

GRUPPO MARR
MARR
dove c'è ristorazione

*50*anni
1972-2022



9M 2022 Results

Conference call – November 14, 2022



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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.

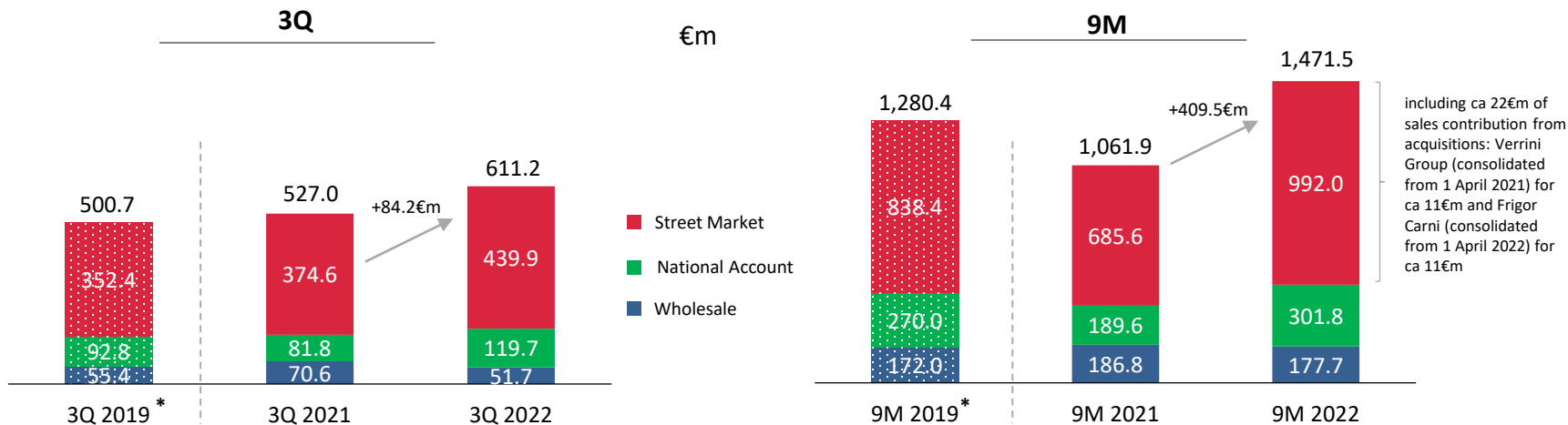


Financial highlights *as at 30 September 2022*

3Q 2021	3Q 2022	€m	9M 2021	9M 2022
534.9	620.7	Total Revenues	1,076.9	1,495.0
48.2	32.4	EBITDA	71.5	67.5
27.2	14.2	Net Income	28.3	24.7

- 3Q 2022 Total Revenues reach 620.7€m increasing compared to 534.9€m in 2021 thanks also to a positive tourism summer season
- In a general context of recovery of out-of-home food consumption, Total Revenues at the end of the 9M 2022 period amount to 1,495.0€m (+38.8% on 2021)
- Operating profitability of 3Q continues to be affected by inflationary trends on food products sold and on energy affecting the related operating costs
- At the end of 9M 2022 Net Income amounts to 24.7€m (28.3€m in 2021)



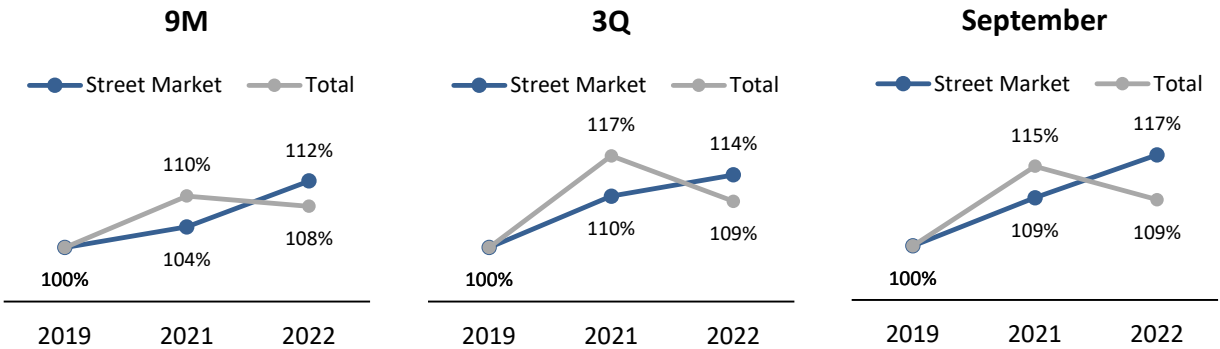


* starting from 2021 some reclassifications were made between client segments, in particular some structured customers were reclassified from the Street Market to the National Account, therefore 2019 sales data by client segments were restated for comparison with 2021 and 2022

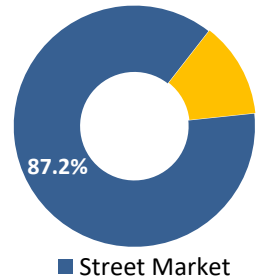
- 3Q 2022 sales growth on 2021 shows a further over-performance on reference Market trend. According to *Confcommercio* data (October, 2022) consumption (in quantity) for “Hotels, meals and out-of-home food consumption” in 3Q 2022 increased by 4.1% on 2021
- 3Q 2022 sales growth is driven by the Street Market and National Account segments, while Wholesale (mainly sales of fished and frozen seafood to Wholesalers) is affected by the continuation of temporary halts of some fishing activities in the North African area
- In general, sales continue to be affected by food inflation hitting most of the product categories sold by MARR



€/kg Gross Margin trend - basis 100% on 2019



9M 2022 - incidence of Street Market on Total GM



- The pass-through process of food inflation has different dynamics by segments
- In particular the process in the Street Market segment is progressing better compared to the other segments and with an acceleration in the last part of the 3Q. At the level of the other segments: i) National Account: the components of Canteens and direct supply to the Public Administration are penalizing the segment; ii) Wholesale: reference market of sales to Wholesalers is affected by a gross margin decrease
- In the 9M 2022 period the incidence of the Street Market segment on Total GM reaches 87%



Income statement *as at 30 September 2022*

3Q 21	%	3Q 22	%	€m	9M 21	%	9M 22	%
534.9	100.0%	620.7	100.0%	Total revenues	1,076.9	100.0%	1,495.0	100.0%
(414.1)	-77.4%	(495.7)	-79.9%	Cost of goods sold	(842.1)	-78.2%	(1,195.6)	-80.0%
(61.7)	-11.5%	(81.0)	-13.0%	Services	(135.2)	-12.5%	(196.9)	-13.2%
(0.4)	-0.1%	(0.5)	-0.1%	Other operating costs	(1.5)	-0.1%	(1.7)	-0.1%
(10.5)	-2.0%	(11.2)	-1.8%	Personnel costs	(26.7)	-2.5%	(33.4)	-2.2%
48.2	9.0%	32.4	5.2%	EBITDA	71.5	6.6%	67.5	4.5%
(4.7)	-0.9%	(5.1)	-0.8%	D&A	(13.2)	-1.2%	(14.8)	-1.0%
(4.5)	-0.8%	(5.4)	-0.9%	Provisions	(12.1)	-1.1%	(12.4)	-0.8%
39.0	7.3%	21.9	3.5%	EBIT	46.1	4.3%	40.3	2.7%
(1.6)	-0.3%	(2.2)	-0.4%	Net interest and ForEx	(4.2)	-0.4%	(5.0)	-0.3%
37.4	7.0%	19.7	3.2%	Result from recurring activities	41.9	3.9%	35.3	2.4%
0.0	0.0%	(0.4)	-0.1%	Non-recurring items	(2.9)	-0.3%	(0.4)	-0.1%
37.4	7.0%	19.3	3.1%	Result before taxes	39.0	3.6%	34.9	2.3%
(10.2)	-1.9%	(5.1)	-0.8%	Taxes	(10.7)	-1.0%	(10.1)	-0.6%
27.2	5.1%	14.2	2.3%	Net Result	28.3	2.6%	24.7	1.7%

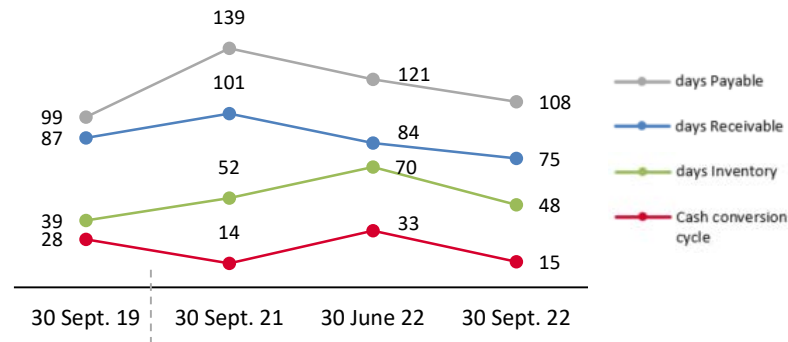
- GM is affected by food inflation and different dynamics by segments (e.g. National Account and Wholesale)
- Service costs are affected by: i) increase of energy costs with effects on conservation and transportation costs; ii) increase of costs for handling activities; iii) volume increase; iv) change in scope
- Increase of the D&A over the 9M period is related to the amortization of the right of use for the IFRS 16 accounting of rents related to the acquisitions of Verrini and Frigor Carni and the opening of MARR Catania and MARR Piacenza
- At the end of 9M 2022 the Net Result amounts to 24.7€m (28.3€m in 2021)



Trade NWC

€m	30.09.19	30.09.21	30.06.22	30.09.22
Accounts Receivable	421.0	403.1	409.3	414.8
Days	87	101	84	75
Inventory	148.1	163.0	271.1	213.4
Days	39	52	70	48
Accounts Payable	(375.0)	(434.0)	(469.0)	(478.2)
Days	99	139	121	108
Trade NWC	194.1	132.0	211.5	150.1
Cash conversion cycle (Days)	28	14	33	15

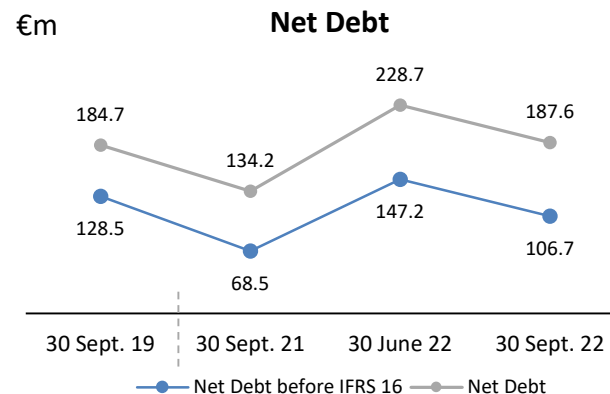
Cash conversion cycle - days



- Increase of Trade NWC as at 30 September 2022 on 2021 is related to sales increase and the cash conversion cycle of Trade NWC remains in line with that of 2021
- Days of Accounts Receivable as at 30 September 2022 improve also compared to pre-pandemic 30 September 2019 and to 30 June 2022
- Increase of Inventory as at 30 September 2022 compared to 2021 is also due inflationary dynamics and to change in scope. Inventory decreases compared to 30 June 2022 and improves also in terms of days compared to 30 September 2021

Net Debt

€m	30.09.19	30.09.21	30.06.22	30.09.22
Liquidity	242.1	305.1	159.1	247.6
Short-term Net debt	(192.3)	(172.4)	(125.3)	(124.2)
Long-term debt	(178.3)	(200.9)	(180.9)	(230.1)
Net Debt before IFRS 16	(128.5)	(68.3)	(147.2)	(106.7)
IFRS 16 effect	(56.2)	(66.0)	(81.5)	(80.9)
Net Debt	(184.7)	(134.2)	(228.7)	(187.7)



- Net debt before IFRS 16 as at 30 September 2022 (106.7€m) compared to that at the end of 9M 2021 is also affected by the distribution in May 2022 of 31.3€m of dividends
- Net debt before IFRS 16 improves compared to the pre-pandemic level at the end of first nine months of 2019
- Increase of IFRS 16 indebtedness component compared to 30 September 2021 is mainly related to the leases of the Verrini Group and the rent of the MARR Catania distribution unit (both from April 2021) and the rent of the MARR Piacenza stocking platform from January 2022

- **October:** sales growth (vs 2021) accelerates in Street Market and National Account segments compared to 3Q. October performance also benefits from a positive trend from tourism, a sector that recent ISTAT data (October 2022) confirm as a driving force with + 75% of tourist presences in Italy in the period January-August 2022 compared to 2021 and with a strong return of foreign tourism (+ 171% of non-resident tourists). The centrality of food and wine in the Italian tourist offer also represents a further boost to the structural growth of out-of-home food consumption, a market with high levels of penetration of the "full service restaurant" concept, a segment in which Italy is the leading market in Europe (Foodservice Market Monitor - Deloitte, 2022).
- **Inflation:** in a scenario still uncertain MARR continues in the process of passing through food inflation, with better result in the Street Market segment also in October
- **Operating costs:** once the seasonal peak is over, the level of customer service is managed more selectively with an expected containment of operating costs, which are accompanied by structural efficiency policies
- **Efficiency:** gains are expected also from the implementation of the investment plan announced in October last year. In this context, works began in the 3Q for the construction of a new distribution unit in Lombardy which is expected to be operational by 1Q 2024. This investment is aimed at increasing the presence in the area, the level of service to the customer and distribution efficiency in what is the most important region in terms of out-of-home food consumption in Italy. Plans for the construction of the new logistics platform, representing almost half of the aforementioned investment plan, also continues. To date, start of the works is expected within the 1Q 2024 and, from its construction, efficiencies are expected in the stocking and redistribution activities as well as an improvement in the level of service to customers through an expansion of the range of products
- **Management focus:** on the opportunities of a foodservice market that is confirmed as resilient and reactive and on cost containment and implementation of efficiency policies aimed at recovering profitability



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