



## 1H 2019 Results

Conference call – August, 2 2019

dove c'è ristorazione

This presentation is being shown to you solely for your information and may not be reproduced, distributed to any other person or published, in whole or in part, for any purpose.

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.

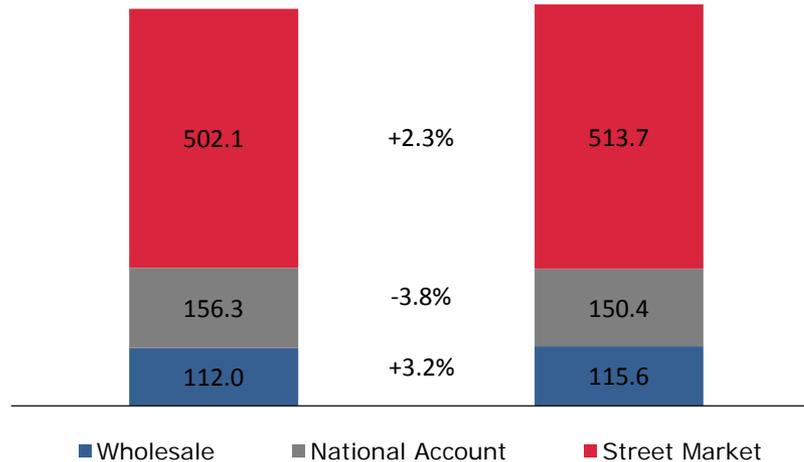
- At the end of the first six months top line growth was confirmed

€m	1H 2018	1H 2019
Total Revenues	782.6	793.0
EBITDA	52.7	56.3
EBIT	42.7	42.0
Net income	28.6	27.8

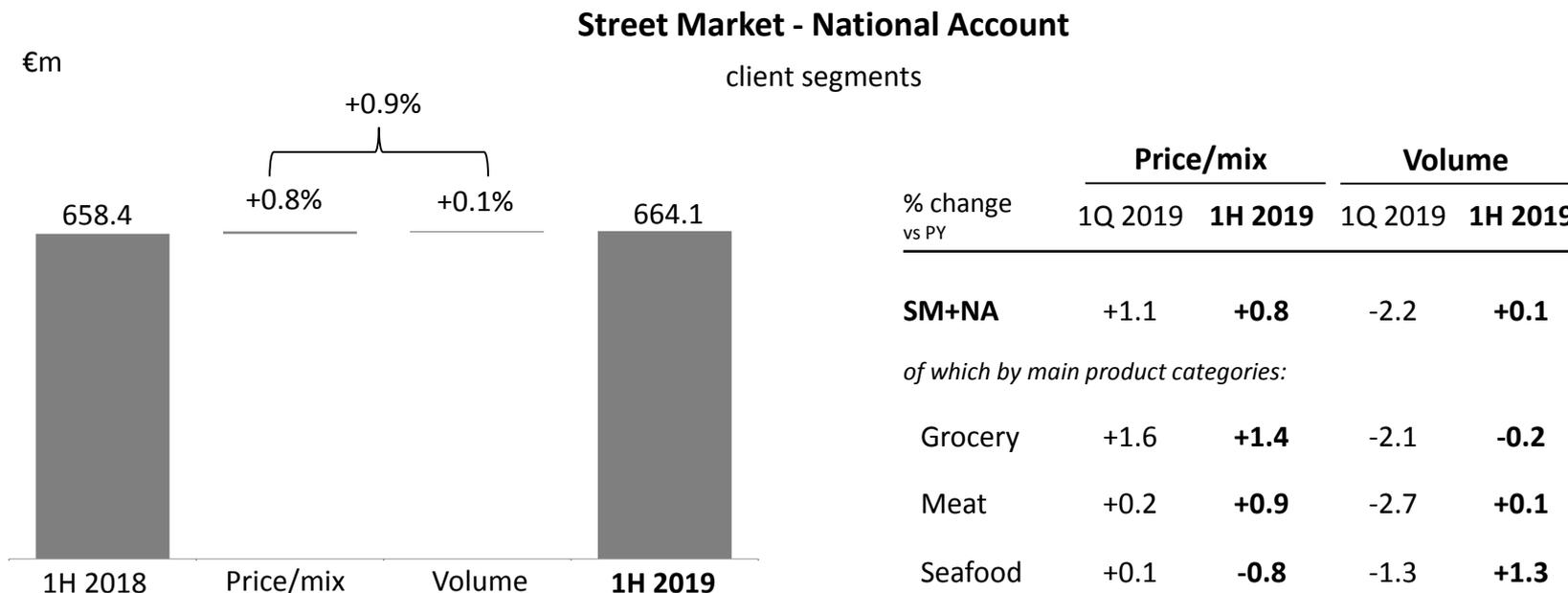
2019 data have been reported in compliance with the first application of IFRS 16, the of which effects were: +4.5€m on EBITDA; +0.4€m on EBIT; -0.4€m on Net Income

- Trade NWC as at 30 June 2019 was of 209.6€m improving compared to 210.9€m at the end of 1H 2018
- Net Debt at the end of June 2019 was of 211.2€m (including 56.3€m of additional financial indebtedness resulting from the application of IFRS 16) compared to 173.3€m as at 30 June 2018

	1H 2018	change	1H 2019
Total revenues	782.6	+1.3%	793.0
<b>Total sales</b>	<b>770.4</b>	<b>+1.2%</b>	<b>779.7</b>



- Sales in the Street Market segment over the first two quarters were affected by Easter calendar: -0.3% in 1Q and +4.0% in 2Q
- In the National Account segment a temporary review in the mix of the clients' portfolio continued also in 2Q
- Sales of the Wholesale segment were related to fishing campaigns



- Volume component was affected by the aforementioned trends in the Street Market and National Account segments
- Easing of price/mix was due to the decrease in prices of some seafood products such as octopus, shrimps and scampi. This dynamic was related to a transitory uncertainty on the visibility of the price trends for the seafood products mentioned

# 1H 2019 - Income statement

€m	1H 2018 reported	%	1H 2019 reported	%	1H 2019 net of IFRS 16	%
<b>Total Revenues</b>	<b>782.6</b>	100.0%	<b>793.0</b>	100.0%	<b>793.0</b>	100.0%
COG's	(616.0)	-78.7%	(625.3)	-78.9%	(625.3)	-78.9%
Services costs	(89.2)	-11.4%	(90.9)	-11.5%	(90.9)	-11.5%
Other operating costs	(5.6)	-0.7%	(1.1)	-0.1%	(5.6)	-0.7%
Personnel costs	(19.0)	-2.5%	(19.4)	-2.5%	(19.4)	-2.5%
<b>EBITDA</b>	<b>52.7</b>	6.7%	<b>56.3</b>	7.1%	<b>51.8</b>	6.5%
D&A	(3.4)	-0.4%	(7.5)	-1.0%	(3.4)	-0.4%
Provisions	(6.6)	-0.8%	(6.8)	-0.8%	(6.8)	-0.8%
<b>EBIT</b>	<b>42.7</b>	5.5%	<b>42.0</b>	5.3%	<b>41.6</b>	5.2%
Net interest	(2.4)	-0.4%	(2.9)	-0.4%	(2.1)	-0.3%
<b>Profit before tax</b>	<b>40.3</b>	5.1%	<b>39.1</b>	4.9%	<b>39.5</b>	5.0%
Taxes	(11.7)	-1.4%	(11.3)	-1.4%	(11.4)	-1.4%
<b>Net Income</b>	<b>28.6</b>	3.7%	<b>27.8</b>	3.5%	<b>28.1</b>	3.5%

2019 figures are shown under application (from 1<sup>st</sup> January 2019) of IFRS 16 accounting principle, according to which leases in which there is the right of use of the leased item are restated as fixed assets. The lines of Income statement affected by IFRS 16 were:

- < other operating costs (including leases);
- > depreciations;
- > financial interests

# 1H 2019 - Trade NWC and Net Debt

31.03.18	31.03.19	change	€m	30.06.18	30.06.19	change
371.0	368.8	(2.3)	Accounts Receivable	424.3	415.8	(8.5)
99	99	0	Days	98	94	(4)
161.5	173.6	12.1	Inventory	183.0	184.1	1.1
54	59	4	Days	53	53	0
(282.5)	(289.6)	(7.1)	Accounts Payable	(396.4)	(390.3)	6.1
95	98	3	Days	116	112	(4)
<b>250.0</b>	<b>252.8</b>	2.8	<b>Trade NWC</b>	<b>210.9</b>	<b>209.6</b>	(1.3)
59	60	1	Cash conversion cycle (Days)	35	35	0

Trade NWC as at 30 June 2019 amounted to 209.6€m improving compared to 210.9€m at the end of the 1H 2018.

The DSO improved by 4 days confirming attention to the management of accounts receivable collection

€m	30.06.18	30.06.19	change	net of IFRS 16		
				30.06.18	30.06.19	change
Short-term Net debt	52.8	46.8	(6.0)	52.8	54.5	1.6
Long-term debt	(226.1)	(258.0)	(31.9)	(226.1)	(209.4)	16.7
<b>Net Debt</b>	<b>(173.3)</b>	<b>(211.2)</b>	<b>(37.9)</b>	<b>(173.3)</b>	<b>(154.9)</b>	18.4

Due to the application of IFRS 16 from 1<sup>st</sup> January 2019 Net Debt as at 30 June 2019 increased by 56.3€m and on the other hand fixed assets (under the item "right of use") increased by 55.6€m

- In the main client segment of the Street Market the trend of July puts sales of the first seven months towards the year-end objectives in terms of growth and of strengthening of market share. The reference market related to clients of the Street Market segment, as per the indicator "Hotels stays and out-of-home food consumption" (Confcommercio, July 2019), was positive and consumption (in quantity) grew in 1Q and 2Q 2019 respectively by 1.2% and by 0.7%
- MARR's engagement for sustainable fishing continues and after the "Certification of the control process of the sustainable fish supply chain", the "Certification of the Chain of Custody for selling MSC products" also the ASC certification for farmed seafood products was obtained. The products bearing the MSC certification originate from fishing areas managed in compliance with respect for stocks, habitat and marine ecosystem. The ASC certification proves that the seafood products are farmed in a sustainable way by reducing and even removing the social and environmental impact of farming. ([www.marr.it/en/sustainable-fishing](http://www.marr.it/en/sustainable-fishing))



## Investor Relations

**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](http://www.marr.it)