

## ISSUER COMMENT

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## JAB Holding Company S.a r.l.

Formation of two distinct veterinary businesses paves the way for IPOs, a credit positive

On 27 March, National Veterinary Associates, Inc (NVA), a pet healthcare company and an investment of [JAB Holding Company S.a r.l.](#) (JAB, Baa1 stable), announced that it will form two distinct businesses, Ethos Veterinary Health (Ethos) and NVA, with the aim of stock market listings for both entities in the next two to three years. The announcement is credit positive as – once Ethos and NVA are listed – JAB will have more asset monetisation options. A listing will also effectively increase investment portfolio transparency because it will expand the share of listed assets in JAB's investment portfolio and offer more regular public disclosure.

JAB started investing in the petcare business in 2019 and has grown these activities through a number of acquisitions in North America and Europe since. The fact that JAB seeks to list those investments on the stock market also reflects the scale JAB's petcare platform has attained. NVA and Ethos have sizeable revenues of \$4.0 billion and \$2.0 billion respectively.

After the separation, Ethos will consist of 145 specialty veterinary hospitals and NVA will continue to oversee approximately 1,400 locations consisting primarily of general practice veterinary hospitals in addition to equine hospitals and pet resorts.

JAB is a privately-held investment holding company in Europe focused on long-term investments in consumer goods and retail companies with premium brands having an investment portfolio worth around \$34.5 billion (excluding JAB Consumer Partners - JCP investments) as of 31 December 2022. JAB is majority-owned by Agnaten SE and Joh. A. Benckiser B.V.

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