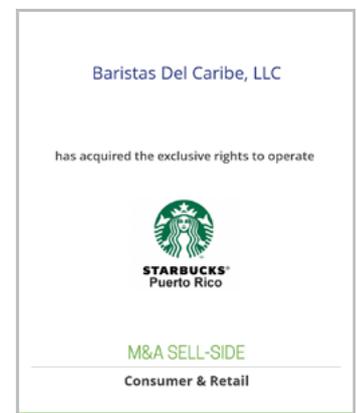


## STARBUCKS SELLS RIGHTS TO PUERTO RICO STORES

### Deal snapshot

- Oaklins' Atlanta team served as the sole financial advisor to Starbucks Corporation (NASDAQ:SBUX) in its sale of the exclusive right to operate Starbucks stores in Puerto Rico to Baristas Del Caribe, LLC, an affiliate of Puerto Rico-based Empresas Fonalledas Inc.
- Starbucks Corporation, with revenues of approximately US\$16.5 billion, is the premier roaster and retailer of specialty coffee in the world, with more than 21,000 stores globally. Starbucks opened its first store in San Juan, Puerto Rico in 2002 and today has 19 stores across the island, employing more than 340 people.
- Empresas Fonalledas Inc. is a leading family-owned Puerto Rican group of companies whose holdings include Plaza Las Americas (the largest shopping mall in the Caribbean), Vaquería Tres Monjitas (a fresh milk producer) and Soft & Creamy (a quick-service ice cream chain).
- On successful completion of the transaction, Baristas Del Caribe will assume full operating control of Starbucks stores in Puerto Rico, delivering the same exceptional service and high quality handcrafted beverages that customers have come to expect. Through a strategic licensing agreement, Baristas Del Caribe will leverage its strong local market knowledge to further grow the Starbucks retail business in Puerto Rico.



### What our client said



**Ricardo Rico**, VP Latin America Retail Operations, Starbucks Corporation, USA

“Oaklins’ team in Atlanta exceeded our expectations as Starbucks’ investment banker, truly acting as our trusted partner throughout a highly complex process and adopting our priorities, values and culture as their own. The team’s understanding of restaurant industry transaction drivers and their expertise in navigating the complexities of cross-border corporate divestitures were extremely valuable to Starbucks in helping to identify a partner and negotiate a transaction that positions us for growth in Puerto Rico while creating meaningful opportunities for our local partners.”



## Our role in the transaction

- Oaklins' expert team in Atlanta served as the exclusive financial advisor to Starbucks.
- The team assisted Starbucks in attracting a partner that shares not only its passion for high quality coffee, but also its commitment to engaging locally with its customers and communities.
- This transaction success further highlights Oaklins' differentiated expertise in advising world-renowned restaurant and consumer brands in achieving their strategic goals.

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## Market trends and deal drivers

- Puerto Rico is a significantly sized market for quick-service restaurants, with over 200 Burger King restaurants, more than 200 YUM restaurants and some 100 Subway restaurants. With only 19 Starbucks, there remain substantial opportunities for growth.
- During the transaction, there was significant turmoil in the Puerto Rican market due to the island's financial troubles.

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## M&A valuation aspects

- While specific valuation aspects of the deal were confidential, typical restaurant franchisee transactions trade in the 5-7x range.
- Valuation is often based on the health of the franchisor, geography and the health of individual locations.

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## Oaklins industry experts



✉ **Jim Grien**, Oaklins, USA

Over the last decade, Jim has personally led teams that have completed over 50 engagements, including complex merger transactions, multifaceted financings and high-level board advisory engagements. Jim has worked with many high profile restaurant and consumer brands including Smith & Wollensky Restaurant Group; Goldco, LLC, one of the largest Burger King franchisees in the US; Back Bay Restaurant Group, owners of Abe & Louie's, Atlantic Fish, Charley's, Coach Grill and Joe's American Bar & Grill; and Benihana Inc., among many others.



✉ **Phil Krieger**, Principal, Oaklins, USA

Phil has eight years of investment banking experience and has completed a broad range of complex M&A, financing and advisory engagements for public and private companies. Phil has substantial experience in the consumer products and retail industries, and has written extensively on the space.

# OAKLINS HAS CLOSED 140 DEALS IN CONSUMER & RETAIL IN THE LAST 5 YEARS

Oaklins is the world's most experienced mid-market M&A advisor, with 700 professionals globally and dedicated industry teams in 40 countries worldwide. We have closed over 1,500 transactions in the past five years.