

SONAE CAPITAL

**EARNINGS
ANNOUNCEMENT**

30 JUNE 2019



Since 1 January 2019, Sonae Capital information is subject to the application of IFRS 16, the new financial reporting standard on accounting of leases (using the modified retrospective approach).

In order to allow for a reliable analysis of Sonae Capital year-on-year evolution, we present the Profit and Loss Statement for 2Q18 and 1H18 in a pro-forma (PF) logic. Additionally, the Balance Sheet for December 2018 year-end is presented in accordance to the same logic.

SONAE CAPITAL



1. CEO'S MESSAGE AND HIGHLIGHTS

"The results we report today give evidence of the maintenance and, in some cases, the strengthening of the growth trend that Sonae Capital has been presenting.

On a consolidated view, the Business Units EBITDA increased 12.8% when compared to 1H18, backed by the majority of all businesses. I also highlight the positive evolution of the Business Units EBIT in the amount of 6.0%, and the Consolidated Net Results, with an improvement of 74.9%.

In Energy, the EBITDA delivered in the second quarter of the year was the highest since the beginning of 2018 and allowed us to reach a margin of 34%, 4.5pp above the same quarter of 2018. In Fitness, following the acquisition of the Urban Fit chain, we are in conditions to affirm ourselves as one of the market leaders. In Hospitality, we were able to increase the turnover and the EBITDA, both in the quarter as in the semester, which will allow facing with optimism the third quarter of the year, the most important of the year. I can't fail to mention the positive performance of the operations in Tróia, which benefited from an increase in the inflow on the Peninsula. In Refrigeration and HVAC, the EBITDA increased by 6.3%, despite the turnover decrease. In Adira, the financial performance remained below last year's, but the efforts we've been putting in the company's restructuring, particularly in the commercial team, are showing some signs of recovery, visible in the amount of orders in 2Q19, the highest of the past ten quarters.

In the Real Estate Assets unit, the sales deeds reached 11.9M€ in the first half of the year, and the total amount of Reserves and PPSAs exceeded 44M€. I believe that we are on the right track to finish another year of strong Real Estate Assets sales. Net financial debt stood at 144.7M€ at the end of June 2019. We maintain an adequate capital structure, notwithstanding the investment, at 22.1M€ and the dividend distribution, in the amount of 18.5M€, which took place in May 2019.

We have an increasingly robust portfolio management model, which relies on the active management of a diverse set of businesses in constant evolution, and we will continue to strive to implement our strategy throughout 2019, creating sustainable economic and social value."

Miguel Gil Mata

- Business Units EBITDA increasing by 12.8% in 1H19, to 14,5M€, fueled by a strong growth of 16.2% in 2Q19:
 - Energy maintaining strong turnover and EBITDA performance (+10.9% and +15.6%, respectively);
 - Fitness with +5 clubs versus 2018 year-end, raising average number of active members to more than 104 thousand;
 - Hospitality increasing turnover and EBITDA by 12.0% and 11.8%, respectively, in 1H19;
 - Operations in Tróia Resort showing positive EBITDA in 1H19.
- Real Estate Assets Unit fulfilling, with merit, the financing of the company's corporate strategy:
 - Tróia Resort residential touristic units: 16 sales deeds at the date of this report, corresponding to 7.2M€, coupled with 15 PPSAs/Reserves totalling 8.5M€;
 - Other Real Estate Assets: sales deeds in the amount of 5.1M€ and PPSAs in the amount of 35.9M€ (including the PPSA of UNOP 3).
- Business Units positive evolution trend supporting the increase of Continued Businesses Net Profit (Δ of 6.8M€), and the increase of Net Results (Δ of 8.6M€);
- Net Results in the amount of 2.2M in 2Q19, improving 5.0M€ when compared to 2Q18;
- Consolidated FCF negative at 23.8M€, notwithstanding the significant CAPEX (22.1M€) and dividends distributed (18.5M€). As a consequence, Net Financial Debt of 144.7M€ at the end of June 2019 (Net Debt of 206.4M€);
- Maintenance of an adequate capital structure: Net Financial Debt / EBITDA at 2.9x and LTV at 26.1%.

2. OVERALL PERFORMANCE

Consolidated Profit and Loss Statement						
Million euro	2Q 2019	2Q 2018 PF	Δ 19/18	1H 2019	1H 2018 PF	Δ 19/18
Turnover						
Business Units	44.87	45.69	-1.8%	84.00	84.76	-0.9%
Energy	14.31	13.64	+4.9%	28.33	25.55	+10.9%
Industrial Engineering	1.49	3.03	-50.8%	4.07	6.36	-36.0%
Fitness	10.12	8.80	+15.1%	20.15	17.74	+13.6%
Hospitality	7.34	6.39	+15.0%	10.36	9.25	+12.0%
Refrigeration & HVAC	8.64	11.27	-23.3%	16.60	22.06	-24.7%
Troia Resort - Operations	2.96	2.55	+16.3%	4.50	3.81	+18.0%
Real Estate Assets	11.46	6.14	+86.7%	16.09	10.68	+50.6%
Troia Resort	5.79	3.72	+55.6%	8.94	6.59	+35.7%
Other Real Estate Assets	5.67	2.42	>100%	7.15	4.09	+74.7%
Eliminations & Adjustments	-2.45	-1.60	-53.5%	-4.32	-2.89	-49.4%
Consolidated Turnover	53.88	50.23	+7.3%	95.78	92.55	+3.5%
Other Operational Income	0.71	1.18	-39.9%	1.48	1.81	-18.3%
Total Operational Income	54.59	51.42	+6.2%	97.25	94.36	+3.1%
EBITDA						
Business Units	9.61	8.27	+16.2%	14.51	12.87	+12.8%
Energy	4.87	4.03	+20.7%	8.47	7.33	+15.6%
Industrial Engineering	-0.95	-0.26	<-100%	-1.61	-0.48	<-100%
Fitness	3.03	2.97	+1.8%	6.25	5.58	+12.0%
Hospitality	2.05	1.54	+33.1%	1.19	1.06	+11.8%
Refrigeration & HVAC	0.27	0.21	+24.1%	0.20	0.19	+6.3%
Troia Resort - Operations	0.35	-0.23	-	0.02	-0.82	-
Real Estate Assets	4.93	0.02	>100%	5.76	0.60	>100%
Troia Resort	1.19	-0.91	-	1.21	-0.98	-
Other Real Estate Assets	3.74	0.93	>100%	4.54	1.58	>100%
Eliminations & Adjustments	-1.84	-1.65	-11.1%	-3.66	-2.96	-23.5%
Consolidated EBITDA	12.70	6.63	+91.5%	16.61	10.51	+58.0%
Amortizations & Depreciations	8.30	7.22	+15.0%	15.77	14.57	+8.3%
Provisions & Impairment Losses	0.02	-0.05	-	0.00	0.08	-97.5%
Recurrent EBIT						
Business Units	2.12	2.18	-2.7%	0.41	0.38	+6.0%
Energy	1.71	1.73	-1.1%	3.00	2.58	+16.2%
Industrial Engineering	-1.16	-0.50	<-100%	-2.04	-0.96	<-100%
Fitness	0.82	0.96	-15.3%	1.84	1.31	+40.7%
Hospitality	0.80	0.63	+27.8%	-1.30	-0.75	-72.9%
Refrigeration & HVAC	0.11	0.14	-18.0%	-0.10	0.05	-
Troia Resort - Operations	-0.16	-0.77	+79.8%	-1.00	-1.85	+45.9%
Real Estate Assets	3.19	-1.79	-	2.31	-2.94	-
Eliminations & Adjustments	-0.93	-0.92	-0.9%	-1.88	-1.59	-18.3%
Consolidated Recurrent EBIT	4.38	-0.53	-	0.84	-4.14	-
Non-recurrent costs/income (1)	0.06	0.04	+29.8%	0.08	0.72	-89.2%
Consolidated EBIT	4.33	-0.58	-	0.76	-4.86	-
Net Financial Expenses	-1.68	-1.97	+14.6%	-3.75	-4.16	+10.0%
Investment Income and Results from Assoc. Undertakings	0.00	0.02	-84.3%	0.47	0.22	>100%
EBT	2.65	-2.53	-	-2.52	-8.80	+71.4%
Taxes	0.31	0.29	+6.9%	0.17	0.66	-74.1%
Net Profit - Continued Businesses	2.34	-2.81	-	-2.69	-9.46	+71.6%
Net Profit - Discontinued Businesses	-0.16	-0.02	<-100%	-0.20	-2.05	+90.4%
Net Profit - Total	2.18	-2.84	-	-2.89	-11.51	+74.9%
Attributable to Equity Holders of Sonae Capital	1.98	-3.09	-	-3.29	-11.37	+71.1%
Attributable to Non-Controlling Interests	0.19	0.27	-27.7%	0.40	-0.13	-

(1) Non-recurrent items mainly related to restructuring costs and one-off income

- The Business Units turnover reached 84.0M€, a decrease of 0.9% when compared to 1H18, due to the performance of Industrial Engineering and Refrigeration & HVAC segments. This line has positively benefited from the performance of Energy, Fitness, Hospitality and Tróia Operations. In the same period, the Real Estate Assets turnover increased by 50.6%, to 16.1M€.
- The Business Units EBITDA grew to 14.5M€ in 1H19, 12.8% above 1H18, showing an EBITDA margin of 17.3%, 2.1pp above 1H18. The Real Estate Assets EBITDA increased materialy, from 0.6M€ in 1H18, to 5.8M€ in 1H19.
- Continued Businesses Net Profit increased by 6.8M€ when compared to 1H18, totaling negative 2.7M€. This evolution benefited from:
 - (i) a Consolidated EBITDA increase of 6.1M€;
 - (ii) a lower level of Non-Recurrent Costs (as the results in 2018 were impacted by the recognition of Non-Recurrent costs related to the RACE operation in Brazil); and,
 - (iii) an increase of 0.4M€ in Net financial Results;

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(iv) notwithstanding the higher Amortizations and Depreciations, in the amount of 1.2M€ (0.5M€ referred to IFRS 16 Amortizations and 0.7M€ driven by the investment plan in place, namely in the Energy segment).

- Driven by the evolution of Net Profit (in continued and discontinued businesses), Consolidated Net Profit improved by 8.6M€ in 1H19 and reached negative 2.9M€.
- On a quarterly basis, Continued Businesses Net Profit was positive and reached 2.3M€ in 2Q19, 5.1M€ above 2Q18. Net Results were also positive and stood at 2.2M€, 5.0M€ above 2Q18.

2.1 CAPITAL STRUCTURE

Capital Structure/Capex/Ratios			
Million euro	Jun 2019	Dec 2018 PF	Δ 19/18
Net Capital Employed	442.49	438.74	+0.9%
Fixed Assets	384.39	379.91	+1.2%
o.w. Rights of Use (IFRS16)	49.99	50.93	-1.8%
Non-Current Investments (net)	14.64	15.17	-3.5%
Working Capital	43.46	43.66	-0.5%
Capex (end of period)	22.14	32.62	-32.1%
% Fixed Assets	8.9%	8.6%	+0.3 pp
CAPEX (L12M) / Depreciations	1.82x	1.34x	0.48x
Net Debt			
Financial Net Debt	144.72	119.78	+20.8%
Net Debt Total	206.42	181.67	+13.6%
% Net Capital Employed	46.6%	41.4%	+5.2 pp
Debt to Equity	87.4%	70.7%	+16.8 pp
Capital Structure Ratios			
Loan to Value (Real Estate Assets)	26.1%	21.1%	+5.0 pp
Net Debt/EBITDA (recurrent without IFRS16)	2.85x	2.49x	+0.36x
Net Debt/EBITDA (recurrent with IFRS16)	3.49x	3.49x	(0.0x)

- Capex totaled 22.1M€ in 1H19, mostly driven by the Energy segment, namely on the back of the biomass-fuelled cogeneration project development (with an investment of 11.7M€), as well as the investment made in the Fitness segment, which includes the acquisition of Urban Fit chain (for a net amount of 3.4M€);
- Net Debt stood at 206.4M€ at the end of June 2019. Net Financial Debt reached 144.7M€ in the same period, registering an increase of 24.9M€ when compared to the end of 2018, a typical seasonality effect on the first half of the year, nonetheless below the increase registered one year ago (in the amount of 35M€). Net Debt was also impacted by dividend distribution, in the amount of 18.5M€, on May 2019;
- We maintain an adequate capital structure when considering the Group's portfolio of businesses and Real Estate Assets held: with Net Financial Debt to EBITDA of 2.9x and LTV of 26.1%, both slightly above the figures reported in 2018 year-end.

3. BUSINESS UNITS

3.1 ENERGY



Operational and Financial Information - Energy						
Million euro	2Q 2019	2Q 2018 PF	Δ 19/18	1H 2019	1H 2018 PF	Δ 19/18
Total Operational Income	14.37	14.06	+2.3%	28.40	26.17	+8.5%
Turnover	14.31	13.64	+4.9%	28.33	25.55	+10.9%
Other Operational Income	0.07	0.41	-83.5%	0.08	0.62	-87.6%
Total Operational Costs	9.51	10.03	-5.2%	19.93	18.84	+5.8%
Cost of Goods Sold	6.78	7.12	-4.8%	14.53	13.35	+8.9%
External Supplies and Services	1.53	1.44	+6.6%	3.07	2.84	+8.1%
Staff Costs	0.94	0.75	+26.4%	1.81	1.51	+19.3%
Other Operational Expenses	0.25	0.72	-64.7%	0.52	1.14	-54.0%
EBITDA	4.87	4.03	+20.7%	8.47	7.33	+15.6%
<i>EBITDA Margin (% Turnover)</i>	34.0%	29.5%	+4.5 pp	29.9%	28.7%	+1.2 pp
Depreciations IFRS16	0.12	0.10	+14.6%	0.24	0.21	+14.8%
Amortizations & Depreciations	3.04	2.20	+38.2%	5.23	4.54	+15.2%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	1.71	1.73	-1.1%	3.00	2.58	+16.2%
<i>Recurrent EBIT Margin (% Turnover)</i>	12.0%	12.7%	-0.7 pp	10.6%	10.1%	+0.5 pp
Capex	2.34	1.57	+49.0%	12.70	7.15	+77.5%
EBITDA-Capex	2.53	2.46	+2.7%	-4.23	0.17	-
Total Capacity (MW)	79.7	76.5	+4.2%	79.7	76.5	+4.2%
Owned & Operated	63.9	62.3	+2.6%	63.9	62.3	+2.6%
Operated (not consolidated)	3.2	3.2	+0.0%	3.2	3.2	+0.0%
Projects in progress (MW)	12.6	11.0	+14.5%	12.6	11.0	+14.5%

- Energy turnover reached 28.3M€ in 1H19, increasing by 10.9% when compared to 1H18. This evolution benefited from the Renewables operation, driven by the increased availability of the solar resource in all projects in operation, and also by the Cogeneration operation, which had a positive y.o.y. evolution both in volume and price.
- The EBITDA reached 8.5M€, performing a growth of 15.6% y.o.y.. The EBITDA margin stood at 29.9%, 1.2pp above 1H18. It should be noted that the EBITDA in 2019 continued negatively affected by the significant increase in the price of CO2 licences versus 2018.
- Recurrent EBIT increased by 16.2%, from 2.6M€ to 3.0M€.
- The CAPEX amounted to 12.7M€, almost entirely due to the ongoing development in the biomass-fuelled cogeneration plant, which stood at 11.7M€ in 1H19 and is progressing as planned. This project, which will start operating in 2020, will ensure a material and stable flow of cash throughout 25 years (the feed-in tariff period) and is currently CapWatt's most significant project in terms of investment.
- Presently, almost all the projects of this segment operate in the regulated market. The first project to be carried over the free market corresponds to 10MW (solar energy), which should take place in 2H21.
- To date, CapWatt has projects under development with a capacity of 12.6MW, 10MW in the biomass-fired cogeneration plant, 2.0MW in Cogeneration and 0.6MW in Renewables, namely in photovoltaic self-consumption units.
- Already in July 2019, CapWatt took the first steps to acquire 100% of the share capital of Futura Energía Inversiones, S.L., a company based in Spain. This acquisition is part of the growth strategy of the Energy segment and aims to complement its activity, positioning CapWatt as a promoter of integrated Energy solutions, enhancing its capabilities in the sourcing of natural gas and emission allowances and, especially, in the placement of the electric energy produced in a scenario post feed-in tariffs.

3.2 INDUSTRIAL ENGINEERING



Operational and Financial Information - Industrial Engineering						
Million euro	2Q 2019	2Q 2018 PF	Δ 19/18	1H 2019	1H 2018 PF	Δ 19/18
Total Operational Income	1.69	3.17	-46.7%	4.46	6.62	-32.7%
Turnover	1.49	3.03	-50.8%	4.07	6.36	-36.0%
Other Operational Income	0.20	0.14	+39.9%	0.38	0.27	+45.1%
Total Operational Costs	2.64	3.43	-23.2%	6.06	7.10	-14.5%
Cost of Goods Sold	1.09	1.82	-40.1%	2.74	4.01	-31.8%
External Supplies and Services	0.64	0.56	+13.8%	1.19	0.93	+27.9%
Staff Costs	0.85	0.94	-9.8%	1.85	1.90	-2.5%
Other Operational Expenses	0.06	0.11	-47.2%	0.29	0.26	+13.0%
EBITDA	-0.95	-0.26	<-100%	-1.61	-0.48	<-100%
<i>EBITDA Margin (% Turnover)</i>	-63.5%	-8.5%	-55.0 pp	-39.5%	-7.5%	-32.0 pp
Depreciations IFRS16	0.01	0.01	-8.1%	0.02	0.02	-1.8%
Amortizations & Depreciations	0.20	0.23	-12.1%	0.41	0.46	-11.3%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	-1.16	-0.50	<-100%	-2.04	-0.96	<-100%
<i>Recurrent EBIT Margin (% Turnover)</i>	-77.8%	-16.5%	-61.3 pp	-50.0%	-15.0%	-35.0 pp
Capex	0.23	0.19	+21.1%	0.44	0.44	+0.0%
EBITDA-Capex	-1.18	-0.45	<-100%	-2.05	-0.92	<-100%

- The 1H19 results reflect Adira's ongoing restructuring process, which started in 2018, largely based on a new commercial approach, after-sales and customer satisfaction areas.
- Due to a level of orders below the company's potential, both in 4Q18 and in the beginning of 2019, Adira registered a Turnover of 4.1M€ and a negative EBITDA of 1.6M€. However, the level of orders witnessed since March 2019, consistently above the previous year, allows us to anticipate a more favorable evolution in the second half of the year, both in turnover and profitability.
- During the second quarter of 2019, Adira re-established a network of Agents in Spain, a necessary condition to exploit a market of great potential that had been neglected.

3.3 FITNESS



Operational and Financial Information - Fitness						
Million euro	2Q 2019	2Q 2018 PF	Δ 19/18	1H 2019	1H 2018 PF	Δ 19/18
Total Operational Income	10.23	9.15	+11.8%	20.32	18.15	+12.0%
Turnover	10.12	8.80	+15.1%	20.15	17.74	+13.6%
Other Operational Income	0.10	0.36	-70.6%	0.17	0.41	-57.8%
Total Operational Costs	7.20	6.18	+16.5%	14.07	12.57	+12.0%
Cost of Goods Sold	0.04	0.03	+22.7%	0.09	0.09	-1.8%
External Supplies and Services	3.41	3.02	+12.8%	6.69	6.20	+7.9%
Staff Costs	3.07	2.80	+9.8%	6.09	5.52	+10.4%
Other Operational Expenses	0.68	0.33	>100%	1.21	0.76	+58.0%
EBITDA	3.03	2.97	+1.8%	6.25	5.58	+12.0%
<i>EBITDA Margin (% Turnover)</i>	29.9%	33.8%	-3.9 pp	31.0%	31.5%	-0.4 pp
Depreciations IFRS16	1.39	1.27	+9.6%	2.76	2.52	+9.4%
Amortizations & Depreciations	0.82	0.74	+10.6%	1.64	1.48	+10.7%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.26	-
Recurrent EBIT	0.82	0.96	-15.3%	1.84	1.31	+40.7%
<i>Recurrent EBIT Margin (% Turnover)</i>	8.1%	11.0%	-2.9 pp	9.2%	7.4%	+1.8 pp
Capex	5.70	1.25	>100%	5.80	10.83	-46.4%
EBITDA-Capex	-2.67	1.72	-	0.45	-5.25	-
# Average number of active members	104 468	84 722	23.3%	104 468	84 722	23.3%
# Clubs in Operation	35	29	+6	35	29	+6

- In the 1H19, the Fitness segment continued its growth path, leveraged on the opening of new clubs and acquisitions through a multi-segment and multi-brand model. Accordingly, including the opening of Pump club in Seixal (in 2Q19), and the acquisition of Urban Fit chain, with 4 clubs in operation (in June 2019), the total number of Clubs reached 35 clubs.
- The average number of active members surpassed the 100 thousand threshold and reached 104,468 in 1H19, a growth of 23.3% y.o.y.. Apart from the contribution of the Urban Fit chain, the average number of active members benefited from the positive performance of Solinca and Pump operations.
- In 1H19, Turnover increased by 13.6%, to 20.2M€, as a result of Solinca and Pump positive performance. Regarding the average monthly fee, it has increased by 6% on a comparable basis. The results of Urban Fit chain are consolidated since 1 June 2019, having a contribution for turnover and EBITDA in the amount of 301 thousand euros and 14 thousand euros, respectively.

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- The EBITDA stood at 6.3M€ in 1H19, which compares with 5.6M€ in 1H18, a growth of 12.0% y.o.y..
- The Recurrent EBIT increased from 1.3M€ in 1H18, to 1.8M€ in 1H19, showing a growth of 40.7% y.o.y.. The EBIT margin stood at 9.2% in 1H19, 1.8pp above 1H18.
- On a quarterly basis, it should be noted that the EBITDA in 2Q18 was positively impacted by a one-off effect in the amount of approximately 0.3M€ (reverted in 4Q18), which affects the comparison with 2Q19.

3.4 HOSPITALITY



Operational and Financial Information - Hospitality							
Million euro	2Q 2019	2Q 2018 PF	Δ 19/18	1H 2019	1H 2018 PF	Δ 19/18	
Total Operational Income	7.37	6.52	+13.1%	10.48	9.50	+10.3%	
Turnover	7.34	6.39	+15.0%	10.36	9.25	+12.0%	
Other Operational Income	0.03	0.13	-79.8%	0.12	0.25	-53.1%	
Total Operational Costs	5.32	4.98	+6.9%	9.29	8.43	+10.1%	
Cost of Goods Sold	0.87	0.20	>100%	1.29	0.71	+82.2%	
External Supplies and Services	2.20	2.78	-20.8%	3.85	4.17	-7.6%	
Staff Costs	1.97	1.80	+9.5%	3.62	3.18	+13.7%	
Other Operational Expenses	0.28	0.20	+42.3%	0.52	0.37	+40.5%	
EBITDA	2.05	1.54	+33.1%	1.19	1.06	+11.8%	
<i>EBITDA Margin (% Turnover)</i>	27.9%	24.1%	+3.8 pp	11.5%	11.5%	-0.0 pp	
Depreciations IFRS16	1.09	0.81	+35.1%	2.17	1.61	+34.9%	
Amortizations & Depreciations	0.16	0.11	+48.9%	0.32	0.21	+54.9%	
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-	
Recurrent EBIT	0.80	0.63	+27.8%	-1.30	-0.75	-72.9%	
<i>Recurrent EBIT Margin (% Turnover)</i>	10.9%	9.8%	+1.1 pp	-12.6%	-8.1%	-4.4 pp	
Capex	0.38	0.37	+2.7%	0.50	0.52	-2.9%	
EBITDA-Capex	1.67	1.17	+42.7%	0.69	0.55	+25.6%	
# Units	6	5	+1	6	5	+1	

- Since 1 January 2019, the Hospitality segment includes the contribution of the Aqualuz Lagos operation, now counting with a portfolio of six Hotel units. In 1H19, the Aqualuz Lagos operation registered a turnover of 968 thousand euros and a negative EBITDA of 21 thousand euros, which reflects the natural seasonality of the business, where in general the positive performance begins to stand out at the end of the second quarter of the year. In fact, the information gathered about the 3Q19 performance so far, allows us to anticipate a favorable backdrop for the Hotel operation throughout 2019.
- Notwithstanding the RevPar increase in the amount of 2.3% in 2Q19, RevPar in 1H19 decreased marginally when compared to 1H18, due to the 1Q19 performance, as reported.
- The EBITDA increased by 11.8% y.o.y., to 1.2M€, consequence of the growing profitability of the operations, not only in Porto, but also in Tróia Peninsula. It should be noted that, on a comparable basis, i.e. excluding the impact of Aqualuz Lagos operation, the segment's turnover and EBITDA would still increase.
- On a quarterly basis, Recurrent EBIT stood at 0.8M€ in 2Q19, 27.8% above 2Q18. The EBIT margin increased by 1.1pp, reaching 10.9% in 2Q19.
- The CAPEX reached 380 thousand euros in 1H19, essentially due to the refurbishment of Porto Palácio Hotel and the beginning of the Santa Apolónia Railway Station project, in Lisbon.

3.5 REFRIGERATION & HVAC



Operational and Financial Information - Refrigeration & HVAC						
Million euro	2Q 2019	2Q 2018 PF	Δ 19/18	1H 2019	1H 2018 PF	Δ 19/18
Total Operational Income	8.66	11.32	-23.5%	16.66	22.13	-24.7%
Turnover	8.64	11.27	-23.3%	16.60	22.06	-24.7%
Other Operational Income	0.02	0.05	-57.0%	0.06	0.07	-16.9%
Total Operational Costs	8.40	11.11	-24.4%	16.46	21.94	-25.0%
Cost of Goods Sold	4.04	6.29	-35.8%	7.44	11.46	-35.1%
External Supplies and Services	2.05	2.55	-19.6%	4.37	5.98	-26.8%
Staff Costs	2.22	2.24	-1.0%	4.42	4.34	+1.8%
Other Operational Expenses	0.09	0.02	>100%	0.23	0.16	+44.2%
EBITDA	0.27	0.21	+24.1%	0.20	0.19	+6.3%
<i>EBITDA Margin (% Turnover)</i>	3.1%	1.9%	+1.2 pp	1.2%	0.9%	+0.4 pp
Depreciations IFRS16	0.14	0.06	>100%	0.26	0.11	>100%
Amortizations & Depreciations	0.02	0.02	+5.6%	0.03	0.03	+9.2%
Provisions & Impairment Losses	0.00	0.00	-	0.00	0.00	-
Recurrent EBIT	0.11	0.14	-18.0%	-0.10	0.05	-
<i>Recurrent EBIT Margin (% Turnover)</i>	1.3%	1.2%	+0.1 pp	-0.6%	0.2%	-0.8 pp
Capex	0.07	-0.01	-	0.13	0.09	+38.3%
EBITDA-Capex	0.20	0.22	-12.7%	0.07	0.09	-25.8%
Orders backlog	20.2	21.1	-4.3%	20.2	21.1	-4.3%

- Turnover totaled 16.6M€ in 1H19, 24.7% below 1H18. This was driven by a delay in a group of Refrigeration projects, as well as by a reduction in HVAC activity, an outcome of our strategy for the business, which focuses on projects of greater value and complexity, where our contribution is better perceived.
- The EBITDA reached 0.2M€, registering an increase of 6.3% versus 1H18. Despite the turnover decrease, the EBITDA evolution is due to our greater focus on Refrigeration, coupled with an improvement in HVAC, driven by our strategy of focusing on more profitable projects.
- The Recurrent EBIT reached negative 0.1M€, which compares with 0.1M€ in 1H19.
- It should be noted that Refrigeration & HVAC orders backlog amounts to 20.2M€, representing roughly 5.1 months of turnover.

3.6 TROIA RESORT - OPERATIONS

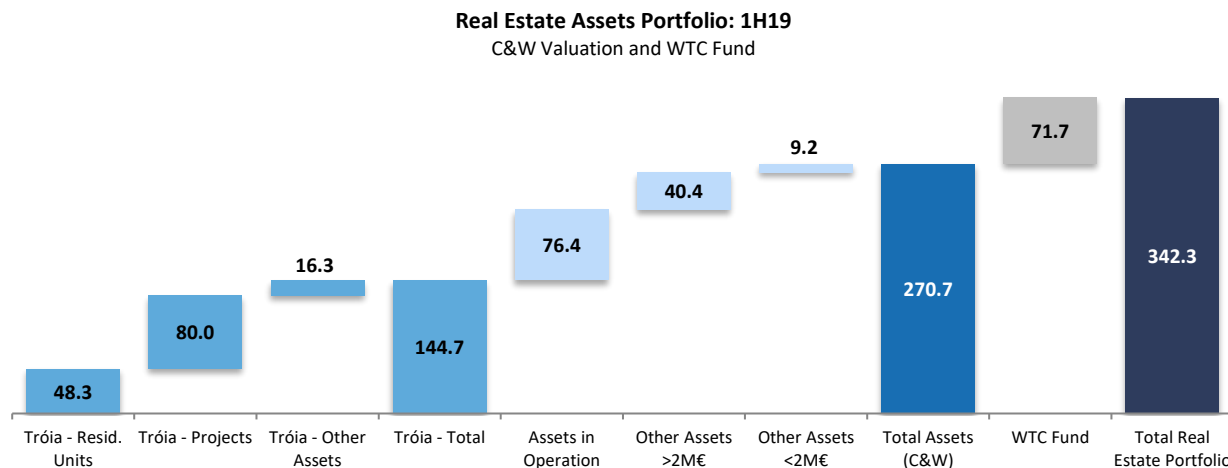


Operational and Financial Information - Troia Resort Operations						
Million euro	2Q 2019	2Q 2018 PF	Δ 19/18	1H 2019	1H 2018 PF	Δ 19/18
Total Operational Income	3.13	2.65	+18.3%	4.83	4.03	+19.9%
Turnover	2.96	2.55	+16.3%	4.50	3.80	+18.3%
Other Operational Income	0.17	0.09	+76.5%	0.33	0.23	+45.9%
Total Operational Costs	2.78	2.87	-3.4%	4.81	4.85	-0.7%
Cost of Goods Sold	0.32	0.25	+26.8%	0.41	0.33	+24.8%
External Supplies and Services	1.35	1.54	-12.1%	2.33	2.51	-7.2%
Staff Costs	0.97	0.85	+14.6%	1.77	1.60	+10.6%
Other Operational Expenses	0.13	0.23	-43.9%	0.30	0.41	-26.1%
EBITDA	0.35	-0.23	-	0.02	-0.82	-
<i>EBITDA Margin (% Turnover)</i>	11.9%	-9.0%	+20.8 pp	0.4%	-21.5%	+22.0 pp
Depreciations IFRS16	0.05	0.04	+3.3%	0.09	0.09	+3.3%
Amortizations & Depreciations	0.46	0.50	-7.6%	0.93	0.95	-2.3%
Provisions & Impairment Losses	0.00	0.00	-	0.00	-0.01	-
Recurrent EBIT	-0.16	-0.77	+79.8%	-1.00	-1.85	+45.9%
<i>Recurrent EBIT Margin (% Turnover)</i>	-5.3%	-30.4%	+25.1 pp	-22.2%	-48.6%	+26.4 pp
Capex	0.58	0.21	>100%	0.71	0.25	>100%
EBITDA-Capex	-0.23	-0.44	+47.9%	-0.69	-1.07	+35.3%

- The operations in Tróia Resort includes Atlantic Ferries river transportation and operations such as Tróia Marina, Tróia Market and the Golf course.
- Turnover generated by the operations in Tróia Resort reached 4.5M€ in 1H19, 18.3% above 1H18. The EBITDA stood at 0.02M€, showing a substantial increase versus the negative 0.8M€ registered in 1H18. Since the beginning of 2019, the performance of Atlantic Ferries, which registered a larger number of travellers and traffic of vehicles, has been one of the major drivers of the segment's performance.
- The CAPEX stood at 0.7M€ and resulted from investments made in Atlantic Ferries operation, as well as in some refurbishment works in the Marina of Tróia and the Beach.

4. REAL ESTATE ASSETS

On 30 June 2019, the value of Sonae Capital Real Estate Assets portfolio stood at 342.3M€, including the Real Estate Assets valued by Cushman & Wakefield (C&W), in the amount of 270.7M€, and the WTC Fund, with a market value of 71.7M€.



On the same date, the capital employed in this group of Real Estate Assets, excluding touristic residential units in Tróia and the WTC Fund, stood at 146.0M€. This value compares with a C&W valuation of 222.4M€.

4.1 TROIA RESORT



This segment includes, in the Peninsula of Tróia, developed touristic residential units for sale, as well as plots for construction. Out of 546 touristic residential units developed, we had 71 units available for sale at the date of this report (considering Reserves and PPSAs).

The turnover reached 8,9M€ in 1H19, showing an increase of 35.7% y.o.y., on the back of the following contributions:

- 15 sales deeds, corresponding to 6.8M€, which compare with 14 sales deeds in the amount of 5.4M€ in 1H18. Out of the 15 sales deeds reported, 7 were made under the guaranteed income product.
- Rents related to the assets in operation (Hotels, Tróia Shopping, Car parking lots, Touristic Units in operation), for 1.4M€.

Already in 3Q19 and up to the date of this report, we signed one additional sales deed (in the amount of 0.4M€) and there are still in stock 15 promissory purchase and sale agreements and reserves totalling 8.5M€. It should be noted that the PPSA of UNOP 3, for 20M€, which was signed in 2Q18, is not yet reflected in the results. We expect the sales deed to take place up to the end of 2019.

4.2 OTHER ASSETS

The Other Real Estate Assets unit registered a turnover of 7.2€ in 1H19. This includes the rents received from assets under management, as well as sales deeds in the amount of 5.1M€. Currently, the global amount of PPSAs is 15.9M€, and includes the “Metropolis Building” (6.3M€), the “Santarém Allotment” (1.5M€) – as disclosed on 1Q19 Results, and also the “Country Club Maia” (8.0M€), whose PPSA was signed already on July 2019.

5. BALANCE SHEET

Consolidated Balance Sheet			
Million euro	Jun 2019	Dec 2018 PF	Δ 19/18
Total Assets	564.42	552.86	+2.1%
Tangible and Intangible Assets	327.75	327.89	-0.0%
o.w. Rights of Use (IFRS16)	49.99	50.93	-1.8%
Goodwill	56.63	52.02	+8.9%
Non-Current Investments	2.11	2.29	-8.0%
Other Non-Current Assets	32.86	35.20	-6.7%
Stocks	60.34	63.26	-4.6%
Trade Debtors and Other Current Assets	60.24	63.96	-5.8%
Cash and Cash Equivalents	23.83	7.56	>100%
Assets held for sale	0.65	0.67	-3.4%
Total Equity	236.07	257.06	-8.2%
Total Equity attributable to Equity Holders of Sonae Capital	226.34	247.62	-8.6%
Total Equity attributable to Non-Controlling Interests	9.73	9.44	+3.1%
Total Liabilities	328.34	295.79	+11.0%
Non-Current Liabilities	155.06	127.20	+21.9%
Non-Current Borrowings	90.12	59.43	+51.6%
Non-Current Borrowings - IFRS16	47.76	50.39	-5.2%
Deferred Tax Liabilities	12.78	12.98	-1.6%
Other Non-Current Liabilities	4.40	4.39	+0.2%
Current Liabilities	173.28	168.60	+2.8%
Current Borrowings	78.43	67.91	+15.5%
Current Borrowings - IFRS16	13.94	11.50	+21.2%
Trade Creditors and Other Current Liabilities	77.12	83.57	-7.7%
Liabilities associated to assets held for sale	3.79	5.62	-32.5%
Total Equity and Liabilities	564.42	552.86	+2.1%

6. CORPORATE INFORMATION

6.1 CORPORATE INFORMATION IN 2Q19

On 8 April, 2019, Sonae Capital informed about the qualifying holding of FundPartner Solutions, representing 5.6% of its share capital.

On 22 April, 2019, Sonae Capital completed the sales deed of Crotália Project, in the amount of 4.0 million euros, generating a margin of 2.9M€.

On 29 April, 2019, on Sonae Capital Annual General Shareholders meeting, the Shareholders approved all the Proposals included in the Agenda, including, in particular, the increase in the number of members of the Board of Directors for the current mandate, from seven to nine members, including Mrs. Isabel Maria Pereira Aníbal Vaz and Mr. Pedro Manuel Martins Bruno. On the same day, the Board of Directors decided to elect Mr. Pedro Manuel Martins Bruno for the Executive Committee of Sonae Capital.

On 6 May, 2019, Sonae Capital disclosed that the Dividends related to Sonae Capital 2018 Results would be made available to Shareholders on 27 May, 2019. The Proposal for the Application of Results, which was approved at the Shareholders Annual General Meeting, included the distribution of a gross dividend amounting to 0.0740 euros per share.

On 15 May, 2019, as part of the strategy to increase the number of clubs in the Fitness segment, Sonae Capital reached an agreement to acquire the Urban Fit chain, which operates 4 Clubs in the metropolitan area of Porto: Vila Nova de Gaia, Maia, Porto (Foz) and Ermesinde. The acquisition was formalised on 19 June, 2019.

6.2 SUBSEQUENT EVENTS

On 1 July, 2019, Sonae Capital informed that its subsidiary, CapWatt, SGPS, S.A. submitted a binding offer for the acquisition of 100% of the share capital of Futura Energía Inversiones, S.L. and its subsidiaries. This acquisition is part of Sonae Capital's Energy segment growth strategy, and aims to improve its competences in the: (i) sourcing of natural gas and carbon emissions rights, and (ii) sale of the electric energy produced, in a scenario post feed-in tariffs. The EV of this operation amounts to 4.5M€, of which 2.8M€ will be paid in the time of the completion of the transaction and the remainder will be deferred for a period of three years, depending on a group of predefined KPIs.

7. METHODOLOGICAL NOTES

The consolidated financial information presented in this report is not audited and has been prepared in accordance with the International Financial Reporting Standards ("IAS / IFRS"), issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union.

With the aim of continuing to provide the best financial information not only at the Consolidated level, but also, at each Business Unit level and aligning with the best market practices, the international operations (Mozambique and Brazil) of the Refrigeration & HVAC segment are considered as assets held for sale and therefore their contribution to the consolidated results is recognised as a discontinued operation.

GLOSSARY

CAPEX	Investment in Tangible and Intangible Assets
EBITDA	Operational Profit (EBIT) + Amortization and Depreciation + Provisions and Impairment Losses + Impairment Losses of Real Estate Assets in Stocks (included in Costs of Goods Sold) – Reversal of Impairment Losses and Provisions (including in Other Operation Income)
EBITDAR	EBITDA + Building Rents
Gearing: Debt to Equity	Net Debt / Equity
HVAC	Heating, Ventilation and Air Conditioning
Loan to Value	Net Debt of real estate assets / Real estate assets Valuation
Net Debt	Net Debt + IFRS 16 Impact
Net Financial Debt	Non-Current Loans + Current Loans – Cash and Cash Equivalents – Current Investments
Operational Cash Flow	EBITDA - Capex
PPSA	Promissory Purchase and Sale Agreement
RevPar	Revenue Per Available Room

EARNINGS ANNOUNCEMENT
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