



Capital Markets Day

8 June 2022

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, or war 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 law.



Agenda

Urs Jordi

- The market dynamics and ARYZTA's position
- ARYZTA's ambitions & goals 2023f – 2025f
- ARYZTA's strategy 2023f – 2025f

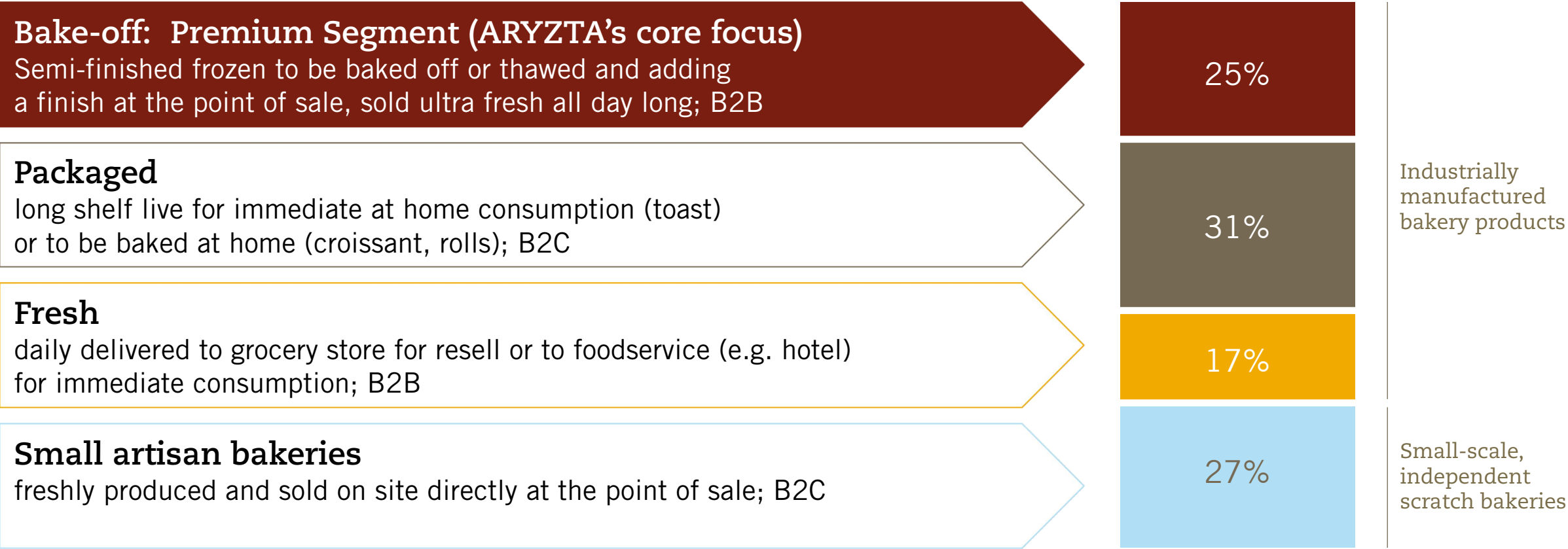
Martin Huber

- Growth Drivers and Capital Allocation
- Margin Improvement
- Capital Efficiency
- Cash Flow and Capital Structure

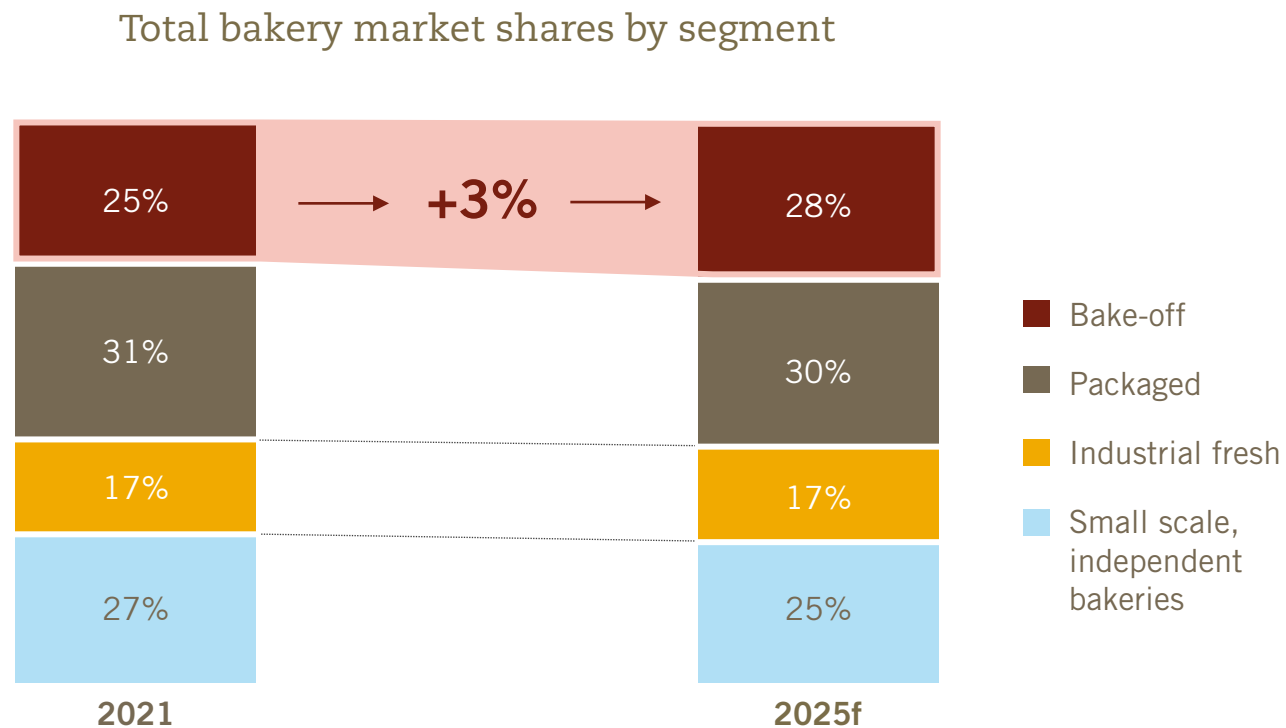
Capital Markets Day

*Market dynamics
and ARYZTA's position*

Bake-off market: Core Focus for ARYZTA



Bake-off to become largest bakery segment



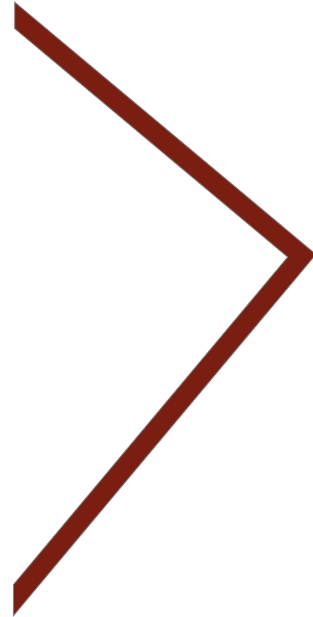
Source: Gira/ARYZTA definition, only European market share with ARYZTA presence shown

- Bake-off is expected to grow **2-3% annually**
- Bake-off is expected to increase share to c. **28%**
- Total bakery market growth **c. 1% annually**

Bake-off market growth

Bake off growth driven by consumer trends:

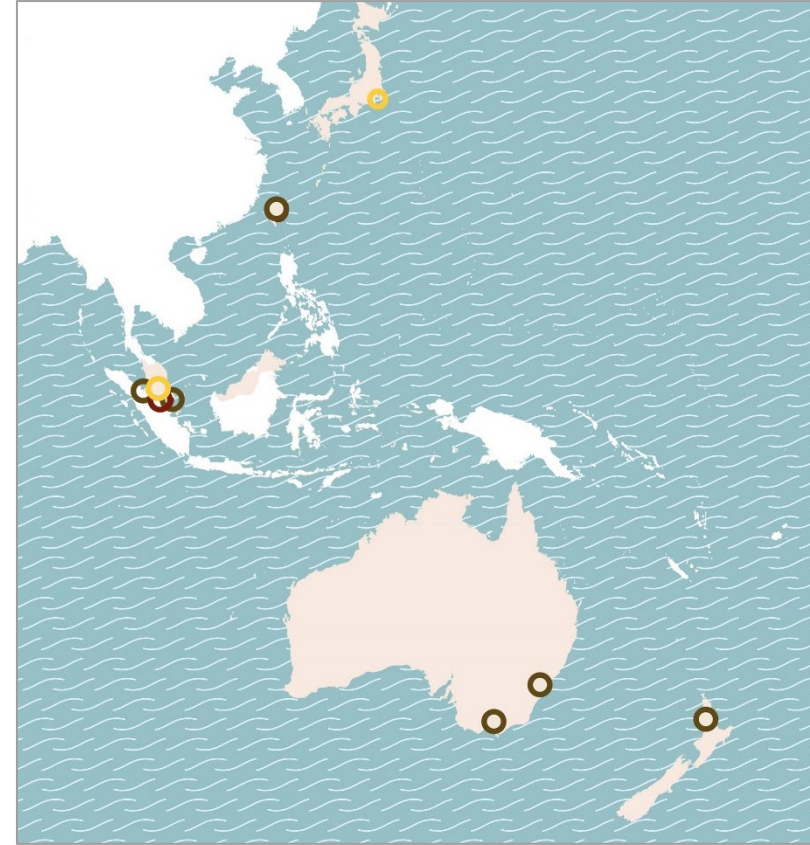
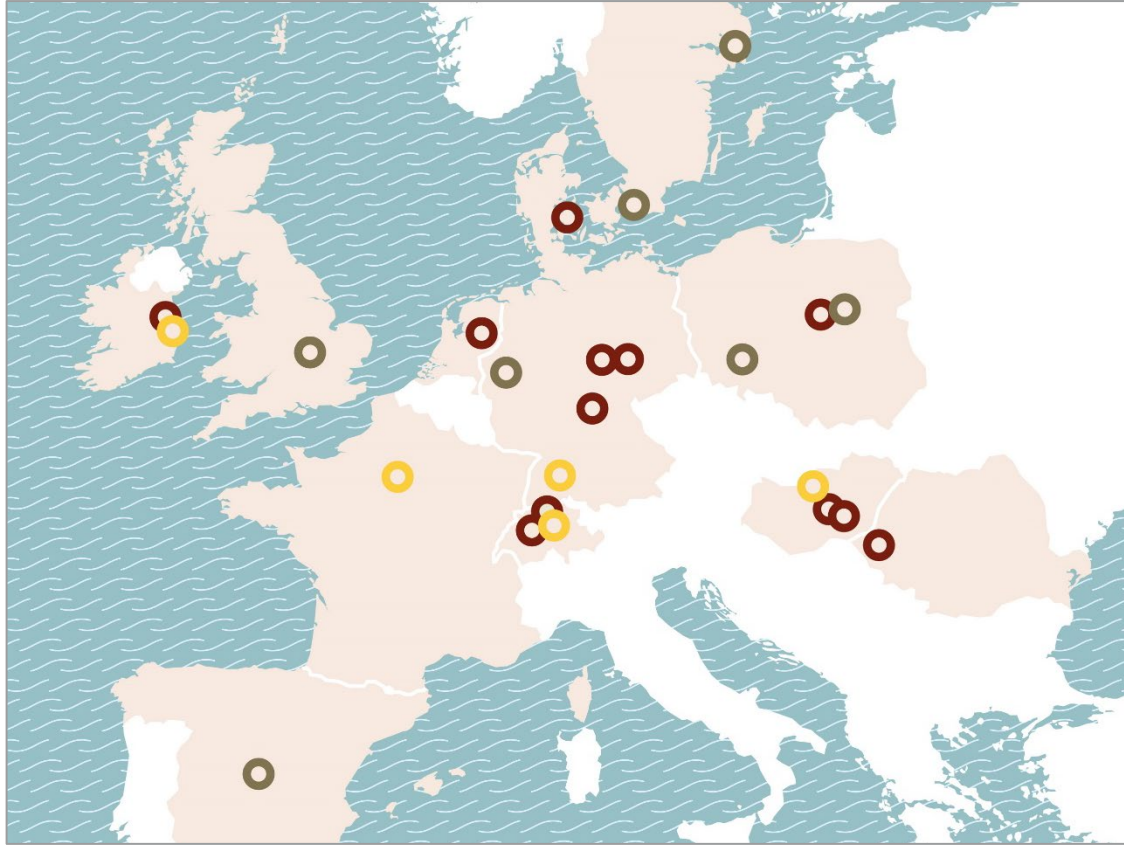
- Freshness
- Availability
- Superior quality
- Innovation



Result:

- Bake-off drives footfall in retail and food service
- Bake off penetration continues to grow in grocery and food service

Manufacturing and commercial footprint



7
Food Solutions

13
Bakeries

13
QSR

27
Countries

ARYZTA exploiting its full growth potential

Channel focus

Customer/ Product Base

Business model

ARYZTA Food Solutions



- Foodservice
- Convenience
- Grocery independent
- Bakeries independent

- Large number of products and customers
- Bought-in finished goods from external and ARYZTA bakeries

- Service and distribution model
- **Direct Store delivery**
- Number of sales organisations; 7

ARYZTA Bakery

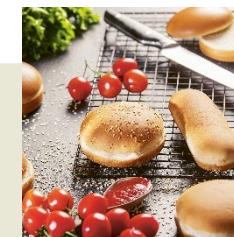


- Large Grocery
- Wholesale

- Few and large customers
- Customized SKUs
- Produced by our bakeries

- Production and logistics model
- **Central warehouse delivery**
- Number of bakeries: 13

ARYZTA QSR



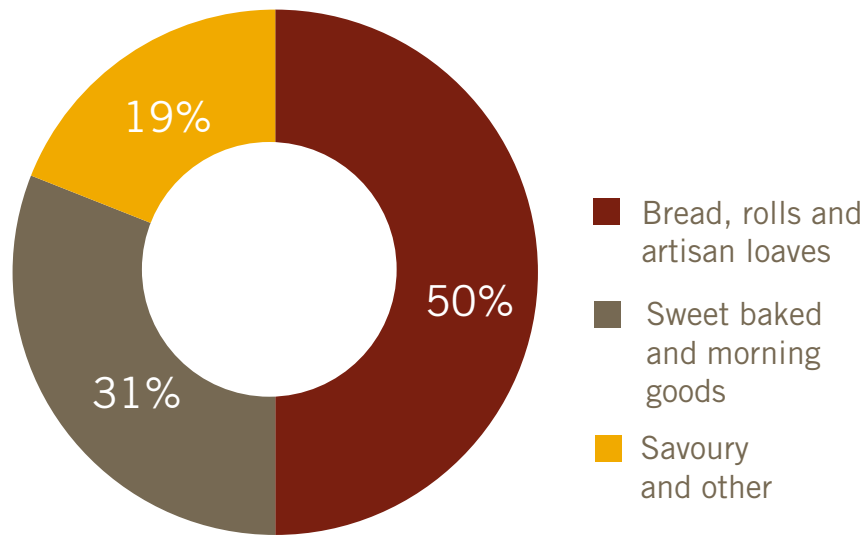
- QSR

- Global and regional QSR chains dedicated products
- Produced by our bakeries

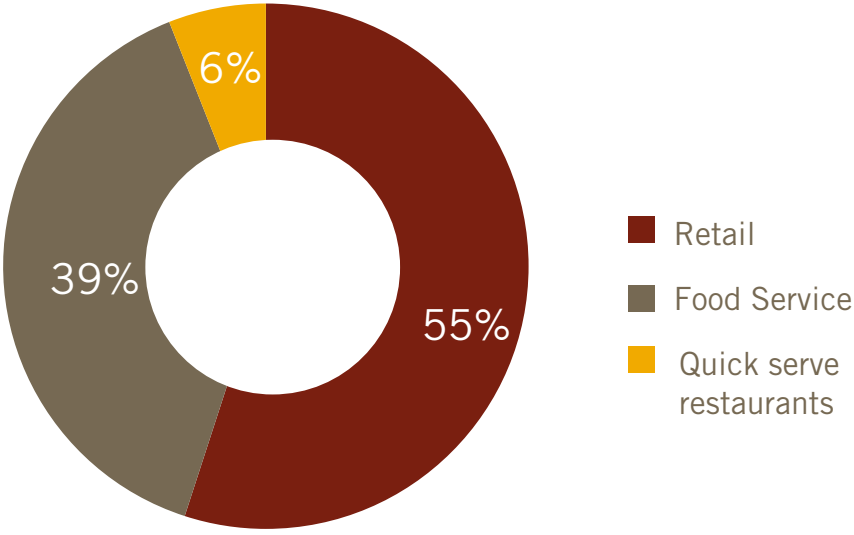
- Integrated production model
- **Pick up from factory**
- Number of bakeries: 13

€18bn¹ addressable market

Market by product category



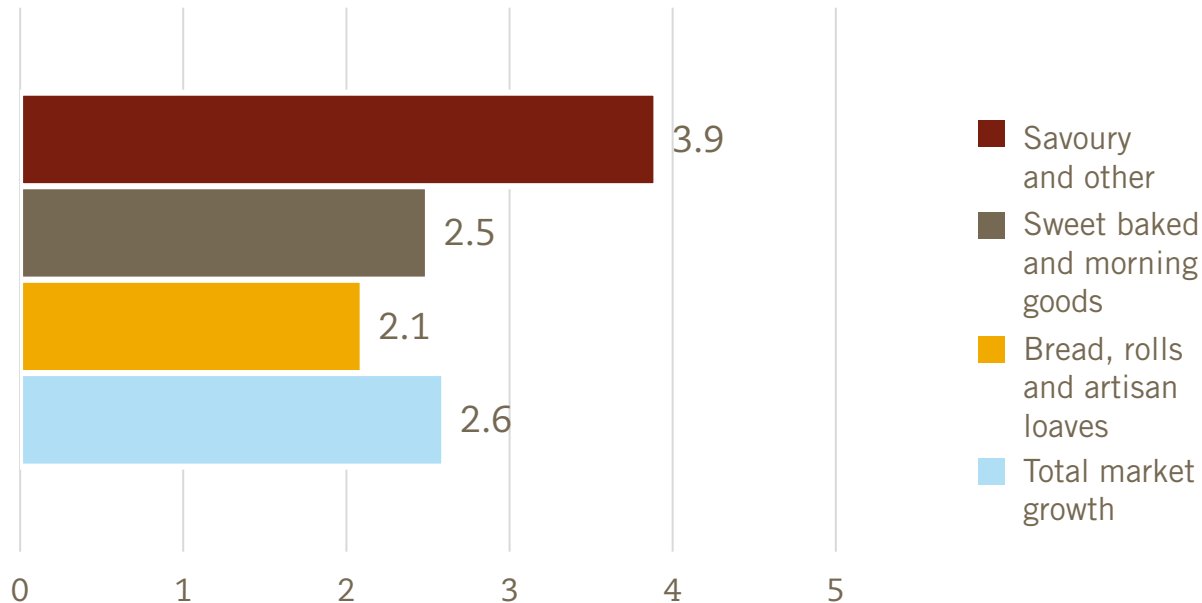
Market by channel



Source: Gira/ARYZTA Intelligence, market size shown only for markets with ARYZTA presence, ex factory prices¹

Excellent growth opportunities across all categories

Market growth by category 2023f–2025f (CAGR)

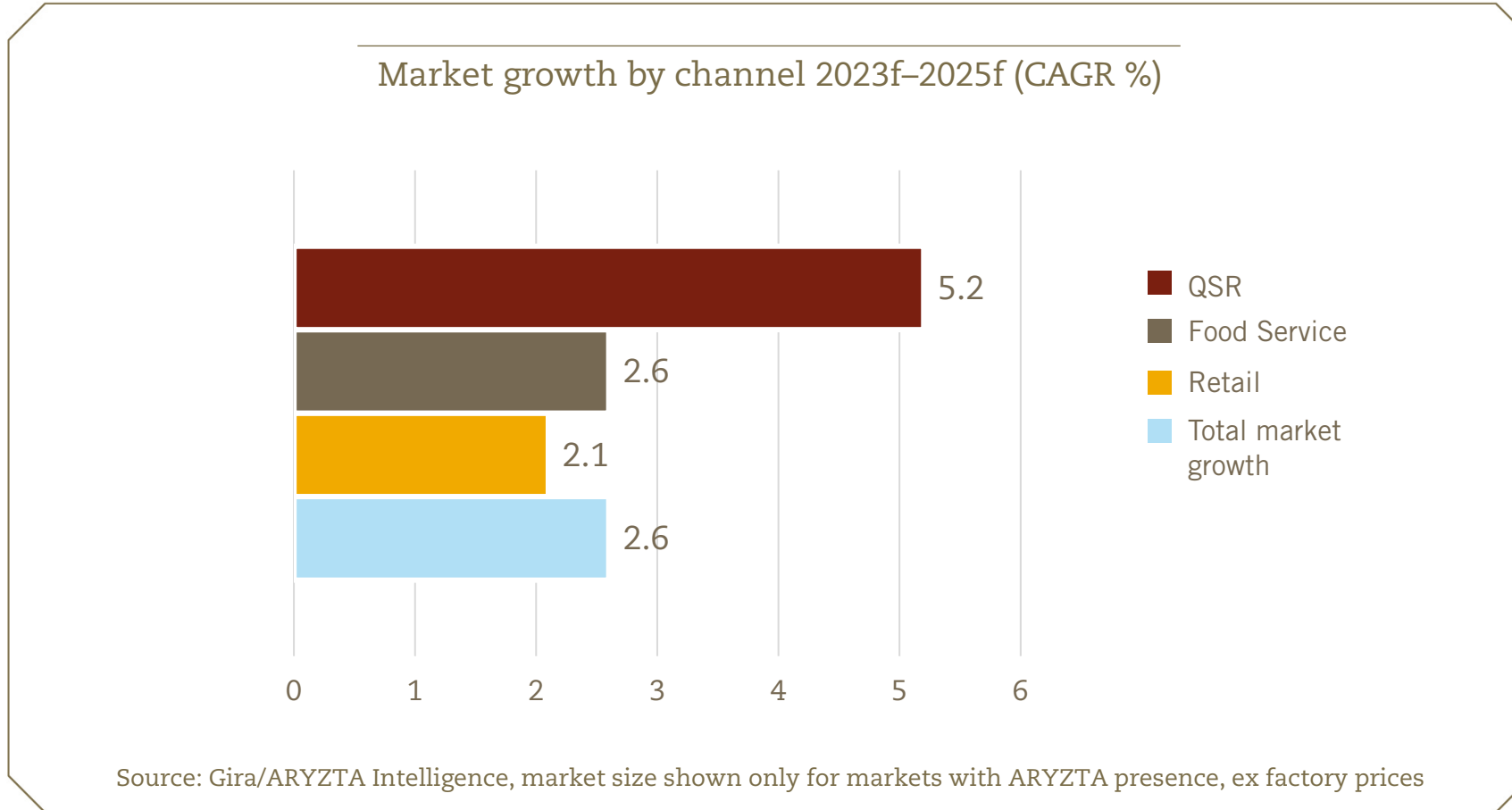


Source: Gira/ARYZTA Intelligence, market size shown only for markets with ARYZTA presence, ex factory prices

Product category growth driven by consumer trends:

- New taste & look: mainly savoury and pastry
- Artisan: mainly bread/rolls
- Health: mainly bread and roll
- Ethical, Vegetarian & Vegan: mainly savoury

Excellent growth opportunities across all channels

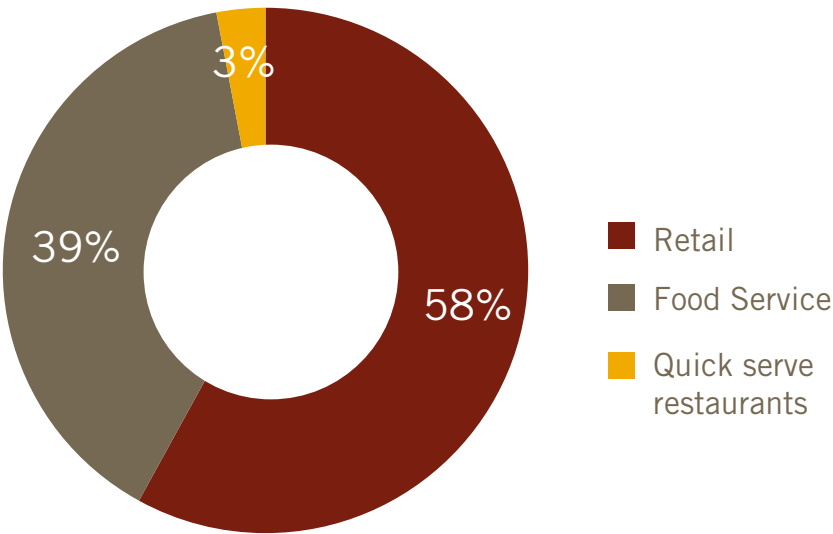


Market growth by channel
2023f–2025f (CAGR)

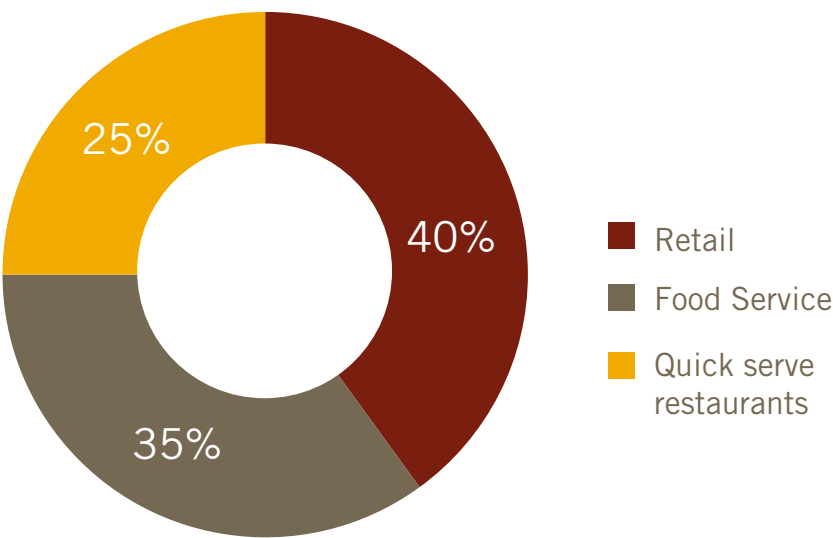
- QSR: driven by excellent product and service offering & staff availability
- Retail: Mainly driven by expanded bake-off offerings
- Food service; driven by bake off expansion and new post-covid momentum

Bake-off growing strongly across ARYZTA's markets

Europe Channel Share
Total €15.5bn: 2.5% CAGR



APAC Channel Share
Total €2.5bn; 3.5% CAGR

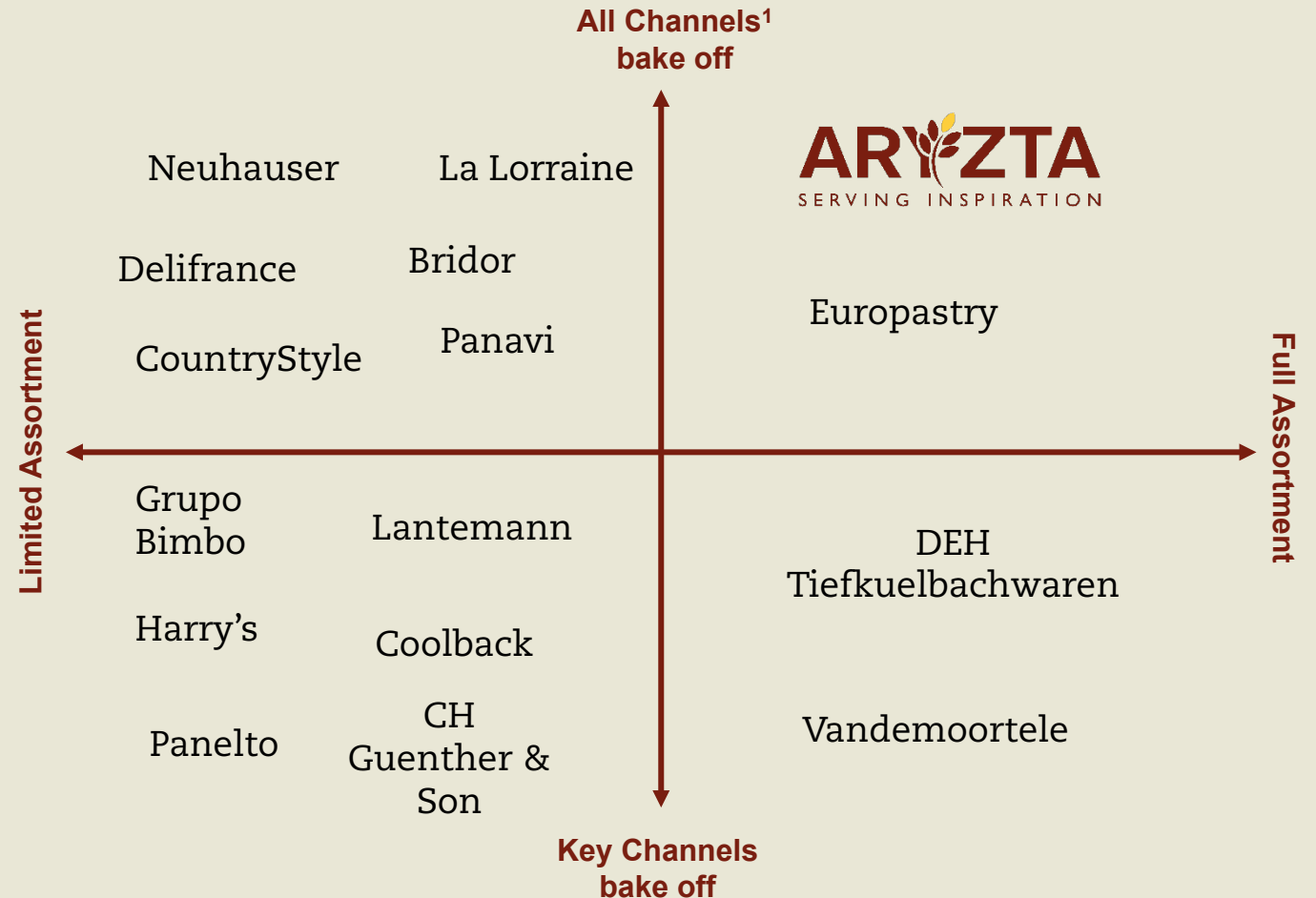


Source: Gira/ARYZTA Intelligence, market size shown only for markets with ARYZTA presence, ex-factory prices

Fragmented Competitor Landscape

ARYZTA:

- Well-placed manufacturing & commercial footprint
- Exclusive focus on bake-off
- Offers all core categories across all channels



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Ambitions and Goals

Ambition & Goals

Our ambition

*To become
the best partner
for bake-off
solutions across
all our channels
and markets*

Our value proposition

*To deliver the
gold standard
for bake-off*

Significant inflation challenges remain

- War and supply chain disruptions driving inflation across all inputs
- Little respite expected in the near term
- Price increases more frequent
- Food consumption - highly defensive consumer spending activity
- Carbohydrates competitive value advantage versus proteins and fats
- Packaged bakery losing share to bake-off - consumers value freshness, availability and innovation
- Bake-off market continued to grow in previous economic downturns
- ARYZTA mainly focused on economies with high consumer spending and robust social support systems

Mid-term targets FY 2023f - FY 2025f

Organic growth (CAGR)

4.5%–5.5%

(constant pricing FY22¹)

EBITDA Margin

≥14.5%

ROIC

≥11.0%

Revenue (EUR)

>2bn

(constant currency and pricing FY22)

CAPEX as % of revenue

3.5%–4.0%

Total net debt leverage
(incl. hybrids)

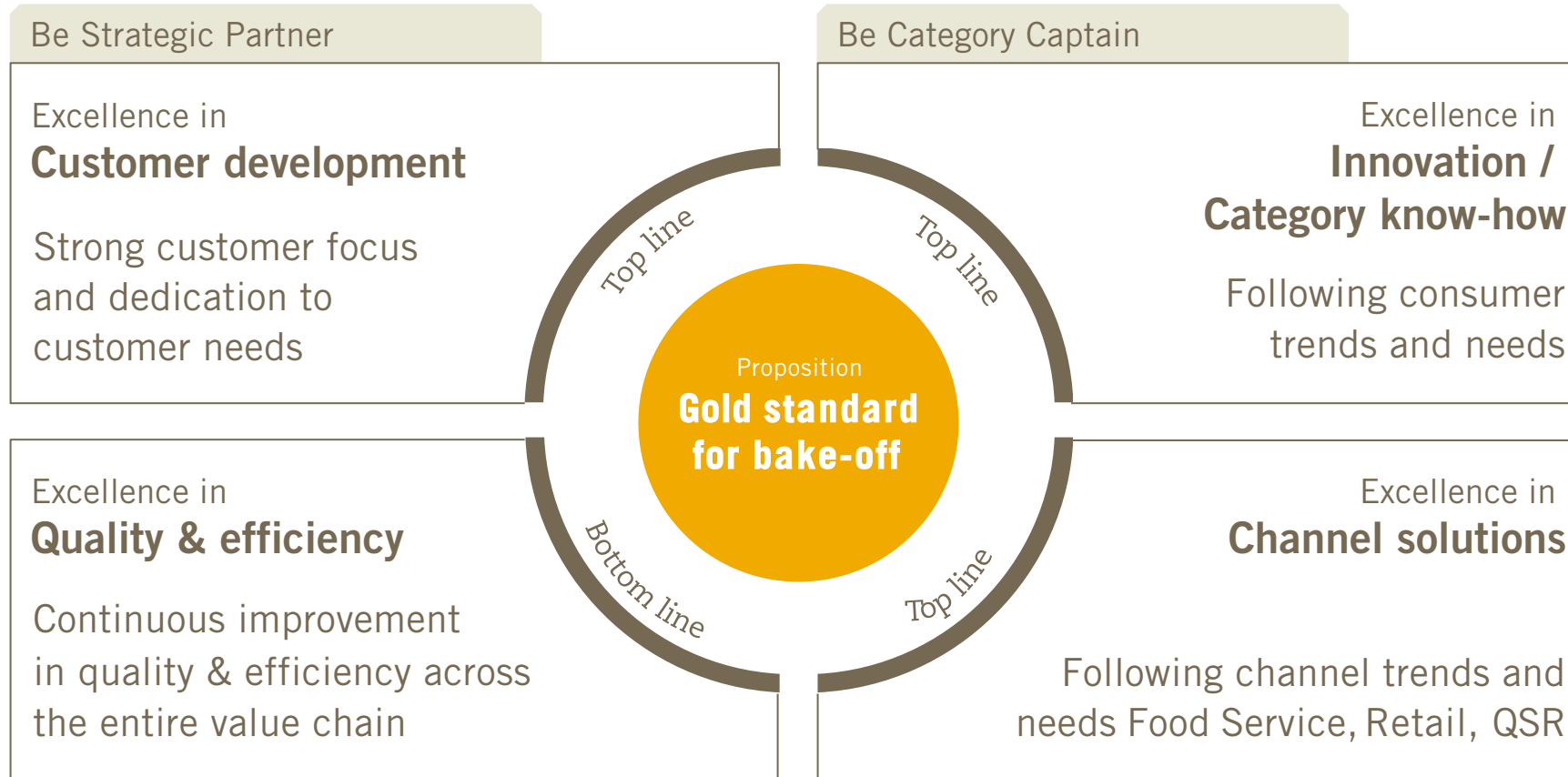
c.3x

(driven by operational results)

1 Excludes compensation of inflation by pricing

Capital Markets Day *Strategy 2023f – 2025f*

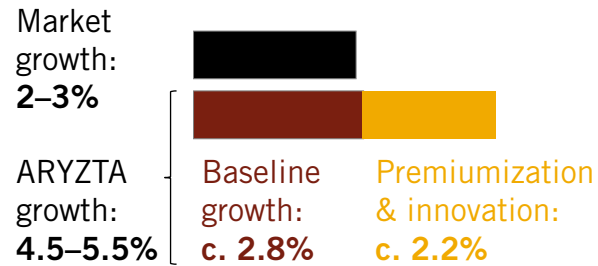
Four key value drivers for gold standard



*Our growth strategy
is driven by
baseline growth
and premiumization/
innovation*

ARYZTA's base line growth expected to be in line with market

Total market growth (all categories)



Focused on strategic partnerships

- Increase customer penetration with customized products
- Gain new customers in core channels
- Capacity expansion for Buns, pastry and savoury

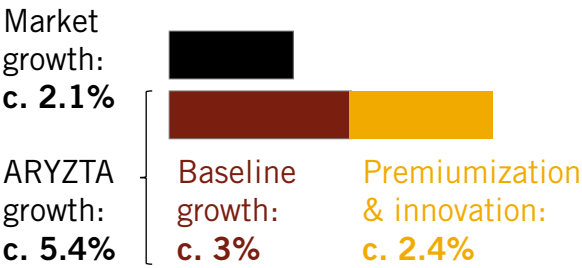
Underlying growth driver:

- Consumer trends driving bake-off growth:
- Consumer wants freshness and availability all day long
- Bake-off offers superior quality and innovation
- On-the-go consumption supports growth



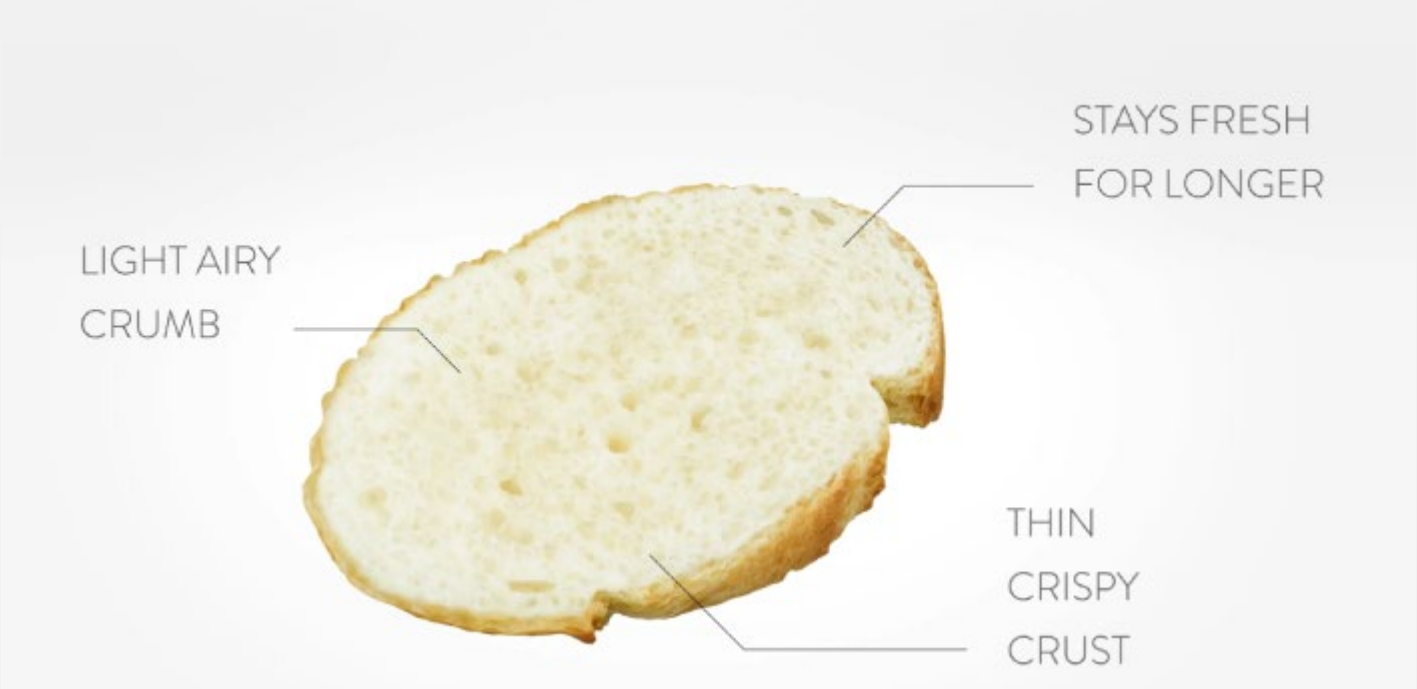
Premiumization / innovation in bread / rolls

Market growth bread and rolls



PREMIUMIZATION

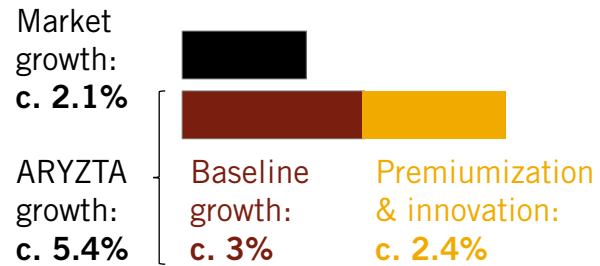
Baguette: moist,
crispier taste, stronger
flavor with longer
dough rest,
gentle kneading



STRATEGY 2023f – 2025f

Premiumization / innovation in bread / rolls

Market growth bread and rolls



PREMIUMIZATION

Buns: buttery creamy flavor, shiny dome look, crispy bite, stays hot longer with new recipe and process

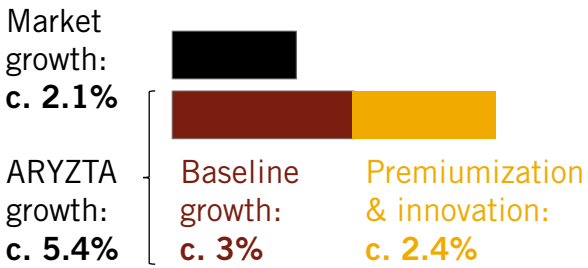


Excellence in
Innovation/
Category
know-how

STRATEGY 2023f – 2025f

Premiumization / innovation in bread / rolls

Market growth bread and rolls



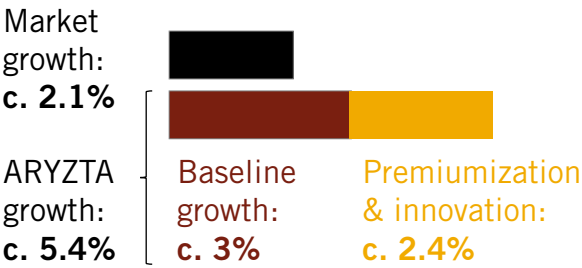
INNOVATION

White rolls:
*new artisanal look and
intense flavor, adding
raisins and seeds with a
gentle process in stone
oven*



Premiumization / innovation in bread / rolls

Market growth bread and rolls



INNOVATION

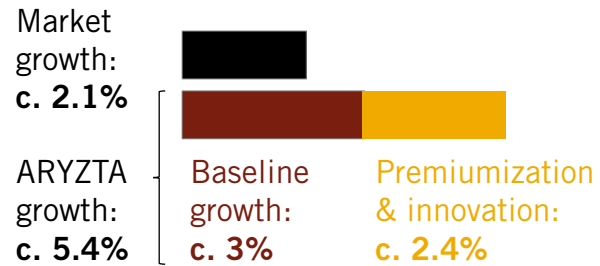
Baguette: New artisanal look and taste with stone-oven process, longer matured dough and hand-crafted finish



STRATEGY 2023f – 2025f

Premiumization / innovation in bread / rolls

Market growth bread and rolls



INNOVATION

New healthy bread loaves concept with active sourdough starter and fibre enhancing digestion and offering a slightly acid taste experience

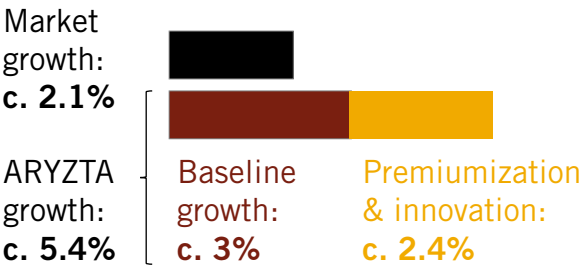
Excellence in
Innovation/
Category
know-how



STRATEGY 2023f – 2025f

Premiumization / innovation in bread / rolls

Market growth bread and rolls



INNOVATION

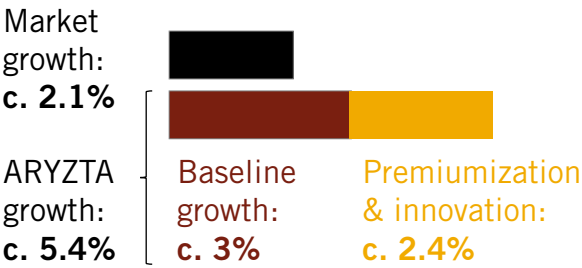
New loaves/rolls with hand-crafted look, roasted aroma, crispy crust and long freshness from longer matured dough



STRATEGY 2023f – 2025f

Premiumization / innovation in bread / rolls

Market growth bread and rolls



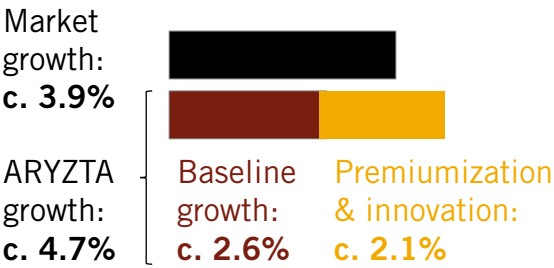
INNOVATION

New healthy bread
concept adding protein,
fibre and reducing
carbohydrate level with a
proprietary process



ARYZTA's
premiumization /
innovation in savoury

Market growth savoury & other



INNOVATION

New plant-based
snacking concepts
(vegetarian, vegan)

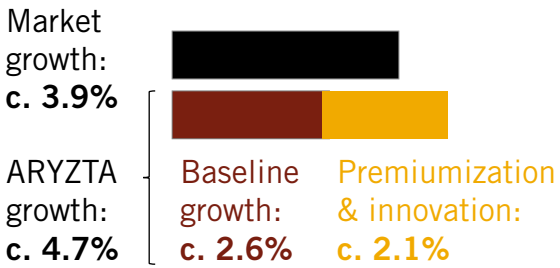


Excellence in
Innovation/
Category
know-how

STRATEGY 2023f – 2025f

ARYZTA's
premiumization /
innovation in savoury

Market growth savoury & other



INNOVATION

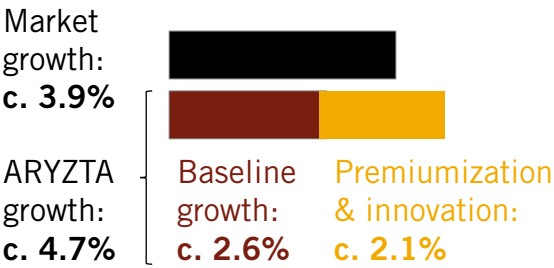
*New on-the-go snacking
concepts with new
fillings and shapes*



STRATEGY 2023f – 2025f

ARYZTA's premiumization / innovation in savoury

Market growth savoury & other



INNOVATION

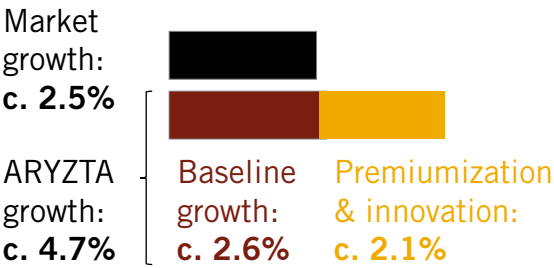
*New on-the-go snacking
concepts with new
fillings and shapes*



Excellence in
Innovation/
Category
know-how

ARYZTA's
premiumization /
innovation in morning
goods

Market growth morning goods



INNOVATION

*New look and taste
pastries with exciting
new fillings and flavors*



STRATEGY 2023f – 2025f

Margin Improvements through quality, efficiency and cost management

- Continuous Improvement Programs
- Simplifications measures
- Leveraging Procurement
- Streamlining of End to End (E2E) Processes



Excellence in
Quality &
efficiency

Summary: ARYZTA is creating value by offering the gold standard in bake-off

| From | To |
|---|---|
| A value destructive acquisition driven model | A value creating organic growth model |
| An ordinary bakery product supplier | A provider of the gold standard for bake off solutions |
| A mainly commodity product supplier | A category captain offering innovative, differentiated products |
| A “global” bakery | A multi-local European/APAC bake off partner |
| A multi channel/category supplier | A focused channel and category solution provider |
| A distracted and inefficient organization | A highly dedicated and well structured and focused organization |

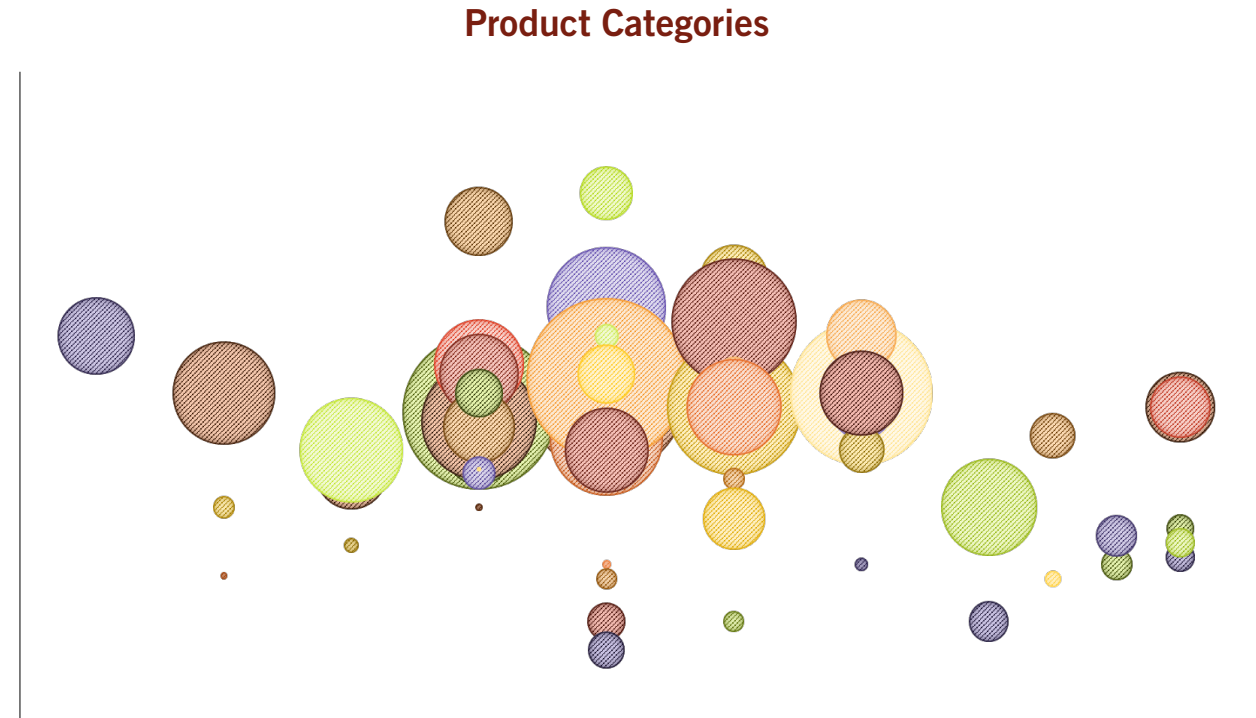
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Financials 2023f – 2025f

Detailed portfolio evaluation supported by comprehensive strategic process

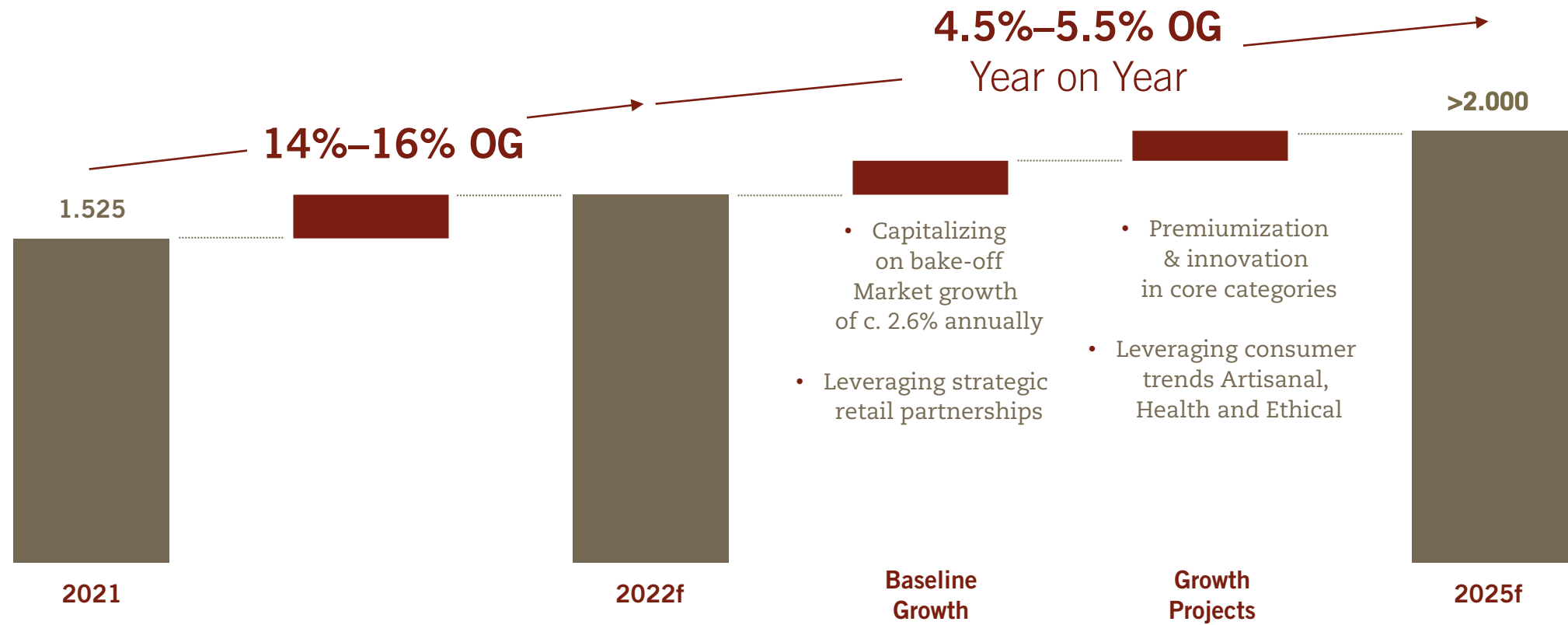
Strategic Planning Process:

- Comprehensive bottom-up / top-down process
- Standardized & data driven approach
- Market, channel, category assessment of “Where to Play” and “Ability to Win”
- Basis for capital and resource allocation

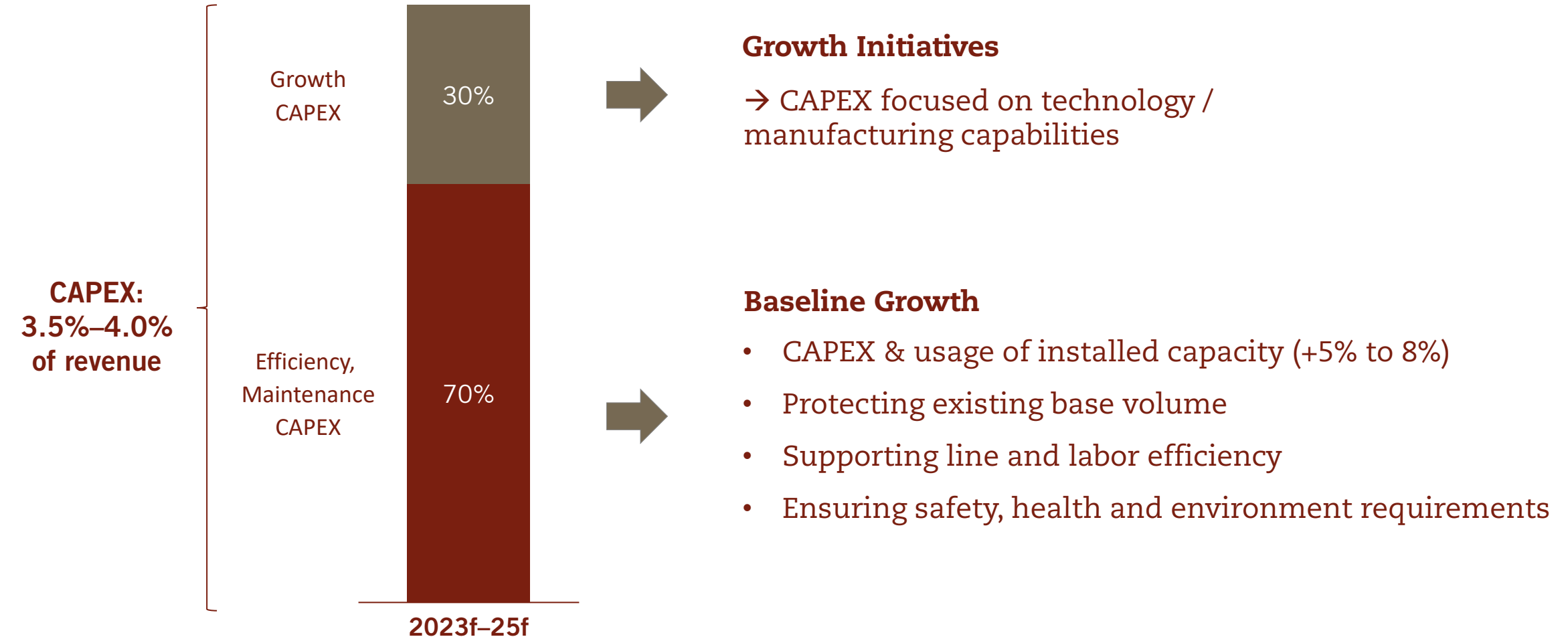


Market momentum and premiumization driving 4.5%–5.5% annual organic growth from 2023f to 2025f

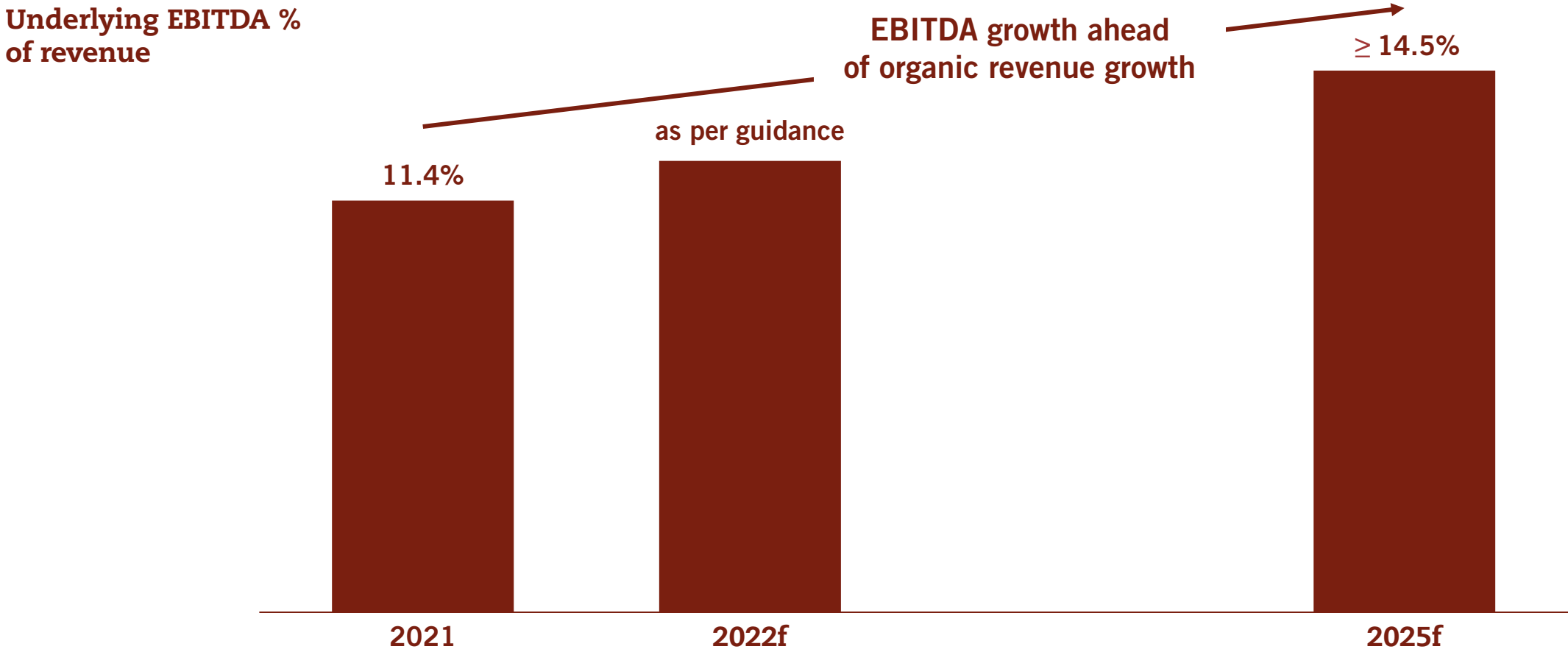
In €m



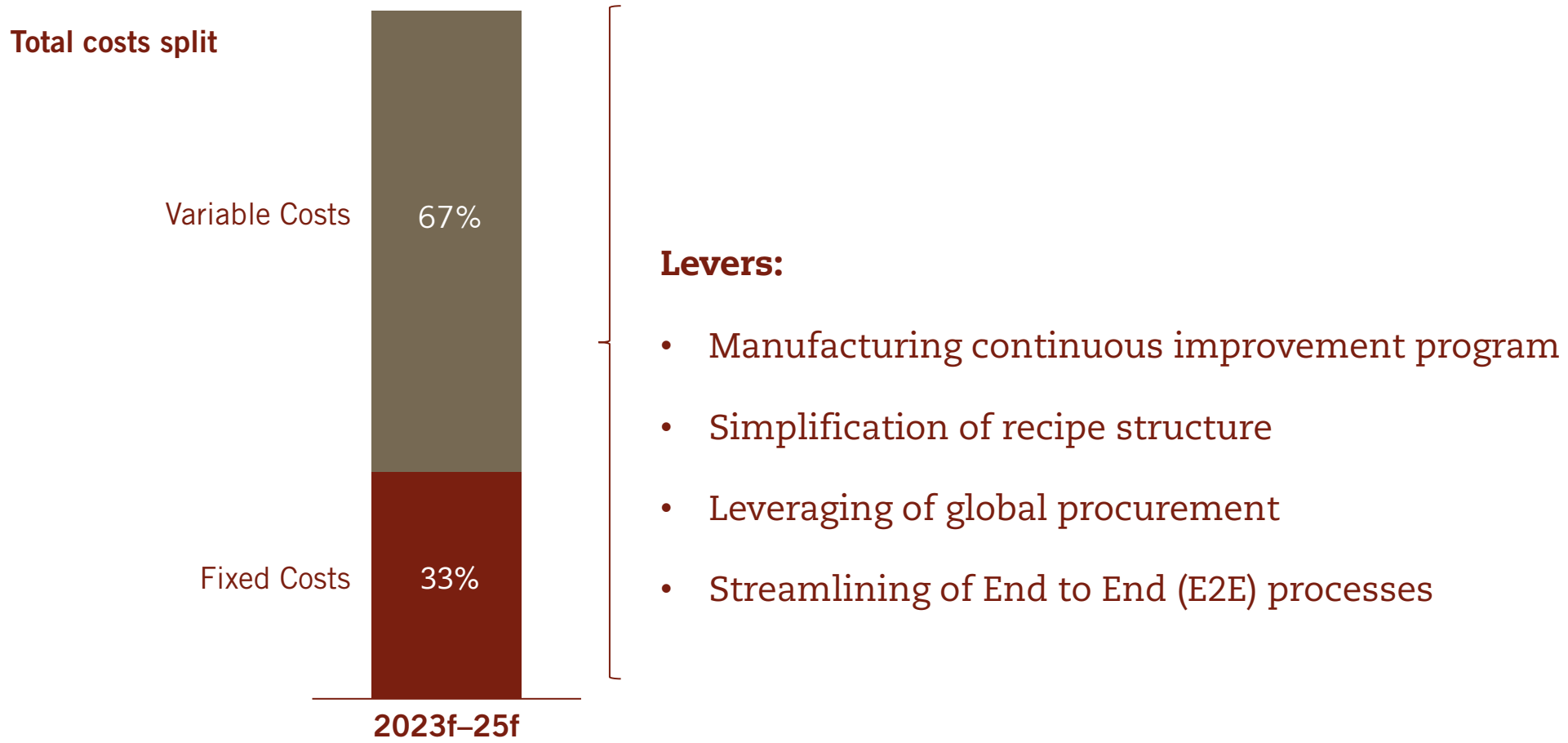
Disciplined capital investment allocation supporting growth and protecting baseline business



Premiumization and disciplined costs management improving Underlying EBITDA to at least 14.5% of revenue



Key levers of disciplined costs management



ARYZTA Performance control system enabling continuous improvement throughout operations

Performance Control System (PCS)

- Bakery performance excellence program
- Started in 2020, implemented in 20 of 26 bakeries
- Addressing >80% of conversion costs¹
- 8 bakeries at advanced PCS level
- Empowerment of shop floor operators

Achievements & Ambition

Key Achievements advanced PCS bakeries:

- Conversion costs^{1.)} as % of revenues:
c. 250bps improvement vs. other Euro bakeries
- Line efficiencies:
c. 400bps improvement vs. other Euro bakeries

Target for 2023f–25f:

- Increase line efficiency by 5 to 10%
- Reduce waste levels by around 50%
- Improving labor efficiency by around 20%

 **2-3% cost² efficiencies year-on-year**

Simplification of our product and recipe portfolio through Project SIMPLEX

SIMPLEX

- Comprehensive program to achieve:
 - Bundle and drive scale
 - Manage Supply chain risk
 - Reduce SKU and vendor complexity
 - Simplify recipe management
- Focus across the value chain
- Leverage of R&D and new product development
- Supporting cost and capital efficiencies

Achievements & Ambition

Key Achievements:

- Germany: packaging material harmonization
→ 7% cost optimization
- Switzerland: Simplification of dough recipes & bakery ingredients
→ 12% of cost optimization

Target for 2023f-25f:

- All markets covered by end of 2023

 **€10–14m cost optimization**

Acceleration of procurement contribution

Centralized Global Procurement

- Increase overall Group procurement coverage
- Improving governance around Procure-To-Pay processes
- Establish efficient catalogue and tail-spend management
- Disciplined make or buy process to leverage own production
- Strengthen risk management
- Strengthen talent development

Achievements & Ambition

Key Achievements in FY22:

- Over 14% of cost optimizations and reductions on our total spend through
 - Procurement negotiation
 - Risk management

Target for 2023f–25f:

 **€16–22m cost reduction**

Optimizing fixed costs through E2E standardization

E2E Standardization

- Align 5 Key End-To-End processes
- Harmonize data standards and governance
- Achieve transactional process efficiency
- Increase leverage of main ERP
- Reduce IT application landscape complexity
- Digitalize vendor and customer interaction

Achievements & Ambition

Key Milestones:

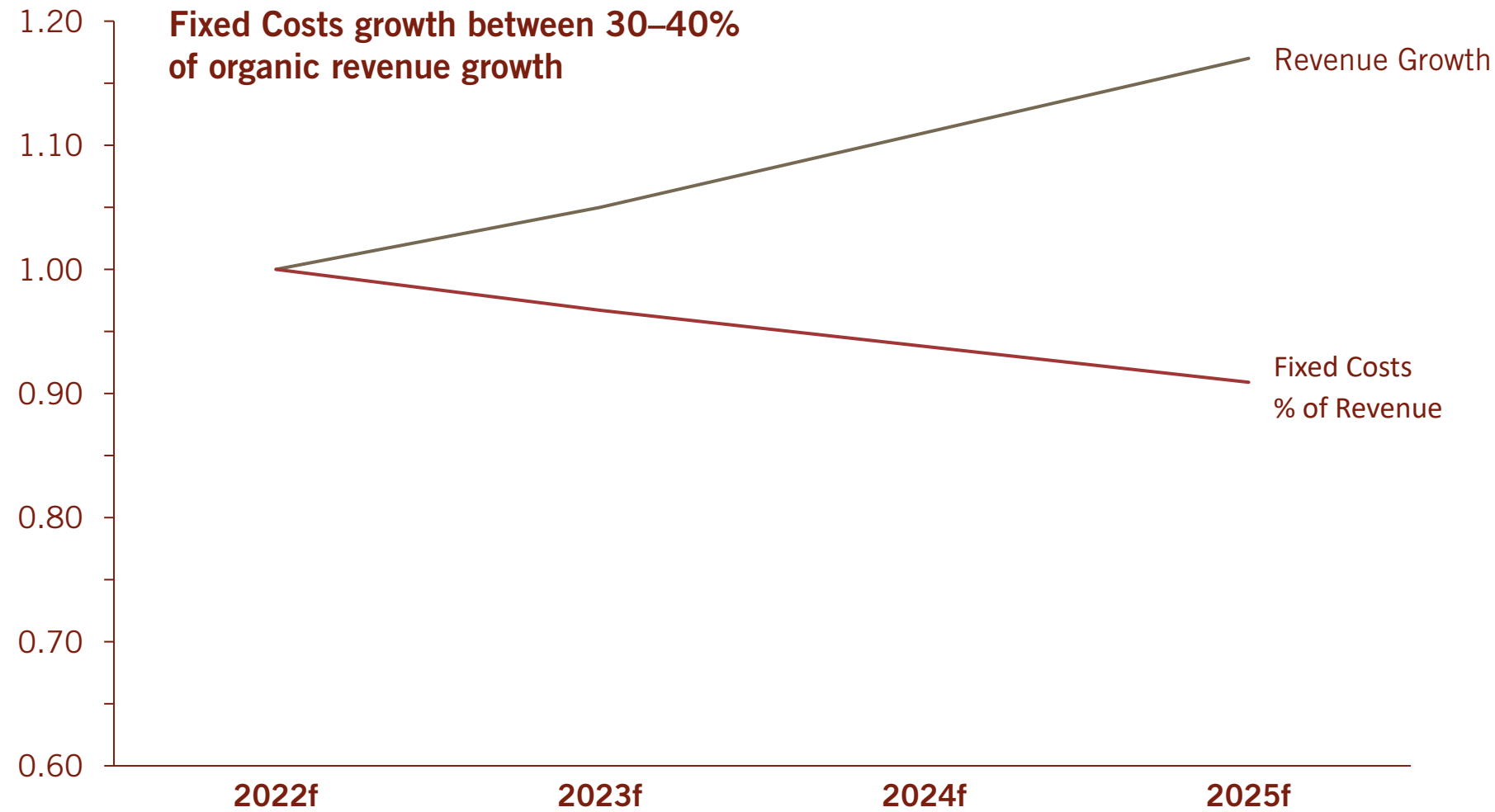
- SAP/Hana implementation Switzerland (increasing Group revenue-coverage >60%)
- Data-Lake leveraging reporting & analytics
- Growth of B2B e-commerce offering

Target for 2023f–25f:

- Drive fixed costs leverage

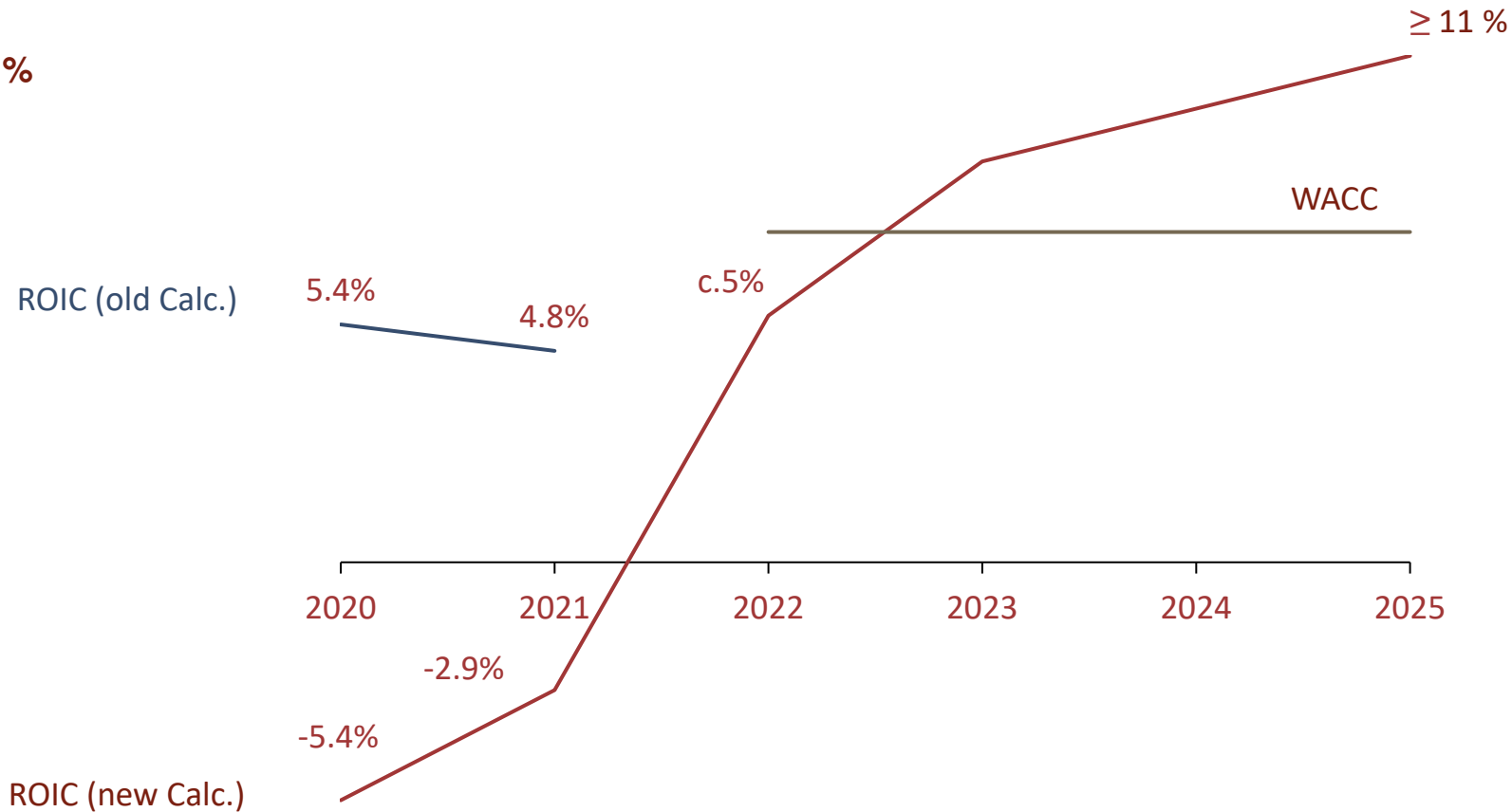
 **Keep fixed costs growth between 30–40% of Organic Growth**

Fixed costs leverage as key driver of margin progression



ROIC acceleration through margin progression and capital efficiency

ROIC as %

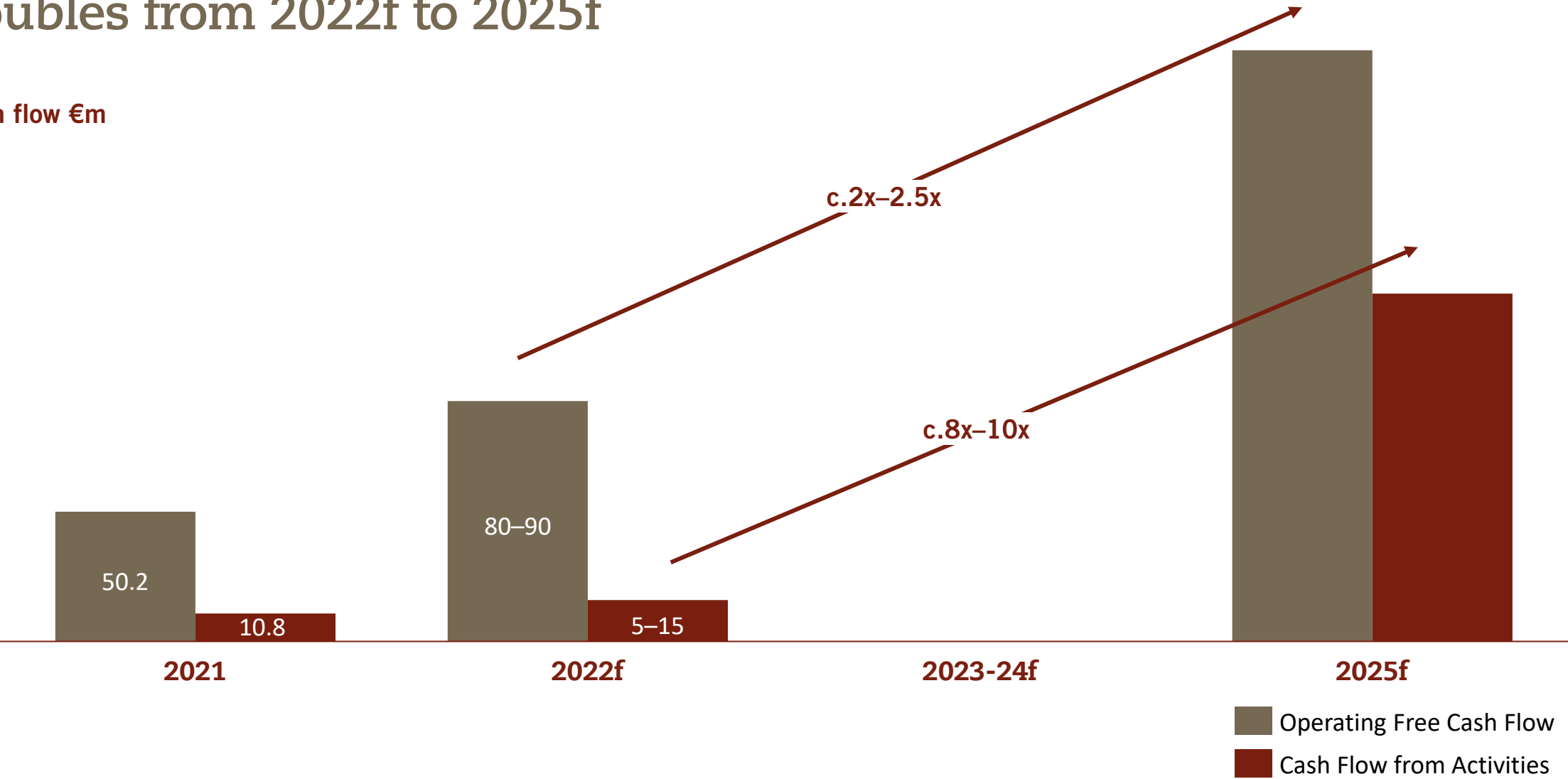


Drivers of capital efficiency:

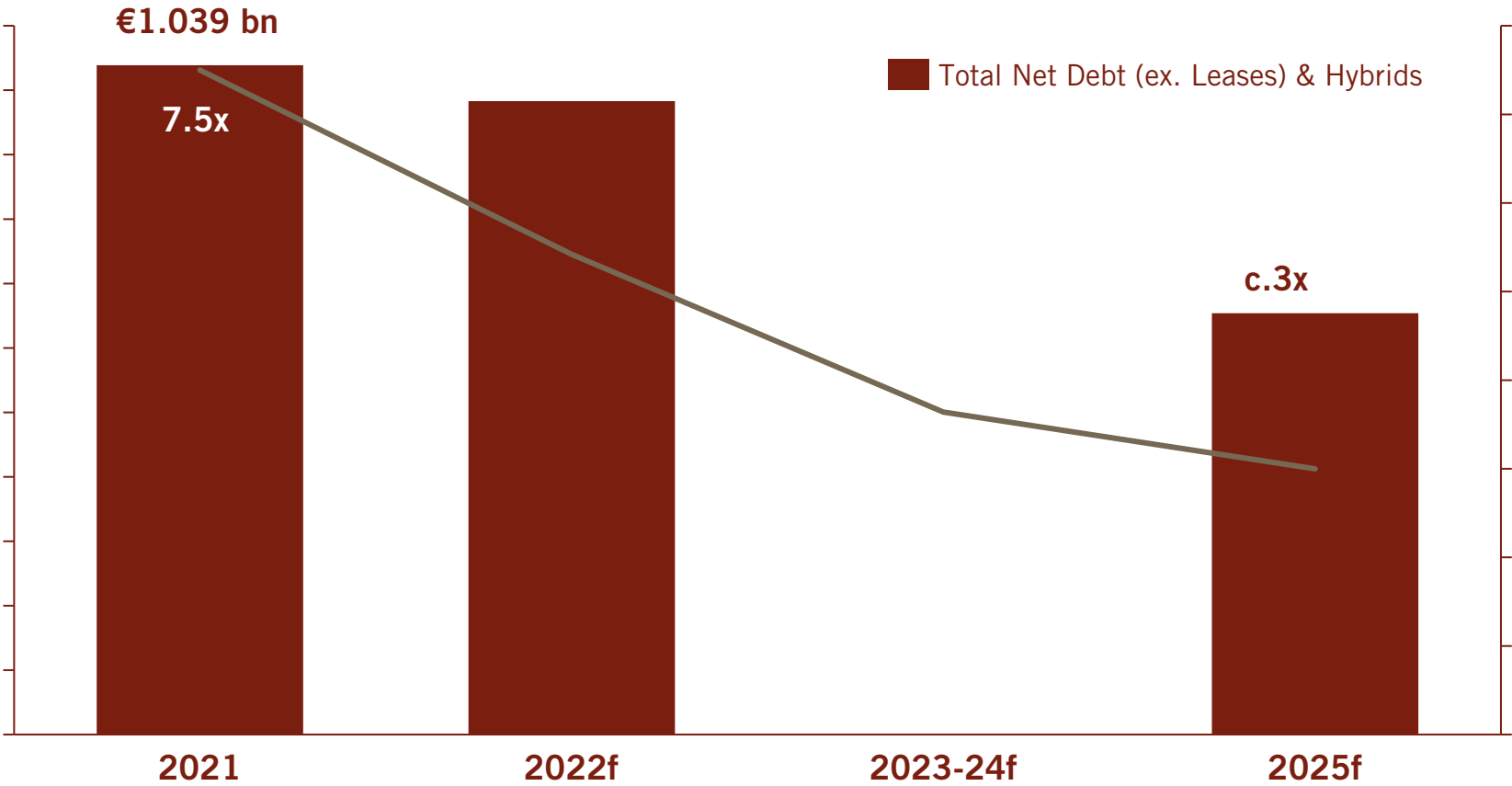
- Margin progression
- Disciplined CAPEX investment
- Integrated Business Planning
- Supplier management
- Analytics and Incentives

Operating Free Cash Flow more than doubles from 2022f to 2025f

Cash flow €m



Capital structure significantly improving



Addressing the capital structure 2023f-2025f

- Repayment of Euro hybrid principal on a phased basis
- Financing through cash generation by business performance
- Expected net interest benefit of c.€15-17m p.a. once the Euro hybrid is repaid
- Total net debt to EBITDA (including hybrids) of c.3x by the end of 2025

Key levers of Value Creation in the period 2023f–2025f:

- Annual revenue growth of 4.5% – 5.5% at constant pricing
- EBITDA as a percentage of revenue to reach at least 14.5% by 2025
- Prudent CAPEX investment of 3.5% – 4.0% of revenues
- Acceleration of ROIC to at least 11.0% by 2025
- Improving capital structure and interest costs
- Paydown of Euro Hybrid



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Appendix

ROIC – comparison of new definition to previously reported

| | Measures of profitability (numerator) | Measures of capital efficiency (denominator) |
|------------|--|--|
| New | Pro-forma trailing twelve month segmental IFRS operating profit, before gains/losses on disposal of businesses, and after underlying tax; reflecting the full twelve month contribution from acquisitions and full twelve month deductions from disposals ('TTM NOPAT'). | Average of the beginning and ending Segmental Net Assets. Segmental net assets exclude financial assets at fair value, all bank debt, cash and cash equivalents and tax balances. For the purposes of calculating the average Segmental Net Assets, the net assets at the beginning of the twelve month period will be adjusted to exclude the impact of disposal of businesses and include the impact of acquisition of businesses. |
| Old | Pro-forma trailing twelve month segmental Underlying EBITA ('TTM EBITA') reflecting the full twelve month contribution from acquisitions and full twelve month deductions from disposals. Underlying EBITA is presented as earnings before interest, taxation and non-ERP related intangible amortisation; before impairment, disposal, restructuring and COVID-19 related costs. | Segmental Net Assets excludes joint ventures, financial assets at fair value, all bank debt, cash and cash equivalents and tax balances, with the exception of deferred tax liabilities associated with acquired goodwill and intangible assets, as those deferred tax liabilities represent a notional non-cash tax impact directly linked to segmental goodwill and intangible assets recorded as part of a business combination, rather than an actual cash tax obligation. |

Reconciliation of old to new ROIC definitions - July FY21

| | €m |
|--|----------------|
| Segmental net assets (old definition per FY21 annual report) | 1,312.6 |
| Deferred tax on intangibles | 16.4 |
| Segmental net assets (new definition as of July 2021) | 1,329.0 |
| Effect of average of opening and closing balance sheet ¹ | 46.4 |
| Segmental net assets (new definition) | 1,375.5 |
| ¹ Opening segmental net assets from continuing operations FY20 (new definition) was €1,421.9m | |
| TTM EBITA (old definition per FY21 annual report) | 63.5 |
| Non-ERP Amortisation | (17.7) |
| (Loss)/gain on fixed asset disp and impairment | (4.3) |
| Restructuring related costs | (52.8) |
| COVID 19 related costs | (1.3) |
| IFRS operating profit | (12.6) |
| Underlying Tax charge | (26.7) |
| TTM NOPAT (new definition) | (39.3) |
| ROI OLD | 4.8% |
| ROI NEW | (2.9%) |

ARYZTA Group Underlying Income Statement

Period ended 31 July 2021

| | FY 2021 €m | FY 2020 Re-presented €m | % Change |
|---|----------------|-------------------------------|----------|
| Continuing Operations | | | |
| Group revenue | 1,525.4 | 1,669.0 | (8.6%) |
| Underlying EBITDA ¹ | 173.4 | 188.3 | (7.9%) |
| Underlying EBITDA margin | 11.4% | 11.3% | 10 bps |
| Depreciation & ERP Amortisation | (109.9) | (112.7) | 2.5% |
| Underlying EBITA ¹ | 63.5 | 75.6 | (16.0%) |
| Joint ventures underlying profit, net of interest and tax | - | 18.4 | (100.0%) |
| Underlying EBITA including joint ventures | 63.5 | 94.0 | (32.4%) |
| Finance cost, net | (32.8) | (38.2) | 14.1% |
| Hybrid instrument dividend | (46.2) | (46.1) | (0.2%) |
| Pre-tax (loss)/profit | (15.5) | 9.7 | (259.8%) |
| Income tax | (26.7) | (26.9) | 0.7% |
| Underlying net (loss) - continuing operations ¹ | (42.2) | (17.2) | (145.3%) |
| Underlying net profit/(loss) - discontinued operations ^{1,2} | 47.4 | (0.8) | 6,025.0% |
| Underlying net profit/(loss) - total ¹ | 5.2 | (18.0) | 128.9% |
| Underlying diluted EPS (cent) - continuing operations ³ | (4.3) | (1.7) | (152.9%) |
| Underlying diluted EPS (cent) - total ³ | 0.5 | (1.8) | 127.8% |

1 Certain financial alternative performance measures, that are not defined by IFRS, are used by management to assess the financial and operational performance of ARYZTA. See glossary on page 44 of FY21 results presentation for definitions of financial terms and references used.

2 Following the reclassification of the Group's North America segment to disposal group held-for-sale in January 2021, its results have been presented separately as discontinued operations in both the current and prior periods.

3 The 31 July 2021 weighted average number of ordinary shares used to calculate underlying earnings per share is 991,493,662 (2020: 990,860,563).

ARYZTA Group Balance Sheet

Period ended 31 July 2021

| | FY 2021 €m | FY 2020 €m ¹ |
|---|----------------|----------------------------|
| Property, plant and equipment | 849.8 | 1,323.4 |
| Investment properties | 3.7 | 6.4 |
| Goodwill and intangible assets | 660.3 | 1,143.1 |
| Working capital | (94.1) | (70.9) |
| Other segmental assets | 6.0 | 16.3 |
| Other segmental liabilities | (21.9) | (53.3) |
| Lease liabilities | (136.9) | (228.3) |
| Net assets of disposal group held-for-sale | 62.1 | 19.2 |
| Segmental net assets (as per revised definition) ¹ | 1,329.0 | 2,155.9 |
| Financial assets at fair value through income statement | - | 16.8 |
| Interest bearing loans, net of cash | (65.5) | (742.2) |
| Deferred tax, net | (78.2) | (98.9) |
| Income tax | (82.9) | (63.5) |
| Derivative financial instruments | (0.3) | (0.2) |
| Net assets | 1,102.1 | 1,267.9 |

1 Total segmental net assets for the period ended 1 August 2020 includes ARYZTA North America segmental net assets of €734.0 m. These assets and liabilities were disposed of in FY 2021.