

9M18 Results

Investors and Analysts Briefing

26 October 2018



9M18 HIGHLIGHTS:

- Positive Net Results of 3.7M€ in 3Q18 and 22.6M€ in 9M18, circa 1.7M€ (+8%) higher than 9M17
- Recurrent EBITDA⁽¹⁾ of 8.6M€ in 3Q18, with 15.0% margin⁽¹⁾
- Proportional Turnover⁽¹⁾ in 9M18 of 468M€
- LTM Proportional Turnover⁽¹⁾ of 613M€
- Proportional Recurrent EBITDA⁽¹⁾ in 9M18 of 59.7M€
- LTM Proportional Recurrent EBITDA⁽¹⁾ of 78.6M€, with 12.8% margin⁽¹⁾
- Proportional Net Debt⁽¹⁾ at 335.7M€ and Proportional Leverage⁽¹⁾ of circa 4.3x
- Launch in the North American market of:
 - new EIR textures, Feria and Brava and a complete matching collection of Laminates under Surforma brand for the Tafisa Canada decorative MFC offer

FINANCIAL INDICATORS (unaudited)

	9M17	9M18
Proportional Turnover	486	468
Proportional Rec. EBITDA	70	60
Proportional Rec. EBITDA margin	14.3%	12.8%
	LTM 9M17	LTM 9M18
Proportional LTM Turnover	642	613
Proportional LTM Rec. EBITDA	87	79
Proportional LTM Rec. EBITDA margin	13.5%	12.8%
LEVERAGE		
Proportional Net Debt ²	311	336
Proportional Leverage (Net Debt / LTM Rec. EBITDA)²	3.6 x	4.3 x
LOAN TO VALUE		
Net Debt of Sonae Indústria	210	205
Asset Value ^{2,3}	471	392
LTV (Net Debt of Sonae Indústria / Asset Value)²	45%	52%

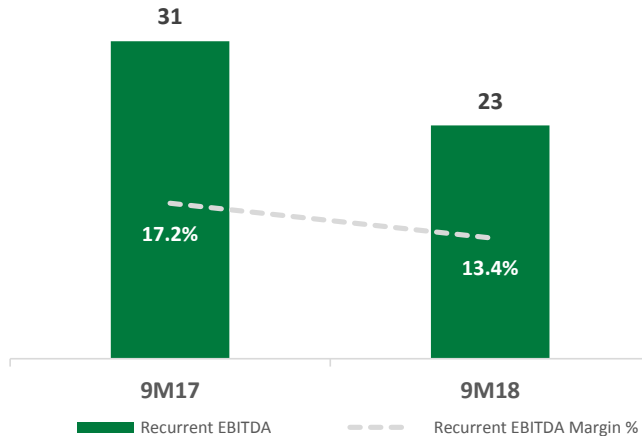
(2): it should be noted that Sonae Arauco's Net Debt in 3Q18 would be materially lower if it was not for the significant amount of expected insurance compensation outstanding at the end of this period: the cumulative amount of insurance compensation booked since 4Q17 is of circa 60.6 million euros (below expected total claim) which compares to actual cash received until September 2018 of 27.5 million euros (hence if all booked amount would have been received Sonae Arauco's Net Debt would be lower by 33.1 million euros).

(3): Calculated as described in the Glossary of Terms. This compares with a Consensus 'Asset Value' of EUR 522M based on the average of the sum of the parts valuation (as at year-end 2018) of Sonae Indústria assets carried out by two independent equity research houses.

SONAE INDÚSTRIA

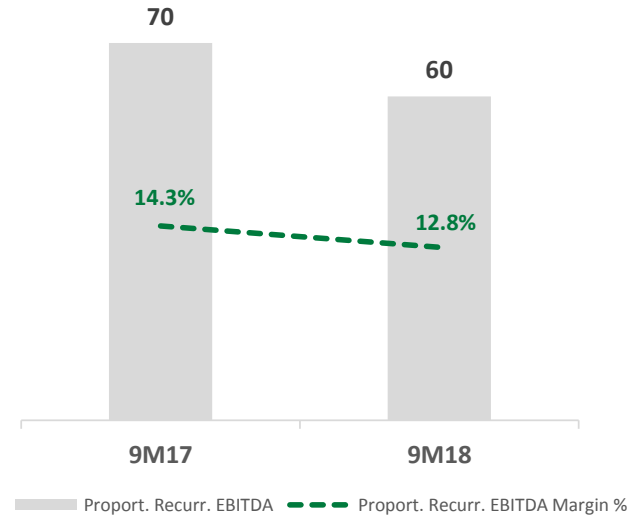
Highlights of 9M18 results

Recurrent EBITDA (Million €) and Recurrent EBITDA margin (%)



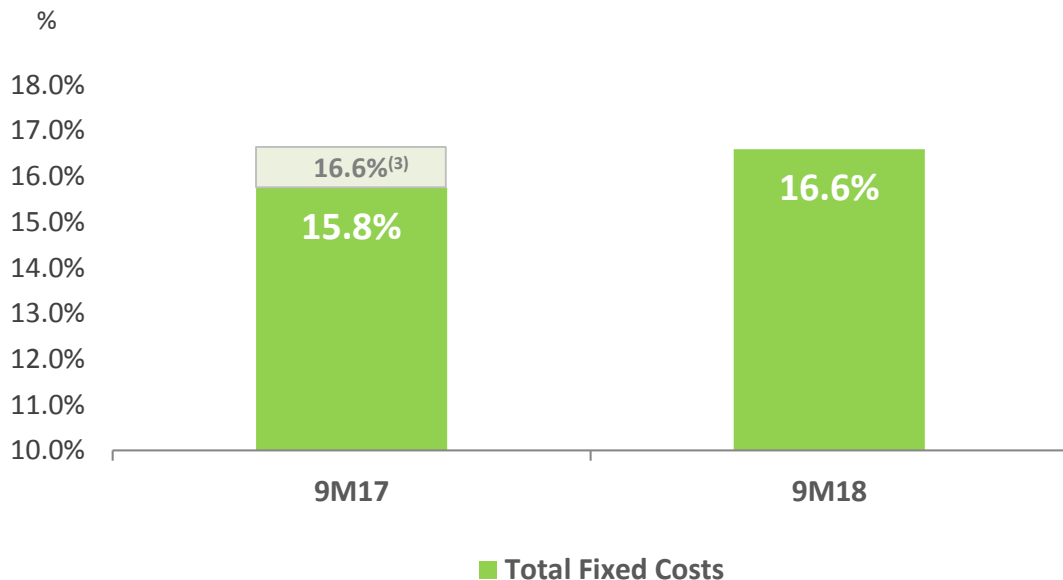
- Rec. EBITDA of circa 23M€ during 9M18, circa 8.2M€ below 9M17, with an implicit Recurrent EBITDA margin of 13.4%

Proportional Rec. EBITDA (million €) and Proportional Rec. EBITDA margin (%)



- Proportional Recurrent EBITDA of circa 60M€ during 9M18, 9.9M€ below 9M17. Recurrent EBITDA margin of circa 12.8%.

Fixed Costs in % of turnover

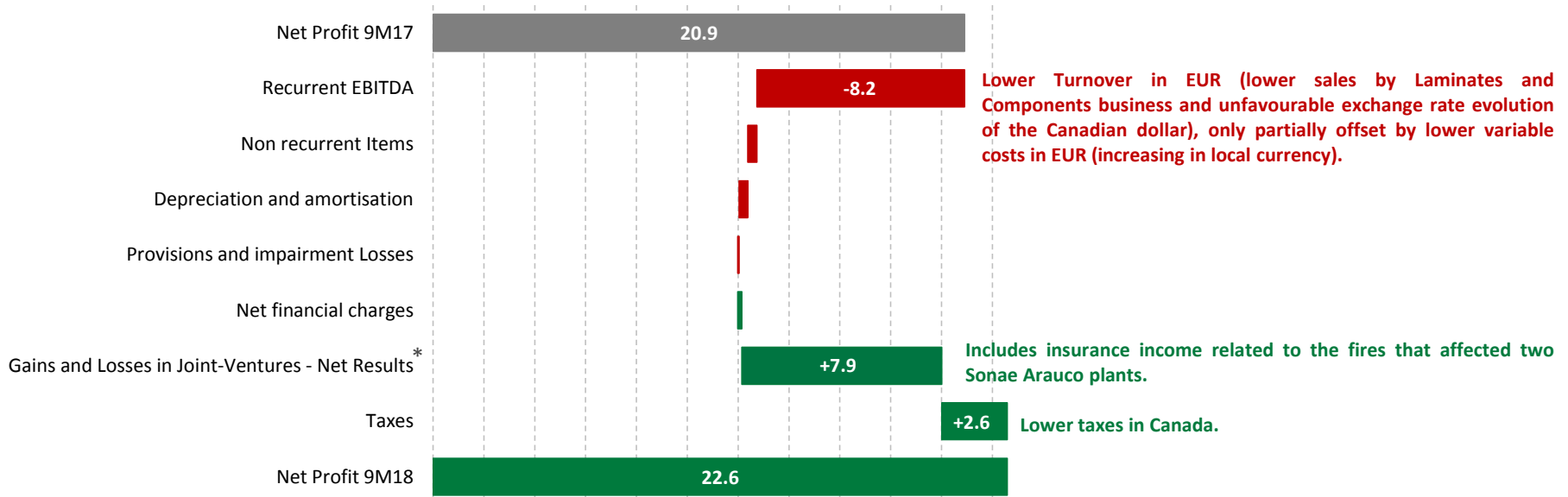


- **Reduction in Fixed costs (increase of 0.8 p.p. as a % of Turnover vs. 9M17 explained by lower Turnover)**

(3): 9M17 benefited from positive one-off adjustments to accruals of circa 1.5M€. Excluding this effect, 9M17 would reach 16.6%.

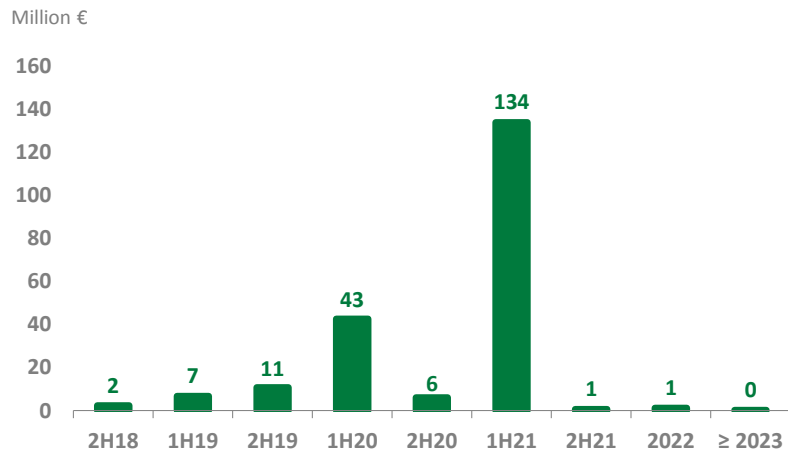
Contributions to Net results

Million €



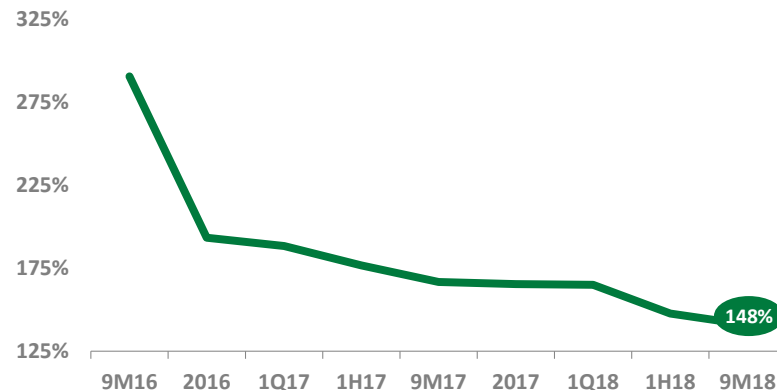
- Net positive result of circa 22.6M€ in 9M18

Scheduled loan repayments⁽⁴⁾ as of 30 September 2018



(4): Considering Sep-18 drawn amounts of circa EUR 204.6M (which excludes short term facilities).

Net Gearing⁽⁵⁾



(5): Net Debt / Shareholders Funds

SONAE INDÚSTRIA

Glossary of Terms

Asset Value	Asset Value is calculated as follows: [6.5 x LTM Recurrent EBITDA of fully consolidated business (100%)] + [market value of inactive sites real estate properties owned 100% by Sonae Indústria] + [50% x (6.5 x LTM Recurrent EBITDA of Sonae Arauco – Sonae Arauco Net Debt)]
Loan to Value	Net Debt of Sonae Indústria / Asset Value
LTM	Last Twelve Months
Proportional Leverage (unaudited)	Proportional Net Debt / Proportional LTM Recurrent EBITDA
Proportional: Turnover, Recurrent EBITDA (unaudited)	Proportional Turnover and Proportional Recurrent EBITDA consider, in what regards to Turnover and Recurrent EBITDA, the full contribution of the wholly owned businesses and the proportional consolidation of the 50% contribution from Sonae Arauco.
Proportional Net Debt (unaudited)	Proportional Net Debt considers the full contribution of the Net Debt of the wholly owned businesses and the proportional consolidation of the 50% contribution from Sonae Arauco
Recurrent EBITDA	EBITDA excluding non-recurrent operational income / costs
Recurrent EBITDA margin	Recurrent EBITDA / Turnover

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