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Oggetto : MARR: The Board of Directors approves
the results of the first half of 2021

Testo del comunicato

Vedi allegato.

Press release



MARR confirms its capacity to perform better than the market also at the time of the recovery of consumption. Driven by a second quarter with a positive net result, the Group has closed the first half of 2021 with a significant growth compared to last year.

The first two summer months (June and July) show revenues from sales already comparable to those pre-pandemic. The strong commitment of the entire organization has enabled a justifiable optimism to be expressed for the near future as well.

A Senior Unsecured Notes transaction for 100 million Euros has been finalised in the USA.

The Board of Directors has called the Shareholders' Meeting on 6 September 2021 to pass a resolution relating to the distribution of a gross dividend amounting to 0.35 Euros per share.

First half-year highlights

- ***Total revenues of 542.0 million Euros (447.1 million in the first half of 2020), with a second quarter of 353.3 million (185.3 million in the same period of 2020 and 459.6 million in 2019 respectively).***
- ***EBITDA of 23.2 million (0.5 million in the first half of 2020), with a second quarter of 23.1 million (-3 million in the same period of 2020 and 39 million in 2019 respectively).***
- ***Net profits of 1.1 million after 0.5 million in taxes. The first half of 2020 had showed a pre-tax loss of 19 million. The second quarter of 2021 alone closed with net profits of 7.5 million (after 2.5 million in taxes) compared to a result for the same period of -10 million in 2020 and 21 million in 2019.***
- ***The net financial position as at 30 June, before the effects of IFRS16, and also thanks to careful management of credit, amounted to 125.2 million, with all of the covenants for the period fully respected.***

Rimini, 3 August 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 financial report as at 30 June 2021 and, among other things, called a Shareholders' Meeting on 6 September 2021.

Considerations on the overall results for the first half-year and outlook

After a start to the year that was marked by a market situation that had significantly affected the first quarter of 2021, also compared to last year, the first signs of a recovery in consumption were beginning to be seen already in April.

This market situation is well represented by the figures recorded by the Confcommercio Studies Office (Survey no. 7 of 15 July 2021), which in the "Hotels, meals and out-of-home food consumption" segment highlighted, as a percentage trend variation by quantity compared to the previous year, a first quarter of -49.8% and a second quarter of +88.5%. The latter value, which still keeps consumption levels significantly below those of 2019 (according to Company elaboration around -42%) is in any case extremely comforting, given that it is an obvious and significant change in trend.

MARR has certainly made the most out of the opportunities arising from this trend.

Press release



Never having altered its focus on Clients and the Market, through a clear and schematic approach and the full implementation of the guidelines by the entire organization has enabled MARR to achieve a second quarter with a significant increase in revenues (353.3 million compared to 185.3 million last year), with growth rates that are well in excess of those of the entire Market. It must also be recalled that also during the first quarter, the reduction recorded by the Group had been significantly less than that of the Market itself.

The recent acquisition of the activities of the company Verrini specialised in seafood products, also contributed towards the result for the second quarter (approximately 16 million revenues in the quarter), confirming MARR's capacity to quickly and efficiently integrate the assets acquired, which are part of a Market segment (especially the part concerning fresh caught seafood products) which is significantly expanding and capable of ensuring a high level of supplier/customer loyalty. All of this contributes towards enhancing and further increasing the MARR Group's market share.

The positive nature of the second part of the half-year is confirmed by the trend of sales in the first two months of the summer season. In June and July, the MARR sales reached about 338 million Euros, a significant increase compared to 2020 (236 million) and closing in on those of 2019 (344 million).

The positive trend at the beginning of the summer season does however show some differences at a territorial level. To-date, the recovery in tourist locations is more significant than that in the art cities and in many areas, Restaurants are recording consumptions (by value) higher than those for 2019.

The trend in June-July thus make the hope of a recovery in out-of-home food consumption linked to holidays and tourism more realistic, which, thanks also to the strong efforts and professionalism of the entire organization enables to confirm a justified optimism also for the next months.

Main consolidated and segment results for the first half of 2021

With total revenues of 542.0 million Euros, the revenues from sales in the first half-year amounted to 534.9 million, compared to 441.1 million in the same period last year.

The recovery in the first half-year compared to the same period in 2020 has been seen in all three segments and has been driven by clients in the "Street Market" segment (restaurants and hotels not belonging to Groups or Chains), which performed better than both clients in the "National Account" segment, a category affected by the delays of clients in structured commercial foodservice, and those in the "Wholesale" segment.

The inflationary component expected in coming months has until now had a partial impact, starting in the last few weeks of the first half.

In the second quarter, the total revenues amounted to 353.3 million Euros (185.3 million in the same period of 2020 and 459.6 million in 2019), with sales amounting to 348.7 million Euros (181.4 million in the second quarter of 2020), of which approximately 16 million regarding Antonio Verrini and Chef, consolidated as of 1 April 2021.

In the first quarter, the total revenues amounted to 188.6 million Euros, with revenues from sales of 186.2 million, compared to 259.7 million in the same period last year. In particular, the sales in the first quarter of 2021 were affected by the zonal restrictions throughout the period, while the first quarter of 2020 was only affected by the lockdown measures from 10 March onwards.

Consolidated EBITDA for the first half of 2021 amounted to 23.2 million Euros (0.5 million in the same period of 2020), of which 23.1 million in the second quarter, compared to -3.0 million for the same period in 2020 and 39.0 million in 2019.

Consolidated EBIT in the first half of 2021 amounted to 7.1 million (-16.4 million Euros in 2020), of which 14.1 million concerning the second quarter (-12.1 million in the same period of 2020), and includes a prudential allocation to the provision for bad debts amounting to approximately 7.0 million Euros (of which 4.3 million in the second quarter of 2021).

The net result for the first half, after 0.5 million in taxes, amounted to 1.1 million Euros (the pre-tax loss for the same period in 2020 amounted to -19.0 million) and was affected by non-recurring costs of 2.9 million Euros accounted for in the second quarter concerning the early termination for a net counter-value of approximately 25 million Euros on 23 July 2021 of the USPP bond loan in US dollars subscribed in July 2013.

Press release



The net result for the second quarter, which includes the aforementioned non-recurring charges, amounted to 7.5 million Euros (after 2.5 million in taxes), compared to -10.0 million for the same period in 2020 and 21.1 million in 2019.

As at 30 June 2021, the net trade working capital amounted to 188.9 million Euros, a decrease compared to 232.4 million as at 31 March 2021 and 278.0 million at the end of the first half of 2020.

The net financial debt amounted to 186.5 million Euros, an improvement compared to 235.8 million as at 31 March 2021 and 262.6 million as at 30 June 2020. Net of the effects of IFRS 16, the net financial position at the end of the first half amounted to approximately 125 million Euros, with the covenants for the period fully respected.

The consolidated net equity as at 30 June 2021 amounted to 339.3 million Euros (326.8 million as at 30 June 2020).

Calling of the Shareholders' Meeting and dividend distribution proposal

In its meeting on 15 March 2021 (see the press release on the same date), the Board of Directors of the Company, in consideration of the continuing uncertainty regarding the timeframe for the solution of the pandemic, had decided to propose to the Shareholders' Meeting that dividends not be distributed, reserving the right to submit a proposal for the distribution of dividends using the available reserves depending on the evolution of the Market scenario. The subsequent Shareholders' Meeting held on 28 April, which was attended by shareholders representing 82.53% of the share capital, had unanimously approved the proposal to retain the losses for 2020 and therefore to not propose the distribution of dividends, with the possibility, on the basis of the results that were to be achieved during the first half of the year, to subsequently submit a proposal, the Board of Directors calling another Shareholders' Meeting in such an eventuality.

Today's meeting of the Board of Directors, after acknowledging the results achieved in the first half-year and the positive market trends, thus decided to call a Shareholders' Meeting on 6 September 2021, proposing the payment of a gross dividend of 0.35 Euros per share.

The resources for the payment of said dividend, foreseen for the month of October, will be taken from the available Reserves, which have been significantly increased following the 2019 result (approximately 64.3 million in net profits), which was entirely and prudentially allocated to the extraordinary reserve because of the start of the spread of the pandemic.

The trend in the results of the Company lead to forecast a confirmation, also in 2022 of dividends that will be paid out entirely from the expected result for this year.

During the Shareholders' Meeting, the appointment of the Board Member Paolo Ferrari to the Board of Directors will also be submitted for approval.

Finalisation of a private placement bond of 100 million Euros

The minutes of the Board of Directors meeting of 21 July 2021 were today made available to the public (at the company head office, on the Company website www.marr.it and on the authorised storage mechanism www.emarketstorage.com), during which the issuing of the Senior Unsecured Notes for 100 million Euros with Pricoa Private Capital (a US institutional investor part of the Prudential Insurance Company of America) was approved.

The maturity of this bond loan is 10 years from the closing date of 29 July.

The declared use of the income will be to refinance the Company's debts and extend their average maturity and also for general business activities, including financing of M&A transactions.

The operation was closed without the involvement of placement agents, given that it was entirely managed by MARR, using internal Group resources.

Press release



Minutes of the Board of Directors meeting of 21 July 2021 published, approving the merger by incorporation into MARR S.p.A. of the fully-owned subsidiary SiFrutta S.r.l.

The minutes of the Board of Directors meeting of 21 July 2021 were today made available to the public (at the company head office, on the Company website www.marr.it and on the authorised storage mechanism www.emarketstorage.com), which approved the merger by incorporation into MARR S.p.A. of the fully-owned subsidiary SiFrutta S.r.l., pursuant to art. 2505, second paragraph, of the Italian Civil Code.

See the press release of 24 May 2021 and the relative Merger Plan published on the aforementioned Company website for more details on this operation.

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 41 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 (1,695.8 million pre-pandemic in 2019) with consolidated EBITDA of 39.4 million Euros (128.5 million in 2019).

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 half-yearly financial report as at 30 June 2021, 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 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 Wednesday, 4 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.
 - 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>30.06.21</i> <i>(6 months)</i>	%	<i>30.06.20</i> <i>(6 months)</i>	%	% Change
Revenues from sales and services	530,072	97.8%	435,222	97.3%	21.8
Other earnings and proceeds	11,906	2.2%	11,884	2.7%	0.2
Total revenues	541,978	100.0%	447,106	100.0%	21.2
Cost of raw materials, consumables and goods for resale	(458,705)	-84.6%	(347,262)	-77.7%	32.1
Change in inventories	30,754	5.7%	(22,339)	-5.0%	(237.7)
Services	(73,452)	-13.6%	(63,096)	-14.1%	16.4
Leases and rentals	(213)	0.0%	(127)	0.0%	67.7
Other operating costs	(889)	-0.2%	(731)	-0.2%	21.6
Value added	39,473	7.3%	13,551	3.0%	191.3
Personnel costs	(16,237)	-3.0%	(13,009)	-2.9%	24.8
Gross Operating result	23,236	4.3%	542	0.1%	4,187.1
Amortization and depreciation	(8,548)	-1.6%	(8,036)	-1.8%	6.4
Provisions and write-downs	(7,593)	-1.4%	(8,889)	-2.0%	(14.6)
Operating result	7,095	1.3%	(16,383)	-3.7%	(143.3)
Financial income	306	0.1%	643	0.1%	(52.4)
Financial charges	(3,253)	-0.7%	(3,118)	-0.7%	4.3
Foreign exchange gains and losses	535	0.1%	(13)	0.0%	(4,215.4)
Value adjustments to financial assets	(154)	0.0%	(163)	0.0%	(5.5)
Result from recurrent activities	4,529	0.8%	(19,034)	-4.3%	(123.8)
Non-recurring income	0	0.0%	0	0.0%	0.0
Non-recurring charges	(2,880)	-0.5%	0	0.0%	(100.0)
Net result before taxes	1,649	0.3%	(19,034)	-4.3%	(108.7)
Income taxes	(518)	-0.1%	5,021	1.2%	(110.3)
Net result attributable to the MARR Group	1,131	0.2%	(14,013)	-3.1%	(108.1)

¹ Data unaudited

Re-classified Balance sheet⁽¹⁾

MARR Consolidated (€thousand)	<i>30.06.21</i>	<i>31.12.20</i>	<i>30.06.20</i>
Net intangible assets	163,166	153,488	153,428
Net tangible assets	77,544	75,517	72,569
Right of use assets	59,322	51,849	42,898
Equity investments evaluated using the Net Equity method	1,799	1,828	1,883
Equity investments in other companies	175	300	304
Other fixed assets	27,519	30,264	37,192
Total fixed assets (A)	329,525	313,246	308,274
Net trade receivables from customers	364,244	298,850	333,733
Inventories	166,369	134,581	148,277
Suppliers	(341,698)	(234,579)	(203,984)
Trade net working capital (B)	188,915	198,852	278,026
Other current assets	44,625	45,885	38,872
Other current liabilities	(19,083)	(13,712)	(20,168)
Total current assets/liabilities (C)	25,542	32,173	18,704
Non-current assets held for sale (D)	0	2,400	0
Net working capital (E) = (B+C+D)	214,457	233,425	296,730
Other non current liabilities (F)	(2,047)	(1,868)	(1,460)
Staff Severance Provision (G)	(8,511)	(7,275)	(7,488)
Provisions for risks and charges (H)	(7,669)	(7,100)	(6,580)
Net invested capital (I) = (A+E+F+G+H)	525,755	530,428	589,476
Shareholders' equity attributable to the Group	(339,291)	(338,112)	(326,843)
Consolidated shareholders' equity (J)	(339,291)	(338,112)	(326,843)
(Net short-term financial debt)/Cash	57,828	90,443	(46,281)
(Net medium/long-term financial debt)	(183,049)	(229,297)	(172,163)
Net financial debt - before IFRS 16 (K)	(125,221)	(138,854)	(218,444)
Current lease liabilities (IFRS 16)	(9,957)	(8,528)	(8,567)
Non-current lease liabilities (IFRS 16)	(51,286)	(44,934)	(35,622)
IFRS 16 effect on Net financial debt (L)	(61,243)	(53,462)	(44,189)
Net financial debt (M) = (K+L)	(186,464)	(192,316)	(262,633)
Net equity and net financial debt (N) = (J+M)	(525,755)	(530,428)	(589,476)

¹ Data unaudited

Re-classified Cash-flow statement⁽¹⁾

MARR Consolidated	<i>30.06.21</i>	<i>30.06.20</i>
<i>(€thousand)</i>		
Net result before minority interests	1,131	(14,013)
Amortization and depreciation	8,550	8,038
Change in Staff Severance Provision	1,236	(810)
Operating cash-flow	10,917	(6,785)
(Increase) decrease in receivables from customers	(65,394)	34,909
(Increase) decrease in inventories	(31,788)	22,118
Increase (decrease) in payables to suppliers	107,119	(120,551)
(Increase) decrease in other items of the working capital	15,156	11,662
Change in working capital	25,093	(51,862)
Net (investments) in intangible assets	(9,893)	(1,325)
Net (investments) in tangible assets	(3,080)	(5,009)
Flows relating to acquisitions of subsidiaries and going concerns	(4,879)	(800)
Investments in other fixed assets and other change in non current items	(17,852)	(7,134)
Free - cash flow before dividends	18,158	(65,781)
Distribution of dividends	0	0
Other changes, including those of minority interests	47	1,058
Cash-flow from (for) change in shareholders' equity	47	1,058
FREE - CASH FLOW	18,205	(64,723)
Opening net financial debt	(192,316)	(196,015)
Effect for change in liability for IFRS 16	(12,353)	(1,895)
Cash-flow for the period	18,205	(64,723)
Closing net financial debt	(186,464)	(262,633)

¹ Data unaudited

Fine Comunicato n.0765-22

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