

METRO INCREASES LFL SALES BY 1.2% IN Q2, DESPITE EASTER SHIFT

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- Like-for-like sales increased by 1.2% in Q2 2018/19
- Growth driven by Eastern Europe (excluding Russia) and Asia with 6.8% and 3.6% respectively as well as HoReCa and Trader
- EBITDA excluding earnings contributions from real estate transactions at €83 million (Q2 2017/18: €111 million)
- Profit or loss for the period from continuing operations at €-34 million (Q2 2017/18: €-45 million)
- Earnings per share for continuing operations slightly increased to €-0.09
- Outlook for financial year 2018/19 confirmed
- Sales process for hypermarket business starts finale stage, exclusivity with redos granted

Duesseldorf, 9 May 2019 – In Q2 2018/19, METRO AG's like-for-like sales increased by 1.2% in comparison with the same quarter of the previous year. This was mainly driven by Eastern Europe (excluding Russia) and Asia. METRO's sales increased by 1.6% in local currency. Despite the shift of the Easter business to April and thus to Q3 (in fiscal year 2017/18 it was in Q2), reported sales remained mainly constant at €6.8 billion. EBITDA excluding earnings contributions from real estate transactions reached a total of €83 million in Q2 2018/19 (Q2 2017/18: €111 million) and in the first half of fiscal year 2018/19 a total of €553 million (H1 2017/18: €615 million). Beside the Easter shift and the development of the operating business in Russia, the decline can be attributed to higher costs for digitalisation/IT. In addition, the negative development of the Russian and Turkish currencies had a negative impact on earnings. Currency adjusted EBITDA excluding earnings contributions from real estate transactions in H1 2018/19 declined by €-41 million (-6.9%) in comparison with the previous year. "Even with the Easter shift, METRO increased like-for-like sales in Q2 of the financial year 2018/19", says Olaf Koch, Chairman of the Management Board of METRO AG. "Once again it has been shown that our increased focus on the target groups HoReCa and Trader is proving to be a growth driver for METRO. In addition, we have set the course for the sale of our hypermarket business and agreed exclusivity with redos."

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METRO	H1 2017/18 (in € million) ¹	H1 2018/19 (in € million)	Change
Sales	14,803	14,769	-0.2%
EBITDA excluding earnings contributions from real estate transactions	615	553	-10.1%
Earnings contributions from real estate transactions	7	34	-
EBITDA	622	587	-5.6%
EBIT	347	306	-11.7%
Earnings before taxes (EBT)	281	244	-13.1%
Profit or loss for the period from continuing operations ²	134	147	9.4%
Earnings per share from continuing operations (€) ²	0.37	0.40	9.4%
Profit or loss for the period ²	179	-257	-
Earnings per share (€)	0.49	-0.71	-

¹ Adjustment of previous year due to discontinued operations and according to notes in Investor Relations' half year statement.

² Attributable to METRO shareholders.

METRO	Q2 2017/18 (in € million) ¹	Q2 2018/19 (in € million)	Change
Sales	6,737	6,752	0.2%
EBITDA excluding earnings contributions from real estate transactions	111	83	-25.1%
Earnings contributions from real estate transactions	7	32	-
EBITDA	118	116	-2.3%
EBIT	-17	-29	-66.5%
Earnings before taxes (EBT)	-52	-52	1.0%
Profit or loss for the period from continuing operations ²	-45	-34	26.1%
Earnings per share from continuing operations (€) ²	-0.13	-0.09	26.1%
Profit or loss for the period ²	-53	-459	-
Earnings per share (€)	-0.15	-1.26	-

¹ Adjustment of previous year due to discontinued operations and according to notes in Investor Relations' half year statement.

² Attributable to METRO shareholders.

Delivery business reaches 20% sales threshold

Sales and earnings in Q2 2018/19 are in line with expectations for the financial year 2018/19.

In **Germany**, METRO showed a decrease in like-for-like sales of -3.1%. Reported sales decreased by -4.1%, mainly due to the Easter shift. Adjusted for the Easter effect, like-for-like sales would have remained almost flat (-0.1%). On a 7-months basis, METRO Germany shows a 0.8% like-for-like growth. Among HoReCa customers (hotels, restaurants and catering companies) sales in the pilot region Rhineland (Duesseldorf, Neuss, Krefeld) continued to develop positively at a level of 5% since the beginning of the financial year 2018/19.

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In **Western Europe (excluding Germany)** like-for-like sales decreased by -0.3% particularly due to the shift of the Easter business. Adjusted for the Easter effect, reported like-for-like sales would have increased by 1.1%. Reported sales decreased by -0.3%.

In **Russia** like-for-like sales decreased by -4.0% in Q2 2018/19 compared to the same quarter in the previous year. The initiated measures, such as price investments, continue to take effect, although slower than expected. In local currency, sales decreased by -2.3%. As a result of a negative currency impact, reported sales declined by -8.3%.

In **Eastern Europe (excluding Russia)**, like-for-like sales in Q2 2018/19 continued to grow at a high level of 6.8%. Double-digit growth rates in Turkey, Romania and Ukraine contributed notably to this. In local currency sales grew by 6.8%. Due to negative currency effects, especially in Turkey, the reported sales grew only by 2.4%.

Like-for-like sales in **Asia** grew by 3.6% in Q2 2018/19, driven by all countries. In local currency sales grew by 4.7%. Owing to positive currency effects compared to negative currency effects in Q1, reported sales grew by 5.5%.

In Q2 2018/19 METRO focused even more on the target groups hotels, restaurants and caterers (HoReCa) as well as independent traders. Like-for-like sales with **HoReCa** customers grew by 3.2%, with **Trader**¹ customers like-for-like sales increased by 4.6%, despite the Easter shift.

Delivery sales in Q2 2018/19 increased by around 9% to €1.4 billion. As a result, the delivery business now accounts for 20% of METRO's total sales.

The digitalisation of the core business is also progressing. The digital ordering process is available for professional customers in 17 countries or activation is ongoing and records in average 125,000 orders per week. Meanwhile 40% of all orders are done online.

As of 31 March 2019, the store network included 771 stores, 2 stores more than on 30 September 2018.

In **Germany**, **EBITDA** excluding earnings contributions from real estate transactions reached €-23 million (Q2 2017/18: €-12 million). The decrease in earnings is mainly due to the Easter shift. In **Western Europe (excluding Germany)** it reached €20 million (Q2 2017/18: €24 million). The previous year included positive one-time gain in the high single-digit million range. In **Russia** EBITDA excluding earnings contributions from real estate transactions reached €30 million (Q2 2017/18: €35 million). This decrease was mainly sales driven. In **Eastern Europe (excluding Russia)**,

¹ Trader countries without Russia: Bulgaria, India, Pakistan, Poland, Romania, Serbia, Slovakia, Czech Republic.

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EBITDA excluding earnings contributions from real estate transactions reached €42 million (Q2 2017/18: €44 million). In **Asia** it remained at the previous year's level of €48 million. Earnings contributions from real estate transactions reached €30 million, mainly owing to a project development in Bangalore, India.

In Q2 2018/19 the **profit or loss for the period from continuing operations** attributed to the shareholders of METRO amounted to €-34 million (Q2 2017/18: €-45 million). **Earnings per share (EPS) from continuing operations** slightly increased to €-0.09 (Q2 2017/18: €-0.13).

The **profit or loss for the period from continuing and discontinued operations** attributed to the shareholders of METRO amounted to €-459 million in Q2 2018/19 (Q2 2017/18: €-53 million) and was impacted by an impairment of the hypermarket business to the sum of €385 million. **Earnings per share (EPS) from continuing operations and discontinued operations** amounted to €-1.26 in Q2 2018/19 (Q2 2017/18: €-0.15).

Net debt as of 31 March 2019 stood at €3.6 billion and thus remained stable (31 March 2018: €4.0 billion, thereof €3.6 billion in continuing operations).

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METRO	Sales (€ million)		Change (€)		Change (local currency)		Like-for-like (local currency)	
	H1 2017/18	H1 2018/19	H1 2017/18	H1 2018/19	H1 2017/18	H1 2018/19	H1 2017/18	H1 2018/19
Total	14,803	14,769	-0.6%	-0.2%	1.9%	1.9%	1.3%	1.8%
Germany	2,437	2,376	2.1%	-2.5%	2.1%	-2.5%	2.7%	-1.5%
Western Europe (excl. Germany)	5,225	5,253	3.9%	0.5%	3.9%	0.5%	0.3%	0.4%
Russia	1,534	1,374	-14.9%	-10.4%	-9.6%	-2.6%	-8.8%	-3.1%
Eastern Europe (excl. Russia)	3,359	3,410	2.6%	1.5%	5.4%	6.5%	6.0%	6.6%
Asia	2,227	2,328	-4.6%	4.5%	2.8%	5.7%	2.4%	4.7%
Others	20	28	-68.6%	38.9%	-68.3%	38.9%	-	-

EBITDA
excluding earnings
contributions from
real estate transactions

EBITDA

EBIT

in € million	H1 2017/18	H1 2018/19	Change (in €)	H1 2017/18	H1 2018/19	H1 2017/18	H1 2018/19
Total	615	553	-62	622	587	347	306
Germany	53	46	-8	53	46	16	6
Western Europe (excl. Germany)	194	195	1	195	195	126	128
Russia	143	109	-34	143	109	116	83
Eastern Europe (excl. Russia)	167	155	-12	168	157	118	106
Asia	83	84	1	86	114	53	79
Others	-24	-35	-11	-21	-34	-83	-97

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METRO	Sales (€ million)		Change (€)		Change (local currency)		Like-for-like (local currency)	
	Q2 2017/18	Q2 2018/19	Q2 2017/18	Q2 2018/19	Q2 2017/18	Q2 2018/19	Q2 2017/18	Q2 2018/19
Total	6,737	6,752	-1.7%	0.2%	1.7%	1.6%	1.6%	1.2%
Germany	1,067	1,024	2.6%	-4.1%	2.7%	-4.1%	3.3%	-3.1%
Western Europe (excl. Germany)	2,339	2,333	1.8%	-0.3%	1.8%	-0.3%	-0.2%	-0.3%
Russia	624	573	-21.0%	-8.3%	-10.4%	-2.3%	-8.6%	-4.0%
Eastern Europe (excl. Russia)	1,513	1,550	2.6%	2.4%	5.1%	6.8%	5.7%	6.8%
Asia	1,190	1,255	-3.6%	5.5%	4.8%	4.7%	4.3%	3.6%
Others	3	18	-80.8%	-	-80.7%	-	-	-

EBITDA
excluding earnings
contributions from
real estate transactions

EBITDA

EBIT

in € million	Q2 2017/18	Q2 2018/19	Change (in €)	Q2 2017/18	Q2 2018/19	Q2 2017/18	Q2 2018/19
Total	111	83	-28	118	116	-17	-29
Germany	-12	-23	-10	-12	-23	-31	-42
Western Europe (without Germany)	24	20	-4	24	20	-10	-12
Russia	35	30	-5	35	30	22	17
Eastern Europe (without Russia)	44	42	-3	45	42	20	14
Asia	48	48	1	51	79	34	60
Others	-26	-34	-7	-23	-32	-51	-65

Discontinued operations²

The hypermarket business, which is up for sale, is reported as discontinued operations as of 30 September 2018. In Q2 2018/19 like-for-like sales decreased by -5.1%, mainly due to the Easter shift. Reported sales decreased by -6.2%, which was also impacted by three store closings and one temporary store closing.

The **online business** real.de continued to show dynamic development. The Gross Merchandise Value (GMV) grew by 53% to €130 million.

² Includes mainly the former segment Real and a few entities and assets from the former segment Others.

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EBITDA excluding earnings contributions from real estate transactions reached a total of €-55 million (Q2 2017/18: €42 million). The significant decrease can be attributed to the Easter shift as well as a negative effect on earnings resulting from the termination of the future collective agreement at Real.

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Due to the reporting as discontinued operations in accordance with IFRS 5, depreciation of fixed assets in the amount of €82 million was suspended in H1 2018/19. However, in Q2 2018/19, as part of the advanced sale process, an impairment of the hypermarket business was recognized in the amount of €385 million.

METRO is a leading international wholesale company with food and non-food assortments that specialises on serving the needs of hotels, restaurants and caterers (HoReCa) as well as independent traders. Around the world, METRO has some 24 million customers who can choose whether to shop in one of the large-format stores, order online and collect their purchases at the store or have them delivered. METRO in addition also supports the competitiveness of entrepreneurs and own businesses with digital solutions and thereby contributes to cultural diversity in retail and hospitality. Sustainability is a key pillar of METRO's business. METRO has been the sector leader in the Dow Jones Sustainability Index for the last four years. The company operates in 36 countries and employs more than 150,000 people worldwide. In financial year 2017/18, METRO generated sales of €36.5 billion. In September 2018 METRO AG initiated the divestment process for the food retail chain Real with its 34,000 employees. For more information, please visit www.metroag.de

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