

INVESTOR PRESENTATION

Caixabank BPI XV Iberian Conference
Cascais, September 2018

At Sonae, each day is a new beginning
for new opportunities, new challenges
and new triumphs

Group Structure



Food retail



100%



Electronics retail



100%



Sports & Fashion retail



100%*



Retail real estate



50%**



Retail properties



100%



Investment management



26% to 89.9%



Financial services



100%



Telco



23.4%

FULLY CONSOLIDATED

EQUITY CONSOLIDATED

* Sportzone, one of Sonae S&F's brands is part of the Iberian Sports Retail Group (Sonae holds a 30% stake)

** July 14th – Sonae reinforces stake in Sonae Sierra through the acquisition of additional 20%. Sonae Sierra will be fully consolidated in Sonae's accounts. Transaction to be completed until YE

Who We Are:

Our Diversified Portfolio

1. **Leading market position in food retail**, with profitability in-line with industry norms
2. The **telco operator with the highest revenue growth in our market in FY17**, and growing profitability
3. **Shopping centres with proven international strength**; Sonae Sierra is pursuing its capital recycling strategy
4. **Leading Iberian omnichannel electronics player**
5. A focus on **improving profitability** in Sports & Fashion businesses via a new partnership
6. Real estate **asset monetization opportunity**
7. **Investment Management**
8. **Financial services**

SONAE Investment case

1. **Large gap between NAV* and trading value** (reported NAV grew >4% CAGR from €2.9bn in 2009 to €4.1bn in 1H18)
2. **Diversified retail business** – shopping centres are prominent destinations in Portugal
3. **Online overhang** is not a significant issue in Portugal: shopping centres very popular; Amazon does not have website (www.amazon.pt) nor warehouse
4. **Holding co. structure** provides a closely aligned partner with a history of value-creation

*ASSUMPTIONS:

Sonae MC: valuation based on sector's EV/EBITDA & EV/Sales applied to last 12 months Sales & EBITDA reported

Worten: valuation based on sector's EV /Sales applied to last 12 months Sales reported

Sports & Fashion: valuation based on sector's EV/Sales applied to last 12 months Sales reported plus ISRG Financial Investment

Investment Management: valuation based on invested capital @ book value, minus debt

SSI & Media: valuation based on sector's EV/EBITDA & EV/Sales applied to last 12 months Sales & EBITDA reported

NOS: valuation as per market price on last trading day

Sonae Sierra: valuation as per disclosed quarterly NAV

SONAE

We are at an
inflection
point

1. **Portuguese economy** is expected to continue to grow in the coming years
2. **Upside potential** from ongoing economic recovery in Spain
3. **Turning the corner to profitability** in Sports & Fashion business
4. **Electronics business turnaround** is underway

BOARD OF DIRECTORS

A good balance
between

Executive Directors
(2 members)
and Non-Executive
Directors (6 members) all
of which independent

The BoD of Sonae has announced to EFANOR, that it has resolved to appoint Cláudia Azevedo, as the next CEO to be appointed (for 2019-2022) after the end of the present mandate. Paulo Azevedo and Ângelo Paupério will keep its presence at the Board of Directors of Sonae with non-executive roles.
For further information:
[announcement](#)

A multidisciplinary BoD (2015-2018)

(from left to right)



(1) Tsega Gebreyes – Expertise in finance and strategy across different sectors and geographic areas. Founding Director and Managing Partner of Satya Capital, a London-based, African-focused private equity firm.

(2) Paulo de Azevedo – Chairman and Co-CEO. He has held senior positions in Sonae Group since 1988.

(3) José Neves Adelino – Professor of Economics and Finance in leading universities in Europe over the last 40 years. He has held non-executive positions in several listed companies and is currently a Director at Fundação Calouste Gulbenkian.

(4) Lorraine Trainer - Career specialised in HR and talent management, particularly in the financial sector. She has spent the last few years mostly in corporate advisory roles with a strong focus on Board-level succession planning services and director development.

(5) Christine Cross – Long-standing career in retail, particularly in the food segment (14 years of senior positions held at Tesco PLC). Currently providing independent advisory and serving on several non-executive Board positions.

(6) Ângelo Paupério – Co-CEO. He has held senior positions in Sonae Group since 1989.

(7) Andrew Campbell – Renowned expert on Corporate-level Strategy. Currently Director of the Ashridge Strategic Management Centre. Previous positions held at the London Business School and McKinsey & Company.

(8) Marcelo Faria de Lima (not in the picture) – Strong expertise in the Brazilian market, particularly in the financial/investment management sector. Currently an entrepreneur with significant investments in fashion and other sectors, and holds several non-executive roles in leading Brazilian corporations.

GROUP SENIOR EXECUTIVES

Since 2015 Sonae has been adjusting its internal organisation, making its **business units more autonomous**, with clear separated **Executive Committees**, thus enabling higher levels of specialization and focus

Responsible for each division of the Group

(from left to right)



- (1) **Luís Reis** – Chief Corporate Centre Officer, Sonae Sports & Fashion and Sonae FS CEO.
- (2) **Miguel Mota Freitas** – Worten and Iberian Sports Retail Group CEO.
- (3) **Paulo Azevedo** – Sonae Chairman and Co-CEO.
- (4) **Fernando Guedes de Oliveira** – Sonae Sierra CEO.

- (5) **Cláudia Azevedo** – Sonae IM CEO.
- (6) **Miguel Almeida** – NOS CEO.
- (7) **Ângelo Paupério** – Sonae Co-CEO.
- (8) **Luís Moutinho** – Sonae MC CEO.

OUR MISSION AND OUR WAY

OUR MISSION

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

OUR WAY

We are a multinational group with solid roots and a constant drive towards progress. Our culture, how we conduct ourselves in life and in business is what bonds us and makes us special, in any business or geographic area.

The values we share, which can be found in our origins and in our DNA, are a legacy for the future and the way **we create long-term economic value**.

We face each day as a fresh new beginning for new opportunities, new challenges and new triumphs

SONAE AND CAPITAL MARKETS

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

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

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

OUR VALUES

TRUST AND INTEGRITY

We are committed to creating economic value in the long term, built on sustainable relationships with all our stakeholders. We establish these relationships based on principles of honesty, uprightness and transparency

PEOPLE AT THE CENTRE OF OUR SUCCESS

Our people are a determining factor in our success. For that reason, we constantly work to improve our employer value proposition in order to attract and retain the most talented and ambitious professionals. We invest not only in developing their capabilities and skills, but also in ensuring thriving and positive work environments, and balanced lifestyles. We promote meritocracy relentlessly and embrace diversity at all levels

AMBITION

Ambition is born from continuously establishing goals which will stretch us to our limits, stimulating our energy and reinforcing our determination. Ambition drives us and keeps us dissatisfied with the status quo, forcing us to go beyond our past successes. We continuously set ambitious goals that stretch our current competences and demand a bold and entrepreneurial attitude from our managers

INNOVATION

Innovation is at the heart of our businesses. We always question both our mental models and industry orthodoxies in order to identify opportunities, and we maintain a challenger attitude by continuously improving our value propositions and experimenting new business models, while managing risks within reasonable limits. We know that only by innovating can we grow sustainably

CORPORATE RESPONSIBILITY

We are committed to developing our activities based on the principles of sustainable development, looking to contribute to society beyond the economic value generated by our business activities. In particular, we aim to improve the communities within which we operate by collaborating to tackle the most fundamental environmental and social challenges of our times

FRUGALITY AND EFFICIENCY

We aim to optimise the use of resources and maximise their return, seeking cost efficiency, and avoiding any waste or extravagance. As a priority, we focus on achieving operating efficiency, promoting healthy competition, and delivering high impact projects

COOPERATION AND INDEPENDENCE

We are ready to cooperate with central and local governments, in order to improve regulatory, legal and social frameworks, and to ensure the best solutions for the communities within which we operate, but we also take care to maintain our independence in relation to all such entities

CORPORATE STRATEGY

VALUE CREATION through Sonae's 3 strategic pillars

Strengthen and leverage our key assets and competencies

Reinforcing our strongest competitive positions is a key condition for our long term sustainability. It is the stepping stone for our growth strategy and it is where most of our key competences and assets currently reside. Therefore, **keeping core teams dedicated and concentrated on winning in their respective main markets is crucial to underpin Sonae's ambition and fund our growth options.**

We will continue to explore **new business opportunities** that leverage our exceptional capabilities and asset base in Portugal as a way to nurture our portfolio of options for future growth. Besides their inherent business attractiveness, these new ventures should benefit from and reinforce our competences and/or strategic assets, have the potential to become large businesses in the medium term, and allow for a stronger and more balanced portfolio.

We will dedicate a part of our capital to these new ventures, according to their ability to **deliver growth and create value.** We also will look for early signs of success or failure, guaranteeing that scale-up, merger or divestment decisions are taken as soon as possible.

Drive international expansion

Internationalisation will remain our key growth driver for many years to come. This is our **top strategic priority** and we will deploy resources accordingly, as we have the opportunity to enlarge our international footprint and **transform Sonae into a large multinational corporation.** This is the only option which guarantees **our long term sustainability** and is consistent with **our level of ambition and growth.**

We have an **outstanding management team, expertise and reputation in our current businesses** and can use them to **create value** on a larger scale and in markets that are growing faster and have a higher potential. Therefore, new investment opportunities, both organic ventures and acquisitions, should include sizeable internationalisation potential. We will target opportunities in several geographies, but we will give **particular focus to markets with high growth prospects, stable economic conditions and good governance practices.**

Diversify business models and investment approach

We will ensure **high levels of flexibility in pursuing our growth ambitions, particularly in international markets.** We will continue to adopt **different business models**, according to our ability to accelerate specific opportunities and manage risk. In practice, we will keep growing our businesses with **a mix of organic expansion** (both capital heavy and capital light), **wholesale, franchising and service rendering.**

We will also look to leverage our resources and capabilities by adopting the **most appropriate investment style or mix of styles for each business**, including wholly owned businesses and majority stakes, but also joint ventures and minority stakes. Majority stakes are the appropriate investment style where, on our own or with little contribution from third parties, we have the resources and competences to lead the business and guarantee the development of sustainable competitive advantages and creation of superior value. Minority stakes are the appropriate investment style where we do not have the resources or would benefit from the contribution of third parties to achieve superior value creation. In any case, **we are not a financial investor and will always aim to ensure some degree of influence over each business and an ability to add value based on our competences.**



SONAE
AS A
HOLDING
COMPANY

-
1. Enterprise Value
 2. Invested Capital
 3. Balance Sheet
 4. A stable shareholder structure
 5. Shareholder Remuneration
 6. Share Price

01. ENTERPRISE VALUE

A balanced portfolio of businesses spanning multiple sectors

€5,322 M EV

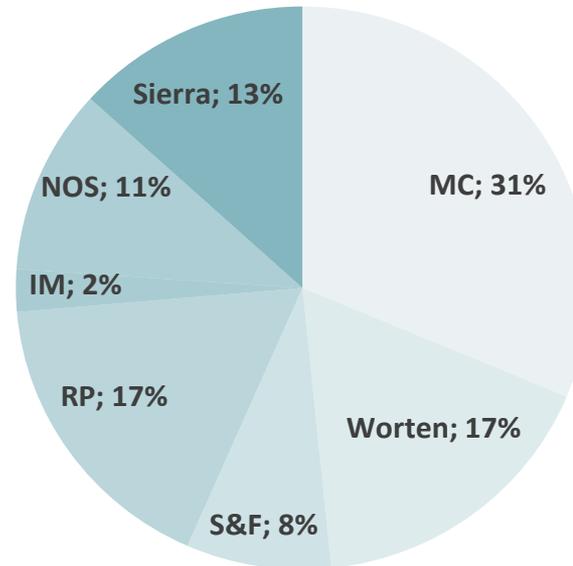
€4,063 M NAV

(as of 1H18)

SONAE'S PORTFOLIO DIVIDED BY EV

Sonae's EV split

(as of 1H18)



ASSUMPTIONS:

Sonae MC: valuation based on sector's EV/EBITDA & EV/Sales applied to last 12 months Sales & EBITDA reported

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02. INVESTED CAPITAL

€3,459 M IC

(as of 1H18)

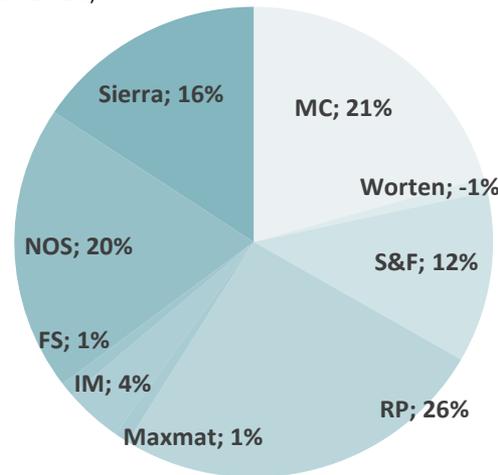
Long-term target

RoIC 11%

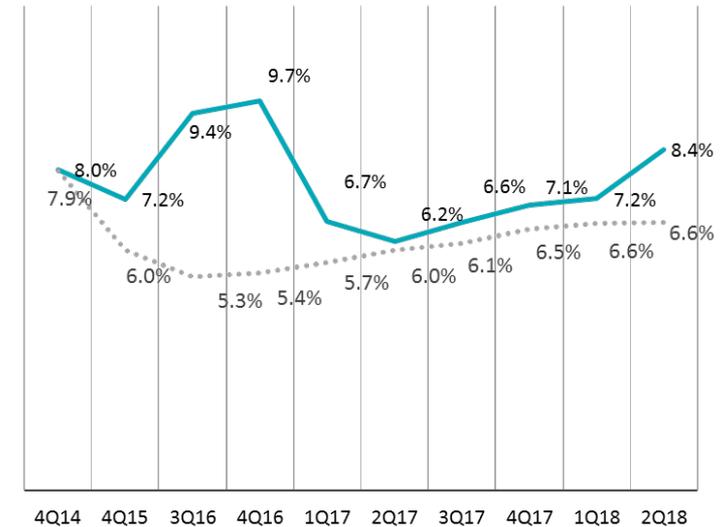
SONAE'S PORTFOLIO DIVIDED BY IC

Sonae's IC split

(as of 1H18)



RoIC evolution



— Return on Invested Capital *

..... Return on Invested Capital (excl. capital gains from RP asset monetisation)

* Proportional annualized EBIT with Sonae Sierra capital gains from asset sales (at historical cost) / proportional average net invested capital (including Sonae Sierra invested capital at historical cost)

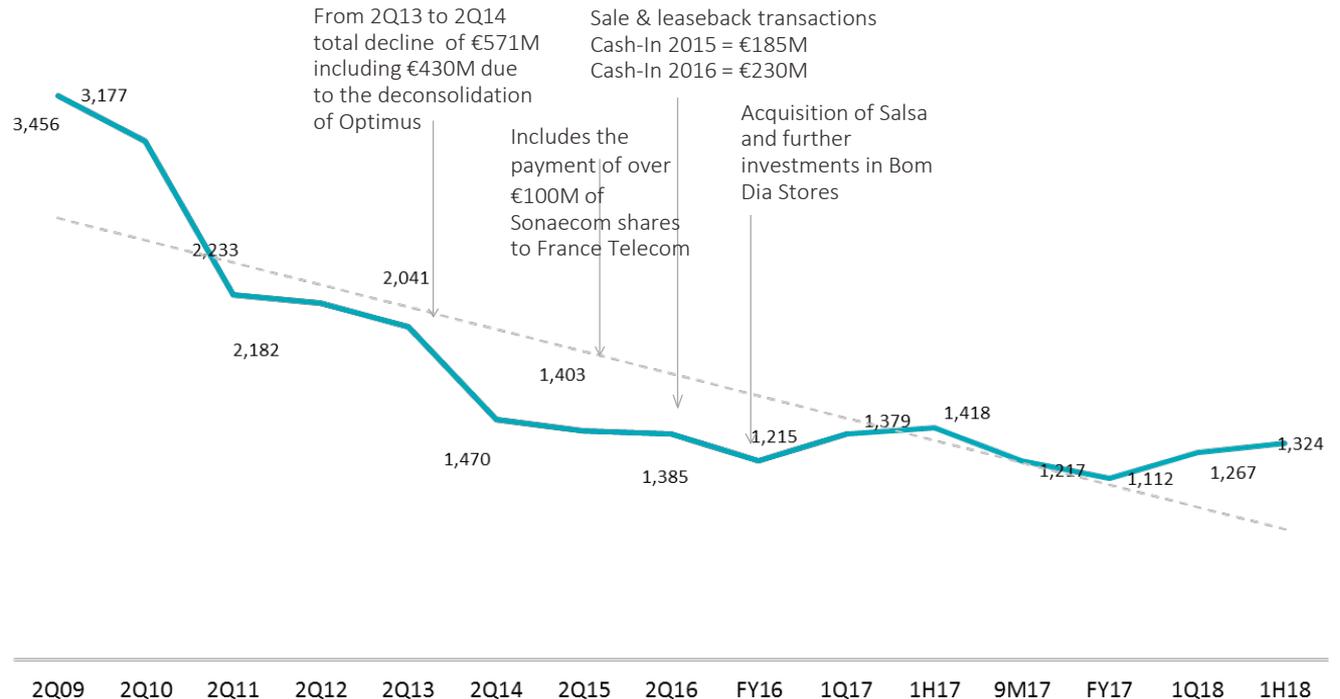
03. BALANCE SHEET

SIGNIFICANT DELEVERAGING MADE POSSIBLE BY ORGANIC CASH FLOW GENERATION AND ASSET MONETISATION

Refinancing needs for next 18 months already secured

Maturity profile is 3.5 years

Average interest rate of outstanding debt continued to decrease and reached 1.0% in 1H18



03. BALANCE SHEET

AN APPROPRIATE CAPITAL STRUCTURE

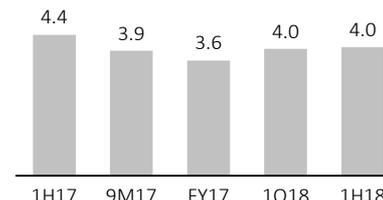
In each business to support Activities and Investments

CAPITAL STRUCTURE

Retail Net Debt/EBITDA
Long-term target: <3.0



Retail Net Debt/EBITDAR (1)
Long-term target: <3.5



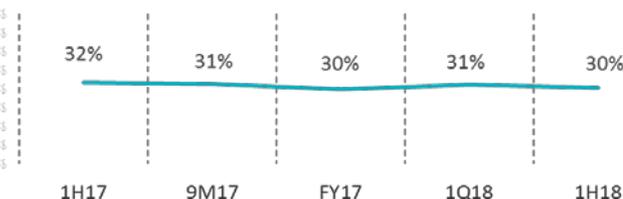
NOS Net Debt/EBITDA
Long-term target: 2.0



Holding Loan-to-Value (2)
Long-term target: <5%



Sierra Loan-to-Value
Long-term target: 45%



(1)[Moody's criterion]: (EoP net debt + 8x external rents LTM) / EBITDAR LTM

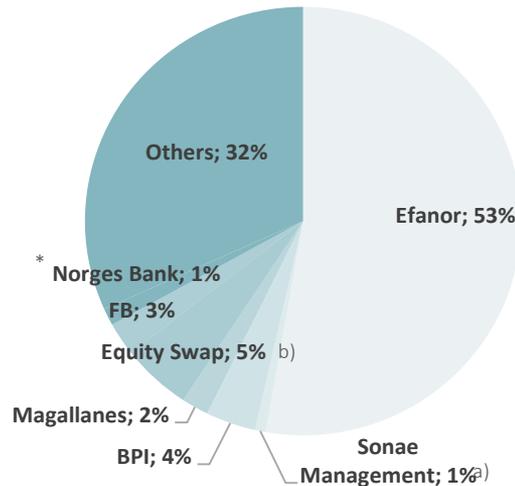
(2)Holding net debt as % of Sonae's gross asset value (Retail businesses @ market multiples, except for Worten and S&F SP (invested capital @ book value) + Sonae RP

04. STABLE SHAREHOLDER STRUCTURE

Reference shareholder, EFANOR, a family holding company



SHAREHOLDING STRUCTURE



**FREE
FLOAT
of aprox. 42%**

a) shares held by top management plus shares attributed to Sonae's Directors (mid term performance bonus), to be delivered over the period 2018/2021, under the terms of Sonae's remuneration policy;

b) Equity Swap includes aprox. 104 million Sonae shares.

SHARE CAPITAL

2,000 million shares

MARKET CAP

~1.8 billion euros (as of 31.08.2018)

* According to Norges bank's website as of 31.12.2017

05. SHAREHOLDER REMUNERATION

Steadily growing dividend payer to maintain an adequate shareholders remuneration

Annual shareholder* returns of c.14% during last 5 years

STEADILY GROWING DIVIDEND

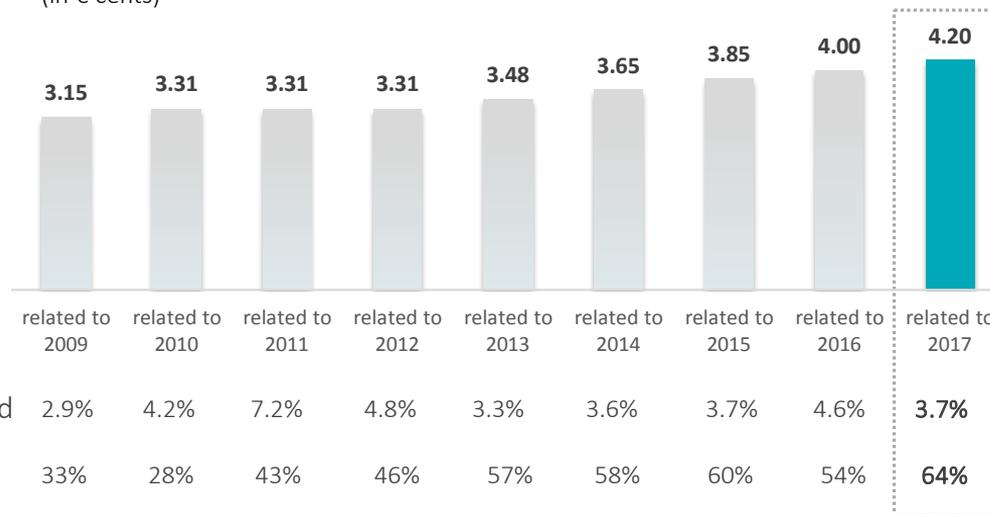
4.20cents
dividend per share

+5% y.o.y.

Dividend yield 3.7%

64% payout ratio

Dividend per share evolution
(in € cents)



* Return related to March

06. SHARE PRICE

Some discount vs.
Sum of the Parts
valuation

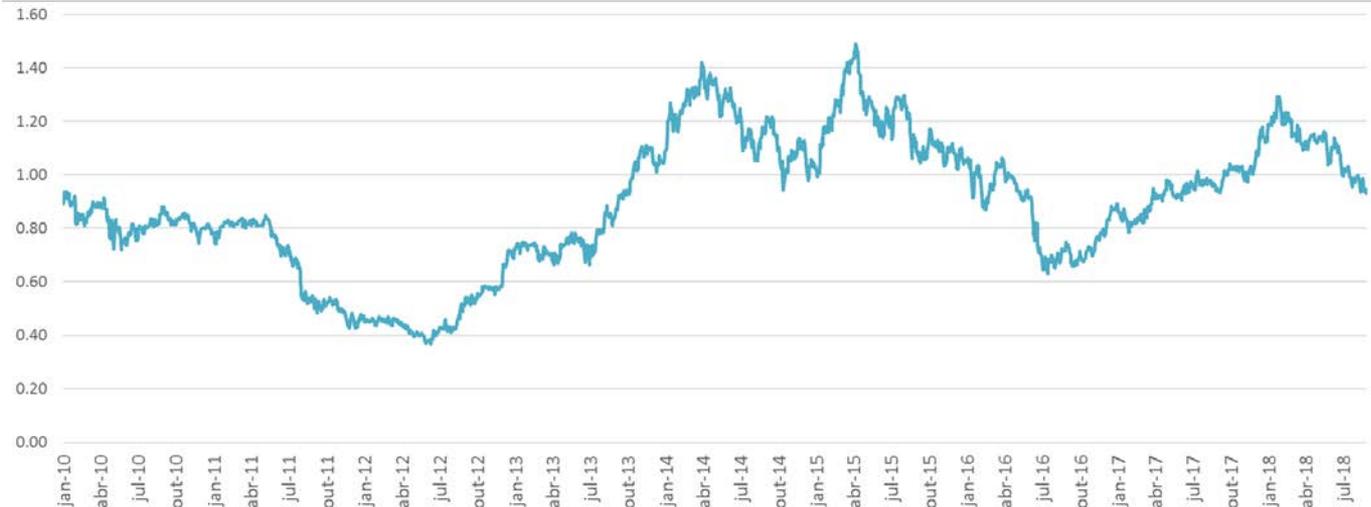
Share price was particularly affected by the global financial crisis, but also by macro and financial problems in Portugal

ANALYSTS VALUATION

€1.37 Analysts average price target*

49% discount
when compared with share price as of 31.08.2018 (€0.917)

Share price performance



* Includes the last revised Price Target from Haitong, Caixabank BPI, Fidentiis, Santander and JB Capital Markets, from which 4 are currently **restricted**.

Recent Developments

1. Sonae analyses the possibility of listing part of its retail portfolio

Since March 15th 2018 (the process is underway)

2. Sonae reinforces stake in Sonae Sierra

[Announcement](#) July 14th 2018

WHAT'S THE RATIONAL OF THIS POTENTIAL LISTING FOR SONAE ?

Unlock shareholder value

- Potential to reduce Sonae SGPS' holding discount by providing visibility on Sonae MC's standalone valuation

Enhance Sonae MC's value proposition

- Corporate Governance structure in line with public companies' best practices
- Independent capital structure allowing for a stream of dividends to be released
- Increased level of autonomy

Appropriate perimeter

- Pure grocery retail business
- Highly experienced and focused team

PERIMETER UNDER CONSIDERATION



Key highlights

Positioning

1 in Food Retail
 in Food Retail E-commerce
 in Healthy Nutrition
 in Para-Pharmacies

697 operated stores

>40% real estate ownership

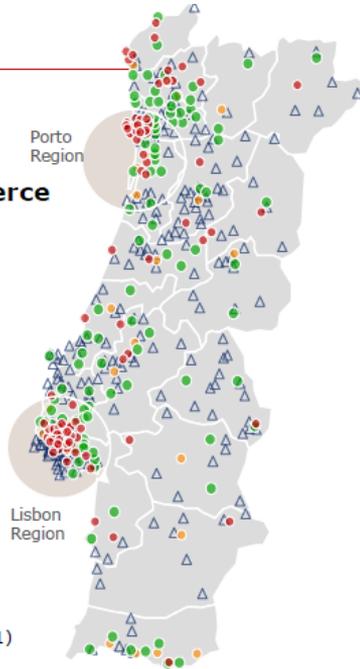
>30k employees

Turnover ~€4.1bn

EBITDA ~€303m (~7.5% margin)⁽¹⁾

99% brand awareness⁽²⁾

85% loyalty card penetration in Portuguese households



- Continente
- Continente Modelo
- Continente Bom Dia
- △ Meu Super

Food retail portfolio



Adjacent formats



Note: For the purpose of the potential IPO and for this document, Sonae MC business is now defined as:

- i) the operation of food retail and adjacent formats (brands presented in this slide), operated directly or through franchise agreements;
- ii) ownership and management of related real estate properties, part of which is leased to third and related parties, as well as iii) rendering back office services to related parties.

Financial information relates to year ended 31 December 2017 and has been re-stated to reflect this perimeter. Financial information is preliminary, has not been audited and is subject to final confirmation (including capital gains).

Sonae MC's store data as of March 2018. Sonae MC has additional 344 franchised stores and 1 outlet store.

- (1) Figure is underlying EBITDA
- (2) Based on study by Instituto de Marketing Research (IMR) on behalf of Sonae MC

Source: Company information, PlanetRetail RGD

Please click [here](#) for more information

WHY REINFORCING THE STAKE IN SONAE SIERRA

This investment allows Sonae to:

- Reinforce its participation and influence in a leading business in the retail real estate sector
- Increase the group's international exposure, as Sonae Sierra is the most international business in Sonae's portfolio, with a presence in over 12 countries in Europe, South America and North Africa.

SONAE SIERRA



SONAE SIERRA

SONAE SIERRA

Please click [here](#) for more info on Sonae Sierra

AT A GLANCE (1/2)

- More than 27 years with proven **experience** of successfully designing, developing and managing shopping centres
- A leading retail real estate **player** able to offer services across the entire property lifecycle

Highlights

€7bn
OMV portfolio of
co-owned
shopping centres

46 own shopping
centres in
7 countries

More than 60
shopping centres
managed in
14 countries

Services platform
across 4
continents

13 development
projects in the
pipeline



Own shopping centres



SONAE SIERRA

SONAE SIERRA

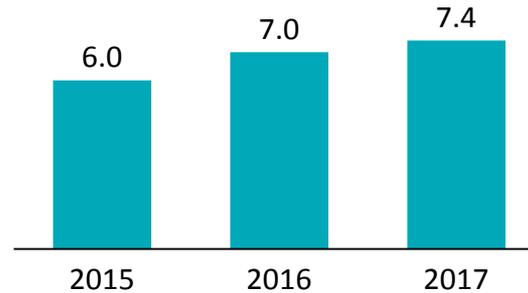
Please click [here](#) for more info on Sonae Sierra

AT A GLANCE (2/2)

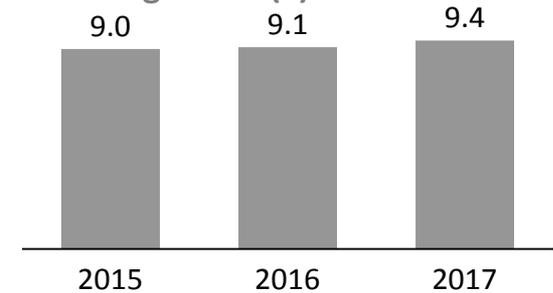


Key figures

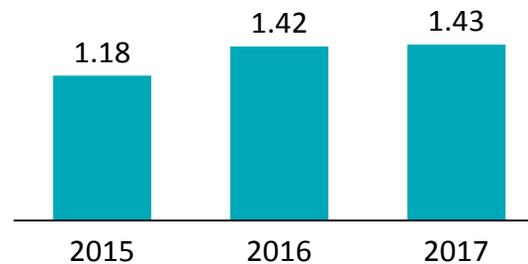
OMV of owned assets (€ bn)



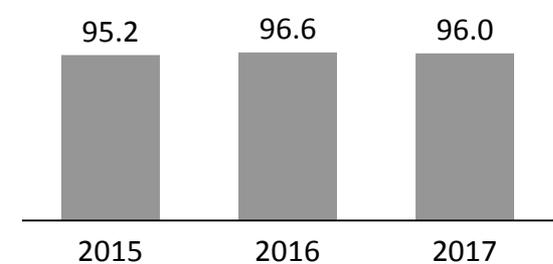
of tenant contracts under management (k)



NAV (€ bn)



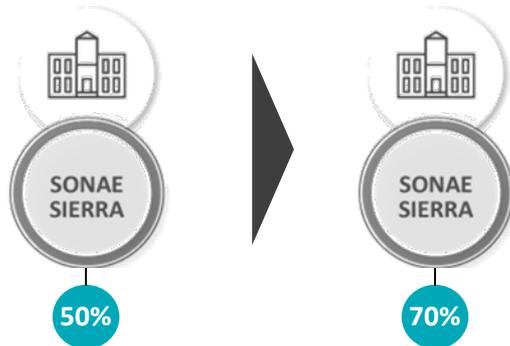
Occupancy index (%)



IMPACTS IN SONAE ACCOUNTS OF THE NEW ACCOUNTING METHODOLOGY

Sonae Sierra will now be fully consolidated in Sonae's accounts

(until now: equity method consolidation)



Sonae consolidated results

Million euros	2016	2017
Turnover	5,329	5,710
Underlying EBITDA	315	336
Underlying EBITDA margin	5.9%	5.9%
Equity method results	41	57
o.w. S. Sierra	28	32
o.w. NOS/Zopt	17	27
Non-recurrent items	53	2
EBITDA	409	396
EBITDA margin	7.7%	6.9%
D&A	-197	-214
EBIT	212	182
Net financial results	-45	-36
EBT	167	146
Taxes	-18	-14
Direct results	148	132
Indirect results	74	42
Net income	222	174
Non-controlling interests	-7	-8
Net income group share	215	165.8

Source: Sonae's FY17 Earnings release.

- Up to now, Sonae Sierra's results have been consolidated in the *equity method results* line as well as in indirect results
- After the transaction is completed, Sonae Sierra's statutory accounts will be *fully consolidated (line by line)* in Sonae's accounts
- Please see *2017 Sonae Sierra statutory accounts* in the next slide

SONAE SIERRA STATUTORY ACCOUNTS

CONSOLIDATED P&L	2016	2017
Million euros		
Services rendered	179.5	173.4
Variation in fair value of the investment properties	65.3	60.8
Other operating revenue	3.7	3.7
	248.5	237.8
External supplies and services	-94.0	-78.2
Personnel expenses	-45.7	-48.2
Depreciation and amortisation	-1.0	-1.0
Provisions and impairment	-2.3	-1.8
Impairment losses and write-off	-7.3	-1.7
Other operating expenses	-2.0	-6.9
	-152.3	-137.9
	96.2	100.0
Finance income	6.3	6.9
Finance expenses	-17.2	-14.8
Share of results of joint ventures and associates	208.6	120.9
Gains and losses on investments	35.7	11.1
Profit before income tax	329.6	224.1
Income tax	-24.4	-26.1
Consolidated net profit for the period	305.2	198.0
Attributable to:		
Equity holders of Sonae Sierra	181.2	110.0
Non-controlling interests	124.0	88.0
	305.2	198.0

CONSOLIDATED FINANCIAL POSITION	2016	2017
Million euros		
TOTAL ASSETS	2,315.1	2,322.1
Non current assets	2,078.2	2,150.1
Investment properties	764.4	740.4
Investment properties under development	41.3	41.5
Investments in joint ventures and associates	1,169.5	1,223.0
Other non current assets	102.9	145.2
Current assets	236.9	172.0
Other current assets	87.3	103.9
Cash and cash equivalents	149.6	68.1
SHAREHOLDERS' FUNDS	1,667.9	1,729.0
Equity holders	1,159.4	1,150.5
Non-controlling interests	508.5	578.5
LIABILITIES	647.2	593.0
Non-current liabilities	506.3	342.7
Bank loans - net of current portion	292.6	198.2
Debentures loans - net of current portion	74.6	-
Other non current liabilities	14.0	10.8
Deferred tax liabilities	125.1	133.8
Current liabilities	140.9	250.3
Current portion of long term bank loans	28.1	71.8
Current portion of long term debentures loans	-	74.9
Short term bank loans and other borrowings	24.9	25.0
Other current liabilities	87.9	78.7
SHAREHOLDERS' FUNDS + LIABILITIES	2,315.1	2,322.1

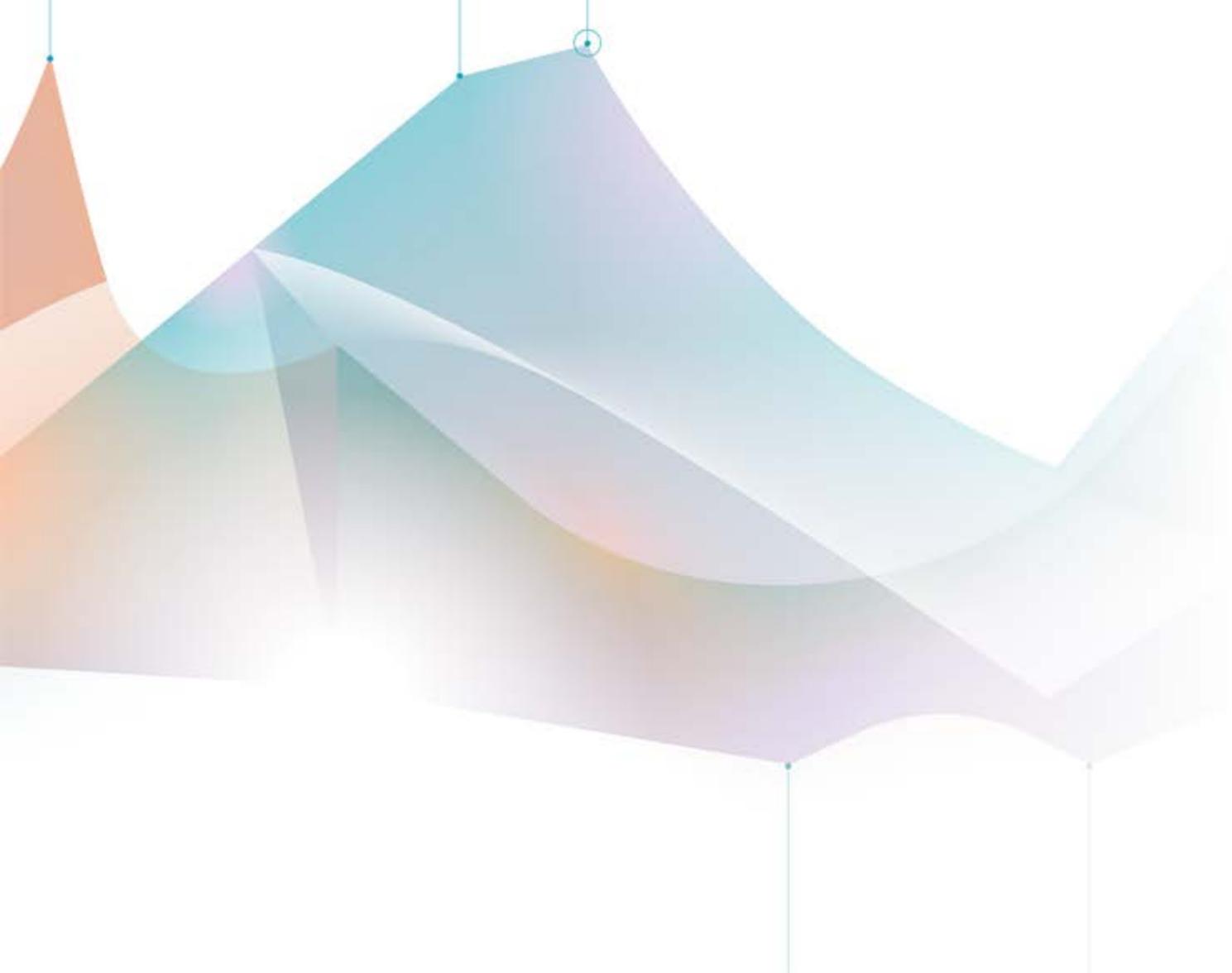
KEY MESSAGES

SONAE

A long-living
family
controlled
company

- Sustainability
- Ethics
- Performance

1. A **strong corporate culture** with a clear mission and values instilled in its DNA
2. A **stable** shareholder structure
3. Oriented by a **multidisciplinary Board** with independent directors
4. **Leading market position** in most of the formats
5. Positioned for **improved profitability**
6. **Steadily growing** shareholders remuneration
7. **Strong balance sheet** and operating cash flow
8. Multiple opportunities for **asset monetization**

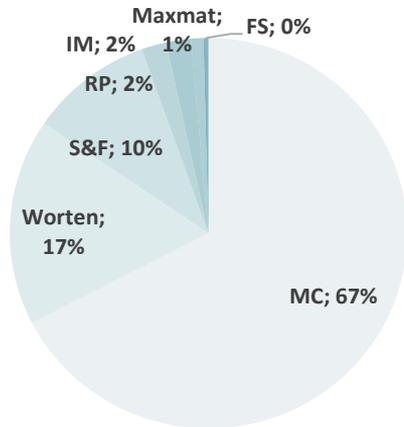


Backup

CONSOLIDATED TURNOVER FY17

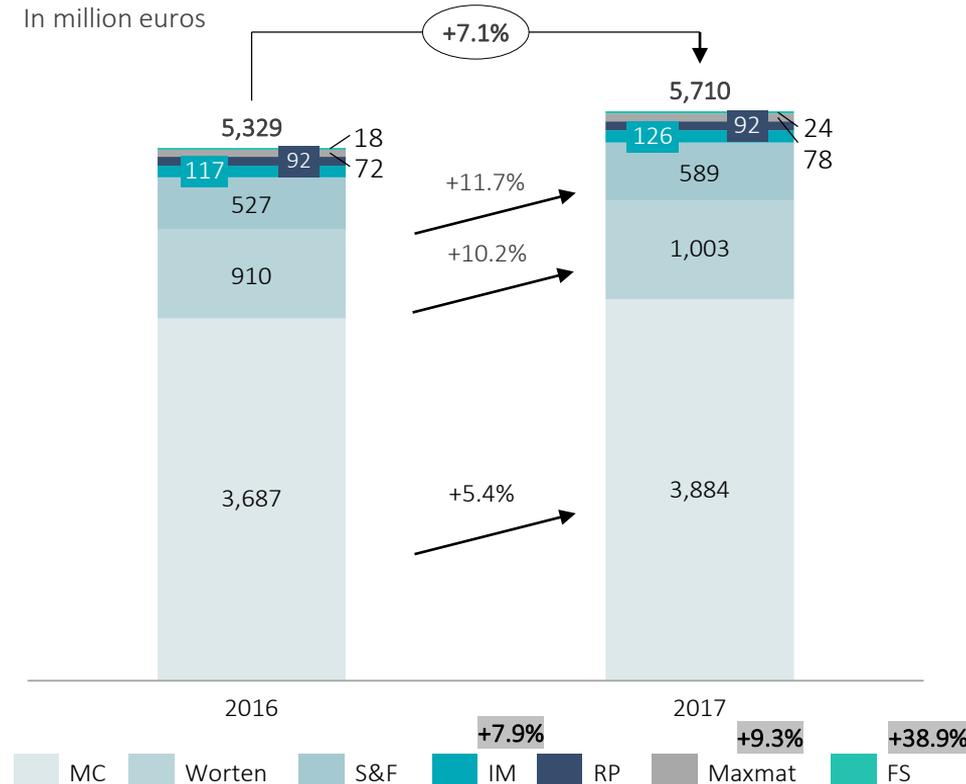
Turnover breakdown

(FY17)
% Total



Turnover reached € 5,710 M

In million euros



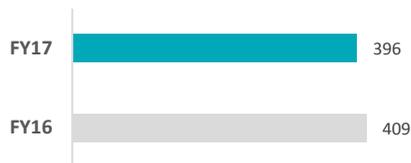
Sonae consolidated turnover increased by 7.1%

In FY17, benefiting from the positive performance of the all businesses

*NOS and Sierra are consolidated by the equity method and therefore not included in the consolidated revenue

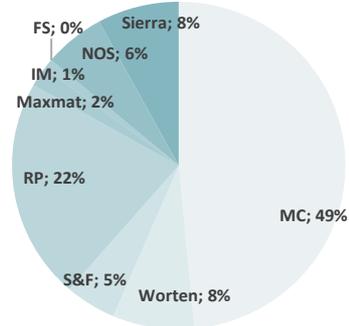
TOTAL EBITDA FY17

Total EBITDA (M€)



EBITDA breakdown (FY17)

% Total EBITDA



EBITDA reached €396 M

EBITDA decreased y.o.y driven by the positive impact, last year, of non-recurrent items, due to S&LB transactions, in spite of the higher underlying EBITDA and Equity method results in FY17

Sonae MC

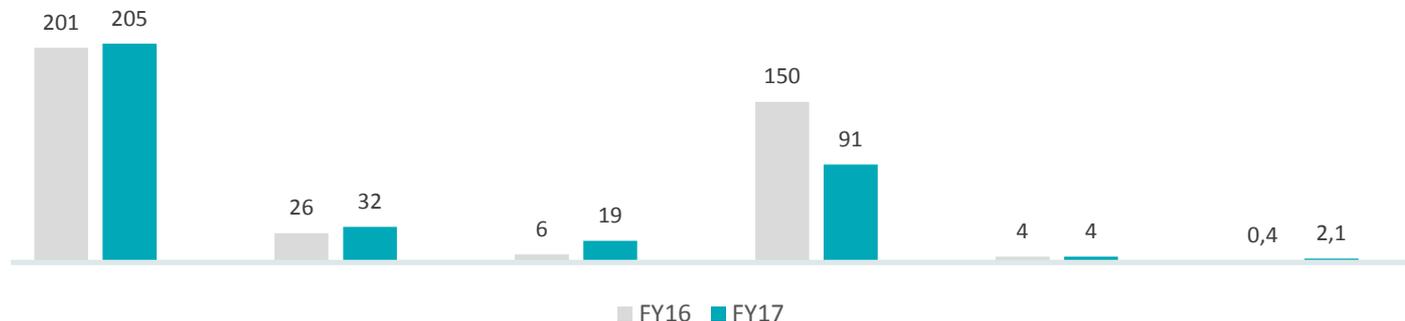
Worten

Sonae S&F

Sonae RP

Sonae IM

Sonae FS



in million euros

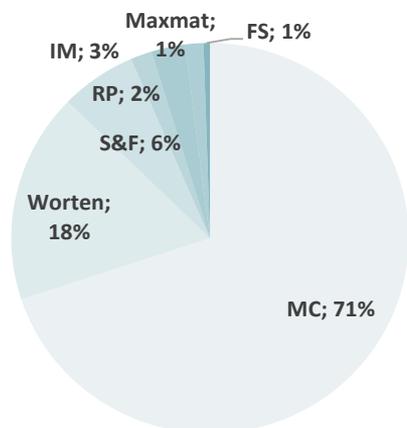
*NOS and Sierra are consolidated by the equity method

Backup

CONSOLIDATED TURNOVER 1H18

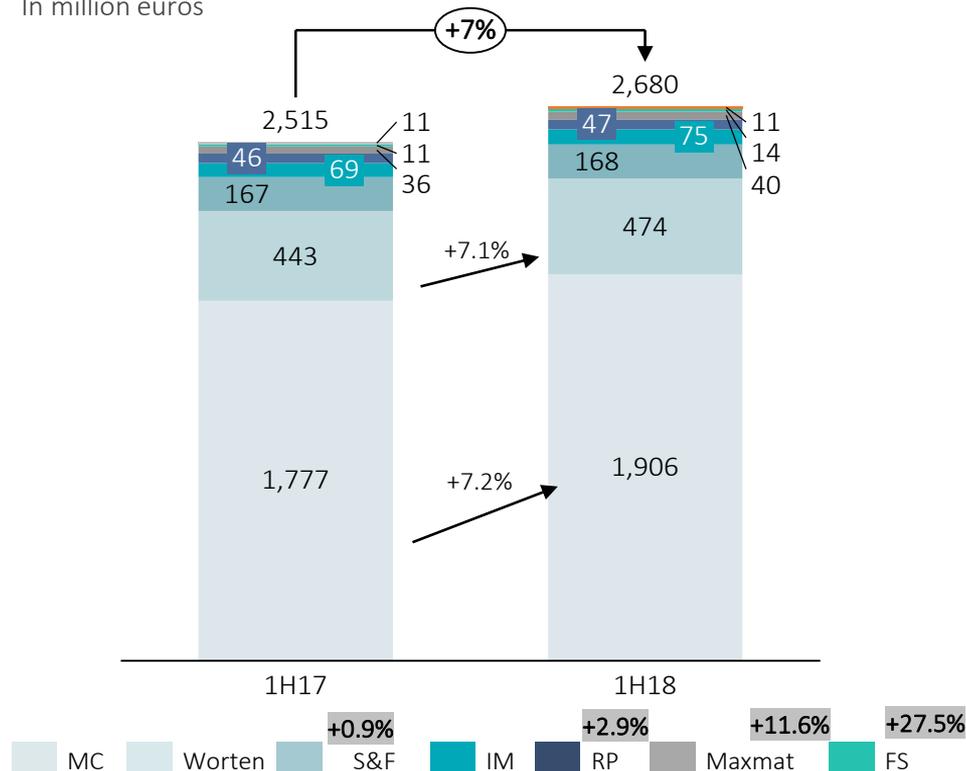
Turnover breakdown

(1H18)
% Total



Turnover reached € 2,680 M

In million euros



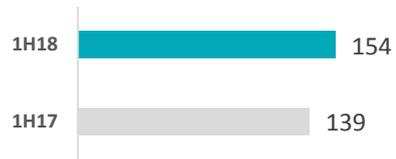
Sonae consolidated turnover increased by 6.6%

Particularly impacted by Sonae Retail

*NOS and Sierra are consolidated by the equity method and therefore not included in the consolidated revenue

TOTAL EBITDA 1H18

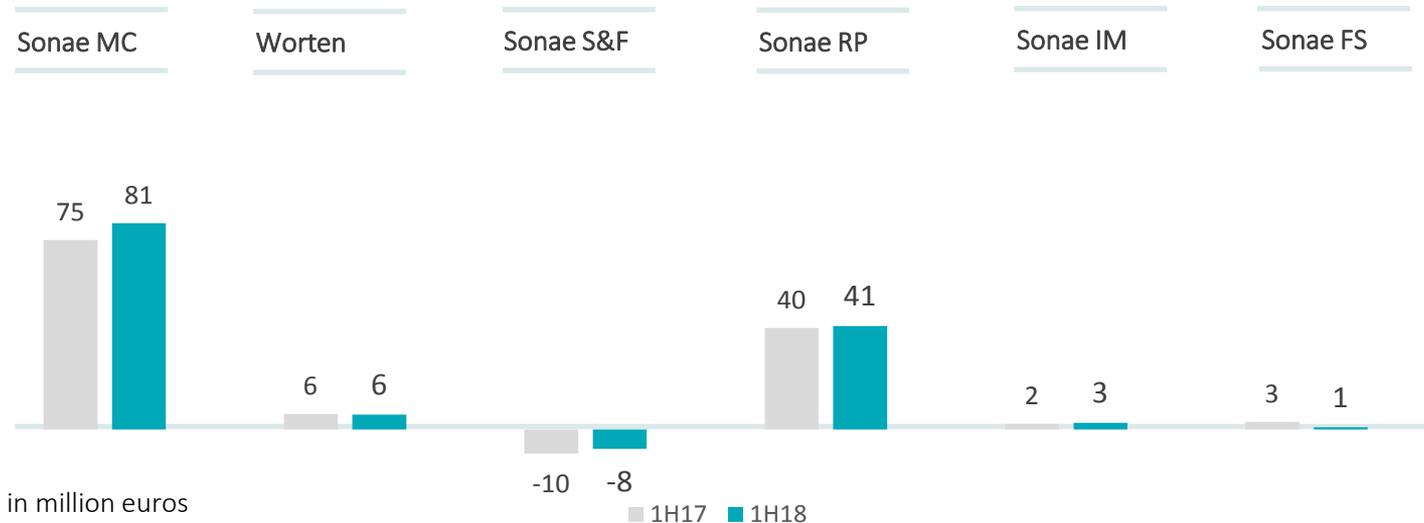
Total EBITDA (M€)



EBITDA
breakdown (1H18)

EBITDA reached €154 M

EBITDA increased y.o.y supported by both higher underlying EBITDA across almost all businesses and the equity method results line



*NOS and Sierra are consolidated by the equity method

Sonae MC

41 Hypers

132 Supers

101 Convenience

293 Meu Super

228 Well's

1. LEADING MARKET POSITION IN FOOD RETAIL MARKET, WITH BENCHMARK PROFITABILITY: FOOD FORMATS

Continente Hypers



- 41 stores (25 are anchored with leading shopping centres)
- Average 7.1 thous. sqm (total 290 thous. sqm)
- Price and diversity (~50 thous. SKUs)
- Profitable stationary and homeware areas
- Textiles < 15%

Continente Modelo



- 132 stores, typically located in medium sized population centres
- Average 2 thousand sqm (total 246 thous. sqm)
- # SKUs well above competitors
- Light bazaar representing less than 10% of sales (no textiles)

Continente Bom Dia



- small, proximity / convenience food stores
- Average sales area of 1 thous. sqm (total 68 thous. sqm)
- Renewed concept based on quality and variety of fresh products, ideal for more frequent daily shopping
- Growth opportunity in large cities

Franchising format



- 293 franchised local food retail stores
- Convenience stores, located in residential areas: sales area between 150 sqm and 500 sqm

Health and Wellness



- Parapharmacies, including beauty products, health and well-being care
- Eye glasses and additional services
- Healthy food Supermarkets
- 25 healthy food restaurants

Adjacent businesses



- 136 Coffee shops and small snack-bars
- Typically next to Sonae MC supers

44 stores:
Book shops,
stationery
and gifts

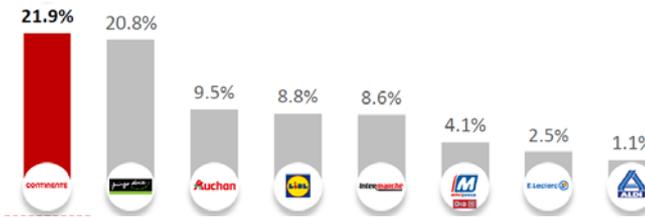
Sonae MC

Considered over the last 13 years as one of **the most trusted brands in Portugal** by consumers (survey “Trusted brands” carried out by Reader’s Digest)



1. LEADING MARKET POSITION IN FOOD RETAIL MARKET, WITH BENCHMARK PROFITABILITY: COMPETITIVE ADVANTAGES

Leadership in the Portuguese food retail market
(7% sales growth in 1H18)



Source: Company information, PlanetRetail RING.

Continente Loyalty Card
(~90% sales associated)



1 stop shopping (Hyper), combined with **daily/proximity shopping offer** (Bom dia) and **convenience** (e-commerce)

Stores efficiency with the implemented award winning Sonae continuous improvement system loW (Improving our Work)

Variety of products (# SKUs well above competitors)

Quality of private label (>25% FMCG sales)

E-commerce leadership in Portugal
Double digit growth with new services and platforms 1st dark store

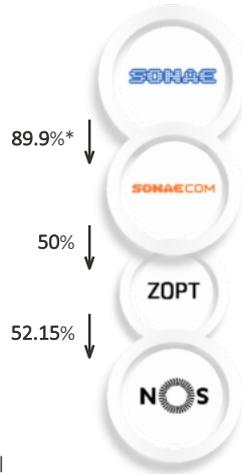
Unique expansion opportunity

Benchmark profitability

NOS

August 27th 2013:

**ZON OPTIMUS
was created**



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

* Voting rights

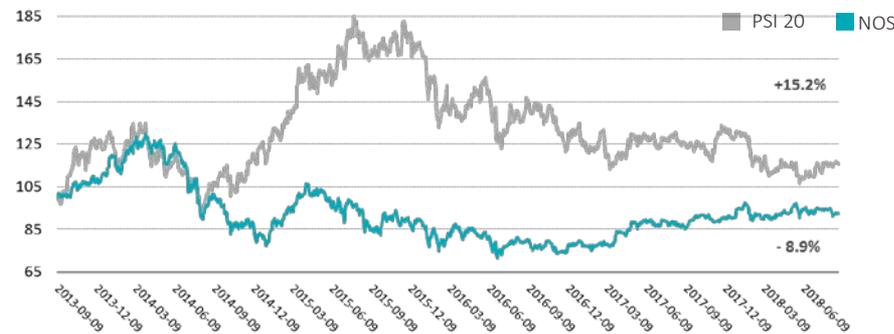
2. THE TELCO OPERATOR WITH HIGHEST TURNOVER GROWTH IN THE MARKET, AND CONTINUOUSLY IMPROVED PROFITABILITY

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

Operating revenues increased 0.6% to €772 M, in 1H18, maintaining the positive top line performance

EBITDA registered €305.5 M, improving 3% and corresponding to an EBITDA margin of 39.6%.

Net results grew by 9%, to €79 M



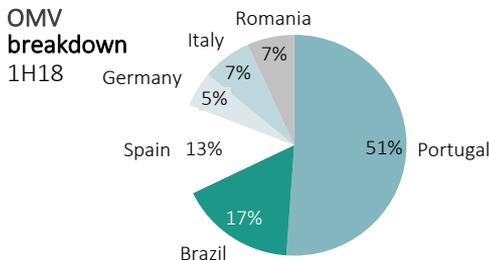
Following the merger between Optimus and Zon, and the subsequent creation of NOS, and since September 9th 2013, the day when new shares issued were listed, to August 31st 2018, the company's market capitalisation has increased 15%, corresponding to a share price increase from €4.27 to €4.92

Sonae SIERRA

50% JV with Grosvenor
 Sonae should complete the acquisition of further 20% until YE and Sonae Sierra will be fully consolidated in Sonae's accounts

- Stakes in 45 Shopping Centres
- NAV INREV €1,431 M (-1.4% vs FY17)

Sierra Brazil businesses operate autonomously and is focused on investing, developing and managing shopping centres in Brazil.



3. SHOPPING CENTRES WITH PROVEN INTERNATIONAL BENCHMARK QUALITY AND SIERRA PURSUING ITS RECYCLING CAPITAL STRATEGY

In 1H18:

- **Occupancy rate** = 95.8%
- **Tenant sales** increased by 3.0% y.o.y. in Europe and increased by 1.3% y.o.y. in Brazil in local currency
- **Positive LfL sales growth in Europe, 2.3%, and 1.3% in Brazil**

Partially **recycle capital** from mature assets to other projects with **development potential**

- | | |
|---|--|
| 2012 Munster, Germany | 2015 Zubiarte, Spain |
| 2013 Parque Principado, Spain | 2016 Boavista, Brazil (total sale) |
| 2013 Valecenter, Italy | 2016 Loop 5, Germany |
| 2013 Airone, Italy | 2016 AlgarveShopping, Portugal |
| 2014 Le Terraze, Italy | 2016 Estação de Viana Shopping, Portugal |
| 2014 La Farga, Spain | 2016 Luz del Tajo, Spain |
| 2015 Torre Colombo, Portugal (total sale) | 2017 AlbufeiraShopping, Portugal (total sale) |
| | 2017 CC Continente Portimão, Portugal (total sale) |
| | 2018 Serra Shopping, Portugal |

Sale of 25% of Sonae Sierra stake in Sierra Portugal Fund; Sierra retains a 22.5% stake in the Fund, continuing to manage both the Fund and the individual assets within it



ParkLake was opened in September 1st 2016 and is the first Sierra's development in Romania.

6 shopping centre developments in pipeline:

- Nuremberg (Germany)
- Zenata (Morocco)
- Málaga McArthurGlen Designer Outlet (Spain)
- Jardín Plaza Cucuta (Colombia)
- Norte Shopping and Colombo expansion (Portugal)

Already in 2018, a new project was announced in Parma, Italy, with construction works already started – JV with Impreza Pizzarotti represents an investment of €200M and 74k sqm of GLA

Worten

Aiming to build a leading Iberian omnichannel operation

Strongly believing that:

- There is value for Portugal in growing its Iberian presence (in Spain)
- Currently, the best solution for Spain is to further turnaround the operations

4. THE IBERIAN OMNICHANNEL ELECTRONICS PLAYER WITH TURNOVER OVER € 1 bn

Competitive advantages of the Portuguese operation:

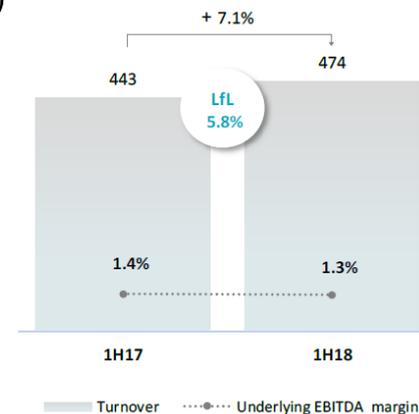
- Clear leader in the market Benchmark and profitable performance
- Omnichannel backbone with pick-up-in-store and store reservation options

The reality in Spain

- Lack of scale is preventing fixed cost dilution
- But most of store network is already productive (positive before central fees)
- New smaller stores have structurally better economics
- Canary Island stores are profitable

At YE17, Worten surpassed € 1bn sales, ending with €1,003 M (+10.2% y.o.y.). Its EBITDA improved from €26 M to €34 M y.o.y., benefiting from better results in both Iberian geographies.

Turnover and EBITDA evolution (€M)



Worten turnover reached €474 M in 1H18, +7.1% y.o.y. supported by LfL sales growth of 5.8% and strong performance of the e-commerce. **Underlying EBITDA amounted to €6.1 M in 1H18, margin of 1.3%.**

Sonae S&F

SONAE FASHION

OWN STORES:

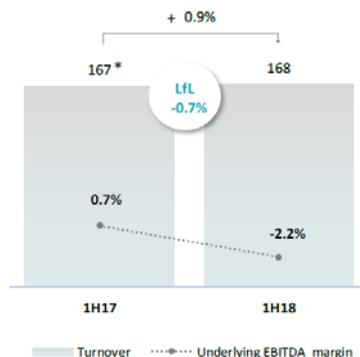
- MO 111
- Zippy 58
- Salsa 89
- Losan 9



5. FOCUS ON BUILDING COMPETENCIES TO REACH INTERESTING PROFITABILITY LEVELS IN SONAE S&F

Sonae Fashion

Turnover and Underlying EBITDA evolution (€M)

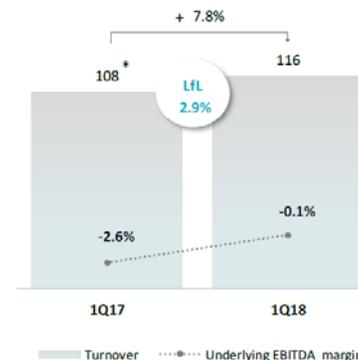


*Restated fashion accounts. In 2017 there were no fashion figures reported.

In the adverse market context, turnover grew 0.9% and underlying EBITDA margin declined to -2.2%. **Excluding start up brands, underlying EBITDA margin would have been slightly positive.**

ISRG

Turnover and Underlying EBITDA evolution (€M)
Period 1st Feb. - 5th May



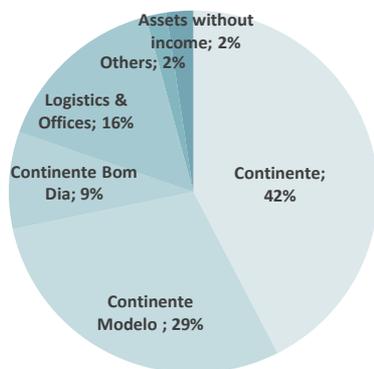
*Pro forma figures.

During the first 3 months of the JV, ISRG turnover grew 7.8% y.o.y. mainly due to JD's contribution following the expansion in Spain, and EBITDA improved €2.7 M y.o.y. Equity method results included in Sonae accounts totalled -€ 1.4M.

Sonae RP

NET ASSET VALUE
(1H18) **908**
million euros

GROSS BOOK VALUE
(1H18) **1,284**
million euros



Note: Information organised by anchor

6. CAPITAL GAIN ABOVE €150 M SALE & LEASEBACK TRANSACTIONS OVER THE LAST 6 YEARS

From 2010 to 2011 Sonae completed **8 sale & leaseback transactions**

Total Cash-In = **€159 M**
Total net asset value = **€101 M**

2014
4 SALE & LEASEBACK TRANSACTIONS
Total Cash-In = **€14.5 M**
Total net asset value = **€13.0 M**

2015
4 SALE & LEASEBACK TRANSACTIONS
Total Cash-In = **€184.7 M**
Total net asset value = **€132.0 M**

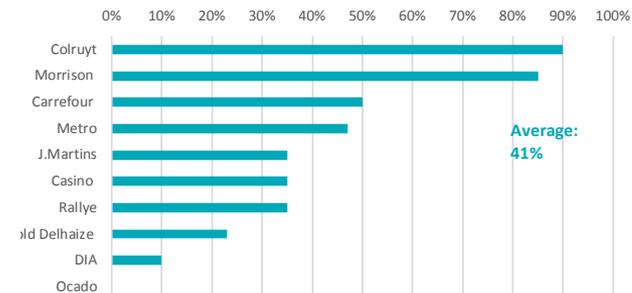
2016
4 SALE & LEASEBACK TRANSACTIONS
Total Cash-In = **€251.0 M**
Total net asset value = **€181.0 M**

2017
2 SALE & LEASEBACK TRANSACTIONS
Total Cash-In = **€37 M**
Total net asset value = **€25.0 M**

SONAE MC

47% freehold
(1H18)

FOOD RETAIL % of space owned freehold



Sonae IM

Aims to build a robust portfolio of world class tech-based companies linked to retail, telco and cybersecurity leveraging on the strong expertise in the core businesses of Sonae.

7. THE TECH CORPORATE VENTURING ARM OF SONAE GROUP A PORTFOLIO COMPOSED BY OPERATING COMPANIES AND MINORITY STAKES

Operating Companies

Turnover €126 M
(as of FY17)



Minority Stakes



More than €70 M* cash invested with over €50 M cash-in from exits with excellent returns

- 4 Spinoffs
- 15 Acquisitions
- 5 Exits

Main goals

Financial returns as investments must be attractive on a standalone basis

Benefit Sonae businesses with leading technology players

Develop **critical competencies**

Identify key needs and **test innovative solutions**

Proximity with innovation driven ecosystem

Sonae FS

The recently created business unit aimed at fostering financial services

8. FINANCIAL SERVICES

Universo Card*



- Innovative open loop payment and loyalty card launched in Nov. 2015
- More than 667 thousand subscribers in a period of approximately 2 years
- Discounts platform for Portuguese families, including Sonae stores as well as the growing network of partners within the Continente loyalty program



ALL CARDS
MERGING INTO
ONE SINGLE CARD



VARIOUS PAYMENT
OPTIONS



CASHBACK
OF 1%



DISCOUNTS
OUTSIDE SONAE
UNIVERSE (GALP)



MDS Insurance Company

- Devoted to serving clients with insurance products and services that excel in efficacy, convenience and value
- Dominant presence in Portugal (largest broker) and in Brazil (top 5 brokers in the country)

Card Dá



A pre-paid card accepted in a network of more than 1,100 stores both in Portugal and Spain

Cross-selling over store credit



Cross-selling of credit insurance and personal loans to store credit customers

Continente Money Transfer

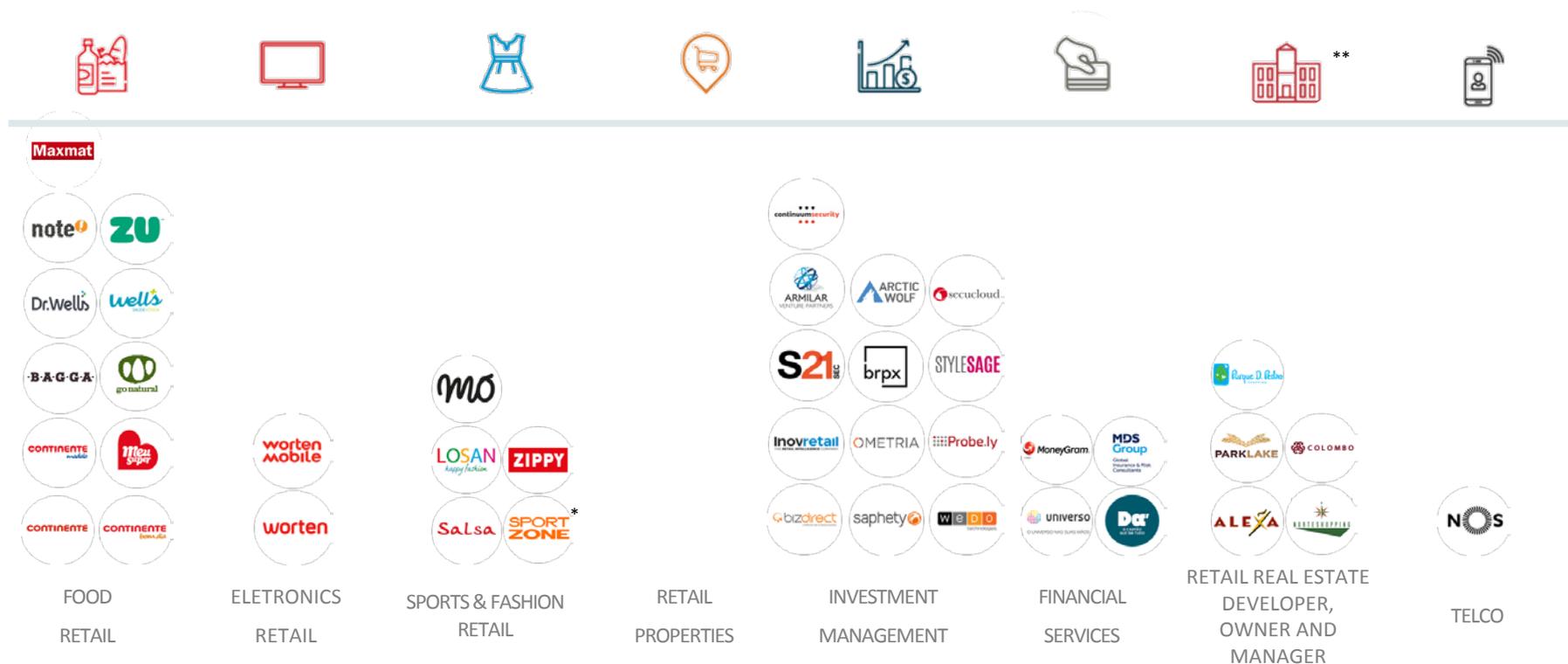


A service for money transfers across the globe at our stores, at the customer's convenience

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

Backup

Group Structure: Brands



FULLY CONSOLIDATED

* Sportzone, one of Sonae S&F's brands is part of the Iberian Sports Retail Group (Sonae holds a 30% stake)

** July 14th – Sonae reinforces stake in Sonae Sierra through the acquisition of additional 20%. Sonae Sierra will be fully consolidated in Sonae's accounts. Transaction should be completed until YE.

EQUITY CONSOLIDATED

HISTORY (1/3)

50's to 70's

Capital Markets

M&A /Disposals

Openings

Holding Operations

- Acquisition of Novopan (1971)



- Foundation of Sonae - Sociedade Nacional de Estratificados (18th August 1959)
- Belmiro de Azevedo is hired (1965)

80's

- Launch of Sonae in the **Capital Markets** (1983)
- **7 IPOs** for: Particleboard, Food Retail, Tourism, Media, Robotics, Shopping Centres, electricity and cooling (1987)

- Acquisition of **Star** (travel agency) (1989)

- Opening of the **1st Hypermarket** in Portugal: Continente (1985 - Matosinhos)
- Opening of **Sheraton Palácio Hotel** (1986) (currently Porto Palácio Hotel)
- Opening of the **1st two Shopping Centres** built and managed by Sonae (1989 - Portimão and Albufeira)



90's

- Acquisition of a controlling position in **Tafisa** (wood panels) (1993)

- Disposal of **Ibersol**, by Sonae Capital (1994)
- Opening of **Centro Colombo**, the largest shopping centre in Iberian Peninsula (1997)
- Launching of **Optimus** (1998 - telco operator)

- Set up of **Sonae Tourism** (1994)
- Partnership between **Sonae Sierra** and **Grosvenor** (1997)



HISTORY (2/3)

Capital Markets

00's

- Sonae Sierra delisting (2001)
- Spin-off of Sonae Indústria (2005)
- Sonaecom takeover bid for PT and PT Multimédia (2006)

M&A /Disposals

- Partnership between MDS (insurance company) and Cooper Gay (insurance broker) (2004)
- Sale of: (i) Sonae's participation at Portucel (2004); (ii) Sonae Distribuição Brasil to the Wal-Mart Group (2005) and (iii) Enabler, by Sonaecom (2006)

Openings

Holding Operations



2007 to 2009

- Spin-off of Sonae Capital (2007)

- Acquisition of Carrefour Portugal (2007)
- Disposal of (i) Contacto, by Sonae Capital (2008) and (ii) 49.9% of MDS capital to Suzano Group (2009)

- Paulo Azevedo becomes the CEO of Sonae (2007)



2010 to 2012



- Sale of Sonaecom's stake in the share capital of Altitude (2010)
- Sonae RP completes sale and leaseback transactions: cash-in of €159 M (2010 and 2011)

- Acceleration of international expansion of several brands (2010), like Zippy, Worten, Sport Zone, Berg, Deeply

- Launching of the new corporate identity (2010)
- Launching of "Obrigações Continente", a €200 M bond issue available through a public subscription offer to retail investors (2012)

HISTORY (3/3)

2013 and 2014


 SONAE.COM

2015 to 2017

Capital Markets

- Sonaecom launches a tender offer for the acquisition of a maximum of 24.16% of its share capital. The level of acceptance reaches 62%, corresponding to aprox. 55 million Sonaecom shares (2014)

M&A /Disposals

- Merger between Zon and Optimus and creation of the NOS brand (2013)
- Sonae IM pursues its strategy of active portfolio management: sale of Mainroad to NOS and acquisition of 60% of S21Sec capital and Movvo investment
- Sonae RP completes sale and leaseback transactions: Cash-in of €14.5 M (2014)


 NOS


 mainroad


 S21sec


 MOVVO

Openings

Holding Operations

- Launch of a convertible bonds offer due in 2019 with a principal amount of € 210.5 M (2014)

- Disposal of GeoStar, by Sonae IM (2015)
- Sonae RP sale and leaseback transactions: cash-in of €471 M since 2015
- Acquisitions: Sonae Sports & Fashion: (i) Losan (2015); (ii) 50% of Salsa's (2016); Sonae IM: stake in ES Ventures (currently Armilar Venture Partners) (2016); Sonae MC – Health & Wellness - 51% in Go Well (2016) and Brio (2017)
- Agreement between Sport Zone, JD Sports and JD Sprinter (2017)
- Sonae Sierra opens ParkLake Shopping Centre in Bucharest (2016)
- Sonae MC opens 1st supermarket specialized in healthy food (2016)
- Paulo Azevedo becomes Chairman and Co-CEO of Sonae. Ângelo Paupério is elected as Co-CEO (2015)


 go natural


 SaLsa



INVESTOR PRESENTATION

Sept 2018

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www.sonae.pt

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

PREVIOUS EVENTS

2018

Jan 17th: London roadshow with Haitong
Feb 7th: Madrid Roadshow
Feb 8th: Santander Conference, Madrid
March 26th -27th: London roadshow with CaixaBank BPI
April 10th: Madrid roadshow with Haitong
Apr 18th – 19th: NYC Roadshow (organized by Sonae)
May 22nd: Madrid roadshow with CaixaBank BPI
June 6th : London roadshow with Santander
June 13th – 14th: NYC and Boston roadshow (organized by Sonae)
July 3rd: Lisbon roadshow with Haitong

UPCOMING EVENTS

2018

Sept 6th – 7th: CaixaBank BPI Iberian Conference, Cascais
Sept. 24th – 27th: US and Canada roadshow (organized by Sonae)
Oct. Date tbc: Madrid and Nordics roadshow
Nov. 27th – 29th: US roadshow
Dec. 11th - date tbc: ESN Conference London

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



September 2018