

Third Quarter Revenue Update

Schlieren/Switzerland, 1 June 2021

- Continuing operations reported positive Q3 organic revenue growth of +2.6% in constant currency
- Total Group reported Q3 organic revenue growth of +6.2% in constant currency as the period lapped COVID-19 impact
- Disposal of North America business and assets completed
- Repositioning in Europe and Rest of World well underway

Revenue for the three months ended 1 May 2021

	ARYZTA Europe €m	ARYZTA Rest of World €m	Total Continuing Operations €m	Total Discontinued Operations €m	Total ARYZTA Group €m
Revenue	302.9	58.5	361.4	260.5	621.9
Organic movement	0.6%	14.1%	2.6%	10.8%	6.2%
Disposals movement	-	-	-	(13.7)%	(6.1)%
Currency movement	(0.9)%	(2.5)%	(1.2)%	(6.6)%	(3.6)%
Total revenue movement	(0.3)%	11.6%	1.4%	(9.5)%	(3.5)%

Revenue for the nine months ended 1 May 2021

	ARYZTA Europe €m	ARYZTA Rest of World €m	Total Continuing Operations €m	Total Discontinued Operations €m	Total ARYZTA Group €m
Revenue	934.6	179.3	1,113.9	793.9	1,907.8
Organic movement	(14.0)%	(1.4)%	(12.1)%	(7.4)%	(10.1)%
Disposals movement	(1.3)%	-	(1.1)%	(6.7)%	(3.5)%
Currency movement	(0.6)%	(7.7)%	(1.7)%	(5.9)%	(3.5)%
Total revenue movement	(15.9)%	(9.1)%	(14.9)%	(20.0)%	(17.1)%

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

“The swift conclusion of the ARYZTA North America disposal in the period and a resumption of organic growth underscores the progress being achieved in a short time. While Q3 revenue development was positive in terms of volume and price/mix for continuing operations across the majority of our markets, some have yet to turn positive and work is actively ongoing to accelerate this. The need for pricing to recover widespread inflation factors in new tenders and contracts is being addressed through active customer communication and proactive professional procurement pricing.”

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Quarterly organic revenue

	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021
ARYZTA Europe					
Volume %	(22.2)%	(28.3)%	(15.6)%	(23.4)%	(0.3)%
Price/Mix %	(1.4)%	(1.0)%	(0.1)%	(0.1)%	0.9%
Organic movement %	(23.6)%	(29.3)%	(15.7)%	(23.5)%	0.6%
ARYZTA Rest of World					
Volume %	(18.0)%	(26.0)%	(10.1)%	(5.1)%	14.8%
Price/Mix %	3.7%	3.1%	0.2%	1.0%	(0.7)%
Organic movement %	(14.3)%	(22.9)%	(9.9)%	(4.1)%	14.1%
Total Continuing Operations					
Volume %	(21.6)%	(28.0)%	(14.8)%	(20.5)%	1.9%
Price/Mix %	(0.7)%	(0.4)%	-	0.1%	0.7%
Organic movement %	(22.3)%	(28.4)%	(14.8)%	(20.4)%	2.6%
Discontinued Operations					
Volume %	(20.4)%	(18.7)%	(15.7)%	(16.9)%	6.8%
Price/Mix %	-	(4.2)%	(0.5)%	3.5%	4.0%
Organic movement %	(20.4)%	(22.9)%	(16.2)%	(13.4)%	10.8%
Total ARYZTA Group					
Volume %	(21.1)%	(24.3)%	(15.2)%	(19.0)%	4.1%
Price/Mix %	(0.4)%	(1.9)%	(0.2)%	1.5%	2.1%
Organic movement %	(21.5)%	(26.2)%	(15.4)%	(17.5)%	6.2%

ARYZTA Europe

In Q3 ARYZTA Europe reported an organic revenue growth of 0.6%, comprising a 0.9% price/mix improvement and a slight volume decline of (0.3)%. Currency movement had a negative impact of (0.9)%. Europe continued to be impacted by COVID-19 restrictions in the period. However we have seen improvement across the majority of our markets and the roll out of vaccinations and the re-opening of economies will support bakery consumption which has been significantly impacted by the restrictions to date.

ARYZTA Rest of World

In Q3 ARYZTA Rest of World reported solid improvement in organic revenue growth of 14.1% in the quarter. The APAC region experienced strong volume growth and an improved price/mix in the period reflecting a faster and improved recovery of consumer activity in these regions. While LATAM suffered significantly from the pandemic, signs of stabilisation and recovery are emerging. ARYZTA is continuing with its process to dispose of its LATAM business.

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ARYZTA continuing operations

Total revenue from continuing operations increased by 1.4% in the quarter ended 1 May 2021. Organic revenue increased by 2.6%, with volumes increasing by 1.9% and price/mix increasing by 0.7%, as the majority of our markets started to see a pickup in activity. Overall revenue development reflects a significant improvement over the comparable period when COVID-19 severely depressed performance. While Retail and QSR channels are performing well, Foodservice has yet to recover and the pace of recovery will be determined by the successful roll out of vaccinations in our key markets.

ARYZTA North America - discontinued operations

ARYZTA North America Q3 revenue declined by (9.5)%, largely due to the negative impact from disposals and currency. On an organic basis revenue increased by 10.8%.

Total ARYZTA Group

ARYZTA Group reported a Q3 total revenue decline of (3.5)% to €621.9m in the quarter. On an organic basis, revenue increased by 6.2%.

Inflation Strategy

Inflation is real and widespread as economies recover and re-open after COVID-19 restrictions, which is driving increased demand through a supply chain severely disrupted by COVID-19. Significant pricing is required in the coming periods where contracts are renewed or new successful tenders won to reflect inflation trends. Dairy ingredients, flour and packaging account for approximately 50% of raw material costs of ARYZTA's total raw material purchases and all are experiencing significant price inflation. ARYZTA's has a well-structured and professionally managed procurement process whose sole aim is to protect margins and ensure all tender pricing recovers cost inflation. In addition, active customer communication on inflation is underway. The combination of experience from managing previous raw material inflation spikes and the Group's professional procurement de-risking strategy should enable the Group to manage the current inflation challenge provided market players act rationally in terms of pricing.

Strategic Update

ARYZTA continues to make good progress with its strategic plan, the cornerstones of which are a multi-local business model with empowerment over decision making and costs, a de-layered simplified structure across the entire group and the elimination of unnecessary costs. On 4 May 2021, ARYZTA completed the disposal of the equity and assets of its North American business in the USA and Canada to an affiliate of Lindsay Goldberg LLC. The net proceeds received are expected to be c. €650m subject to finalisation of the purchase price during Q4.

Outlook

ARYZTA is not providing guidance given ongoing challenges and uncertainty surrounding COVID-19 and the reopening of economies where it operates. ARYZTA will report FY 2021 results on 4 October 2021.

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PLEASE NOTE THERE IS NO CONFERENCE CALL SCHEDULED WITH TODAY'S RELEASE

About ARYZTA

ARYZTA AG ('ARYZTA') is a global food business with a leadership position in convenience bakery. ARYZTA is based in Schlieren, Switzerland, with operations in Europe, Asia, Australia, New Zealand and South America. ARYZTA is listed on the SIX Swiss Exchange (SIX: ARYN).

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Forward looking statement

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