Diet and health trends drive PE food deals in 2026

Portage Point's managing director Peter Mangan expects a surge in deal activity in the sector; however, brands without better-for-you offerings may struggle.

Iris Dorbian

Private equity dealmaking in the food sector is gravitating toward better-for-you targets that emphasize health and wellness in 2026. It's a trend consistent with diet-conscious consumers increasingly turning to lower-calorie, high-protein food, Peter Mangan, managing director at investment bank and adviser Portage Point Partners, told *PE Hub*. Mangan, who is based in New York and focuses on the consumer, food and retail sectors, projects this development will last through the year.

Like many sectors last year, dealmaking in the food sector was sluggish amid tariffs and economic concerns. Yet, even with the downturn, the recession-resistant sector held its own and then some. Notable examples range from **Brynwood Partners**-backed Hometown Food Company **agreeing to acquire legacy US canned pasta brand Chef Boyardee** from Conagra for $600 million to **Investindustrial** inking a **$2.9 billion take-private buyout of TreeHouse Foods**, a snack and beverage manufacturer based in an Oakbrook, Illinois.

Still, there are headwinds for the wider sector, noted Mangan. Inflation continues to exact a toll on people's wallets, prompting some PE buyers to exercise caution. Also, the public's avid preoccupation with nutrition is impelling many food shoppers to steer clear of sugary snacks on retail shelves. Despite this, investor appetite looks to be robust.

Mangan, who advised **Kelso & Company** portco Eagle Foods on its **July 2022 $610 million acquisition of Helper and Suddenly Salad** from General Mills, shared his insights on the factors determining valuations in PE food deals, as well as his forecast for the exit market in 2026.


Peter Mangan, Portage Point Partners

What are some trends you're seeing when it comes to private equity deals in the food sector?

Private equity has been more focused on investing in brands and manufacturing businesses, which are currently realizing strong growth driven by underlying segment tailwinds, particularly better-for-you food, high-protein snacks, ethnic food, nutrition, fresh/frozen offerings and premium pet nutrition. Many PE firms also are focusing on building out multi-brand platforms in food and beverage, but the bar is high for strategic acquisitions. They must fit squarely within a firm's existing portfolio and deliver meaningful synergies.

Which food sub-sectors do you think will attract the strongest private equity interest this year and why?

Better-for-you foods, especially protein-centric offerings, will continue to be front and center, as well as brands that support overall nutrition and wellness, which have benefited from consistent GLP-1 adoption.

The rate of penetration for GLP-1s has been very fast, and continued adoption will likely have a large impact on the medium- and long-term growth of many categories. Perimeter-of-the-store brands are generating more interest than center-of-the-store brands given long-standing secular tailwinds.

What are some challenges you're seeing for the space this year?

Many of the food deals taken to market over the last 12 months did not transact in many cases given a significant bid-ask spread between the buyer and seller. PE investors will continue to be cautious as they evaluate new food investments given significant inflation over recent years and impact on purchase volumes, challenging consumer confidence levels and GLP-1 impacts on consumer purchasing habits.

What specific factors are affecting valuations in private equity food deals?

As the adoption rate of GLP-1s increases, they are continuing to exert measurable impact on snacking behaviors. Wellness-focused brands and those benefiting from GLP-1 adoption are seeing valuation momentum. In addition, certain categories that are experiencing strong volume growth include energy, hydration, functional beverages, better-for-you branded food and pet nutrition. Confectionary, snacking and baked goods without better-for-you offerings continue to struggle.

What's your forecast for the exit market in the food sector this year?

I expect to see an increase in overall food M&A activity. There are several PE-backed food companies that were marketed over the last 18 months that did not transact. Many of these companies will look to complete a transaction this year. Separately, large corporates are continuing to evaluate divestitures as they optimize their brand portfolios, which will continue to create new acquisition opportunities for financial sponsors or existing food platforms with the ability to do accretive M&A. Emerging growth, better-for-you food brands are also going to be active in both the private equity and strategic deal arena.