



Q3 2018/19 RESULTS AND REASONED STATEMENT PRESENTATION

24 July 2019

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This presentation is not an addition to, explanation or summary of the Joint Reasoned Statement from the Management Board and Supervisory Board as per § 27 WpÜG to the takeover offer by EP Global Commerce VI GmbH. Shareholders are advised to read the Reasoned Statement in full before reaching their decision as to whether or not to accept the offer.

SALES TO EPS

€m / %	Q3 2017/18	Q3 2018/19
Like-for-like growth	1.0%	3.4%
Reported growth	-2.8%	2.8%
Growth in local currency	0.7%	3.6%
EBITDA excl. RE gains	305	316
<i>thereof FX</i>		-2
EBITDA margin excl. RE gains	4.1%	4.2%
Real estate gains	0	32
Total EBITDA	305	347
D&A	-130	-140
Net financial result	-27	-26
EBT	148	181
Tax rate (9M)	43%	38%
EPS in €	0.30	0.30
EPS from disc. operations	-0.15	-0.08
Reported EPS	0.15	0.22

Like-for-like and reported growth

- Strong like-for-like sales development in most regions further supported by Easter
- Driven by both delivery and stores

EBITDA and EBITDA margin excl. real estate

- €13 m constant currency increase driven by
 - Easter shift
 - operational improvements in France, Pro à Pro and China

Net financial result and tax rate

- Net financial result stable on PY Level
- Tax rate is in line with FY range of 37-39%¹

EPS

- EPS from continuing operations is on PY level; the growth in EBITDA is offset by
 - higher depreciation
 - a lower computed tax amount for Q3 17/18¹
- Reported EPS increased by 0.07€ due to paused depreciation under IFRS 5 in discontinued operations

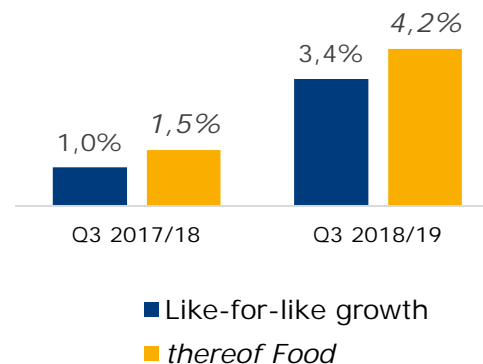
¹Due to technical impacts from application of IFRS 5, previous year tax rate should not be used for comparison purposes

REGIONAL PERFORMANCE

Germany

€m / %	Q3 2018/19
Sales	1,205
Like-for-like growth	3.6%
<i>Excl. Easter Shift</i>	0.5%
EBITDA excl. RE gains	31
Constant FX EBITDA delta to PY	10

METRO



Western Europe

€m / %	Q3 2018/19
Sales	2,784
Like-for-like growth	2.2%
<i>Excl. Easter Shift</i>	0.8%
EBITDA excl. RE gains	154
Constant FX EBITDA delta to PY	13

Russia

€m / %	Q3 2018/19
Sales	671
Like-for-like growth	-4.8%
EBITDA excl. RE gains	56
Constant FX EBITDA delta to PY ¹	-6

Eastern Europe

€m / %	Q3 2018/19
Sales	1,846
Like-for-like growth	7.1%
EBITDA excl. RE gains	86
Constant FX EBITDA delta to PY	-1

Asia

€m / %	Q3 2018/19
Sales	1,037
Like-for-like growth	5.5%
EBITDA excl. RE gains	42
Constant FX EBITDA delta to PY	5

¹ Adjusted for c. €10m one-time gain from Ceconomy in PY.

OUTLOOK FOR 2018/19

Guidance¹

	FY '17/18	FY '18/19	9M '18/19
Sales growth in local currency	1.5%	1-3% growth	P 2.4%
LfL growth	1.3%	1-3% growth	P 2.3%
EBITDA excl. real estate gains	€1,242 m	2-6% reduction	P -3.1%

FY 18/19 expectations

P&L

- 9M performance well in line with FY group guidance
- FY guidance confirmed
- Small shift between segments for EBITDA:
 - Russia expected at c.15% decline
 - Western Europe / Asia expected to compensate
- Real estate gains (250-300m€) confirmed:
 - 66m€ realized in 9M 18/19
 - ~200m€ signed/pending (exp. closing in August)²
- Improved expectation for net financial result by ~10% to -135m€ (from -150m€)

¹ At constant FX and before portfolio measures

² Including Project EDU with ~ EUR 20m EBITDA contribution (announced in April)

Q3 IN A NUTSHELL



● Strong performance in key regions

- Strong Q3 performance: 3.4% LfL growth
- Horeca 4.9%, Trader¹ 4.4%, Food 4.2% LfL growth
- EBITDA growth in Germany, Western Europe and Asia

● Russia long-term repositioning in progress

- Turnaround is moving ahead but taking longer
- LfL-growth impacted by continuous reduction of bulk sales and World Cup in PY

● Good 9M development

- Store sales and delivery drove the 2.3% LfL growth
- EBITDA ex RE at constant currency ~-3%
- EPS increase to 0.71€ (0.67€ in PY)

● Sale of Hypermarket business in final stage

- Due diligence making good progress
- Exclusivity extended until mid-Sep
- Terms unchanged (implied cash-in of ~€0.5 bn)²

¹Trader countries excl. Russia: Bulgaria, Czech Republic, India, Pakistan, Poland, Romania, Serbia, Slovakia ²effect as at 31/3/2019 ; a different closing date might lead to a different value due to seasonality of our business

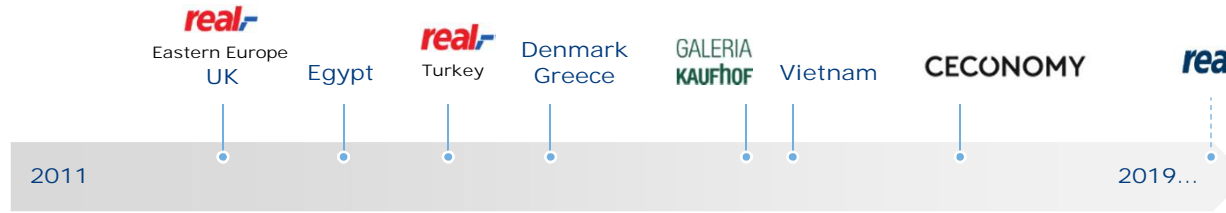
OUR ORIGIN IS



WHOLESALE
IS OUR FUTURE

REPOSITIONING AS OMNICHANNEL WHOLESALER

Portfolio
rationalisation
Diversification



▶ €37.3bn revenues disposed (mostly B2C); €7bn in progress (Real)

Investments
in business



Gradual shift in capex allocation from large remodelings and NSOs

▶ ...to future-oriented investments:

- capex-efficient store expansion & capex light remodeling
- delivery, software and solutions
- opportunistic acquisitions

Leverage
Returns to
Shareholders



€7.7bn net debt in '12
€2.7bn net debt in FY 17/18
(cont. operations)



...with broadly stable
dividend payout between
€0.70 and €1.00 (45% Ø
payout ratio) ...

▶ > ~€2.2bn¹ return to shareholders
throughout transformation

€5bn deleverage to €2.7bn

¹ Total shares * dividends

OUR AIM: 360° EMBEDDING INTO OUR CUSTOMER'S ECOSYSTEM

PARTNER OF CHOICE BY ANTICIPATING CUSTOMERS' CHANGING NEEDS



METRO aims to be a "partner like no other" to Horeca and Trader customers...

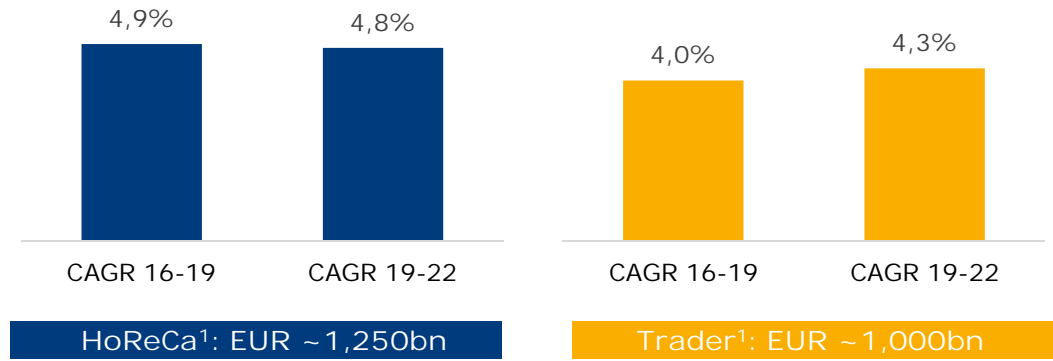
...whose businesses are supported by global megatrends and exposed to technology disruption...

...by addressing all their needs through a full suite of wholesale products, services and solutions

SERVICING THE FASTEST GROWING AND FINANCIALLY ATTRACTIVE CUSTOMER BASE

Operating in attractive, growing markets...

Market size and growth rates for European & Asian countries¹

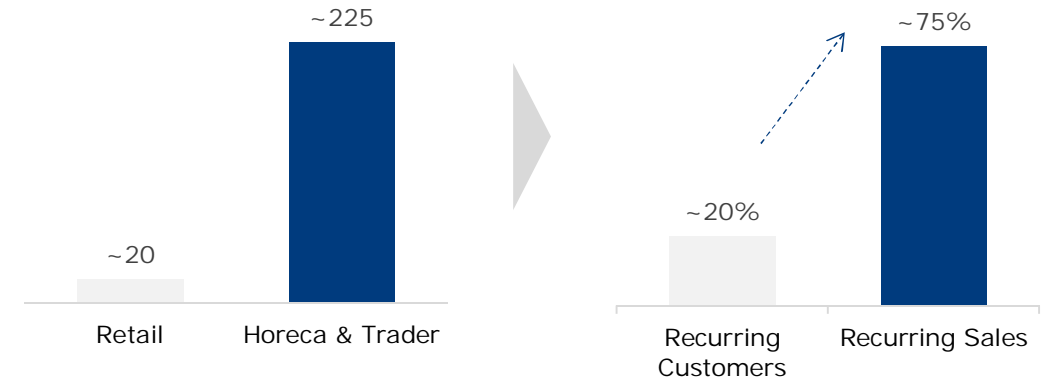


- § Large target markets with strong HoReCa and good Trader momentum across regions
- § Favourable consumer trends: continued momentum in out-of-home consumption
- § Sizable opportunity for market share gains through consolidation in fragmented markets

...with a highly sustainable business model

Average basket in EUR

~4m recurring² customers deliver recurring sales



- § Recurring revenues and large avg. baskets through contract-like customer relationships
- § Business predominantly driven by loyalty
- § Upselling opportunity through 360° wholesale offering
- § Lower vulnerability to (online) disruptors

¹ HoReCa and Trader market sizes (sell-out value, 2018) and growth rates according to Euromonitor. Trader countries : Bulgaria, Czech Republic, India, Pakistan, Poland, Romania, Russia, Serbia, Slovakia.

² Recurring customers are defined as # of customers of HoReCa and Trader customers visiting ≥ 26 times and # of SCO customers visiting ≥ 12 times over a 12-month period.

DECENTRALISATION DRIVES CUSTOMER FOCUS

Decisive governance



Country operations represented in decision making



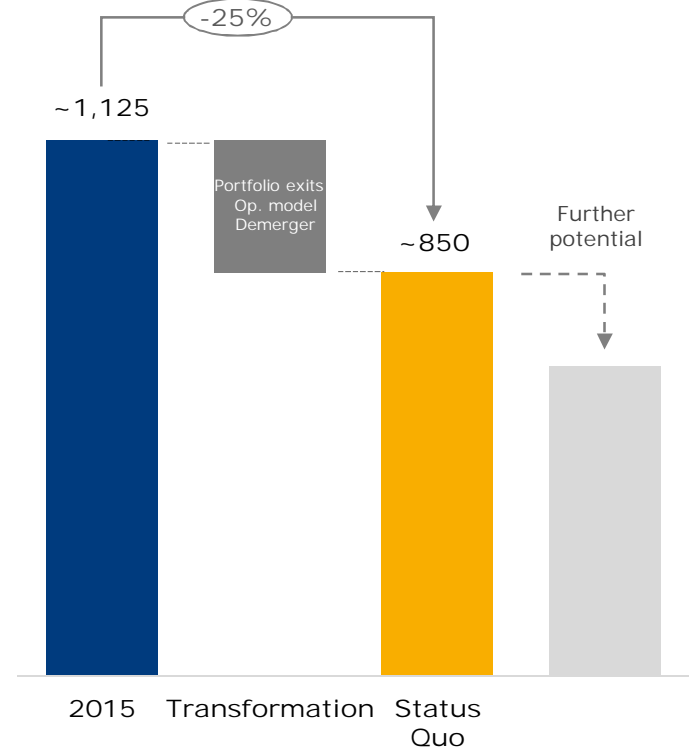
Empowered Country Board responsible for strategy, accountable for execution



Operational change enabled by commercial support team

Increasingly efficient HQ

MAG FTEs^{1,2}



NPS drives customer focus

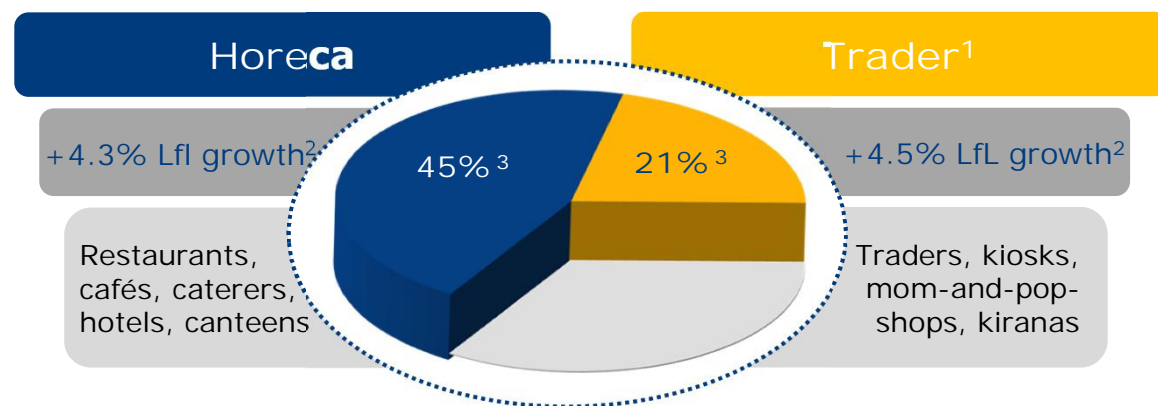
Active in 25 countries	>2.2m customer feedbacks
>723,000 customers called back	YTD +7% in NPS development
More promoters share: +2%p YTD	Less detractors share: -1%p YTD

¹ Full-time employees of METRO AG (holding company); excluding e.g. trainees, temporary staff or employees in temporary leave.
² # FTEs per Sept 30 of the respective period; Status Quo as of June 30 2019.



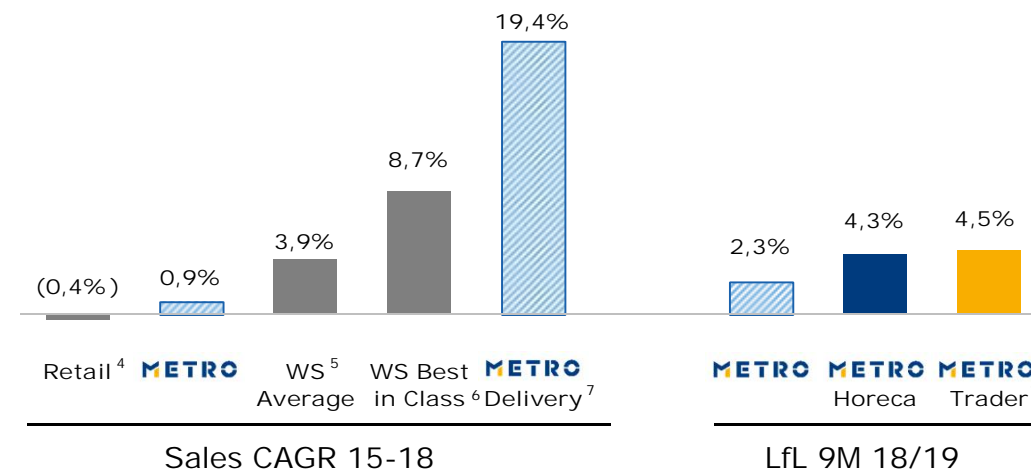
CUSTOMER FOCUS DRIVES GROWTH

Higher customer focus...



- § 66% of sales³ already consist of customer focus groups Horeca and Trader (+ >10%pts in 10 years)
- § Dedicated strategy for each customer groups including
 - § Horeca omnichannel: store, delivery, online marketplace, solutions and services
 - § Trader omnichannel: store, trader franchise, online ordering, solutions and services

...leads to higher growth rates



- § Historically: METRO growth between retail and wholesale average
- § Delivery consistently above best-in-class wholesale players and taking market share
- § Customer groups consistently grow between 3 and 5% :
 - § Horeca since 2014
 - § Trader¹ since 2017

¹ Trader countries excl. Russia: Bulgaria, Czech Republic, India, Pakistan, Poland, Romania, Serbia, Slovakia. ² Like-for-like sales 9M 2018/19

³ FY 2017/18 ⁴ Retail comprising reported sales growth for international grocery retailers including Tesco, Carrefour, Target, Sainsbury, Colruyt.

⁵ Wholesale (WS) comprising reported sales growth for wholesale peers including Sysco, US Food, PFG, Bidcorp, Sligro, Eurocash, Marr. ⁶ Best-in-class growth rate: Sligro. Source: Bloomberg ⁷ Including M&A

INVESTING INTO NEW BUSINESSES CAPITALIZES ON OUR REACH

New sales channels



Significant enlargement
of our offer & range of services

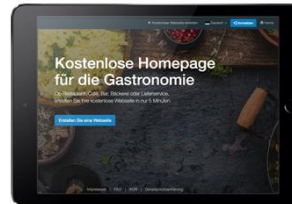


Ideally suited for suppliers to
reach new customers groups

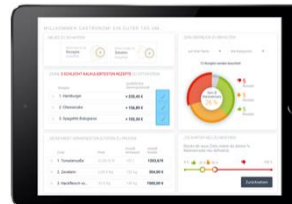
Leading entity

METRO
MARKETS

Proven tools for Horeca customers



WEBSITE BUILDER
Bringing online visibility
to restaurants
160k accounts

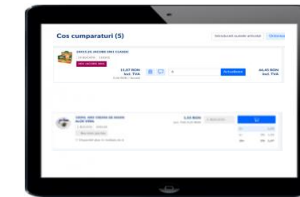


MENU KIT
Analysis & optimisation
of the menu

Leading entity

HD
hospitality
digital hd.digital

Software-supported Trader franchise



Trader Shop

M|SHOP



Franchise
~7,100 stores
+ ~600 from PY

Leading entity

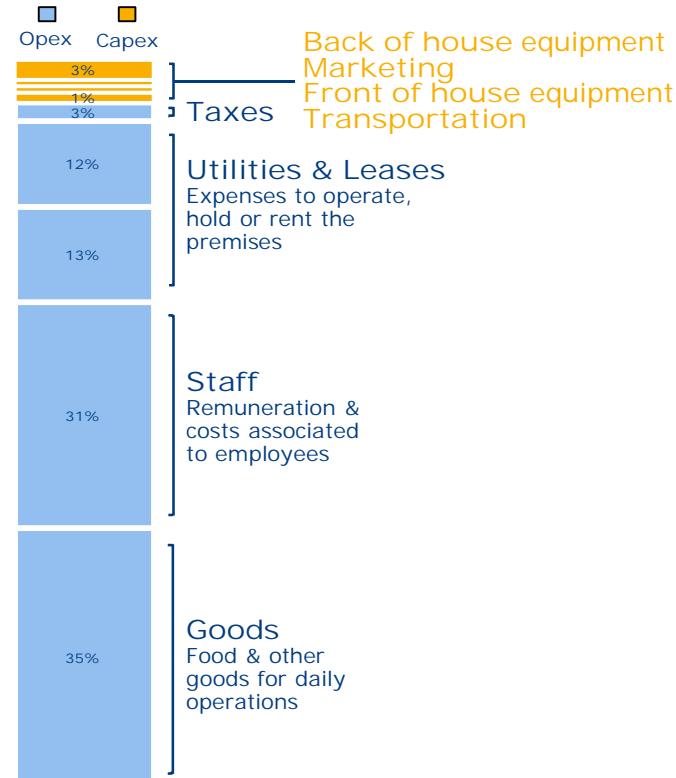
METRO|NCM
SETTING THE PACE IN FOOD AND TECHNOLOGY

WHOLESALE 360° APPROACH

LEVERAGING OUR ACCESS TO SMEs AND EXPANDING OUR VALUE PROPOSITION

Allocation of spend in Hospitality SME

There is a significant amount of spend in Hospitality SMEs that so far was not addressed by METRO



Services and partnerships

METRO is leveraging the reach and the relationship with SMEs to offer a full suite of tailored solutions



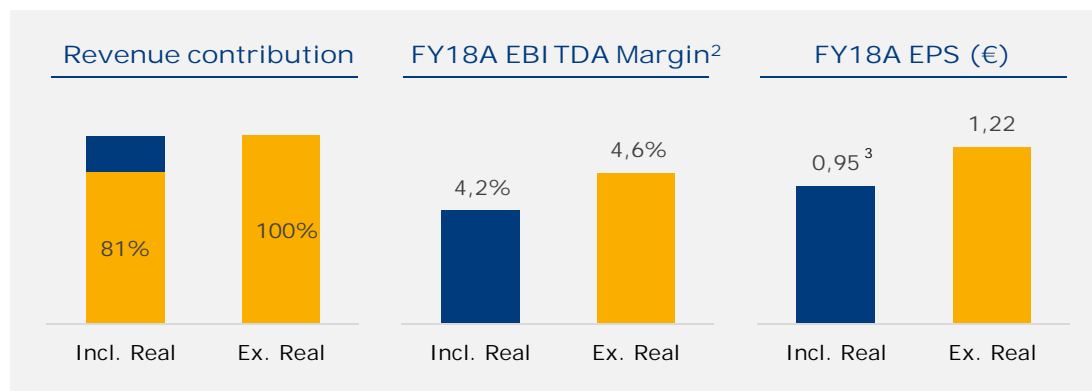
- Digital business tools
- Business advisory
- Equipment solutions
- Food solutions
- Back office support
- Financial services
- Community

TWO ONGOING TRANSACTIONS TO STRENGTHEN OUR FOCUS

Real¹ (signing expected in Sep '19)

Investing in Wholesale more attractive. Real only synergetic to METRO Germany, doesn't contribute financially

- ü Divesting Real is the last step towards pure wholesale
- ü Leads to improved financial metrics
- ü Significant cash in expected € ~500m



METRO Wholesale China⁴ (decision in H2 '19)

Partnering could realize significant value potential and open continued growth and innovation opportunities

- ü METRO China doing well in a competitive market
- ü Very strong brand equity related to Food quality and safety
- ü Valuable real estate underpin



¹ As per published information on exclusivity agreement from May 9 ² incl. gains from real estate transactions.

³ Adjusted for one-time non-cash goodwill impairment EPS is 1.08€. ⁴ METRO Board has not yet taken a decision on a transaction and the potential scope.

WE PRIORITIZE REINVESTING INTO BUSINESS AND MAXIMIZING RETURNS TO SHAREHOLDERS

Capital allocation

- 1 Investment in business**
Reshaping the portfolio, accelerating organic growth and complementary strategic M&A
Goal: accelerate sales growth, drive sustainable EBITDA growth
- 2 Returns to shareholders**
Ongoing dividends (45-55% of EPS payout ratio)
Goal: sound shareholder return in balance with operational needs
- 3 Deleverage**
Ensure investment grade rating
Goal: funds from operations (FFO) / Adj. net debt \geq 21%¹

Enriched by additional cash sources²



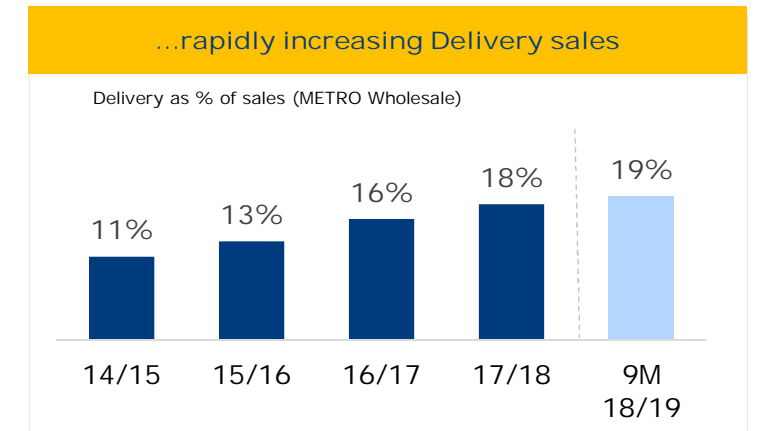
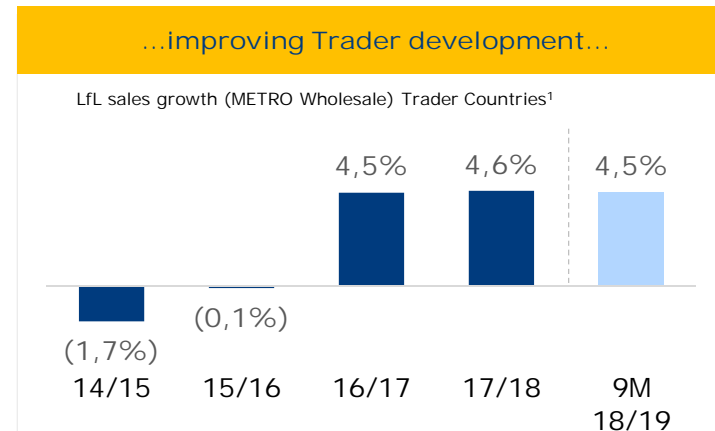
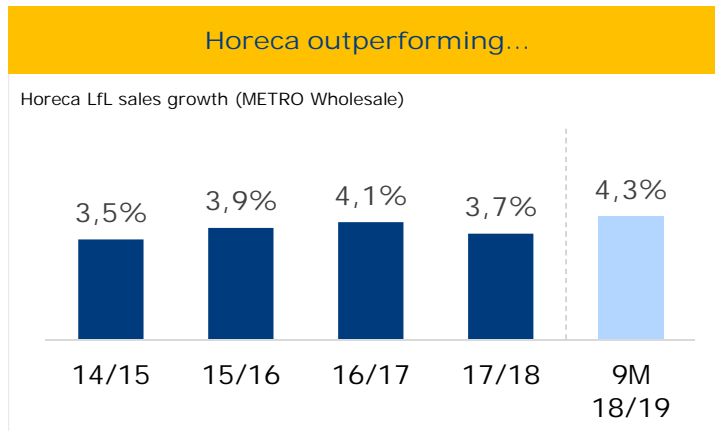
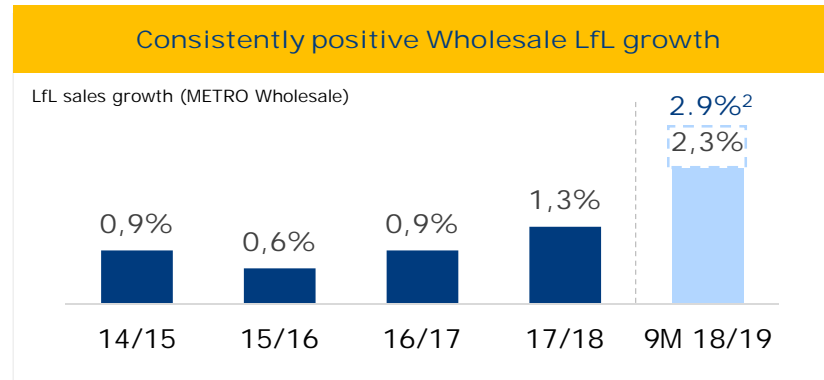
¹ S&P threshold; at minimum required to be in line with expectations to maintain credit rating.

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

² Expected proceeds from Real as per published information on exclusivity agreement from May 9. METRO Board has not yet taken a decision on a transaction in China and the potential scope.

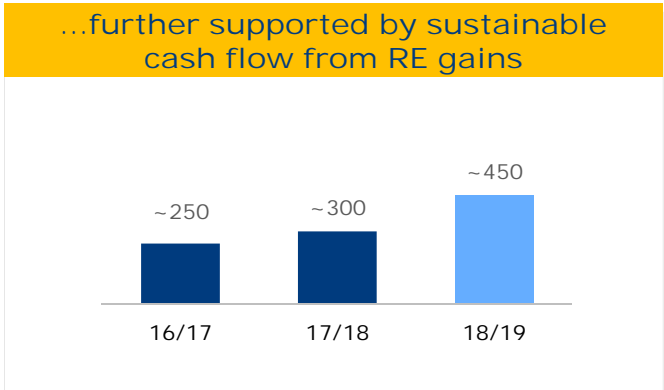
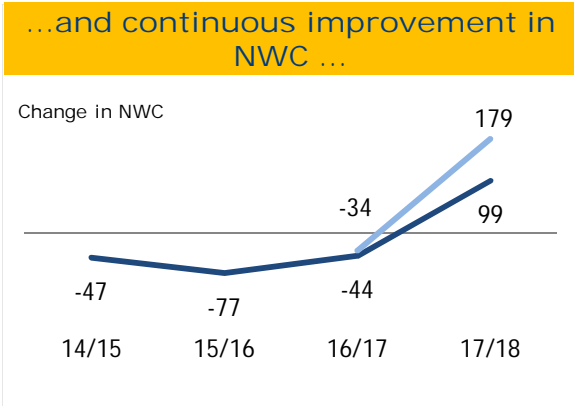
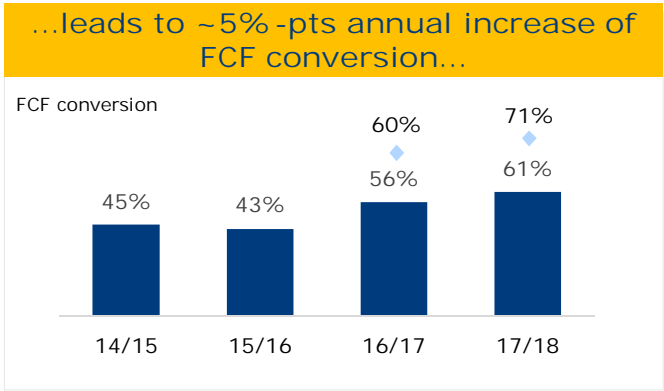
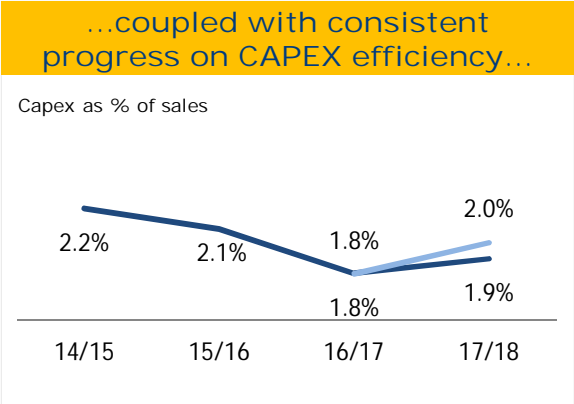
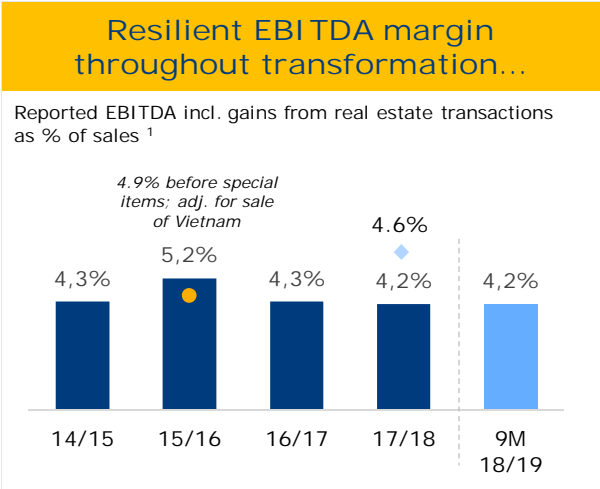
STRONG MOMENTUM IN FINANCIAL METRICS AND KPI S



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

² Excluding Russia






FOCUS ON OPERATIONAL METRICS, WHILST SUPPORTING THE BUSINESS WITH TRANSFORMATIONAL OPEX AND CAPEX



■ Continuing and discontinued operations (incl. hypermarket business).
■ Continuing operations only.

A COMPELLING STANDALONE BUSINESS CASE

METRO's transformation towards a wholesaler in a highly attractive market environment is in an advanced stage:

-  METRO's portfolio has been steadily optimized leading to a pure wholesale profile
-  Clear customer focus on HoReCa and Trader have lead to continuous LFL growth with rising momentum
-  Building a 360° wholesaler approach provides the potential for even stronger differentiation and further growth
-  We have hence made measurable progress towards our mid-term ambition and increased cash generation
-  METRO therefore has a compelling standalone business case

As a result, in their Joint Reasoned Statement, the Management Board and the Supervisory Board do not recommend the acceptance of EPGC's offer, because it does not reflect METRO Group's fundamental value based on its growth and profitability potential. In coming to this conclusion, they considered, among other things, the inadequacy opinions by Bank of America Merrill Lynch, Goldman Sachs and Rothschild & Co (which are included in the Joint Reasoned Statement).

Q&A



Olaf Koch, CEO



Christian Baier, CFO