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1H 2018 Results

Conference call – August 3, 2018



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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.



1H 2018 - Highlights

- The first six months ended with increase of Revenues and profitability. Net income reached 28.6€m (27.3€m in 2017)

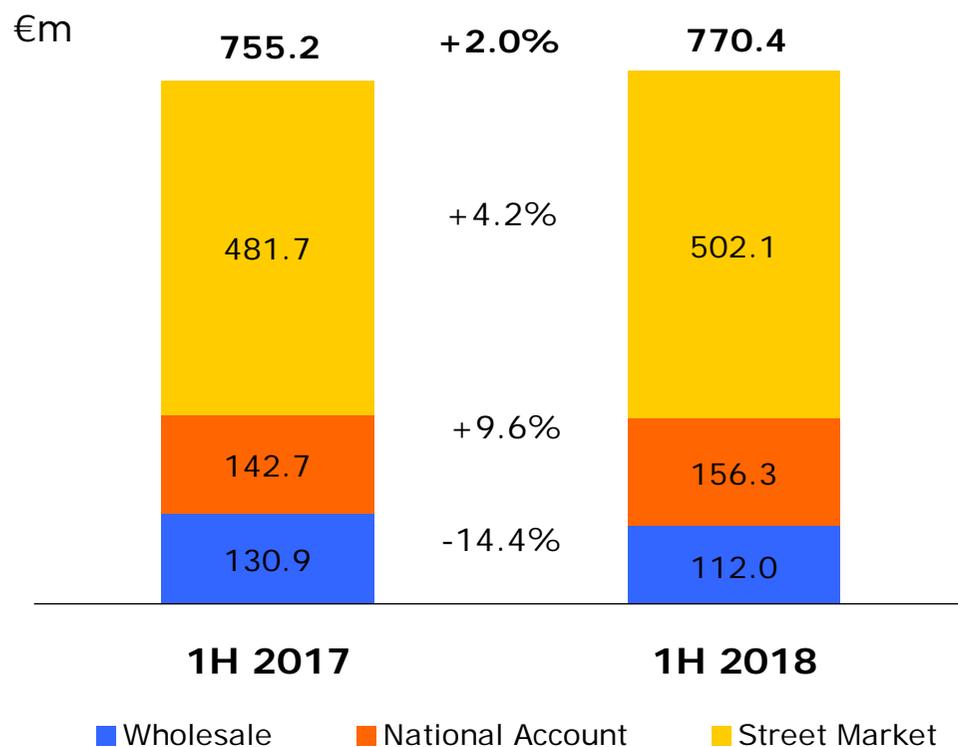
€m	1H 2017	1H 2018
Total Revenues	768.5	782.6
EBITDA	50.8	52.7
EBIT	41.7	42.7
Net income	27.3	28.6

- Trade NWC as at 30 June 2018 was of 210.9€m, decreasing compared to 231.8€m as at 30 June 2017
- Net debt also improved and was of 173.3€m compared to 209.0€m as at 30 June 2017



1H 2018 – Sales by client segments

- Sales performance was entirely organic
- The reference market relating to the main segment of the Street Market, as per the indicator "Hotels stays and out-of-home food consumption" (Confcommercio data, July 2018) grew (in quantity) in 1Q and 2Q 2018 respectively by 1.5% and by 2.0%



- Sales in the Street Market grew by 20.4€m and are confirmed in line with objectives
- Growth in the National Account continued to be driven by the sub-segment of Chains & Groups of hotels and restaurants, growth of which is expected to normalize in 2H
- Sales in the Wholesale as in 1Q were affected by scarcity of fished frozen seafood, procurement of which is dedicated in priority to the needs - in terms of continuity in quality and quantity of products - of the Street Market and National Account segments

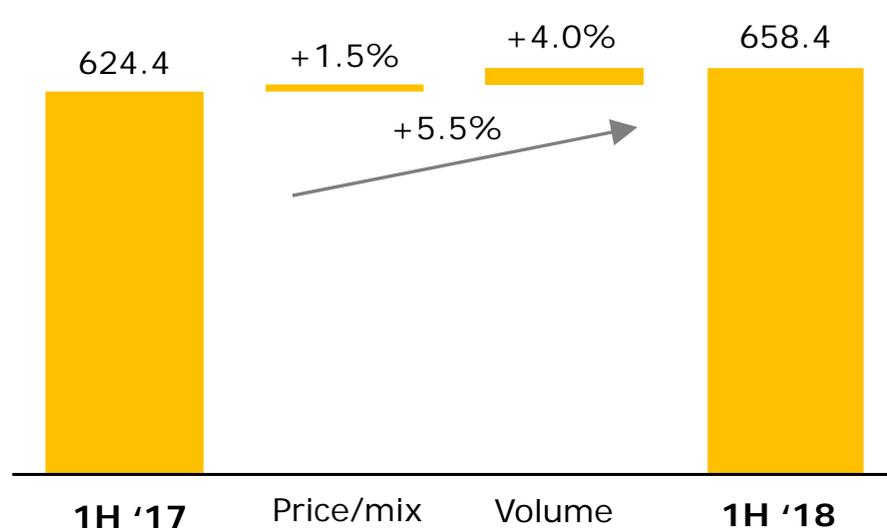


1H 2018 - Sales (Price mix/volume trend)

Street Market - National Account

€m

client segments



% change vs PY	Price/mix		Volume	
	1Q '18	1H '18	1Q '18	1H '18
SM+NA	+2.0	+1.5	+5.2	+4.0
<i>of which by main product categories:</i>				
Grocery	+3.2	+2.1	+4.2	+3.7
Meat	+1.4	+0.7	+7.8	+5.2
Seafood	+1.3	+1.4	+3.9	+2.8

- The Price/mix at the end of 1H decreased compared to that of 1Q in Grocery and Meat categories that were affected by deflation respectively of olive oil and pork
- The trend in 1H of the Volume component compared to that of 1Q was affected by the calendar, namely Easter (on 1st April 2018 compared to 16th April 2017)



1H 2018 - Income statement

€m	1H 2017	%	1H 2018	%	% ch.
Total Revenues	768.5	100.0%	782.6	100.0%	+1.8%
COG's	(607.2)	-79.0%	(616.0)	-78.7%	
Services costs	(85.7)	-11.2%	(89.2)	-11.4%	
Other operating costs	(5.7)	-0.7%	(5.6)	-0.7%	
Personnel costs	(19.1)	-2.5%	(19.0)	-2.5%	
EBITDA	50.8	6.6%	52.7	6.7%	+3.7%
D&A	(3.2)	-0.4%	(3.4)	-0.4%	
Provisions	(6.0)	-0.8%	(6.6)	-0.8%	
EBIT	41.7	5.4%	42.7	5.5%	+2.5%
Net interest	(3.2)	-0.4%	(2.4)	-0.4%	
Profit before tax	38.5	5.0%	40.3	5.1%	
Taxes	(11.2)	-1.4%	(11.7)	-1.4%	
Net Income	27.3	3.6%	28.6	3.7%	+4.6%

All economic indicators increased more than proportionally than Revenues. More in detail:

- EBITDA recovery benefitted from the change in the sales mix, with increase of the gross margin and control of the operating costs
- Increase of D&A and Provisions was due respectively to recent investments and to confirmed prudent policies in determining the presumable realization value of the receivables
- Net interest decreased as a consequence of the reduction in the outstanding of the financial indebtedness



1H 2018 – Trade NWC and Net Debt

31.03.17	31.03.18	change	€m	30.06.17	30.06.18	change
385.9	371.0	(14.9)	Accounts Receivable	442.0	424.3	(17.7)
106	99	(7)	Days	104	98	(6)
169.4	161.5	(7.9)	Inventory	180.1	183.0	2.9
58	54	(4)	Days	53	53	0
(285.9)	(282.5)	3.4	Accounts Payable	(390.3)	(396.4)	(6.1)
98	95	(3)	Days	116	116	0
269.5	250.0	(19.5)	Trade NWC	231.8	210.9	(20.9)
66	59	(7)	Cash conversion cycle (Days)	41	35	(6)

- As at 30 June 2018, and compared to the trend as at 31 March last, the decrease of Trade NWC and of the *Cash conversion cycle* was confirmed and was due to that of the Accounts Receivable and of the *DSO*

31.03.17	31.03.18	change		30.06.17	30.06.18	change
(24.5)	52.0	76.4	Short-term Net debt	(16.7)	52.8	69.6
(200.8)	(238.7)	(37.9)	Long-term debt	(192.2)	(226.1)	(33.9)
(225.2)	(186.7)	38.5	Net Debt	(209.0)	(173.3)	35.7

- Improvement of the Trade NWC was reflected on that of Net Debt and with the same dynamics of the end of the 1Q

Current trading



- The positive trend of July puts the sales of the first seven months to the Street Market and the National Account client segments in line with the growth objectives for the year
- In the Wholesale segment, where the availability of fished frozen seafood affects the sales, the priority remains a stable contribution in terms of operating profitability
- 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 (Marine Stewardship Council) products" was obtained (www.marr.it/en/sustainable-fishing)



- The online "MARR Catalogue" was recently launched for all the clients of the Foodservice. Easy to browse it includes many research criteria (e.g. by food categories, geography, timing of consumption, etc.), technical product information (e.g. certifications, allergens, etc.) and added value contents such as recipes, videos and history of the products

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