

## MARR's conference call 14 May 2024

*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 1Q 2024 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 first quarter 2024, reserved for investors, analysts and banks.

Before giving way to the CEO Francesco Ospitali and the CFO Pierpaolo Rossi, 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;
- the presentation is expected to last about half an hour. We will try to be brief and leave more time for your questions.
- lastly, I would remind you that on Wednesday 15 May, 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 quarter of 2024.

The MARR Group closed the first three months of 2024 with total consolidated revenues of 418.1 million Euros which, in comparison with 426.6 million in the same period of 2023, were affected also by the implementation of policies starting as of the first part of 2023 aimed at managing food inflation.

As a result of these policies, implemented for the recovery of the gross margin, the operating profitability has improved, with a consolidated EBITDA in the first quarter of 2024 amounting to 16.6 million Euros (14.8 million in 2023) and EBIT of 7.5 million Euros (6.2 million in 2023).

After the first three months of 2024, the net profits, which are affected by increased net financial charges due to trends in the cost of funding, amounted to 1.7 million Euros (1.5 million in 2023).

The Net Trade Working Capital as at 31 March 2024 amounted to 234.1 million Euros, compared to 233.5 million as at 31 March 2023.

The net financial debt as at 31 March 2024, net of the application of accounting standard IFRS 16, amounted to 181.5 million Euros compared to 192.3 million as at 31 March 2023.

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

With total revenues of 418.1 million Euros, the revenues from sales, and thus net of the contribution of the Other Revenues, in the first quarter of 2024 amounted to 412.5 million Euros compared to 420.0 million in the same period of 2023. It should be recalled that historically, the first quarter is low seasonality.

In particular, the analysis of the sales in the first quarter by segment shows that:

- sales to clients in the Street Market segment (Independent Commercial Catering) amounted to 256.7 million Euros (250.7 million in the first quarter of 2023);
- while those to clients in the National Account segment, which as illustrated in the histogram on the right is constituted by Chains and Groups in Structured Commercial Catering and Canteens, amounted to 114.6 million Euros, compared to 121.6 million in 2023, and were affected by the decrease in sales in the Canteens sub-segment (66.1 million in the first quarter of 2024, compared to 76.9 million in 2023) as a result of the planned activities implemented as of the first part of 2023 in order to manage food inflation.

Sales to clients in the Wholesale segment (almost entirely frozen seafood products to wholesalers) in the first quarter of 2024 amounted to 41.2 million Euros and, in comparison to 47.7 million in the same period of 2023, were influenced by the trend of certain fishing campaigns compared to last year. In this segment, the priorities remain the supply of caught seafood products and the management of profitability.

We will now pass on to slide 5) and the analysis of sales to clients in Commercial Catering.

5)

The sales of the MARR Group to clients in Commercial Catering - constituted by the independent Street Market segment and the structured Groups and Chains, which are part of the National Account segment - amounted to 305.2 million Euros in the first quarter of 2024, compared to 295.4 million Euros in the same period of 2023.

The market context for the foodservice sector remains positive, also thanks to the contribution of the flow of foreign tourists (Federalberghi, May 2024). In the first quarter of 2024, compared to the same period in 2023, according to the Confcommercio Studies Office (Survey no. 4, April 2024), consumption by quantity in the item “Hotels, meals and out-of-home consumption” in Italy increased by 3.3%, while according to TradeLab (AFH Consumer Tracking, April 2024), the increase in the number of visits to “Away from Home” (AFH) catering structures amounted to 1%, with an increase of 2% in the value of AFH consumption.

Commenting on the dynamics of Commercial Catering, it can be seen that the variation in €/kg in the first quarter of 2024 compared to the same period last year, which was still affected by significant inflationary trends, lessened, with a trend towards stabilisation.

In addition to the pure price dynamics, the variation in €/kg also depends on the sales mix, in particular in terms of product.

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

*Pierpaolo Rossi - CFO*

6)

Thank you and good afternoon to you all.

We are now on slide 6) and the analysis of the income statement for the first quarter of 2024 compared to the same period in 2023 and pre-pandemic in 2019.

As a result of the policies implemented by the company, it can be seen that after the first three months of 2024, the improvement of the gross margin of was confirmed compared to the same period last year, also with a realignment compared to pre-pandemic levels in 2019.

The increase in the incidence of the service costs is affected by the structural increase of those of a logistical nature regarding internal handling and transport. Furthermore, with a confirmed level of customer service (for example in terms of frequency of deliveries), the logistics costs have a lesser dilution as a result of the trend in revenues.

In overall terms, the improvement in profitability is confirmed, and after the first three months of 2024, the EBITDA amounted to 16.6 million Euros compared to 14.8 million in the same period in 2023.

The item “Provisions and write-downs” was basically stable, and is constituted almost entirely by the Allocation to the Provision for Bad Debts, which in the first quarter of 2024 amounted to about 3.5million Euros, and is prudentially in line with the 3.4 million in the same period in 2023. The EBIT for the first quarter of 20204 amounted 7.5 million Euros, compared to 6.2 million in 2023.

The Net Profits after the first three months of 2024 amounted to 1.7 million Euros compared to 1.5 million in the first quarter of 2023 and is affected by increased net financial charges due to trends in the cost of funding.

The Net Result was also penalized by the fact that with effect from 1 January 2024 the repeal of the “Economic Growth Assistance” (the so-called ACE) was ordered, which made it impossible to make the deduction linked to the notional return of own capital, with an effect on an annual basis which can be estimated in higher taxes of about 400 thousand Euros.

7)

We will now pass on to slide 7) and some comments on the Net Trade Working Capital and its components.

The Net Trade Working Capital as at 31 March 2024 amounted to 234.1 million Euros and is almost in line with that as at 31 March 2023, both in absolute value and in terms of days of cash conversion cycle, confirming the improvement compared to pre-pandemic levels in 2019.

The days receivables at the end of the first quarter of 2024 confirm the improvement compared to 2019 levels.

The reduction in trade payables as at 31 March 2024 compared to the first quarter of 2023 is also correlated to that of the inventory, which reduced by about 9 million Euros.

8)

The next slide, 8, contains some details on the financial debt.

The Net Financial Position as at 31 March 2024 amounted to 260.7 million Euros, compared to 270.6 million at the end of the first quarter of 2023.

Net of the application of accounting standard IFRS 16, the NFP is 181.5 million Euros, a reduction compared to 192.3 million as at 31 March 2023, after a CapEx which during the period “1 April 2023 - 31 March 2024” was of 25.5 million Euros, of which 17.5 million regarding the new “MARR Lombardy” distribution centre.

The breakdown by maturity and by fixed and variable rate of the gross debt, net of IFRS 16, from 16 to 31 March 2024 shows a fixed rate portion amounting to 102 million Euros, which represents about 29% of the total gross debt.

I will now give way once again to the Chief Executive Officer.

*Francesco Ospitali - CEO*

9)

Thank you Pierpaolo.

We are now on slide 9).

The operational activities of the MARR Lombardy distribution centre began in mid-April, as planned.

We would remind you that:

- MARR Lombardy is an owned structure and final CapEx amounted to about 28 million Euros.
- The new distribution centre is a state-of-the-art structure of more than 14 thousand sqm and is efficient and sustainable.
- MARR Lombardy is located in Bottanuco (Bergamo) and strengthens the presence of MARR in Lombardy, the leading region in terms of out-of-home food consumption in Italy.

MARR Lombardy represents the first step in the Investment Plan announced in November 2023. The plan is aimed at improving the efficiency of the logistics network and at strengthening operating capacity to support the M/L term organic growth.

As part of the Plan, the construction of a new platform in Lazio is underway and is expected to be completed by the end of 2024 and start operations in early 2025.

This facility will be leased and the CapEx for MARR, which relates mainly to the refrigeration systems and other installation specifications, is expected to amount to about 17 million Euros.

This new platform, covering about 30 thousand sqm, is aimed at managing: i) the distribution activities to the MARR distribution centres in central and southern Italy and ii) a dedicated service for National Account clients.

The current logistics activities in the region will be redesigned and enhanced through this new platform.

10)

We will now pass on to the next slide, 10, and an update on the current trading.

The trend of out-of-home food consumption in the first four months of 2024, and thus after the “Spring long weekends” of 25 April and 1 May, both penalised by unfavourable weather conditions (Confesercenti, April-May 2024), provided positive indications in view of the summer tourist season.

The trend in tourist flows, especially those from abroad, remains positive (Federalberghi, May 2024).

In this context, the trend in sales to Commercial Catering clients (clients in the Street Market segment and in the sub-segment of Chains and Groups in the National Account segment) in the first four months of the year is consistent with that in the first quarter and with the objectives of strengthening the market presence.

Sales to Canteen clients at the end of the first four months showed an improving dynamics compared to that in the first quarter, also thanks to a favourable calendar in April. As a result of the actions currently being implemented, a progressive recovery in sales to the Canteen clients is expected in the second half of the year.

MARR continues to propose various solutions in terms of product positioning (for example selections of Premium, Plus and Smart products) in order to effectively satisfy the various needs of clients in terms of price and service mix.

The focus of the entire organization on recovering operating profitability is confirmed, in particular through to the management of the gross margin and the control of the levels of absorption of the working capital.

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 for the presentation of the figures relating to the first half 2024 being in calendar on Friday 2nd August.

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

The Q&A session provided greater details on the following topics raised during the presentation of the 1Q 2024 results.

- i) Outlook for sales and profitability for the year in light of 1Q and the trends in April
- ii) Benefits deriving from the new distribution center in Lombardy
- iii) Update on CapEx plan
- iv) Increase in labour costs in 1Q
- v) Impact of the repeal of the so-called ACE tax benefit on the year-end tax rate

i) As is well known, 1Q results cannot be taken as a proxy for the year due to its low seasonality. Having said this:

a. Sales to Street Market and Chains and Groups clients at the end of April are aligned compared to the first quarter. In 2024, the absence of Easter in April helped sales to Canteens clients, for which a recovery in the second half of the year can be expected and thanks to client selection already carried out. In addition, thanks also to the expected tourism flows, including from abroad, the coming summer season can be looked positively.

b. The focus on the recovery of operating profitability is continuing, particularly at the Gross Margin level. 1Q 2024 was more sensitive to changes at the Gross Margin level and therefore cannot be taken as the benchmark for the year, also because in general terms the 1Q is low in seasonality. The overall objective for the year remains that of improving operating profitability, with much of that depending on the dynamics of the third quarter and on the Gross Margin.

ii) After the summer season, improvements in efficiency and mitigation of service costs in the new MARR Lombardy distribution center can be expected. Those improvements will derive also from an innovative software solution for warehouse management (“WMS”) that has been introduced for the first time at the level of a distribution center (previously adopted at the stocking platform level) and following an initial ramp up, the benefits for this facility should start accruing after the September. Contributions in terms of sales related to MARR Lombardy will be also more evident after the summer.

iii) To date, the CapEx plan is confirmed. In case of delays in the start of works for the Ospedaletto logistics platform (major investment of the plan), a possible postponement of the related portion of investment could occur from late 2024 into 2025.

iv) An increase of 300 thousand Euros in Labour costs in 1Q 2024 compared 1Q 2023 was the result of new general contractual arrangement entered into force in 2024 and additional resources being brought in at the HQ level. This increase will be more diluted at the year end.

v) The negative effect on the tax rate due to the cancellation of the “ACE” benefit, for the full year, can be estimated at about 400 thousand Euros and will be more diluted over 12 months compared to the first three months.

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