



## **Sonae grows 11% in the first quarter of 2024 and accumulates a 1.2 billion euros investment in the last year**

### **1. 2024 First Quarter Results Highlights**

- Consolidated turnover totalled 2.1 billion euros in the first quarter of 2024 (1Q24), increasing 11% thanks to strong investment and growth of retail businesses, as MC and Worten strengthened their leadership positions.
- EBITDA improved 13% to 180 million euros (€m), translating investment in businesses' development and the solid performance of the retail and telco businesses.
- Net result group reached €25m, remaining stable compared to the same period last year.
- Consolidated investment totalled 1.212 billion euros in the last 12 months, surpassing €700m in the 1Q24, with the businesses' organic expansion and acquisitions.
- Sonae was successful in the tender offer for Musti, taking control of the leading pet care retailer in the Nordic countries, and already in the 2Q24 has further closed the acquisition of an 89.1% stake in BCF Life Sciences, a French ingredients producer for the nutrition industry
- Support to the community increased 13% to €8.7m, focusing particularly on food donations and the promotion of education within the community.
- Study by Nova SBE reveals the Sonae Group is the largest private employer in Portugal and driver of the national economy, accounting for 3.7% of the Portuguese GDP and for generating 259 thousand jobs in the country.

### **2. Message from the CEO, Cláudia Azevedo**

"The year began on a very positive note for Sonae. The successful outcome of the tender offer over Musti in the Nordics was an important step towards our ambition to build a new growth avenue in our portfolio. We welcomed Musti (the leading pet care retailer in the Nordics) into our group and look forward to our journey together. Overall, the performance of our businesses was, again, quite strong in this quarter, resulting in a further appreciation (+2% qoq) of our NAV to €4.6bn (€2.38/share).

Our retail businesses continued to overperform in 1Q24, with both MC and Worten reinforcing once again their leadership positions. MC maintained its relentless focus on delivering the best offer to its customers and capturing further operational improvements, while benefiting from the recovery in grocery volumes on the back of a resilient consumption environment and favourable calendar effects. Worten delivered improved top line and profitability, underpinned by the growth of its e-commerce marketplace, amidst a context of intense promotional activity in the electronics market. Sierra and NOS also continued to face a positive momentum and delivered improved operational performances and financial results. This robust trajectory of our businesses led consolidated turnover to increase 11% yoy to €2.1bn and consolidated EBITDA to grow 13% yoy to €180m.

In terms of capital structure, and despite the significant investment in Musti, our holding LTV remained within very comfortable levels, having reached 13% at the end of the quarter.

Already in April, our subsidiary Sparkfood completed the acquisition of an 89% stake in BCF Life Sciences, in France, marking another important step in the development of our portfolio in this segment. BCF is specialised

in the production of innovative ingredients through proprietary processes supported on the principles of circular economy and will expand our ecosystem of food ingredient businesses.

Finally, our General Shareholders Meeting approved the distribution of a 0.05639 euro dividend per share, +5% over last year, consistent with our dividend policy and reflecting a 6.2% yield<sup>1</sup>.

We all at Sonae will continue to devote ourselves to obtaining strong sustainable growth, with the dedication of our people to improve the operational resilience of our portfolio, while ensuring a successful integration of the new companies and their people. Despite the volatile economic landscape, we maintain our confidence and focus on our mission to create long-term economic, social, and natural value for all.”

### **3. Consolidated Analysis**

#### **Active portfolio management with successful international acquisitions**

In the first three months of 2024 (1Q24), Sonae kept its course on an active portfolio management strategy, having secured acquisitions and partnerships which strengthen the Group’s internationalisation, while further investing to develop its businesses in Portugal.

Following the tender offer launched on Musti, the Consortium led by Sonae secured control of the Nordic pet care retailer during the 1Q24, reaching 81% of its share capital, with a total investment of circa €700m. Already in the 2Q24, Sonae’s subsidiary Sparkfood concluded the acquisition of an 89.1% stake in BCF Life Sciences, for €160.5m. The French company produces ingredients for the nutrition industry using innovative production processes supported by several patents and based on the principles of circular economy.

#### **Turnover grows 11% to 2.1 billion euros**

The beginning of the year was positive for all businesses in the portfolio, despite the challenging macroeconomic conditions that persist and the demanding competitive environment across the different retail markets. In consolidated terms, in the 1Q24, consolidated turnover increased 11.1% yoy to 2.1 billion euros, essentially translating the investment in business development and the growth of retail operations, particularly in MC and Worten, which once again reinforced their leadership positions in the Portuguese market.

Despite the continuing pressure on operational costs and ongoing efforts to stand by customers, the solid performance across the retail businesses and the increased equity method contribution from consolidated businesses, mainly from NOS, led underlying EBITDA to increase 15% to €158m, and consolidated EBITDA to increase 13% to €180m. Nonetheless, the higher depreciations, funding costs and taxes drove Direct Result to stand at €33m, +10% vs. the 1Q23.

#### **Stable net result, with market share gains and solid business performance**

Net result group share reached €25m, remaining stable compared to the same period last year, due to the negative impact of higher depreciation as a result of strong investment, financing costs due to higher interest rates and taxes, which were offset by gains in market share and solid business performance.

#### **Investment surpasses 1.2 billion euros in the last 12 months with expansion**

Sonae’s consolidated investment surpassed 1.2 billion euros in the last 12 months, as investment in the 1Q24 surpassed 700 million euros. In the first three months of the year, the Group invested in bolstering the portfolio’s internationalisation while pursuing ventures in the Portuguese market, most particularly in the expansion and refurbishment of MC’s store network.

#### **Support to the community increases 13% to €8.7m**

<sup>1</sup> Based on the closing price of €0.905 per share on 29 December 2023.

Sonae strengthened its corporate social responsibility policy in the 1Q24, having increased support to the community by 13%, to €8.7m. The Group continued to place special focus on supporting families, namely through food donations to institutions across the country.

Likewise, Sonae remained committed to providing an active contribution to Education and Lifelong Reskilling, having launched a reinforced second edition of the Sonae Education Award already in the 2Q24, which will distribute 150 thousand euros among innovative projects. Sonae is also a promoter of the PRO\_MOV programme, which gathered more partners and launched new courses to promote Portugal's reskilling for the jobs of the future, joining the Portuguese government, different associations and over fifty companies.

### **Sonae leads employment and drives the national economy, states study by Nova SBE**

Nova SBE conducted a study on Sonae concluding the Group is the largest private employer in Portugal, as its activity accounts for 259 thousand jobs in the country. According to the researchers, for every job directly created by Sonae, there are 4.5 jobs generated in the country.

The study, based on data from 2022, further highlights that Sonae accounts for 3.7% of the Portuguese gross domestic product (GDP), which means that if the Group were an industry sector, it would be the country's third largest with a gross value added of 8.9 billion euros and a turnover of 17.8 billion euros.

## **4. Operational and financial business highlights**

In **food retail**, MC proceeded with its store network expansion and refurbishment, opening 28 units during the 1Q24, of which six new Continente Bom Dia proximity stores. These developments, along with improvements in the technological and logistic infrastructure, led MC's capex to reach €57m (+15%). In the Portuguese food retail sector, the competitive environment remained dynamic in the 1Q24 and food inflation decreased significantly when compared to the previous year (20.5% in the 1Q23 vs 1.2% in the 1Q24), favouring consumption resilience, while competitiveness remained high across the market. In this context, MC strengthened its market share and its turnover increased 9.4% yoy to 1.6 billion euros in the 1Q24, benefitting from solid performances in both the food sector and in health, beauty and wellness. The LfL growth in the food business reached 7.4%, boosted by a robust recovery in volumes, but also by a context of reduced food inflation and the positive calendar effects (leap year and Easter).

In **electronics retail**, Worten began the year on a positive note, strengthening its leadership position in a context of intense market competitiveness. In the 1Q24, turnover reached €310m, growing 9.3% compared to last year (+5.3% LfL). This growth was driven by the core categories (electronics and home appliances) as well as by the new growth avenues (services and new product categories), as the company leveraged its marketplace on the one hand to bolster the product range, and its services offer on the other to increase its share of wallet. The online channel continues to prove a strong resilience quarter after quarter and, compared with the same period last year, sales grew 17% and reinforced its weight on turnover to 16%. Moreover, iServices posted a solid growth in turnover, expanding its presence both in Portugal and abroad, namely in Spain, France and Belgium, opening a total of seven new stores, three of which outside Portugal.

In the **real estate sector**, Sierra recorded a good start of the year, as the European shopping centre portfolio posted a top line performance. During the 1Q24, the portfolio demonstrated once again the assets' quality and resilience: tenant sales grew 7.4% LfL and occupancy rates remained high (+0.3pp to 98.0%). The services area continued to advance its strategy execution, with relevant diversification moves in terms of sector and new investment vehicles (such as the acquisition of the first hotel under its hospitality vehicle). On a proportional basis, direct result increased 3% vs the 1Q23 to €15m, mostly thanks to the strong performance of the European shopping centre portfolio, while net result reached €14m.

In **telco**, Bright Pixel continued to execute its strategy and enhance investment value in the active portfolio, which currently includes 43 companies around the world, across such areas as cybersecurity, retail technologies and infrastructure software. During the 1Q24, Bright Pixel prioritised the development of a pipeline of potential new ventures to expand its portfolio in the coming quarters, while also remaining

focused on an active portfolio management. NAV and cash invested in the active portfolio stood at €344m and €177m, respectively, representing a potential cash-on-cash of 1.9x the existing portfolio.

In **telco**, NOS began the year prosperously, once again posting a solid sales and profitability growth based on the very positive Telco performance. In terms of Sonae consolidated accounts, the contribution of NOS equity method results reached €24m in the 1Q24, significantly above the €10m registered in the 1Q23, explained by improved operational performance and by a non-recurrent effect related with received activity fees following a favourable court ruling.

## 6. Financial indicators

Million euros	1Q23	1Q24	Var
<b>Turnover</b>	<b>1,873</b>	<b>2,081</b>	<b>11.1%</b>
<b>Underlying EBITDA</b>	<b>137</b>	<b>158</b>	<b>14.9%</b>
Underlying EBITDA margin	7.3%	7.6%	0.3pp
Equity method results (*)	24	35	47.1%
Non-recurrent items	-2	-14	-
<b>EBITDA</b>	<b>159</b>	<b>180</b>	<b>12.8%</b>
EBITDA margin	8.5%	8.6%	0.1pp
D&A and provisions and impairments	-94	-104	-
<b>EBIT</b>	<b>65</b>	<b>76</b>	<b>16.3%</b>
Net financial result	-29	-35	-
Taxes	-6	-8	-
<b>Direct result</b>	<b>30</b>	<b>33</b>	<b>10.3%</b>
Indirect result	1	2	-
<b>Total net result</b>	<b>31</b>	<b>35</b>	<b>13.9%</b>
Non-controlling interests	-7	-11	-
<b>Net result group share</b>	<b>25</b>	<b>25</b>	<b>0.4%</b>

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