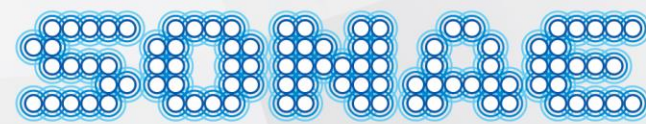


Building Together



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

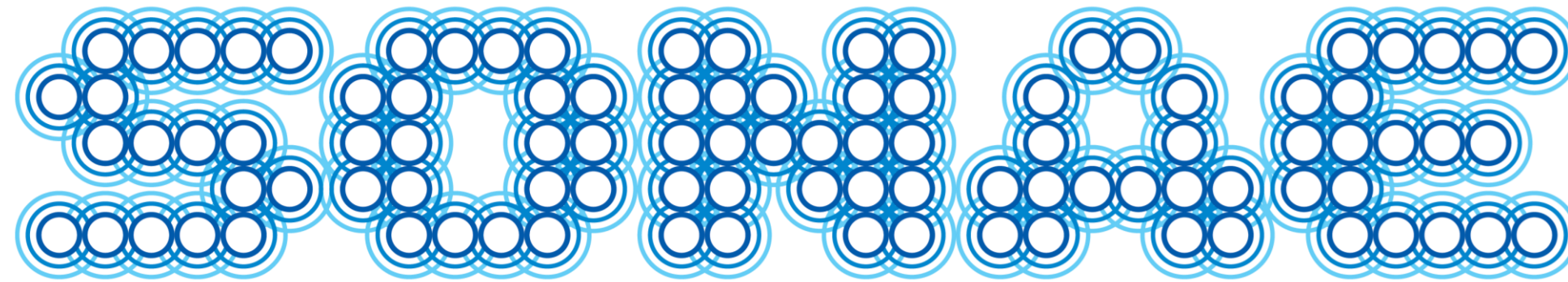
Closing remarks

Cláudia Azevedo - CEO

CLÁUDIA AZEVEDO

GROUP CEO

WHO WE ARE



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...

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Together CAPITAL
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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



OUR VALUES



Trust and
integrity



People at the
centre of our
success



Ambition



Innovation



Corporate
responsibility



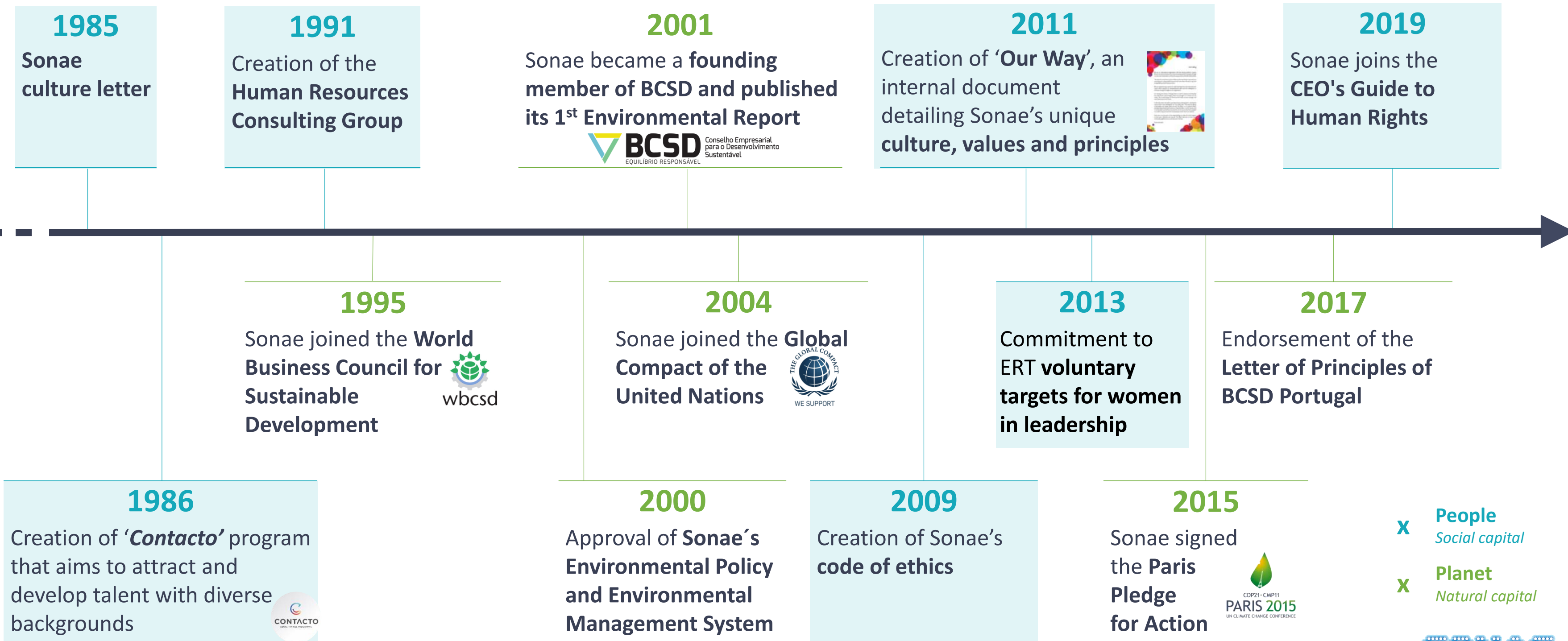
Frugality and
efficiency



Cooperation
and
independence

A purpose beyond economic value creation

Building
Together CAPITAL
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x **People**
Social capital

x **Planet**
Natural capital

SONAE
IMPROVING LIFE

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 strong management team with experienced executives

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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
MARKETS
DAYS

A unique corporate
culture with a leading
purpose

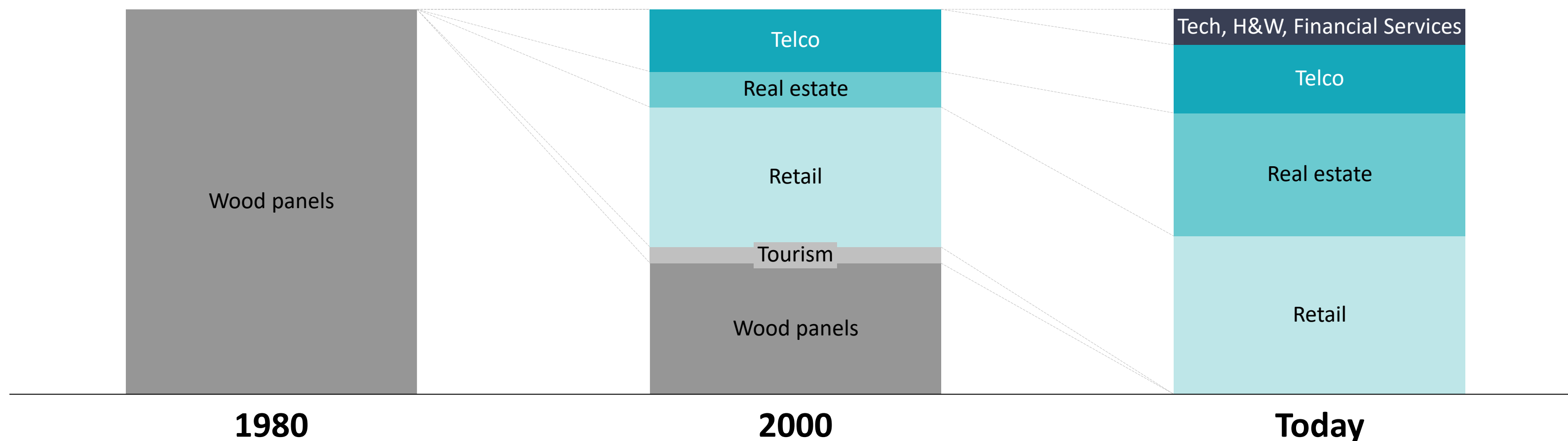
A strong management
team and best practice
corporate governance

An active portfolio
management anchored
on a solid capital
allocation strategy

A 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
- 1st 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?



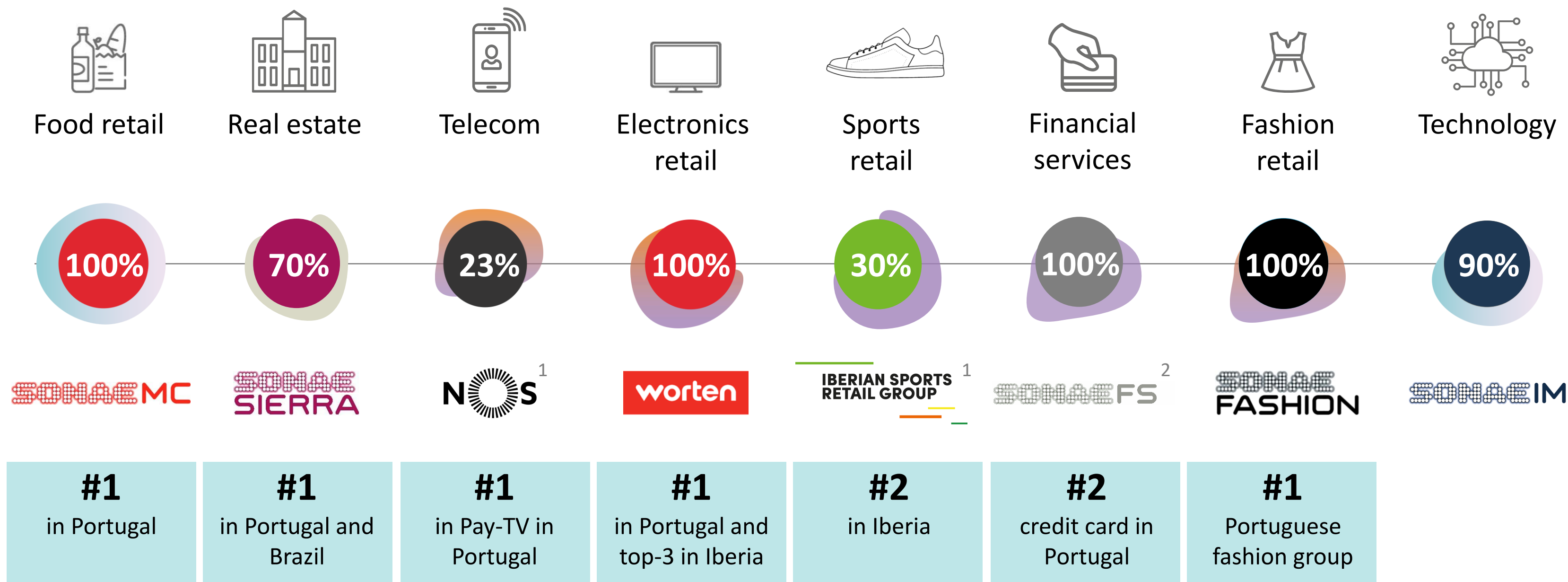
Portfolio balance

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



A portfolio of businesses with leading positions

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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

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

LUÍS MOUTINHO

CEO

SONAE MC

Undisputed market leadership with an exceptional multi-format omnichannel portfolio

Grocery retail portfolio (84% of total sales area)



Urban
hypermarkets



Large
supermarkets



Proximity
supermarkets



e-commerce



Proximity stores
(franchising)

New growth businesses (16% of total sales area)



Para-
pharmacies
& Eyecare



Para-
pharmacies
& Perfumeries



Dental &
Aesthetic
medicine



Organic
supermarkets
& Foodservice



Coffee
shops



Stationery,
Books & Gifts



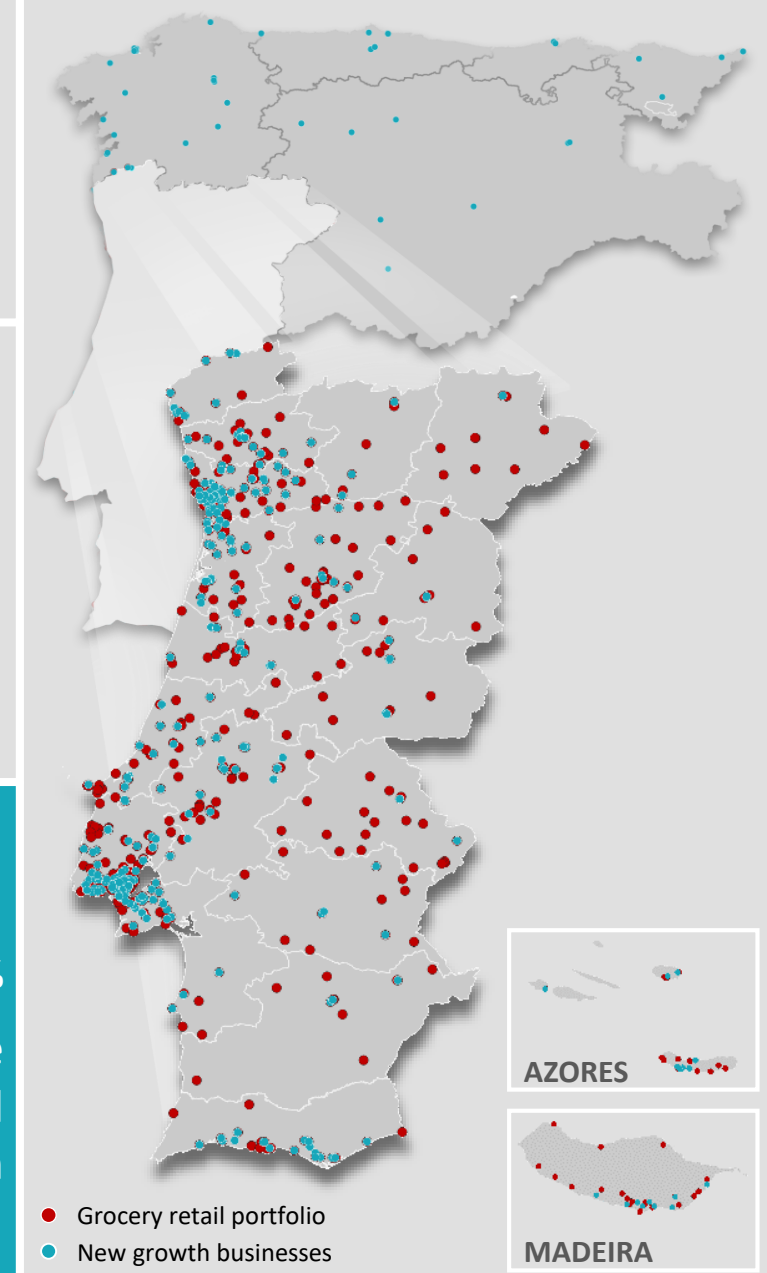
Pet care &
Vet services



DIY retail

Store footprint

PORTUGAL AND NORTHWESTERN SPAIN



4.3€bn
Turnover

423€M (9.8% margin)
Underlying EBITDA⁽¹⁾

1,168
(833 company operated)
Stores



22.7%
Market share

32k
Associates

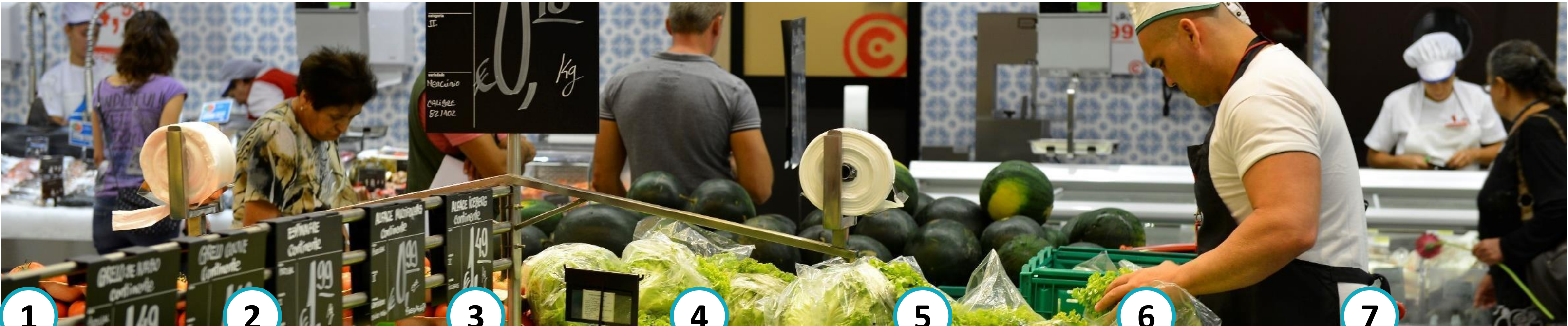
83%
Loyalty programme
Portuguese household
penetration

Source: Company information. Planet Retail RNG as at March 2019.

¹ Underlying EBITDA means EBITDA excluding non-recurring items (net capital gains/ losses on the sale & leaseback transactions of real estate assets).
Data as at 2018 (except for store data). Store data as at June 19. Reported according to IFRS 16.

A unique narrative in the European grocery retail market

REMINDER



1	2	3	4	5	6	7
Attractive market environment	Leading food retailer in a highly competitive environment	Strong retail network & digital platform	Exceptional brand power & customer engagement	Highly efficient operator	Strong financial performance	Clear growth strategy
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

Source: Planet Retail as at March 2019; INE.
Data as of 2018.

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

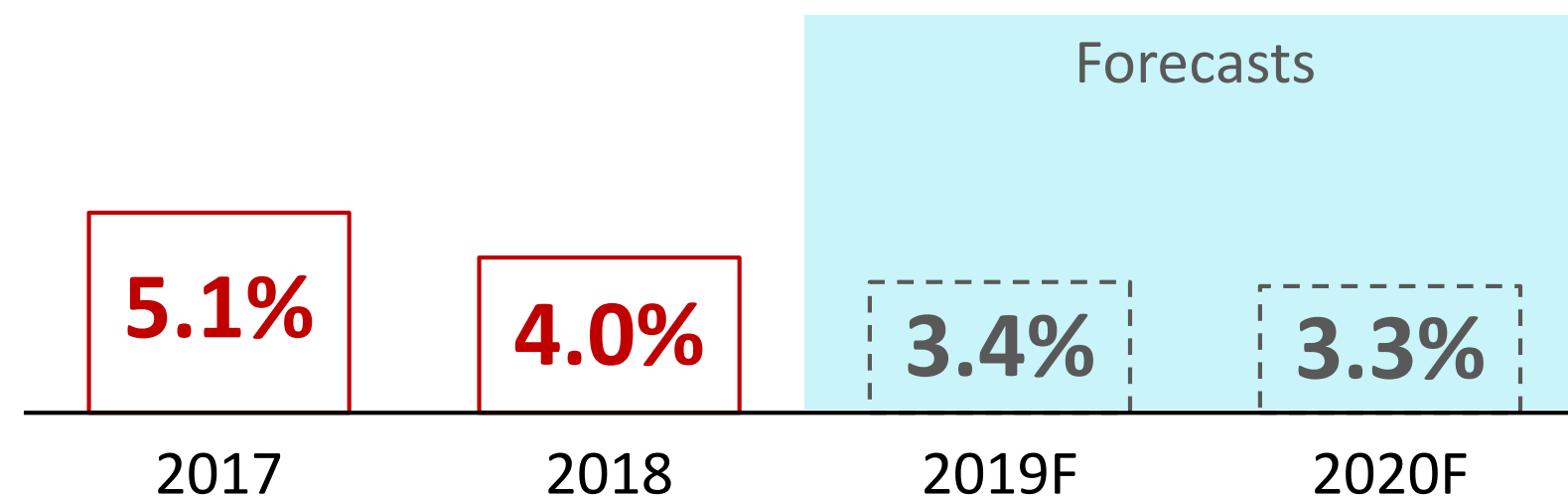


Macro tailwinds continue to support buoyant demand

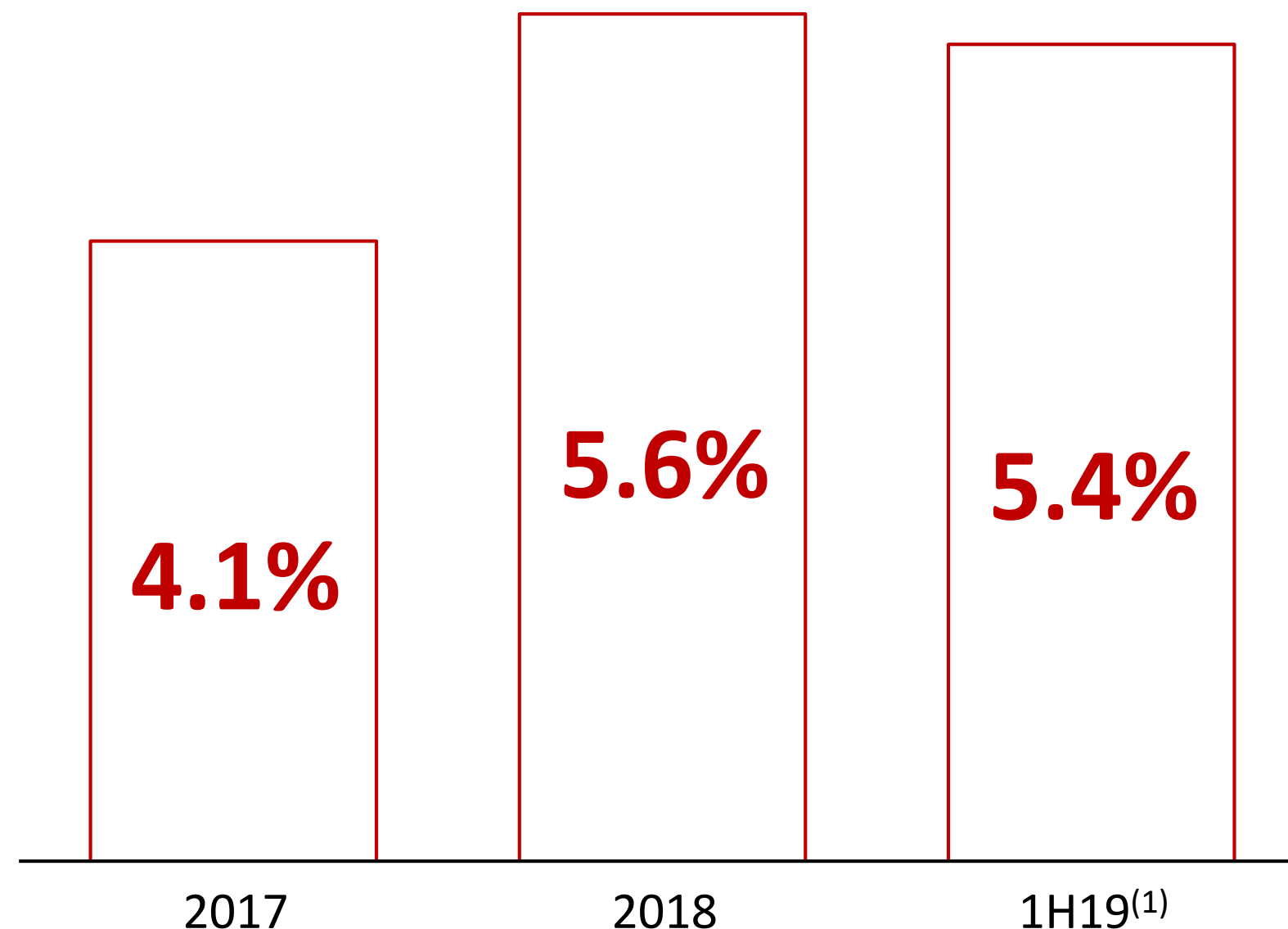
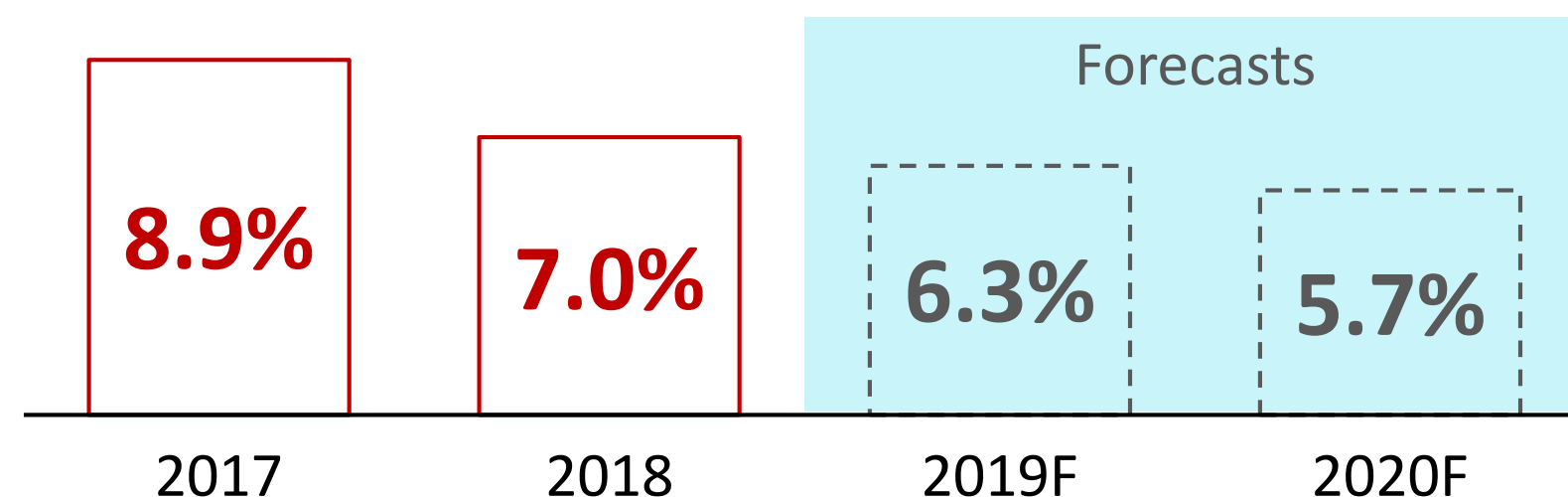
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DAYS

Nominal GDP growth in Portugal remains robust...

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



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



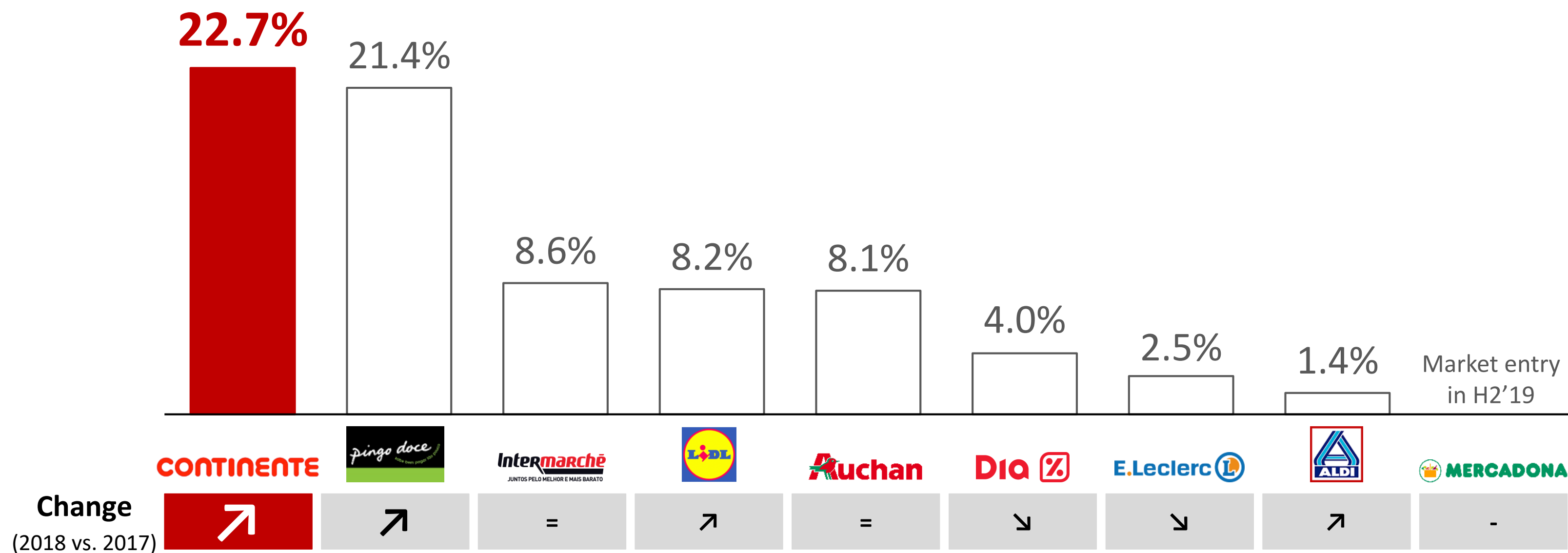
Source: FMI; Banco de Portugal; AMECO (Jun'19); Eurostat; Portuguese Public Finance Council.

¹ Year-on-year change; Nominal.



Strengthened leadership position

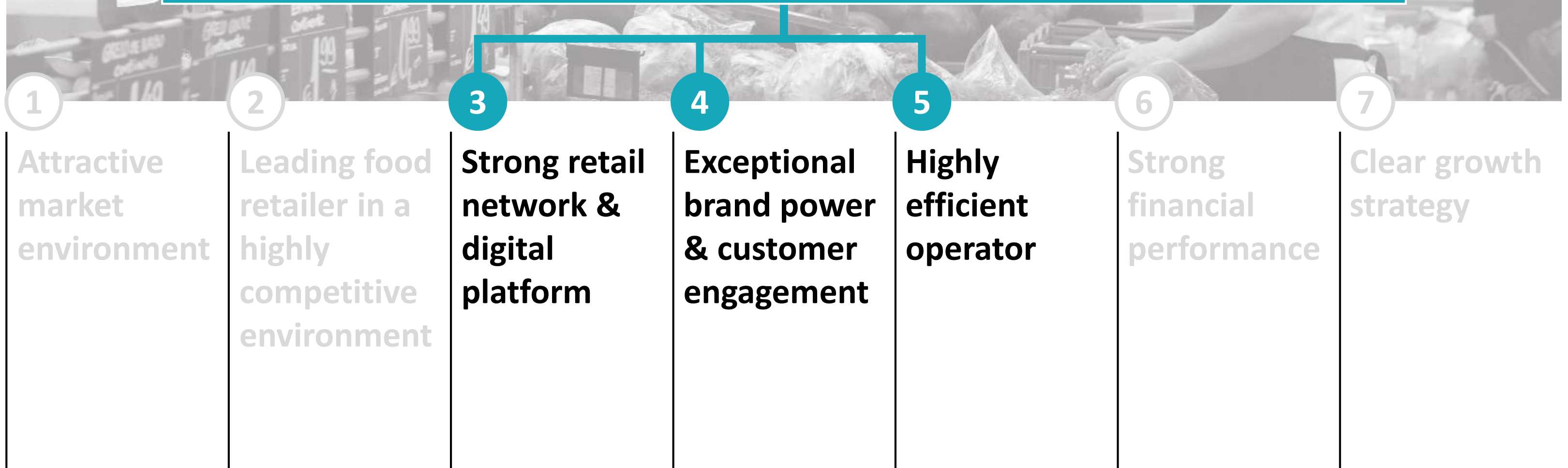
Demonstrated by the **highest market share increase** in grocery retail in Portugal



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)

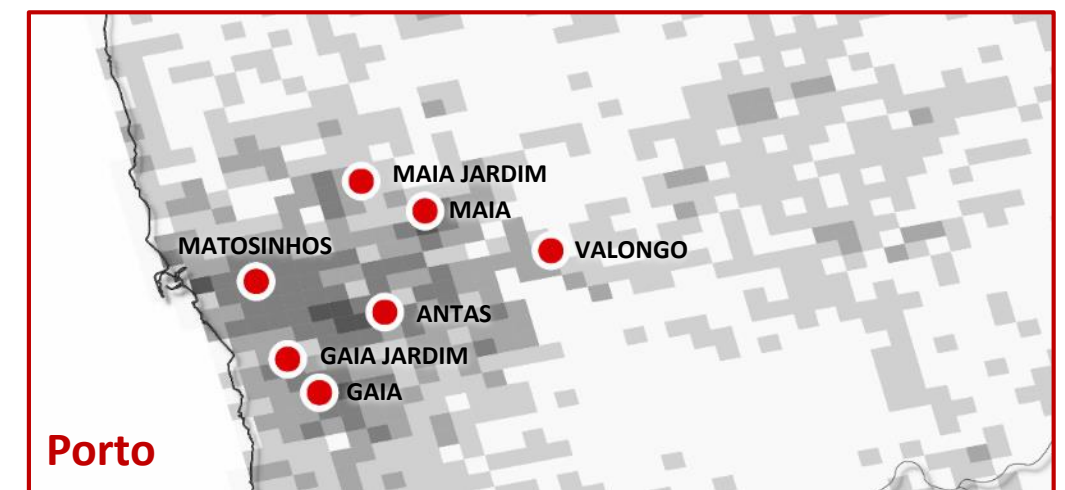
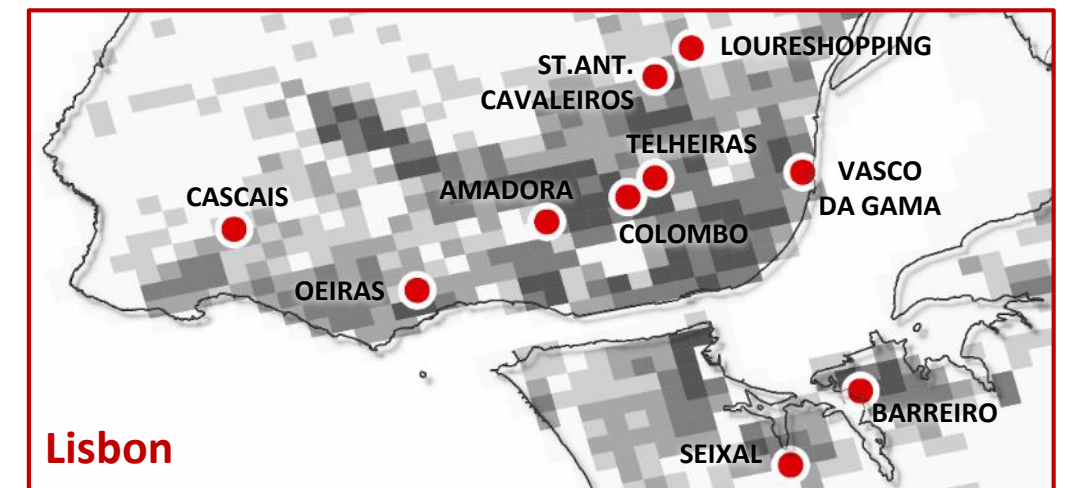
... notably benefiting our distinctive hypermarket format



- > “**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



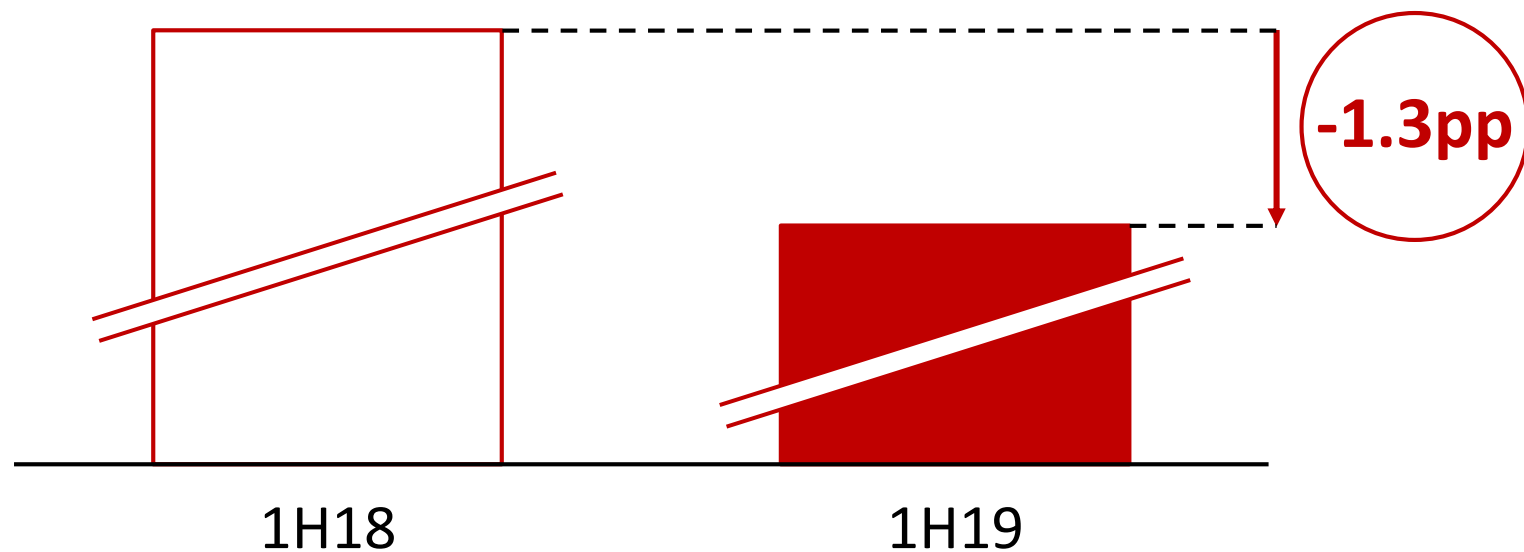
Continente hypermarkets (red) over population density (grey)

Driving operational efficiency and productivity gains



Operational efficiency

Operating expenses⁽¹⁾ / Turnover



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

CASE STUDY

Store productivity

Continente Antas hypermarket optimisation⁽³⁾
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.

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

² Year-on-year.

³ Carried out between June and November 2018.

Accelerating the store proximity expansion programme

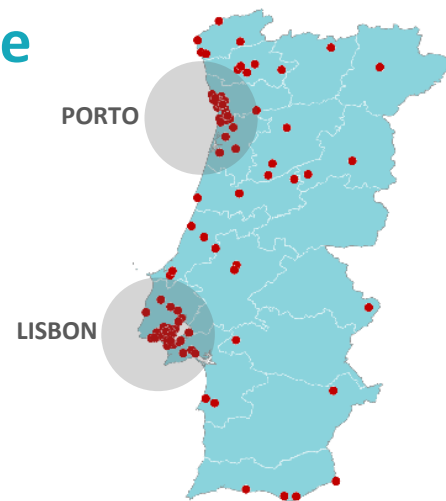


Continente Bom Dia network

Nationwide coverage

112 stores

c.140k sqm.



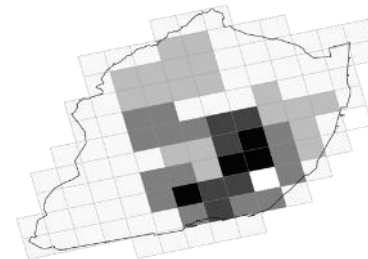
Core development levers

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

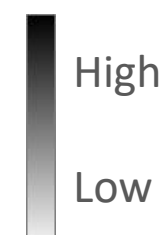
Underpenetrated urban areas

Lisbon

Preliminary potential locations

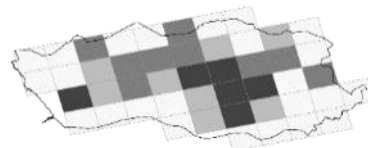


Potential



Porto

Preliminary potential locations



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

New ultra proximity store



- > 1st 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

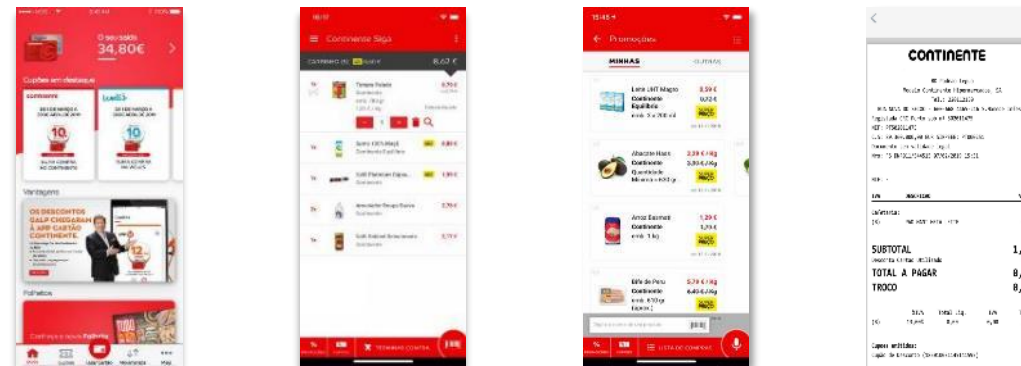
e-commerce platform



- > **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

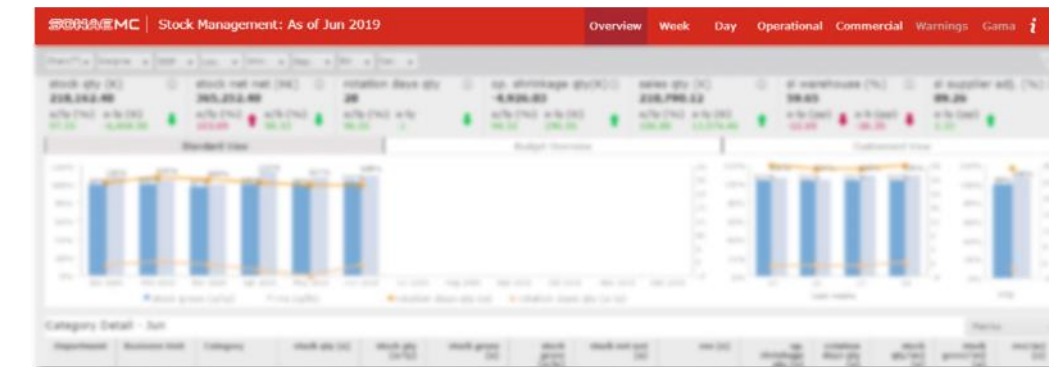
Mobile apps



- > 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.⁽¹⁾ 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.

¹ Year-on-year.

² Year to date.

Data as of 1H19

While creating value for all stakeholders



Environment

Reducing our environmental footprint

- > 1st 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
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Exceptional sales growth

+6.2%

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

Best-in-class operating profitability

9.8%

underlying EBITDA⁽¹⁾ margin in 2018,
... remaining a benchmark in 1H19

Conservative capital structure

<3.5x

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

Fully on track with our priorities ✓

Source: Company information.

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

² Net financial debt plus lease liabilities.

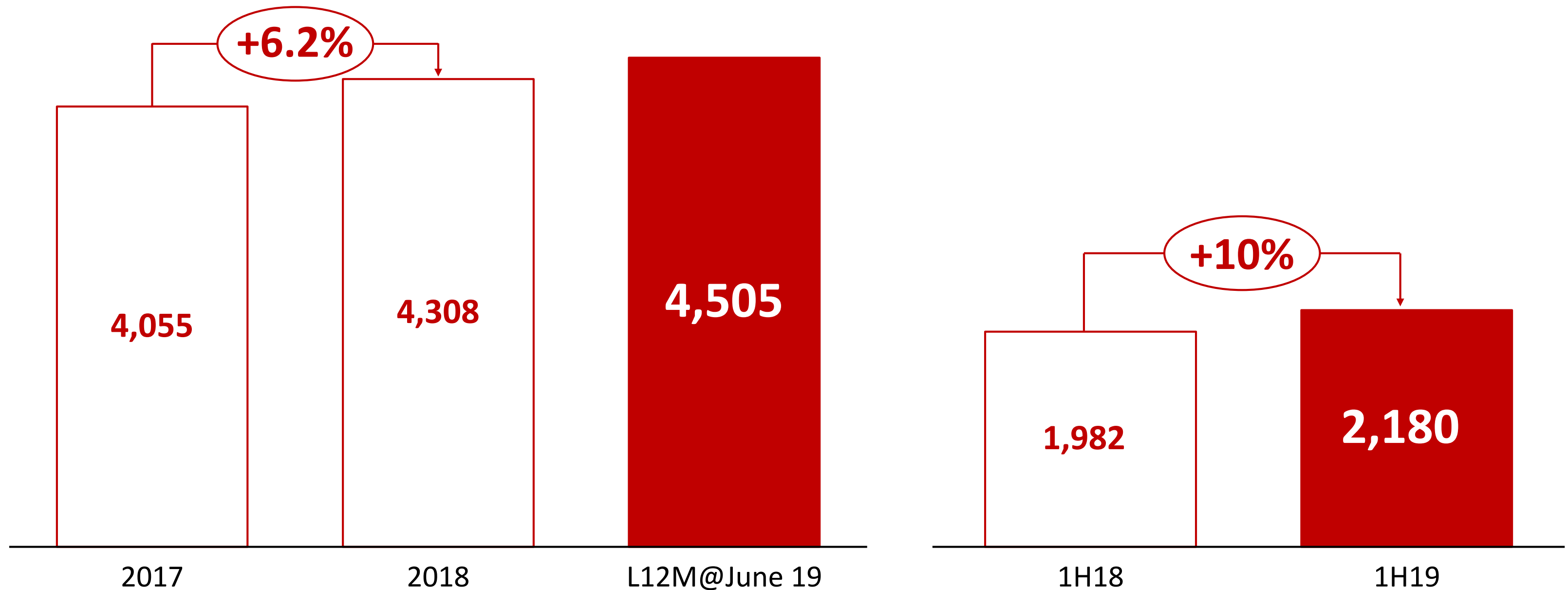
Data as at 2018 and 1H19. Reported according to IFRS 16.



Remarkable turnover growth...

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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

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DAYS

underlying EBITDA⁽¹⁾ (€M)

underlying
EBITDA margin

9.8%

10.0%⁽²⁾

9.1%

9.5%⁽²⁾

423

450

180

207

2018

L12M@June 19

1H18

1H19

Source: Company information.

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

² 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.

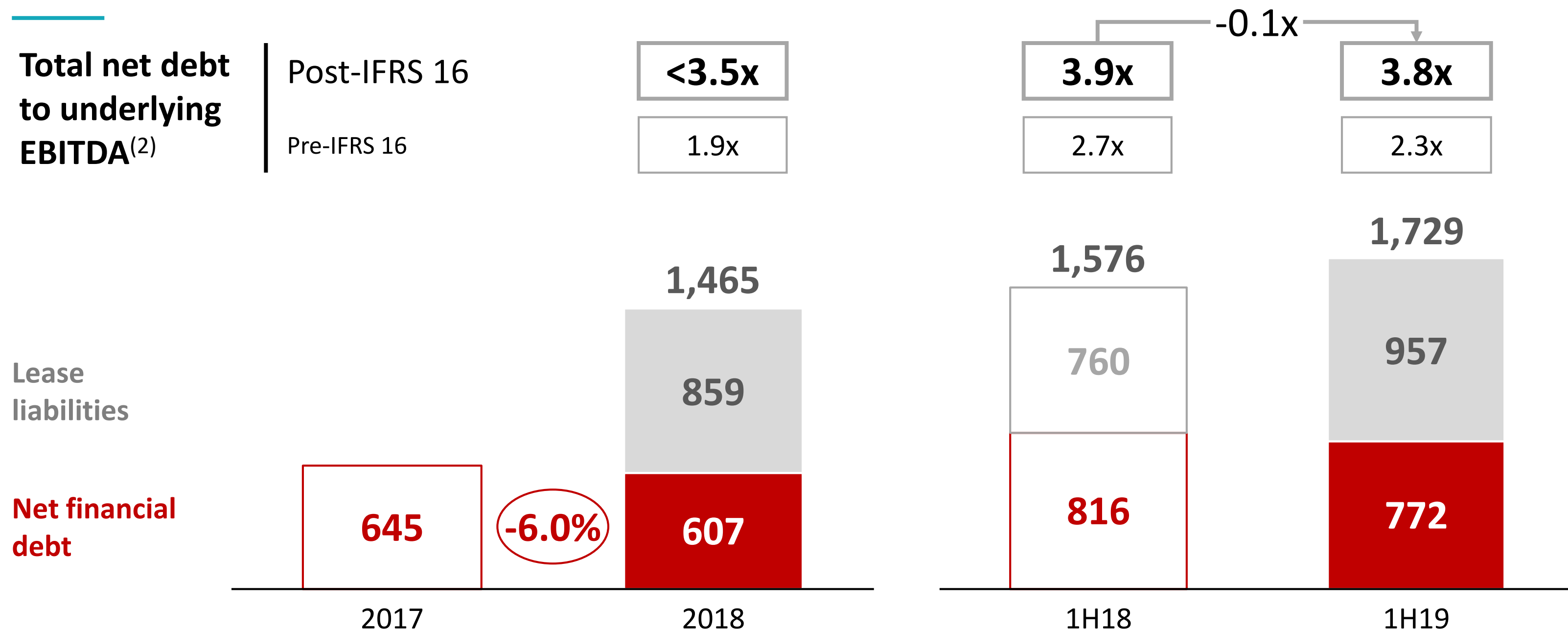


Strong balance sheet with an investment grade profile

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DAYS

Total net debt⁽¹⁾ (€M)



Source: Company information.

¹ Net financial debt plus lease liabilities.

² 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...

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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⁽¹⁾)
260-280€M (Expansion)**

Year-end total net debt⁽²⁾ to underlying EBITDA (post-IFRS 16)

<3.5x

Freehold at year-end

>40%

Source: Company information.

¹ Maintenance and Optimisation.

² 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

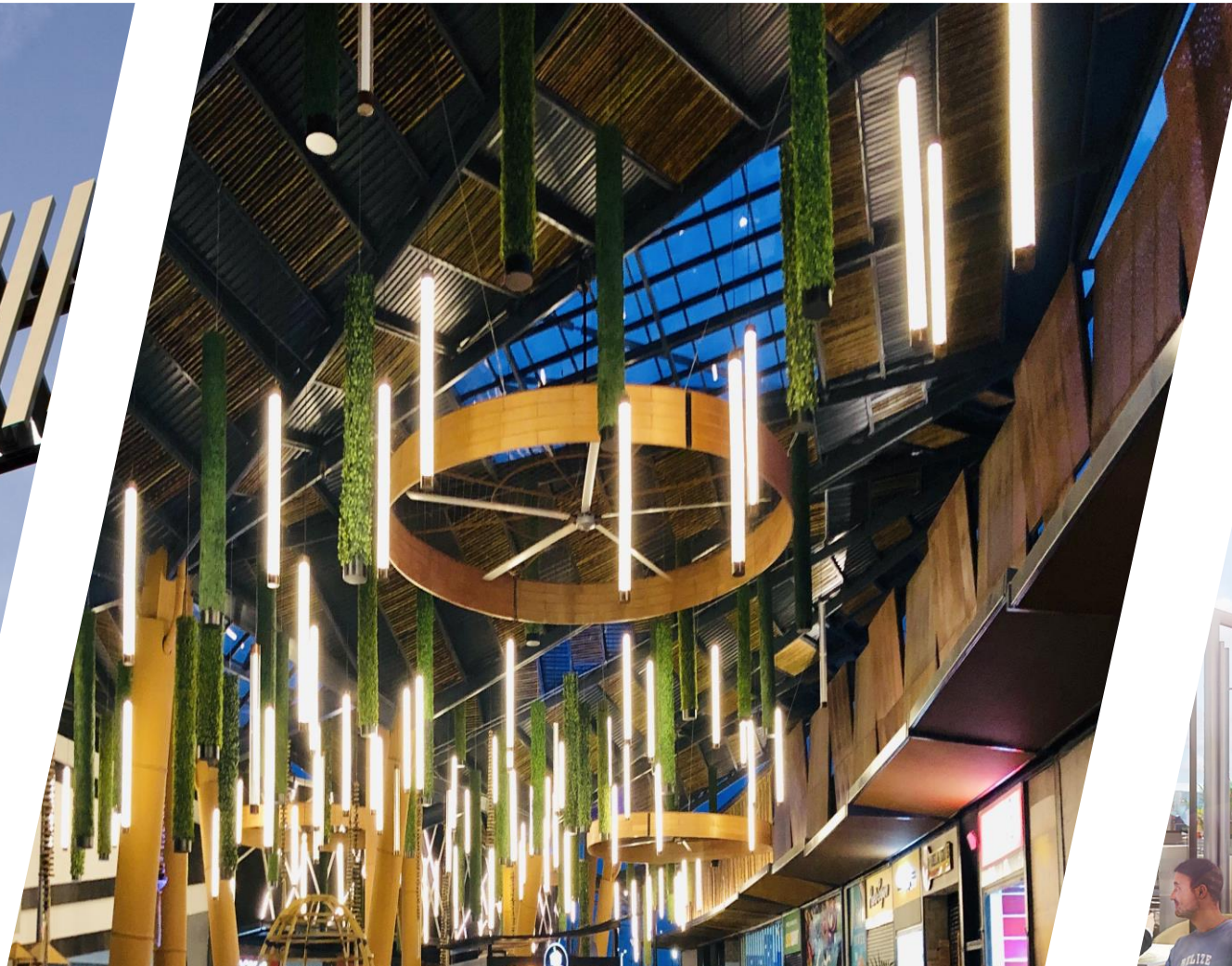
Full Service Real Estate provider to investors and operators

Our focus has been on three key strategic guidelines



Inv.
Port.

Nurture and grow a high quality RE portfolio



Dev.

Pursue developments selectively



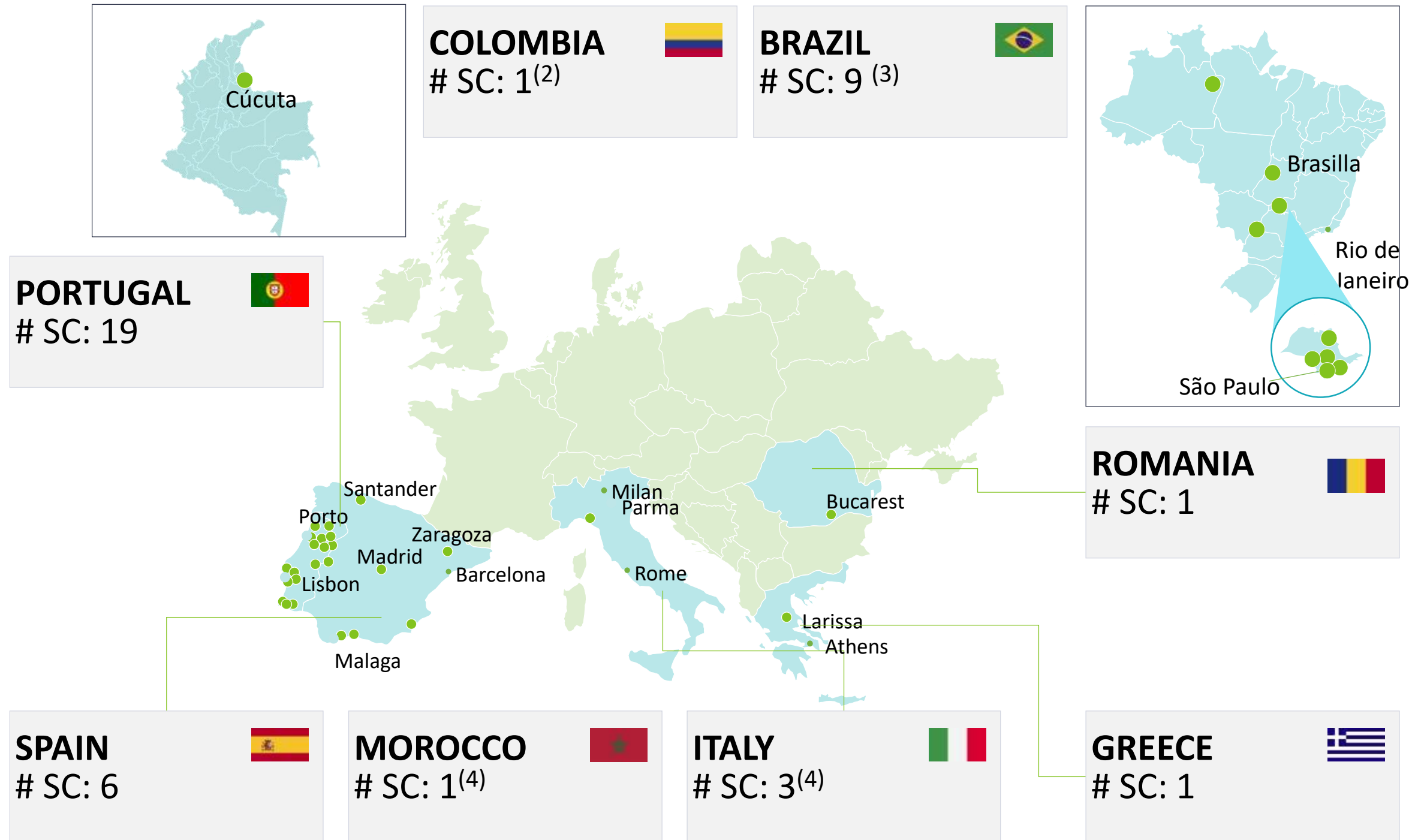
Serv.

Continue organic and inorganic services growth

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

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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

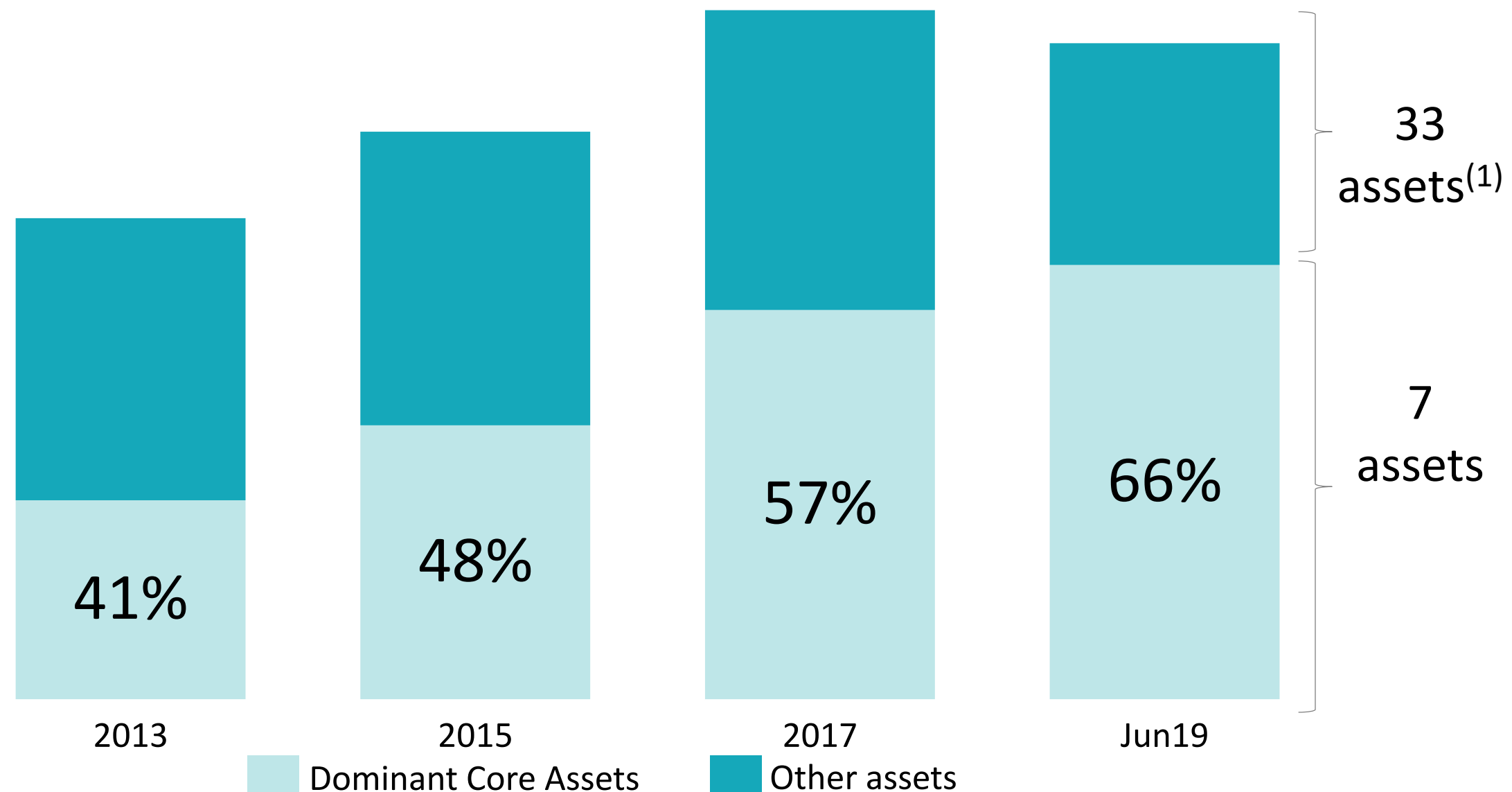
We have been rebalancing our portfolio by increasing the focus on dominant core properties

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

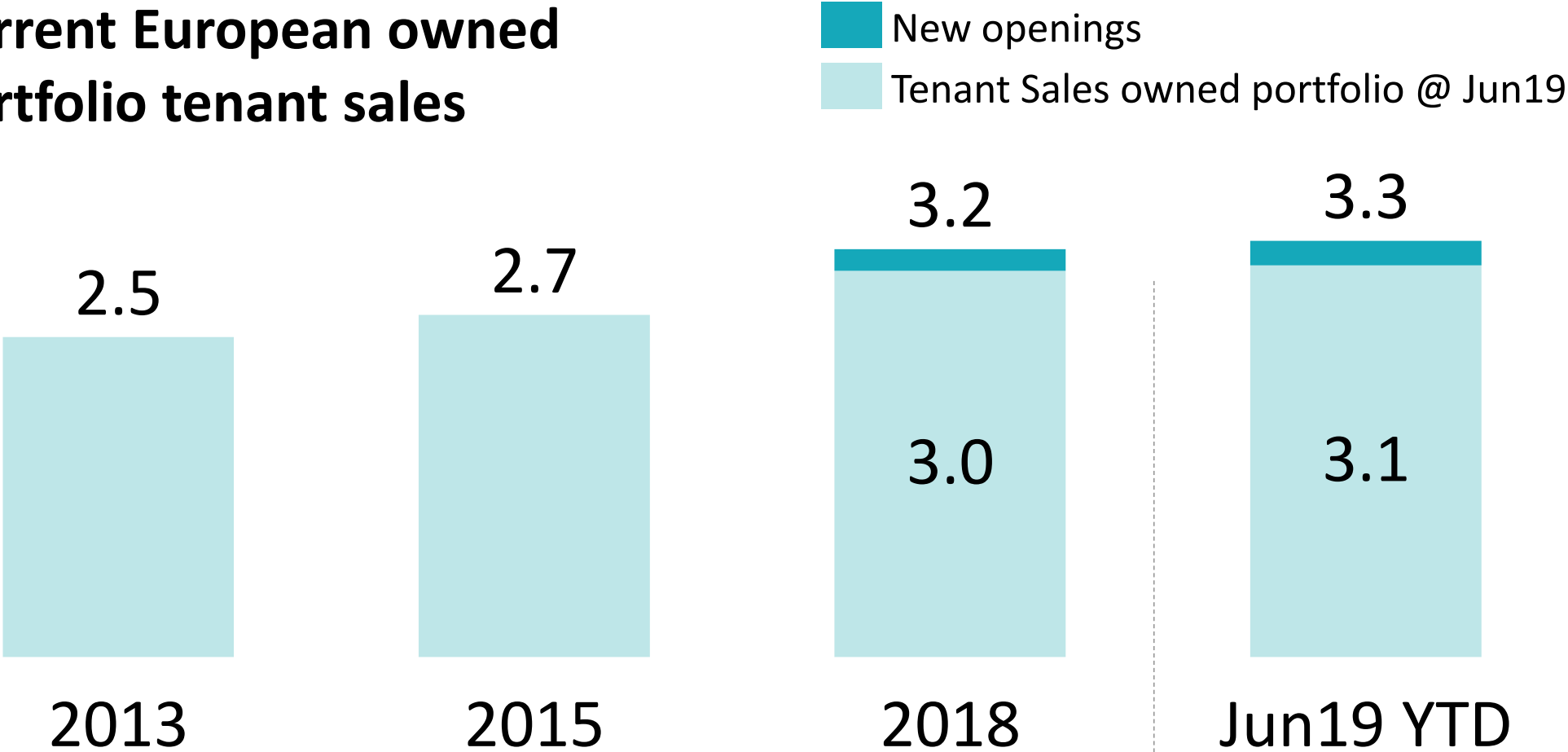


Our portfolio is underpinned by strong fundamentals and growth momentum

c.110 M€
Jun2019 L12M Shopping centre income

> 450 M
Yearly visits

Current European owned portfolio tenant sales
bi€

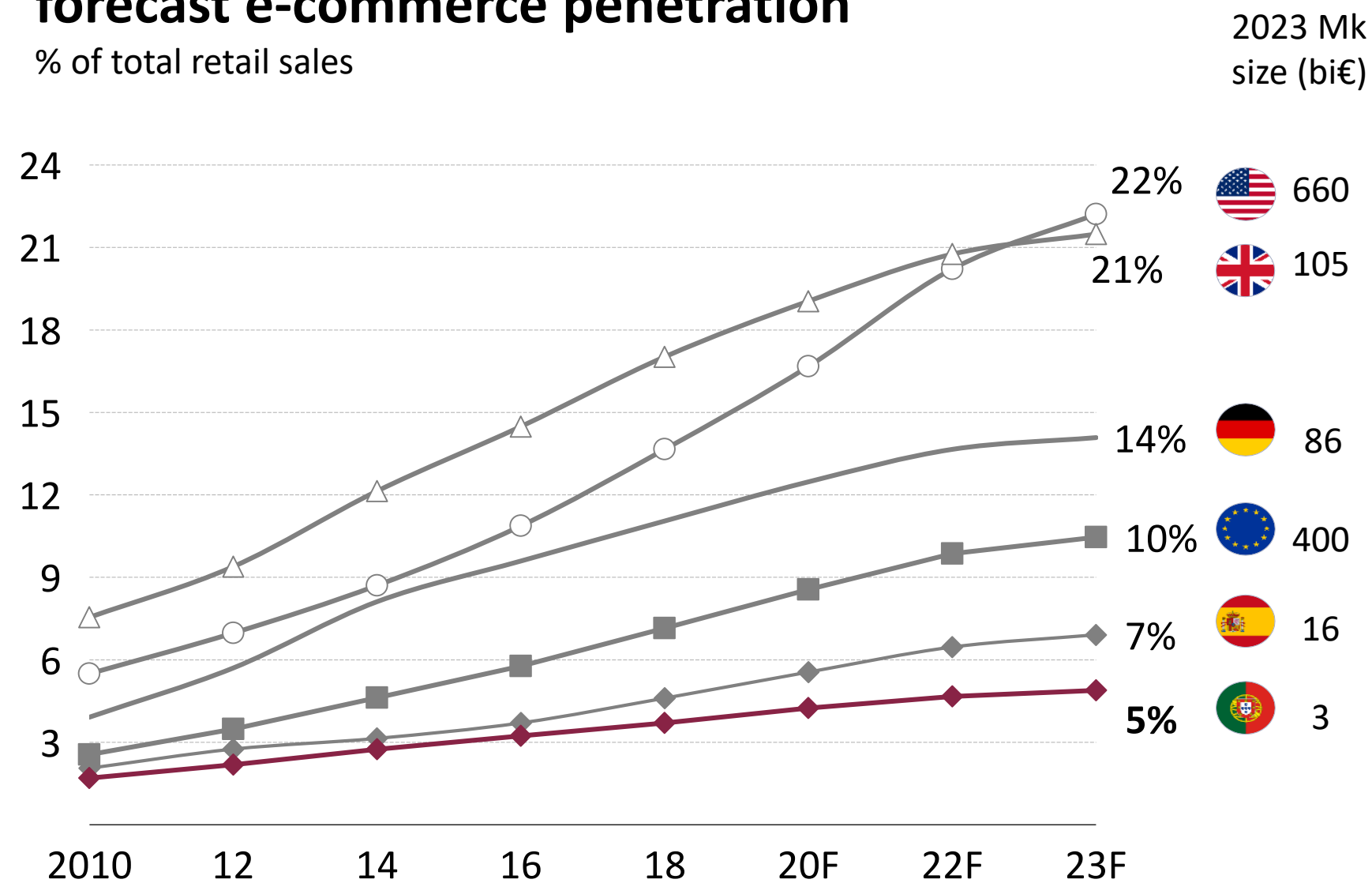


	2013-18 CAGR		Jun19 YTD
LfL Sales		3.3%	4.2%
LfL Rents		2.7%	3.9%
LfL EBIT		2.9%	3.4%

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

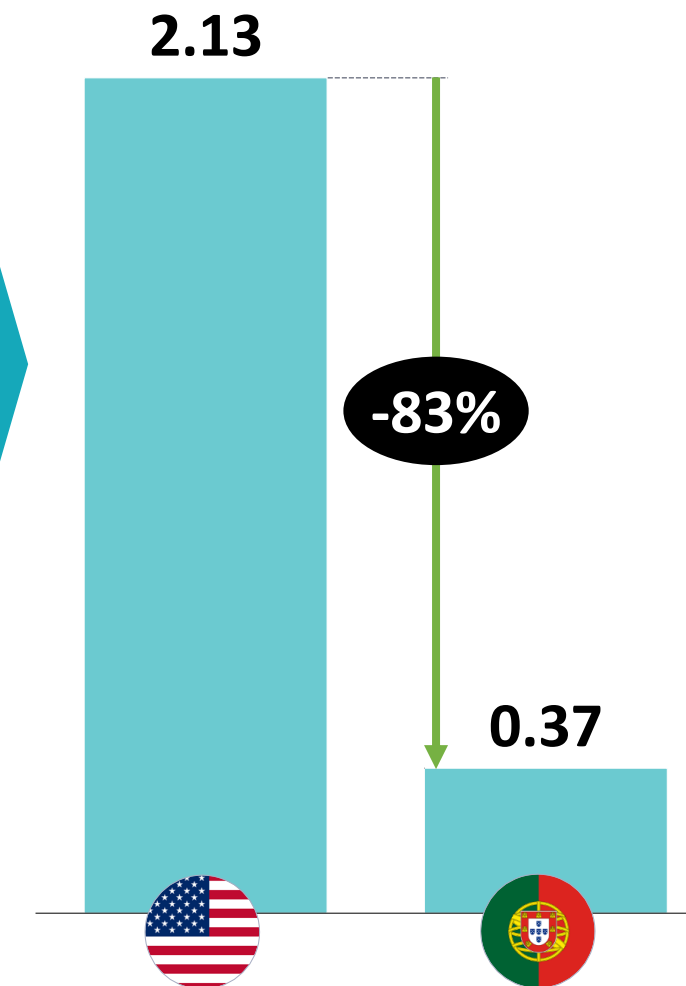
Significantly lower current and forecast e-commerce penetration

% 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)

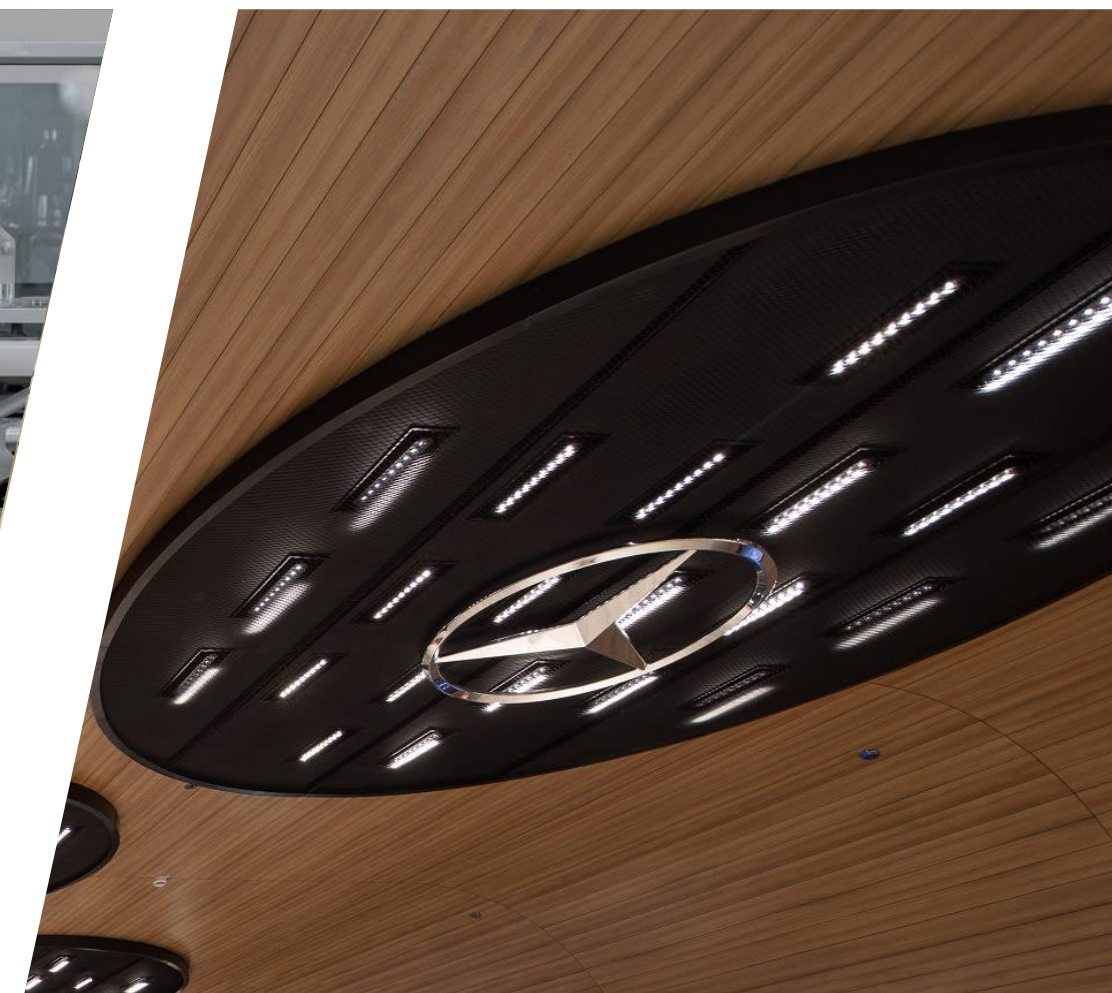
We are consistently and proactively evolving our portfolio to the exciting and dynamic retail market trends



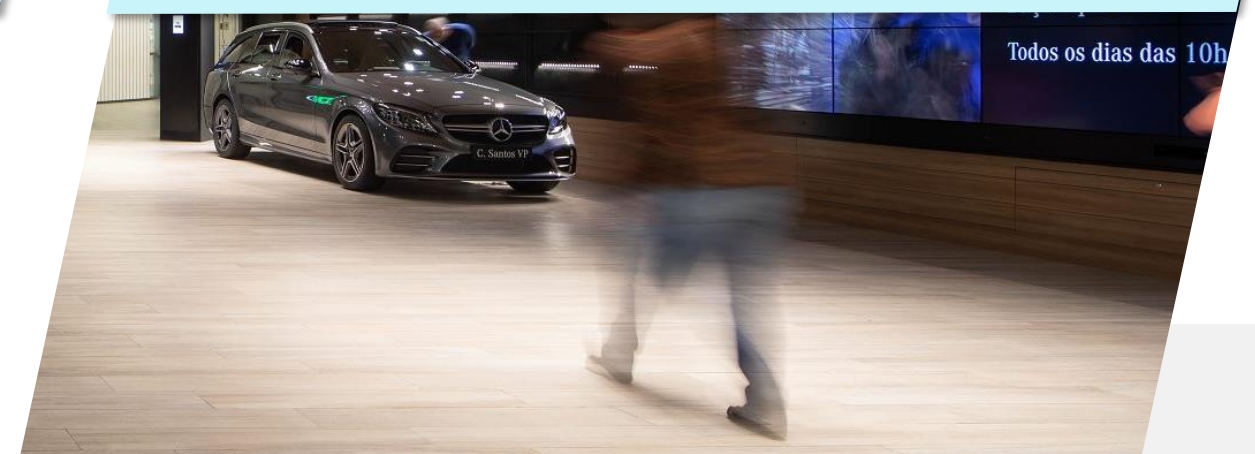
Upsizing of key retailers and creation of iconic flagships



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



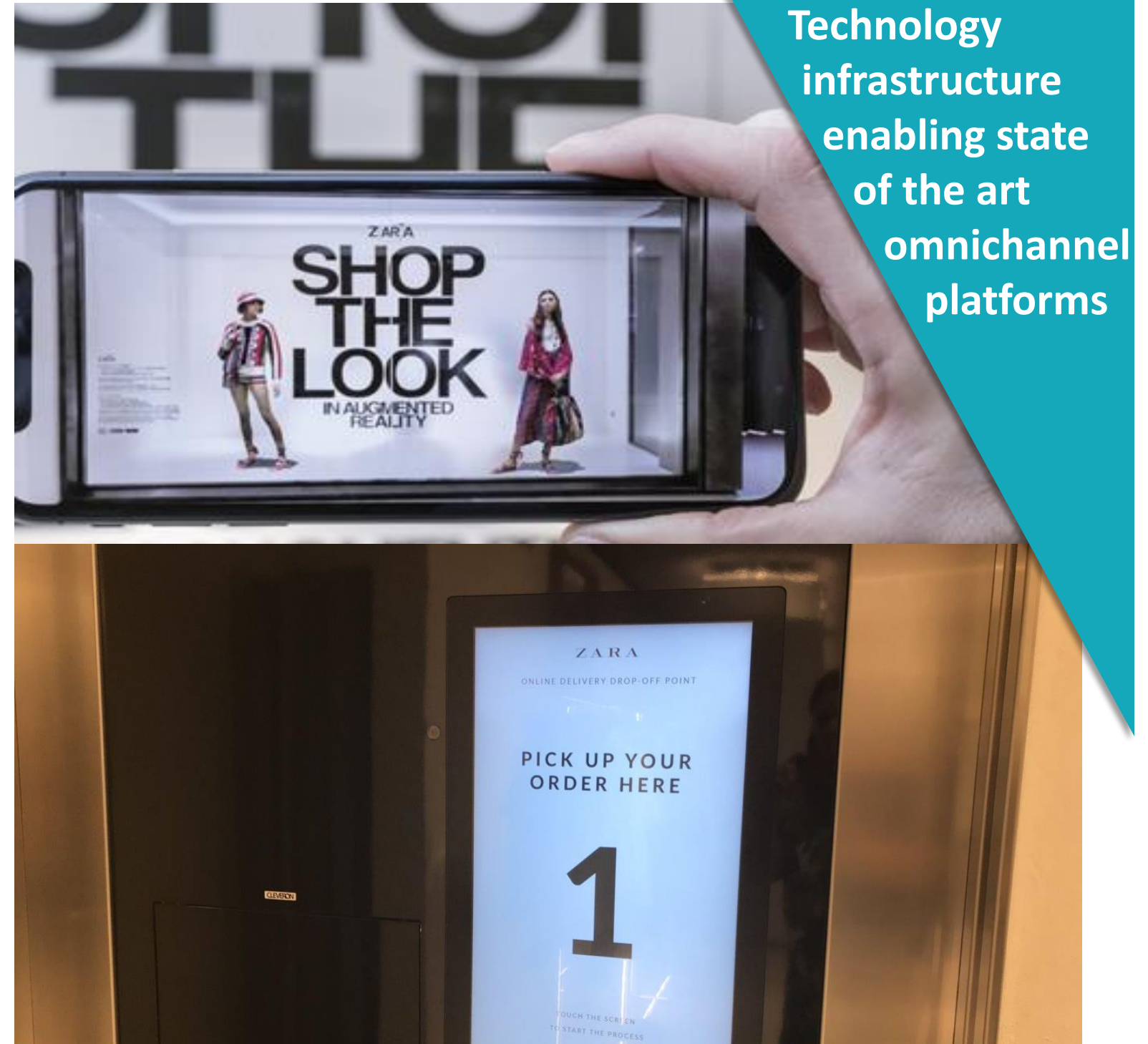
Inv.
Port.

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**



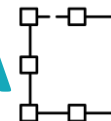
40 AuM



14 States



811 k sqm **Owned GLA**



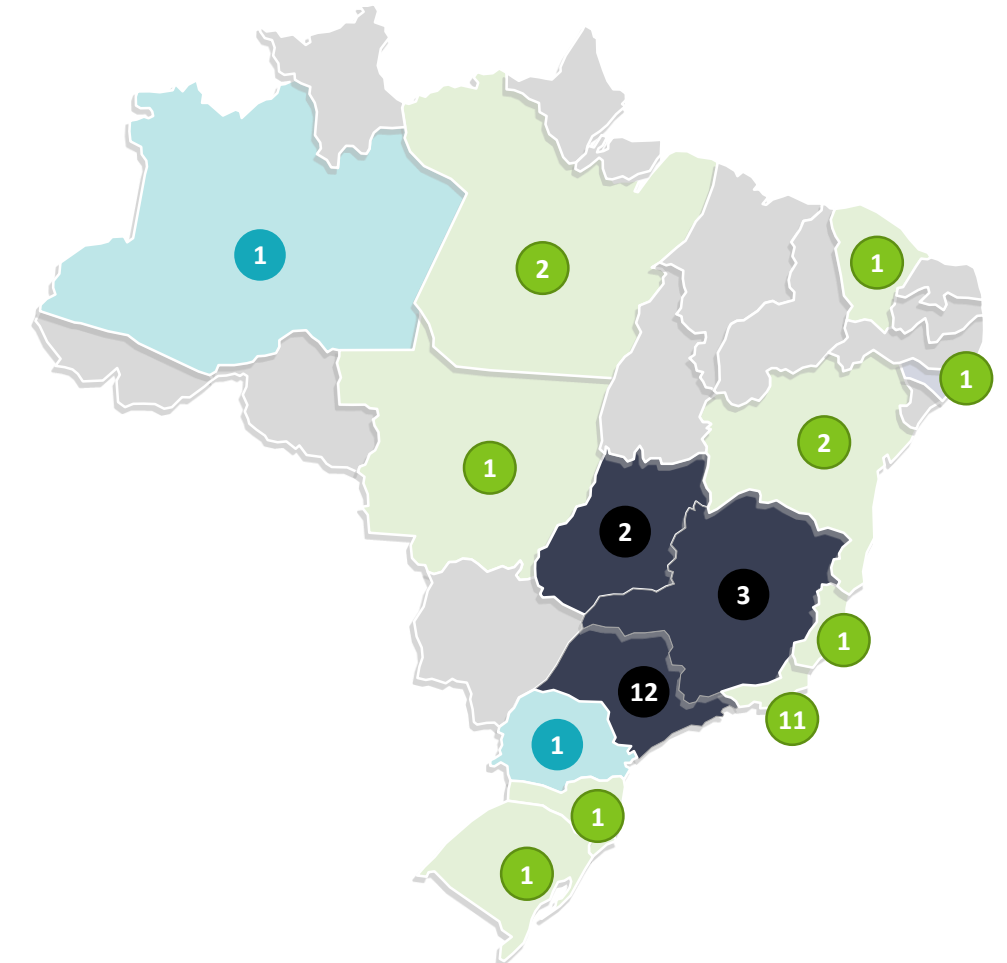
1,194 k sqm **Total GLA**



>2,500 **Employees**



Geographic Footprint



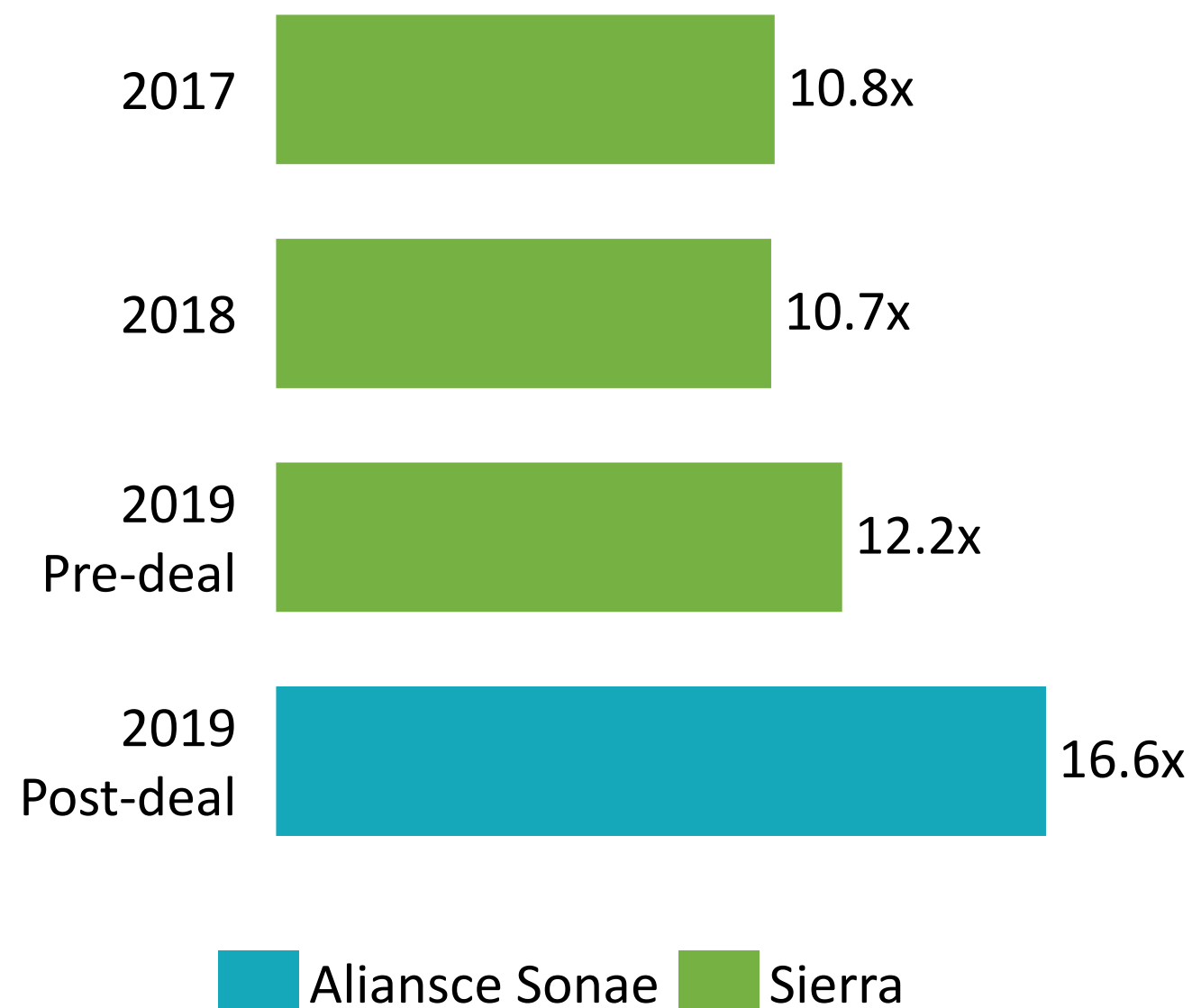
● Sonae Sierra
● Aliansce
● Combined



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

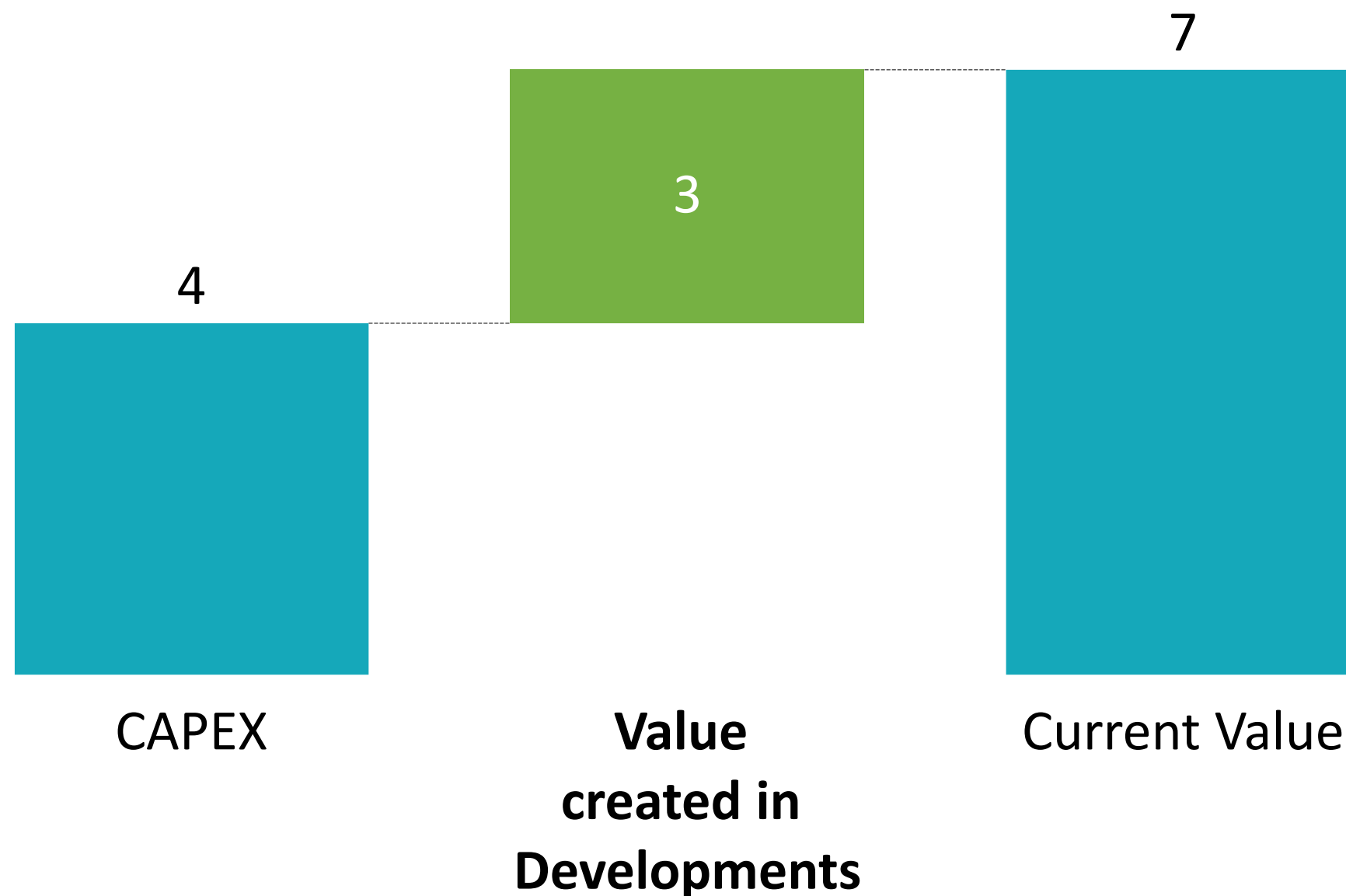
Exposure to a **high potential emerging market**

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

Dev.

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

Properties under
development
(@ Sierra stake – estimated¹)

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 funds¹**



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 3rd party contracts



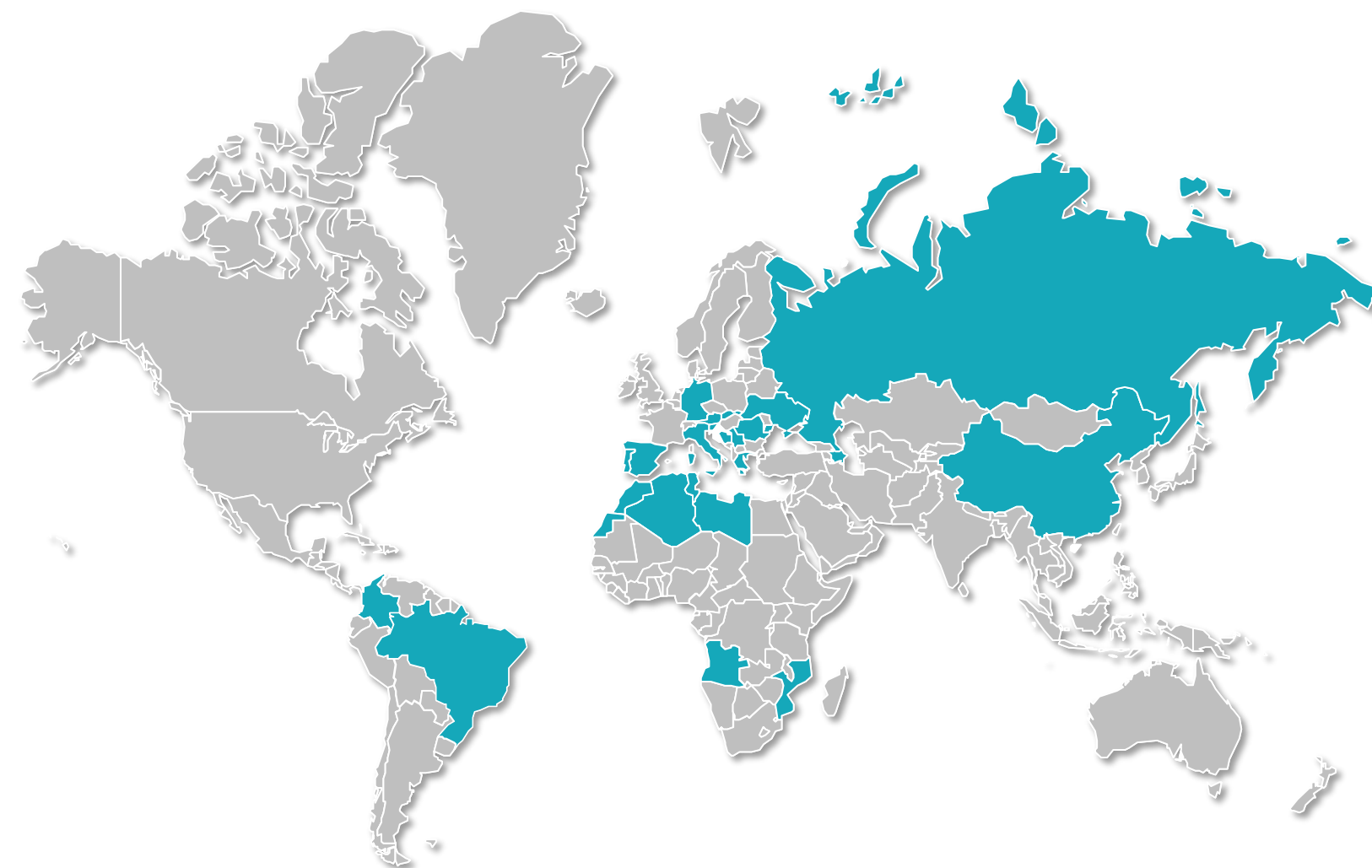
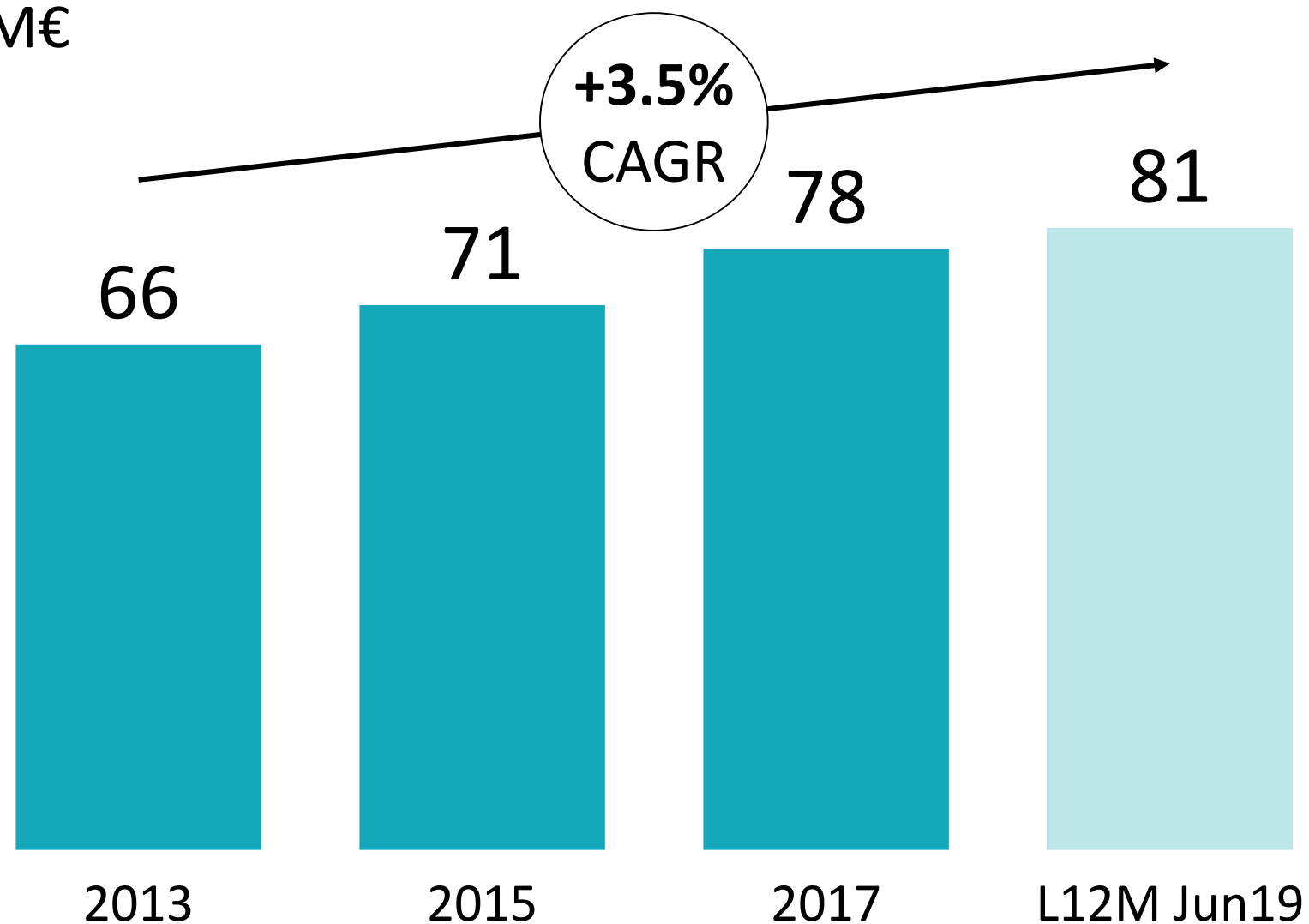
"Best Retail/Shopping Developer" in Western Europe 2019

Serv.

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

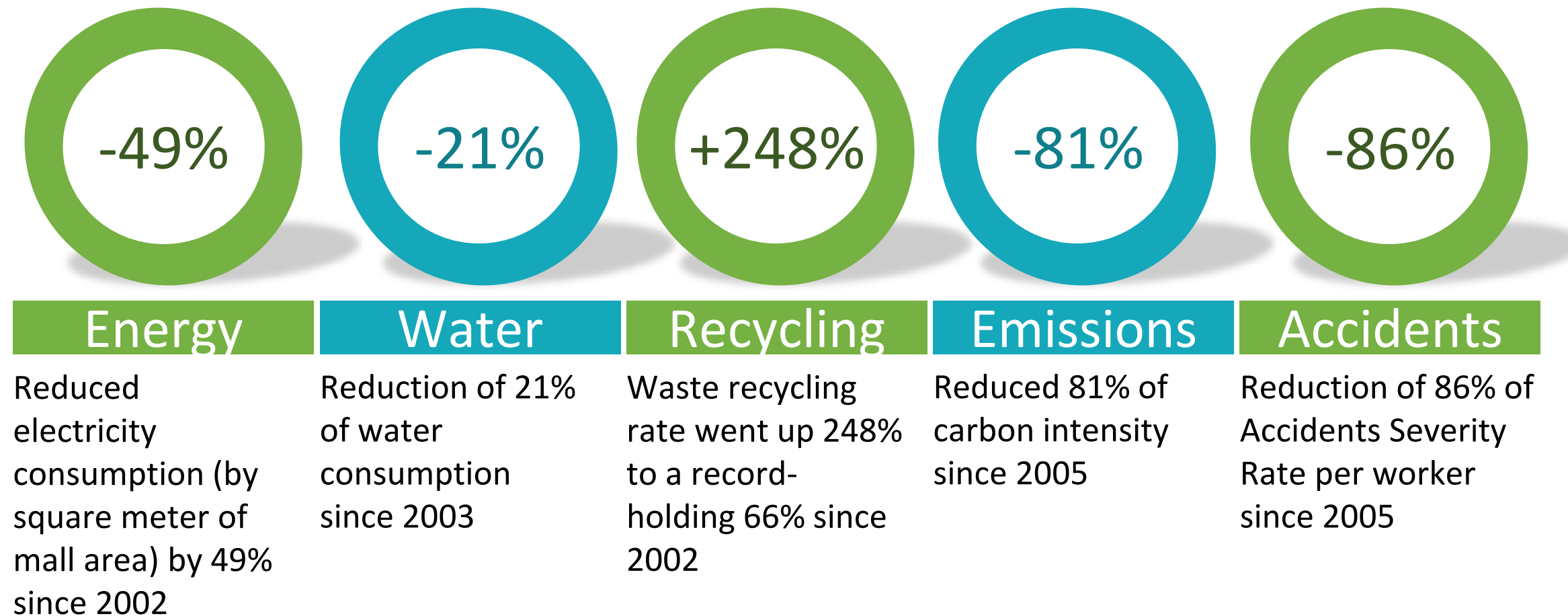
Services turnover

M€



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

Building
Together CAPITAL
MARKETS
DAYS



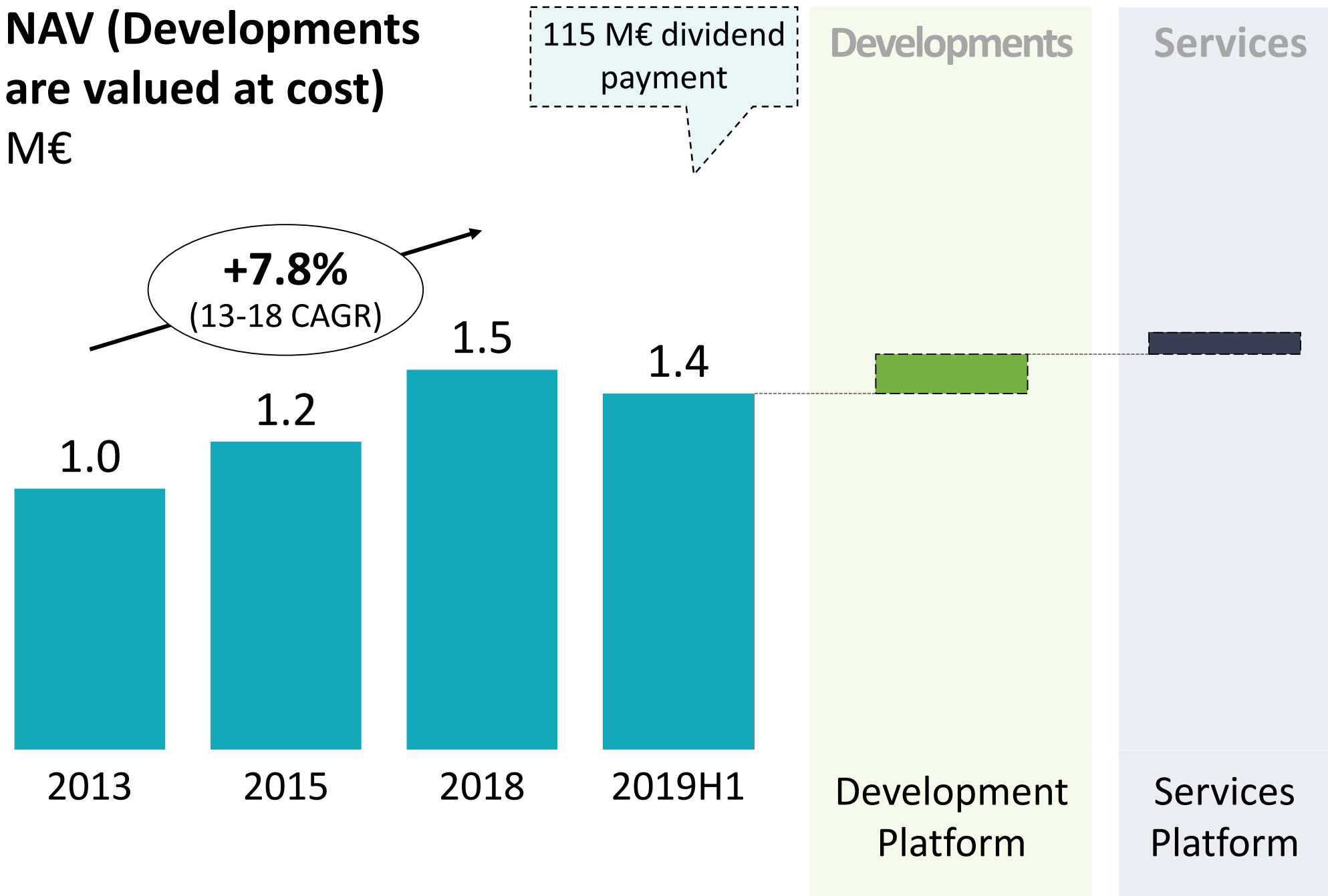
Our sustainability practices across Sonae Sierra portfolio have enabled our company to **avoid costs of over 25 M€ in 2018** as a result of energy, water and waste efficiency measures implemented since 2002.



“Bright” energy efficiency programme

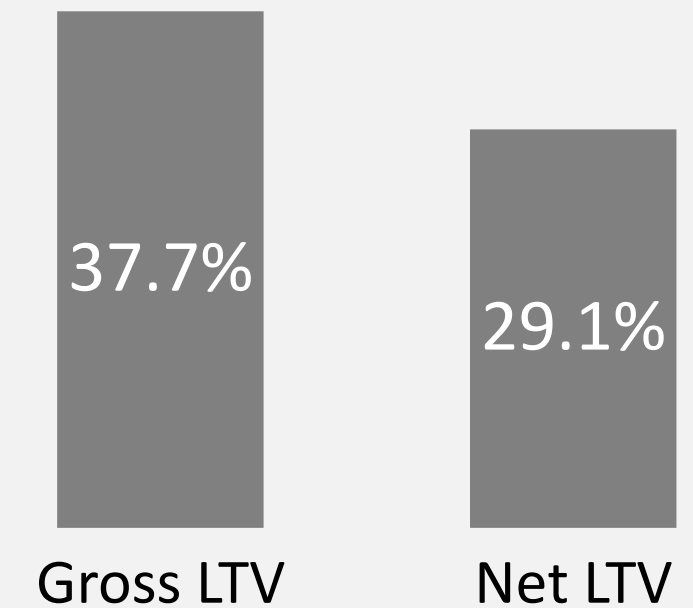
Solid NAV growth complemented by leading services and development platforms

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

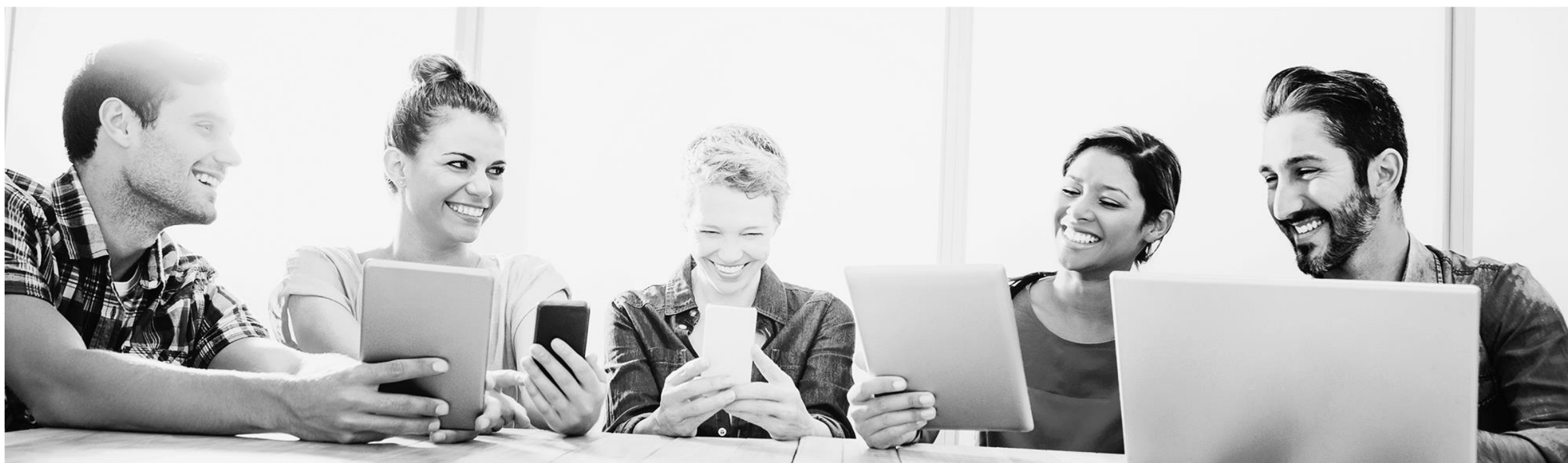
Leverage on services know-how & track-record to increase customer base

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...

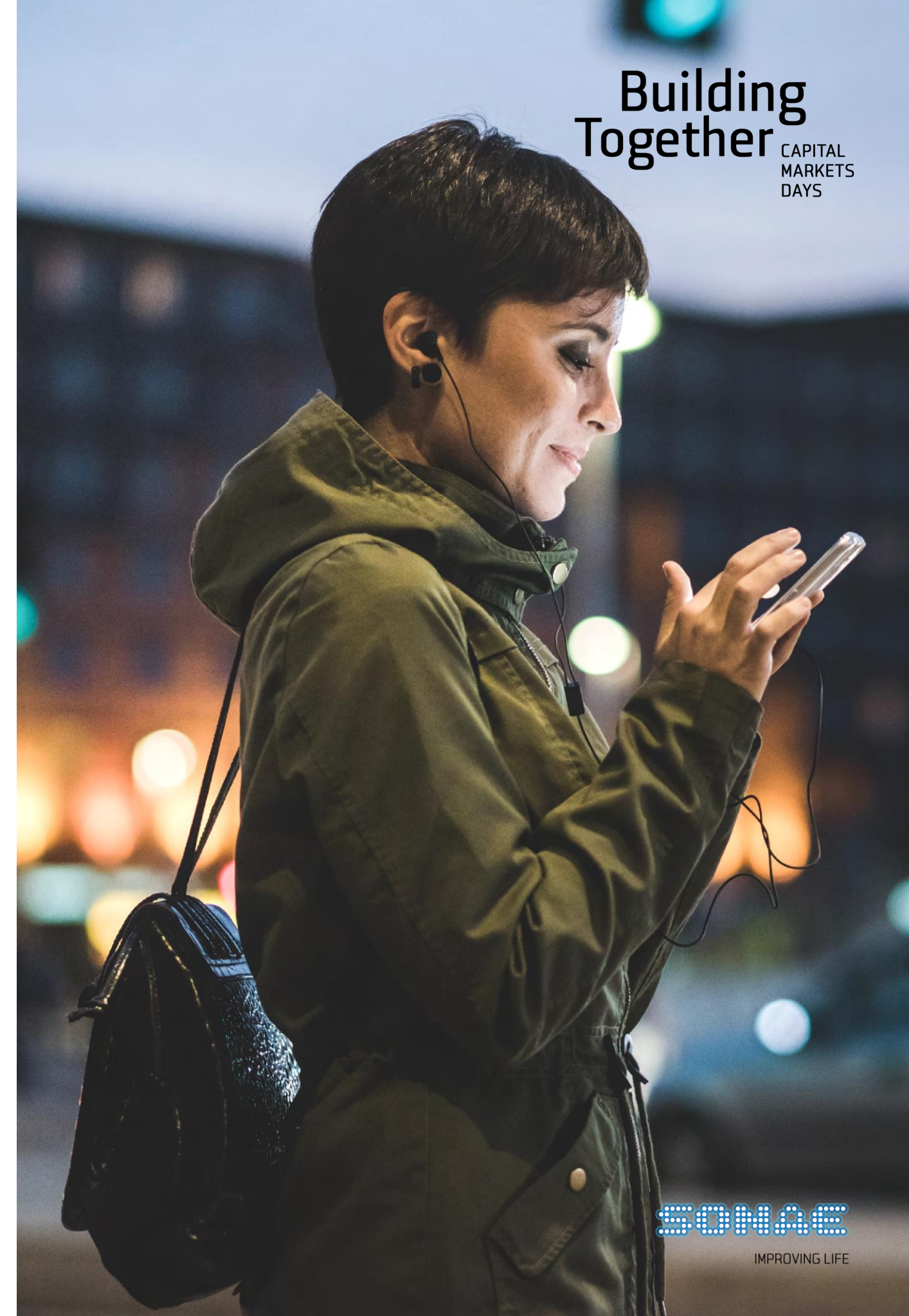
... fueling a great online experience and strong e-commerce operation



Deep customer knowledge...

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

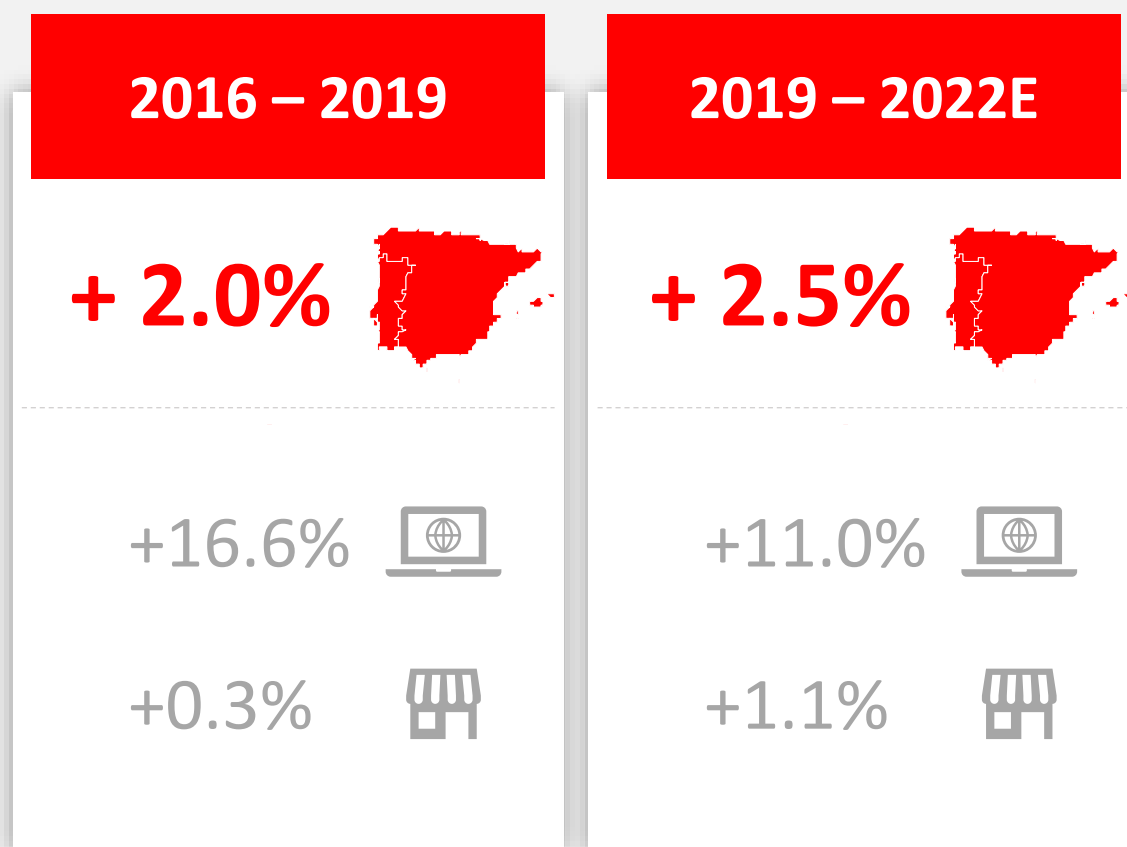
Building
Together
CAPITAL
MARKETS
DAYS





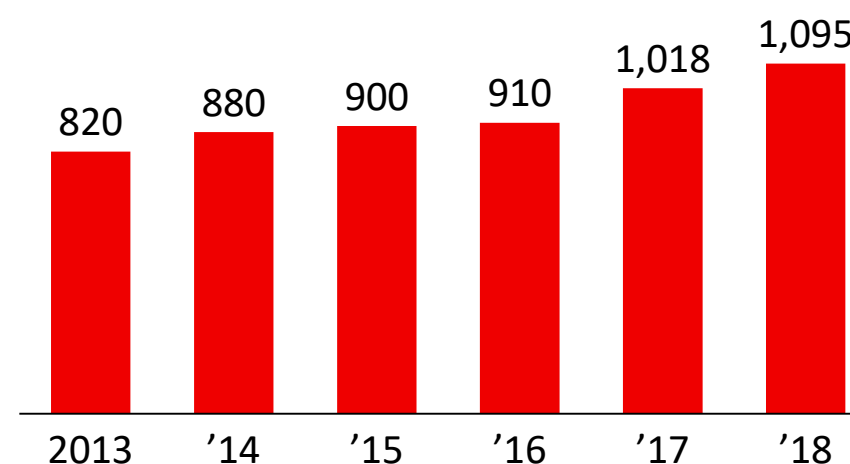
Growing performance with undisputed stance in Portugal

Iberian market growing (CAGR)

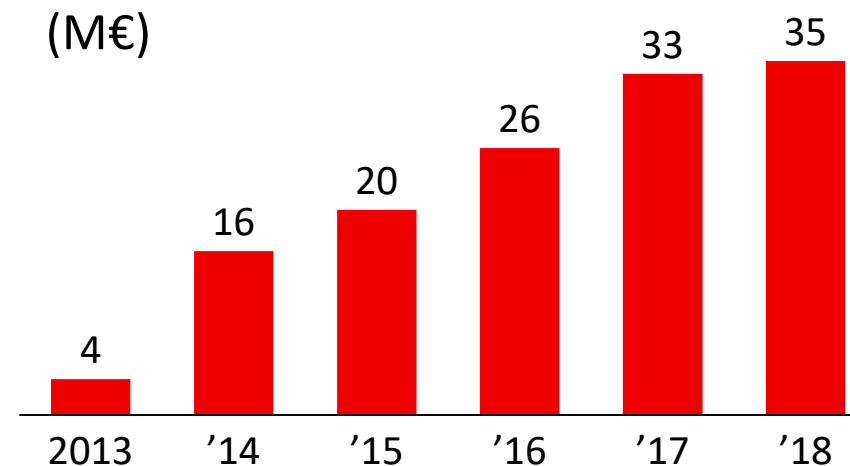


SOURCE: Euromonitor

Turnover (M€)



UEBITDA (M€)



NOTE: values prior to 2017 do not include extended warranties

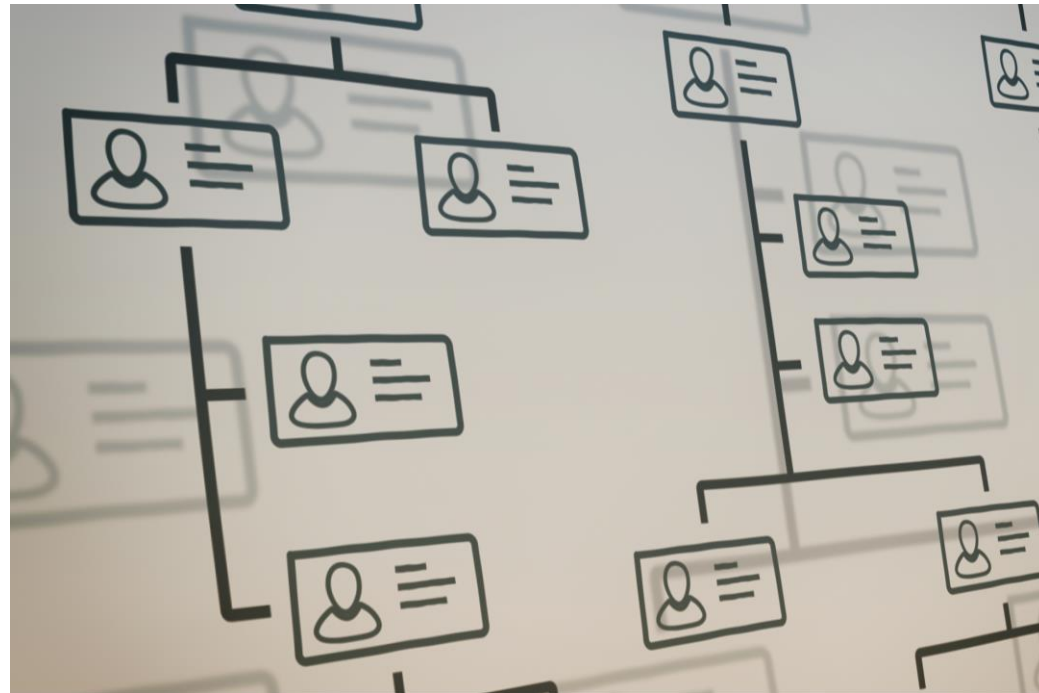
Clear leadership in Portugal

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**



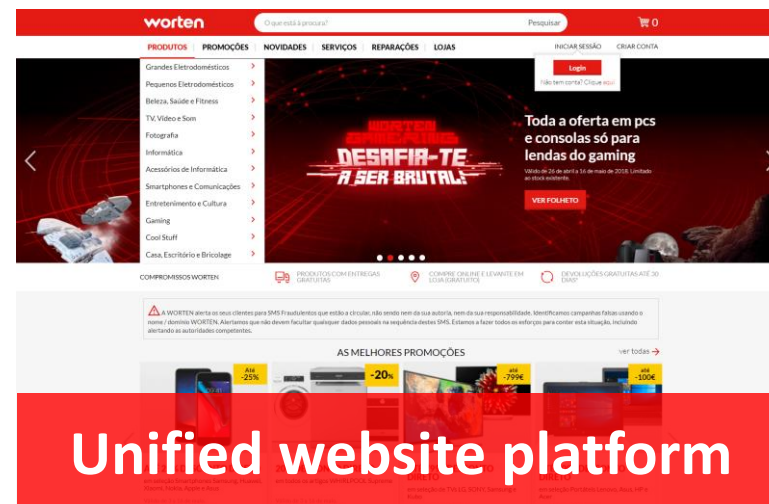
Paradigm change to online

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

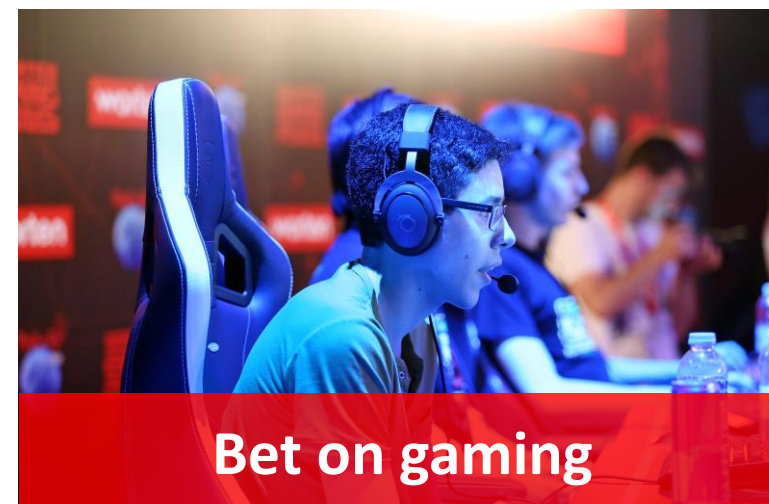
A Digital Worten



Marketplace launch



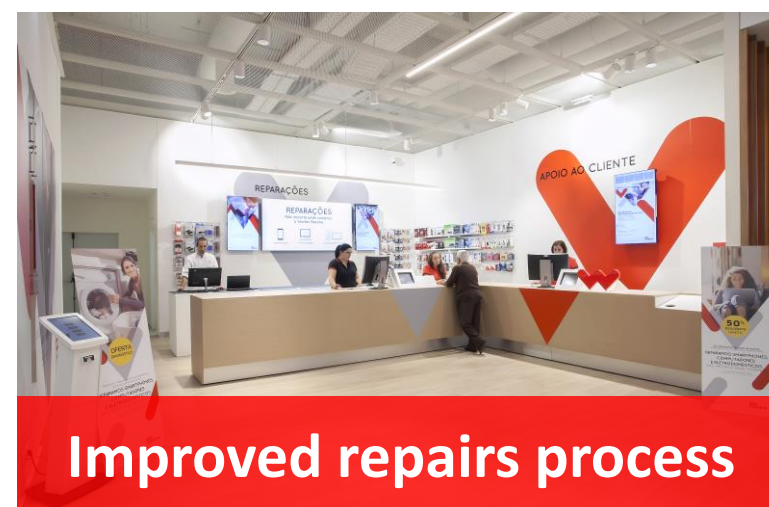
Unified website platform



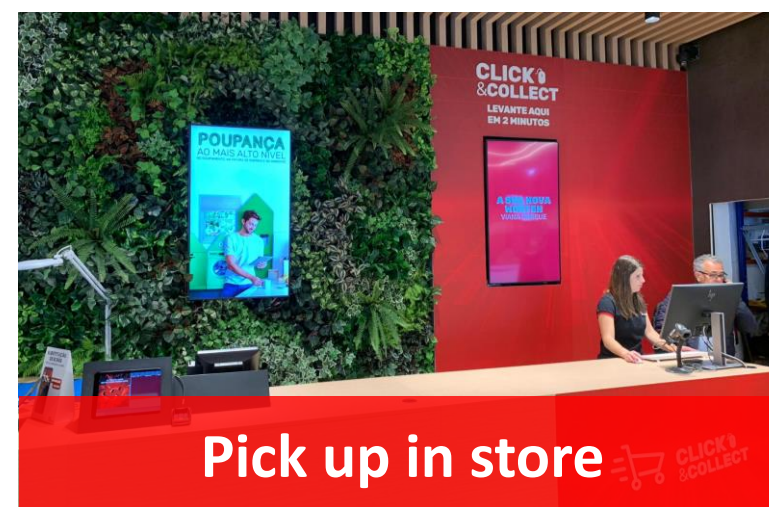
Bet on gaming



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

IT transformation

Digitalism

Continuous cost to
serve reduction

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”



LUÍS REIS

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

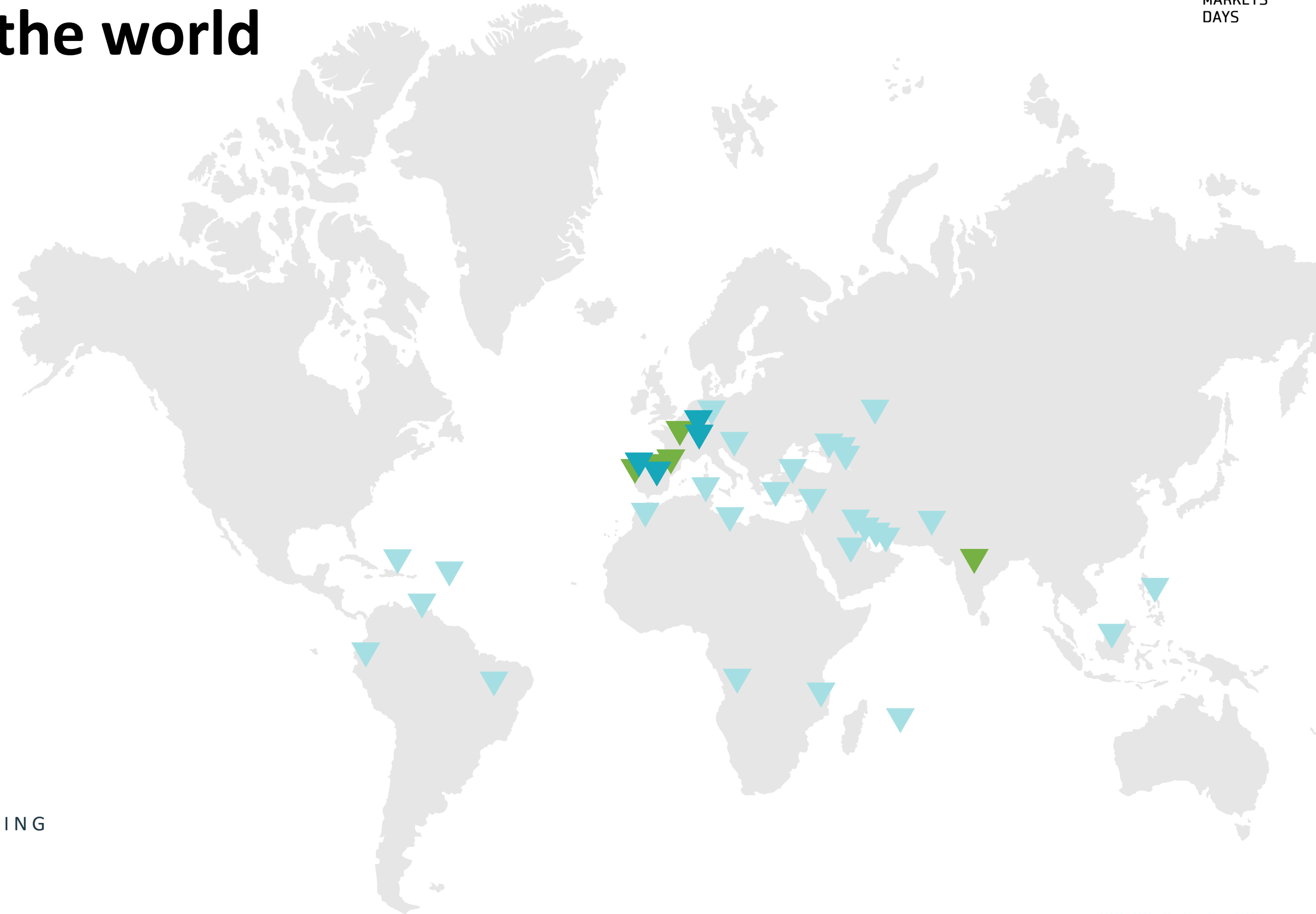
2018 - 2021

- 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

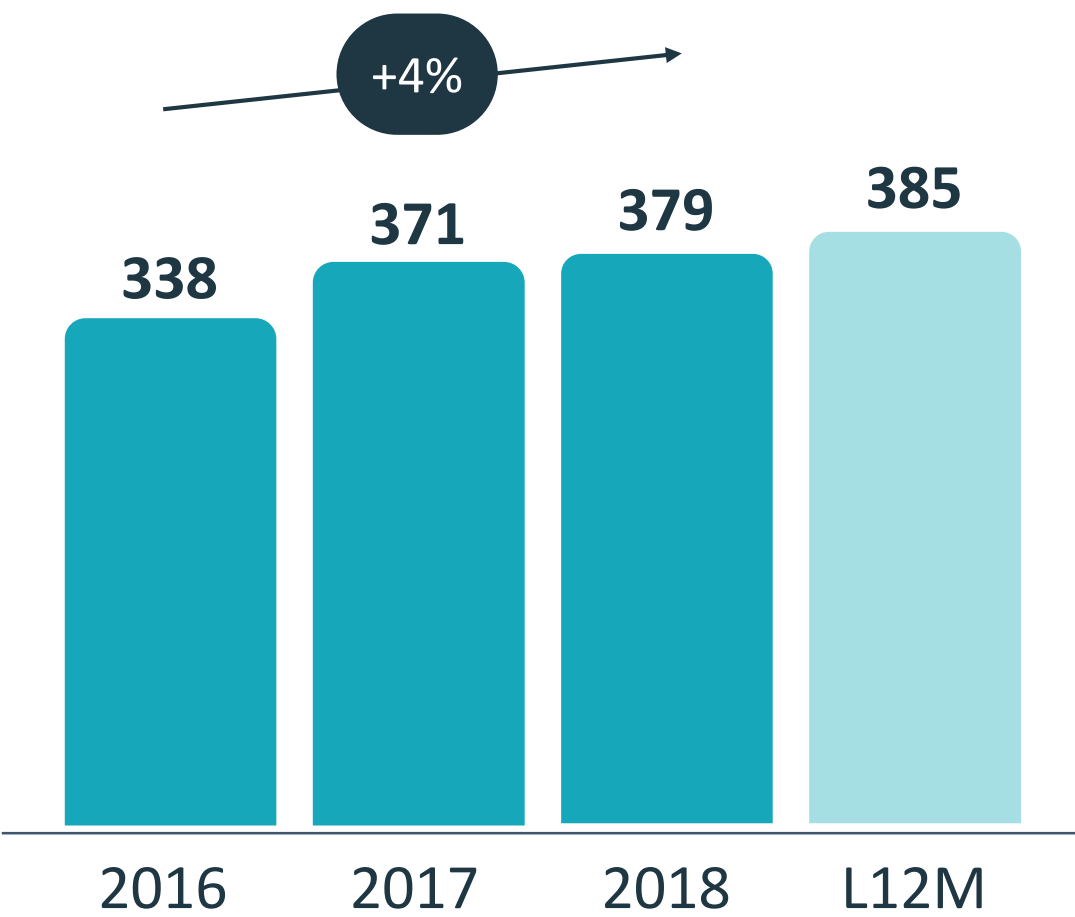
 OFFICES  OWN STORES  FRANCHISING



Sonae Fashion has been growing consistently...

Proforma yearly sales

M€; CAGR%



+8%
L4L GROWTH YTD 2019



42%
INTERNATIONAL SALES



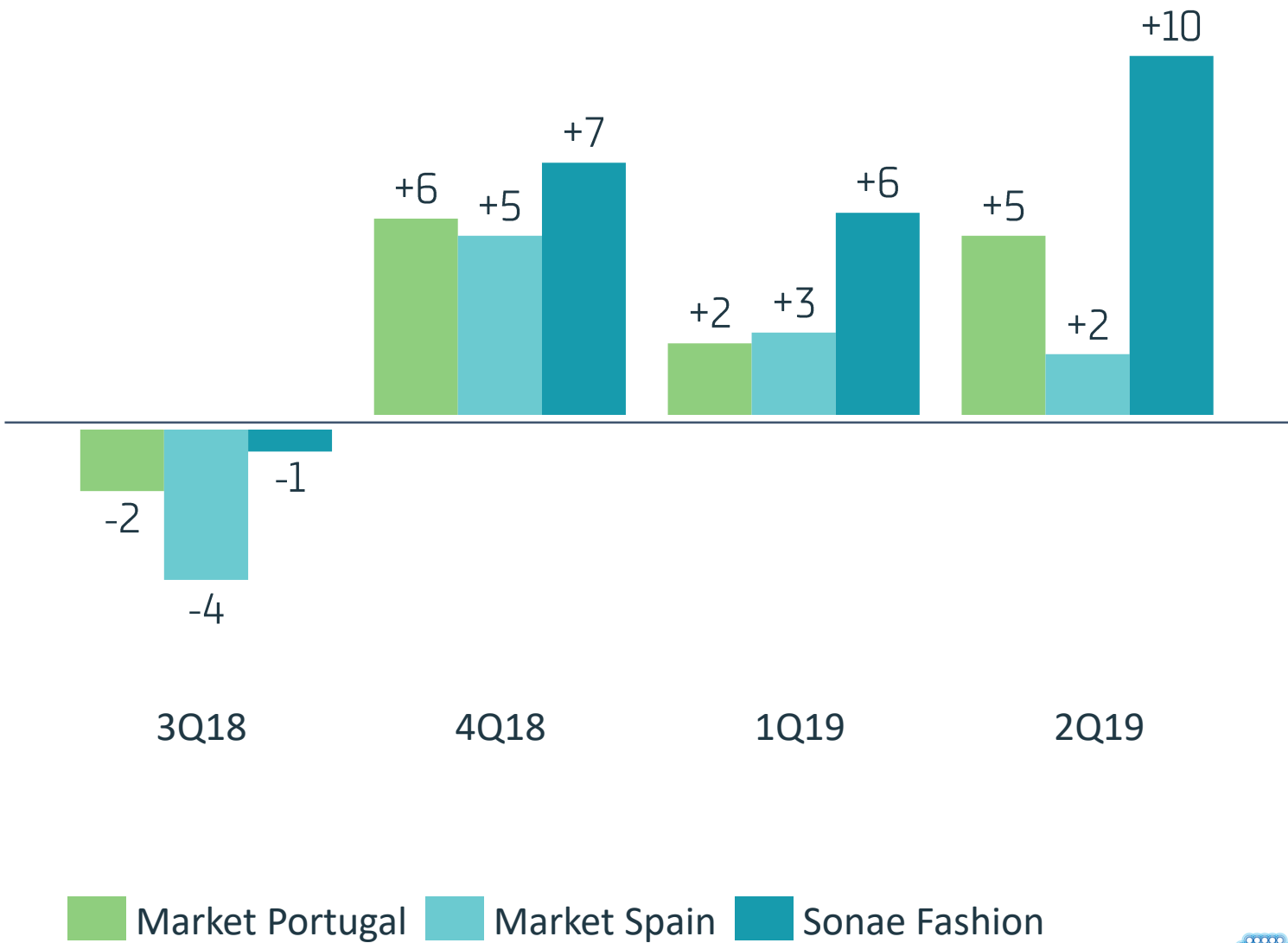
37M€
UNDERLYING EBITDA L12M



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



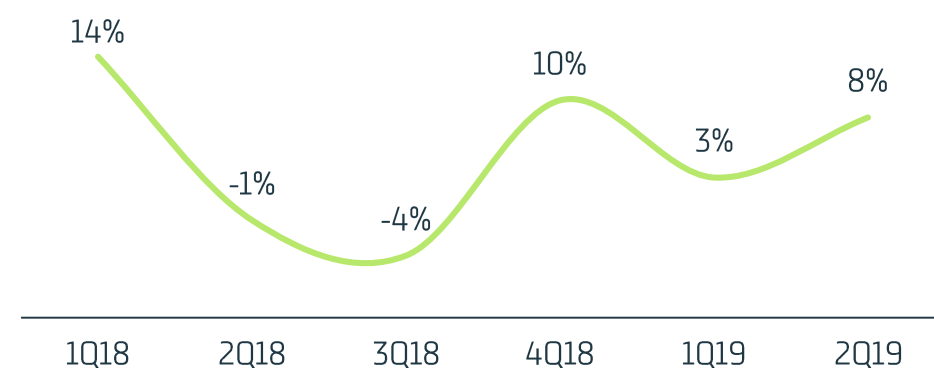
Market vs Sonae Fashion growth
Omnichannel L4L, Sales Growth %



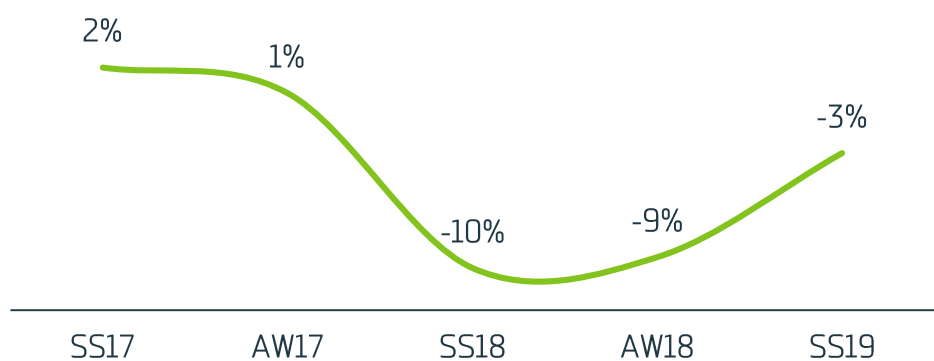
Our brands have been showing positive sales performance in the recent quarters

ZIPPY®**84 M€**

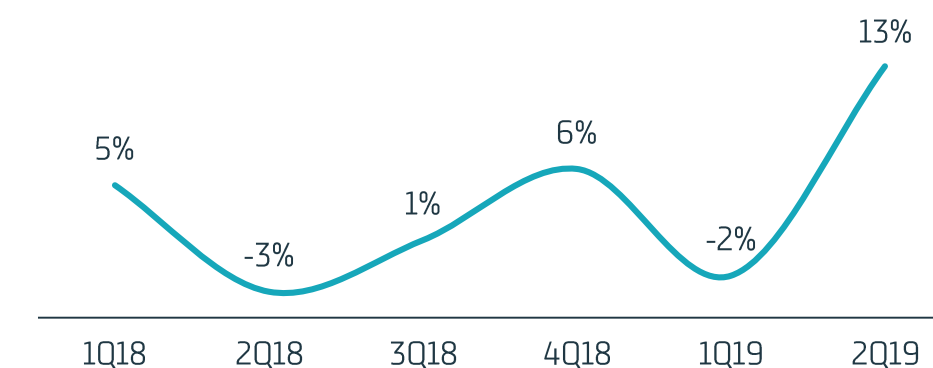
L4L OMNICHANNEL SALES EVOLUTION
YOY %

**LOSAN**
*happy fashion***56 M€**

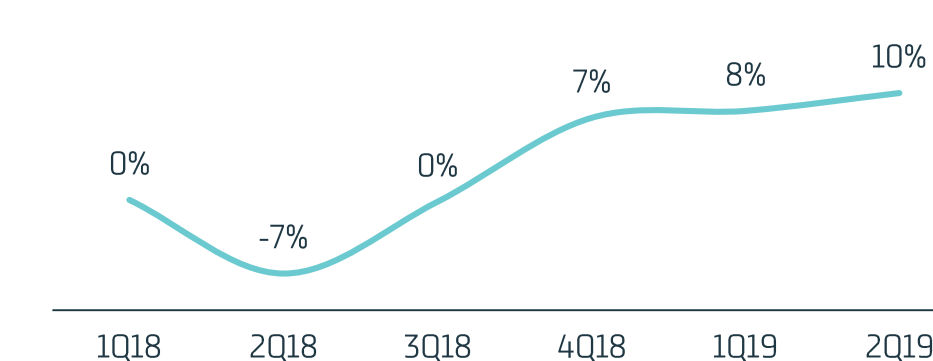
WHOLESALE SALES EVOLUTION
YOY %

**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

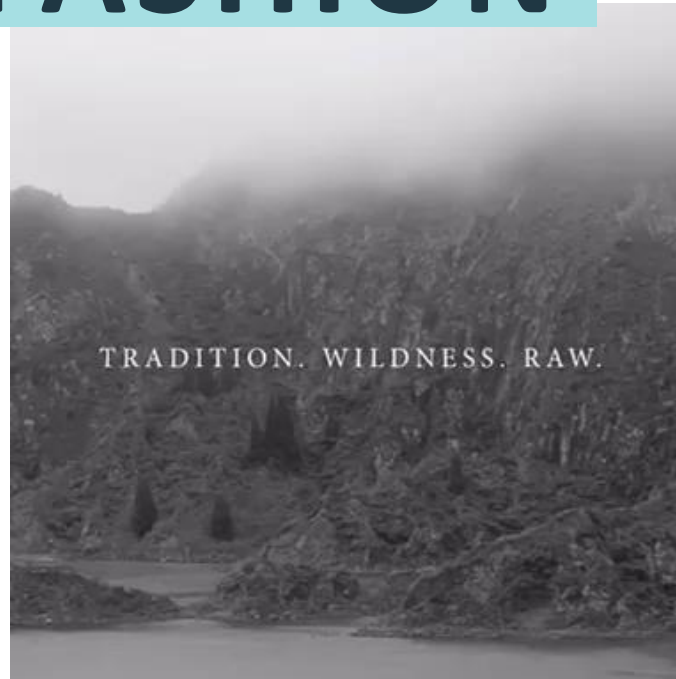
Create a **digital centric organization** 100% focused on the customer

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



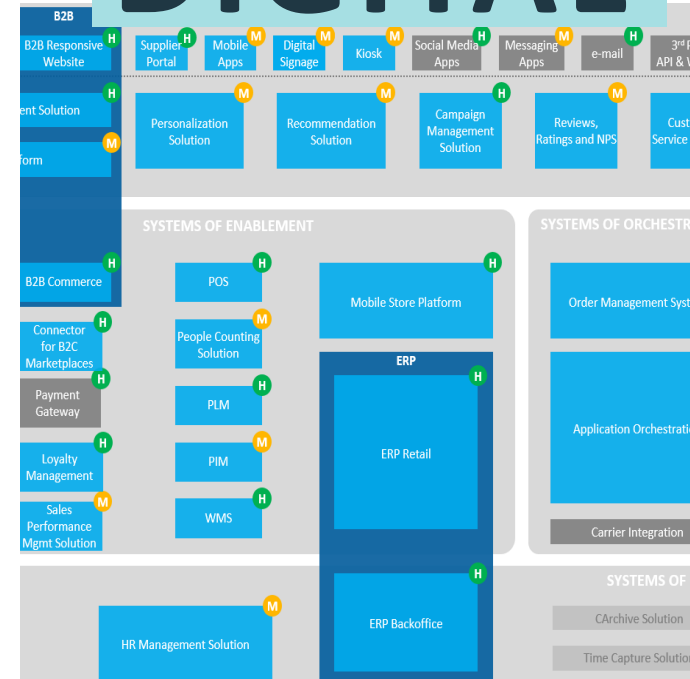
On a transversal side, we are implementing a major transformational plan to become more...

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



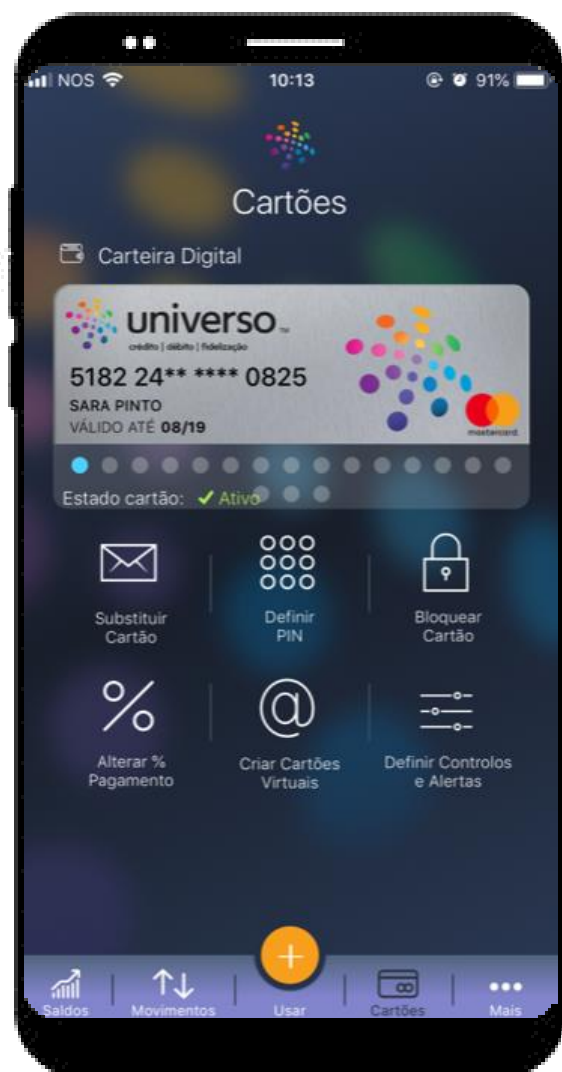
Entrepreneurial mindset



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

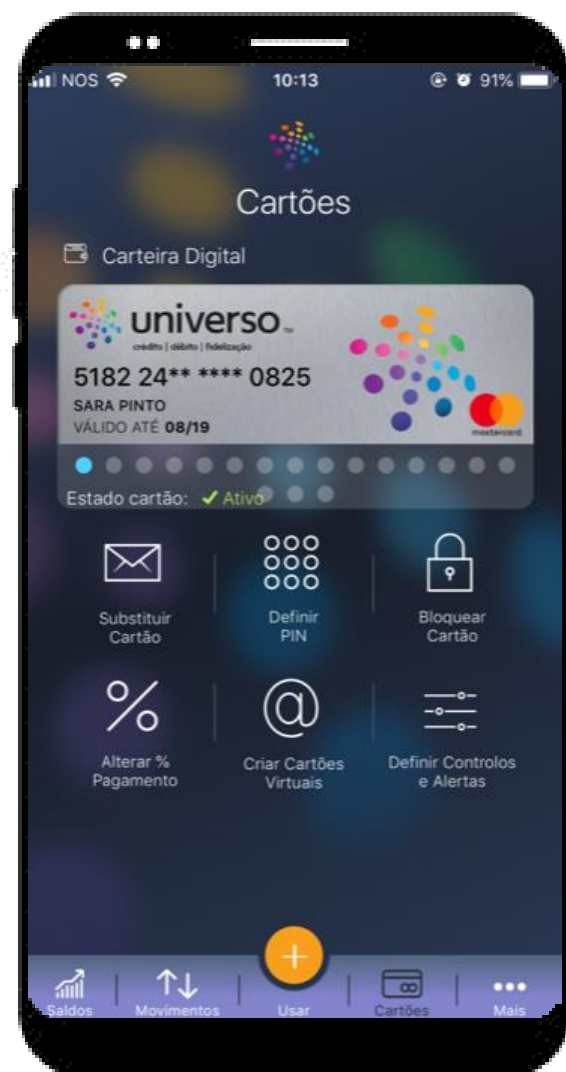
worten

SPORT
ZONE

MULTIPRODUCT

- Purchases & Service payments
- Balance Transfers
- Cash withdrawals

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



OUTSTANDING TRACK RECORD



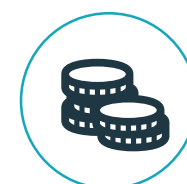
#2

CREDIT CARD
ISSUER IN PT



#1

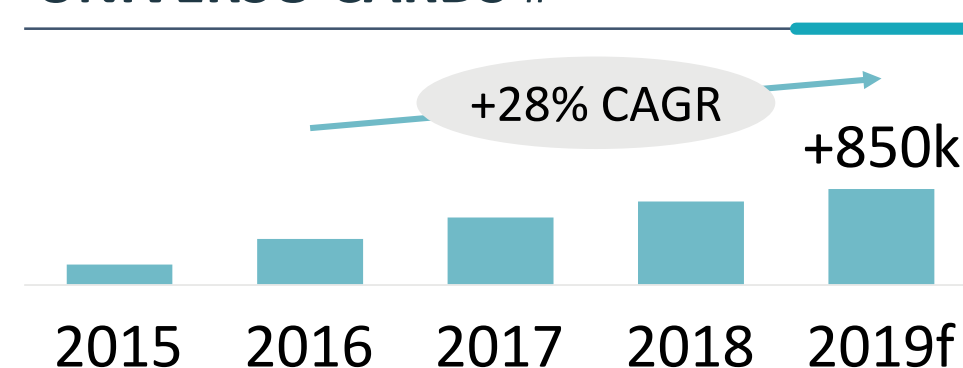
NPS IN CREDIT
CARDS



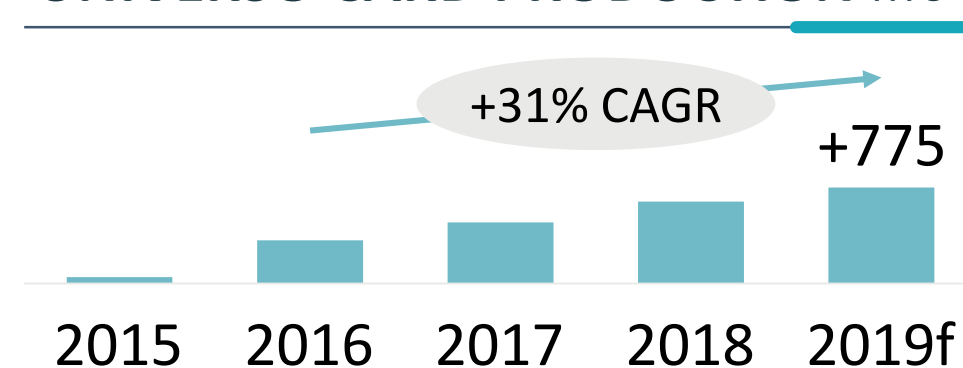
+31%

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



+70%

2015-18 YOY
GROWTH
PERSONAL LOANS



+45%

2015-18 YOY
GROWTH
INSURANCES

Personal Loans



Payments

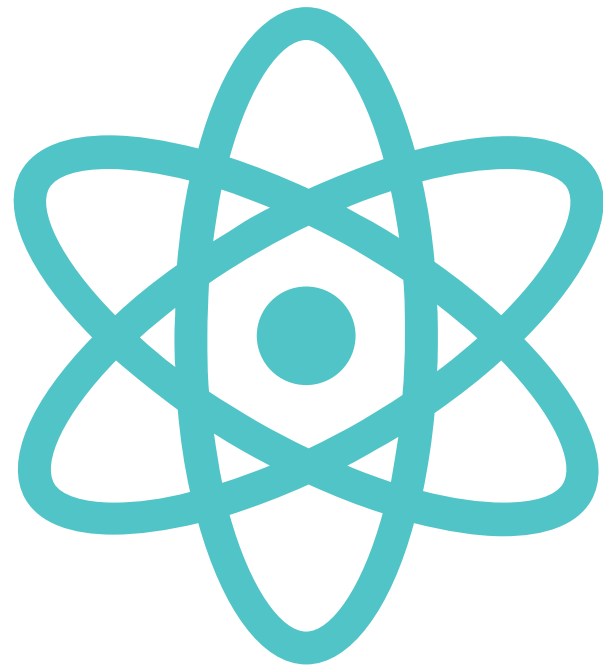


Insurances

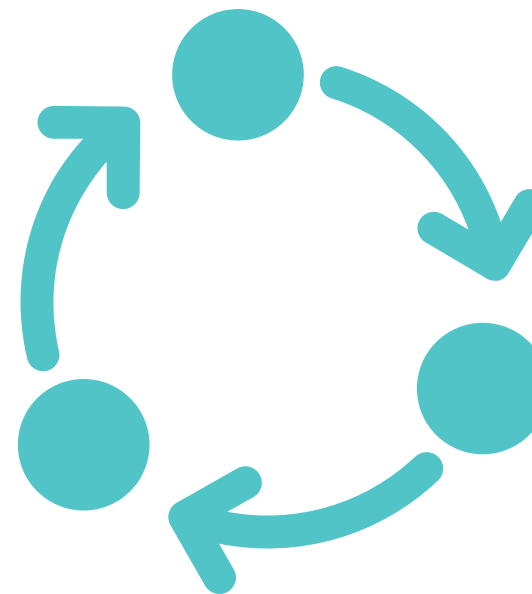


Going forward, our strategy is to keep creating value for our customers, setting the basis for further growth

**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



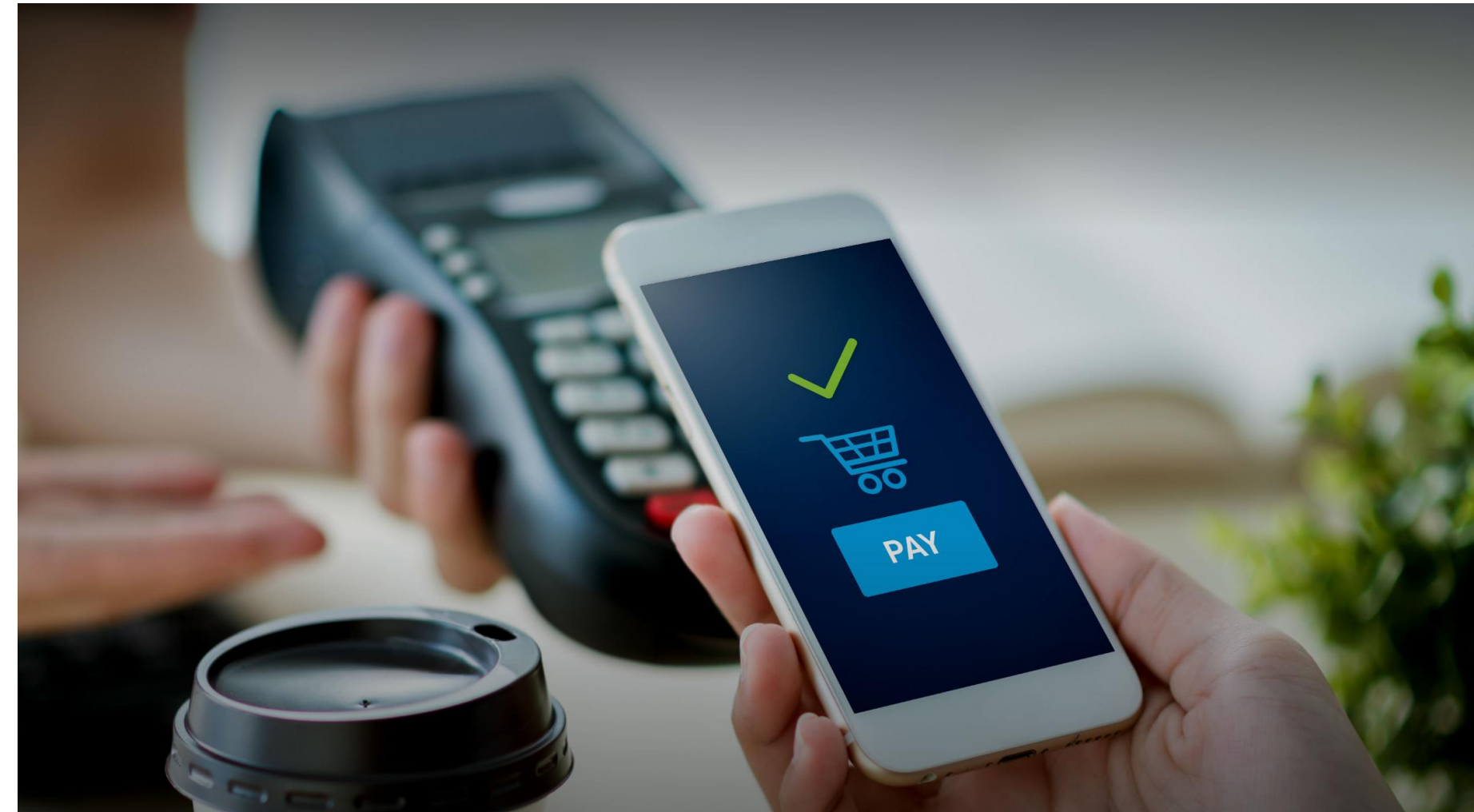
Improve existing offer



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

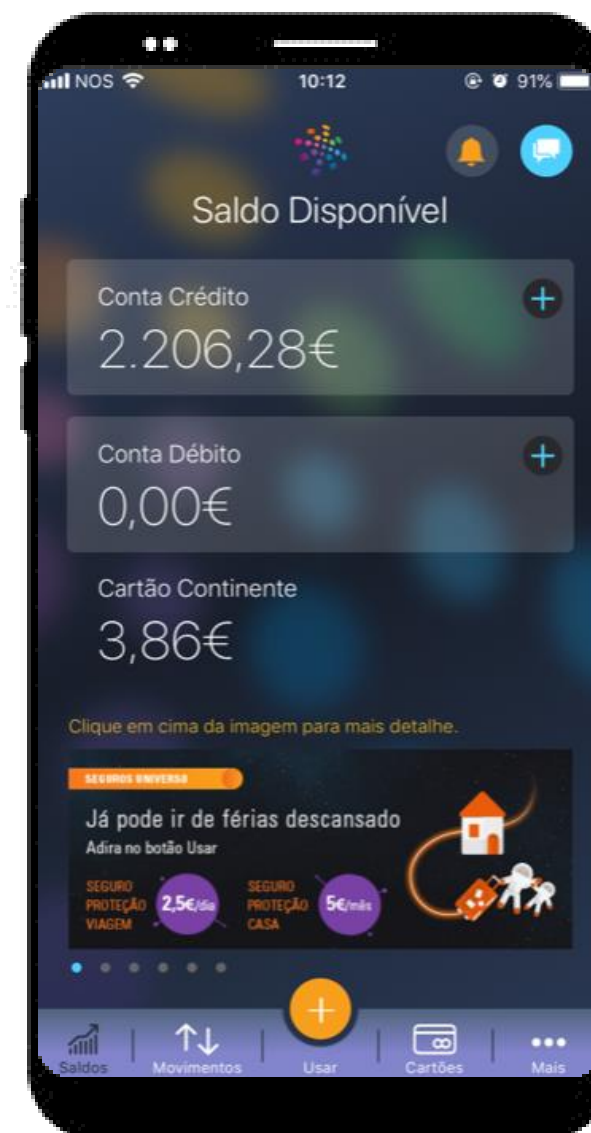


35%

DIGITAL CUSTOMERS

+128%

2015-18 YOY GROWTH

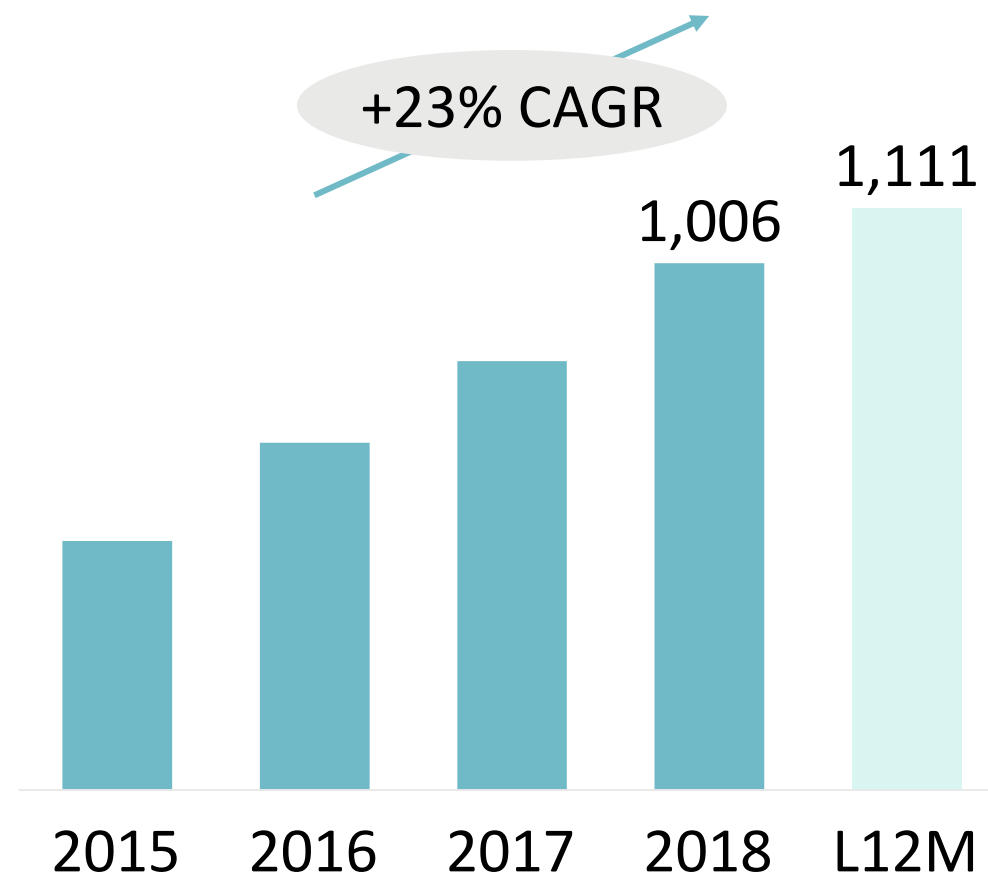




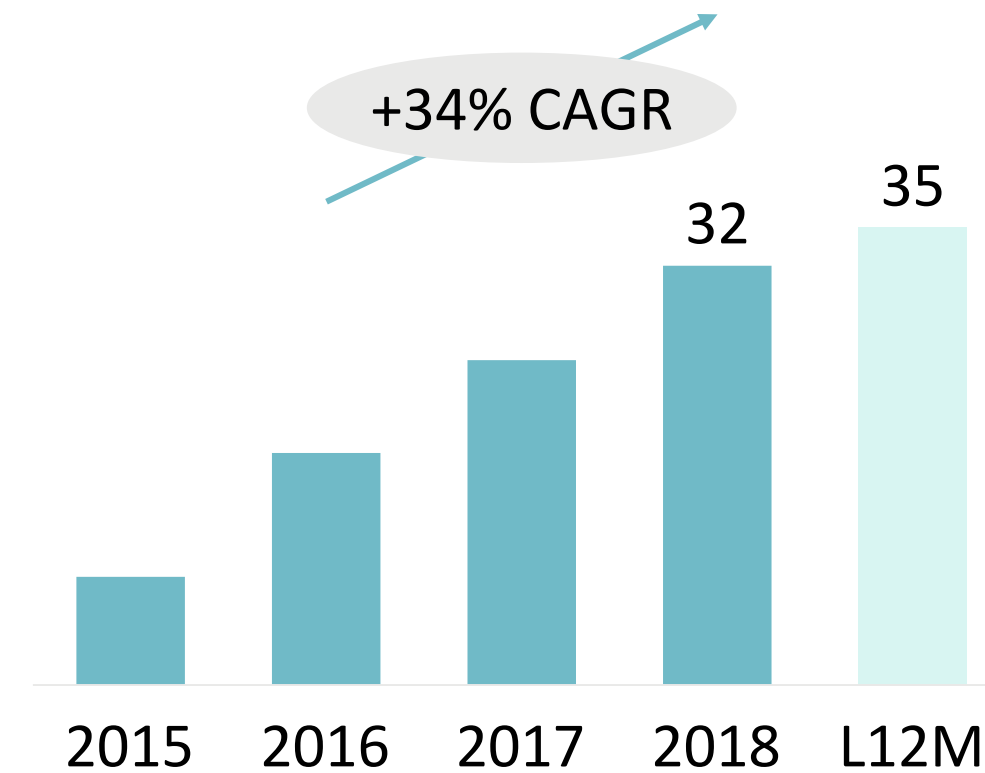
integrates
all the financial
services offer
in a unique
digital experience

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

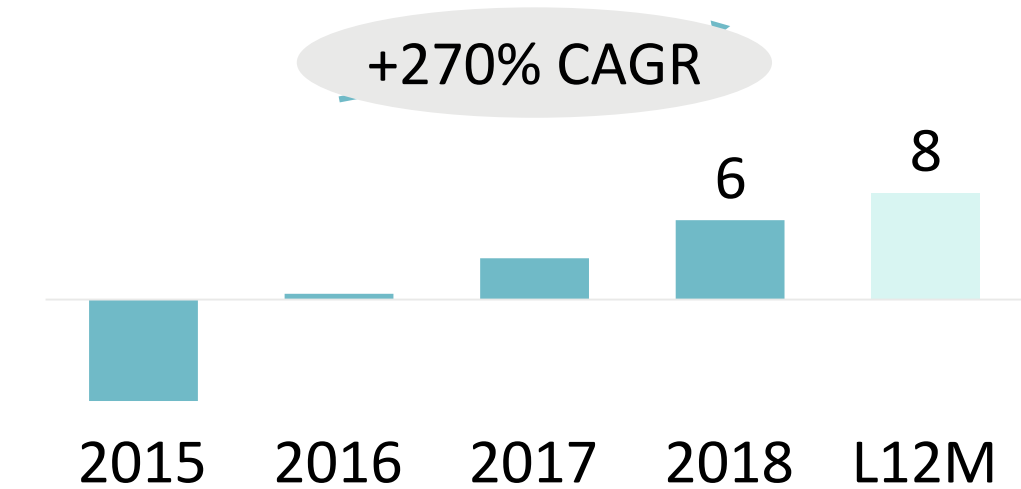
PRODUCTION M€



TURNOVER M€



UNDERLYING EBITDA M€



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

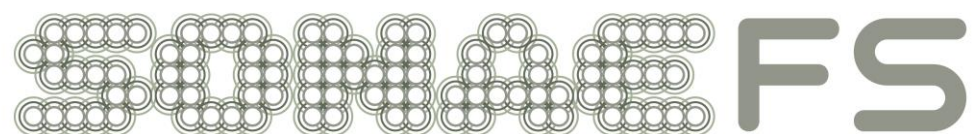
MISSION



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



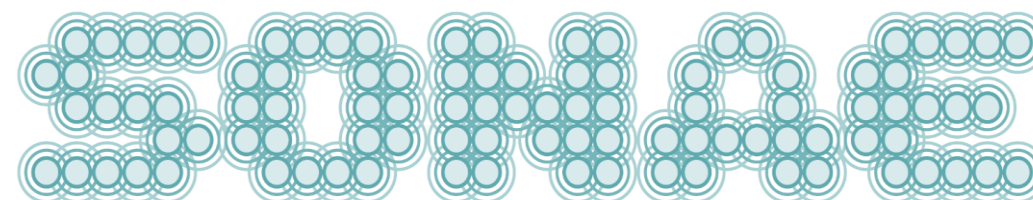
DEEP EXPERTISE
in Telecom, Retail
and Cybersecurity



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



**ENLARGED
NETWORK**



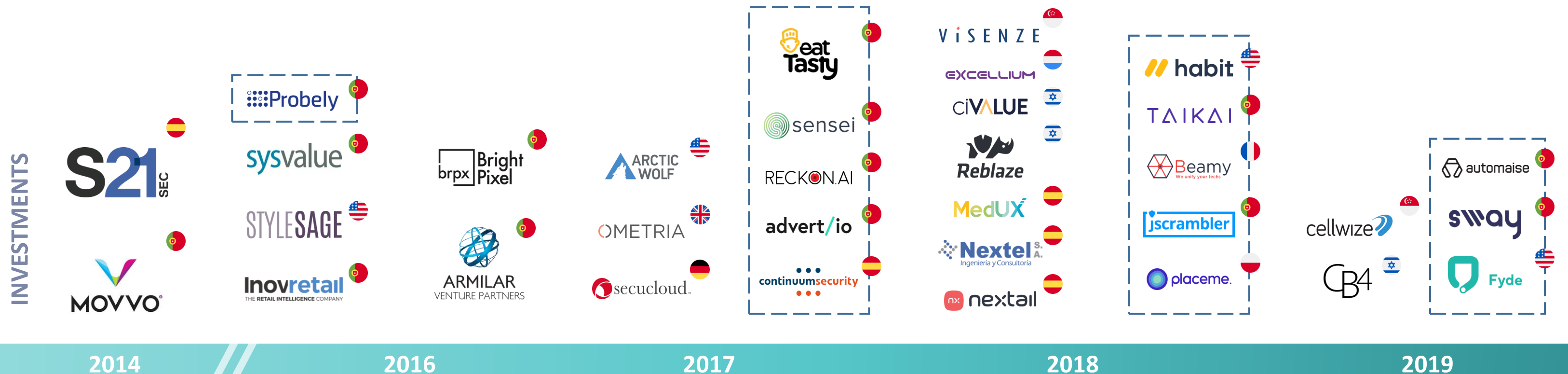
Be part of SONAE GROUP

Track Record

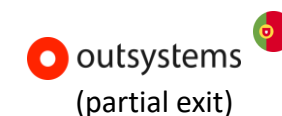
Building
Together

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

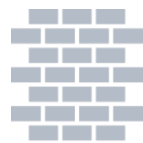
nextail

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

Building
Together CAPITAL
MARKETS
DAYS

Cybersecurity Group

WeDo Technologies/ Saphety



Armilar Venture Partners



OMETRIA cellwize

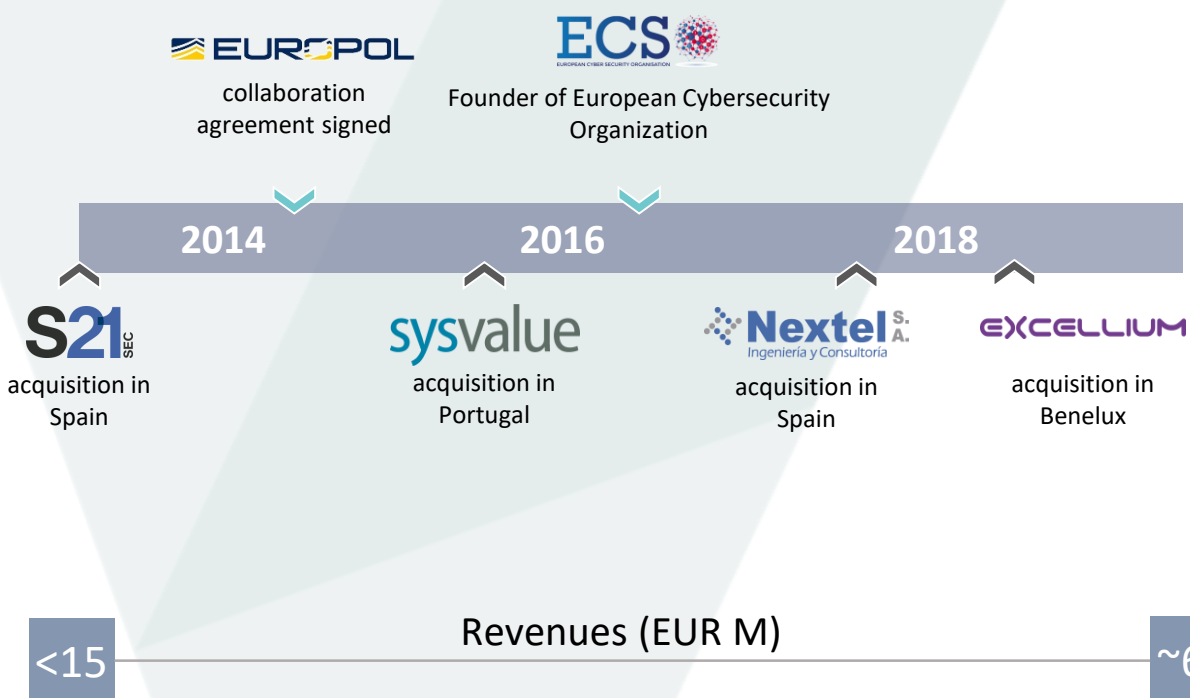


Selected transactions

Cybersecurity Group

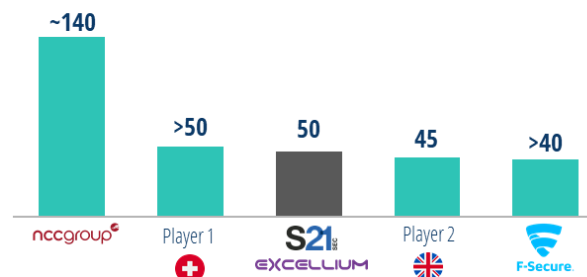
OPERATIONAL

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



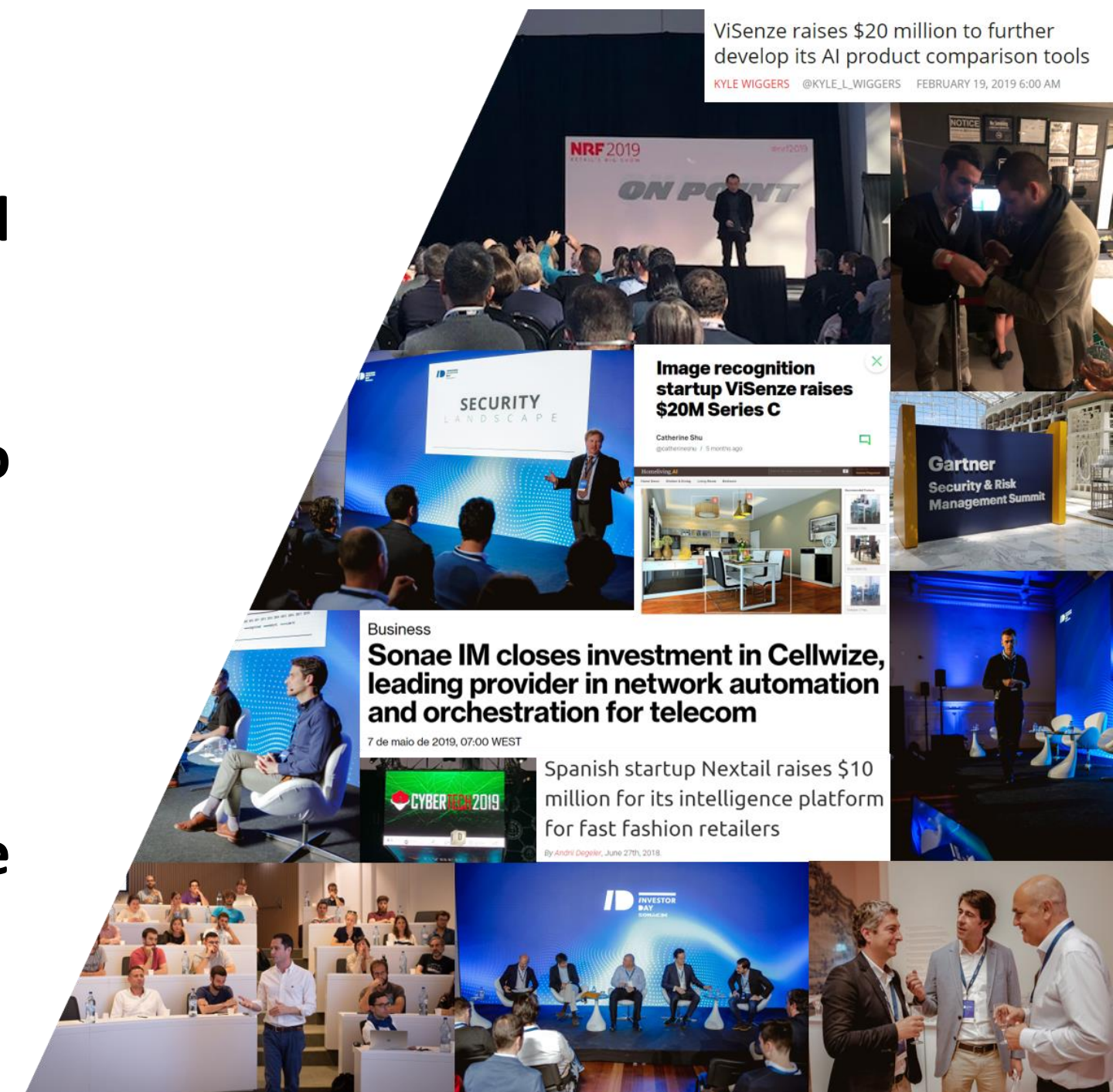
Selected transactions

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



- **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

GROUP CFO

NOS AND ISRG

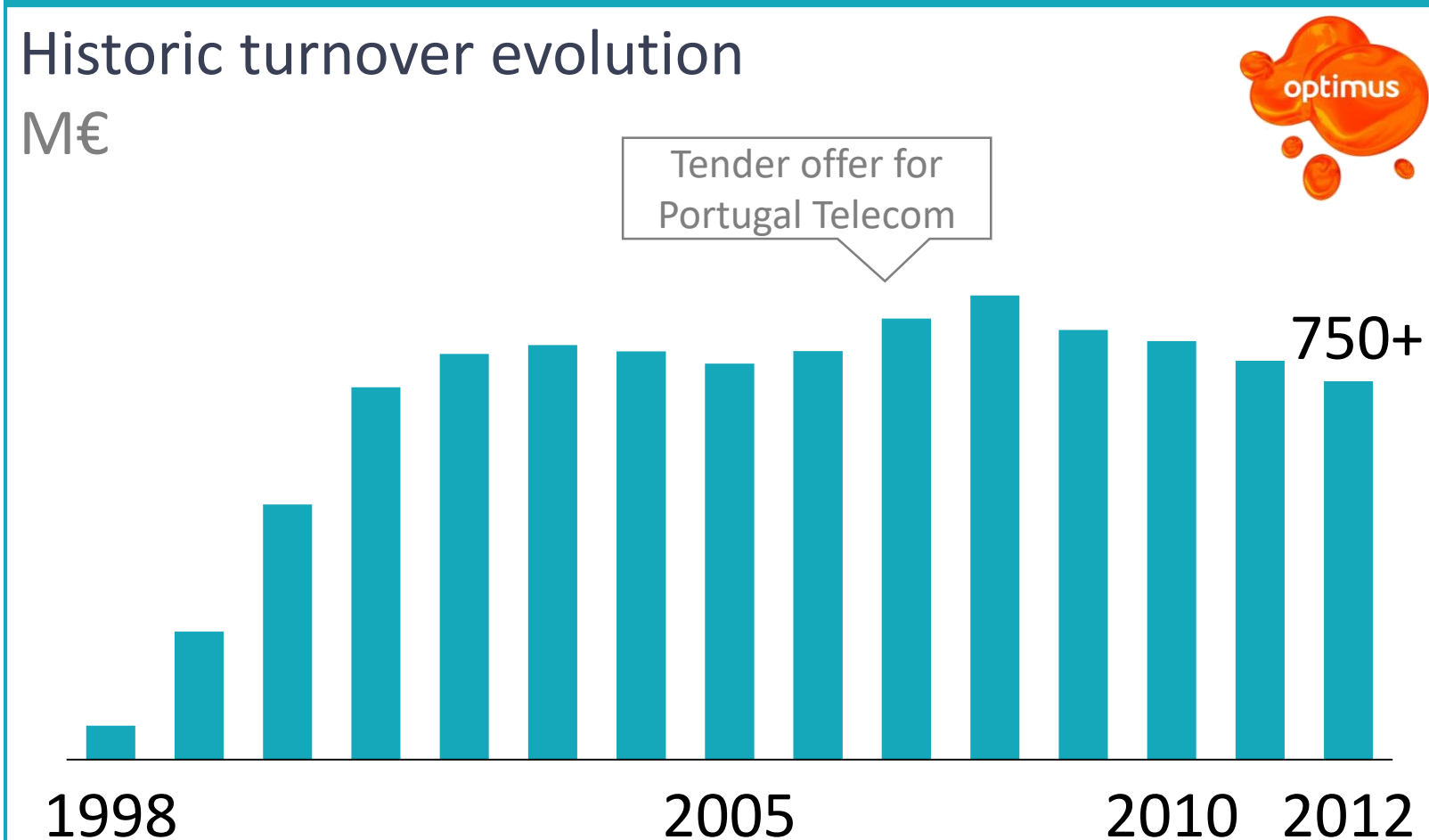
Sonae's presence in telecoms and sports retail has been a long history of growth and value creation

Building
Together
CAPITAL
MARKETS
DAYS

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

Historic turnover evolution

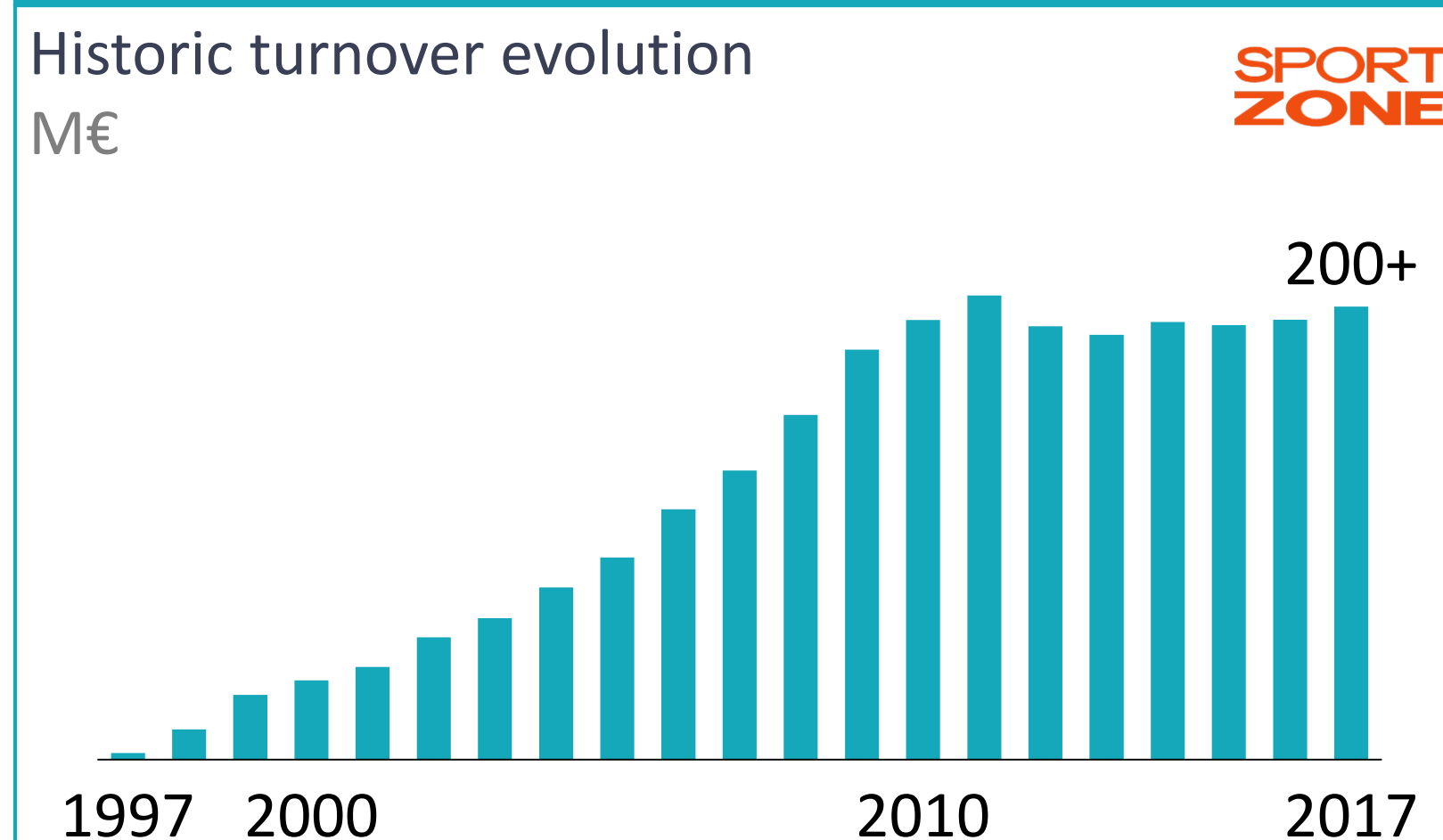
M€



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

Building
Together CAPITAL
MARKETS
DAYS

ZON



NOS

IBERIAN SPORTS
RETAIL GROUP

SONAE

IMPROVING LIFE

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

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

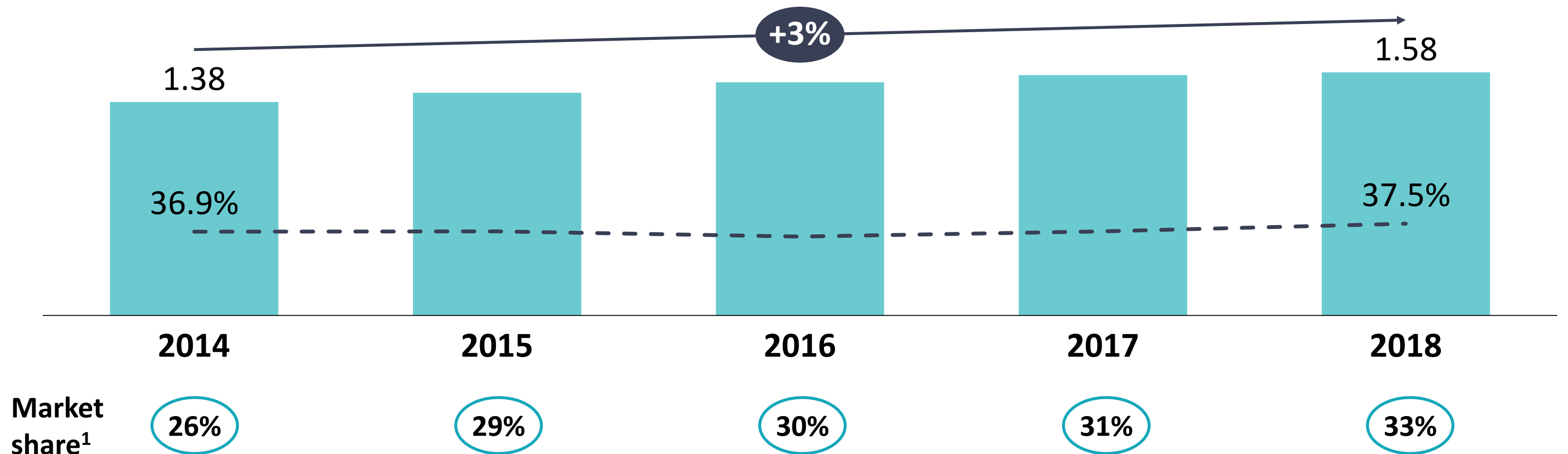


As a result, NOS achieved solid growth with stable margins in a mature market...

Turnover and EBITDA margin evolution

Bi€; % (2014-18)

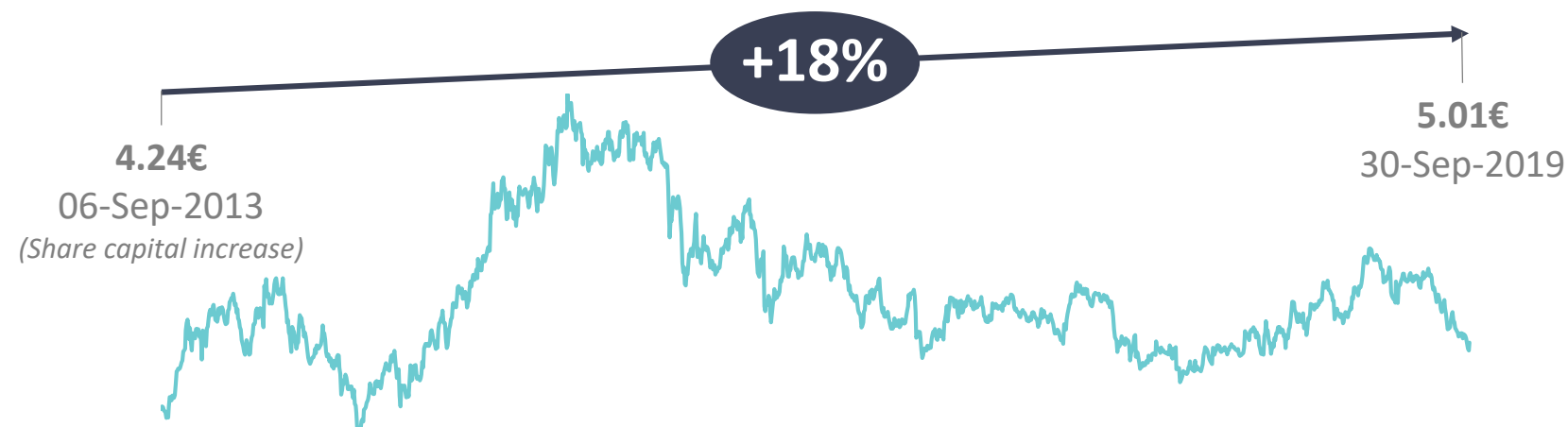
■ Turnover
- - EBITDA



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

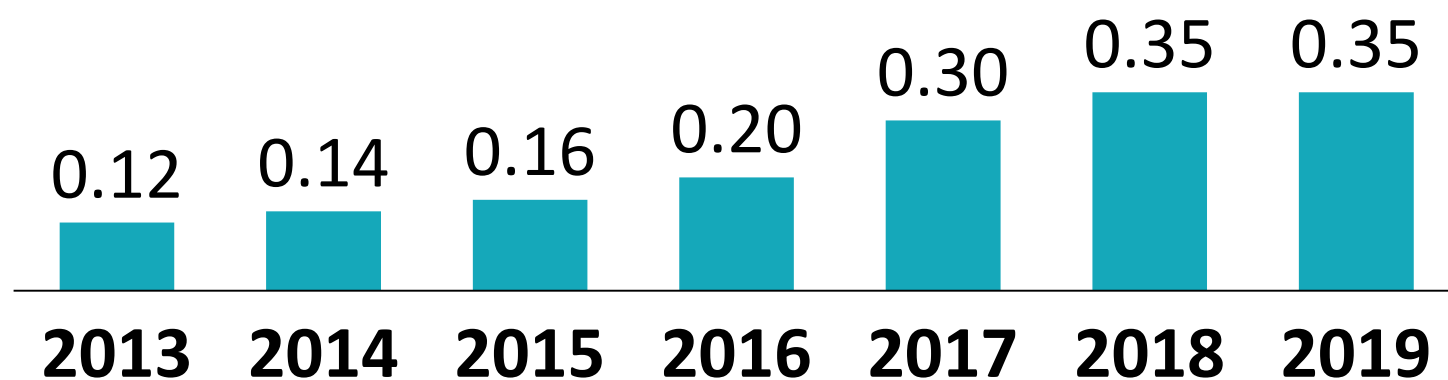
Share price

€



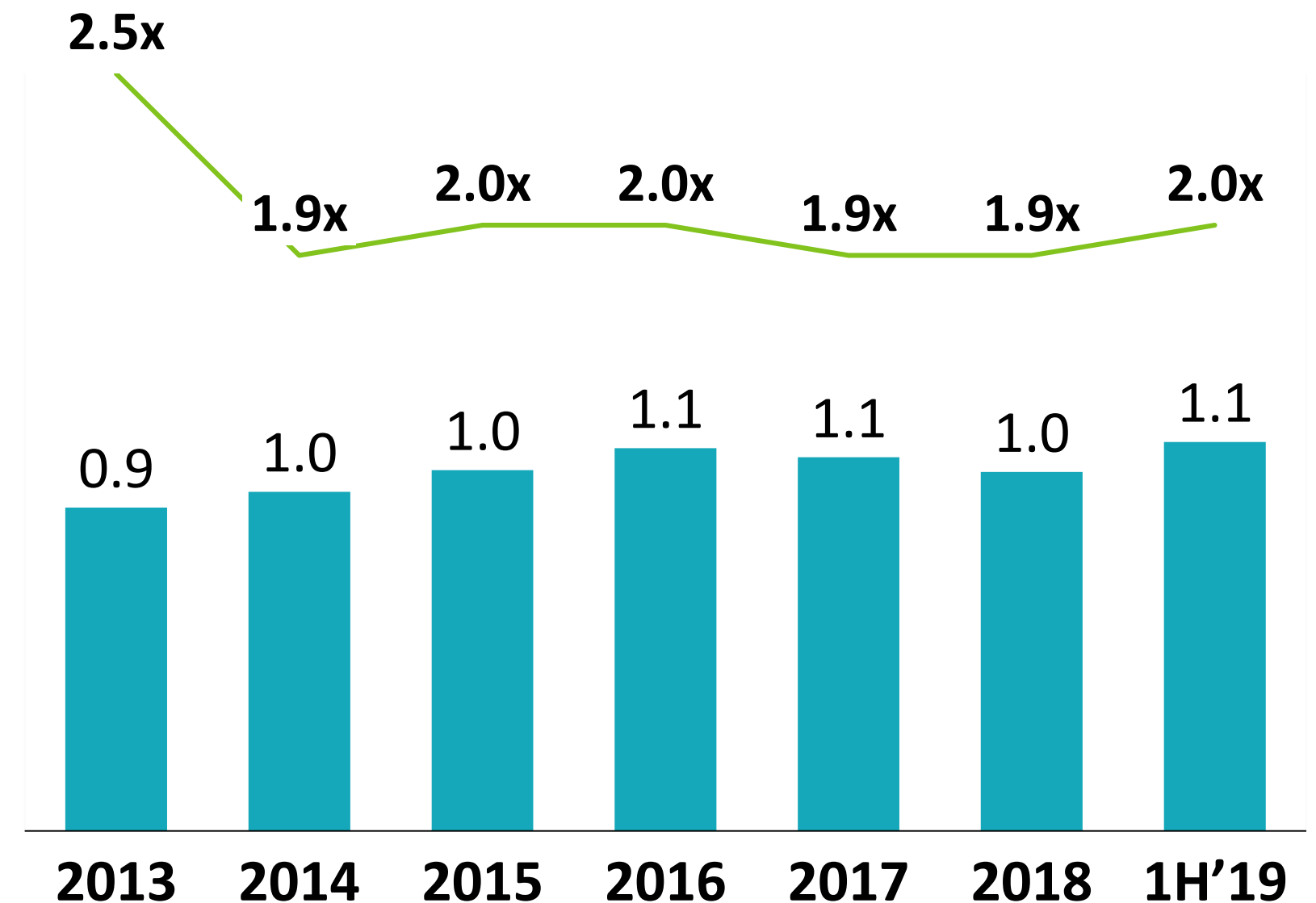
Dividend per share

(€)



Net Debt and Net Debt/EBITDA

bi€; Multiple



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



4.5M of homes passed
1.2M 3,4&5P subscribers (37.5% share)¹
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**

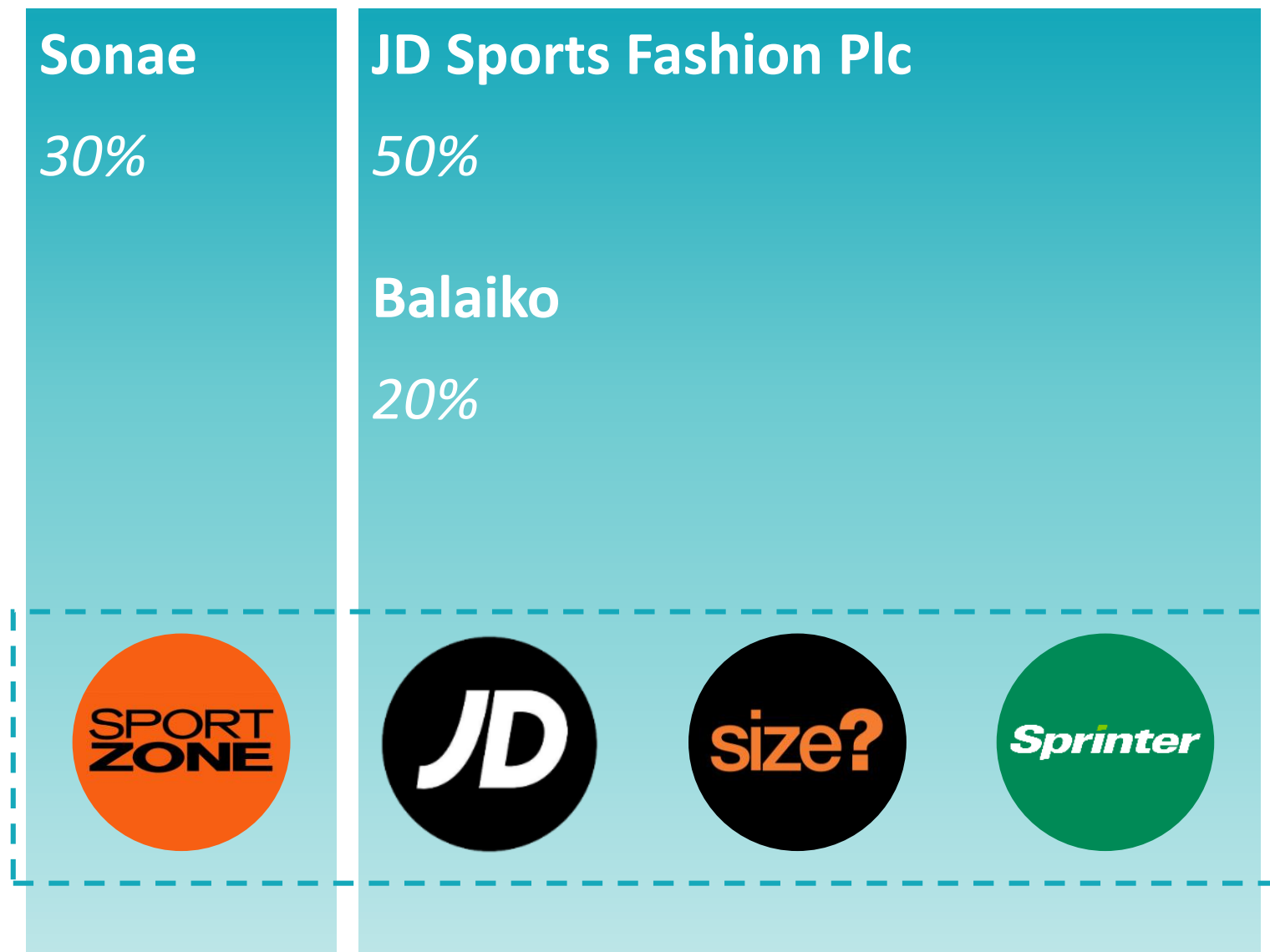
Boost **digital weight** on total client interactions

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

2nd

Iberian
sports
retailer

11%

Iberian
market
share

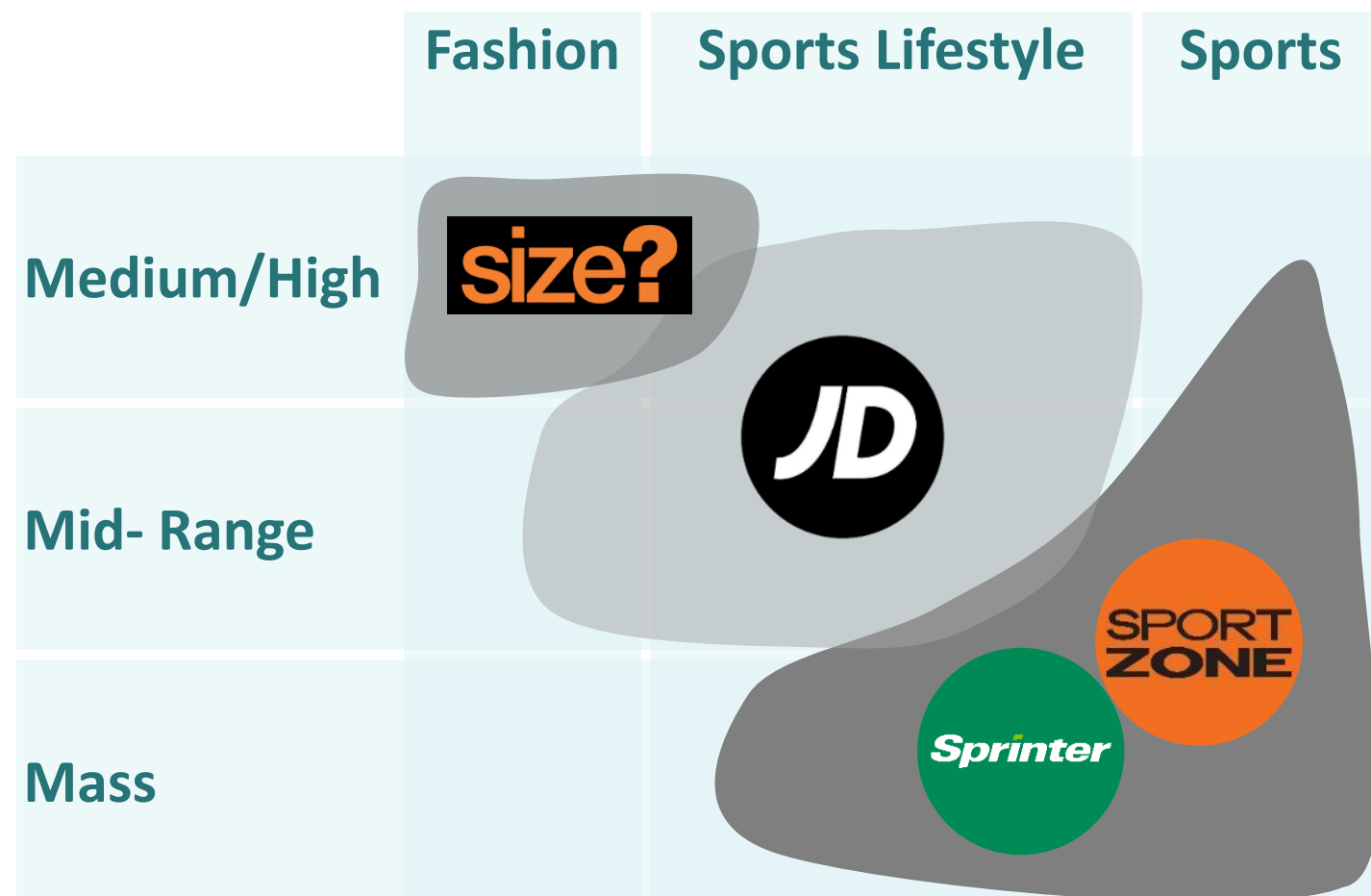
>600 M€

turnover¹

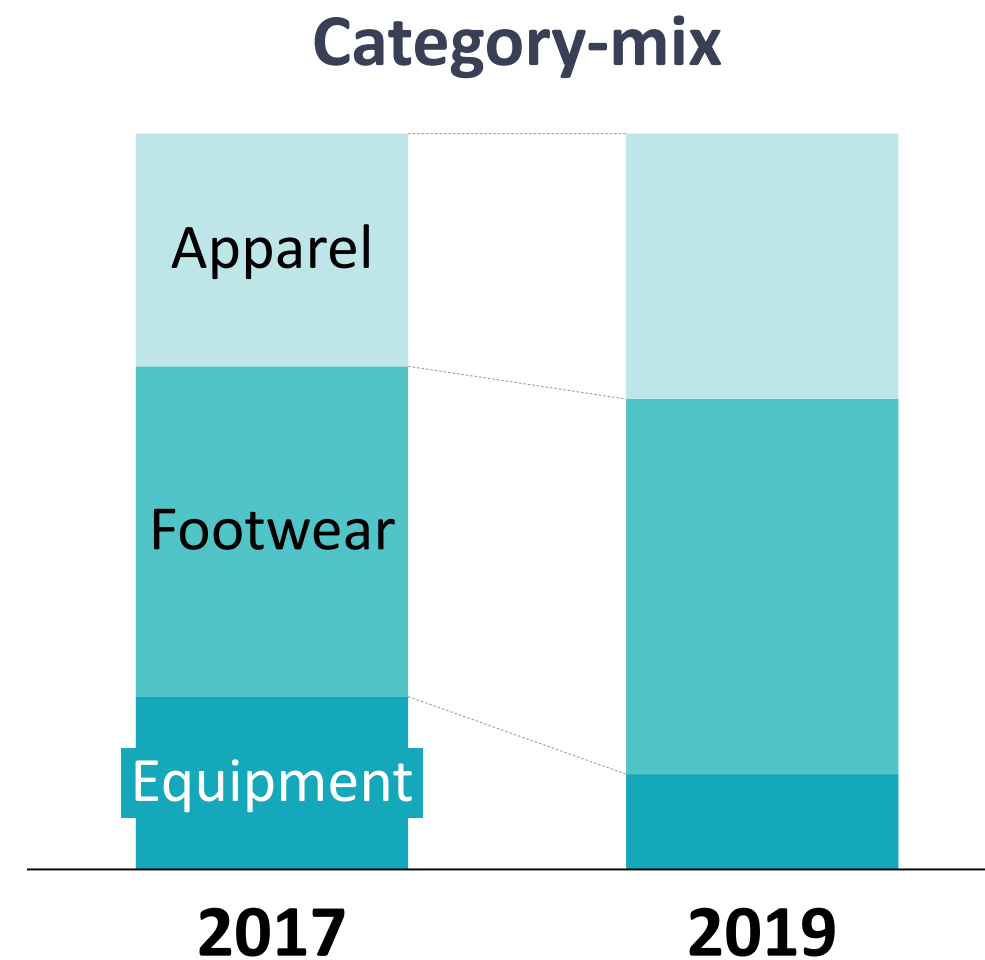
- Growth path in Spain
- Greater scale in private labels
- Stronger relationship with main brands
- Winning store formats and operating models

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

Market segments



Sport Zone category and brand-mix evolution¹



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

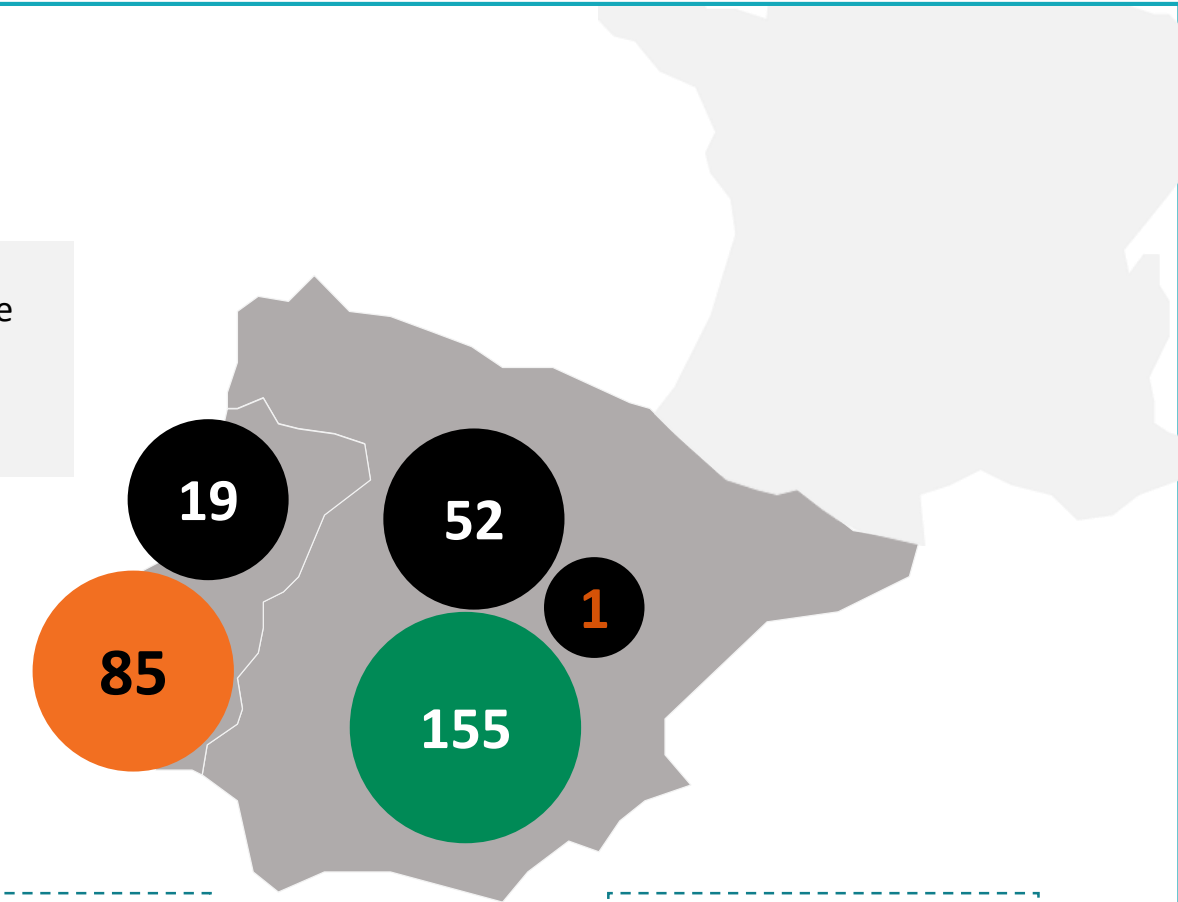
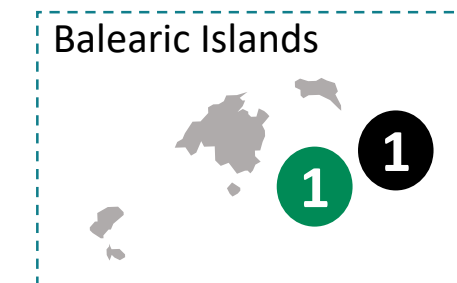
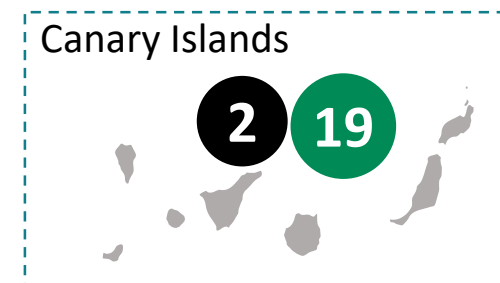
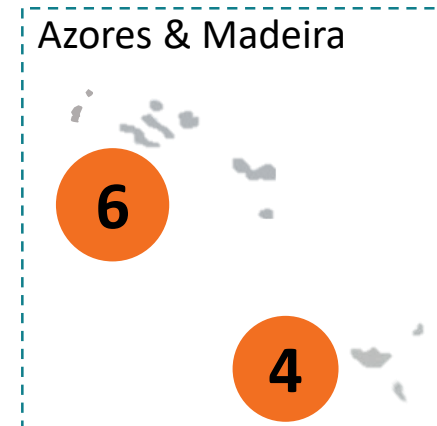
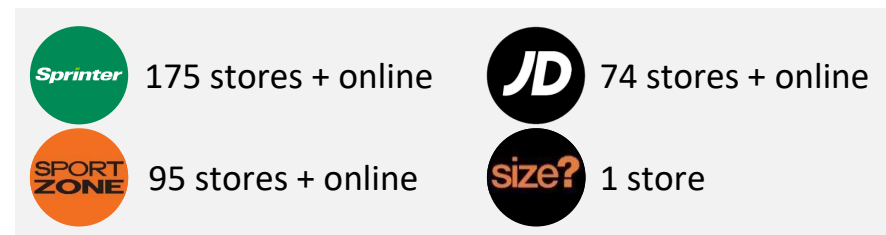
International sales weight

72%

ISRG international
Sales weight in 2019¹

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

ISRG stores location²



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%

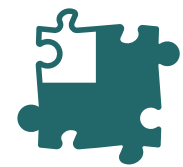
(L4L: +12%)

EBITDA

+13M€

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

Strategic guidelines



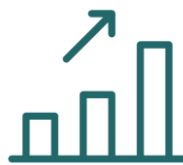
Full integration and synergies grasping



Commercial operational excellence



E-commerce leadership in Iberia



Profitability and growth

Financial targets (medium-term)

Turnover

1 Bi€

EBITDA

100 M€

Stores

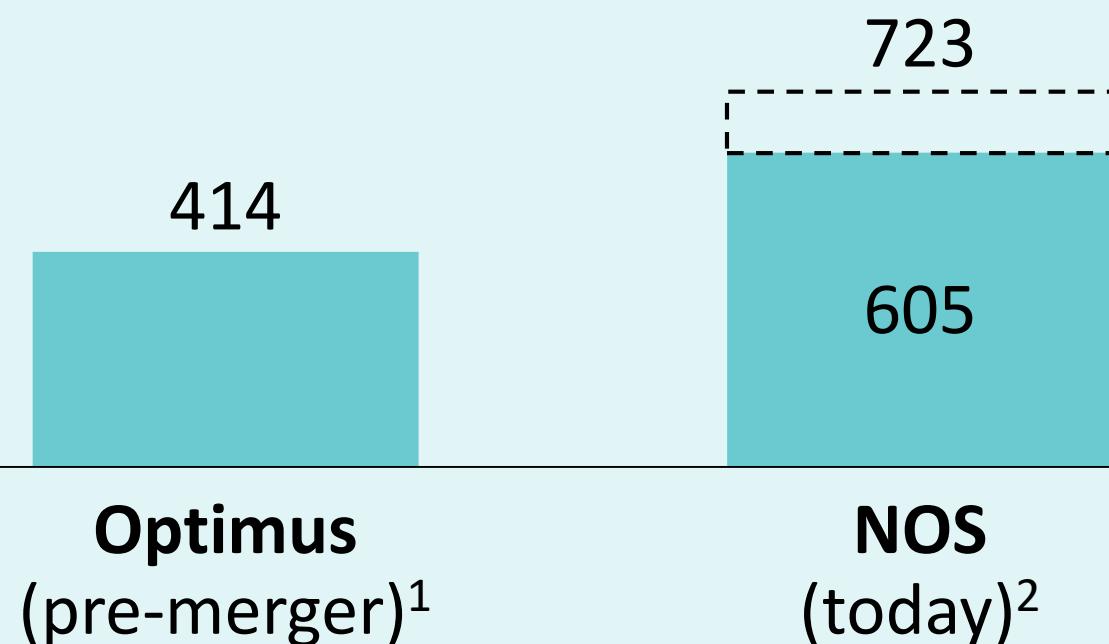
500

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

Optimus and NOS market capitalisation

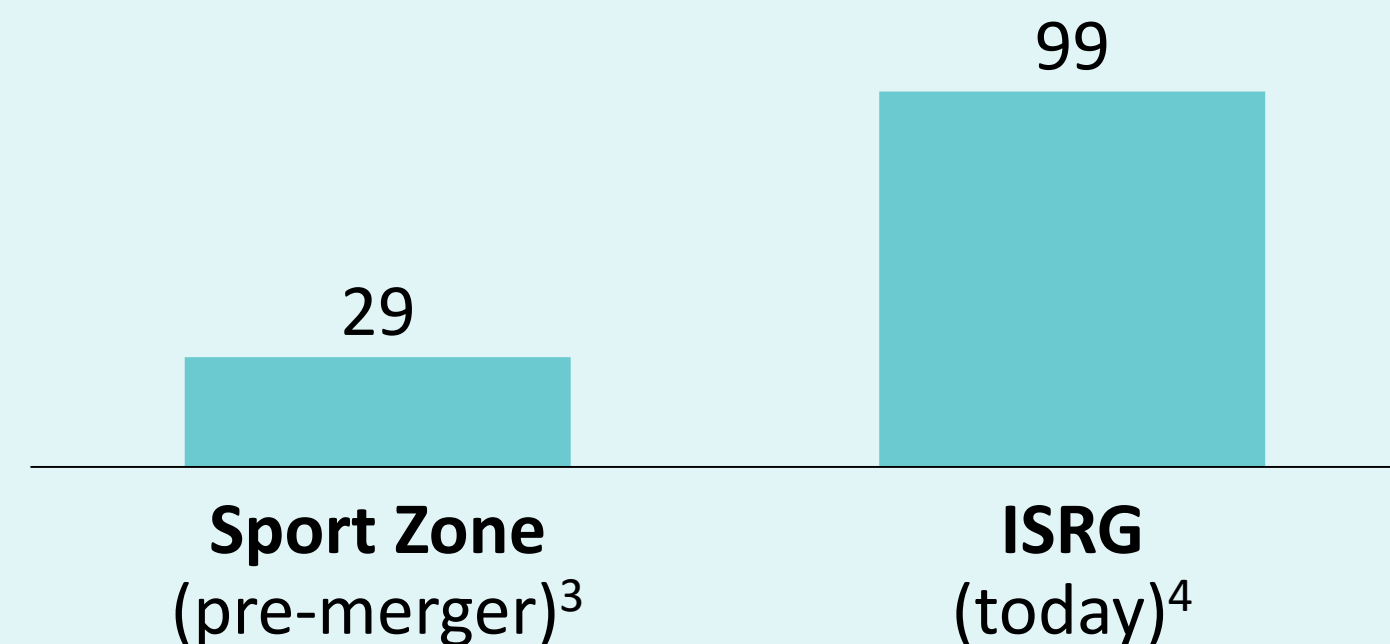
M€ (Sonae share)

--- Including dividends
received



Sport Zone and ISRG enterprise value

M€ (Sonae share)



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

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

³ Sport Zone EV calculated using the EBITDA market multiples of EBITDA for 2017 results

⁴ 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

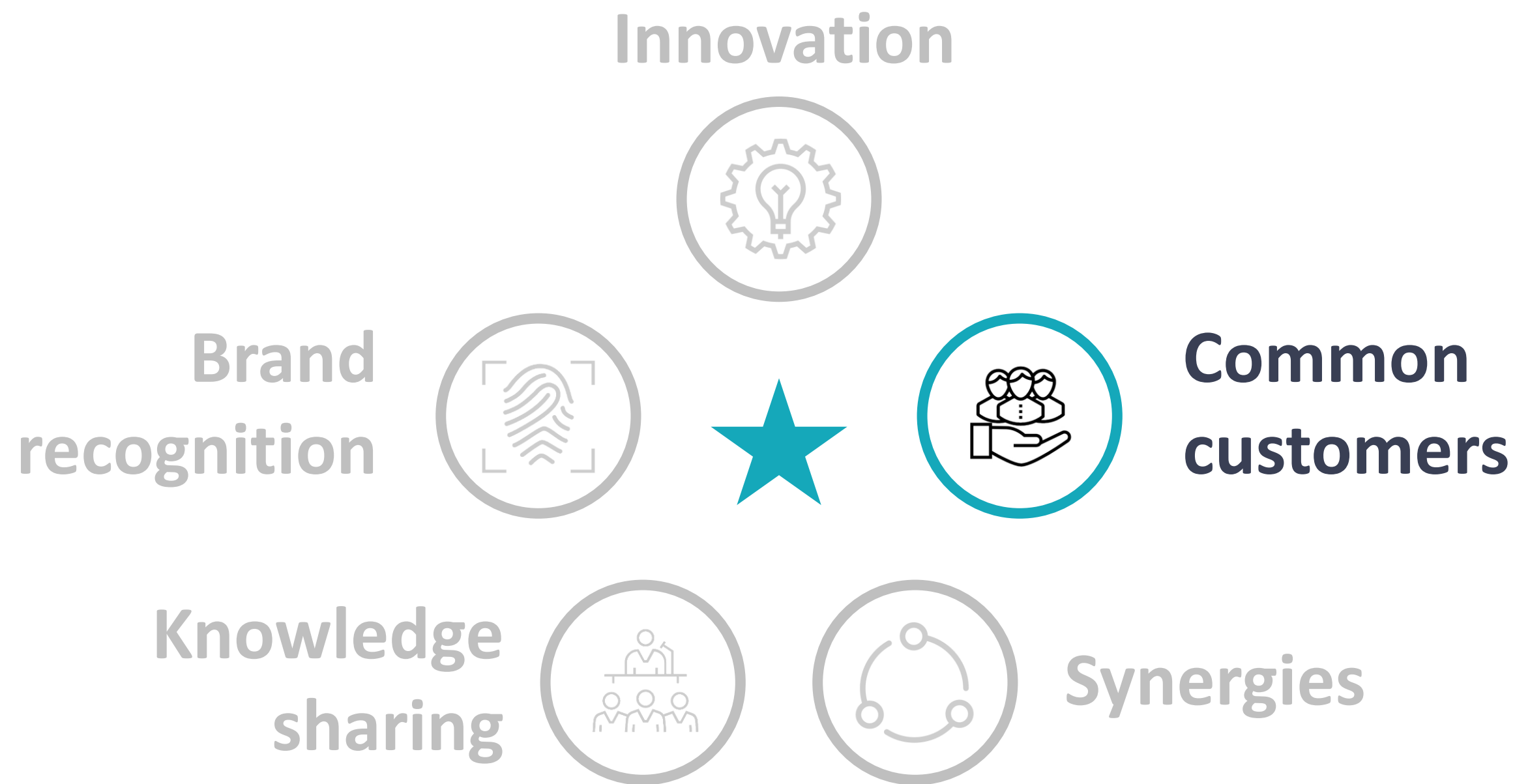


SONAE

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



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



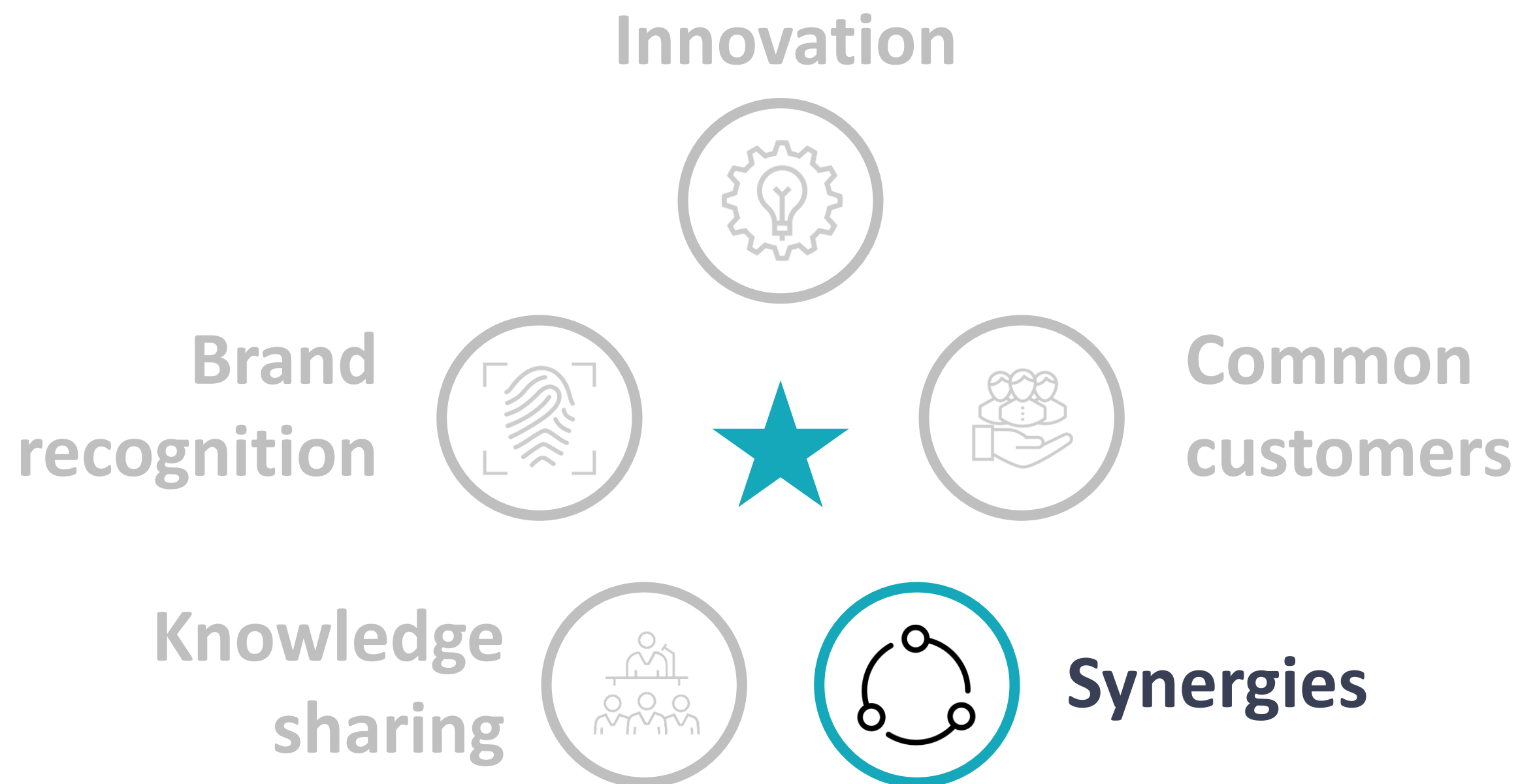
5,5M



Mobile users:
850K

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

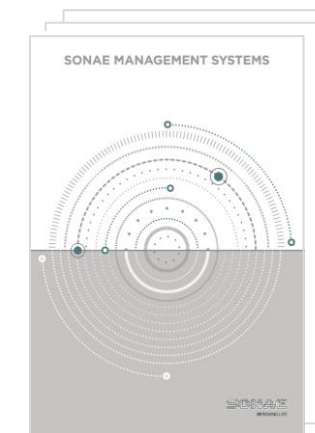
- Strategic Planning
- Talent management
- Continuous improvement
- Customer Knowledge

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



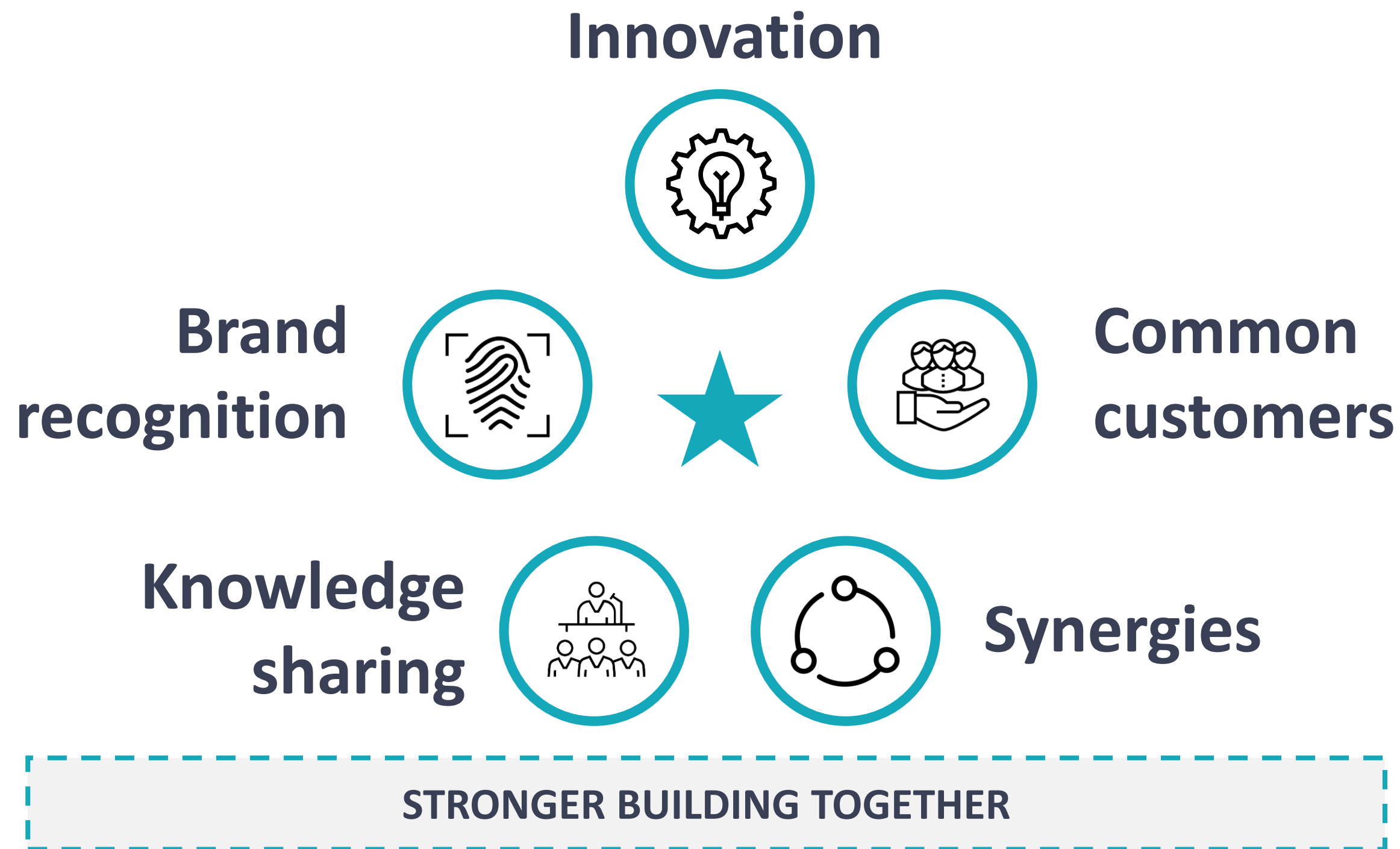
Brand Recognition (selected examples)

- 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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JOÃO DOLORES

GROUP CFO

TRACK RECORD OF VALUE CREATION

3.9 bi€

NAV

[As of 1H 2019]

13%

TSR

[CAGR of last 3 years]¹

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

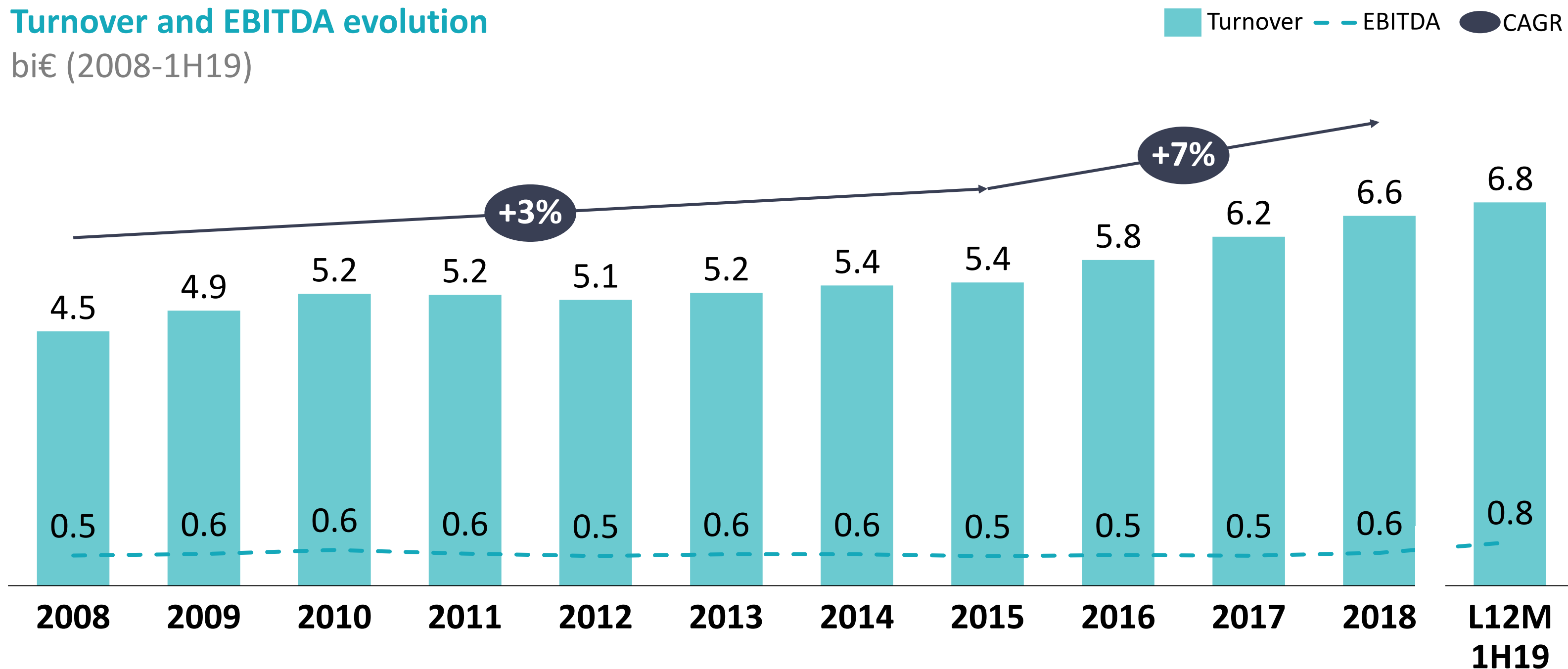
[As of 1H 2019]



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

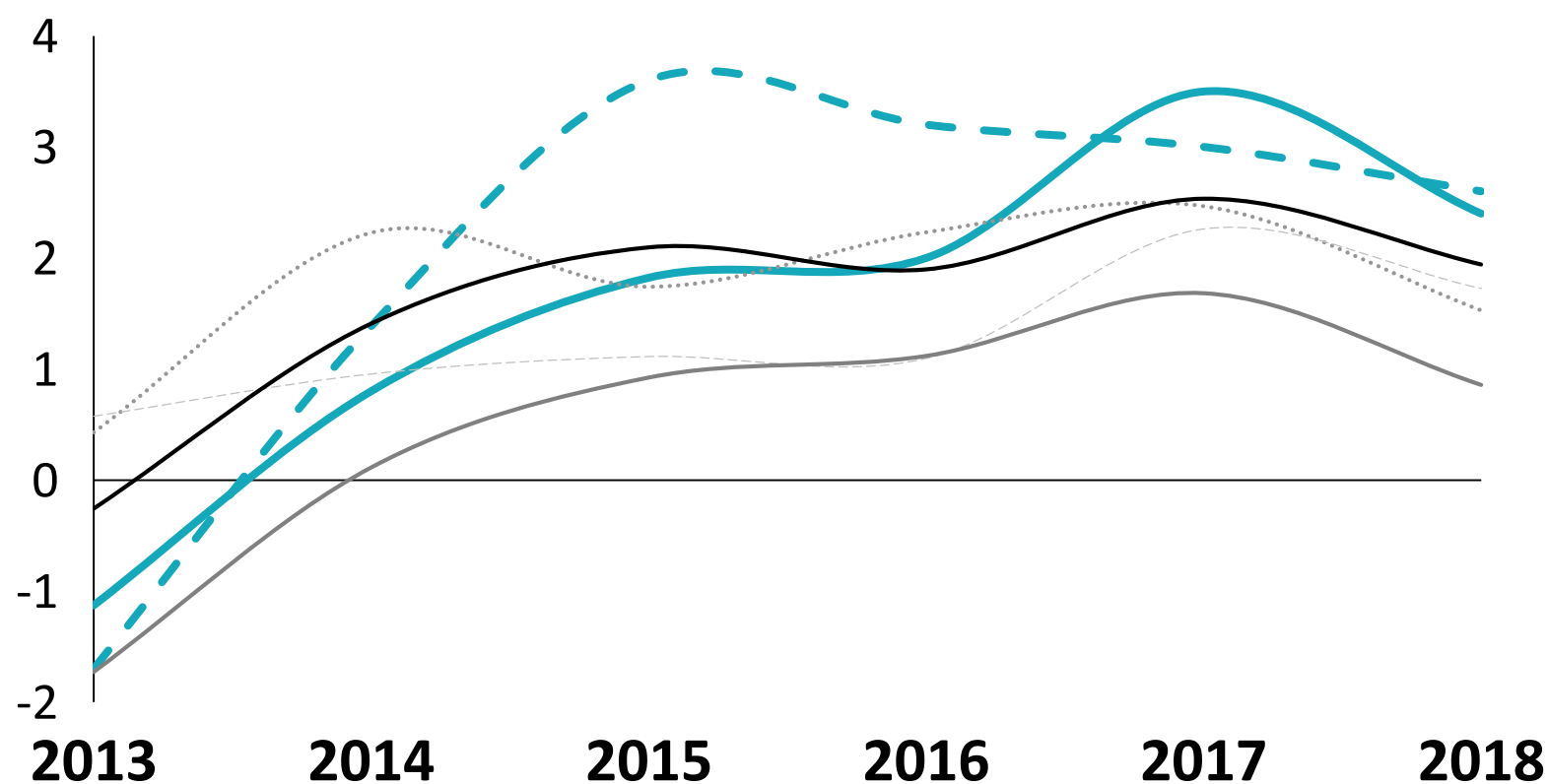


...underpinned by a positive backdrop in our main markets

Building
Together
CAPITAL
MARKETS
DAYS

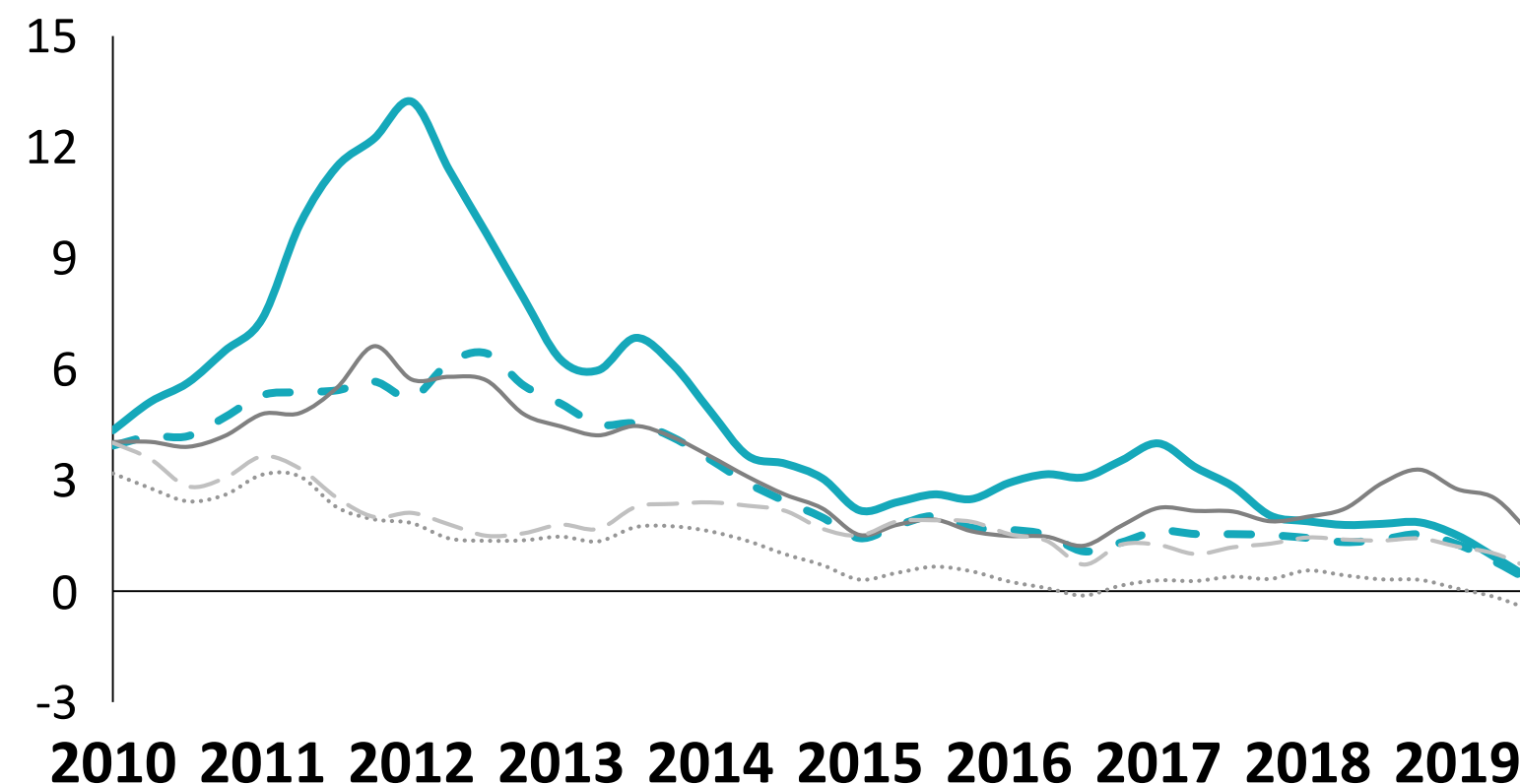
Portugal and Spain growing above the Euro area...

GDP growth by country, %



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

Sovereign 10-year bond yields, %



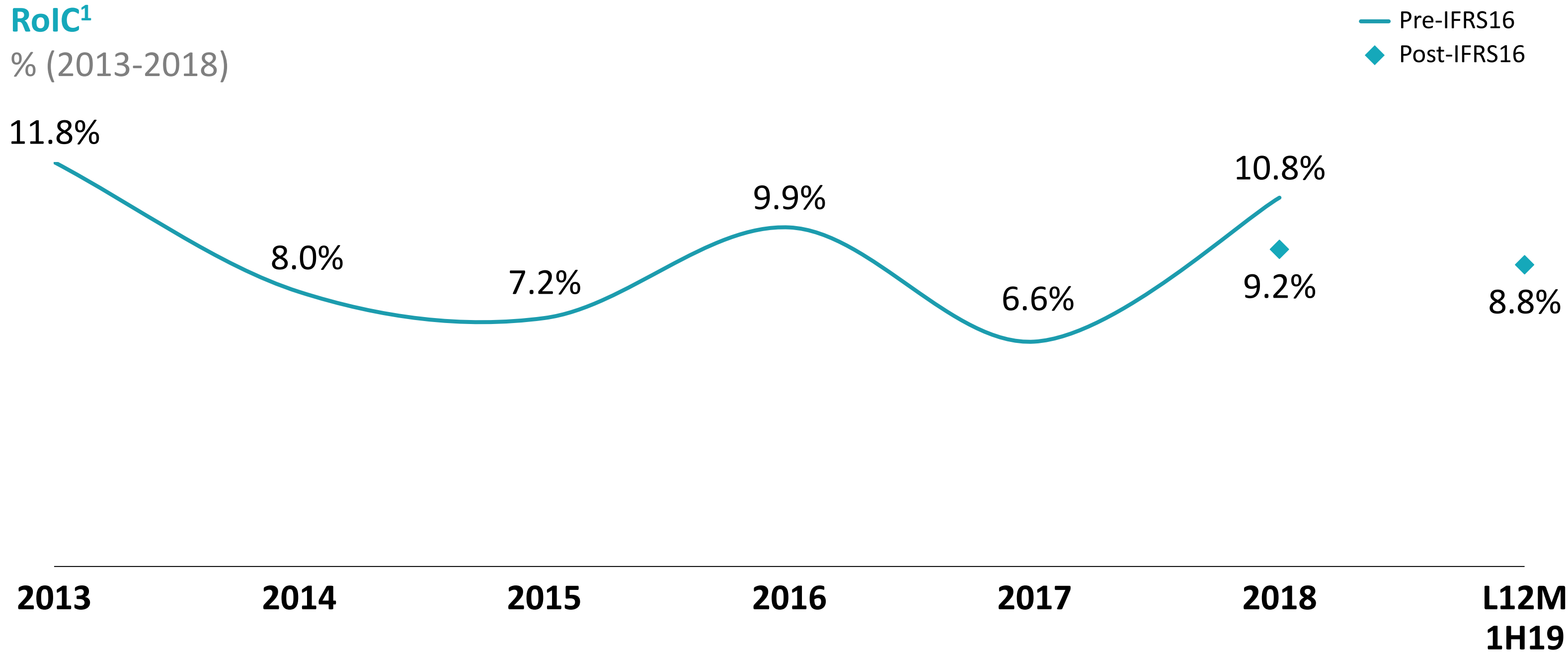
— Portugal — Spain — Germany — France — Italy — Euro area (19 countries) — UK



Solid returns on invested capital

RoIC¹

% (2013-2018)



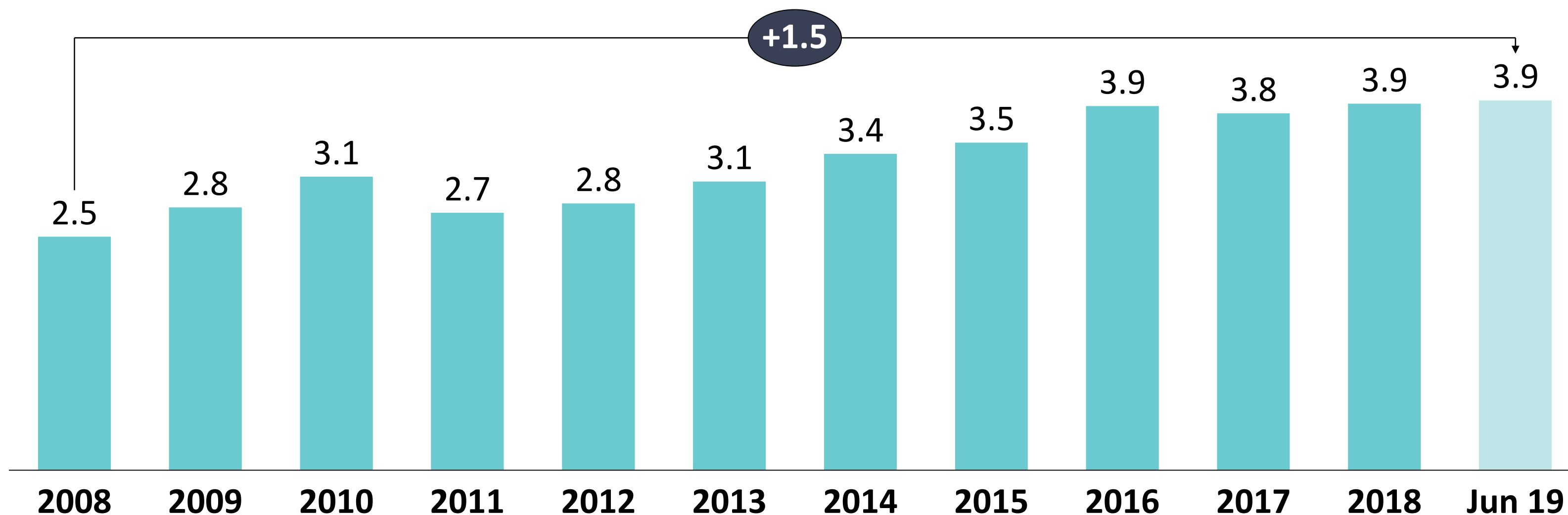
1 RoIC calculated with proportional figures with Sierra at historical cost. EBIT includes capital gains on sales, and in the case of NOS, invested capital is the financial investment.



A history of value creation

NAV¹, sum-of-the-parts

bi€ (2008-Jun 19)

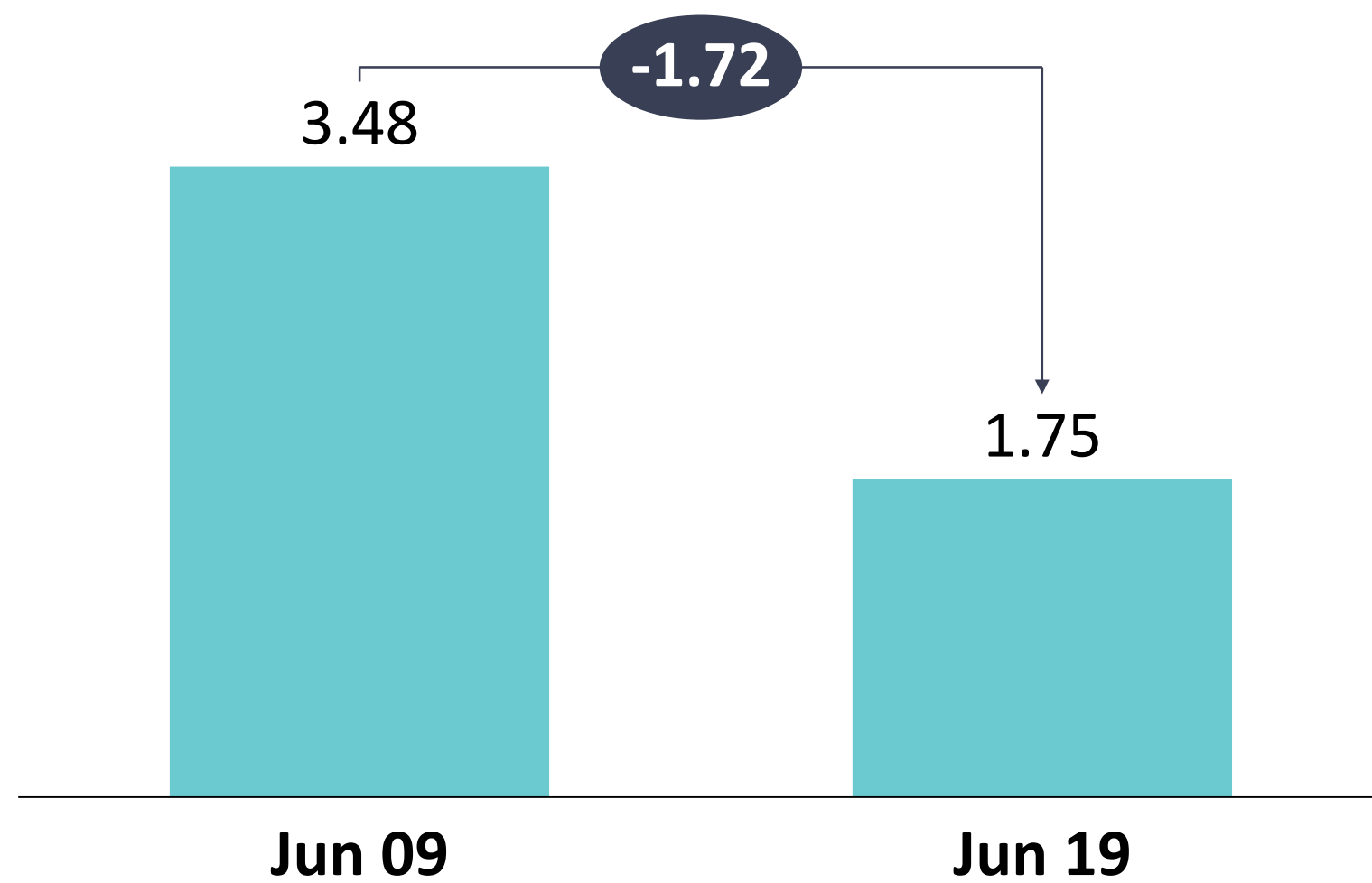




Strong capital structure

Net debt¹ evolution

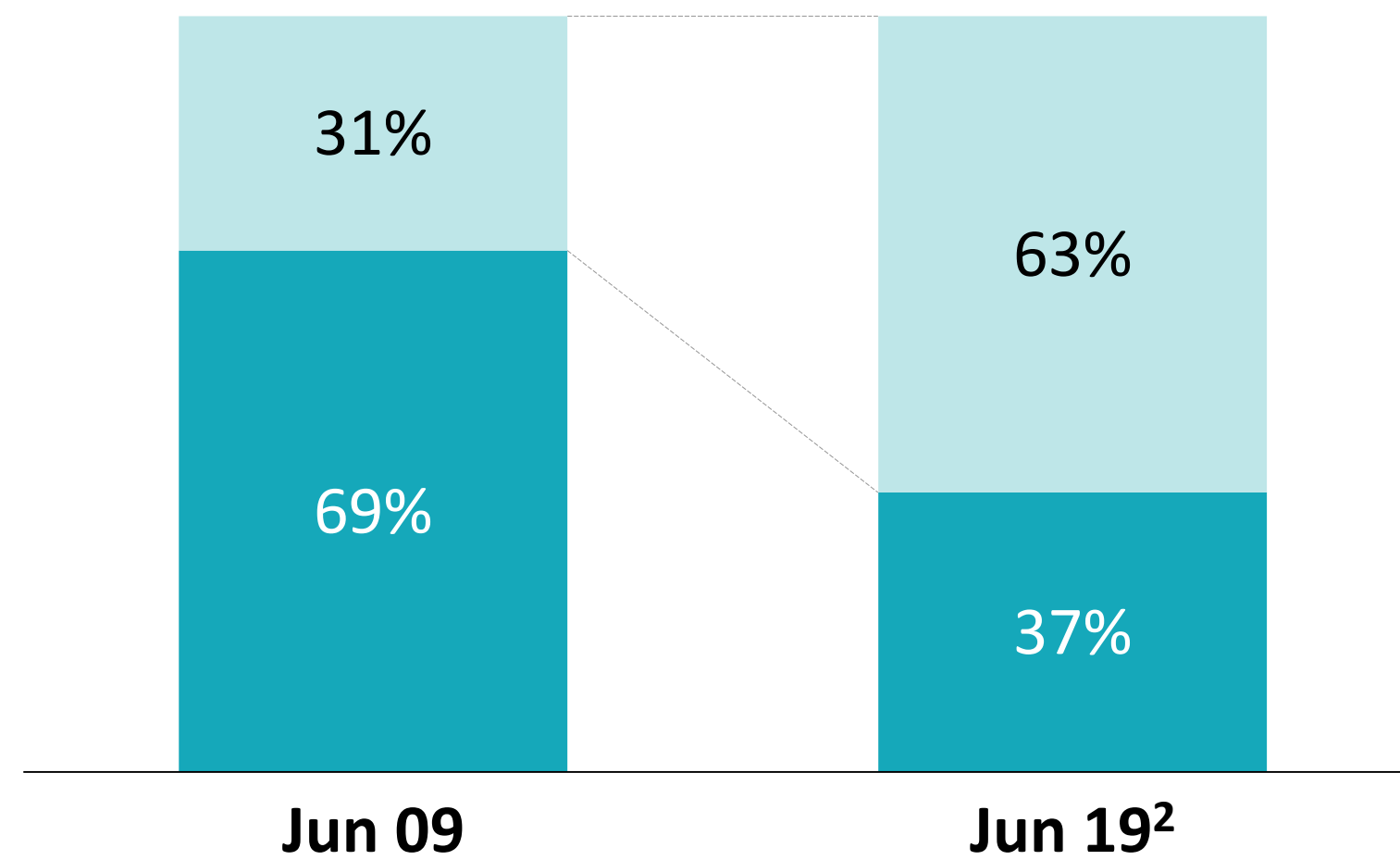
bi€ (Jun 09; Jun 19)



Capital structure

% (Jun 09; Jun 19)

Equity
Net Debt

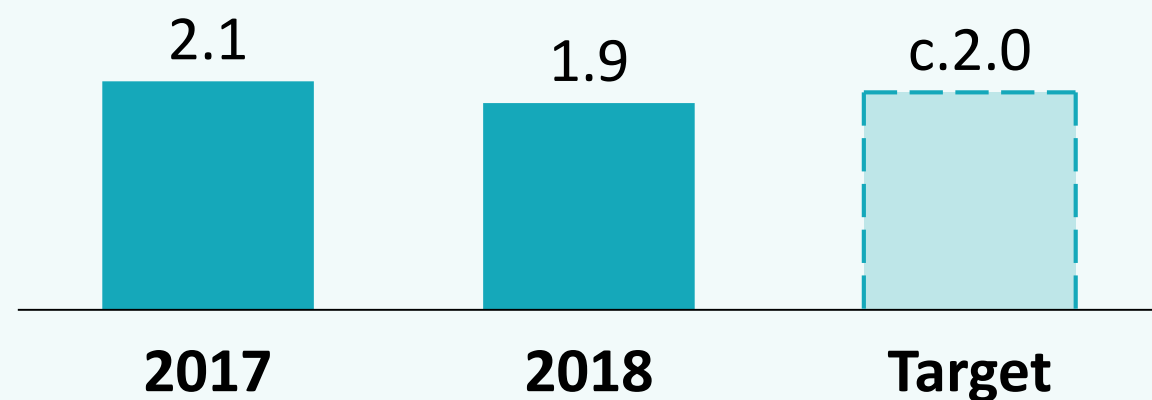




Conservative leverage levels per building block

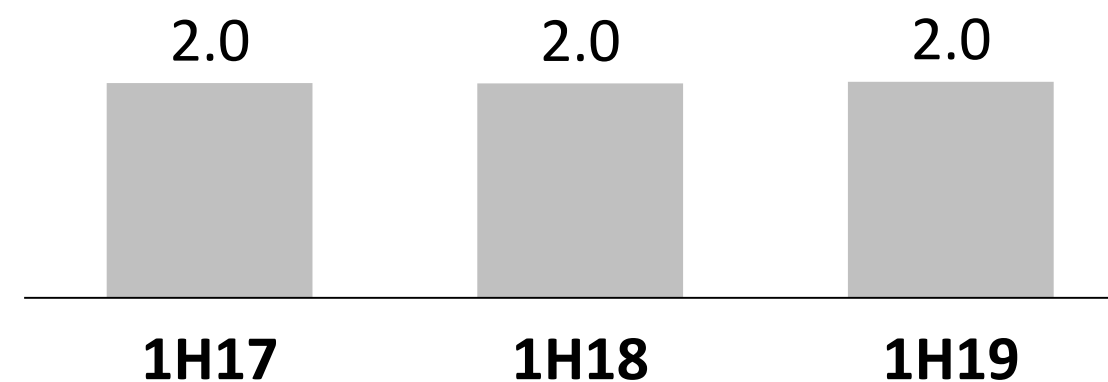
Sonae MC – Food business

Net debt¹ / unEBITDA



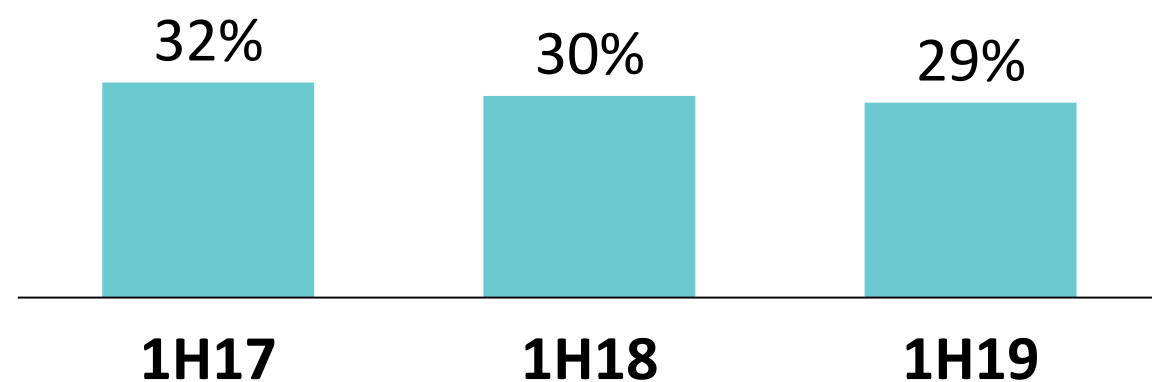
NOS – Telco business

Net financial debt¹ / EBITDA



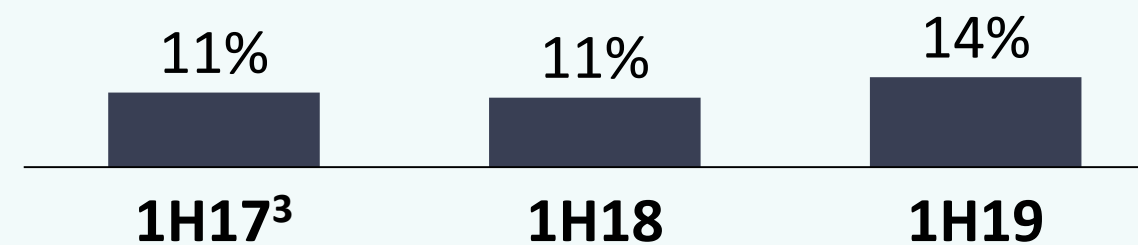
Sonae Sierra – Real estate business

LTV



Holding

LTV²



Note: figures are pre-IFRS16

1 End of period figures.

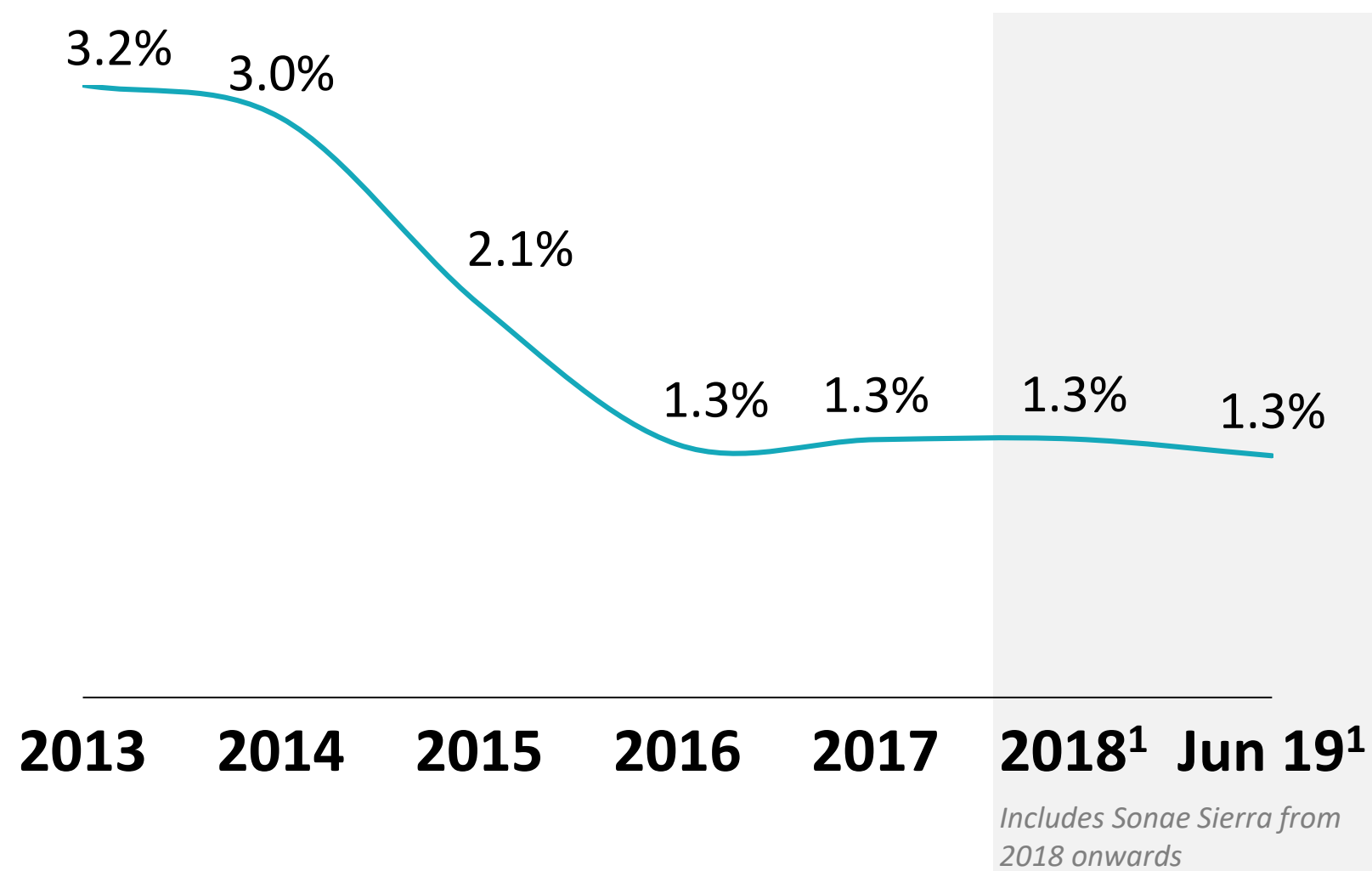
2 Net debt figures are average for the period. NAV figures are end of period.

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

Low debt costs and long maturities

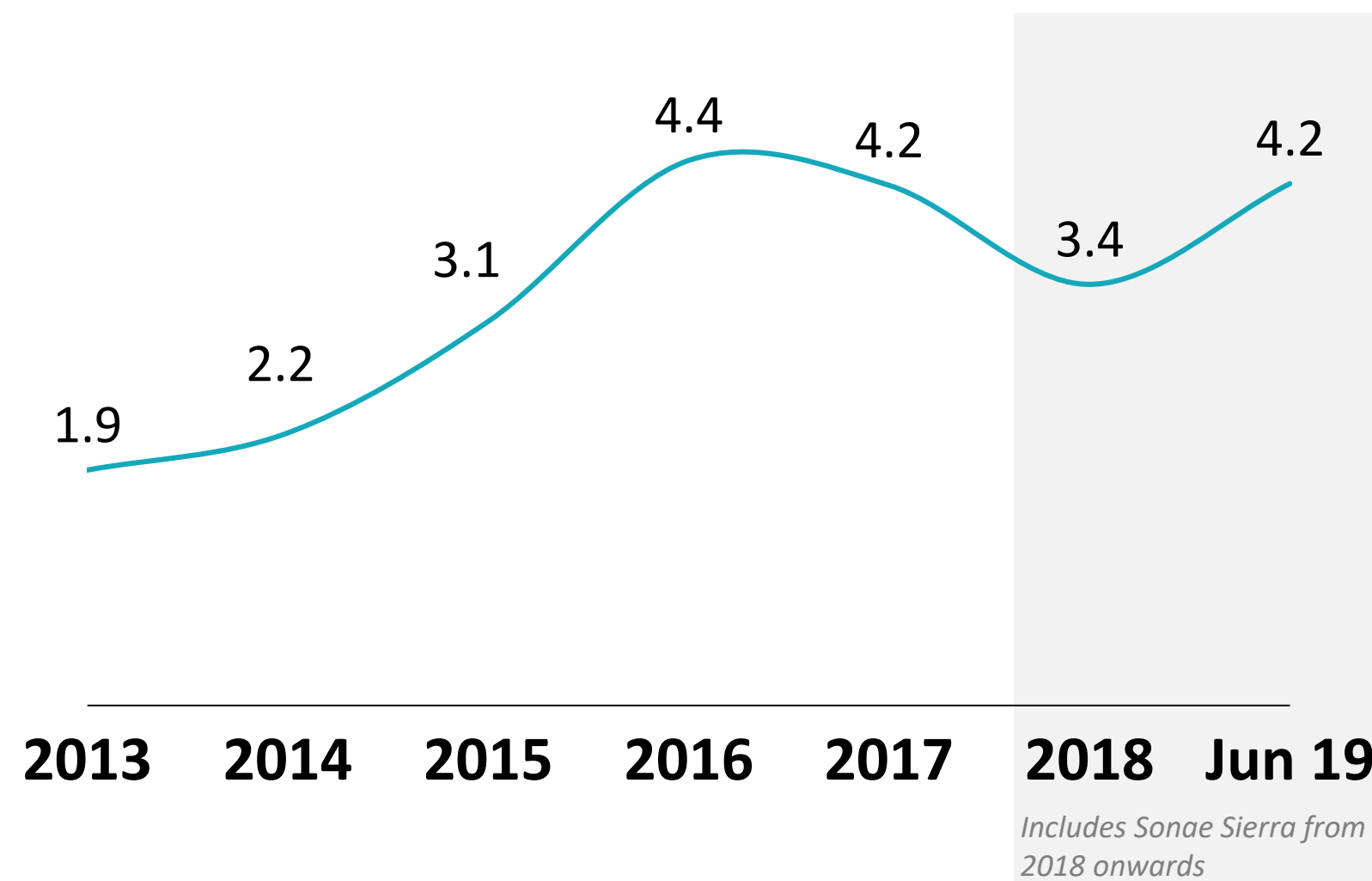
Debt cost (interest rate)

% (2013-Jun 19)



Debt maturities (average)

Years (2013-Jun 19)²



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

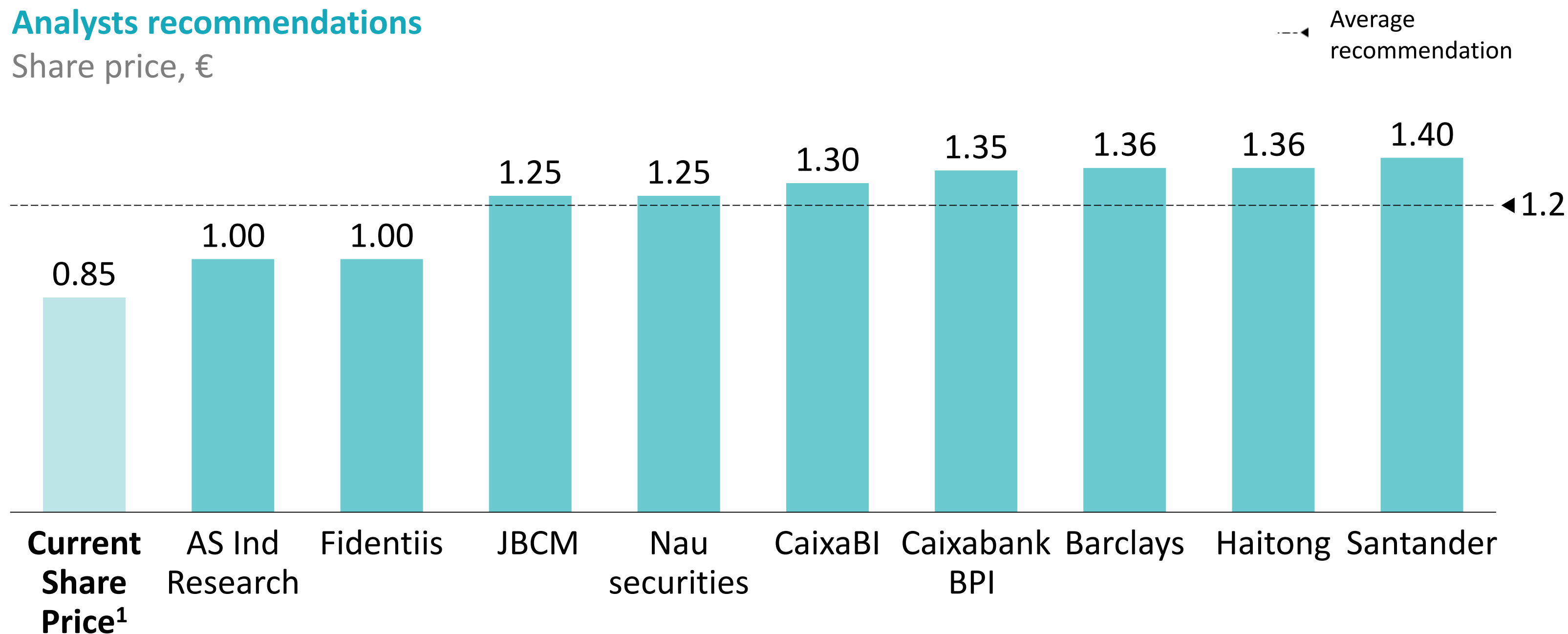
² Does not consider Sonae Sierra (from 2013-17), NOS (full period) and MDS (full period). Excludes the contributions of the joint ventures which consolidated by the equity method.



Clear share price upside

Analysts recommendations

Share price, €



Note: considers last available report per analyst

¹ Current share price computed as average of 30 observations prior to September 30th 2019

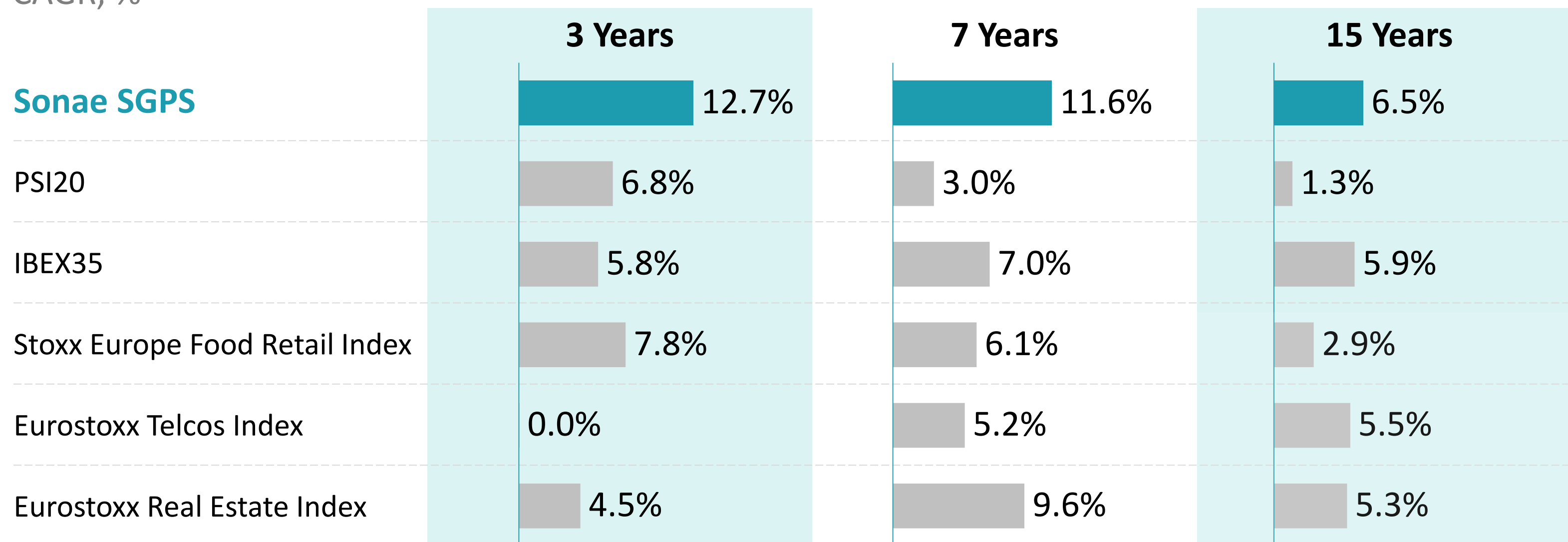
Source: analysts reports



Solid shareholder returns

Total shareholder return

CAGR, %



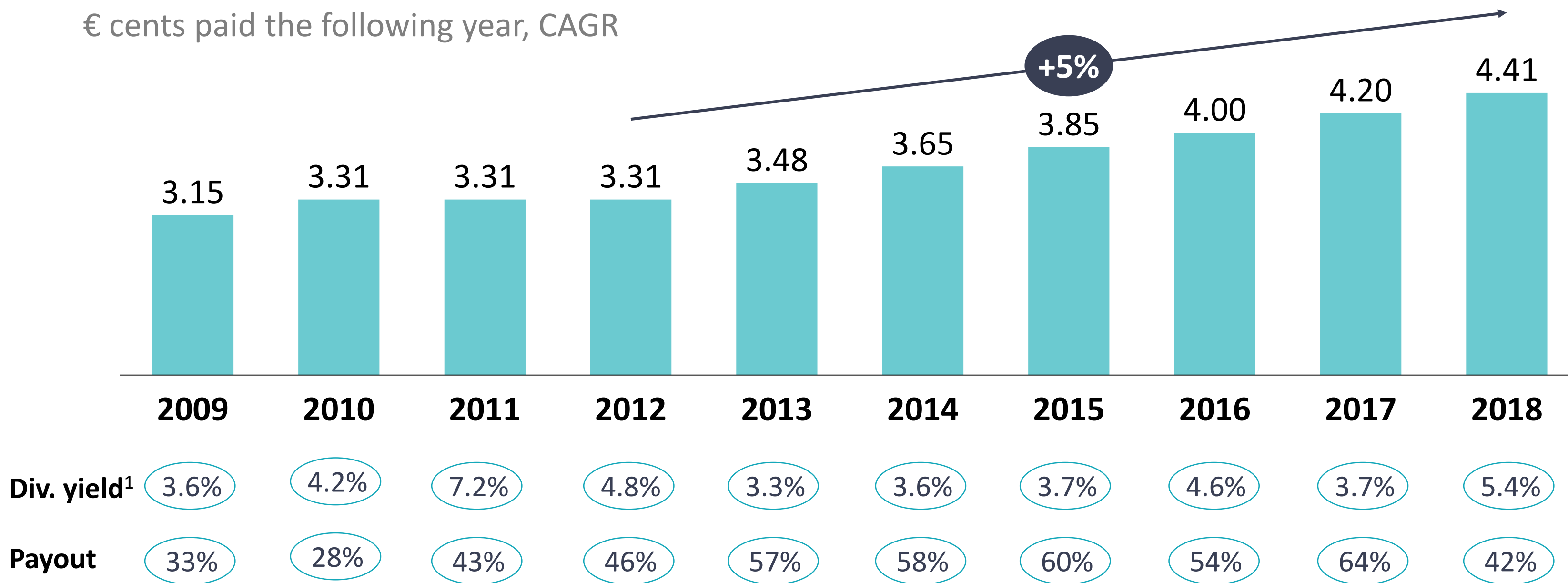
Note: Total returns including price evolution and dividend paid as of September 30th 2019
Source: Bloomberg



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 €¹ 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**

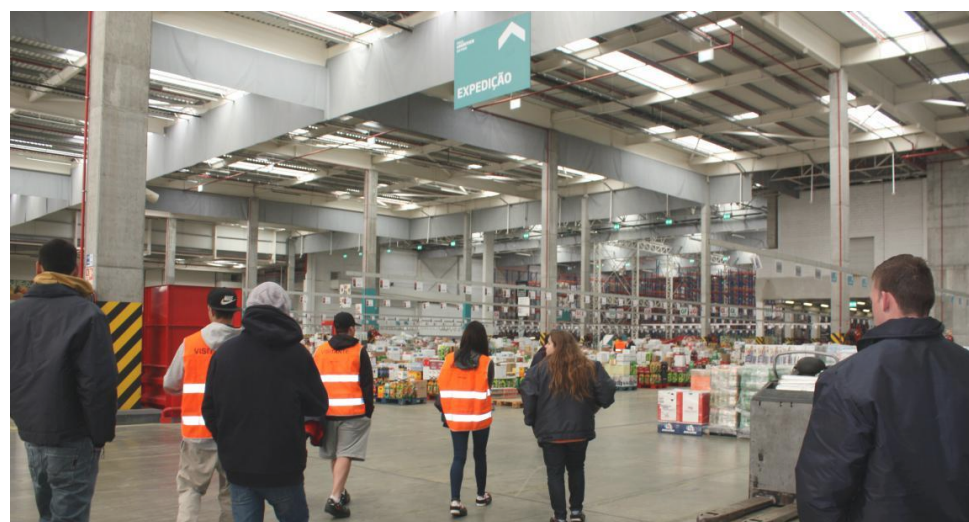




... and to our communities

Community support

- **11 M€ in 2018** (+12% YoY) in community support (e.g. Missão Continente, Activshare)
- **+0.8 M€** invested in employee support¹



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 sources¹
- **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

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**

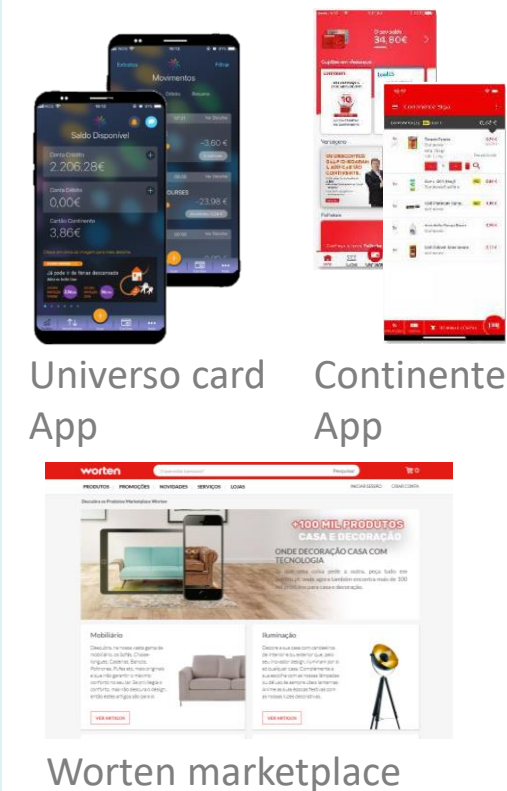
Selected areas of focus (last 24 months)

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.