

Initiating Coverage:

# BellRing Brands (\$BRBR)

Bulk up on BellRing

## Key Take-aways:

**Protein is all the rage:** Protein customers are consuming the nutrient more than ever, whether in chocolate shakes to blueberry protein bars. Of all the alternative foods on the rise, protein is at the forefront since it is so essential to our diet. Gen Z and millennials are especially grasping at protein, causing major enterprises like Starbucks and PepsiCo to roll out new high-protein products. BellRing Brands is at epicenter of the protein production market, and their protein shakes and powders are increasingly popular following consumer trends. They manufacture protein shakes, powders, and bars. Although the protein market is competitive, the continued demand for protein and BellRing's place in the industry and ability to operate multiple protein lines makes it bullish.

**Recent stock decline:** BellRing Brands released its fiscal earnings on August 5th. Despite beating expectations, with adjusted EPS of \$0.55 and revenue of \$547.5 million, the revised outlook disappointed. Both net sales and adjusted EBITDA were lower-than-anticipated. They also revealed that retailers have been destocking BellRing Brands products, indicating that consumer demand is less than it was. The reduced stock also means less future momentum for sales. The report led to a stock plunge where \$BRBR fell by over thirty percent in one day. Additionally, American Century Companies reduced their share in BellRing by over seventy-five percent in Q1, adding to the qualms investors had.

**Potential Investigation:** On August 27<sup>th</sup>, BellRing was revealed to be under investigation for false reports of strong performance that misled investors. They spoke of high consumer demand, which was due to temporary inventory at major retailers, not lasting customer satisfaction. But the investigation may not have a significant effect because BellRing only made sweeping claims of strong demand and market penetration and did not fabricate any numbers.

**Valuation:** Initiate a coverage with a \$52.00.



Consortium Research Group  
Consumer | Consumer Staples  
September 8, 2025

Stock Rating: Overweight

Price Target: \$52.00

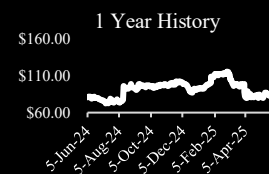
Price: \$36.76

Potential Upside/Downside: 53.45%

Ticker: \$BRBR

Consumer Coverage Team

Zach Gottlieb  
Stanford University  
[zachgott@stanford.edu](mailto:zachgott@stanford.edu)



## Company Overview

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BellRing Brands was founded in 2019 as a nutrient spin-off by Post Holdings, a consumer-packaged goods (CPG) company, to capitalize on the growing healthy snack trend. BellRing went public later that year with a market cap of \$2.1 billion. They have since expanded rapidly, driven by rising consumer demand for convenient, protein-heavy foods and beverages in the form of shakes, powders, and bars. Its flagship brand, Premier Protein, has become especially popular, ranking among the top-selling ready-to-drink (RTD) protein shakes in the United States. BellRing's value proposition comes from offering affordable, accessible nutrition options compared to more niche or premium competitors. They have consistent sales increases in year-over-year earnings, aside from a recent Q3 dip this year.

By targeting health-conscious consumers living an on-the-go lifestyle, BellRing cements itself as a staple in the CPG and health industries. Unlike traditional snack and beverage companies, BellRing is solely focused on nutrition. Their three sub brands are Premier Protein, Dymatize, and PowerBar, spanning everything from shakes to powders to bars, allowing for versatile consumption and a broader customer base. Recently, BellRing has expanded their protein products to compete with companies like Quest and David by adding new flavors and ingredients, some even coffee-inspired like almond milk. This variety makes BellRing competitive with the increasingly saturated protein market.

Going forward, BellRing will look to capitalize on the popular on-the-go protein demand. By continuing to leverage their partnerships with major grocery suppliers, they can maintain strong sales numbers and overall market penetration. As health and protein consumption trends accelerate, demand for protein will remain.

## Industry Overview

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BellRing Brands is in the consumer-packaged foods and active nutrition industry in the consumer staples sector and owns a significant share of the ready-to-drink protein shake market in the United States. BellRing's average demographic age are those in their forties, but they aim to target a younger demographic, following Their sector is particularly appealing to a younger audience aged 18–45 seeking convenient, health-oriented products that support active lifestyles.

A rising demand for high-protein, low-sugar foods, along with a cultural emphasis on health and wellness products, have bolstered BellRing's popularity. Customers gravitate towards the ease of protein products that can be consumed quickly and on-the-go. BellRing's flagship brand, Premier Protein, exemplifies this, providing accessible options through shakes, powders, and bars. With versatile flavors and formats, BellRing meets the needs of both casual consumers and serious athletes. Since its products focus on the function of providing protein and convenience of quick consumption, they have greater reach than traditional snacks or beverages brands that do not do both.

The uptick in protein consumption also means that competition has skyrocketed. From the viral David protein brand that recently launched to strength supplements in gummy and pill form offering even more convenience, BellRing is not the only protein producer. Tariffs and increased commodity costs make protein production pricier; regulations around products marketed for having health benefits; and shifting consumer demands in an innovative protein arms race present challenges for BellRing's continued growth. However, BellRing's existing partnerships with major retailers like Walmart, Costco, and Amazon—which collectively account for almost

75% of their net sales, give them a competitive edge. The accessibility and well-oiled supply chain allows BellRing to flourish, especially compared to emerging brands that lack the visibility with major stores.

## Peer Comparisons

Comparable Companies						
\$						
Ticker	Mkt Cap	EV	P/E LTM	Revenue LTM	EBITDA LTM	
\$KLG	\$1,990	\$2,700	55.0x	\$2,708	\$140	
\$SMPL	\$2,900	\$3,040	20.1x	\$1,460	\$248	
\$UTZ	\$1,910	\$2,910	62.3x	\$1,430	\$116	
\$HLF	\$951	\$2,980	2.9x	\$4,930	\$621	
<b>BellRing Brands</b>	<b>\$5,010</b>	<b>\$5,960</b>	<b>22.3x</b>	<b>\$2,220</b>	<b>\$386</b>	

Ticker	LTM EV/EBITDA	Gross Margin	EBITDA Margin	EBIT Margin	1 Yr Rev Growth Rate LF
\$KLG	19.3x	30.4%	7.3%	1.6%	(4.3%)
\$SMPL	12.3x	37.6%	17.5%	15.5%	13.8%
\$UTZ	25.1x	34.8%	8.1%	2.9%	2.9%
\$HLF	4.8x	78.3%	12.4%	8.8%	(1.7%)
<b>BellRing Brands</b>	<b>15.4x</b>	<b>35.4%</b>	<b>17.4%</b>	<b>16.5%</b>	<b>6.2%</b>

High	25.09x	78.3%	17.5%	16.5%	13.8%
75th Percentile	19.29x	37.6%	17.4%	15.5%	6.2%
Average	15.37x	43.3%	12.5%	9.1%	3.4%
Median	15.45x	35.4%	12.4%	8.8%	2.9%
25th Percentile	12.26x	34.8%	8.1%	2.9%	-1.7%
Low	4.80x	30.4%	7.3%	1.6%	-4.3%

BellRing Valuation		
Implied Enterprise Value (25th Percentile)	\$	4,729
<b>Implied Enterprise Value (Median)</b>	<b>\$</b>	<b>5,960</b>
Implied Enterprise Value (75th Percentile)	\$	7,440

Implied Share Price (25th Percentile)	\$	37.13
<b>Implied Share Price (Median)</b>	<b>\$</b>	<b>46.90</b>
Implied Share Price (75th Percentile)	\$	58.66

Source: Macrotrends, Yahoo Finance

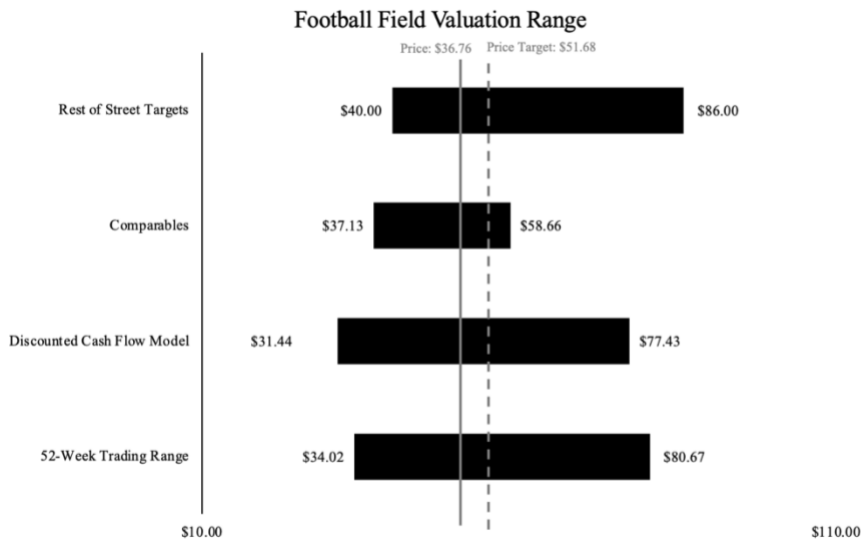
The data shows that despite trading at only 15.4x EV/EBITDA (in line with its peers at 15.45x), BellRing generates higher profitability with 17.4% EBITDA margins compared with 12.4% median, and faster growth at 6.2% vs. 2.9%, indicating that it is undervalued.

## Investment Theses

**Made to Stay:** Although BellRing is not as innovative as many newer protein ventures, sticking to the basics is exactly what consumers really want—and what retailers will pay to stock in their stores. BellRing's experience in the consumer-packaged goods on-the-go sector will allow them to flourish over competition that lacks the infrastructure that leads to massive sales. Their existing relationships span from retailers like Costco to online marketplaces like Amazon, making their products even more accessible.

**On-the-go makes BellRing Grow:** As consumer habits favor quick and easy snacks that are high in nutrients like protein, BellRing's products will become even more popular. BellRing's versatility in product type appeals to a wide range of protein-seeking consumers, which will increase sales for each product.

## Price Target & Valuation



## Potential Downsides to Our Rating

**Oversaturation:** Protein’s popularity is a double-edged sword. On the one hand, BellRing’s sales will increase dramatically due to higher demand, but on the other, competition will skyrocket. As brands newer brands emerge, consumers may want to try trendier and healthier options. Massive brands like BellRing have already lost some stock placement, and this trend may continue as competitors win customers over. BellRing’s products are very basic, covering the standards flavors and formats. They don’t go deep into curating a vast array of options or specialized flavors, and consumers may grow tired of a bland choice of products.

**Questionable Q2:** Recent findings show that BellRing is under investigation for misleading claims. The brand claimed that they “hit an all-time high in household penetration” and “demand remains strong” in early 2025. But when the 2025 Q2 earnings were released, it turned out that BellRing’s increased stockage was due to “temporary trade inventory loading at several key retailers,” (CBS) rather than lasting consumer demand. In Q2 of 2023, some of these retailers lowered their supply, and to offset this, BellRing had to bolster promotions to maintain strong sales. Whether or not the claims were misleading or merely an imperfect analysis is still unclear, but BellRing Brands is under investigation for providing misleading information. Depending on how this pans out, the stock could tank.

**The Fad Fades:** Quick protein has become a staple of the modern diet, integrating into a variety of lifestyles as an easy nutrient alternative. However, the protein craze may quickly fade considering health trends have frequent turnover and the industry is rapidly innovating. For example, David Protein is now selling frozen cod,

Our Price Target: \$52.00

Our PT case assumes that BellRing will have steady growth as protein consumption increases. Even if this growth plateaus, their strong CPG presence will allow them to continue to be in high demand.

**Our Upside Case:** **\$78.00**

Our upside case assumes that BellRing Brands will significantly capitalize on the protein market explosion. Their existing infrastructure, well-liked products, and relationships with major retailers will bring in even more sales as demand rises. BellRing's reputation as a major player in the protein industry will allow for wider market penetration, giving it an edge over smaller and emerging protein brands.

Our Downside Case: \$32.00

Our downside case assumes that BellRing will suffer because of heavy competition, a potential lawsuit, and protein's demand waning. As more protein brands make their mark on the industry, BellRing will have trouble keeping up with lean and innovative companies. Their earnings report deviating from claims they made may hint at intentionally over-inflating success to conceal company problems. This case also assumes that the protein boom will be short-lived, and BellRing, which is a large enterprise, will not be lean enough to quickly adapt to another nutrient or format.

going back to traditional protein, and this new product has been a massive hit with consumers.

## Projections

Income Statement (\$mm)	2024A	2025E	2026E	2027E	2028E	CAGR%
Revenue	1,996	2,192	2,749	3,144	3,561	21.3%
EBITDA	2,945	489	475	544	619	-40.6%
EBIT	388	445	437	497	560	13.0%
NOPAT	181	189	198	274	389	29.0%
Margin & Growth Data	2024A	2025E	2026E	2027E	2028E	AVG%
EBITDA Margin	147.5%	22.3%	17.3%	17.3%	17.4%	44.4%
EBIT Margin	19.4%	20.3%	15.9%	15.8%	15.7%	17.4%
Revenue Growth	19.8%	9.8%	25.4%	14.4%	13.3%	16.5%
EBIT Growth	35.2%	14.7%	-1.7%	13.6%	12.8%	14.9%
Valuation Metrics	2024A	2025E	2026E	2027E	2028E	AVG%
P/FCF	-14.3x	11.2x	19.6x	17.3x	15.3x	9.8x
EV/Sales	2.3x	2.1x	1.9x	1.6x	1.5x	1.9x
EV/EBITDA	1.6x	9.5x	9.8x	8.5x	7.5x	7.4x
FCF Yield	-7.0%	8.9%	5.1%	5.8%	6.5%	7.3%

BellRing's long-term EBITDA is highly compelling. Revenue is projected to scale from \$2.0B in 2024 to \$3.6B in 2028 which would be a 21% CAGR, while EBIT and NOPAT grow at 13% and 29% CAGRs respectively, demonstrating strong operating leverage. With EBIT margins steady at around 16–20% and FCF yield improving from –7% to 7%, BellRing is set to generate substantial cash flow. All together, these fundamentals suggest it is undervalued relative to its growth trajectory and margins profile.

## About \$BRBR

BellRing Brands (\$BRBR) was founded in 2019 and went public in Q4 of that same year with an IPO of \$14.00 on the NYSE. The brand is a spinoff of Post Holdings, Inc., a major brand in the food and CPG industry. BellRing Brands is based in St. Louis, Missouri.

## Disclosures & Ratings

Consortium Equity Research does not hold any professional relationships with any reported equities.

**Overweight** means the analyst team believes the stock price will outperform the coverage industry benchmark (TMT, Healthcare, Industrial, Consumer, FIG, Energy & Sustainability) in the next 6-12 months. **Equal Weight** means the team expects performance in line with the industry benchmark. **Underweight** means the team expects underperformance relative to the industry benchmark.

Appendix

BellRing Brands  
Discounted Cash Flow

Active Case:

3 Bull

Current Share Price\$36.76

DCF Analysis (\$mm)	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035
	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030	12/31/2031	12/31/2032	12/31/2033	12/31/2034	12/31/2035
Stub						0.69	1.69	2.69	3.69	4.69	5.69	6.69	7.69	8.69	9.69	10.69
Discount Period						0.15	0.81	1.81	2.81	3.81	4.81	5.81	6.81	7.81	8.81	9.81
Revenue	988	1,247	1,372	1,667	1,996	2,162	2,749	3,144	3,561	4,028	4,489	5,013	5,518	6,043	6,549	7,087
Revenue Growth		26%	10%	22%	20%	18%	22%	14%	13%	13%	12%	12%	10%	8%	7%	8%
Shakes + Powders	988	1,247	1,372	1,667	1,996	2,192	2,499	2,829	3,181	3,553	3,939	4,338	4,743	5,148	5,549	5,937
	0	0	0	0	0	0	250	315	380	475	550	675	775	895	1,000	1,150
							0	0	0	0	0	0	0	0	0	0
EBIT	164	168	212	287	388	445	437	497	560	628	698	771	846	921	996	1,069
EBIT Margin	17%	13%	15%	17%	19%	20%	16%	16%	16%	16%	15%	15%	15%	15%	15%	15%
Tax Expense	(17)	(21)	14	13	(1)	(1)	101	112	124	136	148	160	172	183	194	203
Effective Tax Rate	-10%	-13%	7%	5%	0%	0%	23%	23%	22%	22%	21%	21%	20%	20%	19%	19%
NOPAT	181.00	189.00	198.00	274.00	389.00	446.00	336.72	384.66	436.39	491.63	549.98	610.92	673.78	737.80	802.08	865.63
D&A	2,241	2,233	2,275	2,370	2,557	44	37	47	58	71	85	101	119	137	157	178
Capex	3,620	3,607	4,940	3,284	4,626	66	75	88	103	118	136	154	174	194	216	237
Changes in NWC	3,099	(1,898)	148	(1,989)	(1,357)	10	62	75	90	107	125	145	166	189	213	237
UPCF	(4,297)	713	(2,615)	1,349	(323)	414	237	268	302	338	375	415	452	492	531	569
PV of FCF						499	222	233	242	250	257	261	264	266	265	262

Weighted Average Cost of Capital (\$mm)	
Market Risk Premium	5.50%
Beta	0.89
Risk Free Rate	4.30%
Cost of Equity	7.63%
Weighted Average Cost of Debt	4.54%
Tax Rate	23.00%
Cost of Debt	0.58%
Total Equity	\$4,630,991,504
Total Debt	\$51
Equity/Total Capitalization	83.00%
Debt/Total Capitalization	16.50%
WACC	8.21%

Terminal Value	
Perpetuity Growth Method	
2034 FCF	\$569
Growth	2.00%
Terminal Value	\$9,161
PV of Terminal Value	\$4,226
PV of Projection Period	\$2,931
PV of Terminal Value	\$4,226
Implied TEV	\$7,157
(-) Debt	\$95
(+) Cash	\$44
Implied Equity Value	\$7,106
Basic Shares Outstanding	126
Implied Share Price	\$56.41
Upside/Downside	53.45%
Implied Exit BF N/A	6.7%

Terminal Value	
Exit Multiple Method	
2034 EBIT	\$1,069
N/A Exit Multiple	14.0x
Terminal Value	\$14,962
PV of Terminal Value	\$6,902
PV of Projection Period	\$2,931
PV of Terminal Value	\$6,902
Implied TEV	\$9,833
(-) Debt	\$95
(+) Cash	\$44
Implied Equity Value	\$9,782
Diluted Shares Outstanding	126
Implied Share Price	\$77.65
Upside/Downside	111.2%
Implied PGR	0.0%

Blended Share Price	
Perpetuity Growth Method	0%
Exit Multiple Method	100%
Blended Share Price	\$77.65
Upside/Downside	111.2%