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Q2 2019/20 RESULTS PRESENTATION

7 May 2020

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This presentation includes supplemental financial measures which are or may be non-GAAP financial or operative measures. These measures should not be viewed in isolation as alternatives to financial measures presented in accordance with IFRS. Other companies that disclose similarly titled measures may calculate them differently. All amounts are stated in million euros (**€ million**) unless otherwise indicated. Amounts below **€0.5 million** are rounded and reported as 0. Rounding differences may occur.

FOCUS – PRESERVE - GROW

-  METRO has continuously **accelerated growth** ahead of COVID-19 based on **improved relevance & higher NPS**
-  **Horeca** sector significantly impacted by **governmental restrictions** since mid of March leading to **much lower volumes**
-  **Flexible C&C operations** and **diverse customer access** prove to be very valuable in times of crisis. Solid **SCO** growth provides **some mitigation** to Horeca and FSD decline. Significant number of **new buying customers**.
-  **19/20 guidance withdrawn** on 3 April. We will provide a new guidance once we have **visibility on the duration of restrictions**
-  Three pillars of crisis management – **PROTECT, PRESERVE, GROW** – combined with **full empowerment of local entities** have led to **fast and effective response** throughout portfolio.
-  METRO entered the crisis with **very solid liquidity** access. **Net debt** has been further **decreased** since then by **>€ 1.5 bn in net cash proceeds¹, strengthening equity value** and **agility**.
-  METRO is determined to **capture growth opportunities** as lockdowns are released and well positioned to progress fast.

1. Sale of the majority stake in METRO China was closed on 23rd April

TODAY'S AGENDA

Explain drivers for resilient Q2 performance

- Strong Q2 trading in continuing and discontinued operations
- Explain over time development for three **customer groups**, across the geographies
- Update on **HQ transformation measures**
- Share additional insight on strong **liquidity position**, further aided by transaction proceeds

Shed light on our clear COVID-19 action plan

- Share what METRO has done to safeguard employees, support Horeca customers and ensure **business resilience** amidst the crisis
- Share how **initiated digitalization** both internally and externally has helped us to react and adjust quickly
- Reiterate our **view on the sector and the opportunities that will arise**

Remind of progress on underlying 2019/20 goals

- Finalize **milestone transactions**
- Adjust **HQ structures** accordingly
- Accelerate **operational momentum**

01

**Q2 2019/20
FINANCIALS**

Q2 IN A NUTSHELL



- **Resilient operative development**

- Resilient 2.3% LfL growth
- Accelerated growth momentum with Horeca and Trader customers before COVID-19 spreading
- Growing pressure on Horeca from COVID-19 in 2nd half of Q2
- Overall Q2 with atypical customer growth: Horeca -9.8%, Trader 11.1%¹

- **EBITDA to EPS**

- Adjusted EBITDA² stable year-on-year
- Reported EBITDA and EPS (cont. ops.) impacted by transformation costs for efficiency measures

- **Cash flow and net debt**

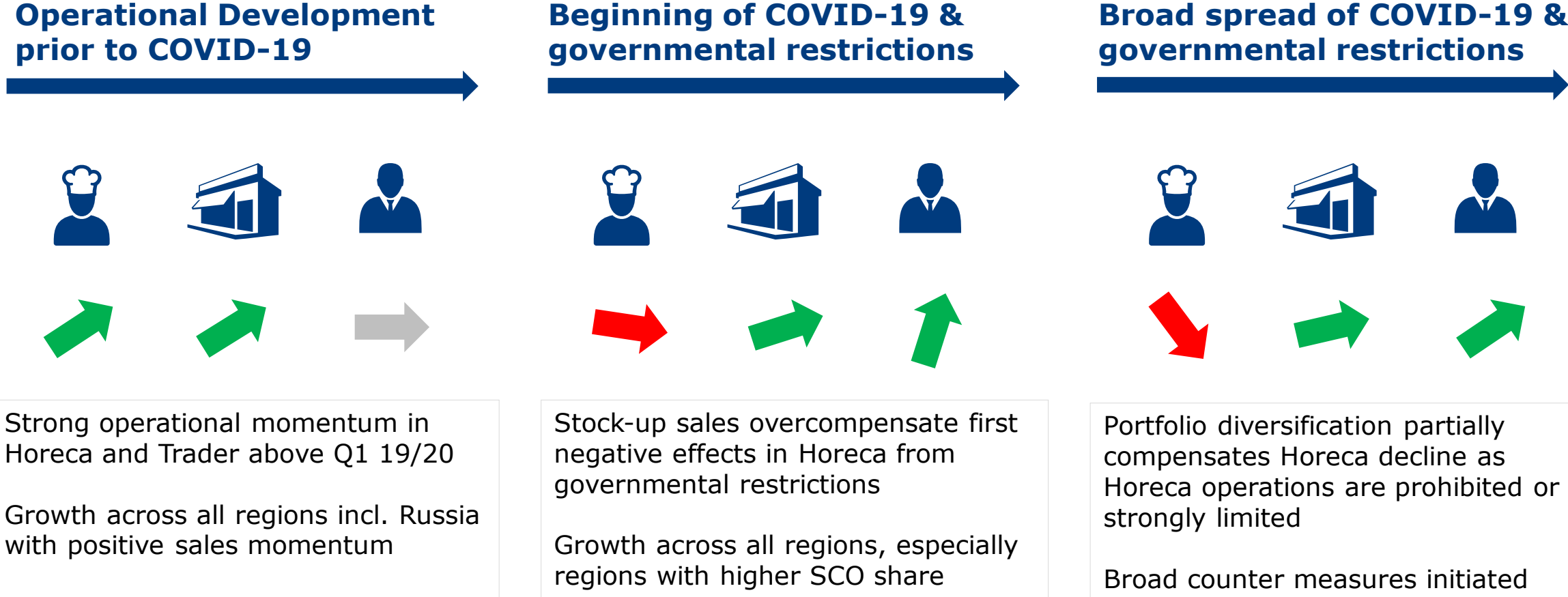
- Decreased cash investments counter balancing some of the decline in NWC
- Lower net debt level than PY carried over from FY 18/19

- **Strong liquidity position**

- Strong liquidity set-up with undrawn credit facilities available
- Additional >€1.5 bn in net cash proceeds³ from sale of China

1 Trader countries: Bulgaria, Czech Republic, India, Pakistan, Poland, Romania, Russia, Serbia, Slovakia. 2 Adjusted EBITDA = before transformation costs and real estate gains 3 Net cash proceeds from sale of majority stake of METRO China after taxes and hedging costs

CUSTOMER GROUPS IMPACTED DIFFERENTLY BY COVID-19 RELATED GOVERNMENTAL RESTRICTIONS



SALES TO EBITDA

€m / %	Q2 2018/19	Q2 2019/20
Like-for-like growth	1.0%	2.3%
<i>thereof Food</i>	1.5%	3.8%
Reported growth	-0.4%	1.8%
Growth in local currency	1.3%	2.1%
Delivery Sales Share	18%	16%
Adj. EBITDA	130	133
<i>thereof FX</i>		-3
Adj. EBITDA margin	2.2%	2.2%
Transformation costs	0	-45
Real estate gains	32	0
Reported EBITDA	163	87

Like-for-like sales growth

- Like-for-like sales growth driven by all regions except for Western Europe and further benefited from an additional day in February due to the leap year
- Store based growth for Q2 came in at 3.8%
- Delivery sales growth of -5.3% impacted by COVID-19, leading to reduced sales share in Q2
- Reported sales growth affected by negative currency development in Eastern Europe, especially Turkey

EBITDA and EBITDA margin

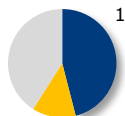
- Adjusted EBITDA¹ roughly on PY level, driven by:
 - Germany, Eastern Europe, Russia and Others compensate decline in Western Europe and Asia
 - Others benefit from improved operating result in logistics and cost savings from efficiency measures in HQ
- Adjusted EBITDA in constant currency decreased by -1.0% in H1
- Reported EBITDA² impacted by transformation costs (execution progressing as planned) and lack of RE gains

¹Adj. EBITDA - EBITDA pre transformation costs and real estate gains ²Reported EBITDA - Including transformation costs and real estate gains

REGIONAL PERFORMANCE

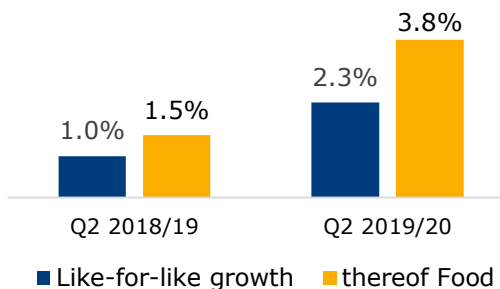
■ Horeca ■ Trader ■ SCO

Germany



€m / %	Q2 2019/20
Sales	1,074
Like-for-like growth	4.8%
Reported growth	4.9%
Adj. EBITDA²	-4
EBITDA margin	-0.4%
Constant FX to PY	11

METRO

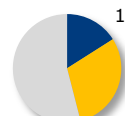


Western Europe



€m / %	Q2 2019/20
Sales	2,185
Like-for-like growth	-6.3%
Reported growth	-6.3%
Adj. EBITDA²	23
EBITDA margin	1.0%
Constant FX to PY	-32

Russia



€m / %	Q2 2019/20
Sales	637
Like-for-like growth	9.8%
Reported growth	11.3%
Adj. EBITDA²	37
EBITDA margin	5.8%
Constant FX to PY	4

Eastern Europe



€m / %	Q2 2019/20
Sales	1,703
Like-for-like growth	11.2%
Reported growth	9.9%
Adj. EBITDA²	64
EBITDA margin	3.7%
Constant FX to PY	11

Asia



€m / %	Q2 2019/20
Sales	401
Like-for-like growth	0.2%
Reported growth	0.0%
Adj. EBITDA²	-1
EBITDA margin	-0.3%
Constant FX to PY	-9

¹Like for like sales shares FY 2018/19 ²Adj. EBITDA - EBITDA pre transformation costs and real estate gains
Note: Transformation costs affect segment "others"

EBITDA TO EPS

€m / %	Q2 2018/19	Q2 2019/20
Reported EBITDA	163	87
D&A	-193	-230
EBIT	-31	-143
<i>Interest and investment result</i>	-60	-55
<i>Other financial result</i>	5	-54
Net financial result	-55	-109
EBT	-86	-252
Tax rate (6M)	42%	71%
Net income	-58	-116
EPS in €	-0.16	-0.32
adj. EPS cont. ops.	-0.16	-0.26

EBIT

- Decrease due to transformation costs and higher depreciation
 - goodwill impairment for CFF (€25 m) due to COVID-19
 - higher share of software capex and other assets with shorter useful life

Net financial result

- Improvement in the interest and investment result due to lower financing costs
- IFRS 16 accounting for EUR based lease contracts paired with strong quarter-end devaluation of many CEE currencies increases volatility in Other financial result

Tax

- Increase of tax rate to 71% due to transformation costs and temporarily lower expected income from RE transactions
- 59% tax rate before efficiency measures

EPS

- EPS decrease driven by a combination of one-time costs, no real estate gains, CFF impairment and FX volatility
- Adjusted for transformation costs, EPS is -€0.26

FCF IN Q2 2019/20

€m / %	Q2 2018/19	Q2 2019/20
Adj EBITDA¹	130	133
Change in NWC	-577	-618
Cash Investments ²	-90	-74
FCF	-537	-560
Net debt (31 March)	6,332	6,170

Change in NWC

- Decline is driven by high base last year and negative effects from COVID-19 in Western Europe

Cash Investments

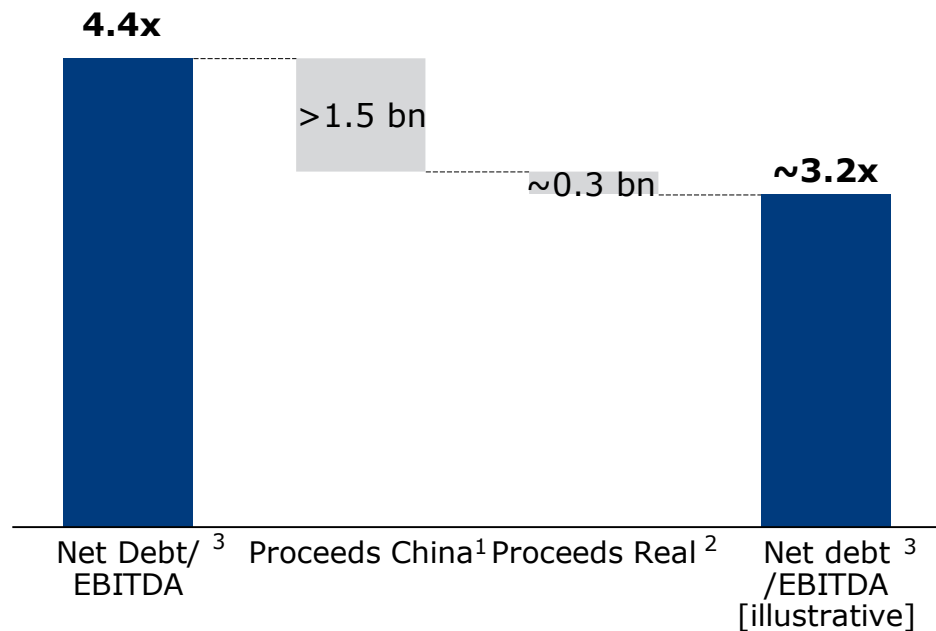
- Decrease is mainly due to capex light remodelings

Net debt

- Net debt improvement driven by strong result from last year as a result of higher real estate gains, NWC optimization and focused investments

¹Adj. EBITDA - EBITDA pre transformation costs and real estate gains. Lease expense for Q2 2018/19 is -117 and Q2 2019/20 is -126 ² Cash Investments = Capex (excl. M&A) - Right of Use Assets + Financial Assets + Down payments/Prepayments. Cash investments definition has been changed due to IFRS 16 to reflect the cash view.

LIQUIDITY STATUS



Strong liquidity position

- >€0.6 bn cash position on 31st March
- Slightly reduced net debt in Q2 19/20
- No bonds due in FY 19/20 & 20/21 (next bond due in Oct 2021)

Access to additional funding

- Access to additional >€1 bn cash through
 - €0.9 bn syndicated credit facilities
 - €0.2 bn multi-year bilateral credit facilities
- >€1.5 bn net cash proceeds received on 23rd April from sale of METRO China
- Sale of Real expected to close in summer

Illustrative net debt

- Including the M&A transactions, illustrative Net Debt/EBITDA FY2018/19 is ~3.2x

1. Closed on 23rd April 2. Signed 18th Feb, Closing expected in summer 3. Net debt Q2 is €6.2 bn. EBITDA excl RE FY 2018/19 is €1.4 bn

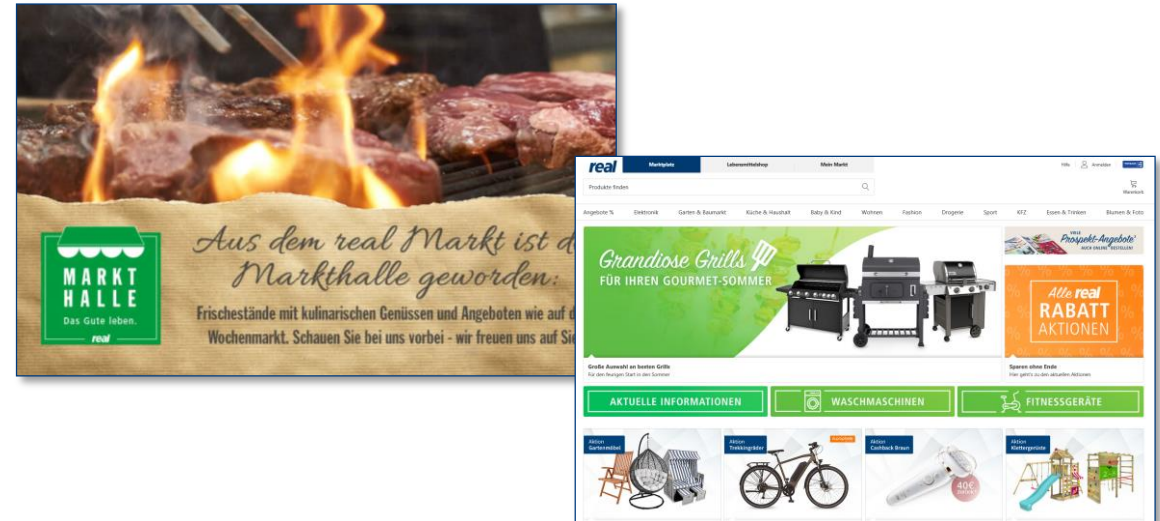
02 STRATEGIC UPDATE

UPDATE ON HYPERMARKET BUSINESS

Real - Discontinued operations¹

€m	Q2 2018/19	Q2 2019/20
Sales	1,606	1,710
Reported growth	-6.2%	6.4%
Like-for-like growth	-5.1%	8.7%
Reported EBITDA	-6	67
EBITDA margin	-0.4%	3.9%

- Strong sales acceleration due to stockpiling during COVID-19 as well as higher at home consumption
- EBITDA increase driven by strong sales and margin improvement



Transaction Highlights

- Post-signing process is running well with good momentum to closing; impact of COVID-19 on closing so far limited
- SCP Retail Investments had concluded agreements with the retail companies Kaufland and Edeka for the acquisition of 141 stores.
- Closing is expected to take place in summer with expected net proceeds of ~€0.3 bn²

¹Numbers are pre IFRS 5 ²Preliminary, net of transaction costs (taxes, advisors), subject to closing accounts

CLEAR RESPONSE TO CORONA CRISIS TO SAFEGUARD BUSINESS AND CAPTURE CHANCES FOR GROWTH



"PROTECT"

"PRESERVE"

"GROW"

PROTECT - CUSTOMERS AND EMPLOYEES HAVE THE HIGHEST PRIORITY FOR METRO AND SUPPORT BUSINESS CONTINUITY



Monitor
Store measures
HQ measures

Countries and HQ monitor the situation:

- Daily COVID-19 cases report
- Political measures and regulation changes

Common measures in the stores:

- Communication to customers & employees
- Entry restrictions depending country & legal situation
- Store access limited to max. 2 people per card
- Hygiene measures (e.g. disinfectant, cleaning trolleys)
- Face masks/gloves for employees
- Distance markers & glass protection of cashiers
- Request cashless payments

Common examples for HQ:

- Home-office recommended, swiftly supported by use of Office 365 and Microsoft Teams rolled out in 2019
- A/B team approach for re-opening (in development)






>95% of stores open




PRESERVE: EFFICIENCY + EFFECTIVENESS






Manage personnel and related costs

-  Cancellation of **business travels** and trainings
-  **Short-time employment** where appropriate, **Reduction of overtime**, vacation etc.
-  **Adjustment of service utilization**




Product access and flow of goods

-  Advanced **analytics** in **forecasting** volumes
-  **Leverage ITO's** (trading offices)
-  Optimize **availability of critical goods** cross countries

Adjust operations to market situation

-  **Store operations review** (e.g. opening hours, Ultra-fresh department closedown)
-  Review and **stop** of **marketing** activities
-  **Adjust Delivery operations** to **lower volumes**

Strong focus on cash

-  Close **monitoring** of **stock** situation
-  Restrictive **CAPEX** management
-  Ongoing review of **days receivable outstanding**



GROW - MEASURES DEFINED FOR EACH CUSTOMER GROUP

Horeca: perseverance

Crisis management support

- Advisory support and telephone hotline
- Facilitate access to support programs

Adjust Horeca business

- Activate food ordering – via METRO
 - Provide delivery – via METRO partners
 - Sell vouchers - via METRO partners
- Fast access through digital customer base

Political reflection

- Support Horeca needs on local, regional, national level
- Contribute to the “new way of working in Horeca”

Launchpad “Ex-Corona”

- Prepare Horeca customers for restart
- Clear programs per country

Trader: steady & expand

Neighborhood store support

- Important role of independent grocers throughout the crisis
- Product availability and stable attractive terms

Franchise expansion

- Continued roll out and enhancement of METRO’s franchise network

B2B2C cooperation

- acceleration of partnerships with B2C delivery players to participate in rising e-grocery demand

Click and collect delivery

- further expand click and collect channel, e.g. through embedding in Companion app

SCO: invite & serve

Re-Discover METRO

- Significant reactivation of customers Returning to METRO for high quality and safety. Aim to sustain.

Discover METRO

- Encourage METRO customers to activate new accounts through Family & Friends program

Opening of stores for B2C

- Temporary retail licenses in various countries to support general food supply to the community

Food delivery to SCO customers

- Selected offering of FSD to SCOs
- Swift activation of M|Shop for B2C



GROW: PREPARATION FOR RECOVERY

COMMERCIAL ACCELERATION

use the momentum to gain market share



OPERATIONAL RAMP-UP

in line with gradual release of lockdown measures

HOW DO WE SEE OUR FUTURE

COVID-19 with significant short term impact on Horeca

However: **High quality Food** remaining a **high priority** among consumer preferences

General **desire to eat out** and enjoy excellent food still **very strong**

Gradual **release of restrictions** visible in **various countries**

Eating out behavior impacted midterm through **governmental restrictions** and higher **cautiousness**

Increase in Horeca volumes expected as of **May 2020**

Flexible structures will be **essential** to serve "New Horeca demand pattern"

C&C + FSD + WS360 ideal combination

Tactical complementary business important to cushion volatility








OUR ORIGIN IS

WHOLESALE

IS OUR FUTURE

03 SUMMARY OF TODAY'S UPDATE

FOCUS – PRESERVE – GROW

-  METRO has continuously **accelerated growth** ahead of COVID-19 based on **improved relevance & higher NPS**
-  **Horeca** sector significantly impacted by **governmental restrictions** since mid of March leading to **much lower volumes**
-  **Flexible C&C operations** and **diverse customer access** prove to be very valuable in times of crisis. Solid **SCO** growth provides **some mitigation** to Horeca and FSD decline. Significant number of **new buying customers**.
-  **19/20 guidance withdrawn** on 3 April. We will provide a new guidance once we have **visibility on the duration of restrictions**
-  Three pillars of crisis management – **PROTECT, PRESERVE, GROW** – combined with **full empowerment of local entities** have led to **fast and effective response** throughout portfolio.
-  METRO entered the crisis with **very solid liquidity** access. **Net debt** has been further **decreased** since then by **>€1.5 bn in net cash proceeds¹, strengthening equity value** and **agility**.
-  METRO is determined to **capture growth opportunities** as lockdowns are released and well positioned to progress fast.

1. Sale of the majority stake in METRO China was closed on 23rd April

EVENTS AND FINANCIAL CALENDAR



Upcoming events

- 8 May 2020 Virtual Roadshow (CEO) – Baader Bank
- 12 May 2020 Virtual Roadshow/Conference (CEO) – JP Morgan



Financial calendar 2019/20

- 5 Aug 2020 Quarterly statement Q3 (Report in the evening)
- 6 Aug 2020 Quarterly statement Q3 (Call)
- 22 Oct 2020 Trading statement FY



Conferences 2019/20

- 10 Jun 2020 Virtual Deutsche Bank conference (CEO)
- 16 Jun 2020 Virtual conference Erste Group

Q&A



Olaf Koch, CEO



Christian Baier, CFO

APPENDIX



SALES TO EBITDA

(1/3)

METRO Germany

€m / %	Q2 2018/19	Q2 2019/20
Sales	1,024	1,074
Like-for-like growth	-3.1%	4.8%
Reported growth	-4.1%	4.9%
Adj. EBITDA	-15	-4
EBITDA margin	-1.5%	-0.4%
Real estate gains	0	0
Reported EBITDA	-15	-4

METRO Western Europe

€m / %	Q2 2018/19	Q2 2019/20
Sales	2,333	2,185
Like-for-like growth	-0.3%	-6.3%
Reported growth	-0.3%	-6.3%
Adj. EBITDA	54	23
EBITDA margin	2.3%	1.0%
Real estate gains	0	0
Reported EBITDA	54	23

SALES TO EBITDA

(2/3)

METRO Russia

€m / %	Q2 2018/19	Q2 2019/20
Sales	573	637
Like-for-like growth	-4.0%	9.8%
Reported growth	-8.3%	11.3%
Adj. EBITDA	34	37
<i>thereof FX</i>		-1
EBITDA margin	5.9%	5.8%
Real estate gains	0	0
Reported EBITDA	34	37

METRO Eastern Europe

€m / %	Q2 2018/19	Q2 2019/20
Sales	1,550	1,703
Like-for-like growth	6.8%	11.2%
Reported growth	2.4%	9.9%
Adj. EBITDA	54	64
<i>thereof FX</i>		-1
EBITDA margin	3.5%	3.7%
Real estate gains	0	0
Reported EBITDA	54	64

SALES TO EBITDA

(3/3)

METRO Asia

€m / %	Q2 2018/19	Q2 2019/20
Sales	401	401
Like-for-like growth	5.1%	0.2%
Reported growth	6.7%	0.0%
Adj. EBITDA	8	-1
<i>thereof FX</i>		0
EBITDA margin	2.0%	-0.3%
Real estate gains	30	0
Reported EBITDA	38	-1

Others

€m	Q2 2018/19	Q2 2019/20
Sales	18	7
Adj. EBITDA	-4	14
<i>thereof FX</i>		0
Transformation costs		-45
Real estate gains	2	0
Reported EBITDA	-2	-31

CASH FLOW STATEMENT

€ million	Q2 18/19	Q2 19/20
EBIT	-30	-143
Depreciation/amortisation/impairment losses/reversal of impairment losses of assets excl. financial investments	193	230
Change in provisions for post-employment benefits plans and other provisions	-3	27
Change in net working capital	-577	-618
Income taxes paid	-38	-27
Reclassification of gains (-) / losses (+) from the disposal of fixed assets	-33	0
Other	-126	-209
Cash flow from operating activities of continuing operations	-613	-740
Cash flow from operating activities of discontinued operations	-59	94
Cash flow from operating activities	-673	-646
Acquisition of subsidiaries	-1	0
Investments in property, plant and equipment and in investment property (excl.usufructuary rights from leases)	-61	-42
Other investments	-30	-42
Investments in monetary assets	1	0
Disposals of subsidiaries	0	0
Divestments	71	91
Disposal of financial investments	0	0
Cash flow from investing activities of continuing operations	-20	8
Cash flow from investing activities of discontinued operations	-34	-28
Cash flow from investing activities	-54	-20
Dividends paid	-254	-254
Redemption of liabilities from put options of non-controlling interests	0	0
Proceeds from new borrowings	1,713	4,166
Redemption of borrowings	-1,000	-3,105
Interest paid	-79	-66
Interest received	9	7
Other financial activities	2	2
Cash flow from financing activities of continuing operations	391	750
Cash flow from financing activities of discontinued operations	-101	-70
Cash flow from financing activities	290	680
Total cash flows	-437	14

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