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## 1Q 2017 Results

Conference call – May 12, 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.

# 1Q 2017 - Highlights



- 2017 started with growth in sales and profitability. However incidence of 1Q on the entire business year is historically small for MARR

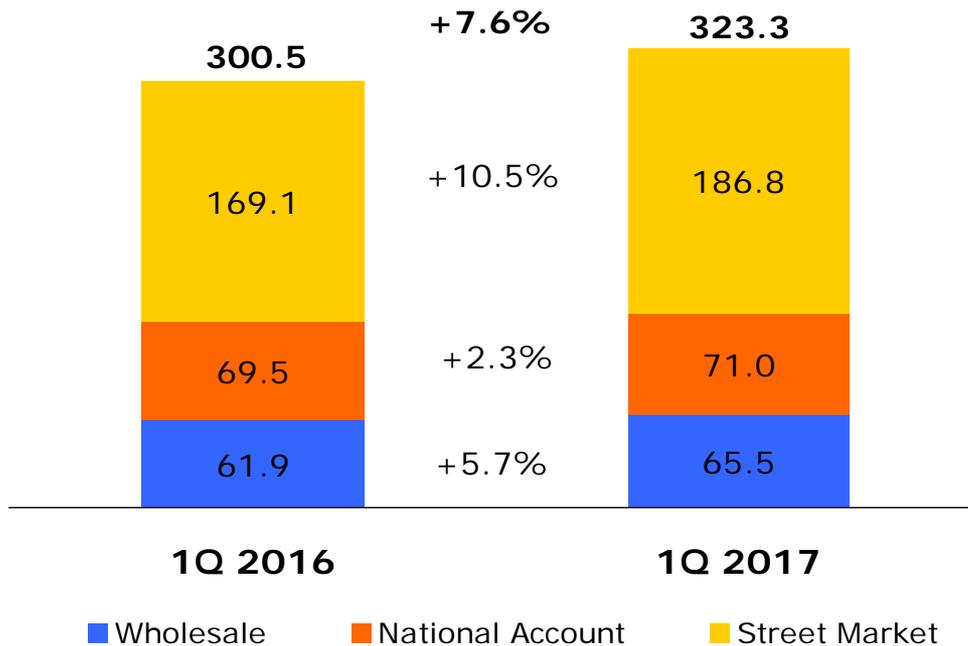
€m	1Q 2016	<b>1Q 2017</b>
Total Revenues	304.6	328.3
EBITDA	14.7	15.4
EBIT	11.1	11.4
Net income	6.2	6.7

- Net debt at the end of the 1Q was of 225.2€m and compared to 187.8€m as at 31 March 2016 was affected by the price for the acquisitions (DE.AL. for 36€m and Specca for 7.3€m) closed in the last 12M and - in terms of Trade NWC - by stocking policies

# 1Q 2017 - Sales



€m



## Growth breakdown

	Organic	Acquisition*
Street Market	+5.0%	+5.5%
National Account	+2.3%	---
SM+NA	+4.2%	+3.9%
Wholesale	+5.7%	---
<b>Total sales</b>	<b>+4.5%</b>	<b>+3.1%</b>

\* Consolidation of DE.AL. since 4 April 2016 and of Speca since 1 January 2017

- Sales in the Street Market segment benefited from the contribution of the acquisitions
- Performance of the National Account segment was helped by a favorable comparison: 1Q 2016 - with Easter falling in March – was penalised by less working days for Canteens
- Growth in the Wholesale segment was due to more fishing campaigns compared to 2016

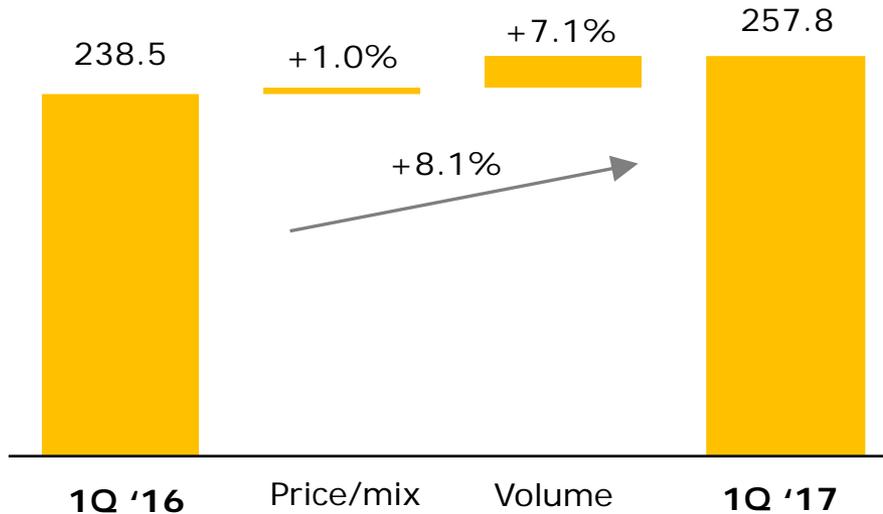
# 1Q 2017 - Sales (Price mix/volume trend)



## Street Market - National Account

€m

client segments



% change vs PY	Price/mix		Volume	
	12M '16	1Q '17	12M '16	1Q '17
Grocery	+0.0	-0.8	+0.0	+7.6
Meat	-0.1	-0.6	-0.1	+6.5
Seafood	+3.8	+4.4	+3.8	+5.8
<b>SM+NA</b>	<b>+1.1</b>	<b>+1.0</b>	<b>+1.1</b>	<b>+7.1</b>

- Small deflation at the end of 2016 in Grocery and Meat product categories was confirmed in 1Q 2017, while confirmed inflation in the Seafood category continues to drive the price/mix
- Growth in the combined Street Market and National Account segments was positively affected by the Volumes deriving from the consolidation of DE.AL. and Speca

# 1Q 2017 - Income statement



€m	1Q 2016	%	1Q 2017	%	% ch.
<b>Total Revenues</b>	<b>304.6</b>	100.0%	<b>328.3</b>	100.0%	+7.8%
COG's	(242.1)	-79.5%	(262.7)	-80.0%	
Services costs	(36.4)	-12.0%	(38.0)	-11.6%	
Other operating costs	(2.6)	-0.8%	(2.8)	-0.9%	
Personnel costs	(8.7)	-2.9%	(9.3)	-2.8%	
<b>EBITDA</b>	<b>14.7</b>	4.8%	<b>15.4</b>	4.7%	+5.0%
D&A	(1.3)	-0.4%	(1.5)	-0.5%	
Provisions	(2.3)	-0.7%	(2.5)	-0.7%	
<b>EBIT</b>	<b>11.1</b>	3.7%	<b>11.4</b>	3.5%	+2.1%
Net interest	(1.5)	-0.5%	(1.6)	-0.5%	
<b>Profit before tax</b>	<b>9.7</b>	3.2%	<b>9.8</b>	3.0%	
Taxes	(3.5)	-1.2%	(3.0)	-0.9%	
<b>Net Income</b>	<b>6.2</b>	2.0%	<b>6.7</b>	2.1%	+8.7%

- Growth in revenues was followed by positive performance of all economic indicators
- Operating margin was affected by slight delays in passing on to clients price increases of some products (e.g. in seafood category) and by the increase of depreciations due to investments and acquisitions

# 1Q 2017 – Trade NWC and Net Debt



€m	31.03.16	<b>31.03.17</b>	change
Accounts Receivable	376.9	385.9	9.0
<i>Days</i>	111	106	(6)
Inventory	138.0	169.4	31.4
<i>Days</i>	51	58	7
Accounts Payable	(256.3)	(285.9)	(29.6)
<i>Days</i>	95	98	3
<b>Trade Net Working Capital</b>	<b>258.6</b>	<b>269.5</b>	10.9
<i>Cash conversion cycle (Days)</i>	67	66	(1)

Improvement of Cash conversion cycle was driven by that of the days of Receivable, even if penalised by increase of Inventory due to some stocking policies started at the end of 2016 and also related to Easter in 2Q and to the coming season

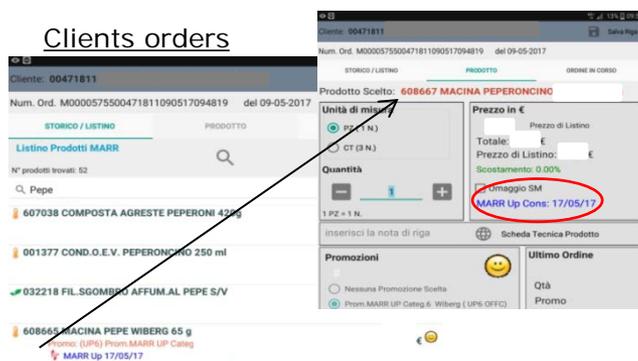
€m	31.03.16	<b>31.03.17</b>	change
Short-term Net debt	(10.6)	(24.5)	(13.9)
Long-term debt	(177.2)	(200.8)	(23.5)
<b>Net Debt</b>	<b>(187.8)</b>	<b>(225.2)</b>	(37.4)

Increase of Net debt was due to dynamics of Trade NWC and to the price for the acquisitions (DE.AL. for 36€m and Specia for 7.3€m) closed in the last 12M

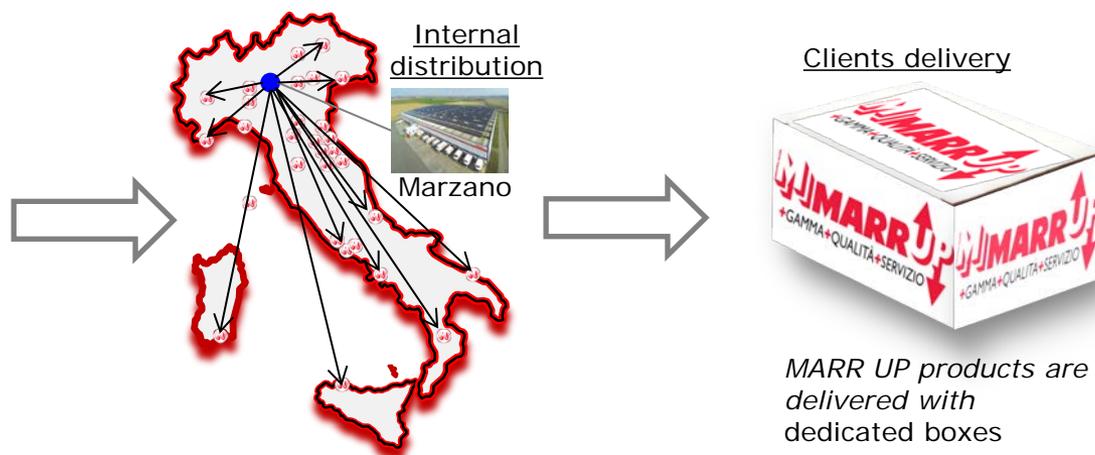
# Current trading



- Sales performance of April – with Easter on 16 April (27 March in 2016) that positively affected the Street Market segment and viceversa penalised the National Account – brings sales of the first four months in line with growth objectives for the year
- Contribution of sales over the period from Speca (acquisition effective since 1 January 2017) was positive
- Initiatives to improve service for clients are continuing. In early May the “MARR UP” project was launched. This is a dedicated range of products stocked in the stocking platform of Marzano (close to Milan) only, but available for all MARR’s distribution centers thanks to an optimized internal distribution system. That means an increase of MARR's commercial proposal



MARRSales (order system for the salesforce) provides delivery date for MARR UP products



MARR UP products are delivered with dedicated boxes



## Investor Relations

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