

## ARYZTA AG

Ad Hoc announcement pursuant to article 53 LR

### Organic revenue growth accelerated to 25.4% EBITDA margin at 12.5% Cash generation and net profit increased New fiscal year end date

Schlieren/Switzerland, 6 March 2023

#### Key Highlights

- Revenue increased 24.2% from €835.3m to €1,037.1m
  - Organic revenue growth 25.4%
  - EBITDA<sup>1</sup> increased to €129.1m
  - EBITDA margin<sup>1</sup> at 12.5%
  - Operating free cash flow reached €76.0m
  - IFRS profit for the period of €51.7m
  - Expectation for further improvements in FY2023 in all metrics
  - Reiteration of mid-term targets 2025
- 
- Redeeming in full the €200m of Euro Hybrid bond as announced on 22 February 2023

<sup>1</sup> See glossary for details around changes to the Group's Alternative Performance Measures, including the discontinuing of the Underlying EBITDA measure.

#### ARYZTA AG Chairman and interim CEO Urs Jordi commented:

*“ARYZTA's business performance improved across all our key metrics as our strategic plan continues to deliver. Revenue and organic growth both improved despite unavoidable pricing to recover significant cost inflation. Margins were maintained through improved operational leverage and strong focus on fixed cost controls. This increased cash generation and net profits. It also facilitated the planned redemption in full of the €200m Euro Hybrid bond which improves our capital structure and reduces interest costs.*

*Our performance reflects the step by step implementation of our bakery strategy as we focus on operational performance improvements within the businesses. We continue to benefit from market share gains as the competitive advantages of bake off drive volume and value”.*

#### Outlook

Current trading and consumer trends remain unchanged. Inflationary trends continue across all inputs with significant price volatility at elevated levels. Despite this challenging trading environment, the expectation is to deliver further improvement in all key metrics for FY2023. We reiterate the mid-term targets for 2025.

## ARYZTA AG

Ad Hoc announcement pursuant to article 53 LR

---

### Strategy delivers improved performance

ARYZTA's strong H1 performance reflects the step by step implementation of business improvement initiatives as well as disciplined cost control to capture the benefits of the improved operational leverage.

Total revenue increased by 24.2% to €1,037.1m and organic revenue growth increased by 25.4% with Europe achieving an organic growth of 26.2% and Rest of World achieving 20.2% organic growth. The growth was broad based across the Group and across channels with outperformance in some markets such as France, Poland and Switzerland in Europe as well as APAC. Outperformance was evident in some channels such as QSR reflecting the positive impact of new product innovation. In European retail, ARYZTA outperformed the market in terms of both volume and value. Foodservice performance was supported by portfolio expansion as well as growth in its customer base.

This strong performance was achieved against a backdrop of significantly higher cost inflation necessitating pricing of 19.3%. Pricing in Q2 increased to 20.5% up from 18.1% in Q1. Consumer trends remained unchanged despite the price increases as bake off remained attractively priced within the overall food basket costs, supported by its competitive advantages in terms of savings on labour, space and waste.

Volume growth remained healthy at 5.8% reflecting the focus of local businesses growing their customer volumes through product innovation and renovation.

EBITDA margins increased to 12.5% from 7.1% in the prior period, of which 5.4% is due to the absence of disposal and restructuring costs which impacted the prior period. Excluding these impacts from the prior year, EBITDA margin was flat period on period, reflecting disciplined cost management and the improved strong operational leverage benefits. This protected the group margin from the significant input cost inflation pressure affecting the gross margin as a percentage of revenue. Strategic initiatives around improving operational performance such as ARYZTA's continuous manufacturing improvement, standardization of recipes, procurement and the end-to-end optimization all contributed to the margin achievement in the period.

Europe EBITDA margin declined by 20bps to 11.1%. This is the net effect of a margin reduction of 70bps from operations, as pricing in some European businesses only recovered inflationary effects in absolute, offset by the absence of restructuring costs (which amounted to 50bps).

ARYZTA Rest of World achieved an EBITDA margin of 22.3% (+4140bps vs. prior year). This reflected a very strong operating increase of 590bps supported by our other foodservice channel with a recovery in key markets like Japan and Australia and the benefit of the new Malaysian facility. The remaining increase of 3550bps related to the absence of disposal costs (including loss on the sale of Brazil).

---

### Strong Cash performance

ARYZTA delivered €76m free cash from operations, a €65m increase from the comparable period. This was driven by the improved EBITDA along with disciplined working capital management. This resulted in a cash flow from activities of c.€45m. The improved business and cash generation performance also delivered a significant improvement in the Group's financial metrics. ROIC increased to 9.1% which is above the Group's 8.0% WACC.

---

## ARYZTA AG

Ad Hoc announcement pursuant to article 53 LR

---

### Redemption of €200m Euro Hybrid

In February 2023, ARYZTA AG announced the irrevocable redemption in full of the outstanding €200m of its Euro Hybrid Bond. This will be funded from cash from activities and other existing resources. This redemption significantly improves the Group's capital structure and reduces interest costs.

---

### Appointment of Chief Operations Officer

ARYZTA announces the appointment of Sandip Gudka as Chief Operations Officer (COO) and a member of the Executive Committee (EXCO) commencing 1 April 2023. In addition to his current responsibilities (Global Bun Bakeries managing director), Sandip will also assume responsibility for the ESG roadmap of the Group and will report directly to the Interim CEO. Sandip joined ARYZTA in 2015 and has held a number of key senior management roles since then. Sandip's appointment further strengthens the senior executive management team and enhances its capabilities to deliver the ongoing continuous change process to improve and deliver business performance.

---

### ARYZTA announces new fiscal year end date

ARYZTA AG also announces that it is changing its fiscal year from July ending to December ending to align with calendar year reporting. As part of this process the company will issue audited IFRS financial statements for the 12 month period 31 July 2022 to 29 July 2023 (non-statutory financial statements) and its 2023 annual report and accounts (including compensation report) for the 17 month period from 31 July 2022 to 31 December 2023. All ARYZTA AG directors will remain in office until the next AGM.

---

	January H1 23 €m	January H1 22 €m	% Change
<b>Continuing Operations</b>			
Revenue	1,037.1	835.3	24.2%
EBITDA <sup>1</sup>	129.1	59.7	116.2%
EBITDA margin	12.5%	7.1%	540 bps
<hr/>			
Profit/(loss) for the period from continuing operations	51.7	(40.7)	
Profit for the period from discontinued operations	-	1.5	(100.0)%
Profit/(loss) for the period	51.7	(39.2)	
Hybrid instrument dividend	(24.5)	(22.7)	(7.9)%
Profit/(loss) used to determine EPS	27.2	(61.9)	
<hr/>			
Diluted EPS (cent)	2.7	(6.2)	-

<sup>1</sup> 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.

## ARYZTA AG

Ad Hoc announcement pursuant to article 53 LR

---

### Organic Revenue

26 week period ended 28 January 2023

	ARYZTA Europe €m	ARYZTA Rest of World €m	Total Continuing Operations €m
Revenue	910.1	127.0	1,037.1
Organic movement	26.2%	20.2%	25.4%
Disposals movement	-	(11.3)%	(1.5)%
Currency movement	(0.2)%	2.7%	0.3%
<b>Total revenue movement</b>	<b>26.1%</b>	<b>11.6%</b>	<b>24.2%</b>

---

### H1 2023 interim Report

The ARYZTA H1 2023 Interim Report and Accounts are available for download from the ARYZTA website and at the following link: ***ARYZTA 2023 Interim Report***

---

### H1 2023 Results Presentation

A printable pdf version of the presentation slides is available to download from the ARYZTA website: ***ARYZTA H1 Interim Results Presentation***

---

### Results conference call today at 08:30 CET

Dial in numbers are: Switzerland: 043 456 9986; USA: 1 212 999 6659;  
UK: 44 (0) 33 0551 0200; Ireland: 353 1 436 0959  
Please quote **ARYZTA** when prompted by the operator.

A conference call webcast will be available on the ARYZTA website:  
<https://www.aryzta.com/investor-centre/announcements-and-presentations/>

---

### Investor Enquiries:

Paul Meade, Head of Communications, ARYZTA AG  
info@aryzta.com

---

### Media Enquiries:

Philippe Blangey, Dynamics Group  
Tel: +41 43 268 32 35; M: +41 79 785 46 32  
prb@dynamicsgroup.ch

---

## ARYZTA AG

Ad Hoc announcement pursuant to article 53 LR

---

### Glossary

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

'EBITDA' – presented as earnings before interest, taxation, depreciation and amortisation. In the 2022 Annual Report and Accounts this was referred to as 'IFRS EBITDA'.

As the 'EBITDA' measure above more closely reconciles to the Group Consolidated Income Statement, the Group no longer presents the 'Underlying EBITDA' alternative performance measure, which was presented as earnings before interest, taxation, depreciation and amortisation; before impairment, disposal, and restructuring-related costs.

A reconciliation of continuing operations 'Underlying EBITDA' to 'EBITDA' for the prior 26 period ended 29 January 2022 is presented below:

	ARYZTA Europe January 2022 €m	ARYZTA Rest of World January 2022 €m	Continuing Operations January 2022 €m
Underlying EBITDA as previously reported	85.3	18.7	104.0
Impairment, disposal and restructuring-related costs	(3.9)	(40.4)	(44.3)
<b>EBITDA</b>	<b>81.4</b>	<b>(21.7)</b>	<b>59.7</b>
Underlying EBITDA margin as previously reported	11.8%	16.4%	12.5%
Impairment, disposal and restructuring-related margin	(0.5)%	(35.5)%	(5.4)%
<b>EBITDA margin</b>	<b>11.3%</b>	<b>(19.1)%</b>	<b>7.1%</b>

'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'.

---

### 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, war 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.

---

### About ARYZTA

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