



# BYND BEARISH ALERT

*Oct. 23, 2020*



# Bearish Opportunity Alert: **BYND**

## Actionable Trade Idea

**Sell Short Beyond Meat, Inc. (NASDAQ:BYND) stock above \$170/share\*\***

Alternative approaches would include selling OTM call options with a strike price 5% above the current price of the stock each month to generate income until a position is established.

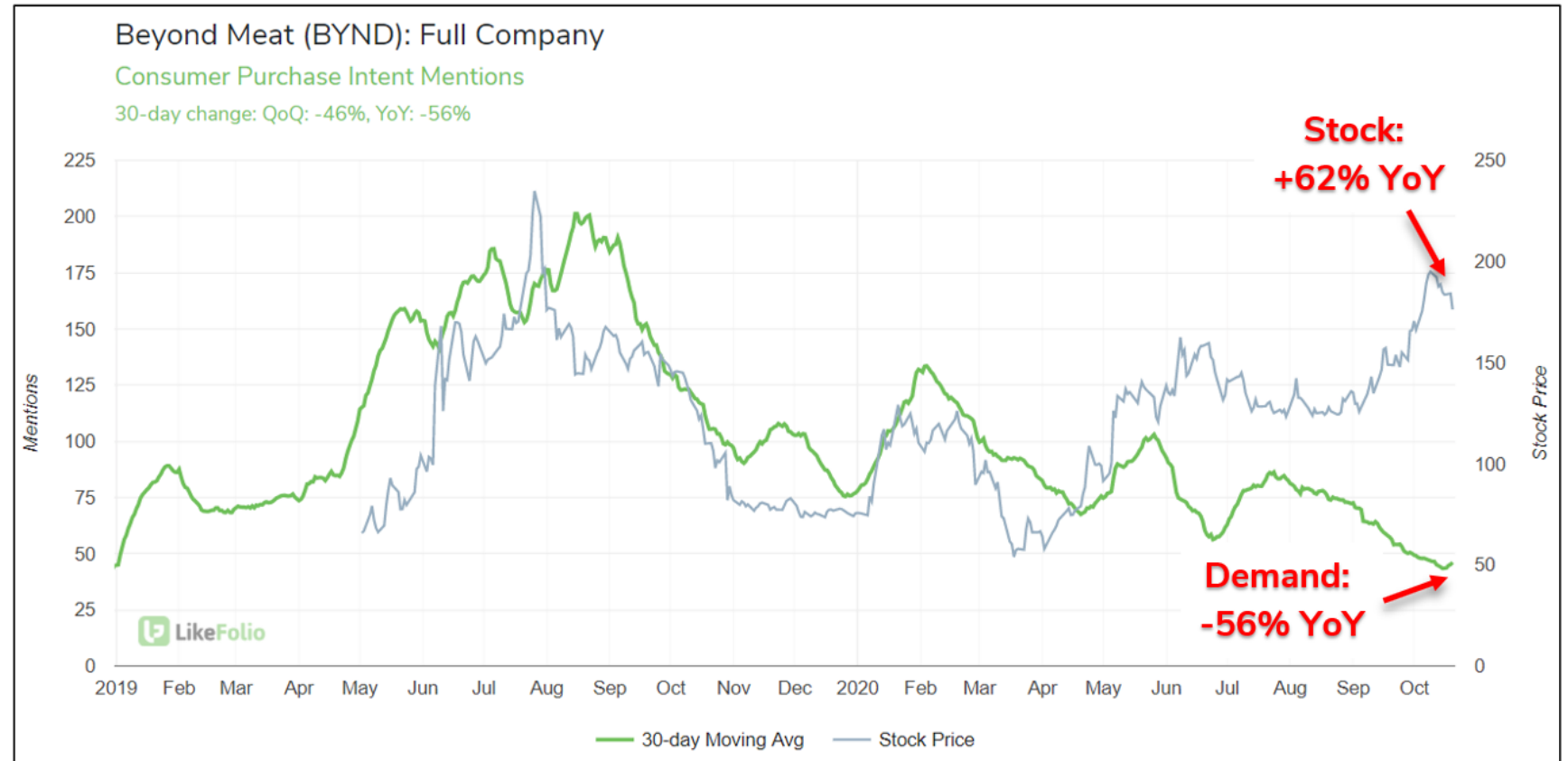
We believe the stock could be in for a significant correction of within the next two years and could trade below \$100/share.

\*\*ON ALL TRADES, it is important to use proper risk management to correctly allocate and protect your capital. One popular exit strategy on bearish trades is a 25% trailing stop.

## Consumer Demand:

- **-56%** year-over-year (in the past 30 days)
- The current quarter (20Q4) is on pace for a Purchase Intent decline: **-38%** QoQ and **-55%** YoY
- Although BYND showed some promising YoY growth in early 2020, Purchase Intent volume has since fallen to pre-IPO levels

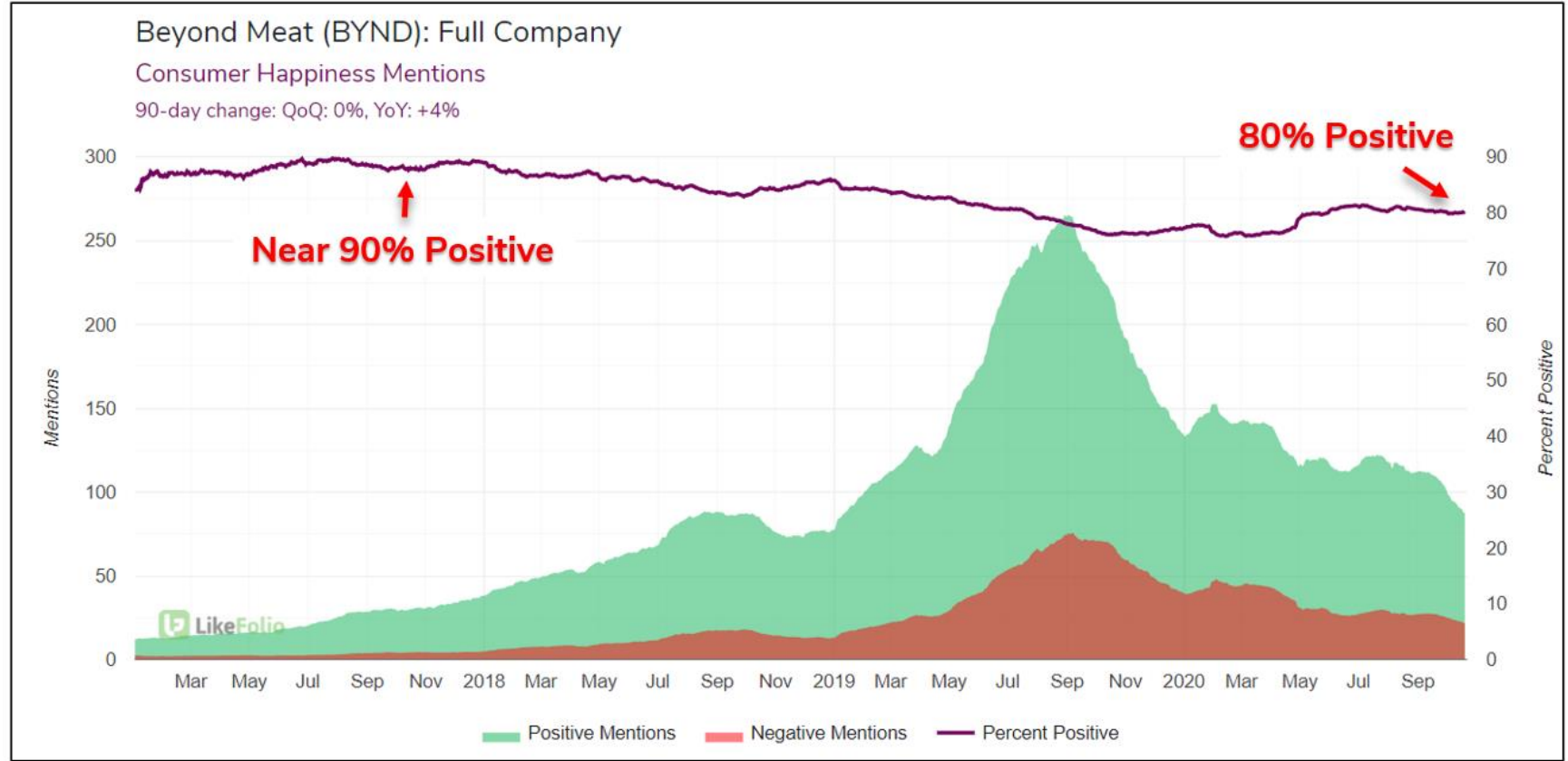
# BYND: Demand Growth Stalling



## Consumer Happiness:

- Consumer Happiness is relatively flat recently (currently **80% positive**), but down **-5%** in the last year-and-a-half
- Consumer Happiness fell as low as **75% positive** while Demand was surging – The negative correlation suggests that BYND has a devoted group of fans but lacks lasting **mainstream appeal**

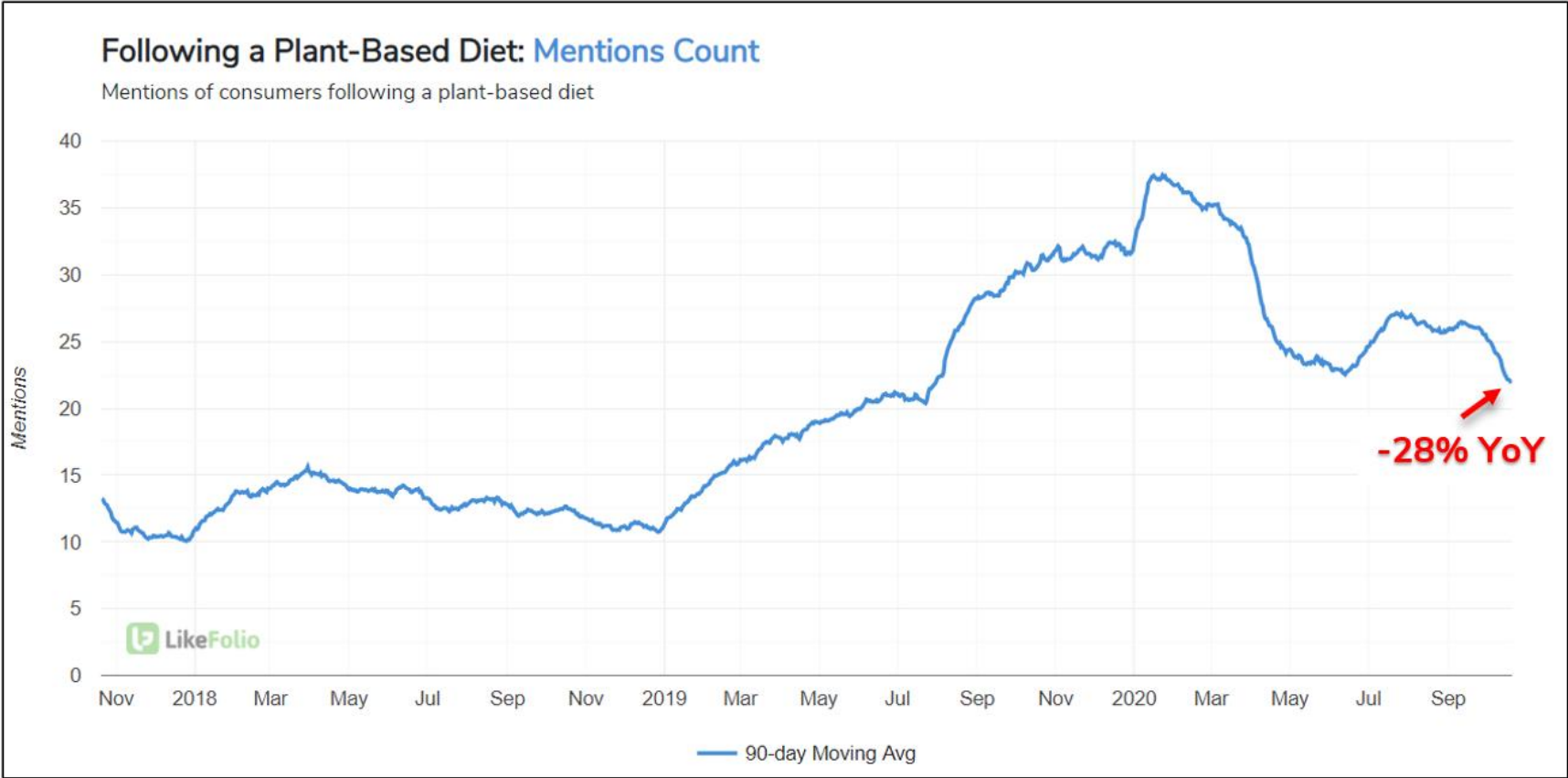
# BYND: Demand Falls– Sentiment Rises



### Macro Headwind:

- Consumers Mentions of following a plant-based diet have declined -28% in the past 90 days vs. the prior year
- The number of American Consumers talking about adhering to a strictly “plant-based” diet soared in 2019, a likely contributor to the impressive gains seen in BYND’s stock price during the same period

# BYND: Plant-Based Diet Losing Steam



# BYND: The Bottom Line

- All three key metrics (Consumer Demand, Consumer Happiness, and Plant-Based Diet Following) are red for Beyond Meat.
- Consumer Demand for all plant-based and vegetarian meat replacements has decreased:
- Generic Purchase Intent Mentions for plant-based meat were **-40%** in the past 90 days vs. the prior year
- LikeFolio research identified the desire to reduce meat consumption as a key driver for the plant-based trend:
- Consumer Mentions of “reducing meat consumption” fell **-50%** in the past 90 days vs. the prior year
- Competition is mounting: Impossible Foods, Beyond Meat’s largest domestic competitor, has expanded to more than [11,000 grocery stores](#) in U.S...and there’s further competition brewing [in overseas markets](#).
- **BYND has the price/over sales ratio of a tech unicorn, yet its key products are far from revolutionary. LikeFolio data shows that the hype is already wearing thin, for both the company and the plant-based trend at-large. We’re Bearish at the current price level. Fair Warning: this play isn’t for the risk adverse, as it could take some time to fully develop.**

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