

2018 Results

Investors and Analysts Briefing

28 March 2019



2018 HIGHLIGHTS:

Financial:

- **Net Results positive for the third consecutive year reaching 11.0M€**
- **Recurrent EBITDA⁽¹⁾ of 26.7M€, with 12.1% margin⁽¹⁾**
- **Proportional Recurrent EBITDA⁽¹⁾ of 73.6M€, with 12.0% margin⁽¹⁾**
- **Proportional Net Debt^{(1) (2)} at 297.5M€ and Proportional Leverage^{(1) (2)} of 4.0x**
- **Sales of inactive sites assets totalling circa 7M€**

(1): See Glossary of Terms.

(2): it should be noted that Sonae Arauco Net Debt was adjusted by 27.6 million euros corresponding to the amount of insurance compensation (related to the damages of fires in Portugal) received already in 2019 (32.6 million euros) net of estimated 5 million euros for amounts still to be paid by Sonae Arauco at YE18.

2018 HIGHLIGHTS:

Commercial

- **Launch of the new Surforma® brand for our Laminates business**
- **Launch in the North American market of:**
 - **two new EIR textures, Feria and Brava, and a complete matching collection of Surforma® Laminates (HPL) for the decorative MFC products**

Operational

- **Operations in Mangualde and Oliveira do Hospital plants restarted during 1H18 following the forest fires in 4Q17**
- **Completion of the investment in a new continuous MDF press in Mangualde plant in Portugal with production ramp up starting in 4Q18**
- **Start of the investment in a new continuous particleboard press at our Beeskow plant in Germany**
- **Tafisa Canada's operations negatively affected by higher downtime on both its particleboard lines including the impact of a fire that occurred in November**

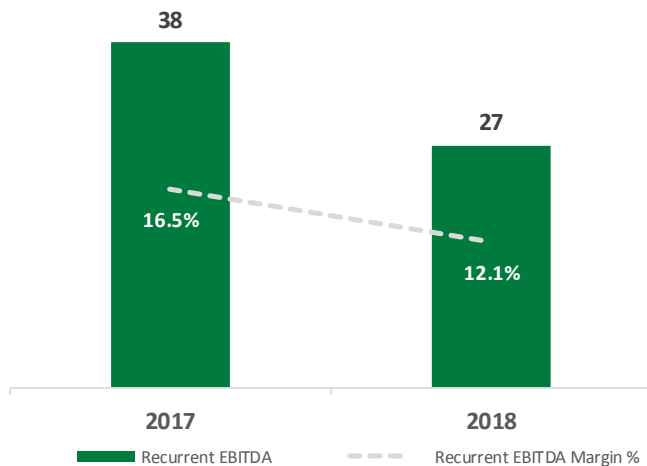
FINANCIAL INDICATORS (unaudited)

| | 2017 | 2018 |
|---|--------------|--------------|
| Proportional Turnover | 630 | 612 |
| Proportional Rec. EBITDA | 89 | 74 |
| Proportional Rec. EBITDA margin | 14.0% | 12.0% |
| LEVERAGE | | |
| Proportional Net Debt ³ | 301 | 297 |
| Proportional Leverage (Net Debt / LTM Rec. EBITDA)³ | 3.4 x | 4.0 x |
| LOAN TO VALUE | | |
| Net Debt of Sonae Indústria | 209 | 196 |
| Asset Value ^{3,4} | 496 | 386 |
| LTV (Net Debt of Sonae Indústria / Asset Value)³ | 42% | 51% |

(3): it should be noted that Sonae Arauco Net Debt was adjusted by 27.6 million euros corresponding to the amount of insurance compensation (related to the damages of fires in Portugal) received already in 2019 (32.6 million euros) net of estimated 5 million euros for amounts still to be paid by Sonae Arauco at YE18.

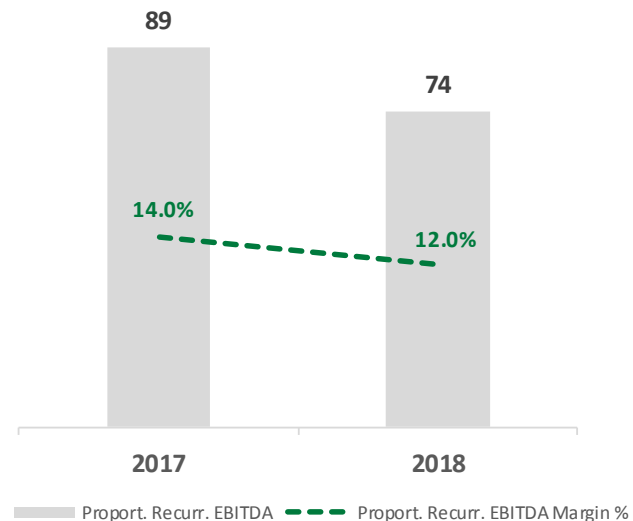
(4): Calculated as described in the Glossary of Terms. This compares with a Consensus 'Asset Value' of circa EUR 443M based on the average of the sum of the parts valuation (as at year-end 2019) of Sonae Indústria assets carried out by two independent equity research houses.

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



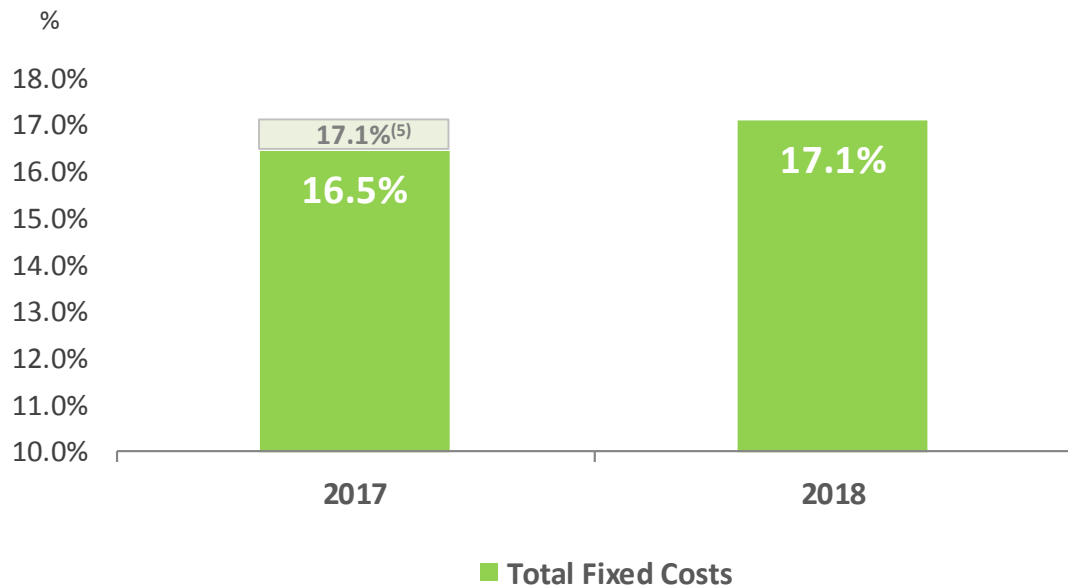
- Rec. EBITDA of circa 27M€ during 2018, 11.4M€ below 2017, with an implicit Recurrent EBITDA margin of 12.1%

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



- Proportional Recurrent EBITDA of circa 74M€ during 2018, circa 15.0M€ below 2017. Recurrent EBITDA margin of 12.0%.

Fixed Costs in % of turnover

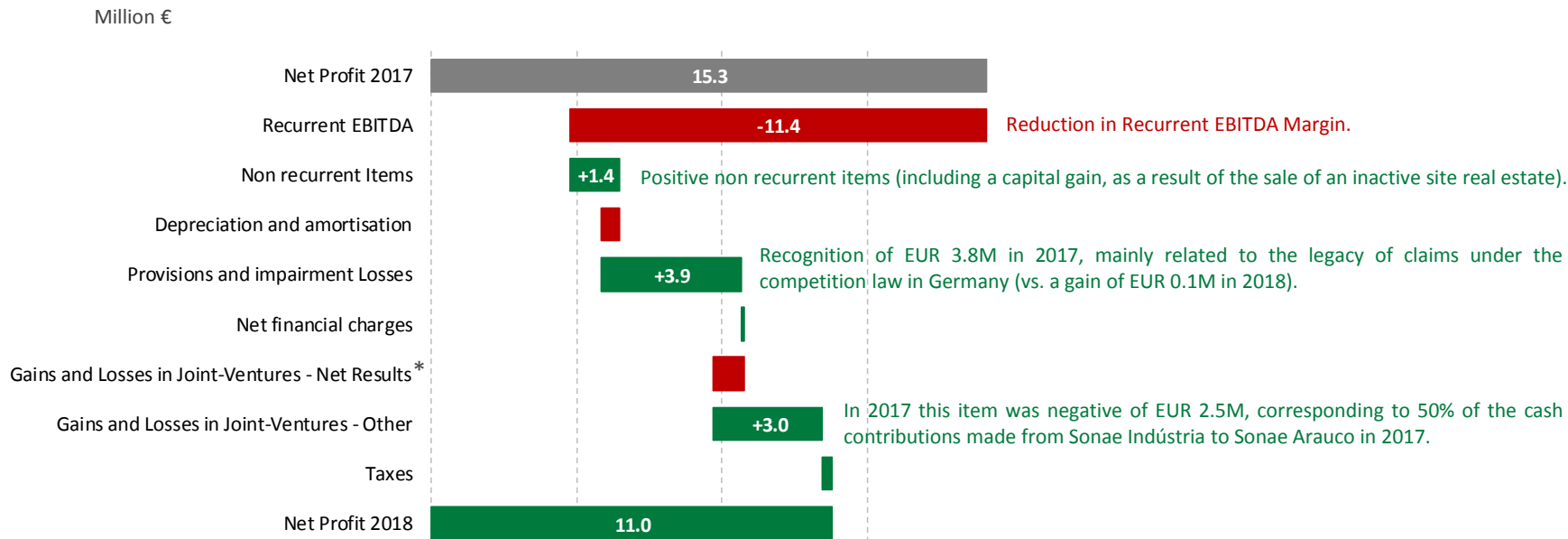


- **Reduction in Fixed costs (increase of 0.6 p.p. as a % of Turnover vs. 2017 explained by lower Turnover)**

(5): 2017 benefited from positive one-off adjustments to accruals of circa 1.5M€. Excluding this effect, 2017 would reach 17.1%.

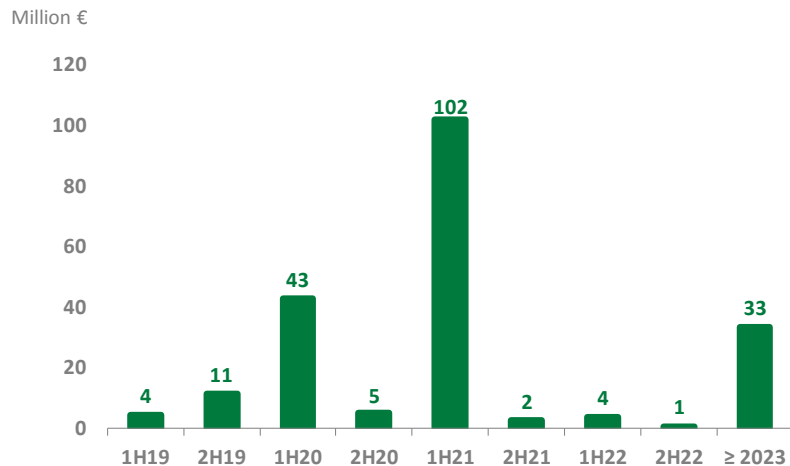
- **Net positive result of 11.0M€ in 2018**

Contributions to Net results



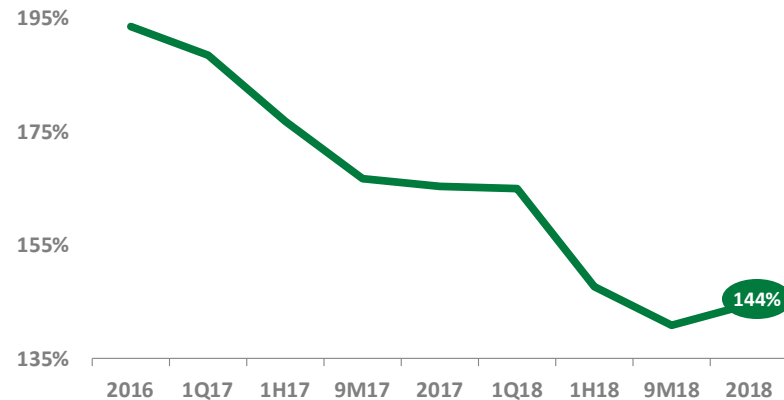
Scheduled loan repayments⁽⁶⁾

as of 31 December 2018



(6): Considering Dec-18 drawn amounts of circa EUR 205.3M (which excludes short term facilities).

Net Gearing⁽⁷⁾



(7): Net Debt / Shareholders Funds

SONAE INDÚSTRIA

Glossary of Terms

| | |
|--|---|
| Asset Value | Asset Value is calculated as follows: $[6.5 \times \text{LTM Recurrent EBITDA of fully consolidated business (100\%)}] + [\text{market value of inactive sites real estate properties owned 100\% by Sonae Indústria}] + [50\% \times (6.5 \times \text{LTM Recurrent EBITDA of Sonae Arauco} - \text{Sonae Arauco Net Debt})]$ |
| Loan to Value | $\text{Net Debt of Sonae Indústria} / \text{Asset Value}$ |
| LTM | Last Twelve Months |
| Proportional Leverage (unaudited) | $\text{Proportional Net Debt} / \text{Proportional LTM Recurrent EBITDA}$ |
| 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 | $\text{Recurrent EBITDA} / \text{Turnover}$ |

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