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Diffusione presunta

Oggetto : MARR: The Board of Directors of MARR
approves the consolidated financial
statements as at 31 December 2017

Testo del comunicato

Vedi allegato.

The Board of Directors of MARR approves the consolidated financial statements as at 31 December 2017:

- **Consolidated profits of 65.5 million Euros (58.5 in 2016)**
- revenues and operating profits also increased:**
- **Total consolidated revenues of 1,624.6 million Euros (1,544.4 in 2016)**
 - **Consolidated EBITDA of 116.0 million Euros (111.0 in 2016)**
 - **Consolidated EBIT of 97.0 million Euros (92.7 in 2016)**

Gross dividend of 0.74 Euros proposed (0.70 Euros in the previous year)

Rimini, 14 March 2018 – The Board of Directors of MARR S.p.A. (Milan: MARR.MI), the leading company in Italy in the sale and distribution of food products to the foodservice sector, today approved the consolidated financial statements and the draft of the MARR S.p.A. financial statements for the 2017 business year, that will be submitted to the Shareholders' Meeting on 28 April.

Main consolidated results for the 2017 business year

The 2017 business year closed with total consolidated revenues amounting to 1,624.6 million Euros, compared to 1,544.4 million in 2016.

The operating profits also increased, with EBITDA of 116.0 million Euros (111.0 in 2016) and EBIT of 97.0 million (92.7 in 2016).

The net consolidated profits amounted to 65.5 million Euros, an increase compared to 58.5 million in 2016, also thanks to a reduction in the taxation charges due to the reduction in the IRES rate.

As at 31 December 2017, the net trade working capital amounted to 195.4 million Euros, a reduction compared to 205.9 million Euros at the end of the 2016 business year.

The net financial position as at 31 December 2017 amounted to 157.6 million Euros (177.5 million at the end of 2016) with a Net Debt / EBITDA ratio of 1.4x, an improvement compared to 1.6x in 2016.

The net consolidated equity as at 31 December 2017 amounted to 304.7 million Euros (285.6 million Euros in 2016).

Results of the Parent Company MARR S.p.A. and dividend proposal

The Parent Company MARR S.p.A. closed the 2017 business year with 1,543.1 million Euros in total revenues (1,421.3 million in 2016) and net profits of 63.2 million Euros (55.8 million in 2016).

The Board of Directors has proposed to the Shareholders' Meeting to be held on 28 April the distribution of a gross dividend of 0.74 Euros (0.70 Euros the previous year) with "ex-coupon" (no. 14) on 28 May, record date on 29 May and payment on 30 May. The profits not distributed will be allocated to the Reserves.

Results by sector of activity for the 2017 business year

Sales of the MARR Group in 2017 amounted to 1,599.5 million Euros, compared to 1,516.2 million in 2016.

In particular, the sales to customers in the Street Market and National Account categories reached 1,335.5 million Euros (1,263.7 million in 2016).

Sales in the main Street Market category (restaurants and hotels not belonging to Groups or Chains) reached 1,048.7 million Euros (983.9 million in 2016), with a contribution of 18.3 million Euros from the acquisitions of DE.AL. (4 April 2016) and Specca (effective from 1 January 2017).

As regards the trend of the reference end market of customers in the Street Market segment, on the basis of the most recent survey by the Confcommercio Studies Office ("Congiuntura" Confcommercio no. 2, February 2018) the item "Hotels, meals and out of home consumption" recorded an increase in consumption (by quantity) in 2017 of +2.3% (+1.6% in 2016 – February 2018¹).

Sales to clients in the National Account category (operators of Chains and Groups and Canteens) amounted to 286.8 million Euros (279.8 in 2016).

Sales to customers in the Wholesale category reached 264.0 million Euros, compared to 252.5 million in 2016.

Outlook

The outlook for the reference market of out-of-home food consumption in Italy ("foodservice") is that it may show growth trends also in 2018.

In order to take advantage of most of the market opportunities and strengthen its leadership, the MARR Group has confirmed its focus on process and product innovation as a means of enhancing the specialisation of its commercial offer and thus fostering client loyalty.

This market approach is pursued together with the objective of maintaining the levels of profitability achieved and keeping the absorption of the working capital under control.

MARR (Cremonini Group), listed on the STAR segment of the Italian Stock Exchange, is the leading Italian company in the specialised distribution of food products to the foodservice and is controlled by Cremonini S.p.A..

With an organisation comprising more than 800 technical sales agents, MARR serves over 45,000 customers (mainly restaurants, hotels, pizza restaurants, holiday resorts and canteens), with an offer that includes over 10,000 food products, including seafood, meat, various food products and fruit and vegetables.

The company operates nationwide through a logistical-distribution network composed of 34 distribution centres, 5 cash & carry, 4 agents with warehouses and over 700 vehicles.

In 2017 the MARR group achieved total consolidated revenues amounting to 1,64.6 million Euros, consolidated EBITDA of 116.0 million Euros and consolidated net profit of 65.5 million Euros.

For more information about MARR visit the company's web site at www.marr.it

The manager responsible for preparing the company's financial reports, Pierpaolo Rossi, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

¹ It should be noted that the historical data of the ICC indicators (Confcommercio Consumer Indicators) may vary due to the availability of more updated figures.

The 2017 Full Year results will be illustrated in a conference call with the financial community, to be held today at 5:30 pm (CET), This presentation will be available in the “Investor Relations – Presentations” section of the MARR website (www.marr.it) from 5:15 pm today.

The speech in English of the presentation with a summary of the Q&A session will be published in the “Investor Relations – Presentations” (English version) section, where it will be available for 7 days from the morning of Thursday, 15 March.

Press contact

Luca Macario
lmacario@marr.it
mob. +39 335 7478179

Investor relations

Antonio Tiso
atiso@marr.it
tel. +39 0541 746803

This press release contains forecast elements and elements which reflect the current opinions of the management team (forward-looking statements), especially as regards the future outlook, the realisation of investments, the performance of cash flows and the evolution of the financial structure. The forward-looking statements by nature include a component of risk and uncertainty because they depend upon the occurrence of future events. The effective results may differ even significantly from those announced because of a multitude of factors including, merely for example: the performance of the market of out of home food consumption (“foodservice”) and the flow of tourists into Italy; the evolution of the price of raw materials on the food sector; general macroeconomic conditions; geopolitical factors and developments in the regulatory framework.

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ALTERNATIVE PERFORMANCE MEASURES

In this press release certain non-IFRS measures are presented for purposes of a better understanding of the trend of operations and financial condition of the MARR Group; however, such measures should not be construed as a substitute for the operating and financial information required by IFRS.

Specifically, the non-IFRS measures presented are described below:

- **EBITDA** (Gross Operating Result): this economic indicator is not defined by the IFRS and used by the company’s management to monitor and assess its operational performance. The management believes that the EBITDA is an important parameter for measuring the Group’s performance as it is not affected by the volatility due to the effects of various types of criteria for determining taxable items, the amount and characteristics of the capital employed and the relevant amortization and depreciation policies. The EBITDA (Earnings before interest, taxes, depreciation and amortization) is defined as the business year Profits/Losses gross of amortizations and depreciations, write downs and financial income and charges, non-recurrent items and income tax.
- **EBIT** (Operating Result): is an economic indicator of the operational performance of the Group. The EBIT (Earnings before interest and taxes) is defined as the business year Profits/Losses gross of financial income and charges, non-recurrent items and income tax.
- **Net Financial Position**: used as a financial indicator of debts is represented by the total of the following positive and negative components of the Balance sheet:
 - Positive short and long term components: cash and equivalents; items of net working capital collectables; financial assets; current financial receivables.
 - Negative short and long term components: payables to banks; payables to other financiers, payables to leasing companies and factoring companies; payables to shareholders for loans.

Re-classified Consolidated Income statement¹

MARR Consolidated (€thousand)	<i>31.12.17</i>	<i>%</i>	<i>31.12.16</i>	<i>%</i>	<i>% Change</i>
Revenues from sales and services	1,585,782	97.6%	1,502,558	97.3%	5.5
Other earnings and proceeds	38,776	2.4%	41,839	2.7%	(7.3)
Total revenues	1,624,558	100.0%	1,544,397	100.0%	5.2
Cost of raw materials, consumables and goods for resale	(1,284,279)	-79.0%	(1,221,282)	-79.1%	5.2
Change in inventories	4,576	0.3%	17,311	1.1%	(73.6)
Services	(179,974)	-11.1%	(180,675)	-11.7%	(0.4)
Leases and rentals	(9,737)	-0.6%	(9,518)	-0.6%	2.3
Other operating costs	(1,592)	-0.1%	(1,612)	-0.1%	(1.2)
Value added	153,552	9.5%	148,621	9.6%	3.3
Personnel costs	(37,512)	-2.4%	(37,640)	-2.4%	(0.3)
Gross Operating result	116,040	7.1%	110,981	7.2%	4.6
Amortization and depreciation	(6,554)	-0.4%	(5,730)	-0.4%	14.4
Provisions and write-downs	(12,436)	-0.7%	(12,499)	-0.8%	(0.5)
Operating result	97,050	6.0%	92,752	6.0%	4.6
Financial income and charges	(4,811)	-0.3%	(5,056)	-0.3%	(4.8)
Foreign exchange gains and losses	(138)	0.0%	119	0.0%	(216.0)
Value adjustments to financial assets	(156)	0.0%	(109)	0.0%	43.1
Result from recurrent activities	91,945	5.7%	87,706	5.7%	4.8
Non-recurring income	0	0.0%	0	0.0%	0.0
Non-recurring charges	0	0.0%	(1,064)	-0.1%	(100.0)
Profit before taxes	91,945	5.7%	86,642	5.6%	6.1
Income taxes	(26,443)	-1.7%	(28,128)	-1.8%	(6.0)
Taxes relating previous years	2	0.0%	10	0.0%	(80.0)
Total net profit	65,504	4.0%	58,524	3.8%	11.9

¹ Data unaudited

Re-classified Consolidated Balance sheet¹

MARR Consolidated (€thousand)	<i>31.12.17</i>	<i>31.12.16</i>
Net intangible assets	151,695	144,385
Net tangible assets	70,149	71,729
Equity investments evaluated using the Net Equity method	735	891
Equity investments in other companies	315	315
Other fixed assets	26,176	28,688
Total fixed assets (A)	249,070	246,008
Net trade receivables from customers	376,690	375,650
Inventories	147,552	142,336
Suppliers	(328,860)	(312,094)
Trade net working capital (B)	195,382	205,892
Other current assets	58,972	54,948
Other current liabilities	(24,261)	(26,147)
Total current assets/liabilities (C)	34,711	28,801
Net working capital (D) = (B+C)	230,093	234,693
Other non current liabilities (E)	(1,045)	(855)
Staff Severance Provision (F)	(9,264)	(10,621)
Provisions for risks and charges (G)	(6,525)	(6,187)
Net invested capital (H) = (A+D+E+F+G)	462,329	463,038
Shareholders' equity attributable to the Group	(304,726)	(285,565)
Consolidated shareholders' equity (I)	(304,726)	(285,565)
(Net short-term financial debt)/Cash	38,092	(463)
(Net medium/long-term financial debt)	(195,695)	(177,010)
Net financial debt (L)	(157,603)	(177,473)
Net equity and net financial debt (M) = (I+L)	(462,329)	(463,038)

¹ Data unaudited

Re-classified Consolidated Cash Flow statement¹

MARR Consolidated	<i>31.12.17</i>	<i>31.12.16</i>
(€thousand)		
Net profit before minority interests	65,504	58,524
Amortization and depreciation	6,554	5,730
Change in Staff Severance Provision	(1,357)	641
Operating cash-flow	70,701	64,895
(Increase) decrease in receivables from customers	(1,040)	1,787
(Increase) decrease in inventories	(5,216)	(22,478)
Increase (decrease) in payables to suppliers	16,766	35,388
(Increase) decrease in other items of the working capital	(5,910)	(3,670)
Change in working capital	4,600	11,027
Net (investments) in intangible assets	(7,545)	(36,770)
Net (investments) in tangible assets	(4,746)	(8,678)
Net change in financial assets and other fixed assets	2,668	(5)
Net change in other non current liabilities	528	1,368
Investments in other fixed assets and other change in non current items	(9,095)	(44,085)
Free - cash flow before dividends	66,206	31,837
Distribution of dividends	(46,568)	(43,907)
Capital increase	0	0
Other changes, including those of minority interests	232	(876)
Cash-flow from (for) change in shareholders' equity	(46,336)	(44,783)
FREE - CASH FLOW	19,870	(12,946)
Opening net financial debt	(177,473)	(164,527)
Cash-flow for the period	19,870	(12,946)
Closing net financial debt	(157,603)	(177,473)

¹ Data unaudited

MARR S.p.A. - Re-classified Income statement¹

Re-classified Income Statement of the Parent Company MARR

MARR S.p.A.	31.12.17	%	31.12.16	%	% Change
(€thousand)					
Revenues from sales and services	1,506,154	97.6%	1,382,444	97.3%	8.9
Other earnings and proceeds	36,906	2.4%	38,839	2.7%	(5.0)
Total revenues	1,543,060	100.0%	1,421,283	100.0%	8.6
Raw and secondary materials, consumables and goods for resale	(1,224,575)	-79.4%	(1,137,640)	-80.0%	7.6
Change in inventories	5,141	0.3%	22,732	1.6%	(77.4)
Services	(168,287)	-10.9%	(162,374)	-11.4%	3.6
Leases and rentals	(13,333)	-0.8%	(9,512)	-0.7%	40.2
Other operating costs	(1,422)	-0.1%	(1,415)	-0.1%	0.5
Value added	140,584	9.1%	133,074	9.4%	5.6
Personnel costs	(34,872)	-2.2%	(33,747)	-2.4%	3.3
Gross Operating result	105,712	6.9%	99,327	7.0%	6.4
Amortization and depreciation	(6,010)	-0.4%	(5,196)	-0.4%	15.7
Provisions and write-downs	(11,542)	-0.8%	(11,212)	-0.8%	2.9
Operating result	88,160	5.7%	82,919	5.8%	6.3
Financial income	(767)	0.0%	(1,299)	0.0%	(41.0)
Foreign exchange gains and losses	(149)	0.0%	116	0.0%	(228.4)
Value adjustments to financial assets	(6)	0.0%	(4)	0.0%	50.0
Result from recurrent activities	87,238	5.7%	81,732	5.8%	6.7
Non-recurring income	0	0.0%	17	0.0%	(100.0)
Non-recurring charges	0	0.0%	(1,064)	-0.1%	(100.0)
Profit before taxes	87,238	5.7%	80,685	5.7%	8.1
Income taxes	(24,011)	-1.6%	(24,882)	-1.8%	(3.5)
Taxes relating previous years	0	0.0%	0	0.0%	0.0
Total net profit	63,227	4.1%	55,803	3.9%	13.3

¹ Data unaudited

MARR S.p.A. - Re-classified Balance sheet¹

Re-classified Balance Sheet of the Parent Company MARR

MARR S.p.A.	31.12.17	31.12.16
(€thousand)		
Net intangible assets	95,988	95,302
Net tangible assets	64,744	65,899
Equity investments in other companies	66,275	57,836
Other fixed assets	25,885	28,410
Total fixed assets (A)	252,892	247,447
Net trade receivables from customers	360,922	356,843
Inventories	139,898	134,757
Suppliers	(314,008)	(295,696)
Trade net working capital (B)	186,812	195,904
Other current assets	55,374	54,786
Other current liabilities	(22,247)	(23,536)
Total current assets/liabilities (C)	33,127	31,250
Net working capital (D) = (B+C)	219,939	227,154
Other non current liabilities (E)	(1,045)	(854)
Staff Severance Provision (F)	(8,038)	(9,433)
Provisions for risks and charges (G)	(5,887)	(5,744)
Net invested capital (H) = (A+D+E+F+G)	457,861	458,570
Shareholders' equity	(297,494)	(280,623)
Shareholders' equity (I)	(297,494)	(280,623)
(Net short-term financial debt)/Cash	35,327	(1,029)
(Net medium/long-term financial debt)	(195,694)	(176,918)
Net financial debt (L)	(160,367)	(177,947)
Net equity and net financial debt (M) = (I+L)	(457,861)	(458,570)

¹ Data unaudited

MARR S.p.A. - Re-classified Cash Flow statement¹

Re-classified Cash Flows Statement of the Parent Company MARR S.p.A.

MARR S.p.A.

(€thousand)	31.12.17	31.12.16
Net profit before minority interests	63,227	55,803
Amortization and depreciation	6,010	5,196
Change in Staff Severance Provision	(1,395)	481
Operating cash-flow	67,842	61,480
(Increase) decrease in receivables from customers	(4,079)	3,638
(Increase) decrease in inventories	(5,141)	(22,732)
Increase (decrease) in payables to suppliers	18,312	34,200
(Increase) decrease in other items of the working capital	(1,878)	(5,103)
Change in working capital	7,214	10,003
Net (investments) in intangible assets	(894)	(21,805)
Net (investments) in tangible assets	(4,652)	(9,398)
Net change in financial assets and other fixed assets	(5,914)	(22,588)
Net change in other non current liabilities	334	2,615
Investments in other fixed assets and other change in non current items	(11,126)	(51,176)
Free - cash flow before dividends	63,930	20,307
Distribution of dividends	(46,568)	(43,907)
Capital increase	0	2,779
Other changes, including those of minority interests	218	(819)
Cash-flow from (for) change in shareholders' equity	(46,350)	(41,947)
FREE - CASH FLOW	17,580	(21,640)
Opening net financial debt	(177,947)	(156,307)
Cash-flow for the period	17,580	(21,640)
Closing net financial debt	(160,367)	(177,947)

¹ Data unaudited

Fine Comunicato n.0765-2

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