Brand Doctor

Brand Check-up

Kraft Heinz

As of October 7, 2025

Status: Bleeding

Kraft Heinz put cost savings ahead of brand building for a decade, and splitting the company is unlikely to restore demand on its own.

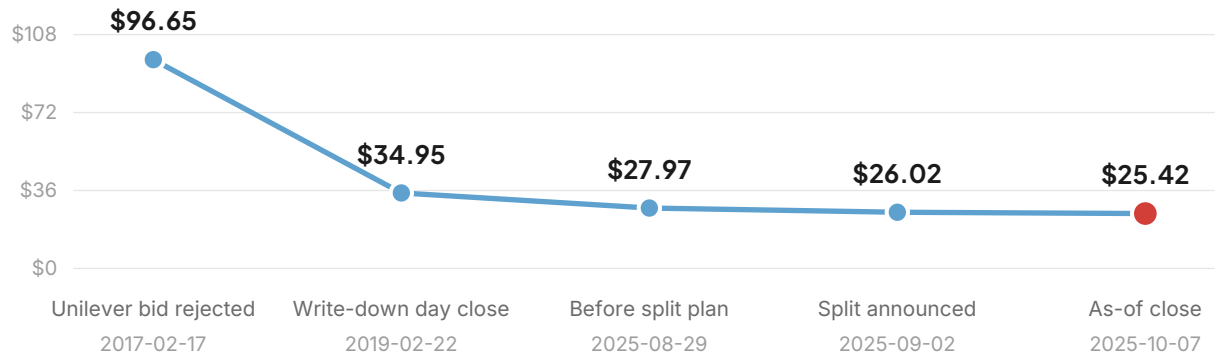
About this check-up

Brand Doctor reviews well-known brands the way we review a client's marketing: symptoms, diagnosis, treatment. This check-up uses public information available on October 7, 2025. It is brand and marketing analysis, not investment advice. Sources are listed at the end.

Vital signs

Share price

USD, at the dates shown [13, 6, 1]



Share price

$25.42

Close, October 7, 2025 (Nasdaq: KHC) [1]

Change since Feb 2017

-73.7%

From the $96.65 close on Feb 17, 2017, the day Unilever rejected its bid; not adjusted for dividends [1, 13]

Market value lost since merger

About $57 billion

About 60% since the 2015 merger (Fortune, Sep 3, 2025) [12]

Net sales, 2024

$25.8 billion

Down 3.0%; organic net sales down 2.1% [8]

Organic net sales, Q2 2025

-2.0%

Volume/mix down 2.7 points; price up 0.7 points [9]

Impairment, Q2 2025

$9.3 billion

Non-cash impairment losses, driven mainly by the lower share price and market value [9]

Timeline

2013-06 Berkshire Hathaway and 3G Capital complete their purchase of H.J. Heinz Company (June 7). [7]

2015-07 Kraft Foods Group and Heinz merge to form Kraft Heinz (July 2); Kraft holders get a $16.50 special dividend and former Heinz holders own about 51%. [7]

2017-02 Unilever rejects a proposed $143 billion merger; Kraft Heinz shares close at $96.65 on February 17. [2, 13]

2019-02 A $15.4 billion write-down of the Kraft and Oscar Mayer brands, an SEC accounting investigation and a 36% dividend cut; shares fall as much as 28% on February 22. [3, 4]

2025-02 Full-year 2024 net sales fall 3.0% to $25.8 billion; organic net sales fall 2.1%. [8]

2025-07 Second-quarter 2025 results include a $9.3 billion non-cash impairment; organic net sales fall 2.0%. [9]

2025-08 Berkshire Hathaway takes a $3.76 billion write-down on its stake of about 27%. [11]

2025-09 Board approves a plan to split into two companies, referred to for now as Global Taste Elevation Co. and North American Grocery Co. (final names to come later), with completion expected in the second half of 2026 (September 2); shares close at $26.02. [1, 10]

Symptoms

- Share price down about 74% from the $96.65 close on February 17, 2017.
- Organic net sales down 2.1% in 2024 and 2.0% in the second quarter of 2025.
- Volume and mix down 3.5 points in 2024 and 2.7 points in Q2 2025.
- Impairments of $15.4 billion in 2019 and $9.3 billion in Q2 2025.
- Lower advertising spending partly offset higher commodity costs in Q2 2025.

Diagnosis

1 Cost cutting reached the brands

Under 3G Capital, Kraft Heinz embraced zero-based budgeting to lift margins, and Reuters reported the cuts risked stifling investment in innovation and marketing. After the $15.4 billion write-down of the Kraft and Oscar Mayer brands in 2019, JPMorgan's Ken Goldman said investors had long asked whether the model would erode brand equity. [3, 4]

2 Brands fell behind changing tastes

Reuters reported in 2019 that consumers were moving to newer products, cheaper private label and non-processed and organic food. Volume and mix cut 3.5 points from organic sales in 2024, and in Q2 2025 the losses came mainly from cold cuts, coffee, Lunchables, frozen snacks and powdered beverages. [3, 8, 9]

3 Growth by deal rather than demand

Guggenheim's Laurent Grandet described the 3G model in 2019 as highly dependent on deal-making and synergy realization. Unilever rebuffed the $143 billion approach in 2017, and by early 2019 the shares had lost about half their value since the bid, according to Bloomberg. [3, 5]

4 A portfolio too complex to fund well

Executive Chair Miguel Patricio said the current structure makes it challenging to allocate capital effectively. In Q2 2025, lower advertising spending partly offset higher commodity costs, which suggests brand support was still a line that could be cut. [9, 10]

Prognosis

As of October 7, 2025, Kraft Heinz still reports adjusted profits, but its volumes are shrinking. In July the company reaffirmed its 2025 outlook of organic net sales down 1.5% to 3.5%, and the split is not expected to close until the second half of 2026. We will watch three things: whether advertising and product spending rise or keep paying for margin, whether volume and mix losses narrow in the next quarterly results, and who is named to lead Global Taste Elevation Co. Up to $300 million of dis-synergies will also test whether two smaller companies can afford to build their brands.

Treatment

- Commit a fixed share of sales to brand advertising in both new companies and hold it through weak quarters, so the separation does not become another cost exercise.
- Pick a short list of priority brands in each company, such as Heinz and Philadelphia, and set growth targets in volume and household reach, not only margin.
- Answer private label with product improvements and pack and price options that show value, rather than relying on price increases.
- Report brand health measures to investors alongside synergies and margins, so progress is judged on demand as well as cost.

Lessons for growing companies

Savings are not a growth plan

Cost cuts can lift margins for a few years. If they reach marketing and product work, the bill arrives later as lost volume and write-downs.

Measure demand, not only margin

Track volume, buyers and brand health next to profit, so a slow decline shows up before it becomes a write-down.

Restructuring does not fix a brand

A merger or a split changes who owns the brands. Only steady investment in the product and in being remembered changes whether people buy them.

Sources

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About Brand Doctor

Brand Doctor is a marketing strategy consultancy founded by Cliff K. F. Lin. He has spent 17 years in marketing and managed more than $30 million in spend for SaaS, tech and lead-generation companies.

A Brand Check-up applies the method we use with clients to a well-known brand: the symptoms you can see from outside, the root causes behind them, and the treatment we would prescribe. For your own company, we look at six areas (positioning, messaging, customer journey, channel mix, budget and spend, and measurement) and rank what to fix first.

$30M+	135+	8×	17
In marketing spend managed	Campaigns treated	Growth achieved	Years in marketing

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