



Beyond the Beyond Meat (NASDAQ:BYND) IPO: A Canadian Way to Feast Off the Alt-Meat Gold Rush

Description

The only thing hotter than Bitcoin of late is the rise of the meat alternatives with [Beyond Meat \(NASDAQ:BYND\)](#) leading the charge with one of the hottest IPOs in recent memory. The alt-meat scene is one of the most eyebrow-raising investment opportunities in a while. When you think of the massive food market, you don't really think of innovation, science, or technologies.

The packaged foods market in general is pretty dull, and it hasn't changed much over the course of centuries. Now that Beyond Meat is making considerable waves in the IPO waters, many investors have realized that the boring food market and cutting-edge tech are two universes that have collided. And it's this collision that could yield an investment opportunity for the ages.

Unfortunately, many retail investors were likely [licking their chops](#) from the sidelines as the oversubscribed Beyond Meat IPO landed. With the big IPO boom came a fairly big bust (how's a 25% single-day drop for you?), and those who were chasing the name with little regard for valuations got burned if they sold their shares on the dip. That's the game of greater fools (the greater fool theory has nothing to do with The Motley Fool!) for you!

At the time of writing, Beyond Meat stock is absurdly overvalued at over 81 times sales (that's sales, folks, not earnings!). At such an absurd multiple (which is comparable to pot stocks), it doesn't mean squat how exciting or how unfathomably significant the opportunity is if you end up paying for many years' worth of forward-looking growth up front.

Right now, expectations are sky-high, and there's too much room for error. In simple terms, Beyond Meat stock could face a massive plunge when investors come to terms with reality. Sure, Beyond Meat patties may be the best thing in food since sliced bread, and the company may be a frontrunner in the red-hot space, but there will be competitors that will be hungry for a slice of the alt-meat pie.

Who knows? There may be a better competitor on the horizon, and if that's the case, we could witness a massive outflow of capital from Beyond Meat towards other meatless meat firms as they come to be.

An Impossible Foods (another player in the alt-meat space) IPO looks tempting, but on this side of the border, we have meat firm **Maple Leaf Foods** ([TSX:MFI](#)), who's been looking to get in on the meatless meats action. As a meats company, the firm is at risk of getting disrupted as plant-based meat alternatives gradually take the place of meat sales.

Today, Beyond Meat patties are all the rage with a taste and texture that's comparable to the real thing. Despite the rave reviews, consumers can still tell the difference between Beyond Meat and actually meat.

In other words, Beyond Meat is "almost" there. In a few years from now, Beyond Meat may have a product with a taste and texture that's indistinguishable from real meat. It may even taste better and be better for you than actual meat. When that time comes, real meat sales could plunge, as the bad-for-you red meat gets passed on by meat eaters who've made the conscious choice to move beyond meat.

Back to Maple Leaf Foods. The firm isn't waiting around to feel the pain from the imminent disruption. As such, management decided to scoop up vegetarian meat substitutes firm LightLife Foods just over two years ago.

LightLife may not be the answer to Beyond Meat, but should better "versions" of meatless meat products come out, you can count on Maple Leaf to put its money where its mouth is, whether that's through another alt-meat acquisition or upped investment in meatless meat R&D.

In the end, the best-tasting meatless meat will come out on top. Whether it's Beyond Meat in five years from now is anybody's guess, but in any case, Maple Leaf looks like a far better bet on the emerging space at around one times sales.

As for more meatless meat IPOs? Leave them to the investment bankers, traders, and speculators.

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