



Alert: Next Week's IPO Could Be Canada's Beyond Meat (NASDAQ:BYND)

Description

A new growth stock is getting listed next week and has all the right ingredients to be an incredible story stock like recently-listed **Beyond Meat** ([NASDAQ:BYND](#)). Here's a closer look at this upcoming listing and why Canadian investors deserve a new [growth stock that isn't in the technology sector](#).

Plant-based energy drinks

Montreal-based GURU Beverage Inc. creates plant-based energy drinks that are reportedly healthier than most energy drinks on the market today. The company is going up against drink giants such as 5-hour Energy and Red Bull with a clearly differentiated product.

GURU is already distributed across Sobeys (IGA, Boni-Soir, etc.), Metro, Loblaw (Provigo, Maxi), **Couche-Tard** and **Wal-Mart** stores. The company claims to have gross margins exceeding 30% and over 10% of the energy drinks market in Quebec.

Research firm Mintel estimates that the energy drink market is worth over US\$15 billion (C\$20 billion) in the U.S. and Canada alone. Red Bull, which sells across the world, is estimated to be worth over US\$20 billion (C\$26.7 billion). By comparison, *The Globe and Mail* suggests GURU could be worth \$160 million after it lists.

Next week, the company will list on the **Toronto Stock Exchange** by merging with a Special Purpose Acquisition Corp. (SPAC) called **Mira X Acquisition Corp.** (TSXV: MIRA.P). The deal unlocks \$34 million in financing for the beverage company that can be used to expand sales across Canada and the U.S.

A new growth stock

In my opinion, Canada needs more growth stocks like GURU. The majority of our stock market is dominated by sleepy energy and bank stocks. The handful of growth stocks we have are all focused on enterprise technology. Since tech growth stocks are rare, they tend to get overvalued remarkably quick.

Investors seeking an overlooked and reasonably-priced growth stock should look for one in a new, non-tech industry. GURU seems like the perfect candidate. It's a direct-to-consumer drink brand that should appeal to health and environmentally-conscious millennial drinkers.

Rivals like Red Bull and 5-Hour Energy have grown rapidly and generate billions in sales every year. GURU could take a portion of this market and deliver similar growth for early investors.

Similarly, Beyond Meat stock has more than doubled in value since it listed last year. GURU's focus on plant-based, organic ingredients gives it a foothold in this market too.

Risks

Little-known growth stocks like GURU could certainly be a great bet for savvy investors. However, these stocks also tend to be highly speculative. So far, we know little about GURU's financials, which makes valuation difficult. There's a chance this company could fail to live up to its growth expectations. Alternatively, it could just be overvalued as soon as it lists.

For these reasons, I believe it's best to keep an eye on the stock instead of adding it to the portfolio right away. Once we've had a few quarters of growing earnings, we can dig deep into the financials and place a valuation on the stock. Meanwhile, it's best to wait and watch.

Bottom line

Plant-based energy drink company GURU Beverages lists on the stock exchange next week. It could be Canada's Red Bull or Beyond Meat.

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