ARYZTA AG

Ad Hoc announcement pursuant to article 53 LR

Delivery on disposals, restructuring and business performance benefiting improved outlook

Schlieren/Switzerland, 4 October 2021

Key Highlights

- Full year revenue and underlying EBITDA performance ahead of expectations
- Returned to positive organic growth in H2 FY 2021
- Disposal of North America business completed
- Disposal of Brazil business signed and CADE[1] approved
- Five-year refinancing agreed with lenders
- Liquidity improved and net debt reduced
- Good progress on simplifying the business structures and removing costs
- Delivered 25% annualised reduction in Group overhead
- New CFO appointed
- Paying accumulated deferred and current interest on all Hybrid instruments
- FY 2022 Outlook:
  - » target of mid-single digit positive organic revenue growth
  - » margin expansion to run-rate of 12.5% EBITDA pre IFRS 16 (with de minimis non-recurring costs)
  - » achievement of sustainable net profit

ARYZTA AG Chairman and interim CEO Urs Jordi commented:

“ARYZTA begins its new fiscal year FY 2022 with a growing confidence having completely transformed the business strategy to a multi-local focus. We have improved operational efficiencies and de-risked the financial profile. Organic growth has returned after years of decline and expect to sustain this positive organic growth trend in FY 2022.

We have exceeded expectations in delivering on our disposal programme in terms of timing and level of proceeds. This in turn has allowed us to agree a new five-year credit facility and to pay the accumulated deferred and current interest on our hybrids.

Excessive costs of a global cost structure have been removed and local management is now empowered under our multi-local business strategy, which has greatly benefited confidence and morale.

I want to personally thank all employees for their ongoing team efforts in rebuilding the business from the ground up. Sustaining this will ensure that we rebuild trust and credibility with our investors, lenders, customers and suppliers.”

1. Brazilian Administrative Council for Economic Defense

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	FY 2021 €m	FY 2020 Re-presented €m	% Change
Continuing Operations			
Group revenue	1,525.4	1,669.0	(8.6%)
Underlying EBITDA[1]	173.4	188.3	(7.9%)
Underlying EBITDA margin	11.4%	11.3%	10 bps
Depreciation & ERP Amortisation	(109.9)	(112.7)	2.5%
Underlying EBITA[1]	63.5	75.6	(16.0%)
Joint ventures underlying profit, net of interest and tax	-	18.4	(100.0%)
Underlying EBITA including joint ventures	63.5	94.0	(32.4%)
Finance cost, net	(32.8)	(38.2)	14.1%
Hybrid instrument dividend	(46.2)	(46.1)	(0.2%)
Pre-tax (loss)/profit	(15.5)	9.7	(259.8%)
Income tax	(26.7)	(26.9)	0.7%
Underlying net loss - continuing operations[1]	**(42.2)**	**(17.2)**	**(145.3%)**
Underlying net profit/(loss) - discontinued operations[1,2]	47.4	(0.8)	6025.0%
Underlying net profit/(loss) - total[1]	**5.2**	**(18.0)**	**128.9%**
Underlying diluted EPS (cent) - continuing operations[3]	**(4.3)**	**(1.7)**	**(152.9%)**
Underlying diluted EPS (cent) - total[3]	**0.5**	**(1.8)**	**127.8%**

IFRS EBITDA - continuing operations	**115.0**	47.6
IFRS EBITDA - discontinued operations	**(116.4)**	(513.3)
IFRS EBITDA - Group	**(1.4)**	(465.7)
IFRS loss for the period from continuing operations	**(50.3)**	(442.8)
IFRS loss for the period from discontinued operations	(185.5)	(648.7)
IFRS loss for the period	**(235.8)**	(1,091.5)
IFRS diluted loss per share (cent) - continuing operations[3]	**(9.7) cent**	(49.3) cent
IFRS diluted loss per share (cent)[3]	**(28.4) cent**	(114.8) cent

1 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 on page 6 for definitions of financial terms and references used.

2 Following the reclassification of the Group's North America segment to disposal group held-for-sale in January 2021, its results have been presented separately as discontinued operations in both the current and prior periods.

3 The 31 July 2021 weighted average number of ordinary shares used to calculate underlying earnings per share and IFRS diluted loss per share is 991,493,662 (2020: 990,860,563).

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Solid Financial Performance

The FY 2021 performance exceeded expectations as management quickly implemented its simplification and de-layering process to remove the global cost structures and focus on its multi-local structures and decision making. ARYZTA strategy to focus on multi-local execution is supporting the return to organic growth achieved in the last two quarters of FY 2021. Local management and teams are empowered to take responsibility for costs and customer-facing decisions. Customer feedback has been very positive and confidence and employee morale within the businesses has significantly improved.

COVID-19 had a material impact on the performance of the Group in all channels and geographies, particularly in our Foodservice and to a lesser extent, QSR channels. The Retail channel proved resilient in the period. ARYZTA responded rapidly to the changed consumer environment through closely supporting its customers and efficiently calibrating its operational needs. This resulted in an improved sequential performance as the year progressed, with positive growth returning to all channels by the final quarter of the year.

Total revenue from continuing operations decreased by (8.6%) to €1.5bn from FY 2020 to FY 2021. Organic revenue declined by (6.4%), with volume losses of (7.0)% and a price/mix positive impact of 0.6%. Disposals reduced revenue by (0.9)% and currency had a negative impact of (1.3)%.

Total revenue from Group including discontinued operations decreased by (20.9%) to €2.3bn from FY 2020 to FY 2021. Organic revenue declined by (6.1%), with volume losses of (7.2)% and a price/mix positive impact of 1.1%, due to the challenging environment in H1. Disposals reduced revenue by (12.1)% and currency had a negative impact of (2.7)%.

Group Underlying EBITDA from continuing operations for FY21 was €173.4m, which represents a decrease of (7.9)% compared to FY 2020, while EBITDA margins increased by 10 bps to 11.4%, despite the negative volume impact on the business. Group Underlying EBITDA including discontinued operations for FY 2021 was €250.0m, which represents a decrease of (3.9)% compared to FY 2020, while EBITDA margins increased by 190 bps to 10.8%. Underlying net profit amounted to €5.2m compared to a net loss of €(18.0)m in the prior year.

Pricing Required to Recover Inflation

The bakery industry is experiencing significant inflation in raw materials, logistics, labour and services. Significant pricing is required in the coming periods where contracts are renewed or new successful tenders are won to reflect inflation trends. ARYZTA 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 the rapid changing input

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inflationary environment is underway. All costs are fully analyzed to improve efficiencies as part of the multi-local business strategy. ARYZTA's track record in 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.

Disposal Programme Exceeds Expectations

The disposal programme to exit the Americas is now in its final stages. It will be completed ahead of expectations in both time and level of proceeds. This is reflected in a significant reduction of senior lender debt levels and the successful conclusion of a five-year refinancing agreement with lenders. The successful disposal programme combined with the improved business performance is allowing ARYZTA to progress to a more sustainable capital structure. It has also allowed the Board to take the next step of approving the payment of accumulated deferred and current interest on all hybrid instruments.

Hybrid Interest Payment on Improved Liquidity Position

ARYZTA plans paying all accumulated deferred and current interest on the CHF hybrid instruments and the accumulated deferred interest and compound interest on the Euro hybrid instrument. Depending on the available financial resources and future performance, ARYZTA may examine options in the future leading to the reduction of outstanding hybrid principal. However, hybrid instruments are likely to continue to remain part of the capital structure for the foreseeable future.

Outlook

Inflation across all costs lines, raw materials, logistics, services and labour, has overtaken COVID-19 in terms of ongoing business challenges. ARYZTA is well positioned to manage this risk provided market competitors behave rationally. With the disposal of Brazil signed and progressing to expectations and the disposal of North America complete, further de-risking of our balance sheet is underway.

Our multi-local strategic focus will ensure the continuation of further simplification of our business and focus on efficiencies. Expectation is for mid-single digit organic revenue growth driven by further recovery to pre-COVID levels, improved customer engagement and innovation.

The combination of ongoing cost savings and a mid-single digit positive organic revenue growth target is expected to result in further progress in the delivery of an EBITDA margin run rate of 12.5% pre IFRS 16 by the end of FY 2022 with de minimis non-recurring costs. This is an intermediate target and will need to improve further over time. ARYZTA expects to achieve a sustainable net profit in FY 2022.

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2021 Annual Report

The ARYZTA 2021 Annual Report and Accounts are available for download from the ARYZTA website and at the following link: ***ARYZTA 2021 Annual Report***

2021 Annual Results Presentation

A printable pdf version of the ARYZTA FY 2021 presentation slides is available to download from the ARYZTA website: ***ARYZTA FY 2021 Results Presentation***

Results conference call today at 10:00 CET

Dial in numbers are: Switzerland: +41 (0) 58 310 50 00; USA: 1 (1) 631 570 56 13; UK: 44 (0) 207 107 06 13; International: +44 (0) 2071 928000.

Link to Webcast

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Glossary

'Underlying EBITDA' – presented as earnings before interest, taxation, depreciation and amortisation; before impairment, disposal, restructuring and COVID-19 related costs.

'IFRS EBITDA' – presented as earnings before interest, taxation, depreciation and amortisation.

'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'.

'Underlying net (loss)/profit' – presented as reported net (loss)/profit, adjusted to include the Hybrid instrument dividend as a finance cost; before non-ERP related intangible amortisation; and before impairment, disposal, restructuring and COVID-19 related costs, net of related income tax impacts. The Group utilises the Underlying net (loss)/profit measure to enable comparability of the results from period to period, without the impact of transactions that do not relate to the underlying business.

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.

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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