

SONAE CAPITAL

STRATEGY AND OVERVIEW

Investor Relations
September 2018



SONAE CAPITAL IS A HOLDING COMPANY MANAGING A DIVERSIFIED PORTFOLIO

BUSINESS UNITS

REAL ESTATE

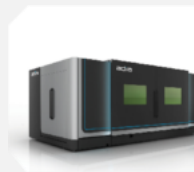
B2B



REFRIGERATION
& HVAC



ENERGY



INDUSTRIAL
ENGINEERING



TRÓIA

B2C



FITNESS



TROIA
RESORT



HOSPITALITY



OTHER
ASSETS

TURNOVER: **177M€**
+21% YoY

EBITDA: **20M€**
+50% YoY

NET DEBT: **144M€**
LTV: **21.7%**
NET DEBT / EBITDA: **2.8X**

DIVIDENDS | DY
2017: **25M€** | 13%
2018: **15M€** | 7%

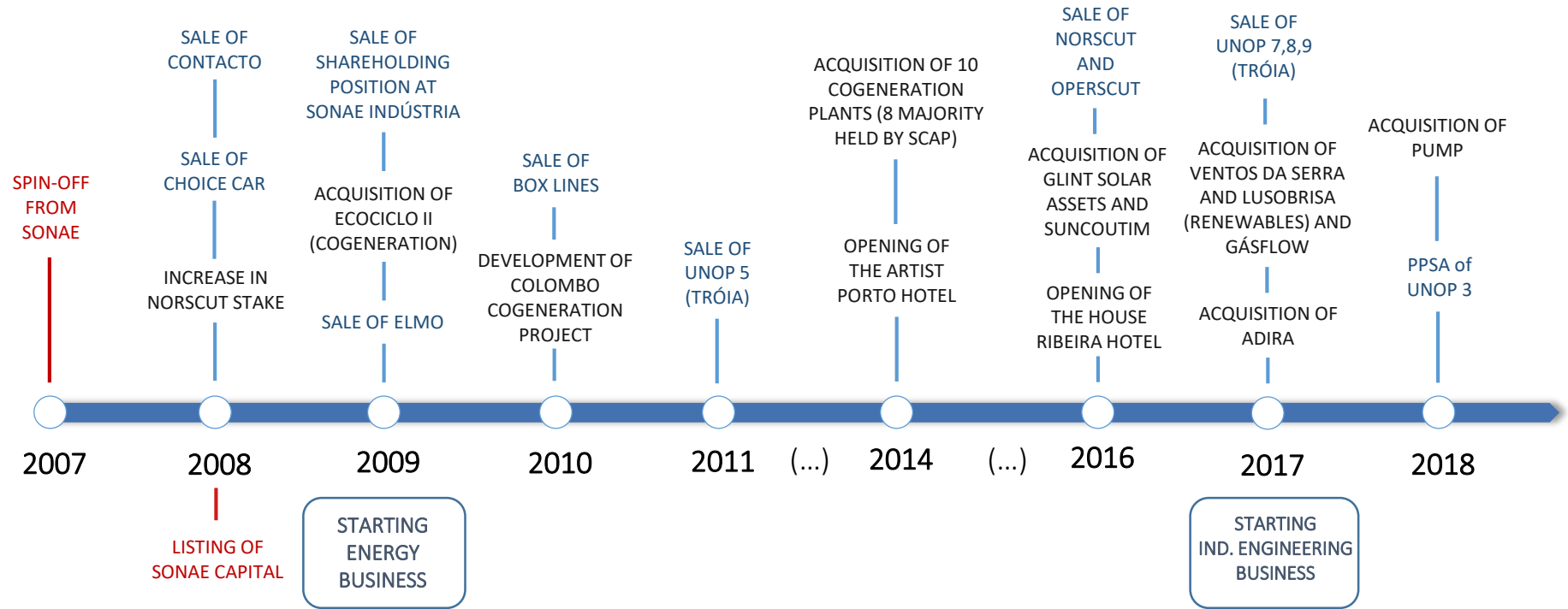
RE PORTFOLIO: **427M€**

SONAE CAPITAL

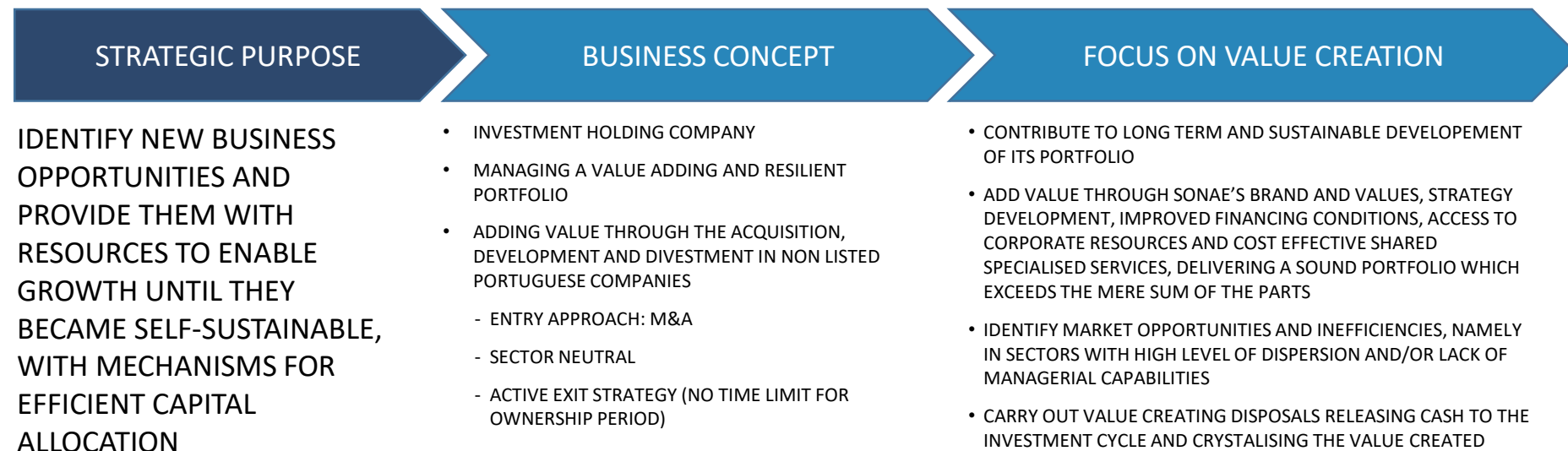
STRATEGY AND OVERVIEW
DEEPER INTO CORPORATE STRATEGY



SONAE CAPITAL WENT THROUGH SEVERAL CHANGES OVER THE LAST 10 YEARS

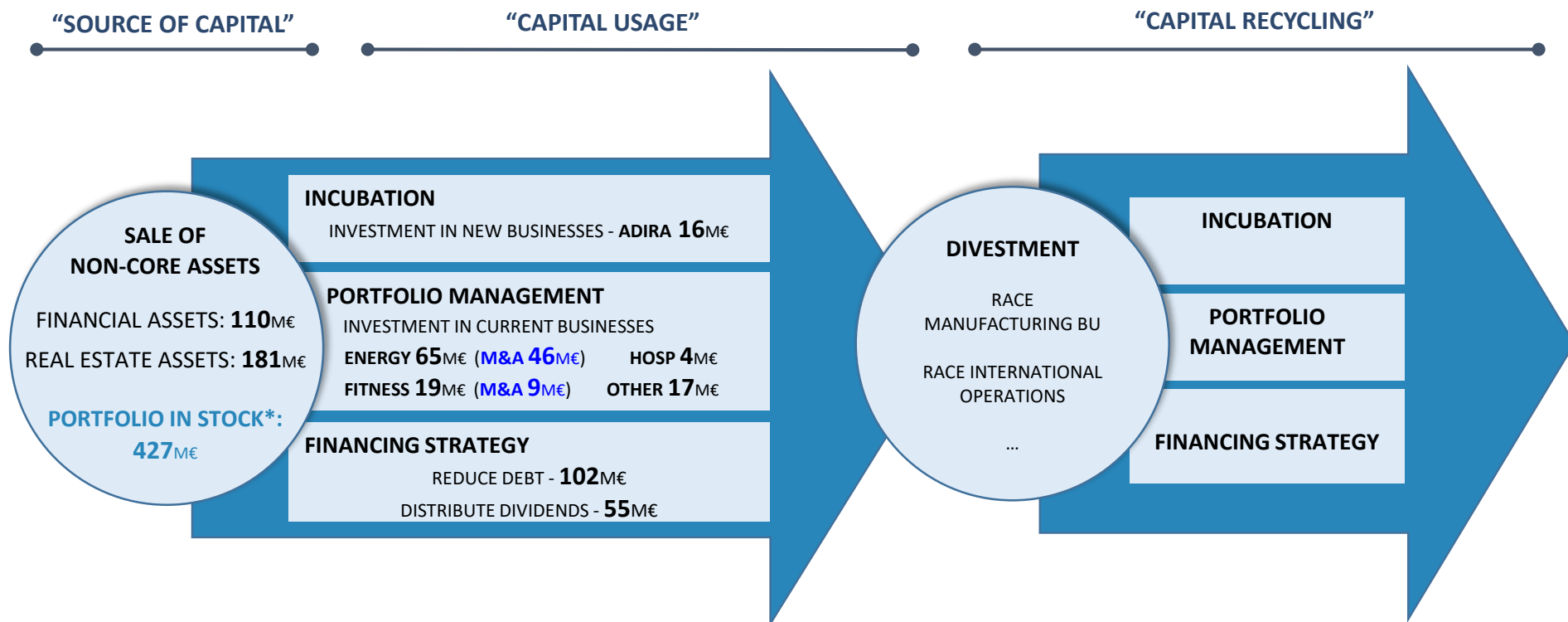


DRIVEN BY A CLEAR STRATEGIC PURPOSE



CORPORATE STRATEGY IMPLEMENTATION

SINCE 2014: KEY FIGURES TO DATE¹



1. Results from 31 Dec'13 to 30 Jun'18.

* Valuation as at 30 Jun'18.

ANCHORED BY 3 STRATEGIC GUIDELINES

1

SALE OF REAL ESTATE
ASSETS

2

GROWTH OF CURRENT
BUSINESS UNITS:
ORGANIC AND THROUGH
ACQUISITION

3

ACQUISITION OF NEW
BUSINESSES IN VALUE-
ADDED ENGINEERING
BASED INDUSTRIES

STRATEGY IMPLEMENTATION OVER THE LAST 18 MONTHS

SALE

Real Estate Assets

TROIA RESORT

- 43 sales deeds: 17.1M€
- PPSA for Unop 3: 20M€ (June 2018)

OTHER ASSETS

- Sales deeds in the amount of 20.7M
- 4.4M€ of PPSA

GROWTH OF CURRENT BUSINESS UNITS

Organic

ENERGY

Repowering Tagol: 7 MW
Biomass fired cogeneration plant initial development: 10 MW

FITNESS

Additional 4 new “Solinca” Clubs
and 1 new “Pump” Club

HOSPITALITY

Opening of “The House Ribeira Hotel”
(positive EBITDA since inception)

REF. & HVAC

- International operations sold (Angola) or being closed (Brazil and Mozambique)
- Grow from Portugal with core Refrigeration capabilities

Through acquisition

Acquisition of:

- Solar: **+12 MW**
- Wind: **+5 MW**
- BioGas: **+1 MW**

Acquisition of:

- Pump fitness chain
- Lagoas Park Health Club

Actively looking for opportunities to expand following a “capital light” approach

NEW BUSINESSES

Acquisition

Acquisition of ADIRA (Jun. 2017) and creation of a new business area: Industrial Engineering

Top Line: **~12M€**

Exports: **70%**

SALE OF REAL ESTATE ASSETS¹

TROIA RESORT

OPERATIONAL UNITS (UNOP's)

C&W* Valuation: **79.8M€**

- Sale of UNOP 7/8/9: **50M€** (2016)
- PPSA of UNOP 3: **20M€** (2Q18)
- Now focusing on:
 - UNOP 4 (Eco Resort)
 - UNOP 1 (Caldeira Project)



RESIDENTIAL UNITS

C&W* Valuation: **71.0M€**

- 29 sales deeds: **11.7M€** (2017)
- 14 sales deeds: **5.4M€** (1H18)
- **122 units for sale** (out of 546 units developed)

Beach Apartments:	#6
Marina Apartments:	#4
Ácala Apartments:	#22
Plots and Villas:	#37
Ocean Villages:	#53



* Valuation of Real Estate portfolio as of 30 Jun'18 (including UNOP 3).

1. Total RE portfolio disclosed on page 21.

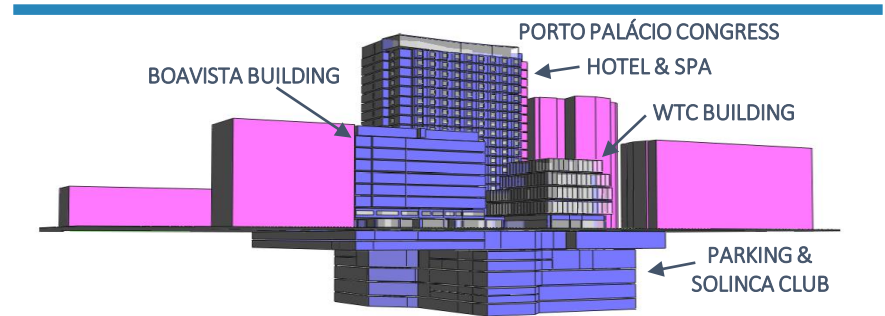
SALE OF REAL ESTATE ASSETS (CONT.)

OTHER ASSETS

WTC FUND

Valuation: **72.0M€**

- Real estate investment fund
- Created in Dec. 2011
- Assets
 - Oporto Palácio Congress Hotel & SPA
 - WTC Building
 - Boavista Building



Assets in Oporto, Avenida da Boavista.

OTHER ASSETS AVAILABLE FOR SALE

C&W* Valuation: **111.2M€**

- Sales deeds in the amount of **20.7M€** (2017 and 1H18)

METROPOLIS



EFANOR



GROWTH OF CURRENT BUSINESS UNITS

B2C

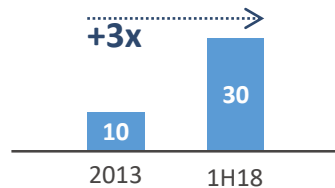
FITNESS

- Leadership ambition
- Strong expansion plan
- Operating “Solinca” and “Pump” Fitness Chains



- Tripling the number of clubs over the last 5 years

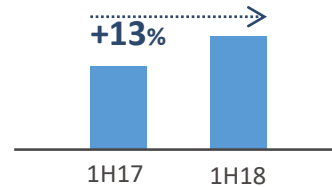
Number of Clubs



HOSPITALITY

- Surfing the current positive trends in tourism

RevPAR(€)



- Looking for opportunities that improve the business competitive position



TRÓIA OPERATIONS

- Increasing service
- Improving the dynamics of Tróia as a touristic destination

ATLANTIC
FERRIES



TRÓIA
GOLF



TRÓIA
SHOPPING



TRÓIA
MARINA



SPORTS
CENTRE



ROMAN
RUINS



GROWTH OF CURRENT BUSINESS UNITS (CONT.)

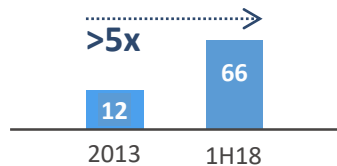
B2B

ENERGY

- National presence
- Looking for opportunities abroad
- Installed capacity, owned and under management of 65.5MW

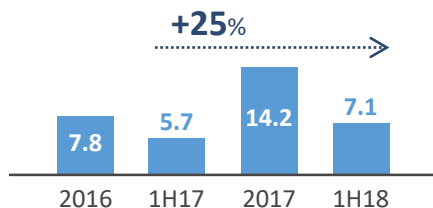


Capacity (MW)



- Sustainable profitability evolution

EBITDA (M€)



REF. & HVAC

- Innovative “Integrated Refrigeration, HVAC & Building Efficiency” solution using waterloop technology
- Projects in pipeline offering good prospects



IND. ENGINEERING

- Focusing on the integration of ADIRA:
 - providing the company with adequate resources to implement the defined growth strategy
- Additive manufacturing as an additional growth avenue



ACQUISITION OF NEW BUSINESSES

SONAE CAPITAL WANTS TO INVEST IN...

Sectors based
on **PORTUGUESE
COMPETENCES**
(namely
engineering)

Non-listed
COMPANIES
with **STRONG
EXPORTING
POTENTIAL**

Highly fragmented
sectors, with Portuguese
SMEs with a **STRONG
COMPETITIVE POSITION**
in their market niche

SONAE CAPITAL AIMS TO CREATE VALUE THROUGH...

The management
of a **DIVERSIFIED
BUSINESS
PORTFOLIO**
in constant
evolution...

... **PORTUGUESE
BASED** companies,
serving **DIFFERENT
MARKETS AND
ECONOMICAL
CYCLES...**

... In **DIFFERENT
DEVELOPMENT
STAGES** and...

... Without exit
requirements,
supporting
a **M/L TERM
PERSPECTIVE**

SONAE CAPITAL

STRATEGY AND OVERVIEW

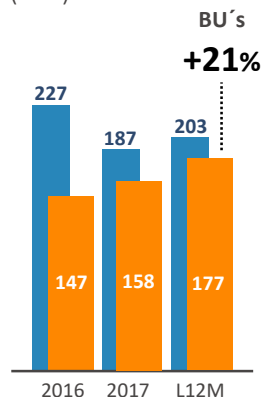
BUSINESS UNITS OVERVIEW



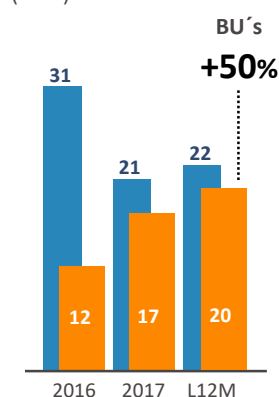
BUSINESS UNITS CONSOLIDATED RESULTS

INCREASING OPERATIONAL INCOME AND PROFITABILITY

Operational Income
(M€)

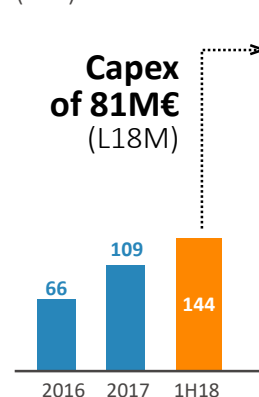


EBITDA
(M€)



WHILE PRESERVING A STABLE CAPITAL STRUCTURE DESPITE THE INVESTMENT EFFORT

Net Debt
(M€)



Energy:	46M€
Fitness:	14M€
Ind. Eng.:	17M€
Other:	4M€

Net Debt | EBITDA: 2.8x

Loan To Value: 21.7%

Real Estate Assets: 427.0M€
(Total External Valuation)

* Up to Jun'18.

ENERGY

AMBITION FOR GROWTH: PORTUGAL AND ABROAD

OWNER AND OPERATOR
OF 66MW

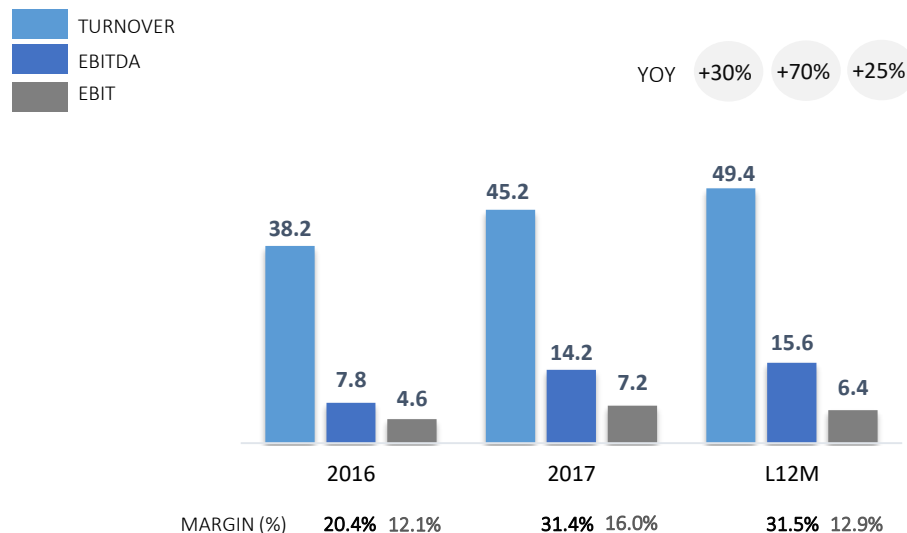
11
COGENERATION
PLANTS
45.5MW

10
PHOTOVOLTAIC
PLANTS
15MW

1
WIND
PLANT
5MW

ALL PROJECTS OPERATING IN REGULATED MARKET

First project to be carried over the free market correspond to 10MW (solar energy), which will take place on 2H21.

IMPROVING TURNOVER AND PROFITABILITY,
BENEFITING FROM OPERATIONS RECENTLY ACQUIRED

FITNESS

ACQUIRING A RELEVANT MARKET POSITION

30 FITNESS CLUBS OPERATING IN 3 SEGMENTS

STRONG EXPANSION PLAN
AIMED AT LEADING FITNESS MARKET
IN PORTUGAL

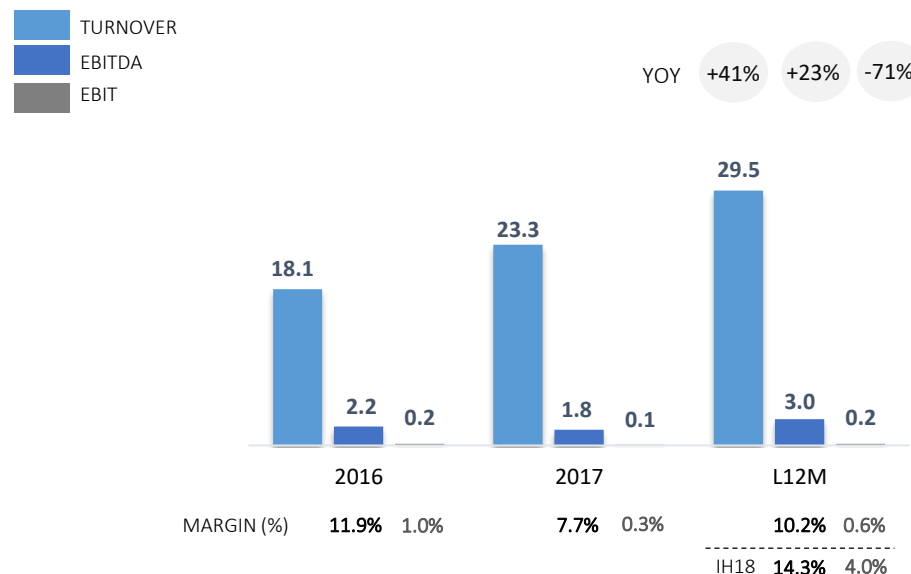


VERY RECENT ACQUISITION
HIGH-END SEGMENT

OPERATING MG* (%)

SOLINCA	17%
[> 2 YRS]	
SOLINCA	12%
[< 2 YRS]	
PUMP	21%

ORGANIC AND NON-ORGANIC GROWTH SUSTAINING AN IMPROVED COMPETITIVE POSITION



* EBIT before central fees.

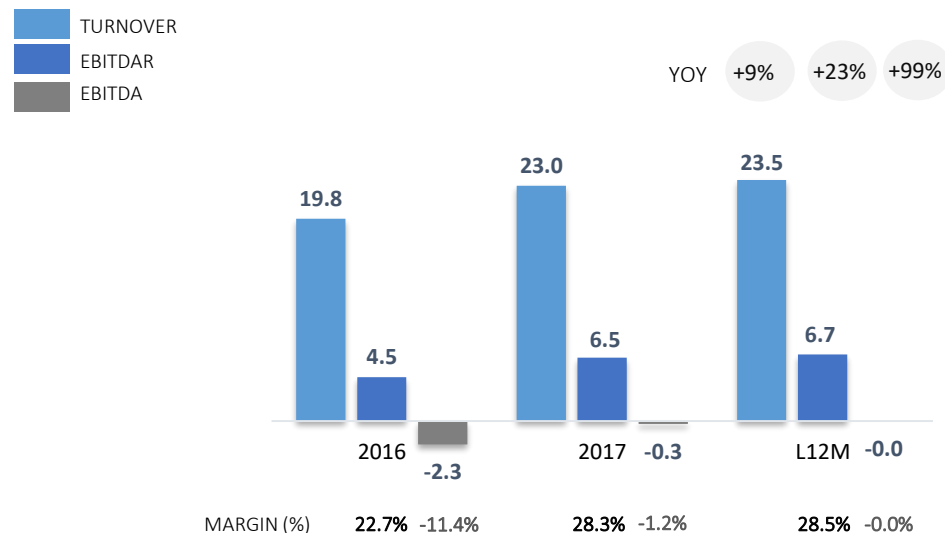
HOSPITALITY

SURFING THE TOURISM WAVE IN PORTUGAL

5 OPERATIONS IN TRÓIA AND OPORTO



MANAGING THE OPERATION IN ORDER TO IMPROVE PROFITABILITY



REFRIGERATION & HVAC

GROW FROM PORTUGAL WITH CORE REFRIGERATION CAPABILITIES



GROWING NUMBER OF PROJECTS

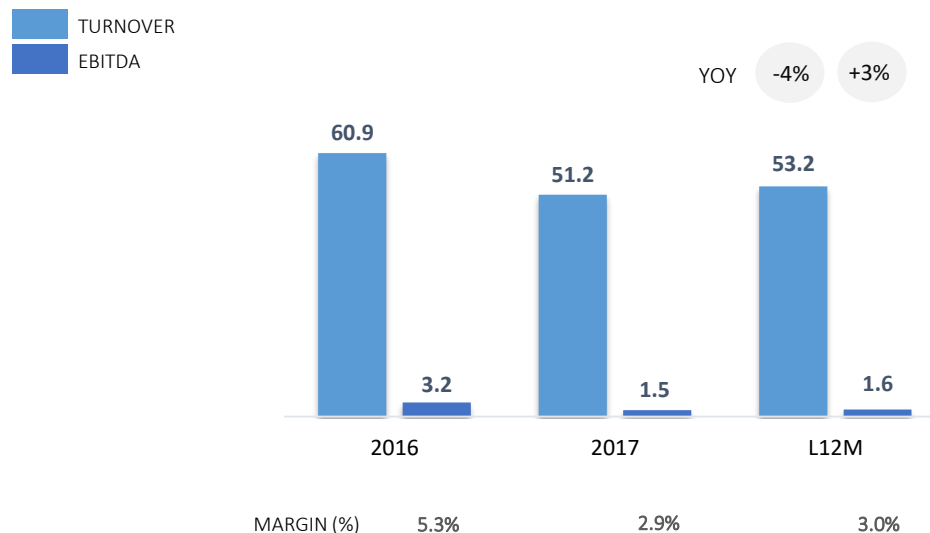
MAIN PROJECTS*

- CONTINENTE - 27 openings - Ref. & HVAC
- PARKLAKE (Romania) – HVAC & BE
- IKEA LOULÉ – HVAC, BE & Ref.
- LABORATÓRIOS BASI – HVAC & BE
- ENERCOM - HVAC
- ÉVORA SHOPPING – HVAC & BE
- NAVIGATOR - HVAC
- CLOD (Lunda Logistic Centre): Ref.

PIPELINE
21.1M€
(as of 30 Jun'18)

International operations closed (Angola) or being closed (Brazil and Mozambique)

MODEST GROWTH EVOLUTION BUT BACKLOG PROVIDING POSITIVE EXPECTATIONS



INDUSTRIAL ENGINEERING THE MOST RECENT BUSINESS UNIT



CREATED FOLLOWING THE ACQUISITION
OF ADIRA

2017: ACQUISITION

> 50%
Exports
driven

HC
125

TURNOVER
(2017)

10.2M€

Cash-Out
9M€

Net Debt
6.7M€

FY17 Data
(Consolidated since Aug'17)

2018: INTEGRATION

FOCUS ON THE
INVESTMENT ON A
STRUCTURE OF ADEQUATE
AND SUFFICIENT
RESOURCES FOR THE
IMPLEMENTATION WITH
SUCCESS OF THE GROWTH
STRATEGY SET

RELEVANT PLAYER IN THE METAL FORMING WITH
OVER 60 YEARS OF HISTORY

COMPANY:

- Internationally recognized within Metal Forming solutions
- Strong Innovation/R&D focus
- Export driven
- Leveraging on the Industry 4.0 global trend
- Growth avenue: Additive manufacturing

SECTOR:

- Highly specialized and based on engineering capabilities
- Highly fragmented with consolidation opportunities
- Fast growing Metal Forming sector with special focus on Additive Manufacturing technologies



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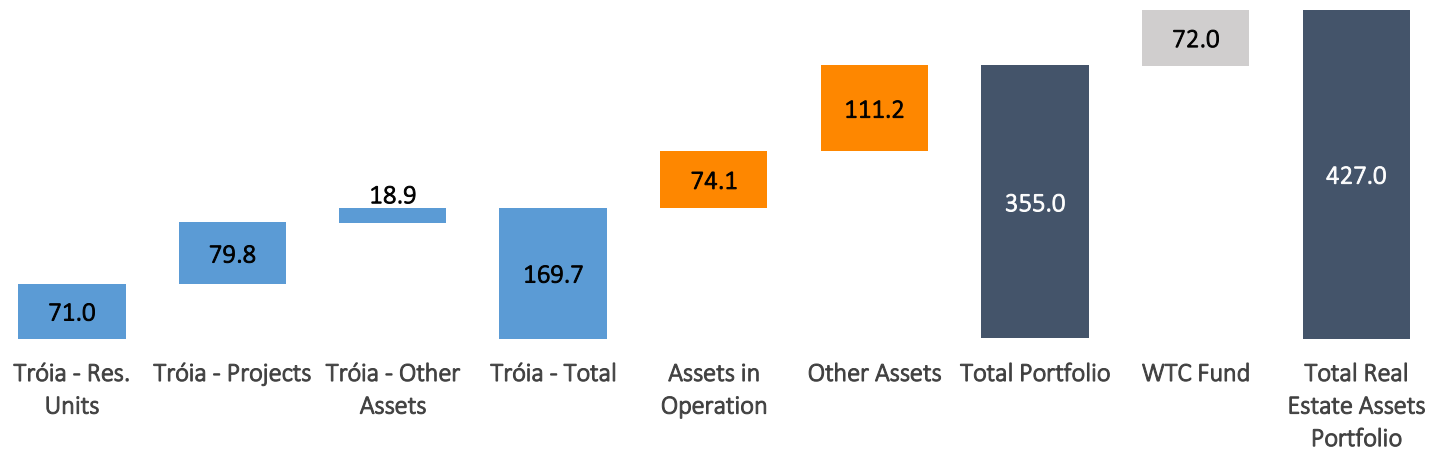
STRATEGY AND OVERVIEW

BACKUP



REAL ESTATE ASSETS PORTFOLIO VALUATION

REAL ESTATE PORTFOLIO CUSHMAN & WAKEFIELD AND WTC FUND VALUATION (M€) [as at 30 June 2018]



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