

Mondelez plans to concentrate more on healthy snacks

September 10 2015

Mondelez, the company behind the Oreo and Cadbury brands, says that it plans to have 50 percent of its portfolio contain healthy snacks within the next five years.

Healthy snacks currently comprise more than a third of its total revenue, according to Executive Vice President and Chief Growth Officer Mark Clouse.

Major food companies, such as Kellogg, General Mills and others, are shifting from foods that are perceived by some consumers as too processed to options that are considered healthier.

Clouse said Thursday that Mondelez International Inc. is looking to simplify ingredients and nutritional information for its products as it develops new goods to meet consumer demand for healthier items. The executive said that the company expects to focus 70 percent of new product development efforts on healthy goods over the next five years.

Mondelez maintained its forecast for 2015 organic net revenue to climb at least 3 percent.

The company, which also makes products like Ritz crackers and Trident gum, has been slashing costs to offset weak growth. Cost-cutting has become common for major packaged food companies, which are up against volatile economic conditions overseas and shifting tastes that favor foods marketed as fresher or more natural.

Mondelez said Thursday that it would reinvest some of its cost savings into additional advertising and consumer support.

Mondelez split from Kraft Foods in late 2012, a move that was intended to allow each company to work with a more focused portfolio of brands. Mondelez took the snacks like Oreo and Chips Ahoy, while Kraft Foods held onto North America grocery brands like Jell-O and Oscar Mayer. Kraft was purchased by H.J. Heinz Co. this year, creating Kraft Heinz - one of the world's biggest food and beverage companies.

Last month activist investor Bill Ackman's Pershing Square disclosed that it took a 7.5 percent stake in Mondelez that was worth about \$5.5 billion.

Mondelez Class A shares rose 39 cents to close at \$42.38. Its shares are up more than 19 percent over the past year.

© 2015 The Associated Press. All rights reserved.

Citation: Mondelez plans to concentrate more on healthy snacks (2015, September 10) retrieved 23 May 2024 from <https://medicalxpress.com/news/2015-09-mondelez-healthy-snacks.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--