



Q3 2016/17 RESULTS PRESENTATION

31 August 2017

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Q3 HIGHLIGHTS – STRONG SALES GROWTH, STABLE EBIT MARGIN AND IMPROVED FREE CASH FLOW

Sales growth

Reported: +4.9%

Like-for-like: +2.6%

Delivery¹: >30%
14% ex Pro à Pro

Online (Real): ~+70%

*Mid-term ambition: +3%
reported growth*

EBIT and EBIT margin²

EBIT: €230m (PY €239m)

Margin

- before SI³: 2.5% (PY 2.7%)
- reported: 2.3% (PY 0.8%)

*Mid-term ambition EBITDA
margin: ~5%, no more
special items*

Free Cash Flow (FCF)⁴

Δ EBITDA (reported): +€139m vs PY

Δ change in NWC: +€166m vs PY

Δ Capex: +€2m vs PY

Δ FCF: +€307m vs PY

*Mid-term ambition FCF
conversion: >60%*

¹ Wholesale delivery growth; ² Mid-term ambition refers to EBITDA before special items margin; METRO Wholesale's reporting will continue to focus on EBIT for FY 2016/17; ³ SI = special items;

⁴ EBITDA reported - capex excluding finance lease extensions and M&A +/- change in NWC

01

FINANCIAL PERFORMANCE

SALES IN Q3 – STRONG PERFORMANCE ACROSS THE BOARD

%	Q3 2015/16	Q3 2016/17
Like-for-like growth	-0.6%	2.6%
METRO Wholesale	0.1%	2.6%
Real	-3.5%	2.5%
Reported growth	-4.8%¹	4.9%
METRO Wholesale	-4.5%	6.2%
Real	-6.0%	0.7%
Sales share of respective sales line		
Delivery: Wholesale	13.5%	16.7%
<i>excl. Pro à Pro</i>		14.6%
Online: Real	0.9%	1.5%

Like-for-like growth

- Strong LfL growth of 2.6% in Q3
- Wholesale: all clusters with positive LfL growth; France, Turkey and Germany overcompensated Russia and the Netherlands
- Minimal calendar support at Real, no calendar support at METRO Wholesale

Reported growth

- Even stronger reported growth at 4.9%
- Driven by 6 NSOs and currency support

Multichannel sales share

- Continued double-digit sales growth for METRO Wholesale delivery business
- Real's online business with ~70% growth to 1.5% sales share

¹ unaudited; internal calculations

EBIT IN Q3 – OPERATIONAL IMPROVEMENT IN WHOLESALE COUNTERED BY LESS REAL ESTATE GAINS

€m	Q3 2015/16	Q3 2016/17
EBIT	239	230
METRO Wholesale	242	256
<i>thereof FX</i>		12
Real	8	-2
Others/Consolidation	-11	-25
EBIT margin	2.7%	2.5%
METRO Wholesale	3.4%	3.4%
Real	0.4%	-0.1%
Real estate gains	26	9
METRO Wholesale	0	0
Real	0	0
Others	26	9

EBIT and EBIT margin

- Wholesale EBIT
 - excluding FX support €3m above PY
 - strong LfL countries compensate underperformers
- Real EBIT margin decline driven by price investments in competitive market and higher marketing costs

Real estate gains

- METRO EBIT impacted by €17m lower real estate gains in 'others'
- Q3 gains from sale of two German shopping centers

EBIT TO EPS IN Q3 – STEADY TAX RATE IMPROVEMENT

€m	Q3 2015/16	Q3 2016/17
EBIT	239	230
<i>Interest and investment result</i>	-28	-33
<i>Other financial result</i>	-4	-43
Net financial result	-32	-76
EBT	208	154
Tax rate (9M)	41.6%	40.8%
Net income	133	88
EPS in €¹	0.36	0.24
EPS (reported)¹	0.14	0.21

Net financial result

- Lower interest expense (favorable interest rate environment) countered by lower interest income due to tax-related refunds in PY
- Other financial result negatively impacted by valuation of intercompany receivables in foreign currency (non-cash)

EPS

- Decrease driven by lower real estate gains and net financial result
- On a 9M-basis, EPS increased from €0.81 in 2015/16 to €1.08 in 2016/17

¹ Pro-forma figure reflecting increased share count (demerger not-effective as per Q3 closing)

FCF IN Q3 – STRONG IMPROVEMENT DRIVEN MOSTLY BY LOWER SPECIAL ITEMS AND NWC

€m	Q3 2015/16	Q3 2016/17
EBITDA	417	399
Special items in EBITDA	167	10
EBITDA reported	250	389
Change in NWC	-190	-24
Capex¹	-187	-185
METRO Wholesale	-125	-108
Real	-33	-39
Others	-28	-38
FCF	-127	180
Net debt (30 June)	3,589	3,766

Change in NWC

- Improvement in NWC supported by Easter shift and timing effects, e.g. day constellation

Capex

- Wholesale: maintenance and remodeling; 6 new stores: China (2), India (2), France (1), Italy (1)
- Others: IT maintenance and software development

FCF

- Q3 improvement through significantly lower special items and NWC development

Net debt

- Net debt increase largely driven by Pro à Pro acquisition

¹ Capex, excluding M&A and excluding finance lease extensions.

02 STRATEGIC UPDATE

A QUARTER OF STRONG GROWTH – HOW DOES IT WORK?



- 1 Employee activation
- 2 Business model adjustment
- 3 Push into delivery

EMPLOYEE ACTIVATION IS KEY



Highly engaged employees

Measured with employee engagement index

Wholesale: 76%

Germany: 55% (2016: 51%)

Higher customer satisfaction

Measured with net promoter score

8 countries initiated;
representing ~70% of sales

Full roll-out by FY 2017/18

Sales growth

LfL +2.6% in Q3

ADJUSTING THE BUSINESS MODEL TO CUSTOMER NEEDS - SPACE



A store which is easy to navigate

Cut space if required...

- ~10% sqm reduction in last 5 years (Trader ~-20%)
- Typical store size 6,500-8,500 sqm/store

... even in emerging markets

- China ~-17% average store size
- Russia ~-8% average store size
- At the same time, +34 stores in China and +27 stores Russia

Open even smaller stores

- Alès (France), 1,250sqm, ~7k SKUs, ultra-fresh focus



Focus on ultra-fresh



Self-scanning system



Condensed non-food area



Heavy-weights ordering

ADJUSTING THE BUSINESS MODEL TO CUSTOMER NEEDS - ASSORTMENT

An assortment which makes an impression

Decreasing non-food sales share

- 13% in 9M FY 2016/17, -1.4%-points vs. PY

Assortment management (e.g. France)

- ~5k SKUs delisted and replaced with ~2k HoReCa SKUs
- Frequency and basket growth

Continuous redefining of own brands

- ~85% buying customers buy own brands
- ~92% HoReCa customers buy own brands



METRO

METRO

PROFESSIONAL

METRO

Chef

METRO

Premium

FURTHER DYNAMIC GROWTH IN DELIVERY



A reliable partner for the last mile

Strong growth

- Continuous double digit growth to 16.7% sales share

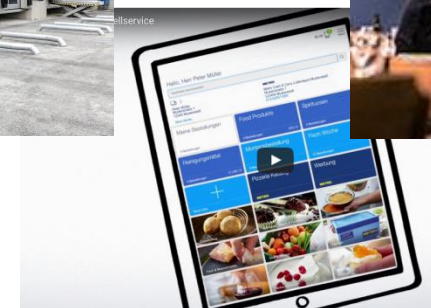
Professionalize the fulfillment model

- All countries added separated store areas / dedicated depots to their out-of-store delivery capabilities
- Extensive rollout leading to additional startup costs

Digital readiness: online ordering via METRO software

Build the customer base

- Sales share of recurring customers in line with group average

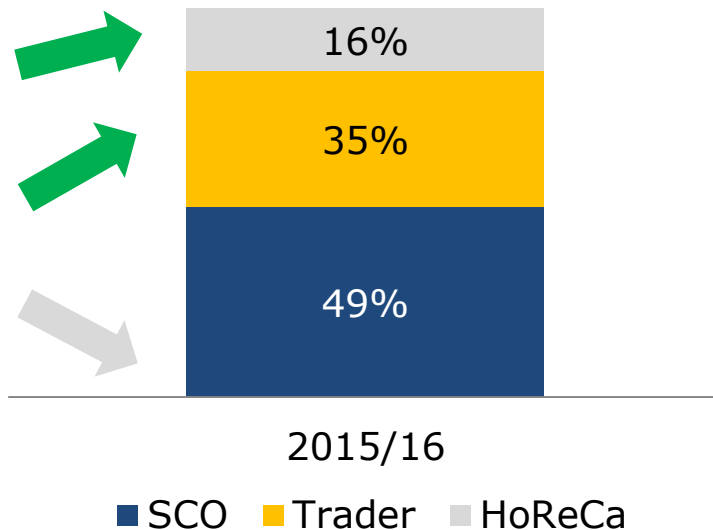


COMBINING ALL THREE: WHY METRO RUSSIA WORKS



Strengthen the value proposition for professional customers against macro headwinds: employee activation, business model adjustment and push into delivery

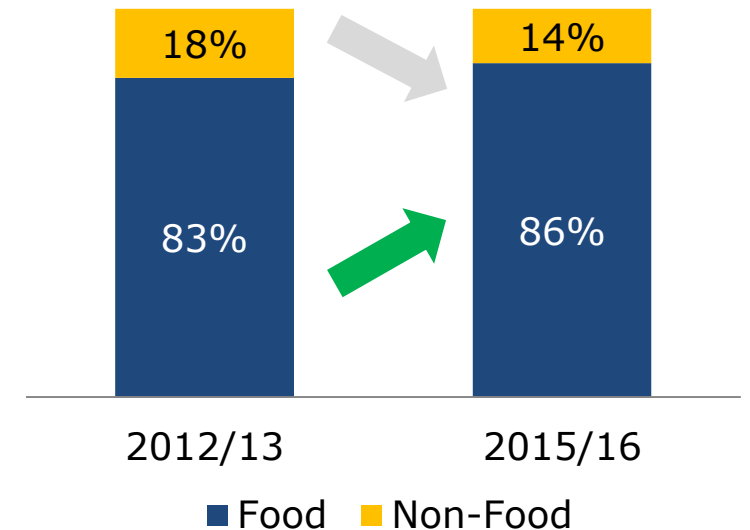
Grow HoReCa & Trader (Lfl sales share)



Motivated employees (EEI 2017)

Measured yearly with employee engagement index
Response rate >90%
Engagement 85%

Focus on food (sales share)



COMBINING ALL THREE: WHY METRO RUSSIA WORKS



Adjust the business model and push into delivery to be ahead of market development

Trader franchise

- ~240 Fasel stores opened since project start
- New model in cooperation with gas stations



Delivery depot in existing store in St. Petersburg

- Optimized store size: 3k sqm reallocated to depot
- 3.3k sqm dedicated delivery space to serve entire city



STABLE PERFORMANCE FOR FOOD RETAIL; NEW FOOD LOVER STORES IN THE MAKING

real-

Food lover concept: roll-out

- Continued outperformance at pilot store in Krefeld
- Concept review completed
 - food court approach confirmed
 - sales area optimized
 - investments reduced
- Braunschweig selected as next store
- Roll-out of selected modules across portfolio



Multichannel approach

- Positive online development ~+70% in Q3
- 1.5% of total sales in Q3
- >10m platform visitors per month since Hitmeister integration
- 35% mobile ordering in Q3
- ~10m SKUs



03 OUTLOOK & GUIDANCE

OUTLOOK

Technical effects to consider for Q4 2016/17

- EBIT
 - real estate gains: €125m in Q4 2015/16 (€92m in Others; €33m in METRO Wholesale)
 - small one-time gain from pension capitalisation in Q4 2015/16
 - special items: demerger costs in Q4 2016/17
- NWC: partial reversal of timing effects in Q4 2016/17

Guidance

- Limitations on forward-looking statements until FY 2016/17 reporting in December 2017
- €1bn Capex incl. Pro à Pro expected for FY 2016/17

	FY 2015/16	MT ambition
Sales growth¹	€37bn	≥3%
EBITDA² Margin	4.9%	Stable
FCF conversion³	43%	>60%

¹ At constant FX and before portfolio measures

² EBITDA before special items

³ (EBITDA reported - capex excluding finance lease extensions and M&A +/- change in NWC)/EBITDA reported

EVENTS AND FINANCIAL CALENDAR

Upcoming events

- METRO Unboxed on 21 September
- Analyst / investor store tour (METRO Wholesale Germany & Real), strategy discussion and management meeting

Financial calendar

- Trading statement financial year 2016/17: 20 October 2017, 7.30 am CET
- Annual report 2016/17: 13 December 2017, 8.00 am CET

Q&A



Olaf Koch, CEO



Christian Baier, CFO

04 APPENDIX

SALES, EBIT AND SPECIAL ITEMS IN EBIT IN Q3

	Sales		Change		EBIT		
	Q3 2015/16	Q3 2016/17	€	LFL	Q3 2015/16	Q3 2016/17	Change
METRO	8,901	9,339	4.9%	2.6%	239	230	-9
METRO Wholesale	7,113	7,554	6.2%	2.6%	242	256	14
Real	1,771	1,783	0.7%	2.5%	8	-2	-10
Others/Consolidation	17	2	-	-	-11	-25	-14

Special items in EBIT, €m	Q3 2015/16	Q3 2016/17
METRO Wholesale	171	14
Portfolio optimisation measures	162	1
Restructuring and efficiency measures	0	6
Others	9	7

CASH FLOW IN Q3

€ million	Q3 2015/16	Q3 2016/17
EBIT	68	216
Depreciation/amortisation/impairment losses/reversal of impairment losses of assets excl. financial investments	182	174
Change in provisions for post-employment benefits plans and similar obligations	81	-40
Change in net working capital	-190	-24
Income taxes paid	-27	-58
Reclassification of gains (-) / losses (+) from the disposal of fixed assets	-33	-8
Other	42	149
Cash flow from operating activities	123	409
Acquisition of subsidiaries	-77	-
Investments in property, plant and equipment (excl. finance leases)	-124	-149
Other investments	18	-48
Investments in monetary assets	-184	-
Disposals of subsidiaries	-	-3
Disposal of fixed assets	63	-5
Gains (+) / losses (-) from the disposal of fixed assets	33	8
Disposal of monetary assets	0	26
Cash flow from investing activities	-271	-171
Dividends paid	-5	-
Redemption of liabilities from put options of non-controlling interests	1	-
New borrowings	140	87
Redemption of borrowings	-373	-455
Interest paid	-70	-47
Interest received	44	15
Profit and loss transfers and other financing activities	12	-40
Cash flow from financing activities	-251	-439
Total cash flows	-399	-202



CONTACT

Investor Relations

METRO AG
Metro-Straße 1
40235 Düsseldorf
Germany

T +49 211 6886-1051
F +49 211 6886-490-3759
E investorrelations@metro.de

www.metroag.de

METRO