

MARR: The Board of Directors approves the interim report as at 31st March 2019.

In the first quarter of 2019, the total revenues amounted to 333.4 million Euros compared to 336.5 million in 2018, and were affected by a different calendar for Easter. EBITDA and EBIT in the first quarter of 2019 (after application of IFRS 16) were 17.3 and 10.7 million Euros respectively. Net result amounted to 6.6 million Euros.

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Sales to the main category of Street Market clients in the first four months recorded an increase of 4.0%.

Rimini, 14th May 2019 – The Board of Directors of MARR S.p.A. (Milan: MARR.MI), the leading company in Italy in the sale and distribution of food products to the foodservice, today approved the interim report as at 31st March 2019.

Main consolidated results for the 1st quarter of 2019¹

The total consolidated revenues for the period amounted to 333.4 million Euros compared to 336.5 million in the first quarter of 2018, which had benefitted from the positive effect of Easter (on 1st April 2018 and on 21st April this year) on the sales to the main category of Street Market clients.

After the application of the accounting standard of IFRS 16, the EBITDA and EBIT amounted to 17.3 and 10.7 million Euros respectively. IFRS 16 requires the new accounting, starting on 1st January 2019, of the leases that involve the right to control the use of the asset being leased. The effects of IFRS 16 in the first quarter of 2019 amounted to +2.2 million Euros on the EBITDA and +0.1 million on the EBIT. In the first quarter of 2018, the EBITDA and EBIT, without the effects of IFRS 16, amounted to 16.4 and 11.8 million Euros respectively.

The net result for the period reached 6.6 million Euros, with -0.2 million Euros being due to the effect of IFRS 16. The net result for the first quarter of 2018 was 7.4 million Euros.

As at 31st March 2019, the net trade working capital amounted to 252.8 million Euros, compared to 250.0 million at the end of the first quarter of 2018.

The net financial debt, that increased by 57.5 million Euros as a result of the application of IFRS 16, amounted to 227.0 million Euros, compared to 186.7 million as at 31st March 2018, that was without the effects of IFRS 16.

The consolidated net equity as at 31st March 2019 amounted to 331.1 million Euros (311.7 million as at 31st March 2018).

Results by segment of activity in the 1st quarter of 2019

Group sales in the first three months of 2019 amounted to 329.3 million Euros (332.6 million in 2018), with sales to clients in the Street Market and National Account categories amounting to 273.4 million Euros compared to 276.4 million in the first quarter of 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.

In particular, the Street Market category (restaurants and hotels not belonging to Groups or Chains) reached 198.4 million Euros (199.0 million in 2018) and, as stated previously, the comparison with the first three months of 2018 has been penalised because of the Easter festivities, which this year were in the second quarter.

The performance of the end reference market of Street Market clients, on the basis of the most recent report by the Confcommercio Studies Office (Survey no. 4, April 2019), recorded an increase in consumption (by quantity) of +1.4% in the first quarter for "Hotels, meals and out-of-home food consumption".

Sales to National Account clients (operators in Canteens and Chains and Groups) amounted to 74.9 million Euros (77.5 million in 2018).

Sales to clients in the Wholesale segment amounted to 56.0 million Euros in the first quarter of 2019 compared to 56.2 million in 2018.

Events subsequent to the closure of the 1st quarter of 2019

On 18th April the Shareholders' Meeting approved the distribution of a gross dividend of 0.78 Euros per share (0.74 Euros the previous year) with "ex-coupon" (no. 15) on 27th May, *record date* on 28th May and payment on 29th May. The profits not distributed will be allocated to the Reserves.

On the same date, in fulfilment of art. 2401, paragraph 1 of the Civil Code, the Shareholders' Meeting integrated the Board of Statutory Auditors by appointing one Standing Statutory Auditor and one Alternate Auditor, in compliance with art. 148 of Legislative Decree 58/1998.

Andrea Foschi and Simona Muratori were appointed respectively as Standing Statutory Auditor and as Alternate Statutory Auditor. Auditors thus appointed will step down from office together with the other members of the Board, and thus on the date of the Shareholders' Meeting called to approve the financial statements as at 31 December 2019.

Lastly, it should be pointed out that the meeting of the Board of Statutory Auditors held today assessed the independence of the Auditors appointed by the Shareholders' Meeting on 18th April last and informed the Board of Directors accordingly.

Outlook

Sales to the main category of Street Market clients recorded an increase of +4.0% in the first four months of the year and reposition the sales to the Street Market and National Account categories at the end of the first four months in line with the growth objectives for the year.

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 company 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 the interim report as at 31 March 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 31 March 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 Wednesday 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 ("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> 2019	<i>%</i>	<i>1st quarter</i> 2018	<i>%</i>	<i>% Change</i>
Revenues from sales and services	325,334	97.6%	328,543	97.6%	(1.0)
Other earnings and proceeds	8,061	2.4%	7,919	2.4%	1.8
Total revenues	333,395	100.0%	336,462	100.0%	(0.9)
Cost of raw and secondary materials, consumables and goods sold	(281,608)	-84.4%	(282,749)	-84.0%	(0.4)
Change in inventories	14,732	4.4%	13,931	4.1%	5.7
Services	(39,225)	-11.8%	(39,232)	-11.7%	(0.0)
Leases and rentals	(219)	-0.1%	(2,410)	-0.7%	(90.9)
Other operating costs	(386)	-0.1%	(410)	-0.1%	(5.9)
Value added	26,689	8.0%	25,592	7.6%	4.3
Personnel costs	(9,400)	-2.8%	(9,186)	-2.7%	2.3
Gross Operating result	17,289	5.2%	16,406	4.9%	5.4
Amortization and depreciation	(3,728)	-1.1%	(1,654)	-0.5%	125.4
Provisions and write-downs	(2,834)	-0.9%	(2,925)	-0.9%	(3.1)
Operating result	10,727	3.2%	11,827	3.5%	(9.3)
Financial income	149	0.1%	232	0.1%	(35.8)
Financial charges	(1,599)	-0.5%	(1,309)	-0.4%	22.2
Foreign exchange gains and losses	111	0.0%	(22)	0.0%	(604.5)
Value adjustments to financial assets	0	0.0%	0	0.0%	0.0
Result from recurrent activities	9,388	2.8%	10,728	3.2%	(12.5)
Non-recurring income	0	0.0%	0	0.0%	0.0
Non-recurring charges	0	0.0%	0	0.0%	0.0
Profit before taxes	9,388	2.8%	10,728	3.2%	(12.5)
Income taxes	(2,814)	-0.8%	(3,276)	-1.0%	(14.1)
Net profit attributable to the MARR Group	6,574	2.0%	7,452	2.2%	(11.8)

¹ Data unaudited. Starting from 1st January 2019 IFRS 16 accounting standard is in force, 2018 data are not restated under IFRS 16.

Re-classified Balance sheet¹

MARR Consolidated	31.03.19	31.12.18	31.03.18
(€thousand)			
Net intangible assets	152,005	152,097	152,055
Net tangible assets	68,677	68,168	68,991
Right of use assets	57,539	0	0
Equity investments evaluated using the Net Equity method	516	516	0
Equity investments in other companies	304	304	315
Other fixed assets	26,798	25,516	24,794
Total fixed assets (A)	305,839	246,601	246,155
Net trade receivables from customers	368,771	378,489	371,028
Inventories	173,610	158,878	161,483
Suppliers	(289,586)	(323,227)	(282,493)
Trade net working capital (B)	252,795	214,140	250,018
Other current assets	45,275	61,468	42,593
Other current liabilities	(28,531)	(23,678)	(24,309)
Total current assets/liabilities (C)	16,744	37,790	18,284
Net working capital (D) = (B+C)	269,539	251,930	268,302
Other non current liabilities (E)	(1,093)	(1,116)	(1,185)
Staff Severance Provision (F)	(8,370)	(8,418)	(9,049)
Provisions for risks and charges (G)	(7,853)	(8,069)	(5,793)
Net invested capital (H) = (A+D+E+F+G)	558,062	480,928	498,430
Shareholders' equity attributable to the Group	(331,082)	(324,272)	(311,732)
Consolidated shareholders' equity (I)	(331,082)	(324,272)	(311,732)
(Net short-term financial debt)/Cash	38,477	61,701	51,959
(Net medium/long-term financial debt)	(207,904)	(218,357)	(238,657)
Net financial debt - before IFRS 16 (L)	(169,427)	(156,656)	(186,698)
Current lease liabilities (IFRS 16)	(7,567)	0	0
Non-current lease liabilities (IFRS 16)	(49,986)	0	0
IFRS 16 effect on Net financial debt (M)	(57,553)	0	0
Net financial debt (N) = (L+M)	(226,980)	(156,656)	(186,698)
Net equity and net financial debt (O) = (I+N)	(558,062)	(480,928)	(498,430)

¹ Data unaudited. Starting from 1st January 2019 IFRS 16 accounting standard is in force, 2018 data are not restated under IFRS 16.

Net financial position¹

MARR Consolidated			
(€thousand)	<i>31.03.19</i>	<i>31.12.18</i>	<i>31.03.18</i>
A. Cash	13,350	9,345	6,219
Cheques	0	0	0
Bank accounts	139,044	168,804	150,493
Postal accounts	313	261	55
B. Cash equivalent	139,357	169,065	150,548
C. Liquidity (A) + (B)	152,707	178,410	156,767
Current financial receivable due to Parent company	4,628	1,956	703
Current financial receivable due to related companies	0	0	0
Others financial receivable	1,079	923	823
D. Current financial receivable	5,707	2,879	1,526
E. Current Bank debt	(37,924)	(41,043)	(45,879)
F. Current portion of non current debt	(81,264)	(77,196)	(49,349)
Financial debt due to Parent company	0	0	0
Financial debt due to related company	0	0	0
Other financial debt	(749)	(1,349)	(11,106)
G. Other current financial debt	(749)	(1,349)	(11,106)
H. Current lease liabilities (IFRS 16)	(7,567)	0	0
I. Current financial debt (E) + (F) + (G) + (H)	(127,504)	(119,588)	(106,334)
J. Net current financial indebtedness (C) + (D) + (I)	30,910	61,701	51,959
K. Non current bank loans	(169,578)	(180,707)	(203,542)
L. Other non current loans	(38,326)	(37,650)	(35,115)
M. Non-current lease liabilities (IFRS 16)	(49,986)	0	0
N. Non current financial indebtedness (K) + (L) + (M)	(257,890)	(218,357)	(238,657)
O. Net financial indebtedness (J) + (N)	(226,980)	(156,656)	(186,698)

¹ Data unaudited. Starting from 1st January 2019 IFRS 16 accounting standard is in force, 2018 data are not restated under IFRS 16.