

# Annual Report and Accounts 2020

## Letter to Shareholders

Dear Shareholder,

At the Extraordinary General Meeting on 16 September 2020, you, our valued shareholders, approved a change of direction for the Group by a very large majority. The entire board thank you for this trust and overwhelming support. I personally thank the entire new board for their full and unlimited support that we need for all challenges we face ahead. We remain convinced that ARYZTA has great potential and we will do our utmost to put our company back on the road to success. I believe that the financial outcome for the 2020 fiscal period highlights the urgent need for a new approach, one that is governed by a renewed Board and underpins the need for targeted action based on sound industry practices.

Overall, the period under review saw a decline in revenue of (13)% to €2,931m, while Underlying EBITDA declined by (15)% on a reported basis and (33)% on a like-for-like basis before IFRS 16. The results also include an impairment, disposal, restructuring and COVID-19 related costs charge of €(1,023)m, primarily stemming from ARYZTA North America. While the challenges of the COVID-19 pandemic are likely to persist into FY 2021, we have secured solid banking lines to see the company through the probable further disruption to our industry.

### Transformation plan under development

Your Board has formed a new Committee tasked with reviewing ARYZTA and developing a detailed plan for the new journey ahead. This work will be unbiased and fulfill our fiduciary responsibility to examine all offers or expressions of interest to purchase all, or parts, of the company. The excessive level of debt will be gradually reduced. The renewed board of directors now includes extensive bakery expertise, industry contacts, financial know how and business experience which will significantly assist us on this journey.

We consider the current organisation to be overly complex, and we intend to move to a more simplified business model and organisation. However, we consider the solid customer base, the modern production facilities as well as the experienced employee base as significant positive factors. These provide a solid foundation on which ARYZTA can build, develop growth opportunities and strengthen its earning power.

We will communicate our analysis in detail in a timely manner. However, we believe it is prudent that we do not provide any financial guidance for the current financial period at this time.

### Thanks

We, the board of ARYZTA, assure you that operating at the industry best practice level in terms of health and safety is a key priority for us and that we ensure our customers receive safe and nourishing food. We would like to thank all our employees for their high level of commitment in the past financial period and look forward to the new journey with them.



**Urs Jordi**

Chair, Board of Directors

6 October 2020