



3Q-9M 2020 Results

Conference call – November 13, 2020

dove c'è ristorazione



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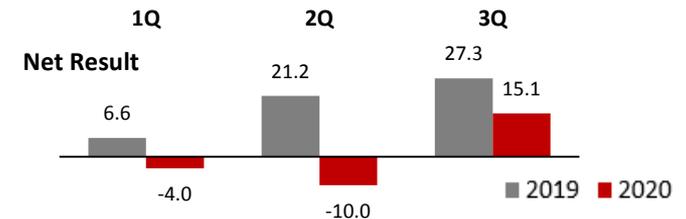
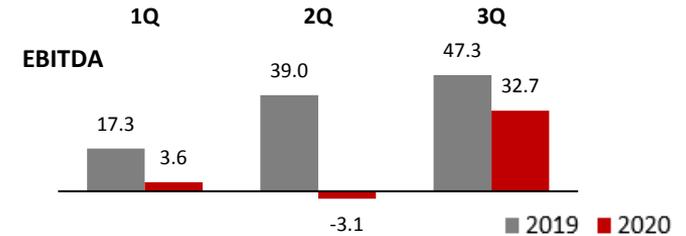
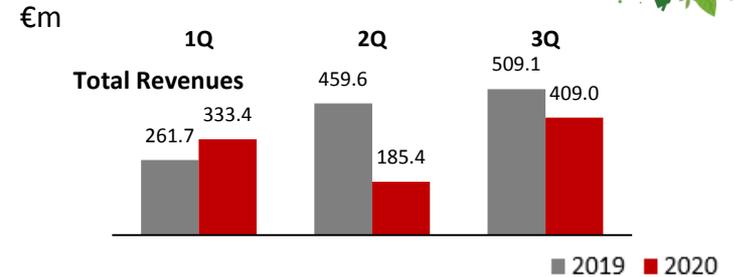
The Group's business is also correlated to tourism flows. Q1 and Q4 represent the low point of the business year, whereby Q2 and Q3 the peak of the seasonality. Therefore quarterly sales, operating results, trade net working capital and net financial indebtedness are impacted by the seasonality and may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



as at 30 September 2020

Financial highlights

- Total revenues in Q3 2020 amounted to 409.0€m (-19.7% vs Q3 2019) and brought revenues at the end of the 9M 2020 to 856.1€m (-34.3% vs 9M 2019)
- Recovery of Q3 2020 vs the 1H 2020 was also in terms of operating profitability: EBITDA in Q3 reached 32.7€m (8.0% EBITDA margin) and 33.2€m in the 9M period (3.9% EBITDA margin)
- Cautious increase of provisions for Bad Debts was confirmed: 15.1€m in the 9M 2020 period vs 10.4€m in 2019
- Net results at the end of the 9M reverted to positive (+1.0€m) thanks to a Net Income of Q3 2020 of 15.1€m
- The further increase of the solidity of the financial structure is confirmed with a Net Debt of 216.5€m as at 30 September 2020 decreasing compared to 262.6€m as at 30 June and 275.4€m as at 31 March last

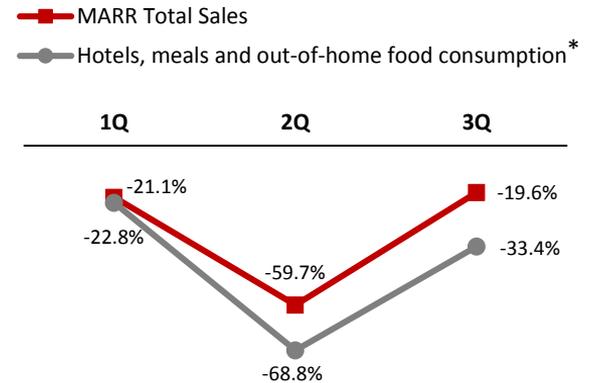




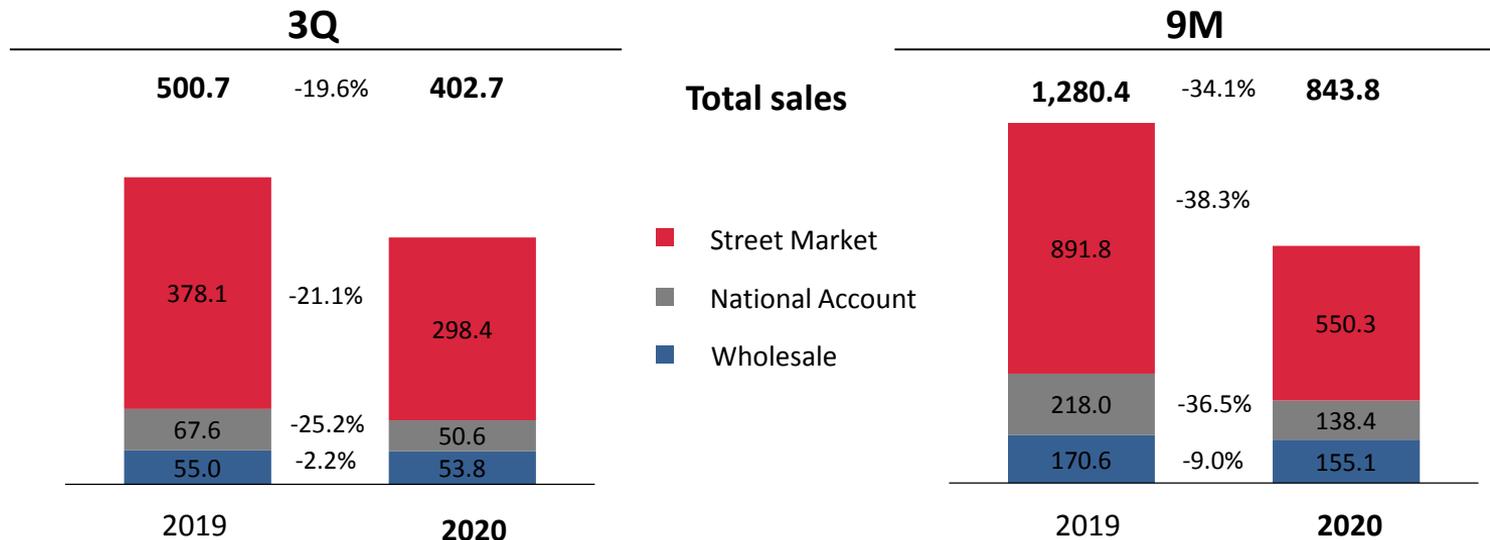
MARR's approach

- Since the beginning of the pandemic MARR has defined a strategic approach and related guidelines aimed at maintaining a strong relationship with its partners and the reference Market and based on **5 strategic priorities**:
i) strengthening of liquidity; **ii)** tight management of operating costs; **iii)** consolidation of its leading position; **iv)** seizing new business opportunities; **v)** further strengthening of competitive position
- In addition, MARR further strengthened its **integrated approach** (through its logistic network and sales organization) combined with "phygital marketing" solutions in order to reinforce the partnership with the Client and offering solutions adequate to new needs and fostering new business opportunities: e.g. lines of products for food delivery and take away, products for hygienization, sanification and security, fresh products (fruit and vegetable and seafood)
- Thanks to the implementation of strategic priorities and sales and operating initiatives MARR was able to strengthen its presence in the Market and to take and to take a faster advantage of the recovery of 3Q

Performance on 2020 vs 2019



* *Congiuntura Confcommercio data, October 2020*

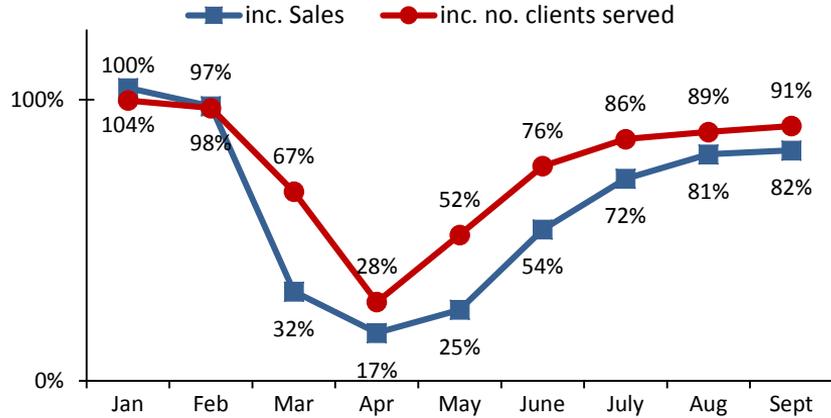


- With the reopening of foodservice activities on 18 May and of the mobility between Italian regions on 3 June, restaurants activities and domestic touristic flows recovered driving the improvement of Street Market sales in 3Q
- Hotels more exposed to foreign tourism (typically part of Chains of hotels) suffered the lack of incoming flows with consequent penalization of the Chains and Groups subsegment within the National Account segment



Street Market and National Account segments

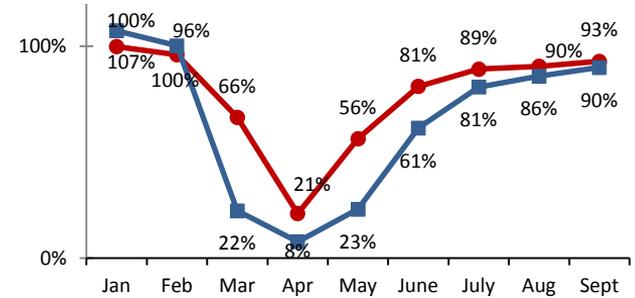
SM+NA Sales by month – incidence on PY



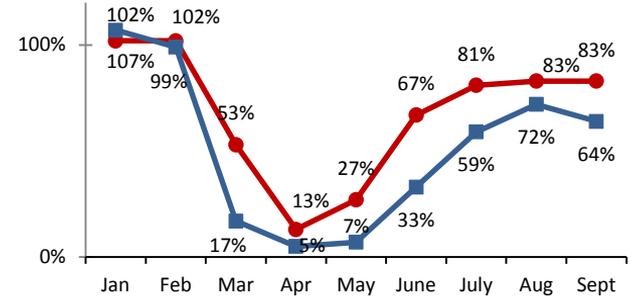
blocking of foodservice activities of Restaurants and Hotels from 16th March to 18th May

- Over 3Q, clients served and increase of penetration recovered month by month and driven by the Restaurants category
- The Hotels category continued to suffer especially those in Large and Art Cities

Sales to **Restaurants** category by month – incidence on PY



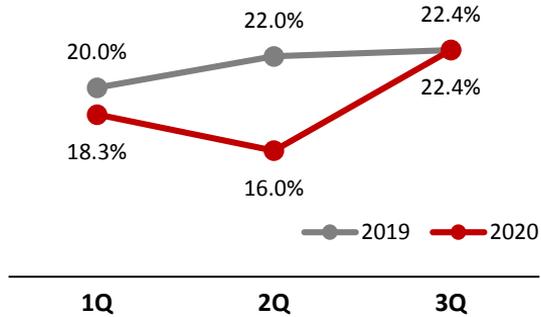
Sales to **Hotels** category by month – incidence on PY



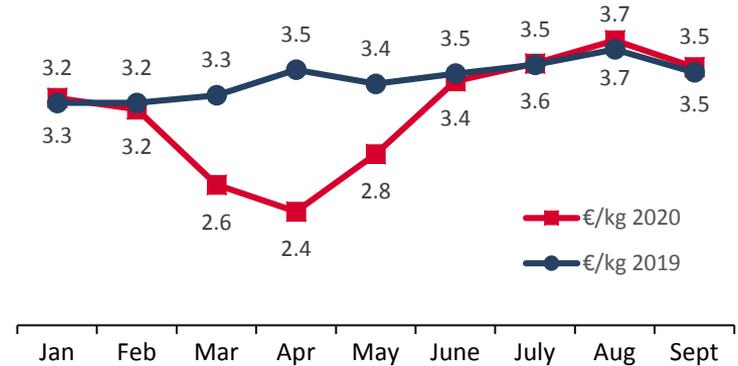
of which within Restaurants and Hotels categories

Dynamics in operating profitability

Total Gross Margin by quarter



€/kg trend in Street Market and National Account segments



- After the one-off effects related to the lockdown between 1Q and 2Q, with the reopening of foodservice activities and the revert to the usual clients mix, the Gross Margin in the 3Q returned to the level of the previous year

- The €/kg fully returned to the 2019 levels in the Summer period, after decreasing for the change in the sales mix during the lockdown period when consequently the dilution of the related operating costs was penalized

Income statement

as at 30 September 2020



3Q 19	%	3Q 20	%	€m	9M 19	%	9M 20	%
509.1	100.0%	409.0	100.0%	Total revenues	1,302.1	100.0%	856.1	100.0%
(395.1)	-77.6%	(317.5)	-77.6%	Cost of goods sold	(1,020.4)	-78.4%	(687.1)	-80.3%
(56.9)	-11.2%	(50.6)	-12.4%	Services	(147.8)	-11.3%	(113.7)	-13.3%
(0.5)	-0.1%	(0.3)	-0.1%	Other operating costs	(1.6)	-0.1%	(1.1)	-0.1%
(9.3)	-1.8%	(8.0)	-1.9%	Personnel costs	(28.8)	-2.2%	(21.0)	-2.5%
47.3	9.3%	32.7	8.0%	EBITDA	103.6	8.0%	33.2	3.9%
(3.9)	-0.8%	(4.2)	-1.0%	D&A	(11.5)	-0.9%	(12.2)	-1.4%
(4.0)	-0.8%	(6.8)	-1.7%	Provisions	(10.8)	-0.8%	(15.7)	-1.8%
39.4	7.7%	21.8	5.3%	EBIT	81.3	6.2%	5.4	0.6%
(1.2)	-0.2%	(1.3)	-0.3%	Net interest and ForEx	(4.1)	-0.3%	(3.9)	-0.5%
38.2	7.5%	20.5	5.0%	Profit before taxes	77.2	5.9%	1.5	0.2%
(10.9)	-2.1%	(5.4)	-1.3%	Taxes	(22.2)	-1.7%	(0.4)	0.0%
27.3	5.4%	15.1	3.7%	Net income	55.1	4.2%	1.1	0.1%
-28.4%		-26.5%		Tax rate	-28.7%		-28.1%	

- Operating profitability was affected by dynamics in the GM and operating costs
- Thanks to the careful recourse to the available labour law initiatives the Personnel costs were contained by almost 8€m
- Provisions for Bad Debts were cautiously increased also in the 3Q reaching an increase of +4.7€m over the 9M period
- Net Result at the end of the 9M reverted to positive thanks to the Net Income of the 3Q

Trade NWC and Net Debt

as at 30 September 2020



Trade NWC

30.06.19	30.09.19	€m	30.06.20	30.09.20
408.9	421.0	Accounts Receivable	333.7	388.3
184.1	148.1	Inventory	148.3	122.4
(386.9)	(375.0)	Accounts Payable	(204.0)	(280.6)
206.1	194.1	Trade NWC	278.0	230.1

2019 Accounts Receivable and Payable have been restated respectively net of Payable for rebates to clients and Receivable for premiums to suppliers previously accounted for in Others Payable and Receivable

Net Debt

30.06.19	30.09.19	€m	30.06.20	30.09.20
206.1	242.1	Liquidity	174.9	235.4
(159.3)	(200.2)	Short-term Net debt	(229.8)	(151.1)
(258.0)	(226.7)	Long-term debt	(207.8)	(300.8)
(211.2)	(184.7)	Net Debt	(262.6)	(216.5)

- Trade NWC as at 30 September 2020 decreased by ca 48€m compared to 30 June last
- In relation to the decrease of sales to the structured clients, the accounts receivable lack ca 45€m of securitization compared to previous year
- Management guidelines of Trade NWC remain: i) credit collection and monitoring credit risk, with a selected approach for supporting the Market recovery, safeguarding the company assets; ii) turnover of inventory; iii) re-alignment of payables with receivables

- As at 30 September 2020 Liquidity increased and Net Debt decreased compared to 30 June last
- After the obtainment of all "covenant holidays" relating to the assessment as at 30 June last, as at 30 September 2020 ca 101€m revert to be classified as long term portion of debt compared to 30 June 2020
- As of today "covenant holidays" have been obtained also for all loans for which the covenant assessment is provided for as at 31 December 2020
- It is expected that over the next few weeks MARR will be able to obtain a medium-long term loan of 80€m guaranteed by SACE according to the so-called "Liquidity Decree": new resources for financing the investments



Current trading

- October for MARR started with a revenues trend in line with that of the third quarter, but total revenues of the month were positioned at about 70% compared to October 2019, as a consequence of the restrictions imposed on the foodservice activities by the Prime Minister's Decree of 25 October. The 4Q will be affected by the dynamic measures that characterize the Prime Minister's Decree of 3 November and which will be in force until 3 December. It should be remembered that the month of November has historically been of modest significance for MARR
- The second pandemic wave that has hit Italy in recent weeks is expected to lead only to a short-term postponement in the recovery of out-of-home food consumption. In fact, the trend in the third quarter confirms that habits and styles that characterize the foodservice regain the upper hand as soon as conditions allow it
- MARR maintains its objective of pursuing a constant and continuous growth of its market share, through its: i) 5 strategic priorities for the management of this special situation; ii) integrated approach; iii) commercial and management initiatives having at the center the client
- Aware of its leading position in the market, MARR has also started a process of strengthening its approach to Sustainability by implementing projects in each of the three ESG areas





MARR and ESG

With almost 50 years of activity and 15 years of listing on the STAR segment (“*Segmento Titoli Alti Requisiti*” – High requirements segment) of the Italian Stock Exchange, the Sustainable Development is in the DNA of MARR

In MARR there is a clear approach towards Sustainability (<https://www.marr.it/en/sustainability>) and ESG matters (<https://www.marr.it/en/gruppo/corporate-responsibility>)

- **Environment**, as stated in the claim “**La natura ci guida**” (driven by the Environment), is a priority for MARR:



Prodotti conformi al GPP



MARR per l'ambiente



- engagement towards Green Products which enables Clients to implement a policy of Green purchases consistent with the National Action Plan for GPP (Green Public Procurement)
- activities aimed at minimising the use of resources and favouring the spread of **sustainable products** (available on the MARR Catalogue <https://catalogo.marr.it/catalogo>) including organic products, PGI and DPO products, traditional agri-food products and certified products from organic farming, fair trade products and sustainable fishing products are carried out. In addition 0 Km products and short chain products are also supplied
- MARR’s stocking platforms are **certified ISO 14001** (Environmental Management Systems)
- In terms of sustainable fishing, MARR obtained the **MSC and ASC certifications** of the Chain of Custody; a voluntary certification for the “**Sustainable Fish Supply Chain**” aimed at counteracting the IUU (Illegal Unreported Unregulated) fishing is also in place. MARR is committed to the **Animal Welfare** with a long term strategy, of which the obtainment by DQS CFS Gmbh of the certification for the supply chain of laying hens is a first step
- MARR’s focus on **Food Health and Safety** is constituted by an articulated system of certifications (<https://www.marr.it/en/group/quality>)





- **Social** the reference points for promoting principles of legality, transparency and correctness in the relations within and outside the Company are represented by the **Organizational Model** (Legislative Decree 231/2001) adopted by MARR since 2003, the related **Code of Ethics** (disseminated to all employees) and the **Anti-corruption policy** (<https://www.marr.it/en/corporate-governance>):
 - Implementation and update of the Model and observance and adequacy of the Code are delegated to a Supervisory Board (for the Organisational Model) made up by the members of the Statutory Auditors (3 people) having available a whistleblowing system through which employees can report on the application of the Model and the Code
 - Professional growth of employees and collaborators is promoted also through the e-learning platform of MARR Academy and specific training is delivered for Safety risks. Within this framework, it is worth mentioning that the Company has taken out insurance for the Covid risk to the benefit of its collaborators
- **Governance** MARR's governance structure is described in the **Rules of self-discipline** and its activities are reported in the annual **Corporate Governance Report** (<https://www.marr.it/en/corporate-governance>). With the BoD appointed by the **Shareholders' Meeting of 28 April 2020** the Governance has been modulated in order to be further **flexible** in the definition of the strategies. In this sense the **BoD** was reduced to **7 members** (previously 9) **of which 3 women** and 4 Directors declaring the possession of independency requirements, then one of them became not independent having taken office as Chairman. The **Control and Risk Committee** is made by **2 Independent Directors** with the necessary professional and technical competencies. The activities of the **Remuneration and Appointments Committee** are in charge to the **entire BoD**. The Company regulates its Governance also through the adoption of the following procedures (<https://www.marr.it/en/corporate-governance/documenti-procedure>): **i)** Regulation of the Control and Risk Committee; **ii)** Procedure for the management of inside and confidential information; **iii)** Regulation for the management of relations with channels of information; **iv)** Procedures for the related party transactions



- The positivity of the third quarter significantly improves the progressive results as at 30 September 2020 compared to the end of the first half
- In the summer quarter MARR shows a recovery higher than that recorded by the market with the consequent increase of its market share
- The Customer remains at the center of MARR's daily commitment with the awareness that the difficult situation generated by the Covid-19 pandemic is in any case temporary and transitory
- The second pandemic wave is expected to temporarily interrupt the recovery started in 3Q last. In this sense the medium-long term prospects remain unchanged in the expectation that the Out-of-Home food consumption, combined with Italy's tourist vocation, will once again be rewarded by the recovery of flows and consequently by consumption



Investor Relations contacts

Antonio Tiso

atiso@marr.it

tel.

+39 0541 746803

mob.

+39 331 6873686

Léon Van Lancker

lvanlancker@marr.it

mob.

+39 335 1872014

MARR S.p.A.

Via Spagna, 20 - 47921 Rimini (Italy)

website www.marr.it