



QUARTERLY STATEMENT

Q1 2019/20

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METRO'S LIKE-FOR-LIKE SALES GROW 1.0% IN Q1 2019/20

Unless expressly stated otherwise, all subsequent presentations refer to continuing operations. Furthermore, the quarterly results are reported based on the retrospective adjustments due to IFRS 16.

Like-for-like sales increased by 1.0%; in local currency, sales grew by 1.0%, reported sales increased by 2.2% to €7.5 billion

EBITDA excluding earnings contributions from real estate transactions amounted to €526 million (Q1 2018/19: €530 million). In Q1 2019/20 no transformation costs incurred. The reported EBITDA reached €527 million (Q1 2018/19: €532 million)

EBITDA excluding earnings contributions from real estate transactions adjusted for currency effects was -2.2% lower than previous year

The profit or loss for the period from continuing operations attributable to METRO shareholders amounted to €121 million (Q1 2018/19: €172 million)

The profit or loss for the period from continuing and discontinued operations attributable to METRO shareholders amounted to €-34 million (Q1 2018/19: €224 million). The profit or loss for the period from discontinued operations was influenced by an impairment of the hypermarket business to the sum of €237 million

Earnings per share from continuing operations decreased to €0.33 in Q1 2019/20 (Q1 2018/19: €0.47); including discontinued operations, it reached €-0.09 (Q1 2018/19: €0.62)

Net debt of continuing operations amounted to €5.0 billion (31/12/2018: €5.2 billion)

Sales and EBITDA outlook for the financial year 2019/20 confirmed

OVERVIEW

Q1 2019/20

€ million	Q1 2018/19 ^{1,2}	Q1 2019/20	Change
Sales	7,388	7,548	2.2%
EBITDA excluding earnings contributions from real estate transactions	530	526	-0.6%
Earnings contributions from real estate transactions	2	1	-52.8%
EBITDA	532	527	-0.8%
EBIT	347	327	-5.7%
Earnings before taxes EBT	285	276	-3.1%
Profit or loss for the period from continuing operations ³	172	121	-29.5%
Earnings per Share from continuing operations (€) ³	0.47	0.33	-29.5%
Profit or loss for the period ²	224	-34	-
Earnings per Share (€)	0.62	-0.09	-

¹ Adjustment of previous year due to discontinued operations METRO China

² Adjustment of previous year due to full retrospective application of IFRS 16 (leases)

³ attributable to METRO shareholders

SALES, EARNINGS AND FINANCIAL POSITION

Unless expressly stated otherwise, all subsequent presentations refer to continuing operations. Furthermore, the quarterly results are reported based on the retrospective adjustments due to IFRS 16.

Sales

In Q1 2019/20, METRO's like-for-like sales rose by 1.0%. This growth is mainly attributable to the continuing strong business development in Eastern Europe and Asia. In local currency sales increased by 1.0%. In part supported by positive currency effect developments, total sales at METRO increased by 2.2% to €7.5 billion.

Earnings

The earnings before depreciation and amortization (EBITDA) excluding earnings contributions from real estate transactions reached a total of €526 million in Q1 2019/20 (Q1 2018/19: €530 million), also supported by positive currency effects in Russia and Eastern Europe. In Q1 2019/20 no transformation costs incurred. Adjusted for currency effects, EBITDA decreased by €12 million (-2.2%) compared to the same period last year. The segments mainly developed at previous year's level, while a cost increase in Eastern Europe made an impact.

Earnings contributions from real estate transactions totalled €1 million (Q1 2018/19: €2 million).

EBITDA in Q1 2019/20 amounted to €527 million (Q1 2018/19: €532 million).

The total financial result amounted to €-51 million in Q1 2019/20 (Q1 2018/19: €-62 million). Among others, due to a more favourable refinancing rate, the interest result improved by €5 million.

Earnings before taxes amounted to €276 million in Q1 2019/20 (Q1 2018/19: €285 million).

In accordance with international accounting standards on interim financial reporting, taxes are reported throughout the year using the so-called integral approach. According to this standard, the reported tax expense or tax income corresponds to the expected group tax rate at the end of the financial year.

For the continuing operations a tax rate before transformation costs of approximately 55% is expected for the financial year 2019/20 (Q1 2018/19: 39%). This results in income tax expenses of €152 million in the reporting period (Q1 2018/19: €110 million). The expected tax rate for continuing operations is significantly higher than the tax rate for the previous

year, mainly due to temporarily lower expected income from real estate transactions.

The profit or loss for the period from continuing operations attributable to METRO shareholders amounted to €121 million in Q1 2019/20 (Q1 2018/19: €172 million).

The profit or loss for the period from continuing and discontinued operations attributable to METRO shareholders amounted to €-34 million in Q1 2019/20 (Q1 2018/19: €224 million). In Q1 2019/20 an impairment of €237 million for the hypermarket business was booked, based on the current status of negotiation as well as the suspended depreciation.

Earnings per share from continuing operations dropped to €0.33 in Q1 2019/20 (Q1 2018/19: €0.47).

Earnings per share from continuing and discontinued operations reached €-0.09 in Q1 2019/20 (Q1 2018/19: €0.62).

Investments

METRO invested €132 million in Q1 2019/20 (Q1 2018/19: €107 million).

Financial position

Net debt, after offsetting cash and cash equivalents as well as financial investments with borrowings (including liabilities from leases), totalled €5.0 billion as of 31 December 2019 (31 December 2018: €5.2 billion).

Cash flow

In Q1 2019/20, total cash inflow from operating activities amounted to €0.5 billion (Q1 2018/19: €0.5 billion cash inflow).

The cash flow from investing activities amounted to €-0.1 billion (Q1 2018/19: €-0.1 billion cash outflow) and is mainly attributable to investments in property, plant and equipment and investment properties. The other investments include payouts for intangible assets and financial assets.

Cash flow from financing activities totalled €-0.4 billion (Q1 2018/19: €-0.5 billion cash outflow).

METRO Segments^{1, 2}

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)		Like-for-like (local currency)	
	Q1 2018/19	Q1 2019/20	Q1 2018/19	Q1 2019/20	Q1 2018/19	Q1 2019/20	Q1 2018/19	Q1 2019/20	Q1 2018/19	Q1 2019/20
Total	7,388	7,548	-1.0%	2.2%	-2.8%	1.2%	1.9%	1.0%	2.1%	1.0%
Germany	1,352	1,347	-1.3%	-0.4%	0.0%	0.0%	-1.3%	-0.4%	-0.2%	-0.3%
Western Europe (excl. Germany)	2,921	2,932	1.2%	0.4%	0.0%	0.0%	1.2%	0.4%	1.0%	0.5%
Russia	801	821	-11.9%	2.5%	-9.2%	7.4%	-2.8%	-4.9%	-2.4%	-5.3%
Eastern Europe (excl. Russia)	1,861	1,975	0.8%	6.1%	-5.5%	1.0%	6.3%	5.1%	6.4%	5.0%
Asia	443	466	3.0%	5.2%	-6.8%	1.8%	9.8%	3.4%	7.4%	3.2%
Others	11	7	-39.2%	-33.1%	0	0	-39.2%	-33.1%	0	0

¹ Adjustment of previous year due to discontinued operations METRO China

² Adjustment of previous year due to full retrospective application of IFRS 16 (leases)

In Germany, like-for-like sales declined slightly by -0.3% in Q1 2019/20, impacted by a change in tobacco regulations. Reported sales declined by -0.4%.

In Q1 2019/20, like-for-like sales in Western Europe (excl. Germany) rose by 0.5%. Reported sales increased by 0.4% to €2.9 billion. In France, the sales trend was affected by the national general strikes.

In Russia, like-for-like sales in Q1 2019/20 declined by -5.3%, whereby a slight trend improvement was achieved compared to Q4 of 2018/19. In local currency, revenues decreased by -4.9%. Supported by positive currency effects, reported sales increased by 2.5%.

In Eastern Europe (excluding Russia), like-for-like sales in the financial year continued to develop positively with an increase of 5.0%. The majority of countries contributed to this trend, especially Turkey, Ukraine, Romania and Poland. In local currency, sales

increased by 5.1%. Due to positive currency effects, reported sales increased by 6.1%.

In Q1 2019/20, like-for-like sales in Asia increased by 3.2%. India and Pakistan contributed to this increase, while Classic Fine Foods was affected by the demonstrations in Hong Kong. Sales in local currency increased by 3.4%. Supported by positive currency effects, reported sales increased by 5.2%.

METRO's delivery sales continued to develop positively, with sales increasing by approximately 10% to €1.2 billion in Q1 2019/20. The delivery business now accounts for 16% of sales.

As of 31 December 2019, the store network included 679 individual stores, 3 stores more than on the same date in the previous year. One store was opened in the Q1 2019/20 (Ukraine).

	EBITDA excluding earnings contributions from real estate transactions			Earnings contributions from real estate transactions		EBITDA		EBIT		Investments	
	Q1	Q1	Change (€)	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1
	2018/19	2019/20		2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Total	530	526	-3	2	1	532	527	347	327	107	132
Germany	77	76	0	0	0	77	76	50	50	6	9
Western Europe (excl. Germany)	207	205	-3	0	1	207	206	149	143	29	28
Russia	83	87	4	0	0	83	87	68	71	5	1
Eastern Europe (excl. Russia)	122	117	-4	2	0	124	117	95	84	23	26
Asia	17	12	-5	0	0	17	12	8	2	8	5
Others	24	27	4	0	0	23	27	-24	-24	37	63
Consolidation	0	1	1	0	0	0	1	0	1	0	0

¹ Adjustment of previous year due to discontinued operations METRO China

² Adjustment of previous year due to full retrospective application of IFRS 16 (leases)

In Germany, EBITDA excluding earnings contributions from real estate transactions reached €76 million (Q1 2018/19: €77 million).

In Western Europe (excluding Germany), EBITDA excluding earnings contributions from real estate transactions reached €205 million (Q1 2018/19: €207 million).

In Russia, the EBITDA excluding earnings contributions from real estate transactions reached €87 million (Q1 2018/19: €83 million). The positive currency effect development contributed to this result. Adjusted for currency effects, EBITDA decreased by €-2 million.

In Eastern Europe excl. Russia, EBITDA excluding earnings contributions from real estate transactions reached €117 million in Q1 2019/20 (Q1 2018/19: €122 million). This decrease is mainly attributable to the general rise in costs in the region.

In Asia, EBITDA excluding earnings contributions from real estate transactions reached €12 million in Q1 2019/20 (Q1 2018/19: €17 million).

In the Others segment, EBITDA excluding earnings contributions from real estate transactions remained at previous year's level of €27 million (Q1 2018/19: €24 million). Last year benefited from low double-digit million damage compensation. This was offset to a large extent by an improved operating result in logistics in Q1 19/20. In addition, EBITDA was supported by initial savings from efficiency measures in the headquarter as a result of an improvement in non personnel costs.

Discontinued operations

Like-for-like sales of discontinued operations in Q1 2019/20 increased by 0.6%. Reported sales increased by 0.1% compared to the previous year.

The EBITDA excluding earnings contributions from real estate transactions reached €120 million (Q1 2018/19: €142 million). The decline is mainly attributable to the earnings development at Real, while earnings at METRO China remained at previous year's level.

As a result of disclosures as discontinued operations and according to IFRS 5, depreciation and amortisation on fixed assets of €95 million (Q1 2018/19: €74 million) have been suspended. In Q1 2019/20, an impairment of the hypermarket business to the sum of €237 million was booked based on the current status of negotiation as well as the suspended depreciation.

OUTLOOK

Outlook for METRO

The outlook is based on the assumption of stable exchange rates and no further adjustments to the portfolio and only covers METRO's continuing operations. The main opportunities and risks that could influence our outlook are explained in the opportunity and risk report. The achievement of our sales and earnings outlook is further based on our assumptions for 2019/20 regarding macroeconomic developments.

Sales

Due to the advancing and successful focus on the HoReCa and Traders customer groups, the Management Board expects total sales and like-for-like sales to grow by 1.5% to 3% in financial year 2019/20 (2018/19: 2.2% growth to total sales and 2.1% growth of like-for-like sales). As a consequence of this focus, a further trend improvement is expected in Russia. Germany is expected to show a flat sales development, while the Western Europe (excluding Germany), Eastern Europe (excluding Russia) and Asia segments are expected to grow at the previous year's level. Across all segments, the Management Board sees the delivery business in particular and the synergetic interaction of the various channels as well as the focus on HoReCa and Traders customers as growth drivers.

Earnings

An important focus of METRO is on increasing operating performance and portfolio simplification. Against this background, the Management Board announced to adopt efficiency measures on 19 November 2019. In financial year 2019/20, the Management Board expects this to result in one-time transformation costs of €60 million to €80 million. Before transformation costs for these efficiency measures, the Management Board expects EBITDA excluding earnings contributions from real estate transactions to be roughly at the level of the past financial year (2018/19: € 1,392 million). Earnings in Russia are expected to decline by between €20 million and €30 million as a result of the ongoing repositioning.

Earnings growth in Germany and Western Europe (excluding Germany) is expected to compensate for this. For the remaining segments, EBITDA is expected to remain roughly at the previous years level.

INCOME STATEMENT

€ million	Q1 2018/19 ^{1,2}	Q1 2019/20
Sales revenues	7,388	7,548
Cost of sales	-6,095	-6,209
Gross profit on sales	1,293	1,339
Other operating income	290	248
Selling expenses	-992	-996
General administrative expenses	-173	-189
Other operating expenses	-76	-75
Earnings from impairment of financial assets	-5	-3
Earnings share of operating companies recognised at equity	9	5
Earnings before interest and taxes (EBIT)	347	327
Earnings share of non-operating companies recognised at equity	0	0
Other investment result	0	1
Interest income	10	8
Interest expenses	-71	-64
Other financial result	0	4
Financial result	-62	-51
Earnings before taxes EBT	285	276
Income taxes	-110	-152
Profit or loss for the period from continuing operations	175	124
Profit or loss for the period from discontinued operations	53	-154
Profit or loss for the period	228	-30
Profit or loss for the period attributable to non-controlling interests	3	4
from continuing operations	3	3
from discontinued operations	1	2
Profit or loss for the period attributable to the shareholders of METRO AG	224	-34
from continuing operations	172	121
from discontinued operations	52	-155
Earnings per share in € (basic = diluted)	0.62	-0.09
from continuing operations	0.47	0.33
from discontinued operations	0.14	-0.43

¹ Adjustment of previous year due to discontinued operations METRO China

² Adjustment of previous year due to full retrospective application of IFRS 16 (leases)

BALANCE SHEET

ASSETS			
€ million	31/12/2018 ^{1,2}	30/09/2019 ¹	31/12/2019
Non-current assets	8,774	8,850	8,730
Goodwill	780	785	785
Other intangible assets	506	562	562
Property, plant and equipment	6,598	6,652	6,553
Investment properties	136	127	128
Financial assets	87	97	97
Investments accounted for using the equity method	185	179	180
Other financial assets	158	150	143
Other non-financial assets	24	20	17
Deferred tax assets	301	279	265
Current assets	9,874	8,992	9,429
Inventories	2,068	1,946	2,117
Trade receivables	464	482	497
Financial assets	3	4	4
Other financial assets	606	622	651
Other non-financial assets	394	279	333
Entitlements to income tax refunds	224	190	206
Cash and cash equivalents	871	500	681
Assets held for sale	5,244	4,970	4,940
	18,648	17,842	18,160

¹ Adjustment of previous year due to discontinued operations METRO China

² Adjustment of previous year due to full retrospective application of IFRS 16 (leases)

EQUITY AND LIABILITIES

€ million	31/12/2018 ^{1,2}	30/09/2019 ¹	31/12/2019
Equity	2,471	2,357	2,308
Share capital	363	363	363
Capital reserve	6,118	6,118	6,118
Reserves retained from earnings	-4,047	-4,155	-4,202
Non-controlling interests	37	31	28
Non-current liabilities	5,493	5,653	5,592
Provisions for post-employment benefits plans and similar obligations	470	543	517
Other provisions	90	108	120
Financial liabilities	4,737	4,766	4,717
Other financial liabilities	56	55	55
Other non-financial liabilities	25	25	25
Deferred tax liabilities	115	155	159
Current liabilities	10,684	9,832	10,260
Trade liabilities	3,792	3,572	3,825
Provisions	169	158	131
Financial liabilities	1,361	1,164	989
Other financial liabilities	631	728	668
Other non-financial liabilities	384	228	284
Income tax liabilities	231	169	264
Liabilities related to assets held for sale	4,116	3,813	4,099
	18,648	17,842	18,160

¹ Adjustment of previous year due to discontinued operations METRO China

² Adjustment of previous year due to full retrospective application of IFRS 16 (leases)

CASH FLOW STATEMENT

€ million	Q1 2018/19 ^{1,2}	Q1 2019/20
EBIT	347	327
Depreciation/amortisation/impairment losses/reversal of impairment losses of assets excl. financial investments	185	200
Change in provisions for pensions and other provisions	-22	-15
Change in net working capital	140	47
Income taxes paid	-80	-59
Reclassification of gains (-) / losses (+) from the disposal of fixed assets	-9	-2
Other	-79	-47
Cash flow from operating activities of continuing operations	482	452
Cash flow from operating activities of discontinued operations	227	197
Cash flow from operating activities	709	649
Acquisition of subsidiaries	0	0
Investments in property, plant and equipment and in investment property (excluding right-of-use assets))	-74	-64
Other investments	-51	-35
Investments in monetary assets	-11	0
Disposals of subsidiaries	0	0
Divestments	40	19
Disposal of financial investments	7	0
Cash flow from investing activities of continuing operations	-88	-81
Cash flow from investing activities of discontinued operations	-60	-3
Cash flow from investing activities	-148	-83
Dividends paid		
to METRO AG shareholders	0	0
to other shareholders	-7	-7
Redemption of liabilities from put options of non-controlling interests	0	0
Proceeds from new borrowings	116	1,128
Redemption of borrowings	-589	-1,415
Interest paid	-70	-64
Interest received	9	8
Other financing activities	3	-9
Cash flow from financing activities of continuing operations	-536	-359
Cash flow from financing activities of discontinued operations	-79	-108
Cash flow from financing activities	-615	-468
Total cash flows	-55	98
Currency effects on cash and cash equivalents	6	-5
Total change in cash and cash equivalents	-49	93
Cash and cash equivalents as of 1 October	1,396	1,044
less cash and cash equivalents reported in assets in accordance with IFRS 5	489	544
Cash and cash equivalents as of 1 October	907	500
Total cash and cash equivalents as of 31 December	1,346	1,137
less cash and cash equivalents reported in assets in accordance with IFRS 5	475	456
Cash and cash equivalents as of 31 December	871	681

¹ Adjustment of previous year due to discontinued operations METRO China

² Adjustment of previous year due to full retrospective application of IFRS 16 (leases)

SEGMENT REPORTING Q1 2019/20

OPERATING SEGMENTS^{1, 2}

€ million	Germany		Western Europe (excl. Germany)		Russia		Eastern Europe (excl. Russia)		Asia	
	Q1 2018/19	Q1 2019/20	Q1 2018/19	Q1 2019/20	Q1 2018/19	Q1 2019/20	Q1 2018/19	Q1 2019/20	Q1 2018/19	Q1 2019/20
	External sales (net)	1,352	1,347	2,921	2,932	801	821	1,861	1,975	443
EBITDA excluding earnings contributions from real estate transactions	77	76	207	205	83	87	122	117	17	12
Earnings contributions from real estate transactions	0	0	0	1	0	0	2	0	0	0
EBITDA	77	76	207	206	83	87	124	117	17	12
EBIT	50	50	149	143	68	71	95	84	8	2
Investments	6	9	29	28	5	1	23	26	8	5

€ million	Others		Consolidation		METRO continuing operations		METRO discontinued operations	
	Q1 2018/19	Q1 2019/20	Q1 2018/19	Q1 2019/20	Q1 2018/19	Q1 2019/20	Q1 2018/19	Q1 2019/20
	External sales (net)	11	7	0	0	7,388	7,548	2,640
EBITDA excluding earnings contributions from real estate transactions	24	27	0	1	530	526	142	120
Earnings contributions from real estate transactions	0	0	0	0	2	1	0	-1
EBITDA	23	27	0	1	532	527	142	119
EBIT	-24	-24	0	1	347	327	126	-118
Investments	37	63	0	0	107	132	59	36

¹ Adjustment of previous year due to discontinued operations METRO China

² Adjustment of previous year due to full retrospective application of IFRS 16 (leases)

NOTES

Accounting principles

The income statement, balance sheet as of 30 September and 31 December 2019 and cash flow statement have been prepared in accordance with IFRS as adopted for the EU. The income statement, balance sheet and cash flow statement were prepared in accordance with IAS 34 (interim financial reporting). With an exception of IFRS 16 which was applied for the first time and described below, the same accounting view as in consolidated financial statement from 30 September 2019 has been applied.

Since 1 October 2019, METRO has been applying IFRS 16, whereby it made use of the option to apply the fully retrospective method. METRO's continuing operations (without the hypermarket business and METRO China) resulted in an increase in non-current assets of approximately €2.0 billion and total liabilities of approximately €2.4 billion as of 1 October 2018.

As of 30. September 2019, the increase of non-current liabilities amount to €2.1 billion and the total liabilities amount to €2.5 billion due to offsetting effects resulting from additions of right of use, depreciation and repayments. Previous year's figures were adjusted accordingly.

In February 2020, METRO published a transition booklet on the effects of IFRS 16, which shows the effects of the transition per quarter and segment for the financial year 2018/19.

METRO China has been reported as a discontinued operation respectively disposal group since 30 September 2019. In this quarterly statement, in addition to the balance sheet as at 30 September 2019, a balance sheet as at 31 December 2018 is also provided as a voluntary additional disclosure in order to enable a year-on-year comparison of the current book values taking into account seasonal fluctuations. In contrast to the quarterly statement of the previous year, the assets (€1.7 billion) and liabilities (€1.0 billion) of METRO China are also classified as "held for sale" in the comparable balance sheet as of 31 December 2018 in order to enhance the informative value of these figures.

FINANCIAL CALENDAR

Annual General Meeting 2020	Friday	14 February 2020	10.00 a.m.
Half-year Financial Report H1/Q2 2019/20	Thursday	7 May 2020	7.30 a.m.
Quarterly Statement 9M/Q3 2019/20	Friday	7 August 2020	7.30 a.m.

All time specifications are CET

IMPRINT

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DISCLAIMER

This quarterly statement contains forward-looking statements. These statements are based on certain assumptions and expectations held at the time this report is published. Forward-looking statements are therefore subject to risks and uncertainties and may significantly deviate from the actual earnings. With regard to forward-looking statements in particular, risks and uncertainties are to a large extent determined by factors that are outside of METRO's sphere of influence and that can currently not be estimated with an adequate degree of certainty. These factors include, among others, future market conditions and economic developments, the actions of other market participants, the full utilisation of anticipated synergy effects as well as legislative and political decisions.

METRO does not consider itself obligated to publish any corrections to these forward-looking statements for the purpose of adjusting them to events or circumstances that eventuate after the publishing date.