



# Hidden FX Beta in Consumer Stocks

Revealing Macro Exposures







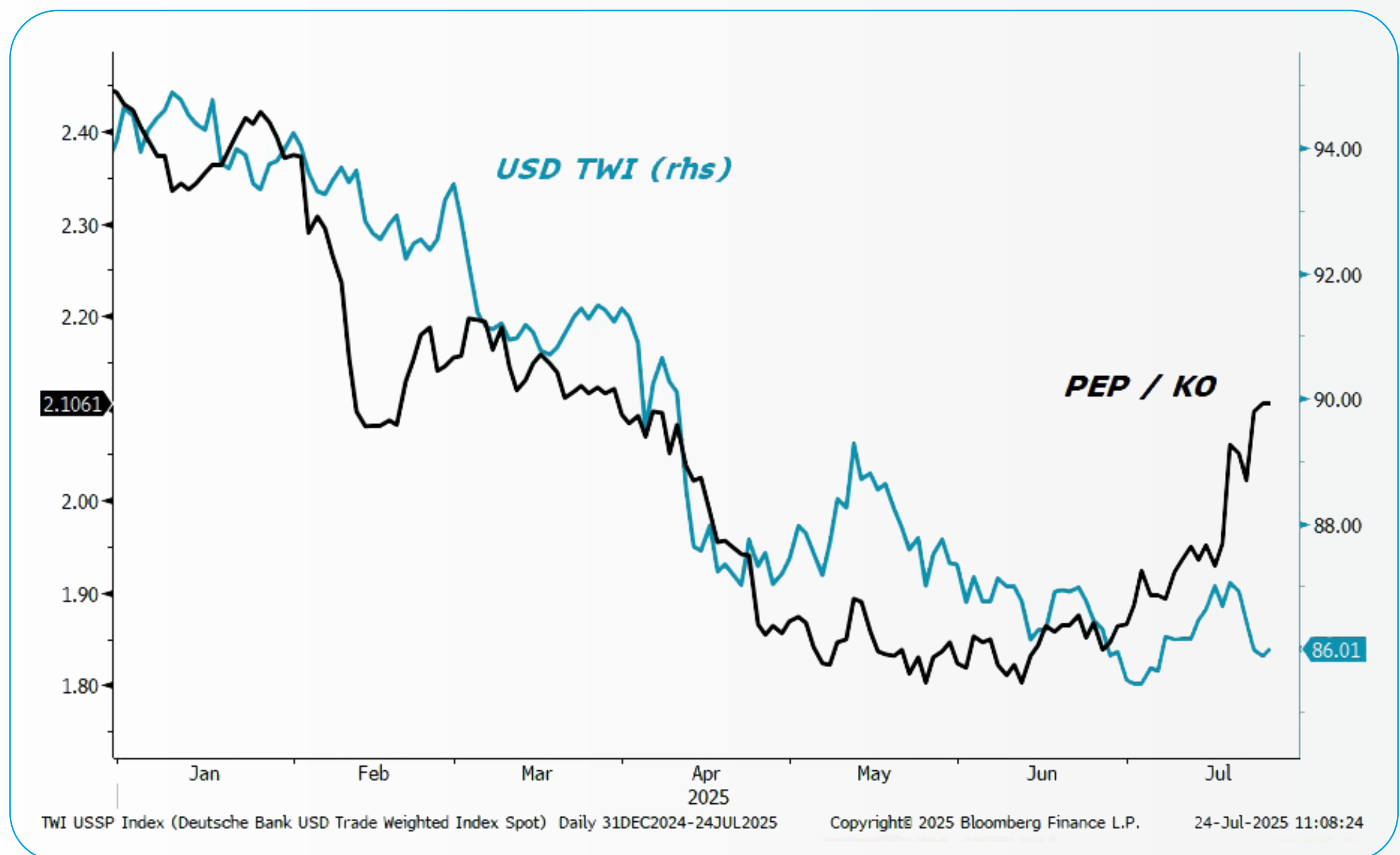
# The Dollar

## Consumer Discretionary – Coca Cola > PepsiCo in a dollar bear market

Current patterns show PepsiCo has positive exposure to USD TWI;  
Coca Cola's exposure is negative

~60% of Coca Cola revenues are from ex-US vs ~40% for PepsiCo, and much of that is in snacks (Frito-Lay), where pricing power and input costs matter more than FX translation

KO's cost base is largely USD-denominated, but it earns in local currencies; this effect is likely dampened for PepsiCo with a more diversified portfolio





## Consumer Discretionary – Netflix > Disney in a dollar bear market

- Current patterns show Disney has positive exposure to USD TWI; Netflix exposure is negative
- ~60% of Netflix revenues are from ex-US and subscription based – FX translation is a big deal
- Disney's Parks & Resorts are largely domestic benefiting from a strong US consumer. Studio revenue is global but a lot is dollar denominated

