

The background of the entire page is a dark, textured overlay of various financial charts. In the upper right, there is a line chart with a peak and a subsequent decline, labeled with '52.34%'. Below this, there are several bar charts and candlestick patterns, some in blue and some in orange, set against a grid. The overall aesthetic is professional and data-driven.

HAVEN

EQUITIES

Equity Research Report

Research Standards

HAVEN Report Standards (Mandatory)

1. Structure

- Do not remove sections.
- Pages may be duplicated for depth.
- Every report must include thesis, industry, financials, valuation, risks, and conclusion.

2. Clarity

- Use bullet points, not long paragraphs.
- If crowded → create a new page.
- Visuals > text walls.

3. Evidence

All claims must be supported by:

- Financial data
- Industry comparisons
- Historical performance
- Valuation logic

4. Professional Formatting

- Maintain layout, fonts, and spacing.
- No casual language.
- No opinions without reasoning.

Equity Research Report



BellRing Brands (BRBR) Consumer Goods

Written By: Neel Khandelwal
Date: 29.03.2026

This report is prepared by Haven Equities for educational and informational purposes only and does not constitute investment advice or a recommendation to buy or sell any security.

Investment Overview

BellRing Brands (BRBR)

Sector: Consumer Goods | Industry: Packaged Foods | Price: \$55

Thesis:

Pure-play RTD protein shake company — Premier Protein brand holds ~55% U.S. market share.

Spun off from Post Holdings (Oct 2021); now operates with singular focus

Revenue CAGR ~20% post-spin; gross margins expanding from 30% → 35%+

Asset-light co-mfg model → ~\$360M FCF annually (~90% FCF/net income conversion)

Three durable tailwinds: GLP-1 demand surge + distribution white space + margin expansion

Trades at ~35x NTM P/E — discount to earnings quality vs. high-growth CPG peers

Key Drivers:

- **Market Share:** Premier Protein = ~55% U.S. RTD share; #1 velocity SKU at Walmart
- **GLP-1 Tailwind:** 15M+ users medically required to consume high protein daily — BRBR is the most affordable, accessible solution
- **Distribution White Space:** C-store, international (EU/UK), and foodservice channels remain largely untapped
- **Margin Expansion:** GM 30% (spin-off) → 34.5% today → 35%+ target; driven by co-mfg scale and mix
- **FCF Generation:** ~\$20M capex only; ~\$360M FCF deployed to debt paydown + buybacks

Key Risks:

Fairlife (Coca-Cola backed) scaling RTD aggressively with superior distribution muscle

Net leverage ~3.0x limits M&A flexibility; vulnerable if volumes soften

Protein/resin cost inflation could compress gross margins

Valuation de-rating if revenue growth decelerates below 12% CAGR

Single-brand concentration — Premier Protein = ~82% of revenue; no meaningful offset

Haven Rating:

Recommendation: Buy

Time Horizon: 12-18 months

Risk Level: Medium

Catalyst Driven: Yes

Catalysts (Next 1-6 Months)

FY2025 earnings beat likely — consensus

EBITDA est. appears 5–8% too conservative

New Premier Protein SKU launches (bars, new RTD flavors) expanding shelf presence

GLP-1 Rx volume data continues accelerating → protein demand validation

Net leverage crossing below 2.5x → re-rating trigger for valuation multiple

International distribution deal announcement (EU/UK) = new growth vector signal

Quick Stats:

- Price: \$55

- P/E Ratio: 35x

- Market Cap: \$7.5B

- Enterprise Value: \$8.7B

- Revenue (TTM): \$2.25B

- Cash: \$52M

- FCF: \$360M

- Beta (5Y): 0.65

Business Overview

Company Snapshot

Business Description:

BellRing Brands, Inc. (NYSE: BRBR) is a St. Louis, Missouri-based pure-play convenient nutrition company. It was originally part of Post Holdings and completed its IPO as an independent public entity in October 2021. The company manufactures and markets ready-to-drink protein shakes, protein powders, and nutrition bars under two primary brands: Premier Protein and Dymatize. Core customers are health-conscious adults aged 25–55, fitness-oriented consumers, active seniors, and — increasingly — GLP-1 drug users seeking a convenient, affordable source of high protein intake. Products are sold through mass-market retail channels including Walmart, Costco, Sam's Club, Target, Amazon, Kroger, and specialty fitness retailers.

Revenue Model:

BRBR generates 100% of its revenue through branded product sales — there are no subscription models, licensing arrangements, or service revenues. Sales are transactional but behave as highly recurring because RTD shakes are consumed daily as a habitual nutrition staple rather than an occasional purchase. The company uses a co-manufacturing model: third-party manufacturers handle all production, keeping BRBR's capital expenditure minimal (~\$20M annually) and allowing the business to scale volume without proportional fixed-cost increases. Gross margins of ~34.5% (expanding) combined with low capex requirements produce EBITDA margins of approximately 19% and FCF conversion of ~90% of net income — exceptional metrics for a consumer products company of this scale.

Operating Segments

Segment	% of Revenue
Premier Protein (RTD Shakes)	- 82%
Dymatize	- 13%
Other / Bars	- 5%

Key Operating Metrics

Revenue growth: +18% YoY (FY2024) — volume-driven, not price. Gross margin: ~34.5% (vs ~30% at spin-off 2021). EBITDA margin: ~19.1% and expanding. RTD category share: ~55% U.S. (SPINS data). Volume growth: +18% YoY vs category +8% — taking shareFCF conversion: ~90%+ of net income. Net leverage: ~3.0x, declining; target <2.5x within 12–18 months

Industry & Competition

Industry Overview

U.S. RTD protein shake market: ~\$7B (2024) → ~\$11B by 2028E at ~12% CAGR

Broader convenient nutrition market: ~\$25B globally

Protein nutrition has shifted from niche (athletes) → mainstream daily habit

Premier Protein is the #1 velocity SKU in RTD protein at Walmart

Trends

- **GLP-1 wave:** Ozempic/Wegovy patients clinically required to eat 80–120g protein/day → direct demand tailwind
- **No regulatory risk:** Protein foods face minimal FDA scrutiny vs. supplements
- **Co-mfg scale:** Higher volumes → better co-mfg pricing → structural GM improvement
- **Mainstream shift:** Protein consumption now spans all demographics, not just gym-goers
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Main Competitors

Competitor	Ticker	Market Cap	Additional Notes
Fairlife (Coca-Cola)	Private	~\$5B	Premium/dairy-forward RTD; Coca-Cola distribution; higher ASP, growing fast
Hormel (Muscle Milk)	HRL	~\$10B	Gym/specialty channel focused; lower mass-retail velocity vs Premier Protein
Simply Good Foods	SMPL	~\$2.8B	Quest bars/Atkins; keto/bar focus; key valuation comparable

Company Positioning

BRBR leads the RTD protein category with roughly 55% U.S. market share, a position built on value (accessible ~\$3 price point), breadth (multiple flavors and formats), and mass distribution penetration. Against each competitor:vs. Fairlife (Coca-Cola): BRBR wins on price/value equation, SKU breadth, and mass retail distribution depth. Fairlife wins on premium positioning and dairy-forward taste profile. Fairlife is the most credible threat and deserves monitoring, but BRBR's scale advantage and shelf velocity advantage are currently substantial.vs. Muscle Milk (Hormel): BRBR leads on shelf velocity and repeat purchase rates. Muscle Milk is heavily indexed to gym and specialty channels where Premier Protein has less presence, meaning competition is less direct than it appears.vs. Simply Good Foods (SMPL): SMPL is BRBR's closest public-market valuation comparable. BRBR commands a premium to SMPL on growth rate. SMPL's Quest and Atkins brands address the bar and keto segment rather than RTD protein, making them partially complementary rather than head-to-head competitors.

Valuation

Current Valuation

	Prev. Year	Current Year	Next Year (Projected)
EV/Revenue	- 3.1x	3.9x	- 3.3x
P/S	- 2.9x	3.4x	- 2.9x
Market Cap	- \$5.5B	\$7.5B	- \$8.5B

Peer Comparison

	EV/Revenue	P/S	Market Cap
BRBR	- 3.9x	3.4x	- \$7.5B
SMPL	- 2.9x	2.6x	- \$2.8B
HRL	- 1.1x	0.9x	- \$10.8B
MDLZ	- 2.4x	- 2.1x	- \$80B

Valuation Scenarios

Scenario	Assumption	Implied Value	Upside/Downside
Base Case	- 15% revenue CAGR, 35x NTM P/E, margin expansion on track	\$72	- 31%
Bull Case	- 20% revenue CAGR, 40x P/E (GLP-1 acceleration re-rates multiple), leverage below 2x	\$88	- 60%
Bear Case	- 8% revenue CAGR, 28x P/E (growth deceleration / competitive pressure), leverage stays elevated	\$47	- -15%

Fundamental Analysis

Quantitative Analysis (Financial Health)

– Income Statement (FY2024E): Revenue of approximately \$2.25 billion represents approximately 18% YoY growth, driven almost entirely by volume (not price). Gross profit of approximately \$776 million yields a gross margin of ~34.5% — a meaningful improvement from the ~30% level at the time of spin-off. EBITDA of approximately \$430 million (margin ~19.1%) reflects strong operating leverage as the cost structure is relatively fixed. Net income of approximately \$310 million translates to EPS of approximately \$2.30. Revenue has compounded at roughly 20% annually since the spin-off in late 2021, with consistent beat-and-raise earnings dynamics.

Balance Sheet: Total debt is approximately \$1.35 billion, largely reflecting the leverage structure installed at the time of the Post Holdings spin-off. Net leverage stands at approximately 3.0x EBITDA on a trailing basis, declining. Cash on hand is approximately \$52 million. Notably, BRBR carries negative book equity — this is a standard and expected artifact of the spin-off accounting structure, not a sign of financial stress, and is observed across many consumer spin-offs. The company's financial health is better assessed through cash flow than book equity metrics.

Cash Flow Statement: Operating cash flow of approximately \$380 million, capex of only approximately \$20 million (asset-light co-manufacturing model), and resulting free cash flow of approximately \$360 million make BRBR an exceptionally high FCF converter. FCF-to-net-income conversion of approximately 90%+ is top-quartile in the consumer staples universe. Cash is being allocated to debt repayment (accelerating deleveraging) and share repurchases, both of which are directly accretive to per-share value

Key Ratios

– Valuation: NTM P/E ~35x | EV/EBITDA ~20x | P/S ~3.3x | EV/Sales ~3.9x

Profitability: Net Margin ~13.8% | EBITDA Margin ~19.1% | ROA ~12% | Gross Margin ~34.5% (negative book equity makes ROE not a meaningful metric for this company)

Leverage & Liquidity: Net Debt/EBITDA ~3.0x (declining rapidly) | Current Ratio ~1.2x | Interest Coverage ~6x | Debt paydown funded from operational FCF without new equity issuance

Growth: Revenue +18% YoY (FY2024E) | EPS growth +25%+ | Volume growth +18% | Consensus FY2025E Revenue ~\$2.55B (+13%), EPS ~\$2.75

Quantitative Analysis (Business Fundamentals)

– Management: CEO Darcy Davenport — deep CPG background; post-spin growth acceleration track record; equity-aligned compensation

Moat: #1 RTD protein shelf velocity; deep brand loyalty; co-mfg flexibility; no viable private-label substitute at scale

Business Model: Simple, asset-light, branded consumable — no tech disruption risk, no regulatory exposure

Tailwinds: GLP-1 surge + high-protein diet mainstreaming + club/C-store/intl whitespace still large

Technical Analysis

Price Action and Charts

— BRBR uptrend from ~\$14 (2022 lows) to current ~\$55 — roughly 4x appreciation

Consolidating \$50–\$62 since mid-2024 — constructive base-building, not distribution

Break above \$62 on volume = technical confirmation of next leg up

Support: \$50–51 (50-DMA + prior breakout level)

Resistance: \$60–62 (prior price highs)

Volume: up-day volume > down-day volume = institutional accumulation confirmed

Common Technical Indicators

50-DMA ~\$52 Price above — bullish

200-DMA ~\$46 Price above — bullish; golden cross intact since Q3 2023

RSI (14) ~58 Neutral-to-bullish; room to run before overbought (>70)

MACD Positive, histogram turning green Early buy signal post-consolidation

Bollinger Bands Price near upper band, bands widening Trend continuation, not exhaustion

Core Assumption

The technical setup for BRBR is disciplined and attractive on a risk-adjusted basis. Low beta (0.65) combined with a clear uptrend, constructive consolidation, and aligned indicators produces an asymmetric setup with limited downside if the stop-loss level is respected.

Entry: Accumulate on pullbacks into the \$50–52 support zone. Stop-Loss: Below \$46 (200-day moving average); a close below this level would invalidate the bullish thesis on a technical basis. Price Target: \$72 (base case), consistent with fundamental valuation, representing +31% from current levels. Trade note: Earnings prints are historically high-impact events for BRBR, with beats driving gap-ups of 8–15%. The next earnings release represents both the primary catalyst risk and the primary catalyst opportunity for the thesis.

Conclusion/Recommendation

Investment Recommendation

Verdict: BUY

Target Price & Potential Returns

Price Target: \$72.00 | Potential Upside: +31% | Time Horizon: 12–18 Months

Core Thesis Summary

BRBR is the dominant pure-play in the fastest-growing convenient nutrition segment

Premier Protein's ~55% RTD share moat is deep, defensive, and velocity-confirmed

GLP-1 tailwind is real, durable, and not yet fully priced by consensus

~\$360M FCF + declining leverage = compounding shareholder value

Three near-term catalysts: earnings beat, SKU launches, leverage re-rate

Risk/reward is asymmetric — 2:1 base case, 4:1 bull vs. bear

Key Risks:

BRBR's biggest threat is Fairlife, backed by Coca-Cola's distribution and marketing muscle, aggressively scaling in RTD. The stock is priced for 15%+ growth — any slowdown triggers a sharp de-rating. Single-brand dependence on Premier Protein (~82% revenue) leaves no buffer if the brand stumbles. Leverage at ~3.0x limits flexibility if volumes disappoint. Input cost inflation (protein, resin) can quickly squeeze margins. If GLP-1 adoption plateaus, a core pillar of the thesis weakens. Private label RTD entry at mass retail remains a low-probability but high-impact tail risk.

Key Catalysts

- Earnings Beat — Consensus EBITDA 5–8% too low; beat + raise = re-rating
- GLP-1 Growth — 15M+ users need high protein daily; not priced in by street
- New SKU Launches — Protein bars + new RTD flavors = new shelf space + trial
- Leverage <2.5x — ~\$360M FCF deleveraging fast; sub-2.5x removes valuation discount
- International Expansion — UK/Europe untapped; no dominant RTD competitor exists
- Channel Expansion — C-store, foodservice, gym channels largely underpenetrated
- Category Data — BRBR volume +18% vs category +8%; taking share consistently

Stock Type

Asset Class: Growth

Size: Mid Cap

Dividend: No

Key Financial Metrics

Revenue: \$2.25B

EBITDA Margin: 19.1%

Cash Balance: ~\$52M

Market Cap: ~\$7.5B

P/E Ratio: 35x

EPS: \$2.30

Company Snapshot

Ticker: BRBR (NYSE)

Current Price: ~\$55.00

SOURCES

