

**SONAE CAPITAL**

**EARNINGS  
ANNOUNCEMENT**

31 MARCH 2019



Sonae Capital 1Q19 information is subject to the application of IFRS 16 (using the modified retrospective approach). The IFRS 16 is the new financial reporting standard on accounting of leases, effective on 1 January 2019.

In order to allow for a reliable analysis of Sonae Capital year-on-year evolution, we present the Profit and Loss Statement for 2018 in a pro-forma (PF) logic, per quarter. Additionally, the Balance Sheet for December 2018 year-end is presented in accordance to the same logic.

The Chapter 7 includes additional information on this topic.

**SONAE CAPITAL**



## 1. CEO'S MESSAGE AND HIGHLIGHTS

---

*"The first quarter of 2019 brought different levels of accomplishment for Sonae Capital portfolio of businesses. In Energy and Fitness, both with a track record of value creation, where we have been consistently showing positive results, we kept on growing. In Energy, the contribution of the Renewables operation drove results significantly up when compared to last year. However, we are also pleased with the results reached by the Cogeneration operation, our reference technology. In Fitness, the growth we experienced in the Clubs we operate, along with the recent acquisition of additional four Clubs, that will be included in the premium low-cost segment - where we operate under the Pump brand -, puts us closer to the market leadership in Portugal. Although not reflected in 1Q19 results, in Hospitality and Refrigeration & HVAC, we remain committed to improve the profitability standards. In Industrial Engineering - Adira - the lower amount of orders that we experienced at the end of 2018 had the impact we were already anticipating, which is the result of the ongoing transformational plan. However, the foundations we have been creating with Clients and Agents, namely the recent developments in the Spanish and North American markets, give us positive expectations for the evolution of the activity in the medium-term.*

*In Real Estate, the asset monetisation plan continues to evolve according to plan. Given its size and intrinsic value, the sale of the assets included in the WTC Fund is one of the most relevant projects we are planning to achieve this year, as long as we ensure reasonable price conditions.*

*The net financial debt stood at 134.4 million euros at the end of March 2019, remaining adequate and, above all, being supported by increasingly favourable financing conditions, which, along with the liquidity generated by the sale of Real Estate Assets, will feed our growth ambitions.*

*I am convinced we have the right conditions for Sonae Capital to continue, over the next quarters, to successfully implement the corporate strategy, delivering results that demonstrate the value we are committed to create."*

Miguel Gil Mata

- Business Units EBITDA increasing by 7.0%, to 4.9M€, despite the nearly neutral turnover performance:
  - Energy showing material Turnover (+17.8%) and EBITDA (+9.2%) growth;
  - Fitness reporting average number of active members above 89 thousand, a growth of 7.5% when compared to 1Q18, fueled by Pump and Solinca chains.
- Real Estate Assets Unit fulfilling, with merit, the financing of the company's corporate strategy:
  - Troia Resort residential touristic units: 6 sales deeds, corresponding to 2.7M€, coupled with 18 PPSAs/Reserves totaling 9.8M€, and 2 sales deeds in the amount of 0.9M€;
  - Other Real Estate Assets: sales deeds in the amount of 4.2M€ and PPSAs of 28.5M€ at the date of this report.
- Net Financial Debt at 134.4M€ at the end of March 2019 (Net Debt at 195.6M€);
- Adequate Capital structure: Net Financial Debt / EBITDA at 2.8x and LTV of 23.6%;
- Business Units positive evolution trend supporting the increase of Continued Businesses Net Profit (Δ of 1.6M€), and the increase of Net Results (Δ of 3.6M€).

## 2. OVERALL PERFORMANCE

Consolidated Profit and Loss Statement				
Million euro	1Q 2019	1Q 2018 PF	Δ 19/18	1Q 2018
<b>Turnover</b>				
<b>Business Units</b>	<b>39.14</b>	<b>39.06</b>	<b>+0.2%</b>	<b>39.06</b>
Energy	14.02	11.90	+17.8%	11.90
Industrial Engineering	2.58	3.32	-22.4%	3.32
Fitness	10.02	8.94	+12.1%	8.94
Hospitality	3.02	2.86	+5.4%	2.86
Refrigeration & HVAC	7.96	10.79	-26.2%	10.79
Troia Resort - Operations	1.54	1.25	+22.6%	1.25
<b>Real Estate Assets</b>	<b>4.63</b>	<b>4.54</b>	<b>+1.9%</b>	<b>4.54</b>
Troia Resort	3.15	2.87	+9.9%	2.87
Other Real Estate Assets	1.47	1.67	-11.7%	1.67
Eliminations & Adjustments	-1.87	-1.29	-45.2%	-1.29
<b>Consolidated Turnover</b>	<b>41.90</b>	<b>42.32</b>	<b>-1.0%</b>	<b>42.32</b>
Other Operational Income	0.77	0.62	+22.9%	0.62
<b>Total Operational Income</b>	<b>42.66</b>	<b>42.94</b>	<b>-0.6%</b>	<b>42.94</b>
<b>EBITDA</b>				
<b>Business Units</b>	<b>4.91</b>	<b>4.60</b>	<b>+6.7%</b>	<b>1.99</b>
Energy	3.60	3.30	+9.2%	3.18
Industrial Engineering	-0.66	-0.22	<-100%	-0.22
Fitness	3.22	2.61	+23.6%	1.17
Hospitality	-0.86	-0.47	-80.9%	-1.45
Refrigeration & HVAC	-0.07	-0.03	<-100%	-0.07
Troia Resort - Operations	-0.33	-0.59	+43.6%	-0.63
<b>Real Estate Assets</b>	<b>0.83</b>	<b>0.59</b>	<b>+40.2%</b>	<b>0.55</b>
Troia Resort	0.03	-0.07	-	-0.07
Other Real Estate Assets	0.80	0.66	+21.8%	0.62
Eliminations & Adjustments	-1.82	-1.31	-39.7%	-0.47
<b>Consolidated EBITDA</b>	<b>3.91</b>	<b>3.88</b>	<b>+0.7%</b>	<b>2.08</b>
Amortizations & Depreciations	7.47	7.35	+1.7%	5.81
Provisions & Impairment Losses	-0.01	0.14	-	0.14
<b>Recurrent EBIT</b>				
<b>Business Units</b>	<b>-1.71</b>	<b>-1.80</b>	<b>+4.6%</b>	<b>-2.15</b>
Energy	1.29	0.85	+51.6%	0.84
Industrial Engineering	-0.88	-0.46	-92.7%	-0.45
Fitness	1.03	0.35	>100%	0.17
Hospitality	-2.10	-1.38	-52.4%	-1.55
Refrigeration & HVAC	-0.21	-0.09	<-100%	-0.09
Troia Resort - Operations	-0.84	-1.07	+21.4%	-1.07
<b>Real Estate Assets</b>	<b>-0.88</b>	<b>-1.14</b>	<b>+23.1%</b>	<b>-1.16</b>
Eliminations & Adjustments	-0.96	-0.67	-42.9%	-0.57
<b>Consolidated Recurrent EBIT</b>	<b>-3.55</b>	<b>-3.61</b>	<b>+1.6%</b>	<b>-3.88</b>
Non-recurrent costs/income (1)	0.02	0.68	-96.6%	0.68
<b>Consolidated EBIT</b>	<b>-3.57</b>	<b>-4.28</b>	<b>+16.6%</b>	<b>-4.55</b>
Net Financial Expenses	-2.06	-2.19	+5.8%	-1.11
Investment Income and Results from Assoc. Undertakings	0.47	0.20	>100%	0.20
<b>EBT</b>	<b>-5.17</b>	<b>-6.28</b>	<b>+17.7%</b>	<b>-5.46</b>
Taxes	-0.14	0.37	-	0.37
<b>Net Profit - Continued Businesses</b>	<b>-5.03</b>	<b>-6.65</b>	<b>+24.3%</b>	<b>-5.83</b>
<b>Net Profit - Discontinued Businesses</b>	<b>-0.04</b>	<b>-2.03</b>	<b>+98.2%</b>	<b>-2.03</b>
<b>Net Profit - Total</b>	<b>-5.07</b>	<b>-8.67</b>	<b>+41.6%</b>	<b>-7.86</b>
Attributable to Equity Holders of Sonae Capital	-5.27	-8.28	+36.4%	-7.47
Attributable to Non-Controlling Interests	0.20	-0.40	-	-0.40

(1) Non-recurrent items mainly related to restructuring costs and one-off income

## EARNINGS ANNOUNCEMENT

### 31 MARCH 2019

- The Business Units turnover reached 39.1M€, showing an increase of 0.2% when compared to 1Q18, backed by the performance of Energy, Fitness, Hospitality and Troia Operations. In the same period, the Real Estate Assets turnover increased by 1.9%, to 4.6M€.
- The Business Units EBITDA grew to 4.9M€ in 1Q19, 7.0% above 1Q18, showing an EBITDA margin of 12.5%. The Consolidated EBITDA increased 0.7%, to 3.9M€, generating a margin of 9.3%.
- Continued Businesses Net Profit increased by 1.6M€ when compared to 1Q18, totaling negative 5.0M€. This evolution benefited from:
  - (i) a Consolidated EBITDA increase of 0.7%;
  - (ii) a lower level of Non-Recurrent Costs; and,
  - (iii) a positive tax effect, resulting from deferred tax assets;
  - (iv) notwithstanding the Amortizations and Depreciations, which were slightly above last year, due to a larger number of contracts recognised under IFRS 16 (+0.24M€).
- Driven by the evolution of Net Profit (in continued and discontinued businesses), Consolidated Net Profit increased by 3.6M€ in 1Q19, and reached negative 5.1M€.

## 2.1 CAPITAL STRUCTURE

Capital Structure/Capex/Ratios				
Million euro	Mar 2019	Dec 2018 PF	Δ 19/18	Dec 2018
<b>Net Capital Employed</b>	<b>447.67</b>	<b>438.74</b>	<b>+2.0%</b>	<b>387.81</b>
Fixed Assets	385.14	379.91	+1.4%	328.98
o.w. Rights of Use (IFRS16)	50.03	50.93	-1.8%	0.00
Non-Current Investments (net)	15.33	15.17	+1.1%	15.17
Working Capital	47.20	43.66	+8.1%	43.66
Capex (end of period)	11.89	32.62	-63.6%	32.62
% Fixed Assets	8.9%	8.6%	+0.3 pp	9.9%
CAPEX (L12M) / Depreciations	2.09x	1.34x	0.75x	1.34x
<b>Net Debt</b>				
Financial Net Debt	134.44	119.78	+12.2%	119.78
Net Debt Total	195.60	181.67	+7.7%	119.78
% Net Capital Employed	43.7%	41.4%	+2.3 pp	30.9%
Debt to Equity	77.6%	70.7%	+6.9 pp	44.7%
<b>Capital Structure Ratios</b>				
Loan to Value (Real Estate Assets)	23.6%	21.1%	+2.5 pp	21.1%
Net Debt/EBITDA (recurrent without IFRS16)	2.77x	2.49x	+0.28x	2.49x
Net Debt/EBITDA (recurrent with IFRS16)	3.61x	3.49x	+0.12x	-

- Capex totaled 11.9M€ in 1Q19, mostly driven by the Energy business, namely on the back of the biomass-fuelled cogeneration project development (9.8M€);
- Net Debt stood at 195.6M€ at the end of March 2019. Net Financial Debt reached 134.4M€ in the same period, registering an increase of 14.7M€ when compared to the end of 2018, a typical seasonality effect on the first quarter of the year, nonetheless below the increase registered one year ago (in the amount of 15.9M€);
- We maintain an adequate capital structure when considering the Group's portfolio of businesses and Real Estate Assets held: Net Financial Debt to EBITDA of 2.8x and LTV of 3.6%, both slightly above the figures reported in 2018 year-end.

## 3. BUSINESS UNITS

### 3.1 ENERGY



Operational and Financial Information - Energy				
Million euro	1Q 2019	1Q 2018 PF	Δ 19/18	1Q 2018
<b>Total Operational Income</b>	<b>14.03</b>	<b>12.11</b>	<b>+15.8%</b>	<b>12.11</b>
<b>Turnover</b>	<b>14.02</b>	<b>11.90</b>	<b>+17.8%</b>	<b>11.90</b>
Other Operational Income	0.01	0.21	-95.7%	0.21
<b>Total Operational Costs</b>	<b>10.43</b>	<b>8.82</b>	<b>+18.3%</b>	<b>8.93</b>
Cost of Goods Sold	7.76	6.23	+24.6%	6.23
External Supplies and Services	1.54	1.40	+9.6%	1.52
Staff Costs	0.86	0.77	+12.5%	0.77
Other Operational Expenses	0.27	0.42	-35.7%	0.42
<b>EBITDA</b>	<b>3.60</b>	<b>3.30</b>	<b>+9.2%</b>	<b>3.18</b>
<i>EBITDA Margin (% Turnover)</i>	25.7%	27.7%	-2.0 pp	26.7%
Depreciations IFRS16	0.12	0.10	+15.0%	0.00
Amortizations & Depreciations	2.20	2.35	-6.3%	2.35
Provisions & Impairment Losses	0.00	0.00	-	0.00
<b>Recurrent EBIT</b>	<b>1.29</b>	<b>0.85</b>	<b>+51.6%</b>	<b>0.84</b>
<i>Recurrent EBIT Margin (% Turnover)</i>	9.2%	7.1%	+2.0 pp	7.0%
<b>Capex</b>	<b>10.36</b>	<b>5.58</b>	<b>+85.7%</b>	<b>5.58</b>
<b>EBITDA-Capex</b>	<b>-6.76</b>	<b>-2.28</b>	<b>&lt;-100%</b>	<b>-2.40</b>
<b>Total Capacity (MW)</b>	<b>77.7</b>	<b>76.5</b>	<b>+1.6%</b>	<b>76.5</b>
Owned & Operated	63.9	62.3	-	62.3
Operated (not consolidated)	3.2	3.2	-	3.2
Projects in progress (MW)	10.6	11.0	-	11.0

- Energy turnover reached 14,0M€ in 1Q19, growing by 17.8% when compared to 1Q18. This evolution benefited from the Renewables operation, driven by the increased availability of the solar resource in all projects in operation, and also by the Cogeneration operation, which had a positive evolution both in volume and price.
- The EBITDA reached 3.6M€, performing a y.o.y. growth of 9.2%. The EBITDA margin reached 25.7%, 2.0pp below the 1Q18.
- Recurrent EBIT increased by 51.6%, to 1.3M€, registering a performance aligned with the EBITDA evolution, as Depreciations and Amortizations remained almost stable between the two periods in analysis.
- The CAPEX amounted to 10.4M€, almost entirely driven by the ongoing development in the biomass-fuelled cogeneration plant, which stood at 9.8M€ in 1Q19, and is progressing as planned. This project, which will start operating in 2020, will ensure a material and stable flow of cash throughout 25 years (the feed-in tariff period) and is currently CapWatt's most significant project in terms of investment.
- Presently, almost all the projects of this segment operate in the regulated market. The first project to be carried over the free market corresponds to 10MW (solar energy), which should take place in 2H21.
- To date, CapWatt has projects under development with a capacity of 10.6MW, 10MW regarding the biomass-fired cogeneration plant and 0.6MW in Renewables, namely in photovoltaic self-consumption units.

## 3.2 INDUSTRIAL ENGINEERING



Operational and Financial Information - Industrial Engineering				
Million euro	1Q 2019	1Q 2018 PF	Δ 19/18	1Q 2018
<b>Total Operational Income</b>	<b>2.77</b>	<b>3.45</b>	<b>-19.8%</b>	<b>3.45</b>
<b>Turnover</b>	<b>2.58</b>	<b>3.32</b>	<b>-22.4%</b>	<b>3.32</b>
Other Operational Income	0.19	0.12	+51.0%	0.12
<b>Total Operational Costs</b>	<b>3.43</b>	<b>3.66</b>	<b>-6.5%</b>	<b>3.67</b>
Cost of Goods Sold	1.65	2.19	-25.0%	2.19
External Supplies and Services	0.55	0.37	+49.4%	0.37
Staff Costs	1.00	0.95	+4.7%	0.95
Other Operational Expenses	0.23	0.15	+57.0%	0.15
<b>EBITDA</b>	<b>-0.66</b>	<b>-0.22</b>	<b>&lt;-100%</b>	<b>-0.22</b>
EBITDA Margin (% Turnover)	-25.7%	-6.5%	-19.1 pp	-6.6%
Depreciations IFRS16	0.01	0.01	+4.5%	0.00
Amortizations & Depreciations	0.20	0.23	-10.4%	0.23
Provisions & Impairment Losses	0.00	0.00	-	0.00
<b>Recurrent EBIT</b>	<b>-0.88</b>	<b>-0.46</b>	<b>-92.7%</b>	<b>-0.45</b>
Recurrent EBIT Margin (% Turnover)	-34.0%	-13.7%	-20.3 pp	-13.5%
<b>Capex</b>	<b>0.21</b>	<b>0.25</b>	<b>-14.3%</b>	<b>0.25</b>
<b>EBITDA-Capex</b>	<b>-0.87</b>	<b>-0.46</b>	<b>-88.8%</b>	<b>-0.46</b>

- The Industrial Engineering segment includes Adira, acquired in July 2017. The 1Q19 results reflect the ongoing restructuring process, which started in 2018, largely based on a new commercial approach, after-sales and customer satisfaction areas.
- In 1Q19, due to a level of orders below the company's potential, particularly in 4Q18 (that we expected to recover), Adira registered a Turnover of 2.6M€ and a negative EBITDA of 0.7M€.
- Throughout 1Q19, Adira has consistently improved a group of operating KPIs such as the *on time delivery* and the *lead time*. At the same time, some actions were taken in order to directly promote the Adira brand in Spain, a market with an enormous potential that has already represented a significant part of the company's sales and that we are keen to regain. Additionally, it should be noted that Adira has recently signed a contract with Mitsubishi for the supply of bending and cutting machines for the United States of America, Canada and Mexico, which, at cruising speed, will guarantee a significant increase in the number of machines produced.

## 3.3 FITNESS



Operational and Financial Information - Fitness				
Million euro	1Q 2019	1Q 2018 PF	Δ 19/18	1Q 2018
<b>Total Operational Income</b>	<b>10.09</b>	<b>8.99</b>	<b>+12.2%</b>	<b>8.99</b>
<b>Turnover</b>	<b>10.02</b>	<b>8.94</b>	<b>+12.1%</b>	<b>8.94</b>
Other Operational Income	0.07	0.05	+25.8%	0.05
<b>Total Operational Costs</b>	<b>6.87</b>	<b>6.39</b>	<b>+7.6%</b>	<b>7.82</b>
Cost of Goods Sold	0.05	0.06	-13.5%	0.06
External Supplies and Services	3.28	3.17	+3.2%	4.61
Staff Costs	3.02	2.72	+11.1%	2.72
Other Operational Expenses	0.53	0.44	+20.0%	0.44
<b>EBITDA</b>	<b>3.22</b>	<b>2.61</b>	<b>+23.6%</b>	<b>1.17</b>
EBITDA Margin (% Turnover)	32.1%	29.2%	+3.0 pp	13.1%
Depreciations IFRS16	1.37	1.26	+9.2%	0.00
Amortizations & Depreciations	0.82	0.74	+10.9%	0.74
Provisions & Impairment Losses	0.00	0.26	-	0.26
<b>Recurrent EBIT</b>	<b>1.03</b>	<b>0.35</b>	<b>&gt;100%</b>	<b>0.17</b>
Recurrent EBIT Margin (% Turnover)	10.3%	3.9%	+6.4 pp	1.9%
<b>Capex</b>	<b>0.10</b>	<b>9.58</b>	<b>-99.0%</b>	<b>9.58</b>
<b>EBITDA-Capex</b>	<b>3.12</b>	<b>-6.97</b>	<b>-</b>	<b>-8.40</b>
<b># Average number of active members</b>	<b>89 113</b>	<b>82 891</b>	<b>7.5%</b>	<b>82 891</b>
<b># Clubs in Operation</b>	<b>30</b>	<b>28</b>	<b>+2</b>	<b>28</b>

## EARNINGS ANNOUNCEMENT

### 31 MARCH 2019

- During 1Q19, the Fitness segment continued its growth strategy. The average number of active members reached 89,113, driven by both Solinca chain and Pump chain, showing an increase of 7.5% when compared to 1Q18.
- At the end of 1Q19, the total number of Clubs stood at 30, further increasing to 35 Clubs as of the date of this report. This includes the opening of the Pump Club in Seixal, on 9 May 2019, as well as the agreement for the acquisition of 4 Urban Fit Clubs, which took place on 15 May 2019 (and is expected to become effective in June 2019). After the completion of the Urban Fit Chain rebranding, for Pump, the Fitness segment will include 20 Solinca Clubs (Value for Money segment), 14 Pump Clubs (Premium Low Cost segment) and 1 Club ONE (Premium segment). In order to comply with a multi-segment strategy, we intend to continue the expansion plan in progress in the coming years, increasing the number of Clubs in each segment.
- The EBITDA stood at 3.2M€, which compares with 2.6M€ in 1Q18, representing a growth of 23.6%. The EBITDA margin totaled 32.1%, 3.0pp above the same period of 2018, giving evidence of the growing maturity of the universe of Clubs.
- The Recurrent EBIT stood at 1.0M€, versus 0.4M€ in 1Q18, an improvement of about 3 times. The Recurrent EBIT margin reached 10.3%, 6.4pp above 1Q18.

## 3.4 HOSPITALITY



Operational and Financial Information - Hospitality				
Million euro	1Q 2019	1Q 2018 PF	Δ 19/18	1Q 2018
<b>Total Operational Income</b>	<b>3.11</b>	<b>2.98</b>	<b>+4.2%</b>	<b>2.98</b>
<b>Turnover</b>	<b>3.02</b>	<b>2.86</b>	<b>+5.4%</b>	<b>2.86</b>
Other Operational Income	0.09	0.12	-24.6%	0.12
<b>Total Operational Costs</b>	<b>3.97</b>	<b>3.46</b>	<b>+14.7%</b>	<b>4.43</b>
Cost of Goods Sold	0.42	0.50	-16.1%	0.50
External Supplies and Services	1.65	1.39	+18.3%	2.37
Staff Costs	1.65	1.39	+19.2%	1.39
Other Operational Expenses	0.24	0.17	+38.5%	0.17
<b>EBITDA</b>	<b>-0.86</b>	<b>-0.47</b>	<b>-80.9%</b>	<b>-1.45</b>
EBITDA Margin (% Turnover)	-28.4%	-16.5%	-11.9 pp	-50.6%
Depreciations IFRS16	1.08	0.80	+34.6%	0.00
Amortizations & Depreciations	0.16	0.10	+61.2%	0.10
Provisions & Impairment Losses	0.00	0.00	-	0.00
<b>Recurrent EBIT</b>	<b>-2.10</b>	<b>-1.38</b>	<b>-52.4%</b>	<b>-1.55</b>
Recurrent EBIT Margin (% Turnover)	-69.7%	-48.1%	-21.5 pp	-54.1%
<b>Capex</b>	<b>0.11</b>	<b>0.22</b>	<b>-50.0%</b>	<b>0.22</b>
<b>EBITDA-Capex</b>	<b>-0.97</b>	<b>-0.69</b>	<b>-39.4%</b>	<b>-1.67</b>
<b># Units</b>	<b>6</b>	<b>5</b>	<b>+1</b>	<b>5</b>

- Since 1 January 2019, the Hospitality business includes the contribution of the Aqualuz Lagos operation. In 1Q19, Aqualuz Lagos operation registered a turnover of 153 thousand euros and a negative EBITDA of 263 thousand euros, which reflects the natural seasonality of the business, particularly in this geography.
- In 1Q19, the consolidated RevPar decreased by 16.6% when compared to 1Q18. This evolution is justified on the one hand by the existence of a significant contract a year ago that benefited Porto Palácio Hotel performance in 1Q18 and, on the other hand, by the positive effect of Easter in 1Q18 in Aqualuz Tróia and Aqualuz Lagos.
- Excluding the impact of Aqualuz Lagos operation, Turnover would remain in line with the value registered in 1Q18. As for the EBITDA, it would decrease by 22.5%, to negative 0.6M€, a trend that we expect to revert in the coming quarters.
- The CAPEX reached 0.1M€ in 1Q19 due to the refurbishment of the Porto Palácio Hotel, as well as the starting of the Santa Apolónia Railway Station project, in Lisbon.



### 3.5 REFRIGERATION & HVAC



Operational and Financial Information - Refrigeration & HVAC				
Million euro	1Q 2019	1Q 2018 PF	Δ 19/18	1Q 2018
<b>Total Operational Income</b>	<b>8.00</b>	<b>10.81</b>	<b>-26.0%</b>	<b>10.81</b>
<b>Turnover</b>	<b>7.96</b>	<b>10.79</b>	<b>-26.2%</b>	<b>10.79</b>
Other Operational Income	0.04	0.02	+62.0%	0.02
<b>Total Operational Costs</b>	<b>8.07</b>	<b>10.84</b>	<b>-25.6%</b>	<b>10.88</b>
Cost of Goods Sold	3.40	5.17	-34.2%	5.17
External Supplies and Services	2.32	3.43	-32.2%	3.47
Staff Costs	2.20	2.10	+4.7%	2.10
Other Operational Expenses	0.14	0.13	+4.5%	0.13
<b>EBITDA</b>	<b>-0.07</b>	<b>-0.03</b>	<b>&lt;-100%</b>	<b>-0.07</b>
EBITDA Margin (% Turnover)	-0.8%	-0.2%	-0.6 pp	-0.7%
Depreciations IFRS16	0.13	0.05	>100%	0.00
Amortizations & Depreciations	0.02	0.01	+14.0%	0.01
Provisions & Impairment Losses	0.00	0.00	-	0.00
<b>Recurrent EBIT</b>	<b>-0.21</b>	<b>-0.09</b>	<b>&lt;-100%</b>	<b>-0.09</b>
Recurrent EBIT Margin (% Turnover)	-2.6%	-0.8%	-1.8 pp	-0.8%
<b>Capex</b>	<b>0.07</b>	<b>0.10</b>	<b>-30.0%</b>	<b>0.10</b>
<b>EBITDA-Capex</b>	<b>-0.14</b>	<b>-0.13</b>	<b>-7.8%</b>	<b>-0.17</b>
<b>Orders backlog</b>	<b>18.2</b>	<b>19.2</b>	<b>-5.2%</b>	<b>19.2</b>

- Turnover totaled 8.0M€ in 1Q19, 26.2% below 1Q18. This was driven by a delay in a group of Refrigeration projects, as well as by a reduction in HVAC activity, an outcome of our strategy for the business, which focuses on projects of greater value and complexity, where our contribution is better perceived.
- The EBITDA stood at negative 66 thousand euros, which compares with negative 26 thousand euros in 1Q18. This is the result of the turnover evolution, notwithstanding our greater focus on Refrigeration, and an improvement in HVAC, related to our strategy of focusing in more profitable projects.
- It should be noted that Refrigeration & HVAC orders backlog reached 18.2M€ at the end of March 2019, representing roughly 4.6 months of turnover.
- The Recurrent EBIT reached negative 0.2M€, which compares with negative 0.1M€ in 1Q18.

### 3.6 TROIA RESORT - OPERATIONS

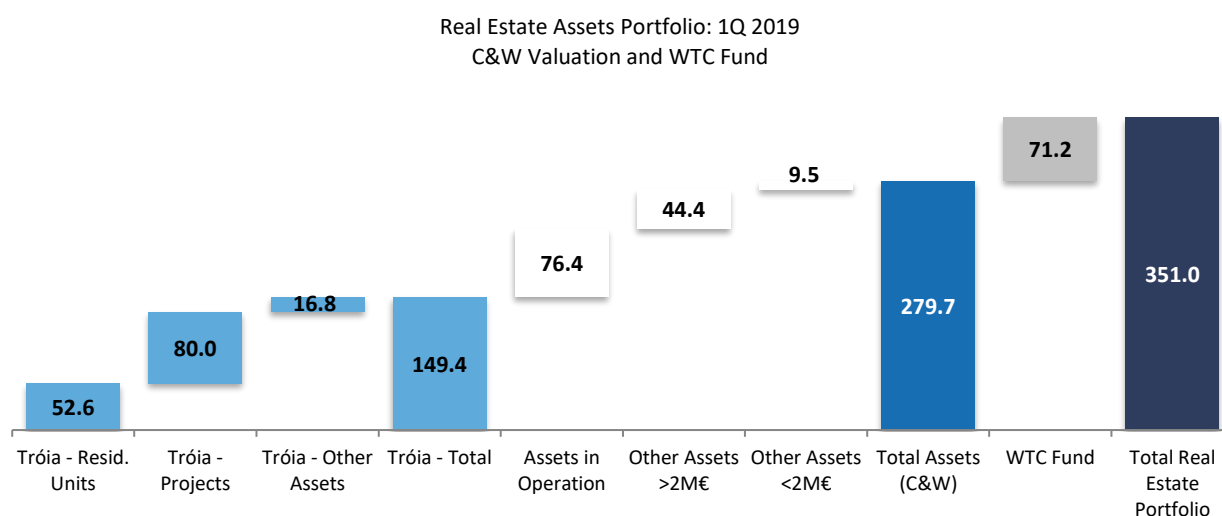


Operational and Financial Information - Troia Resort Operations				
Million euro	1Q 2019	1Q 2018 PF	Δ 19/18	1Q 2018
<b>Total Operational Income</b>	<b>1.70</b>	<b>1.36</b>	<b>+25.0%</b>	<b>1.36</b>
<b>Turnover</b>	<b>1.54</b>	<b>1.25</b>	<b>+22.6%</b>	<b>1.25</b>
Other Operational Income	0.17	0.11	+53.3%	0.11
<b>Total Operational Costs</b>	<b>2.03</b>	<b>1.95</b>	<b>+4.2%</b>	<b>1.99</b>
Cost of Goods Sold	0.09	0.08	+18.1%	0.08
External Supplies and Services	0.98	0.95	+2.9%	0.99
Staff Costs	0.80	0.75	+6.1%	0.75
Other Operational Expenses	0.17	0.17	-2.3%	0.17
<b>EBITDA</b>	<b>-0.33</b>	<b>-0.59</b>	<b>+43.6%</b>	<b>-0.63</b>
EBITDA Margin (% Turnover)	-21.7%	-47.1%	+25.4 pp	-50.5%
Depreciations IFRS16	0.05	0.04	+3.3%	0.00
Amortizations & Depreciations	0.46	0.45	+3.6%	0.45
Provisions & Impairment Losses	0.00	-0.01	-	-0.01
<b>Recurrent EBIT</b>	<b>-0.84</b>	<b>-1.07</b>	<b>+21.4%</b>	<b>-1.07</b>
Recurrent EBIT Margin (% Turnover)	-54.9%	-85.6%	+30.7 pp	-85.5%
<b>Capex</b>	<b>0.09</b>	<b>0.04</b>	<b>&gt;100%</b>	<b>0.04</b>
<b>EBITDA-Capex</b>	<b>-0.42</b>	<b>-0.63</b>	<b>+32.9%</b>	<b>-0.67</b>

- The operations in Troia Resort includes Atlantic Ferries river transportation and operations such as Tróia Marina, Tróia Market and the Golf course.
- Turnover generated by the operations in Troia Resort reached 1.5M€ in 1Q19, 22.6% above 1Q18. The EBITDA stood at negative 0.3M€, showing an increase of 43.6% versus 1Q18. The performance of Atlantic Ferries, which registered a larger number of travellers and traffic of vehicles, was one of the major drivers of this performance.
- The CAPEX stood at reduced levels, totaling 0.1M€ in 1Q19.

## 4. REAL ESTATE ASSETS

In 31 March 2019, Sonae Capital real estate portfolio amounted to 351.0M€, including the real estate assets valued by Cushman & Wakefield (C&W), in the amount of 279.7M€, and the WTC Fund, with a market value of 71.2M€. On the same date, the capital employed in this group of real estate assets, excluding touristic residential units in Tróia and the WTC Fund, stood at 148.1M.



### 4.1 TROIA RESORT



This segment includes, in the Peninsula of Tróia, developed touristic residential units for sale, as well as plots for construction. Out of 546 touristic residential units developed, we had 76 units available for sale at the date of this report (already excluding Reserves and PPSAs).

The turnover reached 3.2M€ in 1Q19, showing an increase of 9.9% y.o.y., on the back of the following contributions:

- 6 sales deeds, corresponding to 2.7M€, which compares with 6 sales deeds in the amount of 2.4M€ in 1Q18. Out of the 6 sales deeds, 5 were made under the guaranteed income product.
- Rents related to the assets in operation (Hotels, Tróia Shopping, Car parking lots, Touristic Units in operation), for 0.5M€, in line with the previous year.

Already in 2Q19 and up to the date of this report, we signed 2 additional sales deeds (in the amount of 0.9M€) and there are still in stock 18 promissory purchase and sale agreements and reserves totalling 9.8M€. It should be noted that the PPSA of UNOP 3, for 20M€, which was signed in 2Q18, is not yet reflected in the results. We expect the sales deed to take place up to the end of 2019.

## 4.2 OTHER ASSETS

---

The other real estate assets unit registered a turnover of 1.5M€ in 1Q19. This includes the rents coming from assets under management, as well as sales deeds of 123 thousand euros.

Already in 2Q19 and up to the date of this report, the amount of sales deeds totalled 4.2M€ (including the “Crotália Project”). Additionally, there is still a group of promissory purchase and sale agreements and reserves for 8.5M€, which included The “Metropolis Building” (6.3M€) and the “Santarém Allotment” (1.5M€).

## 5. BALANCE SHEET

Consolidated Balance Sheet				
Million euro	Mar 2019	Dec 2018 PF	Δ 19/18	Dec 2018
<b>Total Assets</b>	<b>552.93</b>	<b>552.86</b>	<b>+0.0%</b>	<b>501.93</b>
Tangible and Intangible Assets	333.12	327.89	+1.6%	276.96
o.w. Rights of Use (IFRS16)	50.03	50.93	-1.8%	0.00
Goodwill	52.02	52.02	+0.0%	52.02
Non-Current Investments	2.17	2.29	-5.5%	2.29
Other Non-Current Assets	35.17	35.20	-0.1%	35.20
Stocks	60.97	63.26	-3.6%	63.26
Trade Debtors and Other Current Assets	60.79	63.96	-5.0%	63.96
Cash and Cash Equivalents	7.23	7.56	-4.4%	7.56
Assets held for sale	1.45	0.67	>100%	0.67
<b>Total Equity</b>	<b>252.07</b>	<b>257.06</b>	<b>-1.9%</b>	<b>268.03</b>
Total Equity attributable to Equity Holders of Sonae Capital	241.87	247.62	-2.3%	258.59
Total Equity attributable to Non-Controlling Interests	10.21	9.44	+8.1%	9.44
<b>Total Liabilities</b>	<b>300.85</b>	<b>295.79</b>	<b>+1.7%</b>	<b>233.90</b>
<b>Non-Current Liabilities</b>	<b>128.62</b>	<b>127.20</b>	<b>+1.1%</b>	<b>76.80</b>
Non-Current Borrowings	61.92	59.43	+4.2%	59.43
Non-Current Borrowings - IFRS16	49.55	50.39		0.00
Deferred Tax Liabilities	12.90	12.98	-0.6%	12.98
Other Non-Current Liabilities	4.25	4.39	-3.2%	4.39
<b>Current Liabilities</b>	<b>172.23</b>	<b>168.60</b>	<b>+2.2%</b>	<b>157.10</b>
Current Borrowings	79.74	67.91	+17.4%	67.91
Current Borrowings - IFRS16	11.62	11.50		0.00
Trade Creditors and Other Current Liabilities	74.56	83.57	-10.8%	83.57
Liabilities associated to assets held for sale	6.31	5.62	+12.3%	5.62
<b>Total Equity and Liabilities</b>	<b>552.93</b>	<b>552.86</b>	<b>+0.0%</b>	<b>501.93</b>

## 6. CORPORATE INFORMATION

---

### 6.1 CORPORATE INFORMATION IN 1Q19

---

On 21 January 2019, Sonae Capital informed that, in the context of a tender launched by IP Património – Administração e Gestão Imobiliária, S.A., its subsidiary The House Ribeira Hotel – Exploração Hoteleira, S.A. was awarded with the sub-concession for the creation and operation of a Hotel Unit in Santa Apolónia Railway Station Building, in Lisbon. The sub-concession will have a duration of thirty-five years, with an exception from rent payment for the first two years. The opening of the unit is scheduled for the first half of 2021.

On 6 February 2019, Sonae Capital informed that, following Efanor's intention to sell, it has acquired for 1 euro the operation of "Aqualuz Suite Hotel Lagos". Up to the date of the transaction, the "Aqualuz Suite Hotel Lagos" Hotel operation was fully owned by Aqualuz – Turismo e Lazer, Lda (a subsidiary from Efanor Investimentos, SGPS, S.A.). This transaction had effect from January 1st 2019.

### 6.2 SUBSEQUENT EVENTS

---

On 8 April 8, 2019, Sonae Capital informed about the qualifying holding of FundPartner Solutions, representing 5.6% of its share capital.

On 22 April 2019, Sonae Capital completed the sales deed of Crotália Project, in the amount of 4.0 million euros, generating a margin of 2.9M€.

On 29 April, 2019, on Sonae Capital Annual General Shareholders meeting, the Shareholders approved all the Proposals included in the Agenda, including, in particular, the increase in the number of members of the Board of Directors for the current mandate, from seven to nine members, including Mrs. Isabel Maria Pereira Aníbal Vaz and Mr. Pedro Manuel Martins Bruno. On the same day, the Board of Directors decided to elect Mr. Pedro Manuel Martins Bruno for the Executive Committee of Sonae Capital.

On 6 May, 2019, Sonae Capital disclosed that the Dividends related to Sonae Capital 2018 Results will be made available to Shareholders on 27 May 2019. The Proposal for the Application of Results, which was approved at the Shareholders Annual General Meeting, includes the distribution of a gross dividend amounting to 0.0740 euros per share.

On 15 May, 2019, as part of the strategy to increase the number of Clubs in the Fitness business, Sonae Capital reached an agreement to acquire the Urban Fit chain, with 4 Clubs in the metropolitan area of Porto: Vila Nova de Gaia, Maia, Porto (Foz) and Ermesinde. The precedent conditions are expected to be completed up to the end of this month, and the further integration in the Pump chain (which includes the rebranding), should take place in June 2019.

## 7. IFRS 16 AND QUARTERLY PERFORMANCE IN 2018

Sonae Capital 1Q19 information is subject to the application of IFRS 16 (using the modified retrospective approach). The IFRS 16 is the new financial reporting standard on accounting of leases, effective from 1 January 2019.

In order to allow for a reliable analysis of Sonae Capital year-on-year evolution, we present the Profit and Loss Statement for 2018 in a pro-forma (PF) logic, per quarter. Additionally, the Balance Sheet of December 2018 year-end is presented in accordance to the same logic. Even though the restatement of accounts is not mandatory when the modified retrospective approach is adopted, we considered that the disclosure of the year 2018 on a quarterly basis in a pro-forma logic seems necessary, particularly given the relevance of IFRS 16 in Sonae Capital Hospitality and Fitness businesses.

Seeking to align the presentation of leased assets more closely to owned assets, the IFRS 16 aims to establish a more uniform accounting approach, increasing the comparability between different financing options while providing a more realistic view of the medium-long-term commitments assumed in leasing contracts such as operating leases, rental of equipment and lease agreements.

The major impacts of IFRS 16 in Sonae Capital Consolidated 2018 Results are summarised on the following table:

Profit and Loss Statement (M€) (Difference over the figures reported)	1Q18	2Q18	3Q18	4Q18	2018
Turnover	-	-	-	-	-
EBITDA	1.80	2.00	2.16	2.05	8.03
D&A	1.54	1.57	1.67	1.75	6.53
EBIT	0.27	0.43	0.49	0.30	1.50
Net Financial Results	-1.08	-1.08	-1.10	-1.10	-4.36
EBT	-0.82	-0.65	-0.61	-0.80	-2.86
Net Income	-0.82	-0.65	-0.61	-0.80	-2.86

Balance sheet (M€)	2018
Tangible and Intangible Assets	50.9
Shareholder's Equity	-11.0
Liabilities / Debt	61.5

**EARNINGS ANNOUNCEMENT**  
31 MARCH 2019

Consolidated Profit and Loss Account				
Million euro	1Q 2018 PF	2Q 2018 PF	3Q 2018 PF	4Q 2018 PF
<b>Turnover</b>				
<b>Business Units</b>	<b>39.06</b>	<b>45.68</b>	<b>51.90</b>	<b>46.88</b>
Energy	11.90	13.64	14.17	12.84
Industrial Engineering	3.32	3.03	2.50	3.06
Fitness	8.94	8.80	8.57	9.81
Hospitality	2.86	6.39	10.66	3.93
Refrigeration & HVAC	10.79	11.27	10.03	15.61
Troia Resort - Operations	1.25	2.55	5.98	1.63
<b>Real Estate Assets</b>	<b>4.54</b>	<b>3.73</b>	<b>7.86</b>	<b>3.69</b>
Troia Resort	2.87	3.72	7.86	4.09
Other Real Estate Assets	1.67	0.01	0.00	-0.41
Eliminations & Adjustments	-1.29	0.83	-1.63	34.14
<b>Consolidated Turnover</b>	<b>42.32</b>	<b>50.23</b>	<b>58.13</b>	<b>84.71</b>
Other Operational Income	0.62	1.18	0.60	2.60
<b>Total Operational Income</b>	<b>42.94</b>	<b>51.41</b>	<b>58.74</b>	<b>87.31</b>
<b>EBITDA</b>				
<b>Business Units</b>	<b>4.60</b>	<b>8.27</b>	<b>12.77</b>	<b>6.77</b>
Energy	3.30	4.03	4.27	4.03
Industrial Engineering	-0.22	-0.26	-0.36	-0.96
Fitness	2.61	2.97	2.56	2.80
Hospitality	-0.47	1.54	3.47	-0.25
Refrigeration & HVAC	-0.03	0.21	0.49	1.79
Troia Resort - Operations	-0.59	-0.23	2.35	-0.64
<b>Real Estate Assets</b>	<b>0.59</b>	<b>-0.91</b>	<b>2.47</b>	<b>-0.74</b>
Troia Resort	-0.07	-0.91	2.45	-0.90
Other Real Estate Assets	0.66	0.00	0.02	0.17
Eliminations & Adjustments	-1.31	-0.73	-0.43	3.32
<b>Consolidated EBITDA</b>	<b>3.88</b>	<b>6.63</b>	<b>14.82</b>	<b>9.36</b>
Amortizations & Depreciations	7.35	7.22	8.13	8.21
Provisions & Impairment Losses	0.14	-0.05	-0.02	-2.16
<b>Recurrent EBIT</b>				
<b>Business Units</b>	<b>-1.80</b>	<b>2.18</b>	<b>5.90</b>	<b>-0.60</b>
Energy	0.85	1.73	1.25	1.03
Industrial Engineering	-0.46	-0.50	-0.62	-1.55
Fitness	0.35	0.96	0.40	0.58
Hospitality	-1.38	0.63	2.55	-1.19
Refrigeration & HVAC	-0.09	0.14	0.38	1.65
Troia Resort - Operations	-1.07	-0.77	1.95	-1.11
<b>Real Estate Assets</b>	<b>-1.14</b>	<b>-1.77</b>	<b>0.99</b>	<b>-1.65</b>
Eliminations & Adjustments	-0.67	-0.94	-0.18	5.56
<b>Consolidated Recurrent EBIT</b>	<b>-3.61</b>	<b>-0.53</b>	<b>6.71</b>	<b>3.31</b>
Non-recurrent costs/income (1)	0.68	0.04	0.05	-0.59
<b>Consolidated EBIT</b>	<b>-4.28</b>	<b>-0.58</b>	<b>6.66</b>	<b>3.90</b>
Net Financial Expenses	-2.19	-1.97	-2.12	-1.90
Investment Income and Results from Assoc. Undertakings	0.20	0.02	0.08	0.43
<b>EBT</b>	<b>-6.28</b>	<b>-2.53</b>	<b>4.61</b>	<b>2.42</b>
Taxes	0.37	0.29	0.37	-0.23
<b>Net Profit - Continued Businesses</b>	<b>-6.65</b>	<b>-2.81</b>	<b>4.24</b>	<b>2.65</b>
<b>Net Profit - Discontinued Businesses</b>	<b>-2.03</b>	<b>-0.02</b>	<b>-1.21</b>	<b>-0.21</b>
<b>Net Profit - Total</b>	<b>-8.67</b>	<b>-2.84</b>	<b>3.03</b>	<b>2.44</b>
Attributable to Equity Holders of Sonae Capital	-8.28	-3.09	3.01	1.73
Attributable to Non-Controlling Interests	-0.40	0.27	0.01	0.71

(1) Non-recurrent items mainly related to restructuring costs and one-off income

## 8. METHODOLOGICAL NOTES

---

The quarterly consolidated financial information presented in this report is not audited and has been prepared in accordance with the International Financial Reporting Standards ("IAS / IFRS"), issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union.

With the aim of continuing to provide the best financial information not only at the Consolidated level, but also, at each Business Unit level and aligning with the best market practices, the international operations (Mozambique and Brazil) of the Refrigeration & HVAC segment are considered as assets held for sale and therefore their contribution to the consolidated results is recognized as discontinued operations.

## GLOSSARY

---

CAPEX	Investment in Tangible and Intangible Assets
EBITDA	Operational Profit (EBIT) + Amortization and Depreciation + Provisions and Impairment Losses + Impairment Losses of Real Estate Assets in Stocks (included in Costs of Goods Sold) – Reversal of Impairment Losses and Provisions (including in Other Operation Income)
EBITDAR	EBITDA + Building Rents
Gearing: Debt to Equity	Net Debt / Equity
HVAC	Heating, Ventilation and Air Conditioning
Loan to Value	Net Debt of real estate assets / Real estate assets Valuation
Net Debt	Net Debt + IFRS 16 Impact
Net Financial Debt	Non-Current Loans + Current Loans – Cash and Cash Equivalents – Current Investments
Operational Cash Flow	EBITDA - Capex
PPSA	Promissory Purchase and Sale Agreement
RevPar	Revenue Per Available Room



## CONTACTS

---

**Anabela Nogueira de Matos**

Representative for Market Relations

E-mail: [anm@sonaecapital.pt](mailto:anm@sonaecapital.pt)

Tel.: +351 22 012 9528

Fax: +351 22 010 7900

**Nuno Parreiro**

Investor Relations Officer

E-mail: [ir@sonaecapital.pt](mailto:ir@sonaecapital.pt)

Tel.: +351 22 010 7903

Fax: +351 22 010 7935

**Sonae Capital, SGPS, SA**

Lugar do Espido, Via Norte

Apartado 3053

4471 – 907 Maia

Portugal

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

SONAE CAPITAL

