



The Shareholders' Meeting approves the 2019 financial statements (1.7 billion in consolidated revenues with over 66 million of net profits) and appoints the Board of Directors and the Board of Statutory Auditors.

Francesco Ospitali confirmed as Chief Executive Officer and Ugo Ravanelli appointed Chairman of the Board of Directors.

**The impact of Covid-19 slowed down sales in March, which had been increasing until the end of February.
New activities to support the development areas for the customer have been activated.**

Rimini, 28 April 2020 – The Shareholders' Meeting 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 financial statements as at 31 December 2019, stating its particular appreciation to the management for the results achieved and to the outgoing Chairman Paolo Ferrari for the work done during his four and a half years in office.

Main consolidated results for the 2019 business year

The 2019 business year closed with total consolidated revenues of 1,695.8 million Euros, compared to 1,667.4 million in 2018.

EBITDA and EBIT reached 128.5 and 99.1 million Euros respectively, after application of accounting standard IFRS 16,¹ the effects of which amounted to +9.1 million Euros on the EBITDA and +0.8 million on the EBIT. In the same period of 2018, the EBITDA and EBIT, which were not then affected by IFRS 16, had been 119.3 and 99.2 million Euros.

The result of recurring activities amounted to 93.7 million Euros and was affected by the greater financial charges due to the application of IFRS 16 for 1.6 million Euros (94.9 million in 2018).

The net result amounted to 66.6 million Euros with an effect of IFRS 16 amounting to -0.2 million Euros and, compared to the result of 68.5 million of the 2018 business year, is also affected by 0.6 million in non-recurrent charges for the transfer of the activities of the subsidiary As.Ca. S.p.A. to the MARR Bologna and MARR Romagna distribution centers.

It must also be recalled that the 2018 result had benefited from the non-recurrent net proceeds of 0.8 million Euros.

The Net Financial Position at 31 December 2019 stood at 196.0 million Euros and net of the effect of the application of IFRS 16, which led to a higher debt of 46.4 million Euros, would have been of 149.6 million Euros, while the net financial debt at the end of 2018, which was not affected by IFRS 16, was 156.6 million.

The net consolidated equity as at 31 December 2019 amounted to 339.8 million Euros (324.3 million Euros in 2018).

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.

Results of the Parent Company MARR S.p.A.

The parent company MARR S.p.A. closed 2019² with 1,621.1 million Euros in total revenues (1,586.8 million in 2018) and net profits of 64.3 million Euros (64.6 million in 2018).

The Shareholders' Meeting resolved to suspend the distribution of the 2019 dividends and allocate the business year's profit to the extraordinary reserve.

Appointment of the Board of Directors and Board of Statutory Auditors

In relation to the expiry of the terms of office of the corporate bodies, the Shareholders' Meeting resolved on the number of members (established as 7) and the appointment of the Board of Directors, and its Chairman, and the appointment of the Board of Statutory Auditors.

The members of the Board of Directors and the Board of Statutory Auditors were elected from list no. 1 submitted by the majority shareholder Cremonini S.p.A. and list no. 2 submitted by minority shareholders owners of an overall total of 3.47% of the share capital.

Board of Directors:

Elected members from List no. 1:

Claudia Cremonini – Non-executive

Vincenzo Cremonini – Non-executive

Marinella Monterumisi – Independent

Francesco Ospitali – Executive with strategic responsibilities

Ugo Ravanelli – Chairman of the Board of Directors

Rossella Schiavini – Independent

Elected members from List no. 2:

Alessandro Nova - Independent

Board of Statutory Auditors:

Elected members from List no. 1:

Standing Members: **Andrea Foschi; Simona Muratori.**

Alternate Members: Lucia Masini.

Elected members from List no. 2:

Standing Members: **Massimo Gatto** (Chairman of the Board of Statutory Auditors).

Alternate Members: Alvisè Deganello.

The Shareholders' Meeting also resolved on the remuneration due to the Board of Directors and the Board of Statutory Auditors.

The Directors and the Statutory Auditors will remain in office for three business years and therefore until the Shareholders' Meeting to be called for the approval of the financial statements for 2022.

The curricula of the Directors and Statutory Auditors and the declarations of independence can be consulted on the Company website (www.marr.it).

In execution of that provided by the Instructions to the Borsa Italiana S.p.A. Regulations, the following shareholdings in MARR S.p.A. were declared by the Directors on their appointment: Claudia Cremonini 5,574 shares, Francesco Ospitali 1,000 shares, Ugo Ravanelli 81,411 shares.

² The 2019 figures of the parent company MARR S.p.A. were prepared according to the new accounting standard IFRS 16, applicable as of 1 January 2019.

Other resolutions by the ordinary Shareholders' Meeting

The Shareholders' Meeting also approved the Report on the remuneration policy and remuneration paid, but decided to defer to a subsequent meeting the authorisation to purchase, sell and dispose of its own shares.

Proposal for the modification of art. 7 of the company By-Laws – Introduction of an increase in voting rights

The extraordinary Shareholders' Meeting approved the modification of art. 7 of the company By-Laws introducing an increase in voting rights through the method of "Increased Voting Rights" pursuant to art. 127-quinquies of the TUF.

The modification approved has the objective of incentivising – through the attribution of a "premium" – the medium and long-term investment in the share capital, thereby favouring the stability of the shareholder structure and the durable increase in the value of shares.

Furthermore, the stability of the shareholder structure is a strategic factor for the success of the Company's plans of organic growth and by external lines, given that these are plans which – due to the characteristics of the Company's business – are destined to develop over a medium to long-term timeframe and therefore require the support of shareholders whose investment logic and prospects for earnings are aligned along the same timeframe.

The resolution will be effective from the date of registration of the modification to the By-Laws in the Companies Register; from that date, the operating details for benefitting from increased voting rights will be made available on a specific section of the Company website, after approval of specific Regulations by the Board of Directors and it will be made public through an official company notification.

The modification approved today provides that two votes be attributed to each share owned by the shareholders who have requested that they be included in a Special List and have maintained it for a continuing period of not less than 24 months as of the date of their registration in the List itself.

Appointment of the Chief Executive Officer, the internal committees of the Board of Directors and the Supervisory Board (Legislative Decree 231/2001)

The MARR S.p.A. Board of Directors meeting held after the Shareholders' Meeting confirmed as Chief Executive Officer Francesco Ospitali, defining the powers conferred, and also appointing him to the positions of General Manager and Director responsible for the internal audit and risk management system.

The Board of Directors also:

- Assessed the possession of the independence requirements provided by the law and the Borsa Italiana Corporate Governance Code for the Directors: Marinella Monterumisi, Alessandro Nova and Rossella Schiavini. The Board member Ugo Ravanelli although declaring to be in possession of the independence requirements, is not "independent", having taken office as Chairman of the Board of Directors (as per applicative criteria 3.C.1 and 3.C.2 of the Corporate Governance Code of July 2015 by the Corporate Governance Committee).
- Set up the Control and Risk Committee, composed solely of Independent Directors, and namely Marinella Monterumisi and Rossella Schiavini.
- Updated art. 3.1 of its Organizational Model (Legislative Decree 231/2001) and appointed the members of the Supervisory Board, which is now composed of the same members as the Board of Statutory Auditors of the Company.



- Pursuant to art. 21 of the Company By-Laws, confirmed the Manager for Administration, Finance and Control Pierpaolo Rossi as the Manager responsible for preparing the company's financial reports, attributing to him the tasks, responsibilities and resources provided for under art. 154-bis of Legislative Decree 58 of 24 February 1998.

Lastly, the Board of Directors showed its appreciation of the employees and collaborators of the Group for their commitment and dedication during this period of managerial and operational difficulties.

Subsequent events to the closing of the business year

The Covid-19 (Coronavirus) epidemic which has been affecting Italy since the end of February has forced the Italian Government to adopt increasing health protection measures which have imposed restrictions on people's movements and, by Prime Ministerial Decree of 11 March, also on the carrying out of business activities, measures updated by Prime Ministerial Decree of 26 April.

In compliance with the regulations in force, the Company has taken organizational measures to ensure the continuation of management and logistical activities so as to guarantee the continuity of services to all of its clients through its nationwide distribution network, in full respect and protection of the health of its co-workers, in favour of whom suitable insurance policies have been taken out.

Outlook

The measures implemented by the Government and Local Administrations to contain the spread of the Covid-19 contagion have led to the closure of out-of-home food consumption businesses open to the public and those in hotels, with a consequent impact on out-of-home food consumption, especially commercial catering and, to a slightly lesser extent, collective catering.

It must be recalled that MARR possesses an organizational and distribution structure that is present nationwide and is thus capable of ensuring an adequate level of service to all clients and to all of the business areas which involve out-of-home food consumption even while respecting the current restrictive measures. Among these, those that have been less restricted by these measures, in other words those functional to public and health services (such as hospitals, canteens and the care of the elderly) must be noted. A plan has also been developed for the distribution of Food Packs as part of the "Covid-19 shopping coupons" plan implemented by the Government and managed by the Local Administrations.

Specific attention has been given to the operators that are continuing, or even expanding, their business activities, with specific regard to catering clients that have implemented food delivery services and, where possible and authorised, take away services. Communication and supply plans have been implemented for these segments of clients, expanding the range of specific goods (also as regards packaging) that are capable of facilitating their business activities and fully respond (with a specific line of disinfectants and sanitisers) to the regulations aimed at protecting the health of operators and consumers.

The attention of MARR also addresses to the occasions for the consumption of quick meals both in the tourism sector (beaches, parks, museums) and in large cities through a new line "Grab & Go Fresh Menu" able to guarantee a smart modern take-away formula and consistent with the health and freshness requirements of the products; an innovative concept that will be presented to customers in the coming days.

In this context, in the first three months of the year, which due to seasonality, are only of relative significance in terms of contribution towards the revenues from sales during the entire year, the total sales of the MARR Group were affected by the spread of Covid-19 in Italy and reached (preliminary consolidated figures) approximately 260 million Euros compared to 329 million in 2019.

It must be noted that from the start of the year until 23 February 2020,³ the sales of the Group increased by 4.1% compared to the same period last year, with performance levels in line with the growth objectives defined before the spread of the pandemic.

³ Prime Ministerial Decree of 23 February 2020 set up the first "red zones" in Lombardy and Veneto



In parallel with the plans to identify areas for growth in segments that were previously less developed, when the Covid-19 emergency arose, MARR immediately implemented containment measures for the reducible fixed costs. First and foremost, organizational measures were implemented through the operating and territorial optimisation of its distribution network, adjusting it to reduced levels of operations, and managing in any event to maintain service levels that are still appreciated by the Clients, which agree that, with the support of MARR's capillary and punctual distribution system, can dedicate their skills more effectively in terms of identifying the possible areas for future development.

These measures, which have not significantly compromised the quality of the products and services offered to the market, have affected parts of the workforce (its own and those of service Companies involved in handling) through the careful use of the available labour law initiatives, taking care to ensure the possibility of bringing all of the best available resources back in place as soon as the situation will require a prompt response.

All this has a positive impact on the management of operating costs, which have always been especially variable for MARR.

The Company is also continuing to place great emphasis and attention on managing the trade receivables, implementing methods targeting the situations and requirements of each area and market segment. The objective remains that of safeguarding the company assets, with particular focus on the forthcoming resumption of consumption.

The uncertainty generated by the spread of the epidemic at this time does not enable realistic forecasts to be made as regards the overall effect that the phenomenon may have on out-of-home food consumption in Italy, remembering that this is partly linked to tourism, but to a significant extent also by daily out-of-home consumption, which represents about one-third of total food consumption and is not easily reducible.

This is why the repercussions caused by the measures implemented by the government and local administrations to contain the pandemic will in any event be temporary. As soon as the conditions allow, this country will return to being one of the major tourist destinations in the world and also on this basis, the Company is ready to respond flexibly and promptly to any requirement that the market or its clients may express.

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 over 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 over 750 vehicles.

In 2019 the MARR group achieved total consolidated revenues amounting to 1,695.8 million Euros, consolidated EBITDA of 128.5 million Euros and consolidated net profit of 66.6 million Euros.

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

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.

Press release



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

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Fine Comunicato n.0765-15

Numero di Pagine: 8