

Press Release

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Levine Leichtman Capital Partners and Management Acquire Shipley Do-Nuts

LOS ANGELES, July 28, 2025 /PRNewswire/ -- Levine Leichtman Capital Partners ("LLCP"), a middle-market private equity firm, has partnered with management to acquire Shipley Do-Nuts ("Shipley" or the "Company") from Peak Rock Capital ("Peak Rock"). Financial terms of the transaction were not disclosed.

Houston-based Shipley is the nation's largest donut and kolache brand, providing handcrafted, fresh-made-daily donuts, kolaches and coffee at over 375 locations across 14 states. With more than 60 varieties of donuts and kolaches, Shipley has built a strong reputation during its nearly 90-year operating history for providing high quality products and exceptional customer service. Shipley was founded in 1936 and is headquartered in Houston, TX.

The Company will continue to be run from its Houston headquarters by the existing executive team led by CEO Flynn Dekker. According to Matthew Frankel, Managing Partner of LLCP, "We are excited to partner with Flynn and the outstanding Shipley management team, who have been executing on a successful growth strategy. Together, we see a tremendous opportunity to build on this foundation by expanding unit count even further to capture the substantial whitespace and driving strong same-store sales growth."

Greg Flaster, Managing Director at LLCP, added, "Shipley has delivered robust recent growth and continues to build upon a strong reputation for fresh products and customer service that it established over its nearly 90-year operating history. Flynn and the rest of the management team have had tremendous success, and we are excited to leverage our extensive experience investing in the franchising space to pursue various growth initiatives alongside them."

Dekker commented, "Shipley is growing faster than ever in its history, and partnering with LLCP presents an outstanding opportunity for Shipley to accelerate our growth and bring the world's greatest donut to an even wider audience. Their extensive expertise in franchise food brands will be pivotal in driving future growth and supporting our franchisees, while preserving our commitment to fresh-made quality and our original recipes that have made our brand the icon it is today."

Shipley is the fourth platform investment of Levine Leichtman Capital Partners VII, L.P. Across its funds, LLCP has extensive experience investing in the franchising industry, including prior investments in Tropical Smoothie Cafe, Nothing Bundt Cakes, and Hand & Stone. Shipley represents LLCP's 18th franchising investment, with a combined 32 brands across a variety of industries.

Kirkland & Ellis LLP and DLA Piper served as legal counsel to LLCP on the transaction.

Shipley was advised by North Point and J.P. Morgan.

Press Release

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About Levine Leichtman Capital Partners

Levine Leichtman Capital Partners, LLC is a middle-market private equity firm with a 41-year track record of investing across various targeted sectors, including Business Services, Franchising & Multi-unit, Education & Training and Engineered Products & Manufacturing. LLCP utilizes a differentiated Structured Private Equity investment strategy, combining debt and equity capital investments in portfolio companies. LLCP believes that by investing in a combination of debt and equity securities, it offers management teams growth capital in a highly tailored, flexible investment structure that can be a more attractive alternative than traditional private equity.

LLCP's global team of dedicated investment professionals is led by 9 partners who have worked at LLCP for an average of 19 years. Since inception, LLCP and its affiliates have managed approximately \$18.1 billion of capital across nearly 20 investment funds and have invested in approximately 120 portfolio companies. LLCP and its affiliates currently manage \$12.7 billion of assets and have offices in Los Angeles, New York, Chicago, Miami, London, Stockholm, Amsterdam and Frankfurt.

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