

da oltre **45** anni

3Q-9M 2018 Results

Conference call – November 14, 2018



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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.

Highlights

as at 30 September 2018

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

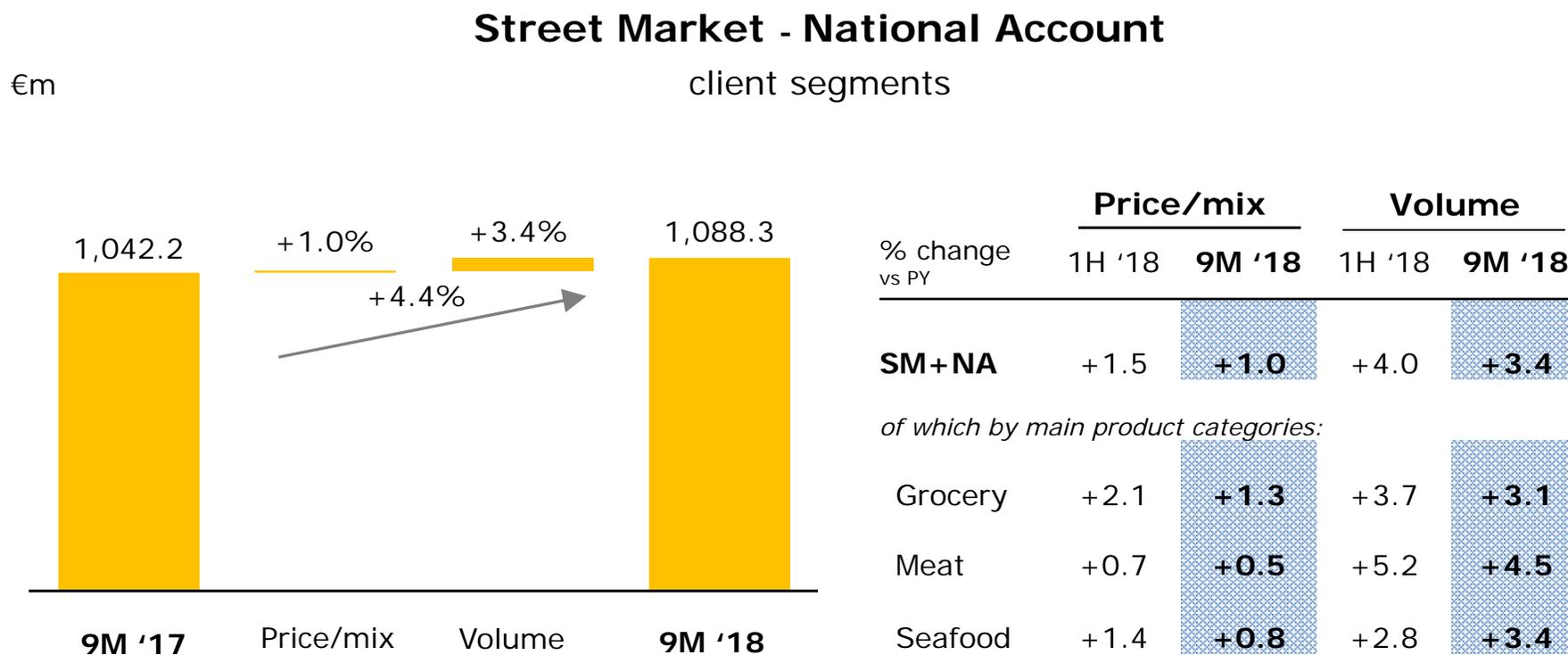
At the end of the nine months Net Income reached 56.3€m (53.9€m in 2017)

€m	Third quarter		Nine months	
	2017	2018	2017	2018
Total Revenues	494.5	507.2	1,263.1	1,289.8
EBITDA	44.0	44.9	94.8	97.6
EBIT	38.6	39.1	80.2	81.8
Net Income	26.6	27.7	53.9	56.3

- Trade NWC as at 30 September 2018 was of 203.0€m, decreasing compared to 204.4€m at the end of 9M 2017
- Net debt as at 30 September 2018 was of 147.3€m compared to 173.3€m as at 30 June 2018 and 168.6€m at the end of 9M 2017

Price mix/volume trend

as at 30 September 2018



- As at the end of the 9 months and as observed at the end of 1H the Price/mix component continued to ease in all food categories. In the seafood, some families of products were affected by deflation (e.g. calamari and shrimps) while others (e.g. octopus) by inflation

Income statement

as at 30 September 2018

3Q 17	%	3Q 18	%	% ch	€m	9M 17	%	9M 18	%	% ch
494.6	100.0%	507.2	100.0%	+2.6	Total revenues	1,263.1	100.0%	1,289.8	100.0%	+2.1
(385.8)	-78.0%	(396.1)	-78.1%		Cost of goods sold	(993.0)	-78.6%	(1,012.1)	-78.5%	
(52.8)	-10.7%	(54.1)	-10.7%		Services	(138.6)	-11.0%	(143.3)	-11.1%	
(2.7)	-0.5%	(2.9)	-0.6%		Other operating costs	(8.4)	-0.6%	(8.5)	-0.6%	
(9.2)	-1.9%	(9.3)	-1.8%		Personnel costs	(28.3)	-2.3%	(28.3)	-2.2%	
44.0	8.9%	44.9	8.8%	+2.0	EBITDA	94.8	7.5%	97.6	7.6%	+2.9
(1.7)	-0.3%	(1.8)	-0.3%		D&A	(4.9)	-0.3%	(5.2)	-0.4%	
(3.8)	-0.8%	(4.0)	-0.8%		Provisions	(9.7)	-0.8%	(10.6)	-0.8%	
38.6	7.8%	39.1	7.7%	+1.5	EBIT	80.2	6.4%	81.8	6.3%	+2.0
(1.0)	-0.2%	(0.7)	-0.1%		Net interest and ForEx	(4.1)	-0.4%	(3.1)	-0.2%	
37.6	7.6%	38.4	7.6%	+2.3	Profit before taxes	76.1	6.0%	78.7	6.1%	+3.4
(10.9)	-2.2%	(10.8)	-2.1%		Taxes	(22.2)	-1.7%	(22.4)	-1.7%	
26.6	5.4%	27.7	5.5%	+4.0	Net income	53.9	4.3%	56.3	4.4%	+4.3

- In 3Q and at the end of 9 months all economic indicators increased. Particularly in the 9 months: EBITDA margin increased by 10 bps thanks to the balanced control of the dynamics of operating costs; D&A and Provisions increased as a consequence respectively of recent investments and of confirmed prudent policies in determining the presumable realization value of the receivables; decrease of Net Interest was also due to the reduction in the outstanding of the financial indebtedness

Trade NWC

as at 30 September 2018

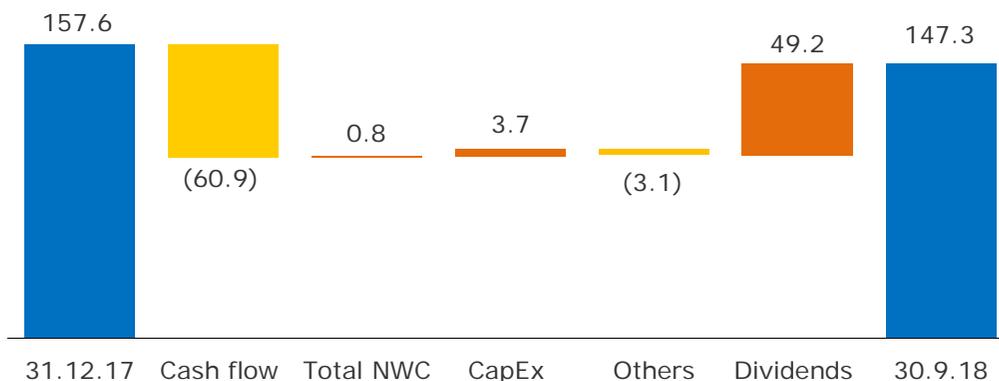
30.06.17	30.06.18	change	€m	30.09.17	30.09.18	change
442.0	424.3	(17.7)	Accounts Receivable	431.9	435.1	3.2
<i>104</i>	<i>98</i>	<i>(6)</i>	<i>Days</i>	<i>92</i>	<i>91</i>	<i>(1)</i>
180.1	183.0	2.9	Inventory	139.3	150.3	11.0
<i>53</i>	<i>53</i>	<i>0</i>	<i>Days</i>	<i>38</i>	<i>40</i>	<i>2</i>
(390.3)	(396.4)	(6.1)	Accounts Payable	(366.8)	(382.4)	(15.6)
<i>116</i>	<i>116</i>	<i>0</i>	<i>Days</i>	<i>100</i>	<i>102</i>	<i>2</i>
231.8	210.9	(20.9)	Trade Net Working Capital	204.4	203.0	(1.4)
<i>41</i>	<i>35</i>	<i>(6)</i>	<i>Cash conversion cycle (Days)</i>	<i>31</i>	<i>30</i>	<i>(1)</i>

- As at 30 September, improvement of DSO was confirmed despite a not favorable calendar for collection activities in September (last working day was Friday 28 September). Increase of Inventory (and consequently that of Accounts Payable) was due to some stocking opportunities related to fishing campaigns

Cash Flow and Net debt

as at 30 September 2018

€m



Free Cash flow in the 9 months period amounted to 10.3€m (8.8€m in 2017), after the payment of 49.2€m of Dividends (46.6€m in 2017)

30.06.17	30.06.18	change	€m	30.09.17	30.09.18	change
(16.7)	52.8	69.6	Short-term Net debt	6.2	80.6	74.4
(192.2)	(226.1)	(33.9)	Long-term debt	(174.8)	(227.9)	(53.1)
(209.0)	(173.3)	35.7	Net Debt	(168.6)	(147.3)	21.3

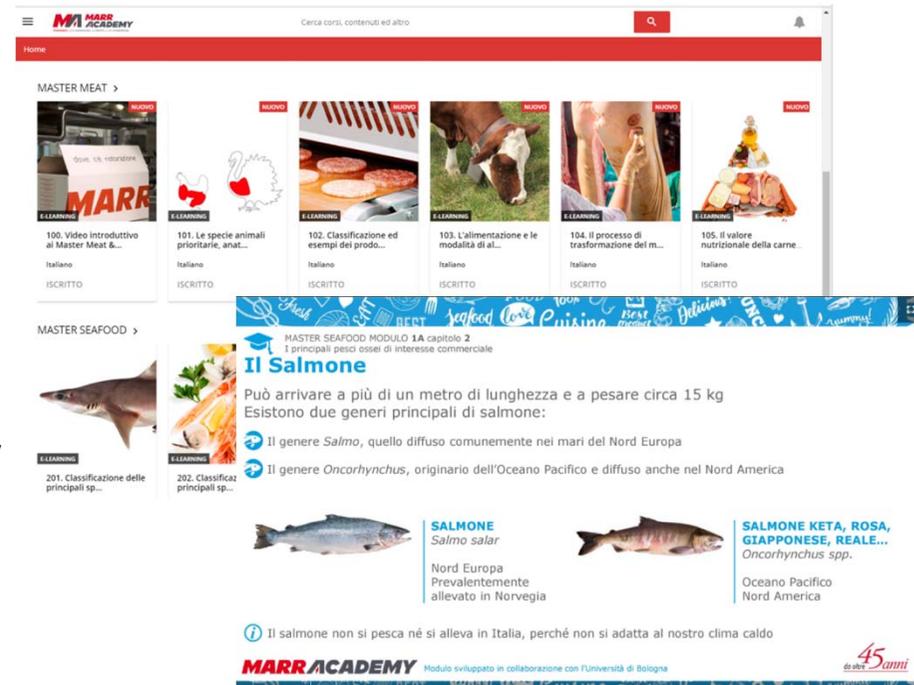
- Net debt as at 30 September 2018 was of 147.3€m improving compared to 173.3€m as at 30 June 2018 and 168.6€m at the end of 9M 2017. Indebtness remains in line with the objectives and also in terms of maturity

Current trading

- According to recent data (*Ufficio Studi Confcommercio*, October 2018) consumption (in quantity) for “Hotels stays, meals and Out of Home food consumption” in Italy in 3Q grew by +2.3% (+1.8% in 1H) compared to the same period of 2017
- The positive trend of October puts the sales of the first ten months in the Street Market and the National Account client segments in line with the growth objectives for the year



- The e-learning platform of the “MARR Academy” was recently integrated with the “Master Meat” and “Master Seafood”, two learning programmes aimed at strengthening the specialisation of MARR’s organization. They were developed as a partnership between Food categories Departments and Quality Control of MARR and the *Università di Bologna*



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