Results Report
1H24

Sonae

1H24 Highlights

Key Financial Indicators

- **Consolidated turnover** increased 11.4% yoy to €4.3bn, fuelled by the growth of MC and Worten with reinforced leadership positions in the Portuguese market, together with the integration of Musti.
- **Consolidated EBITDA** improved 18% yoy to €410m on the back of MC's resilient performance, and a higher contribution from equity method results, essentially from NOS.
- **Net result** (group share) reached €75m at the end of the 1H, +14% above last year as the improvement in EBITDA more than offset the higher level of D&As, financing costs and taxes.
- **Free cash flow** during the last 12 months was strongly impacted by our portfolio management activity, as well as MC's investments to accelerate its organic expansion, which more than offset a strong operational cash flow generation. At the end of 1H24, net debt stood at €1.7bn.
- **NAV**, based on market references, slightly declined to €4.5bn, and the holding LTV stood at 16%.

Portfolio Management Activity

- During 1Q24 the consortium led by Sonae secured the control of **Musti** by reaching c.81% of its share capital, with a total investment of c.€700m. Musti consolidates in Sonae's accounts since March.
- In 2Q24, Sonae's subsidiary Sparkfood completed the acquisition of an 89.1% stake in **BCF Life Sciences**, for €160.5m. BCF consolidates in Sonae's accounts since April (2Q).
- Already in July, MC closed the transaction with **Druni**'s founders for the combination of Druni and Arenal. This transaction creates the Spanish market leader in the health, wellness and beauty segment, with a nation-wide coverage and a total combined turnover of over one billion euros in 2023. Druni will be fully consolidated in both MC's and Sonae's accounts in the 2H.

CEO letter

In the first six months of 2024, our main businesses continued to deliver impressive performances. MC further strengthened its leadership position in the demanding Portuguese grocery market, showing outstanding customer focus and execution discipline, while propelling growth in the health, wellness and beauty segment. Worten successfully reinforced its market share in the electronics retail market, with particularly strong growth in e-commerce and services, despite intense promotional activity in the market. Sierra’s shopping centre portfolio maintained a robust performance, resulting in a significant increase in asset valuations. And NOS continued to grow and gain market share in the Portuguese telecommunications market, having also executed another important value creation transaction involving its mobile network infrastructure. This strong trajectory across our main businesses, coupled with the contributions from our most recent investments, led to a yoy increase in consolidated revenues of 11%, reaching €4.3bn, and a growth in consolidated EBITDA of 18% to €410 million in the 1H24.

Since the beginning of the year, Sonae made significant strides in its growth and internationalization efforts by investing more than €1 billion in three new businesses. On the retail front, we expanded our portfolio to the pet care retail sector in the Nordics through the controlling investment in Musti and, already in the third quarter, MC concluded the merger between Arenal and Druni to create the market leader in the health, wellness, and beauty segment in Iberia. On the food innovation front, Sparkfood completed the acquisition of a majority stake in BCF Life Sciences, in France, marking another important step in the development of this new business unit.

As we move into the second half of the year, I remain confident in our ability to drive innovation and growth to improve the lives of an increasing number of families in the several geographies where we operate. We will continue to support our people and portfolio companies, ensuring they have the resources to further improve current performances while simultaneously investing in future-proofing their businesses and creating value for all stakeholders.

Cláudia Azevedo, CEO

Sonae

Overview

Key Data

€m	30.06.23	30.09.23	31.12.23	31.03.24	30.06.24
NAV [1]	4,240	4,411	4,513	4,609	**4,539**
Market capitalization	1,802	1,840	1,809	1,760	**1,750**
Net Debt	1,067	982	526	1,437	**1,712**

€m	2Q23	2Q24	yoy	1H23	1H24	yoy
Turnover	1,958	2,186	*11.7%*	3,831	4,267	*11.4%*
Underlying EBITDA	163	184	*12.8%*	301	342	*13.8%*
Underlying EBITDA margin	*8.3%*	*8.4%*	*0.1 p.p.*	*7.9%*	*8.0%*	*0.2 p.p.*
EBITDA	188	230	*22.7%*	347	410	*18.2%*
Direct Result	50	62	*22.7%*	81	95	*18.0%*
Net result group share	41	50	*21.5%*	66	75	*13.6%*
Sale of assets	10	30	-	10	33	-
M&A capex	-27	-126	-	-141	-784	-
Free cash flow before dividends paid	22	-96	-	-362	-942	-
Dividends paid	-161	-154	*-4.2%*	-161	-154	*-4.2%*

	1Y	3Y	5Y	10Y
Total Shareholder return [2]	3%	29%	38%	19%

[1] Based on market references [2] Source: Bloomberg.

Sonae's **NAV**, based on market references stood at €4.5bn, slightly below 1Q24 figure, mainly due to a small decrease in food market multiples.

In terms of operational performance, **consolidated turnover** increased 11% yoy to €4.3bn in the 1H24, mainly backed by our retail businesses and Musti consolidation.

In terms of **consolidated EBITDA**, our retail businesses were also the main contributors to underlying EBITDA which, coupled with the increased contribution from equity method results in the period, namely from NOS, led EBITDA to improve by 18% yoy in the 1H to €410m.

Furthermore, despite higher level of D&As, financial costs and tax expenses, **Direct Result** reached €95m, +18% yoy and **Net result** (group share) stood at €75m, +14% yoy.

In terms of cash flow, our operational cash flow evolution during the L12M stood at €82m at the end of 1H24, as the higher EBITDA from our main businesses did not fully offset the higher capex level, mainly from MC.

In addition, our strong portfolio management activity with a net investment of more than €500m during L12M significantly impacted our **free cash flow before dividends.** This led to a higher level of **consolidated net debt** reaching €1.7bn, at the end of 1H24.

NAV (€m)	Mar.24	Jun.24	Var.
Retail	3,163	3,121	-1.3%
Real estate	1,071	1,083	1.1%
Telco and technology	899	886	-1.5%
Other investments*	200	350	74.7%
o.w. Sparkfood	117	258	-
Holding	-724	-901	-24.5%
o.w. net debt	-692	-864	-24.7%
NAV	**4,609**	**4,539**	-1.5%

* Includes: Universo, Fashion (Salsa, MO and Zippy/Losan), and Sparkfood.

Note: NAV based on market references and for more detail please see Investor Kit in www.sonae.pt

€m	L12M Jun.23	L12M Jun.24
EBITDA (inc. rents and taxes)	430	472
Working capital and others	78	53
Operational capex	-406	-442
Operational cash flow	**102**	**82**
Net financial activity	-33	-58
M&A capex	-278	-865
Sale of assets	271	354
Dividends received	140	94
FCF before dividends paid	**202**	**-393**

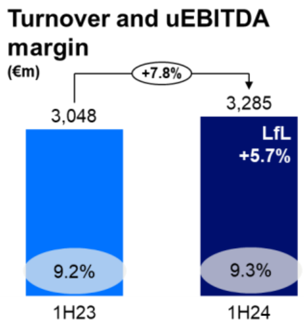
Portfolio

Retail

MC

75% stake, fully consolidated

MC continued to navigate a strong and demanding competitive environment in the Portuguese grocery sector. Food inflation stabilised at around 2% in the market, significantly lower than last year, supporting the resilience of consumption.



During 1H24, turnover increased by 7.8% yoy to €3.3bn, driven by the improved performance in both grocery and health, wellness and beauty (HWB) segments. Notably, the grocery segment saw a LfL growth exceeding 5% in 1H, with top line increasing by 7.6%. Despite the challenging environment, MC consistently demonstrated its solid, diverse, and distinctive value proposition, improving its market share in the 1H. The HWB segment also delivered strong, double-digit LfL growth (+10.7%), driven by both Wells and Arenal.

Regarding profitability, MC maintained a consistent profile over recent quarters with efficient cost control measures and with an improved uEBITDA to €305m in 1H24, +€26m yoy, with a margin of 9.3% (+0.1pp yoy).

Store expansion and remodelling plans proceed as planned. MC opened 15 stores in 2Q, bringing the total to 43 in 1H, including 10 new Continente Bom Dia proximity stores. In terms of capex, MC spent €123m during 1H (+8% yoy) which, in addition to these network investments, included ongoing improvements to its IT and logistics platforms.

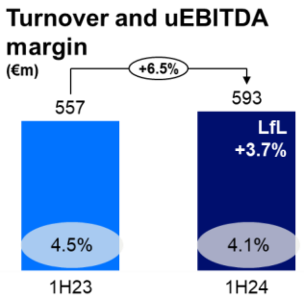
FCF before dividend payment, at the end of 1H, stood at €36m which compares with €15m last year, mainly due to the increased profitability and improved working capital needs that more than offset the strong capex level. Consequently, with €171m of dividends paid in the period, net debt increased by €135m vs YE23 to €621m at the end of 1H24.

Finally, MC completed the transaction for the combination of Druni and Arenal in the 3Q, becoming the Spanish market leader in the health, wellness and beauty segment. Druni, a JV between MC and Druni's founders, will fully consolidate in MC's accounts from July onwards.

Worten

100% stake, fully consolidated

Worten continues to face a fierce competitive market while reinforcing its leadership position, both offline and online.



Turnover grew by 6.5% yoy (+3.7% on a LfL basis) to €593m in the 1H24 with both organic and online channels evolving positively. As already reported in previous quarters, Worten's core product categories, including electronics and home appliances, along with its service offerings and new product categories, have been able to fuel top line growth. Online sales improved 14% and reached 17% of turnover.

iServices has also been an important contributor to this topline performance, while the company has been focused on expanding internationally, namely in Spain, France, and Belgium, opening a total of 16 new stores, of which 10outside Portugal.

In terms of profitability, top line growth has been able to sustain uEBITDA, which stood at €24.6m with a margin of 4.1% in the 1H24, notwithstanding Worten's continued investment in its digital transformation, costs resulting from iServices accelerated international expansion and the impact of inflation on the cost structure.

Musti

c.81% stake, fully consolidated

Musti reported its quarterly results (April 1st – June 30th, 2024) to the market on July 30th, the first quarter of consolidation into Sonae's accounts. Musti retained its leading market position in the Nordic countries, although operational performance was impacted by a demanding market context. In the quarter, Musti reached €104m in total revenues (+0.7% yoy), with an EBITDA of €11.8m, underpinned by a lower gross margin to sustain customer share-of-wallet.

The company's fundamentals and competitive advantages in a structurally growing pet care market position Musti well to benefit from the improving economic outlook and consumer climate in its key geographies.

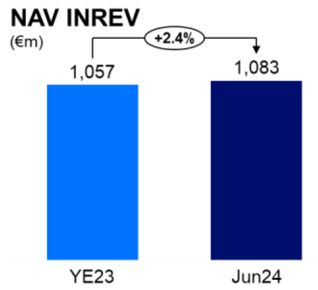
Further details can be found in the company's website available here.

Real Estate

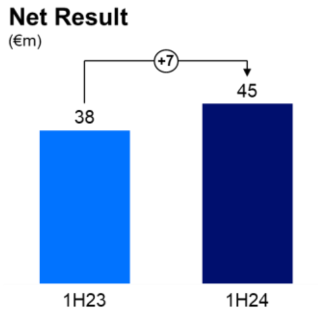
Sierra

100% stake, fully consolidated

Similar to the 1Q24, Sierra continued to demonstrate positive and resilient momentum in its European shopping centre portfolio, delivered solid performance in its services divisions, and steady execution of its development pipeline.



In the shopping centre portfolio: tenant sales continued their growth trajectory with 5.3% LfL, footfall surpassed pre-pandemic levels and occupancy rates remained high (+0.3pp to 98.1%). As stated above, services' activity remained robust, with the continuity of sectors' diversification and asset acquisitions for newly established investment vehicles that broaden Sierra's risk strategy offerings. The development pipeline also continued to progress as planned with highlight to Colombo Office Tower partial disposal to AXA and commercialization of Viva Offices in Porto.



Overall, Sierra continues to strategically execute its strategy across different business units, relying on the diversification of its business and leveraging the potential of its services sector. At the end of 1H24, net result rose to €45m (+17.2% yoy), primarly driven by improved valuations at indirect result level.

Despite being partially offset by unfavourable Fx effects in LatAm, the positive net result contributed to a €26m increase in Sierra's NAV compared to YE23, reaching €1.1bn. Moreover, the company's leverage profile maintained a confortable level of 37.7% gross LTV (-0.4pp).

Telco & Technology

Sonae's investments in the Telco & Technology areas are concentrated in Sonaecom which published its 2Q/1H24 results on July 26th. Further details on these areas' performance can be found at Sonaecom's announcement available here.

NOS

37.4% stake, equity consolidated[1]

NOS reported its 2Q24 results to the market on July 18th, showing another quarter with consistent growth mainly driven by its core telco business, as the media & entertainment business was impacted by fewer blockbuster movies in the cinema theatres. Further details can be found in the company's website available here.

For Sonae's consolidated accounts, NOS equity method results reached €29m in 2Q24, +€14m vs 2Q23, and €53m in the 1H24, fuelled by the improvement in operational performance and the capital gain of €31m related with another tower portfolio sale to Cellnex. Moreover, NOS paid, in May, €0.35 per share relating to 2023 results (26% above last year's ordinary dividend), totalling €67m cash-in for Sonaecom.

[1] Total stake through Sonaecom.

Corporate information

Main announcements during 1H24 are published in www.sonae.pt and www.cmvm.pt (market regulator).

Subsequent events

July 11th: Sonae SGPS, SA informed on completion by MCretail, SGPS, SA of the transaction for the combination of Druni SA and Arenal Perfumerias SLU.

July 5th: Sonae SGPS, SA informed on financing and reinforcing the commitment to sustainability.

Consolidated P&L

€m	2Q23	2Q24	yoy	1H23	1H24	yoy
Turnover	**1,958**	**2,186**	11.7%	**3,831**	**4,267**	11.4%
Underlying EBITDA	**163**	**184**	12.8%	**301**	**342**	13.8%
margin	*8.3%*	*8.4%*	*0.1 p.p.*	*7.9%*	*8.0%*	*0.2 p.p.*
Equity method results*	26	41	59.5%	50	76	53.5%
Sierra	15	13	-9.7%	26	26	2.1%
NOS	15	29	90.5%	26	53	-
Others	-5	-2	58.3%	-2	-3	-71.5%
Non-recurrent items	-1	5	-	-4	-9	-
EBITDA	**188**	**230**	22.7%	**347**	**410**	18.2%
margin	*9.6%*	*10.5%*	*0.9 p.p.*	*9.1%*	*9.6%*	*0.6 p.p.*
D&A and Provisions and Imp.	-102	-113	-11.2%	-196	-217	-10.8%
EBIT	**86**	**117**	36.3%	**151**	**193**	27.7%
Net Financial results	-31	-48	-57.5%	-59	-83	-39.2%
Taxes	-5	-7	-43.5%	-11	-15	-35.6%
Direct result	**50**	**62**	22.7%	**81**	**95**	18.0%
Indirect result	**5**	**4**	-33.5%	**6**	**6**	-9.4%
Net result	**56**	**65**	17.3%	**87**	**101**	16.1%
Non-controlling interests	-15	-15	-5.5%	-21	-26	-23.8%
Net result group share	**41**	**50**	21.5%	**66**	**75**	13.6%

* Equity method results: include direct income by equity method results (Sierra and NOS), income related to investments consolidated by the equity method and discontinued operations results.

Consolidated Balance Sheet

€m	30.06.23	31.03.2024	30.06.24
Investment properties	358	327	331
Net fixed assets	2,208	2,331	2,401
Right of Use assets	1,138	1,265	1,268
Financial investments	2,092	2,145	2,057
Goodwill	663	1,381	1,501
Working capital	-939	-1,033	-951
Invested capital	**5,521**	**6,417**	**6,608**
Equity & minorities	3,135	3,500	3,411
Net debt	1,067	1,437	1,712
Net financial debt	1,136	1,459	1,733
Net shareholder loans	-69	-22	-22
Lease liabilities	1,319	1,479	1,485
Sources of financing	**5,521**	**6,417**	**6,608**

Note: The consolidated financial information contained in this report was prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The financial information regarding quarterly and semi-annual figures was not subject to audit procedures.

Glossary

Capex	Investments in tangible and intangible assets and investments in acquisitions. For NOS it includes right of use.
Cash-on-cash ratio	Exit value of the investment divided by the initial investment.
Direct result	Results before non-controlling interests excluding contributions to indirect results.
(Direct) EBIT	Direct EBT - financial results.
EBITDA	Underlying EBITDA + equity method results + non-recurrent items.
EBITDA margin	EBITDA / turnover.
Indirect result	Includes Sierra's results, net of taxes, arising from: (i) investment property valuations; (ii) capital gains (losses) on the sale of financial investments, joint ventures or associates; (iii) impairment losses of non-current assets (including goodwill) and (iv) provision for assets at risk. Additionally and concerning the remaining Sonae's portfolio, it incorporates: (i) impairments in retail real estate properties; (ii) reductions in goodwill; (iii) provisions (net of taxes) for possible future liabilities and impairments related with non-core financial investments, businesses, assets that were discontinued (or in the process of being discontinued/repositioned); (iv) results from mark-to-market methodology of other current investments that will be sold or exchanged in the near future and from other related income (including dividends); and (v) other non-relevant issues.
Investment properties	Shopping centres in operation owned and co-owned by Sierra.
Lease Liabilities	Net present value of payments to use the asset.
Like for Like sales (LfL)	Sales made by omnichannel stores that operated in both periods under the same conditions. Excludes stores opened, closed or which suffered major upgrade works in one of the periods.
Loan to Value (LTV) - Holding	Holding net debt (average) / NAV of the investment portfolio plus Holding net debt (average).
Loan to Value (LTV) – Sierra	Total debt / (Investment properties + properties under development), on a proportional basis.

INREV NAV Sierra	Open market value attributable to Sierra - net debt - minorities + deferred tax liabilities.
Net asset value (NAV) of the investment portfolio	Market value of each Sonae's businesses – average net debt – minorities (book value). Sonae's NAV is based on market references, such as trading multiples of comparable peers, external valuations, funding rounds and market capitalisations. Valuation methods and details per business unit are available in Sonae's Investor Kit at www.sonae.pt.
Net debt	Bonds + bank loans + other loans + shareholder loans - cash - bank deposits - current investments - other long-term financial applications.
Net financial debt	Net debt excluding shareholders' loans.
Net invested capital	Total net debt + total shareholders' funds.
Open market Value (OMV)	Fair value of properties in operation (% of ownership), provided by independent international entities and book value of development properties (% of ownership).
Other loans	Bonds and derivatives.
Right of use (RoU)	Lease liability at the beginning of the lease adjusted for, initial direct costs, advance rent payments and possible lease discounts.
RoIC	Return on invested capital.
Total Net Debt	Net Debt + lease liabilities.
Total Shareholder Return (TSR)	Profit or loss from net share price change, plus any dividends received over a given period.
Underlying EBITDA	Recurrent EBITDA from the businesses consolidated using the full consolidation method.
Underlying EBITDA margin	Underlying EBITDA / turnover.

SAFE HARBOUR

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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.

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Investor Relations Contacts

Vera Bastos
Head of Investor Relations
vcbastos@sonae.pt
+351 22 010 4794

Media Contacts

Maria João Oliveira
External Communication
majfoliveira@sonae.pt
+351 22 010 4000

Sonae
Lugar do Espido Via Norte
4471-909 Maia, Portugal
+351 22 948 7522

www.sonae.pt

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Sonae

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