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31 May 2022

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RATINGS

JDE Peet's N.V.

Domicile	Netherlands
Long Term Rating	Baa3
Type	LT Issuer Rating - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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JDE Peet's N.V.

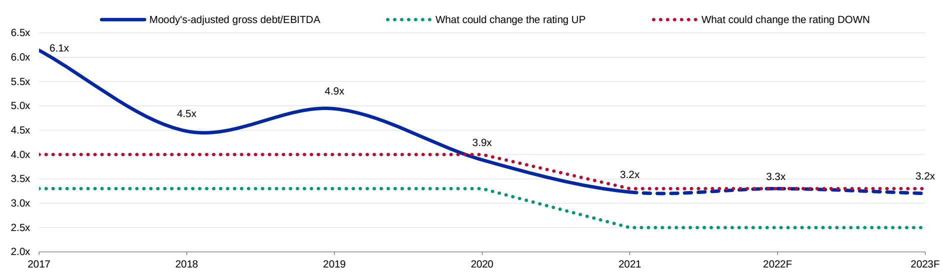
Update to credit analysis

Summary

JDE Peet's N.V.'s Baa3 rating reflects its strong business profile as the number two manufacturer and distributor of coffee globally, enhanced by its presence in the US premium coffee retail segment with its Peet's Coffee brand. The company benefits from a strong portfolio of brands, good geographical diversification and solid fundamentals of the coffee industry. The rating is also supported by the company's clear financial policy, good liquidity and its success in simplifying its capital structure in 2021.

These strengths are offset by the high product category concentration in coffee, although across different product offerings, technologies and channels; and a financial leverage likely to remain at the higher end of the range allowed by the rating. Visibility into the company's operating performance over the next six to 12 months is reduced by the uncertainty associated with the current commodity price inflation and softening macroeconomic outlook, particularly across Europe. While the company's solid free cash flow (FCF) generation will continue to support the rating, any additional deleveraging might slow as the company has achieved its optimal financial leverage target.

Exhibit 1
We expect reduction in gross leverage to slow
Moody's-adjusted gross debt/EBITDA



All ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Moody's Forecasts (F) are Moody's opinion and do not represent the views of the issuer. Periods are financial year-end unless indicated
Source: Moody's Financial Metrics™

Credit strengths

- » Clear number two position in coffee distribution, and status as the largest pure coffee manufacturer and distributor
- » Global presence and strong portfolio of leading coffee brands
- » Premiumisation within the global coffee category, which provides an opportunity to grow the top line and increase margins
- » History of positive FCF and commitment to reducing financial leverage
- » Good liquidity, improved governance with revised board structure and simplified capital structure following the refinancing in 2021

Credit challenges

- » Exposure to low volume growth in Europe and strong competition
- » Current spike in commodity price and macroeconomic slowdown could result in volatility in top-line and operating performance
- » A growing own-store network, particularly in Asia, which will result in higher fixed cost, albeit this is a small part of the overall business
- » Further deleveraging likely to slow down as the company has reached its optimal financial leverage
- » High level of trade payables, which, if reduced, might result in working capital absorption

Rating outlook

The stable outlook on JDE Peet's rating reflects our expectation that the company will maintain credit metrics consistent with its rating level, and it will be able to weather the current commodity inflation while continuing to generate substantial positive FCF. The stable outlook also takes into account our expectations that the company will not engage in any large debt-financed acquisition or increase shareholders' returns, which could result in prolonged deviation from its net debt/EBITDA optimal leverage of around 2.5x, based on the company's definition.

Factors that could lead to an upgrade

The rating could be upgraded if Moody's-adjusted debt/EBITDA reduces towards 2.5x and Moody's-adjusted retained cash flow/net debt increases above 25%, both on a sustained basis. A rating upgrade would also be subject to the company demonstrating a prudent financial policy, including conservative leverage targets and solid liquidity management.

Factors that could lead to a downgrade

The rating of JDE Peet's could be downgraded if the company's operating performance deteriorates or if it engages in large debt-financed M&A transactions, such that Moody's-adjusted gross debt/EBITDA remains well above 3.3x or Moody's-adjusted retained cash flow/net debt declines below 17%, both on a sustained basis. A deterioration in the company's liquidity or a more aggressive shareholder return policy could also result in a rating downgrade.

Key indicators

Exhibit 2
JDE Peet's N.V.

JDE Peet's N.V.							
EUR Millions	**Dec-17**	**Dec-18**	**Dec-19**	**Dec-20**	**Dec-21**	**Dec-22 F**	**Dec-23 F**
Revenue	6,530	6,664	6,945	6,651	7,001	7,649	7,266
EBITA Margin %	15.2%	18.0%	18.0%	18.1%	18.9%	16.2%	18.2%
Debt / EBITDA	6.1x	4.5x	4.9x	3.9x	3.2x	3.3x	3.2x
RCF / Net Debt	-1.5%	14.4%	15.7%	18.9%	23.5%	16.6%	19.5%
EBITA / Interest Expense	3.7x	3.8x	5.2x	6.3x	7.5x	18.7x	23.4x

All figures and ratios are calculated using Moody's estimates and standard adjustments. Moody's Forecasts (f) or Projections (proj.) are Moody's opinion and do not represent the views of the issuer. Periods are financial year-end unless indicated. LTM = Last 12 month
Source: Moody's Financial Metrics™

Profile

Headquartered in the Netherlands, JDE Peet's N.V. was created in late 2019 by the combination of JACOBS DOUWE EGBERTS Holdings B.V. (JDE Holdings) and Peet's Coffee. JDE Peet's is the second-largest coffee company in the world, and manufactures and distributes coffee and tea products for the retail and out-of-home markets and directly to consumers in more than 100 countries across Europe, Africa, Asia, Latin America, Australia and, with the addition of Peet's Coffee, the US. JDE Peet's owns more than 50 brands, including some key names such as Peet's Coffee, Douwe Egberts, Jacobs, Tassimo, Moccona, Senseo, L'OR, Super, Kenco, Pilão and Gevalia.

Following the June 2020 IPO on Amsterdam's stock exchange, JDE Peet's is indirectly majority owned by JAB Holding Company S.a.r.l. (Baa2 stable) through an intermediate holding company, Acorn Holdings B.V. (AHBV), which owns 55%, and indirectly by Mondelez International, Inc. (Baa1 stable), which owns 19%. The remainder is free float.

In 2021, JDE Peet's generated €7 billion of revenue and €1.59 billion of company-adjusted EBITDA.

Detailed credit considerations

After strong rebound in 2021, there is reduced visibility into operating performance over the next six to 12 months

After a difficult 2020, the organic revenue of JDE Peet's rebounded strongly in 2021 supported by strong recovery in out-of-home demand (up 12.8% organically from a year ago); Peet's Coffee in the US (up 12.3%); and strong demand in Latin America, Russia, Middle East, Eastern Europe and Africa (up 17%). These three segments, which comprised 38.8% of group revenue in 2021, compensated for the modest growth in Europe (up 2.6%, 51% of group revenue) and for softer results in Asia-Pacific (negative 5.1%), as strong growth in China was insufficient to offset ongoing lockdown measures elsewhere in the Asia-Pacific region.

Part of the 2021 revenue increase was because of higher prices that the company sequentially passed through to customers on the back of increasing coffee bean prices in early 2021. The company increased selling prices by around 4.3% during the second half of 2021 on top of the 0.4% increase in H1 2021. The price increases supported overall revenue growth of 6.1% in 2021.

During the year, profit grew 1.5% organically despite a significant 27% step-up in marketing spending as higher prices offset the higher cost sustained by the company to buy its key raw materials. Although margin deterioration is normal at times of commodity price inflation and we value the company's ability to grow profit in any case despite the higher input costs, there is a risk that the general high inflation and the current slowdown in the macroeconomic environment, particularly in Europe, might strain cash generation over the next six months. This is because general price inflation across a number of food and nonfood commodities, including coffee beans and other basic food ingredients and energy and logistic costs, will weaken consumer purchasing power and sentiment. Weaker consumer sentiment might slow the premiumisation trend or result in consumer moving towards cheaper servings alternative, potentially hurting the company's earnings, even though its multi-brand approach allows it to compete across a number of different price points, providing a degree of protection.

Although higher raw material prices in 2022 will significantly increase revenue because the company will pass this through to consumers, we expect relatively stable profit in absolute terms because the company will also experience higher costs in 2022, despite its hedges. The company has a relatively good track record of passing through price volatility. However, high inflation and the macroeconomic slowdown amid the Russia-Ukraine conflict, particularly across Europe (which accounted for 61% of the company's 2021 revenue, including both its retail and out-of-home business), reduce visibility on the company's performance over the next six to 12 months. Although we expect the medium-term fundamentals of the coffee industry to remain positive and continue to support premiumisation in the coffee category and higher growth in emerging market, these trends might be disrupted over the next six to 12 months.

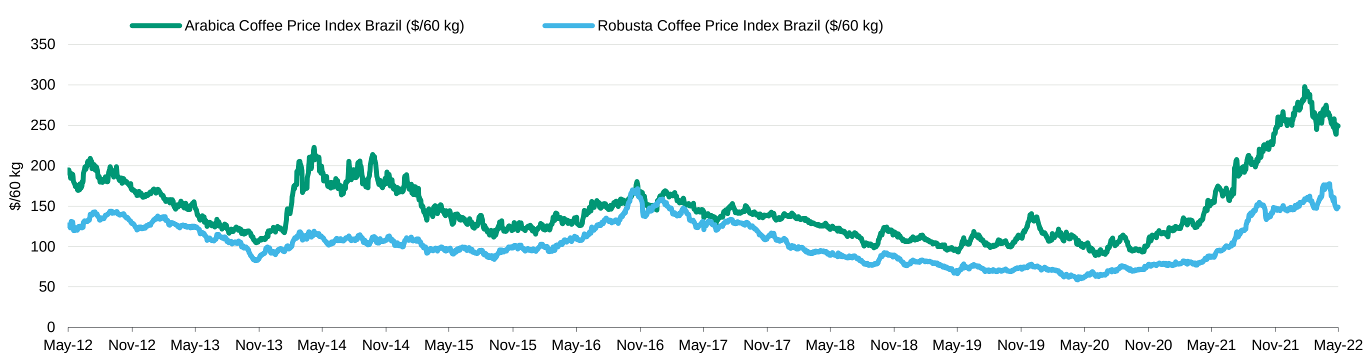
Premiumisation and growing consumption in Asia will support revenue and profit growth; coffee bean prices could result in revenue volatility but will be neutral on profit

Setting aside potential short-term disruption caused by the high inflation, volume growth across a number of Western European markets is likely to remain modest because of the already-high per capita coffee consumption and the highly competitive environment. However, the company's organic revenue growth will continue to be supported by increasing coffee consumption in Asia and the ongoing premiumisation in mature markets. Premiumisation across Europe and the US is happening mainly because of fast growth in single-serve coffee products such as capsules, which carry a price premium compared with alternative solutions and result in a better operating margin for JDE Peet's. Excluding the effect of price pass through, we expect the company's top line to grow at low- to mid-single-digit percentages over the next two to three years, except for the possibility of short-term disruption in 2022 because of the weaker consumer sentiment.

The company's top-line growth can fluctuate as JDE Peet's passes through higher coffee bean prices to its customers. The currently high bean prices will help the company's top-line growth because this will be passed through to customers, but will reduce revenue once bean prices decline. We expect this top-line volatility will not affect the company's ability to generate cash. Green coffee bean prices are affected by the quality and availability of supply, changes in the value of the US dollar in relation to other currencies and consumer demand for coffee products. High logistics and shipping costs are a key driver of bean price volatility. The company has demonstrated its ability to manage coffee price volatility well using hedging and its pricing policy, although with a time lag. Over the last eight years, the generally lower bean prices have facilitated negotiations with key customers. However, higher bean prices might also imply temporarily higher working capital needs.

Past low prices were supported by general oversupply of coffee beans as higher production, particularly in Brazil, was more than enough to compensate for growing demand for coffee. The price increases that started in 2021 largely reflected the expectation of a poor harvest in Brazil, higher logistics costs and possible speculation by traders. Bean prices have started declining in early 2022 (see Exhibit 2). Volatility of commodities remains difficult to predict, so we maintain a conservative view.

Exhibit 3
Bean prices are at close to historical highs, but started to decline in early 2022
Arabica and Robusta Coffee Price Index Brazil ($/60 kg)



Source: Factset

Strong market position and diversification by coffee products and channels compensate for high business concentration

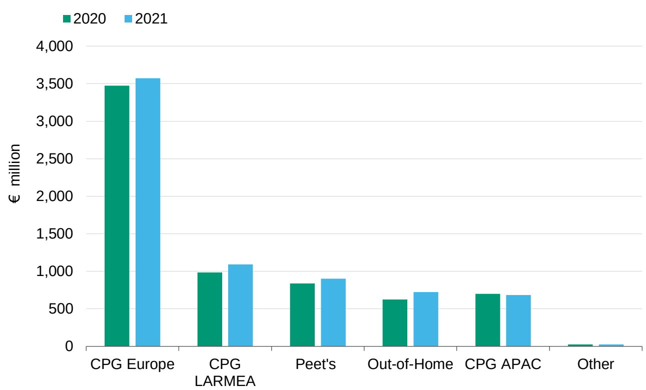
According to Euromonitor International, JDE Peet's is the second-largest global coffee company by retail value with 10.5% of the global market share in 2021 — behind Nestle S.A. (Aa3 stable), the leader in the coffee industry (25.9%), and well ahead of the third-largest company Lavazza S.p.A. (2.9%). The company's key markets have distinct consumption characteristics and brands. Company-reported revenue generated from countries where JDE Peet's holds number one or two position accounted for 78% of its total revenue in 2021. The strength of the company's position within its key markets is supported by its strong global and regional brands. The company's presence in different coffee categories through a multibrand approach allows it to compete across a number of different price points, providing a degree of protection during economic crises.

Sales for in-home consumption across Europe (segment reported as CPG Europe in the chart) accounted for most of the company's revenue and profit in 2021 (see Exhibits 4 and 5). Around 75% of the company's sales are distributed via retailers or online channels. The company holds a strong market position in the out-of-home channel, particularly in the Netherlands, Germany and the UK, which contributed 10% of sales in 2021. Although some of its out-of-home markets benefit from multiyear contracts, which provide some revenue visibility, the division weakened during the coronavirus pandemic and is recovering. As a number of outlets and food service shops have reopened since 2021, the out-of-home division's profitability improved to around €90 million in 2021 from close to zero in 2020, but is still less than €179 million in 2019. We expect profitability to recover in 2022 as outlets reopen and consumers' buying patterns normalise.

Exhibit 4

In-home sales in Europe represent 50% of the company's sales...

Revenue breakdown by segment

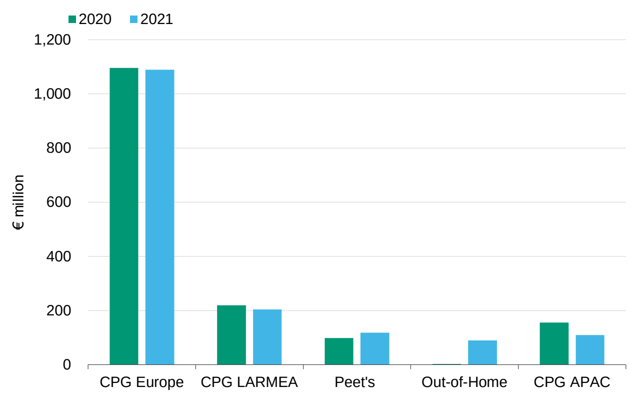


Source: Company's annual report 2021

Exhibit 5

... and an even greater share of its 2021 profit

EBIT breakdown by segment



Source: Company's annual report 2021

Most of the company's sales are concentrated in the global coffee industry, with tea accounting for around 3% of the company's sales in 2021. The high product category concentration is balanced against growth in the global coffee industry, which is one of the fastest-growing categories within the food and beverage sector. We expect it to remain attractive for the foreseeable future. According to Euromonitor International, global retail coffee is a €95.4 billion industry, which is likely to grow in the low- to mid-single-digit percentages over the next two to three years. Recent trends toward value-added innovation, such as convenience and premiumisation (that is, single serve), and customisation (that is, products tailored for local preferences) provide key industry participants with the ability to expand profit margin, especially in developed markets. Historically, market growth was primarily driven by prices and the product mix, although we expect higher volume growth in developing markets.

Concentration in the coffee industry is partially offset by a degree of diversification by product segment and technology, as the company is active across all product categories within the coffee industry — from the more premium single-serve business to roast, ground and instant serve. JDE Peet's has one of the most complete offerings among its competitors with increasing exposure to coffee shops, mainly in the US, through the addition of Peet's Coffee on top of the existing network of stores mainly in Asia, for a total of 505 stores as of year-end 2021. Although the company closed some stores in the US in 2020 to optimise its footprint, it plans to expand its store network in Asia. In China, it opened around 37 stores in 2021, reaching a total of 70 stores by year end. The own-store network has higher fixed costs and somewhat reduces the company's flexibility to adapt in case of lower demand. However, this is mitigated by the company's manufacturing footprint. It produces most of its products in house, which allows greater efficiency and product innovation than most of its peers.

Improving geographical diversification, but potential industry consolidation presents event risk, mitigated by the company's target financial leverage

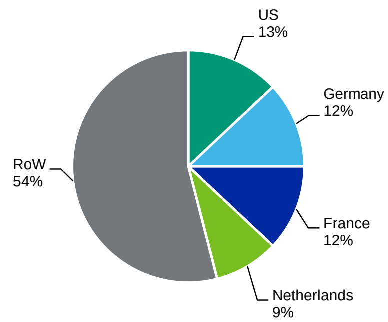
JDE Peet's is present in more than 100 countries and its top four markets are the US, Germany, France and the Netherlands. With the addition of Peet's Coffee, the company gained presence in the important US market. The US coffee market is the largest globally and is valued at around €15.5 billion, according to Euromonitor International. JDE Peet's has been successful in growing in emerging markets, and the company generated around 74% of its revenue from developed markets in 2021.

Faster organic growth in Asia and expansion through small M&A will improve the group's geographical diversification over time. In 2020 and 2021, revenue growth was greater in developed markets than in emerging markets because of pandemic-related disruptions, including lockdowns in Asia-Pacific, and a shift in demand towards the in-home channel, mainly in Western Europe. Although JDE Peet's acquisition appetite exposes the company to event risk in case of medium-sized to large acquisitions, we expect it to focus on small bolt-on acquisitions without disrupting the company's optimal financial leverage target.

Exhibit 6

Geographical diversification has increased with the addition of Peet's Coffee in the US

Revenues breakdown by geography, 2021



Source: Company's annual report 2021

Good track record of reducing financial leverage, but future reduction might slow; commitment to maintain a certain leverage is positive

JDE Peet's reduced its Moody's-adjusted debt/EBITDA to 3.2x as of year-end 2021 from 3.9x a year earlier and close to 5.0x in 2020 amid strong FCF generation and with sequential debt repayments. However, additional significant leverage reduction might slow over the next six to 12 months, largely because the company has achieved its optimal financial leverage as per its financial policy and might now seek M&A opportunities or increasing shareholder return in line with its capital allocation priorities.

JDE Peet's commitment to maintain (company-reported) net debt/EBITDA of around 2.5x (around 3.0x on a Moody's-gross-adjusted basis) before considering large acquisitions or increasing shareholder distribution, including dividends, is positive. The ratio stood at 2.7x as of year-end 2021. In May 2022, the company announced a buy back of €500 million of its shares that Mondelez owned. We expect this to be largely financed by existing cash. Any increase in Moody's-adjusted debt/EBITDA is likely to be temporary and small[1].

We expect solid FCF generation, under our definition (i.e. post dividend and interest expenses) of around €400 million-€500 million. Also, we expect the company to maintain its financial and dividend policies (€0.70 per share, to be paid in two installments) and clear capital allocation priority. Reduction in leverage is still possible and will be driven by profit growth beyond the next 12 months. FCF generation will be supported by relatively good interest rates the company was able to obtain on the bonds issued in 2021 as part of its exercise to refinance its capital structure. The potential temporarily volatility in working capital because of higher inventory values resulting from the current spike in commodity prices might affect FCF generation in 2022.

The improvement in FCF generation in recent years was partly on the back of significant improvement in working capital. This was also achieved because of a relevant increase in trade payable days outstanding that are currently very high. Any reduction in the current level might result in a permanent increase in working capital, slowing down the expected reduction in financial leverage. Although we would expect trade payable days not to increase further, in light of the potential risk of working capital absorption, the key ratios required to maintain the rating are more demanding for the company than for its peers with a similar rating.

ESG considerations

JDE Peet'S N.V.'s ESG Credit Impact Score is Moderately Negative CIS-3

Exhibit 7
ESG Credit Impact Score

CIS-3
Moderately Negative

For an issuer scored CIS-3 (Moderately Negative), its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-2.

Source: Moody's Investors Service

JDE Peet's ESG Credit Impact Score is Moderately Negative (**CIS-3**). This reflects our assessment that ESG attributes have a limited overall impact on the current rating, with greater potential for future weakening over time. The moderately negative environmental and social risks exposure reflects the concentrated nature of its business with reliance on natural capital and exposure to waste and pollution, responsible production and customer relations. Governance risks mainly reflect its concentrated ownership.

Exhibit 8
ESG Issuer Profile Scores

ENVIRONMENTAL
E-3
Moderately Negative

SOCIAL
S-3
Moderately Negative

GOVERNANCE
G-3
Moderately Negative

Source: Moody's Investors Service

Environmental

JDE Peet's exposure to environmental risks has a moderately negative impact on the credit rating (**E-3**) in line with other packaged foods manufacturers. Physical climate risks and reliance on natural capital are perceived as high, reflecting the risks around the environmentally sustainable procurement of key raw materials and, specifically, coffee beans. These are however mitigated by the company's ability to source beans from different parts of the world and the possibility to mix different types of beans in some of its products, improving the diversification of its sourcing. Waste and pollution risk is also moderately negative, reflecting the waste created from consumer food packaging material that is often not recycled, particularly in light of the growing demand of single serve coffee. We view carbon transition and water management risks as low for the company, in line with the industry.

Social

JDE Peet's exposure to social risks has a moderately negative effect on the credit rating (**S-3**), in line with other packaged foods manufacturers. Main risks relate to responsible production, reflecting the sourcing of a number of raw materials, largely coffee, from emerging markets. In addition, the company has moderately negative exposure to customer relations. Although the company is less exposed to potential food contamination issues than pure food manufacturing companies, JDE Peet's exposures arise from direct contact with consumers in its retail network and labelling requirement in its packaged goods. Risks related to demographic and societal trends are low, in light of the fast growing demand for coffee globally. These risks are balanced by neutral-to-low risks to health and safety and human capital.

Governance

JDE Peet's governance risks are moderately negative (**G-3**), reflecting the company's high controlling shareholder ownership and the fact that most of its board members are nonindependent. The company's listing in 2020 increased transparency, improved corporate governance standards and made its financial policies predictable. JDE Peet's is majority indirectly owned by JAB Holding Company S.a.r.l. through an intermediate holding company, AHBV, which owns 59%, and indirectly by Mondelez, which owns 19%, with only a modest share in free float. Concentrated ownership is compensated by the company's conservative financial strategy and risk management, as demonstrated by its track record of reducing financial leverage in recent years, as well as the track record and credibility of its management team.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on www.moodys.com. To view the latest scores, please click here to go to the landing page for the entity on MDC and view the ESG Scores section.

Liquidity analysis

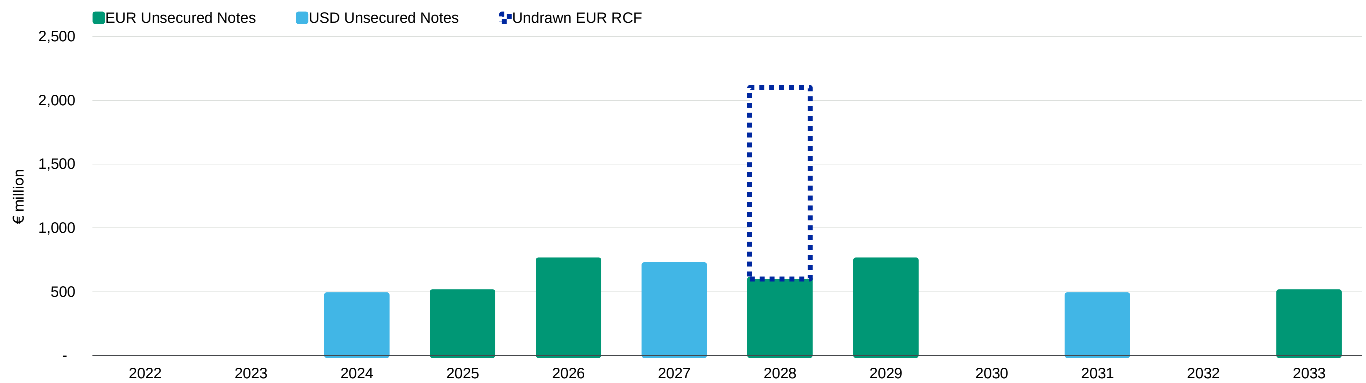
JDE Peet's liquidity is good, with €662 million of unrestricted cash on balance sheet as of December 2021, full availability under the €1.5 billion revolving credit facility (RCF) due in 2027 (plus one year term out option) that will likely remain largely available to the group, and solid FCF generation in excess of €400 million according to our expectations and definition.

Available liquidity is deemed sufficient to cover working capital seasonality, capital spending needs and dividend payments. The next debt maturity is that of a $500 million bond put in place as part of the recent refinancing, due in March 2024. The new debt instruments do not include maintenance financial covenants, and we expect the company to proactively address its refinancing needs.

Exhibit 9

No major debt maturity until 2024

Debt maturity breakdown



Source: Company Information

Structural considerations

In 2021, the company successfully renegotiated most of its capital structure, removing some of the complexity caused by legacy debt. During the year, the company issued several bonds, with maturity ranging from three to 12 years and coupon between 0% and 2.25% in both the US and Euro markets, transitioning to a non-guarantee structure with guarantees removed from all debt instruments and no material debt at operating companies. Along with the notes, the capital structure includes the €1.5 billion RCF due in 2027 (plus term-out option) and rank pari passu.

Methodology and scorecard

In assessing the credit quality of JDE Peet's, we apply our Consumer Packaged Goods Methodology, published in February 2020. The scorecard-indicated outcome, based on data as of December 2021 and on a forward-looking basis, is Baa2, one notch above the current rating. The difference between the rating and the score is based on the company's need to build up a track record to achieve and maintain its targeted leverage, and the aggressive working capital management with very long payable days. The scorecard-indicated outcome is supported by the solid business fundamentals in light of the company's strong geographical diversification, solid market share and high profitability.

Exhibit 10

Rating Factors

Consumer Packaged Goods Industry Scorecard [1][2]	Current FY 12/31/2021		Moody's 12-18 Month Forward View As of May 2022 [3]	
Factor 1 : Scale (20%)	**Measure**	**Score**	**Measure**	**Score**
a) Revenue (USD Billion)	$8.3	Baa	$8.3 - $8.6	Baa
Factor 2 : Business Profile (30%)				
a) Geographic Diversification	Baa	Baa	Baa	Baa
b) Segmental Diversification	B	B	B	B
c) Market Position	A	A	A	A
d) Category Assessment	Baa	Baa	Baa	Baa
Factor 3 : Profitability (10%)				
a) EBITA Margin	18.9%	Baa	16.2% - 18.2%	Baa
Factor 4 : Leverage and Coverage (25%)				
a) Debt / EBITDA	3.2x	Baa	3.2x - 3.3x	Baa
b) RCF / Net Debt	23.5%	Baa	16.6% - 19.5%	Ba
c) EBITA / Interest Expense	7.5x	Baa	18.7x - 23.4x	Aaa
Factor 5 : Financial Policy (15%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Rating:				
a) Scorecard-Indicated Outcome		Baa2		Baa2
b) Actual Rating Assigned				Baa3

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations
[2] As of 12/31/2021
[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures
Source: Moody's Financial Metrics™

Appendix

Exhibit 11
Peer comparison

(in USD millions)	JDE Peet's N.V. Baa3 Stable FYE Dec-19	FYE Dec-20	FYE Dec-21	Mondelez International, Inc. Baa1 Stable FYE Dec-19	FYE Dec-20	FYE Dec-21	Keurig Dr Pepper Inc. [1] Baa2 Stable FYE Dec-19	FYE Dec-20	FYE Dec-21	Kerry Group Plc Baa2 Stable FYE Dec-19	FYE Dec-20	FYE Dec-21	Barry Callebaut AG [2] Baa3 Stable FYE Aug-19	FYE Aug-20	FYE Aug-21
Revenue	$7,775	$7,591	$8,283	$25,868	$26,581	$28,720	$11,120	$11,618	$12,683	$8,107	$7,936	$8,380	$7,359	$7,136	$7,930
EBITDA	$1,711	$1,681	$1,837	$5,649	$5,719	$5,932	$3,537	$3,520	$3,906	$1,291	$1,177	$1,296	$825	$745	$872
Total Debt	$8,460	$7,020	$5,811	$22,559	$23,688	$22,479	$14,189	$14,518	$13,305	$2,895	$3,146	$3,673	$2,571	$3,575	$3,124
Cash	$892	$476	$706	$1,291	$3,619	$3,546	$75	$240	$567	$623	$689	$1,191	$565 $	$1,546	$1,198
EBIT Margin	16.0%	16.0%	17.0%	17.0%	16.5%	16.1%	25.4%	25.3%	25.8%	12.4%	10.9%	11.6%	8.3%	7.2%	7.8%
EBIT / Int. Exp.	4.6x	5.6x	6.7x	8.1x	9.2x	11.2x	4.3x	4.6x	6.2x	10.5x	10.2x	11.8x	5.0x	4.8x	5.8x
Debt / EBITDA	4.9x	3.9x	3.2x	4.0x	4.1x	3.8x	4.5x	4.1x	3.4x	2.2x	2.5x	2.8x	3.1x	4.5x	3.6x
RCF / Net Debt	15.7%	18.9%	23.5%	14.5%	13.3%	16.8%	8.4%	9.6%	11.7%	35.3%	32.2%	31.5%	25.4%	22.8%	30.5%
FCF / Debt	11.8%	9.9%	19.5%	7.9%	6.5%	6.3%	8.0%	7.6%	10.8%	11.7%	8.7%	5.4%	7.2%	5.6%	5.3%

Keurig Dr Pepper Inc. is rated under the Soft Beverage methodology. Barry Callebaut AG is rated under the Protein and Agriculture methodology
Source: Moody's Financial Metrics™

Exhibit 12
Breakdown of Moody's-adjusted gross leverage

Moody's-Adjusted Debt

(in EUR Millions)	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22 F	Dec-23 F
As Reported Debt	**7,427**	**6,187**	**7,292**	**5,480**	**4,875**	**4,875**	**4,875**
Pensions	183	178	245	257	235	235	235
Operating Leases	243	258	-	-	-	-	-
Unusual	-	-	-	-	-	-	-
Non-Standard Adjustments	7	9	-	-	-	-	-
Moody's-Adjusted Debt	**7,860**	**6,632**	**7,537**	**5,737**	**5,110**	**5,110**	**5,110**

Moody's-Adjusted EBITDA

(in EUR Millions)	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22 F	Dec-23 F
As Reported EBITDA	**1,115**	**1,341**	**1,491**	**1,317**	**1,547**	**1,530**	**1,594**
Pensions	(10)	5	(4)	-	(4)	(4)	(4)
Operating Leases	81	86	-	-	-		
Unusual	94	49	39	156	40	20	20
Non-Standard Adjustments	1	-	1	-	-	-	-
Moody's-Adjusted EBITDA	**1,281**	**1,481**	**1,527**	**1,473**	**1,583**	**1,546**	**1,610**

Moody's-adjusted gross leverage	**6.1x**	**4.5x**	**4.9x**	**3.9x**	**3.2x**	**3.3x**	**3.2x**

Source: Moody's Financial Metrics™

Exhibit 13

Select historical and projected Moody's-adjusted financials ratios

Historical and projected figures for 2017-23

Eur (Million)	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22 F	Dec-23 F
INCOME STATEMENT							
Net sales	6,530	6,664	6,945	6,651	7,001	7,649	7,266
EBITDA	1,281	1,481	1,528	1,473	1,583	1,546	1,610
EBITA	990	1,071	1,109	1,067	1,189	1,240	1,320
EBIT	267	1,200	1,252	1,206	1,325	1,103	1,189
Interest expense	854	312	241	190	177	66	56
BALANCE SHEET							
Cash and cash equivalents	511	741	795	389	621	474	503
Total Debt	7,860	6,632	7,537	5,737	5,110	5,110	5,110
CASH FLOW							
Funds From Operations (FFO)	455	938	1,126	1,100	1,231	1,113	1,241
Retained Cash Flow (RCF)	(110)	848	1,058	1,011	1,055	768	896
Cash Flow From Operations (CFO)	915	1,186	1,338	1,002	1,526	1,213	1,291
Capital Expenditure (CapEx)	306	(353)	(381)	(345)	(351)	(432)	(413)
Cash Dividends	565	90	68	89	176	345	345
Free Cash Flow (FCF)	44	743	889	568	999	436	533
KEY CREDIT METRICS							
% Sales in Sales (YoY)	n.a.	2.1%	4.2%	-4.2%	5.3%	9.3%	-5.0%
EBITA margin %	15.2%	18.0%	18.0%	18.1%	18.9%	16.2%	18.2%
EBITA / Interest Expense	-	3.8x	5.2x	6.3x	7.5x	18.7x	23.4x
Debt / EBITDA	6.1x	4.5x	4.9x	3.9x	3.2x	3.3x	3.2x
Net Debt / EBITDA	5.7x	4.0x	4.4x	3.6x	2.8x	3.0x	2.9x
Debt / (EBITDA - CAPEX)	8.1x	5.9x	6.6x	5.1x	4.1x	4.6x	4.3x
RCF / Net Debt	-1.5%	14.4%	15.7%	18.9%	23.5%	16.6%	19.5%
FCF / Debt	0.6%	11.2%	11.8%	9.9%	19.5%	8.5%	10.4%

Retained cash flow = Funds from operations - dividends
Free Cash Flow = Cash Flow from Operations - capital expenditure - dividends

Source: Moody's Financial Metrics™

Ratings

Exhibit 15

Category	Moody's Rating
JDE PEET'S N.V.	
Outlook	Stable
Issuer Rating	Baa3
Bkd Senior Unsecured	Baa3

Source: Moody's Investors Service

Endnotes

1 See also JDE Peet's N.V.: Share buyback is credit negative but can be accommodated within the current rating, 10 May 2022

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MOODY'S INVESTORS SERVICE