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Oggetto : MARR: The Board of Directors approves
the interim report as at 31 March 2021

Testo del comunicato

Vedi allegato.

While there are significant signs of recovery, the MARR Board of Directors approves the interim management report as at 31 March 2021.

The first quarter was again affected by the consequences of the pandemic, but the trend, confirmed in April, is positive in terms of revenues and profitability.

The strong ability to react and continuity of the new customer-oriented strategies, implemented since about a year ago, are enabling MARR to perform better than the Market.

Highlights of the first quarter

- **Total revenues of 188.6 million Euros (261.7 million in the first quarter of 2020), a decrease in the first two months compared to last year (-93 million) and a significant recovery in March (+20 million)**
- **EBITDA positive at the end of the quarter (+0.1 million)**
- **The careful management of receivables and consequent solidity of the financial structure again confirmed**

Rimini, 14 May 2021 – The Board of Directors of MARR S.p.A. (Milan: MARR:MI), the leading company in Italy in the sale and distribution to the foodservice of food and non-food products, today approved the interim management report as at 31 March 2021.

Considerations on the overall first quarter results and outlook

The quarter began with an extremely penalising market situation, especially when compared to the same period last year.

Suffice to say that the trend changes recorded by the *Confcommercio* Studies Office (survey no. 4 of 15 April 2021) for January and February show reductions in terms of quantity of -58.8% and -45.6% respectively for the “Hotels, meals and out-of-home consumption” segment.

A first timid recovery, with an inversion in trend, could be noticed in March, when a variation of +5.9% was recorded.

Although with a performance better than that of the Market and recorded by *Confcommercio*, MARR's total revenues also suffered from these uncertainties, closing the quarter at 188.6 million Euros compared to 261.7 million last year (-73.1 million, amounting to -28% compared to a market which, according to the source already quoted, recorded -43%).

It is interesting to break this result down on a monthly basis.

Indeed, while in January and February, the decrease in total revenues was -56 and -37 million respectively, in March, the recovery compared to the same month last year amounted to 20 million (+42%).

This latter result was also confirmed in April which, with total revenues amounting to slightly more than those in the previous month, saw an increase of 48 million (of which about 4 million relating to the recent acquisitions) compared to April last year (about 76 million in 2021 compared to 28 million in April 2020).

There was a similar trend in profitability. At the end of the quarter, the EBITDA was positive, amounting to 108 thousand Euros (about 3.6 million last year) and is the result of a significant reduction (about -8 million) in the first two months compared to the same months of 2020, with a major recovery in March (about +4.5 million).

These assessments, and the trends recorded in the first part of the second quarter, and thus in April and the first weeks in May, have enabled the timid optimism expressed on closure of the third quarter to be confirmed.

Press release



There is indeed an awareness of the enormous potential of out-of-home food consumption and what recorded on the Market in recent weeks, confirms both the assessment of a significant recovery and the objective capacity of MARR to draw full benefit from such trends.

The forecasts for the coming months are still difficult, given that they are linked to phenomena beyond the control of the Company, but what was achieved in the last 6-8 weeks strongly supports positions of realistic optimism.

It is therefore reasonable to expect a significant recovery in 2021 compared to the results achieved in 2020, given the current and forecast Market developments, with an increasingly concrete closing in on the benchmark values, those achieved in 2019, which today would appear realistically to be achievable within 2023.

Main consolidated results and by segment of activities in the first quarter of 2021

With total revenues of 188.6 million, the revenues from sales in the first quarter amounted to 186.2 million Euros (compared to 259.7 million in the same period last year).

In particular, sales to clients in the “Street Market” category (restaurants and hotels not belonging to Groups or Chains) and “National Account” category (operators in structured commercial foodservice and canteens) were affected by the zonal restrictions throughout the entire period, while in the first quarter of 2020, they had been affected by the lockdown restrictions only starting on 10 March 2020. The sales to wholesalers and retailers (“Wholesale” category) were less affected by the aforementioned restrictions.

The consolidated EBITDA for the period amounted to 108 thousand Euros compared to 3.6 million last year; the EBIT amounted to -7.0 million compared to -4.2 million in the first quarter of 2020.

The net result for the period amounted to -6.3 million, compared to -4.0 million last year.

As at 31 March 2021, the net trade working capital amounted to 232.4 million Euros, a decrease compared to 281.8 million at the end of the first quarter of 2020.

The net financial indebtedness amounted to 235.8 million Euros (275.4 million as at 31 March 2020) and includes 258 million Euros in liquidity, a further improvement compared to 251 million as at 31 December 2020.

The consolidated net equity as at 31 March 2021 amounted to 331.8 million Euros (336.6 million as at 31 March 2020).

Appointment of the Board member Paolo Ferrari and other resolutions by today’s Board of Directors meeting

Following the resignation of the Board member Vincenzo Cremonini on 17 April, the Board of Directors, within the terms envisaged by art. 14 of the Company By-Laws and pursuant to Art. 2386 of the Civil Code and with the favourable opinion of the Board of Statutory Auditors, appointed as Board member Mr. Paolo Ferrari (whose CV can be consulted on the Company website and who does not currently possess any Company shares). He shall step down on the same date as the other Board members currently in office, and thus on approval of the financial statements as at 31 December 2022, and his appointment will be submitted for approval during the next Shareholders’ Meeting.

The Board of Directors also updated the Procedure governing related party transactions (which will be made available on the Company website no later than the date of effectiveness, 1 July 2021), as envisaged by CONSOB Regulation Resolution no. 17221 of 12/3/2020, updated with the modifications made by resolution no. 21624 of 10 December 2020.

Press release



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 40 distribution centres, 5 cash & carry, 2 agents with warehouses and over 750 vehicles.

In 2020 the MARR group achieved total consolidated revenues amounting to 1,073.7 million Euros with consolidated EBITDA of 39.4 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, 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.

It should be noted that the interim report as at 31 March 2021, 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 31 March 2021 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 17 May.

Press contacts

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

Investor relator

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:

Press release



- **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)	<i>1st quarter 2021</i>	<i>%</i>	<i>1st quarter 2020</i>	<i>%</i>	<i>% Change</i>
Revenues from sales and services	184,327	97.7%	256,251	97.9%	(28.1)
Other earnings and proceeds	4,299	2.3%	5,498	2.1%	(21.8)
Total revenues	188,626	100.0%	261,749	100.0%	(27.9)
Cost of raw materials, consumables and goods for resale	(161,880)	-85.8%	(222,444)	-85.0%	(27.2)
Change in inventories	9,544	5.1%	8,528	3.3%	11.9
Services	(29,381)	-15.6%	(35,732)	-13.7%	(17.8)
Leases and rentals	(49)	0.0%	(110)	0.0%	(55.5)
Other operating costs	(348)	-0.2%	(429)	-0.2%	(18.9)
Value added	6,512	3.5%	11,562	4.4%	(43.7)
Personnel costs	(6,404)	-3.4%	(7,967)	-3.0%	(19.6)
Gross Operating result	108	0.1%	3,595	1.4%	(97.0)
Amortization and depreciation	(4,003)	-2.1%	(3,993)	-1.5%	0.3
Provisions and write-downs	(3,156)	-1.7%	(3,839)	-1.5%	(17.8)
Operating result	(7,051)	-3.7%	(4,237)	-1.6%	66.4
Financial income	171	0.1%	233	0.1%	(26.6)
Financial charges	(1,523)	-0.8%	(1,559)	-0.6%	(2.3)
Foreign exchange gains and losses	262	0.1%	138	0.0%	89.9
Value adjustments to financial assets	(156)	-0.1%	0	0.0%	(100.0)
Result from recurrent activities	(8,297)	-4.4%	(5,425)	-2.1%	52.9
Non-recurring income	0	0.0%	0	0.0%	0.0
Non-recurring charges	0	0.0%	0	0.0%	0.0
Net result before taxes	(8,297)	-4.4%	(5,425)	-2.1%	52.9
Income taxes	1,947	1.0%	1,377	0.6%	41.4
Net result attributable to the MARR Group	(6,350)	-3.4%	(4,048)	-1.5%	56.9

¹ Data unaudited.

Re-classified Balance sheet¹

MARR Consolidated (€thousand)	<i>31.03.21</i>	<i>31.12.20</i>	<i>31.03.20*</i>
Net intangible assets	153,502	153,488	153,454
Net tangible assets	77,195	75,517	71,181
Right of use assets	56,279	51,849	45,313
Equity investments evaluated using the Net Equity method	1,797	1,828	2,046
Equity investments in other companies	175	300	304
Other fixed assets	34,175	30,264	42,999
Total fixed assets (A)	323,123	313,246	315,297
Net trade receivables from customers	279,193	298,850	329,014
Inventories	144,125	134,581	179,144
Suppliers	(190,936)	(234,579)	(226,319)
Trade net working capital (B)	232,382	198,852	281,839
Other current assets	40,589	45,885	38,468
Other current liabilities	(14,401)	(13,712)	(7,737)
Total current assets/liabilities (C)	26,188	32,173	30,731
Non-current assets held for sale (D)	2,400	2,400	0
Net working capital (E) = (B+C+D)	260,970	233,425	312,570
Other non current liabilities (F)	(1,913)	(1,868)	(1,436)
Staff Severance Provision (G)	(7,125)	(7,275)	(7,600)
Provisions for risks and charges (H)	(7,526)	(7,100)	(6,792)
Net invested capital (I) = (A+E+F+G+H)	567,529	530,428	612,039
Shareholders' equity attributable to the Group	(331,751)	(338,112)	(336,637)
Consolidated shareholders' equity (J)	(331,751)	(338,112)	(336,637)
(Net short-term financial debt)/Cash	109,473	90,443	(21,860)
(Net medium/long-term financial debt)	(287,672)	(229,297)	(207,553)
Net financial debt - before IFRS 16 (K)	(178,199)	(138,854)	(229,413)
Current lease liabilities (IFRS 16)	(8,824)	(8,528)	(8,210)
Non-current lease liabilities (IFRS 16)	(48,755)	(44,934)	(37,779)
IFRS 16 effect on Net financial debt (L)	(57,579)	(53,462)	(45,989)
Net financial debt (M) = (K+L)	(235,778)	(192,316)	(275,402)
Net equity and net financial debt (N) = (J+M)	(567,529)	(530,428)	(612,039)

* It should be noted that the data as at 31 March 2020 have been restated where necessary in order to maintain comparability with the data as at 31 December 2020 and at 31 March 2021.

¹ Data unaudited.

Net financial position¹

MARR Consolidated			
(€thousand)	<i>31.03.21</i>	<i>31.12.20</i>	<i>31.03.20*</i>
A. Cash	1,998	3,633	1,166
Bank accounts	255,994	247,842	126,670
Postal accounts	18	16	35
B. Cash equivalent	256,012	247,858	126,705
C. Liquidity (A) + (B)	258,010	251,491	127,871
Current financial receivable due to Parent company	9,099	5,794	4,077
Current financial receivable due to related companies	0	0	0
Others financial receivable	1,262	626	790
D. Current financial receivable	10,361	6,420	4,867
E. Current derivative/financial instruments	0	0	1,488
F. Current Bank debt	(48,989)	(66,684)	(31,842)
G. Current portion of non current debt	(109,659)	(100,125)	(114,525)
Financial debt due to Parent Company	0	0	0
Financial debt due to Related Companies	0	0	0
Other financial debt	(250)	(659)	(9,719)
H. Other current financial debt	(250)	(659)	(9,719)
I. Current lease liabilities (IFRS16)	(8,824)	(8,528)	(8,210)
J. Current financial debt (F) + (G) + (H) + (I)	(167,722)	(175,996)	(164,296)
K. Net current financial indebtedness (C) + (D) + (E) + (J)	100,649	81,915	(30,070)
L. Non current bank loans	(262,598)	(204,254)	(177,552)
M. Non-current derivative/financial instruments	3,052	1,818	0
N. Other non current loans	(28,126)	(26,861)	(30,001)
O. Non-current lease liabilities (IFRS16)	(48,755)	(44,934)	(37,779)
P. Non current financial indebtedness (L) + (M) + (N) + (O)	(336,427)	(274,231)	(245,332)
Q. Net financial indebtedness (K) + (P)	(235,778)	(192,316)	(275,402)

* It should be noted that the data as at 31 March 2020 have been restated where necessary in order to maintain comparability with the data as at 31 December 2020 and at 31 March 2021.

¹ Data unaudited.

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