



45  
da oltre *anni*

# 1Q 2018 Results

Conference call – May 14, 2018



# Important information



This presentation is being shown to you solely for your information and may not be reproduced, distributed to any other person or published, in whole or in part, for any purpose.

The information in this presentation could include forward-looking statements which are based on current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its subsidiaries and investments. Including, among other things, the development of its business, trends in its operating industry, and future capital expenditures and acquisitions. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur. No one undertakes to publicly update or revise any such forward-looking statements.

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 2018 - Highlights



- 2018 started with growth in sales and profitability. However incidence of 1Q on the entire business year is historically small for MARR

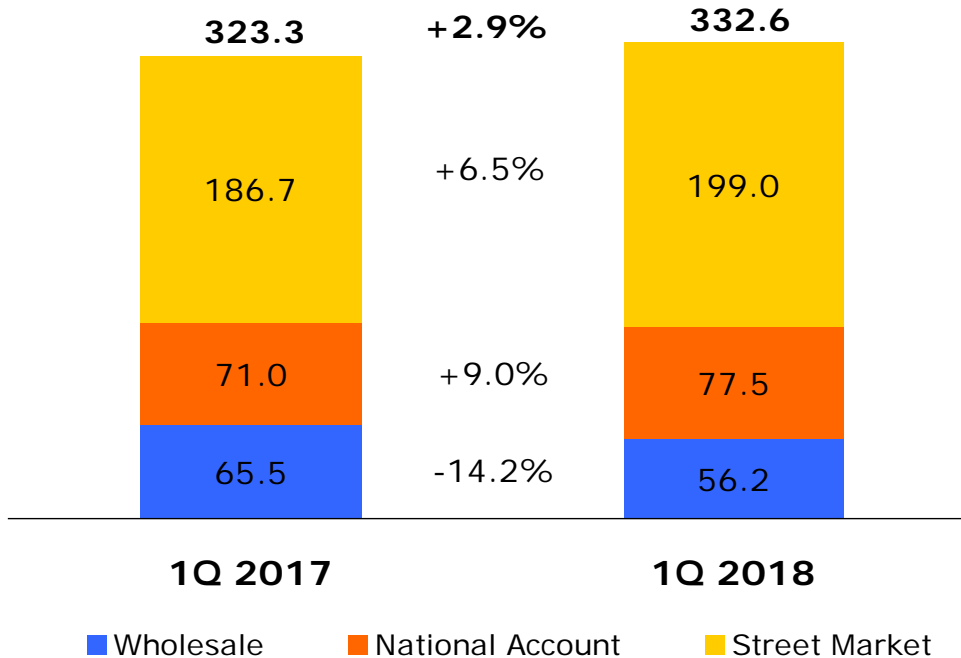
€m	1Q 2017	<b>1Q 2018</b>
Total Revenues	328.3	336.5
EBITDA	15.4	16.4
EBIT	11.4	11.8
Net income	6.7	7.4

- Trade NWC as at 31 March 2018 stood at 250.0€m compared to 269.5€m at the end of 1Q 2017
- Net debt at the end of the 1Q was of 186.7€m decreasing compared to 225.2€m as at 31 March 2017 that was affected also by the acquisition of Speca (with effect from January 1, 2017)

# 1Q 2018 - Sales



€m



- 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, April 2018), grew (in quantity) by 2.5% in 1Q 2018

- Sales in the Street Market segment benefited from Easter: on 1<sup>st</sup> April (with effect in terms of sales entirely in 1Q) compared to 16<sup>th</sup> April in 2017
- Growth in the National Account segment was driven by the sub-segment of Chains & Groups of hotels and restaurants, growth of which is expected to normalize in line with the objectives for the year in the following quarters
- Decrease of Wholesale was due to scarcity of fished frozen seafood (i.e. octopus fishing campaign)

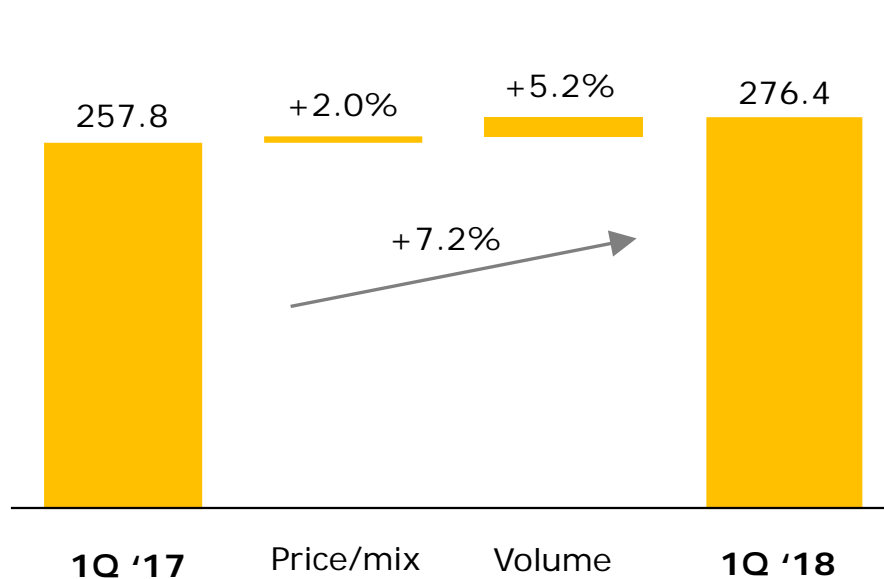
# 1Q 2018 - Sales (Price mix/volume trend)



## Street Market - National Account

€m

client segments



% change vs PY	Price/mix		Volume	
	12M '17	1Q '18	12M '17	1Q '18
<b>SM+NA</b>	+1.6	<b>+2.0</b>	+4.1	<b>+5.2</b>
<i>of which by main product categories:</i>				
Grocery	+0.9	<b>+3.2</b>	+3.7	<b>+4.2</b>
Meat	+0.2	<b>+1.4</b>	+4.1	<b>+7.8</b>
Seafood	+3.9	<b>+1.3</b>	+3.6	<b>+3.9</b>

- Increase of Price/mix compared to the 2017 trend was driven by inflationary trends in some categories of Grocery (i.e. Olive oil) and Meat (i.e. Poultry and Lamb in Easter period)
- Price/mix in Seafood decreased compared to the 2017 trend and was due to deflation in calamari and shrimps, compensating inflation in octopus



# 1Q 2018 - Income statement



€m	1Q 2017	%	1Q 2018	%	% ch.
<b>Total Revenues</b>	<b>328.3</b>	100.0%	<b>336.5</b>	100.0%	+2.5%
COG's	(262.7)	-80.0%	(268.8)	-79.9%	
Services costs	(38.0)	-11.6%	(39.2)	-11.7%	
Other operating costs	(2.8)	-0.9%	(2.8)	-0.8%	
Personnel costs	(9.3)	-2.8%	(9.2)	-2.7%	
<b>EBITDA</b>	<b>15.4</b>	4.7%	<b>16.4</b>	4.9%	+6.2%
D&A	(1.5)	-0.5%	(1.7)	-0.5%	
Provisions	(2.5)	-0.7%	(2.9)	-0.9%	
<b>EBIT</b>	<b>11.4</b>	3.5%	<b>11.8</b>	3.5%	+3.9%
Net interest	(1.6)	-0.5%	(1.1)	-0.3%	
<b>Profit before tax</b>	<b>9.8</b>	3.0%	<b>10.7</b>	3.2%	
Taxes	(3.0)	-0.9%	(3.3)	-1.0%	
<b>Net Income</b>	<b>6.7</b>	2.1%	<b>7.4</b>	2.2%	+10.5%

Growth in revenues was followed by positive performance of all economic indicators, more in detail:

- Recovery at EBITDA level was due to a slightly better gross margin and to a control of all 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

# 1Q 2018 – Trade NWC and Net Debt



€m	31.03.17	<b>31.03.18</b>	change
Accounts Receivable	385.9	371.0	(14.9)
<i>Days</i>	106	99	(7)
Inventory	169.4	161.5	(7.9)
<i>Days</i>	58	54	(4)
Accounts Payable	(285.9)	(282.5)	3.4
<i>Days</i>	98	95	(3)
<b>Trade NWC</b>	<b>269.5</b>	<b>250.0</b>	(19.5)
<i>Cash conversion cycle (L)</i>	66	59	(7)

Trade NWC decrease was driven by that of Accounts Receivable with consequent improvement of DSO

€m	31.03.17	<b>31.03.18</b>	change
Short-term Net debt	(24.5)	52.0	76.4
Long-term debt	(200.8)	(238.7)	(37.9)
<b>Net Debt</b>	<b>(225.2)</b>	<b>(186.7)</b>	38.5

Net Debt decreased compared to that as at 31 March 2017, that was affected also by the acquisition of Speca

# Current trading



- The sales trend in April brings sales to Street Market and National Account clients at the end of the first four months in line with the growth objectives for the year
- According to views of tourist and foodservice operators the reference market is expected to confirm a positive trend in the coming Summer season
- In the Wholesale, where availability of fished seafood affects sales, the priority remains a stable contribution in terms of operating profitability
- Programme of launch of private label products – in the direction of specialization and service – is continuing



*Crocchante sorprese* a line of 12 elaborated schnitzels, under the recipes of «MARR Academy»

*La Speciale* an extensive selection of spices by MARR, with an innovative packaging to facilitate the utilization





## Investor Relations

<b>Antonio Tiso</b>	atiso@marr.it	tel.	+39 0541 746803
		mob.	+39 331 6873686
<b>Léon Van Lancker</b>	Ivanlancker@marr.it	mob.	+39 335 1872014

### **MARR S.p.A.**

Via Spagna, 20 - 47921 Rimini (Italy)

website [www.marr.it](http://www.marr.it)