

Beyond Meat® Reports Second Quarter 2021 Financial Results

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Second Quarter 2021 Net Revenues Increased 32% Year-Over-Year to \$149.4 Million

Foodservice Channel Net Revenues Increased 218% Year-Over-Year

EL SEGUNDO, Calif., Aug. 05, 2021 (GLOBE NEWSWIRE) -- Beyond Meat, Inc. (NASDAQ: BYND) (“Beyond Meat” or “the Company”), a leader in plant-based meat, today reported financial results for its second quarter ended July 3, 2021.

Second Quarter 2021 Financial Highlights¹

- Net revenues were \$149.4 million, an increase of 31.8% year-over-year.
- Gross profit was \$47.4 million, or gross margin of 31.7% of net revenues.
- Net loss was \$19.7 million or \$0.31 per common share. Net loss as a percentage of net revenues was -13.2%.
- Adjusted EBITDA was a loss of \$2.2 million, or -1.5% of net revenues.

Beyond Meat President and CEO Ethan Brown commented, "We are pleased to report record net revenues and the return to growth in foodservice as our customers welcomed consumers back to their venues. We are also proud of our retail performance, where we drove year-over-year growth despite cycling last year's demand surge driven by consumer panic-buying."

Brown added, "We continue to make substantial investments in our long-term growth here in the U.S. and abroad, maintaining our focus on building innovation, production, and team capabilities for the future. We are thrilled with the response to our new Beyond Chicken product and the continued accolades we are receiving for our latest iteration of the Beyond Burger. Coupled with the week-over-week progress we are seeing with our production capabilities in the EU and China, and our continued advancement of our overall cost-down program, I'm optimistic about what lies ahead. That said, given the recent uptick of COVID-19 cases, which could disrupt demand patterns, we believe caution for the balance of the year generally remains appropriate."

¹ This release includes references to non-GAAP financial measures. Refer to "Non-GAAP Financial Measures" later in this release for the definitions of the non-GAAP financial measures presented and a reconciliation of these measures to their closest comparable GAAP measures.

Second Quarter 2021

Net revenues increased 31.8% to \$149.4 million in the second quarter of 2021, compared to \$113.3 million in the year-ago period. Growth in net revenues was primarily due to increased foodservice channel sales, reflecting recovery from significantly reduced demand levels in the year-ago period brought on by the COVID-19 pandemic. Retail channel net revenues increased 6.2% in the second quarter of 2021 compared to the year-ago period, primarily due to increased distribution and sales among international

customers, partially offset by lower U.S. retail channel sales compared to the year-ago period, which benefited from consumer stockpiling behavior at the onset of the pandemic. In aggregate, net revenue per pound of \$5.69 during the second quarter of 2021 was equivalent to the year-ago period.

Net revenues by channel (unaudited):

(in thousands)	Three Months Ended		Change	
	July 3, 2021	June 27, 2020	Amount	%
U.S.:				
Retail	\$ 77,195	\$ 90,040	\$ (12,845)	(14.3) %
Foodservice	23,961	6,486	17,475	269.4 %
U.S. net revenues	101,156	96,526	4,630	4.8 %
International:				
Retail	28,544	9,572	18,972	198.2 %
Foodservice	19,726	7,240	12,486	172.5 %
International net revenues	48,270	16,812	31,458	187.1 %
Net revenues	<u>\$ 149,426</u>	<u>\$ 113,338</u>	<u>\$ 36,088</u>	31.8 %

(in thousands)	Six Months Ended		Change	
	July 3, 2021	June 27, 2020	Amount	%
U.S.:				
Retail	\$ 141,021	\$ 139,963	\$ 1,058	0.8 %
Foodservice	40,703	29,117	11,586	39.8 %
U.S. net revenues	181,724	169,080	12,644	7.5 %
International:				
Retail	45,743	15,524	30,219	194.7 %
Foodservice	30,123	25,808	4,315	16.7 %
International net revenues	75,866	41,332	34,534	83.6 %
Net revenues	<u>\$ 257,590</u>	<u>\$ 210,412</u>	<u>\$ 47,178</u>	22.4 %

Gross profit was \$47.4 million, or gross margin of 31.7% of net revenues, in the second quarter of 2021, compared to \$33.7 million, or gross margin of 29.7% of net revenues, in the year-ago period. During the second quarter of 2020, gross profit included \$5.9 million of costs associated with product repacking activities due to COVID-19. Excluding these costs, of which there were none in the second quarter of 2021, Adjusted gross profit in the year-ago period was \$39.6 million, or Adjusted gross margin of 34.9% of net revenues. Compared to Adjusted gross margin in the year-ago period, the decrease in gross margin in the second quarter of 2021 was primarily due to higher fixed overhead costs per unit, increased transportation costs, and higher depreciation and amortization expense, partially offset by lower direct materials cost per unit.

Loss from operations in the second quarter of 2021 was \$18.6 million compared to loss from operations of \$8.2 million in the year-ago period. The increase in loss from operations was primarily driven by growth in overall headcount levels mainly to support the Company's international growth and operations and innovation capabilities, increased investments in marketing, increased production trial activities, higher restructuring expenses primarily reflecting increased legal expenses, and higher outbound freight costs included in the Company's selling expenses compared to the year-ago period, partially offset by the increase in gross profit during the quarter. The year-ago period also included \$1.6 million in product donation costs related to the Company's COVID-19 relief campaign, of which there were no similar costs in the second quarter of 2021.

Net loss was \$19.7 million in the second quarter of 2021 compared to net loss of \$10.2 million in the year-ago period. Net loss per common share was \$0.31 in the second quarter of 2021 compared to net loss per common share of \$0.16 in the year-ago period. During the second quarter of 2020, net loss included \$7.5 million in expenses attributable to COVID-19, specifically \$5.9 million in

product repacking costs and \$1.6 million in product donation costs tied to the Company's COVID-19 relief campaign, and \$1.5 million in early debt extinguishment costs. Excluding these costs, Adjusted net loss was \$1.2 million, or \$0.02 per common share, in the second quarter of 2020. There were no similar costs in the second quarter of 2021.

Adjusted EBITDA was a loss of \$2.2 million, or -1.5% of net revenues, in the second quarter of 2021 compared to Adjusted EBITDA of \$11.7 million, or 10.3% of net revenues, in the year-ago period.

Balance Sheet and Cash Flow Highlights

The Company's cash and cash equivalents balance was \$1.0 billion as of July 3, 2021 and total outstanding debt was \$1.1 billion. Net cash used in operating activities was \$120.4 million for the six months ended July 3, 2021, compared to \$44.3 million for the year-ago period. Capital expenditures totaled \$51.4 million for the six months ended July 3, 2021 compared to \$26.0 million for the year-ago period. The increase in capital expenditures was primarily due to the Company's continued investments in production equipment and facilities related to capacity expansion initiatives in the U.S., China and the EU.

Third Quarter 2021 Outlook

The Company recognizes that there remains near-term uncertainty related to COVID-19 and its potential impact on retail and foodservice demand levels. Although management generally anticipates continued recovery in foodservice channels compared to the prior year, such outlook assumes reasonable containment of COVID-19 infection rates both in the U.S. and abroad.

Accounting for the ongoing near-term uncertainty, the Company is providing the following guidance for the third quarter of 2021:

- Net revenues in the range of \$120 million to \$140 million, an increase of 27% to 48% compared to the third quarter of 2020.

Embedded in the third quarter guidance range above are management's expectations of a sequential moderation in growth in foodservice channels following pipeline restocking activity in the second quarter of 2021; an expectation that U.S. retail channels will benefit less from *Fourth of July* sales in the third quarter of 2021 given that there were 5 fewer shipping days in the third quarter of 2021 leading up to July 4th compared to the year-ago period; an expected dampening of U.S. and international foodservice revenue growth due to recent losses of distribution and operator challenges due to labor issues; and general caution in light of uncertainty surrounding COVID-19 infection rates, particularly due to the Delta variant.

Conference Call and Webcast

The Company will host a conference call and webcast to discuss these results with additional comments and details today at 5:00 p.m. Eastern, 2:00 p.m. Pacific. Investors interested in participating in the live call can dial 212-231-2927. The conference call webcast will be available live over the Internet through the "Investors" section of the Company's website at www.beyondmeat.com and later archived.

About Beyond Meat

Beyond Meat, Inc. (NASDAQ: BYND) is one of the fastest growing food companies in the United States, offering a portfolio of revolutionary plant-based proteins made from simple ingredients without GMOs, bioengineered ingredients, hormones, antibiotics, or cholesterol. Founded in 2009, Beyond Meat products are designed to have the same taste and texture as animal-based meat while being better for people and the planet. Beyond Meat's brand commitment, Eat What You Love™, represents a strong belief that there is a better way to feed our future and that the positive choices we all make, no matter how small, can have a great impact on our personal health and the health of our planet. By shifting from animal-based meat to plant-based protein, we can

positively impact four growing global issues: human health, climate change, constraints on natural resources and animal welfare.

As of June 2021, Beyond Meat had products available at approximately 119,000 retail and foodservice outlets in over 80 countries worldwide. Visit www.BeyondMeat.com and follow @BeyondMeat, #BeyondBurger and #GoBeyond on Facebook, Instagram and Twitter and @BeyondMeatOfficial on TikTok.