

ARYZTA AG
H1 Results, FY21

15 March 2021








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 law.

H1 2021 Overview and Key Developments

- Disposal agreement signed for ARYZTA North American businesses (ANA) for USD850m
- Good progress on simplifying the business and reducing costs
- On track to deliver a 25% annualised reduction in Group overhead in FY21
- H1 revenue and underlying EBITDA performance ahead of expectations
- Strong liquidity position maintained; €523m[1]
- Ample covenant headroom; Net Debt to EBITDA of 4.07x[2]
- COVID-19 impact varied by region:
  - » Strong recovery of business performance in North America, particularly in QSR and retail
  - » Good recovery in Asia Pacific while LATAM impacted by continuing higher levels of COVID-19
  - » Europe negatively impacted by further lockdown restrictions in Q2
  - » Vaccination roll-out offers significant further recovery particularly in food service
- Not providing guidance given ongoing challenges and uncertainty surrounding COVID-19

1 The Group's liquidity consists of cash and cash equivalents of €390m and undrawn revolving credit facility of €133m
2 Calculated as per Syndicated Bank Facilities Agreement terms

Disposals

- Agreed disposal of 100% of the North American business to Lindsay Goldberg LLC for USD850m
- The sale price of USD850m equates to an Enterprise Value to LTM adjusted EBITDA of 13.6x on a Pre IFRS 16 basis and 10.3x on a post IFRS 16 basis
- Transaction involves assets in USA and Canada only
- Expected to close by end of current financial year and is subject to all the relevant regulatory approvals
- Strong recovery of North American business performance assisted the disposal process
- ARYZTA will continue to use the La Brea and Otis Spunkmeyer brands for a two-year period
- Supply agreements of specialised European confectionary also agreed
- Disposal proceeds provide significant certainty and flexibility around Group balance sheet repair and strengthening
- LATAM process continuing

Business improvement

- Targeting EBITDA margin run rate of 12.5% in FY22; this is a intermediate target and will need to improve further over time

- Multi-local business model with local empowerment over customer decision making and costs progressing well

- Delayering of reporting structures across entire business (Global and Europe) completed

- Removing duplication and reducing excessive external consultancy use

- Benchmarking each business/bakery with realistic attainable industry targets

- Customer feedback has been positive as decision and reaction times have improved, resulting in positive relationship momentum

Cost savings

– Renewed Board unanimously endorsed new strategic plan in December

– Management changes swiftly implemented to deliver plan

– Direct reporting structure in place across entire Group

– Restructuring in progress in Europe with strong focus on delivering improvements in Germany

– Targeting at least a 25% annualised reduction in overhead costs

– Incurred €35.0m of one-off rationalisation costs in H1, net of a disposal gain of €5.8m, across three major categories:
  - Headcount reductions (€15.2m)
  - Excessive advisory fees (€24.5m)
  - COVID-19 related costs (€1.1m)

– Further de minimis costs likely as restructuring/simplification not yet fully complete

– Delisted from Euronext in Dublin to reduce costs and move to a single regulatory and governance regime

Financial Review

H1 2021 Key Financial Highlights

	H1 FY21 €m	H1 FY20 €m	Δ
Continuing Revenue (ARYZTA Europe & ARYZTA Rest of World)	**752.5**	952.2	(21.0)%
Discontinued Revenue (ARYZTA North America)	**533.4**	704.0	(24.2)%
Total Revenue	**1,285.9**	1,656.2	(22.4)%
Continuing Underlying EBITDA (ARYZTA Europe & ARYZTA Rest of World)[1]	**76.1**	119.1	(36.1)%
Discontinued Underlying EBITDA (ARYZTA North America)	**48.7**	50.7	(3.9)%
Total Underlying EBITDA	**124.8**	169.8	(26.5)%
Continuing Underlying EBITDA Margin (ARYZTA Europe & ARYZTA Rest of World)	**10.1%**	12.5%	(240) bps
Discontinued Underlying EBITDA Margin (ARYZTA North America)	**9.1%**	7.2%	190 bps
Total Underlying EBITDA Margin	**9.7%**	10.3%	(60) bps
Working Capital Movement	**32.2**	(35.3)	67.5m
Capital expenditure	**(37.3)**	(53.4)	16.1m
Total impairment, disposal, restructuring and COVID-19 related costs[2]	**(35.0)**	(359.0)	324.0m
Cash flow generated from activities	**33.8**	23.2	10.6m
Net debt	**(869.5)**	(867.1)	(2.4)m

1 Underlying EBITDA from continuing operations includes central costs previously allocated to discontinued operations

2 Total Continuing Operations

ARYZTA Group Underlying Income Statement

26-week period ended 30 January 2021

	H1 FY21 €m	H1 FY20 €m	% Change
Continuing Operations			
Group revenue	752.5	952.2	(21.0%)
Underlying EBITDA[1]	76.1	119.1	(36.1%)
Underlying EBITDA margin	10.1%	12.5%	(240) bps
Depreciation and ERP amortisation	(54.4)	(57.9)	6.0%
Underlying EBITA[1]	21.7	61.2	(64.5%)
Joint ventures underlying net profit	–	18.4	(100.0%)
Underlying EBITA including joint ventures	21.7	79.6	(72.7%)
Finance cost, net	(16.6)	(20.0)	17.0%
Hybrid dividend	(23.0)	(22.1)	(4.1%)
Underlying pre-tax profits	(17.9)	37.5	(147.7%)
Income tax	(12.9)	(11.8)	(9.3%)
Underlying net (loss)/profit - continuing operations[1]	**(30.8)**	**25.7**	**(219.8%)**
Underlying net profit - discontinued operations[1,2]	14.4	8.6	67.4%
Underlying net (loss)/profit - total[1]	**(16.4)**	**34.3**	**(147.8%)**
Underlying diluted EPS (cent) - continuing operations[3]	(3.1)	2.6	(219.2%)
Underlying diluted EPS (cent) - total[3]	(1.7)	3.5	(148.6%)

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 31 for definitions of financial terms and references

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 30 January 2021 weighted average number of ordinary shares used to calculate underlying earnings per share is 991,206,398 (H1 2020: 992,305,695).

Underlying Income Statement Reconciliation to IFRS

26-week period ended 30 January 2021

26 week period ended	H1 FY21 €m	H1 FY20 €m
Continuing Operations		
Underlying EBITDA	76.1	119.1
Depreciation	(49.1)	(52.5)
ERP amortisation	(5.3)	(5.4)
Underlying EBITA	21.7	61.2
Amortisation of other intangible assets	(8.8)	(27.3)
Net loss on disposal of businesses	–	(61.2)
Gain on fixed asset disposals and impairments	(2.8)	0.9
Restructuring-related costs	(39.7)	(1.6)
COVID-19 related costs	(1.1)	–
IFRS operating (loss)/profit	**(30.7)**	(28.0)
Share of profit after interest and tax of joint ventures	–	16.1
Net loss on disposal of joint venture	–	(297.1)
Net gain on disposal of equity investment	8.6	–
Finance cost, net	(16.6)	(20.0)
Loss before income tax	(38.7)	(329.0)
Income tax expense	(10.1)	(5.7)
IFRS loss for the period from continuing operations	**(48.8)**	(334.7)
IFRS loss for the period from discontinued operations	(76.6)	(564.5)
IFRS loss for the period	**(125.4)**	**(899.2)**
Hybrid instrument dividend	**(23.0)**	(22.1)
Loss used to determine basic EPS	**(148.4)**	(921.3)
IFRS diluted loss per share (cent) - continuing operations[1]	(7.2)c	(36.0)c
IFRS diluted loss per share (cent)[1]	(15.0)c	(93.0)c

1 The 30 January 2021 weighted average number of ordinary shares used to calculate IFRS diluted loss per share is 991,206,398 (H1 2020: 990,600,164)

ARYZTA Group Revenue Performance

Period ended 30 January 2021

	ARYZTA Europe €m	ARYZTA Rest of World €m	Total Continuing Operations €m	Total Discontinued Operations €m	Total ARYZTA Group €m
Group revenue	631.7	120.8	**752.5**	533.4	**1,285.9**
Organic movement	(19.5)%	(6.9)%	**(17.6)%**	(14.8)%	**(16.4)%**
Disposals movement	(1.8)%	-	**(1.5)%**	(3.8)%	**(2.5)%**
Currency movement	(0.5)%	(9.7)%	**(1.9)%**	(5.6)%	**(3.5)%**
Total revenue movement	**(21.8)%**	**(16.6)%**	**(21.0)%**	**(24.2)%**	**(22.4)%**

Organic Revenue Development

	Q3 FY20	Q4 FY20	Q1 FY21	Q2 FY21	H1 FY21
ARYZTA Europe					
Volume %	(22.2%)	(28.3%)	(15.6%)	(23.4%)	(19.4%)
Price/Mix %	(1.4%)	(1.0%)	(0.1%)	(0.1%)	(0.1%)
Organic movement %	(23.6%)	(29.3%)	(15.7%)	(23.5%)	(19.5%)
ARYZTA Rest of World					
Volume %	(18.0%)	(26.0%)	(10.1%)	(5.1%)	(7.5%)
Price/Mix %	3.7%	3.1%	0.2%	1.0%	0.6%
Organic movement %	(14.3%)	(22.9%)	(9.9%)	(4.1%)	(6.9%)
Total Continuing Operations					
Volume %	(21.6%)	(28.0%)	(14.8%)	(20.5%)	(17.6%)
Price/Mix %	(0.7%)	(0.4%)	–	0.1%	0.0%
Organic movement %	(22.3%)	(28.4%)	(14.8%)	(20.4%)	(17.6%)
Discontinued Operations					
Volume %	(20.4)%	(18.7)%	(15.7)%	(16.9)%	(16.3)%
Price/Mix %	-	(4.2)%	(0.5)%	3.5%	1.5%
Organic movement %	(20.4)%	(22.9)%	(16.2)%	(13.4)%	(14.8)%
Total ARYZTA Group					
Volume %	(21.1)%	(24.3)%	(15.2)%	(19.0)%	(17.0)%
Price/Mix %	(0.4)%	(1.9)%	(0.2)%	1.5%	0.6%
Organic movement %	(21.5)%	(26.2)%	(15.4)%	(17.5)%	(16.4)%

EBITDA & EBITDA Margin

Underlying EBITDA	H1 FY21 €m	H1 FY20 €m	Δ
ARYZTA Europe	59.1	97.1	(39.1)%
ARYZTA Rest of World	17.0	22.0	(22.7)%
ARYZTA Continuing Operations[1]	**76.1**	**119.1**	**(36.1)%**
ARYZTA Discontinued Operations	48.7	50.7	(3.9)%
ARYZTA Group	**124.8**	**169.8**	**(26.5)%**

Underlying EBITDA Margin			
ARYZTA Europe	9.4%	12.0%	(260) bps
ARYZTA Rest of World	14.1%	15.2%	(110) bps
ARYZTA Continuing Operations	10.1%	12.5%	(240) bps
ARYZTA Discontinued Operations	9.1%	7.2%	190 bps
ARYZTA Group	9.7%	10.3%	(60) bps

1 Underlying EBITDA from continuing operations includes central costs previously allocated to discontinued operations




Impairment, Disposal, Restructuring and COVID- Related Costs

26-week period ended 30 January 2021

	Disposal of equity investment H1 FY21 €m	**ARYZTA Europe H1 FY21 €m**	**ARYZTA Rest of World H1 FY21 €m**	**Total Continuing Operations H1 FY21 €m**	Total Continuing Operations H1 FY20 €m
Net loss on disposal of business	–	–	–	**–**	(61.2)
Impairment and disposal of fixed assets and investment property	–	(2.8)	–	**(2.8)**	0.9
Net loss on disposal of joint venture	–	–	–	**–**	(297.1)
Fair value gain through profit or loss	8.6	–	–	**8.6**	–
Net gain/(loss) on disposal of businesses and asset write down	8.6	(2.8)	–	**5.8**	(357.4)
Severance and other staff-related costs	–	(13.1)	(2.1)	**(15.2)**	(0.3)
Other costs including advisory	–	(20.7)	(3.8)	**(24.5)**	(1.3)
Total restructuring-related costs	–	(33.8)	(5.9)	**(39.7)**	(1.6)
COVID-19 related costs	–	(0.6)	(0.5)	**(1.1)**	–
Total impairment, disposal, restructuring and COVID-19 related costs	8.6	(37.2)	(6.4)	**(35.0)**	(359.0)

Cash Generation

26-week period ended 30 January 2021

	H1 FY21 €m	H1 FY20 €m
Underlying EBITDA - continuing operations	76.1	119.1
Underlying EBITDA - discontinued operations	48.7	50.7
ARYZTA Underlying EBITDA	**124.8**	**169.8**
Working capital movement	32.2	(35.3)
Working capital movement from debtor securitisation[1]	(12.1)	2.3
Capital expenditure	(37.3)	(53.4)
Net payments on lease contracts	(25.0)	(28.5)
Proceeds from sale of fixed assets	0.7	9.0
Restructuring and COVID-19 related cash flows	(26.1)	(8.2)
Segmental operating free cash generation	**57.2**	**55.7**
Dividends received from equity investment	1.1	–
Interest and income tax paid, net	(21.8)	(30.8)
Recognition of deferred income from government grants	(1.6)	(2.0)
Other	(1.1)	0.3
Cash flow generated from activities	**33.8**	**23.2**

1 Total debtor balances securitised as of 30 January 2021 is €104m (1 August 2020: €117m).

Net Debt Evolution

Six-month period ended 30 January 2021

	H1 FY21 €m	H1 FY20 €m
Opening net debt	**(1,010.7)**	**(1,054.3)**
Cash flow generated from activities	33.8	23.2
Net movements on lease liabilities	13.6	17.4
Disposal of businesses, net of cash and leases	58.8	7.0
Disposal of joint venture[1]	–	145.5
Disposal of equity investment	24.3	–
Receipt of vendor loan note	10.0	–
Foreign exchange movement	4.4	(2.1)
Other[2]	(3.7)	(3.8)
Closing net debt[3]	**(869.5)**	**(867.1)**

1 Prior period full-year proceeds amounted to €139.9m net, after payment of outstanding fees .

2 Other comprises primarily amortisation of upfront borrowing costs.

3 Excluding the €214.3m net impact of adoption of IFRS 16, the Group net debt would be €655.2m at 30 January 2021.

Segmental Review

Our Business Model - Four Revenue Drivers

Excellence in Channel Solutions

Channels: Food Service, Convenience, Bakery, Retail, QSR

Excellence in Innovation / Category Know-how

Within 6 Product Groups

Proposition

Gold Standard for ovenbaked freshness

Excellence in Customer Development

Strong customer focus and dedication to customers needs

Excellence in Quality & Efficiency (Operations/Logistics/Sourcing/Sales & Marketing)

Continuous improvement in quality & efficiency across the entire value chain

- New multi-local approach
- Addresses the local customer needs
- Shortens supply chains and accelerates innovation response times
- Improves understanding of customers' needs and deepens relationships
- Achieved by empowering local leadership teams with local ownership of P&L

ARYZTA Europe

	H1 FY21	H1 FY20	Δ
Revenue	€631.7m	€807.3m	(21.8)%
EBITDA[1]	€59.1m	€97.1m	(39.1)%
EBITDA Margin	9.4%	12.0%	(260) bps

- COVID-19 restrictions and lockdowns continue to impact Europe with significant variation across the region
- Retail and QSR winners while Foodservice and Independents lose share
- New QSR investments in Poland
- All business units now report directly to CEO - removed European cost structures – positive customer reaction to shift to local decision making
- Continuing to simplify and take out costs

1 Underlying EBITDA from continuing operations includes central costs previously allocated to discontinued operations

ARYZTA Rest of World

	H1 FY21	H1 FY20	Δ
Revenue	€120.8m	€144.9m	(16.6)%
EBITDA[1]	€17.0m	€22.0m	(22.7)%
EBITDA Margin	14.1%	15.2%	(110) bps

- Rest of World continues to show solid recovery as COVID-19 well controlled in most countries in APAC
- Brazil continues to be impacted by COVID-19 but near-term weakness likely to lead to recovery
- APAC management structures already simplified
- QSR is a clear winner in Rest of World
- New products driving recovery
- ARYZTA's strong QSR relationships ensures it is well positioned to benefit from further recovery

OFENFRISCHE – UNSER HANDWERK

1 Underlying EBITDA from continuing operations includes central costs previously allocated to discontinued operations

Discontinued Operations (ARYZTA North America)

	H1 FY21	H1 FY20	Δ
Revenue	€533.4m	€704.0m	(24.2)%
EBITDA[1]	€48.7m	€50.7m	(3.9)%
EBITDA Margin	9.1%	7.2%	190 bps

- North America continuing to recover well from its COVID lows
- Improvement in EBITDA reflecting swift strategic pricing and cost containment actions
- Reporting structures streamlined and simplified
- North America has not been impacted by lockdowns to the same extent as Europe
- QSR taking market share while retail performing strongly
- ARYZTA has a well diversified QSR customer base in North America
- ARYZTA well positioned to grow into further vaccination led recovery

1 Underlying EBITDA from continuing operations includes central costs previously allocated to discontinued operations

Value Creation Plan Well Underway

Current Value	+	North America & LATAM Disposals	+	Debt reduction	+	Operational Improvement	=	Future Value
		Six to nine months		Disposals & Cost Savings		Over next 18 months, driven by new local focus business model		

- Disposal of ARYZTA North America (ANA) signed; LATAM process underway
- North America disposal adds certainty and flexibility for balance sheet improvement
- Targeting at least a 25% annualised reduction in overhead costs
- Additional one-off costs expected to be de minimis as business simplification yet to fully complete
- Targeting EBITDA margin run rate of 12.5% in FY22; this is a intermediate target and will need to improve further over time
- Exploit growth opportunities both organically and via M&A, in time
- Confident our strategy is delivering and will create substantial value for all shareholders and stakeholders


Bonne Maman
Croissant
à la confiture
Bonne Maman
Fraises - Erdbeere

Thank You

Appendix

ARYZTA Group Balance Sheet
as at 30 January 2021

	January 2021 €m	FY 2020 €m
Property, plant and equipment	896.4	1,323.4
Investment properties	6.4	6.4
Goodwill and intangible assets	686.1	1,143.1
Deferred tax on goodwill and intangibles	(19.2)	(37.1)
Working capital	(119.2)	(70.9)
Other segmental assets	–	16.3
Other segmental liabilities	(33.4)	(53.3)
Lease liabilities	(138.5)	(228.3)
Net assets of disposal group held-for-sale	661.2	19.2
ARYZTA Group segmental net assets	1,939.8	2,118.8
Financial assets at fair value through income statement	–	16.8
Interest bearing loans, net of cash	(655.2)	(742.2)
Deferred tax, excluding tax on goodwill and intangibles	(72.8)	(61.8)
Income tax	(67.9)	(63.5)
Derivative financial instruments	–	(0.2)
Net assets	**1,143.9**	**1,267.9**

ARYZTA Senior Debt Financing

The covenants are summarised in the table below:

	FY 2020	H1 FY 2021	FY 2021	Reset after FY 2021
Leverage covenant	maximum 6.0x	maximum 6.0x	maximum 6.0x	maximum 3.5x
Interest cover covenant	minimum 1.5x	minimum 1.0x	minimum 1.0x	minimum 3.0x

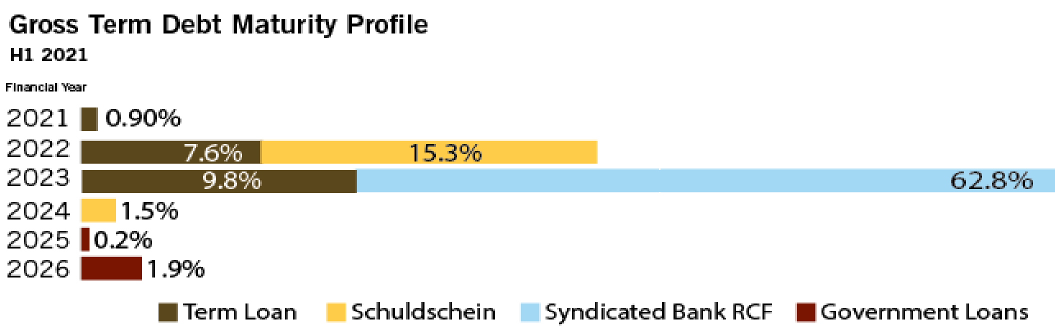
The Group's key financial ratios were as follows:

	H1 2021	FY 2020
Net Debt: EBITDA[1]	4.07x	3.68x
Interest cover covenant (EBITDA: Net interest, including Hybrid dividend)[1]	2.16x	2.63x

1 The Group has calculated Net Debt, EBITDA and Interest for the Group covenants in line with the Syndicated Bank Facilities Agreement terms.

ARYZTA Group Gross Term Debt Financing Facilities and Maturities

	30 January 2021 €m	1 August 2020 €m
Syndicated Bank RCF	(664.2)	(790.8)
Term loan facility	(193.2)	(210.0)
State sponsored COVID-19 related loans	(22.3)	(2.0)
Schuldschein	(178.3)	(178.6)
Gross term debt	**(1,058.0)**	**(1,181.4)**
Upfront borrowing costs	12.4	15.6
Term debt, net of upfront borrowing costs	**(1,045.6)**	**(1,165.8)**
Cash and cash equivalents	390.4	423.6
Net debt excluding leases	**(655.2)**	**(742.2)**
Leases	(214.3)	(268.5)
Net debt	**(869.5)**	**(1,010.7)**



ARYZTA Hybrid Financing

Perpetual callable subordinated instruments		Currency	Coupon	Coupon rate if not called	€m
Not called	CHF 400m	CHF	5.3%	6.045% +3 Month Swiss Libor	(371.5)
Not called	CHF 190m	CHF	3.5%	4.213% +3 Month Swiss Libor	(176.5)
Not called	EUR 250m	EUR	6.8%	6.82% +5 Year Euro Swap Rate	(250.0)
Hybrid funding principal outstanding at 30 January 2021 exchange rates					**(798.0)**
Hybrid instruments deferred dividends					(152.3)
Total hybrid funding outstandng at 30 January 2021 exchange rates					**(950.3)**

– No hybrid coupon payments planned

Return on Invested Capital – Continuing Operations

	ARYZTA Europe €m	ARYZTA Rest of World €m	ARYZTA Group €m
30 January 2021			
Segmental net assets	1,141.9	136.7	1,278.6
TTM EBITA	20.7	14.5	35.2
ROIC	1.8%	10.6%	2.7%
1 August 2020			
Segmental net assets	1,255.1	145.9	1,401.0
TTM EBITA	56.0	18.6	74.6
ROIC	4.5%	12.8%	5.3%

1 See glossary on slide 31 for definitions of financial terms and references used in the presentation.
2 Group WACC on a pre-tax basis is currently 9.4% (FY 2020: 9.5%).

EUR Closing and Average FX Rates

	Average H1 FY21	Average H1 FY20	% Change	Closing H1 FY21	Closing FY FY20	% Change
CHF	1.0781	1.0920	1.3%	1.0767	1.0783	0.1%
USD	1.1928	1.1082	(7.6)%	1.2099	1.1894	(1.7)%
CAD	1.5560	1.4625	(6.4)%	1.5566	1.5957	2.5%
GBP	0.9020	0.8749	(3.1)%	0.8827	0.9054	2.5%

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.
- '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.
- ‘Joint ventures underlying net profit' – presented as profit from joint ventures, net of interest and tax, before non-ERP amortisation and the impact of associated items.
- ‘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 (loss)/profit’ – presented as reported net (loss)/profit, adjusted to include the Hybrid instrument dividend as a finance cost; before non-ERP related intangible amortisation; and before impairment, disposal, restructuring and COVID-19 related costs, net of related income tax impacts. The Group utilises the underlying net (loss)/profit measure to enable comparability of the results from period to period, without the impact of transactions that do not relate to the underlying business.
- ‘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.
- ‘ROIC’ – Return On Invested Capital is calculated using a 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, divided by the respective Segmental Net Assets, as of the end of each period.