ARYZTA AG – H1 2024 results

August 12, 2024

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, or war 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 law.

Strategic overview

Key highlights half year results to June 2024

- Revenue €1,055.2m
- Innovation share almost doubled to 19.4% of revenues
- Organic growth -0.7%, on flat volume
- EBITDA €149.8m
- EBITDA margin 14.2%
- New RCF – Hybrid bond repurchase

ARYZTA SERVING INSPIRATION

Organic growth strategy intact

- H1 volume growth impacted by:
  - Active portfolio management
  - QSR recovery ongoing
  - Pressurised consumer spending

  - Offset by strong innovation and new customers/listings

- Pricing and mix negative
  - Some tactical price reductions: cost inflation trend unchanged
  - Negative mix continues to improve sequentially as expected

Innovation key performance driver

- Innovation almost doubled to 19.4% of revenue
  Artisanal products, buns, pastries
- Premium products accounting for c. 40% of revenue
- Solid organic growth performance in France, Switzerland, Denmark, Poland, Fornetti and Rest of World
- Other Foodservice performed strongly in most markets
- Continued improvement and recovery in QSR ROW

Investing in innovation-led growth

- State-of-the-art innovation center in Germany:
  - Available to all Group's businesses from H1 2025
  - Covering ARYZTA's entire portfolio capabilities
  - Serving all customers and channels

New capacity coming on stream to leverage consumer trends:

- Malaysian laminated dough line – operational 2024
- Swiss laminated dough line – operational 2025
- German artisanal dough line – operational 2025
- Perth investment well underway – operational 2025

Delivering commitments

- One remaining mid-term target to deliver
- New CEO appointed
- Dual role ends
- New mid-term targets expected in H1 2025
- Continued investment in innovation and growth

ARYZTA SERVING INSPIRATION

H2 performance to improve – 2024 guidance reiterated

Organic growth expected to improve in H2 supported by:

- Innovation and new listings
- Further recovery in QSR
- Seasonally stronger H2
- Significantly reduced impact from active portfolio management
- More favourable comps

2024 guidance reiterated - further improvements in all key metrics

- Organic growth in the low to mid-single digit range
- Continued EBITDA margin expansion supported by growth, efficiencies and cost discipline
- Further improvement in free cash flow and total net debt leverage
- Sequential improvement in ROIC

Five out of six mid-term targets delivered

Organic growth (CAGR) **4.5%–5.5%**	EBITDA Margin **≥14.5%**	ROIC **≥11.0%**
Revenue (€) **>2bn**	CAPEX as % of revenue **3.5%–4.0%**	Total net debt leverage (incl. hybrids) **<3x**

Financial review

Key financial highlights

- Profitability, driven by innovation and active portfolio management
- Solid cash generation to improve our financial position
- Early achievement of mid-term leverage ratio target of <3x
- ROIC[1.)] improves strongly – 300bps to 13.1%
- Balance sheet renovation – RCF maturity and headroom extended
- Hybrid bond repurchase

1.) ROIC is calculated as per the definition outlined in glossary on slide 38

Resilient results, strong margin expansion despite flat volume

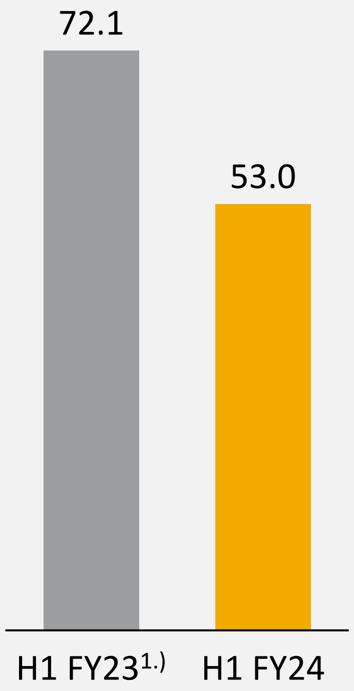
Organic Growth %

Revenue (€m) ***1,060.2*** ***1,055.2***

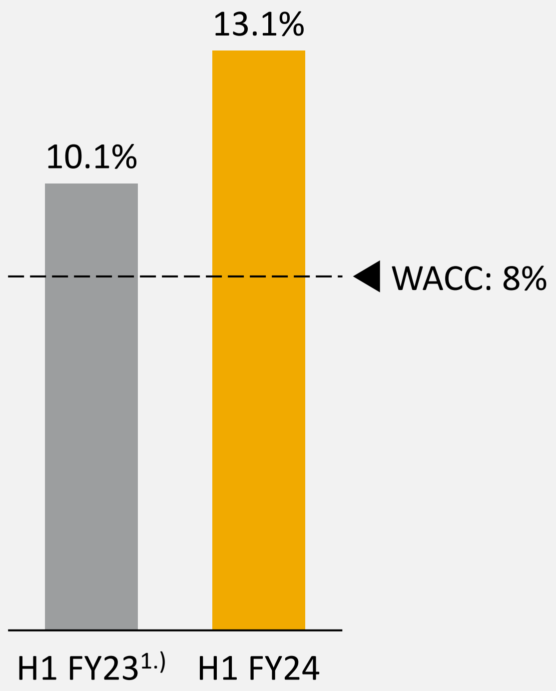
EBITDA %

EBITDA (€m) ***140.0*** ***149.8***

Free Cash Flow (€m)



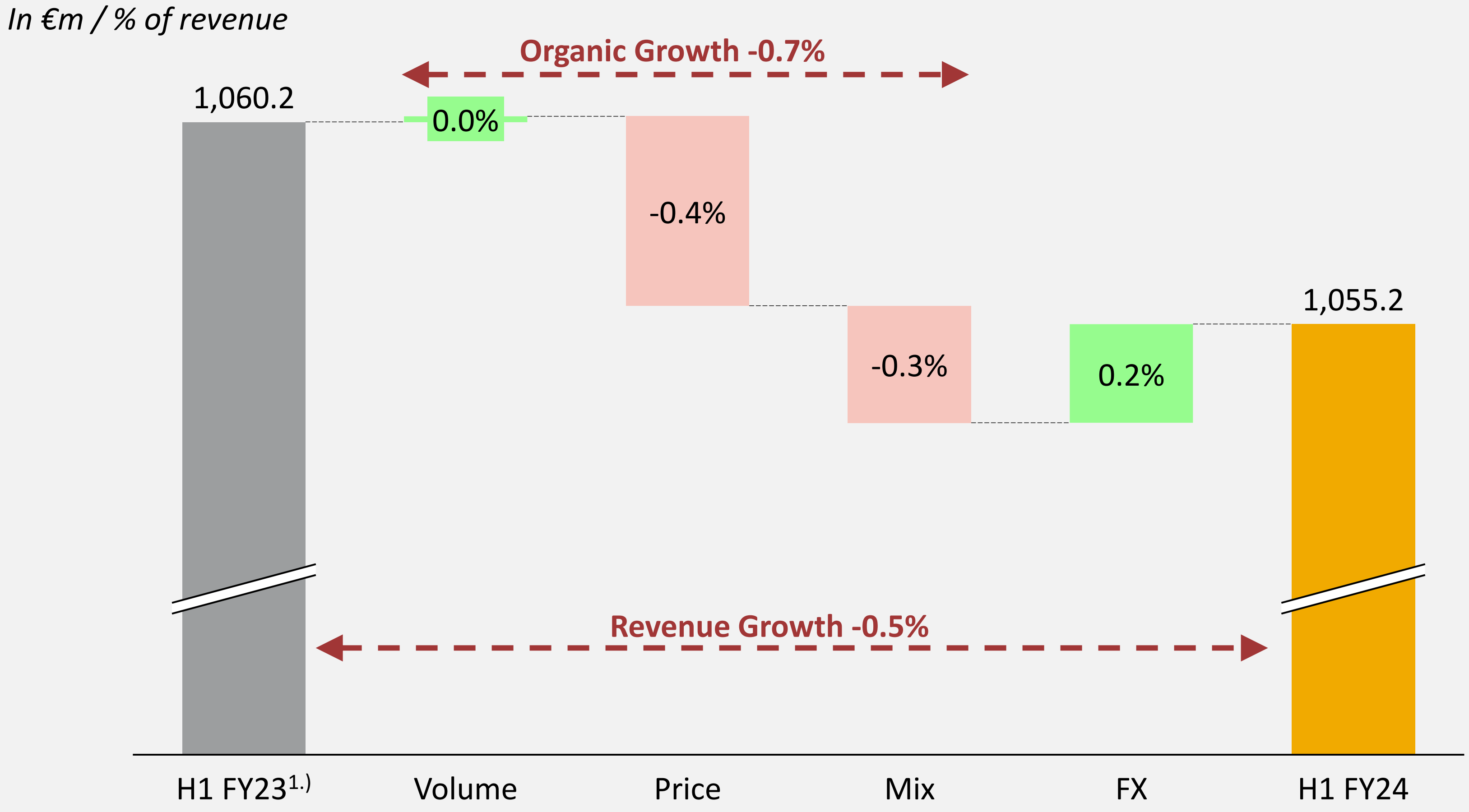
ROIC[2.)] %



1.) Represents 6-month financial period ended June 2023
2.) ROIC is calculated as per the definition outlined in glossary on slide 38

ARYZTA SERVING INSPIRATION

Portfolio management impacted OG by c. 2.5%



Key Highlights:

- Subdued consumer sentiment
- Geopolitical events in QSR
- Active portfolio management in Retail, mainly Ireland/UK

1.) Represents 6-month financial period ended June 2023

Stronger European margin, despite organic growth

	H1 FY24	H1 FY23[1.)]	Var. vs. PY
Organic Growth	(1.1)%	22.9%	**(2400)bps**
EBITDA %	13.6%	12.2%	**+140bps**

- Revenue:
  - Innovation acceleration from 10.0% to 18.9% of revenue
  - Solid growth in France, Switzerland, Denmark, Poland and Fornetti
  - Foodservice performed strongly in most markets
- Margin:
  - Strong margin recovery across businesses
  - Innovation and active portfolio management as key contributors

1.) Represents 6-month financial period ended June 2023

Rest of World impacted by QSR – recovery ongoing

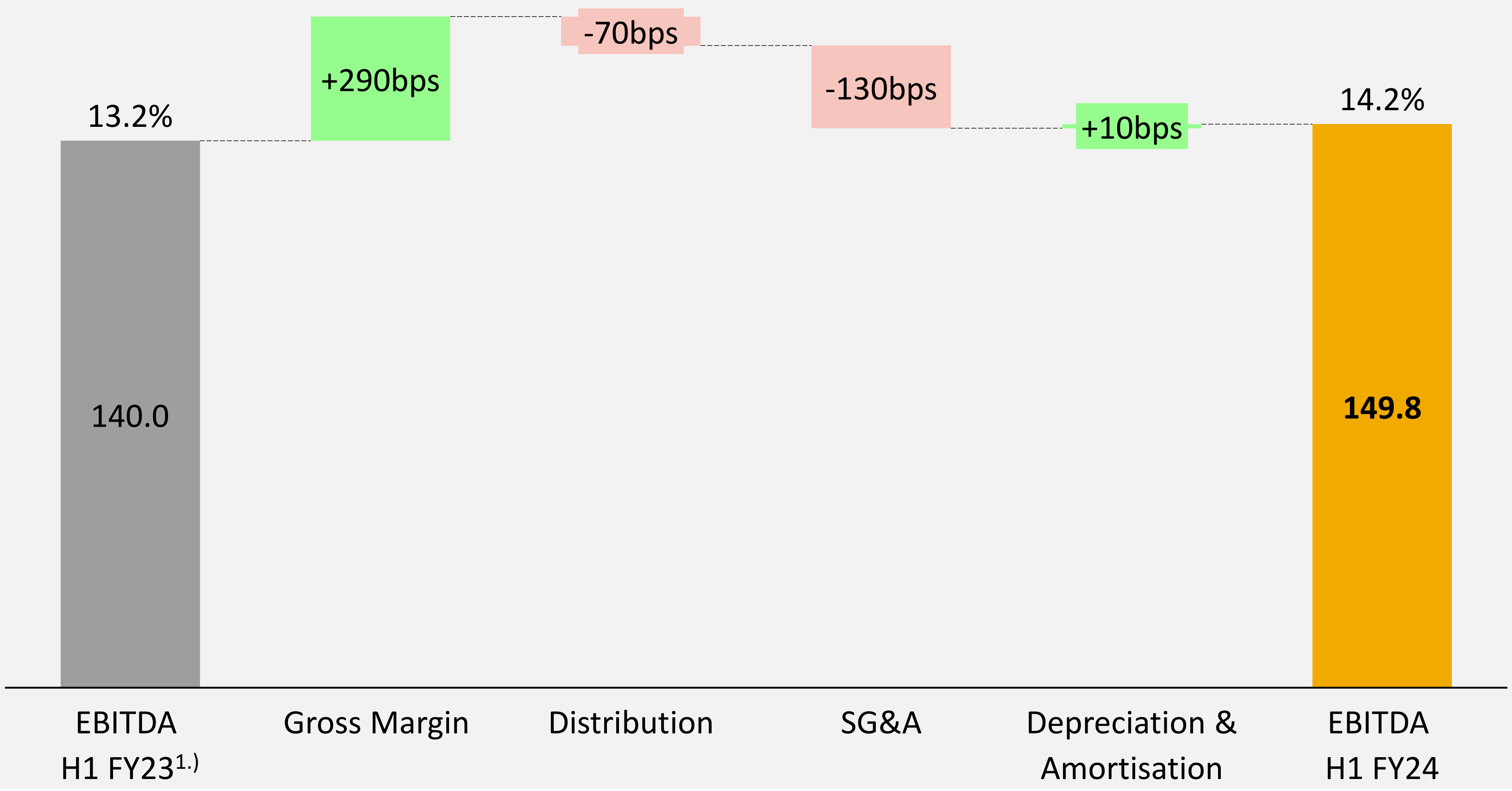
	H1 FY24	H1 FY23[1.)]	Var. vs. PY
Organic Growth	2.8%	15.8%	(1300)bps
EBITDA %	18.7%	21.2%	(250)bps

- Revenue:
  - Resilient growth across channels – pricing and innovation
  - QSR sequentially improving – increased promotional activities
  - Foodservice – continued growth in customer base and performance
- Margin:
  - Temporary negative impact in QSR channel – improvement expected as revenues recover

1.) Represents 6-month financial period ended June 2023

EBITDA driven by margin enhancing innovation and portfolio management

In €m / % of revenue



Key Highlights:

- Gross Margin improvement:
  - 190bps from innovation and portfolio management
  - 100bps from cost optimisations and input cost tailwind
- Off-setting increase in distribution costs and SG&A (of which 100bps is labor costs)

1.) Represents 6-month financial period ended June 2023

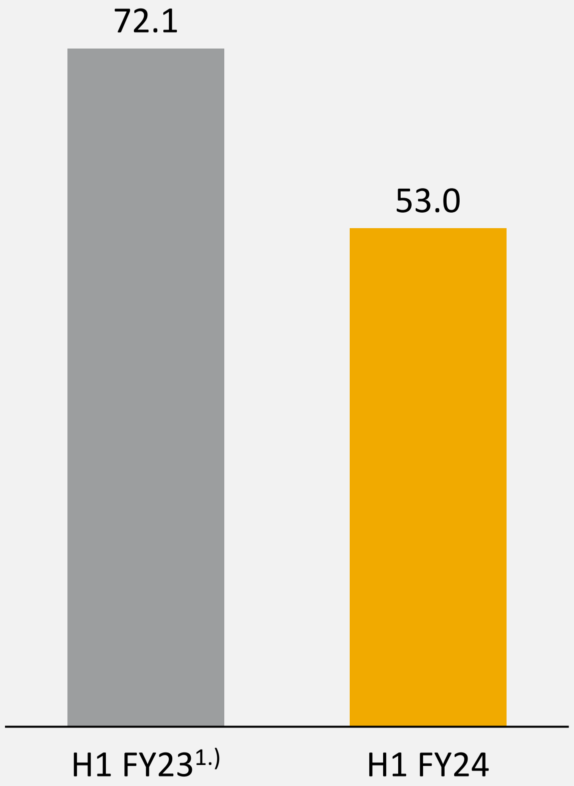
Cost discipline and efficiency initiatives largely on track

Levers	Mid-Term Targets 2023-25	H1 FY24 Results	
Manufacturing continuous improvement program	2-3% cost[1.)] efficiency YoY	▪ Manufacturing efficiency:	**on track**
SIMPLEX – recipe standardisation & Procurement leverage	€26-36m costs optimisation	▪ Costs optimisation:	**> €28m**
E2E processes optimisation	Fixed costs growth @ 30-40% of organic growth	▪ Fixed cost growth:	**above - driven by higher labour costs**

1.) Costs baseline: Conversion Costs (indirect variable & fixed manufacturing costs incl. Deprecation) + Waste

Solid cash flow generation

Free cash flow evolution (in €m)



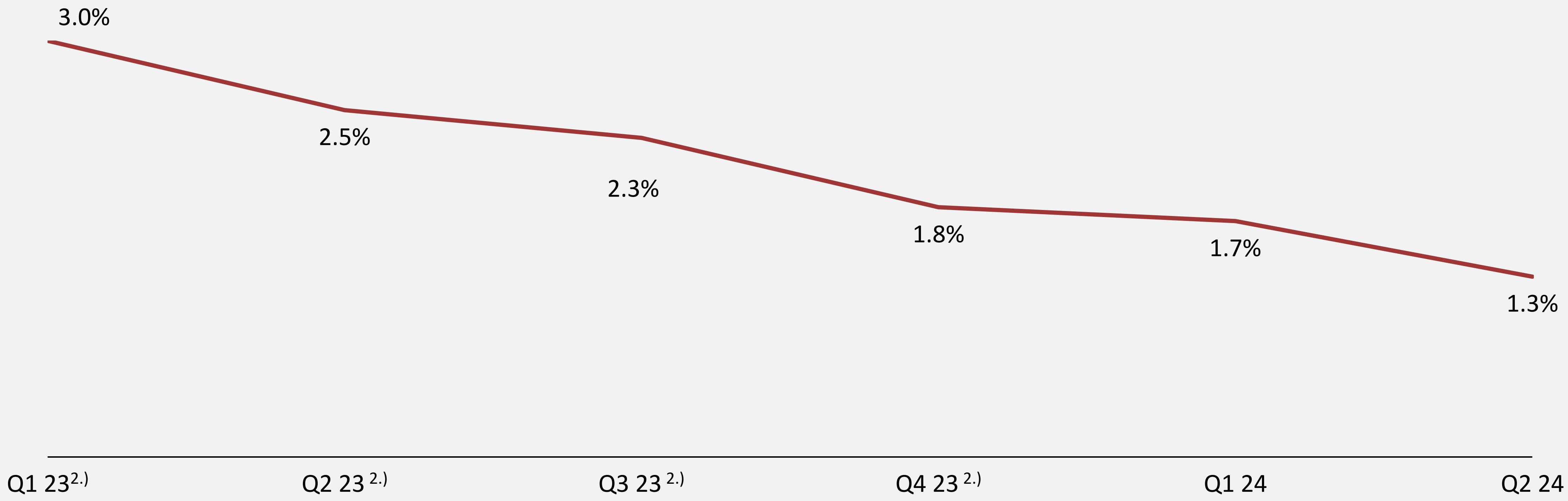
Key Highlights:

- EBITDA expansion
- Lower financing costs
- Partially offset by:
  - Higher CAPEX supporting growth & IT projects
  - Lower positive contribution from working capital

1.) Represents 6-month financial period ended June 2023

Continuous improvement of working capital efficiency

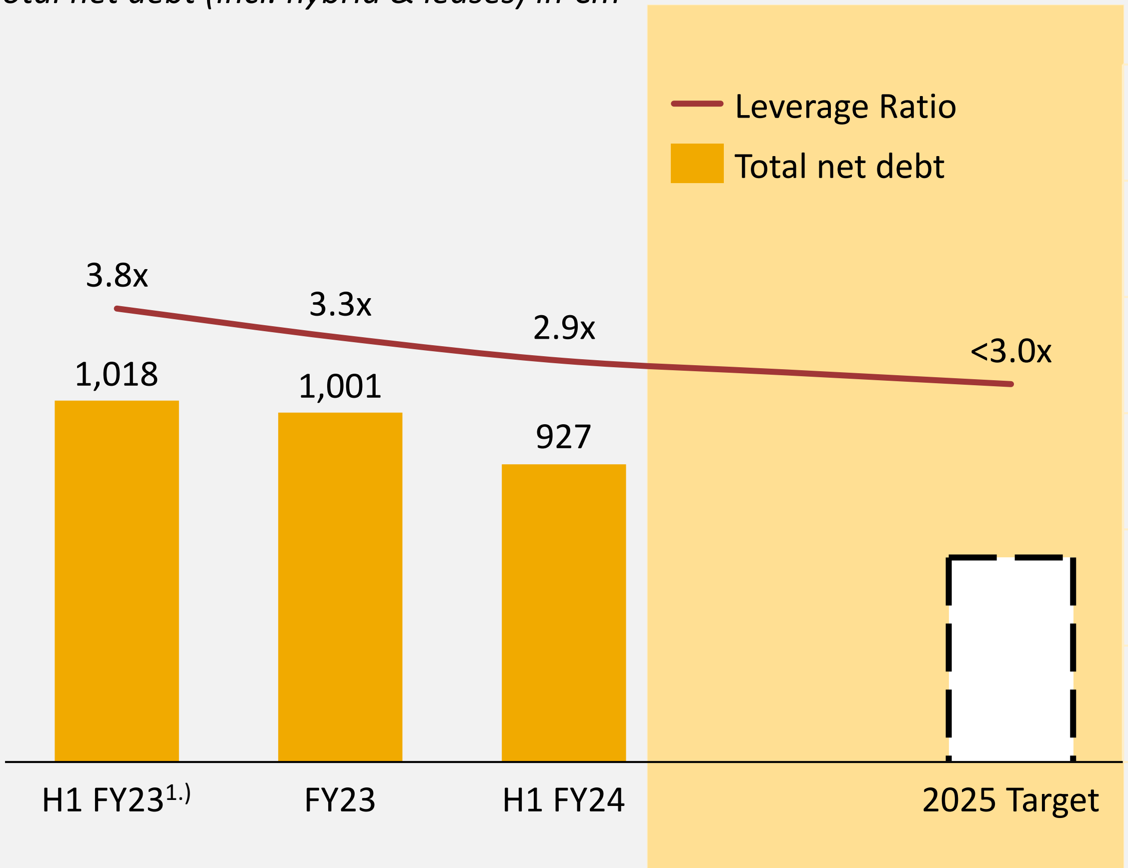
Trade Working Capital as % of TTM revenue[1.)]



1.) 5Q average trade working capital as percentage of trailing twelve-month revenue. Trade working capital comprises inventory, trade receivables and trade payables
2.) Quarters correspond to financial periods aligned with calendar year (based on pro-forma information)

Early achievement of mid-term leverage ratio target of <3x

Total net debt (incl. hybrid & leases) in €m



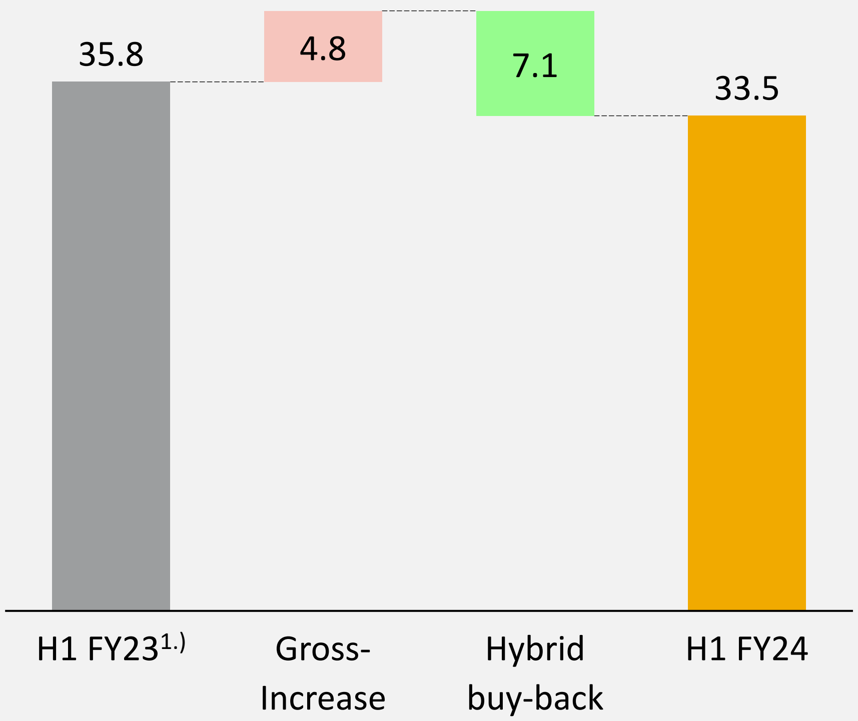
Key Highlights:

- Total net debt reduction supported by:
  - Improved profitability
  - Solid Cash flow generation
  - Lower Hybrid funding

1.) Represents 6-month financial period ended June 2023

Hybrid buy-back savings driving reduced financing costs

Financing costs incl. lease interest (in €m)



Key Highlights:

- Net reduction of €2.3m:
  - Hybrid buy-back delivered €7.1m of savings
  - €4.8m gross increase → mainly higher weighted average interest rates and borrowing
- Bank debt interest exposure is c. 50% hedged
- Financing costs expected to be at the lower end of guidance of €67-71m

1.) Represents 6-month financial period ended June 2023

New RCF agreed – further hybrid buy-back

New 5-year re-financing

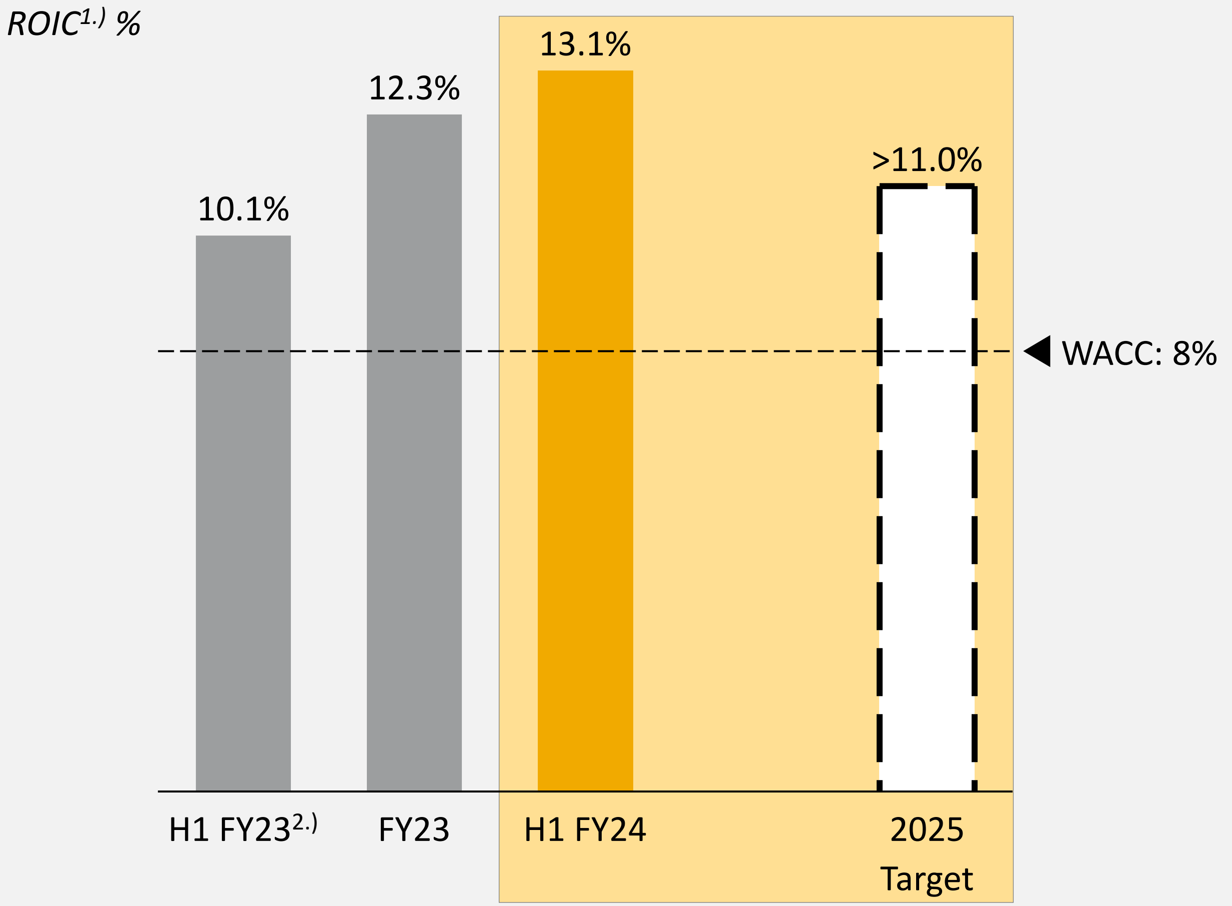
- €930m RCF - same terms as existing facility
- Term-Loan repaid
- Extends maturity and headroom

Hybrid bonds outstanding

- Hybrid 6.045%: CHF 325.4m
- Hybrid 4.213%: CHF 144.3m

Significant annual interest arbitrage

ROIC accelerating to 13.1%, +300bps vs. prior year



Key Highlights:

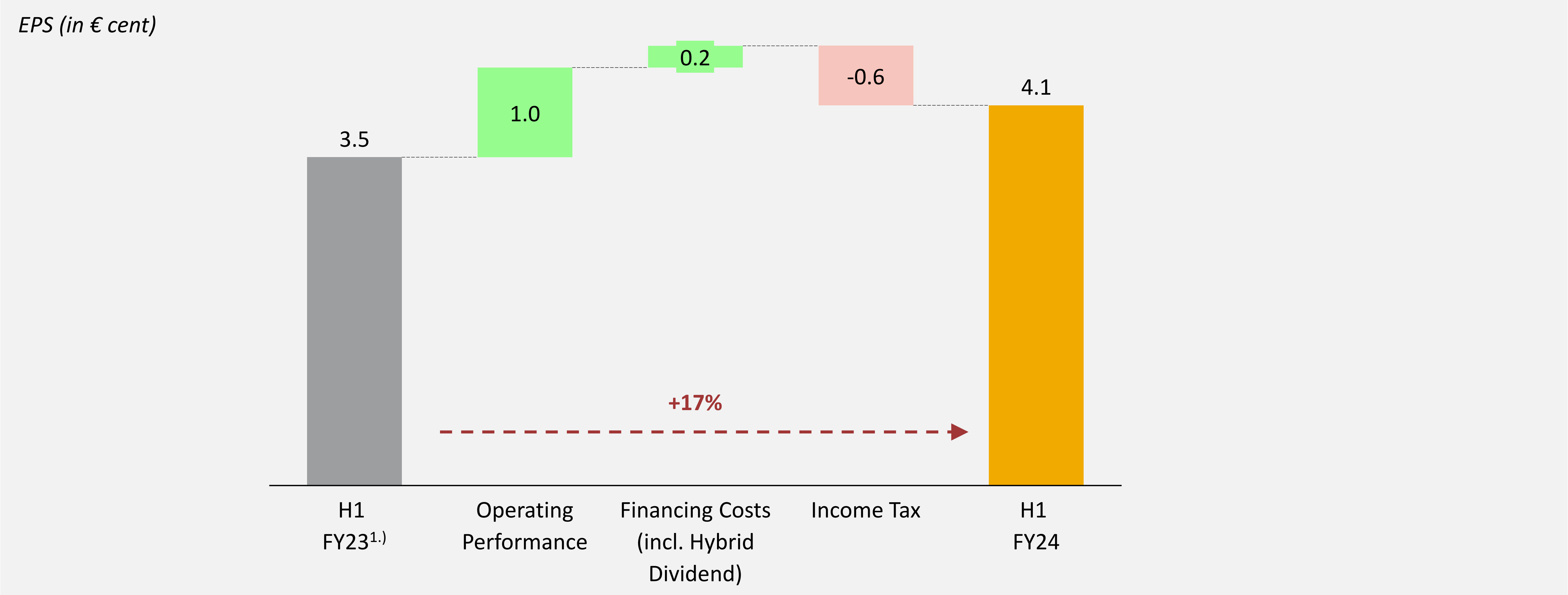
ROIC acceleration driven by:

- Margin expansion
- Improved capital efficiency

→ Further accelerating value creation

1.) ROIC is calculated as per the definition outlined in glossary on slide 38
2.) Represents 6-month financial period ended June 2023

EPS growth driven by business performance and lower financing costs



1.) Represents 6-month financial period ended June 2023

Organic growth strategy continues to support performance

Our strategy is delivering:

- Innovation-led organic growth
- Good progress on cost optimisations
- Continued strengthening and restructuring of balance sheet

→ Well on track to deliver last remaining mid-term target

Thank you

Appendix

Summary Results
For the 6-month period ended June 2024

	H1 FY24 €m	H1 FY23[1] €m	Change %
Revenue	**1,055.2**	1,060.2	(0.5)%
Cost of sales	**(691.8)**	(726.3)	4.8%
Distribution expenses	**(138.8)**	(132.7)	(4.6)%
Gross profit	**224.6**	201.2	11.6%
Selling expenses	**(50.0)**	(45.7)	(9.4)%
Administration expenses	**(89.0)**	(79.4)	(12.1)%
Operating profit	**85.6**	76.1	12.5%
Financing costs, net	**(16.1)**	(13.0)	(23.8)%
Profit before income tax	**69.5**	63.1	10.1%
Income tax expense	**(11.4)**	(5.1)	(123.5)%
Profit for the period	**58.1**	58.0	0.2%
Hybrid dividend	**(17.4)**	(22.8)	23.7%
Profit used to determine EPS	**40.7**	35.2	15.6%
Weighted average shares (in millions)	**996.6**	994.9	0.2%
Diluted earnings per share (in € cent)	**4.1**	3.5	17.1%

1.) Represents 6-month financial period ended June 2023

Revenue
For the 6-month period ended June 2024

	ARYZTA Europe €m	ARYZTA Rest of World €m	Total Group €m
Revenue	**937.9**	**117.3**	**1,055.2**
Organic growth	(1.1%)	2.8%	(0.7%)
Currency movement	0.8%	(4.5%)	0.2%
Total revenue movement	**(0.3%)**	**(1.7%)**	**(0.5%)**

All movements represent the revenue growth comparing the 6-month financial period ended June 2024 to the 6-month prior period ended June 2023

EBITDA

For the 6-month period ended June 2024

EBITDA[2)]	H1 FY24 €m	H1 FY23[1)] €m	% change
ARYZTA Europe	127.9	114.7	11.5%
ARYZTA Rest of World	21.9	25.3	(13.4%)
Total Group	**149.8**	**140.0**	**7.0%**

EBITDA margin	H1 FY24 €m	H1 FY23 €m	Change bps
ARYZTA Europe	13.6%	12.2%	140 bps
ARYZTA Rest of World	18.7%	21.2%	(250) bps
Total Group	**14.2%**	**13.2%**	**100 bps**

1). Represents 6-month financial period ended June 2023
2). See glossary on slide 38 for definitions of financial terms and references

Free cash flow
For the 6-month period ended June 2024

	H1 FY24 €m	H1 FY23[1] €m
EBITDA	**149.8**	**140.0**
Working capital movement	2.9	18.4
Working capital movement from debtor securitisation	2.9	13.3
Capital expenditure	(41.6)	(28.8)
Net payments on lease contracts	(18.2)	(17.9)
Proceeds from sale of property, plant and equipment	0.3	2.9
Restructuring-related cash flows	(0.3)	(1.3)
Dividends paid on hybrid instruments	(17.7)	(32.8)
Interest and income tax on operating activities paid, net	(27.8)	(20.0)
Other	2.7	(1.7)
Free cash flow	**53.0**	**72.1**

1.) Represents 6-month financial period ended June 2023

Return on Invested Capital

For the periods ended June 2024, December 2023 & June 2023

	H1 FY24 €m	FY23 €m	H1 FY23[1)] €m
Average invested capital	1,197.2	1,225.3	1,231.9
NOPAT[2)]	156.7	150.1	124.2
ROIC[2)]	13.1%	12.3%	10.1%

1.) Represents 6-month financial period ended June 2023
2.) See glossary on slide 38 for definitions of financial terms and references

Total net debt and hybrid funding
For the periods ended June 2024, December 2023 & June 2023

	H1 FY24 €m	FY23 €m	H1 FY23[1)] €m
Net debt	432.2	490.8	409.9
Hybrid Instrument Funding	494.6	510.0	608.4
Total net debt and hybrid funding	**926.8**	**1,000.8**	**1,018.2**

1.) Represents 6-month financial period ended June 2023

Quarterly Organic Growth
For the 12-month period ended June 2024

	Q3 2023[1].	Q4 2023[1].	Q1 2024	Q2 2024	H1 FY24
ARYZTA Europe					
Volume %	0.3%	5.6%	0.8%	(0.7)%	0.1%
Price %	10.4%	3.6%	-	(1.6)%	(0.9)%
Mix %	(1.7)%	(0.6)%	(0.5)%	(0.2)%	(0.3)%
Organic growth %	**9.0%**	**8.6%**	**0.3%**	**(2.5)%**	**(1.1)%**
ARYZTA Rest of World					
Volume %	3.8%	0.4%	(4.2)%	4.2%	(0.1)%
Price %	7.5%	5.8%	2.7%	2.8%	2.8%
Mix %	(1.2)%	(1.3)%	0.2%	-	0.1%
Organic growth %	**10.1%**	**4.9%**	**(1.3)%**	**7.0%**	**2.8%**
Total Group					
Volume %	0.8%	5.0%	0.2%	(0.2)%	-
Price %	10.0%	3.8%	0.3%	(1.1)%	(0.4)%
Mix %	(1.7)%	(0.7)%	(0.4)%	(0.2)%	(0.3)%
Organic growth %	**9.1%**	**8.1%**	**0.1%**	**(1.5)%**	**(0.7)%**

1.) Quarters correspond to financial periods aligned with calendar year (based on pro-forma information)

Quarterly Organic Growth
For the 12-month period ended June 2023

	Q3 2022[1]	Q4 2022[1]	Q1 2023[1]	Q2 2023[1]	H1 FY23[1]
ARYZTA Europe					
Volume %	4.0%	5.7%	7.9%	0.2%	3.7%
Price %	16.4%	21.5%	21.2%	17.7%	19.3%
Mix %	0.1%	0.2%	0.2%	(0.4)%	(0.1)%
Organic growth %	**20.5%**	**27.4%**	**29.3%**	**17.5%**	**22.9%**
ARYZTA Rest of World					
Volume %	11.7%	8.5%	-	(0.7)%	(0.3)%
Price %	7.5%	11.9%	16.2%	14.6%	15.4%
Mix %	1.6%	-	2.1%	(0.4)%	0.7%
Organic growth %	**20.8%**	**20.4%**	**18.3%**	**13.5%**	**15.8%**
Total Group					
Volume %	5.1%	6.1%	6.9%	0.1%	3.2%
Price %	15.1%	20.2%	20.5%	17.3%	18.8%
Mix %	0.3%	0.2%	0.5%	(0.4)%	-
Organic growth %	**20.5%**	**26.5%**	**27.9%**	**17.0%**	**22.0%**

1.) Quarters correspond to financial periods aligned with calendar year (based on pro-forma information). H1 FY23 represents 6-month financial period ended June 2023.

Average and Closing FX Rates
For the 6-month period ended June 2024

Currency	Average H1 FY24	Average H1 FY23 1).	% Change	Closing H1 FY24	Closing FY23	% Change
CHF	0.9612	0.9859	2.5%	0.9617	0.9332	(3.1%)
AUD	1.6420	1.5964	(2.9%)	1.6117	1.6185	0.4%
GBP	0.8548	0.8772	2.6%	0.8463	0.8688	2.6%
PLN	4.3172	4.6334	6.8%	4.3137	4.3382	0.6%

1.) Represents 6-month financial period ended June 2023

ARYZTA SERVING INSPIRATION

Presentation Glossary

‘Organic growth’ – represents the revenue growth during the period, after removing the impact of acquisitions and divestures and foreign exchange translation. This provides a “like-for-like” comparison with the previous period in constant scope and constant currency.

‘EBITDA’ – presented as earnings before interest, taxation, depreciation and amortisation.

’Free cash flow' – represents the company’s ability to generate free funds from its operating activities after its investments in fixed assets and repayments of lease liabilities. It is calculated as net cash flows from operating activities per the IFRS cash flow statement, adjusted for cash flows related to the purchase of property, plant and equipment and intangible assets, proceeds from sale of property plant and equipment, lease principal payments and dividends paid on hybrid instruments.

‘Net debt’ – is defined as the Group’s interest bearing loans and bonds and lease liabilities, after deduction of cash and cash equivalents.

‘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’.

‘Invested capital’ – Excludes financial assets at fair value, bank debt, cash and cash equivalents and tax balances. Invested capital is a measure of the operational net assets used to generate the results of the business, excluding financing, tax and cash-management activities.

‘NOPAT’ – Net operating profit after tax. This is operating profit after a normalised tax rate of 25%, before gains/losses on disposal of businesses excluding taxation directly attributable to disposal of businesses.

‘ROIC’ – Return On Invested Capital is a measure of performance which integrates both measures of profitability and measures of capital efficiency. This is calculated as trailing twelve month NOPAT divided by average Invested capital, as at the beginning and the end of the financial period.

Please refer to Alternative Performance Measures on pages 28 - 30 of the Interim Report June 2024 for reconciliations.