



Forget Beyond Meat (NASDAQ:BYND): Buy This TSX Stock Instead!

Description

Beyond Meat, Inc. ([NASDAQ:BYND](#)) has been one of the hottest IPOs on North American markets since its launch on the NASDAQ last May. Although the stock's price is half of what it was when it was at its peak in July when it would reach nearly US\$240 per share, it's still up more than 70% since going public.

But the hype surrounding the plant-based burgers appears to have died down. It also doesn't help that **Restaurant Brands**, which tested the burgers on its menu at Tim Hortons' locations, said demand was just not strong enough and announced in January that it had stopped selling Beyond Meat products.

Although the company wouldn't rule out future plant-based meal options on its menu, Tim Hortons currently doesn't have anything planned in the near future.

It's been a bit of a gut punch for Beyond Meat, a stock that when it first began trading captivated investors and sent it soaring like many NASDAQ stocks often do.

And while it's generated good returns even with the significant drop in value, it's apparent that investors are cooling to Beyond Meat as an investment.

Trading at more than 30 times its sales and a forward price-to-earnings ratio of around 280, investors are paying a steep premium for a company that could see even more competition if plant-based burgers take off in popularity.

A better alternative?

Rather than investing in Beyond Meat, investors may want to consider Canadian-based **Lightspeed POS Inc** ([TSX:LSPD](#)) instead. The company also [began trading in 2019](#), although it didn't enjoy nearly as much fanfare as Beyond Meat benefitted from in its early days.

However, investors haven't been exposed to a large sell-off in recent months, either. Lightspeed's share price is about double where it was when it began trading on the **TSX** a year ago and has

outperformed Beyond Meat.

Similar to Beyond Meat, the technology company also struggles to turn a profit, but consumers have responded positively to Lightspeed's software and services.

And at a time when many retailers are struggling and going out of business, there could be significant demand for Lightspeed's products and services to help improve operations and create efficiency.

By managing data and customer relationships, Lightspeed is able to add tremendous value for its customers — a big reason the company has demonstrated as much growth as it has.

In the company's most recent quarter, Lightspeed's sales were up 61% from the previous year. The company stated that "over 74,000 customer locations now choose Lightspeed to streamline operations, increase profits and outperform competitors."

With revenue still a modest US\$32.3 million, there's ample room for Lightspeed to continue growing. What's impressive is that its recurring software and payment revenue totaled US\$28.4 million and increased by 58% year over year.

Although the company reported a loss of US\$15.8 million, it's an improvement from the US\$71.1 million loss it incurred a year ago. For now, the company appears to be focused on growth, though management realizes that if it were to slow things down, [profits would be attainable](#).

Lightspeed presents an attractive opportunity for growth investors today, and it's less risky than Beyond Meat.

CATEGORY

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