

## METRO WITH STRONG LIKE-FOR-LIKE SALES GROWTH IN Q3

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- Like-for-like sales significantly increase by 2.6% in Q3 2016/17, reported sales are up 4.9%
- Like-for-like sales slightly improve by 0.5% in 9M, reported sales grow by 1.9%
- EBIT after special items reaches €215 million in Q3 (Q3 2015/16: €68 million), and €720 million in 9M (9M 2015/16: €942 million)
- EBIT before special items at €230 million in Q3 (Q3 2015/16: €239 million), and €840 million in 9M (9M 2015/16: €741 million)
- Delivery sales of METRO Wholesale<sup>1</sup> are up more than 30%, reaching 16.7% of total sales in Q3
- Real's online sales increase by almost 70% in Q3 reaching a share of sales of 1.5%
- EPS before special items<sup>2</sup> amounts to €0.24 in Q3 (Q3 2015/16: €0.36), €1.08 in 9M (9M 2015/16: €0.81)

Düsseldorf, 31 August 2017 – In the third quarter of 2016/17, METRO has shown a strong operational development with an increase in like-for-like sales by 2.6%. Total sales rose by 4.9% to €9.3 billion, benefiting from positive currency effects and the acquisition of Pro à Pro, the French food service distribution specialist. EBIT rose to €215 million compared to €68 million in the same period last year. EBIT before special items amounted to €230 million, compared to €239 million in the third quarter of 2015/16. The slight decrease is attributable in particular to higher real estate income in the previous year.

Looking at the nine-month period, METRO's like-for-like sales improved slightly by 0.5% compared to the previous year. Total sales rose by 1.9% to €27.9 billion. EBIT fell from €942 million to €720 million. The decline is primarily attributable to special items amounting to €120 million for restructuring measures at Real and METRO Wholesale, as well the capital gains from the disposal of METRO Cash & Carry Vietnam that were included in last year's fig-

<sup>1</sup>In order to take account of the development of the business model and the strengthening of the delivery business, the METRO Cash & Carry segment is now named METRO Wholesale. The name of the sales brand METRO/MAKRO Cash & Carry remains unchanged.

<sup>2</sup>These are pro-forma figures because these are combined financial statements, which means that no shares existed as of the closing date of 30 June 2017.

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ures. As a result of higher real estate income and positive currency effects, EBIT before special items rose to €840 million compared to €741 million in the same period last year.

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“METRO has shown a strong operational development in the first quarter that we report on as an independent, stock listed company after the demerger of METRO GROUP. The sustainable sales trend shows that we have become more relevant for our customers worldwide, a large proportion of which are restaurateurs. We have seen very strong sales increases, especially in the delivery business” says Olaf Koch, Chairman of the Management Board of METRO AG. “With an increase by 2.5% in like-for-like sales, the operational development of Real is also very satisfactory. Online sales increased by 70%.”

On 6 February 2017, the Annual General Meeting of METRO AG (registered in the trade register of the Local Court of Düsseldorf under HRB 39473) decided on the demerger of METRO GROUP into two independent exchange-listed companies focused on their respective market segments. The agreed demerger became effective with the registration in the trade register of METRO AG on 12 July 2017. METRO AG has since been re-named CECONOMY AG.

Since 13 July 2017, all shares of METRO Wholesale & Food Specialist AG (registered in the trade register of the Local Court of Düsseldorf under HRB 79055) have been listed on the Frankfurt and Luxembourg securities exchanges; METRO Wholesale & Food Specialist AG has been operating under the name METRO AG since 18 August 2017.

This combined 9M/Q3 2016/17 quarterly report of METRO AG has been prepared on a voluntary basis.

The new METRO (formerly METRO Wholesale & Food Specialist GROUP, in the following also referred to as MWFS GROUP) was part of the group of companies of CECONOMY AG (formerly METRO AG) during the nine-month period from 1 October 2016 to 30 June 2017 and did not operate as a separate group. The combined 9M/Q3 2016/17 quarterly report therefore does not serve as a guide to the results that METRO would have achieved during this period as a separate, standalone group with independent central functions. The combined 9M/Q3 2016/17 quarterly report also does not serve as a guide to future results of METRO.

For further details on the background and purpose of the combined 9M/Q3 2016/17 quarterly report, please see the notes to the combined financial statements for the six months ended 31 March 2017 of METRO, which were prepared by the Management Board of the former METRO AG on 23 June 2017.

METRO achieved a slight increase in like-for-like sales of 0.5% in the first nine months of 2016/17<sup>3</sup>, driven by very good developments in Q3 2016/17, in particular. Sales in local currency increased by 0.9% in the first nine

<sup>3</sup>Sales growth adjusted for selling space, reflecting sales growth in local currency on a comparable area or with respect to a comparable group of locations or sales concepts such as online and delivery. The figure only includes sales of locations with a comparable history of at least one year. This means that locations affected by openings, closures or material refurbishments during the reporting period or comparable year are excluded.

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months, while total sales rose by 1.9% to €27.9 billion.

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In Q3 2016/17, like-for-like sales jumped by 2.6%, helped somewhat by the shift in the Easter business. Sales in local currency increased by 3.7%. Overall, sales even rose by 4.9% to €9.3 billion (Q3 2015/16: €8.9 billion). Aside from like-for-like sales growth and positive currency effects, the acquisition of Pro à Pro France, which was completed in February 2017, also contributed to this.

METRO	9M 2015/16 (€ million)	9M 2016/17 (€ million)	Change (%)
Sales	27,416	27,947	1.9 %
Germany	9,337	9,061	-3.0 %
International	18,080	18,886	4.5 %
International share of sales	65.9 %	67.6 %	-

METRO	Q3 2015/16 (€ million)	Q3 2016/17 (€ million)	Change (%)
Sales	8,901	9,339	4.9 %
Germany	2,950	2,972	0.8 %
International	5,951	6,367	7.0 %
International share of sales	66.9 %	68.2 %	-

During the first nine months of 2016/17, EBIT at METRO stood at €720 million (9M 2015/16: €942 million) and comprised special items of €120 million, particularly from restructuring at Real and METRO Wholesale. The previous year's figure included positive special items totalling €201 million. These primarily concerned gains from the disposal of METRO Cash & Carry Vietnam. EBIT before special items amounted to €840 million (9M 2015/16: €741 million). The increase is due to higher gains from real estate transactions and positive currency effects.

In Q3 2016/17, EBIT stood at €215 million (Q3 2015/16: €68 million). Special items amounted to €14 million (Q3 2015/16: €171 million). EBIT before special items totalled €230 million (Q3 2015/16: €239 million). This decline is due, in particular, to the fact that the figure for the previous year's quarter included higher gains from real estate transactions.

Earnings before taxes stood at €573 million in the first nine months of 2016/17 (9M 2015/16: €700 million). Before special items, EBT amounted to €687 million (9M 2015/16: €527 million).

Profit for the period totalled €255 million in the first nine months of 2016/17 (9M 2015/16: €388 million). Profit for the period before special items climbed sharply from €307 million to €407 million. In Q3 2016/17, however, profit for the period before special items declined from €133 million to €88 million.

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In the first nine months of 2016/17, earnings per share<sup>4</sup> amounted to €0.66 (9M 2015/16: €1.03). Adjusted for special items, earnings per share stood at €1.08 (9M 2015/16: €0.81). In Q3 2016/17, earnings per share came to €0.21 (Q3 2015/16: €0.14). Adjusted for special items, earnings per share in Q3 declined from €0.36 to €0.24.

Earnings of METRO (€ million)	Before special items		After special items	
	9M 2015/16	9M 2016/17	9M 2015/16	9M 2016/17
EBIT	741	840	942	720
Combined earnings before taxes EBT	527	687	700	573
Combined profit or loss for the period after taxes	307	407	388	255
Combined profit or loss for the period attributable to METRO GROUP	295	391	376	240
Earnings per share in € (pro forma figures)	0.81	1.08	1.03	0.66

Earnings of METRO (€ million)	Before special items		After special items	
	Q3 2015/16	Q3 2016/17	Q3 2015/16	Q3 2016/17
EBIT	239	230	68	215
Combined earnings before taxes EBT	208	154	33	144
Combined profit or loss for the period after taxes	133	88	56	76
Combined profit or loss for the period attributable to METRO GROUP	130	87	52	75
Earnings per share in € (pro forma figures)	0.36	0.24	0.14	0.21

Net debt, after netting cash and cash equivalents as well as financial investments with financial liabilities (including finance leases), totalled €3.8 billion as of the quarterly closing date 30 June 2017 (30 June 2016: €3.6 billion).

## Outlook

With the annual report 2016/17, METRO will publish a forecast for financial year 2017/18. There is no forecast for the rest of financial year 2016/17 because the demerger and listing of METRO shares took place just recently in mid-July 2017.

<sup>4</sup>These are pro-forma figures because these are combined financial statements, which means that no shares existed as of the closing date of 30 June 2017.

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METRO also maintains its mid-term guidance. These include at least 3% sales growth, a stable EBITDA margin of approximately 5%, a free cash flow conversion of more than 60%, and a tax rate of less than 40%. These mid-term objectives are based on the assumptions of constant currency exchange rates and irrespective of any portfolio measures.

#### METRO Wholesale (formerly segment METRO Cash & Carry)

Like-for-like sales at METRO Wholesale rose by 1.1% in the first nine months of 2016/17. Sales in local currency were up 2.3%. Thanks to positive currency effects, total sales even rose by 3.6% to €22.4 billion. In addition, the acquisition of Pro à Pro in France has contributed to sales since the beginning of 2017. In Q3 2016/17, like-for-like sales increased by 2.6%. However, in local currency, the sales increase was markedly higher at 4.6%, with total sales surging by 6.2% to €7.6 billion.

Like-for-like sales in the HoReCa cluster were up 0.4% in 9M 2016/17. Sales in local currency even increased by 4.3%. Total sales increased by 3.2% to €10.7 billion and were dampened slightly by negative currency effects. In Q3 2016/17, like-for-like sales rose by 2.8%. Like-for-like sales in Germany, the largest HoReCa market, increased by 2.0%. Like-for-like sales also developed very positively in France and above all Turkey. Despite negative currency effects, sales rose markedly by 6.6% to €3.8 billion, driven partly by the acquisition of Pro à Pro in France.

Like-for-like sales in the Multispecialist cluster rose by 1.0% in 9M 2016/17. Sales in local currency increased by 1.3%. Thanks to very positive currency effects, total sales jumped 5.7% to €9.6 billion. In Q3 2016/17, like-for-like sales rose by 1.2%. Positive developments in China, Pakistan and India more than compensated for the distinct decline in like-for-like sales in the Netherlands and Russia. Positive currency effects caused sales to increase by 5.5% to €3.0 billion.

Like-for-like sales in the Trader cluster were up 4.8% in 9M 2016/17, with Ukraine and Romania once again the key drivers. Sales in local currency rose by 2.6%. As a result of negative currency effects, however, total sales increased by just 2.1% to €2.1 billion. The development improved in Q3 2016/17 with like-for-like sales growth of 6.3% and sales rose by 6.1% to €0.7 billion thanks also to slightly positive currency effects.

METRO Wholesale's delivery sales showed very positive momentum, with sales rising by more than 25% to €3.4 billion in 9M 2016/17. As a result, delivery sales accounted for more than 15% of total sales for the first time. The acquisition of Pro à Pro contributed to this increase. As a result, growth rates in Q3 2016/17 were even higher, with delivery sales increasing by more than 30% to €1.3 billion. This already corresponds to 16.7% of total sales.

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In 9M 2016/17, EBIT amounted to €783 million (9M 2015/16: €976 million) and included positive special items amounting to €38 million, which essentially concerned restructurings. The previous year's figure included positive special items totalling €235 million. These primarily concerned gains from the disposal of METRO Cash & Carry Vietnam. At €822 million, EBIT before special items was €81 million higher than in the comparable period of the previous year. While positive currency effects substantially mitigated the decline in EBIT in Russia, gains from a real estate transaction in China contributed €81 million (in Q2 2016/17) to the strong overall EBIT improvement, with cost savings in administrative functions also having a positive effect.

In Q3 2016/17, EBIT before special items came to €256 million (Q3 2015/16: €242 million), with EBIT boosted, in particular, by positive currency effects amounting to €12 million.

METRO Wholesale	9M 2015/16 (€ million)	9M 2016/17 (€ million)	Change (€)	Change (in local currency)	like-for-like (in local currency)
Total sales	21,648	22,421	3.6 %	2.3 %	1.1 %
HoReCa	10,400	10,728	3.2 %	4.3 %	0.4 %
Multispecialist	9,051	9,567	5.7 %	1.3 %	1.0 %
Trader	2,064	2,108	2.1 %	2.6 %	4.8 %
Others	134	19	–	–	–
EBIT before special items	741	822	10.8 %		

METRO Wholesale	Q3 2015/16 (€ million)	Q3 2016/17 (€ million)	Change (€)	Change (in local currency)	like-for-like (in local currency)
Total sales	7,113	7,554	6.1 %	4.6 %	2.6 %
HoReCa	3,552	3,788	6.6 %	8.2 %	2.8 %
Multispecialist	2,858	3,019	5.6 %	0.5 %	1.2 %
Trader	699	741	6.1 %	4.7 %	6.3 %
Others	4	6	–	–	–
EBIT before special items	242	256	5.9 %		

## Real

Real's like-for-like sales declined by 1.5% in 9M 2016/17. Due mostly to store disposals, total sales fell by 3.7% to €5.5 billion compared with the previous year's period. In contrast, like-for-like sales rose markedly by 2.5% in Q3 2016/17. The Easter shift and higher food prices contributed to this positive development. Although the store network has shrunk by nine

## METRO AG

stores compared to the previous year, total sales increased by 0.7% to €1.8 billion.

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Online sales continued to develop very positively, rising by more than 50% from €53 million to €80 million in 9M 2016/17. In Q3 2016/17, sales even grew by nearly 70%, with the online share of sales at Real increasing to 1.5%. Real now also offers online food orders.

EBIT totalled €22 million in 9M 2016/17 (9M 2015/16: €77 million). This figure includes special items totalling €46 million (9M 2015/16: €0 million), which essentially relate to restructuring measures. EBIT before special items totalled €68 million, compared with €77 million in the previous year's period.

In Q3 2016/17, EBIT declined from €8 million to €-2 million due to price investments and higher marketing expenses. Earnings were not impacted by special items.

Real	9M 2015/16 (€ million)	9M 2016/17 (€ million)	Change (€)	like-for-like (in local currency)
Sales	5,715	5,502	-3.7 %	-1.5 %
EBIT before special items	77	68	-10.7 %	

Real	Q3 2015/16 (€ million)	Q3 2016/17 (€ million)	Change (€)	like-for-like (in local currency)
Sales	1,771	1,783	0.7 %	2.5 %
EBIT before special items	8	-2	-	

METRO is a leading international specialist in wholesale and food retail. The company operates in 35 countries and employs more than 150,000 people worldwide. In financial year 2015/16, METRO generated sales of around €37 billion. The company provides custom solutions to meet the regional and international needs of its wholesale and retail customers. With its sales brands METRO/MAKRO Cash & Carry and Real as well as delivery services and digitisation initiatives METRO sets the standards for tomorrow: for customer focus, digital solutions and sustainable business models. More information at [metroag.de](http://metroag.de).

This press release may contain forward-looking statements based on current assumptions and forecasts made by METRO management and other information currently available to METRO. Various known and unknown risks, uncertainties, and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. METRO does not intend, and does not assume any liability whatsoever, to update these forward-looking statements or to conform them to future events or developments.

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