



# PRESS RELEASE

Amsterdam, 24 January 2023

## JDE Peet's provides an update on its strategic roadmap and shares preliminary results for FY 22 at its strategic update meeting

### Key Highlights

- JDE Peet's has made significant progress on its growth and purpose-led strategy that was introduced in March 2021, and which supported a strong set of quality results since the company entered the public market
- The company has successfully accelerated growth in the US and in emerging markets, while strengthening capabilities and competitiveness in Digital Commerce and Single-Serve appliances
- JDE Peet's' ESG performance and ambitions substantially increased in 2022. The company has defined the roadmap of initiatives that will enable a new commitment to net-zero, and built an integrated new carbon accounting platform to track and accelerate the delivery of its ESG objectives
- The company announced the launch of a new, fully compostable coffee capsule in 2023, which allows for an uncompromising high-quality in-cup experience
- JDE Peet's confirmed FY 22 results to be in line with its outlook, provided its outlook for FY 23 and reiterated its medium- to long-term targets

JDE Peet's (EURONEXT: JDEP), the world's leading pure-play coffee and tea company by revenue, is hosting its Strategic Update Meeting for institutional investors and analysts in Amsterdam today. During this event, the company provided, among other things, an update on its achievements and progress versus its strategic roadmap, a selection of preliminary financial results for FY 22 as well as its outlook for 2023.

*"I am very pleased with the progress we have made since we introduced our updated strategy two years ago," said Fabien Simon, CEO of JDE Peet's. "In spite of the challenging macro-economic environment, we are delivering on our commitments to build a stronger, more productive, and more inclusive enterprise. We kept high-quality standards for our consumers and customers, meaningfully reinvested in core assets, rebuilt employee pride and engagement, transformed from a laggard to a leader in ESG, while resuming cost competitiveness and achieving our financial commitments. Strengthening our fundamentals, our brands and our innovation capabilities elevates our growth trajectory and our ability to create a sustaining long-term shareholder return and societal value."*

### Launch of a new, compostable coffee capsule to accelerate the sustainability agenda

The company will launch a fully compostable capsule in 2023, which will contribute to a circular economy. This new-to-the-world technology allows for a high-quality in-cup experience that was not achievable in existing compostable alternatives to date. This innovation will be introduced in selected markets throughout 2023 under L'OR, the global leading grocery brand in espresso capsules.

**ESG performance & ambitions substantially increased in 2022 and a company-wide carbon accounting system has been implemented to track and support a net-zero future**

In line with the company's purpose to unleash the possibilities of coffee and tea to create a better future, JDE Peet's has made significant progress on its sustainability agenda over the last two years. In addition to the reduction of its scope 1 & 2 green-house-gases by 17% since 2020, one of the key achievements in 2022 was the increase in responsibly sourced coffee from 30% in 2021 to 77%. In 2023, JDE Peet's will submit its stronger and new SBTi ambition to net-zero.

**Preliminary FY 22 financial results<sup>1</sup>**

At the occasion of its Strategic Update Meeting, JDE Peet's confirms its 2022 outlook and shares the following preliminary, unaudited results related to FY 22:

- Sales increased by 16.4%, driven by organic growth of 11.3%
- Gross profit increased by 3.3%
- SG&A increased by 10.6%, driven by working-media and other growth-related investments
- Adj. EBIT decreased by 5.9%, and organically by -9.3%, as SG&A increased
- Underlying EPS increased to EUR 1.91
- Free cash flow of more than EUR 1.3 bn with a net leverage of 2.65x

The company will publish its FY 22 financial statements as scheduled on 22 February 2023, which may slightly deviate from the preliminary results set out in this release.

**Outlook FY 2023**

The company shared the following outlook for FY 23:

- Organic sales growth at the high end of its medium-term range of 3 – 5%
- Low single-digit organic adjusted EBIT growth, with a moderate increase in SG&A
- A stable dividend

**Medium- to Long-Term Targets reiterated**

For the medium- to long-term, JDE Peet's continues to target organic sales growth of 3 to 5% and mid-single digit organic adjusted EBIT growth, a free cash flow conversion of approximately 70% and stable to increasing dividends over time.

**Additional information**

The presentation slides of the event can be found [here](#) and a video replay of the event, including synchronised slides, will be made available on the same [webpage](#) the next day.

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<sup>1</sup>This press release contains certain non-IFRS financial measures and ratios, which are not recognised measures of financial performance or liquidity under IFRS. For a reconciliation of these non-IFRS financial measures to the most directly comparable IFRS financial measures, see page 7 of the [H1 22 Earnings Release](#). Organic sales and organic adjusted EBIT are adjusted for new business ventures.



### 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 and 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 Abuse Regulation

This press release contains information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

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### About JDE Peet's

JDE Peet's is the world's leading pure-play coffee and tea company, serving approximately 4,500 cups of coffee or tea per second. JDE Peet's unleashes the possibilities of coffee and tea in more than 100 markets, with a portfolio of over 50 brands including L'OR, Peet's, Jacobs, Senseo, Tassimo, Douwe Egberts, OldTown, Super, Pickwick and Moccona. In 2021, JDE Peet's generated total sales of EUR 7 billion and employed a global workforce of more than 19,000 employees. Read more about our journey towards a coffee and tea for every cup at [www.jdepeets.com](http://www.jdepeets.com).