# KEURIG DR PEPPER AND LA COLOMBE ANNOUNCE STRATEGIC PARTNERSHIP

***Equity investment by KDP paired with long-term agreements for the sales and distribution of La Colombe ready-to-drink coffee and licensing of La Colombe K-Cup® coffee pods***

BURLINGTON, Mass and FRISCO, Texas and PHILADELPHIA, July 20, 2023 /PRNewswire/ -- Keurig Dr Pepper Inc. (NASDAQ: KDP) and La Colombe today announced a strategic partnership, including a long-term sales and distribution agreement for La Colombe ready-to-drink coffee and a long-term licensing, manufacturing and distribution agreement for La Colombe branded K-Cup® coffee pods. Keurig Dr Pepper will also make an equity investment in La Colombe, enabling KDP to participate in the value creation upside expected from the partnership.

La Colombe is an independent, high-growth, super premium coffee company that serves consumers across multiple channels, including the retail trade, branded cafes, foodservice and direct to consumer. The brand is the only vertically integrated ready-to-drink coffee company, owning the entire coffee journey from conscious bean sourcing and premium roasting to the creation of exceptional product experiences for loyal customers.

Under the long-term sales and distribution agreement, KDP will sell and distribute shelf-stable La Colombe RTD coffee beverages in KDP's direct store distribution network, which is expected to drive meaningful growth in the brand's availability across these mainstream retail channels. In addition, KDP will manufacture, sell and distribute La Colombe branded K-Cup® coffee pods, under a license agreement, in the U.S. and Canada.

KDP will make a cash investment in La Colombe of $300 million, in exchange for a 33% ownership stake in the company, making KDP the second largest investor in La Colombe behind its majority owner and Chairman, Hamdi Ulukaya. La Colombe plans to use the proceeds to accelerate growth and pay off debt. KDP's investment in La Colombe represents a multiple of approximately 3.0X estimated 2024 consolidated net sales.

"We are excited to partner with Hamdi and the La Colombe team to drive value for both companies," stated KDP Chairman and CEO Bob Gamgort. "This partnership will enable KDP to expand its reach into high growth ready-to-drink and super premium coffee segments and will meaningfully increase La Colombe's availability to consumers."

"I'm extremely excited to join forces with Bob and his team at KDP to bring La Colombe to every corner of this amazing country," said Ulukaya. "I joined the La Colombe journey eight years ago because I believe in its mission, quality, craftsmanship and social impact – and that everyone deserves quality, crafted, natural coffee. With this partnership we'll be closer to fulfilling the mission of providing exceptional coffee to all."

The transition of La Colombe ready-to-drink coffee distribution to KDP will begin in late 2023, while the launch of La Colombe branded K-Cup® pods will occur during 2024. The equity investment, which is subject to regulatory approval, is expected to close by the end of the third quarter. KDP expects the strategic partnership to be modestly accretive on a full-year basis, beginning in the back half of 2024.

Advisors on the deal for KDP included Guggenheim Securities LLC and Skadden, Arps, Slate, Meagher & Flom LLP. La Colombe's advisors included Blank Rome LLP.

**Investor Contacts:**
Jane Gelfand
T: 888-340-5287 / jane.gelfand@kdrp.com

Chethan Mallela
T: 888-340-5287 / chethan.mallela@kdrp.com

**Media Contact:**
Katie Gilroy
T: 781-418-3345 / katie.gilroy@kdrp.com

**About Keurig Dr Pepper**

Keurig Dr Pepper (KDP) is a leading beverage company in North America, with annual revenue of more than $14 billion and approximately 28,000 employees. KDP holds leadership positions in liquid refreshment beverages, including soft drinks, specialty coffee and tea, water, juice and juice drinks and mixers, and markets the #1 single serve coffee brewing system in the U.S. and Canada. The Company's portfolio of more than 125 owned, licensed and partner brands is designed to satisfy virtually any consumer need, any time, and includes Keurig®, Dr Pepper®, Canada Dry®, Clamato®, CORE®, Green Mountain Coffee Roasters®, Mott's®, Snapple®, and The Original Donut Shop®. Through its powerful sales and distribution network, KDP can deliver its portfolio of hot and cold beverages to nearly every point of purchase for consumers. The Company's Drink Well. Do Good. corporate responsibility platform is focused on the greatest opportunities for impact in the environment, its supply chain, the health and well-being of consumers and with its people and

communities. For more information, visit www.keurigdrpepper.com.

**About La Colombe**

La Colombe is a leading, independent coffee roaster in pursuit of excellent coffee for all since its inception in 1994. Through ethical trade with growers, advocating for equity, and empowering their communities, La Colombe continues to be a pioneer and raises the standards for outstanding quality coffee. The company is known for providing beloved signature blends, exceptional single-origin coffees, and the world's first-ever textured canned cold latte. La Colombe owns and operates 32 cafés across Philadelphia, New York, Chicago, Boston, Los Angeles, Austin, and Washington, D.C.. La Colombe's celebrated coffees are also available in cafés, hotels, restaurants and retailers worldwide. For more information on La Colombe, visit www.lacolombe.com.

**FORWARD LOOKING STATEMENTS**

Certain statements contained herein are "forward-looking statements" within the meaning of applicable securities laws and regulations. These forward-looking statements can generally be identified by the use of words such as "outlook," "guidance," "anticipate," "expect," "believe," "could," "estimate," "feel," "forecast," "intend," "may," "plan," "potential," "project," "should," "target," "will," "would," and similar words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements regarding the expected future results of KDP's strategic partnership with La Colombe, the ability to complete and integrate the partnership and other statements that are not historical fact. These statements are based on the current expectations of our management, are not predictions of actual performance, and actual results may differ materially.

Forward-looking statements are subject to a number of risks and uncertainties, including the factors disclosed in our Annual Report on Form 10-K and subsequent filings with the SEC. We are under no obligation to update, modify or withdraw any forward-looking statements, except as required by applicable law.

SOURCE Keurig Dr Pepper Inc.

---

https://news.keurigdrpepper.com/2023-07-20-KEURIG-DR-PEPPER-AND-LA-COLOMBE-ANNOUNCE-STRATEGIC-PARTNERSHIP