Celsius Holdings, Inc.

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Lauren Lieberman: We're going to get started with the lunch hour with Celsius. Really happy to have the company's CEO John Fieldly and EVP Toby David with us again this year. I think you have a disclosure you want to read, so we'll start that and then we'll get into Q&A.

Toby David: Sure. Yes, we had a forward-looking statement that we needed to put out there. Celsius would like to advise attendees that we'll be discussing forward-looking statements that reflect its current views and reminds you to please review the forward-looking and cautionary statement section in its most recently filed quarterly report for factors that could cause actual results to differ materially from forward-looking statements made during the discussion today.

Lauren Lieberman: Great. So again, thank you so much for being here. I thought maybe a good place to start is just for those who are new to the Celsius story, catch us up on where you play in the energy drink space, how you've managed to turn this category into a three-way race.

John Fieldly: Yes, great question. We're really excited to be here and to be a number-three player in this $28 billion category that we see a lot of growth opportunity in ahead as well. When you look at where the Celsius position is, what has been a differentiated position is we're really driving and leveraging three of the fastest-growing trends in food and beverage. And number one is better for you. We have over seven essential vitamins with green tea, ginger, guarana, but we don't sacrifice on taste or flavor. We're building one of the most refreshing portfolios in the energy category, and I encourage all of you to try some of our great new innovative flavors that are out there. We have great team members from Boston that are sampling product out there, so try it. That's a great differentiator.

Number two megatrend is we all want more function in the foods and beverages we consume. Celsius is truly one of the only clinically proven functional energy drinks on the market that's backed by over six clinical studies, published in peer-reviewed sports nutrition journals, and it's clinically proven to increase your metabolic rate, helping burn calories and fat, so really helping you achieve your health and wellness goals.

And then the third megatrend is fitness lifestyle position. Fitness continues to grow. You look at where athleisure wear was 5, 10 years ago. The energy category is evolving.

Celsius is all about living fit and living life to the fullest. We bring essential energy before the gym and after the gym and help you achieve your health and wellness goals and accomplish your goals. So those are key differentiators that we really play on.

We also have achieved a 10 share in the energy category, which hasn't been done in the last decade. So it's been great. You look at we're growing 10 times faster than the category as well. We also have one of the best distribution partners, which is really critical when you're building a beverage business.

At the KDP meeting earlier today, they talked about controlling that last mile to the retail shelves, which is super critical. And we partnered with Pepsi over a year ago. They're our national distribution partner for North America. That gives us the muscle to compete at that number-three playing field and number-three level, and we're going to continue to build upon that. We're building out our sales team, our key accounts team, our marketing team. We'll talk about some more marketing initiatives we have today. But that's allowed us to be differentiated. We're going to continue to grow in scale.

The other great growth opportunity we have is international expansion we've announced this year with our international partner, Suntory. We just launched in the UK and Ireland, and we're looking at other international markets in the back half of this year.

Lauren Lieberman: Okay, great. So now that we're more than halfway through an unseasonably challenging third quarter for the energy category, just curious if you tell us how Celsius is faring in this tougher category backdrop.

John Fieldly: Yes, absolutely. Toby, do you want to?

Toby David: Sure, and if you look at the macroeconomic situation within all of consumer goods, it's been a bit challenged, and for the first time in really quite some time that's been affecting our category, the energy category. You've seen some of the top players even get into the negative growth for the first time in what seems like almost a generation.

Celsius, we've been resilient. We're 10% growth quarter to date, year over year. This is 10 times the category growth rate quarter to date. So we feel really strong about where we're positioned today. We believe that the category will bounce back. We had some really strong resets within convenience in particular. We saw 45% space gains within convenience where convenience is, where a preponderance of energy sales are coming from, especially with Red Bull and Monster. We think that's really going to be a growth driver for us in the future. So when the category does bounce back, we feel like we're well positioned.

In the past when you saw these massive gains, so our TDP gains, total distribution points, are up 45%--or excuse me, 39% year over year. With those gains, typically you'll see a little bit of debt within velocity, and we've seen this numerous times throughout our trajectory. And we're implementing the same marketing tactics that we saw work each time, where the velocity with debt. But then you have to build out and fill out that new space. Unfortunately, right now, a lot of that space came within convenience, and convenience is challenged. You're seeing a lot less foot traffic within convenience, I think 4% you're seeing within 7-11 and many others. So when the consumer bounces back, with all these space gains, we feel like we're really well positioned. We're having ongoing meetings with retailers now for 2025, very positive meetings with them because of the incrementality that Celsius does bring to the category, bring in a different consumer, not just brand shifting, and also the basket ring that Celsius brings is really important to that retailer as well. So we're bringing more dollars per ring than most of our peers.

John Fieldly: And you have seen the category flatten out over the last several months, but if you look back historically, it's been the growth driver in the beverage category. We are extremely bullish on the energy category, especially in the back half of this year and into '25 and beyond. We feel consumers are going to continue to grow and expand. You see new innovation coming, and Celsius is going to be a leader in the sugar-free movement. And if you look at the category for the first time, 50% of sales is sugar-free, and Celsius is a clear number-two within the sugar-free segment with a great sugar-free portfolio.

Lauren Lieberman: Okay. On the second quarter call, you identified a revenue headwind of $20 million to $30 million you attributed to Pepsi reducing the amount of inventory it was carrying. Can we talk a bit more about that and if you're expecting to see more of that impact in the third quarter?

John Fieldly: Yes, let me start, I think, really explaining, because we have our--Pepsi is our major distribution partner for North America. They're the largest distributor. But I think what's important also is that we really look at the scan data as well. As Toby mentioned, sales are up for the quarter--quarter to date, about 10% within Circana within the scan data. And when you look at the depletions, not Pepsi is delivering into retail, we're seeing those depletions at similar rates. So I think it is important that Pepsi is servicing our retailers. They're servicing in an effective manner. We're seeing service levels, some top service levels in the industry from Pepsi. So as long as the consumer and retailers are receiving product, we're keeping our NOD and IOD--that's inventory on display--getting those secondary placements and really leveraging the muscle of Pepsi. That is extremely critical in order to scale and grow and drive this business forward.

Now through the first half of this year, we did see roughly over a $47 million decrease in orders associated with them optimizing their inventory levels. As we're gaining more efficiencies with the relationship, we're improving supply chain timing, logistics, and just being more effective and efficient all around. That's out of our control, but what we can control is really that retail component and making sure that they're maintaining those service levels. And that has continued in the third quarter of this year. What we're seeing year to date, roughly around $100 million to $120 million of orders being reduced from what they ordered last quarter. So we're still seeing these inventory levels being reduced. It has increased in the third quarter. That's something we can't control, but what we can control is as we're continuing to build, we got further innovation, further expanding consumer base, activating the consumer. We have a lot of great programs in the back half of this year, marketing initiatives that we can control.

But controlling that inventory component within Pepsi and what they're ordering, because keep in mind, we recognize revenue when it delivers to Pepsi. We're not recognizing revenue when it's selling through, through the scan data. So we just have really a disconnect. It's unfortunate that at this point we have a disconnect just because of the optimization that Pepsi's doing within inventories, which is impacting us about $100 million to $120 million estimate this quarter.

Toby David: Yes, just to be clear, I think when we look at Q3 of last year versus Q3 of this year, we're up 10% quarter to date, year over year. We're up almost a full share point. Sales are strong. And just to be precise with the $100 million to $120 million figure, we're seeing $100 million to $120 million less in orders to Pepsi in Q3 this year versus Q3 last year. So that's why it's really critical to understand that we recognize revenue when the product is delivered to Pepsi, because that's not correlating to what everybody's seeing in Circana or Nielsen data.

What we are seeing correlate is depletions out of the Pepsi warehouse to that data, which just simply means that they were holding several million more cases over the past year and a half than they really needed to hold, and they're optimizing their network now. So it's disappointing for us the because otherwise strong numbers that we're seeing at the Nielsen and Circana data is being a little bit disrupted by the ordering patterns and through the optimization Pepsi's making right now.

John Fieldly: But the key is what's happening at the retailer. We need to continue to drive share, revenue, and distribution expansion.

Lauren Lieberman: And as you've talked with me, you mentioned that it was initially even year to date, prior to the third quarter impact, really related to them getting that right, optimizing and getting more efficient in this relatively new relationship. But do you think there's anything in your conversations with them that they've suggested their concern about the macro. Just they've seen, frankly, macro impacts on their Frito business, and so they're watching the lower-income consumer, they're watching convenience rate closely. Anything you're hearing from them on that front, on there being a cautionary on the category element beyond the optimization?

John Fieldly: No, it's really supply chain optimization on their side. We are the growth driver in the energy category. We're driving 47% of the category growth. We're a meaningful brand within their portfolio of products. We're the leader within the energy category for them. We just had our AOP meeting last month with them. A lot of exciting conversations and strategies coming out of that for 2025. We have a new innovation. We've got new priority periods. We did implement an incentive program with them this year to further align expectations as well as initiatives to further give us that opportunity to push forward for additional inventory on display at retail as well as additional prioritization periods. We're going to leverage the full national distribution selling power of Pepsi on a national level. So those are things we're working on. We're going to continue to execute and build upon that into '25.

Lauren Lieberman: Okay, great. And so in that vein, levers that you're particularly pulling on to continue pushing the market share growth story?

John Fieldly: Yes, so we just announced a Charles Leclerc partnership. He just won at Monza, a great win for Ferrari there. We are an F1 Ferrari partner. That has been a great asset for us. We're going to continue to further build upon that relationship, further activating at retail and expanding upon that in 2025.

We also have a big initiative with MLS, Major League Soccer, a great opportunity for us. We've been further building upon that and expanding that, expanding the consumer base, not only on a national but regional level. And then we also just partnered with Breakaway, which is a musical fest which ties in perfectly with our Essential Vibes tour, where we go coast to coast. It's a variety of EDM and a variety of music festivals across the country. One will be taking place this weekend here in Boston. We'll have Tiesto and a variety of other top DJs.

Then we also have our Live Fit tour, going coast to coast with 5-ks and workouts. And most importantly as well, we just graduated 120 college-university students representing over 80 universities in our Celsius U Ambassador program, where we bring students through a great crash course on consumer products, education, and they're really the CEOs of their campus. And that's been a great initiative, especially with our NIL partnerships that we have.

So it's exciting time for Celsius. We're bringing new consumers in, we're growing the category, and we're leveraging all the assets, not only to the consumer but also at retail.

Lauren Lieberman: Okay, great. So sticking with retail, a recent story line has been gaining incremental shelf space. So has that been similar across channels, more weighted to one channel or the other? And how should we think about the timing, the effect of those space gains and starting to impact results?

John Fieldly: Yes, do you want to talk about it?

Toby David: Yes, we saw about a 35% increase in total space within MULOC, so all channels. Convenience, though, is really where we saw even more gains, which is about 43% more space gains this year. And that's really going to be the driver of future growth for Celsius. We can continue to grow elsewhere, whether it's food service or other within other channels, but convenience is where, for Red Bull and Monster, it's about 65% of their sales are coming from, a lot of impulse purchases coming from there as well, a lot of trial coming from convenience. And when we get trial, we know it sticks. So getting that space is really critical for us.

And when the category starts to pick back up, because it will--and I think that's something important to understand about the category that we didn't touch on earlier, is the category is not losing consumers to other categories. If it was, that would be far more concerning. It's a little bit less of a user intensification. They're shrinking a little bit less right now because of the current economic factors at play. So when that consumer does come back, and we're really good about bringing new consumers into the category, so when new consumers are ready to start coming back, we feel like we're going to be the beneficiaries of that.

So with all these space gains, we really feel like we're well situated for 2025. And as I mentioned earlier, we're already having retail meetings with the largest retailers in the country for 2025 to see how much more space we're hopefully going to be able to get, and very positive meetings thus far.

John Fieldly: And what we're doing is really the next big opportunity for us is NACS in October, a national convenience store show. And if you're looking at the data, looking at the convenience, we are driving that growth in the category, so it puts us in a growth driver position. So we're going to have a great story coming into these retailer meetings that are going to be coming up over the next several months. As Toby mentioned, we had several already critical meetings, which have been super positive. And we're excited about the future to continue to drive additional space gains, better placements, additional cold placements at checkouts. We need to further increase that path, disrupt that path to purchase for consumers, which is really critical to really, truly leverage our marketing initiatives.

Lauren Lieberman: Okay. And you mentioned a few times the macro, but I just wanted to come at it more directly in terms of your view on what's driving the energy category's recent slowdown and also how Celsius is affected. Is it very comparable to what you're seeing for the other two brands? Is it everyone's in it together?

John Fieldly: Yes, mid and low consumers are being affected. We're seeing that in the convenience data. I think when you look at what is represented to Celsius, we've been the leader force in growing the category. 47% of the growth has been from Celsius. We need this category to get back to growth. As Toby mentioned, you're seeing consumers--they're not moving away from the category. They're not moving to other categories. It's the frequency that they're being affected by due to the economic climate. We know that's going to come back. We're in a great position to capture that.

And also as the category grows and more consumers come in, they're looking for products like Celsius that aligns with their health and wellness goals and the megatrends within the consumer category, which Celsius hits on. So we feel we're in a good position there as consumers come back into the category for the first time and look to explore.

Also the sugar-free movement. That's a huge play, the sugar-free movement from some of the top brands. Look at the marketing. Look at what's going on. Look how they're talking to consumers. And sugar-free is going to be the driving force of this category, and we are the sugar-free portfolio of the future. And that's where we're going to lean in, and that's where we're going to win.

Lauren Lieberman: Great. On the second quarter call, you talked about Celsius would begin reporting MULO Plus with convenience because it better reflects consumers' buying habits. For those who aren't familiar with that new Circana measurement--and by the way, because we're a Nielsen, so this is for me, too--it would be great if you could just explain what that is, why you think this is a better representation, better able to follow your sales trends.

John Fieldly: So I think just going back to how we built Celsius, I think it is important to understand why we see Circana, MULOC Plus is very important, because it's capturing an omnichannel world. And when you think about today's consumer, they want products how they want it, when they want it, and where they want it. And that's Amazon. That's Target.com, Walmart.com. It's a lot of these dot-com components that this new Circana Plus captures, as well as the club channel.

And historically, we've over-indexed on Amazon. We've really built the brand through Amazon. We've been doing extremely well on the club channel as well and really building out the retail distribution. So we feel the MULOC Plus really gives us a better visibility on the overall health of the brand. When you look at it at roughly around 11.8% share right now, we do extremely well on Amazon, going back and forth between 1% and 2% within the energy category. We did really well on Prime Day, really successful there.

So when you look at it, I think it gives you a better holistic approach of the omnichannel world we live versus specific just to retail. Toby, do you want to--?

Toby David: Yes. I would just include Amazon and Costco are two of the largest retailers in the country, so it doesn't make sense not to include them. So we just happened to over-index in both of those. I think Amazon was about 10% of our Q2 sales in the club channel, and total was about 22%. But it's more representative of what the retail footprint really looks like these days. So it gives a better indication of how you're performing in totality within the category.

John Fieldly: And Amazon being the number-one retailer as well, you can get product now in an hour. So it's not like it used to be. It used to be if you order Amazon, you get it in a couple of days. Now I can order Celsius right here, and I'll get it within an hour or two dropped off at the doorstep. So it's a different world we live in today, so we think it's a better representative when we're evaluating our marketing initiatives and our sales initiatives. Really making sure we're driving ROI, we're using that data.

Lauren Lieberman: Okay, great. And my next question was actually going to be around channel opportunities, in particular if there's greater opportunities in one versus another channel. And also maybe, with the macro pressures that are impacting consumption in the energy category, do channels rise or fall in importance? Because when you think on one hand, it's a larger dollar outlay, obviously, to buy a case versus single serve, but it's also going to be a better price per unit. So any marketing or intentionality around that?

John Fieldly: Yes, we have a variety of tactics and strategies on pack size, channel strategies from convenience to grocery to mass to club. We have seen traffic increase in food, so those are opportunities for our multi-packs. We do extremely well with multi-packs. We have seen great success. But if the consumer continues to see challenges, is that too large of a ring? So we're evaluating that and being cautious on that, but our value packs do tremendous. We've got new innovation coming out on a summer pack. We have a Vibe pack out there. Multi-packs have done really well for us.

When you look at the opportunities of channels, talk about Pepsi and its distribution, and one area is food service, a big opportunity in food service. Over 12% of our revenue going through Pepsi is food service. And that's hospitals, universities, Lowe's also, restaurants as well, fast casual. I think what's interesting about Celsius, and Pepsi was surprised as well and excited about the opportunity, is many of you here are eating lunch and you're also drinking a Celsius. That's unique. It's expanding the usage occasion of the energy category. And that's one thing Celsius does. You can have it with your breakfast, with your lunch. You can have it before your workout or for your next meeting. And that's what's universal and opens up opportunities of expanded usage occasion to increase that user intensification that we can do with the portfolio. And food service is a great area for that.

So we're in Jersey Mike's, we're testing at Pizza Hut now, we're looking at other opportunities within food service. So that's an exciting opportunity. International, big growth driver and expansion.

Convenience. Toby just mentioned the large growth, 47% growth in distribution within convenience. When that channel comes back, we're really excited about that channel. That's a massive channel of opportunity.

We're doing extremely well in a variety of retailers and regions. Right here in Boston, this is one of our top markets within the country. I have a couple of great field marketing team members here with us today handing cans out. They started with us in March as well, have done great. We have over a strong 15 share, coming close to a number-two player within this market.

And we see that. We have over 10 markets exceeding over a 15 share, and they're major markets--New York City, Boston, South Florida, a variety of others. And these aren't just regional. These are very cross, diverse markets. That gives us the confidence and the excitement as we continue to build out our drill-deep strategy to go after these additional channels, but most importantly, these other markets that are extremely important to the energy category.

Lauren Lieberman: Great. Looking back also on the second quarter call, in Q&A you talked about gross margins in the high 40s to 50%. And you pointed to greater promotions in the second half of the year as part of the reason for margin numbers that would be slightly lower than what was reported in the second quarter. Can you just provide some color on whether these promotions have started, how long you'll be investing in those sorts of activities?

John Fieldly: Yes, the category is highly promotional, about 26 weeks a year on average it's promotional. We just had large resets. We are leaning in with promotional activity in the quarter. You saw the gross profit numbers that we've been able to deliver in the second quarter was extremely strong. We gained efficiencies. We have further efficiencies we're building in next year as well within our supply chain. That's one thing that we've been able to benefit with as well with the Pepsi distribution network is not only they're driving efficiencies with that inventory, we are also driving efficiencies and gaining scale and leveraging our suppliers. So we are able to deliver strong margins. We are going to see an impact in the third quarter. As I mentioned earlier, with Pepsi reducing their orders $100 million to $120 million in the third quarter, that's going to impact the margins even greater than we anticipated. So those are things that are going to impact the quarter. But overall, we have a competitive advantage. We see great opportunities for margin enhancement outside of the normal ordering processes, and we can drive great operating income as well. We had a great operating income, driving efficiencies all the way through the business and gaining further leverage.

Lauren Lieberman: Okay. And this slated promotional activity, is that still on track, the things you're doing in market, in market execution?

John Fieldly: That is on track, and we're not going outside of the ordinary. We're just running additional promotions, doing a variety of targeted retail marketing programs as well for the consumer. There's a lot of great programs that you're able to leverage. We just gained this distribution. We need to lean in with these retailers, and it's the perfect time, especially leading up to buyer reviews and discussions and meetings coming up for the back half of this year.

Lauren Lieberman: Okay. Also on second quarter, you announced pricing. What you said was the pricing actions which you would not see benefit of until 2025. How should we think about your approach on pricing, staying in line with premium per-ounce perspective, but also running those promotions? Has it delayed this price?

John Fieldly: Yes, that's one thing. Our pricing architecture, we have a great strategy around that. We want to be a premium offering. It's very important. Celsius warrants a premium position with our ingredients, our functionality, and our great refreshing flavors. So when we look at the pricing, you did see some of the top players take price. We did follow through. We won't realize any of that pricing upside in the back half of this year, but we'll start to see that transpire in 2025 and beyond. As things improve, it gives us another lever, another tool in the tool belt. When you're building a brand and you're looking at a variety of opportunities to further invest and leverage and grow your brand, most importantly, gain consumer acceptance and that renewal, you want to be part of the daily ritual of daily life, a daily routine. We need to get that consumer to try the product, disrupt that path to purchase. So there's below line investments with some of the targeted investments and targeting new communities that I spoke about earlier.

But then there's also those targeted high-low strategies. There's a variety of retail marketing programs from apps. You're seeing a lot of retailers get into loyalty programs are really important and to engage new consumers and get them to try the product for the first time. It's super important on building brand and gaining more share.

Lauren Lieberman: Yes, okay. Because pricing-wise, I have heard some energy category watchers, let's call it, reference like it feels like an odd time to be raising prices, when the consumer, if it's the macro impact, and I understand you're following on the cap path, but just what are your thoughts more broadly on the decision industry-wide to be raising prices now, when you might be seeing some pushback again if macro is the problem with the category?

John Fieldly: I think it's front-line pricing, so there's--it allows you to expand your toolbox on a variety of strategies you're able to do, from EDLP programs to high-low strategies to bundling programs, partner with other portfolio products. It gives you more flexibility. That's why we're going to have to see how the consumer plays out, especially in the back half of this year. That's why we're not saying we're going to see a material impact this year, and we'll have to see how things evolve in 2025 if the upside allows it to come to fruition.

Toby David: We'll also see if Monster actually takes price or will they deal it back? Q4 is when Monster's supposedly going to begin taking price. They've been very aggressive with a lot of their portfolio, whether it's Reign, Reign Storm, Bang. They're running a lot of BOGOs, but then they've even been seen with their core portfolio running BOGOs. It's very rare that you'll find Celsius running BOGOs, and we're seeing a lot of our peers that are really getting price intensive. So we're sticking with the path. And to John's point, we're giving ourselves flexibility in 2025. And to your point, with the way the consumer is right now, we're going to be dealing back that price this year throughout the remainder of this year, and then it gives us an opportunity to make decisions next year on what's going on with the consumer.

John Fieldly: I think within the energy category as well, it's a premium luxury as well. So we'll have to see how sensitive the consumer is as we continue to evolve here. And at the end of the day, it gives you another tool in the tool belt.

Lauren Lieberman: Yes, okay. Let's talk a little bit about international, which you mentioned briefly before. So several new international markets with Suntory. Can you talk a bit about the strategy and ramp-up timing with these markets to launches and maybe longer-term expectations as well for how big international can be as a mix of the total revenue?

John Fieldly: Yes, well, just in general, international right now is about 5% of our revenue mix, so just keep that in mind. It's about 40% of the revenue mix of Monster, so the opportunity is massive and it's huge. If you look at the same health and wellness trends that I spoke about earlier, they're not only in the US; they're global trends. Also, the world is one click away these days. Quite interesting, we did a study in UK as well as Australia, and the brand awareness in those markets were much greater than we initially anticipated just because of the social media platforms can travel so quickly.

So we're really excited. We partnered with Santory. We're going to launch in the UK and Ireland. We just went into Tesco last month, so initial feedback has been very positive. We went into the gyms first. We're taking a very methodical approach as we continue to grow and scale. We need to make sure we gain consumer acceptance. And as we do, we're going to continue to lean in, invest, and continue to build and grow the brand. We think the same opportunity in the US is abroad in these top markets. We're focusing on the top markets where we feel we can have the best opportunity, and that's going to position us for success.

And initially Phase 1--that's UK, Ireland--it's going to be France later this year. It's going to be Australia and New Zealand. So those are initial expansion markets that we'll be entering this year as well as Benelux. We're looking to further expand there with Santory, so those are opportunities that we have immediately. We need to make sure we enter those effectively. We continue to build that consumer acceptance, the adoption, and then scale within retail and then we're going to be looking at other markets as well as in 2025 and then into '26.

Lauren Lieberman: Okay. And point of entry in terms of building awareness, so you said entering gyms first? A little more on how you build awareness there.

John Fieldly: What's great is that we built this playbook, this drill-deep strategy, and we've been doing it in the US. I mentioned right here in Boston is one of our top markets in the country, well above 15 share. And what we've been able to do is when we put our playbook and our strategy in place, we're able to build the awareness, the trial, the consumer acceptance, and the loyalty. And we've done this several times, not only in the US in a variety of different markets, but also in Sweden and in Finland, where we have great distribution and great share in those markets, which continue to grow. They're very successful markets for us. So we feel that we have the playbook that we're going to execute and we're going to drive and launch with, and we're going to stay very focused and calculated and measurable.

One thing we've done here at Celsius if you go back, we're very keen on driving positive ROI and positive investments. So we're not going in with a land-grab approach. We're being careful on approach, and as quickly as we run is as quickly as we gain consumer acceptance. We need to partner with retailers, partner with consumers, and drive this brand forward. And that's why you're seeing some of the international investments we're making with Ferrari, [indiscernible], with F1, with Charles Leclerc. Later on this year we have a Jake Paul/Mike Tyson fight. I'm sure you've heard a lot of PR around that. Celsius will be a major sponsor in that. And that has global reach. It's Netflix's first live national sporting event, so it's going to get a lot of buzz around that. So we're really excited.

So we're making bets that have global reach as we continue to build that framework on consumer awareness.

Lauren Lieberman: Awesome. Okay. We have to wrap here, but they are going to do a breakout, which is great. So John and Toby, thanks so much for being here. Please join me in thanking the Celsius team for joining us.