



# BEYOND MEAT<sup>®</sup>

(NASDAQ: BYND)

INVESTOR PRESENTATION

October 28, 2019





# 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 other expressions that are predictions of or indicate future events and trends and that do not relate to historical matters. 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: our ability to effectively manage our growth; our ability to effectively expand our manufacturing and production capacity; 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 and maintain, protect and enhance our brand; changes in consumer tastes and trends in our industry; changes in government regulations and policies, tax laws and rates; our ability to obtain financing arrangements on terms favorable to us or at all; 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 to conform these statements to actual results or revised expectations. 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.

Our historical results are not necessarily indicative of the results to be expected for any future periods and our operating results for the three and nine-month periods ended September 28, 2019 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2019 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 restaurant and foodservice outlets are derived from data through October 13, 2019. 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.

"The Beyond Burger," "Beyond Beef," "Beyond Chicken," "Beyond Meat," "Beyond Sausage," "Beyond Breakfast Sausage," "The Cookout Classic," "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, 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, and expenses primarily associated with the conversion of our convertible notes and remeasurement of our preferred stock warrant liability and common stock warrant liability.

"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 SG&A expenses related to the termination of an exclusive co-manufacturing agreement, early extinguishment of convertible notes and remeasurement of warrant liability. 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 those 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

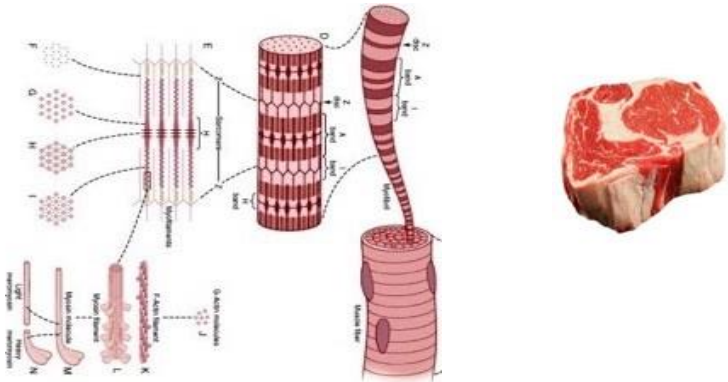




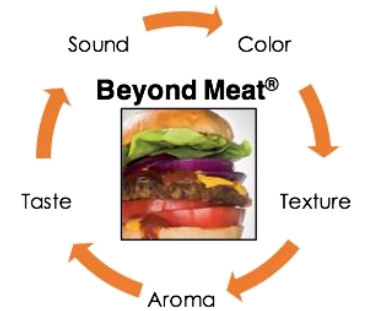
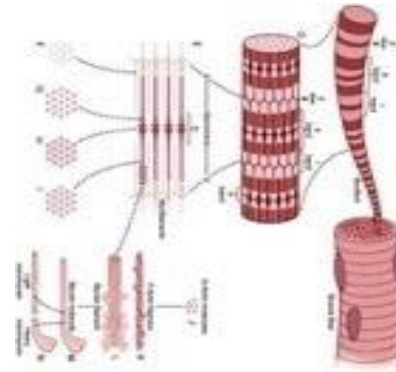
# We Use Proprietary Science to Redefine Meat

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

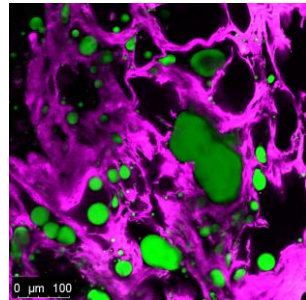
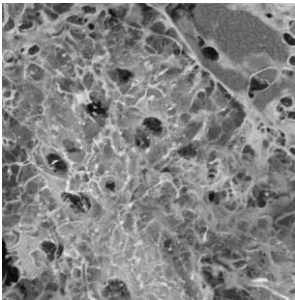


## Microscopy Comparing Beyond Sausage to Pork Sausage

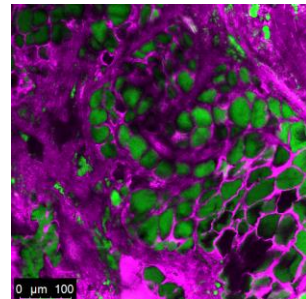
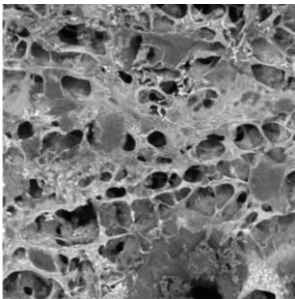
Scanning Electronic Microscopy

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

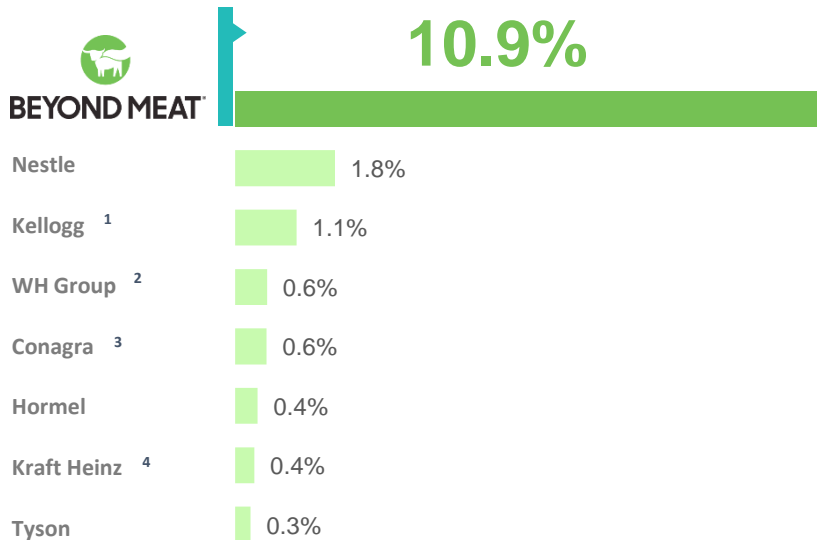
## Innovation Strategy Led by Highly Respected Team of Scientists

- 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.

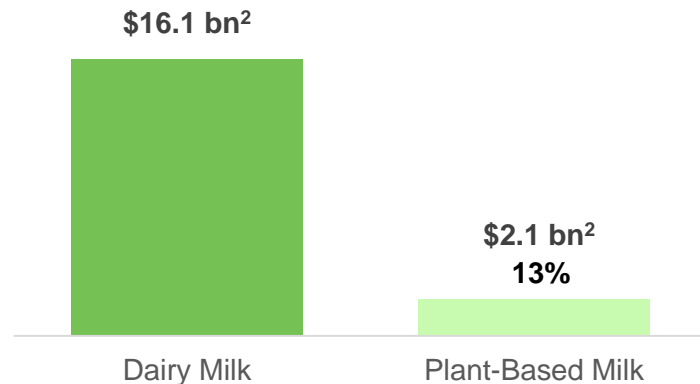


# Plant-Based Meat has a Significant Market Opportunity in the U.S. Alone

Plant-Based Meats are Growing in Consumer Acceptance –  
95% of People Purchasing Plant-Based Burgers When Dining Out Also Purchasing Beef Burgers<sup>1</sup>

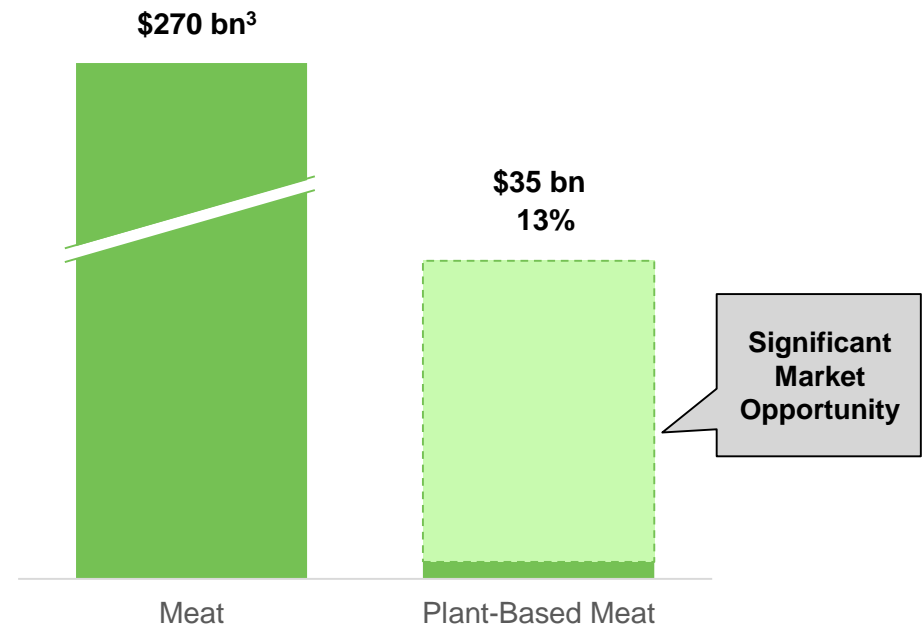
## Plant-Based Dairy Analogue

U.S. Market (2017)



## Applying Plant-Based Milk % Penetration in U.S. Dairy to U.S. Meat Is One Way to Size Potential U.S. Opportunity

U.S. Market (2017)



**We believe significant penetration by plant-based dairy products in the traditional dairy industry is an analogue to the potential rise of the plant-based meat industry**

<sup>1</sup> According to NPD Group market research, during the year ended April 2019, beef burger buyers, who purchased beef burgers at quick service restaurants an average of 18 times, also purchased plant-based burgers 2 times in the period.

<sup>2</sup> Mintel Press Release ("US non-dairy milk sales grow 61% over the last five years"), January 4, 2018.

<sup>3</sup> According to Fitch Solutions Macro Research, a division of Fitch Solutions, research data, August 6, 2018.

<sup>4</sup> According to Nielsen data commissioned by the Plant Based Foods Association over the 52-week period ending June 16, 2018.



# 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

**253%**

2018 YTD – 2019 YTD Revenue YoY Growth

**~4x**

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

**~28,000 Stores**

U.S. + Canada Retail Rollout

**~23,000 Outlets**

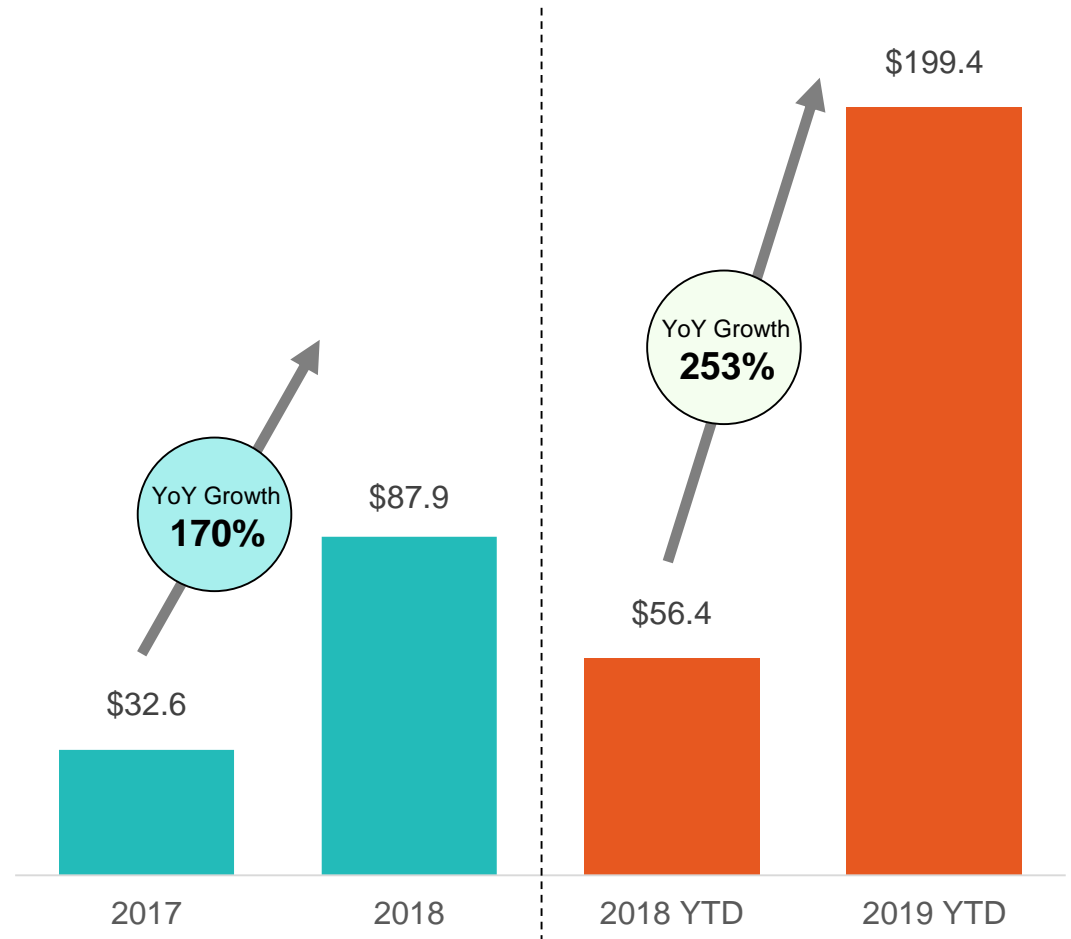
U.S. + Canada Foodservice Rollout

**~7,000 Outlets**

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

**~58,000 Points of Distribution Worldwide**

Net Revenues (\$ millions)



Note: YTD refers to nine-month period ending September 29, 2018 or September 28, 2019, as applicable. Points of distribution, stores and outlets approximate as of October 2019.

<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 Q3 2019, compared to end of Q3 2018.

<sup>3</sup> Excludes Canada.

# Momentum Has Continued Post-IPO



	At IPO	October 2019	Growth
<b>Total Points of Distribution (Worldwide)</b>	<b>~30,000</b>	<b>~58,000</b>	<b>93%</b>
<i>Retail</i>	~17,000	~28,000	65%
<i>Foodservice</i>	~12,000	~23,000	92%
<i>International</i> <sup>1</sup>	~1,000	~7,000	600%

	At IPO	July 2019	Growth
<b>Brand Awareness</b>			
<i>Unaided brand awareness</i> <sup>2</sup>	6%	13%	117%
<i>Total brand awareness</i> <sup>3</sup>	23%	34%	48%

<sup>1</sup> International (excluding Canada) refers to both retail and foodservice points of distribution.

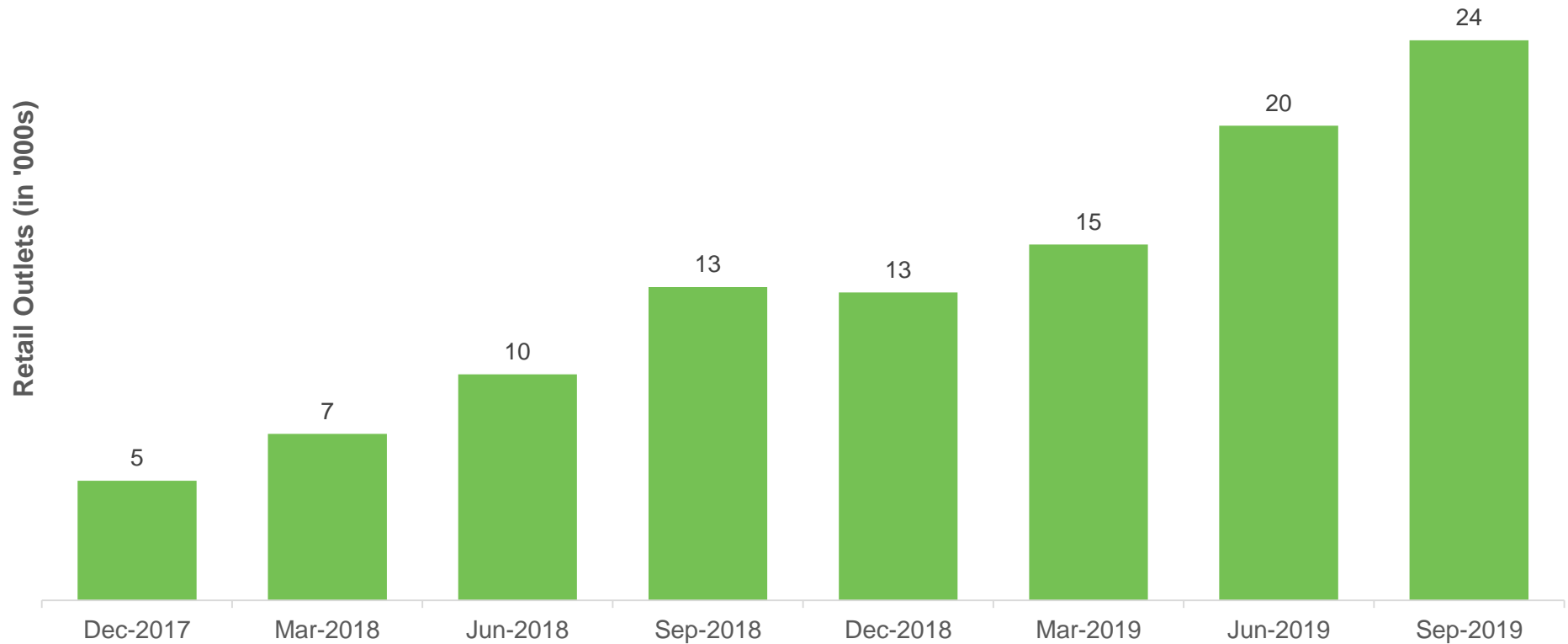
<sup>2</sup> Unaided brand awareness represents results of the answer to, "what brands, if any, come to mind when you think of a meat alternative product?" At IPO based on Oct 2018 survey of 1,004 people, July 2019 based on July 2019 survey of 1,002 people.

<sup>3</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, July 2019 based on July 2019 survey of 1,002 people.

# Strong Demand Led to the Aggressive Rollout of the Beyond Burger in Retail



Quarterly U.S. Retail Rollout of the Beyond Burger

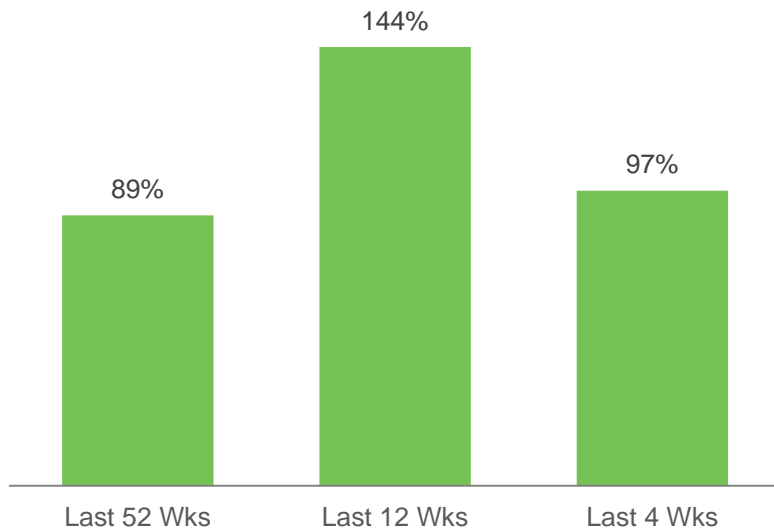


# The Beyond Meat Brand Has Maintained Its Solid Momentum In U.S. Retail

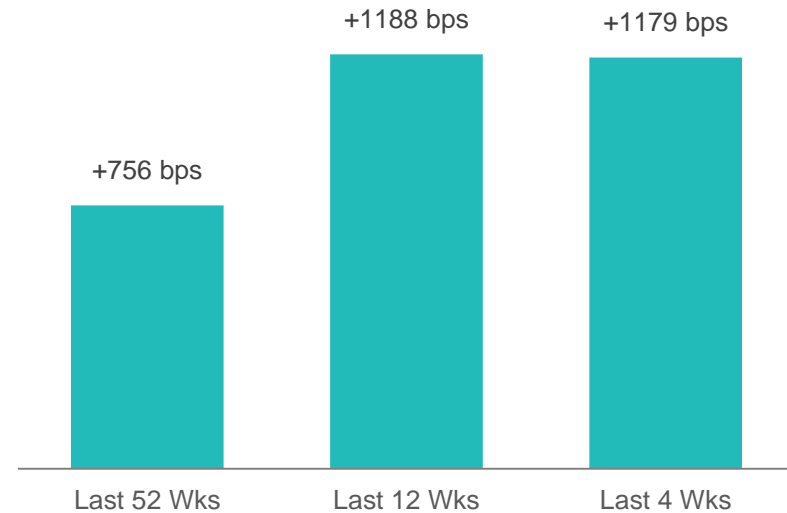


Velocity Growth and Market Share Gains Continue to Drive Strong Performance in U.S. Retail Channels

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, U.S. Specialty) through 06-Oct-2019

<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 Three Distribution Channels

## Retail

Net Revenues (\$ millions)



### Select Customers



### Select Highlight



## Restaurant and Foodservice

Net Revenues (\$ millions)



### Select Customers and Distributors



### Select Highlight



## International<sup>1</sup>

Select Customers and Distributors



### Select Highlight



Note: YTD refers to nine-month period ended September 29, 2018 or September 28, 2019, as applicable.

<sup>1</sup> International (excluding Canada) represented approximately 12% of 2019 YTD net revenues compared to 3% of 2018 YTD net revenues.



# 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 customer base, with the announcement of multiple new customers across foodservice



Expected  
November 2019  
National Launch



September 2019  
Limited Test



September 2019  
Limited Test



August 2019  
Limited Test



October 2019



October 2019  
Limited Test



September 2019



August 2019

## Products

Rollout of both enhanced and new products across offerings

3 new product launches /  
enhancements



Beyond Breakfast Sausage (2019)



Beyond Beef (2019)



Improved Beyond Burger (2019)

## International

Increased distribution in **35** countries<sup>1</sup>

Initiated distribution in **3** new countries<sup>1</sup>



## International Supply Chain

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



Scheduled for Completion  
- Q1 2020

<sup>1</sup> Refers to incremental international distribution gained during the period from June 29, 2019 to October 13, 2019.



# FINANCIAL UPDATE



# Q3 2019 Performance Update



## Highlights

- Net revenues increased 250% to \$92.0mm, primarily due to an increase in our fresh product platform across retail, restaurant and foodservice channels, expansion in the number of points of distribution, including new strategic customers, new international customers and greater demand from existing customers
- Gross margin expanded primarily due to an increase in the volume of products sold and greater proportion of gross revenues from the fresh platform
- Operating income improvement primarily reflects growth in net revenues and gross profit, partially offset by higher operating expenses
- Adjusted EBITDA as a % of net revenues increased by 3,360 bps, primarily due to increased net revenues, gross margin expansion and SG&A leverage

(\$ millions)	Q3'19	Q3'18	Change
<b>Net Revenues</b>	<b>\$92.0</b>	<b>\$26.3</b>	<b>250%</b>
Gross Profit	\$32.8	\$5.0	550%
<i>Gross Margin %</i>	35.6%	19.2%	+1,650 bps
Income (Loss) from Operations	\$3.6	(\$8.0)	NA
Net Income (Loss)	\$4.1	(\$9.3)	NA
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$11.0</b>	<b>(\$5.7)</b>	<b>NA</b>
<b><i>Adjusted EBITDA as a % of net revenues<sup>1</sup></i></b>	<b>12.0%</b>	<b>(21.6%)</b>	<b>+3,360 bps</b>

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



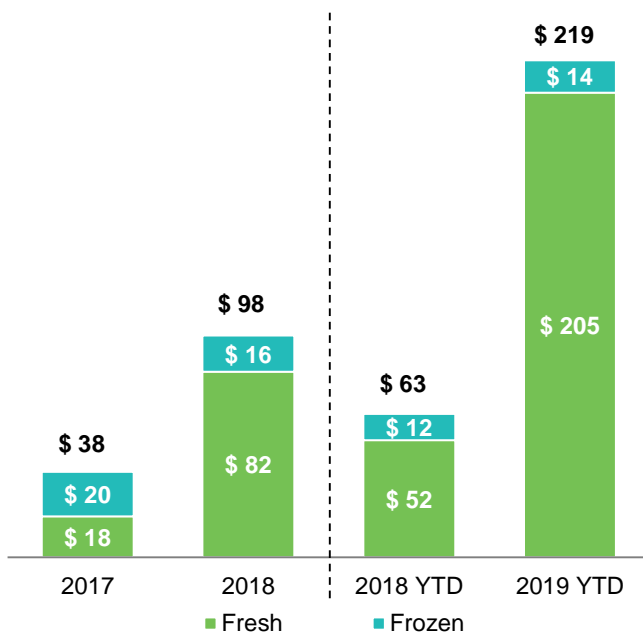


# Sales Growth by Platform and Channel

## Gross Revenues by Platform

	YoY Growth (%)	
	2018	2019 YTD
Fresh	351 %	297%
Frozen	(19) %	23%
<b>Total</b>	<b>159 %</b>	<b>247 %</b>

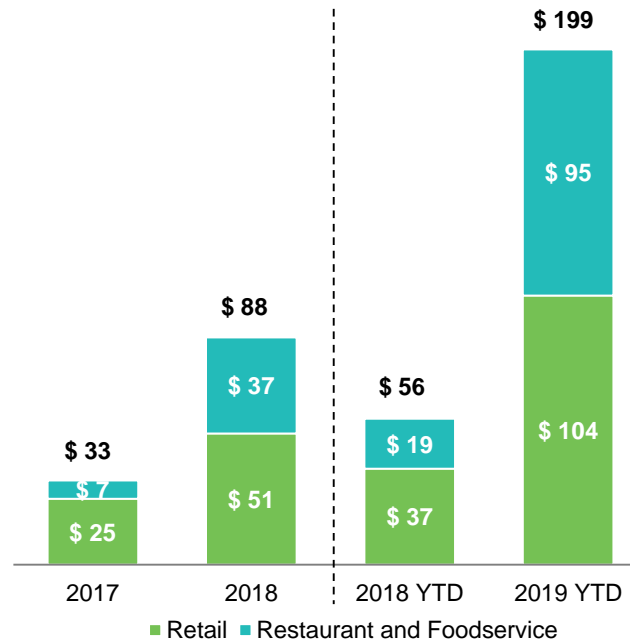
(\$ millions)



## Net Revenues by Channel<sup>1</sup>

	YoY Growth (%)	
	2018	2019 YTD
Retail	99 %	180 %
Restaurant and Foodservice	424 %	395 %
<b>Total</b>	<b>170 %</b>	<b>253 %</b>

(\$ millions)



## Highlights

- Strong revenue growth, with multiple levers to further accelerate growth
  - Brand awareness continuing to build momentum
  - Continue growing distribution points and growing sales at existing ~58,000 POS as of October 2019
  - Continue to build on strong partnerships with ~23,000 restaurants and foodservice outlets as of October 2019<sup>2</sup>
  - International market expansion
  - New product launches
- Continued investment in infrastructure and capabilities to support future growth
- Expect fresh platform to be the main driver of growth over next few years

Note: YTD refers to nine-month period ended September 29, 2018 or September 28, 2019, as applicable.

<sup>1</sup> International (excluding Canada) represented approximately 12% of 2019 YTD net revenues.

<sup>2</sup> Includes Canada but excludes all other International foodservice outlets

# Evolution of Quarterly Revenues



## Quarterly Net Revenues (\$ millions)

YoY  
Growth (%)

107%

212%

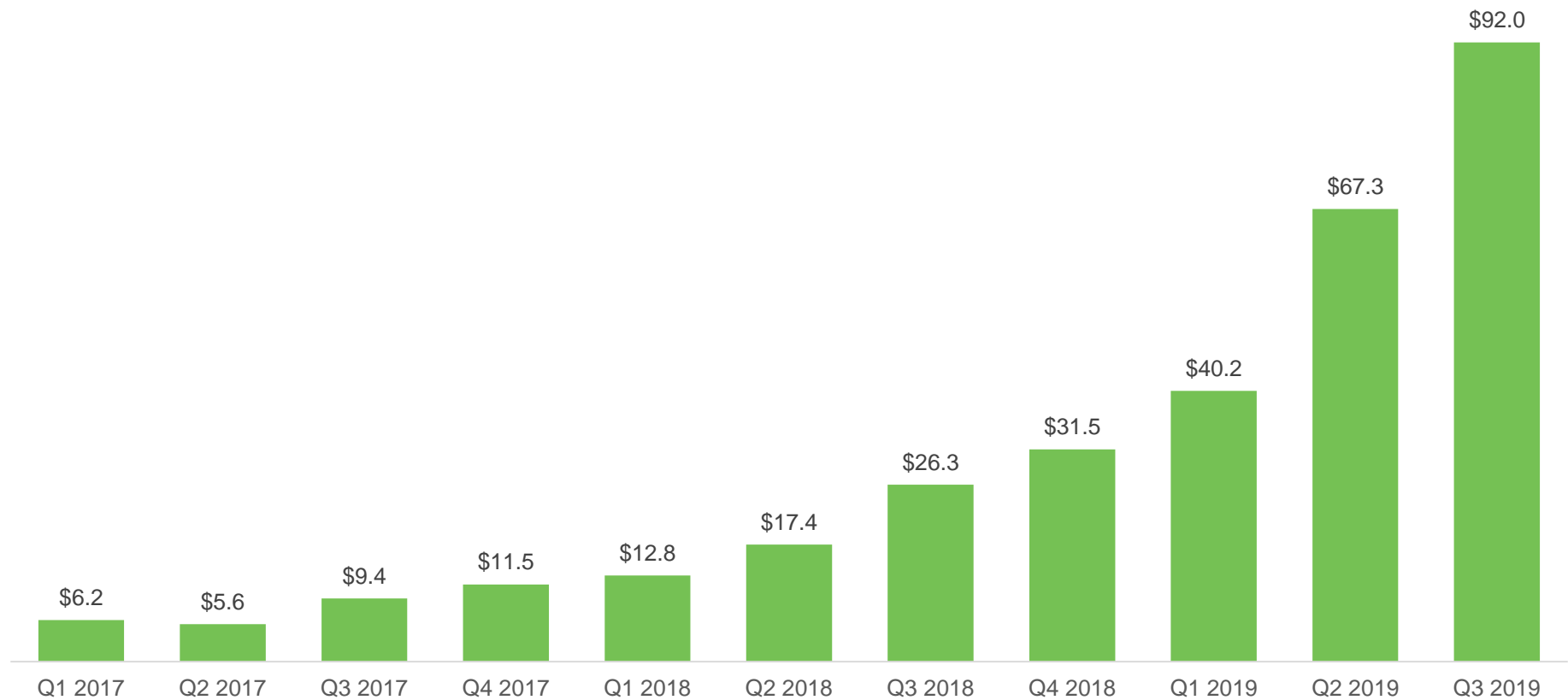
180%

175%

215%

287%

250%



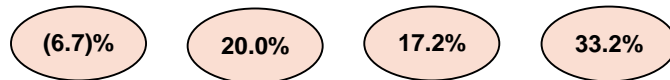
**As we have shifted focus to our fresh platform and expanded capacity to address increased demand, we continue to see solid momentum in sales growth through the first three quarters of 2019**



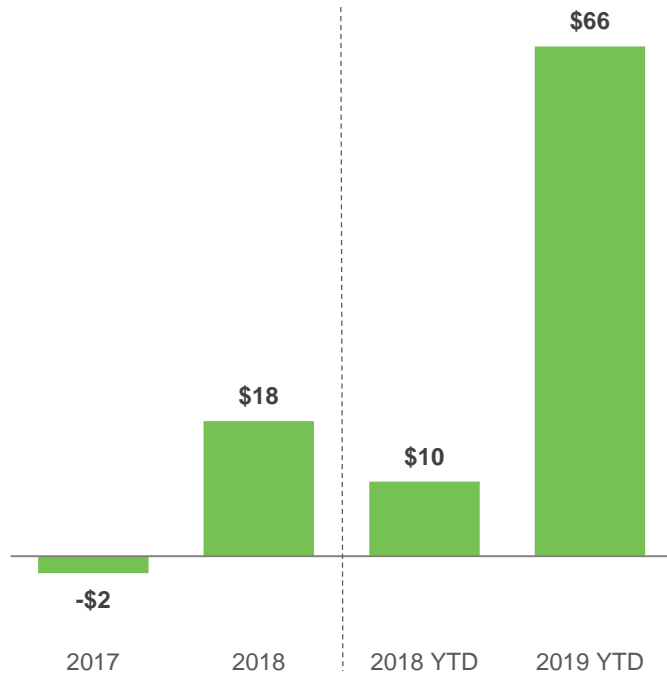
# Improving Margin Profile

## Gross Profit and Margin

### Gross Margins



(\$ millions)



Adjusted EBITDA <sup>1</sup> (\$ millions)	2017	2018	2018 YTD	2019 YTD
	\$(17.6)	\$(19.3)	\$(15.6)	\$15.8

## OpEx and OpEx % of Net Revenues

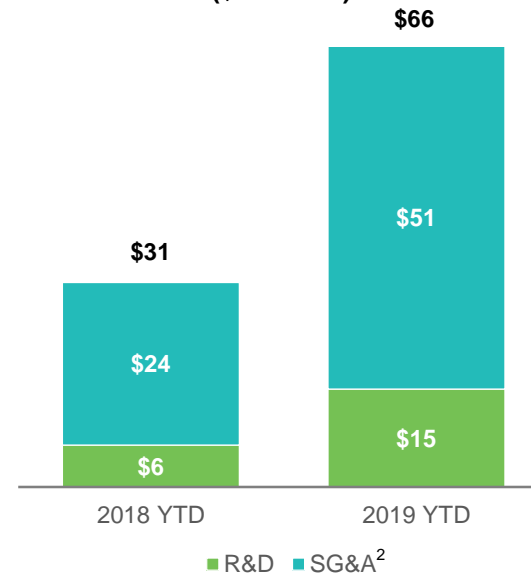
### Operating Expenses<sup>2</sup> as % of Net Revenues



### R&D as % of Net Revenues



(\$ millions)



## Highlights

- Gross margin benefits from transition to fresh product platform and increased sales volume
- Continued optimization of supply chain capabilities and manufacturing efficiency expected to positively impact gross margin
  - Increased manufacturing capacity expected from throughput gains and additional extruders
  - As we scale, our increased purchasing power and expanding co-man network expected to benefit gross margin expansion
- R&D efforts are focused on enhancements to our product formulations, production processes and the development of new products
- We expect SG&A as a % of net revenues to decrease as our sales increase

Note: YTD refers to nine-month period ended September 29, 2018 or September 28, 2019, as applicable.

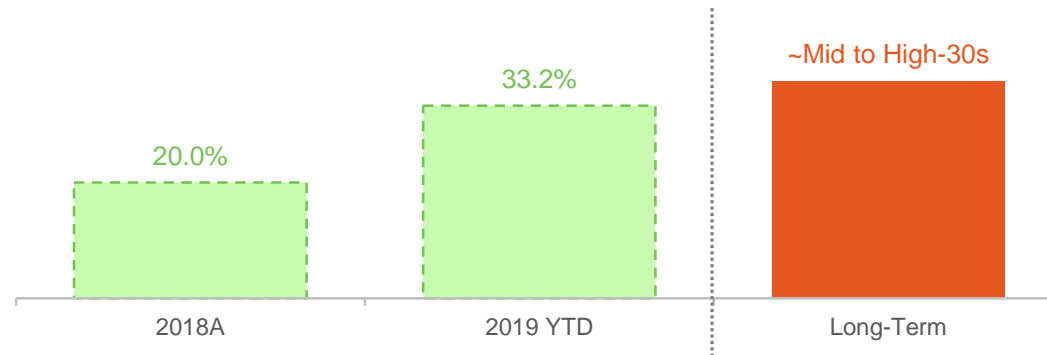
<sup>1</sup> See appendix for reconciliation of Adjusted EBITDA to net loss.

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

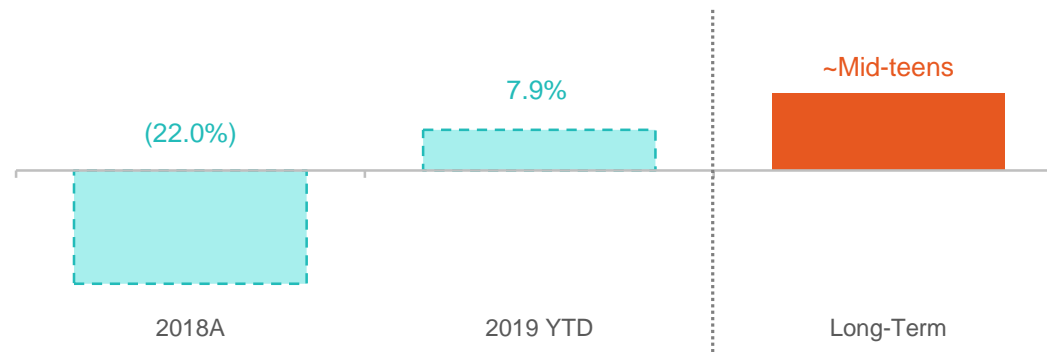


# Targeted Long-Term Margin Structure

**Gross Margin**



**Adjusted EBITDA  
as a % of  
Net Revenues<sup>1</sup>**



Note: YTD refers to nine-month period ended September 28, 2019.

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



**APPENDIX**





# Reconciliation of Non-GAAP Financial Measures

## Reconciliation to Adjusted EBITDA (unaudited)

(\$ millions)	Year Ended				
	12/31/2016	12/31/2017	12/31/2018	Q3'18 YTD	Q3'19 YTD
<b>Net Income (Loss), as Reported</b>	<b>(\$25.1)</b>	<b>(\$30.4)</b>	<b>(\$29.9)</b>	<b>(\$22.4)</b>	<b>(\$12.0)</b>
Income Tax Expense	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Interest Expense	\$0.4	\$1.0	\$1.1	\$0.4	\$2.3
Depreciation and Amortization Expense	\$2.1	\$3.2	\$4.9	\$3.0	\$6.0
Restructuring Expenses <sup>1</sup>	\$0.0	\$3.5	\$1.5	\$1.2	\$3.6
Inventory Losses from Termination of Exclusive Supply Agreement <sup>2</sup>	\$0.0	\$2.4	\$0.0	\$0.0	\$0.0
Costs of Termination of Exclusive Supply Agreement <sup>3</sup>	\$0.0	\$1.2	\$0.0	\$0.0	\$0.0
Share-based Compensation Expense	\$0.7	\$0.7	\$2.2	\$1.1	\$5.8
Remeasurement of Warrant Liability	\$0.0	\$0.4	\$1.2	\$1.3	\$12.5
Other Expense (Income), Net <sup>4</sup>	\$0.0	\$0.4	(\$0.4)	(\$0.1)	(\$2.4)
<b>Adjusted EBITDA</b>	<b>(\$22.0)</b>	<b>(\$17.6)</b>	<b>(\$19.3)</b>	<b>(\$15.6)</b>	<b>\$15.8</b>
<b>Net Income (Loss) as a % of net revenues</b>	<b>(155.4%)</b>	<b>(93.3%)</b>	<b>(34.0%)</b>	<b>(39.8%)</b>	<b>(6.0%)</b>
<b>Adjusted EBITDA as a % of net revenues</b>	<b>(135.7%)</b>	<b>(53.9%)</b>	<b>(22.0%)</b>	<b>(27.6%)</b>	<b>7.9%</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.

<sup>4</sup> Includes expenses primarily associated with the conversion of our convertible notes.



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