



## Can This TSX Stock Become Canada's Beyond Meat (NASDAQ:BYND) Success Story?

### Description

The public has a budding appetite for meat alternatives, and the most exciting entry into the field is **Beyond Meat**. The company soared out of the gate after its recent IPO, rewarding shareholders with a 700% return before its recent pullback.

In January, **Maple Leaf Foods** ([TSX:MFI](#)) joined the growing list of companies rushing into the market with the introduction of Lightlife, a plant-based burger.

### The good news

Unlike Beyond Meat, which few people had ever heard of until last year, Maple Leaf is already a recognized brand in the Canadian food industry. The company has a built-in base of stores and restaurants carrying its products. The company also has big pockets. Maple Leaf has an annual revenue of \$3.5 billion.

Maple Leaf CEO Michael McCain anticipates Lightlife's veggie burger will eventually be more broadly distributed than the Beyond Meat burger, although the company has some work ahead to catch up. Beyond Meat has garnered several lucrative deals, including the serving of Beyond Meat patties at A&W restaurants throughout the U.S. and Canada and the announcement that 7-Eleven Canada will launch a Beyond Meat Pizza to add to the existing Hot to Go menu.

### The meatless burger craze

It's not just vegetarians who have a taste for meatless burgers. Consumers generally see meat alternatives as a healthier option than all-beef burgers. In supermarkets, sales of meat alternatives are up 19.2% over the last year, according to data from Nielsen. Meatless burgers constitute almost 25% of that market. In most conventional grocery stores, consumers can find Lightlife burgers in the same section as standard beef patties.

## The bad news

Maple Leaf is well known for its traditional animal-meat products, such as bacon. This history may not sit well with consumers who are looking for companies to wholeheartedly embrace policies like that of Beyond Meat, serving only meatless products. But this sentiment hasn't stopped other large well-known food companies from jumping into the market.

**Tyson Foods**, for example, is launching a meat-alternative burger in its Raised & Rooted brand. The burger is made with a combination of real meat and pea protein isolate, a common ingredient in plant-based meat products. Tyson, known best for its chicken products, is also launching chicken-like nuggets made with egg whites. Interestingly, Tyson previously owned a 6.5% share of Beyond Meats. Tyson sold its shares in Beyond Meats to pursue its own plant-based meat alternatives.

## The meatless effect on Maple Leaf stock

In its most recent earnings release, Maple Leaf reported [sales growth in prepared meats, sustainable meats, and plant protein](#). The company projects adjusted EBITDA margin between 14% and 16% for the next five years.

So far, however, sales of the Lightlife burgers have done little for Maple Leaf's stock. The stock has traded in the \$30 range for most of the year. The stock is currently trading at \$32.85 as of this writing. The company pays a dividend of 1.76%.

Maple Leaf purchased the brand Lightlife in 2017 and placed it under the control of the company's plant-based division, Greenleaf Foods SPC. With the purchase, Maple Leaf joined the fray of companies making plant-based protein products. Clearly, this industry is booming with no signs of slowing down. While it may take time for Maple Leaf to capitalize on its Lightlife brand, Maple Leaf has plenty of experience in the food industry. Although the rise in the stock price will not be as dramatic as that of Beyond Meat, Maple Leaf's offerings in the plant-based protein marketplace should eventually translate into good news for its shareholders.

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