

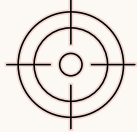


# REPORT OF THE BOARD FOR 2022

FABIEN SIMON, CHIEF EXECUTIVE OFFICER

25 MAY 2023

# PERFORMANCE HIGHLIGHTS FULL-YEAR 2022



**Successfully navigated through a challenging year, and delivered on commitments without compromising**



**Transforming the company – correctly invested, more productive, more sustainable**



**Significant broad-based progress on ESG, while elevating Organic Sales Growth above the historical level**



**Building a track record of quality performance since the IPO**



**Board of Directors proposes a dividend of EUR 0.70 per share**

# RESULTS FULL-YEAR 2022

## ORGANIC SALES GROWTH

Organic sales growth

11.3%

In-home

+8.9%

Away-from-home

+22.3%

## PROFITABILITY

Investments in Growth

SG&A

+10.6%

Working Media

+22.0%

Adjusted EBIT

EUR 1,227 m

Organic growth

-9.3%

Reported growth

-5.9%

Underlying earnings per share

EUR 1.91 (+6.3%)

## CASH & DEBT

Free Cash Flow

EUR 1,358 m

Net leverage

2.65x

# WE CONTINUED TO MAKE CHOICES TO ENSURE LONG-TERM SHAREHOLDER VALUE

**INTENTIONAL TO  
PROTECT  
GROSS PROFIT**

**EFFICIENCIES  
AND PRICING**

**NO COMPROMISE ON FUNDAMENTALS**

**QUALITY**

**PRODUCT &  
EXECUTION**

**INVESTMENT**

**BRAND &  
APPLIANCE &  
INNOVATION**

**INCLUSION**

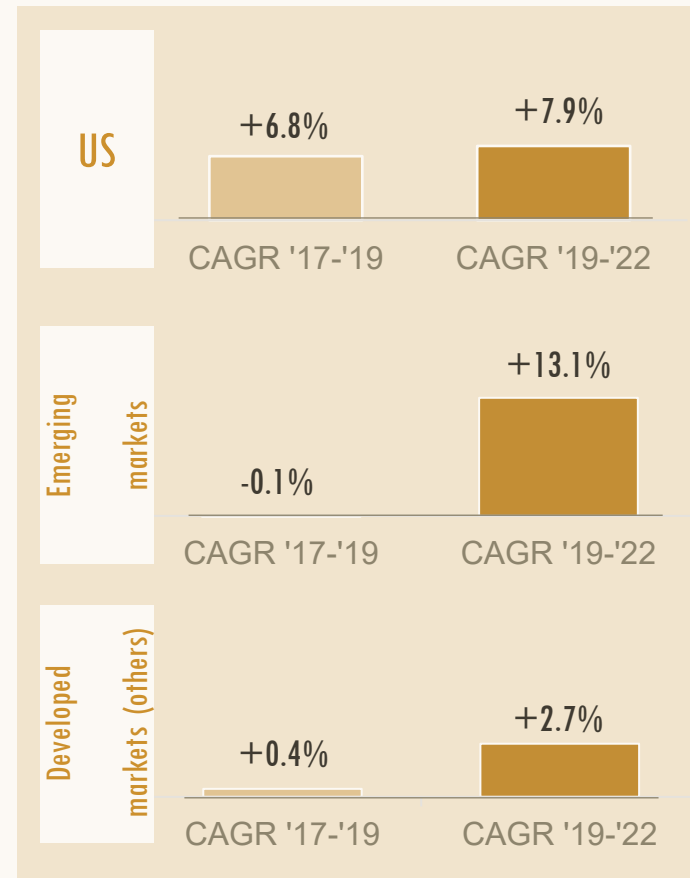
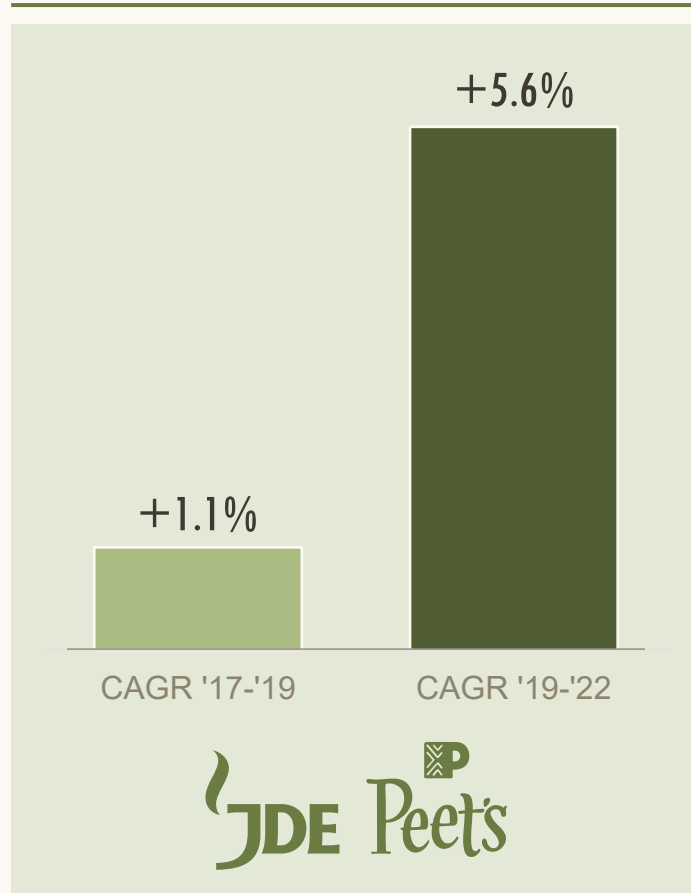
**ESG &  
PEOPLE**

**DISCIPLINED  
ALLOCATION**

**FUTURE GROWTH  
POOLS**

# WE ARE ELEVATING JDE PEET'S SALES GROWTH AT/ABOVE THE LONG-TERM CATEGORY GROWTH RATE

## ORGANIC SALES GROWTH %

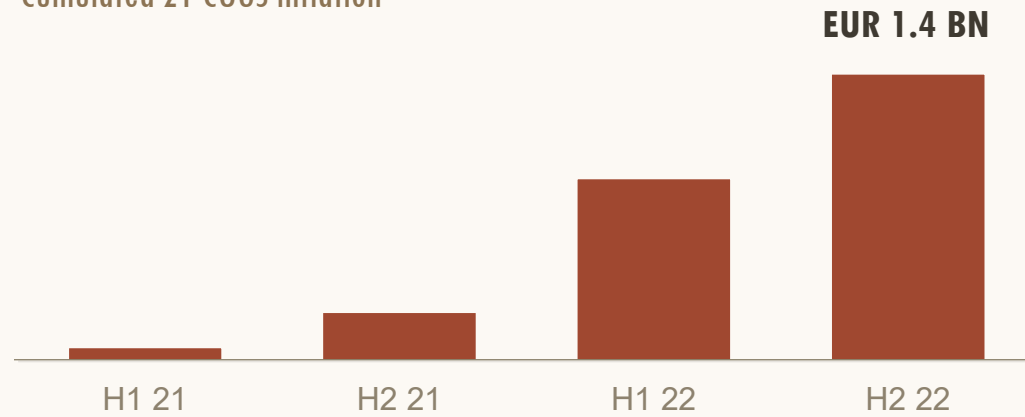


- Progress across all geographies
- Portfolio and execution discipline
- Stepping up on innovation
- Scaling up new channels / geographies
- Bolt-on M&A and Partnerships

# SINCE 2022, WE ARE MANAGING HISTORICALLY HIGH INFLATION

## COST INFLATION

Cumulated 2Y COGS inflation



- Green coffee > 60%
- Ocean freight > 70%
- Energy > 100%
- Packaging materials > 20%

## MITIGATING ACTIONS

- Cost efficiencies
- Portfolio simplification
- Pricing
- Other revenue management

# RESILIENT CONSUMPTION IN LIGHT OF RESPONSIBLE PRICING

## CPG EUROPE AFFECTED BY SHORT TERM CUSTOMER DISRUPTION & AWAY-FROM-HOME RECOVERY

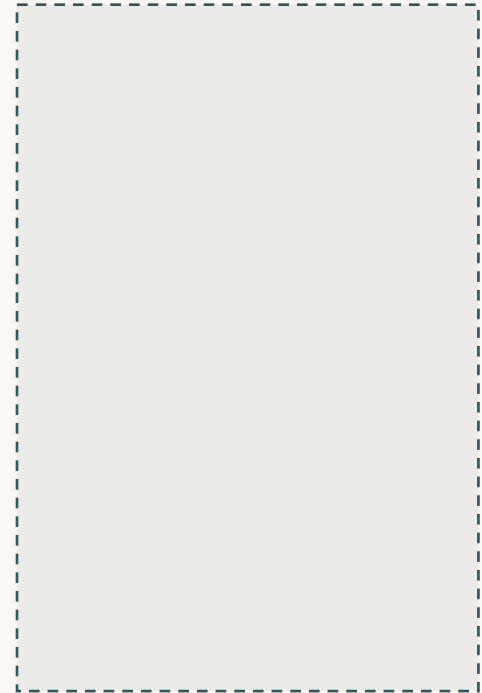
### PRICING

+ 15.8 %

Estimated average annual  
consumer impact<sup>1</sup>

+€5/year  
for 500 cups

### ORGANIC SALES GROWTH PER SEGMENT



*Note: Hypothetical value – based on 500 cups per year at home x global average company in-home RSP per cup in 2021 x average company 2022 net price increase %*

# TANGIBLE & TRANSFORMATIVE PROGRESS AGAINST OUR ESG AGENDA

## Common Grounds | KEY 2022 MILESTONES

### ESG EMBEDDED IN EVERY LAYER OF THE ORGANISATION



Responsible coffee sourcing at 77% (vs 30% in 2021)

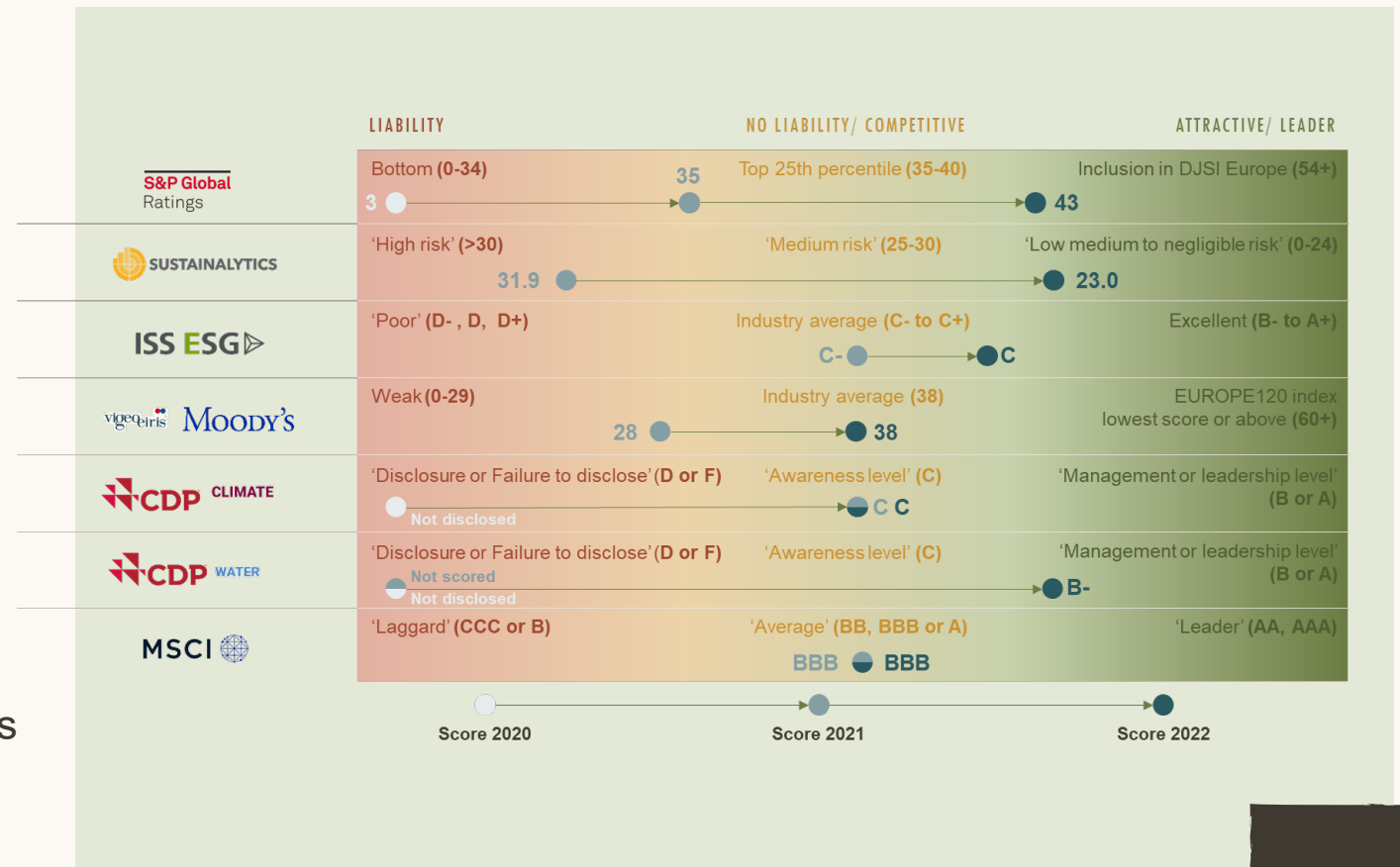


15% reduction in CO2 emissions (scope 1 and 2) vs 2020 baseline



< 1% gender pay gap  
41% women in leadership positions (matching level of women across all employees, of 43%)

## RECOGNITION FROM EXTERNAL RATING AGENCIES





# SINCE THE IPO, WE HAVE BUILT A TRACK RECORD OF QUALITY RESULTS

Results since June 2020 (IPO, 29<sup>th</sup> of May 2020)

## SUPERIOR PERFORMANCE <sup>1</sup>



**Organic sales growth**

**+18%**

CAGR  
+7.0%



**Underlying earnings per share**

**+21%**

CAGR  
+10.3%

## WELL INVESTED



**Share of voice**

**>40%**

~50% increase  
vs 2020



**Appliance funding**

**+44%**

vs 2020

## INCREASING SHAREHOLDER VALUE



**Cash returned to shareholders**

**€1bn**



**Net debt**

**€-1.1bn**

Leverage  
-0.75x

## IMPROVING STAKEHOLDER VALUE



**CO2 reduction**

**-15%<sup>2</sup>**



**Responsible sourcing - Coffee**

**77%**

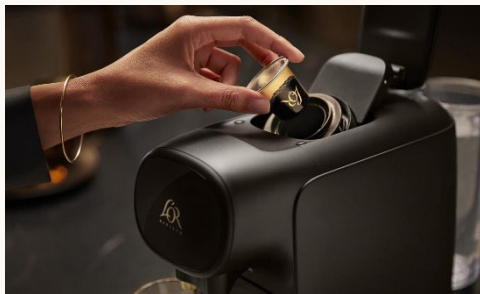
+47%-pts vs 2021

Note: (1) Organic sales growth FY 2022 vs MAT June 2020 / Underlying EPS FY 2022 vs June 2020 / (2) Scope 1 & 2, vs 2020  
Source: JDEP Internal Financials, JDEP Internal Data

# EMERGING STRONGER FOR 2023 AND BEYOND

## SHAPED STRONGER PORTFOLIO

- Increased awareness and consideration of our brands
- More global footprint
- Scaled-up D-commerce
- Competitive share development



## REBUILT FREEDOM TO INVEST

- Boosting cost efficiency
- Leading on pricing
- Leading on Share of Voice
- Leading on Free Cash Flow conversion %



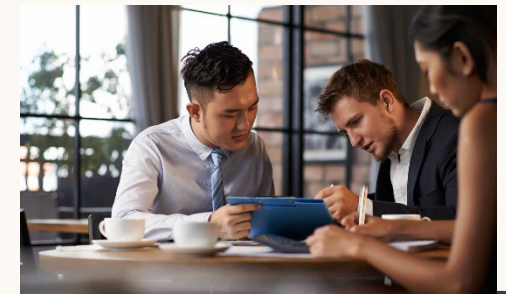
## REINFORCED FUNDAMENTALS

- Customer service level – On-time in Full
- Product quality
- Safety
- Inclusive growth



## STRENGTHENED CAPITAL STRUCTURE

- Attractive shareholder return funded by Free Cash Flow
- Competitive average cost of debt at 0.5%
- Current liquidity sufficient to cover all maturities until 2027





# THE TRANSFORMATION WE DELIVERED REINFORCES OUR LONG-TERM ALGORITHM

## LONG-TERM ALGORITHM INTACT

Organic Sales Growth **3 – 5%**

Organic Adjusted  
EBIT Growth **Mid-Single-Digit**

FCF conversion **~70%**

Dividends **Stable to increasing over time**

# JDE Peet's

A COFFEE & TEA FOR EVERY CUP

