



Q3 2018/19 REASONED STATEMENT PRESS CONFERENCE CALL

24 July 2019

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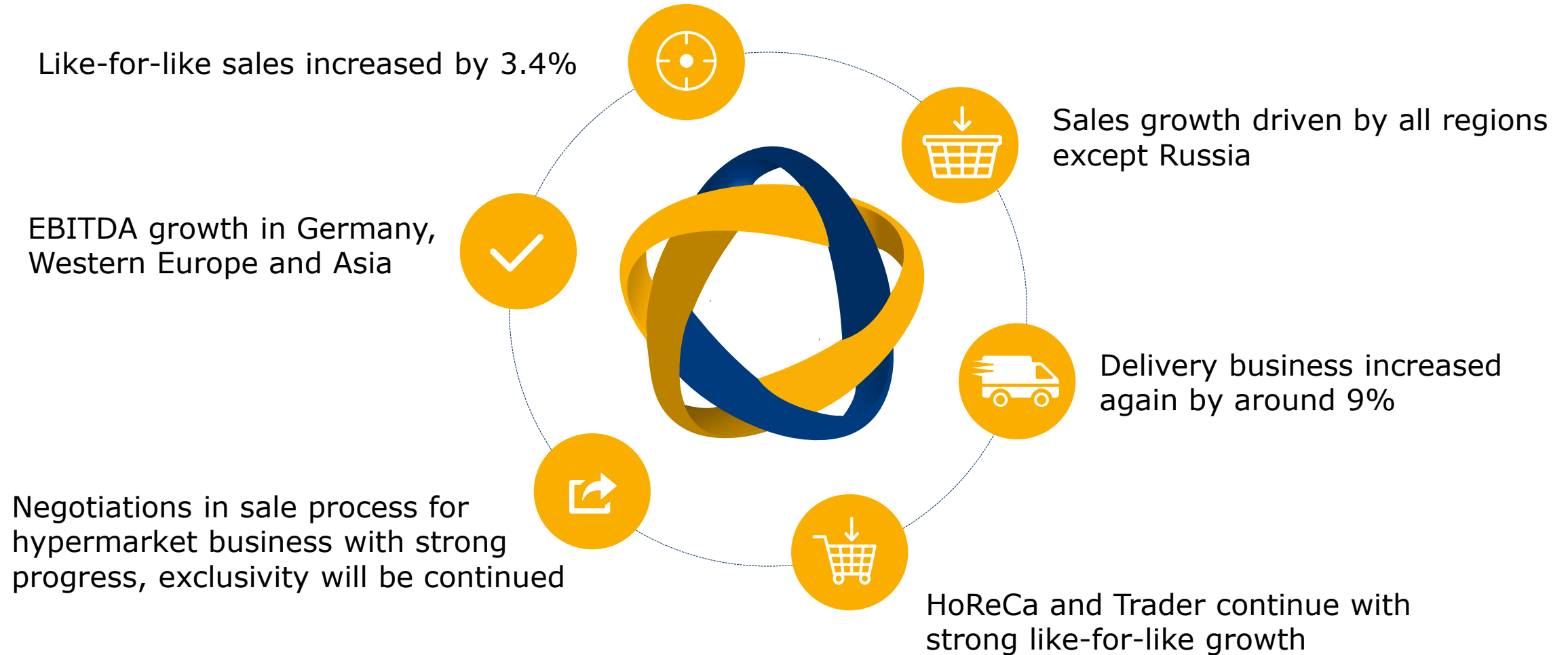
This presentation is not an addition to, explanation or summary of the Joint Reasoned Statement from the Management Board and Supervisory Board as per § 27 WpÜG to the takeover offer by EP Golbal Commerce VI GmbH. Shareholders are advised to read the Reasoned Statement in full before reaching their decision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



01

KEY FACTS Q3 2018/19

KEY FACTS IN Q3 2018/19



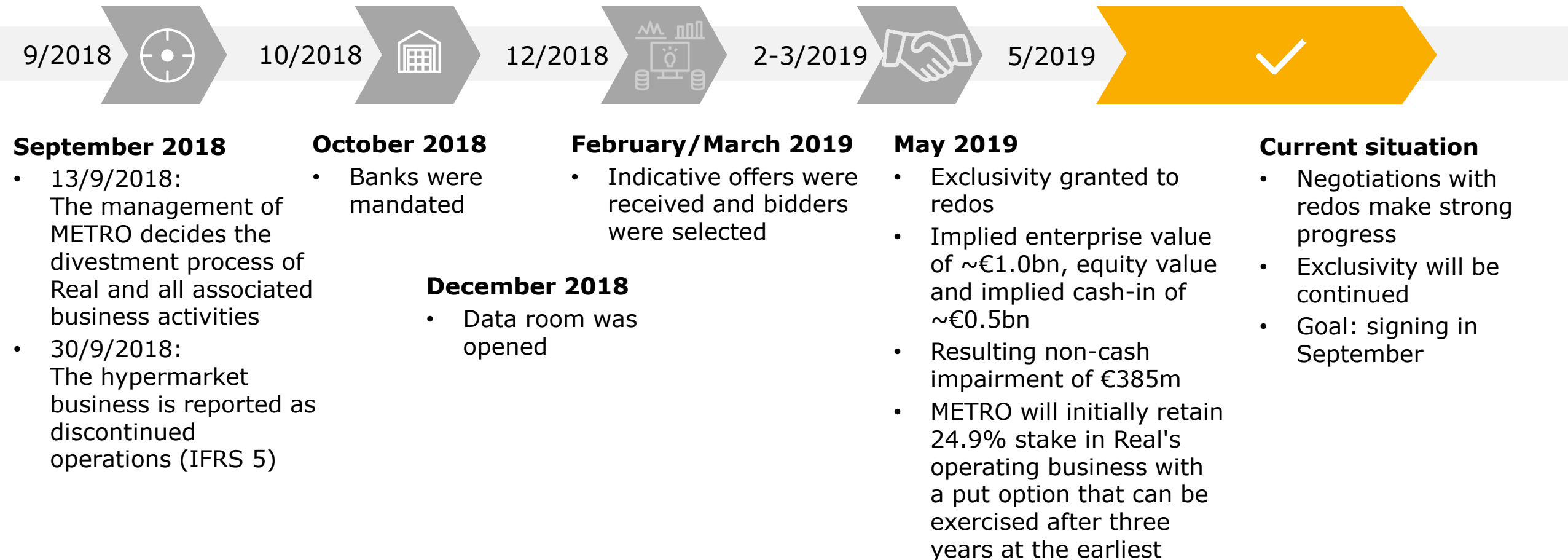
02



UPDATE ON REAL



SALE PROCESS IN FINAL STAGE



03

FINANCIAL PERFORMANCE



METRO INCREASES SALES AND EBITDA

€m / %	Q3 2018/19
Sales	7,551
Like-for-like growth	3.4%
Reported growth	2.8%
Growth in local currency	3.6%
EBITDA excl. RE gains	316
<i>thereof FX</i>	-2
EBITDA margin	4.2%
Real estate gains	32
EBITDA total	347
D&A	-140
Net income	-26
EBT	181
Tax rate (9M)	38%
EPS in €	0.30
EPS from discontinued operations	-0.08
Reported EPS (€)	0.22



REGIONAL PERFORMANCE

METRO Germany

€m / %	Q3 2018/19
Sales	1,205
Like-for-like growth	3.6%
<i>excl. Easter Shift</i>	<i>0.5%</i>
Reported growth	3.0%
EBITDA excl. RE gains	31

METRO Western Europe (without Germany)

€m / %	Q3 2018/19
Sales	2,784
Like-for-like growth	2.2%
<i>excl. Easter Shift</i>	<i>0.8%</i>
Reported growth	2.2%
EBITDA excl. RE gains	154

METRO Russia

€m / %	Q3 2018/19
Sales	671
Like-for-like growth	-4.8%
Reported growth	-0.8%
EBITDA excl. RE gains	56

METRO Eastern Europe (without Russia)

€m / %	Q3 2018/19
Sales	1,846
Like-for-like growth	7.1%
Reported growth	3.4%
EBITDA excl. RE gains	86

METRO Asia

€m / %	Q3 2018/19
Sales	1,037
Like-for-like growth	5.5%
Reported growth	5.7%
EBITDA excl. RE gains	42

A close-up, low-angle shot of a person's feet as they ascend a blue metal staircase. The person is wearing bright orange sneakers with white soles and black socks. The blue metal railings and steps of the staircase are prominent, creating a strong geometric pattern. The background is slightly blurred, showing more of the staircase structure.

04 OUTLOOK & GUIDANCE

OUTLOOK FOR 2018/19

Guidance¹

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



¹ At constant FX and before portfolio measures.



05

REASONED STATEMENT

OUR ORIGIN IS

WHOLESALE IS OUR FUTURE

2016/17



2017/18



2018/19



INTENSIFICATION

REPOSITIONING AS OMNICHANNEL WHOLESALER

Portfolio rationalisation Diversification



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

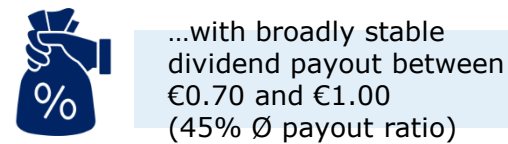
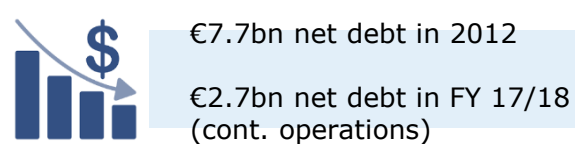
Investments in business



Gradual shift in capex allocation from large **remodelings** and **NSOs**

- ... to future-oriented investments:
- capex-efficient store expansion and capex light remodeling
 - **delivery, software** and solutions
 - opportunistic **acquisitions**

Leverage Returns to Shareholders



>~€2.2bn¹ return to **shareholders** throughout transformation

€5bn deleverage to €2.7bn

¹Total Shares * Dividend per common share.

OUR AIM: WHOLESALE 360°

▶ **Becoming partner of choice for our customers**



METRO aims to be a “**partner like no other**” for **HoReCa and Trader** customers...



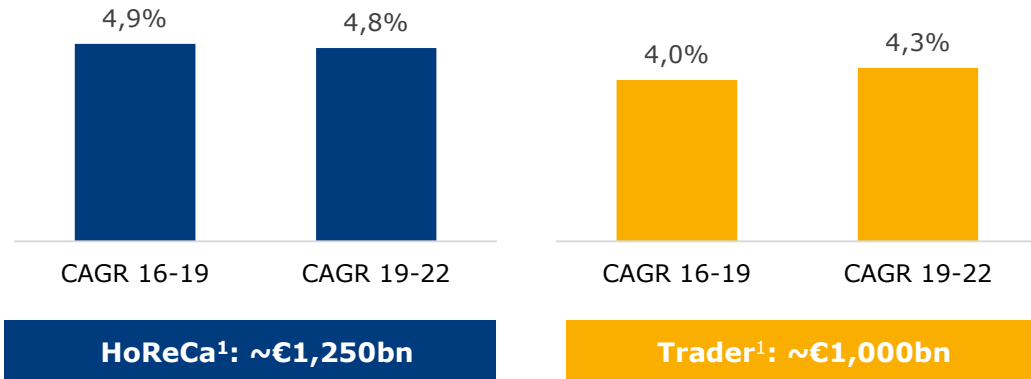
...whose businesses are supported by **global megatrends** and exposed to **technology disruption**...

...by addressing 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...

European & Asian countries¹

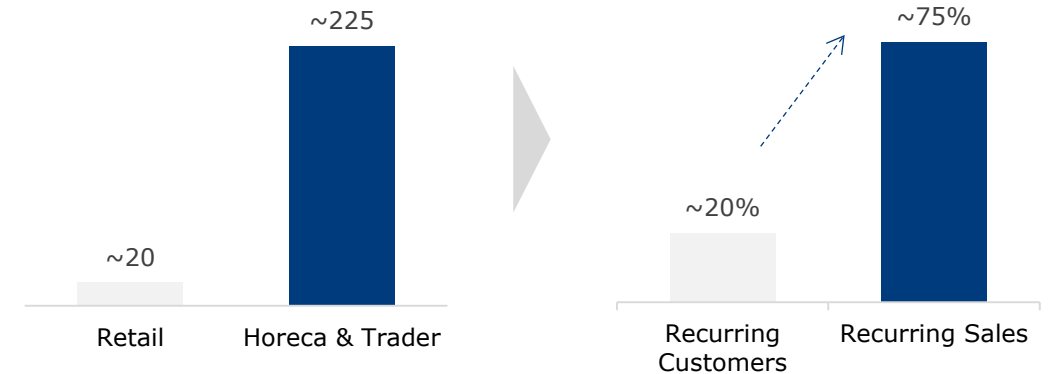


- **Large target markets** with strong **HoReCa** and good **Trader momentum** across regions
- Favourable consumer **trends**: continued momentum in **out-of-home consumption**
- Sizable opportunity for **market share gains** through consolidation in fragmented markets

... with a highly sustainable business model

Average basket in EUR

~4m recurring² customers deliver recurring sales



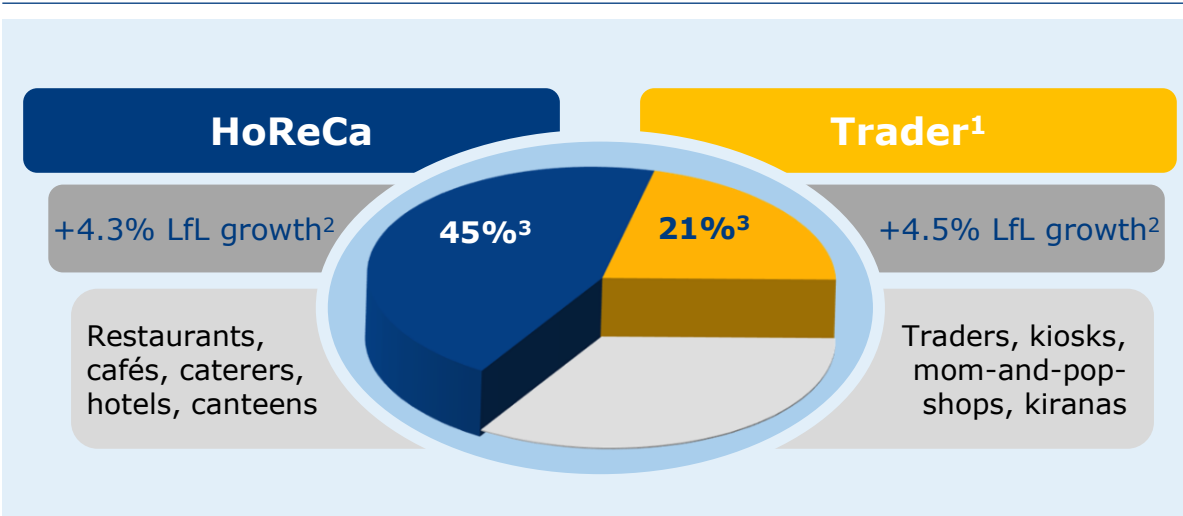
- Recurring revenues and **large average baskets** through contract-like customer relationships
- Business predominantly driven by **customer loyalty**
- **Upselling opportunity** through 360° wholesale offering
- **Low vulnerability to (online) disruptors**

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

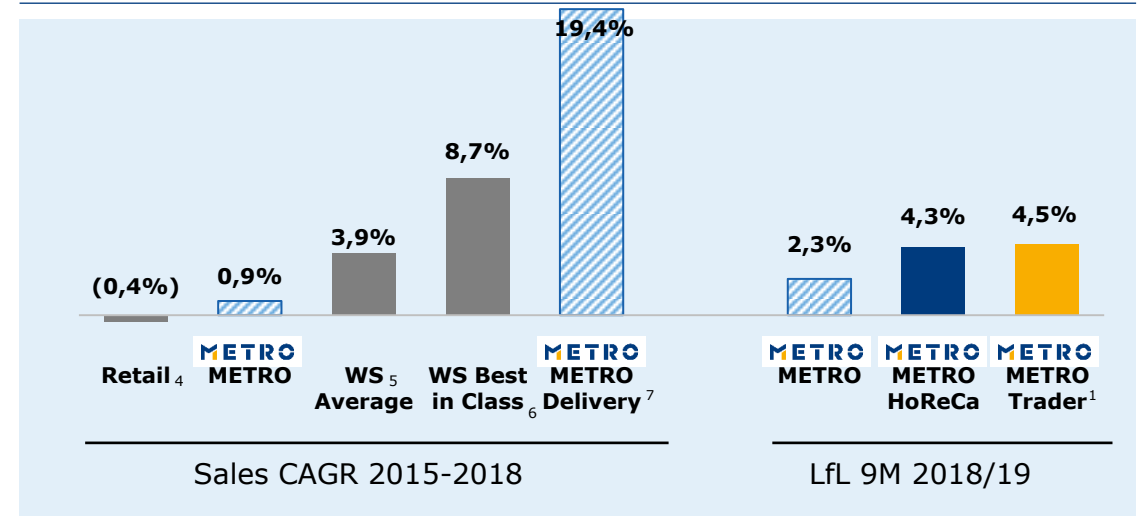
CUSTOMER FOCUS DRIVES GROWTH

Higher customer focus...



- Already **66% of sales** with **customer focus groups** HoReCa and Trader (+>10%pts in 10 years)
- Dedicated **omnichannel strategy** for each customer group including
 - HoReCa: store, delivery, online marketplace, solutions, services
 - Trader: store, trader franchise, online ordering, solutions, 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 (Bulgaria, Czech Republic, India, Pakistan, Poland, Romania, Serbia, Slovakia) excl. Russia. ² Like-for-like sales 9M 2018/19.

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

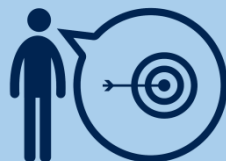
⁵ Wholesale (WS) comprising reported sales growth for wholesale peers including Sysco, US Food, PFG, Bidcorp, Sligro, Marr, Eurocash. ⁶ Best-in-class growth rate: Sligro. Source: Bloomberg ⁷ Including M&A.

INVESTING INTO NEW BUSINESSES CAPITALIZES ON OUR REACH

New sales channels



**Significant enlargement
of our offer & range of services**

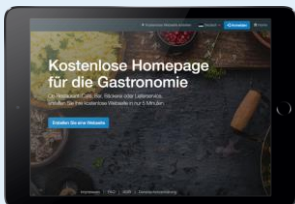


**Ideally suited for suppliers to
reach new customers groups**

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

h3
hospitality
digital hd.digital

Software-supported Trader franchise



Trader Shop
M | SHOP



Franchise
~7,100 stores
+ ~600 from PY

Leading entity

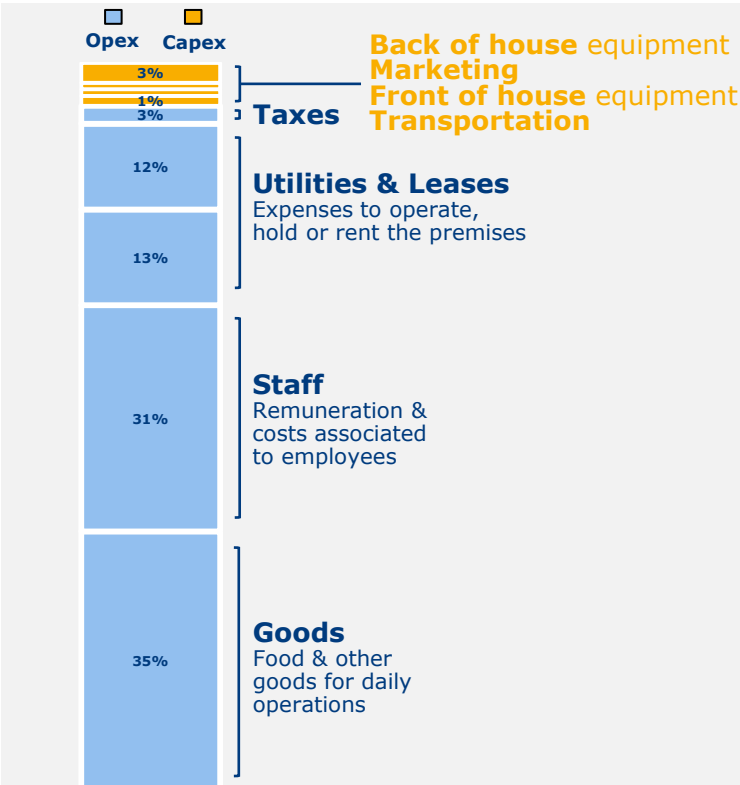
METRO | NOM
SETTING THE PACE IN FOOD AND TECHNOLOGY

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



Source: Eurostat

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



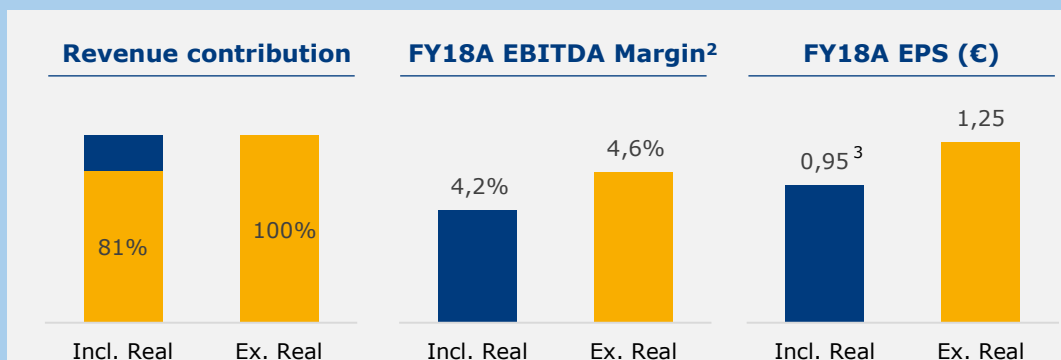
TWO ONGOING TRANSACTIONS TO STRENGTHEN OUR WHOLESALE FOCUS



Real¹ (signing expected in Sep '19)

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

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



METRO Wholesale China⁴ (decision in H2 2019)

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

- ✓ METRO China doing well in a competitive market
- ✓ Strong brand equity related to food quality and safety
- ✓ Valuable real estate underpin

METRO benefits

- ✓ Sharpen HoReCa and Trader positioning (reduction of SCO sales share by ~4%-pts)
- ✓ Crystallize value and generate funds
- ✓ Explore partnership and collaboration opportunities in China

> €1bn expected net cash proceeds






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.

METRO – A COMPELLING STANDALONE BUSINESS CASE

OUR ORIGIN IS WHOLESALE...

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 focus on **HoReCa** and **Trader customers** 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).

WHOLESALE IS OUR FUTURE!

Q&A



Olaf Koch, CEO



Christian Baier, CFO

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