



# FY25 Results

Conference call transcript

Moderator: João Dolores, Sonae SGPS, CFO

19 March 2026 | 3:00 pm Lisbon/UK time

**Operator:** Hello, and welcome to the Sonae 2025 Full Year and Q4 Results. My name is George. I'll be coordinator for today's event. Please note this conference is being recorded, and for the duration of the call, your lines will be in the listen-only mode. However, you'll have the opportunity to ask questions during today's presentation. And this can be done by pressing star one on your telephone keypad to register your question. If you require assistance at any point, please press star zero and you'll be connected to an operator.

I'd like to hand the call over to your host, Sonae's CFO, João Dolores, to begin today's conference. Please go ahead, sir.

**João Dolores:** Thank you. Hello, everyone, and thank you for joining us for Sonae's results presentation for 2025. Besides myself and the investor relations team, we have with us Cristina Novais from Bright Pixel; Miguel Moreira from Sierra; Fernando Van Zeller from MC; and Paulo Simões from Worten.

I'll start with the main highlights from our portfolio management this year. In January, NOS agreed to acquire 100% of Claranet Portugal, with the aim of strengthening its ICT offering for the B2B segment, an important milestone in the company's strategy to extend its revenue streams.

In May, we reached an agreement to sell MO and Zippy, our fashion retail banners, that saw its close in July. This was a result of our active portfolio management and disciplined capital allocation approach during this year, an MBO in which the management team basically got together an investor to take over these brands.

Later in August, Sierra announced an agreement to acquire Unibail-Rodamco-Westfield's real estate management division in Germany. So this ensures that Sierra is now the second largest shopping centre property manager for third parties in Germany, and this acquisition was completed in October.

In December, MC agreed to sell its pet retail business in Portugal, ZU to Musti. And with this acquisition, Musti strengthens its position in the European market and expands to its seventh market. Also in December, Sierra agreed to sell its direct stake in Parque Dom Pedro, one of the largest shopping centres in Brazil. And this sale allows Sierra to streamline its presence

in Brazil exclusively through its investment in ALLOS. So quite an active year in terms of portfolio changes, which we believe are strong operations to enable us to face the future with more confidence.

By being part of the Sonae Group, our companies benefit from value-accretive opportunities to collaborate. This is true in a number of different areas, namely stronger consumer value propositions and also the unlocking of meaningful synergies across the portfolio. And 2025 was a powerful year for Sonae in that regard.

Just a few examples that you can see on this slide. Worten Life was launched as Worten's loyalty programme, and with an integration with the broader Continente loyalty card ecosystem, bringing clear benefits to consumers in a mutually beneficial partnership. As you recall, Continente card is the largest loyalty programme in Portugal, covering almost five million families. So this provides immediate leverage to Worten's value proposition, while also reinforcing the strength of the Continente ecosystem.

In the same context, Universo, our partnership with Bankinter, relaunched the Universo card, Universo+. Universo+ brings additional benefits to consumers and also a bigger, a wider integration with the Sonae ecosystem, namely with MC and Worten.

At the end of last year, Continente and NOS, together with Galp, launched COMBINA. COMBINA is the largest discount ecosystem in Portugal, enabling cross-company discounts and further strengthening the value proposition of our businesses.

And we have, as you know, brought Musti into the portfolio recently, and there's a number of synergies that have been extracted between our existing businesses or our historical businesses in Musti. You can see on the slide, Musti's own brand being sold in our Continente stores in terms of pet food. But there are also other areas of collaboration covering areas such as sourcing, supply chain, logistics, cybersecurity and sustainability, all of which are important areas for Musti, and Musti has benefited from being part of the Sonae ecosystem.

So all of these initiatives, along with many others that I could cover, make Sonae's companies more valuable than they would be on a standalone basis. And this is a key driver of our superior performance in recent months, and we hope in years to come.

So now I will cover the results business by business, and then I will end with the consolidated figures for 2025.

Starting with MC. Grocery. The Grocery segment delivered a remarkable performance in 2025. Turnover grew by 10% year-on-year, driven by a more than 8% like-for-like growth, which was primarily volume-driven and also the impact of the expansion of the store network. We opened 13 new food retail stores during the year, mainly in the proximity format.

With these results, Continente strengthened its market share. So we increased further our market leadership in the Portuguese market, despite the very competitive market that we continue to face in the country.

This top line increase, combined with a continued focus on efficiency, led to a further improvement in profitability with the EBITDA margin increasing 60 basis points from 9.6% at the end of '24 to 10.2% in '25.

In the Health & Beauty segment, all banners continued to deliver strong results, Wells, Arenal and Druni. Turnover grew by 55%, but this growth implies the contribution of Druni for the full year for the first time. But we had a solid like-for-like sales growth of 5.6% during the year and the opening of 42 stores, including four new Druni stores in Portugal.

The underlying EBITDA margin improved from 12.5% to 13.1%, mainly reflecting Druni's profitability and higher operational efficiency.

So overall, if you look at MC's consolidated figures, revenue grew 16% year-on-year with a like-for-like of 8%. We reached €9 billion, almost €8.9 billion in the year, and the underlying EBITDA margin improved from 10% to 10.8%, an improvement of 80 basis points.

This fantastic operational performance delivered solid cash flow generation, and this resulted in a further reduction of net debt-to-the-EBITDA from 2.9 times at the end of '24 to 2.3 times at the end of 2025.

As for Worten. Worten saw its turnover increased by 7.5%, supported by a solid like-for-like growth of 6%. This performance was driven by the increasing relevance of the digital channel that outperformed the physical channel. Online sales today weigh roughly 24% of total sales at Worten.

We saw strong performances in the core appliances and electronics categories, and also a continued growth of the services business line.

Worten reinforced its market share in '25, consolidating its leading position across an omni-channel value proposition. And profitability was under pressure, if you recall, in the first few quarters of the year. But in the last quarter, we saw profitability already at the same level of 2024, with a 7.1% EBITDA margin, which reflects the impacts of many mitigating measures that were implemented throughout the year to counteract some of the cost pressures that we saw at the start of 2025.

Finally, a word to say that we've implemented significant management changes at Worten with a new CEO being brought in in October, followed by adjustments to the company's Executive Committee and Board composition, and which positioned the company well to deliver solid results in 2026.

Now regarding Musti. The company reported its results to the markets in early February. Musti has been strengthening its position in the Nordics and expanding geographically into other countries, namely the Baltics, and more recently, Portugal.

As you can see, the company saw strong growth in '25, 14% on a comparable basis with a solid like-for-like growth of 3.3%, with particularly strong performances in Norway and Finland and also in ZU in Portugal, although ZU does not consolidate into Musti's accounts until the very last stretch of the year.

Profitability has been registering progressive recovery. We hit 12.2% of EBITDA margin at the end of '25, but with a growing performance throughout the year. Gross margin improved from 43.6% to 44%, and we are seeing costs becoming more under control as months go by, as we expect this EBITDA margin to continue to increase going into 2026.

Regarding Sierra. Sierra had an important year in terms of strategic milestones. As I mentioned before, we had some important portfolio moves, namely the acquisition of REM in Germany and also the sale of the direct stake in Parque Dom Pedro at the end of the year. But if you look at the operational performance of the shopping centres, we saw very, very positive results during 2025. Our shopping centres maintain an occupancy rate of 99%, almost full occupancy. Tenant sales were up by almost 5% on a like-for-like basis, and we saw robust rent collections from the tenants in our shopping malls.

The company also advanced in key strategic expansions and refurbishments in its shopping centres while continuing to recycle capital throughout the year. And overall, Sierra generated €114 million in total value. NAV actually only went up by €66 million, but that's because the company paid dividends to Sonae in the delta between those two values. But overall, it was a very positive year for Sierra, not only in terms of operational performance, but also in terms of strategic milestones that were achieved throughout the year.

Now moving on to NOS. NOS has also already published its results, as you know. It's continued to deliver a very solid operational performance despite a very competitive telecom environment in Portugal, particularly in the B2C segment. Overall, turnover increased by 2% to €1.8 billion, while EBITDA after leases grew by 4% to €680 million, leading to a margin improvement of 90 basis points to 37.3%.

This performance reflects a diversification of revenue streams as the additional pressure on B2C has been countered by a higher growth in the B2B segment, namely given the strong growth in ICT services, following the acquisition of Claranet Portugal in early 2025. This strong top line performance, coupled with strong operational discipline as well and very strong efficiency gains, has led our margins to increase this year once again. Net income reached €246 million in the year. This was actually a decrease versus 2024, but only due to very positive one-off effects that we had in 2024 from asset sales, tower sales to Cellnex, and also some one-off cash proceeds from regulatory purposes from ANACOM. Excluding these, net income actually increased by €55 million on a comparable basis.

And in Sonae's consolidated accounts, NOS contributed €92 million in our equity method results in the full year.

As for Bright Pixel, the company ended 2025 with more than 50 companies in the portfolio. It was a record year in terms of investments, €68 million deployed in existing follow-on investments, but also new companies. In total, we added 11 new companies to the portfolio. NAV stood at €318 million, slightly down in some investments driven by exchange rate fluctuations, portfolio evaluations and some portfolio reconfigurations

Moving on to the consolidated view. Overall, our consolidated turnover grew 14% to €11.4 billion, driven by the strong performances of our retail businesses, which more than offset the deconsolidation of MO and Zippy, which contributed to our full year turnover last year. On a comparable basis, excluding the impact of M&A activity, turnover growth would still have been 9%, so quite solid for the size of the Group.

Underlying EBITDA grew by 24%, mainly reflecting the stronger operating performance at MC and also the accretive contributions from the recent acquisitions. By year-end, underlying EBITDA margin rose from 9.1% to 9.9%, an improvement of 75 basis points. Consolidated EBITDA increased by 18% year-on-year, supported by the solid underlying EBITDA performance and also higher contributions from equity accounted businesses, particularly Sierra and Universo, that had a very strong year in terms of operating performance and operating profitability.

This growth came despite the overall lower contribution from NOS due to the extraordinary results that we had last year, and also despite some one-off costs that we had at the end of 2025, including €13.5 million linked to a price adjustment in the acquisition of Druni at MC. We had a small price adjustment to the acquisition of Druni because a year had passed since the original investment. We had to register that as a one-off cost in the P&L. Also some restructuring costs at Worten that we also accounted for at the end of '25 and M&A related costs at Sierra, given the two transactions that Sierra executed at the end of the year. I would like to stress again that these are all one-off costs, which we do not expect to be repeated in the future.

All in all, in 2025, our net results grew by 11% in the year to €247 million. This result would have been higher if not for the impact of some unfavourable FX trends, namely the US dollar/euro FX evolution, as well as some prudent year-end asset revaluation decisions. Again, these impacts are all one-off and we do not expect any significant negative impacts in the near future.

The strong operational performance generated €265 million of operational free cash flow. This, together with a more limited impact from M&A activity compared to last year, which included major acquisitions at the time, such as Musti, BCF and Druni enabled further progress in our deleveraging path. We reduced our net debt by more than €100 million at the end of 2025, and our loan-to-value reduced from 15.9% at the end of 2024 to 13.7% at the end of '25. And we expect this deleveraging path to continue in 2026.

In total, our net asset value grew by 15% in '25, reaching more than €5 billion at the end of the year. This is an achievement we are very proud of, because it translates very clearly the value creation that we have been able to achieve in several assets in the portfolio, a result of consistent solid operational results quarter after quarter, and also a reflection of the quality of our assets, namely our real estate assets at Sierra that continue to appreciate.

On a per share basis, NAV reached €2.62 per share. With the appreciation of Sonae's share price in 2025, the discount between NAV per share and the share price narrowed significantly from 60% at the end of 2024 to 38% at the end of 2025. And today that discount is even lower, but there is still room to grow, and we are still committed to reducing this gap going into the next few months.

The Board of Directors will, in compliance with Sonae's dividend policy, propose at the shareholders' Annual General Meeting a dividend of €0.062 per share. A 5% increase year-on-year, as is normal in our dividend policy.

Basically, this is all for now. Thank you, and you can now open the session to Q&A.

**Operator:** Thank you very much, sir. Ladies and gentlemen, once again, you can ask questions by pressing star one on your telephone keypad, and you can also submit questions using the chat feature of the web and pressing send. That's star one if you wish to ask an audio question, and you can also send them by chat. Our very first audio question is coming from Luís Colaço of JB Capital. Please go ahead, Luís. Your line is open.

**Luís Colaço (JB Capital Markets):** Yes. Good afternoon. Thank you very much for your time, and congrats for the great set of results. I have two questions, if I may. The first one is regarding the like-for-likes in Sonae MC, namely the grocery part. You have an exit rate of 8.4 in the quarter. Given where we are seeing now the food retail sales in Portugal, do you think that your guidance, I would say, guidance that you provide that is of low-single-digit like-for-likes going forward, isn't that conservative given where we are at this stage?

And my second question is also regarding the grocery part of Sonae MC. The EBITDA margin increased year-on-year, but still the expansion was lower than we saw in the previous quarters. Any reason for this? Thank you very much.

And the last question, of course, in terms of the indirect results, can you provide us some more colour on what happened over there? Thank you very much.

**João Dolores:** Sure. Fernando, do you want to take the two MC questions?

**Fernando Van Zeller:** Sure. Hi, Luís. Good afternoon. In terms of the like-for-like, as you mentioned, we had a like-for-like last year of around 8%. What we have mentioned in previous calls is our view in terms of mid-term growth for the grocery market is about 3%, 4%, as you mentioned, low single digits. What we are seeing, and mainly driven by the increase in disposable income as well as population growth is clearly over the last year and the beginning of this year, we are seeing a higher growth compared to what we see as our medium, long-term perspective. So I would say that looking at the first months we have, there is a slight deceleration on the like-for-like, but not clearly to the levels of the mid-term of the 3%, 4%. So we are not so distant from what we have seen in 2025 in the first two months of 2026.

Regarding the EBITDA margin, you are correct. So we have a lower expansion of margin in Q4 versus Q3 of 2025. And the main reason was the majority of the efficiencies we are capturing within the business. They started to accelerate in Q4 2024, and therefore what we had seen in Q4 '25 and what we expect going forward is a lower expansion in terms of EBITDA margin compared to Q4 2025, for example.

**João Dolores:** Okay, I can take the indirect results question. So basically in the indirect results in the quarter, we had two major impacts, I would say. One related to Bright Pixel. And as I said, Bright Pixel, we continue to see negative impacts from the FX, the US dollar versus the euro, and we have several investments in dollars, which translates that delta in the quarter.

But we also registered, in terms of prudence, some write-offs in a couple of assets in the portfolio. Then we had an impact in Sparkfood. But this was mainly a correction of a value that we had registered in the middle of the year. So if you recall, we had a positive impact in our indirect income line midway through the year from a transaction that we did at Sparkfood,

but we decided to be prudent and to basically counter that positive impact at the end of the year to make sure that we have a conservative approach to valuations at Sparkfood.

If you look at the indirect income line at the end of the year as a whole, it's practically flat. So the value is residual, and I think you should take a look at the year as something more meaningful than the variations between the quarters.

**Luís Colaço:** Thank you very much.

**João Dolores:** Thank you, Luís.

**Operator:** Thank you for your question, sir. Sorry to interrupt you, sir. Once again, ladies and gentlemen, if you have any questions, please press star one. We will now go to António Seladas of AS Independent Research. António, please go ahead.

**António Seladas (AS Independent Research):** Hi. Good afternoon. I'm just listening the call now, so I don't know if some questions were already answered. So first one is related with MC and the EBITDA margin on the fourth quarter, despite still very, very strong, it went down from the third quarter. So it was an adjustment about 100 basis points, which is not normal at least when we look in the past. That is the first question.

And second question is, can you provide some colour or some guide – I'll not say guidance, but some colour about the performance on grocery in 2026. Thank you very much.

**João Dolores:** Both for you, Fernando.

**Fernando Van Zeller:** Very good. Good afternoon, António. I think I already addressed the first question, but I'll do it again briefly. What we have seen in the fourth quarter was actually a deceleration of the expansion of EBITDA margin versus Q3. And the main reason is we have seen an acceleration on efficiencies in Q4 2024, and so we shouldn't expect the same level of expansion of margin that we have seen in Q3 2025.

That being said, please bear in mind that in Q4 '25, we increased the EBITDA margin by 0.4%, and on a pro forma basis during the years, we increased the margins by 0.5%. So that's not a huge gap. That being said, that was the reason.

In terms of performance, 2026 on the grocery part, we are seeing a slight deceleration on the like-for-likes, but I wouldn't say it's very material. So we continue to see the market in a very good performance, and MC is continuing to gaining market share in the first two months of the year.

**António Seladas:** Got it. Thank you very much. So a follow-up question on Bright Pixel that there's some problems with the private market debt and equity, and some of them are related with software companies. I don't know if you want to add some well colour or some information on this issue? Thank you very much.

**Cristina Novais:** Thank you, António. I can give you a little bit of colour, but it's more or less the same that I've been sharing. So the private market is a little bit better in the last quarter of 2025, but only at M&A part, not on the IPO market. So the liquidity is still very limited

because the M&A operations that we have been seeing are done at lower multiples, which is not enough to give the liquidity that the market is needing to pull.

But having said that, we have been seeing an increase on the M&A part and we have, of course, done some transactions as we have mentioned in the results. So we have recycled more or less €30 million, and we have been able to do it every year. So we will try every year to do our best and to maximise the value that we have.

We were expecting a better year for 2026, but as you can see, the geopolitical part and the uncertainty that we live in the market, it's very difficult to predict, in the short term, an opening of the market and the liquidity that we would like to have.

**António Seladas:** Yes. So maybe just a final question on Sierra, sorry. A very strong investment, some capital spending on the quarter. I don't know if you want to provide some information on this.

**João Dolores:** I can hand it over to Miguel to give you more detail, but it's fair to mention that it's true that Sierra has been investing in its strategy but it has always also been recycling capital and generating cash proceeds from asset sales. And the most important transaction that we did in that regard was the agreement and the sale of Parque Dom Pedro, the direct stake in Parque Dom Pedro, where we only saw the initial downpayment at the end of 2025 of 10%, but we will get the additional cash proceeds in the first semester of 2026. So those cash proceeds will be flowing in.

And Sierra has always this strategy of recycling capital, then redeploy in its growth avenues. But I would let Miguel comment a little bit more.

**Miguel Costa Moreira:** Hello, António, and thank you for the question. As João mentioned, it is mostly related with operations that we made at the end of the year. And as already mentioned, we made an investment on REM, a property management company in Germany. And we also made some investments in our development projects that we have in pipeline, and we keep investing to make the projects going forward.

So a significant amount at the end of the year, most of them one-off investments related to M&A operations.

**António Seladas:** Okay. Thank you very much.

**João Dolores:** Thank you, António.

**Operator:** Thank you very much for your question, sir. Ladies and gentlemen, as a final reminder, if you have any audio questions, please press star one on your telephone keypad, and you can also submit them through web. We'll pause just a moment. Another question coming in on audio. It's coming from Rita Belo of CBI. Rita, please go ahead.

**Rita Belo (CaixaBI):** Hi, everyone. Good afternoon. Thank you for having my question. I just wanted to ask Fernando, in the food retail segment, how has MC managed to keep margins significantly above the sector quarter after quarter? And is this mainly related to your product mix, pricing strategies, or does this result from supplier agreements and operational cost management? Thank you.

**João Dolores:** Thank you, Rita.

**Fernando Van Zeller:** Rita, thank you very much for the very challenging question. So it's a good question. What we have seen over the years was that our cost efficiency programme has been quite successful. Obviously, it's very difficult to compare between retailers and especially between discounters and full line supermarkets, and so it's very hard to do that comparison. But when we look at our cost structure, I would say, what has been and allow us to increase our EBITDA margin over the years has really been the efficiency measures.

On the commercial margin, as you know, we have been relatively stable for a couple of years now, so we haven't seen an improvement or a deterioration on the gross margin. What we have seen is with the growth of the market in Portugal, which has been clearly above the medium to long-term average over the last couple of years, that's obviously helped on the dilution of the fixed costs.

But on top of that, and more important, what we have seen is a very significant cost to serve programme, where I would say there are a couple of areas where we have been quite successful.

One is around the productivity in store. So the personnel cost over the sales. We have been able to optimise it significantly. I would say on the energy part and on the indirect costs, we have also, I would say, important programmes to improve our efficiency, and I think that's really the thing that we have been able to do well, as well as obviously leveraging the growth in the sector and especially the increase in market share of MC over the last couple of years.

**Rita Belo:** Okay. Thank you so much.

**Operator:** Thank you very much, Rita.

**João Dolores:** We have several questions on the chat. Do we have more questions on the voice line?

**Operator:** We have nobody on audio, sir. We'll pass over to the web, and I think Pascal will read them out for you.

**João Dolores:** I'll cover some of the questions we're getting on the chat, and if there's any more audio questions, we'll take them afterwards. But we have a question from Juan Rios from Santander. Two questions actually. What explains the negative indirect results in Q4? I think I already answered that question.

And the second one was, why was Sierra's EBITDA in Q4 lower than in previous quarters? Miguel, do you want to take that one?

**Miguel Costa Moreira:** Yeah, I can take that one. A part of that was already explained, and this is the other side of the M&A activity in some part. Those are all one-off adjustments that we have in the accounts. And the value that you can see on the numbers that we published, that's the sum of several things.

The two main points and the two key impacts on this number are the M&A movements that we have done with REM, as I told before. And probably, as you know, we bought 100% of the company, so we have to recognise all the costs of the transaction in our P&L. And the other one is the selling process of Parque Dom Pedro.

We also have several costs with that operation, and we are recognising that already on the accounts of 2025. There are a lot of different other small topics that are not material for the explanation, but those are the key adjustments that we have on the account.

**João Dolores:** Yeah. So the Sierra's underlying recurring EBITDA maintained its growth trend. The only explanation for this evolution are these one-off impacts that Miguel was talking about.

We have a second question from Julian Matias from Kepler Chevreux about the potential higher energy costs against the current backdrop. So what's the percentage of energy costs that are hedged?

Overall, we have a bit over 60% of our energy costs that are either we have own production or we have some sort of hedging strategy. And that's fixed for the remainder of the year, so we are only exposed to 38% of our energy bill to the existing markets.

We have another question from Samuel Neves asking if the Group is considering a direct entry into the insurance sector to replicate the insurance float model, so as to have a permanent low cost capital source to fuel the growth of new verticals while reducing reliance on external debt as a persistent high cost of capital environment?

It's a good question. The answer is quite straightforward. We do not have any intentions to enter the insurance sector. We are nevertheless quite comfortable in our debt position. Our cost of funding right now is very low. We refinanced over €1 billion in debt in the last few months at very low cost at spreads of roughly 55 basis points to 60 basis points. So we are quite happy with our cost of debt and we expect net debt levels to come down further in the next few months.

And so we are on a deleveraging path, which is going to be quite consistent over the next few

quarters.

And then we have another question from Alexandre Desprez. Could you give some colour on the potential impact of the Iranian war on MC? Fernando, do you want to take that one?

**Fernando Van Zeller:** Sure. Alexandre, thank you very much for your question. I think João already addressed it partially. So in terms of top line, and obviously inflation being a key factor, we are not seeing yet any impact on the inflation in our sales prices. So as João mentioned this morning, we have an inflation of around 3% year-to-date at MC. This 3% is actually mainly driven by some fresh categories due to the scarcity of some products.

So even when we look at the FMCG products, we are very close to the 2%, which is, as you know, our medium term when you look backwards average, and so no impact there. When we look at the energy costs, yes. There might be an impact.

Just to give you some metrics. At MC, energy represents less than 1% of our sales. Out of that bill, we have, as João mentioned, more than 60% hedged. And then you have multiple variables, such as the access tariffs and all other charges. So if you want to have a very, I would say high level value, our unhedged part of energy is about €10 million a year, for this year, 2026. So the direct impact on the energy bill shouldn't be that high.

Obviously, when you look at other variables that might be impacted, such as logistics and other costs, it's very difficult to predict at this stage. So the impact yet is quite limited in the business. Let's see how the things progress and what measures we need to implement.

**João Dolores:** Okay. Not sure if we have further questions. Okay.

**Operator:** No questions on the audio, sir.

**João Dolores:** Okay. I think we covered all the questions on the chat as well, so thank you very much for listening in.

I think the key points that we would like to stress in the call are that we are very happy with the 2025 results. They show very strong performances from all our businesses. Basically, all our businesses improved their competitive positions and their market shares in their respective markets. We are quite happy not only with the growth level, but also with the operating profitability that we were able to achieve throughout the year. And we are also quite confident on what lies ahead in 2026, given the start of the year that we already had.

So thank you very much for listening in, and we'll see each other in May when we present our Q1 results for 2026. Thank you.

**Operator:** Thank you, sir. Ladies and gentlemen, that will conclude today's conference. Thank you for your attendance. Have a good day, and goodbye.