

**METRO**

**QUARTERLY STATEMENT**

**Q1 2023/24**

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## METRO STARTS Q1 WITH 9% SALES GROWTH (PORTFOLIO AND CURRENCY ADJUSTED)

### Q1:

- In the guidance view (portfolio and currency adjusted), sales increased by 9.1% and adjusted EBITDA was €22 million below the previous year's level
- Total sales in local currency increased by 6.2%. This includes a negative portfolio effect<sup>1</sup> of around 3%p. Reported sales were affected by negative currency effects and increased by 0.1% to €8.1 billion. Inflation continues to decline, with slight deflation in Germany
- Sales channels growth (portfolio and currency adjusted): sales in the store-based business grew to €6.2 billion (+5.0%), delivery sales to €1.9 billion (+24.1%) and METRO MARKETS sales to €34 million (+61.7%)
- Adjusted EBITDA was €404 million (Q1 2022/23: €465 million), earnings contributions from real estate transactions amounted to €28 million (Q1 2022/23: €207 million) and resulted mainly from two real estate transactions in Turkey. The previous year's figure included the sale of part of the METRO Campus. Transformation gains were generated in the amount of €3 million (Q1 2022/23: €1 million). EBITDA decreased to €436 million (Q1 2022/23: €673 million)
- Earnings per share amounted to €0.36 (Q1 2022/23: €1.44). In the previous year, earnings were significantly influenced by the sale of part of the METRO Campus and non-cash currency effects in the financial result
- Outlook for sales and adjusted EBITDA for the 2023/24 financial year confirmed (sales growth of 3-7%, adjusted EBITDA change of €-100 million to €50 million compared to previous year)
- Growth targets until 2030 confirmed (average sales growth: 5-10%, average EBITDA growth: 5-7%)

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<sup>1</sup> Excl. India

# OVERVIEW

## Q1 2023/24

### METRO IN FIGURES

Key financial figures (€ million)	Q1 2022/23	Q1 2023/24	Change	Change in %
Sales (net)	8,107	8,115	8	0.1%
Adjusted EBITDA	465	404	-61	-13.1%
EBIT	464	227	-237	-51.0%
Earnings per share in € (basic = diluted)	1.44	0.36	-1.08	-

### MULTICHANNEL DEVELOPMENT

Sales development (€ million)	Q1 2022/23	Q1 2023/24	Change	Ambition FY 2030
Store-based and Others business	6,453	6,209	-244	~ 1.2 x vs. 2020/21
FSD	1,632	1,871	239	> 3 x vs. 2020/21
METRO MARKETS sales	21	34	13	
METRO MARKETS marketplace sales <sup>1</sup>	34	52	17	> €3 billion

<sup>1</sup>Total volume of the METRO MARKETS platform (and third-party platforms) excluding VAT and after cancellations but before any deductions; includes disposal sales in full.

### NETWORK

	30.09.2023	31.12.2023	Change
Stores & delivery (number of countries)	32	33	1
Marketplace (number of countries)	6	6	0
DISH POS <sup>1</sup> (number of countries)	4	5	1
Stores (number of locations)	625	626	1
of which delivery OOS <sup>2</sup> (number of locations)	(529)	(524)	(-5)
FSD depots (number of locations)	76	80	4

<sup>1</sup> DISH POS is a cloud-based all-in-one POS system with solutions for the hospitality industry. The product was developed by POS provider Eijsink. Following the acquisition by DISH Digital Solutions (formerly Hospitality Digital) in March 2022, the product has since been further developed and integrated into the range of digital dish tools. The system in the Netherlands and Belgium is called Booq.

<sup>2</sup> OOS refers to the existing METRO store portfolio and includes METRO stores that supply from the store as well as stores that operate their own depot in the store.

## SALES, EARNINGS AND FINANCIAL POSITION

### Sales

In Q1 2023/24 sales in local currency increased by 6.2%. All segments and all channels contributed to this growth. Total sales increased slightly by 0.1% to €8.1 billion and were strongly impacted by negative currency effects, particularly in Russia and Turkey.

### Earnings

In Q1 2023/24 adjusted EBITDA decreased to €404 million (Q1 2022/23: €465 million). The sales growth from sCore generally leads to EBITDA growth. The expiry of license fee from WM Holding (HK) Limited (segment Others) and a transformation-related development in Germany had an opposing effect in Q1 2023/24. Adjusted for exchange rate effects, adjusted EBITDA decreased by €25 million compared to the same period of the previous year. The previous year also includes the negative impact on earnings of the cyber attack in Q1. Negative currency effects were mainly in Russia and Turkey.

Earnings contributions from real estate transactions amounted to €28 million (Q1 2022/23: €207 million) and resulted mainly from two real estate transactions in Turkey. In the previous year, real estate gain resulted mainly from the sale of part of the METRO Campus. Transformation gains were in the amount of €3 million (Q1 2022/23: €1 million). Overall, EBITDA decreased to €436 million (Q1 2022/23: €673 million).

Depreciation and amortisation in Q1 2023/24 amounted to €209 million (Q1 2022/23: €209 million) and are at the previous year's level

The financial result in Q1 2023/24 amounted to €-34 million (Q1 2022/23: €151 million). The result essentially reflects the interest expense (including interest from leases and pension provisions) for the reporting period. Compared to the same quarter of the previous year - in which non-cash positive valuation effects from intra-group positions were shown - the stable rouble exchange rate development in the reporting period did not lead to any significant valuation effects.

Earnings before taxes reached €193 million in Q1 2023/24 (Q1 2022/23: €615 million). The tax expense of €64 million (Q1 2022/23: €91 million) for Q1 2023/24 has been calculated taking into account the expected group tax expense at the end of the financial year. In the previous year, the low tax expense compared to the pre-tax result was mainly due to non-tax-effective income in the other financial result and the sale of part of the METRO Campus.

The profit or loss for the period attributable to METRO shareholders amounts to €130 million in Q1 2023/24 (Q1 2022/23: €522 million).

Earnings per share amounted to €0.36 in Q1 2023/24 (Q1 2022/23: €1.44).

### Investments

Segment investments amounted to €131 million in Q1 2023/24 (Q1 2022/23: €172 million). The decline is mainly due to lease extensions and rent indexations of larger property portfolios in the previous year. This is offset by increased investments in network optimisation, IT and sustainability in line with the sCore strategy in the current year.

Cash-relevant investments according to free cash flow (without M&A and investments in monetary assets) amounted to €158 million in Q1 2023/24 (Q1 2022/23: €162 million) and are thus at the previous year's level.

### Financial position

The balance sheet net debt after netting cash and cash equivalents and cash investments with financial liabilities (including liabilities from leases) decreased to a total of €2.7 billion as of 31 December 2023 (31.12.2022: €3.0 billion).

As at 31 December 2023, METRO had cash and cash equivalents in the amount of €0.6 billion (31.12.2022: €1.0 billion). The cash and cash equivalents of our Russian Group companies amounted to €87

million as of 31 December 2023. These are continuously monitored for relevant restrictions against the backdrop of increasing government intervention.

## Cash flow

The cash flow from operating activities in Q1 2023/24 resulted in a cash inflow in the amount of €286 million (Q1 2022/23: cash inflow of €143 million). The improvement is mainly due to net working capital.

Cash flow from investing activities totalled €160 million (Q1 2022/23: €125 million) and includes investments in and divestments of property, plant and equipment and intangible assets as well as proceeds from disposals. The latter are not part of the below mentioned Free Cash Flow and relate to the sale of the remaining stake in WM Holding (HK) Limited and therewith the former business of METRO in China. The divestments include the sale of part of the campus location in Düsseldorf in the previous year.

Cash flow from financing activities totalled €-404 million (Q1 2022/23: €-27 million). The main effects here are cash inflows and outflows from medium and long-term financing programmes and lease payments.

The free cash flow is derived from the cash flow statement in accordance with the following overview.

### FREE CASH FLOW

€ million	Q1 2022/23	Q1 2023/24
Cash flow from operating activities	143	286
Investments without (investments in) monetary assets	-162	-158
Divestments	278	63
Lease payments	-150	-145
Interest paid and received	9	-9
Other financing activities	-3	-7
Free cash flow	115	30

## METRO Segments

	Sales (€ million)		Change (€)		Currency effects		Change (local currency)	
	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Total	8,107	8,115	6.6%	0.1%	1.5%	-6.1%	5.2%	6.2%
Germany	1,343	1,389	3.6%	3.4%	0.1%	0.0%	3.5%	3.4%
West	3,162	3,339	3.9%	5.6%	0.0%	0.0%	3.9%	5.6%
Russia	888	684	11.3%	-22.9%	25.4%	-42.8%	-14.1%	19.9%
East	2,663	2,644	8.9%	-0.7%	-6.2%	-5.9%	15.0%	5.2%
Others	51	59	-	-	-	-	-	-

In Germany sales increased in Q1 2023/24 by 3.4% in a slightly deflationary environment. The implementation of the sCore strategy made good progress, but Germany is still in an intensive transformation phase. Reported sales reached €1.4 billion.

In the segment West sales increased in Q1 2023/24 by 5.6%, driven primarily by the clearly positive development of the HoReCa business. France and Spain in particular contributed to this growth. In addition, the delivery specialists Pro à Pro France and Pro a Pro Spain achieved double-digit growth rates. Since May 2023, the sales of the delivery specialist JHB have also contributed to sales. Reported sales reached €3.3 billion.

In Russia, sales in local currency increased in Q1 2023/24 significantly by 19.9%. In the previous year, business was significantly impacted by the Cyberattack. Due to negative currency effects, reported sales significantly decreased by -22.9% to €0.7 billion.

In the segment East sales grew in local currency by 5.2%. Almost all countries, in particular Romania, Ukraine and the Czech Republic, contributed to the positive development, driven primarily by the clearly positive development of the HoReCa business. The largest increase in sales was recorded in Turkey, which was strongly supported by inflation. Reported sales in the segment East decreased by -0.7% to €2.6 billion and include a negative portfolio effect of around 9%p due to the sale of METRO India. Currency effects, particularly in Turkey, also had a negative impact.

In the segment Others sales grew by €8 million to €59 million (Q1 2022/23: €51 million) and includes in particular the METRO MARKETS sales of €34 million (Q1 2022/23: €21 million). The increase is driven by growth in all 6 METRO MARKETS countries, especially France and Germany. Sales at DISH Digital solutions also made a significant contribution to growth (+>20%).

Delivery sales increased in Q1 2023/24 by 14.6% to €1.9 billion (Q1 2022/23: €1.6 billion) and achieved a sales share of 23% (Q1 2022/23: 20%). Currency and portfolio adjusted delivery sales increased by 24.1%.

As of 31 December 2023, the store network comprised 626 stores, of which were 524 out-of-store (OOS) locations, and 80 depots.

million €	Adjusted EBITDA			Transformation costs (+) and transformation gains (-)		Earnings contributions (+) from real estate transactions		EBITDA	
	Q1 2022/23	Q1 2023/24	Change (€)	Q1 2022/23	Q1 2023/24	Q1 2022/23	Q1 2023/24	Q1 2022/23	Q1 2023/24
	Total	465	404	-61	-1	-3	207	28	673
Germany	84	66	-19	0	0	0	0	84	66
West	173	179	7	-1	0	4	1	178	181
Russia	60	44	-16	0	0	0	0	60	44
East	146	140	-6	0	0	0	0	146	140
Others	-2	-24	-23	0	-3	203	27	201	6
Consolidation	4	-1	-4	0	0	0	0	4	-1

In Germany, adjusted EBITDA decreased to €66 million (Q1 2022/23: €84 million). The already expected cost inflation and continued investments in price positioning in a declining inflation environment had an impact.

Adjusted EBITDA in the segment West increased to €179 million (Q1 2022/23: €173 million). This increase is due in particular to the good sales performance compared to the previous year. The expected cost inflation had the opposite effect.

Adjusted EBITDA in Russia decreased to €44 million (Q1 2022/23: €60 million). Adjusted for currency effects, adjusted EBITDA increased by €6 million, although the previous year was negatively impacted by the Cyberattack.

Adjusted EBITDA in the segment East decreased in Q1 2023/24 slightly to €140 million (Q1 2022/23: €146 million). Adjusted for currency effects, adjusted EBITDA in the segment East increased by €9 million.

Adjusted EBITDA in the segment Others was €-24 million and thus below the previous year (Q1 2022/23: €-2 million). In the previous year, adjusted EBITDA benefited from licence fee from the partnership with WM Holding (HK) Limited until April 2023, which is no longer included in the current year. Further investments in digitalisation were also made in the current year. Earnings contributions from real estate transactions amounted to €27 million (Q1 2022/23: €203 million) and mainly resulted from two transactions in Turkey. The previous year's figure included the sale of part of the METRO Campus. Transformation gains in the amount of €3 million was recognised (Q1 2022/23: €0 million). EBITDA reached €6 million (Q1 2022/23: €201 million).



## OUTLOOK

### Outlook of METRO

The outlook is based on the assumption of stable exchange rates and no further adjustments to the portfolio. The geopolitical situation is expected to remain unchanged. The expectations for further macroeconomic development are explained in the chapter on macroeconomic parameters (reference: annual report 2022/23). The relevant opportunities and risks that could influence the outlook are explained in the opportunities and risk report (reference: annual report 2022/23). In the financial year 2022/23 some adjustments to the portfolio have been made: Due to the completed disposal of the Indian business in 2022/23, these figures are excluded for the financial years 2022/23 and 2023/24 for the outlook. Johan i Hallen & Bergfalk as a strategic acquisition (first consolidation: 30.04.2023) is included in the financial years.

### Sales

The Management Board expects a total sales to grow of 3% to 7% for financial year 2023/24 (2022/23: 9%, absolute sales €30.1 billion)<sup>2</sup>. Growth will be driven by all segments except Russia and all channels. Sales in the segment Russia is expected to be around previous year's level. The segment Germany is expected to grow below the guidance range. The segment West is expected to grow within the guidance range while the segments East and Others are expected to grow above the guidance range.

### Earnings

The Management Board also expects a change in adjusted EBITDA of between €-100 million and €50 million (2022/23: €1,163 million) compared to the financial year 2022/23<sup>2</sup>. The sales growth from sCore generally leads to EBITDA growth. In financial year 2023/24, however, this is countered by noticeable cost inflation, expiration of post-transaction effects (segment Others), rising costs for cybersecurity and a further decline in the development in Russia. In the segments Others adjusted EBITDA will strongly decline while in the segments Russia and Germany, adjusted EBITDA will decline moderately. In the segments West and East, adjusted EBITDA will grow moderately.

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<sup>2</sup> Adjusted for exchange rate effects, excl. India, incl. JHB.

## INCOME STATEMENT

€ million	Q1 2022/23	Q1 2023/24
Sales revenue	8,107	8,115
Cost of sales	-6,733	-6,754
Gross profit on sales	1,374	1,361
Others operating income	386	193
Selling expenses	-1,060	-1,087
General administrative expenses	-200	-203
Other operating expenses	-34	-39
Impairment of financial assets	-6	-1
Income from companies accounted for using the equity method	4	3
Earnings before interest and taxes (EBIT)	464	227
Other investment result	0	21
Interest income	18	7
Interest expense	-46	-44
Other financial result	178	-18
Net financial result	151	-34
Earnings before taxes EBT	615	193
Income taxes	-91	-64
Profit or loss from the period	525	130
Profit or loss for the period attributable to non-controlling interests	3	-1
Profit or loss for the period attributable to the shareholders of METRO AG	522	130
Earnings per share in € (basic = diluted)	1.44	0.36

## BALANCE SHEET

ASSETS			
€ million	31.12.2022	30.9.2023	31.12.2023
Non-current assets	7,154	6,929	6,849
Goodwill	648	712	717
Others intangible assets	555	623	620
Property, plant and equipment	5,221	5,091	5,036
Investment properties	157	106	96
Financial assets	74	71	68
Investments accounted for using the equity method	111	97	99
Other financial assets	96	60	56
Other non-financial assets	16	18	13
Deferred tax assets	275	151	144
Current assets	6,126	4,718	4,748
Inventories	2,663	2,242	2,397
Trade receivables	686	674	680
Financial assets	2	1	1
Other financial assets	791	591	545
Other non-financial assets	409	347	389
Income tax assets	98	92	104
Cash and cash equivalents	1,011	591	631
Assets held for sale	466	180	0
	13,280	11,648	11,597

## EQUITY AND LIABILITIES

€ million	31.12.2022	30.9.2023	31.12.2023
Equity	2,389	2,022	2,150
Share capital	363	363	363
Capital reserve	4,754	4,754	4,754
Reserves retained from earnings	-2,752	-3,106	-2,978
Equity before non-controlling interests	2,365	2,011	2,139
Non-controlling interests	24	11	11
Non-current liabilities	3,642	3,526	3,474
Provisions for post-employment benefits plans and similar obligations	354	351	385
Others provisions	173	166	171
Financial liabilities	2,925	2,838	2,769
Other financial liabilities	38	26	24
Other non-financial liabilities	40	54	49
Deferred tax liabilities	113	90	75
Current liabilities	7,249	6,100	5,973
Trade liabilities	4,239	3,667	3,847
Provisions	299	305	274
Financial liabilities	1,058	825	560
Other financial liabilities	775	857	759
Other non-financial liabilities	326	241	316
Income tax liabilities	314	205	217
Liabilities related to assets held for sale	237	0	0
	13,280	11,648	11,597

## CASH FLOW STATEMENT

€ million	Q1 2022/23	Q1 2023/24
EBIT	464	227
Depreciation/amortisation/impairment losses/reversal of impairment losses of fixed assets excl. financial investments	209	209
Change in provisions for pension and other provisions	-8	-23
Change in net working capital	-146	-22
Income taxes paid (-)/received	-51	-60
Reclassification of gains (-)/losses (+) from the disposal of fixed assets	-207	-29
Lease payments	16	13
Other	-133	-28
Cash flow from operating activities	143	286
Acquisition of subsidiaries	0	0
Investments in property, plant and equipment and in investment property (excl. right-of-use assets)	-135	-117
Other investments	-27	-41
Investments in monetary assets	-1	-1
Disposals of subsidiaries	10	257
Divestments	278	63
Disposal of financial investments	0	0
Cash flow from investing activities	125	160
Dividends paid		
to METRO AG shareholders	0	0
to other shareholders	0	0
Proceeds from borrowings	116	523
Redemption of borrowings	0	-767
Lease disbursements	-150	-145
Interest paid	-11	-15
Interest received	20	6
Other financing activities	-3	-7
Cash flow from financing activities	-27	-404
Total cash flows	241	42
Currency effects on cash and cash equivalents	-37	-2
Total change in cash and cash equivalents	203	40
Cash and cash equivalents as of 1 October	825	591
Cash and cash equivalents as of 31 December	1,029	631
less cash and cash equivalents reported in assets in accordance with IFRS 5	-18	0
Cash and cash equivalents as of 31 December	1,011	631

## SEGMENT REPORTING Q1 2023/24

## OPERATING SEGMENTS

€ million	Germany		West		Russia		East	
	Q1 2022/23	Q1 2023/24	Q1 2022/23	Q1 2023/24	Q1 2022/23	Q1 2023/24	Q1 2022/23	Q1 2023/24
External sales (net)	1,343	1,389	3,162	3,339	888	684	2,663	2,644
Adjusted EBITDA	84	66	173	179	60	44	146	140
Transformation costs (+) and transformation gains (-)	0	0	-1	0	0	0	0	0
Earnings contributions (+) from real estate transactions	0	0	4	1	0	0	0	0
EBITDA	84	66	178	181	60	44	146	140
EBIT	55	35	110	106	43	33	105	98
Investments	9	17	88	40	5	6	32	38

## OPERATING SEGMENTS

€ million	Others		Consolidation		METRO Total	
	Q1 2022/23	Q1 2023/24	Q1 2022/23	Q1 2023/24	Q1 2022/23	Q1 2023/24
External sales (net)	51	59	0	0	8,107	8,115
Adjusted EBITDA	-2	-24	4	-1	465	404
Transformation costs (+) and transformation gains (-)	0	-3	0	0	-1	-3
Earnings contributions (+) from real estate transactions	203	27	0	0	207	28
EBITDA	201	6	4	-1	673	436
EBIT	148	-45	4	-1	464	227
Investments	38	29	0	0	172	131

## FINANCIAL CALENDAR

Q1 Quarterly Statement 2023/24	Tuesday	6 February 2024	6.30 pm
Annual General Meeting 2024	Wednesday	7 February 2024	11.00 am
H1/Q2 Half-year financial report 2023/24	Tuesday	7 May 2024	6.30 pm
9M/Q3 Quarterly Statement 2023/24	Wednesday	14 August 2024	6.30 pm

Times according to German time

## IMPRINT

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Publication date  
6 February 2024, 6.30 pm

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This quarterly statement contains forward-looking statements. They are based on certain assumptions and expectations at the time of publication of this release. Forward-looking statements are therefore subject to risks and uncertainties and may differ materially from actual results. In particular with regard to forward-looking statements, many of the risks and uncertainties are determined by factors that are beyond METRO's control and cannot be estimated with certainty at this time. These include, among others, future market conditions and economic developments, the behaviour of other market participants, the achievement of expected synergy effects as well as legal and political decisions.

METRO also undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of these materials.