



Alert! This TSX Stock Can Be Canada's Beyond Meat (NASDAQ:BYND)

Description

Beyond Meat ([NASDAQ:BYND](#)) has been a massive success story since its initial public offering (IPO) in May. In late July, the stock had extended its gains to over 700%. It is not just the stock that is inspiring confidence. Beyond Meat's products are hitting menus across North America, and they are also filling shelves at supermarkets.

After its IPO, I'd [discussed its potential](#) and the popularity of plant-based meat alternatives. Consumers have grown more health-conscious over the past decade, and this is drawing many away from meat products. There has been a significant increase in U.S. and Canadian citizens identifying as vegans and vegetarians in recent years. Beyond Meat boasts that it offers the taste of traditional meat products with the health benefits of a plant-based diet.

The California-based company is drawing eyeballs, but it is not the only player in this high-growth space. In fact, right here at home, a Canadian staple started to pivot to plant-based proteins in 2017. In February 2017, **Maple Leaf Foods** ([TSX:MFI](#)) announced that it would acquire Lightlife Foods, a leading manufacturer of plant-based protein foods. This strategic push into this growing market was one of the reasons [I'd remained bullish](#) on Maple Leaf even in a turbulent 2018.

Shares of Maple Leaf shot up 12% on August 1. The company released its second-quarter 2019 results on the same day. Maple Leaf achieved double-digit growth in its plant-based protein sales, which fuelled 12.5% sales growth in the quarter. However, the company still recorded a net loss of \$6.3 million, or \$0.05 per share, due to fair-value changes on balance sheet items that totaled \$60.7 million.

Maple Leaf announced that it would seek an aggressive growth strategy in the plant-based proteins space, which should come as no surprise in this current environment. The Lightlife Burger is directly competing with the Beyond Burger at Canadian grocery stores and restaurants. Investors should take interest in how Maple Leaf goes about marketing itself against Beyond Meat going forward, as it appears to have a distinct disadvantage in that arena right now.

Mordor Intelligence, a global market research and consulting firm, recently forecast that the global plant-based protein market would grow to \$9.5 billion by 2024. This would represent a CAGR of 7%

over the projection period (2019-2024). North America was the largest segment studied and continues to be heavily weighted in terms of market share relative to other continents in this growing global market.

There is a lot of excitement around plant-based proteins right now, and Maple Leaf wisely broke into the market in 2017. However, this space will only grow more competitive with time. I'd like to see more active marketing for its Lightlife products as we look ahead, or the company risks being largely overshadowed by its U.S. counterpart. Still, Maple Leaf has produced impressive sales due to its push into this space. That is reason enough to consider buying today.

CATEGORY

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2. TSX:MFI (Maple Leaf Foods Inc.)

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