



BEYOND MEAT®

Beyond Meat® Reports First Quarter 2024 Financial Results

May 8, 2024

EL SEGUNDO, Calif., May 08, 2024 (GLOBE NEWSWIRE) -- Beyond Meat, Inc. (NASDAQ: BYND) ("Beyond Meat" or "the Company"), a leader in plant-based meat, today reported financial results for its first quarter ended March 30, 2024.

First Quarter 2024 Financial Highlights¹

- Net revenues were \$75.6 million, a decrease of 18.0% year-over-year.
- Gross profit was \$3.7 million, or gross margin of 4.9%, compared to gross profit of \$6.2 million, or gross margin of 6.7%, in the year-ago period.
- Loss from operations was \$53.5 million, or operating margin of -70.7%, compared to loss from operations of \$57.7 million, or operating margin of -62.6%, in the year-ago period.
 - Adjusted loss from operations was \$46.0 million, or adjusted operating margin of -60.8%, reflecting the exclusion of a \$7.5 million accrual related to a consumer class action settlement.
- Net loss was \$54.4 million, or \$0.84 per common share, compared to net loss of \$59.0 million, or \$0.92 per common share, in the year-ago period.
 - Adjusted net loss was \$46.9 million, or \$0.72 per diluted common share, reflecting the exclusion of a \$7.5 million accrual related to a consumer class action settlement.
- Adjusted EBITDA was a loss of \$32.9 million, or -43.5% of net revenues, compared to an Adjusted EBITDA loss of \$45.8 million, or -49.6% of net revenues, in the year-ago period.

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.

Beyond Meat President and CEO Ethan Brown commented, "In Q1, we made solid progress against our 2024 priorities, including: hitting our first quarter revenue objective; reducing operating expenses and cash consumption year-over-year; bringing production in-house to reduce costs and improve quality; and commencing shipments of Beyond IV, the fourth generation of Beyond Burger and Beyond Beef, to our customers, to the praise of nutritionists and consumers alike."

Brown continued, "Together with measures we are exploring to bolster our balance sheet, we continue to work to position 2024 as a pivotal year as we strive to achieve sustainable and profitable operations."

First Quarter 2024

Net revenues decreased 18.0% to \$75.6 million in the first quarter of 2024, compared to \$92.2 million in the year-ago period. The decrease in net revenues was primarily driven by a 16.1% decrease in volume of products sold and a 2.3% decrease in net revenue per pound. The decrease in net revenue per pound was primarily driven by increased trade discounts and, to a lesser extent, pricing changes, partially offset by favorable changes in foreign currency exchange rates.

U.S. retail channel net revenues decreased 16.0% to \$37.1 million in the first quarter of 2024, compared to \$44.2 million in the year-ago period, primarily due to a 10.2% decrease in volume of products sold, primarily reflecting demand softness in the category and reduced sales of Beyond Meat Jerky which is in the process of being discontinued, and, to a lesser extent, a 6.5% decrease in net revenue per pound, primarily resulting from changes in product sales mix and higher trade discounts. U.S. retail channel net revenues included \$1.6 million from ingredient sales in the quarter.

U.S. foodservice channel net revenues decreased 16.2% to \$12.3 million in the first quarter of 2024, compared to \$14.7 million in the year-ago period, primarily due to a 20.7% decrease in volume of products sold, primarily reflecting loss of distribution for certain items and demand softness in the category, partially offset by a 5.8% increase in net revenue per pound, primarily resulting from changes in product sales mix and lower trade discounts.

International retail channel net revenues decreased 12.0% to \$12.6 million in the first quarter of 2024, compared to \$14.3 million in the year-ago period, primarily due to a 12.7% decrease in volume of products sold, primarily reflecting reduced sales of chicken products in the EU and softer demand for certain products in Canada, partially offset by a 0.8% increase in net revenue per pound. The increase in net revenue per pound was primarily due to lower trade discounts, changes in product sales mix and favorable changes in foreign currency exchange rates, partially offset by reduced pricing of certain products.

International foodservice channel net revenues decreased 28.7% to \$13.6 million in the first quarter of 2024, compared to \$19.1 million in the year-ago period, primarily due to a 25.0% decrease in volume of products sold, primarily reflecting reduced sales of burger and chicken products, including as a result of initial sell-ins to large Quick Service Restaurant customers in the year-ago period, and a 4.9% decrease in net revenue per pound, primarily

resulting from higher trade discounts, partially offset by changes in product sales mix and favorable changes in foreign currency exchange rates.

Net revenues by channel (unaudited):

The following table presents the Company's net revenues by channel for the periods presented:

(in thousands)	Three Months Ended		Change	
	March 30, 2024	April 1, 2023	Amount	%
U.S.:				
Retail	\$ 37,088	\$ 44,159	\$ (7,071)	(16.0)%
Foodservice	12,304	14,675	(2,371)	(16.2)%
U.S. net revenues	49,392	58,834	(9,442)	(16.0)%
International:				
Retail	12,578	14,289	(1,711)	(12.0)%
Foodservice	13,633	19,113	(5,480)	(28.7)%
International net revenues	26,211	33,402	(7,191)	(21.5)%
Net revenues	\$ 75,603	\$ 92,236	\$ (16,633)	(18.0)%

Volume of products sold by channel (unaudited):

The following table presents consolidated volume of the Company's products sold in pounds for the periods presented:

(in thousands)	Three Months Ended		Change	
	March 30, 2024	April 1, 2023	Amount	%
U.S.:				
Retail	7,470	8,315	(845)	(10.2)%
Foodservice	2,022	2,551	(529)	(20.7)%
International:				
Retail	2,914	3,337	(423)	(12.7)%
Foodservice	4,163	5,549	(1,386)	(25.0)%
Volume of products sold	16,569	19,752	(3,183)	(16.1)%

Gross profit in the first quarter of 2024 was \$3.7 million, or gross margin of 4.9%, compared to \$6.2 million, or gross margin of 6.7%, in the year-ago period. Gross profit and gross margin in the first quarter of 2024 were negatively impacted by lower volume of products sold, and by higher manufacturing costs, including depreciation, higher materials costs and lower net revenues per pound, partially offset by lower inventory reserves and, to a lesser extent, lower logistics costs per pound.

Operating expenses were \$57.1 million in the first quarter of 2024, compared to \$63.9 million in the year-ago period. The decrease in operating expenses was primarily due to reduced non-production headcount expenses and reduced marketing expenses, partially offset by increased general and administrative expenses. General and administrative expenses included a \$7.5 million accrual related to a binding settlement term sheet entered into on May 6, 2024 in connection with the settlement of certain consumer class action lawsuits that originated in 2022. Since the settlement is subject to court approval, the timing of payments is uncertain; however, the Company anticipates paying \$250,000 in 2024, with the remainder, \$7.25 million, anticipated to be paid in 2025. General and administrative expenses in the first quarter of 2024 benefited from a \$3.7 million reduction in loss on sale of fixed assets compared to the year-ago period.

Loss from operations was \$53.5 million in the first quarter of 2024, compared to \$57.7 million in the year-ago period. The decrease in loss from operations was driven by the reduction in operating expenses, partially offset by reduced gross profit. Adjusted loss from operations was \$46.0 million, reflecting the exclusion of the \$7.5 million accrual related to the consumer class action settlement.

Net loss was \$54.4 million in the first quarter of 2024, compared to \$59.0 million in the year-ago period. Net loss per common share was \$0.84 in the first quarter of 2024, compared to \$0.92 in the year-ago period. The decrease in net loss was primarily driven by the reduction in loss from operations and a reduction in losses related to the Company's joint venture with PepsiCo, Inc., The Planet Partnership ("TPP"), partially offset by a reduction in Other income, net. Adjusted net loss was \$46.9 million, or \$0.72 per diluted common share, reflecting the exclusion of the \$7.5 million accrual related to the consumer class action settlement.

Adjusted EBITDA was a loss of \$32.9 million, or -43.5% of net revenues, in the first quarter of 2024, compared to an Adjusted EBITDA loss of \$45.8 million, or -49.6% of net revenues, in the year-ago period.

Balance Sheet and Cash Flow Highlights

The Company's cash and cash equivalents balance, including restricted cash, was \$173.5 million and total outstanding debt was \$1.1 billion as of March 30, 2024. Net cash used in operating activities was \$31.8 million in the three months ended March 30, 2024, compared to \$42.2 million in the year-ago period. Capital expenditures totaled \$1.2 million in the three months ended March 30, 2024, compared to \$5.3 million in the year-ago period. Net cash used in investing activities was \$0.3 million in the three months ended March 30, 2024, compared to \$6.3 million in the year-ago period. Net cash used in investing activities in the three months ended March 30, 2024 included \$0.5 million in return of security deposits and \$0.4 million in

proceeds from sales of certain fixed assets.

2024 Outlook

The company's operating environment continues to be affected by uncertainty relating to macroeconomic issues including: ongoing, further weakened demand in the plant-based meat category, inflation and high interest rates and concerns about the likelihood of a recession, among other things, all of which could have unforeseen impacts on the Company's actual realized results. Based on management's best assessment of the environment today, the Company is reaffirming its outlook for the full year 2024:

- Net revenues are expected to be in the range of \$315 million to \$345 million. Net revenues for the second quarter are expected to be in the range of \$85 million to \$90 million.
- Gross margin is expected to be in the mid to high teens range for the full year 2024, and is expected to be higher in the second half of the year relative to the first half.
- Operating expenses, excluding the \$7.5 million accrual related to the consumer class action settlement, are expected to be in the range of \$170 million to \$190 million, weighted slightly more towards the first half of the year.
- Capital expenditures are expected to be in the range of \$15 million to \$25 million.

Total distribution points by channel (unaudited):

The following table presents the approximate number of distribution outlets by channel for the periods presented:

	<u>Q4 2022</u>	<u>Q1 2023</u>	<u>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>	<u>Q1 2024</u>
U.S.:						
Retail ⁽¹⁾	34,000	33,000	33,000	33,000	32,000	29,000
Foodservice	43,000	42,000	41,000	42,000	41,000	40,000
International:						
Retail	35,000	36,000	36,000	36,000	36,000	36,000
Foodservice	34,000	35,000	34,000	26,000	24,000	25,000
Total distribution points ⁽¹⁾⁽²⁾	<u>146,000</u>	<u>146,000</u>	<u>144,000</u>	<u>137,000</u>	<u>133,000</u>	<u>130,000</u>

(1) Excludes U.S. retail outlets unique to Beyond Meat Jerky, which has been discontinued.

(2) The number of retail and foodservice outlets where Beyond Meat branded products are available was derived from rolling 52-week data as of March 2024.

Conference Call and Webcast

The Company will host a conference call to discuss these results at 5:00 p.m. Eastern, 2:00 p.m. Pacific. Investors interested in participating in the live call can dial 412-902-4255. There will also be a simultaneous, live webcast available on the Investors section of the Company's website at www.beyondmeat.com. The webcast will also be archived.

About Beyond Meat

Beyond Meat, Inc. (NASDAQ: BYND) is a leading plant-based meat company offering a portfolio of revolutionary plant-based meats made from simple ingredients without GMOs, no added hormones or antibiotics, and 0 mg of cholesterol per serving. 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 promise, 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. Visit www.BeyondMeat.com and follow @BeyondMeat, #BeyondBurger and #GoBeyond on Facebook, Instagram, Threads, X (formerly Twitter) and TikTok.

Forward-Looking Statements

Certain statements in this release constitute "forward-looking statements" within the meaning of the federal securities laws, including statements related to the Company's expectations with respect to its full year 2024 outlook.

Forward-looking statements are based on management's current opinions, expectations, beliefs, plans, objectives, assumptions and projections regarding financial performance, prospects, future events and future results, including ongoing uncertainty related to macroeconomic issues, including high inflation and interest rates, prolonged, weakening demand in the plant-based meat category, ongoing concerns about the likelihood of a recession and increased competition, among other matters, and involve known and unknown risks that are difficult to predict. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "project," "predict," "outlook," "potential," "continue," "likely," "will," "would" and variations of these terms and similar expressions, or the negative of these terms or similar expressions. These forward-looking statements are only predictions, not historical fact, and involve certain risks and uncertainties, as well as assumptions. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by which or whether, such performance or results will be achieved. Actual results, levels of activity, performance, achievements and events could differ materially from those stated, anticipated or implied by such forward-looking statements. While Beyond Meat believes that its assumptions are reasonable, it is very difficult to predict the impact of known factors and, of course, it is impossible to anticipate all

factors that could affect actual results. There are many risks and uncertainties that could cause actual results to differ materially from forward-looking statements made herein including, but not limited to, the impact of inflation and higher interest rates across the economy, including higher food, grocery, raw materials, transportation, energy, labor and fuel costs; a continued decrease in demand, and the underlying factors negatively impacting demand, in the plant-based meat category; risks and uncertainties related to certain cost-reduction initiatives, cost structure improvements, workforce reductions and executive leadership changes, and the timing and success of reducing operating expenses and achieving certain financial goals and cash flow positive objectives; the timing and success of narrowing our commercial focus to certain growth opportunities; accelerating activities that prioritize gross margin expansion and cash generation, including as part of the review of the Company's global operations initiated in November 2023 to further reduce operating expenses (the "Global Operations Review"); changes to our pricing architecture within certain channels including the recent and planned future price increases of certain of our products; and accelerated, cash-accretive inventory reduction initiatives; our ability to successfully execute our Global Operations Review, including the exit or discontinuation of select product lines such as Beyond Meat Jerky; the impact of non-cash charges such as provision for excess and obsolete inventory, accelerated depreciation on planned write-offs and disposals of fixed assets, and losses on sale and write-down of fixed assets; further optimization of our manufacturing capacity and real estate footprint; and the continued review of our operations in China; the impact of adverse and uncertain economic and political conditions in the U.S. and international markets, including concerns about the likelihood of an economic recession, downturn or periods of rising or high inflation; reduced consumer confidence and changes in consumer spending, including spending to purchase our products, and negative trends in consumer purchasing patterns due to levels of consumers' disposable income, credit availability and debt levels, and economic conditions, including due to recessionary and inflationary pressures; our inability to properly manage and ultimately sell our inventory in a timely manner, which could require us to sell our products through liquidation channels at lower prices, write-down or write-off obsolete inventory, or increase inventory provision; any future impairment charges, including due to any future changes in estimates, judgments or assumptions, failure to achieve forecasted operating results, weakness in the economic environment, changes in market conditions and/or declines in our market capitalization; the sufficiency of our cash and cash equivalents to meet our liquidity needs, including estimates of our expenses, future revenues, capital expenditures, capital requirements and our needs for, and ability to obtain, additional financing, if at all; our ability to accurately predict consumer taste preferences, trends and demand and successfully innovate, introduce and commercialize new products and improve existing products such as our new Beyond IV platform, including in new geographic markets; the effects of competitive activity from our market competitors and new market entrants; disruption to, and the impact of uncertainty in, our domestic and international supply chain, including labor shortages and disruption, shipping delays and disruption, and the impact of cyber incidents at suppliers and vendors; our ability to streamline operations and improve cost efficiencies, which could result in the contraction of our business and the implementation of significant cost cutting measures such as further downsizing and exiting certain operations, including product lines, domestically and/or abroad; the impact of uncertainty as a result of doing business in China and Europe, including as a result of our continued review of our operations in China; the volatility of or inability to access the capital markets, including due to macroeconomic factors, our loss of well-known seasoned issuer status, geopolitical tensions or the outbreak of hostilities or war - for example, the war in Ukraine and the conflict in Israel, Gaza and surrounding areas; changes in the retail landscape, including our ability to maintain and expand our distribution footprint, the timing, success and level of trade and promotion discounts, our ability to maintain and grow market share and increase household penetration, repeat purchases, buying rates (amount spent per buyer) and purchase frequency, our ability to maintain and increase sales velocity of our products, and the timing and success of the Beyond IV launch; changes in the foodservice landscape, including the timing, success and level of marketing and other financial incentives to assist in the promotion of our products, our ability to maintain and grow market share and attract and retain new foodservice customers or retain existing foodservice customers, and our ability to introduce and sustain offering of our products on menus; the timing and success of distribution expansion and new product introductions, including the timing and success of the Beyond IV launch, in increasing revenues and market share; the timing and success of strategic Quick Service Restaurant partnership launches and limited time offerings resulting in permanent menu items; foreign currency exchange rate fluctuations; our ability to identify and execute cost-down initiatives intended to improve our profitability; the effectiveness of our business systems and processes; our estimates of the size of our market opportunities and ability to accurately forecast market growth; our ability to effectively optimize our manufacturing and production capacity, and real estate footprint, including consolidating manufacturing facilities and production lines, exiting co-manufacturing arrangements and effectively managing capacity for specific products with shifts in demand; risks associated with underutilization of capacity which could give rise to increased costs per unit, underutilization fees, termination fees and other costs to exit certain supply chain arrangements and product lines and/or the write-down or write-off of certain equipment and other fixed assets; our ability to accurately forecast our future results of operations and financial goals or targets, including as a result of fluctuations in demand for our products and in the plant-based meat category generally and increased competition; our ability to accurately forecast demand for our products and manage our inventory, including the impact of customer orders ahead of holidays and shelf reset activities, customer and distributor changes and buying patterns, such as reductions in targeted inventory levels, and supply chain and labor disruptions, including due to the impact of cyber incidents at suppliers and vendors; our operational effectiveness and ability to fulfill orders in full and on time; variations in product selling prices and costs, the timing and success of changes to our pricing architecture within certain channels including the recent and planned future price increases of certain of our products, and the mix of products sold; our ability to successfully enter new geographic markets, manage our international business and comply with any applicable laws and regulations, including risks associated with doing business in foreign countries, substantial investments in our manufacturing operations in China and the Netherlands, and our ability to comply with the U.S. Foreign Corrupt Practices Act or other anti-corruption laws; our ability to protect our brand against misinformation about our products and the plant-based meat category, real or perceived quality or health issues with our products, marketing campaigns aimed at generating negative publicity regarding our products and the plant-based meat category, including regarding the nutritional value of our products, and other issues that could adversely affect our brand and reputation; the effects of global outbreaks of pandemics (such as the COVID-19 pandemic), epidemics or other public health crises, or fear of such crises; the success of our marketing initiatives and the ability to maintain and grow our brand awareness, maintain, protect and enhance our brand, attract and retain new customers and maintain and grow our market share, particularly while we are seeking to reduce our operating expenses; our ability to attract, maintain and effectively expand our relationships with key strategic foodservice partners; our ability to attract and retain our suppliers, distributors, co-manufacturers and customers; our ability to procure sufficient high-quality raw materials at competitive prices to manufacture our products; the availability of pea and other proteins and avocado oil that meet our standards; our ability to diversify the protein sources used for our products; our ability to differentiate and continuously create innovative products, respond to competitive innovation and achieve speed-to-market, including the timing and success of the Beyond IV launch; our ability to successfully execute our strategic initiatives; the volatility associated with ingredient, packaging, transportation and other input costs; our ability to keep pace with technological changes impacting the development of our products and implementation of our business needs; significant disruption in, or breach in security of our or our suppliers' or vendors' information technology systems, and resultant interruptions in service and any related impact on our reputation, including data privacy, and any potential impact on our supply chain, including on customer demand, order fulfillment and lost sales, and the resulting timing and/or amount of net revenues recognized; the ability of our transportation providers to ship and deliver our products in a timely and cost effective manner; senior management and key personnel changes, the attraction, training and retention of qualified employees and key personnel and our ability to maintain our company culture; the effects of organizational changes including reductions-in-force and realignment of reporting structures; the success of operations conducted by joint ventures where we share ownership and management of a company with one or more parties who may not have the same goals, strategies or priorities as we do and where we do not receive all of the financial benefit; the impact of

the discontinuation of the Beyond Meat Jerky product line; risks related to use of a professional employer organization to administer human resources, payroll and employee benefits functions for certain of our international employees, and use of certain third party service providers for the performance of several business operations including payroll and human capital management services; the impact of potential workplace hazards; the effects of natural or man-made catastrophic or severe weather events, including events brought on by climate change, particularly involving our or any of our co-manufacturers' manufacturing facilities, our suppliers' facilities or any other vital aspects of our supply chain; the effectiveness of our internal controls; accounting estimates based on judgment and assumptions that may differ from actual results; risks related to our debt, including our ability to repay our indebtedness, limitations on our cash flow from operations and our ability to satisfy our obligations under the convertible senior notes; our ability to raise the funds necessary to repurchase the convertible senior notes for cash, under certain circumstances, or to pay any cash amounts due upon conversion; provisions in the indenture governing the convertible senior notes delaying or preventing an otherwise beneficial takeover of us; and any adverse impact on our reported financial condition and results from the accounting methods for the convertible senior notes; our ability to meet our obligations under our El Segundo Campus and Innovation Center ("Campus Headquarters") lease, the timing of occupancy and completion of the build-out of our space, cost overruns, delays, the impact of workforce reductions or other cost-reduction initiatives on our space demands, and the timing and success of subleasing, assigning or otherwise transferring excess space at our Campus Headquarters; our ability to meet our obligations under leases for our corporate offices, manufacturing facilities and warehouses, or risks related to excess space capacity under our leases due to workforce reductions or other cost-reduction initiatives; changes in laws and government regulation affecting our business, including the U.S. Food and Drug Administration and the U.S. Federal Trade Commission governmental regulation, and state, local and foreign regulation; new or pending legislation, or changes in laws, regulations or policies of governmental agencies or regulators, both in the U.S. and abroad, affecting plant-based meat, the labeling or naming of our products, or our brand name or logo; the failure of acquisitions and other investments to be efficiently integrated and produce the results we anticipate; risks inherent in investment in real estate; adverse developments affecting the financial services industry; the financial condition of, and our relationships with our suppliers, co-manufacturers, distributors, retailers, and foodservice customers, and their future decisions regarding their relationships with us; our ability and the ability of our suppliers and co-manufacturers to comply with food safety, environmental or other laws or regulations and the impact of any non-compliance on our operations, brand reputation and ability to fulfill customer orders in full and on time; seasonality, including increased levels of grilling activity and higher levels of purchasing by customers ahead of holidays, customer shelf reset activity and the timing of product restocking by our retail customers; the impact of increased scrutiny from a variety of stakeholders, institutional investors and governmental bodies on environmental, social and governance ("ESG") practices, including expanding mandatory and voluntary reporting, diligence and disclosure on ESG matters; the outcomes of legal or administrative proceedings, or new legal or administrative proceedings filed against us; our, our suppliers' and our co-manufacturers' ability to protect our proprietary technology, intellectual property and trade secrets adequately; the impact of tariffs and trade wars; the impact of changes in tax laws; and the risks discussed under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission (the "SEC") on March 1, 2024, the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 30, 2024 to be filed with the SEC, as well as other factors described from time to time in the Company's filings with the SEC. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth above. Such forward-looking statements are made only as of the date of this release. Beyond Meat undertakes no obligation to publicly update or revise any forward-looking statement because of new information, future events, changes in assumptions or otherwise, except to the extent required by applicable laws. If we do update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements.

Non-GAAP Financial Measures

The Company refers to certain financial measures that are not recognized under U.S. generally accepted accounting principles (GAAP) in this press release, including: Adjusted loss from operations, Adjusted operating margin, Adjusted net loss, Adjusted net loss per diluted common share, Adjusted EBITDA and Adjusted EBITDA as a % of net revenues. See "Non-GAAP Financial Measures" below for additional information and reconciliations of such non-GAAP financial measures.

Availability of Information on Beyond Meat's Website and Social Media Channels

Investors and others should note that Beyond Meat routinely announces material information to investors and the marketplace using SEC filings, press releases, public conference calls, webcasts and the Beyond Meat Investor Relations website. We also intend to use certain social media channels as a means of disclosing information about us and our products to consumers, our customers, investors and the public (e.g., @BeyondMeat, #BeyondBurger and #GoBeyond on Facebook, Instagram, Threads and X (formerly Twitter), and @BeyondMeatOfficial on TikTok). The information posted on social media channels is not incorporated by reference in this press release or in any other report or document we file with the SEC. While not all of the information that the Company posts to the Beyond Meat Investor Relations website or to social media accounts is of a material nature, some information could be deemed to be material. Accordingly, the Company encourages investors, the media and others interested in Beyond Meat to review the information that it shares at the "Investors" link located at the bottom of the Company's webpage at <https://investors.beyondmeat.com/investor-relations> and to sign up for and regularly follow the Company's social media accounts. Users may automatically receive email alerts and other information about the Company when enrolling an email address by visiting "Request Email Alerts" in the "Investors" section of Beyond Meat's website at <https://investors.beyondmeat.com/investor-relations>.

Contacts

Media:

Shira Zackai
shira.zackai@beyondmeat.com

Investors:

Raphael Gross
beyondmeat@icrinc.com

BEYOND MEAT, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(In thousands, except share and per share data)
(unaudited)

Three Months Ended

	March 30, 2024	April 1, 2023
Net revenues	\$ 75,603	\$ 92,236
Cost of goods sold	71,935	86,051
Gross profit	3,668	6,185
Research and development expenses	9,860	12,432
Selling, general and administrative expenses	47,282	51,900
Restructuring expenses	—	(426)
Total operating expenses	57,142	63,906
Loss from operations	(53,474)	(57,721)
Other (expense) income, net:		
Interest expense	(1,015)	(989)
Other, net	123	2,908
Total other (expense) income, net	(892)	1,919
Loss before taxes	(54,366)	(55,802)
Income tax expense	2	—
Equity in (income) losses of unconsolidated joint venture	(7)	3,235
Net loss	\$ (54,361)	\$ (59,037)
Net loss per share available to common stockholders—basic and diluted	\$ (0.84)	\$ (0.92)
Weighted average common shares outstanding—basic and diluted	64,702,249	64,004,894

BEYOND MEAT, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)
(unaudited)

	March 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 157,913	\$ 190,505
Restricted cash, current	2,971	2,830
Accounts receivable, net	35,648	31,730
Inventory	122,538	130,336
Prepaid expenses and other current assets	15,032	12,904
Assets held for sale	2,401	4,539
Total current assets	\$ 336,503	\$ 372,844
Restricted cash, non-current	12,600	12,600
Property, plant, and equipment, net	190,896	194,046
Operating lease right-of-use assets	129,379	130,460
Prepaid lease costs, non-current	63,264	61,635
Other non-current assets, net	704	1,192
Investment in unconsolidated joint venture	1,680	1,673
Total assets	\$ 735,026	\$ 774,450
Liabilities and stockholders' deficit:		
Current liabilities:		
Accounts payable	55,836	56,032
Accrued bonus	822	4,790
Current portion of operating lease liabilities	3,976	3,677
Accrued litigation settlement costs	7,500	—
Accrued expenses and other current liabilities	10,665	9,855
Total current liabilities	\$ 78,799	\$ 74,354
Long-term liabilities:		
Convertible senior notes, net	\$ 1,138,525	\$ 1,137,542
Operating lease liabilities, net of current portion	75,490	75,648
Finance lease obligations and other long-term liabilities	3,623	274
Total long-term liabilities	\$ 1,217,638	\$ 1,213,464
Commitments and Contingencies		
Stockholders' deficit:		

Preferred stock, par value \$0.0001 per share—500,000 shares authorized, none issued and outstanding	\$	—	\$	—
Common stock, par value \$0.0001 per share—500,000,000 shares authorized; 64,852,842 and 64,624,140 shares issued and outstanding at March 30, 2024 and December 31, 2023, respectively		6		6
Additional paid-in capital		578,773		573,128
Accumulated deficit		(1,135,614)		(1,081,253)
Accumulated other comprehensive loss		(4,576)		(5,249)
Total stockholders' deficit	\$	(561,411)	\$	(513,368)
Total liabilities and stockholders' deficit	\$	735,026	\$	774,450

BEYOND MEAT, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(In thousands)
(unaudited)

	Three Months Ended	
	March 30, 2024	April 1, 2023
Cash flows from operating activities:		
Net loss	(54,361)	(59,037)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	6,969	6,049
Non-cash lease expense	2,074	1,783
Share-based compensation expense	6,075	9,565
Loss on sale and write-down of fixed assets	183	3,907
Amortization of debt issuance costs	984	984
Equity in (income) losses of unconsolidated joint venture	(7)	3,235
Unrealized loss (gain) on foreign currency transactions	2,173	(731)
Net change in operating assets and liabilities:		
Accounts receivable	(4,143)	(8,078)
Inventories	7,162	13,779
Prepaid expenses and other assets	410	3,926
Accounts payable	214	(13,271)
Accrued expenses and other current liabilities	2,953	(528)
Prepaid lease costs, non-current	(1,669)	(3,082)
Operating lease liabilities	(822)	(678)
Net cash used in operating activities	\$ (31,805)	\$ (42,177)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(1,197)	(5,302)
Proceeds from sale of fixed assets	429	2,250
Payments for investment in joint venture	—	(3,250)
Return of security deposits	466	—
Net cash used in investing activities	\$ (302)	\$ (6,302)
Cash flows from financing activities:		
Principal payments under finance lease obligations	\$ (511)	\$ (33)
Proceeds from exercise of stock options	5	136
Payments of minimum withholding taxes on net share settlement of equity awards	(435)	(252)
Net cash used in financing activities	\$ (941)	\$ (149)
Net decrease in cash, cash equivalents and restricted cash	\$ (33,048)	\$ (48,628)
Effect of exchange rate changes on cash	597	(328)
Cash, cash equivalents and restricted cash at the beginning of the period	205,935	322,548
Cash, cash equivalents and restricted cash at the end of the period	\$ 173,484	\$ 273,592
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Taxes	\$ 2	\$ —
Non-cash investing and financing activities:		
Non-cash additions to property, plant and equipment	\$ 809	\$ 2,474

Operating lease right-of-use assets obtained in exchange for lease liabilities	\$	1,034	\$	—
Reclassification of pre-paid lease costs to operating lease right-of-use assets	\$	39	\$	519
Non-cash additions to financing leases	\$	4,425	\$	55

Non-GAAP Financial Measures

Beyond Meat uses the non-GAAP financial measures set forth below in assessing its operating performance and in its financial communications. Management believes these non-GAAP financial measures provide useful additional information to investors about current trends in the Company's operations and are useful for period-over-period comparisons of operations. In addition, management uses these non-GAAP financial measures to assess operating performance and for business planning purposes. Management also believes these measures are widely used by investors, securities analysts, rating agencies and other parties in evaluating companies in our industry as a measure of our operational performance. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures. In addition, these non-GAAP financial measures may not be computed in the same manner as similarly titled measures used by other companies.

"Adjusted loss from operations" is defined as loss from operations adjusted to exclude, when applicable, costs attributable to special items, which are those items deemed not to be reflective of the Company's ongoing normal business activities.

"Adjusted operating margin" is defined as Adjusted loss from operations divided by net revenues.

"Adjusted net loss" is defined as net loss adjusted to exclude, when applicable, costs attributable to special items, which are those items deemed not to be reflective of the Company's normal business activities.

"Adjusted net loss per diluted common share" is defined as Adjusted net loss divided by the number of diluted common shares outstanding.

We consider Adjusted loss from operations, Adjusted operating margin, Adjusted net loss and Adjusted net loss per diluted common share to be useful indicators of operating performance because excluding special items allows for period-over-period comparisons of our ongoing operations. Adjusted net loss per diluted common share is a performance measure and should not be used as a measure of liquidity.

"Adjusted EBITDA" is defined as net loss adjusted to exclude, when applicable, income tax expense, interest expense, depreciation and amortization expense, restructuring (income) expenses, share-based compensation expense, accrued litigation settlement costs and Other, net, including interest income, and foreign currency transaction gains and losses.

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

There are a number of limitations related to the use of Adjusted loss from operations, Adjusted operating margin, Adjusted net loss, Adjusted net loss per diluted common share, Adjusted EBITDA and Adjusted EBITDA as a % of net revenues rather than their most directly comparable GAAP measures. Some of these limitations are:

- Adjusted loss from operations, Adjusted operating margin, Adjusted net loss and Adjusted net loss per diluted common share exclude costs associated with activities deemed to be non-recurring or not part of the Company's normal business activities, which are subjective determinations made by management and may not actualize as expected;
- Adjusted loss from operations, Adjusted operating margin, Adjusted net loss, Adjusted net loss per diluted common share, Adjusted EBITDA and Adjusted EBITDA as a % of net revenues do not reflect accrued litigation settlement costs which reduce cash available to us;
- Adjusted EBITDA excludes depreciation and amortization expense and, although these are non-cash expenses, the assets being depreciated may have to be replaced in the future increasing our cash requirements;
- Adjusted EBITDA does not reflect interest expense, or the cash required to service our debt, which reduces cash available to us;
- Adjusted EBITDA does not reflect income tax payments that reduce cash available to us;
- Adjusted EBITDA does not reflect restructuring expenses that reduce cash available to us;
- Adjusted EBITDA does not reflect share-based compensation expense and therefore does not include all of our compensation costs;
- Adjusted EBITDA does not reflect Other, net, including interest income and foreign currency transaction gains and losses, that may increase or decrease cash available to us; and
- other companies, including companies in our industry, may calculate Adjusted loss from operations, Adjusted operating margin, Adjusted net loss, Adjusted net loss per diluted common share, Adjusted EBITDA and Adjusted EBITDA as a % of net revenues differently, which reduces their usefulness as comparative measures.

The following tables present the reconciliation of Adjusted loss from operations, Adjusted operating margin, Adjusted net loss and Adjusted net loss per diluted common share to their most comparable GAAP measures, loss from operations, operating margin, net loss and net loss per share available to common stockholders—basic and diluted, respectively, each as reported (unaudited):

(in thousands)	Three Months Ended	
	March 30, 2024	April 1, 2023
Loss from operations, as reported	\$ (53,474)	\$ (57,721)
Accrued litigation settlement costs	7,500	—
Adjusted loss from operations	\$ (45,974)	\$ (57,721)

Loss from operations as a % of net revenues	(70.7)%	(62.6)%
Adjusted operating margin	(60.8)%	(62.6)%

	Three Months Ended	
	March 30, 2024	April 1, 2023
(in thousands)		
Net loss, as reported	\$ (54,361)	\$ (59,037)
Accrued litigation settlement costs	7,500	—
Adjusted net loss	<u>\$ (46,861)</u>	<u>\$ (59,037)</u>

	Three Months Ended	
	March 30, 2024	April 1, 2023
(in thousands, except share and per share amounts)		
Numerator:		
Net loss, as reported	\$ (54,361)	\$ (59,037)
Accrued litigation settlement costs	7,500	—
Adjusted net loss used in computing Adjusted net loss per diluted common share	<u>\$ (46,861)</u>	<u>\$ (59,037)</u>
Denominator:		
Weighted average shares used in computing Adjusted net loss per common share	64,702,249	64,004,894
Adjusted net loss per diluted common share	\$ (0.72)	\$ (0.92)

	Three Months Ended	
	March 30, 2024	April 1, 2023
Net loss per share available to common stockholders—basic and diluted, as reported	\$ (0.84)	\$ (0.92)
Accrued litigation settlement costs	0.12	—
Adjusted net loss per diluted common share	<u>\$ (0.72)</u>	<u>\$ (0.92)</u>

The following table presents the reconciliation of Adjusted EBITDA to its most comparable GAAP measure, net loss, as reported (unaudited):

	Three Months Ended	
	March 30, 2024	April 1, 2023
(in thousands)		
Net loss, as reported	\$ (54,361)	\$ (59,037)
Income tax expense	2	—
Interest expense	1,015	989
Depreciation and amortization expense	6,969	6,049
Restructuring expenses ⁽¹⁾	—	(426)
Share-based compensation expense	6,075	9,565
Accrued litigation settlement costs	7,500	—
Other, net ⁽²⁾⁽³⁾	(123)	(2,908)
Adjusted EBITDA	<u>\$ (32,923)</u>	<u>\$ (45,768)</u>
Net loss as a % of net revenues	(71.9)%	(64.0)%
Adjusted EBITDA as a % of net revenues	(43.5)%	(49.6)%

(1) Primarily comprised of legal and other expenses associated with the dispute with a co-manufacturer with whom an exclusive supply agreement was terminated in May 2017. On October 18, 2022, the parties to this dispute entered into a confidential written settlement agreement and mutual release, related to this matter. In the three months ended April 1, 2023, we recorded a credit of \$(0.4) million in restructuring expenses, primarily driven by a reversal of certain accruals.

(2) Includes \$2.3 million in net foreign currency transaction losses and \$0.3 million in net foreign currency transaction gains in the three months ended March 30, 2024 and April 1, 2023, respectively.

(3) Includes \$2.0 million and \$2.7 million in interest income in three months ended March 30, 2024 and April 1, 2023, respectively.