

A large, yellow, geometric shape resembling a stylized 'L' or a folded corner, positioned on the left side of the slide. It has a sharp top-left corner and a rounded bottom-right corner.

# **FY 2018/19 RESULTS PRESENTATION**

12 December 2019



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This presentation includes supplemental financial measures which are or may be non-GAAP financial or operative measures. These measures should not be viewed in isolation as alternatives to financial measures presented in accordance with IFRS. Other companies that disclose similarly titled measures may calculate them differently. All amounts are stated in million euros (**€ million**) unless otherwise indicated. Amounts below **€0.5 million** are rounded and reported as 0. Rounding differences may occur.



# RECAP: CONTINUOUS JOURNEY TO SIMPLIFY AND REPOSITION METRO AS A WHOLESALER

- **METRO** is transforming into a **fully focused Wholesale company**
- We **steadily optimize our portfolio** to further strengthen our B2B profile
- Intensified focus has lead to **rising LFL momentum**, strongly driven by **sales growth with Horeca and Trader**
- Building a **wholesaler 360°** provides the potential for even stronger **differentiation** and **further growth**
- Today's results **show progress** and **deliver proof** across all of these dimensions



# OUR ORIGIN IS **WHOLESALE** IS OUR FUTURE

2017/18



## **ACTIVATION**

Becoming a pure Wholesaler

## **INTENSIFICATION**

Year of Extension

2018/19



1. Business model extension further strengthened customer focus
2. Sustainability priorities for us and our customers sharpened
3. All financial targets achieved or outperformed
4. Significant progress on portfolio simplification and funds for further acceleration unlocked



# SUCCESSFUL EXTENSION OF BUSINESS MODEL...



Customer focus drives **repeated like-for-like growth** with target groups

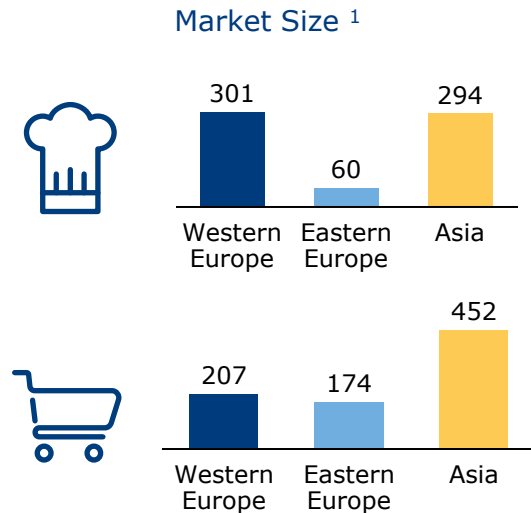
Additional channels **solidify customer loyalty** and **revitalize the store**

Addressing **all customer needs** through a full suite of wholesale products, services and solutions **constitutes our USP**

<sup>1</sup>: Trader countries: Bulgaria, Czech Republic, India, Pakistan, Poland, Romania, Serbia, Slovakia (excl. Russia)



# ... BASED ON DEEP AND SUSTAINABLE RELATIONSHIPS



>**125k** daily Horeca visits in our stores

>**65k** daily Trader visits

>**50k** daily customer contacts with our sales force employees



Operating in **fragmented, growing markets**, offering further opportunities for growth

Benefiting from recurring revenues through **contract-like customer relationships**

Making **sustainable operations** a **priority for us** and our operations

Source: own data based on internal management system

1. EURb, sell-out value 2018, MCC countries. Note: WE incl. DE, EE incl. RU, Asia without CN; MCC countries excl. countries with pure play FSD operations (e.g. CFF) HoReCa market according to Euromonitor's definition excluding social foodservice. Trader market including traditional grocery retailers, forecourt and CVS. Source: Euromonitor



# SUSTAINABILITY PRIORITIES DEFINED AND RECOGNIZED

## Clear priorities for us & our customers

**METRO** impact on customer's businesses

### Prio 1: Partnering for Food Waste solutions



- Partnership with Too Good To Go. Helping to tackle food waste for restaurants and canteens

### Prio 2: Conscious proteins

- Insect pasta to support conscious protein consumption and decrease of conventional meat intake, supported by NX Food<sup>1</sup>
- Roll-out of Beyond Meat Burger in 15 countries

### Prio 3: Organic and Responsible Products

- Offering a sustainable assortment to our customers
- Sustainable raw material sourcing policies (fish & seafood, paper & wood in place, while palm oil, soy, social standards in implementation); meat and fruit & vegetable under development

## ...repeatedly recognized by institutions



**Industry  
Leader Europe**



**Prime Status C+**  
(Rank D- to A+)



**Index member**

Climate



**Rating A-**  
(Rank F to A)

Water



**Rating B-**  
(Rank F to A)

Forest



**To come in  
2020**

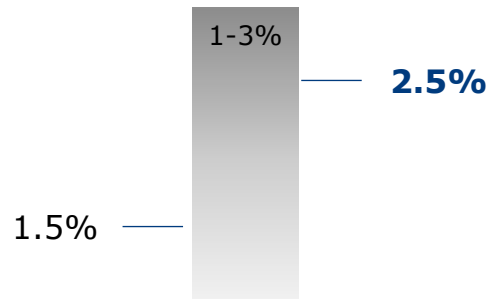
Find our latest report below: [reports.metroag.de](https://reports.metroag.de)

<sup>1</sup> NX Food – A hub of METRO, operating in the field of food innovation and food tech <https://nx-food.com/>



# GUIDANCE ACHIEVED IN UPPER END OF RANGE

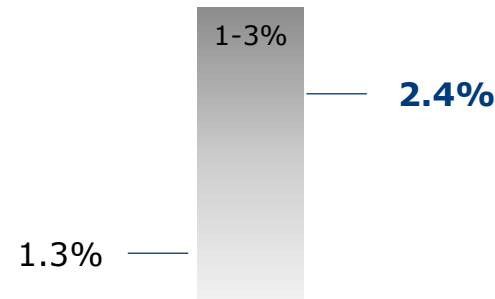
## Sales growth<sup>1</sup>



FY 17/18    FY 18/19    FY 18/19  
Guidance

- **Upper end of guidance range**
- Growth driven by Eastern Europe (excl. Russia) and Asia
- **Western Europe** with solid growth

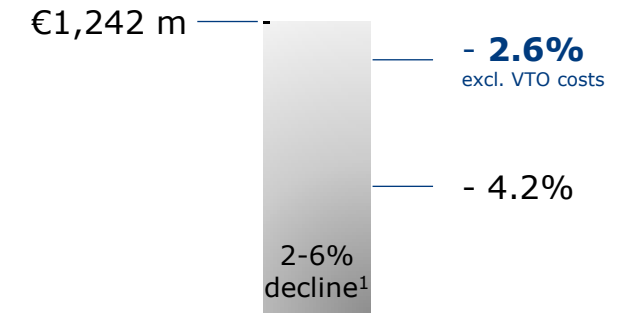
## LfL sales growth<sup>1</sup>



FY 17/18    FY 18/19    FY 18/19  
Guidance

- Upper end of guidance range, **highest Wholesale LfL growth in a decade**
- **Western Europe, Eastern Europe, Asia** with growth above PY
- Russia with trend improvement

## EBITDA



FY 17/18    FY 18/19    FY 18/19  
Guidance

- **Upper end of guidance range** if adjusted for ~€20 m EUR VTO costs
- **Germany, Western Europe, Asia** with EBITDA growth
- "Others" below PY due to cost of digitalization / IT

<sup>1</sup> At constant FX and before portfolio measures

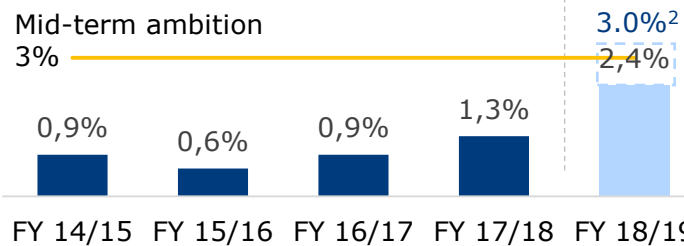


# ACCELERATING AND RELIABLE MOMENTUM CLEARLY VISIBLE IN LONG-TERM SALES TRENDS

## Consistently positive Wholesale LfL growth

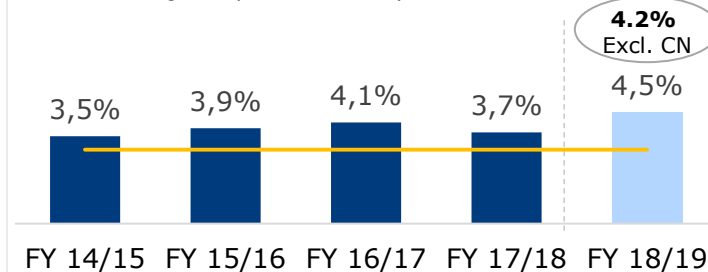
LfL sales growth (METRO Wholesale)

Mid-term ambition  
3%



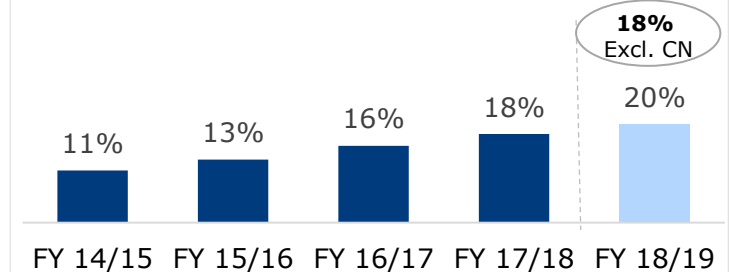
## Horeca outperforming...

Horeca LfL sales growth (METRO Wholesale)



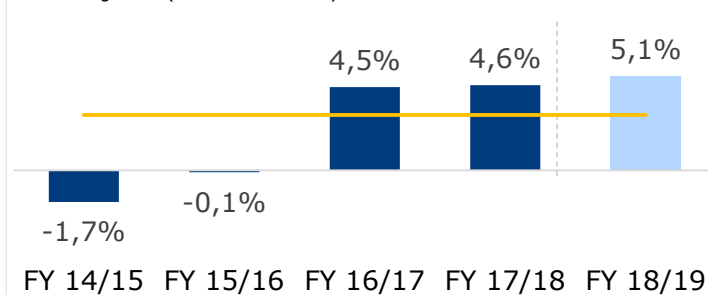
## ...rapidly increasing Delivery<sup>3</sup> sales...

Delivery as % of sales (METRO Wholesale)



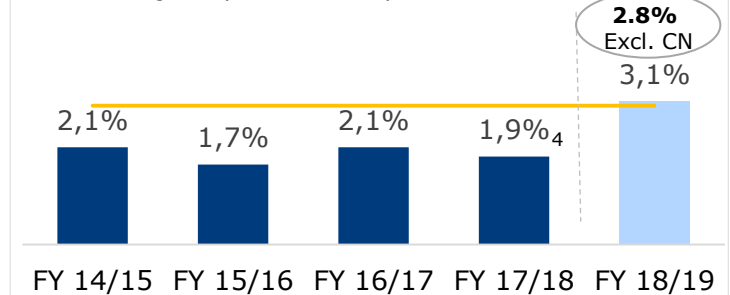
## ...consistently improved Trader development...

LfL sales growth (METRO Wholesale) Trader Countries<sup>1</sup>



## ...growing Food sales

LfL food sales growth (METRO Wholesale)



<sup>1</sup> Trader LfL excl. Russia: Bulgaria, Czech Republic, India, Pakistan, Poland, Romania, Serbia, Slovakia

<sup>2</sup> Excluding Russia <sup>3</sup> Delivery definition has been changed in the Annual report to exclude transportation after checkout and pick up, for this slide it is still included <sup>4</sup> Financial view before IFRS 5



# ACHIEVEMENT OR OUTPERFORMANCE OF ALL FINANCIAL TARGETS – €0.70 DPS PROPOSED


 **Sales growth and EBITDA** – upper end of guidance 

 **Real estate gains** – ~€100 m better than originally expected 

 **D&A, net financial result, tax rate** – better than expected 

 **EPS** ~€0.20 better than expected (mostly real estate) 

 **Cash flow** – NWC, capex savings, real estate gains drive growth 



**€0.70 dividend proposed**  
(€0.70 17/18)





# MILESTONE TRANSACTIONS REAL AND CHINA

## Transaction summary

### **real** – sale of hypermarket business





- Entered into MoU and exclusive negotiations for the sale of Hypermarket business with SCP Group and x+bricks
- 100% stake to be sold
- Transaction expected to be signed end of January 2020



### – sale of majority stake in METRO China

- Sale of majority stake in METRO China to Wumei signed
- Values METRO China at €1.9 bn EV (>12x EV/EBITDA)
- METRO to retain 20% stake and participate in valuation upside
- Closing expected Q2 calendar year 2020

## Key benefits

- **Portfolio simplification** – one sales line 
- **Wholesale focus** – 70% Horeca & Trader sales 
- **Grow Horeca & Trader** – accelerate momentum 
- **Unlock >€1.5 bn<sup>1</sup>** – grow business, reduce leverage 

<sup>1</sup> as per Sep 19 accounts.



# FY 2018/19 IN A NUTSHELL – SOLID YEAR



## Business model extension strengthened customer focus

- Focus drives repeated growth with target groups
- Omnichannel revitalizes the store and drives loyalty
- Wholesale 360: Addressing all customer needs constitutes our USP

## Sustainability priorities sharpened

- Clear priorities: food waste, organic & responsible products, conscious proteins
- Recognized through top ratings by key institutions, e.g. DJSI, CDP, ISS Oekom

## All financial targets achieved or outperformed

- Sales and EBITDA in upper end of guidance range
- €1.44 EPS; €0.70 DPS proposed to shareholders

## Significant progress on portfolio simplification

- Majority stake in METRO China sold to Wumei
- Real - expected signing end of January 2020
- >€1.5 bn proceeds<sup>1</sup> expected to be unlocked to grow business

<sup>1</sup> as per Sep 19 accounts.



# 02 FINANCIAL PERFORMANCE



# SALES TO EBITDA – 9M TRENDS CARRY OVER INTO FULL YEAR

€m / %	Q4 2017/18	Q4 2018/19	FY 2017/18	FY 2018/19
<b>Like-for-like growth</b>	<b>1.7%</b>	<b>2.5%</b>	<b>1.3%</b>	<b>2.4%</b>
<i>thereof Food</i>	2.2%	3.4%	2.0%	3.1%
<b>Reported growth</b>	<b>-1.7%</b>	<b>3.9%</b>	<b>-1.4%</b>	<b>1.5%</b>
<b>Growth in local currency</b>	<b>1.5%</b>	<b>2.7%</b>	<b>1.5%</b>	<b>2.5%</b>
Delivery Sales Share <sup>1</sup>	18%	19%	17%	18%
<b>EBITDA excl. RE gains</b>	<b>322</b>	<b>304</b>	<b>1,242</b>	<b>1,173</b>
<i>thereof FX</i>		6		-17
<b>EBITDA margin excl. RE gains</b>	<b>4.4%</b>	<b>4.0%</b>	<b>4.2%</b>	<b>3.9%</b>
Real estate gains	121	323	128	388
<b>Total EBITDA</b>	<b>443</b>	<b>627</b>	<b>1,370</b>	<b>1,561</b>

## Like-for-like growth

- Acceleration of like-for-like growth driven by most regions

## Reported growth

- Negative FX effects predominantly from Turkey and Russia
- Sales grew by 2.5% in local currency

## EBITDA excl. real estate

- EBITDA well within guidance range
- Operational improvement in France, Pro à Pro and Germany
- Negatively affected by ~€20 m VTO costs in Q4

## Real estate gains

- FY 18/19 expectation of c.€250-300 m in real estate gains has been overachieved due to earlier execution of two projects in China

<sup>1</sup>Including METRO China. New definition of delivery, which excludes transportation after check out and pick up.

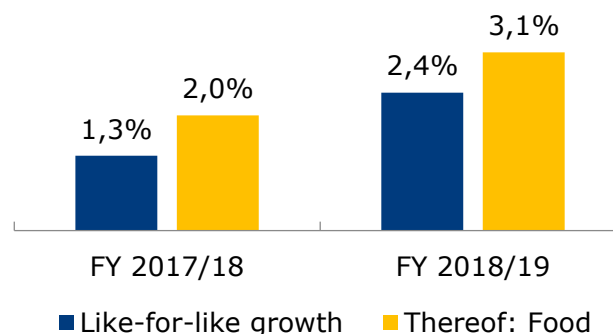


# MAJORITY OF REGIONS GROW SALES AND EBITDA

## Germany

€m / %	FY 2017/18	FY 2018/19
<b>Sales</b>	<b>4,761</b>	<b>4,735</b>
Like-for-like growth	0.9%	0.3%
Reported growth	0.3%	-0.5%
<b>EBITDA excl. RE gains</b>	<b>91</b>	<b>95</b>
EBITDA margin	1.9%	2.0%
<b>Constant FX to PY</b>		<b>4</b>

## METRO



## Western Europe

€m / %	FY 2017/18	FY 2018/19
<b>Sales</b>	<b>10,609</b>	<b>10,752</b>
Like-for-like growth	-0.4%	1.3%
Reported growth	1.7%	1.3%
<b>EBITDA excl. RE gains</b>	<b>491</b>	<b>499</b>
EBITDA margin	4.6%	4.6%
<b>Constant FX to PY</b>		<b>8</b>

## Russia

€m / %	FY 2017/18	FY 2018/19
<b>Sales</b>	<b>2,815</b>	<b>2,662</b>
Like-for-like growth	-7.0%	-4.3%
Reported growth	-16.3%	-5.4%
<b>EBITDA excl. RE gains<sup>1</sup></b>	<b>256</b>	<b>220</b>
EBITDA margin	9.1%	8.3%
<b>Constant FX to PY</b>		<b>-30<sup>1</sup></b>

## Eastern Europe

€m / %	FY 2017/18	FY 2018/19
<b>Sales</b>	<b>6,952</b>	<b>7,191</b>
Like-for-like growth	6.1%	6.3%
Reported growth	1.0%	3.4%
<b>EBITDA excl. RE gains</b>	<b>363</b>	<b>344</b>
EBITDA margin	5.2%	4.8%
<b>Constant FX to PY</b>		<b>-11</b>

## Asia

€m / %	FY 2017/18	FY 2018/19
<b>Sales</b>	<b>4,298</b>	<b>4,543</b>
Like-for-like growth	4.0%	5.1%
Reported growth	-1.4%	5.7%
<b>EBITDA excl. RE gains</b>	<b>162</b>	<b>176</b>
EBITDA margin	3.8%	3.9%
<b>Constant FX to PY</b>		<b>14</b>

<sup>1</sup> Adjusted for c. €10m one-time gain from Ceconomy in 2017/18



# REAL ESTATE – EXCEPTIONALLY STRONG YEAR; PARTLY DUE TO EARLIER EXECUTION OF PROJECTS IN CHINA

2018/19 (€388 m gains)			2019/20 and beyond	
India	Germany, Spain, Eastern Europe	China	2019/20	Thereafter
<ul style="list-style-type: none"> <li>• Spillover from 2017/18</li> <li>• Project development</li> <li>• EBITDA gain ~€38 m</li> </ul> 	<ul style="list-style-type: none"> <li>• Project development in Germany</li> <li>• Sale-and-leaseback in Spain and Eastern Europe</li> <li>• EBITDA gain ~€230 m</li> </ul> 	<ul style="list-style-type: none"> <li>• Early execution of two project development transactions out of M&amp;A scope with Wumei<sup>1</sup></li> <li>• EBITDA gain ~€120 m</li> </ul> 	<ul style="list-style-type: none"> <li>• Preponed transactions and value crystallization of China portfolio in transaction with Wumei</li> <li>• Preponement significantly decreased 2019/20 pipeline to ~€10 m</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable level of real estate gains (post IFRS 16 application) of ~€100 m p.a.</li> <li>• Various projects in Europe and Asia in preparation</li> </ul>

<sup>1</sup> One real estate property is excluded from the SPA with Wumei, the price will be paid directly to METRO Group. The second location is within the transaction scope with Wumei, whereby the sales price of the property will be paid to the company, but cash flow of the property sale will be included in the sales price from Wumei



# EPS INCREASE DRIVEN BY EBITDA GROWTH AND BETTER REFINANCING

€m / %	Q4 2017/18	Q4 2018/19	FY 2017/18	FY 2018/19
<b>EBITDA</b>	<b>443</b>	<b>627</b>	<b>1,370</b>	<b>1,561</b>
D&A	-141	-155	-547	-577
<b>EBIT</b>	<b>302</b>	<b>472</b>	<b>823</b>	<b>985</b>
<i>Interest and investment result</i>	-38	-27	-128	-112
<i>Other financial result</i>	0	4	-2	2
Net financial result	-38	-23	-130	-111
<b>EBT</b>	<b>264</b>	<b>449</b>	<b>693</b>	<b>874</b>
Tax rate			-35%	-39%
Net income	199	266	443 <sup>1</sup>	523
<b>EPS in €</b>	<b>0.55</b>	<b>0.73</b>	<b>1.22</b>	<b>1.44</b>

## D&A

- Increase in D&A driven by higher IT-investments with shorter useful life

## Net financial result

- Improvement in interest and investment result due to better refinancing

## Tax

- In line with expected 37-39%
- Last year exceptionally good tax rate due to one-time effects coming from tax law changes and revised risk evaluation
- Current year positively impacted by high real estate gains in low tax rate countries, compensated by write-off of deferred tax assets related to planned efficiency measures

## EPS

- Significant EPS increase due to earlier execution of two real estate transactions in China and better net financial result

<sup>1</sup> Lease contracts previously based on Euro had to be converted into Turkish Lira, resulting in retrospective adjustment of deferred taxes assets and liabilities



# €0.70 DPS PROPOSED; REPORTED EPS IMPACTED BY IMPAIRMENT IN DISCONTINUED OPERATIONS

€ / %	Q4 2017/18	Q4 2018/19	FY 2017/18	FY 2018/19
<b>EPS from continuing operations incl. METRO China</b>	<b>0.55</b>	<b>0.73</b>	<b>1.22</b>	<b>1.44</b>
Proposed DPS			0.70	0.70
<b>EPS from disc. Operations incl. real</b>	<b>-0.28</b>	<b>-0.59</b>	<b>-0.30</b>	<b>-1.79</b>
<b>Reported EPS</b>	<b>0.27</b>	<b>0.14</b>	<b>0.92</b>	<b>-0.35</b>
Reported EPS pre impairment			1.05	0.76

## EPS from continuing operations

- Significant EPS increase due to earlier execution of two transactions in China and better net financial result

## Proposed DPS

- Proposed dividend of €0.70 based on continuing operations EPS, resulting in 49% payout ratio

## EPS from discontinued operations

- Decrease is predominantly driven by impairment on hypermarket business

## Reported EPS

- Decrease in reported EPS only due to development of EPS from discontinued operations
- Before impairment, reported EPS is at €0.76



# SALES AND EBITDA GROWTH REFLECTED IN SOLID CASH GENERATION

€m / %	Q4 2017/18	Q4 2018/19	FY 2017/18	FY 2018/19
<b>EBITDA</b>	<b>443</b>	<b>627</b>	<b>1,370</b>	<b>1,561</b>
Change in NWC	546	469	179	45
Capex <sup>1</sup>	-208	-182	-552 <sup>2</sup>	-455
<b>FCF</b>	<b>781</b>	<b>914</b>	<b>997</b>	<b>1,152</b>
<b>FCF Conversion in %</b>			<b>73%</b>	<b>74%</b>
<b>Net Debt</b>			<b>2,710</b>	<b>2,382</b>
<b>Net Debt Continuing operations (METRO China in IFRS5)</b>			<b>3,102</b>	<b>2,858</b>

## Change in NWC

- Last year was supported by seasonal tailwinds and a one time negative impact the year before
- Positive result this year has been driven once again by stock optimization

## Capex

- Continuous investment into IT and digitalization together with decreased number of store openings (NSOs CY: 6 and PY: 14)

## FCF

- Overall increase by €155 m to 74% conversion, also supported by real estate gains

## Net debt

- Year-on-year improvement due to operating and investing cash flow development
  - Higher real estate gains
  - NWC optimization
  - Focused investments

<sup>1</sup> Capex excl. M&A and finance leases <sup>2</sup> Capex definition has been adjusted to fully exclude finance leases, previously this only excluded finance lease extensions



# REFLECTING THE PENDING SALE OF METRO CHINA IN FINANCIAL REPORTING

## Impacts on financial reporting

### IFRS 5 (discontinued operations)

- China reported as disc. operations from 30 Sep 19 onwards
- Stop of regular depreciation from 1 Oct 2019 onwards
- Detailed reconciliation in appendix as well as on homepage

### Group view

- Impacts all group financial statements
- Balance sheet 17/18 not adjusted; all other statements both years adjusted

### Segment view

- METRO Asia, 'Others' and Consolidation affected
- Remaining segments unchanged

## Key financials excl. China

FY 2018/19	Guidance view (incl. China)	Cont. Operations (excl. China)
<b>Sales</b>	<b>29.928</b>	<b>27.082</b>
Sales growth (LC)	2,5%	2,2%
Sales growth (like-for-like)	2,4%	2,1%
<b>EBITDA</b>	<b>1.173</b>	<b>1.021</b>
Real estate gains	388	338
Depreciation	-577	-531
Net financial result	-111	-119
Tax rate (12M)	39%	42%
<b>EPS</b>	<b>1,44</b>	<b>1,12</b>



# FY 2018/19 IN A NUTSHELL – SOLID FINANCIAL PERFORMANCE



- **2018/19 good financial year**

- Solid 9M trends carryover into FY
- Majority of regions grow sales and EBITDA
- Sales & EBITDA growth reflected in cash generation

- **Exceptionally strong year for real estate**

- Partially driven by earlier execution of China projects
- Sale of China preponed crystallization of pipeline
- Nonetheless, €100 m sustainable level of earnings from FY2020/21

- **EPS growth and stable DPS**

- EPS increase driven by EBITDA and refinancing
- €0.70 DPS proposed; in line with dividend policy
- Reported EPS impacted by impairment in disc. ops.

- **Solid underlying business**

- China reported as discontinued operations
- Underlying operational trends are solid, irrespective of the reporting view



# FINANCIAL AND NON FINANCIAL IMPACTS IN 2019/20

## China

- Closing expected in Q2 2020 with **~€3 EPS gain**
- METRO to retain 20% stake; effects not accounted for in outlook

## Real

- Sale of 100% of Hypermarket business
- Expected signing end of January 2020; closing expected in FY 2019/20

**>€1.5 bn<sup>1</sup> in net proceeds expected**

## Real estate gains

- 19/20 pipeline **€10 m** post value crystallization in China transaction
- Sustainable level of real estate gains (post IFRS 16 application) of **~€ 100m from 20/21**

## Efficiency measures

- Organizational rightsizing: **€60 to 80 million one-time expenses** in 2019/20
- Long-term annual savings in the **mid-double-digit million range**

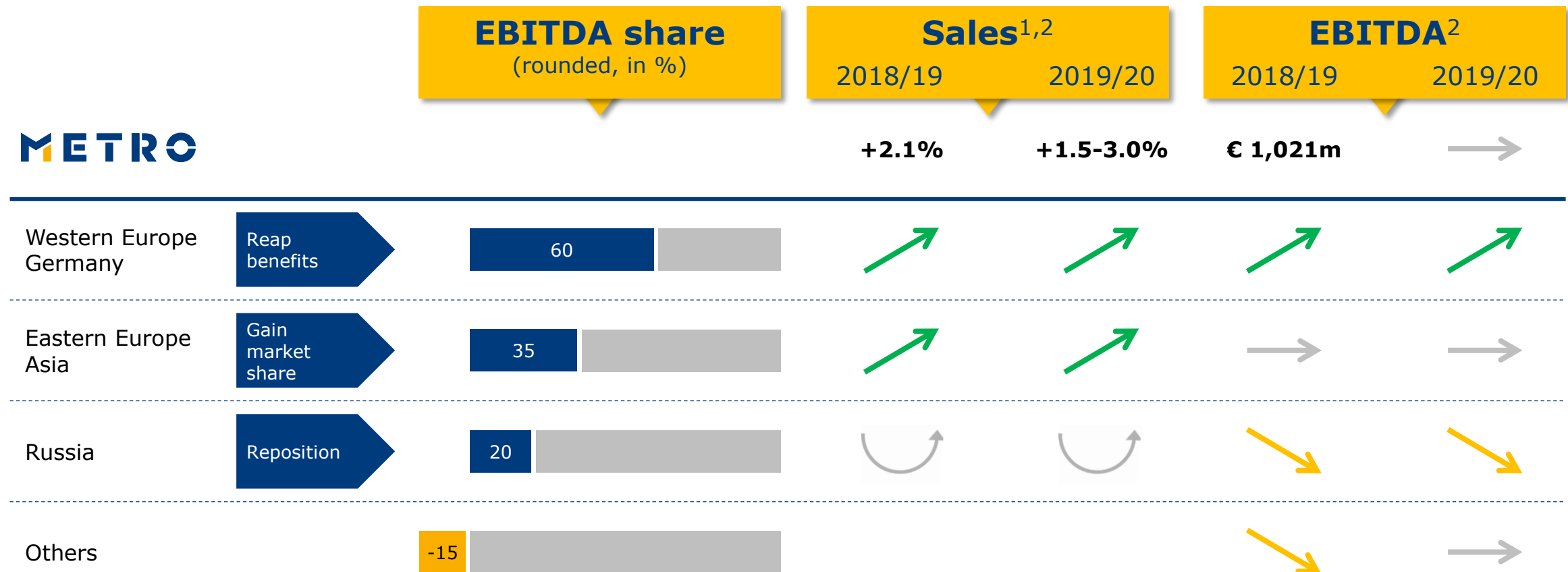
## IFRS 16 (leases)

- IFRS 16 replaces current applicable standards IAS 17 and IFRIC 4
- METRO applies '**full retrospective method**' with adaption of previous year **starting in 19/20**
- Expected effects continuing business: c. €2.6 bn net debt increase; c. €0.4 bn EBITDA increase
- METRO will provide booklet with restated FY18/19 financials ahead of Q1 FY19/20

<sup>1</sup> as per Sep 19 accounts.



# UNDERLYING OPERATIONAL MOMENTUM TO CONTINUE



<sup>1</sup> Figures shown relate to like-for-like sales growth.

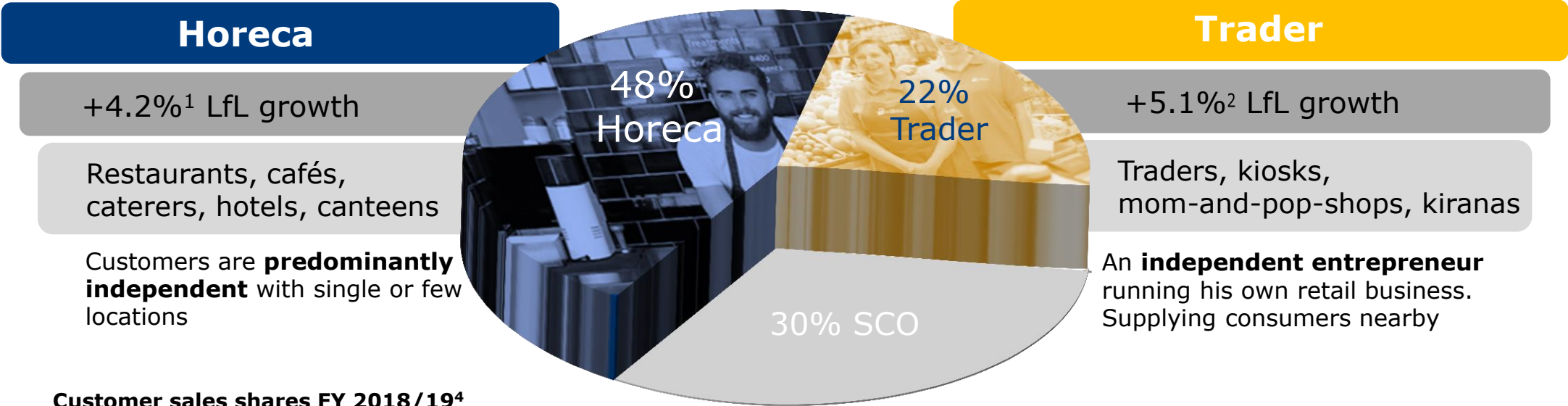
<sup>2</sup> At constant FX and before portfolio measures and transformation costs.



# 03 STRATEGIC UPDATE

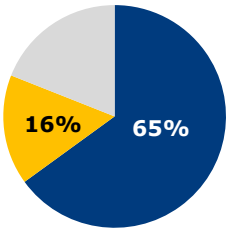


# HORECA AND TRADER MAKE UP 70% OF SALES AND DRIVE GROWTH

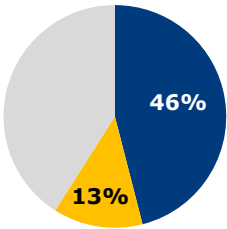


Customer sales shares FY 2018/19<sup>4</sup>

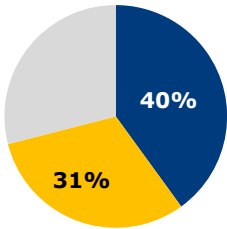
Western Europe



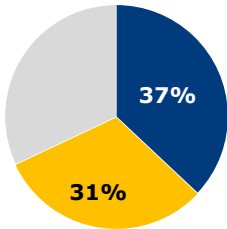
Germany



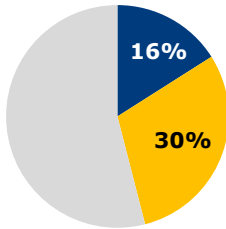
Asia<sup>3</sup>



Eastern Europe



Russia



<sup>1</sup> Like-for-like sales FY 2018/19 excluding China <sup>2</sup> Trader countries (Bulgaria, Czech Republic, India, Pakistan, Poland, Romania, Russia, Serbia, Slovakia) excl. Russia <sup>3</sup> Excluding China <sup>4</sup> Like for like sales FY 2018/19. Number of countries reviewed the customer branches, hence the sales shares have changed in Germany, Eastern Europe and Russia



# WE DRIVE LASTING SUCCESS WITH CLEAR PRIORITIES FOR HORECA CUSTOMERS



+1%p NPS improvement<sup>1</sup>

## Activate passionate and purpose driven teams

### Salesforce

~6,500 sales force employees

~10 customer contacts / sales force employee / day



### Own business day

Celebrates business owners by advertising them on an online platform with special ideas & offers

>300k businesses

>650k specials



## Lead in assortment relevance

### Own brand

Cooperation with chefs, customers & suppliers

17% sales share<sup>3</sup>

+6%<sup>2</sup> growth

~24% share in FSD<sup>3</sup>



### Local products

Close collaboration with regional suppliers to fulfil local needs and address trend to buy local products



## Lead in product quality

### Quality assurance

>600 people working daily to ensure on the quality of the assortment



### Traceability

Transparency along the entire value chain

**Turkey, Germany and other countries**



Please scan QR code for demonstration



<sup>1</sup> NPS score with Horeca customers compound growth over quarters FY 2018-19, excluding China <sup>2</sup> Like-for-like sales FY 2018/19 for Horeca excl. China <sup>3</sup> Like-for-like sales FY 2018/19, excl. China and acquisitions



# WE DRIVE LASTING SUCCESS WITH CLEAR PRIORITIES FOR TRADER CUSTOMERS

 **+9%p NPS improvement<sup>1</sup>**

## Customer success focus

### Equip customers to differentiate from competition

- Core assortment
- Specialized range & local products
- Generating footfall through dedicated solutions



## Becoming the wholesale price and cost leader

### Low price, 3 mechanics

- EDLP<sup>3</sup> on regular articles
- BMPL<sup>4</sup> to reward price per volume approach
- 25% margin guarantee on Own Brand<sup>2</sup>



### Strip down to sell up

- Processes are optimized: easy in – easy through – easy out
- No frills – low cost
- Massification, pallet presentation & shelf ready boxes

## Achieve recurring revenues through partnership

### Trader Franchise

~**7,500** stores in 18/19

**+15%** vs 17/18

**3-4x** more visits with up to **2.5x** higher basket than non-franchisees

~**€ 490m** sales in 18/19

One of the **fastest growing** strategic pillars for METRO



<sup>1</sup> NPS score with Trader customers compound growth over quarters FY 2018-19, excluding China <sup>2</sup> As a reference from our Own Brand approach in Poland. <sup>3</sup> Every Day Low Prices <sup>4</sup> Buy More Pay Less



# WHOLESALE 360 – BROADENING THE BUSINESS TO BECOME THE SERVICE AND SOLUTION PARTNER

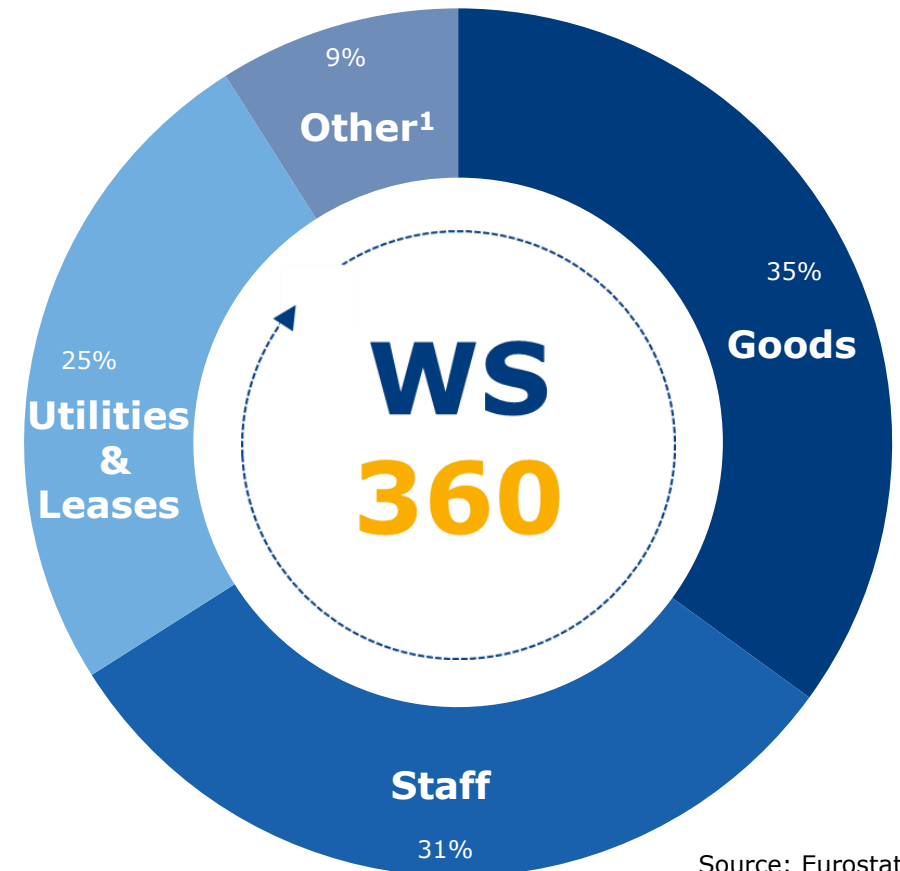
Clear and **truly unique selling proposition** of generating significant value for our customers

**More insights** enabled by data will lead to **unbeatable sector knowledge**

**Partnering up** with our customers at such a strong level **will implant METRO** into their business

METRO as **signature brand** that stands for true & honest **contribution to the success** of SMEs

## Allocation of spend in Hospitality SME

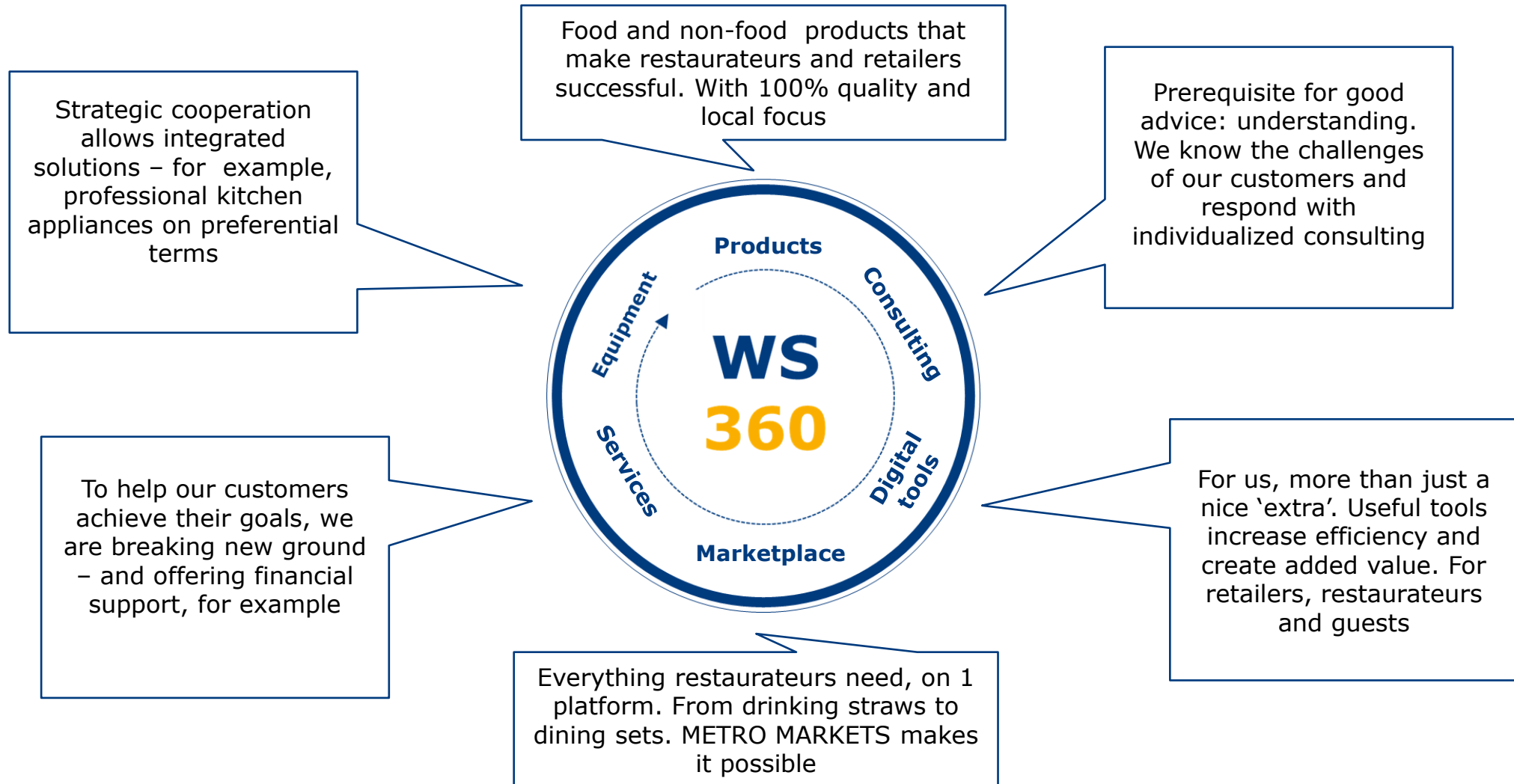


Source: Eurostat

<sup>1</sup>Other includes e.g. Marketing, Transportation

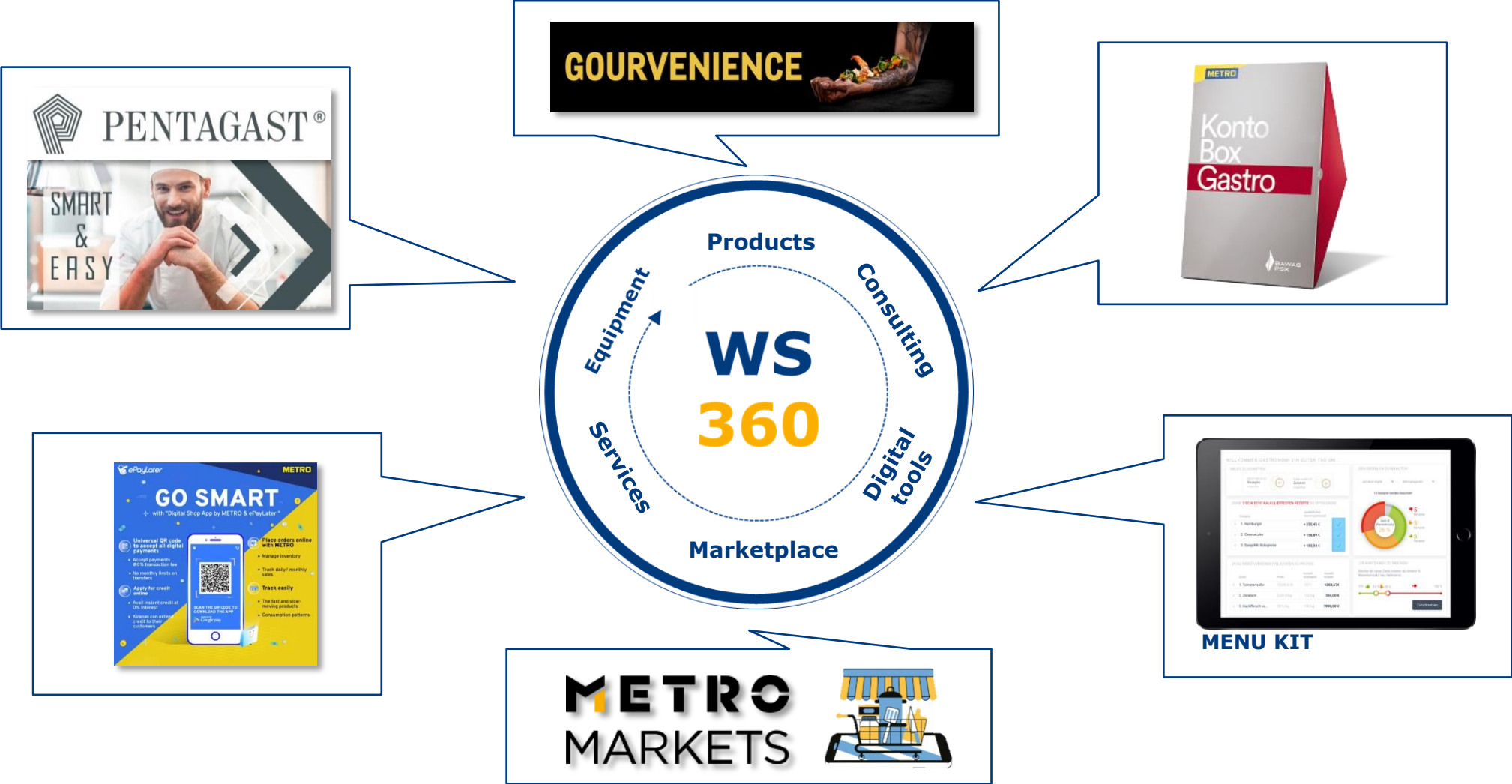


# WE ADDRESS ALL CUSTOMER NEEDS WITH A SUITE OF PRODUCTS, SERVICES AND SOLUTIONS





# WE HAVE ADDED MANY LOCAL OFFERINGS IN 2018/19





# FY 2018/19 IN A NUTSHELL – SUCCESSFUL EXTENSION OF BUSINESS MODEL



## Customer focus pays off

- Horeca and Trader: 70% of sales and drive growth
- Horeca: +4.2% in 18/19<sup>1</sup>
- Trader: +5.1% in 18/19<sup>2</sup>

## Clear priorities for Horeca customers

(mostly Western Europe and Germany)

- Activate passionate and purpose-driven teams
- Lead in assortment relevance and product quality
- +1%p improvement of NPS score

## Clear priorities for Trader customers

(mostly Eastern Europe, Russia, parts of Asia)

- Becoming the wholesale price leader and cost leader
- Achieve recurring revenues through trader franchise
- +9%p improvement of NPS score

## Wholesale 360 business model extension

- Broaden the business; become the #1 partner
- We address all customer needs and have successfully launched many offerings in 2018/19, e.g. Gourvenience, Pentagast, METRO Markets

<sup>1</sup> Like-for-like sales FY 2018/19 excluding China <sup>2</sup> Trader countries (Bulgaria, Czech Republic, India, Pakistan, Poland, Romania, Russia, Serbia, Slovakia) excl. Russia



# 04 OUTLOOK & GUIDANCE



# OUTLOOK FOR 2019/20

## Guidance<sup>1</sup>

	FY 2018/19	FY 2019/20
<b>Sales growth in local currency</b>	2.2%	1.5-3% growth
<b>LfL growth</b>	2.1%	1.5-3% growth
<b>EBITDA excl. real estate gains</b>	€1,021m	<b>On PY level</b> Russia to decline €20-30m; compensated by Western Europe and Germany

## Topics on our agenda for next year

### Finalize milestone transactions

- Real: closing FY 2019/20
- METRO China: closing expected by Q2 2020, ~€3 EPS gain
- Jointly >€1.5bn proceeds<sup>2</sup> expected

### Adjust HQ structures accordingly

- Lean and efficient holding structure to reflect portfolio rationalization and wholesale purification

### Accelerate operational momentum

- Further sharpen Horeca & Trader value proposition
- Wholesale 360 roll-out

<sup>1</sup> At constant FX and before transformation costs, portfolio measures and IFRS16. Continuing operations only (METRO China in IFRS 5). <sup>2</sup> as per Sep 19 accounts.



# TRANSACTION PROCEEDS TO ACCELERATE GROWTH OF CORE...



Horeca<sup>3</sup>  
**+4.2%**



Trader<sup>1</sup>  
**+5.1%**



**>€1.5 bn**

expected net proceeds from transactions<sup>2</sup>



- 1 Investment in business**  
Goal: accelerate sales growth, drive sustainable EBITDA growth
- 2 Returns to shareholders**  
Goal: sound shareholder return in balance with operational needs
- 3 Deleverage**  
Goal: funds from operations (FFO) / Adj. net debt ≥ 21%<sup>4</sup>

Consistent **high growth momentum** in target customer groups...

...to be **accelerated** by expected **net proceeds** from two milestone transactions...

...in line with our **capital allocation framework**

<sup>1</sup> Trader countries: Bulgaria, Czech Republic, India, Pakistan, Poland, Romania, Serbia, Slovakia (excl. Russia) <sup>2</sup> Preliminary, based on Sep 19 accounts; subject to closing accounts <sup>3</sup> Like for like sales FY 2018/19, excl. China <sup>4</sup> S&P threshold; at minimum required to be in line with expectations to maintain credit rating. Funds from operations (FFO) as per S&P methodology mainly includes: EBITDA + fictitious depreciation share of operating lease expense + interest expense + income taxes + minor further adjustments. Adjusted net debt as per S&P methodology mainly includes: financial debt – cash & cash equivalents (after a haircut on trapped cash) + NPV of operating leases (at 7.0%) + pensions (net of deferred taxes applicable) + minor further adjustments



# ...WITH AMBITION TO CLOSE THE GAP TO PREVIOUS EBITDA LEVELS IN NEXT 3 YEARS

## Organic growth

- Reap benefits of successful and established Horeca-focused strategy
- Capitalize on market share gains in Trader-focused countries
- Realize return on wholesale 360 and related digital activities

## Acquisitions

- Operating in growing but highly fragmented markets, benefiting from favorable consumer trends
- Acquisition of Pro à Pro resulted in both organic growth and realization of synergies
- Serves as blueprint for further densification in Horeca-focused markets

## Cost savings

- Administrative structures already repeatedly adjusted during 10 years of transformation
- Currently reviewing holding structures with the ambition to generate long-term annual savings in the mid-double-digit million range



# TO SUM IT UP



**Portfolio simplification** leading to a **pure wholesale profile**

- METRO China sold to Wumei; sale of hypermarket business well advanced
- Announcement of efficiency measures to right size structures



**Horeca and Trader focus** lead to LFL growth with **rising momentum**

- Highest LfL-growth in a decade<sup>1</sup>; Horeca +4.5%<sup>2</sup>, Trader +5.1%<sup>3</sup>
- Extension of business model to '360-approach' to address all customer needs



All financial **targets** have been achieved or **outperformed**

- Sales and EBITDA growth in upper end of guidance range
- €1.44 EPS; €0.70 DPS proposed to shareholders



Next financial year **2019/20** will continue in similar fashion

- Operational trends continue<sup>4</sup>: 1.5-3% sales growth, EBITDA stable
- Expected >€1.5 bn net proceeds<sup>5</sup> one-time gain from China and real and roughly ~€3 EPS from China



We gear up to further accelerate **growth and earnings momentum**

- Investing proceeds in line with capital allocation framework to grow momentum
- Compensate EBITDA dilution with cost savings, organic growth and acquisitions

METRO made considerable progress in transforming into a **focused Wholesale company**

The sale of METRO China and real will **provide the funds** to accelerate the **growth and earnings momentum**

<sup>1</sup> Wholesale like-for-like growth. <sup>2</sup> Guidance view (continuing operations incl. China)

<sup>3</sup> Trader countries: Bulgaria, Czech Republic, India, Pakistan, Poland, Romania, Serbia, Slovakia (excl. Russia) <sup>4</sup> At constant FX and before portfolio measures and transformation costs. <sup>5</sup> as per Sep 19 accounts.



# EVENTS AND FINANCIAL CALENDAR



## Upcoming events

17 Dec 2019 Roadshow Frankfurt  
(CFO) – Commerzbank



## Financial calendar 2019/20

15 Jan 2020 Trading statement Q1  
13 Feb 2020 Quarterly statement Q1  
14 Feb 2020 AGM  
7 May 2020 Quarterly report H1  
7 Aug 2020 Quarterly statement Q3



## Conferences 2019/20

15 Jan 2020 German Investment  
seminar –  
New York, Commerzbank  
22 Jan 2020 German Corporate  
conference – Frankfurt,  
UniCredit/Kepler  
Cheuvreux



# Q&A



**Olaf Koch, CEO**



**Christian Baier, CFO**



# 05 APPENDIX





# APPENDIX OVERVIEW

## Quarterly performance

### Guidance view and continuing operations for:

- Sales to EBITDA
- EBITDA to EPS
- FCF
- METRO Asia and “others”
- Sales by quarter (group currency, local currency and Like-for-like)

## Full year 2018/19

### Key financials from reconciliation file

- Reginal view

### Continuing operations

- Profit and loss statement
- Balance Sheet
- Cash Flow

## Others

### Guidance view and continuing operations for:

- Operational metric – Sales share, FSD and Own Brand shares

### Continuing operations

- Key statistics - Sales, stores, selling space and employees numbers
- Capex and capex allocation
- Real estate
- External financing



# 01 QUARTERLY PERFORMANCE



# SALES AND EBITDA IN Q4

€m / %	Q4 2017/18	Q4 2018/19
<b>Like-for-like growth</b>	<b>1.7%</b>	<b>2.5%</b>
<i>thereof Food</i>	2.2%	3.4%
<b>Reported growth</b>	<b>-1.7%</b>	<b>3.9%</b>
<b>Growth in local currency</b>	<b>1.5%</b>	<b>2.7%</b>
Delivery Sales Share	18%	19%
<b>EBITDA excl. RE gains</b>	<b>322</b>	<b>304</b>
<i>thereof FX</i>		6
<b>EBITDA margin excl. RE gains</b>	<b>4.4%</b>	<b>4.0%</b>
Real estate gains	121	323
<b>Total EBITDA</b>	<b>443</b>	<b>627</b>

€m / %	Q4 2017/18	Q4 2018/19
<b>Like-for-like growth</b>	<b>1.3%</b>	<b>2.1%</b>
<i>thereof Food</i>	1.8%	3.0%
<b>Reported growth</b>	<b>-2.3%</b>	<b>3.3%</b>
<b>Growth in local currency</b>	<b>1.1%</b>	<b>2.2%</b>
Delivery Sales Share	17%	18%
<b>EBITDA excl. RE gains</b>	<b>278</b>	<b>261</b>
<i>thereof FX</i>		5
<b>EBITDA margin excl. RE gains</b>	<b>4.2%</b>	<b>3.8%</b>
Real estate gains	121	273
<b>Total EBITDA</b>	<b>399</b>	<b>533</b>



# EBITDA TO EPS IN Q4

€m / %	Q4 2017/18	Q4 2018/19
<b>EBITDA</b>	<b>443</b>	<b>627</b>
D&A	-141	-155
<b>EBIT</b>	<b>302</b>	<b>472</b>
<i>Interest and investment result</i>	-38	-27
<i>Other financial result</i>	0	4
Net financial result	-38	-23
<b>EBT</b>	<b>264</b>	<b>449</b>
Tax rate	23%	40%
Net income	199	266
<b>EPS in €</b>	<b>0.55</b>	<b>0.73</b>

€m / %	Q4 2017/18	Q4 2018/19
<b>EBITDA</b>	<b>399</b>	<b>533</b>
D&A	-131	-144
<b>EBIT</b>	<b>269</b>	<b>389</b>
<i>Interest and investment result</i>	-40	-29
<i>Other financial result</i>	1	4
Net financial result	-38	-24
<b>EBT</b>	<b>230</b>	<b>365</b>
Tax rate	23%	43%
Net income	176	206
<b>EPS in €</b>	<b>0.48</b>	<b>0.57</b>



# FCF IN Q4

€m / %	Q4 2017/18	Q4 2018/19	€m / %	Q4 2017/18	Q4 2018/19
<b>EBITDA</b>	<b>443</b>	<b>627</b>	<b>EBITDA</b>	<b>399</b>	<b>533</b>
Change in NWC	546	469	Change in NWC	NA	NA
Capex <sup>1</sup>	-208	-182	Capex <sup>1</sup>	190	168
<b>FCF</b>	<b>780</b>	<b>914</b>	<b>FCF</b>	<b>NA</b>	<b>NA</b>

<sup>1</sup> Capex excl. M&A and finance leases



# SALES TO EBITDA

## (1/4)

### METRO Germany

€m / %	Q4 2017/18	Q4 2018/19
<b>Sales</b>	<b>1,154</b>	<b>1,154</b>
Like-for-like growth	-0.3%	0.6%
Reported growth	-0.9%	0.0%
<b>EBITDA excl. RE gains</b>	<b>16</b>	<b>18</b>
EBITDA margin	1.4%	1.6%
Real estate gains	0	0
<b>Total EBITDA</b>	<b>16</b>	<b>18</b>

### METRO Western Europe

€m / %	Q4 2017/18	Q4 2018/19
<b>Sales</b>	<b>2,659</b>	<b>2,714</b>
Like-for-like growth	-0.7%	2.2%
Reported growth	-0.1%	2.0%
<b>EBITDA excl. RE gains</b>	<b>156</b>	<b>150</b>
EBITDA margin	5.9%	5.5%
Real estate gains	38	0
<b>Total EBITDA</b>	<b>194</b>	<b>150</b>



# SALES TO EBITDA

## (2/4)

### METRO Russia

€m / %	Q4 2017/18	Q4 2018/19
<b>Sales</b>	<b>604</b>	<b>618</b>
Like-for-like growth	-6.6%	-6.3%
Reported growth	-16.1%	2.2%
<b>EBITDA excl. RE gains</b>	<b>52</b>	<b>55</b>
<i>thereof FX</i>		5
EBITDA margin	8.6%	8.9%
Real estate gains	0	0
<b>Total EBITDA</b>	<b>52</b>	<b>55</b>

### METRO Eastern Europe

€m / %	Q4 2017/18	Q4 2018/19
<b>Sales</b>	<b>1,809</b>	<b>1,935</b>
Like-for-like growth	6.5%	5.2%
Reported growth	-1.9%	7.0%
<b>EBITDA excl. RE gains</b>	<b>107</b>	<b>102</b>
<i>thereof FX</i>		1
EBITDA margin	5.9%	5.3%
Real estate gains	11	179
<b>Total EBITDA</b>	<b>118</b>	<b>281</b>



# SALES TO EBITDA

## (3/4)

### METRO Asia

€m / %	Q4 2017/18	Q4 2018/19
<b>Sales</b>	<b>1,089</b>	<b>1,179</b>
Like-for-like growth	7.3%	5.7%
Reported growth	5.2%	8.2%
<b>EBITDA excl. RE gains</b>	<b>41</b>	<b>50</b>
<i>thereof FX</i>		0
EBITDA margin	3.8%	4.3%
Real estate gains	5	127
<b>Total EBITDA</b>	<b>47</b>	<b>177</b>

### METRO Asia

€m / %	Q4 2017/18	Q4 2018/19
<b>Sales</b>	<b>399</b>	<b>426</b>
Like-for-like growth	10.3%	4.9%
Reported growth	5.6%	7.0%
<b>EBITDA excl. RE gains</b>	<b>-2</b>	<b>0</b>
<i>thereof FX</i>		-1
EBITDA margin	-0.5%	0.1%
Real estate gains	5	77
<b>Total EBITDA</b>	<b>3</b>	<b>77</b>



# SALES TO EBITDA

(4/4)

## Others

€m	Q4 2017/18	Q4 2018/19
Sales	9	9
EBITDA excl. RE gains	-49	-71
<i>thereof FX</i>		
Real estate gains	66	17
<b>Total EBITDA</b>	<b>17</b>	<b>-54</b>

## Others

€m	Q4 2017/18	Q4 2018/19
Sales	9	9
EBITDA excl. RE gains	-49	-65
<i>thereof FX</i>		0
Real estate gains	66	17
<b>Total EBITDA</b>	<b>17</b>	<b>-48</b>



# SALES BY QUARTER

2018/19 %	Change (EUR)				Change (local currency)				Like-for-like			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
METRO	-1.0%	-0.4%	2.4%	3.3%	1.9%	1.3%	3.2%	2.2%	2.1%	1.0%	3.1%	2.1%
METRO Wholesale Germany	-1.3%	-4.1%	3.0%	0.0%	-1.3%	-4.1%	3.0%	0.0%	-0.2%	-3.1%	3.6%	0.6%
METRO Wholesale Western Europe	1.2%	-0.3%	2.2%	2.0%	1.2%	-0.3%	2.2%	2.0%	1.0%	-0.3%	2.2%	2.2%
METRO Wholesale Russia	-11.9%	-8.3%	-0.8%	2.2%	-2.8%	-2.3%	-3.2%	-5.2%	-2.4%	-4.0%	-4.8%	-6.3%
METRO Wholesale Eastern Europe	0.8%	2.4%	3.4%	7.0%	6.3%	6.8%	7.3%	5.4%	6.4%	6.8%	7.1%	5.2%
METRO Wholesale Asia	3.0%	6.7%	4.5%	7.0%	9.8%	7.6%	5.4%	6.4%	7.4%	5.1%	3.8%	4.9%
<i>METRO Guidance view (Pre IFRS 5 China)</i>												
METRO	-0.6%	0.2%	2.8%	3.9%	2.1%	1.6%	3.6%	2.7%	2.3%	1.2%	3.4%	2.5%
METRO Wholesale Asia	3.3%	5.5%	5.7%	8.2%	6.9%	4.7%	6.8%	7.0%	5.9%	3.6%	5.5%	5.7%



# **02 FULL YEAR 2018/19**



# KEY FINANCIALS

## KEY FINANCIALS 2017/18 & 2018/19

### **GUIDANCE 2018/19** (including METRO China, excluding Real)

€ million (unless noted otherwise)

#### **Annual Report Guidance**

Sales growth (constant fx and before portfolio measures)  
 LfL sales growth (constant fx and before portfolio measures)  
 EBITDA excl. Real Estate gains (constant fx and before portfolio measures)

#### **Comments on outlook**

Real estate gains  
 D&A  
 Net financial result<sup>2</sup>  
 Tax rate (in %)  
 EPS  
 Capex<sup>3,4</sup>  
 FCF conversion

### **BEFORE IFRS 5 CHINA**

<b>ACT</b>		<b>Guidance/ Outlook</b>
<b>17/18</b>	<b>18/19</b>	<b>18/19</b>
before IFRS 5 China	before IFRS 5 China	before IFRS 5 China
1,5%	2,5%	1 to 3%
1,3%	2,4%	1 to 3%
1.242	1.173	-2 to -6%
	-4,2% <sup>1</sup>	
128	388	250 to 300m€
-547	-577	~-590m€
-130	-111	~-135m€ <sup>5</sup>
35,4%	39,0%	37 to 39%
1,22	1,44	Roughly stable
-552	-455	~-0,6bn€
73%	74%	50 to 60%

### **CONTINUING OPERATIONS**

<b>ACT</b>	
<b>17/18</b>	<b>18/19</b>
continuing operations	continuing operations
1,3%	2,2%
1,3%	2,1%
1.088	1.021
128	338
-503	-531
-137	-119
37,5%	42,0%
0,98	1,12
-517	-429
69%	70%

<sup>1</sup> Guidance view: constant FX, excl. real estate gains and before portfolio measures

<sup>2</sup> The net financial result comprises the interest result, the other financial result, the other investment result and the earnings share of nonoperating companies recognised at equity

<sup>3</sup> CAPEX excluding finance leases and Mergers & Acquisitions (as in Free Cash Flow definition in our Annual Report)

<sup>4</sup> Capex definition has been adjusted to fully exclude finance leases, previously this only excluded finance lease extensions; 581m€ reported in FY 2017/18 according to old definition

<sup>5</sup> Initial outlook of -150m€ (FY 2017/18 reporting) updated in Q3 2018/19 reporting



# REGIONAL VIEW

Key financials METRO - pre IFRS 5 China (incl. METRO China, excl. Real)						Key financials METRO - continuing operations (excl. METRO China, excl. Real)					
€ million unless noted otherwise											
	Q1 18/19	Q2 18/19	Q3 18/19	Q4 18/19	FY 18/19		Q1 18/19	Q2 18/19	Q3 18/19	Q4 18/19	FY 18/19
<b>Sales - External sales</b>											
METRO Germany	1.352	1.024	1.205	1.154	4.735		1.352	1.024	1.205	1.154	4.735
METRO Western Europe excl. Germany	2.921	2.333	2.784	2.714	10.752		2.921	2.333	2.784	2.714	10.752
METRO Russia	801	573	671	618	2.662		801	573	671	618	2.662
METRO Eastern Europe excl. Russia	1.861	1.550	1.846	1.935	7.191		1.861	1.550	1.846	1.935	7.191
METRO Asia	1.072	1.255	1.037	1.179	4.543		1.072	1.255	1.037	1.179	4.543
Others	10	18	7	9	44		10	18	7	9	44
Consolidation											
<b>METRO</b>	<b>8.017</b>	<b>6.752</b>	<b>7.551</b>	<b>7.608</b>	<b>29.928</b>		<b>8.017</b>	<b>6.752</b>	<b>7.551</b>	<b>7.608</b>	<b>29.928</b>
METRO China (informative)											
<b>Sales growth (% , €)</b>											
METRO Germany	-1,3%	-4,1%	3,0%	0,0%	-0,5%		-1,3%	-4,1%	3,0%	0,0%	-0,5%
METRO Western Europe excl. Germany	1,2%	-0,3%	2,2%	2,0%	1,3%		1,2%	-0,3%	2,2%	2,0%	1,3%
METRO Russia	-11,9%	-8,3%	-0,8%	2,2%	-5,4%		-11,9%	-8,3%	-0,8%	2,2%	-5,4%
METRO Eastern Europe excl. Russia	0,8%	2,4%	3,4%	7,0%	3,4%		0,8%	2,4%	3,4%	7,0%	3,4%
METRO Asia	3,3%	5,5%	5,7%	8,2%	5,7%		3,3%	5,5%	5,7%	8,2%	5,7%
Others											
Consolidation											
<b>METRO</b>	<b>-0,6%</b>	<b>0,2%</b>	<b>2,8%</b>	<b>3,9%</b>	<b>1,5%</b>		<b>-0,6%</b>	<b>0,2%</b>	<b>2,8%</b>	<b>3,9%</b>	<b>1,5%</b>
METRO China (informative)											
<b>Sales growth (% , local currency)</b>											
METRO Germany	-1,3%	-4,1%	3,0%	0,0%	-0,6%		-1,3%	-4,1%	3,0%	0,0%	-0,6%
METRO Western Europe excl. Germany	1,2%	-0,3%	2,2%	2,0%	1,3%		1,2%	-0,3%	2,2%	2,0%	1,3%
METRO Russia	-2,8%	-2,3%	-3,2%	-5,2%	-3,3%		-2,8%	-2,3%	-3,2%	-5,2%	-3,3%
METRO Eastern Europe excl. Russia	6,3%	6,8%	7,3%	5,4%	6,4%		6,3%	6,8%	7,3%	5,4%	6,4%
METRO Asia	6,9%	4,7%	6,8%	7,0%	6,3%		6,9%	4,7%	6,8%	7,0%	6,3%
Others											
Consolidation											
<b>METRO</b>	<b>2,1%</b>	<b>1,6%</b>	<b>3,6%</b>	<b>2,7%</b>	<b>2,5%</b>		<b>2,1%</b>	<b>1,6%</b>	<b>3,6%</b>	<b>2,7%</b>	<b>2,5%</b>
METRO China (informative)											
<b>Like-for-like growth (%)</b>											
METRO Germany	-0,2%	-3,1%	3,6%	0,6%	0,3%		-0,2%	-3,1%	3,6%	0,6%	0,3%
METRO Western Europe excl. Germany	1,0%	-0,3%	2,2%	2,2%	1,3%		1,0%	-0,3%	2,2%	2,2%	1,3%
METRO Russia	-2,4%	-4,0%	-4,8%	-6,3%	-4,3%		-2,4%	-4,0%	-4,8%	-6,3%	-4,3%
METRO Eastern Europe excl. Russia	6,4%	6,8%	7,1%	5,2%	6,3%		6,4%	6,8%	7,1%	5,2%	6,3%
METRO Asia	5,9%	3,6%	5,5%	5,7%	5,1%		5,9%	3,6%	5,5%	5,7%	5,1%
Others											
Consolidation											
<b>METRO</b>	<b>2,3%</b>	<b>1,2%</b>	<b>3,4%</b>	<b>2,5%</b>	<b>2,4%</b>		<b>2,3%</b>	<b>1,2%</b>	<b>3,4%</b>	<b>2,5%</b>	<b>2,4%</b>
METRO China (informative)											
<b>EBITDA excl. Earnings contributions from real estate transactions</b>											
METRO Germany	68	-23	31	18	95		68	-23	31	18	95
METRO Western Europe excl. Germany	175	20	154	150	499		175	20	154	150	499
METRO Russia	79	30	56	55	220		79	30	56	55	220
METRO Eastern Europe excl. Russia	113	42	86	102	344		113	42	86	102	344
METRO Asia	36	48	42	50	176		36	48	42	50	176
Others	-2	-34	-54	-71	-161		-2	-34	-54	-71	-161
Consolidation	0	0	0	-1	0		0	0	0	-1	0
<b>METRO</b>	<b>470</b>	<b>83</b>	<b>316</b>	<b>304</b>	<b>1.173</b>		<b>470</b>	<b>83</b>	<b>316</b>	<b>304</b>	<b>1.173</b>
METRO China (informative)											
<b>Net financial result</b>											
<b>METRO</b>	<b>-40</b>	<b>-23</b>	<b>-26</b>	<b>-23</b>	<b>-111</b>		<b>-40</b>	<b>-23</b>	<b>-26</b>	<b>-23</b>	<b>-111</b>
<b>Earnings before taxes (EBT)</b>											
<b>METRO</b>	<b>296</b>	<b>-52</b>	<b>181</b>	<b>449</b>	<b>874</b>		<b>296</b>	<b>-52</b>	<b>181</b>	<b>449</b>	<b>874</b>
Income taxes	-112	20	-69	-180	-341		-112	20	-69	-180	-341
Tax rate (% , cum.)	38%	38%	38%	39%	39%		38%	38%	38%	39%	39%
<b>Profit or loss for the period</b>											
<b>METRO</b>	<b>184</b>	<b>-32</b>	<b>113</b>	<b>269</b>	<b>533</b>		<b>184</b>	<b>-32</b>	<b>113</b>	<b>269</b>	<b>533</b>
Profit or loss for the period attributable to non-controlling	-3	-2	-3	-3	-10		-3	-2	-3	-3	-10
Profit or loss for the period attributable to the shareholders	181	-34	110	266	523		181	-34	110	266	523
Total No. of shares (million)	363,1	363,1	363,1	363,1	363,1		363,1	363,1	363,1	363,1	363,1
<b>Earnings per share (€)</b>											
<b>METRO</b>	<b>0,50</b>	<b>-0,09</b>	<b>0,30</b>	<b>0,73</b>	<b>1,44</b>		<b>0,50</b>	<b>-0,09</b>	<b>0,30</b>	<b>0,73</b>	<b>1,44</b>

Link:

[https://www.metroag.de/en/newsroom/publications?q=mcf\\_investors](https://www.metroag.de/en/newsroom/publications?q=mcf_investors)

## #Financial Statement

Changes after IFRS 5

Changes after IFRS 5

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Changes after IFRS 5

Changes after IFRS 5

Changes after IFRS 5

Changes after IFRS 5

Changes after IFRS 5

Changes after IFRS 5



# PROFIT AND LOSS STATEMENT

## P&L

€ million (unless noted otherwise)

### Sales revenues

Cost of sales

### Gross profit on sales

Other operating income

Selling expenses

General administrative expenses

Other operating expenses

Earnings from impairment of financial assets

Earnings share of operating companies recognised at equity

### EBIT

Earnings share of non-operating companies recognised at equity

Other investment result

Interest income

Interest expenses

Other financial result

Net financial result

### EBT

Income taxes

tax rate (in %)

Profit or loss for the period from continuing operations

Profit or loss for the period from discontinued operations after taxes

Profit or loss for the period

Profit or loss for the period attributable to NCI

from continuing operations

from discontinued operations

### Profit or loss for the period attributable to shareholders of METRO

from continuing operations

from discontinued operations

### EPS (in €)

from continuing operations (in €)

from discontinued operations (in €)

EBITDA excl. Real Estate gains

Real Estate gains

EBITDA

D&A

EBIT

## CONTINUING OPERATIONS

### continuing operations

17/18

continuing  
operations

18/19

continuing  
operations

26,792

-22,278

4,514

1,271

-4,021

-773

-293

0

14

713

0

0

27

-163

-2

-137

576

-216

37.5%

359

3

357

0.98

1,088

128

1,216

-503

713

27,082

-22,476

4,606

1,405

-4,092

-822

-279

-14

24

828

0

-1

29

-148

1

-119

709

-298

42.0%

411

6

405

1.12

1,021

338

1,359

-531

828



# BALANCE SHEET<sup>1</sup>

€ million	Assets		Equity and Liabilities		
	FY 17/18	FY 18/19		FY 17/18	FY 18/19
<b>Non-current assets</b>	<b>7,503</b>	<b>6,736</b>	<b>Equity</b>	<b>3,074</b>	<b>2,735</b>
Goodwill	797	785	METRO AG Shareholder interest	3,033	2,703
Other intangible assets	499	562	Non-controlling interests	41	32
Tangible assets	5,314	4,760			
Investment properties	97	82	<b>Non-current liabilities</b>	<b>3,427</b>	<b>3,419</b>
Financial assets	88	97	Provisions for post employment benefits plans and similar obligat	468	543
Investments accounted for using the equity method	178	179	Other provisions	126	132
Other financial assets	39	37	Borrowings	2,590	2,498
Other non-financial assets	163	43	Other financial liabilities	56	56
Deferred tax assets	329	191	Other non-financial liabilities	67	71
			Deferred tax liabilities	120	119
<b>Current assets</b>	<b>7,703</b>	<b>7,761</b>	<b>Current liabilities</b>	<b>8,705</b>	<b>8,343</b>
Inventories	2,108	1,946	Trade liabilities	3,993	3,572
Trade receivables	571	482	Provisions	274	168
Financial assets	1	4	Borrowings	1,420	871
Other financial assets	561	603	Other financial liabilities	744	728
Other non-financial assets	353	279	Other non-financial liabilities	392	233
Entitlements to income tax refunds	206	190	Income tax liabilities	191	169
Cash and cash equivalents	1,298	500	Liabilities related to assets held for sale	1,691	2,601
Assets held for sale	2,605	3,758			
<b>Total</b>	<b>15,206</b>	<b>14,497</b>		<b>15,206</b>	<b>14,497</b>

<sup>1</sup> Continuing operations, 2017/18 including METRO China and 2018/19 excluding METRO China



# CASH FLOW STATEMENT

€ million	FY 17/18	FY 18/19
EBIT	713	828
Depreciation/amortisation/impairment losses/reversal of impairment losses of assets excl. financial investments	503	532
Change in provisions for post-employment benefits plans and other provisions	-202	-47
Change in net working capital	141	27
Income taxes paid	-193	-215
Reclassification of gains (-) / losses (+) from the disposal of fixed assets	-137	-356
Other	-59	28
<b>Cash flow from operating activities of continuing operations</b>	<b>766</b>	<b>796</b>
Cash flow from operating activities of discontinuing operations	139	157
<b>Cash flow from operating activities</b>	<b>905</b>	<b>953</b>
Acquisition of subsidiaries	0	-1
Investments in property, plant and equipment and in investment property (excl. finance leases)	-408	-258
Other investments	-165	-198
Investments in monetary assets	-1	-9
Disposals of subsidiaries	-3	0
Disposal of fixed assets	285	505
Disposal of financial assets	0	7
<b>Cash flow from investing activities of continuing operations</b>	<b>-292</b>	<b>46</b>
Cash flow from investing activities of discontinuing operations	-89	-136
<b>Cash flow from investing activities</b>	<b>-381</b>	<b>-90</b>
Dividends paid	-254	-254
Redemption of liabilities from put options of non-controlling interests	0	-2
Proceeds from new borrowings	2,772	6,122
Redemption of borrowings	-2,983	-6,844
Interest paid	-141	-161
Interest received	20	28
Profit and loss transfers and other financing activities	8	-4
<b>Cash flow from financing activities of continuing operations</b>	<b>-587</b>	<b>-1122</b>
Cash flow from financing activities of discontinuing operations	-74	-109
<b>Cash flow from financing activities</b>	<b>-661</b>	<b>-1231</b>
<b>Total cash flows</b>	<b>-137</b>	<b>-368</b>

## Cash flow

- The **operating cash flow** came in at €0.8 bn, above last year. Mainly driven by higher real estate gains, positive contribution from net working capital
- The **investing cash flow** came down from -€0.3 bn to 0.05bn EUR driven by higher real estate gains
- The **financing cash flow** changed from -€0.6 bn to -€1.1 bn due to higher repayment of debt



# FINANCIAL REPORTING AFFECTED BY ACCOUNTING CHANGES & TRANSACTIONS

## IFRS 5 (discontinued operations)

- **METRO China** reported as discontinued operations from 30 Sep 19 onwards
- Impacts all financial statements as well as the **segments 'Asia' and 'Others'**
  - Adjustment of PY balance sheet is visible only in the combined management report
  - Stop of regular depreciation for China from 1 Oct 2019 onwards
- **Hypermarket business** continues to be reported as discontinued operations
- IFRS 5 impacts METRO Wholesale Asia, Segments Others and Consolidation
- Other regions are not affected
- Please refer to our homepage and appendix for additional details

## IFRS 15 (revenue from contracts with customers)

- IFRS 15 replaces IAS 18 and IAS 11
- Applied since **1 Oct 2018**; no adjustment to previous year's figures
- Application affected some reclassifications in balance sheet and triggered a **€33 m sales reduction** (mainly Germany, LFL view has been adjusted)



# 03 OTHERS



# OPERATIONAL METRICS

	METRO Guidance (Pre IFRS 5 Chir		Continuing operations	
	2017/18	2018/19	2017/18	2018/19
Food Share in Total sales	88%	89%	88%	89%
Non food share in Total sales	12%	11%	12%	11%
FSD (excl. TAC/PU) in Total sales	17%	18%	16%	17%
Own Brand Share in Like-for-like sales <sup>1</sup>	17%	17%	17%	17%

<sup>1</sup> Share in like-for-like sales, excluding acquisitions



# METRO WHOLESALE – KEY STATISTICS

€m	Sales		Stores	
	FY 2017/18	FY 2018/19	FY 2017/18	FY 2018/19
<b>Germany</b>	<b>4,761</b>	<b>4,735</b>	<b>103</b>	<b>103</b>
Austria	768	760	12	12
Belgium	734	737	17	17
France	4982	5114	98	98
Italy	1741	1722	49	49
Netherlands	777	767	17	17
Portugal	379	398	10	10
Spain	1229	1253	37	37
<b>Western Europe (w/o Germany)</b>	<b>10,609</b>	<b>10,752</b>	<b>240</b>	<b>240</b>
<b>Russia</b>	<b>2,815</b>	<b>2,662</b>	<b>93</b>	<b>94</b>
Bulgaria	379	395	11	11
Croatia	221	226	9	10
Czech Republic	1,073	1,062	13	13
Hungary	470	471	13	13
Kazachstan	73	80	6	6
Moldova	91	102	3	3
Poland	1,406	1,385	29	29
Romania	1,083	1,190	30	30
Serbia	205	195	9	9
Slovakia	427	432	6	6
Turkey	1,000	1,027	33	34
Ukraine	523	627	31	31
<b>Eastern Europe (w/o Russia)</b>	<b>6,952</b>	<b>7,191</b>	<b>193</b>	<b>195</b>
India	776	848	27	27
Japan	265	287	10	10
Pakistan	339	310	9	9
Myanmar	0	2		
Classic Fine Food	232	250		0
<b>Asia (incl. CFF)</b>	<b>1,612</b>	<b>1,696</b>	<b>46</b>	<b>46</b>
Others	43	46		0
<b>METRO</b>	<b>26,792</b>	<b>27,082</b>	<b>675</b>	<b>678</b>

	2017/18	2018/19
Stores	675	678
Selling space ('000 sqm)	5,234	4,728
Ø store size (sqm)	6,806	6,973
Ø Sales / sqm (EUR)	5,629	5,729
Employees (FTE)	104,912	101,654



# CAPEX AND CAPEX ALLOCATION

€m	FY 2017/18	FY 2018/19
Expansion	88	20
Remodelling	60	25
FSD	38	31
Maintenance	157	159
Digital/IT	178	204
Others	31	18
<b>Capex (FCF definition)</b>	<b>552</b>	<b>455</b>
M&A	0	1
Financial Lease	47	69
<b>Investments</b>	<b>600</b>	<b>525</b>



# REAL ESTATE<sup>1</sup>

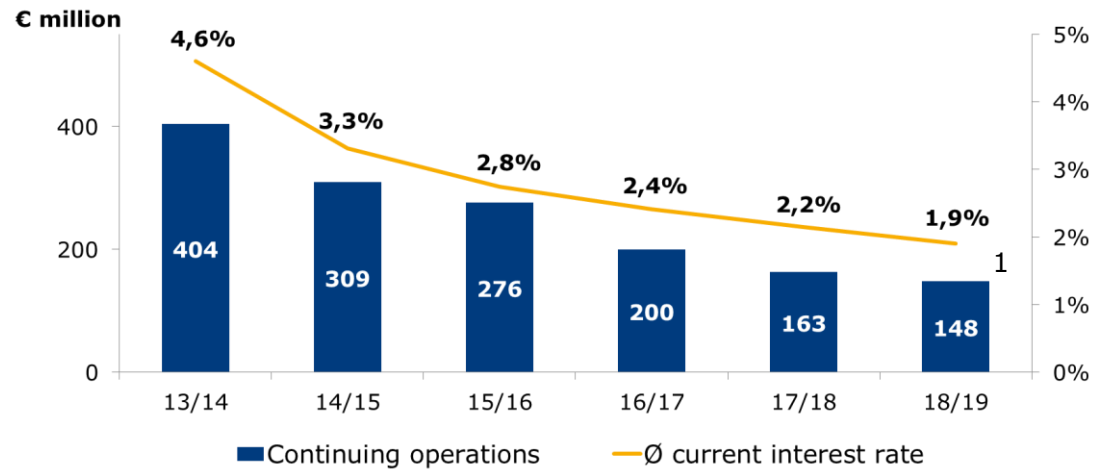
2018/19 ( <sup>000 sqm</sup> )	Total		Owned	
	Stores	Space ( <sup>000 sqm</sup> )	Stores	Space ( <sup>000 sqm</sup> )
METRO	678	4.728	355	2.739
METRO Wholesale Germany	103	915	10	88
METRO Wholesale Western Europe <sup>2</sup>	240	1.531	84	745
METRO Wholesale Russia	94	688	90	665
METRO Wholesale Eastern Europe	195	1.391	153	1.164
METRO Wholesale Asia	46	202	18	77

<sup>1</sup> 2018/19 figures on space in stores refers to selling space operated by METRO Wholesale i.e. excluding selling space operated by third parties <sup>2</sup> For METRO Russia, shop-in-shop has been included into the stores space

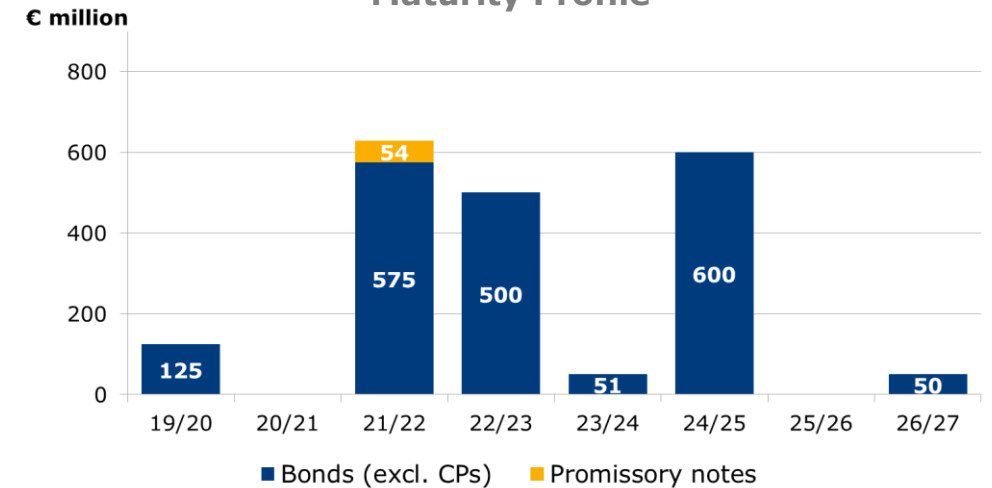


# FACT SHEET ON EXTERNAL FINANCING

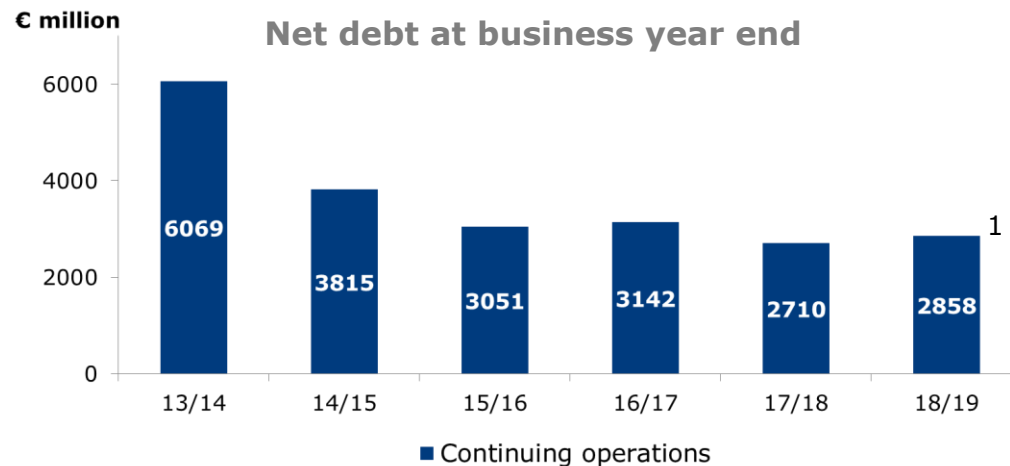
## Interest expense



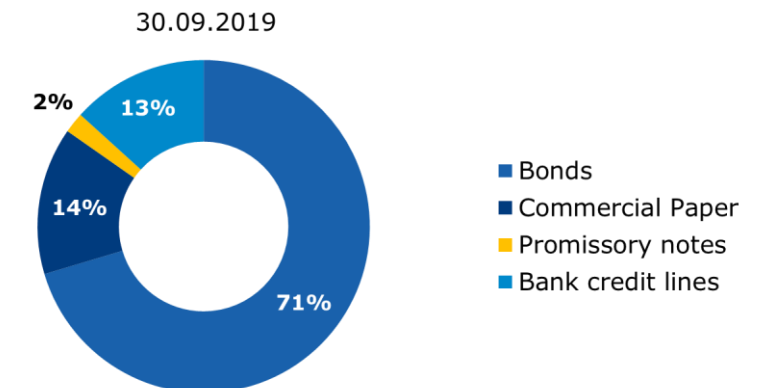
## Maturity Profile



## Net debt at business year end



## External Funding Mix



<sup>1</sup> Continuing operations, 2017/18 including METRO China and 2018/19 excluding METRO China



## CONTACT

Investor Relations

METRO AG  
Metro-Straße 1  
40235 Düsseldorf  
Germany

T +49 211 6886-1280  
F +49 211 6886-73-3759  
E [investorrelations@metro.de](mailto:investorrelations@metro.de)

[www.metroag.de](http://www.metroag.de)



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