JAB Holding Company: SLBs may miss 2025 targets

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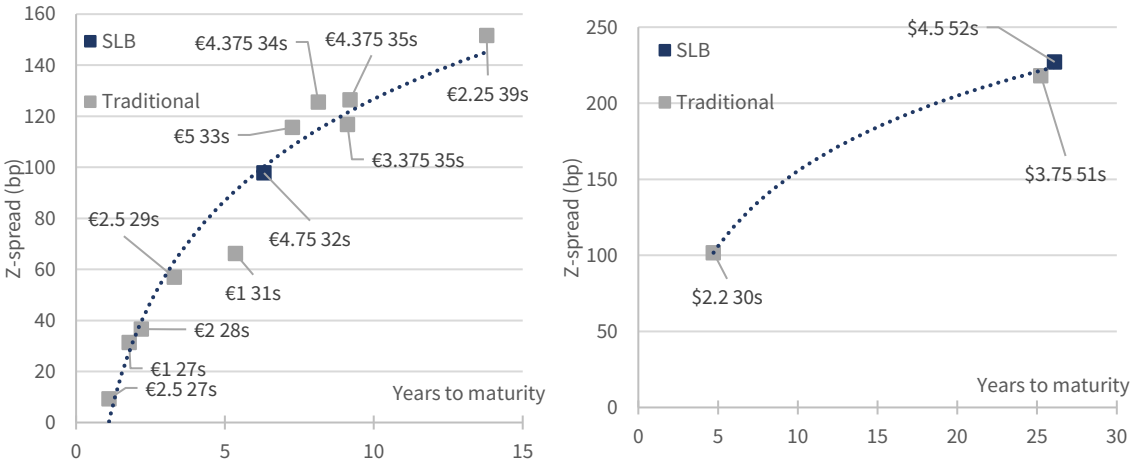
JAB Holding Company (ticker JABHOL) is a Luxembourg-based private investment firm with over USD70bn in assets under management. Its investments are split between two subsidiaries. JAB Consumer's investments include well-known brands such as Pret, Krispy Kreme, and Keurig Dr Pepper. JAB Insurance owns stakes in Prosperity and National Western Life Insurance Company.[1]

The parent company has two Sustainability-Linked Bonds (SLBs): EUR4.75% 32s and USD4.5% 52s. The bonds use a selection of KPIs and Sustainability Performance Targets (SPTs) (full details in Table 2 later in the document), but each has one target that is observed at the end of 2025.[2] Our analysis concludes both are likely to be missed.

If historical reporting patterns continue, the results will be released in Q1 2026,[3] at which point any applicable step-up coupons will be confirmed.

- The USD4.5% 52s reference have a target for all portfolio companies to have 30% female representation on their boards. Krispy Kreme had a lower percentage than this at the end of 2025, so we rank this target **Likely Miss.**[4]
- The EUR4.75% 32s are linked to a target for 80% of portfolio companies to have an SBTi-approved climate target. As per SBTi reporting, only three out of JAB's 11 portfolio companies have approved targets as of Jan 2026 so we rank this also as **Likely MISS**.
- Bond pricing (as shown in Figure 1) suggests limited value is currently being assigned to the option value of the two SLBs, so missed targets could create price movement.

Figure 1. JABHOL z-spread graphs, EUR LHS, USD RHS. Source: AFII, Bloomberg Finance L.P., accessed 9 Mar 2026.



[1] "JAB Holdings", JAB Holdings, accessed 9 Mar 2026.
[2] "Sustainability Linked Bond Framework March 2022", JAB Holding Company, Mar 2022.
[3] The 2024 report was released on 11 Mar 2025.
[4] For further details on the ranking system see "A watershed year for the SLB market", AFII, 15 Jul 2025.

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Existing bonds and KPI details

JAB Holdings has over EUR8bn in debt outstanding across 15 bonds, including EUR0.5bn in the 4.75% 32s and USD0.5bn in the 4.5% 52s (the two SLBs). Full details on all JAB Holdings' bonds are shown in Table 4 in Appendix 1.

JAB Holdings published its Sustainability Linked Financing Framework (SLFF) in March 2022,[5] which appears to restrict the scope to only JAB Consumer investments. The framework includes three KPIs, which are shown in Table 1. The KPIs have varying target dates, and KPI2, the percentage of companies by invested capital at fair value that have set SBTi approved targets, has two separate target dates.

Table 1. JABHOL SLB KPIs. Source: JAB Holdings.

KPI	Description	units	Target Date 1	Target Date 2
1	Percentage reduction of absolute scope 1 + 2 GHG emissions (tCO_2e) (2020 baseline)	%	2030	n/a
2	The percentage of portfolio companies, by invested capital at fair value, that have set SBTi approved targets	%	2025 (SPT 2a)	2030 (SPT 2b)
3	The percentage of portfolio companies with at least 30% female representation in their non-executive board of directors	%	2025	n/a

Table 2 shows which targets are used by the two SLBs; both use the KPI1 and KPI2 2030 target. Specifically, the EUR SLB uses the 2025 KPI2 target, and the USD SLB the KPI3 target, meaning both SLBs observed a target at the end of last year. Table 2 also shows the details of how much the coupon will adjust if each target is not achieved.[6]

Table 2. JAB SLBs details. Source: JAB holdings, Bloomberg Finance L.P., accessed 20 Jan 2026.

Description	Amt Outstanding (mn)	SPT used	SPT value	Observation Date	Step-up (bps)	Coupon Step Payment Date
EUR 4.75 SLB 32s	EUR 500	SPT1 (emissions)	-46.20%	31-Dec-30	25	29-Jun-32
		SPT2a (SBTi 2025)	80%	31-Dec-25	10	29-Jun-27
		SPT2b (SBTi 2030)	95%	31-Dec-30	50	29-Jun-32
USD 4.5 SLB 52s	USD 500	SPT1 (emissions)	-46.20%	31-Dec-30	5	08-Apr-32
		SPT2b (SBTi 2030)	95%	31-Dec-30	10	08-Apr-32
		SPT3 (Female boards)	100%	31-Dec-25	10	08-Apr-32

KPI performance analysis

As a holding company, JAB's levers of influence are: influencing its portfolio companies to hire/replace more female board members; influencing the adoption of SBTi targets; investing in new companies, and divesting existing portfolio companies.

However, the effectiveness of the first two levers (directly influencing portfolio companies) depend heavily on whether JAB holds a controlling stake over the company in question. This status would enable JAB to exert greater influence over board composition and the adoption of SBTi targets.[2]

[5] "Sustainability Linked Bond Framework", JAB Holding Company, March 2022.
[6] Details are in "Prospectuses", JAB Holdings, accessed 9 Mar 2026, and details for the USD SLB, the 4.5% 52s, were confirmed with the issuer.

Moreover, according to JAB's financing framework, portfolio companies will only be included in ESG KPI reporting 24 months after acquisition.[7] This means that a newly acquired company has some time after being onboarded to conform with JAB's sustainability objectives and align with SBTi standards.[8,9] For the purposes of the SLB target, only acquisitions made before the end of 2023 can affect KPI performance. JAB's insurance portfolio — including Family Life and Prosperity Life — therefore appears to fall outside the scope of ESG KPI reporting; [10] JAB Insurance was launched only in 2024.

JAB's portfolio companies

JAB's ownership share, and the percentage of its revenue derived from its portfolio companies in the 12 months before 31 Dec 2024, are shown in Table 3. Outside of Keurig Dr. Pepper and Krispy Kreme, JAB has over 50% share ownership of the above companies, which suggests a high degree of influence.

Table 3. JAB ownership share against revenue from 2024. Source: JAB Holdings.

Company	Ownership (%)	Percentage of JAB Holdings revenue (%)	Listing
NVA Group	91%	20%	Private
Panera Brands	89%	15%	Private
Espresso House	89%	1%	Private
Independence Pet Holdings (IPH)	83%	3%	Private
Pret	78%	3%	Private
Pinnacle Pet Group (PPG)	69%	8%	Private
JDE Peet's	67%	24%	Public
COTY	52%	12%	Public
Krispy Kreme	44%	3%	Public
Keurig Dr. Pepper	16%	9%	Public
Other	nan	2%	nan

It should be noted, as above, that only companies which JAB has owned for 24 months at the time of reporting are included in the calculation of its SLB-relevant KPIs.[11]

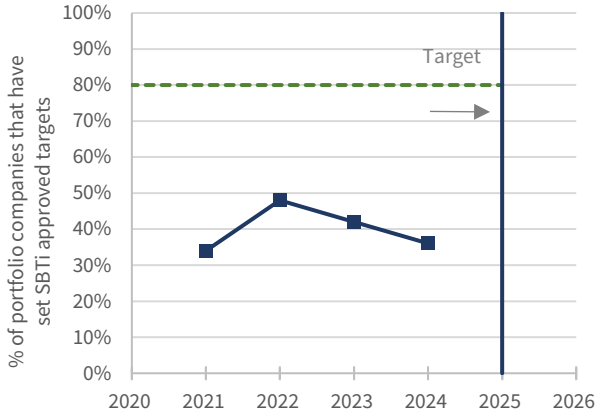
Given private companies are not required to publish annual reports, it can be hard to find details on their board composition and emissions reduction plans.

[7] Pg 9 "Sustainability Linked Bond Framework", JAB Holding Company, March 2022.
[8] "JAB Holding Company EUR 500,000,000 4.750 per cent. Sustainability-Linked Notes due 2032", JAB Holding Company, 27 June 2022.
[9] "Statement on the end of the Commitment Compliance Policy grace period", SBTI, 31 Jul 2023.
[10] "JAB Holding Company Annual Report 2024", JAB Holding Company, accessed 20 Jan 2026.
[11] As JAB insurance was formed in 2024, it is not included as a portfolio company for the SLB SPTs.

KPI2

Historical details on KPI2, the percentage of portfolio companies that have SBTi approved targets, as reported by JAB is shown in Figure 2. Since 2021 there has been limited progress towards this SPT, with the KPI decreasing since 2022 and only increasing from 2021 to 2024 by 2%.

Figure 2. Percentage of portfolio companies that have SBTi approved targets. Source: AFII, JAB Holdings.



To achieve the SPTs for this KPI, JAB uses an ESG collaboration forum, which meets quarterly, allowing portfolio companies to discuss challenges meeting their ESG goals and their progress to date.[2]

Data from 2021 also shows that JAB supported 82% of its portfolio companies in developing their own ESG strategies.[2]

The KPI is calculated by taking JAB's invested capital at fair value of qualifying companies divided by total invested capital at fair value across subsidiaries and investments, per financial statements.[2]

Looking directly at the SBTi website, as of 18 January 2026, only COTY, JDE Peet's and Keurig Dr. Pepper have SBTi approved targets, of which JAB owns 52%, 67%, and 16%, respectively. All other portfolio companies appear not to have an approved SBTi target.[10,12]

As JAB does not disclose its fair value figures or the methodology for how it calculates fair value, it is difficult to estimate the current KPI level using information from the SBTi and the percentage of JAB ownership of its holding companies.

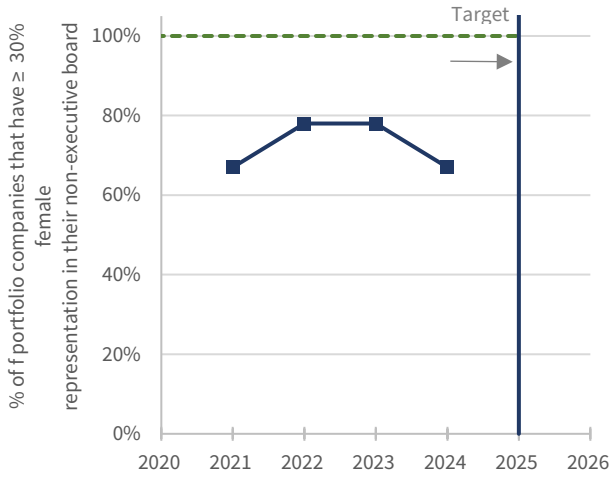
However, as only three portfolio companies currently have SBTi-approved targets, representing 45% of JAB Holding's consolidated revenues and 20% of JAB's total ownership (by invested capital at fair value) as of 2024, it appears unlikely that these entities alone will account for 80% of JAB's portfolio companies with SBTi-approved targets by fair value by 2025. We therefore assess this SPT as **Likely MISS**.

[12] "Target dashboard - Science Based Targets", Science Based Targets Initiative dashboard, accessed 20 Jan 2026.

KPI3

Figure 3 shows the historical data for KPI3, percentage of portfolio companies that have at least 30% female representation in their non-executive board of directors. As with KPI2, there has been limited progress in this KPI towards the SPT with the 2021 and 2024 figures both at 67%.

Figure 3. Percentage of portfolio companies with ≥ 30% female representation in their non-executive board. Source: AFII, JAB Holdings.



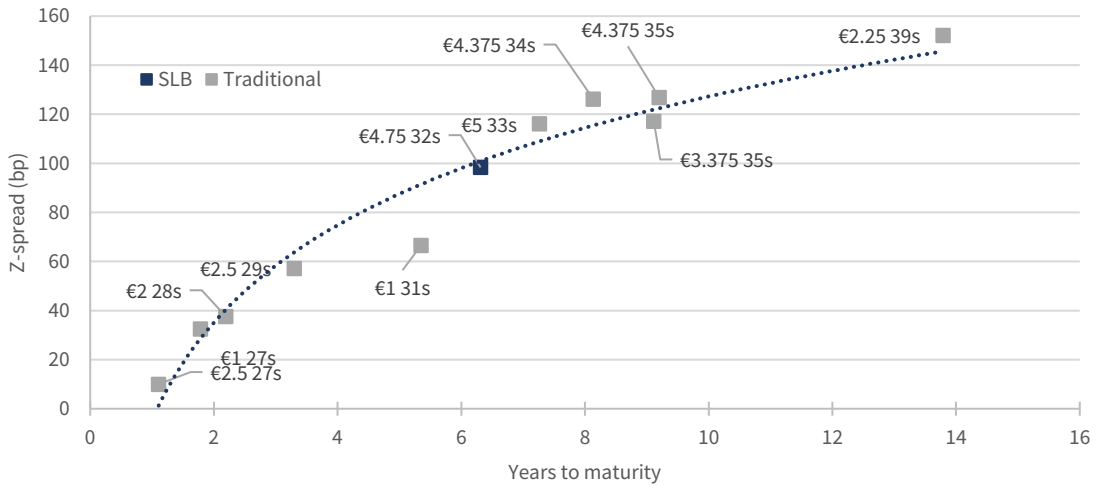
As this target requires all portfolio companies to have ≥ 30% female representation in their non-executive board only a single company needs to fall short of this target for the SPT to be missed.

Of JAB Holding's publicly listed companies, Krispy Kreme appears to have missed this 30% target as of year-end 2025, as shown in Appendix 2. [13] Women make up 25% of the donut company's non-executive board, with the last appointment taking place in late April 2025 according to news reports, meaning that the board composition has remained the same since then. Therefore, we rank this SPT as **Likely MISS**.

Bond pricing

All of JAB's EUR-denominated bonds with maturity greater than 1 year are shown in Figure 4. The EUR4.75% 32s SLBs seem to be priced on the fitted curve. The EUR1% 31s are trading inside the curve. However, this security does have a low cash price, and also a low outstanding amount due to a past partial tender.[14]

Figure 4. JABHOL EUR bonds outstanding z-spread. Source: Bloomberg Finance L.P., accessed 9 Mar 2026.

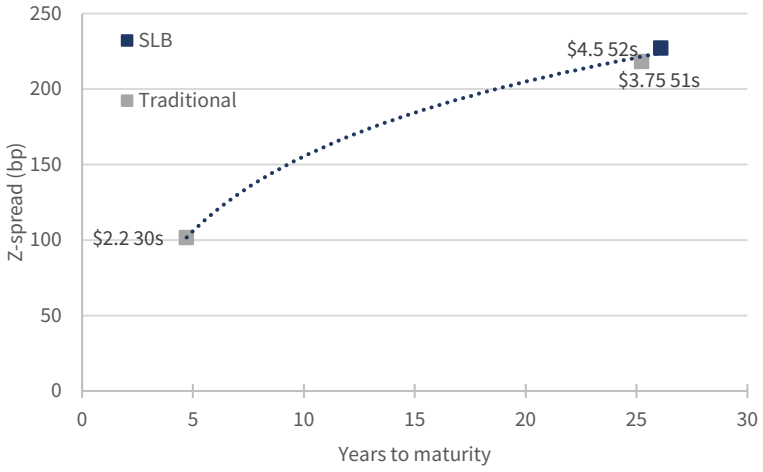


[13] Further details and sources for more of JAB holding's companies are available in Appendix 2.
[14] "JAB Holdings Tender offer Results", JAB Holding, 24 May 2023.

The SLB's positioning close to the curve suggests the market could be assigning a small probability that the coupon of the SLB will step-up, but it may not be material. If an SPT is missed, the coupon will increase by 10bps. As an illustration, assuming a 75% probability of this target being missed would give an upfront option value of 0.41%, which is equivalent to 7.1bps running.[15]

Pricing for the USD bonds are shown in Figure 5. Here there are fewer comparables, but the 4.5% 52s is trading around 8bps wider than the 3.75% 51s for just under a year of extra maturity, and extra duration of 0.85. Here, due to the long duration of the bond, the step-up (also 10bps) is potentially quite material in upfront terms. As an illustration, assuming a 75% probability of this target being missed would give an upfront option value of 1.10% which is equivalent to 7.5bps running.

Figure 5. JABHOL USD bonds outstanding z-spread. Source: Bloomberg Finance L.P., accessed 9 Mar 2026.



Conclusions

JAB Holdings is a holding company with over USD40bn in assets under management across consumer goods and services, most of which are in scope for the targets in its SLBs.[16]

The two outstanding SLBs will each observe one target at the end of 2025, and we rank both as **Likely Miss**. The target on the EUR bond requires 80% of portfolio companies to have an SBTi-approved target, and while we cannot calculate this accurately as we lack fair value details, only three of its portfolio companies seem to have achieved this approval. The target on the USD bond requires all companies to have 30% female representation on their boards, and this seems not to have been achieved for Krispy Kreme.

If targets are missed, and confirmation is expected in Q1, the bonds in question will pay increased coupons, which may impact bond pricing.

[15] For more information on SLB option value see "SLB Handbook", AFII, 2024.
[16] The USD70bn invested in JAB Insurance is not included in the SLB scope.

Appendix 1

Table 4. JABHOL outstanding bond details. Source: AFII, Bloomberg Finance L.P., accessed 9 Mar 2026.

Description	ISIN	Issue Date	Maturity	Currency	Amount Outstanding (currency)	ESG Label
JABHOL €2 28s	DE000A19HCX8	18-May-17	18-May-28	EUR	750,000,000	
JABHOL €1.75 26s	DE000A1919G4	25-Jun-18	25-Jun-26	EUR	600,000,000	
JABHOL €2.5 29s	DE000A1919H2	25-Jun-18	25-Jun-29	EUR	750,000,000	
JABHOL €1 27s	DE000A2SBDE0	18-Dec-19	20-Dec-27	EUR	600,000,000	
JABHOL €2.25 39s	DE000A2SBDF7	18-Dec-19	19-Dec-39	EUR	750,000,000	
JABHOL €2.5 27s	DE000A28V301	17-Apr-20	17-Apr-27	EUR	500,000,000	
JABHOL €3.375 35s	DE000A28V319	17-Apr-20	17-Apr-35	EUR	500,000,000	
JABHOL $2.2 30s	US46653KAA60	23-Nov-20	23-Nov-30	USD	300,000,000	
JABHOL $3.75 51s	US46653KAB44	28-May-21	28-May-51	USD	500,000,000	
JABHOL €1 31s	DE000A3KPTG6	14-Jul-21	14-Jul-31	EUR	305,700,000	
JABHOL $4.5 52s	US46653KAC27	08-Apr-22	08-Apr-52	USD	500,000,000	SLB
JABHOL €4.75 32s	DE000A3K5HW7	29-Jun-22	29-Jun-32	EUR	500,000,000	SLB
JABHOL €5 33s	DE000A3LJPA8	12-Jun-23	12-Jun-33	EUR	500,000,000	
JABHOL €4.375 34s	DE000A3LXSR7	25-Apr-24	25-Apr-34	EUR	750,000,000	
JABHOL €4.375 35s	DE000A4EA5P2	19-May-25	19-May-35	EUR	500,000,000	

Appendix 2

Table 5. Percentage of women on the non-executive board for JAB Holding's portfolio. Source: As shown in the table effective date 30 Jan 2026.

Company	Listing	% of women on the non-executive board	
NVA Group	Private	0%	Bloomberg Finance L.P.
Panera Brands	Private	0%	Panera Brands Appoints José Cil as Chairm
Espresso House	Private	17%	Sustainability Report 2024
Independence Pet Holdings (IPH)	Private	no public disclosure	nan
Pret	Private	20%	Pret A Manger appoints José Cil as Chairma Pret New Board appointments
Pinnacle pet group (PPG)	Private	20%	Group Solvency & Financial Condition Repo
JDE Peet's	Public	40%	Board of Directors
COTY	Public	50%	Board of Directors
Krispy Kreme	Public	25%	Board of Directors
Keurig Dr.Pepper	Public	38%	Board of Directors

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