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Diffusione presunta

Oggetto : MARR: The Board of Directors approves
the interim report as at 30 September 2019

Testo del comunicato

Vedi allegato.

MARR: The Board of Directors approves the interim report as at 30 September 2019.

Total revenues of 1,302.1 million Euros in the first nine months compared to 1,289.8 in 2018.

EBITDA and EBIT (after the application of IFRS 16) of 103.6 and 81.3 million Euros respectively. Net result of 55.1 million Euros.

34% of the shares of Jolanda de Colò S.p.A. acquired, a company operating in the “premium” segment of distribution to the Foodservice sector, with over 21 million Euros in sales, approximately 5,000 clients served and more than 2,000 products of culinary excellence.

Rimini, 14 November 2019 – The Board of Directors of MARR S.p.A. (Milan: MARR.MI), the leading company in Italy in the distribution of food products to the foodservice, today approved the interim report as at 30 September 2019.

Main consolidated economic results for the third quarter of 2019

The total revenues in the third quarter amounted to 509.1 million Euros, compared to 507.2 million in 2018.

After the application of accounting standard IFRS 16, the EBITDA and EBIT amounted to 47.3 and 39.4 million Euros respectively. The effects of IFRS 16¹ in the third quarter of 2019 amounted to +2.3 million Euros on the EBITDA and +0.2 million Euros on the EBIT. In the third quarter of 2018, the EBITDA and EBIT, without the application of IFRS 16, amounted to 44.9 and 39.1 million Euros.

The result of the recurring activities amounted to 38.2 million Euros (38.4 million in 2018) and was affected by increased financial costs because of the application of IFRS 16 amounting to 0.4 million Euros.

The net result for the period was 27.3 million Euros, with the effect of IFRS 16 amounting to -0.2 million Euros. The net result for the third quarter of 2018 was 27.7 million Euros.

Main consolidated results for the first nine months of 2019

The total revenues in the first nine months amounted to 1,302.1 million Euros, compared to 1,289.8 million Euros in 2018.

After the application of accounting standard IFRS 16, the EBITDA and EBIT amounted to 103.6 and 81.3 million Euros respectively. The effects of IFRS 16 on the first nine months of 2019 amounted to +6.8 million Euros on the EBITDA and +0.6 million Euros on the EBIT. In the same period of 2018, the EBITDA and EBIT, without the application of IFRS 16, amounted to 97.6 and 818 million Euros.

¹ The income statement and balance sheet figures for 2019 acknowledge the application of accounting standard IFRS 16, while the figures for the 2018 business year have not been re-calculated by applying this new accounting standard.

The result of recurring activities amounted to 77.2 million Euros (78.7 million in 2018), with increased financial costs due to the application of IFRS 16 amounting to 1.2 million Euros.

The net result for the period amounted to 55.1 million Euros, with the effect of IFRS 16 amounting to -0,5 million Euros. The net result for the first nine months of 2018 was 56.3 million Euros.

As at 30 September 2019, the trade net working capital amounted to 195.1 million Euros, an improvement compared to 203.0 million as at 30 September 2018.

The net financial debt, which was affected by increased debts amounting to 56.2 million Euros as a result of the application IFRS 16, reached 184.7 million Euros, compared to 147.3 million as at 30 September 2018, without the application of IFRS 16.

The net consolidated equity as at 30 September 2019 amounted to 328.2 million Euros (311.2 million as at 30 September 2018).

Results by segment of activity as at 30 September 2019

The sales of the MARR Group in the first nine months of 2019 amounted to 1,280.4 million Euros (1,270.3 million in 2018), while those in the third quarter amounted to 500.7 million Euros (499.9 million in 2018).

The sales to clients in the Street Market and National Account segments amounted to 1,109.8 million Euros as at 30 September 2019, compared to 1,088.3 million in 2018, while sales in the third quarter amounted to 445.7 million Euros (429.8 million in 2018).

In the main Street Market segment (restaurants and hotels not belonging to Groups or Chains), sales in the first nine months amounted to 891.8 million Euros (864.5 million in 2018), while those in the third quarter amounted to 378.1 million (362.4 million in 2018).

The performance of the end reference market of Street Market clients, on the basis of the most recent survey by the Confcommercio Studies Office (Survey no. 9, October 2019), showed an increase in consumption (by quantity) of +1.1% in the third quarter for "Hotels, meals and out of home food consumption", compared to -0.4% and +1.1% respectively in the first and second quarters.

Sales to National Account clients (operators in Canteens and Chains and Groups) amounted to 218.0 million Euros as at 30 September 2019 (223.8 million in 2018), with 67.6 million Euros in the third quarter (67.4 million in the same period of 2018).

Sales to clients in the Wholesale segment, which almost entirely concern frozen seafood (caught), amounted to 170.6 million Euros in the first nine months of 2019 (182.1 million in 2018), with 55.0 million in the third quarter (70.1 million in 2018), which was also affected by the rescheduling of fishing campaigns to the fourth quarter.

Outlook

In the main segment of Street Market clients, the sales trend in October indicates that the sales in the first ten months are in line with the growth objectives for the year.

Subsequent events after the third quarter of 2019

On 13 November, MARR S.p.A. acquired 34% of the shares of Jolanda de Colò S.p.A. from Intrapresa S.r.l., and simultaneously signed with the company ABA S.r.l. of the Pessot – de Colò family, which owns 66% of Jolanda de Colò, an irrevocable agreement giving MARR the option, as

of 31 March 2022, to purchase a majority shareholding stake in Jolanda de Colò. The agreement also provides for a mechanism of call option for MARR and put option for ABA on the remaining 33% of the share capital of Jolanda de Colò.

Through this transaction, MARR is entering into a partnership with the Pessot – de Colò family, confirmed at the head of Jolanda de Colò, in the development of the premium segment of food supplies to the Foodservice sector.

Jolanda de Colò is indeed one of the largest operators domestically in the premium segment (top range), with more than 21 million Euros in sales in the 2018 business year and approximately 5,000 clients served with more than 2,000 products of culinary excellence.

Jolanda de Colò was founded by the Pessot – de Colò family in 1976 and was initially involved in the production of meat, expanding its activities in the distribution of speciality products over the years. Specifically, the sale of not processed products has increased progressively and now represents more than 70% of sales, approximately 90% of which are concentrated in the Ho.re.ca. sector and approximately 93% in Italy.

Jolanda de Colò operates through a distribution and production centre with a covered surface area of approximately 6,000 m² located in Palmanova (Udine).

The price for the acquisition of 34% of the shares of Jolanda de Colò amounted to 2 million Euros and was paid in full when the shares were transferred.

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 850 sales agents, the MARR Group serves over 45,000 customers (mainly restaurants, hotels, pizza restaurants, holiday resorts and canteens), with an offer that includes over 15,000 food products, including seafood, meat, various food products and fruit and vegetables (<http://catalogo.marr.it/catalogo>).

The MARR Group operates nationwide through a logistical-distribution network composed of 35 distribution centres, 5 cash & carry, 4 agents with warehouses and 750 vehicles.

In 2018 the MARR group achieved total consolidated revenues amounting to 1,667.4 million Euros, consolidated EBITDA of 119.3 million Euros and consolidated net profit of 68.5 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 Interim report as at 30 September 2019, approved today by the MARR S.p.A. Board of Directors, will be made available by the end of today 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 as at 30 September 2019 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 Friday, 15 November.

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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.
 - 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)	3rd quarter 2019	%	3rd quarter 2018	%	% Change	30.09.19 (9 months)	%	30.09.18 (9 months)	%	% Change
Revenues from sales and services	498,135	97.8%	497,130	98.0%	0.2	1,270,105	97.5%	1,259,443	97.6%	0.8
Other earnings and proceeds	10,954	2.2%	10,110	2.0%	8.3	31,991	2.5%	30,362	2.4%	5.4
Total revenues	509,089	100.0%	507,240	100.0%	0.4	1,302,096	100.0%	1,289,805	100.0%	1.0
Raw and secondary materials, consumables and goods for resale	(359,017)	-70.5%	(363,397)	-71.6%	(1.2)	(1,009,573)	-77.5%	(1,014,871)	-78.7%	(0.5)
Change in inventories	(36,053)	-7.1%	(32,690)	-6.4%	10.3	(10,791)	-0.8%	2,737	0.2%	(494.3)
Services	(56,891)	-11.2%	(54,083)	-10.7%	5.2	(147,772)	-11.3%	(143,252)	-11.1%	3.2
Leases and rentals	(170)	0.0%	(2,510)	-0.5%	(93.2)	(500)	-0.1%	(7,348)	-0.5%	(93.2)
Other operating costs	(346)	-0.1%	(368)	-0.1%	(6.0)	(1,108)	-0.1%	(1,156)	-0.1%	(4.2)
Value added	56,612	11.1%	54,192	10.7%	4.5	132,352	10.2%	125,915	9.8%	5.1
Personnel costs	(9,347)	-1.8%	(9,329)	-1.9%	0.2	(28,761)	-2.2%	(28,324)	-2.2%	1.5
Gross Operating result	47,265	9.3%	44,863	8.8%	5.4	103,591	8.0%	97,591	7.6%	6.1
Amortization and depreciation	(3,917)	-0.8%	(1,782)	-0.3%	119.8	(11,462)	-0.9%	(5,216)	-0.4%	119.7
Provisions and write-downs	(3,981)	-0.8%	(3,963)	-0.8%	0.5	(10,797)	-0.9%	(10,560)	-0.9%	2.2
Operating result	39,367	7.7%	39,118	7.7%	0.6	81,332	6.2%	81,815	6.3%	(0.6)
Financial income	192	0.0%	464	0.1%	(58.6)	611	0.1%	919	0.1%	(33.5)
Financial charges	(1,639)	-0.3%	(1,240)	-0.2%	32.2	(4,950)	-0.4%	(4,088)	-0.3%	21.1
Foreign exchange gains and losses	258	0.1%	103	0.0%	150.5	249	0.0%	55	0.0%	352.7
Value adjustments to financial assets	0	0.0%	0	0.0%	0.0	0	0.0%	0	0.0%	0.0
Result from recurrent activities	38,178	7.5%	38,445	7.6%	(0.7)	77,242	5.9%	78,701	6.1%	(1.9)
Non-recurring income	0	0.0%	0	0.0%	0.0	0	0.0%	0	0.0%	0.0
Non-recurring charges	0	0.0%	0	0.0%	0.0	0	0.0%	0	0.0%	0.0
Profit before taxes	38,178	7.5%	38,445	7.6%	(0.7)	77,242	5.9%	78,701	6.1%	(1.9)
Income taxes	(10,861)	-2.1%	(10,750)	-2.1%	1.0	(22,160)	-1.7%	(22,440)	-1.7%	(1.2)
Total net profit	27,317	5.4%	27,695	5.5%	(1.4)	55,082	4.2%	56,261	4.4%	(2.1)

¹ Data unaudited

Re-classified Balance sheet¹

MARR Consolidated	30.09.19	31.12.18	30.09.18
(€thousand)			
Net intangible assets	152,139	152,097	152,044
Net tangible assets	70,903	68,168	68,296
Right of use assets	55,796	0	0
Equity Investments evaluated using the Net Equity method	516	516	516
Equity investments in other companies	304	304	315
Other fixed assets	24,938	25,516	22,884
Total fixed assets (A)	304,596	246,601	244,055
Net trade receivables from customers	427,814	378,489	435,125
Inventories	148,087	158,878	150,289
Suppliers	(380,805)	(323,227)	(382,371)
Trade net working capital (B)	195,096	214,140	203,043
Other current assets	66,331	61,468	64,327
Other current liabilities	(36,011)	(23,678)	(36,521)
Total current assets/liabilities (C)	30,320	37,790	27,806
Net working capital (D) = (B+C)	225,416	251,930	230,849
Other non current liabilities (E)	(1,159)	(1,116)	(1,390)
Staff Severance Provision (F)	(8,141)	(8,418)	(8,669)
Provisions for risks and charges (G)	(7,772)	(8,069)	(6,265)
Net invested capital (H) = (A+D+E+F+G)	512,940	480,928	458,580
Shareholders' equity attributable to the Group	(328,228)	(324,272)	(311,255)
Consolidated shareholders' equity (I)	(328,228)	(324,272)	(311,255)
(Net short-term financial debt)/Cash	49,806	61,701	80,562
(Net medium/long-term financial debt)	(178,315)	(218,357)	(227,887)
Net financial debt - before IFRS 16 (L)	(128,509)	(156,656)	(147,325)
Current lease liabilities (IFRS 16)	(7,849)	0	0
Non-current lease liabilities (IFRS 16)	(48,354)	0	0
IFRS 16 effect on Net financial debt (M)	(56,203)	0	0
Net financial debt (N) = (L+M)	(184,712)	(156,656)	(147,325)
Net equity and net financial debt (O) = (I+N)	(512,940)	(480,928)	(458,580)

¹ Data unaudited

Net financial position ¹

MARR Consolidated					
(€thousand)		30.09.19	30.06.19	31.12.18	30.09.18
A.	Cash	10,171	20,070	9,345	20,892
	Cheques	0	0	0	0
	Bank accounts	231,893	186,000	168,804	183,096
	Postal accounts	78	14	261	142
B.	Cash equivalent	231,971	186,014	169,065	183,238
C.	Liquidity (A) + (B)	242,142	206,084	178,410	204,130
	Current financial receivable due to Parent company	90	1,099	1,956	1,155
	Current financial receivable due to related companies	0	0	0	0
	Others financial receivable	2,178	1,035	923	848
D.	Current financial receivable	2,268	2,134	2,879	2,003
E.	Current Bank debt	(55,367)	(59,845)	(41,043)	(61,318)
F.	Current portion of non current debt	(129,136)	(92,713)	(77,196)	(61,971)
	Financial debt due to Parent company	0	0	0	0
	Financial debt due to related company	0	0	0	0
	Other financial debt	(10,101)	(1,183)	(1,349)	(2,282)
G.	Other current financial debt	(10,101)	(1,183)	(1,349)	(2,282)
H.	Current lease liabilities (IFRS16)	(7,849)	(7,654)	0	0
I.	Current financial debt (E) + (F) + (G) + (H)	(202,453)	(161,395)	(119,588)	(125,571)
J.	Net current financial indebtedness (C) + (D) + (I)	41,957	46,823	61,701	80,562
K.	Non current bank loans	(148,027)	(171,565)	(180,707)	(190,425)
L.	Other non current loans	(30,288)	(37,825)	(37,650)	(37,462)
M.	Non-current lease liabilities (IFRS16)	(48,354)	(48,616)	0	0
N.	Non current financial indebtedness (K) + (L) + (M)	(226,669)	(258,006)	(218,357)	(227,887)
O.	Net financial indebtedness (J) + (N)	(184,712)	(211,183)	(156,656)	(147,325)

¹ Data unaudited

Fine Comunicato n.0765-20

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