

METRO WILL CEASE OPERATIONS IN MYANMAR DUE TO VOLATILE BUSINESS CONDITIONS

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- Conditions for food wholesale business in the country no longer favourable
- Discontinuation of food service distribution by end of October 2021
- METRO will assist its 131 local employees through the transition in a responsible manner
- METRO expects a recurring uplift of €5 to €10 million in EBITDA

Düsseldorf, 1 September 2021 – METRO has decided to discontinue its food service distribution business in Myanmar. The reason for this is the volatile investment and business environment in the Southeast Asian country, which is expected to continue for some time. After a successful start of METRO in 2019, the economic framework and prospects for METRO's professional customers have been hampered by the COVID-19 restrictions and have further deteriorated since early 2021. This means that the conditions for a growing and profitable food wholesale business in the country are severely compromised. METRO will cease its operations in Myanmar by the end of October 2021.

Launched in 2019, METRO Myanmar is still a young and relatively small business. It operates entirely through e-commerce and delivery systems, based on the modern, 5,900-m² warehouse situated in Thilawa Special Economic Zone (TSEZ) outside the metropolis of Yangon. The wholesaler currently serves around 7,500 customers and employs 131 people. Annual sales in 2019/20 were €7 million. METRO does not operate any stores in Myanmar.

"We made this decision with regret because we started 2019 with positive expectations in this interesting market and were able to quickly build a stable customer base. It is also regrettable that we have to part with our committed and highly motivated employees, to whom we express our appreciation for their hard work. Unfortunately, the significant changes in business conditions in Myanmar give us no other option than to cease the business", says Kubilay Özerkan, who is responsible for the METRO businesses in Asia as Operating Partner.

METRO Myanmar will make every effort to assist its employees through the transition in a fair and responsible manner and act fully in line with employer practice standards.

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](https://www.instagram.com/METRO_News)

Supervisory Board: Jürgen B. Steinemann, Chairman
Management Board: Dr. Steffen Greubel, Chairman
Christian Baier, Andrea Euenheim, Rafael Gasset,
Eric Poirier

Commercial register
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Local Court
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As the result of this transaction, METRO expects a recurring uplift of €5 to €10 million in Cash Flow¹ and in EBITDA given the fact that the business is currently loss-making. With regards to EBITDA, METRO assumes a negative one-off impact of roughly -€5 million in Q4 2020/21.

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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. More at 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.

¹ FCF = Simplified FCF definition

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