METRO ACHIEVES 2020/21 OUTLOOK – 3-7% SALES GROWTH EXPECTED FOR 2021/22

- FY 2020/21 sales in local currency at previous year's (PY) level and overall sales at €24.8 billion; adjusted EBITDA reaches €1,171 million, hence €72 million[1] above PY:
  - Strong business recovery, particularly in H2, with Q4 sales and adj. EBITDA above pre-pandemic levels
  - Sales and EBITDA outlook[2] achieved
  - €-56 million profit or loss for the period[3] and €-0.15 earnings per share, so no dividend distribution planned based on the dividend policy
- Growth investments are paying off:
  - 250,000 new HoReCa customers[4] acquired
  - Delivery sales accounts for 17% of total sales, 47% growth in H2
  - Store sales up 4.7% in H2
- Outlook 2021/22: 3-7% sales growth and adjusted EBITDA at PY level[5]

Düsseldorf, 15 December 2021 – METRO met its adjusted sales and earnings outlook for financial year 2020/21 at the upper end of the guidance range. In the second half of the year, METRO's business figures returned to the pre-pandemic level and even exceeded it from June onwards. While group sales, at €24.8 billion, remained below the pre-pandemic level for the full year, sales in local currency were already at previous year's level (0.0%). Intensified customer relationships as well as investments in the business model and digitalisation contributed to this. Upon the easing of government restrictions, METRO benefited overproportionately from the recovery of the hospitality industry, particularly thanks to clearly positive development in Western and Eastern Europe. The wholesale specialist gained HoReCa market shares in large countries such as Germany, Spain, Italy, France and Russia. Adjusted EBITDA reached €1,171 million and was thus €72 million above the previous year (reporting view, incl. Aviludo and Davigel Spain).

"In the past financial year, METRO has proven its resilience and demonstrated its growth potential. We have invested in our future growth so that we can emerge from the pandemic stronger together with our customers. The synergies between wholesale stores, delivery business and digitalisation have helped us to strengthen our customers' trust in METRO, thus reinforcing their loyalty to us. We acquired around 250,000 new HoReCa customers for METRO, delivery sales increased by nearly 50% in the second half of the year, and our online business is growing as well. All of this gives us momentum in an economic environment that remains challenging. Our multichannel mix is the foundation for us to execute our growth strategy in the coming years," said Dr

[1] Reporting view: Adj. EBITDA delta continuously in the document at constant FX.
[2] Guidance: Sales -0.5% to -3.5%; revenue and earnings €+50 million to €-75 million (constant portfolio and FX).
[3] Attributable to METRO shareholders.
[4] Customers with first sales in 24 months in FY 2020/21. Net customer development ~stable.
[5] Assuming stable exchange rates and no further portfolio adjustments (excluding Japan/Myanmar, including Aviludo/Davigel Spain).

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Steffen Greubel, CEO of METRO AG.[6]

Sales and EBITDA at the upper end of guidance range

After a strong development in the second half of the year, sales development in local currency remained stable for financial year 2020/21. Due to negative currency effects, especially in Russia and Turkey, overall group sales in euros decreased by -3.4% to €24.8 billion. The sales recovery in H2 was also reflected in the earnings development: Adjusted EBITDA reached €1,171 million and was thus €72 million above previous year. Positive one-time effects in the mid double-digit million euro range also had an impact on earnings. They occurred in Western and Eastern Europe and especially in the segment Others in H1 2020/21. In addition, €65 million transformation costs were incurred in FY 2020/21. They are mainly attributable to Q4 2020/21 and relate especially to the market exits from Japan and Myanmar as well as the withdrawal of the FSD company Classic Fine Foods from the Philippines. The earnings contribution from real estate transactions amounted to €60 million.

In the **guidance view**, METRO achieved its adjusted **group sales and earnings targets** for FY 2020/21 with figures at the upper end of the outlook range. Adjusted for the first-time consolidation of the companies Aviludo and Davigel Spain, sales development in local currency was -0.4% and adjusted EBITDA, at €1,164 million, was €65 million[7] up on the previous year.

The **profit or loss for the period** in FY 2020/21 was €-45 million, marking an improvement of €95 million over the previous year (€-140 million). Profit or loss for the period from continuing operations attributable to the shareholders of METRO AG was €-56 million.

On this basis, METRO achieved **earnings per share** of €-0.15 in FY 2020/21. Based on METRO AG's dividend policy, no dividend distribution is planned.[8]

Strong operational performance in regions drives growth

The development of the **segments** depends on their respective composition of customer groups as well as the duration and intensity of the COVID-19 restrictions in each country. Especially in countries where government measures were more stringent at the beginning of the year, progress in the fight against the pandemic and the associated positive effects on public life and METRO's business development became apparent in H2 2020/21. According to market

[6] Our strategy will be presented on 26 January 2022 as part of the Capital Markets Day.
[7] Constant FX.
[8] In the previous year, a dividend of €0.70 was proposed to the Annual General Meeting despite a negative EPS in the continuing operations, since the reported EPS actually amounted to €1.27 due to transaction proceeds (sale of majority stake in METRO China and the Real hypermarket business). Since no significant transaction proceeds were received this year and uncertainties remain due to the ongoing COVID-19 pandemic, the Management Board and the Supervisory Board consider this proposal to be appropriate.

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estimates[9], METRO outperformed the HoReCa market in Germany, Spain, Italy, France and Russia, for example. The detailed picture of FY 2020/21 is as follows:

In **Germany**, reported sales declined by -5.2% (€4.5 billion). This is mainly attributable to a significant decline in sales to HoReCa customers in H1 2020/21. METRO Germany performed significantly better overall than the FSD company Rungis Express, where government restrictions had a significantly more negative impact due to its specialised focus on hospitality industry customers. In the second half of the year, sales development in the HoReCa segment improved, but could not fully compensate for the decline in H1. Nevertheless, the HoReCa business developed better than the market. Adjusted EBITDA rose in FY 2020/21 to €149 million (2019/20: €125 million). This is mainly the result of good margin development and strict cost management.

In **Western Europe** (excluding Germany), reported sales and sales in local currency declined by -2.3% (€9.4 billion). France and Italy were particularly affected by the COVID-19 restrictions in H1. In H2, a rapid and significant recovery of the HoReCa business set in, with METRO outperforming the market in France, Italy and Spain. In addition, the delivery companies Aviludo in Portugal and Davigel in Spain, which were acquired in financial year 2020/21, contributed positively to the sales development since the initial consolidation. Thus, total sales in Q4 2020/21 already returned to pre-pandemic levels. The adjusted EBITDA in FY 2020/21 of €394 million remained at the previous year's level. The earnings development generally followed the slightly negative sales development. The acquisition of Davigel Spain resulted in a positive offsetting effect thanks to non-recurring income in the mid single-digit million euro range. The earnings contributions from real estate transactions in the region amounted to €18 million and were mainly the result of a sale-and-leaseback transaction in Portugal.

In **Russia**, sales in local currency increased by 3.3%, and reported sales decreased by -10.2% to €2.4 billion due to negative currency effects. Sales growth adjusted for currency effects was driven by the HoReCa and Trader customer groups. In Russia, adjusted EBITDA was €197 million (2019/20: €224 million); adjusted for currency effects, it increased by €2 million.

In **Eastern Europe** (excluding Russia), sales in local currency increased by 4.5%, while reported sales decreased due to negative currency effects, especially in Turkey and Ukraine, by -1.7% to €7.0 billion. Adjusted for currency effects, sales in Romania, Ukraine and Turkey in particular developed positively. In Poland, the Czech Republic, Hungary and Slovakia, the COVID-19 restrictions had a far more negative impact. Adjusted EBITDA was slightly below the previous year at € 366 million (2019/20: € 371 million), which is mainly

[9] npdgroup CREST panel, NPD.

due to negative exchange rate effects in Turkey. Adjusted for currency effects, Romania, Turkey and Ukraine were able to compensate for the declining trend in the Czech Republic, Slovakia and Poland. Furthermore, the termination of a legal dispute contributed positively to the earnings development with an amount in the mid single-digit million euro range. Adjusted for currency effects, adjusted EBITDA increased by €18 million.

In **Asia**, sales in local currency increased by 3.3%. Due to negative currency effects, especially in India and Japan, reported sales decreased by -2.8% to €1.5 billion. Adjusted for currency effects, the FSD company Classic Fine Foods and India in particular benefited from the recovery in the hospitality sector in the second half of the year. In FY 2020/21, the adjusted EBITDA in Asia reached €7 million (2019/20: €0 million). Income from the ownership share of METRO China with Wumei made a positive contribution of a low single-digit million euro amount to the earnings development. Adjusted for currency effects, adjusted EBITDA in Asia increased by €6 million. Transformation costs of €45 million (2019/20: €0 million) were incurred due to the market exits from Japan and Myanmar and the withdrawal of Classic Fine Foods from the Philippines.

The adjusted EBITDA in the **Others** segment amounted to €59 million in FY 2020/21 (2019/20: €42 million). The improvement compared to the previous year is attributable to various sustainable, temporary and one-time effects. Sustainable effects include savings from the restructuring carried out in the previous year, which had a positive impact on the development of personnel expenses. Temporary effects resulted from licensing income from the partnership with Wumei, which will continue to contribute to earnings until 2023. Moreover, one-off income of around €30 million contributed to the earnings development. It resulted from the termination of arbitration proceedings, the reassessment of transaction-related provisions and the final purchase price valuation of the METRO China transaction. Earnings contributions from real estate transactions amounted to €42 million (2019/20: €0 million) and resulted mainly from the sale of the last remaining real estate property of the hypermarket business, the disposal of an at-equity investment in a retail store network in Germany.

In financial year 2020/21, METRO's delivery sales increased by 5.8% to €4.2 billion (2019/20: €3.9 billion) and achieved a sales share of 17%. In H2 alone, the delivery business was an absolute growth driver, up 47% over the previous year.

As of 30 September 2021, the global store network comprised 681 stores (3 new openings in India, 1 new opening in Pakistan and 1 closure in Germany).

Outlook of METRO

The outlook is based on the assumption of stable exchange rates and no further portfolio adjustments (i.e. excluding Japan and Myanmar, including Aviludo and Davigel Spain). The relevant opportunities and risks that influence the outlook are explained in the Opportunities and risks report of the annual report. The sales and earnings outlook depends particularly on the future development of the COVID-19 pandemic. Temporary and limited governmental restrictions on social life, especially in H1 of financial year 2021/22, have been taken into consideration.

Sales

The Management Board expects a total sales growth of 3% to 7% (2020/21: 0.0% with Japan and Myanmar, 0.1% without Japan and Myanmar) for financial year 2021/22, hence reaching the pre-pandemic level[10]. The HoReCa business is expected to be the main growth driver, especially due to high momentum in delivery. All segments will contribute to the growth. For Western Europe (excl. Germany), a significantly overproportionate growth is expected. Germany is expected to grow below the group range, also due to the reduction of the tobacco business.

Earnings

The Management Board further expects an EBITDA adjusted on the level of the past financial year 2020/21 (€1,187 million without Japan and Myanmar). For Western Europe (excl. Germany), a significant growth is expected. The segment Others was supported by one-time effects in the mid double-digit million euro range in financial year 2020/21. Due to this and further digitalisation efforts, it will therefore be noticeably below the level of the previous year.

[10] On a comparable, operational level.

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Key sales figures

	Sales (€ million)		Change in % compared with the previous year's period: in group currency (€)	Currency effects in percentage points	in local currency	like-for-like (local currency)
	2019/20	2020/21				
METRO	25,632	24,765	−3.4%	−3.4%	0.0%	−0.4%
Germany	4,699	4,457	−5.2%	0.0%	−5.2%	−4.8%
Western Europe (excl. Germany)	9,603	9,384	−2.3%	0.0%	−2.3%	−3.2%
Russia	2,644	2,374	−10.2%	−13.5%	3.3%	3.6%
Eastern Europe (excl. Russia)	7,125	7,004	−1.7%	−6.2%	4.5%	4.5%
Asia	1,539	1,496	−2.8%	−6.2%	3.3%	1.4%
Others	22	49	–	–	–	–

Key EBITDA figures

	EBITDA adjusted			Transformation costs		Earnings contributions from real estate transactions		EBITDA	
€ million	2019/20	2020/21	Change (€)	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
Total	1,158	1,171	13	47	65	3	60	1,113	1,166
Germany	125	149	23	0	10	0	0	125	138
Western Europe (excl. Germany)	394	394	0	0	0	1	18	395	412
Russia	224	197	−27	0	0	0	0	224	197
Eastern Europe (excl. Russia)	371	366	−5	0	0	2	0	373	366
Asia	0	7	7	0	45	0	0	0	−38
Others	42	59	17	47	10	0	42	−5	91
Consolidation	1	−1	−2	0	0	0	0	1	−1

Financial calendar 2021/22

Capital Markets Day 2022	Wednesday	26 January 2022	
Quarterly statement Q1 2021/22	Wednesday	9 February 2022	6:30 PM
Annual General Meeting 2022	Friday	11 February 2022	10:00 AM
Half-yearly financial report H1/Q2 2021/22	Wednesday	11 May 2022	6:30 PM
Quarterly statement 9M/Q3 2021/22	Wednesday	10 August 2022	6:30 PM