

## ***Herkules sells leading Nordic coffee shop chain Espresso House to JAB Holding Co.***

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**(Oslo, 2 June, 2015) Herkules Private Equity Fund III has entered into an agreement to sell leading Nordic coffee shop chain Espresso House to JAB Holding Co. ("JAB"), a privately held global investment company.**

Espresso House was established by Charles and Elisabet Asker in Lund, Sweden in 1996, and is one of the leading branded coffee shop chains in the Nordics. Espresso House serves more than 60,000 customers daily through its 193 shops across Sweden and Norway and will open more than 35 shops in 2015. Terms of the transaction were not disclosed.

Sverre Flåskjer, Managing Partner at Herkules Capital says: *"Our ambition with the Espresso House investment was to create the leading coffee shop chain in the Nordics. Together with management and all the employees of the company, we have implemented our strategic plan to expand to Norway and Finland, continue the roll-out of new stores in Sweden and increase the like-for-like growth. The plan has been vigorously executed and has returned results significantly above our expectations. During our ownership we have added almost 80 new shops, expanded into two new countries and doubled revenues and increased profitability margins. The company is now ready for its next development phase under the coffee expertise of JAB. Espresso House's strong brand coupled with its outstanding employees has resulted in impressive financials and a very successful exit for Herkules III."*

Adriano Capoferro, the CEO of Espresso House says: *"Our culture and our employees are what makes us successful. We are a strong leader in the Nordic coffee shop market and I am proud of what we have achieved in Espresso House. The entire team at Espresso House is very pleased with the valued input from Herkules active and strategic ownership and the enjoyable working relationship. We now look forward to being part of a privately owned group with reputable brands, high expertise and financial strength, which will enable us to continue the development of our company."*

*"Espresso House fits perfectly into our portfolio of leading premium coffee roasters and coffee retailers around the globe," said Peter Harf, of JAB Holding Co. "The management team has an outstanding track record and has turned Espresso House into one of the leading companies in one of the world's most attractive markets for coffee consumption. The company possesses favourable long-term fundamentals, giving it strong potential."*

Herkules Private Equity Fund III acquired Espresso House in 2012. The company's concept is focusing on high quality specialty coffee, and a broad menu of warm and cold drinks, hot and cold food, and bakery products served in nice and charming coffee shops. Espresso House has about 1,900 employees, all trained in house to become baristas. The company offers only Arabica single estate coffee, and all coffee shops are served by the company's own bakery. In 2014, the company reported revenues of SEK 937 million with an EBITDA margin of 15%, and passed 1 billion SEK in LTM turnover in April 2015. Espresso House's sales and EBITDA has more than doubled during Herkules' ownership.

JAB's global portfolio of assets includes a controlling stake in Peet's Coffee & Tea, a premier specialty coffee and tea company, a controlling stake in Caribou Coffee Company, a specialty retailer of high-quality premium coffee products, a controlling stake in Einstein Noah Restaurant Group, a quick-casual restaurant company, and a controlling stake in D.E Master Blenders 1753 B.V. ("D.E"), the world's leading pure play coffee and tea company. In May 2014, D.E announced an agreement with Mondelēz International Inc. to create Jacobs Douwe Egberts, which will combine the coffee

business of Mondelez with D.E to form the #2 FMCG coffee company in the world. Being part of JAB will enable Espresso House to further capitalise on growth opportunities and strengthen its position.

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**JAB Holding Company**, incorporated in Luxembourg, is a privately held group focused on long-term investments in companies with premium brands, attractive growth and strong margin dynamics in the Consumer Goods category. The group's portfolio includes a controlling stake in Coty Inc., a global leader in beauty, controlling stakes in luxury goods companies including Jimmy Choo, Bally and Belstaff, a controlling stake in Peet's Coffee & Tea Inc., a premier specialty coffee and tea company, a controlling stake in Caribou Coffee Company, a specialty retailer of high-quality premium coffee products, a controlling stake in Einstein Noah Restaurant Group, Inc., a leading company in the quick-casual segment of the restaurant industry, and a controlling stake in D.E Master Blenders 1753 B.V. ("D.E."), an international coffee and tea company. In May 2014 D.E. announced an agreement with Mondelez International Inc. to create Jacobs Douwe Egberts, which will combine the coffee business of Mondelez with D.E. to form the second FMCG coffee company in the world controlled by JAB. JAB also owns a minority stake in Reckitt Benckiser PLC, a global leader in health, hygiene and home products. JAB is overseen by its three Senior Partners, Peter Harf, Bart Becht (Chairman) and Olivier Goudet (CEO).

**Espresso House** is the largest branded coffee shop chain in the Nordics, with 174 directly owned shops in Sweden and 19 shops in Oslo, Norway. During 2015 more than 35 new shops will be opened, including entry into Finland. Espresso House focus on offering high quality specialty coffee, but offers also a broad menu of warm and cold drinks, hot and cold food and bakery products. Espresso House has about 1900 employees, all trained in house to become a barista. The company offers only Arabica single estate coffee, and all coffee shops are served by the company's own bakery. You can find further information on [www.espressohouse.se](http://www.espressohouse.se).

**Herkules** is a leading Private Equity firm in Norway and has raised funds with committed capital totalling approximately NOK 15 billion. We invest in companies located in the Nordic region, primarily in Norway, and acquire majority interests in established businesses with strong growth potential. We have a proven experience in working in partnership with existing shareholders. Our approach to ownership is industrial and long term, and is built on fundamental respect for the history, culture and experience within each individual company. More information can be found at [www.herkules.no](http://www.herkules.no).

Herkules was advised by ABG Sundal Collier, Roschier and PWC. JAB was advised by Mannheimer Swartling and PWC.