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Q3 2017/18 RESULTS PRESENTATION

2 August 2018

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A QUARTER OF PROGRESS AND EXECUTION

METRO Wholesale



METRO Germany

+1.5% in LFL sales excl. Easter shift
+11 points employee engagement (EEI)
Store remodeling in Dusseldorf complete



METRO Russia

Improvement in sales trend
Execution of BMPL (>5% volume)
Franchise traction tripled

Real



Real

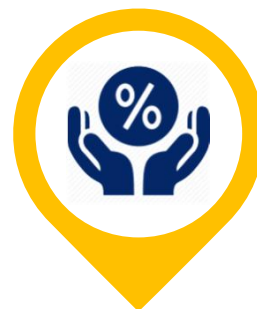
>1,250 hires under new tariff
5 additional remodeled stores by September
c.12 remodelings in the pipeline

Q3 KEY FACTS



Sales growth

Reported¹: -0.9%
Like-for-like: -0.5%
Delivery²: +10%
Online (Real): ~ +30%



EBITDA and EBITDA margin³

EBITDA: €302m
(PY €389m)
Margin: 3.4%
(PY 4.2%)
EBITDA excl. RE: €302m (PY €379m)
Margin excl. RE: 3.4% (PY 4.1%)



Free Cash Flow (FCF)⁴

▲ EBITDA: -€87m vs PY
▲ Change NWC: +€102m vs PY
▲ Capex: +€47m vs PY
▲ FCF: +€62m vs PY

Solid quarter despite Easter shift and FX headwind

¹ Constant currency ² Wholesale delivery ³ EBITDA including earnings contributions from real estate transactions

⁴ EBITDA - capex excluding finance lease extensions and M&A +/- change in NWC

02 FINANCIAL PERFORMANCE

SALES IN Q3

%	Q3 2016/17	Q3 2017/18
Like-for-like growth	2.6%	-0.5%
METRO Wholesale	2.6%	1.0%
Real	2.5%	-6.6%
Reported growth	4.9%	-3.7%
METRO Wholesale	6.2%	-2.8%
Real	0.7%	-7.2%
Sales share of respective sales line		
Delivery: Wholesale	17%	19%
Online: Real	2%	2%

Like-for-like growth

- Solid like-for-like development of -0.5% despite Easter shift
- Wholesale: strong growth in Eastern Europe and Asia; trend improvement in Russia

Reported growth

- Wholesale: affected by adverse currency effects, in particular in Russia and Turkey

Multichannel sales share

- Continued double-digit sales growth for METRO Wholesale delivery business
- Real with 30% online growth to 2% of sales

FY guidance

- 9M like-for-like growth of 0.7% in line with FY guidance of >0.5% and total growth in local currency of 0.9% consistent with FY guidance of $\geq 0.5\%$

EBITDA IN Q3

€m	Q3 2016/17	Q3 2017/18
EBITDA excl. RE gains	379	302
thereof METRO Wholesale	357	345
<i>thereof FX</i>		-18
thereof Real	33	-7
thereof Others	-14	-36
EBITDA excl. RE margin	4.1%	3.4%
METRO Wholesale	4.7%	4.7%
Real	1.9%	-0.4%
Real estate gains	9	0
METRO Wholesale	0	0
Real	0	0
Others	9	0
Total EBITDA	389	302

EBITDA and EBITDA margin

- Wholesale EBITDA at constant currency is €6m above PY
- Real with negative effects from the cancellation of the temporary tariff agreement

Real estate gains

- No significant real estate gains this quarter

FY guidance

- 9M EBITDA excluding real estate gains declined by -1.6% (at constant currency) in line with expectations

SALES TO EBITDA IN Q3

(1/4)

METRO Wholesale Germany

€m / %	Q3 2016/17	Q3 2017/18
Sales	1,196	1,166
Like-for-like growth	2.0%	-1.7%
<i>Excl. Easter shift</i>		1.5%
Reported growth	1.6%	-2.4%
EBITDA excl. RE gains	23	21
EBITDA margin	1.9%	1.8%
Real estate gains	0	0
Total EBITDA	23	21

- Adjusted for Easter shift, solid 1.5% LfL-growth
- Continuous increase in Horeca sales coming from improved frequency and basket
- EBITDA is largely stable

METRO Wholesale Western Europe

€m / %	Q3 2016/17	Q3 2017/18
Sales	2,740	2,724
Like-for-like growth	1.7%	-1.2%
<i>Excl. Easter shift</i>		1.1%
Reported growth	6.7%	-0.6%
EBITDA excl. RE gains	129	141
EBITDA margin	4.7%	5.2%
Real estate gains	0	0
Total EBITDA	129	141

- Adjusted for Easter shift, solid 1.1% LfL-growth
- Reported growth in the current year is impacted by full annualisation of Pro-à-Pro acquisition
- EBITDA improvement driven by positive development in France as a result of non-food reengineering

SALES TO EBITDA IN Q3

(2/4)

METRO Wholesale Russia

€m / %	Q3 2016/17	Q3 2017/18
Sales	839	676
Like-for-like growth	-3.3%	-3.2%
Reported growth	15.4%	-19.5%
EBITDA excl. RE gains	85	71
<i>thereof FX</i>		-15
EBITDA margin	10.2%	10.5%
Real estate gains	0	0
Total EBITDA	85	71

- Like-for-like significantly improved vs H1 (-8.8%); partly supported by METRO Expo, small positive effect from World Cup and first positive signs from BMPL
- EBITDA at constant FX on PY level; incl. c.€10m one-time benefit
- Adjusted for this, EBITDA margin still shows trend improvement vs Q2 2017/18 due to cost savings and lower de-gearing

METRO Wholesale Eastern Europe

€m / %	Q3 2016/17	Q3 2017/18
Sales	1,768	1,785
Like-for-like growth	6.1%	6.2%
Reported growth	3.4%	0.9%
EBITDA excl. RE gains	90	89
<i>thereof FX</i>		-3
EBITDA margin	5.1%	5.0%
Real estate gains	0	0
Total EBITDA	90	89

- Strong like-for-like growth driven by majority of the countries. Reported growth impacted by negative FX impact
- Industry-wide salary indexation from Q2 2017/18 was offset by operational improvements in Poland and other countries
- EBITDA is largely stable

SALES TO EBITDA IN Q3

(3/4)

METRO Wholesale Asia

€m / %	Q3 2016/17	Q3 2017/18
Sales	989	981
Like-for-like growth	4.3%	4.1%
Reported growth	8.3%	-0.8%
EBITDA excl. RE gains	33	38
<i>thereof FX</i>		0
EBITDA margin	3.3%	3.8%
Real estate gains	0	0
Total EBITDA	33	38

- Positive like-for-like growth across majority of countries; reported growth impacted by negative FX impact
- EBITDA margin has improved as a result of continued cost consciousness in China and India

SALES TO EBITDA IN Q3

(4/4)

Real

€m / %	Q3 2016/17	Q3 2017/18
Sales	1,783	1,655
Like-for-like growth	2.5%	-6.6%
<i>Excl. Easter shift</i>		-2.7%
Reported growth	0.7%	-7.2%
EBITDA excl. RE gains	33	-7
EBITDA margin	1.9%	-0.4%
Real estate gains	0	0
Total EBITDA	33	-7

- Like-for-like was negatively affected by the Easter shift, hot weather conditions and temporarily limited availability of goods
- Margin decrease is driven primarily by termination of temporary tariff agreement which could not be compensated by operational optimization

Others

€m / %	Q3 2016/17	Q3 2017/18
Sales	2	1
EBITDA excl. RE gains	-14	-36
Real estate gains	9	0
Total EBITDA	-5	-36

- One-off EBITDA decrease due to
 - start-up costs for the new warehouse facility in Germany and
 - expenses incurred in relation to the replacement of a member of the Management Board

EBITDA TO EPS IN Q3

€m / %	Q3 2016/17	Q3 2017/18
EBITDA	389	302
D&A	-174	-169
EBIT	215	133
<i>Interest and investment result</i>	-34	-35
<i>Other financial result</i>	-38	-1
Net financial result	-72	-36
EBT	144	97
Tax rate (9M)	55%	44%
Net income	76	54
EPS in €	0.21	0.16

EBITDA

- Reduction mostly driven by termination of temporary tariff agreement for Real as well as one-time start-up costs for warehouse platform
- Wholesale in constant currency €6m above PY

Net financial result

- Y-o-y improvement in other financial result as Q3 16/17 included a negative FX-impact related to intercompany receivables

Tax

- Y-o-y improvement is a result of demerger and restructuring costs in PY

EPS

- EPS decrease driven mostly by lower EBITDA. 9M EPS came in at 0.66€, which is in line with previous year, despite FX headwinds and shift of real estate gains

FCF IN Q3

€m / %	Q3 2016/17	Q3 2017/18
EBITDA	389	302
Change in NWC	-24	78
Capex ¹	-185	-138
METRO Wholesale	-108	-77
Real	-39	-20
Others/Cons.	-38	-40
FCF	180	242
Net debt (30 th June)	3,766	3,916

Change in NWC

- Wholesale: improvement driven mostly by Russia as PY was negatively impacted by trade law transition
- Real: improved inventory levels

Capex

- Wholesale: decrease mostly driven by lower number of store openings (CY: 2; PY: 6)
- Real: used a store purchase option in PY

FCF

- Increase is driven by improvement in NWC and lower Capex which were able to overcompensate the decline in EBITDA

Net debt

- Y-o-y slight increase due to utilization of provisions in the current 9-month period and few real estate transactions in the 12 months

¹ Capex excl. M&A and finance leases

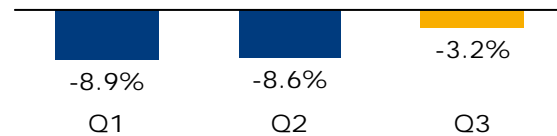
03

STRATEGIC CONTEXT

METRO RUSSIA: ACCELERATED TRANSFORMATION TOWARDS B2B

	Q3 2016/17	Q3 2017/18
LfL growth	-3.3%	-3.2%
Sales	€0.8bn	€0.7bn
EBITDA ²	85	71 (с.€10m one-time gain)
EBITDA Margin	10.2%	10.5%

Stable EEI³ in transformational environment
Q3 with measurable LfL-trend improvement



Solid execution of Q2 action plan with
initial positive results

Network
91 stores /
2 depots

EEI: 85 (PY 85)
NPS: fully
implemented

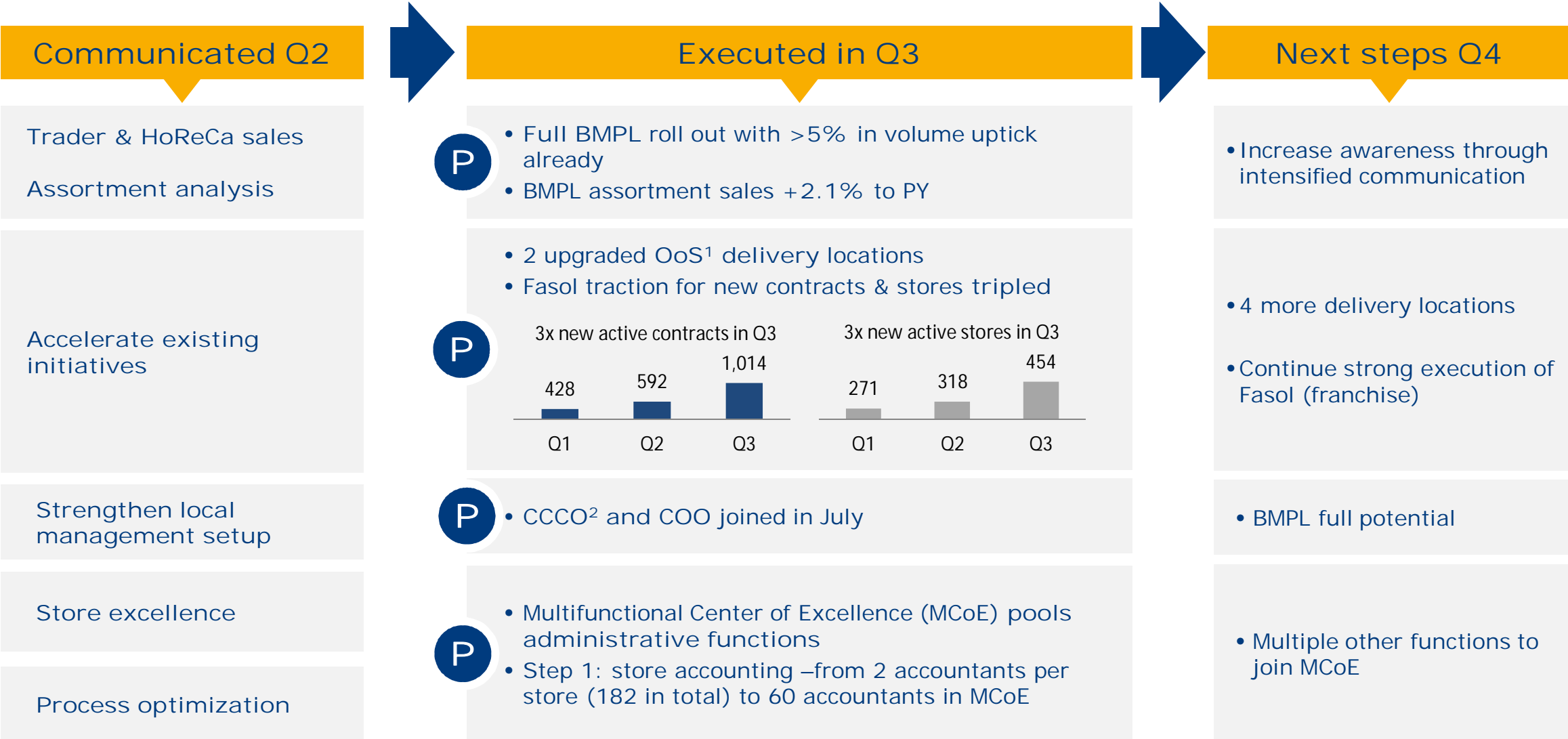
Capture more potential in a €76bn Trader and a €15bn Horeca market¹



¹ Sell-out value; Source: Internal, Market data: METRO from Euromonitor Passport Retailing and Consumer Foodservice Sell out values for 2017 ² Excluding real estate gains

³ Employee Engagement Index

METRO RUSSIA: IMPLEMENTATION OF ACTION PLAN



¹ Out of Store ² Chief Customer & Commercial Officer

METRO GERMANY: BECOME #1 MARKETPLACE FOR THE GASTRONOMY

	Q3 2016/17	Q3 2017/18
LfL growth	2.0%	-1.7%
Excl. Easter		1.5%
Sales	€1.2bn	€1.2bn
EBITDA ²	23	21
EBITDA Margin	1.9%	1.8%

Continuous improvement of underlying trend:
+11 EEI increase
+1.5% in sales excl. Easter shift

Further increased gastronomy focus with:
§ Renewed own brand focus
§ Remodeling of Dusseldorf store

Network
103 stores /
7 depots¹

EEI: 66 (PY 55)
NPS: ongoing roll out

Continue to gain relevance for customers



Best In Gastronomy (BIG) remodeling - Dusseldorf
Horeca focus in assortment as well as Horeca separate entrance and optimized customer path in store
Pick-up box allows for Sunday re-stocking

Next store remodeling: Frankfurt



¹ Depots of METRO Wholesale, excl. Rungis ² Excluding real estate gains

ENGAGED EMPLOYEES AND SATISFIED CUSTOMER LEAD TO SUSTAINABLE GROWTH IN CORE TARGET GROUPS

Highly engaged employees

Higher customer satisfaction

Like-for-like growth in Q3 2017/18

EEI

NPS

LFL

Measured with employee engagement index (EEI)

METRO: 78

+2 to PY

(Global benchmark 63)

Measured with Net promotor score (NPS)
24 countries initiated

All countries with positive NPS

> 600 stores live

> 240k customer responses

Next Steps: Statistical analyses on loyalty and behavioral changes

+ 3.3%
with HoReCa customers

+ 3.7%
with Trader customers in focus countries¹ and +6.1% excl. Russia

+ 1.4%
with Food

¹ Trader countries: Bulgaria, Czech Republic, India, Pakistan, Poland, Romania, Russia, Serbia, Slovakia

REAL: UPDATE ON GERMANY'S LEADING "FOOD LOVER" RETAILER

	Q3 2016/17	Q3 2017/18
LfL growth	2.5%	-6.6%
Sales	€1.8bn	€1.7bn
EBITDA ¹	33	-7
EBITDA Margin	1.9%	-0.4%



Commercial model P

Food Lover/"Markthalle"

- Braunschweig remodeling progressing well, Bielefeld to be next
- 30 stores with "Markthallen" potential

Modular roll-out

- 5 remodelings completed by September
- c.12 remodelings to complete in 18/19

Omni-channel business P

Online marketplace

- >58% growth in GMV. 2% of total sales
- ~0.73m buying customers in Q3
- >12m SKUs (+1m vs Q2)

Online groceries

- 15 cities in Germany (+5 cities vs Q2)
- reach out to 13m Households

Competitive cost P

Tariff

- >1,250 people hired under the new tariff representing c. 5% of total workforce

RTG update

- German retailer Tegut joined (7th partner)
- Continue to add suppliers

¹ Excluding real estate gains

04 OUTLOOK & GUIDANCE

REAL ESTATE: BRIDGING TO FY EXPECTATIONS OF ~€175M

YTD July 2017/18
Completed

YTG Aug-Sep 2017/18
Work-in-progress

Over €110m EBITDA

Various projects
in the process of completion

Examples:

METRO Wholesale

Spain Development followed by a Sale & lease back ~€30m

Real

Germany Sale & lease back ~€10m

Others

Germany Development ~€45m



Examples:

METRO Wholesale

Development projects and excess property in Europe and Asia

Real

Germany Sale & lease back



OUTLOOK FOR 2017/18

Guidance¹

	FY 2016/17	FY 2017/18
Sales growth in local currency	1.1%	≥0.5%
LfL growth	0.5%	>0.5%
Rep. EBITDA ¹ excl. real estate gains	€1,436m ²	Slightly above PY

Comments

- Expectations for delivery growth, new stores, real estate gains, capex and FCF conversion confirmed
- Currency: -€50m FX impact expected for FY 2017/18 in EBITDA
- Net financial result: c. -€180m
- Tax rate: ≤45% (46.9% in 2016/17)
- EPS: c. 15% increase (€0.89 in 2016/17)

¹ At constant FX and before portfolio measures

² Reported EBITDA 2016/17 of €1,611m less €175m of real estate gains

EVENTS AND FINANCIAL CALENDAR



Upcoming events

- 3 August 2018 Roadshow London - Jefferies
- 6 August 2018 Roadshow Paris – Raymond James
- 7 August 2018 Roadshow Frankfurt - Equinet



Financial calendar

- 25 October 2018 – Trading Statement 2017/18
- 13 December 2018 – Annual Report 2017/18

Q&A



Olaf Koch, CEO



Christian Baier, CFO

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CASH FLOW IN Q3

€ million	Q3 2016/17	Q3 2017/18
EBIT	215	133
Depreciation/amortisation/impairment losses/reversal of impairment losses of assets excl. financial investments	174	169
Change in provisions for post-employment benefits plans and other provisions	-40	-50
Change in net working capital	-24	78
Income taxes paid	-58	-87
Reclassification of gains (-) / losses (+) from the disposal of fixed assets	-8	1
Other	149	23
Cash flow from operating activities	409	267
Acquisition of subsidiaries	0	0
Investments in property, plant and equipment (excl. finance leases)	-149	-130
Other investments	-48	-38
Investments in monetary assets	0	0
Disposals of subsidiaries	-3	1
Disposal of fixed assets	-5	29
Gains (+) / losses (-) from the disposal of fixed assets	8	-1
Disposal of monetary assets	26	0
Cash flow from investing activities	-171	-139
Dividends paid	0	0
Redemption of liabilities from put options of non-controlling interests	0	0
New borrowings	87	65
Redemption of borrowings	-455	-536
Interest paid	-47	-41
Interest received	15	2
Profit and loss transfers and other financing activities	-40	-2
Cash flow from financing activities	-439	-513
Total cash flows	-202	-385

METRO