



## Full Year 2018 Results

Conference call – March, 12 2019

dove c'è ristorazione

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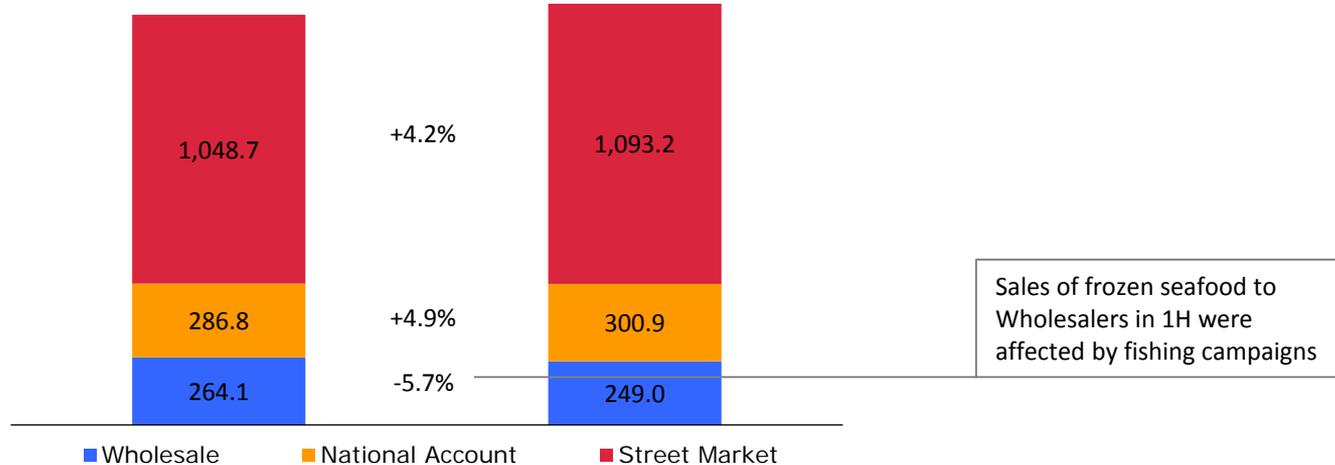
The information in this presentation could include forward-looking statements which are based on current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its subsidiaries and investments. Including, 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.

- **Total revenues** 1,667.4€m (1,624.6€m in 2017)
- **EBITDA and EBIT** respectively of 119.3€m (116.0€m in 2017) and 99.2€m (97.0€m in 2017)
- **Net income** 68.5€m compared to 65.5€m in 2017
- **Trade NWC** 214.1€m compared to 195.4€m at 2017 year-end
- **Net Debt** 156.6€m (157.6€m at 2017 year-end)
- **DPS proposal** 0.78€ of proposed gross DPS compared to 0.74€ of the previous year

	FY 2017	change	FY 2018
Total revenues	1,624.6	+2.6%	1,667.4

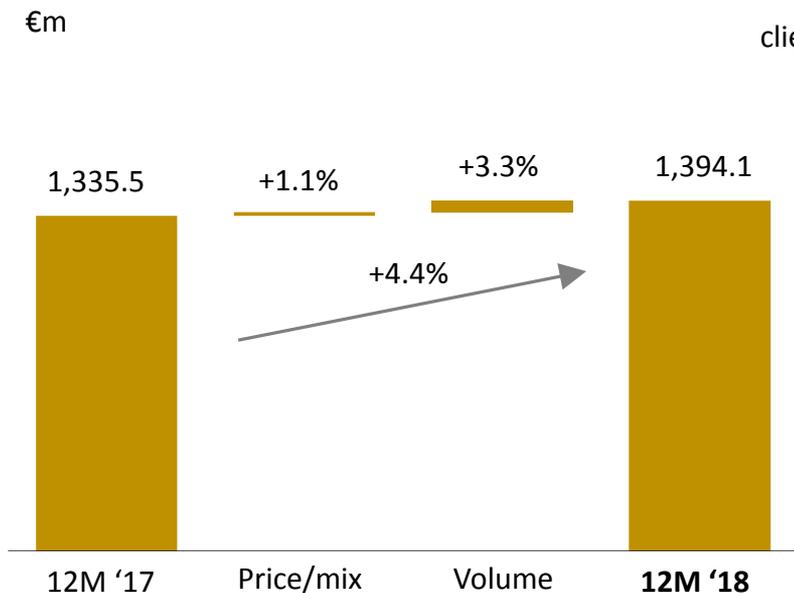
**Total sales** **1,599.5** **+2.7%** **1,643.1**



- Sales in the Street Market and National Account client segments were positive and line with the objectives, thus strengthening the presence of the Group in the food supply to the Italian Foodservice. According to *Confcommercio* data (February 2019) consumption (in quantity) for “Hotels, meals and out of home food consumption” in Italy grew by 1.4%

## Street Market - National Account

client segments



% change vs PY	Price/mix		Volume	
	9M '18	12M '18	9M '18	12M '18
<b>SM+NA</b>	+1.0	<b>+1.1</b>	+3.4	<b>+3.3</b>
<i>of which by main product categories:</i>				
Grocery	+1.3	<b>+1.3</b>	+3.1	<b>+2.9</b>
Meat	+0.5	<b>+0.8</b>	+4.5	<b>+4.1</b>
Seafood	+0.8	<b>+1.1</b>	+3.4	<b>+3.4</b>

- Over the 12 months period a Price/mix component of about 1% was confirmed for all food categories. Volume growth of sales to the foodservice operators (clients of Street Market and National Account segments) outpaced the consumption (in quantity) of foodservice demand

# FY 2018 - Income statement

€m	FY 2017	%	FY 2018	%	% ch
<b>Total Revenues</b>	<b>1,624.6</b>	100.0%	<b>1,667.4</b>	100.0%	+2.6
COG's	(1,279.7)	-78.7%	(1,313.6)	-78.8%	
Services	(180.0)	-11.1%	(185.2)	-11.1%	
Other operating costs	(11.3)	-0.7%	(11.6)	-0.7%	
Personnel costs	(37.5)	-2.4%	(37.7)	-2.2%	
<b>EBITDA</b>	<b>116.0</b>	7.1%	<b>119.3</b>	7.2%	+2.8
D&A	(6.6)	-0.4%	(7.2)	-0.4%	
Provisions	(12.4)	-0.7%	(12.9)	-0.8%	
<b>EBIT</b>	<b>97.0</b>	6.0%	<b>99.2</b>	6.0%	+2.3
Net interest and ForEx	(5.1)	-0.3%	(4.3)	-0.3%	
<b>Result from recurrent activities</b>	<b>91.9</b>	5.7%	<b>94.9</b>	5.7%	+3.2
Non recurrent items	---	---	0.8	0.0%	
<b>Profit before tax</b>	<b>91.9</b>	5.7%	<b>95.8</b>	5.7%	+4.1
Taxes	(26.4)	-1.7%	(27.3)	-1.6%	
<b>Net income</b>	<b>65.5</b>	4.0%	<b>68.5</b>	4.1%	+4.6
<i>Tax rate</i>	<i>28.8%</i>		<i>28.5%</i>		

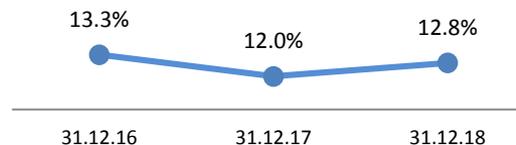
Thanks to control of gross margin and operating costs, EBITDA margin increased by 2 bps: from 7.14% in 2017 to 7.16% in 2018

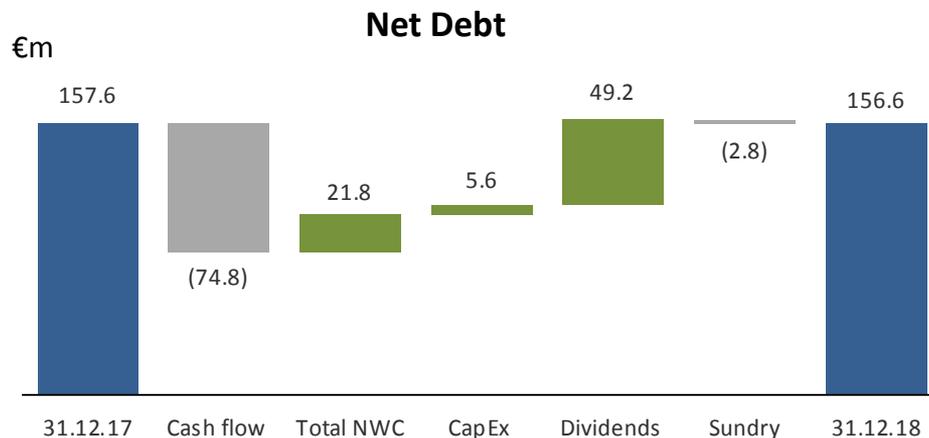
Non recurring net proceeds of 0.8€m include 1.0€m of interest proceeds related to the closing (in 4Q 2018) of the tax dispute that arose in 2000 and for which the Inland Revenue repaid 6.0€m that MARR had paid in advance while awaiting judgment

30.09.17	30.09.18	change	€m	31.12.17	31.12.18	change
431.9	435.1	3.2	Accounts Receivable	376.7	378.5	1.8
92	91	(1)	Days	85	83	(2)
139.3	150.3	11.0	Inventory	147.6	158.9	11.3
38	40	2	Days	42	44	2
(366.8)	(382.4)	(15.6)	Accounts Payable	(328.9)	(323.2)	5.6
100	102	2	Days	94	90	(4)
<b>204.4</b>	<b>203.0</b>	<b>(1.4)</b>	<b>Trade Net Working Capital</b>	<b>195.4</b>	<b>214.1</b>	<b>18.8</b>
31	30	(1)	Cash conversion cycle (Days)	33	37	4

- DSO further improved at the year-end decreasing by 2 days. Increase of Inventory at the year-end was in line with that of 30 September last, that was due to stocking opportunities related to some fishing campaigns

- The ratio Trade NWC on Total revenues remained below 13%

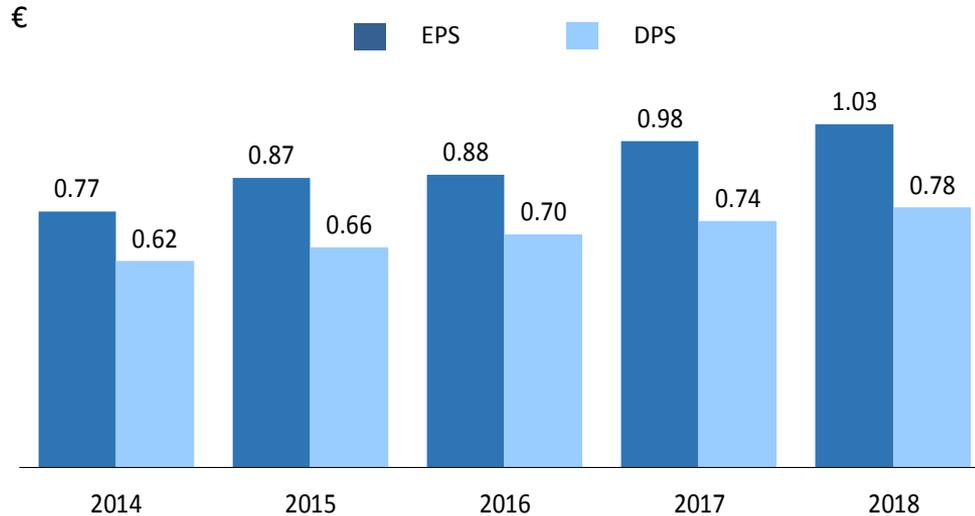




Operating Cash flow amounted to 74.8€m (70.7€m in 2017) and Net Debt remained stable after the payment of 49.2€m of Dividends (46.6€m in 2017) and 5.6€m of net Investments

- The Net Debt on EBITDA ratio at the year end was 1.3x (1.4x in 2017) and indebtedness was in line with the objectives also in terms of maturity

30.09.17	30.09.18	change	€m	31.12.17	31.12.18	change
6.2	80.6	74.4	Short-term Net debt	38.1	61.7	23.6
(174.8)	(227.9)	(53.1)	M/L-term debt	(195.7)	(218.4)	(22.7)
<b>(168.6)</b>	<b>(147.3)</b>	21.3	<b>Net Debt</b>	<b>(157.6)</b>	<b>(156.6)</b>	1.0

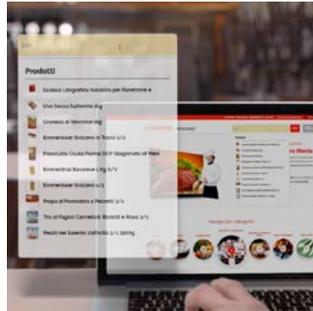


- The Board of Directors proposes for approval at the Shareholders' meeting of next 18th April a gross DPS of 0.78€ (+5% compared the DPS of 0.74€ of the previous year)
- Net income not distributed will be allocated to Reserves in order to maintain a balanced financial structure and to continue to finance the growth in terms of absorption of Trade NWC related to the Organic growth and investments for maintenance, operating capacity and innovation

- In an uncertain economic environment the foodservice in Italy is expected to confirm its structural characteristics of resilience. On the other hand the goal of the MARR Group remains that of pursuing the strengthening of its market leadership through the specialization of its service and products solutions.

This approach to the market is pursued jointly with the objectives of maintaining the levels of profitability achieved and of keeping the absorption of working capital under control

- About 900 people of the Sales Organization of the MARR Group participated to the Commercial Convention held in February. The event has been the occasion to share initiatives and tools aimed at increasing the level of service to the clients. These initiatives are geared towards specialization of the Sales Organization, digital technologies and sustainability



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