PRESS RELEASE

Amsterdam, 22 February 2023

JDE Peet's reports full-year results 2022

Exceeded guidance, and executing the company's growth strategy with discipline

Key items[1]

- Total sales up +16.4% to EUR 8.2 billion, of which +11.3% organically, driven by price
- Gross profit up +3.3% supported by efficiencies, disciplined pricing and revenue management
- SG&A increased by 10.6%, driven by working media and other growth-related investments
- Adjusted EBIT down -5.9%, or -9.3% organically, to EUR 1,227 million, as SG&A increased
- Underlying EPS up +6.3% to EUR 1.91
- Free cash flow of EUR 1,358 million while leverage reduced to 2.65x
- Significant progress made on ESG, recognised by external ESG rating agencies
- Proposal to pay a cash dividend of EUR 0.70 per share in two equal instalments

A message from Fabien Simon, CEO of JDE Peet's

"I am very pleased with the way JDE Peet's navigated 2022, a year impacted by the ongoing effects of unprecedented inflation, decreasing consumer confidence, and the tragic war in Ukraine.

Last year required us to make difficult but courageous choices on cost competitiveness and pricing leadership. We acted as a true category leader and were able to meet or exceed our financial commitments, without compromising on investments, nor on quality of our products and services.

In 2022, we delivered double-digit sales growth, increased our absolute gross profit, delivered strong free cash flow and higher EPS, while increasing investments to support our long-term growth ambition in areas such as marketing, innovation, digital commerce, emerging market capabilities and sustainability. Consequently, we are emerging stronger for 2023, with an elevated growth portfolio, a competitive market share position, a well invested business and a more productive and very engaged enterprise.

These many results and achievements were made possible by the resilience, resolution and agility of our people, who worked incredibly hard, together with every partner in our ecosystem, to manage these turbulent times, while simultaneously making continued strong progress on our growth- and purpose-led strategy.

Although many of the conditions and challenges we faced in 2022 will to some extent persist in 2023, we believe that our pure-play focus, strong fundamentals, brands and innovation capabilities position us well to continue to create attractive shareholder returns as well as societal value."

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[1] *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 this press release.*

ESG: significant progress made and ambition level raised

JDE Peet's' sustainability strategy is built on three pillars: **Responsible Sourcing**, fostering thriving agricultural supply chains; **Minimising Footprint**, to reduce the company's environmental impact; and **Connecting People**, to engage the company's employees and its communities.

Through its responsible sourcing and supplier engagement programme, JDE Peet's is committed to a sustainable supply of coffee & tea from various origins that supports farming communities' vision of prosperity and contributes to healthy ecosystems. During the year, the company made strong progress towards its commitment of 100% responsibly sourced green coffee by 2025, reaching 77%, a significant improvement compared to the 30% reported in 2021. The primary driver for the increase resulted from the verification efforts of Enveritas, a non-profit organisation that verifies coffee purchases against sustainable coffee standards. JDE Peet's also achieved 100% responsibly sourced palm oil and partnered with the Rainforest Alliance in Turkey to deploy a programme to drive 100% responsible sourcing of its Ofçay teas by 2025. As such, the company is well on track to have 100% of its coffee, tea and palm oil responsibly sourced by 2025.

JDE Peet's also continued to make good progress in reducing its footprint. In 2022, the company reduced its scope 1 & 2 emissions by 15% and scope 3 emissions by 1% versus the 2020 baseline. During the year, JDE Peet's also defined a roadmap of initiatives that will enable the company to submit an even stronger and new SBTi ambition in 2023 to reach net-zero. In addition, 78% of the company's packaging components are now designed to be reusable, recyclable, or compostable. And by the end of the year, 22 of its manufacturing sites were zero waste-to-landfill. JDE Peet's also further increased the percentage of renewable energy used at its sites in Brazil, Europe and Pacific.

In 2022, the company also conducted a gender pay equity analysis, which showed that, within JDE Peet's, the difference in the pay of males and females is less than 1%, which is well under the future EU directive's threshold of 5%.

Medium- to Long-Term Targets

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.

Outlook 2023

JDE Peet's aims to achieve the following in 2023:

- 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

Dividend

JDE Peet's' Board proposes to pay a dividend of EUR 0.70 per share in cash related to FY 22. The dividend will be paid in two instalments of EUR 0.35 each. The first payment date will be on Friday, 14 July 2023, with the ex-dividend date on Monday, 10 July 2023 and the record date on Tuesday, 11 July 2023. The second payment date will be on Friday, 26 January, 2024, with the ex-dividend date on Monday, 22 January 2024 and the record date on Tuesday, 23 January 2024. The dividend proposal is subject to approval by the Annual General Meeting of Shareholders to be held on Thursday, 25 May 2023.

FINANCIAL REVIEW FULL-YEAR 2022

in EUR m (unless otherwise stated)

	FY 2022	FY 2021	Organic change	Reported change
Sales	8,151	7,001	11.3%	16.4%
Adjusted EBIT	1,227	1,304	-9.3%	-5.9%
Underlying profit for the period	936	899	-	4.1%
Underlying EPS (EUR) [1, 2]	1.91	1.79	-	6.3%
Reported basic EPS (EUR)	1.57	1.53	-	2.6%

[1] Underlying earnings (per share) exclude all adjusting items (net of tax)
[2] Based on 485,235,677 shares (excluding treasury shares) outstanding (FY 21: 501,951,089) on 31 December 2022

Total reported sales increased by 16.4% to EUR 8,151 million. Excluding a positive effect of 4.7% related to foreign exchange and 0.3% related to scope and other changes, total sales increased by 11.3% on an organic basis. Organic sales growth reflects a price effect of 15.8% and a volume/mix effect of -4.4%. In-Home sales increased by 8.9% and sales in Away-from-Home increased by 22.3%.

Total adjusted EBIT decreased by -5.9% to EUR 1,227 million on a reported basis. Excluding the effects of foreign exchange and scope and other changes, the adjusted EBIT decreased organically by -9.3% as SG&A increased by 10.6%, driven by investments in marketing, innovations and other strategic growth capabilities.

Underlying profit - excluding all adjusting items net of tax - increased by 4.1% to EUR 936 million. It includes an underlying tax rate of 23.6% and was supported by lower interest expenses, mainly as a result of a lower average cost of debt, and a reduction of other finance expenses.

Net leverage improved to 2.65x net debt to adjusted EBITDA.

Our liquidity position remains strong, with total liquidity of EUR 2.4 billion consisting of a cash position of EUR 0.9 billion and available committed RCF facilities of EUR 1.5 billion.

FINANCIAL REVIEW FULL-YEAR 2022 - BY SEGMENT

in EUR m (unless otherwise stated)

	Sales FY 2022	Reported change	Organic change	Adj. EBIT FY 2022	Reported change	Organic change
CPG Europe	3,640	1.9%	1.8%	807	-25.9%	-26.2%
CPG LARMEA	1,616	48.1%	32.5%	296	45.6%	38.1%
Peet's	1,141	26.3%	12.2%	147	24.1%	9.8%
Out-of-Home	908	25.7%	26.6%	119	32.7%	31.6%
CPG APAC	814	19.0%	10.1%	123	12.3%	6.6%
Total JDE Peet's [1]	**8,151**	**16.4%**	**11.3%**	**1,227**	**-5.9%**	**-9.3%**

[1] Includes EUR 32 m of sales and EUR (265) m adj. EBIT that are not allocated to the segments

CPG Europe

Organic growth of 1.8% was driven by an increase in price of 14.5% and a decrease in volume/mix of -12.7%. While volume elasticity remained below the historical average, volumes were negatively impacted by retaliations during customer negotiations across various European markets, including Germany, France and the UK. The decline in volume/mix also reflects a high base of comparison, as lockdown measures continued to be lifted, shifting a part of In-Home consumption back to Away-from-Home channels, which benefited the Out-of-Home segment. Notable strong performance was delivered by countries such as Poland, Hungary and Denmark and brands including Jacobs and Gevalia.

Reported sales increased by 1.9% to EUR 3,640 million, including a net positive effect of 0.1% from foreign exchange and changes in scope. Adjusted EBIT decreased organically by -26.2% to EUR 807 million, mainly driven by lower volumes caused by retaliations, as well as a step-up in marketing investments. Based on a 3-year CAGR, the organic adjusted EBIT growth was -5.6%, including higher marketing investments.

CPG LARMEA

Organic growth of 32.5% consisted of an increase in price of 33.1% and stable volume/mix of (0.6)%. The resilient volume/mix performance was broad-based across geographies, product portfolio and price points. Brazil in particular delivered resilient volume growth while recording the strongest pricing in the region.

Reported sales increased by 48.1% to EUR 1,616 million, including a foreign exchange impact of 15.8% as the main currencies in this segment appreciated against the euro. Adjusted EBIT increased organically by 38.1% to EUR 296 million, mainly reflecting higher pricing from the timing of price increases to pass through inflation, and a low base of comparison. Based on a 3-year CAGR, the organic adjusted EBIT growth was 17.0%.

Peet’s

Organic growth of 12.2% was driven by an increase of 9.4% in price and 2.8% in volume/mix. In the US, most lockdown measures had been lifted in the first part of FY 22. As a result, Peet's coffee retail stores in the US delivered high single-digit growth in same-store-sales in FY 22, while its In-Home business delivered low-teens organic sales growth in FY 22 and mid-teens organic sales growth on a 3-yr CAGR. In China, Peet's increased its coffee retail store network by 47 to 117 stores.

Reported sales increased by 26.3% to EUR 1,141 million, which included a positive foreign exchange impact of 14.2%. Adjusted EBIT increased organically by 9.8% to EUR 147 million. Based on a 3-year CAGR, the organic adjusted EBIT growth was 15.8%.

Out-of-Home

Organic growth of 26.6% was driven by an increase of 15.1% in volume/mix and 11.5% in price as the segment benefited from increasing levels of activity in its Out-of-Home channels following the lifting of lockdown measures in the first part of 2022 and pricing to offset inflation. The overall growth performance was broad-based, with notable strong performance in countries such as Germany, the UK and France and from brands including Douwe Egberts, Jacobs and Gevalia.

Reported sales increased by 25.7% to EUR 908 million, including an impact of -0.4% related to foreign exchange and -0.5% related to scope and other changes. Adjusted EBIT increased organically by 31.6% to EUR 119 million, driven by operational leverage and efficiencies. Based on a 3-year CAGR, the organic adjusted EBIT declined by 13.1%.

CPG APAC

Although a few markets continued to be impacted by lockdown measures in 2022, the region delivered a solid double-digit growth level. Organic growth of 10.1% was driven by an increase of 8.6% in price and 1.4% in volume/mix, with notable strong performance in countries such as Thailand, Malaysia and China, and from brands including OldTown, Super and Moccona.

Reported sales increased by 19.0% to EUR 814 million, which included a positive scope effect of 6.2%, related to the acquisition of Campos in Australia, and a positive foreign exchange impact of 2.7%. Adjusted EBIT increased organically by 6.6% to EUR 123 million, supported by volume/mix, despite the continued impact from lockdown measures on the Away-from-Home businesses and a step-up in investments, while also benefiting from a low base of comparison. Based on a 3-year CAGR, the organic adjusted EBIT growth was -1.0%, including larger marketing investments.

OTHER INFORMATION

Underlying profit for the period

in EUR m	FY 2022	FY 2021
Adjusted EBIT	**1,227**	**1,304**
Adjusted net financial income/(expenses)	-15	-97
Adjusted income tax expense	-286	-302
Adjusted for minorities	10	-6
Underlying profit for the period	**936**	**899**

CONFERENCE CALL & AUDIO WEBCAST

Fabien Simon (CEO) and Scott Gray (CFO) will host a conference call for analysts and institutional investors at 10:30 AM CET today to discuss the full-year 2022 results. A live and on-demand audio webcast of the conference call will be available via JDE Peet's' Investor Relations website.

ENQUIRIES

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About JDE Peet's

JDE Peet's is the world's leading pure-play coffee and tea company, serving approximately 4,200 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 2022, JDE Peet's generated total sales of EUR 8.2 billion and employed a global workforce of more than 20,000 employees. Read more about our journey towards a coffee and tea for every cup at www.jdepeets.com.

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.

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 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.

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 below the definitions and adjusted EBIT as described in segment information in the condensed consolidated unaudited financial statements.

IFRS RECONCILIATION

in EUR m	Reported sales	Adjusting items	Reported sales	FX impact	Scope & other	Organic sales
Sales	8,151	—	8,151	-332	-32	7,787

in EUR m	Operating profit	Adjusting items	Adjusted EBIT	FX impact	Scope & other	Organic adjusted EBIT
Operating profit to adj. EBIT	949	278	1,227	-49	6	1,184

in EUR m	Operating profit	Adjusting items	Adjusted EBIT	Adjusted D&A	Adjusted EBITDA
Operating profit to adj. EBITDA	949	278	1,227	303	1,530

in EUR m	FY 2022
Adjusted EBIT	1,227
ERP system implementation	-8
Transformation activities and corporate actions	-67
Share-based payment expense	-37
Mark-to-market results	-54
Amortisation of acquired intangible assets and M&A/Deal costs	-112
Operating profit	**949**

Definitions

Adjusted depreciation and amortisation (adjusted D&A)

Adjusted depreciation and amortisation is defined as depreciation and amortisation, adjusted for the depreciation and amortisation already included in the adjusting items as included in adjusted EBIT.

Adjusted EBITDA

Adjusted EBITDA are defined as operating profit before depreciation and amortisation, adjusted for the same factors as listed under adjusted EBIT.

Adjusted EBIT

Adjusted EBIT are defined as profit for the period, adding back finance income, finance expense, share of net profit of associates and income tax expense adjusted for alternative performance measures as included in the consolidated financial statements for the year ended 31 December 2021 (Note 2.1).

Adjusted income tax expense

Adjusted income tax expense is defined as income tax expense adjusted for the effect of tax rate changes on deferred tax assets/liabilities and the non-recurring items, such as tax reserves and tax audit adjustments.

Adjusted financial income and expenses

Adjusted financial income and expenses is defined as financial income and expense, adjusted for the effect of non-recurring items such as the settlement benefits of the derivatives related to the legacy financing structure in 2022 and the costs related to refinancing and bond issuance activities in 2021.

Away-from-Home

Coffee & tea products purchased for consumption outside of the home at offices, hotels, bars, restaurants etc. as well as in coffee stores.

In-Home

Packaged coffee & tea products purchased for consumption at home.

Free cash flow

Free cash flow is defined as net cash provided by operating activities less capital expenditure.

Net debt

Net debt is defined as total borrowings less cash and cash equivalents, excluding cash not at the free disposal of the company.

Net leverage ratio

Net leverage ratio is defined as net debt divided by adjusted EBITDA of the last twelve months.

Organic adjusted EBIT

Organic adjusted EBIT is defined as adjusted EBIT translated at the prior year average foreign exchange rate and adjusted for scope changes (a.o. M&A, divestitures and new business ventures) and other items. To determine organic adjusted EBIT in a given year, adjusted EBIT in that year is translated at the average foreign exchange rate of the comparable year and excludes adjusted EBIT from acquired/divested companies until 12 months following the transaction date.

Organic adjusted selling, general and administrative expenses

Organic adjusted selling, general and administrative ("SG&A") expenses are defined as reported SG&A expenses translated at the prior year average foreign exchange rate and adjusted for scope changes (a.o. M&A and divestitures) and adjusted for alternative performance measures as included in the consolidated financial statements for the year ended 31 December 2021 (Note 2.1).

Organic sales

Organic sales are defined as revenue translated at the prior year average foreign exchange rate and adjusted for scope changes (a.o. M&A, divestitures and new business ventures) and other items. To determine organic sales in a given year, revenue in that year is translated at the average foreign exchange rate of the comparable year and excludes revenue from acquired/divested companies until 12 months following the transaction date.

Organic sales growth

Organic sales growth is defined as the growth in organic sales between the given and comparable year.

Underlying profit

Underlying profit is defined as adjusted EBIT for the period including adjusted financial income and expenses, adjusted income tax expense and adjusted for minority shareholders.

JDE PEET'S N.V.

CONDENSED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

FOR THE YEAR ENDED 31 December 2022 AND 31 December 2021

In EUR million, unless stated otherwise

	FY 2022	FY 2021
Revenue	8,151	7,001
Cost of sales	(5,146)	(4,028)
Selling, general and administrative expenses	(2,056)	(1,865)
Operating profit	**949**	**1,108**
Finance income	68	24
Finance expense	1	(149)
Share of net loss of associates	—	(1)
Profit before income taxes	**1,018**	**982**
Income tax expense	(257)	(220)
Profit for the period	**761**	**762**

ATTRIBUTABLE TO:	FY 2022	FY 2021
Owners of the parent	771	765
Non-controlling interest	(10)	(3)
Profit for the period	**761**	**762**
Earnings per share:		
Basic earnings per share (in EUR)	1.57	1.53
Diluted earnings per share (in EUR)	1.55	1.51

The accompanying notes are an integral part of these condensed consolidated unaudited financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 31 December 2022 AND 31 December 2021

In EUR million

	31 December 2022	31 December 2021
Non-current assets:		
Goodwill and other intangible assets	17,084	16,903
Property, plant and equipment	1,740	1,683
Deferred income tax assets	35	66
Derivative financial instruments	46	31
Retirement benefit asset	413	498
Other non-current assets	86	129
	19,404	**19,310**
Current assets:		
Inventories	1,356	872
Trade and other receivables	828	711
Derivative financial instruments	28	57
Income tax receivable	24	9
Net assets held-for-sale	19	2
Cash and cash equivalents	967	662
	3,222	**2,313**
Total assets	**22,626**	**21,623**
Equity and liabilities		
Equity:		
Share capital	5	5
Share premium	9,997	9,975
Treasury stock	(471)	—
Other reserves/(deficits)	(313)	(340)
Retained earnings	1,834	1,383
Equity attributable to the owners of the Company	**11,052**	**11,023**
Non-controlling interest	80	138
	11,132	**11,161**
Non-current liabilities:		
Borrowings	4,888	4,784
Retirement benefit liabilities	149	248
Deferred income tax liabilities	1,265	1,228
Derivative financial instruments	—	32
Provisions	33	25
Other non-current liabilities	110	156
	6,445	**6,473**
Current liabilities:		
Borrowings	79	91
Trade and other payables	4,704	3,696
Income tax liability	88	105
Provisions	39	32
Derivative financial instruments	139	65
	5,049	**3,989**
Total equity and liabilities	**22,626**	**21,623**

The accompanying notes are an integral part of these condensed consolidated unaudited financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE YEAR ENDED 31 December 2022 AND 31 December 2021

In EUR million	FY 2022	FY 2021
Profit for the period	761	762
Adjustments for:		
Depreciation, amortisation and impairments	417	394
Defined benefit pension expense	5	10
Share-based payments	33	34
(Gain) / loss on sale of property, plant and equipment and intangible assets	23	5
Income tax expense	257	220
Interest income on bank accounts and other	(64)	(22)
Interest expense	85	134
Provision charges	28	5
Derivative financial instruments	(332)	(189)
Foreign exchange (gains) / losses	263	129
Other	13	(9)
Changes in operating assets and liabilities:		
Inventories	(470)	(139)
Trade and other receivables	(142)	(42)
Trade and other payables	985	520
Pension payments	(8)	(11)
Payments of provisions	(13)	(41)
Realised foreign exchange (gains) / losses	(249)	(88)
Receipts / (payments) of derivative financial instruments	252	156
Income tax payments	(238)	(205)
Net cash provided by operating activities	**1,606**	**1,623**
Cash flows from investing activities:		
Purchases of property, plant and equipment	(239)	(239)
Purchases of intangibles	(9)	(16)
Proceeds from sale of property, plant and equipment and intangible assets	10	7
Proceeds from disposal of subsidiary	—	4
Acquisition of businesses, net of cash acquired	(127)	(68)
Loans provided	5	(1)
Interest received	64	22
Other investing activities	3	(2)
Net cash used in investing activities	**(293)**	**(293)**
Cash flows from financing activities:		
Additions to borrowings	171	9,813
Repayments from borrowings	(295)	(10,613)
Proceeds from / (repayments to) issuing ordinary shares	—	5
Share buy-back transaction	(500)	—
Receipts from / (payments to) derivative financial instruments	69	(19)
Dividend paid to shareholders	(345)	(176)
Interest paid	(68)	(119)
Investments / (divestments) by non-controlling shareholders	(33)	8
Other financing activities	(19)	(6)
Net cash used in financing activities	**(1,020)**	**(1,107)**
Effect of exchange rate changes on cash	11	25
Net increase/(decrease) in cash and cash equivalents	304	248
Cash and cash equivalents – at the start of period	662	414
Adjustment for hyperinflationary accounting	1	—
Cash and cash equivalents — as of 31 December [(1)]	**967**	**662**

The accompanying notes are an integral part of these condensed consolidated unaudited financial statements.

[(1)] Cash and cash equivalents include restricted cash of EUR 50 million at 31 December 2022 (31 December 2021: EUR 41 million).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

DESCRIPTION OF BUSINESS AND BASIS OF PREPARATION

JDE Peet’s N.V. (the “Company” or together with its subsidiaries “JDE Peet's”) is a public limited liability company under the laws of the Netherlands. The Company was incorporated on 21 November 2018 is currently a public limited liability company (naamloze vennootschap, N.V.) and is listed on Euronext Amsterdam. The Company is the holding company of JACOBS DOUWE EGBERTS B.V. (“JDE” or “JDE Group”) and Peet’s Coffee & Tea, Inc. (“Peet’s”) through a number of indirect holding companies.

As at 31 December 2022, Lucresca SE, Agnaten SE, Mawer Investment Management Ltd. and Mondelēz International, Inc disclosed a capital and/or voting interest of 3 per cent or more to the Netherlands Authority for the Financial Markets ("AFM"). The AFM processes these disclosures in its publicly available register, which can be found at www.afm.nl.

Basis of Preparation

The Company prepared these condensed consolidated unaudited financial statements in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union and in conformity with the Dutch Civil Code. Based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern basis.

For purposes of these condensed consolidated unaudited financial statements, segmentation is based on how the chief operating decision maker ("CODM") reviews the performance of the business and allocates resources.

Use of estimates and judgments

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that effect the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

IAS 29 Financial Reporting in Hyperinflationary Economies

In April 2022, the economy of Turkey reached an accumulative inflation in excess of 100% over the past three years and triggered JDE Peet's to apply hyperinflationary accounting (IAS 29 *Financial Reporting in Hyperinflationary Economies*). IAS 29 requires that the results of JDE Peet's' Turkish subsidiaries be reported as if these were highly inflationary as of 1 January 2022.

Under IAS 29, non-monetary assets and liabilities stated at historical cost, equity and income statements of subsidiaries operating in hyperinflationary economies, are restated for changes in the general purchasing power of the local currency, applying a general price index. These re-measured accounts are used for conversion into euro at the period closing exchange rate. As a result, the balance sheet and net results of subsidiaries operating in hyperinflation economies are stated in terms of the measuring unit current at the end of the reporting period.

For restating, the following Turkish consumer price indices were used:

Date	Consumer price index
1 January 2022	686.95
31 December 2022	1128.45

Any net monetary gain or loss is reported as part of the finance expense, which was a loss of EUR 3 million for the period.

No restatement of comparative information is required since the presentation currency of these financial statements is in a non-hyperinflationary currency. The impact of hyperinflationary accounting is excluded from JDE Peet's' organic calculations.

Macro-economic environment

The pandemic and related restrictions continued to have an impact on conditions in a limited number of markets in 2022. The volatility of the global supply chains after the restrictions were lifted in most markets, had an impact on transport, logistics and commodity prices for the Company. The uncertainty in the economic environment was further magnified because of the Russian invasion in the Ukraine. The impact of these volatilities impacted JDE Peet's with increased inventory levels, trade receivables and trade payables increased as well as a result of the increased commodity prices. JDE Peet's continues to closely monitor developments that impact the macro-economic environment and closely monitors the exposure for the Company.

JDE Peet’s continues to focus on forecasting (including liquidity needs), whereby scenario planning and stress testing is performed on its financial estimates and judgements. The Company's liquidity position remained strong, with total liquidity of EUR 2.4 billion consisting of a cash position of EUR 0.9 billion (excluding restricted cash) and an undrawn committed Revolving Credit Facility of EUR 1.5 billion.

Update on the war in Ukraine

JDE Peet's continuously monitors developments related to the war in Ukraine. The Company’s first priority has been and continuous to be the safety and well-being of its employees in the region. Since the start of the war, the Company has sought to ensure that its business in Russia is operated as a stand-alone business to the greatest extent reasonably possible. JDE Peet’s has discontinued investments in advertising and promotion of its international brands, has not authorised new capital investments to increase factory capacity or expansion, and all cash dividend payments from the Russian business were cancelled.

JDE Peet's’ manufacturing facility in Trostyanets, Ukraine, was damaged as a result of the war. The total loss related to the damage of the factory, equipment and inventory was approx. EUR 8 million to date, which was recognised as part of the adjusting items. The factory reopened in June 2022. JDE Peet's continuously monitors the valuation of the Company's assets in Russia and Ukraine, including an evaluation of the uncertainties resulting from the war on the goodwill and intangible assets of the CPG LARMEA segment. In particular, the discount rate received significant attention, given the rise in market risk premiums in these countries.

Continuous monitoring to ensure compliance with EU and other applicable sanctions remains ongoing.

Mondelez' notice

On 5 May 2020, JDE Peet's received notice of a potential indemnification claim pursuant to the JDE Global Contribution Agreement, following on-site inspections undertaken by the European Commission at certain of Mondelez International's European offices as part of an investigation into an alleged infringement of European Union competition law. On 28 January 2021, the European Commission announced it had taken the procedural step to open a formal antitrust investigation into Mondelez International's conduct in relation to several product categories including coffee. The investigation concerns Mondelez International and does not involve JDE Peet's. On 31 January 2023, Mondelez disclosed that it is engaged in discussions with the European Commission in an effort to reach a negotiated, proportionate resolution to this matter and that it recognised a provision in relation to the investigation by the European Commission. JDE Peet's has not been notified of any actual claim by Mondelez, and our current assessment of any potential indemnification obligations of JDE Peet's in this respect remains uncertain and in all events would not be expected to be material.

SEGMENT INFORMATION

The segment information is presented for the year ended 31 December (all amounts in EUR million, in line with Note 2.1 of the consolidated financial statements as at and for the fiscal year ended 31 December 2021):

Revenue	FY 2022	FY 2021
CPG Europe [1]	3,640	3,573
CPG LARMEA	1,616	1,091
Peet's	1,141	903
Out-of-Home	908	723
CPG APAC [2]	814	684
Unallocated	32	27
Total	**8,151**	**7,001**

[1] *CPG Europe includes 5.5 months revenue related to the L2M acquisition in July 2022.*

[2] *CPG APAC includes six months of revenue in 2021 related to the Campos acquisition..*

The CODM reviews segment profitability based on Adjusted EBIT. For further details on Adjusted EBIT, reference is made to Note 2.1 of the consolidated financial statements as of and for the fiscal year ended 31 December 2021.

Adjusted EBIT is reconciled to Operating profit and Profit before income taxes on a consolidated basis in the tables presented below (in EUR million):

	FY 2022	FY 2021
CPG Europe	807	1,089
CPG LARMEA	296	204
Peet's	147	118
Out-of-Home	119	90
CPG APAC	123	109
Unallocated	(265)	(306)
Adjusted EBIT	**1,227**	**1,304**
ERP system implementation	(8)	(15)
Transformation activities and corporate actions	(67)	(40)
Share-based payment expense	(37)	(32)
Mark-to-market results	(54)	(5)
Amortisation acquired intangible assets and M&A/Deal costs [1]	(112)	(104)
Operating profit [2]	**949**	**1,108**
Finance income	68	24
Finance expense	1	(149)
Share of net loss of associates	—	(1)
Profit before income taxes	**1,018**	**982**

[1] *This consistently includes amortisation related to intangible assets recognised or re-measured as part of purchase price allocations. In 2022 no result on disposal of businesses was recognised (2021: gain on disposal of EUR 9 million).*

(2) *In 2022 of the adjusting items EUR 214 million (2021: EUR 199 million) was recognised in selling, general and administrative expenses and EUR 64 million (2021: EUR (3) million) in cost of sales.*

Adjusted EBIT of the segments includes depreciation, which amounted to EUR 303 million (2021: EUR 287 million):

	FY 2022	FY 2021
CPG Europe	76	77
CPG LARMEA	25	19
Peet's	80	66
Out-of-Home	49	51
CPG APAC	33	28
Unallocated	40	46
Total	**303**	**287**

Entity-wide disclosures:

The total revenue from external customers, broken down by the location of the selling entity is shown in the following table (in percentages of total revenue):

	FY 2022	FY 2021
United States	14%	13%
Germany	10%	12%
France	11%	12%
Netherlands	8%	9%
Rest of World	57%	54%
Total Revenue	**100%**	**100%**

There are no individual customers that amount to 10% or more of JDE Peet's' revenue.

REVENUE

The total revenue from external customers, broken down by product is shown in the following table (in percentages of total revenue):

	FY 2022	FY 2021
Coffee	85%	85%
Tea	3%	3%
Other food and beverage	11%	10%
Services	1%	2%
Total	**100%**	**100%**

EXPENSES BY NATURE

The aggregate of cost of sales and selling, general and administrative expenses is specified by nature as follows (in EUR million):

	FY 2022	FY 2021
Cost of product (1)	4,248	3,267
Employee benefits expense (2)	1,242	1,140
Other selling, general and administrative expenses (3)	1,286	1,088
Depreciation, amortisation and impairment	417	394
Restructuring and restructuring related expenses	9	4
Total	**7,202**	**5,893**

(1) *Cost of product consists of raw materials (green coffee beans, tea leaves and other materials), associated indirect taxes, packaging, inbound freight and outsourced production services.*

(2) *Employee benefit expense consists of wages, salaries, pension costs, share-based payments and related social security charges.*

(3) *Other selling, general and administrative expenses in the table above include costs for advertising and promotion, distribution, repairs, maintenance and utilities, amongst others.*

EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the profit for the year attributable to the shareholders of the Company by the time-weighted average number of common shares outstanding during the year. There is no impact of share-based payment plans held at subsidiary level.

Diluted EPS is calculated by dividing the profit attributable to the shareholders of the Company by the time-weighted average number of common shares outstanding during the period adjusted for the time-weighted average number of common shares that would be issued on the conversion of all the dilutive potential common shares into common shares. In May 2022, JDE Peet's acquired 18,573,551 ordinary shares for EUR 500 million from Mondelēz International Holdings Netherlands B.V.. These shares are recognised as treasury shares in shareholders' equity and excluded from the number of outstanding ordinary shares. In addition, the Company issued 751,849 shares in February 2022 related to the share exchange from Peet's Coffee Inc. of one of the Company's board members, as disclosed in Note 13 of the Company financial statements 2021.

The calculation of the basic and diluted earnings per share is based on the following data:

	FY 2022	FY 2021
Earnings (in EUR million):		
Earnings for the purposes of basic earnings per share being net profit attributable to owners of the Company	771	765
Effect of dilutive potential ordinary shares on the earnings		
Effect of Share-based payment plans held at the subsidiary level	—	—
Earnings for the purposes of diluted earnings per share	**771**	**765**
Number of shares		
Time-weighted average number of ordinary shares for the purposes of basic earnings per share	490,787,276	501,166,058
Adjustments for calculations of diluted earnings per share		
Share-based payment plans	6,294,600	5,667,626
Time-weighted average number of ordinary shares for the purposes of diluted earnings per share	**497,081,876**	**506,833,684**
Basic EPS (in EUR)	1.57	1.53
Diluted EPS (in EUR)	1.55	1.51

The total number of shares outstanding (excluding treasury shares) as at 31 December 2022 was 485,235,677 (2021: 501,951,089). As at 31 December 2022, the Company held 17,510,180 shares in Treasury Stock (31 December 2021: zero).

GOODWILL AND OTHER INTANGIBLE ASSETS

Assets that are subject to amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Assets that have an indefinite useful life, such as trademarks and brands, are not subject to amortisation and are tested at least annually for impairment. This test was performed on the last day of the third quarter of the fiscal year and whenever a significant event occurs or circumstances change that might reduce the recoverable amount of the goodwill.

For the CPG segments, management performed sensitivity analyses around the key assumptions. Management believes that no reasonable possible changes in key assumptions would cause, in isolation, the recoverable amount of the significant cash generating units to be less than the carrying value. Especially, for the CPG LARMEA segment, the discount rate had significant focus because of the country risk premium developments as a result of geopolitical and macroeconomic circumstances in some markets.

For the Out-of-Home segment, the base case projecting cash flows for the next 5 years reflects the further recovery assumptions of the different customer channels within the segment to pre-COVID levels. These assumptions were made using third party observable data as much as possible. Significant attention was given to different scenarios for recovery rates and market developments. The realisation of goodwill is critically dependent on the (pace of) recovery of the relevant markets, uncertainty of the long-term adverse effects of e.g. working-from-home, hotels, bars, cafés and travel and on effectiveness of management's initiatives. Next to the recoverability, management estimated the value creation from commercial and cost saving initiatives approved as per the measurement date.

BORROWINGS

The Group's borrowing facilities through the year ended 31 December 2022 are summarised in the following tables (in EUR million):

	Currency	1 January 2022	Business combinations	Unwinding discount	Additions	Repaid	Amortisation	Recognition of lease liability	Currency translation	31 December 2022
Unsecured notes - EU	EUR	3,089	—	—	—	—	2	—	—	3,091
Unsecured notes - US	USD	1,533	—	—	—	—	1	—	95	1,629
Short term facility	EUR	—	—	—	150	(150)	—	—	—	—
JDE: Other financing	Various	32	25	—	21	(64)	—	—	—	14
Leases	Various	250	—	9	—	(81)	(6)	77	7	256
Unamortised discounts and costs		(29)	—	—	—	—	6	—	—	(23)
Total borrowings		**4,875**	**25**	**9**	**171**	**(295)**	**3**	**77**	**102**	**4,967**
Non-current		4,784								4,888
Current		91								79

FINANCE INCOME AND EXPENSE

Finance income and expense consist of the following (in EUR million):

	FY 2022	FY 2021
Interest income	64	22
Interest expense	(85)	(134)
Net financing cost of financial debt	**(21)**	**(112)**
Interest income on plan assets	40	32
Interest expense on defined benefit obligation	(36)	(30)
Total pension finance (expense)/income	**4**	**2**
Foreign exchange gain/(loss)	(263)	(129)
Change in fair value of derivative financial instruments	348	116
Fair value changes financial liabilities	4	(2)
Net monetary gain/ (loss)	(3)	—
Net finance expense[1]	**69**	**(125)**

Interest expense primarily includes interest on credit agreements and bank overdrafts (2022: EUR 4 million; 2021: EUR 47 million), interest on unsecured notes (2022: EUR 42 million; 2021: EUR 13 million), interest rate swaps (2022: EUR 13 million; 2021: EUR 36 million) and amortisation expenses (2022: EUR 6 million; 2021: EUR 20 million).

SUBSEQUENT EVENT

In February 2023, JDE Peet's extended the RCF facility with one year, to 30 March 2028.

[1] During 2022, JDE Peet's concluded that interest income and expense related to cash pool arrangements can be presented on a net basis, subsequently the comparative figures for interest income and expense have both been reduced by EUR 7 million.

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