ARYZTA AG

Ad Hoc announcement pursuant to article 53 LR

ARYZTA announces new mid-term targets

Schlieren/Switzerland, 7 May 2025

After achieving its mid-term targets a year ahead of schedule, ARYZTA, a leading international bakery company focused on the bake-off segment, announces new mid-term targets for the 2025-2028 strategic cycle at its Capital Markets Day today.

Leveraging its unique business model of offering the gold standard for bake-off and delivering affordable indulgence, ARYZTA is targeting to achieve above market revenue growth, further increase profitability and resume capital returns to shareholders during the plan period.

The Group expects to continue to improve its profitability to an EBITDA margin of more than 15% which equates to an EBIT margin of more than 9%. The delivery of these targets will be driven by revenue growth based on innovation and premiumisation, as well as continued business performance improvement. The plan also targets gross cost optimisations in the range of €40-€60m from operations, procurement and structural costs initiatives. The plan involves incremental ramp up costs of €20-€30m for the further roll-out of the IT infrastructure to secure the gross cost savings, resulting in a net expected saving of €20-€30m.

Solid sustainable cash generation will allow ARYZTA to further reduce net leverage to not lower than 1.5-2.0x by 2028 while maintaining growth and maintenance CAPEX spending in the range of 3.5-4.5% of revenue. This reflects investment in new lines to increase production of high value laminated and artisan products in Switzerland, Germany and Malaysia. It also includes the construction of a new bun bakery in Australia and plans for further lamination expansion in Poland. The plan envisages further improvement in Free Cash Flow, ROIC and EPS.

Under this new plan, which takes into account the current macro environment and its impact on consumer sentiment, ARYZTA expects to resume returning capital to shareholders via dividends/share buybacks. This is conditional on rebuilding an appropriate core equity level post the repurchase of the remaining hybrid bond to around 30%. ARYZTA is planning to publish its shareholder return policy in 2026. ARYZTA's 2025-2028 plan also includes the option to consider strategic bolt-on M&A where such opportunities arise in core markets / activities and create strong shareholder value.

ARYZTA Group CEO Michael Schai commented:

"ARYZTA's mid-term targets reflect our strategy to focus on innovation-led organic growth and premiumisation, continuous business process improvements and a comprehensive cost discipline program. Our strategy is targeting to generate sufficient cash to further reduce debt levels, invest in innovation and return capital to shareholders. We envisage further improvements across all our financial metrics over our new plan. It also reflects our aim to be well positioned in our key markets and have sufficient financial strength to control our own destiny given the consolidation taking place in the bake-off sector."

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Capital Markets Day Presentation 09:00 a.m. CEST

ARYZTA hosts a Capital Markets Day today in Dagmersellen, Switzerland.

The event begins at 09:00 a.m. CEST with a presentation from Urs Jordi, Chairman of the Board of Directors.

Live webcast

The presentation will be streamed from 09:00 a.m. CEST.

A conference call webcast will be available on the ARYZTA website:
https://stream.swisscom.ch/aryzta/20250507/

The presentation is available on our website:

https://www.aryzta.com/investor-center/reporting

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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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