

MARR: The Board of Directors approves the results of the first half of 2019.

Total revenues of the first six months at 793.0 million Euros (782.6 million in 2018).

EBITDA and EBIT (after the application of IFRS 16) at 56.3 and 42.0 million Euros respectively. Net result of 27.8 million Euros.

Rimini, 2 August 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 half-year financial report as at 30 June 2019.

Main consolidated results of the first half of 2019

The total consolidated revenues in the first half-year amounted to 793.0 million Euros, compared to 782.6 million in 2018.

After the application of accounting standard IFRS 16, the EBITDA and EBIT amounted to 56.3 and 42.0 million Euros respectively. The effects of IFRS 16¹ in the first half of 2019 amounted to +4.5 million Euros on the EBITDA and +0.4 million on the EBIT. In the first half of 2018, the EBITDA and EBIT, without the effects of IFRS 16, amounted to 52.7 and 42.7 million Euros.

The result of the recurrent activities amounted to 39.1 million Euros (40.2 million in 2018) and was affected by the increased financial costs by 0.8 million Euros for the application of IFRS 16.

The net result for the period reached 27.8 million Euros, with the IFRS 16 effect amounting to -0.4 million Euros. The net result for the first half of 2018 amounted to 28.6 million Euros.

As at 30 June 2019, the net trade working capital amounted to 209.6 million Euros, an improvement compared to 210.9 million at the end of the first half of 2018.

The net financial debt, which was affected by the application of IFRS 16 with an increase in debts of 56.3 million Euros, reached 211.2 million Euros, compared to 173.3 million as at 30 June 2018, which was without the effects of IFRS 16.

As at 30 June 2019, the net consolidated equity amounted to 300.7 million Euros (283.7 million as at 30 June 2018).

Results for the first half of 2019 by segment of activity

At the end of the first six months of the year, sales of the MARR Group amounted to 779.7 million Euros (770.4 million in 2018), while those for the second quarter amounted to 450.4 million (437.8 million in 2018).

The sales in the first half to clients of the *Street Market* and *National Account* segments reached 664.1 million Euros compared to 658.4 million in 2018, while the sales to *Street Market* and *National Account* segments in the second quarter amounted to 390.8 million Euros (382.0 million in 2018).

In the main segment of the *Street Market* (restaurants and hotels not belonging to Groups or Chains), sales in the first six months amounted to 513.7 million Euros (502.1 million in 2018). Sales in the second quarter amounted to 315.3 million Euros, an increase compared to 303.1 million in 2018, and

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.

benefited from the contribution of the Easter festivities, which had only impacted the first quarter in 2018.

The performance of the end reference market of the *Street Market* segment, on the basis of the most recent survey by the *Confcommercio* Studies Office (July 2019), recorded for "Hotels, meals and out-of-home food consumption" an increase in consumption (by quantity) in the first quarter and in the second of +1.2% and +0.7% respectively.

Sales in the *National Account* segment (operators in Canteens and Chains and Groups) in the half-year amounted to 150.4 million Euros (156.3 million in 2018), while those in the second quarter amounted to 75.5 million Euros (78.9 million in 2018).

Sales to clients in the *Wholesale* segment in the half-year amounted to 115.6 million Euros (112.0 million in 2018), while those in the second quarter amounted to 59.6 million, compared to 55.8 million in 2018.

Outlook

In the main client segment of the *Street Market* the trend of July puts sales of the first seven months towards the year-end objectives in terms of growth and of strengthening of market share.

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 MARR Group 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 half-yearly financial report as at 30 June 2019, 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 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 Monday, 5 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)	30.06.19 (6 months)	%	30.06.18 (6 months)	%	% Change
Revenues from sales and services	771,970	97.3%	762,313	97.4%	1.3
Other earnings and proceeds	21,037	2.7%	20,252	2.6%	3.9
Total revenues	793,007	100.0%	782,565	100.0%	1.3
Cost of raw and secondary materials, consumables and goods sold	(650,556)	-82.0%	(651,474)	-83.2%	(0.1)
Change in inventories	25,262	3.2%	35,427	4.5%	(28.7)
Services	(90,881)	-11.5%	(89,169)	-11.4%	1.9
Leases and rentals	(330)	0.0%	(4,838)	-0.6%	(93.2)
Other operating costs	(762)	-0.1%	(788)	-0.1%	(3.3)
Value added	75,740	9.6%	71,723	9.2%	5.6
Personnel costs	(19,414)	-2.5%	(18,995)	-2.5%	2.2
Gross Operating result	56,326	7.1%	52,728	6.7%	6.8
Amortization and depreciation	(7,545)	-1.0%	(3,434)	-0.4%	119.7
Provisions and write-downs	(6,816)	-0.9%	(6,597)	-0.8%	3.3
Operating result	41,965	5.3%	42,697	5.5%	(1.7)
Financial income	419	0.1%	455	0.1%	(7.9)
Financial charges	(3,311)	-0.5%	(2,848)	-0.5%	16.3
Foreign exchange gains and losses	(9)	0.0%	(48)	0.0%	(81.3)
Value adjustments to financial assets	0	0.0%	0	0.0%	0.0
Result from recurrent activities	39,064	4.9%	40,256	5.1%	(3.0)
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	39,064	4.9%	40,256	5.1%	(3.0)
Income taxes	(11,299)	-1.4%	(11,690)	-1.4%	(3.3)
Net profit attributable to the MARR Group	27,765	3.5%	28,566	3.7%	(2.8)

¹ Data unaudited

Re-classified Balance sheet¹

MARR Consolidated	30.06.19	31.12.18	30.06.18
(€thousand)			
Net intangible assets	152,045	152,097	152,081
Net tangible assets	69,570	68,168	68,448
Right of use assets	55,639	0	0
Equity investments evaluated using the Net Equity method	516	516	516
Equity investments in other companies	304	304	315
Other fixed assets	24,404	25,516	23,780
Total fixed assets (A)	302,478	246,601	245,140
Net trade receivables from customers	415,807	378,489	424,301
Inventories	184,140	158,878	182,979
Suppliers	(390,300)	(323,227)	(396,418)
Trade net working capital (B)	209,647	214,140	210,862
Other current assets	52,242	61,468	51,743
Other current liabilities	(35,449)	(23,678)	(34,651)
Total current assets/liabilities (C)	16,793	37,790	17,092
Net working capital (D) = (B+C)	226,440	251,930	227,954
Other non current liabilities (E)	(1,178)	(1,116)	(1,220)
Staff Severance Provision (F)	(8,170)	(8,418)	(8,835)
Provisions for risks and charges (G)	(7,651)	(8,069)	(6,026)
Net invested capital (H) = (A+D+E+F+G)	511,919	480,928	457,013
Shareholders' equity attributable to the Group	(300,736)	(324,272)	(283,706)
Consolidated shareholders' equity (I)	(300,736)	(324,272)	(283,706)
(Net short-term financial debt)/Cash	54,477	61,701	52,828
(Net medium/long-term financial debt)	(209,390)	(218,357)	(226,135)
Net financial debt - before IFRS 16 (L)	(154,913)	(156,656)	(173,307)
Current lease liabilities (IFRS 16)	(7,654)	0	0
Non-current lease liabilities (IFRS 16)	(48,616)	0	0
IFRS 16 effect on Net financial debt (M)	(56,270)	0	0
Net financial debt (N) = (L+M)	(211,183)	(156,656)	(173,307)
Net equity and net financial debt (O) = (I+N)	(511,919)	(480,928)	(457,013)

¹ Data unaudited

Re-classified Cash-flow statement¹

MARR Consolidated	30.06.19	30.06.18
(€thousand)		
Net profit before minority interests	27,765	28,566
Amortization and depreciation	7,546	3,434
Change in Staff Severance Provision	(248)	(429)
Operating cash-flow	35,063	31,571
(Increase) decrease in receivables from customers	(37,318)	(47,611)
(Increase) decrease in inventories	(25,262)	(35,427)
Increase (decrease) in payables to suppliers	67,073	67,558
(Increase) decrease in other items of the working capital	20,997	17,619
Change in working capital	25,490	2,139
Net (investments) in intangible assets	(142)	(548)
Net (investments) in tangible assets	(4,637)	(1,573)
Net (investments) in right of use IFRS 16	(59,759)	0
Net change in financial assets and other fixed assets	1,112	2,615
Net change in other non current liabilities	(356)	(324)
Investments in other fixed assets	(63,782)	170
Free - cash flow before dividends	(3,229)	33,880
Distribution of dividends	(51,889)	(49,229)
Capital and reserves increase	0	0
Other changes, including those of minority interests	591	(355)
Cash-flow from (for) change in shareholders' equity	(51,298)	(49,584)
FREE - CASH FLOW	(54,527)	(15,704)
Opening net financial debt	(156,656)	(157,603)
Cash-flow for the period	(54,527)	(15,704)
Closing net financial debt	(211,183)	(173,307)

¹ Data unaudited