



3Q-9M 2016 Results

Conference call – November 14, 2016



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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.

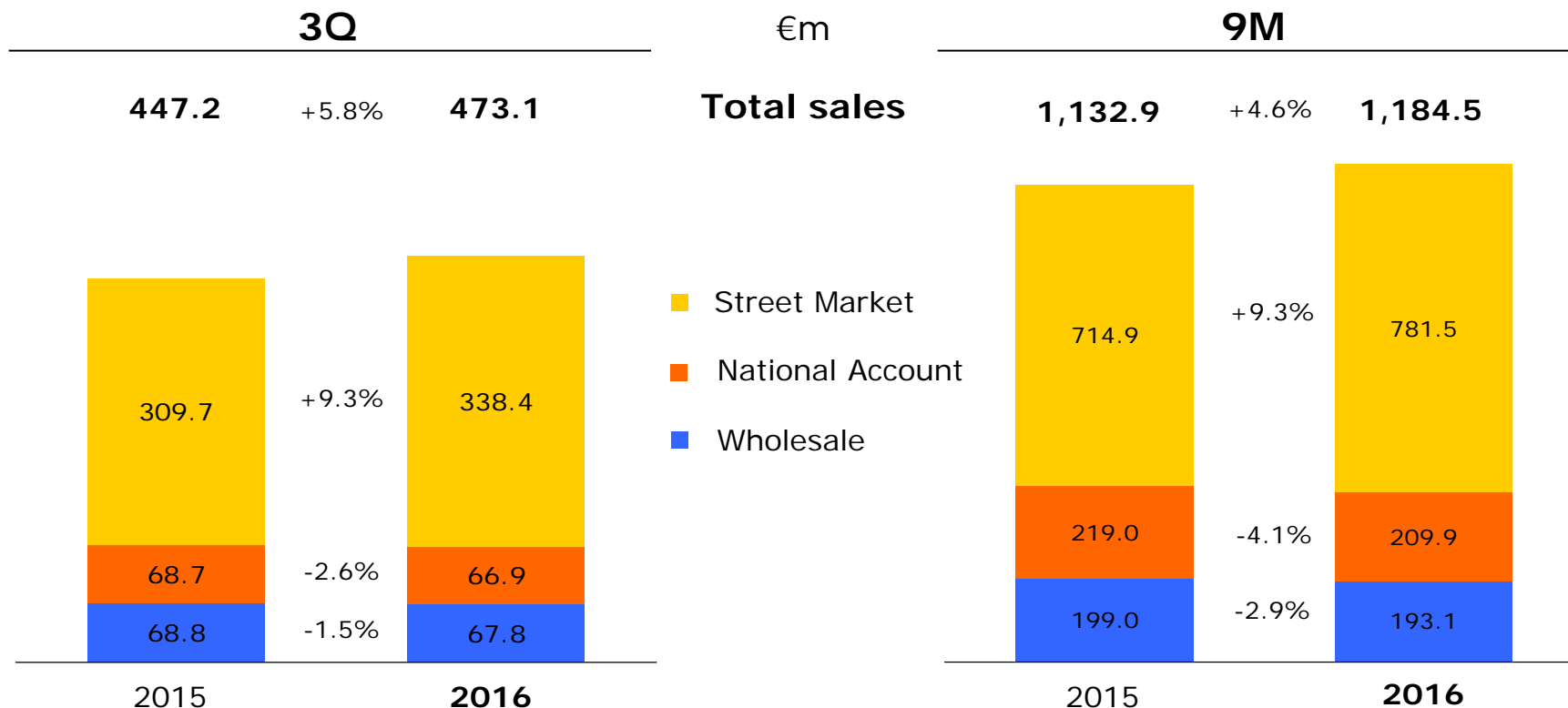


- The key 3Q confirmed growth of revenues and operating profitability

€m	Third quarter		Nine months	
	2015	2016	2015	2016
Total Revenues	454.8	481.7	1,152.7	1,204.5
EBITDA	40.7	43.1	88.0	92.6
EBIT	35.9	37.8	75.5	79.3

- Net income of the 9M period reached 50.0€m compared to 48.9€m in 2015. 3Q comparison was affected by non-recurrent items: 0.5€M of costs for the re-organization of DE.AL. in 2016 and 1.7€m of proceeds deriving from the sale of Alisea in 2015
- Trade NWC as at 30 September 2016 was 212.6€m, decreasing compared to 213.2€m at the end of 9M 2015
- Net debt as at 30 September 2016 – affected by the price (36€m) for the acquisition of DE.AL. - was 170.6€m compared to 151.8€m of 30 September 2015





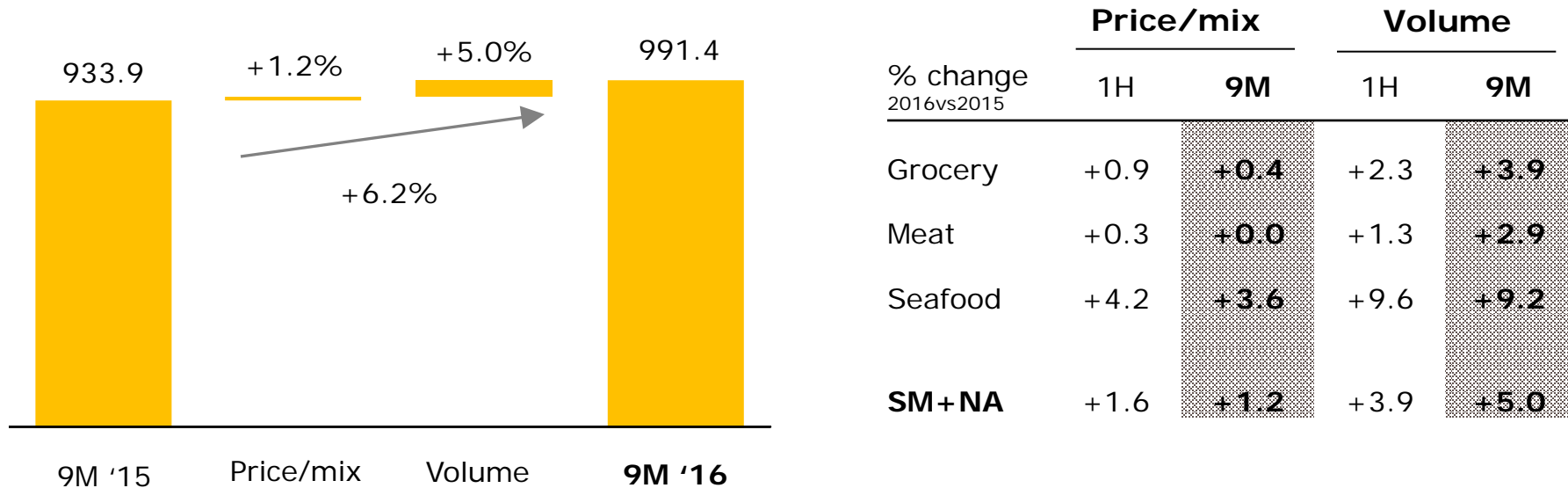
- Consolidation of DE.AL. (since 4 April 2016) and SAMA (since 1 June 2015) contributed to the Street Market growth in the 3Q and in the 9M respectively by 20.2€m and by 40.9€m. Street Market is confirmed as the growth driver, in a reference market that in 3Q showed an increase in consumption (in quantity) by +0.7% for "Hotels stays and Out-of-Home Food consumption" (*Ufficio Studi Confcommercio*, November 2016)
- National Account in 3Q decreased by 1.8€m compared to 68.7€m of 3Q 2015 that benefited from the EXPO 2015 Exhibition for ca 2.5€m
- Sales in Wholesale segment were affected by the availability of some seafood products



Street Market - National Account

client segments

€m



- Easing of the Price/mix was essentially due to a re-alignment of prices in the Seafood category during the summer season
- Growth of the combined Street Market and National Account segments was positively affected by the Volumes deriving from the consolidation of DE.AL.



Operating analysis

3Q 15	%	3Q 16	%	% ch	€m	9M 15	%	9M 16	%	% ch
454.8	100.0%	481.7	100.0%	+5.9	Total revenues	1,152.7	100.0%	1,204.5	100.0%	+4.5
(351.4)	-77.3%	(372.0)	-77.2%		Cost of goods sold	(901.2)	-78.2%	(937.2)	-77.8%	
103.4	22.7%	109.7	22.8%	+6.1	Gross margin	251.5	21.8%	267.3	22.2%	+6.3
(50.9)	-11.2%	(54.2)	-11.2%		Services	(128.1)	-11.1%	(138.0)	-11.5%	
(2.8)	-0.6%	(2.9)	-0.6%		Other operating costs	(8.3)	-0.7%	(8.3)	-0.7%	
(9.0)	-1.9%	(9.6)	-1.9%		Personnel costs	(27.1)	-2.4%	(28.3)	-2.3%	
40.7	9.0%	43.1	9.0%	+5.8	EBITDA	88.0	7.6%	92.6	7.7%	+5.3
(1.3)	-0.3%	(1.5)	-0.4%		D&A	(3.7)	-0.2%	(4.2)	-0.3%	
(3.6)	-0.8%	(3.8)	-0.8%		Provisions	(8.7)	-0.8%	(9.1)	-0.8%	
35.9	7.9%	37.8	7.8%	+5.4	EBIT	75.5	6.6%	79.3	6.6%	+5.0

- In 3Q the acceleration of the top line growth combined with the control of operating costs enabled to improve the EBITDA margin at the end of the 9M
- Increase of D&A (in the 3Q and in the 9M) was due to investments of the period, but at the end of the 9M period the EBIT margin remains in line with that of the previous year



Non-operating analysis

3Q 15	%	3Q 16	%	% ch	€m	9M 15	%	9M 16	%	% ch
<i>(continue)</i>										
(1.5)	-0.3%	(1.2)	-0.2%		Net interest and ForEx	(5.9)	-0.6%	(4.6)	-0.4%	
34.4	7.6%	36.6	7.6%	+6.4	Result from recurrent activities	69.7	6.0%	74.8	6.2%	+7.3
1.7	0.3%	(0.5)	-0.1%		Non recurrent items	1.7	0.2%	(0.5)	0.0%	
36.1	7.9%	36.1	7.5%	-0.1	Profit before taxes	71.4	6.2%	74.3	6.2%	+4.0
(10.8)	-2.3%	(11.5)	-2.4%		Taxes	(22.5)	-2.0%	(24.3)	-2.1%	
25.3	5.6%	24.5	5.1%	-2.9	Net income	48.9	4.2%	50.0	4.1%	+2.2
-30.0%		-31.9%			<i>tax rate</i>	-31.5%		-32.7%		
23.6		25.2		+6.9	Net income adjusted	47.2		50.6		+7.3
-31.4%		-31.1%			<i>(net of one-off items)</i>	-32.3%		-32.3%		
					<i>tax rate adjusted</i>					

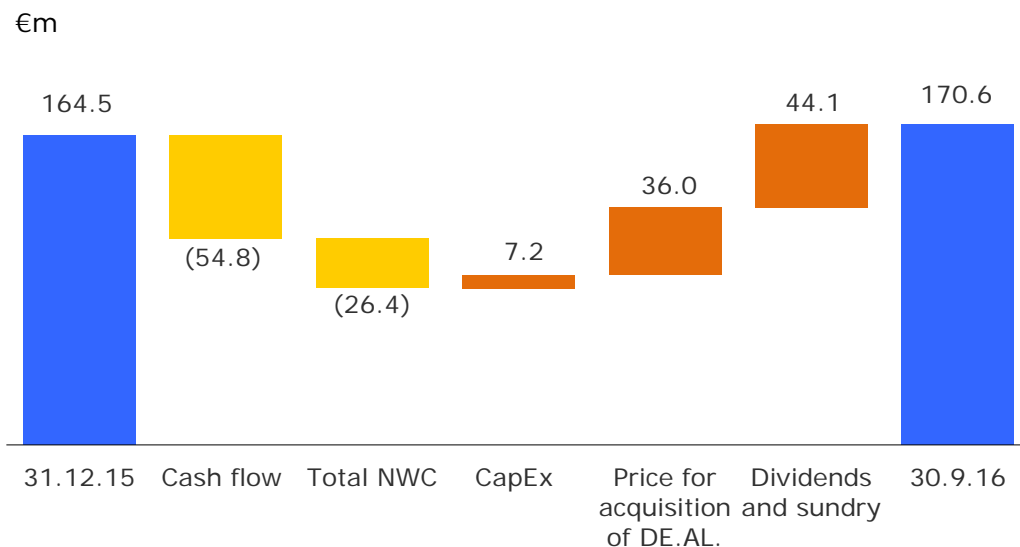
- Result from recurrent activities (including Net Interest) increased more than proportionally than the Revenues growth both in the 3Q and at the end of the 9M
- The 3Q and the 9M were affected by one-off costs (0.5€m) in 2016 for the re-organization of the activities from DE.AL. and by one-off proceeds (1.7€m) in 2015 for the balance of the sale of Alisea
- The relative tax rate increase in 2016 was due to the taxation of proceeds for the sale of Alisea that benefited from the so-called "Participation Exemption" in 2015
- At the end of the 9M the Net Income reached 50.0€m increasing by 1.1€m on 2015 (or by 3.4€m adjusted for the one-off items of 2015 and 2016)



30.06.15	30.06.16	ch.	€m	30.09.15	30.09.16	ch.
433.7	434.5	0.9	Accounts Receivable	444.7	448.6	3.9
112	108	-4	Days	104	100	-4
144.5	155.6	11.2	Inventory	112.3	120.4	8.1
47	49	2	Days	34	35	1
(357.7)	(370.6)	(12.9)	Accounts Payable	(343.8)	(356.5)	(12.6)
117	118	1	Days	103	103	-0
220.4	219.6	(0.8)	Trade Net Working Capital	213.2	212.6	(0.6)
42	40	-2	Cash conversion cycle (Days)	35	33	-2

- Trade NWC as at 30 September decreased compared to 2015 confirming the improvement (-2 days in terms of Cash conversion cycle) of the half-year; particularly due to:
 - decrease of DSO by 4 days;
 - increase of Inventory at the end of the 9M (+8.1€m) that was lower compared to the half-year (+11.2€m)





- Thanks to the control of NWC absorption the Cash generation (net of the Price for the acquisition of DE.AL.) improved
- As at 30 September 2016 the Net Debt increased on previous year by 18.8€m, being affected by 36€m for the Price of the acquisition of DE.AL.

€m	30.09.15	30.09.16*
Operating cash flow	52.4	54.8
Change in Total NWC	21.1	26.4
Capex and Others	(8.1)	(7.2)
Free cash flow (before dividends)	65.4	74.1

* excluding Price for DE.AL. Acquisition

€m	30.09.15	30.09.16
Short-term Net debt	33.8	16.9
Long-term debt	(185.6)	(187.4)
Net debt	(151.8)	(170.6)



Integration of DE.AL.

- The “PAC Food” going concern, part of DE.AL. Srl, became fully operational as a MARR distribution center (*MARR Adriatico*) as of 1 October last
- Thereafter some commercial activities of PAC Food are being re-allocated to the MARR’s distribution of Lazio region and Rome area, plus *MARR Napoli* and *MARR Puglia*
- This process of rationalization enables to create synergies in terms of products and to be closer to clients in terms of sales proposal and delivery services

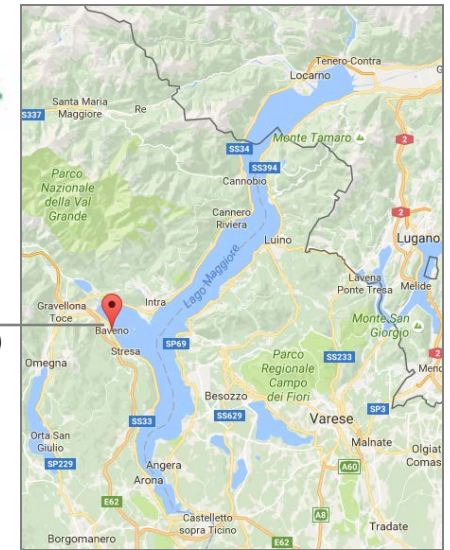


Speca Alimentari acquisition

- Specia Alimentari ("Specia") with over 11€m of sales on annual basis, over 30 years of experience and a considerable development in last decade is a reference player in the Lake Maggiore area for the clients of the Street Market
- Thanks to Specia, to its experienced sales force and to a distribution center well located, MARR will increase its service in the area (where MARR has sales in the range of about 3€m) and will be better positioned to take advantage of growth opportunities in the distribution to the foodservice (particularly to the Street Market) of the Lake Maggiore area
- Recent closing of the binding purchase agreement of 100% of Specia Alimentari Srl by MARR SpA provides for:
 - i) closing of the acquisition on next 30 December with effect from 1 January 2017 for a Price not exceeding 7x EBITDA and paid 50% at the closing, 30% after 12 months and 20% after 24 months;
 - ii) rent contract for the distribution center of Baveno;
 - iii) collaboration contract with operating shareholders of Specia



Lake Maggiore area



Baveno (Verbania)



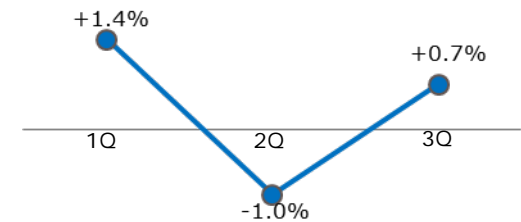
MARR's distribution centers in Northern Italy



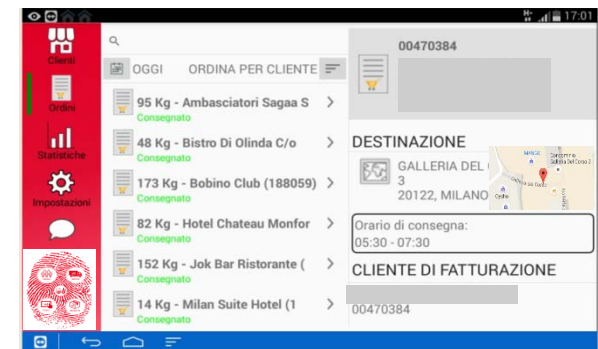
Current trading

- Reference market remains challenging but with opportunities and particularly in the client segment of the Street Market, that is expected to remain the growth driver and will benefit from their re-organization of commercial activities across the MARR's distribution centers network
- Pilot of a new App that informs the sales agent on the order tracking was successful and will be rolled-out to MARR's distribution centers in Large Cities. The App is part of a project that includes also a new software (in testing phase) for scheduling deliveries according to clients needs, particularly those of the fragmented Street Market client segment
- Integration of "Pac Food" business from DE.AL. is close to completion
- On the basis of the results of the 9M, the objectives for increase of market share, confirmation of levels of profitability achieved and control of Trade NWC are confirmed

Change on PY of 2016 Consumption (in quantity) for "Hotels stays and Out of Home food consumption"



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