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SONAE REACHES RECORD RETAIL SALES IN 2018

Sonae Retail total sales grew 7.6% compared to last year, to 6,317 million euros, showcasing the success and leadership of the Group's several businesses. All retail businesses posted growth, with special mention to the performance of Sonae MC and Worten.

- All retail business units in Sonae posted strengthened growth throughout 2018, contributing in a positive manner for the year's record sales. Sonae retail sales increased 7.6% in 2018, to €6,317 M, as growth accelerated during the last quarter of the year to 9.3%. This performance translated an ongoing improvement in the value propositions of several business units, the expansion of convenience formats, the investment in ecommerce/omnichannel and the success of the implemented operational improvements.
- In Sonae MC, the food retail unit, sales increased 7%, surpassing for the first time 4 billion euros in the year as a whole. This evolution is the result of LfL sales growth and the reinforcement of proximity stores, as Sonae MC has been able to continue to strengthen its leadership in a very competitive market.
- Worten, the electronic retail unit, registered 1.1 billion euros in sales, posting a 7.6% growth in 2018 and 8.2% in the 4Q18. Worten strengthened its leadership position in Portugal and boosted its e-commerce activity, where the company registered a double-digit growth both in Portugal and in Spain.
- Sonae Sports & Fashion ended a challenging year with a strong performance in the last quarter, above market references, reaching an 7.8% growth compared with the last three months of 2017, and 1.9% y.o.y..
- ISRG, the Iberian "number two" sports retailer that includes Sport Zone, had its brands reaching €610 M in sales, registering a y.o.y. growth of 15.9%.
- It should be noted that the online sales of Sonae Retail businesses grew around 30% in 2018, surpassing €150 M, with a strong contribution from Worten, Sonae MC, ISRG and Salsa.

SONAE MC Sonae MC accelerates growth and reaches new sales record

Sonae MC was once again able to deliver a strong top line growth of 7% compared to the same period last year, surpassing €4 billion in sales by the end of 2018. This solid performance was underpinned not only by growth in a like-for-like basis (LfL), but also by the expansion of the store network. The LfL sales variation was 2.8% in 2018, significantly above the inflation for the same period (0.7%). In terms of store openings, Sonae MC ended the year with additional 13 Continente Bom Dia, 3 Continente Modelo and 22 Well's.

As regards to the 4Q18, despite the difficult to surpass comparable of the 4Q17 (when LfL reached 3.2%), Sonae MC was able to reach a LfL sales growth of 3.6%, fuelled by positive figures in all of its formats, especially in the proximity segment and clearly above food inflation in the period (0.3%). In the most important quarter of the year, which includes the Christmas season, Sonae MC proved once again its solid profile and value proposition and was able to keep reinforcing its leadership in a very competitive market.

Hence, in the last three months of the year, Sonae MC posted sales of €1,146 M, growing 7.1% compared to the same period last year.

Luís Moutinho, CEO of Sonae MC, says, *“Sonae MC reached another strong year with a significant reinforcement of the market leadership. Total sales surpassed €4bn with the highest LfL sales growth of the last 10 years and with all formats posting positive LfL figures, particularly the proximity stores. This performance clearly shows that the finetuning of our value proposition has been well received by our customers and gives us strong confidence for the future”.*



Worten strengthens market position with a 7.6% growth in sales

Worten maintained its positive track record and registered €1.1bn in sales, 7.6% above the € 1bn threshold surpassed in FY17. This performance was powered by the 5.6% LfL sales growth and the ecommerce double digit growth (both in Portugal and in Spain).

In the 4Q18, despite the challenging comparable, LfL grew 5.6%, with Worten’s top line reaching €343 M, implying a sales growth of 8.2% compared with the 4Q17. This performance allowed Worten to strengthen its competitive position, namely the market leadership in Portugal.

Miguel Mota Freitas, CEO of Worten, says, *“Worten kept its upward trend and ended the year with a very strong 8% top line growth reaching €1.1bn of total sales. An Iberian player that has been able to clearly increase its market share, with a strengthened leadership position in Portugal. 2018 also accelerated our digital transformation with increasingly higher weight of e-commerce sales and the launch of a marketplace offering in Portugal”.*



Sonae Sport & Fashion with an accelerated recovery in the 4Q

Sonae S&F ended a challenging year for the entire fashion sector with a positive final quarter, growing above market references. This business unit was able to post €104 M in sales in the 4Q18, an 7.8% growth when compared to the 4Q17. Given this performance, Sonae S&F total sales reached €369 M in 2018 and increased 1.9% in comparison with 2017. Additionally, online sales also accelerated in 2018, supported by strong growth levels across all businesses, especially Salsa’s.

Luís Reis, CEO of Sonae S&F, says, *“Sonae Sports & Fashion recovered in the 4Q, being able to grow above the market and ending 2018 with positive top line performance across all key brands of our portfolio, in spite of a very tough year for the whole sector”.*



ISRG reaches sales of 610 million euros

ISRG brands total sales, which includes Sport Zone, presented a strong performance in 2018, particularly in the last quarter that posted a 29.1% growth y.o.y, to €190 M, registering a LfL sales growth of 17.4%, as all banners posted double-digit growth figures.

Total sales from the last 12 months reached €610 M, implying an overall growth of 15.9% y.o.y, mostly driven by the performances of both Sprinter and JD.

Miguel Mota Freitas, CEO of ISRG, says, *“ISRG banners had a very positive sales performance during 2018, posting strong growth levels and reinforcing our position as the second largest Iberian sports retailer, while*

successfully executing the value creation plan for the company. I am more confident than ever that we will further improve our value propositions and continue to grow in all our formats both in Spain and in Portugal”.

Sonae Retail: Preliminary Sales

Million euros	2017	2018	var.
Sonae Retail	5,869	6,317	7.6%
Sonae MC	3,884	4,158	7.0%
Worten	1,018	1,096	7.6%
Sonae S&F ⁽¹⁾	362	369	1.9%
ISRG ⁽²⁾	527	610	15.9%
Maxmat	78	85	8.5%

⁽¹⁾ Does not include Berg figures

⁽²⁾ Aggregated sales of ISRG banners from January to December (2017 and 2018). These figures do not correspond to the calendar reporting dates of JD Sports.