QUARTERLY STATEMENT

9M/Q3 2020/21

CONTENT

METRO WITH SIGNIFICANT GROWTH IN Q3 FOLLOWING HOSPITALITY RESTART – MARKET SHARES FURTHER EXPANDED

With the sale of the majority stake in METRO China and the hypermarket business completed in the financial year 2019/20, the differentiation of reporting into continuing and discontinued operations in accordance with IFRS 5 will no longer apply from the financial year 2020/21 onwards. The following presentations in the reporting year therefore relate to the group units that were reported as continuing operations in the previous year.

The sales and EBITDA outlook for the financial year 2020/21, which was published on 20 April 2021, was raised on 27 July 2021. This was due to the better-than-expected business development since the easing of restrictions. Dedicated operational measures to support the re-start of our customers resulted in continuous market share gains. The currency adjusted sales to HoReCa customers grew by 57% in Q3 2020/21, exceeded the pre-pandemic level for the first time in June and continued to develop positively in July.

The Management Board of METRO AG (METRO) has therefore decided to increase its outlook for sales and EBITDA for the financial year 2020/21 on 27 July 2021. While the high level of uncertainty and volatility regarding the further development of the pandemic remains, METRO now expects:

- Sales (both total sales and like-for-like) to decline by approximately -0.5% to -3.5% vs. previous year (previously: -3% to -6% below previous year)
- A development of EBITDA adjusted of €50 million to €-75 million to previous year (previously: decline by roughly €-50 million to €-175 million to previous year)

The outlook assumes stable exchange rates and no further adjustments to the portfolio. A partial re-introduction of restrictions is reflected with the lower end of the outlook corridor considering the still high level of uncertainty and volatility regarding the further development of the pandemic.

Q3:
Sales in local currency grew by 15.4%. Like-for-like sales increased by 15.0%. Reported sales grew by 12.2% to €6.2 billion

Adjusted EBITDA grew significantly to €310 million (Q3 2019/20: €175 million). In Q3 2020/21 €1 million transformation costs incurred (Q3 2019/20: €1 million). Earnings contributions from real estate transactions amounted to €16 million (Q3 2019/20: €2 million). EBITDA almost doubled to €325 million (Q3 2019/20: €176 million)

The profit or loss for the period attributable to METRO shareholders in Q3 2020/21 grew to €63 million; in Q3 2019/20 the profit or loss for the period in continuing operations amounted to €-140 million and in discontinued operations to €652 million (previous year includes transaction proceeds)

The earnings per share in Q3 2020/21 increased significantly to €0.17; in Q3 2019/20 earnings per share in continuing operations amounted to €-0.38 and in discontinued operations €1.80 (previous year includes transaction proceeds)

9M:
Sales in local currency declined by -3.5%. Like-for-like sales decreased by -3.7%. Reported sales declined by -7.8% to €17.6 billion

Adjusted EBITDA amounted to €800 million (9M 2019/20: €834 million) and thereby currency adjusted €24 million or 3% above the previous year. All segments except Western Europe (excl. Germany) are at or above the previous year's level. In 9M 2020/21 €13 million transformation costs incurred (9M 2019/20: €46 million). Earnings contributions from real estate transactions amounted to €58 million (9M 2019/20: €3 million). EBITDA reached €845 million (9M 2019/20: €791 million)

The profit or loss for the period attributable to METRO shareholders in 9M 2020/21 reached €31 million; in 9M 2019/20 the profit or loss for the period in continuing operations amounted to €-135 million and in discontinued operations €526 million (previous year includes transaction proceeds)

The earnings per share in 9M 2020/21 reached €0.09; in 9M 2019/20 earnings per share in continuing operations amounted to €-0.37 and in discontinued operations €1.45 (previous year includes transaction proceeds)

Cash flow from operating activities (continuing operations) increased significantly to €670 million (9M 2019/20: €30 million cash inflow)

The net debt was reduced to €3.8 billion (30.6.2020: €4.4 billion)

OVERVIEW

9M/Q3 2020/21

€ million	9M 2019/20	**9M 2020/21**	Q3 2019/20	**Q3 2020/21**
Sales	19,123	**17,635**	5,568	**6,247**
EBITDA adjusted	834	**800**	175	**310**
Transformation costs	46	**13**	1	**1**
Earnings contributions from real estate transactions	3	**58**	2	**16**
EBITDA	791	**845**	176	**325**
EBIT	163	**242**	-21	**126**
Earnings before taxes EBT	-36	**119**	-59	**90**
Profit or loss for the period from continuing operations[1]	-135	**31**	-140	**63**
Earnings per share from continuing operations (€)	-0.37	**0.09**	-0.38	**0.17**
Profit or loss for the period[1,2]	391	**31**	512	**63**
Earnings per share (€)[2]	1.08	**0.09**	1.41	**0.17**

[1] attributable to METRO shareholders.
[2] also includes the result from discontinued operations, including the transaction result.

SALES, EARNINGS AND FINANCIAL POSITION

The first nine months of the FY 2020/21 were markedly impacted by the Covid-19 pandemic and the government measures in this context. In the course of Q3 2020/21, there was finally a trend change and a significantly improved business development. This is due, on the one hand, to the easing of the Covid-19 protective measures, which began gradually in May and became more comprehensive during the quarter. On the other hand, numerous measures were taken at country level to strengthen the operating business in the gastronomy and hotel business. These included the activation of existing customers and the acquisition of new ones, for example through "fresh start" discounts, payment term campaigns or special assortments. In addition, business with Traders was stable and business with SCO customers remained above pre-pandemic levels. It is important to note that the sales development for all customer groups was strongly influenced by the Covid-19 pandemic in the same quarter of the previous year. As a result, the basis for comparison was easier (HoReCa customers with government restrictions in the previous year) or more challenging (SCO customers were stockpiling in the previous year).

The development of METRO's individual segments has been affected by the Covid-19 pandemic to varying degrees. The degree depends on the composition of the customer groups as well as the duration and intensity of the restrictions in each country. Sales in the HoReCa customer group increased significantly again in Q3 2020/21 in the wake of the recovery in gastronomy and tourism. The progress made in combating the pandemic and the associated positive effects on public life and the business development of the METRO was particularly visible in countries with a high HoReCa sales share, and where government measures had previously been more stringent. Hence, in Western Europe (excl. Germany) (60% HoReCa sales share in FY 2019/20) sales were one third higher than in the previous year and also Eastern Europe (excl. Russia) and Asia showed significant sales growth. According to market data[1] Germany as well as some further strong HoReCa countries in Western Europe outperformed the HoReCa market. [2]

Sales

In Q3 2020/21 sales in local currency grew by 15.4%. Like-for-like sales improved by 15.0%. METROs' reported sales increased by 12.2% to €6.2 billion but could not reach the pre-pandemic level (Q3 2018/19). The sales growth in the reporting quarter was driven in particular by Western Europe (excl. Germany) and Eastern Europe (excl. Russia), where sales increased significantly and steadily over the course of the quarter as gastronomy and tourism recovered. Q3 2020/21 was impacted with a negative calendar effect as a result of the Easter shift. In 9M 2020/21, sales in local currency declined by -3.5% and like-for-like sales by -3.7%. Due to negative currency developments, especially in Eastern Europe (excl. Russia), Russia and Asia reported sales declined by -7.8% to €17.6 billion.

Earnings

Business recovered quickly and significantly as a result of the easing of government-imposed measures in the context of the Covid-19 pandemic. In Q3 2020/21, adjusted earnings before depreciation and amortisation (EBITDA) increased to €310 million (Q3 2019/20: €175 million). Transformation cost of €1 million incurred (Q3 2019/20: €1 million). Earnings contributions from real estate transactions amounted to €16 million and resulted from a sale-and-lease-back transaction in Portugal (Q3 2019/20: €2 million). EBITDA reached €325 million (Q3 2019/20: €176 million).

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[2] npdgroup CREST Panel, NPD

In 9M 2020/21, EBITDA adjusted amounted to €800 million (9M 2019/20: €834 million). Negative exchange rate developments, especially of the Russian and Turkish currencies, contributed to the decline. One-time effects in the mid double-digit million euro range had a compensating effect especially in the Others segment as well as in Western Europe (excl. Germany) and Eastern Europe (excl. Russia). These effects mainly occurred in Q2 2020/21. Adjusted for currency effects, EBITDA amounted to €24 million or 3% above the previous year.

In 9M 2020/21, transformation costs of €13 million (9M 2019/20: €46 million) were incurred. Earnings contributions from real estate transactions amounted to €58 million (9M 2019/20: €3 million) and resulted mainly from the disposal of the last remaining real estate property of the hypermarket business, from the sale of an at-equity accounted investment in a store network in Germany and a sale-and-lease-back transaction in Portugal. EBITDA reached €845 million (9M 2019/20:€791 million).

METRO's depreciation and amortisation in Q3 2020/21 amounted to €199 million (Q3 2019/20: €197 million). In 9M 2020/21, depreciation and amortisation amounted to €603 million (9M 2019/20: €628 million). The decrease mainly results from goodwill impairment in the previous year.

The net financial result in 9M 2020/21 amounted to €-123 million (9M 2019/20: €-199 million). The other financial result mainly developed positively due to more stable exchange rates for Eastern European currencies and the Turkish lira, which had a more favourable effect on the valuation of foreign currency lease liabilities. The interest result improved mainly due to a decrease in interest expenses from leases.

Earnings before taxes in 9M 2020/21 amounted to €119 million (9M 2019/20: €-36 million). The tax expense of €84 million for 9M 2020/21 (9M 2019/20: €95 million) has been calculated taking into account the expected Group tax expense at the end of the financial year.

The profit or loss for the period attributable to METRO shareholders grew significantly in Q3 2020/21 to €63 million; in Q3 2019/20 the profit or loss for the period in continuing operations amounted to €-140 million and in discontinued operations to €652 million (previous year includes transaction proceeds). The profit or loss for the period attributable to METRO shareholders reached in 9M 2020/21 €31 million; in 9M 2019/20 the profit or loss for the period in continuing operations amounted to €-135 million and in discontinued operations €526 million (previous year includes transaction proceeds).

The earnings per share in Q3 2020/21 increased significantly to €0.17; in Q3 2019/20 earnings per share in continuing operations amounted to €-0.38 and in discontinued operations €1.80 (previous year includes transaction proceeds). The earnings per share in 9M 2020/21 reached €0.09; in 9M 2019/20 earnings per share in continuing operations amounted to €-0.37 and in discontinued operations €1.45 (previous year includes transaction proceeds).

Investments

METRO invested €471 million in 9M 2020/21 (9M 2019/20: €433 million). Adjusted for acquisitions (mainly the Portuguese food supplier Aviludo Group), isolated, country-specific Covid-19-related savings resulted in decreased investments.

Financing and net debt

The reported net debt, after netting cash and cash equivalents as well as financial investments with financial liabilities (incl. liabilities from leases), totalled €3.8 billion as of 30 June 2021 (30/6/2020: €4.4 billion). METRO has cash and cash equivalents of €1 billion as of 30 June 2021 (30/6/2020: €2 billion).

Cash flow

The operating activities in 9M 2020/21 resulted in cash inflow amounting to €670 million (9M 2019/20: €30 million cash inflow). The improvement is mainly due to the change in net working capital, which is mainly related to an increased purchasing volume in the wake of the reopening of the gastronomy.
Cash flow from investing activities amounted to €-35 million (9M 2019/20: €-166 million) and relates to investments in property, plant and equipment, investment properties as well as intangible assets. In H1 2020/21, the acquisitions of Davigel Spain and Aviludo Group led to payments (after deduction of cash and cash equivalents obtained) of €-22 million. The disposals of subsidiaries relate to payments received in connection with the disposal of the last hypermarket business real estate property as well as the IT companies METRO-NOM and METRO SYSTEMS Romania, which were sold to the IT provider WIPRO. In addition, there was a further purchase price payment for METRO China in the amount of € 5 million. The divestments mainly include the sale of an at-equity investment in a store network in Germany.
Cash flow from financing activities totalled €-0.8 billion (9M 2019/20: €-0.1 billion). In 9M 2020/21, commercial paper amounting to €0.5 billion was issued under the existing commercial paper programme and €0.6 billion was repaid.

METRO SEGMENTS

METRO sales figures

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)		Like-for-like (local currency)	
	Q3 2019/20	**Q3 2020/21**	Q3 2019/20	**Q3 2020/21**	Q3 2019/20	**Q3 2020/21**	Q3 2019/20	**Q3 2020/21**	Q3 2019/20	**Q3 2020/21**
Total	**5,568**	**6,247**	**-19.8%**	**12.2%**	**-2.4%**	**-3.2%**	**-17.4%**	**15.4%**	**-17.5%**	**15.0%**
Germany	1,092	**1,052**	-9.4%	**-3.7%**	0.0%	**0.0%**	-9.4%	**-3.6%**	-9.5%	**-3.3%**
Western Europe (excl. Germany)	1,869	**2,506**	-32.9%	**34.1%**	0.0%	**0.0%**	-32.9%	**34.1%**	-32.8%	**32.6%**
Russia	646	**573**	-3.7%	**-11.2%**	-10.3%	**-10.1%**	6.5%	**-1.1%**	6.0%	**-0.8%**
Eastern Europe (excl. Russia)	1,620	**1,755**	-12.2%	**8.3%**	-4.7%	**-4.9%**	-7.5%	**13.2%**	-7.4%	**13.2%**
Asia	331	**345**	-22.5%	**4.3%**	-3.6%	**-6.4%**	-18.9%	**10.7%**	-19.2%	**8.8%**
Others	11	**16**	-	-	-	-	-	-	-	-

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)		Like-for-like (local currency)	
	9M 2019/20	**9M 2020/21**	9M 2019/20	**9M 2020/21**	9M 2019/20	**9M 2020/21**	9M 2019/20	**9M 2020/21**	9M 2019/20	**9M 2020/21**
Total	**19,123**	**17,635**	**-5.5%**	**-7.8%**	**-0.4%**	**-4.2%**	**-5.0%**	**-3.5%**	**-5.0%**	**-3.7%**
Germany	3,514	**3,306**	-1.9%	**-5.9%**	0.0%	**0.0%**	-1.9%	**-5.9%**	-1.9%	**-5.6%**
Western Europe (excl. Germany)	6,985	**6,457**	-13.1%	**-7.6%**	0.0%	**0.0%**	-13.1%	**-7.6%**	-13.0%	**-8.1%**
Russia	2,104	**1,783**	2.9%	**-15.2%**	-0.1%	**-17.5%**	3.0%	**2.3%**	2.5%	**2.6%**
Eastern Europe (excl. Russia)	5,298	**4,942**	0.8%	**-6.7%**	-1.6%	**-7.3%**	2.4%	**0.6%**	2.4%	**0.6%**
Asia	1,197	**1,112**	-5.7%	**-7.2%**	-0.8%	**-8.0%**	-5.0%	**0.9%**	-5.2%	**-0.7%**
Others	25	**34**	-	-	-	-	-	-	-	-

In Germany sales in local currency decreased in Q3 2020/21 by -3.6% and like-for-like sales by -3.3%. Through the gradual reopening of the gastronomy, HoReCa sales improved in Q3 2020/21, but could not compensate for the SCO stock-up purchases in the previous year. Reported sales decreased by -3.7%. The HoReCa business has again outperformed the market. In 9M 2020/21, sales in local currency declined by –5.9%. Like-for-like sales decreased by -5.6%. This is mainly attributable to a significant decline in sales with HoReCa customers in the wake of the Covid-19 pandemic – especially in H1 2020/21. Reported sales declined by –5.9%.

Sales in local currency Western Europe (excl. Germany) in Q3 2020/21 increased significantly by 34.1% and like-for-like sales by 32.6%. Reported sales grew by 34.1%. It should be noted that the previous year's quarter was significantly impacted by government restrictions in the wake of the Covid-19 pandemic, while the current quarter benefited from the recovery in HoReCa sales. Spain and Pro à Pro recorded the largest sales increases with growth rates of more than 50%. Sales in Italy, Portugal and France were also higher than the previous year with double-digit growth rates. The HoReCa business in France, Spain and Italy has outperformed the market. Despite the significant recovery of the business development in Q3 2020/21, the sales development in local currency in 9M 2020/21 was at -7.6% and related to like-for-like sales at -8.1%. In France and Italy in particular, the government-imposed restrictions associated with the Covid-19 pandemic had a noticeable negative impact. Reported sales also decreased by -7.6% to €6.5 billion. However, this is largely attributable to H1 2020/21.

In Russia, sales in local currency in Q3 2020/21 were –1.1% and like-for-like sales were -0,8%, roughly in line with the prior year, which was boosted by SCO stock-up purchases. HoReCa Sales growth customers largely compensated for the decline in sales to Trader and SCO customers. The reported sales decreased by –11.2% due to currency effects. In 9M 2020/21 sales in local currency developed positively with 2.3%. Sales growth was driven by the HoReCa and Trader customer groups. Like-for-like sales grew by 2.6%. The reported sales decreased by –15.2% due to currency effects.

In Eastern Europe (excl. Russia), the operating business improved significantly in Q3 2020/21. Sales in local currency and like-for-like sales increased by 13.2%. Reported sales increased slightly lower by 8.3% due to currency effects. This growth is driven by the recovery in HoReCa sales, whereas in the same quarter last year government restrictions had a negative impact in the majority of countries. In 9M 2020/21, sales in local currency and like-for-like sales developed stable at the previous year's level at 0.6%. Ukraine, Romania and Turkey in particular developed positively in local currency. In Poland, the Czech Republic, Slovakia and Hungary, Covid-19 related restrictions had a particularly negative impact. Due to negative currency effects, especially in Turkey and Ukraine, reported sales were down by -6.7%.

Sales in local currency in Asia increased by 10.7% in Q3 2020/21 and like-for-like sales by 8.8%. Classic Fine Foods in particular benefited from the recovery in the hospitality sector. Reported sales only increased by 4.3% due to currency effects. Negative currency effects were particularly observable in India and in Japan. In 9M 2020/21 sales in local currency increased by 0.9%. Like-for-like sales decreased by -0.7%. Reported sales decreased by -7.2% due to currency effects.

Delivery sales in Q3 2020/21 increased significantly by 68% to €1.1 billion (Q3 2019/20: €0.6 billion) and reached a sales share of 17% (Q3 2019/20: 12%). In 9M 2020/21, delivery sales decreased by –5% to €2.7 billion (9M 2019/20: €2.9 billion) due to Covid-19 and reached a sales share of 15% (9M 2019/20: 15%). The decline is attributable to government-imposed restrictions on the hospitality industry, which represents the largest customer group with the delivery share in the METRO portfolio.

As of 30 June 2021, the store network comprised 679 locations. In Q3 2020/21, 1 location in Germany has been closed.

METRO key figures

€ million	EBITDA adjusted			Transformation costs		Earnings contributions from real estate transactions		EBITDA	
	Q3 2019/20	**Q3 2020/21**	Change (€)	Q3 2019/20	**Q3 2020/21**	Q3 2019/20	**Q3 2020/21**	Q3 2019/20	**Q3 2020/21**
Total	**175**	**310**	**135**	**1**	**1**	**2**	**16**	**176**	**325**
Germany	31	**31**	0	0	**0**	0	**0**	31	**31**
Western Europe (excl. Germany)	18	**133**	116	0	**0**	0	**16**	18	**149**
Russia	53	**45**	-8	0	**0**	0	**0**	53	**45**
Eastern Europe (excl. Russia)	75	**89**	14	0	**0**	2	**0**	77	**89**
Asia	-6	**-5**	1	0	**0**	0	**0**	-6	**-5**
Others	6	**16**	11	1	**1**	0	**0**	5	**15**
Consolidation	-1	**1**	2	0	**0**	0	**0**	-1	**1**

€ million	EBITDA adjusted			Transformation costs		Earnings contributions from real estate transactions		EBITDA	
	9M 2019/20	**9M 2020/21**	Change (€)	9M 2019/20	**9M 2020/21**	9M 2019/20	**9M 2020/21**	9M 2019/20	**9M 2020/21**
Total	**834**	**800**	**-34**	**46**	**13**	**3**	**58**	**791**	**845**
Germany	103	**108**	5	0	**10**	0	**0**	103	**98**
Western Europe (excl. Germany)	245	**216**	-30	0	**0**	1	**16**	246	**232**
Russia	177	**146**	-31	0	**0**	0	**0**	177	**146**
Eastern Europe (excl. Russia)	256	**246**	-10	0	**0**	2	**0**	258	**246**
Asia	5	**7**	2	0	**0**	0	**0**	5	**7**
Others	48	**78**	30	46	**3**	0	**42**	1	**117**
Consolidation	0	**0**	-1	0	**0**	0	**0**	0	**0**

In Germany adjusted EBITDA in Q3 2020/21 amounting to €31 million was in line with the previous year (Q3 2019/20: €31 million). In 9M 2020/21, adjusted EBITDA increased to €108 million (9M 2019/20: €103 million). This is mainly the result of good margin development and rigorous cost management.

In Western Europe (excl. Germany) adjusted EBITDA in Q3 2020/21 rose to €133 million and improved significanly compared to the previous year (Q3 2019/20: €18 million). As a result of a sale and leaseback transaction in Portugal, earnings contributions from real estate transactions in Q3 2020/21 amounted to €16 million (Q3 2019/20: €0 million). In 9M 2020/21, adjusted EBITDA reached €216 million (9M 2019/20: €245 million). This was largely attributable to the Covid-19-related government restrictions and the resulting sales-driven EBITDA declines in H1 2020/21. The acquisition of Davigel Spain yielded positive one-time earnings in the mid single-digit euro million range. However, easing of the government measures set off the positive trend reversal described above in Q3 2020/21. In return, business performance recovered significantly.

In Russia adjusted EBITDA in Q3 2020/21 was €45 million (Q3 2019/20: €53 million). Adjusted for currency effects, adjusted EBITDA decreased by €–3 million. In 9M 2020/21, the adjusted EBITDA amounted to €146 million (9M 2019/20: €177 million). Adjusted for currency effects, adjusted EBITDA remained stable at the previous year’s level (€–1 million).

In Eastern Europe (excl. Russia), adjusted EBITDA in Q3 2020/21 increased to €89 million (Q3 2019/20: €75 million). This was due to sales growth in the wake of the easing of government measures, which was reflected in an increase in results, especially in Romania and Bulgaria. Adjusted for exchange rate effects, EBITDA rose by €18 million. Adjusted EBITDA in 9M 2020/21 reached €246 million (9M 2019/20: €256 million). This change is mainly due to the Covid -19-related decline in sales, especially in the Czech Republic, Slovakia and Poland, and to negative exchange rate effects in Turkey. By contrast, the settlement of a legal dispute made a positive contribution in the mid-single-digit millions of euros range. Adjusted for currency effects, adjusted EBITDA in Eastern Europe (excl. Russia) increased by €11 million.

In Asia, adjusted EBITDA in Q3 2020/21 was in line with the previous year at €–5 million (Q3 2019/20: €-6 million. In 9M 2020/21, adjusted EBITDA increased to €7 million (9M 2019/20: €5 million), slightly higher than the previous year. Earnings from the share in METRO China's partnership with Wumei contributed positively in a low single-digit euro million amount. Adjusted for currency effects, adjusted EBITDA increased by €2 million.

In Q3 2020/21, adjusted EBITDA in the Others segment reached €16 million (Q3 2019/20: €6 million). Adjusted EBITDA was at €78 million in 9M 2020/21 (9M 2019/20: €48 million). Significant elements of the improvement compared to the previous year are an improved result at METRO Logistics and licensing revenues from the partnership with Wumei. Furthermore, savings from the restructuring carried out in the previous year had a positive effect on personnel expenses. In addition, a one-off income of around €30 million supported the earnings development. This income resulted from the termination of arbitration proceedings, the reassessment of transaction-related provisions and the final purchase price valuation of the METRO China transaction. Transformation costs of €3 million (9M 2019/20: €46 million) were incurred. Earnings contributions from real estate transactions amounted to €42 million (9M 2019/20: €0 million) and resulted mainly from the disposal of the last remaining real estate property of the hypermarket business and the sale of an at-equity investment in a retail location portfolio in Germany.

OUTLOOK

Outlook for METRO

The sales and EBITDA outlook for the financial year 2020/21, which was published on 20 April 2021, was raised on 27 July 2021. This was due to the better-than-expected business development since the easing of restrictions. Dedicated operational measures to support the re-start of our customers resulted in continuous market share gains. The currency adjusted sales to HoReCa customers grew by 57% in Q3 2020/21, exceeded the pre-pandemic level for the first time in June and continued to develop positively in July.

METRO now expects:

- Sales (both total sales and like-for-like) to decline by approximately -0.5% to -3.5% vs. previous year (previously: -3% to -6% below previous year)
- A development of EBITDA adjusted of €50 million to €-75 million to previous year (previously: decline by roughly €-50 million to €-175 million to previous year)

The outlook assumes stable exchange rates and no further adjustments to the portfolio. A partial re-introduction of restrictions is reflected with the lower end of the outlook corridor considering the still high level of uncertainty and volatility regarding the further development of the pandemic.

For the financial year, regions with a high share of hospitality customers, like the Western Europe (excl. Germany) segment, experience the largest impact of government restrictions on sales and earnings. Positive sales developments are expected in the segments Russia, Eastern Europe (excl. Russia) and Asia. On the earnings side, a heterogeneous development in the segments is expected, with the group result being determined in particular by the further sales-dependent development in Western Europe (excl. Germany).

INCOME STATEMENT

€ million	9M 2019/20	**9M 2020/21**	Q3 2019/20	**Q3 2020/21**
Sales Revenues	**19,123**	**17,635**	**5,568**	**6,247**
Cost of sales	-15,911	**-14,650**	-4,649	**-5,140**
Gross profit on sales	**3,212**	**2,985**	**919**	**1,108**
Other operating income	694	**852**	220	**254**
Selling expenses	-2,862	**-2,732**	-872	**-906**
General administrative expenses	-605	**-602**	-194	**-222**
Other operating expenses	-248	**-269**	-76	**-112**
Earnings from impairment of financial assets	-42	**-9**	-24	**0**
Earnings share of operating companies recognised at equity	14	**17**	5	**4**
Earnings before interest and taxes (EBIT)	**163**	**242**	**-21**	**126**
Earnings share of non-operating companies recognised at equity	0	**0**	0	**0**
Other investment result	6	**12**	5	**2**
Interest income	22	**23**	7	**6**
Interest expenses	-190	**-164**	-64	**-52**
Other financial result	-36	**5**	14	**8**
Net financial result	**-199**	**-123**	**-38**	**-36**
Earnings before taxes EBT	**-36**	**119**	**-59**	**90**
Income taxes	-95	**-84**	-78	**-28**
Profit or loss for the period from continuing operations	**-130**	**35**	**-137**	**62**
Profit or loss for the period from discontinued operations	532	**0**	652	**0**
Profit or loss from the period	**401**	**35**	**515**	**62**
Profit or loss for the period attributable to non-controlling interests	10	**3**	3	**-1**
from continuing operations	4	**3**	2	**-1**
from discontinued operations	6	**0**	0	**0**
Profit or loss for the period attributable to the shareholders of METRO AG	391	**31**	512	**63**
from continuing operations	-135	**31**	-140	**63**
from discontinued operations	526	**0**	652	**0**
Earnings per share in **€** (basic **=** diluted)	**1.08**	**0.09**	**1.41**	**0.17**
from continuing operations	-0.37	**0.09**	-0.38	**0.17**
from discontinued operations	1,45	**0,00**	1,80	**0.00**

BALANCE SHEET

ASSETS

€ million	30/6/2020	30/09/2020	**30/6/2021**
Noncurrent assets	**8,593**[1]	**8,277**	**7,976**
Goodwill	746	731	**740**
Other intangible assets	573	576	**570**
Property, plant and equipment	6,077[1]	5,811	**5,628**
Investment properties	199	188	**175**
Financial assets	101	98	**90**
Investments accounted for using the equity method	440	421	**352**
Miscellaneous financial assets	172	185	**155**
Miscellaneous non-financial assets	13	16	**18**
Deferred tax assets	273[1]	252	**247**
Current assets	**5,710**	**4,915**	**4,806**
Inventories	2,004	1,888	**2,049**
Trade receivables	423	429	**482**
Financial assets	3	3	**3**
Miscellaneous financial assets	595	525	**509**
Miscellaneous non-financial assets	439	377	**331**
Entitlements to income tax refunds	172	145	**98**
Cash and cash equivalents	2,014	1,525	**1,335**
Assets held for sale	59	22	**0**
	14,303[1]	**13,192**	**12,782**

[1] Adjustment of previous year in connection with IFRS 16 (Leases).

EQUITY AND LIABILITIES

€ million	30/6/2020	30/09/2020	**30/6/2021**
Equity	**2,231**[1]	**2,061**	**1,913**
Share capital	363	363	**363**
Capital reserve	6,118	5,048	**5,048**
Reserves retained from earnings	-4,257[1]	-3,358	**-3,511**
Equity before non-controlling interests	2,224	2,053	**1,900**
Non-controlling interests	7	8	**13**
Noncurrent liabilities	**5,702**	**5,506**	**4,697**
Provisions for post-employment benefits plans and similar obligations	525	550	**516**
Other provisions	146	139	**141**
Financial liabilities	4,633	4,541	**3,867**
Miscellaneous financial liabilities	53	17	**17**
Other non-financial liabilities	199	193	**77**
Deferred tax liabilities	146	66	**79**
Current liabilities	**6,370**	**5,625**	**6,172**
Trade liabilities	2,913	3,199	**3,354**
Provisions	289	287	**271**
Financial liabilities	1,809	773	**1,249**
Miscellaneous financial liabilities	639	724	**661**
Other non-financial liabilities	489	451	**415**
Income tax liabilities	196	184	**223**
Liabilities related to assets held for sale	36	7	**0**
	14,303[1]	**13,192**	**12,782**

[1] Adjustment of previous year in connection with IFRS 16 (Leases).

CASH FLOW STATEMENT

€ million	9M 2019/20	**9M 2020/21**
EBIT	163	**242**
Depreciation/amortisation/impairment losses/reversal of impairment losses of fixed assets excl. financial investments	628	**603**
Change in provisions for pensions and other provisions	23	**-33**
Change in net working capital	-565	**-46**
Paid (-) / received income taxes	-94	**13**
Reclassification of gains (–) / losses (+) from the disposal of fixed assets	-4	**-35**
Lease payments received	27[1]	**44**
Others	-148	**-117**
Cash flow from operating activities of continuing operations	**30**	**670**
Cash flow from operating activities of discontinued operations	270	**0**
Cash flow from operating activities	**300**	**670**
Acquisition of subsidiaries	0	**-22**
Investments in property, plant and equipment and in investment property (excluding right-of-use assets)	-144	**-127**
Other investments	-127	**-108**
Investments in monetary assets	-8	**-2**
Disposals of subsidiaries	0	**50**
Divestments	112	**167**
Disposal of monetary assets	0	**7**
Cash flow from investing activities of continuing operations	**-166**	**-35**
Cash flow from investing activities of discontinued operations	1,209	**0**
Cash flow from investing activities	**1,044**	**-35**
Dividends paid	-261	**-254**
to METRO AG shareholders	-254	**-254**
to other shareholders	-7	**0**
Proceeds from borrowings	5,885	**527**
Redemption of borrowings	-5,256	**-645**
Lease payments	-414	**-401**
Interest paid	-55	**-73**
Interest received	11[1]	**11**
Other financing activities	12	**11**
Cash flow from financing activities of continuing operations	**-78**	**-824**
Cash flow from financing activities of discontinued operations	-284	**0**
Cash flow from financing activities	**-362**	**-824**
Total cash flows	**982**	**-189**
Currency effects on cash and cash equivalents	-10	**-2**
Total change in cash and cash equivalents	**972**	**-191**
Total cash and cash equivalents as of 1 October	1,044	**1,525**
less cash and cash equivalents reported in assets in accordance with IFRS 5	544	**0**

Cash and cash equivalents as of **1** October	**500**	**1,525**
Total cash and cash equivalents as of 30 June	2,016	**1,335**
less cash and cash equivalents reported in assets in accordance with IFRS 5	1	**0**
Cash and cash equivalents as of **30** June	**2,014**	**1,335**

[1] Vorjahresanpassung aufgrund von IFRS 16 (Leasingverhältnisse).

NOTES ON THE CONDENSED INTERIM FINANCIAL REPORT

SEGMENT REPORTING 9M 2020/21

OPERATING SEGMENTS

	Germany		Western Europe (excl. Germany)		Russia		Eastern Europe (excl. Russia)		Asia	
€ million	9M 2019/20	**9M 2020/21**	9M 2019/20	**9M 2020/21**	9M 2019/20	**9M 2020/21**	9M 2019/20	**9M 2020/21**	9M 2019/20	**9M 2020/21**
External sales (net)	3,514	**3,306**	6,985	**6,457**	2,104	**1,783**	5,298	**4,942**	1,197	**1,112**
Adjusted EBITDA	103	**108**	245	**216**	177	**146**	256	**246**	5	**7**
Transformation costs	0	**10**	0	**0**	0	**0**	0	**0**	0	**0**
Earnings contributions from real estate transactions	0	**0**	1	**16**	0	**0**	2	**0**	0	**0**
EBITDA	103	**98**	246	**232**	177	**146**	258	**246**	5	**7**
EBIT	22	**14**	55	**26**	131	**108**	159	**151**	-50	**-22**
Investments	58	**92**	137	**189**	11	**14**	67	**45**	16	**16**

OPERATING SEGMENTS

	Others		Consolidation		METRO continuing operations	
€ million	9M 2019/20	**9M 2020/21**	9M 2019/20	**9M 2020/21**	9M 2019/20	**9M 2020/21**
External sales (net)	25	**34**	0	**0**	19,123	**17,635**
Adjusted EBITDA	48	**78**	0	**0**	834	**800**
Transformation costs	46	**3**	0	**0**	46	**13**
Earnings contributions from real estate transactions	0	**42**	0	**0**	3	**58**
EBITDA	1	**117**	0	**0**	791	**845**
EBIT	-156	**-36**	0	**0**	163	**242**
Investments	144	**116**	0	**0**	433	**471**

SEGMENT REPORTING Q3 2020/21

OPERATING SEGMENTS

	Germany		Western Europe (excl. Germany)		Russia		Eastern Europe (excl. Russia)		Asia	
€ million	Q3 2019/20	**Q3 2020/21**	Q3 2019/20	**Q3 2020/21**	Q3 2019/20	**Q3 2020/21**	Q3 2019/20	**Q3 2020/21**	Q3 2019/20	**Q3 2020/21**
External sales (net)	1,092	**1,052**	1,869	**2,506**	646	**573**	1,620	**1,755**	331	**345**
Adjusted EBITDA	31	**31**	18	**133**	53	**45**	75	**89**	-6	**-5**
Transformation costs	0	**0**	0	**0**	0	**0**	0	**0**	0	**0**
Earnings contributions from real estate transactions	0	**0**	0	**16**	0	**0**	2	**0**	0	**0**
EBITDA	31	**31**	18	**149**	53	**45**	77	**89**	-6	**-5**
EBIT	4	**3**	-45	**82**	39	**32**	45	**57**	-16	**-15**
Investments	8	**57**	60	**32**	7	**6**	14	**17**	5	**7**

OPERATING SEGMENTS

	Others		Consolidation		METRO continuing operations	
€ million	Q3 2019/20	**Q3 2020/21**	Q3 2019/20	**Q3 2020/21**	Q3 2019/20	**Q3 2020/21**
External sales (net)	11	**16**	0	**0**	5,568	**6,247**
Adjusted EBITDA	6	**16**	-1	**1**	175	**310**
Transformation costs	1	**1**	0	**0**	1	**1**
Earnings contributions from real estate transactions	0	**0**	0	**0**	2	**16**
EBITDA	5	**15**	-1	**1**	176	**325**
EBIT	-47	**-34**	-1	**1**	-21	**126**
Investments	36	**36**	0	**0**	131	**156**

NOTES

Accounting principles

The income statement, the balance sheets as of 30 September 2020 and 30 June 2021 and the cash flow statement were prepared in accordance with IFRS as adopted by the EU. The income statement, balance sheet and cash flow statement were prepared in accordance with IAS 34 (Interim Financial Reporting). Generally, the same accounting policies were applied as in the consolidated financial statements as of 30 September 2020.

In June 2021, the IFRS Interpretations Committee decided that, when determining the net realisable value of inventories, the estimated costs necessary to make the sale shall not be limited to only those that are incremental. The impact of this decision on METRO's financial statements is currently being analysed.

Covid-19

The reporting period was markedly impacted by the government measures associated with the Covid-19 pandemic, whereby the individual METRO segments were affected to varying degrees.

In order to prepare this condensed interim financial report while taking into account the changes in the corporate environment, it was necessary to make estimates and assumptions that had an impact on the disclosure and carrying amounts of the assets and liabilities in the balance sheet as well as income and expenses reported. Estimates and underlying assumptions with major effects have been made particularly in the following areas:

- indicator-based impairment testing of assets with and without finite useful lives including goodwill,
- recoverability of receivables – in particular trade receivables and receivables due from suppliers,
- measurement of inventories,
- determination of the tax rate for the integral approach pursuant to IAS 34,
- calculation of provisions for performance-based remuneration components.

The estimates and assumptions used for the interim financial statements were reviewed regularly - changes were taken into account as soon as they became known. All assumptions and estimates are based on the circumstances and judgements at the reporting date, taking into account the knowledge gained by the Management Board up to the preparation of the interim financial statements on 27 July 2021. METRO believes that the assumptions underlying these interim financial statements are a fair representation of the current situation. Although the estimates and assumptions were made with great care, the actual values may deviate from them in individual cases, especially taking into account the Covid-19-related uncertainties.

For information on significant judgements that have the most significant effect on the amounts recognised in these interim financial statements, please refer to the relevant disclosures in the Annual Report 2019/20.

FINANCIAL CALENDAR

Trading statement financial year 2020/21	Wednesday	20 October 2021	6:30 PM
Annual Report 2020/21	Wednesday	15 December 2021	6:30 PM
Capital Markets Day 2022	Wednesday	26 January 2022	

All time specifications are CET

IMPRINT

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DISCLAIMER

This quarterly statement contains forward-looking statements. They are based on specific assumptions and expectations at the time of publication of this disclosure. Consequently, forward-looking statements involve risks and uncertainties and may differ materially from actual results. In particular, a large number of the risks and uncertainties associated with forward-looking statements are determined by factors that are not controlled by METRO and cannot be reliably estimated today. They include future market conditions and economic developments, the behaviour of other market participants, the achievement of expected synergy effects as well as statutory and political decisions.
Furthermore, METRO does not feel obligated to release revisions to these forward-looking statements to reflect events or circumstances that have occurred after the release date of these materials.