TFSA Investors: 2 Stocks That Could Be the Next Beyond Meat (NASDAQ:BYND)

Description

Beyond Meat has emerged as one of the biggest stories of the year. Shares have soared over 550% since launching its initial public offering in May. Beyond Meat is a producer of plant-based meat substitutes. The company has generated massive hype since its IPO and has rapidly branched out to food service and grocery retailers across North America. This past week, Beyond Meat announced plans to offer its plant-based ground beef alternative in grocery stores.

Beyond Meat stock has surged to incredible heights over the past few weeks, attracting significant short interest, which should prompt growth investors to look elsewhere as the summer gets underway. The global health food revolution has driven enthusiasm investors have seen for plant-based alternatives, and it is not the only sub-sector that is posting huge growth on the back of this trend.

Today we'll look at two TSX-listed stocks with the potential to post big growth due to the same factors that have led to the meteoric rise of Beyond Meat.

Maple Leaf Foods

Maple Leaf Foods (TSX:MFI) is a consumer-packaged meats company. In 2017 Maple Leaf moved to acquire Lightlife Foods as part of its push into the meatless alternatives market. The Lightlife Burger was launched in early May as a direct competitor to the Beyond Burger. Maple Leaf boasted last month that the Lightlife Burger would be more broadly distributed than the Beyond Meat product, but early momentum has demonstrated incredible demand for its chief competitor.

The popularity of Beyond Meat shouldn't drive investors away from Maple Leaf. A growing market for plant-based alternatives should enable Maple Leaf to carve out a lucrative share of revenue going forward. Barclays released analysis that projected that the alternative meat market would grow to $140 billion in 10 years.

Maple Leaf's forward P/E of 25 makes it a solid value play relative to industry competitors. As well, Maple Leaf stock offers a quarterly dividend of $0.145 per share, which represents a 1.8% yield.

Jamieson Wellness

Jamieson Wellness (TSX:JWEL) is not a food producer, but it does stand to benefit from rising health conscientiousness. When it launched its initial public offering, Jamieson's leadership boasted that demographic shifts would fuel growth for years to come. Aging consumers are increasingly turning to vitamins, minerals, and supplements.

Earlier this year I'd suggested that investors add Jamieson at a discount in the month of April. The stock has climbed 3.4% over the past three months. In the first quarter of 2019. Jamieson saw adjusted EBITDA climb 14.1% year-over-year to $14.5 million. Adjusted net income increased 12.3% to $6.5 million.

Jamieson reiterated its forecast for revenue growth between 5% and 9% for fiscal 2019. Reports and data recently projected that the dietary supplements market would reach $210.3 billion by 2026, representing a compound annual growth rate (CAGR) of 6.4%.

The stock last had a P/E TTM of 29, a better-than-average play in comparison to industry peers. Jamieson also offers a quarterly dividend of $0.09 per share, which represents a 1.8% yield.

CATEGORY

1. Investing

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2. TSX:JWEL (Jamieson Wellness Inc.)
3. TSX:MFI (Maple Leaf Foods Inc.)

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