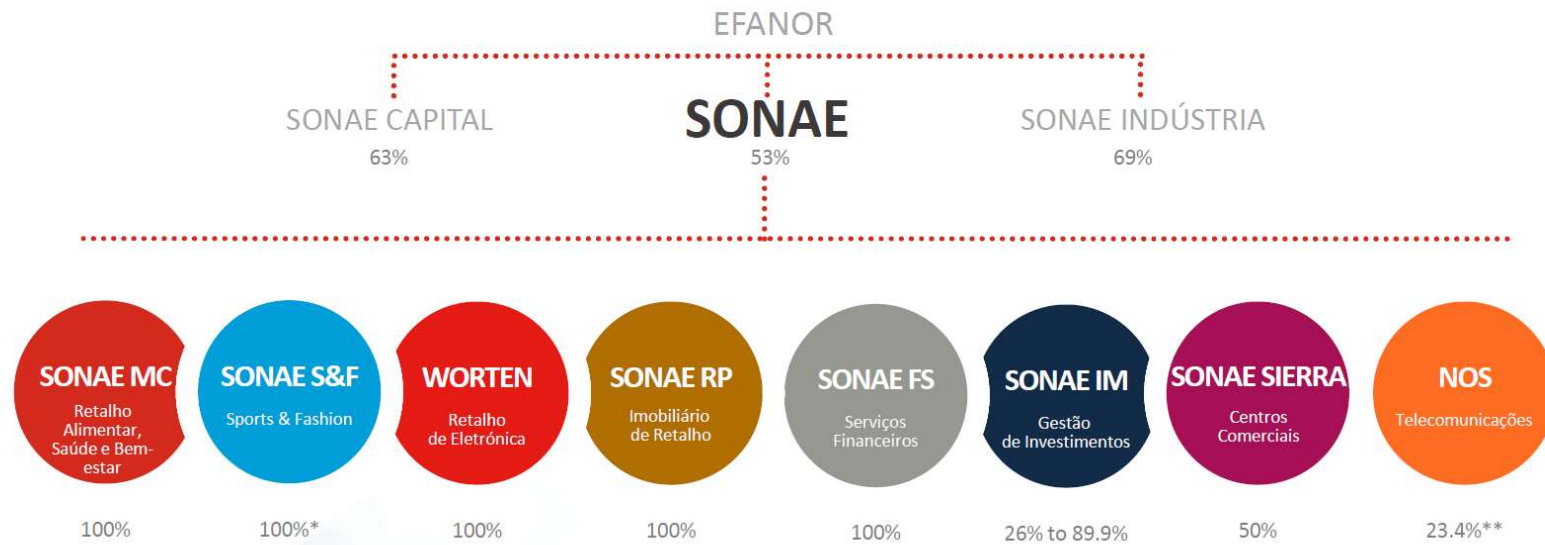


# indice

- **Sonae and SonaeMC**  
(Pedro Corte Real - Head of Supply Chain)
- **Waste vrs Shrink**  
(Tiago Marques – Process Expert)
- **Transformar-te = transform your self**  
(Pedro Lago – Head of Waste transformation)



\*Sportzone, uma das marcas da Sonae S&F, é parte do Iberian Sports Retail Group (a Sonae detém uma participação de 30%)  
\*\*Participação detida através do Sonae.com

## Sonae MC is the Leading Multi-format Omnichannel Food Retailer in Portugal

### Key highlights

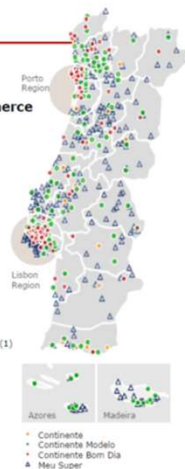
#### Positioning

- 1** in Food Retail  
 in Food Retail E-commerce  
 in Healthy Nutrition  
 in Para-Pharmacies

- 697 operated stores  
 >40% real estate ownership  
 >30k employees

- Turnover ~€4.1bn  
 EBITDA ~€303m (~7.5% margin)<sup>(1)</sup>

- 99% brand awareness<sup>(2)</sup>  
 85% loyalty card penetration in Portuguese households



### Food retail portfolio



**CONTINENTE** URBAN HYPERMARKETS

**CONTINENTE** *avaliado* LARGE SUPERMARKETS

**CONTINENTE** *Expresso* PROXIMITY SUPERMARKETS

**CONTINENTE** *on-line* E-COMMERCE

**Meu Super** PROXIMITY SUPERMARKETS (FRANCHISE)

### Adjacent formats



**well's** PARA-PHARMACIES (HEALTH, WELL-BEING AND EYE-CARE)

**OP** ORGANIC SUPERMARKETS AND RESTAURANTS

**BAGGA** COFFEE SHOPS

**note** STATIONERY, BOOKS AND GIFTS

**ZU** PET CARE AND VET SERVICES

**Maxmat** DIY RETAIL

Note: For the purpose of the potential IPO and for this document, Sonae MC business is now defined as: (i) the operation of food retail and adjacent formats (brands presented in this slide), operated directly or through franchise agreements (ii) ownership and management of related real estate properties, part of which is leased to third and related parties, as well as (iii) rendering back office services to related parties. Financial information relates to year ended 31 December 2017 and has been re-stated to reflect this perimeter. Financial information is preliminary, has not been audited and is subject to final confirmation (including capital gains).

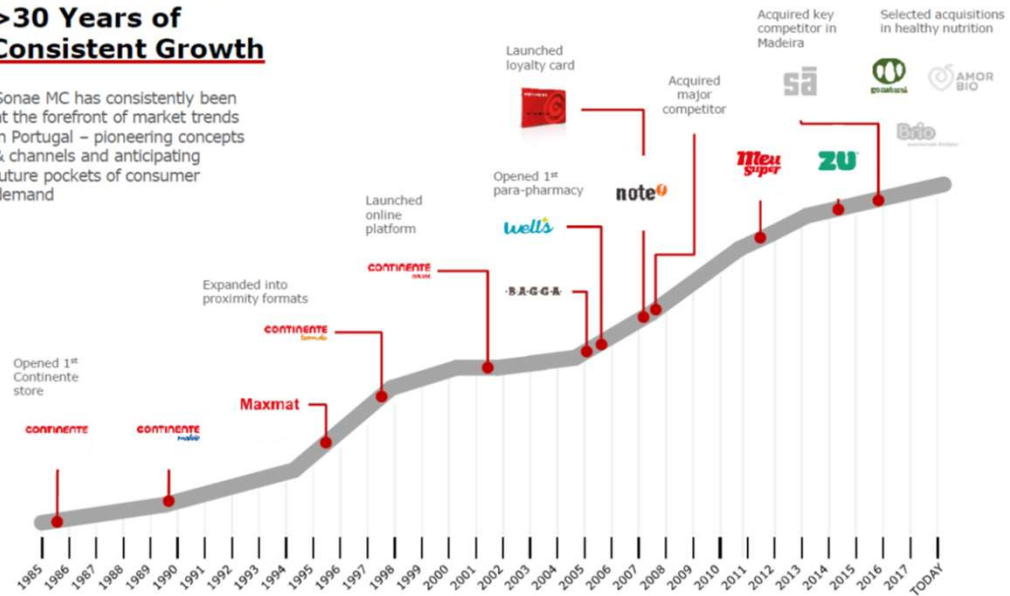
(1) Sonae MC's store data as of March 2018. Sonae MC has additional 344 franchised stores and 1 outlet store. Figure is underlying, as defined in page 15

(2) Based on study by Instituto de Marketing Research (IMR) on behalf of Sonae MC

Source: Company information, Planofataf P&G

## Track Record of >30 Years of Consistent Growth

Sonae MC has consistently been at the forefront of market trends in Portugal – pioneering concepts & channels and anticipating future pockets of consumer demand



### Key focus areas

**Large format supermarkets**  
+ Fine tuning of value proposition  
+ Operating model sophistication

**Adjacent formats**

Proximity, digital,  
health & wellness

Note: Vertical axis illustrates historical turnover evolution in Portugal.

## Our Logistics footprint is national with two main concentrations of warehouses



### Sonae's MC Warehouses

- 1 Maia:** complex with three warehouses operated by Sonae, divided by
  - Ambient temperature (mostly FMCG)
  - Refrigerated
  - FrozenTotal of 52.000 m<sup>2</sup> and an average of 620 FTEs  
Total of 88 M cases expedited per year, with a total of 8,5 M kms traveled by delivery transports  
Supplies the north of Portugal and islands
- 2 Carregado:** complex with three warehouses operated by Sonae, dedicated to non-food  
Total of 40.000 m<sup>2</sup> and an average of 140 FTEs, expediting a total of 15 M cases per year  
Supplies Portugal's total territory
- 3 Azambuja:** complex with three warehouses operated by Sonae (with the exception of frozen, that is subcontracted), divided by
  - Ambient temperature (mostly FMCG)
  - Refrigerated
  - FrozenTotal of 54.000 m<sup>2</sup> and an average of 460 FTEs (ambient and refrigerated),  
Total of 104 M cases expedited per year, with a total of 13 M kms traveled by delivery transports  
Supplies the south of Portugal



# We measure our supply chain costs across 5 metrics



Cost as a % of RNS, 2017, Hipers & Supers

**Overall Cost**  
Sonae's supply chain overall cost is calculated as the sum of 5 individual costs:  
- Store replenishment  
- Logistics  
- Shrinkage  
- Inventory  
- Out of stock

The total cost is valued as a % of Retail Net Sales (RNS) - sales deducted of direct and deferred discounts allowed

