



INVESTOR PRESENTATION



IMPROVING LIFE

July 2019

Who we are

A long-living and listed company with a majority shareholder

Our Mission

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

1. A **strong corporate culture** with a clear mission and a robust set of values
2. A portfolio of businesses with **leading market positions** and strong linkages
3. A **stable shareholder structure** which enables a long term view of economic and social value creation
4. **Best practice corporate governance** including a diverse Board with independent directors
5. **Strong track record** of operational and financial performance
6. **Solid capital structure** and operating cash flow
7. Steadily **growing shareholder remuneration**

Our values



Trust and Integrity



People at the centre
of our Success



Ambition



Innovation



Corporate
responsibility



Frugality and
Efficiency



Cooperation and
Independence

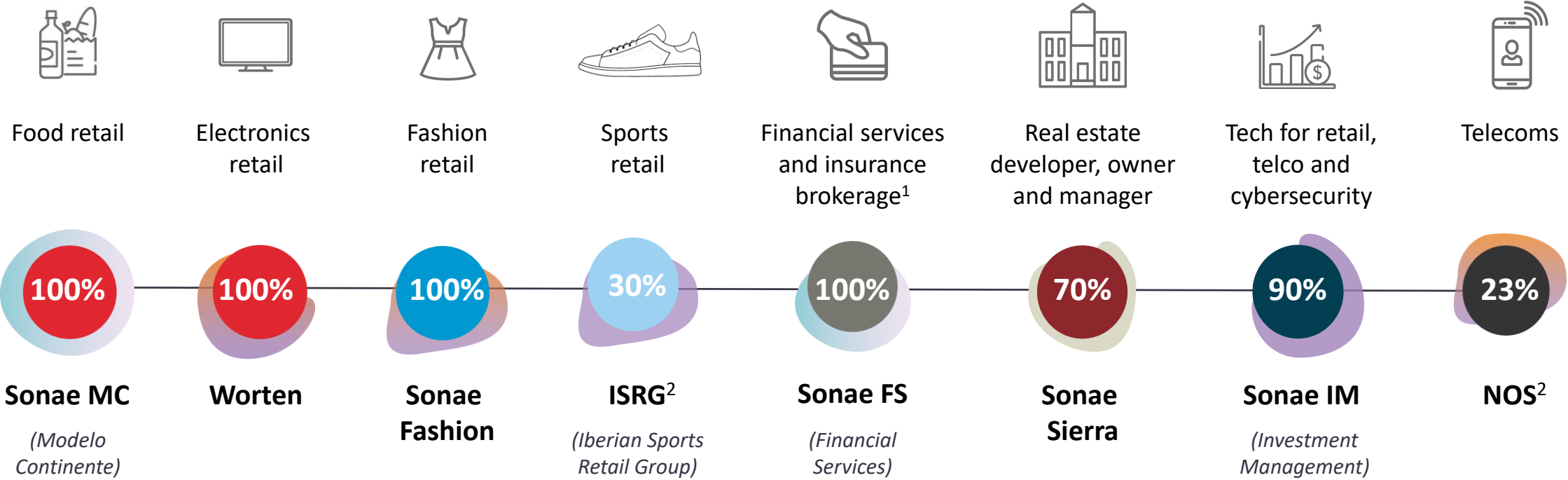
Our beliefs

We are a company which is **majority owned by one shareholder who has shaped our culture and beliefs** and we are a publicly traded company with a large free float and a **responsibility to over 20 thousand shareholders**.

We believe that our founding motives to “**contribute to economic development and to promote overall social well-being**” have made us stand out as a responsible and ethical example and have led to outstanding returns.

We actively seek to communicate to capital markets our long-term view and commitment to all stakeholders aiming to **encourage investors with the same beliefs and discouraging those who might seek short termism** or who may be less inclined to consider the overall social responsibility of corporations.

Our portfolio



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

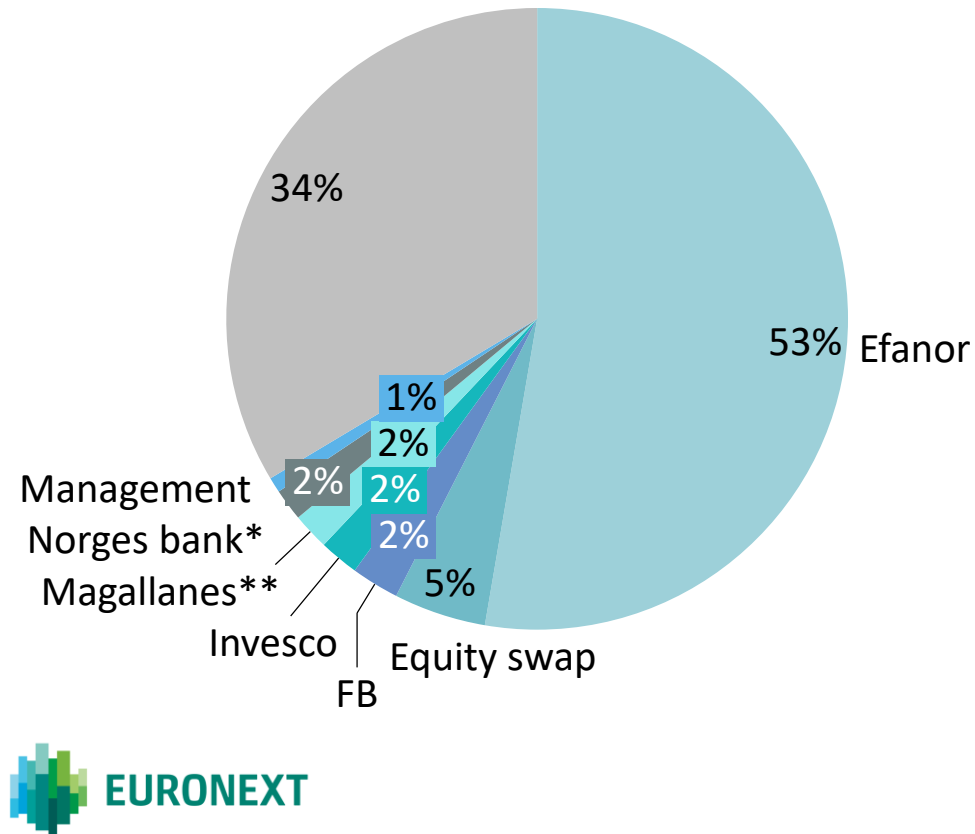
3. A STABLE SHAREHOLDER STRUCTURE WHICH ENABLES A LONG TERM VIEW OF ECONOMIC AND SOCIAL VALUE CREATION

Current shareholder structure

Reference
shareholder, **Efanor**, a
family holding
company

Market Cap***
~1.8 billion euros

Share Capital
2,000 million shares



Free Float of approx. 38%

Notes

a) shares held by top management plus shares attributed to Sonae's Directors (mid term performance bonus), to be delivered over the period 2019/2021, under the terms of Sonae's remuneration policy;

b) total return swap includes aprox. 96 million Sonae shares.

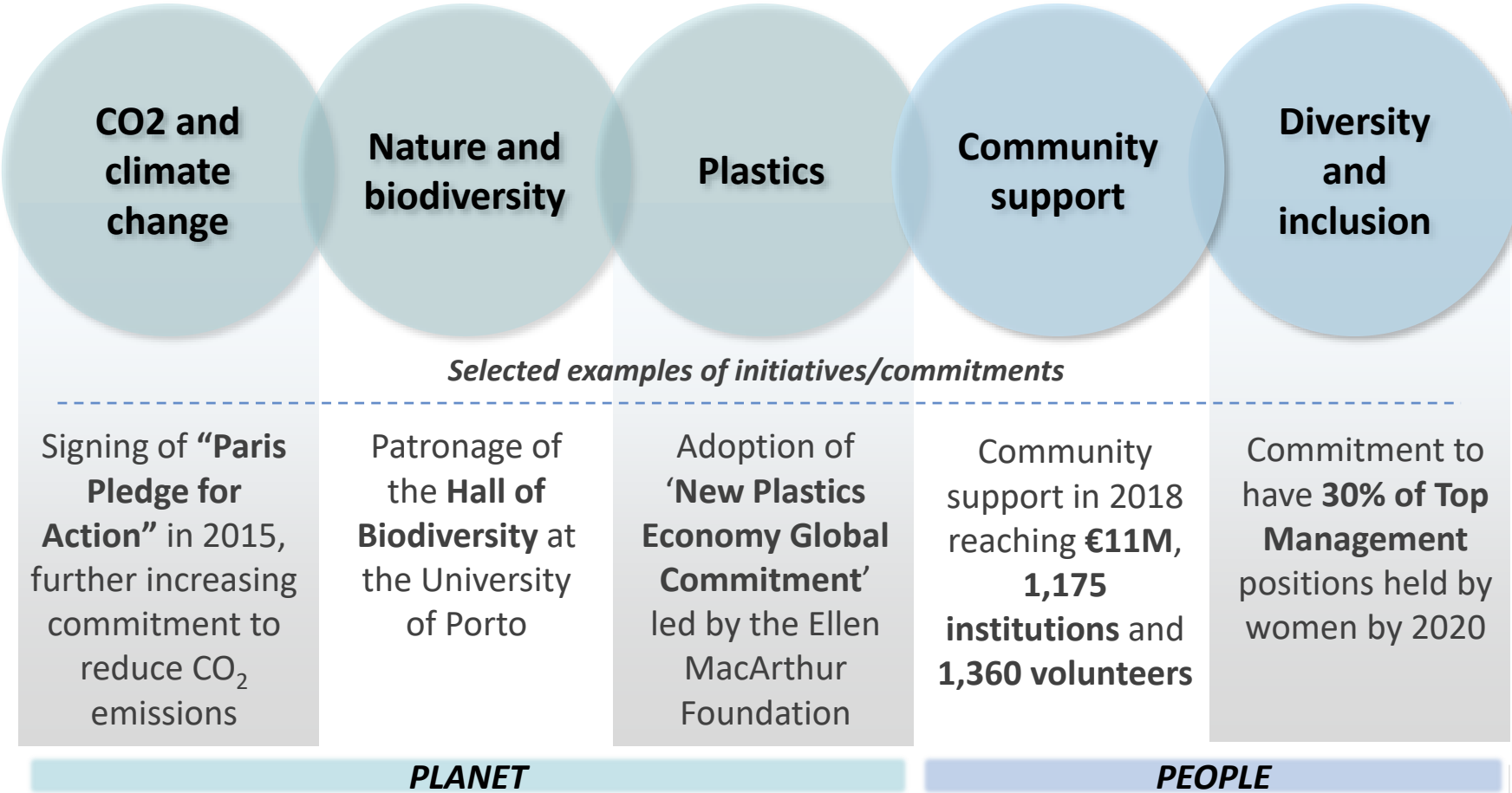
*According to the announcement on 10.05.2019
**According to the announcement on 30.11.2018
*** As of 15.07.2019

Strong sustainability focus

5 action axes: our path towards a sustainable future

Sonae’s mission of creating social (as well as economic) value is well embedded in its **sustainability strategy**, structured around five main axes.

These action axes will ensure our companies remain committed to specific **challenging targets**.



New BoD and Management team

2019-2022 mandate (elected at AGM of April 30th 2019)



Paulo Azevedo
Non-Executive Board
member (Chairman)



Ângelo Paupério
Non-Executive Board
member



Lorraine Trainer
Non-Executive Board
member



José N. Adelino
Non-Executive Board
member



Carlos M. Silva
Non-Executive Board
member



Fuencisla Clemares
Non-Executive Board
member



Philippe Haspeslagh
Non-Executive Board
member



Marcelo Faria de Lima
Non-Executive Board
member

Management team



Cláudia Azevedo
CEO
Board member



João Dolores
CFO
Board member



João Günther Amaral
Chief Development Officer
Deputy to the Excom

Group companies' CEOs

A team of Group Senior Executives with extensive expertise in each sector

Each business with **specialized and focused management teams**

Strong linkages between businesses in several functional areas



**Luís
Moutinho**

Sonae MC

**Miguel Mota
Freitas**

Worten
ISRG

**Luís
Reis**

Sonae Fashion
Sonae FS

**Fernando
Guedes de
Oliveira**

Sonae
Sierra

**Eduardo
Piedade**

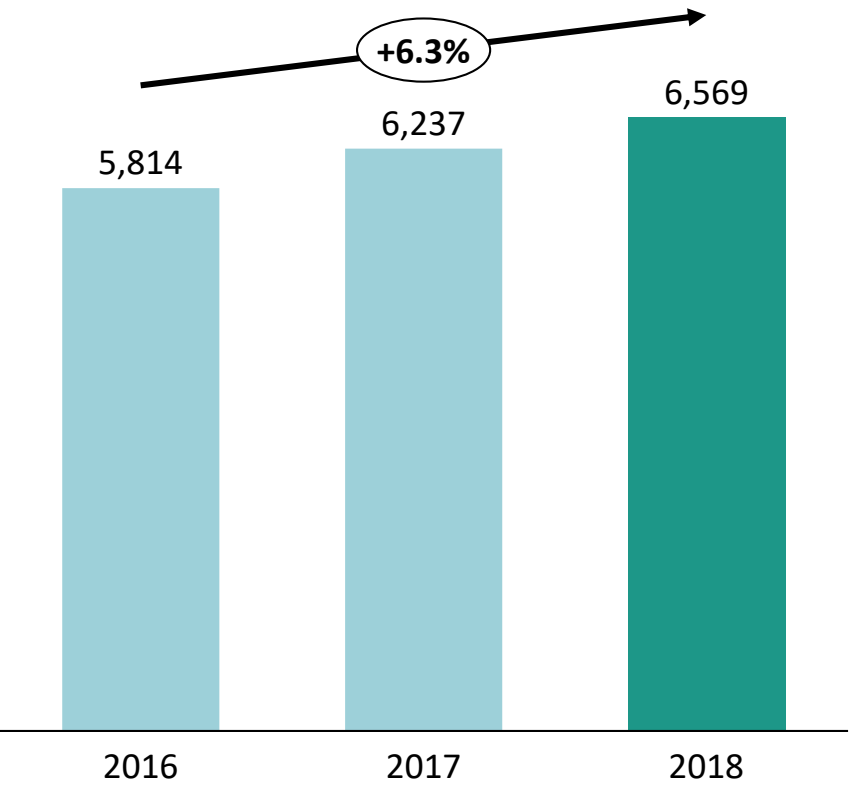
Sonae IM

**Miguel
Almeida**

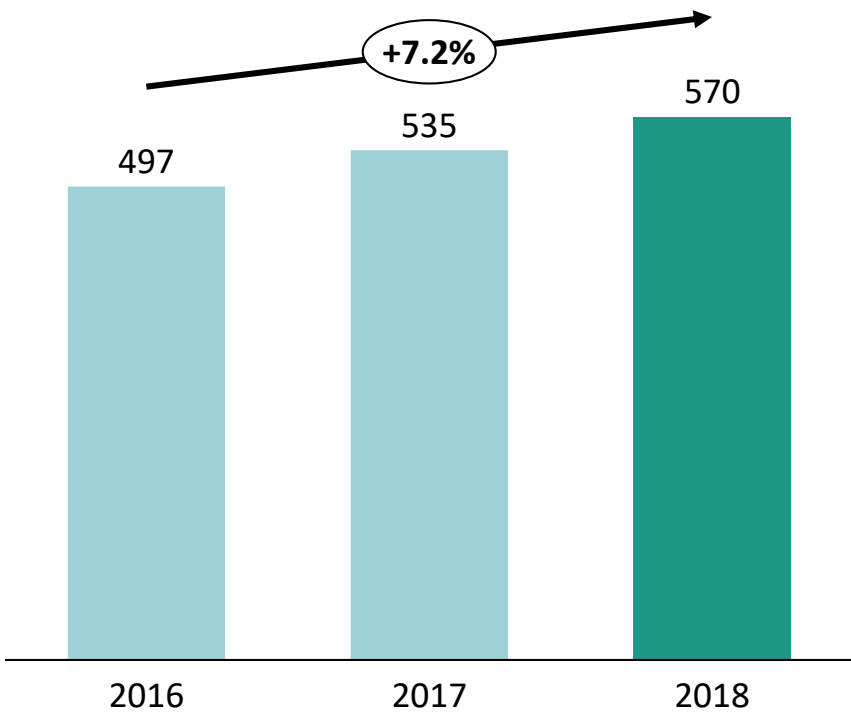
NOS

Recent performance

Proportional turnover evolution
(€M)



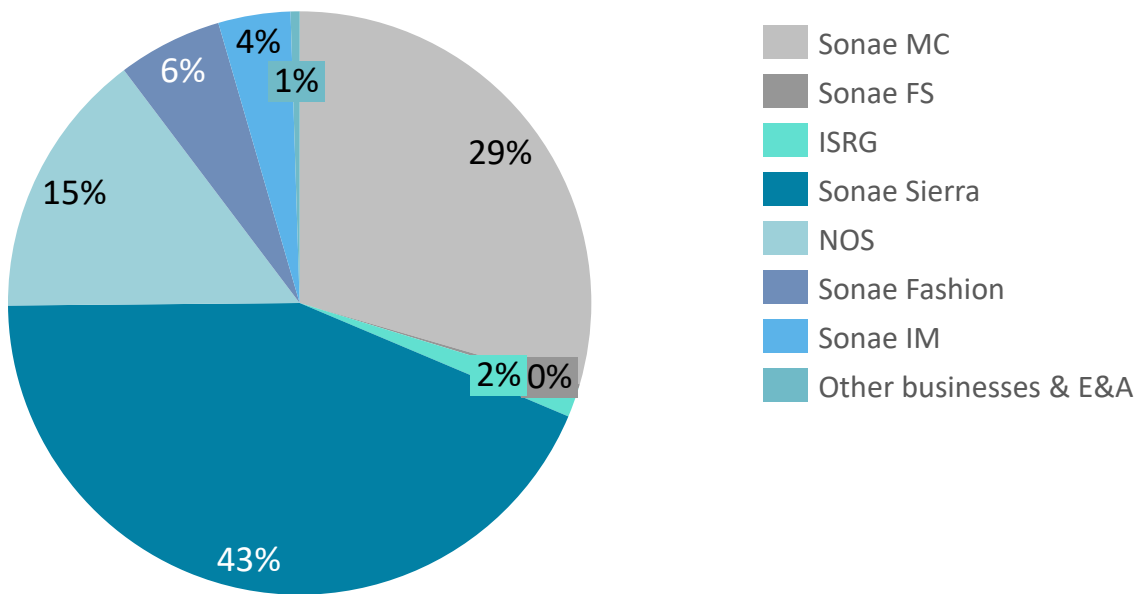
Proportional underlying EBITDA evolution
(€M, pre IFRS16)



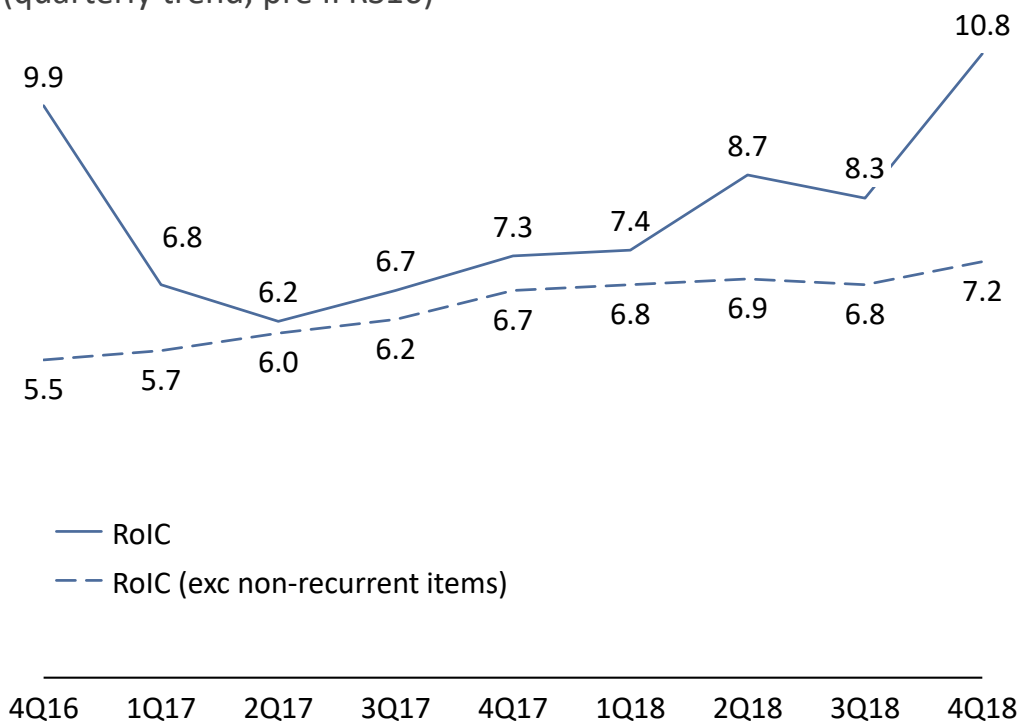
Note: These are pro-forma and proportional management accounts (including Sonae Sierra, NOS, ISRG and MDS with the respective shareholding).

Return on invested capital

Invested Capital (€4,605 M)
(YE18, pre IFRS16)



RoIC evolution
(quarterly trend, pre IFRS16)



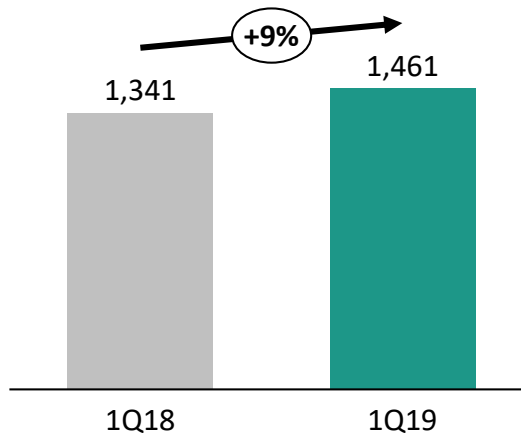
1Q19 Results

Solid start of the year

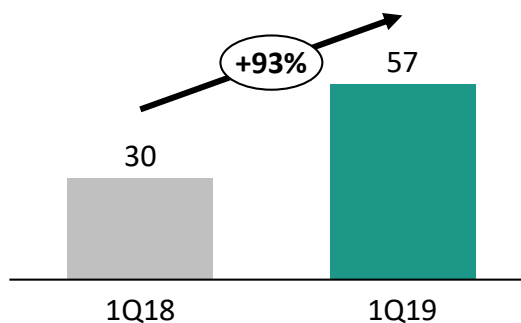
Consolidated turnover increased by 9% y.o.y. despite the adverse calendar effect of a later Easter period.

Underlying EBITDA grew 16% y.o.y. to €105 M, driven by a solid performance of Sonae MC, and EBITDA reached €136 M, +€34 M when compared to 1Q18

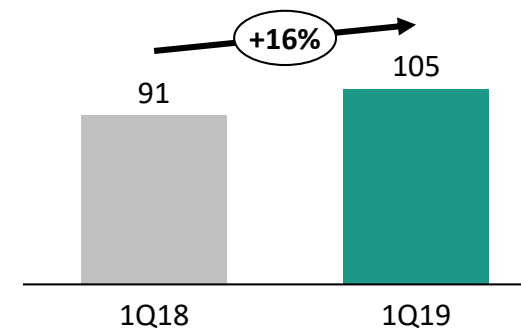
Turnover evolution
(€M)



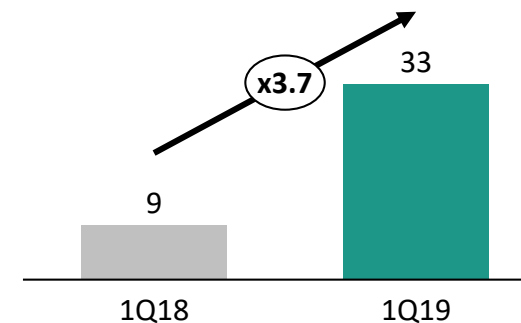
EBIT evolution
(€M post IFRS16)



Underlying EBITDA evolution
(€M post IFRS16)



Direct result evolution
(€M post IFRS16)

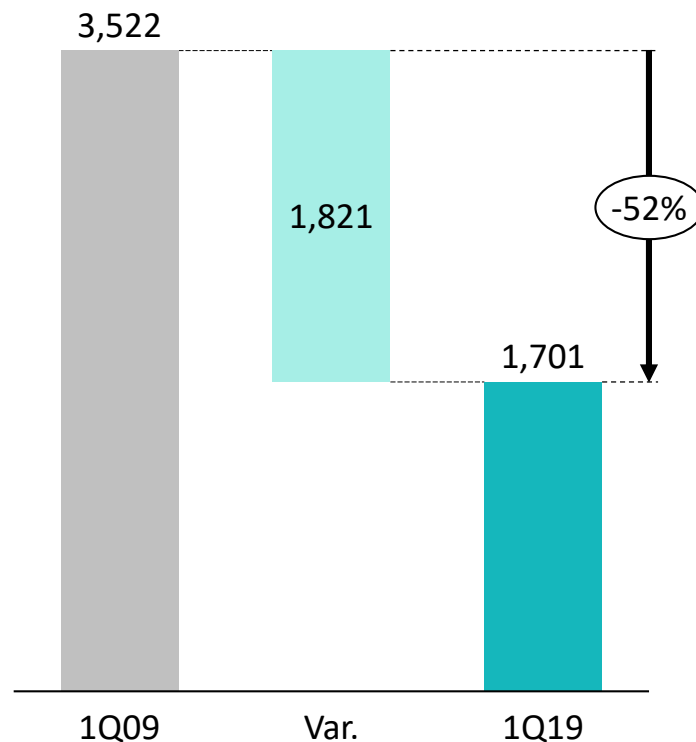


Capital structure

Over the last years, Sonae has been able to consistently decrease its debt and reinforce its capital structure

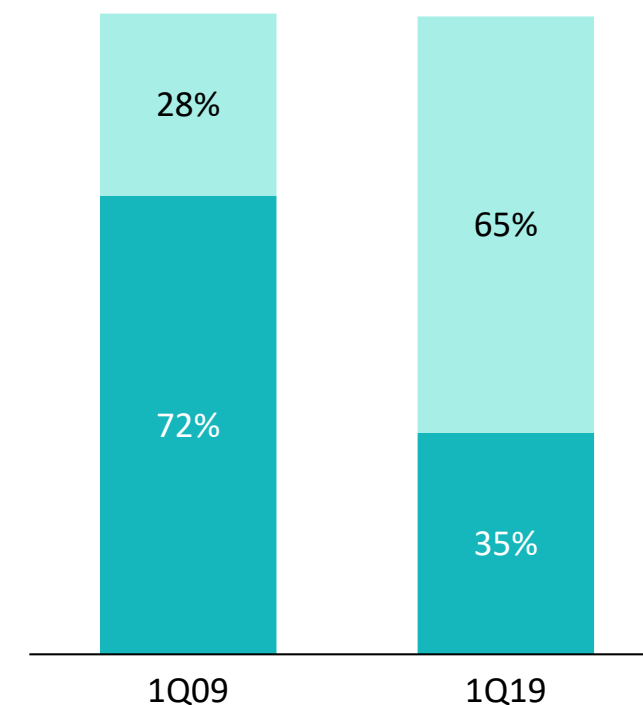
Between 2009 and 2019, Sonae's Net Debt decreased by €1,821 M to €1,701 M

Net debt
(€M)



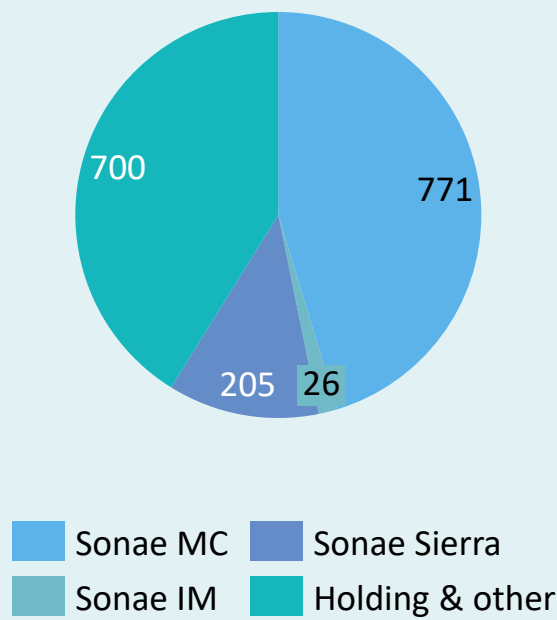
Capital structure
(pre IFRS16)

equity net debt

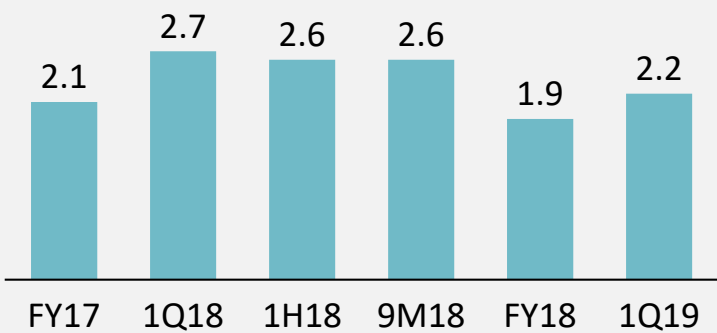


Capital structure

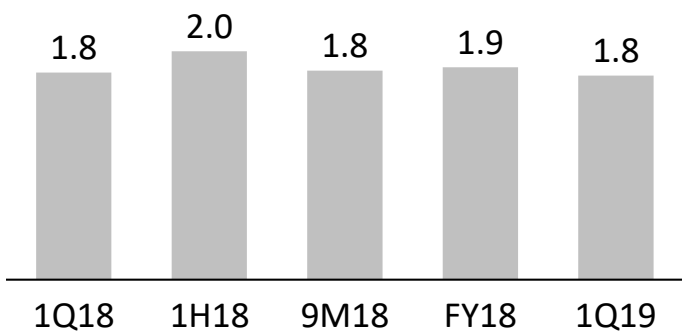
Net Debt by sub-holding
1Q19. 100% = € 1.7bn



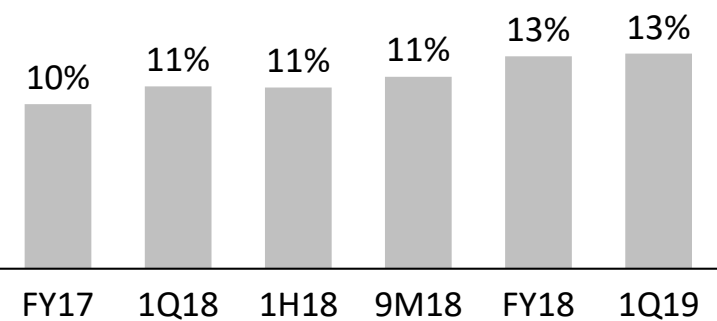
Sonae MC – Food business
Net debt / EBITDA



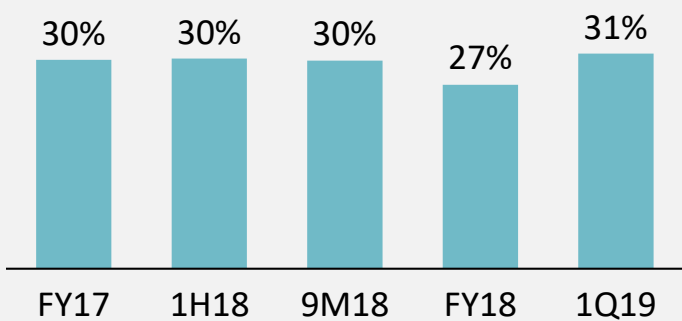
NOS – Telco business
Net debt / EBITDA



Holding
LTV



Sonae Sierra
LTV



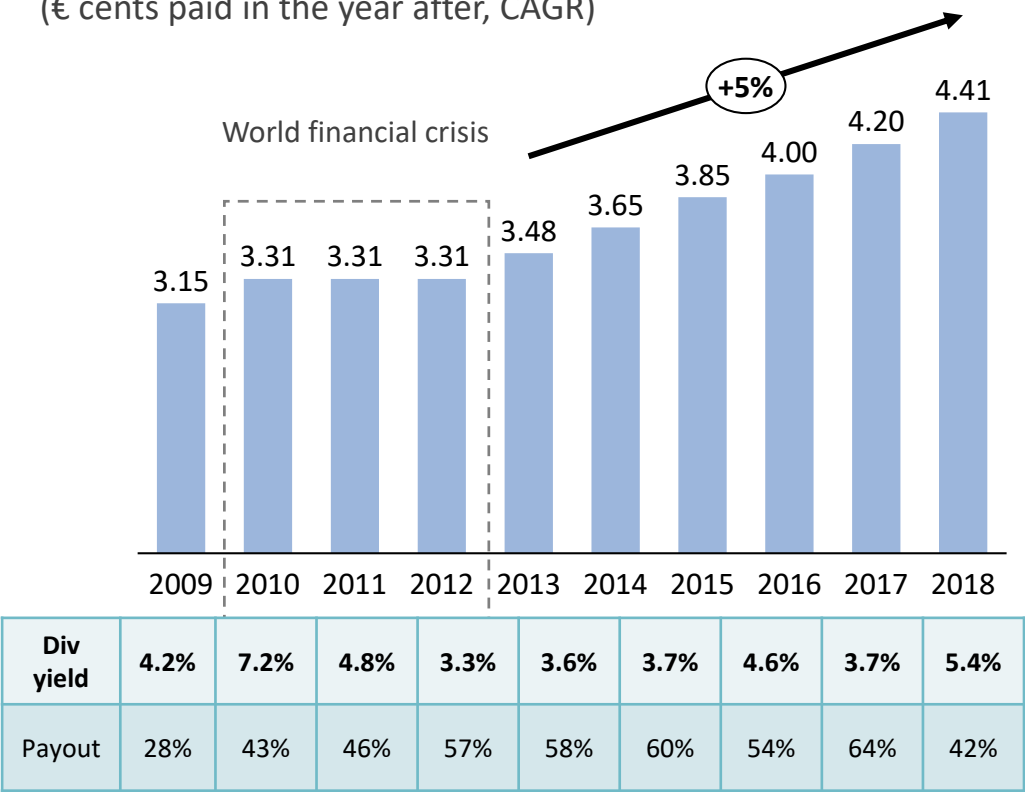
Note: figures pre IFRS 16 and pre Arenal acquisition in 1Q19 for Sonae MC.

Shareholder remuneration

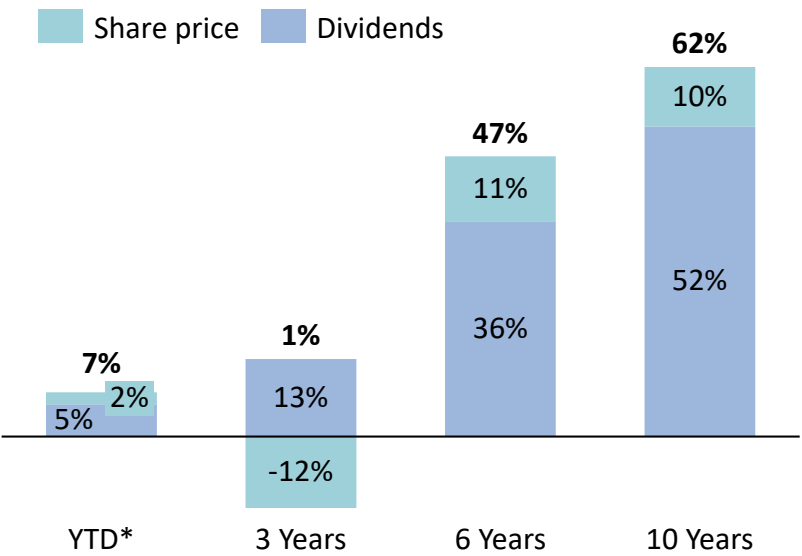
Steadily growing dividend to maintain an adequate shareholder remuneration

Practice of increasing DPS by 5% every year

Dividend per share evolution
(€ cents paid in the year after, CAGR)



Total shareholder return
(not reinvesting dividends)



Share price performance

Clear discount vs.
sum of the Parts
valuation

€1.27

Analysts average
price target

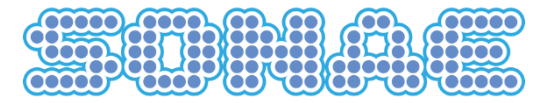
€1.91

NAV per share

**Strong
overperformance
vs market index in
the last few years**



Note: Average Price Target Includes the last revised Price Target from Haitong, Nau Securities, Barclays, Fidentiis, Santander and JB Capital.



IMPROVING LIFE

Our Portfolio

Sonae MC

Leading player in the Portuguese food retail market, with benchmark profitability

1. **Leader** in the Portuguese food retail market
2. **Strong retail network** complemented by unrivalled **digital platform**
3. Exceptional **brand power** and **customer engagement**
4. Highly **efficient** operator
5. **Best-in-class profitability** level and a solid track record of **FCF generation**
6. **Clear strategy** to continue delivering profitable growth

CONTINENTE
Meu Super

Food retail formats

- 41 hypermarkets (o.w. 22 anchored in high quality shopping centres)
- 136 large supermarkets, located in medium-sized population centres
- 110 proximity / convenience stores (focus of current expansion efforts)
- 286 Meu Super stores (franchised food retail proximity format)

CONTINENTE
ONLINE

E-commerce

- ~70% market share in Portugal
- Double-digit growth with new services and platforms
- 1st dark store in the country

Loyalty program



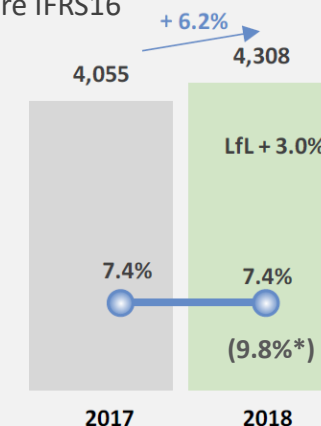
- Largest loyalty program in Portugal, covering 85% of households (c.4 million active accounts)
- ~83% of Sonae MC sales performed using loyalty card
- Digital mobile app with c.500k users
- Partnerships with other industry leaders in relevant spending areas

Health and Wellness



- 246 Well's para-pharmacies (health, well-being and eye-care)
- 41 Arenal para-pharmacies and perfumeries in Spain (since Jan. 2019)
- 10 Dr. Well's dental & aesthetic clinics
- Go Natural: 10 healthy food supermarkets and 31 restaurants

Turnover and underlying EBITDA €M, pre IFRS16



Other businesses



- 138 Bagga urban coffee shops
- 59 Note stores (stationery, books and gifts)
- 16 Zu stores (pet care and vet services)
- 31 Maxmat stores (DIY retail)

* Underlying margin post IFRS16

Worten

Iberian omnichannel electronics player with turnover over €1 bn

Best-in-class Iberian omnichannel operator

- Strong retail footprint, with a focus on **service with a human touch**
- Advanced **omnichannel/online** value proposition

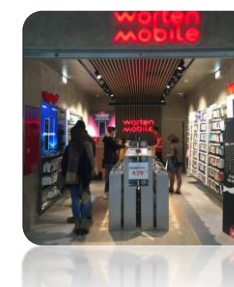
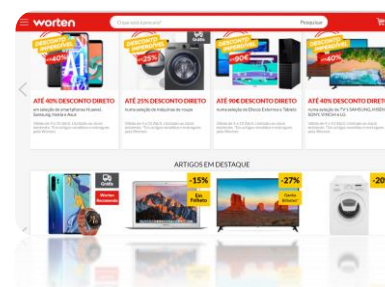
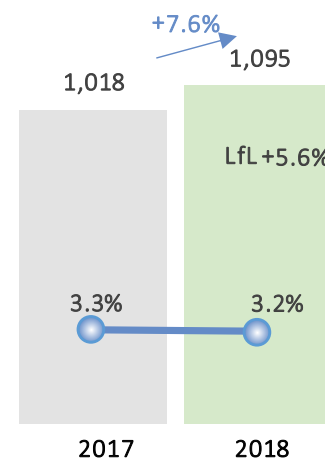


257 stores as of 1Q19,
Including:

- **220** Worten
- **37** Worten Mobile

Online store

Turnover and EBITDA evolution
€M, pre IFRS16



- Clear leader in the Portuguese market, both offline and online, with benchmark performance and profitability
- Omnichannel backbone with pick-up-in-store and store reservation options

Sonae Fashion

Portfolio of unique and competitive fashion brands

400 stores, including 285 own stores and 115 franchised stores, in +30 countries:

- **136** MO
- **125** Zippy
- **130** Salsa
- **9** Losan

+4,000 wholesale clients in over 40 countries, as well as **3 e-commerce websites** (at the end of 1Q19)

MO

ZIPPY

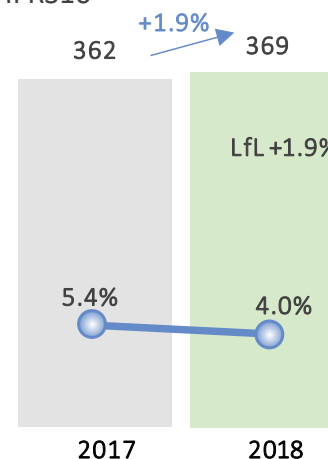
Salsa

LOSAN
happy fashion

D&EPLY

Turnover and und EBITDA evolution

€M, pre IFRS16



- **+4% LfL sales growth** in 1Q19, outperforming the market
- **Online sales growth of +40%** in 1Q19
- **Weight of +40% of international sales**



ISRG

The 2nd Iberian sports retailer aiming to become the leader

JV with JD sports and Sprinter since January 2018

- Distinctive value propositions based on unique operating models and assortments
- Highly focused and specialized teams
- Extensive store network across Iberia with prime locations

SPORT ZONE

Sprinter

JD

size?

Spain

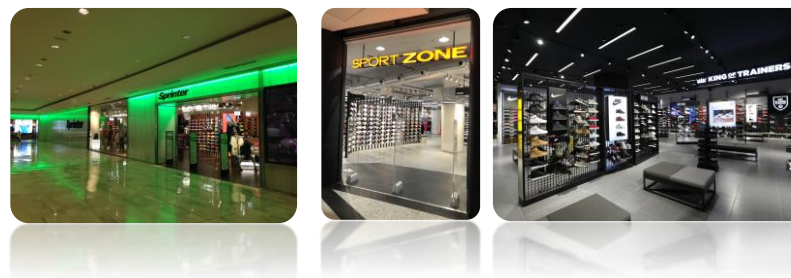
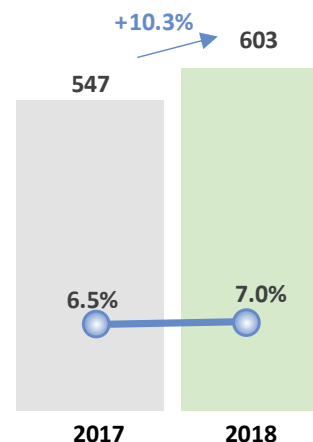
175 Sprinter
52 JD

Portugal

89 Sport Zone
17 JD

Turnover and und EBITDA evolution

€M, pre IFRS16*



- The JV's performance since the merger has been remarkable, proving the merits of the transaction
- ISRG reached total **net sales of €603 M** since the creation of the JV, a 10% YoY growth
- Equity method results included in Sonae accounts in 1Q19 stood at €2.9 M, **€4.6 M above 1Q18**

*Due to calendar reporting dates of JD Sports (the main shareholder of the JV), ISRG figures refer to 52 weeks since Feb-1st of each year.

Sonae FS

Created in 2015, Sonae Financial Services is already a **leading player in the Portuguese market**

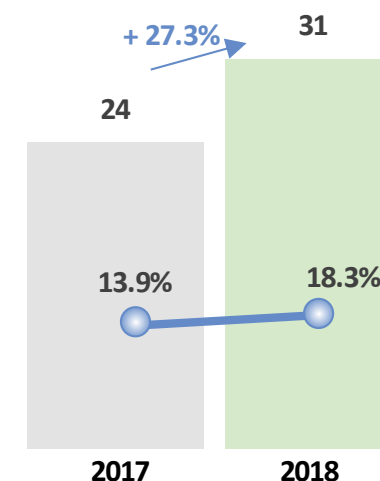
Innovative financial services player leveraging the group's retail footprint and close partnerships with MasterCard and BNP Paribas

Universo Card* is top 3 in credit card payments in Portugal

- More than **775k subscribers** in a period of approximately 3 years (**13% Market Share** in payments with credit cards)
- Cashback of 1% to Continente loyalty ecosystem
- Several payment options (3, 6 or 12 installments)
- All Sonae loyalty cards merging Into one single card
- Discounts at partner ecosystem



Turnover and underlying EBITDA evolution €M



+ MDS Insurance Brokerage (Equity method consolidated - Sonae holds 50%)

- largest broker in Portugal;
- in the top 5 brokers in Brazil
- Turnover of €59 M (+9% y.o.y.)
- Und. EBITDA of €9 M (+29% y.o.y.)

MDS Group
Global Insurance & Risk Consultants

* Managed in partnership with MasterCard and BNP Paribas Personal Finance, S.A., which recognises on its balance sheet the credit granted, as well as the responsibility for risk management

Sonae Sierra

Shopping malls with proven **international benchmark quality** and value creation through a capital recycling strategy

Partnership with Grosvenor

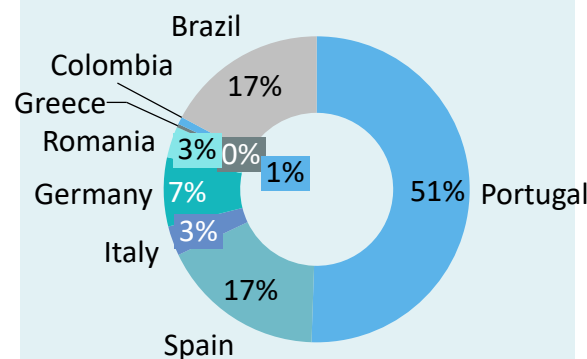
Almost 30 years with proven experience of successfully designing, developing and managing shopping malls

A **leading retail real estate player** able to offer services across the entire property lifecycle

More than €7 bn
OMV portfolio of co-owned shopping malls

€1.5 bn NAV 1Q19

OMV breakdown
(100% basis*)



42 own shopping malls in 8 countries

More than 60 shopping malls managed in 14 countries

Several development projects in the pipeline, including
Zenata (Morocco)
Málaga McArthurGlen Designer Outlet (Spain)

Services platform across 4 continents



- Sonae Sierra Brasil reached an agreement to merge with Aliansce
- A new industry leader (under management: 40 shoppings, 1.4bn sqm GLA)
- Merger completion expected in Q3'2019

* 19 Portugal, 9 Brazil, 7 Spain, 2 Italy, 2 Germany, 1 Romania, 1 Greece, 1 Colombia.

Sonae IM

Aiming to build a portfolio of world class tech-based companies linked to retail, telecom and cybersecurity

since 2014
33 Companies*
+€135 M invested

EV
€ 267M
(100%, FY18)

Bright Pixel
Investments

First cybersecurity investment

Investments

S21 SEC

MOVVO

Probe.ly

sysvalue

STYLE SAGE

Inovretail
THE RETAIL INTELLIGENCE COMPANY

brpx Bright Pixel

ARMILAR
VENTURE PARTNERS

ARCTIC WOLF

OMETRIA

secucloud

eat Tasty

sensei

RECKON.AI

advert/io

continuumsecurity

VISENZE

EXCELLIUM

ciVALUE

Reblaze

MedUX

Nextel S.A.
Ingeniería y Consultoría

nextail

habit

TAIKAI

Beamy

jscrambler

placeme

cellwize

CB4

Fyde

sway

automaise

2014

2016

2017

2018

2019

Divestments

mainroad

since 2014
3 Divestments, +€80 M

* Considering each of the 3 funds of AVP as one company

Partial exit w/
valuation above
\$1B
(indirect ownership via AVP)

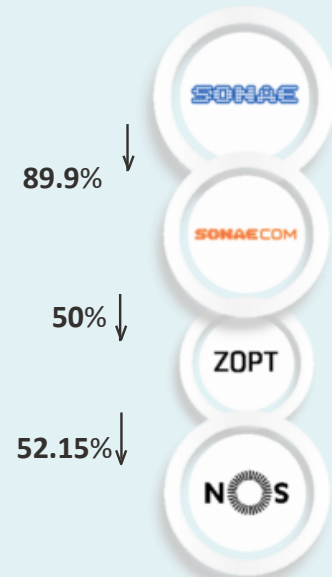
outsystems
Already an
Unicorn

saphety

NOS

The leading player in the Portuguese telecoms and entertainment market

August 27th 2013:
ZON OPTIMUS was created



On May 16th 2014, **NOS** was launched, a single brand for all segments and for all services, replacing ZON OPTIMUS

NOS strong operational performance is generating market share gains and improvements in the company's financial performance

FY18 Operating revenues increased 1.1% to €1,576 M and **EBITDA** reached €624 M, corresponding to an EBITDA margin of 39.6%. **Net results** stood at €138 M.

In **1Q19**, Operating revenues reached €385 M, +0.6% YoY, and EBITDA €161M, +2.1% YoY.

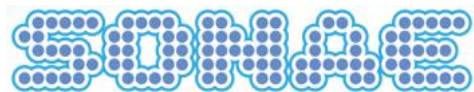
FCF* totalled €43 M and NOS distributed €180M in **dividends**.

Figures post IFRS16



Following the merger between Optimus and Zon, and the subsequent creation of NOS, and since September 9th 2013, the day when new shares issued were listed, **the company's market capitalisation has increased more than 30%**

* FCF before dividends, financial investments and own shares acquisition.



INVESTOR PRESENTATION

July 2019

CONTACTS:

Patrícia Vieira Pinto
Head of Investor Relations

pavpinto@sonae.pt

Tel.: + 351 22 010 4794

www.sonae.pt

Sonae is listed on the Euronext Stock Exchange. Information may also be accessed on Reuters under the symbol **SONP.IN** and on Bloomberg under the symbol **SONPL**

PREVIOUS EVENTS

2018

Jan 17th: London roadshow with Haitong
Feb 7th: Madrid roadshow
Feb 8th: Santander Conference, Madrid
March 26th – 27th: London roadshow with Caixabank BPI
April 10th: Madrid roadshow with Haitong
Apr 18th – 19th: NYC roadshow (organized by Sonae)
May 22nd: Madrid roadshow with Caixabank BPI
June 6th : London roadshow with Santander
June 13th – 14th: NYC and Boston roadshow (organized by Sonae)
July 3rd: Lisbon roadshow with Haitong
Sept 6th – 7th: Caixabank BPI Iberian Conference, Cascais
Oct 15th – 16th: London roadshow with Caixabank BPI
Oct 17th: Madrid roadshow with Haitong
Dec 10th: Barclays Retail conference London

2019

Jan 7th – 8th: London roadshow
Feb 6th – 7th: Santander Conference, Madrid
Apr 3rd - 4th: Madrid roadshow with Caixabank BPI
Apr 8th – 11th: Toronto, Chicago and NYC roadshow with Santander
April 23rd: London roadshow with JB Capital Markets
May 23rd: Oddo Conference Paris
May 28th: Roadshow Madrid with Haitong
June 12th: Erste Consumer Conference Warsaw

UPCOMING EVENTS

2019

July 17th - 18th: NYC roadshow (organized by Sonae)
Sept 5th - 6th: Caixabank BPI Iberian Conference
Oct 10th - 11th: Sonae Capital Markets Days
Nov 15th: Barclays European Retail Forum

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