

Press release



**The recovery of out-of-home food consumption in the third quarter confirmed.
MARR's integrated approach has been rewarded by an improving trend in sales, in constant and progressive recovery.
The development plans and focus on the expected trends in the last quarter of the year have been confirmed.**

Rimini, 5 October 2020 – MARR S.p.A. (Milan: MARR.MI) the leading company in Italy in the sale and distribution of food and non-food products to the foodservice closed the third quarter of 2020 with revenues, albeit lower than those in the same period last year, in line with the forecasts, and in significant recovery compared to the previous quarter and with a better performance compared to that of the overall Market.

After the almost total stoppage of consumption linked to the foodservice and tourism sectors until the first days of the month of June, a period during which MARR continued to operate anyway, ensuring services and assistance to its client partners, the gradual re-opening of commercial businesses has enabled a significant recovery in consumption, which has been confirmed throughout the entire "summer" quarter (July to September).

Indeed, according to the findings of the Confcommercio Studies Office (ICC no. 8/2020), in the two months of July and August, the variation in terms of trend in quantity in the "hotels, meals and out-of-home food consumption" segment was of -34.6% and -29.6% respectively compared to last year and of -66.4% in the entire second quarter.

It is believed that the cumulative variation concerning the quarter from July to September in the aforementioned segment could be around -30% (with a negligible difference between the variation in quantity and that in value because of the almost non-existent inflation). In this framework, the total revenues of MARR during the third quarter, provisional management figures, are in excess of 400 million Euros, obviously less than the same period last year, approximately -20%, but with a performance level in excess of the reference Market.

The progressive recovery achieved by MARR is the result of a series of commercial, management and operating initiatives that, in an integrated manner, were started and developed during the most acute and difficult phase of the lockdown.

Amongst these, worth remembering are the new or renewed product lines capable of offering clients business opportunities (for example the lines of packaging for delivery and take away, Grab&Go, ready to eat and ready to cook dishes, focusing on "Made in Italy") and increased safety in management (line for sanitising and disinfecting, highly protected single portion meals for breakfast, products and equipment for hygiene and safety), the devising of suitable programmes for specific segments of clients (for example the programme which enables tourist operators to optimise the benefits of the "Holidays Bonus") or the focus on fresh products such as seafood and fruit and vegetables, with the consequent adjustment of the logistics-distribution structure (achieved following the acquisition and integration of SiFrutta, for example).

These results lead to further confirm that, as already hypothesized in May, the scenario is realistically sustainable for the future as well: after the strengthening of consumption during the third quarter, and thus during the most important period for tourism activities in our country, it is reasonable to expect a progressive realignment with the historical figures as early as the middle of next year. Great attention is given by the management team to the dynamics of the last quarter of the year, which has just started, with specific regard to the quality of receivables and operational management in view of a possible new slowdown in consumption in the catering sector, but taking into account the hoped recovery of the out-of-home mainly in large cities (business area) and also that linked to industrial and school activities.

The medium and long-term forecasts and all of the available elements confirm that there should not be any particular structural obstacles that may prevent out-of-home food consumption to become once again, together with the tourism vocation of our country, a strongly significant element on the Italian economy

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From this follows the confirmation of the adequacy and sustainability of the business model optimised by MARR over the years and not easily imitable in terms of closeness to the market, skill and specialisation, innovative capacity, completeness of products and operating and management flexibility. This is all guaranteed also by the capillary presence of MARR nationwide and this element will continue to be a precise reference point for the future as well. An example is the confirmation of the further enhancement of the logistical structure, involving the opening of a new distribution center in Catania, in the first part of next year, destined to cover Eastern Sicily and the start of a new project for the realisation of a new distribution platform of more than 40 thousand sq. m, which will enable the better management of supply to the single distribution centers nationwide and the service to clients of structured foodservice (Canteens and Chains & Groups).

In further support of these projects, in addition to the current availability of more than 200 million Euros in liquidity, it is expected that by the end of 2020, MARR will be able to benefit from the allocation of a medium-long term loan of 80 million Euros, which is currently in the process of being definitively approved by SACE and the MEF and has already been approved by Banca Nazionale del Lavoro S.p.A. (BNL) as the lead bank, agent and depositary and the Cassa Depositi e Prestiti S.p.A. (CDP), and will be covered by a SACE guarantee pursuant to the so-called "Liquidity Decree".

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 (<https://catalogo.marr.it/catalogo>).

The MARR Group operates nationwide through a logistical-distribution network composed of 35 distribution centres, 5 cash & carry, 3 agents with warehouses and over 750 vehicles.

In 2019 the MARR group achieved total consolidated revenues amounting to 1,695.8 million Euros, consolidated EBITDA of 128.5 million Euros and consolidated net profit of 66.6 million Euros.

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

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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.