

METRO SALES AND EBITDA GROW IN Q2 2021/22 ABOVE PRE-PANDEMIC LEVELS – NEGATIVE EPS EFFECTS DUE TO WAR IN UKRAINE

- Strong growth driven by positive business development and inflation:
 - Total sales growth of 26.3% in local currency
 - Adjusted EBITDA improved to €157 million (PY: €114 million)
- Consistent implementation of sCore strategy: Store-based sales grow to €4.9 billion (+14.4%), delivery sales to €1.4 billion (+73.2%) and METRO MARKETS sales to €16 million (+166.4%)
- Sales growth in all segments in Q2 2021/22
- Net result – severely impacted by the war in Ukraine – decreases to €–284 million in Q2 2021/22 (PY: €–131 million); earnings per share for Q2 2021/22 amount to €–0.78 (PY: €–0.36)
 - Impairments and currency-related negative effects in the financial result of more than €200 million in total, mainly related to Russia; this corresponds to a war-related negative EPS effect of more than €–0.60 per share
- The outlook for FY 2021/22, which was increased on 21 April, is confirmed

Düsseldorf, 11 May 2022 – In H1 2021/22, METRO held its ground in a period determined by the pandemic and the war in Ukraine. After most COVID-related government restrictions were lifted, business with HoReCa customers in all regions recovered significantly. Combined with inflation, this recovery contributed to strong sales and earnings growth at METRO above pre-pandemic levels. At the same time, the consequences of the war had a negative impact on the profit or loss for the period in Q2 2021/22.

In Q2 2021/22, total sales in local currency increased by 26.3%, predominantly driven by the West and East segments. METRO grew across all sales channels. Store-based sales increased to €4.9 billion (+14%), delivery sales to €1.4 billion (+73%) and METRO MARKETS sales to €16 million (+166%). Adjusted EBITDA grew to €157 million (PY: €114 million) and was thus above the pre-pandemic level.¹ The West segment in particular contributed to this positive development.

In H1 2021/22, total sales in local currency increased by 22.5%. Adjusted EBITDA improved to €678 million (PY: €490 million). The West and East segments in particular were instrumental in this growth. In light of the fact that business development was better than expected, METRO increased its outlook for financial year 2021/22 on 21 April 2022. Due to

¹ Q2 2018/19

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seasonal effects and the impact of the war, net debt increased to €3.9 billion as of 31 March 2022 (31/12/2021: €3.1 billion), but remained below the previous year's figure (31/3/2021: €4.5 billion).

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“The first half of our financial year sends a clear message: METRO is growing with its customers and is focusing on the right growth drivers in its multichannel mix. The share of sales of the Food Service Distribution (FSD) business reached a record 22% of total sales in Q2 and continues to grow. Our METRO MARKETS online marketplace has more than doubled its sales. And with the recent acquisition of the Dutch point-of-sale provider Eijsink, we are expanding Hospitality Digital's portfolio of digital solutions for HoReCa customers,” says Dr Steffen Greubel, CEO of METRO AG. “At the same time, the war in Ukraine is a challenge for all of us. Our greatest concern is for our 3,400 employees there. Since the beginning of the war, we have put a huge amount of effort into maintaining operations in our wholesale markets that play a crucial role in supplying the population with food staples. We continue to monitor the development very closely and actively manage the indirect consequences, such as high inflation and negative effects on the supply chain.”

The war in Ukraine had a negative impact of more than €200 million on the net result in Q2 2021/22. Depreciation & Amortization increased by €114 million to €319 million (PY: €205 million) in Q2 2021/22, mainly driven by impairments of €118 million (PY: €5 million). This includes goodwill impairments of €51 million of which €33 million are attributable to METRO Russia and €17 million to METRO Ukraine respectively as a result of the reduced sales and earnings expectations due to the war and the imposed sanctions. Additionally, impairments on tangible fixed assets of €67 million are mainly attributable to Ukraine in the amount of €46 million and Russia in the amount of €16 million respectively.

Sales and earnings development by segments

In Germany, reported sales in Q2 2021/22 increased by 2.6%. Notably, the continued positive development of Rungis Express and the strong development of the HoReCa business after the easing of government restrictions primarily contributed to this increase and were able to offset the declining tobacco and SCO sales. The HoReCa business again outperformed the market. Adjusted EBITDA amounted to €–4 million (PY: €9 million). The decrease is mainly attributable to higher costs from an increased FSD business and higher personnel expenses due to tariff increases in the current year as well as COVID-related short-time work in the previous year. In H1 2021/22, reported sales grew by 1.5%. In the same period, adjusted EBITDA reached €79 million (PY: €77 million).

In the West segment, reported sales increased significantly by 47.6% in Q2 2021/22. All countries contributed to this with double-digit growth. France, Italy and Portugal recorded the largest sales increases with growth rates in excess of 50%. Once again, METRO's HoReCa business in France, Spain and Italy

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outperformed the market. Adjusted EBITDA increased considerably to €52 million (PY: €–12 million). Reported sales increased by 41.1% in H1 2021/22. In the same period, adjusted EBITDA reached €254 million (PY: €82 million).

In Russia, sales in local currency grew by 15.8% in Q2 2021/22. Sales growth was driven among other things by inflation and stock-up purchases. Reported sales increased by only 7.9% due to currency effects. Adjusted EBITDA reached €34 million (PY: €32 million); when further adjusting for currency effects, EBITDA increased by €6 million. In H1 2021/22, sales in local currency developed positively, with an increase of 11.2%. Reported sales grew by 13.5% supported by positive currency effects that occurred in Q1 2021/22. Adjusted EBITDA reached €115 million (PY: €101 million); when adjusted for currency effects, EBITDA increased by €12 million.

In the East segment, sales in local currency increased by 21.6% in Q2 2021/22. Nearly all countries contributed to this growth. In Ukraine, sales slumped from the end of February onwards due to the war, dropping by -5.5% overall. The positive development of the HoReCa business contributed to the development in the segment. Turkey showed the biggest sales growth, which was strongly driven by inflation. As a result of negative currency effects, especially in Turkey, reported sales increased by 16.7%. Compared with the previous year, adjusted EBITDA decreased to €44 million (PY: €56 million) due to one-time effects, which increased EBITDA in the previous year, and revenue-related decreases in earnings as well as war-related stock write-offs and operational deterioration in Ukraine. Adjusted for currency effects, EBITDA decreased by €–8 million. In H1 2021/22, sales in local currency grew by 18.7%. Reported sales increased by 15.7%. In H1, adjusted EBITDA reached €184 million (PY: €169 million); when adjusting for currency effects, EBITDA increased by €21 million.

In the Others segment, adjusted EBITDA was €31 million (PY: €29 million). In H1, adjusted EBITDA reached €47 million (PY: €62 million).

As of 31 March 2022, the store network comprised 672 locations, of which 563 offered Out-of-Store (OOS) delivery, and 66 depots. In Q2 2021/22, 1 store including OOS service was opened in France.

Outlook

METRO expects sales growth of around 9% to 15% compared to the previous year (previously: 3% to 7%) and adjusted EBITDA slightly to moderately above the previous year (previously: at previous year's level) under the adjusted outlook published on 21 April 2022.

The outlook assumes stable exchange rates and no further adjustments to the portfolio. Any further escalation of the war and/or broader sanctions could lead to additional negative effects on the business, especially in Ukraine and Russia.

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Sales in the West and East segments are expected to grow at disproportionately high rates. Disproportionately low growth is expected for Germany. A decrease compared to the previous year is expected for Russia. The development of the adjusted EBITDA will follow the sales development in the segments except for the East segment. Due to war-related impairment losses on inventories and operational impairments in Ukraine, a decline compared to the previous year is expected for the East segment.

METRO key financial figures Q2 2021/22 and H1 2021/22

€ million	Q2 2020/21	Q2 2021/22	H1 2020/21	H1 2021/22
Sales	5,050	6,245	11,388	13,849
EBITDA adjusted	114	157	490	678
Transformation costs	11	-2	12	-6
Earnings contributions from real estate transactions	17	10	42	13
EBITDA	121	169	520	697
EBIT	-85	-151	116	182
Earnings before taxes EBT	-130	-285	29	2
Profit or loss for the period ¹	-131	-284	-32	-89
Earnings per share (€)	-0.36	-0.78	-0.09	-0.25
Free cash flow	-438	-759	-514	-476
Net debt (€ billion)			4,5	3,9

¹ Attributable to METRO shareholders.

METRO Network

	31/12/2021	31/03/2022
Stores	681	672
Of which OOS locations	563	563
Depots	67	66

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METRO segments sales and EBITDA figures in Q2 2021/22

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	Sales (€ million)		Change (€)		Currency effects		Change (local currency)	
	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
Total	5,050	6,245	-15.9%	23.7%	-4.0%	-2.6%	-11.9%	26.3%
Germany	966	992	-10.0%	2.6%	0.0%	0.0%	-10.0%	2.6%
West	1,714	2,531	-21.5%	47.6%	0.0%	0.0%	-21.5%	47.6%
Russia	533	575	-16.4%	7.9%	-17.4%	-7.9%	1.1%	15.8%
East ¹	1,822	2,126	-13.4%	16.7%	-7.4%	-5.0%	-6.0%	21.6%
Others	15	22	-	-	-	-	-	-

¹ As of financial year 2021/22, the Asia segment is reported together with the previous Eastern Europe segment as the East segment. The previous year's figures were adjusted.

€ million	EBITDA adjusted			Transformation costs		Earnings contributions from real estate transactions		EBITDA	
	Q2	Q2	Change (€)	Q2	Q2	Q2	Q2	Q2	Q2
	2020/21	2021/22		2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
Total	114	157	43	11	-2	17	10	121	169
Germany	9	-4	-13	10	0	0	0	-1	-4
West	-12	52	63	0	0	0	1	-12	53
Russia	32	34	2	0	0	0	1	32	35
East ¹	56	44	-12	0	-1	0	8	56	53
Others	29	31	2	0	-1	17	0	46	32
Consolidation	-1	-1	1	0	0	0	0	-1	-1

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METRO segments sales and EBITDA figures in H1 2021/22

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	Sales (€ million)		Change (€)		Currency effects		Change (local currency)	
	H1 2020/21	H1 2021/22	H1 2020/21	H1 2021/22	H1 2020/21	H1 2021/22	H1 2020/21	H1 2021/22
Total	11,388	13,849	-16.0%	21.6%	-4.5%	-0.8%	-11.5%	22.5%
Germany	2,254	2,288	-6.9%	1.5%	0.0%	0.0%	-6.9%	1.5%
West	3,951	5,574	-22.8%	41.1%	0.0%	0.0%	-22.8%	41.1%
Russia	1,210	1,373	-17.0%	13.5%	-21.0%	2.2%	4.0%	11.2%
East ¹	3,954	4,573	-13.0%	15.7%	-8.2%	-3.1%	-4.8%	18.7%
Others	19	41	-	-	-	-	-	-

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€ million	EBITDA adjusted			Transformation costs		Earnings contributions from real estate transactions		EBITDA	
	H1 2020/21	H1 2021/22	Change (€)	H1 2020/21	H1 2021/22	H1 2020/21	H1 2021/22	H1 2020/21	H1 2021/22
Total	490	678	188	12	-6	42	13	520	697
Germany	77	79	3	10	0	0	0	66	79
West	82	254	172	0	0	0	1	82	255
Russia	101	115	14	0	0	0	1	101	116
East ¹	169	184	15	0	-5	0	8	169	197
Others	62	47	-15	2	-1	42	4	102	51
Consolidation	-1	-2	0	0	0	0	0	-1	-2

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METRO is a leading international wholesale company, with food and non-food assortments, which specialises in serving the needs of hotels, restaurants and caterers (HoReCa) as well as independent merchants (Traders). Around the world, METRO has some 17 million customers who benefit from the wholesale company's unique multichannel mix. Customers can choose between shopping in one of the large stores in their area or delivery (Food Service Distribution, FSD) – all digitally supported and connected. At the same time, METRO MARKETS is an international online marketplace for professional customers that has been growing and expanding continuously since 2019. Acting sustainably is one of the company principles of METRO, which has been listed in various sustainability indices and rankings for many years, including FTSE4Good, MSCI, CDP and the Dow Jones Sustainability Index. METRO operates in more than 30 countries and employs over 95,000 people worldwide. In financial year 2020/21, METRO generated sales of €24.8 billion. More information can be found at MPULSE.de, our online magazine.

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