

ROBUST SALES DEVELOPMENT AND SOLID EARNINGS IN Q2 2020/21 DESPITE CONTINUED LOCKDOWNS

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- Sales development in Q2 2020/21 stable compared with Q1 2020/21; adjusted EBITDA after currency adjustments nearly at same level as previous year thanks to efficiency improvements and one-off gains:
 - Sales in local currency down -11.9% compared to previous year (PY: Q2 +2.1%), Group sales at €5.1 billion (PY: €6.0 billion)
 - Adjusted EBITDA, also adjusted for currency effects, only €-5 million below previous year. Adjusted EBITDA amounts to €114 million (PY: €133 million), reported EBITDA of €121 million above previous year (PY: €87 million)
- Profit or loss for the period¹ reaches €-131 million (Q2 2019/20: €-116 million²), earnings per share: €-0.36 (Q2 2019/20: €-0.32²)

Düsseldorf, 4 May 2021 – METRO and METRO customers have systematically developed new revenue streams and adopted more efficient and flexible processes since last year. With sales in local currency reducing by -11.9% in Q2 2020/21, the wholesaler came through the current lockdown phase resiliently despite extensive restrictions in the gastronomy sector. In comparison, Q2 2019/20 was only slightly affected by pandemic-related government regulations, as the lockdown in Europe did not begin until mid-March 2020. Overall, the wholesaler reported sales of €5.1 billion in Q2 2020/21 (PY: €6.0 billion), with performance in core markets such as Germany, France, Italy and Spain again above market level and a continued positive performance in Russia for 5 quarters in a row. As a result of increased cost efficiency measures and one-off effects³, METRO's adjusted EBITDA after currency adjustments in the past quarter was almost at previous year's level (€-5 million below PY). Reported EBITDA benefited from real estate gains in the amount of €17 million, thus reaching €121 million (PY: €87 million). In general, the 1st half of the financial year (H1 2020/21) was noticeably impacted by government measures related to the COVID-19 pandemic. Exchange rate-adjusted sales declined by -11,5 %, and total sales by -16.0% to €11.4 billion. Adjusted EBITDA⁴ reached €490 million in H1 2020/21 (PY: €659 million), which represents a decline of €-120 million adjusted for currency effects, down 20% compared to previous year. Reported EBITDA in H1 2020/21 reached €520 million (PY: €615 million). Net debt declined to €4.5 billion (31/3/2020: €6.2 billion).

¹ Attributable to METRO shareholders.

² Continuing operations.

³ See remarks on METRO AG's segments.

⁴ Excluding transformation costs and earnings contributions from real estate transactions.

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“Since mid-March of last year, the effects of the pandemic have posed unprecedented challenges to numerous companies worldwide, and in particular to our HoReCa customers. Although Q2 was affected by lockdowns throughout, METRO was able to report a robust business development. This proves that METRO and our customers have consistently adapted to this special situation,” said Christian Baier, Chief Financial Officer of METRO AG.

“Although we currently have a challenging environment, our positive long-term view on the sector remains unchanged. Thanks to our fine-tuned management of the pandemic and our advantageous competitive position, especially in core markets, we are well positioned. Not to forget our strong financial profile which further supports our business,” added Rafael Gasset, Chief Operating Officer of METRO AG (Convenience Cluster).

Due to the prolonged lockdown period, METRO updated its guidance for the financial year 2020/21 on 20 April 2021. The Management Board of METRO AG, led by CEO Dr Steffen Greubel since 1 May, expects hospitality re-openings broadly between June and August, followed by a fast and substantial recovery of the industry.

Sales and earnings development by segments

In **Germany**, sales in H1 2020/21 declined by -6.9% in both local currency as well as euro terms. While METRO Germany was able to offset the decline in HoReCa relatively well through the positive development of the SCO business, Rungis Express was more severely affected by the COVID-19 restrictions. In Q2 2020/21, sales declined by -10.0% in both local currency and euro. The same quarter in the previous year was positively impacted due to stock up purchases by SCO customers. Adjusted EBITDA in H1 2020/21 reached €77 million (PY: €72 million). This increase is chiefly the result of good margin development and efficiency gains. The effects of this were felt particularly in Q2 2020/21, when adjusted EBITDA came to €9 million (PY: €4 million), excluding €10 million in transformation costs for the closure of a Multi-Center⁵ and remaining store restaurants.

Sales in **Western Europe** declined significantly in H1 2020/21 by -22.8% (to €4.0 billion) in local currency and euro terms. In Q2 2020/21, sales declined by -21.5% in local currency and euro. In our core markets France, Italy, and Spain in particular, the government-

⁵ In the past years, the Multi-Center had been managed by the wholly owned subsidiary of METRO Germany called Multi-Center Warenvertrieb as an independent food retailer for end consumers. Due to its retail-relevant structures, it was linked to the systems of the hypermarket chain real, including marketing and merchandise procurement of the hypermarket chain real.

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imposed restrictions associated with the pandemic had a noticeably negative impact but the countries still performed above market level. Adjusted EBITDA in H1 2020/21 reached €82 million (PY: €227 million). The sales- and margin-related decline in EBITDA in France could only be partially offset by efficiency gains. The acquisition of Davigel Spain yielded positive one-time earnings in the mid single-digit euro million range. In Q2 2020/21, adjusted EBITDA amounted to €-12 million (PY: €23 million).

In **Russia**, the sales in local currency in H1 2020/21 showed a significant growth of 4.0%. Sales growth was driven by the HoReCa and Trader customer groups. Reported sales decreased by -17.0% due to negative currency effects. In Q2 2020/21, sales in local currency increased by 1.1% compared to a strong prior-year basis due to stock up purchases. The reported sales decreased by -16.4% due to currency effects. Adjusted EBITDA in H1 2020/21 reached €101 million (H1 2019/20: €124 million). Adjusted for currency effects, adjusted EBITDA increased by €2 million as a result of the positive sales trend. In Q2 2020/21, adjusted EBITDA reached €32 million (PY: €37 million).

In **Eastern Europe** (excluding Russia), sales in local currency declined by -5.2% in H1 2020/21. Ukraine, Romania and Turkey in particular developed positively in local currency. In Romania, for example, the franchise format LaDoiPasi, founded by METRO, is the fastest growing convenience chain. METRO Romania has more than 1,500 franchise partners operating 1,640 stores and aims to have 2,000 franchise partners under the umbrella of LaDoiPasi by 2023. This franchise model already represents 13% of the total sales of Romania. Reported sales, however, due to negative currency effects, especially in Turkey and Ukraine, were down by -13.3%. In Q2 2020/21, sales in local currency declined by -7.3%. The reported sales decreased by -14.3% due to currency effects. Adjusted EBITDA in H1 2020/21 was €157 million (PY: €181 million). This decrease is mainly attributable to the negative sales development in Poland, the Czech Republic and Hungary. Adjusted for currency effects, adjusted EBITDA declined by €-7 million in Eastern Europe. In Q2 2020/21, adjusted EBITDA was €54 million (PY: €64 million). The conclusion of a legal dispute with a mid single-digit euro million amount had a positive effect here.

In **Asia**, sales in local currency declined in H1 2020/21 by -3.1%, with Japan and Classic Fine Foods particularly affected by the imposed restrictions. Impacted by negative currency effect developments reported sales decreased by -11.5%. In Q2 2020/21, sales declined only by -0.7% in local currency, partly due to one new store opening each in Pakistan and India and the accelerated business in Myanmar before February 2021. Reported sales decreased by -9.4% due to local currency

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effects. Negative currency effects were observed particularly in India and Pakistan. Adjusted EBITDA in H1 2020/21 reached €12 million (PY: €11 million). Earnings from the share of METRO China's partnership with Wumei contributed positively with a low single-digit euro million amount. Adjusted for currency effects, adjusted EBITDA in Asia increased by €3 million. In Q2 2020/21, adjusted EBITDA was €3 million (PY: €-1 million), which is slightly above the previous year's level.

In H1 2020/21, adjusted EBITDA in the **Others** segment reached €62 million (PY: €42 million). Essential elements of the improvement compared to the previous year are an improved result at METRO Logistics and license revenues from the partnership with Wumei. Furthermore, savings from the restructuring carried out in the previous year had a positive effect on personnel costs. In addition, one-off income from the termination of arbitration proceedings and from the reassessment of transaction-related provisions totalling a low double-digit euro million amount supported the earnings development. Transformation costs of €2 million (H1 2019/20: €45 million) were incurred. Earnings contributions from real estate gains amounted to €42 million (PY: €0 million) and resulted mainly from the disposal of the last remaining real estate property of the hypermarket business and from the sale of an at-equity accounted investment in a store network in Germany. Adjusted EBITDA reached €29 million in Q2 2020/21 (PY: €14 million).

METRO's **delivery sales** in H1 2020/21 declined significantly by -26% to €1.6 billion (PY: €2.2 billion) and reached a share of sales of 14% (PY: 16%). METRO's delivery sales in Q2 2020/21 declined by -20% to €0.8 billion (PY: €1.0 billion) and reached a share of sales of 15% (PY: 16%).

As of 31 March 2021, the **store network** comprised 680 locations. In H1 2020/21, new openings included 1 store in India and in Pakistan each.

METRO is a leading international wholesale company with food and non-food assortments that specialises in serving the needs of hotels, restaurants and caterers (HoReCa) as well as independent traders. Around the world, METRO has some 16 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 also supports the competitiveness of entrepreneurs and independent 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 listed in the Dow Jones Sustainability Index for 7 consecutive years. The company operates in 34 countries and employs more than 97,000 people worldwide. In financial year 2019/20, METRO generated sales of €25.6 billion. For more information, please visit www.metroag.de. Additionally, have a look in our online magazine www.MPULSE.de, where we report on what moves our customers, employees, partners and suppliers – and what we move for them.

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METRO sales and EBITDA figures H1 2020/21

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METRO	H1 2020/21 (in € million)	H1 2019/20 (in €) million	Change
Sales	11,388	13,555	-16.0%
EBITDA adjusted (excl. transformation costs and earnings contributions from real estate transactions)	490	659	-25.7%
Transformation costs	12	45	-
Earnings contributions from real estate transactions	42	1	-
EBITDA	520	615	-15.5%
EBIT	116	184	-37.2%
Earnings before taxes (EBT)	29	24	21.1%
Profit or loss from the period from continuing operations ¹	-32	5	-
Earnings per share from continuing operations (€) ¹	-0.09	0,01	-
Profit or loss from the period ¹	-32	-121	73.6%
Earnings per share (€)	-0.09	-0.33	73.6%

¹ Attributable to METRO shareholders.

METRO	Sales (€ million)		Change (€)		Change (local currency)		Like-for-like (local currency)	
	H1 2020/21	H1 2019/20	H1 2020/21	H1 2019/20	H1 2020/21	H1 2019/20	H1 2020/21	H1 2019/20
Total	11,388	13,555	-16.0%	2.0%	-11.5%	1.5%	-11.6%	1.5%
Germany	2,254	2,421	-6.9%	1.9%	-6.9%	1.9%	-6.7%	1.9%
Western Europe (excl. Germany)	3,951	5,117	-22.8%	-2.6%	-22.8%	-2.6%	-22.9%	-2.5%
Russia	1,210	1,459	-17.0%	6.2%	4.0%	1.4%	4.2%	0.9%
Eastern Europe (excl. Russia)	3,187	3,677	-13.3%	7.8%	-5.2%	7.9%	-5.2%	7.8%
Asia	767	867	-11.5%	2.8%	-3.1%	2.0%	-4.4%	1.8%
Others	19	14	-	-	-	-	-	-

EBITDA adjusted

Transformation costs

Earnings contributions from real estate transactions

EBITDA

in € million	H1 2020/21	H1 2019/20	Change (in €)	H1 2020/21	H1 2019/20	H1 2020/21	H1 2019/20	H1 2020/21	H1 2019/20
Total	490	659	-169	12	45	42	1	520	615
Germany	77	72	4	10	0	0	0	66	72
Western Europe (excl. Germany)	82	227	-145	0	0	0	1	82	228
Russia	101	124	-23	0	0	0	0	101	124
Eastern Europe (excl. Russia)	157	181	-24	0	0	0	0	157	181
Asia	12	11	1	0	0	0	0	12	11
Others	62	42	20	2	45	42	0	102	-4
Consolidation	-1	1	-3	0	0	0	0	-1	1

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METRO sales and EBITDA figures Q2 2020/21

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METRO	Q2 2020/21 (in € million)	Q2 2019/20 (in € million)	Change
Sales	5,050	6,006	-15.9%
EBITDA adjusted (excl. transformation costs and earnings contributions from real estate transactions)	114	133	-14.2%
Transformation costs	11	45	-
Earnings contributions from real estate transactions	17	0	-
EBITDA	121	87	38.2%
EBIT	-85	-143	40.8%
Earnings before taxes (EBT)	-130	-252	48.4%
Profit or loss from the period from continuing operations ¹	-131	-116	-12.7%
Earnings per share from continuing operations (€) ¹	-0.36	-0.32	-12.7%
Profit or loss from the period ¹	-131	-87	-50.1%
Earnings per share (€)	-0.36	-0.24	-50.1%

¹ Attributable to METRO shareholders.

METRO	Sales (€ million)		Change (€)		Change (local currency)		Like-for-like (local currency)	
	Q2 2020/21	Q2 2019/20	Q2 2020/21	Q2 2019/20	Q2 2020/21	Q2 2019/20	Q2 2020/21	Q2 2019/20
Total	5,050	6,006	-15.9%	1.8%	-11.9%	2.1%	-12.0%	2.3%
Germany	966	1,074	-10.0%	4.9%	-10.0%	4.8%	-9.4%	4.8%
Western Europe (excl. Germany)	1,714	2,185	-21.5%	-6.3%	-21.5%	-6.3%	-21.8%	-6.3%
Russia	533	637	-16.4%	11.3%	1.1%	10.4%	1.3%	9.8%
Eastern Europe (excl. Russia)	1,459	1,703	-14.3%	9.9%	-7.3%	11.2%	-7.3%	11.2%
Asia	363	401	-9.4%	0.0%	-0.7%	0.5%	-2.2%	0.2%
Others	15	7	-	-	-	-	-	-

in € million	EBITDA adjusted			Transformation costs		Earnings contributions from real estate transactions		EBITDA	
	Q2 2020/21	Q2 2019/20	Change (in €)	Q2 2020/21	Q2 2019/20	Q2 2020/21	Q2 2019/20	Q2 2020/21	Q2 2019/20
Total	114	133	-19	11	45	17	0	121	87
Germany	9	-4	13	10	0	0	0	-1	-4
Western Europe (excl. Germany)	-12	23	-35	0	0	0	0	-12	23
Russia	32	37	-4	0	0	0	0	32	37
Eastern Europe (excl. Russia)	54	64	-10	0	0	0	0	54	64
Asia	3	-1	4	0	0	0	0	3	-1
Others	29	14	15	0	45	17	0	46	-31
Consolidation	-1	0	-1	0	0	0	0	-1	0

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