

Monster Beverage (MNST)

Price:	\$49.84
Market Cap:	\$8,541,080,800
Cash:	\$590,710,000
Debt:	\$0
Net Cash:	\$590,710,000
Enterprise Value:	\$7,950,370,800
Target Market Cap:	\$4,752,481,713
Target Enterprise Value:	\$4,161,771,713

Price/Book:	6.65
EV/FCF:	26.23
Net Tang. Asset/Share:	\$5.09
Avg. Year 1-5 FCF/Share:	\$2.24
5 Years of FCF:	\$11.22
Net Tang. Asset+5 FCF:	\$16.31

Net Tang. Asset Yr. 5/Share:	\$16.51
Avg. Year FCF/Share:	\$2.24
Year 5 Disposition FCF Multiple:	5.0
Year 5 Disposition Price:	\$27.73
Gain Year 5:	\$11.43

Net Tang. Asset+5 FCF+ Gain Disposition:	\$27.73
IRR:	-11.06%

Assumed Deal Details

Debt	60.00%	\$5,124,648,480
Equity	40.00%	\$3,416,432,320
Shares Outstanding		171,370,000

Levered Return

New market cap in 5 years	\$4,752,481,713
Nominal Gain for Equity	-\$3,788,599,087
Levered Equity Return	-164.18%

Great fundamentals, but the co. is too pricey. (6x P/B, +20x EV/FCF) Great margins (50% GM, 15% NI), 10%+ annual growth during the Great Recession (economy proof).

The co. doesn't own the bottling sites. They outsource to 3rd parties and have monthly basis contracts, without a minimum order covenant. They own the recipe for the drinks and 91% of sales derived from energy drink, namely Monster. It tastes different than Red Bull. Monster is larger, looks cooler, and has a kick from the carbonation.

I love Monster, and loved it as a college student. My friend was addicted to it, having to drink 2-3 a day during finals period. It is addicting and we worry about the health concerns which will arise eventually, but for the time being, the co. is enjoying phenomenal growth, with minimal cap ex investment requirements.

Aluminum cans, sugar, juice concentrates (apple juice?) are the main cost drivers.

Co. is buying back shares with excess operational cash flow, which we like.

In the 1930s, Hubert Hansen and his sons started a business to sell fresh non-pasteurized juices in Los Angeles, California. This business eventually became Hansen's Juices, Inc., which subsequently became known as The Fresh Juice Company of California, Inc. ("FJC"). FJC retained the right to market and sell fresh non-pasteurized juices under the Hansen's trademark. In 1977, Tim Hansen, one of the grandsons of Hubert Hansen, perceived a demand for shelf stable pasteurized natural juices and juice blends and formed Hansen Foods, Inc. ("HFI"). HFI expanded its product line from juices to include Hansen's Natural Soda® brand sodas. In 1990, California Co-Packers Corporation (d/b/a Hansen Beverage Company) ("CCC") acquired certain assets of HFI, including the right to market the Hansen's® brand name. In 1992, we acquired the Hansen's® brand natural soda and apple juice business from CCC. Under our ownership, the Hansen beverage business has significantly expanded and includes a wide range of beverages within the growing "alternative" beverage category, including in particular, energy drinks. In 1999, we acquired all of FJC's rights to manufacture, sell and distribute fresh non-pasteurized juice products under the Hansen's® trademark together with certain additional rights.

Company Name:	Monster Beverage	Market Capitalization:	\$8,541,080,800.00	Revenue:	\$2,000,000,000.00	100.0%
Ticker Symbol:	MNST	Total Debt:	\$0.00	Cost of Goods Sold:	\$1,105,690,000.00	55.3%
Last Price:	\$49.84	Total Cash:	\$590,710,000.00	Gross Profit:	\$894,310,000.00	44.7%
Net Cash/Share:	\$3.45	Net Cash/(Debt):	\$590,710,000.00	EBITDA:	\$556,000,000.00	27.8%
Net Cash to Last Price:	6.92%	Enterprise Value:	\$7,950,370,800.00	Net Income:	\$336,570,000.00	16.8%
Shares Outstanding:	171,370,000	Current EV/Share:	\$46.39			
Industry:	Beverages - Soft Drinks	EBITDA:	\$473,500,000.00			
Sector:	Consumer Defensive	EV/EBITDA Multiple:	16.79	Balance Sheet		
Institutional Ownership:	#VALUE!	EV/EBITDA Multiple Average Year 1-5:	12.87	Cash:	\$283,060,000.00	
Mutual Fund Ownership:	#VALUE!	EV/FCF Multiple (excluding acquisition):	26.23	Short Term Investment:	\$307,650,000.00	
Insider Ownership:	#VALUE!	EV/FCF Multiple Average Year 1-5 (excluding acquisition):	20.67	A/R:	\$288,580,000.00	
Retail Ownership:	#VALUE!			PP&E:	\$40,000,000.00	
Float:	#VALUE!			Assets:	\$1,300,670,000.00	
		Upper Range		A/P:	\$113,450,000.00	
		DCF: EV/EBITDA Terminal Value		Deferred Tax:	\$0.00	
				Other Liabilities:	\$315,800,000.00	
	Technicals	Implied TV from 3 X EV/EBITDA Multiple	\$2,139,593,778.89	Short term Debt:	\$0.00	
52 week low:	Error	Enterprise Value	\$2,139,593,778.89	Long Term Debt:	\$0.00	
Today from 52 week low:	#VALUE!	Cash at Year 5:	\$2,513,666,285.25	Liabilities:	\$429,250,000.00	
52 week high:	Error	Debt at Year 5:	\$0.00	Retained Earnings:	\$1,440,680,000.00	
Today from 52 week high:	#VALUE!	Equity Value Year 5:	\$4,653,260,064.14	Paid-In Capital:	\$263,800,000.00	
50 day Moving Average:	Error	Equity/Share at Year 5:	\$27.15	Treasury Stock:	-\$418,230,000.00	
200 day Moving Average:	Error	Annualized Return:	-11.44%	Stockholder's Equity:	\$1,284,700,000.00	
		Lower Range				
Analyst/Consensus		DCF: Net Tangible Asset excluding Cash/Debt Terminal Value		Cash Flow		
Analyst Sales Growth FY1:	21.90%	Year 5 Net Tangible Assets excluding cash and debt	\$154,320,000.00	Net Income:	286,220,000.00	
Analyst Sales Growth FY2:	15.40%	Enterprise Value	\$154,320,000.00	Depreciation/Amortization:	17,080,000.00	
SN Valuation Estimate FY1:	10.00%	Cash at Year 5:	\$2,513,666,285.25	Change in Working capital:	14,810,000.00	
SN Valuation Estimate FY2:	10.00%	Debt at Year 5:	\$0.00	Cash from Operating Activities:	333,830,000.00	
Analyst Earnings Estimate FY1:	\$1.89	Equity Value Year 5:	\$2,667,986,285.25	Capital Expenditures:	-30,680,000.00	
Analyst Earnings Estimate FY2:	\$2.33	Equity/Share at Year 5:	\$15.57	Cash from Investing Activities:	-173,030,000.00	
SN Valuation Earnings Est. FY1:	\$1.88	Annualized Return:	-20.76%	Total Cash Dividends Paid:	0.00	
SN Valuation Earnings Est. FY2:	\$2.06			Issuance (Retirement) of Stock:	-156,070,000.00	
		EVA		Issuance (Retirement) of Debt:	-1,940,000.00	
Multiples		EVA today:	\$1,429,070,957.66	Cash from Financing Activities:	-154,190,000.00	
Market Value to Book:	6.65	EVA in 5 Years:	\$2,384,326,422.15			
EV to Book:	6.19	EVA/Share:	\$13.91			
Market Value to Tangible Net Assets:	55.35	Cash at Year 5:	\$2,513,666,285.25			
P/E Ratio:	25.38	Debt at Year 5:	\$0.00	Profitability Margins		
Trailing P/E Ratio:	26.27	Equity Value Year 5:	\$4,897,992,707.40	Debt to Equity:	0.00%	
Forward P/E Ratio:	20.52	Equity/Share at Year 5:	\$28.58	Return on Assets:	22.01%	
Beta:	Error	Annualized return	10.78%	Return on Capital:	22.28%	
Dividend:	0			Return on Equity:	22.28%	
Dividend Yield:	0.00%	Current Net Tangible Asset				
Dividend Date:	N/A	Net Tangible Asset/Share:	\$4.78			
Ex-Dividend Date:	N/A	Net Tangible Asset/Share in Year 5:	\$16.21			
		Annualized return	27.68%			
	Competitors	Current Equity Price:	\$49.84			
Average EV to EBITDA:	N/A	Selling at Discount?	Premium			
Company EV to EBITDA:	16.79	Appreciation Potential:	-90.42%			
Average EV to EBIT:	N/A					
Company EV to EBITA:	17.42	Dividend Model				
		Next Year Dividend	\$0.00			
		WACC:	11.00%			
		Dividend:	\$0.00			
		Net Income:	\$336,570,000.00			

SN VALUATION

LBO Analysis

WACC Terminal Value:	N/A	Intrinsic Price in 5 Years:	26.70	Non-LBO Forecast		Non-LBO Forecast	
EV/EBITDA with 3X Multiple Terminal Value:	\$27.15	Market Price:	49.84	Year 1 Target	43.99	Desired Return Rate	20.00%
Net Tangible Asset Terminal Value:	\$15.57	LBO Price:	49.84	Year 2 Target	38.83	Implied Today's Price	10.73
EV/EBITDA with Today's Multiple Terminal Value:	\$35.48	Premium to Market Price:	0.00%	Year 3 Target	34.27	Overvalued/(Undervalued)	364.57%
EVA Enterprise Value:	\$28.58	LBO Price/Intrinsic Price Target:	-11.74%	Year 4 Target	30.25		
Dividend Discount Model:	N/A	LBO Price/EV/EBIT Exit Price:	-6.57%	Year 5 Target	26.70		
Average (Excluding Dividend Discount):	\$26.70	Implied IRR at today's EV/EBITDA:	-6.57%	Implied IRR (Market Price):	-11.74%		
		5 Year Return:	-46.44%				

Current Evaluation				Exit Evaluation			
Current Market Price:	49.84	LBO Price:	49.84	Exit Price:	26.70	Exit Price:	35.48
Outstanding Shares:	171,370,000	Outstanding Shares:	171,370,000	Outstanding Shares:	171,370,000	Outstanding Shares:	171,370,000
Market Capitalization:	8,541,080,800	Market Capitalization:	8,541,080,800	Market Capitalization:	4,574,723,743	Market Capitalization:	6,079,655,917
Available Cash:	590,710,000	Available Cash:	590,710,000	Available Cash:	2,513,666,285	Available Cash:	2,513,666,285
Debt:	0	Debt:	0	Debt:	0	Debt:	0
Net Cash:	590,710,000	Net Cash:	590,710,000	Net Cash:	2,513,666,285	Net Cash:	2,513,666,285
Enterprise Value:	7,950,370,800	Enterprise Value:	7,950,370,800	Enterprise Value:	2,061,057,458	Enterprise Value:	3,565,989,631
Original EV/EBITDA:	17.42	EV/EBITDA:	17.42	EV/EBITDA at 5 Years:	2.89	EV/EBITDA at 5 Years:	5.00
Original EV/EBITDA:	16.79	EV/EBITDA:	16.79	EV/EBITDA at 5 Years:	4.16	EV/EBITDA at 5 Years:	4.81
Competitor Average EV/EBIT:	N/A						
Competitor Average EV/EBITDA:	N/A						

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	49.84	49.84	43.99	38.83	34.27	30.25	26.70
Shares Outstanding:	171,370,000	171,370,000	171,370,000	171,370,000	171,370,000	171,370,000	171,370,000
Market Capitalization:	8,541,080,800	8,541,080,800	7,538,470,487	6,653,553,411	5,872,513,936	5,183,158,201	4,574,723,743
Available Cash:	590,710,000	590,710,000	901,169,995	1,245,169,272	1,626,057,771	2,047,534,999	2,513,666,285
Debt:	0	0	0	0	0	0	0
Net Cash:	590,710,000	590,710,000	901,169,995	1,245,169,272	1,626,057,771	2,047,534,999	2,513,666,285
Enterprise Value:	7,950,370,800	7,950,370,800	6,637,300,492	5,408,384,139	4,246,456,165	3,135,623,202	2,061,057,458
EBIT	456,420,000	456,420,000	487,123,780	535,836,158	5	648,361,751	713,197,926
EV/EBIT:	17.42	17.42	13.63	10.09	849,291,232.96	4.84	2.89
EBITDA	473,450,000	473,450,000	505,856,780	556,442,458	612,086,704	673,295,374	740,624,912
EV/EBITDA:	16.79	16.79	13.12	9.72	6.94	4.66	2.78

Enterprise Valuation Calculation During Holding Period							
Time Period	0	Adjusted for LBO	1	2	3	4	5
Annualized Price Targets based off LBO Price:	49.84	49.84	54.77	61.73	9.49	77.85	87.16
Shares Outstanding:	171,370,000	171,370,000	171,370,000	171,370,000	171,370,000	171,370,000	171,370,000
Market Capitalization:	8,541,080,800	8,541,080,800	9,386,369,321	10,578,888,531	1,626,057,858	13,341,335,302	14,936,846,619
Available Cash:	590,710,000	590,710,000	901,169,995	1,245,169,272	1,626,057,771	2,047,534,999	2,513,666,285
Debt:	0	0	0	0	0	0	0
Net Cash:	590,710,000	590,710,000	901,169,995	1,245,169,272	1,626,057,771	2,047,534,999	2,513,666,285
Enterprise Value:	7,950,370,800	7,950,370,800	8,485,199,326	9,333,719,259	87	11,293,800,303	12,423,180,334
EBIT	456,420,000	456,420,000	487,123,780	535,836,158	5	648,361,751	713,197,926
EV/EBIT:	17.42	17.42	17.42	17.42	17.42	17.42	17.42
EBITDA	473,450,000	473,450,000	505,856,780	556,442,458	612,086,704	673,295,374	740,624,912
EV/EBITDA:	16.79	16.79	16.77	16.77	0.00	16.77	16.77

LBO Price	49.84	Equity Partners:	8,541,080,800	Weighting	100.00%	Annualized Return for Equity Partners: -6.57%
Shares Outstanding	171,370,000	Debt Partners:	0	0.00%		
Market Capitalization	8,541,080,800	Total Funds for LBO:	8,541,080,800	100.00%		
Debt	0					
Cash	590,710,000					
Enterprise Value	7,950,370,800					
Capital Investment	8,541,080,800					

Book Value	Enterprise Value	Stock Valuation	Debt Reduction				
Beginning Book Value	1,284.70	Beginning Enterprise Value	7,950.37	Current Market Price	\$49.84	Starting Debt	0.00
Year 5 Book Value	3,242.81	Year 5 Enterprise Value	3,565.99	Year 5 Market Price	\$35.48	Debt Repayment	0.00
Annualized Return	20.34%	Annualized Return	-14.82%	Annualized Return	-6.57%	Year 5 Ending Debt	0.00
						% of Starting Debt	#DIV/0!

SN VALUATION

LBO Pro Forma Income Statement

Name:

Monster Beverage

Ticker:

MNST

	Historical				Forecasted				
	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	2013	2014	2015	2016	2017
Revenue	1,033.78	1,143.30	1,303.94	1,703.23	1,873.55	2,060.91	2,267.00	2,493.70	2,743.07
COGS	494.99	530.98	623.70	808.92	899.31	989.24	1,088.16	1,196.98	1,316.67
Gross margin	538.79	612.32	680.24	894.31	974.25	1,071.67	1,178.84	1,296.72	1,426.40
SG&A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
R&D	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unusual expense	0.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other operating expense	375.20	275.01	332.43	437.89	487.12	535.84	589.42	648.36	713.20
Depreciation is: Included within COGS					0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	163.06	337.31	347.81	456.42	487.12	535.84	589.42	648.36	713.20
Interest income/(expense)	10.42	-1.62	1.49	0.85	7.71	7.71	7.71	7.71	7.71
Gain (loss) on sale of asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Income before tax	173.48	335.69	349.30	457.27	494.83	543.54	597.13	656.07	720.90
Tax	65.45	126.97	137.27	171.05	173.19	190.24	208.99	229.62	252.32
Income after tax	108.03	208.72	212.03	286.22	321.64	353.30	388.13	426.44	468.59
Minority Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity in affiliates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income	108.03	208.72	212.03	286.22	321.64	353.30	388.13	426.44	468.59
*Figures are in millions (\$)									
EPS (based off today's share count)	\$0.63	\$1.22	\$1.24	\$1.67	\$1.88	\$2.06	\$2.26	\$2.49	\$2.73
P/E (historical today's price; forecasted intrinsic price)	79.06	40.92	40.28	29.84	23.44	18.83	15.13	12.15	9.76
Revenue Growth	N/A	10.59%	14.05%	30.62%	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate	37.73%	37.82%	39.30%	37.41%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	1085.42%	-771.43%	0.00%	0.00%	NA	NA	NA	NA	NA
Margins									
COGS	47.88%	46.44%	47.83%	47.49%	48.00%	48.00%	48.00%	48.00%	48.00%
Gross margin	52.12%	53.56%	52.17%	52.51%	52.00%	52.00%	52.00%	52.00%	52.00%
SG&A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
R&D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unusual expense	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	36.23%	24.05%	25.49%	25.71%	26.00%	26.00%	26.00%	26.00%	26.00%
Depreciation is: Included within COGS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	15.77%	29.50%	26.67%	26.80%	26.00%	26.00%	26.00%	26.00%	26.00%
Interest income/(expense)	1.01%	-0.14%	0.11%	0.05%	0.41%	0.37%	0.34%	0.31%	0.28%
Gain (loss) on sale of asset	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	16.78%	29.36%	26.79%	26.85%	26.41%	26.37%	26.34%	26.31%	26.28%
Tax	6.33%	11.11%	10.53%	10.04%	9.24%	9.23%	9.22%	9.21%	9.20%
Income after tax	10.45%	18.26%	16.26%	16.80%	17.17%	17.14%	17.12%	17.10%	17.08%
Minority Interest	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Equity in affiliates	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net income	10.45%	18.26%	16.26%	16.80%	17.17%	17.14%	17.12%	17.10%	17.08%

SN VALUATION

LBO Adjusted Proforma Balance Sheet

	As of 2008-12-31	As of 2009-12-31	As of 2010-12-31	As of 2011-12-31	As of 2012-09-30	Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
						+	-						
Cash	256.81	328.35	354.84	359.33	283.06			283.06	593.52	937.52	1,318.41	1,739.88	2,206.02
Short term investment	29.14	18.49	244.65	411.28	307.65			307.65	307.65	307.65	307.65	307.65	307.65
Cash and Short term	285.95	346.84	599.49	770.61	590.71			590.71	901.17	1,245.17	1,626.06	2,047.53	2,513.67
Accounts Receivable	45.23	104.21	166.04	218.07	288.58			288.58	288.58	288.58	288.58	288.58	288.58
Other receivables	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Receivables	45.23	104.21	166.04	218.07	288.58			288.58	288.58	288.58	288.58	288.58	288.58
Total Inventory	116.33	108.14	153.24	155.61	193.93			193.93	193.93	193.93	193.93	193.93	193.93
Prepaid Expenses	13.36	11.27	27.01	21.28	38.61			38.61	38.61	38.61	38.61	38.61	38.61
Other Current Assets	9.74	10.35	16.77	16.43	16.43			16.43	16.43	16.43	16.43	16.43	16.43
Current Assets	470.61	580.81	962.55	1,182.00	1,128.26	0.00	0.00	1,128.26	1,438.72	1,782.72	2,163.61	2,585.08	3,051.22
PP&E, Gross	21.58	45.64	56.85	60.00	60.00			60.00	90.00	120.00	150.00	180.00	210.00
Change in Depreciation		5.84	11.73	17.03	17.03			17.03	18.73	20.61	22.67	24.93	27.43
Accumulated Depreciation	7.19	12.32	22.30	20.00	20.00			20.00	38.73	59.34	82.01	106.94	134.37
PP&E, Net	14.39	33.32	34.55	40.00	40.00			40.00	51.27	60.66	67.99	73.06	75.63
Goodwill	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Intangibles	28.36	33.51	43.32	48.40	52.85			52.85	52.76	52.67	52.58	52.48	52.37
Long term investments	89.57	80.84	44.19	23.19	19.88			19.88	19.88	19.88	19.88	19.88	19.88
Other long term assets	68.19	66.90	61.92	62.98	59.68			59.68	59.68	59.68	59.68	59.68	59.68
Long Term Assets	200.51	214.57	183.98	174.57	172.41			172.41	183.59	192.89	200.14	205.10	207.56
Total Assets	671.12	795.38	1,146.53	1,356.57	1,300.67	0.00	0.00	1,300.67	1,622.31	1,975.61	2,363.74	2,790.19	3,258.78
Accounts Payable	64.79	48.86	90.31	113.45	113.45			113.45	113.45	113.45	113.45	113.45	113.45
Accrued Expense	121.59	24.77	92.27	130.06	130.06			130.06	130.06	130.06	130.06	130.06	130.06
Other current Liabilities	0.00	9.89	11.06	22.58	15.19			15.19	15.19	15.19	15.19	15.19	15.19
Total Current Liabilities	186.38	83.52	193.64	266.09	258.70	0.00	0.00	258.70	258.70	258.70	258.70	258.70	258.70
Notes Payables/Short Term Debt	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Current port. Of LT Debt/Capital Leases	0.96	0.21	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Long term Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Lease Obligations	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Interest Earning Debt	0.96	0.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Income tax	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Minority Interest	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other liabilities	138.19	131.39	124.90	117.15	170.55			170.55	170.55	170.55	170.55	170.55	170.55
Total Liabilities	325.53	215.12	318.54	383.24	429.25	0.00	0.00	429.25	429.25	429.25	429.25	429.25	429.25
Redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Non-redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Common Stock	0.48	0.49	0.99	0.99	0.99		0.00	0.99	0.99	0.99	0.99	0.99	0.99
Additional Paid-in capital	117.11	137.04	186.55	229.30	262.81	0.00	0.00	262.81	262.81	262.81	262.81	262.81	262.81
Dividends Paid	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	461.68	670.40	882.42	1,168.64	1,440.68		0.00	1,440.68	1,762.32	2,115.62	2,503.75	2,930.20	3,398.79
Treasury Stock	-132.13	-218.30	-241.84	-418.23	-418.23			-418.23	-418.23	-418.23	-418.23	-418.23	-418.23
Other Equity	-10.82	-0.08	1.76	-1.55	-1.55		0.00	-1.55	-1.55	-1.55	-1.55	-1.55	-1.55
Total Equity	436.32	589.55	829.88	979.15	1,284.70	0.00	0.00	1,284.70	1,606.34	1,959.64	2,347.77	2,774.22	3,242.81
Liability + Equity	761.85	804.67	1,148.42	1,362.39	1,713.95	0.00	0.00	1,713.95	2,035.59	2,388.89	2,777.02	3,203.47	3,672.06
Variance	-90.73	-9.29	-1.89	-5.82	-413.28			-413.28	-413.28	-413.28	-413.28	-413.28	-413.28
Debt/Equity	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Inventory Turnover	8.89	10.57	8.51	10.95	9.66			8.78	9.66	10.63	11.69	12.86	14.14
Inventory Turnover Days	41.07	34.52	42.90	33.35	37.78			41.56	37.78	34.35	31.22	28.39	25.80
Days Inventory Outstanding	85.78	74.34	89.68	70.21	78.71			87.50	78.71	71.55	65.05	59.14	53.76
Accounts Receivable Turnover	22.86	10.97	7.85	7.81	6.49			5.90	6.49	7.14	7.86	8.64	9.51
Accounts Receivable Turnover Days	15.97	33.27	46.48	46.73	56.22			61.84	56.22	51.11	46.46	42.24	38.40
Days Payable Outstanding	47.78	33.59	52.85	51.19	46.05			51.19	46.05	41.86	38.05	34.59	31.45
Days Sales Outstanding	15.97	33.27	46.48	46.73	56.22			46.73	61.84	56.22	51.11	46.46	42.24
Cash Conversion Cycle	53.97	74.02	83.31	65.76	88.88			83.05	94.51	85.92	78.10	71.00	64.55
Net tangible assets/share	\$2.02	\$3.39	\$4.83	\$5.68	\$5.09				\$6.96	\$9.02	\$11.29	\$13.78	\$16.51

SN VALUATION

LBO Adjusted Proforma Cash Flow

	12 months ending 2008-12-31	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	2011	2012	2013	2014	2015
Net Income	108.03	208.72	212.03	286.22	321.64	353.30	388.13	426.44	468.59
Depreciation	3.42	5.84	11.73	17.03	18.73	20.61	22.67	24.93	27.43
Net Income + Depreciation	111.45	214.56	223.76	303.25	340.37	373.91	410.80	451.38	496.01
Amortization	0.06	0.07	0.05	0.05	0.09	0.09	0.09	0.10	0.12
Deferred Taxes	-44.59	-3.16	-1.36	-0.69	0.00	0.00	0.00	0.00	0.00
Non Cash Items	10.16	15.32	7.10	16.40	0.00	0.00	0.00	0.00	0.00
Change in Working capital	122.43	-70.59	-0.50	14.81	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-58.98	-61.83	-52.03	0.00	0.00	0.00	0.00	0.00
Other Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory	0.00	8.19	-45.10	-2.37	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	2.09	-15.74	5.73	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	-15.93	41.45	23.14	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	199.51	156.20	229.05	333.82	340.46	374.00	410.89	451.48	496.13
Capital Expenditures Expenditures	-11.07	-28.77	-22.40	-30.68	-30.00	-30.00	-30.00	-30.00	-30.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	155.05	24.30	-190.11	-142.34	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	143.98	-4.47	-212.51	-173.02	-30.00	-30.00	-30.00	-30.00	-30.00
Financing Cash flow items	4.33	3.13	12.37	3.82	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	-101.21	-83.67	-2.72	-156.07	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Current Portion Debt	-	-	-	-	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Long Term Debt	-1.17	-1.54	-0.42	-1.94	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	-98.05	-82.08	9.23	-154.19	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	-1.07	1.90	0.72	-2.12	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	12.44	256.80	328.35	354.84	283.06	593.52	937.52	1,318.41	1,739.88
Net Change in Cash	244.36	71.55	26.49	4.49	310.46	344.00	380.89	421.48	466.13
Ending Cash Balance	256.80	328.35	354.84	359.33	593.52	937.52	1,318.41	1,739.88	2,206.02
Capex to Revenue	1.07%	2.52%	1.72%	1.80%	1.60%	1.46%	1.32%	1.20%	1.09%
Depreciation to Sales	0.33%	0.51%	0.90%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Amortization to Sales	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A/R to Sales	4.38%	9.11%	12.73%	12.80%	11.64%	10.58%	9.62%	8.74%	7.95%
Distributable FCF Yield	4.32%	1.91%	0.21%	2.02%	3.90%	4.33%	4.79%	5.30%	5.86%
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing-Dividends)	188.44	127.43	206.65	303.14	310.46	344.00	380.89	421.48	466.13

SN VALUATION

LBO Debt Schedule

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	4.49	310.46	344.00	380.89	421.48	466.13
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	0.00	0.00	0.00	0.00	0.00	0.00
Current Portion Debt Balance	0.00	0.00	0.00	0.00	0.00	0.00
Long Term Debt Balance	0.00	0.00	0.00	0.00	0.00	0.00
Forward Libor Curve		3.00%	3.00%	3.00%	3.00%	3.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
Interest Rate		7.00%	7.00%	7.00%	7.00%	7.00%
Interest Expense		0.00	0.00	0.00	0.00	0.00
Cash Balance		770.61				
Interest @ 1.0%		7.71	7.71	7.71	7.71	7.71
Net Interest Expense/(Income)		(7.71)	(7.71)	(7.71)	(7.71)	(7.71)
Net Interest Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
EBITDA		487.12	535.84	589.42	648.36	713.20
EBITDA/Interest Expense Coverage		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Interest Rate Coverage Table

Debt Rating	2013	2014	2015	2016	2017
AAA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
AA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
A-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BBB	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BB+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
BB	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B+	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
B-	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CCC	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
CC	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
C	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
D	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

*Source: NYU; Professor Damodaran

Altman Z Score

Company Name:

Monster Beverage

Ticker:

MNST

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	284.23	497.29	768.91	869.56	1,180.02	1,524.02	1,904.91	2,326.38	2,792.52
Total Assets	671.12	795.38	1,146.53	1,300.67	1,622.31	1,975.61	2,363.74	2,790.19	3,258.78
X1	0.42	0.63	0.67	0.67	0.73	0.77	0.81	0.83	0.86
Retained Earnings	461.68	670.40	882.42	1,440.68	1,762.32	2,115.62	2,503.75	2,930.20	3,398.79
Total Assets	671.12	795.38	1,146.53	1,300.67	1,622.31	1,975.61	2,363.74	2,790.19	3,258.78
X2	0.69	0.84	0.77	1.11	1.09	1.07	1.06	1.05	1.04
EBITDA	163.06	337.31	347.81	456.42	487.12	535.84	589.42	648.36	713.20
Total Assets	671.12	795.38	1,146.53	1,300.67	1,622.31	1,975.61	2,363.74	2,790.19	3,258.78
X3	0.24	0.42	0.30	0.35	0.30	0.27	0.25	0.23	0.22
Market Value of Equity	8,541.08	8,541.08	8,541.08	8,541.08	7,538.47	6,653.55	5,872.51	5,183.16	4,574.72
Total Liabilities	325.53	215.12	318.54	429.25	429.25	429.25	429.25	429.25	429.25
X4	26.24	39.70	26.81	19.90	17.56	15.50	13.68	12.07	10.66
Net Sales	1,033.78	1,143.30	1,303.94	1,703.23	1,873.55	2,060.91	2,267.00	2,493.70	2,743.07
Total Assets	671.12	795.38	1,146.53	1,300.67	1,622.31	1,975.61	2,363.74	2,790.19	3,258.78
X5	1.54	1.44	1.14	1.31	1.15	1.04	0.96	0.89	0.84
Altman Z Score	19.56	28.59	20.11	16.76	15.08	13.66	12.44	11.38	10.45

$$Z = 1.2 \times X1 + 1.4 \times X2 + 3.3 \times X3 + 0.6 \times X4 + 1.0 \times X5$$

Z-SCORE ABOVE 3.0 –The company is considered 'Safe' based on the financial figures only.

Blue

Z-SCORE BETWEEN 2.7 and 2.99 – 'On Alert'. This zone is an area where one should 'Exercise Caution'.

Green

Z-SCORE BETWEEN 1.8 and 2.7 – Good chance of the company going bankrupt within 2 years.

Yellow

Z-SCORE BELOW 1.80- Probability of Financial Catastrophe is Very High.

Red