



**AMORIM**

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

**Consolidated results**

**First Half 2014**

# Summary

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# Consolidated results

- Highlights
- Consolidated key indicators

Unit: thousands of euros

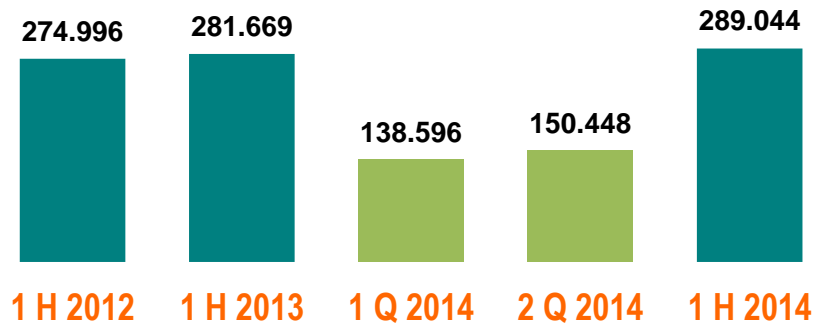


# Highlights

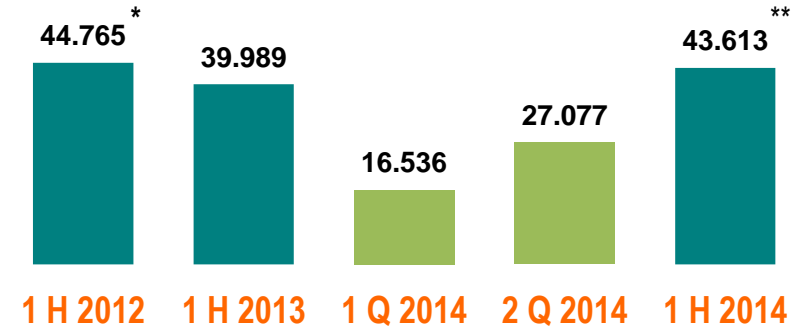
- ❑ Consolidated 1H14 sales totalled 289 million euros (M€), up 2.6% from same period 2013 (282M€);
- ❑ Unfavourable currency effect on sales: 5.2 M€ (1Q14: 2.5 M€) and on profits: 4.1 M€ (1Q14: 2.1 M€);
- ❑ Except for Cork Floor Coverings, all Business Unit's (BU) with higher sales to final customers. Specially Cork Stoppers Business Unit (+5%);
- ❑ Beginning of industrial reorganization of the Composites BU (Drauvil shutdown in March and production transfer from Corroios to Mozelos during second half)
- ❑ Non-current costs due to industrial reorganization: 2.7 M€;
- ❑ Current EBITDA grew by 9.1% (43.6 M€) and current EBIT by 10% (31.1 M€);
- ❑ EBITDA / Sales: 1H14 = 15.1% (1H13 = 14.2%);
- ❑ Net profit reached 18.419 M€ (+11.3%);
- ❑ Lower financial costs benefiting from lowering debt and interest rates;
- ❑ Dividends (0.12€ per share) approved by GSM (payment as of April, 23 totalling 15.1 M€).
- ❑ Net debt (106.3 M€) up 1.9 M€ from December 2013 and down 9.3 M€ from June 2013.

# Consolidated key indicators

## Sales



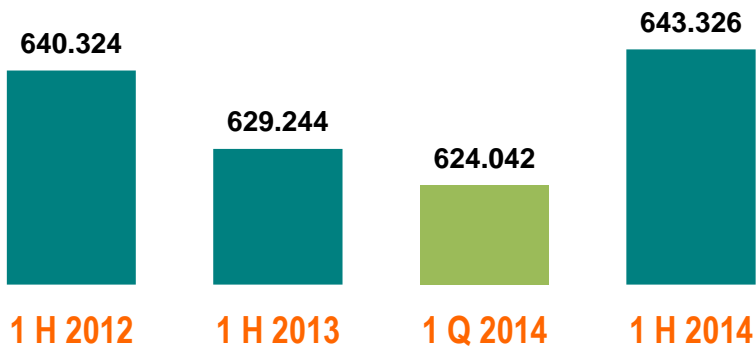
## EBITDA



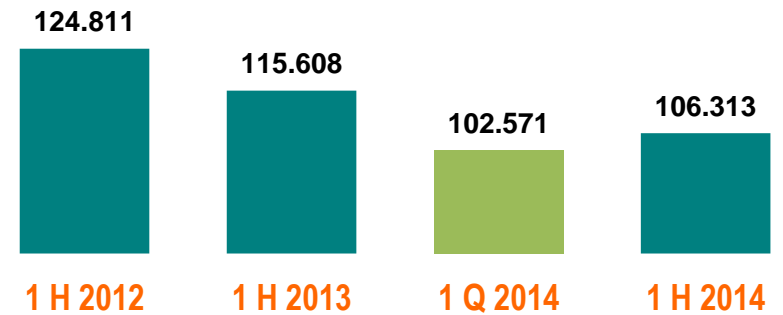
\* Excludes 4,619 K€ due to impairment

\*\* Excludes 2,735 K€ due to industrial reorganization (Corroios)

## Total Assets



## Net debt



Business Unit:

# Raw Materials

- Key indicators
- Highlights

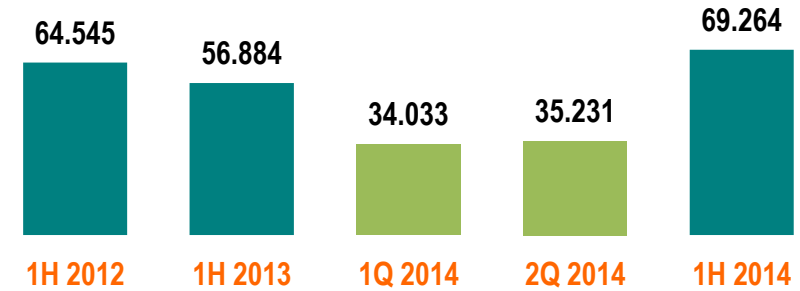
Unit: thousands of euros

# Highlights and key indicators

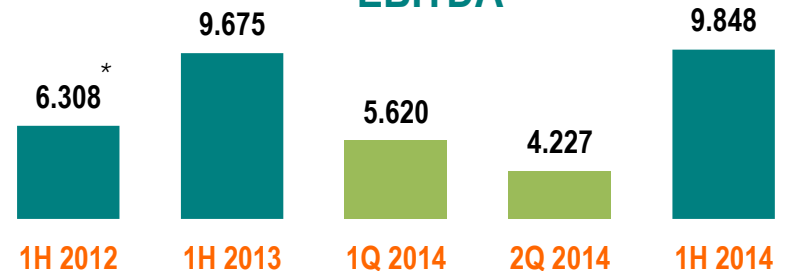
## ☐ Sales increase 22%

- Sales for the value chain rose by 23% (demobilization of stocks in BU and following the increased activity in the Cork Stoppers BU);
- Excluding raw cork and Augusta Cork entry, sales up 11%;
- Augusta Cork joined the BU;
- EBITDA reached 9.8 M€ (+1.8%) hit by Augusta Cork entry;
- Involvement in the cork purchasing market ran as planned.

### Sales

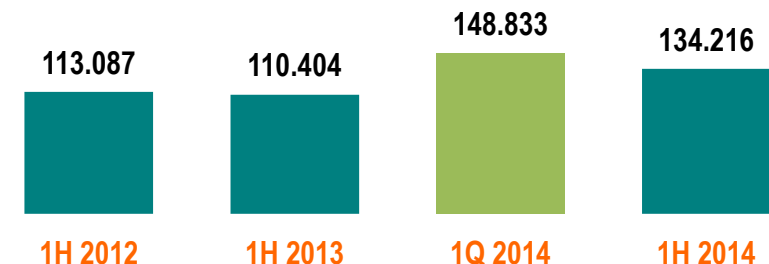


### EBITDA



\* Excludes 1,995 K€ due to goodwill impairment

### Total Assets\*



\* Excludes Deferred Taxes and non-trade balances with Group Companies.



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Business Unit:

# Cork Stoppers

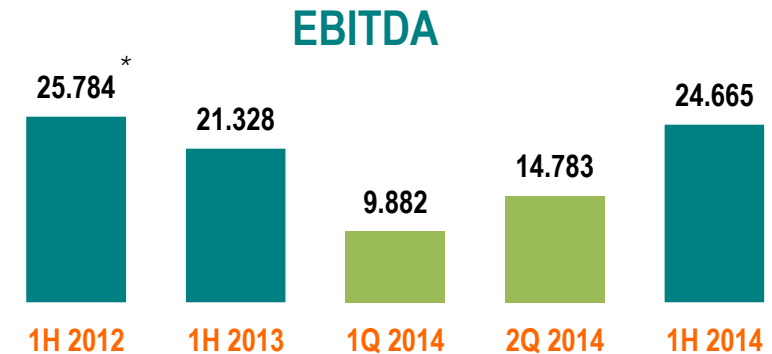
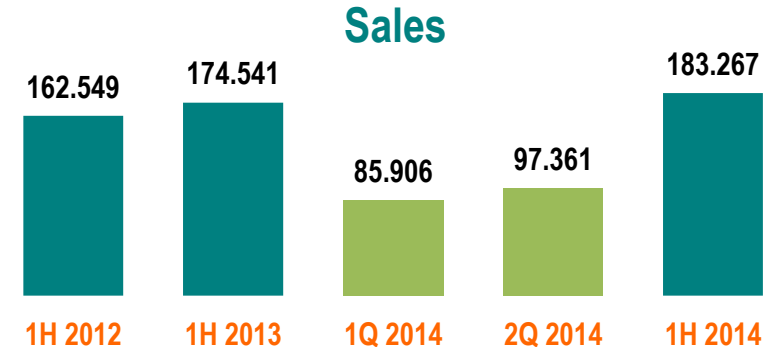
- Key indicators
- Highlights

Unit: thousands of euros

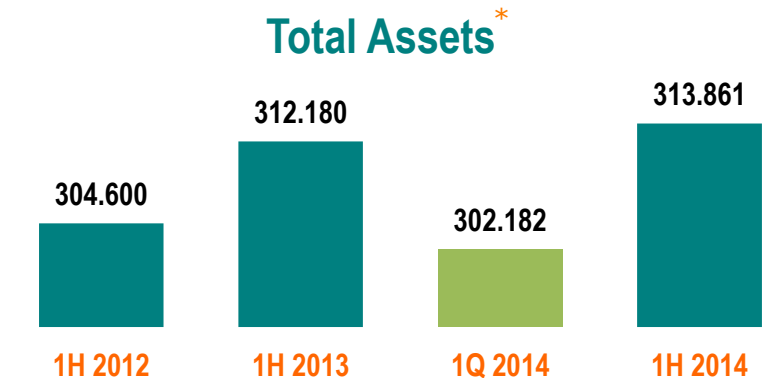


## ☐ Sales reached 183 M€ (+5%)

- In general all the families of cork stoppers had sales growth;
- Except for Acquamark®, all families of cork stoppers registered sales increase (from 2% to 20%);
- Highlight for Capsulated and Twin Top® corks;
- A better mix offset the effect of exchange; Volume justified sales increase;
- Positive performance in the U.S.;
- EBITDA reached 24.7 M€ (+15%): operational efficiency measures;
- Trefinos integration starts to impact positively;
- Beginning of Helix® cork stoppers commercialization.



\* Excludes 2,624 K€ due to impairment



\* Excludes Deferred Taxes and non-trade balances with Group Companies.



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Business Unit:

# Cork Floor Coverings

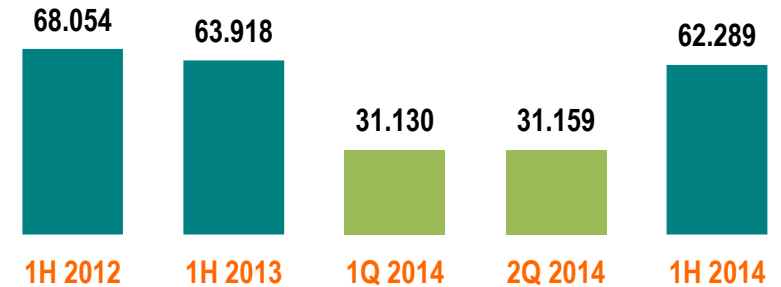
- Key indicators
- Highlights

Unit: thousands of euros

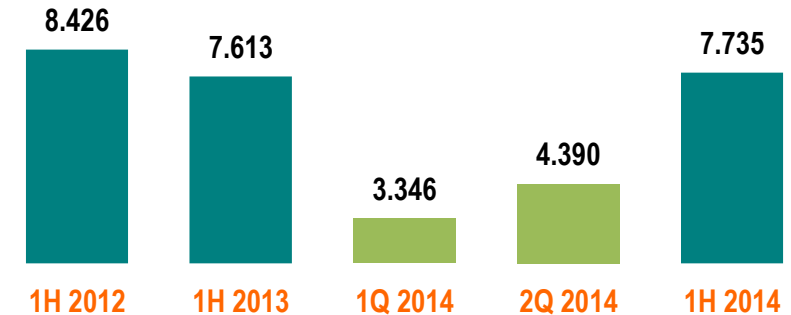
## ☐ Sales: 2.5% decrease (cork products: -5%)

- Reduction in sales to the U.S. associate and some break in the German market;
- Markets in Eastern Europe, North Europe and China offset falling sales in those markets;
- Operational efficiency measures more than compensate stagnant sales;
- EBITDA reached 7.7 M€ (+2%).

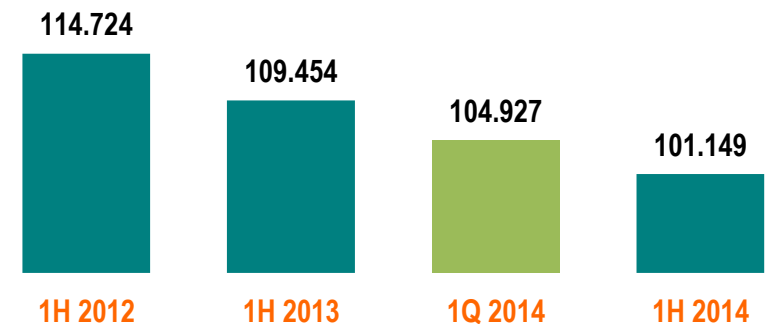
### Sales



### EBITDA



### Total Assets\*



\* Excludes Deferred Taxes and non-trade balances with Group Companies.

Business Unit:

# Cork Composites

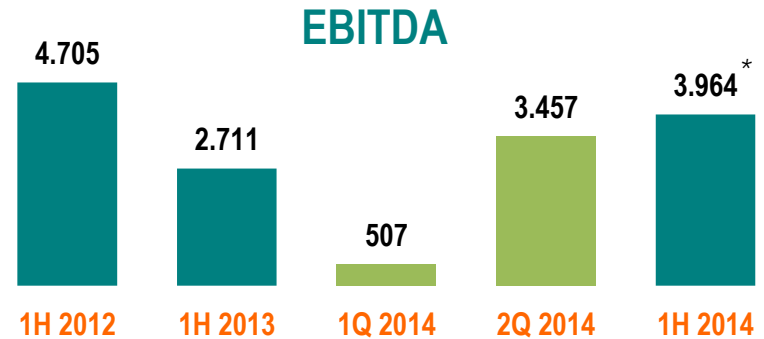
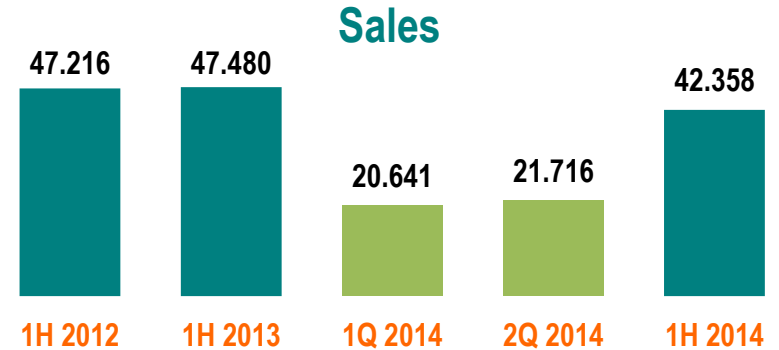
- Key indicators
- Highlights

Unit: thousands of euros

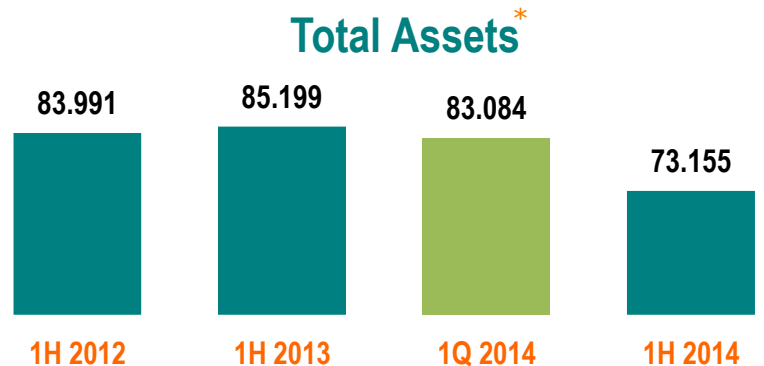
# Highlights and key indicators

## Market sales: +2.3%

- Total sales affected by shutdown of Drauvil (supply of granulates to Cork Stoppers BU) and major decrease in sale of goods;
- Beginning of the industrial restructuring of the BU: Drauvil shutdown in March and production transfer of Corroios to Mozelos in second half;
- Positive performance of the transport sector and flooring (applications for the sports segment);
- Highlight for the Industry segment (+9%): vibration control, friction and footwear;
- Construction and Sealing segments registered a sales decrease;
- EBITDA reached 4M€ (1H13: 2.7 M€), hit by adverse exchange rates (0,6M€).



\* Excludes 2,735 K€ due to industrial reorganization (Corroios)



\* Excludes Deferred Taxes and non-trade balances with Group Companies.

Business Unit:

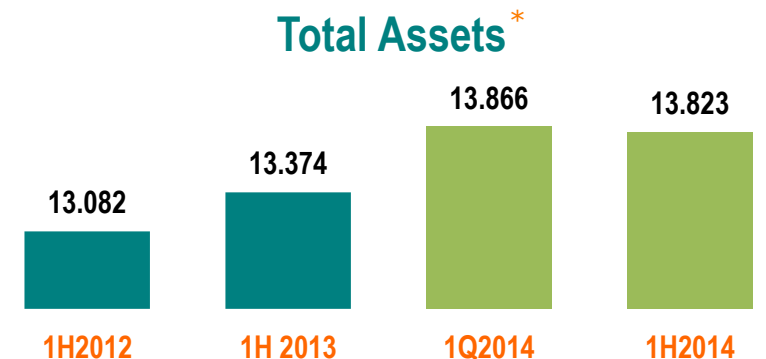
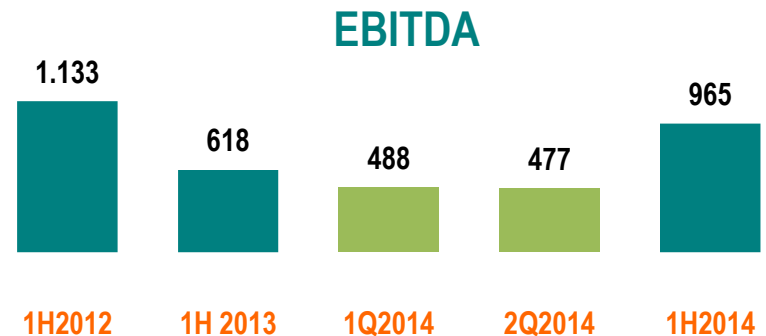
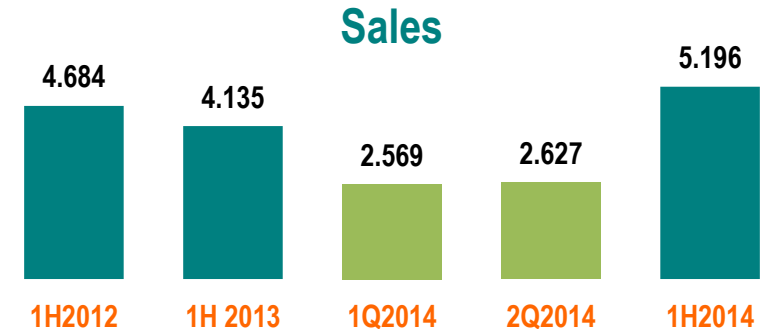
# Insulation Cork

- Key indicators
- Highlights

Unit: thousands of euros

## ❑ Sale of manufactured products: +11%

- Total sales growth of 25% benefited both by manufactured products and non manufactured goods;
- Sales growth of expanded cork agglomerate (13%) practically justified by a volume and a price effect;
- Growth in Benelux, Middle East and Asia markets offset falls in European main markets;
- EBITDA reached 1 M€, registering an increase higher than 50%.



\* Excludes Deferred Taxes and non-trade balances with Group Companies.

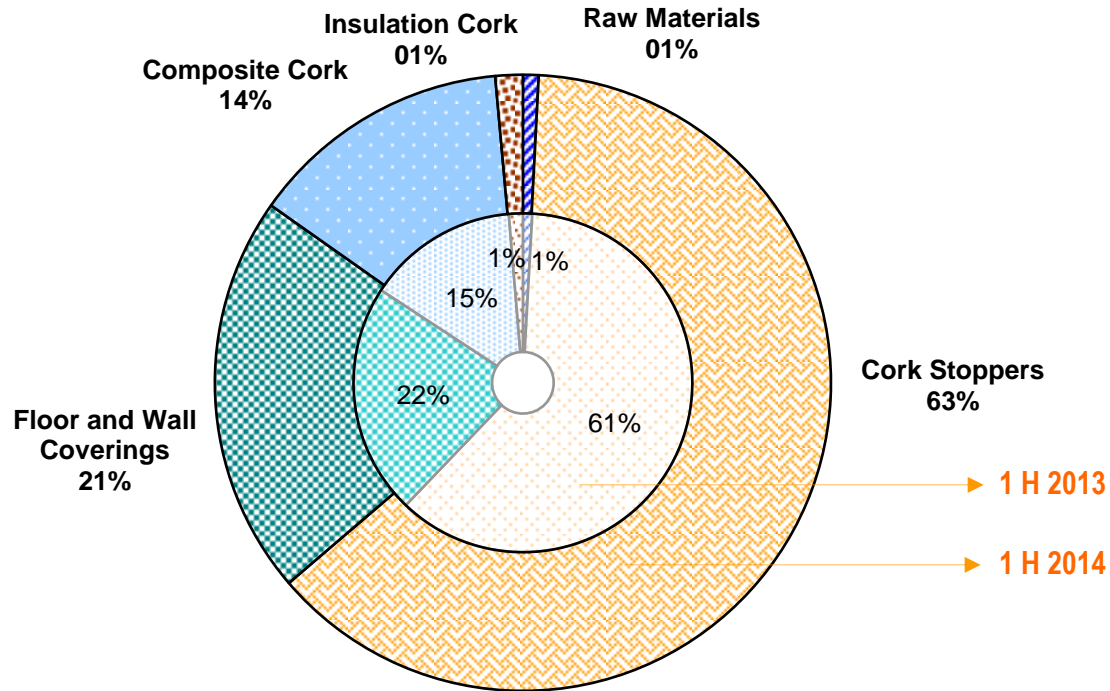
# Appendices

- Consolidated indicators

Unit: thousands of euros

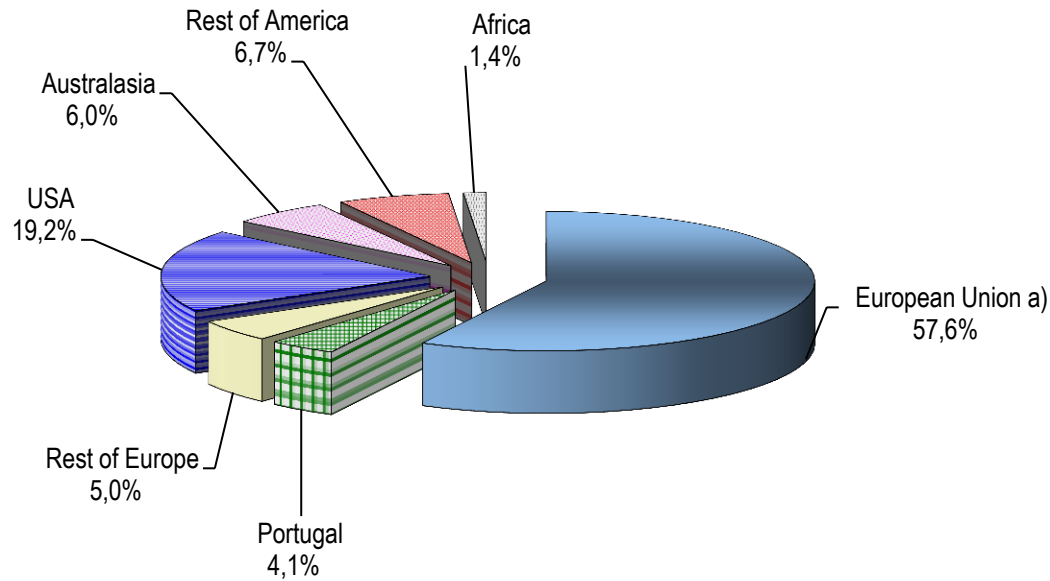


# Breakdown Sales by Business Unit



	1 H 2012	1 H 2013	1 H 2014
Raw Materials	1.4%	0.9%	0.8%
Cork Stoppers	58.1%	61.3%	62.9%
Floor and Wall Coverings	24.1%	22.1%	21.0%
Composite Cork	14.8%	14.5%	13.8%
Insulation Cork	1.6%	1.3%	1.4%

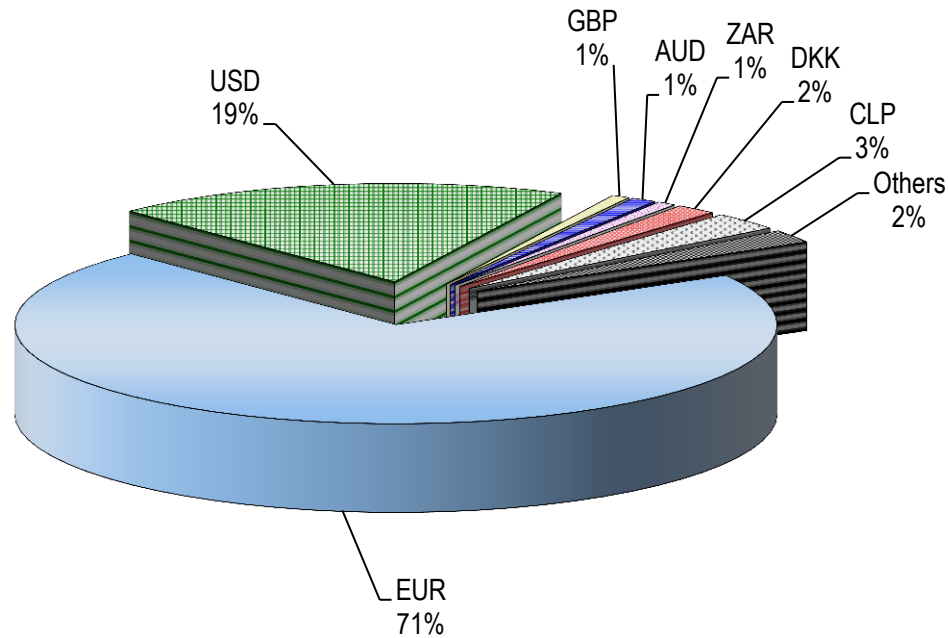
# Breakdown Sales by Geographic Areas



	1 H 2012	1 H 2013	1 H 2014
<b>European Union a)</b>	<b>54.5%</b>	<b>56.1%</b>	<b>57.6%</b>
<b>Portugal</b>	<b>4.9%</b>	<b>5.2%</b>	<b>4.1%</b>
<b>Rest of Europe</b>	<b>7.1%</b>	<b>6.3%</b>	<b>5.0%</b>
<b>USA</b>	<b>19.0%</b>	<b>18.7%</b>	<b>19.2%</b>
<b>Australasia</b>	<b>6.5%</b>	<b>5.9%</b>	<b>6.0%</b>
<b>Rest of America</b>	<b>6.2%</b>	<b>6.4%</b>	<b>6.7%</b>
<b>Africa</b>	<b>1.3%</b>	<b>1.4%</b>	<b>1.4%</b>

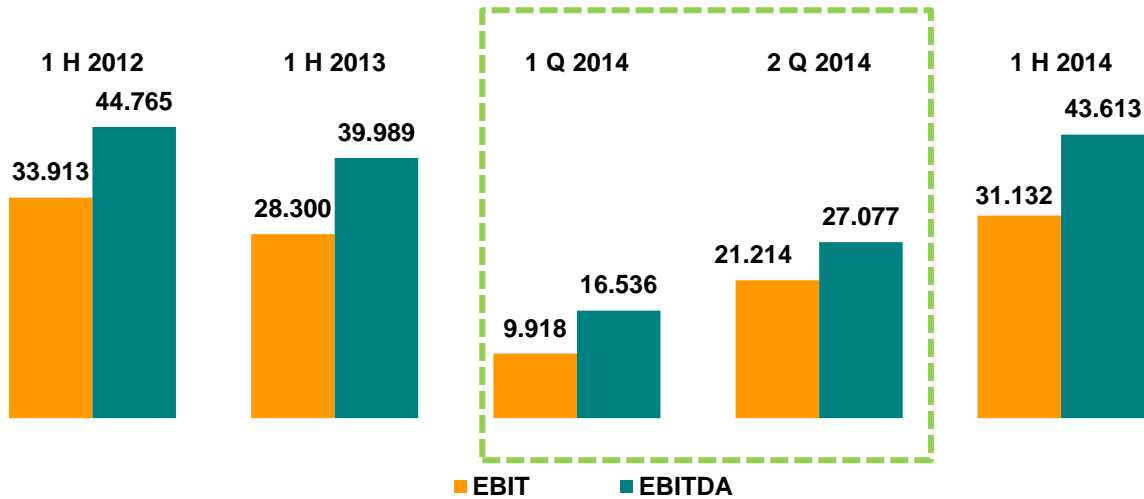
a) Includes Switzerland and Norway and excludes Portugal.

# Breakdown Sales by Currency



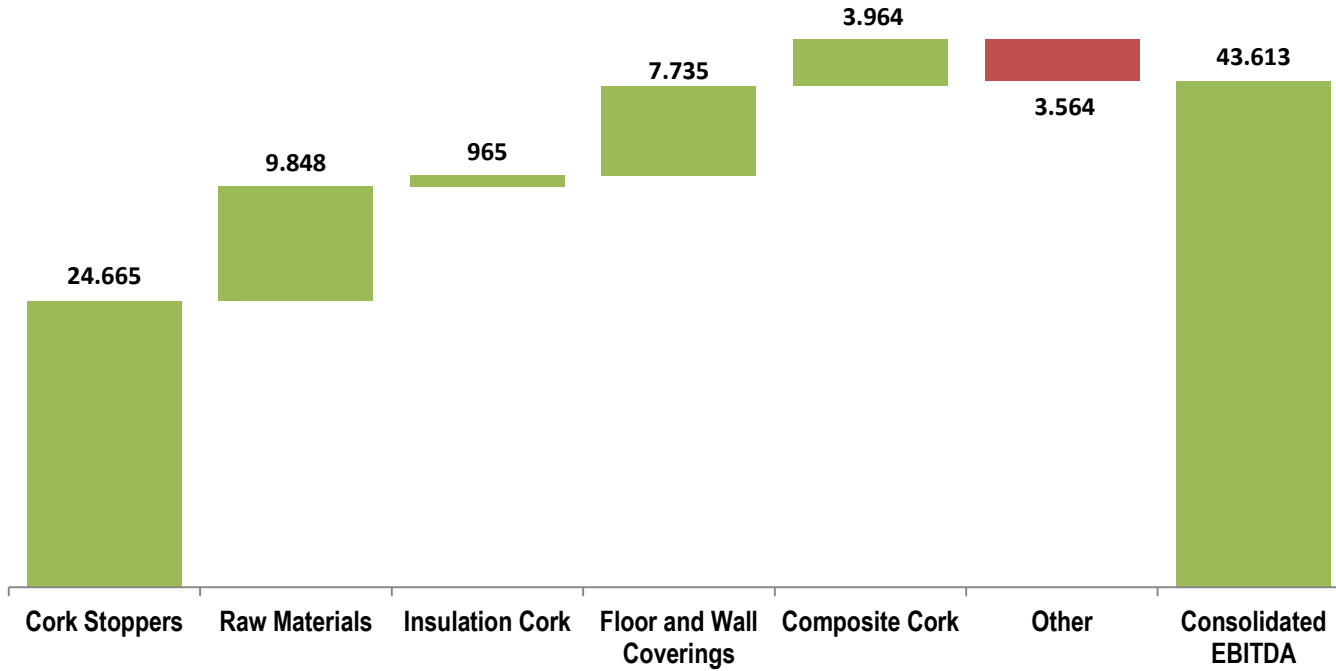
	1 H 2012	1 H 2013	1 H 2014
EUR	69.7%	72.3%	71.1%
USD	20.1%	18.4%	19.5%
GBP	0.5%	0.7%	0.8%
AUD	1.7%	1.4%	1.0%
ZAR	0.9%	0.7%	0.8%
DKK	1.5%	1.6%	1.7%
CLP	2.9%	2.7%	3.0%
Others	2.7%	2.1%	2.1%

# EBIT & EBITDA evolution



	1 H 2012	1 H 2013	1 Q 2014	2 Q 2014	1 H 2014
Gross Margin	140,309	142,856	70,500	76,118	146,618
Other operating costs (current)	106,395	114,555	60,582	54,905	115,487
<b>EBIT</b>	<b>33,913</b>	<b>28,300</b>	<b>9,918</b>	<b>21,214</b>	<b>31,132</b>
<b>EBITDA</b>	<b>44,765</b>	<b>39,989</b>	<b>16,536</b>	<b>27,077</b>	<b>43,613</b>

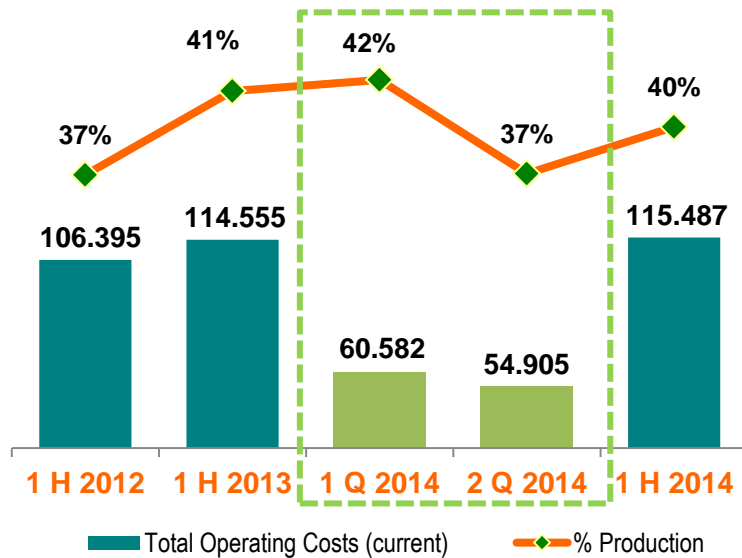
# Breakdown EBITDA by Business Unit



	1 H 2012	1 H 2013	1 Q 2014	2 Q 2014	1 H 2014
Raw Materials	14%	23%	28%	15%	21%
Cork Stoppers	56%	51%	50%	54%	52%
Floor and Wall Coverings	18%	18%	17%	16%	16%
Composite Cork	10%	6%	3%	13%	8%
Insulation Cork	2%	1%	2%	2%	2%

# Operating Costs Breakdown

## Value and % (Production):



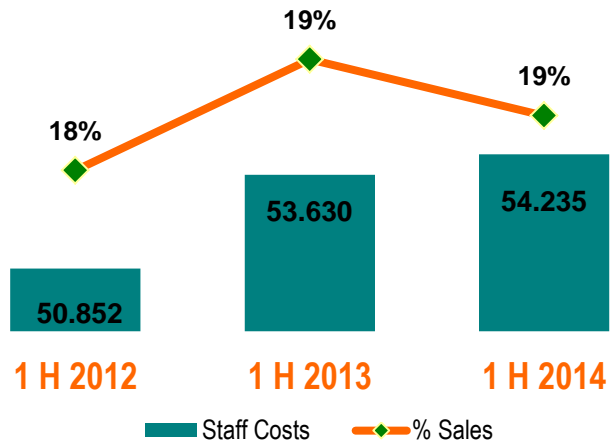
	1 H 2012	1 H 2013	1 Q 2014	2 Q 2014	1 H 2014
External supplies	46,346	50,218	24,186	25,074	49,260
Staff costs	50,852	53,630	28,538	25,696	54,235
Depreciation	10,851	11,688	6,618	5,863	12,481
Provisions	691	652	424	-345	79
Other operating expenses and profits	2,345	1,633	-816	1,385	569
<b>Total Operating Costs (current)</b>	<b>106,395</b>	<b>114,555</b>	<b>60,582</b>	<b>54,905</b>	<b>115,487</b>
<b>% Production</b>	<b>37.4%</b>	<b>41.2%</b>	<b>41.7%</b>	<b>37.4%</b>	<b>39.6%</b>



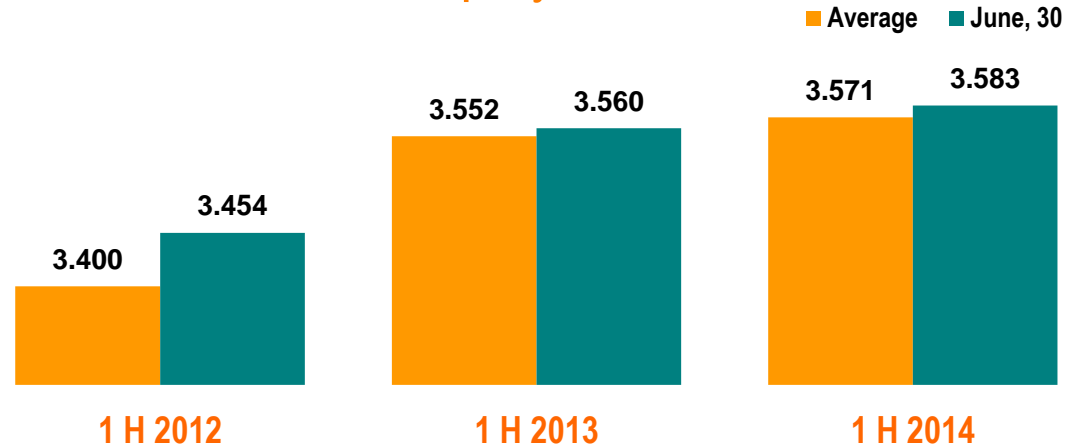
# Staff Costs \*

\* Excluding charges with reorganization

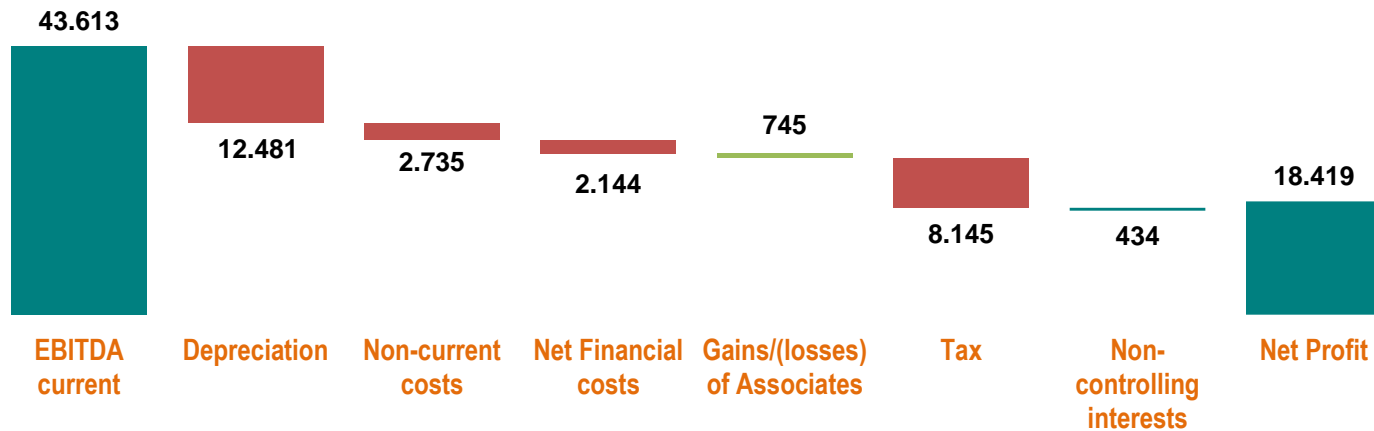
### Value and % (sales):



### Number of employees:



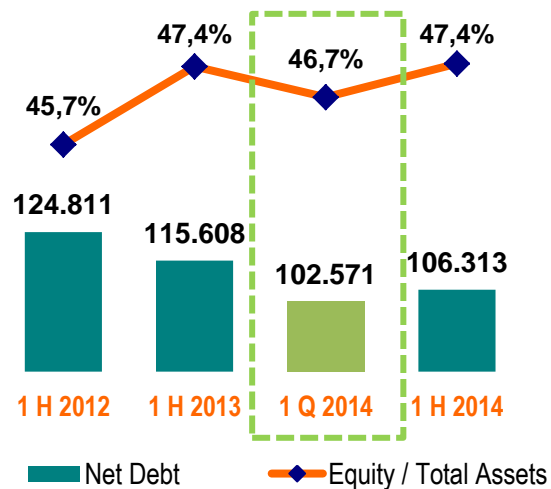
# Net Profit



	1 H 2012	1 H 2013	1 Q 2014	2 Q 2014	1 H 2014
EBIT current	33,913	28,300	9,918	21,214	31,132
Interest	3,422	2,981	1,064	1,080	2,144
Restructuring costs	2,385	0	0	2,735	2,735
(loss)/profit of associates	381	489	218	527	745
EBT	26,254	25,808	9,072	17,926	26,998
Tax	8,084	9,030	2,916	5,229	8,145
Minority interests	453	233	175	259	434
<b>Net Profit</b>	<b>17,716</b>	<b>16,546</b>	<b>5,982</b>	<b>12,437</b>	<b>18,419</b>

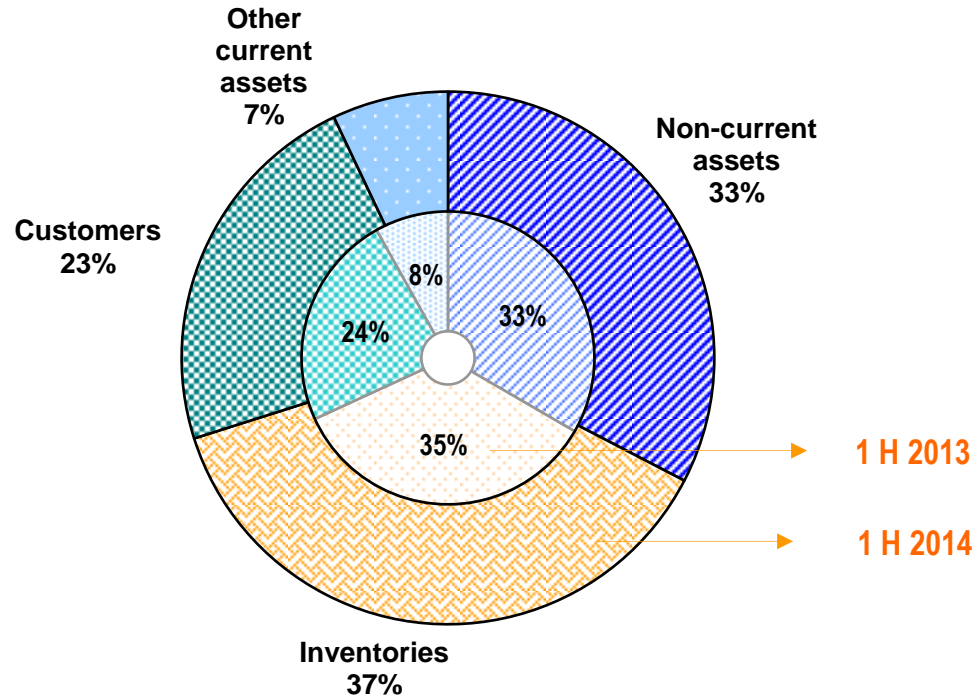


## Net debt and Equity/ Total Assets:



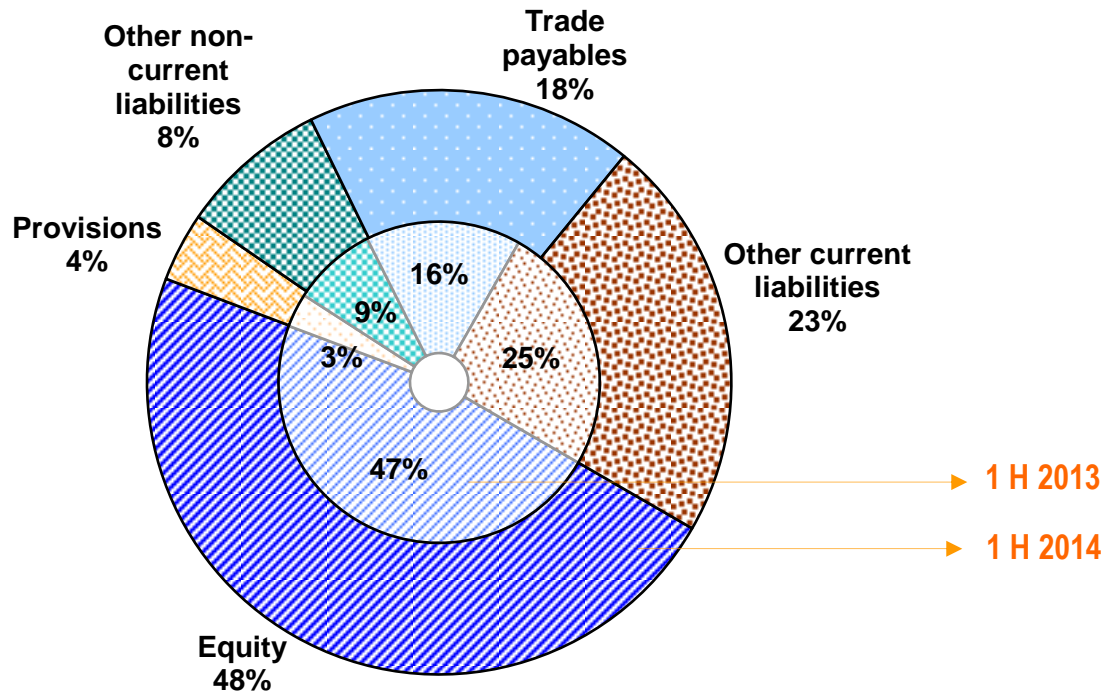
	1 H 2012	1 H 2013	1 Q 2014	1 H 2014
Net Debt	124,811	115,608	102,571	106,313
Equity and Minority interests	292,883	298,083	291,592	305,142
EBITDA / Interest	17.7	20.0	21.5	27.6
Equity / Total Assets	45.7%	47.4%	46.7%	47.4%
Gearing	42.6%	38.8%	35.2%	34.8%

# Total Assets



	1 H 2012	1 H 2013	1 H 2014
Non-current assets	218,759	209,908	209,884
Inventories	219,295	218,966	241,148
Customers	139,477	149,408	147,006
Other current assets	62,795	50,963	45,288
<b>Total Assets</b>	<b>640,324</b>	<b>629,244</b>	<b>643,326</b>
Capex	8,686	7,629	8,763

# Equity and Liabilities



	1 H 2012	1 H 2013	1 H 2014
Equity	292,883	298,083	305,142
Provisions	20,256	21,428	24,490
Other non-current liabilities	77,173	53,420	52,486
Trade payables	98,611	98,460	116,684
Other current liabilities	151,402	157,853	144,525
<b>Total Liabilities</b>	<b>347,442</b>	<b>331,161</b>	<b>338,185</b>

# Consolidated Statement of Financial Position

	June 30, 2014	December 31, 2013	June 30, 2013
<b>Non-current assets</b>	<b>209,884</b>	<b>212,744</b>	<b>209,908</b>
<b>Current assets</b>			
Inventories	241,148	244,063	218,966
Other current assets	192,294	170,499	200,370
<b>Total current assets</b>	<b>433,442</b>	<b>414,562</b>	<b>419,336</b>
<b>Total Assets</b>	<b>643,326</b>	<b>627,307</b>	<b>629,244</b>
<b>Equity (M. I. included)</b>	<b>305,142</b>	<b>301,737</b>	<b>298,083</b>
<b>Non-current liabilities</b>			
Bank borrowings	33,878	33,623	34,559
Other non-current liabilities	43,098	42,815	40,289
<b>Total non-current liabilities</b>	<b>76,976</b>	<b>76,438</b>	<b>74,848</b>
<b>Current liabilities</b>			
Bank borrowings	81,823	78,612	90,699
Other current liabilities	179,386	170,520	165,614
<b>Total current liabilities</b>	<b>261,209</b>	<b>249,132</b>	<b>256,313</b>
<b>Total Liabilities and Equity</b>	<b>643,326</b>	<b>627,307</b>	<b>629,244</b>

# Key Figures

	1H14	1H13	Variation	2Q14	2Q13	Variation	
Sales	289,044	281,669	2.6%	150,448	148,112	1.6%	
Gross Margin – Value	146,618	142,856	2.6%	76,118	76,446	-0.4%	
	1)	50.2%	51.4%	-1.15 p.p.	51.9%	54.1%	-2.24 p.p.
Operating Costs - current	115,486	114,555	0.81%	54,904	58,492	-6.13%	
EBITDA - current	43,613	39,989	9.1%	27,077	23,821	13.7%	
EBITDA/Sales	15.1%	14.2%	+ 0.9 p.p.	18.0%	16.1%	+ 1.9 p.p.	
EBIT - current	31,132	28,300	10.0%	21,214	17,953	18.2%	
Non-current costs	2)	2,735	0	N/A	2,735	0	N/A
Net Income	18,419	16,546	11.32%	12,436	11,251	10.54%	
Earnings per share	0.147	0.132	11.32%	0.099	0.090	10.54%	
Net Bank Debt	106,313	115,608	- 9,295	-	-	-	
Net Bank Debt/EBITDA (x)	3)	1.30	1.49	-0.19 x	-	-	-
EBITDA/Net Interest (x)	4)	27.6	20.0	7.58 x	33.3	23.3	10.01 x
Equity/Net Assets	47.4%	47.4%	+0.1 p.p.	-	-	-	

1) Related to Production

2) Due to property investment impairment and to industrial restructuring expenses

3) Current EBITDA of the last four quarters

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



AMORIM

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