

A large, yellow, rounded rectangular graphic element is positioned on the left side of the slide, partially overlapping the main text area.

METRO SELLS MAJORITY STAKE IN METRO CHINA TO WUMEI

11 October 2019

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 or recommendation. It is not, and nothing in it should be construed 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.

Not all figures included in this presentation have been audited and certain figures may also deviate substantially from information in the consolidated financial statements of METRO AG, thus, may not be fully comparable to such financial statements. The hypermarket business for sale is reported as a discontinued operation as of 30 September 2018 due to the ongoing sales process. The discontinued segment primarily includes Real and some other individual companies or assets. All following explanations of the business development will focus on the continued operations unless stated otherwise. No representation or warranty is given and no liability is assumed by METRO AG, express or implied, as to the accuracy, correctness or completeness of the information contained in this document and METRO AG undertakes no obligation to update and/or revise any information.

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

RECAP: CONTINUOUS JOURNEY TO SIMPLIFY AND REPOSITION METRO AS WHOLESALER

- METRO is transforming into a fully focused Wholesale company
- We steadily optimize our portfolio to further strengthen our B2B profile
- Intensified focus has led to rising LFL momentum, strongly driven by sales growth with HoReCa and Trader
- Building a 360° wholesaler provides the potential for even stronger differentiation and further growth
- Today's transaction marks one important milestone on that journey and also unlocks funds for the next steps

METRO CHINA – A STRONG AND HIGH QUALITY FOOD RETAIL BUSINESS READY FOR THE NEXT STEP

Built an attractive business from scratch...



- Built up from scratch to € 2.7bn sales¹ and 97 stores² in 59 cities
- Robust sales growth over 23 years, EBITDA Margin of >5%³
- Significant store ownership and development potential
- High brand equity and leading own brand offering
- Food safety: traceability system StarFarm for 4,500+ products

¹ FY 2017/18
² FY 2018/19
³ FY2017/18 EBITDA excl. real estate gains
⁴ Like-for-like sales FY 2017/18

...with great opportunities in the retail sector



- 70%⁴ of China sales stem from SCO customers
- Chinese food retail market developing in very dynamic way
- “New retail” presents opportunities in end consumer space
- Almost all top 10 players have teamed up to drive growth in technology ecosystems and investments in logistics and delivery

METRO CHINA – MAJORITY ACQUISITION BY WUMEI WILL DRIVE THE BUSINESS TO THE NEXT LEVEL

Build on strengths



- Synergies in sourcing and additional access to local ultra-fresh products
- Enriched product offering
- Management continuation
- Strong quality assurance driven by METRO

Add new capabilities



- “New retail”, blending offline and online services
- Expand customer reach and accelerate growth
- Dmall solution enables seamless omnichannel retail

Support future success



- Commercial support through tight collaboration
- Customary governance provisions including 2 non-executive seats in the board
- Continued presence in attractive market
- Risk mitigation through put option with valuation upside

METRO CHINA – KEY TRANSACTION HIGHLIGHTS

- Ü METRO sells majority stake in METRO China to Wumei
- Ü Transaction values METRO China at a highly attractive, €1.9 bn implied total enterprise value (€2.1 bn implied equity value, 0.7x EV/Sales 17/18 or >12x EV/EBITDA 17/18)¹
- Ü Valuation includes unrealized real estate development projects
- Ü METRO will retain 20% stake to have continued presence in a highly attractive market and participate in valuation upside
- Ü The minority stake is protected with customary exit options
- Ü Closing expected latest in Q2 calendar year 2020 with net proceeds of >€1.0 bn¹

¹ preliminary, based on 30 June 2019, subject to closing accounts.

FINANCIAL REPORTING AND UPDATE ON REAL ESTATE GAINS

1 Discontinued operations

- Reporting of METRO China as discontinued operations (IFRS 5) as of 30 Sep 19
- Guidance-relevant KPIs to be presented “including China”

2 Reporting post closing

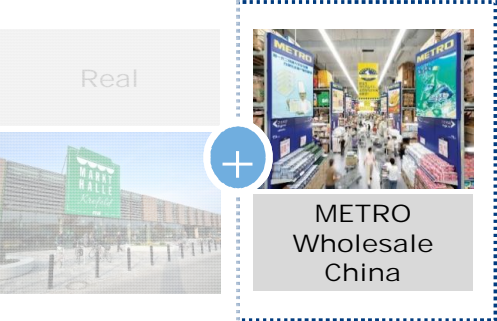
- Accounting for 20% stake as equity participation (IAS 28)
- Net impact on METRO EBITDA of roughly -€125 m¹ on annualized basis
(includes: deconsolidation of METRO China EBITDA, expected income from 20% stake and TSA income)

3 Update on real estate gains

- Early completion of Chinese project with additional €80m gains; leading to c. €350 m gains in 2018/19
- As a result, expected real estate gains reduced to mid double-digit €m gains for 2019/20

¹ preliminary simulation.

METRO – ADVANCING OUR WHOLESALE AGENDA



> €1.0 bn

expected net proceeds from transaction²

We simplify the portfolio...

...to maximize our Horeca & Trader focus (70%¹ sales share) and to reduce our SCO-exposure by 20% and ...

...and realize value in a well-timed transaction to enable future growth

¹ Like-for-like sales FY 2017/18, preliminary results.
² preliminary, based on 30 June 2019, subject to closing accounts.

METRO – STEADY PROGRESS TOWARDS WHOLESALE FOCUS DRIVES GROWTH

Portfolio simplification



Signing of majority stake sale of METRO China

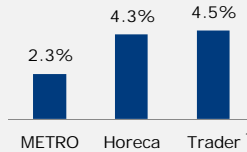


Process well-advanced
Anti-trust application filed




Evaluation of efficiency measures ongoing


Organic momentum



Strong momentum in core customer groups²



New sales channels to address our customers' needs



Product innovation to support customers



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

METRO – TODAY'S NEWS IN A NUTSHELL

- Ü METRO sells majority stake in METRO China to Wumei; €1.9 bn implied total enterprise value; Closing expected latest in Q2 calendar year 2020 with cash-in of >€1.0 bn
- Ü Further valuation upside from 20% minority stake
- Ü The transaction marks a further milestone on our journey to reposition METRO towards wholesale and simplify our portfolio
- Ü At the same time, we have measurably accelerated organic growth momentum
- Ü We aim to allocate transaction proceeds in line with our capital allocation framework: to further drive growth organically and inorganically
- Ü We are diligently working on signing the sale of Real and evaluating efficiency measures and will provide a more comprehensive update once those key projects have progressed

Q&A



Olaf Koch, CEO



Christian Baier, CFO

APPENDIX



KEY FINANCIALS CHINA

China key financials

in mEUR	2016/17	2017/18
Sales	2,704	2,686
Like-for-like growth	3.1	1.8
Reported growth (€)	1.3	-0.7
Reported growth (LC)	5.0	2.7
EBI TDA excl. RE gains	149	153
thereof FX		
EBITDA margin	5.5%	5.7%
Real estate gains	109	8
Total EBI TDA	258	161

¹ As reported; actual IFRS 5 financials might differ.

METRO – ACCOUNTING FOR CHINA

		'18/19		'19/20			
	FY	Q1	Q2	Q3	Q4	Comments	
IFRS 5 (Discontinued operations)	P	P	P	P ^{1,2}	-	<ul style="list-style-type: none"> Guidance-relevant KPIs for 18/19 will be provided in “pre IFRS 5” world DPS proposal for 18/19 will be based on EPS “pre IFRS 5” 	
IAS 28 (Investments in associates)	-	-	-	P ²	P	<ul style="list-style-type: none"> Until potential exit Customary put option negotiated Net impact on METRO EBITDA of roughly -€125 m³ on annualized basis <ul style="list-style-type: none"> Deconsolidation of METRO China EBITDA Expected income from 20% stake TSA income 	

¹ Pro rata temporis.

² Based on currently expected closing latest in Q2 of calendar year 2020.

³ preliminary simulation.

A large, vertical yellow graphic element on the left side of the page, consisting of a rounded rectangle with a diagonal cut at the top right corner.

CONTACT

Investor Relations

METRO AG
Metro-Straße 1
40235 Düsseldorf
Germany

T +49 211 6886-1280
F +49 211 6886-490-3759
E investorrelations@metro.de

www.metroag.de

METRO