



SCOTT GRAY

CHIEF FINANCIAL OFFICER

FINANCIALS

‘DISCIPLINED CAPITAL ALLOCATION AND  
STRENGTHENING THE CAPITAL STRUCTURE’



# IMPORTANT INFORMATION

## Presentation

The condensed consolidated unaudited financial statements of JDE Peet's N.V. (the "Company") and its consolidated subsidiaries (the "Group") are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). In preparing the financial information in these materials, except as otherwise described, the same accounting principles are applied as in the consolidated financial statements of the Group as of, and for, the year ended 31 December 2021 and the related notes thereto. All figures in these materials are unaudited. In preparing the financial information included in these materials, most numerical figures are presented in millions of euro. Certain figures in these materials, including financial data, have been rounded. In tables, negative amounts are shown in parentheses. Otherwise, negative amounts are shown by "-" or "negative" before the amount.

## Non-IFRS Measures

These materials contain non-IFRS financial measures (the "Non-IFRS Measures"), which are not liquidity or performance measures under IFRS. These Non-IFRS Measures are presented in addition to the figures that are prepared in accordance with IFRS. The Group's use of Non-IFRS Measures may vary significantly from the use of other companies in its industry. The measures used should not be considered as an alternative to profit (loss), revenue or any other performance measure derived in accordance with IFRS or to net cash provided by operating activities as a measure of liquidity. For further information on Non-IFRS Measures, see the definitions in the press release and adjusted EBIT as described in segment information in the condensed consolidated unaudited financial statements.

## Forward-looking Statements

These materials contain forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995 concerning the financial condition, results of operations and businesses of the Group. These forward-looking statements and other statements contained in these materials regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements.

There are a number of factors that could affect the Group's future operations and could cause those results to differ materially from those expressed in the forward-looking statements including (without limitation): (a) competitive pressures and changes in consumer trends and preferences as well as consumer perceptions of its brands; (b) fluctuations in the cost of green coffee, including premium Arabica coffee beans, tea or other commodities, and its ability to secure an adequate supply of quality or sustainable coffee and tea; (c) global and regional economic and financial conditions, as well as political and business conditions or other developments; (d) interruption in the Group's manufacturing and distribution facilities; (e) its ability to successfully innovate, develop and launch new products and product extensions and on effectively marketing its existing products; (f) actual or alleged non-compliance with applicable laws or regulations and any legal claims or government investigations in respect of the Group's businesses; (g) difficulties associated with successfully completing acquisitions and integrating acquired businesses; (h) the loss of senior management and other key personnel; and (i) changes in applicable environmental laws or regulations. The forward-looking statements contained in these materials speak only as of the date of these materials. The Group is not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements to reflect events or circumstances after the date of these materials or to reflect the occurrence of unanticipated events. The Group cannot give any assurance that forward-looking statements will prove correct, and investors are cautioned not to place undue reliance on any forward-looking statements. Further details of potential risks and uncertainties affecting the Group are described in the Company's public filings with the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten) and other disclosures.

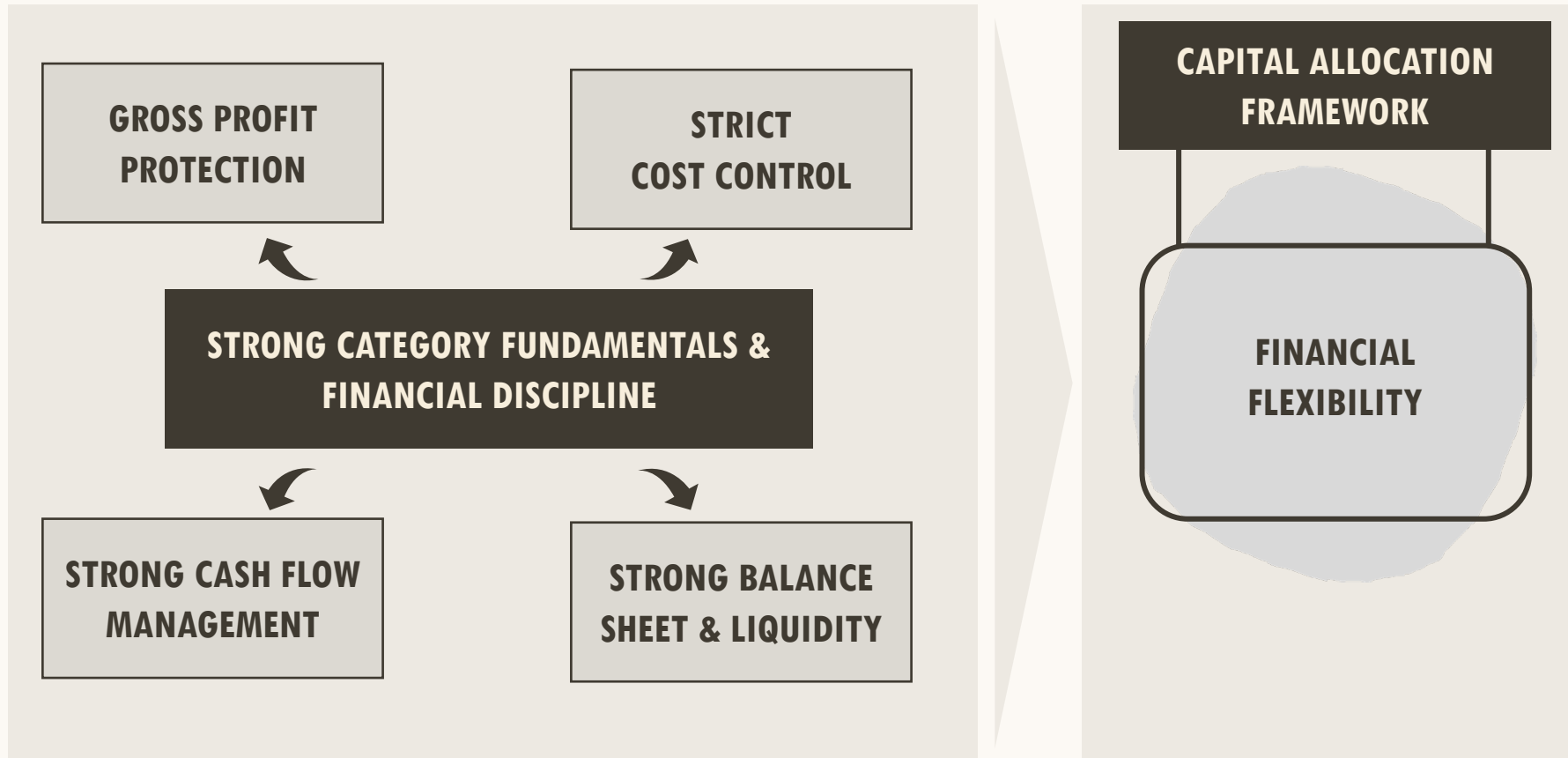
## Market and Industry Data

All references to industry forecasts, industry statistics, market data and market share in these materials comprise estimates compiled by analysts, competitors, industry professionals and organisations, of publicly available information or of the Group's own assessment of its markets and sales. Rankings are based on revenue, unless otherwise stated.

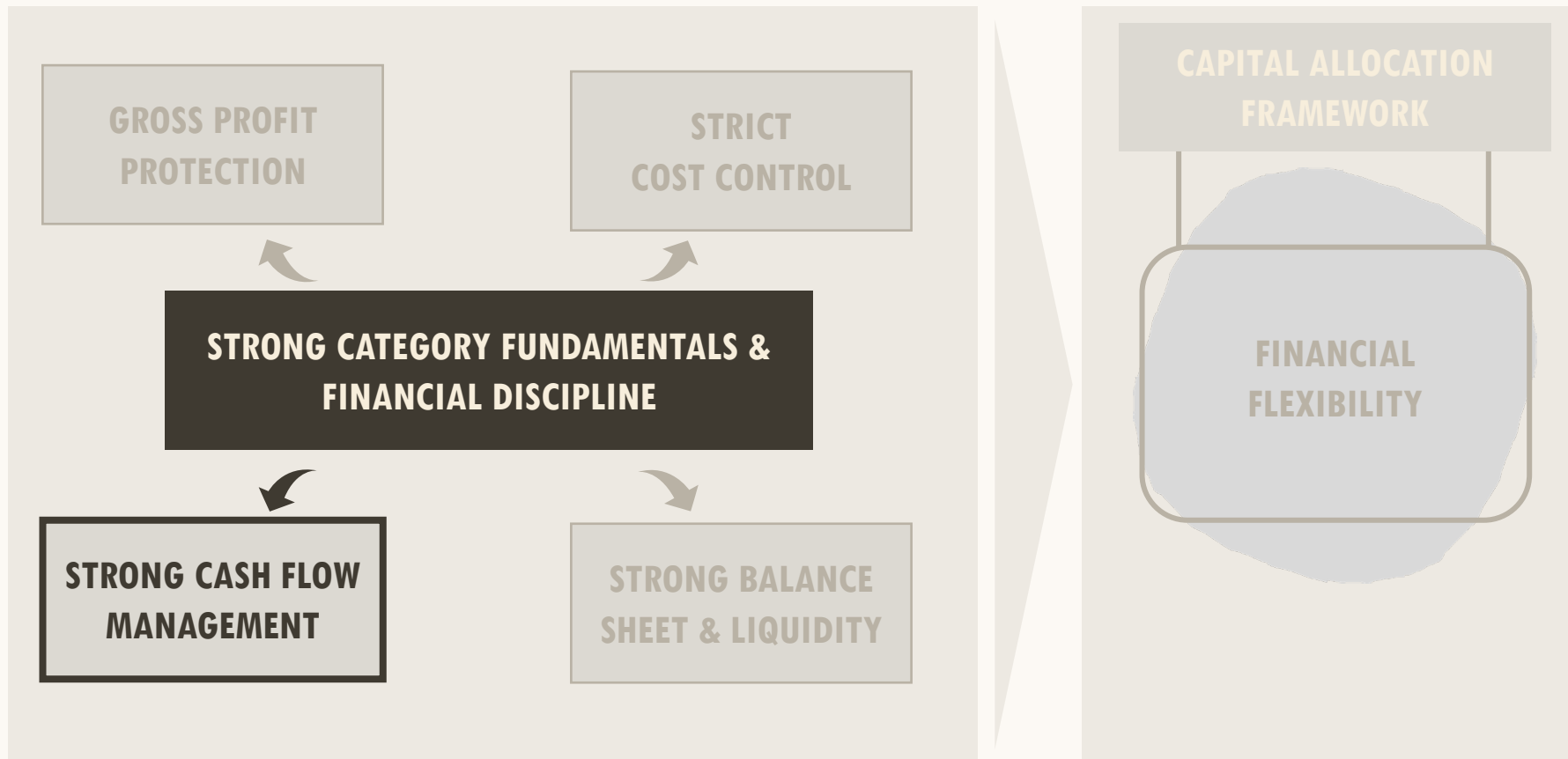
# OUR CAPITAL ALLOCATION PRIORITIES WERE COMMUNICATED TWO YEARS AGO

<b>ORGANIC GROWTH</b>	Invest behind organic growth opportunities within our existing business to support growth
<b>OPTIMAL LEVERAGE</b>	Target an optimal leverage of around 2.5x
<b>INORGANIC GROWTH</b>	Continue to pursue inorganic growth opportunities, but always in line with our highly selective business and financial criteria. While our leverage is above our optimal leverage, we will not prioritize transformational cash or debt funded acquisitions.
<b>RETURN OF CASH TO SHAREHOLDERS</b>	Expect our excess cash to contribute to shareholder remuneration through stable dividend flows, sustainably growing over time
<b>SHARE REPURCHASE</b>	We do not prioritize share repurchases while leverage is above our optimal leverage of around 2.5x

# AND GOVERN THE DEPLOYMENT OF OUR STRONG FREE CASH FLOW GENERATION AND FINANCIAL FLEXIBILITY



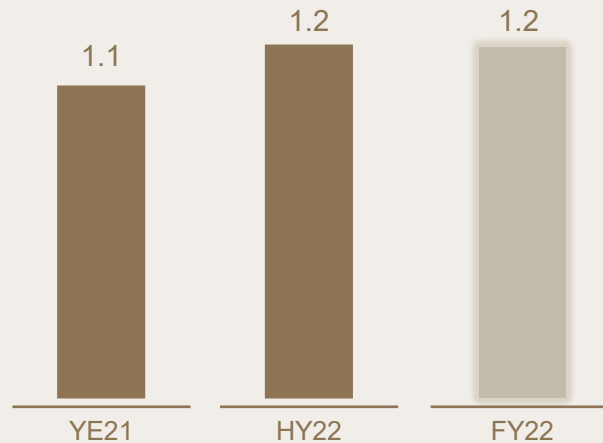
# AND GOVERN THE DEPLOYMENT OF OUR STRONG FREE CASH FLOW GENERATION AND FINANCIAL FLEXIBILITY



# OUR BUSINESS GENERATES SUPERIOR FREE CASH FLOW, ENHANCED BY OUR FINANCIAL DISCIPLINE

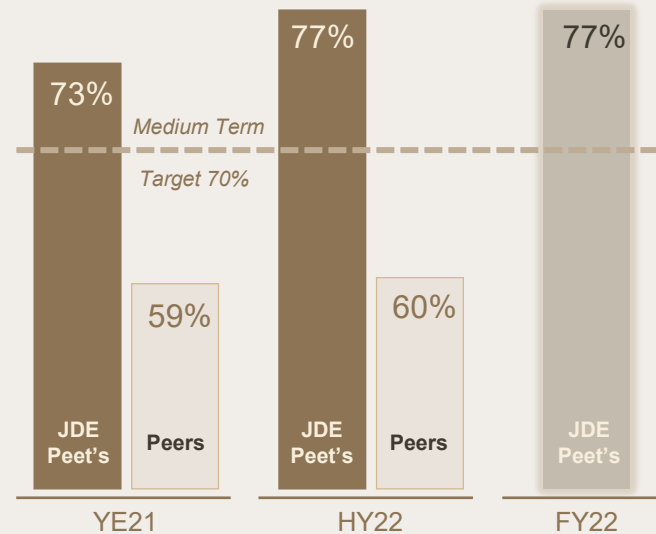
## OUR FCF PERFORMANCE CONTINUES TO BE STRONG

Rolling 3-yr average Free Cash Flow (in EUR bn)



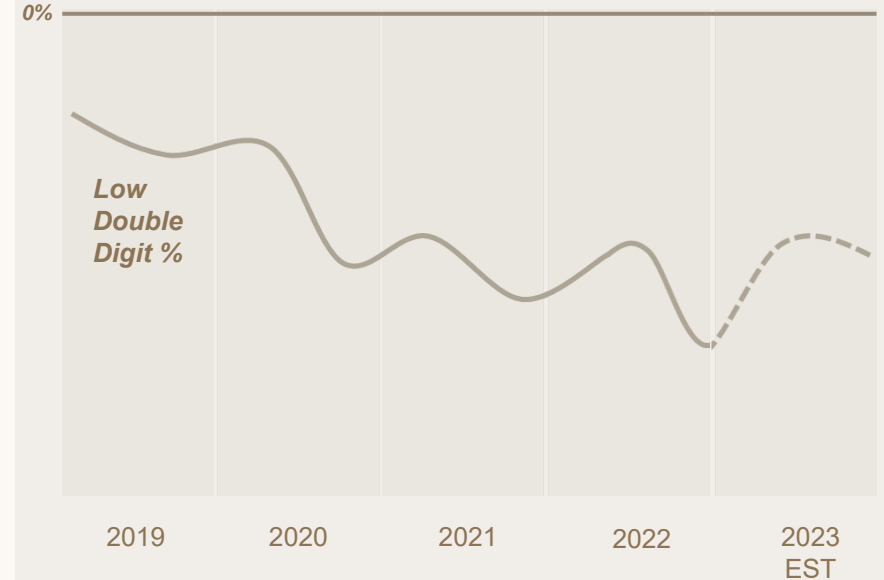
## OUR FCF CONVERSION IS WELL AHEAD OF PEERS

Rolling 3-yr average Free Cash Flow conversion



## SUPPORTED BY OUR CONSISTENTLY COMPETITIVE NEGATIVE OPERATING WORKING CAPITAL

OWC as % of sales

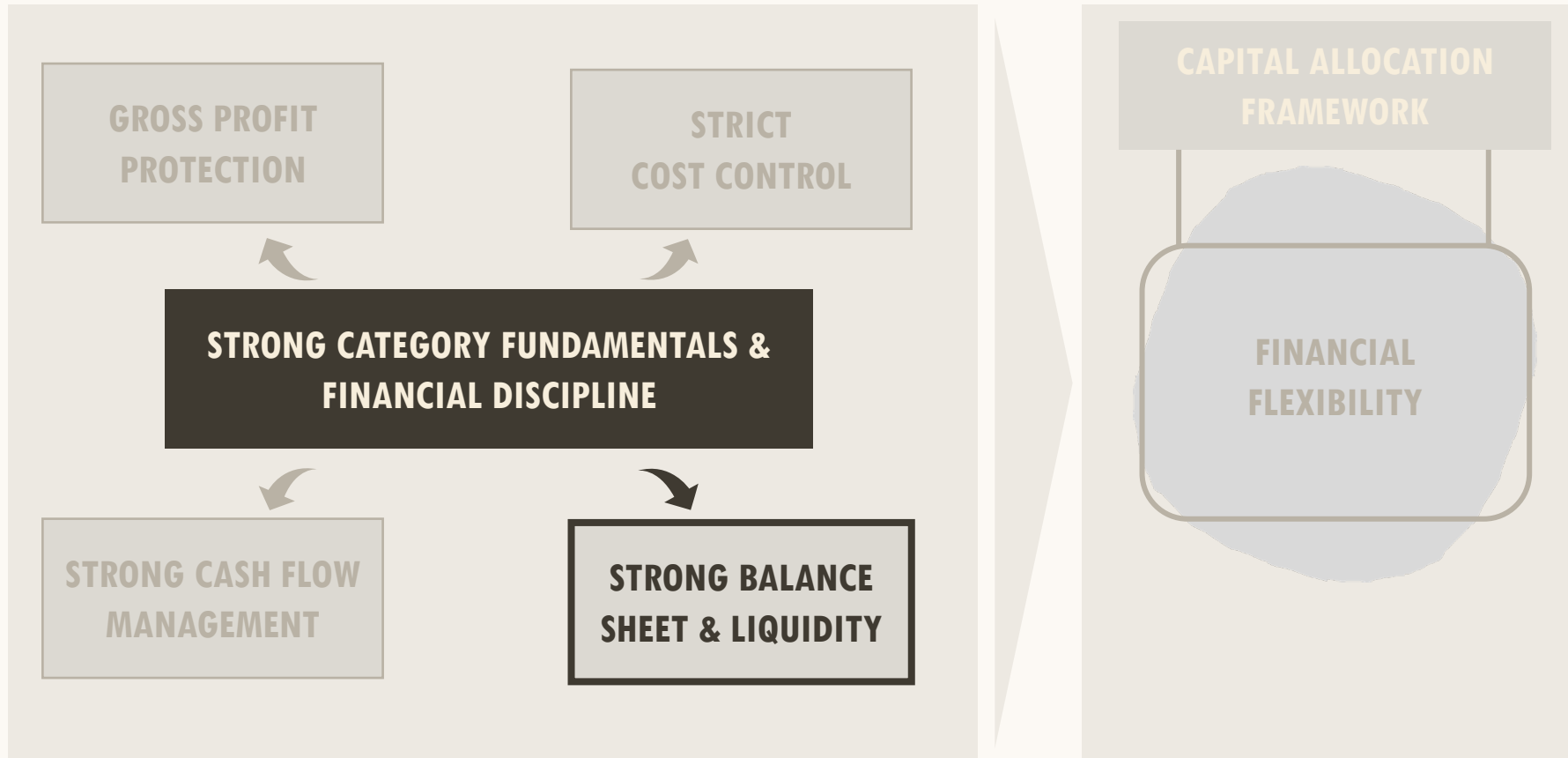


Source – Company Filings and FactSet

Free Cash Flow conversion = (Operating Cash Flow – CAPEX) / Adj. EBITDA

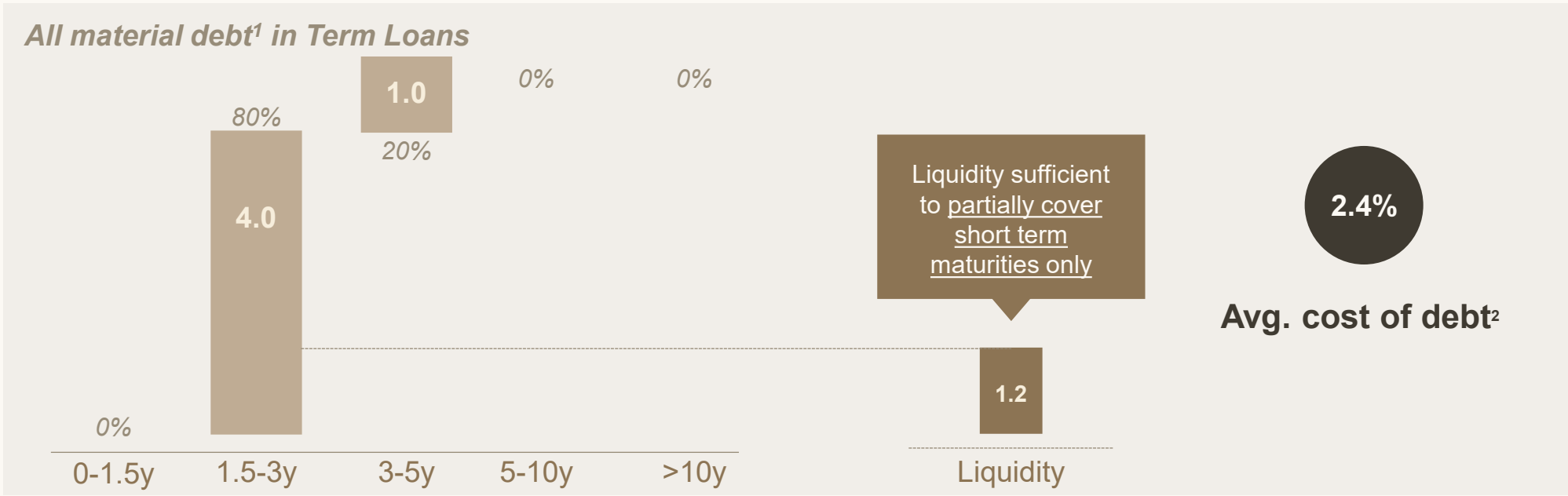
Peer data on average basis. Peers include Coca-Cola, Danone, Hershey's, J.M. Smucker, Kellogg, Keurig Dr Pepper, Kraft Heinz, Lindt & Sprüngli, Mondelez, Nestlé, PepsiCo, Unilever.

# OUR CAPITAL ALLOCATION PRIORITIES GOVERN THE DEPLOYMENT OF OUR STRONG FREE CASH FLOW GENERATION AND FINANCIAL FLEXIBILITY

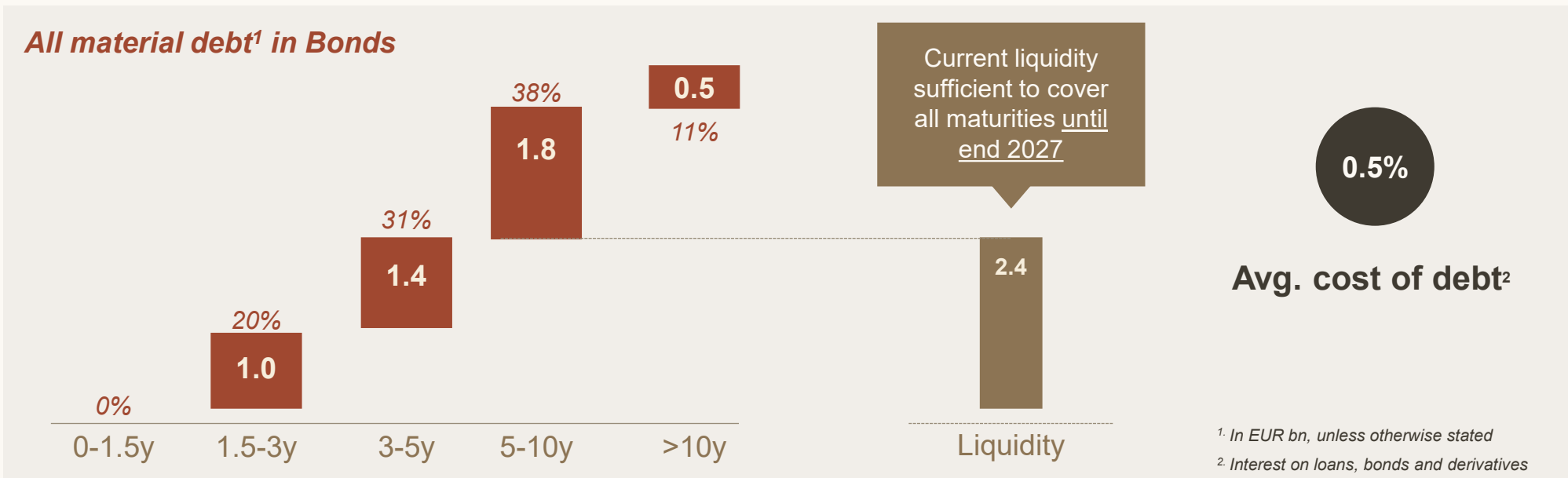


# OUR STRONG CAPITAL STRUCTURE FURTHER ENHANCES THE FOUNDATION OF OUR FINANCIAL FLEXIBILITY

IPO



TODAY

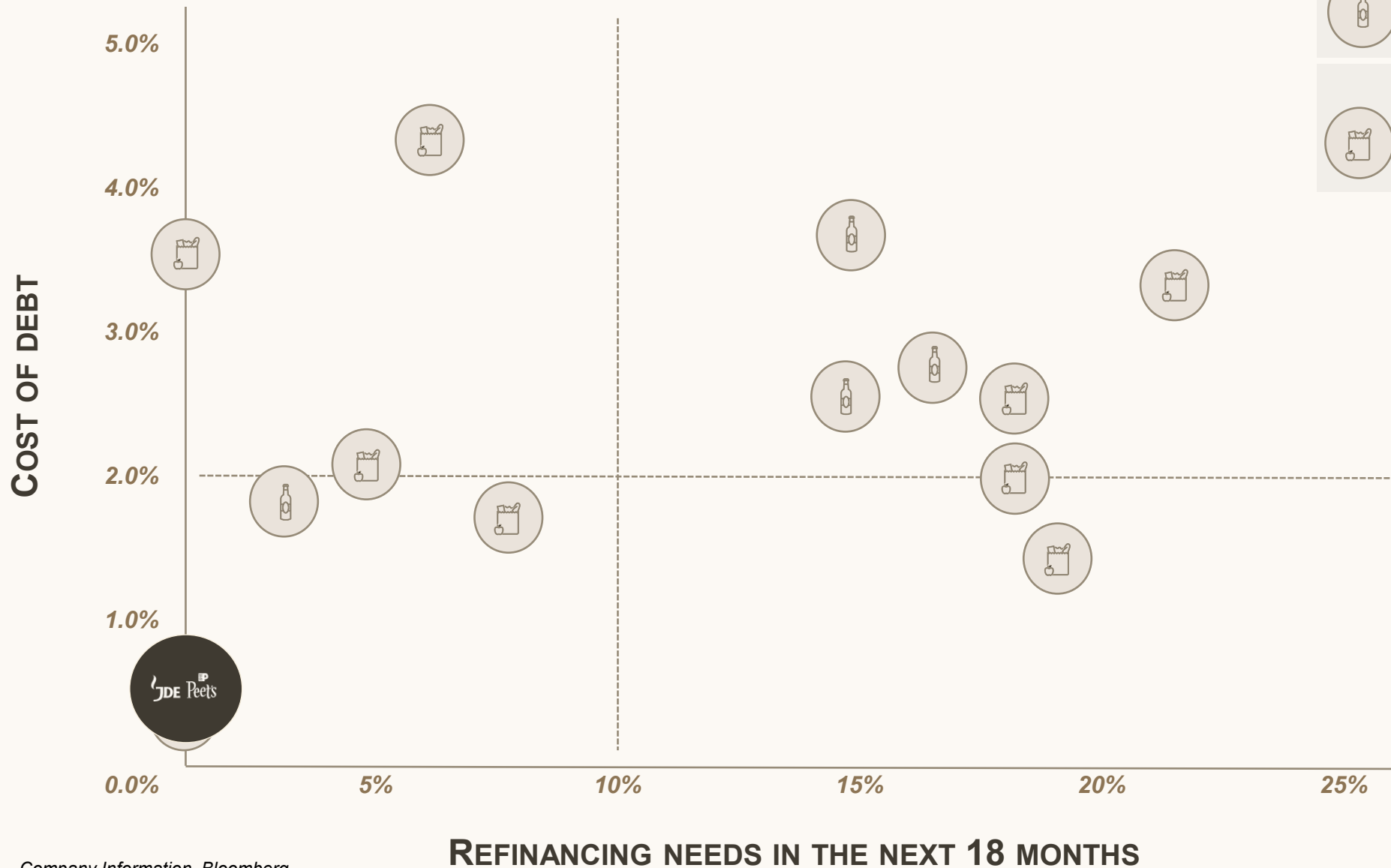


<sup>1</sup> In EUR bn, unless otherwise stated  
<sup>2</sup> Interest on loans, bonds and derivatives





# AND POSITIONED US WELL ENTERING INTO THE RISING RATE AND INFLATIONARY ENVIRONMENT



**Beverage Focused**

Coca-Cola, Keurig Dr Pepper, PEPSICO

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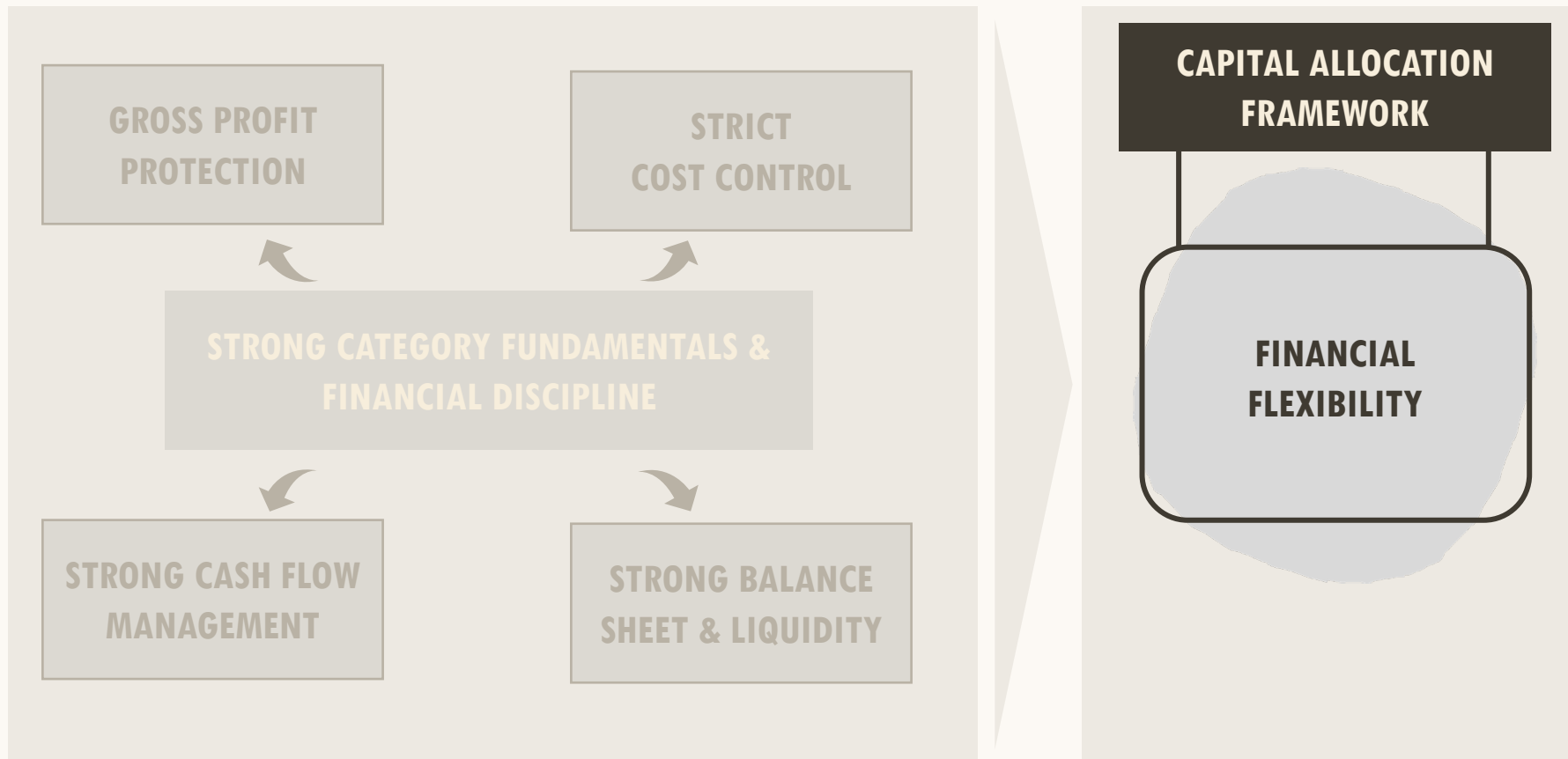
**Broader CPG**

Mondelēz International, Nestlé, Lindt & Sprüngli, Kraft Heinz, Kellogg's, The J.M. Smucker Co., Danone, Unilever, Hershey's

Source – Company Information, Bloomberg



# OUR CAPITAL ALLOCATION PRIORITIES GOVERN THE DEPLOYMENT OF OUR STRONG FREE CASH FLOW GENERATION AND FINANCIAL FLEXIBILITY



# OUR CASH DEPLOYMENT IN THE LAST TWO YEARS HAS BEEN CONSISTENT WITH OUR CAPITAL ALLOCATION PRIORITIES

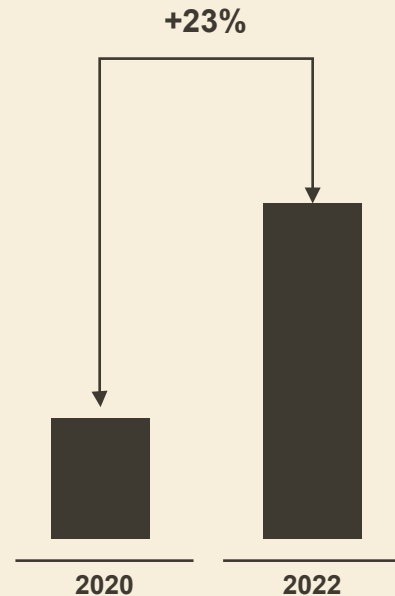
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# OUR CASH DEPLOYMENT IN THE LAST TWO YEARS HAS BEEN CONSISTENT WITH OUR CAPITAL ALLOCATION PRIORITIES

## ORGANIC GROWTH

Invest behind organic growth opportunities within our existing business to support growth

### SIGNIFICANT STEP-UP IN INVESTMENTS IN WORKING MEDIA AND APPLIANCES\*

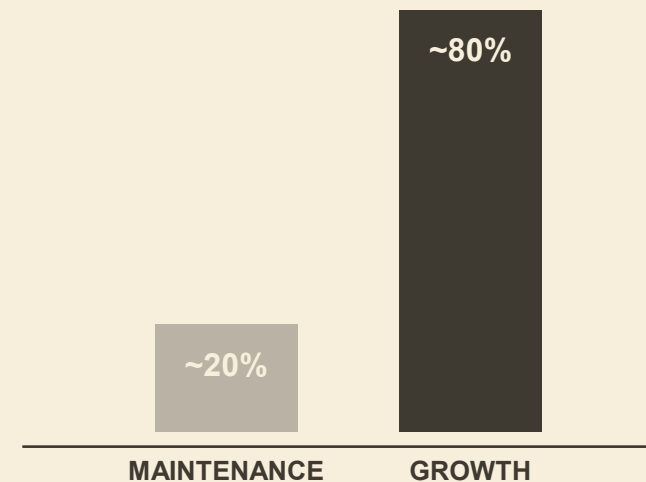


\* Two year CAGR working media spend and machine investments

### A VAST MAJORITY OF OUR CAPEX ALLOCATED TO FUELING LONG-TERM GROWTH AND VALUE CREATION

Over the last 3 yrs, CAPEX has averaged ~3.7% of sales

#### CAPEX Allocation, Last Three Year Average



# AFTER INVESTING IN THE BUSINESS, OUR STRONG CASH FLOW PROFILE GIVES US SIGNIFICANT FINANCIAL FLEXIBILITY TO MANAGE OUR OTHER PRIORITIES

## ORGANIC GROWTH

Invest behind organic growth opportunities within our existing business to support growth

## OPTIMAL LEVERAGE

Target an optimal leverage of around 2.5x

## INORGANIC GROWTH

Continue to pursue inorganic growth opportunities, but always in line with our highly selective business and financial criteria. While our leverage is above our optimal leverage, we will not prioritise transformational cash or debt funded acquisitions.

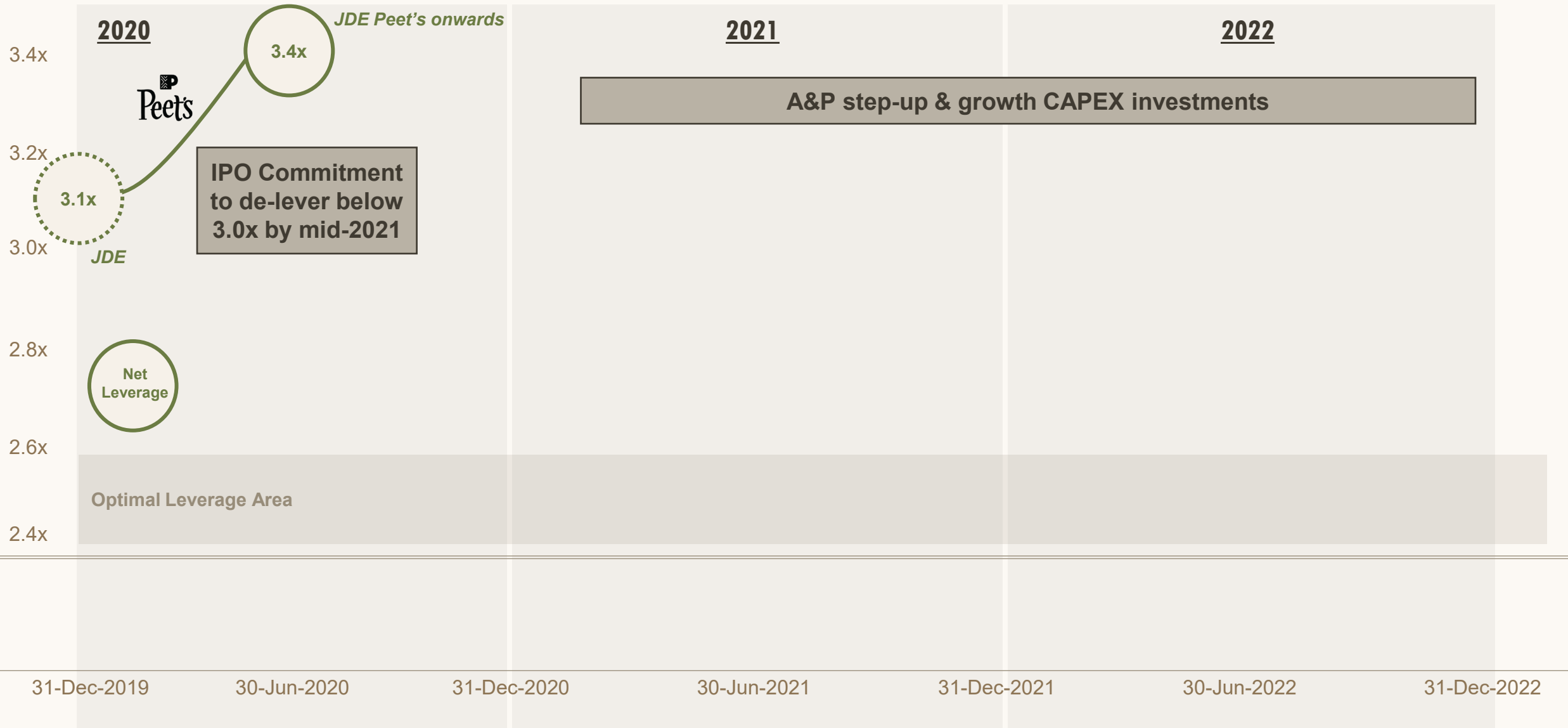
## RETURN OF CASH TO SHAREHOLDERS

Expect our excess cash to contribute to shareholder remuneration through stable dividend flows, sustainably growing over time

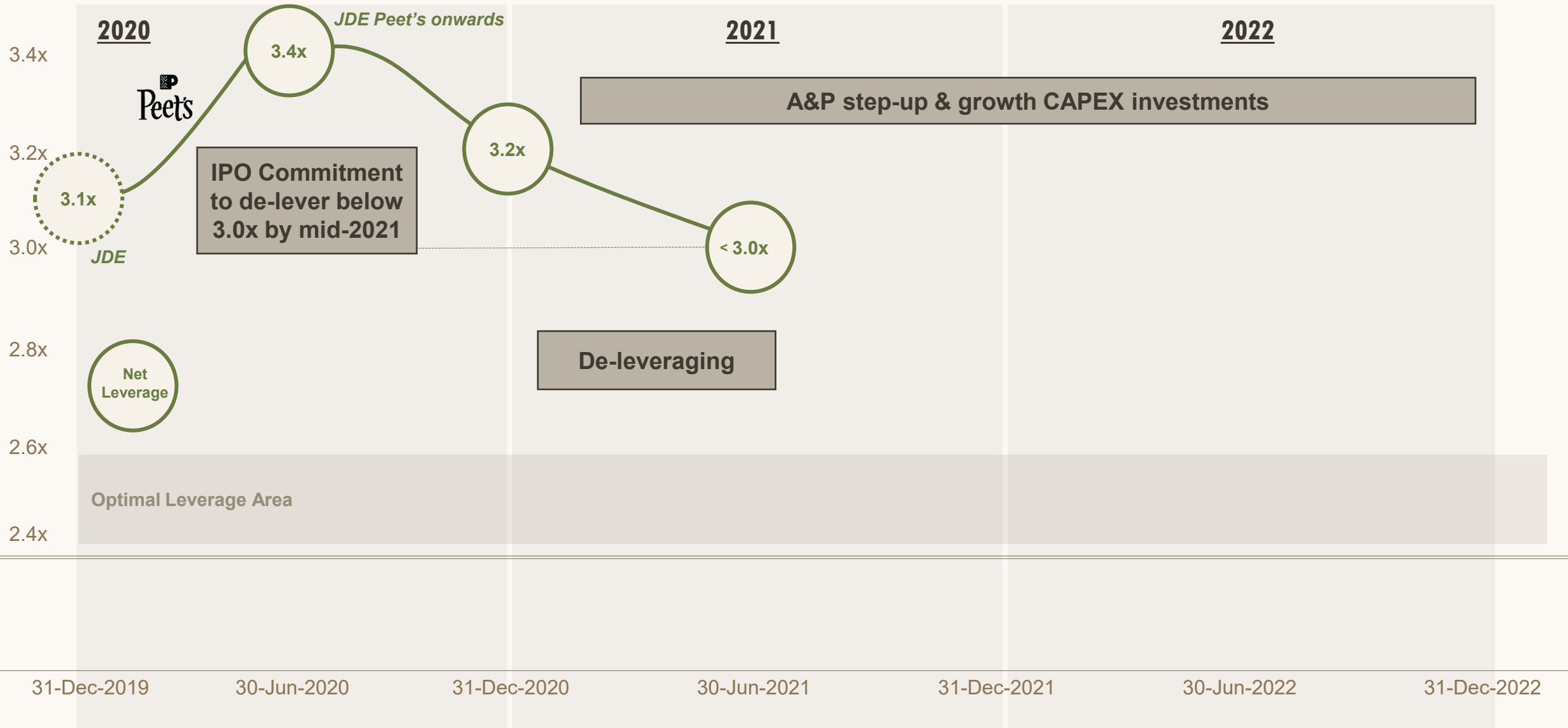
## SHARE REPURCHASE

We do not prioritise share repurchases while leverage is above our optimal leverage of around 2.5x

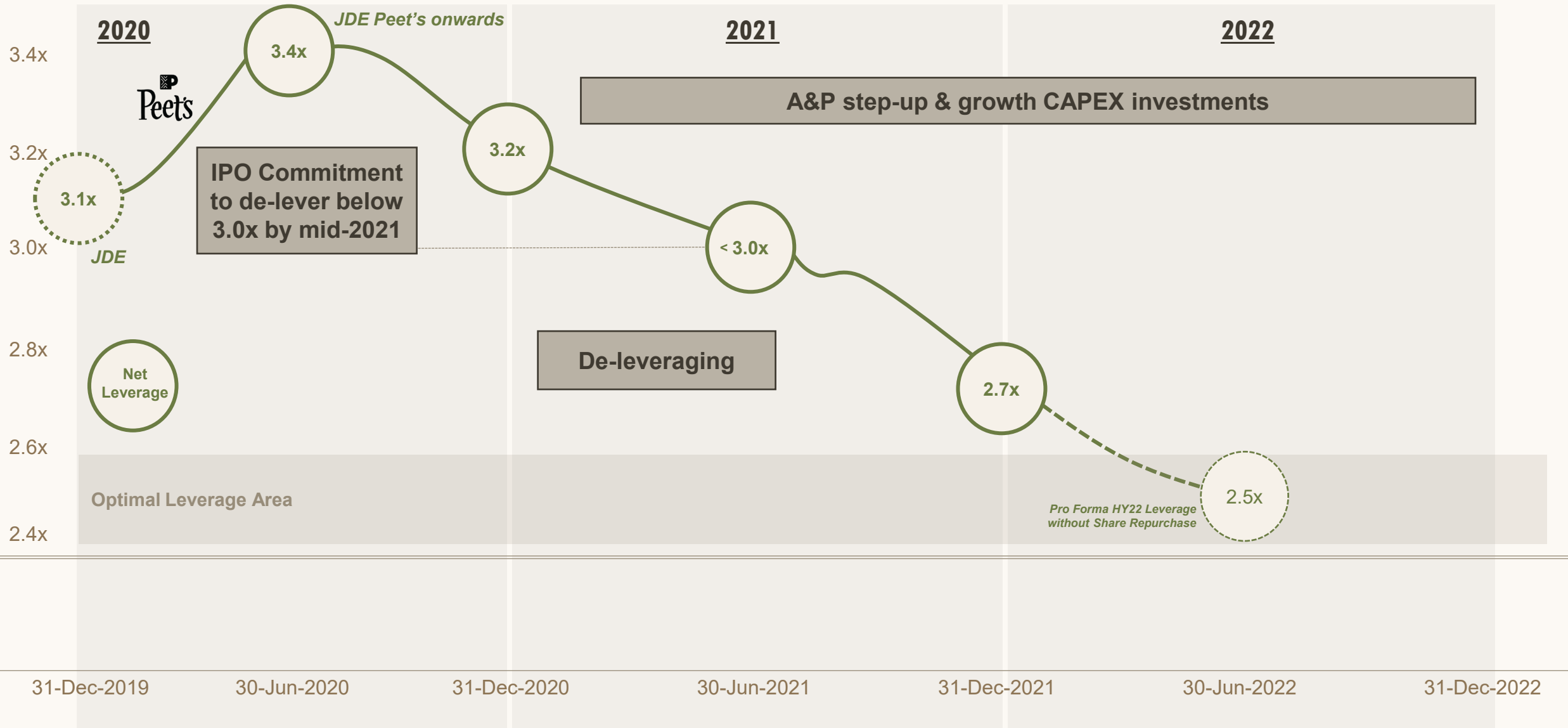
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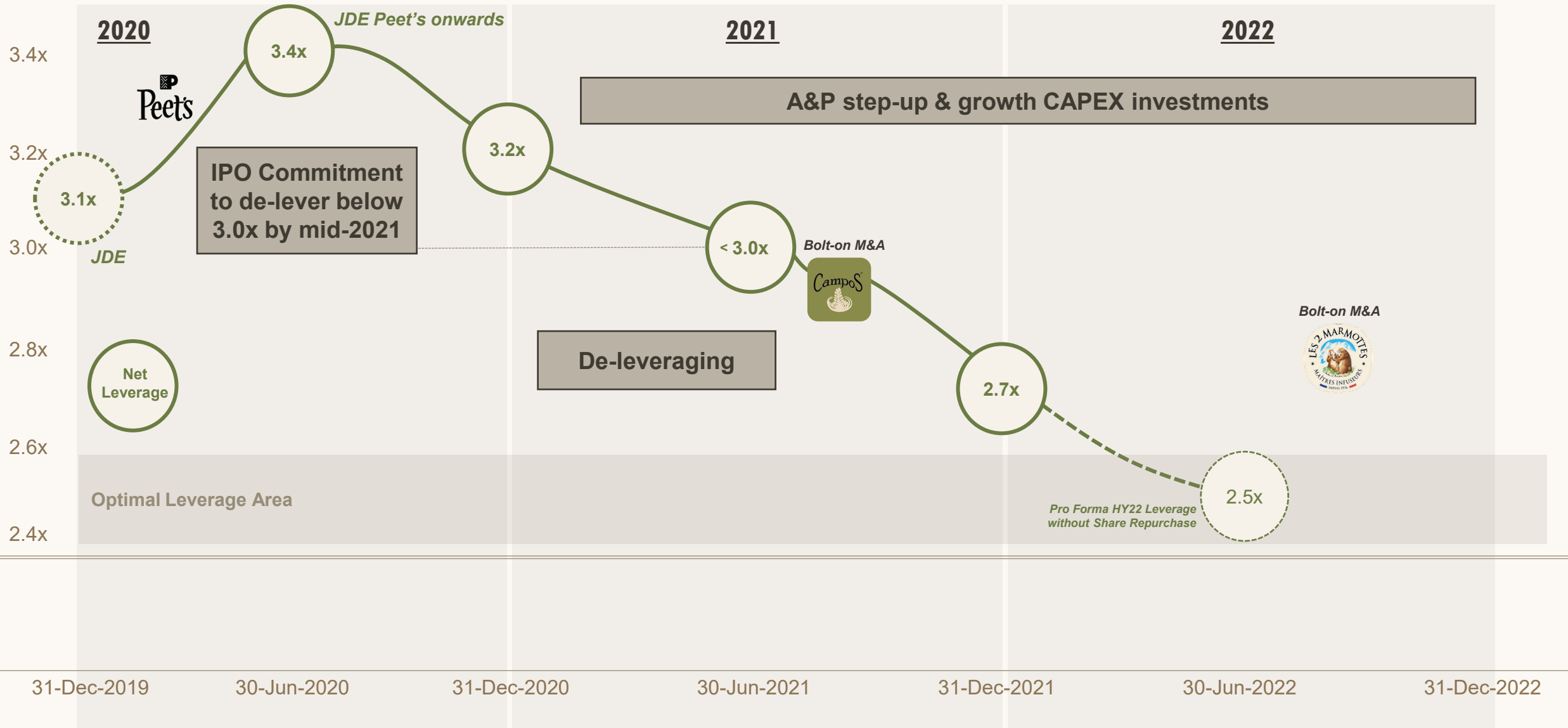


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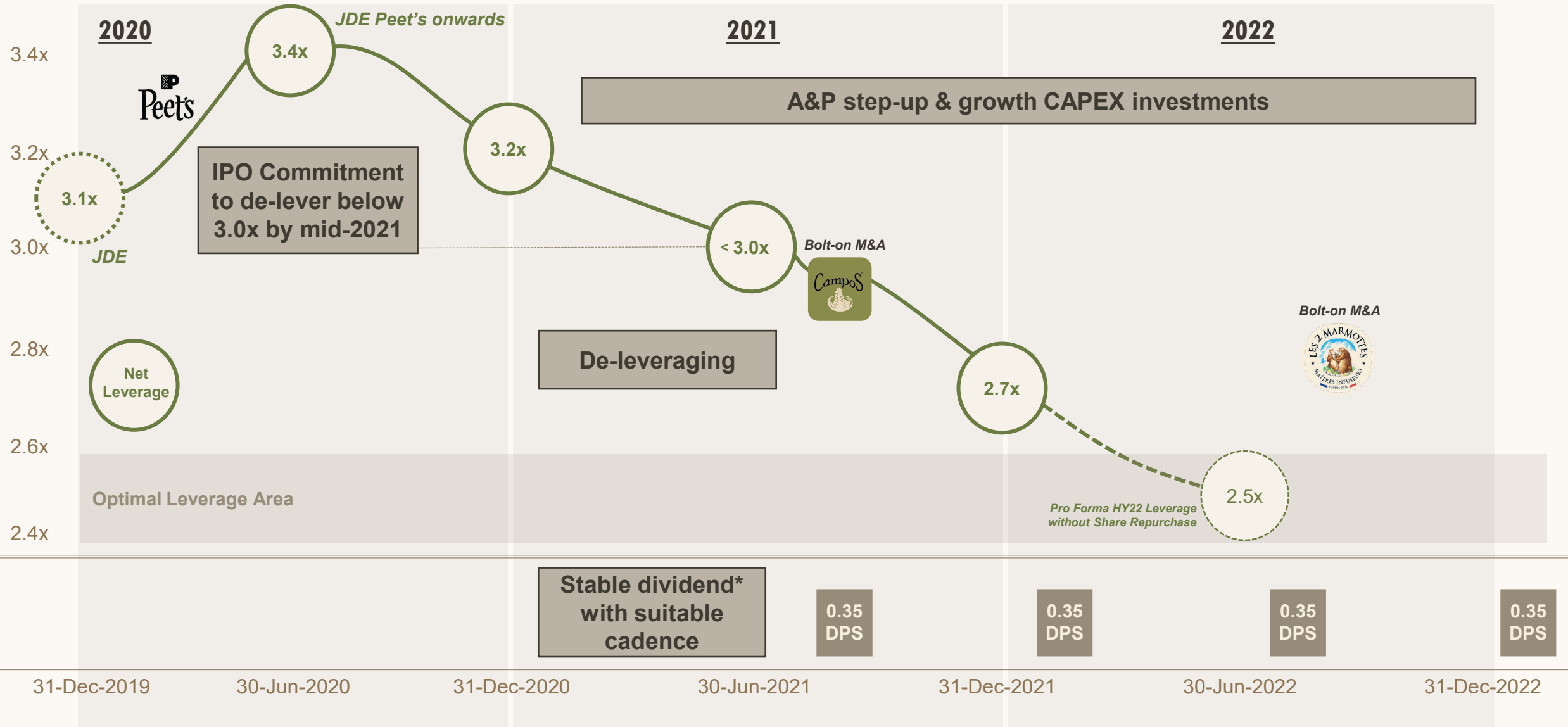




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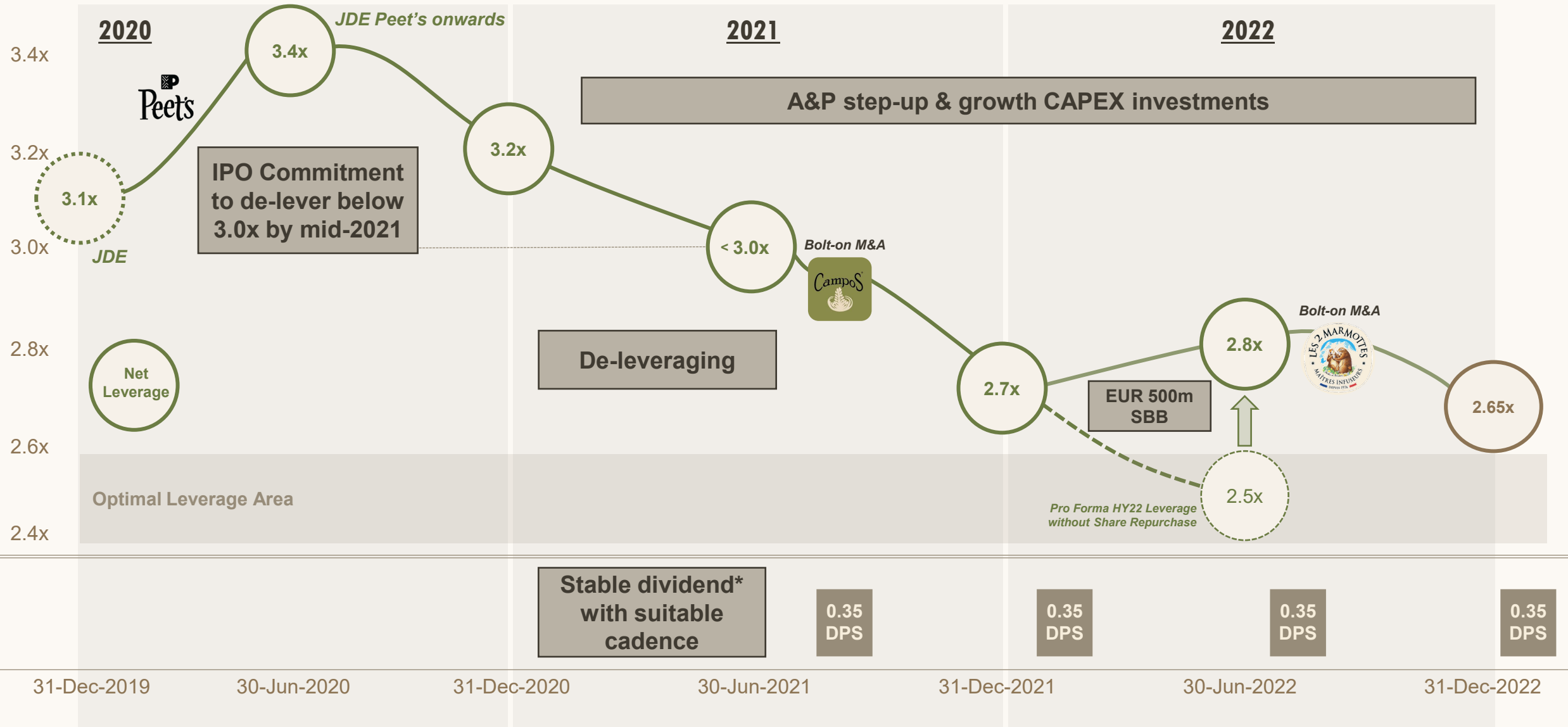


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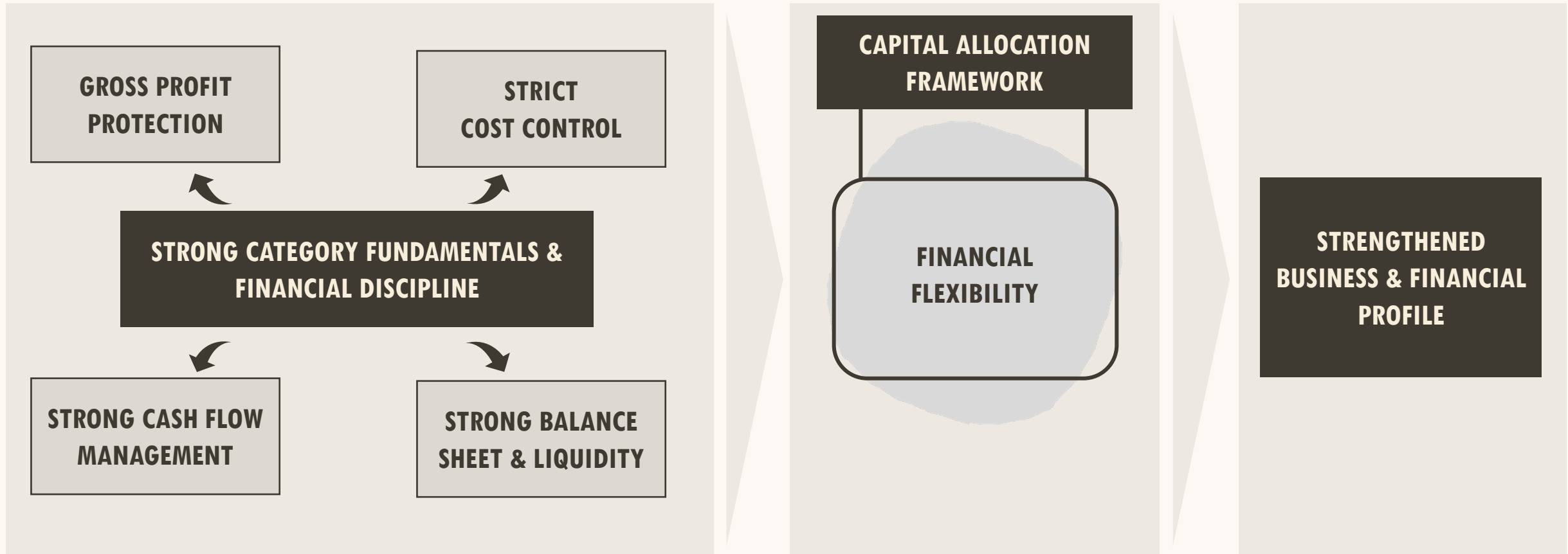
\* In EUR

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\* In EUR

# OUR ADHERENCE TO OUR CAPITAL ALLOCATION FURTHER STRENGTHENED OUR BUSINESS AND FINANCIAL PROFILE



# DESPITE THE SIGNIFICANT PROGRESS MADE AND BEING COMPETITIVE BY MANY METRICS, JDE PEET'S REMAINS AT THE LOW END OF VALUATIONS



	Growth*		Cash Return**	
	Revenue CAGR	Underlying EPS Growth	FCF Yield	Dividend Yield
<b>Beverage Focused</b> 	10.6%	19.0%	3.7%	2.3%
<b>Broader CPG</b> 	5.1%	9.2%	5.1%	2.6%
<b>All Peers</b>	7.0%	13.7%	4.5%	2.5%
<b>JDE Peet's</b>	9.7%	15.5%	7.1%	2.6%

Source – Company Filings, FactSet. Median basis for peer data.

\* Reflects CAGR Dec'20-Jun'22 (or equivalent actual reported period) on a LTM (Last Twelve Months) Basis

\*\* Reflects average for Jun'20 – Jun'22; FCF Yield calculated as FCF / 20 trading days average of Market Cap to 31-Dec-2022; FCF = (NI + D&A – CAPEX); Dividend Yield is Dividend per Share / 20 trading days average of Market Cap to 31-Dec-2022

# DESPITE THE SIGNIFICANT PROGRESS MADE AND BEING COMPETITIVE BY MANY METRICS, JDE PEET'S REMAINS AT THE LOW END OF VALUATIONS

	Growth*		Cash Return**		Valuation***	
	Revenue CAGR	Underlying EPS Growth	FCF Yield	Dividend Yield	EV / EBITDA	P/E
<b>Beverage Focused</b> 	10.6%	19.0%	3.7%	2.3%	19.1x	27.3x
<b>Broader CPG</b> 	5.1%	9.2%	5.1%	2.6%	15.2x	20.2x
<b>All Peers</b>	7.0%	13.7%	4.5%	2.5%	17.7x	23.3x
<b>JDE Peet's</b>	9.7%	15.5%	7.1%	2.6%	11.6x	14.1x

Source – Company Filings, FactSet. Median basis for peer data.

\* Reflects CAGR Dec'20-Jun'22 (or equivalent actual reported period) on a LTM (Last Twelve Months) basis

\*\* Reflects average for Jun'20 – Jun'22; FCF Yield calculated as FCF / 20 trading days average of Market Cap to 31-Dec-2022; FCF = (NI + D&A – CAPEX); Dividend Yield is Dividend per Share / 20 trading days average of Market Cap to 31-Dec-2022

\*\*\* Reflects LTM underlying EBITDA/EPS to Jun'22

# JDE Peet's

A COFFEE & TEA FOR EVERY CUP

