

## SodaStream International (SODA)

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I'm going to do a deep dive into SODA post the [GMCR / KO news](#). My general thoughts - which will likely evolve over the coming days - are:

1. Everyone that thinks this business is a fad (and it's a lot of people; just look at SODA's ~50% short interest) is going to have to completely change their opinion. Coke just told the world this business is very real.
2. GMCR / Coke isn't coming to market until 2015, so SODA still has a bit of time to grow its brand / distribution before then.
3. KO entering likely grows the pie substantially, as opposed to simply taking share.
4. SODA's valuation is reasonable with effectively nothing priced in for growth despite their Americas segment growing ~30% and Western Europe up 43% ([last Q](#)).
5. SODA has fantastic international traction (Western Europeans love SODA. Why? Because they can save money by making a cheaper form of Perrier water in their own home. I believe this is the part of the product / story people just don't get... it's not about making a below-average cola drink. It's about making bubbly water, which people love.).
6. Who is left for Pepsi to buy? SODA.

More to come...