Corporate Media Analysis Report:

Celsius Holdings, Inc.

About Celsius Holdings, Inc.

Celsius Holdings Inc. is an American beverage company founded in 2004. It is best known for its CELSIUS® line of functional energy drinks with zero sugar and healthy ingredients. The brand promotes a LIVE FIT™ lifestyle that encourages consumers to stay active, healthy, and motivated. Celsius offers various fruit-based flavors, powder packs, and carbonated or non-carbonated formats, which appeals to fitness-focused consumers and young professionals looking for healthier energy options. By 2024, Celsius held more than 11% of the U.S. energy market and ranked #3 in the energy drink market in the U.S.

Celsius Holdings, Inc. Q4 2024 Report

On Feb.20, 2025, Celsius Holdings Inc. (CELH) released its fourth quarter and full-year 2024 financial results. According to CELH, its fourth-quarter revenue declined by 4% year-over-year to $332.2 million, primarily due to elevated promotional allowances such as distributor incentive programs during the period. In addition, CELH reported a net loss of $18,9 million in Q4, which was mainly driven by non-recurring legal and restructuring-related adjustments. While the causes of revenue contraction and net loss differ, both indicate increased cost pressure on the company during the quarter.

Despite the revenue downturn, CELH maintained a gross margin of 50.2%, representing a 240 basis point improvement compared to the same quarter last year, which was related to operational efficiency improvements, particularly in logistics and sourcing, as stated by the CFO during the company's earnings call. Besides, diluted earnings per share for the quarter were $0.14.

Regionally, Celsius's international sales rose 39% to $20.3 million. The growth outside of the U.S. reflects early traction from Celsius's recent expansion efforts into markets such as the U.K., Ireland, France, and Australia. However, though Celsius gained a 30.3% contribution to U.S. energy drink category growth, North American revenue declined by 6%. The softening performance in its core domestic market signals increased promotional intensity and potentially rising competition.

Additionally, during its earnings call, Celsius announced its $1.8 billion acquisition of Alani Nu, a wellness brand primarily targeting female consumers. CEO John Fieldly emphasized that the acquisition would help scale Celsius's better-for-you platform and strengthen its leadership position in the developing global energy category.

Positive Media Coverage: Optimistic Outlooks and Positive Signals

Several media outlets viewed Celsius's recent performance as worth expecting, as some reports pointed to immediate positive signals driven by the fourth-quarter earnings report. Barron's emphasized the strength of the quarterly results, pointing out that Celsius's stock surged by 36% following the announcement of strong earnings and acquisition news. Similarly, Investor's Business Daily highlighted that Q4 net sales of $332.2 million surpassed analysts' expectations, which contributed to investor enthusiasm despite broader market volatility.

In addition to the positive revenue results, Seeking Alpha mentioned the company's $5.2 million margin, exceeding Wall Street's expectations, and called Q4 financials "accelerated significantly" compared to Q3. Even though the article acknowledged the brand's challenges in catching up with dominant players like Red Bull and Monster, it predicted that Celsius could still maintain steady organic growth with the overall expansion of the energy drink category.

While the fourth-quarter results were an essential part of the coverage, many media reports placed notable emphasis on the company's simultaneous announcement of its $1.8 billion acquisition of Alani Nu, framing it as the most impactful element of the company's strategic initiative. The Wall Street Journal described the acquisition as a strategic move to bring a rapidly growing brand with strong appeal among young female consumers into Celsius's portfolio, especially at a time when the company may be experiencing slower growth. Likewise, MarketWatch, Forbes, and Seeking Alpha also confirmed that the deal is expected to enhance Celsius's appeal to a broader group of audience, a demographic underrepresented by larger energy drink brands, thus the acquisition is considered highly accretive.

Negative Media Coverage: Potential Challenges and Lawsuit Scandal

Some media and analysts held more cautious opinions following the earnings report release. Simply Wall St pointed out that Celsius's fourth-quarter sales dropped to $332 million and experienced a net loss of $18.9 million, suggesting the potential challenge faced by Celsius after its several years of rapid growth.

The outlet connected these results to the broader market volatility, indicating that Celsius may be facing increased stress from both macroeconomic and competitive factors.

Morningstar also noted that Celsius's fourth quarter sales of $332 million and adjusted earnings per share of $0.14 both fell short of their estimates of $384 million and $0.31, which suggested the weak demand in the energy drink category, along with the increased promotional and marketing spending, might add pressure to its future development.

In addition to finance concerns, PR Newswire reported that Celsius faced a class-action lawsuit in November 2024 over alleged misstatements by executives and insider selling. The company also saw notable share sales by major stakeholders during that period. Besides, Celsius's stock has underperformed both the broader U.S. market and the beverage market over the past years, growing skepticism among investors.

Analyst Comments

Most analyst commentary on Celsius's fourth-quarter performance primarily focused on the company's acquisition of Alani Nu, which was announced alongside the Q4 earnings release. While many analysts focused on the strategic implications of the deal, their reactions were shaped by how the acquisition complemented the financial results reported for the quarter.

Gerald Pascarelli from Needham acknowledged that the deal "strategically makes sense" and could provide Celsius with considerable growth and scale benefits. He also noted that the combined brands might enhance Celsius's exposure to female consumers and help it break through the double-digit barrier in the U.S. energy drinks market share. "We are encouraged by the acquisition of Alani and a better than feared earnings print and expect the shares to be rewarded handsomely as a result," Pascarelli stated.

Similarly, Truist's Bill Chappell added that the acquisition would possibly make Celsius win a share of the female consumer, compared to its more male-oriented competitors such as Red Bull and Monster. However, despite Chappell's applause of the deal, he warned that the energy drink market is slowing overall, and 2025 could potentially be a highly promotional year due to increased competition, indicating extra stress on margins. He also pointed out another concern about Celsius's future growth – "We believe the brands (Celsius and Alani Nu) target the same audience so faster growth for Alani Nu could result in slower growth for CELH in the next few quarters," resonating with Morgan Stanley analyst Eric Serotta's cautious perspective due to continued weak retail sales for Celsius and the consumer overlap.

Closing the conversation, Stifel's Mark Astrachan emphasized that beyond the deal itself, Celsius needs to improve its marketing trends "with deal-related challenges including integration and sustaining strong sales growth and market share momentum experienced in 2024."

Overall, the mixed reactions from the media and analysts reflect both potential growing opportunities and pressure for Celsius. While the company has received positive expectations for its strategic moves, it still needs to focus on managing investor confidence and maintaining sustainable momentum for long-term growth in a highly competitive market.

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