

Billionaire-Owned Mars, Inc. Set To Absorb Kellanova After Its Executives Boasted About Price Increases, Setting Stage For Further Increases Amid Continued Industry Consolidation

Summary: In August 2024, Mars, Inc.—the [maker](#) of M&M's, Snickers, and dozens of other household brands—[announced](#) it would acquire Kellanova, the [maker](#) of Cheez-It, Pringles, and other popular snacks, for a **staggering \$35.9 billion**. The move comes as big food companies have hiked prices "[to expand their profit margins](#)" and is yet another recent acquisition for Mars, which has acquired [Kind Bars](#) and [Kevin's Natural Foods](#) for a combined \$5.8 billion since 2020.

The proposed Mars-Kellanova merger would serve as a [large entry](#) into the salty snack and crackers market for Mars, at a time when it has faced headwinds due to its chocolate-heavy portfolio. Ultimately, Mars is [projected](#) to become the third largest snacking food company, only behind PepsiCo and Mondelez. As of 2024, Kellanova is one of the three largest cracker and cookie companies, and along with General Mills and Mars, make up a [staggering](#) 60% of snack bar U.S. sales. Meanwhile, the three companies, including Mars, make up [80%](#) of candy sales.

Food experts warn the deal could be disastrous for consumers, who have already [faced numerous price increases](#) on staple foods since 2020. Since 2019, the snack food industry has [seen](#) on average a six to eight percent dip in volume size, but this trend has correlated often with record profits for manufacturers and retailers thanks to price hikes. Food & Water Watch [urged](#) the Federal Trade Commission to step in and block the proposed merger, as it serves as yet another sign of food companies becoming further consolidated, citing the Kraft-Heinz merger of 2015 which solidified the dominance the company now holds across one-fifth of food categories.

An Accountable.US analysis shows that Kellanova, which only split off from Kellogg's around a year ago, bragged about price hikes on earnings calls, potentially to make the company more attractive for a future acquisition. Meanwhile, in recent years, both companies have defended price hikes, which begs the question if the merger will actually be good for consumers or just serve as yet another consolidation effort enriching investors and a handful of billionaires.

Mars, Inc. is a [privately-held company](#) with a history of defending price increases, including:

- In August 2022, then-Mars president of global emerging markets Blas Maquivar [said](#) the company launched smaller pack sizes in several countries "which allow[s] us to keep certain price points" in case consumers cannot afford price hikes. Prices for staples such as Starburst and Skittles, both manufactured by Mars, [rose](#) a staggering 35% and 42% YoY, respectively in October 2022.
- In September 2023, Mars subsidiary Galaxy [hiked](#) its prices while lowering sizes in the United Kingdom, with a spokesperson claiming it would allow the company to not compromise on "taste or quality."

Meanwhile, the Mars family is estimated to hold a [combined net worth](#) of \$117 billion—making them the second richest in the U.S.—with siblings [Jacqueline](#) and [John](#) owning roughly two-thirds of the company and the remaining stakes [held](#) by the four daughters of their late brother Forrest Mars Jr.

Kellanova, which only split off from Kellogg's [ten months](#) before the announced merger, has a history of its CEO boasting about its performance, while defending price hikes, including:

- In Q4 2023, Kellanova ultimately [hiked](#) prices 8.1% YoY, including 5.7% in North America, as the

company netted **\$964 million in profit for the year**. In August 2023, Kellogg's [boosted](#) its sales forecast while it was in discussions to spin off Kellanov amid price increases of 14.7% YoY.

- Kellanova CEO Steve Cahillane is expected to [earn](#) a **staggering payout of \$81 million** when he leaves the company and recently told investors on an August 2024 earnings call, just two weeks before Mars announced the acquisition, that "[consumers are getting more used to \[higher\] prices](#)."
- In May 2024, Cahillane boasted that the company's "[stronger commercial plans \[were\] taking hold](#)" after quarterly organic sales rose 5.4% YoY, partly thanks to price increases of 4.8% in the U.S. as "[activist hedge fund](#)" TOMS capital investment management said it took a "significant stake" in Kellanova.
- During its first earnings call with investors following its split from Kellogg's, Kellanova's CEO boasted that consumers were "[more used to different price points](#)" and boasted its noodle business "[continues to post exception growth](#)" despite price hikes.
- Since Q1 2023, Kellanova has **spent \$1.1 billion on cash dividends and spent \$170 million on stock buybacks**.

Background

In August 2024, Mars Announced It Would Acquire Kellanova, The Spin Off Company From Kellogg's And Maker Of Pringles And Cheez-It For Nearly \$36 Billion, At A Time When Big Food Has "Steadily Increased Prices On Products" "To Expand Their Profit Margins," And Another Recent Add For Mars Who Has Also Acquired Kind Bars And Kevin's Natural Foods For A Combined \$5.8 Billion Since 2020.

In August 2024, Mars—The Maker Of M&M's And Snickers—Announced It Would Acquire Kellanova, A Spin Off Company From Kellogg's And Maker Of Pringles And Cheez-It, For Nearly \$36 Billion At A Time When Big Food Has "Steadily Increased Prices On Product" "To Expand Their Profit Margins."

August 2024: Mars, The Maker Of Popular Candies M&M's And Snickers, Announced It Would Acquire Snack Food Giant Kellanova, Which Was Recently Spun Off From Kellogg's In 2023, For Approximately \$35.9 Billion. "Mars, the company behind M&M's and Snickers, has agreed to acquire Kellanova, the snack food business spun off by Kellogg's last year, in a multibillion-dollar deal that will create a new global food giant. The acquisition, one of the largest food deals in years, was announced on Wednesday. The all-cash deal values Kellanova at \$35.9 billion, including debt, a hefty premium to the company's market value before news of the deal first began to leak." [The New York Times, [08/14/24](#)]

- **Kellanova's Brands Include Staples Such As Cheez-It, Pringles, And Eggo.** "Kellanova owns a large menu of brands including Cheez-It, Pringles and Eggo." [The New York Times, [08/14/24](#)]

"The Deal Comes At A Tenuous Time For Food And Beverage Manufacturers" When "For More Than Two Years, Big Food Has Steadily Increased Prices On Products, Partly To Cover Higher Commodity And Labor Costs But Also To Expand Their Profit Margins." "The deal comes at a tenuous time for food

and beverage manufacturers. For more than two years, Big Food has steadily increased prices on products, partly to cover higher commodity and labor costs but also to expand their profit margins. Now, some consumers are pushing back, either buying less or trading down to generic brands. The result for many food companies has been slower revenue growth and fewer items sold." [The New York Times, [08/14/24](#)]

In July 2023, Mars Also Acquired Food Company Kevin's Natural Foods For Nearly \$800 Million To Expand Its Business In The Ready-Meal And Sauces Categories.

July 2023: Mars Acquired Kevin's Natural Foods For Nearly \$800 Million In An Effort To Expand Its Business In The "Ready-Meal And Sauces" Categories. "Mars, the US food heavyweight, has made another move into foods deemed 'better for you' by acquiring ready-meal and sauces company Kevin's Natural Foods. The transaction fee was not disclosed but news agency Reuters, quoting people familiar with the matter, said the deal values California-based Kevin's Natural Foods at nearly \$800m." [JustFood, [07/07/23](#)]

Mars Had Also Acquired Kind Bars In A Deal Valued At \$5 Billion In November 2020.

November 2020: Mars Acquired Kind Bars In A Deal Valued At Approximately \$5 Billion. "Mars, the company behind M&M's and Snickers, is acquiring the maker of Kind bars, the snacks that celebrate their lack of artificial flavors and preservatives, company executives told The New York Times in an interview. The deal for Kind North America comes three years after Mars, a privately held giant in the candy industry, took a minority stake in the company. Terms were not formally announced, but people with knowledge of the deal said it valued Kind at about \$5 billion." [The New York Times, [11/17/20](#)]

The Kellanova Acquisition Is Seen As Mars' Entry Into The Multi-Billion Dollar Salty Snack And Crackers Market At A Time The Company "Has Faced Headwinds Given [Its] Chocolate-Heavy Portfolio."

The Kellanova Acquisition Would Grant Mars Entry Into The Salty Snack And Crackers Market—Which Both Have Over \$100 Billion In Global Sales—As The Candy Maker "Has Faced Headwinds Given [Its] Chocolate-Heavy Portfolio."

Kellanova Is Primarily In The Salty Snack And Crackers Market—Which Both Have Over \$100 Billion In Global Sales—But Also Has A Significant Presence In The Instant Noodle Market (\$65 Billion) And Frozen Baked Goods Market (\$6 Billion). "Kellanova primarily operates in the Salty Snack and Crackers market, each of which is over \$100 billion globally. They also sell in the instant noodle market (\$65 billion) and in frozen baked goods (\$6 billion). While these are major brands, they are truly enormous categories globally. The powerhouse brands create momentum and cash flow to further growth ambitions in the U.S., but more importantly, internationally. Even for their largest brand Pringles, household penetration hovers around 55% in the U.S., compared to 98% for the category." [Clarkston Consulting, [08/14/24](#)]

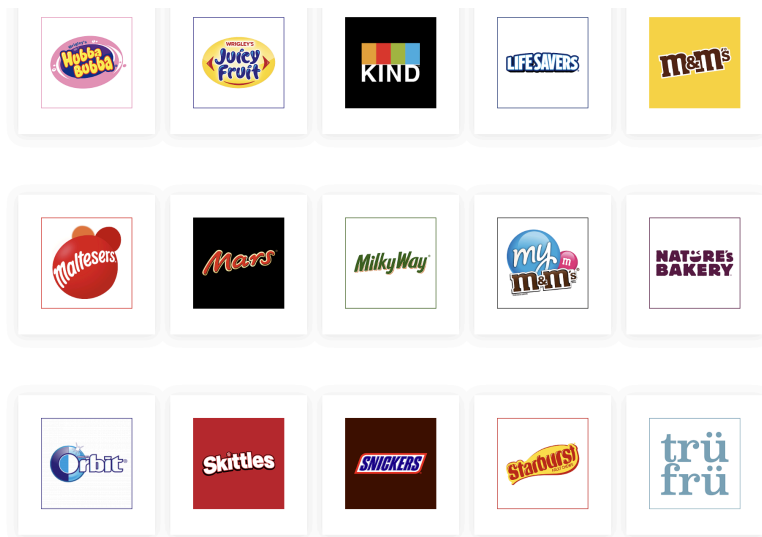
The Merger Also Gives Mars More Entrance Into The Market At A Time When It Has "Been A Mega-Trend In The Food Space" And Mars "Has Faced Headwinds Given [Its] Chocolate-Heavy Portfolio." "Snacking, particularly healthy and convenient snacking, has been a mega-trend in the food space for the last several years. Mars snacking has faced headwinds given their chocolate-heavy portfolio, and this acquisition helps bring in cash flow king brands that are less impacted. At the same time, Kellanova has made significant headway in modernizing brands for healthy and on-the-go options (both through R&D and acquisition via legacy Kellogg). The R&D engine within Kellanova has been humming as evidenced by the

launch of several new products, formulations, and pack designs over the last year." [Clarkston Consulting, [08/14/24](#)]

The Merger Would Lead To Popular Brands Such As M&M's, Snickers, Iams Pet Food, PopTarts, And Pringles All Being Under One Roof, With The Company Expected To Reach Roughly 8% Of The U.S. Snacking Market And 6% Of Global Snacking Sales, Trailing Only PepsiCo And Mondelez.

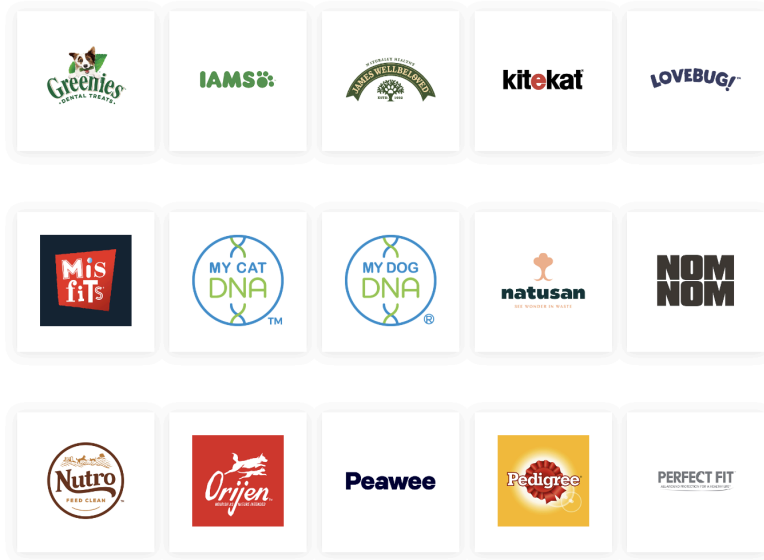
Mars Owns Numerous Brands In The Candy And Pet Food Space, Including M&Ms, Skittles, Iams, And Pedigree.

Mars Makes Popular Brands Including M&M's, Snickers, Kind Bars, And Skittles Among Other Candy And Snack Staples:



[Mars, Inc., accessed [08/21/24](#)]

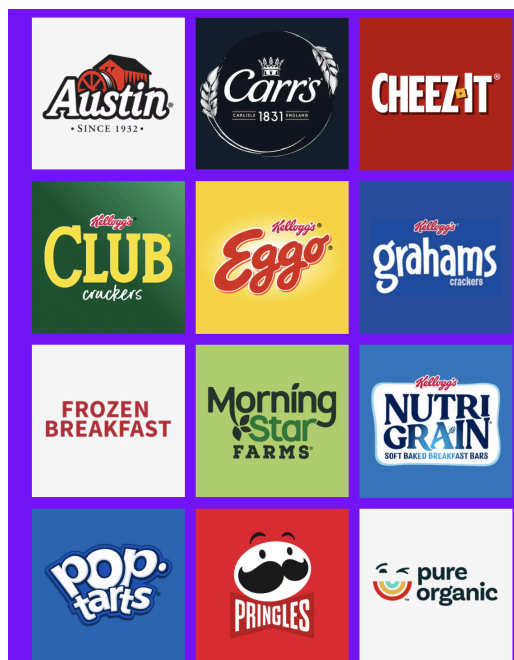
Mars Also Owns Popular Pet Food Brands Including Iams, Pedigree And Others:



[Mars, Inc., accessed [08/21/24](#)]

Meanwhile, Kellanova Owns Popular Brands Including Cheez-It, PopTarts, And Pringles.

Kellanova's Popular Brands Include Cheez-It, Eggo, PopTarts And Pringles, Among Others:



[Kellanova, accessed [08/21/24](#)]

Once The Deal Is Completed, Mars, Which Holds A 4.5% Share Of All U.S. Snacking, Will Absorb Kellanova's 3.9% Share, And Will Grow Its Global Snacking Share To 6%—The Third Largest Behind Only PepsiCo And Mondelez.

After The Potential Merger, It's Projected Mars' Global Market Share In Snacking Would Increase 2% To 6%, Ranking It Behind Only PepsiCo And Mondelez. "He estimated Mars' market share in snacking globally, which includes both sweet and salty offerings, would increase 2 percentage points to 6% after the transaction closes. Mars would rank third, behind PepsiCo, with a market share of 14%, and Mondelez, at 8%." [Food Dive, [08/26/24](#)]

Mars Said The Deal Would Bolster Its Snacking Division, Which Holds About A 4.5% Market Share In The U.S., With Kellanova Holding A 3.9% Share. "Mars said it plans bolster its snacking division, invest locally and introduce more healthy options through the deal, as the category is 'attractive and durable.' The company has a 4.54% share of the U.S. snacking market, while Kellanova holds about 3.9%, according to data from GlobalData, well behind market leader PepsiCo." [Reuters, [08/14/24](#)]

As Food Volume Has Decreased 6-8% Since 2019 Due To 40% In Retail Price Hikes, Consumer Advocates Warn The Potential Merger Would Create "Corporate Kingpins" In An Already Highly Consolidated Market, With American Economic Liberties Project Director Of Policy Morgan Harper Urging The Federal Trade Commission To Intervene To Block The Merger To Prevent Further Price Hikes.

An August 2024 Article By Food Expert Errol Schweizer Argued That The Snack Food Industry Has Seen Its Volume Size Decrease 6-8% Since 2019 Due To Over 40% In Retail Price Increases, Which "Has Correlated Strongly With Record Profits."

August 2024: An Analysis By Food Industry Expert Errol Schweizer Argued The Snack Food Industry Has Seen Its Volume Size On Average Decrease 6-8% Since 2019, While These Items Saw Their Retail Prices Increase 40% Over The Same Period. "Overall snack food category volumes are down 1%, while sales only continue to climb due to price increases. According to NIQ data, the category unit volumes have declined 6-8% since 2019. Candy, cookies, crackers and salty snacks are each up over 40% in retail price, well over the food industry price inflation of 30% since 2019. The increase in consumer prices has correlated strongly with record profits for many manufacturers and retailers." [Forbes, [08/18/24](#)]

- **According To His Bio On Forbes, Schweizer Is A Contributor For Food And Drink Stories And "Is A Longtime Grocery And CPG Merchandising And Operations Executive" With Expertise In Price Inflation And Labor.** "Errol Schweizer is a longtime grocery and CPG merchandising and operations executive. Errol is the publisher of The Checkout Grocery Update, the essential take on the \$1 trillion grocery industry. Errol's expertise extends from how the food industry operates, to food price inflation, the labor-business nexus and understanding food technologies. He has been writing for Forbes since 2021." [Forbes, accessed [08/21/24](#)]

Errol Schweizer Further Stated The "Increase In Consumer Prices Ha[d] Correlated Strongly With Record Profits For Many Manufacturers And Retailers." "The increase in consumer prices has correlated strongly with record profits for many manufacturers and retailers." [Forbes, [08/18/24](#)]

As Of 2024, General Mills, Mars, And Kellanova Are The Three Largest Companies In The Snack Bar Industry, With The 4 Largest Food Food Companies In The Cookies And Cracker Business, Including Kellanova Making Up 60% Of Sales. "The top 3 companies, including General Mills, Mars and Kellanova, own over 60% of snack bar sales, making the acquisition a potential antitrust concern. The top 4 companies,

including Kellanova, own around 60% of cookie and cracker sales. Likewise, the top 3 companies, including Mars, own over 80% of candy sales." [Forbes, [08/18/24](#)]

- **HEADLINE: "What The Mars-Kellanova Deal Will Really Cost Consumers."** [Forbes, [08/18/24](#)]

Food & Water Watch (FWW)—A Nonprofit That Mobilizes At The Local, State And Federal Levels To Protect Food And Water—Urged The Federal Trade Commission To Block The Potential Merger Warning It Will Further Lead "Corporate Kingpins" To Consolidate An Already Highly Consolidated Market, Putting Consumers' Health And Finances At Risk.

Food & Water Watch (FWW) Warned That The \$36 Billion Merger Between Mars And Kellanova Would Lead To The Snack And Cereal Bar Market Becoming Highly Consolidated, With Kellogg's And Mars Controlling 49 Percent Of The Market In 2022 Alone. "On Wednesday, Mars Inc. announced plans to acquire Kellanova, a spin-off of Kellogg's snack division, in a \$36 billion effort to dominate the snack market. In 2022, just four corporations cornered over two-thirds of the snack and cereal bar market — Kellogg's and Mars alone controlled 49 percent. Post acquisition, Mars could take in half of all snack and cereal bar sales, making the market highly consolidated and triggering federal review." [Food And Water Watch, [08/14/24](#)]

- **According To Its Website, FWW Organizes People At The Local, State And Federal Level To Protect Food And Water.** "To protect our food, water, and climate, we organize people around the country to build political power. We mobilize at the local, state, and federal levels to win the fights others are afraid to even take on." [Food & Water Watch, accessed [08/21/24](#)]

FWW Also Said The Potential Merger Would "Lea[d] To Few Consumer Choices And Rising Food Prices" As Evidenced By The Kraft-Heinz Merger That "Solidified The Conglomerate's Dominance Across One-Fifth Of Food Categories." "Research from Food & Water Watch and the Federal Trade Commission detail how growing market concentration leads to fewer consumer choices and rising food prices. As recently as 2015, a Kraft-Heinz mega-merger solidified the conglomerate's dominance across one-fifth of food categories considered in FWW's report." [Food And Water Watch, [08/14/24](#)]

FWW Research Director Amanda Starbuck Said, "A Shrinking Number Of Ever-Larger Corporations Control A Growing Share Of The Food We Buy, Putting Decisions About Our Health And Finances In The Hands Of Corporate Kingpins" And Urged The Federal Trade Commission To Intervene And Block The Merger:

In response, **Food & Water Watch Research Director Amanda Starbuck** issued the following statement:

"American grocery shoppers are suffering from high prices and fewer choices on the shelves — Mars' Kellanova acquisition would only make it worse. While processed food giants stand to ramp up profits from snack market domination, the American consumer will lose out with higher costs and fewer healthy options. A shrinking number of ever-larger corporations control a growing share of the food we buy, putting decisions about our health and finances in the hands of corporate kingpins. We must reverse this trend.

"The Biden-Harris administration has committed to reining in the food monopolies. The Federal Trade Commission must intervene to block this destructive corporate coupling."

[Food And Water Watch, [08/14/24](#)]

American Economic Liberties Project Director Of Policy Morgan Harper Urged The FTC To Block The Potential Mars-Kellanova Merger, Saying It "Represents Yet Another Alarming Step In The Cycle Of Consolidation That Drives Up Food Prices."

American Economic Liberties Project Director Of Policy Morgan Harper Said, The Mars Acquisition Of Kellanova "Represents Yet Another Alarming Step In The Cycle Of Consolidation That Drives Up Food Prices" And Puts Pressure On Large Food Producers To Merge To Counter Big Grocer Power. "'This deal, likely in reaction to increasing grocery retail concentration, represents yet another alarming step in the cycle of consolidation that drives up food prices for small businesses and consumers across the country,' said Morgan Harper, Director of Policy and Advocacy at the American Economic Liberties Project. 'Consolidation in grocery stores, like the attempted Kroger-Albertsons transaction, leads to consolidation from other parts of the supply chain, as manufacturers feel pressure to merge and acquire to counter the power of big grocery chains. The result is a handful of powerful companies dominating our grocery aisles and stores, which leads to fewer choices and higher costs at check out.'" [American Economic Liberties Project, [08/20/24](#)]

- **Harper Urged The Federal Trade Commission To Block The Potential Merger And Protect Consumers From Additional Price Hikes.** "'Just like in Kroger-Albertsons, the FTC should continue its strong track-record of tackling food consolidation head on by blocking this deal and protecting American consumers from further price hikes.'" [American Economic Liberties Project, [08/20/24](#)]

The Mars Family Is Estimated To Hold A Combined Net Worth Of \$117 Billion—Making Them The Second Richest In The U.S.—With Siblings Jacqueline And John Owning Roughly Two-Thirds Of The Company And The Remaining Stakes Held By The Four Daughters Of Their Late Brother Forrest Mars Jr.

As Of February 2024, The Mars Family Is The Second Richest American Family With A Combined Net Worth Of \$117 Billion.

As Of February 2024, The Mars Family Is The Second Richest American Family With A Combined Net Worth Of \$117 Billion:

F PROFILE

Mars family

\$117B 2024 America's Richest Families Net Worth
as of 2/8/24

[...]

Forbes Lists

#2 America's Richest Families (2024)

[Forbes, accessed [09/10/24](#)]

Heiress Jacqueline Mars, Has An Estimated Net Worth Of \$47.6 Billion And Owns One-Third Of Mars, Inc. While Her Brother Has An Estimated Net Worth Of \$46.5 Billion.

Heiress Jacqueline Mars Has An Estimated Net Worth Of \$47.6 Billion And Owns Approximately One-Third Of Mars. [Forbes, accessed [09/10/24](#)]

Jacqueline's Brother John Also Holds A Significant Stake In Mars, Inc. And Had An Estimated Net Worth Of \$46.5 Billion According To Bloomberg, With Jacqueline Ranking As The Richest Woman In Virginia And John Ranking As The Richest Person In Wyoming. "Currently, 84-year-old Jacqueline and 88-year-old John co-own — but don't actively manage — Mars Inc. They have the biggest share of the family fortune. Each has an estimated net worth of \$46.5 billion, according to the Bloomberg Billionaires Index. Forbes' 2024 list of the richest person in every state identified Jacqueline as the richest person in Virginia and John as the richest person in Wyoming." [Business Insider, [05/20/24](#)]

The Remainder Of The Company Is Owned By Forrest Mars Jr.'s Four Daughters Who Own An Equal Share. "Forrest Mars Jr. died in 2016 at the age of 84, leaving his stake to be split among his four daughters: Victoria Mars, Marijke Mars, Valerie Mars, and Pamela Mars-Wright." [Business Insider, [05/20/24](#)]

Profiteering

In August 2022, Then-Mars President Of Global Emerging Markets Blas Maquivar Said The Company Launched Smaller Pack Sizes In Several Countries "Which Allows Us To Keep Certain Price Points" In Case Consumers Cannot Afford Price Hikes, With Mars Subsidiary, Galaxy, Hiking Its Prices While Lowering Sizes, With A Spokesperson Claiming In September 2023 It Would Allow The Company To Not Compromise On "Taste Or Quality."

In August 2022, Mars' Then-President Of Global Emerging Markets Blas Maquivar, Who Is Now The Company's President Of Health & Wellness, Said Mars Launched Several Smaller Package Sizes To Create "A Safety Net To Catch The Consumers" If They Could Not Afford Price Hikes.

August 2022: Mars' Then-President Of Global Emerging Markets Blas Maquivar Said Mars Launched Smaller Pack Sizes In Several Countries "Which Allow Us To Keep Certain Price Points" In Case Consumers Cannot Afford Price Hikes, Creating "A Safety Net To Catch The Consumer":

The pandemic followed by the Ukraine-Russia war has plunged the global economy into a severe recession and inflation. Like most FMCG companies, chocolate major Mars Wrigley has little but to increase prices of its products. "In several countries we have launched new formats and smaller pack sizes which allow us to keep certain price points so that if we increase prices on a certain product and if the consumer decides not to go to that price, we will still have an offering at a lower price point. This enables us to have a safety net to catch the consumer," says Blas Maquivar, president (global emerging markets), Mars Wrigley.

[Fortune India, [08/09/22](#)]

- **"FMCG Stands For Fast-Moving Consumer Goods Products Sold Quickly And Relatively Cheaply."** "FMCG stands for Fast-Moving Consumer Goods products sold quickly and relatively cheaply. Some examples of FMCG products include packaged foods, beverages, toiletries, cosmetics, cleaning supplies, and other low-cost household items." [Deliverect, accessed [08/19/24](#)]
- **April 2024: Mars Named Blas Maquivar As President Of Health & Wellness, Mars Snacking.** "Mars, a global leader in confectionery, snacking, food and pet care products and services, announces that it has appointed Blas Maquivar as Global President, Health & Wellness, Mars Snacking. With a tenure at Mars spanning nearly 14 years, Maquivar will oversee the company's expanding Health &

Wellness portfolio including brands Nature's Bakery, Trü Frü and KIND, the latter of which has expanded to 30 global markets outside of the U.S. and Canada since Mars took full ownership in 2020." [Mars, Inc., [04/25/24](#)]

In 2022, Prices For Starburst And Skittles Rose 35% And 42%, Respectively From 2021.

In 2022, Prices For Starburst And Skittles, Both Of Which Are Made By Mars, Rose 35% And 42% YoY From 2021, The Biggest Hikes For Candy. "Still, Datasembly, which tracks product data, said Mars's Starburst and Skittles have had the biggest price increases—35% and 42%, respectively, since last year—compared with 10 other popular Halloween candies." [The Wall Street Journal, [10/25/22](#)]

In September 2023, UK-Based Mars Subsidiary Galaxy Reduced The Size Of Its Chocolate Bars Despite Increasing Its Price, With A Spokesperson Claiming It Would Allow The Company To Not Compromise On Taste Or Quality For Its Customers.

September 2023: Galaxy, A Subsidiary Of Mars, Reduced The Weight Of Its Chocolate Bars By 10 Grams. "Galaxy has cut the size of its chocolate bars in the latest example of so-called 'shrinkflation' across UK supermarkets. The chocolate brand, which is owned by food conglomerate Mars, has reduced the weight of its Smooth Milk bars from 110g to 100g." [The Telegraph, [09/25/23](#)]

Despite Decreasing The Size Of Its Bars, The Prices For Milk Galaxy Bars Increased From July 2022. "However, while the size has dropped, the price on supermarket shelves has increased. A 100g Smooth Milk Galaxy bar now costs £1.25 in Tesco, up from 99p for a 110g equivalent in July 2022. Food manufacturers have been scrambling to fight inflation over the past year, which has led to a steep rise in the price of many ingredients." [The Telegraph, [09/25/23](#)]

A Spokesperson Claimed The Decision To Shrink The Size Of Its Bars Was Necessary So Shoppers Didn't Have To Compromise On Quality Or Taste. "'Unfortunately, the growing pressures mean that more needs to be done. Reducing the size of our products is not a decision we have taken lightly but it is necessary for shoppers to still be able to enjoy their favourite Galaxy treats without compromising on quality or taste.'" [The Telegraph, [09/25/23](#)]

In Q4 2023, Kellanova Ultimately Hiked Prices 8.1% YoY As The Company Netted \$964 Million In Profit For The Year With Quarterly Profits Increasing 127%, As Kellogg Boosted Its Sales Forecast In August 2023 Thanks To Price Increases Of 14.7% YoY While It Was In Discussions To Spin Off Kellanova.

In Q4 2023, Kellanova Beat Wall Street Estimates After It Used Its "Brand Power" To Raise Prices 8.1% YoY, Leading The Company To See \$964 Million In Net Income For The Year With Quarterly Profits Increasing 127%.

February 2024: Kellanova Beat Wall Street Estimates Thanks To Price Increases At A Time It "Ha[d] Been Using Its Brand Power To Steadily Raise Product Prices To Protect Margins." "Kellanova (K.N), topped Wall Street estimates for quarterly sales and profit on Thursday, as demand for its ready-to-eat pop-tarts and other convenience foods held steady in the face of increased prices, sending its shares up 2% in

early trading. The Pringles maker, like other global packaged food makers, has been using its brand power to steadily raise product prices to protect margins from the impact of higher costs." [Reuters, [02/08/24](#)]

- **In Q4 2023, Kellanova Hiked Its Product Prices By 8.1% YoY.** "Kellanova's product prices rose by 8.1% in the reported quarter, pushing its organic quarterly volumes down 1.2%." [Reuters, [02/08/24](#)]

Ultimately, Kellanova Saw Its Net Income For The Year Increase Slightly To \$964 Million, While Quarterly Increased to \$27 Million From A Prior-Year Loss Of \$99 Million:

(unaudited)	Year ended	
	December 30, 2023	December 31, 2022
Operating activities		
Net income	\$ 964	\$ 962

[Kellanova, [02/08/24](#)]

(Results are unaudited)	Quarter ended	
	December 30, 2023	December 31, 2022
[...]		
Net income (loss) attributable to Kellanova	\$ 27	\$ (99)

[Kellanova, [02/08/24](#)]

In August 2023, Kellogg Boosted Its Sales Forecast For The Remainder Of 2023 Off The Backs Of A Staggering 14.7% In Price Increases YoY As The Company Was Working On The Separation Of Its Snack And Cereal Businesses.

August 2023: As Kellanova And Kellogg Worked On Its Separation Into Two Companies, Kellogg Boosted Its Sales Forecast Due To A 14.7% Increase In Prices YoY From 2022. "Kellogg boosted its 2023 sales forecast amid a 14.7% year-over-year increase in prices during the last quarter as consumers continue to combat inflation at the grocery store, the company reported in its most recent quarterly earnings report." [Food Dive, [08/03/23](#)]

- **July 2023: The Company Filed A Separation Form With The Securities And Exchange Commission.** "The company said it is making progress on its plans to split into two businesses — Kellanova for snacks and WK Kellogg Co for cereal —that is projected to take place in the fourth quarter. Last week, Kellogg filed a separation form with the SEC, outlining how WK Kellogg Co's brands will operate following the separation." [Food Dive, [08/03/23](#)]

Kellanova CEO Steve Cahillane Defends Price Gouging

Kellanova CEO Steve Cahillane Is Expected To Earn A Nearly \$81 Million Payout When He Leaves The Company And Recently Told Investors On An August 2024 Earnings Call, Two Weeks Before His Company Was Acquired By Mars, That "Consumers Are Getting More Used To [Higher] Prices."

Kellanova's CEO Steve Cahillane Is Set To Earn A Payout Of Nearly \$81 Million Upon Leaving The Company.

Kellanova's CEO Steve Cahillane Is Due To Earn A Nearly \$81 Million Payout When He Exits The Company Upon The Deal's Closure. "The CEO of Chicago-based Kellanova will get a big payout after a merger with the Mars candy company. Mars announced plans this week to buy Kellanova, the Kellogg spinoff, for \$36 billion. Crain's reports Kellanova's CEO Steve Cahillane is in line for a nearly \$81 million payout when he exits after the deal closes." [WGN Radio 720, [08/16/24](#)]

- **Cahillane Is Currently Kellanova's President And CEO And Previously Joined Kellogg In October 2017 As President And CEO Before Becoming Chair Of The Board In March 2018.** "Steve Cahillane Chairman, President and Chief Executive Officer Kellanova [...] Steve Cahillane joined Kellanova, previously Kellogg Company, in October 2017 as President and Chief Executive Officer. He became Chairman of the Board in March 2018." [Kellanova, accessed [08/22/24](#)]

In August 2024, Kellanova CEO Cahillane Told Investors On An Earnings Call Just Two Weeks Before The Company's Acquisition By Mars That "Consumers Are Getting More Used To [Higher] Prices."

August 1, 2024: During Kellanova's Most Recent Earnings Call And Just Two Weeks Before Its Acquisition By Mars, Cahillane Told Investors That "Consumers Are Getting More Used To [Higher] Prices." "Steve Cahillane [...] We've all been impacted by extraordinary input cost inflation. So we've had to take a lot of price. The consumers obviously reacted to that. But a lot of that price discovery has happened. Consumers are getting more used to these prices." [Seeking Alpha, [08/01/24](#)]

- **August 14, 2024: Mars Announced A Definitive Agreement To Acquire Kellanova For Approximately \$36 Billion.** "Mars, Incorporated, a family-owned, global leader in pet care, snacking and food, and Kellanova (NYSE: K), a leading company in global snacking, international cereal and noodles, North American plant-based foods and frozen breakfast foods, today announced that they have entered into a definitive agreement under which Mars has agreed to acquire Kellanova for \$83.50 per share in cash, for a total consideration of \$35.9 billion, including assumed net leverage." [Mars, [08/14/24](#)]

In May 2024, Cahillane Boasted That The Company's "Stronger Commercial Plans [Were] Taking Hold" After Organic Sales Rose 5.4% YoY, Partly Thanks To Price Increases Of 4.8% In The U.S. As "Activist Hedge Fund" TOMS Capital Investment Management Said It Took A "Significant Stake" In Kellanova.

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May 2024: CEO Steve Cahillane Said During Its Q1 2024 Earnings Call That The Company's "Stronger Commercial Plans Are Taking Hold" After Organic Sales Rose 5.4% YoY Thanks To Prices That Climbed 4.8% YoY In The U.S. "Kellanova organic sales rose 5.4% from the prior year in its most recent quarter after the snacking company increased prices in North America by 4.8%. CEO Steve Cahillane said on its earnings call the company's 'stronger commercial plans are taking hold,' and that it is progressing ahead of schedule in improving its profitability." [Food Dive, [05/07/24](#)]

The Strong Earnings Came As "Activist Hedge Fund TOMS Capital Investment Management Had Taken A 'Significant' Stake" In Kellanova. "The earnings news came as Reuters reported activist hedge fund TOMS Capital Investment Management had taken a 'significant' stake in the Cheez-It and Pringles manufacturer, according to anonymous sources. Cahillane chose not to comment on the reported investment in an interview with CNBC." [Food Dive, [05/07/24](#)]

TOMS Capital CEO Is Noam Gottesman, A Hedge Fund Investor Who Launched Nomad Foods, One Of Europe's Largest Frozen Food Makers, And Has An Estimated Personal Net Worth Of \$2.2 Billion.

TOMS Capital CEO Noam Gottesman Has An Estimated Net Worth Of \$2.2 Billion As Of August 2024:

 PROFILE

Noam Gottesman

Chief Executive Officer, TOMS Capital

\$2.2B Real Time Net Worth
as of 8/23/24
▲ \$5M (0.22%) #1483 in the world today

[Forbes, accessed [08/23/24](#)]

"In 2014, Gottesman Cofounded Nomad Foods, Which Is Today Europe's Largest Frozen Food Company." "In 2014, Gottesman cofounded Nomad Foods, which is today Europe's largest frozen food company." [Forbes, accessed [08/23/24](#)]

During Its First Earnings Call With Investors Following Its Split From Kellogg's, Kellanova's CEO Boasted That Consumers Were "More Used To Different Price Points" While Boasting That Its Noodle Business "Continues To Post Exceptional Growth" Despite Price Hikes.

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November 2023: During Kellanova's Q3 2023 Earnings Call, Cahillane Said That Its Noodles Business "Continues To Post Exceptional Growth Even As It Begins To Lap Substantial Price Increases." "And then we come to noodles and others shown on Slide number 27. This business continues to post exceptional growth even as it begins to lap substantial price increases taken last year to offset cost inflation and weakened currencies." [Seeking Alpha, [11/08/23](#)]

- **October 2023: Kellanova Completed Its Split From Kellogg's.** "Kellogg Company's split into two independent, publicly traded companies is now complete. Kellanova, focused on global snacking, international cereal and noodles and North American frozen foods, on Monday announced the completed spinoff of its North American cereal business into WK Kellogg Co." [Battle Creek Enquirer, [10/02/23](#)]

Cahillane Also Told Investors "Consumers Are Becoming Much More Used To Different Price Points." "But I think we're probably at the high watermark in terms of elasticities. As we go into next year, we're lapping a lot of this pricing. Consumers are becoming much more used to different price points." [Seeking Alpha, [11/08/23](#)]

Since Q1 2023, Kellanova Has Spent \$1.1 Billion On Cash Dividends And \$170 Million On Stock Buybacks.

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During FY 2023, Kellanova Spent \$800 Million On Cash Dividends And \$170 Million On Stock Buybacks:

	Year ended	
	December 30, 2023	December 31, 2022
[...]		
Common stock repurchases	(170)	(300)
Cash dividends	(800)	(797)

[Kellanova, [02/08/24](#)]

So Far In 2024, Kellanova Has Spent \$383 Million On Dividends And Paused Its Stock Buybacks:

	Year-to-date period ended	
	June 29, 2024	July 1, 2023
[...]		
Common stock repurchases	—	(60)
Cash dividends	(383)	(404)

[Kellanova, [08/01/24](#)]