

# MARR

Sector: Consumers

# NEUTRAL

Price: Eu9.77 - Target: Eu11.00

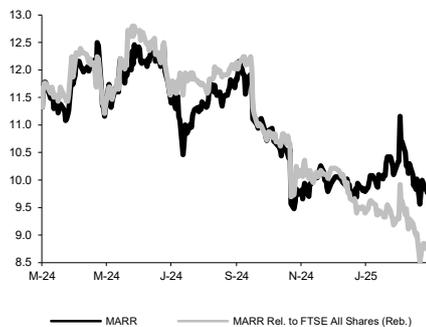
## Trends Normalizing but Still Too Early for Step-Up in Margins

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### Stock Rating

<b>Rating:</b>	Unchanged		
<b>Target Price (Eu):</b>	from 11.50 to 11.00		
	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>Chg in Adj EPS</b>	-13.8%	-7.5%	

### MARR - 12M Performance



### Stock Data

Reuters code:	MARR.MI		
Bloomberg code:	MARR IM		
<b>Performance</b>	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute	-5.3%	-1.7%	-12.8%
Relative	-6.5%	-16.5%	-25.6%
12M (H/L)	12.50/9.48		
3M Average Volume (th):	101.74		

### Shareholder Data

No. of Ord shares (mn):	67
Total no. of shares (mn):	67
Mkt Cap Ord (Eu mn):	650
Total Mkt Cap (Eu mn):	650
Mkt Float - Ord (Eu mn):	322
Mkt Float (in %):	49.6%
Main Shareholder:	
Cremonini Spa	50.4%

### Balance Sheet Data

Book Value (Eu mn):	351
BVPS (Eu):	5.28
P/BV:	1.9
Net Financial Position (Eu mn):	-209
Enterprise Value (Eu mn):	859

- MARR's latest FY24 results showed trends normalizing and once again management's ability to counterbalance headwinds occurring throughout the year.** The difficult first part of the year (until 3Q) was impacted by the decision to streamline unprofitable contracts with canteens, and Eur/kg trends that did not support the business. Based on results and management indications, these trends, particularly those for Eur/Kg, appear to be normalizing now, with supportive indications for 2025. However, we prefer to remain cautious as slightly higher costs (mainly handling and logistics), also deriving from the ongoing roll-out of new facilities across Italy, limited visibility on volumes and margin developments; moreover, general market downtrading indicated by management is limiting upside on margins, at least for the first part of the year. The new distribution footprint related to ongoing investments will undoubtedly bring improvements to margins, but they will be increasingly visible towards the very end of the year and in 2026.
- Revenues slightly positive in FY24.** MARR closed FY24 with results in line with expectations, with consolidated turnover of Eu2,098m (+0.6% YoY). The Commercial Catering segment recorded growth of sales in 4Q24 (Eu338.7m vs Eu329.5m in 4Q23), despite a slight decline in €/kg over the year (-1% YoY), offset by a recovery in 4Q24 (+0.3% YoY).
- Flattish margins YoY.** EBITDA was Eu120.2m with the margin on sales at 5.7% (-20bps YoY), influenced by the structural increase in logistics costs and negative Eur/Kg trends with higher volumes. EBIT was Eu80.8m, slightly below expectations due to higher depreciation, while consolidated net profit was Eu42.7m, penalized by higher financial charges.
- Positive start to the year and constructive indications.** Management indicated low single-digit growth in the first two months of the year with constructive indications on the coming spring/summer season. Eur/Kg is seen now stable with some upside pressures on some categories (e.g. frozen seafood).
- Revision of estimates.** We trim our assumptions in light of current developments and indications on growth and trajectories for margins. We assume a recovery in profitability starting from 2026 onwards. We also assume a longer path for investments.
- NEUTRAL, target Eu11 (from Eu11.5).** We continue to appreciate the company's business model, and management's outstanding track record and proven ability to deliver results while dealing with a continuing uncertain and challenging environment that is particularly exposed to mixed trends. The current market scenario and underlying trends are normalising and unsupportive, while we should see a gradual reduction in margin risk, even if margins will remain below pre-pandemic levels. In light of the latest announcements on investments and the subsequent timeframe within which the company should recover margins to pre-pandemic levels (~2027, when projects will be in place) we remain cautious for the moment, acknowledging that some of the investments are already becoming operational and should start to contribute to the group's operational efficiency as of next year. Plugging our new estimates into the DCF model yields a new target price of Eu11.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	2,086	2,098	2,146	2,225	2,317
EBITDA Adj (Eu mn)	123	120	128	140	158
Net Profit Adj (Eu mn)	47	43	45	50	61
EPS New Adj (Eu)	0.708	0.642	0.684	0.752	0.914
EPS Old Adj (Eu)	0.708	0.719	0.793	0.813	
DPS (Eu)	0.600	0.600	0.639	0.703	0.855
EV/EBITDA Adj	8.0	7.7	6.7	6.4	5.7
EV/EBIT Adj					
P/E Adj	13.8	15.2	14.3	13.0	10.7
Div. Yield	6.1%	6.1%	6.5%	7.2%	8.7%
Net Debt/EBITDA Adj	1.2	1.4	1.6	1.7	1.6

