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Analysis of Financial Performances for Coca-Cola: Comparison with PepsiCo, Keurig Dr Pepper and Monster Beverage

Weihao Dong[1,a,*]

[1]*School of Foreign Languages, Jimei University, Xiamen, China*
a. 20150725447@mail.sdufe.edu
**corresponding author*

Abstract: In the global beverage market, Coca Cola, PepsiCo, Keurig Dr Pepper Inc., and Monster Beverage Corporation are the four giants whose financial performance has a profound impact on the entire industry. This study aims to analyze in depth the market performance and financial health of these companies by comparing their financial indicators. Research has found that Coca Cola Company has outstanding performance in profitability, asset utilization efficiency, and cost control, while PepsiCo, despite performing well in certain indicators, has a negative expected earnings per share growth rate, which has attracted attention. Monster Beverage Corporation shows high market expectations, but attention should be paid to the risks that its high P/E ratio may bring. Keurig Dr Pepper Inc. has relatively weak profitability, but its gross profit margin trend shows signs of improvement. This study not only provides investors and analysts with a comprehensive perspective on the financial health of major beverage companies, but also provides important references for understanding their strategic decisions and market performance, which can help make more informed investment decisions.

Keywords: Financial performance analysis, comparison of the beverage industry, market performance, profitability, investment decision.

1. Introduction

The food and beverage industry, as an important pillar of the global economy, has a large and diversified market size, which is deeply influenced by consumer trends, health concepts, and technological progress. The global food market is segmented into multiple sectors, and the Statista Consumer Market Outlook series reports predict a compound annual growth rate of approximately 6% per year in the coming years, driven by population growth, the rise of the middle class, and changes in consumer preferences. Modern consumers pursue personalization, health, and convenience, driving continuous innovation in the industry. The popularization of digital tools has also changed consumer shopping habits, and online shopping and social media have become important channels [1]. With the increasing awareness of health, low sugar, additive free, organic and other healthy products, as well as functional foods and drinks, are increasingly favored. Enterprises will increase investment in research and development, launch new products that meet health standards, and meet market demand. The deep integration of digitization and technology has brought about

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changes in the industry. Enterprises achieve precision marketing through e-commerce platforms, social media, and other tools, while optimizing supply chain management to improve production efficiency and product quality [2]. Digital investment not only brings economic benefits, but also drives overall industry progress. Industry mergers and investment activities are frequent, with large enterprises acquiring small innovative brands to expand their business, while small enterprises accelerate their growth through investment. These activities promote the optimization of resource allocation and industry innovation and upgrading [3]. It is worth noting that the rise of the Chinese market has injected new vitality into the global food and beverage industry. The market size is constantly expanding and becoming one of the most promising markets. International companies are increasing their investment in the Chinese market and sharing market dividends [4]. Food and beverage companies are increasingly emphasizing environmental and social governance, striving to achieve sustainable development, reduce environmental impact, and enhance social responsibility [5].

Coca Cola, PepsiCo, Keurig Dr Pepper Inc. (KDP), and Monster Beverage Corporation are global leaders in the beverage industry, each holding a significant position in the global market with their unique brand charm and market strategy. Since its establishment in 1886, Coca Cola Company has been leading the carbonated and diversified beverage industry with its classic brands such as Coca Cola, Sprite, and Fanta. In the third quarter of 2023, its revenue increased by 8% year-on-year, with significant growth in single box sales and sugar free Coca Cola sales. The secret to its success lies in a deep understanding and flexible response to consumer preferences. The company has achieved significant sales growth by continuously launching new products, such as sugar free Coca Cola, accurately capturing the growing consumer demand for health awareness. This keen insight and quick response to market trends is an important reason why Coca Cola can continue to lead the industry trend [6]. PepsiCo, founded in 1898, has stood out in the fiercely competitive market with its diversified product portfolio and strong brand influence. Through acquisitions and internal innovation, PepsiCo's cross category strategic layout, spanning the food and beverage markets with PepsiCo, Le Shi potato chips, and a range of well-known beverages, not only brings broader market space to PepsiCo, but also enhances its ability to resist market risks. The net revenue for the entire year of 2023 was approximately $91.5 billion, demonstrating strong market competitiveness [7]. KDP, as a rising star, has rapidly risen by merging two giants to achieve resource sharing and complementary advantages [8]. Its coffee system, packaged beverage and other businesses are widely distributed globally, not only meeting the demand for high-quality beverages from consumers, but also providing a stable source of income and sustained growth momentum. Its financial performance in 2024 was stable. Monster Energy, with Monster Energy as its core brand, occupies an important share in the energy drink market, second only to Red Bull, demonstrating strong brand influence and market competitiveness. At the same time, the company actively expands its product line, entering multiple fields such as carbonated beverages and non-carbonated beverages, providing consumers with more diversified choices, not only enhancing the company's market competitiveness, but also laying a solid foundation for its future development [9, 10]. Its strong financial performance in the 2017 fiscal year indicates the company's potential for sustained growth. These four companies not only lead the global beverage industry trend, but also bring consumers more diversified beverage choices through continuous innovation and expansion.

As an undisputed leader in the global beverage market, Coca Cola's business strategy, market performance, and financial health are not only the focus of attention within and outside the industry, but also a key window for understanding the dynamics of the entire beverage industry. Through in-depth research on Coca Cola Company and its main competitors such as PepsiCo, KDP, and Monster Beverage, this study aims to reveal the similarities and differences in market position, strategic deployment, financial performance, and other aspects of each company, to provide accurate investment guidance for investors and strategic optimization decision-making basis for enterprise

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management. In addition, this study aims to capture current market trends, predict future development directions, and lay a solid foundation for the long-term development of enterprises.

2. Data and Method

The data for this study mainly comes from the annual and quarterly financial reports published by various companies, which detailed the financial status, operating results, and market performance of the enterprise, providing a solid data foundation for in-depth analysis. At the same time, in order to enhance the comprehensiveness and accuracy of the data, this study also referred to supplementary data provided by NASDAQ and financial database Bloomberg. These data sources not only contain rich market information, but also provide key information such as industry trends and competitor performance, which helps to form a more comprehensive and in-depth analysis perspective. When selecting comparative companies, this study specifically focused on The Coca Cola Company, PepsiCo, Keurig Dr Pepper Inc., and Monster Beverage Corporation. The selection of these companies as comparison objects is mainly based on the following reasons: firstly, they occupy a leading position in the global beverage market, and their market performance, financial performance, and strategic measures have a significant impact on the development of the entire industry, with high research value. Secondly, these companies not only excel in brand influence and consumer loyalty, but also successfully cover multiple segmented markets through diversified product combinations and flexible market strategies, demonstrating strong market competitiveness. In addition, their global business layout and extensive geographical coverage provide rich data samples for studying market differences in different regions, cultures, and economic environments.

More importantly, these companies have made achievements in sustainable development, corporate social responsibility, and innovation, not only promoting their own long-term development, but also setting an example for the entire industry. By comparing the practices and achievements of these companies in the above-mentioned areas, one can gain a deeper understanding of the inherent connection between corporate performance and social responsibility, and provide useful reference and inspiration for other enterprises.

Following indicators are used. TTM P/E Ratio= Current Stock Price/Earnings Per Share (EPS) for the Last 12 Months. It reflects the price investors are willing to pay per unit of earnings, based on earnings over the past 12 months. NTM P/E Ratio= Current Stock Price/Estimated Earnings Per Share (EPS) for the Next 12 Months. It reflects investors' expectations of the company's future earnings, based on estimated earnings for the next fiscal year. Expected Growth Rate in EPS=(Estimated EPS for the Next Fiscal Year−EPS for the Current Fiscal Year)/EPS for the Current Fiscal Year×100%, which forecasts the company's earnings growth potential. Gross Revenue Growth Rates=(Current Fiscal Year Revenue−Previous Fiscal Year Revenue)/Previous Fiscal Year Revenue×100%, which measure how fast a company's sales are growing. PEG Ratio=TTM P/E Ratio/Expected Growth Rate in EPS, which assess whether the stock price matches its earnings growth potential. GP/S Ratio=Gross Profit/Net Sales. It shows the company's gross profit per unit of sales revenue. GP/A Ratio=Gross Profit/Total Assets, which measures the profitability of a company's assets. ROA= Net Income/Average Total Assets, which measures how efficiently a company generates net profit from its assets ROE=Net Income/Average Shareholder's Equity, which measures how efficiently a company uses shareholder capital to generate net profit. For gross Margin Trends, it is calculated by the percentage change in the gross margin from one period to the next, which reflects the change of the company's cost control and pricing ability.

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3. Manuscript Preparation

3.1. Comparison Analysis

When evaluating the financial performance of these four companies (KO, PEP, MNST, KDP), in-depth analysis can be conducted from multiple dimensions such as P/E ratio, earnings per share growth, total revenue growth, PEG ratio, profitability ratio, and gross profit margin trend. Firstly, although KO's TTM P/E ratio is high, its NTM P/E ratio is the lowest among the four, indicating the market's expectation that its future profit multiple will decrease. The overall summary of the results are listed in Table 1. However, KO's expected EPS growth rate is as high as 46.94%, far exceeding other companies, and its ROE also ranks among the top, reaching 41.30%, indicating excellent performance in profitability and equity utilization efficiency. In addition, KO's gross profit margin has remained stable and slightly increased, and the quarterly gross profit margin has also improved recently, indicating its good cost management and pricing ability. In contrast, although PEP has the highest TTM P/E ratio, the market expects its NTM P/E ratio to significantly decrease, reflecting concerns about its future profit growth. PEP's ROE is equally outstanding, second only to KO, demonstrating a high return on investment for shareholders. However, its expected EPS growth rate is negative and the gross profit margin shows a slight downward trend, which may have a certain impact on investors' confidence.

MNST has the highest TTM P/E ratio, indicating market recognition of its growth potential. Although its NTM P/E ratio is relatively conservative, its PEG ratio is the lowest, indicating that its stock price is more reasonable relative to expected growth. MNST has the highest total revenue growth rate, demonstrating strong sales growth momentum, and its ROA is also the highest among the four companies, demonstrating efficient asset turnover and utilization capabilities. However, its gross profit margin fluctuates greatly, and further attention needs to be paid to changes in its profitability stability.

Finally, KDP Company has the lowest NTM P/E ratio, reflecting significant market expectations for its profit growth relative to the stock price. However, its ROE and ROA are both the lowest, indicating low efficiency in the utilization of its assets and equity. In addition, KDP's total revenue growth rate and expected EPS growth rate are both low, and its gross profit margin is also showing a downward trend, which together constitute challenges for its future development.

Table 1: Summary of the indicators for four companies.

	KO	PEP	MNST	KDP
Share Price	$62.20	$167.35	$48.89	$34.29
EPS Growth Rate	46.94%	-9.55%	10.53%	-30.91%
Revenue Growth Rate	6.39%	5.88%	13.14%	5.39%
TTM P/E	24.97	27.78	32.78	24.79
NTM P/E	22.05	20.43	27.66	17.82
PEG	3.51	2.72	1.93	2.59
GP/A (Last Fiscal year)	27.87%	49.35%	39.17%	15.50%

3.2. Explanation and Implications

Based on the detailed analysis results above, one can summarize the following comprehensive investment insights and strategic directions. When evaluating the financial performance of The Coca Cola Company (KO), PepsiCo (PEP), Keurig Dr Pepper Inc. (KDP), and Monster Beverage Corporation (MNST), unique strengths and challenges were identified. KO has become a common

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focus for value investors and growth investors due to its high ROE, stable gross profit margin, and strong expected profit growth. Its lower NTM P/E ratio indicates optimistic market expectations for its future profitability, providing a good buying opportunity for long-term investors. However, investors also need to be vigilant about the valuation risks that high PEG ratios may bring, and continuously monitor their actual growth performance to verify market expectations. In contrast, PEP's high TTM P/E ratio and low NTM P/E ratio reflect the market's conservative attitude towards its future profit growth, while its negative EPS growth rate requires investors to deeply analyze the reasons and evaluate whether it reflects short-term fluctuations or long-term trends. For investors seeking stable returns, the current situation of PEP may require more cautious consideration. MNST has demonstrated its strong growth potential with high ROA and high total revenue growth rate, but its high volatility also requires investors to have a high-risk tolerance. Investors can include it in their investment portfolio to pursue higher potential returns, but they need to pay attention to risk management and avoid excessive concentration of investments. KDP has relatively weak performance in terms of profitability and gross profit margin, but as an important participant in the industry, it still has certain investment value. Investors can pay attention to whether they can improve performance through strategic adjustments or business restructuring.

In summary, investors should comprehensively consider multiple financial indicators such as the company's P/E ratio, expected growth rate, PEG ratio, profitability ratio, and gross profit margin trend when formulating investment strategies. Meanwhile, it is also necessary to pay attention to the potential impact of brand strength, market position, and macroeconomic factors on the company's performance and stock price. By building a diversified investment portfolio and balancing risk and return, investors can achieve steady asset growth in a complex and volatile market environment. In addition, continuous monitoring of the company's financial performance and market dynamics is also key to ensuring the effectiveness of investment decisions.

3.3. Limitations and Prospects

When conducting the study "Financial Performance Analysis of Coca Cola Company: Comparison with PepsiCo, Keurig Dr Pepper Inc., and Monster Beverage Corporation", one must acknowledge its inherent research limitations and look forward to future research directions to address these shortcomings. Although this study thoroughly analyzed four representative companies in the beverage industry, the limitations of the sample size may make it difficult for the research results to fully reflect the diversity of the entire industry. In addition, the limitation of time span may cause researchers to miss out on capturing certain long-term trends or cyclical changes. The data source mainly relies on public financial reports, which ensures the transparency and verifiability of the data, but may also overlook the potential impact of non-financial factors such as brand value and market share changes on company performance. At the same time, the complexity of factors such as rapid changes in market dynamics, internal operational efficiency of companies, macroeconomic fluctuations, industry-specific risks, and regional market differences also pose challenges for this study. Especially in the selection of indicators, there may be situations where not all key performance areas are fully covered, and future changes in the company's strategic decisions are not fully considered.

To overcome the above limitations and deepen the understanding of the industry and companies, future research can be expanded from multiple dimensions. Firstly, expanding the time frame helps to more accurately identify the company's long-term financial performance and strategic trends. Secondly, increasing the comparative sample of companies within the industry can provide a more comprehensive perspective on industry performance. At the same time, analyzing non-financial factors such as brand reputation, market influence, and customer satisfaction can provide a more comprehensive evaluation of the company's overall competitiveness. In addition, in-depth analysis of the impact of macroeconomic and industry trends on company performance, as well as studying the performance of different regional markets, will help to better understand the company's market positioning and growth potential. As technological progress and innovation become important forces driving industry development, exploring their impact on company competitiveness and market position will also become an important direction for future research. Finally, strengthening the analysis of the company's sustainability practices and social responsibility performance, as well as studying its risk management strategies and strategic planning execution capabilities, can provide a more comprehensive performance evaluation system for the company and offer deeper insights for investors, decision-makers, and academia. Meanwhile, paying attention to changes in emerging markets and consumer behavior will also help predict future market trends and provide reference for companies to develop adaptive strategies.

4. Conclusion

To sum up, this study conducted an in-depth comparative analysis of the financial performance of Coca Cola Company with PepsiCo, Keurig Dr Pepper Inc., and Monster Beverage Corporation. The research results show that Coca Cola Company performs well in multiple key financial indicators, especially its high and stable gross profit margin and strong return on equity (ROE), reflecting the company's strong profitability and capital utilization efficiency. Although PepsiCo has performed well in certain financial indicators, its expected earnings per share (EPS) growth rate is negative, which deserves further attention as it may indicate challenges to the company's future profitability. Monster Beverage Corporation has demonstrated a high P/E and PEG ratio, reflecting the market's high expectations for the company's future growth potential. This market recognition is a positive signal for Monster Beverage Corporation, but it also brings higher market expectations. In contrast, Keurig Dr Pepper Inc. has relatively weak performance in terms of profitability and asset utilization efficiency. However, its gross profit margin trend shows some signs of improvement, which may indicate that the company is expected to gradually improve its performance in the future.

Looking ahead, it is suggested that future research should consider incorporating a wider range of industry participants and longer-term financial data to obtain a more comprehensive industry perspective and deeper long-term trend analysis. Such research will help us better understand the dynamic changes in the entire beverage industry, as well as the positions and development trends of various companies within it. Finally, the significance of this study lies in providing investors with a comprehensive perspective on the financial health of major beverage companies, while also providing important reference for understanding their strategic decisions, market performance, and future development trends. This has significant value for investors, analysts, and other stakeholders in the industry.

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