

Deal of the Week: JAB to Buy Keurig Green Mountain for \$13.9B

Announcement Date	<ul style="list-style-type: none"> December 7, 2015 	
Acquirer	<ul style="list-style-type: none"> JAB Holding Company 	
Acquirer Description	<ul style="list-style-type: none"> European consumer products conglomerate 	
Target	<ul style="list-style-type: none"> Keurig Green Mountain, Inc. (NASDAQ: GMCR) 	
Target Description	<ul style="list-style-type: none"> Produces and sells coffeemakers and specialty coffee in the United States, Canada, and internationally Founded in 1981 and headquartered in Waterbury, Vermont 	
Target Financial Statistics	<ul style="list-style-type: none"> Mkt Cap: \$13.4 billion EV: \$8.1 billion LTM Revenue: \$4.5 billion 	<ul style="list-style-type: none"> LTM EBITDA: \$1.1 billion LTM EV / Revenue: 1.8x LTM EV / EBITDA: 7.6x
Target Advisors	<ul style="list-style-type: none"> Bank of America and Credit Suisse provided fairness opinions to Keurig Green Mountain 	
Price / Consideration	<ul style="list-style-type: none"> Price: \$13.9 billion 	<ul style="list-style-type: none"> Consideration: Cash
Rationale	<ul style="list-style-type: none"> Acquiring Keurig Green Mountain is JAB's latest and biggest move yet to capitalize on consumers' craving for coffee "Keurig Green Mountain represents a major step forward in the creation of our global coffee platform," Bart Becht, the chairman of JAB, said in the statement. "Keurig Green Mountain will operate as an independent entity to ensure it will further build on its coffee and technology strength and continue to serve all its partners to the best of its abilities." "This transaction will deliver significant cash value for our shareholders and offers an exciting new chapter for our customers, partners and employees by combining Keurig Green Mountain with JAB's global coffee platform," added Brian Kelley, CEO of Keurig Green Mountain 	
Deal Points	<ul style="list-style-type: none"> JAB will acquire Keurig Green Mountain for \$92 a share in cash, a 78% premium over its stock price on Dec. 4 To acquire Keurig, JAB joined with several firms that are already investors in Jacobs Douwe Egberts. These co-investors include Mondelez International and BDT Capital Partners 	
Of Note	<ul style="list-style-type: none"> With Keurig Green Mountain, JAB is quietly becoming a major dealmaker in the U.S. after a string of acquisitions targeting food and beverage brands. It holds a majority interest in Jacobe Douwe Egberts, and has a controlling holding of coffee chains like Caribou Coffee, Peet's Coffee & Tea, and Noah Einstein Bagels. JAB also owns Coty Inc., an acquisitive consumer products company that is in the process of buying Procter & Gamble's beauty division 	