

# ARYZTA AG

## News Release

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Schlieren/Switzerland, 24 March 2020 - COVID-19 Update

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### COVID-19 Impact

Q3 trading patterns have been in line with guidance up until 15 March. However, market conditions and prospects have deteriorated. It is now clear that COVID-19 will have a material impact on Group performance in FY20. We cannot reasonably gauge what consequences will result from the situation as neither the duration nor the depth of this issue can be fully assessed at this point in time.

### Health & Safety

The key priority of the ARYZTA Board and Executive Management is to ensure the health and wellbeing of our colleagues, customers and suppliers during this challenging period. We are continuously monitoring the situation with our key stakeholders and are actively assessing the consequences of recent government responses to COVID-19 within the different channels.

Our focus is to ensure the highest quality and product safety standards across all bakeries in full compliance with reinforced COVID-19 protocols.

### Business continuity

ARYZTA has full business continuity plans in place and active where necessary to maintain service levels and to meet our customers' expectations. ARYZTA's Board and management, together with all of its employees, are committed to playing our part as an essential industry providing food at this difficult time. Actions are progressing to implement flexible working policies and, where necessary, to adjust available capacity to the rapidly changing demand of the different channels.

In **Europe**<sup>1</sup>, QSR (10% of European revenue) and Foodservice have been strongly impacted by the significantly reduced footfall following government related restrictions. Retail is performing well with a small uplift coming from this channel.

In **North America**<sup>1</sup> a similar pattern is now visible in the major states; with QSR and Foodservice affected by COVID-19 related restrictions, partially offset by drive-through service offerings or home delivery, which many restaurants and QSRs provide. Retail sales are still robust and reorders are coming through the supply chain.

In **Rest of World**<sup>1</sup> the Food Service channel, particularly in South East Asia is being strongly impacted, while the QSR segment in Brazil and the Pacific region is challenging due to the reduced footfall resulting from government related restrictions.

### Cash/Cost Management

ARYZTA is taking decisive action to maximise cash, reduce costs and maintain a strong liquidity position:

- Significantly reduced capital spend – all future capital projects suspended.
- Delivery of further operating cost reduction & efficiency.
- Actively reducing capacity to meet demand.
- Eliminated all discretionary costs.
- Reducing labour costs.
- Actively reducing hours / workforce in the most impacted countries.



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1. Please refer to ARYZTA revenue split on page 2

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- Accelerated consolidation and optimisation of manufacturing capacity.
- Two smaller plants closed in Europe and ongoing evaluation of further shuttering of plants and lines.
- Project Renew remains in full action but future programmes postponed where further cash would be required.
- Avail of all relief and incentive programmes, including labour compensation initiatives.

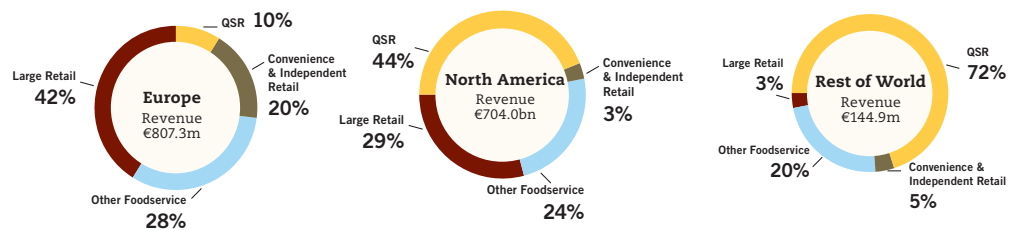
### Liquidity & Balance Sheet

ARYZTA has no material debt maturities over the coming 18-month period (€17m due March 2021) and currently holds liquidity in excess of €360m, reflecting seasonal patterns, comprising cash of €310m and undrawn credit facilities.

The Group's hybrids (Perpetual Callable Subordinated Instruments) have no contractual maturity date and are treated as equity under IFRS rules. As previously guided, the Group has elected to defer dividend payments for the upcoming maturities in March and April and not to exercise its call option on any of the instruments in order to guarantee full financial flexibility.

ARYZTA had ample covenant headroom of more than 1.5x on its Net Debt/EBITDA covenant as of 31 January and reported operating free cash flow of €55.7m.

### H1 2020 ARYZTA Revenue Split



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## About ARYZTA

ARYZTA AG ('ARYZTA') is a global food business with a leadership position in speciality bakery. ARYZTA is based in Schlieren, Switzerland, with operations in North America, South America, Europe, Asia, Australia and New Zealand.

ARYZTA has a primary listing on the SIX Swiss Exchange and a secondary listing on the Euronext Dublin (ISE) (SIX: ARYN, ISE: YZA).

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## Forward looking statement

This document contains forward looking statements which reflect the Board of Directors' 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, the effects of a pandemic or epidemic or a natural disaster, and regulatory developments. You are cautioned not to place undue reliance on any forward-looking statements. These forward-looking statements are made as of the date of this document. The Company expressly disclaims any obligation or undertaking to publicly update or revise any forward-looking statements other than as required by applicable laws.