

Research Update:

JAB Holding 'BBB' Rating Affirmed; Outlook Stable

June 18, 2026

Rating Action Overview

- Luxembourg-based investment holding company JAB Holding Co. S.a.r.l. (JAB) sold its remaining 4.3% stake in Keurig Dr Pepper Inc. (KDP) through a block sale for a total consideration of about \$1.8 billion. This follows the disposal of JDE Peet's (JDEP) to KDP completed in April 2026; for which JAB received about \$8.5 billion in net proceeds after the settlement of liabilities at intermediate holding Acorn Holding BV.
- We estimate that JAB's S&P Global Ratings-adjusted loan-to-value (LTV) ratio decreased to 1%-2% at year-end 2025 pro forma these transactions. At the same time, due to the disposal of JDEP and KDP, JAB's share of listed assets dropped to a low of about 10%.
- We expect that the group will balance future investments and disposals to operate with a buffer toward its new LTV target of 15%, which was tightened from 20% before.
- 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 JAB's commitment to operate within its financial policy of maintaining its reported LTV ratio at or below 15%. It also embeds our expectation that JAB will increase the share of listed assets to close to 40% in the next 18-24 months.

Rating Action Rationale

The disposals of JDEP and KDP have allowed JAB to meaningfully reduce its leverage. The company received about \$8.5 billion in net proceeds, after repayment of the financial liabilities held at Acorn Holdings BV, an intermediate entity that warehoused the investments in JDEP and in KDP. JAB will also receive proceeds of about \$1.8 billion from the sale of KDP shares. Based on the Dec. 31, 2025 portfolio value and debt figures pro forma the JDEP and KDP transactions, and the capital commitment of about \$150 million for the acquisition of two entities within the insurance platform, we estimate that JAB's LTV ratio decreased to 1%-2%. This is significantly down from about 23% previously and well below the group's new LTV ceiling of 15%. All else being equal, we estimate that a breach of the 15% LTV ceiling would require the portfolio value to decrease by about 90% or more. We expect the group will balance future investments and disposals to operate with a buffer toward its LTV target of 15%.

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JAB remains committed to float some of its unlisted assets in the next 18-24 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 NVA, its veterinary business part of its pet care platform. Following the disposal of JDEP and KDP, JAB's share of listed assets will drop to a low of about 10%. We estimate that the share of listed investments could recover close to 50%-55% if both Panera Bread and NVA are listed. JAB's remaining public assets are its 44% stake in Krispy Kreme (unrated) and its 51.5% stake in Coty Inc. (BB+/Negative/--). The price fall in 2025 of Krispy Kreme shares by 59% and in Coty' shares by 55% has also reduced the weight of listed assets in JAB's portfolio. Krispy Kreme's management launched a turnaround plan in third quarter 2025, looking to restore positive free cash flow generation in 2026 through a shift to a more asset light business model with franchises. Coty's turnaround plan is centered on portfolio simplification, debt reduction, and restoring growth, while free cash flow generation has remained solid. We note that Coty's shares currently trade at a discount to large peers such as Estee Lauder or L'Oreal.

JAB's large cash balances mitigate its weak cash flow adequacy ratio. We anticipate the company's dividend income will mainly rely on its ability to upstream dividends from its unlisted investee assets. We estimate that the group's dividend income could decrease to about \$150 million-\$200 million in 2026 from about \$240 million in 2025 and \$400 million-\$500 million in both 2023 and 2024. Even if JAB's cash flow adequacy ratio (dividend and interest income over interest expenses and operating expenses) were to decrease temporarily to below 0.7x as the group rotates assets, we think that its access to large cash balances of about \$11 billion as of December 2025, proforma the JDEP and KDP transactions, provides a cushion to any short-term shortfall in the cash flow adequacy ratio. Any significant reduction in these cash balances, such as through further investments, could however reduce the headroom.

JAB's portfolio is not directly exposed to the war in the Middle East. Its exposure resides mostly in the potential indirect effects linked to a prolonged war in terms of inflation and interest rate hikes that could have adverse repercussions on demand for its consumer businesses. On the other hand, the group's exposure to the life insurance sector, accounting for about 24% of the total portfolio, provides diversification benefits to these risks.

Outlook

The stable outlook reflects JAB's commitment to operate within its financial policy of maintaining its reported LTV ratio below 15%. It also embeds our expectation that JAB will increase the share of listed assets to close to 40% in the next 18-24 months.

Downside scenario

We could lower our ratings on JAB if it deviates from its financial policy, leading to an LTV ratio above 15% without prospects for rapid deleveraging, or if it does not increase the share of its listed assets to close to 40% in the next 18-24 months without any other mitigating measures.

Upside scenario

We could raise our ratings on JAB if the company rebalances its share of listed assets through the listing of some of its private assets or other investments, such that its share of readily available for sale listed assets increased to above 60% and, at the same time, sustainably maintains its LTV ratio below 15%.

Company Description

Investment holding company JAB focuses on defensive and fast-moving consumer goods and services, as well as consumer retail assets and insurance. Following the acquisition of NVA, the company also operates 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 Lucrezca SE hold about 90% of the company through wholly owned subsidiary Joh. A. Benckiser Sàrl (formerly Joh. A. Benckiser B.V.). JAB's management team and other investors hold the remaining stake.

JAB's adjusted portfolio split as of Dec. 31, 2025 (pro forma the JDEP and KDP disposals):

- Insurance (Prosperity): 24%
- Pet Care (NVA and Ethos): 23%
- Pet Insurance (Pinnacle Pet Group and IPH): 22%
- Fast, casual restaurants (Pret and Panera) 21%
- Beauty (Coty): 8%
- Indulgence (Krispy Kreme): 2%

Our Base-Case Scenario

Assumptions

- S&P Global Ratings-adjusted inflows, including dividends and interest income, of about \$250 million in 2026. This compares with about \$430 million in 2025 and about \$598 million recorded in 2024.
- We expect operating costs of about \$100 million per year, compared with \$125 million in 2025.
- Interest expense of \$300 million-\$350 million in 2026, compared with \$350 million in 2025.

Key metrics

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

Period ending	2020a	2021a	2022a	2023a	2024a*	2025a**	2026f
Loan to value (%)	25.9	18.1	20.3	26.7	23.0	10.7	<15
Cash flow adequacy (x)	2.1	1.7	2.5	2.0	1.3	0.9	0.5-1.0

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 and KDP disposals completed in April and June 2026. a--Actual. f--Forecast.

Liquidity

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

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The company's strong ties with banks and access to debt markets support its liquidity. We think management is committed to supporting strong liquidity in the long term. We also believe JAB would likely absorb a high-impact event with limited need for refinancing. Such a scenario would likely translate into a severe correction of market value for the company's listed shares, such as that seen during the COVID-19 pandemic.

Principal liquidity sources	Principal liquidity uses
<ul style="list-style-type: none">• Cash and cash equivalents of approximately \$649 million as of Dec. 31, 2025.• Full availability of \$3.6 billion in RCFs with maturities longer than 12 months.• Stressed dividend and interest income of \$160 million-\$180 million over the next 12 months and 24 months, respectively.• Net proceeds from the divestment of JDE Peets of about \$8.5 billion received in April 2026.• Net proceeds from the sale of KDP shares of about \$1.8 billion in June 2026.	<ul style="list-style-type: none">• Debt maturities of about \$1 billion over the next 12 months, and \$0.8 billion over the succeeding 12 months;• Debt redemption of about \$1.3 billion in relation to the tender offer launched on June 2, 2026;• Operating expense of about \$100 million per year;• Interest expense of \$300million-\$350 million per year; 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 totaled about \$11 billion as of Dec. 31, 2025. 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 at the same seniority.

Analytical conclusions

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

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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: Sector-Specific Corporate Methodology](#), July 7, 2025
- [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
- [Keurig Dr Pepper Inc. Ratings Placed On CreditWatch Negative On Increased Debt Post-Acquisition](#), Aug. 25, 2025

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- [JAB Holding Downgraded To 'BBB' On Lower Asset Liquidity; Outlook Stable](#), March 10, 2025

Ratings List

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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