



**ARYZTA<sup>®</sup>**

**Capital Markets Day**

**6<sup>th</sup> October 2016**



# Forward Looking Statements

This document contains forward looking statements which reflect management's current views and estimates.

The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

# Contents

## **1** ARYZTA AG – Strategy & Overview Owen Killian

## **2** Focus on ARYZTA North America

Our Business John Yamin

Our Sustainable Growth Model Ronan Minahan

Our Market Tyson Yu

Our Customer Promise Andrew Brimacombe | Tracie Sheehan  
Scott Fitzgerald | Kristina Dermody

Summary John Yamin

## **3** ARYZTA AG – Financials Patrick McEniff



# Mission

- Deliver high quality memorable food experiences
  - » Consumers
  - » Food Professionals
  - » Large scale Foodservice & Retail customers



# Strategy - Finding the Niche

- Why Bakery?
- Why Frozen?
- Why Consumer Obsession?
- Essential Components of Value Creation

# Defining the Space - Evolving Bakery

## Evolution in recent decades



Bread core diet for over 6,000 years



**1850**  
Parisian bakers create the baguette.  
Ultra-fresh: 6 hour shelf life



**1980s**  
par-baking technology that allows bread to be finished locally from frozen is introduced



La Brea Bakery is early adapter of par-baking technology - takes sourdough beyond San Francisco  
ARYZTA origins in Par Baked Frozen journey



Wheat cultivated since 700 BCE by Romans



**1961**  
the Chorleywood Bread Process (no-time dough) is introduced

**1997**  
HIESTAND lists in Zurich



**1997**  
IAWS Group plc acquires Cuisine de France



€4.5bn invested over 20 years to establish leadership positions across Europe and the US in niche specialised sector

# Defining the Space - The Power of Frozen

- Innovation in bakery through commercial freezing
- Commercial freezing ≠ home-freezing

## Quality Advantages

- Rapid arrest of spoilage process locks in
  - » Nutrients and vitamins
  - » Flavours
  - » Texture

## Economic Advantages

- Economic advantages
  - » Solves the shelf-life problem
  - » Overcomes fluctuations in demand and supply
  - » Reduces waste

## Consumer Advantages

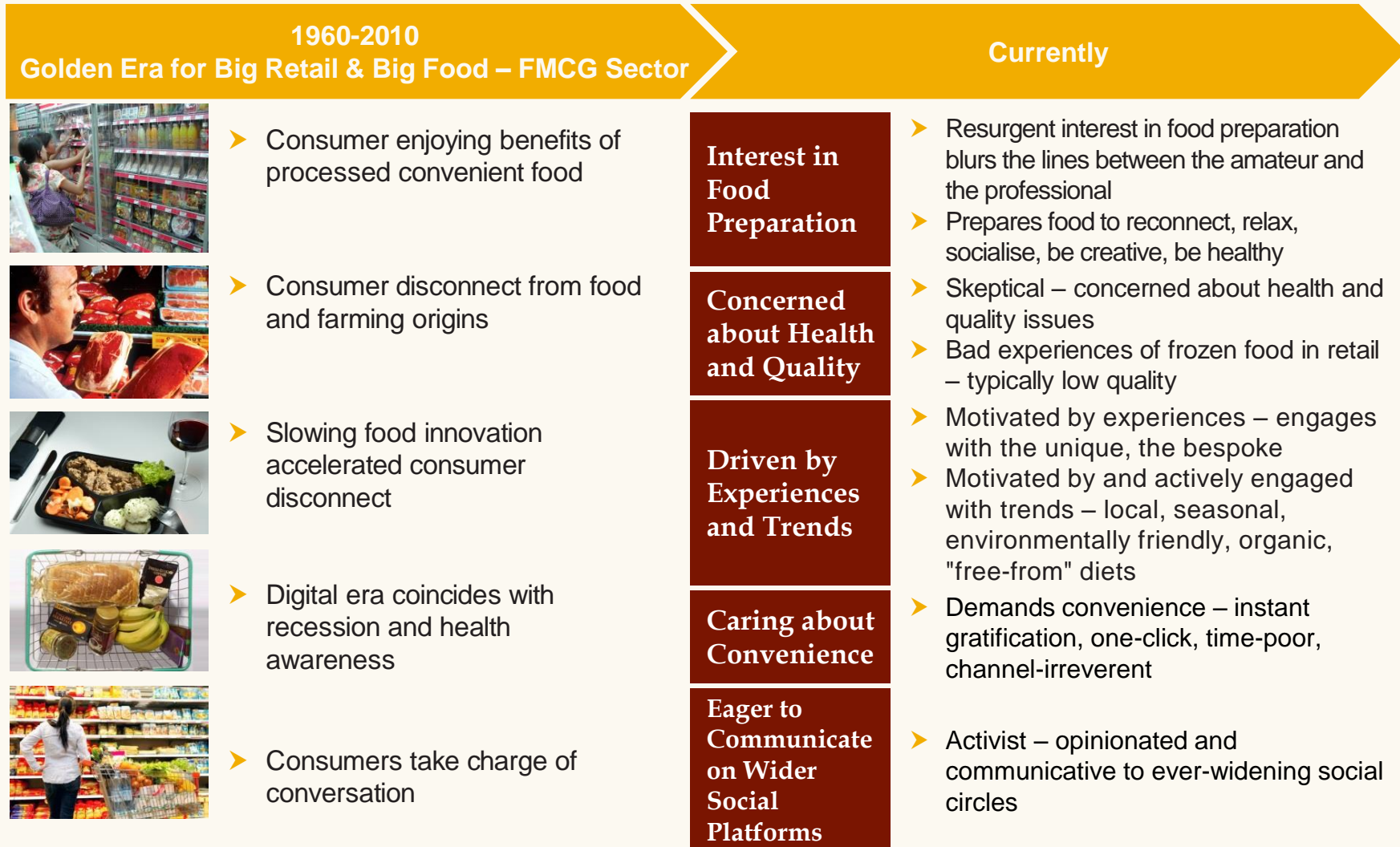
- Extends seasonality, local specialities globally available
- Allows for safer food with less preservatives



Critical in par-baking – freezing unlocks growth potential in speciality bakery



# Defining the Space - Evolving Consumer Transformation in recent decades



# Defining the Space - Evolving Consumer



The consumer is focused on increasing importance of ingredient quality

**Global media exposure: restaurant rankings, food reviews have become a staple in every media**

**Chefs have become superstars**

**Increasing passion for food and ingredients**

Broader food tastes from extensive travels

# Picard in the Context of ARYZTA

Complementary supply chain with increased frozen capabilities and further upside from expanding international presence

**Contemporary Discerning Consumer Striving for Quality Frozen Products**

- French consumer uniquely retained engagement with high quality food and understands power of frozen
- Consumers acknowledging a wide array of significant nutritional benefits of frozen food
- Increasingly modern discerning consumers outside France seek engagement with quality food frozen

**Best in class joint capabilities to target consumer on an international scale**

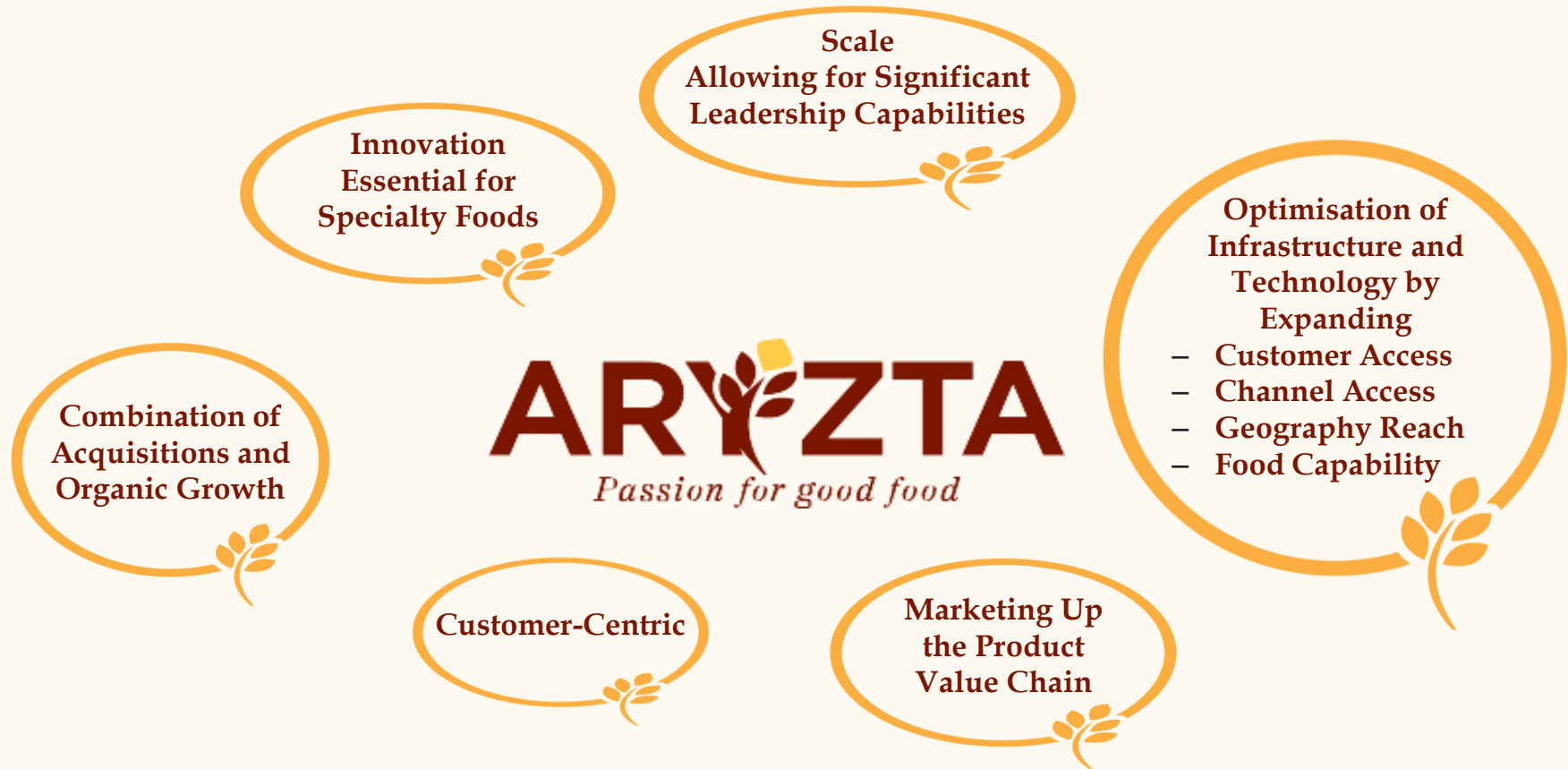
- Picard is market leader in speciality frozen food in France
- ARYZTA brings international experience to Picard
- Picard expands Frozen Food capability of ARYZTA

**Potential for Further Upside through Complementary Operations and Aligned Business Culture**

- Culturally aligned and innovation led with complementary supply chain
- Finger on the pulse of consumer through direct engagement
- Picard is at the forefront of premium frozen innovation
- Uniquely positioned to anticipate consumer trends

## Economics

- ✓ Transaction timed to enhance long term value creation
- ✓ Best in class cash flow generation
- ✓ Economic and investment case stage gates to inform call option decision
- ✓ No put option or investment obligation
- ✓ Conscious of Investor concerns regarding transaction and timing

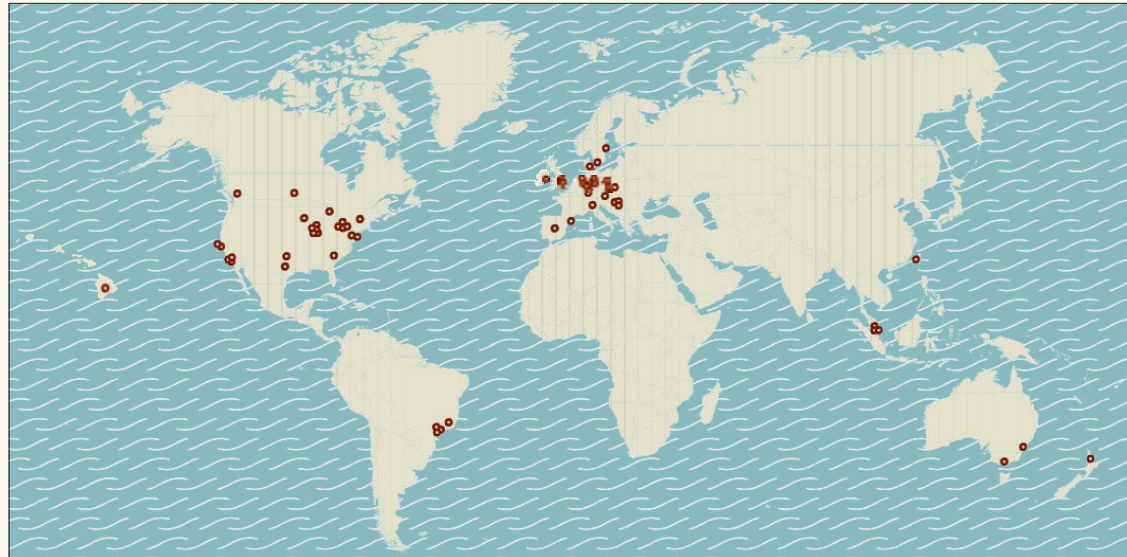


Underpinned by Excellent Consumer-Focused Corporate Culture

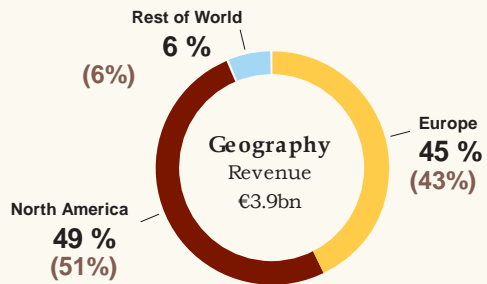
- Passionate about Food, Innovation and Customer Service
- Entrepreneurial
- Intensely Focused on Consumer

# ARYZTA Group at Glance

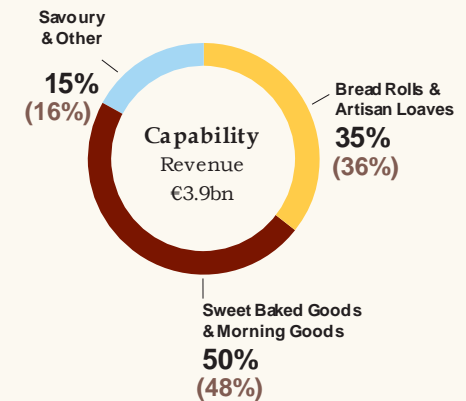
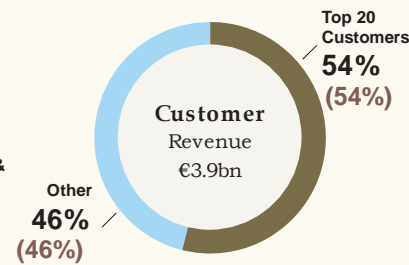
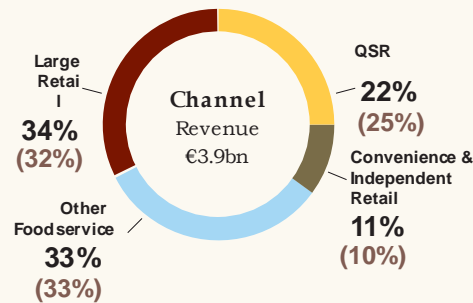
Global presence with 57 bakeries across 29 countries



○ 57 Bakeries



2015 Revenue split



# Global Food & Speciality Bakery Market

ARYZTA is well-positioned in the fast-growing speciality bakery market

## Global Food Market (MSP)

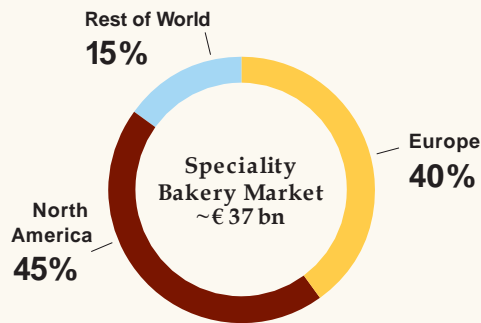


### 2008–2015 CAGR

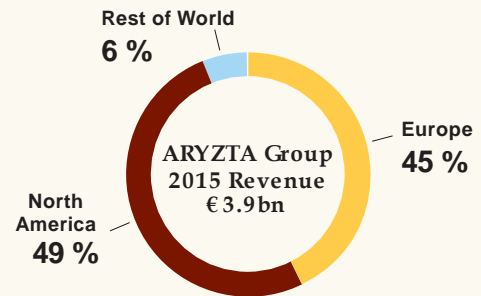
Global Food Market	2.0%
Global Bakery Market	1.0%
Speciality Bakery Market	4.2%

## ARYZTA Positioning in the Global Speciality Bakery Market as of 2015

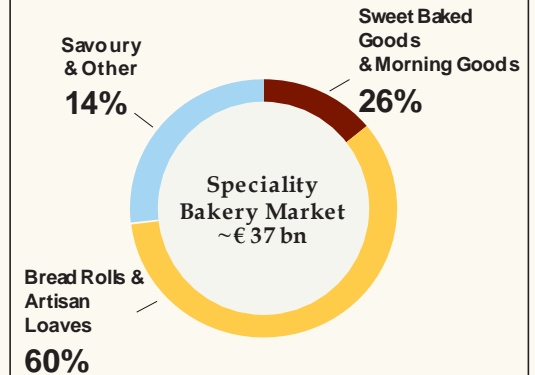
The largest market is North America which together with Europe accounts for 85% of the total...



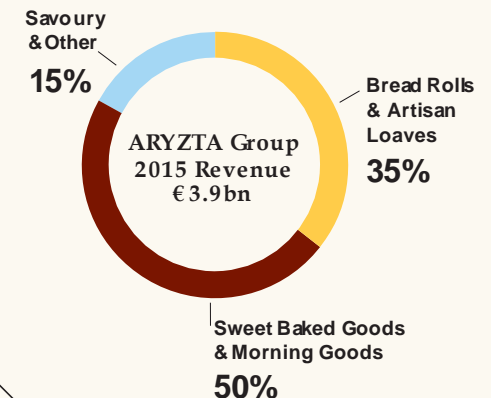
... and is in line with ARYZTA's geographical split



Bread rolls constitute €22bn of the market...



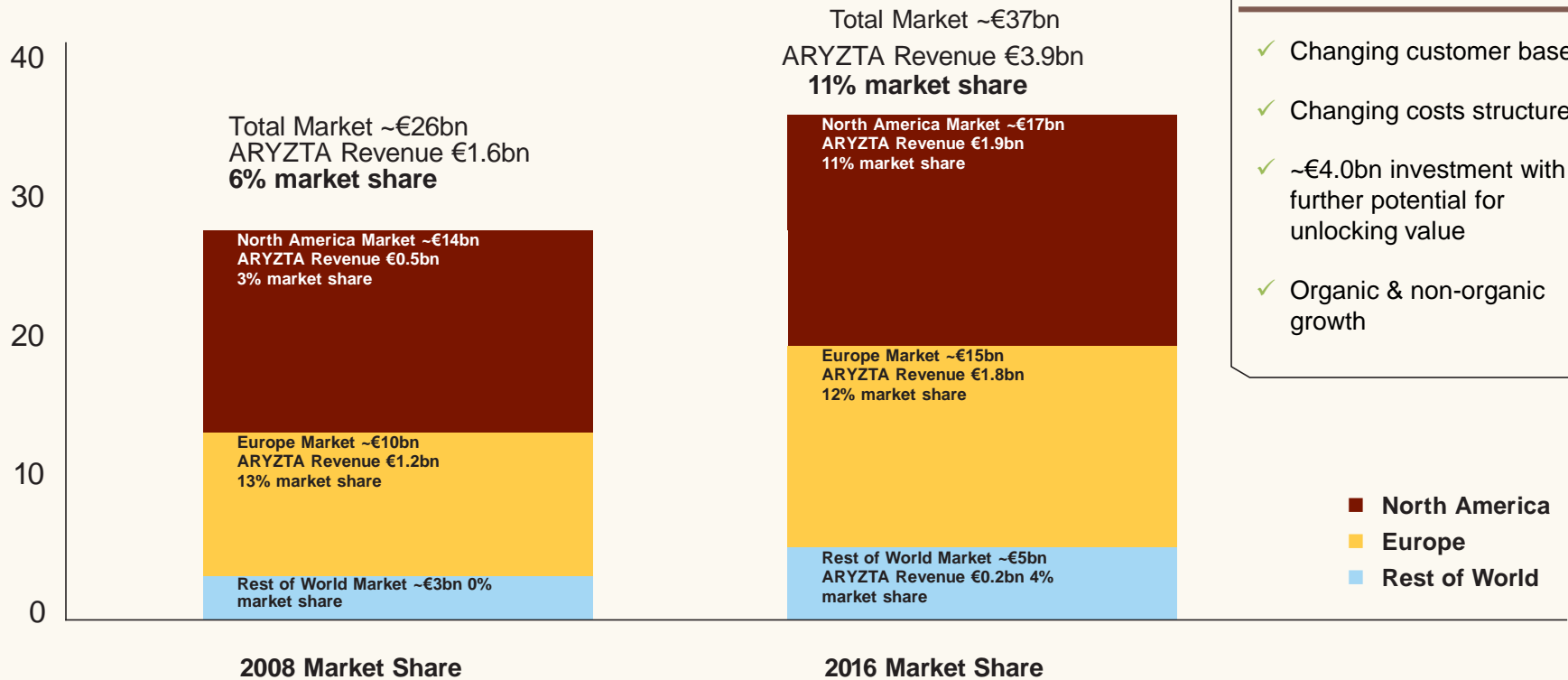
... and represent a string potential for ARYZTA



# ARYZTA Food Group Speciality Bakery Market Share



Over 2008-2016 years ARYZTA increased its market share from 6% to 11%



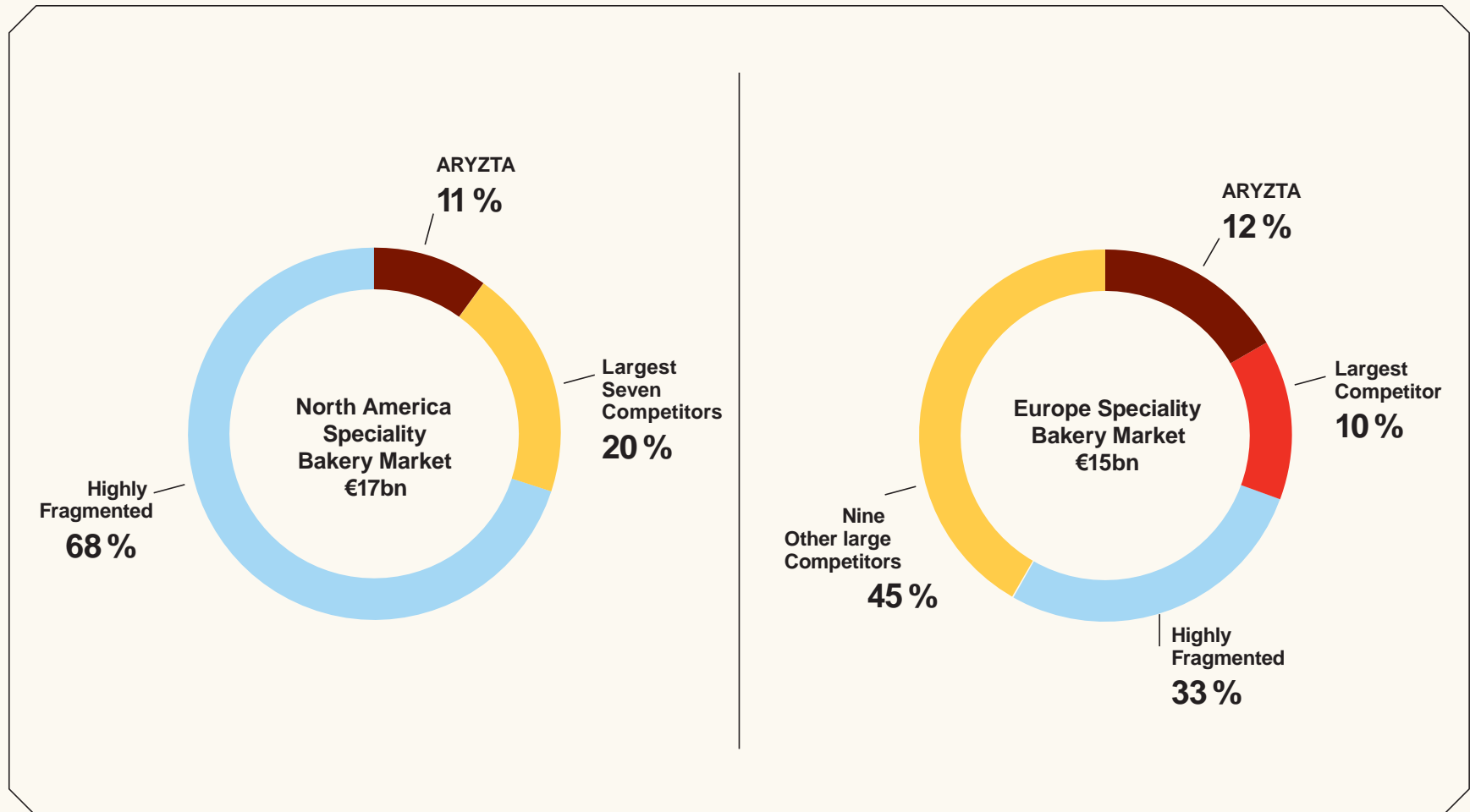
- How have we evolved?**
- ✓ Changing customer base
  - ✓ Changing costs structure
  - ✓ ~€4.0bn investment with further potential for unlocking value
  - ✓ Organic & non-organic growth

Growth in ARYZTA market share from 6% in 2008 to 11% in 2016 primarily driven by acquisitions investments since 2010.

Source: ARYZTA, Euromonitor, Gira, Kantor, LEK, Nielson, Technomic.

# And While We Won Market Share, Specialty Bakery Market Remains Highly Fragmented

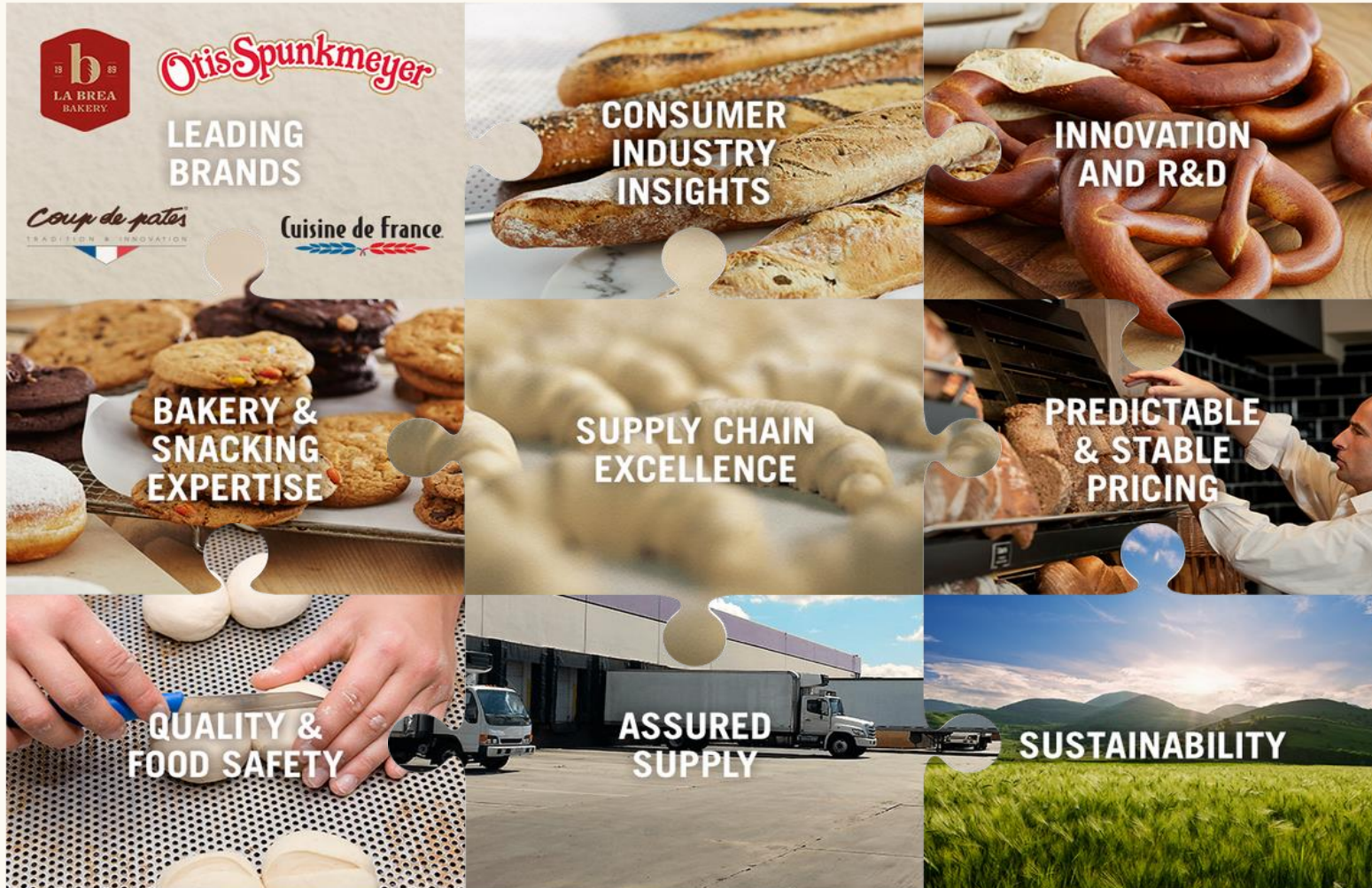
ARYZTA has a unique position in a yet fragmented market...





# ARYZTA Customer Centric USP

...with robust foundation focused on customer to sustain our leadership position



# Focus on Customer

Customer at heart of what we do

## Welcoming Aroma Of Baking

- Increased consumer footfall
- Increased frequency of store visit
- Increased customer spend

## Frequent Bake Off "Little & Often" Means Freshness Guaranteed

- Reduced waste
- Reduced labour costs
- Reduced space
- Extensive range of different dough types
- No additives or preservatives - clean label

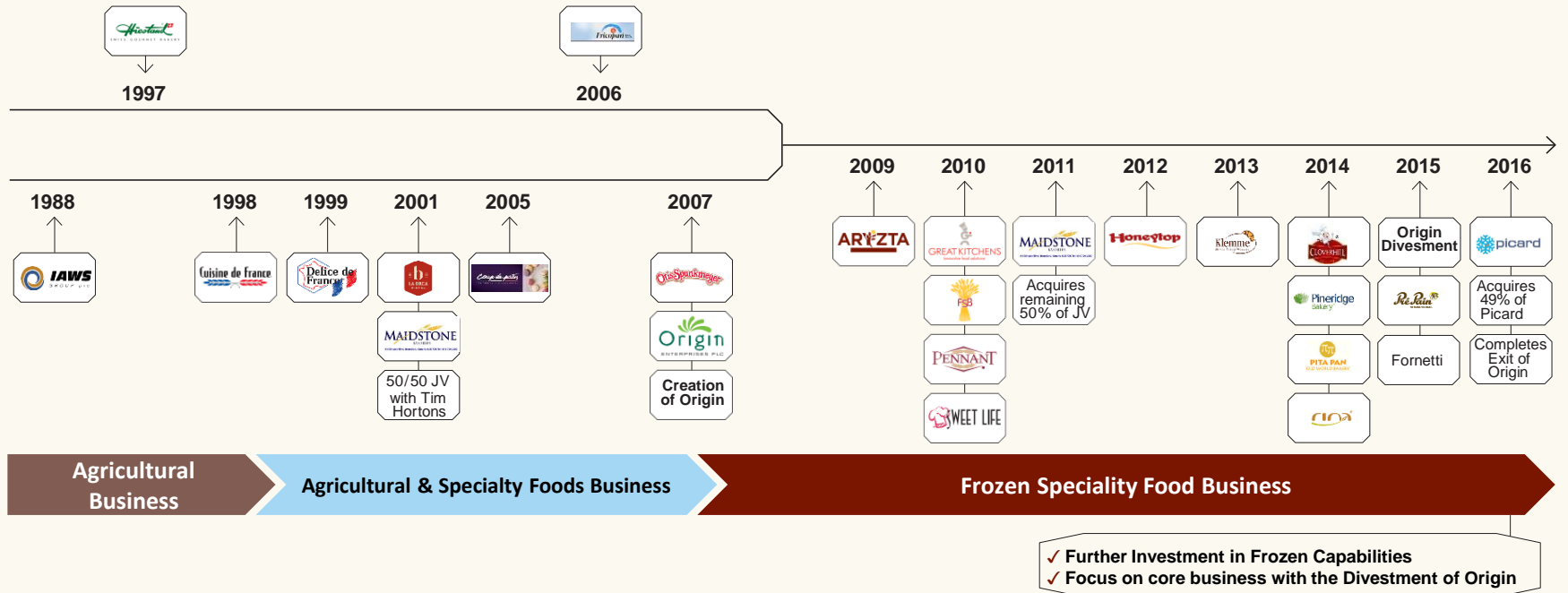
## Frozen Capabilities Enabling to Address Consumer Trends

- Aligned with modern consumer trends of clean label, variety and convenience
- Well-invested bakeries and kitchens with modern frozen technology
- Established relevance in frozen speciality foods
- Innovative consumer facing business
- Generates trend insights which drive the engagement with large supply chain customers
- Customers can leverage insights into changing consumer trends early to support market share growth
- Chef-led Innovation & Trends
  - » Discerning consumers
  - » Fine dining to casual dining to QSR
  - » Specialist Retailer to convenience
  - » Foodservice

Attributes relevant to Retail ISB, HORECA, QSR & Convenience

# Business Evolution

Catalyst	Action	
1998	No growth in agri	Acquire speciality foods business
2007	EU agri policy change	Creation of Origin Enterprises
2009	Merger Hiestand	Creation of ARYZTA AG
2010	Consumer response to recession	Acquire major bakery infrastructure
2012	Customer relevance	ATI programme launched
2015	Consumer awareness of speciality food (technology enabled)	Picard Investment and Origin divestment



## Quest for relevance

# ARYZTA / IAWS Share Price Performance

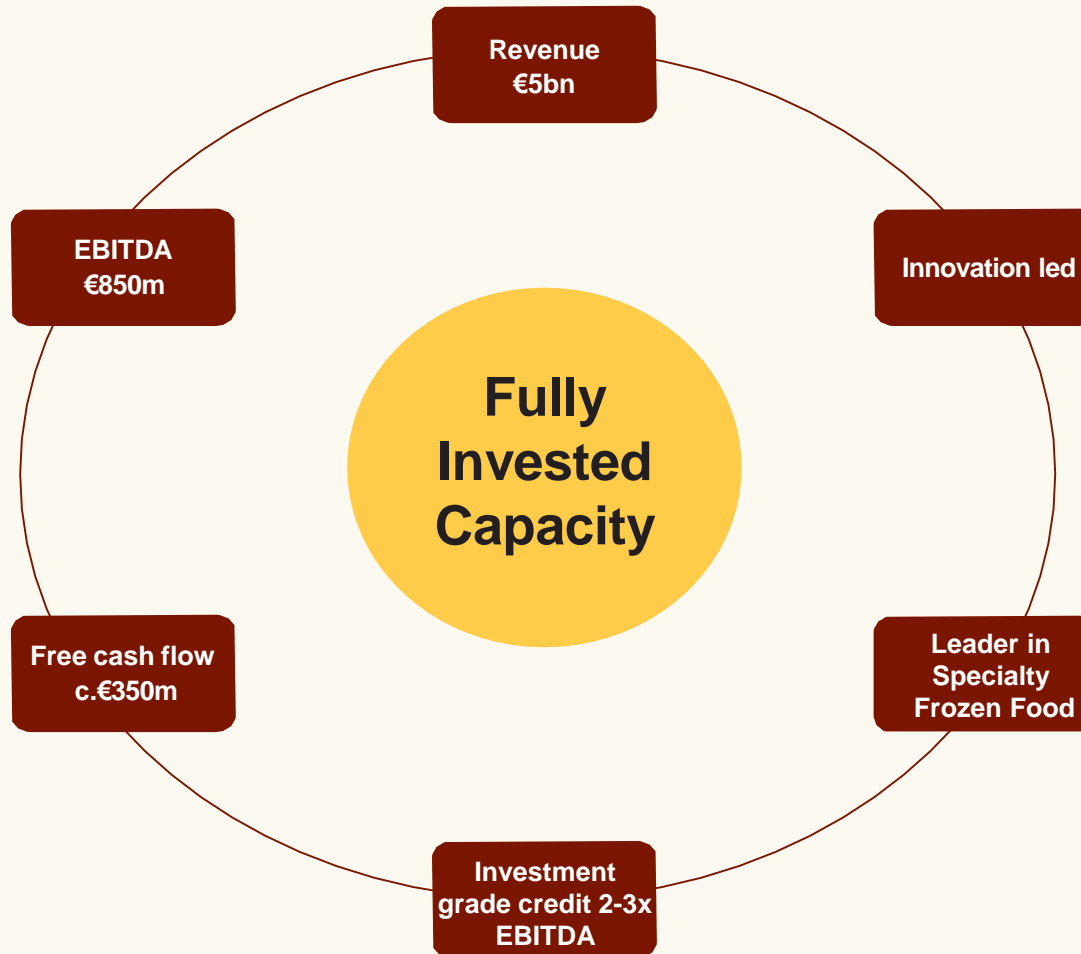


ARYZTA share price  
Index rebased to 1989



Source: Datastream and Bloomberg as of 29-Sep-2016

# Future Capacity - Fully Unlocked



# Contents

## 1 ARYZTA AG – Strategy & Overview

Owen Killian

## 2 Focus on ARYZTA North America

**Our Business**

**John Yamin**

**Our Sustainable Growth Model**

**Ronan Minahan**

**Our Market**

**Tyson Yu**

**Our Customer Promise**

**Andrew Brimacombe | Tracie Sheehan  
Scott Fitzgerald | Kristina Dermody**

**Summary**

**John Yamin**

## 3 ARYZTA AG – Financials

**Patrick McEniff**



# To be the Best Bakery

# Our Focus

## Our Business

- Develop and market Foods that redefine and enhance the Specialty Bakery Experience
- Significant Investment in building our Brands, including La Brea Bakery and Otis Spunkmeyer

## Our Sustainable Growth Model

- Deliver outstanding Quality and Value to Customers and Consumers alike

## Our Market

- Significant available Capacity created through our industry-leading Bakery Network

## Our Customer Promise

- Protect Customer Brands and our Brands through best-in-class Food and People Safety Programs, Procurement excellence and proprietary ARYZTA Integrated Management System (“AIMS”)
- Provide transparency in Sourcing, Processes and Corporate Social Responsibility

## Summary

- Deliver Underlying Revenue, EBITA and ROIC growth



# Our Strategy



- Our Business
- Our Sustainable Growth Model
- Our Market
- Our Customer Promise
- Summary



# Our Business at a Glance

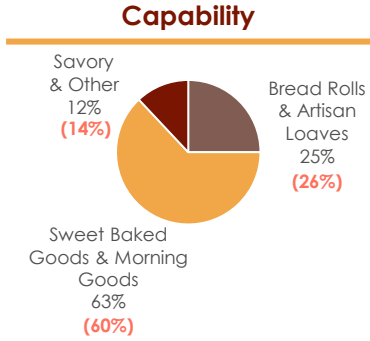
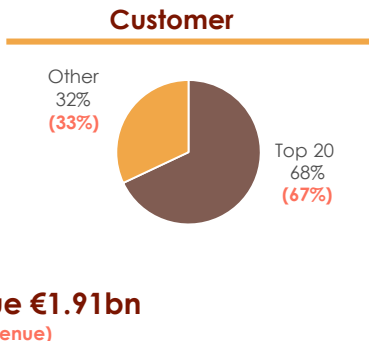
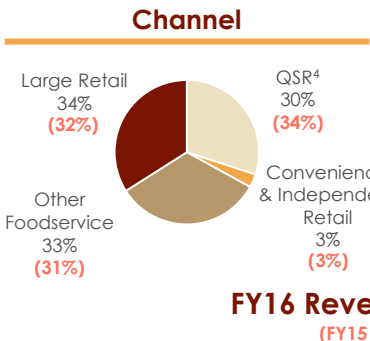
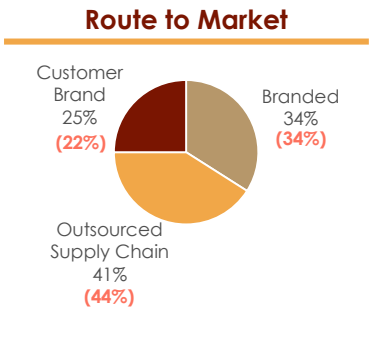
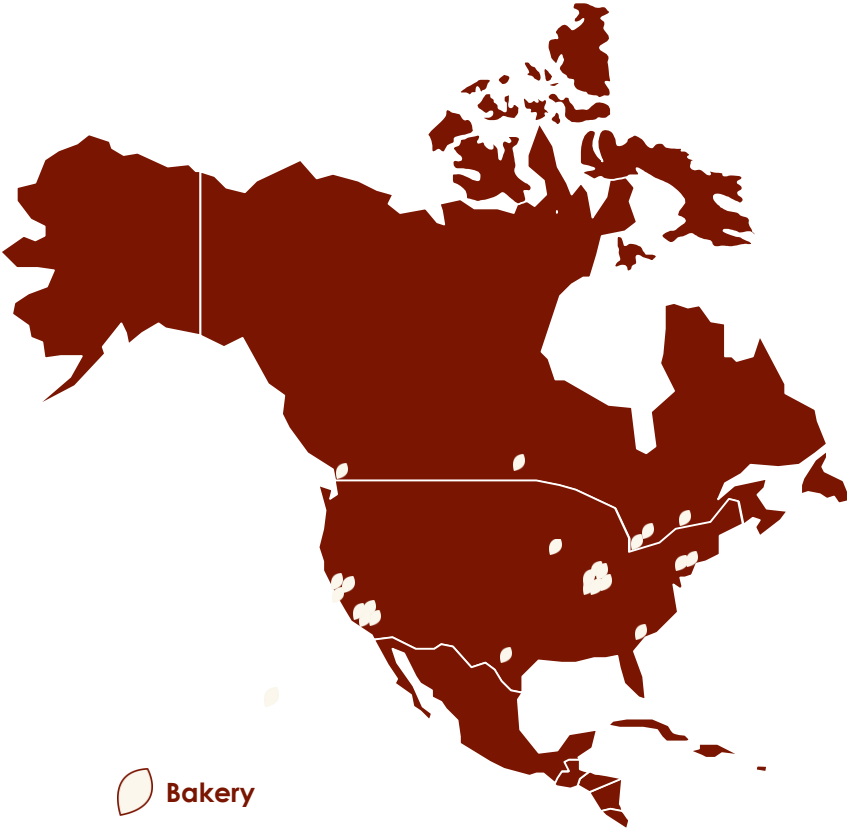
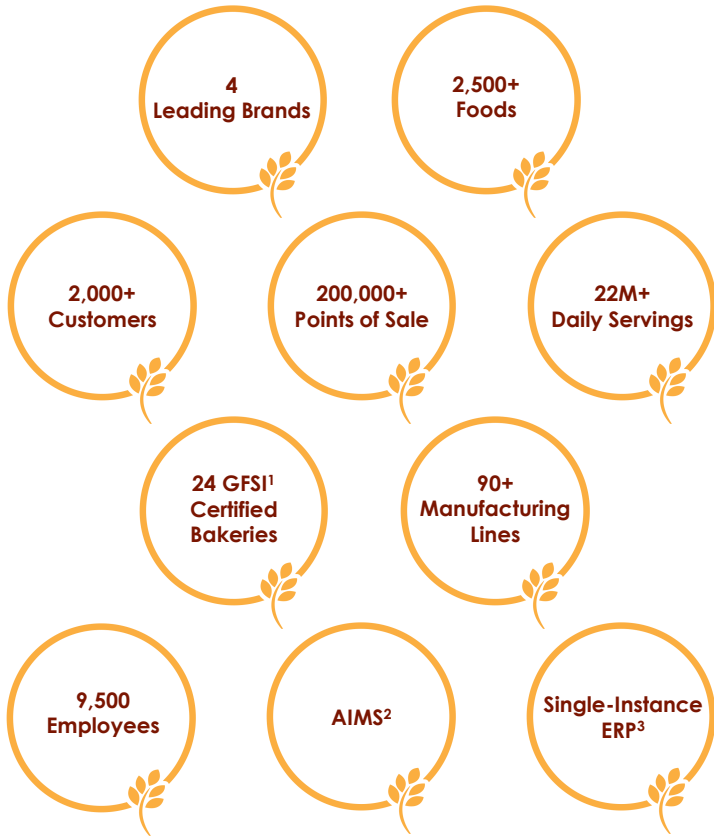
**Our Business**

**Our Sustainable Growth Model**

**Our Market**

**Our Customer Promise**

**Summary**



**FY16 Revenue €1.91bn**  
(FY15 Revenue)

# Our Operating Structure



# Our Team

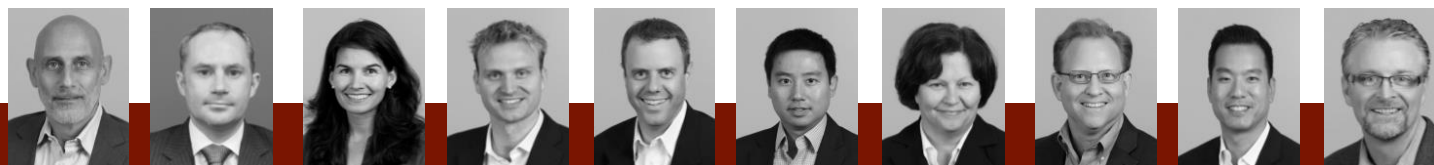


## Key Management

## Business Units

## North America Functions

### Our Business



John Yamin

Ronan Minahan

Kristina Dermody

Andrew Brimacombe

Joel Feldman

Tyson Yu

Tracie Sheehan

Mitch Rosen

Culbert Lu

Scott Fitzgerald

### Our Sustainable Growth Model

Title	Chief Executive Officer	Chief Operating Officer	President Brand	President US Consumer Foods	President US Baking Solutions	President Canada	Chief Health, Quality & Sustainability Officer	Chief Accounting Officer	Chief Legal and Human Resources Officer	Senior Vice President Innovation
Years with ARYZTA	14 Years	12 Years	4 Years	3 Years	9 Years	9 Years	4 Years	10 Years	3 Years	17 Years
Years in Industry	37 Years	17 Years	22 Years	14 Years	17 Years	12 Years	32 Years	26 Years	16 Years	17 Years
Prior Experience	<ul style="list-style-type: none"> <li>Starbucks</li> <li>Marriot</li> <li>ARAMARK</li> <li>Louise's Trattoria</li> </ul>	<ul style="list-style-type: none"> <li>Arthur Anderson</li> <li>Tesco</li> <li>GameStop</li> </ul>	<ul style="list-style-type: none"> <li>Starbucks</li> <li>Beautifull</li> </ul>	<ul style="list-style-type: none"> <li>Accenture</li> <li>Deloitte</li> </ul>	<ul style="list-style-type: none"> <li>Clorox</li> </ul>	<ul style="list-style-type: none"> <li>Lindsey Goldberg</li> <li>Merrill Lynch</li> </ul>	<ul style="list-style-type: none"> <li>Sara Lee</li> <li>Kellogg</li> <li>Zoecon</li> <li>Westing-house</li> </ul>	<ul style="list-style-type: none"> <li>Fresh Start Bakeries</li> <li>Bell Industries</li> <li>PwC</li> </ul>	<ul style="list-style-type: none"> <li>GE Capital</li> <li>Arden Realty</li> <li>Allen Matkins</li> </ul>	<ul style="list-style-type: none"> <li>Sweet Life</li> <li>NBC</li> <li>Prime Ticket Network</li> </ul>

### Our Market

### Our Customer Promise

### Summary

# Contents

## 1 ARYZTA AG – Strategy & Overview

Owen Killian

## 2 Focus on ARYZTA North America

Our Business

John Yamin

**Our Sustainable Growth Model**

**Ronan Minahan**

Our Market

Tyson Yu

Our Customer Promise

Andrew Brimacombe | Tracie Sheehan  
Scott Fitzgerald | Kristina Dermody

Summary

John Yamin

## 3 ARYZTA AG – Financials

Patrick McEniff

# Our Transformation Goals

## Our Business

- Create a Leadership Position in Specialty Bakery
- Enhance our Customer Relationships

## Our Sustainable Growth Model

- Leverage our full Portfolio
- Establish one Way of Working

## Our Market

- Eliminate Duplication
- Delayer our Management Structure

## Our Customer Promise

- Develop New Capacities and Capabilities
- Improve Revenue and Margin

## Summary

# Our Transformation

## Our Business

## Our Sustainable Growth Model

## Our Market

## Our Customer Promise

## Summary

### Legacy

- Multiple Overlapping Operating Companies and Leadership Teams
- Numerous ARYZTA Customer Contacts
- Duplicative Business Processes
- Disparate Food Safety Programs
- Various ERP Platforms



### Current

- One Company
- Four Business Units with a Customer-Centric Focus
- Single ARYZTA Customer Contact
- Harmonized Policies, Processes and Procedures under AIMS
- Single-Instance ERP



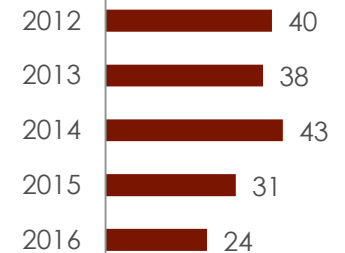
# Our Repositioning with Capital Investments

## Investment Initiatives (mEUR)

### Our Business

Cash Non-recurring Expenditure

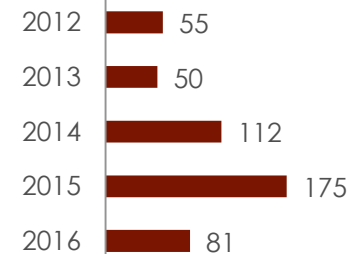
- Integration into 4 Business Units aligned with our Customers
- Reduced Network by 8 Bakeries, 50 Distribution Centers, 5 Offices
- Function Consolidation and Headcount Reduction



### Our Sustainable Growth Model

Capital Investment

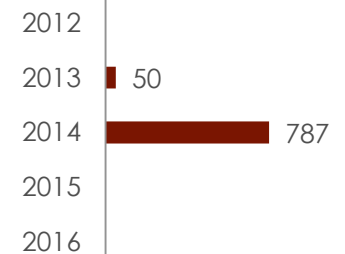
- Implemented Single-Instance Fully-Integrated ERP Platform
- Expanded Artisan Bread and Snack Food Capacity
- Routine Maintenance of 90+ Manufacturing Lines



### Our Market

Acquisitions

- Flexible Manufacturing for Branded Food Growth
- Enhanced Customer and Geographic Relevance



### Our Customer Promise

### Summary



# Our Challenges and Solutions

Our Business	Year	FY14	FY15	FY16
Our Sustainable Growth Model	<b>Challenge</b>	Declining DSD <sup>1</sup> Business	Rising Capital Investment	Long-Term Contract Renewals
Our Market				
Our Customer Promise	<b>Solution</b>	DSD Exit	Rationalized SKUs to Reduce Need for Capital Investment, Releasing €500M Capacity	Renewed 2 Significant Long-Term Contracts, Retaining Majority Share
Summary				

Note: (1) Direct store delivery

# Our Financial Performance

Our Business

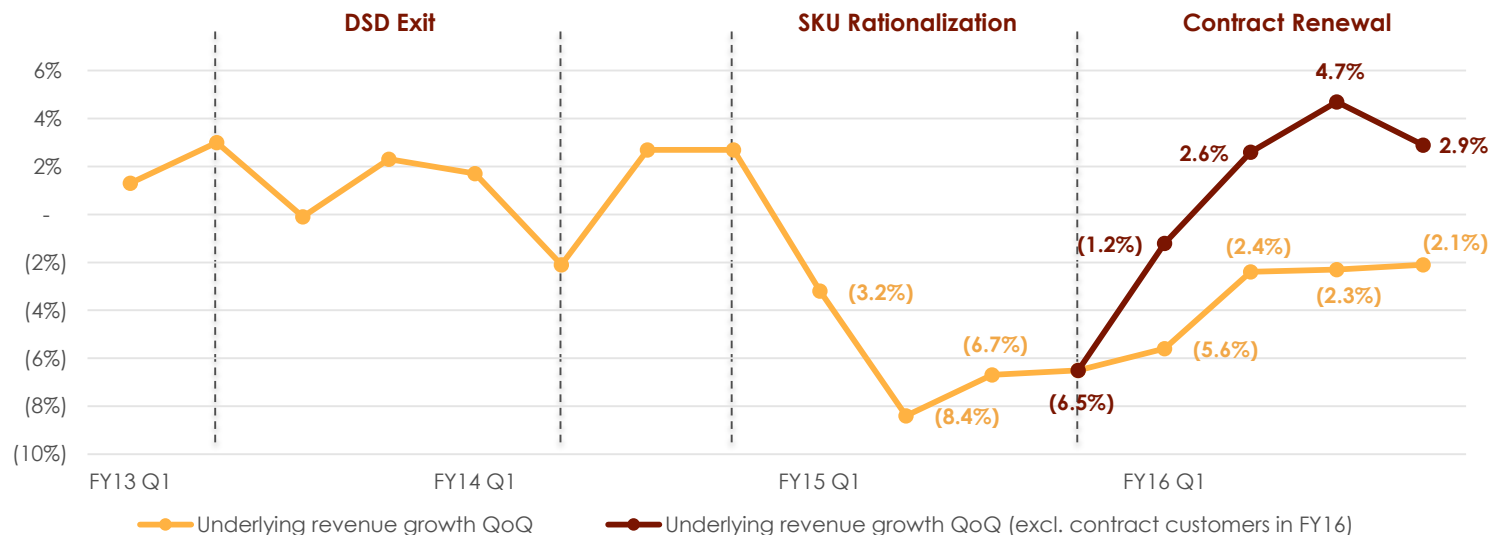
Our Sustainable Growth Model

Our Market

Our Customer Promise

Summary

## Underlying Revenue Growth



## Financial Performance

	FY12	FY13	FY14	FY15	FY16
Revenue (mEUR)	1,372	1,460	1,587	1,942	1,908
Underlying Revenue Growth	7.0%	1.6%	1.3%	(6.2%)	(3.1%)
Underlying Revenue Growth (excl. Contract Renewals)	-	-	-	-	2.2%
EBITA (mEUR)	176	190	230	275	243
EBITA Margin	12.8%	13.0%	14.5%	14.2%	12.8%
ROIC	10.5%	12.2%	11.3%	10.6%	9.8%

# Our Sustainable Growth Model

## Our Business

### Established Brand, Customer and Category Leadership

- Creating our Leadership Position in Specialty Bakery
- Energizing our four Leading Specialty Bakery Brands
- Enhancing our Customer Relationships using our Customer-Centric Strategy & Dedicated Customer Teams
- Establishing the Specialty Bakery Industry's Best Innovation Team
- Expanding our Capabilities to service all Baked Food opportunities, releasing €500M of Capacity
- Developing our 9,500 People to be the Best Bakers in the Industry

## Our Sustainable Growth Model

### Focused on Efficiencies and Cost Optimization

- Building the Most Efficient & Flexible Bakery Network, becoming the Manufacturing Leader of our Core Categories
- Harmonizing our Bakery Policies, Processes and Programs through our Proprietary AIMS
- Creating the Industry-Leading Procurement Organization
- Crafting the best-in-class Safety Programs for Our People & Food
- Implementing a fully-Integrated Single-Instance ERP Platform
- Forming a dynamic Shared Services Organization

## Our Market

## Our Customer Promise

## Summary

# Contents

## 1 ARYZTA AG – Strategy & Overview

Owen Killian

## 2 Focus on ARYZTA North America

Our Business

John Yamin

Our Sustainable Growth Model

Ronan Minahan

**Our Market**

**Tyson Yu**

Our Customer Promise

Andrew Brimacombe | Tracie Sheehan  
Scott Fitzgerald | Kristina Dermody

Summary

John Yamin

## 3 ARYZTA AG – Financials

Patrick McEniff

# ARYZTA Is the Leader in the Specialty Bakery Market

Our Business

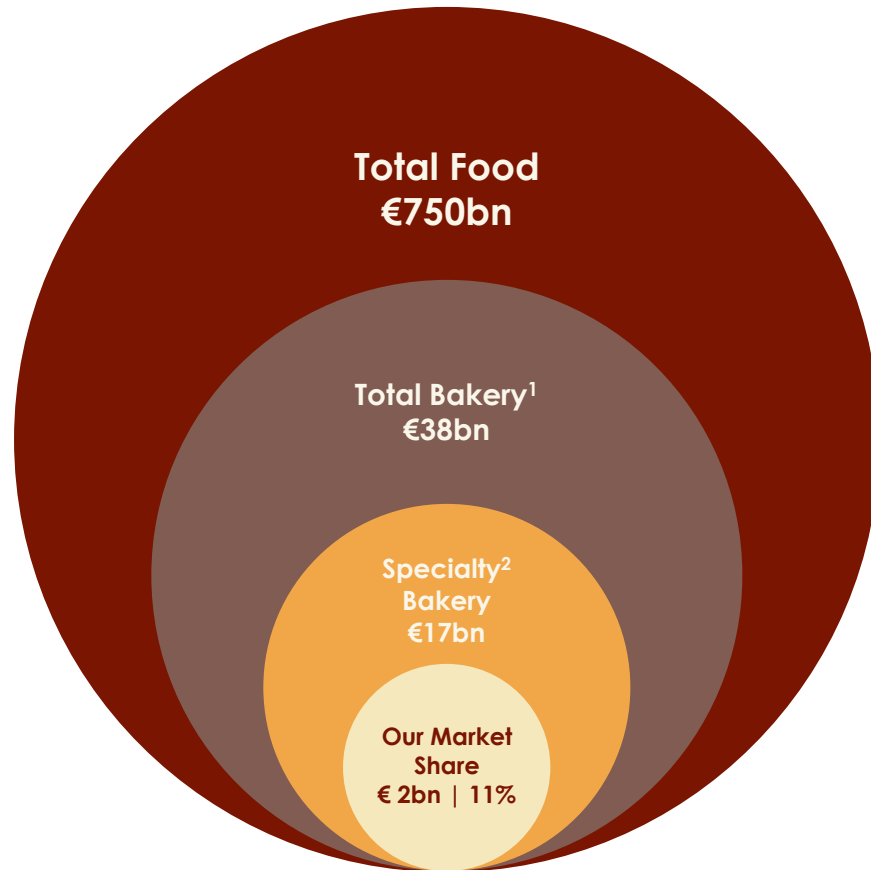
Our Sustainable Growth Model

Our Market

Our Customer Promise

Summary

## ARYZTA North America Addressable Market



Sources: Mintel; Technomic; Nielsen; Euromonitor; LEK

Note: (1) Total Bakery excludes frozen, foodservice, and restaurant pizza; (2) Specialty Bakery includes Artisan Breads, cookies, muffins, snack cakes, flatbreads, donuts, pastries, Danishes, English muffins, bagels, cakes, traditional non-pan breads, and take-and-bake pizza

# Specialty Bakery Is an Attractive Market Segment



## Our Business

- Attractive Market Dynamics supported by strong Fundamentals

## Our Sustainable Growth Model

- Evolving Consumers craving Brands and Foods they trust

## Our Market

- Evolving Customers demanding Innovative Solutions

## Our Customer Promise

- Increasingly rigorous Operating Environment presenting Challenges and Opportunities

## Summary

# Rising Incomes Driving Increased Consumer Spending on Food



Our Business

Rising disposable income is translating into increased consumer spending on food

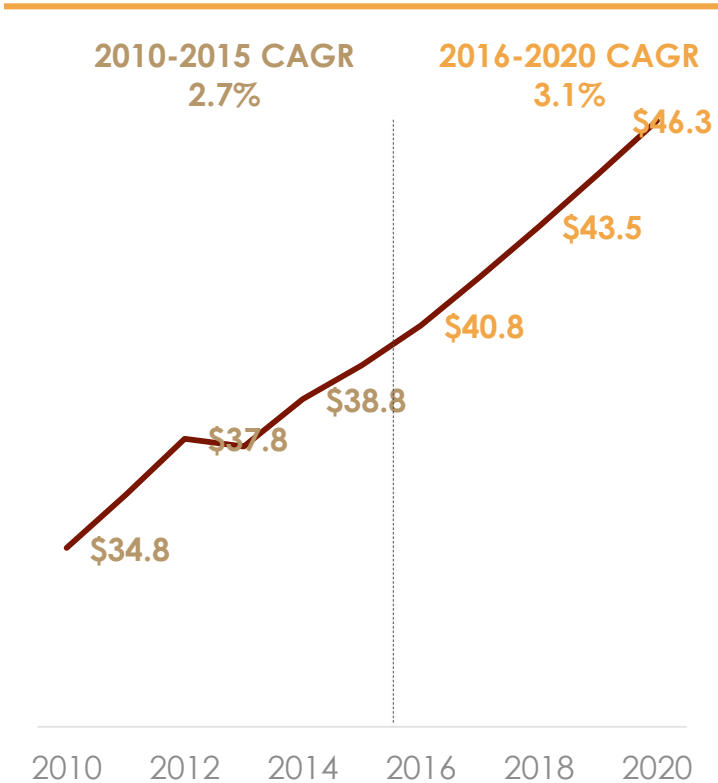
Our Sustainable Growth Model

Our Market

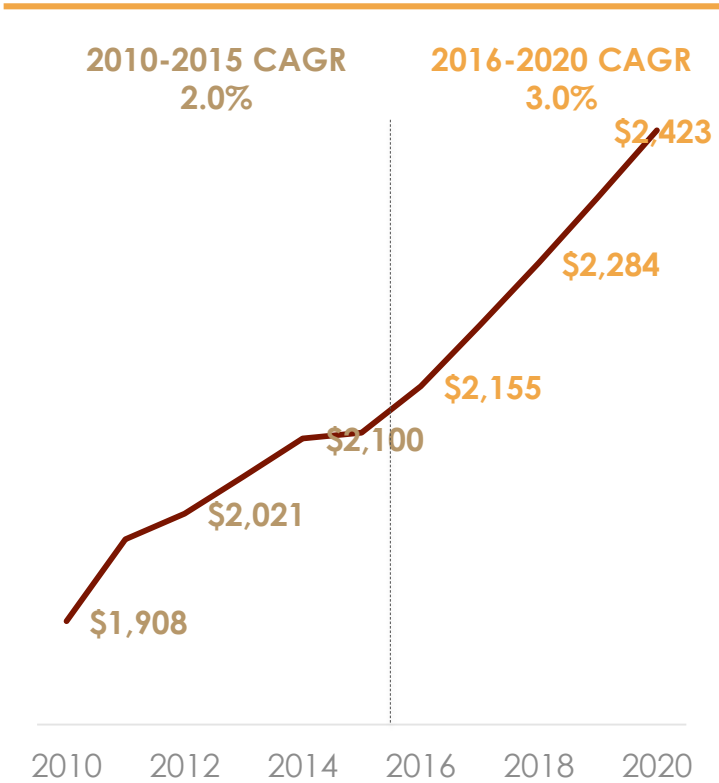
Our Customer Promise

Summary

Rising Disposable Income (\$000 per capita)



Increasing Food Expenditure (\$ per capita)

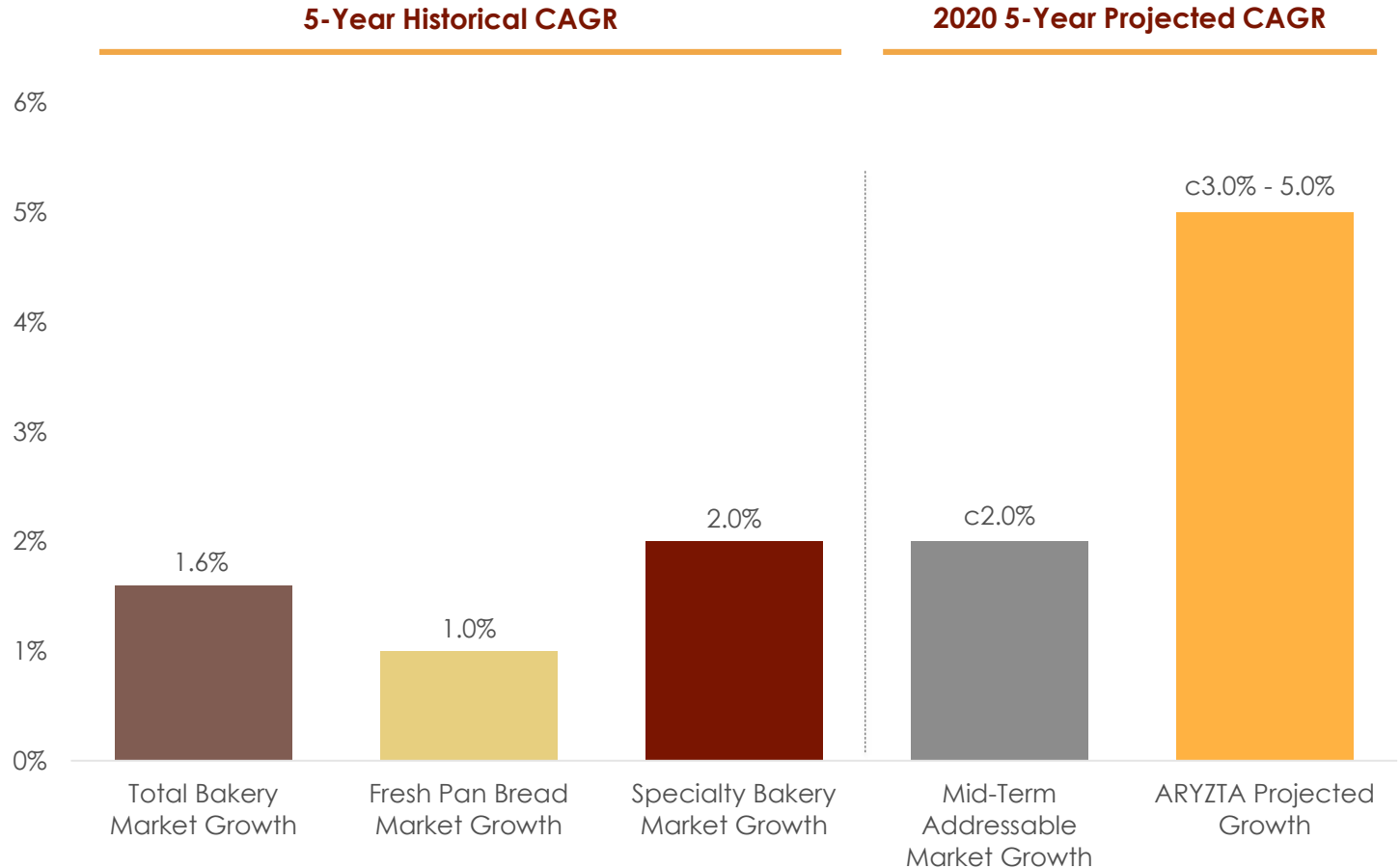


Source: Euromonitor

# ARYZTA Will Outperform Both Bakery and Specialty Bakery



- Our Business
- Our Sustainable Growth Model
- Our Market
- Our Customer Promise
- Summary



Sources: Mintel; Technomic; Nielsen; Euromonitor; LEK

Note: (1) Total Bakery excludes frozen, foodservice, and restaurant pizza; (2) Specialty Bakery includes Artisan Breads, cookies, muffins, snack cakes, flatbreads, donuts, pastries, Danishes, English muffins, bagels, cakes, traditional non-pan breads, and take-and-bake pizza



# Evolving Consumer Demands Creating Strategic Opportunities

Our Business

Our Sustainable Growth Model

Our Market

Our Customer Promise

Summary

## Discerning Consumer Spending



## Connected Consumer

- ✓ Access to information
- ✓ Social media influence
- ✓ Redefined concept of value
- ✓ Demanding lifestyles

## Select ARYZTA Initiatives



# Retailers Repositioning to Adapt to Evolving Consumers

## Our Business

### Food Sales At-Home

#### Retail / Grocery

- Increasing perimeter and rising relevance of “grocerants”
- Digitalization of retail strategy
- Ongoing consolidation
- Fresh and easy-to-eat portable sizes



## Our Sustainable Growth Model

## Our Market

#### Non-Traditional

- Merging channels
- Food sales growth at non-food retailers
- Drugstores gaining share
- Increasing popularity of e-commerce platforms



## Our Customer Promise

## Summary

# Foodservice Industry Is Innovating

## Our Business

### Quick-Service & Casual Restaurants

- Growth of simpler, healthier menus with transparent, less processed food
- Focus on innovation and breakfast
- Incorporating digital and customization
- Varying decision timelines
- QSR growth outpacing casual and fast casual

## Food Sales Away-from-Home



## Our Sustainable Growth Model

## Our Market

### Foodservice

- Channel expanding as non-traditional sources offer food options
- More rigorous demands on operators' supplier base
- Growth of premium outlets
- Supplier consolidation

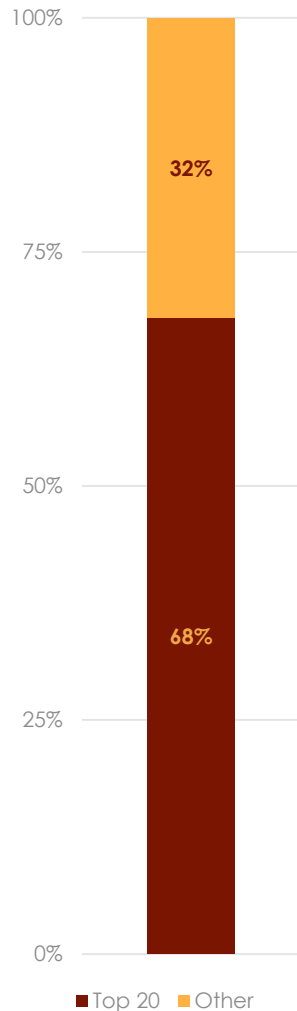


## Our Customer Promise

## Summary

# Partnering with Our Customers to Meet Evolving Consumer Demands

## 2016 Revenue



## Channel Leaders

80% of Top 25 Retailers	88% of Top 8 QSRs	50% of Top 8 Casual Diners	100% of Top 8 FS <sup>1</sup> Management	100% of Top 8 FS Distributors
-------------------------	-------------------	----------------------------	--	-------------------------------

### Quick-Service and Casual Restaurants



### Retail / Grocery



### Foodservice



### Non-Traditional



Sources: QSR Magazine; Internal ARYZTA data  
Note: (1) Foodservice

# Operating Environment Presenting Challenges and Opportunities

Stringent demands forcing food manufacturers to adapt their business models and infrastructure

Our Business

Our Sustainable Growth Model

Our Market

Our Customer Promise

Summary

## Food Safety

- Food Safety Modernization Act ("FSMA")
- Safe Food for Canadians Act ("SFCA")
- Global Food Safety Initiative Accreditation ("GFSI")
- Customer audit standards
- Traceability protocols

## Health & Safety

- Occupational Safety and Health Administration ("OHSA") increasing requirements and visibility



## Labor Issues

- Increasing wages
- Labor laws
- Shortage of skilled labor
- Rising healthcare costs



## Specialized Commodities

- Increasing demand but constrained supply



# ARYZTA Will Increase Its Specialty Bakery Market Share



Our Business

Our Sustainable Growth Model

Our Market

Our Customer Promise

Summary



## Attractive Specialty Bakery Market

# Contents

## 1 ARYZTA AG – Strategy & Overview

Owen Killian

## 2 Focus on ARYZTA North America

Our Business

John Yamin

Our Sustainable Growth Model

Ronan Minahan

Our Market

Tyson Yu

Our Customer Promise

Andrew Brimacombe | Tracie Sheehan  
Scott Fitzgerald | Kristina Dermody

Summary

John Yamin

## 3 ARYZTA AG – Financials

Patrick McEniff

**ARYZTA is dedicated to helping your business achieve sustainable success through customized, scalable and efficient bakery and snacking portfolio solutions. Our commitment to building your trust as a valued partner is as strong as our Passion for Good Food.**





# Our Customer Promise

- Our Business
- Our Sustainable Growth Model
- Our Market
- Our Customer Promise
- Summary

**Industry-Leading Bakery Network and Assured Supply**

**Predictable Pricing and Strategic Supply Base**

**Rigorous Food & People Safety Programs and Quality Leadership**

**Elevating Sustainability**

**Customer First**

**Pioneering Innovation**

**Foremost Baking Knowledge and Expertise**

**Winning Specialty Baking Portfolio**

**Leading Brands**

# Customer First

- Our Business
- Our Sustainable Growth Model
- Our Market
- Our Customer Promise
- Summary



# Industry-Leading Bakery Network & Assured Supply



## Our Integrated Value Chain



## ARYZTA Single-Instance ERP

	<b>Forecast to Stock</b>		<b>Order to Cash</b>	
	Sales and Operations Planning	Product Lifecycle Management	Customer Relationship Management	Sales Order Automation
	LEAN Logistics	Manufacturing Integration and Intelligence	Cloud for Customer	Credit & Risk Management
	<b>Procure to Pay</b>		<b>Record to Report</b>	
	Ariba	SpendVis	Product Cost Harmonization	Financial Close Dashboard
	Supplier Relationship Management	Material Requirements Planning	Vistex	Business Intelligence / HANA

Our Business

Our Sustainable Growth Model

Our Market

Our Customer Promise

Summary

# Industry-Leading Bakery Network & Assured Supply

## Our Business

- 24 GFSI-Certified state-of-the-art Bakeries with multiple Capabilities
- Full Regulatory Compliance
- Proactive Business Continuity and Crisis Management plans by location

- 50+ Highly Efficient, Automated Lines, catering to Large Throughput Volumes
- 40+ Flexible Lines, catering to Innovative New Offerings and Premium Offerings

- Best-in-class Customer Service and Logistics Network with >99% Fill Rate
- 9 Strategically located Inventory & Distribution Centers

## Our Sustainable Growth Model

## Our Market

## Our Customer Promise

## Summary

Primary Capabilities by Bakery

Category	West	Central	East
Bread	5	2	3
Sweet Goods	4	4	3
Snacking		2	
Savory		1	

# Predictable Pricing and Strategic Supply Base

Our Business

## Predictable Pricing

- **Leading Commodity Hedging Policy with long-term horizons**
- **100% Procurement Spend Management facilitated by SAP / Ariba Procurement platform, commodity strategies and dedicated experts**
- **Volume Sourcing utilizing North American scale: 2% of cocoa and 1% of wheat and sugar purchases**
- **Origin Sourcing for specialized and unique Ingredients**
- **Regularly-published Global Commodity Outlook with transparency in commodity pricing**



## Strategic Supply Base

- **Partnered with industry-leading Ingredient and Packaging Suppliers with mutual long-term commitments**
- **All Suppliers are regulatory-compliant and accountable to ARYZTA's Code of Conduct**
- **Robust Supplier Relationship Management program**
- **Fully engaged in our Innovation process as Culinary Partners**
- **Contingent supply for all Ingredients and Packaging**



Our Sustainable Growth Model

Our Market

Our Customer Promise

Summary

# Rigorous Food & People Safety Programs and Quality Leadership

Our Business

Our Sustainable Growth Model

Our Market

Our Customer Promise

Summary

## Protect our People

- >125,000 Safety Training hours
- Every employee provided Personal Protective Safety Equipment
- Significant Investment in Safety Programs and Equipment

## Protect our Food

- All Bakeries are GFSI certified
- Leadership certified in FSMA/SFCA
- Industry-leading proprietary AIMS
  - SAP Quality Management
  - Immediate Traceability with SAP
- Suppliers GFSI certified

## Assure our Quality

- Quality specifications
  - Detailed Manufacturing Training
- Daily Sensory Reviews conducted by trained personnel with Gold Standard programs
  - Best-in-class Consumer Satisfaction Rate

# Elevating Sustainability

## Our Business

### Transparent Food Solutions

- Non-GMO and Organic Certification Programs
- Eliminating Partially Hydrogenated Oils, Reduced High Fructose Corn Syrup, Artificial Colors and Flavors



## Our Sustainable Growth Model

### Sourcing for a Sustainable Future

- 1 Million Certified Cage Free Eggs
- Purchasing 100% Supply of Roundtable on Sustainable Palm Oil
- Detailed Ingredient Sustainability Programs



## Our Market

### Protecting Our Planet

- Achieved Energy Star Challenge
- Award Winning Sustainability Programs
- Achieved Zero Waste-to-Landfill in Bakeries



## Our Customer Promise

### Enhancing Our Communities

- Providing 4 Million Meals to Hungry Children
- Supporting Over 100 Charitable Activities
- Donating Food and Time to Feeding America



## Summary

### The Right Workforce to Drive Future Growth

- Award Winning People Safety Programs
- Assuring Compliance with ARYZTA's Code of Conduct
- Detailed and Comprehensive Benefits and Rewards Programs for All Employees



# Elevating Sustainability

Our Business

Our  
Sustainable  
Growth Model

Our Market

Our Customer  
Promise

Summary

# ARYZTA





**BREAK | BAKERY TOUR**

# Pioneering Innovation

Our Business



Our Sustainable Growth Model



**Otis Spunkmeyer**

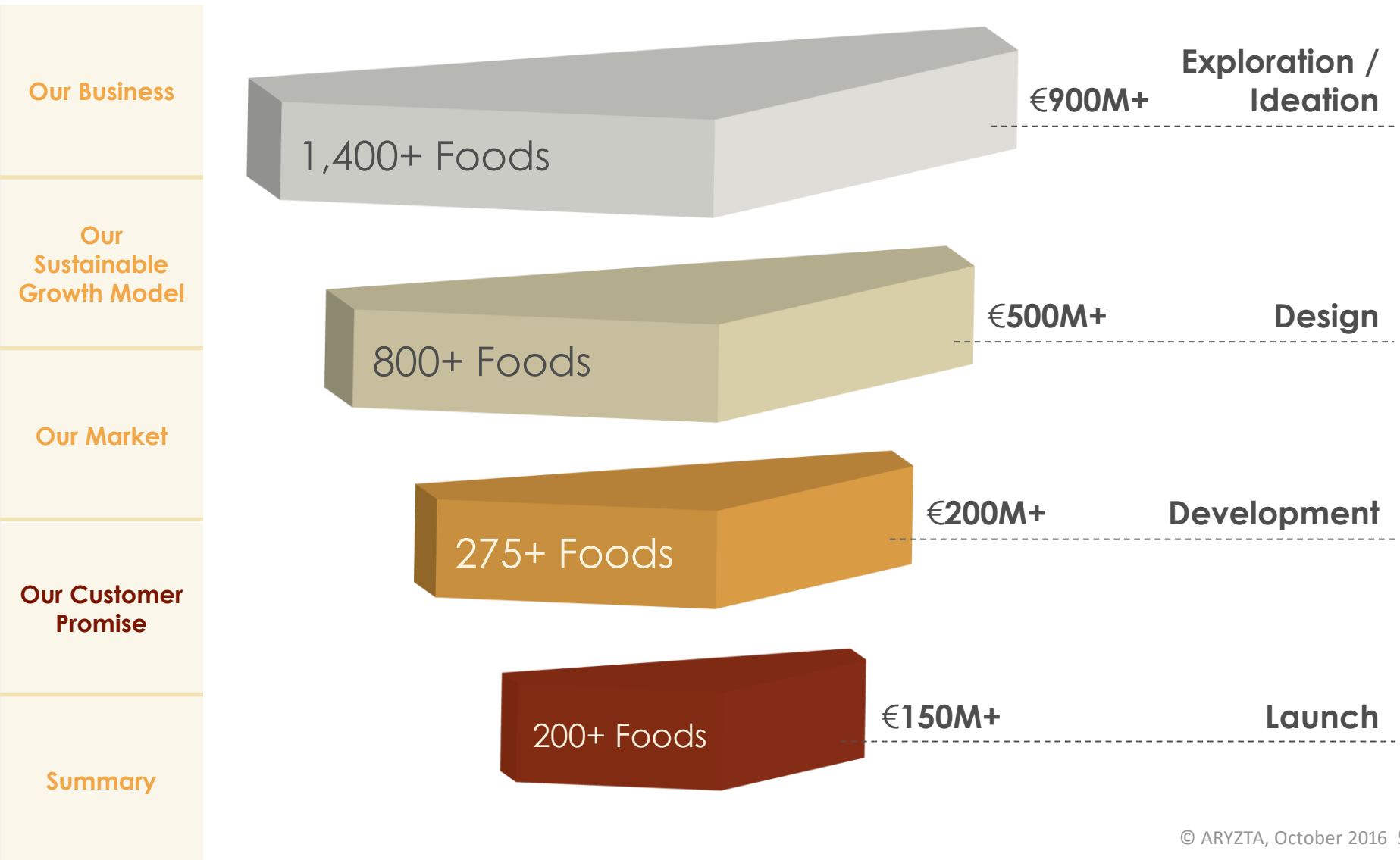
Our Market



Our Customer Promise

Summary

# Pioneering Innovation – Stage-gate



# Pioneering Innovation – Platforms

	Breads	Cookies	Muffins	Baked Snacks
Our Business	<ul style="list-style-type: none"> <li>Converted all Artisan Breads to non-GMO</li> </ul>	<ul style="list-style-type: none"> <li>Extended Clean Label Offerings</li> <li>Expanded Proprietary Ingredients</li> </ul>	<ul style="list-style-type: none"> <li>Expanded Proprietary Ingredients</li> </ul>	<ul style="list-style-type: none"> <li>Removed High Fructose Corn Syrup, Artificial Colors &amp; Flavors and PHOs</li> </ul>
Our Sustainable Growth Model				
Our Market	<ul style="list-style-type: none"> <li>Organic Artisan</li> <li>Heritage Grain</li> <li>Ethnic Range</li> <li>Gluten Free</li> <li>Toaster Bread</li> <li>Pretzel Bread</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced Freezer-to-Oven Capabilities</li> <li>Premium Filled Cookies</li> <li>Super Cookie</li> <li>Brookie</li> </ul>	<ul style="list-style-type: none"> <li>Filled and Dual Batter Muffins</li> <li>Angel Food Muffin</li> <li>Pre-deposited Muffin</li> <li>Bundt Cakes</li> </ul>	<ul style="list-style-type: none"> <li>New Retail Range of Cookies, Muffins and Snack Cakes</li> <li>Holiday Offerings</li> </ul>
Our Customer Promise			<ul style="list-style-type: none"> <li>Retail and Club channel support through Shelf Life extensions</li> </ul>	<ul style="list-style-type: none"> <li>Retail and Club channel support through Shelf Life extensions</li> </ul>
Summary				

# Foremost Baking Knowledge & Expertise

## Our Business

### Chef Council & Culinary Capability



- Global Network of over 80 Chefs
- Network of Development Partners from Suppliers, Culinary Institutes and Universities
- 15 Test Kitchens in the Americas and 30 globally
- Culinary Centers of Excellence in LA, Chicago and Paris

## Our Sustainable Growth Model

### Baking & Snacking Insights and Expertise



- Core Focus on Specialty Bakery
- Industry-leading Category Management team with unique insights, knowledge and expertise in the Baking Industry
- Quarterly Consumer Insight publication

## Our Market

### Unrivaled Ingredient Sourcing



- Over 50 sourcing professionals globally, 25 in the Americas
- Deep Ingredient Networks to find differentiating items
- Assured and safe Ingredient Supply through GFSI and policy compliance
- Strategic Supplier Partnerships
- Quarterly publication

### Solution Focused Exploration



- Rapid and Repeatable approach to exploring new concepts
- Partnership approach to development with Customer-Dedicated Chefs
- Faster Execution of samples and Customer presentations of Foods

### Accelerated Commercialization



- Dedicated team of Project Management experts
- Best-in-class Commercialization process delivering developments on-time and with a higher success rate
- Integrated process and reporting

## Summary

# Winning Specialty Bakery Portfolio

## Cross-Category Expertise

Our Business

Our Sustainable Growth Model

Our Market

Our Customer Promise

Summary

Depth of Range

	Breads	Sweet Goods	Snacking	Savory
	<p>Artisan Breads</p> 	<p>Muffins</p> 	<p>Snack Cakes</p> 	<p>Pizza</p> 
	<p>Premium Breads</p> 	<p>Donuts</p> 	<p>Cookies</p> 	<p>Flatbread Pizza</p> 
	<p>Buns, Rolls, Bagels and English Muffins</p> 	<p>Cakes and Bars</p> 	<p>Muffins</p> 	<p>Prepared Meals</p> 
	<p>Flatbreads, Pitas and Naans</p> 	<p>Cookies</p> 	<p>Danish</p> 	

# Tailored Customer Solutions

## Our Business

## PIONEERING INNOVATION

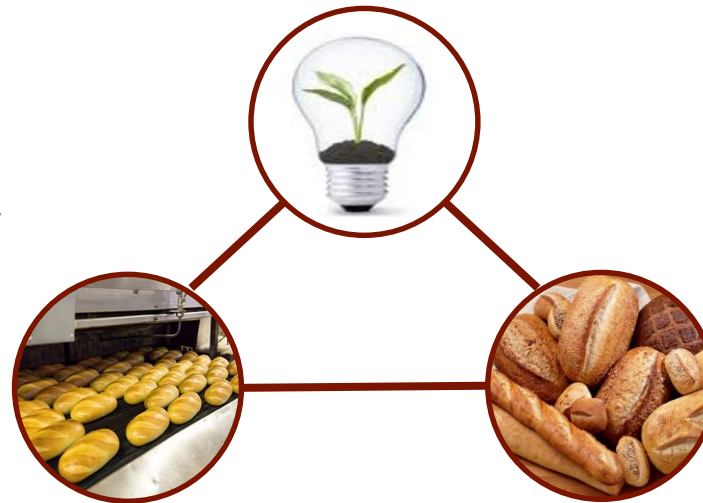
- Over 200+ New Foods launched every year with a 70% launch rate driving over €150M of incremental Revenue
- Guiding trends through our Culinary Network
- Experimenting with new Ingredients and revolutionary Baking Techniques
- Delivering the most successful and widest range of New Foods in Specialty Bakery

## Our Sustainable Growth Model

## Our Market

## WINNING SPECIALTY BAKERY PORTFOLIO

- Broadest and deepest range of Foods in Specialty Bakery
- Customizable and differentiating Portfolio for Customers
- Relevant and continually-evolving range to meet Consumer needs



## FOREMOST BAKING KNOWLEDGE & EXPERTISE

- Uniquely dedicated to Specialty Bakery
- Best Development Team of Chefs, Culinary Professionals and Culinary Partners
- Robust Commercialization Process delivering best success rate
- Largest and most flexible Manufacturing Network
- Experienced bakery team to commercialize New Foods
- Simple, high-quality, traceable Ingredients

## Our Customer Promise

## Summary

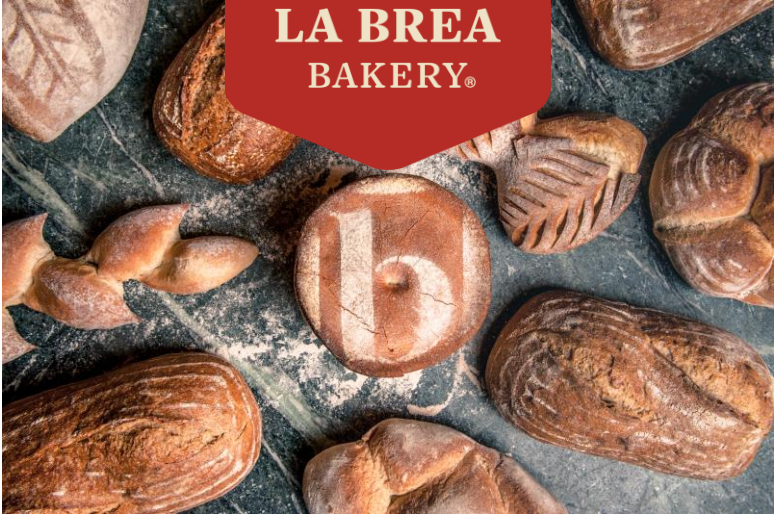
# Leading Brands

Our Business



Our Sustainable Growth Model

Our Market



Our Customer Promise

Summary



**Otis Spunkmeyer**





Otis Spunkmeyer®

OtisSpunkmeyer®

# OUR MISSION



TO ELEVATE THE SWEET SNACK EXPERIENCE

THROUGH CONSISTENTLY DELIVERING ON QUALITY AND GREAT TASTE



# GENERAL SNACKING

SNACKING INDUSTRY WILL HIT AT LEAST

*\$200 Billion*

IN 2020, WITH 60% OF SALES COMING FROM TWO CONSUMER SEGMENTS:



**BOOMERS**



**MILLENNIALS**



# SNACKING IS UNIVERSAL



## *Everyone Snacks*

**94%**

of adults snack at least once daily while half of adults snack two to three times per day

---



## *Better For You Options*

**33%**

of consumers indicate they are snacking on healthier foods this year compared to last year and are more likely to be serving healthier snacks to their children

---



## *Sweet Treats*

**66%**

of people who snack were not interested in limiting their intake of sweets



# THE HISTORY OF OTIS SPUNKMEYER



**1977**

The irresistible smell of fresh-baked cookies inspires Ken Rawlings to open the first Otis Spunkmeyer Cookie store in Oakland, California

**1983**

Otis Spunkmeyer sells its stores and transitions to wholesale, shipping the legendary dough to all those who wanted to sell fresh baked cookies

**2005**

Otis Spunkmeyer becomes a dominant player in the fundraising business

**2009**

State of the art Otis Spunkmeyer R&D Center of Excellence opens

**TODAY**

Otis Spunkmeyer is the number one foodservice muffin and cookie



## REDEFINING SNACK CAKES WITH NO FUNKY STUFF



**NO HIGH FRUCTOSE CORN SYRUP**



**NO PARTIALLY HYDROGENATED OILS**



**NO ARTIFICIAL COLORS**



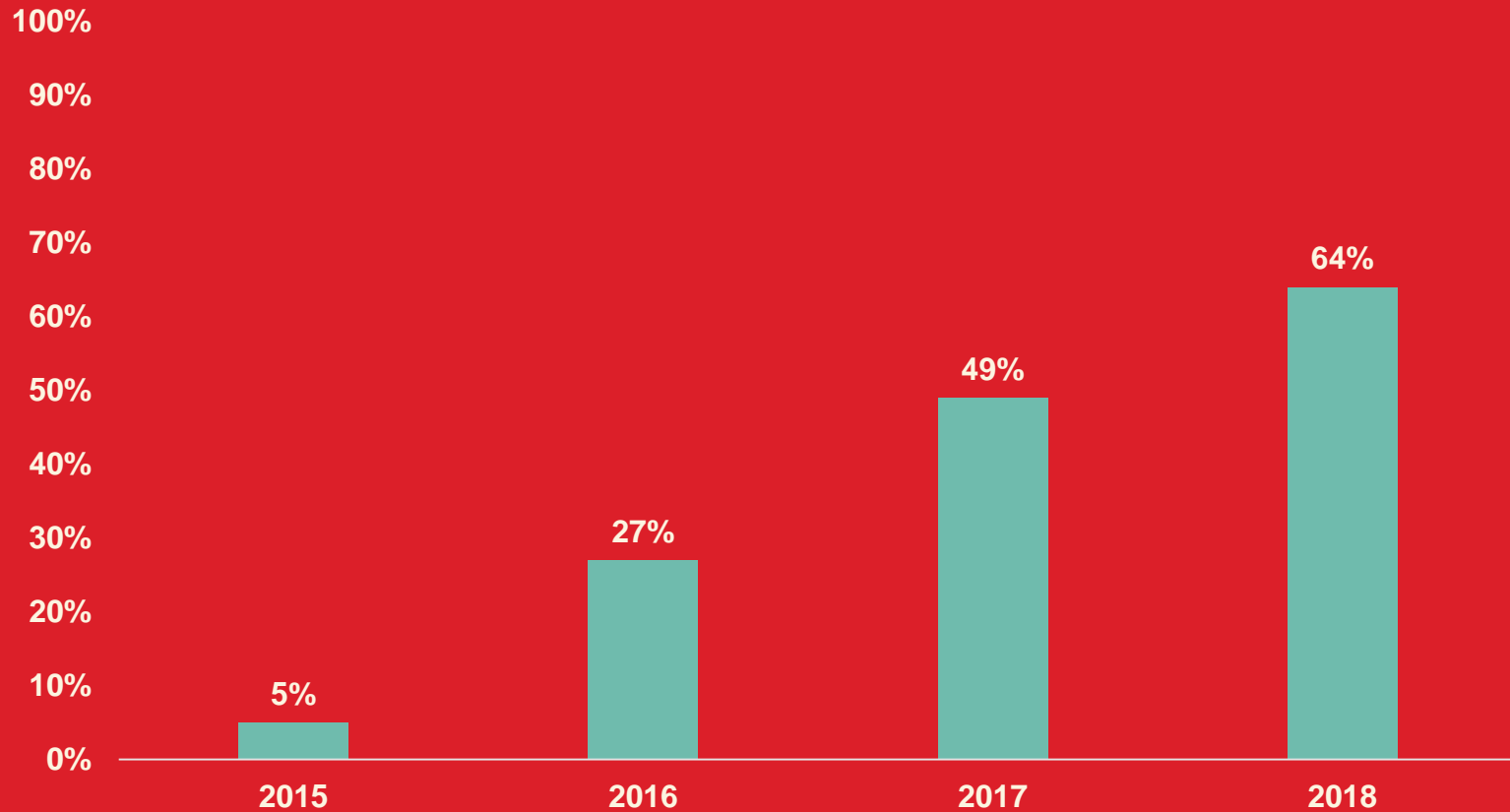
**NO ARTIFICIAL FLAVORS**







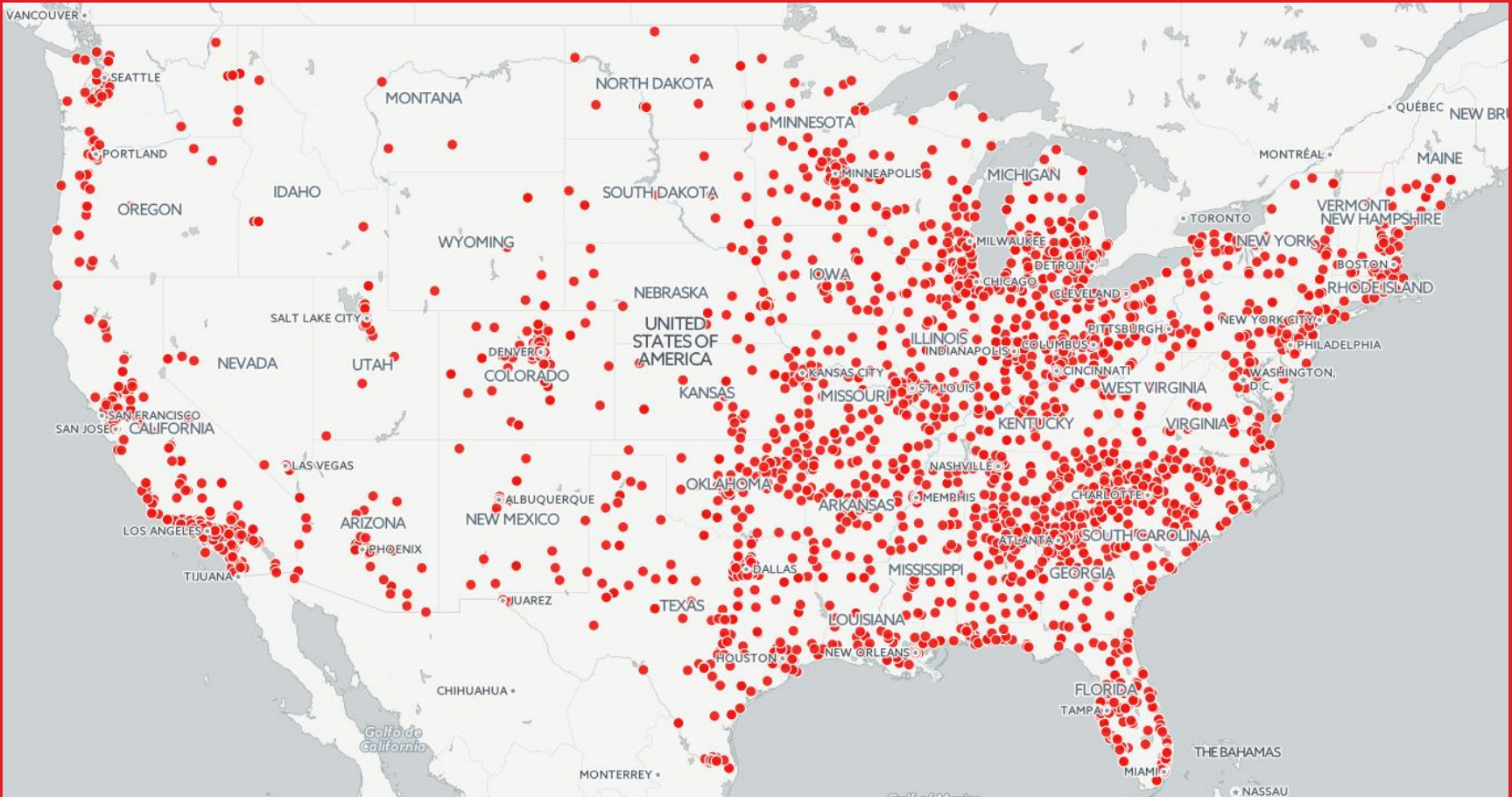
## ACV GROWTH GOALS



Note: All commodity volume



## US DISTRIBUTION



### SAMPLING ACTIVATION



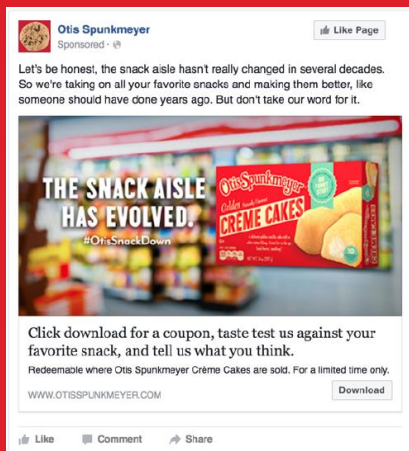
### IN-STORE ACTIVATION



### PUBLIC RELATIONS



### SOCIAL AND DIGITAL



### SOCIAL RESPONSIBILITY









## OUR MISSION



To always make delicious food with integrity —  
simple ingredients and a patient process.



# BIRTHPLACE OF ARTISAN BREAD IN THE US



**1989**

The artisan bread movement was born when La Brea Bakery opened its doors on La Brea Avenue in Los Angeles, CA

**1995**

La Brea Bakery develops a process that replicates the traditional way bread should be made – original starter, patience and time to let the flavors develop, and each loaf hand-touched

**1992**

Artisan bread started becoming available nationally when La Brea Bakery started developing the par-baked process

**2014**

La Brea Bakery celebrates 25 years with a brand refresh symbolizing its commitment to continue leading the artisan bread industry

**TODAY**

La Brea Bakery is the number one Artisan Bread company



## BIRTHPLACE OF ARTISAN BREAD IN THE US



Highest Quality, Simple Ingredients



No Preservatives, Additives or Dough Conditioners



Kosher Pareve and Certified Organic Bakeries



Transparency of Sourcing and Process



Non-GMO





# 2016 AWARDS RECEIVED



**SNACK  
FOOD & WHOLESALE  
BAKERY**

**Best New Snack  
& Bakery Product**

*Snack Food & Wholesale Bakery,  
named La Brea Bakery its 2016  
Bakery of the Year - June 2016*

*Snack Food & Wholesale Bakery,  
named La Brea Bakery's Gluten  
Free Sliced Sandwich Bread one of  
two Best New Snack & Bakery  
Products of 2015 - January 2016*



**Bakery of the Year**



**Platinum Award**

*Dessert Professional Magazine,  
named Matthew McDonald one  
of the Top Ten Bread Bakers of  
2016 - March 2016*



**Grand Prize**

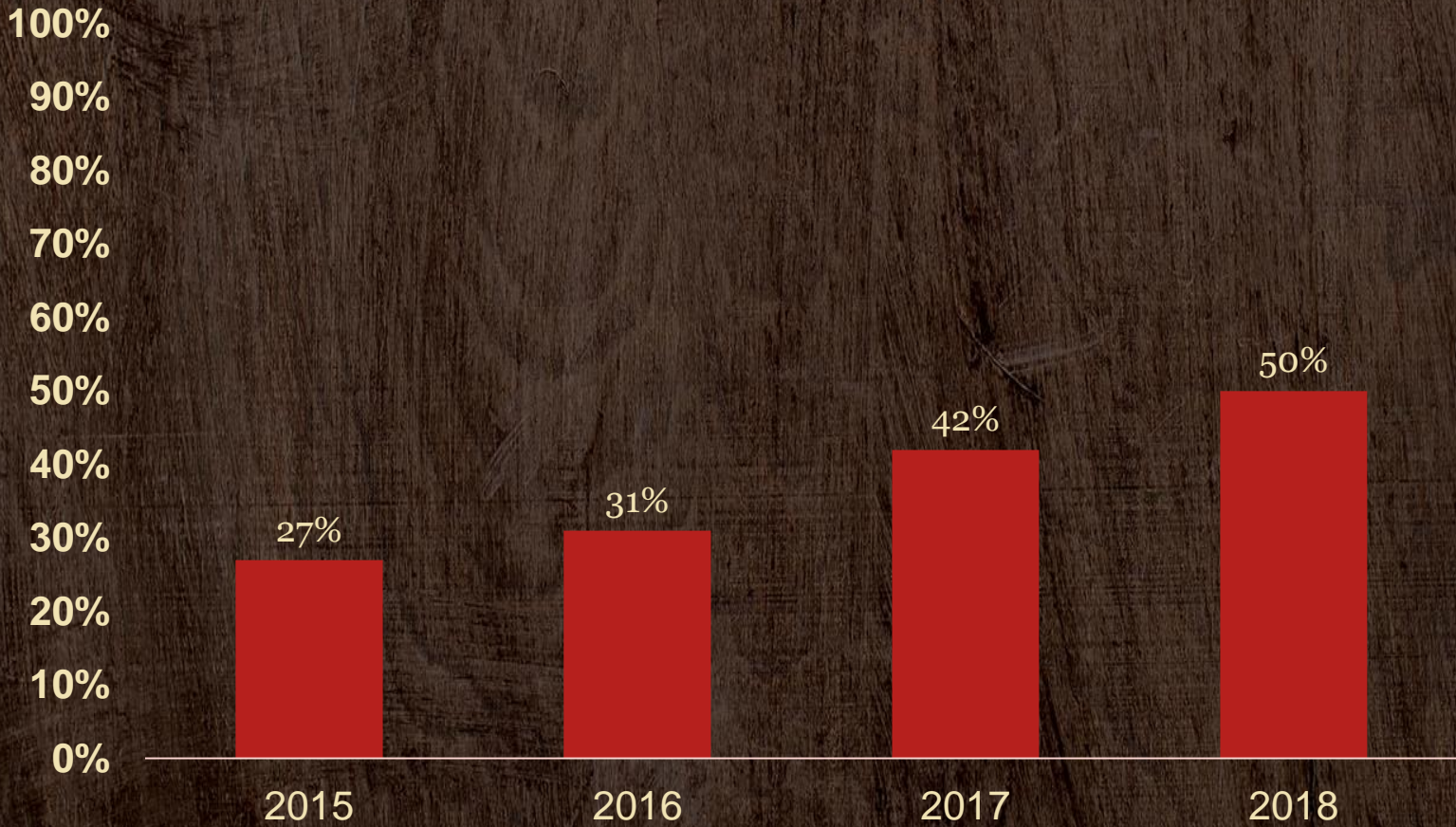
*Hermes Creative Awards, La Brea  
Bakery "Thanksgiving Heroes" wins  
Platinum - April 2016*

*2016 PR Daily Video Awards,  
named La Brea Bakery  
"Thanksgiving Heroes" Grand  
Prize Winner - April 2016*



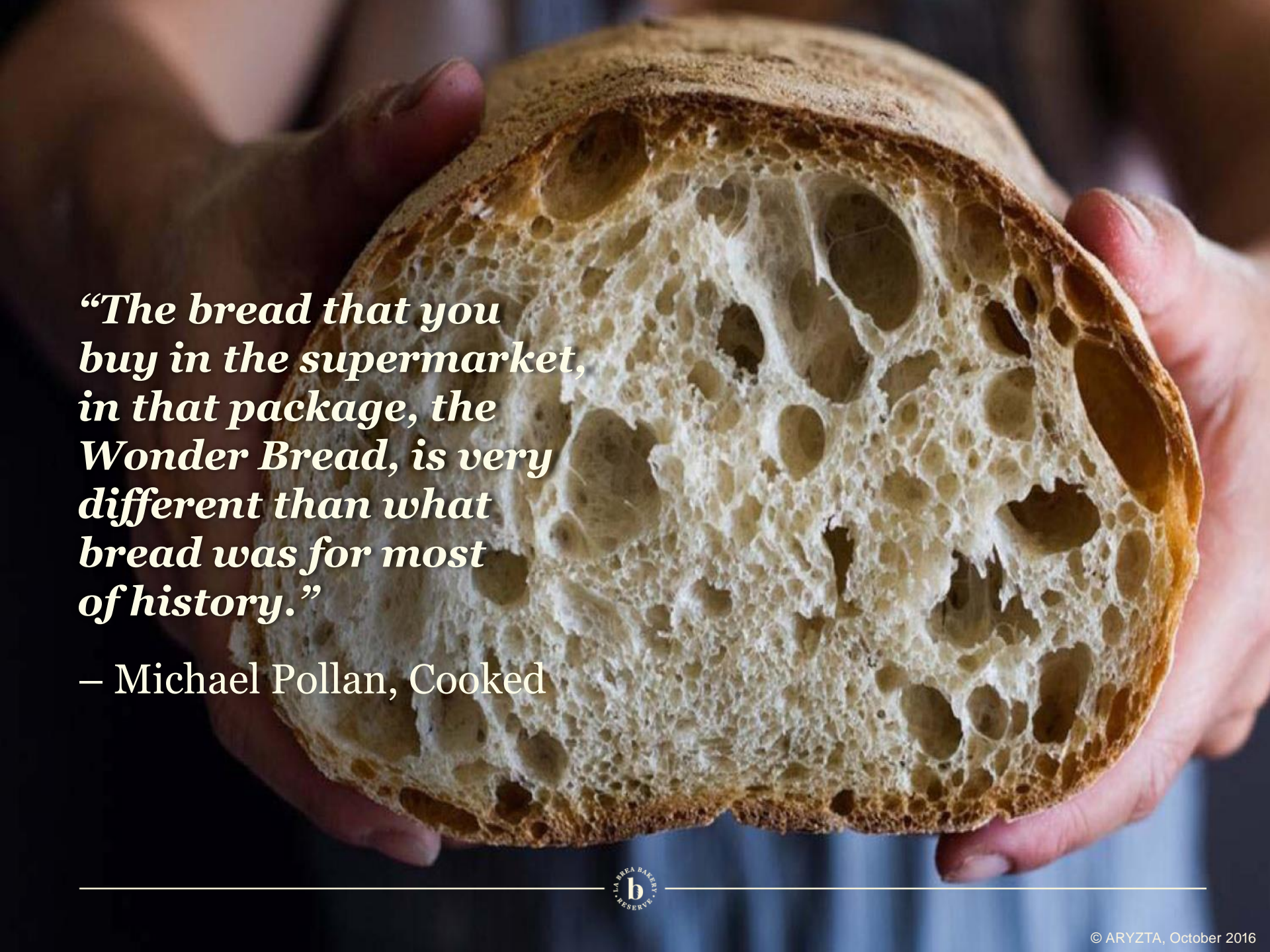


# ACV GROWTH GOALS



Note: All commodity volume





*“The bread that you buy in the supermarket, in that package, the Wonder Bread, is very different than what bread was for most of history.”*

– Michael Pollan, *Cooked*



*“Before the advent of industrial agriculture, Americans enjoyed a wide range of regional flours milled from equally diverse wheats, which in turn could be used to make breads that were astonishingly flavorful and nutritious. For nearly a century, however, America has grown wheat tailored to an industrial system ...”*





LA BREA BAKERY  
RESERVE™

*We are proud to be the first national farm to table bread in North America. Artisan Breads made from single origin heritage grains. La Brea Bakery Reserve embraces the beauty and dignity of farming and the true taste of real food.*

# OUR BELIEFS IN PRACTICE

*From the farm to your table,  
La Brea Bakery Reserve strives  
to bring well-crafted, nutritious  
and flavorful breads:*

- Single Origin
- Heritage Grains
- Our Starter
- Patient Process
- Responsible Farming



# LA BREA BAKERY RESERVE: *Vintage 2016*



Pain de  
Campagne

Struan

Fortuna  
Wheat







# Contents

## 1 ARYZTA AG – Strategy & Overview

Owen Killian

## 2 Focus on ARYZTA North America

Our Business

John Yamin

Our Sustainable Growth Model

Ronan Minahan

Our Market

Tyson Yu

Our Customer Promise

Andrew Brimacombe | Tracie Sheehan  
Scott Fitzgerald | Kristina Dermody

Summary

John Yamin

## 3 ARYZTA AG – Financials

Patrick McEniff

A rustic still life composition. In the foreground, a large, round loaf of bread with a dark, cracked crust sits on a wooden surface. To its left, a wooden frame holds a honeycomb, showing the intricate hexagonal cells. In the upper left, a small metal bowl contains a golden liquid, likely honey, with a silver spoon resting on its rim. In the upper right, several green succulent plants with small pink flowers are visible. The overall scene is warm and natural, with soft lighting and a focus on textures.

# Summary

# Contents

**1** ARYZTA AG – Strategy & Overview Owen Killian

**2** Focus on ARYZTA North America

Our Business John Yamin

Our Sustainable Growth Model Ronan Minahan

Our Market Tyson Yu

Our Customer Promise Andrew Brimacombe | Tracie Sheehan  
Scott Fitzgerald | Kristina Dermody

Summary John Yamin

**3** ARYZTA AG – Financials Patrick McEniff

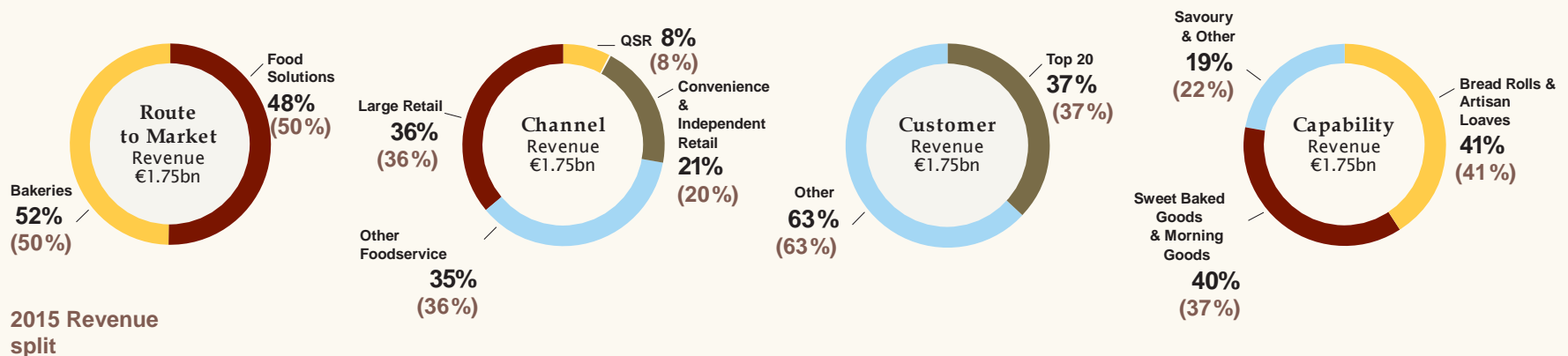
# ARYZTA Europe

Year ended 31 July 2016



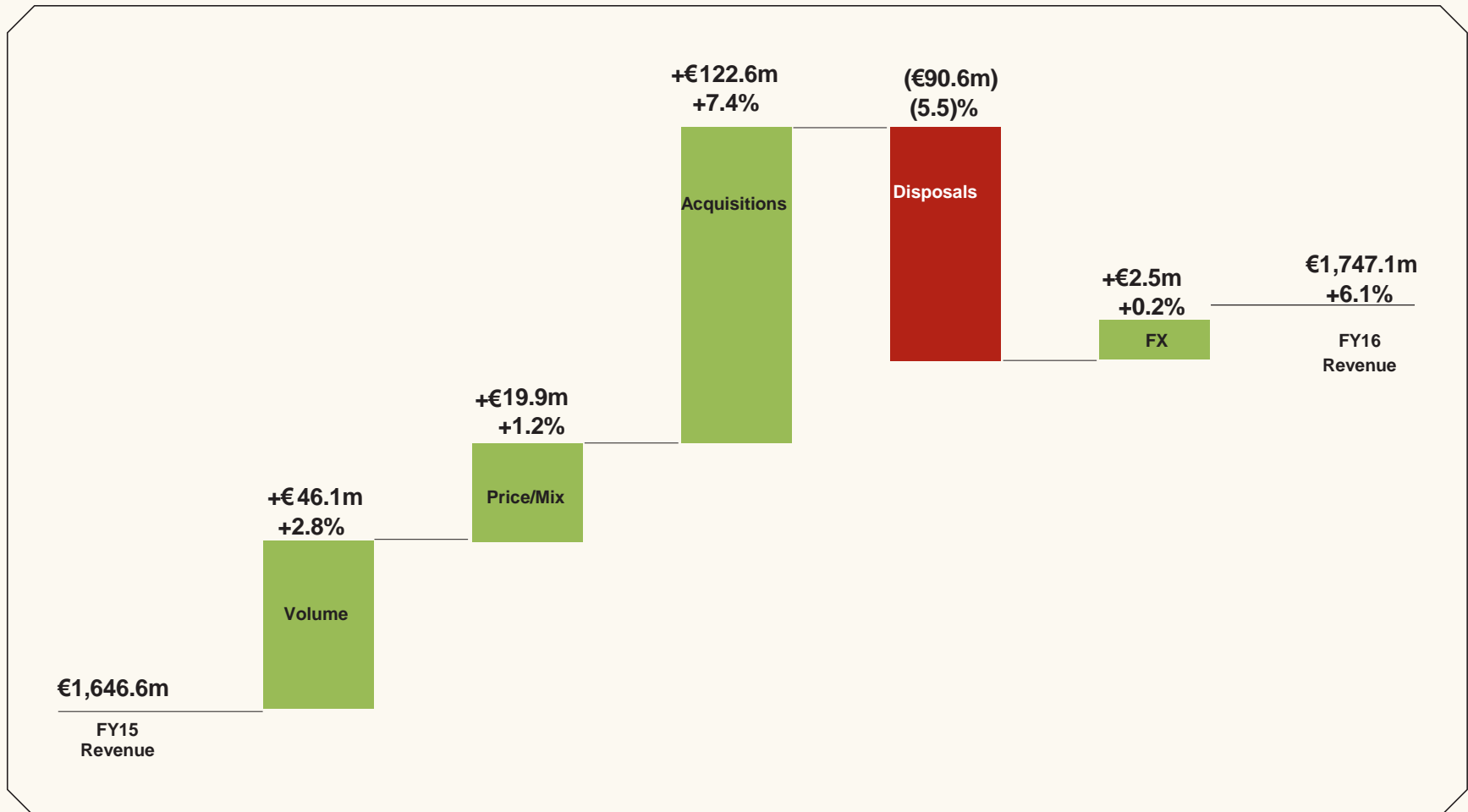
## ARYZTA Europe 2016 Financial Highlights

Revenue	↑	6.1%
Underlying revenue	↑	4.0%
Acquisitions, net	↑	1.9%
Currency	↑	0.2%
EBITA	↑	1.8%
EBITA margin	↓	(50) bps



### 2015 Revenue split

# ARYZTA Europe Revenue Analysis



## New Bakery Investment Will Drive Future Efficiency

- Completed new €150m bakery investment with 5 lines at existing campus
- Closed older, less efficient facility employing 500 people
- Transferred almost €80m revenue into existing facilities incl. new bakery
- Significant disruption from commissioning of 225 SKU into existing capacity
- New bakery still has capacity for further €80-100m revenue growth

## Though NPD was Affected, Recovery is Expected in Q2 FY 2017

- NPD was impacted in H2 FY 16 from this consolidation
- NPD recovery expected to drive revenue growth starting in Q2 FY17

## Channels

- Discounters are still growth driver for in-store bake off across region
- Some discounters partially insourcing to partially meet own demand
- Efficient manufacturing is key to partnering with big retailers & discounters

## New Product Developments

- Successful start of organic consumer packed specialty bread for retail

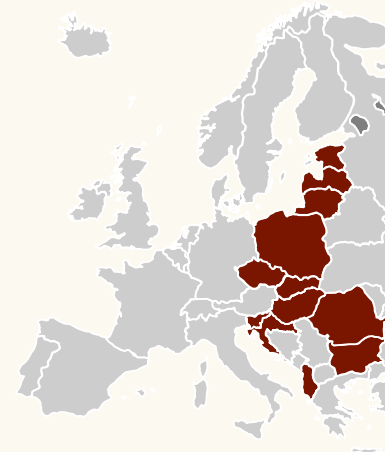


## Update on Acquisitions

- Acquisition of Fornetti performing well
- Hungary based with franchisee model across CEE
- Synergy with ARYZTA operations in CEE

## New Channels

- Developing business with modern retail and discounters ISB
- Leveraging local consumer insights
- Established business aligned with ARYZTA values and strategy



## Well Established Innovation Led Business

- Well established Coup de pates business in France
- Innovation led revenue generation model
- 30% of revenue Paris weighted

## Impacted by Recent Events However Recovering

- Adversely impacted by series of terrorist attacks
- Tourists numbers visiting Paris negatively impacted
- Recovery period expected to shorten as consumers adjust to new security risk norm





# ARYZTA Europe - Switzerland

## Well Flagged Contract Renewals

- Well flagged contract renewal volume loss of frozen bread commences in FY17
- Renewal losses triggered by significant insourcing investment by customer in fresh bread manufacturing and logistics
- Originally a Joint Venture investment with this customer in dedicated assets from 2001
- €50m Revenue expected to transfer in FY17 and €30m in FY18

## However Opens New Opportunities

- ARYZTA remains a key supplier of higher value viennoiserie
- Opens new opportunity and challenge to sell this capacity to new customers as ARYZTA will own 100% of the Swiss bakery assets



# ARYZTA Europe - UK & Ireland

## Economic Recovery

- Economic recovery assisting strong performance in both regions
- Consumers spending again

## Update on Acquisitions

- Acquisition of La Rousse, focused on premium restaurant sector, performing well

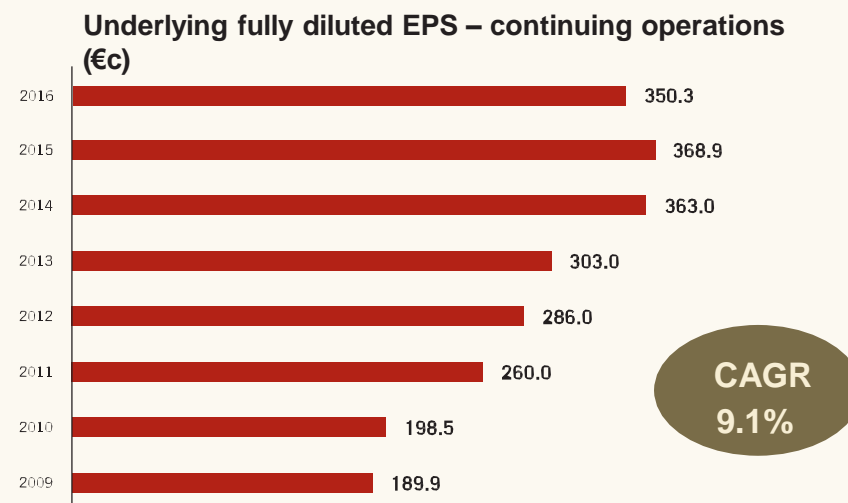
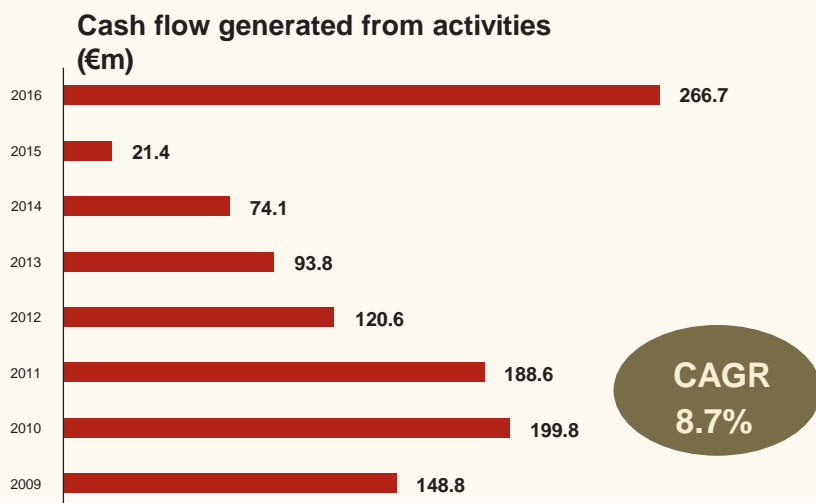
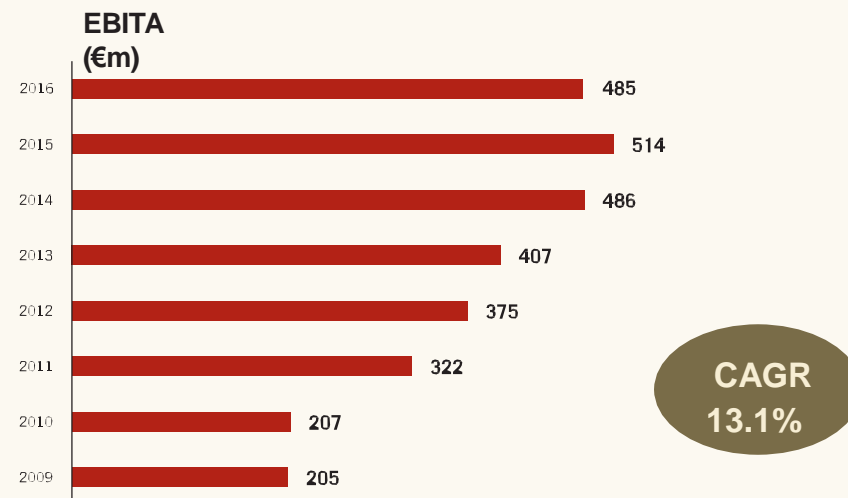
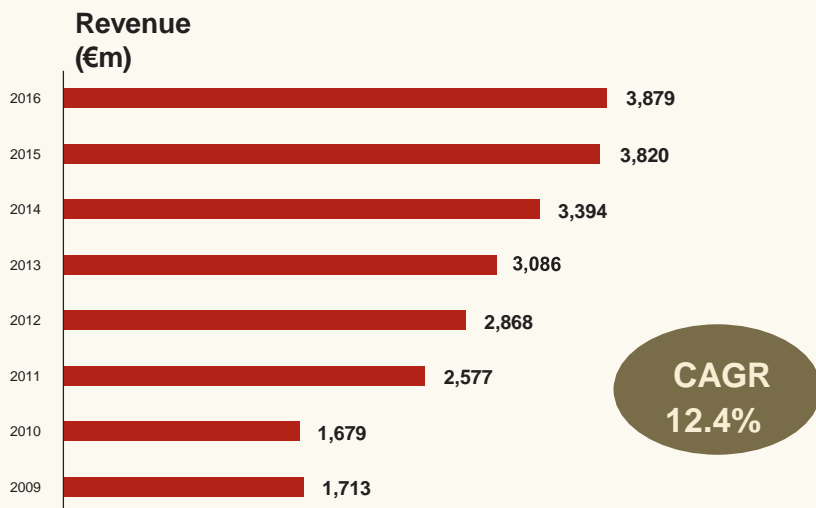
## FX Volatility Triggered by Brexit Require Price Increases

- Brexit and FX volatility a key issue
- Require price increases to recover FX impact
- Current supply approximately €50m from Ireland
- Supply €50m into UK sourced from third party continental suppliers
- Limited frozen speciality manufacturing capacity in UK supportive of pricing strategy



# ARYZTA Group - Continuing Operations

## FY 2009 - FY 2016



# EBITA Margin Movements

Year ended 31 July 2016



in EUR '000	July 2016	Margin	July 2015	Margin	bps
Revenue	3,878,871		3,820,231		
Cost of sales	(2,621,744)	(67.6)%	(2,579,789)	(67.5)%	(10)bps
Distribution expenses	(410,427)	(10.6)%	(399,952)	(10.5)%	(10)bps
<b>Total Group Gross profit</b>	<b>846,700</b>	<b>21.8%</b>	<b>840,490</b>	<b>22.0%</b>	<b>(20)bps</b>
Selling expenses	(183,616)	(4.7)%	(162,101)	(4.2)%	(50)bps
Administration expenses	(178,217)	(4.6)%	(164,424)	(4.3)%	(30)bps
<b>Total Group EBITA</b>	<b>484,867</b>	<b>12.5%</b>	<b>513,965</b>	<b>13.5%</b>	<b>(100)bps</b>

- Half of the Group margin decline relates to increased investment in brand marketing
- Remaining margin declines primarily relate to negative operating leverage from contract volume declines
- Nominal value increases in selling and administration expenses also driven by acquired businesses

# Return on Invested Capital

## Year ended 31 July 2016



in EUR million	Europe	North America	Rest of World	Total Group
<b>2016</b>				
Group share net assets	1,903	2,488	198	<b>4,589</b>
EBITA	215	243	26	<b>484</b>
ROIC <sup>1</sup>	11.3%	9.8%	13.0%	<b>10.5%</b>
<b>2015</b>				
Group share net assets	1,963	2,602	204	<b>4,769</b>
EBITA	220	275	27	<b>522</b>
ROIC <sup>1</sup>	11.2%	10.6%	13.2%	<b>10.9%</b>

Analysis of movement

	Europe	North America	Rest of World	Total Group
Underlying profit impact	(30) bps	(140) bps	70 bps	<b>(80) bps</b>
Change in net assets	20 bps	40 bps	50 bps	<b>30 bps</b>
FX	20 bps	20 bps	(140) bps	<b>10 bps</b>
	10 bps	(80) bps	(20) bps	<b>(40) bps</b>

- 1 ROIC is calculated on a consistent basis year over year using a pro-forma trailing twelve months segmental EBITA ('TTM EBITA') reflecting the full twelve month contribution from acquisitions and full twelve month deductions from disposals, divided by the respective Segmental Net Assets as of the end of each respective period. See glossary on slide 55 for further definitions of financial terms and references used.
- 2 The Group WACC on a pre-tax basis is currently 8.0% (2015: 7.4%).

# Customer Contract Renewals Impact

In EUR million	2016	2017	2018
Europe	–	(50)	(30)
North America	(90)	(40)	–
<b>Total contract renewals revenue impact</b>	<b>(90)</b>	<b>(90)</b>	<b>(30)</b>

- Long-term contract renewals refers to three customers whose contract renewals coincided. Two of these contracts originated as joint venture or associate investments.

# ARYZTA Group - Quarterly Underlying Revenue



	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016
<b>Europe</b>					
Volume (%)	2.1%	2.7%	3.3%	3.1%	2.8%
Price/Mix	3.4%	1.1%	0.6%	(0.1)%	1.2%
<b>Underlying growth %</b>	<b>5.5%</b>	<b>3.8%</b>	<b>3.9%</b>	<b>3.0%</b>	<b>4.0%</b>
<b>North America</b>					
Volume (%)	(9.4)%	(6.5)%	(4.2)%	(1.2)%	(5.3)%
Price/Mix	3.8%	4.1%	1.9%	(0.9)%	2.2%
<b>Underlying growth %</b>	<b>(5.6)%</b>	<b>(2.4)%</b>	<b>(2.3)%</b>	<b>(2.1)%</b>	<b>(3.1)%</b>
<b>Underlying growth excluding contract renewals %</b>	<b>(1.2)%</b>	<b>2.6%</b>	<b>4.7%</b>	<b>2.9%</b>	<b>2.2%</b>
<b>Rest of World</b>					
Volume (%)	(3.7)%	(0.8)%	3.7%	0.1%	(0.2)%
Price/Mix	5.9%	6.5%	3.8%	9.3%	6.4%
<b>Underlying growth %</b>	<b>2.2%</b>	<b>5.7%</b>	<b>7.5%</b>	<b>9.4%</b>	<b>6.2%</b>
<b>Total Group</b>					
Volume (%)	(4.0)%	(2.1)%	(0.3)%	0.8%	(1.5)%
Price/Mix	3.6%	2.9%	1.2%	0.0%	2.0%
<b>Underlying growth %</b>	<b>(0.4)%</b>	<b>0.8%</b>	<b>0.9%</b>	<b>0.8%</b>	<b>0.5%</b>
<b>Underlying growth excluding contract renewals %</b>	<b>2.4%</b>	<b>3.4%</b>	<b>4.4%</b>	<b>3.4%</b>	<b>3.4%</b>

# FY 2017 Financial Metrics

Current Estimates<sup>1</sup>



## Underlying income statement

Underlying revenue growth	1 – 2%
EBITA margin	11.5% – 12.5%
Joint Ventures (70% H1 weighted)	€18 – 25m
Finance costs, including hybrid financing	€80 – 105m
Effective tax rate	16% – 19%

## Reconciliation of underlying net profit to IFRS reported net profit

Amortisation	€165 – 175m
Private Placement early redemption and associated costs	€180m
Cash and non-cash non-recurring expenses	€0 – €25m

## Cash generation

Amortisation	€165 – 175m
Depreciation	€130 – 145m
Maintenance and investment capex	€135 – 155m
Non-recurring cash outflow	€30 – 50m
Free cash generation, excluding early redemption costs	€225 – 275m

## Net debt

15% underlying EPS dividend pay-out	€47m
Private Placement early redemption and associated costs	€180m

<sup>1</sup> Metrics as provided in September 2016, not yet reflecting impacts of foreign exchange movements since that time.



# FY17 Actions for Success

**Positive  
Operating  
Leverage  
from**

**Europe**

- Optimise new German bakery capacity
- Expand Swiss customer base to absorb spare capacity following contract renewal losses
- Successful pricing recovery strategies to deal with FX volatility
- Positive innovation-led revenue development

**North  
America**

- Sustained conversion of NPD pipeline into revenue
- ARYZTA Brand investment and rollout to continue
- Successful recovery of inflationary pressures especially labour

**Cost Efficiency**

- Zero cost based budgeting

# Unlocking Capacity – Opportunity

- Revenue: + 25%
- EBITDA: + 40%
- EBITDA Margin: 17%
- ROIC: 15%
- To unlock this capacity
  - ✓ ARYZTA sustaining predictable free cash generation in the range of c€225-275m
  - ✓ To grow underlying revenue from 3.4% in 2016 to 5.4% post contract renewals
  - ✓ To fully unlock the recently invested growth capacity in Germany
  - ✓ To resell the revenue lost from contract renewals in Switzerland and North America
  - ✓ To successfully generate new incremental branded sales with an annual run rate of €150-200m
  - ✓ To continue to grow the now stabilised business of Food Solutions in Europe and RoW
  - ✓ To improve ROIC to by c80-100bp per annum to 14 %-15%