

Press Release

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JAB-backed Krispy Kreme takes majority stake in Insomnia Cookies

Published Fri, July 20, 2018 • 9:53 am Edt | Updated Fri, July 20, 2018 • 10:57 am Edt

Key Points

- Krispy Kreme Doughnut is acquiring a majority stake in Insomnia Cookies.
- Investment firm JAB Holding acquired Krispy Kreme in 2016 for \$1.35 billion.
- The deal helps Krispy Kreme expand beyond its iconic glazed doughnuts.

Krispy Kreme Doughnut said it is acquiring a majority stake in Insomnia Cookies in a move that helps the coffee and doughnut chain move beyond the glazed treats for which it is known.

The deal is one more — albeit small — building block in the coffee and restaurant empire that European investment firm JAB Holding has been putting together. JAB, which acquired Krispy Kreme in 2016 for \$1.35 billion, also owns Keurig Dr Pepper, Peet's Coffee & Tea and Panera Bread. Insomnia Cookies will continue to operate as an independent, stand-alone company.

The terms of the transaction, which is set to close in the fourth quarter, were not disclosed. Sources previously told CNBC that the deal values Insomnia Cookies at less than \$500 million. CNBC first reported the deal Thursday.

Insomnia Cookies was founded in 2003 by University of Pennsylvania student Seth Berkowitz. Its stores, which stay open and deliver until 3:00 a.m., are often situated near college campuses, helping it to cater to late night revelers. It has more than 135 locations and sells cookies, brownies and cold milk.

Winston-Salem, North Carolina-based Krispy Kreme is best known for its signature fresh and hot glazed doughnuts that roll off its conveyor belts. It has nearly 1,400 retail shops in 32 countries.

Buying Insomnia Cookies helps Krispy Kreme reach more diners than its doughnut loyalists, as well as provide new delivery infrastructure.

Krispy Kreme's main rival, Dunkin' Donuts, has experimented with new menu items over the years in efforts to bring in customers at different times of the day.