



CORTICEIRA AMORIM,  
S.G.P.S., S.A.

Consolidated results  
September, 30

2016





# 2016

## 1. CONSOLIDATED RESULTS

Organizational chart

Highlights

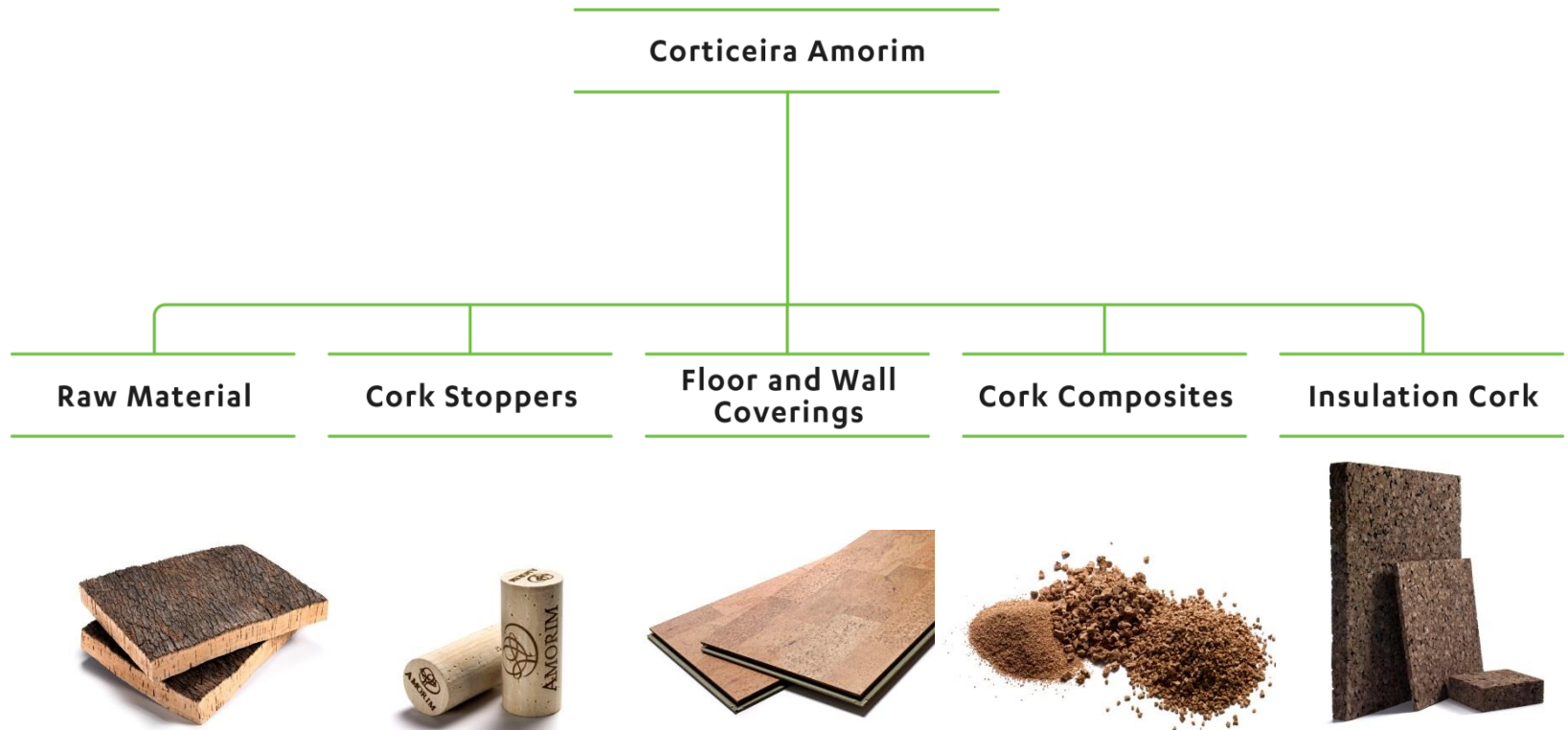
Consolidated key indicators  
(thousand euros)



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# 2016

INTEGRAL VERTICALISATION



# 2016

HIGHLIGHTS

- Consolidated sales reached 491 million euros (M€) plus 28 M€ (+6%);
- Growth justified by the effect of volume and mix. Exchange rate effect with little impact on sales. All Business Units (BU) registered more sales.
- Highlight for Cork Stoppers BU (+9.3%) and Floor and Wall Coverings BU (+6.3%). This BU managed to regain the positive trend of its sales;
- Slower growth rate in Q3 (1H16: 8% vs. 9M16: 6%): one-off destocking effect in the US in the Cork Stoppers BU and comparison difficult with 3Q15 in Cork Composites BU (3Q15 registered a sales increase of 27%);
- NDTech® sales initiated (with materiality) in the semester;
- Growing importance of Hydrocork® in Floor and Wall Coverings BU; promising start to Authentica® sales.



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# 2016

HIGHLIGHTS

- Increased sales, more favorable mix, improves percentual gross margin and lower operating costs justify an increase of 19.1% in EBITDA (95.5 M€ vs. 80.2 M€);
- EBITDA/Sales 9M16: 19.4% (9M16: 17.3%);
- EBITDA/Sales 9M16 for Raw Materials + Cork Stoppers: 21.8% (9M15: 20.4%);
- Positive effect of 1.8 M € in the financial function resulting from the favorable resolution of a tax dispute concerning the stamp duty;
- Net Profit of 35.145 M€ (+34%);
- The Board of Directors decided to propose to the Shareholders General Meeting the distribution of a dividend of € 0.08 per share, on the top of the €0.16 per share paid during 2016 first half;
- Disclosure of the sale of US Floors associate, to be made during 4T16, without effect in 9M16 accounts.

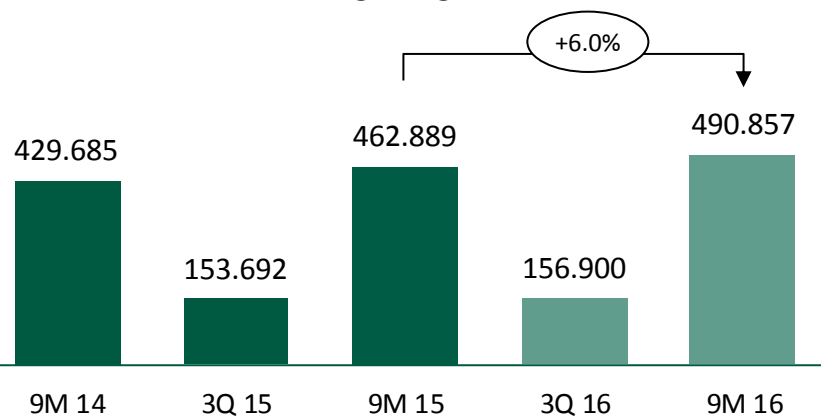


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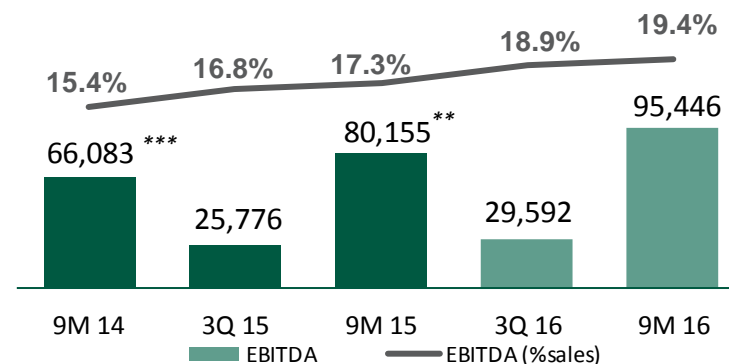
# 2016

## CONSOLIDATED KEY INDICATORS

### SALES



### EBITDA (current)

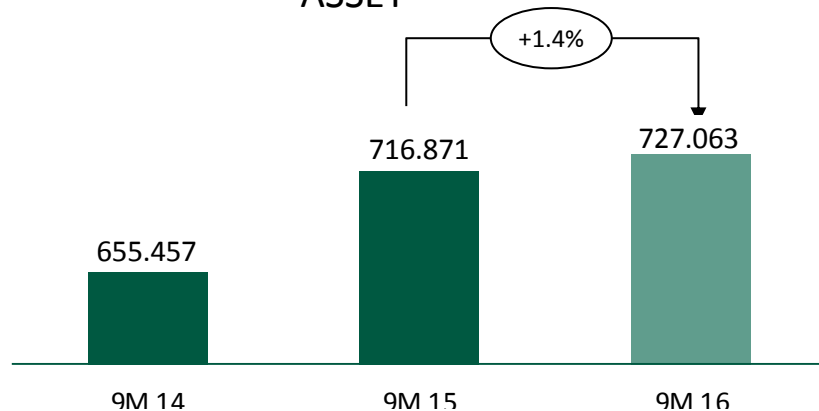


\* excludes 3730 K€ due to non-current results

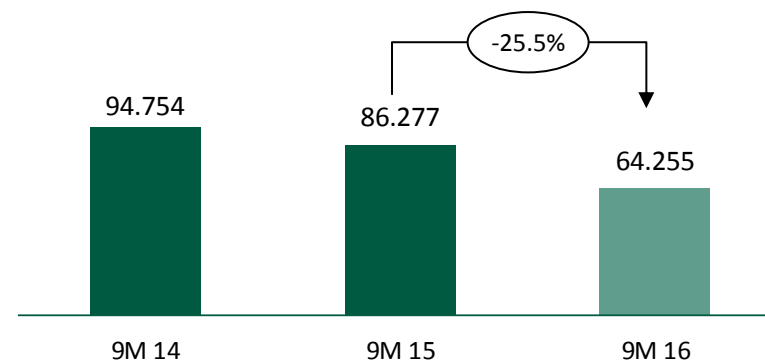
\*\* excludes 2907 K€ due to a Goodwill impairment

\*\*\* excludes 3514 K€ due to an industrial reorganization

### ASSET



### NET DEBT







# 2016

## 2. HIGHLIGHTS AND KEY INDICATORS BY BUSINESS UNIT (thousand euros)



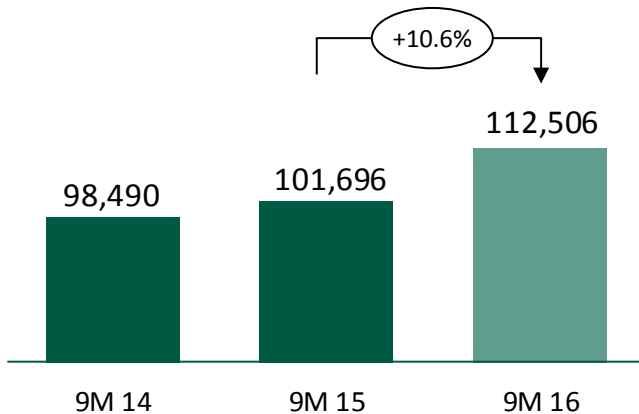
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# 2016

HIGHLIGHTS AND KEY INDICATORS: RAW MATERIALS BU

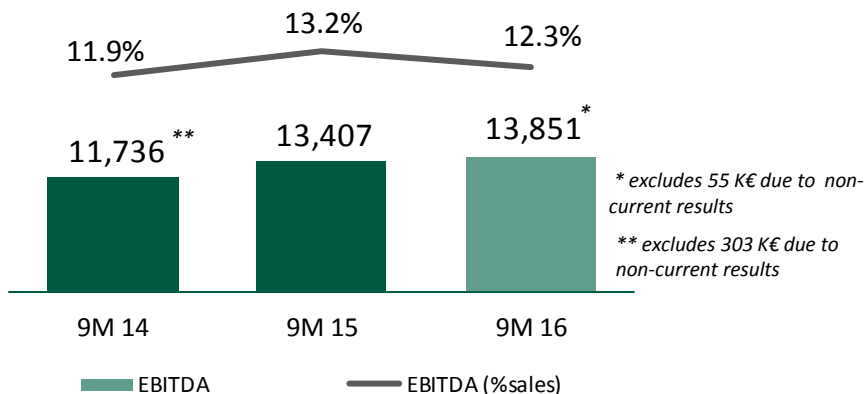
## SALES



## Activity increase 10.6%

- Sales for the value chain increased 9% slightly above the increase of activity of the Cork Stoppers, its main customer);
- EBITDA reached 13.9 M€, a increase of 3.3% compared to 13.4 M€ in the 9M15;
- Impact of increased price of the cork year 2014 and 2015 offset by increased activity and improving operating efficiency;
- Campaign 2016 (Portugal / Spain) was held as planned;

## EBITDA (current)







# 2016

HIGHLIGHTS AND KEY INDICATORS: CORK STOPPERS BU



## Increased sales by 7.4%

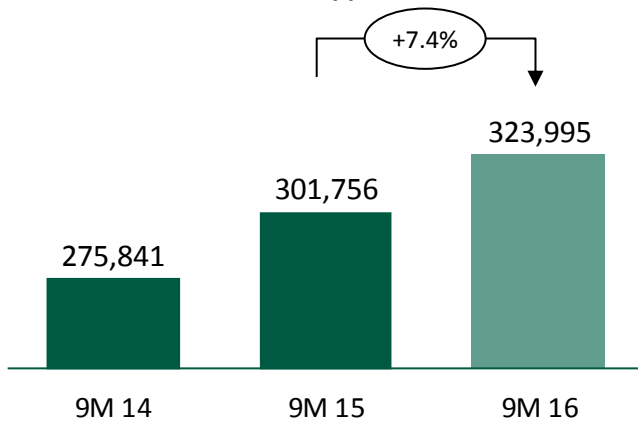
- Sales reached 324 M€ (9M15: 302 M€) driven by volume and by the mix effect (more natural cork stoppers + NDtech®);
- One-off effect: destocking USA (wine industry consolidation) with a material impact in Q3;
- Highlighting the favorable performance of Natural and Neutrocork® stoppers;
- First sales, with materiality, of cork stoppers treated with the innovative NDtech® technology;
- Relevant performance in the traditional European markets;
- Sales growth higher than growth market pace;
- EBITDA reached 58.6 M€ (+21%): increased sales and better mix led to EBITDA/Sales to move from 16% (9M15) to 18.1% (9M16);
- EBITDA/Sales of Cork Stoppers + Raw Materials reached 21.7% (9M15: 20.4%).



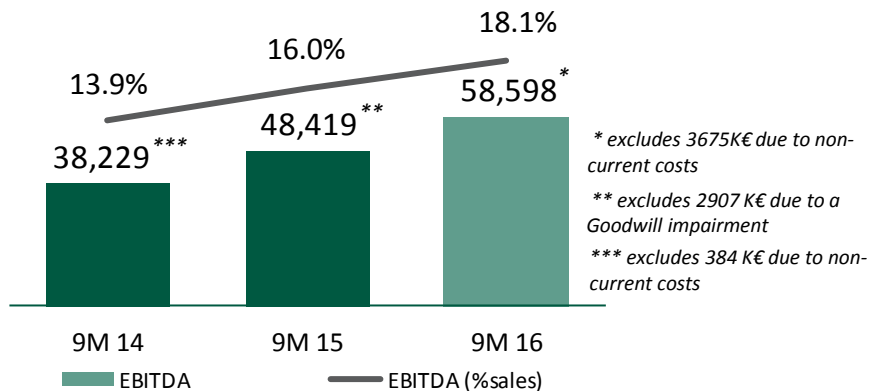
# 2016

## HIGHLIGHTS AND KEY INDICATORS: CORK STOPPERS BU

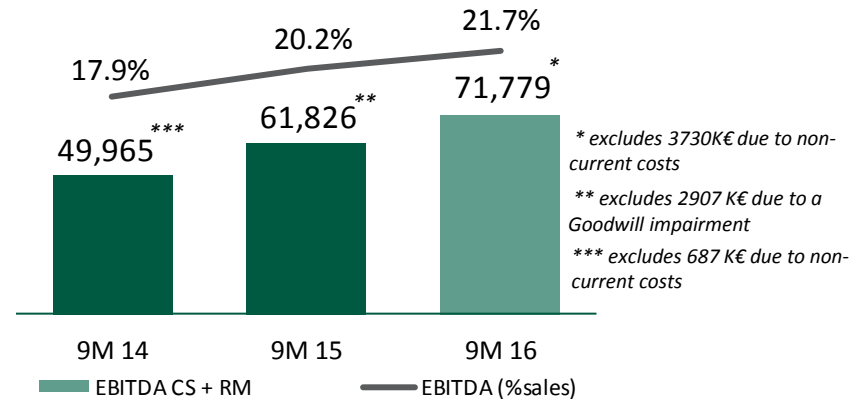
### SALES Cork stoppers



### EBITDA (current) Cork Stoppers



### EBITDA (current) Cork Stoppers + Raw Materials

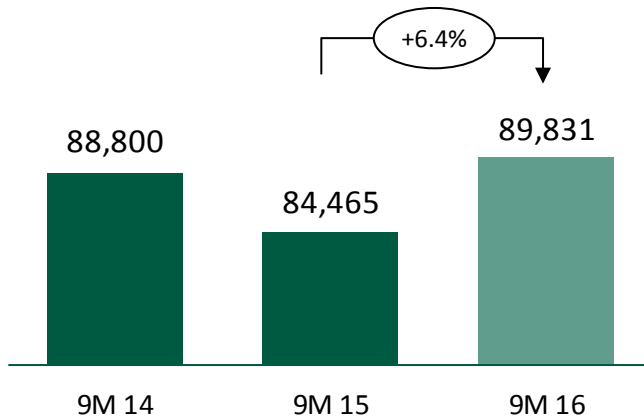




# 2016

## HIGHLIGHTS AND KEY INDICATORS: FLOOR & WALL COVERINGS BU

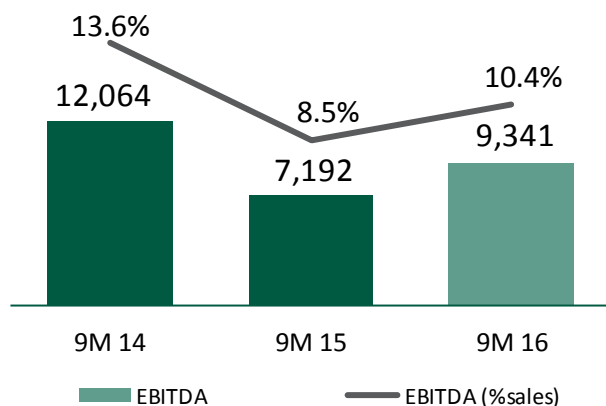
### SALES



Sales increase of 6.4% (manufactured products: +7.1%)

- Sales reached 89.8 M€;
- Upturn confirmed in sales growth;
- Hydrocork® increases weight in total sales and promising early Authentica® sales;
- Recovery of sales in the US; negative impact on the Russian market continues;
- Sales growth and reduced operating costs more than offset less favorable mix: EBITDA reaches 9.3 M€ (29.9% higher than 9M15).

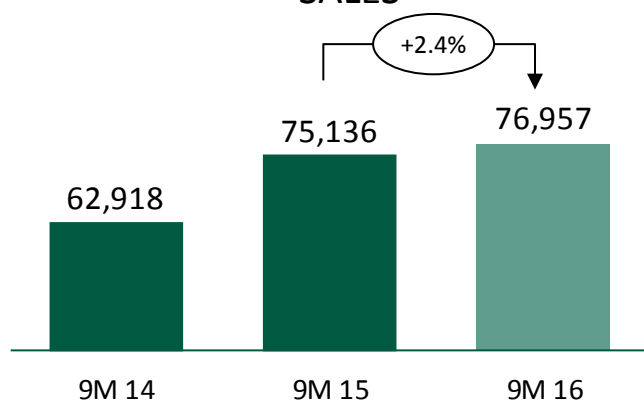
### EBITDA (current)





# 2016

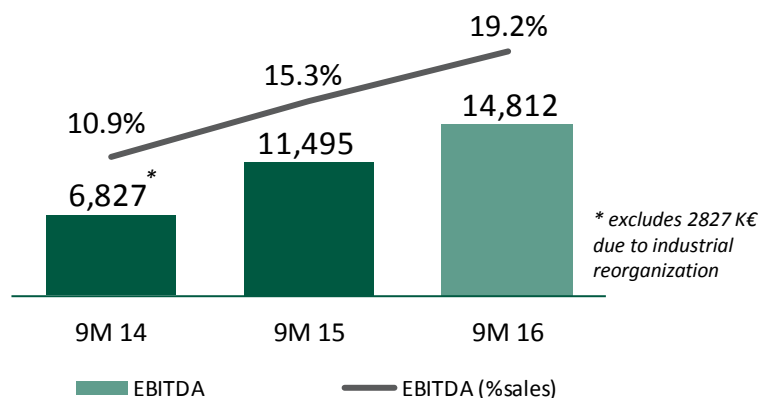
## SALES



## Increased sales: 2.4%

- Sales reached 77 M€;
- Increase in sales is mainly due to volume effect, with currency effects much lower than in recent quarters;
- Sales of 3Q16 decrease 3.4%, resulting from exceptional comparative 3Q15 (3Q15 sales: + 27%);
- Highlight for Retail, Industry and Construction and Inlay (Hydrocork®);
- Asian market and US with good performance;
- Better percentual gross margin (lower price and better performance of some raw materials), stable operating costs and increased activity justify EBITDA growth (9M16: 14.8 M€ vs 9M15: 11.5 M€).

## EBITDA (current)

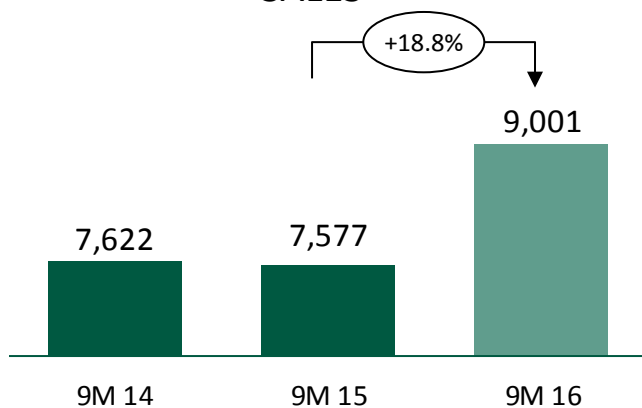




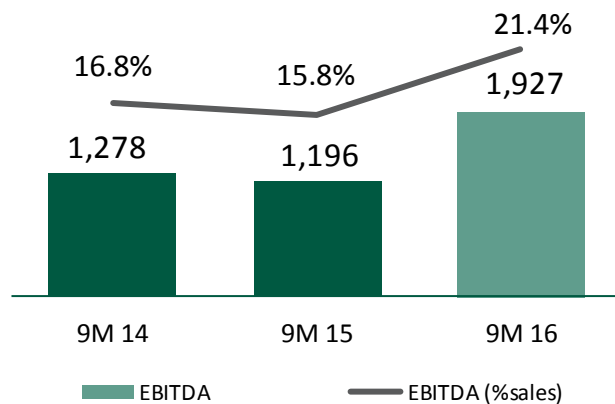
# 2016

## HIGHLIGHTS AND KEY INDICATORS: INSULATION CORK BU

### SALES



### EBITDA (current)



### Sales increase: +18.8%

- Sales reached 9 M€;
- Sales growth influenced by the supply of crushed cork to Composite Cork BU;
- Sales increase of the main product (expanded corkboard) justified by volume (+2%);
- Increase in sales of specialties (MDFaçade + regranulates);
- EBITDA reached 1.9 M€ (+61%), representing 21.4% of sales;
- EBITDA/Sales: 21.4%, comparing to 15.8% registered on 9M15.



# 2016

### 3. APPENDICES

Consolidated indicators  
(thousand euros)



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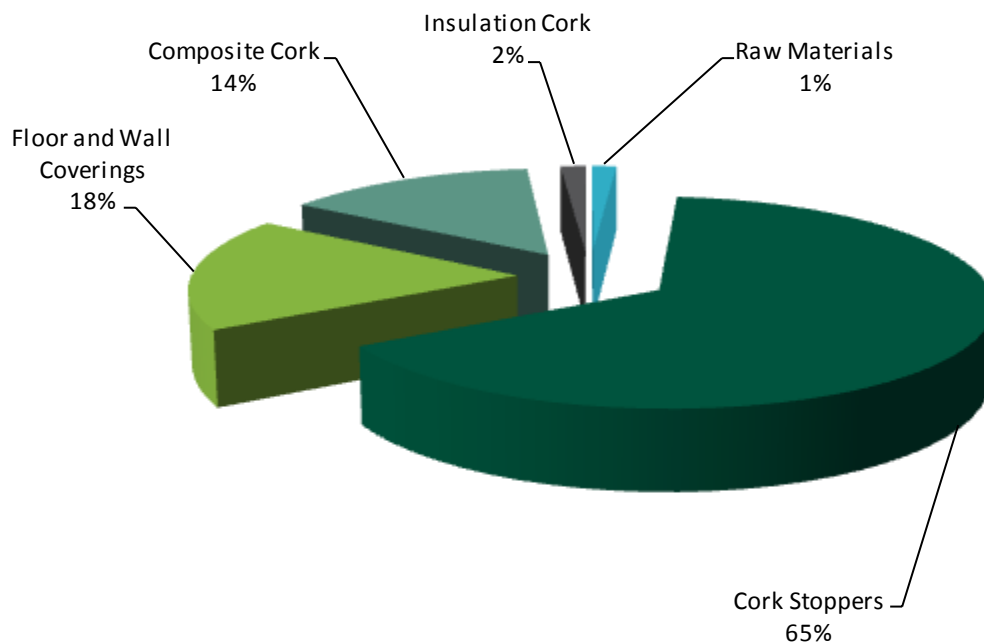




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# 2016

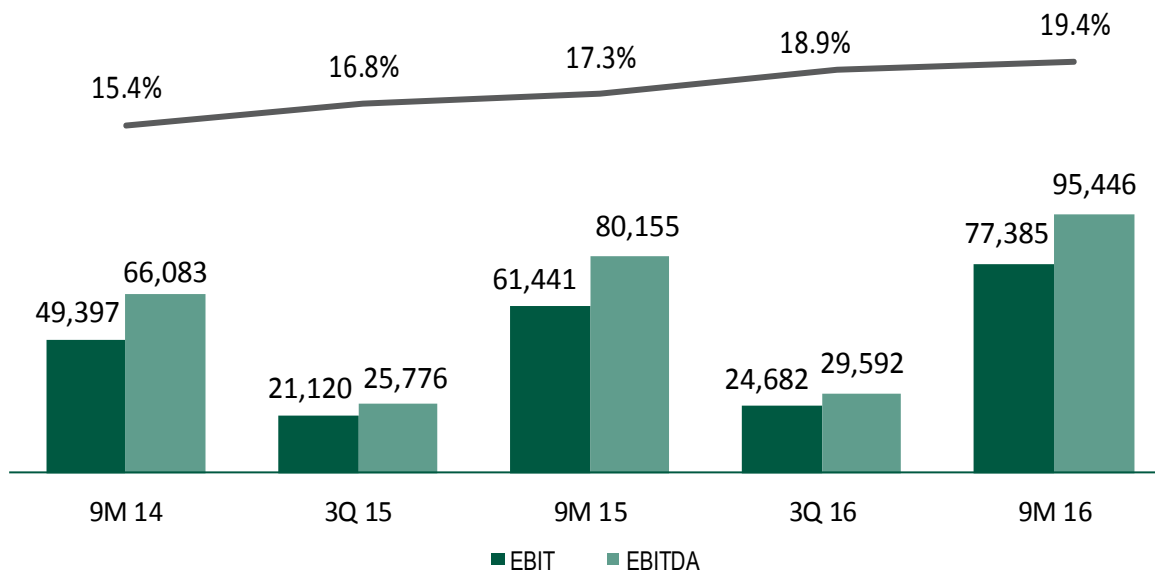
## BREAKDOWN SALES BY BUSINESS UNIT



	9M 2014	9M 2015	9M 2015
Raw Materials	1%	1%	1%
Cork Stoppers	64%	65%	65%
Floor and Wall Coverings	20%	18%	18%
Composite Cork	14%	15%	14%
Insulation Cork	1%	1%	1%

# 2016

## EBIT & EBITDA EVOLUTION



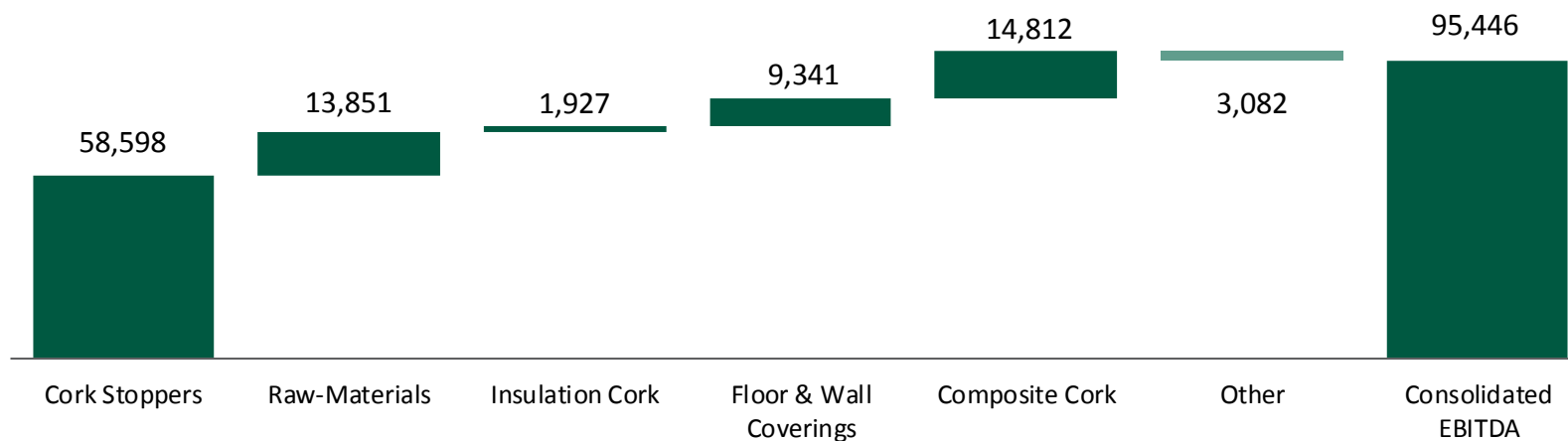
	9M 14	3Q 15	9M 15	3Q 16	9M 16
Gross Margin	213,126	77,080	242,339	79,899	256,175
Other operating costs (current)	163,729	55,960	180,898	55,217	178,791
EBIT	49,397	21,120	61,441	24,682	77,385
EBITDA	66,083	25,776	80,155	29,592	95,446



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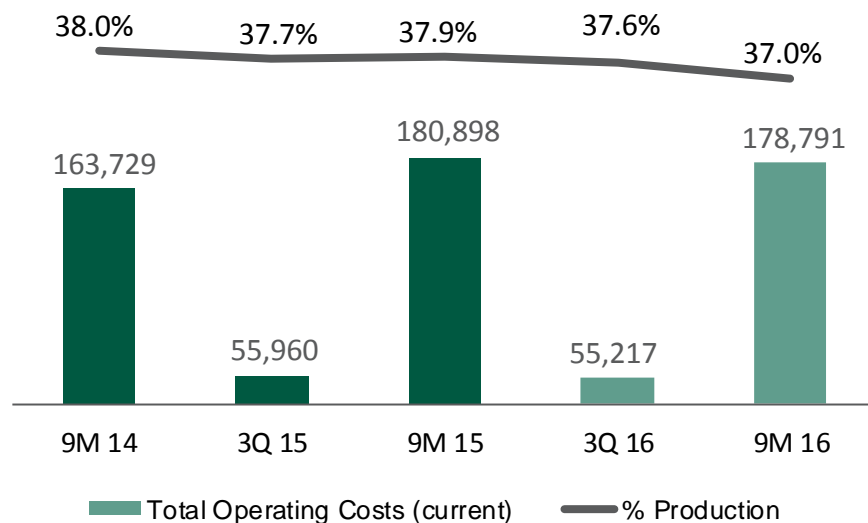
2016

BREAKDOWN EBITDA BY BUSINESS UNIT



# 2016

## OPERATING COSTS BREAKDOWN

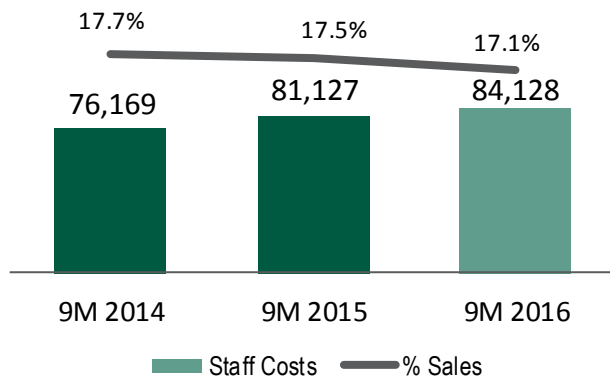


	9M 14	3Q 15	9M 15	3Q 16	9M 16
External supplies	71,731	25,012	76,425	25,071	77,187
Staff costs	76,169	23,918	81,127	24,898	84,128
Depreciation	16,687	4,657	18,715	4,910	18,061
Provisions	1,315	1,865	2,692	1,042	2,022
Other operating (-) expenses and (+) profits	2,173	-509	-1,940	703	2,607
Total Operating Costs (current)	163,729	55,960	180,898	55,217	178,791
% Production	38.0%	37.7%	37.9%	37.6%	37.0%

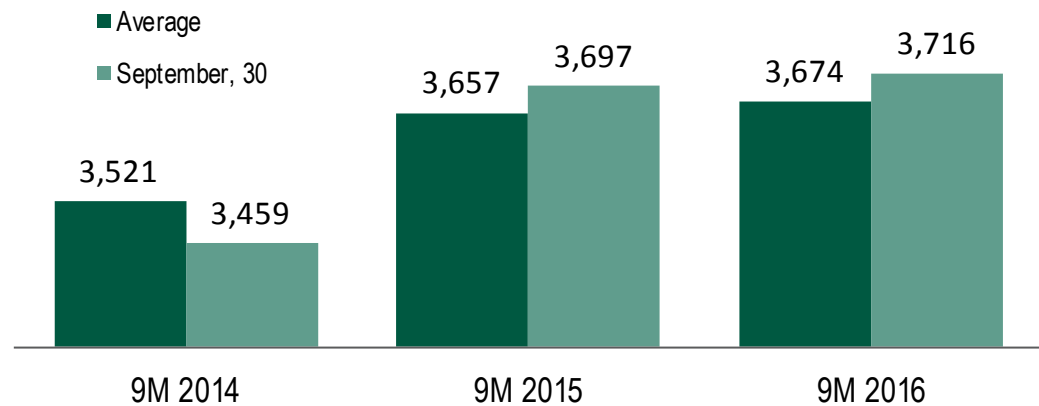
# 2016

## STAFF COSTS

### VALUE AND % (SALES)

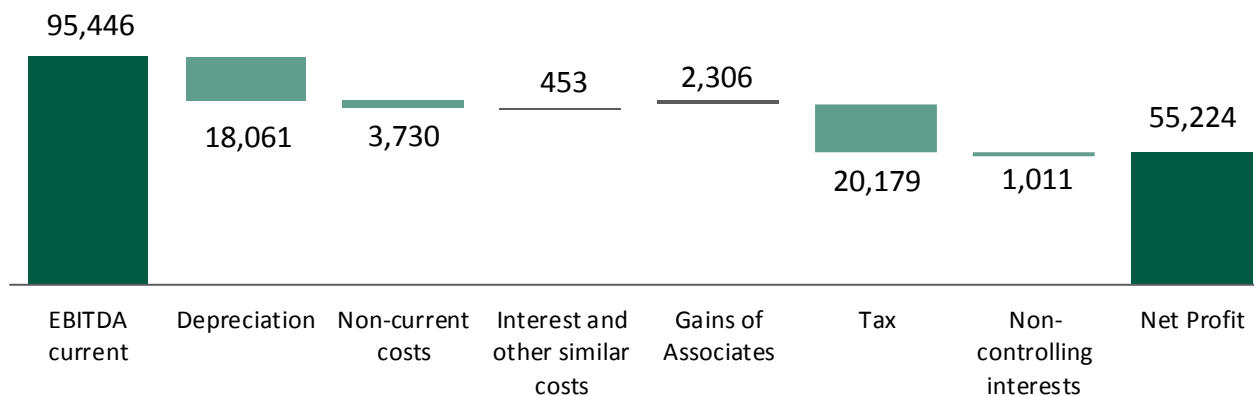


### NUMBER OF EMPLOYEES



# 2016

NET PROFIT

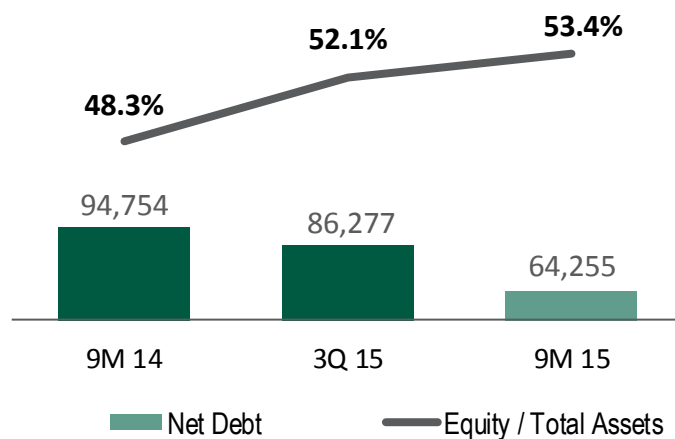


	9M 14	3Q 15	9M 15	3Q 16	9M 16
EBIT current	49,397	21,120	61,441	24,682	77,385
Net financial costs	3,154	558	1,696	-1,405	-453
Non-current costs	3,514	-5	2,907	0	3,730
Gains of associates	926	956	2,040	1,365	2,306
EBT	43,655	21,522	58,878	27,453	76,414
Tax	13,926	6,006	17,088	7,100	20,179
Minority interests	695	128	181	274	1,011
Net Profit	29,034	15,388	41,610	20,078	55,224



# 2016

## DEBT AND GEARING



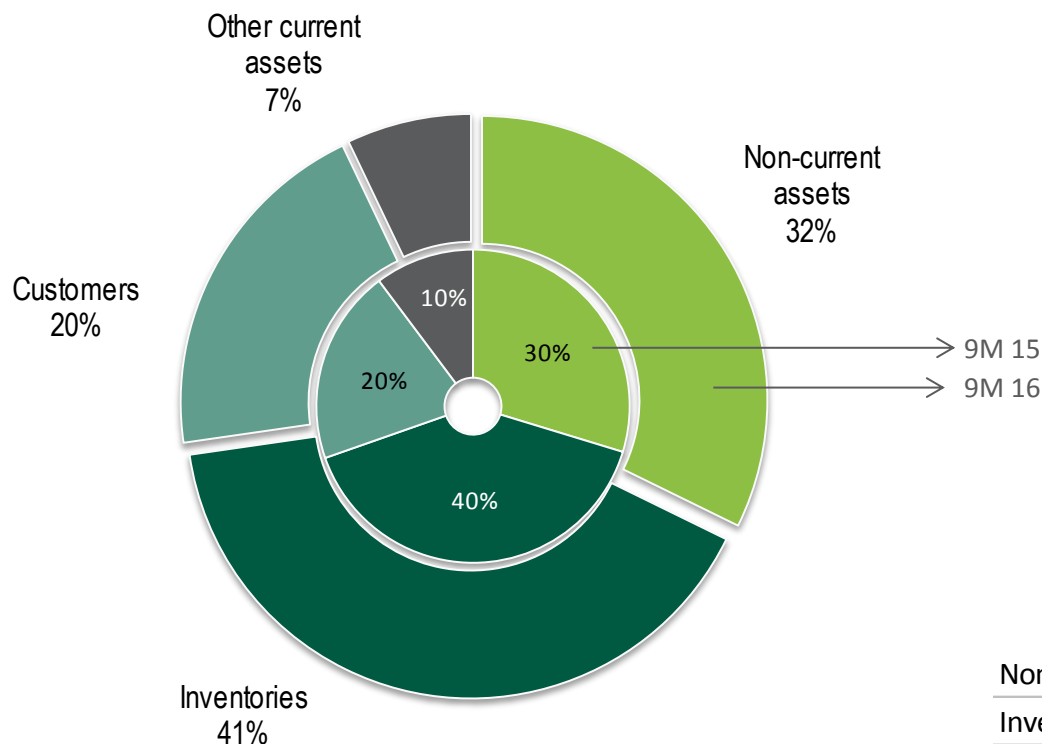
	9M 14	9M 15	9M 16
Net Debt	94,754	86,277	64,255
Equity and Minority interests	316,650	373,217	388,455
EBITDA / Net Interest	29.1	69.5	105.6
Equity / Total Assets	48.3%	52.1%	53.4%
Gearing	29.9%	23.1%	16.5%
Net interest bearing debt / EBITDA	1.14	0.86	0.55



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# 2016

TOTAL ASSETS



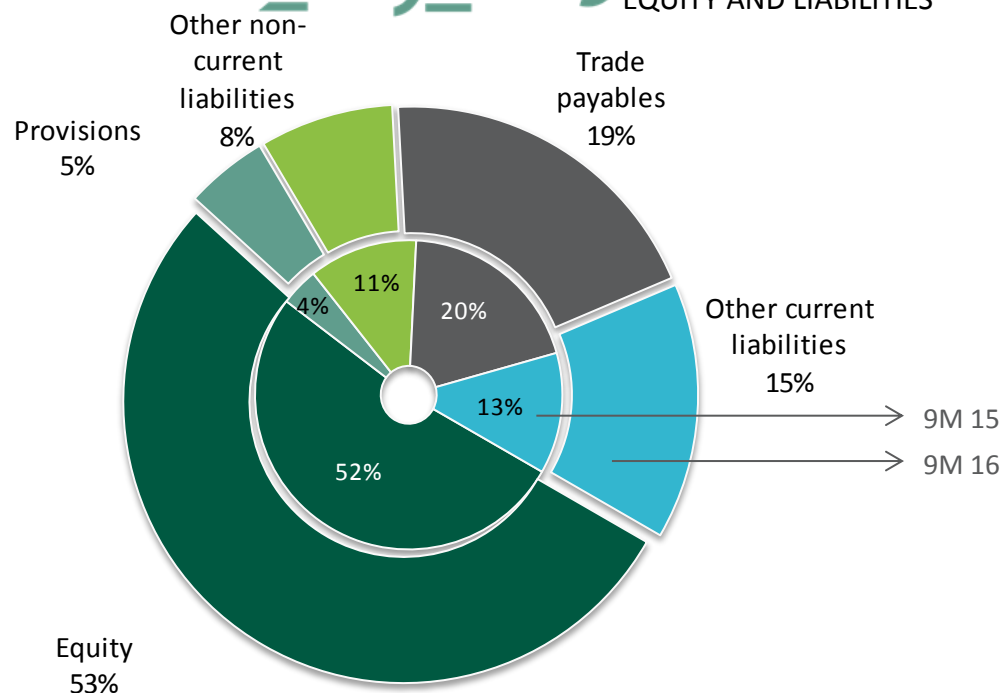
	9M14	9M15	9M16
Non-current assets	213,438	213,041	234,505
Inventories	257,934	286,153	294,198
Customers	137,649	144,287	146,836
Other current assets	46,436	73,390	51,524
Total Assets	655,457	716,871	727,063
Capex	15,023	16,681	20,248



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# 2016

## EQUITY AND LIABILITIES



	9M 14	9M 15	9M 16
Equity	316,650	373,217	<b>388,455</b>
Provisions	24,596	28,653	<b>34,478</b>
Other non-current liabilities	53,634	81,617	<b>55,752</b>
Trade payables	125,948	142,109	<b>141,313</b>
Other current liabilities	134,629	91,275	<b>107,065</b>
Total Liabilities	338,807	343,654	<b>338,607</b>



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2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	September 2016	December 2016	September 2015
<b>Non-current assets</b>	<b>234,505</b>	223,689	213,041
Current assets			
Inventories	294,198	271,705	286,153
Other current assets	198,360	171,824	217,677
<b>Total current assets</b>	<b>492,558</b>	443,530	503,830
<b>Total Assets</b>	<b>727,063</b>	667,219	716,871
<b>Equity (M. I. included)</b>	<b>388,455</b>	354,133	373,217
Non-current liabilities			
Bank borrowings	38,160	41,211	61,521
Other non-current liabilities	52,070	48,985	48,749
<b>Total non-current liabilities</b>	<b>90,230</b>	90,196	110,270
Current liabilities			
Bank borrowings	36,019	50,146	29,059
Other current liabilities	212,359	172,744	204,325
<b>Total current liabilities</b>	<b>248,378</b>	222,890	233,384
<b>Total Liabilities and Equity</b>	<b>727,063</b>	667,219	716,871



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2016

# KEY FIGURES

	9M16	9M15	Variation	3Q16	3Q15	Variation
Sales	<b>490,857</b>	462,889	6.0%	<b>156,900</b>	153,692	2.1%
Gross Margin – Value	<b>256,175</b>	242,339	5.7%	<b>79,899</b>	77,080	3.7%
	<b>53.0%</b>	50.7%	+ 2.3 p.p.	<b>54.4%</b>	52.0%	+ 2.4 p.p.
Operating Costs - current	<b>178,790</b>	180,899	-1.2%	<b>55,217</b>	55,961	-1.3%
EBITDA - current	<b>95,446</b>	80,155	19.1%	<b>29,592</b>	25,777	14.8%
EBITDA/Sales	<b>19.4%</b>	17.3%	+ 2.1 p.p.	<b>18.9%</b>	16.8%	+ 2.1 p.p.
EBIT - current	<b>77,385</b>	61,440	26.0%	<b>24,682</b>	21,120	16.9%
Non-current costs	<b>3,730</b>	2,907	N/A	<b>0</b>	-5	N/A
Net Income	<b>55,224</b>	41,610	32.7%	<b>20,078</b>	15,388	30.5%
Earnings per share	<b>0.415</b>	0.330	25.9%	<b>0.151</b>	0.122	23.8%
Net Bank Debt	<b>64,255</b>	86,277	-22,022	-	-	-
Net Bank Debt/EBITDA (x)	<b>0.55</b>	0.86	-0.31 x	-	-	-
EBITDA/Net Interest (x)	<b>105.6</b>	69.5	36.12 x	<b>46.5</b>	62.5	-16.05 x
Equity/Net Assets	<b>53.4%</b>	52.1%	+ 1.4 p.p.	-	-	-

1) Related to Production

2) Figures refer to the provision for labor and customs litigation in Amorim Argentina, deferred costs concerning business started in the previous year and adjustments related to non-controlling interests (2016) and write-off of Goodwill (2015)

3) 9M 15: Excluding the value of the dividend proposal of the Board of Directors to the GSM amounting to 32.6 M € to be paid in November

4) Current EBITDA of the last four quarters

5) Net interest includes interest from loans deducted of interest from deposits (excludes stamp tax and commissions)



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