

Krispy Kreme bought by JAB, owner of big coffee brands

WASHINGTON - US doughnut chain Krispy Kreme is being bought by the German investment group JAB Holding, folding it into JAB's strong portfolio of European and North American coffee and coffee-shop brands.



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JAB said on Monday that its unit JAB Beech would pay \$1.35 billion to take the New York Stock Exchange-listed Krispy Kreme Doughnuts private.

That will put the nearly 80-year-old doughnut and coffee chain, with more than 1,100 shops in 26 countries, in a JAB portfolio that includes US brands like Caribou Coffee and Peet's, and international brands like Kuerig, Green Mountain, Jacob Douwe Egberts, Timothy's, Espresso House and Tassimo.

In a deal agreed with Krispy Kreme's board of directors, JAB will pay \$21 per share in cash, a 25 percent premium over the company's closing share price last Friday. Krispy Kreme shares soared on the news in Monday morning trade, adding 24.1 percent at \$20.93.

Krispy Kreme chairman Jim Morgan said the deal delivers "significant value" to shareholders, adding he is confident that "the JAB team is the right partner with whom to continue building upon our incredible legacy."

Krispy Kreme and its direct rival Dunkin' Donuts have both sought to defend their shares of the morning coffee market against tough competition from chains like Starbucks and McDonald's, by boosting the quality of their coffee.

JAB invests in prominent consumer and luxury-goods brands, including holdings in names like Bally and Jimmy Choo shoes, Marc Jacobs and Davidoff.

Last year it also bought a portfolio of beauty brands from Procter & Gamble. The Krispy Kreme purchase "is yet another example of our commitment to investing in extraordinary brands with significant growth prospects," said Peter Harf, senior partner at JAB.

Source: AFP

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