

First Quarter Revenue Update for the period ended 31 October 2018

Schlieren/Switzerland, 26 November 2018 –

ARYZTA AG Q1 - ongoing organic revenue stability; ARYZTA expects mid-to-high single-digit organic EBITDA growth for FY2019¹

Q1 2019 Performance Overview

- Group revenue of €862.3m represents a 0.3% organic revenue increase during the quarter, reflecting ongoing stabilisation across the business, despite commercial challenges.
- Group reported revenue declined (5.2%) reflecting the impact of disposals (5.3%) and currency (0.2%).
- The Group achieved a significant milestone post quarter end, with a successful capital raise that generated estimated net proceeds of c. €740m+ which will strengthen ARYZTA's balance sheet, provide necessary liquidity and working capital funding, and provide the Group with the time and financial flexibility to deliver on its multi-year turnaround plan.
- As previously announced, the Group expects mid to high single-digit organic EBITDA growth for FY 2019 (applying budget FY 2019 exchange rates on a like-for-like basis and excluding any disposals).

Q1 2019 Performance Summary

in EUR million	ARYZTA Europe	ARYZTA North America	ARYZTA Rest of World	ARYZTA Group
Revenue	430.4	366.9	65.0	862.3
Organic movement²	2.0%	(2.8)%	7.7%	0.3%
Disposal movement	(2.8)%	(8.7)%	-	(5.3)%
Currency movement	(0.3)%	1.1%	(7.8)%	(0.2)%
Total Revenue	(1.1)%	(10.4)%	(0.1)%	(5.2)%

ARYZTA AG Chief Executive Officer, Kevin Toland, commented :

“During the first quarter we continued to work to address the challenges facing the business. We remain resolutely focused on our core, the frozen B2B bakery market and have the management team and resolve to implement what is a multi-year turnaround strategy. We recently completed a successful capital raise that generated estimated net proceeds of c. €740m+, which will reduce debt and provide the necessary capital to implement Project Renew, our competitive re-positioning programme targeted to achieve €90 million of annual run-rate savings by FY2021. This stronger capital structure and improved liquidity will allow the management team to transition from a position of perceived commercial stress to a position of stability and instead to focus on strengthening our customer relationships, enhancing our operating efficiency, ongoing deleveraging of our balance sheet and, in time, returning the business to performance and growth.”

1. Applying budget FY 2019 exchange rates on a like-for-like basis and excluding any disposals

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

First Quarter Revenue Update for the period ended 31 October 2018

Quarterly organic revenue

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
ARYZTA Europe					
Volume %	(0.7)%	(1.3)%	(5.0)%	0.5%	(0.1)%
Price/Mix %	1.3%	4.2%	2.4%	2.1%	2.1%
Organic movement %	0.6%	2.9%	(2.6)%	2.6%	2.0%
ARYZTA North America					
Volume %	(7.1)%	(8.6)%	(1.9)%	1.2%	(2.1)%
Price/Mix %	0.1%	0.6%	0.6%	(3.6)%	(0.7)%
Organic movement %	(7.0)%	(8.0)%	(1.3)%	(2.4)%	(2.8)%
Organic movement % excluding Cloverhill	1.0%	(1.8)%	(1.5)%	(2.7)%	(3.0)%
ARYZTA Rest of World					
Volume %	2.7%	7.9%	7.5%	5.7%	6.1%
Price/Mix %	5.1%	2.3%	1.8%	(1.4)%	1.6%
Organic movement %	7.8%	10.2%	9.3%	4.3%	7.7%
ARYZTA Group					
Volume %	(3.6)%	(4.2)%	(2.7)%	1.2%	(0.6)%
Price/Mix %	1.0%	2.4%	1.5%	(0.7)%	0.9%
Organic movement %	(2.6)%	(1.8)%	(1.2)%	0.5%	0.3%
Organic movement % excluding Cloverhill	1.3%	1.4%	(1.3)%	0.5%	0.2%

ARYZTA Group

Group organic revenue increased 0.3% during the quarter, comprising a volume decline of (0.6%) and a price/mix improvement of 0.9%. Disposals and currency had negative impacts of (5.3%) and (0.2%), respectively, resulting in an overall revenue decline of (5.2%) during the quarter to €862.3m.

ARYZTA Europe

ARYZTA Europe organic revenue increased by 2.0% in the period, while disposals (La Rousse) and currency had negative impacts of (2.8%) and (0.3%), respectively. Volumes in Europe were broadly flat (0.1%), while price/mix was positive by 2.1%. Revenue declined by (1.1%) in the quarter to €430.4m. ARYZTA continues to work to recover cost increases in Europe, particularly due to sustained high butter prices and recent flour price increases. Flat volumes in the period also reflect the year-on-year impact of insourcing in Switzerland and Germany and challenging trading conditions in the UK.

First Quarter Revenue Update for the period ended 31 October 2018

ARYZTA North America

ARYZTA North America organic revenue declined by (2.8%), while disposals and currency had impacts of (8.7%) and 1.1%, respectively. Volumes in North America declined by (2.1%), while price/mix was a negative (0.7%). Revenue declined by (10.4%) in the period to €366.9m. While ARYZTA is making progress under a new management team, the North American business continues to face challenges. As previously outlined, we expect cost inflation to remain an ongoing issue in the market.

ARYZTA Rest of World

ARYZTA Rest of World reported strong organic revenue performance of 7.7%, which was offset by a negative currency impact of (7.8%), primarily linked to the Brazilian Real. Rest of World volumes grew strongly by 6.1% and price/mix by 1.6%. Revenue was effectively flat at €65.0m.

Capital Increase & Deleveraging

During November the Group completed a successful capital raise that generated estimated net proceeds of c. €740m+. The proceeds have strengthened the Group's capital base and provided the strategic and financial flexibility to implement the Group's multi-year turnaround plan. In particular, it provides ARYZTA with additional liquidity and the financial capacity to implement Project Renew. A strengthened capital base will also allow ARYZTA to focus on the benefit of its ongoing process to sell non-core assets, as part of the Group's four year €1 billion deleveraging target.

Project Renew

As part of implementing Project Renew, over the next three years the Group expects to commit a total of €150 million to deliver €200 million of savings and with an annual savings run-rate of €90 million, beginning after FY2021. Approximately two thirds of the €150 million investment will be in automation capex, with the remainder invested in non-recurring restructuring costs.

Outlook

Group Revenue for the first quarter is in-line with our expectations. For FY2019, ARYZTA expects underlying performance to be stable and the early benefits from Project Renew to begin to flow through. The Group expects mid to high single-digit organic EBITDA growth for FY2019 (applying budget FY2019 exchange rates on a like-for-like basis and excluding any disposals).

First Quarter Revenue Update for the period ended 31 October 2018

Conference Call

ARYZTA will host a call today at 08:30 CET.

Dial in numbers are: Switzerland: 031 580 0059, Ireland: 01 431 9615,
UK: 0844 571 8892, USA: 1 631 510 7495, International: +44 (0) 2071 928000.

Please provide the following code: **3771457** to access the call.

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 ISE Irish Exchange (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 and regulatory developments.