

Maia, 11 October 2019

*(Translation from the Portuguese original)*

Sonae discloses presentation pertaining to its Capital Markets Days, with rectification on slide nº40 of the annexed presentation.

The Board of Directors,



IMPROVING LIFE

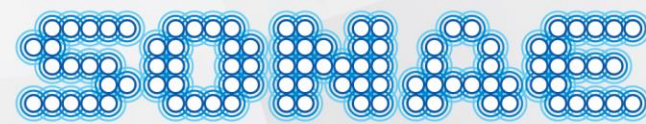
**Head Office**  
Lugar do Espido, Via Norte, Maia  
Share Capital: €2.000.000.000,00  
Maia Commercial Registry and Fiscal Number 500273170  
Sociedade Aberta

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[www.sonae.pt](http://www.sonae.pt)



# Building Together



IMPROVING LIFE

CAPITAL  
MARKETS  
DAYS

October 10-11, 2019



# Key topics for today

INTRODUCTION TO SONAE'S MANAGEMENT TEAM

OUR CORPORATE PURPOSE AND GOALS

BUSINESS PORTFOLIO OVERVIEW

OUR VIEW ON VALUE CREATION



**Who  
we are**

*Cláudia Azevedo - CEO*

**Our  
portfolio**

*BU CEOs*

**How we add  
value**

*João Günther Amaral - CDO*

**Track record of  
value creation**

*João Dolores - CFO*

**Closing remarks**

*Cláudia Azevedo - CEO*



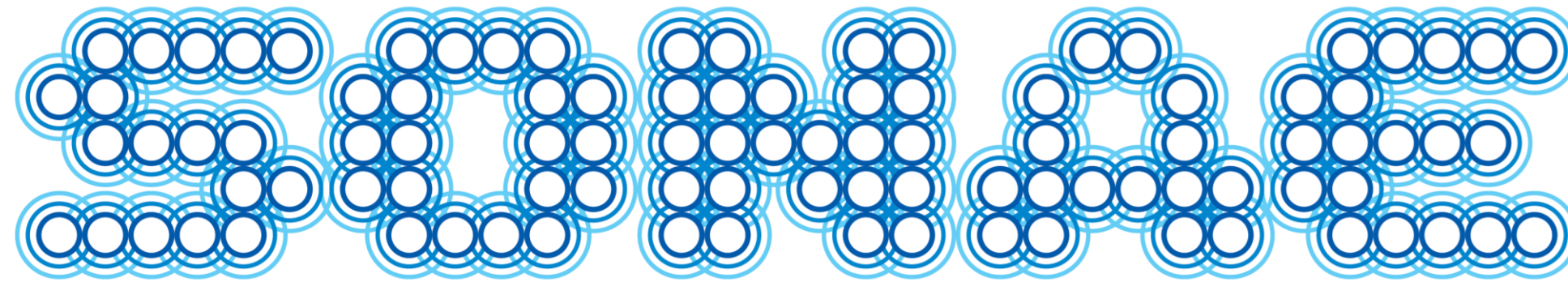
# CLÁUDIA AZEVEDO

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GROUP CEO

WHO WE ARE





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**A trust-based organisation**  
with deep rooted values and  
a purpose which will lead us  
into the future

---

**A long-living group** in an  
ambitious quest for superior  
and sustainable growth and  
value creation

---

**An active parent company,**  
always looking to ensure that  
our businesses have the  
ability to reinvent themselves



# A long living company leveraging...

Building  
Together CAPITAL  
MARKETS  
DAYS

A unique corporate  
culture with a leading  
purpose



A strong management  
team and best practice  
corporate governance



An active portfolio  
management anchored  
on a solid capital  
allocation strategy





# A unique corporate culture with a clear mission...

Building  
Together CAPITAL  
MARKETS  
DAYS



## OUR MISSION

“To create **long-term economic and social value**, taking the **benefits of progress and innovation** to an ever-increasing number of people”



... and a set of values embedded in everything we do

Building  
Together CAPITAL  
MARKETS  
DAYS



## OUR VALUES



Trust and  
integrity

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People at the  
centre of our  
success

---



Ambition

---



Innovation

---



Corporate  
responsibility



Frugality and  
efficiency

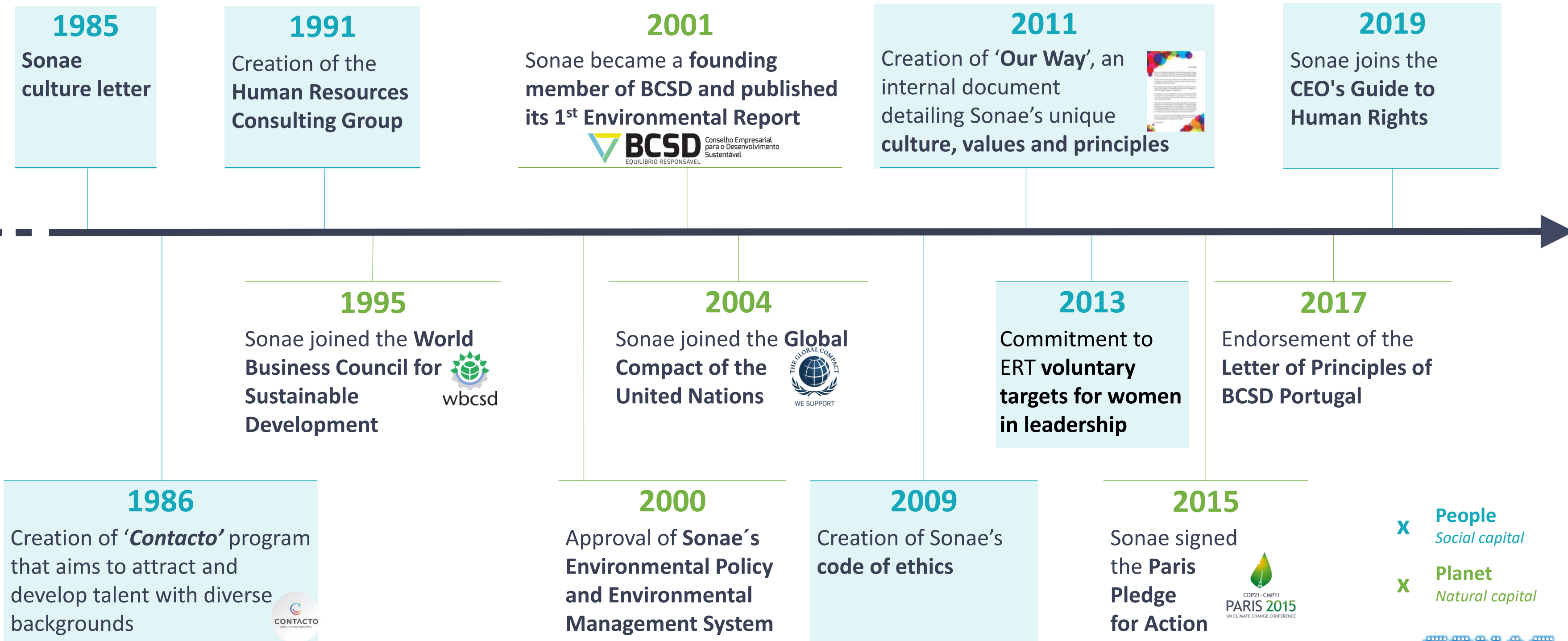


Cooperation  
and  
independence



# A purpose beyond economic value creation

Building  
Together CAPITAL  
MARKETS  
DAYS



x **People**  
*Social capital*

x **Planet**  
*Natural capital*

**SONAE**  
IMPROVING LIFE



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**Building  
Together**  
CAPITAL  
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# A strong management team with experienced executives

Building  
Together CAPITAL  
MARKETS  
DAYS

## *Sonae SGPS*



**Cláudia Azevedo**  
CEO



**João Dolores**  
CFO



**João Günther Amaral**  
CDO

## *Businesses*



**Luís Moutinho**  
CEO | Sonae MC



**Fernando Oliveira**  
CEO | Sonae Sierra



**Miguel Almeida**  
CEO | NOS



**Miguel Mota Freitas**  
CEO | Worten  
and ISRG



**Luís Reis**  
CEO | Sonae FS  
and Sonae Fashion



**Eduardo Piedade**  
CEO | Sonae IM



# Best practice corporate governance including a diverse board with independent directors



**Paulo Azevedo**  
Non-Executive Board  
member (Chairman)



**Ângelo Paupério**  
Non-Executive Board  
member



**Carlos M. Silva**  
Non-Executive Board  
member

## *Management team*



**Cláudia Azevedo**  
CEO  
Board member



**João Dolores**  
CFO  
Board member



**João Günther Amaral**  
CDO  
Deputy to the Excom



**José N. Adelino**  
Non-Executive Board  
member



**Lorraine Trainer**  
Non-Executive Board  
member



**Fuencisla Clemares**  
Non-Executive Board  
member



**Philippe Haspeslagh**  
Non-Executive Board  
member

**Marcelo Faria de Lima**  
Non-Executive Board  
member



# A long living company leveraging...

Building  
Together CAPITAL  
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A unique corporate  
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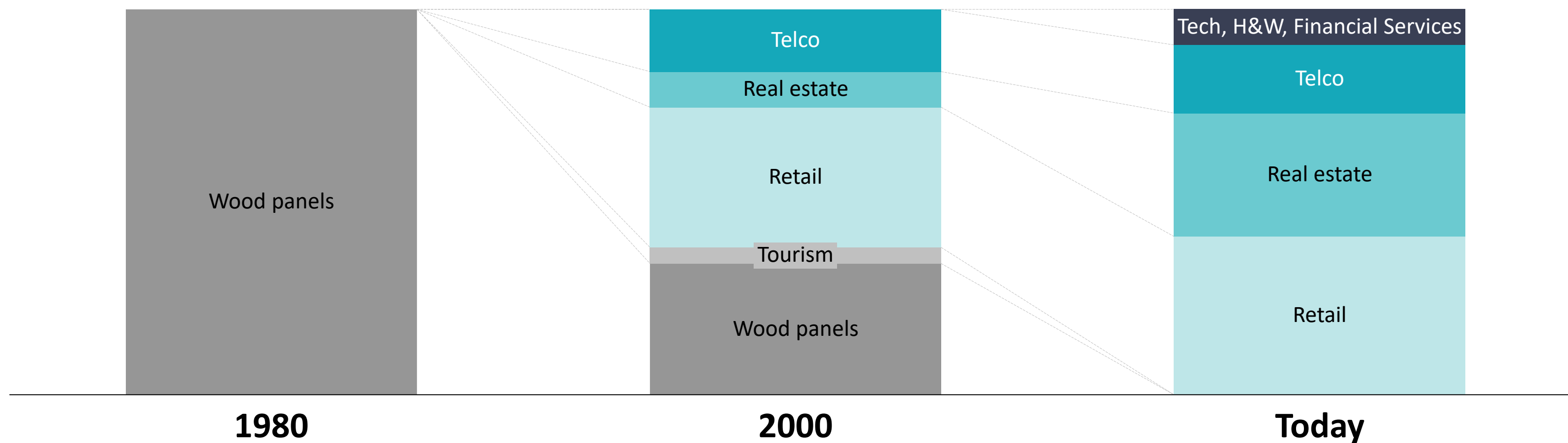




# A history of active portfolio management...

## Relative invested capital by industry

% of total invested capital



### Selected events (non exhaustive)

- Listing of Sonae in the capital markets
- 1<sup>st</sup> hypermarket
- Opening of first 2 shopping centres
- Opening of Sheraton Porto Hotel
- Launch of Optimus
- Launch of Modalfa, Worten and Sport Zone (non-food retail)

- Spin-off of Sonae Indústria and Sonae Capital
- Merger of Optimus and ZON (creation of NOS)
- Launch of para-pharmacies business
- Launch of Sonae IM
- Launch of Universo card
- Merger of Sport Zone and JD Sprinter (ISRG)
- Acquisition of majority stake in Arenal



# ... underpinned by a disciplined approach to capital allocation

## Disciplined capital allocation

- BU strategies challenged, informed by Sonae's view on each sector
- Medium-term financial plans and estimated value creation of each initiative evaluated at group level



## Structured portfolio assessment methodology

### Business logic

Is the industry attractive and do we have a strong position?



### Value added logic

How likely is Sonae to add value to the business?



### Capital markets logic

How much is the business worth to Sonae vs. the market?



### Portfolio balance

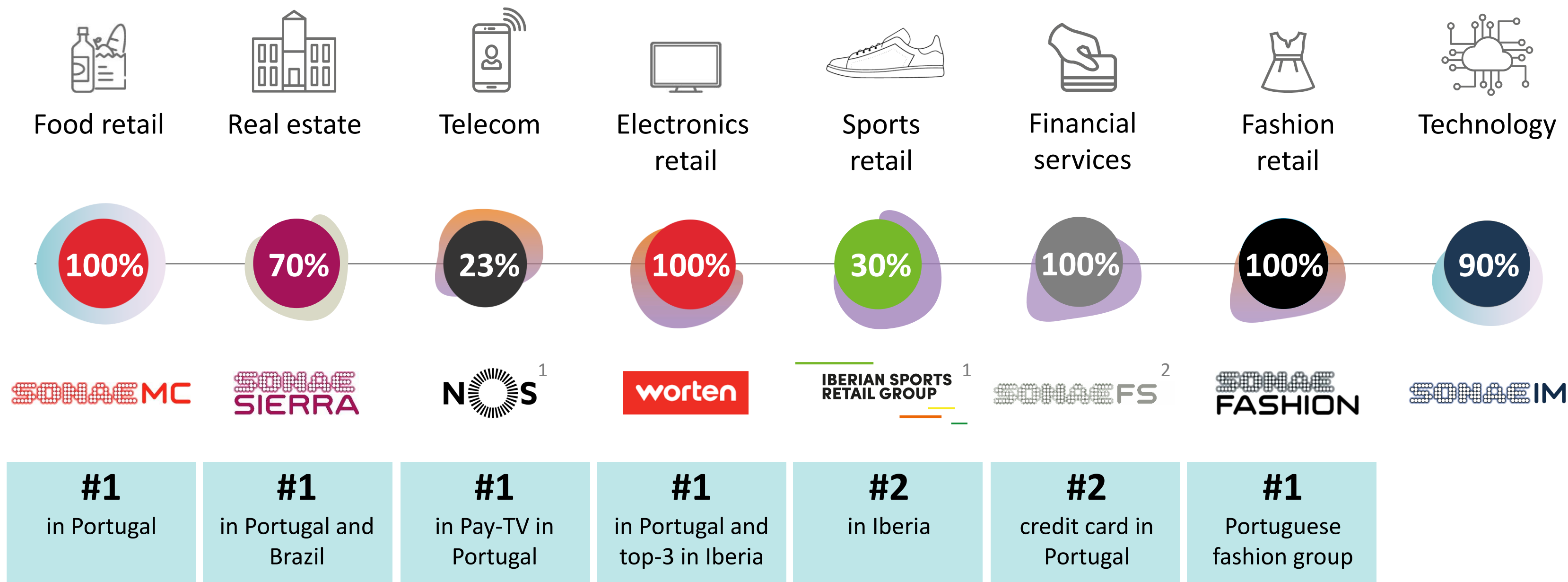
Understand the portfolio exposure to specific trends and factors (e.g. sectors, geographies, disruptive technologies, growth)





# A portfolio of businesses with leading positions

Building  
Together  
CAPITAL  
MARKETS  
DAYS



## A portfolio with strong linkages

1 Consolidated through the equity method  
2 Insurance brokerage through 50% of MDS group





# Going forward, we will remain true to our DNA but more active and decisive in managing our portfolio

Building  
Together CAPITAL  
MARKETS  
DAYS

## WHAT REMAINS THE SAME...

**Our purpose**

**Our people**

**Our ambition**

## ... AND WHAT CHANGES

**Less operational intervention** in businesses

**More active portfolio management** and  
capital reallocation

Increased pursuit of **new growth arenas**



Who  
we are

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Our  
portfolio

*BU CEOs*

How we add  
value

*João Günther Amaral - CDO*

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Closing remarks

*Cláudia Azevedo - CEO*



# LUÍS MOUTINHO

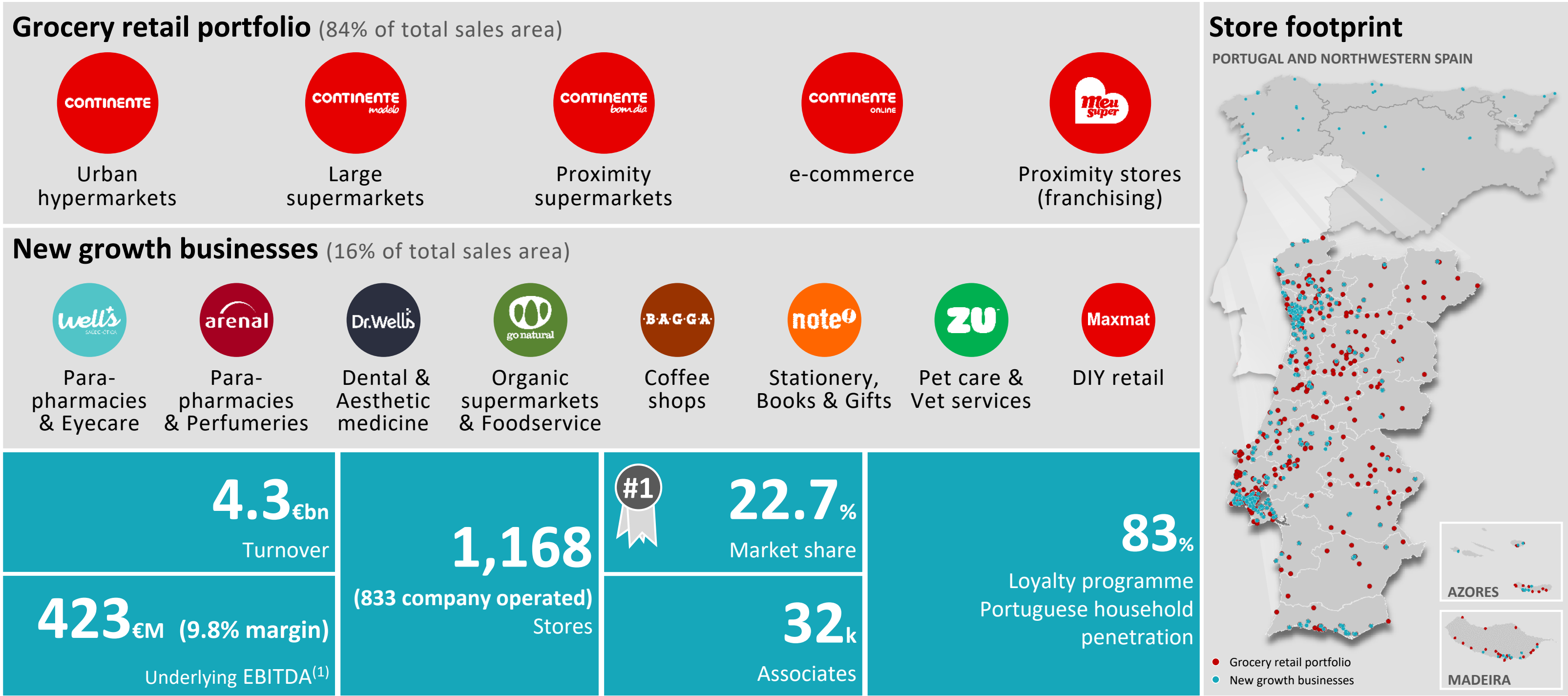
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CEO

SONAE MC



# Undisputed market leadership with an exceptional multi-format omnichannel portfolio





# A unique narrative in the European grocery retail market

REMINDER



1	2	3	4	5	6	7
<b>Attractive market environment</b>	<b>Leading food retailer in a highly competitive environment</b>	<b>Strong retail network &amp; digital platform</b>	<b>Exceptional brand power &amp; customer engagement</b>	<b>Highly efficient operator</b>	<b>Strong financial performance</b>	<b>Clear growth strategy</b>
Direct exposure to the growing food retail market in Portugal	#1 food retailer with 22.7% market share	Comprehensive network of retail formats in urban locations complemented by an unrivalled digital platform	Most recognized retail brand in Portugal with a unique loyalty programme covering 83% of Portuguese households	Best-in-class supply chain capabilities and continuous focus on efficiency	Growth track record and FCF generation with best-in-class margin and >40% real estate ownership	To continue growing market share and delivering profitable growth



# A unique narrative in the European grocery retail market

RECENT DEVELOPMENTS

## Favourable market context and enhanced competitive position

1

**Attractive  
market  
environment**

2

**Leading food  
retailer in a  
highly  
competitive  
environment**

3

Strong retail  
network &  
digital  
platform

4

Exceptional  
brand power  
& customer  
engagement

5

Highly  
efficient  
operator

6

Strong  
financial  
performance

7

Clear growth  
strategy

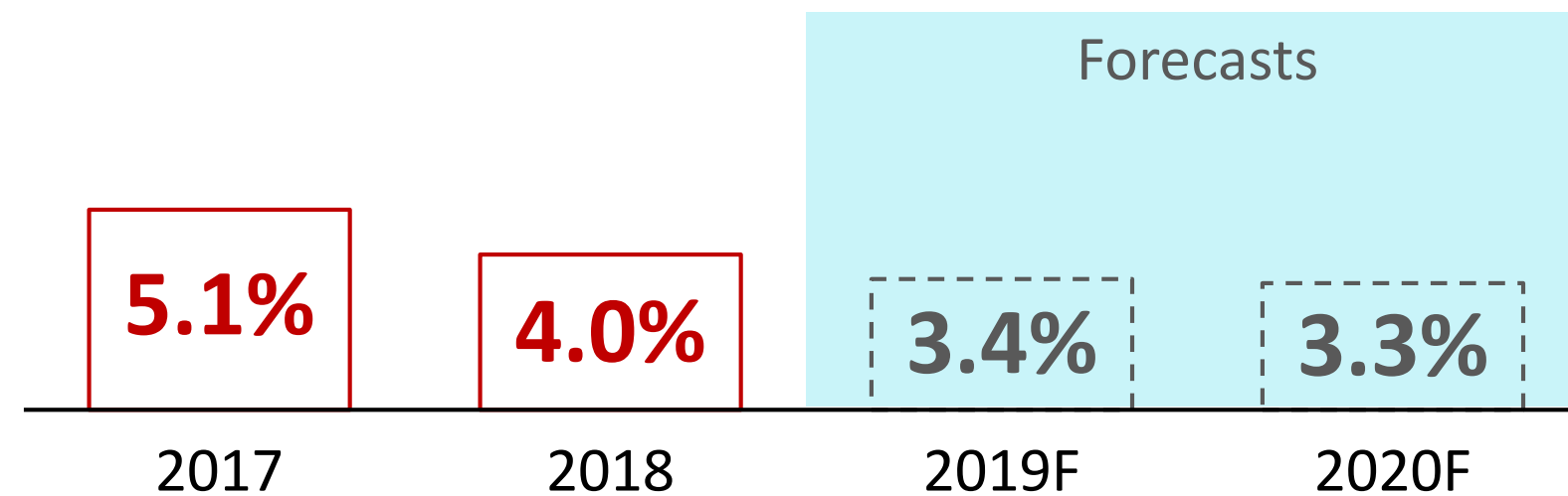




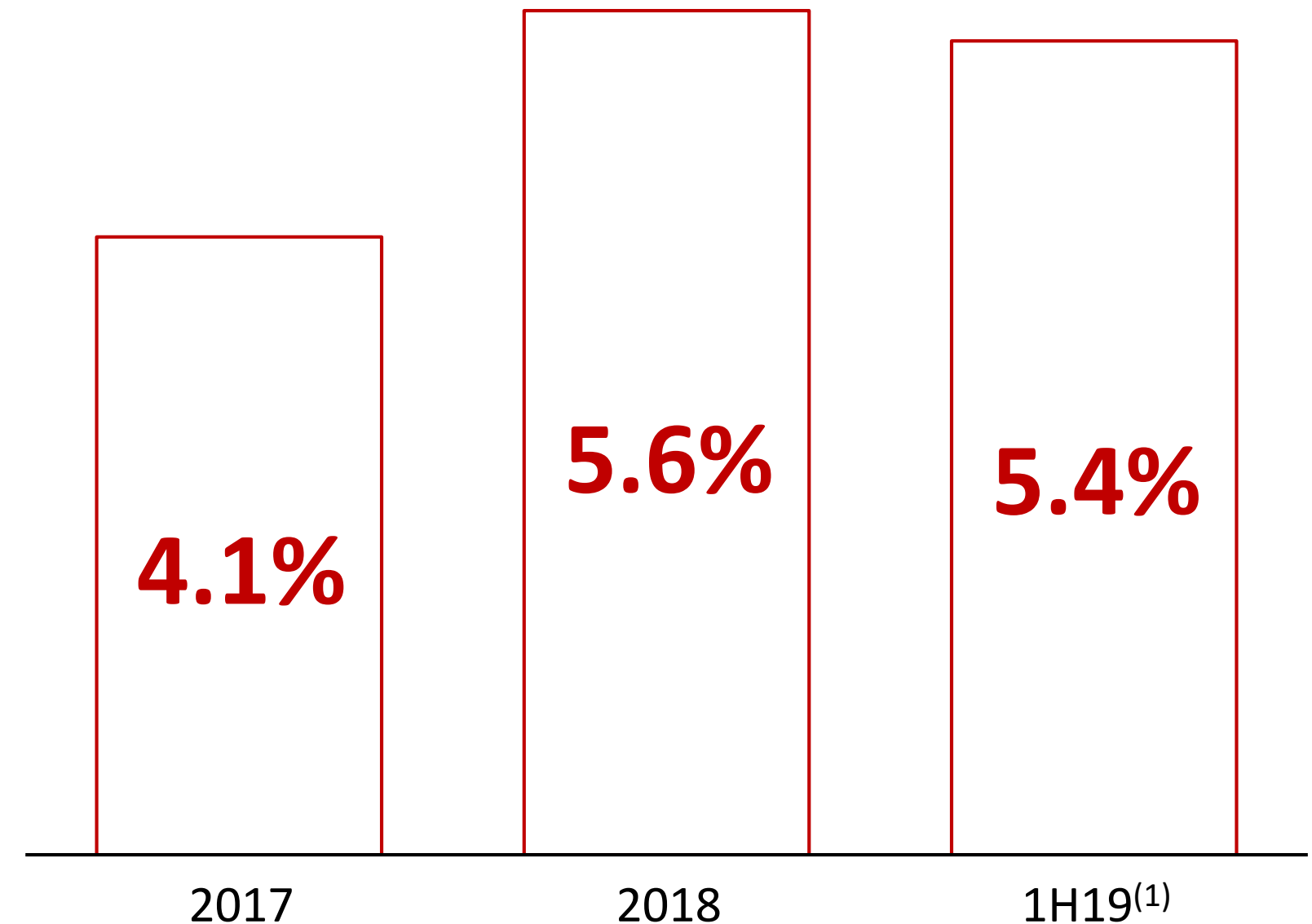
# Macro tailwinds continue to support buoyant demand

Building  
Together  
CAPITAL  
MARKETS  
DAYS

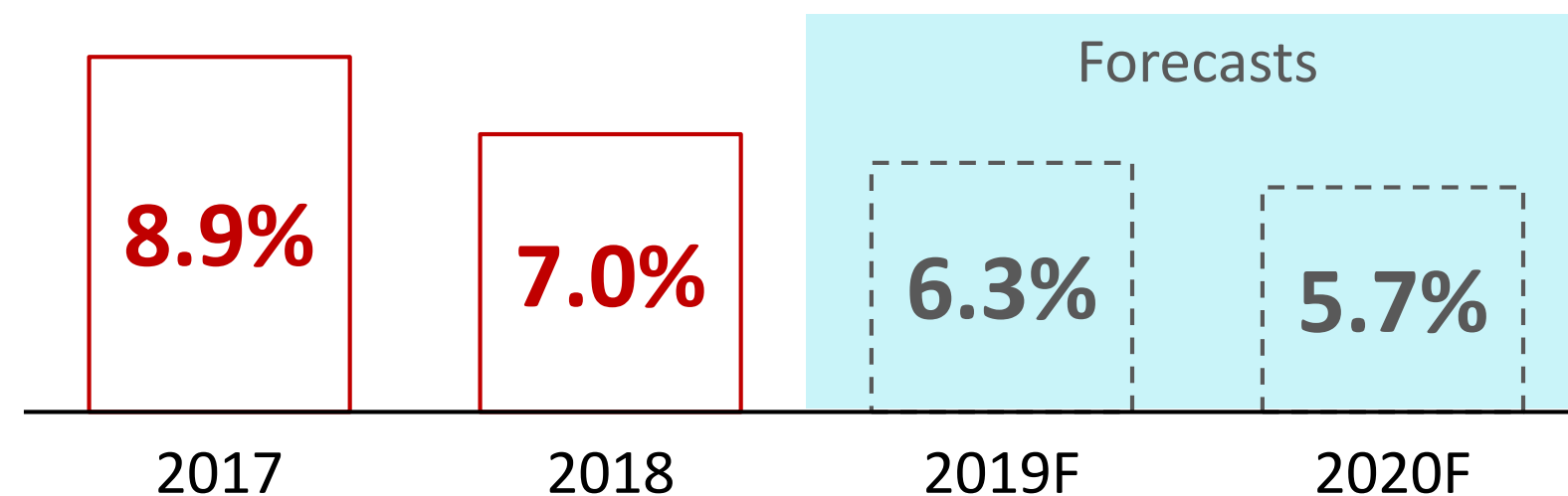
**Nominal GDP growth in Portugal remains robust...**



**Driving strong sales growth in the food retail sector**



**... with unemployment at an all-time low**



Source: FMI; Banco de Portugal; AMECO (Jun'19); Eurostat; Portuguese Public Finance Council.

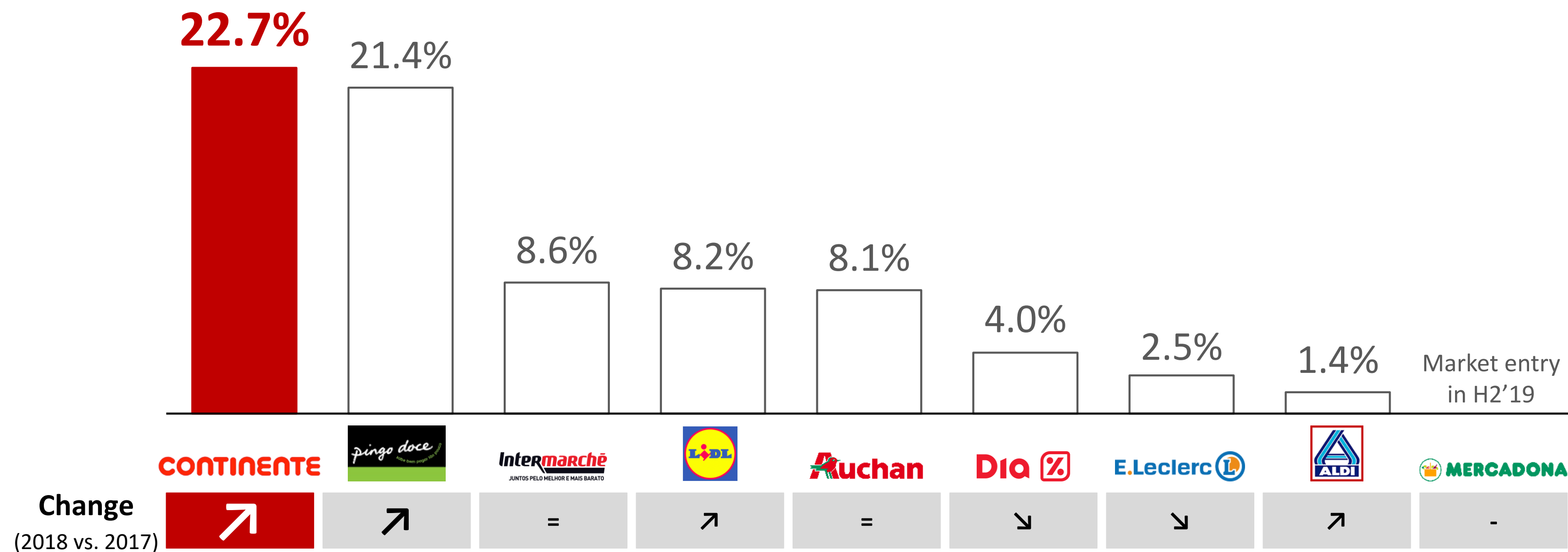
<sup>1</sup> Year-on-year change; Nominal.





# Strengthened leadership position

Demonstrated by the **highest market share increase** in grocery retail in Portugal

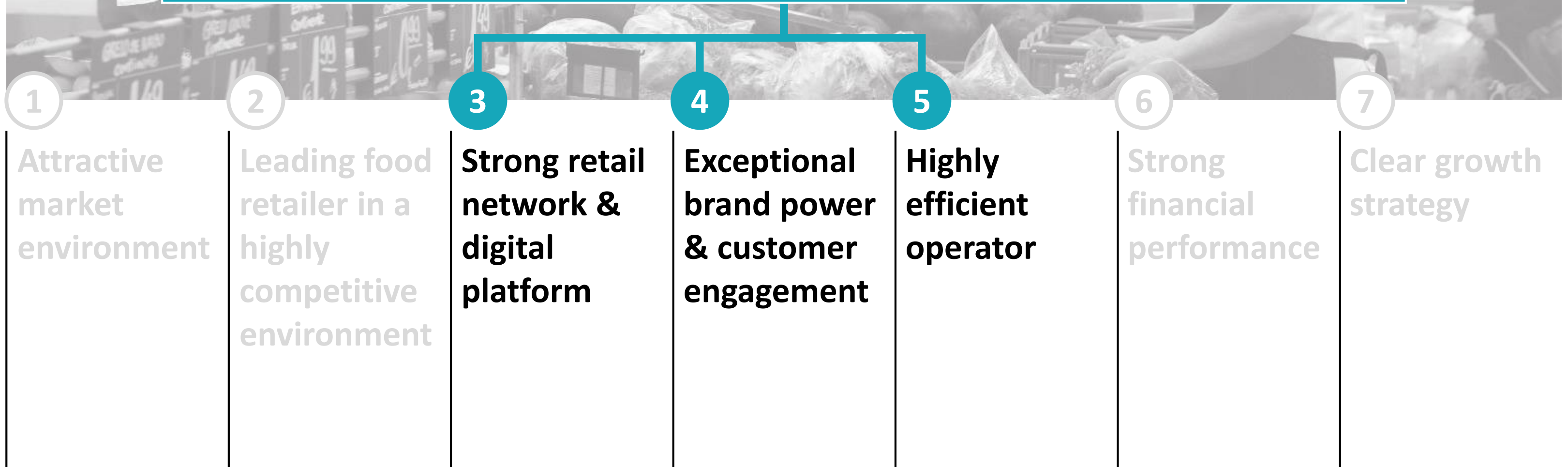




# A unique narrative in the European grocery retail market

RECENT DEVELOPMENTS

## Rapid and effective strategic execution





# Successfully delivering on our key strategic goals

## To drive traffic and basket size

- > Reinforcing the **core value propositions**
- > Upholding the **exceptional performance of our hypermarket** format

## To power up best-in-class efficiency

- > Increasing **productivity** and **efficiency** of our **operating model**
- > Continuously pushing for a **leaner** and **more effective organization**

## To exploit major growth opportunities

- > Driving a fast paced store **proximity expansion programme**
- > Enhancing **digital approaches**
- > Growing the **Health & Wellness** business

## Sustainable value creation

- > **Environment**
- > **Health & Education**
- > **Community**
- > **People**



# Winning core value proposition



Strong fundamentals...

## Critical levers



Leading market **value** positioning (price/promotions)



Finest **fresh** product offer



Exceptional **own brand** assortment



Distinctive **healthy nutrition** offer (range and formats)

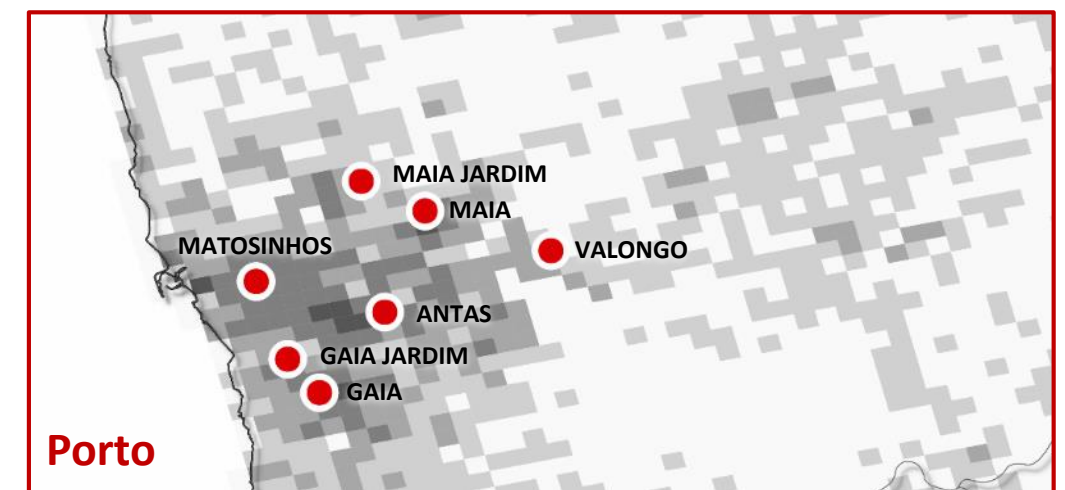
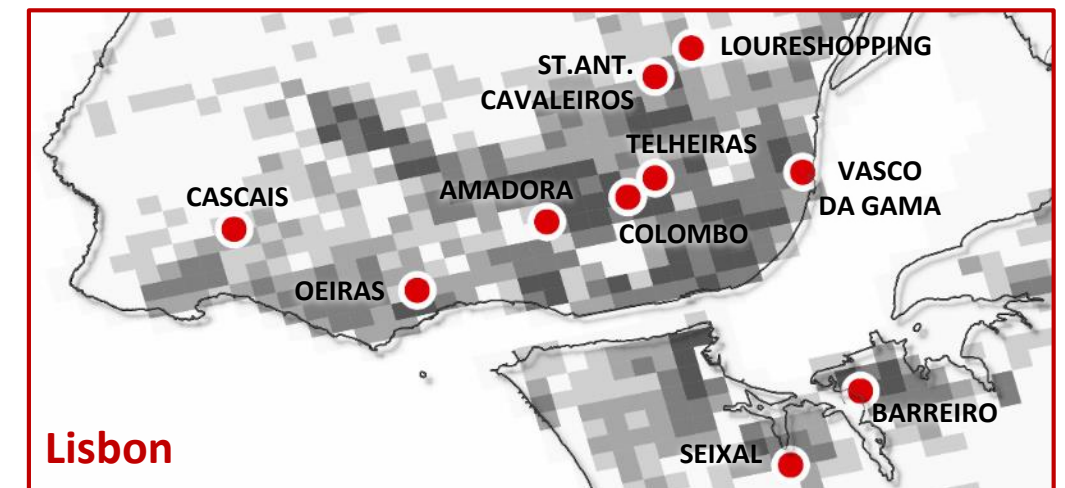
... notably benefiting our distinctive hypermarket format



- > “**Destination stores**” located in high-density **urban locations**
- > Anchored in high-grade **shopping centres** (c.50%) or in standalone **power centres**
- > Numerous **customer recognition** awards



## Premium urban locations



Continente hypermarkets (red) over population density (grey)

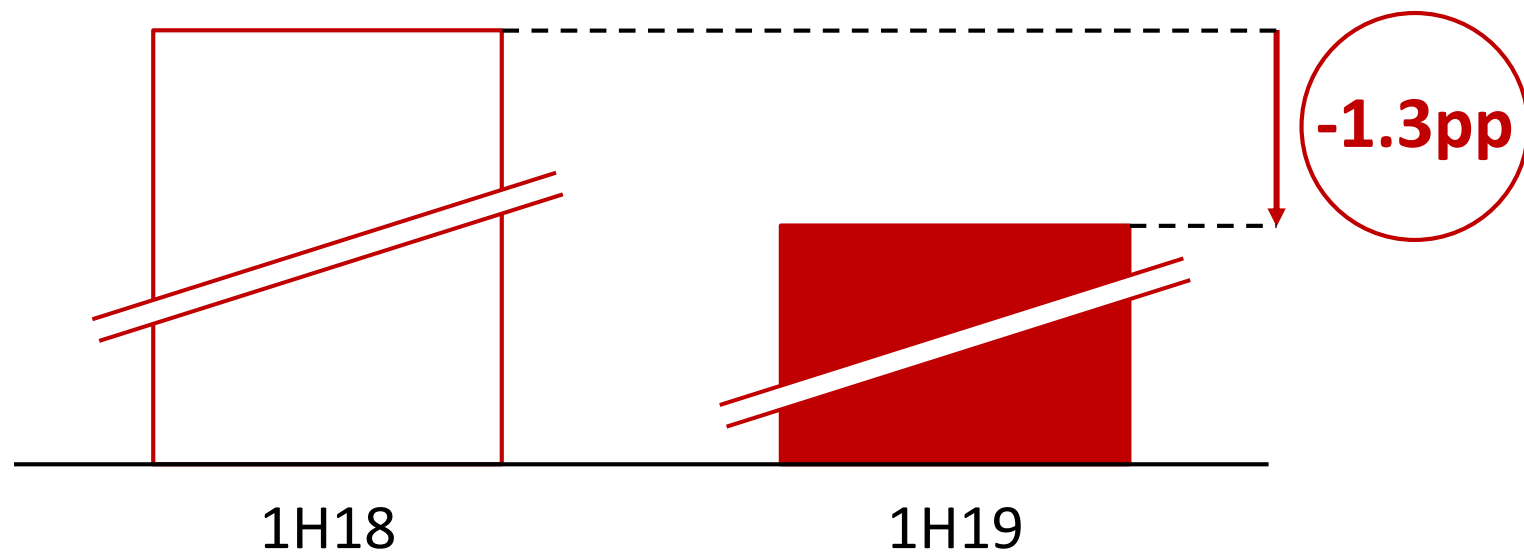


# Driving operational efficiency and productivity gains



## Operational efficiency

### Operating expenses<sup>(1)</sup> / Turnover



Cost-to-serve optimisation impact contributing to **~1.3pp reduction** in the **operating expense ratio y.o.y.<sup>(2)</sup>**

## CASE STUDY

## Store productivity

Continente Antas hypermarket optimisation<sup>(3)</sup> had a **highly positive impact**



**-22% sales area**  
(c.1,900 sqm.)

Higher sales  
per sqm.  
**(+28%)**  
in 1H19  
y.o.y.

Increased  
traffic driven  
by new  
adjacent  
formats

Enhanced  
in-store  
shopping  
experience

Source: Company information.

<sup>1</sup> Includes External supplies and services plus Employees benefits expense plus Other expenses (as reported in Sonae MC statutory accounts).

<sup>2</sup> Year-on-year.

<sup>3</sup> Carried out between June and November 2018.



# Accelerating the store proximity expansion programme

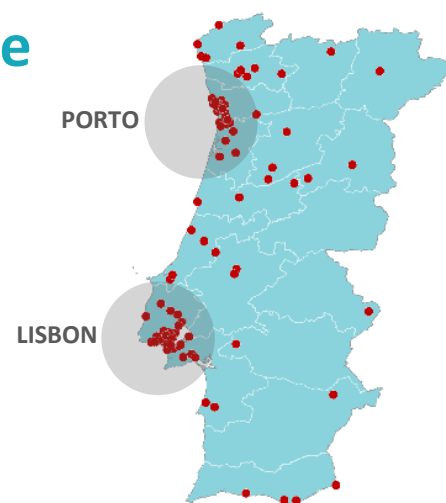


## Continente Bom Dia network

### Nationwide coverage

**112** stores

**c.140k** sqm.



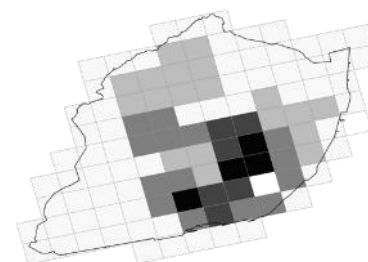
### Core development levers

- > **Modern concept** located mainly in cities/ urban areas
- > Carefully **tailored assortment** (namely in fresh groceries) targeting **daily shopping needs**

## Underpenetrated urban areas

### Lisbon

Preliminary potential locations



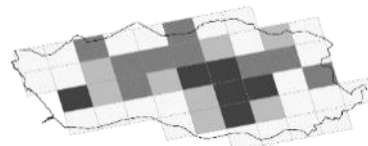
Potential

High

Low

### Porto

Preliminary potential locations



- > Relevant pipeline of **new store opening opportunities**

## New ultra proximity store



- > 1<sup>st</sup> store opening (April 2019)
- > 300 to 600 sqm. sales area
- > Streamlined assortment and optimized operating model (e.g. 100% self-service)



# Promoting e-commerce and digital culture

EXPLOIT MAJOR  
GROWTH  
OPPORTUNITIES

## Omnichannel offer

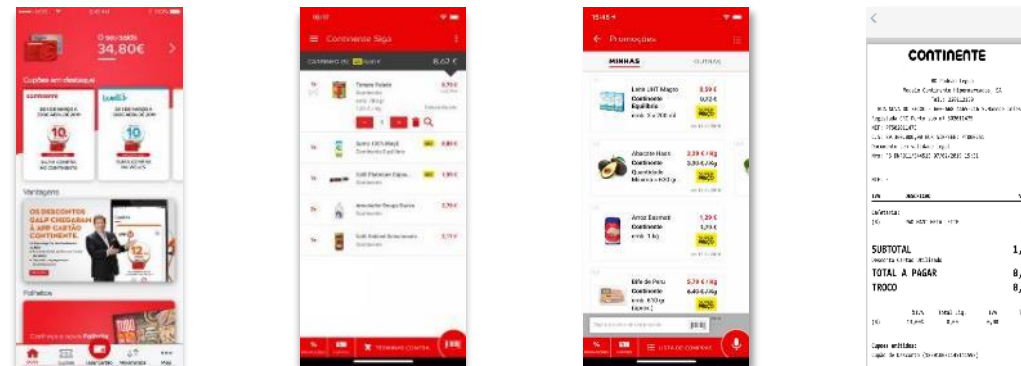
### e-commerce platform



- > **Seamless** online & offline offer upgraded with new categories
- > **Nationwide** delivery coupled with **>100** click & collect **points**
- > **Double-digit** sales **growth** and reinforced **leadership** position

## In-store digital experience

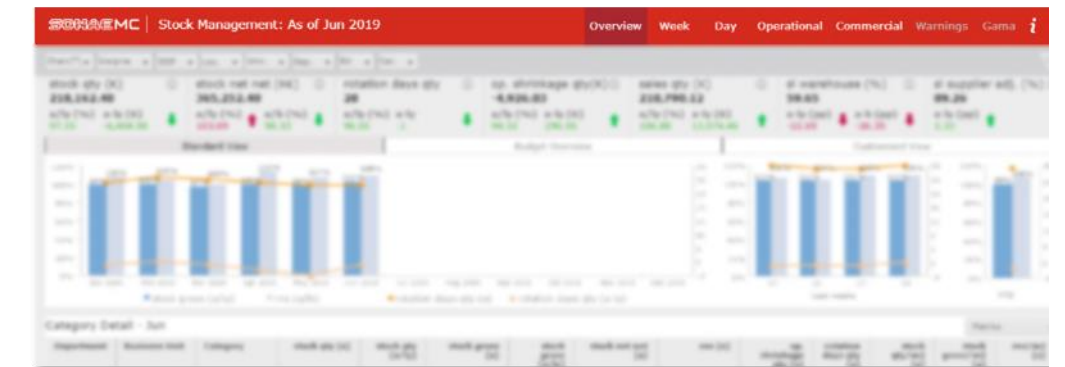
### Mobile apps



- > Loyalty programme app with **>800k** registered **users**
- > New digital shopping assistant app **rolled-out to 16 stores**
- > **>120k** digital invoice **users** and **>1.2M** invoices issued

## Digital culture

### Data and analytics tools



- > **New analytical models** to support decision making
- > Enhanced **data science** and **business intelligence** skills
- > Improved efficiency through **automation** and **digitization**



# Building a leading platform in the fast-growing Health & Wellness Together

CAPITAL MARKETS DAYS

EXPLOIT MAJOR  
GROWTH  
OPPORTUNITIES

## Well's

### Organic development



- > **Reinforced leadership** in Portugal
- > **Double-digit total sales growth** y.o.y.<sup>(1)</sup> with very solid like-for-like basis
- > **6 new store openings** in the first half of 2019, totaling 247 stores
- > **New services** launched (e.g. hearing tests)

Enhanced  
value  
proposition

## Arenal

### Strategic acquisition



- > **Leadership** in northwestern Spain
- > c.100€M turnover in 2017 with **double-digit like-for-like sales growth** y.o.y.
- > **41 stores acquired** in January 2019, plus 1 new opening in the first half
- > **One-stop-shop** for health & beauty

Source: Company information.

<sup>1</sup> Year-on-year.

<sup>2</sup> Year to date.

Data as of 1H19



# While creating value for all stakeholders



## Environment

*Reducing our environmental footprint*

- > 1<sup>st</sup> Portuguese retailer to sign the “New Plastics Economy Global Commitment”
- > Own brand packaging to be **100% reusable, recyclable or compostable** by 2025



## Health & Education

*Improving people's lives*

- > **Wide debate on healthy eating** promoted through “Portugal Saudável” conference
- > “Escola Missão Continente” educational programme on healthy eating habits



**>50  
sustainability  
initiatives**  
over the last 12 months

- > **>7.5€M in donations** to the community in 2018
- > Support non-profit projects connected to **circular economy** and **social inclusion**



## Community

*Supporting local needs*

## People

*Developing and caring for our associates*

- > **>250 associates** earned their **secondary education/ vocational training certificates**
- > Launch of the **flexible work programme** with a high adoption rate





# A unique narrative in the European grocery retail market

RECENT DEVELOPMENTS

## Consistent economic and financial results

1

Attractive  
market  
environment

2

Leading food  
retailer in a  
highly  
competitive  
environment

3

Strong retail  
network &  
digital  
platform

4

Exceptional  
brand power  
& customer  
engagement

5

Highly  
efficient  
operator

6

**Strong  
financial  
performance**

7

**Clear growth  
strategy**





# Sound financial performance

Building  
Together CAPITAL  
MARKETS  
DAYS

## Exceptional sales growth

**+6.2%**

total sales growth in 2018,  
... accelerating in 1H19 to +10%

## Best-in-class operating profitability

**9.8%**

underlying EBITDA<sup>(1)</sup> margin in 2018,  
... remaining a benchmark in 1H19

## Conservative capital structure

**<3.5x**

year-end total net debt<sup>(2)</sup> to underlying EBITDA,  
... with an improving trend in 1H19

# Fully on track with our priorities ✓

Source: Company information.

<sup>1</sup> Underlying EBITDA means EBITDA excluding non-recurring items (net capital gains/ losses on the sale & leaseback transactions of real estate assets).

<sup>2</sup> Net financial debt plus lease liabilities.

Data as at 2018 and 1H19. Reported according to IFRS 16.

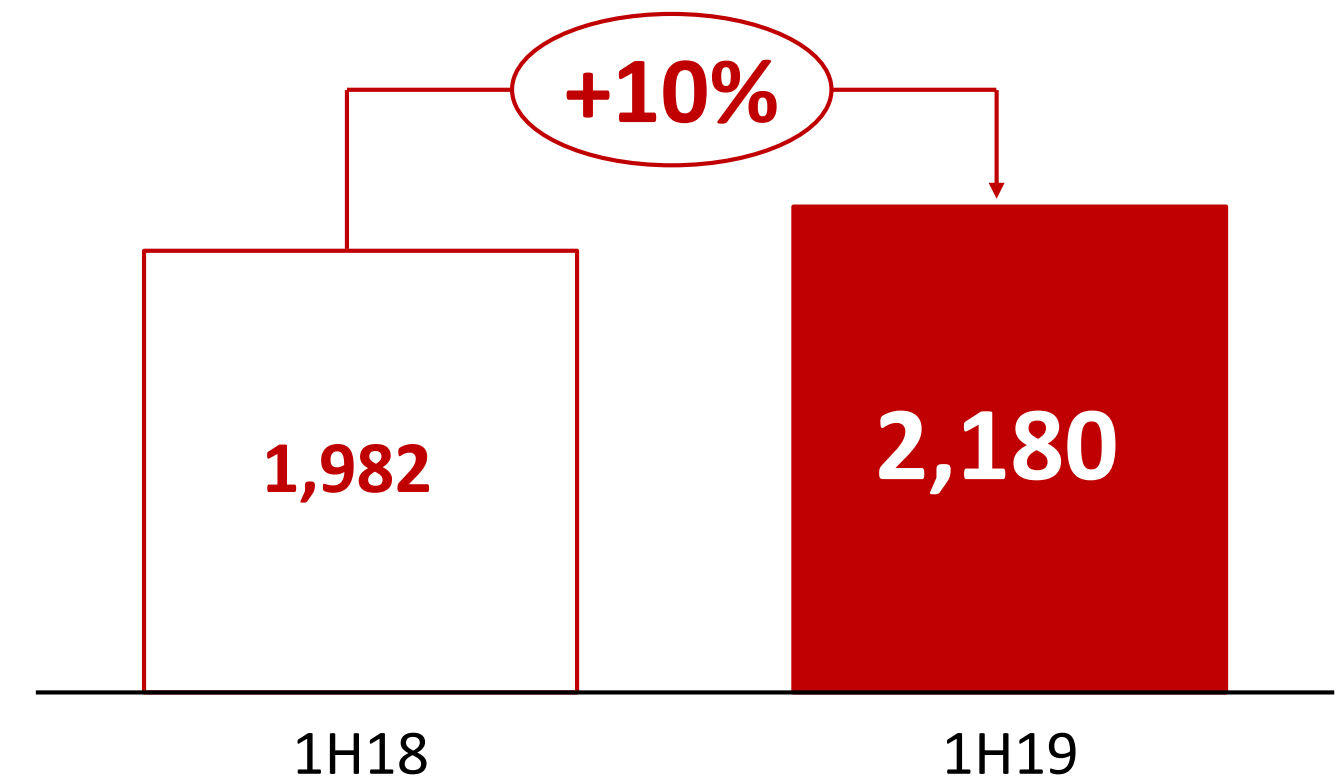
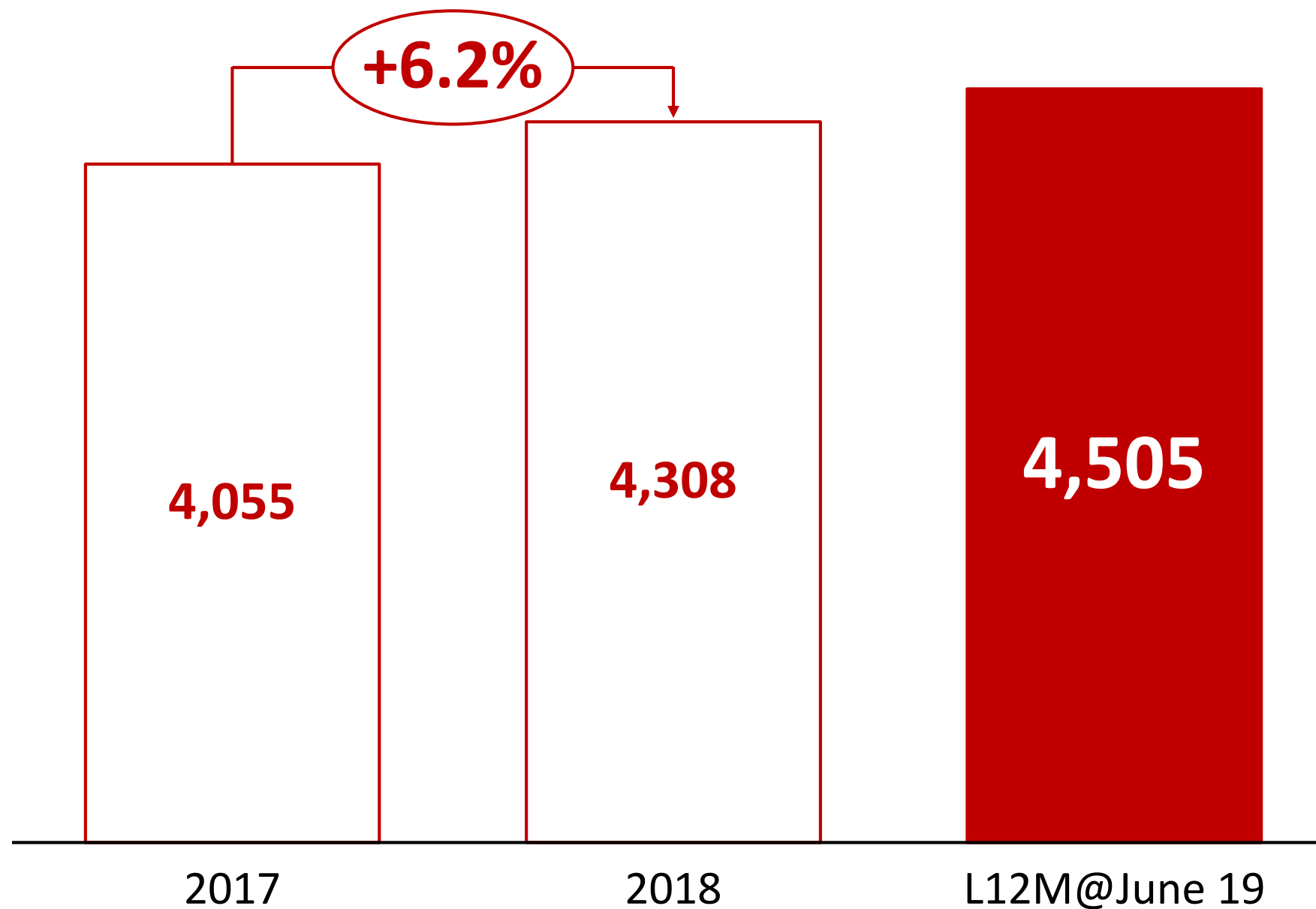




# Remarkable turnover growth...

Building  
Together CAPITAL  
MARKETS  
DAYS

Turnover (€M)







...on the back of solid like-for-like growth across all segments

### Like-for-like growth

2018

1H19

Hypermarkets

2.7%

2.6%

Supermarkets

2.9%

4.2%

New growth  
businesses & others

5.5%

8.6%

Sonae MC

3.0%

3.9%





# Resilient margin which remains an industry benchmark

Building  
Together  
CAPITAL  
MARKETS  
DAYS

underlying EBITDA<sup>(1)</sup> (€M)

underlying  
EBITDA margin

9.8%

10.0%<sup>(2)</sup>

9.1%

9.5%<sup>(2)</sup>

423

450

180

207

2018

L12M@June 19

1H18

1H19

Source: Company information.

<sup>1</sup> Underlying EBITDA means EBITDA excluding non-recurring items (net capital gains/ losses on the sale & leaseback transactions of real estate assets).

<sup>2</sup> Includes a one-off positive impact from IFRS 16 adoption on transportation lease agreements. If excluded, underlying EBITDA margin would stay broadly in line with the previous period.

Reported according to IFRS 16.

L12M: Last 12 months.



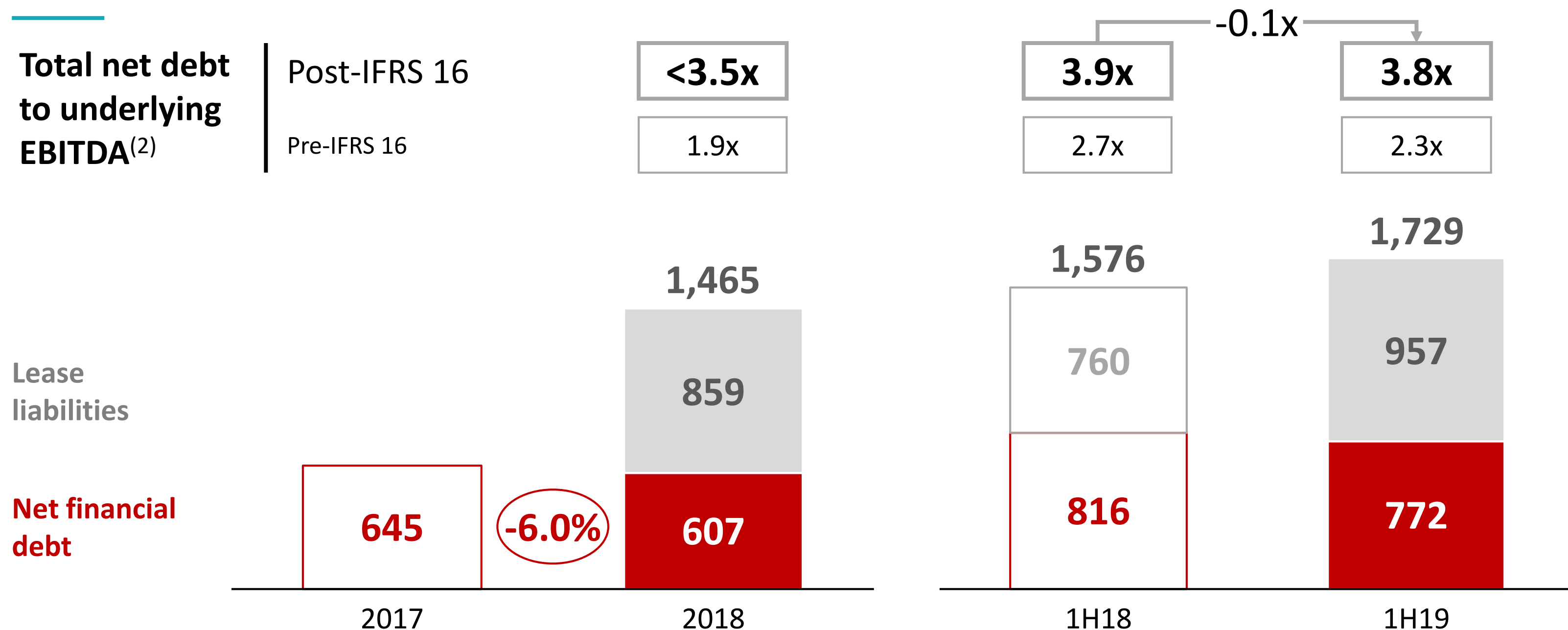


# Strong balance sheet with an investment grade profile

Building  
Together

CAPITAL  
MARKETS  
DAYS

## Total net debt<sup>(1)</sup> (€M)



Source: Company information.

<sup>1</sup> Net financial debt plus lease liabilities.

<sup>2</sup> Underlying EBITDA means EBITDA excluding non-recurring items (net capital gains/ losses on the sale & leaseback transactions of real estate assets).  
Reported according to IFRS 16.





# Delivering on our commitments...

Building  
Together  
CAPITAL  
MARKETS  
DAYS

## Company targets (2018)

	Targets	FY 2018
Turnover growth	[5.5% - 6%]	6.2%
Underlying EBITDAR and EBITDA margins	Stable	Stable
Year-end net debt to underlying EBITDA (pre-IFRS 16)	c.2x	1.9x
Freehold at year-end	~45%	45%





# ... with reiterated confidence in our ambitions

## Medium-term ambitions (2019-21)

## Ambitions

**New store openings (cumulative) – Grocery retail**

**50-60 (CNT Bom Dia)  
4-8 (CNT Modelo)**

**Underlying EBITDA margin**

**Broadly stable**

**Gross capex (cumulative)**

**~345€M (M&O<sup>(1)</sup>)  
260-280€M (Expansion)**

**Year-end total net debt<sup>(2)</sup> to underlying EBITDA (post-IFRS 16)**

**<3.5x**

**Freehold at year-end**

**>40%**

Source: Company information.

<sup>1</sup> Maintenance and Optimisation.

<sup>2</sup> Net financial debt plus lease liability.



# In a nutshell...

- ✓ Encouraging backdrop setting the scene for overall growth
- ✓ Strong business fundamentals underpinning market share gains
- ✓ Impeccable strategic execution with very good momentum
- ✓ Solid financial performance funding long-standing success
- ✓ Clear ambition for the future with growth as a priority



Undisputed leadership position on the back of unique multi-format omnichannel business



**FERNANDO OLIVEIRA**  
CEO

SONAE SIERRA





**SONAE SIERRA**

**International, vertically integrated,  
full service Real Estate developer,  
owner and manager**



# We develop, invest and manage real estate assets and funds

## Develop

Since 1989 development has been at the core of our strategy

Assets developed **40**

Typical stake in developments **50%**

## Invest

We own stakes, directly and via partnerships and funds

Owned & co-owned assets **77**

Open Market Value (OMV) of own stake **2.0 bi€**

## Manage

We manage our own and third-party assets

Total assets managed **118**

100% OMV of owned & co-owned assets **7.2 bi€**

Development Services

Investment Management

Property Management

**Full Service Real Estate provider to investors and operators**

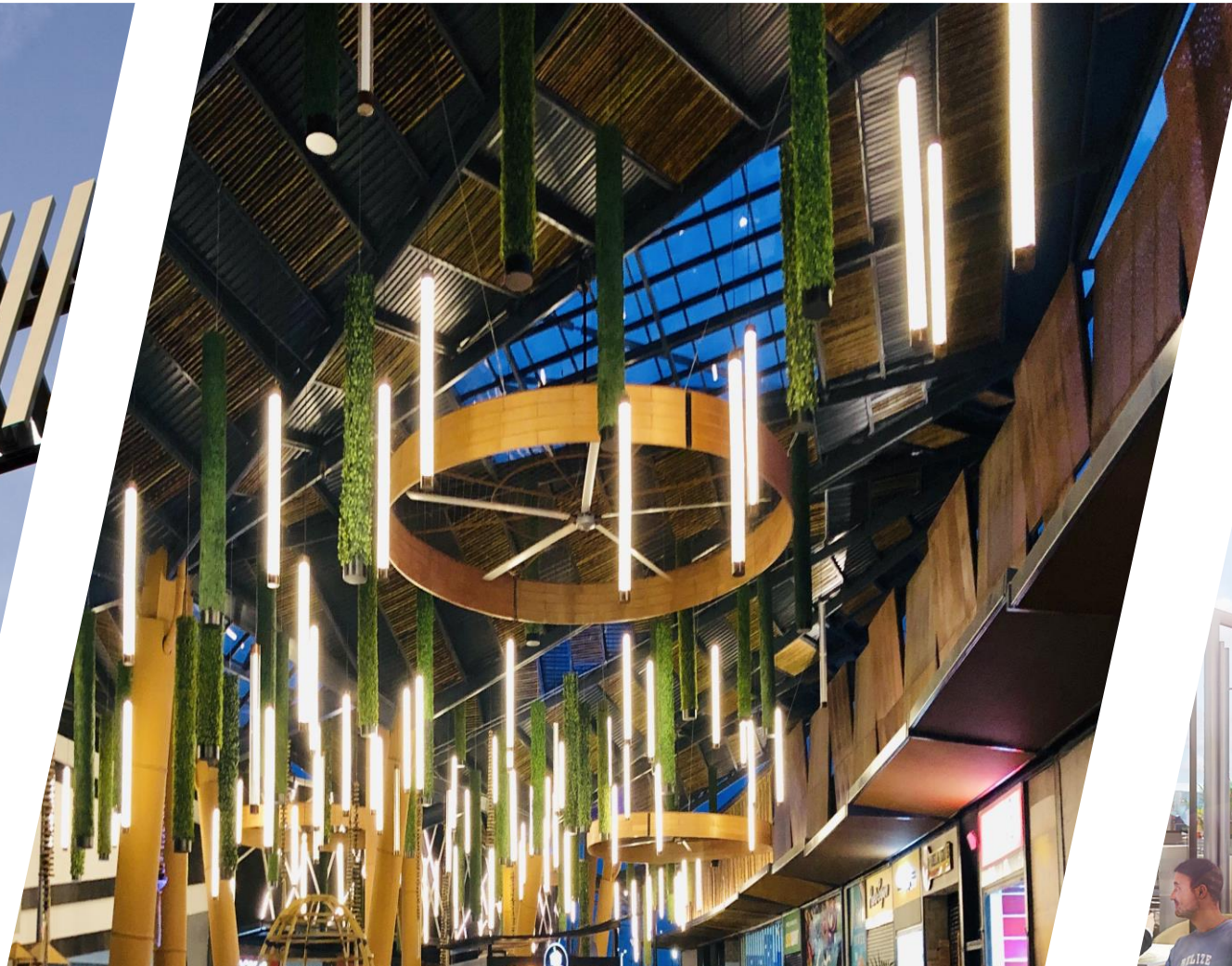


# Our focus has been on three key strategic guidelines



Inv.  
Port.

**Nurture and grow a high quality RE portfolio**



Dev.

**Pursue developments selectively**



Serv.

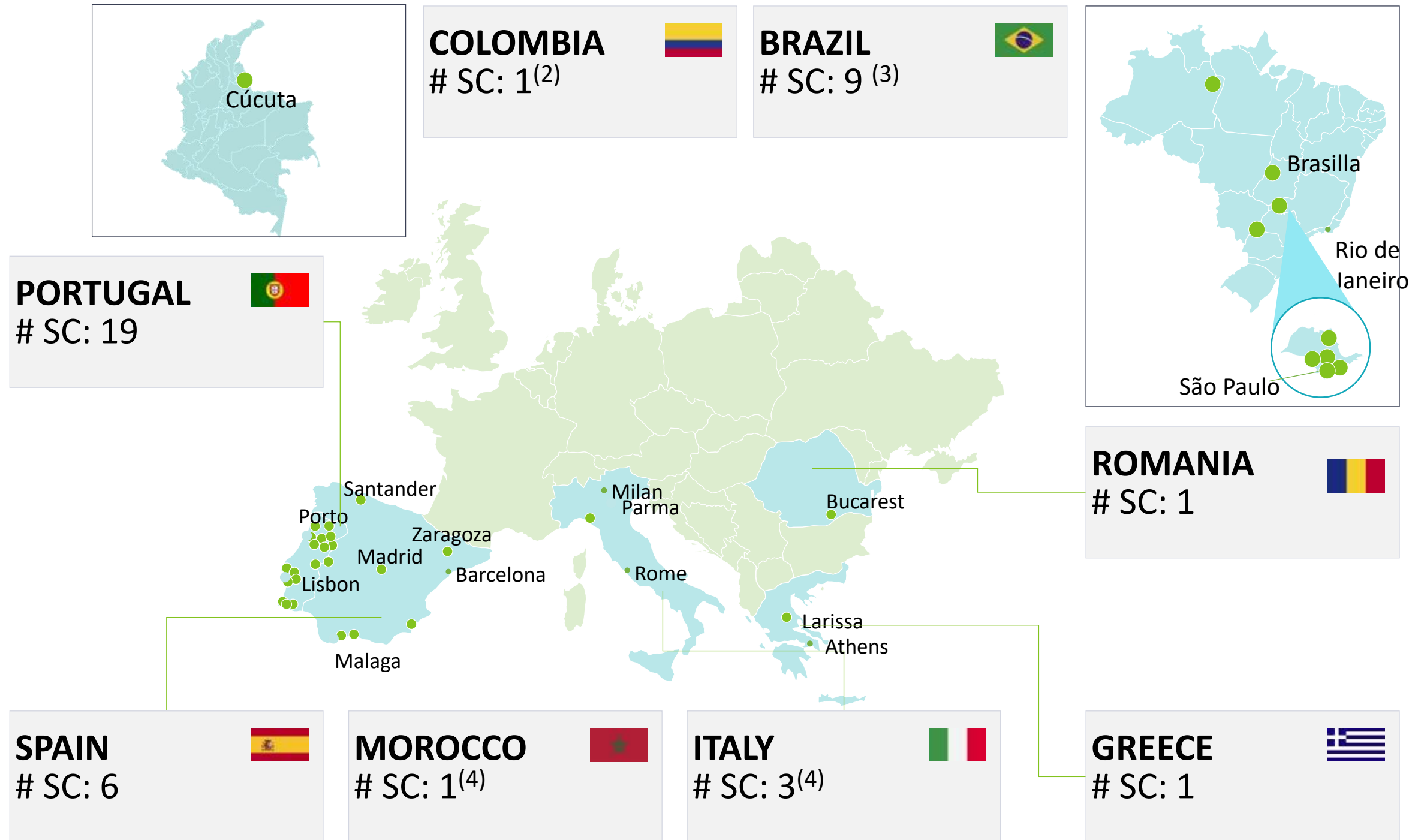
**Continue organic and inorganic services growth**



# Our portfolio is geographically diversified with exposure to mature and emerging economies

Building  
Together

CAPITAL  
MARKETS  
DAYS



## OMV

Sierra stake  
(% of total)



52%



19%



12%



9%



5%



1%



1%

Notes:

1 Assets held at 3Q2019; 2 Cúcuta recently opened in February 2019; 3 Refers to SSB portfolio, pre-merger with Aliansce; 4 Ongoing development project



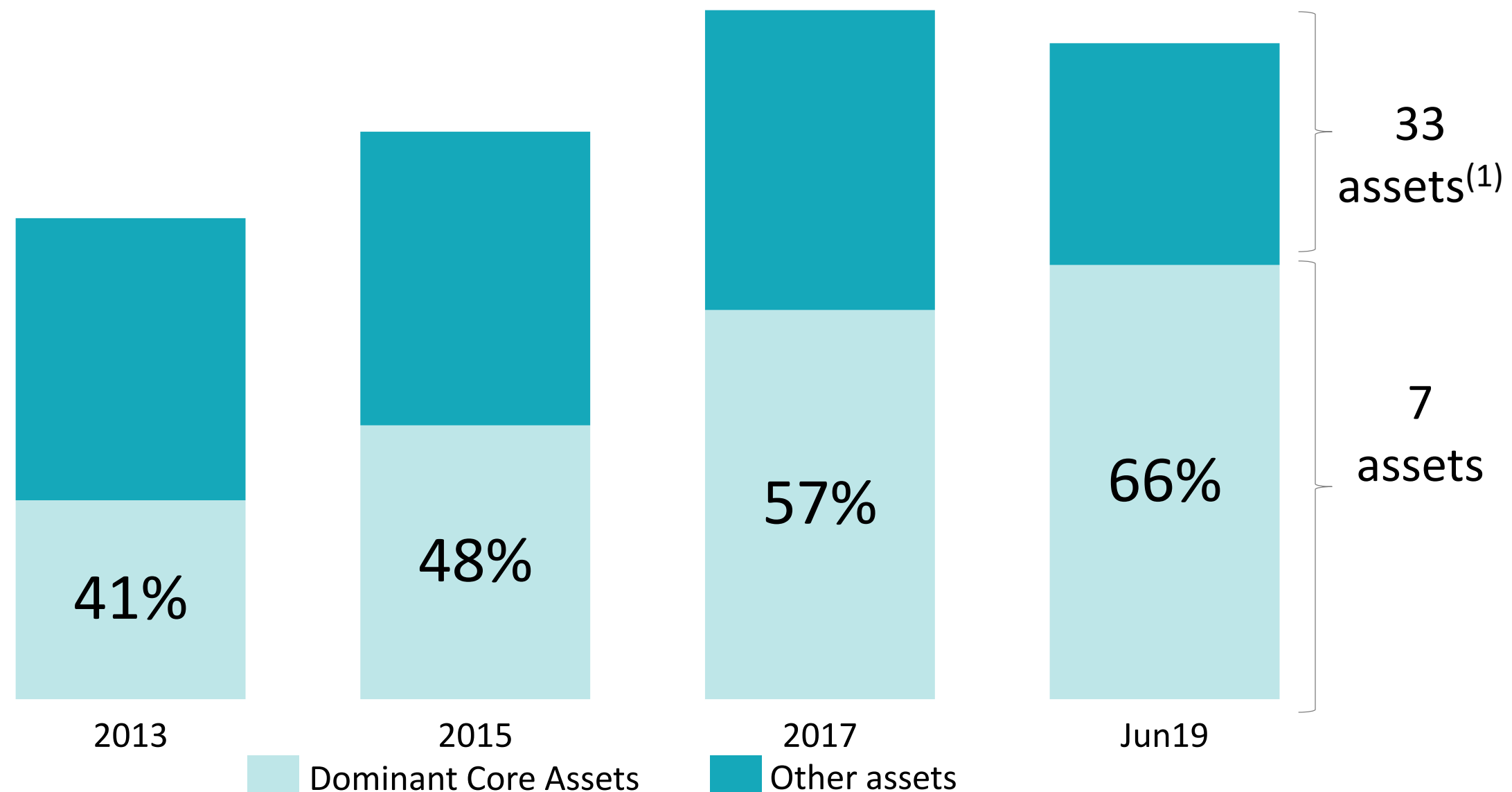
# We have been rebalancing our portfolio by increasing the focus on dominant core properties

NAV @ Sierra's share  
% of total

> **2.7** bi€  
OMV (@ 100%) of asset disposals since 2013

> **700** M€  
OMV (@ Sierra Stake) of asset disposals since 2013

+ **7.8%**  
CAGR NAV in 2013-2018



Note: Dominant Core Assets: Centro Colombo; NorteShopping; Centro Vasco da Gama; CascaiShopping; PlazaMayor (SP); ParkLake (RO); Parque Dom Pedro (BR)

All financial figures are from Proportional management accounts

1. Plus 37 ORES Socimi assets



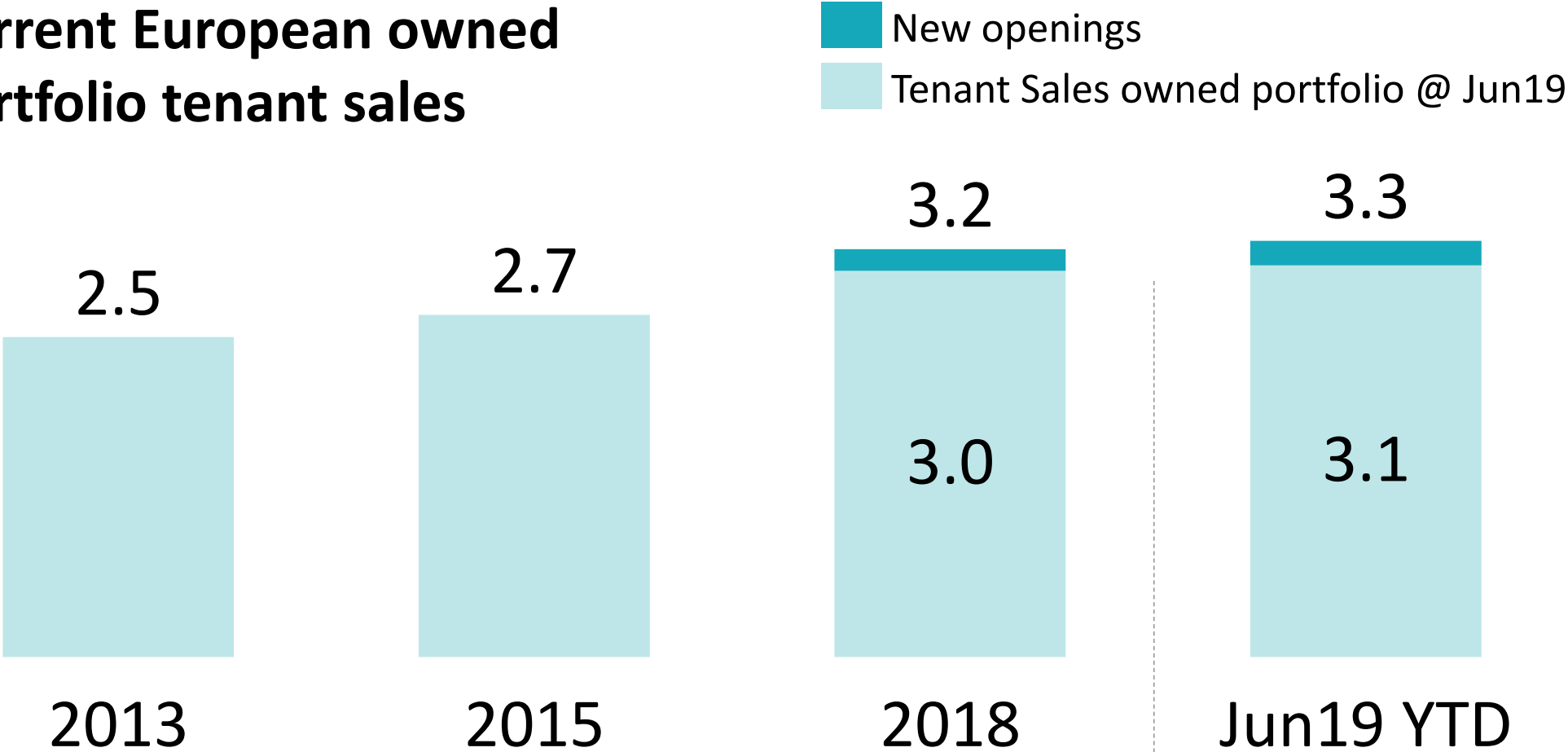


# Our portfolio is underpinned by strong fundamentals and growth momentum

**c.110 M€**  
Jun2019 L12M Shopping centre income

**> 450 M**  
Yearly visits

Current European owned portfolio tenant sales  
bi€



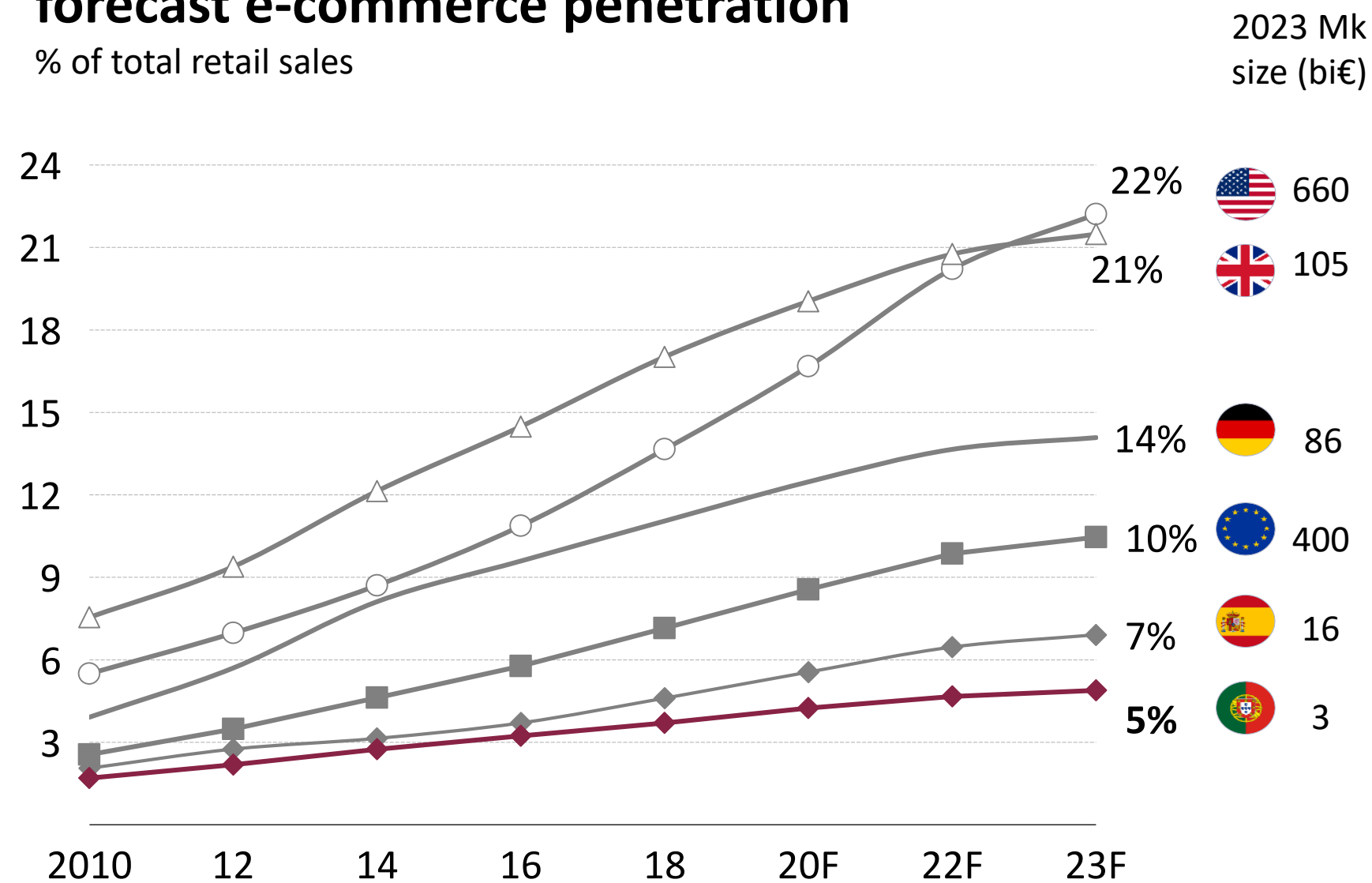
	2013-18 CAGR		Jun19 YTD
LfL Sales		3.3%	4.2%
LfL Rents		2.7%	3.9%
LfL EBIT		2.9%	3.4%



# The markets in which we operate present materially different dynamics from the Anglo-Saxon markets (1/2)

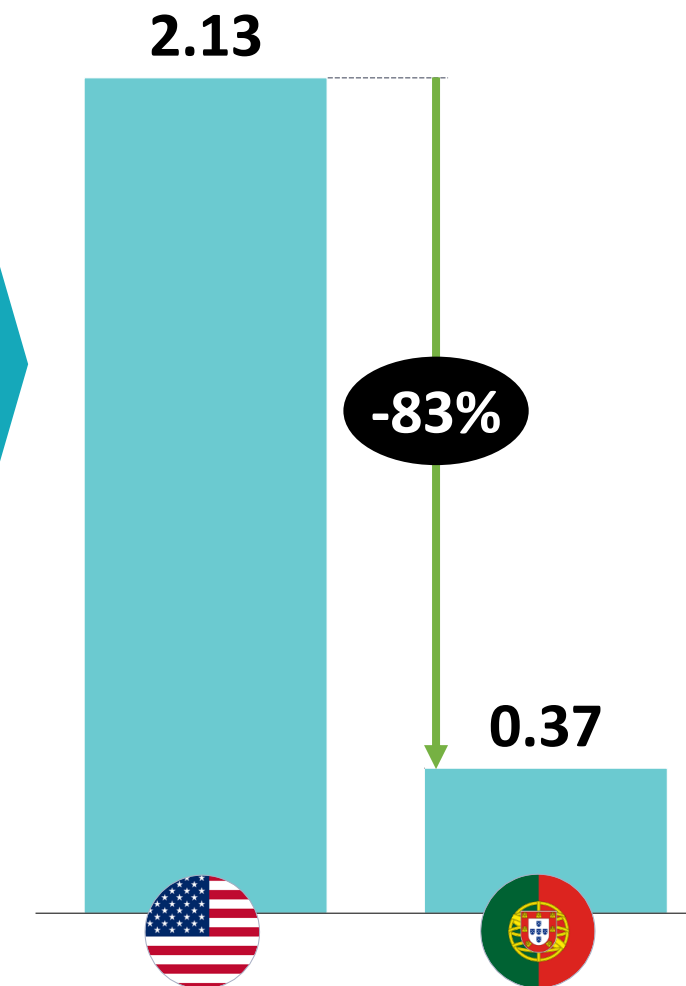
## Significantly lower current and forecast e-commerce penetration

% of total retail sales



## Significantly less SC density in Portugal

sqm per capita



No department stores  
in our GLA  
vs 49% in USA

Significantly lower high  
street retail due to regulatory  
and cultural factors



# The markets in which we operate present materially different dynamics from the Anglo-Saxon markets (2/2)



**Tourism** revenues  
growing at **11.1%**  
CAGR (13-18)



**68%** concerned about  
**payment security** on e-  
commerce websites vs **25%** in EU



**69% prefer to go to the mall  
when shopping** vs **55%** in Europe



**85%** prefer to  
**shop in person**  
vs **69%** in EU



**All age groups buy less  
frequently online** than  
peers (15-27pp differences)



# We are consistently and proactively evolving our portfolio to the exciting and dynamic retail market trends



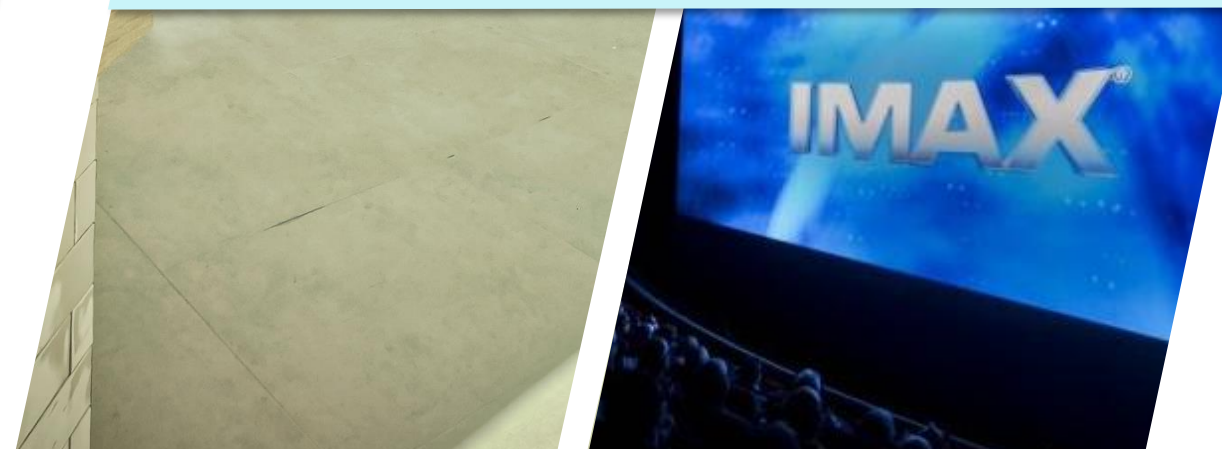
**Upsizing of key retailers and creation of iconic flagships**



**Categories less exposed to e-commerce**



**New tenants and innovative retail concepts**





Inv.  
Port.

# Reinforcing and innovating customer experience and entertainment components



## The Shopping Centre as entertainment hub



## Improving shopping centre experience and ease of shopping





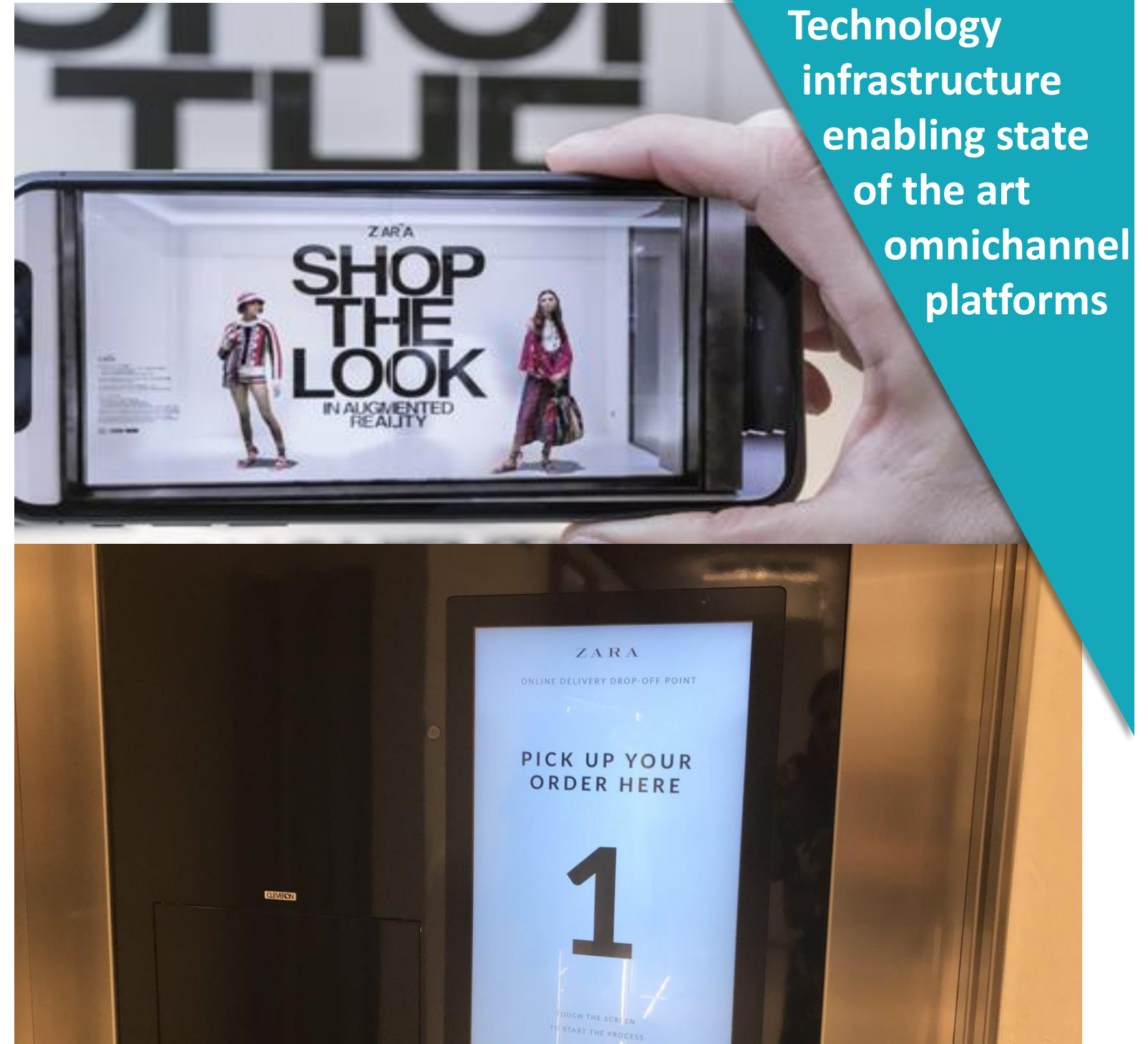
Inv.  
Port.

# Support and accelerate our tenants' omnichannel offering

Click &  
collect  
hubs



Technology  
infrastructure  
enabling state  
of the art  
omnichannel  
platforms





Inv.  
Port.

# We have significantly strengthened our Brazilian presence



Creation of the largest  
Brazilian  
shopping centre operator  
through merger of SSB  
and Aliansce

**2.0 bi€**

Aliansce Sonae  
Market cap

## Combined figures (2018)

**201** M€ **Net Revenues**



**145** M€ **EBITDA**



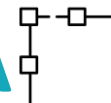
**40** AuM



**14** States



**811** k sqm **Owned GLA**



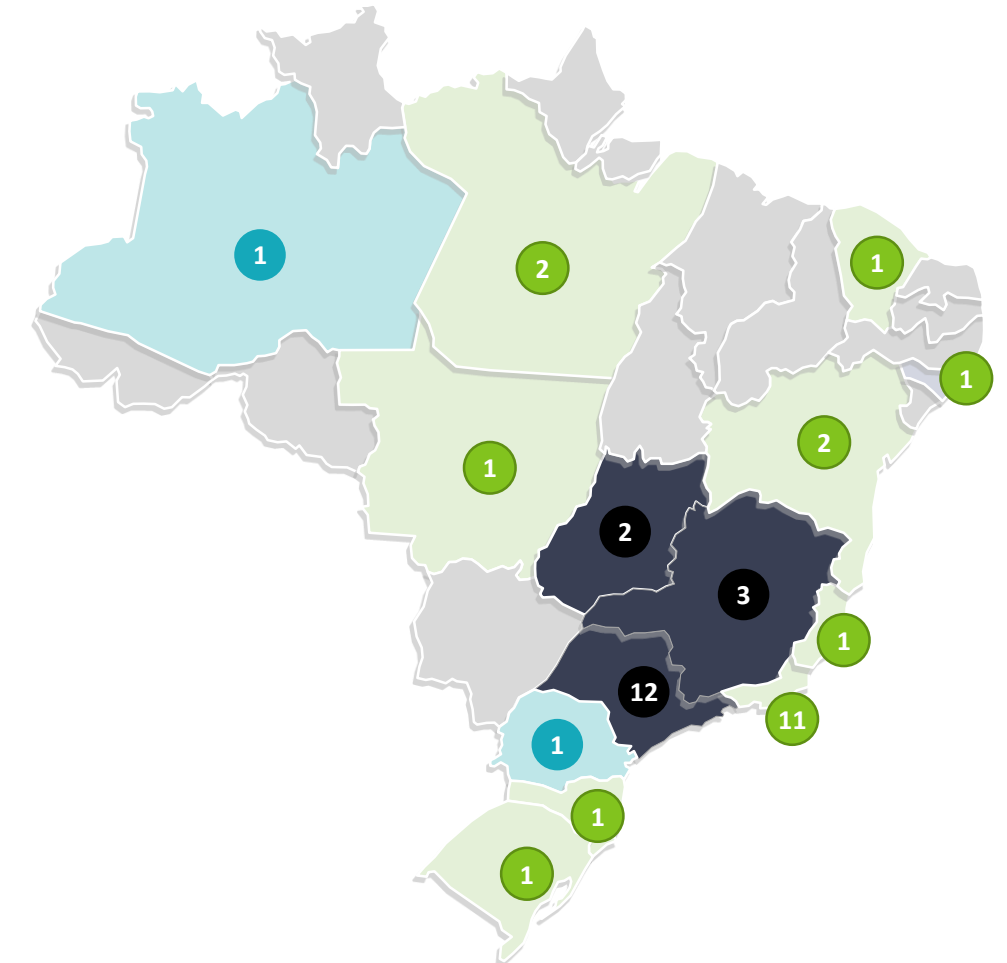
**1,194** k sqm **Total GLA**



**>2,500** **Employees**



## Geographic Footprint



● Sonae Sierra  
● Aliansce  
● Combined

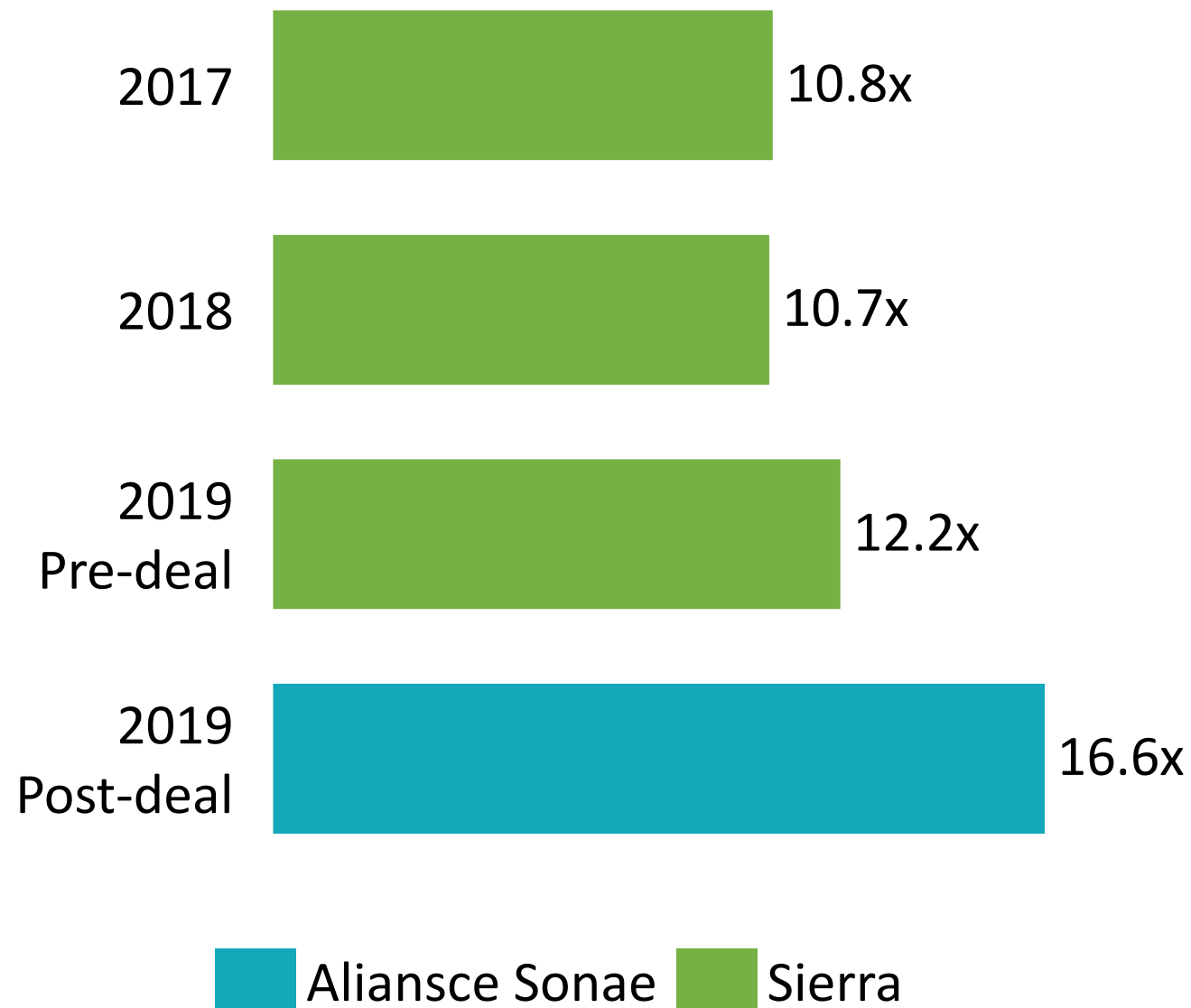




# The creation of Aliansce Sonae has led to a re-rating of the Brazilian investment

## Value creation

### EV/EBITDA 1yr FWD



## Other value creation levers

Exposure to a **high potential emerging market**

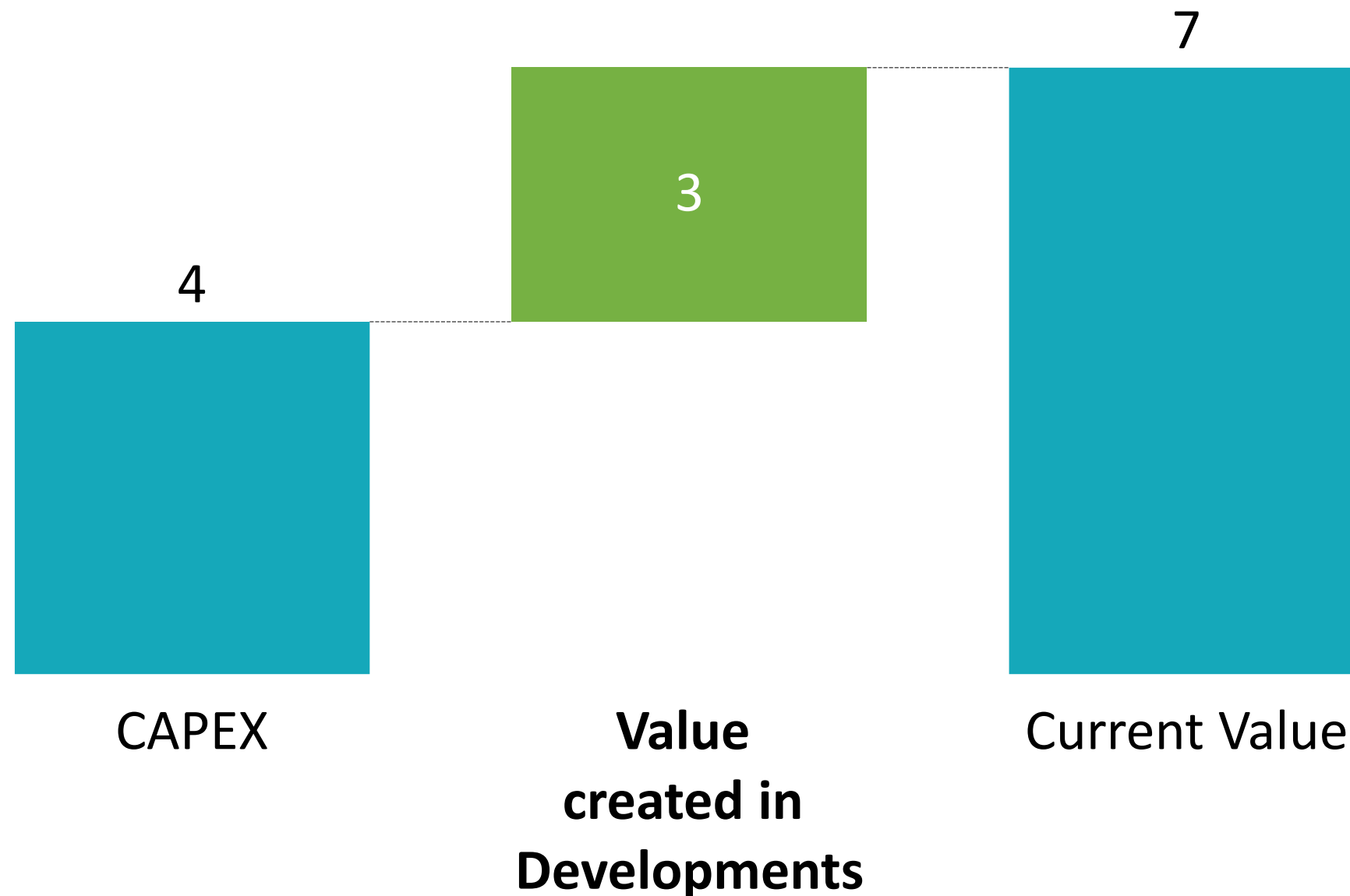
**Upside potential** from synergies

**Downside risk minimized** through put option on listed Aliansce Sonae shares



# Developments will continue to be a core pillar of our growth strategy

Historic investment and value creation  
bi€



## Main Focus

### A. Growth on emerging markets via greenfield developments

- Inaugurated the first Shopping Centre in Colombia
- Looking to increase presence in Morocco
- Scouting additional opportunities

### B. Maximizing value in strategic portfolio





In mature markets, we will focus on continuing to maximize value in our strategic properties

Properties under development  
(@ Sierra stake – estimated<sup>1</sup>)

182 M€

Dev. Margin  
(on average)

30%

Ongoing Projects  
(owned & co-owned)

5

Examples





# A vertically integrated full Real Estate services platform

## Investment Management

First class investment services to a portfolio of real estate funds and operating assets

Managed  
**c. 4.6 bi€** in **5 retail funds<sup>1</sup>**



Best performing specialist fund for Portugal 2018

## Property Management

Best-in-class Property management and leasing services

**118** Assets Managed



European Innovation Award  
- First Store by Alexa 2018

## Development Services

Designing, licensing and developing real estate assets customized to our clients requirements

**51** Active 3<sup>rd</sup> party contracts



"Best Retail/Shopping Developer" in Western Europe 2019

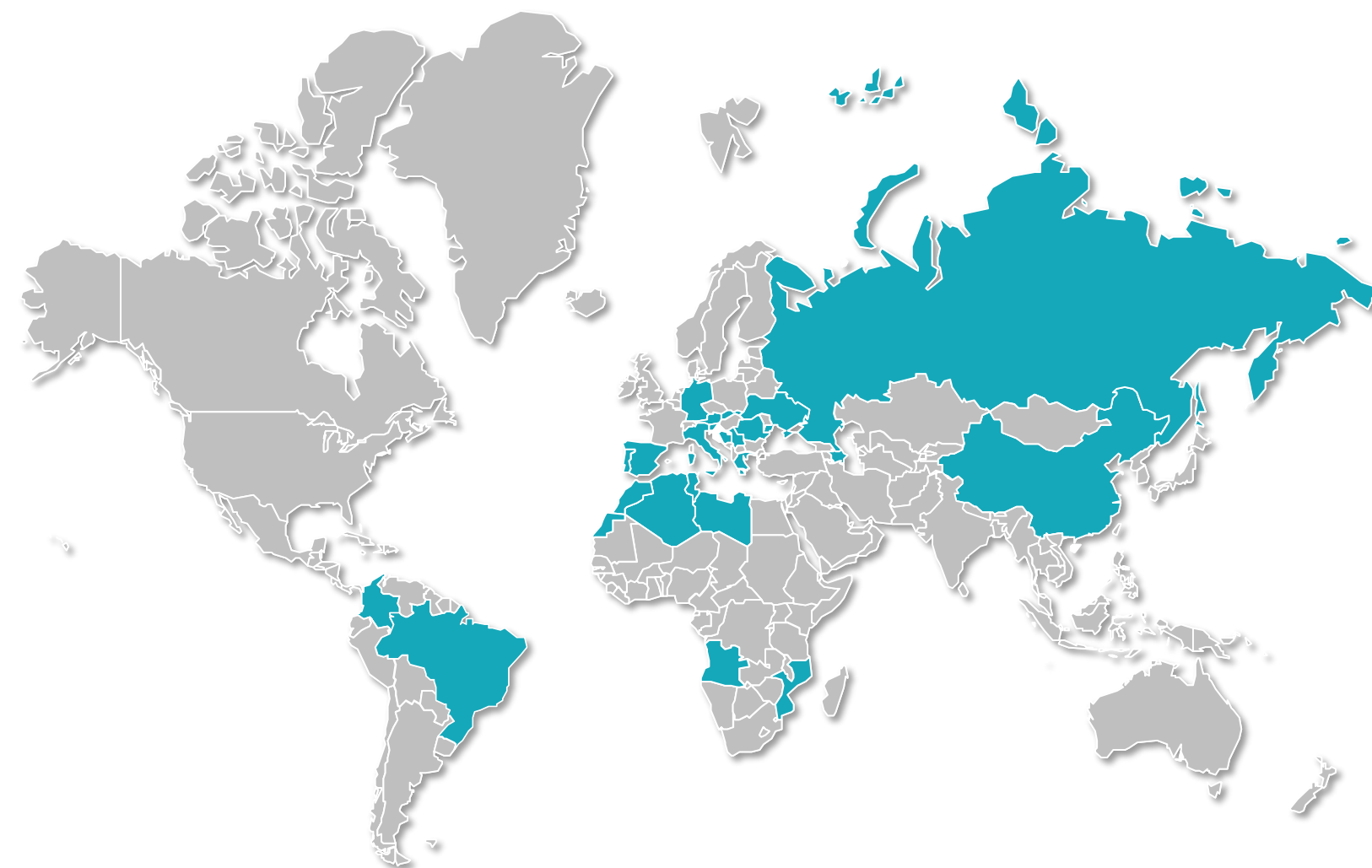
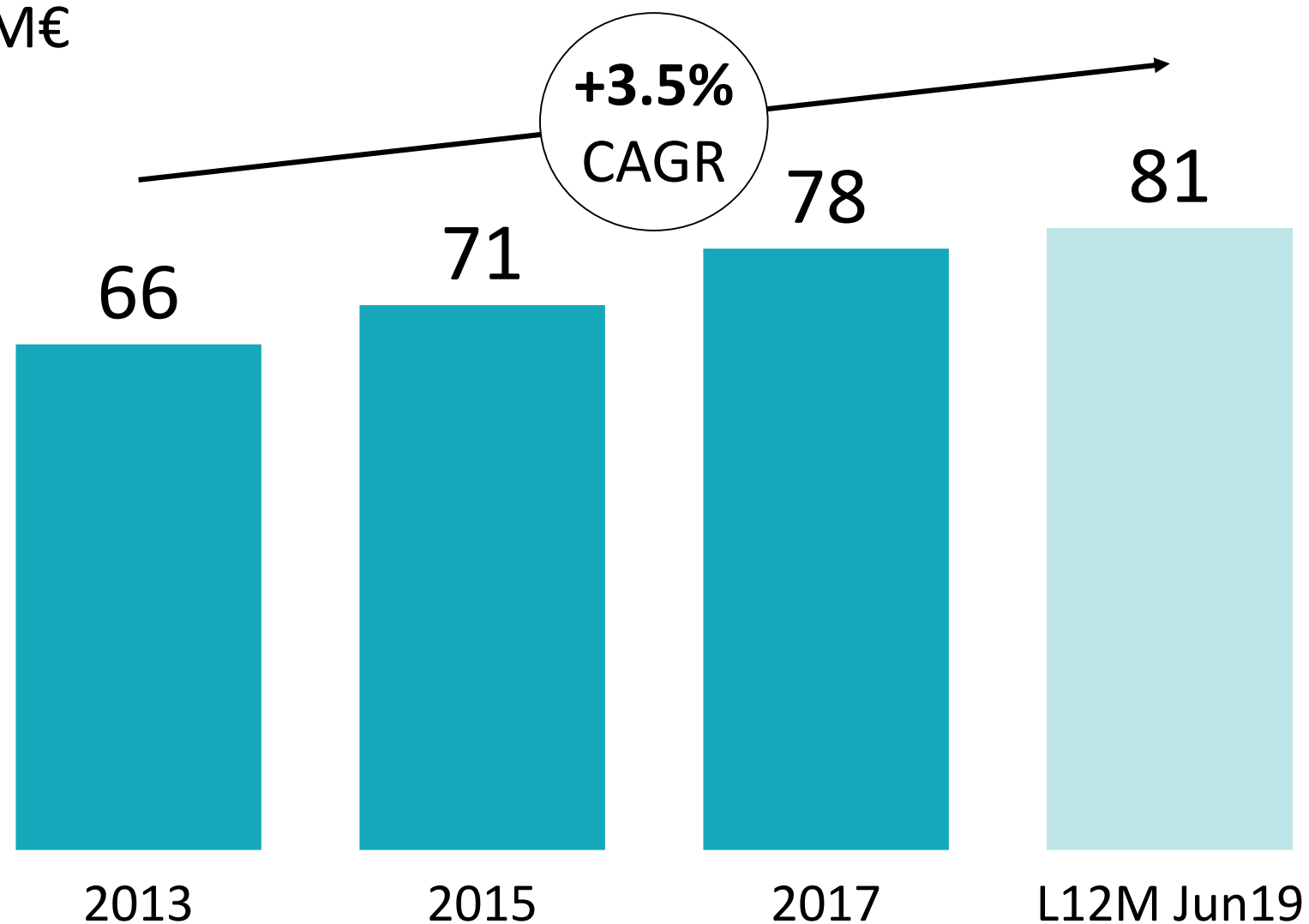


Serv.

# Solid track record of services revenue growth with presence in 29 countries and offices in 11

## Services turnover

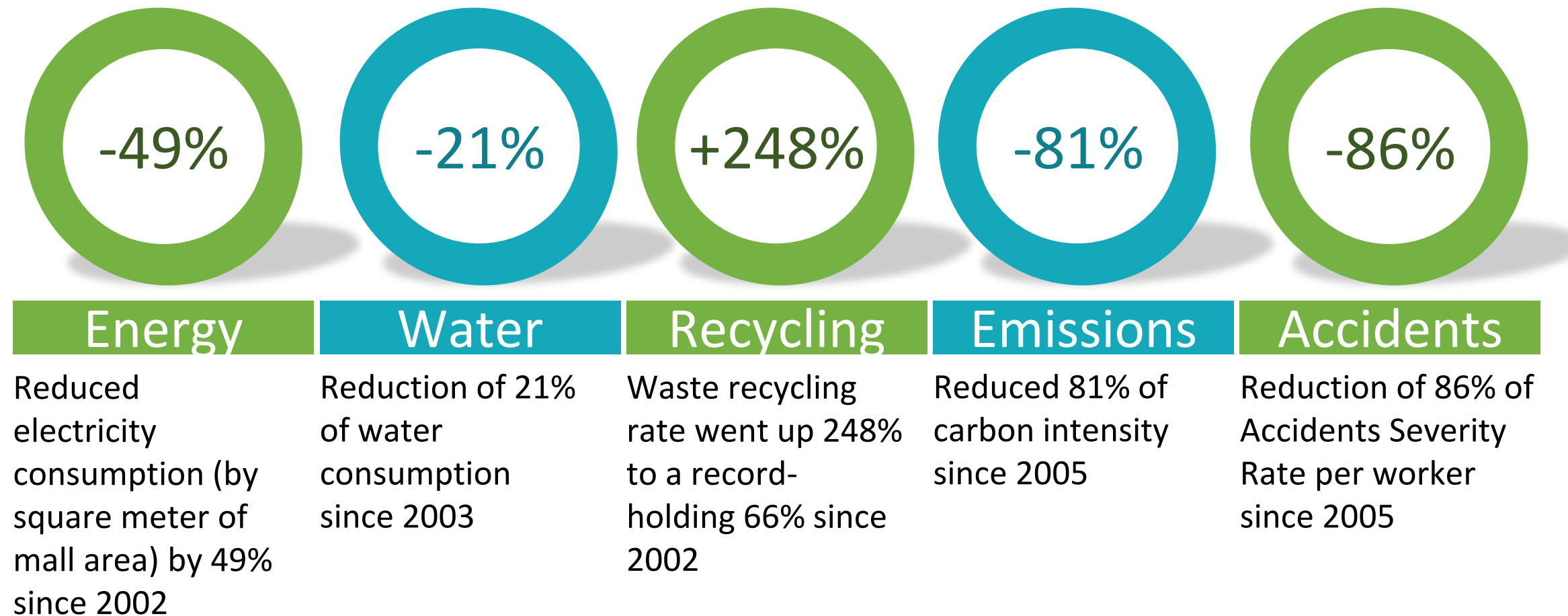
M€





# All of this with ESG at the core of everything we do

Building  
Together CAPITAL  
MARKETS  
DAYS



Our sustainability practices across Sonae Sierra portfolio have enabled our company to **avoid costs of over 25 M€ in 2018** as a result of energy, water and waste efficiency measures implemented since 2002.

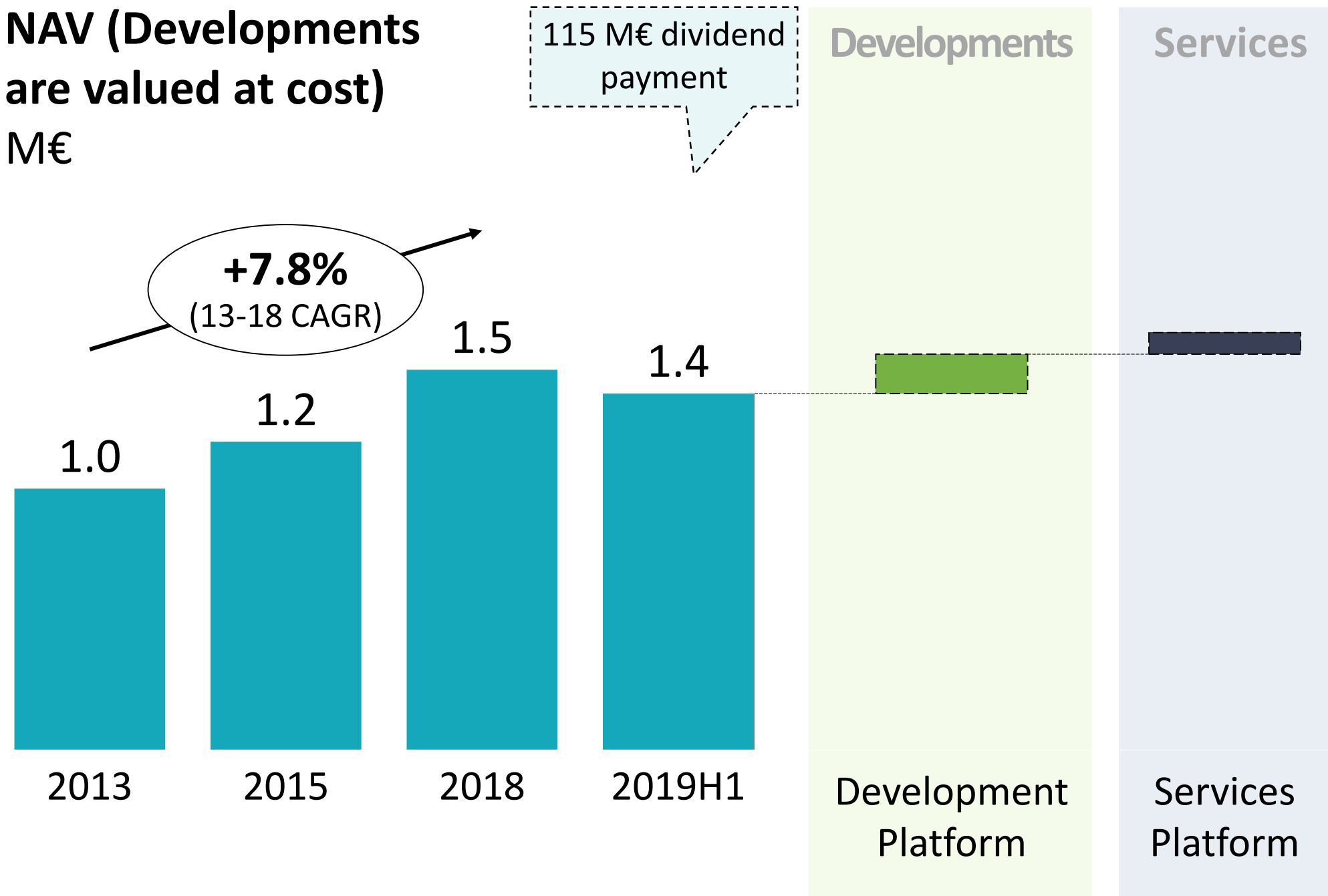


“Bright” energy efficiency programme



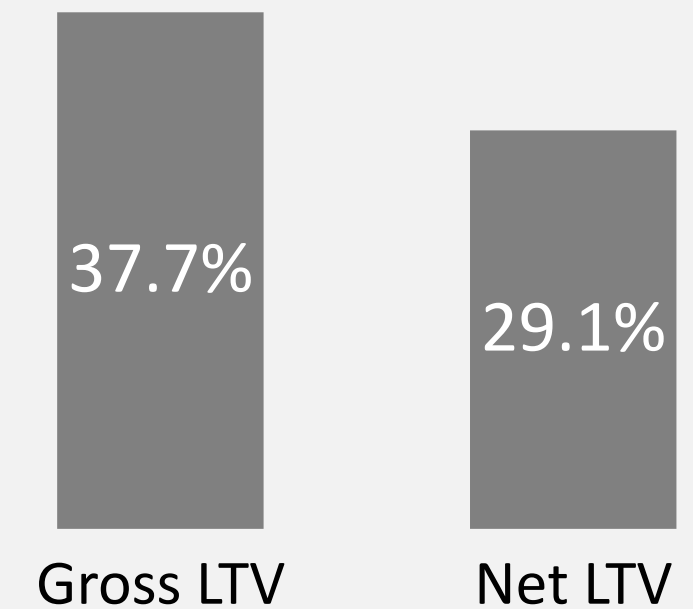
# Solid NAV growth complemented by leading services and development platforms

NAV (Developments are valued at cost)  
M€



## Consolidated Proportional LTV June 2019;

A prudent balance sheet management, with conservative debt levels





# Going forward

## Key market trends

Physical stores will continue to play a key role in the **omnichannel world**

**Less shopping centre development** opportunities in core markets ... more opportunities in adjacent sectors

Increased **appetite for real estate** from institutional and private investors

Trusted and established real estate **service providers** will play a key role

## Our key priorities

**Continue to evolve portfolio into urban omnichannel marketplaces**

**Pursue selective real estate development opportunities**

**Increase AuM from institutional & private investors**

**Leverage on services know-how & track-record to increase customer base**



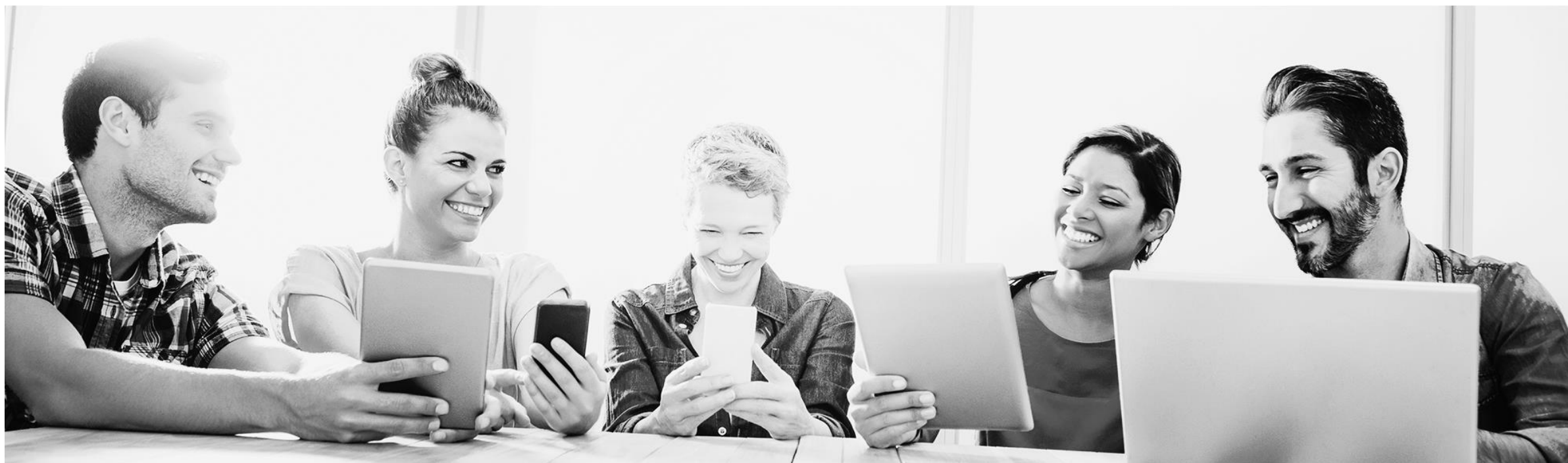
**MIGUEL MOTA FREITAS**  
CEO

WORTEN



# The leading digital electronics and appliances player

Building  
Together CAPITAL  
MARKETS  
DAYS



A  
**DIGITAL  
COMPANY**

WITH  
**PHYSICAL  
STORES**

AND A  
**HUMAN  
TOUCH**

**#1 in Portugal**

Turnover  
**1.1 Bn€**

Employees  
**4.800+**

Iberian footprint  
**250** Stores



**SONAE**

IMPROVING LIFE



# Unique retail footprint



## Invaluable brand and market leader...

*... recognized as specialist in technology and trusted advisor*



## Strong network capillarity...

*... with inspiring stores in premium locations, and boosting unique omnichannel proposition*



## Distinctive digital capabilities...

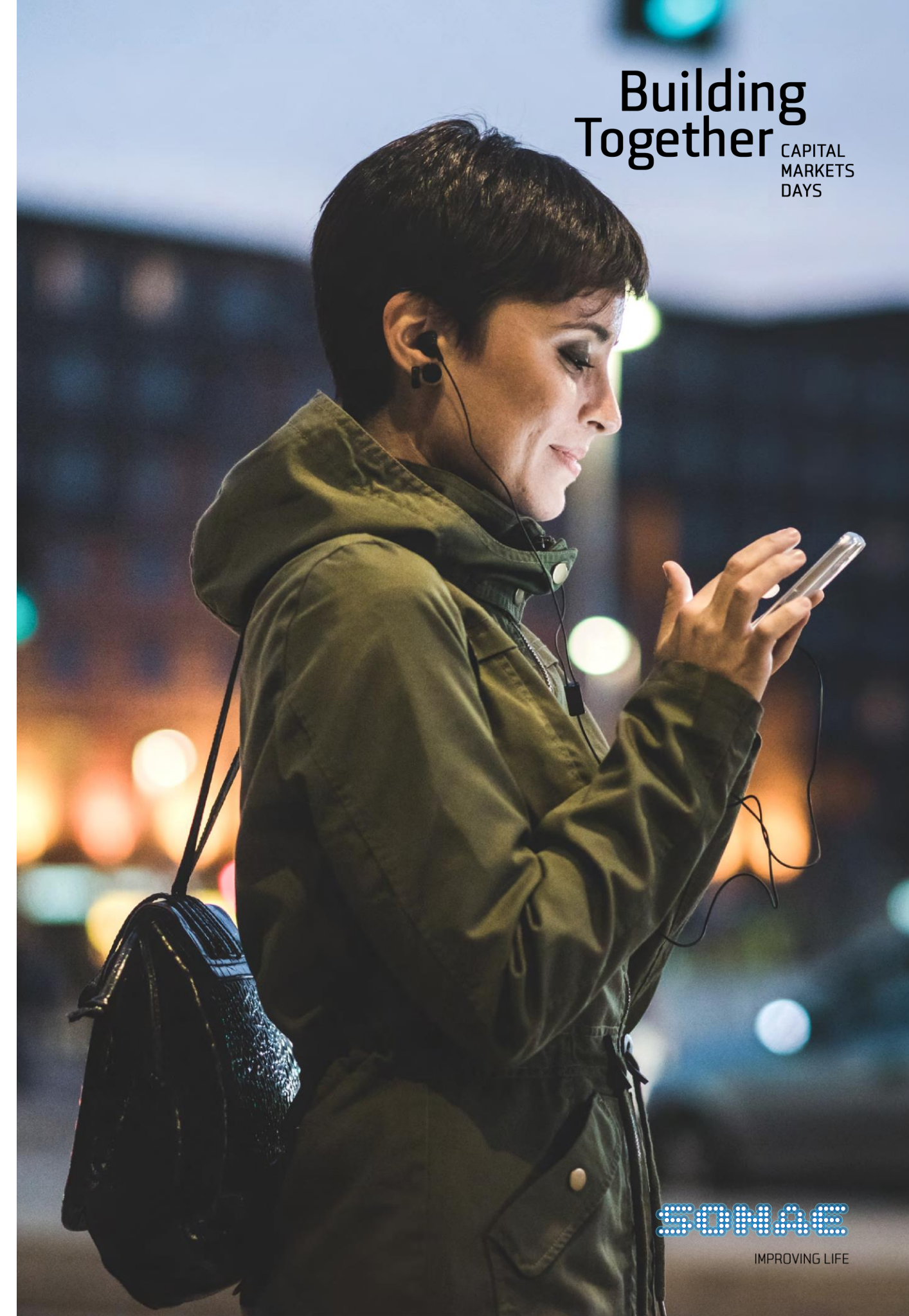
*... fueling a great online experience and strong e-commerce operation*



## Deep customer knowledge...

*... creating a more friendly and relational environment and a truly better experience in services*

Building  
Together  
CAPITAL  
MARKETS  
DAYS





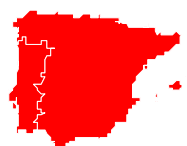


# Growing performance with undisputed stance in Portugal

## Iberian market growing (CAGR)

2016 – 2019

+ 2.0%



+16.6%



+0.3%



2019 – 2022E

+ 2.5%



+11.0%

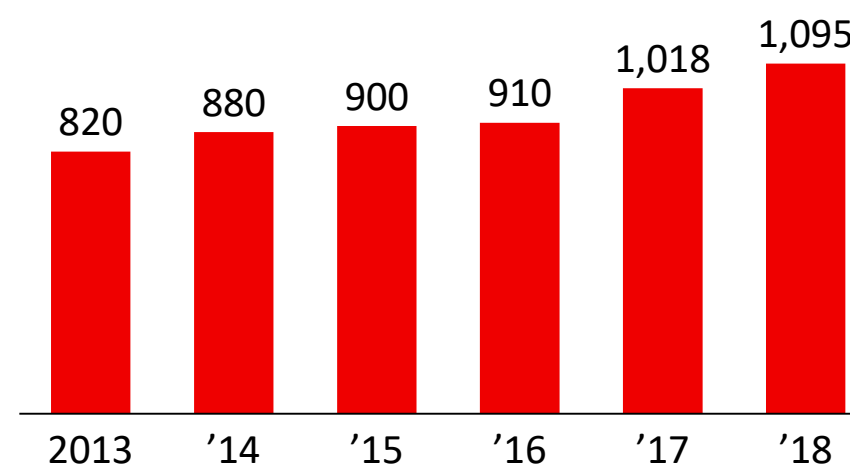


+1.1%

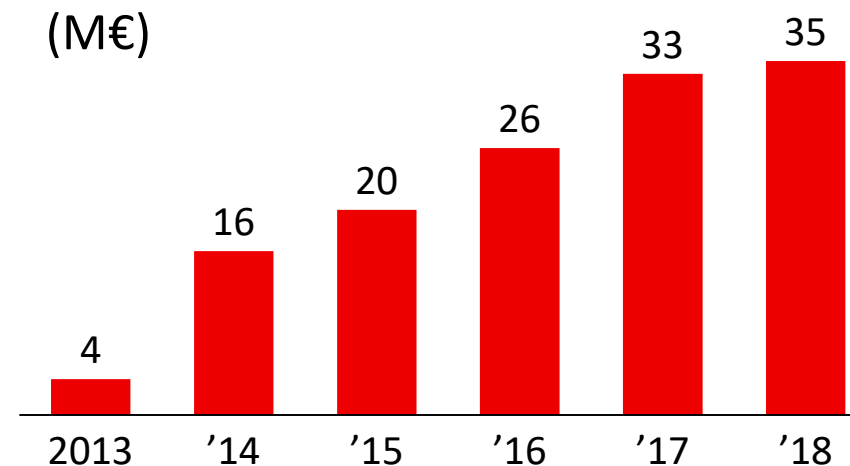


SOURCE: Euromonitor

## Turnover (M€)



## UEBITDA (M€)



NOTE: values prior to 2017 do not include extended warranties

**Clear leadership in  
Portugal**

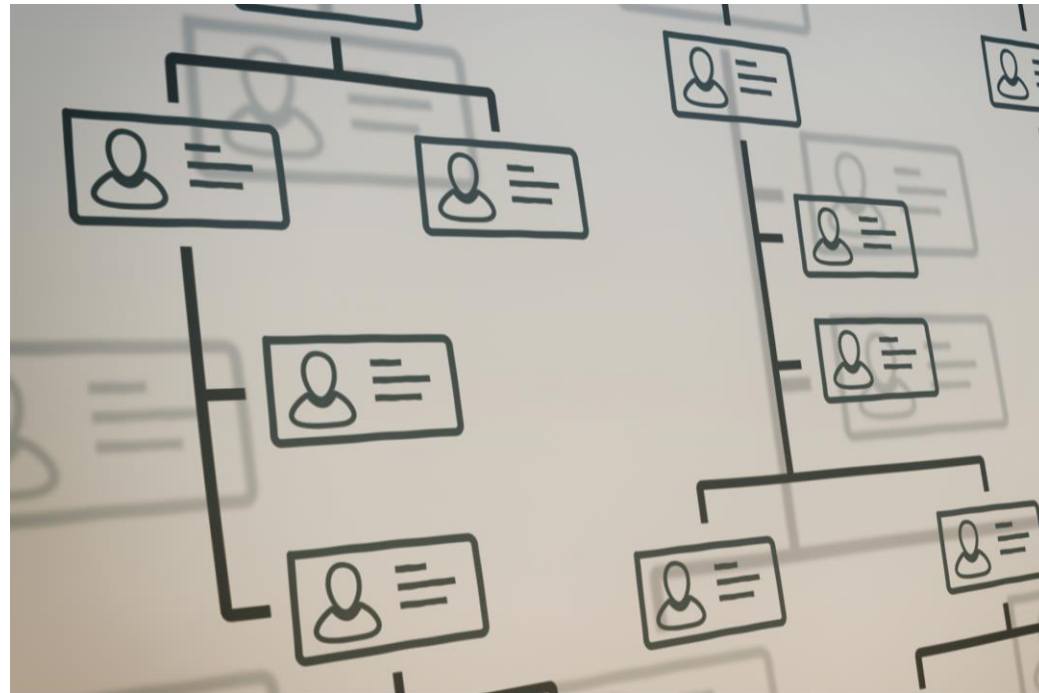
**37%** market share - #1 player

**NPS leadership**, our biggest  
gap ever!

**37% online sales growth**



# Decisive action plan for Spain in place



## Iberization

- **Transfer of core functions** to PT Headquarters
- Spanish local structure to **address local requirements**



## Store network optimization

- **Selected closing** of underperforming stores
- Store concept designed to **boost an omnichannel value proposition**



## Paradigm change to online

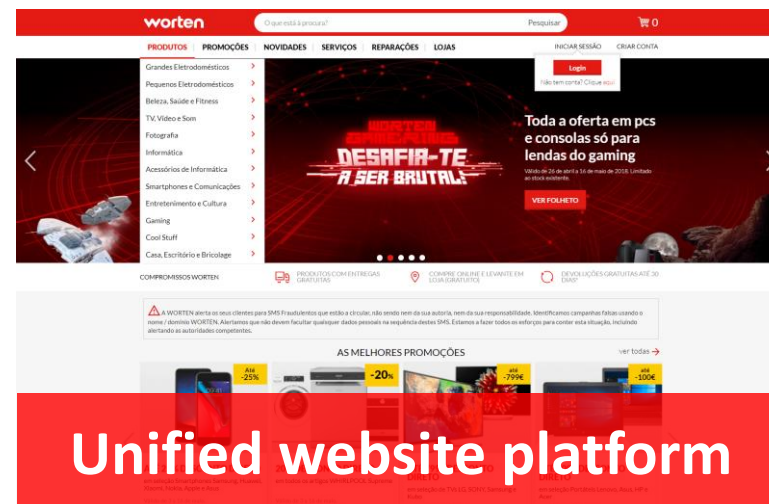
- **Strengthen online positioning** and accelerate online sales
- **Bet on third party sales** following marketplace launch



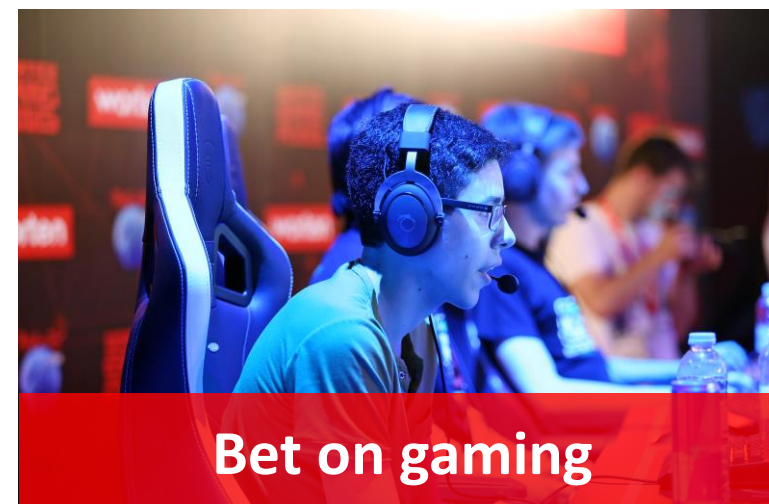
# A Digital Worten



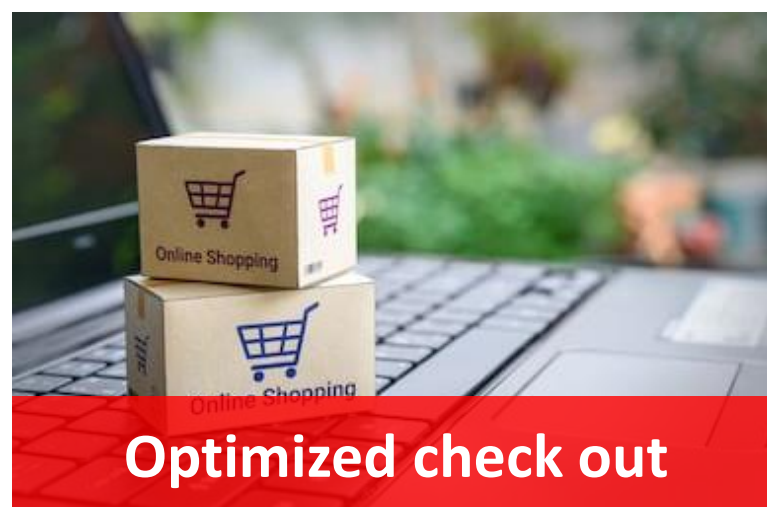
Marketplace launch



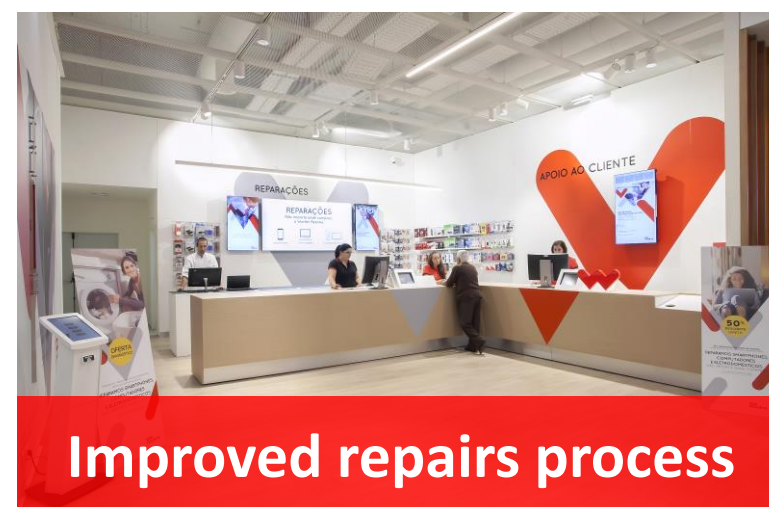
Unified website platform



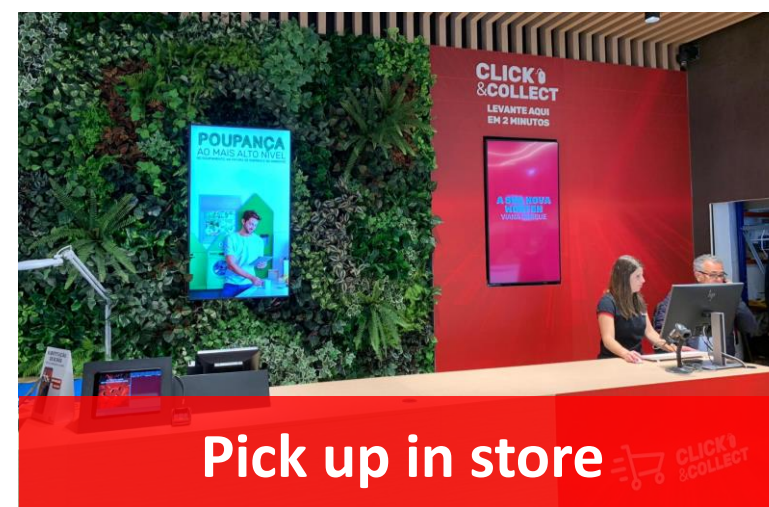
Bet on gaming



Optimized check out



Improved repairs process



Pick up in store

2017

TECH  
TEAM

ONLINE  
+  
DIGITAL.

22 FTEs

48 FTEs

2019

77 FTEs

83 FTEs

+2.5x

+0.7x

... and more to come!





**“A digital company with physical stores and a human touch”**

**CUSTOMER CENTRIC  
DIGITAL TRANSFORMATION**





# “A digital company with physical stores and a human touch”

## CUSTOMER CENTRIC DIGITAL TRANSFORMATION



**Online**  
sales acceleration



**Offer Expansion**  
Accelerate Services  
and extend  
Product range



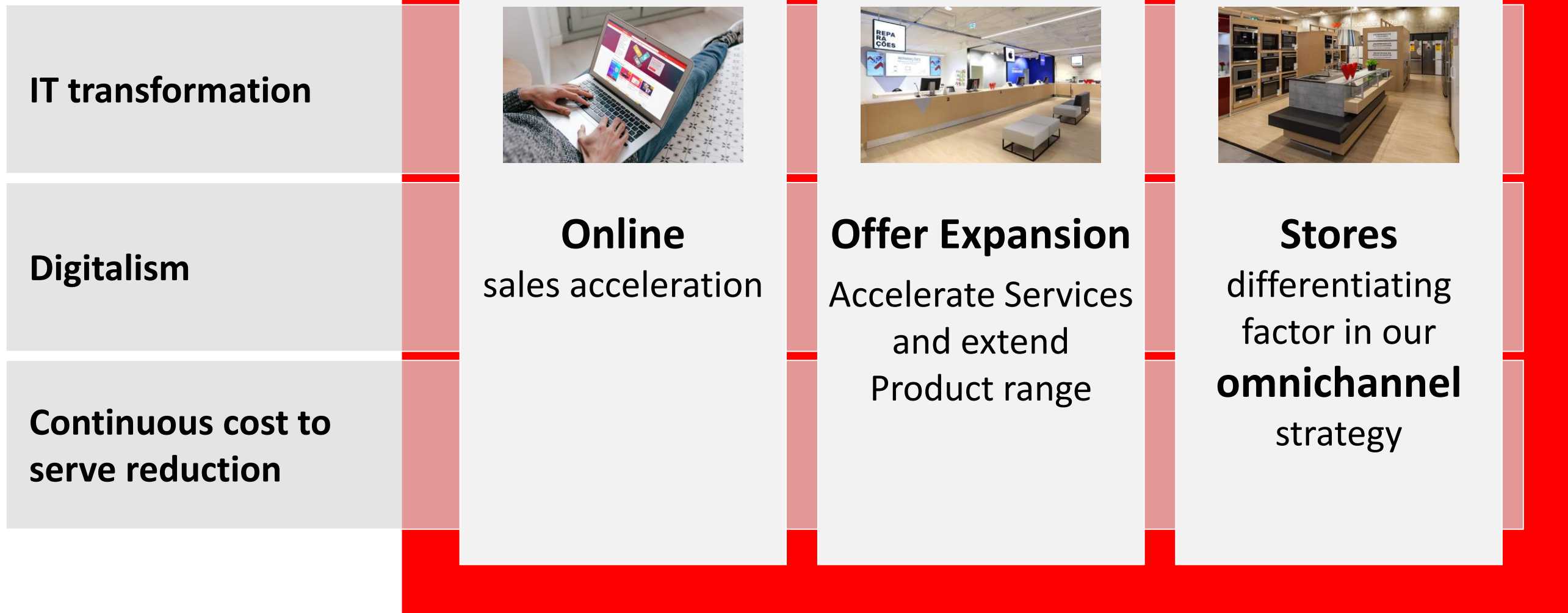
**Stores**  
differentiating  
factor in our  
**omnichannel**  
strategy





# “A digital company with physical stores and a human touch”

Enablers







# “A digital company with physical stores and a human touch”





**LUÍS REIS**

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CEO

**SONAE FASHION**



# In 2018 Sonae Fashion began its path to become a fashion-oriented company within the Sonae universe

SONAE SR

SONAE S&F  
SPORTS & FASHION

SONAE FASHION

## 2012 - 2015

- **Diversified portfolio**, including Electronics, Sports and Fashion retail
- **Difficulties** to quickly **transform value propositions** for all brands
- Pressure to **secure internationalization** to make up for domestic sales loss

## 2015 - 2018

- **Portfolio streamline**, with the spin-off, merger or closure of non-fashion assets
- **Addition of fashion brands** to our portfolio, Losan and 50% of Salsa
- General **optimization of our channels/geographies' portfolio** and our operational assets

## 2018 - 2021

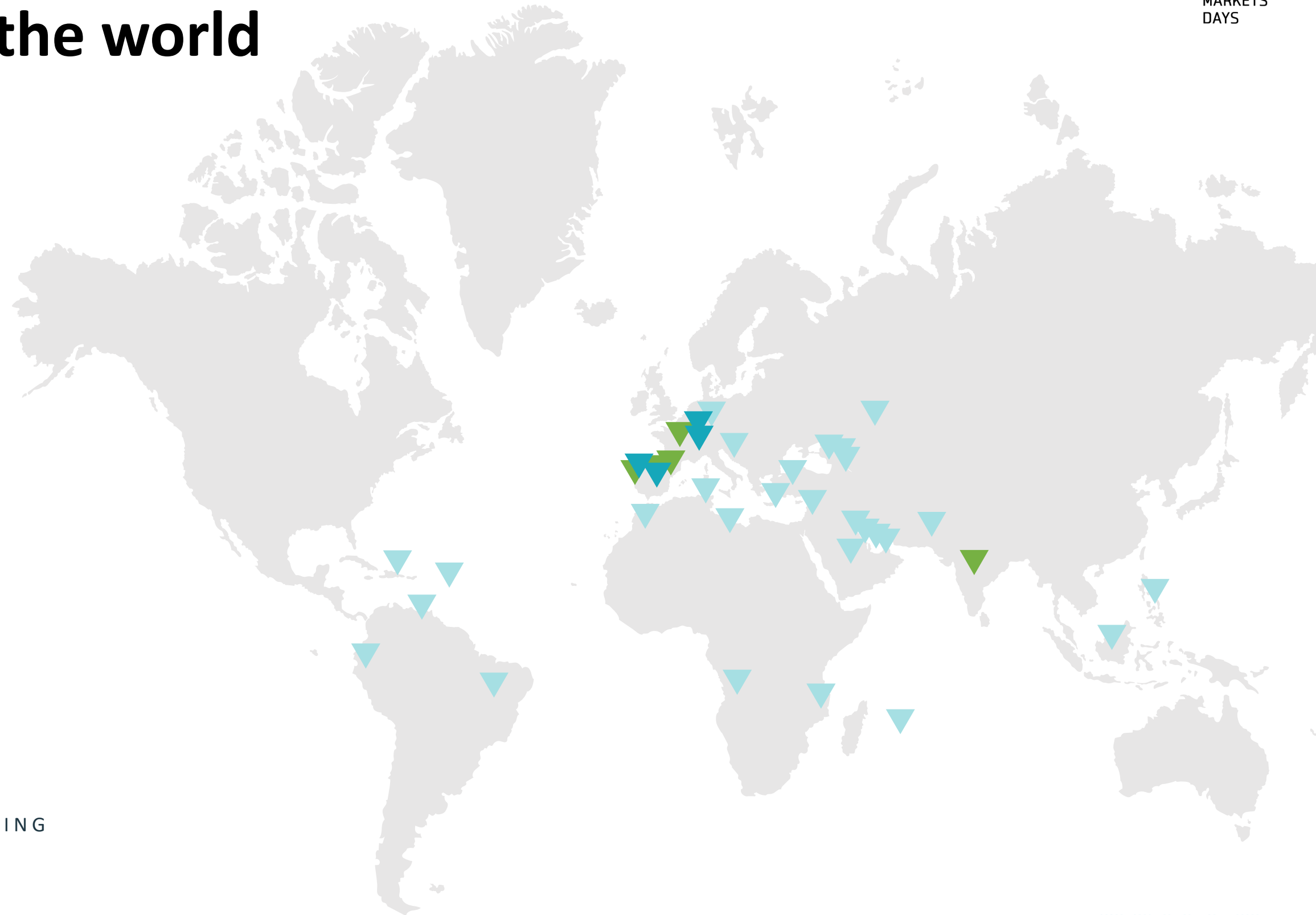
- Strategy focused on improvements across most dimensions of the company **to become fashion-ready**
- **Transformational Plan** launched to be rolled out in 3 years and achieve a more **Fashion, Digital and Agile company**



# Today, Sonae Fashion is a global company with presence around the world

-  **400** OWN AND FRANCHISED STORES
-  **5,000+** WHOLESALE POINTS OF SALE
-  **80+** COUNTRIES
-  **3,000+** EMPLOYEES

 OFFICES    OWN STORES    FRANCHISING

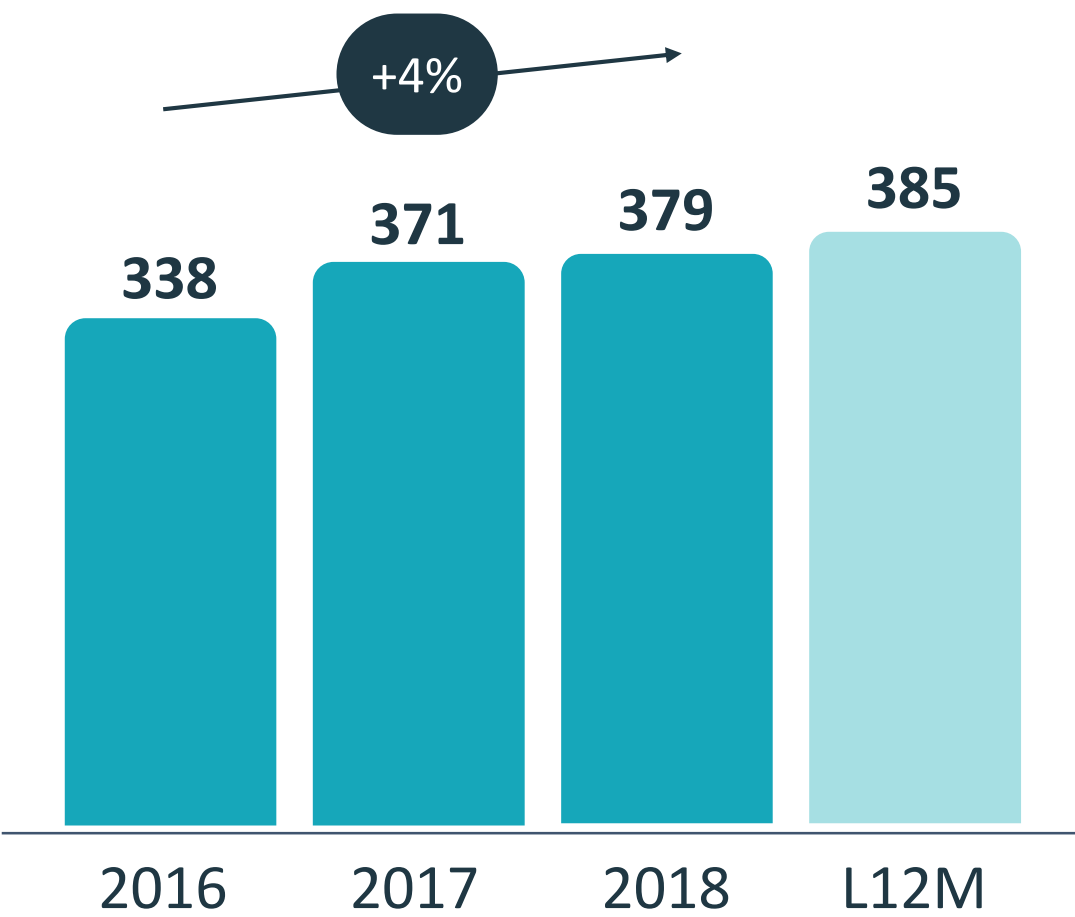




# Sonae Fashion has been growing consistently...

## Proforma yearly sales

M€; CAGR%



**+8%**  
L4L GROWTH YTD  
2019



**42%**  
INTERNATIONAL  
SALES



**37M€**  
UNDERLYING  
EBITDA L12M

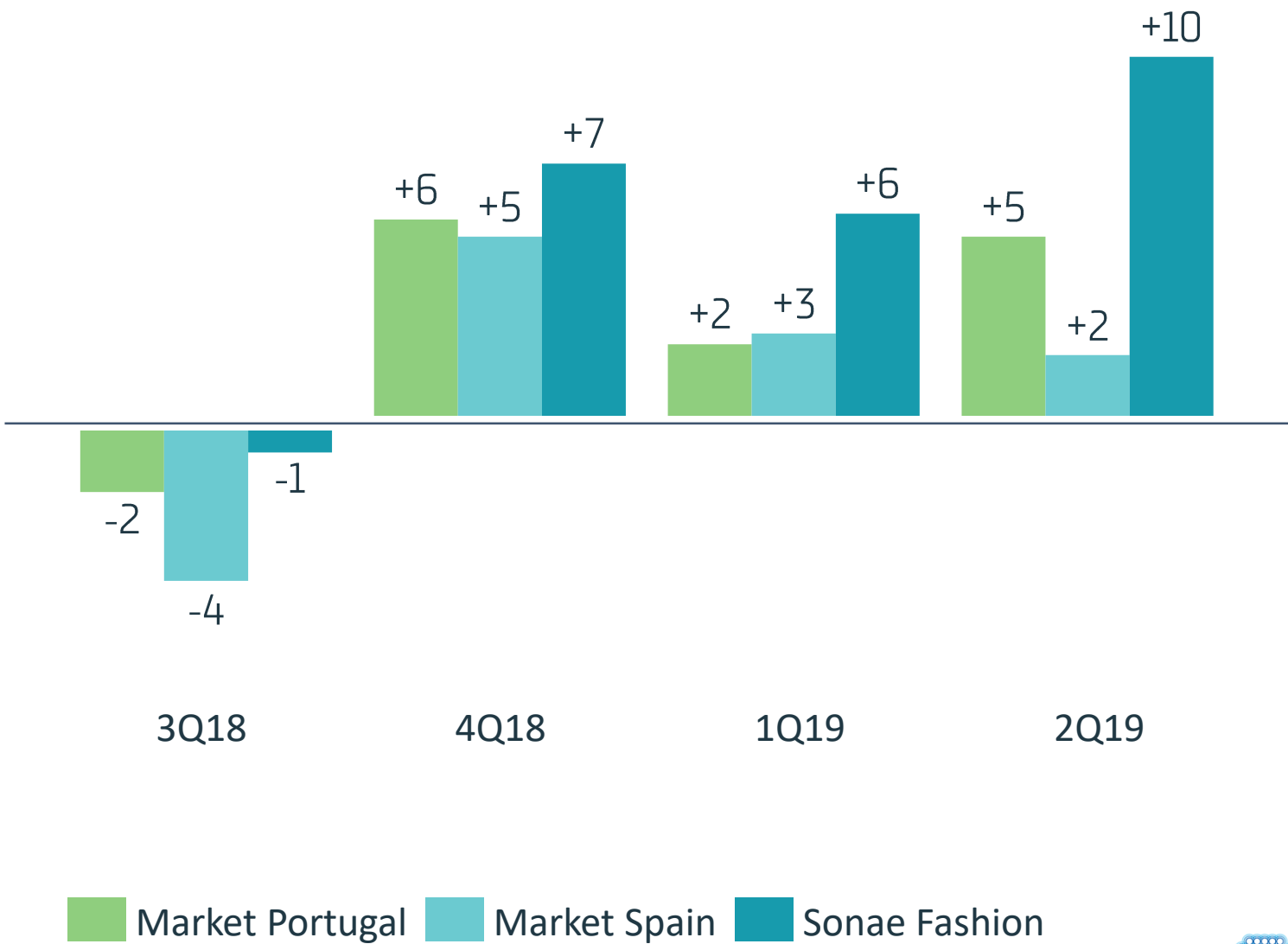




...while sustaining its market share for the 4th consecutive quarter



Market vs Sonae Fashion growth  
Omnichannel L4L, Sales Growth %

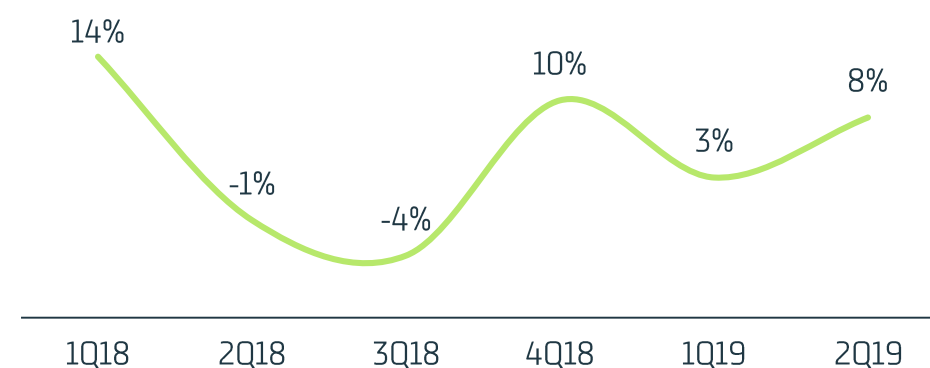




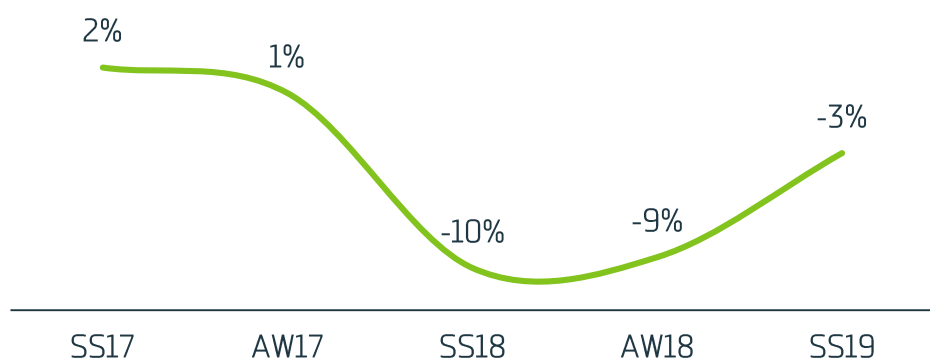
# Our brands have been showing positive sales performance in the recent quarters

**ZIPPY®****84 M€**

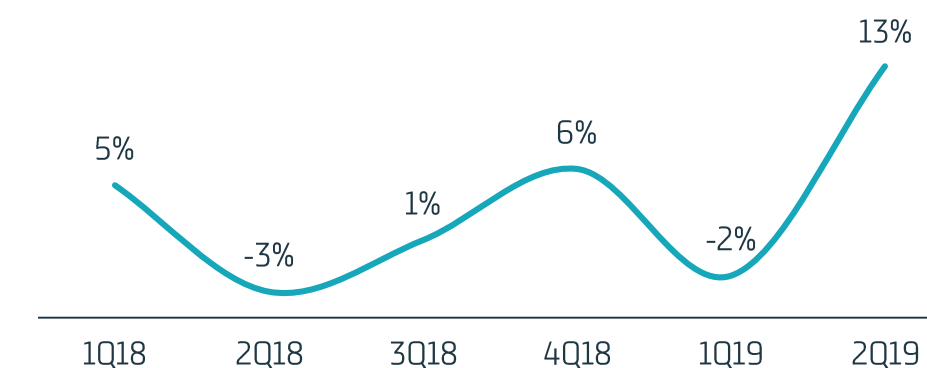
L4L OMNICHANNEL SALES EVOLUTION  
YOY %

**LOSAN**  
*happy fashion***56 M€**

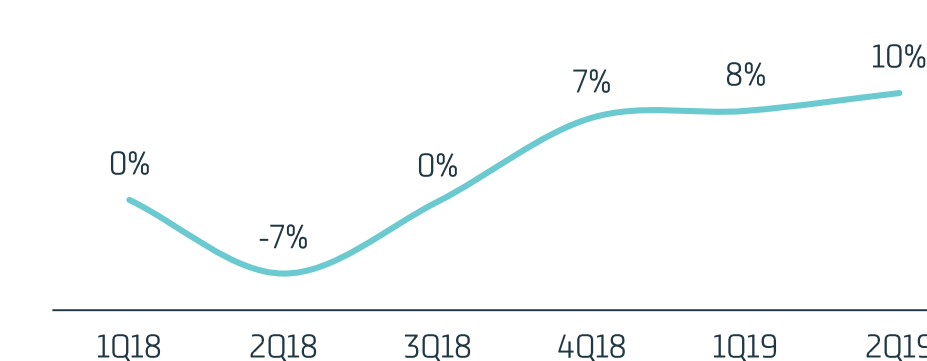
WHOLESALE SALES EVOLUTION  
YOY %

**131 M€****Salsa**

L4L OMNICHANNEL SALES EVOLUTION  
YOY %

**126 M€****MO**

L4L OMNICHANNEL SALES EVOLUTION  
YOY %

**379 M€**  
2018





# Salsa is a denim expert brand...

Salsa



...with a success story and outstanding performance,  
built upon key differentiation factors

GOOD POSITIONING WITHIN A  
GOOD MARKET SEGMENT

A solid position in a market niche as a **Feminine Denim Brand** with global reach but less intense competition

DIFFERENTIATED DENIM  
PRODUCTS

Differentiated denim products that create an extraordinarily **loyal customer base**

INDUSTRIAL HERITAGE

Capacity to produce and **wash/finish denim fast**, and ability to innovate with a proximity to a **wide network of apparel manufacturers**

OUTSTANDING OPERATIONAL  
SKILLS

Very **competitive logistics**, successful and **profitable online operation**, remarkable **assisted sales model** at the stores and efficient and **flexible IT infrastructure**



# Salsa has a solid international footprint through 120 stores and 2,000 points of sale

## OMNICHANNEL

**+7% L4L sales growth** in 1H'19, through a **100 stores network** and digital platforms. **Digital growth of +36%** in 1H'19, reaching 13% weight on total sales.



## FRANCHISING & WHOLESALE

**27 franchised stores** and over **2,000 points of sale** in 40 countries, which include wholesale and department store corners.



# Looking forward, Salsa will play a key role in Sonae Fashion growth

**Reinforced executive team**, including a new CEO and Chief Product Officer

**Fine-tune Salsa's brand promise**, building upon Salsa's DNA, repositioning for global reach

Create a **digital centric organization** 100% focused on the customer

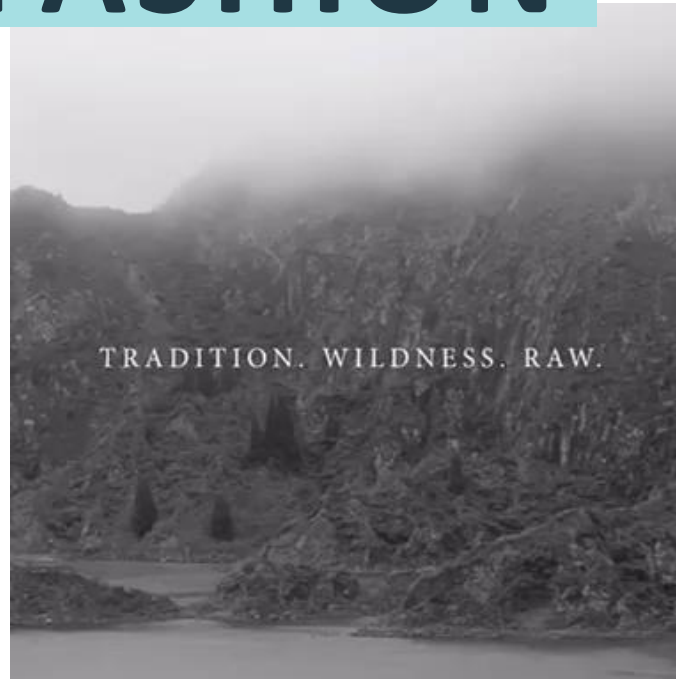
Develop a sizeable **growth platform in Spain**, creating the basis for further international growth





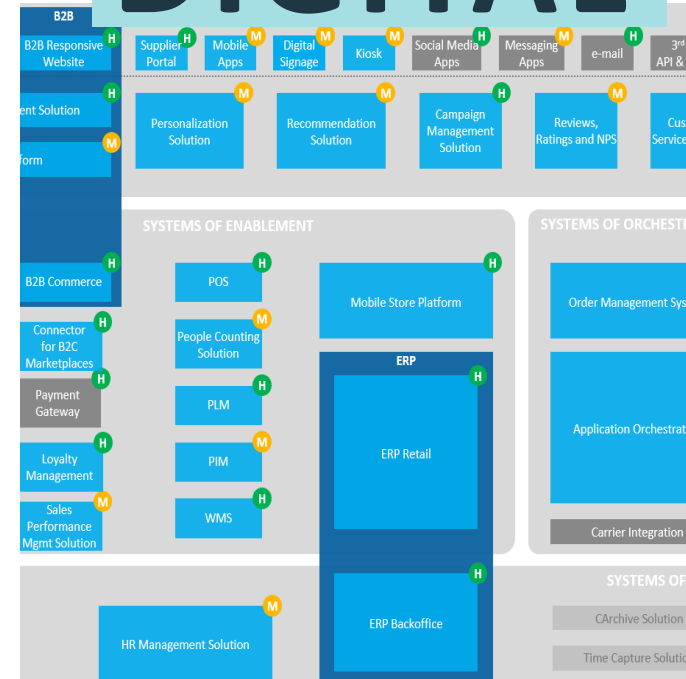
On a transversal side, we are implementing a major transformational plan to become more...

## FASHION



Launch of **Fashion Lab**, an internal incubator program with **2 brands** already launched

## DIGITAL



Revision of the **Digital & IT architecture** and implementation of **new e-commerce platforms** with Salesforce

## AGILE



**Outsourcing of the logistics** operation to DHL and **migration of Losan's logistics** to Azambuja



# While reinforcing our executive teams with talent from the fashion industry



SONAE FASHION HEAD  
OF PEOPLE & TALENT

ZARA OYSHO ZARA HOME Massimo Dutti Bershka

MO HEAD OF  
PRODUCT

PARFOIS Stradivarius Desigual

MO CREATIVE  
DIRECTOR

Desigual Massimo Dutti CORTEFIEL CH CAROLINA HERRERA PURIFICACION GARCIA

SALSA HEAD OF  
PRODUCT

Levi's LANE BRYANT UNITED COLORS OF BENETTON. C&A

SALSA CEO

ESPRIT Carrefour ZARA

LOSAN HEAD OF  
PRODUCT

ZARA MANGO amichi women'ssecret

SONAE FASHION  
HEAD OF DIGITAL & IT

FARFETCH VIDE DRESSING ORGANTEX PARFOIS



 **Sonae Fashion will keep evolving into a fashion-ready company while becoming ...**

...MORE  
INTERNATIONAL

...MORE  
DIGITAL

...MORE  
PROFITABLE



**LUÍS REIS**

---

CEO

SONAE FINANCIAL SERVICES



# In 2015, the Portuguese financial services sector presented a huge opportunity...



## RECOVERING ECONOMY

- Growing GDP, with positive outlook
- Declining unemployment rate

**+2%**

GDP  
YOY GROWTH 2015



## CREDIT GROWTH

- Double digit growth in credit agreements
- Solid growth in all credit-based products

**+17%**

CONSUMER CREDIT  
YOY GROWTH 2013-15

**+15%**

PERSONAL LOANS  
YOY GROWTH 2013-15



## DIGITAL AS THE NEW NORMAL

- Traditional banks increasing commissions
- Rapid digital development

**+38%**

CONSUMERS USING DIGITAL  
BANKING  
OVERALL GROWTH 2011-15



## NEW REGULATION

- Regulatory framework threatening traditional banks
- PSD1 creating favorable conditions for payment services across Europe



**...and Sonae FS was created to tackle that opportunity,  
combining the best of Fintech with Sonae's DNA**



### **BEST OF FINTECH**

**Customer centric**

**Digital Focus**

**Lean Organization**

**No branches**

### **BEST OF RETAIL**

**Large Customer base**

**Brand credibility**

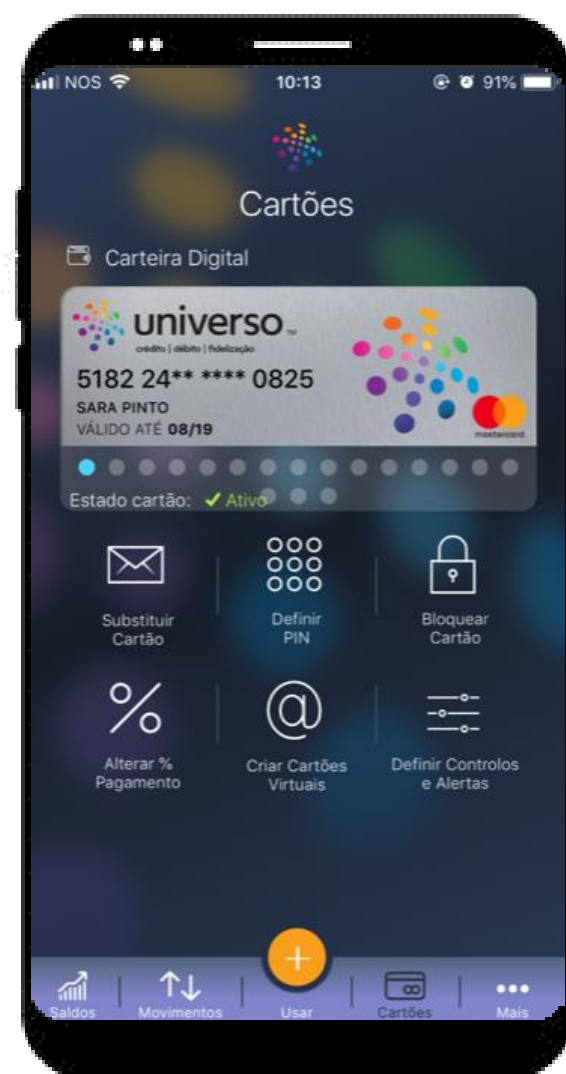
**Entrepreneurial mindset**

**Winner mentality**





# Universeo card is our core product, using innovative functionalities to simplify our customers' financial lives



## INNOVATIVE FUNCTIONALITIES

### BUILT IN INSTALLMENT OPTIONS

- 3x
- 6x
- 12x

### TOP DIGITAL EXPERIENCE

- Real time balance
- Send/ask for money and split bills
- Loans/Insurance subscription

### MULTIBRAND LOYALTY CARD

CONTINENTE

worten

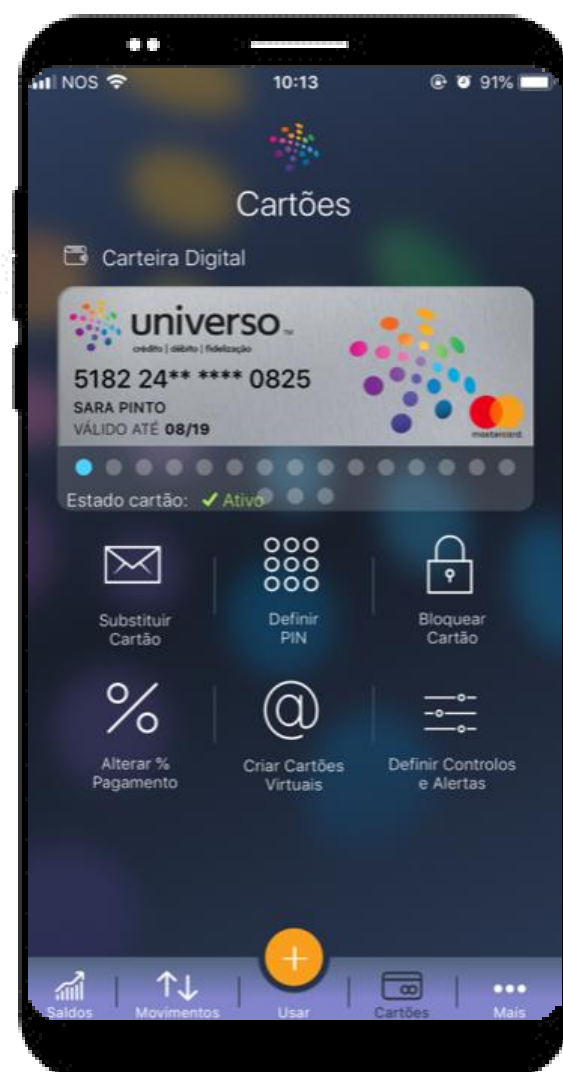
SPORT  
ZONE

### MULTIPRODUCT

- Purchases & Service payments
- Balance Transfers
- Cash withdrawals



# Universe card track record has been outstanding, and improving every year since launch



## OUTSTANDING TRACK RECORD



#2

CREDIT CARD  
ISSUER IN PT



#1

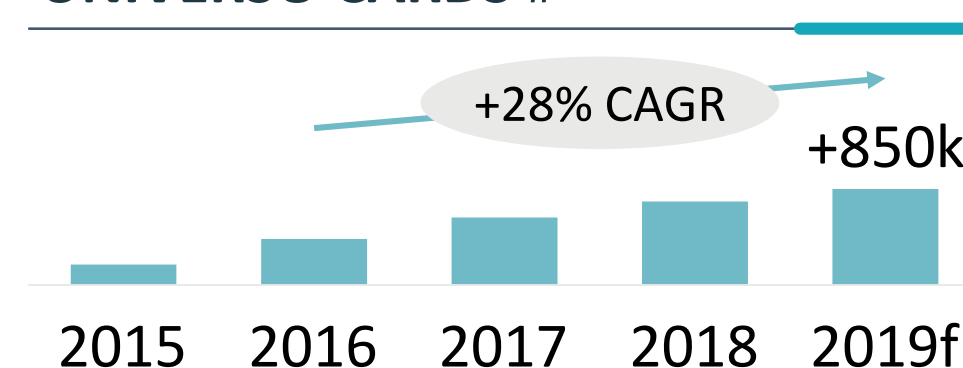
NPS IN CREDIT  
CARDS



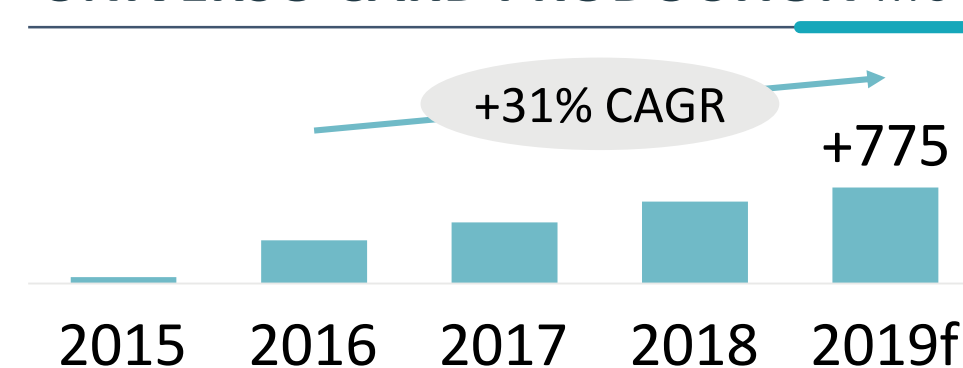
+31%

2016-18 YOY  
PRODUCTION  
GROWTH

### UNIVERSO CARDS #



### UNIVERSO CARD PRODUCTION M€





# Leveraging Universo's success Sonae FS created a complete financial ecosystem with excellent results

## Store Credit



## Money Transfers



## Pre-paid Cards



SONAE FS

## Personal Loans



## Payments



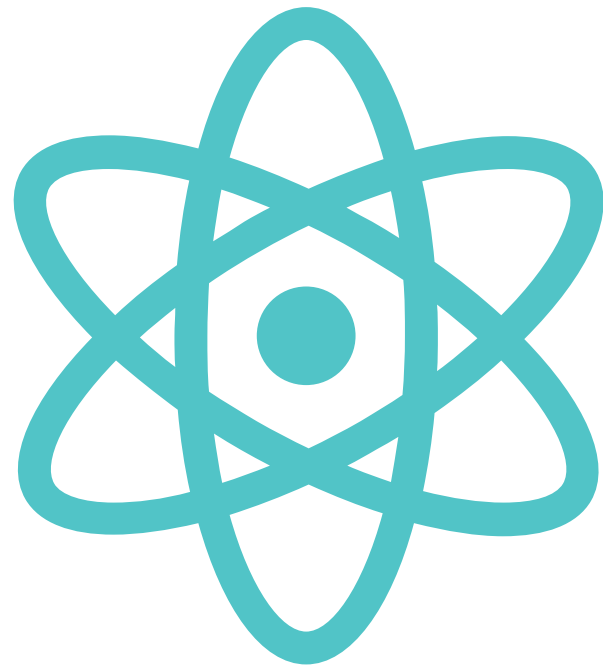
## Insurances

**+70%**2015-18 YOY  
GROWTH  
PERSONAL LOANS**+45%**2015-18 YOY  
GROWTH  
INSURANCES

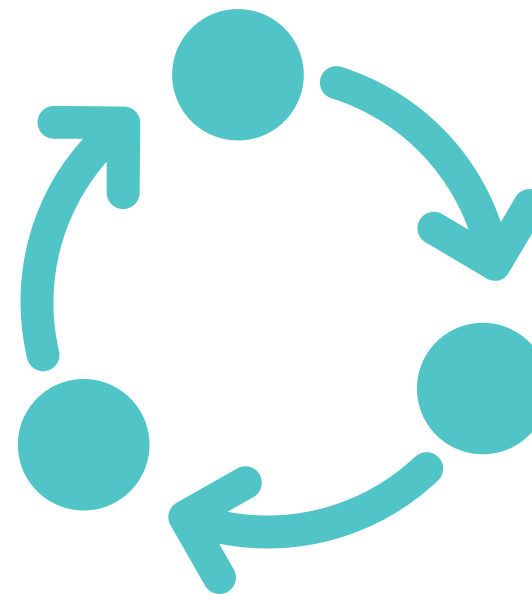


**Going forward, our strategy is to keep creating value for our customers, setting the basis for further growth**

**KEEP NURTURING  
THE CORE**



**ENHANCE  
ECOSYSTEM**



**FOSTER  
DIGITAL**





# In order to keep growing we must remain focused on delivering what our customers want and cherish

## KEEP NURTURING THE CORE

Grow customer base



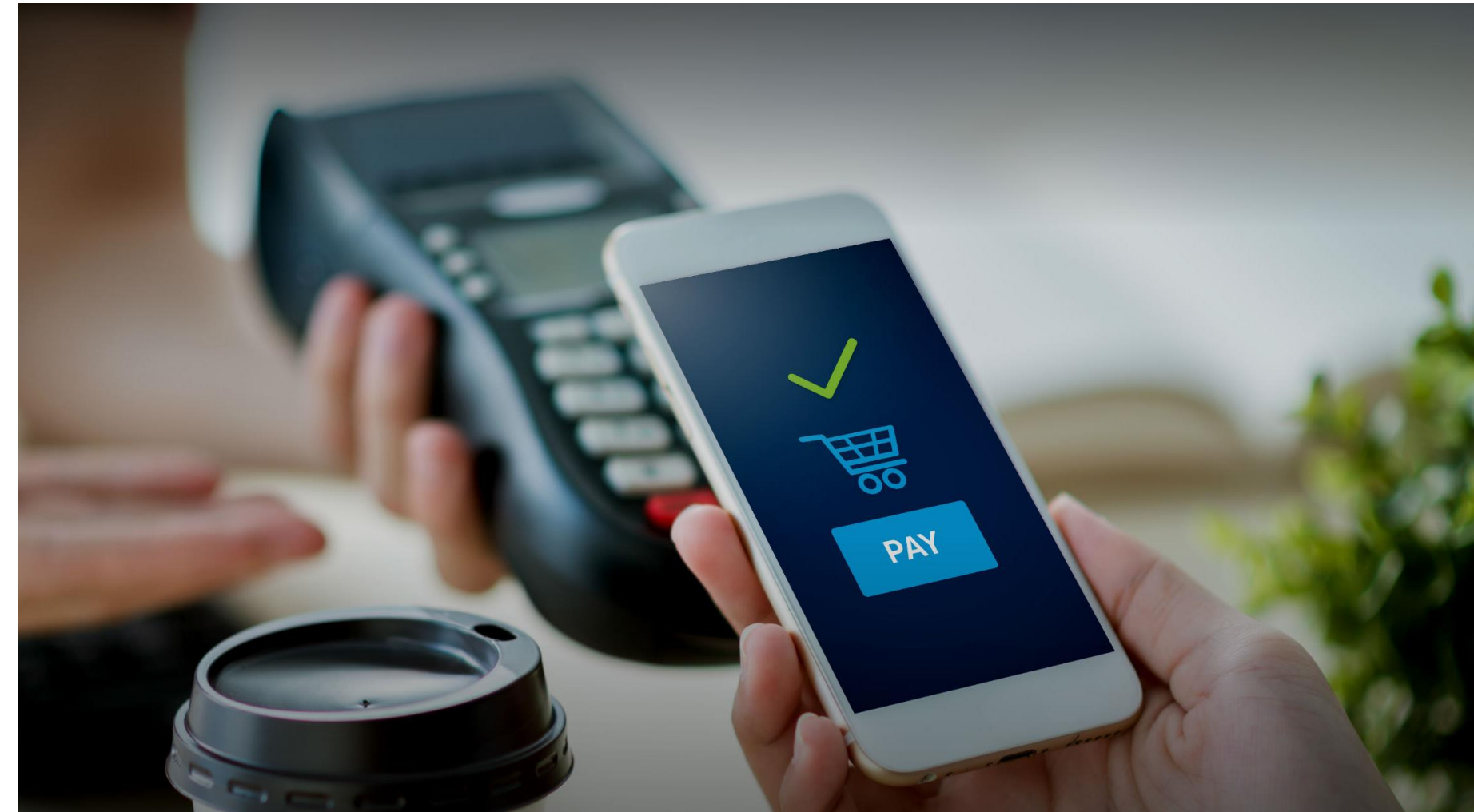
Improve existing offer



Focus on customer experience



Launch new products





# Our value proposition will continue to be built integrated in a value creator ecosystem

## ENHANCE ECOSYSTEM

Target large customer base

Design retail oriented solutions

Simplify customers' buying process

Leverage top of mind retail brands

EXCLUSIVO CLIENTE ENTREGA **ZERO**

DESCONTO

5%

EM CARTÃO



TAEF 15,7%



# Our future (and our present) is digital based, and we are already far ahead in the game

## FOSTER DIGITAL

Fully implement digital on boarding

Enhance customer engagement

Convert all customer to digital channels

Simplify access to all financial products

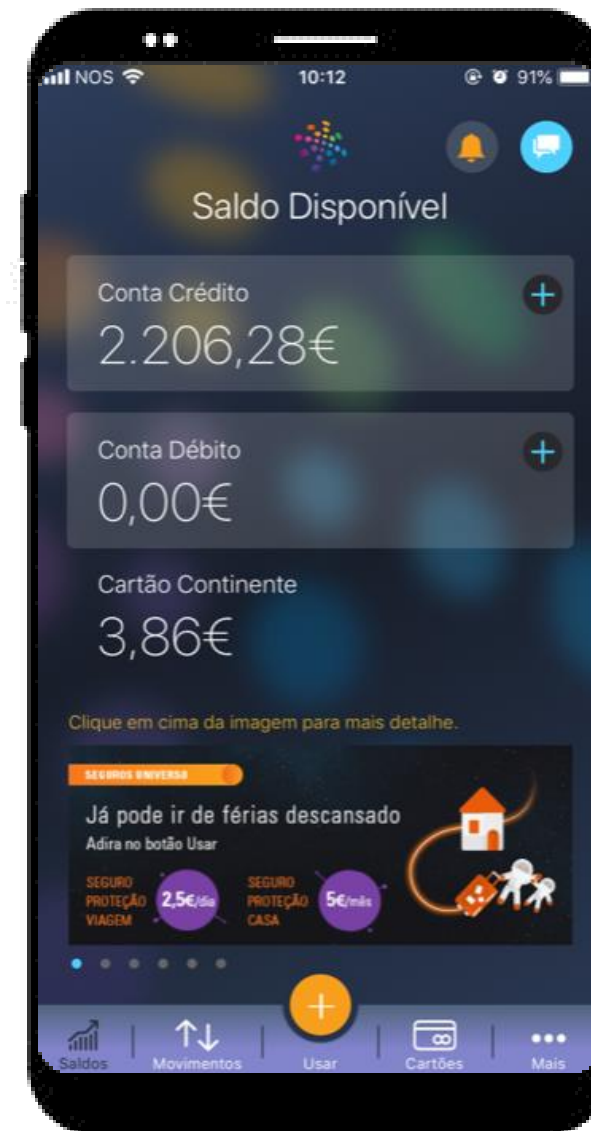


**35%**

DIGITAL CUSTOMERS

**+128%**

2015-18 YOY GROWTH





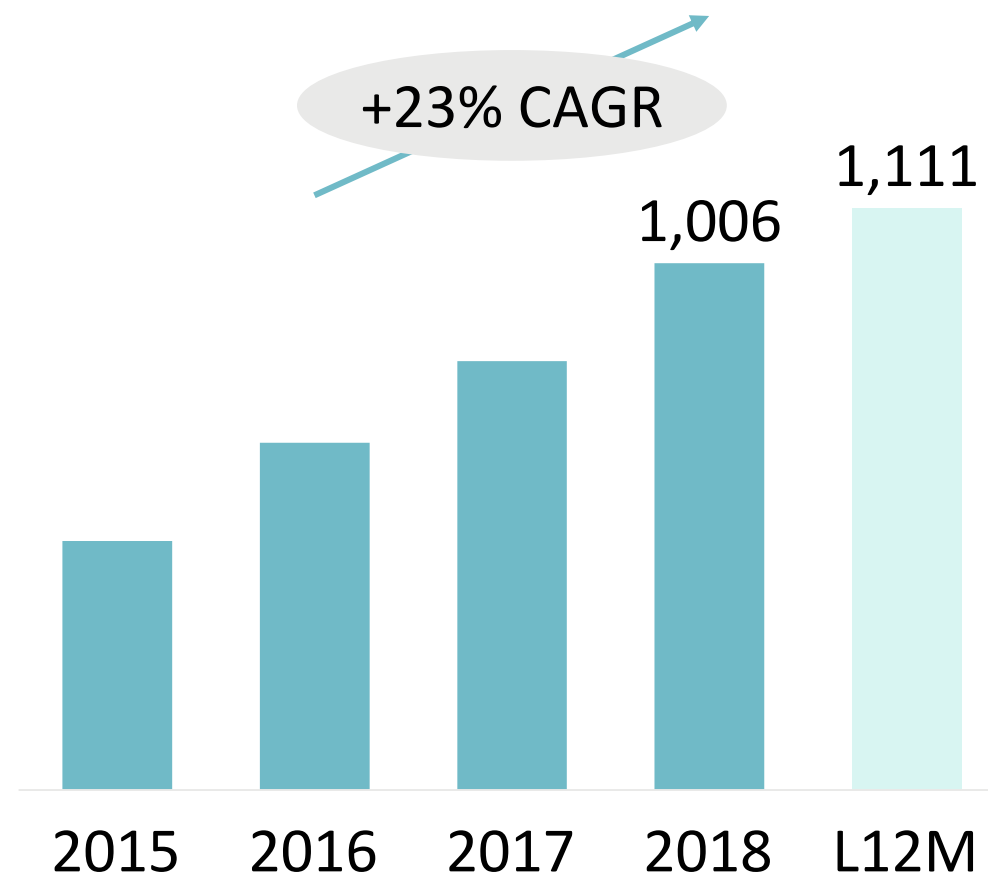


**integrates**  
all the financial  
services offer  
**in a unique**  
**digital experience**

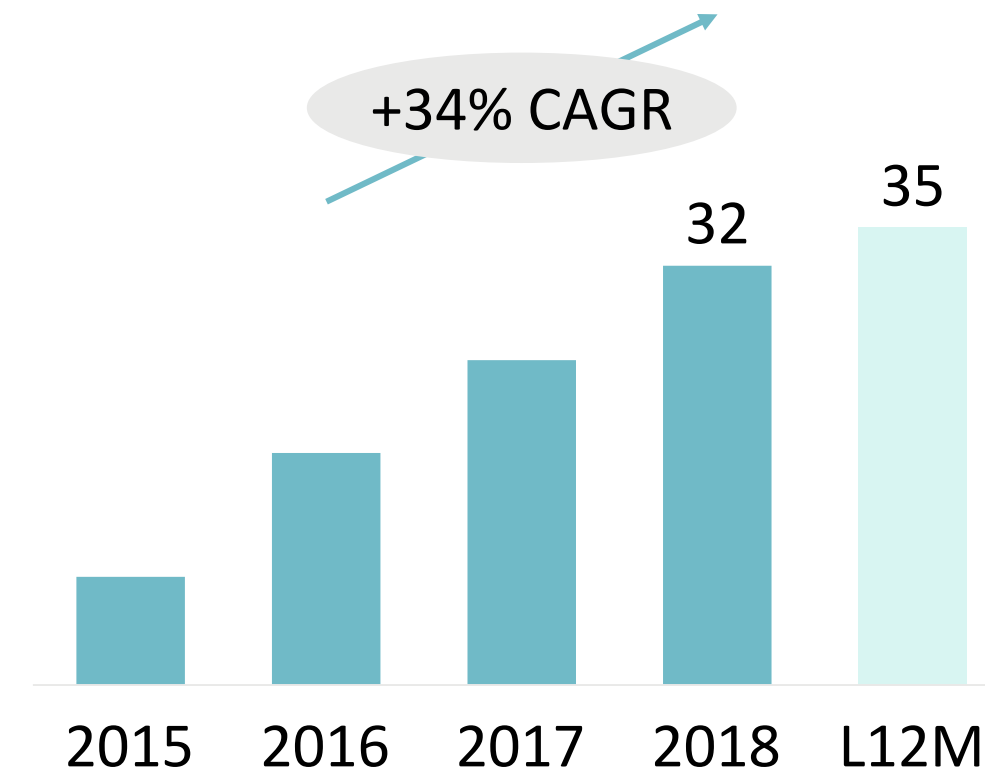


# Since launch, Sonae FS has been showing double-digit growth and reached 6M€ of Underlying EBITDA in 2018

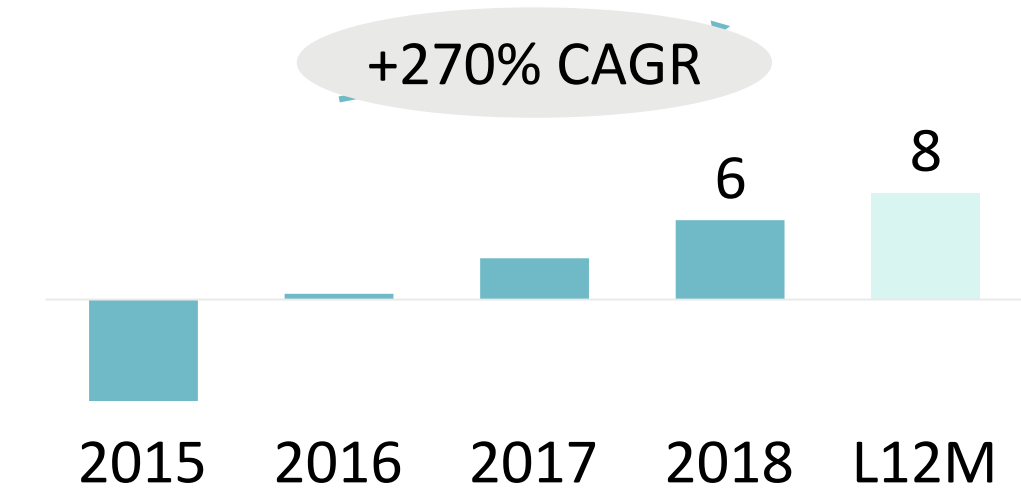
PRODUCTION M€



TURNOVER M€



UNDERLYING EBITDA M€





**Our vision is to simplify people's financial lives, assuming a leading role as an integrated financial services provider**

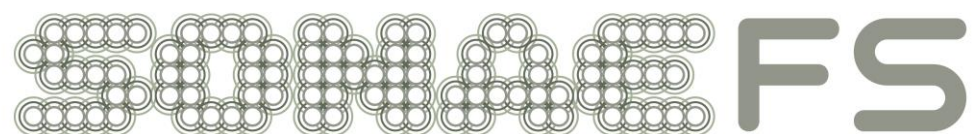
## MISSION



Convey the benefits of inclusive and personalized financial solutions to an enlarged number of people and families...

...being a major provider of financial solutions by leveraging

Sonae's unique ecosystem and applying strong analytics while fostering the core retail business...



## STRATEGIC POSITIONING





# EDUARDO PIEDADE

---

CEO

SONAE IM



2001

2014

2015

2016

**SSI**  
SOFTWARE  
AND TECHNOLOGY

(2001)



(2006)



(2000)



(2014)



(2014)



(Exited in 2014)

- **Tech oriented investments starting early 2000**
- **International Focus**
- **Portfolio Management**



- Build and manage a portfolio of world class tech-based companies
- Active investor



## WHERE?

- Retail Tech
- Telco Tech
- Cybersecurity

## HOW?

- Seed / scale up / buy-outs
- Minority & majority stakes

## GOALS

- Financial returns
- Group linkages





# Sonae IM approach



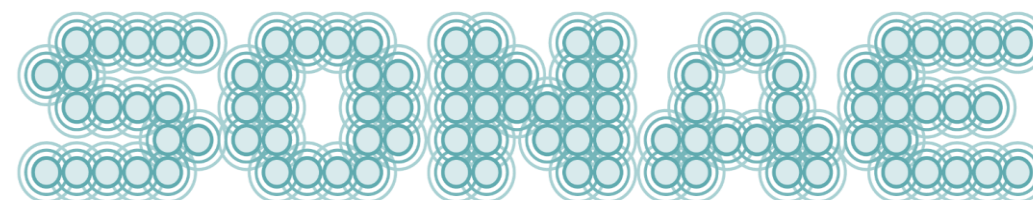
**DEEP EXPERTISE**  
in Telecom, Retail  
and Cybersecurity



**HANDS-ON**  
investment team with  
strong involvement on  
day-to-day operations



**ENLARGED  
NETWORK**



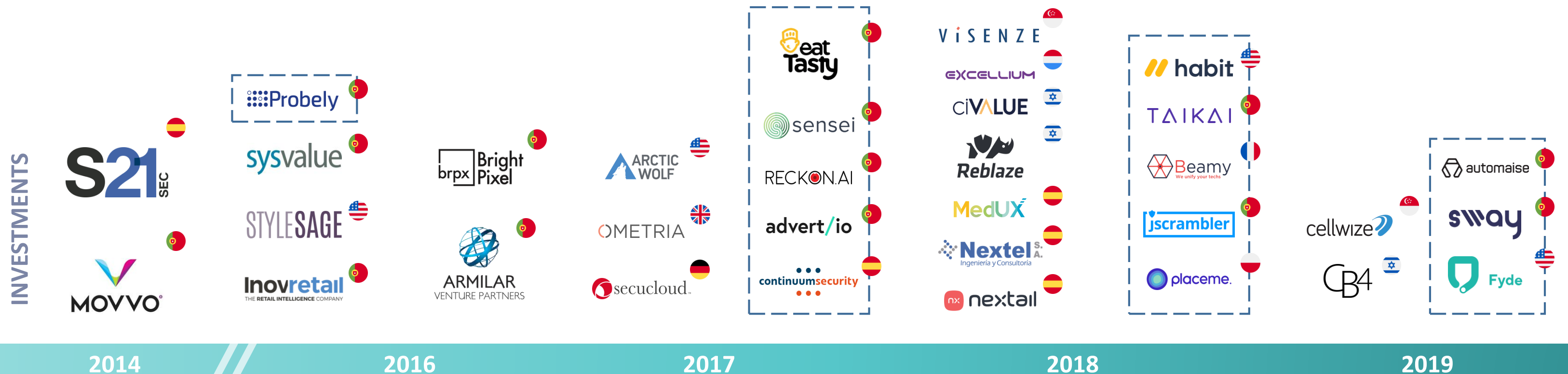
**Be part of SONAE GROUP**



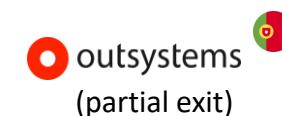
# Track Record

Building  
Together  
CAPITAL  
MARKETS  
DAYS

- 168€M+ invested
- 108€M+ in Active Portfolio, 29 companies + AVP Funds



EXITS



4 EXITS / +140€M



# Active Portfolio

Building  
Together  
CAPITAL  
MARKETS  
DAYS



RETAIL TECH

CB4

ciVALUE

OMETRIA

STYLE SAGE

Beamy

sway

ViSENZE

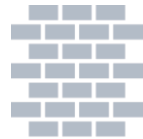
nextail

Inovretail  
THE RETAIL INTELLIGENCE COMPANY

sensei

placeme.

RECKON.AI



CYBER



TELCO

ARCTIC WOLF

secucloud

continuumsecurity

MedUX

cellwize

S21 SEC

EXCELLIUM

Reblaze

jscrambler

Probe.ly

Bright Pixel Investments



# Selected transactions

Cybersecurity Group

WeDo Technologies/ Saphety



Armilar Venture Partners



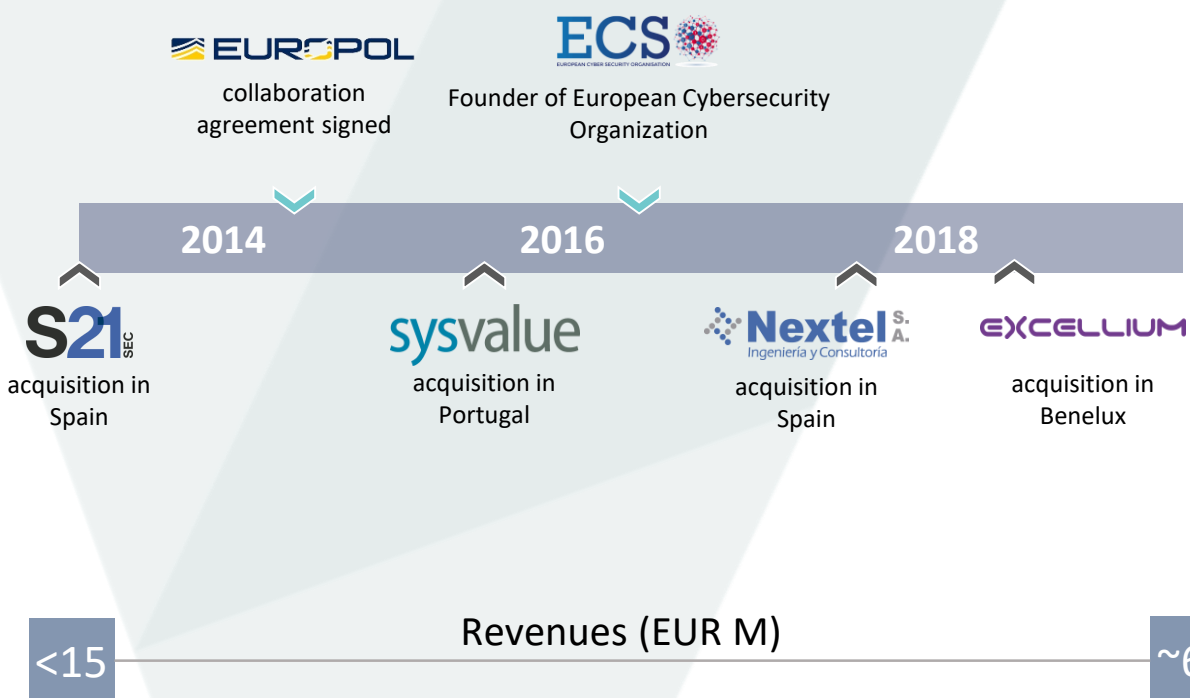


# Selected transactions

## Cybersecurity Group

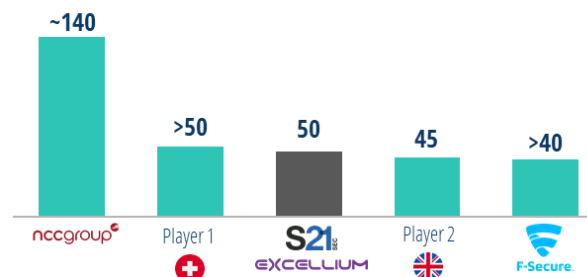
OPERATIONAL

BUY-AND-BUILD



### TOP 5 EUROPEAN PURE MSSPS

Pure MSSP Revenues FY18 (M€)



Pure MSSP Headcount FY18



## Main Challenges

### Organic Growth

Reinforce scale and capabilities in managed services and foster presence in current geographies

### Buy and Build Plan

Further pursue buy & build opportunities in a very active M&A context

### Convergence Plan

Elaborate and execute the convergence plan for merging operations





# Selected transactions

WeDo Technologies/ Saphety

- Stable performance
- Tested organic & M&A additional pockets of growth
- Higher value creation by selling the business
- €70M + Cash-in

saphety







# Selected transactions

## Armilar Venture Partners

- Secondary LP transaction and participating in the GP for a limited period of time
- 2 stellar companies in the portfolio: Outsystems & Feedzai
- Relevant Capital Distribution received last year



ARMILAR  
VENTURE PARTNERS





## Selected transactions

Building  
Together CAPITAL  
MARKETS  
DAYS

- Distinctive team, technology and investor base
- Sizable opportunity, tackling key customer pains
- Strong track record
- Stakes in high-growth international companies

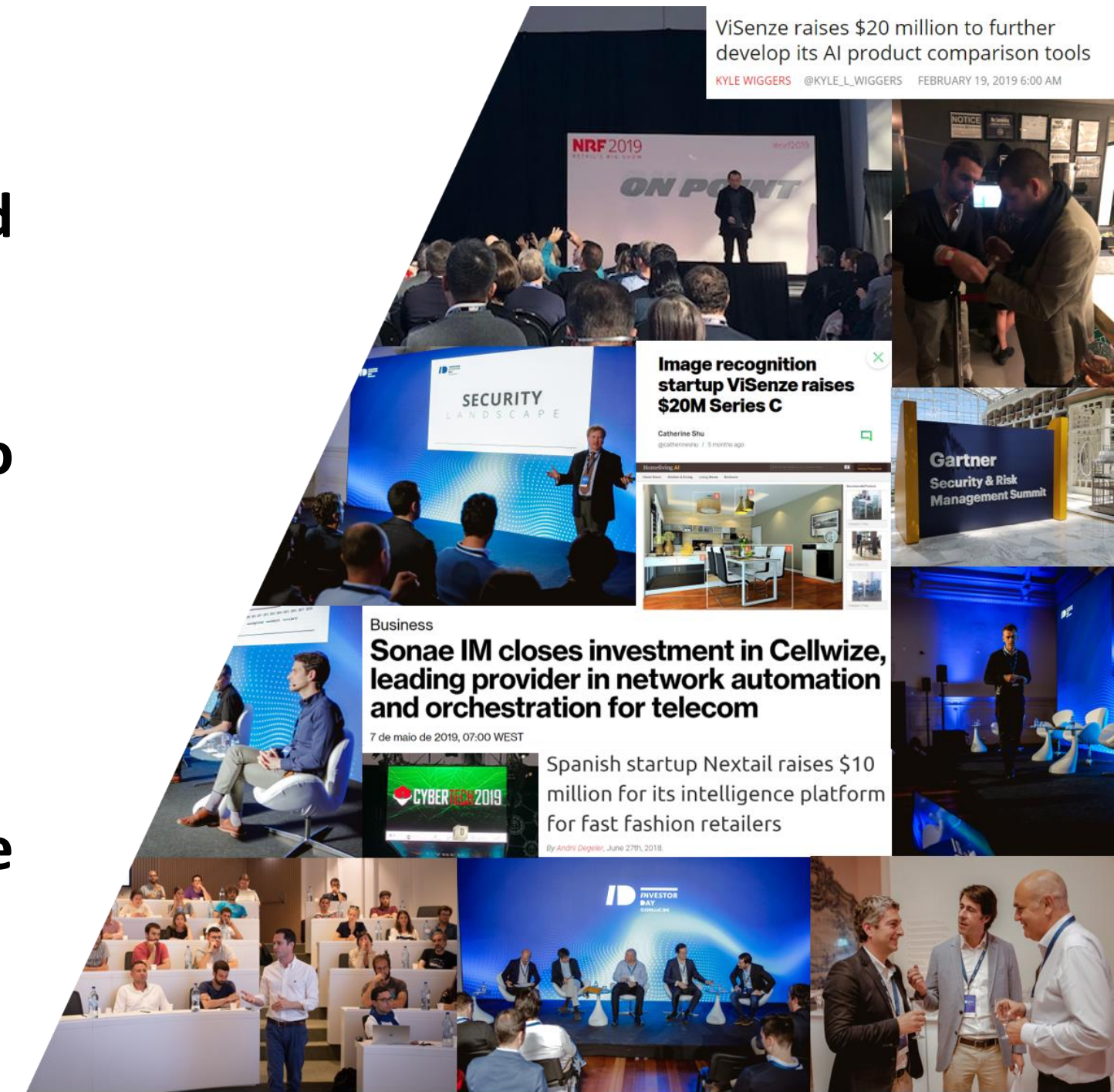




# Looking forward

Building  
Together  
CAPITAL  
MARKETS  
DAYS

- Assess best deals at our core investment themes and exploring adjacent arenas
- Execute value creation plans in each investment to maximize the value of the portfolio
- Focus on cash proceeds and returns
- Continue promoting strong linkages with Sonae Businesses





# Recap of key messages

- **Active Investor in the tech scene at a global scale**
- **Solid expertise, distinctive value proposition**
- **Good track record**
- **Focus on returns and linkages to Sonae Businesses**





# JOÃO DOLORES

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GROUP CFO

NOS AND ISRG



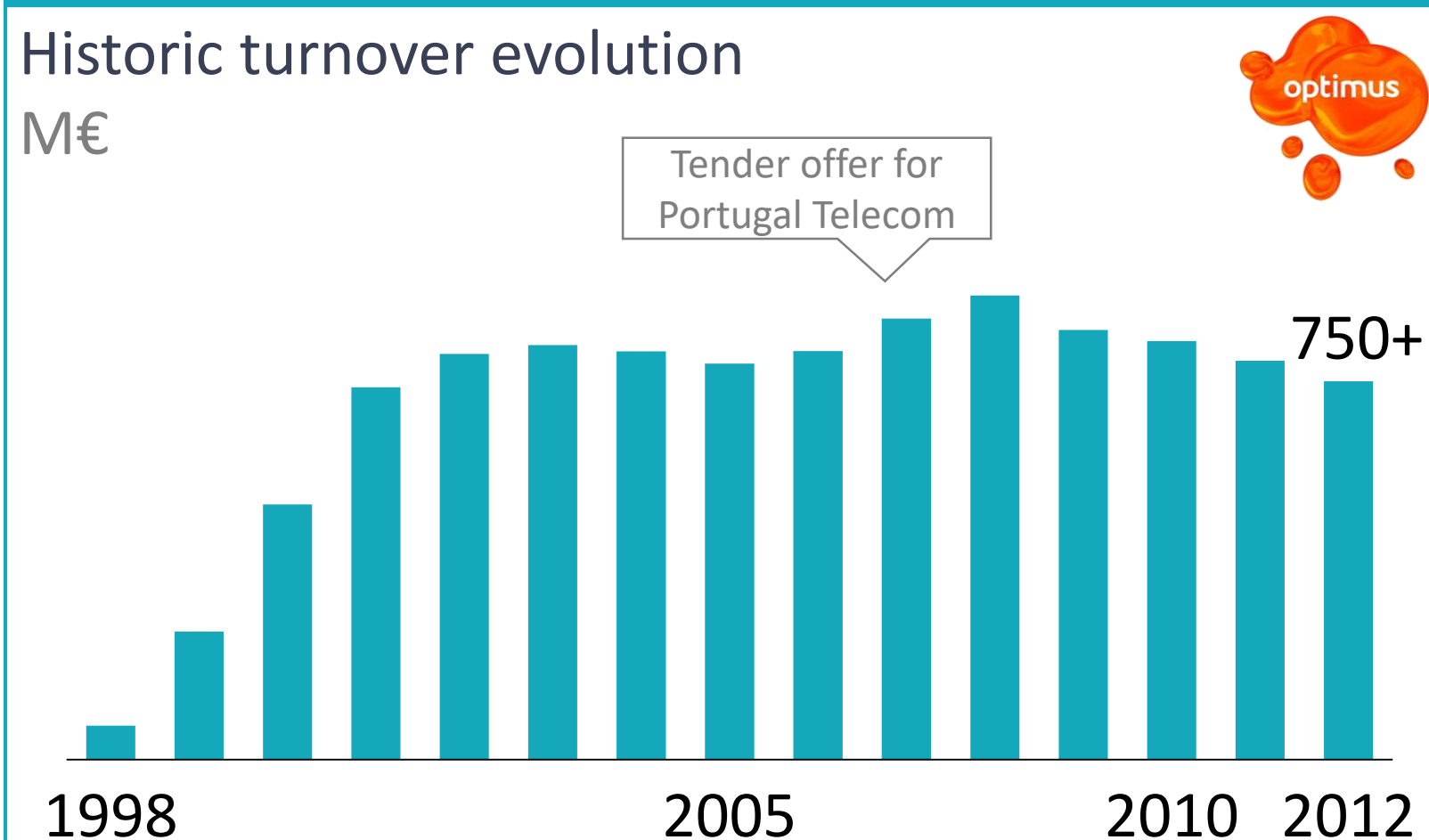
# Sonae's presence in telecoms and sports retail has been a long history of growth and value creation

Building  
Together  
CAPITAL  
MARKETS  
DAYS

Optimus was launched in 1998 as a challenger to the leading players in the Portuguese market

Historic turnover evolution

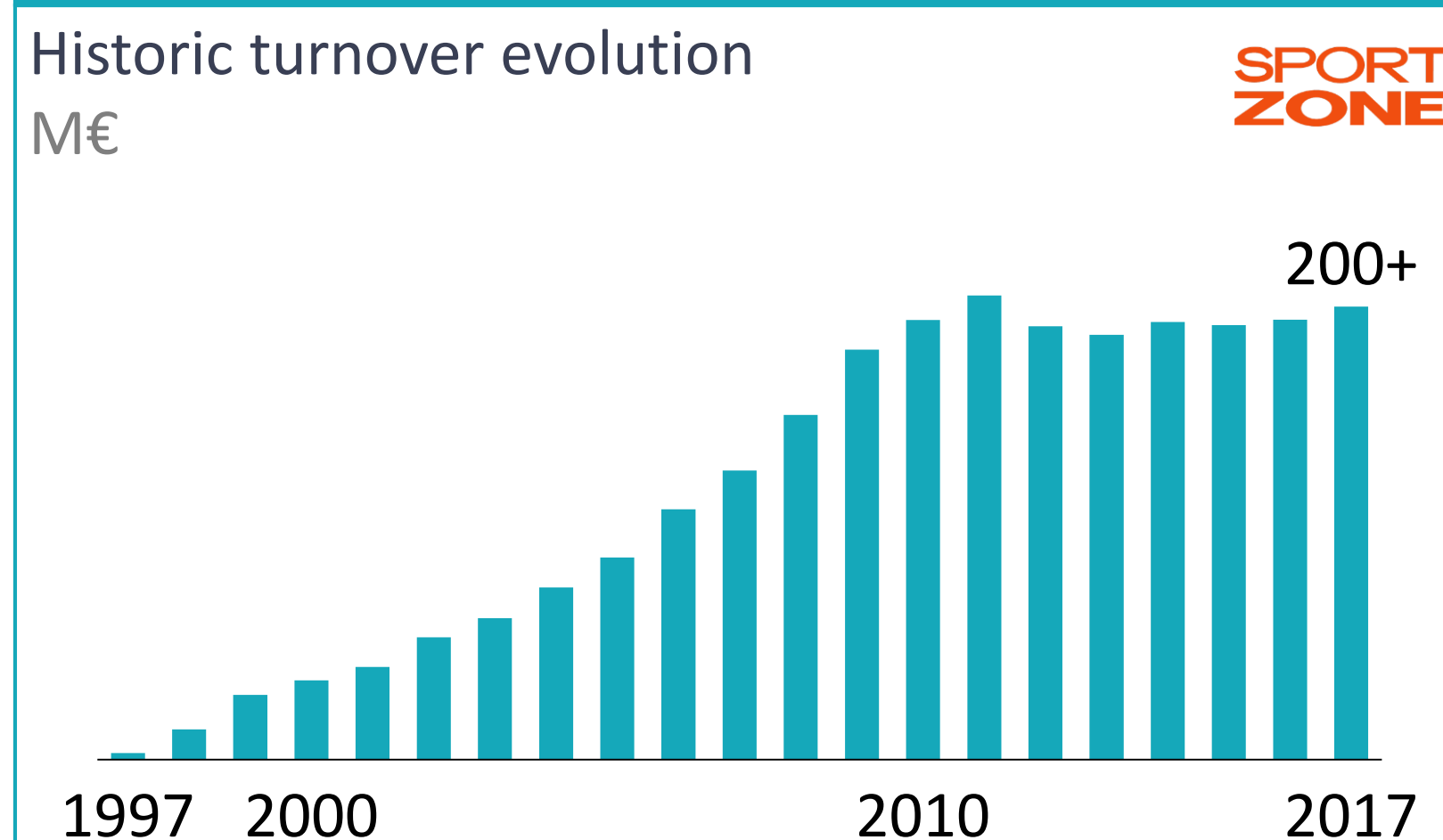
M€



Sport Zone was created in 1997 as a specialized sports retailer, covering a white space in the market

Historic turnover evolution

M€





As Optimus and Sport Zone reached maturity, strategic alternatives were considered and executed

ZON



NOS

IBERIAN SPORTS  
RETAIL GROUP



As Optimus and Sport Zone reached maturity, strategic alternatives were considered and executed

ZON



NOS

IBERIAN SPORTS  
RETAIL GROUP



# The combination of Zon and Optimus created NOS, a unique player prepared for market convergence

REMINDER

**NOS** in 2013

- Large customer base
  - 1.5M subscribers of Pay-TV (58% share)
  - 800k subscribers of Triple play (68% penetration)
  - 2.6M subscribers of mobile (18% share)
- The largest NGN coverage
- The best mobile network
- A proven track record of innovation
- 800M€ of synergies (NPV)
- Strong balance sheet

**Strong market position**

**ZON**

**Unique combination of assets and skills**



**Prepared to tackle convergence**



# Since the merger, NOS focused on growing market share and materializing identified synergies

REMINDER

Key objective: domestic market share growth

**B2C**

Accelerating and promoting convergence

Consolidating Pay-TV leadership

Increasing competitiveness in the personal segment

**B2B**

Reinforcing the integrated position in SOHOs and SMEs

Positioning NOS as a credible alternative for large companies

Brand leadership

Unique value  
proposition

Differentiated  
capabilities

Best team and  
superior culture

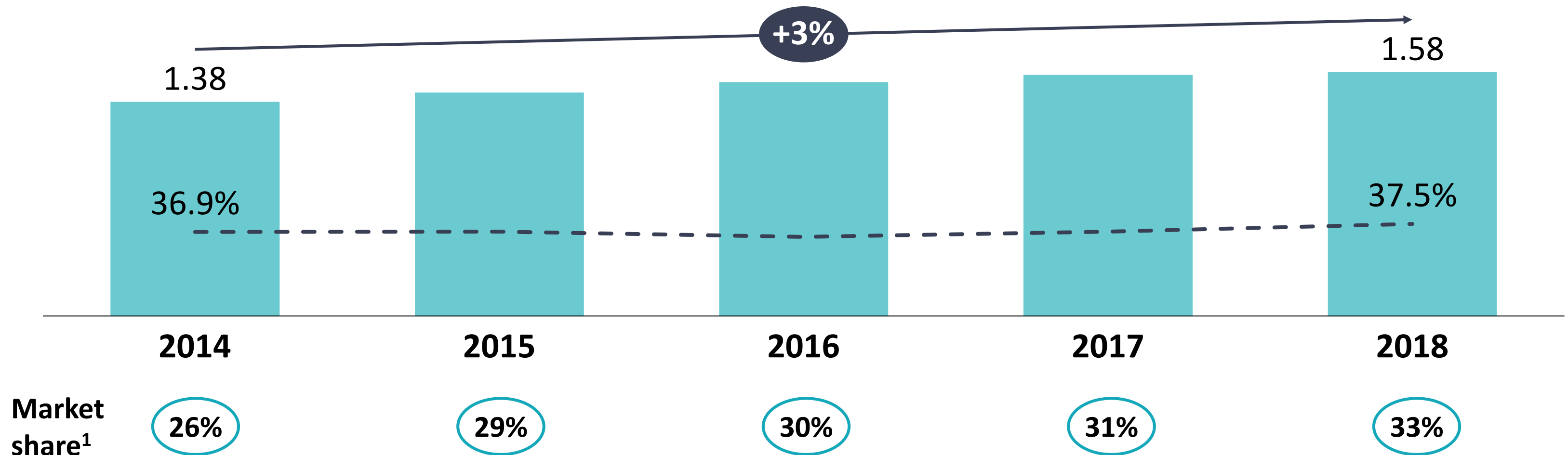


# As a result, NOS achieved solid growth with stable margins in a mature market...

## Turnover and EBITDA margin evolution

Bi€; % (2014-18)

■ Turnover  
— EBITDA

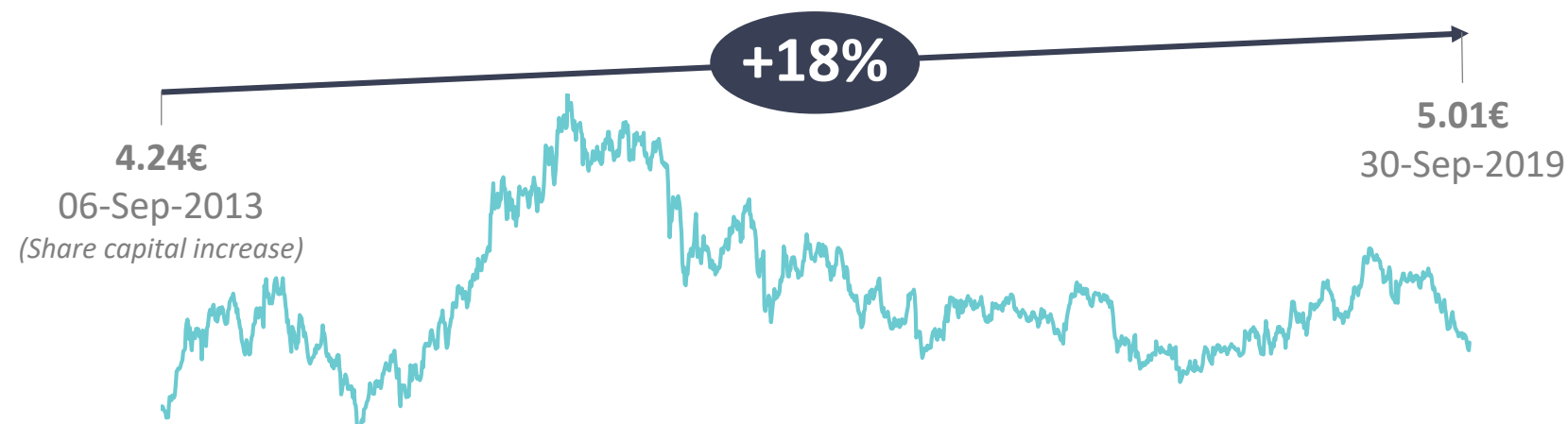




# ...while creating shareholder value and maintaining a solid financial strength

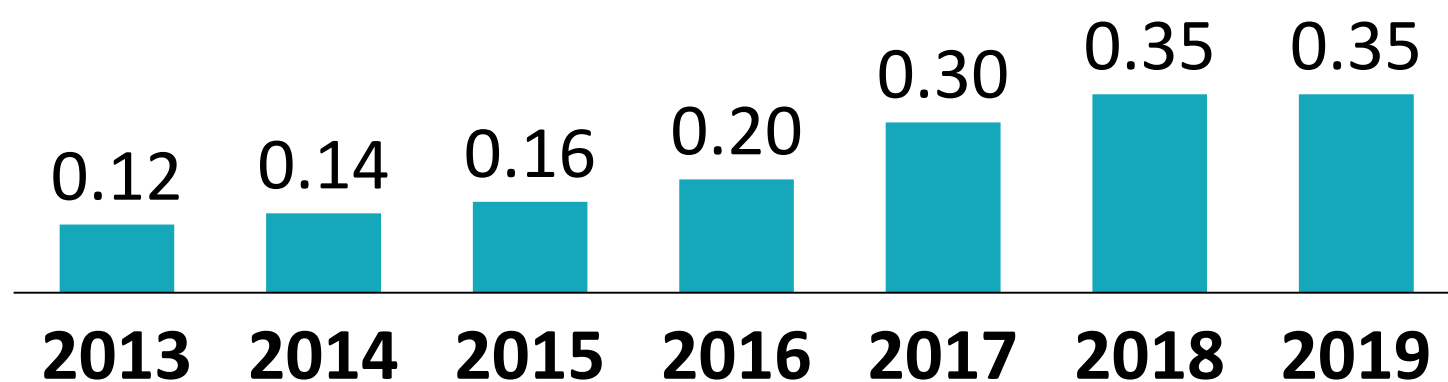
## Share price

€



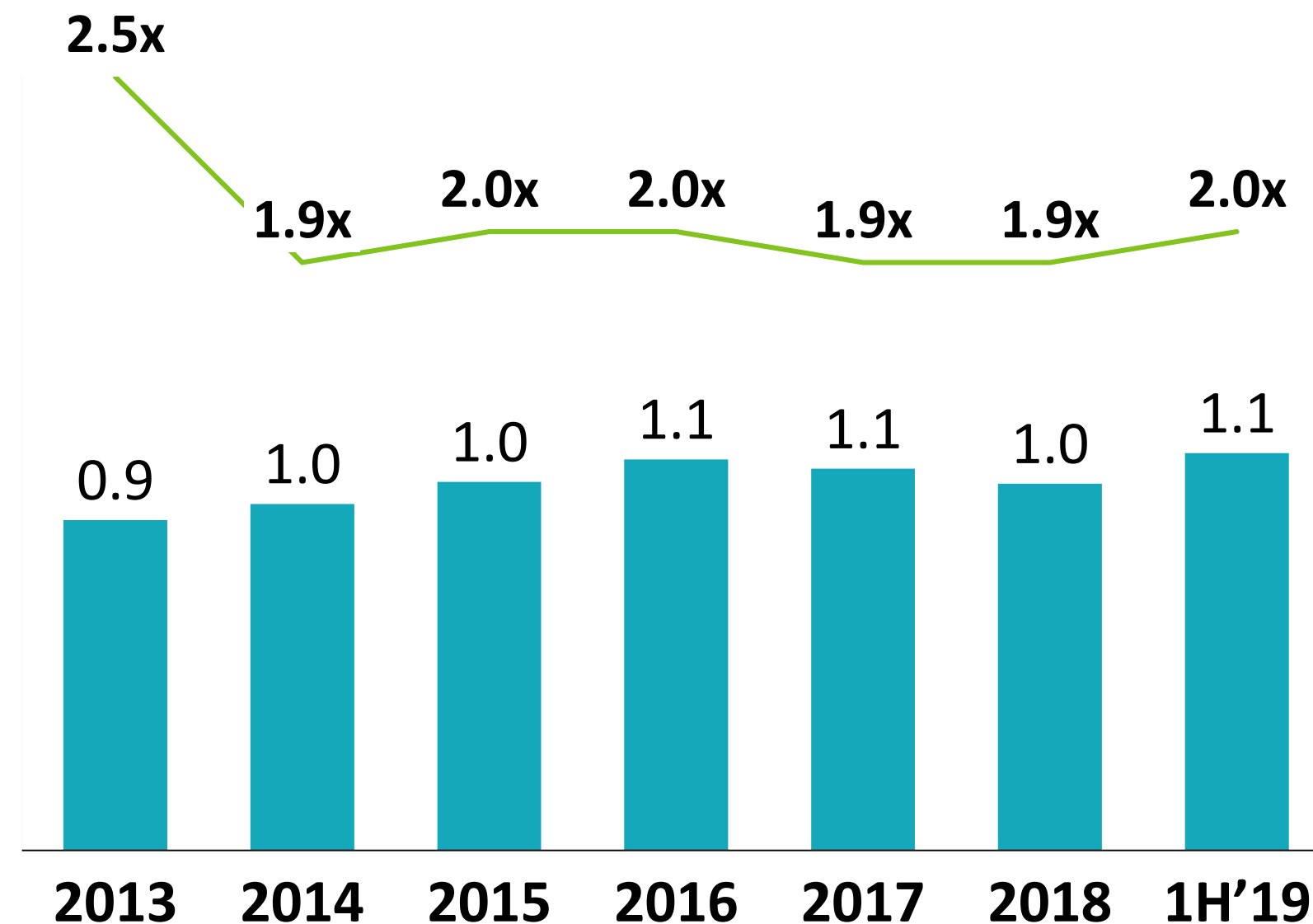
## Dividend per share

(€)



## Net Debt and Net Debt/EBITDA

bi€; Multiple





# Today, NOS is the best communications and entertainment group in Portugal

Building  
Together  
CAPITAL  
MARKETS  
DAYS



4.5M of homes passed  
1.2M 3,4&5P subscribers (37.5% share)<sup>1</sup>  
4.8M mobile subscribers



# Going forward, NOS will keep focused on customer centricity and building a fitter operating model

## Strategic ambition

1.

Revolutionize Customer Centricity focusing on quality and experience

2.

Build a fitter operating model

## Core objectives

Achieve **NPS leadership**

Boost **digital weight** on total client interactions

Capture **recurring cash savings**

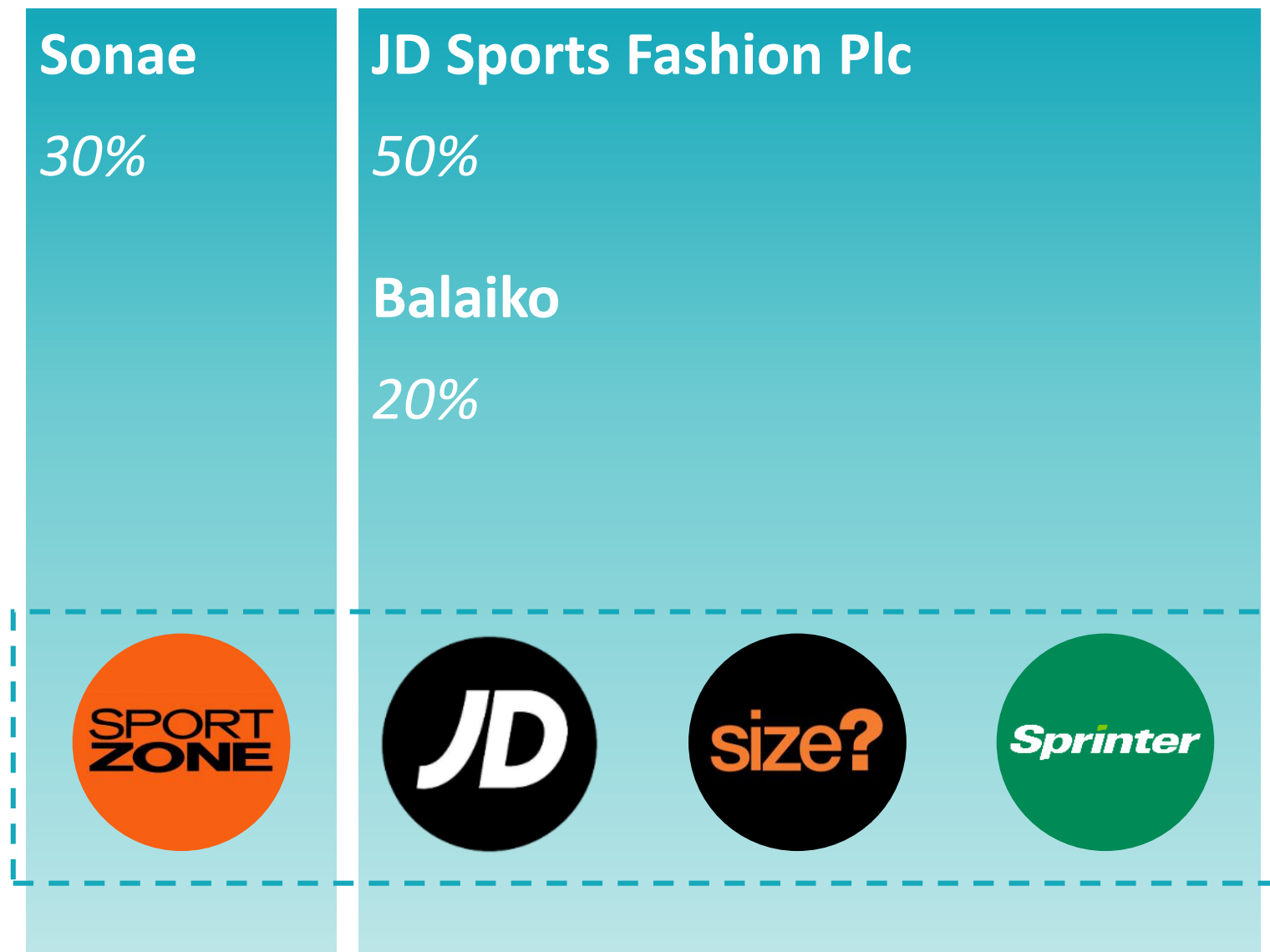


As Optimus and Sport Zone reached maturity, strategic alternatives were considered and executed





# ISRG is the result of a partnership between Sonae and JD Sprinter...



## Iberian Sports Retail Group

**2<sup>nd</sup>**

Iberian  
sports  
retailer

**11%**

Iberian  
market  
share

**>600 M€**

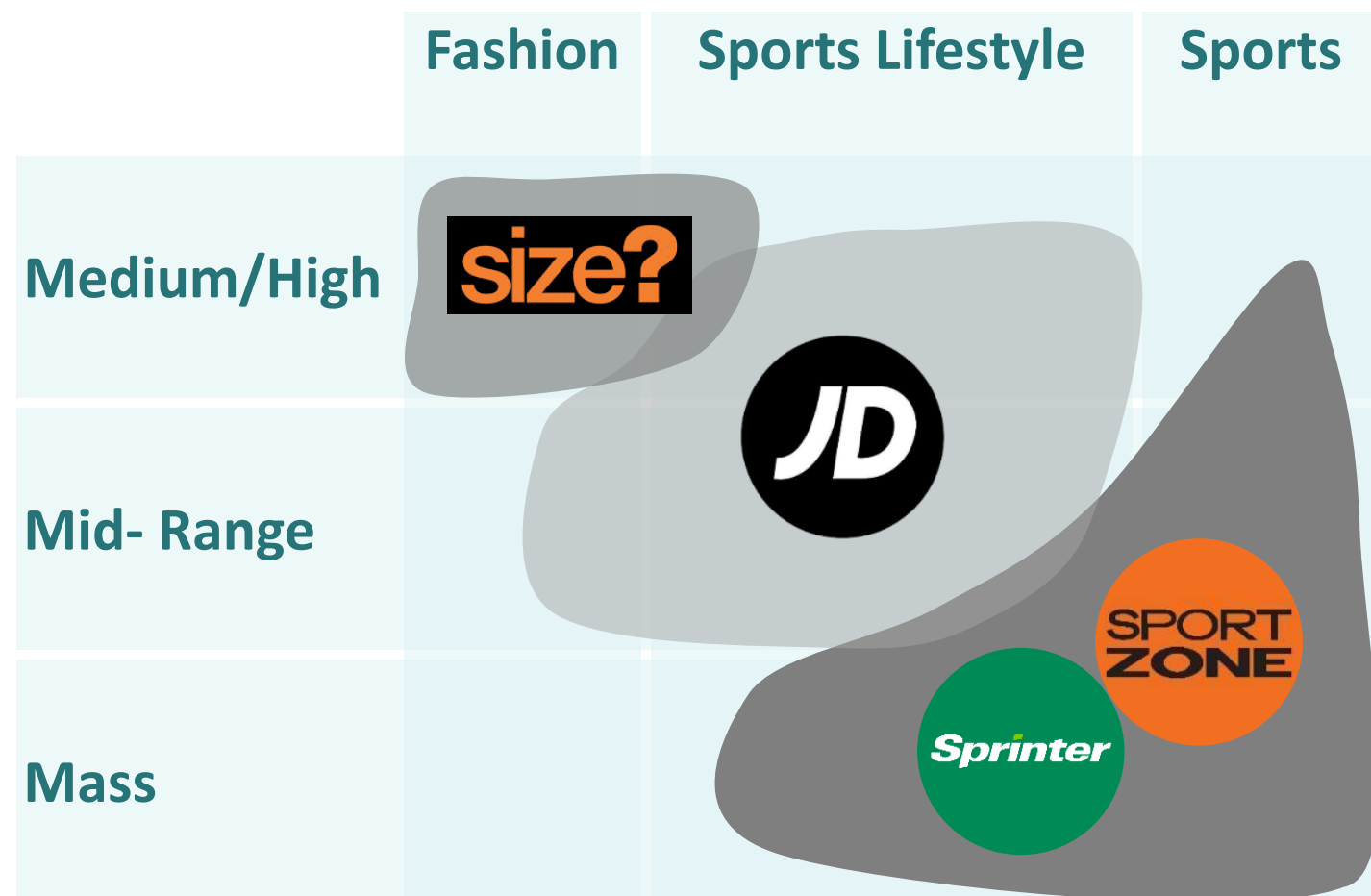
turnover<sup>1</sup>

- Growth path in Spain
- Greater scale in private labels
- Stronger relationship with main brands
- Winning store formats and operating models

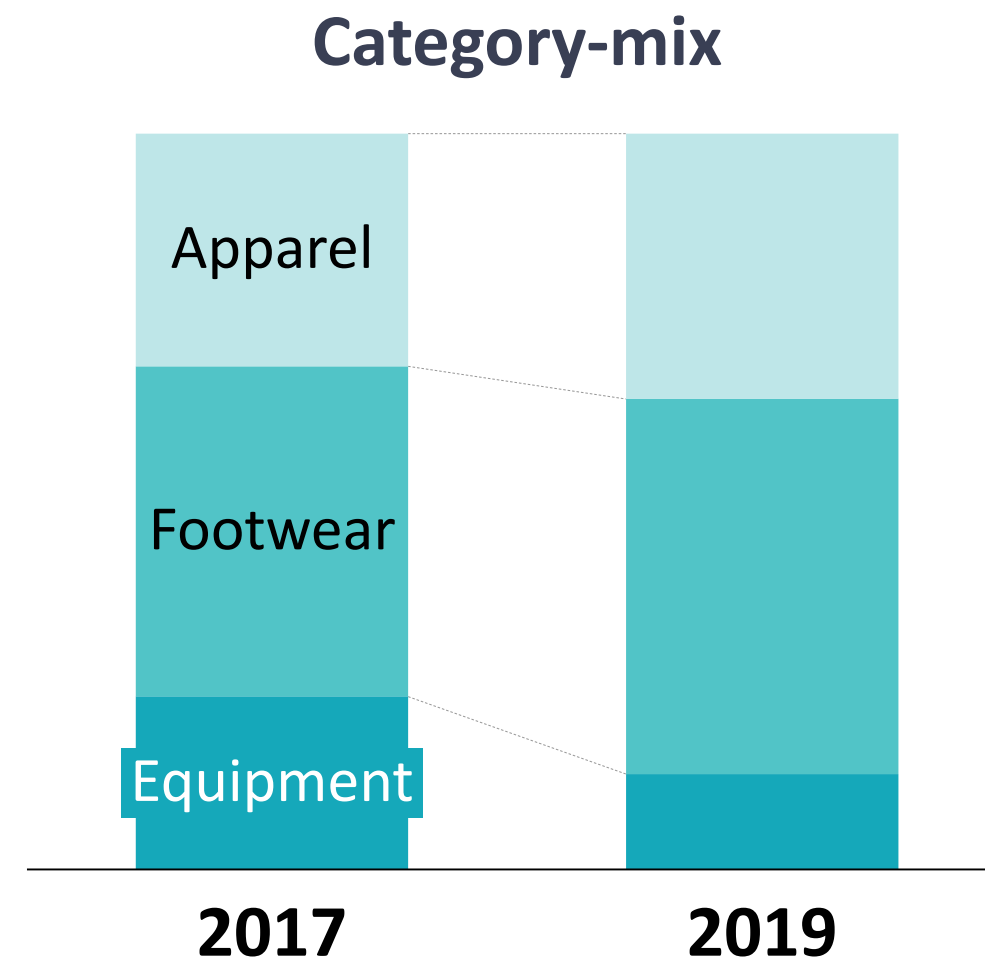


...resulting in a portfolio of brands with increased exposure to sports lifestyle and fashion segments...

## Market segments



## Sport Zone category and brand-mix evolution<sup>1</sup>



### Brand-mix

**75%**  
International & licensed brands in 2019  
[vs. 57% in 2017]



# ...and a more international presence for Sonae, through a network of 345 stores

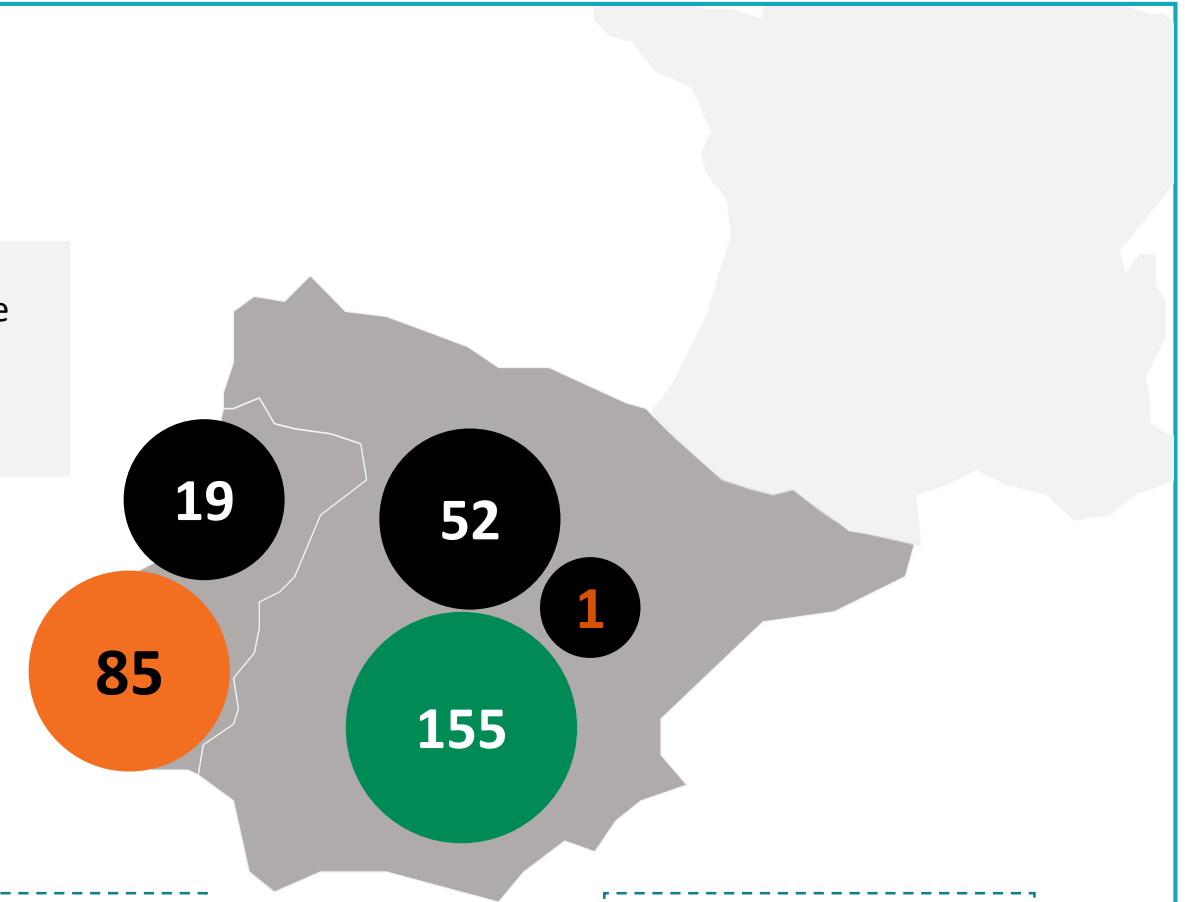
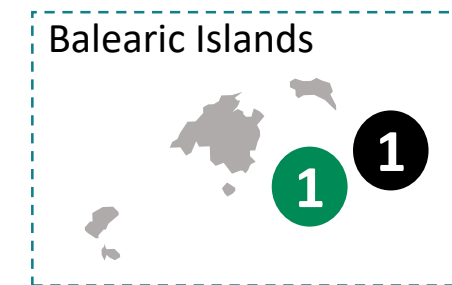
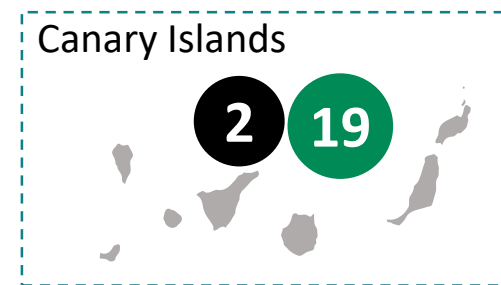
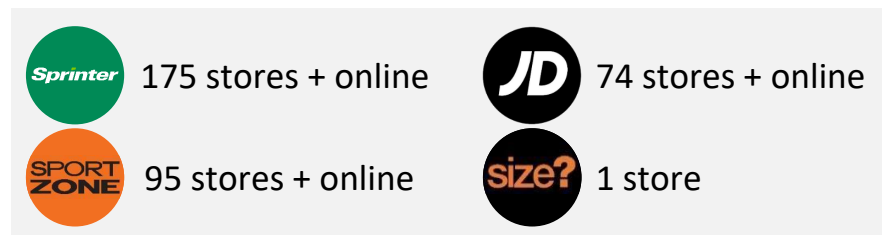
## International sales weight

**72%**

ISRG international  
Sales weight in 2019<sup>1</sup>

[vs. 29% Sport Zone  
international sales  
weight in 2017]

## ISRG stores location<sup>2</sup>





**All in all, ISRG's performance after the merger has been  
very positive and ahead of the initial plan**

1H 2019 vs. 1H 2018

**Net Sales**

**+14%**

(L4L: +12%)

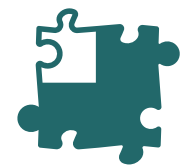
**EBITDA**

**+13M€**



# Going forward, growth and profitability improvements should keep driving our business

## Strategic guidelines



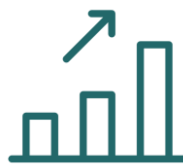
Full integration and synergies grasping



Commercial operational excellence



E-commerce leadership in Iberia



Profitability and growth

## Financial targets (medium-term)

Turnover

**1 Bi€**

EBITDA

**100 M€**

Stores

**500**

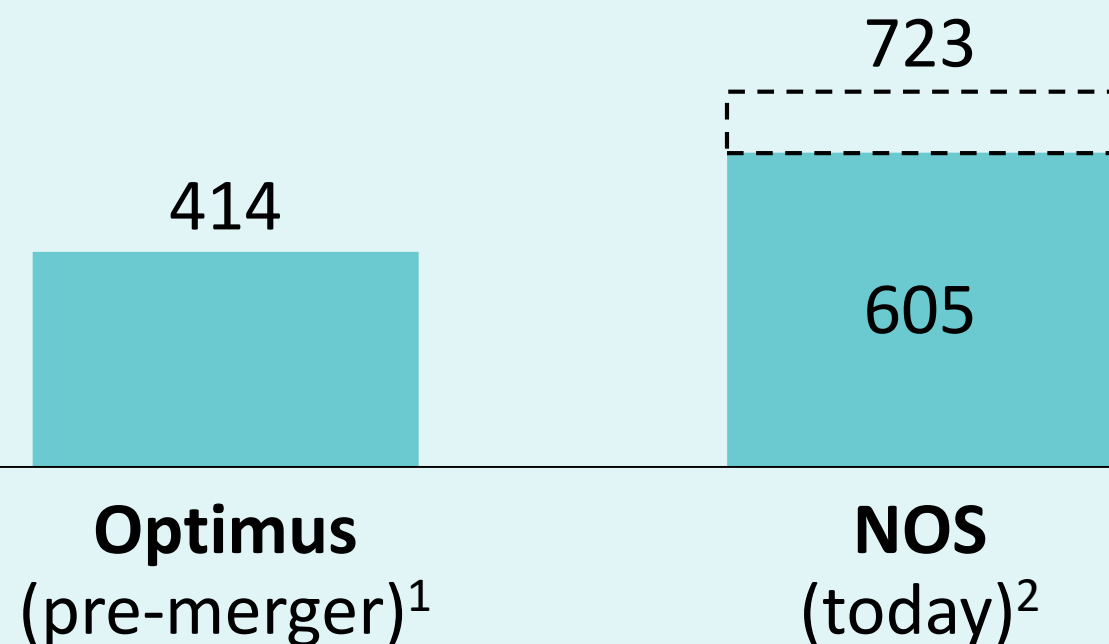


# All in all, NOS and ISRG operations were a clear source of value creation for Sonae

## Optimus and NOS market capitalisation

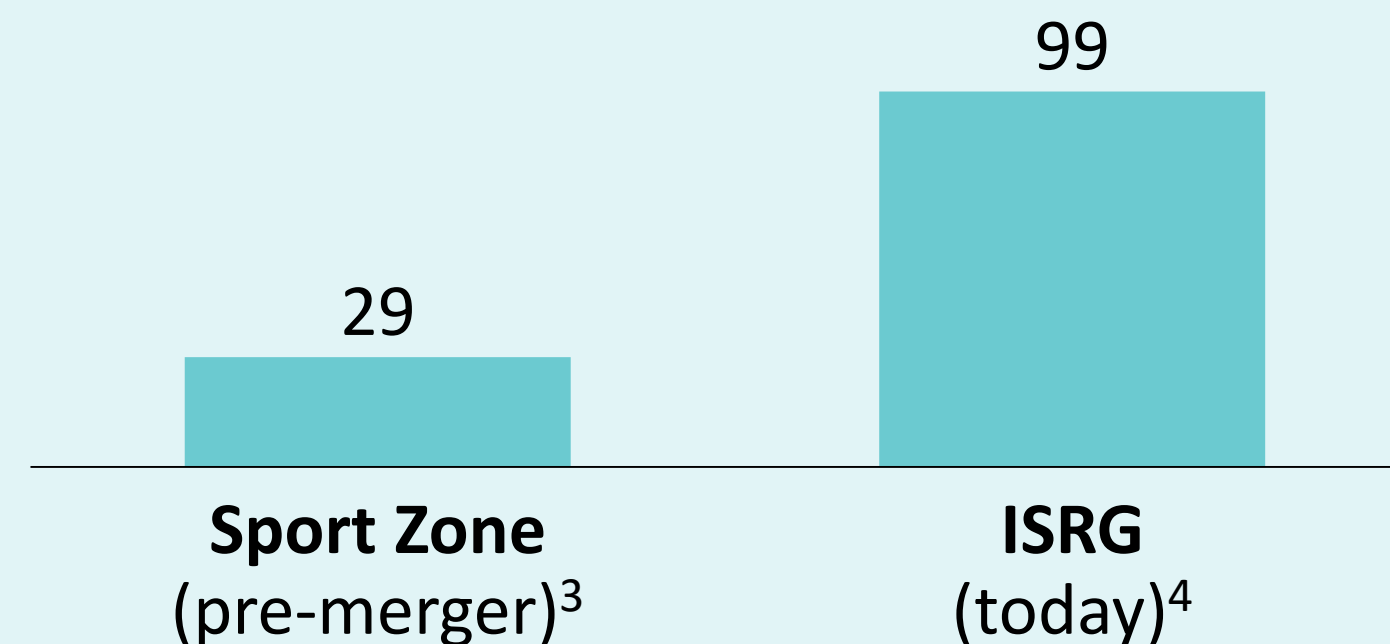
M€ (Sonae share)

--- Including dividends  
received



## Sport Zone and ISRG enterprise value

M€ (Sonae share)



<sup>1</sup> Sonae's share of Sonaecom market cap as of 13/12/2012 (one day before the merger announcement) + 20% stake acquisition pre-merger

<sup>2</sup> Sonae's share of NOS market cap as of 30/09/2019

<sup>3</sup> Sport Zone EV calculated using the EBITDA market multiples of EBITDA for 2017 results

<sup>4</sup> Sonae's share of ISRG EV calculated using the EBITDA market multiples for L12M 1H'2019 results



Who  
we are

*Cláudia Azevedo - CEO*

Our  
portfolio

*BU CEOs*

How we add  
value

*João Günther Amaral - CDO*

Track record of  
value creation

*João Dolores - CFO*

Closing remarks

*Cláudia Azevedo - CEO*



# JOÃO GÜNTHER AMARAL

GROUP CDO

## HOW WE ADD VALUE



# Sonae was thoughtfully designed to be a long-living company



## ACCELERATORS OF VALUE

### Designed from inception to

- Innovate and grow
- **Change passionately**
- Be prepared and adapt
- **Learn continuously**
- Be long living company

### 60+ years perfecting

- Customer Knowledge
- **Talent Attraction**
- Cost Effectiveness
- **Knowledge Sharing**
- Management Systems

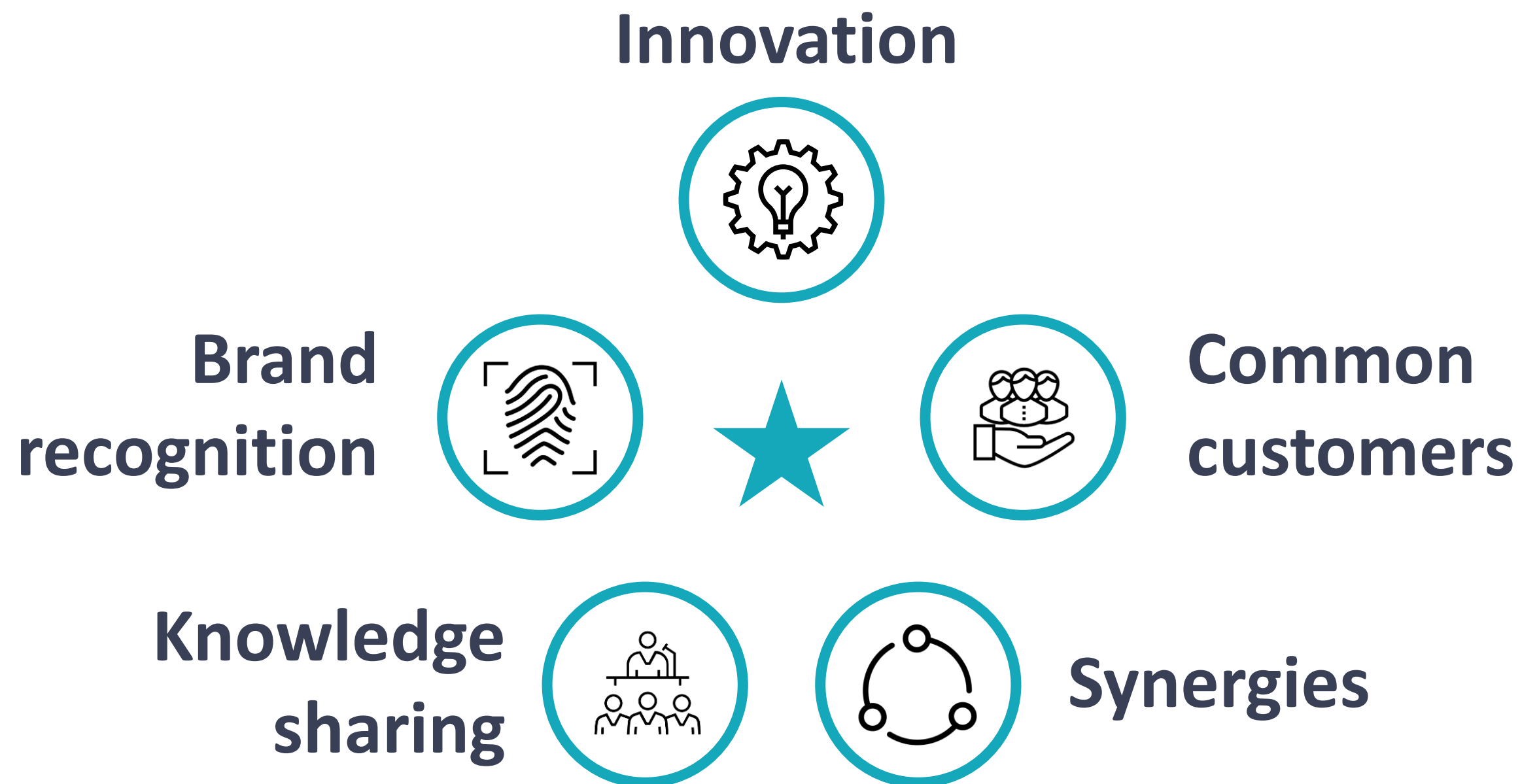
### Values, culture and purpose

- Growth
- Profitability
- Trust
- Value



# Sonae accelerates value creation through common levers

Building  
Together CAPITAL  
MARKETS  
DAYS





# Sonae accelerates value creation through common levers

Building  
Together CAPITAL  
MARKETS  
DAYS





# Sonae reinvents businesses by recombining existing assets

Building  
Together  
CAPITAL  
MARKETS  
DAYS



## Innovation (selected examples)

- **Sonae IM:** portfolio of tech companies focused on **existing** businesses
- **Universo Card:** credit card addressing **existing** customers needs
- **Health and Wellness:** created based on **existing** competencies

FASTER, LEANER, TRUST



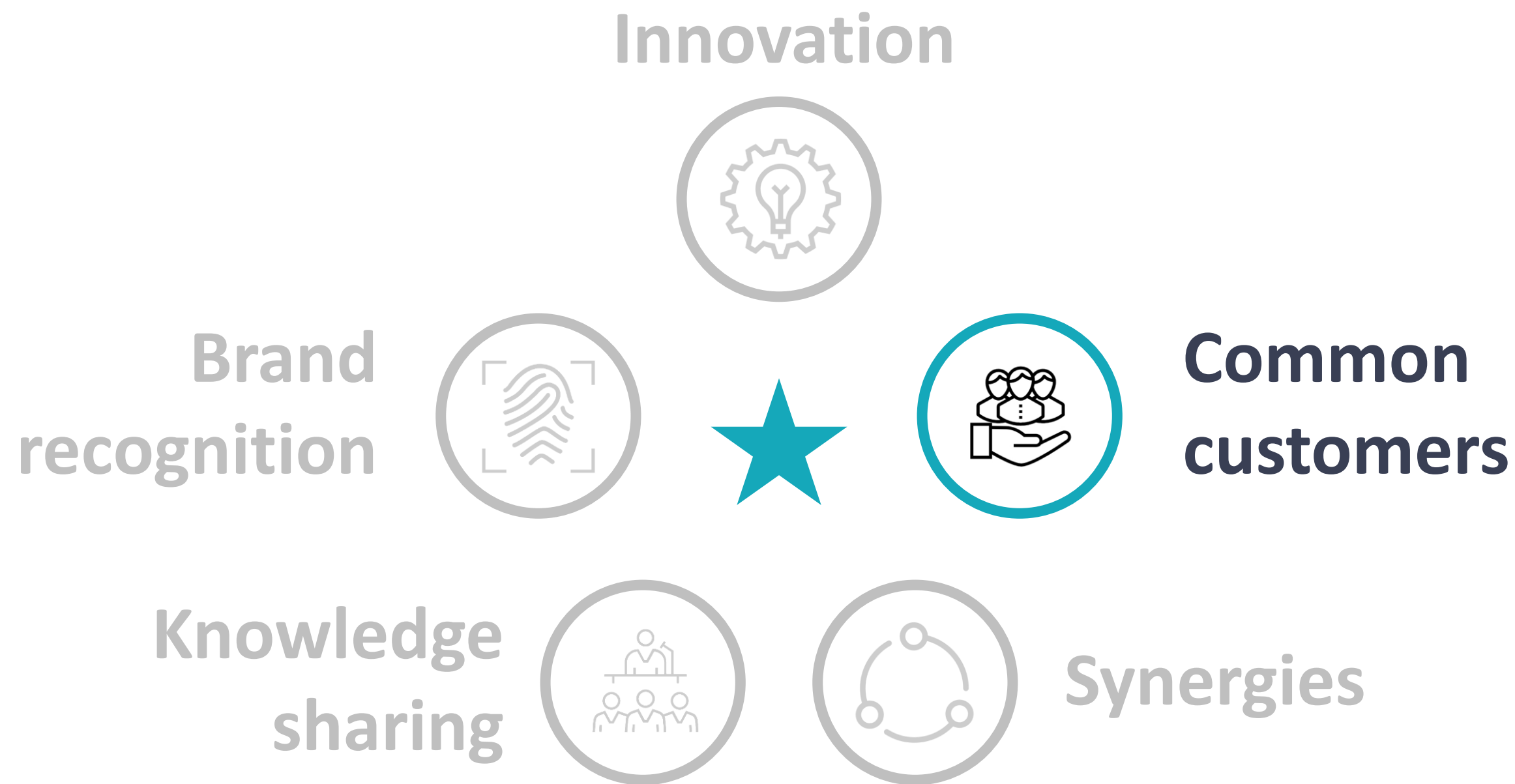
SONAE

IMPROVING LIFE



# Cross-selling opportunities emerging from our unique common assets

Building  
Together CAPITAL  
MARKETS  
DAYS





# Cross-selling opportunities emerging from our unique customer understanding and common locations

Building  
Together CAPITAL  
MARKETS  
DAYS



## Common Customers (selected examples)

- Power Centres
- Cross format **elasticity** enables **rightsizing**
- Shopping Centres with great anchors
- Leading **loyalty** programs
- Over 18 years **omnichannel** experience

KNOWLEDGE, AGILITY, ASSERTIVENESS



825K



4M



5,5M



Mobile users:  
850K

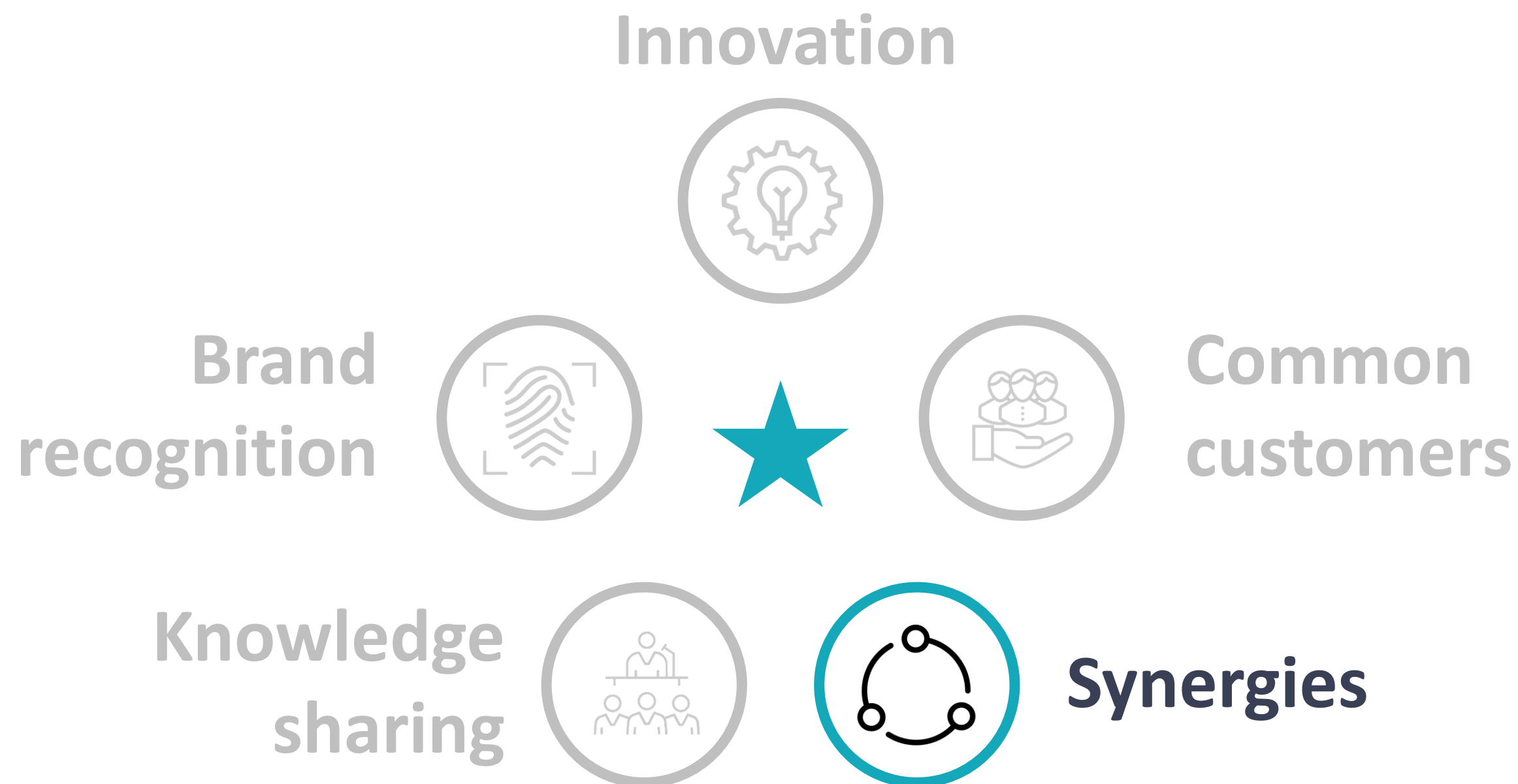
SONAE

IMPROVING LIFE



# Optimization through a coordinated approach

Building  
Together CAPITAL  
MARKETS  
DAYS





# Optimization through a coordinated approach



## Synergies (selected examples)

### Procurement:

- IT Licencing and Services
- Media and Advertising
- Energy, Fleet Management, Insurance, Telco

### Common Buildings

- TechHub Maia, Madrid Office

### Transversal Training Academies

- Management & Leadership, Values & People, Improving our Work

**LOWER COST, NETWORK, MOTIVATION**



TechHub



Spain HQ



Sonae  
Improving  
Our Work

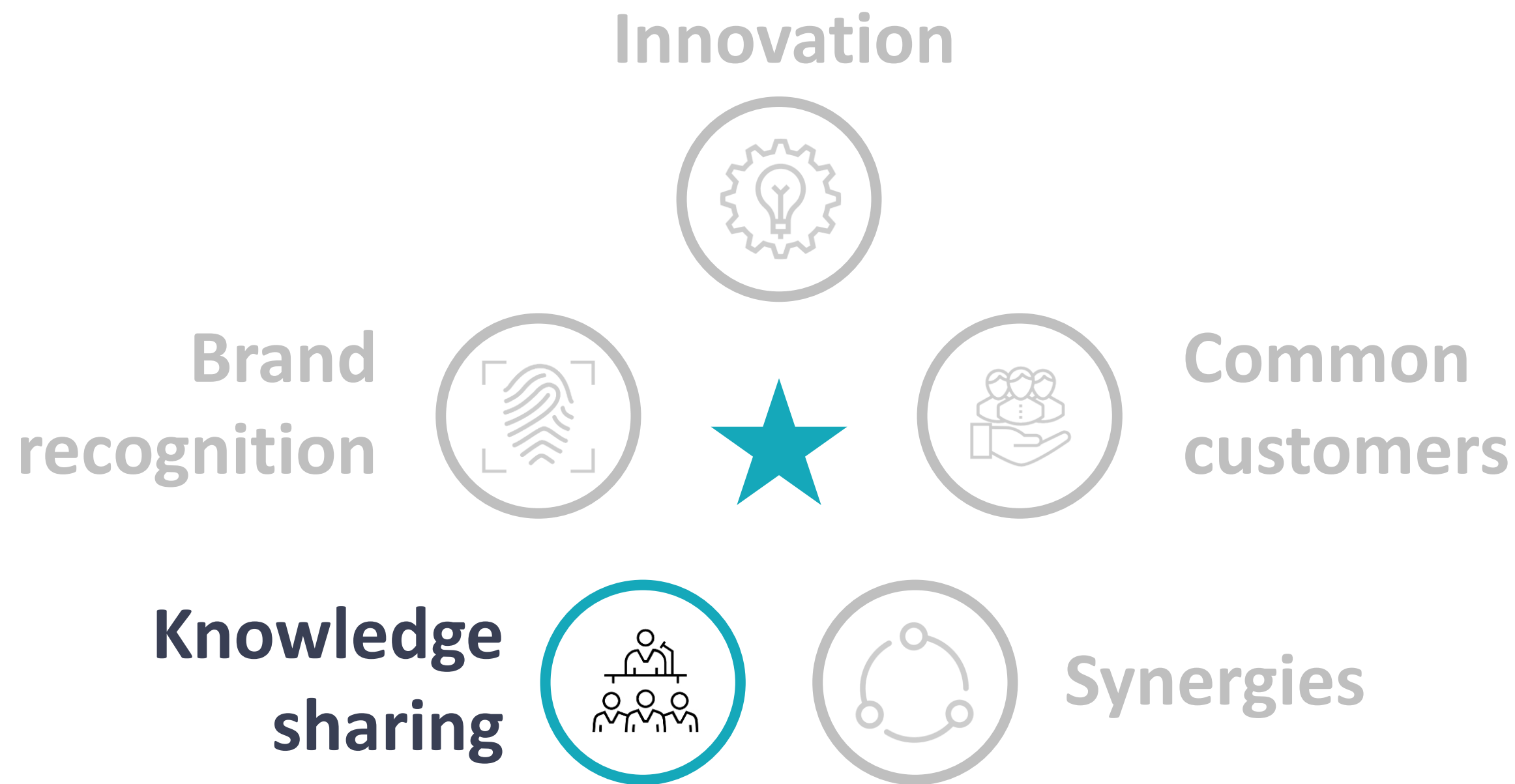
**IOW  
Study  
Tours**



70+ internal trainers | 5000+ people trained  
130 lean tools available



# Sharing of best practices and key management processes under broad strategic guidelines







## Knowledge Sharing (selected examples)

### Sonae Management System for key management processes

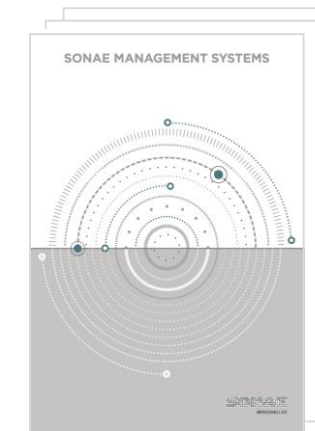
- Strategic Planning
- Talent management
- Continuous improvement
- Customer Knowledge

### Culture and Values

- Our Way
- Sonae Academies with strong partnerships

### Commissions, Consulting Groups and Fora

- Sharing, Networking , Synergies



/ University of Porto





# Different platforms with specific accountability levels



## Knowledge Sharing

### PLATFORMS

#### COMISSIONS

#### MISSION

- **Coordinate** business executive actions
- **Implement** corporate policies

AUDIT

FINANCE

#### CONSULTING GROUPS

- **Recommend** corporate policies
- Coordinate transversal group projects.

HUMAN RESOURCES

IOW

RISK MANAGEMENT

SUSTAINABILITY ★

#### FORA

- **Share** functional knowledge
- **Promote** networking
- Explore relevant **synergies**

ADMIN & TAX

FINCO ★

LEGAL

PLANNING & CONTROL

E-COMMERCE

FINOV

INTERNATIONAL





# Broad scope of topics with diversified team participation

Building  
Together CAPITAL  
MARKETS  
DAYS



## Knowledge Sharing

402 participants

56 sessions

98 topics explored

FASTER, EFFICIENCY, ENGAGEMENT



Commissions,  
Consulting Groups  
and Fora  
(07/18 to 08/19)



And many more...



IMPROVING LIFE



# Sonae is a worldwide trusted brand

Building  
Together CAPITAL  
MARKETS  
DAYS





# Exceptional ability to develop talent and to nurture customers



## Brand Recognition (selected examples)

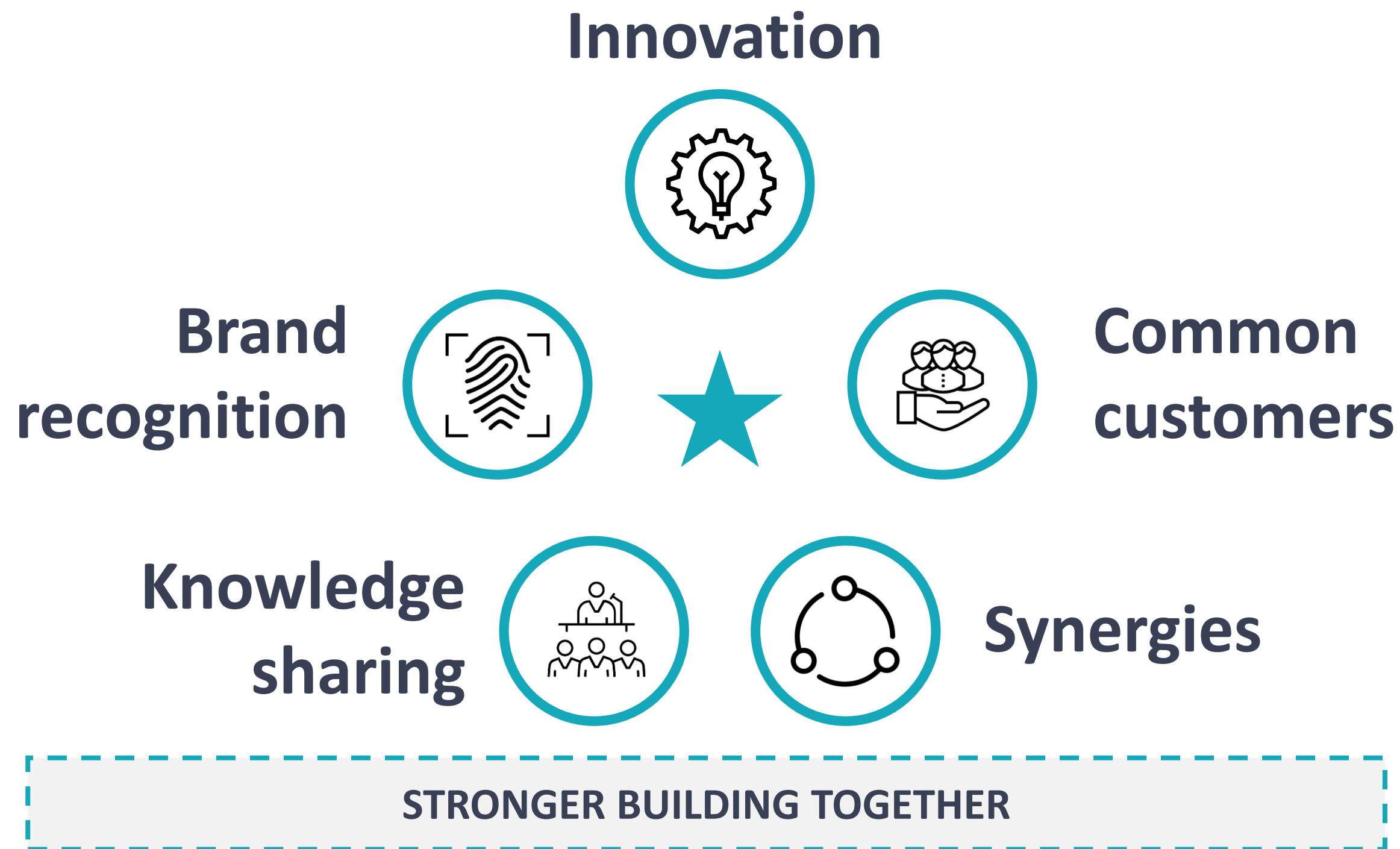
- Customers trust Sonae
- Employees are proud to work at Sonae
- Suppliers trust Sonae
- Competitors respect Sonae
- Academia trusts Sonae
- Public Institution trust and respect Sonae
- Associations respect Sonae: ERT, WEF, EuroCommerce, WBCSD,...





 **Sonae is business accelerator passionate about change with worldwide recognition and respect**

**Building  
Together**  
CAPITAL  
MARKETS  
DAYS





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*Cláudia Azevedo - CEO*



# JOÃO DOLORES

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GROUP CFO

TRACK RECORD OF VALUE CREATION



**3.9** bi€

**NAV**

[As of 1H 2019]

**13%**

**TSR**

[CAGR of last 3 years]<sup>1</sup>

**14%**

**LTV (holding)**

[As of 1H 2019]

**6.8** bi€

**Proportional turnover**

[L12M 1H 2019]

**0.8** bi€

**Proportional EBITDA**

[L12M 1H 2019]

**47,000+**

**Group employees**

[As of 1H 2019]

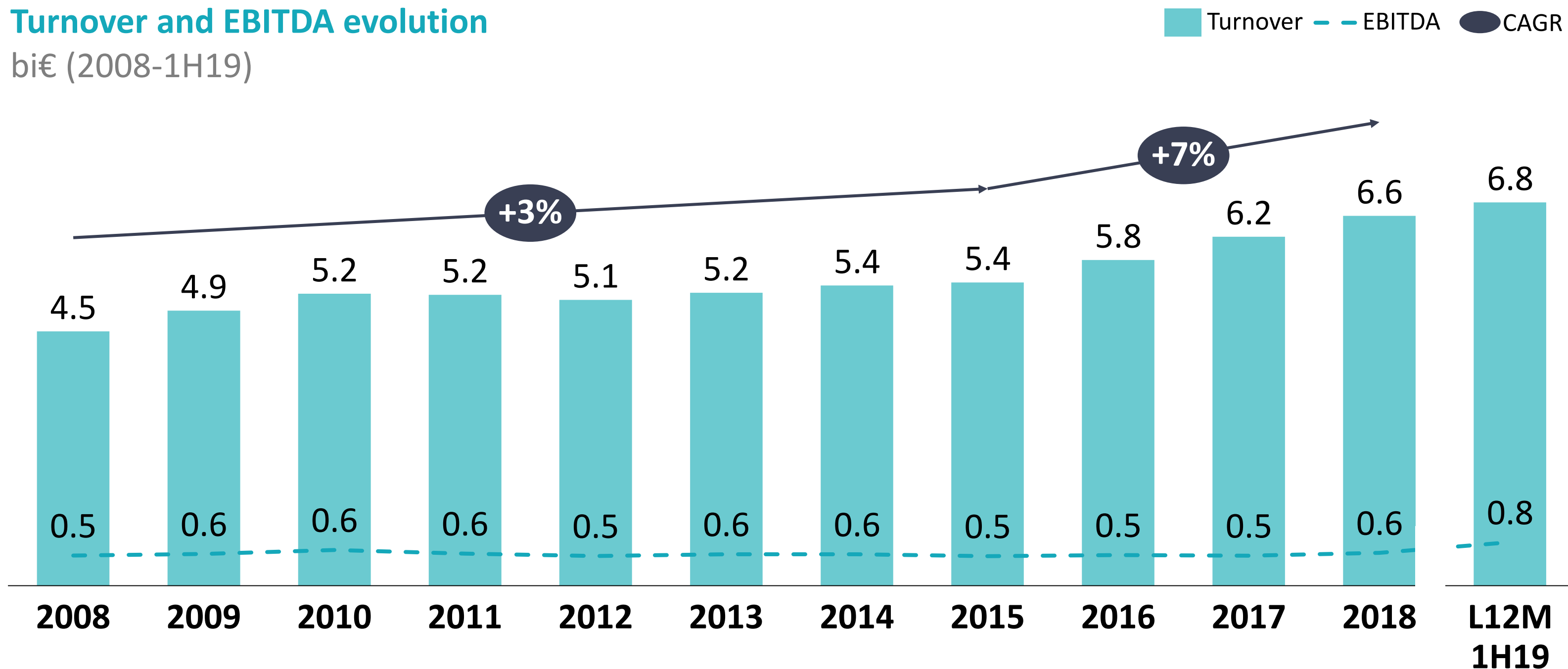




# Strong operational performance in the last decade...

## Turnover and EBITDA evolution

bi€ (2008-1H19)



Note: Turnover and EBITDA figures are proportional management accounts (including the contribution of each business with the respective shareholding). Historic figures exclude businesses that have been sold to ensure a fairer comparison across period



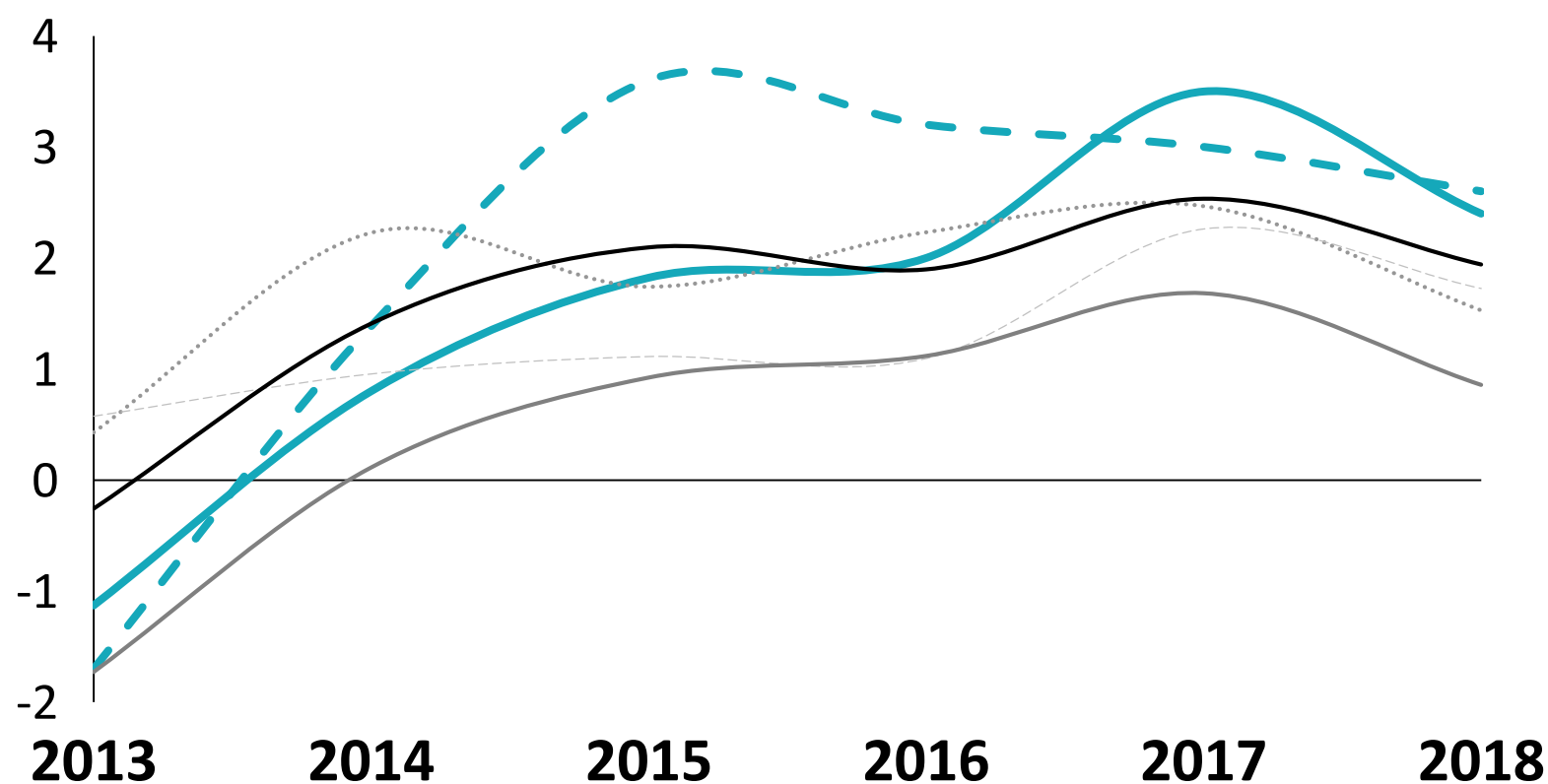


# ...underpinned by a positive backdrop in our main markets

Building  
Together  
CAPITAL  
MARKETS  
DAYS

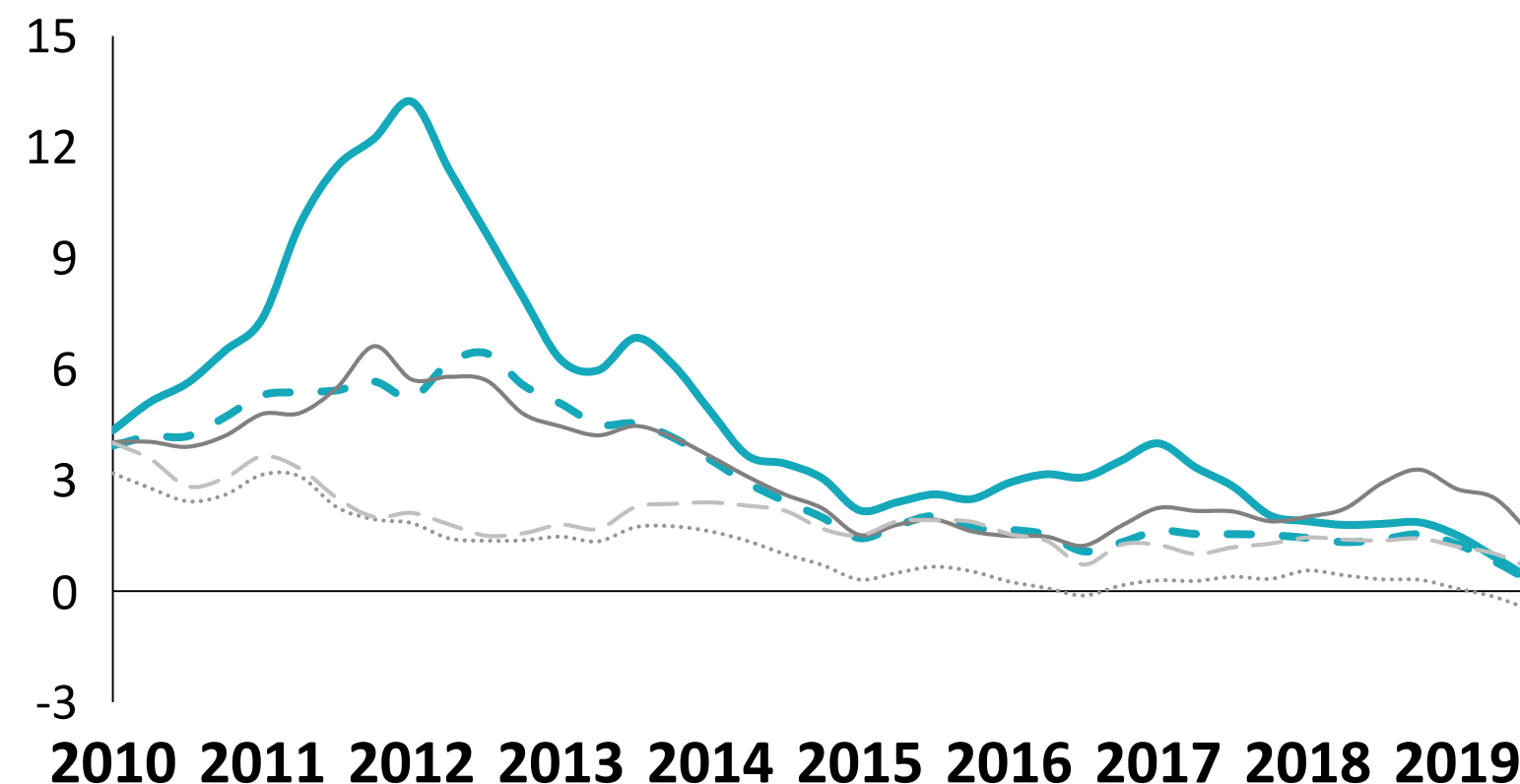
## Portugal and Spain growing above the Euro area...

GDP growth by country, %



## ... with risk levels on par with major EU economies

Sovereign 10-year bond yields, %



— Portugal — Germany — Italy  
- - Spain - - France — Euro area (19 countries) - - UK

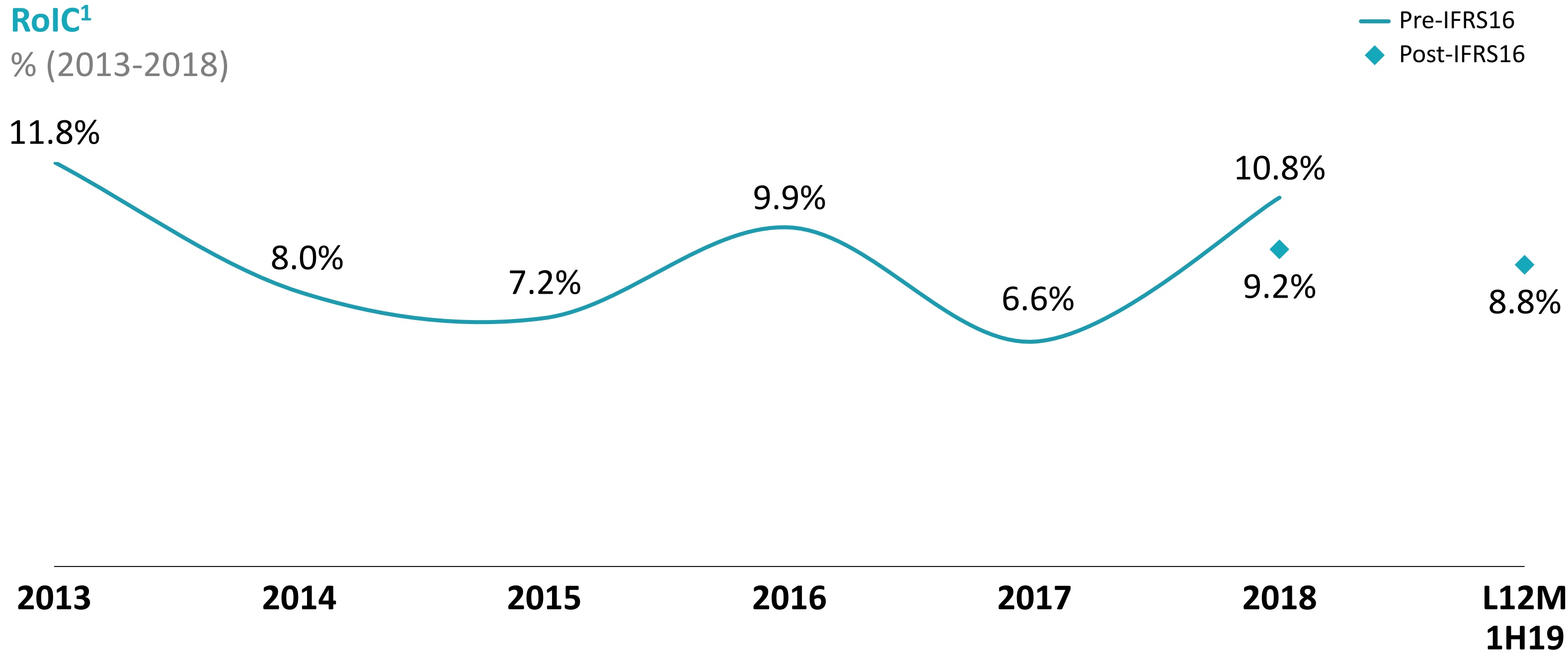




# Solid returns on invested capital

**RoIC<sup>1</sup>**

% (2013-2018)



1 RoIC calculated with proportional figures with Sierra at historical cost. EBIT includes capital gains on sales, and in the case of NOS, invested capital is the financial investment.

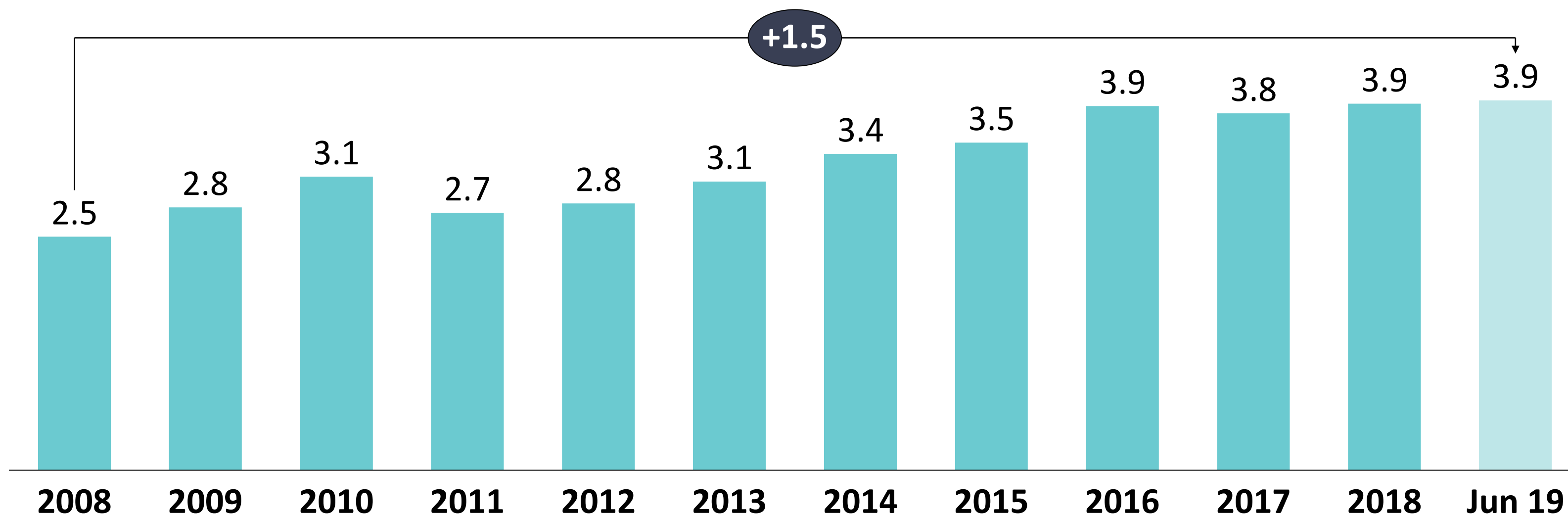




# A history of value creation

## NAV<sup>1</sup>, sum-of-the-parts

bi€ (2008-Jun 19)



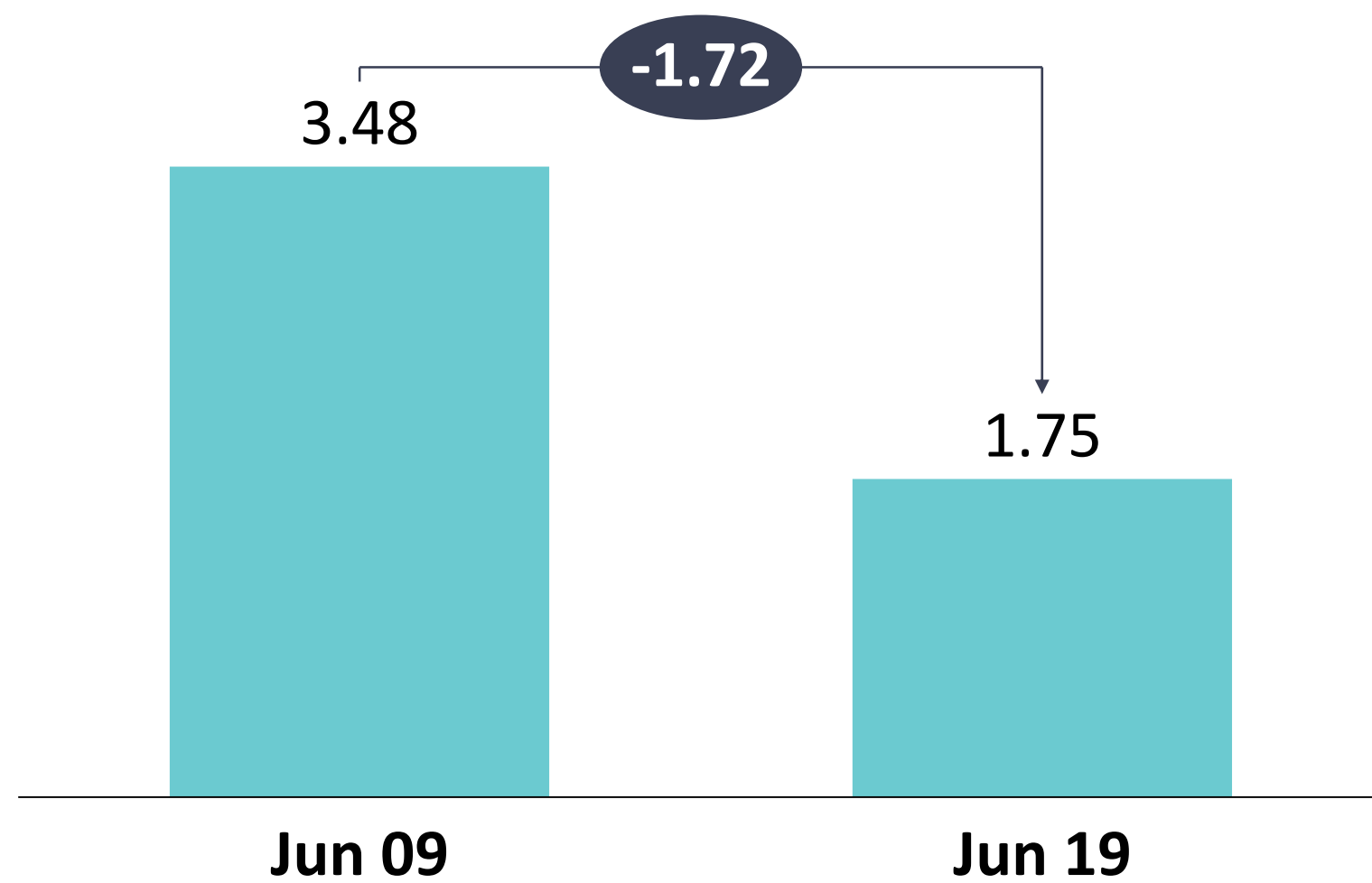




# Strong capital structure

## Net debt<sup>1</sup> evolution

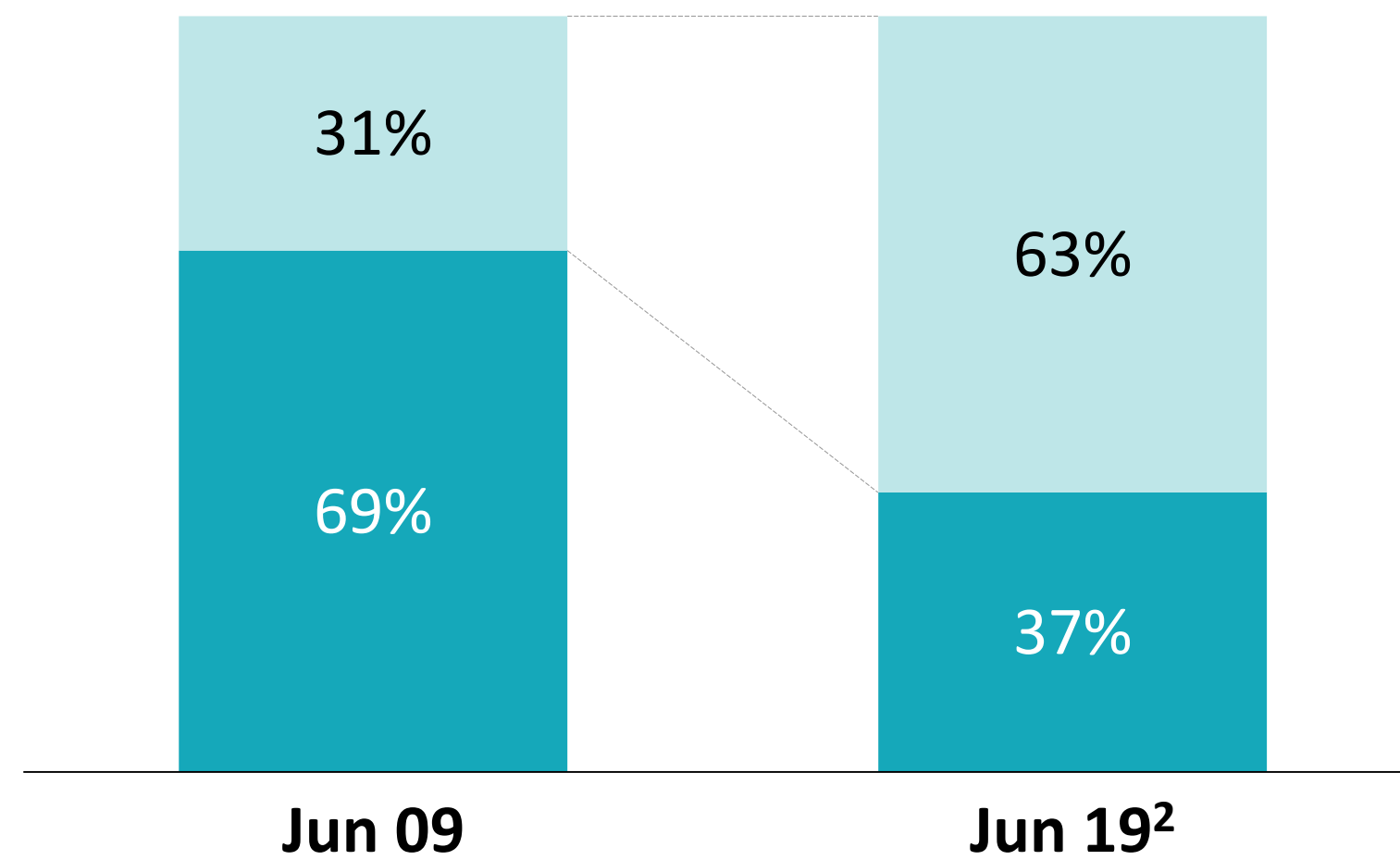
bi€ (Jun 09; Jun 19)



## Capital structure

% (Jun 09; Jun 19)

Equity  
Net Debt



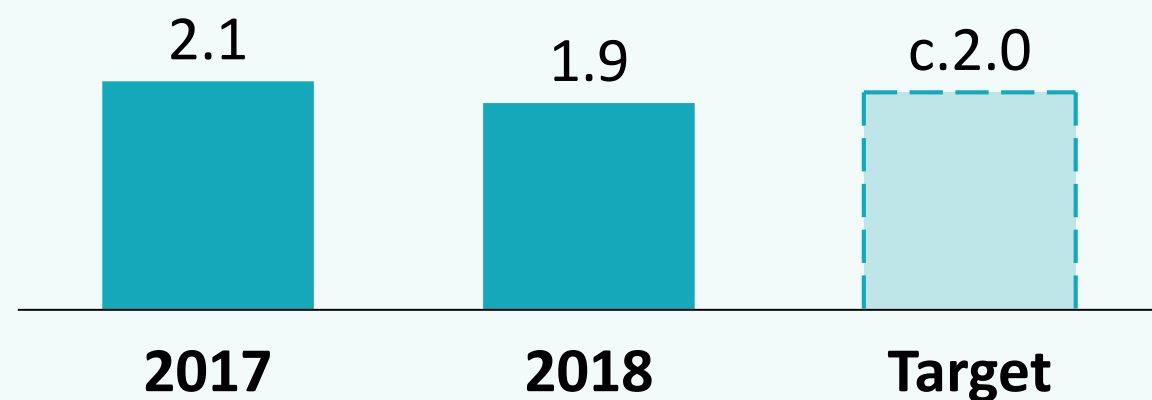




# Conservative leverage levels per building block

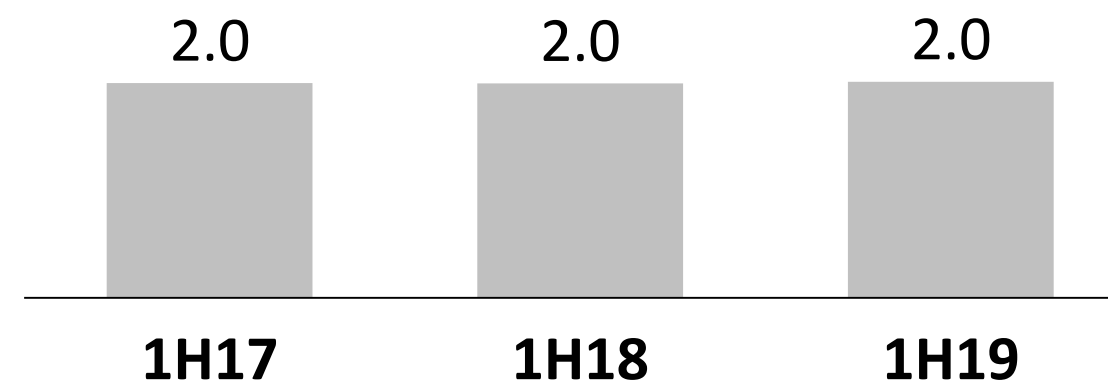
## Sonae MC – Food business

Net debt<sup>1</sup> / unEBITDA



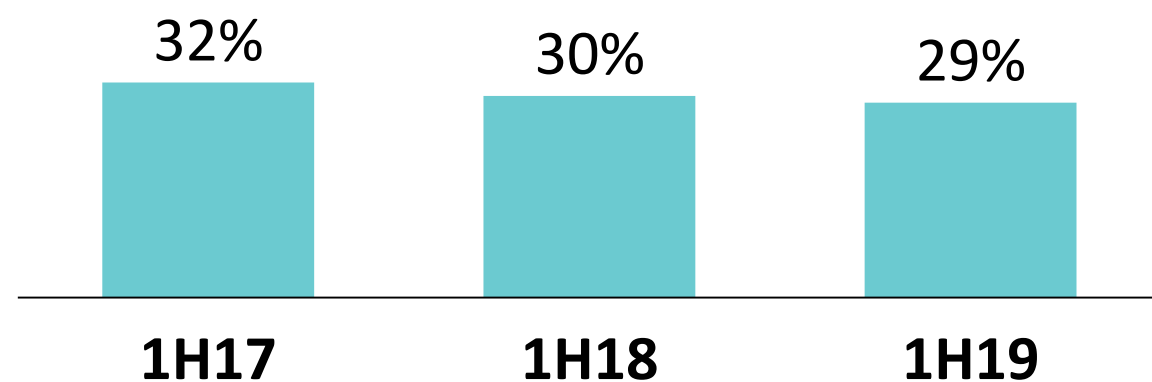
## NOS – Telco business

Net financial debt<sup>1</sup> / EBITDA



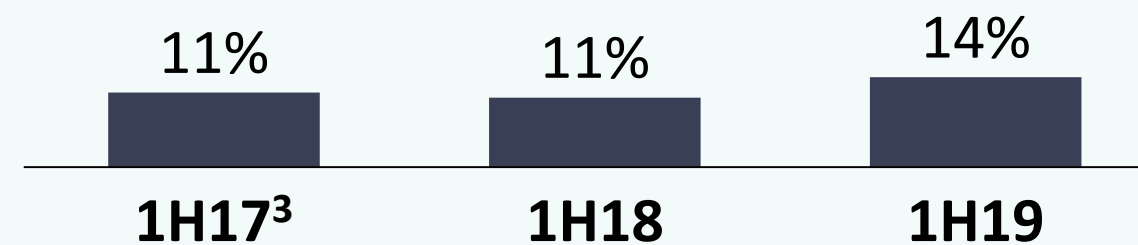
## Sonae Sierra – Real estate business

LTV



## Holding

LTV<sup>2</sup>



Note: figures are pre-IFRS16

1 End of period figures.

2 Net debt figures are average for the period. NAV figures are end of period.

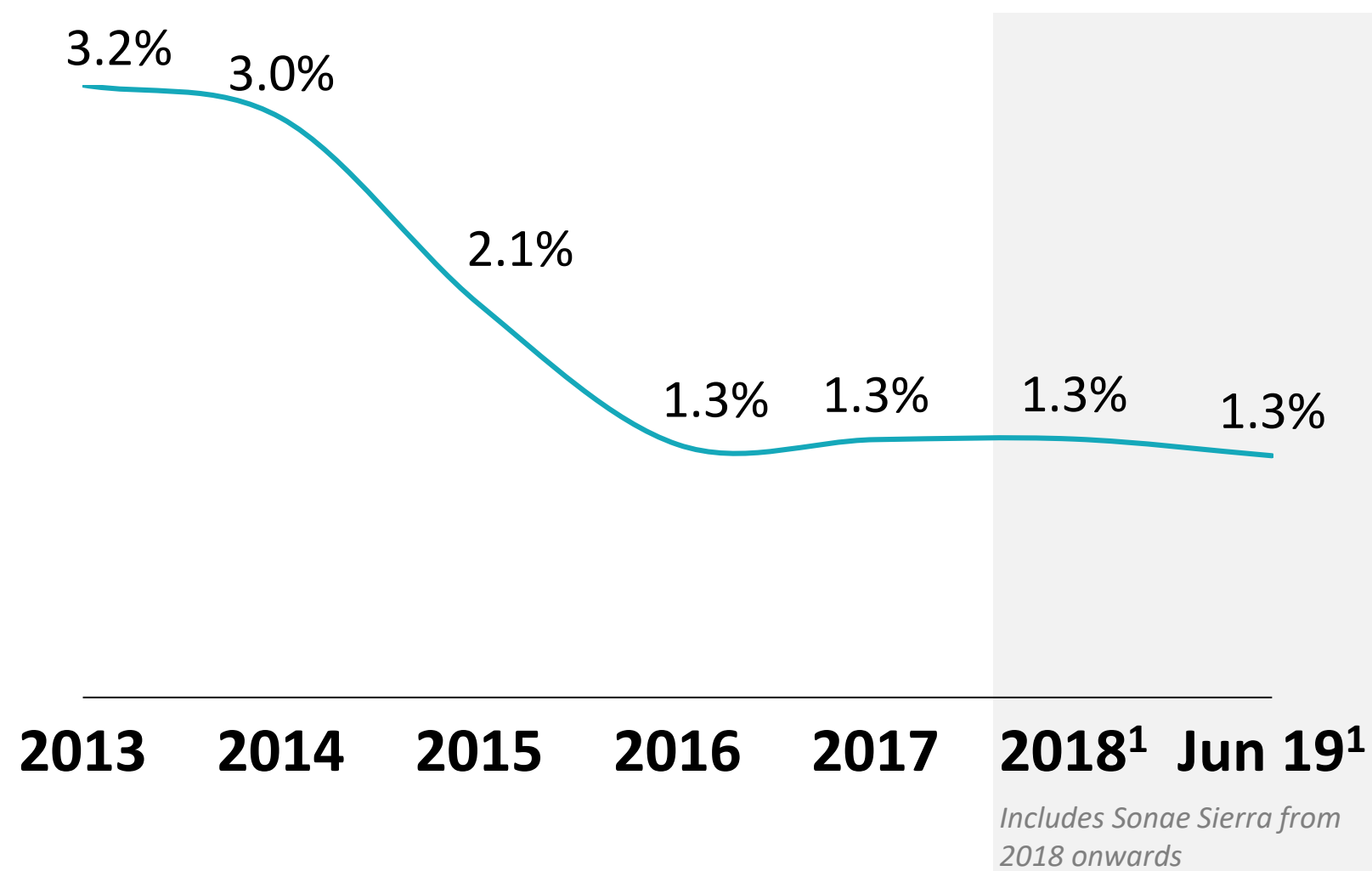
3 From 2018 onwards, net debt figures consider Sonae MC's reorganization



# Low debt costs and long maturities

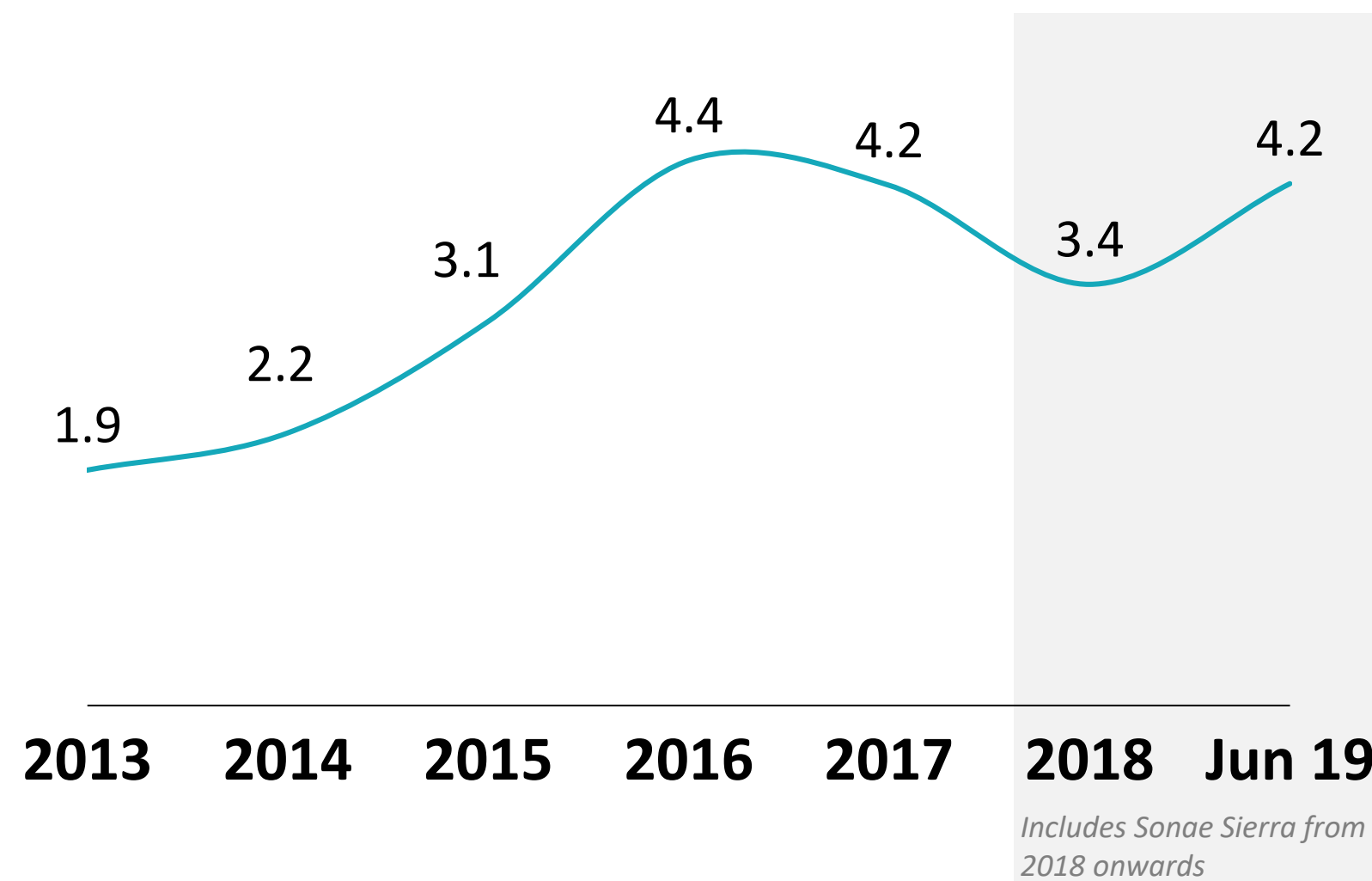
## Debt cost (interest rate)

% (2013-Jun 19)



## Debt maturities (average)

Years (2013-Jun 19)<sup>2</sup>



<sup>1</sup> Figures excluding Sonae Sierra's cost of financing: 1.1% in 2018 and 1.0% in H119.

<sup>2</sup> Does not consider Sonae Sierra (from 2013-17), NOS (full period) and MDS (full period). Excludes the contributions of the joint ventures which consolidated by the equity method.

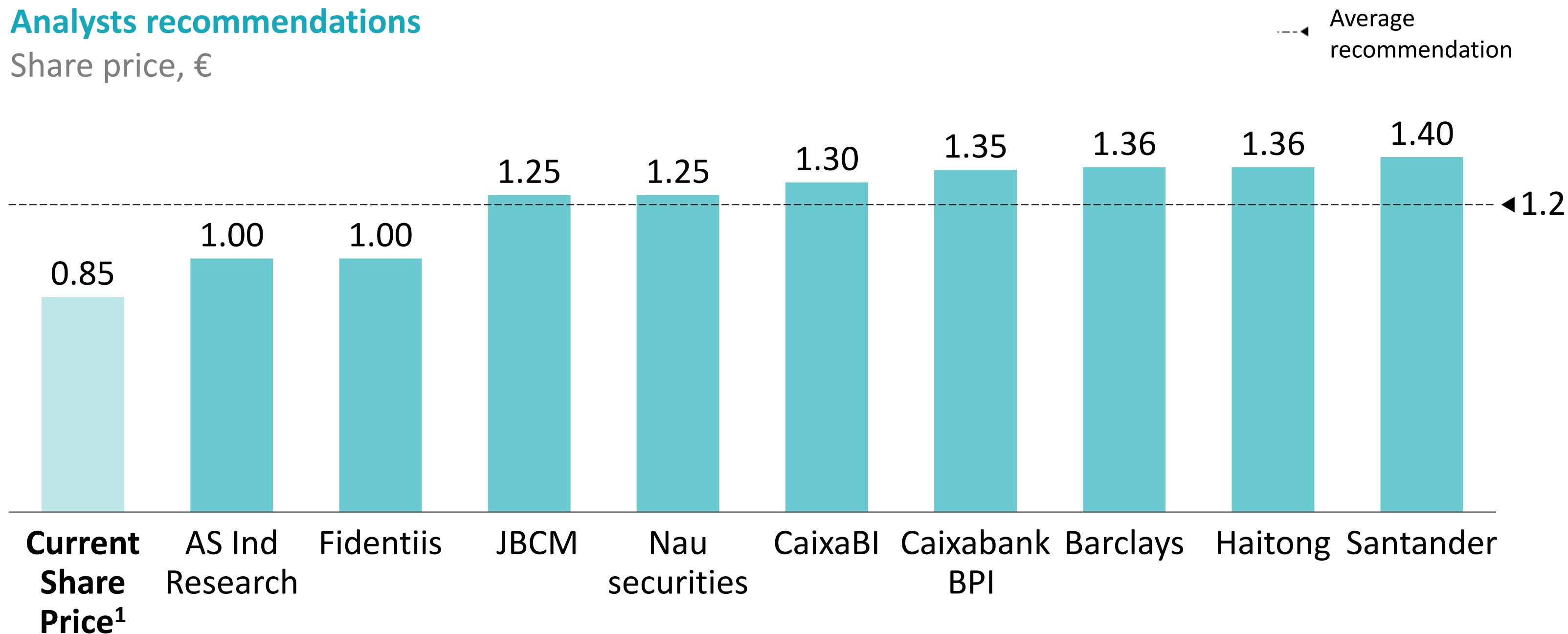




# Clear share price upside

## Analysts recommendations

Share price, €



Note: considers last available report per analyst

<sup>1</sup> Current share price computed as average of 30 observations prior to September 30<sup>th</sup> 2019

Source: analysts reports

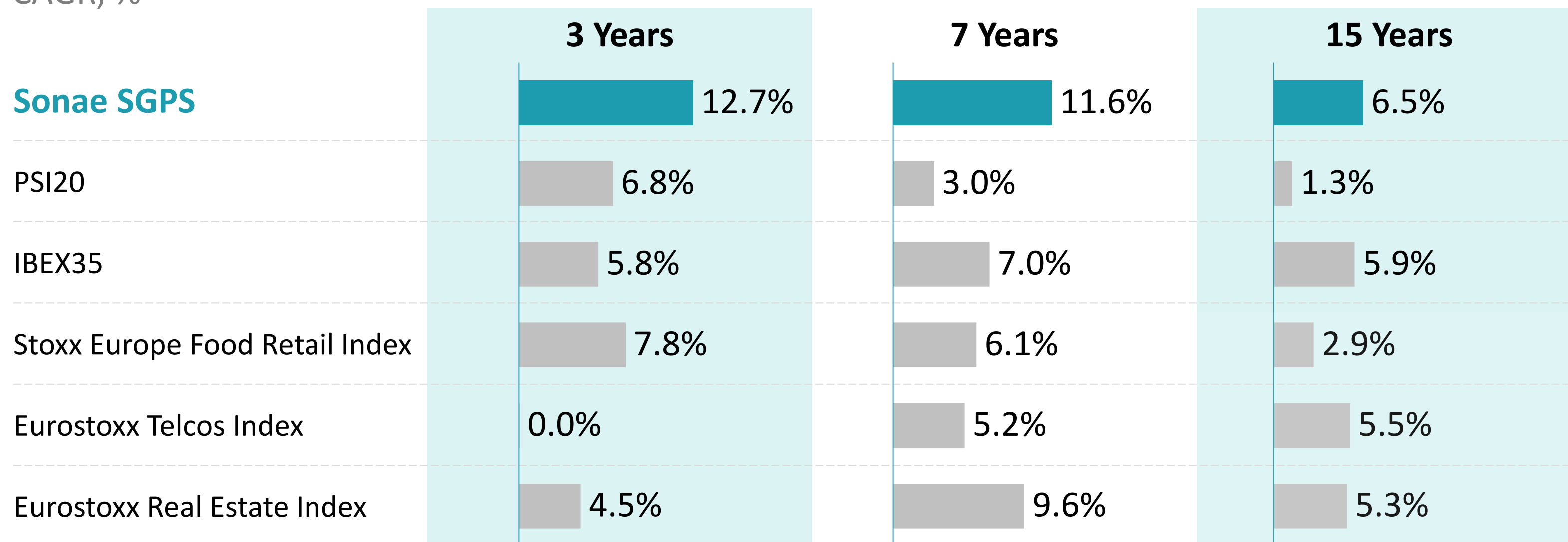




# Solid shareholder returns

## Total shareholder return

CAGR, %



Note: Total returns including price evolution and dividend paid as of September 30<sup>th</sup> 2019  
Source: Bloomberg

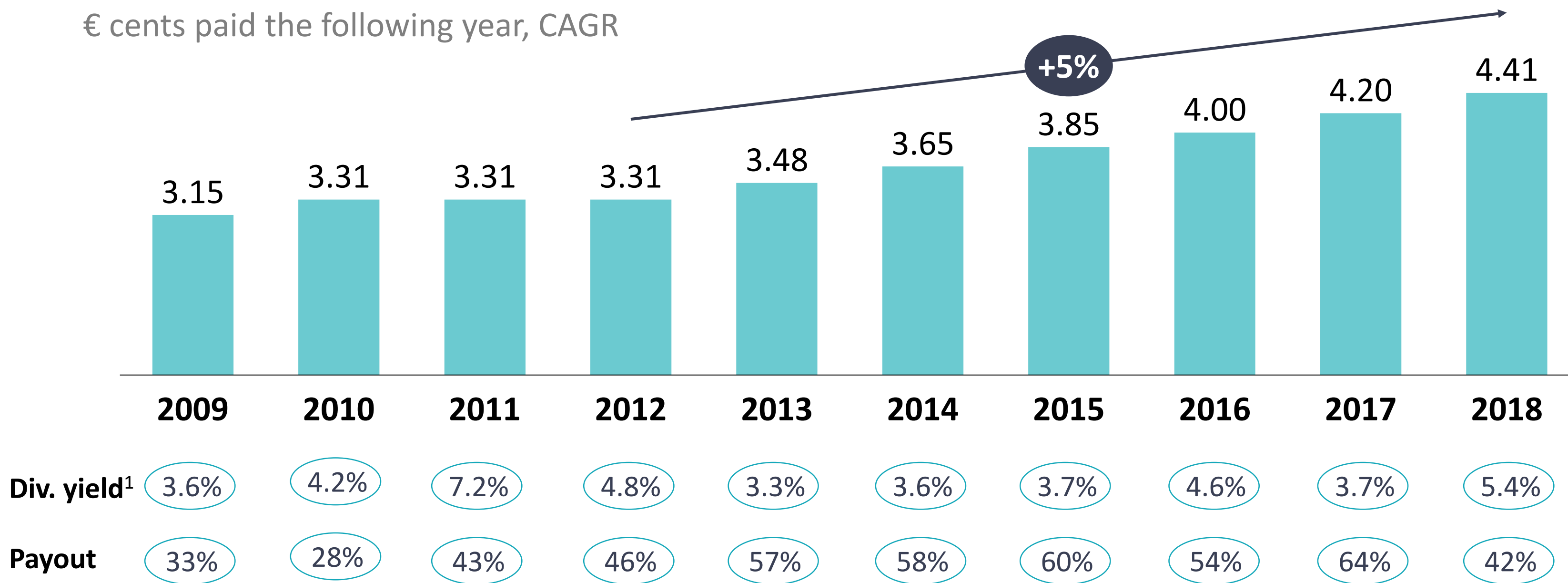




# Steadily growing dividend

## Dividend per share evolution

€ cents paid the following year, CAGR





# Strong commitment to the environment...

## Carbon footprint

- - **11% of annual electricity consumption** in Sonae Sierra shopping centres
- + **29% of energy production from renewable sources** YoY in food retail



## Biodiversity

- Sponsored the **Hall of Biodiversity of Porto University** (300 000 €<sup>1</sup> of investment)
- Started **reforestation program** in burnt areas in Portugal



## Plastic

- Approximately -**1 800 tons of virgin plastic** used in 2018
- +**23 000 students reached** in 2018/19 in **educational activities**



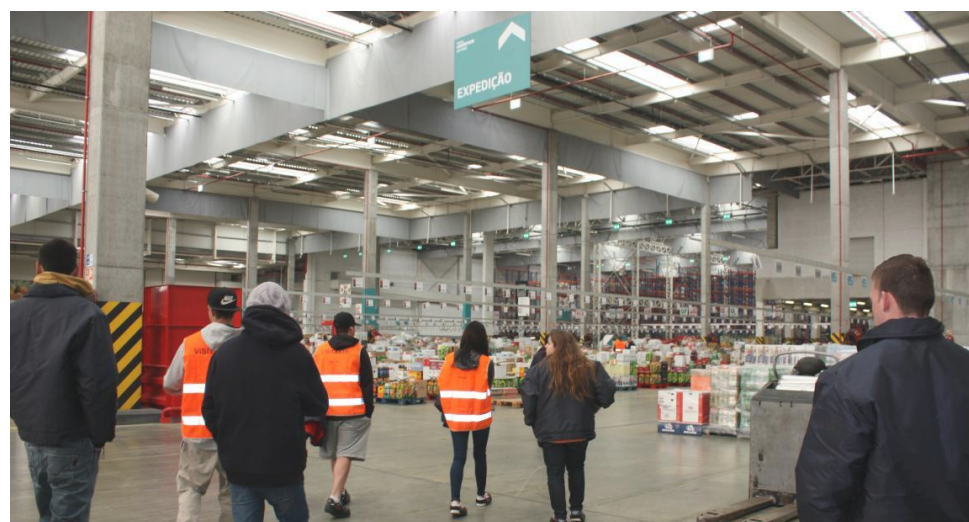




# ... and to our communities

## Community support

- **11 M€ in 2018** (+12% YoY) in community support (e.g. Missão Continente, Activshare)
- **+0.8 M€** invested in employee support<sup>1</sup>



## Diversity and inclusion

- **25% of women in senior management** in 2018
- **Reverse mentoring programs** in our businesses
- **Re-skilling projects** for our employees



## Flexible work

- **Flexible work options** (e.g. remote work, unpaid leaves, part-time, ...) in several of our businesses





## Economic

- **+7% YoY turnover growth** since 2015
- **+58% NAV increase** since 2008
- **Gearing of 0.6** (down from 2.2 in 2009)
- **Above-market TSR** with DPS growing 5% per year

1 YoY in the food retail business

## Social

- **+29% of energy production** from renewable sources<sup>1</sup>
- **Decreased 1 800 ton of virgin plastic** used in 2018
- **11 M€ of community support** in 2018 (+12% YoY)
- **Employee support and flexible work options**



Who  
we are

*Cláudia Azevedo - CEO*

Our  
portfolio

*BU CEOs*

How we add  
value

*João Günther Amaral - CDO*

Track record of  
value creation

*João Dolores - CFO*

Closing remarks

*Cláudia Azevedo - CEO*



# CLÁUDIA AZEVEDO

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GROUP CEO

## CLOSING REMARKS



# We have a very solid starting point

Building  
Together CAPITAL  
MARKETS  
DAYS

- ✓ **A unique corporate culture** with a clear mission and a robust set of values
- ✓ **Strong track record** of operational and financial performance
- ✓ **A stable shareholder structure** which enables a long term view of economic and social value creation
- ✓ **Solid capital structure** with decreasing leverage levels and low cost of debt
- ✓ **Best practice corporate governance** including a diverse Board with independent directors
- ✓ **Attractive shareholder returns** with steadily growing dividends
- ✓ **A portfolio of businesses** with **leading market positions** and strong linkages
- ✓ **Social and environmental mindset** in our DNA





**But we want more. To ensure our long term sustainability, we need to be...**

**Building  
Together**  
CAPITAL  
MARKETS  
DAYS





## Why is it important?

Growth is what drives us as it creates opportunities for our people and ensures our sustainability

## Selected areas of focus (last 24 months)

### Growth avenues

#### Health & Wellness



#### Convenience



#### Technology

SONAEIM

#### e-commerce

Continente Online  
UM MUNDO DE VANTAGENS PARA SI.



#### Financial services

SONAEFS

Salsa

### International expansion





## Why is it important?

The ability to rapidly adapt to changing circumstances is critical in today's world. This implies **more digitally enabled businesses and quicker decision-making at all levels**

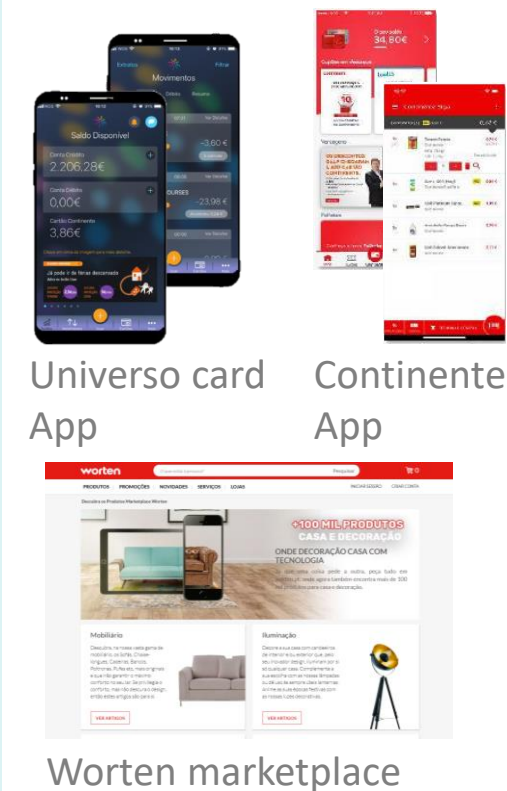
## Selected areas of focus (last 24 months)

### Active portfolio management



### Agility

#### Digital



#### Processes



Customer and digital-oriented transformation



Agile and fashion-oriented transformation





# Better

Building  
Together  
CAPITAL  
MARKETS  
DAYS

## Why is it important?

Our unwavering commitment to creating value for society at large is well embedded in our mission and we must strive to uphold a culture of performance with purpose

## Selected areas of focus





# All in all, we remain focused on achieving economic and social goals

Building  
Together CAPITAL  
MARKETS  
DAYS

NON-EXHAUSTIVE

## Economic



RoIC

**>10%**

From 8.8% in L12M 1H19



Holding LTV

**<15%**

From 14% in 1H19

## Social



Women in  
leadership

Employee NPS

Talent retention



New plastics  
economy global  
commitment

Paris Pledge for  
action





**It is clear to see what the future for Sonae will be: an unstoppable, insatiable and unshakable quest for success based on innovation and sustainable growth. A journey of reinventing today's success to shape tomorrow's world. A journey always rooted in the same corporate responsibility values. A journey always seeking to create a long living company.**

**Belmiro de Azevedo, 2014  
Sonae Management Report**



## SAFE HARBOUR

This document may contain forward-looking information and statements, based on management's current expectations or beliefs. Forward-looking statements are statements that should not be regarded as historical facts.

These forward-looking statements are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, including, but not limited to, changes in regulation, industry and economic conditions; and the effects of competition. Forward-looking statements may be identified by words such as "believes", "expects", "anticipates", "projects", "intends", "should", "seeks", "estimates", "future" or similar expressions.

Although these statements reflect our current expectations, which we believe are reasonable, investors and analysts, and generally all recipients of this document, are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. You are cautioned not to put undue reliance on any forward-looking information or statements. We do not undertake any obligation to update any forward-looking information or statements.