



FY 2017/18 RESULTS PRESENTATION

13 December 2018

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OUR ORIGIN IS **WHOLESALE**

2016/17



2017/18



2018/19



2017/18 - A YEAR OF ACTIVATION

ACTIVATION

Becoming a pure Wholesaler

2016/17



TRANSITION

Year of the demerger

2017/18



- **Adjusted guidance achieved**
- **Disposal process for hypermarket business started**
- **Positive development in most of the regions driven by Horeca and Trader business**

2018/19

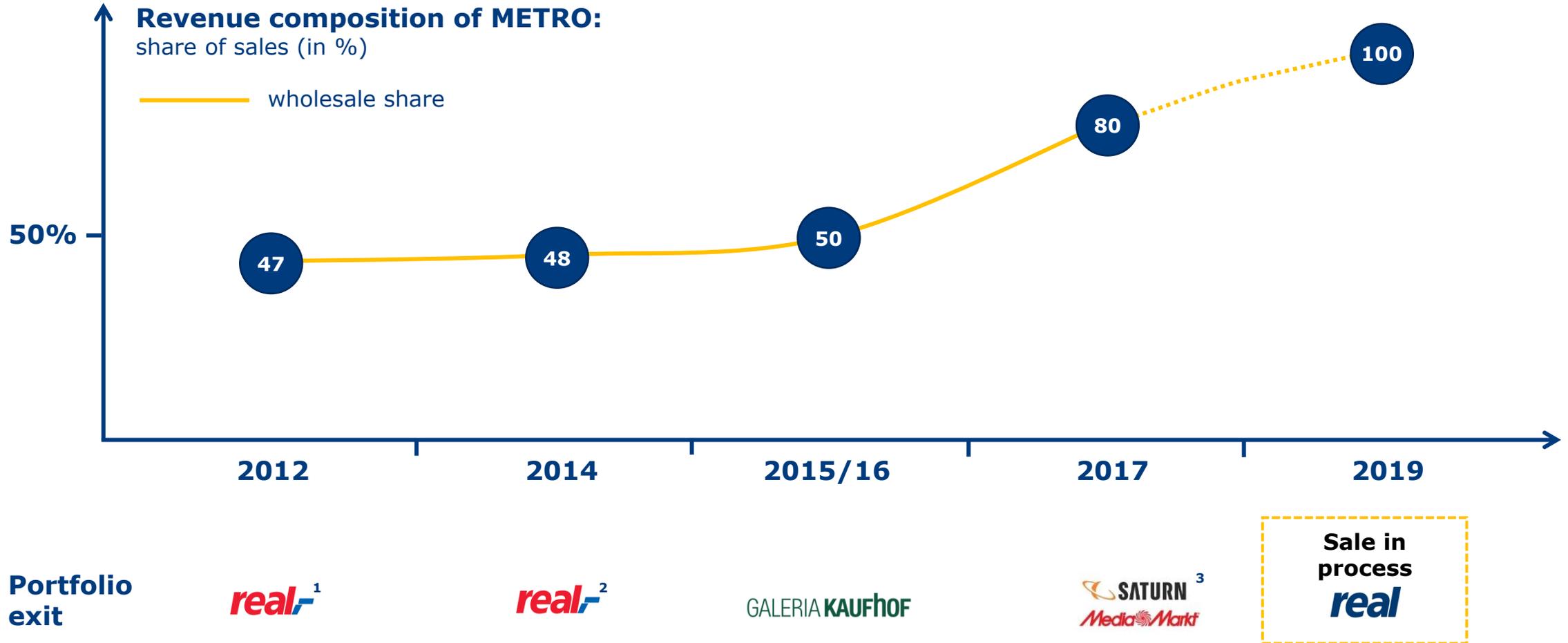


INTENSIFICATION

Year of Extension

01 BECOMING A FOCUSED WHOLESALER

BECOMING A FOCUSED WHOLESALER



1: Eastern Europe; 2: Turkey; 3: Demerger

UPDATE ON HYPERMARKET BUSINESS



Commercial model

Food Lover/"Markthalle"

- Braunschweig reopening October 2018 with record sales
- Further store in Bielefeld planned

Modular concept roll-out

- 19 stores already remodeled
- +12 to come in 2018/19



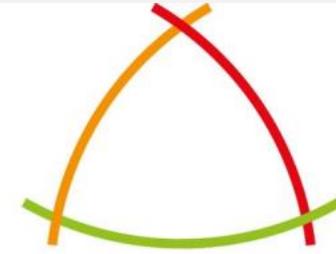
Omni-channel

Online marketplace

- c. 90% GMV growth to c. €380 m
- >5,000 merchants
- >12m SKUs

Online groceries

- 16 cities in Germany
- Cooperation with DHL



RTG Retail Trade Group

7 partners on board

Competitive cost

RTG

- Cooperation platform founded April '17
- German retailer Tegut joined June '18
- Continue to add suppliers into RTG

Tariff

- Sustainable cost through new tariff model
- c. 3,600 people hired under new tariff

UPDATE ON HYPERMARKET SALE PROCESS



Last two years

- Evaluation of Real's hypermarket business model in the context of METRO's overall strategic direction
- Implementation of new formats and concepts to set the business up for success



Q3 17/18

- Analysis of strategic alternatives (*continue stand-alone, partner, sell*) and potential consequences
- Indications of interest received



Q4 17/18 – today

- 13 Sep: Management concludes that next chapter of growth for hypermarket business can be better reached under different ownership, decides to sell hypermarket operations and communicates accordingly
- 30 Sep: Hypermarket business qualifies as discontinued operations (IFRS 5)
- Formal process started, advisers mandated, data room opened



Next steps

- Execute and conclude sales process in next 4 to 6 months
- Key target: Sell the hypermarket business as a whole for attractive valuation and enable sustainable future for hypermarket business

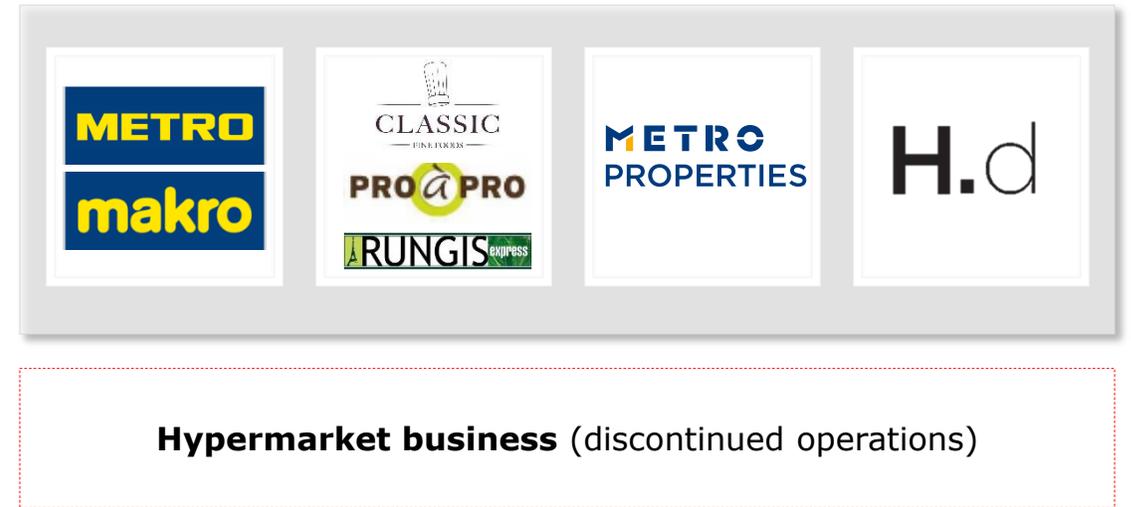
THE NEXT CHAPTER

"old" METRO



- METRO Wholesale, Real and Others (including METRO Properties and H.d)
- Comparison of 2017/18 guidance to actual performance
- Update on sale process for the hypermarket business

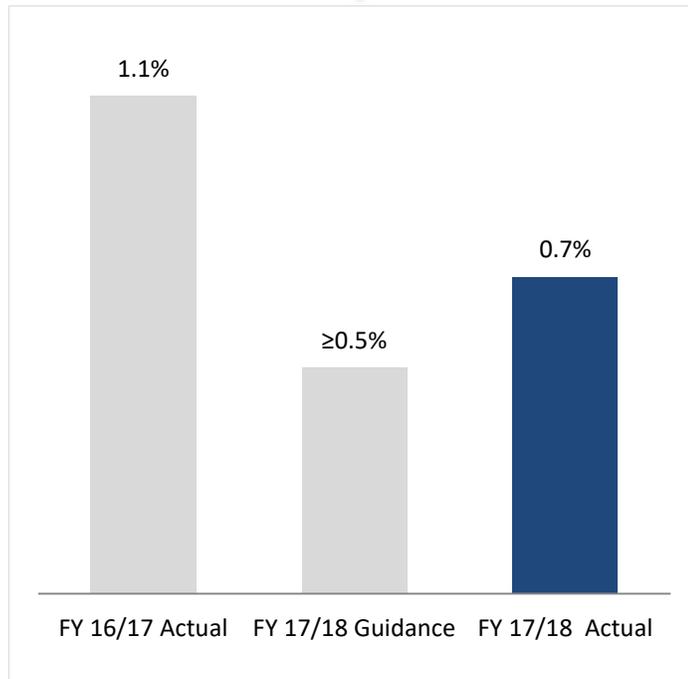
"new" METRO



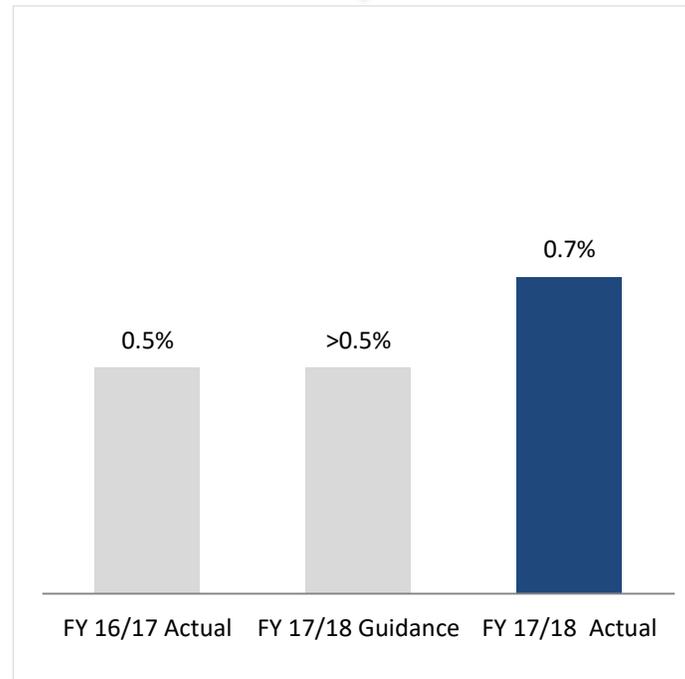
- Hypermarket business reported as discontinued operations as per 30 September; includes most of the Real segment and a small part of others
- Scheduled depreciation halted for discontinued operations
- Continued operations form basis for financial and strategy reporting in this presentation and guidance for 2018/19

METRO- ADJUSTED GUIDANCE WELL ACHIEVED¹

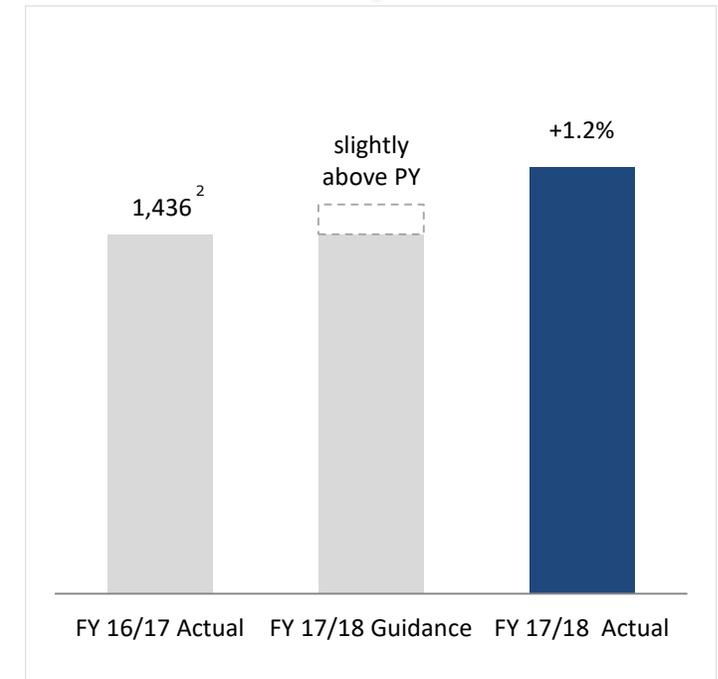
Sales growth²



LfL sales growth²



EBITDA³



¹ Financial view before IFRS 5

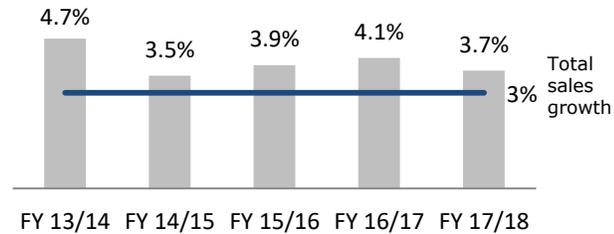
² At constant FX and before portfolio measures

³ EBITDA 2016/17 of €1,611 m less €175 m of real estate gains

METRO - MID-TERM AMBITION OF >3% TOTAL SALES GROWTH: SOLID MOMENTUM IN WHOLESALE SALES

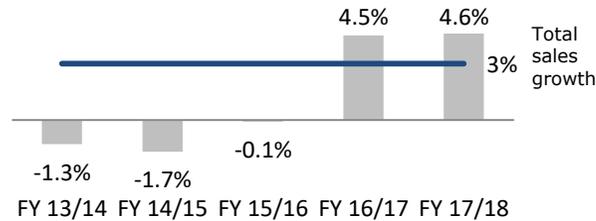
Consistent Horeca outperformance...

Horeca LfL sales growth (METRO Wholesale)



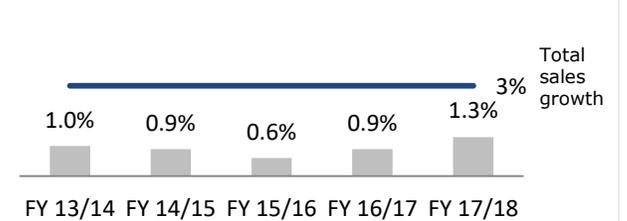
...improving Trader development

LfL sales growth (METRO Wholesale) Trader Countries²



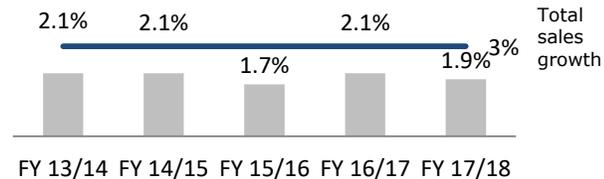
...led to a solid Wholesale LfL growth

LfL sales growth (METRO Wholesale)



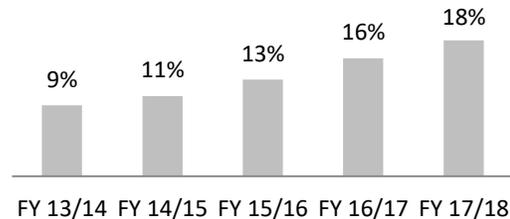
... steady Food sales momentum

Food LfL sales growth (METRO Wholesale)



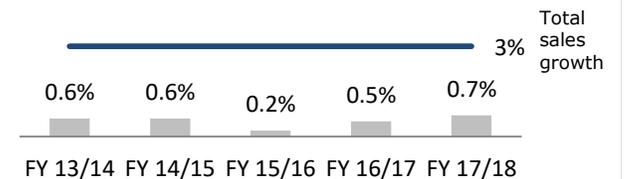
...and rapidly increasing Delivery sales

Delivery as % of sales (METRO Wholesale)



...and improvement across the wider group

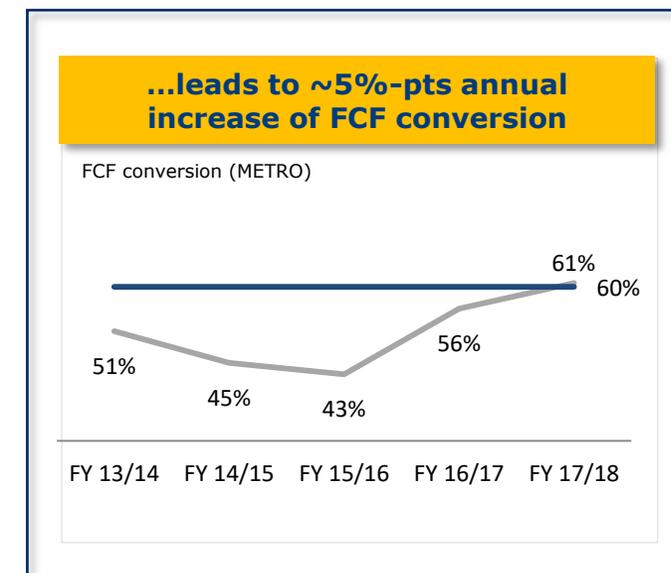
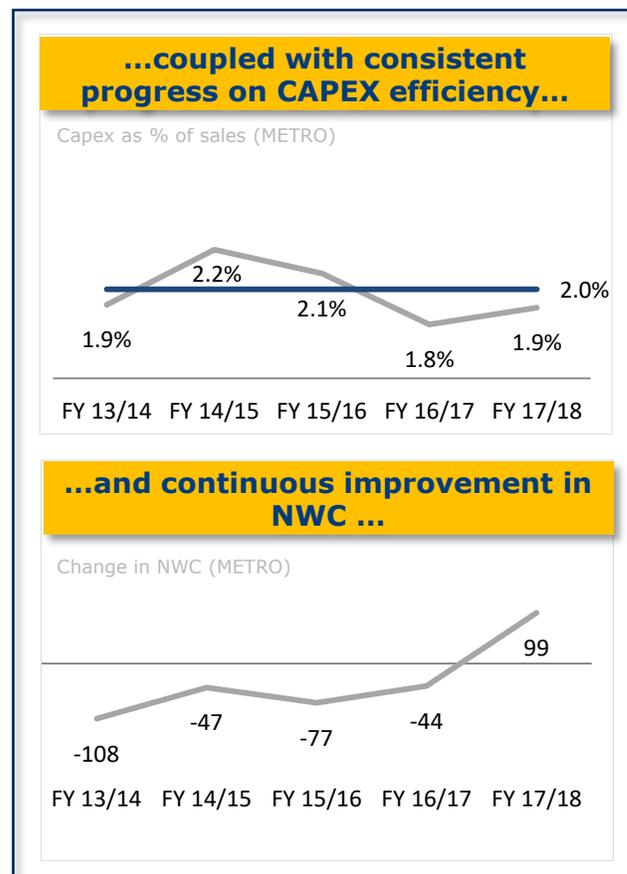
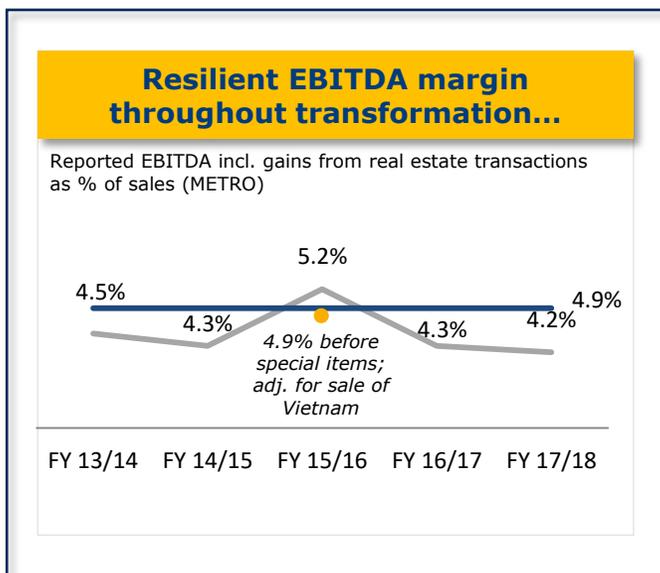
LfL sales growth (METRO)



— Mid-term ambition of $\geq 3\%$ total sales growth at constant currency

¹ Financial view before IFRS 5 ²Trader countries: Bulgaria, Czech Republic, India, Pakistan, Poland, Romania, Serbia, Slovakia (excl. Russia)

METRO- MID-TERM AMBITION: RESILIENT EBITDA MARGIN AND STRONG PROGRESSION OF FCF CONVERSION



— Mid-term ambition of EBITDA margin in line with historic pre special items margin (4.9%); capex as % of sales <2%; FCF conversion >60%
 Mid-term ambition of tax rate <40% already achieved with tax rate of 39.8% in 2017/18

Financial view before IFRS 5

METRO- A SUSTAINABLE WHOLESALER

Goals derived from the UN SDGs



Implementation examples

- Sustainable sourcing: Global commitment on phasing out single use plastic products from Sep '18
- Expansion: new store formats reducing carbon footprint
- Maintenance: global roll-out of F-Gas exit program

Recognized by key institutions

Industry leader

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

A-

CDP
DRIVING SUSTAINABLE ECONOMIES

Index-listed


FTSE4Good

Prime status

Corporate
Responsibility
Prime
rated by
ISS-oekom

METRO - A STRENGTHENED WHOLESALER PROFILE



Financial Performance

- Simplified reporting with clear wholesaler profile
- Growth acceleration and resilient profitability
- Solid EPS growth and improved cash generation

Strategic Context

- Solid momentum in key target groups Horeca and Trader
- Assortment, channels and services built around customer needs
- Strong focus on DIGITAL

Outlook and Guidance

- Intensifying portfolio optimization
- Extension of our wholesaler model

02

FINANCIAL PERFORMANCE

2017/18 – A YEAR OF ACTIVATION RESULTING IN A PURE WHOLESALER PROFILE



● **Simplified reporting with clear wholesale profile**

- Focus on continued operations
- Transparency on operational development
- Regional reporting; real estate gains reported separately

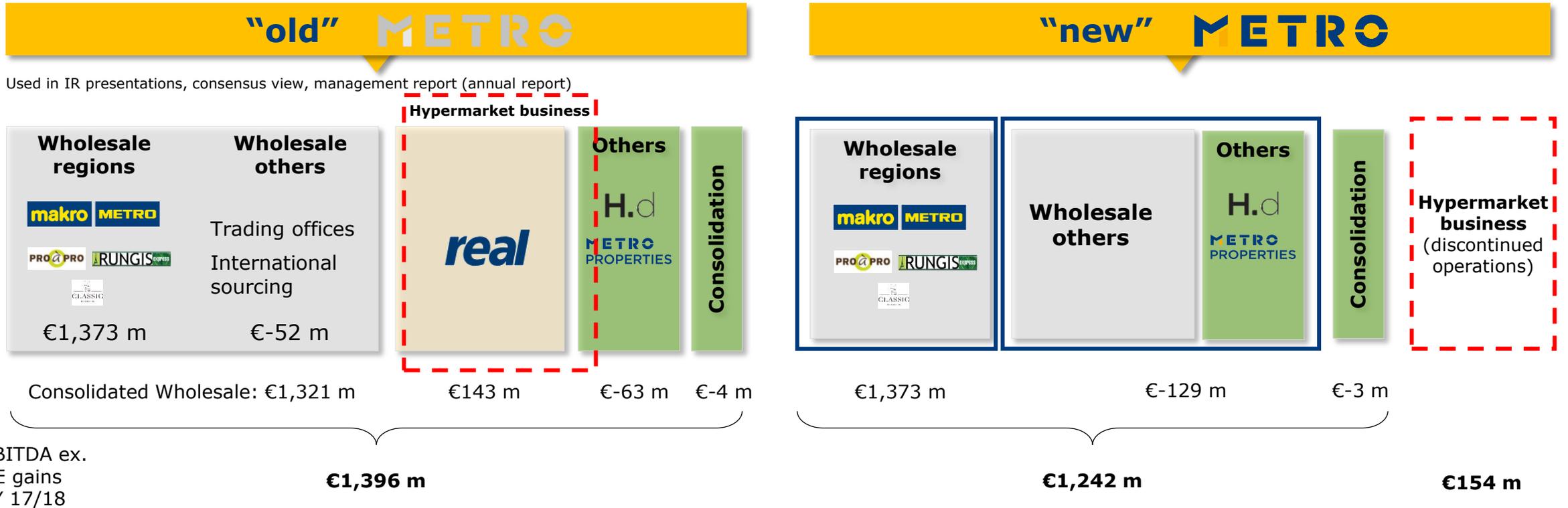
● **Growth acceleration and resilient profitability**

- Solid or accelerating LfL across majority of regions
- Step-by-step improvement in Russia with good cost control
- Resilient profitability across regions against Russian transformation and expansion of digital activities

● **Strong EPS growth and improved cash generation**

- Proactive management of net financial result and tax rate
- >25% EPS growth
- Strong simplified FCF translating into small net debt improvement

RECONCILIATION OF "OTHERS"



- Financial section focuses on continued operations
- Simplification of group turns Wholesale Others obsolete
- Hence future reporting will only contain one „Others“, which is the basis for guidance
- IFRS 5 focuses on fair representation of continued operations. As a result, what was previously "intercompany sales", for example, is shown as "external sales" (affects Wholesale Germany and Others)

SALES TO EBITDA

(1/4)

€m / %	FY 2016/17	FY 2017/18
Like-for-like growth	0.9%	1.3%
<i>thereof Food</i>	2.1%	2.0%
Reported growth	2.8%	-1.4%
Growth in local currency	2.2%	1.5%
Sales share		
Delivery: Wholesale	16%	18%
EBITDA excl. RE gains	1,267	1,242
<i>thereof FX</i>		-56
EBITDA excl. RE gains	4.2%	4.2%
Real estate gains	175	128
Total EBITDA	1,443	1,370

Like-for-like growth

- Acceleration of growth rate despite negative development in Russia is driven by improvement in Germany and Eastern Europe

Reported growth

- Decline of -1.4% driven mainly by negative FX effects in Russia, Eastern Europe and Asia
- Sales grew by 1.5% in local currency

EBITDA and EBITDA margin excl. real estate

- EBITDA slightly lower than last year, primarily due to negative currency effects; stable margin development

Real estate gains

- Real estate gains predominantly driven by project developments
- FY 17/18 expectations of ~c.€175 m in real estate gains not reached predominantly due to shift in execution of the Bangalore transaction

SALES TO EBITDA

(2/4)

METRO Wholesale Germany¹

€m / %	FY 2016/17	FY 2017/18
Sales	4.748	4.761
Like-for-like growth	-2,6%	0,9%
Reported growth	-1,4%	0,3%
EBITDA excl. RE gains	88	91
EBITDA margin	1,9%	1,9%
Real estate gains	-1	0
Total EBITDA	87	91

- Improvement in LfL-growth driven by positive development in delivery and in-store business
- Healthy increase in Horeca sales coming from improved frequency and basket
- Improvement in EBITDA (€3 m) is driven by positive margin mix and cost efficiency

METRO Wholesale Western Europe

€m / %	FY 2016/17	FY 2017/18
Sales	10,432	10,609
Like-for-like growth	-0.2%	-0.4%
Reported growth	3.4%	1.7%
EBITDA excl. RE gains	466	491
EBITDA margin	4.5%	4.6%
Real estate gains	6	39
Total EBITDA	472	530

- Annualisation of Pro à Pro consolidation, which dampened growth rate of reported sales in second half of the year
- Improvement in EBITDA (€25 m) driven by positive development in France as a result of non-food reengineering and a one-time gain in France in Q2
- In Q4 real estate gains from a disposal of 3 properties in Spain

¹ Impacted by incremental approach under IFRS 5 (0.8% before IFRS 5). Refer to appendix for reconciliation

SALES TO EBITDA

(3/4)

METRO Wholesale Russia

€m / %	FY 2016/17	FY 2017/18
Sales	3,363	2,815
Like-for-like growth	-3.1%	-7.0%
Reported growth	12.2%	-16.3%
EBITDA excl. RE gains	345	266
<i>thereof FX</i>		-34
EBITDA margin	10.3%	9.4%
Real estate gains	0	0
Total EBITDA	345	266

- Significantly negative LfL-development in H1 (-8.8%), improvement in H2 (-4.9%) as a result of initiated measures
- Reported sales further impacted by negative FX
- EBITDA margin pressure mainly sales-related and equally improved in H2 on the back of initiated measures; EBITDA €-46 m at constant FX

METRO Wholesale Eastern Europe

€m / %	FY 2016/17	FY 2017/18
Sales	6,886	6,952
Like-for-like growth	5.0%	6.1%
Reported growth	1.6%	1.0%
EBITDA excl. RE gains	367	363
<i>thereof FX</i>		-15
EBITDA margin	5.3%	5.2%
Real estate gains	0	12
Total EBITDA	367	375

- Strong like-for-like growth driven by majority of the countries
- Sales growth in local and group currency
- EBITDA margin largely stable despite industry-wide salary indexation in a few countries in Q2 17/18; EBITDA +€11 m at constant FX
- In Q4 real estate gains from project development in Poland

SALES TO EBITDA

(4/4)

METRO Wholesale Asia

€m / %	FY 2016/17	FY 2017/18
Sales	4,360	4,298
Like-for-like growth	4.7%	4.0%
Reported growth	5.4%	-1.4%
EBITDA excl. RE gains	162	162
<i>thereof FX</i>		-8
EBITDA margin	3.7%	3.8%
Real estate gains	110	8
Total EBITDA	272	170

- Positive like-for-like growth across all countries; reported growth impacted by negative FX
- Stable EBITDA margin against PY, while total EBITDA grew €8 m at constant FX

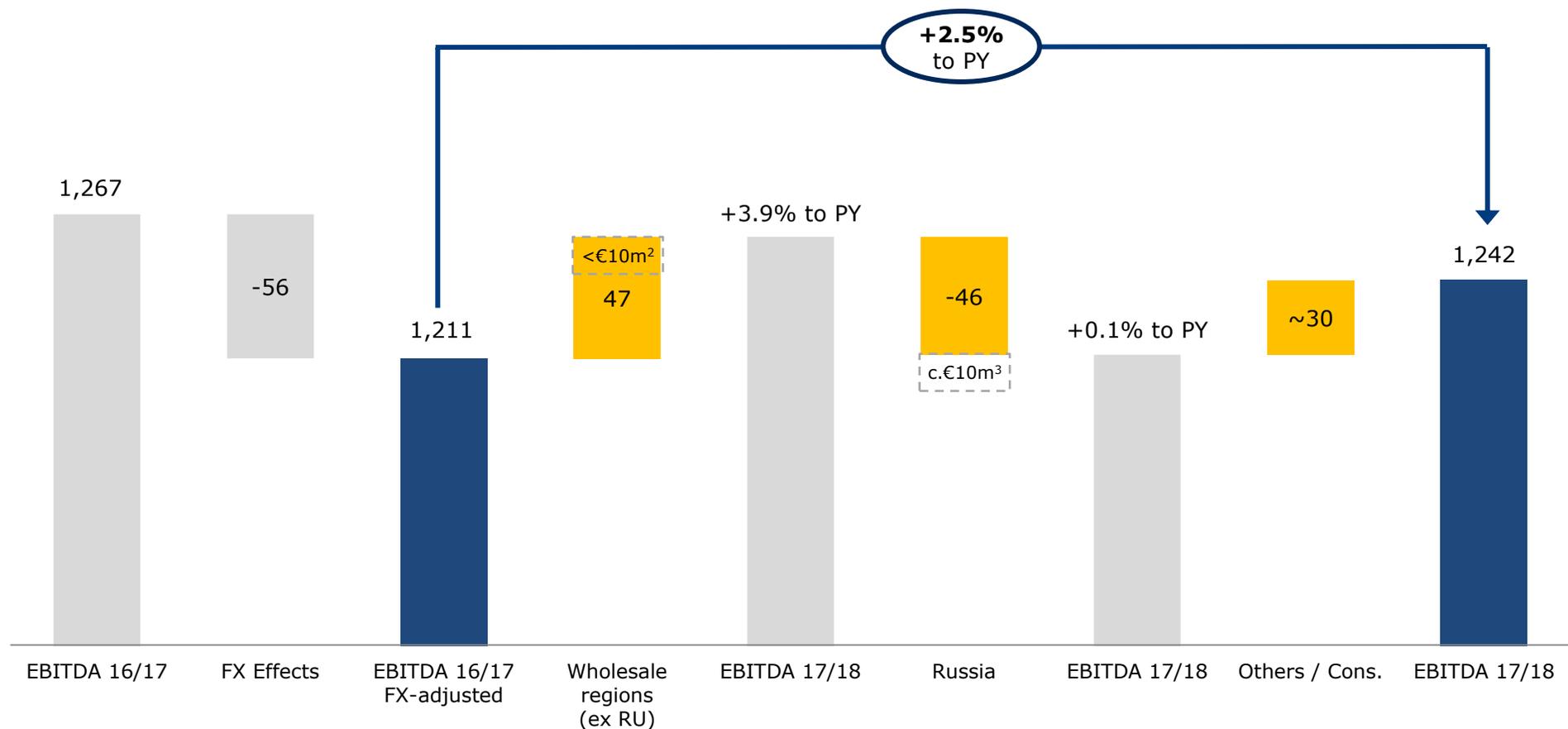
Others¹

€m / %	FY 2016/17	FY 2017/18
Sales	114	41
EBITDA excl. RE gains	-167	-129
Real estate gains	60	57
Total EBITDA	-108	-71

- EBITDA: Demerger-related costs in PY; 17/18 impacted by continued expansion of online-related activities
- Real estate gains from project developments in Germany in Q4

¹Reflects segment reporting view; basis for 2018/19 guidance

EBITDA BY REGION¹ EXCLUDING REAL ESTATE



¹Regional EBITDA delta in constant currency ² High single digit one-time gain in Q2 in France ³ One-time benefit in Q3

FCF IN 2017/18 – CASH INFLOWS FROM NWC RESULT IN INCREASING FCF CONVERSION

€m / %	FY 2016/17	FY 2017/18
EBITDA	1,443	1,370
Change in NWC	-34	179
Capex¹	-544	-581
METRO Wholesale	-401	-388
Others/Cons.	-143	-193
FCF	865	968
FCF conversion in %	60%	71%
Net debt (30 Sept)	2,732	2,710

Change in NWC

- Strong improvement against PY driven mainly by
 - Improvements in stock days throughout the group
 - One time negative effect last year from trade law in Russia
 - Seasonal tailwinds (esp. China)

Capex

- Wholesale: decrease mostly driven by expansion with leaner, more cost efficient formats (NSOs CY: 14 and PY: 13)
- Others: significant increase driven by investments into IT and digitalisation

FCF

- Overall increase by €103 m or 11%-pts to 71% conversion

Net debt

- Small year-on-year improvement due to operating cash flow development, in particular NWC

¹ Capex excl. M&A and finance leases renewals

EBITDA TO EPS

€m / %	FY 2016/17	FY 2017/18
EBITDA	1,443	1,370
D&A	-610	-547
EBIT	833	823
<i>Interest and investment result</i>	-127	-128
<i>Other financial result</i>	-32	-2
Net financial result	-159	-130
EBT	674	693
Tax rate	43.8%	33.9%
Profit for the period	359	454
Continued EPS in €	0.99	1.25

Depreciation

- 2016/17 impacted by goodwill and asset impairments

Net financial result

- Lower financing costs but opposing effect due to dividend paid on a minority interest
- Improvement of the other financial result driven by both recurring and one-time effects

Tax

- Strong improvement: structural improvements and support by one-time benefits (foreign tax law changes; revised risk evaluation)

EPS

- Significant EPS increase (>25% growth) due to better net financial result and tax rate improvement

EPS CONTINUING AND DISCONTINUED OPERATIONS

€ / %	FY 2016/17	FY 2017/18
EPS from continuing operations	0.99	1.25
EPS from disc. Operations	-0.09	-0.30
EPS from disc. ops. pre goodwill impairment ¹		-0.17
Reported EPS	0.89	0.95
Reported EPS pre goodwill impairment ¹		1.08
Proposed DPS	0.70	0.70

EPS from discontinued operations

- Decrease is driven by operational development but most significantly by full impairment of remaining goodwill
- Before goodwill impairment, discontinued EPS is at -€0.17

Reported EPS

- Reported EPS includes both continuing and discontinued operations
- Before goodwill impairment, reported EPS is at €1.08

Proposed DPS

- Proposed dividend of €0.70 on reported EPS, resulting in 74% payout ratio
- Proposal exceeds dividend policy (45-55% of EPS) in light of non-cash goodwill impairment and solid cash flow development

¹ pre goodwill impairment net of related deferred taxes.

03

**STRATEGIC CONTEXT:
DEFINED WHOLESAL
STRATEGY**

2017/18 – A YEAR OF ACTIVATION RESULTING IN PURE WHOLESALER PROFILE



- **High momentum in key target groups Horeca and Trader**

- Customer-centered purpose, people-driven model
- Horeca & Trader ~65% of sales; 3-4% growth in target groups
- Business model defined and clearly matched to customer needs

- **Self-reinforcing omnichannel model**

- Originating from store-based wholesale
- Amplified with omnichannel approach: delivery 18% of sales, franchise 10% growth

- **Strong focus on DIGITAL**

- Digital translation of business model across all elements
- Enhance METRO's effectiveness and efficiency through digitisation
- Next level of wholesale: digital Horeca & Trader

YOUR SUCCESS IS OUR BUSINESS

WE DON'T WORK FOR METRO

WE WORK FOR CHRISTA

She wants to digitize her family business. Watch her story on metro-cc.com and see how we support her and other own businesses to succeed.



METRO
YOUR SUCCESS IS OUR BUSINESS

WE DON'T WORK FOR METRO

WE WORK FOR GORAN

He wants to introduce new flavors to his guests. Watch his story on metro-cc.com and see how we support him and other own businesses to succeed.



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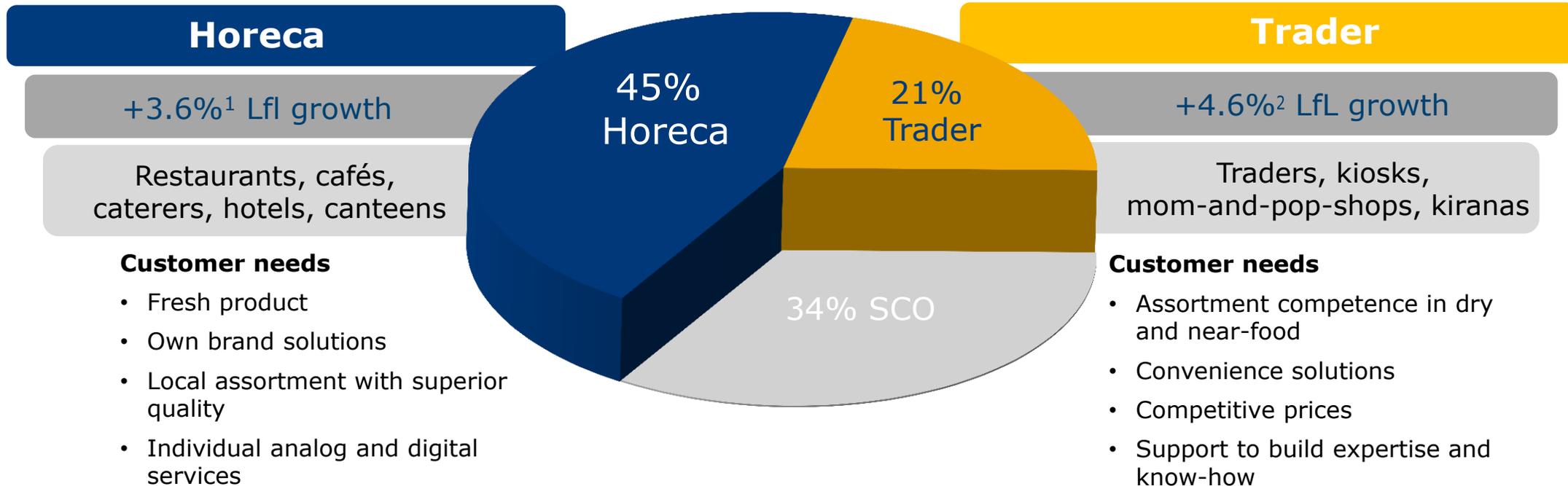
WE WORK FOR GUANGZHEN

He wants to spread vegetarian cuisine in China. Watch his story on metro-cc.com and see how we support him and other own businesses to succeed.



METRO
YOUR SUCCESS IS OUR BUSINESS

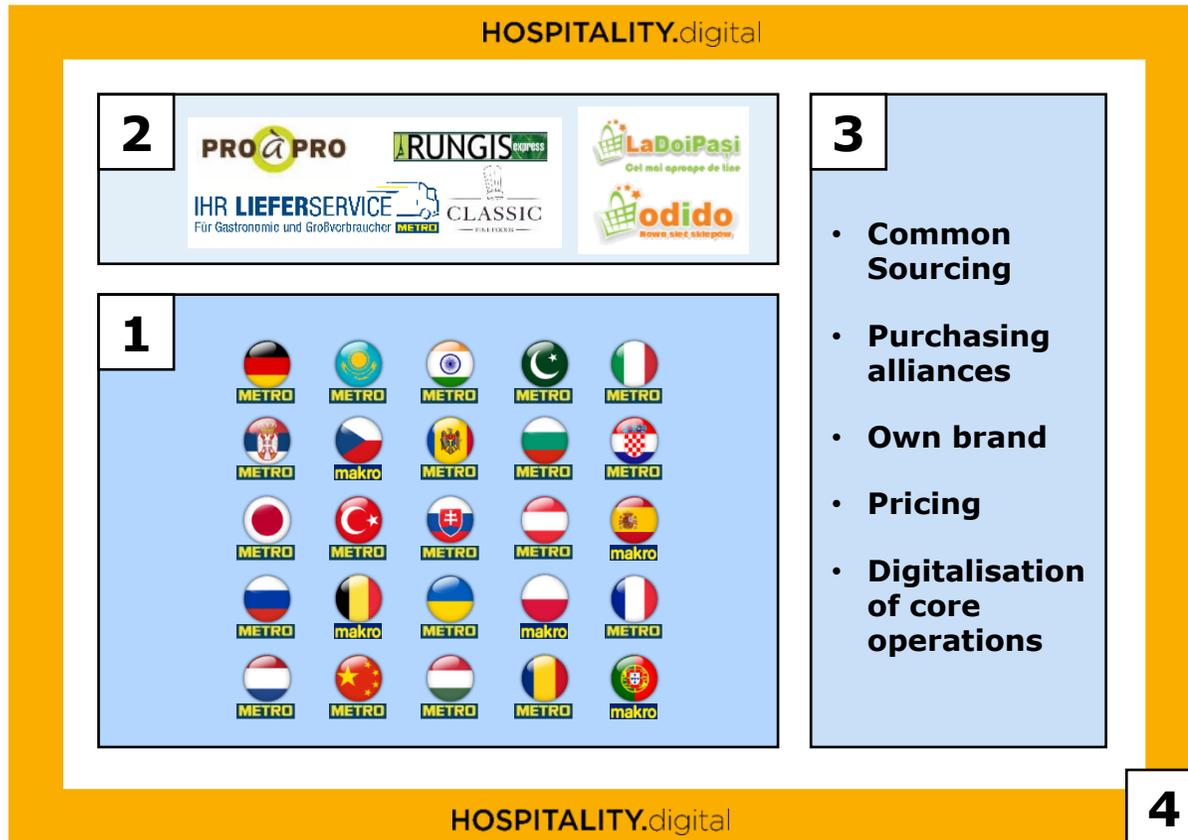
HORECA AND TRADER MAKE UP 2/3 OF SALES AND DRIVE GROWTH



¹ Like-for-like sales FY 2017/18 ² Trader countries (Bulgaria, Czech Republic, India, Pakistan, Poland, Romania, Russia, Serbia, Slovakia) excl. Russia

WHOLESALE ACTIVATION

Key focus areas



Rationale

1 Local Value Creation Plans

Completely localised business models run by fully empowered business units focussed on **Horeca and Trader**

2 Strengthen Growth Drivers

Delivery and Franchise as core pillars for growth

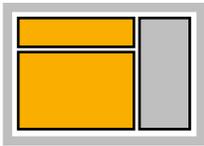
3 Leverage Group Scale

Take advantage of size and reach

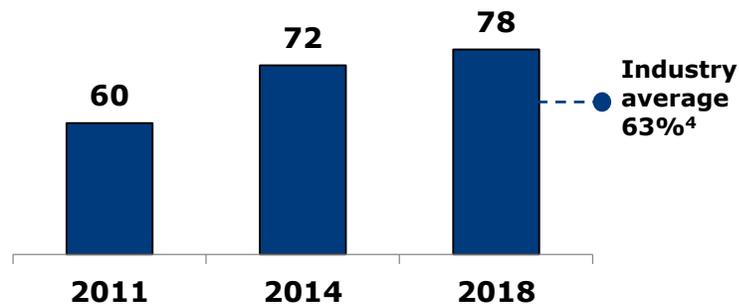
4 Complementary business

Provide further value add through innovative solutions and services

OUR WORKING FORMULA



E EI



NPS

Measured with Net Promotor Score
25 countries rolled-out

All countries with positive NPS
> 715¹ stores live
> 1 m customer responses²



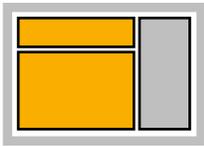
LFL

+3.6% with Horeca customers

+4.6% with Trader customers in focus countries³ excluding Russia and -0.2% in focus countries³

+2.0% with Food

¹ Store number as of 30.09.18, ² Number since Go live till 30.09.18 excl. PK, ³ Trader countries: Bulgaria, Czech Republic, India, Pakistan, Poland, Romania, Russia, Serbia, Slovakia ⁴ Global Retail-Benchmark 2018 according to Aon Hewitt Methodology;



OUR HORECA APPROACH SHOWS STRONG MOMENTUM

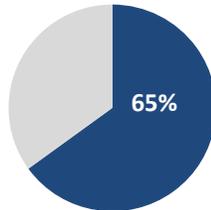
Horeca (45% of LfL sales, 3.6% LfL-growth)

Horeca USP

- Inspiring and localized assortment with superior quality
- Personalized support across touchpoints (store, delivery, online)
- Knowledge transfer and training
- Individual analog and digital services
- Own brand solutions

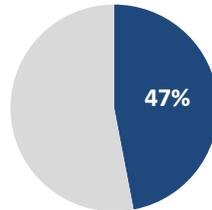


Western Europe

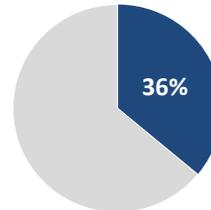


up to 75% of sales (Italy)

Germany

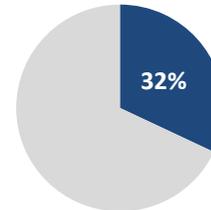


Eastern Europe



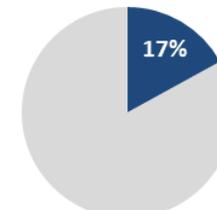
up to 57% of sales (Kazakhstan)

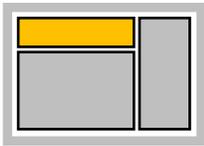
Asia



up to 86% of sales (Japan)

Russia





BUILD RECURRING REVENUES IN HORECA: DELIVERY ENHANCEMENT

Horeca (45% of LfL sales, 3.6% LfL-growth)

Business model: build recurring revenues

- 18% sales share; 14% growth across all countries
- ~3% increase in average invoice

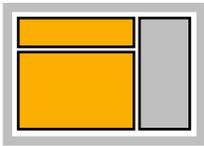
Grow on solid foundation - 2018/19 priorities

- Aligned service level standards across countries (availability and on time delivery)
 - status: Italy – 96% service level
- Increase online ordering with webshops
 - status: 30% online ordering, ~2x from last year
 - CZ/SK online ordering at 85%
 - target: >50%
- Pricing tool in development (highest IT priority)

Example Italy: omnichannel grows sales/customer



OUR TRADER APPROACH HAS BEEN DEFINED



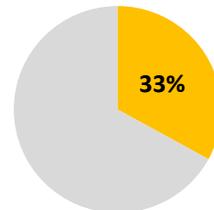
Trader (21% of LfL sales, 4.6%¹ LfL growth)

Trader USP

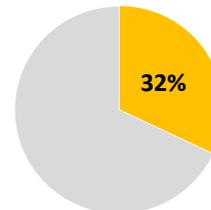
- Assortment competence in dry and near-food (permanent shelf availability, own brand, food safety)
- Stores with shortest customer journey, delivery service
- Franchise / knowledge transfer
- Price leadership in category killers / EDLP for commodities
- Support to build expertise and know-how



Russia

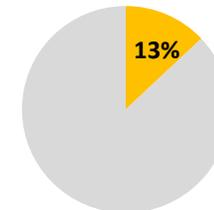


Eastern Europe



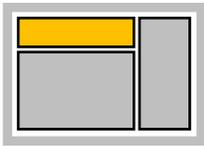
up to 51% of sales
(Romania)

Asia



up to 44% of sales
(Pakistan)

¹ Trader countries (Bulgaria, Czech Republic, India, Pakistan, Poland, Romania, Russia, Serbia, Slovakia) excl. Russia
34 12/13/2018 © METRO AG.



BUILD RECURRING REVENUES IN TRADER: FRANCHISE ACCELERATION

Trader (21% of LfL sales, 4.6%¹ LfL growth)

Business model: build recurring revenues

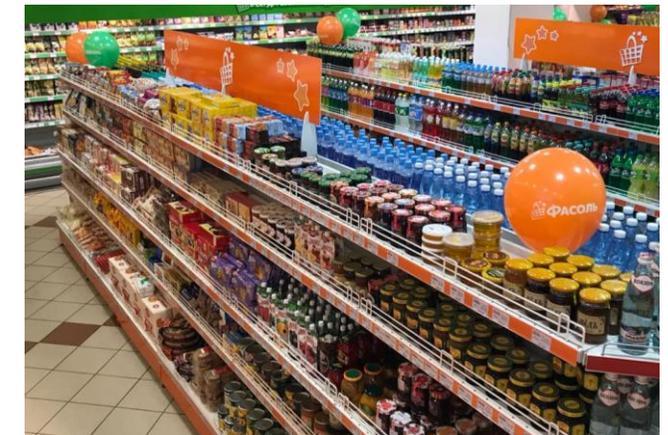
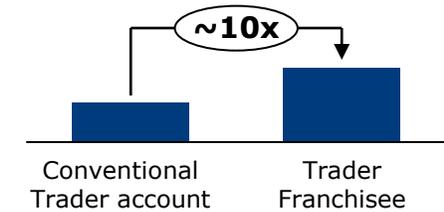
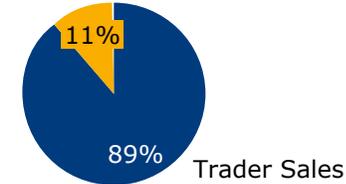
- 10% sales growth
- 8 countries with trader franchise model²
- ~6,500 franchisees

Accelerating growth of Franchise

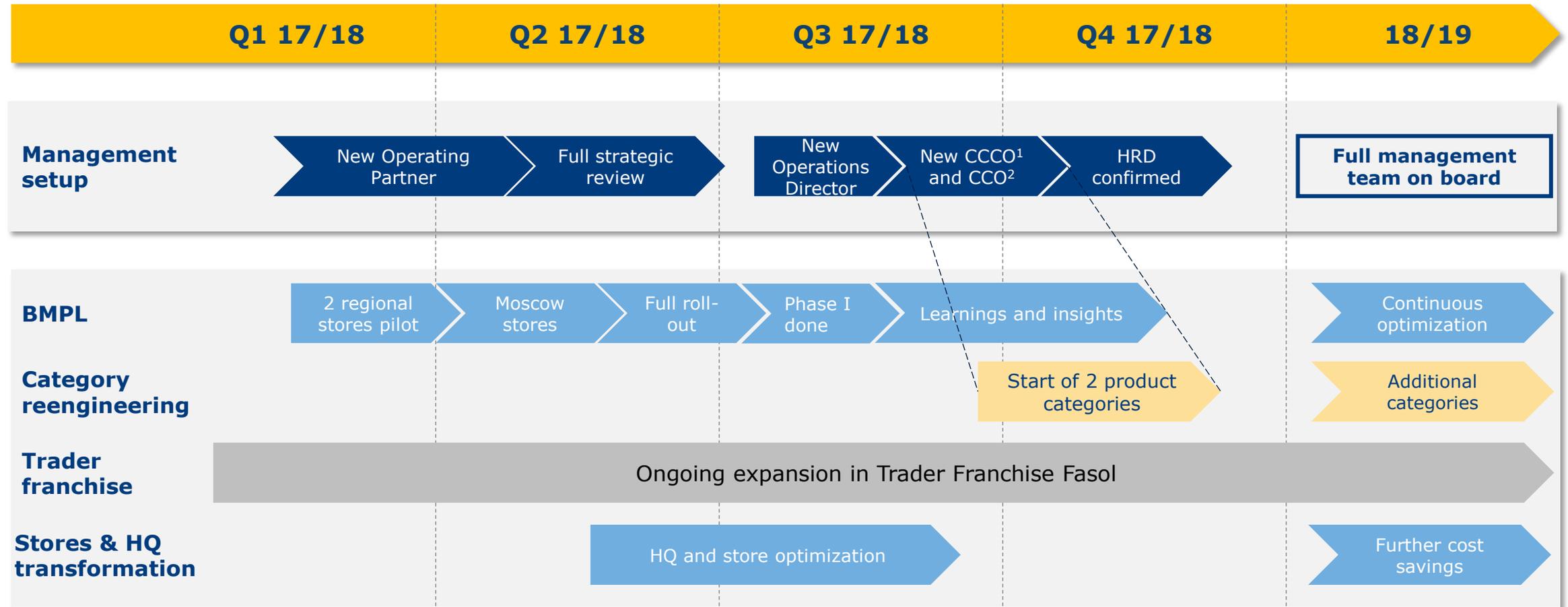
- Optimized value proposition: convenience Range development, & merchandizing, focused Own brand assortment and appropriate delivery
- Strengthened sales force
- Digital tools - M:shop (Trader edition) & Cloud based EPOS trials

Romania: omnichannel grows sales/customer

Trader Franchise



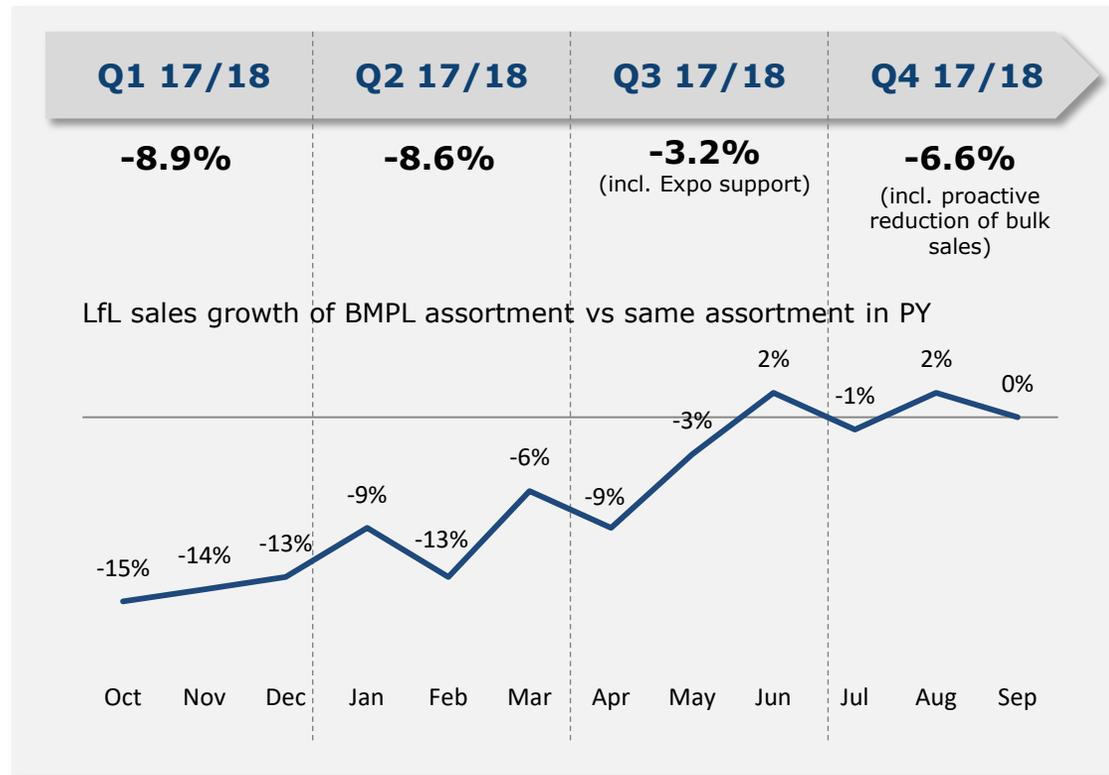
RUSSIA: IMPROVED WHOLESALE USP WITH 360 DEGREE PLAN



¹ Chief Customer and Commercial Officer ² Chief Commercial Officer

RUSSIA: CONTINUOUS SIGNS OF TRACTION

Steady underlying top line improvement...



...and conscious profitability management

EBITDA drivers in 2017/18 (bRUB)



RUSSIA: WHAT DRIVES UNDERLYING SALES RECOVERY

Assortment reengineering



Comprehensive upgrade of customer offer through assortment, pricing and communication

- First wave is rolled out - Tea & Coffee
- Significant improvements to previous trend



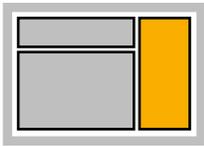
Cutting long-tail of non-performing articles
Filling assortment gaps
 Defining **Own Brand** role in category

Trader Franchise - Fasol



Store network expansion continues:
 Opened the **#1,000 store** in November

OWN BRAND AS INGREDIENT FOR SUCCESS



Strategy and key initiatives

Achievements so far

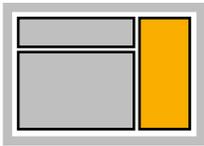
- Creation of 3 new flagship brands: METRO Chef, METRO Professional, METRO Premium
- Brand architecture and design revisited
- Packaging and packaging design tailor-made for professional kitchen usage

Next steps and long-term ambition

- Continuous development of solutions for chefs in the kitchen
- Launch of METRO Chef Bio
- Development of specific assortment for delivery
- Sales share: 24% Horeca, 10% Trader
- Ambition: ~40% Horeca, ~15% Trader

Brands and store impressions





SOURCING AS INGREDIENT FOR SUCCESS

Global sourcing

From commodities to differentiation

Sweet potato wedges



New project / market trend

Innovative packaging solutions



Compostable disposable range



Antipasti range



International buying alliance



- One of the top 3 international alliances¹
- Unique combination of countries, formats & levels of trade
- One-stop-shop: Central contract partner for international FMCGs based in Geneva

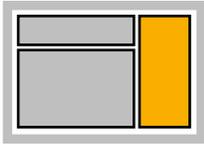
National buying alliances



- Economies of scale and “best of two” negotiations
- 7 countries with novation, extension and/or prolongation of alliances in last 12 months
- Further countries under discussion

¹ Basis: combined turnover of partners

DIGITALISATION OF METRO



METRO | NOM

SETTING THE PACE IN FOOD AND TECHNOLOGY

IT unit focusing on METRO's Digital Transformation

Development of the IT infrastructure & processes

- **M|SHOP**
 - Fast and cost-efficient ordering process
 - Enriched customer experience
 - Better customer insights
- **METRO Companion**
 - METRO Smartphone App with digital membership card
 - Scan and purchase
 - Direct communication

Implementation of innovative customer-facing solutions

- **Driver app**
 - Paperless approach
 - Higher efficiency
 - Better service level
- **Fast checkout**
 - Various options for acceleration
- **Pricing**
- **Data science**

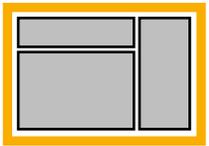
Improve the shopping experience of our customers with innovative technologies and make internal processes more efficient

METRO MARKETS

Dedicated business unit in order to offer "long tail" assortment. Will "go live" in 2019.

- Operated as independent B2B marketplace
- Built on real.de best practices
- Collaboration with international merchants
- Capitalizing METRO's unique customer reach

DIGITALISATION OF GASTRONOMY



One of the largest industries...



- Horeca is a €420 bn industry¹ that impacts daily life like few others
- 1.8 m entrepreneurs passionate for their business
- Millions of customer contacts
- €120 bn purchasing volume

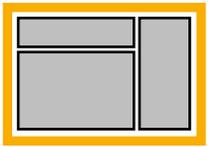
...is still not digitalised



- Hospitality has been working in the same way for decades while the outside world has changed a lot
- Now technology opens new opportunities for customer interaction and service, business improvement, sustainability and innovation at a fraction of cost

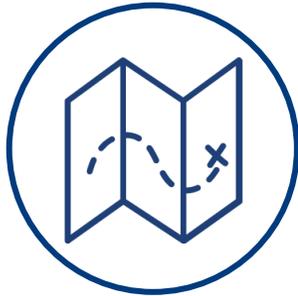
1: Figures refer to sell-out value, European market

DIGITALISATION OF GASTRONOMY: METRO WELL POSITIONED



Discovery

2013-2014



- Analysis of value creation opportunities through digital tools
- Selective engagement in digital solutions

Feasibility

2015-2017



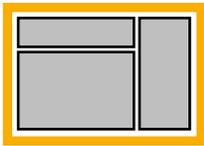
- Support for the development of new digital solutions in collaboration with techstars
- Development of own solutions, and investment in advanced solutions
- Pilot installation in 5 cities

Scale

2018

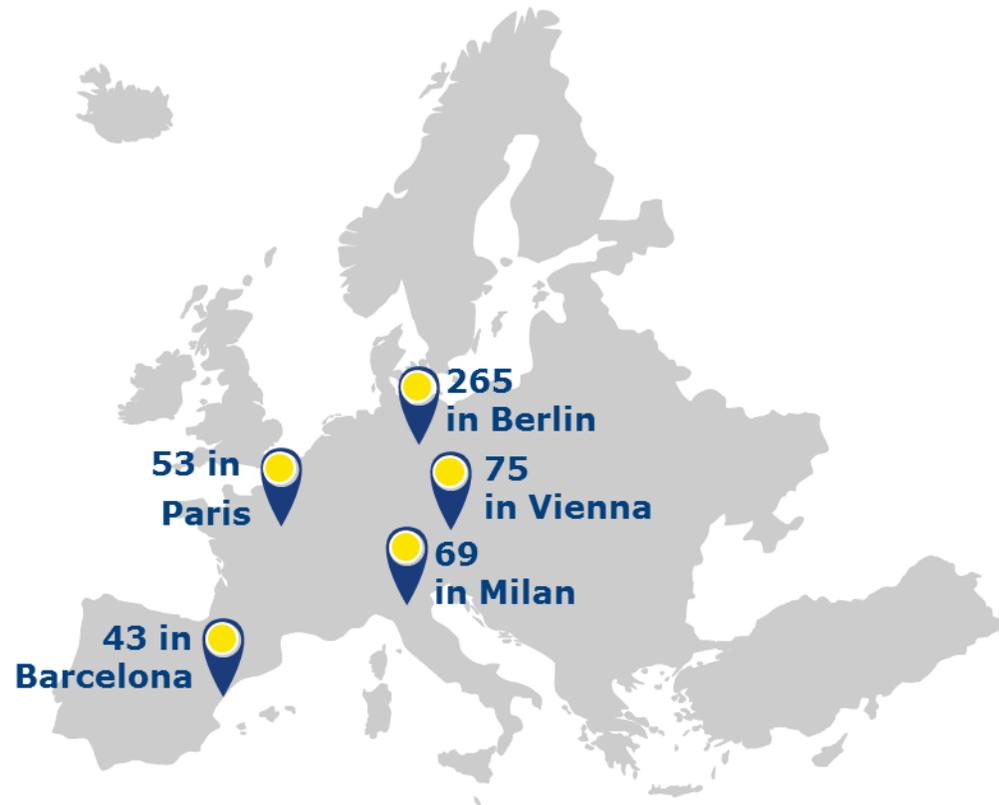


- Build the community and scale solutions
- Enhance the business of SMEs



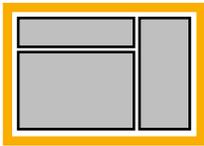
DIGITALISATION OF GASTRONOMY: >500 RESTAURANTS HAVE TESTED 100+ SOLUTIONS

METROpolitan Pilots



Digital solutions landscape





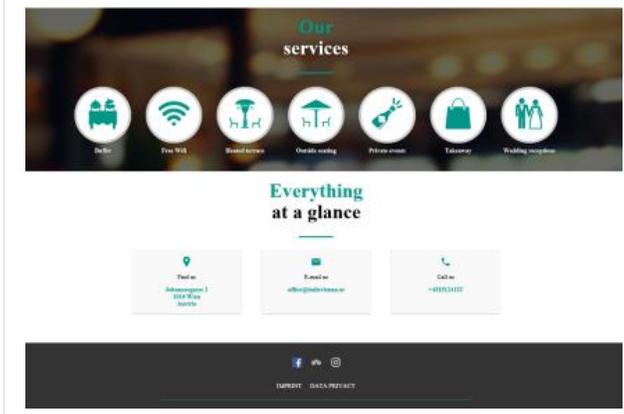
DIGITALISATION OF GASTRONOMY: PROOF OF CONCEPT FOR RESTAURANT OWNERS

Actual, tangible demand

Actual, tangible benefit¹

Original target
50k digital presences
in 1 year

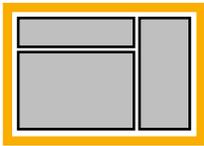
 +40%	Ticket increase	 -10%	COGS improvement
 +10%	Sales increase	 -15%	Decrease in food waste
 <5%	Low no-show rate	 1-3h	Freed up time




First milestone achievement

>120k websites
across 14 countries
<1 year

¹ Selected sample size from METROpolitan Pilot

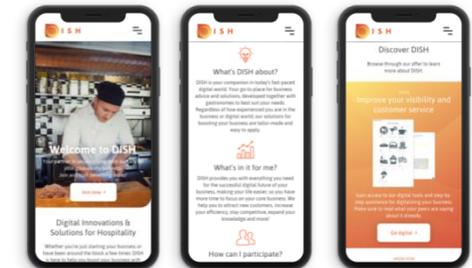


DISH: THE PLATFORM FOR EXTENSION

Efficient channel for customer acquisition

- **Established and strong relationships with SMEs**
- **Powerful REACH**
 - 25 Countries
 - 25 Million Customers
 - >60% in Germany & Western Europe
 - 769 stores
 - ca. 7,000 Sales Force members

Turn METRO's unique reach into a platform



**Digital
Tools**

**Best
Practices**

Community

Strengthen success of SMEs, support innovation, enhance economics, and...

Amplify METRO's contribution



**WE
ARE**

**A PROFESSIONAL
WHOLESALE OFFERING
A WIDE VARIETY OF
PRODUCTS AND
SERVICES, EXPERT
SOLUTIONS AND
INNOVATIVE IDEAS WITH
A SINGLE PURPOSE IN
MIND: TO ENSURE OUR
CUSTOMERS ACHIEVE
SUCCESS IN THEIR
BUSINESS.**



METRO

YOUR SUCCESS IS OUR BUSINESS

04

REAL ESTATE: SOLIDIFYING THE REAL ESTATE STRATEGY

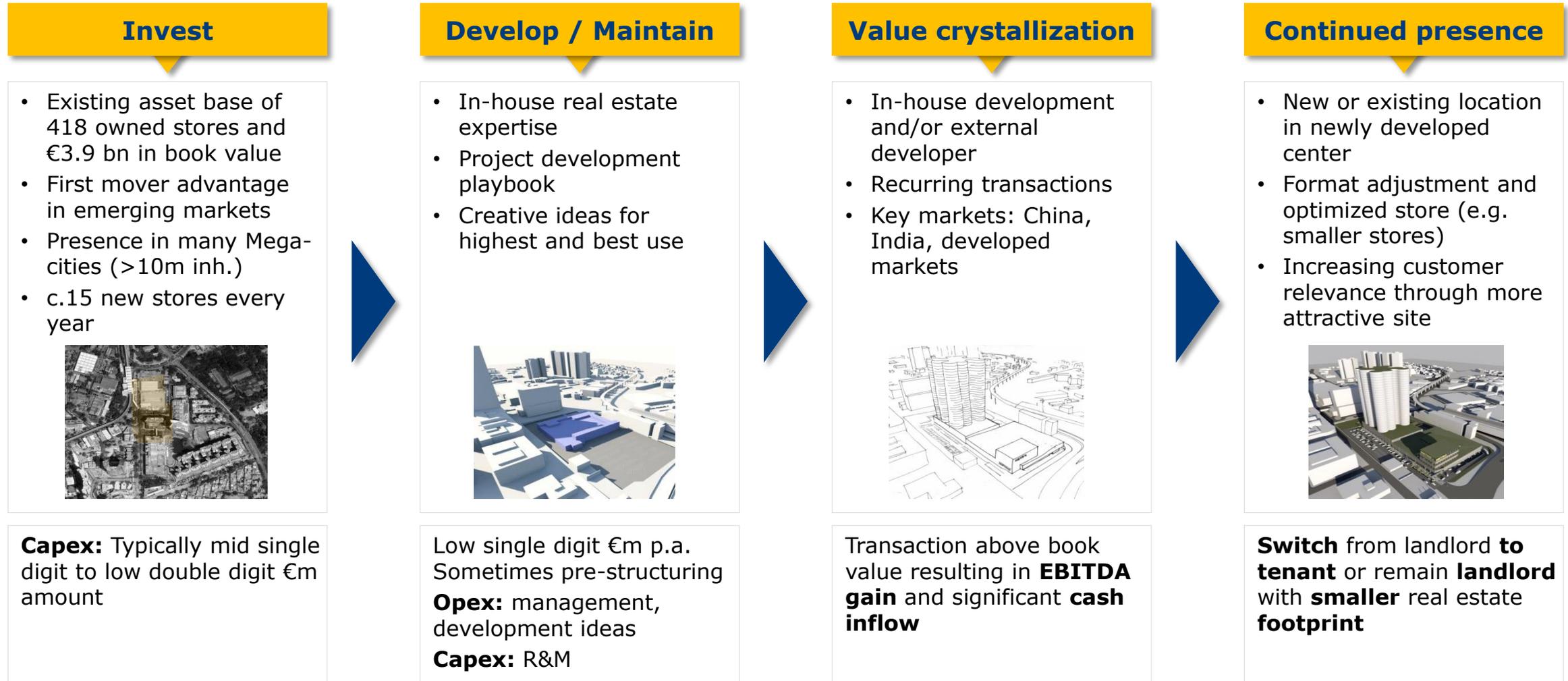
2017/18 – SOLIDIFYING THE ROLE OF REAL ESTATE



- **Defined value crystallization process**
- **2017/18 gains predominantly driven by project developments**
- **Spillover to 2018/19**

- With clear economic value-add
- Enabling stable execution across markets
- Early monitoring of future opportunities
- Various large development projects
- Gains fairly evenly distributed across regions
- Project development in Bangalore (closing pending) adds India to the map of future real estate opportunities
- ~50m of expected gains shifted to H1 2018/19
- A wide portfolio of megacity projects expected to come next year across regions

DEFINED VALUE CRYSTALLIZATION PROCESS IN SYNC WITH THE OPERATING BUSINESS



KEY REAL ESTATE TRANSACTIONS

2017/18

2018/19 and beyond

Spain

- Development followed by sale & lease back
- EBITDA gain: ~€30 m (closed)



Germany

- Project development
- EBITDA gain: ~€50 m (closed)



India¹

- Project development
- EBITDA gain: ~€30 m (signed / pending)



Mega Cities

Shanghai, China

Moscow, Russia

Mumbai, India

Istanbul, Turkey

¹ Transaction shifted from Q4 17/18 to H1 18/19 to achieve optimum transaction result

05

OUTLOOK & GUIDANCE

2018/19 – A YEAR OF INTENSIFICATION



● **Becoming a pure wholesaler**

- Horeca & Trader focus; 17/18 3-4% LfL growth in target group
- Russia: clear recovery path with consistent improvement
- Translating the business model into the digital world – across the entire value chain

● **Intensifying portfolio optimisation**

- Sale of hypermarket business in the course of 2018/19
- Develop emerging market optionality

● **Extension of our Wholesale model**

- Continue to build business around Horeca needs
- Solidify the trader strategy through knowledge transfer
- Double-down on digital

OUTLOOK FOR 2018/19

Guidance¹

	FY 2017/18	FY 2018/19
Sales growth in local currency	1.5%	1-3% growth
LfL growth	1.3%	1-3% growth
EBITDA excl. real estate gains	€1,242 m	2-6% reduction

Comments

P&L

- Delivery: continued double-digit growth at constant FX
- Real estate gains: €250-300 m (€128 m in 17/18)
- D&A: c. €-590 m (€-547 m in 17/18)
- Net financial result: c. €-150 m (€-130 m in 17/18)
- Tax rate: 37-39% (33.9% in 17/18)
- EPS (cont. op.): roughly stable (€1.25 in 17/18); assumes no FX impact on EBITDA

Cashflow

- Capex (FCF definition): c. €0.6 bn (€0.6 bn in 17/18)
- FCF conversion: 50-60% (71% in 17/18)

¹ At constant FX and before portfolio measures

EVENTS AND FINANCIAL CALENDAR



Upcoming events

- 17 Dec 2018 Roadshow Frankfurt (CEO) – Commerzbank
- 18 Dec 2018 Roadshow London (CEO) – JP Morgan



Financial calendar 2018/19

- 17 Jan 2019 Trading statement Q1
- 12 Feb 2019 Quarterly statement Q1
- 15 Feb 2019 AGM
- 9 May 2019 Quarterly statement H1

OUR ORIGIN IS **WHOLESALE** IS OUR FUTURE

2016/17



2017/18



2018/19



INTENSIFICATION

Q&A



Olaf Koch, CEO



Christian Baier, CFO

06 APPENDIX



IFRS 5-RELATED RECONCILIATIONS

METRO Wholesale Germany	ANNUAL REPORT / FY RESULTS PRESENTATION			
	2016/17		2017/18	
	ACT before IFRS 5	ACT continued operations	ACT before IFRS 5	ACT continued operations
€ million (unless noted otherwise)				
Internal Sales (net)	12	9	23	11
External Sales (net)	4.745	4.748	4.750	4.761
Lfl. sales growth	-2,6%	-2,6% ¹	0,8%	1,0%
Reported growth	-1,4%	-1,4% ¹	0,1%	0,3%
EBITDA excl. Real Estate gains	88	88	91	91
EBITDA margin	1,9%	1,9%	1,9%	1,9%
Real estate gains	-1	-1	0	0
Total EBITDA	87	87	91	91

Others (incl. former Wholesale Others / excl. Consolidation)	ANNUAL REPORT / FY RESULTS PRESENTATION			
	2016/17		2017/18	
	ACT before IFRS 5	ACT continued operations	ACT before IFRS 5	ACT continued operations
€ million (unless noted otherwise)				
Internal Sales (net)	550	467	631	522
External Sales (net)	108	114	34	41
EBITDA excl. Real Estate gains	-152	-167	-116	-129
Real estate gains	60	60	58	57
Total EBITDA	-92	-108	-58	-71

Consolidation	ANNUAL REPORT / FY RESULTS PRESENTATION			
	2016/17		2017/18	
	ACT before IFRS 5	ACT continued operations	ACT before IFRS 5	ACT continued operations
€ million (unless noted otherwise)				
Internal Sales (net)	-623	-528	-700	-571
External Sales (net)	0	0	0	0
EBITDA excl. Real Estate gains	6	7	-4	-3
Real estate gains	-6	0	0	12
Total EBITDA	0	7	-4	9

- IFRS 5 impacts METRO Wholesale Germany, Segments Others and Consolidation
- Due to regional focus of Real business other regions are not affected
- Significant internal sales decrease in Segment Others (as well as according change in consolidation) following the reclassification of meat producing unit "Meister feines Fleisch – feine Wurst GmbH" (former Segment Others to discontinued operations). In consequence internal sales to Real are not part of the continuing operations anymore
- Please refer to our homepage for additional details

Changes after IFRS 5

SALES¹ AND EBITDA IN Q4

€m / %	Q4 2016/17	Q4 2017/18
Like-for-like growth	0.5%	1.7%
<i>therof Food</i>	1.6%	2.2%
Reported growth	1.0%	-1.7%
Growth in local currency	2.2%	1.5%

Sales share		
Delivery: Wholesale	17%	19%

EBITDA excl. RE gains	278	322
<i>thereof FX</i>		-14
EBITDA excl. RE gains	3.7%	4.4%
Real estate gains	48	121
Total EBITDA	327	443

¹ Q4 2016/17 figures are not restated into IFRS 5 logic as the difference would be immaterial

EBITDA TO EPS AND FCF IN Q4

EBITDA to EPS

€m / %	Q4 2016/17	Q4 2017/18
EBITDA	327	443
D&A	192	141
EBIT	135	302
<i>Interest and investment result</i>	30	38
<i>Other financial result</i>	15	0
Net financial result	46	38
EBT	89	264
Tax rate	-20%	21%
Net income	107	209
EPS in €	0.28	0.57

FCF

€m / %	Q4 2016/17	Q4 2017/18
EBITDA	327	443
Change in NWC	422	546
Capex¹	-241	-231
METRO Wholesale	-184	-159
Others/Cons.	-57	-73
FCF	507	757
FCF conversion in %		
Net debt (30 Sep)	2,732	2,710

SALES BY QUARTER

2017/18 %	Change (EUR)				Change (local currency)				Like-for-like			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
METRO Wholesale	0.6%	-1.7%	-2.8%	-1.7%	2.3%	1.7%	0.7%	1.5%	1.0%	1.6%	1.0%	1.7%
METRO Wholesale Germany	1.7%	2.6%	-2.2%	-0.9%	1.7%	2.7%	-2.2%	-0.9%	2.3%	3.3%	-1.4%	-0.3%
METRO Wholesale Western Europe	5.7%	1.8%	-0.6%	-0.1%	5.7%	1.8%	-0.6%	-0.1%	0.7%	-0.2%	-1.2%	-0.7%
METRO Wholesale Russia	-10.1%	-21.0%	-19.5%	-16.1%	-9.1%	-10.4%	-4.7%	-7.7%	-8.9%	-8.6%	-3.2%	-6.6%
METRO Wholesale Eastern Europe	2.6%	2.6%	0.9%	-1.9%	5.8%	5.1%	5.9%	6.2%	6.4%	5.7%	6.2%	6.5%
METRO Wholesale Asia	-5.7%	-3.6%	-0.8%	5.2%	0.6%	4.8%	4.2%	8.1%	0.3%	4.3%	4.1%	7.3%

EBITDAR

€m / %	FY 2016/17	FY 2017/18
METRO	1,644	1,568
<i>Margin</i>	5.5%	5.3%

SALES & STORES BY COUNTRY

€m	Sales		Stores	
	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18
Germany	4.748	4.761	104	103
Austria	786	768	12	12
Belgium	846	734	16	17
France	4637	4982	97	98
Italy	1759	1741	50	49
Netherlands	800	777	17	17
Portugal	365	379	10	10
Spain	1239	1229	37	37
Western Europe (w/o Germany)	10.432	10.609	239	240
Russia	3.363	2.815	89	93
Bulgaria	384	379	11	11
Croatia	221	221	9	9
Czech Republic	1.030	1.073	13	13
Hungary	470	470	13	13
Kazachstan	83	73	6	6
Moldova	83	91	3	3
Poland	1.415	1.406	30	29
Romania	973	1.083	30	30
Serbia	197	205	9	9
Slovakia	417	427	6	6
Turkey	1.122	1.000	33	33
Ukraine	491	523	31	31
Eastern Europe (w/o Russia)	6.886	6.952	194	193
China	2.704	2.686	90	94
India	798	776	24	27
Japan	276	265	10	10
Pakistan	353	339	9	9
Asia (incl. CFF)	4.360	4.298	133	140
Others	81	27		
METRO Wholesale	29.869	29.462	759	769

METRO WHOLESALE – KEY STATISTICS¹

€m / %	Sales		Change (EUR)		Change (local)		Like-for-like	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
METRO Wholesale	29,869	29,462	3.0%	-1.4%	2.3%	1.5%	0.9%	1.3%
METRO Wholesale Germany	4,748	4,761	-1.4%	0.3%	-1.4%	0.3%	-2.6%	1.0%
METRO Wholesale Western Europe	10,432	10,609	3.4%	1.7%	3.4%	1.7%	-0.2%	-0.4%
METRO Wholesale Russia	3,363	2,815	12.2%	-16.3%	-2.0%	-8.0%	-3.1%	-7.0%
METRO Wholesale Eastern Europe	6,886	6,952	1.6%	1.0%	4.3%	5.6%	5.0%	6.1%
METRO Wholesale Asia	4,360	4,298	5.4%	-1.4%	7.3%	4.4%	4.7%	4.0%

	2016/17	2017/18
Stores	759	769
Selling space ('000 sqm)	5,307	5,234
Ø store size (sqm)	6,992	6,806
Ø Sales / sqm (EUR)	5,636	5,629
Employees (FTE)	101,402	98,085

¹ 2016/17 sales figures are not restated into IFRS 5 logic as the difference would be immaterial

REAL – KEY STATISTICS

% / € million	Sales		Change (EUR)		Change (local)		Like-for-like	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Real	7,247	7,077	-3.1%	-2.3%	-3.1%	-2.3%	-1.0%	-1.7%

	2016/17	2017/18
Stores	282	279
Selling space ('000 sqm)	1,941	1,919
Ø store size (sqm)	6,883	6,877
Ø Sales / sqm (EUR)	3,724	3,674
Employees (FTE)	26,460	26,200

CAPEX AND CAPEX ALLOCATION

METRO Wholesale	FY 2016/17	FY 2017/18
METRO Wholesale	401	388
Maintenance	211	223
Remodelling	49	42
FSD	35	34
Expansion	106	88
Others	143	193
Digital/IT	88	114
Real estate et al.	54	79
Capex (FCF definition)	544	581
M&A	136	0
Financial Lease	11	20
Investments	690	600

REAL ESTATE

2017/18 ('000 sqm)	Total		Owned	
	Stores	Space ¹ ('000 sqm)	Stores	Space ¹ ('000 sqm)
METRO Wholesale	769	5.234	418	3.167
METRO Wholesale Germany	103	915	10	88
METRO Wholesale Western Europe	240	1.525	90	780
METRO Wholesale Russia	93	636	89	613
METRO Wholesale Eastern Europe	193	1.384	164	1.279
METRO Wholesale Asia	140	773	65	407

¹ 2017/18 figures on space in stores refers to selling space operated by METRO Wholesale i.e. excluding selling space operated by third parties

BALANCE SHEET

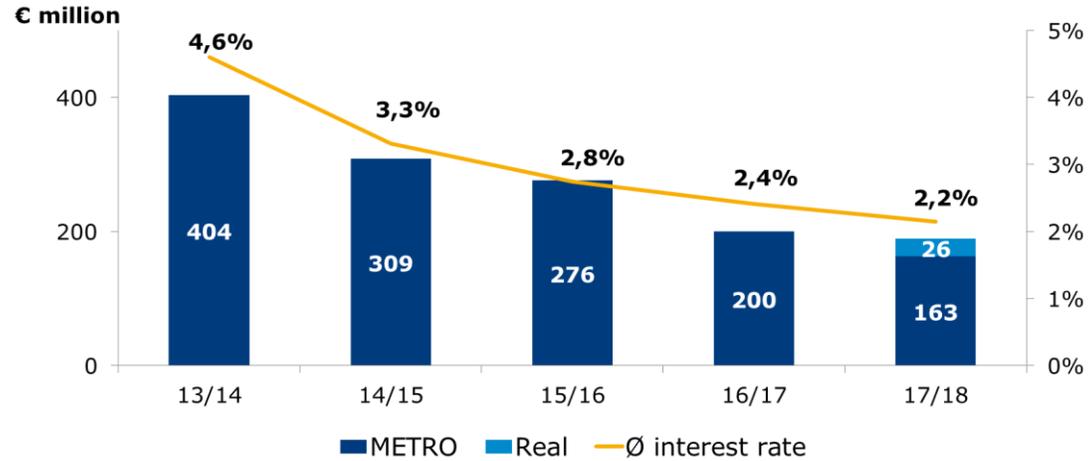
€m	Assets			Equity and liabilities	
	30/9/2017	30/9/2018		30/9/2017	30/9/2018
Non-current assets	9,225	7,540	Equity	3,207	3,130
Goodwill	875	797	METRO AG shareholder interests	3,161	3,089
Other intangible assets	473	499	Non-controlling interests	46	41
Tangible assets	6,822	5,314			
Investment properties	126	97	Non-current liabilities	4,197	3,406
Financial assets	92	88	Provisions for post-employment benefit plans and similar obligations	557	468
Investments accounted for using the equity method	183	178	Other provisions	283	126
Other financial and non-financial assets	217	202	Financial liabilities	3,095	2,590
Deferred tax assets	439	365	Other financial and non-financial liabilities	162	123
			Deferred tax liabilities	100	100
Current assets	6,554	7,703	Current liabilities	8,376	8,705
Inventories	3,064	2,108	Trade liabilities	4,782	3,993
Trade receivables	575	571	Provisions	456	274
Financial assets	1	1	Financial liabilities	1,611	1,420
Other financial and non-financial assets	1,214	914	Other financial and non-financial liabilities	1,345	1,136
Entitlements to income tax refunds	148	206	Income tax liabilities	167	191
Cash and cash equivalents	1,559	1,298	Liabilities related to assets held for sale	15	1,691
Assets held for sale	11	2,605			
Total	15,779	15,242		15,779	15,242

CASH FLOW STATEMENT

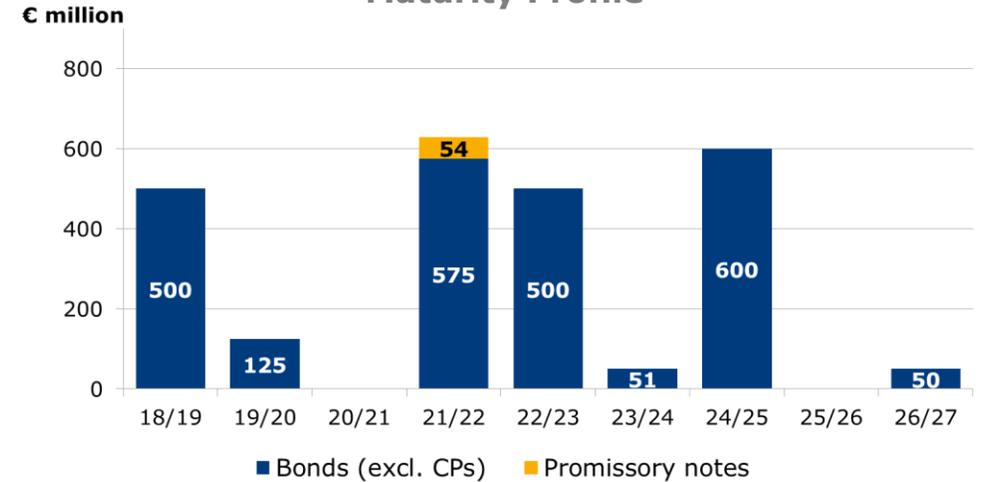
€ million	FY 2016/17	FY 2017/18
EBIT	833	823
Depreciation/amortisation/impairment losses/reversal of impairment losses of assets excl. financial investments	609	547
Change in provisions for post-employment benefits plans and other provisions	-158	-201
Change in net working capital	-34	179
Income taxes paid	-216	-266
Reclassification of gains (-) / losses (+) from the disposal of fixed assets	-138	-139
Other	-45	-69
Cash flow from operating activities of continuing operations	851	874
Cash flow from operating activities of discontinued operations	176	31
Cash flow from operating activities	1,027	905
Acquisition of subsidiaries	-181	0
Investments in property, plant and equipment and in investment property (excl. finance leases)	-452	-454
Other investments	-141	-168
Investments in monetary assets	-480	0
Disposals of subsidiaries	-54	33
Disposal of fixed assets	130	154
Gains (+) / losses (-) from the disposal of fixed assets	138	139
Disposal of financial assets	583	0
Cash flow from investing activities of continuing operations	-457	-296
Cash flow from investing activities of discontinued operations	-144	-85
Cash flow from investing activities	-601	-381
Dividends paid to METRO AG shareholders	-12	-254
Redemption of liabilities from put options of non-controlling interests	-20	0
Proceeds from new borrowings	2,121	2,772
Redemption of borrowings	-2,098	-2,984
Interest paid	-164	-141
Interest received	40	28
Profit and loss transfers and other financing activities	-1	7
Transactions with the former METRO GROUP	-221	0
Cash flow from financing activities of continuing operations	-375	-581
Cash flow from financing activities of discontinued operations	-63	-79
Cash flow from financing activities	-438	-660
Total cash flows	-12	-136

FACT SHEET ON EXTERNAL FINANCING

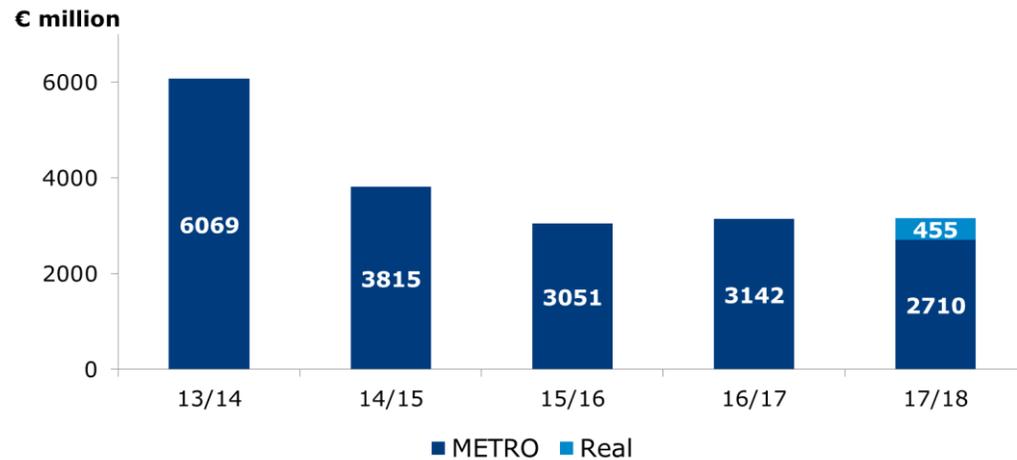
Interest expense



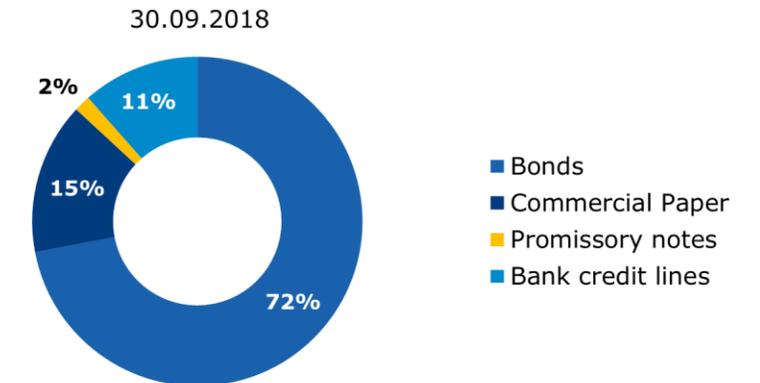
Maturity Profile



Net debt at business year end



External Funding Mix



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