press release

MARR: the Board of Directors approves the interim management report as at 30 September 2023.

After the first nine months of 2023:

- **Total consolidated revenues of 1,626.5 million Euros, an increase compared to 1,495.0 million in the same period of 2022**
- **improvement in operating profitability confirmed, with EBITDA of 99.7 million Euros compared to 67.5 million in 2022**
- **Net result of 40.5 million Euros (24.7 million in 2022)**

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Increase in revenues from sales to Street Market and National Account clients accelerating in October compared to the third quarter

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The investment plan aimed at growth and at increasing efficiency continues, with the construction of a new distribution centre in Lombardy, which is expected to begin operations in the first half of 2024

Rimini, 14 November 2023 – The Board of Directors of MARR S.p.A. (Milan: MARR.MI), the leading company in Italy in the sale and distribution of food and non-food products to the foodservice, today approved the interim management report as at 30 September 2023.

Main consolidated results for the third quarter of 2023

Total consolidated revenues in the third quarter of 2023, in a summer season in which the tourist flows in Italy, especially the domestic component, were below the expectations of the operators in the sector, amounted to 623.2 million Euros, and strengthened the growth in the same period in 2022, in which they amounted to 620.7 million Euros (509.1 million in 2019, pre-pandemic). It must be pointed out that the performance in the third quarter of 2022 was achieved in a market context characterised by marked inflationary trends - which have progressively reduced during the course of 2023 - and by a positive tourist season, in which the presences in receptive structures has substantially returned to the levels recorded in 2019 (ISTAT, December 2022), after a double digit reduction in the preceding two years.

The improvement in the operating profitability also continued in the third quarter of 2023, with consolidated EBITDA amounting to 46.3 million Euros (32.4 million in 2022 and 47.3 million in 2019) and consolidated EBIT of 35.9 million Euros (21.9 million in 2022 and 39.4 million in 2019).

The net consolidated result for the third quarter of 2023 amounted to 21.9 million Euros compared to 14.2 million in 2022 and was affected by the increased financial costs as a result of the increase in the cost of borrowing starting in the second half of 2022.

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Main consolidated results for the first nine months of 2023

Total consolidated revenues for the first nine months of 2023 amounted to 1,626.5 million Euros, an increase compared to 1,495.0 million in the same period of 2022 and 1,302.1 million (pre-pandemic) in 2019.

After the first nine months of 2023, the consolidated EBITDA amounted to 99.7 million Euros (67.5 million in 2022 and 103.6 million in 2019), while EBIT amounted to 70.6 million (40.3 million in 2022 and 81.3 million in 2019).

The net consolidated result in the first nine months of 2023 amounted to 40.5 million Euros, an increase compared to 24.7 million Euros in the same period of 2022.

The Net Trade Working Capital as at 30 September 2023 amounted to 155.2 million Euros, compared to 198.6 million as at 30 June 2023 and 150.1 million as at 30 September 2022.

The net financial debt as at 30 September 2023 amounted to 201.9 million Euros, compared to 250.1 million as at 30 June 2023 and 187.7 million as at 30 September 2022. It can be seen that in the first nine months of 2023, investments were made amounting to 20.8 million Euros, of which 13.5 million regarding the construction of the new distribution centre in Lombardy.

Net of the effects of the application of accounting standard IFRS 16, the Net Financial Position (NFP) in the first nine months of 2023 amounted to 125.3 million Euros, compared to 172.4 million as at 30 June 2023 and 106.7 million as at 30 September 2022.

The consolidated Net Equity as at 30 September 2023 amounted to 352.2 million Euros (339.6 million after the first nine months of 2022) and includes a share premium reserve of 9.1 million Euros relating to the purchase since the end of May 2022 of 753,260 treasury shares at an average price of 12.54 Euros and amounting to 1.13% of the Share Capital.

Results by segment of activity as at 30 September 2023

The sales of the MARR Group in the first nine months of 2023 amounted to 1,601.8 million Euros, compared to 1,471.5 million in the same period of 2022, and were also affected by inflation dynamics in the foodservice sector, which was more accentuated as of the second quarter of 2022, and then progressively reduced as of the second quarter of 2023. The increase in sales prices during the course of the first nine months of 2023 was also mitigated by trading down phenomena which, albeit by different modalities, were seen in all client segments.

The third quarter of 2023, albeit with differences by territory and by consumer segments, was characterized by a subdued tourist season, especially in July and August, which were marked by a weak domestic demand, which according to the Federalberghi Observatory and ISTAT (November 2023) showed a decrease in hotel presences in the June-September 2023 period of 3.9% compared to 2019, while there had been an increase of 4.1%, compared to 2019, in the July-September 2022 period (Federalberghi Observatory, November 2022).
In this context, the sales of the MARR Group to clients in the Street Market and National Account segments in the third quarter of 2023 amounted to 572.9 million Euros, and strengthened the growth compared to 559.4 million in 2022 (445.2 million in 2019), which, in addition to benefitting from inflation dynamics, incorporated a volume component similar to pre-pandemic 2019 levels.
The sales to Street Market and National Account clients in the first nine months of 2023 amounted to 1,456.4 million Euros, an increase of 12.6% compared to 1,293.5 million in the same period of 2022.

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On the basis of the findings of the Confcommercio Studies Office (Survey no. 9, October 2023), consumption by quantity, and thus excluding the inflationary component, in "Hotels, meals and out-of-home consumption" in Italy increased by 17.4% in the first quarter of 2023 compared to the same period in 2022, and by 4.8% in the second quarter, while they reduced by 1.3% in the third quarter.

Sales to clients in the Wholesale segment (almost entirely frozen seafood products to wholesalers) after the first nine months of 2023 amounted to 145.5 million Euros and, compared to 177.9 million in the same period of 2022, were affected: in the first half of 2023 by a temporary unavailability of caught seafood products and in the third quarter by a supply policy implemented while awaiting a more clear evolution of the price trends and of a fishing campaign which compared to the same period in 2022 occurred at the end of the quarter, with effects that partially fell in the following month of October.

Outlook

The trend of sales of the MARR Group in the month of October, compared to the same period of last year, showed that in the Street Market and National Account segments, there was an accelerating growth dynamic compared to the third quarter, also thanks to weather conditions encouraging out-of-home consumption.
The performance in Large Cities and Art Cities was especially positive, and continued to benefit from a trend of tourism from abroad which was better than that of the domestic component.
Thanks to the increase in sales and margins in October, the fourth quarter started positively, albeit in the presence of a market showing some signs of weakness of consumption, which due to their seasonal nature, tend to peak in December.

In this context, the activities undertaken by the MARR Group aimed at recovering the operating profitability are continuing, with the aim of enhancing the improvement seen in the first ten months, which is in line with the growth targets for the year.
The organization remains highly focused on the levels and control of absorption of the trade working capital.

Progress of the investment plan

The investment Plan of the Company, aimed at supporting and reinforcing the medium and long term organic growth and at increasing the efficiency of the logistical network is continuing with the construction of the new distribution centre of Bottanuco (Bergamo), which is destined for the increase of the presence in the Lombardy region, which is the first in Italy in terms of the value of out-of-home food consumption.
The new unit, a modern structure covering more than 14 thousand square metres, is expected to begin distribution activities in the first half of 2024 and the total investment is expected to be in the order of 28 million Euros, of which 21 million have already been made as at 30 September 2023.
For the increase in efficiency and enhancement of the logistics network, the Plan provides for the construction, starting in 2024, of a new structure covering about 40 thousand square metres also in Lombardy at Ospedaletto Lodigiano (Lodi), which is expected to be completed in 2026. This unit will function as a primary stocking and distribution platform for the distribution centers and also as a distribution centre dedicated to National Account clients (operators in Chains and Groups and Canteens) and sees the introduction of an innovative and highly automated system for the stocking and handling of frozen products.
As a further step towards increasing efficiency, MARR is expected to lease a new platform in Lazio covering more than 30 thousand square metres, through which it will remodel and enhance the logistics activities in Lazio, where MARR is already present with three units (one logistics platform and two distribution centres).

The works for the construction of this new platform started in recent weeks and are expected to end in 2024, with operations beginning in the first part of 2025.
In the context of the interventions aimed at renewing and enhancing the distribution centres, the construction of a new distribution centre in Puglia, at Monopoli (Bari), is expected to be completed in 2024, and operations are expected to begin in the first part of 2025. This new unit, covering about 9 thousand square metres, will be leased by MARR as a replacement of the existing centre and will have an operating capacity suited to making the most of the development opportunities in an area with a strong tourist vocation.
The investment plan released in October 2021 and which envisaged for the period 2021-2024 a total CapEx, including the maintenance component, of 170 million Euros, of which 43.6 million already made from the 2021 business year to 30 September 2023, envisages investments amounting to about 185 million Euros for its completion, redetermined on the basis of: i) the new project for the logistics platform of Ospedaletto Lodigiano, which represents just over half of the total amount of the Plan and includes a greater investment of about 40 million Euros, regarding the adoption of a high level of automation which is expected to lead to a significant recovery in terms of efficiency; ii) the widening of the Lazio platform project, which will also lead to logistical redesigning in the region; iii) an adjustment of the operating capacity in Puglia on the basis of the opportunities for growth in the region; iv) the optimisation of the project for the distribution centre in Bottanuco in order to benefit from the synergies in the redesigning of distribution activities.

From this investment plan, which will go towards supporting the medium and long term organic growth, it is expected that the following benefits will be derived in terms of:

a) reinforcement of the organic growth thanks to: i) an increase of the level of service to Chains and Groups clients; ii) an increase of the commercial proposal in terms of greater products segmentation; iii) an increase of the market share in Lombardy, which is the area with the highest concentration of out-of-home consumption in Italy; iv) an acceleration of the organic growth in target areas such as Lazio and Puglia;
b) logistical-distribution efficiency through: i) the redesign of logistics activities at stocking, handling and picking levels; ii) the reduction of use of third party storage facilities for the stocking of goods; iii) the increase in efficiency of transportation activities.

All of these benefits, associated to the ongoing recovery of the gross margin, are expected to enable the mitigation of the structural increase in logistics costs occurred in recent years, in order to return to an operating profitability to pre-pandemic levels, once all of the interventions have been implemented.

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MARR (Cremonini Group), listed on the Euronext STAR Milan segment of the Italian Stock Exchange, is the leading Italian company in the specialised distribution of food products to the foodservice and is controlled by Cremonini S.p.A..
With an organisation comprising over 900 sales agents, the MARR Group serves about 55,000 customers (mainly restaurants, hotels, pizza restaurants, holiday resorts and canteens), with an offer that includes over 25,000 food products, including seafood, meat, various food products and fruit and vegetables and a significant offer of green, sustainable and Made in Italy products (https://catalogo.marr.it/catalogo).
MARR operates nationwide through a logistical-distribution network composed of more than 40 distribution units, some of which with cash&carry, and uses over 850 vehicles.

MARR achieved total consolidated revenues in 2022 of 1,930.5 million Euros (1,456.3 million in 2021) with a consolidated EBITDA of 82.1 million Euros (90.5 million in 2021) and net consolidated profits of 26.6 million Euros (35.1 million in 2021).

For more information about MARR visit the company's web site at www.marr.it

The MARR's Sustainability Report is available at web page www.marr.it/sustainability/report-and-esg

The manager responsible for preparing the company's financial reports, Pierpaolo Rossi, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to documents, books and accounting records.

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It should be noted that Interim report as at 30 September 2023, approved today by the MARR S.p.A. Board of Directors, will be made available by the end of today on the Investor Relations Section of the company website www.marr.it/investor-relations/bilanci-relazioni, at the company headquarters and on the authorized storage system www.emarketstorage.com.

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The results as at 30 September 2023 will be illustrated in a conference call with the financial community, to be held today at 17:30 (CET), This presentation will be available in the "Investor Relations – Presentations" section of the MARR website (www.marr.it) from 17:15 today.
The speech in English of the presentation with a summary of the Q&A session will be published in the "Investor Relations – Presentations" (English version) section, where it will be available for 7 days from the morning of Wednesday, 15 November.

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Press contacts
Luca Macario
lmacario@marr.it
mob. +39 335 7478179

Investor Relator
Antonio Tiso
atiso@marr.it
tel. +39 0541 746803

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This press release contains forecast elements and elements which reflect the current opinions of the management team (forward-looking statements), especially as regards the future outlook, the realisation of investments, the performance of cash flows and the evolution of the financial structure. The forward-looking statements by nature include a component of risk and uncertainty because they depend upon the occurrence of future events. The effective results may differ even significantly from those announced because of a multitude of factors including, merely for example: the performance of the market of out of home food consumption ("foodservice") and the flow of tourists into Italy; the evolution of the price of raw materials on the food sector; general macroeconomic conditions; geopolitical factors and developments in the regulatory framework.

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ALTERNATIVE PERFORMANCE MEASURES

In this press release certain non-IFRS measures are presented for purposes of a better understanding of the trend of operations and financial condition of the MARR Group; however, such measures should not be construed as a substitute for the operating and financial information required by IFRS.
Specifically, the non-IFRS measures presented are described below:

- **EBITDA** (Gross Operating Result): this economic indicator is not defined by the IFRS and used by the company's management to monitor and assess its operational performance. The management believes that the EBITDA is an important parameter for measuring the Group's performance as it is not affected by the volatility due to the effects of various types of criteria for determining taxable items, the amount and characteristics of the capital employed and the relevant amortization and depreciation policies. The EBITDA (Earnings before interest, taxes, depreciation and amortization) is defined as the business year Profits/Losses gross of amortizations and depreciations, write downs and financial income and charges, non-recurrent items and income tax.
- **EBIT** (Operating Result): is an economic indicator of the operational performance of the Group. The EBIT (Earnings before interest and taxes) is defined as the business year Profits/Losses gross of financial income and charges, non-recurrent items and income tax.
- **Net Financial Position** used as a financial indicator of debts is represented by the total of the following positive and negative components of the Balance sheet:
  - Positive short and long term components: cash and equivalents; items of net working capital collectables; financial assets; current financial receivables.
  - Negative short and long term components: payables to banks; payables to other financiers, payables to leasing companies and factoring companies; payables to shareholders for loans.

Re-classified Income Statement[1]

MARR Consolidated (€thousand)	3rd quarter 2023	%	3rd quarter 2022	%	% Change	30.09.23 (9 months)	%	30.09.22 (9 months)	%	% Change
Revenues from sales and services	609,084	97.7%	605,264	97.5%	0.6	1,585,206	97.5%	1,457,540	97.5%	8.8
Other earnings and proceeds	14,146	2.3%	15,466	2.5%	(8.5)	41,273	2.5%	37,487	2.5%	10.1
Total revenues	**623,230**	**100.0%**	**620,730**	**100.0%**	**0.4**	**1,626,479**	**100.0%**	**1,495,027**	**100.0%**	**8.8**
Cost of raw and secondary materials, consumables and goods sold	(439,131)	-70.5%	(437,968)	-70.6%	0.3	(1,289,011)	-79.3%	(1,209,110)	-80.9%	6.6
Change in inventories	(50,303)	-8.1%	(57,688)	-9.3%	(12.8)	(479)	0.0%	13,544	0.9%	(103.5)
Services	(75,142)	-12.1%	(80,970)	-13.0%	(7.2)	(199,849)	-12.3%	(196,855)	-13.2%	1.5
Leases and rentals	(270)	0.0%	(157)	0.0%	72.0	(652)	0.0%	(407)	0.0%	60.2
Other operating costs	(332)	0.0%	(348)	-0.1%	(4.6)	(1,278)	-0.1%	(1,292)	-0.1%	(1.1)
Value added	**58,052**	**9.3%**	**43,599**	**7.0%**	**33.1**	**135,210**	**8.3%**	**100,907**	**6.7%**	**34.0**
Personnel costs	(11,748)	-1.9%	(11,166)	-1.8%	5.2	(35,533)	-2.2%	(33,439)	-2.2%	6.3
Gross Operating result	**46,304**	**7.4%**	**32,433**	**5.2%**	**42.8**	**99,677**	**6.1%**	**67,468**	**4.5%**	**47.7**
Amortization and depreciation	(5,226)	-0.8%	(5,069)	-0.8%	3.1	(15,192)	-0.9%	(14,834)	-1.0%	2.4
Provisions and write-downs	(5,203)	-0.8%	(5,421)	-0.9%	(4.0)	(13,869)	-0.9%	(12,379)	-0.8%	12.0
Operating result	**35,875**	**5.8%**	**21,943**	**3.5%**	**63.5**	**70,616**	**4.3%**	**40,255**	**2.7%**	**75.4**
Financial income	464	0.1%	130	0.0%	256.9	1,002	0.1%	493	0.0%	103.2
Financial charges	(5,434)	-0.9%	(2,229)	-0.3%	143.8	(14,198)	-0.9%	(5,391)	-0.3%	163.4
Foreign exchange gains and losses	66	0.0%	(136)	0.0%	(148.5)	(171)	0.0%	(56)	0.0%	205.4
Value adjustments to financial assets	0	0.0%	(7)	0.0%	(100.0)	0	0.0%	(7)	0.0%	(100.0)
Result from recurrent activities	**30,971**	**5.0%**	**19,701**	**3.2%**	**57.2**	**57,249**	**3.5%**	**35,294**	**2.4%**	**62.2**
Non-recurring income	0	0.0%	0	0.0%	0.0	0	0.0%	0	0.0%	0.0
Non-recurring charges	0	0.0%	(400)	-0.1%	(100.0)	0	0.0%	(400)	-0.1%	(100.0)
Profit before taxes	**30,971**	**5.0%**	**19,301**	**3.1%**	**60.5**	**57,249**	**3.5%**	**34,894**	**2.3%**	**64.1**
Income taxes	(9,091)	-1.5%	(5,055)	-0.8%	79.8	(16,700)	-1.0%	(10,147)	-0.6%	64.6
Total net profit	**21,880**	**3.5%**	**14,246**	**2.3%**	**53.6**	**40,549**	**2.5%**	**24,747**	**1.7%**	**63.9**

[1] Data unaudited

Re-classified Balance sheet[1]

MARR Consolidated (€thousand)	*30.09.23*	*31.12.22*	*30.09.22*
Net intangible assets	170,404	170,377	170,149
Net tangible assets	98,376	83,899	81,107
Right of use assets	72,802	75,368	77,723
Equity investments evaluated using the Net Equity method	1,828	1,828	1,821
Equity investments in other companies	178	178	175
Other fixed assets	28,943	16,492	18,558
Total fixed assets (A)	372,531	348,142	349,533
Net trade receivables from customers	413,334	353,810	414,833
Inventories	209,434	209,913	213,397
Suppliers	(467,532)	(394,611)	(478,151)
Trade net working capital (B)	155,236	169,112	150,079
Other current assets	80,592	77,760	68,887
Other current liabilities	(35,334)	(16,828)	(22,517)
Total current assets/liabilities (C)	45,258	60,932	46,370
Network ing capital (D) = (B+C)	200,494	230,044	196,449
Other non current liabilities (E)	(4,621)	(3,751)	(3,177)
Staff Severance Provision (F)	(6,852)	(7,207)	(8,139)
Provisions for risks and charges (G)	(7,467)	(8,221)	(7,402)
Net invested capital (H) = (A+D+E+F+G)	554,085	559,007	527,264
Shareholders' equity attributable to the Group	(352,187)	(341,457)	(339,605)
Consolidated shareholders' equity (I)	(352,187)	(341,457)	(339,605)
(Net short-term financial debt)/Cash	128,725	80,827	123,436
(Net medium/long-term financial debt)	(254,077)	(219,128)	(230,147)
Net financial debt - before IFRS16 (J)	(125,352)	(138,301)	(106,711)
Current lease liabilities (IFRS16)	(11,514)	(10,813)	(10,807)
Non-current lease liabilities (IFRS16)	(65,032)	(68,436)	(70,141)
IFRS16 effect on Net financial debt (K)	(76,546)	(79,249)	(80,948)
Net financial debt (L) = (J+K)	(201,898)	(217,550)	(187,659)
Net equity and net financial debt (M) = (I+L)	(554,085)	(559,007)	(527,264)

[1] Data unaudited

Net financial position [1]

MARR Consolidated (€thousand)		30.09.23	30.06.23	31.12.22	30.09.22
A.	Cash	17,624	10,479	15,257	7,535
	Bank accounts	200,180	184,792	176,406	240,063
	Postal accounts	0	0	0	0
B.	Cash equivalent	200,180	184,792	176,406	240,063
C.	**Liquidity (A) + (B)**	**217,804**	**195,271**	**191,663**	**247,598**
	Current financial receivable due to Parent Company	9,552	9,204	9,404	472
	Current financial receivable due to Related Companies	0	0	0	0
	Others financial receivable	0	0	0	0
D.	**Current financial receivable**	**9,552**	**9,204**	**9,404**	**472**
E.	**Receivables for derivative/financial instruments**	**0**	**0**	**7**	**0**
F.	Current Bank debt	(44,201)	(60,173)	(15,884)	(17,968)
G.	Current portion of non current debt	(52,427)	(74,184)	(99,838)	(103,971)
	Financial debt due to Parent company	0	0	0	0
	Financial debt due to Related Companies	0	0	0	0
	Other financial debt	(2,003)	(2,879)	(4,526)	(2,695)
H.	Other current financial debt	(2,003)	(2,879)	(4,526)	(2,695)
I.	Current lease liabilities (IFRS16)	(11,514)	(11,454)	(10,813)	(10,807)
J.	**Current financial debt (F) + (G) + (H) + (I)**	**(110,145)**	**(148,690)**	**(131,061)**	**(135,441)**
K.	**Net current financial indebtedness (C) + (D) + (E) + (J)**	**117,211**	**55,785**	**70,013**	**112,629**
L.	Non current bank loans	(154,777)	(140,453)	(119,768)	(128,079)
M.	Non-current derivative/financial instruments	1,098	1,165	1,015	0
N.	Other non current loans	(100,398)	(100,394)	(100,374)	(102,068)
O.	Non-current lease liabilities (IFRS16)	(65,032)	(66,200)	(68,436)	(70,141)
P.	**Non current financial indebtedness (L) + (M) + (N) + (O)**	**(319,109)**	**(305,882)**	**(287,563)**	**(300,288)**
Q.	**Net financial indebtedness (K) + (P)**	**(201,898)**	**(250,097)**	**(217,550)**	**(187,659)**

[1] Data unaudited