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Diffusione presunta

Oggetto : MARR: The Board of Directors approves
the results of the first half of 2018

Testo del comunicato

Vedi allegato.

MARR: The Board of Directors approves the results of the first half of 2018.

The net income in the first six months reached 28.6 million Euros, an increase compared to 27.3 million in 2017. Revenues and operating profitability also increased:

- **Total consolidated revenues of 782.6 million Euros (768.5 in 2017)**
- **Consolidated EBITDA of 52.7 million Euros (50.8 in 2017)**
- **Consolidated EBIT of 42.7 million Euros (41.7 in 2017)**

Rimini, 3 August 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, today approved the half-year financial report as at 30 June 2018.

Main consolidated results of the first half of 2018

The total revenues for the first half-year amounted to 782.6 million Euros, an increase compared to 768.5 million Euros in 2017.

EBITDA and EBIT also increased, amounting respectively to 52.7 million Euros (50.8 million in 2017) and 42.7 million Euros (41.7 million in 2017).

The net income for the first six months amounted to 28.6 million Euros, an increase compared to 27.3 million in 2017.

The net trade working capital as at 30 June 2018 amounted to 210.9 million Euros, a reduction compared to 231.8 million at the end of the first half of 2017.

Net financial debt as at 30 June 2018 amounted to 173.3 million Euros, a decrease compared to 209.0 million for the same period in 2017, after the payment (in May 2018) of 49.2 million Euros in dividends, compared to 46.6 million paid out in May 2017.

The consolidated net equity as at 30 June 2018 amounted to 283.7 million Euros, compared to 267.6 million as at 30 June 2017.

Results for the first half of 2018 by segment of activity

At the end of the first six months, the sales of the MARR Group amounted to 770.4 million Euros (755.2 million in 2017), while those for the second quarter amounted to 437.8 million (431.9 million in 2017).

In particular, the sales in the first half-year to clients in the Street Market and National Account segments amounted to 658.4 million Euros, with an entirely organic increase of 34.0 million compared to 624.4 million in 2017, while sales to those clients in the second quarter amounted to 382.0 million Euros (366.5 million in 2017).

In the main Street Market segment (restaurants and hotels not belonging to Groups or Chains), sales in the first six months amounted to 502.1 million Euros (481.7 million in 2017); those in the second quarter amounted to 303.1 million Euros, compared to 294.9 million in 2017, which had benefited

from the contribution of the Easter festivities, while these festivities impacted entirely in the first quarter this year.

The performance of the final reference market for Street Market clients remains positive recording, on the basis of the most recent survey conducted by the *Confcommercio* Studies Office (July 2018), an increase in consumption (by quantity) for the item "Hotels, meals and out-of-home food consumption" of +1.5% in the first quarter and +2.0% in the second quarter respectively.

Sales in the National Account segment (operators in Canteens and Chains and Groups) in the half-year amounted to 156.3 million Euros (142.7 million in 2017), while those in the second quarter amounted to 78.9 million Euros (71.6 million in 2017).

Sales to clients in the Wholesale segment in the half-year amounted to 112.0 million Euros (130.9 million in 2017), while those in the second quarter amounted to 55.8 million, compared to 65.4 million in 2017.

Outlook

The sales performance in July to clients in the Street Market and National Account segments has put the sales in the first seven months in line with the growth objectives for the year.

Merger by incorporation into MARR S.p.A. of the fully owned DE.AL. – S.r.l. Depositi Alimentari and Specia Alimentari S.r.l.

During the course of today's meeting, the Board of Directors, pursuant to art. 2505 second paragraph of the Italian Civil Code and to the By Laws, also approved the planned merger by incorporation into MARR S.p.A. of the fully owned companies DE.AL. – S.r.l. Depositi Alimentari and Specia Alimentari S.r.l..

The Shareholders' meetings of DE.AL. – S.r.l. Depositi Alimentari and Specia Alimentari S.r.l. today also approved the said merger.

The merger is aimed at achieving rationalisation in terms of economic, financial and administrative management, given that DE.AL. – S.r.l. Depositi Alimentari and Specia Alimentari S.r.l. are companies whose activities are limited to the lease of the going concerns to the parent company MARR S.p.A..

For more information on this operation, see the press release dated 25 May 2018 and the relevant Merger Plan, both published on the Company's website www.marr.it.

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 1,624.6 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 documents, books and accounting records.

It should be noted that the half-yearly financial report as at 30 June 2018, approved today by the MARR S.p.A. Board of Directors, will be made available by the end of today, together with the Report by the Independent Audit Firm, on the Investor Relations Section of the company website www.marr.it/investor-relations/bilanci-relazioni, at the company headquarters and on the authorized storage system. www.emarketstorage.com.

The results of the first six months of 2018 will be illustrated in a conference call with the financial community, to be held today at 17:30 (CET). This presentation will be available in the "Investor Relations – Presentations" section of the MARR website (www.marr.it) from 17:15 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 Monday, 6 August.

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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.

Press release



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- 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 Income Statement¹

MARR Consolidated (€thousand)	<i>30.06.18</i> <i>(6 months)</i>	<i>%</i>	<i>30.06.17</i> <i>(6 months)</i>	<i>%</i>	<i>% Change</i>
Revenues from sales and services	762,313	97.4%	747,907	97.3%	1.9
Other earnings and proceeds	20,252	2.6%	20,651	2.7%	(1.9)
Total revenues	782,565	100.0%	768,558	100.0%	1.8
Cost of raw and secondary materials, consumables and goods sold	(651,474)	-83.2%	(644,343)	-83.8%	1.1
Change in inventories	35,427	4.5%	37,098	4.8%	(4.5)
Services	(89,169)	-11.4%	(85,738)	-11.2%	4.0
Leases and rentals	(4,838)	-0.6%	(4,877)	-0.6%	(0.8)
Other operating costs	(788)	-0.1%	(789)	-0.1%	(0.1)
Value added	71,723	9.2%	69,909	9.1%	2.6
Personnel costs	(18,995)	-2.5%	(19,074)	-2.5%	(0.4)
Gross Operating result	52,728	6.7%	50,835	6.6%	3.7
Amortization and depreciation	(3,434)	-0.4%	(3,203)	-0.4%	7.2
Provisions and write-downs	(6,597)	-0.8%	(5,963)	-0.8%	10.6
Operating result	42,697	5.5%	41,669	5.4%	2.5
Financial income	455	0.1%	747	0.1%	(39.1)
Financial charges	(2,848)	-0.5%	(3,764)	-0.5%	(24.3)
Foreign exchange gains and losses	(48)	0.0%	(56)	0.0%	(14.3)
Value adjustments to financial assets	0	0.0%	(81)	0.0%	(100.0)
Result from recurrent activities	40,256	5.1%	38,515	5.0%	4.5
Non-recurring income	0	0.0%	0	0.0%	0.0
Non-recurring charges	0	0.0%	0	0.0%	0.0
Profit before taxes	40,256	5.1%	38,515	5.0%	4.5
Income taxes	(11,690)	-1.4%	(11,207)	-1.4%	4.3
Net profit attributable to the MARR Group	28,566	3.7%	27,308	3.6%	4.6

¹ Data unaudited

Re-classified Balance sheet¹

MARR Consolidated	30.06.18	31.12.17	30.06.17
(€thousand)			
Net intangible assets	152,081	151,695	151,476
Net tangible assets	68,448	70,149	71,818
Equity Investments evaluated using the Net Equity method	516	735	811
Equity investments in other companies	315	315	315
Other fixed assets	23,780	26,176	25,235
Total fixed assets (A)	245,140	249,070	249,655
Net trade receivables from customers	424,301	376,690	441,975
Inventories	182,979	147,552	180,074
Suppliers	(396,418)	(328,860)	(390,277)
Trade net working capital (B)	210,862	195,382	231,772
Other current assets	51,743	58,972	50,959
Other current liabilities	(34,651)	(24,261)	(39,240)
Total current assets/liabilities (C)	17,092	34,711	11,719
Net working capital (D) = (B+C)	227,954	230,093	243,491
Other non current liabilities (E)	(1,220)	(1,045)	(981)
Staff Severance Provision (F)	(8,835)	(9,264)	(9,534)
Provisions for risks and charges (G)	(6,026)	(6,525)	(6,034)
Net invested capital (H) = (A+D+E+F+G)	457,013	462,329	476,597
Shareholders' equity attributable to the Group	(283,706)	(304,726)	(267,627)
Consolidated shareholders' equity (I)	(283,706)	(304,726)	(267,627)
(Net short-term financial debt)/Cash	52,828	38,092	(16,743)
(Net medium/long-term financial debt)	(226,135)	(195,695)	(192,227)
Net financial debt (L)	(173,307)	(157,603)	(208,970)
Net equity and net financial debt (M) = (I+L)	(457,013)	(462,329)	(476,597)

¹ Data unaudited

Re-classified Cash-flow statement¹

MARR Consolidated	<i>30.06.18</i>	<i>30.06.17</i>
(€thousand)		
Net profit before minority interests	28,566	27,308
Amortization and depreciation	3,434	3,203
Change in Staff Severance Provision	(429)	(1,087)
Operating cash-flow	31,571	29,424
(Increase) decrease in receivables from customers	(47,611)	(66,325)
(Increase) decrease in inventories	(35,427)	(37,738)
Increase (decrease) in payables to suppliers	67,558	78,183
(Increase) decrease in other items of the working capital	17,619	17,082
Change in working capital	2,139	(8,798)
Net (investments) in intangible assets	(548)	(7,191)
Net (investments) in tangible assets	(1,573)	(3,194)
Net change in financial assets and other fixed assets	2,615	3,533
Net change in other non current liabilities	(324)	(27)
Investments in other fixed assets	170	(6,879)
Free - cash flow before dividends	33,880	13,747
Distribution of dividends	(49,229)	(46,568)
Capital and reserves increase	0	0
Other changes, including those of minority interests	(355)	1,324
Cash-flow from (for) change in shareholders' equity	(49,584)	(45,244)
FREE - CASH FLOW	(15,704)	(31,497)
Opening net financial debt	(157,603)	(177,473)
Cash-flow for the period	(15,704)	(31,497)
Closing net financial debt	(173,307)	(208,970)

¹ Data unaudited

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