

Third Quarter Trading Update for the period ended 30 April 2018

Zurich/Switzerland, 24 May 2018 – ARYZTA AG announces third quarter trading and lowers FY 2018 guidance

Outlook and Key Developments

- Q3 EBITDA margins are below management expectations.
- ARYZTA estimates FY18 EBITDA will be c. 9-12% lower than prior EBITDA guidance.
- Cumulative three-year €200m cost reduction plan announced.

Revenue for the 13 weeks ended 30 April 2018 (unaudited)

in EUR million	ARYZTA Europe	ARYZTA North America	ARYZTA Rest of World	ARYZTA Group
Revenue	409.0	340.4	62.0	811.4
Organic growth	(2.6)%	(1.3)%	9.3%	(1.2)%
Disposals	(2.5)%	(16.1)%	-	(8.9)%
Currency	(1.3)%	(10.8)%	(13.3)%	(6.7)%
Revenue growth	(6.4)%	(28.2)%	(4.0)%	(16.8)%

Q3 Performance Review

- Group organic revenue declined by (1.2)% in the period.
- Group organic revenue remained relatively stable year-on-year, despite the challenging trading environment of weaker market conditions and difficulties recovering inflationary costs.
- Group revenue declined by (16.8)% in the quarter to €811.4m, mainly due to disposals (8.9)% and currency (6.7)%.
- Disposal program on track, €140m+ realised to date.
- Dividends from Picard are strengthening the balance sheet. Picard re-financing recently completed to facilitate second dividend in FY18.

ARYZTA Chief Executive Officer, Kevin Toland, commented:

“ARYZTA has identified and is addressing the challenges facing the historical business model and the industry generally and will stay focused on its core, the frozen B2B bakery market. As part of the ongoing process, the Group has sold selected loss-making assets, rationalised headcount, and under the new management put in place a series of efficiency and cost reduction activities to accelerate performance improvement. As part of this process, we are also today announcing a three year €200 million restructuring and cost reduction plan aimed at restoring financial flexibility and aligning our asset and cost base with current and expected business conditions.”

Third Quarter Trading Update for the period ended 30 April 2018

Cumulative three-year €200m cost reduction plan

ARYZTA's Board has approved a three-year restructuring plan. Implementation will commence immediately and is aimed at restoring financial flexibility and improving ARYZTA's asset and cost base to its current revenue run rate. The plan is expected to deliver cumulative €200m in cost savings over three years.

Q3 Review

Industry operating conditions, in particular higher input, distribution and labour costs, outlined by ARYZTA in H1, continued to impact performance across the sector in Q3. Challenges include labour and distribution inflation in North America, sustained high butter prices, insourcing in Switzerland and Germany and weak consumer spending in the some European markets, particularly the UK.

ARYZTA Group

Total Group revenue declined by (16.8)% in the third quarter to €811.4m, mainly due to the impact of disposals (8.9)% and currency (6.7)%. Group organic revenue declined by (1.2)% in the period, comprised of a volume decline of (2.7)% and a price/mix improvement of 1.5%.

ARYZTA Europe

ARYZTA Europe revenue declined by (6.4)% in the third quarter to €409.0m. Organic revenue declined by (2.6)% in the period, while disposals (La Rousse) and currency had negative impacts of (2.5)% and (1.3)%, respectively. Volumes in Europe declined by (5.0)%, while price/mix was positive by 2.4%. Sustained high butter prices across Europe remains a significant challenge. The volume decline reflects the impact of insourcing in Switzerland and Germany and weak consumer spending in the UK.

ARYZTA North America

ARYZTA North America revenue declined by (28.2)% in the period to €340.4m. Organic revenue declined by (1.3)%, while disposals (Cloverhill) and currency had negative impacts of (16.1)% and (10.8)%, respectively. Against the backdrop of a strong customer base, North America volumes declined nonetheless by (1.9)%, while price/mix was a 0.6% positive. The North America business faces continued challenges from sustained high labour and distribution costs, which are not yet recovered by pricing initiatives.

ARYZTA Rest of World

ARYZTA Rest of World revenue declined by (4.0)% to €62.0m as strong organic revenue performance of 9.3% was offset by a negative currency impact of (13.3)%. Rest of World volumes grew strongly by 7.5% and price/mix by 1.8%, reflecting the continued strong growth dynamics in frozen bakery in Brazil and APMEA.

Third Quarter Trading Update

for the period ended 30 April 2018

Revenue for the nine months ended 30 April 2018 (unaudited)

in Euro million	ARYZTA Europe	ARYZTA North America	ARYZTA Rest of World	ARYZTA Group
Group revenue	1,277.3	1,126.8	193.9	2,598.0
Organic growth	0.3%	(5.4)% ¹	9.1%	(1.8)% ¹
Disposals	(0.8)%	(5.5)%	-	(3.0)%
Currency	(1.2)%	(8.0)%	(9.0)%	(5.0)%
Revenue growth	(1.7)%	(18.9)%	0.1%	(9.8)%

1. Organic revenue year-to-date was significantly impacted by declines in Cloverhill (Chicago/Cicero) revenues, up until disposal during February 2018, after which the impacts are reflected as disposal related. Excluding the impacts of Cloverhill prior to disposal, North America organic revenue declined by (0.8)% and Group organic revenue grew by 0.5%.

Quarterly organic revenue

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
ARYZTA Europe							
Volume %	1.8%	(0.1)%	1.3%	(4.7)%	(0.7)%	(1.3)%	(5.0)%
Price/Mix %	(0.4)%	0.7%	3.0%	4.0%	1.3%	4.2%	2.4%
Organic growth %	1.4%	0.6%	4.3%	(0.7)%	0.6%	2.9%	(2.6)%
ARYZTA North America							
Volume %	(5.7)%	(5.5)%	(6.7)%	(16.1)%	(7.1)%	(8.6)%	(1.9)%
Price/Mix %	1.0%	(0.3)%	2.4%	5.5%	0.1%	0.6%	0.6%
Organic growth %	(4.7)%	(5.8)%	(4.3)%	(10.6)%	(7.0)%	(8.0)%	(1.3)%
Organic growth % excluding Cloverhill	(2.5)%	(2.9)%	(3.0)%	(4.7)%	1.0%	(1.8)%	(1.5)%
ARYZTA Rest of World							
Volume %	4.9%	7.6%	0.7%	7.7%	2.7%	7.9%	7.5%
Price/Mix %	4.8%	1.7%	3.0%	(1.3)%	5.1%	2.3%	1.8%
Organic growth %	9.7%	9.3%	3.7%	6.4%	7.8%	10.2%	9.3%
ARYZTA Group							
Volume %	(1.7)%	(2.3)%	(2.7)%	(9.4)%	(3.6)%	(4.2)%	(2.7)%
Price/Mix %	0.5%	0.3%	2.7%	4.4%	1.0%	2.4%	1.5%
Organic growth %	(1.2)%	(2.0)%	0.0%	(5.0)%	(2.6)%	(1.8)%	(1.2)%
Organic growth % excluding Cloverhill	0.1%	(0.4)%	1.0%	(2.0)%	1.3%	1.4%	(1.3)%

Third Quarter Trading Update for the period ended 30 April 2018

Conference Call

ARYZTA will host a call today at 08:00 CET (07:00 BST).

Dial in numbers are: Switzerland: 031 580 0059, Ireland: 01 431 9615,
UK: 0844 571 8892, USA: 1 631 510 7495, International: +44 (0) 2071 928000.

Please provide the following code: 6028258 to access the call.

About ARYZTA

ARYZTA AG ('ARYZTA') is a global food business with a leadership position in speciality bakery. ARYZTA is based in Zurich, Switzerland, with operations in North America, South America, Europe, Asia, Australia and New Zealand. ARYZTA has a primary listing on the SIX Swiss Exchange and a secondary listing on the ISE Irish Exchange (SIX: ARYN, ISE: YZA).

Investor Enquiries:

Paul Meade, Communications Officer, ARYZTA AG
Tel: +41 (0) 44 583 42 00
info@aryzta.com

Media Enquiries:

Mark Kenny/Jonathan Neilan, FTI Consulting
Tel: +353 1 663 3686/+353 86 231 4135
mark.kenny@fticonsulting.com / jonathan.neilan@fticonsulting.com

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 and regulatory developments.