

Monster Beverage Corporation

Not even bad weather can stop the BEAST; Reiterate Buy & \$65 PO

Reiterate Rating: BUY | PO: 65.00 USD | Price: 55.85 USD

Solid 4Q and attractive setup heading into 2024

Monster Beverage (MNST) reported 4Q23 adj. EPS of \$0.38, above BofAe of \$0.36 and in line with Visible Alpha Consensus of \$0.38. In comparison to our model, better than expected gross margins and lower effective tax rate more than offset weaker than anticipated sales. Overall, we believe the setup for MNST for 2024 remains attractive given: 1) **Sales in 2024 are off to a strong start.** January sales (includes FX headwind & alcohol) increased +17.8% y/y even with winter weather negatively impacting U.S. sales (includes 1 additional selling day). 2) **Gross margin (GM) improvement.** GMs increased sequentially for the 2nd consecutive quarter. With aluminum prices continuing to decline and potential efficiencies from two company owned production facilities we see room for additional GM expansion in FY24. 3) **Share repurchases.** MNST has over \$2bn of cash on hand which it can use to repurchase shares.

Still no U.S. price increase...

On the topic of price increases, MNST announced that for certain international markets it implemented price increases during 1Q24. However, it continues to monitor opportunities for additional pricing actions in both the U.S. and Internationally.

4Q23 model variance

1) Net sales of \$1,730mm (\$27.1mm of FX headwinds) was below our forecast of \$1,757.5mm. Lower than expected sales for Strategic Brands more than offset better than anticipated sales for Monster Energy drink sales. 2) Gross margins of 54.5% was above our forecast of 53.4%. 3) Operating expenses of \$464.5mm was in line with our forecast of \$460.5mm.

Raising FY24-FY26 estimates

We raise our FY24/FY25/FY26 EPSe to \$1.82/\$2.05/\$2.30 from \$1.75/\$2.00/\$2.24. Key drivers behind our FY24 EPSe: 1) net sales up +9.8% y/y (we are modeling 1Q24 sales up +13.6% y/y). 2) Gross profit per case of \$5.15 which is slightly higher versus 4Q23 level and translates into gross margins of 55.2% or up +190bps y/y. 3) Operating spend of \$1,963.2mm or up +9.0 y/y. 4) \$2bn worth of share repurchases. We reiterate our Buy rating and \$65 PO which is based on 32.5x our 2025 EPS estimate.

Estimates (Dec) (US\$)	2022A	2023A	2024E	2025E	2026E
EPS	1.12	1.55	1.82	2.05	2.30
GAAP EPS	1.12	1.57	1.82	2.05	2.30
EPS Change (YoY)	-13.2%	38.4%	17.4%	12.6%	12.2%
Consensus EPS (Bloomberg)			1.81	2.05	2.34
DPS	0	0	0	0	0
Valuation (Dec)					
P/E	49.9x	36.0x	30.7x	27.2x	24.3x
GAAP P/E	49.9x	35.6x	30.7x	27.2x	24.3x
EV / EBITDA*	34.8x	27.7x	23.7x	21.7x	20.0x
Free Cash Flow Yield*	1.2%	2.0%	3.0%	3.4%	3.6%

* For full definitions of *IQmethod*SM measures, see page 7.

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29 February 2024

Equity

Key Changes

(US\$)	Previous	Current
2024E Rev (m)	7,826.5	7,839.7
2025E Rev (m)	8,475.2	8,491.3
2026E Rev (m)	9,174.6	9,194.0
2024E EPS	1.75	1.82
2025E EPS	2.00	2.05
2026E EPS	2.24	2.30

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Stock Data

Price	55.85 USD
Price Objective	65.00 USD
Date Established	15-Dec-2023
Investment Opinion	B-1-9
52-Week Range	47.13 USD - 60.47 USD
Mkt Val (mn) / Shares Out (mn)	59,206 USD / 1,060.1
Free Float	72.3%
Average Daily Value (mn)	307.19 USD
BofA Ticker / Exchange	MNST / NAS
Bloomberg / Reuters	MNST US / MNST.OQ
ROE (2024E)	23.4%
Net Dbt to Eqty (Dec-2023A)	-27.9%
ESGMeter TM	Medium

ESGMeter is not indicative of a company's future stock price performance and is not an investment recommendation or rating. ESGMeter is independent of BofA Global Research's equity investment rating, volatility risk rating, income rating, and price objective for that company. For full details, refer to "BofA ESGMeter Methodology".

iQprofileSM Monster Beverage Corporation

iQmethodSM – Bus Performance*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Return on Capital Employed	17.0%	20.8%	22.6%	25.1%	26.6%
Return on Equity	17.5%	21.5%	23.4%	26.0%	27.6%
Operating Margin	25.1%	28.1%	30.1%	30.3%	30.5%
Free Cash Flow	699	1,183	1,757	1,997	2,116

iQmethodSM – Quality of Earnings*

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash Realization Ratio	0.7x	1.0x	1.0x	1.0x	1.0x
Asset Replacement Ratio	3.1x	7.8x	1.3x	1.3x	1.3x
Tax Rate	24.2%	20.9%	23.0%	23.0%	23.0%
Net Debt-to-Equity Ratio	-18.6%	-27.9%	-21.3%	-20.9%	-21.6%
Interest Cover	NM	NA	NA	NA	NA

Income Statement Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Sales	6,311	7,140	7,840	8,491	9,194
% Change	13.9%	13.1%	9.8%	8.3%	8.3%
Gross Profit	3,175	3,807	4,326	4,703	5,111
% Change	2.1%	19.9%	13.6%	8.7%	8.7%
EBITDA	1,646	2,071	2,423	2,637	2,868
% Change	-10.9%	25.8%	17.0%	8.8%	8.8%
Net Interest & Other Income	(13)	70	70	70	70
Net Income (Adjusted)	1,192	1,642	1,874	2,038	2,216
% Change	-13.5%	37.8%	14.1%	8.8%	8.7%

Free Cash Flow Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Net Income from Cont Operations (GAAP)	1,192	1,642	1,874	2,038	2,216
Depreciation & Amortization	61	65	60	60	60
Change in Working Capital	(487)	(73)	(169)	(93)	(152)
Deferred Taxation Charge	58	0	0	0	0
Other Adjustments, Net	64	57	72	72	72
Capital Expenditure	(189)	(509)	(80)	(80)	(80)
Free Cash Flow	699	1,183	1,757	1,997	2,116
% Change	-37.1%	69.3%	48.5%	13.7%	6.0%
Share / Issue Repurchase	(707)	(673)	(2,000)	(2,000)	(2,000)
Cost of Dividends Paid	0	0	0	0	0
Change in Debt	0	(11)	0	0	0

Balance Sheet Data (Dec)

(US\$ Millions)	2022A	2023A	2024E	2025E	2026E
Cash & Equivalents	1,307	2,298	1,654	1,651	1,767
Trade Receivables	1,016	1,194	1,289	1,396	1,511
Other Current Assets	2,442	2,097	2,137	2,164	2,245
Property, Plant & Equipment	517	891	911	931	951
Other Non-Current Assets	3,011	3,207	3,207	3,207	3,207
Total Assets	8,293	9,687	9,197	9,348	9,681
Short-Term Debt	0	0	0	0	0
Other Current Liabilities	1,002	1,162	1,127	1,168	1,213
Long-Term Debt	0	0	0	0	0
Other Non-Current Liabilities	266	296	296	296	296
Total Liabilities	1,268	1,458	1,423	1,464	1,509
Total Equity	7,025	8,229	7,774	7,884	8,172
Total Equity & Liabilities	8,293	9,687	9,197	9,348	9,681

* For full definitions of iQmethodSM measures, see page 7.

Company Sector

Food Processors

Company Description

With more than \$6bn in sales, Monster Beverage Corporation (MNST) is a global leader in the energy drink beverage category with 40%+ market share in the US. Around 70% of sales are in the US and the company has two primary operating segments, Monster Energy Drinks and Strategic Brands. In June 2015, MNST closed on its transaction with The Coca-Cola Company (KO owns 19% of MNST), whereby KO became MNST's primary distributor globally.

Investment Rationale

We rate MNST shares at Buy. In our view, MNST offers superior growth to competitors and should see accelerating topline and margin growth. The company grew sales and profits nearly 10% in the 2009 financial crisis, showcasing the resiliency of the business model. In addition, MNST maintains a pristine balance sheet with strong FCF that we expect to funnel into share repurchases over the next several years.

Stock Data

Average Daily Volume 5,500,347

Quarterly Earnings Estimates

	2023	2024
Q1	0.38A	0.45E
Q2	0.39A	0.48E
Q3	0.41A	0.48E
Q4	0.38A	0.41E

Sales by geography (non-US)

- **EMEA (20% of sales)**
 - Net sales increased +10.4% YoY (+11.1% in local currency)
- **Asia Pacific (7% of sales)**
 - Net sales increased +3.7% YoY (+5.1% in local currency)
- **Latin America (8% of sales)**
 - Net sales increased +37.2% YoY (+56.1% in local currency)

Retail sales update in the U.S.

Last week we published beverage scanner trends from Nielsen for the week ending 2/10/24. Year over year retail sales for Bang, CELH, MNST (X Bang), Red Bull and Energy drinks category declined/increased -54.5%, +74.1%, -0.4%, +3.1% and +4.4%, respectively.

Exhibit 1: Company sequential sales growth (\$ % chg y-y) for 4, 12 & 52 week periods

Energy drink category saw retail sales rebound versus the prior period

Category/company	\$ % chg					
	Latest 4 Wks - W/E 2/10/24	Latest 4 Wks - W/E 1/27/24	Latest 12 Wks - W/E 2/10/24	Latest 12 Wks - W/E 1/27/24	Latest 52 Wks - W/E 2/10/24	Latest 52 Wks - W/E 1/27/24
Energy drink						
Bang	-54.4%	-57.4%	-56.8%	-58.3%	-63.5%	-63.2%
Celsius	74.1%	72.5%	91.7%	98.7%	132.3%	135.1%
MNST X Bang	-0.4%	-2.3%	1.2%	2.0%	6.9%	7.3%
Red Bull	3.1%	1.2%	3.0%	3.0%	6.0%	6.3%
Energy drinks*	4.4%	2.5%	6.1%	6.7%	10.4%	10.6%

Source: NielsenIQ

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Exhibit 2: Year over year change in volume price/mix and sales by company

For the latest 4-week period retail sales for MNST X Bang declined -0.4% y/y with volumes -1.1% and price/mix +0.8%

	4 week			12 week			52 week		
	Vol change	Price/mix change	Sales change	Vol change	Price/mix change	Sales change	Vol change	Price/mix change	Sales change
Energy drinks									
Bang	-57.2%	6.7%	-54.4%	-59.6%	6.9%	-56.8%	-66.3%	8.3%	-63.5%
Celsius	80.7%	-3.6%	74.1%	96.3%	-2.4%	91.7%	123.1%	4.1%	132.3%
MNST X Bang	-1.1%	0.8%	-0.4%	0.2%	1.0%	1.2%	1.0%	5.9%	6.9%
Red Bull	-2.1%	5.4%	3.1%	-2.1%	5.2%	3.0%	0.5%	5.5%	6.0%

Source: NielsenIQ

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Variance

Exhibit 3: MNST 4Q23 Variance

4Q23 adj. EPS \$0.38 beat our estimate of \$0.36

Variance	4Q23	4Q23E	A vs. E	Per Share	4Q22	% Chg
Net Sales	\$1,730.1	\$1,757.5	(\$27.4)	(\$0.02)	\$1,512.9	14.4%
Cost of Goods Sold	\$786.7	\$819.0	(\$32.2)	(\$0.02)	\$728.6	8.0%
Gross Profit	\$943.4	\$938.5	\$4.9	\$0.00	\$784.3	20.3%
Gross Margin	54.5%	53.4%	113bps		51.8%	269bps
Distribution costs	\$79.6	\$80.8	(\$1.2)	(\$0.00)	\$76.1	4.6%
Selling expenses	\$176.8	\$172.2	\$4.6	\$0.00	\$145.4	21.6%
General & Administrative	\$208.1	\$207.4	\$0.7	\$0.00	\$168.5	23.5%
Operating expenses	\$464.5	\$460.5	\$4.1	\$0.00	\$390.0	19.1%
Operating Income	\$478.9	\$478.0	\$0.8	\$0.00	\$394.4	21.4%
Operating Margin	27.7%	27.2%	48bps		26.1%	161bps
Interest and (other income), net	(\$16.1)	(\$15.0)	(\$1.1)	\$0.00	\$0.8	-2053.6%
Pre-Tax Income	\$495.0	\$493.0	\$1.9	\$0.00	\$394.4	25.5%
Income Tax Expense	\$93.5	\$115.9	(\$22.4)	\$0.02	\$91.9	1.8%
Tax Rate	18.9%	23.5%	-461bps		23.3%	-440bps
Net Income	\$401.5	\$377.2	\$24.3	\$0.02	\$301.7	33.1%
Adjusted diluted EPS	\$0.38	\$0.36	\$0.02		\$0.29	33.8%
Shares outstanding	1052.5	1055.7	-3.1	\$0.00	1058.3	-0.5%
Operating statistics						
Sales:						
Case sales (000s)	185,304	191,132	-5,828		166,227	11.5%
Avg net sales per case	\$9.12	\$8.95	\$0.17		\$8.91	2.4%
Monster Energy Drinks sales	\$1,598.2	\$1,587.4	\$10.8		\$1,388.5	15.1%
Strategic Brands sales	\$91.8	\$123.3	(\$31.5)		\$93.0	-1.2%
AFF sales	\$4.9	\$5.0	(\$0.1)		\$4.6	6.8%

Source: BofA Global Research estimates

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Income statement

Exhibit 4: MNST Income Statement

BofA forecasting FY24 EPS of \$1.82

	Dec-22	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Dec-24	Dec-25	Dec-26
Dec Year End	2022	2023	1Q24E	2Q24E	3Q24E	4Q24E	2024E	2025E	2026E
Net Sales	\$6,311.1	\$7,140.0	\$1,929.5	\$2,034.8	\$2,004.2	\$1,871.2	\$7,839.7	\$8,491.3	\$9,194.0
Cost of Goods Sold	3,136.5	3,333.0	866.3	917.7	877.8	851.4	3,513.3	3,788.1	4,083.2
Gross Profit	\$3,174.6	\$3,807.0	\$1,063.1	\$1,117.1	\$1,126.4	\$1,019.8	\$4,326.4	\$4,703.2	\$5,110.8
Distribution costs	328.4	323.6	86.2	89.6	92.2	84.9	352.9	382.3	413.9
Selling expenses	583.3	675.7	168.4	188.6	190.8	188.5	736.3	797.6	863.6
General & Administrative	678.1	801.6	211.7	214.0	226.3	221.9	873.9	946.6	1,024.9
Operating Expenses	1,589.8	1,801.0	466.4	492.2	509.3	495.3	1,963.2	2,126.4	2,302.4
Operating income (adjusted)	\$1,584.7	\$2,006.1	\$596.8	\$624.9	\$617.0	\$524.5	\$2,363.2	\$2,576.8	\$2,808.4
Interest and (other income), net	12.8	(69.7)	(17.5)	(17.5)	(17.5)	(17.5)	(70.0)	(70.0)	(70.0)
Earnings before income taxes	\$1,572.0	\$2,075.8	\$614.3	\$642.4	\$634.5	\$542.0	\$2,433.2	\$2,646.8	\$2,878.4
Income tax expense	380.3	433.4	141.3	147.7	145.9	124.7	559.6	608.8	662.0
Adjusted net income	\$1,191.6	\$1,642.4	\$473.0	\$494.6	\$488.6	\$417.4	\$1,873.6	\$2,038.0	\$2,216.4
Non-recurring items	-	23.1	-	-	-	-	-	-	-
GAAP net income	\$1,191.6	\$1,665.5	\$473.0	\$494.6	\$488.6	\$417.4	\$1,873.6	\$2,038.0	\$2,216.4
GAAP EPS	\$1.12	\$1.57	\$0.45	\$0.48	\$0.48	\$0.41	\$1.82	\$2.05	\$2.30
Adjusted EPS	\$1.12	\$1.55	\$0.45	\$0.48	\$0.48	\$0.41	\$1.82	\$2.05	\$2.30
Consensus EPS		\$1.56	\$0.41	\$0.48	\$0.48	\$0.44	\$1.82	\$2.05	\$2.28
Weighted avg diluted shares	1,066.4	1,057.9	1,043.9	1,035.3	1,026.7	1,018.0	1,031.0	996.5	962.0
EBITDA calc									
Operating income	\$1,584.7	\$2,006.1	\$596.8	\$624.9	\$617.0	\$524.5	\$2,363.2	\$2,576.8	\$2,808.4
D&A	61.2	65.4	15.0	15.0	15.0	15.0	60.0	60.0	60.0
Adjusted EBITDA	\$1,646.0	\$2,071.4	\$611.8	\$639.9	\$632.0	\$539.5	\$2,423.2	\$2,636.8	\$2,868.4
Margin Analysis									
Gross Margin	50.3%	53.3%	55.1%	54.9%	56.2%	54.5%	55.2%	55.4%	55.6%
Distribution costs % Sales	5.2%	4.5%	4.5%	4.4%	4.6%	4.5%	4.5%	4.5%	4.5%
Selling costs % Sales	9.2%	9.5%	8.7%	9.3%	9.5%	10.1%	9.4%	9.4%	9.4%
G&A % Sales	10.7%	11.2%	11.0%	10.5%	11.3%	11.9%	11.1%	11.1%	11.1%
Total operating expense % Sales	25.2%	25.2%	24.2%	24.2%	25.4%	26.5%	25.0%	25.0%	25.0%
Operating Margin	25.1%	28.1%	30.9%	30.7%	30.8%	28.0%	30.1%	30.3%	30.5%
Incremental operating margin	-27.6%	50.8%	48.5%	56.2%	66.6%	32.4%	51.0%	32.8%	33.0%
Adjusted EBITDA margin	26.1%	29.0%	31.7%	31.4%	31.5%	28.8%	30.9%	31.1%	31.2%
Pre-tax Margin	24.9%	29.1%	31.8%	31.6%	31.7%	29.0%	31.0%	31.2%	31.3%
Net Margin (continuing ops)	18.9%	23.0%	24.5%	24.3%	24.4%	22.3%	23.9%	24.0%	24.1%
Tax rate	24.2%	20.9%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%
YoY % Change									
Net Sales	13.9%	13.1%	13.6%	9.7%	8.0%	8.2%	9.8%	8.3%	8.3%
Gross Profit	2.1%	19.9%	18.4%	14.7%	13.6%	8.1%	13.6%	8.7%	8.7%
Operating Profit	-11.8%	26.6%	23.0%	19.3%	19.0%	9.5%	17.8%	9.0%	9.0%
Pre-tax Profit	-12.7%	32.1%	23.5%	19.2%	16.6%	9.5%	17.2%	8.8%	8.7%
Net Income (continuing ops)	-13.5%	37.8%	19.0%	19.5%	13.7%	4.0%	14.1%	8.8%	8.7%
Adjusted EPS	-13.1%	38.9%	20.7%	22.4%	17.4%	7.5%	17.1%	12.5%	12.6%

Source: BofA Global Research estimates

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Price objective basis & risk

Monster Beverage Corporation (MNST)

Our \$65 price objective is based on 32.5x our 2025E EPS estimate. At 32.5x, we value MNST shares at a premium to both the large-cap beverage group trading and to other consumer staples growth companies. We believe the premium multiple is warranted, given its faster relative growth and favorable margin structure.

Downside risks: 1) maturing category that could be losing share, 2) limited impact from new product launches 3) slower than expected benefit from international expansion, 4) a rotation from defensive names back into value names 5) greater than expected impact from COVID-19 global headwinds 6) negative currency movements.

Analyst Certification

I, Peter T. Galbo, CFA, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

US - Consumables Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	BellRing Brands Inc	BRBR	BRBR US	Bryan D. Spillane
	Coca-Cola Europacific Partners plc	CCEP	CCEP US	Bryan D. Spillane
	Colgate-Palmolive Company	CL	CL US	Bryan D. Spillane
	Constellation Brands	STZ	STZ US	Bryan D. Spillane
	Coty Inc.	COTY	COTY US	Anna Lizzul
	e.l.f. Beauty	ELF	ELF US	Anna Lizzul
	Freshpet, Inc.	FRPT	FRPT US	Bryan D. Spillane
	Kenvue Inc.	KVUE	KVUE US	Anna Lizzul
	Keurig Dr Pepper	KDP	KDP US	Bryan D. Spillane
	Kraft Heinz Company	KHC	KHC US	Bryan D. Spillane
	Lamb Weston Holdings Inc	LW	LW US	Peter T. Galbo, CFA
	McCormick & Co.	MKC	MKC US	Peter T. Galbo, CFA
	Mondelez International	MDLZ	MDLZ US	Bryan D. Spillane
	Monster Beverage Corporation	MNST	MNST US	Peter T. Galbo, CFA
	PepsiCo	PEP	PEP US	Bryan D. Spillane
	Philip Morris International	PM	PM US	Lisa K. Lewandowski
	Pilgrim's Pride Corp.	PPC	PPC US	Peter T. Galbo, CFA
	The Coca Cola Company	KO	KO US	Bryan D. Spillane
	The Procter & Gamble Company	PG	PG US	Bryan D. Spillane
NEUTRAL				
	Altria Group	MO	MO US	Lisa K. Lewandowski
	Celsius Holdings Inc	CELH	CELH US	Jonathan Keypour
	Church & Dwight	CHD	CHD US	Anna Lizzul
	Clorox	CLX	CLX US	Anna Lizzul
	Conagra Brands, Inc.	CAG	CAG US	Peter T. Galbo, CFA
	Estee Lauder Companies Inc.	EL	EL US	Bryan D. Spillane
	General Mills	GIS	GIS US	Bryan D. Spillane
	JM Smucker Company	SJM	SJM US	Peter T. Galbo, CFA
	Kellanova	K	K US	Peter T. Galbo, CFA
	Molson Coors Beverage Company	TAP	TAP US	Bryan D. Spillane
	The Hershey Company	HSY	HSY US	Bryan D. Spillane
	The Vita Coco Company, Inc.	COCO	COCO US	Bryan D. Spillane
	Tyson Foods, Inc.	TSN	TSN US	Peter T. Galbo, CFA
	Utz Brands	UTZ	UTZ US	Peter T. Galbo, CFA
	WK Kellogg Co	KLG	KLG US	Peter T. Galbo, CFA
UNDERPERFORM				
	Brown-Forman Corporation	BFB	BF/B US	Bryan D. Spillane

US - Consumables Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
	Campbell Soup Company	CPB	CPB US	Peter T. Galbo, CFA
	Canopy Growth	YWEED	WEED CN	Lisa K. Lewandowski
	Canopy Growth	CGC	CGC US	Lisa K. Lewandowski
	Cronos Group	YCRON	CRON CN	Lisa K. Lewandowski
	Cronos Group	CRON	CRON US	Lisa K. Lewandowski
	Dole plc	DOLE	DOLE US	Bryan D. Spillane
	Herbalife Ltd	HLF	HLF US	Anna Lizzul
	Hormel Foods Corp.	HRL	HRL US	Peter T. Galbo, CFA
	Kimberly-Clark	KMB	KMB US	Anna Lizzul
	The Duckhorn Portfolio, Inc.	NAPA	NAPA US	Peter T. Galbo, CFA

iQmethodSM Measures Definitions**Business Performance**

Return On Capital Employed

Return On Equity
Operating Margin
Earnings Growth
Free Cash Flow

Quality of Earnings

Cash Realization Ratio
Asset Replacement Ratio
Tax Rate
Net Debt-To-Equity Ratio
Interest Cover

Valuation Toolkit

Price / Earnings Ratio
Price / Book Value
Dividend Yield
Free Cash Flow Yield
Enterprise Value / Sales

EV / EBITDA

Numerator

NOPAT = (EBIT + Interest Income) × (1 – Tax Rate) + Goodwill Amortization

Net Income
Operating Profit
Expected 5 Year CAGR From Latest Actual
Cash Flow From Operations – Total Capex

Numerator

Cash Flow From Operations
Capex
Tax Charge
Net Debt = Total Debt – Cash & Equivalents
EBIT

Numerator

Current Share Price
Current Share Price
Annualised Declared Cash Dividend
Cash Flow From Operations – Total Capex
EV = Current Share Price × Current Shares + Minority Equity + Net Debt +
Other LT Liabilities
Enterprise Value

Denominator

Total Assets – Current Liabilities + ST Debt + Accumulated Goodwill
Amortization
Shareholders' Equity
Sales
N/A
N/A

Denominator

Net Income
Depreciation
Pre-Tax Income
Total Equity
Interest Expense

Denominator

Diluted Earnings Per Share (Basis As Specified)
Shareholders' Equity / Current Basic Shares
Current Share Price
Market Cap = Current Share Price × Current Basic Shares
Sales

Basic EBIT + Depreciation + Amortization

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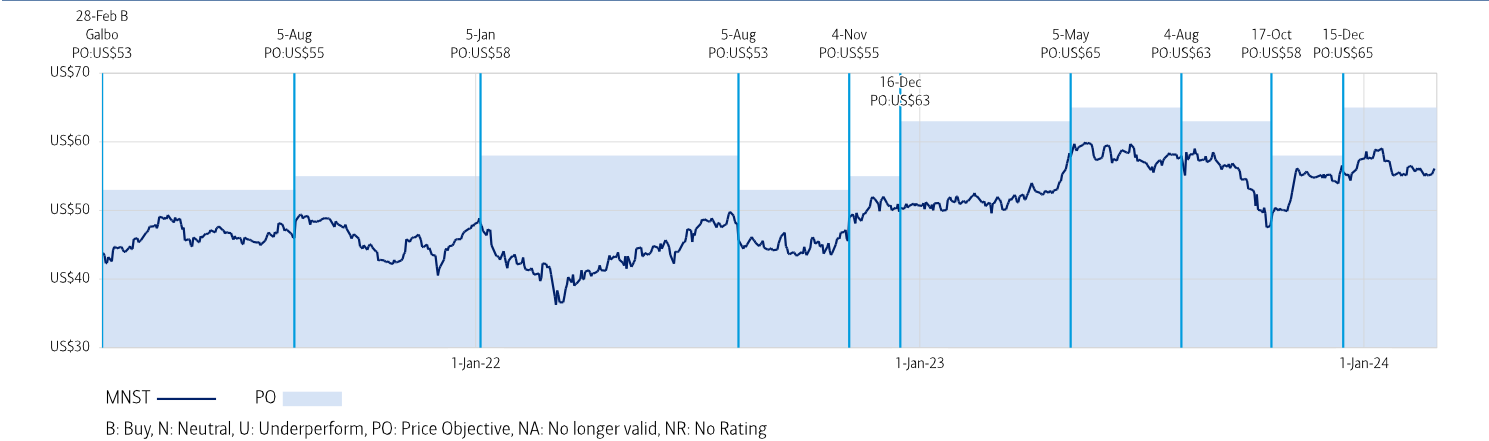
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Monster Beverage (MNST) Price Chart



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Equity Investment Rating Distribution: Food Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	33	49.25%	Buy	16	48.48%
Hold	17	25.37%	Hold	10	58.82%
Sell	17	25.37%	Sell	8	47.06%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R2} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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