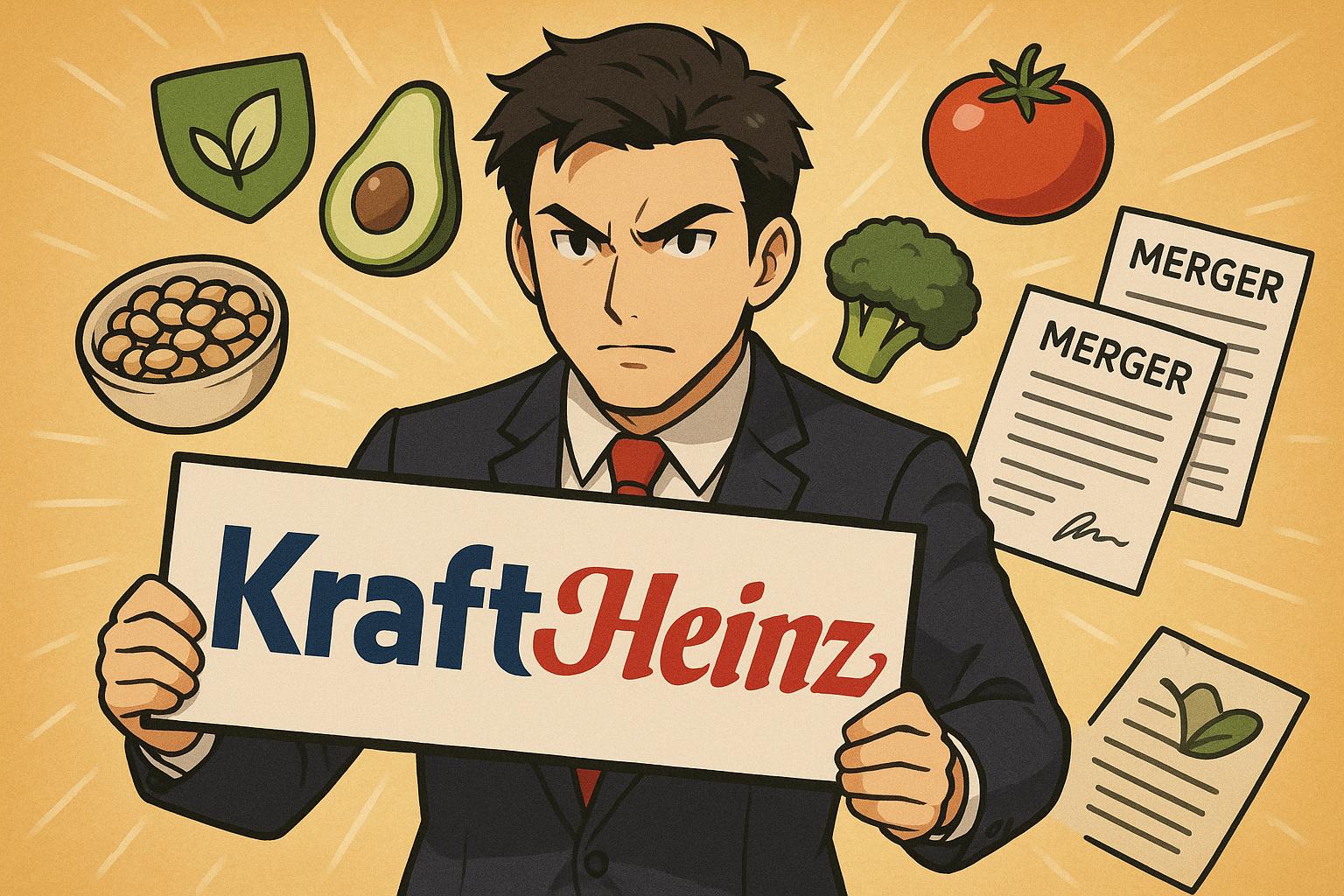
# Kraft Heinz pursues strategic acquisitions amid sales decline and shifts towards plant-based foods



Amid shifting consumer preferences and economic pressures, Kraft Heinz is actively pursuing mergers and acquisitions as a strategic response to declining demand for its traditional snack and meal offerings. The company’s efforts come at a time when many consumers are gravitating towards healthier options and seeking alternatives to processed foods, which has directly impacted sales of Kraft Heinz products.

Kraft Heinz CEO Carlos Abrams-Rivera underscored the necessity of these acquisitions, articulating a vision for the future that aligns with modern dietary trends. With the rising popularity of weight-loss medications contributing to changes in eating habits, the company has faced tight margins and waning consumer interest. As noted in recent assessments, the company's forecasts for organic sales have been readjusted downward due to these external pressures, including tariff constraints, which are exacerbating the situation.

One of the notable assets in Kraft Heinz's portfolio, the Oscar Mayer meats division, is reportedly on the market, with potential valuations ranging between $3 billion and $5 billion. This strategic consideration reflects a broader trend in the food industry, where companies are reevaluating product offerings in response to an unprecedented demand shift. While private equity firms and other food industry players have shown interest, reports suggest that no definitive sale may occur, leaving shareholders in a state of uncertainty.

In the latest revenue tally, Kraft Heinz reported a drop in sales alongside a reduction in volume by 4.4% despite increasing prices by 3.7%. This scenario echoes similar challenges faced by other giants in the industry, such as PepsiCo. For the year, the firm generated a revenue of $26.64 billion but has revised its profit expectations to between $3.01 and $3.07 per share, raising questions about its future trajectory.

Additionally, the recent departure of Berkshire Hathaway from its board roles indicates possible strategic shifts within Kraft Heinz that may affect its business model. This weakening connection with long-time investors like Warren Buffet could drive the company to seek fresh approaches to establishing market relevance, especially in the face of enhancing competition from companies diversifying beyond food, such as Unilever, which is increasingly investing in beauty and wellness sectors.

To adapt to changing consumer trends, Kraft Heinz has begun exploring innovative products, launching plant-based options under the Oscar Mayer brand. These new introductions aim to capture the growing market for plant-based foods and reflect an effort to meet changing dietary demands head-on.

As the landscape of consumer preferences continues to evolve, Kraft Heinz's ability to pivot strategically through acquisitions, innovations, and operational adjustments will be critical for its long-term sustainability in a competitive market. Investors would do well to monitor these developments closely, as the company's decisions could set precedents that influence the broader food industry, reshaping supply chains and consumer engagement for years to come.

### Reference Map

1. [[1]](https://finimize.com/content/kraft-heinz-hunts-for-strategic-ma-amid-changing-consumer-trends)
2. [[2]](https://www.reuters.com/sustainability/boards-policy-regulation/kraft-heinz-looking-ma-opportunities-packaged-foods-demand-slows-2025-05-20/)
3. [[3]](https://www.reuters.com/markets/deals/kraft-heinz-exploring-sale-oscar-mayer-business-wsj-reports-2024-05-13/)
4. [[4]](https://apnews.com/article/dec98b38272f2625f799f60c0cce22cf)
5. [[5]](https://www.reuters.com/breakingviews/consumer-giants-growth-no-longer-involves-food-2025-01-31/)
6. [[6]](https://news.kraftheinzcompany.com/press-releases-details/2024/Hot-Dog-The-Kraft-Heinz-Not-Company-Launches-First-Ever-Plant-Based-Oscar-Mayer-Hot-Dogs-and-Sausages/default.aspx)
7. [[7]](https://www.axios.com/2023/05/19/oscar-mayer-wienermobile-new-name-frankmobile)

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

## Bibliography

1. <https://finimize.com/content/kraft-heinz-hunts-for-strategic-ma-amid-changing-consumer-trends> - Please view link - unable to able to access data
2. <https://www.reuters.com/sustainability/boards-policy-regulation/kraft-heinz-looking-ma-opportunities-packaged-foods-demand-slows-2025-05-20/> - Kraft Heinz is actively exploring strategic mergers and acquisitions due to declining demand for its premium snacks and ready-to-eat meals in a challenging economic environment. CEO Carlos Abrams-Rivera confirmed the company's ongoing search for potential deals in recent months. A notable asset, its Oscar Mayer business, may be sold for approximately $3 billion. Additionally, the company recently adjusted its sales and profit forecasts downward, citing consumer shifts toward healthier food and the growing use of weight-loss drugs, along with tariff pressures.
3. <https://www.reuters.com/markets/deals/kraft-heinz-exploring-sale-oscar-mayer-business-wsj-reports-2024-05-13/> - Kraft Heinz is considering selling its Oscar Mayer meats business, which could be valued between $3 billion and $5 billion, as reported by the Wall Street Journal. The potential sale, handled by Bank of America and Centerview Partners, comes amid declining consumer demand for processed meats and a shift toward healthier food options. Despite the speculation, there remains a possibility that no sale will occur. Historically, Oscar Mayer's value was decreased in 2019, and Kraft Foods had previously intended to operate it as a separate segment prior to merging with H.J. Heinz in 2015. Kraft Heinz has not commented on the sale rumors, but its shares saw a minor gain, trading at $36.45. Potential buyers could include private equity firms or other companies within the food industry.
4. <https://apnews.com/article/dec98b38272f2625f799f60c0cce22cf> - During the fourth quarter, Kraft Heinz experienced a decline in sales as some consumers, affected by inflation, opted for less expensive alternatives or reduced their buying. Despite a 3.7% increase in prices, the company saw a 4.4% drop in volumes. Similarly, PepsiCo faced a decline after multiple price hikes. Kraft Heinz reported fourth-quarter earnings of $757 million (61 cents per share), slightly surpassing Wall Street's projection of 77 cents per share when adjusted for restructuring and non-recurring costs. However, the company's revenue of $6.86 billion fell short of the expected $6.97 billion. For the year, Kraft Heinz recorded a profit of $2.86 billion (or $2.31 per share) with a revenue of $26.64 billion. The company forecasts full-year earnings between $3.01 and $3.07 per share.
5. <https://www.reuters.com/breakingviews/consumer-giants-growth-no-longer-involves-food-2025-01-31/> - Unilever is shifting its focus from growing its food empire to investing more in beauty and wellbeing products. This strategic move comes as inflation since 2022 has driven consumers to seek lower-priced items, making consistent revenue from branded foods harder to achieve. Nestlé and Kraft Heinz, facing similar challenges, have also reported lower sales and profit outlooks. Comparatively, luxury beauty products from companies like Galderma and L'Oréal are experiencing higher growth rates and valuations. Unilever's CEO Hein Schumacher plans to sell the company's ice cream business and allocate more of its marketing budget to beauty and wellness, with only Hellmann's and Knorr receiving substantial investment in food. The potential reallocation could significantly boost Unilever's overall value. Meanwhile, food-heavy companies like Nestlé and Kraft Heinz may struggle to pivot due to their heavy reliance on edible brands.
6. <https://news.kraftheinzcompany.com/press-releases-details/2024/Hot-Dog-The-Kraft-Heinz-Not-Company-Launches-First-Ever-Plant-Based-Oscar-Mayer-Hot-Dogs-and-Sausages/default.aspx> - The Kraft Heinz Not Company debuted NotHotDogs and NotSausages, the first-ever plant-based Oscar Mayer offerings and the first plant-based meat innovation from the joint venture between The Kraft Heinz Company and TheNotCompany, Inc. With its mission to create mouthwatering plant-based foods for all, The Kraft Heinz Not Company’s Oscar Mayer NotHotDogs and NotSausages offer the savory and smoky experience that brand fans have known and loved for more than 140 years. The launch of Oscar Mayer NotHotDogs and NotSausages is the latest example of The Kraft Heinz Not Company’s ambition to bring great-tasting plant-based innovations to market faster than ever before.
7. <https://www.axios.com/2023/05/19/oscar-mayer-wienermobile-new-name-frankmobile> - Oscar Mayer has renamed its famous Wienermobile to the Frankmobile, marking the first name change since the iconic hot dog-shaped vehicle was introduced in 1936. This rebranding celebrates a new recipe for Oscar Mayer's 100% beef franks, which are being released nationwide. The announcement was made by Kraft Heinz just before Memorial Day weekend, known as the unofficial start of summer and barbecue season. This rebranding follows Kraft Heinz's history of giving new names to popular products. Fans can track the Frankmobile's upcoming stops on the Oscar Mayer website.