

# ARYZTA AG

September 2023



# 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

- **About Aryzta**

- History
- Core business
- Strategy and value drivers
- Ambition and Goals

- **Transformation / Turn around**

- Basics *(People, Balance sheet, P&L, Costs)*
- Essentials *(Relevance, Innovation, Positioning)*
- Outcome

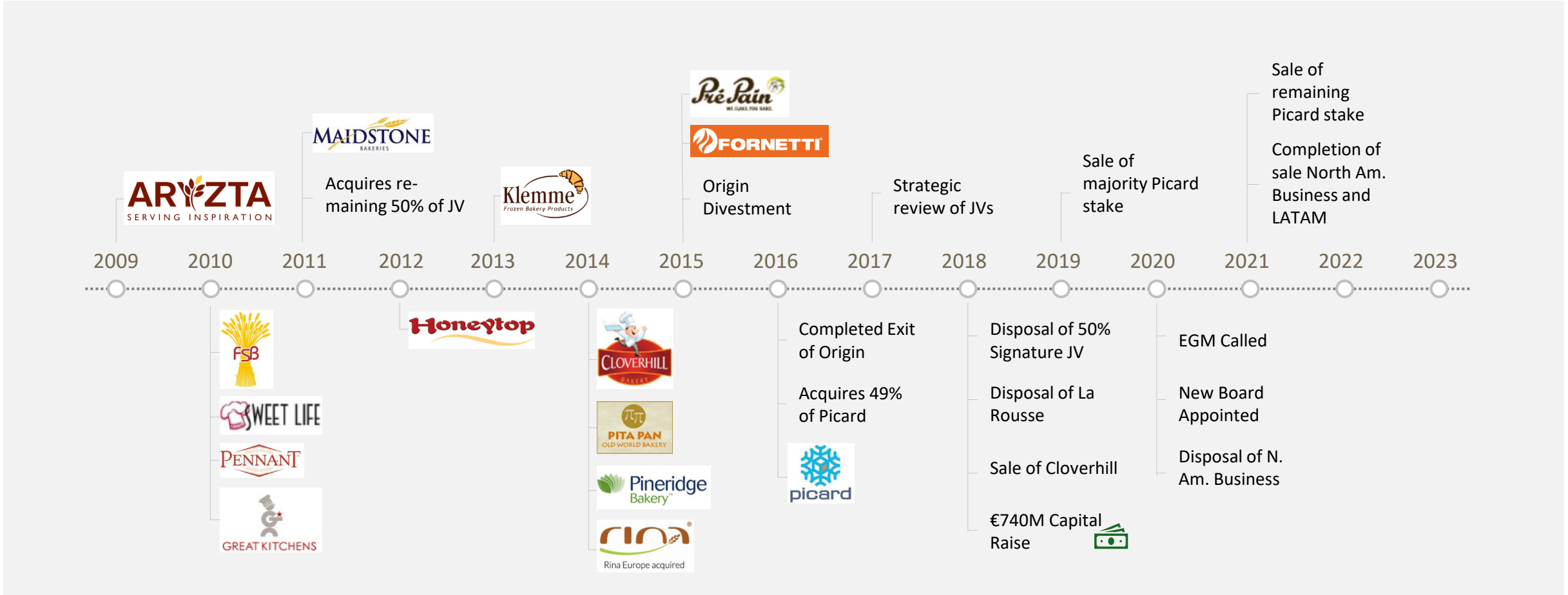




# About ARYZTA

# History

## ARYZTA's Journey: a look at our Key Milestones





# History

## ARYZTA's Global Footprint

### ARYZTA EUROPE



- **19 bakeries**
- **Leading market positions in the frozen convenience bakery markets**

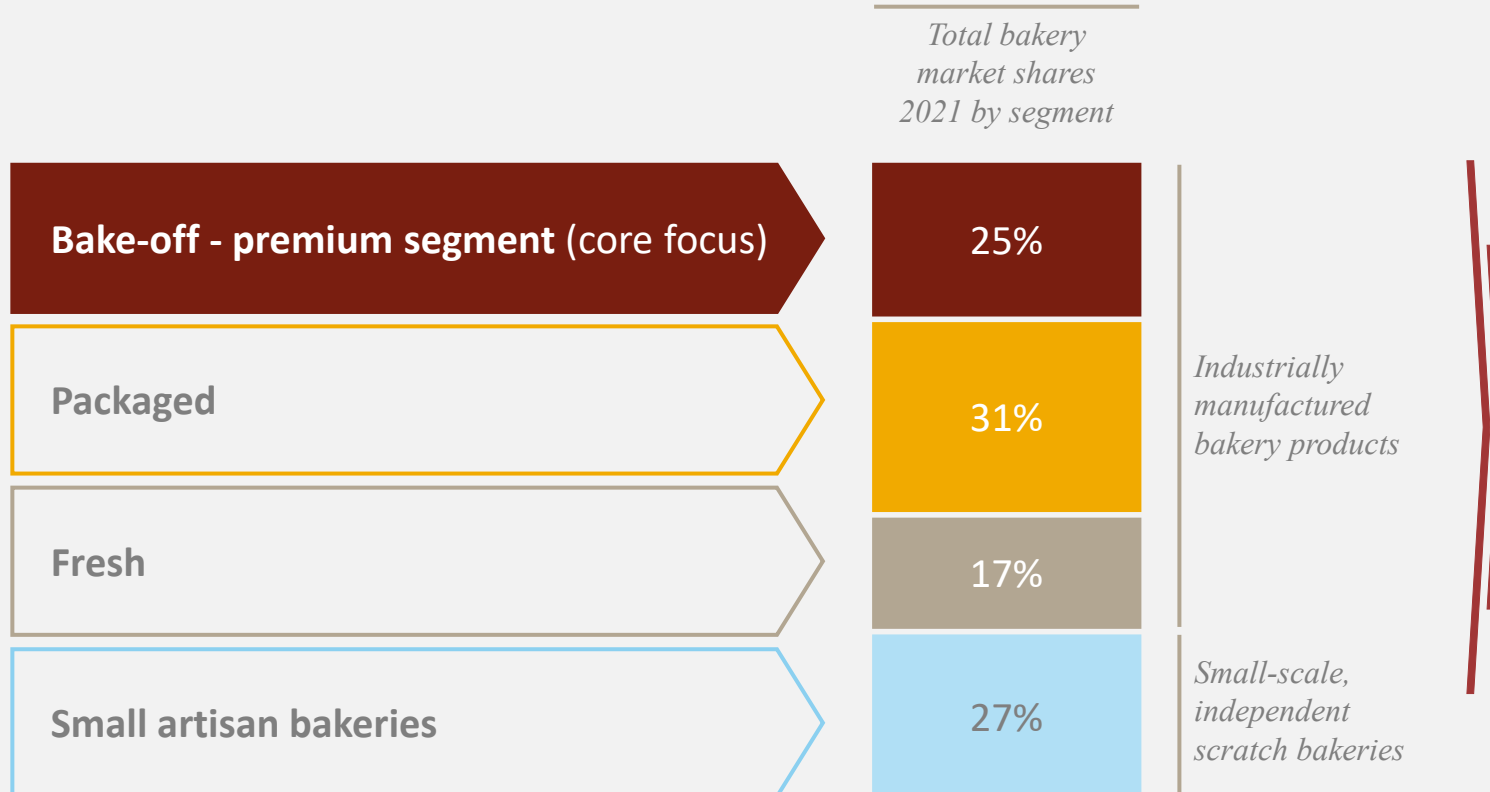
### ARYZTA REST OF WORLD



- **7 bakeries**
- **Extensive distribution network**
- **Capability to provide relevant bakery products and services for local markets**

# Core business

Core focus: bake-off in the premium segment



***“Bake-off is the premium segment of the total bakery market and accounts for 25% of the total market”,  
Share of bake-off outgrowing***

# Strategy and Value Drivers

Focus on 4 key drivers to achieve the gold standard in bake-off





# Ambition and Goals

ARYZTA is well under way to achieve its communicated mid-term targets FY 2023 – FY 2025

Organic growth (CAGR)

**4.5%–5.5%**

(constant pricing FY22<sup>1.)</sup>)

EBITDA Margin

**≥14.5%**

ROIC

**≥11.0%**

Revenue (EUR)

**>2bn**

(constant currency and pricing  
FY22)

CAPEX as % of revenue

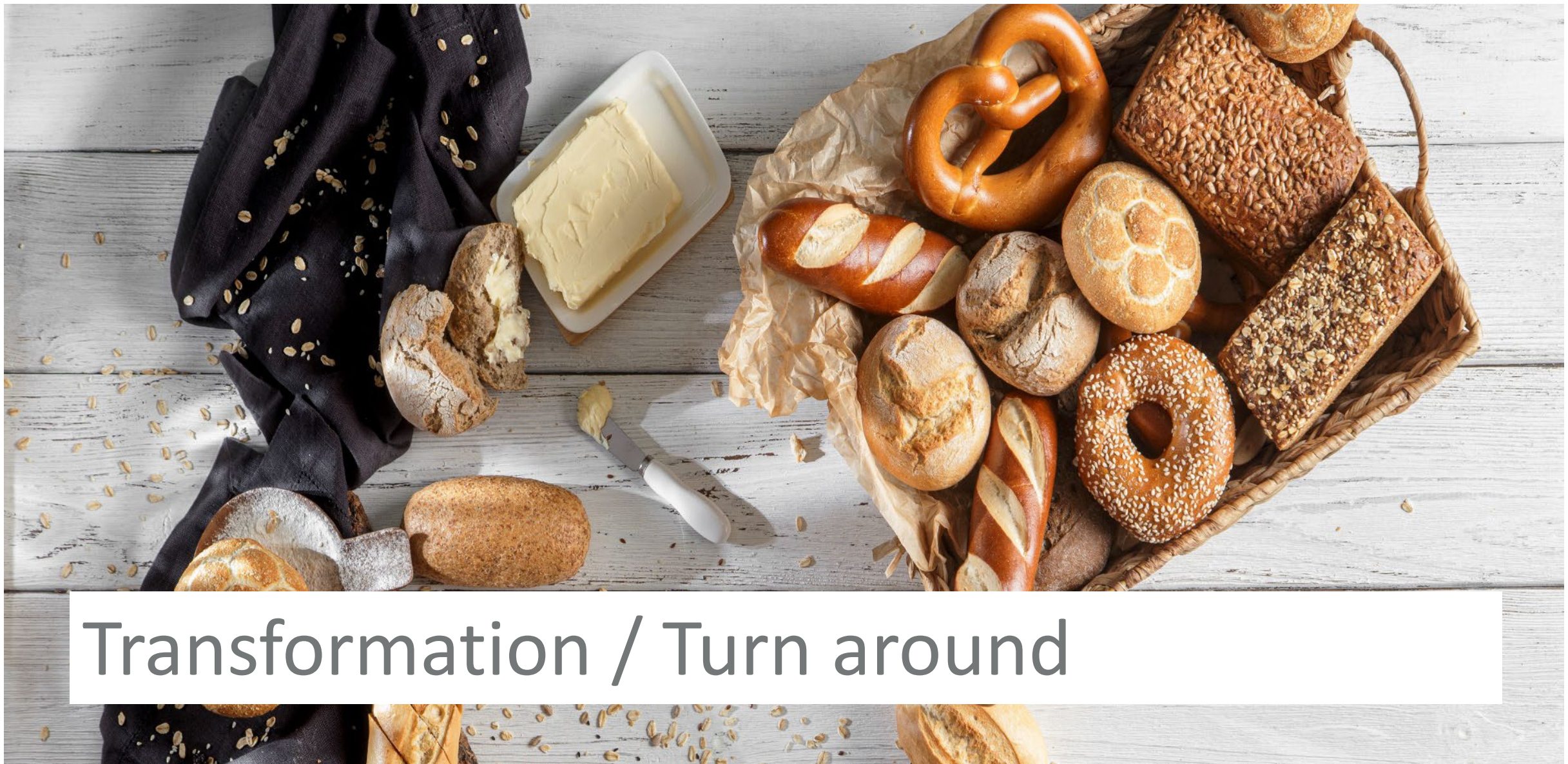
**3.5%–4.0%**

Total net debt leverage (incl.  
hybrids)

**c.3x**

(driven by operational results)

1.) Excludes compensation of inflation by pricing



# Transformation / Turn around

# Transformation / Turn around - Basics

## Basics elements for any turnaround (1/2)

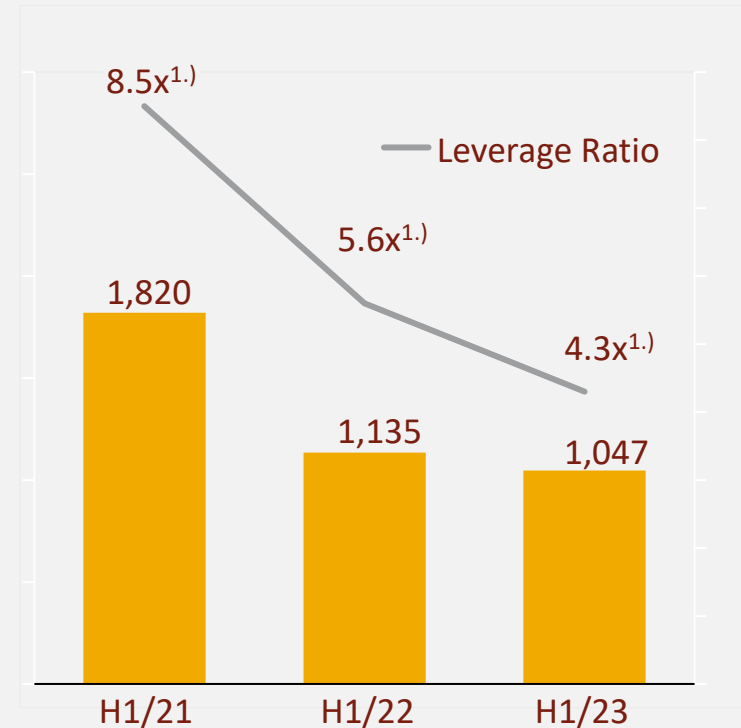
### 1. People: hire “storm proven war horses”

- All layers (starting with executives)
- Vast experience and expertise
- All departments

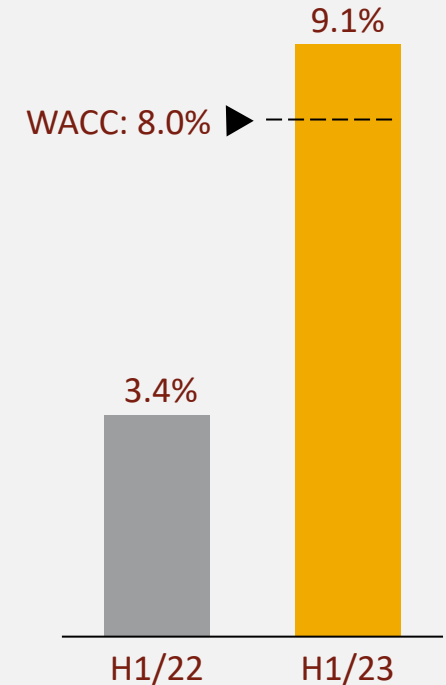
### 2. Balance sheet improvements: gaining time and confidence

- Ensure stakeholders are on board
- Disposal of ARYZTA North America and Brazil
- €250m hybrid repaid and refinanced
- Net debt reduced to 4.3x
- Continuous improvement of balance sheet

Total net debt (incl. hybrid & leases) in €m



ROIC



1.) Leverage Ratio calculated based on previously reported Underlying EBITDA for TTM H1 FY2021, TTM H1 FY2022 and for first half of TTM H1 FY 2023



# Transformation / Turn around - Basics

Basics elements for any turnaround (2/2)

## 3. Costs and Profit & Loss

- Delayer ARYZTA
- Enable businesses through multi-local approach
- Streamlining of processes
- Improve governance
- Implement efficiency programs
- Reduce complexity
- Bundle group functions (finance, procurement, HR, IT)



# Transformation / Turn around - Essentials

Essential elements for any turnaround

## 4. Market performance excellence

### 4.1 Relevance

- New strategic process (bottom-up alignment)
- Based on country business expertise
- Focus on organic growth and revenue initiatives (vs leveraged acquisitions)

### 4.2 Innovation

- Significant increase in innovation rate

### 4.3 Positioning

- Focus on core (bakery, bake-off, Europe and APAC)
- (Over-)Invest in core, divest non-core businesses and assets



# Transformation / Turn around - Outcome

## Outcome

### Leading to:

- Return to consistent positive organic revenue growth
- EBITDA margin expansion
- ROIC exceeding WACC
- Free cash flow improved on higher EBITDA
- Prudent CAPEX approach

**→ Value for Shareholders**