



# FULL-YEAR RESULTS 2021

23 FEBRUARY 2022

# Important information

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## 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 2020 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.

# AGENDA

**INTRODUCTION & BUSINESS PERFORMANCE**    FABIEN SIMON

**FINANCIAL PERFORMANCE**    SCOTT GRAY

**OUTLOOK & KEY TAKE-OUT**    FABIEN SIMON

**QUESTIONS & ANSWERS**

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**QUESTIONS & ANSWERS**

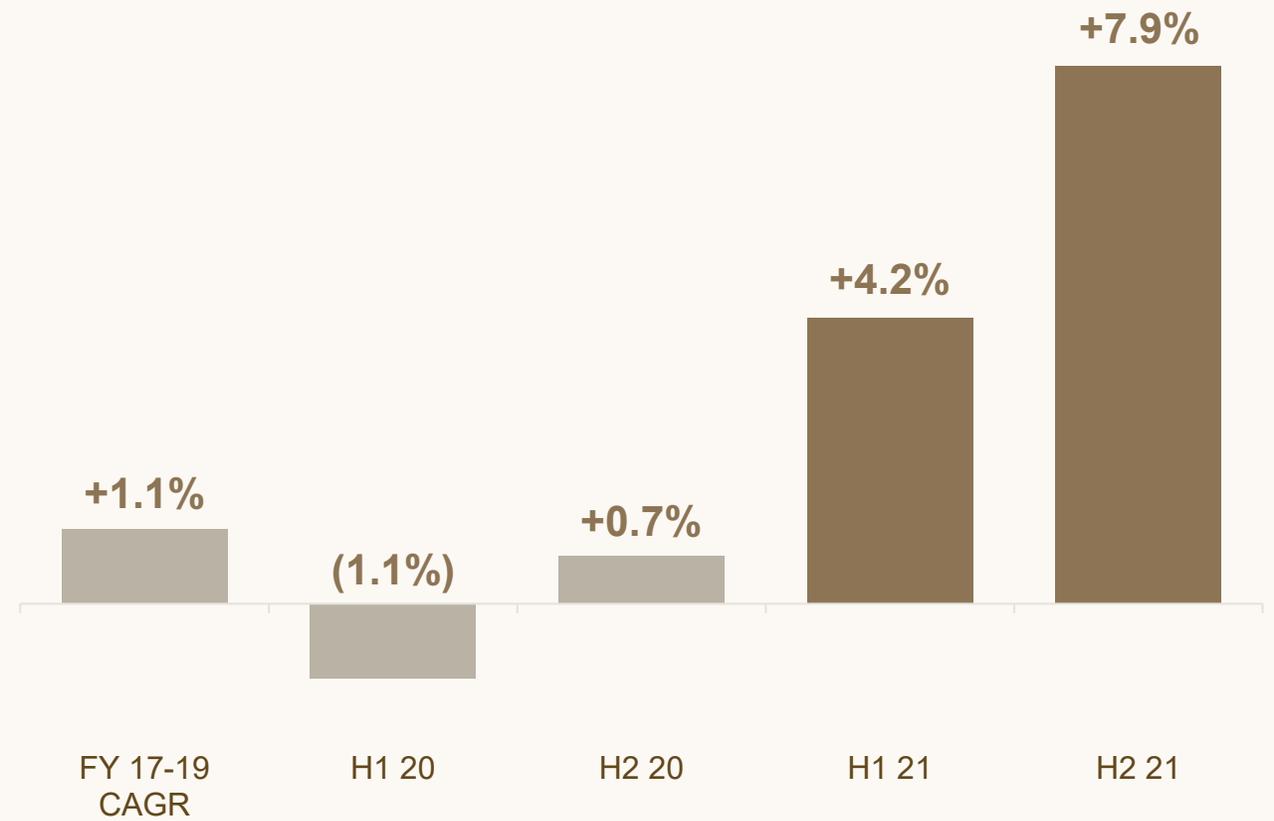
# PERFORMANCE HIGHLIGHTS FULL YEAR 2021

- **Strong financial results, delivered in a quality way, with accelerated top-line growth**
  - Organic sales growth of +6.1% (+4.2% in H1, +7.9% in H2)
  - Organic adjusted EBIT growth of +1.5%, with 27% increase in marketing spend
  - Underlying EPS growth of +13.7%
- **Re-igniting the power of the JDE Peet's portfolio, with innovations and increased investments, self-funded by renewed discipline on gross profit (up +5.4% organically)**
- **Solid in-market performance, while leading on price increases in the majority of geographies and categories (+4.3% net pricing in H2 21)**
- **Stepping-up the progress on sustainability and raising the ambition**
- **The structural strong Free Cash Flow generation (above EUR 1.3 bn in 2021), positions JDE Peet's well on the path to optimal leverage (below 2.7x at YE 21)**

# ELEVATING THE POWER OF THE PORTFOLIO WITH HIGHER SALES GROWTH

## HOME RECAST AS THE NEW COFFEE SHOP, AND PROGRESSIVE RECOVERY IN AWAY-FROM-HOME

| ORGANIC SALES GROWTH FY 21 |                |
|----------------------------|----------------|
| 6.1%                       |                |
| IN-HOME                    | AWAY-FROM-HOME |
| 5.0%                       | 11.5%          |



# STRUCTURAL ACCELERATION OF THE ORGANIC SALES GROWTH

BEHIND THE REFRESHED STRATEGIC PRIORITIES, SUPPORTED BY INCREASED INVESTMENTS

## FY 21 ORGANIC SALES GROWTH

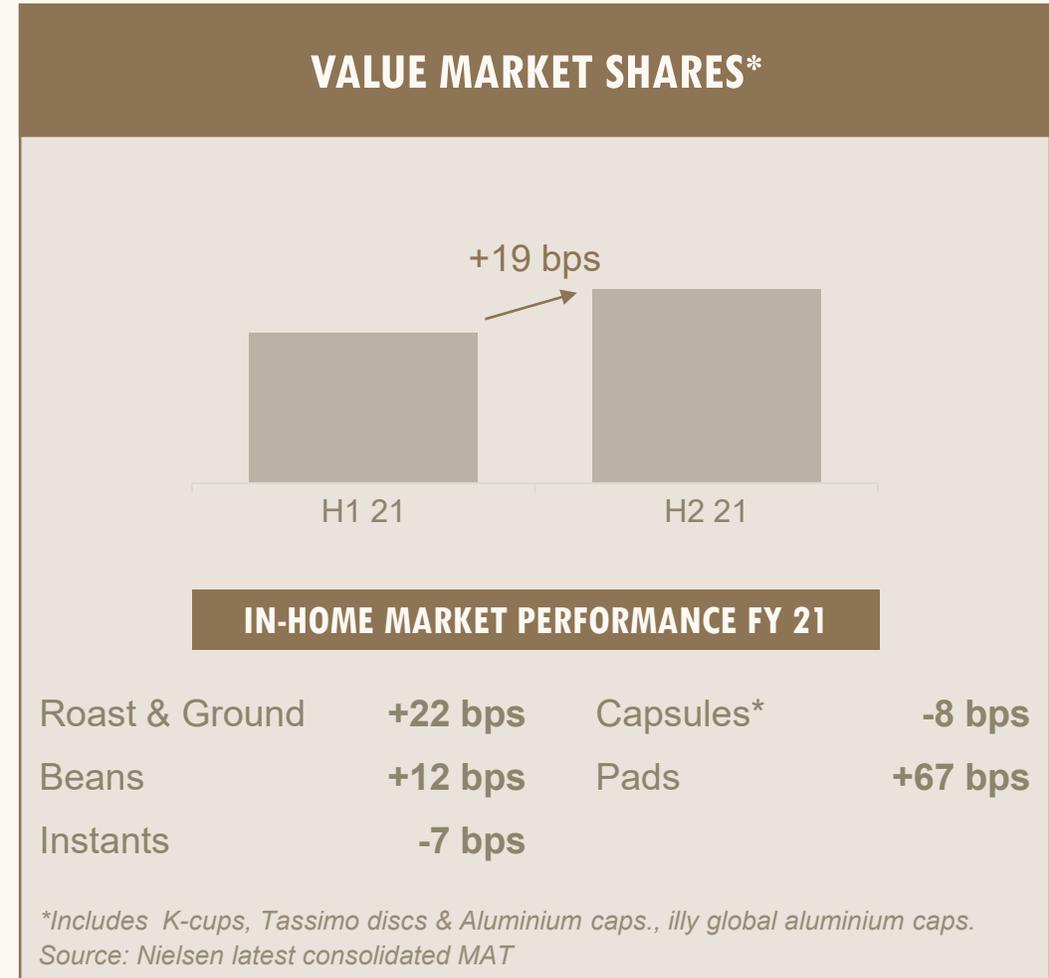
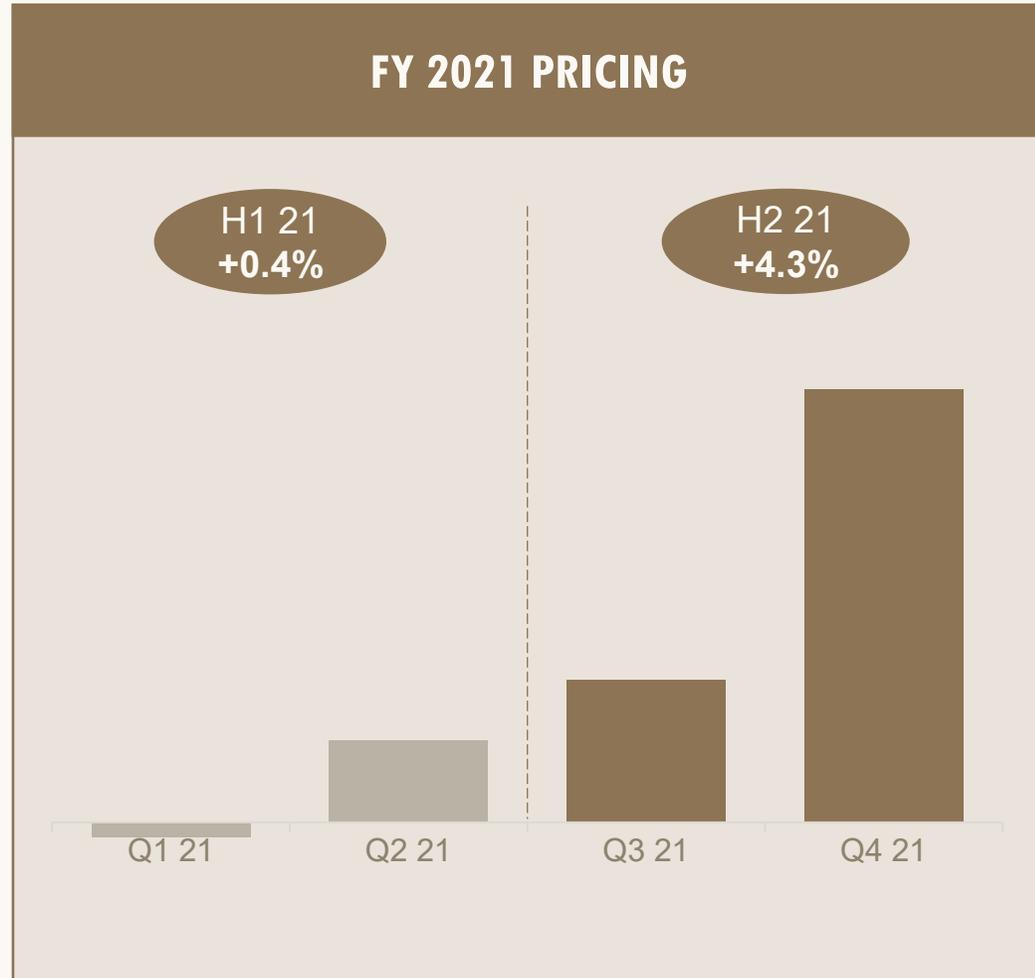
|                    |  |  |
|--------------------|--|--|
| <b>GEOGRAPHIES</b> | <b>DD%</b>                               | US (+11%)<br>China (+19%)<br>Emerging markets (+10%)         |
| <b>CHANNELS</b>    | <b>DD%</b>                               | E-Commerce (+28%)<br>Peet's stores in China (x2)             |
| <b>BRANDS</b>      | <b>DD%</b><br><b>MSD%</b><br><b>HSD%</b> | Global (+11%)<br>Regional (+5%)<br>Local Jewels (+9%)        |
| <b>CATEGORIES</b>  | <b>HSD%</b>                              | Priority areas +7%<br>(Single Serve, Beans, Premium Instant) |

**> EUR 110 m**  
additional investments  
in FY 21

- Working / Digital Media
- Coffee appliances
- E-commerce capabilities
- Emerging markets
- Sustainability

# RESILIENT MARKET SHARES, WHILE EXECUTING MEANINGFUL PRICING

## MARKET DATA SUGGEST JDEP LED ON BRAND PRICING IN MAJORITY OF COUNTRIES & CATEGORIES



# MAKING EVERY CUP OF COFFEE & TEA MORE SUSTAINABLE

## FY 21 GHG Emission Scope 1, 2 & 3



### ACHIEVEMENTS IN H1 21

- Zero waste-to-landfill across European manufacturing network
- Gaevle, first JDEP factory to achieve carbon neutrality
- New debt facility linked to sustainability ambitions and KPIs

### LATEST PROGRESS

- 100% of palm oil purchased RSPO-certified since July 2021 (31% in 2020)
- Achieved 2025 target to have 35% of recycled material within packaging
- Joined UN Global Compact
- Science-based GHG emission reduction targets approved by SBTi

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# FULL-YEAR 2021 RESULTS

## ORGANIC SALES GROWTH

Organic sales growth

6.1%

In-home

+5.0%

Away-from-home

+11.5%

## PROFITABILITY

Adjusted EBIT

EUR 1,304 m

Organic growth

+1.5%

Reported growth

+2.0%

Underlying Earnings Per Share

EUR 1.79 (+13.7%)

## CASH & DEBT

Free cash flow

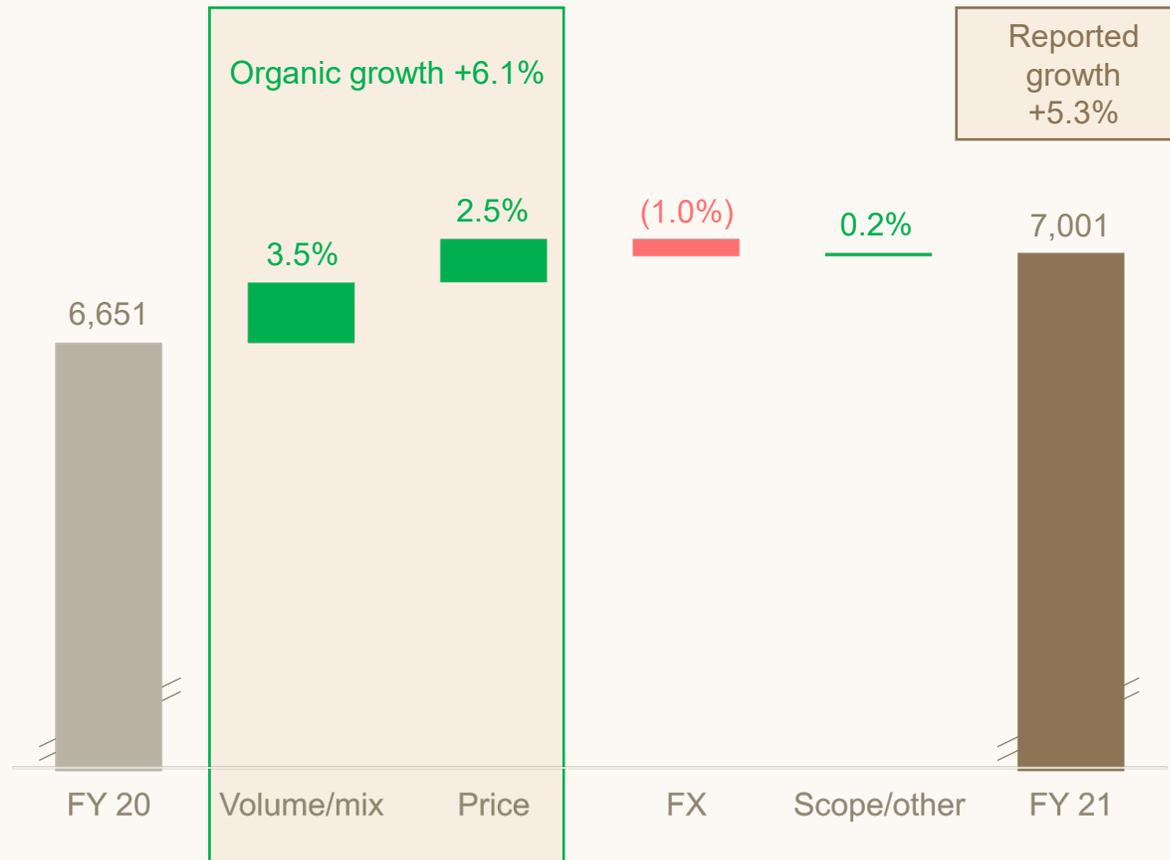
EUR 1,368 m

Net leverage

<2.7x

# SALES DEVELOPMENT

CONTINUED VOL/MIX GROWTH WHILE ACCELERATING ON PRICE

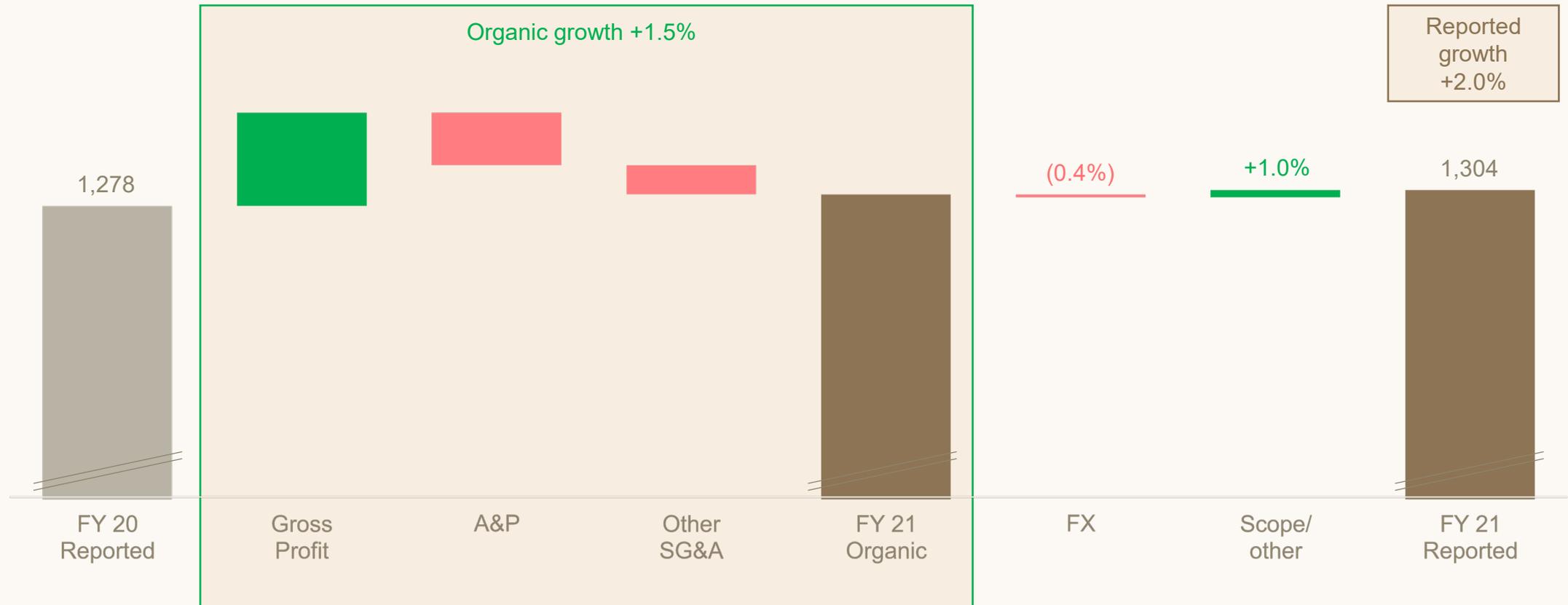


- Organic growth driven by both positive vol/mix and price
- Continued strong In-Home sales growth (+5.0%) with virtually all categories contributing
- Good pick-up in Away-from-Home sales (+11.5%) despite continued lockdown measures in many markets
- Negative translational FX impact mainly driven by USD, BRL, TRY and RUB

\*In EUR m, unless otherwise stated

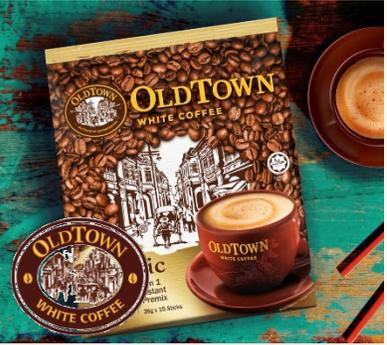
# (ADJUSTED) EBIT DEVELOPMENT

ORGANIC EBIT GREW 1.5% WHILE STEPPING UP THE LEVEL OF INVESTMENTS



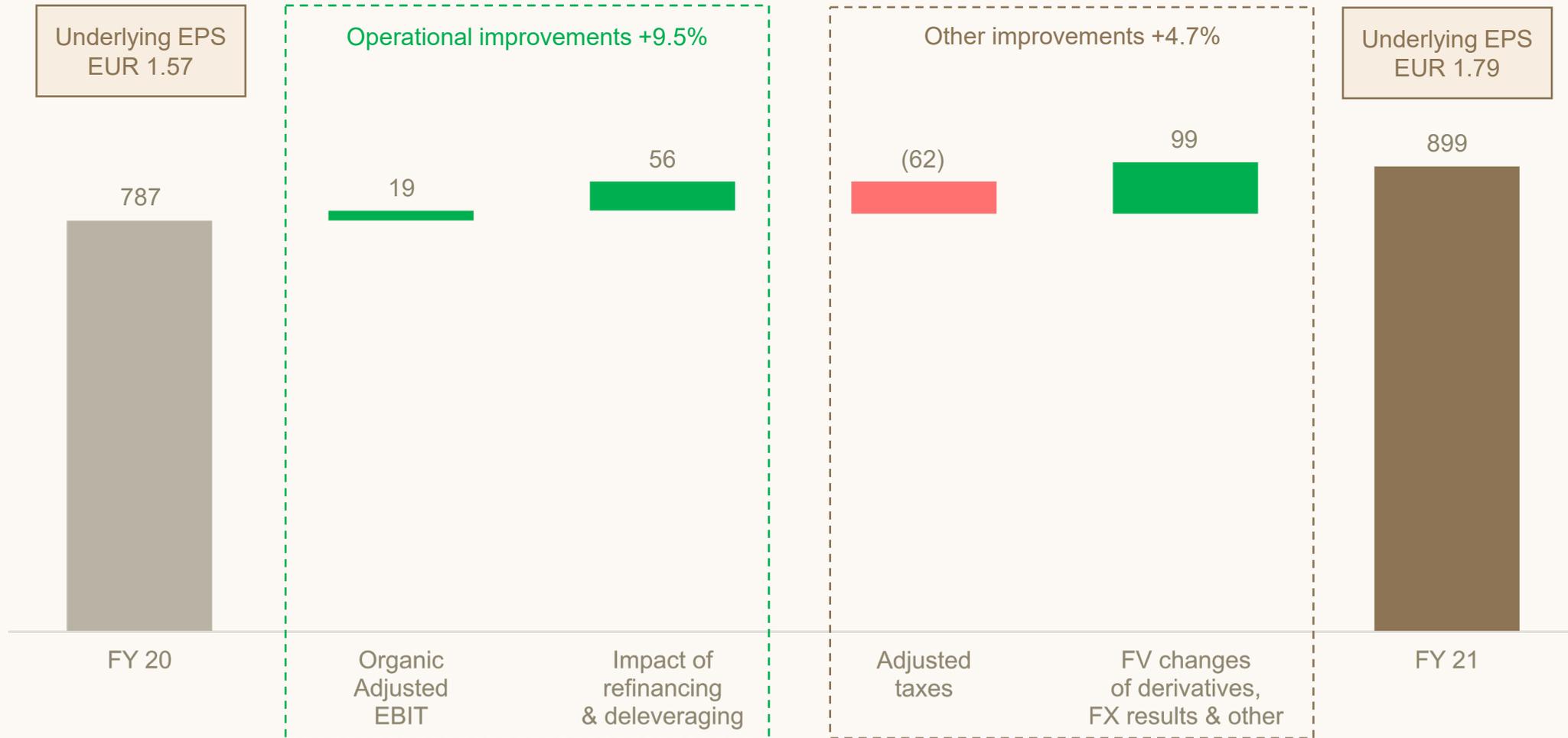
\*In EUR m, unless otherwise stated

# FULL-YEAR 2021 PERFORMANCE BY SEGMENT

|                                |  <p>Infinite Taste Pleasure<br/>INFINITELY RECYCLABLE ALUMINIUM</p> <p><b>CPG EUROPE</b></p> |  <p><b>CPG LARMEA</b></p> |  <p><b>CPG APAC</b></p> |  <p><b>PEET'S</b></p> |  <p><b>OUT-OF-HOME</b></p> |
|--------------------------------|---|---|--|--|---|
| Organic Sales Growth           | 2.6%  | 17.0%   | (5.1%)   | 12.3%  | 12.8%   |
| Organic Adjusted EBIT Growth   | (0.9%)  | (4.7%)  | (31.2%)  | 20.8%  | 508%  |
| 2-yr CAGR Adjusted EBIT Growth | 6.8%  | 7.7%  | (4.5%)   | 18.9%  | (29.3%)   |

# UNDERLYING PROFIT DEVELOPMENT

UNDERLYING EPS INCREASED BY 13.7% TO EUR 1.79

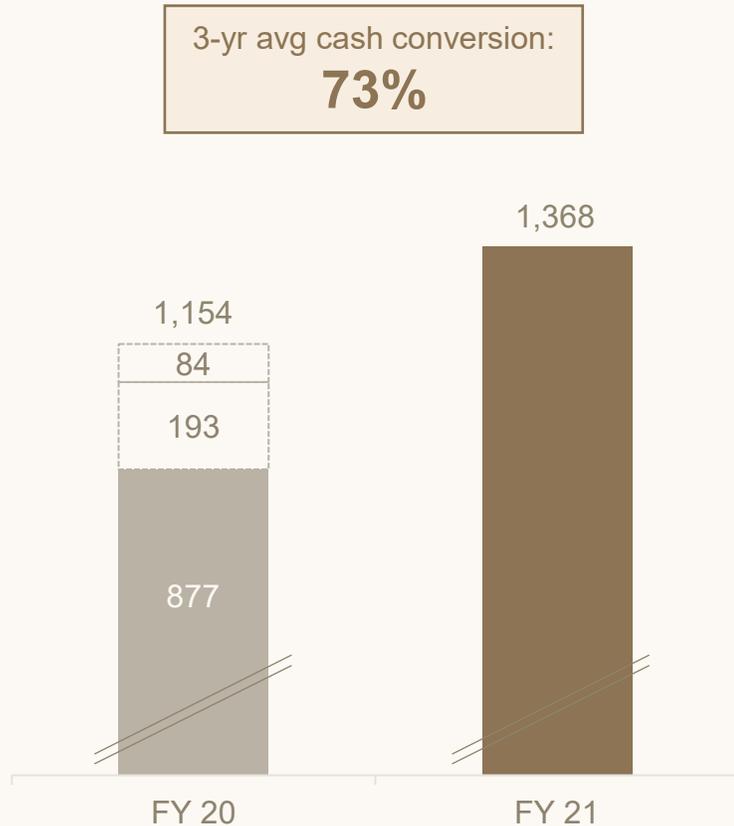


Underlying tax rate 25%

# FREE CASH FLOW AND NET DEBT DEVELOPMENT

STRONG FCF GENERATION ENABLED NET DEBT REDUCTION OF EUR 835 M

3-yr avg cash conversion:  
**73%**



FY 20 included EUR 84m related to the IPO & EUR 193m related to a tax one-off (non-recurring)



\*In EUR m, unless otherwise stated



# LEVERAGE AND NET DEBT DEVELOPMENT

## SIGNIFICANTLY REDUCED OUR LEVERAGE, APPROACHING OPTIMAL LEVERAGE



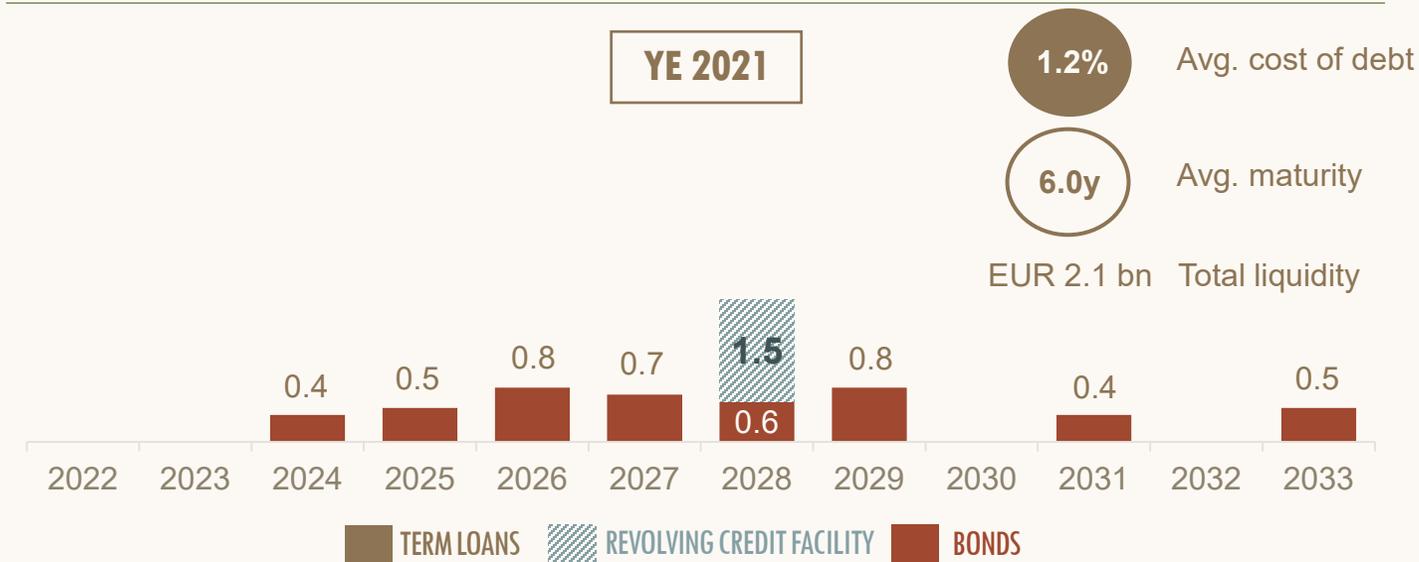
In EUR m, unless otherwise stated

\* pro-forma JDE Peet's

# ATTRACTIVE NEW DEBT STRUCTURE

## JDE PEET'S DEBT MATURITY PROFILE

In EUR bn



- Avg. cost of debt<sup>2</sup> decreased by ~120 bps
- Weighted avg. maturity extended by ~4y
- Total liquidity increased by EUR 1 bn

<sup>1</sup>pro forma YE 21 ; <sup>2</sup>Interest on loans, bonds and derivatives ;

# CAPITAL ALLOCATION PRIORITIES

|                                       |  |
|---------------------------------------|--|
| <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   |

# DIVIDEND FULL YEAR 2021

|                       |
|-----------------------|
| <b>DIVIDEND FY 21</b> |
| <b>EUR 0.70</b>       |

| <b>FIRST INSTALMENT</b> | <b>SECOND INSTALMENT</b> |
|-------------------------|--------------------------|
| EUR 0.35 in July 2022   | EUR 0.35 in January 2023 |

- Subject to shareholder approval at the AGM on 11 May 2022
- Consistent with our dividend policy and capital allocation priorities

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# 2022 TO BE ANOTHER YEAR OF QUALITY GROWTH, WITH DISCIPLINED GROSS PROFIT AND CASH FLOW

## LONG-TERM ALGORITHM

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*Organic Sales Growth*

**3 – 5%**

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*Organic Adjusted EBIT Growth*

**Mid-Single-Digit**

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*FCF conversion*

**~70%**

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*Dividend*

**Stable to growing over time**

## 2022 OUTLOOK

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- **Double-digit organic sales growth, with disciplined pricing for inflation**
- **Stable absolute gross profit**
- **Increased investments in strategic growth opportunities**
- **Keep delivering EUR 1 bn+ Free Cash Flow**

# KEY TAKE-OUT

- **Broad-based performance, delivered in a quality and sustainable way**
- **Growth profile structurally elevated to a new level**
- **Stronger operational discipline and solidified capital structure**
- **Strengthened brands and more agile enterprise, while entering an unprecedented year of inflation**

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A woman in a white sweater and black beret is pouring coffee through a filter into a glass carafe. She is holding a copper pitcher with a red handle. In the background, other people are visible in a cafe setting.

The logo for JDE Peet's, featuring a stylized 'J' and 'P' icon above the text 'JDE Peet's'.

# QUESTIONS & ANSWERS

JDE Peet's



# APPENDIX

# REPORTED EBIT TO UNDERLYING PROFIT

| REPORTED EBIT TO UNDERLYING PROFIT                            |              |              |              |
|---|--------------|--------------|--------------|
|   | FY 21        | FY 20        | vLY          |
| <b>Reported EBIT</b>  | <b>1108</b>  | <b>933</b>   | <b>18.8%</b> |
| ERP system implementation                                     | (15)         | (28)         | (46%)        |
| Transformation activities and corporate actions               | (40)         | (156)        | (74%)        |
| Share-based payment expense                                   | (32)         | (33)         | (3%)         |
| Mark-to-market results  | (5)          | 1            | (600%)       |
| Amortization of acquired intangible assets and M&A/Deal costs | (104)        | (129)        | (19%)        |
| <b>Total Adjusting items</b>                                  | <b>(196)</b> | <b>(345)</b> | <b>(43%)</b> |
| <b>Adjusted EBIT</b>  | <b>1304</b>  | <b>1278</b>  | <b>2.0%</b>  |
| Net financial income/(expenses)                               | (97)         | (246)        | (61%)        |
| Adjusted taxes  | (302)        | (240)        | 26%          |
| Adjustments for NCI shareholders                              | (6)          | (5)          | 20%          |
| <b>Underlying profit for the period</b>                       | <b>899</b>   | <b>787</b>   | <b>14.2%</b> |

\*In EUR m, unless otherwise stated

# REPORTED TO ADJUSTED TAX EXPENSE

| REPORTED INCOME TAX EXPENSE TO ADJUSTED INCOME TAX EXPENSE |       |       |
|--|-------|-------|
|  | FY 21 | FY 20 |
| Reported income tax expense                                | (220) | (320) |
| Reported ETR   | 22.4% | 46.6% |
| Tax effect of adjusting items                              | (43)  | (56)  |
| Tax rate change  | (6)   | 127   |
| Other adjustments  | (33)  | 9     |
| Adjusted income tax expense                                | (302) | (240) |
| Underlying ETR   | 25.0% | 23.3% |

*\*In EUR m, unless otherwise stated*

# JDE Peet's

A COFFEE & TEA FOR EVERY CUP

