

## JDE Peet's IPO: Share Buyback In This European Event-Driven Value Equity

July 11, 2020 | By Alex Gavrish, Etalon Capital Ltd; author of "Story Investing"

We [wrote](#) about the [IPO](#) of coffee maker JDE Peet's [back](#) in June 2020. We believed that it provided investors with a classic [story](#) and classic investment opportunity.

It was recently [announced](#) that a SPAC vehicle USHG Acquisition Corp sponsored by Union Square Hospitality Group, that was supposed to become a partner and investor alongside JAB Holding before the IPO of Panera Brands terminated transaction.

Regardless of the reason why this happened, we decided to take a second look at JDE Peet's because JAB Holding is its controlling shareholder.

Since our article in June 2020, shares did not perform very well: stock declined since then by approximately 24% percent compared to a return of +14% percent of the Stoxx 600 Index.

However, it seems that there are some signs of better times ahead.

On May 9<sup>th</sup>, 2022, JDE Peet's announced that it executed a EUR 500 million buyback at the closing share price on May 6<sup>th</sup>, 2022.

According to the company's CEO, "This represents a unique opportunity to increase the free float percentage and improve our earnings per share at a very attractive price to the company".

The company reported FY 2021 results on February 23rd, 2022.

The company achieved an Adjusted EBITDA of EUR 1,591 million and a Free Cash Flow of EUR 1,368 million and provided guidance for FY 2022 stating that it will generate at least EUR 1 billion in Free Cash Flow.

The company currently has a market capitalization of EUR 13,148 million (assuming a EUR 500 million share buyback at EUR 26.9 per share), an Enterprise Value of \$17,896 million, and is valued at an EV/EBITDA multiple of x11.25 (FY 2021 Adjusted EBITDA).

We believe that despite a lackluster recent share price performance JDE Peet's shares provide an attractive investment [story](#).