

*The following is a free translation in English of the speech and a summary of the Q&A topics session relating to the release of MARR's 1H 2022 Results. The speech, being held in Italian, will prevail in case of discrepancy with the written free English translation.*

*Antonio Tiso – Investor Relator*

Good afternoon and thank you for attending the MARR conference on the figures relating to the 1H 2022, reserved for investors, analysts and banks.

Before giving way to the CEO Francesco Ospitali for the presentation of the figures, I would point out that:

- as usual, we will follow the order of the slides sent to you and available in the Investor Relations section of the company website;
- we will try to be brief and leave more time for your questions;
- Pierpaolo Rossi, Director of Administration, Finance and Control is in attendance;
- lastly, I would remind you that tomorrow Friday 5 August, the English version of the speech and a Q&A summary will be published on the MARR website and will be available for consultation for one week.

I will now give way to the CEO Francesco Ospitali to begin presenting the figures.

*Francesco Ospitali - CEO*

3)

Thank you Antonio and good afternoon to you all.

We will begin with slide 3 and a summary of the main consolidated economic and financial data for the first half of 2022.

The first six months of 2022 closed with total consolidated revenues of 874.3 million Euros, an increase of 332.3 million compared to 542 million in 2021, specifically with an increase of 195.2 million in the second quarter.

The EBITDA reached 35 million Euros, and increase of 11.8 million compared to the first half of 2021.

The net result for the first six months amounted to 10.5 million, an increase of 9.4 million compared to 1.1 million in the same period of 2021.

4) We will now pass on to slide 4) and the revenues from sales.

With total revenues of 874.3 million Euros, the revenues from sales, and thus net of the contribution of the other revenues, amounted to 860.2 million Euros after the first six months, an increase of 325.3 million compared to 534.9 million in 2021.

Sales in the half year also increased compared to pre-pandemic 2019 levels, when they amounted to 779.7 million Euros in the first six months.

With regard to the second quarter of 2022, the sales amounted to 538.5 million Euros, an increase of 189.8 million compared to the same period in 2021.

The increase compared to both 2021 and 2019 concerns all of the client segments and is driven by sales to clients in the Street Market and National Account categories, which in the first half of 2022 amounted to 734.2 million Euros, and when compared to 418.7 million in 2021, benefitted by about 12 million Euros from the sales of the Verrini Group, consolidated as of 1 April 2021, and by about 4 million Euros from the sales of Frigor Carni S.r.l., consolidated as of 1 April 2022.

The sales to wholesalers ("Wholesale" category) amounted to 126.1 million Euros in the first half year, compared to 116.2 million in 2021.

In general, the performance of sales in the first half of 2022 was influenced by the inflation trends ongoing in the foodservice sector, which are significantly affecting most of the goods sold by MARR. These trends also affected the Gross Margin, and we will see their main effects in the next slide.

5)

We will now pass on to slide 5)

The first consideration is that the general inflation of food products that is affecting the foodservice sector is also reflected in the modalities and timing of pass-through of the increase in prices to the market, with effects on the gross margin which, although with different dynamics, concern all of the client segments served and where the clients in the National Account, and Canteens in particular, have the greater time delay.

Against a background of a double-digit increase of the average sales price, we have an increase of the unitary margin per kg that is also double-digit, although slightly more contained, and that is close to 80 cents per kg.

The trend of the Gross Margin, which went from 21.1% pre-pandemic in the first half of 2019 to 20% in the first six months of 2022, is also affected by the change in sales mix by category of product, which can be quantified at about 20 basis points.

Specifically, the variation in mix is the result of an increase in the sale of seafood products, the incidence of which on total sales has increased from 34% in the first half of 2019 to about 37% in 2022. On one hand, seafood products have a lower gross margin than other categories, but on the other, have a higher average price, which has contributed to the increase in the unitary margin.

I will now give way to Pierpaolo for the analysis of the financial data.

*Pierpaolo Rossi – Director of Administration, Finance and Control*

6)

Thank you and good afternoon to you all.

We are on slide 6) and the analysis of the income statement for the first half of 2022.

The total revenues amounted to 874.3 million Euros, a significant increase compared to 542 million in the first half of 2021.

As illustrated just now, the increase in revenues is linked to the recovery in out-of-home food consumption and is also affected by the inflation trends that are affecting most of the goods and products sold by MARR, with effects also on the timing of pass-through of the increase in prices to the market and thus on the gross margin.

At the level of service costs, which went from 73.4 million of H1 2021 to 115.9 of H1 2022, their increase is due to:

- the increase in volumes for about 70%
- the inflation effects and the increase in energy cost, the latter with a specific impact on the distribution and conservation activities, for about 25%;
- and lastly, the increase in the service costs is due to the variation in perimeter as a result of the acquisition of the companies of the Verrini Group and Frigor Carni, and also the opening of the MARR Catania distribution center and the MARR Piacenza Platform, all net of the gains in efficiency.

In completion of the analysis of the operating costs, we can see that the cost of labour increased by 6.1 million Euros, which is due to three joint effects: the lesser use of the social safety nets (none in 2022), the increase in the workforce of the Group, and the timing of the entry of the newly acquired companies within the scope of consolidation.

Briefly, despite the aforementioned impacts on the operating costs of inflation dynamics in the first half of 2022, the EBITDA reached 35 million Euros, with an increase of 11.8 million Euros compared to the same period in 2021.

With regard to depreciation, it must be noted that their increase, of about 1.3 million Euros compared to the first half of 2021, is mainly due to the portion regarding the rights of use, and thus the effects of accounting for the lease contracts according to the accounting standards of IFRS 16. New leases that concern the acquisitions of the companies of the Verrini Group and Frigor Carni, consolidated on 1 April 2021 and 1 April 2022 respectively, the opening of the MARR Catania distribution unit in April 2021 and that of the MARR Piacenza stocking platform in January 2022.

The item provisions and write-downs, which amounted to 7.0 million Euros at the end of the first half of 2022, includes allocations made to the provision for bad debts of 6.8 million, a reduction compared to 7.0 million in 2021 as a result of the confirmed process of normalisation of the conditions of credit management compared to those pre-pandemic.

As a result of this, the % incidence on the total revenues of the allocations to the provisions for bad debts is re-aligned to pre-pandemic levels.

The EBIT for the period amounted to 18.3 million Euros, an increase of 11.2 million compared to the first half of 2021.

The pre-tax result amounted to 15.6 million Euros, compared to 1.6 million in 2021, which was affected for 2.9 million Euros by the extraordinary costs regarding the early repayment of the USPP bond loan.

The net result for the half year amounted to 10.1 million Euros, an increase of 9.4 million compared to 1.1 million in the first half of 2021.

7)

We will now pass on to slide 7) and some comments on the Net Trade Working Capital, which amounted to 211.5 million Euros as at 30 June 2022, compared to 188.9 million at the end of the first half of 2021, and is affected by the trends in inventory due to the aforementioned inflation and in procurement policies implemented during the first quarter of 2022, with a view to the peak of consumption in the third quarter of the summer season.

The days of cash conversion cycle as at 30 June 2022 showed an improvement of 2 days compared to 2019 and 14 days compared to 2021.

This improvement is mainly the result of the reduction in days receivable, which amounted to -10 days compared to 2019 and -37 days compared to 2021.

Specifically, the days receivable as at 30 June 2022 amounted to 84 days, confirming the levels reached on 31 March last.

The trend in the working capital is reflected in that of the financial debt, the analysis of which is in the next slide, number 8).

8) With regard to debt, we can see that the net financial position before the application of IFRS 16 amounted to 147.2 million Euros, compared to 125.2 million as at 30 June 2021, with an increase of 22 million, after the distribution on 25 May last of 31.3 million Euros in dividends, while the distribution of dividends had been suspended in the first half of 2021.

The dividends were then paid out in October.

The net debt level after the application of IFRS 16 at the end of the first half of 2022 is however in line with that of the pre-pandemic as at 30 June 2019.

The increase in debt regarding IFRS 16 is mainly affected by the leases of the Verrini Group and the leases of the MARR Catania distribution center since April 2021 and also by the lease of the MARR Piacenza stocking platform since the end of January 2022.

We have finished the economic and financial analysis, and I will now give way to Francesco.

9)

Thank you Pierpaolo.

We are now on slide 9) and some comments on current trading.

The performance of MARR sales in July confirmed both the outlook for a positive summer season, benefitting from significant numbers of tourists, including those from overseas, and the recovery of out-of-home food consumption with a progressive return to the pre-pandemic.

July closed with total consolidated revenues of more than 215 million Euros, an increase compared to both the same period in 2021 and pre-pandemic 2019 levels.

During this phase, the efforts of the entire organization of the MARR Group have been concentrated in taking advantage of the market opportunities and in ensuring an adequate service offer during the peak of the summer season.

Activities are continuing to provide a product offer than combines service and quality for the client, an example of which is the recent relaunch of the line of hamburgers and associated products (Burger Taste) as well as the offer of alternative cuts for grilling, with a differentiation in terms of cuts, origin of the meat and product positioning.

In this context and in a summer period characterised by significant out-of-home food consumption, MARR has thus set itself the priority of safeguarding the continuity of customer relations, through the management of procurement aimed at ensuring the best possible quality at always competitive prices and with operating methods capable of combining efficiency and service levels.

We have now finished our presentation and will take any questions you may have.

Thank you

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Thank you and we will speak to you on Friday 14 November 2022 for the presentation of the figures relating to the figures as at 30 September 2022.

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### **Summary of the main topics raised during Q&A session**

The Q&A session provided greater details on the following topics raised during the presentation of the 1H 2022 results.

- i) Constituent elements of price €/kg increase
- ii) Expectations for the Gross Margin and EBITDA
- iii) Capex
- iv) Expected net debt at year end
- v) The competitive landscape

i) In relation to the increase of the €/kg price in 1H 2022 by ca 17% on the pre-pandemic level of 2019, the variation at the level of the core business (Street Market and National Accounts segments) is about 12%. This latter figure can be broken down into 10% of pure inflation and 2% price/mix, that is net of the trading down effect. The 3% of trading down element, particularly in Canteens, seen in Q1 of 2022 is now more contained due also to the seasonal change in sales mix.

ii) Modalities and timing of pass-through of food inflation is affecting the % of Gross Margin. However the ongoing pass-through process is leading to a higher €/kg Gross Margin.

In terms of operating profitability, in absolute value, 1H 2022 ended with ca 20€mln less of EBITDA compared to the pre-pandemic 2019 levels. At present this gap cannot be expected to be recovered in 2H due to ongoing inflation dynamics. The tail end of the summer season and the month of December will have an important weight on operating profitability of 2H.

iii) Capex in the range of €40/45 million is confirmed for 2022.

iv) Net debt (under IFRS 16) at year end could be expected to be around 200€mln.

v) Competitors are facing similar challenges but, particularly the smaller players, during the summer season can be pricing their more limited product range more aggressively. However, the main issue that the Foodservice clients are facing is that of mitigating overall costs, including utility costs.

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