



1Q 2020 Results

Conference call – May, 14 2020

dove c'è ristorazione



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.

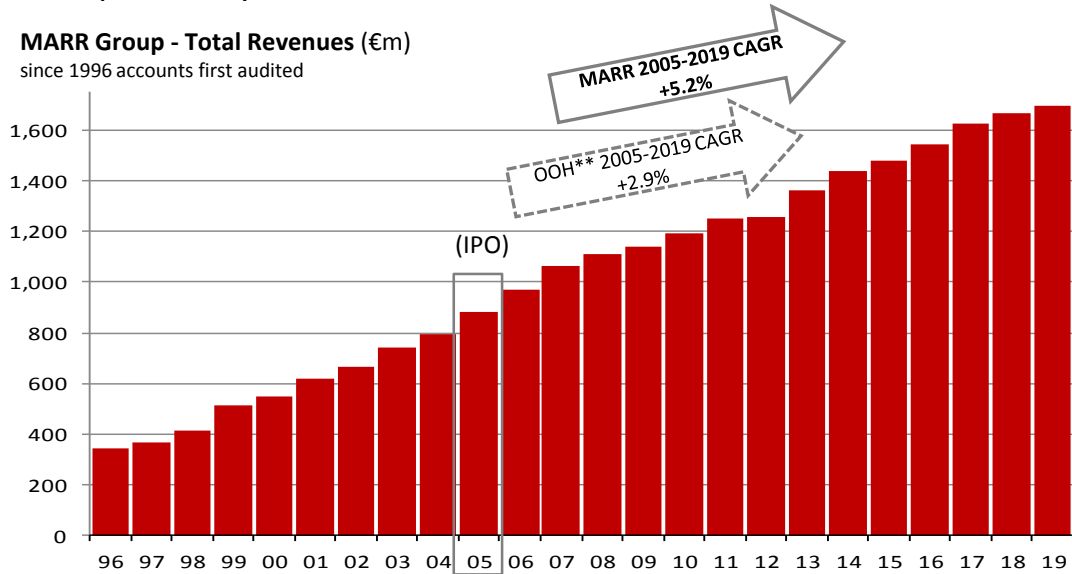


Business environment

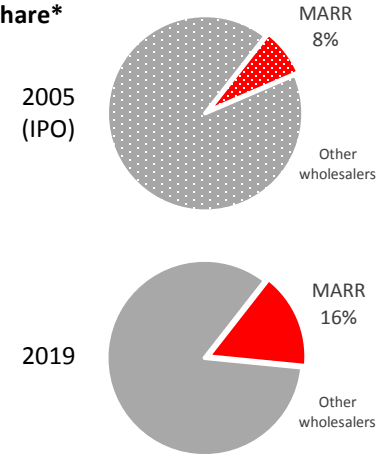
In over 45 years MARR has achieved a constant growth against a background of a resilient reference market. Currently MARR is weathering an unprecedented storm but is confident that it can rely on the commitment and professionalism of its employees and collaborators to see it through these uncharted times. While doing so it will, as in the past, maintain great attention towards its partners and clients, well aware of its market leadership and responsibility towards all stakeholders

MARR Group - Total Revenues (€m)

since 1996 accounts first audited



Market share*



* value of food supply from Wholesalers to the Italian Foodservice

** value of Out-of-Home food consumption in Italy (TradeLab data)



Strategic priorities

Since the beginning of the Covid-19 outbreak MARR has defined a clear course of actions based on

5 strategic priorities:

1. Strengthening of liquidity
2. Tight management of operating costs
3. Consolidation of its leading position
4. Seizing new business opportunities
5. Further strengthening of competitive position



Strategic priorities details

- 1. Strengthening of liquidity:** MARR has kept necessary financial resources (>100€m of liquidity), also thanks to its shareholders by suspending the payment of dividends resulting from most satisfactory 2019 results and can also count on confirmed credit lines (>250€m). In addition MARR in 2020 and as of today subscribed new loans for over 70€m (of which 20€m for refinancing)
- 2. Tight management of operating costs:** reduced fixed costs (in March the saving on Personnel cost was of 45% and in April improved to ca 60%) and optimized logistic network and distribution
- 3. Consolidation of its leading position:** despite actions on efficiency, the standards of service for partners and clients were maintained in compliance with the health and hygiene standards throughout the supply chain, in order to satisfy and safeguard the end Consumer of the Out-of-Home food consumption
- 4. Seizing new business opportunities:** i) forms of service strengthened (e.g. *take away*, *food delivery*); ii) new forms (e.g. *food pack*); iii) novelty for the summer (e.g. the new line “*Grab&Go Fresh Menu*”). New opportunities arise also from the further development of existing product lines (e.g. packaging, disinfectants, *food ready to eat*) and adapting the commercial approach to the changed needs (e.g. digital)
- 5. Further strengthening of competitive position:** as a consequence of the foreseeable market consolidation, as soon as the pandemic will recede and conditions will allow it



Outlook

The strategic priorities, the related actions implemented and the expected progressive reopening, albeit with the health limitations that operators will implement, lead to the hypothesis of a **segmented scenario**:

short term - between now and the end of Spring (2Q) the negative impact will still be significant. Taking into account that in April all the opportunities faded (Easter and long weekends), the gradual slow recovery expected from the second half of May will be diluted

medium term - from the 3Q, and therefore in the most significant period for national tourism, expectations point towards a gradual recovery

long term - already from the first part of 2021 we expect the progressive realignment of Out-of-Home consumption to 1/3 of the total food consumption in Italy. In this period we believe that the market will favor consolidation through aggregations



According to a recent study (TradeLab – Confimprese):

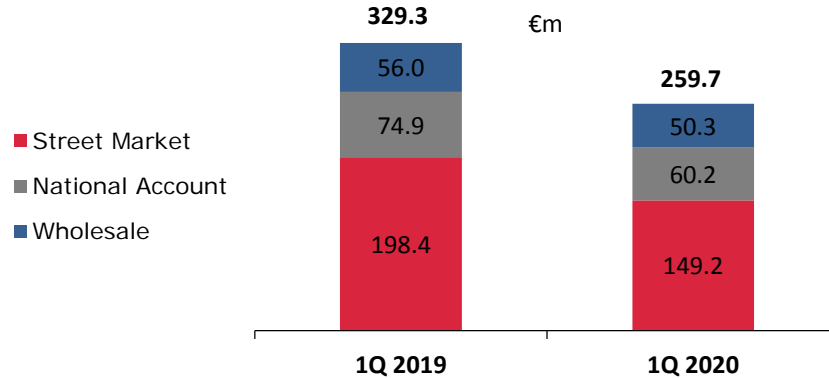
- For 6 out of 10 Italians **food consumption away from home is essential**
- The Food & Beverage consumption Out-of-Home in Italy is worth 86 billion Euros in 2019 (+15% in the last 5 years and 1.2 million of employees)
- 7 out of 10 Italians will try to take a vacation or trip this Summer. "Holiday bonus" for spending **holidays in Italy** can be a further incentive



1Q 2020 – Sales trend and segments

- Consistent top line growth before the Covid-19 outbreak: as at 23 February* Total sales grew by +4.1% (in the January-February period the market** decreased by ca -2%) and were in line with the objectives

- Total Sales of the Quarter were hit by the lockdown and as at 31 March 2020 were of 259.7€m (329.3€m in 1Q 2019)



- Sales to Street Market and National Account segments amounted to 209.4€m (273.4€m in 1Q 2019) with a decrease of -23% compared to -25% in the same period for «Hotels and Out-of-Home food consumption»**, with -70% in March
- According to Federalberghi (May, 2020) the trend for hotel stays was similar: over +4% in January, -7% in February and -90% in March

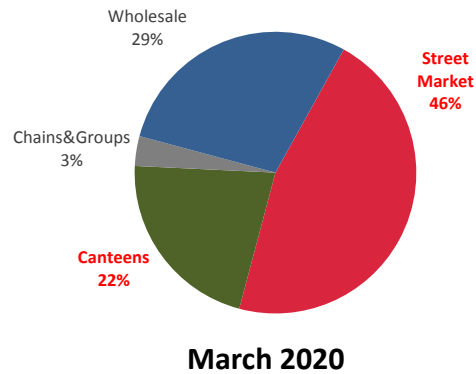
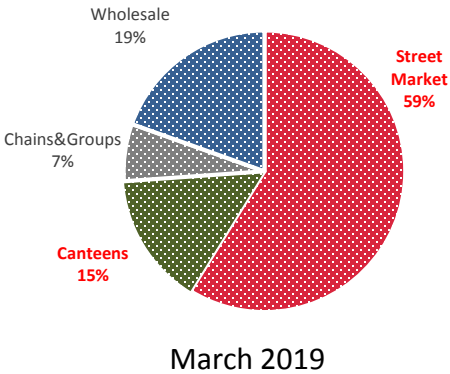
* opening of “red zone” areas in Italy

** Confcommercio data (April, 2020)

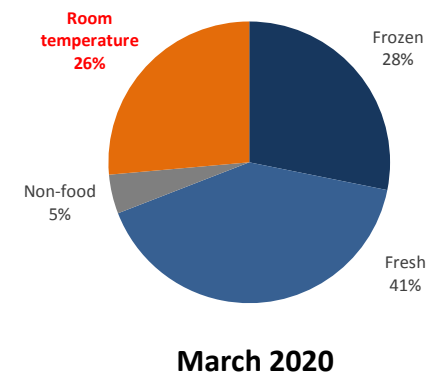
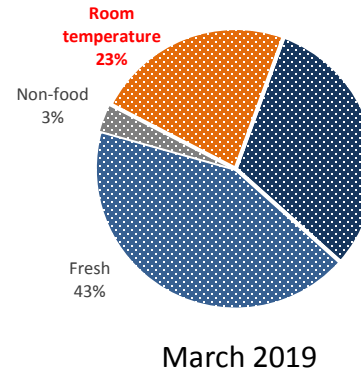
Change in Sales mix

- Because of the Covid-19 outbreak sales mix significantly changed by client segments and by conservation

by segments



by conservation
within SM+NA



- In March sales to Hotels and Restaurants of the Street Market and of Chains&Groups were particularly affected by the lockdown and within Canteens also those to Schools
- As a result of the change in mix of segments and of conservation the €/kg in the Street Market and National Account segments moved from 3.3€ (March 2019) to 2.6€ (March 2020). This shift affected the dilution of operating costs



1Q 2020 – Income statement

1Q 2019	%	€m	1Q 2020	%
333.4	100.0%	Total Revenues	261.7	100.0%
(266.9)	-80.0%	COG's	(213.9)	-81.7%
(39.2)	-11.8%	Services costs	(35.7)	-13.7%
(0.6)	-0.2%	Other operating costs	(0.5)	-0.2%
(9.4)	-2.8%	Personnel costs	(8.0)	-3.0%
17.3	5.2%	EBITDA	3.6	1.4%
(3.7)	-1.1%	D&A	(4.0)	-1.5%
(2.8)	-0.9%	Provisions	(3.8)	-1.5%
10.7	3.2%	EBIT	(4.2)	-1.6%
(1.3)	-0.4%	Net interest	(1.2)	-0.5%
9.4	2.8%	Profit before tax	(5.4)	-2.1%
(2.8)	-0.8%	Taxes	1.4	0.6%
6.6	2.0%	Net Result	(4.0)	-1.5%

- Lockdown in March hit the 1Q Results, that in the January-February period were in line with the objectives: Revenues +3.7%; EBITDA +4.5%; EBIT +5.7%; Profit before tax +10.2%
- Operating costs affected by Sales mix
- Actions to mitigate fixed costs were promptly implemented, among which the careful recourse to the available labour law initiatives with a 45% of saving on the Personnel cost in March
- Provisions of the Quarter have been tailored to the changed environment
- Net Result as at 31 March was of -4.0€m (EPS -0.06€)



1Q 2020 – Trade NWC and Net Debt

Trade NWC

31.03.19	€m	31.03.20
368.8	Accounts Receivable	337.5
173.6	Inventory	179.1
(289.6)	Accounts Payable	(227.7)
252.8	Trade NWC	288.9

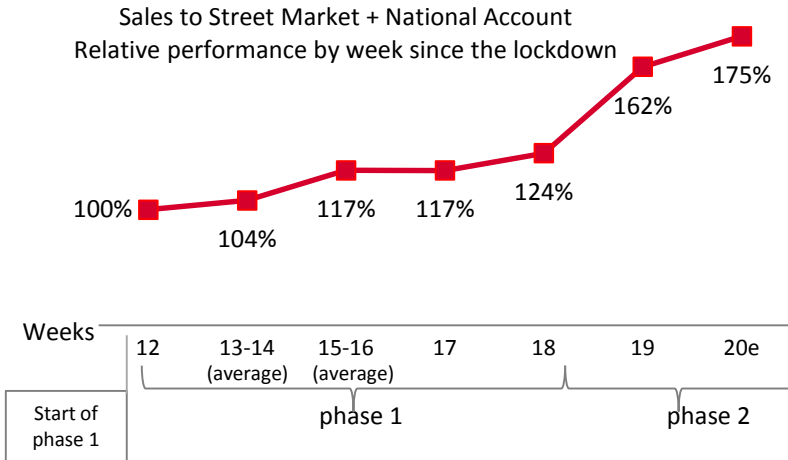
Net Debt

31.03.19	€m	31.03.20
158.4	Liquidity	134.2
(127.5)	Short-term debt	(164.3)
(257.9)	Long-term debt	(245.3)
(227.0)	Net Debt	(275.4)

- Trade NWC expansion was mainly due to the reduction of Accounts Payable
- Management guidelines of Trade NWC are:
 - i) credit collection and monitoring credit risk, with a selected approach for supporting the recovery, safeguarding the company assets
 - ii) turnover of inventory
 - iii) re-alignment of payable to receivable
- Important Liquidity and maturity profile were maintained
- MARR faces this situation with resources and a solid financial structure

Current trading

- In April with a full lockdown situation and all opportunities lost (Easter and long weekends), in any case 1/5 of sales were maintained exploiting product and commercial competencies for dedicated proposals related to the allowed catering formulas (e.g. targeted products including packaging and accessories for food delivery)



Sales to Street Market and National Account trend by week

Ability to react is witnessed by the fact that in week 18 (the last of “phase 1”) compared to week 12 (starting 16th March, i.e. the first week of full lockdown) sales grew by over 20%.

In week 19 (the first of “phase 2”, with take away allowed) sales increased by 30% compared to week 18

- MARR activated dedicated commercial proposals in order to support clients and partners during the lockdown and also in light of the forthcoming re-opening of Foodservice activities



“Noi di MARR ci siamo”

- Out-of-Home food consumption is part of daily habits, food experience is fundamental for Italians and is crucial in the important tourism offer of Italy
- MARR has 5 clear **strategic priorities** and wants to play its role as **market leader** on the basis of:
 - Experience
 - Competencies
 - Resources
 - Ideas and Initiatives



LA NOSTRA IDEA DI STARTER KIT FOOD DELIVERY

MARR
www.marr.it

In base agli attuali provvedimenti emessi dal Governo l'attività di ristorazione con consegna a domicilio è consentita nel rispetto delle norme igienico sanitarie per il trasporto e il confezionamento. Il servizio di food delivery deve inoltre essere eseguito attraverso l'adozione delle misure di sicurezza necessarie per contrastare la diffusione del Covid-19, proteggendo gli altri e se stessi



MARR: sempre vicina al Cliente

MARR NEWS

In questo momento particolare MARR non cede alle difficoltà e con la sua rete distributiva offre ai tutti il servizio standard continuo e garantisce il servizio ai Clienti che stanno operando sul mercato. In particolare alla struttura operativa pubblica e privata, alle comunità, alle aziende per anziani e ai ristoranti che stanno navigando attraverso il "lockdown".

Tutto questo nel pieno rispetto delle norme vigenti e delle sicure disposizioni di coordinato emanate dal Governo.

MARR non si ferma... stiamo già lavorando per ampliare la nostra proposta commerciale ed essere al fianco di tutti i nostri Clienti, al momento delle ripartenze delle attività di ristorazione.

Con il nostro Team Chef MARR Assolavori stiamo delineando una linea di prodotti **leverabili in Italia**, pronti a soddisfare le nuove esigenze della ristorazione.

La qualità è sempre al primo posto e la scelta degli imballi e il contenuto di servizio sono: **Innovativi e funzionali nel rispetto dell'ambiente.**

A presto... a prendersi cura di Voi

Noi di MARR ci siamo!



Perché scegliere MARR

MARR, in ogni momento agli operatori della ristorazione, ha messo a punto una gamma di prodotti specifici per il Food Service con l'obiettivo di rispondere ai gruppi Clienti di aziende ad alto margine di sicurezza.

La gamma MARR comprende i seguenti servizi di applicazione:

- Prodotti per l'igiene e pulizia di ambienti e delle superfici (compresi le attrezzature da cucina e servizi sanitari)
- Prodotti e attrezzature per l'igiene e la sicurezza della persona (liberi e personali)
- Prodotti per l'igiene delle stoviglie e del barattolo

L'assortimento comprende le seguenti linee di prodotto:

- LINEA DISINFETTANTI: soluzioni igienizzanti e sanificanti
- LINEA DETERSIVI: sono prodotti che vengono usati in commercio solo dopo aver ottenuto una specifica autorizzazione da parte del Ministero della Salute e della Commissione Europea e registrati (come Povidone Iodine-Chloroxine (PMI)).

Per maggiori informazioni e approfondimenti, potete consultare il sito del Ministero della Salute in data del 24 del 27 febbraio 2020 per la pubblica ambienti non Sanitari e per l'igiene delle mani. [Clicca qui](#)



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