



## Equity Research Report

# MONSTER BEVERAGES CORPORATION

(NASDAQ:MNST)

### Key Metrics

Current Market Price	\$54.7
Target Price (DCF)	\$76.13
Upside potential	39.18%
Outstanding Shares	973M

**BUY**

Reported Date: March 02, 2025

Lead Analyst: [Akhil Kalonia](#)

Coverage Initiated: December 22, 2024

Email: [akhilkalonia13@gmail.com](mailto:akhilkalonia13@gmail.com)

Sector: Non-alcoholic Beverages

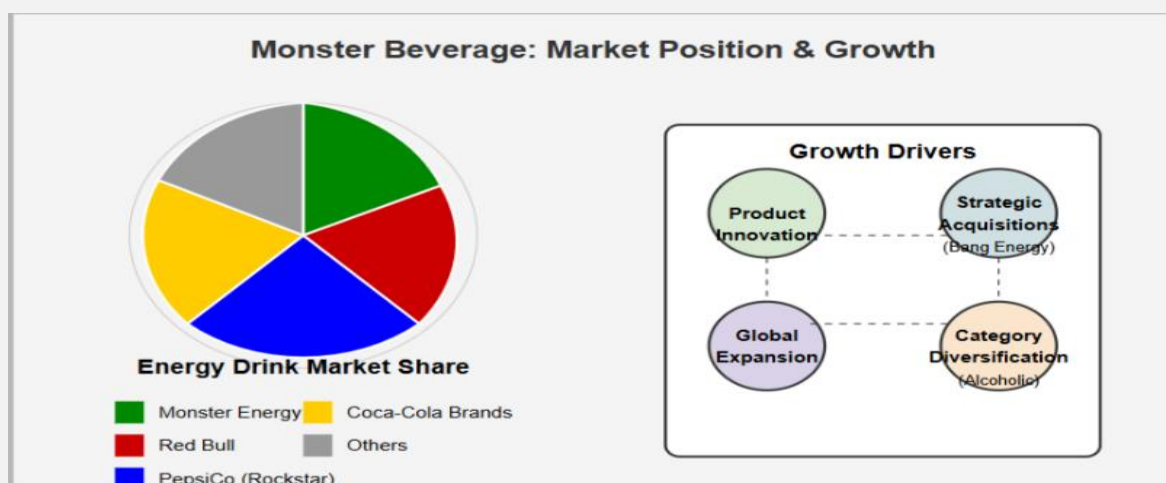
Independent Investment Research

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## OVERVIEW OF COMPANY

Monster Beverage Corporation (NASDAQ: MNST) is a leading global producer of energy drinks, headquartered in Corona, California. Originally founded in 1935 as Hansen's Natural, the company rebranded to Monster Beverage in 2012, shifting its focus entirely to the high-growth energy drink market. Its flagship **Monster Energy** brand is one of the most recognized names in the industry, offering a diverse product lineup, including **Monster Ultra, Java Monster, Juice Monster, and Reign Total Body Fuel**. With an **asset-light business model**, Monster primarily relies on third-party bottlers and distributors, including its strategic partner **The Coca-Cola Company**, which owns a minority stake and supports international expansion.

Monster competes in the global **non-alcoholic beverage industry**, holding a significant market share against rivals like **Red Bull, PepsiCo (Rockstar), and The Coca-Cola Company (Powerade & BodyArmor)**. The company continues to expand its footprint through **innovation, acquisitions (e.g., Bang Energy), and geographic expansion**. In recent years, it has also **diversified into alcoholic beverages**, launching products like **The Beast Unleashed**, signaling its intent to tap into new consumer segments. With strong financial performance, a loyal customer base, and continuous product innovation, Monster remains a dominant force in the energy drink industry, positioning itself for long-term growth.





## **BUSINESS SEGMENTS**

### **1. Monster Energy Drinks:**

This segment, the core of Monster Beverage Corporation, is responsible for the majority of the company's revenue, accounting for over 90%. It includes a wide array of energy drinks like the original Monster Energy, Java Monster, and Reign Total Body Fuel. These drinks cater to a diverse consumer base, from those seeking an energy boost for daily activities to fitness enthusiasts looking for performance enhancement. The company differentiates its products mainly through marketing, portraying itself as bold and hard-core through brand sponsorships of extreme sports.

### **2. Strategic Brands:**

This segment encompasses brands and products that fall outside the company's core energy drink offerings. This allows Monster to diversify its product range, potentially tapping into different beverage categories and appealing to a broader audience.

### **3. Alcoholic Brands:**

Representing a newer area of focus for Monster, the Alcohol Brands segment includes alcoholic beverages like hard teas and seltzers. Monster aims to leverage its brand equity to capture a larger share of the alcoholic beverage market. The company expanded into the alcohol industry with the acquisition of CANarchy Craft Brewery Collective.

### **4. Other:**

Monster Beverage Corporation develops, markets, and distributes an assortment of soft drinks under the carbonates, iced/RTD tea drinks, and iced/RTD coffee drinks categories.

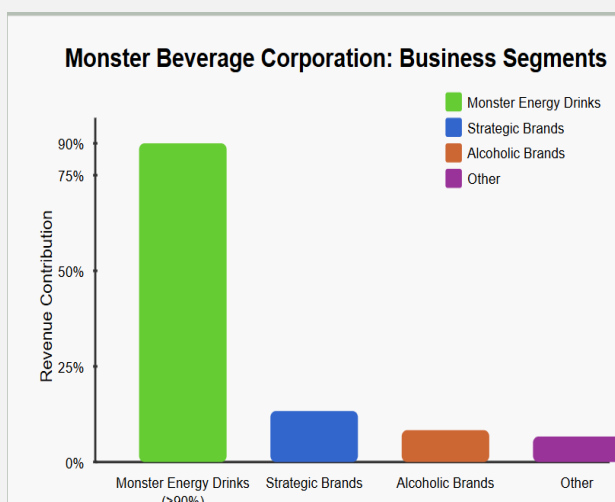
## HIGHLIGHTS OF FY24

In fiscal year 2024, Monster Beverage Corporation reported a modest increase in net sales, reaching \$1.88 billion in the third quarter, a 1.3% rise from the previous year. However, net income for the same period decreased by 18.1% to \$370.9 million, or \$0.38 per diluted share, down from \$452.7 million, or \$0.43 per diluted share, in the third quarter of 2023.

The company's gross profit margin slightly improved to 53.2% from 53.0% in the prior year, attributed to lower input costs and strategic pricing actions in certain international markets. Despite these gains, operating expenses increased to \$519.9 million, or 27.6% of net sales, up from \$473.2 million, or 25.5% of net sales, in the previous year. This rise was partly due to a \$16.7 million provision related to an intellectual property claim concerning the use of the Hubert Hansen name.

The company faced challenges in its Alcohol Brands segment, with a 6.0% decline in net sales to \$39.8 million, primarily due to decreased craft beer sales. Additionally, net sales to customers outside the United States increased by 3.6% to \$760.1 million, representing 40.4% of total net sales. However, unfavourable foreign currency exchange rates negatively impacted these figures by approximately \$62.8 million.

Overall, while Monster Beverage achieved record net sales in the third quarter of 2024, profitability was affected by increased operating expenses and challenges in specific segments.

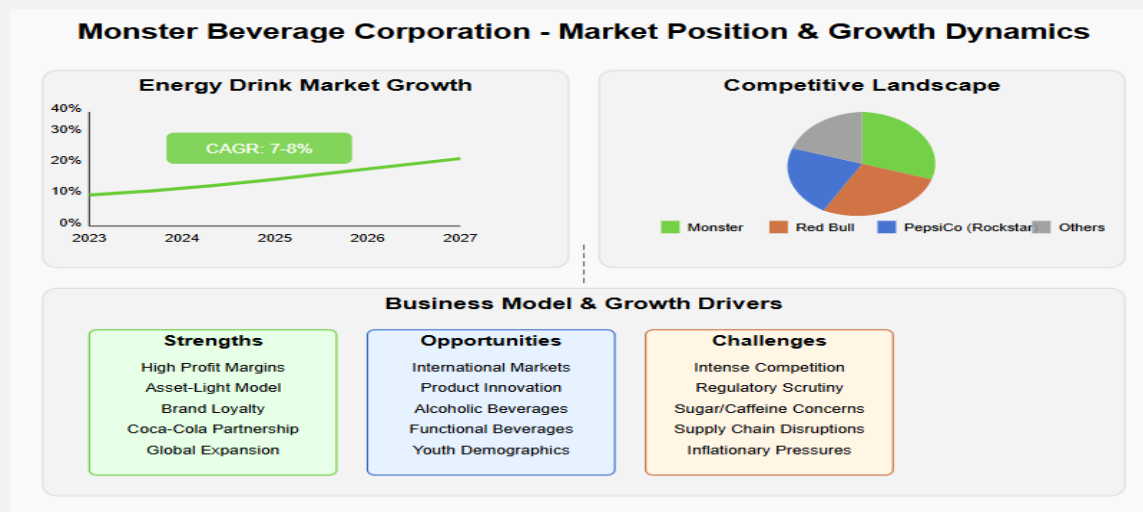




## ECONOMIC OVERVIEW

Monster Beverage Corporation operates in the **global non-alcoholic beverage industry**, specifically within the **energy drink segment**, which has experienced strong growth over the past decade. The **energy drink market** is projected to grow at a **CAGR of 7-8%** over the next few years, driven by increasing consumer demand for functional beverages, lifestyle trends, and higher caffeine consumption among younger demographics. The company benefits from this macroeconomic trend, maintaining a strong market share in the U.S. and expanding aggressively into international markets through its **partnership with The Coca-Cola Company**.

From a financial perspective, Monster has consistently reported **high profit margins and revenue growth**, supported by premium pricing, product diversification, and a cost-effective **asset-light business model** that relies on third-party bottlers. Despite global **economic uncertainties, inflationary pressures, and supply chain disruptions**, Monster has maintained profitability due to its strong brand loyalty, pricing power, and economies of scale. The company is also diversifying into **alcoholic beverages**, capitalizing on cross-industry synergies and expanding revenue streams. However, **competition from Red Bull, PepsiCo (Rockstar), and emerging energy brands**, as well as potential regulatory scrutiny on caffeine and sugar content, remain key economic risks. Nonetheless, Monster's strong financial health, global expansion strategies, and continued product innovation position it well for sustained growth in a dynamic economic environment.



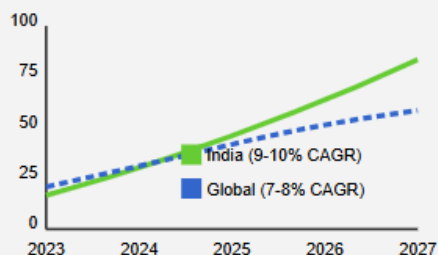


## INDIAN ECONOMIC ENVIRONMENT

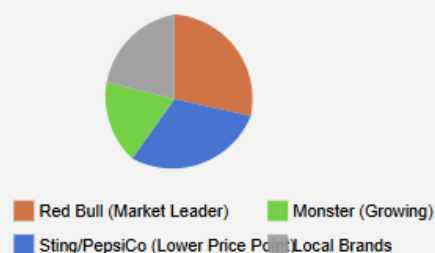
India's **non-alcoholic beverage industry** is experiencing rapid growth, driven by rising disposable incomes, urbanization, and increasing consumer preference for functional and energy-boosting drinks. The **energy drink market in India** is still in its early growth phase but is expanding at a **CAGR of over 9-10%**, fueled by the younger population, fitness trends, and a growing café culture. Monster Beverage Corporation, competing with **Red Bull, Sting (PepsiCo), and local brands**, has been expanding its presence in India, leveraging its premium brand positioning and international appeal. With India's expanding middle class and a shift toward convenience-driven consumption, Monster has a significant growth opportunity, particularly in **tier-1 and tier-2 cities**, where demand for energy drinks is rising.

However, Monster faces **economic and regulatory challenges** in India, including **high import duties, taxation under the GST framework**, and potential regulatory scrutiny on **caffeine and sugar content** in beverages. The company also faces strong price competition from local and more affordable brands like **Sting (PepsiCo)**, which has aggressively expanded in the market with a lower price point. Despite these challenges, India's **favorable demographic trends**, evolving consumer preferences, and increasing health consciousness present a lucrative opportunity for Monster. Expanding **local manufacturing, strategic pricing, and distribution partnerships** will be crucial for Monster to capture a larger market share and compete effectively in India's dynamic economic environment.

Market Growth Projection (CAGR 9-10%)



Competitive Landscape in India







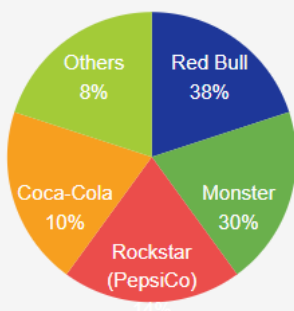
## COMPETITIVE POSITIONING

Monster Beverage Corporation is a **global leader** in the energy drink industry, competing primarily against **Red Bull, PepsiCo (Rockstar), and The Coca-Cola Company (Powerade & Body Armor)**. The company's strong **brand recognition, diversified product portfolio, and strategic partnership with The Coca-Cola Company** give it a significant competitive edge. Monster holds the **second-largest market share in the global energy drink segment**, following Red Bull, and has been expanding its footprint through **product innovation, acquisitions (Bang Energy), and geographic expansion**.

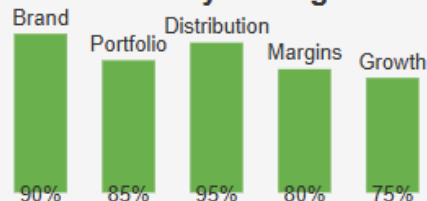
### Key Competitive Strengths:

1. **Strong Brand Equity** – Monster is a globally recognized name with a loyal customer base.
2. **Diverse Product Portfolio** – Offers a variety of energy drinks, including sugar-free, coffee-based, and hydration-focused options.
3. **Global Distribution Network** – Leverages Coca-Cola's extensive distribution system to penetrate new markets.
4. **Premium Pricing & High Margins** – Maintains strong profitability through premium pricing and brand loyalty.
5. **Strategic Acquisitions & Expansions** – Recent acquisitions like Bang Energy and entry into the alcoholic beverage segment enhance growth opportunities.

Global Energy Drink Market Share



Monster's Key Strengths

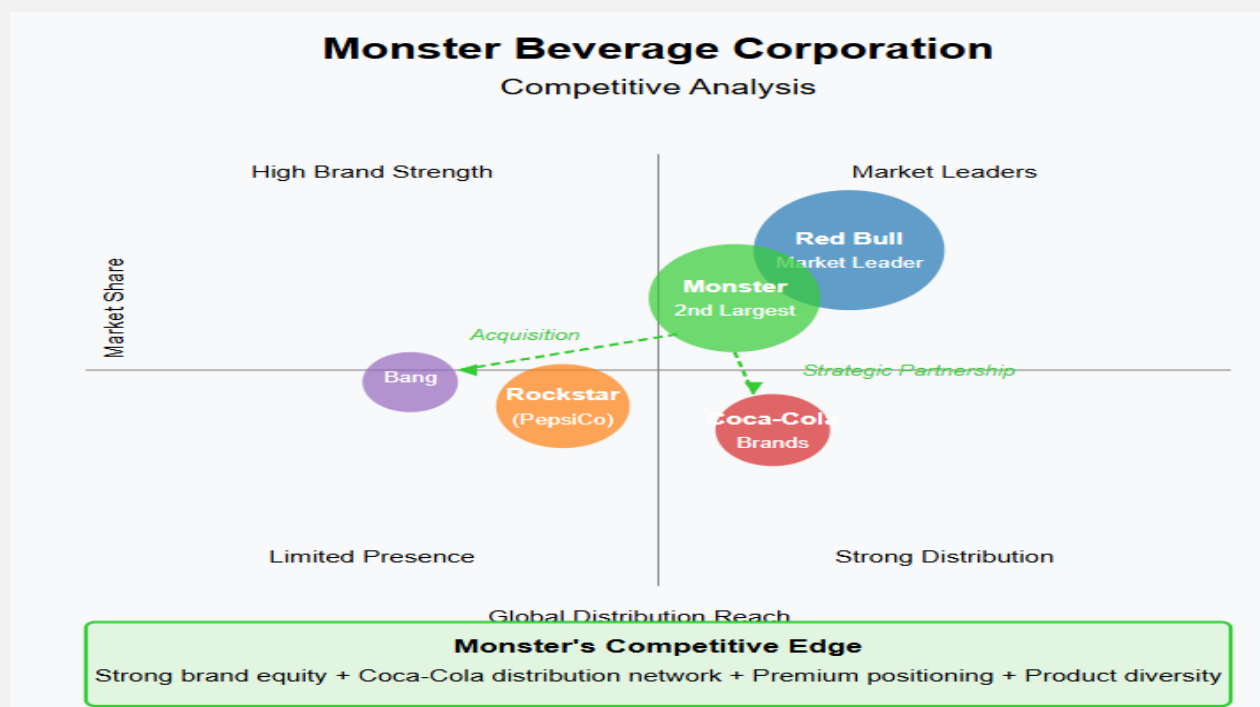


## Competitive Challenges:

- **Red Bull's Market Dominance** – Red Bull remains the top global competitor with strong brand presence and premium positioning.
- **Price Competition from PepsiCo's Sting in Emerging Markets** – In markets like **India**, PepsiCo's Sting is aggressively priced lower, creating a pricing challenge.
- **Regulatory Risks** – Energy drinks face increasing scrutiny due to high caffeine and sugar content, potentially impacting future growth.
- **Evolving Consumer Preferences** – Health-conscious consumers are shifting toward **low-sugar and natural energy alternatives**, requiring constant innovation.

## CONCLUSION:

Monster Beverage is well-positioned in the energy drink industry due to its **brand strength, distribution partnerships, and product innovation**. However, to sustain its competitive edge, the company must **continue innovating, expand into high-growth markets, and navigate regulatory challenges** while maintaining its dominance in existing markets.





## SWOT ANALYSIS

### Strengths

- Strong brand recognition and global presence.
- Diverse energy drink portfolio with multiple flavours.
- Strategic partnership with Coca Cola for distribution.

### Weaknesses

- Heavy reliance on energy drink sales.
- Criticism over high sugar and caffeine content.
- Intense competition in the beverage market.

### Opportunities

- Expansion into emerging markets (e.g., Asia, Latin America).
- Launch of healthier, low-sugar or organic products.
- Growth in e-commerce and digital sales channels.

### Threats

- Regulatory restrictions on energy drinks in some regions.
- Changing consumer preferences towards healthier options.
- Rising competition from established and niche brands.

## FINANCIAL ANALYSIS

### INCOME STATEMENT :

For the fiscal year 2024, Monster Beverage Corporation reported net sales of \$7.49 billion, reflecting a 4.9% increase from \$7.14 billion in FY 2023. The cost of sales increased slightly to \$3.44 billion, leading to a gross profit of \$4.05 billion, with a gross margin of approximately 54.1%, slightly improving from 53.2% in 2023.

Operating expenses rose significantly to \$2.12 billion, mainly due to higher selling, marketing, and distribution costs. This led to an operating income of \$1.93 billion, slightly lower than FY 2023's \$1.95 billion.

Net income for FY 2024 was \$1.51 billion, down from \$1.63 billion in 2023, reflecting increased expenses and interest costs. Earnings per share (EPS) stood at \$1.50 (basic) and \$1.49 (diluted)

### BALANCE SHEET :

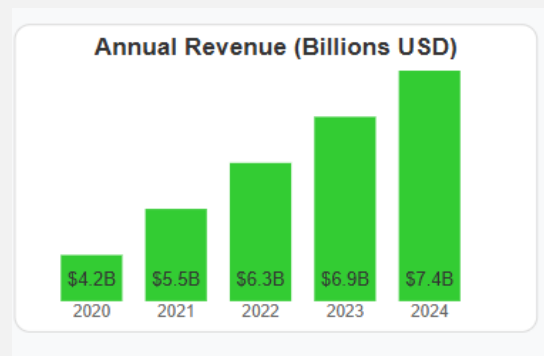
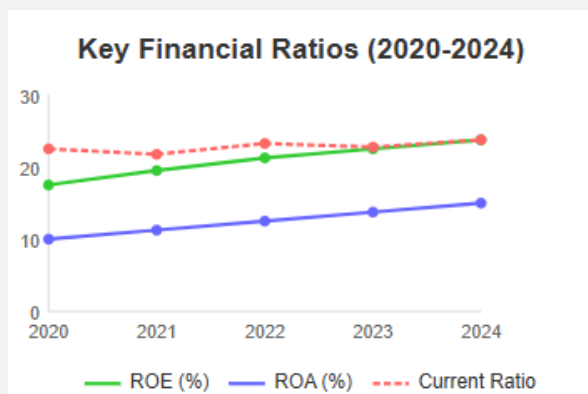
Total assets at the end of FY 2024 were **\$7.72 billion**, showing a decline from \$9.69 billion in FY 2023. This decline was primarily due to:

- A **significant reduction in cash and short-term investments** as the company utilized funds for **share repurchases** and other financial activities.
- Inventory reduction of **\$211.5 million**, improving working capital efficiency.

Liabilities increased to **\$1.76 billion**, with long-term debt reaching **\$374 million** due to new borrowings under a credit facility. Stockholders' equity declined to **\$5.96 billion** from \$8.23 billion in 2023, mainly due to **share repurchases totaling \$3.81 billion**

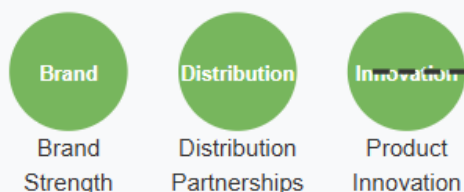
## CASHFLOW :

- **Operating Cash Flow:** The company generated **\$1.93 billion**, reflecting strong cash generation from operations despite higher expenses.
- **Investing Activities:** Net cash provided was **\$734 million**, significantly higher than the previous year, primarily due to divestitures.
- **Financing Activities:** The company used **\$3.33 billion**, mainly for share repurchases and debt repayment



## Monster Beverage - Strategic Roadmap

### Current Strengths



### Strategic Imperatives



### Innovation Roadmap



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## DUPONT ANALYSIS

The DuPONT Analysis of Monster Beverages Corporation provides insights into the drivers of its financial performance by breaking down its Return on Equity (ROE) into three key components Net Profit Margin , Asset Turnover and Financial Leverage.

- **Net Profit Margin (A):** Net profit margin fluctuated over the years, peaking in 2020, with a general decline from 2021 to 2024.
- **Asset Turnover Ratio (B):** The asset turnover ratio for Monster Beverage fluctuated between 71.00% and 97.07% over the years, indicating the company's efficiency in generating revenue from its assets, with a notable increase in 2024 suggesting improved asset utilization.
- **Equity Multiplier (C):** The equity multiplier for Monster Beverage ranged from 118.85% to 129.57%, indicating a consistent reliance on financial leverage, with a rising trend in 2024 suggesting increased use of debt financing relative to equity.
- **Return on Equity (ROE):** Monster Beverage's Return on Equity (ROE) fluctuated between 16.96% and 27.31%, reflecting variations in profitability and financial leverage, with a strong rebound to 25.33% in 2024 indicating improved returns for shareholders.

MONSTER BEVERAGES	12 Months 31-12-2019	12 Months 31-12-2020	12 Months 31-12-2021	12 Months 31-12-2022	12 Months 31-12-2023	12 Months 31-12-2024
Net Income	1108	1410	1377	1192	1631	1509
Shareholder's Equity	4171	5161	6567	7025	8229	5957
<b>Return on Equity</b>	<b>26.56%</b>	<b>27.31%</b>	<b>20.98%</b>	<b>16.96%</b>	<b>19.82%</b>	<b>25.33%</b>
Net Income	1108	1410	1377	1192	1631	1509
Revenue	4201	4599	5541	6311	7140	7493
<b>Net Profit Margin(A)</b>	<b>26.37%</b>	<b>30.65%</b>	<b>24.86%</b>	<b>18.88%</b>	<b>22.84%</b>	<b>20.14%</b>
Revenue	4201	4599	5541	6311	7140	7493
Total Assets	5150	6203	7805	8293	9687	7719
<b>Asset Turnover Ratio (B)</b>	<b>81.56%</b>	<b>74.14%</b>	<b>71.00%</b>	<b>76.10%</b>	<b>73.71%</b>	<b>97.07%</b>
Total Assets	5150	6203	7805	8293	9687	7719
Shareholder's Equity	4171	5161	6567	7025	8229	5957
<b>Equity Multiplier (C)</b>	<b>123.47%</b>	<b>120.19%</b>	<b>118.85%</b>	<b>118.05%</b>	<b>117.72%</b>	<b>129.57%</b>
<b>DUPONT ROE</b>	<b>26.56%</b>	<b>27.31%</b>	<b>20.98%</b>	<b>16.96%</b>	<b>19.82%</b>	<b>25.33%</b>

## RELATIVE VALUATION

### DCF Perpetual Growth Range:

Taking into account various rates of perpetual growth, the anticipated value based on the DCF model is represented by the DCF perpetual growth range. \$68.73 is the lower range, while \$84 is the upper range.

### DCF Exit Multiple Range:

The estimated value range based on the DCF model, taking into account various exit multiples, is represented by the DCF Exit Multiple range. \$64.09 is the lower range while \$78.33 is the upper range.

### CCA FY1 EV/EBITDA:

The price range based on the Comparative Company Analysis (CCA) method for the fiscal year 1 EV/EBITDA is between \$26.1 and \$31.6.

### CCA FY2 EV/EBITDA:

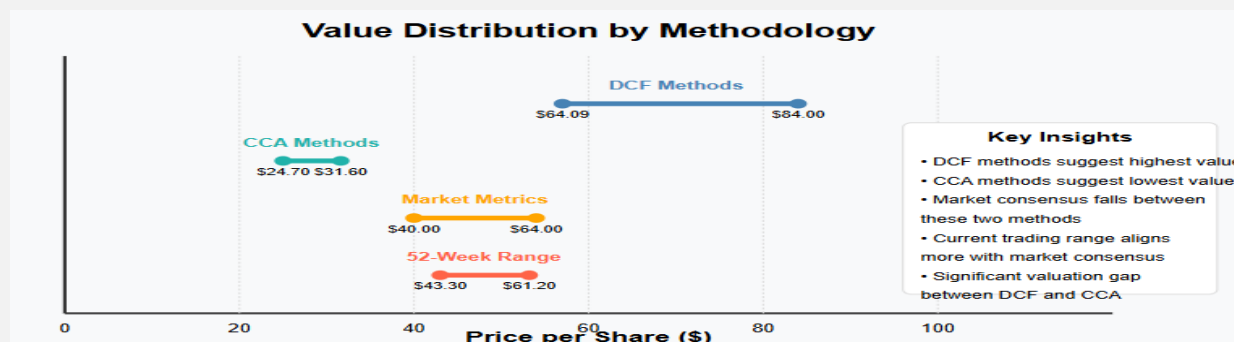
For the fiscal year 2 EV/EBITDA, the price range based on the CCA method is \$24.7 to \$30.

### Market Consensus Range:

Based on the average target price from many experts, the market consensus range is \$40–\$64.

### 52-Week Range:

The 52-week range, which has a low of \$43.3 and a high of \$61.2, illustrates the low and high points of the stock price during the previous year.



## VALUATION

Discounted Cash Flow (DCF) method has been used to value Monster Beverage Corporation, where the terminal value has been arrived by using growth as per Gordon Growth Method and also Exit Multiple Method.

### Terminal Value and Growth Rate (Gordon Growth Method):

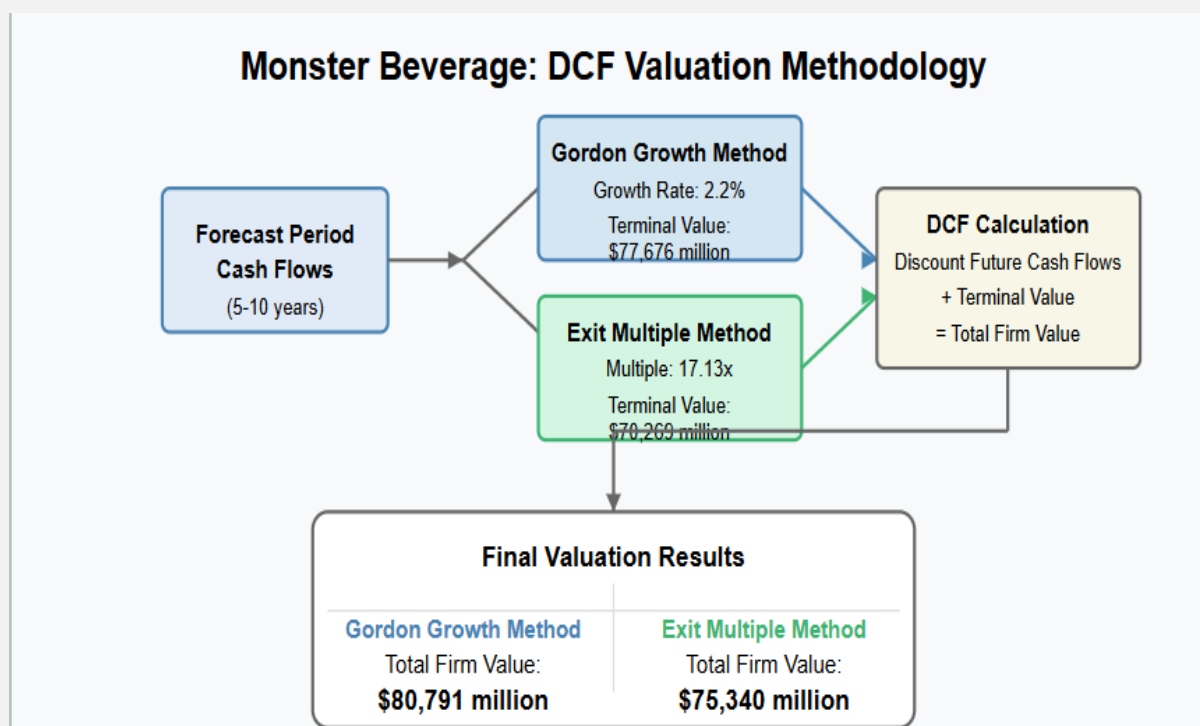
Assuming a 2.2% long-term growth rate, the terminal value of \$77,676 million was determined through the use of the Gordon Growth technique. This is the expected cash flow value of the business after the specified forecast period.

### Terminal Value and Growth Rate (Exit Multiple):

With an exit multiple of 17.13, which is the average of the multiples of the company's relevant sectors, the terminal value, as determined by the sector's exit multiple, is \$70,269 million. This is the expected cash flow value of the business after the specified forecast period.

### Total Value of the Firm:

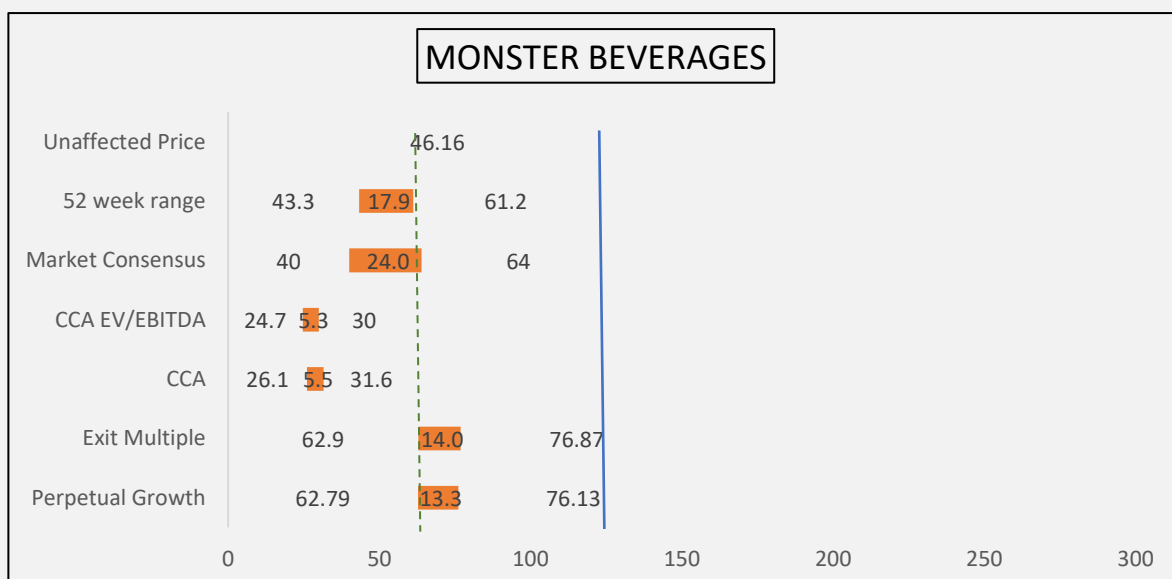
According to the Gordon Growth technique, the firm's total worth, which includes only its operational business, is \$80,791 million, while according to the Exit Multiple technique, it is \$75,340 million.





## FOOTBALL FIELD ANALYSIS

The football field analysis for Monster Beverage Corporation presents a valuation range based on different methodologies, including Perpetual Growth, Exit Multiple, CCA, CCA EV/EBITDA, Market Consensus, and 52-week range. The analysis shows the lower, upper, and midpoint valuation estimates for the stock price, with the unaffected price marked at \$46.16. The valuation ranges from approximately \$26.1 to \$84, suggesting significant variation depending on the method used. This helps in assessing potential fair value and investment decisions.



## APPENDIX

Revenue Segments	12 Months 31-12-2019	12 Months 31-12-2020	12 Months 31-12-2021	12 Months 31-12-2022	12 Months 31-12-2023	12 Months 31-12-2024	12 Months 31-12-2025	12 Months 31-12-2026	12 Months 31-12-2027	12 Months 31-12-2028	12 Months 31-12-2029
<b>Revenues:</b>											
Monster Energy Drinks	3904	4305	5221	5833	6555	6865	7693	8622	9663	10830	12138
Growth %		10.28%	21.26%	11.73%	12.38%	4.72%	12.07%	12.07%	12.07%	12.07%	12.07%
Strategic Brands	275	266	295	353	377	432	474	521	571	627	688
Growth %		-3.12%	10.67%	19.92%	6.53%	14.78%	9.76%	9.76%	9.76%	9.76%	9.76%
Alcohol Brands	0	0	0	101.41	185	172	237	327	450	620	855
Growth %					82.29%	-6.78%	37.75%	37.75%	37.75%	37.75%	37.75%
Other	22	27	26	23	23	24	24	25	25	26	26
Growth %		23.66%	-4.15%	-11.47%	2.40%	0.31%	2.15%	2.15%	2.15%	2.15%	2.15%
<b>Total Revenue</b>	<b>4201</b>	<b>4599</b>	<b>5541</b>	<b>6311</b>	<b>7140</b>	<b>7493</b>	<b>8429</b>	<b>9495</b>	<b>10710</b>	<b>12104</b>	<b>13707</b>

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# INCOME STATEMENT

INCOME STATEMENT	12 Months 31-12-2019	12 Months 31-12-2020	12 Months 31-12-2021	12 Months 31-12-2022	12 Months 31-12-2023	12 Months 31-12-2024	12 Months 31-12-2025	12 Months 31-12-2026	12 Months 31-12-2027	12 Months 31-12-2028	12 Months 31-12-2029
Revenue	4201	4599	5541	6311	7140	7493	8429	9495	10710	12104	13707
Cost Of Sales	1682	1875	2433	3136	3346	3444	3754	4229	4770	5391	6105
GROSS PROFIT	2519	2724	3109	3175	3794	4049	4675	5266	5940	6713	7602
Operating Expenses	1055	1034	1261	1529	1772	2038	2059	2320	2617	2957	3349
EBITDA	1464	1690	1848	1646	2022	2011	2616	2946	3323	3756	4253
Depreciation & Ammortization	61	57	50	61	69	81	93	105	118	134	151
EBIT	1403	1633	1797	1585	1953	1930	2523	2841	3205	3622	4102
Other (Expense) Income	13	-7	4	-13	115	59	59	59	59	59	59
EBT	1416	1626	1801	1572	2068	1989	2582	2901	3264	3681	4161
Provision for Income Tax	308	217	424	380	437	480	551	619	697	786	888
NET INCOME	1108	1410	1377	1192	1631	1509	2031	2281	2567	2895	3273

COST OF SALES	40.05%	40.77%	43.90%	49.70%	46.86%	45.96%	44.54%	44.54%	44.54%	44.54%	44.54%
Operating Expenses	25.11%	22.48%	22.75%	24.22%	24.82%	27.20%	24.43%	24.43%	24.43%	24.43%	24.43%
Provision for Income Tax	21.76%	13.32%	23.53%	24.20%	21.15%	24.15%	21.35%	21.35%	21.35%	21.35%	21.35%

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## BALANCE SHEET

BALANCE SHEET	12 Months 31-12-2019	12 Months 31-12-2020	12 Months 31-12-2021	12 Months 31-12-2022	12 Months 31-12-2023	3 Months 31-12-2024	12 Months 31-12-2025	12 Months 31-12-2026	12 Months 31-12-2027	12 Months 31-12-2028	12 Months 31-12-2029
<b>ASSETS</b>											
<b>Current Assets:</b>											
Cash and equivalents	798	1180	1326	1307	2298	1533	3767	5739	7954	10446	13253
Short term investment	533	881	1750	1362	956	0	0	0	0	0	0
Accounts receivable	540	666	897	1016	1194	1222	1302	1466	1654	1869	2117
Inventories	361	333	593	936	971	737	900	1014	1144	1293	1464
Prepaid expense and other current assets	55	55	83	110	116	107	126	142	161	181	205
Prepaid Income Taxes	29	25	33	34	54	42	42	42	42	42	42
<b>TOTAL CURRENT ASSETS</b>	<b>2316</b>	<b>3141</b>	<b>4682</b>	<b>4765</b>	<b>5589</b>	<b>3642</b>	<b>6137</b>	<b>8404</b>	<b>10955</b>	<b>13831</b>	<b>17082</b>
<b>Non-current Assets</b>											
Investments	13	44	99	61	76	0	0	0	0	0	0
Property and Equipment	299	315	314	517	891	1047	694	781	881	996	1128
Deferred Income Tax	85	242	225	177	175	184	184	184	184	184	184
Goodwill	1332	1332	1332	1418	1418	1332	1332	1332	1332	1332	1332
Other Intangible Assets	1052	1059	1072	1220	1427	1414	1414	1414	1414	1414	1414
Other Assets	54	70	80	134	110	100	100	100	100	100	100
<b>TOTAL NON CURRENT ASSETS</b>	<b>2834</b>	<b>3062</b>	<b>3123</b>	<b>3528</b>	<b>4098</b>	<b>4078</b>	<b>3724</b>	<b>3812</b>	<b>3912</b>	<b>4027</b>	<b>4159</b>
<b>TOTAL ASSETS</b>	<b>5150</b>	<b>6203</b>	<b>7805</b>	<b>8293</b>	<b>9687</b>	<b>7719</b>	<b>9861</b>	<b>12216</b>	<b>14867</b>	<b>17857</b>	<b>21240</b>
<b>LIABILITIES AND SHAREHOLDERS EQUITY</b>											
<b>Current Liabilities</b>											
Accounts Payable	274	297	404	444	564	467	578	652	735	831	941
Accrued Liabilities	114	143	211	173	184	221	221	221	221	221	221
Accrued promotional allowance	167	187	211	256	269	268	268	268	268	268	268
Deferred revenue	44	45	43	43	42	46	46	46	46	46	46
Accrued Compensation	47	55	65	72	87	92	92	92	92	92	92
Income Taxes Payables	15	23	30	13	15	4	4	4	4	4	4
<b>TOTAL CURRENT LIABILITIES</b>	<b>661</b>	<b>750</b>	<b>965</b>	<b>1002</b>	<b>1162</b>	<b>1098</b>	<b>1209</b>	<b>1282</b>	<b>1366</b>	<b>1461</b>	<b>1571</b>
DEFERRED REVENUE	287	264	243	224	204	179	179	179	179	179	179
OTHER LIABILITIES	31	27	30	42	92	111	111	111	111	111	111
LONG TERM DEBT						374	374	374	374	374	374
COMMITMENT AND CONTINGENCIES	182	129	305	314	418	475	475	475	475	475	475
<b>TOTAL LIABILITIES</b>	<b>1161</b>	<b>1171</b>	<b>1543</b>	<b>1582</b>	<b>1875</b>	<b>1862</b>	<b>1974</b>	<b>2047</b>	<b>2130</b>	<b>2226</b>	<b>2336</b>
<b>STOCKHOLDER'S EQUITY:</b>											
Common Stock	3	3	3	3	6	5	5	5	5	5	5
Additional paid-in capital	4398	4538	4653	4780	4975	5145	5145	5145	5145	5145	5145
Retained Earning	5022	6432	7810	9001	5940	7449	9479	11761	14328	17223	20496
Accumulated other comprehensive loss	-32	3	-69	-159	-125	-269	-269	-269	-269	-269	-269
Common stock in treasury	-5220	-5815	-5829	-6600	-2566	-6372	-6372	-6372	-6372	-6372	-6372
<b>TOTAL STOCKHOLDER'S EQUITY</b>	<b>4171</b>	<b>5161</b>	<b>6567</b>	<b>7025</b>	<b>8229</b>	<b>5957</b>	<b>7988</b>	<b>10269</b>	<b>12837</b>	<b>15732</b>	<b>19005</b>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>5150</b>	<b>6203</b>	<b>7805</b>	<b>8293</b>	<b>9687</b>	<b>7719</b>	<b>9861</b>	<b>12215</b>	<b>14866</b>	<b>17857</b>	<b>21240</b>
<b>CHECKSUM</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### WORKING CAPITAL

Accounts Receivable	540	666	897	1016	1194	1222	1302	1466	1654	1869	2117
ARTR	7.77	6.90	6.18	6.21	5.98	6.13					
DSO	47	53	59	59	61	56					
Inventories	361	333	593	936	971	737	900	1014	1144	1293	1464
ITR	4.66	5.63	4.10	3.35	3.44	4.67					
DIO	78	65	89	109	106	88					
Prepaid expense and other assets	55	55	83	110	116	107	126	142	161	181	205
%of sales	1.31%	1.20%	1.49%	1.74%	1.63%	1.43%					
						1.50%					
Accounts Payable	274	297	404	444	564	467	578	652	735	831	941
APTR	6.14	6.32	6.02	7.06	5.93	7.38					
DPO	59	58	61	52	62	56					

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## FIXED ASSET SCHEDULE

FIXED ASSET SCHEDULE	12 Months 31-12-2019	12 Months 31-12-2020	12 Months 31-12-2021	12 Months 31-12-2022	12 Months 31-12-2023	12 Months 31-12-2024
Opening Balance	0	299	315	314	517	891
Add: Net Addition during the period	359	73	49	264	443	237
Total Depreciable asset during the year	359	372	364	578	960	1128
Less: Depreciation during the year	61	57	50	61	69	81
Closing Balance	299	315	314	517	891	1047

12 Months 31-12-2025	12 Months 31-12-2026	12 Months 31-12-2027	12 Months 31-12-2028	12 Months 31-12-2029
1047	694	781	881	996
-260	192	218	248	283
787	886	1000	1130	1279
93	105	118	134	151
694	781	881	996	1128

PPE TURNOVER RATIO	11.69	12.37	15.23	10.92	7.44	6.65	10.72
DEPRICIATION RATE	16.90%	15.34%	13.78%	10.59%	7.18%	7.14%	11.82%

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## CASHFLOW

<i>CASHFLOW</i>	<i>12 months 31-12-2025</i>	<i>12 Months 31-12-2026</i>	<i>12 Months 31-12-2027</i>	<i>12 Months 30-12-2028</i>	<i>12 Months 31-12-2029</i>
<b>CASHFLOW FROM OPERATING ACTIVITIES:</b>					
Net Income	2031	2281	2567	2895	3273
Depreciation and Ammortization	93	105	118	134	151
<b>Change in Assets and Liabilities</b>	<b>2124</b>	<b>2386</b>	<b>2686</b>	<b>3029</b>	<b>3424</b>
Accounts receivable	-80	-165	-188	-215	-248
Inventories	-163	-114	-130	-149	-171
Prepaid expense and other current assets	-19	-16	-18	-21	-24
Accounts Payable	112	73	83	96	110
NWC	-151	-221	-252	-289	-333
<b>Net Cash Provided by Operating Activities</b>	<b>1973</b>	<b>2165</b>	<b>2433</b>	<b>2740</b>	<b>3091</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>					
Capital Expenditure	260	-192	-218	-248	-283
<b>Net cash used for Investing Activites</b>	<b>260</b>	<b>-192</b>	<b>-218</b>	<b>-248</b>	<b>-283</b>
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>					
Cash dividend paid	0	0	0	0	0
<b>Net cash used for Financing Activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>2233</b>	<b>1972</b>	<b>2215</b>	<b>2491</b>	<b>2808</b>
<b>Cash and Cash Equivalents beginning of the year</b>	<b>1533.29</b>	<b>3767</b>	<b>5739</b>	<b>7954</b>	<b>10446</b>
<b>Cash and Cash Equivalents end of the year</b>	<b>3767</b>	<b>5739</b>	<b>7954</b>	<b>10446</b>	<b>13253</b>



## WACC

Name	Debt	Equity	% Debt	% Equity
MONSTER BEVERAGES	374	53183	0.70%	99.30%
THE COCA COLA	39836	277976	12.53%	87.47%
PEPSI	28106	225095	11.10%	88.90%
KEURIG DR PEPPER	8083	49255	14.10%	85.90%
PRIMO BRANDS	3962	5815	40.52%	59.48%
CELSIUS HOLDING	0	4988	0.00%	100.00%
<b>TOTAL</b>	<b>80360</b>	<b>616313</b>	<b>11.82%</b>	<b>88.18%</b>

Wt Debt                      11.82%  
 Wt Equity                    88.18%

### **COST OF DEBT**

Risk free rate              4.45%  
 Spread based rating  
 Rating of Monster  
 Tax Rate                      25.6%  
 Cost of Debt                0.00%

### **COST OF EQUITY**

Risk free rate              4.45%  
 Beta                          0.78  
 Equity Risk Premium  
 Damodaran                4.60%  
 Cost of Equity              8.04%  
  
 WACC                        7.09%

## DISCOUNTED CASHFLOW

Valuation Date      02-03-2025  
 Projection date      31-12-2025

MONSTER BEVERAGES					
	0.832876712	1.8328767	2.83287671	3.83287671	4.83287671
DCF	12 months 31-12-2025	12 Months 31-12-2026	12 Months 31-12-2027	12 Months 30-12-2028	12 Months 31-12-2029
PAT	2031	2281	2567	2895	3273
ADD:D&A	93	105	118	134	151
ADD:NCWC	-151	-221	-252	-289	-333
LESS:CAPEX	260	-192	-218	-248	-283
	1713	2357	2651	2988	3374

WACC	7.09%				
Discount Factor	0.944515	0.881949	0.823527	0.768975	0.718037
Present Value of Explicit	1618	2079	2184	2298	2423
NPV of Explicit cashflow	10601				

### TERMINAL VALUE CALCULATION

Gordan Method		Exit Multiple Method	
Long Term GG	2.12%	EV/EBIT	17.13
FCFF (last year)	3374	Last year EBIT	4102
WACC	7.09%	Terminal Value	70269
Terminal Value	69276	PV of Terminal Value	50455
PV of Terminal Value	49743		

### VALUATION

	Gordan Growth	Exit Multiple
NPV of Explicit cashflow	10601	10601
PV of Terminal Value	49743	50455
<b>Total Operating EV</b>	60344	61056
(-)Debt	374	374
(+)Cash and Cash Eq	13253	13253
(+)Non Operating Asset	0	0
<b>Market Value</b>	73223	73936
Outstanding Shares	1057.98	1057.98
Market value/DCF per share	69.21	69.88
Current Market Price	54.7	54.7
Range	10%	
Upper Range	76.13	76.87
Lower Range	62.29	62.90

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# RELATIVE VALUATION

Name of Target Company	MONSTER BEVERAGES										Median	1			
Metrics	Industry Multiple Range			Implied EV-Monster Beverages		Minority Interest	Total Debt	Debt Equivalent	Cash & Cash Eq	Investments	Implied Equity-Monster Beverages		Diluted Shares O/S	Implied Per Share Value-Monster Beverages	
	Lower	Higher	10%	Lower	Higher						Lower	Higher		Lower	Higher
LTM EV/EBITDA	1,646	15.7x	19.1x	25,770	31,497	0	374	0	1533.287	0	26,929	32,656	980.9	27.5	33.3
FY1 EV/EBITDA	2,022	12.1x	14.8x	24,437	29,868	0	374	0	1533.287	0	25,597	31,027	980.9	26.1	31.6
FY2 EV/EBITDA	2,011	11.5x	14.0x	23,112	28,248	0	374	0	1533.287	0	24,271	29,407	980.9	24.7	30.0
Monster Beverages Valuation Range as per Trading Comps														26.1	31.6
Metrics	Industry Multiple Range			Implied EV-Monster Beverages		Minority Interest	Total Debt	Debt Equivalent	Cash & Cash Eq	Investments	Implied Equity-Monster Beverages		Diluted Shares O/S	Implied Per Share Value-Monster Beverages	
	Lower	Higher	10%	Lower	Higher						Lower	Higher		Lower	Higher
LTM EV/EBIT	1,585	20.6x	25.2x	32,682	39,945	0	374	0	1533.287	0	33,841	41,104	980.9	34.5	41.9
FY1 EV/EBIT	1,953	14.6x	17.9x	28,558	34,904	0	374	0	1533.287	0	29,717	36,063	980.9	30.3	36.8
FY2 EV/EBIT	1,930	13.7x	16.8x	26,475	32,358	0	374	0	1533.287	0	27,634	33,518	980.9	28.2	34.2
Monster Beverages Valuation Range as per Trading Comps														30.3	36.8
Metrics	Industry Multiple Range			Implied EV-Monster Beverages		Minority Interest	Total Debt	Debt Equivalent	Cash & Cash Eq	Investments	Implied Equity-Monster Beverages		Diluted Shares O/S	Implied Per Share Value-Monster Beverages	
	Lower	Higher	10%	Lower	Higher						Lower	Higher		Lower	Higher
LTM EV/Sales	6,311	3.0x	3.7x	19,073.26	23,311.77	0	374	0	1533.287	0	20,233	24,471	980.9	20.6	24.9
FY1 EV/Sales	7,140	2.4x	2.9x	17,109.07	20,911.08	0	374	0	1533.287	0	18,268	22,070	980.9	18.6	22.5
FY2 EV/Sales	7,493	2.3x	2.8x	17,288.11	21,129.91	0	374	0	1533.287	0	18,447	22,289	980.9	18.8	22.7
Monster Beverages Valuation Range as per Trading Comps														18.6	22.7
Metrics	Industry Multiple Range			Implied EV-Monster Beverages		Minority Interest	Total Debt	Debt Equivalent	Cash & Cash Eq	Investments	Implied Equity-Monster Beverages		Diluted Shares O/S	Implied Per Share Value-Monster Beverages	
	Lower	Higher	10%	Lower	Higher						Lower	Higher		Lower	Higher
FY1 P/E	2.88	17.2x	21.0x											49.5	60.5
FY2 P/E	3.10	16.0x	19.6x											49.6	60.6
Monster Beverages Valuation Range as per Trading Comps														49.6	60.6

## Calculation of Diluted Shares-Monster beverages

Basic Shares o/s	973.3
Diluted Shares o/s	980.9

Monster Beverages CMP (02 mar 2025)

61.7

	ESoPS/Warrants etc. Treasury Stock Method					Net Dilution
	O/S	Exercise Price	ITM?	Shares Issued	Cash Buyback	
ESoPs	27.1	39.0	Yes	27.1	1,056	19.3
RSU			Yes	-	-	-
						7.8

Coca Cola	2022	2023	2024	2025
Sales	6311	7140	7493	
EBITDA	1646	2022	2011	
EBIT	1,585	1,953	1,930	

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