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METRO PUBLISHED EFFECTS OF IFRS 16 – NO CHANGES IN THE OUTLOOK

Düsseldorf, 3 February 2020. METRO introduces IFRS 16, the new financial reporting standard on accounting for leases, from the beginning of its financial year 2019/20 onwards. METRO thereby adopts the fully retrospective approach. To facilitate the comparison for quarterly reports to be published in the financial year 2019/20, METRO published a transition booklet today. In this booklet, METRO displays the effects of the changeover for its continuing operations per quarter and per segment for financial year 2018/19. The first quarterly reporting prepared under IFRS 16 will be Q1 2019/20 closing, which will be published on February 13, 2020.

IFRS 16 is an accounting change and has no economic effect on the operating business and cash flows. However, it has a material impact on METRO's financial statements. For example, according to IFRS 16, METRO AG's net debt increases by €2.6 billion, but the underlying financial obligations already existed before and are now visible under this item in the balance sheet.

Lease contracts for METRO predominantly refer to buildings, plots, trucks, company cars and other high value equipment.

Impacts on profit and loss statements 2018/19

- Sales unaffected in absolute terms and growth rates
- EBITDA excluding real estate transactions increases by €371 million to €1,392 million
- EBITDA margin increases by 1.4%-points to 5.1%
- Depreciation changes by €-243 million to €-774 million
- EBIT increases by €130 million to €957 million
- Net financial result decreases by €-111 million to €-230 million
- EPS increases slightly by €0.04 to €1.16

Other impacts

- Total cash flow unchanged; only affected by underlying shift effects as cash flow from operating activities increases and cash flow from financing activities decreases to the same extent
- Net debt increases by €2.6 billion to €5.4 billion
- No impact on credit rating expected
- Outlook for the financial year 2019/20 confirmed

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