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CREDIT OPINION
18 November 2019

Update

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RATINGS

JACOBS DOUWE EGBERTS Holdings B.V.

Domicile	Netherlands
Long Term Rating	Ba1
Type	LT Corporate Family Ratings
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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JACOBS DOUWE EGBERTS Holdings B.V.

Update following upgrade to Ba1

Summary

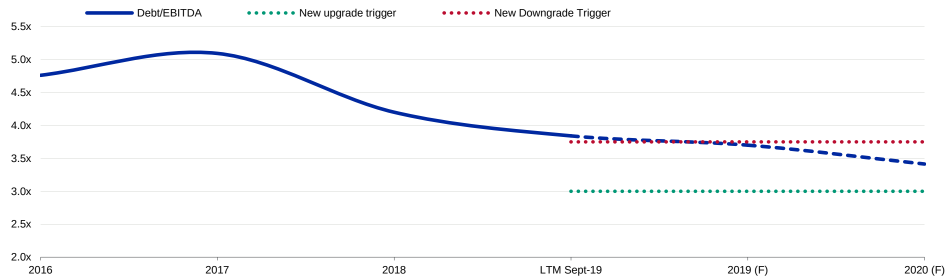
The Ba1 corporate family rating (CFR) of JACOBS DOUWE EGBERTS Holdings B.V. (JDE) reflects the company's strong market position and global scale, relatively good operating margin and solid track record, as well as our expectation that the ongoing free cash flow (FCF) generation will result in further financial leverage reduction over time. Furthermore, we recognise the strong growth momentum in the coffee industry, with significant premiumisation potential supporting revenue and profitability growth.

We expect JDE to focus mainly on organic growth with the potential for only modest bolt-on acquisitions, which will not slow down the progress in financial leverage reduction. The rating takes into consideration our assumption that the company will maintain, on an ongoing basis, Moody's-adjusted debt/EBITDA below 3.75x. Moody's-adjusted debt/EBITDA was 3.8x as of September 2019 on a last-12-month basis, which is still high for the rating category in light of its business concentration, but further improvements are expected by year end 2019.

Exhibit 1

We expect JDE's financial leverage to remain below 3.75x on an ongoing basis

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. Leverage for 2017 was affected by the pre-funding of an acquisition for €317 million, which was completed in early 2018.

Source: Moody's Financial Metrics™

Credit strengths

» Strong market position and portfolio of leading coffee brands

» Premiumisation trend within the global coffee category, which provides an opportunity to grow the top line and increase margins

» Strong track record of positive FCF generation and reduction in financial leverage

» Good liquidity despite very high trade payable days

Credit challenges

» Exposure to low volume growth in Europe, mitigated by the premiumisation trend, and strong competition, which might dampen further margin improvements

» Potential short-term volatility in earnings because of coffee price fluctuations

» Acquisition risk, which might slow down the expected deleveraging

» High level of trade payable which if reduced might result in working capital absorption

Rating outlook

The stable outlook reflects our expectation of steady growth in the company's operating performance, resulting in solid FCF generation, which is likely to be prioritised for gross debt reduction. The stable outlook does not take into consideration our assumption for any material debt-financed acquisitions.

Factors that could lead to an upgrade

Positive rating pressure could develop if Moody's adjusted debt/EBITDA reduces below 3.0x and its adjusted retained cash flow/net debt increases well above 20%, both on a sustainable basis. An upgrade to investment grade would also be subject to the company maintaining a prudent financial policy, including conservative leverage targets and solid liquidity management.

Factors that could lead to a downgrade

Negative pressure on the ratings could materialise if Moody’s adjusted debt/EBITDA increases above 3.75x or if Moody’s adjusted retained cash flow/net debt declines below the high-teens in percentage terms. Deterioration in the company’s liquidity profile or a more aggressive shareholders return policy could also result in negative pressure on the ratings.

Key indicators

Exhibit 2

JACOBS DOUWE EGBERTS Holdings B.V.

EUR Millions	Dec-15	Dec-16	Dec-17	Dec-18	LTM Sept-19	Dec-19 F	Dec-20 F
Revenue	3,955.0	5,206.0	5,779.0	5,895.0	6,028.0	6,010.0	6,210.0
EBIT Margin %	8.2%	15.7%	15.1%	18.3%	18.6%	17.6%	17.6%
Debt / EBITDA	10.7x	4.8x	5.1x	4.2x	3.8x	3.7x	3.4x
RCF / Net Debt	-1.3%	11.9%	4.8%	14.8%	17.0%	17.9%	19.9%
EBIT / Interest Expense	1.0x	3.2x	3.7x	4.5x	5.4x	7.8x	9.1x

[1] 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. [2] 2015 ratios are calculated based on the audited accounts of JACOBS DOUWE EGBERT Holdings B.V. JDE was formed in July 2015; therefore, 2015 ratios include only six months of JDE's operations. [3] 2017 leverage was affected by the pre-funding of the OldTown acquisition for €317 million, which was completed in early 2018.
Source: Moody's Financial Metrics™

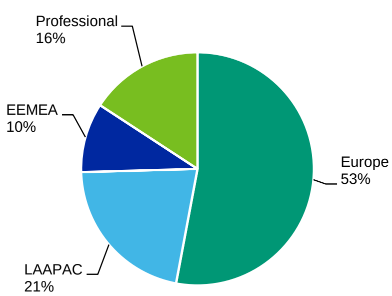
Profile

Headquartered in the Netherlands, JACOBS DOUWE EGBERTS Holdings B.V. (JDE) is a leading manufacturer and distributor of coffee and tea products to the retail and out-of-home (OOH) markets in more than 80 countries across Europe, Asia, Latin America and Australia. JDE owns more than 50 brands, including some key names like Douwe Egberts, Jacobs, Tassimo, Moccona, Senseo, L'OR, Super, Kenco, Pilão and Gevalia.

JDE is a joint venture (JV) formed in July 2015 between Mondelez International, Inc. (Mondelez, Baa1 stable) and Acorn Holdings B.V. (AHBV). AHBV is owned by an investor group led by JAB Holding Company S.a.r.l. (Baa1 negative). Following a shareholder reorganisation that took place in 2016, AHBV's stake increased to around 73.6% from around 56.5%, and Mondelez's share declined to around 26.4%. In 2018, JDE generated €5.9 billion of revenue and €1.3 billion of adjusted EBITDA. For the nine months ended September 2019, revenue and adjusted EBITDA were €4.37 billion and €1,03 billion, respectively (all figures as reported by the company).

Exhibit 3

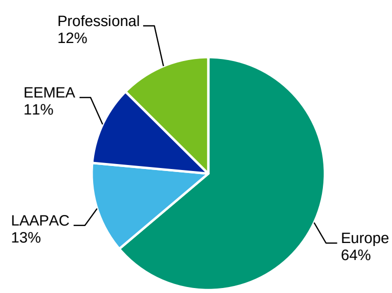
Europe remains largest region; presence in Asia is growing; (Revenue split by region during 2018)



Excludes non-allocated costs, currency and scope adjustments.
Source: Company's Q4 2018 banking report

Exhibit 4

Higher EBIT contribution from Europe indicates premium positioning; (EBIT split by region and category during 2018)



Excludes non-allocated costs, currency and scope adjustments.
Source: Company's Q4 2018 banking report

Detailed credit considerations

High business concentration in the attractive global coffee industry

Most of JDE's sales are concentrated in the global coffee industry, with tea representing around 3% of the company's sales. This high 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, and we expect it to remain attractive for the foreseeable future. According to Euromonitor International, global retail coffee is an $88 billion industry, expected to grow at around low-to-mid-single-digit percentages over the next two to three years. Recent trends towards value-added innovation, such as convenience and premiumisation (that is, single serve), and customisation (that is, products tailored for local preferences), provide key industry companies with the ability to expand profit margin, especially in developed markets. Historically, market growth was primarily driven by prices and the product mix, although higher volume growth expectations are prevalent in developing markets.

Strong market positions, supported by a variety of brands

With 10% of the global market, JDE is the second-largest global coffee company by retail value, behind Nestle S.A. (Nestle, Aa3 stable), the leader in the coffee industry (with 25% of the market), well ahead of third-largest company Lavazza S.p.A. (2.6%). JDE's key markets have distinct consumption characteristics and brands. The company reported that it holds number one or two position in 47 countries across Europe, Asia, Latin America and Australia. The strength of JDE's position within its key markets is supported by its strong global and regional brands. Furthermore, 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.

While most of JDE's sales are distributed via retailers, the company also holds a strong market position in the OOH channel, particularly in the Netherlands, Germany and the UK, which contributes a further 16% of sales. In most of its key OOH markets, JDE has a significant part of the business contracted with its OOH customers through multiyear contracts, which provide some revenue visibility.

Premiumisation, a key part of the company's strategy, will continue to support revenue growth

Around 47% of JDE's sales are derived from mature markets, mainly across the EU, where volume growth is likely to remain modest because of the already-high coffee consumption per capita. Organic revenue growth, however, will remain supported both by increasing coffee consumption in Asia and the ongoing premiumisation in mature markets. Premiumisation across Europe is happening mainly because of fast growth in single-serve coffee products, like capsules, which carry a price premium compared with alternative solutions and result in a better operating margin for JDE. In 2018, the company reported organic revenue growth of 5.3%, and we expect this growth to continue at low-to-mid-single-digit in percentage terms over the next two to three years.

Up to September 2019, JDE's top-line organic growth was broadly flat because the company had to pass through to its customers soft coffee beans prices and it suffered in its Asian markets from the disruption caused by the integration of assets acquired in 2018. In 2018, JDE signed a licence agreement with illycaffè, an Italian premium coffee producer, for the production and distribution outside of Italy of illy-branded aluminium capsules starting from 2019. This agreement, which offers good growth potential, follows JDE's successful launch in 2017 of aluminium Nespresso-compatible capsules, which offer a quality comparable with the Nespresso products. The JDE alternative has grown rapidly, gaining significant market share in the Nespresso-compatible capsules market. The partnership with illy will combine JDE's technology and production capacity with illy's coffee quality and brand name, supporting strong growth potential.

Innovation and R&D expenses are increasingly important in the coffee industry, in particular in Western Europe, to support top-line growth. We expect JDE to continue its strategy to grow in the premium segments and drive growth in value per cup in each segment, supported by freeze-dried technology in instant and a strong presence in single serve via Senseo and Tassimo.

However, any further gain in market share might be challenged by JDE's existing market share, which is already high, while competition in capsules is intense and includes both private-label and small coffee companies. Furthermore, premiumisation in JDE's main segment, multi-serve, may be harder to achieve, given the growing popularity of single serve. JDE also competes with other coffee producers, such as Tchibo GmbH and Strauss Group Ltd., in most markets in which it operates.

Improving geographical diversification

JDE is present in over 80 countries, with some concentration in the top five (Germany, the Netherlands, France, the UK and Brazil). The company gained a strong presence in Russia and Ukraine through the Mondelez coffee business, and since the merger it has grown in Asia through a number of medium-sized acquisitions. Emerging markets represented 36% of 2018 revenue, up from 17% in 2014.

Faster organic growth in Asia and expansion through small M&As will improve the group's geographical diversification over time. Although its acquisition appetite exposed the company to a degree of event risk in case of medium-sized to large acquisitions, we expect it to maintain a moderate approach, with focus mainly on small bolt-on acquisitions. We also note the company's success in integrating Mondelez assets, overachieving some of the cost savings that it had targeted at the time of the merger.

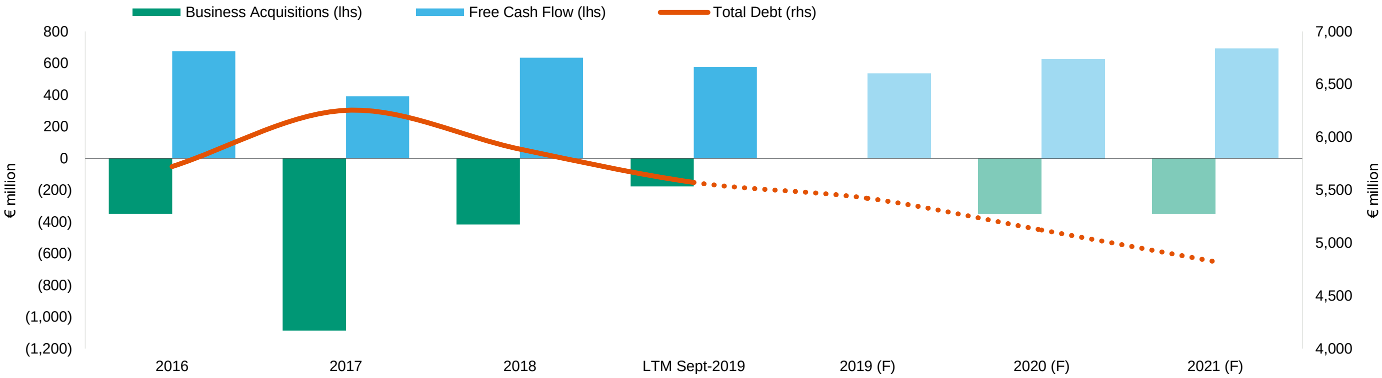
Cost savings and a reduction in restructuring costs were behind the strong improvement in profitability in 2018, with operating profit up 27.7%. Despite soft top-line growth over the first nine months of 2019, JDE's profit grew by 8%. Profit growth in both 2018 and 2019 were above our expectations. The company has achieved most of the savings it had targeted; however, further improvements in profitability will happen at a more gradual pace, driven mainly by organic revenue growth and a more favourable product mix.

Financial leverage remains high, although further improvement is likely

JDE's financial leverage, measured as Moody's-adjusted debt/EBITDA, was 3.8x and Moody's-adjusted RCF/net debt was 17.0% for the 12 months ended September 2019. These metrics showed a significant improvement from year-end 2018 and 2017 (4.2x and 14.8% and 5.1x and 4.8%, respectively). The improvement was partially because of the fact that the 2017 ratios were weakened by one-off items, but also because of the strong improvement in EBITDA in 2018 and the company's commitment to using excess cash to repay debt. We still see JDE's metrics as somewhat weak for the Ba1 rating, but we expect further improvement, with the company reaching and maintaining on an ongoing basis, a financial leverage below 3.75x.

Further improvement in metrics should stem from the ongoing, although modest, top-line growth, further operating margin improvements and ongoing FCF generation. In 2018, the company generated FCF in excess of €600 million (as per our definition, that is, after interests and dividend payments). We expect the company to prioritise debt reduction ahead of increasing shareholder remuneration and large acquisitions.

Exhibit 5
Gross debt has been decreasing in the last few years because of debt prepayments



Moody's Forecasts (F) are Moody's opinion and do not represent the views of the issuer.
Source: Company's reports and Moody's Investors Service estimates

However, leverage may be volatile, affected by fluctuations in the mark-to-market of derivatives related to hedging of green coffee purchases, included in its Moody's-adjusted EBITDA. Furthermore, the debt documentation incorporates substantial capacity to incur additional debt and a single net leverage financial covenant tested on a quarterly basis, which was renegotiated in 2016 to remain flat at 5.95x (at 3.15x as of September 2019).

We also note that following the merger in 2015, the company has been able to improve significantly its working capital which supported free cash flow generation. This was also achieved thanks to a relevant increase in trade payable days outstanding that are currently at very high level. Any reduction of the current level might result in 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, we are slightly more demanding on the key ratios required to maintain the rating.

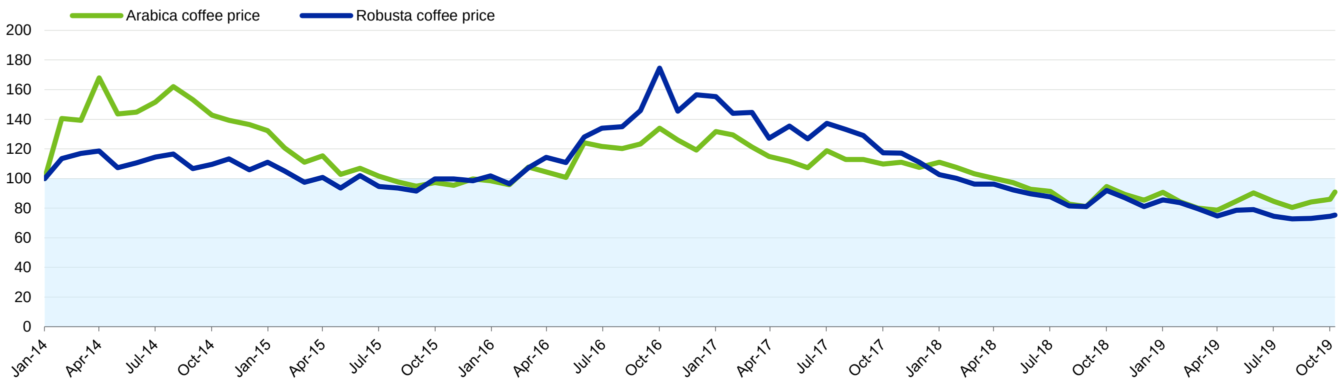
Volatility in coffee prices may affect short-term profitability

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. Prices can be volatile (as Exhibit 6 demonstrates) and can increase pricing pressure during periods of decline and cost pressure during periods of increase. The company has demonstrated its ability to manage coffee price volatility well, through hedging and pricing policy, although with a time lag. Despite growing coffee consumption, the current oversupply in coffee bean production is resulting in a relatively favourable price environment, which is also helping the company's profitability.

Exhibit 6

Commodity prices are touching historically low levels

Arabica and Robusta Coffee Price Index Brazil ($/60 kg)



Time series indexed at January 2014

Source: Factset

Environmental, Social, and Governance considerations

Although environmental and social risks are normally modest for consumer products companies, we believe JDE to be exposed to environmental risks, given the concentration of coffee beans procurement in certain parts of the world, mainly across emerging markets. Sustainability of raw material sources is a cause of concern and focus from a number of consumers but are not expected to influence the rating at this stage. In terms of governance, we note that the company is tightly controlled by JAB Holding Company S.a r.l. (JAB, Baa1 negative) which, in our view has a high tolerance for risk and governance is comparatively less transparent. We nonetheless note that the company has been quite successful in recent years at improving its free cash flow generation and reducing its financial leverage. At the same time JDE has relatively high trade payable days outstanding and any reduction of the current level might result in our view in a permanent increase in working capital.

Liquidity analysis

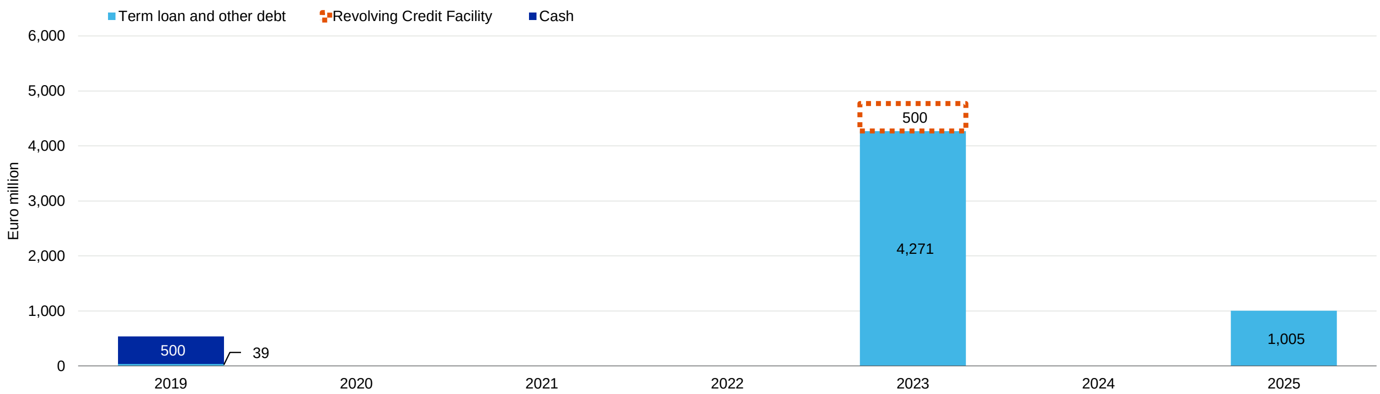
JDE's liquidity is good, supported by €500 million of unrestricted cash on balance sheet as of 30 September 2019 and a fully undrawn €500 million revolving credit facility due in 2023, which is seldom used. We expect the company to generate solid positive cash flow on an ongoing basis and maintain good liquidity.

The company re-priced its main bank facility several times, reducing its cost of debt significantly over the last three years, which, together with a reduction in the overall borrowing amount, helped reduce interest payments, improving FCF generation. We expect the company to meet its financial maintenance covenant with sufficient capacity (the company has a net debt/EBITDA covenant which, compared with the leverage ratio as of December 2018, offered a satisfactory margin). There are no major debt maturities until November 2023, when the company's €4.3 billion of Term loan A is due.

Exhibit 7

No major debt maturities until November 2023

Debt maturity profile



The RCF was fully undrawn as of end-September 2019

Source: Company financial statements

Structural considerations

After the latest refinancing of the main bank facility executed in late 2018, JDE's debt structure consists of around €5.3 billion of term loans (as of September 2019 following the €200 million and the $100 million repayment that occurred in the first half) due between 2023 and 2025, borrowed by Jacobs Douwe Egberts International B.V. (Ba1 stable), a subsidiary of JDE. The company's credit facilities also include a €500 million revolving credit facility due November 2023, undrawn as of September 2019.

The Ba1 rating assigned to the bank debt, in line with the CFR, reflects the single-tier nature of the capital structure, the pari passu ranking and upstream guarantees from the operating subsidiaries. The bank facilities are secured by share pledges and do not benefit from asset security. The probability of default rating of Ba2-PD, one notch below the CFR, reflects the all-bank debt capital structure and our assumption of a family recovery rate of 65%.

Rating methodology and scorecard factors

In assessing the credit quality of JDE, we apply the Global Packaged Goods rating methodology, published in January 2017. The scorecard-indicated outcome, based on data for the 12 months ended September 2019, is Baa3, which is one notch above the current Ba1 rating.

The scorecard-indicated outcome is supported by the solid business fundamentals in light of the strong geographical diversification, solid market share and high profitability. However, key credit metrics such as financial leverage and RCF/net debt remain weak for the rating category.

Exhibit 8

Rating factors

JACOBS DOUWE EGBERTS Holdings B.V.

JACOBS DOUWE EGBERTS Holdings B.V.				
Consumer Packaged Goods Industry Grid [1][2]	Current LTM Sept 2019		Moody's 12-18 Month Forward View as of November 2019	
Factor 1 : Scale and Diversification (44%)	**Measure**	**Score**	**Measure**	**Score**
a) Total Sales (USD Billion)	$6.8	Baa	$7.0 - $7.3	Baa
b) Geographic Diversification	Baa	Baa	Baa	Baa
c) Segmental Diversification	B	B	B	B
Factor 2 : Franchise Strength and Potential (14%)				
a) Market Share	A	A	A	A
b) Category Assessment	Baa	Baa	Baa	Baa
Factor 3 : Profitability (7%)				
a) EBIT Margin	18.6%	A	17.0% - 18.0%	A
Factor 4 : Financial Policy (14%)				
a) Financial Policy	Ba	Ba	Ba	Ba
Factor 5 : Leverage and Coverage (21%)				
a) Debt / EBITDA	3.8x	Ba	3.4x - 3.7x	Ba
b) RCF / Net Debt	17.0%	Ba	18% - 20%	Ba
c) EBIT / Interest Expense	5.5x	Baa	8.0x-9.0x	A
Rating:				
a) Indicated Rating from Grid		Baa3		Baa3
b) Actual Rating Assigned				Ba1

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. [2] Forward view represents Moody's 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™

Select peer group

» Headquartered in Texas and Massachusetts, Keurig Dr Pepper (Baa2 negative) is a leading integrated brand owner, bottler and distributor of nonalcoholic beverages. Its products include flavoured carbonated soft drinks and noncarbonated beverages (juices, juice drinks, ready-to-drink teas and mixers). Following the merger with Keurig GreenMountain Inc. in July 2018, it is also a manufacturer of Keurig single-serve brewing systems and beverages. These include specialty coffee, tea and other beverages, in single-serve packs for use with its brewers. The company operates in the US, Canada, Mexico and the Caribbean. JAB Holding Company S.a.r.l. retained a 73% controlling interest in the newly combined company, with Mondelez (14%) and public float (13%) accounting for the rest of the ownership.

» Headquartered in Switzerland, Barry Callebaut AG (Baa3 stable) is the world's leading supplier of premium cocoa and chocolate products by sales volume, servicing customers across the global food industry. Barry Callebaut AG is fully integrated, from the sourcing of raw materials, through the production of cocoa products (including liquor, butter and powder), to the production of finished chocolate products. The company is divided into three strategic business units: (1) Food Manufacturers, which produces industrial chocolate products for consumer companies or fast-moving consumer goods companies; (2) Cocoa Products, which sources cocoa beans and processes semifinished cocoa products; and (3) Gourmet and Specialities, which supplies to professional users, food chains and distributors.

» Headquartered in the UK, Froneri International Limited (Ba3 stable) is the JV between the former R&R business (owned by PAI Partners) and Nestle's ice cream and select frozen food business (mainly in Europe). The JV operates in more than 20 countries, but primarily in Europe, as well as the Middle East (excluding Israel), Argentina, Australia, Brazil, the Philippines and South Africa. The company combines R&R's and Nestle's complementary leading ice cream positions in the take-home and OOH channels, respectively, and is the second-largest European ice cream manufacturer and a leading private label ice cream supplier. Nestle and PAI Partners share equal ownership and board representation in the JV.

Exhibit 9
Selected rated peers

	Keurig Dr Pepper Baa2 Negative			Barry Callebaut AG Baa3 Stable			JACOBS DOUWE EGBERTS Holding Ba1 Stable			Froneri International Limited Ba3 Stable	
(in US millions)	FYE Dec-17	FYE Dec-18	LTM Jun-19	FYE Aug-17	FYE Aug-18	LTM Feb-19	FYE Dec-17	FYE Dec-18	LTM Sep-19	FYE Dec-17	FYE Dec-18
Revenue	$6,690	$7,442	$9,278	$6,883	$7,124	$7,174	$6,529	$6,961	$6,800	$2,839	$3,074
EBITDA	$1,782	$2,207	$3,001	$612	$786	$809	$1,387	$1,672	$1,646	$336	$525
Total Debt	$4,796	$17,049	$16,450	$2,213	$2,144	$2,939	$7,510	$6,730	$6,075	$1,241	$2,138
Cash & Cash Equiv.	$61	$83	$106	$416	$420	$567	$542	$637	$523	$245	$363
EBIT Margin	22.4%	23.0%	24.4%	6.5%	8.2%	8.5%	15.1%	18.3%	18.6%	4.6%	10.8%
EBIT / Int. Exp.	8.6x	3.7x	3.1x	3.6x	5.3x	5.2x	3.7x	4.5x	5.4x	2.8x	3.9x
Debt / EBITDA	2.7x	7.7x	5.5x	3.5x	2.7x	3.7x	5.1x	4.2x	3.8x	3.5x	4.2x
RCF / Net Debt	15.2%	5.8%	7.3%	26.5%	31.5%	19.1%	4.8%	14.8%	17.0%	21.2%	15.7%
FCF / Debt	9.2%	7.2%	10.5%	19.0%	14.1%	0.0%	6.2%	10.8%	10.3%	-4.5%	2.2%

All figures and ratios calculated using Moody's estimates and standard adjustments. FYE = Financial year-end. LTM = Last 12 months. RUR* = Ratings under review, where UPG = for upgrade and DNG = for downgrade.
Source: Moody's Financial Metrics™

Appendix

Exhibit 10
Reconciliation of Moody's-adjusted leverage
Gross debt over EBITDA

(in EUR Millions)	Dec-2014	Dec-2015	Dec-2016	Dec-2017	Dec-2018	LTM Sept-2019
As Reported Debt	**2,878**	**6,307**	**5,458**	**5,932**	**5,569**	**5,394**
Pensions	180	268	232	183	178	178
Operating Leases	66	120	30	129	138	
Unusual	-	-	-	-	-	
Non-Standard Adjustments	-	-	2	10	2	
Moody's-Adjusted Debt	**3,124**	**6,695**	**5,722**	**6,254**	**5,887**	**5,572**

(in EUR Millions)	Dec-2014	Dec-2015	Dec-2016	Dec-2017	Dec-2018	LTM Sept-2019
As Reported EBITDA	**444**	**386**	**1,174**	**1,101**	**1,316**	**1,426**
Pensions	(8)	-	(64)	(10)	5	5
Operating Leases	22	40	3	43	46	12
Unusual	135	197	89	94	49	17
Non-Standard Adjustments	-	-	-	-	-	-
Moody's-Adjusted EBITDA	**592**	**623**	**1,202**	**1,228**	**1,416**	**1,460**

Moody's-Adjusted Debt/EBITDA	**5.3x**	**10.7x**	**4.8x**	**5.1x**	**4.2x**	**3.8x**

Source: Moody's Financial Metrics™

Exhibit 11

Selected historic and projected Moody's-adjusted financials and data

Historic and projected figures for the period 2015-2020

Eur (Millions)	Dec-15	Dec-16	Dec-17	Dec-18	LTM Sept-2019	Dec-19 (F)	Dec-20 (F)
INCOME STATEMENT							
Net sales	3,955	5,206	5,779	5,895	6,028	6,013	6,210
EBITDA	623	1,202	1,228	1,416	1,460	1,455	1,507
EBIT	323	819	874	1,081	1,120	1,056	1,095
Interest expense	338	255	236	243	209	136	120
BALANCE SHEET							
Cash and cash equivalents	857	860	451	557	480	690	666
Total Debt	6,695	5,722	6,254	5,887	5,572	5,422	5,122
CASH FLOW							
Funds From Operations (FFO)	(78)	580	415	1,013	1,109	1,093	1,147
Retained Cash Flow (RCF)	(78)	580	278	788	864	848	887
Cash Flow From Operations (CFO)	436	865	761	1,134	1,045	1,033	1,127
Capital Expenditure (CapEx)	(172)	(190)	(234)	(275)	(224)	(255)	(240)
Cash Dividends	-	-	(137)	(225)	(245)	(245)	(260)
Free Cash Flow (FCF)	264	675	390	634	576	533	627
KEY CREDIT METRICS							
% Sales in Sales (YoY)	n.a.	31.6%	11.0%	2.0%	2.3%	2.0%	3.3%
EBIT margin %	8.2%	15.7%	15.1%	18.3%	18.6%	17.6%	17.6%
EBIT / Interest Expense	1.0x	3.2x	3.7x	4.5x	5.4x	7.8x	9.1x
Debt / EBITDA	10.7x	4.8x	5.1x	4.2x	3.8x	3.7x	3.4x
Net Debt / EBITDA	9.4x	4.0x	4.7x	3.8x	3.5x	3.3x	3.0x
Debt / (EBITDA - CAPEX)	14.9x	5.7x	6.3x	5.2x	4.5x	4.5x	4.0x
RCF / Net Debt	-1.3%	11.9%	4.8%	14.8%	17.0%	17.9%	19.9%
FCF / Debt	3.9%	11.8%	6.2%	10.8%	10.3%	9.8%	12.2%

Moody's Forecasts (F) are Moody's opinion and do not represent the views of the issuer.
Source: Moody's Financial Metrics™

Ratings

Exhibit 12

Category	Moody's Rating
JACOBS DOUWE EGBERTS HOLDINGS B.V.	
Outlook	Stable
Corporate Family Rating	Ba1
JACOBS DOUWE EGBERTS INTERNATIONAL B.V.	
Outlook	Stable
Sr Sec Bank Credit Facility	Ba1/LGD3

Source: Moody's Investors Service

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