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Diffusione presunta

Oggetto : MARR: The Board of Directors approves
the interim report as at 31 March 2023

Testo del comunicato

Vedi allegato.



press release

MARR: The Board of Directors approves the interim management report as at 31 March 2023.

Total consolidated revenues of 426.6 million Euros, an increase compared to 325.8 million in the first quarter of 2022

Operating profitability improves, with EBITDA of 14.8 million Euros compared to 5.1 million in 2022

Net Result of 1.5 million Euros (-2.9 million in the first quarter of 2022)

The sales to Street Market and National Account clients in April are consistent with the growth objectives and also of margins for the 2023 business year

Rimini, 12 May 2023 – 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 2023.

Main consolidated results in the first quarter of 2023

The first quarter of 2023 closed with total consolidated revenues of 426.6 million Euros, an increase compared to 325.8 million in the same period in 2022, the latter figure having been affected by the trend of the contagions during the first part of the quarter; the total consolidated revenues in the first quarter of 2019 (pre-pandemic) had been 333.4 million Euros.

The trend in revenues in the first quarter of 2023 was affected by the still ongoing inflationary dynamics in the foodservice sector, which have been more accentuated since the second quarter of 2022.

It must be noted that the total consolidated revenues in the last 12 months, from 1 April 2022 to 31 March 2023, and thus without the impact of the pandemic, have exceeded the threshold of 2 billion euros, reaching 2,031.3 million Euros.

Improvement in operating profitability, with consolidated EBITDA in the first quarter of 2023 amounting to 14.8 million Euros compared to 5.1 million in 2022; the EBITDA had been 17.3 million Euros in the first quarter of 2019.

EBIT for the period amounted to 6.2 million Euros compared to -2.5 million in the first quarter of 2022 (10.7 million Euros in the first quarter of 2019).

At the end of the first three months of 2023, the Net Result, which is affected by the increased net financial charges as a result of the increase in the cost of borrowing in the second half of 2022, amounted to 1.5 million Euros, compared to losses of 2.9 million in the first quarter of 2022.

The Net Trade Working Capital as at 31 March 2023 amounted to 233.5 million Euros, and the increase compared to 216.4 million at the end of the first quarter of 2022 is correlated to the increase in revenues.



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The net financial debt as at 31 March 2023 amounted to 270.6 million Euros, compared to 199.7 million at the end of the first quarter of 2022 and 217.6 million as at 31 December 2022 (141.4 million as at 31 December 2021). The net financial debt had been 227.0 million Euros as at 31 March 2019.

Net of the effects of the application of accounting standard IFRS 16, the Net Financial Position (NFP) at the end of the first quarter of 2023 amounted to 192.3 million Euros compared to 127.3 million as at 31 March 2022. The NFP net of the effects of IFRS 16 had been 169.4 million Euros as at 31 March 2019.

The consolidated Net Equity as at 31 March 2023 amounted to 341.1 million Euros (346.6 million at the end of the first quarter of 2022) and includes a share premium reserve of 6.0 million Euros relating to the purchase started at the end of May 2022 of 516,110 treasury shares at an average price of 12.16 Euros and amounting to 0.78% of the Share Capital.

Results by segment of activity in the first quarter of 2023

Sales of the MARR Group in the first three months of 2023 amounted to 420.0 million Euros compared to 321.7 million in the same period of 2022 and 329.3 million in the pre-pandemic period in 2019.

Sales to clients in the Street Market and National Account segments in the first quarter of 2023 amounted to 373.0 million Euros, and in comparison with 268.1 million in 2022 (+39.1%) benefit from the contribution of approximately 2.4 million of the company Frigor Carni S.r.l., consolidated on 1 April 2022.

The increase in sales to the Street Market and National Accounts compared to the first quarter of 2022 represents a further over-performance compared to the reference market trends.

On the basis of the findings of the Confcommercio Studies Office (Survey no. 4, April 2023), consumption by quantity, excluding the inflationary component, in "Hotels, meals and out-of-home consumption" in Italy in the first three months of 2023 increased by +9.7% compared to the same period in 2022.

Sales to clients in the Wholesale segment (almost entirely frozen seafood to wholesalers) in the first quarter of 2023 amounted to 47.0 million Euros and, compared to 53.6 million in the same period of 2022, were affected by the temporary unavailability of caught seafood products which characterised the second half of 2022 and also the first months of 2023.

Events after the closure of the first quarter of 2023

The Shareholders' Meeting of 28 April 2023 approved the distribution of a gross dividend of 0.38 Euros per share with "ex-coupon" (no. 18) on 22 May 2023, record date on 23 May and payment on 24 May. The profits not distributed, the entity of which will be determined on the basis of the treasury shares in the portfolio when the coupons are distributed, will be allocated to the Extraordinary Reserve.

MARR as of today holds in its portfolio 557,210 treasury shares, amounting to approximately 0.84% of the share capital.

The Shareholders' Meeting on 28 April 2023 approved the resolution, with regard to the end of the term of office of the corporate bodies, to appoint the Board of Directors (with the number of members



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remaining 7 and Andrea Foschi as Chairman) and the Board of Statutory Auditors, who will remain in office for three business years until the Shareholders' Meeting for the approval of the financial statements for 2025.

The Shareholders' Meeting also revoked, with respect to the unused part, the authorisation to purchase, sell and dispose of own shares of the Company granted by resolution of the Shareholders' Meeting on 28 April 2022 and simultaneously approved a new authorisation to purchase, sell and dispose of own shares of the Company according to the terms and conditions provided in the resolution proposal approved by the Board of Directors on 14 March 2023 and illustrated in the report available on the Company website www.marr.it in the governance/AGM section.

The Board of Directors meeting of MARR S.p.A. held at the end of the Shareholders' Meeting: i) confirmed Francesco Ospitali as Chief Executive Officer; ii) assessed the possession of the independence requirements envisaged by the law and Code of Corporate Governance for listed companies for the directors Giampiero Bergami, Andrea Foschi, Alessandro Nova and Rossella Schiavini; ii) acknowledged the independence assessment of the Board of Statutory Auditors for its members; iii) set up the Control and Risk Committee, composed of Independent Directors only, and specifically by Giampiero Bergami and Rossella Schiavini.

Outlook

The trend of sales to Street Market and National Account clients in April is consistent with the growth objectives for 2023 and confirms the progressive recovery of margins that had already been highlighted in the first quarter of 2023. The results for April have been achieved in a context of out-of-home food consumption that benefitted from the positive trend in both overseas and domestic tourism during the Easter festivities and the end of month extended weekends.

As regards the sales of frozen seafood products to Wholesale clients, in the light of the recent fishing campaigns, it is expected that there will be a recovery in the coming months after the unavailability of seafood products that characterised the second half of 2022 and the first months of 2023.

As regards the procurement markets, it is expected that the prices of food products may stabilise over the coming months, with possible trading down phenomena for out-of-home food consumption differing by client category; besides, the market rewards the proposal of innovative products and services, in which MARR is continuing to focus its efforts through targeted initiatives.

The entire organization is also involved in policies aimed at recovering operating profitability, along a path which, in terms of market context, management of the gross margin and cost control, is expected on the basis of the trend in the first four months to allow to approach the pre-pandemic EBITDA level in terms of absolute value during the current year.

The organization is also focusing significantly on containing the levels of absorption of working capital in order to attenuate the cost of its financing.



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MARR (Cremonini Group), listed on the Euronext STAR Milan 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 900 sales agents, the MARR Group serves about 55,000 customers (mainly restaurants, hotels, pizza restaurants, holiday resorts and canteens), with an offer that includes over 25,000 food products, including seafood, meat, various food products and fruit and vegetables and a significant offer of green, sustainable and Made in Italy products (<https://catalogo.marr.it/catalogo>).

MARR operates nationwide through a logistical-distribution network composed of more than 40 distribution units, some of which with cash&carry, and uses over 850 vehicles.

MARR achieved total consolidated revenues in 2022 of 1,930.5 million Euros (1,456.3 million in 2021) with a consolidated EBITDA of 82.1 million Euros (90.5 million in 2021) and net consolidated profits of 26.6 million Euros (35.1 million in 2021).

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

The MARR's Sustainability Report is available at web page www.marr.it/sustainability/report-and-esg

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 2023, 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 2023 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 15 May.

Contatti press

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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



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("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>1st quarter</i> 2023	%	<i>1st quarter</i> 2022	%	% Change
Revenues from sales and services	415,192	97.3%	318,542	97.8%	30.3
Other earnings and proceeds	11,407	2.7%	7,216	2.2%	58.1
Total revenues	426,599	100.0%	325,758	100.0%	31.0
Cost of raw materials, consumables and goods for resale	(379,698)	-89.0%	(299,293)	-91.9%	26.9
Change in inventories	35,354	8.3%	35,554	10.9%	(0.6)
Services	(55,350)	-13.0%	(46,188)	-14.2%	19.8
Leases and rentals	(140)	0.0%	(113)	0.0%	23.9
Other operating costs	(456)	-0.1%	(420)	-0.1%	8.6
Value added	26,309	6.2%	15,298	4.7%	72.0
Personnel costs	(11,549)	-2.7%	(10,243)	-3.1%	12.8
Gross Operating result	14,760	3.5%	5,055	1.6%	192.0
Amortization and depreciation	(4,906)	-1.2%	(4,827)	-1.5%	1.6
Provisions and write-downs	(3,696)	-0.9%	(2,721)	-0.8%	35.8
Operating result	6,158	1.4%	(2,493)	-0.8%	347.0
Financial income	195	0.0%	131	0.0%	48.9
Financial charges	(3,941)	-0.8%	(1,515)	-0.5%	160.1
Foreign exchange gains and losses	(237)	-0.1%	(173)	-0.1%	37.0
Value adjustments to financial assets	0	0.0%	(28)	0.0%	(100.0)
Result from recurrent activities	2,175	0.5%	(4,078)	-1.3%	153.3
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	2,175	0.5%	(4,078)	-1.3%	153.3
Income taxes	(705)	-0.2%	1,177	0.4%	159.9
Net result attributable to the MARR Group	1,470	0.3%	(2,901)	-0.9%	150.7

¹ Data unaudited.

Re-classified Balance sheet¹

MARR Consolidated (€thousand)	31.03.23	31.12.22	31.03.22
Net intangible assets	170,408	170,377	163,399
Net tangible assets	88,388	83,899	79,739
Right of use assets	74,781	75,368	69,427
Equity investments evaluated using the Net Equity method	1,828	1,828	1,800
Equity investments in other companies	178	178	175
Other fixed assets	15,972	16,492	23,298
Total fixed assets (A)	351,555	348,142	337,838
Net trade receivables from customers	350,658	353,810	308,730
Inventories	245,267	209,913	235,407
Suppliers	(362,469)	(394,611)	(327,743)
Trade net working capital (B)	233,456	169,112	216,394
Other current assets	62,441	77,760	39,722
Other current liabilities	(16,362)	(16,828)	(29,973)
Total current assets/liabilities (C)	46,079	60,932	9,749
Net working capital (D) = (B+C)	279,535	230,044	226,143
Other non current liabilities (E)	(3,941)	(3,751)	(2,338)
Staff Severance Provision (F)	(7,193)	(7,207)	(8,515)
Provisions for risks and charges (G)	(8,231)	(8,221)	(6,820)
Net invested capital (H) = (A+D+E+F+G)	611,725	559,007	546,308
Shareholders' equity attributable to the Group	(341,118)	(341,457)	(346,597)
Consolidated shareholders' equity (I)	(341,118)	(341,457)	(346,597)
(Net short-term financial debt)/Cash	27,405	80,827	48,922
(Net medium/long-term financial debt)	(219,725)	(219,128)	(176,247)
Net financial debt - before IFRS16 (J)	(192,320)	(138,301)	(127,325)
Current lease liabilities (IFRS16)	(11,153)	(10,813)	(10,385)
Non-current lease liabilities (IFRS16)	(67,134)	(68,436)	(62,001)
IFRS16 effect on Net financial debt (K)	(78,287)	(79,249)	(72,386)
Net financial debt (L) = (J+K)	(270,607)	(217,550)	(199,711)
Net equity and net financial debt (M) = (I+L)	(611,725)	(559,007)	(546,308)

¹ Data unaudited.

Net financial position¹

MARR Consolidated (€thousand)	<i>31.03.23</i>	<i>31.12.22</i>	<i>31.03.22</i>
A. Cash	6,482	15,257	6,459
Bank accounts	148,563	176,406	141,889
Postal accounts	0	0	21
B. Cash equivalent	148,563	176,406	141,910
C. Liquidity (A) + (B)	155,045	191,663	148,369
Current financial receivable due to Parent company	9,640	9,404	3,838
Others financial receivable	0	0	0
D. Current financial receivable	9,640	9,404	3,838
E. Current receivables for derivative/financial instruments	0	7	0
F. Current Bank debt	(67,186)	(15,884)	(15,766)
G. Current portion of non current debt	(66,110)	(99,838)	(84,824)
Other financial debt	(3,984)	(4,526)	(2,694)
H. Other current financial debt	(3,984)	(4,526)	(2,694)
I. Current lease liabilities (IFRS16)	(11,153)	(10,813)	(10,385)
J. Current financial debt (F) + (G) + (H) + (I)	(148,433)	(131,061)	(113,669)
K. Net current financial indebtedness (C) + (D) + (E) + (J)	16,252	70,013	38,538
L. Non current bank loans	(120,112)	(119,768)	(76,400)
M. Non-current derivative/financial instruments	776	1,015	0
N. Other non current loans	(100,389)	(100,374)	(99,847)
O. Non-current lease liabilities (IFRS16)	(67,134)	(68,436)	(62,002)
P. Non current financial indebtedness (L) + (M) + (N) + (O)	(286,859)	(287,563)	(238,249)
Q. Net financial indebtedness (K) + (P)	(270,607)	(217,550)	(199,711)

¹ Data unaudited.

Fine Comunicato n.0765-26

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