



CELH BULLISH ALERT

February 27, 2023



Bullish Opportunity Alert: **CELH**

Actionable Trade Idea

Buy Celsius Holdings (CELH) up to \$90/share**

We believe this stock could gain by more than 150% within the next two years.

**ON ALL TRADES, it is important to use proper risk management to correctly allocate and protect your capital.

Note: We are 'tripling down' with CELH trading approximately 30% off its December 2022 peak. Since we 'doubled down' in January 2022, the stock is up 85%.



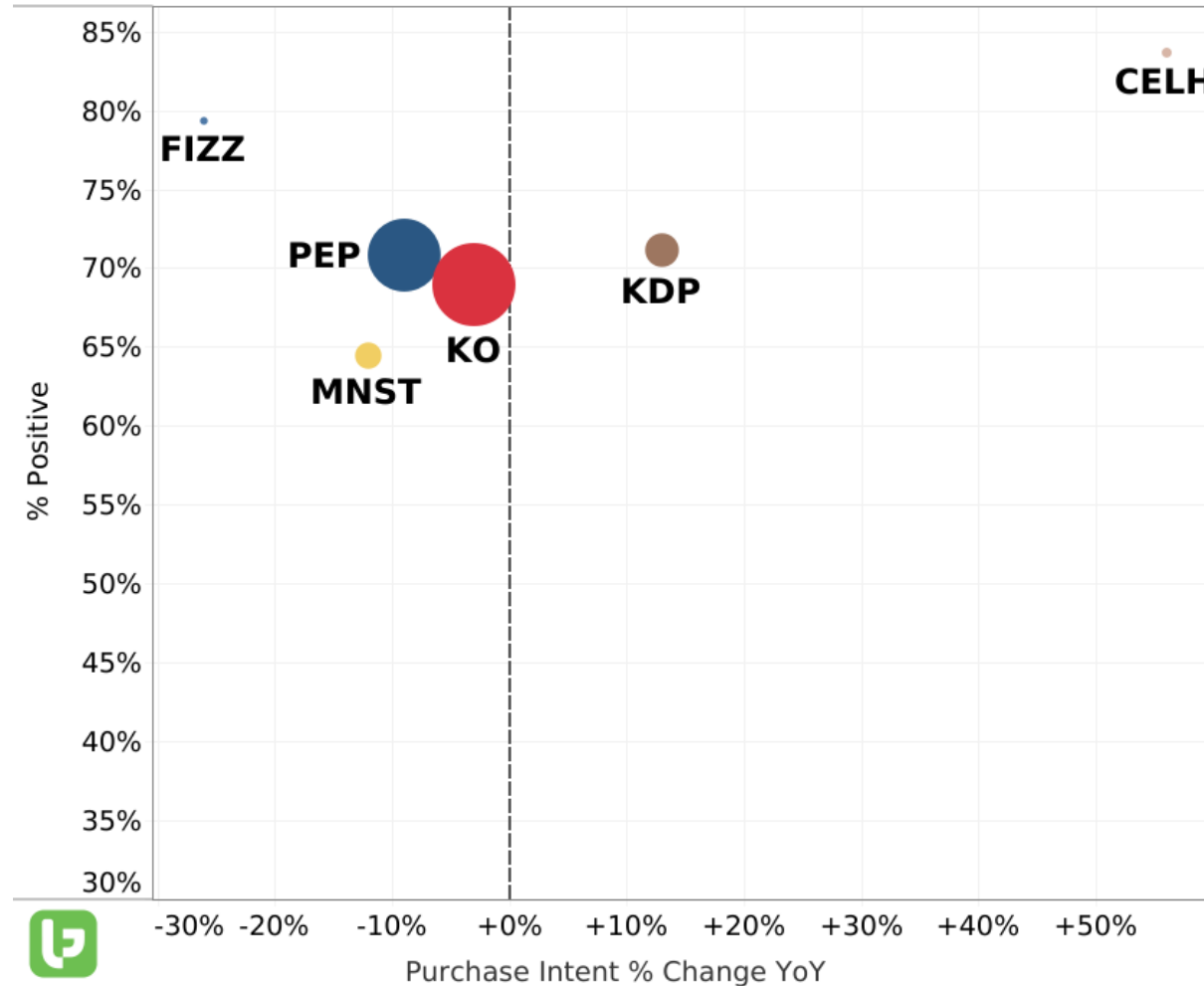
Competitive Analysis

- The LikeFolio Outlier Grid reveals potential opportunities, by comparing Purchase Intent growth (x axis) against Consumer Happiness (y axis). Tomorrow's big winners are often found in the top right quadrant, which constitutes ideal bullish positioning.
- CELH is vastly outperforming soft drink players in terms of consumer demand and happiness.
- The Celsius brand was the leading driver of energy drink growth accounting for 29% of category growth in 3Q22.



CELH: Bubbling to the Top

Purchase Intent vs. Sentiment, 30-day Moving Average



Consumer Demand:

- CELH Purchase Intent — consumer mentions of buying Celsius drinks and powders — are up 56% YoY on a 30-day average to an all-time high.
- The launch of a distribution deal with Pepsi is bringing Celsius products to more stores and driving market share gains. The brand recently overtook Bang as the #3 energy drink among U.S. multi-outlet & convenience retailers.
- Celsius is getting a bigger than normal New Year's resolution boost in 2023 as brand awareness grows among health and fitness nuts.

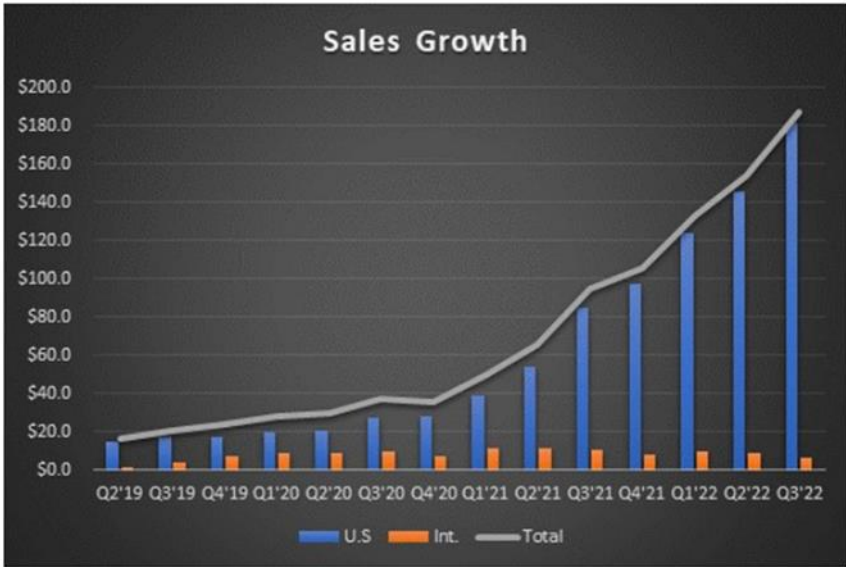
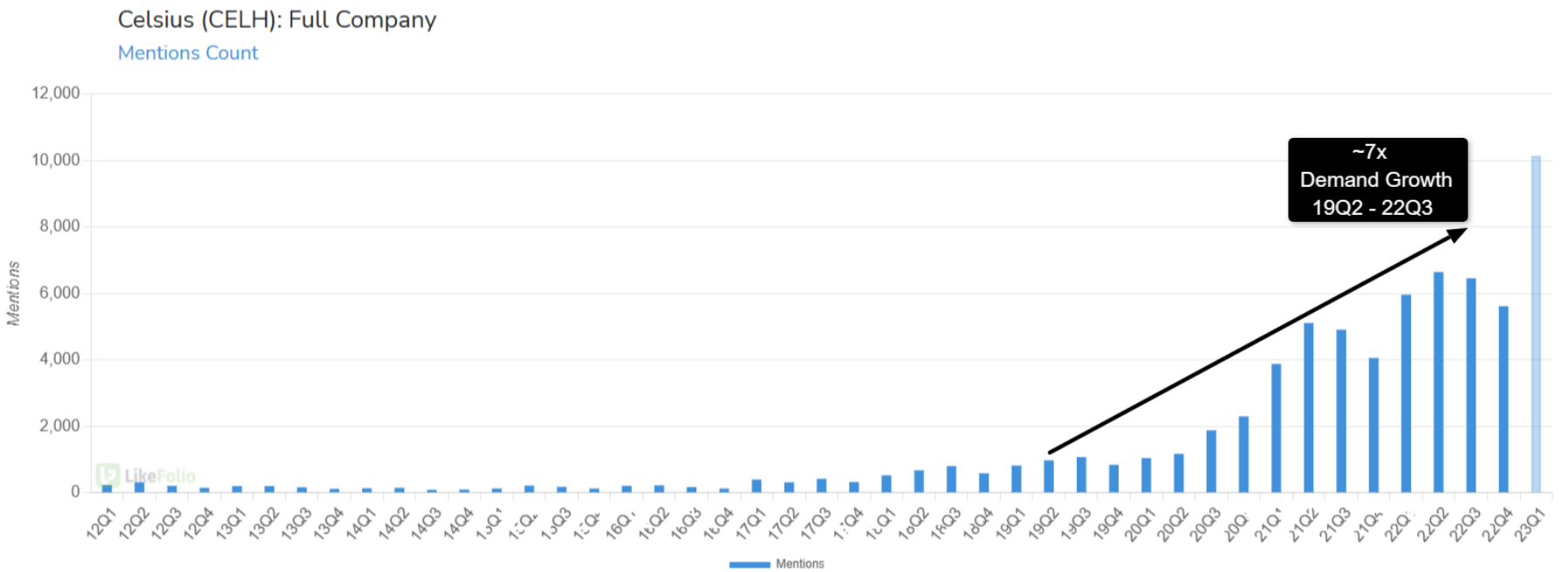
CELH: Pepsi Deal Driving Share Gains



Consumer Demand:

- Comprehensive CELH demand was up +38% YoY in 22Q4 and is on pace to smash the previous record high in the current quarter.
- LikeFolio's proprietary demand metric has tracked company sales growth remarkably well over the last few years.
- Celsius revenue was up 126% year-to-date through the end of 22Q3. Amazon Prime sales more than doubled pushing Celsius past Red Bull as AMZN's second best-selling energy drink.

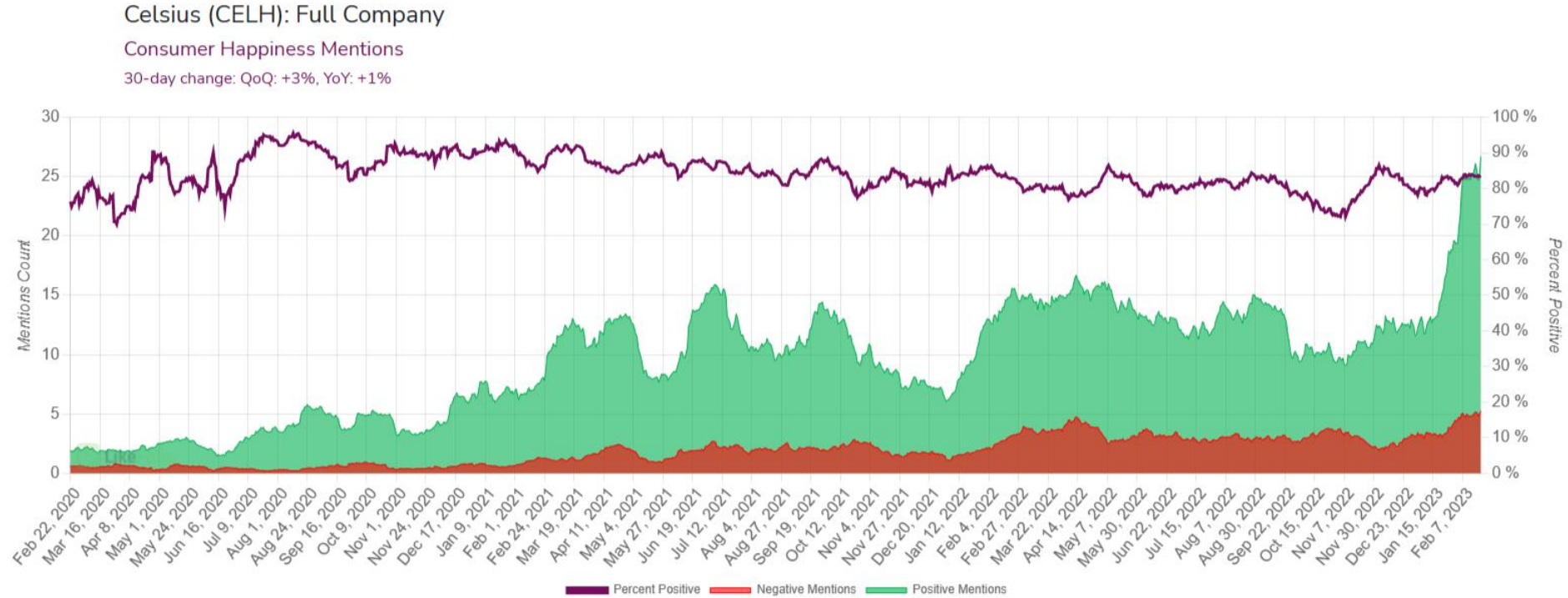
CELH: Demand is Correlating to Sales



Customer Happiness:

- Consumer Sentiment
Mentions for CELH are 84% positive over the past month, up +1% vs. the prior year.
- CELH is capitalizing on a consumer shift from unhealthy, sugary sodas to 'better-for-you' functional beverages that support their health & wellness goals.
- Customers love the crash-free boost that Celsius drinks provide and are pumped about the latest flavors.

CELH: Healthier, Happier Customers



CELH: Winning Over Energy Drinkers



Chase. Good 📦
@2many2Chase_NE

I approve a @CelsiusOfficial right before a workout. I was in the gym for 2 hours this morning 🤔 lol

12:08 PM · 1/7/23 · 95 Views



Leighton Carter @Success_LC · 2d
Love this new flavor @CelsiusOfficial @PewterReport @matty4_matera



2 3 9 3,871



Tired Daddy J
@BigDaddyJ58

Drank a @CelsiusOfficial before work, knowing it was gonna be a long one and I feel like I could fight Thanos bare handed. All in. No mercy.

6:29 PM · 2/21/23 · 35 Views



Tee 📌
@Aye_YoTee

Lord I'm addicted, I need a @CelsiusOfficial every morning 🤔

9:50 AM · 2/20/23 · 46 Views



Keeks 📌
@killer_keeks

@CelsiusOfficial please don't ever discontinue the peach vibe flavor!! 🙏 I wouldn't be able to function 🤔🤔

10:29 AM · 2/18/23 · 2 Views



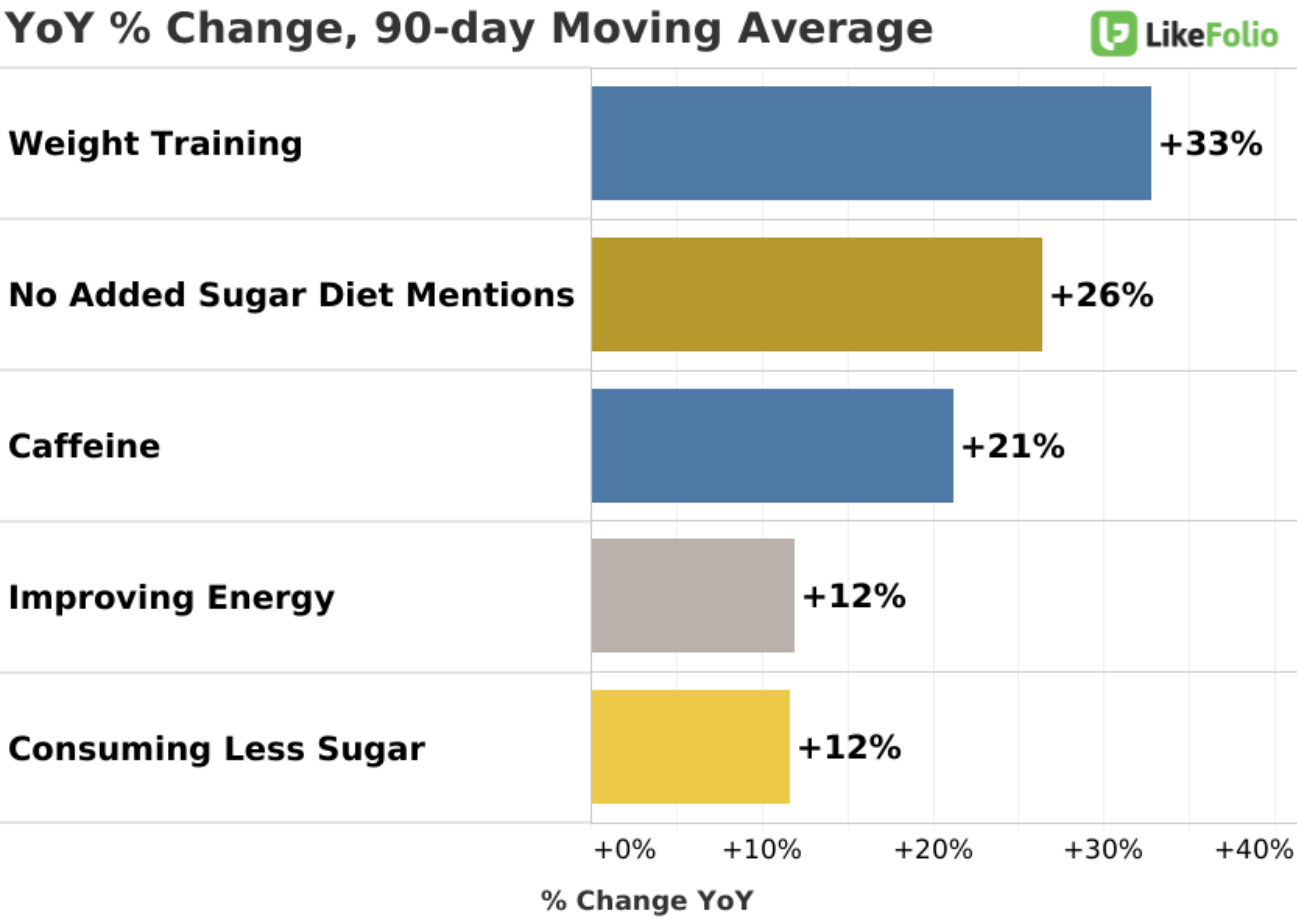
Billy Kidd @billyyy_kiddd · 6d

Literally the only energy drink that gives me a great boost, and focus, without a crash. 🍌

Macro Tailwinds:

- Americans are shifting from light dumbbell and body weight workouts in the living room to heavy strength training at their local gym.
- Pre-workout drinks that contain caffeine, essential vitamins, and no sugar are gaining popularity with fitness enthusiasts.
- Busy lifestyles are also drawing people toward healthy energy drinks that help them focus and get through a long workday.

CELH: On Trend With Workouts & Work



CELH: The Bottom Line

- **Active lifestyles are driving demand for ‘functional’ energy drinks.** In the fast-growing energy drink category, ‘better-for-you’, functional brands are winning. Workout buffs and office workers alike are gravitating toward sugar-free beverages that get them through a tough training session or a busy day. Celsius is connecting with these consumers by providing flavorful energy drink cans and on-the-go sticks that have superior health benefits over Monster and Red Bull.
- **The Pepsi distribution deal is already making a big difference.** Celsius products are in more supermarkets, convenience stores, and warehouse clubs than ever before as distribution growth accelerates due to a new Pepsi partnership. At the same time, surging Amazon.com sales have Celsius the e-commerce giant’s 2nd best-selling energy drink and accounting for nearly 10% of total sales. Combined with a healthy presence on social media (Twitter, TikTok, Instagram, Facebook) and at popular marketing events, Celsius brand awareness is the strongest we’ve ever seen it. This will likely only get better as new stores are entered and new products launched.
- **A return to profitability is expected in 2023.** Celsius nearly doubled its sales and expanded its gross margin more than 200bps in 3Q22 but reported a big loss due to a \$155 million expense for terminating distribution agreements as part of the Pepsi transition. The market overreacted to this one-time charge ignoring the prospects for profits in 2023. The Street is anticipating 50% top line growth and EPS above \$1 this year.
- **Caveat: “Wild Ones” singer causes wild swing.** CELH sold off on January 18th after [Flo Rida](#) won an \$82.6 million lawsuit against the company tied to endorsement deals from 2014 and 2016. The stock has since stabilized but the settlement cost could weigh on profits when the company reports earnings. We expect any negative impacts from this one-time cost to be a buying opportunity for long-term investors.

CELH is a disruptive energy drink maker doing a great job of tapping into health and wellness trends. It is experiencing above-industry growth and gaining market share in multiple retail channels. LikeFolio data shows rising consumer demand that has reached record levels and above-peer happiness. With the stock declining ahead of next month’s earnings report we see this as a re-entry opportunity — especially if there is a further pullback. If the results and/or outlook surprise to the upside, short interest >20% could help drive a significant rally.

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