

## A SOLID BASIS FOR THE NEW METRO

1 - 6

- EBIT before special items has reached the previous year's level at €1,106 million (2015/16: €1,106 million)<sup>1</sup>
- Reported EBIT has reached €852 million (2015/16: €1,219 million) – however, adjusted for the earnings from the sale of business activities in Vietnam in the previous year the EBIT rose
- Profit for the period before special items grew to €583 million (2015/16: €495 million)
- Earnings per share before special items improved to €1.55 (2015/16: €1.33)
- The management board and supervisory board have suggested a dividend of €0.70 per share
- Like-for-like sales development increased by 0.5% – like-for-like sales of METRO Wholesale have grown in every quarter for 4 years
- Reported sales also increased due to positive currency and portfolio effects by 1.6% to €37.1 billion in financial year 2016/17 – METRO Wholesale gained 3.0%
- Outlook for 2017/18: Currency-adjusted an increase of the sales growth rate compared to the previous year and a significant increase in earnings before real estate transactions is expected

**Düsseldorf, 13 December 2017** – The new METRO has successfully completed its first financial year as a focused wholesale and food specialist. Following the demerger of the former METRO GROUP, the new METRO achieved a sustainable sales growth and a stable EBIT development in financial year 2016/17. The EBIT before special items amounted to €1,106 million, the level of the previous year. Like-for-like sales increased by 0.5% in financial year 2016/17. "Financial year 2016/17 was a transition year. It was among the most eventful and strategically important years in the history of METRO. With the stock exchange listing of the new METRO, we created the foundation to deliver even more focus, innovation and growth. This ultimately also improves our operative earning power," Olaf Koch, Chairman of the Management Board of METRO AG, explained. "Our declared goal is to make our customers more successful and help them make their everyday work easier. We believe that digitisation offers huge opportunities, especially in the hospitality sector. The vast majority of restaurateurs has not yet caught on to using digital solutions. We want to change this and are now launching our digital solutions and services internationally." A dividend

<sup>1</sup> The previous year's results as of 30 September 2016 correspond to those of the combined financials of the former METRO Wholesale & Food Specialist GROUP.

### METRO AG

Metro-Straße 1  
40235 Düsseldorf, Germany  
P.O. Box 230361  
40089 Düsseldorf, Germany

T +49 211 6886-4252  
www.metroag.de  
presse@metro.de  
@METRO\_News

Supervisory Board: Jürgen B. Steinemann, Chairman  
Management Board: Olaf Koch, Chairman  
Christian Baier, Pieter C. Boone, Heiko Hutmacher

Commercial register  
of the Düsseldorf  
Local Court  
HRB 79055

of €0.70 per share will be proposed to the Annual General Meeting in order to allow shareholders to partake in the positive business development.

2 - 6

**METRO Wholesale** has continued its consistent focus on the needs and success of its customers in financial year 2016/17. Its **delivery business** has developed particularly well and increased its sales by more than 25% compared to the previous year. It now makes up 15.6% of overall sales. The acquisition of the French delivery specialist Pro à Pro in February 2017 contributed to this successful development. In addition, METRO Wholesale has expanded its trader-franchise business on many Eastern European markets in the financial year. In this system, METRO supports independent food retailers in their store design, product mix, branding, marketing and accounting activities.

**Real** has made great progress with its strategic reorientation in the past financial year. In Krefeld, the sales line has been trialling its Food Lover concept since November 2016 with great success. The unique concept combines quality gastronomic offering with a wide product range and competent advice. This hybrid market concept is to be rolled out in additional stores in the future. First candidates are stores in Brunswick and in Bielefeld. Furthermore, selected modules will be launched in different stores.

METRO has also advanced its **digitisation** efforts in financial year 2016/17, e.g. with its METRO Accelerator, powered by Techstars. The program promotes the development of digital solutions in hospitality and retail businesses. The HoReCa Digital unit has carried out pilot projects in Berlin, Paris, Milan and Vienna to supply digital solutions to approximately 500 customers in the hospitality sector.

## Outlook

The outlook is based on the assumption of stable exchange rates without portfolio adjustments. In an effort to further improve the transparency of its operative performance, METRO will in the future report its earnings in the form of the EBITDA excluding earnings contributions from real estate transactions. As the restructuring measures stemming from the transformation of the group have been completed to the greatest extent, our future reporting will – as announced – no longer include special items. Our reporting will still assume a continuously complex geopolitical situation.

For financial year 2017/18, METRO once again expects to see a slight rise in overall sales, despite the persistently challenging economic environment. We aim for our growth rate to at least match the 1.1% growth achieved in financial year 2016/17. METRO Wholesale is expected to be the main growth driver.

METRO expects the like-for-like sales development to slightly surpass the 0.5% growth delivered in reporting year 2016/17. METRO Wholesale is expected to make a significant contribution to this growth.

METRO is confident of its ability to significantly improve earnings. We expect the EBITDA excluding earnings contributions from real estate transactions to increase by around 10% on the previous year's result (€1.436 million) with both segments contributing to the increased earnings.

## METRO AG

**Business development in 2016/17**

3 - 6

- **Like-for-like** sales at METRO climbed slightly in financial year 2016/17
- Supported by positive currency effects and the acquisition of Pro à Pro, reported sales increased by 1.6% to €37.1 billion (2015/16: €36.5 billion); METRO Wholesale gained 3.0%
- In local currency sales growth of 1.1%
- Good sales development at METRO Wholesale; declining sales at Real following store closures and a difficult first half year

METRO	2015/16 (in million €)	2016/17 (in million €)	Change (in %)	Change (in local currency)	like-for-like (in local currency)
<b>Sales</b>	36,549	37,140	1.6%	1.1%	0.5%
Germany	12,279	11,962	-2.6%	-2.6%	-1.7%
Western Europe (excl. Germany)	10,173	10,543	3.6%	3.6%	-0.3%
Eastern Europe	9,828	10,266	4.5%	1.8%	2.3%
Asia	4,269	4,368	2.3%	4.2%	4.7%

- **EBIT** before special items has reached the previous year's level at €1,106 million (2015/16: €1,106 million)
- EBIT before special items contained earnings from real estate transactions amounting to €175 million (predominantly METRO Wholesale)
- Adjusted for positive currency effects of €37 million, EBIT before special items was €37 million lower than in the previous year
- Reported group EBIT has reached €852 million (2015/16: €1,219 million); however, adjusted for the earnings from the sale of business activities in Vietnam in the previous year (€446 million) the EBIT rose; adjusted for one-time earnings from Vietnam in the previous year, special items are below the level of the previous year
- Strong increase in the reported **EBITDA** to €1,611 million due to lower special items (2015/16: €1,473 million, adjusted for the earnings from the sale of METRO Cash & Carry Vietnam)
- EBITDA before special items amounted to €1,810 million (2015/16: €1,791 million)
- **Profit for the period** before special items rose to €583 million (2015/16: €495 million).
- Profit for the period amounted to €345 million (2015/16: €519 million)
- At €1.55, **earnings per share** before special items are €0.22 higher than in the previous year (2015/16: €1.33). EPS includes one-time tax revenue of approximately €0.10; this result forms the basis for the dividend recommendation
- Earnings per share at €0.89 (2015/16: €1.39)

**METRO AG**

Metro-Straße 1  
40235 Düsseldorf, Germany  
P.O. Box 230361  
40089 Düsseldorf, Germany

T +49 211 6886-4252  
www.metroag.de  
presse@metro.de  
@METRO\_News

Supervisory Board: Jürgen B. Steinemann, Chairman  
Management Board: Olaf Koch, Chairman  
Christian Baier, Pieter C. Boone, Heiko Hutmacher

Commercial register  
of the Düsseldorf  
Local Court  
HRB 79055

- **Free cash flow conversion** (2015/16: 43%) grew significantly to 56% due to investment discipline and low special items
- Free cash flow grew considerably to €898 million (2015/16: €632 million)
- **Net debt** slightly increased to €3,142 billion (30/9/2016: €3,051 billion) primarily due to the acquisition of Pro à Pro

METRO earnings (in million €)	Before special items		As reported	
	2015/16	2016/17	2015/16	2016/17
EBIT	1,106	1,106	1,219	852
EBT (earnings before taxes)	808	896	894	649
Profit or loss for the period	495	583	519	345
Profit or loss for the period attributable to the shareholders of METRO AG	483	563	506	325
Earnings per share in €	1.33 <sup>1</sup>	1.55	1.39 <sup>1</sup>	0.89

<sup>1</sup>Pro-forma disclosure

- Supported amongst others by positive currency effects, the reported sales of **METRO Wholesale** for financial year 2016/17 increased by 3.0% to €29.9 billion; since the acquisition of Pro à Pro in February 2017, the company has contributed approximately €470 million to the sales
- Sales rose by 2.3% in local currency
- Like-for-like sales development increased by 0.9% – like-for-like sales have grown in every quarter for 4 years
- The delivery business continues to develop dynamically: sales rose by more than 25% to more than €4.6 billion, which amounts to a 15.6% share of sales
- METRO is digitising the European hospitality sector and starting the “Digital Club” – it aims to support half a million restaurateurs in Europe with their digitisation efforts by 2020
- EBIT before special items amounted to €1,114 million (2015/16: €1.048 million), supported by positive currency effects amounting to €37 million and higher earnings contributions from real estate transactions compared to the previous year
- EBIT totalled €1.035 million (2015/16: €1.271 million); however, adjusted for the earnings from the sale of the activities in Vietnam during the previous year (€446 million) the EBIT rose

**METRO AG**

Metro-Straße 1  
40235 Düsseldorf, Germany  
P.O. Box 230361  
40089 Düsseldorf, Germany

T +49 211 6886-4252  
www.metroag.de  
presse@metro.de  
@METRO\_News

Supervisory Board: Jürgen B. Steinemann, Chairman  
Management Board: Olaf Koch, Chairman  
Christian Baier, Pieter C. Boone, Heiko Hutmacher

Commercial register  
of the Düsseldorf  
Local Court  
HRB 79055

METRO Wholesale	2015/16 (in million €)	2016/17 (in million €)	Change (in €)	Change (in local currency)	like-for-like (in local currency)
<b>Sales</b>	29,000	29,866	3.0%	2.3%	0.9%
HoReCa	13,993	14,429	3.1%	4.5%	0.3%
Multispecialists	12,066	12,518	3.7%	0.5%	0.5%
Traders	2,802	2,895	3.3%	3.9%	5.5%
Others	138	23	-	-	-
<b>EBIT before special items</b>	1,048	1,114	€+66 mn	-	-

- **Real's** reported sales declined by 3.1% to €7.2 billion in financial year 2016/17. This was particularly due to store disposals
- Like-for-like sales declined by 1.0%; after a difficult first half of the year, the sales development stabilised: following growth in the 3rd quarter, the 4th quarter also saw a 0.6% increase
- Online sales continued to develop very positively, driven by the integration of the acquired online shop Hitmeister: increase by more than 50% to €105 million
- EBIT before special items decreased from €105 million to €80 million, due to a decline in sales and increased expenses incurred by advertising and the expansion of the online business; lower personnel expenses have had a contrary effect
- EBIT amounted to €19 million (2015/16: €108 million); this decline is primarily attributable to expenses incurred by the restructuring of the headquarters

Real	2015/16 (in million €)	2016/17 (in million €)	Change (in €)	Change (in local currency)	like-for-like (in local currency)
<b>Sales</b>	7,478	7,247	-3.1%	-3.1%	-1.0%
<b>EBIT before special items</b>	105	80	€-26 mn*	-	-

\*Rounding difference

### Business development in Q4 2016/17

Sales	Q4 2015/16 (in million €)	Q4 2016/17 (in million €)	Change (in €)	Change like-for-like (in local currency)
<b>METRO</b>	9,133	9,193	0.7%	0.5%
METRO Wholesale	7,351	7,445	1.3%	0.5%
Real	1,762	1,745	-1.0%	0.6%

EBIT before special items (in million €)	Q4 2015/16	Q4 2016/17	Change
<b>METRO</b>	364	267	€-97 mn
Earnings from real estate transactions	127	49	€-78 mn
<b>METRO</b> (adjusted for earnings from real estate transactions)	237	218	€-19 mn
METRO Wholesale	307	292	€-15 mn
Real	29	11	€-18 mn

### METRO AG

Metro-Straße 1  
40235 Düsseldorf, Germany  
P.O. Box 230361  
40089 Düsseldorf, Germany

T +49 211 6886-4252  
www.metroag.de  
presse@metro.de  
@METRO\_News

Supervisory Board: Jürgen B. Steinemann, Chairman  
Management Board: Olaf Koch, Chairman  
Christian Baier, Pieter C. Boone, Heiko Hutmacher

Commercial register  
of the Düsseldorf  
Local Court  
HRB 79055

For further information about the business development of METRO and its segments, please refer to the annual report at [www.metroag.de/more/reports](http://www.metroag.de/more/reports).

6 - 6

Furthermore METRO presents in its Progress Report 2016/17 a report on its achievements in the area of sustainability: [www.metroag.de/cr-progress-2016-17](http://www.metroag.de/cr-progress-2016-17)

Following the announcement in late March 2016 that the demerger of the former METRO GROUP and the planned hive-down and spin-off ("demerger") of the wholesale and food retail business would be reviewed, the organisational separation was carried out at EOD on 30 September 2016. The shareholders of CECONOMY AG (the former METRO AG) approved the demerger at the Annual General Meeting held on 6 February 2017. The demerger became effective upon registration in the commercial registry of CECONOMY AG (the former METRO AG) on 12 July 2017. Shares in the new METRO made their trading debut on the Frankfurt and Luxembourg Stock Exchanges on 13 July 2017. Shares in the new METRO AG were included in the MDAX on 18 September 2017.

METRO is a leading international specialist company in wholesale and food retail. The company operates in 35 countries and employs more than 150,000 people worldwide. In financial year 2016/17, METRO generated sales of approximately €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 and 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 is available at [www.metroag.de](http://www.metroag.de).

**METRO AG**

Metro-Straße 1  
40235 Düsseldorf, Germany  
P.O. Box 230361  
40089 Düsseldorf, Germany

T +49 211 6886-4252  
[www.metroag.de](http://www.metroag.de)  
[presse@metro.de](mailto:presse@metro.de)  
@METRO\_News

Supervisory Board: Jürgen B. Steinemann, Chairman  
Management Board: Olaf Koch, Chairman  
Christian Baier, Pieter C. Boone, Heiko Hutmacher

Commercial register  
of the Düsseldorf  
Local Court  
HRB 79055