

Rating
BUY

Company
Celsius Holding, Inc.



Analyst
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Equity Analyst



UASBIG Sector
Consumer Staples
Nonalcoholic Beverages

Exchange Ticker
NASDAQ: CELH

Buy Date
2/23/2024

Market Value
\$64.10

Price Target
\$78.61

Celsius Holdings (CELH) is the fastest-growing functional beverage company in the United States. Uniquely positioned at the intersection of the health and wellness boom and the \$70 billion global energy drink market, Celsius develops, formulates and, markets beverages with a focus on clean ingredients and clinically supported benefits. With 96% of revenue still coming from the U.S., Celsius has achieved breakout success with minimal international exposure. While valuation sits at 11x sales—compared to Monster’s 8x—Celsius is growing revenue at over 100% year over year and maintains a pristine balance sheet with \$800 million in cash and zero debt. Backed by a strategic partnership with PepsiCo and anchored by a distinctive brand identity, CELH is well-positioned to become a global category leader.

Celsius sets itself apart in a crowded energy drink space through science-backed functional positioning. The company’s proprietary MetaPlus® blend—green tea extract, ginger, guarana, and seven essential vitamins—has been clinically shown to boost metabolism and burn fat. Unlike legacy brands like Red Bull and Monster, Celsius targets a health-conscious, performance-oriented consumer base that values clean labels and zero sugar. This differentiation has propelled Celsius to the number one energy drink on Amazon and a 10.5% share in U.S. convenience stores—more than doubling its position from the prior year.

The 2022 PepsiCo agreement has been transformational. Pepsi now serves as Celsius’ exclusive distributor in the U.S. and holds an 8.5% equity stake following a \$550 million investment. The deal allowed Celsius to consolidate its fragmented distribution network—previously over 300 partners—into one streamlined system, significantly improving operational efficiency. More critically, Pepsi provides unmatched access to new retail and institutional channels, including college campuses, military bases, restaurants, and foodservice. With distribution capabilities in over 200 countries and territories, Pepsi also unlocks the infrastructure for global expansion—a key pillar in Celsius’ long-term growth strategy.

Despite its domestic success, Celsius remains largely untapped internationally, with only 4% of revenue generated outside the U.S., compared to Monster’s 37%. That’s starting to change. Celsius launched in Canada in early 2024 and signed distribution deals in the U.K. and Ireland, with further expansion planned in Europe and Asia. Its Ferrari F1 sponsorship enhances brand visibility in key international markets and supports this global push.

CELH trades at a premium valuation and is priced for near-perfect execution. Delays or missteps—particularly in international rollouts—could compress the multiple. The company also has a relatively narrow product line, exposing it to concentration risk, and may eventually need to expand into adjacent categories. The PepsiCo partnership, while strategic, introduces dependence on a much larger entity. Competition from Monster and Red Bull remains intense, especially as they pivot toward lower-sugar, health-forward offerings.

Celsius is one of the rare consumer brands with real science, strong identity, and explosive momentum. The energy drink market is expected to grow 9% annually over the next five years, and health-conscious beverages are projected to reach a \$1.5 trillion market by 2025. Celsius is aligned with both trends and has the infrastructure and execution to scale globally. With a differentiated product, loyal customers, global distribution, and a massive addressable market, the upside is clear—now it’s up to management to execute.

Key Data

Market Capitalization	\$15.36B
Price Target	\$78.61
52 Week Range	\$26.75 – \$68.95
Upside	21.42%
Beta	1.39

Valuation Summary

Historical	\$116.02
Discounted Cash Flow	\$44.28
Comparable	\$52.72
Precedent Transactions	\$107.17

Operating Items (\$B)

	2023E	2024E	2025E	2026E
SALES	\$1.33	\$1.97	\$2.69	\$4.43
YOY	103%	49%	36%	65%
EBITDA	\$0.28	\$0.46	\$0.59	\$0.95
YOY	-280%	63%	28%	62%
NET INCOME	\$0.19	\$0.32	\$0.43	\$0.73

Revenue by Region (\$B)

	2022A	2023E	2024E	2025E
N.A.	\$0.68	\$1.27	\$1.89	\$2.48
EUROPE	\$0.03	\$0.05	\$0.07	\$0.19
ASIA	\$0.00	\$0.00	\$0.00	\$0.01

Earnings Estimates

	2023E	2024E	2025E	2026E
FY	\$0.81	\$1.36	\$1.82	\$3.09
Q1	\$0.15	\$0.22	\$0.40	\$0.55
Q2	\$0.17	\$0.33	\$0.62	\$0.78
Q3	\$0.30	\$0.42	\$0.46	\$1.04
Q4	\$0.19	\$0.38	\$0.35	\$0.73

