MOODY'S RATINGS

Rating Action: Moody's Ratings affirms JAB's Baa1 ratings, changes outlook to stable from negative

13 Aug 2026

Frankfurt am Main, August 13, 2026 -- Moody's Ratings (Moody's) affirmed the Baa1 long-term issuer ratings of JAB Holding Company S.a r.l. (JAB or the company). Concurrently, we affirmed the Baa1 backed senior unsecured ratings of JAB Holdings B.V. The outlook on both entities was changed to stable from negative.

Today's rating action reflects:

• Significant improvement of Moody's adjusted net market value leverage (net MVL) to 1.6% as of 31 December 2025 pro forma for the large proceeds resulting from the disposal of investments in Keurig Dr Pepper Inc. (KDP, Baa3 stable) and JDE Peet's N.V. (JDE Peet's, Baa3 negative) from 33.4% in 2024. Expectation that JAB will maintain a disciplined approach to leverage as already evidenced by significant debt reductions so far in 2026, including the full repayment of $3.9 billion of debt at intermediate holding company Acorn Holdings B.V. (AHBV) and approximately $2.1 billion through bond buybacks.

• JAB's tightened financial policy announced in April 2026, including a lower leverage target and continued commitment to maintaining strong investment-grade credit ratings.

• Diversification provided by JAB's entry into life insurance through the acquisition of Prosperity Life Group, which complements the group's consumer-focused investments because insurance and consumer businesses have different interest-rate sensitivities.

• Expectations of a more stable portfolio composition, with management focused on improving operating performance and creating value across existing investments, while advancing preparations for the potential listing of selected portfolio companies.

RATINGS RATIONALE

The change in outlook to stable from negative reflects JAB's significant deleveraging, supported by the approximately $8.5 billion of net cash proceeds generated from the sale of JDE Peet's to KDP in April 2026, after the repayment of debt at AHBV, and the subsequent disposal of the company's remaining 4.3% stake in KDP in June 2026 for approximately $1.8 billion. Pro forma for these disposals, JAB's cash balance increased to approximately $11 billion as of 31 December 2025, broadly commensurate with the company's outstanding debt as of the same date, resulting in a Moody's adjusted net market value leverage (net MVL) of 1.6%.

We expect that JAB will maintain a disciplined financial policy, as evidenced by the liability management transactions completed in June and July 2026 which reduced outstanding debt by approximately $2.1 billion. The company's revised financial policy, announced in April 2026, lowered the reported loan-to-value ceiling to 15% from 20% and reaffirmed management's commitment to maintaining interest coverage (as defined by dividend income + interest income divided by interest expense) above 1.0x and preserving strong investment-grade credit ratings, reinforcing our expectations for company to prioritize maintaining a conservative approach. The reduction in structural complexity following the repayment of AHBV's debt which we included in our calculation of Moody's adjusted net MVL, further supports the outlook change.

However, the ratings remain constrained by JAB's dependence on cash distributions from private assets following the exits from JDE Peet's and KDP. Although management expects these investments to generate approximately $350 million in 2027 and $400 million in 2028, there is limited historical evidence supporting the sustainability of these distributions compared with those previously received from listed portfolio companies. Taking into consideration interest income and JAB's operating expenses, we forecast Moody's interest coverage at around 2.0x over the next 2-3 years.

While JAB's portfolio rotation over the last two years has added an insurance platform that provides diversification relative to its consumer-focused investments, portfolio transparency has weakened as privately held assets represented approximately 90% of portfolio value on a pro forma basis following the disposals of JDE Peet's and KDP at year-end 2025. We expect transparency to improve as JAB advances the potential initial public offerings of National Veterinary Associates (NVA) and Panera Bread. Furthermore, regulatory requirements necessitate a significant amount of disclosure for the insurance business relative to a typical privately held corporate asset.

Coty Inc. (Ba1 negative) and Krispy Kreme Inc, the group's only remaining listed investments, have faced operational challenges and weaker consumer market conditions that contributed to a significant decline in their market valuations. The companies have responded by implementing value creation initiatives, including management and board changes, to improve performance and enhance shareholder value. Additionally, both the pet care and pet insurance businesses have good long term growth prospects. We expect their continued profitable growth will support improving dividends, and, in turn, interest coverage, over the next several years.

ESG CONSIDERATIONS

Governance considerations were a key driver of the rating action reflecting management's commitment to a more conservative leverage framework, the simplification of the group's structure following repayment of the AHBV debt, and recent allocation of cash to material debt reduction.

LIQUIDITY PROFILE

JAB has an excellent liquidity profile, reflecting its large cash balance following recent disposals. In addition, the company has $3.6 billion equivalent of undrawn committed credit facilities expiring in 2030.

RATIONALE FOR THE STABLE OUTLOOK

The stable outlook reflects our expectation that JAB's portfolio composition will remain broadly stable following a period of significant asset rotation, and that the company will progressively offset the loss of distributions from its recently exited businesses through increasing dividend income from its private investments, in particular pet care and pet insurance assets. We also expect portfolio transparency to gradually improve through potential public listings, for JAB to maintain a conservative financial policy.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

We could upgrade the ratings if JAB demonstrates a sustained reduction in leverage, with net MVL maintained below 10% on a sustained basis; develops a track record of meaningful and predictable dividend distributions from its private investments; maintains interest coverage at or above 3.0x on a sustained basis; and improves portfolio transparency through a higher proportion of listed assets while maintaining strong liquidity.

We could downgrade the ratings if net MVL increases sustainably above 15%; interest coverage remains well below 2.0x on a sustained basis; the company does not materially improve the transparency of its portfolio; or liquidity weakens materially. Any material change in financial policy, such as a significant increase in debt at either the holding company level, intermediate holding companies, or operating companies may lead to negative pressure on the ratings. Negative pressure may also arise if shareholder distributions exceed excess cash generated at the holding company after operating and interest expenses on a sustained basis.

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Investment Holding Companies and Conglomerates published in April 2023 and available at https://ratings.moodys.com/rmc-documents/401316. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

The net effect of any adjustments applied to rating factor scores or scorecard outputs under the primary methodology(ies), if any, was not material to the ratings addressed in this announcement.

COMPANY PROFILE

JAB is a privately held investment holding company focused on long-term investments in consumer and insurance businesses. Major investments include veterinary care, pet insurance, restaurant, coffee and beauty businesses, as well as life insurance operations through JAB Insurance. JAB is majority owned by Agnaten SE and Joh. A. Benckiser Sàrl.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

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For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

At least one ESG consideration was material to the credit rating action(s) announced and described above. Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://ratings.moodys.com/documents/PBC_1462204.

The Global Scale Credit Rating(s) discussed in this Credit Rating Announcement was(were) issued by one of Moody's affiliates outside the UK and is(are) endorsed for use in the UK in accordance with the UK CRA Regulation.

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