ARYZTA AG
FY 2022 results

3 October 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.

Performance FY 2022

- Revenue €1,756.1m
- Organic revenue growth 17.9%
- Underlying EBITDA increased to €218.8m
- Underlying EBITDA margin increased 110bps to 12.5%
- Operating free cash flow reached €109.7m
- Repayment of €50m Euro hybrid
- Underlying net profit of €45.6m

Organic growth performance

- 60% of Group revenue ahead of pre-COVID levels
- Both segments performing strongly
- Outpaced European retail market
- Foodservice recovery in Europe continued
- QSR in Europe and Asia delivered strong growth
- Investing selectively in capacity for growth

Significant inflation challenges remain

- War and supply chain disruptions
- Little respite expected in the near term
- Further costs and price increases expected
- Bakery products have competitive calorific value advantages
- Markets with resilient consumer spending and robust social supports

Energy availability and cost key challenge

- Energy c. 3.8% of revenue in FY 2022 (3.1% in FY 2021)
- Contingency plans in progress to diversify energy sources
- Reducing dependency on gas through modification of heating systems
- Investing in renewable energy on some sites
- Procurement risk management and pricing to address energy volatility

ARYZTA SERVING INSPIRATION

Mid-term targets FY 2023f – FY 2025f reiterated

Organic growth (CAGR)

4.5%–5.5%

(constant pricing FY22[1])

EBITDA Margin

≥14.5%

ROIC

≥11.0%

Revenue (€)

>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

Guidance FY 2023

- Current trading trends remain unchanged despite challenging macro environment
- Further improvements expected in FY 2023
- Reiteration of mid-term targets FY 2025

FY 2022 results

Financial review

Strong progress on turn-around plan generating important profit improvement

	FY 2022 €m	FY 2021 €m	Variation
Revenue	1'756.1	1'525.4	+15.1%
Underlying EBITDA[1]	**218.8**	**173.4**	**+26.2%**
Underlying EBITDA margin	*12.5%*	*11.4%*	*+110bps*
Underlying EBITA[1]	**111.3**	**63.5**	**+75.3%**
Underlying EBITA margin	*6.3%*	*4.2%*	*+210bps*
Finance costs net	(17.1)	(32.8)	
Hybrid instrument dividend	(45.2)	(46.2)	
Underlying pre-tax profit/(loss)	**49.0**	**(15.5)**	
Income tax	(3.4)	(26.7)	
Underlying net profit/(loss) – continuing operations[1]	**45.6**	**(42.2)**	
Underlying net profit – discontinued operations[1,2]	-	47.4	
Underlying net profit/(loss) – total[1]	**45.6**	**5.2**	

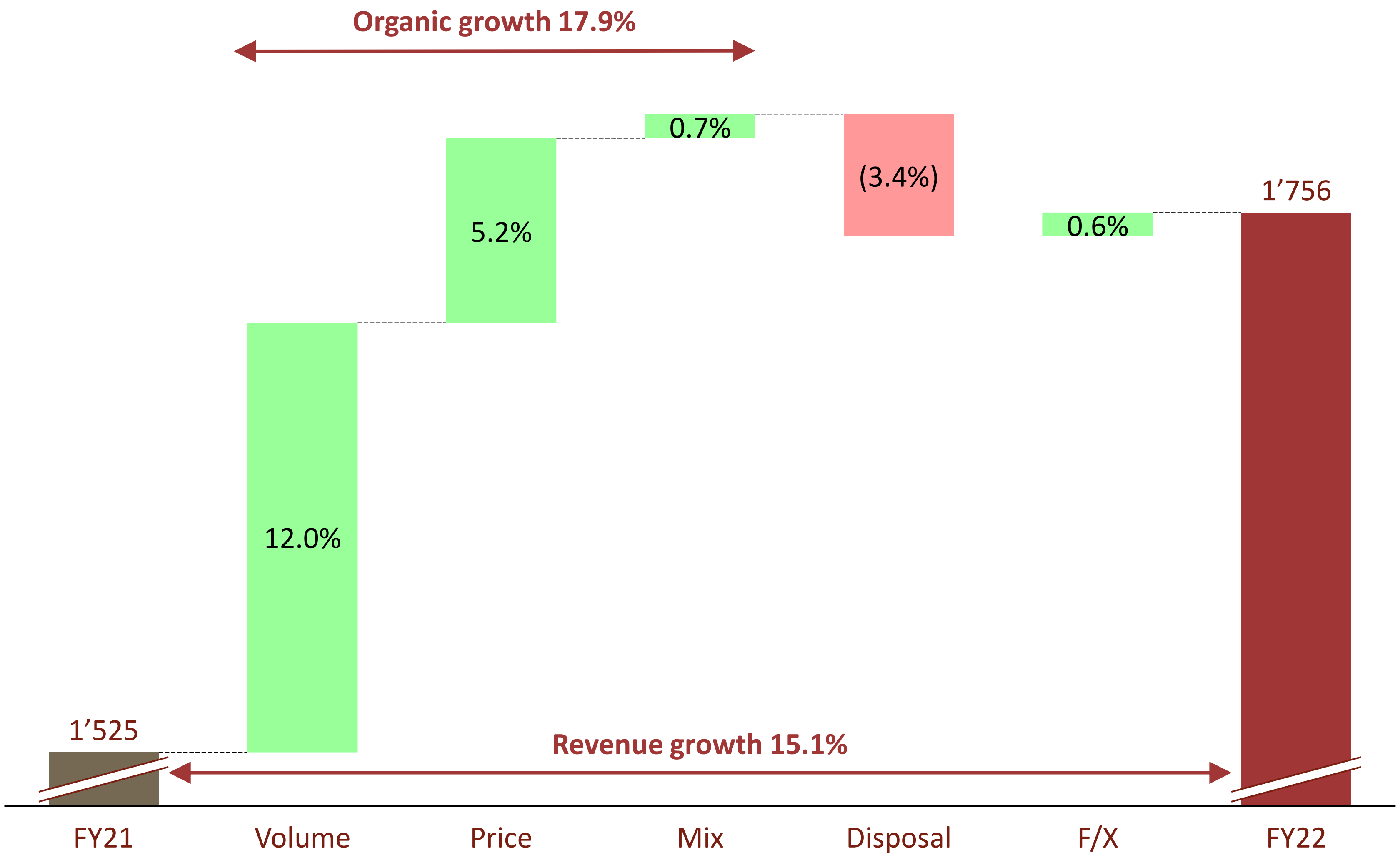
IFRS profit/(loss) for the period from continuing operations	**1.9**	**(50.3)**	
IFRS loss for the period for discontinued operations	(1.0)	(185.5)	
IFRS profit/(loss) for the period	**0.9**	**(235.8)**	

[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 54 for definitions of financial terms and references used in the financial and business review.

[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 the prior period.

Organic growth driven by double digit volume growth and pricing

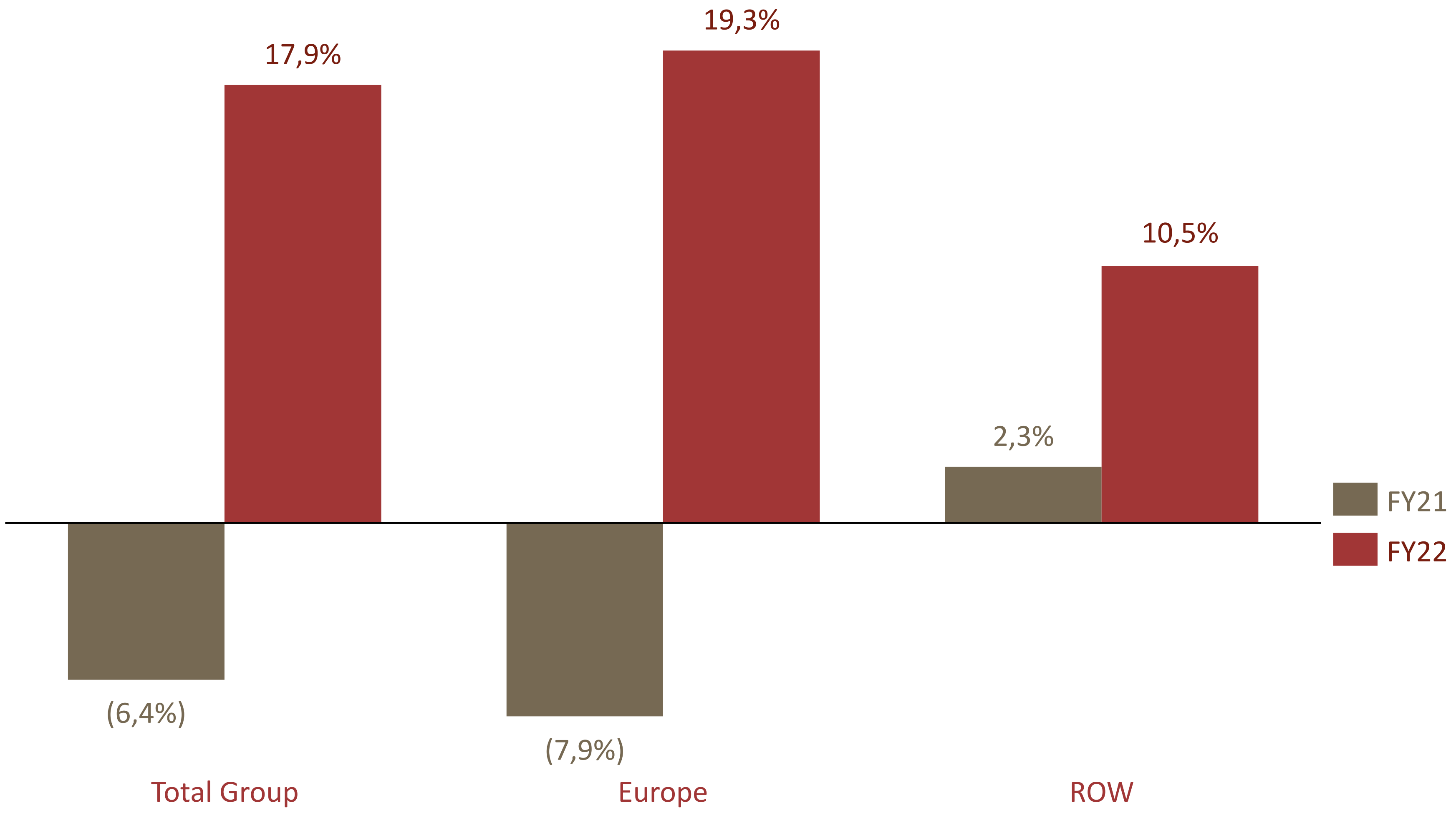
In €m / % of revenue



ARYZTA SERVING INSPIRATION

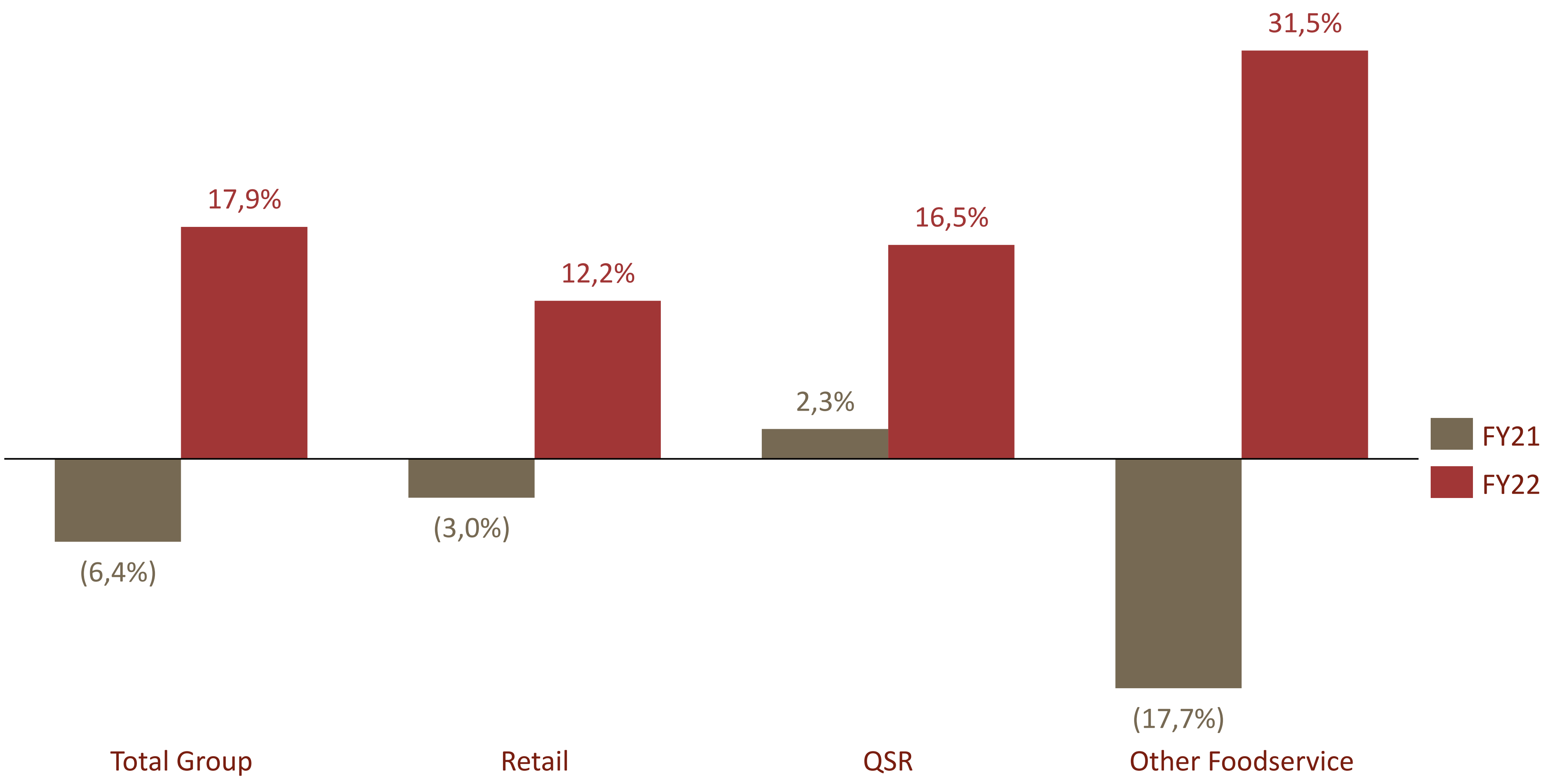
Strong COVID recovery supporting organic growth in Europe and ROW

Organic growth %

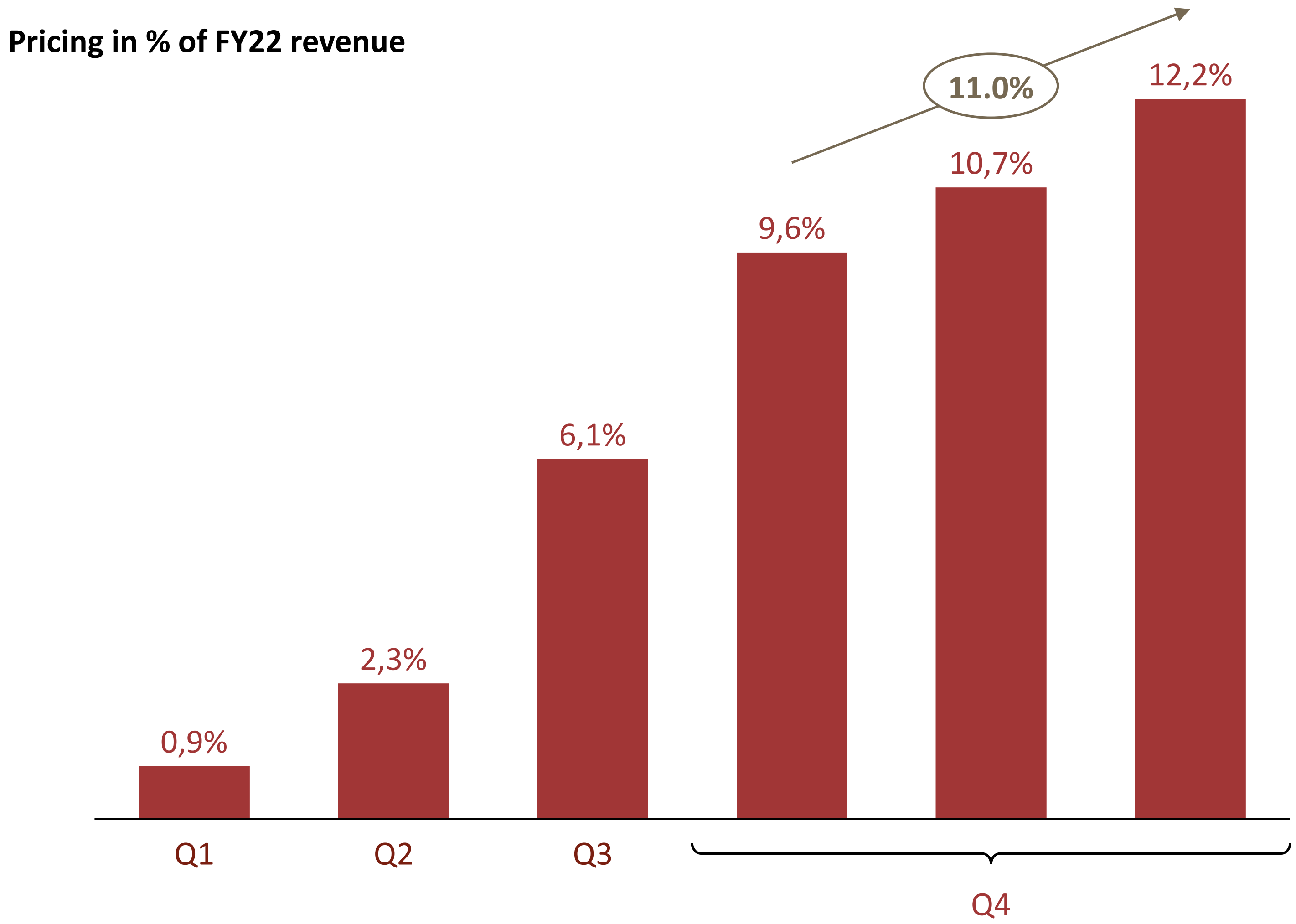


Double digit growth in all channels, Retail & QSR above pre-COVID levels

Organic growth %



Pricing and efficiency measures to mitigate input costs headwinds

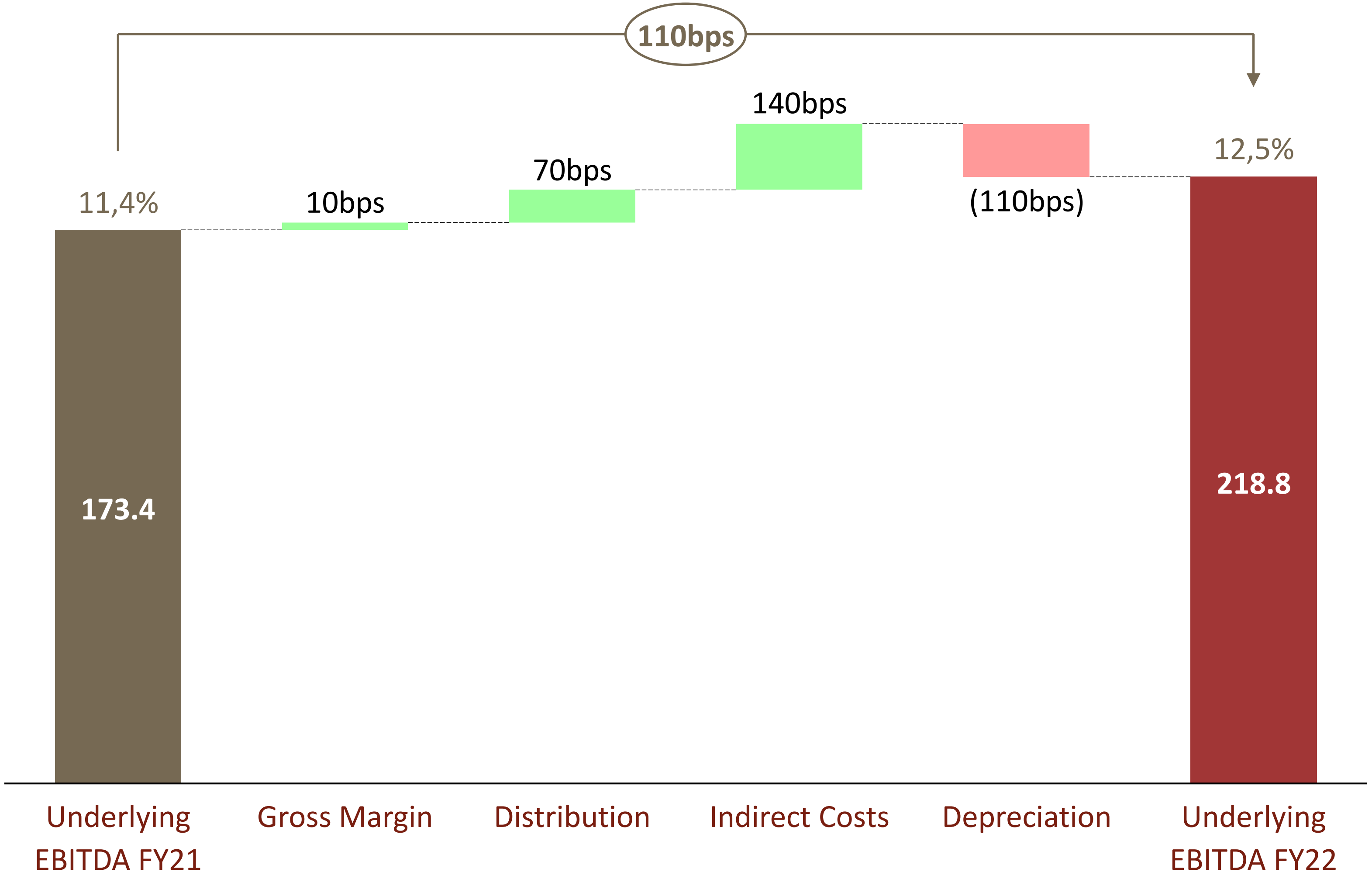


Mitigating actions:

- Adequate pricing contributing to input costs recovery
- Procurement costs optimizations and risk management
- Continuous efficiency program in bakeries
- SIMPLEX launched – recipe standardization and simplification

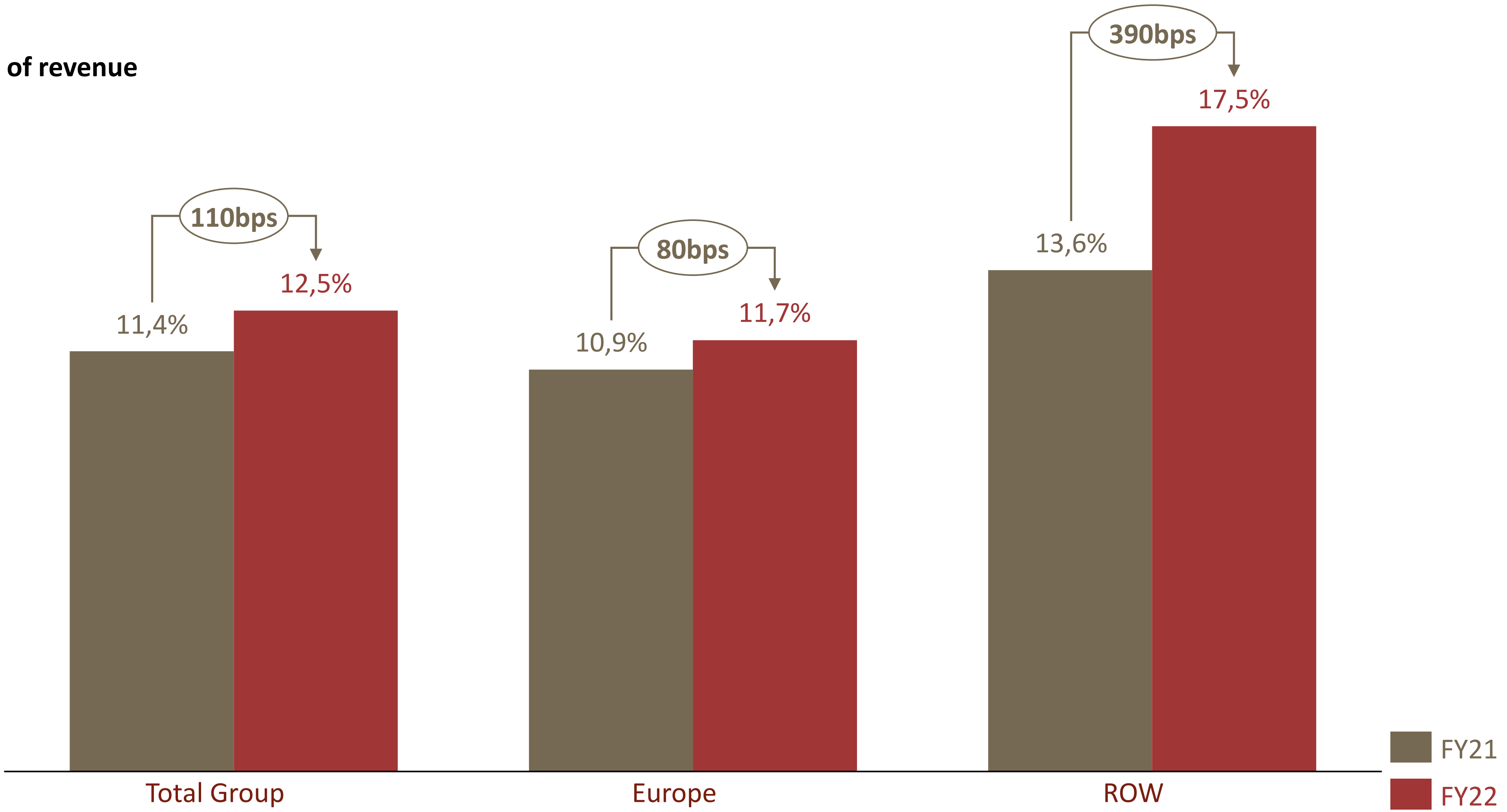
EBITDA margin progression driven by costs discipline and operational leverage

In €m / % of revenue



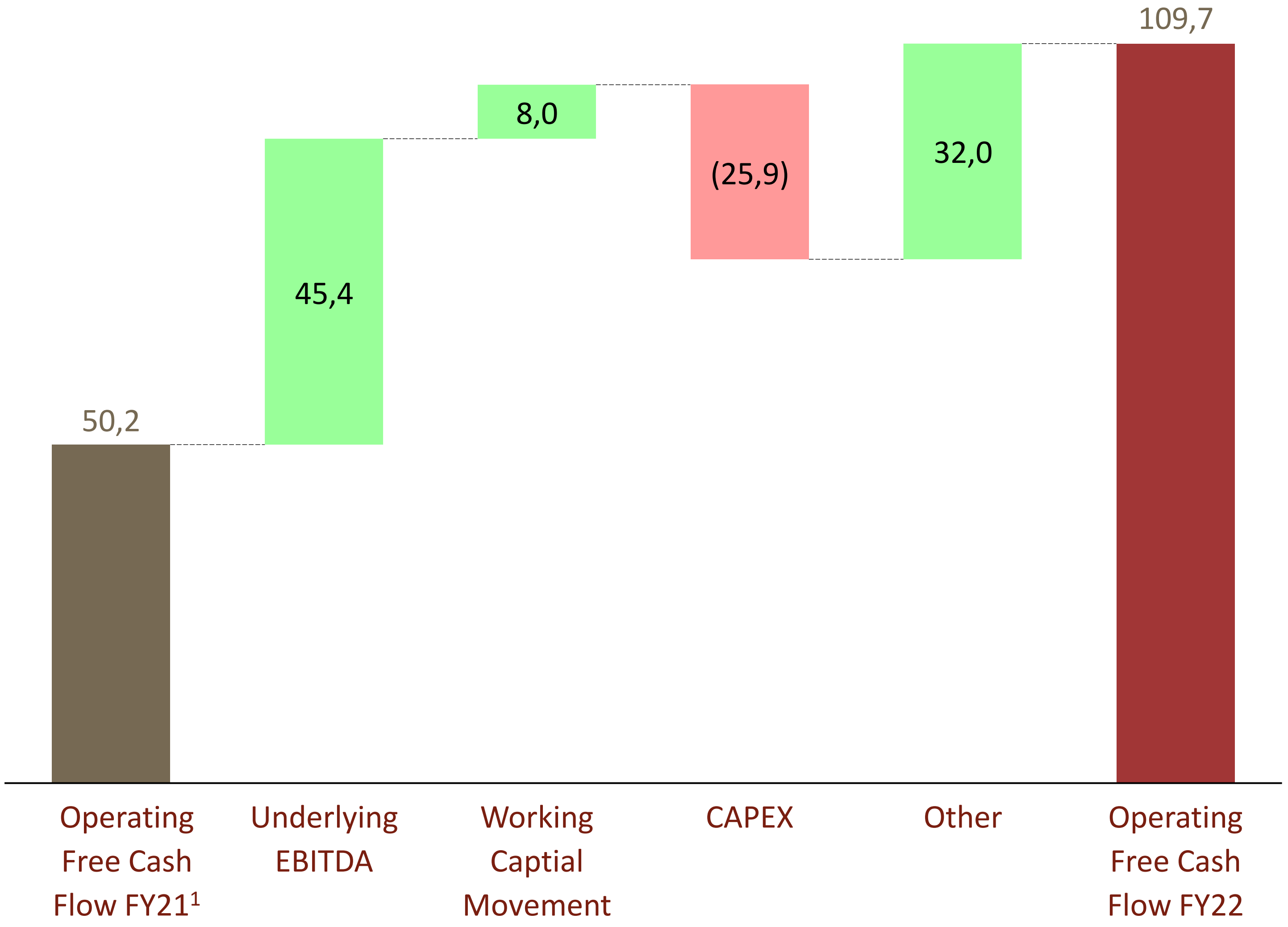
EBITDA margin improvement in both regions, Foodservice recovery accelerating ROW profitability

Underlying EBITDA as % of revenue



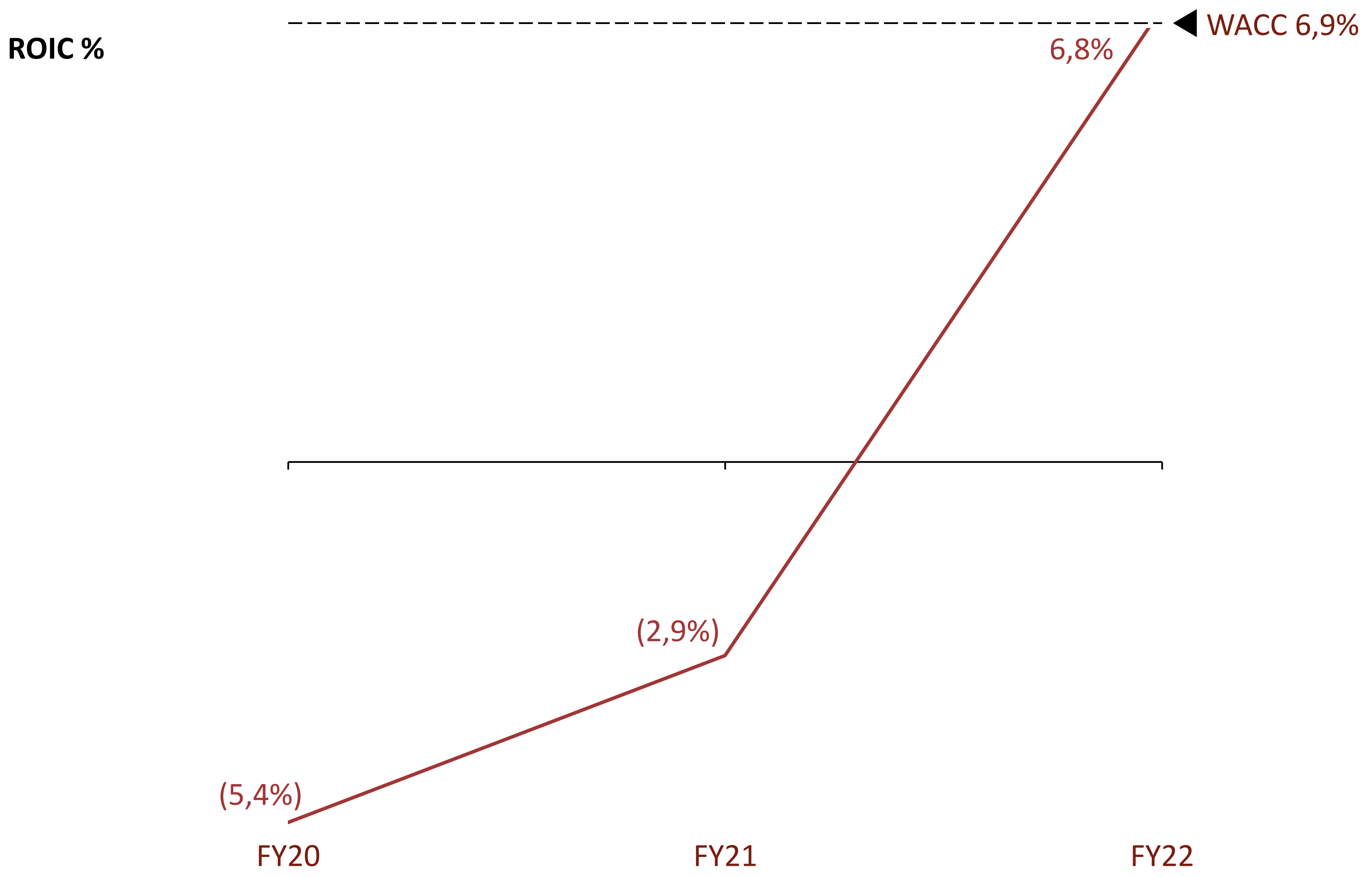
Operating Free Cash Flow doubled[1], supported by margin expansion and reduction of non-recurring cash spend

In €m



[1] FY21 operating free cash flow from continuing operations, see slide 44

ROIC acceleration supported by business performance and working capital efficiency

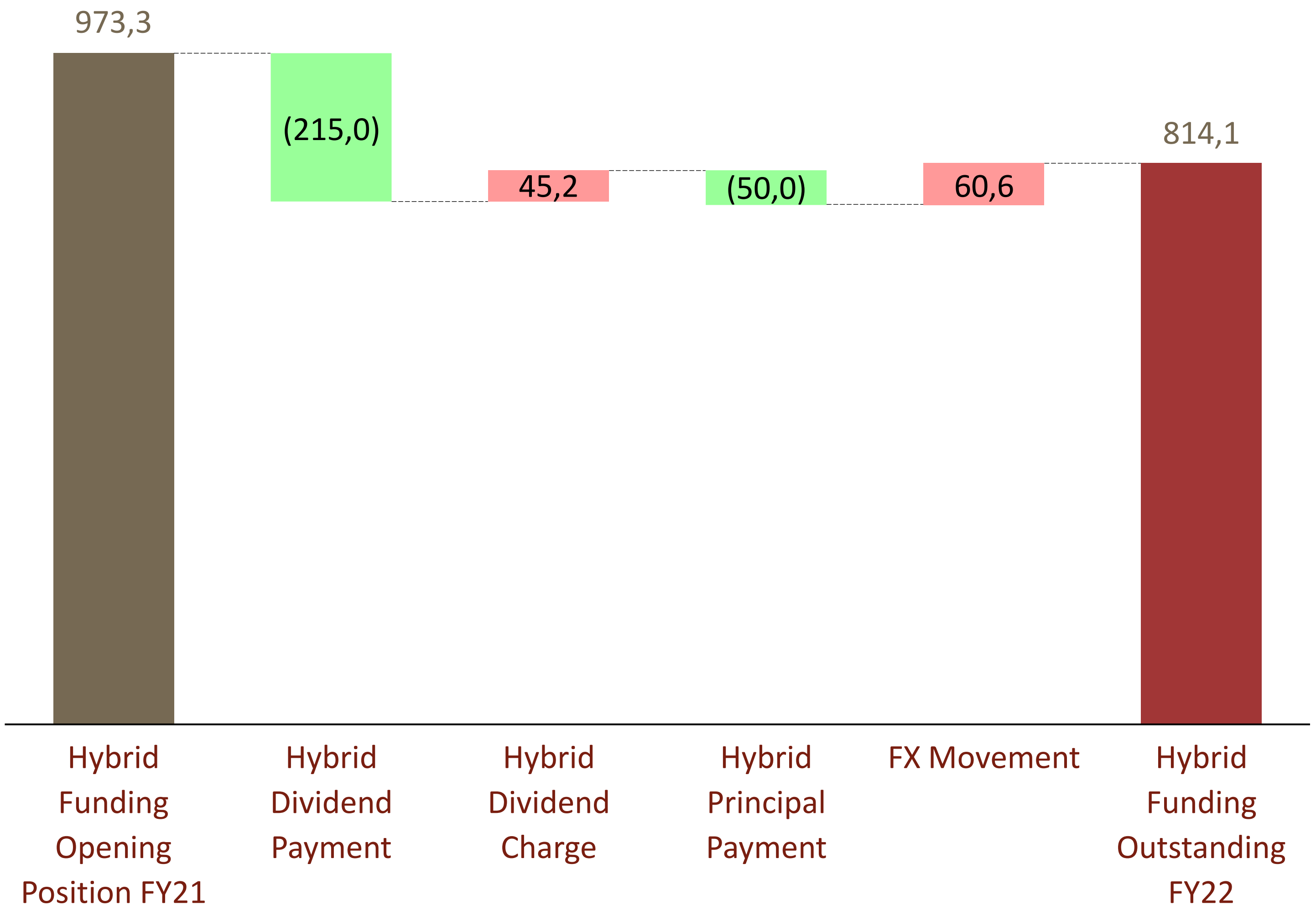


Key highlights:

- ROIC approaching Group WACC
- Return on Sales improved from (2.6%) to 4.8%
- Asset-Turn accelerated from 1.1x to 1.4x

Important improvement of hybrid funding in line with mid-term plan

In m€

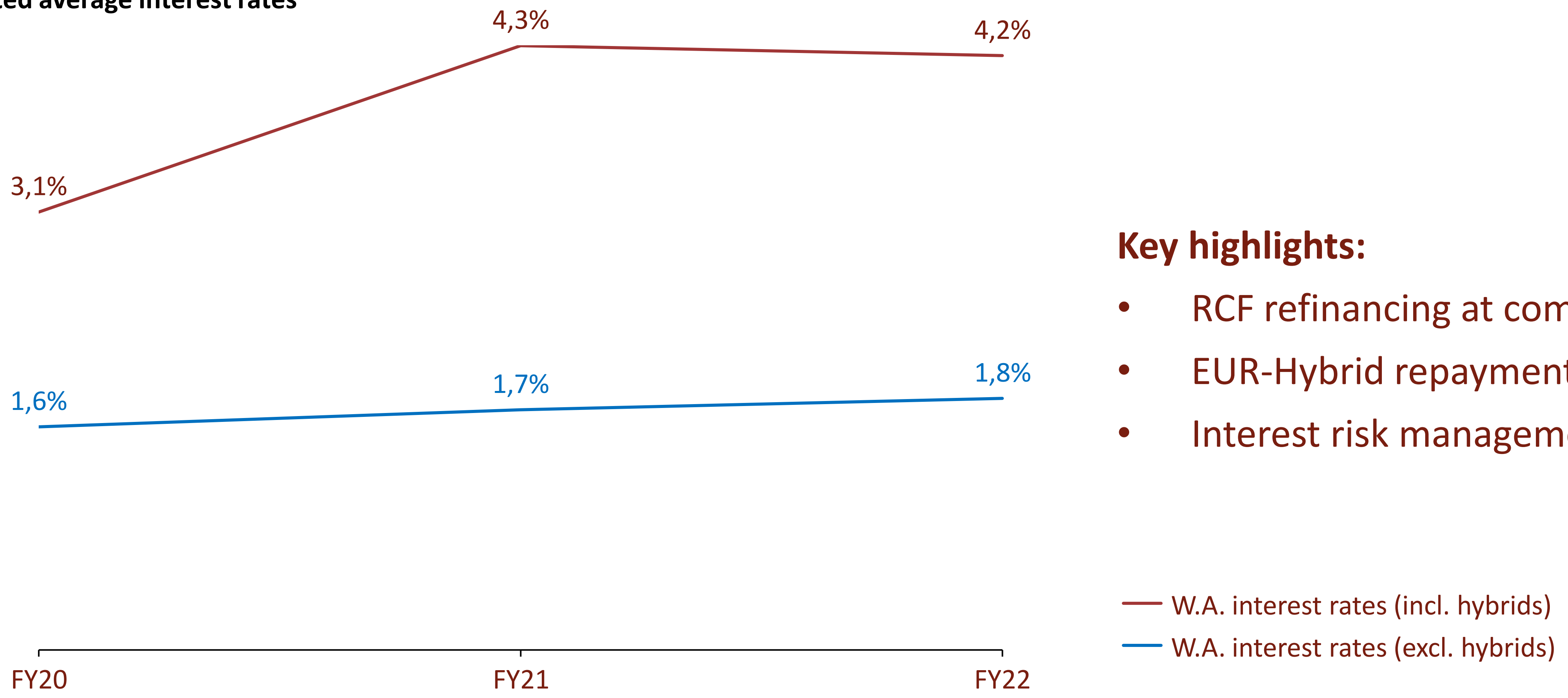


Key highlights:

- €50m hybrid principal repayment at 4% discount

Stable interest costs supported by RCF refinancing and improved capital structure

Weighted average interest rates

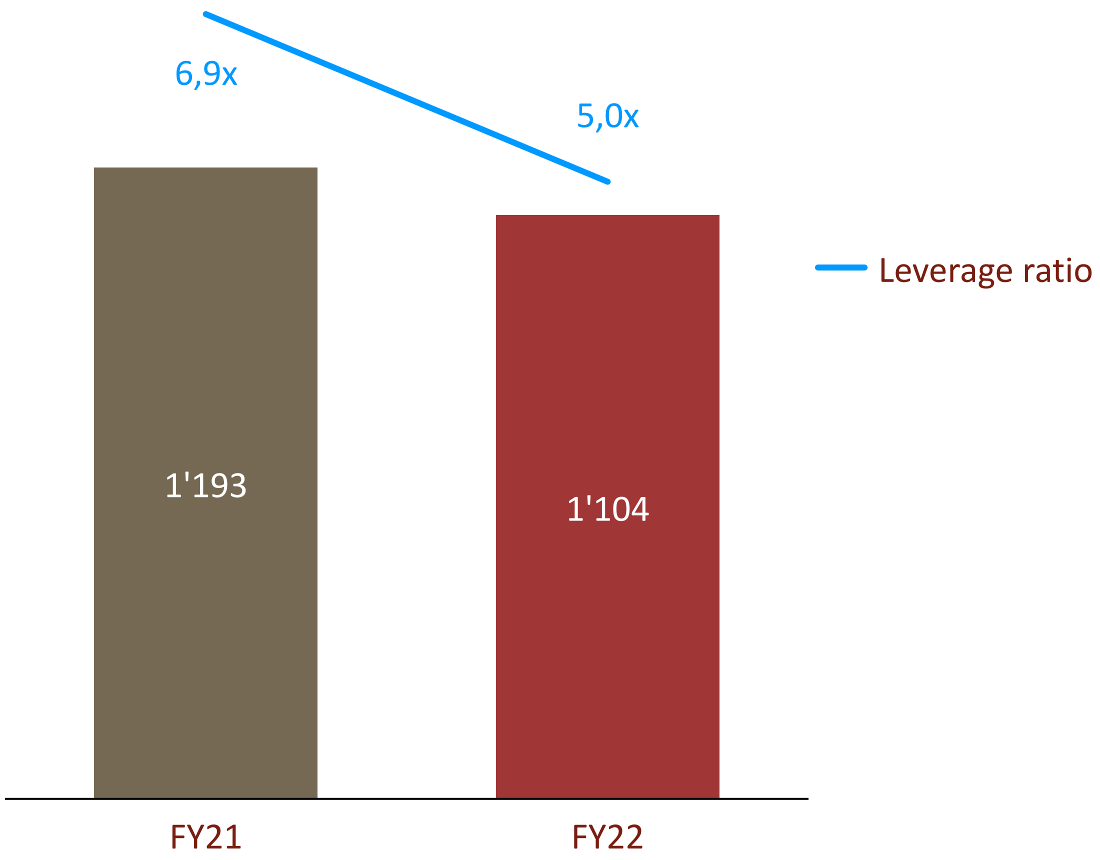


Key highlights:

- RCF refinancing at competitive rates
- EUR-Hybrid repayment strategy
- Interest risk management

Important improvements of capital structure and leverage ratio

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



Key highlights:

- Debt maturity profile: from <1 to 4.1 years
  - RCF refinancing
  - Schuldschein notes repayment
  - State sponsored COVID loan repayment
- Bank covenant ratios well within defined range

FY 2022 results

Closing remarks

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*

Four key value drivers for gold standard

Be strategic partner

Excellence in
Customer development

Strong customer focus and dedication to customer needs

Top line

Be category captain

Excellence in
Innovation / category know-how

Following consumer trends and needs

Top line

Excellence in
Quality & efficiency

Continuous improvement in quality & efficiency across the entire value chain

Bottom line

Excellence in
Channel solutions

Following channel trends and needs Food Service, Retail, QSR

Top line

Proposition
Gold standard for bake-off

ARYZTA a value creating business model

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, well structured and focused organization

Guidance FY 2023

- Current trading trends remain unchanged despite challenging macro environment
- Further improvements expected in FY 2023
- Reiteration of mid-term targets FY 2025

Thank you

FY 2022 results

Appendix

Bake-off market: Core Focus for ARYZTA

Total bakery market shares 2021 by segment

Bake-off: Premium Segment (ARYZTA's core focus)
Semi-finished frozen to be baked off or thawed and adding a finish at the point of sale, sold ultra fresh all day long; B2B

25%

Packaged
long shelf live for immediate at home consumption (toast) or to be baked at home (croissant, rolls); B2C

31%

Fresh
daily delivered to grocery store for resell or to foodservice (e.g. hotel) for immediate consumption; B2B

17%

Industrially manufactured bakery products

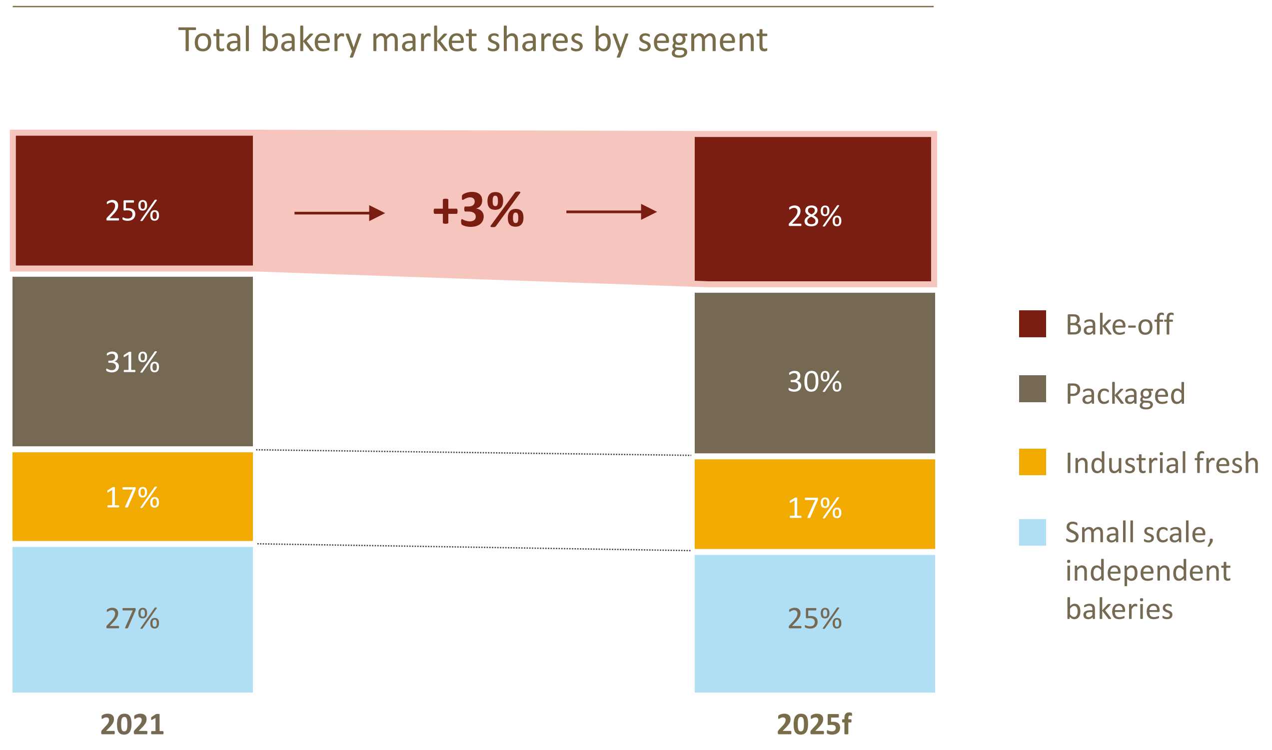
Small artisan bakeries
freshly produced and sold on site directly at the point of sale; B2C

27%

Small-scale, independent scratch bakeries

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

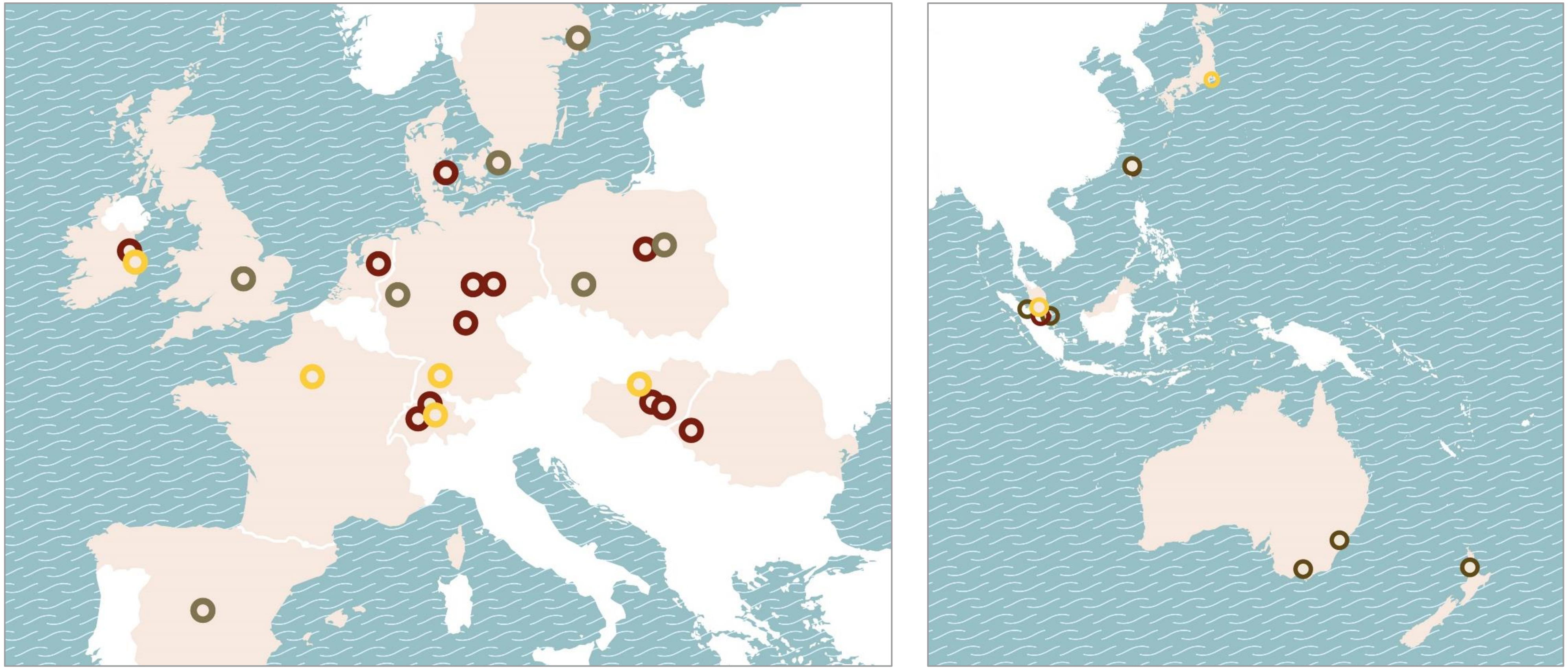
Bake-off to become largest bakery segment



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**

Manufacturing and commercial footprint



7
Food Solutions

13
Bakeries

13
QSR

27
Countries

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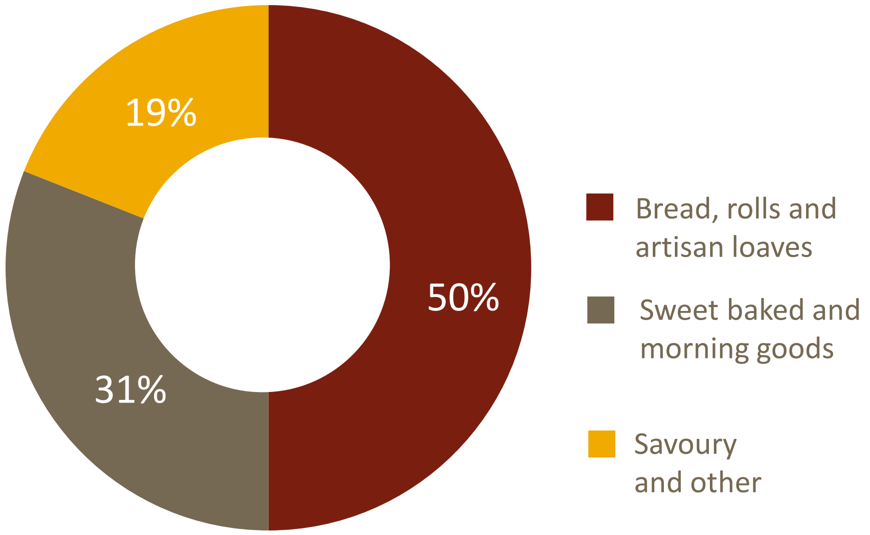
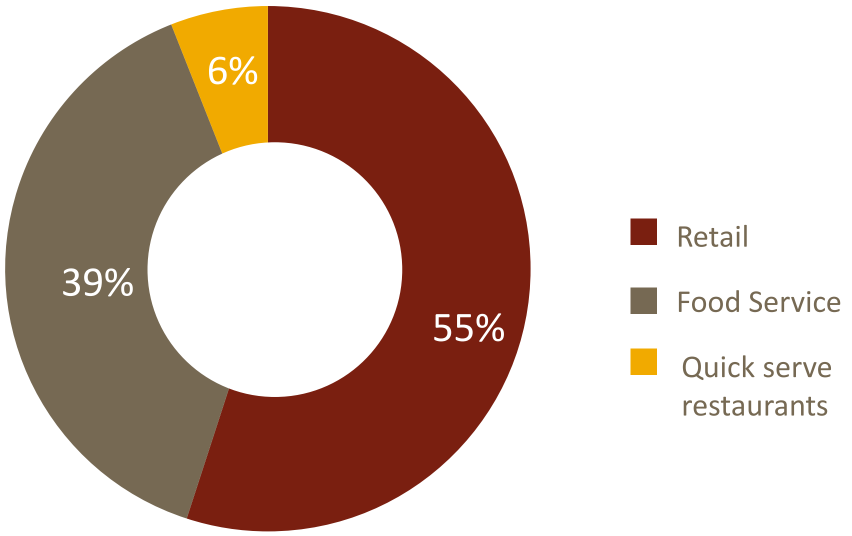
€18bn[1] addressable market

Market by product category

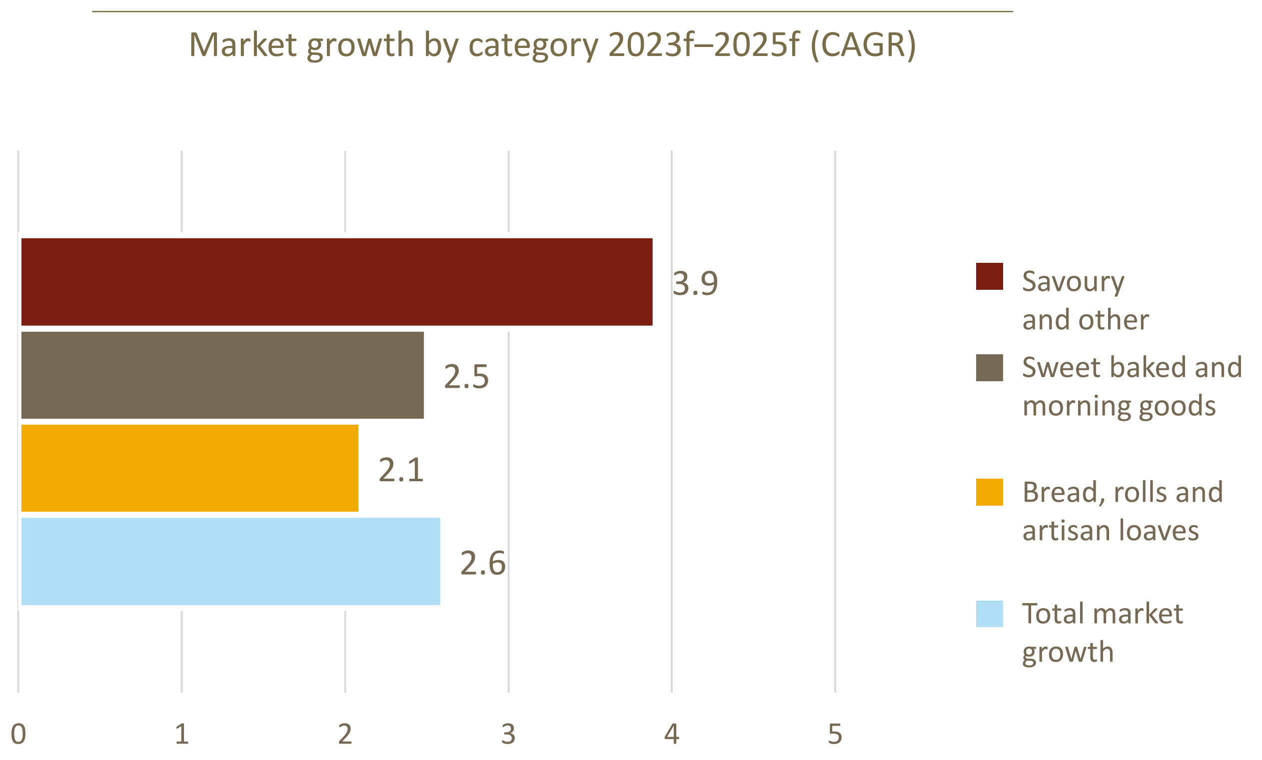


Market by channel



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

Excellent growth opportunities across all categories

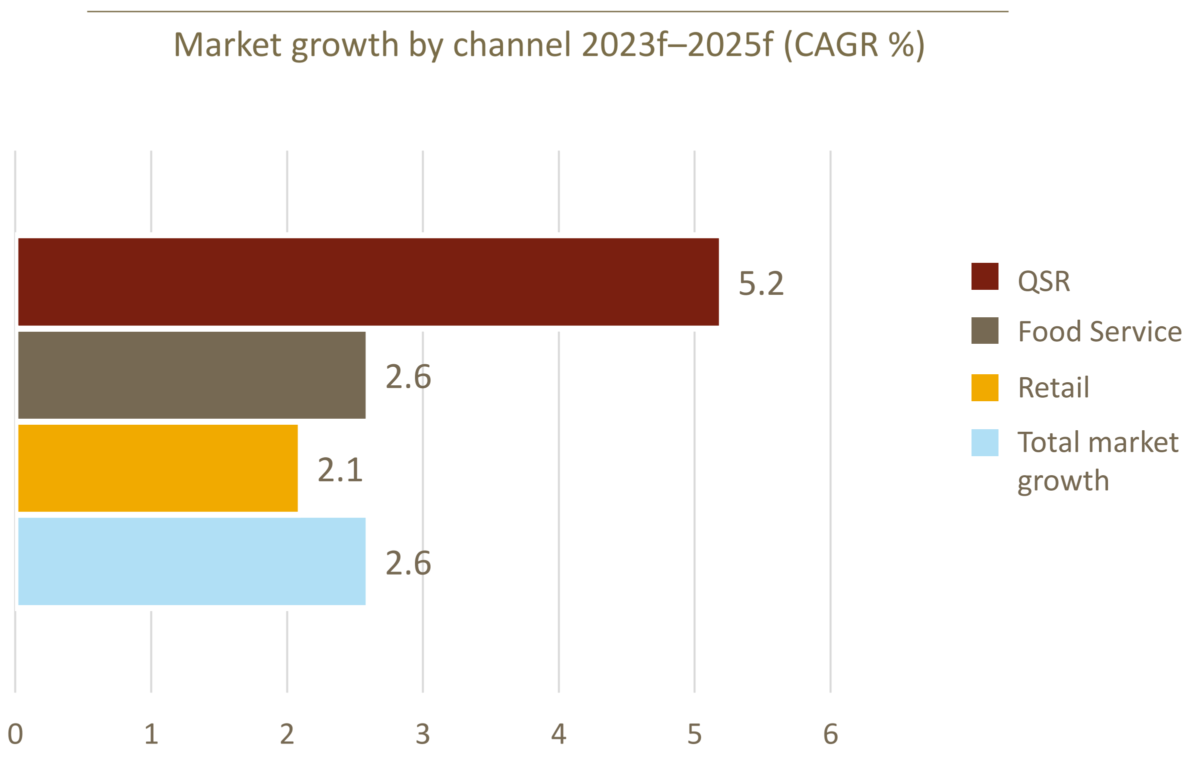


Source: Gira/ARYZTA Intelligence, market size shown only for markets with ARYZTA presence, ex factory prices

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



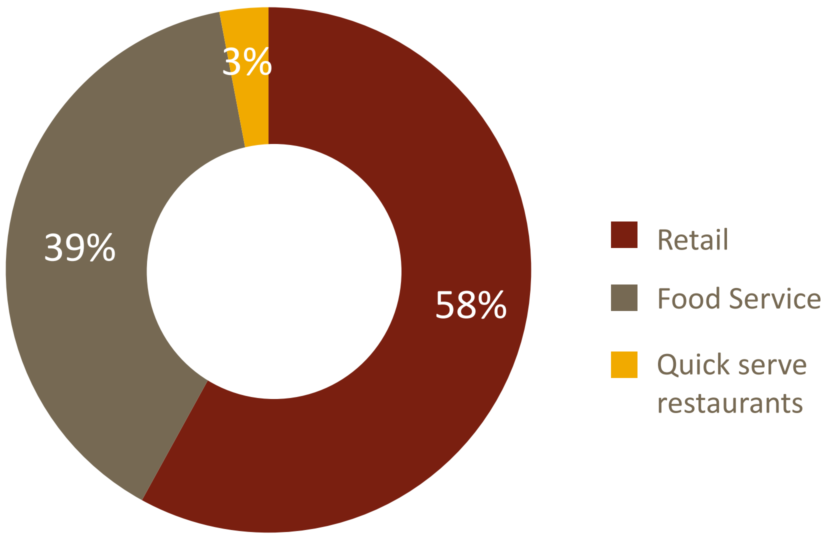
Source: Gira/ARYZTA Intelligence, market size shown only for markets with ARYZTA presence, ex factory prices

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

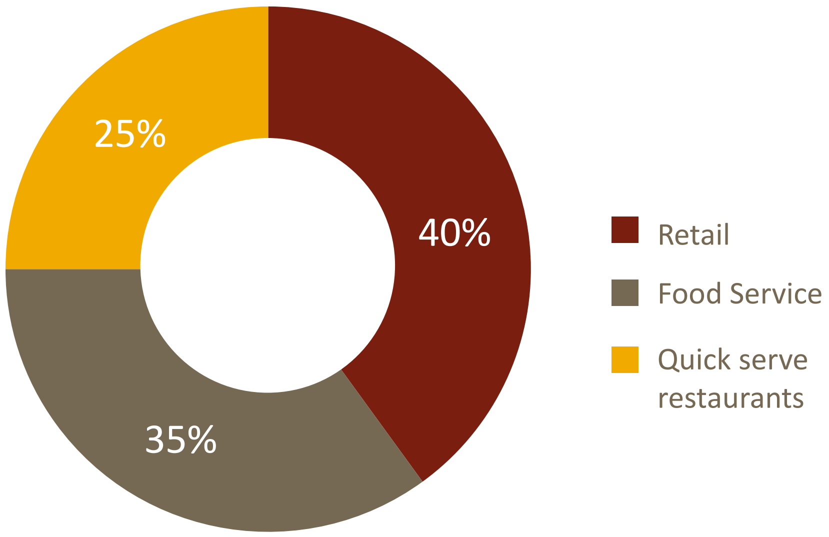
- QSR: driven by excellent product and service offering & staff availability
- Retail: Mainly driven by expanded bake-off offerings
- Food service: driven by bake off expansion and new post-covid momentum

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

Underlying Income Statement Reconciliation to IFRS

For period ended 30 July 2022

	FY 2022 €m	FY 2021 €m
Continuing Operations		
Group revenue	1,756.1	1,525.4
Underlying EBITDA [1]	218.8	173.4
Underlying EBITDA margin	12.5%	11.4%
Depreciation & ERP Amortisation	(107.5)	(109.9)
Underlying EBITA [1]	111.3	63.5
Underlying EBITA margin	6.3%	4.2%
Finance cost, net	(17.1)	(32.8)
Hybrid instrument dividend	(45.2)	(46.2)
Underlying pre-tax profit/(loss)	49.0	(15.5)
Income tax	(3.4)	(26.7)
Underlying net profit/(loss) - continuing operations[1]	**45.6**	**(42.2)**
Underlying net profit - discontinued operations[1,2]	-	47.4
Underlying net profit - total[1]	**45.6**	**5.2**
Underlying diluted EPS (cent) - continuing operations[3]	**4.6**	**(4.3)**
Underlying diluted EPS (cent) - total[3]	**4.6**	**0.5**

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 54 for definitions of financial terms and references used in the financial and business review.

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 the prior period.

3 The 30 July 2022 weighted average number of ordinary shares used to calculate underlying earnings per share is 998,010,699 (2021: 991,493,662).

Reconciliation of Underlying EBITDA to IFRS result

For period ended 30 July 2022

	FY 2022 €m	FY 2021 €m
Continuing Operations		
Underlying EBITDA	**218.8**	173.4
Depreciation	**(96.5)**	(99.1)
ERP amortisation	**(11.0)**	(10.8)
Underlying EBITA	**111.3**	63.5
Amortisation of non-ERP intangible assets	**(16.3)**	(17.7)
Net loss on disposal of businesses	**(42.0)**	–
Net loss on fixed asset disposals and impairments	**(2.4)**	(4.3)
Restructuring-related costs	**(2.5)**	(52.8)
COVID-19 related costs	**–**	(1.3)
IFRS operating profit/(loss)	**48.1**	(12.6)
Gain on equity instruments at fair value through profit or loss	**–**	8.6
Finance cost, net	**(17.1)**	(32.8)
RCF termination costs	**(8.3)**	–
Profit/(loss) before income tax	**22.7**	(36.8)
Income tax expense	**(20.8)**	(13.5)
IFRS profit/(loss) for the period from continuing operations	**1.9**	(50.3)
IFRS loss for the period from discontinued operations	**(1.0)**	(185.5)
IFRS profit/(loss) for the year	**0.9**	(235.8)
Hybrid instrument dividend	**(45.2)**	(46.2)
Loss used to determine basic EPS	**(44.3)**	(282.0)
IFRS diluted loss per share (cent) - continuing operations[1]	**(4.4) cent**	(9.7) cent
IFRS diluted loss per share (cent)[1]	**(4.5) cent**	(28.4) cent

1 The 30 July 2022 weighted average number of ordinary shares used to calculate IFRS diluted loss per share is 992,056,975 (2021: 991,493,662).

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Reconciliation of Underlying EBITDA to IFRS EBITDA

For period ended 30 July 2022

	Continuing Operations	
	2022	2021
	€m	€m
Underlying EBITDA	**218.8**	173.4
(Loss)/gain on disposal of businesses	**(42.0)**	-
Loss on disposal of discontinued operations	**-**	-
Net loss on fixed asset disposals and impairments	**(2.4)**	(4.3)
Restructuring-related costs	**(2.5)**	(52.8)
COVID-19 related costs	**-**	(1.3)
IFRS EBITDA[1]	**171.9**	115.0

1 See glossary on page 54 for definitions of financial terms and references used in the financial and business review.

Reconciliation of IFRS Income Statement to Financial Business Review

For period ended 30 July 2022

	IFRS Income Statement 2022 €m	Impairment, disposal & restructuring related costs 2022 €m	Non-ERP Intangible amortisation 2022 €m	Underlying Income Statement 2022 €m	IFRS Income Statement 2021 €m	Impairment, disposal & restructuring related costs 2021 €m	Covid-19 related costs 2021 €m	Non-ERP Intangible amortisation 2021 €m	Underlying Income Statement 2021 €m
Revenue	**1,756.1**	–	–	**1,756.1**	**1,525.4**	–	–	–	**1,525.4**
Cost of sales	**(1,205.8)**	2.6	–	**(1,203.2)**	**(1,058.5)**	11.3	(0.2)	–	**(1,047.4)**
Distribution expenses	**(231.8)**	0.1	–	**(231.7)**	**(214.4)**	2.4	0.4	–	**(211.6)**
Gross profit	**318.5**	2.7	–	**321.2**	**252.5**	13.7	0.2	–	**266.4**
Selling expenses	**(85.1)**	0.4	–	**(84.7)**	**(86.8)**	2.4	0.3	–	**(84.1)**
Administration expenses	**(143.3)**	1.8	16.3	**(125.2)**	**(178.3)**	41.0	0.8	17.7	**(118.8)**
Net loss on disposal of businesses	**(42.0)**	42.0	–	**–**	**–**	–	–	–	**–**
Operating profit/(loss) of continuing operations	**48.1**	46.9	16.3	**111.3**	**(12.6)**	57.1	1.3	17.7	**63.5**

ARYZTA SERVING INSPIRATION

Organic Revenue

For period ended 30 July 2022

	ARYZTA Europe	ARYZTA Rest of World	Total Continuing Operations
Revenue in €m	1,531.1	225.0	**1,756.1**
Organic movement %	19.3%	10.5%	**17.9%**
Disposals movement %	(0.4%)	(19.6%)	**(3.4%)**
Currency movement %	0.3%	2.4%	**0.6%**
Total revenue movement %	19.2%	(6.7%)	**15.1%**

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
ARYZTA Europe					
Volume %	8.6%	16.4%	18.0%	10.1%	13.0%
Price %	0.7%	2.5%	6.6%	11.8%	5.5%
Mix %	0.8%	0.2%	1.0%	0.9%	0.8%
Organic movement %	**10.1%**	**19.1%**	**25.6%**	**22.8%**	**19.3%**
ARYZTA Rest of World					
Volume %	4.3%	7.0%	3.3%	11.8%	6.7%
Price %	1.7%	1.7%	3.5%	6.1%	3.3%
Mix %	1.9%	(1.1%)	0.4%	1.0%	0.5%
Organic movement %	**7.9%**	**7.6%**	**7.2%**	**18.9%**	**10.5%**
ARYZTA continuing operations					
Volume %	8.0%	14.8%	15.6%	10.3%	12.0%
Price %	0.9%	2.3%	6.1%	11.0%	5.2%
Mix %	0.9%	(0.1%)	0.9%	0.9%	0.7%
Organic movement %	**9.8%**	**17.0%**	**22.6%**	**22.2%**	**17.9%**

Segmental Underlying EBITDA

For period ended 30 July 2022

Underlying EBITDA[1]	FY 2022 €m	FY 2021 €m	% Change
ARYZTA Europe	179.5	140.5	27.8%
ARYZTA Rest of World	39.3	32.9	19.5%
Total continuing operations	**218.8**	**173.4**	**26.2%**

Underlying EBITDA margin[1]	FY 2022 %	FY 2021 %	% Change
ARYZTA Europe	11.7%	10.9%	80 bps
ARYZTA Rest of World	17.5%	13.6%	390 bps
Total continuing operations	**12.5%**	**11.4%**	**110 bps**

1 See glossary on page 54 for definitions of financial terms and references used in the financial and business review.

Impairment, disposal, restructuring and COVID-19 related costs

For period ended 30 July 2022

	ARYZTA Europe 2022 €m	ARYZTA Rest of World 2022 €m	Total Continuing Operations 2022 €m	Total Continuing Operations FY 2021 €m
Gain on disposal before FX recycle	0.2	43.2	**43.4**	–
FX recycle from other comprehensive income on disposal	–	(85.4)	**(85.4)**	–
Gain/(loss) on disposal of businesses	0.2	(42.2)	**(42.0)**	–
Loss on sale of fixed asset disposals and impairments	(2.4)	–	**(2.4)**	(4.3)
Net gain on equity investment at fair value	–	–	**–**	8.6
Net loss on disposal of businesses and asset write downs	**(2.2)**	**(42.2)**	**(44.4)**	**4.3**
Severance and other staff-related costs	(2.0)	–	**(2.0)**	(28.4)
Other costs including advisory	(0.4)	(0.1)	**(0.5)**	(8.3)
Legal & financial obligations related to takeover of Group, rejected by Board in Dec 2020	–	–	**–**	(16.1)
Total restructuring-related costs	**(2.4)**	**(0.1)**	**(2.5)**	**(52.8)**
COVID-19 related costs	–	–	**–**	**(1.3)**
Total impairment, disposal, restructuring and Covid-related costs	**(4.6)**	**(42.3)**	**(46.9)**	**(49.8)**

Cash Generation

For period ended 30 July 2022

	FY 2022 €m	FY 2021 €m
Underlying EBITDA - continuing operations	218.8	173.4
Underlying EBITDA - discontinued operations	-	76.6
ARYZTA Underlying EBITDA	**218.8**	**250.0**
Working capital movement	(2.7)	(18.7)
Working capital movement from debtor securitisation[1]	23.0	(41.2)
Capital expenditure	(89.4)	(88.0)
Net payments on lease contracts	(33.8)	(45.4)
Proceeds from sale of fixed assets and investment property	5.7	8.1
Restructuring related cash flows	(11.9)	(54.2)
Operating free cash generation	**109.7**	**10.6**
Dividends received from equity investments	-	1.1
Dividends paid on hybrid instruments - actual	(43.0)	-
Interest and income tax on operating activities paid, net	(25.2)	(42.0)
Recognition of deferred income from government grants	(1.6)	(3.3)
Other	4.1	(0.5)
Cash flow generated from activities	44.0	(34.1)

1 Total debtor balances securitised as of 30 July 2022 is €108m (2021: €85m).

Cash Generation – continuing operations

For period ended 30 July 2022

	FY 2022 €m	FY 2021 €m
ARYZTA Underlying EBITDA	**218.8**	**173.4**
Working capital movement	(2.7)	10.1
Working capital movement from debtor securitisation	23.0	2.2
Capital expenditure	(89.4)	(63.5)
Net payments on lease contracts	(33.8)	(34.6)
Proceeds from sale of fixed assets and investment property	5.7	7.3
Restructuring related cash flows	(11.9)	(44.8)
Operating free cash generation	**109.7**	**50.2**
Dividends received from equity investments	-	1.1
Dividends paid on hybrid instruments - actual	(43.0)	-
Interest and income tax on operating activities paid, net	(25.2)	(38.1)
Recognition of deferred income from government grants	(1.6)	(3.3)
Other	4.1	0.9
Cash flow generated from activities	**44.0**	**10.8**

Net Debt Evolution

For period ended 30 July 2022

	FY 2022 €m	FY 2021 €m
Opening net debt	**(220.1)**	**(1,010.7)**
Cash flow generated from activities	**44.0**	(34.1)
Net movements on lease liabilities	**14.4**	1.2
Disposal of businesses, net of tax and leases[1]	**109.8**	791.6
Disposal of equity investment	**-**	24.3
Hybrid instrument principal repayment	**(48.0)**	-
Dividends paid on hybrid instruments - deferred and compound	**(172.0)**	-
Receipt of vendor loan note	**-**	10.0
RCF termination costs	**(8.3)**	-
Foreign exchange movement	**(7.1)**	5.1
Other[2]	**(2.7)**	(7.5)
Closing net debt[3]	**(290.0)**	**(220.1)**

1 Disposal of businesses, net of tax and leases, comprises of €106.8m of cash proceeds on disposal of businesses and €17.2m of leases disposed, offset by €14.2m of directly attributable income tax payments made on disposal of businesses.

2 Other comprises primarily amortisation of upfront financing costs.

3 Excluding the €126.1m lease liabilities arising from IFRS 16 at 30 July 2022 (2021: €154.6m), the Group net debt would be €163.9m (2021: €65.5m).

ARYZTA Group Net Debt Facilities and Maturities

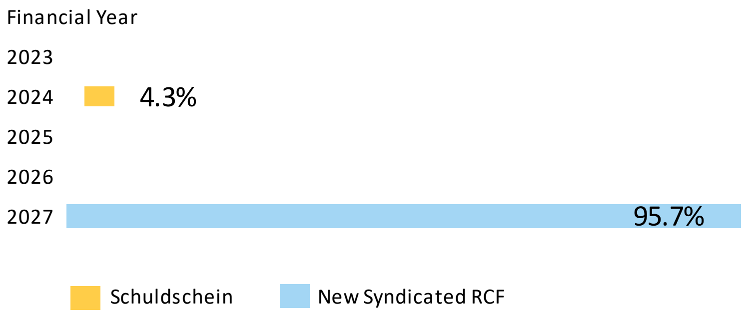
For period ended 30 July 2022

	2022 €m	2021 €m
Syndicated Bank RCF	(398.5)	(45.0)
State sponsored COVID-19 related loans	-	(21.9)
Schuldschein	(17.8)	(178.6)
Gross term debt	**(416.3)**	**(245.5)**
Upfront borrowing costs	6.6	9.1
Term debt, net of upfront borrowing costs	**(409.7)**	**(236.4)**
Cash and cash equivalents	245.8	170.9
Net debt excluding leases	**(163.9)**	**(65.5)**
Leases	(126.1)	(154.6)
Net debt	**(290.0)**	**(220.1)**

As of 30 July 2022, the weighted average interest cost of the Group debt financing facilities is 1.8% (2021: 1.7%) and the weighted average maturity of the Group gross term debt is 4.1 years.

Gross Term Debt Maturity profile

FY 2022



Covenants

For period ended 30 July 2022

In September 2021, ARYZTA replaced its existing €800m Syndicated Revolving Credit Facility ('RCF') Agreement with a new five year €500m Syndicated RCF Agreement. In connection with the early repayment of the existing facility, the Group incurred €8.3m of costs, due to the write off of existing RCF capitalised borrowing costs. Under the new RCF Agreement the Group's financial covenants are as follows:

Leverage Covenant (Net Debt: EBITDA):
- maximum 3.5x

Interest cover covenant (EBITDA: Net interest, including Hybrid dividend), minimum:
- >1.50x - until 31 January 2022
- >2.00x - until 31 July 2022
- >3.00x - until 31 July 2023
- >3.50x - until facility termination date in September 2026

The Group's key financial ratios at 30 July 2022 were as follows:

	FY 2022	FY 2021
Leverage covenants (Net Debt: EBITDA)[1]	1.01x	0.58x
Interest cover covenant (EBITDA: Net interest, including Hybrid dividend)[1]	3.17x	1.88x

1 Calculated as per Syndicated Bank Facilities Agreement terms.

Hybrid Funding

For period ended 30 July 2022

Instrument	Coupon	Coupon rate if not called	FY 2022 €m
CHF 400m	5.5%	6.045% +SARON 3 months compound rate	(411.1)
EUR 200m	6.8%	6.77% +5 Year Euro Swap Rate	(200.0)
CHF 190m	3.7%	4.213% +SARON 3 months compound rate	(195.3)
Hybrid funding principal outstanding at 30 July 2022 exchange rates			**(806.4)**
Hybrid instrument accrued dividends			(7.7)
Total Hybrid funding outstanding at 30 July 2022 exchange rates			**(814.1)**

ARYZTA Group – Return on Invested Capital

For period ended 30 July 2022

	ARYZTA Europe €m	ARYZTA Rest of World €m	ARYZTA Group €m
30 July 2022			
Average segmental net assets[1,3]	1,157.9	99.9	1,257.8
NOPAT[1]	64.4	20.7	85.1
ROIC[1,2]	5.6%	20.7%	6.8%
31 July 2021			
Average segmental net assets[1,3]	1,221.8	153.7	1,375.5
NOPAT[1]	(38.5)	(0.8)	(39.3)
ROIC[1,2]	(3.2%)	(0.5%)	(2.9%)

1 See glossary on page 54 for definitions of financial terms and references used.

2 Group WACC on a post-tax basis is currently 6.9% (2021: 6.5%).

3 Average segmental net assets is the average of the beginning and ending segmental net assets. For the purposes of calculating the average segmental net assets, the net assets at the beginning of the twelve month period ended 30 July 2022 has been adjusted by €62.1m to exclude the impact of the disposal of the Brazil business, and the net assets at the beginning of the twelve month period ended 30 July 2021 has been adjusted by €734.0m to exclude the impact of the disposal of the ARYZTA North America disposed business.

Net assets, goodwill and intangibles

For period ended 30 July 2022

	FY 2022 €m	FY 2021 €m
Property, plant and equipment	853.6	849.8
Investment properties	–	3.7
Goodwill and intangible assets	667.5	660.3
Working capital	(127.0)	(94.1)
Other segmental assets	4.1	6.0
Other segmental liabilities	(23.4)	(21.9)
Lease liabilities	(126.1)	(136.9)
Net assets of disposal group held-for-sale	-	62.1
Segmental net assets[1]	1,248.7	1,329.0
Interest bearing bank loans, net of cash	(163.9)	(65.5)
Deferred tax, net	(61.4)	(78.2)
Income tax	(87.7)	(82.9)
Derivative financial instruments	(3.3)	(0.3)
Net assets	**932.4**	**1,102.1**

1 See glossary on page 54 for definitions of financial terms and references used.

Group Consolidated Income Statement

For period ended 30 July 2022

	2022	2021
	€m	€m
Continuing Operations		
Revenue	**1,756.1**	1,525.4
Cost of sales	**(1,205.8)**	(1,058.5)
Distribution expenses	**(231.8)**	(214.4)
Gross profit	**318.5**	252.5
Selling expenses	**(85.1)**	(86.8)
Administration expenses	**(143.3)**	(178.3)
Net loss on disposal of businesses	**(42.0)**	–
Operating profit/(loss)	**48.1**	(12.6)
Gain on equity instruments at fair value through profit or loss	**–**	8.6
Profit/(loss) before financing income, financing costs and income tax	**48.1**	(4.0)
Financing income	**1.3**	3.0
Financing costs	**(18.4)**	(35.8)
RCF termination costs	**(8.3)**	–
Profit/(loss) before income tax	**22.7**	(36.8)
Income tax expense	**(20.8)**	(13.5)
Profit/(loss) for the period from continuing operations	**1.9**	(50.3)
Discontinued operations		
Loss for the period from discontinued operations	**(1.0)**	(185.5)
Profit/(loss) for the period attributable to equity shareholders	**0.9**	(235.8)

Group Consolidated Balance Sheet

For period ended 30 July 2022

	2022 €m	2021 €m
Assets		
Non-current assets		
Property, plant and equipment	**853.6**	849.8
Investment properties	**-**	3.7
Goodwill and intangible assets	**667.5**	660.3
Other receivables	**2.7**	2.8
Deferred income tax assets	**37.2**	28.4
Total non-current assets	**1,561.0**	1,545.0
Current assets		
Inventory	**120.4**	91.5
Trade and other receivables	**152.5**	151.1
Derivative financial instruments	**1.5**	0.2
Cash and cash equivalents	**245.8**	170.9
	520.2	413.7
Assets held-for-sale	**1.4**	3.2
Assets of disposal group held-for-sale	**-**	101.8
Total current assets	**521.6**	518.7
Total assets	**2,082.6**	2,063.7

	2022 €m	2021 €m
Equity		
Called up share capital	**17.0**	17.0
Share premium	**1,531.2**	1,531.2
Retained deficit and other reserves	**(615.8)**	(446.1)
Total equity	**932.4**	1,102.1
Liabilities		
Non-current liabilities		
Interest-bearing loans and borrowings	**507.6**	163.1
Employee benefits	**6.5**	4.0
Deferred income from government grants	**1.6**	4.1
Other payables	**15.3**	13.8
Deferred income tax liabilities	**98.6**	106.6
Total non-current liabilities	**629.6**	291.6
Current liabilities		
Interest-bearing loans and borrowings	**28.2**	210.2
Trade and other payables	**399.9**	336.7
Income tax payable	**87.7**	82.9
Derivative financial instruments	**4.8**	0.5
	520.6	630.3
Liabilities of disposal group held-for-sale	**–**	39.7
Total current liabilities	**520.6**	670.0
Total liabilities	**1,150.2**	961.6
Total equity and liabilities	**2,082.6**	**2,063.7**

Average Closing and Average FX Rates

For period ended 30 July 2022

Currency	Average FY 2022	Average FY 2021	% Change	Closing FY 2022	Closing FY 2021	% Change
CHF	1.0423	1.0868	4.1%	0.9730	1.0773	9.7%
USD	1.1139	1.1947	6.8%	1.0193	1.1882	14.2%
AUD	1.5445	1.5949	3.2%	1.4570	1.6072	9.3%
GBP	0.8466	0.8820	4.0%	0.8380	0.8515	1.6%

Presentation Glossary

‘Organic revenue’ – presents the revenue movement during the period, excluding impacts from acquisitions/(disposals) and foreign exchange translation.

‘Underlying EBITDA’ – presented as earnings before interest, taxation, depreciation and amortisation; before impairment, disposal, restructuring and COVID-19 related costs.

'IFRS EBITDA' – presented as earnings before interest, taxation, depreciation and amortisation. A reconciliation of IFRS EBITDA to Underlying EBITDA from continuing operations by segment is presented on page 37.

‘Underlying EBITA’ – presented as earnings before interest, taxation and non-ERP related intangible amortisation; before impairment, disposal, restructuring and COVID-19 related costs.

‘ERP’ – Enterprise Resource Planning intangible assets include the Group SAP system.

‘Hybrid instrument’ – presented as Perpetual Callable Subordinated Instruments, which have no contractual maturity date and for which the Group controls the timing of settlement; therefore, these instruments are accounted for as equity instruments in accordance with IAS 32 ‘Financial Instruments’.

‘Underlying net profit/(loss)’ – presented as reported net profit/(loss), adjusted to include the Hybrid instrument dividend as a finance cost; before non-ERP related intangible amortisation; and before RCF termination costs, impairment, disposal, restructuring and COVID-19 related costs, net of related income tax impacts. The Group utilises the underlying net profit/(loss) measure to enable comparability of the results from period to period, without the impact of transactions that do not relate to the underlying business.

‘Cash flow generated from activities’ – represents the company’s ability to generate free funds from its operating activities after its investment in fixed assets and repayments of lease liabilities. It is calculated as net cash flows from operating activities per the IFRS cash flow statement, adjusted for cash flows related to the purchase of property, plant and equipment and intangible assets, proceeds from sale of property, plant and equipment, lease principal payments and dividends paid on hybrid dividends.

‘Net debt’ – is defined as the Group’s interest bearing loans and bonds and lease liabilities, after deduction of cash and cash equivalents.

‘Segmental Net Assets’ – Excludes joint ventures, financial assets at fair value, all bank debt, cash and cash equivalents and tax balances.

‘ROIC’ – Return On Invested Capital is calculated using a pro-forma trailing twelve month 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; divided by average Segmental Net Assets, as at the beginning and end of the financial period.