



# BEYOND MEAT<sup>®</sup>

(NASDAQ: BYND)

INVESTOR PRESENTATION

May 5, 2020



# Disclaimer

This presentation contains, in addition to historical information, certain forward-looking statements that are based on our current assumptions, expectations and projections about future performance and events and relate to, among other matters, our future financial performance, our business strategy, industry and market trends, future expectations concerning our market position, future operations and capital expenditures.

Forward-looking statements generally contain words such as "believes," "expects," "may," "will," "should," "seeks," "approximately," "intends," "plans," "estimates," "anticipates," and similar expressions. These forward-looking statements are only predictions, not historical fact. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this presentation. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause actual results to differ materially from expectations include, among others: the magnitude and duration of the COVID-19 pandemic; our ability to effectively manage our growth; our ability to effectively expand our manufacturing and production capacity, forecast demand and manage our inventory; our ability to successfully enter new markets, manage our international expansion and comply with any applicable laws and regulations; the effects of increased competition from our market competitors; the success of our marketing efforts and the ability to grow brand awareness, maintain, protect and enhance our brand, attract and retain new customers and grow our market share; changes in consumer tastes and trends in our industry; changes in government regulations and policies; availability and prices of raw materials for our products; outcomes of legal or administrative proceedings; the financial condition of, and our relationship with our suppliers, co-manufacturers, distributors, retailers and foodservice customers; the ability of our suppliers and co-manufacturers to comply with food safety, environmental or other laws or regulations; and general economic conditions. We are under no duty to update any of these forward-looking statements after the date of this presentation except as otherwise required by law.

Our historical results are not necessarily indicative of the results to be expected for any future periods and our operating results for the three-month period ended March 28, 2020 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2020 or any other interim periods or any future year or period.

This presentation also contains estimates and other statistical data obtained from independent parties and by us relating to market size and growth and other data about our industry and ultimate consumers. The number of retail and foodservice outlets are derived from data through March 28, 2020. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates and data. In addition, projections, assumptions and estimates of our future performance and the future performance of the geographic and other markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

"Beyond Burger," "Beyond Beef," "Beyond Chicken," "Beyond Meat," "Beyond Sausage," "Beyond Breakfast Sausage," "The Cookout Classic," "Go Beyond," "the Caped Steer Logo," "The Future of Protein" and "The Future of Protein Beyond Meat" and design are registered trademarks of Beyond Meat, Inc. in the United States and, in some cases, in certain other countries. All other brand names or trademarks appearing in this presentation are the property of their respective holders. Solely for convenience, the trademarks and trade names in this presentation are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto.

## **Non-GAAP Financial Measures**

We present Adjusted EBITDA and Adjusted EBITDA as a % of net revenues to help us describe our operating performance. Our presentation of Adjusted EBITDA and Adjusted EBITDA as a % of net revenues is intended as a supplemental measure of our performance that is not required by, or presented in accordance with, U.S. generally accepted accounting principles ("GAAP"). Adjusted EBITDA and Adjusted EBITDA as a % of net revenues should not be considered as an alternative to net income (loss), earnings per share or any other performance measures derived in accordance with GAAP as measures of operating performance or operating cash flows or as measures of liquidity. Our presentation of Adjusted EBITDA should not be construed to imply that our future results will be unaffected by these items. See the appendix to this presentation for a reconciliation of Adjusted EBITDA and Adjusted EBITDA as a % of net revenues to net income (loss) and net income (loss) as a % of net revenues.

"Adjusted EBITDA" is defined as net income (loss) adjusted to exclude, when applicable, income tax expense (benefit), interest expense, depreciation and amortization expense, restructuring expenses, share-based compensation expense, inventory losses from termination of an exclusive supply agreement with a co-manufacturer, costs of termination of an exclusive supply agreement with the same co-manufacturer, expenses primarily associated with the conversion of our convertible notes and remeasurement of our preferred stock warrant liability and common stock warrant liability, and Other, net, including investment income.

"Adjusted EBITDA as a % of net revenues" is defined as Adjusted EBITDA divided by net revenues.

We use Adjusted EBITDA and Adjusted EBITDA as a % of net revenues because they are important measures upon which our management assesses our operating performance. We use Adjusted EBITDA and Adjusted EBITDA as a % of net revenues as key performance measures because we believe these measures facilitate operating performance comparison from period-to-period by excluding potential differences primarily caused by the impact of restructuring, asset depreciation and amortization, non-cash share-based compensation and non-operational charges including the impact to cost of goods sold and selling, general and administrative expenses related to the termination of an exclusive co-manufacturing agreement, early extinguishment of convertible notes and remeasurement of warrant liability, and investment income. Because Adjusted EBITDA and Adjusted EBITDA as a % of net revenues facilitate internal comparisons of our historical operating performance on a more consistent basis, we also use these measures for our business planning purposes. In addition, we believe Adjusted EBITDA and Adjusted EBITDA as a % of net revenues are widely used by investors, securities analysts, ratings agencies and other parties in evaluating companies in our industry as a measure of our operational performance.



# BUSINESS OVERVIEW

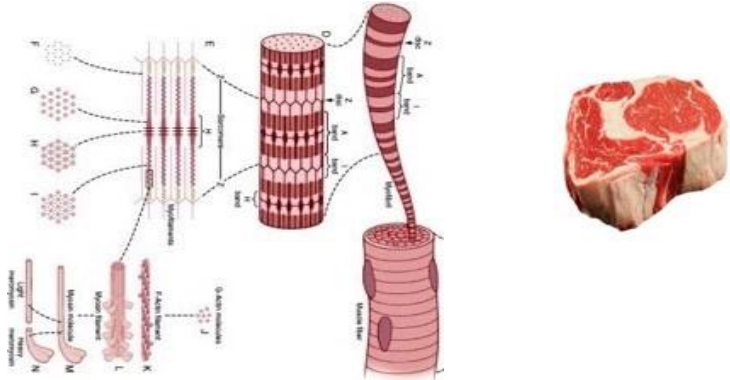




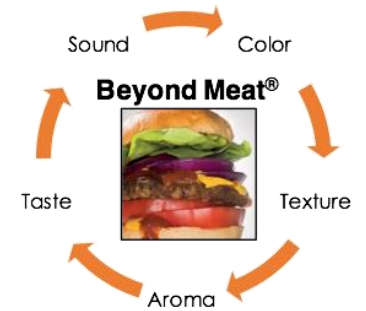
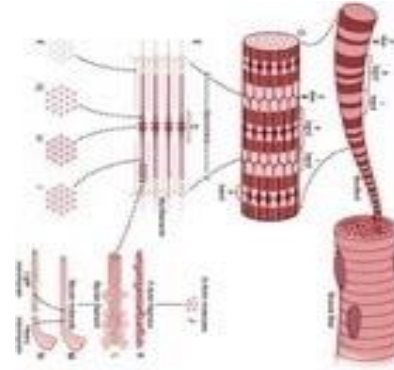
# We Use Proprietary Science to Redefine Meat

Beyond Meat's Proprietary Technology & Processes are Used to Replicate Animal Meat's Principal Components from Plant Proteins

We begin with meat's COMPOSITION versus its animal ORIGIN



Then replicate its core structure & sensory experience

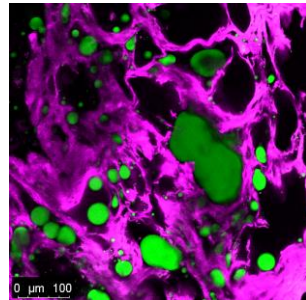
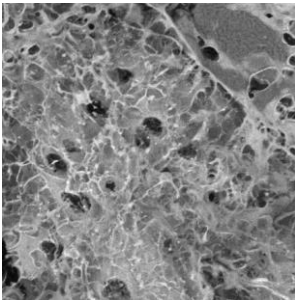


## Microscopy Comparing Beyond Sausage to Pork Sausage

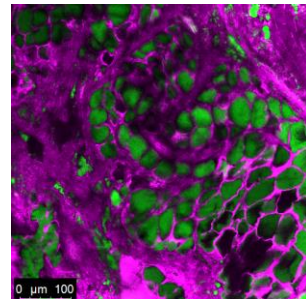
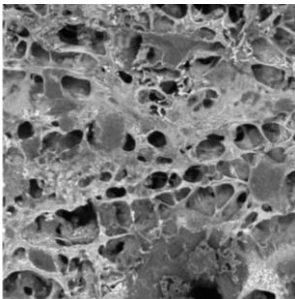
Scanning Electronic Microscopy

Confocal Laser Microscopy

Beyond Sausage



Pork Sausage



## Actual Images of the Beyond Burger and Ground Beef

Raw

Cooked

Beyond Burger



Beyond Burger



Ground Beef



Ground Beef





# We are Committed to Providing Products that Enable Consumers to Eat What You Love™

IMPROVING HUMAN HEALTH



**42%**

Reduced risk of developing heart failure associated with people who eat a mostly plant-based diet<sup>1</sup>

**30%**

Of most cancers in developed countries attributed to dietary factors, including consumption of certain meats<sup>2</sup>

POSITIVELY IMPACTING CLIMATE CHANGE



**18-51%**

Of global greenhouse gas emissions driven by livestock rearing and processing<sup>3</sup>

ADDRESSING GLOBAL RESOURCE CONSTRAINTS



**78%**

Of all agricultural land is used for livestock, including grazing land and cropland dedicated to the production of feed<sup>4</sup>

**29%**

Of the water in agriculture is directly or indirectly used for animal production<sup>3</sup>

IMPROVING ANIMAL WELFARE



**60-70 Billion**

Farm animals reared for food each year<sup>5</sup>

***With current food production systems threatening both human health and environmental sustainability, plant-based diets offer a growing global population a solution of healthy diets and sustainable food systems.<sup>6</sup>***

<sup>1</sup> Plant Based Diet Associated with Less Heart Failure Risk Report, presented at the American Heart Association scientific meeting, November 13, 2017.

<sup>2</sup> Key, Timothy J. et al., Diet, nutrition and the prevention of cancer, Scientific background papers of the joint WHO/FAO expert consultation, Geneva, 28 January - 1 February 2002, Public Health Nutrition, Vol 7, No. 1(A), Supplement 1001, February 2004.

<sup>3</sup> Reprinted from Water Resources and Industry, Volumes 1-2, March-June 2013, P.W. Gerbens-Leenes, M.M. Mekonnen, A.Y. Hoekstra, The water footprint of poultry, pork and beef: A comparative study in different countries and production systems, Page No. 26, Copyright (2013), with permission from Elsevier.

<sup>4</sup> Livestock's Long Shadow-Environmental Issues and Options, Food and Agriculture Organization of the United Nations, 2006.

<sup>5</sup> Compassion in World Farming, Strategic Plan 2013-2017.

<sup>6</sup> Food in the Anthropocene: the EAT-Lancet Commission on healthy diets from sustainable food systems, 2019.



# Innovation is at the Core of our Company and is a Key Differentiator

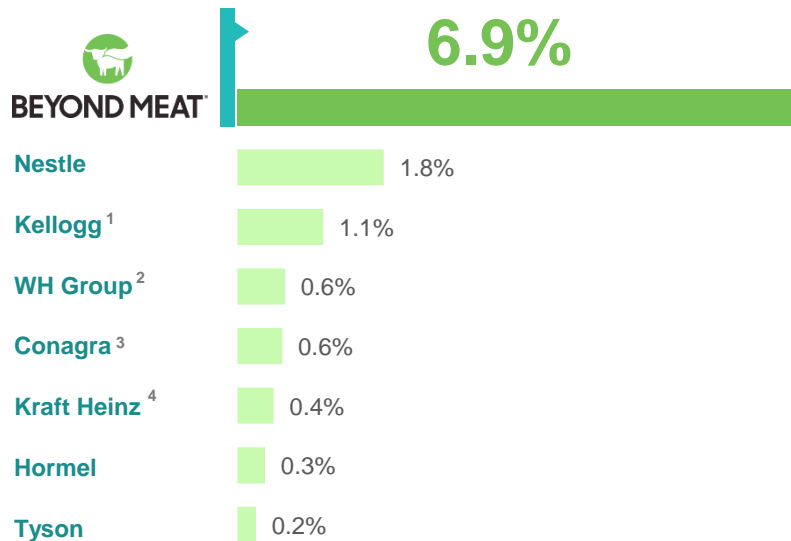
## Innovation Strategy Led by Highly Respected Team of Scientists

- Large, experienced team composed of scientists, engineers, researchers, technicians, and chefs
- Work seamlessly with internal chefs and food technologists to ensure the best quality in terms of taste, texture and other sensory attributes

## State-of-the-Art Innovation Center

- R&D Application Lab
- Color / Encapsulation Lab
- Analytical Lab
- Chemical Lab
- Microbiology / Fermentation Lab
- Pilot Plant
- Test Kitchen

## R&D as a % of Net Revenue (Most Recent FY)



30,000 Sq. Ft Manhattan Beach Project Innovation Center (El Segundo, CA)



**Beyond Meat's products are driven by proprietary technology and a relentlessly focused innovation team**

<sup>1</sup> Parent company of Morningstar Farms.

<sup>2</sup> Parent company of Smithfield.

<sup>3</sup> Parent company of Gardein.

<sup>4</sup> Parent company of Boca Burger.



# RECENT NOTABLE UPDATES





# Our Approach to Product and Strategy has Made Us a Leading Disruptor in the Meat Category

We are Disrupting the Largest Category in Food

**\$1.4tn**

Size of the Global Meat Category<sup>1</sup>

**\$270bn**

Size of the U.S. Meat Category<sup>1</sup>

Beyond Meat is the Future of Protein

**239%**

2018 FY – 2019 FY Revenue YoY Growth

**~3x**

Increase in Manufacturing Capacity<sup>2</sup>

**~25,000 Stores**

U.S. Retail Rollout

**~34,000 Outlets**

U.S. Foodservice Rollout

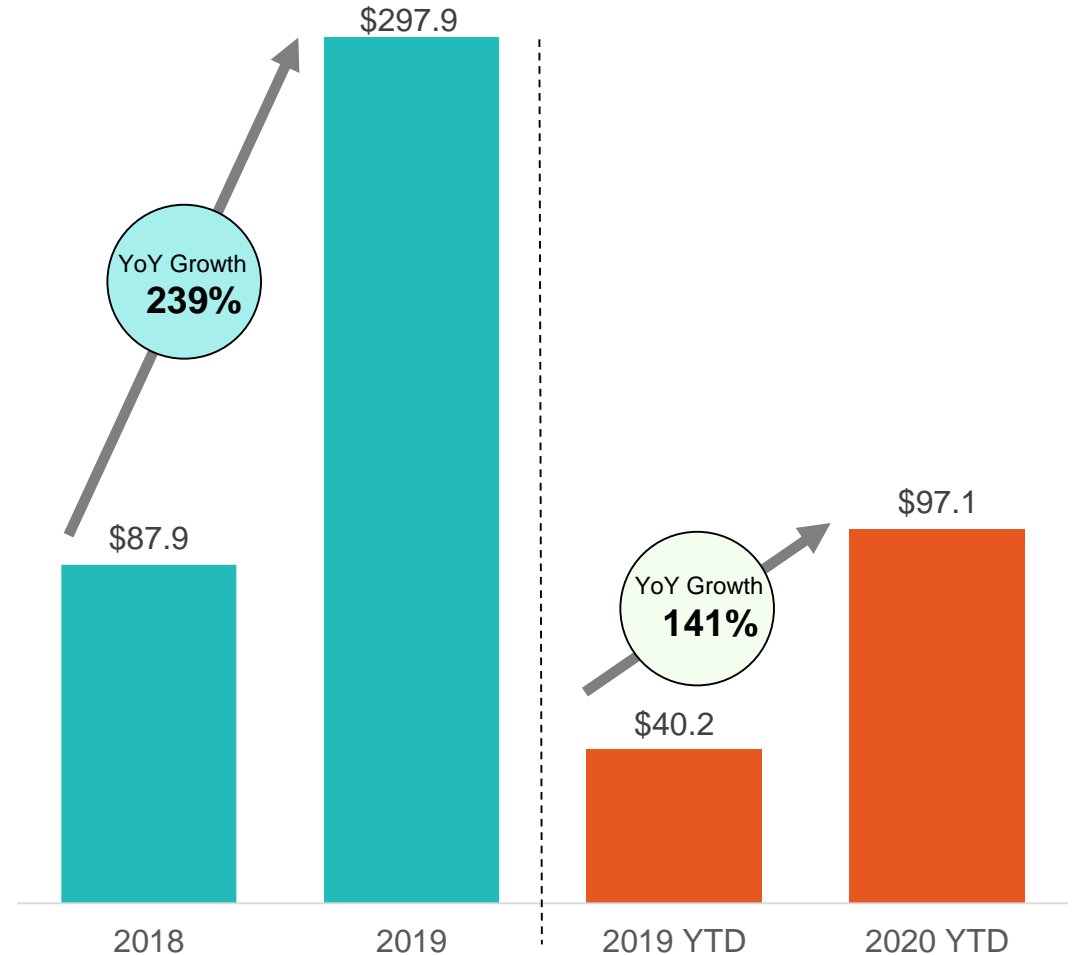
**~35,000 Outlets**

International Retail and Foodservice Rollout<sup>3</sup>

**~94,000 Total Outlets**

Worldwide

Net Revenues (\$ millions)



<sup>1</sup> According to Fitch Solutions Macro Research, a division of Fitch Solutions, research data, August 6, 2018.

<sup>2</sup> As of end of Q1 2020, compared to end of Q1 2019.

<sup>3</sup> Includes Canada.



# Continued Momentum In Distribution Growth and Awareness



	At IPO	March 2020	Growth
<b>Total Outlets (Worldwide)<sup>1</sup></b>	<b>~31,000</b>	<b>~94,000</b>	<b>203%</b>
<i>US Retail</i>	~17,000	~25,000	47%
<i>US Foodservice</i>	~12,500	~34,000	172%
<i>International Retail<sup>2</sup></i>	~150	~18,000	11,900%
<i>International Foodservice<sup>2</sup></i>	~1,500	~17,000	1,033%

	At IPO	January 2020	Growth
<b>Brand Awareness</b>			
<i>Unaided brand awareness<sup>3</sup></i>	6%	21%	250%
<i>Total brand awareness<sup>4</sup></i>	23%	52%	126%

<sup>1</sup> Totals may not add up due to rounding.

<sup>2</sup> Presentation of International distribution outlets now includes Canada, which was historically combined with US distribution.

<sup>3</sup> Unaided brand awareness represents results of the answer to, "what brands, if any, come to mind when you think of a meat alternative product?" At IPO based on Oct 2018 survey of 1,004 people, January 2020 based on January 2020 survey of 1,001 people.

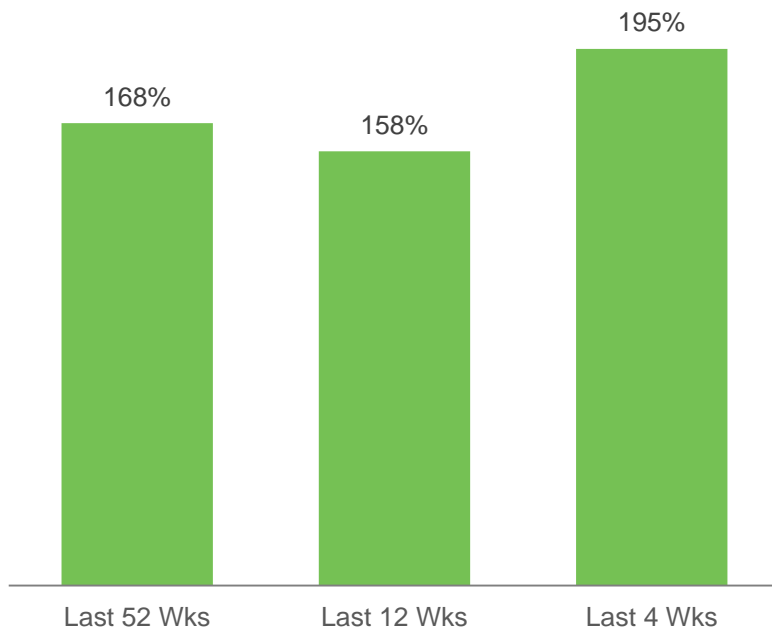
<sup>4</sup> Total brand awareness represents the answer to "which of the following meat alternative brands have you heard of before today?" and "which of the following other brands have you heard of before today?" At IPO based on Oct 2018 survey of 1,004 people, January 2020 based on January 2020 survey of 1,001 people.

# The Beyond Meat Brand Has Maintained Its Solid Momentum In U.S. Retail

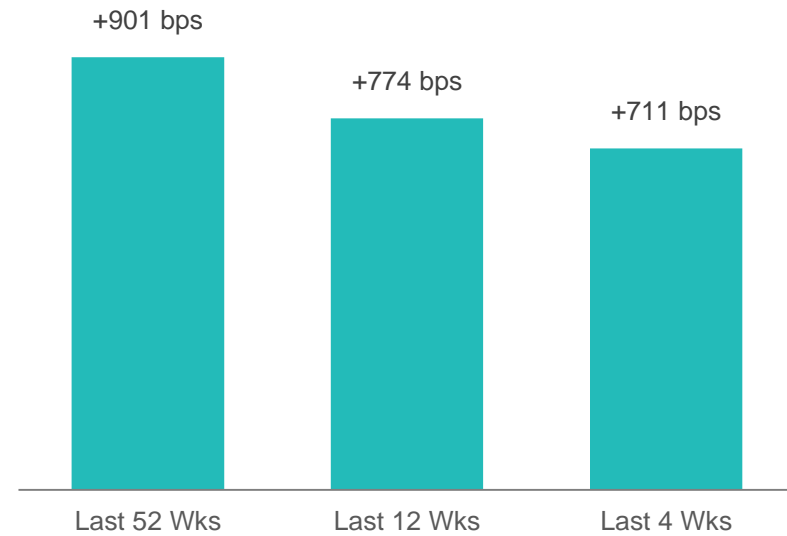


Velocity Growth and Market Share Gains Continue to Drive Strong Performance in U.S. Retail Channels

Beyond Meat Velocity Growth (YoY)<sup>1</sup>  
(\$/TDP)



Beyond Meat Market Share Growth (YoY)<sup>1</sup>



Source: SPINS data (U.S. MULO, US Natural) through 22-Mar-2020

<sup>1</sup> Includes aggregate data for Beyond Meat products across all Frozen and Refrigerated Plant-Based Meats

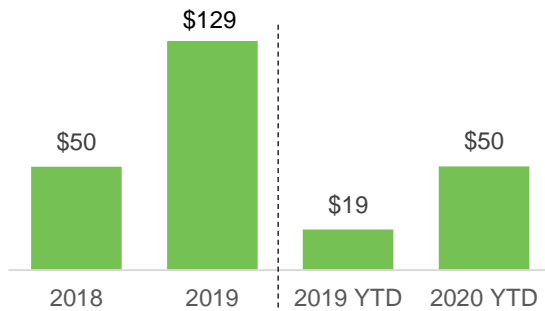


# Beyond Meat is Building a Track Record of Success

We are Poised to Achieve Growth Across all of our Distribution Channels

## US Retail

Net Revenues (\$ millions)



### Select Customers

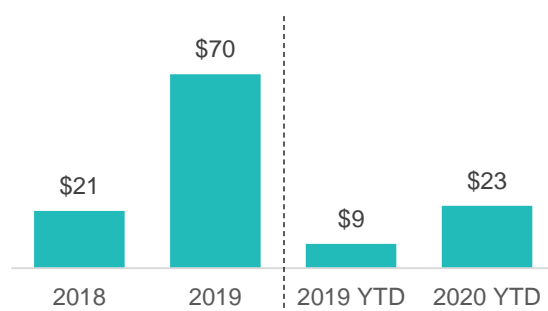


### Select Highlight



## US Foodservice

Net Revenues (\$ millions)



### Select Customers and Distributors

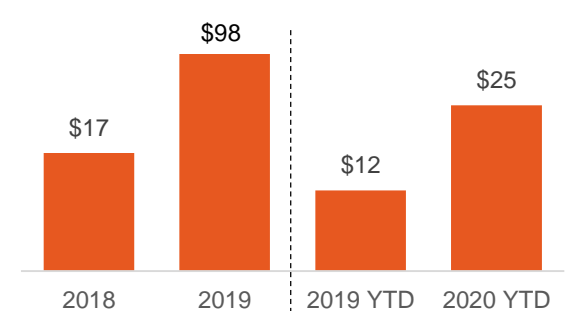


### Select Highlight



## International<sup>1</sup>

Net Revenues (\$ millions)



### Select Customers and Distributors



### Select Highlight





# Recent Notable Updates

Beyond Meat Rapid & Relentless Innovation Program Is Designed to Make Our Existing Products Obsolete, Generate New Products & Platforms, and Serve A Widening Circle of Customers

## Customers

We continue to expand our foodservice partnerships, with the announcement of several new or expanded customer relationships



April 2020  
China  
National Launch



February 2020  
Canada  
National Launch



Jan-Apr 2020  
Canada  
Limited Test



February 2020  
Expanded Test



January 2020  
Canada  
Expansion



January 2020  
US & Canada  
Expansion



November 2019  
National Launch



December 2019  
Expanded Offering

## Products

We continue to focus on innovation, including rollout of both new and enhanced product offerings

5 new product launches / enhancements over the past 12 months



Beyond Breakfast Sausage (2020)



Improved Beyond Sausage (2020)



Beyond Fried Chicken (2020)



Improved Beyond Burger (2019)



Beyond Beef (2019)

## International

Now available in **74** countries worldwide (ex. U.S.), including **9** new countries since Feb. 2020<sup>1</sup>

### Other Notable Highlights:

- BYND made its first entry into mainland China through Starbucks China partnership

## International Supply Chain

**1st** co-manufacturing facility outside of the United States (Netherlands)



Completed on schedule - Q1 2020

<sup>1</sup> Refers to incremental international distribution gained during the period from February 04, 2020 to March 28, 2020.



# FINANCIAL UPDATE



# Q1 2020 Performance Update



## Highlights

- Net revenues increased 141% to \$97.1 million, driven by growth in volume due to expansion in the number of distribution points both domestically and abroad, higher sales velocities and contribution from new products introduced subsequent to the first quarter of 2019
- Gross margin expanded 1,200 bps primarily due to an increase in the volume of products sold, production efficiency improvements, direct materials and packaging input cost savings, and direct labor efficiencies
- Net income improved to \$1.8 million driven by the improvement in gross profit, partially offset by increased costs associated with higher personnel levels, public company administrative costs, higher share-based compensation, increases in marketing expense, higher restructuring expenses and continued investment in innovation
- Adjusted EBITDA as a % of net revenue increased by 1,840 bps year-over-year

(\$ millions)	Q1'20	Q1'19	Change
<b>Net Revenues</b>	<b>\$97.1</b>	<b>\$40.2</b>	<b>141%</b>
Gross Profit	\$37.7	\$10.8	250%
<i>Gross Margin %</i>	38.8%	26.8%	+1,200 bps
Income (Loss) from Operations	\$1.8	(\$5.3)	NA
Net Income (Loss)	\$1.8	(\$6.6)	NA
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$12.7</b>	<b>(\$2.1)</b>	<b>NA</b>
<b><i>Adjusted EBITDA as a % of net revenues<sup>1</sup></i></b>	<b>13.1%</b>	<b>(5.3%)</b>	<b>+1,840 bps</b>

<sup>1</sup> See appendix for reconciliation of Adjusted EBITDA to net income (loss) and Adjusted EBITDA as a % of net revenues to net income (loss) as a % of net revenues.

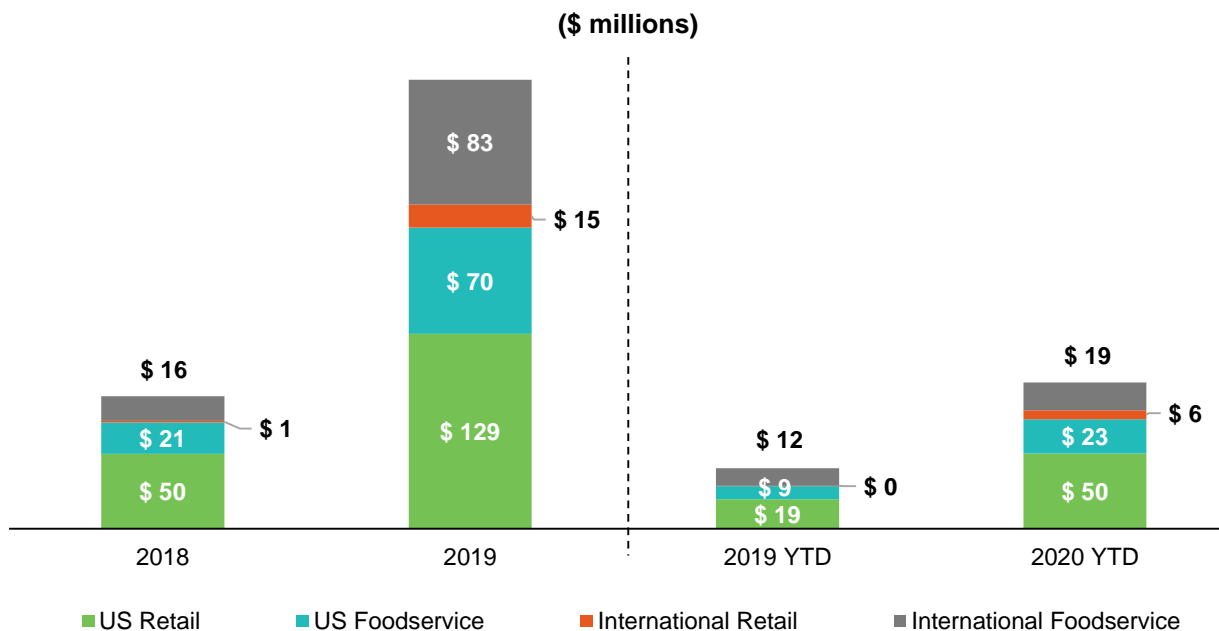


# Net Revenue Growth by Channel

Net Revenues by Channel				
	YoY Growth (%)			
	2018	2019	2019 YTD	2020 YTD
US Retail	97 %	160 %	110 %	157 %
US Foodservice	231 %	240 %	167 %	156 %
International Retail	445 %	1,431 %	200 %	4,934 %
International Foodservice	1,859 %	403 %	6,617 %	57 %
<b>Consolidated</b>	<b>170 %</b>	<b>239 %</b>	<b>215 %</b>	<b>141 %</b>

## Highlights

- Strong revenue performance, with multiple levers for growth:
  - Brand awareness continuing to build momentum
  - Continue growing total outlets and growing sales at existing ~94,000 outlets as of March 2020<sup>1</sup>
  - Continue to build on strong partnerships with ~51,000 foodservice outlets as of March 2020<sup>1</sup>
  - International market expansion
  - New product launches
- Continued investment in infrastructure and capabilities to support future growth
- Continue to support future revenue growth through incremental investments in marketing and innovation



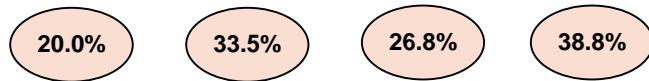
<sup>1</sup> Includes all foodservice outlets across US & International



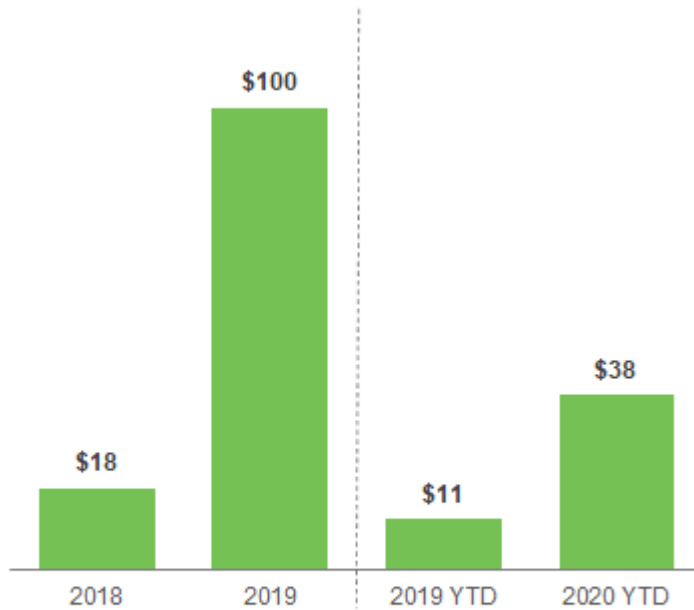
# Improving Margin Profile

## Gross Profit and Margin

### Gross Margins



(\$ millions)



Adjusted EBITDA <sup>1</sup>	2018	2019	2019 YTD	2020 YTD
(\$ millions)	(\$19.3)	\$25.3	(\$2.1)	\$12.7

## OpEx and OpEx % of Net Revenues

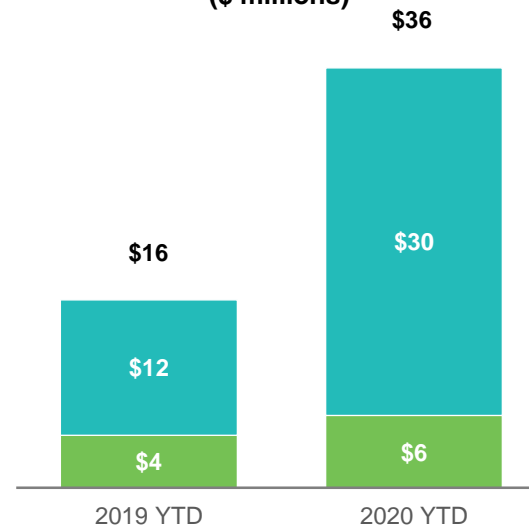
### Operating Expenses<sup>2</sup> as % of Net Revenues



### R&D as % of Net Revenues



(\$ millions)



■ R&D ■ SG&A<sup>2</sup>

## Highlights

- Gross margin benefits from volume leverage, production efficiency improvements, direct material and packaging cost savings, and direct labor efficiencies
- Continued optimization of supply chain capabilities and manufacturing efficiency
  - As we scale, our increased purchasing power is driving improved direct material and packaging costs
  - Increased manufacturing capacity and throughput gains continue to drive direct labor efficiencies
- R&D efforts focused on enhancements to our product formulations, production processes and the development of new products

<sup>1</sup> See appendix for reconciliation of Adjusted EBITDA to net income (loss).

<sup>2</sup> Includes restructuring expenses.





**APPENDIX**





# Reconciliation of Non-GAAP Financial Measures

## Reconciliation to Adjusted EBITDA (unaudited)

(\$ millions)	Year Ended			Three Months Ended	
	12/31/2017	12/31/2018	12/31/2019	3/30/2019	3/28/2020
<b>Net Income (Loss), as Reported</b>	<b>(\$30.4)</b>	<b>(\$29.9)</b>	<b>(\$12.4)</b>	<b>(\$6.6)</b>	<b>\$1.8</b>
Income Tax (Benefit) Expense	\$0.0	\$0.0	\$0.0	\$0.0	(\$0.0)
Interest Expense	\$1.0	\$1.1	\$3.1	\$0.7	\$0.7
Depreciation and Amortization Expense	\$3.2	\$4.9	\$8.1	\$1.9	\$2.6
Restructuring Expenses <sup>1</sup>	\$3.5	\$1.5	\$4.9	\$0.4	\$2.4
Inventory Losses from Termination of Exclusive Supply Agreement <sup>2</sup>	\$2.4	\$0.0	\$0.0	\$0.0	\$0.0
Costs of Termination of Exclusive Supply Agreement <sup>3</sup>	\$1.2	\$0.0	\$0.0	\$0.0	\$0.0
Share-based Compensation Expense	\$0.7	\$2.2	\$12.8	\$0.9	\$5.9
Remeasurement of Warrant Liability	\$0.4	\$1.1	\$12.5	\$0.8	\$0.0
Other, Net	\$0.4	(\$0.4)	(\$3.6)	(\$0.1)	(\$0.7)
<b>Adjusted EBITDA</b>	<b>(\$17.6)</b>	<b>(\$19.3)</b>	<b>\$25.3</b>	<b>(\$2.1)</b>	<b>\$12.7</b>
<b>Net Income (Loss) as a % of Net Revenues</b>	<b>(93.3%)</b>	<b>(34.0%)</b>	<b>(4.2%)</b>	<b>(16.5%)</b>	<b>1.9%</b>
<b>Adjusted EBITDA as a % of Net Revenues</b>	<b>(53.9%)</b>	<b>(22.0%)</b>	<b>8.5%</b>	<b>(5.3%)</b>	<b>13.1%</b>

<sup>1</sup> In connection with the termination of an exclusive supply agreement with a co-manufacturer in May 2017, we recorded restructuring expenses related to the impairment write-off of long-lived assets, primarily comprised of certain unrecoverable equipment located at the co-manufacturer's site and company-paid leasehold improvements to the co-manufacturer's facility, and legal and other expenses associated with the dispute with the co-manufacturer.

<sup>2</sup> Consists of additional charges related to inventory losses incurred as a result of termination of an exclusive supply agreement with a co-manufacturer recorded in cost of goods sold.

<sup>3</sup> Consists of additional charges incurred as a result of termination of an exclusive supply agreement with a co-manufacturer recorded in selling, general and administrative expenses.



**GO BEYOND<sup>®</sup>**

