# PepsiCo, Unilever and ABF lead wave of strategic acquisitions in food and drink sector



This year has already witnessed a remarkable surge of activity in the food and drink sector, with several high-profile acquisitions and mergers shaping the landscape. Notably, companies are seeking to optimise their portfolios, embrace new growth opportunities, and enhance their engagement with changing consumer preferences.

A significant development involves the discussions between Associated British Foods (ABF), the owner of Kingsmill, and Endless LLP, the private equity holder of Hovis. This potential merger could unify two of the UK’s leading bread brands, positioning them to better compete against rising challengers in the bakery market. This move reflects a broader trend within the fast-moving consumer goods (FMCG) sector, where market consolidation is seen as essential for sustaining competitiveness.

PepsiCo’s recent acquisition of the functional soda brand Poppi has made headlines for its strategic implications. Acquired for approximately £1.5 billion ($1.95 billion), Poppi’s unique blend of prebiotics, fruit juice, and apple cider vinegar aligns perfectly with PepsiCo’s aspirations to diversify its offerings in the healthier beverage market. Co-founder Allison Ellsworth expressed enthusiasm about the deal, stating that the partnership will honour the brand's unique character while allowing for significant growth. PepsiCo Beverages US CEO Ram Krishnan highlighted that Poppi's alignment with wellness and culture enhances PepsiCo's portfolio, tapping into an expanding consumer demand for better-for-you products. This acquisition follows a noticeable decline in traditional beverage sales, with Poppi, generating over $500 million in annual revenue, leading the US gut-health drinks segment, according to sources.

On the personal care front, Unilever has made a strategic move by acquiring the brand Wild. Established as a leader in sustainable personal care options, Wild offers a range of premium products, including deodorants and body washes crafted from plant-based ingredients. Unilever's decision to invest in Wild signals an ongoing shift towards premiumization within its portfolio, aimed at meeting consumer demands for sustainable and refillable options. Wild co-founder Charlie Bowes-Lyon remarked on the synergies this acquisition creates to foster further innovation and expansion, especially in reducing plastic waste through eco-friendly products.

Additionally, in a noteworthy pivot towards plant-based options, Grubby has acquired the rights to Allplants' recipes and manufacturing methods following the latter's recent administration. The resuscitation of Allplants' product lines under the Grubby brand illustrates a keen interest in accommodating the growing consumer appetite for convenient and delicious plant-based meals. Grubby founder Martin Holden-White emphasised the opportunity this acquisition presents in bringing beloved products back to market while underlining the company's commitment to making plant-based eating accessible to all.

These acquisitions reflect the broader trend of adapting to a rapidly shifting marketplace, where consumers increasingly seek out products that resonate with their values around health, sustainability, and convenience. As major players like PepsiCo, Unilever, and smaller entities like Grubby navigate these dynamics, the food and drink industry appears to be undergoing a significant transformation aimed at aligning with the evolving preferences of a diverse consumer base. This momentum underscores an ongoing narrative of innovation, consolidation, and a commitment to sustainability that is likely to continue shaping the market landscape throughout 2025 and beyond.

### Reference Map

1. Paragraph 1: 1, 6
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5. Paragraph 5: 1, 6
6. Paragraph 6: 1, 6

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.grocerygazette.co.uk/2025/05/09/food-drink-brand-acquisitions/> - Please view link - unable to able to access data
2. <https://www.reuters.com/business/retail-consumer/pepsico-buy-healthier-soda-brand-poppi-nearly-2-bln-deal-2025-03-17/> - PepsiCo announced the acquisition of prebiotic soda brand Poppi for $1.95 billion, aiming to expand into the healthier beverage market. Poppi, founded by Stephen and Allison Ellsworth, combines prebiotics, fruit juice, and apple cider vinegar to create low-calorie sodas with minimal sugar content. The deal includes $300 million in anticipated cash tax benefits, bringing the net purchase price to $1.65 billion. This acquisition aligns with PepsiCo's strategy to diversify its portfolio amidst declining demand for traditional beverages and snacks.
3. <https://www.ft.com/content/fb41fb3c-50f4-4665-b361-2c66db1ed109> - PepsiCo has acquired Poppi, a leading prebiotic soda brand, for $2 billion to tap into the growing gut-health market. Poppi, which gained initial funding through the TV show Shark Tank, claims to promote healthy gut bacteria with its low-sugar drinks containing juice, vinegar, and prebiotics. Viral marketing on platforms like TikTok has contributed to its popularity. This acquisition comes as PepsiCo aims to revive declining sales in its North American beverage segment. Poppi, generating over $500 million in annual revenue, leads the US gut-health drinks market, closely followed by Olipop.
4. <https://www.pepsico.com/our-stories/press-release/pepsico-to-acquire-poppi03172025> - PepsiCo announced its agreement to acquire Poppi, a fast-growing prebiotic soda brand, for $1.95 billion, including $300 million of anticipated cash tax benefits for a net purchase price of $1.65 billion. The transaction also includes an additional potential earnout consideration subject to the achievement of certain performance milestones. Poppi combines prebiotics, fruit juice, and apple cider vinegar ... low-calorie sodas with no more than five grams ... . The acquisition aims to expand PepsiCo's better-for-you offerings to meet consumer preferences and serve new generations of consumers.
5. <https://www.reuters.com/markets/deals/unilever-acquires-personal-care-brand-wild-2025-04-01/> - Unilever announced the acquisition of personal care brand Wild, marking another step in the optimization of the FMCG giant’s portfolio towards premium products. The details of the sum involved in the acquisition were not disclosed. Wild offers premium deodorants, lip balms, body washes, and hand washes, using plant-based ingredients via a direct-to-consumer and retail model. Unilever stated that the brand’s rapid growth and its position as the UK’s number one refillable deodorant brand make it a strategic addition to its existing portfolio of personal care brands.
6. <https://www.grocerygazette.co.uk/2025/05/09/food-drink-brand-acquisitions/> - A flurry of food and drink giants have already made significant moves to acquire or merge with other brands in 2025. Notably, Kingsmill owner Associated British Foods (ABF) and the private equity owner of Hovis, Endless LLP, have been in talks over a potential merger deal, which would combine two of the biggest bread brands in the UK. Other notable acquisitions include PepsiCo's purchase of Poppi, Unilever's acquisition of Wild, and Grubby's acquisition of Allplants' product range.