PRESS RELEASE

Amsterdam, 2 August 2023

JDE Peet's reports half-year results 2023

Focus and disciplined execution of strategy, leading to in-market outperformance

Key items[1]

- Organic sales up +3.5% (+2.4% reported), driven by +6.8% price and volume/mix of -3.3%
- Organic gross profit up +0.9% and high single-digit growth of advertising spend
- Organic adjusted EBIT down -3.0% to EUR 581 million
- Free cash flow of EUR 14 million due to normalisation of working capital; net leverage at 2.8x
- Underlying EPS of EUR 0.85
- FY 23 outlook updated

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

In the first half of 2023, we delivered resilient financial performance in a category that is globally adjusting in the aftermath of the pandemic, and coping with persistent inflation. Against this backdrop and despite an industry volume decline in Europe, we delivered mid-single-digit top-line growth, driven by our premium product portfolio, E-commerce acceleration and strong performance in the US and in emerging markets.

We continue to be guided by our renewed strategic framework to become more global, more digital and more sustainable. We are now very pleased to witness the in-market outperformance of JDE Peet's globally from the disciplined execution of our strategic priorities.

In a fast evolving environment, we remain focused and nimble. In the first half of 2023, we have initiated the transition of an omni-channel organisation in Europe, and towards a local portfolio in Russia. In parallel, we will increase our global consumer reach, with the intended acquisition of Maratá's coffee & tea platform in Brazil and the launch of L'OR Barista in the US.

While anticipating an acceleration of our organic sales growth in H2, we expect the business environment to remain volatile. As there is uncertainty of the impact of the transition from international brands to local brands in Russia, we believe it is more appropriate to guide our full year organic adjusted EBIT growth in the range of a low single-digit increase and low single-digit decrease.

The tangible progress of our transformation - brand health, team engagement, gross profit and sustainability, just to name a few - is positioning us well to deliver sustained shareholder returns and societal value."

[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.

Broad-based progress made on our strategic Sustainability agenda

In the first half of 2023, we have made good progress against our strategic Sustainability roadmap and multi-year objectives. Our long-term Sustainability agenda is now deeply embedded across the entire organisation and in our strategic decision making. Our carbon accounting system has been rolled out and enables us to track our carbon footprint up to the individual SKU level and allows to have a full view of our carbon reduction performance alongside financial performance.

During this semester, we announced, among others, the intention to launch a new, fully compostable coffee capsule, which allows for an uncompromising high-quality in-cup experience, and we announced the intention to launch a new paper pack for our soluble coffee ranges, which is recyclable and is the first of its kind in the coffee market. Moreover, the coffee from this new paper pack will generate the lowest carbon footprint within our existing range of products.

In addition, JDE Peet's has become a member of the ILO Child Labour Platform, to tackle the root causes of child labour in the coffee supply chain, and we published our Water Stewardship Policy and our Nutrition Policy.

Update on Russia

Since the start of the war, JDE Peet's has sought to ensure that its business in Russia is operated as a stand-alone business to the greatest extent possible. The company has now taken the next step by transitioning to a local portfolio of brands, which resulted in a non-cash impairment of EUR 185 million of the Jacobs brand in H1 23 and is expected to lead to meaningfully lower contribution from Russia in H2 23.

Outlook 2023

JDE Peet's expects the business environment to remain volatile and vulnerable for the remainder of 2023. As there is uncertainty on the impact of the transition from international brands to local brands in Russia, the company now expects to deliver the following for full-year 2023:

- Organic sales growth at the high end of its medium-term range of 3 - 5% (unchanged)
- Adjusted EBIT to fall within the range of a low single-digit organic increase and a low single-digit organic decline (updated)
- Net leverage below 3.0x, with Free Cash Flow of around EUR 400 million, post normalisation of working capital, confirming an ongoing run-rate of EUR 1 bn on a 3-yr average (additional)
- A stable dividend (unchanged)

FINANCIAL REVIEW HALF-YEAR 2023

in EUR m (unless otherwise stated)

	6M 2023	6M 2022	Organic change	Reported change
Sales	3,988	3,896	3.5%	2.4%
Adjusted EBIT	581	631	-3.0%	-7.9%
Underlying profit for the period	411	523	-	-21.4%
Underlying EPS (EUR)[1, 2]	0.85	1.05	-	-19.6%
Reported basic EPS (EUR)[2]	0.41	1.02	-	-59.8%

[1] Underlying earnings (per share) exclude all adjusting items (net of tax)
[2] Based on weighted average number of shares outstanding

Total reported sales increased by 2.4% to EUR 3,988 million. Excluding a -1.6% effect related to foreign exchange and 0.4% related to scope and other changes, total sales increased by 3.5% on an organic basis, with 3 out of 4 segments growing between 5% and 10% organically. Organic sales growth reflects a price effect of 6.8% and a volume/mix effect of -3.3%. In-Home sales increased organically by 2.2% and in Away-from-Home by 9.0%, resulting in a 4-yr organic CAGR of 6.7% for In-Home sales and 0.6% for Away-from-Home sales.

Total adjusted EBIT decreased organically by 3.0% to EUR 581 million as an increase in gross profit was offset by an increase in SG&A. Including the effects of foreign exchange and scope changes, adjusted EBIT decreased by 7.9%.

Underlying profit - excluding all adjusting items net of tax - decreased by 21.4% to EUR 411 million. This performance was mainly driven by an unfavourable impact from fair value changes in derivatives and forex and a lower level of operating profit, and includes an underlying effective tax rate of 23.5%.

Net leverage of 2.8x net debt to adjusted EBITDA at the end of H1 23 was kept well below 3.0x, with a net debt of EUR 4.2 billion at the end of H1 23.

Free cash flow was EUR 14 million in the first half of 2023, which was lower than the comparative period in 2022 due primarily to the normalisation of working capital as well as higher capital expenditures.

JDE Peet's' liquidity position remains strong, with total liquidity of EUR 2.2 billion consisting of a cash position of EUR 0.7 billion (excluding restricted cash) and available committed RCF facilities of EUR 1.5 billion.

FINANCIAL REVIEW HALF-YEAR 2023 - BY SEGMENT

in EUR m (unless otherwise stated)

	Sales 6M 2023	Reported change	Organic change	Adj. EBIT 6M 2023	Reported change	Organic change
Europe	2,268	-0.2%	0.3%	476	-8.7%	-8.4%
LARMEA	734	5.6%	10.0%	125	1.3%	17.4%
Peet's	576	9.8%	8.6%	67	11.4%	10.1%
APAC	397	1.8%	4.7%	51	-24.3%	-21.6%
Total JDE Peet's[1]	**3,988**	**2.4%**	**3.5%**	**581**	**-7.9%**	**-3.0%**

[1]Includes EUR 13 m of sales and EUR (138) m adj. EBIT that are not allocated to the segments

Europe

Europe delivered a sequential improvement versus H2 22, although slower than originally anticipated. Organic sales growth of 0.3% was driven by an increase in price of 8.9% and a decrease in volume/mix of 8.6%, as positive volume/mix performance in the Away-from-Home business was more than offset by a volume/mix decline in the CPG business. Notable strong performance was delivered by countries such as France, Switzerland and most Eastern European markets and brands including L'OR, Kenco and Pickwick.

Reported sales decreased by 0.2% to EUR 2,268 million, including a net effect of -0.4% from foreign exchange and changes in scope/other. Adjusted EBIT decreased organically by 8.4% to EUR 476 million in H1 23, due to lower volumes, inflationary pressure, and due to an increase in advertising spend. Based on a 4-yr CAGR, the organic adjusted EBIT growth was -4.4%.

LARMEA

Organic sales growth of 10.0% was driven by an increase of 7.0% in volume/mix and 3.0% price. Volume/mix performance continued to be broad-based across most geographies, product portfolio and price points, with notable strong performance delivered by countries such as Ukraine, Morocco and Mexico.

Reported sales increased by 5.6% to EUR 734 million, including a net effect of -4.5% from foreign exchange and changes in scope/other. Adjusted EBIT increased organically by 17.4% to EUR 125 million in H1 23. Based on a 4-yr CAGR, the organic adjusted EBIT growth was 19.1%.

Peet's

Organic sales growth of 8.6% was driven by an increase of 5.0% in price and 3.5% in volume/mix. Same stores sales and ticket size were up in Peet's' US coffee retail stores, and Peet's CPG business continued to deliver competitive growth.

Reported sales increased by 9.8% to EUR 576 million, which included a positive foreign exchange effect of 1.3%. Adjusted EBIT increased organically by 10.1% to EUR 67 million. Based on a 4-yr CAGR, the organic adjusted EBIT growth was 10.3%.

APAC

Organic sales growth of 4.7% was driven by an increase of 4.5% in price and 0.3% in volume/mix. Positive volume/mix and organic sales growth performance in most CPG businesses was partly offset by relatively soft performance in select Away-from-Home businesses. Sales performance was geographically broad-based and supported by strong brand performance from brands including Campos, Moccona and Super.

Reported sales increased by 1.8% to EUR 397 million, including a foreign exchange effect of -2.9%. Adjusted EBIT decreased organically by 21.6% to EUR 51 million in H1 23, primarily impacted by one-off costs related to a temporary supply chain disruption connected to one of our main manufacturing facilities in the region. Based on a 4-yr CAGR, the organic adjusted EBIT growth was 4.7%.

OTHER INFORMATION

Underlying profit for the period

in EUR m	6M 2023	6M 2022
Adjusted EBIT	**581**	**631**
Adjusted net financial income/(expenses)	-49	46
Adjusted income tax expense	-125	-157
Adjusted for minorities	4	3
Underlying profit for the period	**411**	**523**

CONFERENCE CALL & AUDIO WEBCAST

Fabien Simon (CEO) and Scott Gray (CFO) will host a conference call for analysts and institutional investors at 10:00 AM CET today to discuss the half-year 2023 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

Market Abuse Regulation

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

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 2022 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	3,988	—	3,988	62	-17	4,033

in EUR m	Operating profit	Adjusting items	Adjusted EBIT	FX impact	Scope & other	Organic adjusted EBIT
Operating profit to adj. EBIT	323	258	581	15	25	621

in EUR m	Operating profit	Adjusting items	Adjusted EBIT	Adjusted D&A	Adjusted EBITDA
Operating profit to adj. EBITDA	323	258	581	154	735

in EUR m	6M 2023
Adjusted EBIT	**581**
ERP system implementation	-3
Transformation activities and corporate actions	-44
Share-based payment expense	-22
Mark-to-market results	55
Amortisation of acquired intangible assets and M&A/Deal costs	-244
Operating profit	**323**

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 / (loss) of associates and income tax expense adjusted for alternative performance measures as included in the consolidated financial statements for the year ended 31 December 2022 (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.

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 related to acquired/divested companies and new business ventures 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, divestitures and new business ventures) and adjusted for alternative performance measures as included in the consolidated financial statements for the year ended 31 December 2022 (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 and new business ventures 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 income from associates and joint ventures, adjusted for minority shareholders.

JDE PEET'S N.V.

CONDENSED CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

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CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 AND 30 JUNE 2022

In EUR million, unless stated otherwise

	NOTE	6M 2023	6M 2022
Revenue	5	3,988	3,896
Cost of sales	6	(2,446)	(2,432)
Selling, general and administrative expenses	6	(1,219)	(946)
Operating profit		**323**	**518**
Finance income	8	53	25
Finance expense	8	(102)	106
Share of net loss of associates		(5)	—
Profit before income taxes		**269**	**649**
Income tax expense	9	(76)	(144)
Profit for the period		**193**	**505**

ATTRIBUTABLE TO:	NOTE	6M 2023	6M 2022
Owners of the parent		197	508
Non-controlling interest		(4)	(3)
Profit for the period		**193**	**505**
Earnings per share:			
Basic earnings per share (in EUR)	7	0.41	1.02
Diluted earnings per share (in EUR)	7	0.40	1.01

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 AND 30 JUNE 2022

In EUR million

	6M 2023	6M 2022
Profit for the period	193	505
Other comprehensive income / (loss), net of tax:		
Items that will not be reclassified to profit or loss		
Retirement benefit obligation related items, net of tax	(20)	99
Items that may be subsequently reclassified to profit or loss		
Foreign currency translation	(114)	304
Net investment hedge	9	(35)
Effective portion of cash flow hedges	8	21
Other comprehensive income	**(117)**	**389**
Total comprehensive income for the period	**76**	**894**
Attributable to:		
Owners of the parent	78	912
Non-controlling interest	(2)	(18)
Total comprehensive income for the period	**76**	**894**

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 JUNE 2023 AND 31 DECEMBER 2022

In EUR million

	NOTE	30 June 2023	31 December 2022
Assets			
Non-current assets:			
Goodwill and other intangible assets	10	16,743	17,084
Property, plant and equipment		1,692	1,740
Deferred income tax assets	9	35	35
Derivative financial instruments		24	46
Retirement benefit asset	12	413	413
Other non-current assets		75	86
		18,982	**19,404**
Current assets:			
Inventories		1,426	1,356
Trade and other receivables		794	828
Derivative financial instruments		12	28
Income tax receivable		15	24
Net assets held-for-sale		—	19
Cash and cash equivalents		755	967
		3,002	**3,222**
Total assets		**21,984**	**22,626**
Equity and liabilities			
Equity:			
Share capital		5	5
Share premium		9,998	9,997
Treasury stock		(455)	(471)
Other reserves / (deficits)		(427)	(313)
Retained earnings		1,678	1,834
Equity attributable to the owners of the Company		**10,799**	**11,052**
Non-controlling interest		77	80
		10,876	**11,132**
Non-current liabilities:			
Borrowings	11	4,851	4,888
Retirement benefit liabilities	12	158	149
Deferred income tax liabilities	9	1,220	1,265
Derivative financial instruments		16	—
Provisions		31	33
Other non-current liabilities		110	110
		6,386	**6,445**
Current liabilities:			
Borrowings	11	71	79
Trade and other payables		4,384	4,704
Income tax liability		98	88
Provisions		59	39
Derivative financial instruments		110	139
		4,722	**5,049**
Total equity and liabilities		**21,984**	**22,626**

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 AND 30 JUNE 2022

In EUR million	Share capital	Share premium	Treasury stock	Retirement Benefit Obligation Related Items	Currency Translation Reserve	Cash flow hedge reserve	Total Other Comprehensive Income	Share-based payments reserve	Retained Earnings	Total equity attributable to the shareholders of the Company	Non-controlling interest	Total Equity
Balance — As of 31 December 2021	**5**	**9,975**	**—**	**280**	**(684)**	**25**	**(379)**	**39**	**1,383**	**11,023**	**138**	**11,161**
Application of hyperinflationary accounting	—	—	—	—	—	—	—	—	28	28	10	38
Balance — As of 1 January 2022	**5**	**9,975**	**—**	**280**	**(684)**	**25**	**(379)**	**39**	**1,411**	**11,051**	**148**	**11,199**
Profit for the period	—	—	—	—	—	—	—	—	508	508	(3)	505
Retirement benefit obligation	—	—	—	99	—	—	99	—	—	99	—	99
Foreign currency translation	—	—	—	(9)	328	—	319	—	—	319	(15)	304
Net investment hedge	—	—	—	—	(35)	—	(35)	—	—	(35)	—	(35)
Cash flow hedges	—	—	—	—	—	21	21	—	—	21	—	21
Total Comprehensive Income	**—**	**—**	**—**	**90**	**293**	**21**	**404**	**—**	**508**	**912**	**(18)**	**894**
Share-based payment transactions	—	—	—	—	—	—	—	17	—	17	—	17
Dividends	—	—	—	—	—	—	—	—	(339)	(339)	—	(339)
Issuance of shares	—	24	—	—	—	—	—	—	—	24	—	24
Share buy-back transaction [1]	—	—	(500)	—	—	—	—	—	—	(500)	—	(500)
Other transactions with shareholders [2]	—	—	—	—	—	—	—	—	(16)	(16)	(27)	(43)
Balance — As of 30 June 2022	**5**	**9,999**	**(500)**	**370**	**(391)**	**46**	**25**	**56**	**1,564**	**11,149**	**103**	**11,252**

[1] *JDE Peet's repurchased EUR 500 million of ordinary shares from Mondelēz International Holdings Netherlands B.V. during the first half year of 2022.*

[2] *Includes acquired shares of two non-controlling interests by JDE Peet's during the first half year of 2022.*

In EUR million	Share capital	Share premium	Treasury stock	Retirement Benefit Obligation Related Items	Currency Translation Reserve	Cash flow hedge reserve	Total Other Comprehensive Income	Share-based payments reserve	Retained Earnings	Total equity attributable to the shareholders of the Company	Non-controlling interest	Total Equity
Balance — As of 31 December 2022	**5**	**9,997**	**(471)**	**276**	**(635)**	**(21)**	**(380)**	**67**	**1,834**	**11,052**	**80**	**11,132**
Application of hyperinflationary accounting	—	—	—	—	—	—	—	—	(13)	(13)	(3)	(16)
Balance — As of 1 January 2023	**5**	**9,997**	**(471)**	**276**	**(635)**	**(21)**	**(380)**	**67**	**1,821**	**11,039**	**77**	**11,116**
Profit for the period	—	—	—	—	—	—	—	—	197	197	(4)	193
Retirement benefit obligation	—	—	—	(20)	—	—	(20)	—	—	(20)	—	(20)
Foreign currency translation	—	—	—	6	(123)	1	(116)	—	—	(116)	2	(114)
Net investment hedge	—	—	—	—	9	—	9	—	—	9	—	9
Cash flow hedges	—	—	—	—	—	8	8	—	—	8	—	8
Total Comprehensive Income	**—**	**—**	**—**	**(14)**	**(114)**	**9**	**(119)**	**—**	**197**	**78**	**(2)**	**76**
Share-based payment transactions	—	—	—	—	—	—	—	5	—	5	—	5
Dividends	—	—	—	—	—	—	—	—	(339)	(339)	(1)	(340)
Issuance of shares	—	1	16	—	—	—	—	—	—	17	—	17
Other transactions with shareholders	—	—	—	—	—	—	—	—	(1)	(1)	3	2
Balance — As of 30 June 2023	**5**	**9,998**	**(455)**	**262**	**(749)**	**(12)**	**(499)**	**72**	**1,678**	**10,799**	**77**	**10,876**

During the Annual General Meeting of Shareholders on 25 May 2023, a dividend of EUR 0.70 per share was approved, payable in two instalments of EUR 0.35 on 14 July 2023 and 26 January 2024. The dividend payable as at 30 June 2023 amounted to EUR 340 million and was recognised within Trade and other payables.

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 AND 30 JUNE 2022

In EUR million

	NOTE	6M 2023	6M 2022
Profit for the period		193	505
Adjustments for:			
Depreciation, amortisation and impairments		395	206
Defined benefit pension expense		3	3
Share-based payments		22	21
(Gain) / loss on sale of property, plant and equipment		7	7
Income tax expense		76	144
Interest income on bank accounts and other	8	(47)	(23)
Interest expense	8	43	47
Provision charges		23	6
Derivative financial instruments		26	(332)
Foreign exchange (gains) / losses		(27)	165
Other		3	(8)
Changes in operating assets and liabilities:			
Inventories		(99)	(385)
Trade and other receivables		30	(107)
Trade and other payables		(452)	635
Pension payments		(4)	(4)
Payments of provisions		(4)	(8)
Realised foreign exchange (gains) / losses		62	(140)
Receipts / (payments) of derivative financial instruments		(22)	156
Income tax payments		(88)	(107)
Net cash provided by operating activities		**140**	**781**
Cash flows from investing activities:			
Purchases of property, plant and equipment		(115)	(81)
Purchases of intangibles		(11)	(4)
Proceeds from sale of property, plant and equipment		1	9
Interest received		32	31
Loans provided		2	(1)
Net cash used in investing activities		**(91)**	**(46)**
Cash flows from financing activities:			
Additions to borrowings	11	—	165
Repayments from borrowings	11	(48)	(59)
Proceeds from / (repayments to) issuing ordinary shares		4	—
Share buy-back transaction		—	(500)
Receipts from / (payments to) derivative financial instruments		(1)	7
Dividend paid to shareholders		(169)	(176)
Interest paid		(28)	(59)
Acquired / (divested) interest from non-controlling shareholders		(9)	(39)
Other financing activities		(1)	(10)
Net cash used in financing activities		**(252)**	**(671)**
Effect of exchange rate changes on cash		(8)	34
Net increase / (decrease) in cash and cash equivalents		**(211)**	**98**
Cash and cash equivalents – at the start of period		967	662
Adjustment for hyperinflationary accounting		(1)	1
Cash and cash equivalents — as of 30 June[2]		**755**	**761**

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

[2] *Cash and cash equivalents include restricted cash of EUR 53 million at 30 June 2023 (30 June 2022: EUR 38 million).*

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. 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 and 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.

All holders of capital and/or voting interest of three per cent or more are disclosed 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

JDE Peet's has prepared these condensed consolidated unaudited interim financial statements ("interim financial statements") in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union ("EU").

The basis of preparation and the accounting policies used to prepare the interim financial statements are the same as those described in the consolidated financial statements as at and for the fiscal year ended 31 December 2022, except for taxes on income in the interim periods which are accrued using the tax rate that would be applicable to expected total annual earnings in each tax jurisdiction.

The interim financial statements for all periods have been prepared under the historical cost basis, except for financial instruments, financial liabilities in relation to share-based payments and pension plan assets, which are recognised at fair value. The interim report does not include all the notes of the type normally included in an annual financial report.

For purposes of these interim financial statements, segmentation is based on how the chief operating decision maker ("CODM") reviews the performance of the business and allocates resources, as further disclosed in the segmentation disclosure note.

JDE Peet's does not experience any seasonality with their businesses and thus no estimates are being made in relation to this.

Where applicable, the presentation of the comparative financial information was adjusted to conform to the presentation of the statement of financial position and income statement of the current period. These reclassifications had no impact on net result or equity.

Functional and presentation currency

These interim financial statements are presented in Euros, which is the Company's functional currency. All financial information presented in Euros has been rounded to the nearest million unless stated otherwise.

Use of estimates and judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

2. ACCOUNTING POLICIES

The interim financial statements should be read in conjunction with the consolidated financial statements of JDE Peet's as at and for the fiscal year ended 31 December 2022, which were prepared in accordance with, and comply, in all material respects, with International Financial Reporting Standards as adopted by the European Union ("IFRS").

Segment information

On 25 April 2023, JDE Peet's announced the combination of the CPG Europe and Out-of-Home segments into one European segment ("Europe"). The relevant changes in the reporting structure came substantially into effect during the six-month period ended 30 June 2023. The comparative figures reported at 30 June 2022 were restated to align with the new segment structure. The other segments remained unchanged.

New Standards, Amendments and Interpretations effective on or after 1 January 2023

The following new accounting standards and interpretations effective for accounting periods beginning on or after 1 January 2023, do not have a significant impact on the interim financial statements of JDE Peet's for the period ended 30 June 2023:

- IFRS 17 Insurance Contracts;
- Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture;
- Amendments to IAS 1 - Classification of liabilities as current or non-current;
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies;
- Amendments to IAS 8 - Definition of accounting estimates;
- Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction;
- Amendments to IAS 1 - Non-current liabilities with Covenants;
- Amendments to IFRS 16 - Lease liability in a sale and leaseback.

The amendments to IAS 12 - International Tax Reform - Pillar Two Model Rules as issued by the IASB will be applied upon endorsement by the European Union.

3. FINANCIAL RISKS

The Group's activities are exposed to a variety of financial risks.

Fair values

This note provides an update on the judgements and estimates made by JDE Peet's in determining the fair values of the financial instruments since the last consolidated financial statements.

The following table presents the assets and liabilities of JDE Peet's that are measured at fair value at 30 June 2023 (in EUR million):

	Level 1	Level 2	Level 3	Total
Assets				
Interest rate contracts	—	24	—	24
Foreign exchange contracts	—	9	—	9
Total return equity swaps	—	3	—	3
Total assets	**—**	**36**	**—**	**36**
Liabilities				
Unsecured notes - EU	3,091	—	—	3,091
Unsecured notes - US	1,599	—	—	1,599
Borrowings	—	232	—	232
Share-based payment liability	—	—	15	15
Management-owned shares liability	—	—	25	25
Interest rate contracts	—	8	—	8
Foreign exchange contracts	—	62	—	62
Commodity contracts	16	—	—	16
Total return equity swaps	—	40	—	40
Total liabilities	**4,706**	**342**	**40**	**5,088**

There were no transfers between different levels during the period ended 30 June 2023 and there were no changes in relation to 31 December 2022 with regards to the inputs and valuation techniques in determination of the fair values.

Macro-economic environment

In 2023, JDE Peet's still faces a challenging macro-economic environment where significant uncertainties persist. 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. Its liquidity position remained strong, with total liquidity of EUR 2.2 billion consisting of a cash position of EUR 0.7 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 continues to be, the safety and well-being of its employees in the region. In addition, continuous monitoring to ensure compliance with EU and other applicable sanctions is ongoing. It has not authorised new capital investments to increase factory capacity or expansion, and all cash dividend payments from the Russian business were cancelled.

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 continuously reviews 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 wider LARMEA segment to which it is a component of. JDE Peet's is in the process of discontinuing international brands in the Russian market. The rebranding of the Jacobs brand in Russia triggered a reassessment of the recoverable amount of the Jacobs indefinitely lived intangible asset to EUR 1.0 billion, which resulted in an impairment of EUR 185 million in the first half year of 2023.

4. SEGMENT INFORMATION

On 25 April 2023, JDE Peet's announced the combination of the CPG Europe and Out-of-Home segments into one European segment ("Europe"). The other segments remained unchanged. The relevant changes in the reporting structure came substantially into effect during the six-month period ended 30 June 2023. The comparative figures were restated to align with the new segment structure.

The segment information is presented for the six-month period ended 30 June 2023 (all amounts in EUR million). The segment information is in line with Note 2.1 of the consolidated financial statements as at and for the year ended 31 December 2022, with the exception of the aforementioned combination of CPG Europe and Out-of-Home and restatement of comparative information:

Revenue	6M 2023	6M 2022
Europe	2,268	2,271
LARMEA	734	695
Peet’s	576	525
APAC	397	390
Unallocated	13	15
Total	**3,988**	**3,896**

The CODM reviews segment profitability based on adjusted EBIT. There are no intersegment revenues. 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 2022. As a result of the combination of CPG Europe and Out-of-Home, restructuring expenses were recognised included under ‘Transformation activities and corporate actions’ in the table below.
Adjusted EBIT is reconciled to operating profit and profit before income taxes on a consolidated basis in the tables presented below (in EUR million):

	6M 2023	6M 2022
Europe	476	521
LARMEA	125	123
Peet’s	67	60
APAC	51	67
Unallocated	(138)	(140)
Adjusted EBIT	**581**	**631**
ERP system implementation	(3)	(3)
Transformation activities and corporate actions	(44)	(17)
Share-based payment expense	(22)	(22)
Mark-to-market results	55	(15)
Expenses of acquired intangible assets and M&A/Deal costs [1]	(244)	(56)
Operating profit [2]	**323**	**518**
Finance income	53	25
Finance expense	(102)	106
Share of net loss of associates	(5)	—
Profit before income taxes	**269**	**649**

[1] *This consistently includes amortisation of EUR 54 million (6M 2022: EUR 54 million) related to intangible assets recognised or re-measured as part of purchase price allocations as well as an impairment charge of EUR 185 million (6M 2022: nil) related to the Jacobs brand.*

[2] *In 2023 of the adjusting items a cost of EUR 309 million (6M 2022: cost of EUR 94 million) was recognised in selling, general and administrative expenses and a benefit of EUR 51 million (6M 2022: cost of EUR 19 million) in cost of sales.*

Adjusted EBIT of the segments includes depreciation and amortisation, which amounted to EUR 154 million (2022: EUR 150 million):

Depreciation and amortisation	6M 2023	6M 2022
Europe	66	64
LARMEA	12	11
Peet's	44	39
APAC	15	16
Unallocated	17	20
Total	**154**	**150**

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):

	6M 2023	6M 2022
United States	14%	13%
Germany	10%	12%
France	12%	11%
Netherlands	9%	9%
Rest of World	55%	55%
Total Revenue	**100%**	**100%**

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

5. REVENUE

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

	6M 2023	6M 2022
Coffee	84%	85%
Tea	3%	3%
Other food and beverage	11%	10%
Services	2%	2%
Total	**100%**	**100%**

6. EXPENSES BY NATURE

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

	6M 2023	6M 2022
Cost of product [1]	2,037	2,015
Employee benefit expenses [2]	627	606
Other selling, general and administrative expenses [3]	582	546
Depreciation, amortisation and impairment	395	206
Restructuring and restructuring related expenses	24	5
Total	**3,665**	**3,378**

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 expenses consist 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.*

7. 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.

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. At both the level of the Company, and subsidiary level, there are share-based payment plans that should be considered in the earnings per share calculation. The share-based payments plans at the subsidiary level are taken into consideration in the determination of the net profit attributable to owners of the Company.

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

	6M 2023	6M 2022
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to owners of the Company (in EUR million)	**197**	**508**
Time-weighted average number of ordinary shares for the purposes of basic earnings per share	485,547,276	496,959,638
Adjustments for calculations of diluted earnings per share: share-based payment plans	5,983,554	6,354,061
Time-weighted average number of ordinary shares for the purposes of diluted earnings per share	**491,530,830**	**503,313,699**
Basic EPS (in EUR)	0.41	1.02
Diluted EPS (in EUR)	0.40	1.01

The total number of shares outstanding (excluding treasury shares) as at 30 June 2023 was 485,842,122 (30 June 2022: 484,172,306. As at 30 June 2023, the Company held 16,903,735 shares in Treasury Stock (30 June 2022: 18,573,551).

8. FINANCE INCOME AND EXPENSE

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

	6M 2023	6M 2022
Interest income	47	23
Interest expense [1]	(43)	(47)
Net financing cost of financial debt [2]	**4**	**(24)**
Interest income on plan assets	37	21
Interest expense on defined benefit obligation	(31)	(19)
Total pension finance (expense) / income	**6**	**2**
Foreign exchange gain / (loss)	27	(165)
Change in fair value of derivative financial instruments	(76)	313
Net monetary gain / (loss)	(4)	—
Fair value changes financial liabilities	(6)	5
Net finance (expense)/ income	**(49)**	**131**

[1] *Interest expense primarily includes interest on unsecured notes (6M 2023: EUR 21 million; 6M 2022: EUR 20 million), interest rate swaps (6M 2023: EUR 0 million; 6M 2022: EUR 13 million), amortisation expenses (6M 2023: EUR 3 million; 6M 2022: EUR 3 million), interest lease liabilities (6M 2023: EUR 4 million; 6M 2022: EUR 4 million), other items including interest on other derivatives (6M 2023: EUR 15 million, 6M 2022: EUR 7 million).*

[2] *The presentation of the comparative financial information for the interest over the cashpool arrangements were netted for an amount of EUR 13 million to align the presentation to the annual report of 2022. The reclassifications had no impact on net result or equity.*

9. INCOME TAX

In the six-month period ended 30 June 2023, JDE Peet’s' income tax expense amounted to EUR 76 million and the profit before tax amounted to EUR 269 million, resulting in an effective tax rate of 28.3% (6M 2022: 22.2%). This is 6.1% higher than last year, which is primarily driven by the impairment charge of the Jacobs brand and restructuring expense resulting from the combination of the CPG Europe and Out-of-Home segments into one European segment. Furthermore, the six-month period ended 30 June 2023 included a total net tax expense relating to non-recurring tax items whereas the six-month period ended 30 June 2022 included a tax benefit from non-recurring items.

10. GOODWILL AND OTHER INTANGIBLES 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 goodwill, trademarks and brands, are not subject to amortisation and are tested at least annually for impairment. This test is 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.

In the consolidated financial statements as at and for the period ended 31 December 2022, it was disclosed that sensitivities were performed around the key assumptions. Management still believes that no reasonable possible changes in key assumptions for the recognised goodwill would cause, in isolation, the recoverable amount of the significant CGUs to be less than the carrying value.

Driven by the change in segments as disclosed in Note 4. Segment information, the Group of CGUs for goodwill impairment testing follow the new segment structure. As a result, the former Out-of-home Group of CGUs will be combined with the Europe Group of CGUs going forward.

JDE Peet's continuously reviews 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 wider LARMEA segment. JDE Peet’s is in the process of discontinuing international brands in the Russian market. The rebranding of the Jacobs brand in Russia triggered a reassessment of the recoverable amount of this indefinitely lived intangible asset to EUR 1.0 billion, which resulted in an impairment of EUR 185 million in the first half year of 2023. Other movements in goodwill and intangible fixed assets relate to regular amortisation and currency translation.

11. BORROWINGS

The Group's borrowing facilities through the six-month period ended 30 June 2023 are summarised in the following table (in EUR million):

	Currency	1 January 2023	Unwinding discount	Repaid	Amortisation	Recognition of lease liability	Currency translation	30 June 2023
Unsecured notes - EU	EUR	3,091	—	—	—	—	—	3,091
Unsecured notes - US	USD	1,629	—	—	1	—	(31)	1,599
Other financing	Various	14	—	(2)	—	—	(2)	10
Leases	Various	256	8	(46)	(4)	34	(5)	243
Unamortised discounts and costs		(23)	—	—	2	—	—	(21)
Total borrowings		**4,967**	**8**	**(48)**	**(1)**	**34**	**(38)**	**4,922**
Non-current		4,888						4,851
Current		79						71

The EUR 1.5 billion Revolving Credit Facility was extended at the beginning of this year to 30 March 2028. The facility remained undrawn during the first six months of 2023.

12. POST EMPLOYMENT AND OTHER LONG TERM EMPLOYEE BENEFIT PLANS

JDE Peet's performed a roll-forward as at 30 June 2023 of its largest post employment benefit plans in the United Kingdom and Germany.

The retirement benefit asset of EUR 413 million as at 30 June 2023 represents the net asset of the plans in the United Kingdom and remained stable compared to 31 December 2022. The actuarial loss of EUR 21 million (2022: loss of EUR 71 million) were fully offset by interest income of EUR 9 million (2022: 7 million), contributions of EUR 1 million (2022: EUR 3 million) and EUR 11 million (2022: EUR -23 million) translation of the net asset position from British Pound to Euro.

The retirement benefit liabilities increased from EUR 149 million as at 31 December 2022 to EUR 158 million as at 30 June 2023, mainly driven by the German plans which generated an actuarial loss of EUR 7 million (2022: actuarial gain of EUR 92 million) following an decrease in the discount rate.

The weighted-average actual assumptions used in measuring the defined benefit cost recognised in the consolidated income statement of the next fiscal year and plan obligations at the end of the reporting periods are as follows:

	30 June 2023		31 December 2022		30 June 2022	
	UK	Germany	UK	Germany	UK	Germany
Discount rate	5.25%	3.50%	4.80%	3.70%	3.65%	3.40%
Indexation rate inactive participants - deferred	2.95%	N/A	2.90%	N/A	2.90%	N/A
Indexation rate inactive participants - pensioners	3.25%	2.00%	3.25%	2.00%	3.15%	2.25%
Inflation rate	3.40%	2.50%	3.40%	2.50%	3.30%	2.25%
Future salary increases	N/A	2.75%	N/A	2.75%	N/A	2.50%

13. SUBSEQUENT EVENTS

On 25 May 2023, the Annual General Meeting of JDE Peet's resolved to cancel 15.3 million treasury shares. This cancellation came into effect on 28 July 2023.

On 24 July 2023, it was announced that JDE Peet's will expand its emerging markets presence through the intended acquisition of Maratá’s coffee & tea business in Brazil. Maratá’s coffee & tea business is predominantly present in the northern part of Brazil through its long-standing and well-known brands Café Maratá and Chá Maratá. The business employs around 1,200 employees, operates two manufacturing plants and reported over BRL 1.1 billion annual sales on average in the last 3 years.

OTHER INFORMATION

Responsibilities of the Directors

The Directors declare that, to the best of their knowledge:

- This set of interim financial statements, which have been prepared in accordance with IAS 34 Interim Financial Reporting, give a true and fair view of the assets, liabilities, financial position and profit of JDE Peet's N.V.

Auditor's involvement

The content of this report has not been audited or reviewed by an external auditor.

A COFFEE & TEA FOR EVERY CUP