

## Monster Beverage Corp. (MNST)

**\$74.85** (Stock Price as of 12/15/2025)

Price Target (6-12 Months): **\$85.00**

Long Term: 6-12 Months

**Zacks Recommendation:**

**Outperform**

(Since: 11/12/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**1-Strong Buy**

Zacks Style Scores:

VGM: D

Value: F

Growth: B

Momentum: D

### Summary

Monster Beverage's shares outpaced the industry in the past three months. The company continues to benefit from the expansion of the energy drinks market and product launches, reinforcing its category strength. MNST continues to benefit from constant growth in the global energy drink market, backed by strong demand across convenience stores and other key retail channels. In third-quarter 2025, the Monster Energy Drinks segment's sales grew 16% on a currency-adjusted basis. Improving margins, supported by easing supply-chain pressures and lower costs, have contributed to its financial stability. However, MNST has been witnessing sluggishness in its Alcohol Brands segment, as sales plunged 17% in third-quarter 2025 due to lower volumes and the segment's struggle to scale compared with the company's core energy drink portfolio.

### Data Overview

52 Week High-Low	<b>\$76.28 - \$45.70</b>
20 Day Average Volume (sh)	<b>4,930,774</b>
Market Cap	<b>\$72.3 B</b>
YTD Price Change	<b>40.7%</b>
Beta	<b>0.48</b>
Dividend / Div Yld	<b>\$0.00 / 0.0%</b>
Industry	<b><a href="#">Beverages - Soft drinks</a></b>
Zacks Industry Rank	<b>Bottom 32% (165 out of 243)</b>

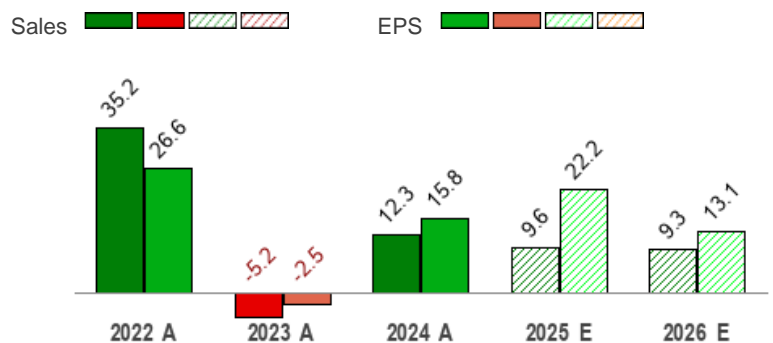
Last EPS Surprise	<b>16.7%</b>
Last Sales Surprise	<b>4.1%</b>
EPS F1 Est- 4 week change	<b>0.0%</b>
Expected Report Date	<b>02/26/2026</b>
Earnings ESP	<b>0.0%</b>

P/E TTM	<b>38.3</b>
P/E F1	<b>47.4</b>
PEG F1	<b>3.6</b>
P/S TTM	<b>9.1</b>

### Price, Consensus & Surprise<sup>(1)</sup>



### Sales and EPS Growth Rates (Y/Y %)<sup>(1)</sup>



### Sales Estimates (millions of \$)<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026					8,971 E
2025	1,855 A	2,112 A	2,197 A		8,200 E
2024	1,899 A	1,901 A	1,881 A	1,812 A	7,493 A

### EPS Estimates<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2026					2.08 E
2025	0.47 A	0.52 A	0.56 A	0.60 E	1.97 E
2024	0.42 A	0.41 A	0.40 A	0.38 A	1.62 A

\*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/15/2025.

(2) The report's text and the price target are as of 12/11/2025.

## Overview

Monster Beverage Corporation, headquartered in Corona, CA, is a marketer and distributor of energy drinks and alternative beverages. Incorporated in 1990 in Delaware, Monster Beverage was previously known as Hansen Natural Corporation. In 1992, the company acquired the Hansen Beverage business.

On Jun 12, 2015, Monster Beverage closed a deal with The Coca-Cola Company (TCCC). Per this long-term strategic deal, Coca-Cola acquired an approximate 16.7% equity stake in Monster Beverage. Coca Cola also transferred ownership of global energy drinks business, which includes brands like NOS, Full Throttle, to Monster Beverage. In exchange, Monster Beverage transferred non-energy business to TCCC.

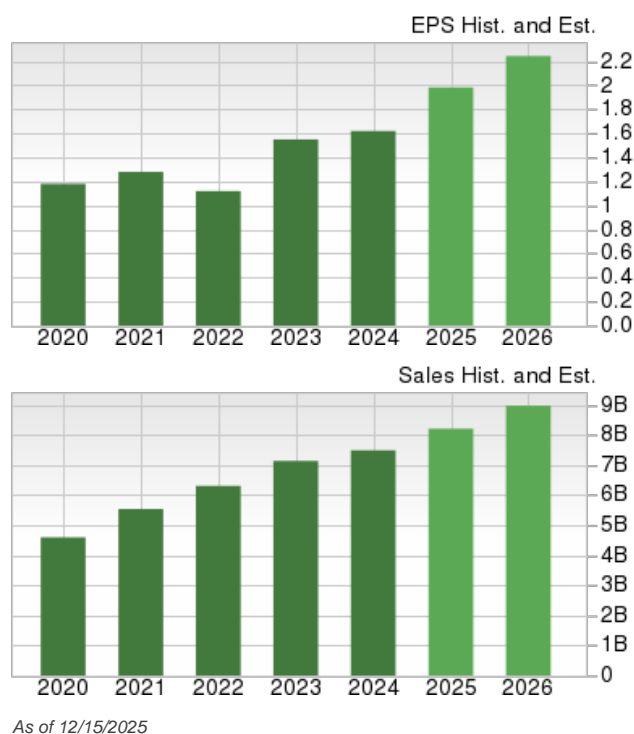
Monster Beverage reports results under the following operating segments:

**Monster Energy Drinks (91.7% of net sales in third quarter):** Monster Energy Drinks Segment includes the former Direct Store Delivery segments, excluding Peach Tea brand. This segment comprises mostly Monster Energy brand products.

**Strategic Brands (6.2%):** The Strategic Brands segment includes brands acquired from the "TCCC Transaction". Monster Beverage observes the same business model with acquired brands as their previous owner.

**Alcohol Brands (1.8%):** Alcohol Brands segment includes various craft beers and hard seltzers purchased as part of its acquisition of CANarchy Craft Brewery Collective LLC on Feb 17, 2022 as well as The Beast Unleashed. It also sells kegged and ready-to-drink canned beers, hard seltzers and FMBs, primarily to beer distributors in the United States.

**Other (0.3%):** The Other segment includes the former warehouse segment and the Peach Tea brand. The segment also includes products acquired from the AFF Transaction that are sold to independent third-parties. On Apr 1, 2016, the company acquired the concentrate and flavor business of American Fruits and Flavors (AFF).



## Reasons To Buy:

▲ **Sturdy Energy Drinks Category:** Monster Beverage has been experiencing continued strength in its energy drinks category, which is driving performance. The company offers a wide range of energy drink brands such as Monster Energy, Monster Energy Ultra, Monster Rehab, Monster Energy Nitro, Java Monster, Punch Monster, Juice Monster, Monster Super Fuel, Monster Dragon Tea, Reign Total Body Fuel, Reign Inferno Thermogenic Fuel, Reign Storm, True North, NOS, Full Throttle, Burn, Mother, Nalu, Ultra Energy, Play, Power Play (stylized), Relentless, BPM, BU, Gladiator, Samurai, Live+, Predator and Fury.

Monster Beverage reached a milestone in third-quarter 2025 by reporting \$2.03 billion in quarterly net sales. This reflected 17.7% year-over-year growth, with the domestic and international markets contributing to the momentum. In third-quarter 2025, the Monster Energy Drinks segment's net sales grew 16% year over year on a currency-adjusted basis. Per Nielsen, in the United States, for the reported 13-week period through Oct. 25, 2025, sales in dollars in the energy drink category comprising energy shots, for the entire outlets combined, with convenience, grocery, drug and mass merchandisers, jumped 12.2% year over year. Per the Nielsen reports for the 13 weeks ended Sept. 27, 2025, in the United States, the Monster Energy Ultra Family rose 29% year over year, backed by its flagship White Zero Ultra and solid repeat purchases of early innovations, comprising Ultra Blue Hawaiian and Ultra Vice Guava. Shares of the company have gained 14.1% in the past three months versus the industry's 5.6% rise.

▲ **Solid Margin Expansion:** Monster Beverage is experiencing strong margin growth, primarily driven by lower input costs, pricing actions and supply-chain optimization. The gross margin expanded 250 basis points (bps) year over year to 55.7%, buoyed by pricing, supply-chain optimization and product sales mix, partly offset by geographical sales mix, elevated aluminum can costs and increased promotional allowances. Adjusted operating income jumped 35.6% to \$705.8 million.

Management has been reviewing opportunities for price increases both domestically and internationally. In the United States, the company made a roughly 5% price increase on its core brands and packages, effective Nov. 1, 2024. The company is also continuing to monitor opportunities for further pricing actions in its international markets.

▲ **Other Strengths:** Monster Beverage has been benefiting from the expansion of the energy drinks category and product launches. The company has seen growth opportunities in household penetration and per capita consumption, and robust demand for energy drinks. MNST's pricing strategy includes consumer purchasing behavior, brand momentum, channel and package mix. It will continue to expand sales in non-Nielsen tracked channels. As measured by scanner data, the global consumer demand has been strong in the energy drink category. MNST has been investing in its supply chain to offer better service to customers and improve its cost structure.

Within EMEA, the company is experiencing continued growth of Predator Fury in Egypt, Kenya and Nigeria, while on track with the rollout of Predator in Morocco. Innovation continues to drive performance in the region, specifically Monster Energy Lando Norris Zero Sugar, which is currently available in 27 EMEA markets. This has been the company's highly successful product launch in EMEA. In the reported quarter, it has launched Monster Energy Valentino Rossi Zero Sugar across 12 markets and Monster Ultra Vice Guava in Australia, with both products showing impressive results initially. Net sales in the US and Canada in the third quarter jumped 11.6% year over year in dollars, thanks to the solid execution across channels, momentum from innovations, strength of the Monster Energy Ultra family and robust contribution from the Juice Monster family. Per the Nielsen reports for the 13 weeks ended Sept. 27, 2025, in the United States, the Monster Energy Ultra Family rose 29% year over year, backed by its flagship White Zero Ultra and solid repeat purchases of early innovations, comprising Ultra Blue Hawaiian and Ultra Vice Guava.

▲ **Product Innovations & Launches:** Product innovation remains a core growth driver for Monster Beverage. The company continues to invest heavily in new launches to strengthen its global footprint. In third-quarter 2025, Monster Beverage rolled out several high-profile innovations, with a solid innovation pipeline planned for 2026. Building on the success of its \$1 billion Ultra brand, Monster Beverage also introduced a new visual identity and merchandising strategy with dedicated Zero Sugar coolers, supported by a viral social media campaign around its flagship Zero Ultra drink.

The company is in the process of launching numerous SKUs at retail to take it through 2025. These include Monster Energy Ultra Wild Passion, Juice Monster Bad Apple, Monster Electric Blue, Monster Orange Dreamsicle, and in some markets, Monster Energy Lando Norris Zero Sugar. Its innovation is backed by upgraded analytics for SKU flow, display optimization and cooler resets. In addition, the company has refined its merchandising strategy to focus on high-impact placements across the convenience, mass and grocery channels. In January, MNST plans launching Monster Energy Strawberry Shot in 16-ounce cans in full and zero sugar offerings, while in February, it expects rolling out Juice Monster Voodoo Grape, Reign, Watermelon Sour Gummy and Bang Lime Pop Drop. It will also introduce Monster Energy Lando Norris Zero Sugar on a nationwide basis. Late in the first quarter, it plans to launch FLRT in few channels. FLRT is a female-focused brand with four initial flavors, Strawberry Fling, Guava Lava, Berry Tempting and Sunset Squeeze, with Zero Sugar and ingredients appealing to the targeted audience. It intends launching Monster Energy Ultra Punk Punch in March. In April, MNST intends to introduce Full Throttle Red Apple and NOS Grand Prix Guava. It will roll out Storm Energy in second-quarter 2026 in the Wellness Zero Sugar energy drink division.

Monster Beverage's energy drink category appears encouraging. Lower input cost, operational efficiencies and product innovation are driving the company's overall performance.

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## Risks<sup>(2)</sup>

- **Valuation Looks Stretched:** Considering the price-to-earnings (P/E) ratio, Monster Beverage looks pretty overvalued compared with the industry and the S&P 500. The stock has a trailing 12-month P/E ratio of 33.12, above the median level of 30.73 but below the high level of 33.82 scaled in the past year. On the contrary, the trailing 12-month P/E ratio is 18.09 for the industry and 23.74 for the S&P 500. Given these factors, we believe that the stock is quite stretched from the P/E aspect.
- **Rising Operating Expenses and Other Costs:** While Monster Beverage posted record sales and margin expansion in third-quarter 2025, it also faced a notable rise in operating expenses. Adjusted operating expenses climbed 7.5% from the year-ago quarter to \$510.4 million. The cost of sales was \$972.7 million, up 10.4% year over year. Selling expenses inched up 9.4% to \$214.6 million. General and administrative expenses for the third quarter were \$251.9 million, up 4.5% from the year-ago quarter. This trend suggests that while Monster Beverage's top-line momentum remains strong, managing overheads will be important to sustaining profitability.
- **Impacts of Alcohol Brands Segment:** Monster Beverage's third-quarter 2025 results were weighed down by continued softness in the Alcohol Brands segment, where net sales declined 17% year over year to \$33 million. The decline reflects lower volumes and the segment's ongoing struggle to scale meaningfully compared to the company's core energy drink portfolio.
- **Macroeconomic & Other Headwinds:** Sluggishness in the global economy, along with macroeconomic headwinds such as a rise in fuel and energy costs, unemployment levels and high household debts, may negatively affect the discretionary spending of consumers, and consequently hamper the company's growth and profitability. Also, inflationary pressures are concerning.

Management highlighted that the tariff backdrop is complicated and dynamic. The company will recognize tariffs on aluminum via the higher Midwest premium; however, it has been reviewing mitigation actions across its business.

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## Last Earnings Report

### Monster Beverage Q3 Earnings Beat Estimates

Monster Beverage delivered solid third-quarter 2025 earnings, wherein the bottom and top lines beat the Zacks Consensus Estimate and increased year over year.

Monster Beverage's adjusted earnings of 56 cents per share beat the Zacks Consensus Estimate of 48 cents and increased 36.6% year over year. Net sales of \$2.20 billion came above the Zacks Consensus Estimate of \$2.11 billion. The top line increased 16.8% year over year. Net changes in foreign currency exchange rates had a positive impact of \$31.8 million on net sales in the reported quarter. Net sales on a foreign-currency adjusted basis rose 15.1%. Excluding the Alcohol Brands segment, net sales, on a foreign-currency adjusted basis, rose 15.8% in the third quarter.

**FY Quarter Ending** **12/31/2024**

Earnings Reporting Date	Nov 06, 2025
Sales Surprise	4.10%
EPS Surprise	16.67%
Quarterly EPS	0.56
Annual EPS (TTM)	1.93

### A Peek Into MNST's Q3 Performance

In Europe, the Middle East and Africa (EMEA), net sales increased 30.3%, while in Asia-Pacific (APAC), sales rose 28.7%. Sales in Latin America, including Mexico and the Caribbean, jumped 9.3%. Per Nielsen, in the United States, for the reported 13-week period through Oct. 25, 2025, sales in dollars in the energy drink category comprising energy shots, for the entire outlets combined, with convenience, grocery, drug and mass merchandisers, jumped 12.2% year over year.

Net sales in the US and Canada in the third quarter jumped 11.6% year over year in dollars, thanks to the solid execution across channels, momentum from innovations, strength of the Monster Energy Ultra family and robust contribution from the Juice Monster family. Per the Nielsen reports for the 13 weeks ended Sept. 27, 2025, in the United States, the Monster Energy Ultra Family rose 29% year over year, backed by its flagship White Zero Ultra and solid repeat purchases of early innovations, comprising Ultra Blue Hawaiian and Ultra Vice Guava.

Net sales to customers outside the United States climbed 23.3% to \$937.1 million, representing about 43% of the total net sales. On a currency-adjusted basis, sales to customers outside the United States jumped 19.1% to \$905.3 million.

### Insights Into MNST's Segmental Performance

**Monster Energy Drinks:** Sales of this segment, which includes Monster Energy drinks, Reign Total Body Fuel high-performance energy drinks, Reign Storm total wellness energy drinks and Bang Energy drinks, jumped 17.7% to \$2.03 billion. The segment's sales included a negative impact of \$4.8 million from adverse currency rates. On a currency-adjusted basis, net sales for the segment rose 16%.

**Strategic Brands:** The segment includes a range of energy drink brands acquired from Coca-Cola, as well as the company's affordable energy brands, Predator and Fury. The segment's net sales jumped 15.9% year over year to \$130.5 million. Currency headwinds hurt sales by \$0.2 million. On a currency-adjusted basis, net sales for the segment increased 13.2%.

**Alcohol Brands:** Net sales for the segment, which includes several craft beers, flavored malt beverages and hard seltzers, dropped 17% year over year to \$33 million.

**Other:** Net sales for the segment, which includes some products of American Fruits & Flavors, LLC, sold to independent third parties (AFF Third-Party Products), increased 14.4% year over year to \$6.8 million.

### MNST's Costs & Margins

The cost of sales was \$972.7 million, up 10.4% year over year. The company's gross margin expanded 250 basis points (bps) year over year to 55.7%, buoyed by pricing, supply-chain optimization and product sales mix, partly offset by geographical sales mix, elevated aluminum can costs and increased promotional allowances.

Adjusted operating expenses increased 7.5% to \$510.4 million, while the metric, as a percentage of net sales, was 23.6%, declining 160 bps from the year-earlier quarter. Distribution expenses dipped 0.1% to \$82.6 million and, as a percentage of net sales, contracted 60 bps to 3.8%.

Selling expenses inched up 9.4% to \$214.6 million, but fell 60 bps to 9.8% as a percentage of net sales. General and administrative expenses for the third quarter were \$251.9 million, up 4.5% from the year-ago quarter.

Adjusted operating income jumped 35.6% to \$705.8 million.

### MNST's Financial Health

The company ended third-quarter 2025 with cash and cash equivalents of \$2.29 billion and total stockholders' equity of \$7.75 billion.

During the reported quarter, the company did not repurchase any shares under its current share repurchase program. As of Nov. 5, 2025, roughly \$500 million was available for buyback under its existing share repurchase program.

## Valuation

Monster Beverages' shares are up 15.9% in the six-month period and nearly 40% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 0.1% but the Zacks Consumer staples sector are down 4.8%, in the six-month period. Over the past year, the Zacks sub-industry is up 4.5% but the sector is down 7.6%.

The S&P 500 index is up 16.7% in the six-month period and 16.1% in the past year.

The stock is currently trading at 33.21X forward 12-month earnings, which compares to 18.22X for the Zacks sub-industry, 16.72X for the Zacks sector and 23.61X for the S&P 500 index.

Over the past five years, the stock has traded as high as 44.73X and as low as 23.63X, with a 5-year median of 31.73X. Our Outperform recommendation indicates that the stock will perform better than the market. Our \$85 price target reflects 34.85X forward 12-month earnings.

The table below shows summary valuation data for MNST

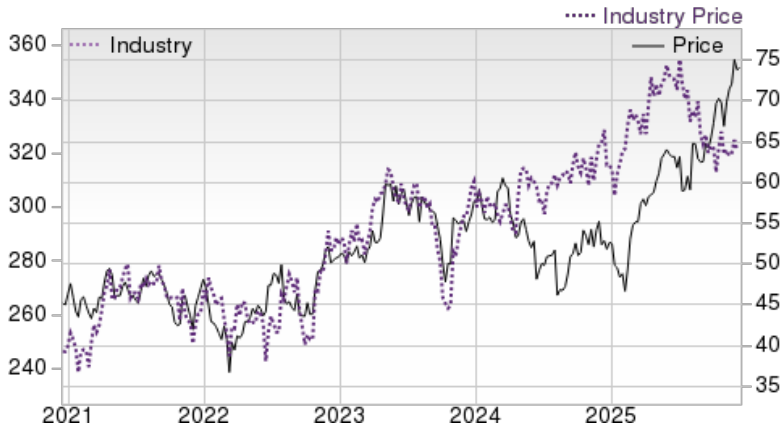
Valuation Multiples - MNST					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	33.21	18.22	16.72	23.61
	5-Year High	44.73	23.76	20.3	23.78
	5-Year Low	23.63	17.2	16.4	15.73
	5-Year Median	31.73	20.44	18.17	21.21
P/S F12M	Current	8.08	4.49	8.13	5.35
	5-Year High	9.78	5.08	10.8	5.52
	5-Year Low	5.58	3.87	6.49	3.84
	5-Year Median	7.41	4.62	8.88	5.04
EV/EBITDA TTM	Current	27.42	20.12	36.48	20.16
	5-Year High	34.43	24.13	44.86	24.43
	5-Year Low	19.1	17.73	33.13	13.96
	5-Year Median	26.85	20.46	39.7	16.25

As of 12/10/2025



## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 32% (165 out of 243)

## Top Peers<sup>(1)</sup>



Company (Ticker)	Rec	Rank
Vita Coco Company, I... (COCO)	Outperform	1
Coca-Cola HBC (CCHGY)	Neutral	4
Keurig Dr Pepper, In... (KDP)	Neutral	3
CocaCola Company (Th... (KO)	Neutral	3
PepsiCo, Inc. (PEP)	Neutral	3
Zevia PBC (ZVIA)	Neutral	3
Embotelladora Andina... (AKO.B)	Underperform	4
Primo Brands Corpora... (PRMB)	Underperform	5

## Industry Comparison<sup>(1)</sup> Industry: Beverages - Soft Drinks

	MNST	X Industry	S&P 500	KDP	KO	PEP
Zacks Recommendation (Long Term)	Outperform	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	1	-	-	3	3	3
VGM Score	D	-	-	F	F	C
Market Cap	72.27 B	3.17 B	39.38 B	40.09 B	303.35 B	205.99 B
# of Analysts	8	2	22	7	9	8
Dividend Yield	0.00%	0.00%	1.41%	3.12%	2.89%	3.78%
Value Score	F	-	-	C	F	C
Cash/Price	0.04	0.07	0.04	0.01	0.05	0.04
EV/EBITDA	33.67	10.36	14.60	14.39	20.91	14.47
PEG Ratio	3.55	2.23	2.23	1.90	3.92	5.21
Price/Book (P/B)	9.33	5.13	3.35	1.58	9.12	10.54
Price/Cash Flow (P/CF)	41.77	14.79	15.20	10.90	22.44	13.72
P/E (F1)	47.22	17.70	19.78	14.43	23.64	18.58
Price/Sales (P/S)	9.06	2.12	3.06	2.48	6.36	2.23
Earnings Yield	2.68%	4.61%	4.99%	6.95%	4.23%	5.38%
Debt/Equity	0.00	0.09	0.57	0.53	1.30	2.26
Cash Flow (\$/share)	1.77	1.28	8.99	2.71	3.14	10.98
Growth Score	B	-	-	F	F	C
Hist. EPS Growth (3-5 yrs)	9.93%	15.82%	8.16%	7.46%	8.04%	8.48%
Proj. EPS Growth (F1/F0)	-2.47%	7.03%	8.57%	6.77%	3.47%	-0.61%
Curr. Cash Flow Growth	0.69%	6.53%	6.75%	13.37%	5.86%	7.19%
Hist. Cash Flow Growth (3-5 yrs)	8.07%	8.07%	7.43%	9.01%	5.28%	7.24%
Current Ratio	3.19	1.31	1.19	0.62	1.21	0.91
Debt/Capital	0.00%	7.33%	38.01%	34.82%	56.48%	69.30%
Net Margin	21.65%	7.82%	12.78%	9.78%	27.34%	7.82%
Return on Equity	27.76%	12.52%	17.00%	11.19%	43.63%	57.58%
Sales/Assets	0.93	1.18	0.53	0.30	0.46	0.89
Proj. Sales Growth (F1/F0)	-5.20%	6.94%	5.77%	7.40%	2.70%	1.80%
Momentum Score	D	-	-	D	A	A
Daily Price Chg	2.04%	0.49%	-1.07%	0.14%	2.04%	1.08%
1 Week Price Chg	0.31%	0.08%	-0.63%	2.86%	0.74%	3.88%
4 Week Price Chg	3.73%	3.10%	1.39%	8.77%	-0.90%	3.29%
12 Week Price Chg	15.34%	3.15%	2.45%	8.85%	6.16%	6.27%
52 Week Price Chg	40.20%	15.14%	12.83%	-12.04%	11.72%	-4.63%
20 Day Average Volume	4,930,774	398,495	2,728,366	14,509,451	17,174,134	7,538,731
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.00%	0.04%	0.04%
(F1) EPS Est 12 week change	4.10%	0.10%	0.69%	-0.03%	0.23%	1.07%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%

## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

## Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

## Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

## Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	<b>F</b>
Growth Score	<b>B</b>
Momentum Score	<b>D</b>
VGM Score	<b>D</b>

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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