

## Monster Beverage to enter alcohol market with \$330M CANarchy buy – [Market Watch](#)

- Energy drinks maker Monster Beverage said on Thursday it has agreed to buy craft beer and hard seltzer maker CANarchy Craft Brewery for \$330M in cash, marking its entry into the alcoholic drinks market
- Monster said the deal would add alcoholic brands Cigar City, Oskar Blues, Deep Ellum, Perrin Brewing, Squatters, and Wasatch brands to its beverage portfolio and not include CANarchy's restaurants



- The acquisition will provide Monster with full in-place infrastructure, including people, distribution, and licenses, along with alcoholic beverage development expertise and manufacturing capabilities in this industry
- The deal is expected to close in the first calendar quarter this year, with CANarchy functioning independently led by its top boss Tony Short

### CANarchy

- The company was founded in 2015
- 6<sup>th</sup> largest craft brewery in the United States
- Sold in 20 countries and US territories
- 7 distinct brands
- 7 manufacturing locations
- 18 pubs taprooms
- 590K BBLs shipped in 2020
- 900 employees

This is not that big of a surprise as a partner of Monster, Coca-Cola will be collaborating with Constellation brands to introduce Fresca their new alcoholic beverage, and PepsiCo is partnering with Boston Beer to create an alcoholic Mountain Dew.

Monster Investor Presentation - <https://investors.monsterbevcorp.com/static-files/276f12b5-3f1c-4037-90dc-9842afb2800b>

Must watch Monster video - <https://investors.monsterbevcorp.com/static-files/f13d2030-fd6d-4aa1-a5f7-d689d3665437>

Monster released their 2022 investor presentation. Here are some of the highlights. The bulk of the presentation shows Monster's marketing mentality and how they try to differentiate themselves and market the individual brands.

I strongly believe that they will be able to replicate this marketing success with their new alcoholic portfolio. This is because of Monster's strong experience in advertising and its relationships with celebrities and organizations.

**CANARCHY**

**ESTIMATED 2021 NET SALES \$134 MILLION**

**7 MANUFACTURING FACILITIES**  
ANNUAL BEER CAPACITY 616,000 BARRELS  
ANNUAL SELTZER CAPACITY 211,000 BARRELS

**566 EMPLOYEES**

**CANARCHY CRAFT BREWERY COLLECTIVE**

BEER BRANDS						
BEER CATEGORY	PALE ALE, PILSNER, HARD SELTZER FOCUS	IPA FOCUS	IPA FOCUS	WHEAT BEER, AMBER ALE FOCUS	BLONDE ALE, IPA FOCUS	DARK ALE, IPA FOCUS
DISTRIBUTION	NATIONAL	NATIONAL	MTN WEST, MIDWEST	MTN WEST, MIDWEST	SOUTH CENTRAL	MICHIGAN

SELTZER BRANDS				
DISTRIBUTION	NATIONAL	REGIONAL-FLORIDA	REGIONAL-UTAH	REGIONAL-TEXAS

- CANarchy the whole company had 900 employees, but Monster is only acquiring the alcohol portfolio and the manufacturing facilities, which employ 566 people

#### Supply Chain

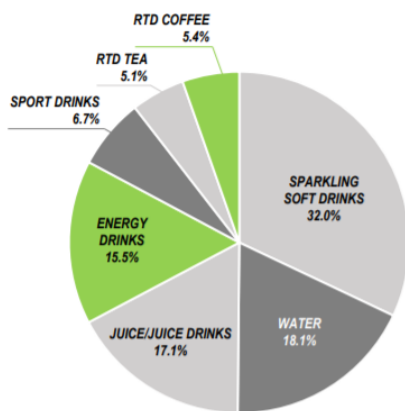
- In 2021 the Company experienced several challenges as a result of unanticipated increases in demand, which adversely impacted sales as well as operating costs and affected the availability of our products on shelves at retailers.
- The Company has addressed and continues to address the controllable challenges in its supply chain, which remains largely intact.
- In 2021 the Company:

- Experienced shortages in its aluminum can requirements, lack of availability of certain ingredients from time to time, as well as insufficient canning capacity in the United States and EMEA. In EMEA specifically, there was also a shortage of trucking availability.
- Experienced increased import costs for aluminum cans, ingredients, shipping and freight, labor, fuel, and co-packing fees, all of which resulted in increased operating costs.
- Continues to implement measures to mitigate such increased costs through pricing actions and reductions in promotions.
- Additional can manufacturing capacity in the United States has been secured for 2022, although the Company will continue to import aluminum cans to supplement its domestic can supply.
- Can capacity in EMEA remains challenging and the Company expects to continue to import aluminum cans into EMEA for at least 2022.
- Co-packing capacity in the United States and EMEA continues to be challenging. The Company has expanded its network in the US and EMEA to substantially address supply constraints.
- The Company's flavor facility in Athy, Ireland is operational and producing certain flavors and blends for the EMEA region and is steadily increasing production. Athy is also investigating the feasibility of a juice plant to produce EMEA's juice product requirements.

## BEVERAGE LANDSCAPE TOTAL U.S. ALL CHANNELS

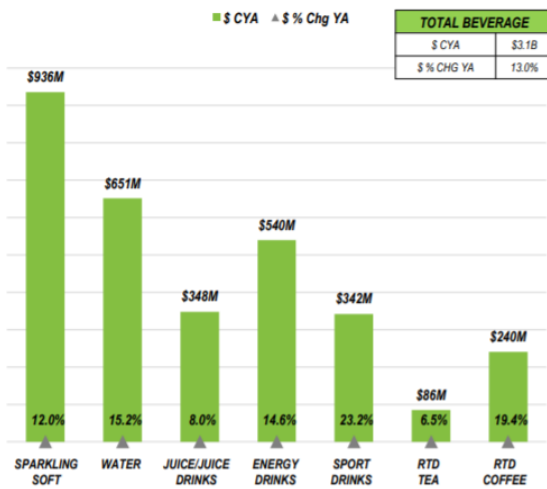
### ALL MEASURED CHANNELS SNAPSHOT 13WKS

TOTAL NON-ALCOHOLIC BEVERAGE BY CATEGORY \$ SHARE



\$ SHARE CHG YA	
SPARKLING SOFT DRINKS	-0.3%
WATER	0.3%
JUICE/JUICE DRINKS	-0.8%
ENERGY DRINKS	0.2%
SPORT DRINKS	0.5%
RTD TEA	-0.3%
RTD COFFEE	0.3%

TOTAL NON-ALCOHOLIC BEVERAGE BY CATEGORY



TOTAL BEVERAGE	
\$ CYA	\$3.1B
\$ % CHG YA	13.0%

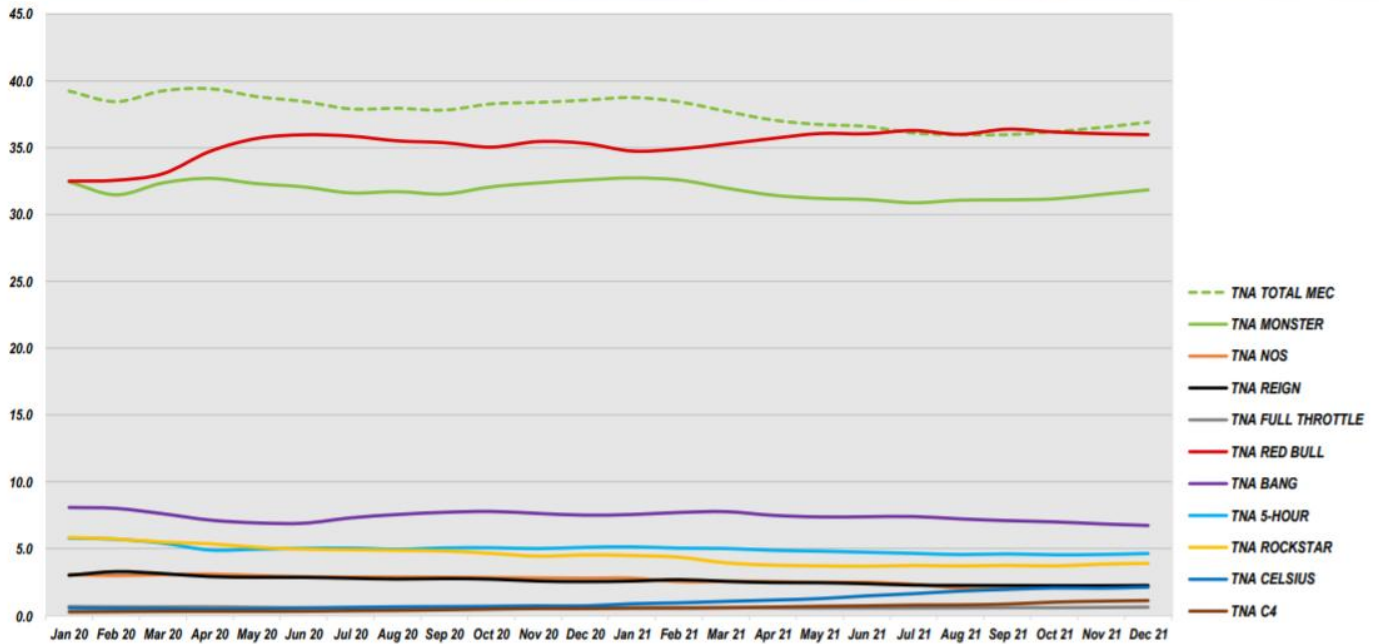
Source: Nielsen Syndicated db Total US xAOC + Conv 13 weeks ending 01/01/2022

12

- Beverage landscape energy vs other categories

# ENERGY CATEGORY

TOTAL U.S. DOLLAR SHARE – ALL MEASURED CHANNELS

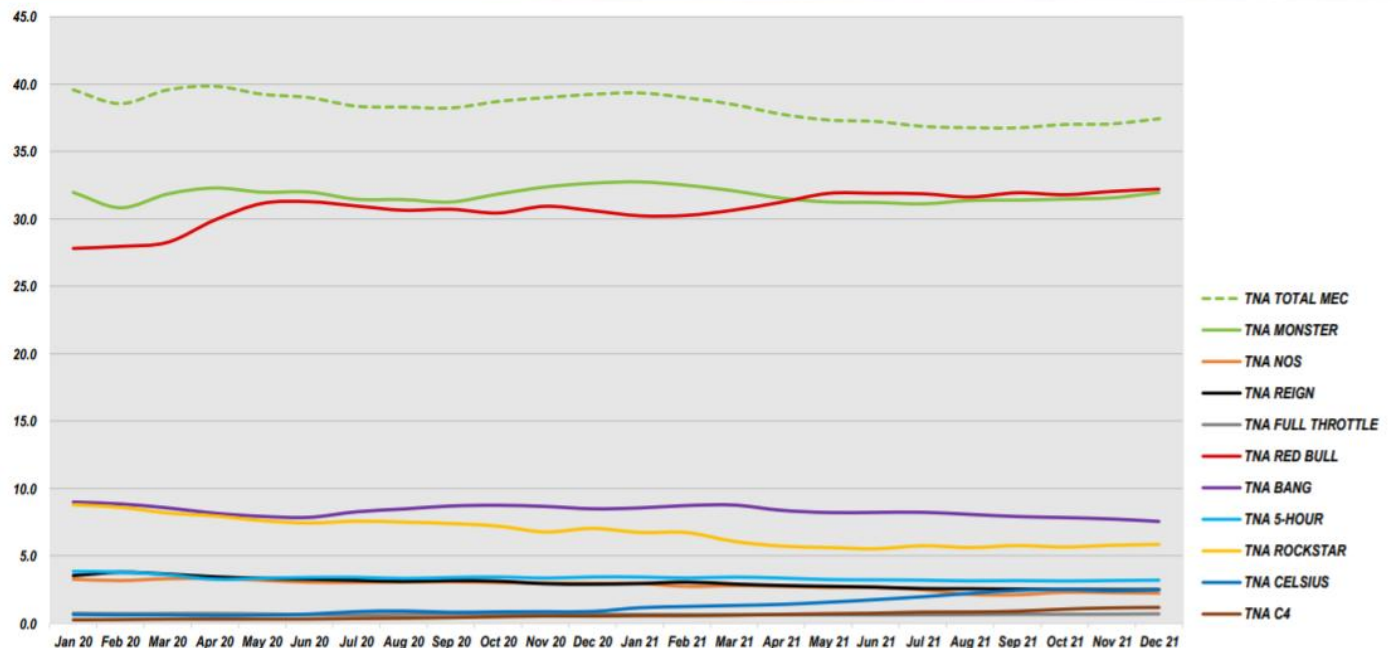


Source: Nielsen Total US xAOC + Conv 24 months ending 01/01/2022 TNA Energy

14

- Monster gained market share
- Celsius also picked up some steam. Although they are near the bottom, they have been growing very fast. it reminds me of how Bang used to be. Bang had several years where it was gaining market share quickly but as we can see now ever since Monster introduced Regis, Bang has underperformed. We will see how True North (Monster's new brand) will compete against Celsius.
- Red Bull has the pricing power. As you are going to see in the next slide Red Bull sells fewer units but has more Dollar Market share.

# ENERGY CATEGORY TOTAL U.S. UNIT SHARE – ALL MEASURED CHANNELS



- When it comes to unit share, the Monster brand, and Red Bull have been head-to-head, but as a company including Monster's portfolio of energy drinks, they are the unit leader
- Red Bull has the strongest pricing power in the energy drinks category

## DISTRIBUTION



MONSTER IS NOW DISTRIBUTED IN  
**138 COUNTRIES AND TERRITORIES.**

STRATEGIC BRANDS ARE NOW DISTRIBUTED IN  
**64 COUNTRIES AND TERRITORIES.**

REIGN IS NOW DISTRIBUTED IN  
**21 COUNTRIES AND TERRITORIES WORLDWIDE.**

AFFORDABLE ENERGY (PREDATOR & FURY) IS NOW DISTRIBUTED IN  
**25 COUNTRIES AND TERRITORIES WORLDWIDE.**

ONE OR MORE OF THE COMPANY'S ENERGY DRINKS ARE DISTRIBUTED IN  
**A TOTAL OF 154 COUNTRIES AND TERRITORIES WORLDWIDE.**

- This is down to 138 from 140 countries
- Strategic brand down to 64 from 73 countries
- However, Reign is in 21 countries compared to 11 last year
- And affordable drinks are in 25 countries compared to 24 last year



- Energy drinks will not be successful in every country. As long as the popularity is growing within existing regions Monster should be more than fine and should continue to grow

MONSTER IS NOW DISTRIBUTED IN

**140 COUNTRIES AND TERRITORIES.**

STRATEGIC BRANDS ARE NOW DISTRIBUTED IN

**73 COUNTRIES AND TERRITORIES.**

REIGN IS NOW DISTRIBUTED IN

**11 COUNTRIES AND TERRITORIES WORLDWIDE.**

AFFORDABLE ENERGY (PREDATOR & FURY) IS NOW DISTRIBUTED IN

**24 COUNTRIES AND TERRITORIES WORLDWIDE.**

ONE OR MORE OF THE COMPANY'S ENERGY DRINKS ARE DISTRIBUTED IN

**A TOTAL OF 154 COUNTRIES AND TERRITORIES WORLDWIDE.**

## EXPANSION MARKETS TARGETED LAUNCHES



### EMEA

AUSTRIA (REIGN)  
BELARUS (PREDATOR)  
BELGIUM (REIGN)  
CROATIA (PREDATOR)  
EGYPT (MONSTER & PREDATOR)  
ESTONIA (REIGN)  
FINLAND (REIGN)  
GHANA (PREDATOR)  
LATVIA (REIGN)  
LITHUANIA (REIGN)  
NETHERLANDS (REIGN)  
POLAND (REIGN)  
ROMANIA (PREDATOR)  
RUSSIA (PREDATOR & REIGN)  
SAUDI ARABIA (PREDATOR)  
SOUTH AFRICA (REIGN)  
SWITZERLAND (REIGN)  
UAE (PREDATOR)  
UKRAINE (PREDATOR)

### APAC

AZERBAIJAN (PREDATOR)  
CAMBODIA (PREDATOR)  
CHINA (PREDATOR)  
INDIA (PREDATOR)  
IRAQ (PREDATOR)  
KAZAKHSTAN (PREDATOR)  
MALAYSIA (PREDATOR)  
MYANMAR (PREDATOR)  
PAKISTAN (PREDATOR)  
SRI LANKA (MONSTER)  
THAILAND (PREDATOR)  
TURKEY (PREDATOR)

### LATAM

BELIZE (MONSTER & PREDATOR)  
BOLIVIA (FURY)  
CHILE (REIGN)  
COLOMBIA (FURY)  
COSTA RICA (FURY)  
ECUADOR (FURY)  
GUATEMALA (FURY)  
GUYANA (PREDATOR)  
NICARAGUA (FURY)  
PANAMA (FURY)  
PERU (FURY)  
SURINAME (MONSTER & PREDATOR)  
VENEZUELA (MONSTER)

### CARIBBEAN

ANGUILLA (PREDATOR)  
ANTIGUA & BARBUDA (PREDATOR)  
BARBADOS (PREDATOR)  
DOMINICA (PREDATOR)  
GRENADA (PREDATOR)  
ST. KITTS (PREDATOR)  
ST. VINCENT (PREDATOR)  
ST. LUCIA (PREDATOR)

# VALUE SHARE GROWTH SELECT GLOBAL MARKETS

## SELECT GLOBAL MARKETS SNAPSHOT YTD

	MONSTER VALUE SHARE LATEST YTD '20	MONSTER VALUE SHARE LATEST YTD '21	PORTFOLIO VALUE SHARE LATEST YTD '20	PORTFOLIO VALUE SHARE LATEST YTD '21	MONSTER VALUE GROWTH	ENERGY CATEGORY VALUE GROWTH
CANADA	35.3%	36.0%	39.5%	41.3%	16.2%	14.0%
FRANCE	26.9%	28.4%	26.9%	28.4%	29.7%	22.5%
GERMANY	15.0%	15.3%	15.5%	15.9%	22.7%	20.1%
GREAT BRITAIN	25.0%	28.9%	28.8%	32.5%	34.0%	16.2%
JAPAN	55.1%	52.8%	55.1%	52.8%	-2.5%	1.7%
MEXICO	28.2%	27.4%	29.4%	30.3%	22.2%	25.7%
POLAND	18.6%	19.1%	21.7%	21.7%	33.5%	29.8%
SOUTH AFRICA	18.6%	20.4%	38.0%	38.3%	33.7%	22.0%
SOUTH KOREA	53.6%	59.2%	53.6%	59.2%	45.1%	31.5%
SPAIN	35.3%	37.2%	42.7%	43.9%	32.2%	25.7%

Most Recent Data Available:

Source: Nielsen GB All Measured Retail Channels YTD thru 12/05/2021; Intage Japan CVS channel YTD thru 11/2021; Nielsen Canada All Channels YTD thru 12/04/2021; Nielsen Germany All Measured Retail Channels excl. Hard Discounters YTD thru 12/05/2021; Nielsen France All Measured Retail Channels YTD thru 12/05/2021; Nielsen Spain All Measured Retail Channels YTD thru 12/05/2021; Nielsen Korea All Channels YTD thru 11/30/2021; Nielsen Mexico All Channels YTD thru 11/30/2021; Nielsen South Africa All Measured Retail Channels YTD thru 11/28/2021; Nielsen Poland All Measured Retail Channels YTD thru 10/31/2021

24

- This is Monster Value Share Growth by region
- As you can see Monster grew its market share in all regions by double digits except for Japan, which declined by 2.5%



- Interesting that they have both the UFC and Bellator, which are the top MMA companies



# MMA CHAMPIONS 2021



**SERGIO PETTIS**  
BANTAMWEIGHT CHAMPION



**KAMARU USMAN**  
WELTERWEIGHT CHAMPION



**VALENTINA SHEVCHENKO**  
WOMAN'S FLYWEIGHT CHAMPION



**ROSE NAMAJUNAS**  
STRAWWEIGHT CHAMPION



**BRANDON MORENO**  
FLYWEIGHT CHAMPION



PRIMARY SPONSOR

**UFC**  
**BELLATOR**

# FORMULA 1 2021



**FIRST DRIVER IN FORMULA 1 HISTORY TO REACH 100 WINS**  
LEWIS HAMILTON



HAMILTON HOLDS THE RECORD FOR THE MOST F1 RACE WINS AT 103. TIED WITH MICHAEL SCHUMACHER FOR THE MOST F1 CHAMPIONSHIPS - 7



# CHAMPIONS 2021



**FABIO QUARTARARO**  
MOTOGP WORLD CHAMPION



**CHLOE KIM**  
X GAMES SNOWBOARD  
SUPERPIPE CHAMPION



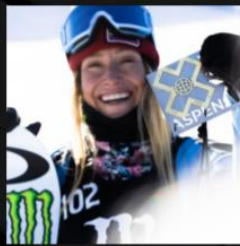
**DYLAN FERRANDIS**  
MOTOCROSS 450 CHAMPION



**BAJA 1000 MOTORCYCLE  
PRO CLASS CHAMPIONS**



**GRIFFIN COLAPINTO**  
U.S. OPEN OF SURFING CHAMPION



**JAMIE ANDERSON**  
X GAMES SLOPESTYLE CHAMPION



**JOSE VITOR LEME**  
BACK-TO-BACK PBR CHAMPION



**MAXIME RENAUX**  
WORLD MOTOCROSS MX2 CHAMPION



**TY GIBBS**  
ARCA CHAMPION AND  
XFINITY ROOKIE OF THE YEAR

28

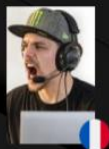
# E-SPORTS 2021

## TOP TOURNAMENTS



VIRTUAL EVENTS IN 2021

## INFLUENTIAL STREAMERS



**SKYRROZ**  
4.2M+ FOLLOWERS



**JERICHO**  
3.3M+ FOLLOWERS



**POW3R**  
4M+ FOLLOWERS



**TEEP**  
1.4M+ FOLLOWERS



**ANNIEFUCHSIA**  
500K+ FOLLOWERS

## TOP TEAMS

110 TOURNAMENT FINALS APPEARANCES WITH 73 WINS



**EVIL GENIUSES**



**NATUS VINCERE**



**FNATIC**



**TEAM LIQUID**



# SOCIAL 2021

## KEY HIGHLIGHTS

2B+ TOTAL IMPRESSIONS

212MM+ VIDEO VIEWS

INCREASED FACEBOOK AND INSTAGRAM IMPRESSIONS YOY BY 85%



25,827,793  
FACEBOOK  
FOLLOWERS



7,800,000  
INSTAGRAM  
FOLLOWERS



3,020,000  
TWITTER  
FOLLOWERS



2,960,000  
YOUTUBE  
FOLLOWERS



923,600  
TIKTOK  
FOLLOWERS



26,000  
SNAPCHAT  
FOLLOWERS



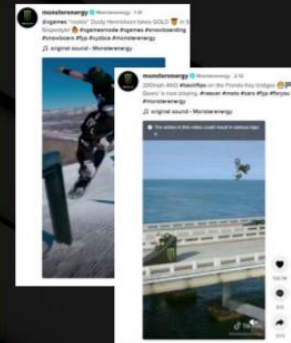
MONSTER ENERGY ON INSTAGRAM



POST MALONE ON TWITTER  
297% INCREASE IN CONVERSATION



APEX LEGENDS ON SNAPCHAT  
CONSUMER PROMO DROVE 10.8X HIGHER  
PURCHASE INTENT



ACTION SPORTS ON TIKTOK

Source: Google Ads Manager, Digias 2021 Year in Review

34

- As you can see even in the video. Monster is highly strategic when it comes to marketing. This is how they differentiate their brand.
- The investor presentation had many slides over their marketing strategy
- It is worth looking at how they market each brand.
- For example:

## NOS GET AFTER IT

HIGH PERFORMANCE ENERGY ROOTED IN AUTO-CULTURE

Google Ads  
TREMOR VIDEO  
ADCOLONY

**TXG**  
NATIONAL DIGITAL MEDIA  
DELIVERED OVER 5.9M IMPRESSIONS

ATHLETES & PARTNERS  
12 ATHLETES / 220+ EVENTS

INFLUENCER CONTENT & PARTNERSHIPS  
GENERATED OVER 66M VIEWS

Source: Facebook Ads Manager, Google Campaign Manager



# FULL THROTTLE HARD-WORKING, EASY DRINKING



## HARD-WORKING ENERGY FOR THE EVERYDAY WARRIORS



**Adventure Rider**  
RIDE THE WORLD.



NATIONAL & LOCAL DIGITAL MEDIA  
DELIVERING 50M IMPRESSIONS



ATHLETES & INFLUENCERS  
6 PARTNERS



WHITE REGIONAL OFFERING

# RELENTLESS #WITHOUTLIMITS

## UK RAP, GRIME & ELECTRIC MUSIC



CREDIBLE KNOWN UK ARTIST COLLABORATIONS



MAJOR FESTIVALS



SCENE CREDIBLE MEDIA PARTNERSHIPS



GRASS ROOTS 'ENERGY CREW' SUPPORT



# BURN LIGHT IT UP



## DELIVERING ICONIC PARTY MOMENTS VIA



**MUSIC**  
MAINSTREAM POP MUSIC IN COMBINATION  
WITH HIP-HOP & EDM.



**DANCE**  
FUN, SELF-EXPRESSION, FLUID, AND ALWAYS  
SHAREABLE. NO NEED TO BE A PRO.



**STYLE**  
STYLE TO EXPRESS YOUR PERSONALITY IN  
EVERY POSSIBLE WAY.





## LIVE+ ENERGY

LIVE LARGE

EZ LIFESTYLE & COMEDY






**LIVE+**  
ENERGY DRINK

INNOVATION  
PACKAGING REFRESH Q2 2021

## MOTHER ENERGY

ALWAYS ON! ENERGY FOR ALL OCCASIONS!

HUMOR, ADVENTURE & MUSIC



**Mother**  
ENERGY DRINK

GRAB AN  
ENERGY  
HIT  
NEW FLAVOUR

TRY ME!

## POWERPLAY

PLAY HARD

LOCAL URBAN MUSIC AND STREET CULTURE



**play**  
ENERGY DRINK

**DISTRICT**

# PREDATOR, FURY, PROWLER AFFORDABLE ENERGY



FOR CONSUMERS DEMANDING FUNCTIONALITY, TASTE AND LIFESTYLE BUT POSITIONED WITHIN THE AFFORDABLE ENERGY CATEGORY.

INCREMENTAL OPPORTUNITIES IN LATAM, EASTERN EUROPE, AFRICA, MIDDLE EAST AND SOUTHEAST ASIA. A DIFFERENTIATED TARGET CONSUMER FROM PREMIUM ENERGY DRINKERS.

PREDATOR HAS A UNIQUE POSITIONING AND OWNABLE LOOK & FEEL: BRAND ICON, GOLD COLOUR AND AMBASSADORS THAT EMBRACE THE CONQUERING SPIRIT.



Official Energy Drink Partner

GLOBAL ASSET  
LIVERPOOL FOOTBALL CLUB



DIGITAL AND SOCIAL MEDIA  
PREDATOR

- For Santi – His favorite team