

## **METRO AG SUCCESSFULLY COMPLETES MAJORITY STAKE SALE IN METRO CHINA TO WUMEI**

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- Transaction marks an important milestone for METRO in transforming into a fully focused Wholesale company
- The sale is successfully executed despite onset of Covid-19
- With >€1.5 billion in net cash proceeds, transaction of METRO China secures meaningful liquidity access and allows for flexibility in navigating the current challenges in the sector

**Düsseldorf, 23 April 2020** – METRO announced today that it has successfully completed the sale of a majority stake in METRO China to Wumei Technology Group in exchange for net cash proceeds of more than €1.5 billion. METRO AG will retain a 20% stake in METRO China to have continued exposure to a highly attractive market and to participate in the upside of this transaction. The transaction values METRO China at an enterprise value (EV) of €1.9 billion, implying an EV/sales multiple of 0.7x, based on 2017/18 financial year end.

Olaf Koch, Chairman of the Management Board of METRO AG, comments: "We are pleased to have completed this transaction as envisioned despite challenging circumstances globally. The Closing of this deal is another major step forward in our transformation to a fully focused wholesale company, and very attractively crystallizes the value for METRO AG shareholders. It will provide us with financial flexibility and optionality to further strengthen our strategy of focusing purely on wholesale. METRO's wholesale focus will draw us closer to our independent business customers and make us fundamentally stronger and more competitive."

The transaction has generated more than €1.5 billion in net cash proceeds to enhance the liquidity for the Company. This will strengthen the balance sheet, increase liquidity reserves and improve optionality for organic investments as soon as the economic recovery begins.

Olaf Koch adds: "Given METRO China's strong foundation and Wumei's strengths and resources, the business is poised to open a bright new chapter as a leading player in China's dynamic and growing retail marketplace. Our reactions to the coronavirus crisis have demonstrated that we share the same values. I would like to thank all our employees and managers in China for their bold contribution to ensuring the supply of goods for the customers and communities by keeping all stores continuously operational and maintaining the highest hygiene and safety standards."

Citigroup Global Markets Europe AG and J.P. Morgan Securities plc acted as

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financial advisors and Baker & McKenzie as legal advisor to METRO AG in this transaction.

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METRO AG is confident that the progress of another major transaction of Real hypermarket business being entirely acquired by SCP Group is on track.

METRO is a leading international wholesale company with food and non-food assortments that specialises on serving the needs of hotels, restaurants and caterers (HoReCa) as well as independent traders. Around the world, METRO has some 16 million customers who can choose whether to shop in one of the large-format stores, order online and collect their purchases at the store or have them delivered. METRO in addition also supports the competitiveness of entrepreneurs and own businesses with digital solutions and thereby contributes to cultural diversity in retail and hospitality. Sustainability is a key pillar of METRO's business. METRO has been the European sector leader in the Dow Jones Sustainability Index. The company operates in 34 countries and employs more than 100,000 people worldwide. In financial year 2018/19, METRO generated sales of €27.1 billion. In September 2018 METRO initiated the divestment process for the food retail chain Real with its 34,000 employees. For more information, please visit [www.metroag.de](http://www.metroag.de)

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