



1Q 2019 Results

Conference call – May, 14 2019

dove c'è ristorazione

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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.

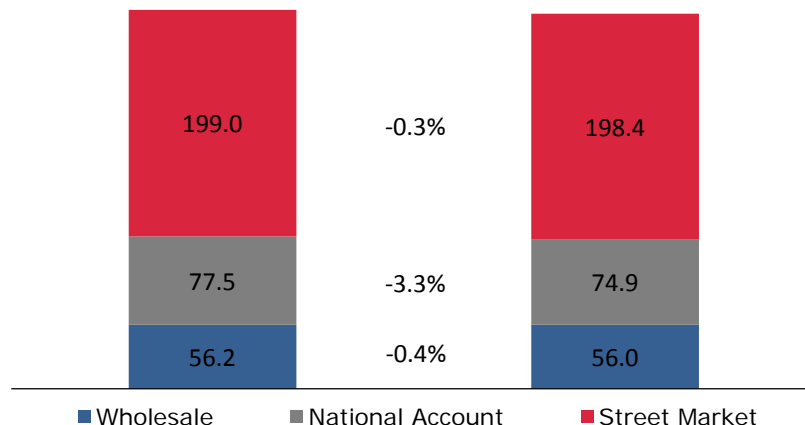
- 1Q 2019 was negatively affected, specifically in the Street Market segment, by a late Easter falling fully in 2Q

€m	1Q 2018	1Q 2019
Total Revenues	336.5	333.4
EBITDA	16.4	17.3
EBIT	11.8	10.7
Net income	7.4	6.6

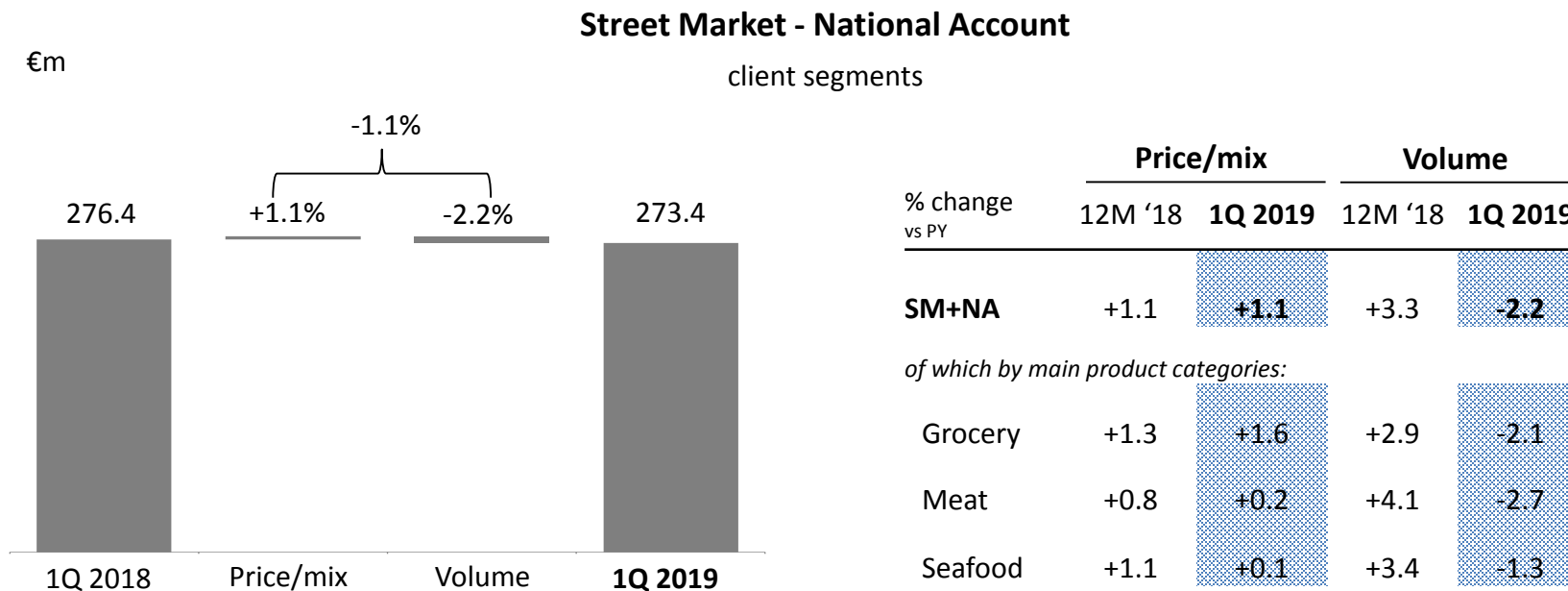
2019 data have been reported in compliance with the first application of IFRS 16, the effects were: +2.2€m on EBITDA; +0.1€m on EBIT; -0.2€m on Net Income

- Trade NWC as at 31 March 2019 was of 252.8€m compared to 250.0€m at the end of 1Q 2018
- Net Debt at the end of March 2019 was of 227.0€m (including 57.5€m of additional financial indebtedness for the application of IFRS 16) compared to 186.7€m as at 31 March 2018

	1Q 2018	change	1Q 2019
Total revenues	336.5	-0.9%	333.4
Total sales	332.6	-1.0%	329.3



- Sales in the Street Market were affected by the Easter calendar: in 2018 on 1st April with effect in terms of sales entirely in 1Q and in 2019 on 21th April and thus with a positive contribution in 2Q
- Sales of the sub-segment of Chains&Groups within National Account was also impacted by Easter. In addition National Account was affected by a transitory (and periodic) review of the mix in the portfolio of clients
- Wholesale performance was related to fishing campaigns and to the weakening of the price/mix component in seafood



- Volume component was affected by the aforementioned trends in the Street Market and National Account segments, while the price/mix was in line with the overall trend of 2018 business year. More in detail: Meat and Seafood weakened and Grocery increased driven primarily by potatoes based items

1Q 2019 - Income statement

€m	1Q 2018 reported	%	1Q 2019 reported	%	1Q 2019 net of IFRS 16	%
Total Revenues	336.5	100.0%	333.4	100.0%	333.4	100.0%
COG's	(268.8)	-79.9%	(266.9)	-80.0%	(266.9)	-80.0%
Services costs	(39.2)	-11.7%	(39.2)	-11.8%	(39.2)	-11.8%
Other operating costs	(2.8)	-0.8%	(0.6)	-0.2%	(2.8)	-0.8%
Personnel costs	(9.2)	-2.7%	(9.4)	-2.8%	(9.4)	-2.8%
EBITDA	16.4	4.9%	17.3	5.2%	15.1	4.5%
D&A	(1.7)	-0.5%	(3.7)	-1.1%	(1.7)	-0.5%
Provisions	(2.9)	-0.9%	(2.8)	-0.9%	(2.8)	-0.9%
EBIT	11.8	3.5%	10.7	3.2%	10.6	3.2%
Net interest	(1.1)	-0.3%	(1.3)	-0.4%	(0.9)	-0.3%
Profit before tax	10.7	3.2%	9.4	2.8%	9.7	2.9%
Taxes	(3.3)	-1.0%	(2.8)	-0.8%	(2.9)	-0.9%
Net Income	7.4	2.2%	6.6	2.0%	6.8	2.0%

2019 data are shown under application (from 1st 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

1Q 2019 - Trade NWC and Net Debt

31.12.17	31.12.18	change	€m	31.03.18	31.03.19	change
376.7	378.5	1.8	Accounts Receivable	371.0	368.8	(2.3)
85	83	(2)	<i>Days</i>	99	99	0
147.6	158.9	11.3	Inventory	161.5	173.6	12.1
42	44	2	<i>Days</i>	54	59	4
(328.9)	(323.2)	5.6	Accounts Payable	(282.5)	(289.6)	(7.1)
94	90	(4)	<i>Days</i>	95	98	3
195.4	214.1	18.8	Trade NWC	250.0	252.8	2.8
33	37	4	<i>Cash conversion cycle (Days)</i>	59	60	1

Trade NWC as at 31 March 2019 is in line with that of the same period of previous year. Increase of Inventory is related to stocking policies implemented in 2H 2018 and is also partially affected by the shift of Easter from 1Q in 2018 to 2Q in 2019

€m	31.03.18	31.03.19	change	net of IFRS 16		
				31.03.18	31.03.19	change
Short-term Net debt	52.0	30.9	(21.0)	52.0	38.5	(13.5)
Long-term debt	(238.7)	(257.9)	(19.2)	(238.7)	(207.9)	30.8
Net Debt	(186.7)	(227.0)	(40.3)	(186.7)	(169.4)	17.3

Due to the application of IFRS 16 from 1st January 2019 Net Debt as at 31 March 2019 increased by 57.5€m and on the other hand fixed assets (under the item "right of use") increased by the same amount

- Reference market is expected positive: according to the most recent report of Confcommercio (April 2019) consumption (in quantity) for “Hotels and Out of Home food consumption” was +1.4% in 1Q 2019
- At the end of April (with a comparable Easter effect) sales in the main client segment of the Street Market grew by 4.0% in the first four months. Sales performance of National Account segment in the first 4-months period was -2.8%, improving compared to -3.3% of 1Q. All in all after 4 months the sales to the Street Market and National Account segments are oriented towards the objectives for the year
- In early April a new fleet of 4 LNG trucks started operating on the routes from the stocking platforms to the distribution centers. This is a pilot and tangible initiative towards the reduction of MARR’s carbon footprint



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