

Cavendish

FOOD AND DRINK

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What money can't build

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Something meaningful is happening in food and drink.

The brands creating the most value today aren't coming from the traditional playbooks of the largest companies. They're being built by founders - often with limited capital, but with a much clearer sense of what consumers actually care about.

At the same time, a steady flow of high-profile acquisitions is changing how the sector is being viewed. Strategic buyers and investors are paying increasing attention to a new type of brand - one that combines strong growth with real consumer belief, and a clear role in people's everyday lives.

This report explores what's driving that shift, what makes these brands so attractive, and how businesses can position themselves to capture long-term value in a changing market.

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The most valuable food and drink brands today don't look like traditional FMCG brands.

They're built with a point of view, a direct relationship with the consumer, and a level of trust that takes years to earn. That combination is incredibly difficult to replicate - and it's exactly what strategic buyers are competing to access.”

REBECCA MCCREDIE
DIRECTOR, CONSUMER M&A

The innovation gap

Why major F&B companies are looking outside for growth

Something important is happening in food and drink. The brands attracting the most attention from consumers, investors, and strategic buyers are not being created inside the innovation pipelines of the largest FMCG groups. They are being built by founders.

That matters because the qualities driving value in food and beverage today, authenticity, founder credibility, community, and cultural relevance, are difficult to engineer inside large organisations built for efficiency, margin, and scale. Those businesses remain highly effective at distribution and execution. But they often struggle to create the kind of deep consumer trust that the most valuable modern brands command.

As a result, the response from major players has been increasingly clear: rather than build, they buy.

Portfolio rationalisation across global F&B has helped accelerate that trend. Unilever, for example, has committed to exiting more than €1bn of food brand revenue as it sharpens focus on its core portfolio, while others including Campari and Pernod Ricard have also divested assets. Capital is being released and redeployed into faster-growing, founder-led brands with stronger consumer relevance.

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Insurgent brands have contributed a disproportionate share of F&B growth in recent years, according to Bain & Company.

The implication is straightforward. For founders and investors, brand value now extends far beyond revenue and margin. For strategic acquirers, founder-led brands increasingly represent the fastest route into categories and consumer relationships they cannot credibly build themselves.

REBECCA MCCREDIE

Director, Consumer M&A

What defines a conviction brand

The characteristics that make them valuable and difficult to replicate

Not every fast-growing food or drink brand qualifies. The brands attracting premium attention tend to share a particular set of characteristics. We call them conviction brands.

They do not simply improve an existing category. They make consumers care in a new way. Bold Bean Co turned beans from a commodity into a premium purchase. Lucky Saint helped make alcohol-free beer something consumers actively choose.

They usually build community before distribution. Their earliest traction often comes through DTC, social channels, and a highly engaged core audience. By the time retail scales, demand already exists.

The founder is often central to the brand's credibility. Trust is built through visible values, personal conviction, and a clear point of view. That credibility is fragile. It cannot be copied by a corporate parent, but it can be acquired and carefully protected.

Their economics are also attractive. Because they tend to start premium and remain differentiated, margins often improve with scale rather than deteriorate through promotion.

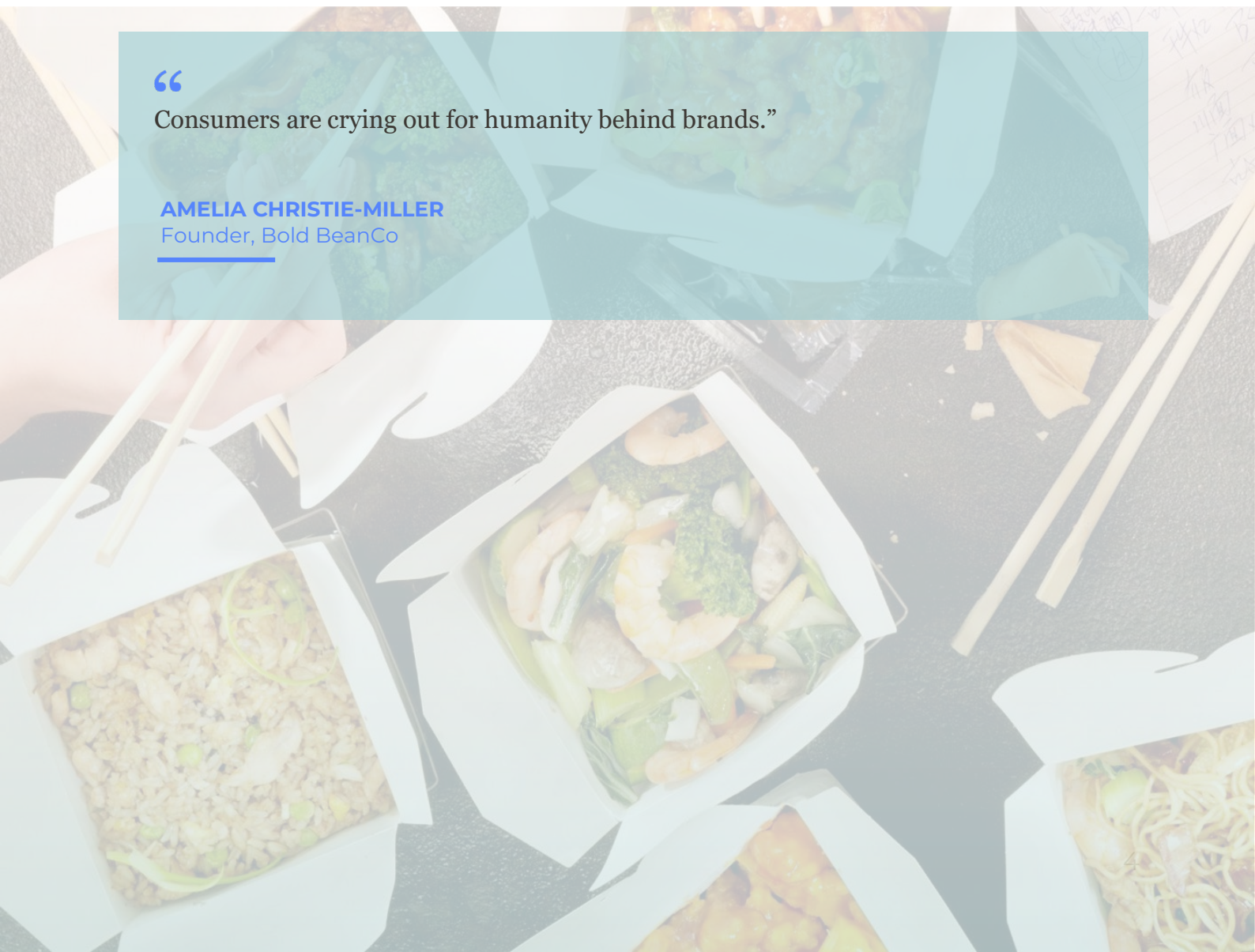
Most importantly, their moat is cultural rather than technical. A competitor can copy a formula. It cannot copy years of trust, relevance, and community.

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Consumers are crying out for humanity behind brands.”

AMELIA CHRISTIE-MILLER

Founder, Bold BeanCo



The new growth drivers

Why acquirer appetite is accelerating

The appeal of conviction brands is being amplified by four major consumer shifts.

GLP-1 and functional nutrition

The rise of GLP-1 weight-loss drugs is beginning to reshape food choices, with more consumers gravitating towards high-protein, nutrient-dense, lower-calorie products. That creates a clear tailwind for brands built around functional nutrition and health outcomes. Danone's acquisition of Huel was widely seen through this lens.

Wellness led food and drinks

Consumers increasingly buy products for what they do, not just how they taste. Gut health, protein, energy, and cognitive support are now mainstream purchase drivers. That has created highly attractive acquisition opportunities in categories such as kefir, probiotic soda, and functional meal solutions.

NoLo

The no- and low-alcohol market has moved beyond trend status into structural consumer behaviour. Around one in five UK adults now report not drinking alcohol, while non-alcoholic beer still represents only around 2% of UK beer sales, well below some European markets. That suggests a long runway for growth.

Premiumisation and everyday indulgence

Consumers are increasingly buying less, but buying better - trading up into brands that feel higher quality, more purposeful, and more aligned with their identity. That is creating strong growth opportunities for premium challenger brands across categories including pantry staples, wellness drinks, and healthier snacking, while giving acquirers access to stronger margins, pricing power, and deeper consumer loyalty.

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Biotiful Gut Health, which held a leading position in UK kefir, was acquired by Müller for an estimated £115m in April 2025.

Together, these trends all point in the same direction: towards purposeful, founder-built, trusted brands with strong consumer relevance.

REBECCA MCCREDIE

Director, Consumer M&A

The deals that prove the thesis

Huel and Biotiful as case studies

The conviction brand thesis is not theoretical. It is already being priced and acted on.



DANONE ACQUIRES HUEL - €1BN MARCH 2026

Founded in 2014, Huel built a digitally native, nutritionally complete food brand with strong DTC capability, a loyal subscriber base, and growing global retail presence.

What Danone bought was not just a revenue stream. It bought a community-first functional nutrition brand aligned with where consumer demand is heading, and one that its own innovation pipeline was unlikely to create organically.



MÜLLER ACQUIRES BIOTIFUL GUT HEALTH - €115M APRIL 2025

Biotiful was founded in 2012 on the belief that UK consumers would embrace kefir if the product quality and storytelling were strong enough. By 2024, the business had become the clear category leader.

For Müller, the logic was simple: functional health was one of the fastest-growing parts of dairy, and Biotiful had already built the trust and authority in the category that would have taken years to replicate.

What these deals tell us

Different categories, different buyers, same logic: large acquirers are paying meaningful premiums for founder-built brands with category authority, community depth, and credibility they cannot manufacture internally.

PepsiCo's \$1.95bn acquisition of Poppi in 2025 suggests the same pattern is playing out globally.

The brands to watch

UK conviction brands building what acquirers cannot

A number of UK brands appear to fit this pattern particularly well.



LUCKY SAINT

The defining independent alcohol-free beer brand in the UK, with strong distribution and real authority in the category



SURREAL

Rethinking cereal with high-protein products and standout, consistently effective marketing



BETTER NATURE

Building around natural, less-processed plant protein, tapping into growing scepticism around ultra-processed foods



BOLD BEAN CO

Turning a basic cupboard staple into something people actively care about, through quality, storytelling and brand



BOTIVO AND MOTHER ROOT

Non-alcoholic aperitif brands with strong cultural positioning, built for people who love food and drink, not just moderation



PERFECT TED

Bringing matcha into the mainstream with an energy drink proposition that sits at the intersection of caffeine, wellness and brand culture



PIP & NUT

A pioneer in natural nut butters, with long-standing consumer trust built on simplicity, quality and consistency



BOROUGH BROTH

A premium bone broth brand riding the growth of functional, nutrient-dense food, recently backed by Piper, signalling continued investor confidence in the space

These brands differ by category and stage, but they share the same underlying strength. They have built something people believe in - and that's exactly what makes them hard to replicate, and valuable to acquire.

Why the window is open

This opportunity is not new

What is new is the alignment of conditions around it.

Large strategics have capital to deploy as a result of portfolio rationalisation. Private equity is returning as confidence in consumer M&A improves. And the consumer trends powering these brands, functional nutrition, NoLo, and wellness-led consumption, are still relatively early.

That combination creates a favourable moment for founders, investors, and buyers alike.

But windows like this do not stay open forever. As categories mature, valuations become more competitive, buyer selectivity increases, and the premium attached to early category leadership begins to narrow.

The brands that will transact best are the ones that are prepared: with clean financials, a clear growth narrative, operational depth beyond the founder, and a sharp understanding of who their most motivated buyers are.

By the time a process begins, the preparation should already have happened.

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In a market where overall growth remains muted, insurgent brands are increasingly attractive investments for established consumer products players and investors seeking footholds into areas of growth.”

BAIN & COMPANY

Closing thoughts

1

THE MOST VALUABLE FOOD AND DRINK BRANDS TODAY ARE BEING BUILT THROUGH CONVICTION, COMMUNITY, AND GENUINE CONSUMER RELEVANCE - NOT TRADITIONAL FMCG PLAYBOOKS.

2

THE BRANDS ATTRACTING THE STRONGEST STRATEGIC INTEREST ARE THOSE THAT HAVE CREATED TRUST, CULTURAL RESONANCE, AND CATEGORY AUTHORITY THAT LARGER BUSINESSES CANNOT EASILY REPLICATE INTERNALLY.

3

FOR FOUNDERS AND INVESTORS IN THIS SPACE, UNDERSTANDING HOW THAT VALUE IS POSITIONED, PROTECTED, AND ULTIMATELY REALISED HAS NEVER BEEN MORE IMPORTANT.

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At Cavendish, we work with founder-led consumer businesses at every stage of growth, from raising capital and accessing debt finance to acquisitions and sale preparation.

We know this landscape well: what makes these brands valuable, which buyers are active, and how to position a business for the strongest possible outcome.

For founders and investors in this space, the strategic conversation about what comes next is worth having now.”

REBECCA MCCREDIE

Director, Consumer M&A

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