

GRUPPO MARR  
**MARR**  
dove c'è ristorazione

*50*anni  
1972-2022



## 1H 2023 Results

Conference call – August 4, 2023

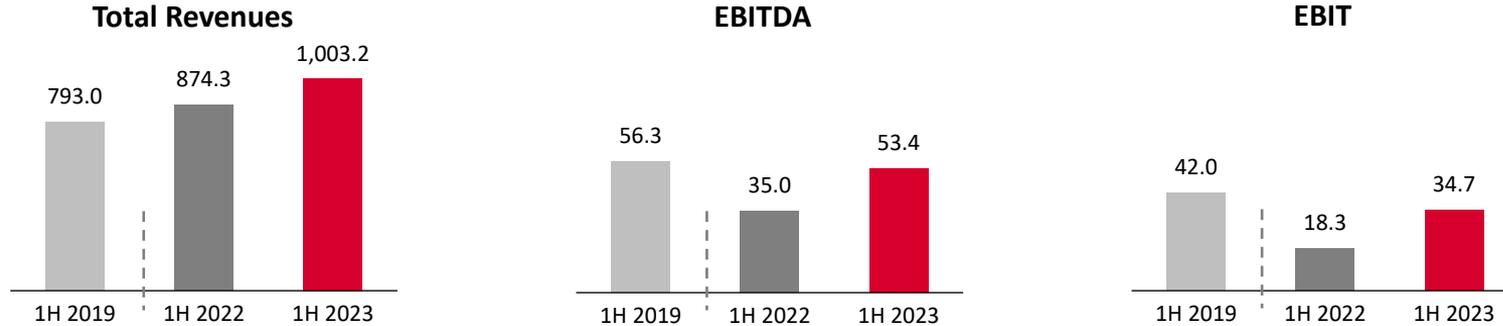


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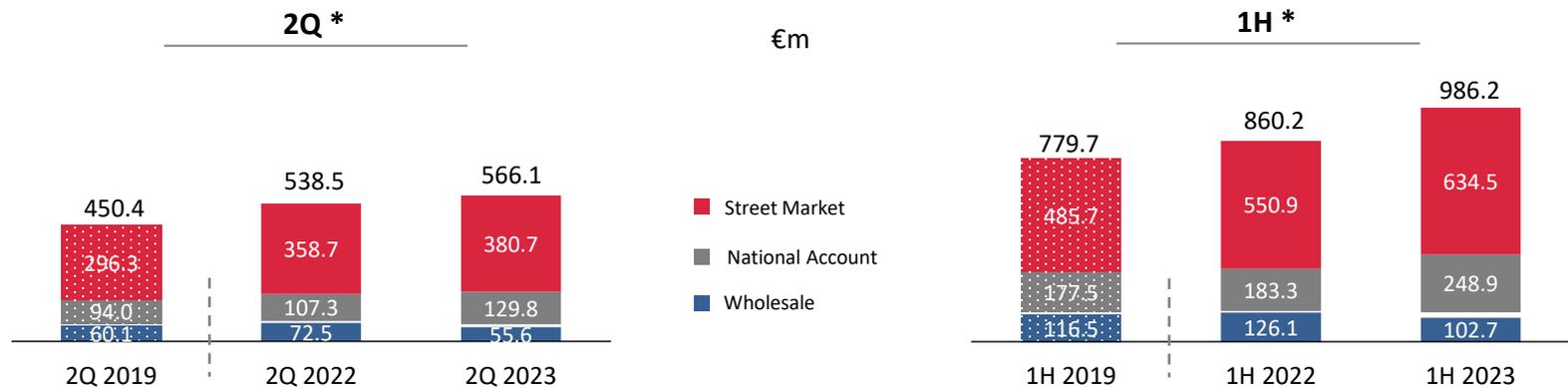
The information in this presentation could include forward-looking statements which are based on current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its subsidiaries and investments; including, among other things, the development of its business, trends in its operating industry, and future capital expenditures and acquisitions. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur. No one undertakes to publicly update or revise any such forward-looking statements.

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.

€m



- **Total Revenues** increase in 1H 2023 on 2022 was affected in the first part of 1Q 2022 by the effects of the tail end of the pandemic and by food inflation accelerating from 2Q 2022 and progressively evening out in 2Q 2023. In addition, food inflation in 1H 2023 was mitigated by trading down phenomena
- **Operating profitability** (EBITDA and EBIT) at the end of the first six months of 2023 confirmed the improvement compared to the previous year, confirming also the recovery on pre-pandemic 2019. This improvement is to a large extent related to that of the Gross Margin as a result of the better pass-through of price increases of food products
- **Net result** of 1H 2023 amounts to 18.7€m (10.5€m in 1H 2022) and is affected by the increase of financial charges resulting from the rise in the cost of debt since 2H 2022
- **Trade Net Working Capital** as at 30 June 2023 amounts to 198.6€m decreasing compared to 233.5€m as at 31 March 2023 and to 211.5€m as at 30 June 2022



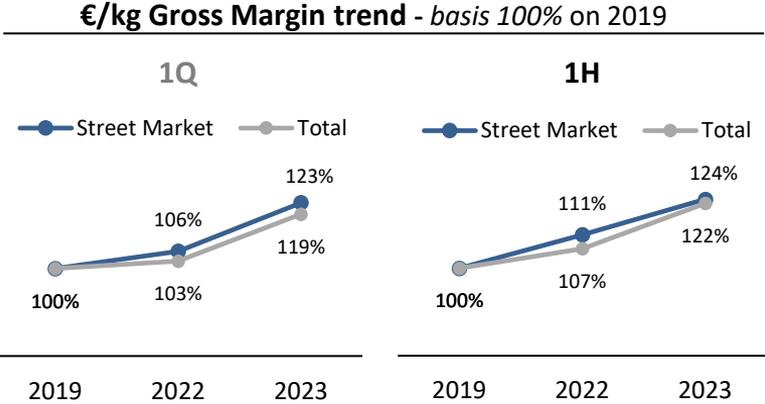
- Sales growth in 1H 2023 and different dynamics by quarters, as mentioned above, were affected by the pandemic in 1Q 2022 and change in food inflation
- 1H 2023 Sales performance in the Street Market and National Account segments (+20.3%) overperformed the reference Market, further strengthening MARR's leadership. According to *Confcommercio* data (July, 2023) consumption (in quantity and excluding inflation component) for "Hotels, meals and out-of-home food consumption" in 1Q and 2Q 2023 increased on 2022 respectively by +18.9% and by 2.5%
- Sales in the Wholesale segment (mainly sales of caught and frozen seafood to Wholesalers) in 1H 2023 have been affected by product availability and attention to profitability

(\*) 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 2022 and 2023. Some small reclassification have been also done on 2022 data for comparison with 2023. In addition, 1H 2023 Sales includes 7.5€m of Sales from Firgor Carni Srl, of which 2.4€m relating to 1Q 2023, company consolidated from 1 April 2022

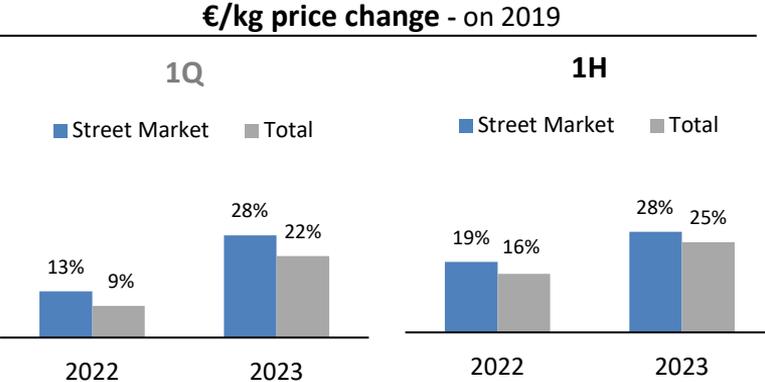


# 1H 2023 – Price change and GM dynamics

- In a foodservice environment affected by a general food inflation (accelerating from 2Q 2022) the pass-through process of price increases (measured in terms of €/kg Gross Margin) has been first implemented in the Street Market segment and is now also improving in the other segments



- The €/kg price change confirms the different speed by segments of the pass-through process of prices increase and its variation between 1Q and 1H 2023 also shows a levelling-off related to the progressive evening out of underlying food inflation and also to trading down phenomena



# 1H 2023 - Income statement

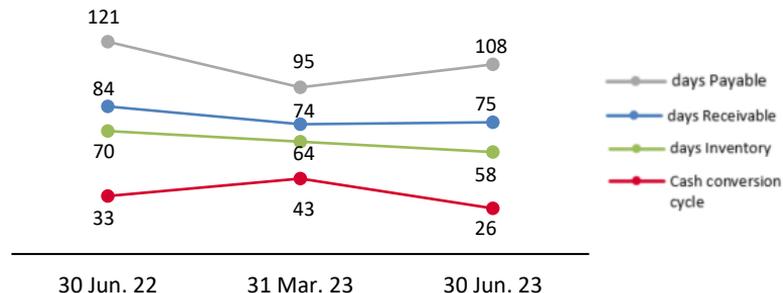
1H 2019	%	€m	1H 2022	%	1H 2023	%
<b>793.0</b>	100.0%	<b>Total Revenues</b>	<b>874.3</b>	100.0%	<b>1,003.2</b>	100.0%
(625.3)	-78.9%	COG's	(699.9)	-80.0%	(800.1)	-79.8%
(90.9)	-11.5%	Services costs	(115.9)	-13.3%	(124.7)	-12.4%
(1.1)	-0.1%	Other operating costs	(1.2)	-0.1%	(1.3)	-0.1%
(19.4)	-2.5%	Personnel costs	(22.3)	-2.6%	(23.8)	-2.4%
<b>56.3</b>	7.1%	<b>EBITDA</b>	<b>35.0</b>	4.0%	<b>53.4</b>	5.3%
(7.5)	-1.0%	D&A	(9.8)	-1.1%	(10.0)	-1.0%
(6.8)	-0.8%	Provisions	(7.0)	-0.8%	(8.7)	-0.8%
<b>42.0</b>	5.3%	<b>EBIT</b>	<b>18.3</b>	2.1%	<b>34.7</b>	3.5%
(2.9)	-0.4%	Net interest	(2.7)	-0.3%	(8.4)	-0.9%
<b>39.1</b>	4.9%	<b>Profit before tax</b>	<b>15.6</b>	1.8%	<b>26.3</b>	2.6%
(11.3)	-1.4%	Taxes	(5.1)	-0.6%	(7.6)	-0.7%
<b>27.8</b>	3.5%	<b>Net Result</b>	<b>10.5</b>	1.2%	<b>18.7</b>	1.9%

- Total revenues increase and GM improvement in 1H 2023 compared to 2022 are mainly and respectively due to food inflation and its pass-through process as previously commented
- Incidence reduction of Service Costs compared to 2022 is also due to higher operating leverage and tariff decrease of energy costs. At the level of logistic costs their structural increase compared to pre pandemic is mitigated by efficiency policies
- 2023 operating profitability recovers compared to the 2019 pre-pandemic levels in absolute value
- Financial charges increase in 2023 is related to the rise in interest rates since 2H 2022

## Trade NWC

€m	30.06.22	31.03.23	30.06.23
Accounts Receivable	409.3	350.7	420.7
<i>Days</i>	84	74	75
Inventory	271.1	245.3	259.7
<i>Days</i>	70	64	58
Accounts Payable	(469.0)	(362.5)	(481.8)
<i>Days</i>	121	95	108
<b>Trade NWC</b>	<b>211.5</b>	<b>233.5</b>	<b>198.6</b>
<i>Cash conversion cycle (Days)</i>	33	43	26

## Cash conversion cycle - days

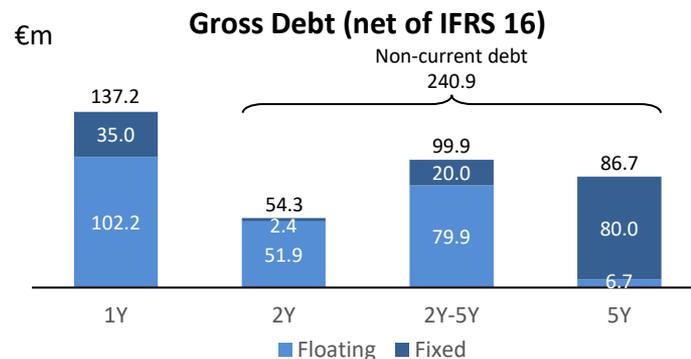
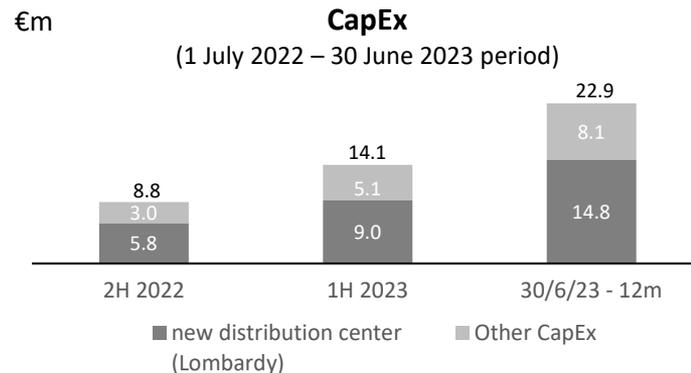


- Trade NWC as at 30 June 2023 improves both in absolute value and days of cash conversion cycle compared to the end of the previous quarter and to the same period of last year
- Days of Accounts Receivable at the end of 1H 2023 improve compared to 30 June 2022 and confirm the level as at 31 March 2023
- Inventory as at 30 June 2023 decreases compared to the same period of last year improving in terms of days and also compared to the end of last quarter

## Net Debt

€m	30.06.22	31.03.23	30.06.23
Liquidity	159.1	155.0	195.3
Short-term net debt	(125.3)	(127.6)	(128.0)
Long-term net debt	(180.9)	(219.7)	(239.7)
<b>Net Debt before IFRS 16</b>	<b>(147.2)</b>	<b>(192.3)</b>	<b>(172.4)</b>
IFRS 16 effect	(81.5)	(78.3)	(77.6)
<b>Net Debt</b>	<b>(228.7)</b>	<b>(270.6)</b>	<b>(250.1)</b>

- Net debt before IFRS 16 as at 30 June 2023 amounts to 172.4€m compared to 147.2€m as 30 June 2022. In the 1 July 2022 – 30 June 2023 period, 22.9€m have been invested of which 14.8€m related to the new distribution center in Lombardy, under construction
- Including the effect of IFRS 16 accounting standard, Net Debt as 30 June 2023 is of 250.1€m
- The fixed portion of Gross Debt (net of IFRS 16) as at 30 June 2023 amounts to 137.4€m (ca 36% of total indebtedness)



- The trend of sales to Street Market and National Account clients in July is consistent with the growth objectives for 2023 confirming the progressive recovery in margins already seen in 1Q 2023
- The July results were achieved in a context of Out-of-Home food consumption which also benefited from the positive contribution of foreign tourism, particularly in Large Cities

- In order to increase the customer loyalty underpinning the organic growth, MARR continues to innovate: e.g. in terms of digital tools (new features for facilitating the on-line orders), of products segmentation (“*Selezione MARR*” proposal) and of product with content of service (“*Easy menu*” line)



- Focus of the entire organization on policies aimed at recovering operating profitability is confirmed. On the basis of the trend of the first seven months of 2023, EBITDA is expected to re-approach the pre-pandemic level in absolute value already this year
- The strong attention of the organization on controlling the levels of absorption of working capital in order to mitigate the cost of its financing is also confirmed

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