

## METRO STILL ABOVE MARKET LEVEL IN CORE MARKETS – Q1 2020/21 IMPACTED BY COVID-19, BUT BETTER THAN Q3 2019/20 AT THE BEGINNING OF THE PANDEMIC

- Sales and earnings impacted by COVID-19 pandemic
  - Sales in local currency<sup>1</sup> down 11.2% (2019/20: Q1 +1.0% | Q3: -17.4%), Group sales at €6.3 billion in Q1 2020/21 (Q1 2019/20: €7.5 billion)
  - Adjusted EBITDA, also adjusted for currency effects: €114 million, or 23% below previous year, reported EBITDA amounts to €399 million (Q1 2019/20: €527 million)
- Positive profit or loss for the period<sup>2</sup> of €99 million (Q1 2019/20: €121 million<sup>3</sup>), earnings per share: €0.27 (Q1 2019/20: €0.33<sup>2</sup>)
- Outlook for financial year 2020/21 confirmed

Düsseldorf, 10 February 2021 – While METRO's business in Q1 2020/21 was impacted by the COVID-19-related restrictions imposed on the hospitality industry, it nevertheless continued to perform above market level in core markets such as Germany, France and Italy. Q1 2020/21 also performed better than Q3 2019/20 during the 1<sup>st</sup> lockdown period, which was also burdened by COVID-19. Sales in local currency declined by 11.2% in the past quarter; in the comparable lockdown quarter of the previous year, sales in local currency were down by 17.4%. While Russia has seen substantial positive development for 4 quarters in a row, with sales growth in local currency of 6.3% in Q1 2020/21, Western Europe (excluding Germany) has felt the impact of the government measures related to the COVID-19 pandemic particularly strongly. Overall, the wholesaler reported sales of €6.3 billion in Q1 2020/21 (Q1 2019/20: €7.5 billion). Adjusted EBITDA, also adjusted for currency effects, was €114 million, or 23% below the previous year. By contrast, the adjusted EBITDA amounted to €376 million (Q1 2019/20: €526 million). In addition to government measures associated with COVID-19, negative exchange rate developments, especially of the Russian and Turkish currencies, also contributed to the decline. Reported EBITDA of €399 million (Q1 2019/20: €527 million) benefited from earnings contributions from real estate transactions amounting to €25 million. They resulted mainly from the sale of the last remaining real estate property in the hypermarket business.

“As expected, our Q1 was impacted by the 2<sup>nd</sup> COVID-19 wave. METRO was well prepared for it, so the declines were less pronounced than in the 1<sup>st</sup> wave. Our core

<sup>1</sup> Food Service Distribution is the main driver of like-for-like and total sales. At the same time, the focus is on optimal utilisation of the store network, not on store expansion. As a result, like-for-like and currency-adjusted total sales growth hardly differ today. Therefore, in the future we will primarily focus on exchange rate-adjusted total sales growth.

<sup>2</sup> Attributable to METRO shareholders.

<sup>3</sup> Continuing operations.

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markets, such as Germany, France and Italy are still developing above market level and our growth in Russia is proving sustainable. This confirms our assumptions and we are preparing for a return to normality in our business, even though COVID-19 will still impact our business in the coming months," said Christian Baier, Co-Chairman and CFO of METRO AG.

2 - 5

"Our wholehearted gratitude and respect go out to the entire METRO family and to our partners. Not only do they pull together tirelessly to support the company; they also stand shoulder-to-shoulder with our customers and our communities, bringing passion and commitment to everything they do," adds Rafael Gasset, Co-Chairman and COO of METRO AG.

### Sales trends by segments

The development of METRO AG's individual segments has been affected by the COVID-19 pandemic to varying degrees, depending on the composition of the customer groups as well as the duration and severity of the restrictions in each country. Sales in the HoReCa customer group declined significantly in Q1 2020/21. By contrast, sales with Traders, and especially SCO customers, developed positively.

In Germany, sales in local currency and like-for-like in Q1 2020/21 declined by 4.5%. While METRO Germany was able to offset the decline in HoReCa relatively well through the positive development of the SCO business, Rungis Express was more severely affected by the restrictions. Reported sales decreased by 4.4%.

The exchange-rate adjusted and like-for-like sales in Western Europe (excluding Germany) in Q1 2020/21 declined significantly by 23.7%. In France, Italy and Spain in particular, the government-imposed restrictions associated with the COVID-19 pandemic had a noticeable negative impact. Reported sales also decreased by 23.7% to €2.2 billion.

In Russia, the exchange-rate adjusted sales in Q1 2020/21 showed a significant increase of 6.3%. Like-for-like sales grew by 6.6%. Sales growth was driven by the Trader and SCO customer groups. Reported sales decreased by 17.5% due to negative currency effects.

In Eastern Europe (excluding Russia), exchange-rate adjusted sales declined by 3.5%, with the COVID-19-related restrictions exerting a negative impact particularly in Poland and the Czech Republic. Ukraine and Turkey developed positively in local currency. Due to negative currency effects, especially in Turkey and Ukraine, reported sales were down by 12.5%.

Exchange-rate adjusted sales in Asia in Q1 2020/21 declined by 5.2%, with the government-imposed restrictions exerting a noticeable negative effect on Classic Fine Foods and in Japan. Impacted by negative currency effect developments, especially in India, reported sales decreased by 13.4%.

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METRO's delivery sales in Q1 2020/21 declined significantly by 31% to €0.8 billion (2019/20: €1.2 billion), with the share of sales amounting to 13% (2019/20: 16%). This decline is likewise attributable to government-imposed restrictions on the hospitality industry, which represents the largest delivery share in the METRO portfolio. As of 31 December 2020, the store network comprised 680 locations. In Q1 2020/21, 1 location opened in India and 1 in Pakistan.

3 - 5

## Earnings development by segments

The government measures related to the COVID-19 pandemic had a negative impact on EBITDA in the majority of the segments. This included Germany, where adjusted EBITDA reached €67 million (Q1 2019/20: €76 million). In Western Europe (excluding Germany), adjusted EBITDA reached €94 million (Q1 2019/20: €205 million), with a sales- and margin-related decline in EBITDA, especially in France, which could only be partially offset by cost savings. Other countries such as Italy and Spain also experienced sales-related EBITDA declines, as did Pro à Pro.

Furthermore, negative currency developments, especially of the Russian and Turkish currencies, also contributed to the decline. In Russia, adjusted EBITDA reached €69 million (Q1 2019/20: €87 million). Adjusted for currency effects, however, EBITDA increased by €1 million. In Eastern Europe (excluding Russia), adjusted EBITDA reached €103 million in Q1 2020/21 (Q1 2019/20: €117 million). Adjusted for currency effects, EBITDA decreased by €3 million. In Asia, adjusted EBITDA reached €10 million in Q1 2020/21 (Q1 2019/20: €12 million). Adjusted for currency effects, EBITDA decreased by €1 million.

In the Others segment, adjusted EBITDA amounted to €33 million and was thus €5 million higher than in the previous year (Q1 2019/20: €27 million). However, the conclusion of the arbitration proceedings with the Canadian department store group Hudson's Bay Company (HBC) as well as the adjustment of risk provision from completed corporate transactions made a positive contribution of around €10 million to the segment's earnings.

The profit or loss for the period attributable to METRO shareholders reached €99 million in Q1 2020/21; in the previous year, the profit or loss for the period in continuing operations amounted to €121 million and in discontinued operations €-155 million.

The earnings per share from continuing operations in Q1 2020/21 dropped to €0.27; the previous year's earnings per share from continuing operations amounted to €0.33 and in discontinued operations €-0.43.

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Overview: Key financial figures

METRO

€ million	Q1 2019/20	Q1 2020/21	Deviation
Sales	7,548	6,337	-16.0%
EBITDA adjusted	526	376	-28.6%
Earnings contributions from real estate transactions	1	25	-
Transformation costs	0	2	-
EBITDA	527	399	-24.4%
EBIT	327	200	-38.7%
Earnings before taxes (EBT)	276	159	-42.4%
Profit or loss for the period from continuing operations <sup>1</sup>	121	99	-18.4%
Earnings per share from continuing operations (€)	0.33	0.27	-18.4%
Profit or loss for the period <sup>1</sup>	-34	99	-
Earnings per share (€)	-0.09	0.27	-

<sup>1</sup> attributable to METRO shareholders.

Segments

METRO	Sales (in € million)		Deviation (€)		Deviation (local currency)		like-for-like (local currency)	
	Q1 2019/20	Q1 2020/21	Q1 2019/20	Q1 2020/21	Q1 2019/20	Q1 2020/21	Q1 2019/20	Q1 2020/21
Total	7,548	6,337	2.2%	-16.0%	1.0%	-11.2%	1.0%	-11.3%
Germany	1,347	1,287	-0.4%	-4.4%	-0.4%	-4.5%	-0.3%	-4.5%
Western Europe (excl. Germany)	2,932	2,237	0.4%	-23.7%	0.4%	-23.7%	0.5%	-23.7%
Russia	821	677	2.5%	-17.5%	-4.9%	6.3%	-5.3%	6.6%
Eastern Europe (excl. Russia)	1,975	1,728	6.1%	-12.5%	5.1%	-3.5%	5.0%	-3.5%
Asia	466	404	5.2%	-13.4%	3.4%	-5.2%	3.2%	-6.4%
Others	7	4	-	-	-	-	-	-

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## EBITDA adjusted

## EBITDA

## EBIT

€ million	Q1 2019/20	Q1 2020/21	Deviation	Q1 2019/20	Q1 2020/21	Q1 2019/20	Q1 2020/21
Total	526	376	-151	527	399	327	200
Germany	76	67	-9	76	67	50	40
Western Europe (excl. Germany)	205	94	-111	206	94	143	29
Russia	87	69	-18	87	69	71	56
Eastern Europe (excl. Russia)	117	103	-14	117	103	84	72
Asia	12	10	-3	12	10	2	0
Others	27	33	5	27	56	-24	2
Consolidation	1	0	-1	1	0	1	0

## Financial calendar 2020/21

Annual General Meeting 2021	Friday	19 February 2021	10:00 AM
Half-yearly financial report H1/Q2 2020/21	Tuesday	4 May 2021	6:30 PM
Quarterly statement 9M/Q3 2020/21	Wednesday	28 July 2021	6:30 PM

Times based on German time

METRO is a leading international wholesale company with food and non-food assortments that specialises in 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 also supports the competitiveness of entrepreneurs and independent 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 listed in the Dow Jones Sustainability Index for 7 consecutive years. The company operates in 34 countries and employs more than 97,000 people worldwide. In financial year 2019/20, METRO generated sales of €25.6 billion. For more information, please visit [www.metroag.de](http://www.metroag.de). Additionally, have a look in our online magazine [www.MPULSE.de](http://www.MPULSE.de), where we report on what moves our customers, employees, partners and suppliers – and what we move for them.

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