ARYZTA AG

Ad Hoc announcement pursuant to article 53 LR

Solid start to 2025 – Q1 Organic Growth tracking 3%
€321m EBITDA +5%, EBITDA margin 14.6% (+70bps)
Cash generation +4%, EPS growth +22.5%

Schlieren/Switzerland, 3 March 2025

Key Highlights

- Revenue at €2,194.5m (+0.1%)
- Organic Growth (0.2)% with positive volume in 2024 and return to positive pricing in Q4
- Innovation share of revenue at 18%, up from 15%
- EBITDA up 5.4% to €320.9m, margin increased to 14.6% (+70bps)
- Free cash flow improved to €137.8m (up 4.1%)
- ROIC increased to 13.4% (up 110bps)
- Total Net debt (including hybrids) to EBITDA at 2.8x
- EPS increased 22.5% to 10.0 € cent

- Solid start to 2025 – Q1 Organic Growth tracking 3%
- FY 2025 guidance:
  - Targeting low to mid-single digit organic growth
  - Further EBITDA margin expansion and EPS growth
  - Further strengthening of balance sheet and improvement in return on invested capital
  - Capital Markets Day (CMD) to detail growth, margin progression and capital allocation strategy, including returning capital to shareholders
  - Intention to complete a reverse stock split, subject to AGM approval

ARYZTA AG Chairman Urs Jordi commented:

"ARYZTA's delivery of all its current mid-term targets one year ahead of schedule is now followed by a solid start to current year trading. This underpins confidence in our guidance for further improvement in all our financial metrics in 2025.

We continue to operate in the growing bake-off market with clear competitive advantages over fresh and packaged. Continued innovation investments coupled with strict cost discipline and operational efficiency are supporting improvement in our growth and market position as well as our business performance. The resulting solid cash generation strongly supports further balance sheet improvement.

The onboarding of our new CEO Michael Schai is progressing well with strong support from the ARYZTA Board and management teams. We look forward to unveiling our next mid-term plan for 2025-2028 and related targets at our Capital Markets Day in May.

We believe the reverse stock split will improve the attractiveness of our shares for our current and future shareholders. On behalf of the ARYZTA Board, I would like to thank all our employees for their dedication and support in the delivery of this strong performance."

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2025 Outlook

Trading in 2025 has started well, with Q1 organic growth tracking 3%. ARYZTA is targeting low to mid-single digit organic growth for the full year 2025, supported by the commissioning of our innovation investments in Switzerland, Germany and, towards the end of the year, in Australia. ARYZTA expects to deliver continued improvement across its key financial metrics for 2025. EBITDA margin expansion will be driven by organic growth, efficiencies and cost discipline. Further improved operating results together with a lower leverage ratio and lower financing costs are expected to support EPS growth. The Capital Markets Day will focus on revenue growth, margin progression and capital allocation strategy, including returning capital to shareholders.

Robust performance in 2024

ARYZTA achieved very robust results in the period, despite weak consumer sentiment and a volatile input costs environment. The performance also marks the achievement of the current mid-term financial targets one year ahead of schedule. The bake-off market continues to grow its relevance in the baked goods market reflecting its competitive advantages especially in relation to labour, waste, energy and space.

Full year 2024 organic growth was flat (-0.2%) year on year, reflecting a very strong growth of +14.7% in the comparable 12-month period, as well as the negative impact on volume from active portfolio management (c. -1%). In addition revenue in some QSR markets, while recovering, was negatively impacted by the fallout from geopolitical conflicts during 2024.

Despite this, the overall volume growth was positive at 0.3%; while pricing was negative at (0.4%) for the full year, ARYZTA returned to positive pricing in Q4. Mix remained marginally negative at (0.1%) for 2024, but continued to improve sequentially and turned positive in Q4, in line with expectations.

EBITDA margin expanded by 70bps to reach 14.6%. This significant profit improvement reflects the benefit of margin enhancing innovations, active portfolio management and disciplined cost management. Innovation remains at the core of ARYZTA's strategy and accounted for 18% of revenue in 2024. Q4 2024 saw the new lamination line in Malaysia commence production. Additional new capacity will come on stream over the next 12 months in Switzerland, Germany and Australia, supporting top line growth and margin development, as these new investments will improve the mix through premiumization of our product portfolio.

EBITDA margin increased to 14.6%

EBITDA increased in 2024 by 5.4% to €320.9m, corresponding to an EBITDA margin increase of 70bps to 14.6%. This was supported by margin enhancing product innovation reflected in an increase of the share of revenue attributable to new and innovative products to 18%. In addition, active portfolio management supported the margin expansion while operational efficiency and strict cost discipline measures also positively contributed to the overall profitability development.

Continued positive progress was achieved in the Group's cost efficiencies initiatives, resulting in more than €36m worth of cumulative cost optimisations, since the launch of the mid-term plan, reaching already in 2024 the higher end of the guided range.

Approximately 60% of the group's transactional financial services are now carried out at the new shared service centre based in Wroclaw, Poland. During 2024 ARYZTA also completed the roll-out of SAP in Switzerland and made additional investment in the procurement resources to centralize more than 75% of all group purchases. These efficiency initiatives will allow ARYZTA to capitalize on future growth and further improved business performance.

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Europe

European revenue was largely flat with positive volume growth and currency effect offset by price and mix. This was achieved in a competitive market where consumer spending remains under pressure after a long period of inflationary price increases. In addition, active portfolio management, which favoured value over volume, impacted growth. The overall organic growth in Europe was negative (0.7%). Nonetheless, ARYZTA successfully achieved positive organic growth in many of its key European markets. All channels performed to expectation in a challenging environment of volatile input costs and weaker consumer spending.

Innovation supported revenue development strongly in the period, accounting for 17% of Europe revenue. During 2024 and 2025 investments in new lines in Switzerland and Germany will enhance ARYZTA's excellent product range, its high service levels and customer relevance. They will also benefit top line growth and margin enhancement.

EBITDA increased to €271.5m, representing a margin increase of 100bps to 14.0%. Margin progression was broad-based across the European businesses. It was supported by strong operational performances with contribution from efficiencies and benefits from active portfolio management, which favoured margin over volume.

Rest of World

Rest of World achieved an overall organic growth of 3.7% driven by positive pricing and volume effects, while mix remained flat. This was achieved against very strong growth of 11.2% in the comparable 12-month period and the ongoing recovery in the QSR business from the impact of geopolitical events. Both the QSR and Other Foodservice channels performed in line with expectations, assisted by strong innovation, reflecting the additional new lamination line in Malaysia becoming operational in Q4 2024.

Rest of World achieved an EBITDA of €49.4m, corresponding to a margin of 19.8%, 80bps lower than in the comparable prior period. This mainly reflects the temporary weakness in the QSR channel mentioned above.

Strong Cash Flow Delivery

ARYZTA cash generation was remarkable in 2024, delivering €137.8m free cash flow, compared to €132.4m in the comparable 12-month prior period. This was achieved despite higher investment in growth and innovation as well as IT-related capital expenditure. Working capital contribution was positive but slightly lower than in the comparable prior period. These effects were more than compensated by higher profitability and lower financing costs.

Value creation as measured through ROIC further accelerated to 13.4% (+110bps), which is significantly above ARYZTA's WACC of 8%. This improvement was supported by higher profitability, strong cost control and prudent management of the invested capital base. EPS strongly increased by 22.5% to 10.0 € cent supported by operational performance and lower financing costs.

Total Net debt leverage falls to 2.8x EBITDA

The continued improvement in business performance and strong cash generation resulted in a further reduction of the leverage ratio to 2.8x EBITDA, from 3.3x at year-end 2023. The key contributors were improved profitability and €106.6m lower total net debt (including hybrids), supported by the strong free cash flow generation.

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Hybrid buy-backs completed in the last two years delivered financing cost savings of €14.6m in 2024. The full effect of the CHF 325.4m hybrid bond buy-back executed in October 2024 will materialize in 2025 and ARYZTA continues to expect the corresponding savings to amount to about €11.5m. For full year 2025, ARYZTA expects financing costs to be in the range of €46m-€50m.

Further progress on Sustainability commitment

ARYZTA continues to progress its ESG agenda with a 5% reduction in Greenhouse Gas (GHG), a 5% reduction in water usage and a 8% reduction in food waste compared to the baseline year. The use of renewable energy has increased by 56% and 7% of the wheat is sourced from farms applying regeneration agriculture practices. Further, employee safety has also improved with a 28% reduction in reported accidents, while safety education and training increased across the Group.

ARYZTA's new investments are also tailored to its sustainability agenda: the oven that was installed as part of the new artisanal bread line in Germany is 30% more energy efficient than the existing ones. The new plant in Australia will remove an estimated 1.7 million food miles currently involved in transporting bakery products from Eastern Australia to Western Australia and 100% of the electricity will come from renewable sources.

CMD to detail growth, margin progression and capital allocation strategy

With the delivery of the mid-term targets one year ahead of schedule ARYZTA will publish its next three year plan 2025-2028 at its Capital Markets Day on 7 May 2025.

The new plan will detail revenue growth expectations along with margin expansion and EPS growth. In addition, ARYZTA will provide an outlook on how it will maintain its strong cash generation capacity to deliver further balance sheet improvements. The combination of growth and cash generation will facilitate the return of capital to shareholders. Once the Board completes a review of options and selects the optimal choice for ARYZTA, these details will also be disclosed at the CMD event in May 2025.

Michael Schai took over the role of CEO on 1 January 2025. He brings a wealth of food industry experience as well as 18 years with ARYZTA, where he was responsible for Switzerland, Asia and ARYZTA's large Quick Service Restaurant business. Michael has a proven track record in the food industry, and with his leadership and vision he is well suited to take ARYZTA forward. Michael's onboarding is progressing well with strong support from the Board and management.

Following Michael's appointment, the dual mandate of Urs Jordi has ended with Urs continuing as Chairman and a Board member. This aligns with the commitment to separate these roles in line with good corporate governance practices.

Reverse stock split announcement

ARYZTA announces its intention to complete a reverse stock split based on a ratio of 40 to 1 new share, subject to shareholder approval at the upcoming Annual General Meeting (AGM).

The proposed reverse stock split is intended to align the trading price of ARYZTA shares more closely with the median value of shares listed on the SIX Swiss Exchange. This adjustment is expected to enhance the attractiveness of the stock.

Shareholders can access more detailed information regarding the reverse stock split via the following link on the ARYZTA website:
https://www.aryzta.com/corporate-governance/annual-general-meeting/reverse-share-split.
This will also be available later in the AGM materials.

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Performance

Full year 2024

	FY 2024 €m	FY 2023 €m (unaudited)[3]	% Change
Revenue	2,194.5	2,192.7	0.1%
Organic growth[1]	(0.2)%	14.7%	
EBITDA[1]	320.9	304.5	5.4%
EBITDA margin	14.6%	13.9%	70 bps
Profit for the period	129.6	125.7	3.1%
Free cash flow[1]	137.8	132.4	4.1%
ROIC[1]	13.4%	12.3%	110 bps
Net debt[1,2]	739.3	490.8	
Hybrid instrument funding[1,2]	154.9	510.0	
Total net debt and hybrid[1,2]	894.2	1,000.8	

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 Alternative Performance Measures on pages 243 – 246 of the Annual Report 2024 for reconciliations.

2 Further details on the Groups financial covenants and capital management are included in note 21 to the financial statements on page 219 of the Annual Report 2024.

3 Pro forma 12-month results are unaudited. Please refer to pages 247-248 of the Annual Report 2024 for further breakdowns.

Revenue

Full year 2024

	ARYZTA Europe €m	ARYZTA Rest of World €m	Total Group €m
Revenue	1,945.1	249.4	2,194.5
Organic growth	(0.7)%	3.7%	(0.2)%
Currency movement	0.5%	(1.7)%	0.3%
Total revenue movement	**(0.2)%**	**2.0%**	**0.1%**

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Organic growth

Full year 2024

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024
ARYZTA Europe					
Volume %	0.8%	(0.7)%	3.4%	(2.4)%	0.2%
Price %	-	(1.6)%	(1.5)%	-	(0.8)%
Mix %	(0.5)%	(0.2)%	(0.1)%	0.1%	(0.1)%
Organic growth %	**0.3%**	**(2.5)%**	**1.8%**	**(2.3)%**	**(0.7)%**
ARYZTA Rest of World					
Volume %	(4.2)%	4.2%	2.2%	3.0%	1.3%
Price %	2.7%	2.8%	1.8%	1.9%	2.3%
Mix %	0.2%	-	0.1%	(0.1)%	0.1%
Organic growth %	**(1.3)%**	**7.0%**	**4.1%**	**4.8%**	**3.7%**
ARYZTA Group					
Volume %	0.2%	(0.2)%	3.2%	(1.8)%	0.3%
Price %	0.3%	(1.1)%	(1.1)%	0.2%	(0.4)%
Mix %	(0.4)%	(0.2)%	(0.1)%	0.1%	(0.1)%
Organic growth %	**0.1%**	**(1.5)%**	**2.0%**	**(1.5)%**	**(0.2)%**

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Performance - Full year 2024 vs. 17-month December 2023

In 2023, we aligned our financial reporting year end to the calendar year end, which resulted in an extended 17-month reported period (from August 2022 to December 2023). Please see below table for reference.

	FY 2024 €m	17-month December 2023 €m	% Change
Revenue	2,194.5	3,046.0	(28%)
Organic growth[1]	(0.2)%	17.3%[2]	
EBITDA[1]	320.9	400.8	(19.9%)
EBITDA margin	14.6%	13.2%	140 bps
Profit for the period	129.6	160.5	
Free cash flow[1]	137.8	139.6	(1.3%)
ROIC[1]	13.4%	12.3%	110 bps
Net debt[1,3]	739.3	490.8	
Hybrid instrument funding[1,3]	154.9	510.0	
Total net debt and hybrid[1,3]	894.2	1,000.8	

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 Alternative Performance Measures on pages 243 – 246 of the Annual Report 2024 for reconciliation.

2 Represents the organic growth comparing the 17-month financial period ended December 2023 to the 17-month prior period ended December 2022.

3 Further details on the Groups financial covenants and capital management are included in note 21 to the financial statements on page 219 of the Annual Report 2024.

2024 Annual Report

The ARYZTA 2024 Annual Report and Accounts are available for download from the ARYZTA website and at the following link:
https://www.aryzta.com/investor-center/reporting/

2024 Annual Results Presentation

A printable pdf version of the presentation slides is available to download from the ARYZTA website: https://www.aryzta.com/investor-center/reporting/

Results conference call today at 08:30 CET

Dial in numbers are: Switzerland: +41 (0) 43 456 9986; USA: +1 786 697 3501;
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://stream.swisscom.ch/aryzta/20250303/

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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, 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).

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