



Full Year 2019 Results

Conference call – March, 13 2020

dove c'è ristorazione



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The Group's business is also correlated to tourism flows. Q1 and Q4 represent the low point of the business year, whereby Q2 and Q3 the peak of the seasonality. Therefore quarterly sales, operating results, trade net working capital and net financial indebtedness are impacted by the seasonality and may not be directly compared or extrapolated to obtain forecasts of year-end results.

Considerations on current trading

- The Covid-19 (Coronavirus) epidemic which has been affecting Italy since the end of February has forced the Italian Government to adopt increasing health protection measures which have imposed restrictions on people's movements and, by Prime Ministerial Decree of 11 March, the carrying out of business activities
- The uncertainty as regards the spread of the Covid-19 epidemic at this time does not enable realistic forecasts to be made as regards the effects that the phenomenon may have on general consumption and, as regards MARR's business, on the foodservice market in Italy
- The duration of governmental measures could have repercussions, which we believe could be temporary, on consumption in the coming months
- In this context, it must be recalled that MARR has an organizational and distribution structure that is present nationwide and is thus capable of ensuring an adequate level of service to all clients and to all of the business areas which involve out-of-home food consumption, including those functional to public and health services. Thanks to its consolidated leadership and its distribution network, MARR is concentrating its efforts on adjusting the organizational measures and service management
- The Company is also placing great emphasis and attention on managing the trade receivables and operating costs, which for MARR have always been characterised by the high level of variable costs, with the aim of ensuring continuity in terms of quality, products and services offered to the market, so as to help overcome the contingent difficulties where possible and be completely ready to resume proper business activities when the current uncertainties are resolved



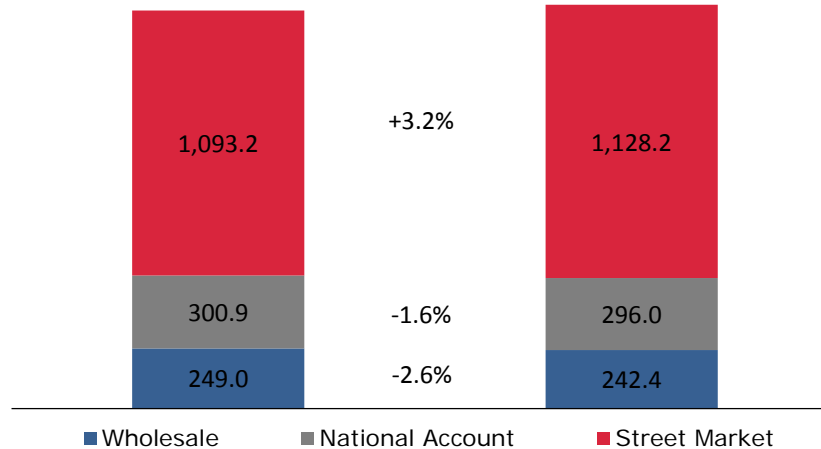
FY 2019 – Highlights

- **Total revenues** 1,695.8€m (1,667.4€m in 2018)
- **EBITDA and EBIT** respectively of 128.5€m and 99.1€m and were affected by the first application of IFRS 16 (+9.1€m on EBITDA and +0.8€m on EBIT). EBITDA in 2018 was of 119.3€m and EBIT of 99.2€m
- **Net income** 66.6€m affected by the first application IFRS 16 (-0.2€m) and by non-recurrent costs for 0.6€m. 2018 Net Income was of 68.5€m and benefited from non-recurrent proceeds for 0.8€m
- **Trade NWC** 213.6€m compared to 214.1€m at 2018 year-end
- **Net Debt** excluding 46.4€m of additional debt for the application of IFRS 16, was of 149.6€m compared to 156.6€m at 2018 year-end
- **DPS proposal** 0.80€ of proposed gross DPS. Net income not distributed will be allocated to Reserves

FY 2019 – Sales

	FY 2018	change	FY 2019
Total revenues	1,667.4	+1.7%	1,695.8

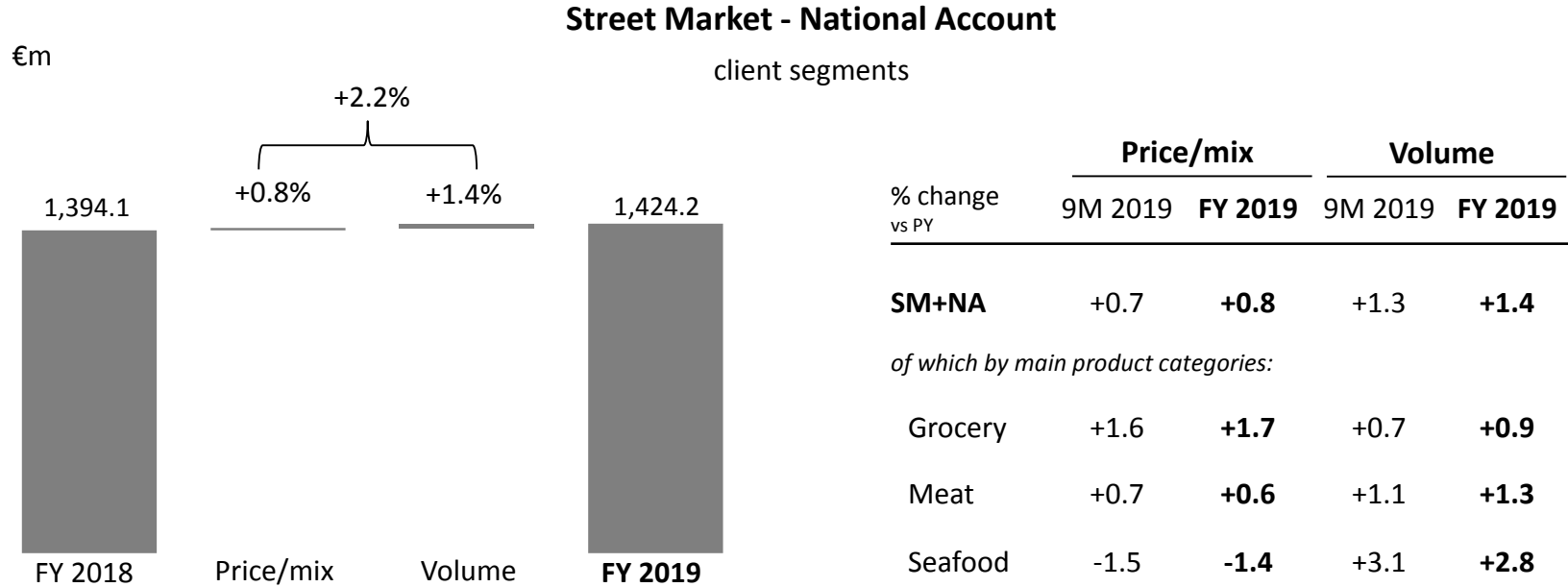
Total sales **1,643.1** **+1.4%** **1,666.7**



- Sales growth in the main client segment of the Street Market (+3.2%) was confirmed and in line with the objectives
- Sales in National Account segment were affected by the implementation in the first part of the year of a rebalancing in the mix of the clients' portfolio and closed at -1.6% (was -2.6% in the 9M period)
- Performance in Wholesale was affected by deflationary dynamics and destocking in the frozen seafood sector



FY 2019 – Sales (Price mix / Volume trend)



- At the year-end, dynamics of 9M period in terms of Volume and Price/mix were confirmed. 2019 business year was characterized by weak price component in Seafood category, with signs of easing of this trend in the Q4



FY 2019 – Income statement

€m	<i>reported</i>		<i>reported (IFRS16)</i>		<i>Net of IFRS16</i>	
	FY 2018	%	FY 2019	%	FY 2019	%
Total Revenues	1,667.4	100.0%	1,695.8	100.0%	1,695.8	100.0%
COG's	(1,313.6)	-78.8%	(1,333.5)	-78.6%	(1,333.5)	-78.6%
Services	(185.2)	-11.1%	(193.6)	-11.4%	(193.6)	-11.4%
Other operating costs	(11.6)	-0.7%	(2.1)	-0.1%	(11.2)	-0.7%
Personnel costs	(37.7)	-2.2%	(38.0)	-2.2%	(38.0)	-2.2%
EBITDA	119.3	7.2%	128.5	7.6%	119.3	7.0%
D&A	(7.2)	-0.4%	(15.6)	-0.9%	(7.2)	-0.4%
Provisions	(12.9)	-0.8%	(13.8)	-0.8%	(13.8)	-0.8%
EBIT	99.2	6.0%	99.1	5.8%	98.3	5.8%
Net interest and ForEx	(4.3)	-0.3%	(5.4)	-0.3%	(3.8)	-0.2%
Result from recurrent activities	94.9	5.7%	93.7	5.5%	94.5	5.6%
Non recurrent items	0.8	0.0%	(0.6)	-0.0%	(0.6)	-0.0%
Profit before tax	95.8	5.7%	93.2	5.5%	94.0	5.5%
Taxes	(27.3)	-1.6%	(26.6)	-1.6%	(26.7)	-1.6%
Net income	68.5	4.1%	66.6	3.9%	67.2	3.9%
<i>Tax rate</i>	<i>28.5%</i>		<i>28.6%</i>		<i>28.5%</i>	

2019 figures are shown under application (from 1st January 2019) of IFRS 16 accounting principle, according to which leases under certain conditions are restated as fixed assets

The lines of P&L affected by IFRS 16 were:
 < other operating costs (including leases);
 > depreciations;
 > financial interests

2019 data include non-recurrent costs for 0.6€m, where in 2018 non-recurrent proceeds amounted to 0.8€m

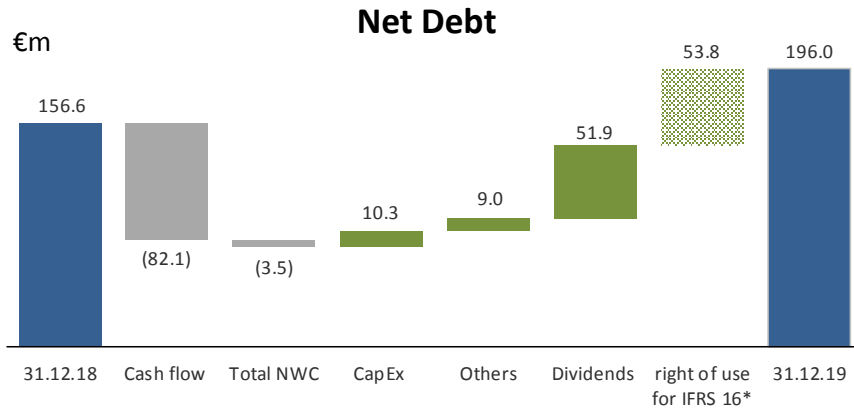


FY 2019 – Trade NWC

30.09.18	30.09.19	change	€m	31.12.18	31.12.19	change
435.1	427.8	(7.3)	Accounts Receivable	378.5	376.3	(2.2)
91	89	(2)	Days	83	81	(2)
150.3	148.1	(2.2)	Inventory	158.9	170.4	11.5
40	39	(1)	Days	44	47	3
(382.4)	(380.8)	1.6	Accounts Payable	(323.2)	(333.0)	(9.8)
102	101	(1)	Days	90	91	1
203.0	195.1	(8.0)	Trade Net Working Capital	214.1	213.6	(0.5)
30	28	(2)	Cash conversion cycle (Days)	37	36	(1)

- DSO further improved at the year-end decreasing by 2 days. Increase of Inventory was related to the timing of certain fishing campaigns and to some commercial opportunities for frozen seafood products
- All in all, Cash conversion cycle improved by 1 day and the ratio Trade NWC on Total revenues remained below 13% (12.6% compared to 12.8% at the end of 2018)

FY 2019 – Cash Flow and Net Debt



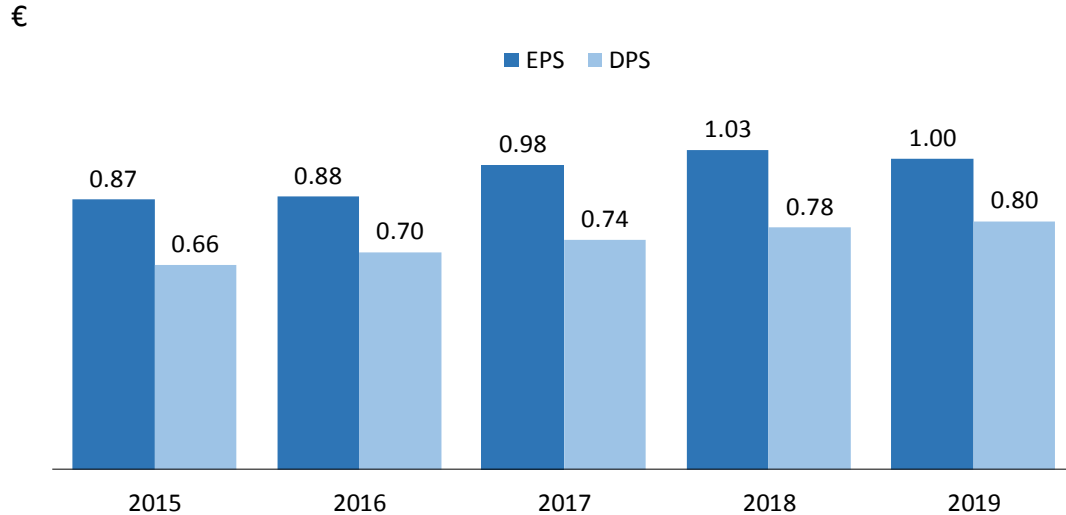
- Operating Cash flow amounted to 82.1€m (74.8€m in 2018), while in terms of allocation CapEx was of 10.3€m (5.6€m in 2018) and Dividends of 51.9€m (49.2€m in 2018)

* right of use accounted for the first application of IFRS 16 as at January 1, 2019

€m	31.12.18	31.12.19	change	net of IFRS 16		
				31.12.18	31.12.19	change
Short-term Net debt	61.7	9.4	(52.3)	61.7	17.3	(44.4)
Long-term debt	(218.4)	(205.4)	13.0	(218.4)	(166.9)	51.5
Net Debt	(156.6)	(196.0)	(39.4)	(156.6)	(149.6)	7.0

- Net Debt as at 31 December 2019 amounted to 196,0€m, net of IFRS 16 effect it would have been 149.6€m decreasing by 7€m compared to 156.6€m at the 2018 year-end

FY 2019 – Dividend proposal



- The Board of Directors proposes for approval at the Shareholders' meeting of next 28th April a gross DPS of 0.80€
- Net income not distributed will be allocated to Reserves in order to maintain a balanced financial structure



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