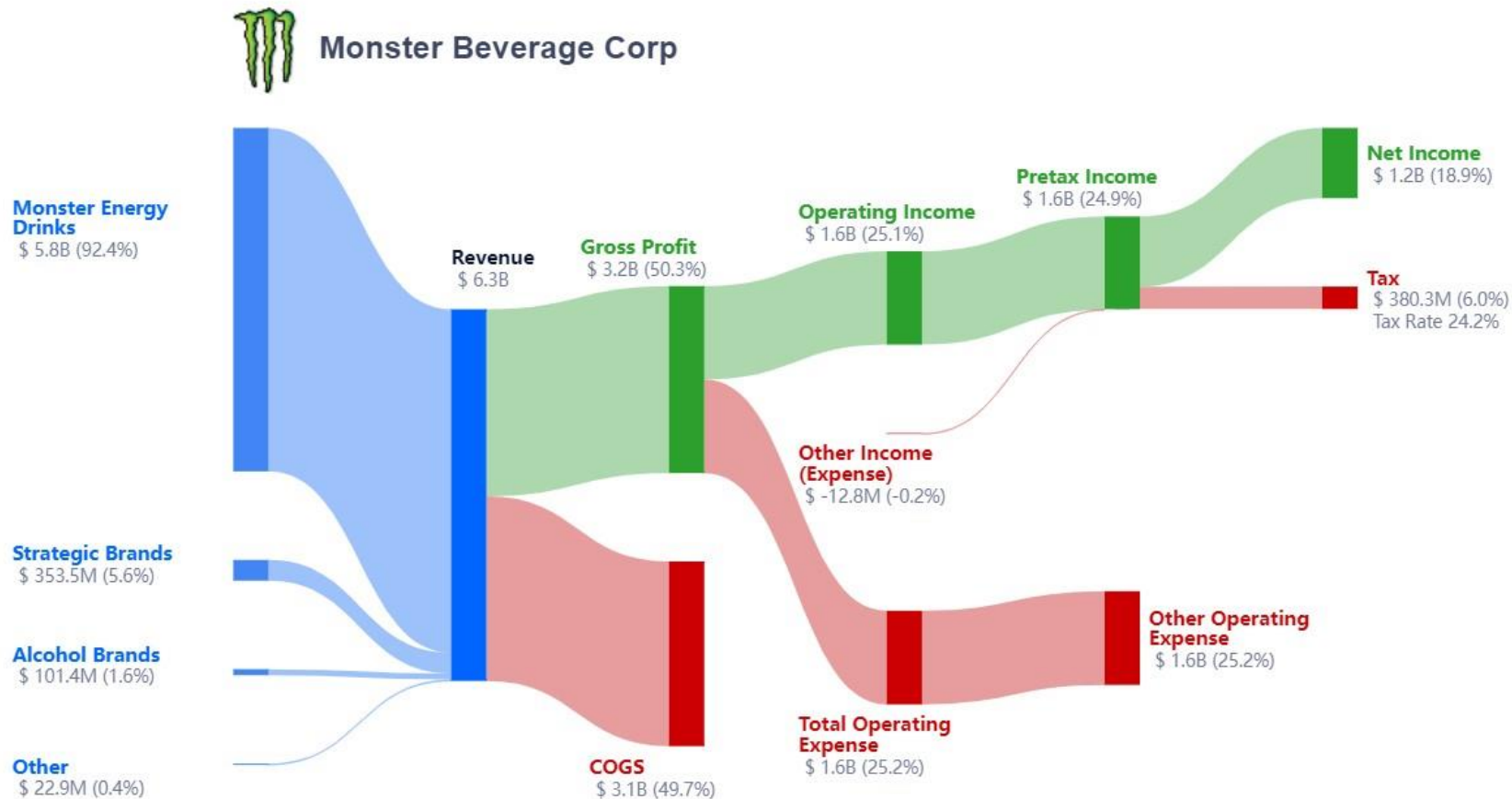
- Focusing innovation outside core Monster brands
- Coca Cola partnership goes sour
- Government regulation on caffeine content
- Red Bull Competition
 - Entry into alcohol
 - More flavors and models
- Celsius continuing to take share
- New celebrity energy drinks

Income Statement Breakdown



How Monster Beverage Corp (MNST) Makes Its Money

Financials Breakdown as of 2022-12-28



Coca Cola Agreement Details



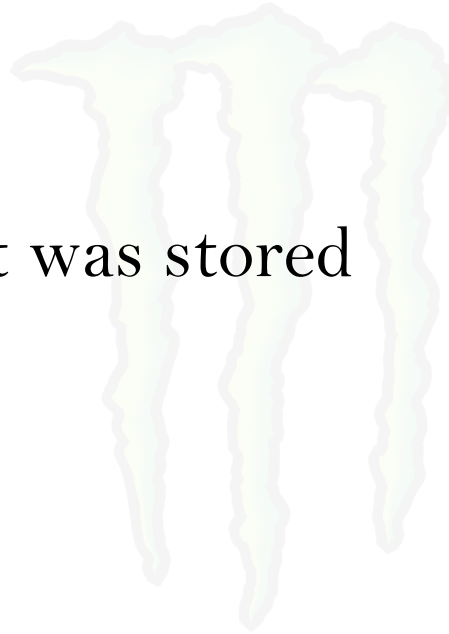
- Coca took a 16.7% equity stake
 - Now 19.5% due to share repurchases
- Coca Cola made a net cash payment of \$2.15B to monster
- Spans 20 years and will be further reviewed (~12 years left)
- Monster transferred their non-energy brands (Hansen's)
- Coca Cola transferred their energy brands
- Coca Cola can no longer make/distribute an energy drink



Shelf Life



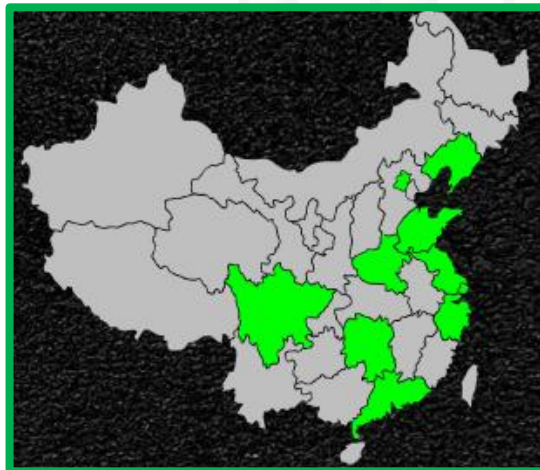
- Depends on ingredients and level of preservatives.
 - Celsius 15-20 months
 - Monster 18-24 months
 - 6-9 months on average
- Depends on how product was stored



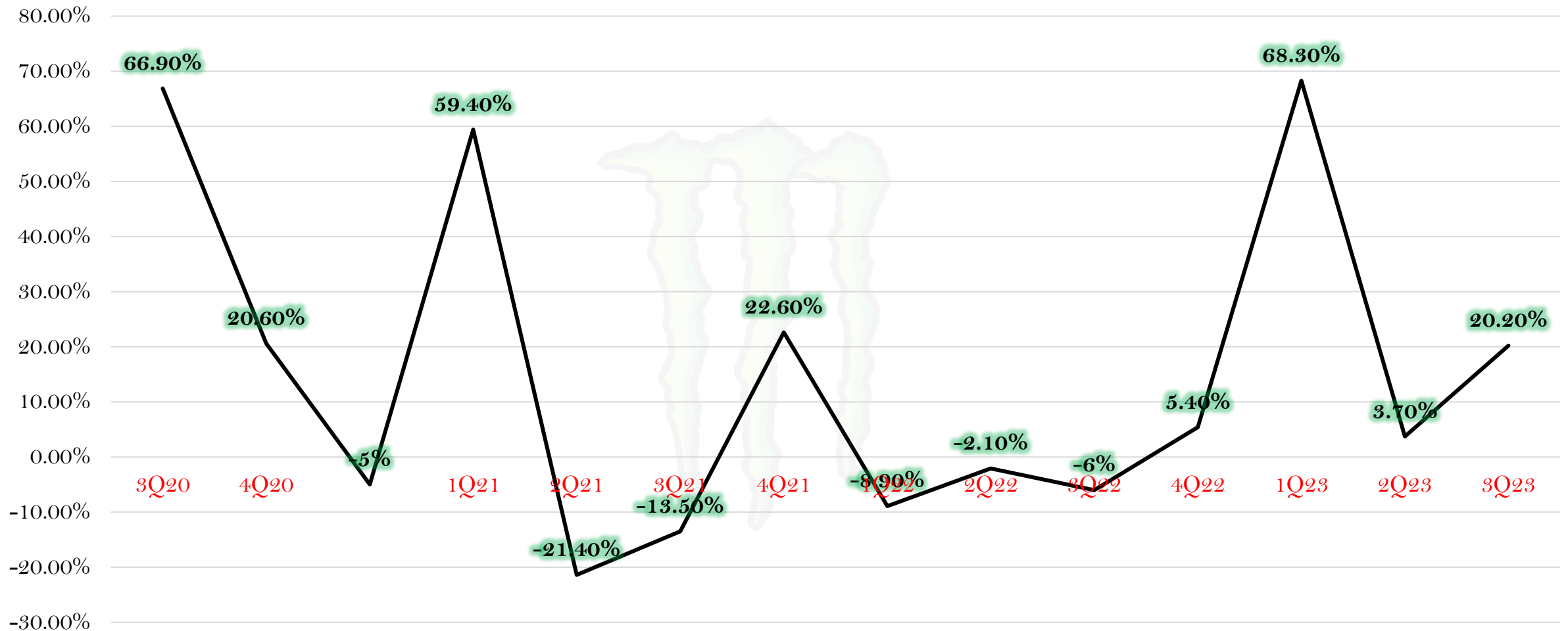
China



- Strengthening presence in action/ street sports
- Focusing on top markets:
 - Shanghai
 - Beijing
 - Guangdong
 - Jiangsu
 - Zhejiang
 - Henan
 - Liaoning
 - Sichuan
 - Hunan
 - Shandong



China Growth Since Covid

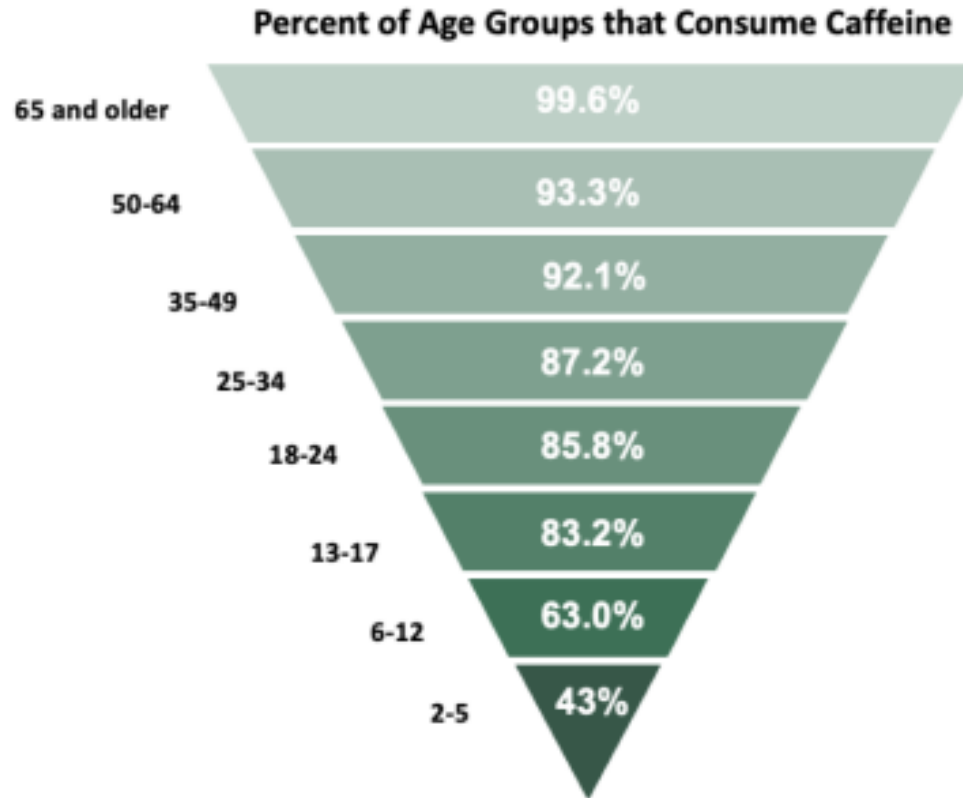


Fascinating Energy Drink Facts



- Every day 85% of people in the U.S. consume at least 1 energy drink
- 25% of college students mix alcohol with energy drinks
- 34% of men aging 18-34 is biggest demographic
- In the Czech Republic, 40% of children consume energy drinks

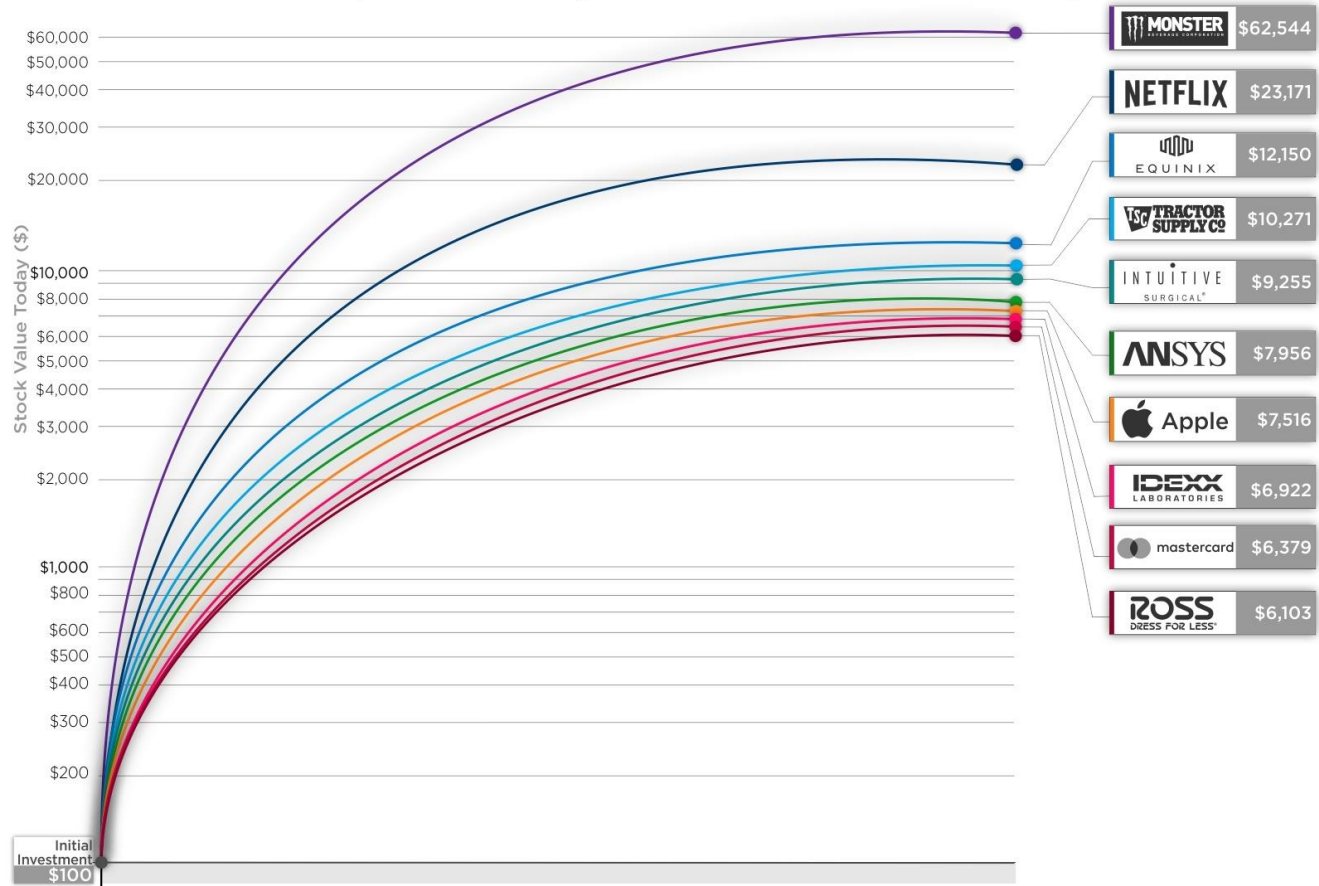
Total Energy End Consumer Demographics



Long-Term Compounder

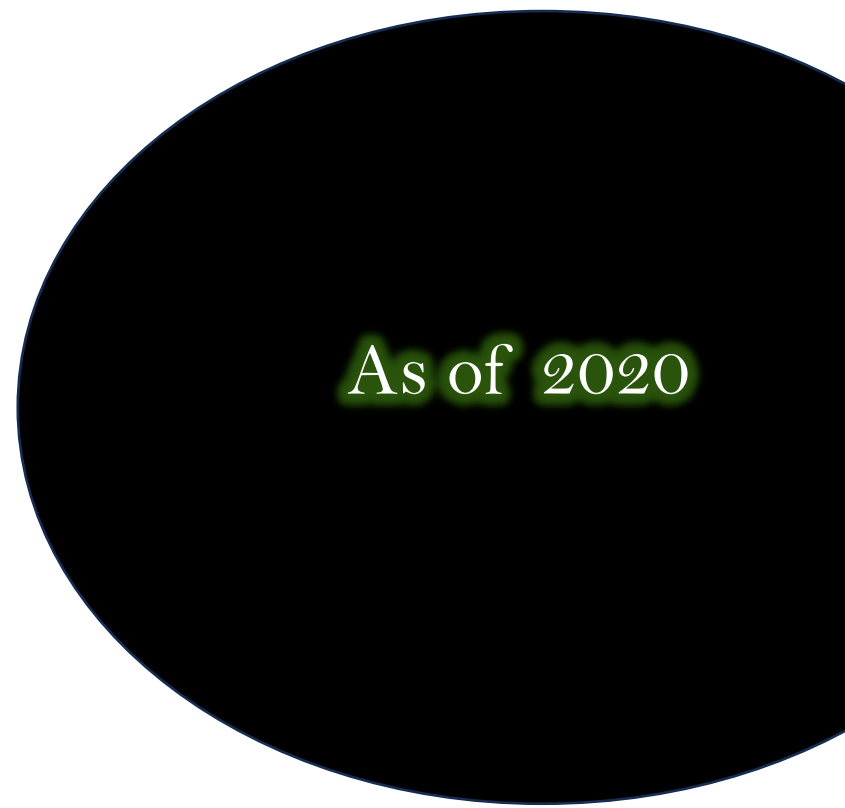


Best-Performing Stocks of the Century If You Had Invested \$100 in 2000, What Would You Have Today?



Article & Sources:
<https://howmuch.net/articles/best-performing-stocks>
<https://howmuch.net/sources/best-performing-stocks>

howmuch.net

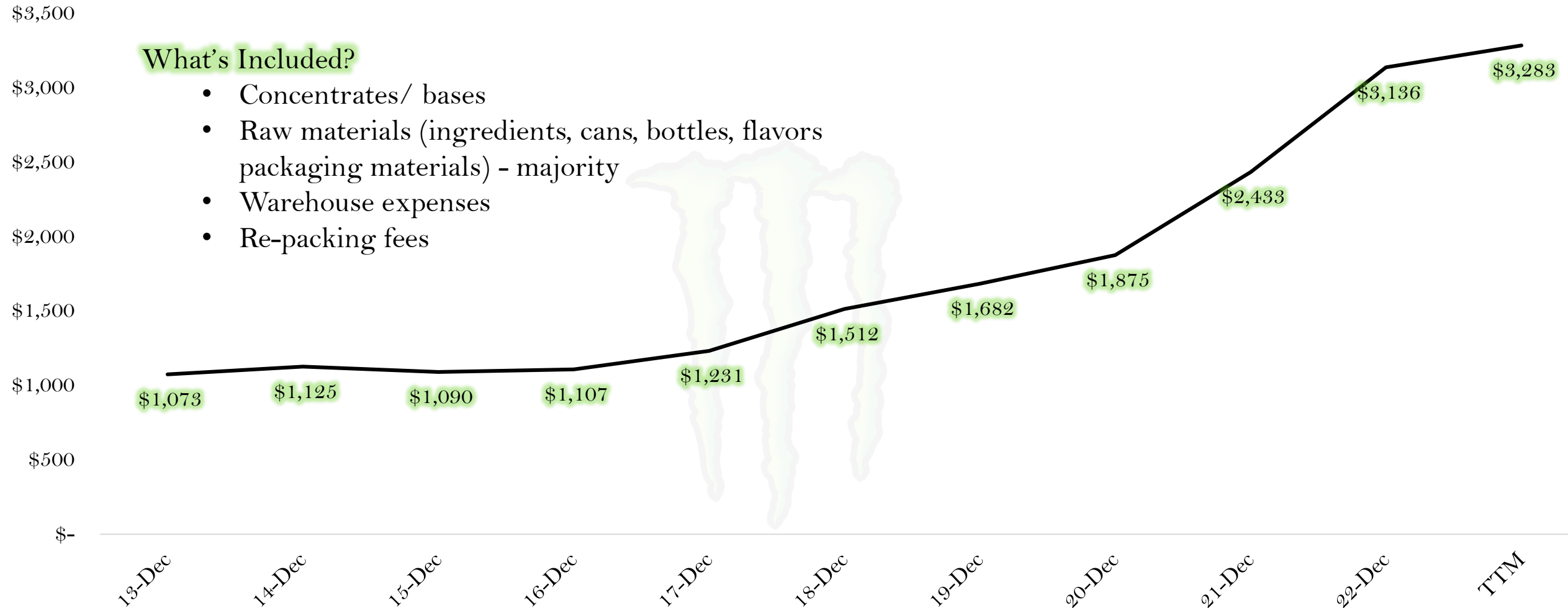


Cost of Goods Sold

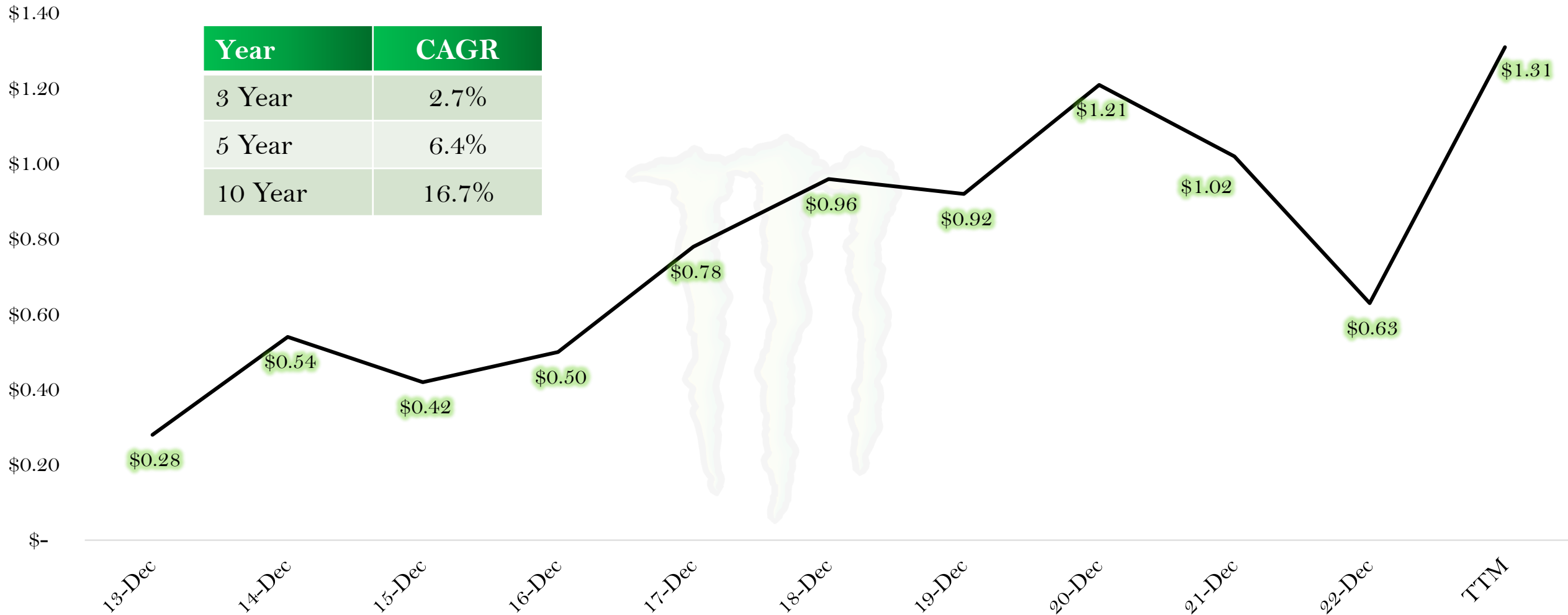


What's Included?

- Concentrates/ bases
- Raw materials (ingredients, cans, bottles, flavors packaging materials) - majority
- Warehouse expenses
- Re-packing fees



10Y Free Cash Flow Per Share



How Is Inflation Impacting?



- Wage inflation
- Raw material costs
- Inflation in warehouse expenses



Ozempic (GLP – 1s)



Viral New Weight Loss Drug:

- Causes changes in diet (less calorie and sugar consumption)
- Can impact the diet of Monster's consumers

Impact:

- Obesity is most prevalent among 40-59 age demographic
- Monster Beverage's end consumer (18-39) is less affected



Red Bull Regulations



Red Bull is marketed as a “Conventional Food”

- Adheres to different standards and regulations that Monster, Rockstar, and Bang.
- Dietary supplementals are regulated by DSHEA 1994
- Conventional foods are regulated by Cosmetic Act
- “A food additive cannot be used in conventional food unless it has been approved for that use by the FDA. However, substances that are generally recognized as safe by qualified experts are not considered to be food additives, and therefore be added to conventional foods without preapproval from the FDA.”



Red Bull Innovation

Red Bull Organics (2019)



Red Bull Editions

