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Beyond Meat Is About to IPO. Here's What You Need to Know.

By [Al Root](#) April 24, 2019 7:00 a.m. ET



Photograph courtesy of Beyond Meat

Beyond Meat is a plant-based meat company raising money in public equity markets. The company has announced preliminary pricing for its shares, and the stock should begin trading in about a week.

The company's goal is to give people the taste-and-mouth feel of meat, using plant-based products. That shift, from animals to plants, can benefit climate, health, and animal welfare, Beyond Meat says.

This is a different kind of IPO from the likes of [Zoom Video Communications](#) (ticker: ZM), [Lyft](#) (LYFT), and [soon-to-be public Uber Technologies](#) (UBER). It is an agricultural startup—most other new technologies aren't dependent on weather.

Here's what you need to know about Beyond Meat (BYND), and the food business it hopes to disrupt.

What does Beyond Meat sell?

Beyond Meat makes plant-based products that taste like chicken, beef, and

pork. Beyond Meat's No. 1 product is the Beyond Burger, available in about 28,000 stores across the U.S.

What is the Beyond Burger made from?

The Beyond Burger is made from pea protein. Peas are part of the agricultural group known as pulses, and include things like beans and lentils. Pulses are the edible seeds of plants in the legume family. The most famous legume is probably the soybean. U.S. farmers grow more than 120 million metric tons of soybeans annually.

How much is Beyond Meat worth? It is a Unicorn?

Unicorns are private, venture-backed companies worth more than \$1 billion. Beyond Meat expects to sell stock at an IPO price of \$19 to \$21 per share. At \$21 per share, Beyond Meat would have a market value of about \$1.3 billion (including the company's low priced warrants and stock options). So yes, it's a unicorn.

Is Beyond Meat profitable?

Not yet. The company reported 2018 sales of \$88 million, up 170% from 2017. Beyond Meat also reported \$30 million in losses for 2018, a little less than the loss recorded in 2017. So losses aren't growing as sales expand. That's a good sign for the company.

What is the market opportunity?

Food is big business. Meat sales in the U.S. totaled about \$270 billion in 2017, and \$1.4 trillion globally. That is the market Beyond Meat is trying to penetrate and disrupt.

What have other agricultural startups done?

Danone (BN.France) purchased the Silk brand soy milk producer White Wave in 2017 for more than \$12 billion, or three times sales. Of course, White Wave was a much larger, slower-growth company when it was bought. General Mills (GIS) bought Annie's in 2014 for more than \$800 million, or about four times sales. Dean Foods (DF) bought Horizon organic milk in 2003 for \$255 million.

What is Beyond Meat's raison d'être?

According to the company, 50 to 60 billion animals are farmed for meat each year. Animals produce methane, contributing to global warming. What's

more, 29% of the water used in agriculture is for raising livestock. Beyond Meant wants to have a positive impact on climate, animal welfare, and human health.

Should I buy Beyond Meat stock?

That's a personal question. As an investor, you have to be what you are. Growth investors buy growth stocks. Agriculture investors like farming-linked stocks. We don't think it hurts to wait when it comes to these IPOs. And remember, you buy in at the stock's opening price, not at the \$19 to \$21 price paid by (mostly) institutional investors.

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