Office Hours: Business Edition
Episode 7 - John Fieldly

John Fieldly: Hi, I'm John Fieldly, I'm the Chairman and CEO of Celsius Holdings. We're building the future of the energy category with our modern energy portfolio. I'm here today with Monica Langley, Office Hours: Business Edition.

Monica Langley: I'm with John Fieldly, the CEO of Celsius Holdings. His energy drinks, Celsius, Alani, and Rockstar are everywhere I go, whether it's in the store, with people I see in an office, or out and about. And it's the reason that Celsius is now the fastest growing energy drink brand at scale. Celsius has become an energy drink powerhouse. Okay, so John, thank you for having me in your headquarters.

John Fieldly: We're glad to have you here. It is exciting. We are really changing the beverage industry, not just the energy category. And it's an exciting time, with where consumers are going, where health and wellness are going, and how people want more function in the food and beverages they consume. And Celsius Holdings is on the forefront of that.

Monica Langley: I have noticed that when I go into a convenience store now, there are big cases of Celsius and Alani and Rockstar.

John Fieldly: Yeah, it's amazing. I mean, when I started with Celsius, going on over 14 years ago, the category had always been very crowded in the energy space and mainly dominated by two major brands. But today you see those categories and that shelf presence continues to get wider and larger as energy is becoming more of this, what we call LRB, Liquid Refreshing Beverage. LRB kind of captures all the liquid refreshing beverages. It's kind of like a total within canned refreshing beverages. So when you're looking at a percentage of sales against total beverage, energy continues to grow against that.

Monica Langley: Okay, so the business is actually booming. And as you started to indicate, it's replacing coffee. Now I love my cappuccino. I have six a day. I switch to decaf at night. But this market is expected to exceed 100 billion by 2030. Do you really think you're going to be capturing coffee drinkers like me?

John Fieldly: Well, I would say maybe five or 10 years ago it would be very difficult, because that morning routine of warm coffee is a daily lifestyle. It's been around. It's just what we do. It's natural. But what you're seeing is that a lot of the coffee shops around the corner, some of the well-known famous ones, 70% of their sales now are cold. And you never thought that was true, that a coffee shop would sell that much cold coffee.

Monica Langley: That's true. Coffee is cold too when I'm in there. Yeah.

John Fieldly: That's a big opportunity when you look at a Celsius and Alani, which are multivitamins in a can, offer that same great energy, but also offer that additional functionality at half the price. It's a great proposition.

Monica Langley: That would be good. Okay. Now, as energy drinks are becoming more mainstream and potentially replacing coffee, it's interesting to note, though, that Celsius really started as a gym rat brand, right? I mean, it was in the health clubs and all that.

John Fieldly: Yeah.

Monica Langley: So when did you all break out to be more in the health and wellness space?

John Fieldly: Yeah, when I started in 2012, originally it was really marketed as a diet product, or going after the diet crowd. So the energy category was extremely tight, dominated by two brands and very difficult to get your foot in the door. So it was marketed as a diet drink, the world's only negative calorie drink at the time.

Monica Langley: It burns energy.

John Fieldly: Because it burns 140 calories in every can with moderate exercise. And it does great. It's clinically proven. So it is very much differentiated. But to try to find your niche and try to find a footing on the ground, we started to go after the diet crowd. In 2015, we started to pivot around that, talking about better for you energy as an opportunity. And we saw gaps starting to happen within CSDs and teas on this better for you movement. So we pushed on that. We saw a bigger opportunity, that energy will evolve beyond where it is today. And it's going to continue to evolve. And how do we capture that?

Monica Langley: Exactly.

John Fieldly: And one way was to go in through the gyms. And that's where health and wellness started to build.

Monica Langley: Okay. And now it's for health-minded consumers, which is almost everybody who pays attention to what they're putting in their body.

John Fieldly: Especially in a post-COVID world. Yes, I think that was a big opportunity for us. Going through COVID really got everyone focused on health and wellness, what you're putting in your body, what are you bringing home to your family. It really opened everyone's mind. Talk about calories as well. People are concerned and they want to live longer. They want to live better, and there's no better engine than the engine.

Monica Langley: If you could say, 'We drink this and live forever. We almost live well forever,' I think you would beat out your competitors.

John Fieldly: It does make you feel better and it increases productivity.

Monica Langley: Hopefully accomplish your goals. I agree with that. I've been drinking it for weeks now. Love it. Preparing to see you, and I'm like, okay. To be honest though, I can only drink a couple of these or I'm way too buzzed. I don't know how you feel about that. How many do you have a day?

John Fieldly: I drink about two.

Monica Langley: Yeah. Okay. So that's perfect. Okay. Now, who are your major competitors?

John Fieldly: Yeah, major competitors are going to be Red Bull and Monster. Red Bull is the largest in the category, Monster is number two, and then you have Celsius. And then you have Alani, really kind of neck and neck right now. Together, the Celsius Holdings portfolio is a 21% share, so it makes us really the third largest.

Monica Langley: Fantastic.

John Fieldly: Yeah, it's phenomenal.

Monica Langley: They have about a third of the market, don't they?

John Fieldly: They do.

Monica Langley: Yeah.

John Fieldly: So Red Bull and Monster each have a third, and Celsius is gaining traction. We're really excited. This year is going to be a breakout year for us.

Monica Langley: Perfect. Now, I just noticed, because I ran into Costco to get my Perrier, and I was getting some Celsius the other day, then I found out they're launching their own private label brand, Kirkland. What did you think of that?

John Fieldly: We've seen that a variety of times from a variety of retailers. Actually, they're seeing the opportunity we're seeing. Energy is becoming more of an occasion, bringing new consumers in. You look at their consumer demographics, there's a big opportunity to play there and expand the category. I think it's a huge opportunity for us as well. They're coming in with the Kirkland line, using pricing strategies around that, and they could bring new consumers in.

Monica Langley: And then they'll switch over to you potentially because your cases are sitting there in Costco. Now, let's talk about the health trends. In addition to the brand's appeal to health enthusiasts, there are also a couple interesting markets that I find you all are getting into as an alcohol alternative.

John Fieldly: Yeah. You hear about sober curiosity. You've heard about mocktails as a strategy. The alcohol free beer segment continues to grow, Heineken 0.0. So many other brands are entering that space. And it's a big thing. You're seeing Gen Z come in, they're looking for alternatives, and Celsius and Alani and these better for you products are big in social occasions.

Monica Langley: I saw on your website you all have recipes for mocktails. The one that looked good to me was tropical vibes, Chelsi Rita, mocktail.

John Fieldly: Phenomenal. We have a variety of great recipes for mocktails, and also Dirty Alanis is something we've played into as well. We've got a whole bunch of recipes with alcohol, not with alcohol, but Dirty Alanis is with cream. So you add cream, some type of creamer to the product. It really changes the profile. There's something amazing and unusual.

Monica Langley: It is phenomenal. I'll try it. And then what about with the rise of GLP ones? How are you all playing in that market?

John Fieldly: Well, when you go to a lot of these conferences with some of these other CPG companies, it's really affecting everyone. But one thing, when you look at Celsius Holdings and you look at the energy category, I think it's a big opportunity. Because when you look at the snack business, it's difficult. You're going to be snacking less and having fewer occasions. The protein segment has continued to grow because of GLP one, and when you're on GLP one, you also need more protein, but you also need more energy. And when you're looking at the energy options that are out there, Celsius, Alani, these multivitamins in a can, they don't have any calories or are low-calorie. And they have biotin and all these other great ingredients in there, which your body needs. So I think it's a big win. It'll be a big win for us over time.

Monica Langley: Now, what about, there is some criticism that in addition to giving you alertness, attention and yes, energy, it can also speed up your heart or blood pressure or something like that. What do you say to that?

John Fieldly: I think you really need to know your body. And if you're caffeine-sensitive, these products aren't for you. But if you drink coffee on a regular basis, these are really not much more than two coffees of your average household coffee, and much less caffeine in a Celsius and Alani than some tall coffee at your local corner coffee shop.

Monica Langley: And I get a venti, I get a large coffee. So there we go. Okay, so I have a question. Here's what I'm wondering, and maybe it exists and I haven't seen it. Do you have a decaf version or some version that is not quite as energetic?

John Fieldly: Well, what we do have—we have a smaller can size to pick me up. We have minis that are coming out this year, so we have Celsius minis, and we'll have Celsius minis hitting the market. And we also have Alani minis hitting the market.

Monica Langley: Are they out yet?

John Fieldly: The Alani Minis are out in the market today.

Monica Langley: Oh, I have not seen them. Okay. And Celsius Mini. So this is a big change to offer both little and big. And it's like coffee makers do.

John Fieldly: Yeah. It's changing the pack size. You're changing the usage occasions, looking for maybe a later afternoon pickup. It expands the occasions of both Celsius and Alani. And also when you look at where these products are playing now, a lot of these products are playing in CSDs and different categories where you might have had a soda or hydration product. You're grabbing one of these better-for-you energy products like Celsius or Alani, and having that smaller size allows you to expand those usage occasions.

Monica Langley: Now, as you're becoming a household name, I'm sure because one of your mantras is to know your customer. What are your demographics right now?

John Fieldly: Yeah. Demographics. We target 18 to 24 with Celsius.

Monica Langley: Male, female, older than that now.

John Fieldly: Huge opportunity for health and wellness as well. That captures a wider net, right? So we base our marketing programs and strategies on a core 18 to 24. But then we go much larger because of the health and wellness and fitness lifestyle association. Alani is female, 18 to 24. But then again, it's aiming wider with the female consumer because of health and wellness and beauty. We tie into beauty a lot with partnerships and collaborations. And then Rockstar is male focused 18 to 24, going after that male energy drink consumer.

Monica Langley: Okay, now you also have some really impressive brand ambassadors, which I looked at, Jake Paul, Kelsea Ballerini, trending sports teams like F1.

John Fieldly: Yeah.

Monica Langley: And so you're becoming part of the culture with this kind of partnership.

John Fieldly: Well, culture is very critical. These brands, you've got to think about them as individuals.

Monica Langley: So funny that you say that. Each one is your own little individual.

John Fieldly: It has to be, right? It has its own voice, its own tone. It hangs out with its own crowd. You've got to really think about it that way. And that way you tie into these partnerships and collaborations, and these brands have to be part of culture. They have to be part of the community. These brands need to be part of a daily lifestyle and a daily routine. And that's how you're going to build a mega iconic brand. So that's the thing that we focus on here. When you look at Celsius, Alani, and Rockstar, what community, who is it, how does it communicate within that community, how does it lead that community, and how do we continue to be in everyone's daily lifestyle, daily routine? These are daily products. We want to replace that coffee in the morning. We want to be there for lunch. We want to be there for those occasions when you're accomplishing your goals, getting through those hard times.

Monica Langley: And our fun times.

John Fieldly: Yeah, absolutely.

Monica Langley: Okay. So what is your growth strategy? You have a great saying that says more people, more places, more often.

John Fieldly: Absolutely.

Monica Langley: Did I get that right?

John Fieldly: You did.

Monica Langley: Okay, so it's very catchy, but what does it mean?

John Fieldly: So more people, right? So when we talk about those communities, how do we widen those communities we're building? We're tied in with Pepsi. These are amazing brands that can go global. How do we bring it to more people, and how do we do that? We also leverage more occasions. So we talked about social gatherings, where people are replacing alcohol with these types of energy drinks like Celsius and Alani, Dirty Alanis, Celsius mocktails. And then more often, how do we increase those frequencies? Food pairing is a major opportunity. So you can wake up in the morning, you grab your Celsius or Alani and you hit the gym, start your day, and with lunch you have a food pairing. Maybe you have a sandwich with a Celsius Cherry Cola or a Lime Slush Alani. So it's really about expanding those occasions, going out to the mall, going out for the weekend, how do we be part of that ritual and have fun with the communities?

Monica Langley: Now you're coming off a strong quarter, John. Your full-year revenue was $2.55 billion, representing an 86% year-over-year increase. Now that's pretty darn good. Now, I saw in your recent appearance on CNBC with my friend Jim Cramer, whom I've known for 30 years. You said you're anticipating a 17% growth in Celsius. How are you achieving that?

John Fieldly: So the 17% growth is on space. So right now in the beverage industry, what we're going through is reset season. Reset season starts January and usually ends right around May, mid-May, early June.

Monica Langley: We're in it.

John Fieldly: We're right in the middle of reset season. So it's when retailers update their planograms and their shelves for the next year. So we anticipate Celsius gaining about 17% space. And that's expanded checkout coolers in a variety of larger retailers.

Monica Langley: I saw it in a cooler at the gas station the other day.

John Fieldly: Love that. Yeah, absolutely. We want to be on that path to purchase. But you can't get there, you have to continue to drive scale and work with the retail partners and prove yourself for them to allocate more space to you. And allocation comes with greater sales. So that's what we're excited about with the Celsius portfolio. And then we said we're going to double the space. That's a newer brand. And one of the largest space gains are coming from the convenience channel, where it's really underrepresented. So we're excited about both these portfolios this year.

Monica Langley: And you just bought Alani in the last year or so?

John Fieldly: Yeah, we did, and it's been phenomenal. It's up to almost 10 shares right now. It is doing extremely well, and it's resonating with a much larger audience than we initially thought.

Monica Langley: Okay, now times are good. You think they're getting better, but it wasn't always. So you have been in front of and leading a big turnaround at Celsius. So tell me, what moments or moves did you make to get out of the slump when you joined the company?

John Fieldly: There's been so many along the way. Number one is we have a mentality of, we always need to make payroll next week. So I think that's something I tell a lot of my team managers within the company. We need to take advantage of opportunities, and we need to have a one-team mentality. I think that's really important. And there's been a lot of ups and downs along the way. There's going to be many more ahead of us, but we've got to have confidence and conviction that we can continue to get better. We're going to make mistakes. We need to continue to improve. We need to hold each other accountable. And we've made bad decisions along the way.

Monica Langley: What's your worst decision?

John Fieldly: I think it's not making the decision quick enough. Allowing too much time to go by. You get that gut feeling and you should move on it, but you wait and delay yourself on making that decision.

Monica Langley: Time, something that you wished you had launched sooner then.

John Fieldly: Yeah, 100%. You're always second-guessing yourself. I think that's the one thing you always have to do, second guess every move you make, right? Is that the right move? Do we need an audible? Are we heading in the right direction?

Monica Langley: Do an audible. Exactly. Okay. Now, what keeps you energized, pun intended, to come in here and kill it every day?

John Fieldly: That's the team. It's the people. We're disrupting a category that's never been disrupted in decades. It's dominated by two major players. We have so many great people here. We've grown this company to over 1300 employees right now. When I started, there were 12.

Monica Langley: When you started, like how long? Twelve, 14 years ago?

John Fieldly: Yeah, it was only a small group.

Monica Langley: And you started as CFO. Okay. Now the investment from PepsiCo, was it monumental to you, game changing, because they increased their investment in Celsius to 11%, correct? That's a big vote of confidence from one of the world's leading food and beverage companies.

John Fieldly: Well, that was really a strategic strategy we had from the beginning. We always wanted to bolt in or align with a major strategic distributor.

Monica Langley: Oh, you did.

John Fieldly: And when you think about it.

Monica Langley: How did you get Pepsi?

John Fieldly: Well, that was a long way of seeding along the way to get to that point. Even going back to when I started in 2012, within beverage you have to have a distributor. It's this white glove service in order to be able to take advantage of those impulse purchases that are so critical for beverages and a variety of other categories as well. But with Pepsi, we were able to prove ourselves. We had to prove ourselves. Everyone called Celsius a gym rat brand. It didn't belong in the beverage category, it belonged in health and beauty by protein bars. And so it's been a long way to prove to ourselves, that health and wellness is real, it has staying power, and it is the future. And as we've continued to gain momentum year over year, and eventually got to an inflection point to prove ourselves, we were able to capture the strategic alignment with Pepsi, and they invested 8% into Celsius and we got on their trucks. And that helped us scale across the country because distribution is extremely critical in the beverage industry.

Monica Langley: Now, you just mentioned energy bars. So when are we going to see a Celsius energy bar or an Alani? I mean, keeping with the energy category, can you do that? Are you thinking of that?

John Fieldly: Yeah, we think of a variety of things within our innovation teams. So we're looking at a variety of energy hydration. Protein is a big topic right now. Can protein play within these brands? One concern is, do these brands go too wide? Does it start to lose its identity? So those are things that we're talking about internally, like how far can the Celsius brand go and what categories can it go into? Talk about hydration, maybe better for you soda. It's a big movement right now within the soda industry.

Monica Langley: I see there's a Celsius Cola or Alani cola drink.

John Fieldly: There is a Celsius cola cherry cola. It's phenomenal. It's actually one of our fastest growing SKUs right now on the market.

Monica Langley: Okay, cool. Now, but no energy bars on the horizon or any kind of food.

John Fieldly: We do have protein bars within the Alani portfolio currently.

Monica Langley: You do?

John Fieldly: We do. They're great. We're really trying to see how far we could scale that. It is a competitive segment. So when you look at timing and resources and allocation, we do have them within the portfolio. They're on the website and available now. We also have our pre-workout powders as well.

Monica Langley: You put in your water.

John Fieldly: That you add, yep, you add to your water. And so we're testing other areas as we look to innovate, but we want to be very methodical in our approach. Lots of opportunities with these RTDs or drinks, and as we're expanding, we talked about the 100% distribution gains, space gains with Alani, and 17 on Celsius, and the turnaround story with Rockstar we're working on right now.

Monica Langley: Exactly. Now you talked about distribution being so important, and you have a strong presence in convenience stores. I can vouch for that. So what about, and also I can buy these products on Amazon, right? So where are you wanting to grow in distribution and how has Pepsi helped in that?

John Fieldly: Yeah. So the biggest opportunity we have is enhanced placements. A lot of these beverages are in a variety of key major retailers. And it's all about the secondary and third placements. It's that path to purchase we need to disrupt. And how we're going to do that is with Pepsi. When you think about Pepsi and all of their coolers they have around the country, you're getting access to those coolers and you're getting access to those impulse purchases. So a large part of the energy category is the take home packaging is growing, but the bulk of it still today is impulse purchases. I need an energy drink, I'm in the store. So that's a big unlock that you couldn't get, that impulse purchase, really at a larger scale without Pepsi.

Monica Langley: Okay. That's great.

John Fieldly: And another area that we're expanding on within Pepsi is universities and hospitals, and fast casual is a big opportunity.

Monica Langley: Hospitals. My daughter's about to graduate from med school, and when I told her I was coming here, she's like everybody in the hospital, health care workers, love Celsius.

John Fieldly: Love that.

Monica Langley: Love that because they want the energy and the go, and they have to be alert, for Heaven's sake.

John Fieldly: And it's the better-for-you energy product on the market. It's phenomenal. We've been supporting first responders and nurses, even going back as far as we can go with the company. We did a big program during COVID when they were doing Covid testing in parking lots. We turned our whole field team, because we couldn't do human to human sampling, and said drop product off at COVID testing sites. You had nurses out there, practitioners testing people in their cars, and when they're driving through and they see everyone drinking Celsius, I think that helped us out a lot. The nurses, doctors, health care workers, we supported them big time.

Monica Langley: Exactly. Now, what do you have yet to tap into in distribution? Where else do you want to be distributed?

John Fieldly: Biggest opportunity right now is further into hospitals, into colleges and universities. And I think there's a big opportunity in fast casual. And that's what we're working with Pepsi on now as the future.

Monica Langley: Would I be able to get you in fast casual?

John Fieldly: Well, right now, fairly limited. Jersey Mike's and a variety of other locations. We've done a variety of testing in Subway. And we're in some really neat restaurants down along the coast here in South Florida, as well as in L.A. And I think that's a big opportunity to expand upon, in the bar and restaurant scene. Now that people are drinking more energy in these casual settings, I think we can play there as well in a big way. We just need those opportunities, and we have a whole team that's working on that.

Monica Langley: But wait. Speaking of the team, what about you as the team leader? Have you gone to a Subway or Jersey Mike's, or gone into a bar and said, this would be a great drink?

John Fieldly: Oh. Every time. 100%.

Monica Langley: Now, what about international expansion? Given that you now are aligned with Pepsi, are you going global and where are you?

John Fieldly: So actually, we've been in Sweden and Finland for some time now. So that's been our early international expansion. Sweden's known for health and wellness, so it ties in perfectly. But we just expanded into the UK and Ireland, Spain, France, Australia, New Zealand. Australia, we're doing really well.

Monica Langley: Italy next week. Are you in Italy?

John Fieldly: We are not in Italy yet. We're on our way there. I think there's an opportunity.

Monica Langley: Because I bet with all the stuff I'm doing, I would need an energy drink.

John Fieldly: I love that. Big opportunity.

Monica Langley: Alright. Let's talk about your career path. In addition to leading a turnaround here, I think you had an interesting background. You were a CPA first. Okay. But even before that, I saw that you put yourself through college and went to college at night. So you're a hard worker.

John Fieldly: Always. You got to make it happen. I've always been an entrepreneur at heart, trying to figure out opportunities to take advantage of them and continue to grow. And it's been fun. All through high school and college, I worked for Eckerd Drugs in retail. That was great for learning how consumers react to retail planograms, pricing, making sure you have the right product in the right part of the store. So I've taken a lot of those key learnings along the way to here and managing teams.

Monica Langley: Now, also, your grandmother took you to Wall Street early on. Did that give you a vision, one day I want to be a public CEO?

John Fieldly: Yeah.

Monica Langley: Did you think that?

John Fieldly: I always wondered. Going on the train down and going to the Stock Exchange, I was always fascinated with everything that was going on. So absolutely, being a stockbroker or something along those lines. And along the way, here I am running a public company traded on Nasdaq. We uplisted over six years ago. And it's great. It's awesome.

Monica Langley: And you also, I think as a kid, weren't you even hustling and doing yards or car washing or things like that?

John Fieldly: Yeah, absolutely. Car washing, creating lawn businesses. I think you always have that drive, right? It's always trying to find different ways to move ahead.

Monica Langley: Do you, are you instilling that in your own children?

John Fieldly: Absolutely. 100%. And employees as well. That comes down to our town hall meetings, talking to our employees and managers. We've got to find opportunities.

We can't sit still. We have to continue to evolve. You have to drive. And that really comes from the top. You talk about my grandmother going on the train, she was teaching me a lesson along that way. At the time, I didn't know. But you can see there's opportunities out there, and you have to be able to take advantage of them.

Monica Langley: When you came here 14 years ago, did you come as the CFO?

John Fieldly: I did. I came as CFO.

Monica Langley: And it was such a small company. Were you not scared to leave something with a more stable income?

John Fieldly: I was 32 at the time, came here, joined as the CFO, and it was a turnaround. There was a highly unlikely chance this business was going to succeed long term. It was difficult. We went after diet. It was a really difficult time. We were getting delisted from every retailer in the country. So it was tough.

Monica Langley: That's terrible.

John Fieldly: Had a vision though. We had a vision that this product could be something unique. We saw that it had energy components in it. We needed to put the pieces together and the strategies together and continue to evolve with the market to make this one of the fastest growing beverages within the energy category. And that was Celsius. And you have to have the grit and the drive to continue to move forward along the way and constantly make it.

Monica Langley: Obviously, it took a lot of grit since you all were not doing so well. I mean, getting delisted and things like that.

John Fieldly: Yeah, it was tough. But it's also a challenge, right? If it was easy, it's not fun.

Monica Langley: Is there an experience as the former CFO here that now you continue to use as the CEO?

John Fieldly: Yeah. I think especially working with a variety of different skill sets of managers and employees, and the importance of finance. So always having that finance grounding is very important. And I talk about that to all of our employees. It doesn't matter what role we're in, each and every one of us is critical in taking that next step and making a financial impact. So everything we do has a financial impact.

Monica Langley: So they don't just think of the fun marketing stuff because you all are a marketing machine.

John Fieldly: They are. We are.

Monica Langley: You know what I mean, that they do a lot of great marketing. But you also want them to have a financial brain too.

John Fieldly: 100%. You have to balance the balance sheet at the end of the day. That's very important. And being a public company, also showing them that standards and expectations are extremely high. We are expected to perform at the highest level. And we need to be financially responsible. We need to be owners in the business. We talk about that a lot with employees. This is our business. You need to be an owner. We all need to act like owners. And would you spend that out of your dollar, out of your pocket? If you shouldn't do it for the business, then don't do it. As long as you continue to instill that mindset and keep that mindset, I think it makes a big difference.

Monica Langley: Do you ever have to let people go that just don't seem to get it and aren't as fun, again, high energy as you?

John Fieldly: Unfortunately, some folks can't make the cut. We're trying to create a team. We're constantly re-evaluating and reviewing what seat is being filled on the bus. Is it the right seat? Is the right individual at the right time? From the team we had in 2012 to 2015, skill sets are different. Some people can evolve. Unfortunately some people can't, so they have to move on. And they had great opportunities as well along the journey. One door closes, another door opens. We just got to make sure we keep the best players on the field.

Monica Langley: I like that mentality. Let's talk about your time as the interim CEO. Okay. So the CEO left. I said it was a 24/7 job, and didn't really want to keep up with that. Is it a 24/7 job?

John Fieldly: It's always been a 24/7 job.

Monica Langley: Yeah, 100%. Okay. So when you were the interim, how long were you the interim and what did you accomplish even as an interim?

John Fieldly: Well, it was about a year and a half. And Jerry David was the prior CEO. He was a mentor of mine. I followed him from another company, joining him, and with his age and health, it got to be a lot. So I jumped in as the interim CEO while the board was looking for a replacement. And through that time, we were growing revenue about, I think, 30 to 40% growth rates, improving profitability, coaching, mentoring the teams. And after they'd gone through a variety of different phases to find a new CEO, I said, you know what, I'm going in, I want in on the interview process. So I pitched just like every other CEO was pitching for the job.

Monica Langley: But wait. Didn't you have to pitch two times to the board?

John Fieldly: Yes, yes. But you keep executing. You prove yourself.

Monica Langley: Right.

John Fieldly: Prove it to me. So after the second time, give me two years before you get rid of me and give me that opportunity. I will not let you guys down. So it's been a great ride since. We're going to continue to execute and we're going to take this company to number one.

Monica Langley: Okay. Now that's bold.

John Fieldly: Have to be bold. The opportunity is there.

Monica Langley: I like your bold approach and I'm a fellow bold human, so I love that. What are, in addition to being bold, what are the hallmarks of your leadership?

John Fieldly: Yeah, I think hallmarks, you have to be humble, right? I think number one, you have to be personable. You have to be bold, but also holding folks accountable is very important. That honesty, we're in this together. And it's leading by example. I've had a lot of managers along the way, and dictators, and a variety of different management styles along the way. And I think at the end of the day, you come up with strategies, but it can't be your strategy. It needs to be their strategy. And that's the difference, I think, between great leaders. Great leaders need to convince their team members, this is our strategy and this is what we're executing, and we're going to hold each other accountable on that. I think that's the most critical component.

Monica Langley: Is it true that you have your own employees keep Alani or Celsius or Rockstar at their house, so if the Amazon driver comes, give them a drink or whatever? Do they actually do that?

John Fieldly: Absolutely. We're all in this together. Everyone can make a difference. Everyone should be selling no matter what role they are.

Monica Langley: Everyone should be selling absolutely all the time.

John Fieldly: All the time, wherever you are, you need to be selling. Like when we travel, we have powder sticks, energy sticks, where employees are encouraged to keep them in their backpacks and on them and in their purses and hand them out. When you get into an Uber and the Uber driver, a can, everyone gets product to take home. There's no better merchandising or better product placement than when an employee says, have you ever had a Celsius? Would you like to try the refreshing Celsius or refreshing Alani or Rockstar?

Monica Langley: Do they always say refreshing?

John Fieldly: I have to, I have to. We're different.

Monica Langley: That's funny. Now what about, I see somewhere that you have kept a gopher mentality, which started tool by tool with your dad's business. Tell me about that, getting that gopher mentality.

John Fieldly: Been helping out along the way. My father was in the auto body industry painting. He was a painter for his whole life. So on the weekends or after school or during summer, go help him out. And you're helping the family out. That's critical. Family is very important.

Monica Langley: And the gopher mentality, I mean, before I joined The Wall Street Journal for 30 years, I started as a copy boy at my local newspaper in Knoxville, Tennessee, and I literally was running copy to the printing press. I mean, I was a true gopher, and I kept that mentality too, just like, get the job done.

John Fieldly: Yeah, you got to go. You got to get the job done. You need to move forward. And you've got to have that helper mentality too. You need to help people be successful, help people get through life, help people get through their goals. And that's not only what we do here from a management perspective, or me personally, but that's also what these products do as well. So it's a great thing.

Monica Langley: Ha. Okay. Always selling, getting that in there. What is your decision making style? You mentioned a minute ago, sometimes I need to go with my gut. I mean, are you more instinctual or more analytical?

John Fieldly: I think it's a little bit of both. So it's the CPA, the accounting mindset, very analytical. So analytical up front, you come into a decision, you've got to think about the risks, right? Every approach you take, you need to go through a framework. And we coach our team members and managers and staff on that, like how do you approach a challenge? How do you approach a topic? And looking at it from an analytical standpoint is really important. And then at the end of the day, someone's going to have to make a gut call. What is the right call? Monday morning quarterbacking is very easy. But when you're making that decision, you need to use all the facts, not only internal but external. And how are other team members affected? How is the business affected? And try to take calculated risk.

Monica Langley: Now we also have all these rising prices, with the war, the gas, the consumer products. Is that hurting Celsius or somehow helping you?

John Fieldly: Well what's interesting, Goldman Sachs just put a report out last month about the correlation of convenience store energy drink sales associated with pricing of gas.

Monica Langley: Are you kidding me?

John Fieldly: And there wasn't as much of a correlation as one would think. So we also think about what the energy category is and how consumers assume it. Keep in mind it's part of a daily routine, like your coffee routine, like your energy drink routine. So you look at the cost profile and you start to go down the list on what you're going to cut. If you're looking at your weekly budget, your monthly budget, it's an affordable luxury. So when you think about, do I cut my daily energy drink, or am I going to cut maybe dessert when I go out on a Friday dinner? Or am I going to pick a different fast casual restaurant? Was I going to go to maybe a finer restaurant? Now I'm going to fast casual or I'm going to fast food. So I think consumers make those choices.

Monica Langley: Let me ask you something basic. This Celsius, which I do like, this one with peach mango green tea, how much is this in most convenience stores? I don't even remember the pricing. I just go in and get it.

John Fieldly: $3.49 a can.

Monica Langley: I'm liking this one.

John Fieldly: That's phenomenal. Really great flavor.

Monica Langley: So is it the same price point for Alani and Rockstar, or are they kind of different?

John Fieldly: Alani is just slightly more, you'll find that maybe $0.15 to $0.20 higher. And then Rockstar is probably going to be about $0.15 to $0.20 lower than Celsius. But there'll be a variety of different price targets based on the retailer as well, because some of them require different margins. So they price the product differently. We don't really control pricing because each retailer has their own margin requirement. We give our suggested retail price, but suggested retail price is roughly around $3 to $3.50 a can.

Monica Langley: Okay, perfect. Now, let's talk about consumer loyalty and habit formation. It's clear that a lot of your growth is from existing drinkers of these products. How have you done that? As you said, to get them to drink more often, is there something that you studied or came up with to make it a habit as opposed to just a one off every day or something?

John Fieldly: Yeah. I think that's the habit, I guess it's the ritual. It's Celsius being born in fitness. It's a pre-workout. You have a Celsius before you start your workout for the day, and then you're looking for that afternoon pickup. I think it's natural in all of our lifestyles. We might be having an espresso or a coffee or tea in the afternoon, or a coffee or tea in the morning. So it's really just, I would say, a replacement. People are looking for alternatives, better for you, more function. When you look at some of the coffee shops selling more cold products as well, that opens up the door for even more consumers to switch over with these cold, refreshing, better for you energy drink products that are on the market. So I think the consumer has opened up those opportunities for us to expand those usage occasions.

Monica Langley: Now, we mentioned your family also, and you had your kids as your helpers going in and wanting the Celsius drink. Are they still involved in promoting the product?

John Fieldly: Oh yeah. I think the whole family is involved, absolutely. My daughter and my son, they've grown up with Celsius, big supporters, parents, grandparents, aunts and uncles.

Monica Langley: Oh, really? Yeah. Okay.

John Fieldly: Everybody all across the country, they're handing cans out, product.

Monica Langley: What about you? Also, I read that you coached your kids in baseball.

John Fieldly: I did.

Monica Langley: Are they now gone out of baseball?

John Fieldly: Yeah. Well, my son's doing Go Kart racing right now, so I have him in Go Kart racing. And he's handing cans out as well at the racetracks. But it's fun. Family's important.

Monica Langley: Now let's talk about what's on the horizon for Celsius. What do you predict Celsius will be doing in five years? And will you still be CEO?

John Fieldly: Yeah, I hope so. We're going to continue to execute, work with the teams, build the teams. Five years from now, I think the category is going to continue to evolve better for you. I think retailers are going to allocate more space. That's the other thing that's happening right now, retailers are seeing the opportunity of energy and how much it's expanding within usage occasions, with more consumers coming in. We can be clear on our path to number two, that's our next step. We're a strong number three right now. We're at around 21.

Monica Langley: Number two. And who will you knock out?

John Fieldly: Well, the next one would be Monster on the horizon, then Red Bull. But to get to number one, we're hopefully a lot closer to that path.

Monica Langley: Okay, cool. Is there something as just a human and as a leader that someone said to you along the way that stuck with you and has shaped you?

John Fieldly: Yeah, I think I just go back to when I was a staff accountant at Le Bar Friedman, which is a B2B publishing company. And I tell a lot of our employees this. I was at a trade show. It was a business trade show. I was young at the time. I was there to experience the trade show, see what the business was about. And the VP came up to me and said, you need to insert yourself.

Monica Langley: Assert yourself.

John Fieldly: Insert yourself.

Monica Langley: Oh, insert.

John Fieldly: Insert yourself into the conversations. And I was intimidated. I was there with a lot of other executives. Here I am as a staff accountant. I really took that to heart. And I think that's what a lot of people need to do. And that goes back to making things happen. You need to insert yourself. You need to ask questions. You need to connect with the leaders within the business to move yourself forward. You should know what your manager's boss is looking for out of your manager. And how do you do that? That's by inserting yourself. I think that's a major key learning.

Monica Langley: Now, you seem to me that you are an extrovert by nature anyway, or no?

John Fieldly: No, I think you grow into that. I don't think I ever was, I mean, I probably was always outgoing, I guess. I tried to start a lawn business, so yeah, I guess so.

Monica Langley: I love that. So at a trade show as a youngster, a young adult.

John Fieldly: Yeah.

Monica Langley: Someone said that to you.

John Fieldly: I take that to heart. I think that's a key learning. I tell my kids that. Otherwise, things pass you by. And that's another thing. As an example, a lot of businesses are bringing employees back into the office. We've always worked in an office environment. I think that's a big miss. If you work from home, you're not able to insert yourself into some of these conversations with managers, your manager's managers, because you're basically a digit and some phone number or email that is not able to insert itself into other parts of the business.

Monica Langley: And it's hard when you're a Zoom figure on the screen.

John Fieldly: Absolutely.

Monica Langley: This is an odd question. What is your Halloween costume, occasionally, or has it been?

John Fieldly: So we do Halloween here at Celsius a lot.

Monica Langley: Here in the company, not just at home?

John Fieldly: We do. I always say, we kind of joke around that it's a circus. And I've been the ringmaster as a Halloween costume, which gets a kick out of a lot of employees.

Monica Langley: I need to see a picture of that. So that kind of goes.

John Fieldly: The show must go on.

Monica Langley: Yes. And it kind of goes to your founder's mentality. You've been here for so long that you take it to heart 100%.

John Fieldly: You have to. You've got to believe in yourself. Believe in your team. You've got to rally the team. We have 1,300 employees. If you don't believe at the top, how are you going to get anyone else to believe in you and believe in the strategies?

Monica Langley: Makes sense. Okay, the last question I always ask because this show is called Office Hours Business Edition. If you could have office hours with anyone, it could be alive, dead, or fictional, who would it be?

John Fieldly: Office hours, I've probably got to go back to Abraham Lincoln.

Monica Langley: That's who Jamie Dimon selected.

John Fieldly: Oh, really?

Monica Langley: Really. Yes. He was the first guest on the show, and I didn't expect anybody to suggest someone dead, so I thought he would name somebody in real life. And he came up with Abraham Lincoln.

John Fieldly: Absolutely. I think that would be amazing.

Monica Langley: Why is that the choice for you?

John Fieldly: Just the founder mentality. I think it would be absolutely amazing to spend a whole day in the office with Abraham Lincoln.

Monica Langley: That's fascinating. And you're not the first, but it seems to be a popular one. Good. Okay. Now thank you for your time. And let's have another drink.

John Fieldly: Let's go.

Monica Langley: I'm going to my favorite sparkling orange.

John Fieldly: We have a pink lemonade here. It's ready for summer. Cheers.

Monica Langley: Okay, perfect. Cheers. Thank you, John.

John Fieldly: Thank you so much.

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