

A large, yellow, abstract graphic element on the left side of the slide. It consists of a vertical rectangle with a slanted top edge that slopes downwards from left to right, creating a trapezoidal shape.

Q3 2017/18 RESULTS PRESENTATION

2 August 2018

DISCLAIMER AND NOTES

To the extent that statements in this presentation do not relate to historical or current facts, they constitute forward-looking statements. All forward-looking statements herein are based on certain estimates, expectations and assumptions at the time of publication of this presentation and there can be no assurance that these estimates, expectations and assumptions are or will prove to be accurate. Furthermore, the forward-looking statements are subject to risks and uncertainties that could cause actual results, performance or financial position to differ materially from any future results, performance or financial position expressed or implied in this presentation. Many of these risks and uncertainties relate to factors that are beyond METRO AG's ability to control or estimate precisely. The risks and uncertainties which these forward-looking statements may be subject to include (without limitation) future market and economic conditions, the behavior of other market participants, invest in innovative sales formats, expand in online and multichannel sales activities, integrate acquired businesses and achieve anticipated cost savings and productivity gains, and the actions of government regulators. Readers are cautioned not to place reliance on these forward-looking statements. METRO AG does not undertake any obligation to publicly update any forward-looking statements or to conform them to events or circumstances after the date of this presentation.

This presentation is intended for information only and should not be treated as investment advice. It is not intended as an offer for sale, or as a solicitation of an offer to purchase or subscribe to, any securities in any jurisdiction. Neither this presentation nor anything contained therein shall form the basis of, or be relied upon in connection with, any commitment or contract whatsoever. This presentation may not, at any time, be reproduced, distributed or published (in whole or in part) without prior written consent of METRO AG.

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.

A QUARTER OF PROGRESS AND EXECUTION

METRO Wholesale



METRO Germany

+1.5% in LFL sales excl. Easter shift
+11 points employee engagement (EEI)
Store remodeling in Dusseldorf complete



METRO Russia

Improvement in sales trend
Execution of BMPL (>5% volume)
Franchise traction tripled

Real



Real

>1,250 hires under new tariff
5 additional remodeled stores by September
c.12 remodelings in the pipeline

Q3 KEY FACTS



Sales growth

Reported¹: -0.9%
Like-for-like: -0.5%
Delivery²: +10%
Online (Real): ~ +30%



EBITDA and EBITDA margin³

EBITDA: €302m
(PY €389m)
Margin: 3.4%
(PY 4.2%)
EBITDA excl. RE: €302m (PY €379m)
Margin excl. RE: 3.4% (PY 4.1%)



Free Cash Flow (FCF)⁴

▲ EBITDA: -€87m vs PY
▲ Change NWC: +€102m vs PY
▲ Capex: +€47m vs PY
▲ FCF: +€62m vs PY

Solid quarter despite Easter shift and FX headwind

¹ Constant currency ² Wholesale delivery ³ EBITDA including earnings contributions from real estate transactions

⁴ EBITDA - capex excluding finance lease extensions and M&A +/- change in NWC

02 FINANCIAL PERFORMANCE

SALES IN Q3

%	Q3 2016/17	Q3 2017/18
Like-for-like growth	2.6%	-0.5%
METRO Wholesale	2.6%	1.0%
Real	2.5%	-6.6%
Reported growth	4.9%	-3.7%
METRO Wholesale	6.2%	-2.8%
Real	0.7%	-7.2%
Sales share of respective sales line		
Delivery: Wholesale	17%	19%
Online: Real	2%	2%

Like-for-like growth

- Solid like-for-like development of -0.5% despite Easter shift
- Wholesale: strong growth in Eastern Europe and Asia; trend improvement in Russia

Reported growth

- Wholesale: affected by adverse currency effects, in particular in Russia and Turkey

Multichannel sales share

- Continued double-digit sales growth for METRO Wholesale delivery business
- Real with 30% online growth to 2% of sales

FY guidance

- 9M like-for-like growth of 0.7% in line with FY guidance of >0.5% and total growth in local currency of 0.9% consistent with FY guidance of $\geq 0.5\%$

EBITDA IN Q3

€m	Q3 2016/17	Q3 2017/18
EBITDA excl. RE gains	379	302
thereof METRO Wholesale	357	345
<i>thereof FX</i>		-18
thereof Real	33	-7
thereof Others	-14	-36
EBITDA excl. RE margin	4.1%	3.4%
METRO Wholesale	4.7%	4.7%
Real	1.9%	-0.4%
Real estate gains	9	0
METRO Wholesale	0	0
Real	0	0
Others	9	0
Total EBITDA	389	302

EBITDA and EBITDA margin

- Wholesale EBITDA at constant currency is €6m above PY
- Real with negative effects from the cancellation of the temporary tariff agreement

Real estate gains

- No significant real estate gains this quarter

FY guidance

- 9M EBITDA excluding real estate gains declined by -1.6% (at constant currency) in line with expectations

SALES TO EBITDA IN Q3

(1/4)

METRO Wholesale Germany

€m / %	Q3 2016/17	Q3 2017/18
Sales	1,196	1,166
Like-for-like growth	2.0%	-1.7%
<i>Excl. Easter shift</i>		1.5%
Reported growth	1.6%	-2.4%
EBITDA excl. RE gains	23	21
EBITDA margin	1.9%	1.8%
Real estate gains	0	0
Total EBITDA	23	21

- Adjusted for Easter shift, solid 1.5% LfL-growth
- Continuous increase in Horeca sales coming from improved frequency and basket
- EBITDA is largely stable

METRO Wholesale Western Europe

€m / %	Q3 2016/17	Q3 2017/18
Sales	2,740	2,724
Like-for-like growth	1.7%	-1.2%
<i>Excl. Easter shift</i>		1.1%
Reported growth	6.7%	-0.6%
EBITDA excl. RE gains	129	141
EBITDA margin	4.7%	5.2%
Real estate gains	0	0
Total EBITDA	129	141

- Adjusted for Easter shift, solid 1.1% LfL-growth
- Reported growth in the current year is impacted by full annualisation of Pro-à-Pro acquisition
- EBITDA improvement driven by positive development in France as a result of non-food reengineering

SALES TO EBITDA IN Q3

(2/4)

METRO Wholesale Russia

€m / %	Q3 2016/17	Q3 2017/18
Sales	839	676
Like-for-like growth	-3.3%	-3.2%
Reported growth	15.4%	-19.5%
EBITDA excl. RE gains	85	71
<i>thereof FX</i>		-15
EBITDA margin	10.2%	10.5%
Real estate gains	0	0
Total EBITDA	85	71

- Like-for-like significantly improved vs H1 (-8.8%); partly supported by METRO Expo, small positive effect from World Cup and first positive signs from BMPL
- EBITDA at constant FX on PY level; incl. c.€10m one-time benefit
- Adjusted for this, EBITDA margin still shows trend improvement vs Q2 2017/18 due to cost savings and lower de-gearing

METRO Wholesale Eastern Europe

€m / %	Q3 2016/17	Q3 2017/18
Sales	1,768	1,785
Like-for-like growth	6.1%	6.2%
Reported growth	3.4%	0.9%
EBITDA excl. RE gains	90	89
<i>thereof FX</i>		-3
EBITDA margin	5.1%	5.0%
Real estate gains	0	0
Total EBITDA	90	89

- Strong like-for-like growth driven by majority of the countries. Reported growth impacted by negative FX impact
- Industry-wide salary indexation from Q2 2017/18 was offset by operational improvements in Poland and other countries
- EBITDA is largely stable

SALES TO EBITDA IN Q3

(3/4)

METRO Wholesale Asia

€m / %	Q3 2016/17	Q3 2017/18
Sales	989	981
Like-for-like growth	4.3%	4.1%
Reported growth	8.3%	-0.8%
EBITDA excl. RE gains	33	38
<i>thereof FX</i>		0
EBITDA margin	3.3%	3.8%
Real estate gains	0	0
Total EBITDA	33	38

- Positive like-for-like growth across majority of countries; reported growth impacted by negative FX impact
- EBITDA margin has improved as a result of continued cost consciousness in China and India

SALES TO EBITDA IN Q3

(4/4)

Real

€m / %	Q3 2016/17	Q3 2017/18
Sales	1,783	1,655
Like-for-like growth	2.5%	-6.6%
<i>Excl. Easter shift</i>		-2.7%
Reported growth	0.7%	-7.2%
EBITDA excl. RE gains	33	-7
EBITDA margin	1.9%	-0.4%
Real estate gains	0	0
Total EBITDA	33	-7

- Like-for-like was negatively affected by the Easter shift, hot weather conditions and temporarily limited availability of goods
- Margin decrease is driven primarily by termination of temporary tariff agreement which could not be compensated by operational optimization

Others

€m / %	Q3 2016/17	Q3 2017/18
Sales	2	1
EBITDA excl. RE gains	-14	-36
Real estate gains	9	0
Total EBITDA	-5	-36

- One-off EBITDA decrease due to
 - start-up costs for the new warehouse facility in Germany and
 - expenses incurred in relation to the replacement of a member of the Management Board

EBITDA TO EPS IN Q3

€m / %	Q3 2016/17	Q3 2017/18
EBITDA	389	302
D&A	-174	-169
EBIT	215	133
<i>Interest and investment result</i>	-34	-35
<i>Other financial result</i>	-38	-1
Net financial result	-72	-36
EBT	144	97
Tax rate (9M)	55%	44%
Net income	76	54
EPS in €	0.21	0.16

EBITDA

- Reduction mostly driven by termination of temporary tariff agreement for Real as well as one-time start-up costs for warehouse platform
- Wholesale in constant currency €6m above PY

Net financial result

- Y-o-y improvement in other financial result as Q3 16/17 included a negative FX-impact related to intercompany receivables

Tax

- Y-o-y improvement is a result of demerger and restructuring costs in PY

EPS

- EPS decrease driven mostly by lower EBITDA. 9M EPS came in at 0.66€, which is in line with previous year, despite FX headwinds and shift of real estate gains

FCF IN Q3

€m / %	Q3 2016/17	Q3 2017/18
EBITDA	389	302
Change in NWC	-24	78
Capex ¹	-185	-138
METRO Wholesale	-108	-77
Real	-39	-20
Others/Cons.	-38	-40
FCF	180	242
Net debt (30 th June)	3,766	3,916

Change in NWC

- Wholesale: improvement driven mostly by Russia as PY was negatively impacted by trade law transition
- Real: improved inventory levels

Capex

- Wholesale: decrease mostly driven by lower number of store openings (CY: 2; PY: 6)
- Real: used a store purchase option in PY

FCF

- Increase is driven by improvement in NWC and lower Capex which were able to overcompensate the decline in EBITDA

Net debt

- Y-o-y slight increase due to utilization of provisions in the current 9-month period and few real estate transactions in the 12 months

¹ Capex excl. M&A and finance leases

03

STRATEGIC CONTEXT

METRO RUSSIA: ACCELERATED TRANSFORMATION TOWARDS B2B

	Q3 2016/17	Q3 2017/18
LfL growth	-3.3%	-3.2%
Sales	€0.8bn	€0.7bn
EBITDA ²	85	71 (с.€10m one-time gain)
EBITDA Margin	10.2%	10.5%

Stable EEI³ in transformational environment
Q3 with measurable LfL-trend improvement



Solid execution of Q2 action plan with
initial positive results

Network
91 stores /
2 depots

EEI: 85 (PY 85)
NPS: fully
implemented

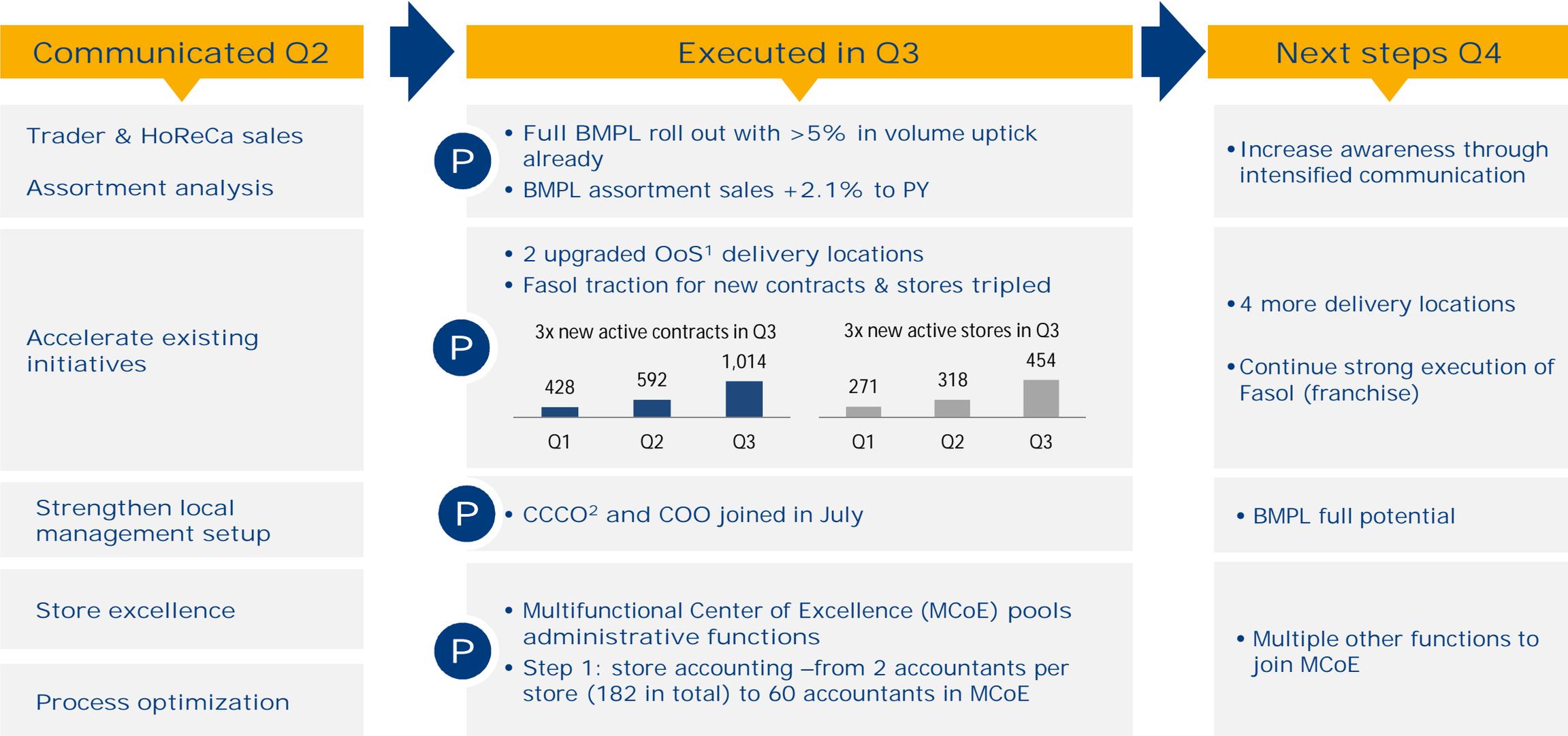
Capture more potential in a €76bn Trader and a €15bn Horeca market¹



¹ Sell-out value; Source: Internal, Market data: METRO from Euromonitor Passport Retailing and Consumer Foodservice Sell out values for 2017 ² Excluding real estate gains

³ Employee Engagement Index

METRO RUSSIA: IMPLEMENTATION OF ACTION PLAN



¹ Out of Store ² Chief Customer & Commercial Officer

METRO GERMANY: BECOME #1 MARKETPLACE FOR THE GASTRONOMY

	Q3 2016/17	Q3 2017/18
LfL growth	2.0%	-1.7%
Excl. Easter		1.5%
Sales	€1.2bn	€1.2bn
EBITDA ²	23	21
EBITDA Margin	1.9%	1.8%

Continuous improvement of underlying trend:
+11 EEI increase
+1.5% in sales excl. Easter shift

Further increased gastronomy focus with:
§ Renewed own brand focus
§ Remodeling of Dusseldorf store

Network
103 stores /
7 depots¹

EEI: 66 (PY 55)
NPS: ongoing roll out

Continue to gain relevance for customers



Best In Gastronomy (BIG) remodeling - Dusseldorf
Horeca focus in assortment as well as Horeca separate entrance and optimized customer path in store
Pick-up box allows for Sunday re-stocking

Next store remodeling: Frankfurt



¹ Depots of METRO Wholesale, excl. Rungis ² Excluding real estate gains

ENGAGED EMPLOYEES AND SATISFIED CUSTOMER LEAD TO SUSTAINABLE GROWTH IN CORE TARGET GROUPS



¹ Trader countries: Bulgaria, Czech Republic, India, Pakistan, Poland, Romania, Russia, Serbia, Slovakia

REAL: UPDATE ON GERMANY'S LEADING "FOOD LOVER" RETAILER

	Q3 2016/17	Q3 2017/18
LfL growth	2.5%	-6.6%
Sales	€1.8bn	€1.7bn
EBITDA ¹	33	-7
EBITDA Margin	1.9%	-0.4%



Commercial model P

Food Lover/"Markthalle"

- Braunschweig remodeling progressing well, Bielefeld to be next
- 30 stores with "Markthallen" potential

Modular roll-out

- 5 remodelings completed by September
- c.12 remodelings to complete in 18/19

Omni-channel business P

Online marketplace

- >58% growth in GMV. 2% of total sales
- ~0.73m buying customers in Q3
- >12m SKUs (+1m vs Q2)

Online groceries

- 15 cities in Germany (+5 cities vs Q2)
- reach out to 13m Households

Competitive cost P

Tariff

- >1,250 people hired under the new tariff representing c. 5% of total workforce

RTG update

- German retailer Tegut joined (7th partner)
- Continue to add suppliers

¹ Excluding real estate gains

04 OUTLOOK & GUIDANCE

REAL ESTATE: BRIDGING TO FY EXPECTATIONS OF ~€175M

YTD July 2017/18
Completed

YTG Aug-Sep 2017/18
Work-in-progress

Over €110m EBITDA

Various projects
in the process of completion

Examples:

METRO Wholesale

Spain Development followed by a Sale & lease back ~€30m

Real

Germany Sale & lease back ~€10m

Others

Germany Development ~€45m



Examples:

METRO Wholesale

Development projects and excess property in Europe and Asia

Real

Germany Sale & lease back



OUTLOOK FOR 2017/18

Guidance¹

	FY 2016/17	FY 2017/18
Sales growth in local currency	1.1%	≥0.5%
LfL growth	0.5%	>0.5%
Rep. EBITDA ¹ excl. real estate gains	€1,436m ²	Slightly above PY

Comments

- Expectations for delivery growth, new stores, real estate gains, capex and FCF conversion confirmed
- Currency: -€50m FX impact expected for FY 2017/18 in EBITDA
- Net financial result: c. -€180m
- Tax rate: ≤45% (46.9% in 2016/17)
- EPS: c. 15% increase (€0.89 in 2016/17)

¹ At constant FX and before portfolio measures

² Reported EBITDA 2016/17 of €1,611m less €175m of real estate gains

EVENTS AND FINANCIAL CALENDAR



Upcoming events

- 3 August 2018 Roadshow London - Jefferies
- 6 August 2018 Roadshow Paris – Raymond James
- 7 August 2018 Roadshow Frankfurt - Equinet



Financial calendar

- 25 October 2018 – Trading Statement 2017/18
- 13 December 2018 – Annual Report 2017/18

Q&A



Olaf Koch, CEO



Christian Baier, CFO

CONTACT

Investor Relations

METRO AG
Metro-Straße 1
40235 Düsseldorf
Germany

T +49 211 6886-1051
F +49 211 6886-490-3759
E investorrelations@metro.de

www.metroag.de

CASH FLOW IN Q3

€ million	Q3 2016/17	Q3 2017/18
EBIT	215	133
Depreciation/amortisation/impairment losses/reversal of impairment losses of assets excl. financial investments	174	169
Change in provisions for post-employment benefits plans and other provisions	-40	-50
Change in net working capital	-24	78
Income taxes paid	-58	-87
Reclassification of gains (-) / losses (+) from the disposal of fixed assets	-8	1
Other	149	23
Cash flow from operating activities	409	267
Acquisition of subsidiaries	0	0
Investments in property, plant and equipment (excl. finance leases)	-149	-130
Other investments	-48	-38
Investments in monetary assets	0	0
Disposals of subsidiaries	-3	1
Disposal of fixed assets	-5	29
Gains (+) / losses (-) from the disposal of fixed assets	8	-1
Disposal of monetary assets	26	0
Cash flow from investing activities	-171	-139
Dividends paid	0	0
Redemption of liabilities from put options of non-controlling interests	0	0
New borrowings	87	65
Redemption of borrowings	-455	-536
Interest paid	-47	-41
Interest received	15	2
Profit and loss transfers and other financing activities	-40	-2
Cash flow from financing activities	-439	-513
Total cash flows	-202	-385

METRO