

## Deal of the Week: JAB Holding to Buy Krispy Kreme for \$1.35B

Announcement Date	<ul style="list-style-type: none"> <li>• May 9, 2016</li> </ul>	
Acquirer	<ul style="list-style-type: none"> <li>• JAB Holding Company</li> </ul>	
Acquirer Description	<ul style="list-style-type: none"> <li>• Billionaire European family</li> <li>• Investment arm of the Reimann family, heirs to the German consumer goods conglomerate, Joh. A. Benckiser</li> </ul>	
Target Company	<ul style="list-style-type: none"> <li>• Krispy Kreme Doughnuts, Inc. (NYSE: KKD)</li> </ul>	
Target Description	<ul style="list-style-type: none"> <li>• Operates as a branded retailer and wholesaler of doughnuts, coffee and other complementary beverages, and treats and packaged sweets</li> <li>• Founded in 1937 and headquartered in Winston-Salem, North Carolina</li> </ul>	
Target Financial Statistics	<ul style="list-style-type: none"> <li>• Mkt Cap: \$1.3 billion</li> <li>• EV: \$1.0 billion</li> <li>• LTM Revenue: \$513.7 million</li> </ul>	<ul style="list-style-type: none"> <li>• LTM EBITDA: \$68.9 million</li> <li>• LTM EV / Revenue: 2.0x</li> <li>• LTM EV / EBITDA: 15.1x</li> </ul>
Acquirer Advisors	<ul style="list-style-type: none"> <li>• Barclays and BDT &amp; Company</li> </ul>	
Target Advisor	<ul style="list-style-type: none"> <li>• Wells Fargo</li> </ul>	
Price / Consideration	<ul style="list-style-type: none"> <li>• \$1.35 billion</li> </ul>	<ul style="list-style-type: none"> <li>• Cash</li> </ul>
Rationale	<ul style="list-style-type: none"> <li>• With the deal, the JAB Holding Company will add to its trove of coffee-oriented businesses, including Peet's Coffee &amp; Tea, Stumptown Coffee Roasters and Caribou Coffee</li> <li>• In December, JAB acquired Keurig Green Mountain for \$13.9 billion, its biggest bet yet in building its coffee empire</li> <li>• "We are thrilled to have such an iconic brand as Krispy Kreme joining the JAB portfolio," said Peter Harf, senior partner at JAB, in the statement. "This is yet another example of our commitment to investing in extraordinary brands with significant growth prospects."</li> </ul>	
Deal Points	<ul style="list-style-type: none"> <li>• JAB plans to acquire Krispy Kreme for \$21 a share in cash, a premium of more than 25% from Friday's closing price</li> <li>• BDT Capital Partners, the private equity firm led by Byron D. Trott, the former vice chairman of investment banking at Goldman Sachs, is investing alongside JAB and will hold a minority stake</li> </ul>	
Of Note	<ul style="list-style-type: none"> <li>• Krispy Kreme's shares jumped in Monday trading to just a few cents shy of the buyout offer price</li> <li>• Krispy Kreme is most famous for its doughnuts, but more recently, the company has been prioritizing coffee via new offerings and promotions</li> <li>• Krispy Kreme will remain independently operated from its headquarters in Winston-Salem, N.C., and will no longer trade on the public markets</li> <li>• JAB has been on a buying spree of consumer brands in recent years. It owns a range of companies like Coty, the cosmetics maker, and Jimmy Choo, the maker of sleek women's shoes</li> </ul>	