

Research Update:

JAB Holding Affirmed At 'BBB' On JDE Peet's Sale; Outlook Stable

September 8, 2025

Rating Action Overview

- Luxembourg-based investment holding company JAB Holding Co. S.a.r.l (JAB) will receive about \$12.5 billion in proceeds from the planned sale of its portfolio's asset JDE Peet's (JDEP; 68.3% ownership) to Keurig Dr Pepper Inc. (KDP), upon closing planned in first-half 2026.
- We estimate that JAB will be in a net cash position based on the Dec. 31, 2024, portfolio value and debt figures and pro forma this transaction, the two block sales of KDP shares in February and May 2025 for about \$5.2 billion, and the acquisition of U.S.-based Prosperity Life Group.
- This provides meaningful headroom against the group's financial policy loan-to-value (LTV) target of 15%-20%. At the same time, we estimate the disposal will further reduce the group's share of listed assets to 20%-25%. We view this as relatively low for the rating.
- We therefore affirmed our long-term issuer credit rating on JAB and our issue rating on the company's unsecured debt at 'BBB'.
- The stable outlook reflects our expectation that JAB will maintain an S&P Global Ratings-adjusted LTV ratio below 20% while it looks to increase the diversification of its portfolio within consumers, services, and insurance without further reducing its share of listed assets.

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Rating Action Rationale

The JDEP sale provides JAB with meaningful deleveraging potential. We estimate the company will receive about \$12.5 billion in sales proceeds and turn its current significant net debt position into a net cash position. We base our calculation on the Dec. 31, 2024, portfolio value and debt figures pro forma the two block sales of KDP shares in February and May 2025 for about \$5.2 billion, and the acquisition of U.S.-based insurance company Prosperity. In our view, this provides JAB with material cushion compared with the S&P Global Ratings adjusted LTV downside threshold of 20% for the 'BBB' rating. We don't see immediate upside from the announced transaction; however, because the company has not indicated how it plans to allocate the JDEP sale proceeds, beyond the repayment of the financial liabilities held at Acorn Holdings BV (AHBV). JAB indicated its intention to fully repay the existing facilities of AHBV, an intermediate entity that warehouses the investments in JDEP and AHBV. The elimination of debt at the intermediate

holding level reduces complexity and interest payment and increases transparency over the portfolio. Our rating continues to incorporate JAB's current financial policy commitment of maintaining its reported LTV in the 15%-20% range under any market circumstances. We also think that the JDEP sale and block sales of KDP shares demonstrates JAB's strong financial discipline toward its leverage target.

The JDEP sale will further increase JAB's share of private investments as the listing of other key assets will not materialize before 2026. We estimate the holding company's share of listed assets will decline to 20%-25% pro forma the transaction and the investment in Prosperity, which is a negative factor for the rating. JAB's remaining public assets are its 4.4% stake in KDP along with its 44% and 51.8% stakes in Krispy Kreme and Coty, respectively, whose share prices have both retreated materially year-to-date (about 64% and 46%). Our rating incorporates our assumption that JAB's share of listed assets will not decline further from this low level and the company remains committed to float some of its unlisted assets in the next 12-24 months. JAB publicly communicated its intention to float bakery-cafe restaurant chain Panera Bread, and it has also announced plans to explore IPO opportunities for the two veterinary businesses that are part of its pet care platform, National Veterinary Association (NVA) and Ethos. We estimate that the share of listed investments could recover close to 60% if both are listed.

Higher interest income will partially offset JAB's lower dividend inflows. We anticipate the company's pro forma recurring dividend income will mainly rely on its remaining stake in KDP, which declined to 4.4% from 16% before the February and May 2025 block sales. We estimate its total dividend income could decrease to about \$55 million based on the dividend level paid by KDP this year, from \$400 million-\$500 million in 2023 and 2024. At the same time, we project net cash will boost JAB's interest income in 2026, such that it should maintain a cash flow adequacy ratio close to 1x, from 1.3x in 2024 and our 1x-2x estimate for 2025. In addition, while our base-case scenario does not assume dividend income from the insurance assets, we view favorably the company's improving sector diversification toward insurance. We think this could offer a new dividend stream uncorrelated to consumer products and retail.

Outlook

The stable outlook reflects JAB's commitment to operate within its financial policy of maintaining its reported LTV ratio at or below 20% while it increases the diversification of its portfolio within consumers, services, and insurance without further reducing its share of listed assets. In addition, we expect the company will remain committed to float some of its unlisted assets in the next 12 -24 months.

Downside scenario

We see the risk of a negative rating action as limited in the next 12 months, but we could lower our ratings on JAB if:

- It deviates from its financial policy, leading to an S&P Global Ratings-adjusted LTV ratio well above 20% without prospects for a rapid deleveraging; or
- Its share of listed assets would remain sustainably at the currently low levels of 20%-25% while its pro forma net cash position would turn into a meaningful net debt position.

Upside scenario

We could raise our ratings on JAB if:

- Its share of listed assets increased to above 60% through the listing of some of its private assets or other investments while it maintains its S&P Global Ratings-adjusted LTV below 20% sustainably; or
- It maintains its adjusted LTV well below 10% sustainably and commit to this lower leverage level under any market circumstance, while increasing its share of listed assets comfortably above 40% structurally.

Company Description

Investment holding company JAB focuses on defensive and fast-moving consumer goods and services, as well as consumer retail assets and insurance. After acquiring the National Veterinary Association, the company also has veterinary health care services. In 2022, it started investing in the pet insurance business. With the Prosperity transaction, JAB is expanding its investments into individual annuity and life insurance markets. The company actively manages most of its assets, with significant control and influence over the assets' capital structure and dividend flows.

JAB is privately held. All shares are fully paid and are not listed on any stock exchange. Together, Agnaten SE and Lucesca SE hold about 90% of the company through wholly owned subsidiary Joh. A. Benckiser B.V. (formerly Donata Holdings B.V.). JAB's management team and other investors hold the remaining stake.

Our Base-Case Scenario

Assumptions

- S&P Global Ratings-adjusted inflows of \$600 million-\$700 million in 2025, compared with \$598 million in 2024.
- Operating costs of \$100 million-\$110 million per year, in line with 2024's \$109 million.
- Interest expense of about \$350 million per year, in line with 2024 levels.
- Distributions to shareholders of about \$175 million per year.

Key metrics

JAB Holding Company S.a r.l.--Forecast summary

	2020a	2021a	2022a	2023a	2024a*	2025f§
Loan to value (%)	25.9	18.1	20.3	26.7	~23	Net cash
Cash flow adequacy (x)	2.1	1.7	2.5	2.0	1.3	1.0-2.0

All figures are adjusted by S&P Global Ratings, unless stated as reported. *2024 loan to value is pro forma the sales of KDP's shares in first half 2025 and the acquisition of Prosperity. §2025 loan to value is pro forma for the JDEP disposal in the first half 2026. a--Actual. f--Forecast.

Liquidity

We assess JAB's liquidity as strong. We estimate that its liquidity sources will exceed its needs more than 4x over the next 24 months. This is thanks to a long-term debt maturity profile and large cash holdings and revolving credit facilities (RCF).

The company's strong ties with banks and access to debt markets supports its liquidity. We think management is committed to supporting strong long-term liquidity. We further think JAB would likely absorb a high-impact event with limited need for refinancing. For the company, such a scenario would likely be a severe correction of market values for its listed shares, such as that seen during COVID-19.

Principal liquidity sources	Principal liquidity uses
<ul style="list-style-type: none">• Cash and cash equivalents of approximately \$3.3 billion as of Dec. 31, 2024;• Full availability of \$3.1 billion in RCFs with maturities longer than 24 months;• About \$12.5 billion proceeds from the JDEP sale;• Proceeds from the sales of its stakes in KDP, completed in February and May 2025, for about \$5.2 billion; and• Unstressed dividend and income inflows of \$600 million-\$700 million in 2025.	<ul style="list-style-type: none">• Debt maturities of about \$1 billion over the next 12 months, and \$0.8 billion over the following 12 months;• Repayment of liabilities at AHBV;• Operating expense of \$100 million-\$110 million per year;• Interest expense of about \$350 million per year;• Acquisition of Prosperity for about \$3.1 billion over the next 12 months; and• Distributions to shareholders of about \$175 million per year.

Issue Ratings--Subordination Risk Analysis

Capital structure

JAB Holdings B.V. is the financing subsidiary of JAB, where all the group's debt is issued. It is 100% owned by JAB through an intermediate holding company. JAB's gross debt totals about \$10.3 billion as of Dec. 31, 2024. The company does not have any stand-alone debt. It guarantees in full all the debt issued by JAB Holdings. The syndicated RCF and notes rank pari passu.

Analytical conclusions

In our view, there are no significant elements of subordination risk present in the capital structure, and we rate the senior unsecured debt 'BBB', in line with the long-term issuer credit rating.

Rating Component Scores

Rating Component Scores

Component	
Foreign currency issuer credit rating	BBB/Stable/--
Local currency issuer credit rating	BBB/Stable/--
Business risk	Fair
Country risk	Low
Industry risk	Intermediate
Investment position	Fair
Financial risk	Modest
Cash flow/leverage	Modest
Anchor	bbb-
Modifiers	
Liquidity	Strong (no impact)
Management and governance	Moderately negative (no impact)
Comparable rating analysis	Positive (+1 notch)
Stand-alone credit profile	bbb

Related Criteria

- [Criteria | Corporates | General: Corporate Methodology](#), Jan. 7, 2024
- [Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities](#), Jan. 7, 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments](#), April 1, 2019
- [Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings](#), March 28, 2018
- [Criteria | Corporates | Industrials: Methodology: Investment Holding Companies](#), Dec. 1, 2015
- [Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers](#), Dec. 16, 2014
- [General Criteria: Country Risk Assessment Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Methodology: Industry Risk](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [JDE Peet's N.V. Ratings Not Immediately Affected Following Announced Acquisition By Keurig Dr Pepper Inc.](#), Aug. 26, 2025

JAB Holding Affirmed At 'BBB' On JDE Peet's Sale; Outlook Stable

- [Keurig Dr Pepper Inc. Ratings Placed On CreditWatch Negative On Increased Debt Post-Acquisition](#), Aug. 25, 2025
- [JAB Holding Downgraded To 'BBB' On Lower Asset Liquidity; Outlook Stable](#), March 10, 2025

Ratings List

Ratings list

Ratings Affirmed

[JAB Holding Co. S.a r.l.](#)

Issuer Credit Rating	BBB/Stable/--
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[JAB Holdings B.V.](#)

Senior Unsecured	BBB
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