

**GRUPPO MARR**  
**MARR**  
dove c'è ristorazione



## 1H 2021 Results

Conference call – August 3, 2021



# Important information

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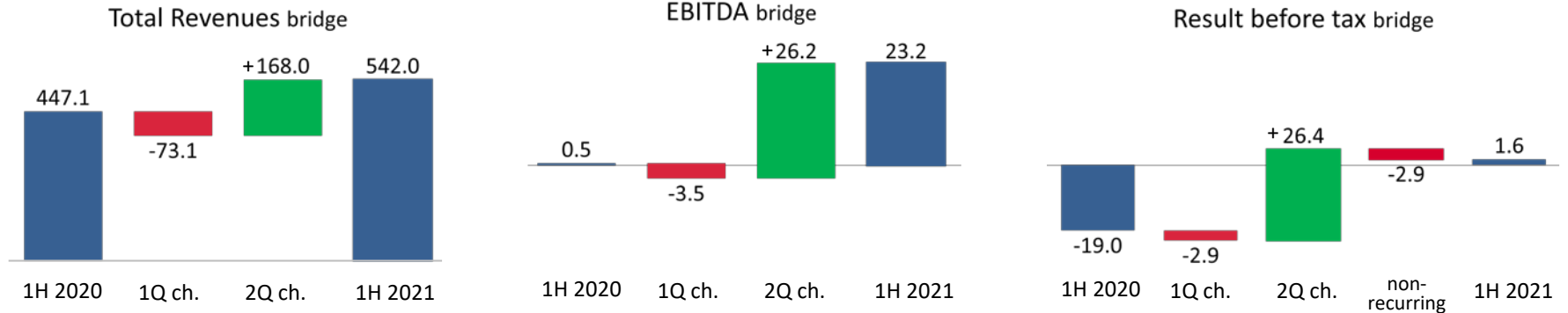
The Group's business is also correlated to tourism flows. Q1 and Q4 represent the low point of the business year, whereby Q2 and Q3 the peak of the seasonality. Therefore quarterly sales, operating results, trade net working capital and net financial indebtedness are impacted by the seasonality and may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



- MARR closes 1H 2021 with significant growth compared with 1H 2020 thanks to the momentum of 2Q (with a positive Net Result), thus confirming its ability to outperform the Market even during the recovery phase
- The first two summer months (June and July) show revenues already comparable with the historical ones of the pre-pandemic period. The strong commitment of the entire organization allows us to express a justified optimism also for the near future
- Closing of a Senior Unsecured bond loan in the US for 100 million Euros
- The Board of Directors convenes the Shareholders' Meeting for September 6, 2021 to resolve on the distribution of a gross dividend of 0.35 Euros per share

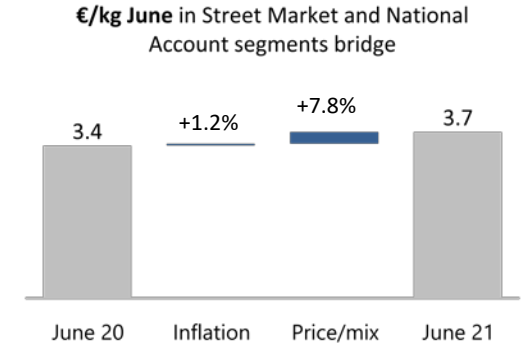
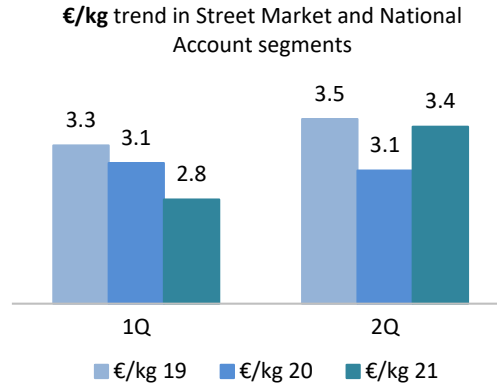
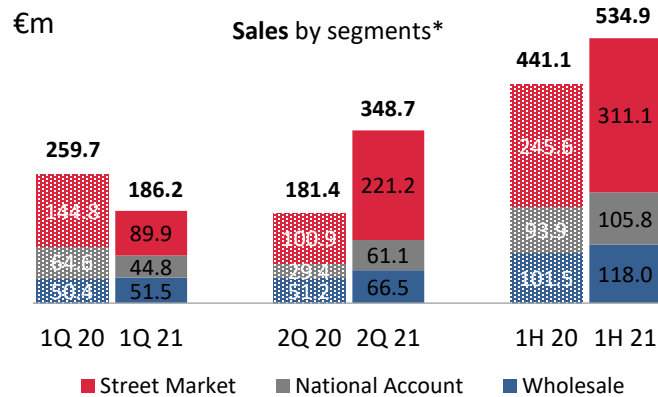
# 1H 2021 – Financial highlights

€m



- Growth of Revenues and profitability in 1H 2021 compared to same period of 2020 was driven by the strong recovery of 2Q: +168€m of Total Revenues, +26€m of EBITDA and +26€m of Result before tax excluding non-recurring items
- Trade NWC as at 30 June 2021 was of 188.9€m (278.0€m at the end of 1H 2020) and thanks to the reduction in the absorption of Trade NWC the Net debt as at 30 June 2021 amounted to 186.5€m decreasing compared to 262.6€m at the end of 1H 2020. Furthermore Net Debt before IFRS 16 effects as at 30 June 2021 was of 125.2€m in full compliance with all covenants for the period

# 1H 2021 – Sales



- Thanks to the robust performance in 2Q (including 16.0€m from Verrini), at the end of the first six months Sales grew in all segments compared to 1H 2020 and were driven by the Street Market segment
- With the recovery of Market conditions the €/kg of Street Market and National Account clients in the last part of the 1H reverted to pre-pandemic levels
- In particular the €/kg of June 2021 passed that of June 2020 with a pure Inflation component still small but expected to be higher in the coming months

\* 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, consequently the 2020 data of sales by client segments were revised for comparison with 2021



# 1H 2021 – Income statement

| 1H 2020       | %      | €m                                      | 1H 2021      | %      |
|---------------|--------|---|--------------|--------|
| <b>447.1</b>  | 100.0% | <b>Total Revenues</b>                   | <b>542.0</b> | 100.0% |
| (369.6)       | -82.7% | COG's                                   | (427.9)      | -79.0% |
| (63.1)        | -14.1% | Services costs                          | (73.4)       | -13.6% |
| (0.8)         | -0.2%  | Other operating costs                   | (1.1)        | -0.2%  |
| (13.0)        | -2.9%  | Personnel costs                         | (16.2)       | -3.0%  |
| <b>0.5</b>    | 0.1%   | <b>EBITDA</b>                           | <b>23.2</b>  | 4.3%   |
| (8.0)         | -1.8%  | D&A                                     | (8.5)        | -1.6%  |
| (8.9)         | -2.0%  | Provisions                              | (7.6)        | -1.4%  |
| <b>(16.4)</b> | -3.7%  | <b>EBIT</b>                             | <b>7.1</b>   | 1.3%   |
| (2.6)         | -0.6%  | Net interest                            | (2.6)        | -0.5%  |
| <b>(19.0)</b> | -4.3%  | <b>Result from recurring activities</b> | <b>4.5</b>   | 0.8%   |
| -             | -      | Non-recurring items                     | (2.9)        | -0.5%  |
| <b>(19.0)</b> | -4.3%  | <b>Result before tax</b>                | <b>1.6</b>   | 0.3%   |
| 5.0           | 1.2%   | Taxes                                   | (0.5)        | -0.1%  |
| <b>(14.0)</b> | -3.1%  | <b>Net Result</b>                       | <b>1.1</b>   | 0.2%   |

- Growth of Revenues was complemented also by recovery of Gross Margin
- While maintaining a high level of service to clients, at the end of 1H 2021 the EBITDA contribution amounted to 23.2€m
- Provisions for Bad Debts were cautiously determined in 4.3€m in 2Q, amounting to 7.0€m at the end of 1H 2021
- Result before tax of 1H 2021 amounted to 1.6€m (-19.0€m in 1H 2020) and was affected by 2.9€m of non-recurring items related to the advance reimbursement for ca 25€m on 23 July 2021 of the USPP loan (in USD and originally due on July 2023) with the available liquidity



# 1H 2021 – Trade NWC and Net Debt

## Trade NWC

| 31.03.20     | 31.03.21     | €m                  | 30.06.20     | 30.06.21     |
|--------------|--------------|---------------------|--------------|--------------|
| 329.0        | 279.2        | Accounts Receivable | 333.7        | 364.2        |
| 179.1        | 144.1        | Inventory           | 148.3        | 166.4        |
| (226.3)      | (190.9)      | Accounts Payable    | (204.0)      | (341.7)      |
| <b>281.8</b> | <b>232.4</b> | <b>Trade NWC</b>    | <b>278.0</b> | <b>188.9</b> |

2020 Accounts Receivable and Payable have been restated respectively net of Payable for rebates to clients and Receivable for premiums to suppliers previously accounted for in Others Payable and Receivable

## Net Debt

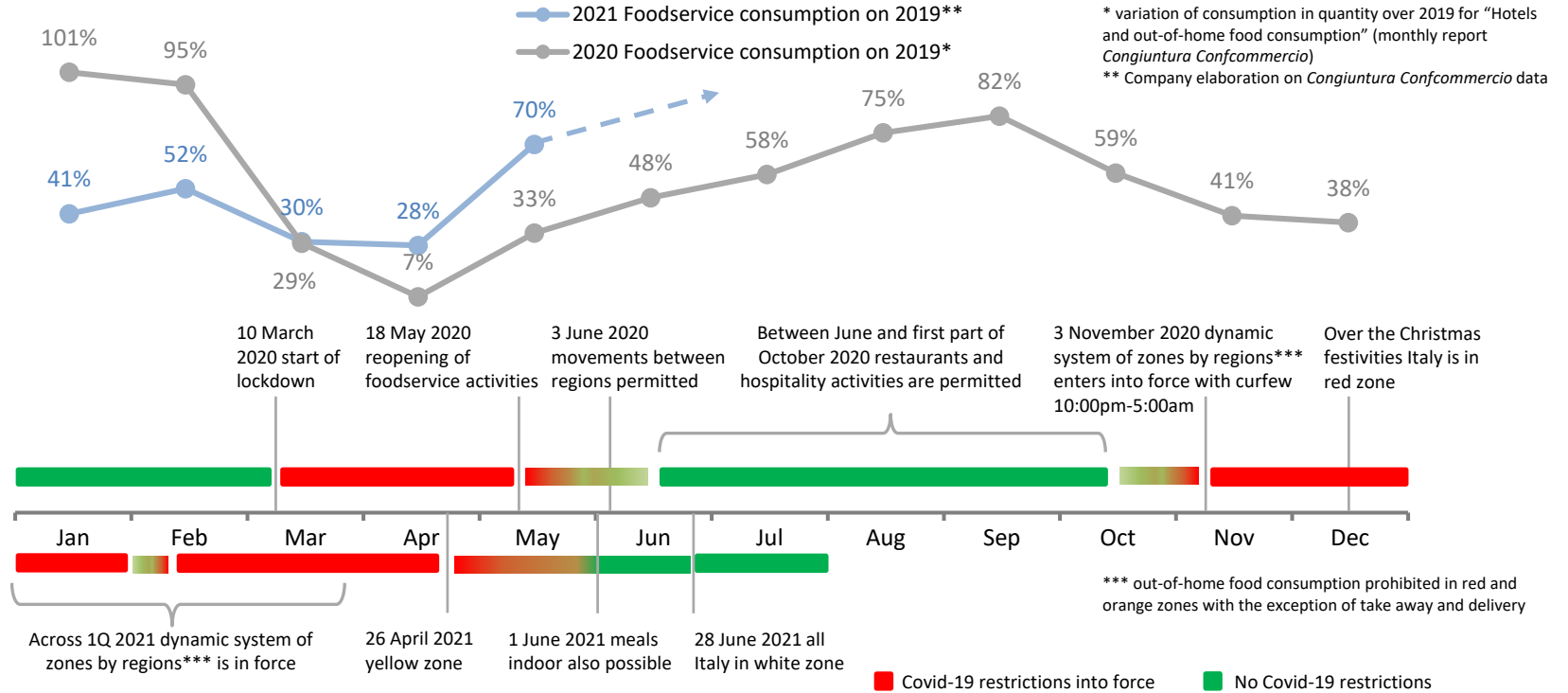
| 31.03.20       | 31.03.21       | €m                  | 30.06.20       | 30.06.21       |
|----------------|----------------|---------------------|----------------|----------------|
| 127.9          | 258.0          | Liquidity           | 174.9          | 296.5          |
| (157.9)        | (157.4)        | Net Short-term debt | (234.5)        | (248.6)        |
| (245.3)        | (336.4)        | Long-term debt      | (203.0)        | (234.3)        |
| <b>(275.4)</b> | <b>(235.8)</b> | <b>Net Debt</b>     | <b>(262.6)</b> | <b>(186.5)</b> |

- With the recovery of sales at the end of 1H 2021, all Trade NWC components increased compared to the same period of 2020, but the normalization of the management of Trade NWC led to a reduction of the related financial absorption

- Net Debt decrease is the effect of that of Trade NWC
- Increase of short-term portion compared to 31 March 2021 is also due to the reclassification from the long-term of the advance reimbursement of the USPP loan

# Market landscape

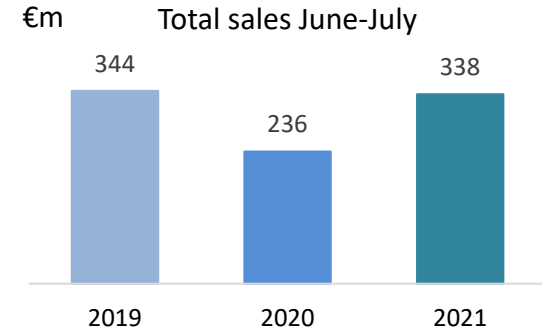
## Covid-19 restrictions to the Foodservice in Italy





# Current trading

- The sales trend of the first two summer months (June and July) fosters the hope of recovery in out-of-home food consumption linked to holidays and tourism and, thanks also to the strong commitment and professionalism of the entire organization, allows to confirm a justified optimism also for the coming months
- An inflationary trend, which had a partial effect in the last part of 1H, is expected higher for the coming months; MARR promptly sought to pass it on to the Market, even though delays may occur in certain instances
- The recent acquisition of Verrini (consolidated since 1<sup>st</sup> April 2021) contributed (16.0€m of Sales in 2Q) to the positive results of 2Q. Verrini's specialization in fresh seafood fosters client loyalty further strengthening the gain of Market share
- In Autumn MARR will release its first Sustainability Report, a further step towards improving the approach to **ESG**





# New private placement

- On 29 July 2021 the closing took place with regard to the issue of Senior Unsecured Notes for 100 Euros million with Pricoa Private Capital (US institutional investor part of the Group The Prudential Insurance Company of America)
- The maturity of the bond loan is 10 years and the reimbursement will take place through 5 annual instalments starting 6 years from the closing date
- The fixed interest annual rate is 1.65% and a step-up mechanism is provided for with an increase up to +50bps in the event that the ratio Net Debt / EBITDA tested as at 31 December exceeds 3.25x
- The declared use of the proceeds will be for refinancing the debt, lengthening the maturity, and for general business purposes of the company including M&A transactions



# Dividend proposal

- The BoD on 15 March 2021 in consideration of the uncertainty regarding the timing and outcome of the pandemic situation had decided to propose to the Shareholders' Meeting not to distribute dividends, reserving the possibility, as the market scenario evolves, of submitting a proposal for the distribution of dividends using the available reserves
- The BoD of today, on the basis of the 1H results and of the positive trend of the Market scenario, convenes the Shareholders' Meeting on 6 September proposing the payment of a gross dividend of 0.35 Euros. The payment (expected in October) will be with the available Reserves (170.5€m as at 30 June 2021), which have been substantially increased with the 2019 Net Result (64.3€m) not distributed and cautiously allocated to Reserves due to the beginning of the spreading of pandemic



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