

MONSTER BEVERAGE NDQ-MNST

RECENT PRICE **88.50** P/E RATIO **31.5** (Trailing: 33.9) (Median: 31.0) RELATIVE P/E RATIO **1.69** DIV'D YLD **Nil** VALUE LINE

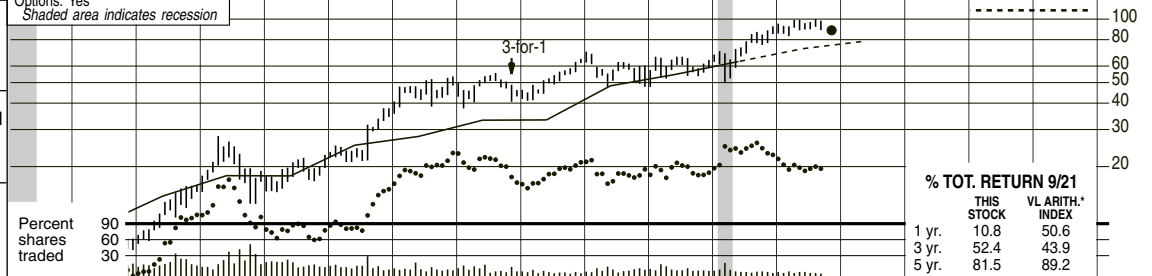
TIMELINESS 2 Raised 4/30/21
SAFETY 2 Raised 10/16/20
TECHNICAL 2 Raised 10/15/21
BETA .85 (1.00 = Market)

High: 9.1 16.4 28.0 22.8 37.8 53.5 55.5 64.8 70.2 66.4 92.5 99.9
 Low: 4.0 8.6 13.3 15.1 21.0 35.6 37.7 41.0 47.6 47.8 50.1 83.0

18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$79-\$155 \$117 (30%)

2024-26 PROJECTIONS
 Price Gain Ann'l Total
 High 145 (+65%) 13%
 Low 110 (+25%) 6%

Institutional Decisions
 4Q2020 1Q2021 2Q2021
 to Buy 354 354 350
 to Sell 298 322 322
 Hlds(000) 336120 333309 336209



| 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | © VALUE LINE PUB. LLC | 24-26 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--|--------|---------------------------------|--------|
| .66 | 1.12 | 1.62 | 1.91 | 2.16 | 2.44 | 3.26 | 4.14 | 4.49 | 4.90 | 4.47 | 5.38 | 5.41 | 7.00 | 7.83 | 8.71 | 10.10 | 11.10 | Sales per sh | 11.95 |
| .12 | .18 | .27 | .21 | .41 | .42 | .58 | .73 | .72 | 1.01 | 1.11 | 1.33 | 1.33 | 1.93 | 2.52 | 2.90 | 3.15 | 3.15 | "Cash Flow" per sh | 4.40 |
| .11 | .17 | .25 | .19 | .37 | .38 | .51 | .62 | .65 | .92 | 1.12 | 1.19 | 1.35 | 1.76 | 2.03 | 2.38 | 2.75 | 3.00 | Earnings per sh ^A | 4.25 |
| -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | Nil | Nil | Div'ds Decl'd per sh | Nil |
| -- | .01 | .01 | .01 | .04 | .02 | .05 | .09 | .08 | .06 | .18 | .13 | .11 | .19 | .09 | .15 | .20 | .20 | Cap'l Spending per sh | .30 |
| .24 | .42 | .76 | .81 | 1.11 | 1.55 | 1.87 | 1.30 | 1.98 | 3.01 | 7.90 | 5.88 | 6.25 | 6.64 | 7.77 | 9.77 | 10.00 | 10.95 | Book Value per sh ^C | 17.60 |
| 532.65 | 540.35 | 559.15 | 541.97 | 528.95 | 533.88 | 522.83 | 497.33 | 500.47 | 503.17 | 608.70 | 566.57 | 623.20 | 543.68 | 536.70 | 528.10 | 525.00 | 520.00 | Common Shs Outst'g ^B | 500.00 |
| 16.3 | 33.5 | 28.9 | 28.6 | 15.8 | 19.3 | 24.4 | 31.8 | 28.8 | 29.1 | 40.5 | 40.1 | 38.2 | 32.8 | 29.2 | 30.7 | Bold figures are Value Line estimates | | Avg Ann'l P/E Ratio | 30.0 |
| .87 | 1.81 | 1.53 | 1.72 | 1.05 | 1.23 | 1.53 | 2.02 | 1.62 | 1.53 | 2.04 | 2.10 | 1.92 | 1.77 | 1.56 | 1.59 | -- | -- | Relative P/E Ratio | 1.65 |
| -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | Avg Ann'l Div'd Yield | Nil |

CAPITAL STRUCTURE as of 6/30/21
 Total Debt None
 Leases, Uncapitalized: Annual rentals \$9.4 mill.

No Defined Benefit Pension Plan
 Common Stock 528,885,811 shs as of 7/30/21

MARKET CAP: \$46.8 billion (Large Cap)

| CURRENT POSITION | 2019 | 2020 | 6/30/21 |
|------------------|--------|--------|---------|
| Cash Assets | 1331.0 | 2061.7 | 2553.2 |
| Receivables | 540.3 | 666.0 | 909.1 |
| Inventory (FIFO) | 360.7 | 333.0 | 382.9 |
| Other | 84.3 | 80.2 | 105.4 |
| Current Assets | 2316.3 | 3140.9 | 3950.6 |
| Accts Payable | 274.0 | 296.8 | 363.0 |
| Debt Due | -- | -- | -- |
| Other | 387.0 | 453.1 | 454.8 |
| Current Liab. | 661.0 | 749.9 | 887.5 |

| ANNUAL RATES of change (per sh) | Past 10 Yrs. | Past 5 Yrs. | Est'd '18-'20 to '24-'26 |
|---------------------------------|--------------|-------------|--------------------------|
| Sales | 13.5% | 11.0% | 7.0% |
| "Cash Flow" | 20.5% | 18.5% | 11.0% |
| Earnings | 21.0% | 18.0% | 11.5% |
| Dividends | -- | -- | Nil |
| Book Value | 21.5% | 13.5% | 14.0% |

| Cal-endar | QUARTERLY SALES (\$ mill.) | | | | Full Year |
|-----------|----------------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 2018 | 851.0 | 1015.9 | 1016.1 | 924.2 | 3807.2 |
| 2019 | 946.0 | 1104.0 | 1133.6 | 1017.2 | 4200.8 |
| 2020 | 1062.1 | 1093.8 | 1246.4 | 1196.3 | 4598.6 |
| 2021 | 1243.8 | 1462.0 | 1350 | 1244.2 | 5300 |
| 2022 | 1350 | 1550 | 1575 | 1300 | 5775 |

| Cal-endar | EARNINGS PER SHARE ^A | | | | Full Year |
|-----------|---------------------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 2018 | .38 | .48 | .48 | .43 | 1.76 |
| 2019 | .48 | .53 | .55 | .47 | 2.03 |
| 2020 | .52 | .59 | .65 | .62 | 2.38 |
| 2021 | .59 | .75 | .75 | .66 | 2.75 |
| 2022 | .65 | .85 | .80 | .70 | 3.00 |

| Cal-endar | QUARTERLY DIVIDENDS PAID | | | | Full Year |
|-----------|--------------------------|--------|--------|--------|-----------|
| | Mar.31 | Jun.30 | Sep.30 | Dec.31 | |
| 2017 | | | | | |
| 2018 | | | | | |
| 2019 | | | | | |
| 2020 | | | | | |
| 2021 | | | | | |

NO CASH DIVIDENDS BEING PAID

Monster Beverage is poised to do well in the near term. During the first six months of 2021, the energy drink beverage manufacturer's financial results beat expectations and outperformed many of its industry peers. Demand should continue to accelerate throughout the remainder of 2021 and into 2022. Indeed, near-term catalysts (more below) ought to drive roughly 15.5% sales and earnings growth as the company's operations continue to improve following 2020's COVID-19 challenges. Top- and bottom-line momentum may temper to 9% next year.

There are bright spots that support the company's expansion agenda. First, although the Delta variant of COVID-19 remains a concern, state reopenings have expanded consumption channels. Indeed, foot traffic in convenience stores and gas stations ought to continue to improve as individuals venture out. Also, brand-building efforts are a priority, and Monster continues to expand its presence in retail channels through advertising and promotional activities. Furthermore, international launches have been going well as the company seeks to

penetrate foreign lands, including Europe and Latin America through its distribution partnership with The Coca-Cola Company. Moreover, product innovation is a solid growth outlet, in our view, and research endeavors continue to add to Monster's already deep portfolio of energy drinks.

There are ongoing challenges that could impact near-term operations. First, an aluminum can shortage has already impacted Monster's ability to fulfill customer orders. This is currently an industry challenge, with no clear resolution on the near-term horizon. Also, management has cited a rise in certain manufacturing ingredients as a factor behind the implementation of higher pricing initiatives. If these challenges persist, this could well dampen top- and bottom-line prospects.

These shares remain a timely selection for year-ahead relative price performance (Timeliness: 2). Also, long-term investors should consider MNST stock since capital appreciation potential over the 2024-2026 time frame is above average.

products through retail chains, club stores, and specialty stores. Has 3,666 employees. Officers & directors own about 10.4% of comm. shares, The Coca-Cola Company, 19.3%. (4/21 Proxy). 2020 depreciation rate: 2.5%. Chairman & CEO: Rodney C. Sacks. Inc.: DE. Addr.: 1 Monster Way, Corona, California 92879. Telephone: 951-739-6200. Internet: www.monsterbevcorp.com.

Nira Maharaj
 October 15, 2021

(A) Fully diluted earnings. Excludes non-recurring gains and (losses): '15, (\$0.53); '17, \$0.07; '20, \$0.26. May not sum due to rounding. Next earnings report due early November.
 (B) In millions, adjusted for stock splits.
 (C) Includes intangibles. In '20: \$2,390.6 million, \$4.52 share.

| | |
|------------------------------|----|
| Company's Financial Strength | A+ |
| Stock's Price Stability | 90 |
| Price Growth Persistence | 90 |
| Earnings Predictability | 95 |