

GRUPPO MARR
MARR
dove c'è ristorazione

*50*anni
1972-2022



1Q 2023 Results

Conference call – May 12, 2023



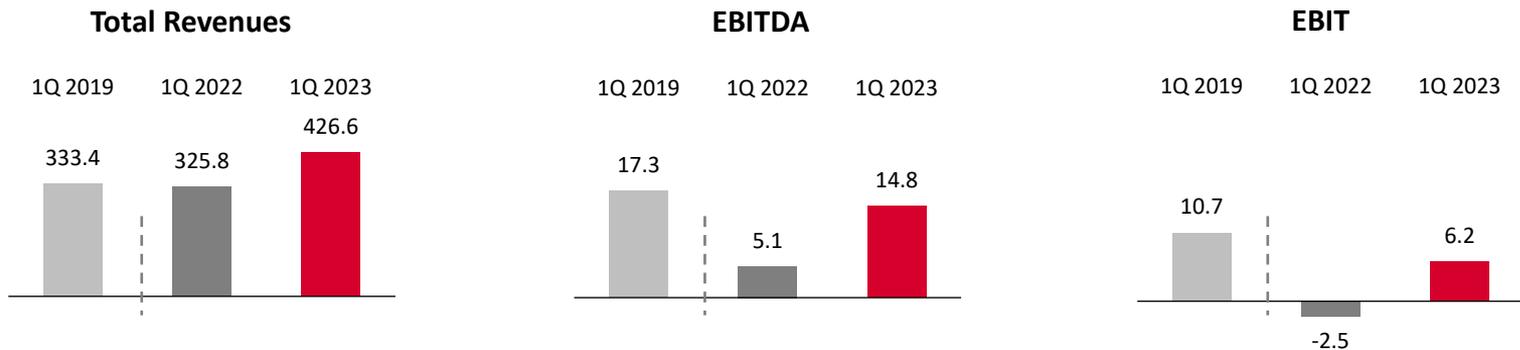
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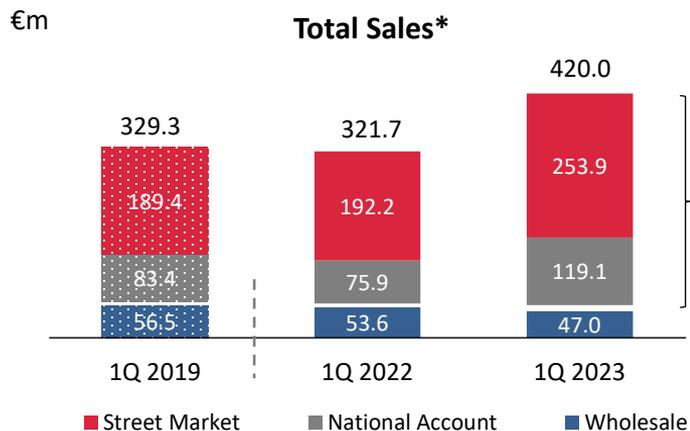
The Group's business is also correlated to tourism flows. Q1 and Q4 represent the low point of the business year, whereby Q2 and Q3 the peak of the seasonality. Therefore quarterly sales, operating results, trade net working capital and net financial indebtedness are impacted by the seasonality and may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

1Q 2023 - Financial highlights

€m



- 1Q 2023 Total Revenues increase compared to 1Q 2022 that was still affected in the first part of the quarter by the effects of the tail end of the pandemic. Revenues performance is also affected by inflationary dynamics impacting prices of food products particularly since 2Q 2022
- Operating profitability (EBITDA and EBIT) of 1Q 2023 improves compared to 1Q 2022 showing also a recovery on pre-pandemic 1Q 2019
- Net result of 1Q 2023 amounts to 1.5€m (-2.9€m in 1Q 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 31 March 2022 amounts to 233.5€m and its increase on 216.4€m of the end of 1Q 2022 is related to the increase in turnover

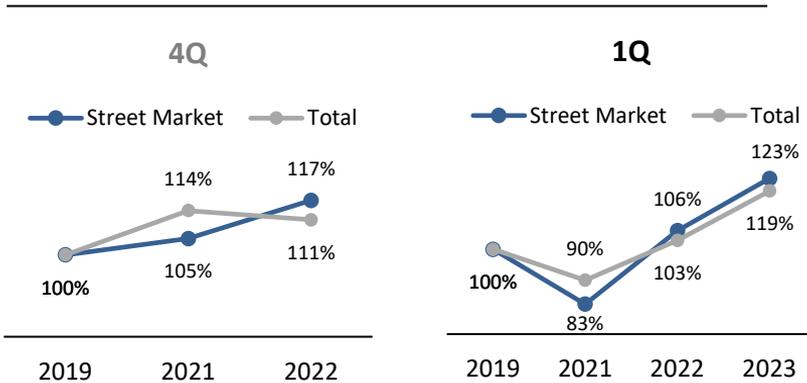


Sales to Street Market and National Account in 1Q 2023 amount to 373.0€m (+39.1% on 1Q 2022) and include 2.4€m of sales contribution from the Frigor Carni acquisition consolidated from 1 April 2022

- 1Q 2023 Sales amount to 420.0€m compared to 321.7€m in 1Q 2022 and 329.3€m in pre-pandemic 1Q 2019
- Sales performance in 1Q 2023 in the Street Market and National Account segments overperform the reference Market, further strengthening MARR's leadership. According to *Confcommercio* data (April, 2023) consumption (in quantity and inflation component excluded) for "Hotels, meals and out-of-home food consumption" in 1Q 2023 increased by +9.7% on 2022
- Sales to Wholesale (mainly sales of caught and frozen seafood to Wholesalers) in the first months of 2023 are still affected by a temporary lower product availability witnessed since 3Q 2022

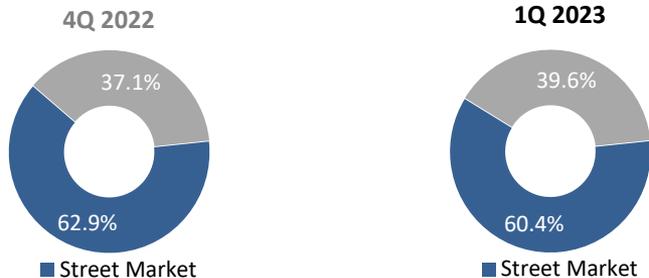
(*) Starting from 2021 some reclassifications were made between client segments, in particular some structured customers were reclassified from the Street Market to the National Account, therefore 2019 sales data by client segments were restated for comparison with 2022 and 2023. Some small reclassification have been also done on 2022 data for comparison with 2023

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



- In a foodservice environment affected by a general food inflation, more severe since 2Q 2022, the pass-through process of price increase, measured in terms of €/kg Gross Margin increased on pre-pandemic 2019 level and in 1Q 2023 confirms its sequential improvement
- This pass-through process continues to be more effective in the Street Market client segment. However the gap reduction in terms of €/kg Gross Margin on 2019 level between the contribution of Street Market segment and Total Sales in 1Q 2023 compared to 4Q 2022 (despite a lower incidence of Street Market sales) confirms the recovery also in the other client segments

Incidence of Street Market on Total Sales



1Q 2023 - Income statement

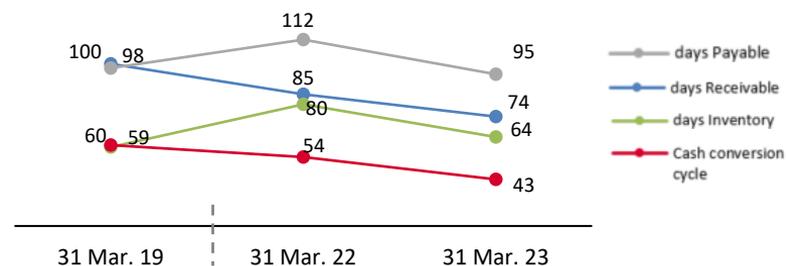
1Q 2019	%	€m	1Q 2022	%	1Q 2023	%
333.4	100.0%	Total Revenues	325.8	100.0%	426.6	100.0%
(266.9)	-80.0%	COG's	(263.7)	-81.0%	(344.3)	-80.7%
(39.2)	-11.8%	Services costs	(46.2)	-14.2%	(55.4)	-13.0%
(0.6)	-0.2%	Other operating costs	(0.5)	-0.1%	(0.6)	-0.1%
(9.4)	-2.8%	Personnel costs	(10.2)	-3.1%	(11.5)	-2.7%
17.3	5.2%	EBITDA	5.1	1.6%	14.8	3.5%
(3.7)	-1.1%	D&A	(4.8)	-1.5%	(4.9)	-1.2%
(2.8)	-0.9%	Provisions	(2.7)	-0.8%	(3.7)	-0.9%
10.7	3.2%	EBIT	(2.5)	-0.8%	6.2	1.4%
(1.3)	-0.4%	Net interest	(1.6)	-0.6%	(4.0)	-0.9%
9.4	2.8%	Profit before tax	(4.1)	-1.3%	2.2	0.5%
(2.8)	-0.8%	Taxes	1.2	0.4%	(0.7)	-0.2%
6.6	2.0%	Net Result	(2.9)	-0.9%	1.5	0.3%

- Total revenues increase and GM improvement compared to 1Q 2022 are also affected respectively by food inflation and its pass-through process as previously commented
- Incidence reduction of Service Costs compared to 1Q 2022 is also due higher operating leverage and tariff decrease of energy costs
- At the end of the first three months of 2023 the operating profitability recovers compared to the 2019 pre-pandemic levels in absolute value
- Financial charges increase is related to that of the rise in the cost of debt since 2H 2022

Trade NWC

€m	31.03.19	31.03.22	31.03.23
Accounts Receivable	368.8	308.7	350.7
<i>Days</i>	100	85	74
Inventory	173.6	235.4	245.3
<i>Days</i>	59	80	64
Accounts Payable	(289.6)	(327.7)	(362.5)
<i>Days</i>	98	112	95
Trade NWC	252.8	216.4	233.5
<i>Cash conversion cycle (Days)</i>	60	54	43

Cash conversion cycle - days



- Increase of Trade NWC as at 31 March 2023 on 2022 is related to Sales growth, however the Cash conversion cycle of Trade NWC improves compared to 31 March 2022 and also pre-pandemic 2019
- Days of Accounts Receivable at the end of 1Q 2023 improves compared to both 31 March 2022 and 31 March 2019
- Increase of Inventory as at 31 March 2023 compared to 2022 is also due to inflationary dynamics, but Days of Inventory improve on those of 31 March 2022

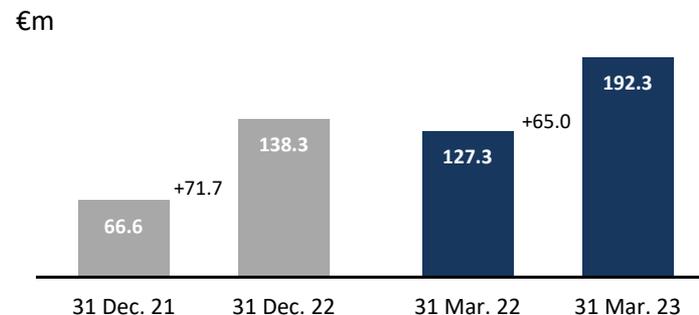
Net Debt as at 31 March 2023

Net Debt

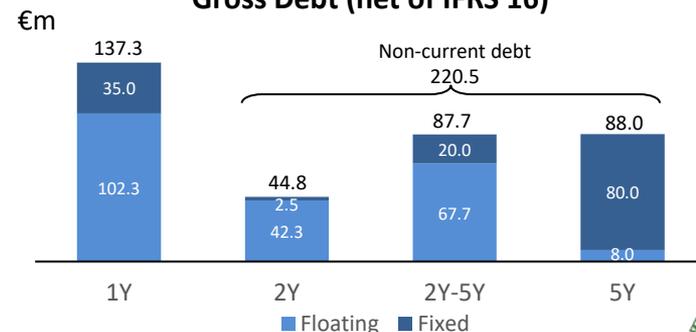
€m	31.12.21	31.12.22	31.03.22	31.03.23
Liquidity	250.0	191.7	148.4	155.0
Short-term net debt	(97.3)	(110.8)	(99.4)	(127.6)
Long-term net debt	(219.3)	(219.1)	(176.2)	(219.7)
Net Debt before IFRS 16	(66.6)	(138.3)	(127.3)	(192.3)
IFRS 16 effect	(74.8)	(79.2)	(72.4)	(78.3)
Net Debt	(141.4)	(217.6)	(199.7)	(270.6)

- Net debt before IFRS 16 as at 31 March 2023 amounts to 192.3€m, increasing on the previous year (+65.0€m) but decreasing compared to the same variation as at 31 December 2022 (+71.7€m)
- Including the effect of IFRS 16 accounting standard, Net Debt as 31 March 2023 is of 270.6€m
- The fixed portion of Gross Debt (net of IFRS 16) as at 31 March 2023 amounts to 137.5€m (ca 38% of total indebtedness)

Net Debt net of IFRS 16 - trend



Gross Debt (net of IFRS 16)



- On 28 April 2023 the Shareholders' Meeting approved the distribution of a gross dividend of 0.38 Euro per share with “ex-coupon” (no. 18) on 22 May 2023, record date on 23 May and payment on 24 May. The undistributed profit, the size of which will be determined on the basis of the treasury shares in portfolio at the “ex coupon” date, will be allocated to the Extraordinary Reserve
- As of today, MARR holds 557,210 treasury shares equal to 0.84% of the share capital
- In relation to the renewal of Corporate Bodies, the Shareholders’ Meeting on 28 April 2023 approved a BoD of seven members of which four independent Directors with Andrea Foschi appointed Chairman and Francesco Ospitali confirmed CEO

Board of Directors							Board of Statutory Auditors	
Office	Member	Executive with strategic responsibilities	Executive	Non-executive	Control and Risk Committee member	Independent	Office	Member
Chairman	Andrea Foschi			✓		✓	Chairman	Massimo Gatto
CEO	Francesco Ospitali	✓					Statutory Auditor	Simona Muratori
Director	Giampiero Bergami			✓	✓	✓	Statutory Auditor	Andrea Silingardi
Director	Claudia Cremonini			✓				
Director	Alessandro Nova			✓		✓		
Director	Rossella Schiavini			✓	✓	✓		
Director	Lucia Serra		✓					

The functions of the Remuneration Committee and the Nomination Committee are attributed to the entire BoD under the coordination of the Chairman as provided by the Corporate Governance Code

- The Shareholders' Meeting also revoked, for the unexecuted part, the authorization for the purchase, sale and disposal of treasury shares of the Company granted by resolution of the Shareholders' Meeting on 28 April 2022 and at the same time approved a new authorization for the purchase, sale and disposal of treasury shares of the Company according to the terms and conditions set out in the resolution proposal approved by the Board of Directors on 14 March 2023 and illustrated in the report available on the Company's website at www.marr.it in the governance/AGM section



- The trend of sales to Street Market and National Account clients in April is consistent with the growth objectives for 2023 and confirms the progressive recovery in margins already highlighted in 1Q 2023, with the first quarter being historically characterized by a low seasonality and therefore less representative
- The April results were achieved in a context of Out-of-Home food consumption which also benefited from the positive trend of both foreign and domestic tourism during the Easter holidays and the “extended weekends” at the end of the month
- As regards the sales of frozen seafood products to Wholesale clients, after the unavailability of seafood products affecting 2H 2022 and these first months of 2023, in the light of the recent fishing campaigns a recovery in the coming months is expected
- As regards the procurement markets, it is expected that prices of food products in the coming months may enter in a stabilization phase, with possible trading down phenomena in Out-of-Home food consumption, differing by client segments
- Besides, the market is still rewarding the proposal of innovative products and services, in which MARR continues to invest its energies, also with targeted initiatives (e.g. the revamping of the “Pizza” product line)
- The entire organization is involved in policies aimed at recovering operating profitability. This path, in light of the market context and the management of the gross margin and cost control, and on the basis of the trend of the first four months, leads to aim towards a pre-pandemic EBITDA level in absolute value already this year
- The strong focus of the organization on controlling the levels of absorption of working capital in order to mitigate the cost of its financing is also confirmed

INFORMARRNEWS

MARR-Novità: la nuova linea dedicata alla Pizza!



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