

Stuck in Your Pajamas? These Energy Drink Stocks might get you moving on New Year's Day

For those that might need a “boost” to their portfolio after New Year's Day, the Energy Drink market continues to witness solid growth with some opportunities to invest.

According to the recent data from Information Resources, US energy drink sales were over US\$12.8 billion in the past year, a 9.3% increase year-over-year. North American sales, including Canada, are estimated at over US\$14 billion.

In a research report issued by Mintel, energy drink sales in the US were forecasted to grow at a Compound Annual Growth Rate (CAGR) of 8.1% with the energy drink market reaching US\$19.4 billion by 2024.

In a market dominated by Red Bull, Monster Energy, and Bang, two Canadian companies are looking to grab a slice of the market share. I have recently made investments in both companies, hoping that they will “energize” my portfolio return in 2021.

LeanLife Health Inc. (CSE: LLP | OTC: LNLHF)

In July, LeanLife announced that it entered into an agreement with FoodCare Group, a leading food & beverage company based in Poland, to launch the Mike Tyson “Iron Energy Drink” product in North America.

Mike Tyson is a boxing legend, known as “Iron Mike” Tyson, and was the world heavyweight boxing champion from 1987 to 1990. Last month, at the age of 54, he competed in a comeback fight against Roy Jones Jr. and has already committed to three more fights in 2021.

FoodCare is a leader in Poland's energy drink market and has grown the Iron Energy Drink as a leading brand in Poland and the Middle East.

Subsequently, LeanLife entered into a sales agency agreement with The JET Collection (JET) whereby JET will focus on expanding the Iron Energy drink into the US market through its relationships with 150,000 retailers. LeanLife believes it can sell at least 100 containers of Iron Energy in the US in 2021; one container contains approximately 77,760 cans.



Source:

GURU Organic Energy Corp. (TSX: GURU | OTC: GUROF)

Montreal-based GURU pioneered the world's first natural plant-based energy drink back in 1999 when its founder and some friends decided to launch a ready-to-drink version of a plant-based "smart drink" they sold in their electronic dance music venue.

Over the past two years, GURU has registered revenue growth of over 70% and booked \$17.5 million in sales for the year-ending October 31, 2019.

In November, as part of GURU's going public transaction by way of a reverse takeover (RTO), it closed a \$34.5 million financing at \$5.45 per share. The stock hit \$20 this week, thereby registering a 250% gain since the RTO.

GURU plans to take a share of the energy drink market by targeting health-conscious consumers who are searching for a plant-based organic energy drink.

In Quebec, GURU is the #3 energy drink brand and it intends to use the proceeds from its recent financing to expand its presence across North America, especially targeting California.



SOURCE:

Beware the MegaCaps – The Coca-Cola Company (NYSE: K0) and PepsiCo, Inc. (NASDAQ: PEP)

In January, PepsiCo's Gatorade launched Bolt24 Energize, a caffeinated beverage designed to deliver energy and hydration. Then in April, PepsiCo closed a deal to acquire Rockstar Energy Beverages for US\$3.85 billion.

The Coca-Cola Company entered the energy drink market when it

acquired a 16.7% share in Monster Beverage (NASDAQ: MNST) for US\$2.15 billion in 2014. In January 2020, the Coca-Cola Co. released Coca-Cola Energy, aimed at providing consumers with a familiar brand name in the energy drink category.

However, a growing market can accommodate many companies and, as it continues to diversify with new product launches, perhaps worth looking at the smaller but growing Canadian companies.