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1972-2017

3Q-9M 2017 Results

Conference call – November 14, 2017



Important information



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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.

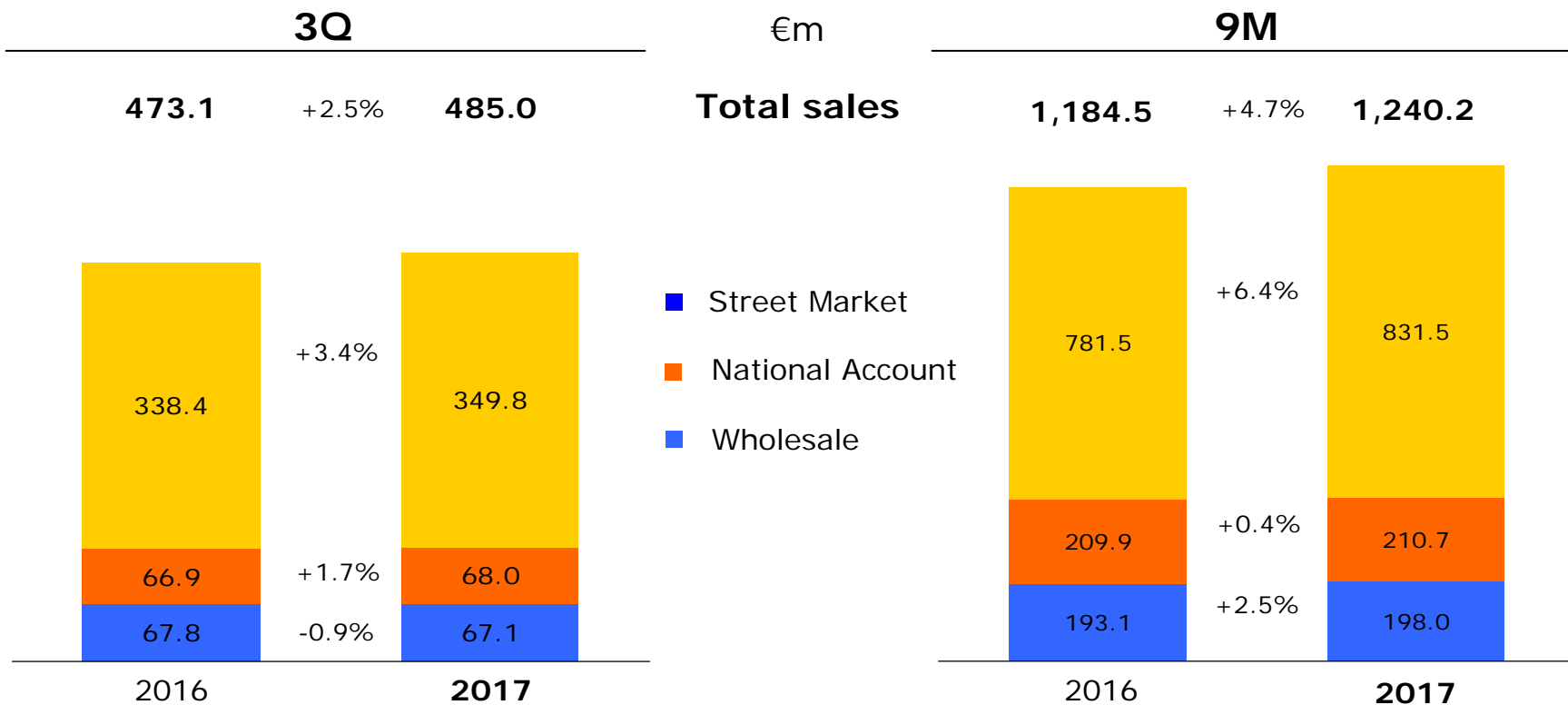


- The key 3Q confirmed growth of revenues and profitability.

At the end of the nine months Net Income reached 53.9€m (50.0€m in 2016)

€m	Third quarter		Nine months	
	2016	2017	2016	2017
Total Revenues	481.7	494.5	1,204.5	1,263.1
EBITDA	43.1	44.0	92.6	94.8
EBIT	37.8	38.6	79.3	80.2
Net Income	24.5	26.6	50.0	53.9

- Trade NWC as at 30 September 2017 was of 204.4€m, decreasing compared to 212.6€m at the end of 9M 2016
- Net debt as at 30 September 2017 was of 168.6€m compared to 209.0€m as at 30 June 2017 and 170.6€m at the end of 9M 2016



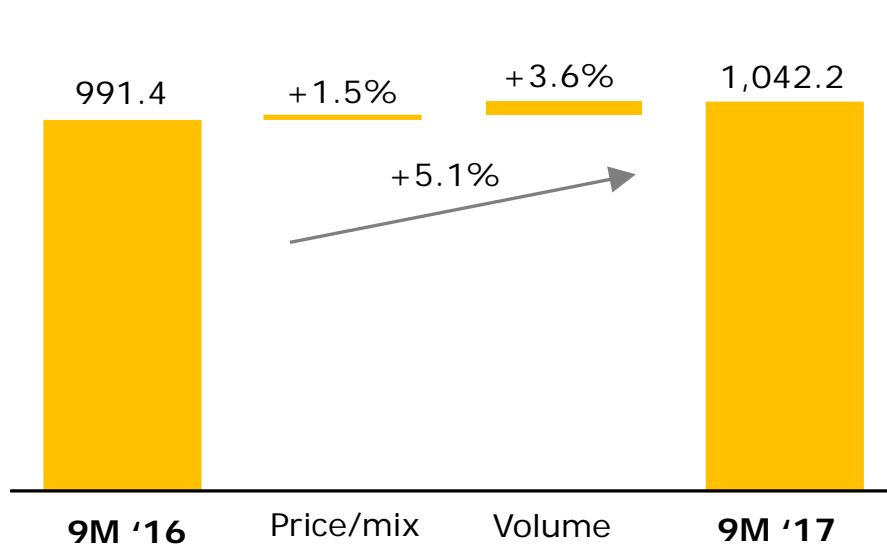
- At the end of the 9 months, the total sales growth (+4.7% or +55.7€m) was driven by the Street Market segment (+6.4% or +50.0€m) benefiting also from the acquisitions of DE.AL. (April 2016) and Specia (January 2017) for 16.2€m
- As at 30 September sales trends in the segments of the National Account and of the Wholesale are in line with the objectives for the year



Street Market - National Account

€m

client segments



% change vs PY	Price/mix		Volume	
	1H '17	9M '17	1H '17	9M '17
SM+NA	+1.6	+1.5	+4.9	+3.6
<i>of which by main product categories:</i>				
Grocery	+0.2	+0.3	+4.9	+3.6
Meat	-0.1	+0.0	+4.8	+3.5
Seafood	+4.8	+4.5	+4.5	+2.8

- At the end of the 9M the Price/mix component of the growth in Street Market and National Account segments was confirmed positive. Particularly: price increase in the Seafood slightly diminished during 3Q, but was compensated by the rebound (started in 2Q and confirmed in 3Q) of prices of some product families of Grocery (i.e. olive oil, cheese and cured meat) and Meat (i.e. pork). The disciplined passing on of increase of prices during the Summer season affected volume growth

Income statement

as at 30 September 2017



3Q 16	%	3Q 17	%	% ch	€m	9M 16	%	9M 17	%	% ch
481.7	100.0%	494.5	100.0%	+2.7	Total revenues	1,204.5	100.0%	1,263.1	100.0%	+4.9
(372.0)	-77.2%	(385.8)	-78.0%		Cost of goods sold	(937.2)	-77.8%	(993.0)	-78.6%	
(54.2)	-11.2%	(52.8)	-10.7%		Services	(138.0)	-11.5%	(138.6)	-11.0%	
(2.9)	-0.6%	(2.7)	-0.5%		Other operating costs	(8.3)	-0.7%	(8.4)	-0.6%	
(9.6)	-1.9%	(9.2)	-1.9%		Personnel costs	(28.3)	-2.3%	(28.3)	-2.3%	
43.1	9.0%	44.0	8.9%	+2.1	EBITDA	92.6	7.7%	94.8	7.5%	+2.4
(1.5)	-0.4%	(1.6)	-0.3%		D&A	(4.2)	-0.3%	(4.9)	-0.3%	
(3.8)	-0.8%	(3.8)	-0.8%		Provisions	(9.1)	-0.8%	(9.7)	-0.8%	
37.8	7.8%	38.6	7.8%	+2.1	EBIT	79.3	6.6%	80.2	6.4%	+1.1
(1.2)	-0.2%	(1.0)	-0.2%		Net interest and ForEx	(4.6)	-0.4%	(4.1)	-0.4%	
36.6	7.6%	37.6	7.6%		Result from recurring activities	74.8	6.2%	76.1	6.0%	
(0.5)	-0.1%	0.0	0.0%		Non-recurring items	(0.5)	0.0%	0.0	0.0%	
36.1	7.5%	37.6	7.6%		Profit before taxes	74.3	6.2%	76.1	6.0%	
(11.5)	-2.4%	(10.9)	-2.2%		Taxes	(24.3)	-2.1%	(22.2)	-1.7%	
24.5	5.1%	26.7	5.4%	+8.7	Net income	50.0	4.1%	53.9	4.3%	+7.9
-31.9%		-29.1%			Tax rate	-32.7%		-29.1%		

- In 3Q and at the end of 9M all economic indicators increased with Net Income also benefiting from the reduction of IRES taxation. At the operating level: Gross Margin decrease recovered compared to 2Q; disciplined management of operating costs was confirmed; increase of depreciation was due to investments and acquisitions; cautious provisioning for bad debts was confirmed

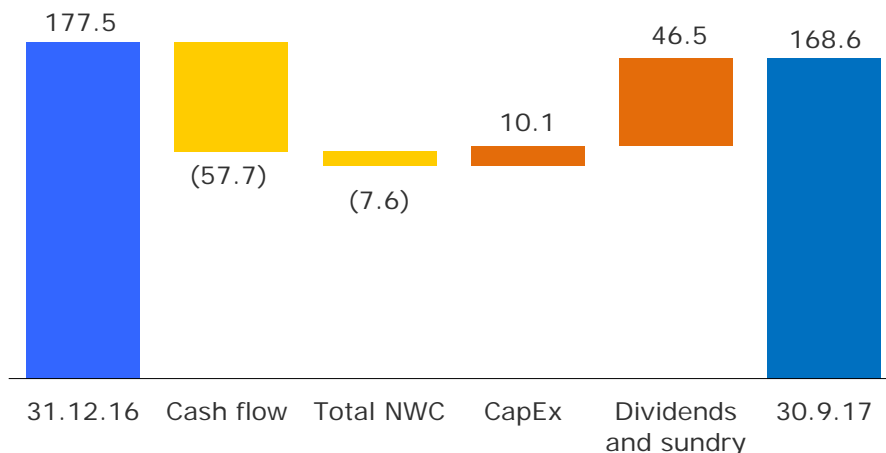


30.06.16	30.06.17	change	€m	30.09.16	30.09.17	change
434.5	442.0	7.4	Accounts Receivable	448.6	431.9	(16.8)
108	104	(4)	Days	100	92	(8)
155.6	180.1	24.4	Inventory	120.4	139.3	18.8
49	53	3	Days	35	38	3
(370.6)	(390.3)	(19.7)	Accounts Payable	(356.5)	(366.8)	(10.3)
118	116	(2)	Days	103	100	(3)
219.6	231.8	12.2	Trade Net Working Capital	212.6	204.4	(8.2)
40	41	1	Cash conversion cycle (Days)	33	31	(2)

- As at 30 September 2017, and compared to the trend as at 30 June last, improvement of *DSO* (-8 days) was confirmed and increase of Inventory related to stocking policies in frozen Seafood is fading (+18.8€m as at 30 September 2017 compared to +24.4€m as at 30 June 2017). All in all the *Cash conversion cycle* decreased by 2 days

Net debt

as at 30 September 2017



Thanks to Cash flow generation and careful management of Trade NWC, MARR was able to sustain investments and pay increasing dividends (46.6€m in 2017 vs 43.9€m in 2016) reducing Net Debt over the 9-months period

30.06.16	30.06.17	change	€m	30.09.16	30.09.17	change
(29.3)	(16.7)	12.6	Short-term Net debt	16.8	6.2	(10.6)
(172.5)	(192.2)	(19.7)	Long-term debt	(187.4)	(174.8)	12.6
(201.8)	(209.0)	(7.2)	Net Debt	(170.6)	(168.6)	2.0

- Net debt as at 30 September 2017 was of 168.6€m improving compared to 209.0€m as at 30 June 2017 and 170.6€m at the end of 9M 2016 and was in line (also in terms of maturity) with the objectives

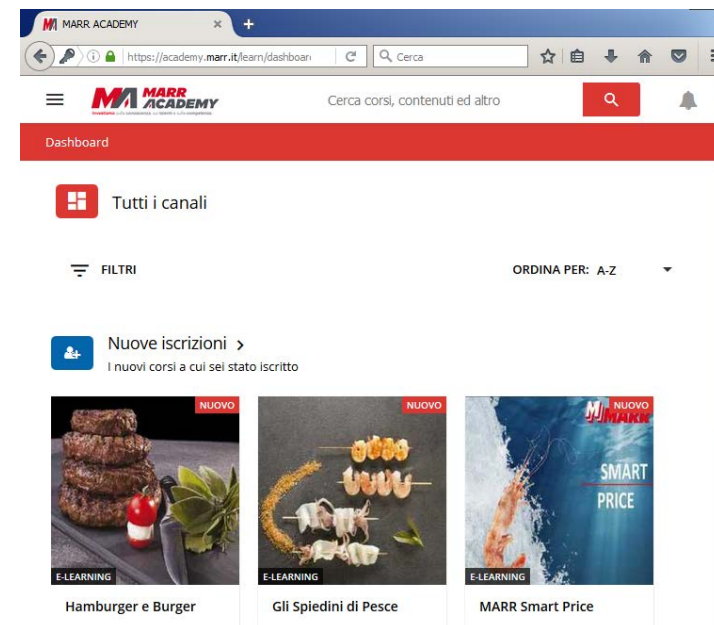
Current trading



- According to recent data (*Ufficio Studi Confcommercio*, November 2017) the trend of consumption (in quantity) for “Hotels stays, meals and Out of Home food consumption” in Italy during 3Q was positive: +3.2% compared to the same period of 2016
- On the basis of positive sales performance of October (better than that of September) the Sales at the end of the ten months are in line with the objectives



- An e-learning platform was recently launched, within the broader context of the “MARR Academy”, aimed at strengthening the sales process. This is to be achieved by providing in-depth education on products to both the sales force and internal product specialists with the objective of increasing the specialisation of MARR’s proposal to the market





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