

# FY 2021 First Quarter Revenue Update

## Q1 2021 Revenue in line with expectations

Schlieren/Switzerland, 1 December 2020

### Performance Overview

- Group reported organic revenue in the quarter declined by (15.4)%. Total revenue in the period declined by (20.3)% to €672.6m.
- Improvements in QSR and Retail channels offset by COVID-19 related declines in Foodservice.
- ARYZTA registered gradual improvements over the period compared to Q4 2020.
- The negative impact of the further restrictions in Europe introduced in November have mostly concentrated on the Foodservice channel.
- The Group retains a strong liquidity position of circa €445m at 31 October, reflecting the Group's focus on cost management and cash conservation.

### Q1 2021 Performance Summary

| in EUR million                | ARYZTA<br>Europe | ARYZTA<br>North America | ARYZTA<br>Rest of World | ARYZTA<br>Group |
|-------------------------------|------------------|-------------------------|-------------------------|-----------------|
| <b>Revenue</b>                | <b>333.3</b>     | <b>282.5</b>            | <b>56.8</b>             | <b>672.6</b>    |
| <b>Organic movement</b>       | <b>(15.7)%</b>   | <b>(16.2)%</b>          | <b>(9.9)%</b>           | <b>(15.4)%</b>  |
| Disposal movement             | (3.4)%           | -                       | -                       | (1.7)%          |
| Currency movement             | (0.3)%           | (5.2)%                  | (10.0)%                 | (3.2)%          |
| <b>Total revenue movement</b> | <b>(19.4)%</b>   | <b>(21.4)%</b>          | <b>(19.9)%</b>          | <b>(20.3)%</b>  |

ARYZTA AG Chair and Interim CEO, Urs Jordi, commented:

*“The Q1 results were broadly in line despite the significant COVID-19 related disruptions and associated higher costs and suboptimal capacity utilization rates.*

*I want to thank all our employees directly for their enormous efforts to ensure that our customers continue to enjoy high levels of service and high quality products.*

*The next phase of ARYZTA's journey back to improved performance, reduced complexity and the empowerment of local teams has commenced. Our new business model changes to a simpler country focus model with deeper customer relationships. This will lead to organic growth, lower costs and improved margins, and all of this guided by the significantly enhanced bakery, financial and turnaround experience at governance and operational level.”*

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### Quarterly organic revenue

|                             | Q1 2020       | Q2 2020       | Q3 2020        | Q4 2020 <sup>1</sup> | Q1 2021        |
|-----------------------------|---------------|---------------|----------------|----------------------|----------------|
| <b>ARYZTA Europe</b>        |               |               |                |                      |                |
| Volume %                    | (2.0)%        | (3.7)%        | (22.2)%        | (28.3)%              | (15.6)%        |
| Price/Mix %                 | 1.1%          | 0.7%          | (1.4)%         | (1.0)%               | (0.1)%         |
| <b>Organic movement %</b>   | <b>(0.9)%</b> | <b>(3.0)%</b> | <b>(23.6)%</b> | <b>(29.3)%</b>       | <b>(15.7)%</b> |
| <b>ARYZTA North America</b> |               |               |                |                      |                |
| Volume %                    | (6.0)%        | (6.0)%        | (20.4)%        | (18.7)%              | (15.7)%        |
| Price/Mix %                 | (0.1)%        | 1.5%          | 0.0%           | (4.2)%               | (0.5)%         |
| <b>Organic movement %</b>   | <b>(6.1)%</b> | <b>(4.5)%</b> | <b>(20.4)%</b> | <b>(22.9)%</b>       | <b>(16.2)%</b> |
| <b>ARYZTA Rest of World</b> |               |               |                |                      |                |
| Volume %                    | 2.0%          | 6.2%          | (18.0)%        | (26.0)%              | (10.1)%        |
| Price/Mix %                 | 5.5%          | 3.5%          | 3.7%           | 3.1%                 | 0.2%           |
| <b>Organic movement %</b>   | <b>7.5%</b>   | <b>9.7%</b>   | <b>(14.3)%</b> | <b>(22.9)%</b>       | <b>(9.9)%</b>  |
| <b>ARYZTA Group</b>         |               |               |                |                      |                |
| Volume %                    | (3.4)%        | (3.8)%        | (21.1)%        | (24.3)%              | (15.2)%        |
| Price/Mix %                 | 0.9%          | 1.2%          | (0.4)%         | (1.9)%               | (0.2)%         |
| <b>Organic movement %</b>   | <b>(2.5)%</b> | <b>(2.6)%</b> | <b>(21.5)%</b> | <b>(26.2)%</b>       | <b>(15.4)%</b> |

1 Q4 2020 organic growth is based on 13 weeks in 2020 vs. 13 weeks in 2019.

### ARYZTA Europe

ARYZTA Europe reported an organic revenue decline of (15.7)%, comprising a (0.1)% price/mix decline and a volume decrease of (15.6)%. In addition, disposals had a negative effect of (3.4)%, while currency movement had a negative impact of (0.3)%. Most countries have recently seen an increase of COVID-19 cases and additional restrictions or lockdowns were imposed by governments. Large Retail remained relatively robust even though revenue was impacted by social distancing regulations and ongoing changes in customer behaviour to packaged goods. QSR performed comparatively well despite restrictions to indoor dining. Foodservice is still significantly impacted by COVID-19 restrictions.

### ARYZTA North America

ARYZTA North America reported an organic revenue decline of (16.2)%, which comprised of a volume decline of (15.7)% with a price/mix effect of (0.5)%. Currency movement was negative by (5.2)%. COVID-19 cases continued to climb across the US and the Canadian metro areas and more restrictions are expected albeit not on a national level. QSR was adversely affected by the closure of restaurants and public places but key customers have been able to partly mitigate this by stronger take-out and drive-thru services and an improved digital offering. Foodservice continued to lag due to the wide-spread restrictions on in-restaurant dining, working from home and other restrictions stemming from the COVID-19 pandemic. The Retail channel remained relatively stable in this period.

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### ARYZTA Rest of World

ARYZTA Rest of World reported an organic revenue decline of (9.9)% in the quarter, with a price/mix effect of +0.2% and a volume decline of (10.1)%. Currency movement had a negative impact of (10.0)%. Foodservice and QSR have been affected by a second wave of restrictions in several countries in Asia Pacific. Certain countries, such as Japan, have been impacted by a lack of tourism. But demand in the QSR channel has held up relatively well, compared to other markets, due to drive-thru and delivery services remaining open.

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### Liquidity and Balance Sheet

Reflecting the Group's focus on cash conservation, ARYZTA maintained liquidity of circa €445m at 31 October, being €320m cash and €125m of undrawn RCF facility versus liquidity of €424m at 2020 year-end. ARYZTA has only limited debt maturities for the upcoming 12 months (€9m due March 2021 and €40m due September 2021).

On 25 September 2020, ARYZTA received consent of the majority of its lenders and on 5 October 2020, ARYZTA and its lenders signed definitive documentation amending the financial covenants in its Facilities Agreement, as described below, in order to provide ARYZTA with increased headroom in the coming year to accommodate the continuing uncertainty around the COVID-19 pandemic.

The amendment shall apply to the two covenant tests relating to the interim Financial Statements as of January 2021 and to the annual Financial Statements of July 2021. In each case, the Net Debt: EBITDA Coverage Ratio shall be lower or equal to 6.0x and the Net Interest Coverage Ratio shall be greater than 1.0x.

The Group's hybrids (Perpetual Callable Subordinated Instruments) have no contractual maturity date and are treated as equity under IFRS. The Group elected to defer dividend payments for the maturities and not to exercise its call option on any of the instruments in order to guarantee full financial flexibility. No hybrid dividend payments are currently planned. The hybrid instruments are excluded from the calculation of the Net Debt covenant.

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### Health & Safety and Business Continuity

A key priority of the ARYZTA Board and the Executive Management Committee continues to be the health and wellbeing of our colleagues, customers and suppliers during this challenging period. Our focus remains the highest quality and product safety standards across all bakeries in full compliance with reinforced COVID-19 protocols. ARYZTA has activated its full business continuity plans to maintain service levels and to meet our customers' expectations.

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### Outlook

Due to the continuing and changing COVID-19 restrictions and the consequential adverse impacts on our customers and markets, it would not be prudent to provide forward guidance.



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### Conference call today at 08:30 CET

Dial in numbers are: Switzerland: 031 580 0059; Ireland: 01 431 9615; USA: 1 631 510 7495; UK: 0844 571 8892; International: +44 (0) 2071 928000. Please provide the following code: **4091819** to access the call.

A replay of the call will be available from today at 14:00 CET until 1 February 2021. Dial in numbers are: International: +44 (0) 333 3009785; Switzerland: 044 580 4026 UK: 08445718951; Ireland: 01 553 8777; USA: 1 (866) 331-1332; UK: 0844 571 8951.

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### 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 Euronext Dublin (ISE) (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, 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 laws.