

Corticeira Amorim 2016FY



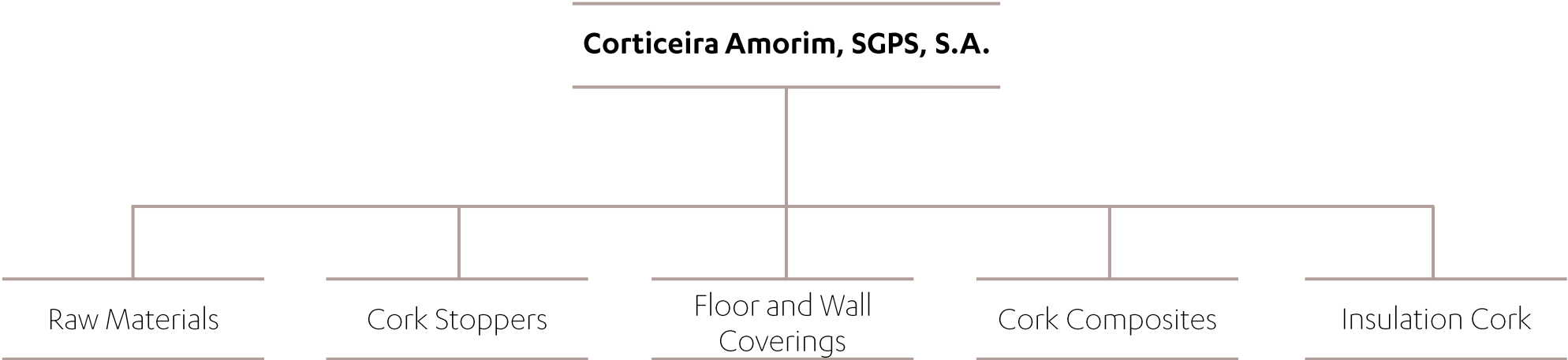


Consolidated Results

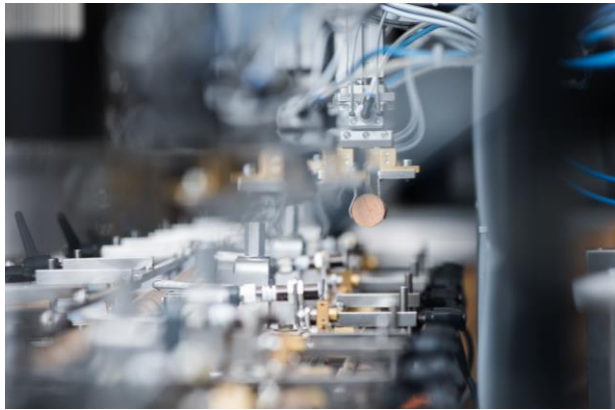
Integral Verticalization



Corticeira Amorim, SGPS, S.A.



2016 in brief



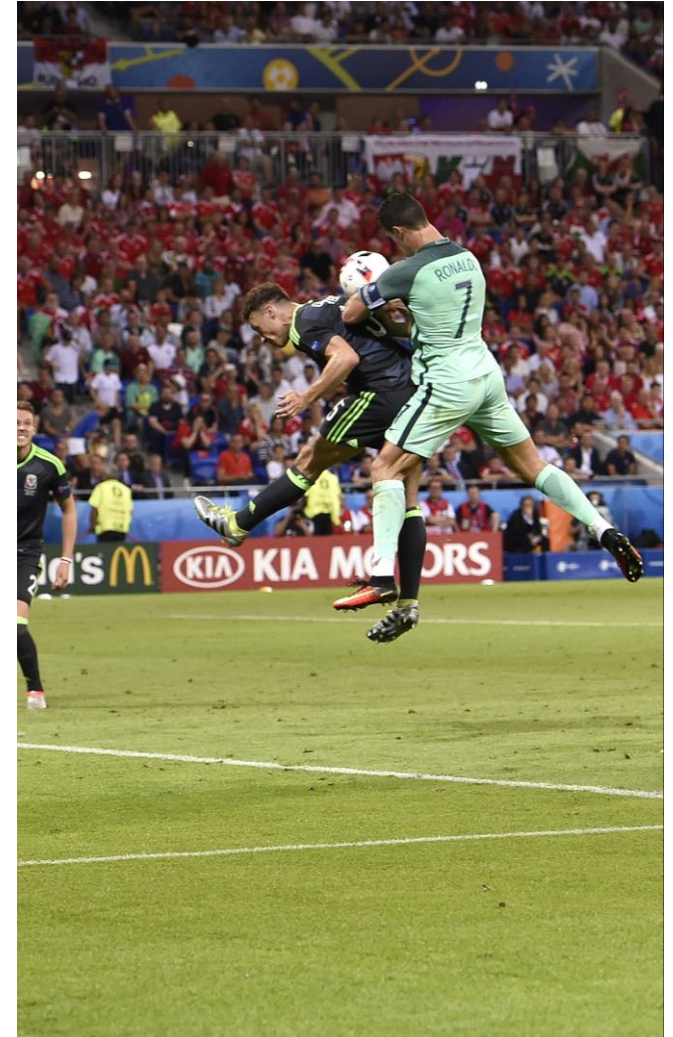
NDTech service



"ASPORTUGUESAS" flip-flops

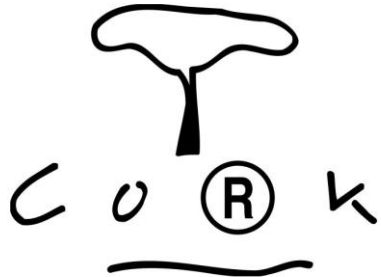


Authentica and Reclaimed collections



Natural Grass partnership

2016 in brief



Intercork III campaign

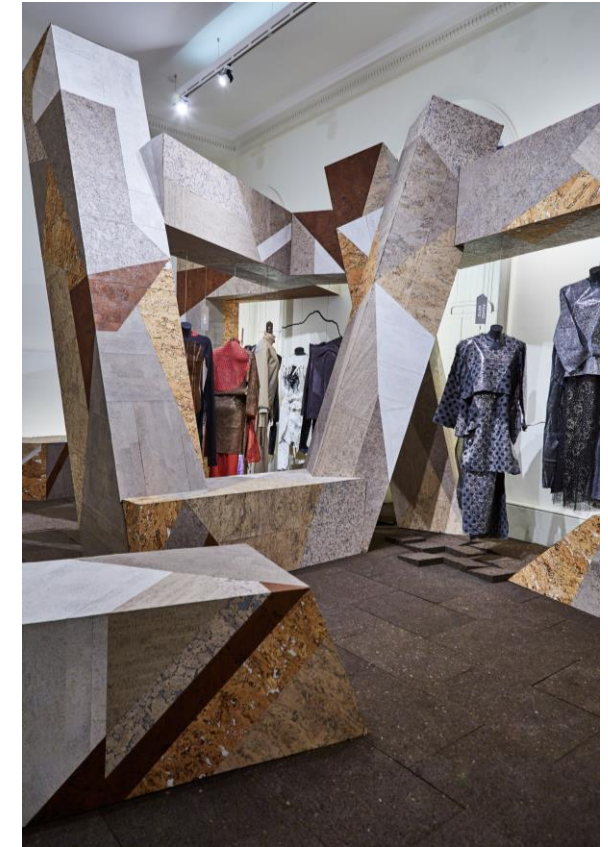


Alfa-Pendular new generation

TO THE GREAT EMPLOYEES AT AMORIM CORK COMPOSITES —



THANKS FOR YOUR OUTSTANDING SUPPORT THAT HELPED MAKE THE SPACE SHUTTLE PROGRAM A GREAT SUCCESS!
Don Thomas



London Fashion Week



ICB awarded in Malaysia

2016 in brief



Tipsy



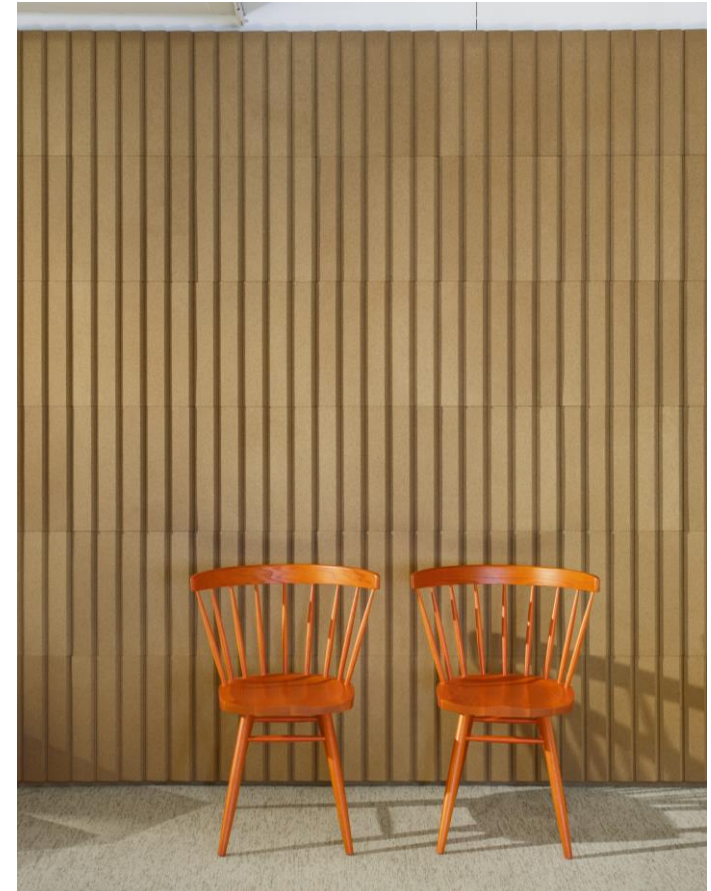
Hydrocork



Helix & Bronco



Eduardo Souto de Moura @ CCB



Knoll | Spinneybeck | Beller Collection

2016 in brief



Insulation Cork International conference



Domaine LaRoche returns to Natural cork stoppers (NDTech)



Cork Composites new showroom

Key Facts & Figures

Sales increase by 6.1% to 641 M€ (604.8 M€ in 2015);

All Business Units (BU) showed sales growth:

- Cork Stoppers (+7.6%);
- Floor and Wall Coverings (+6.6%)
(managed to regain the positive trend of its sales);
- Cork Composites maintained previous year sales;
- Insulation Cork (+13.9%);

Sales growth justified by the effect of volume and mix;

Exchange rate effect with little impact on sales;

NDTech® sales initiated (with materiality) in the second half;

Growing importance of Hydrocork® in Floor and Wall Coverings BU;
promising start of Authentica® sales;

EBITDA increased by 21.5% (122.3 M€ vs. 100.7 M€):

- Increased sales and more favorable mix;
- Improved percentual gross margin;
- Lower operating costs;

EBITDA/Sales 2016: 19.1% (2015: 16.7%);

EBITDA/Sales 2016 for Raw Materials + Cork Stoppers: 21.9% (2015: 19.9%).



Key Facts & Figures

Net debt decrease 48 M€ from the beginning of 2016, to 36 M€;

Lower interest rates;

October: it was announced the sell of 25% stake in associated company US Floors Inc. (Floor and Wall Coverings BU); the transaction resulted in a gain, net of taxes, of 30.2 million euros;

Net Income of 102.703 M€ (+86.7%);

Net Income without the non-recurrent net gain of **US Floors** disposal: 72.8 M€ (+32.4%); (55 M€ in 2015);

November: two qualified shareholders sold 10% of Corticeira Amorim's share capital, through an Accelerated Book Building, contributing to a significant increase of the free-float of Corticeira Amorim to 25.1%;

December: extra income tax payment (7.4 M€) – “PERES” (Special Program for Reduction of Debts to the State);

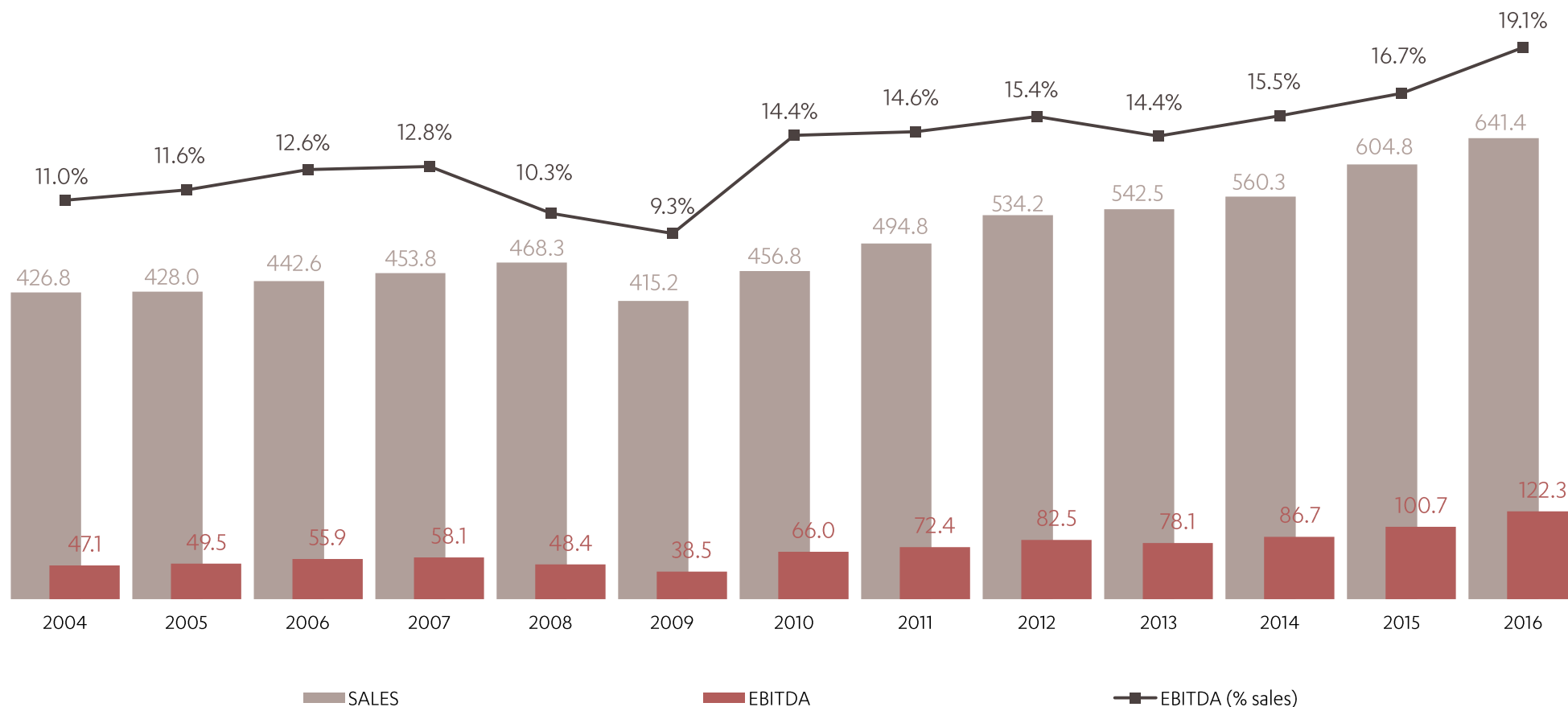
Total assets reached 726.9 M€ (2015: 667.2M€);

Dividends distributed in 2016: € 0.24 per share:

- April: 0.16 €;
- December: 0.08 €;
- Total cash out of 31.9 M€.



Sales & EBITDA



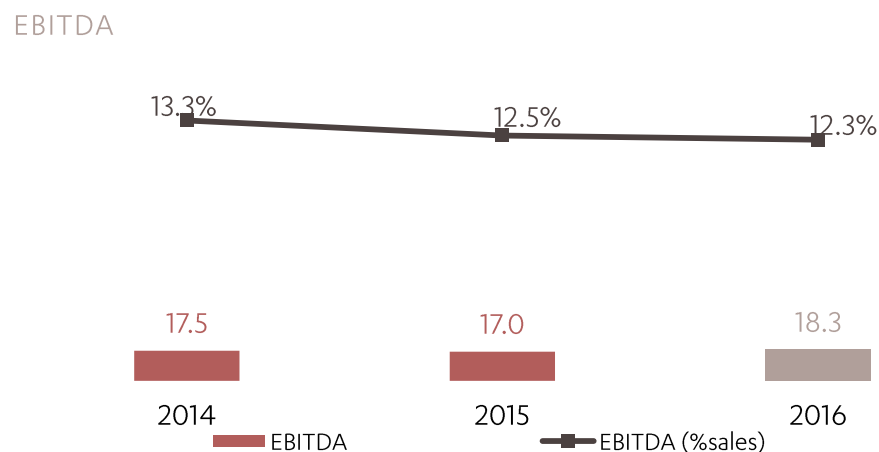
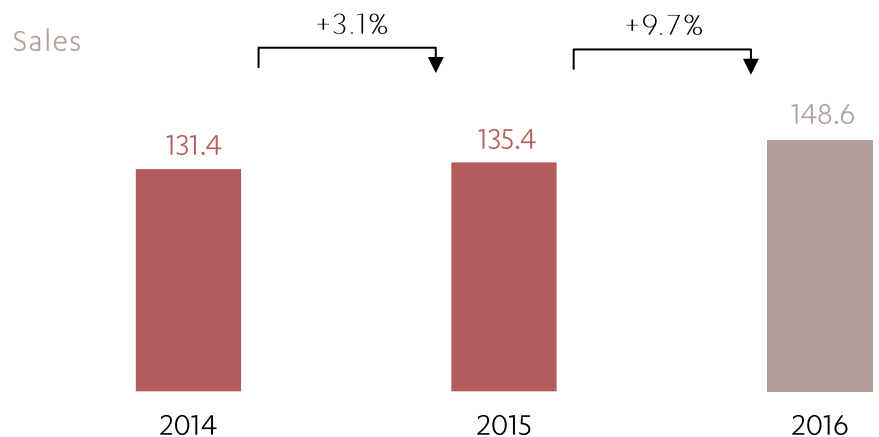
Values in million euros.

Consolidated sales – excludes sales between Corticeira Amorim's Business Units.



Business Units

Raw Materials



Values in million euros.

Sales increase by 9.7% to 148.6 M€;

Following activity growth in the others BU;

Procurement team reorganization to cover the maximum number of cork oak implementation areas;

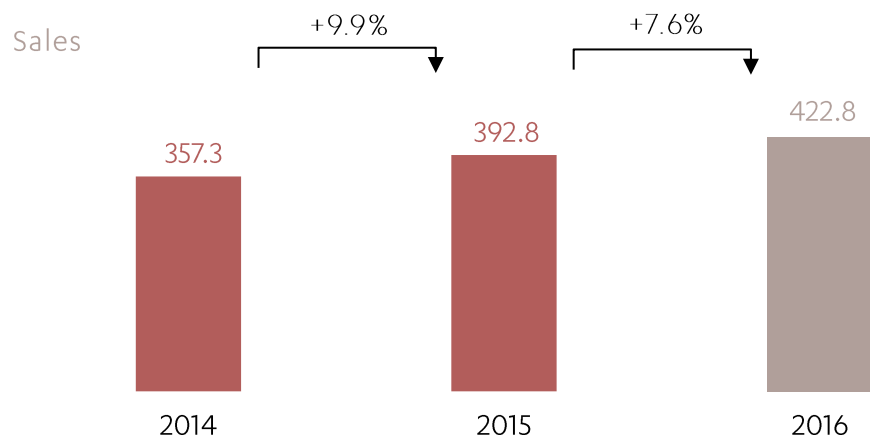
EBITDA reached 18.3 M€, an increase of +7.9% due to higher sales and new automation/methodology in the manufacturing process;

2016 cork campaign held as planned, at a slightly higher price than last year;

Irrigation project: the first stage of a major project that aims to substantially increase the productivity of the cork oak forest, while meeting the growth needs of the sector.



Cork Stoppers



Sales increase by 7.6% to 422.8 M€;

Sales growth higher than market growth pace;

4.4 billion cork stoppers sold (20 million per day);

Highlighting the performance of Neutrocork® and Natural cork stoppers;

Reinforcement of sales in all business segments;

Still wines (+8.3%) and Sparkling (+5.1%) with major sales increase;

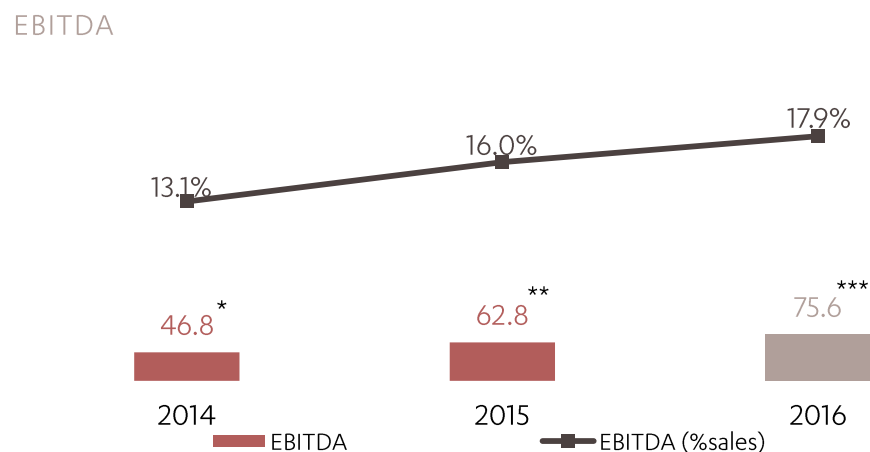
Relevant performance in the traditional markets (France, Italy and Spain) and consolidation in the US;

Spin-off of the Bartops segment to increase sales and allow new partnerships;

Beginning of the sale of natural cork stoppers with the innovative NDtech® service (mainly in the second half);

EBITDA reached 75.6 M€ (+ 20.5%): higher sales and better mix led to EBITDA/Sales from 16% (2015) to 17.9% (2016);

EBITDA/Sales of Cork Stoppers + Raw Materials reached 21.9% (2015: 19.9%).



Values in million euros.

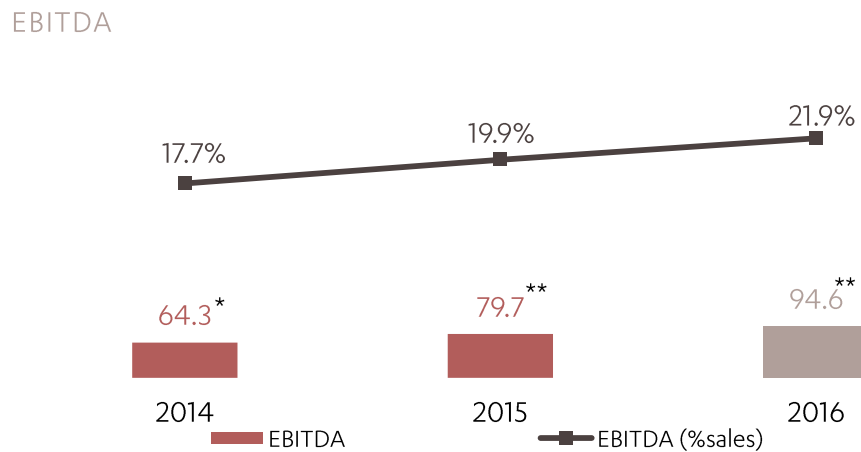
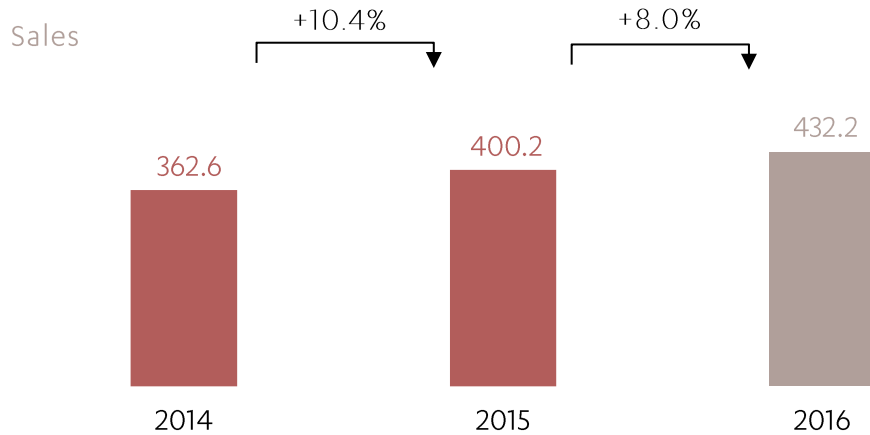
* excludes 0.303 M€: industrial reorganization;

** excludes 2.904 M€: Goodwill impairment;

*** excludes 4.298 M€: non-recurrent costs



Raw Materials + Cork Stoppers

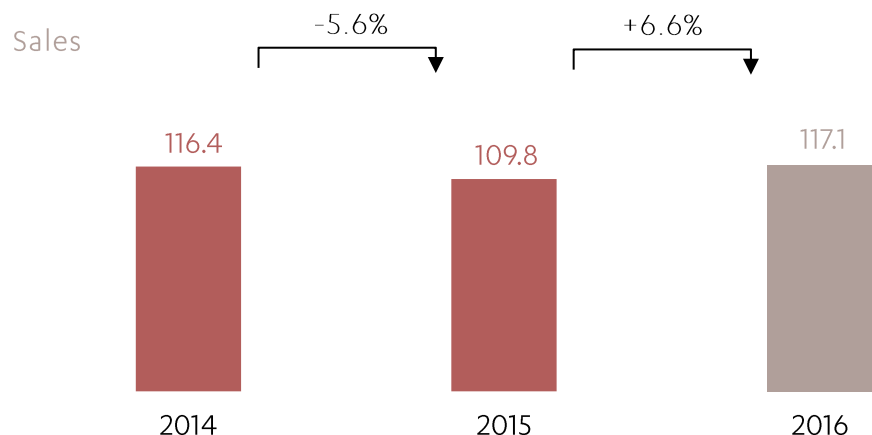


Values in million euros.

* excludes 0.767 M€: industrial reorganization;
 ** excludes 2.904 M€: Goodwill impairment;
 *** excludes 4.298 M€: non-recurrent costs



Floor & Wall Coverings



Sales increase by 6.6% to 117.1 M€;

The BU managed to regain the positive trend of its sales;

Hydrocork® increases weight in total sales and promising early Authentica® sales;

Recovery in all geographies. Negative impact of the Russian market continues;

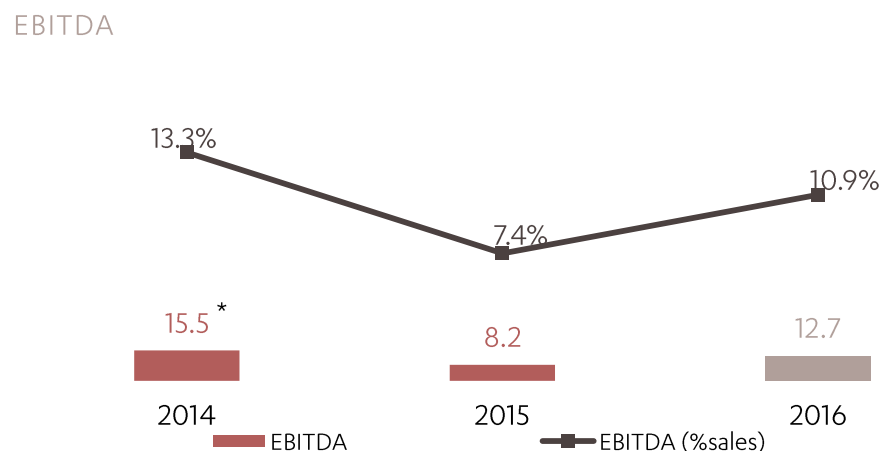
EBITDA reaches 12.7 M€ an increase of 55.8%;

EBITDA/Sales increase to 10.9% due to higher sales and better productivity;

Approved an investment which will be in operation in the beginning of 2018 and will boost industrial capacity:

- An additional press with a production capability of 4,000,000 sqm and a new digital printing system;
- Capex: 11 M€;

The investment will be the basis of the creation of a new generation of CORKTECH® products and will allow further sales of the innovative Hydrocork®.

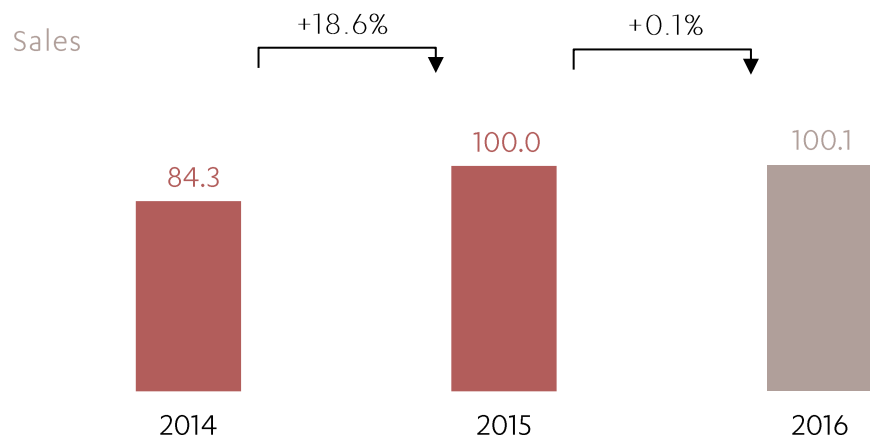


Values in million euros.

* Excludes 2.503 M€: Goodwill impairment.



Cork Composites



Sales increase by 0.1% to 100.1 M€;

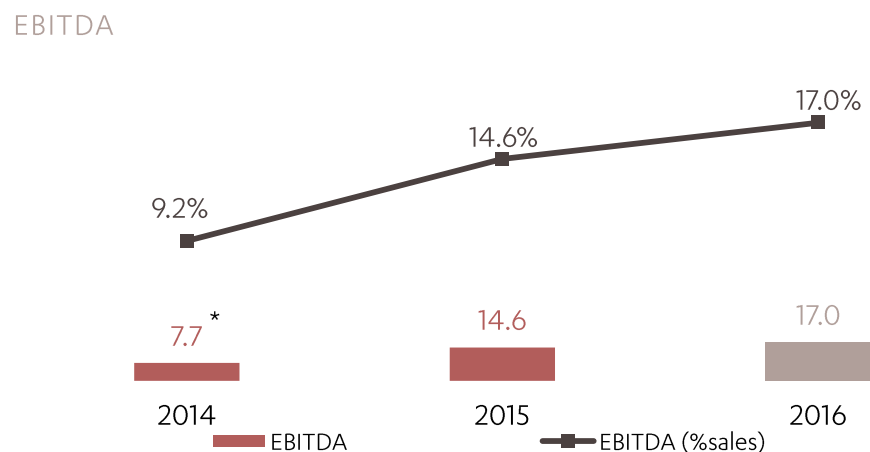
Exceptional performance in 2015 (18.6% sales increase): sales maintenance in 2016 is a clear sign of the sustained growth of this BU;

Priority segments sales increased, with the exception of Furnishings, a consequence of the extraordinary growth observed in the previous year (IKEA project);

Highlight: sales for Industry and Construction segments, and of inlay for Hydrocork®;

EBITDA increased to 17.0 M€ (+16.5%) in a context of equivalent sales:

- Better price of raw materials;
- Higher efficiency levels in the consumption of the main non-cork raw materials,
- Significant reduction of direct industrial costs;



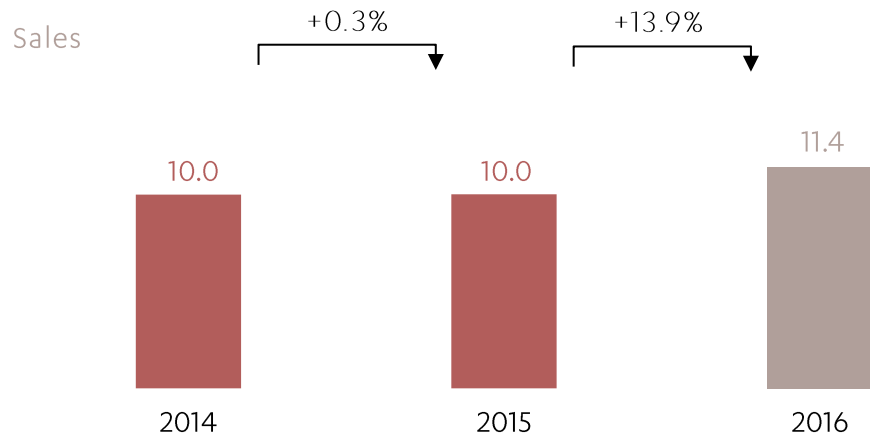
EBITDA/Sales reached 17%.



Values in million euros.

* Excludes 3.264 M€: industrial reorganization (Corroios).

Insulation Cork



Sales increase by 13.9% to 11.4 M€;

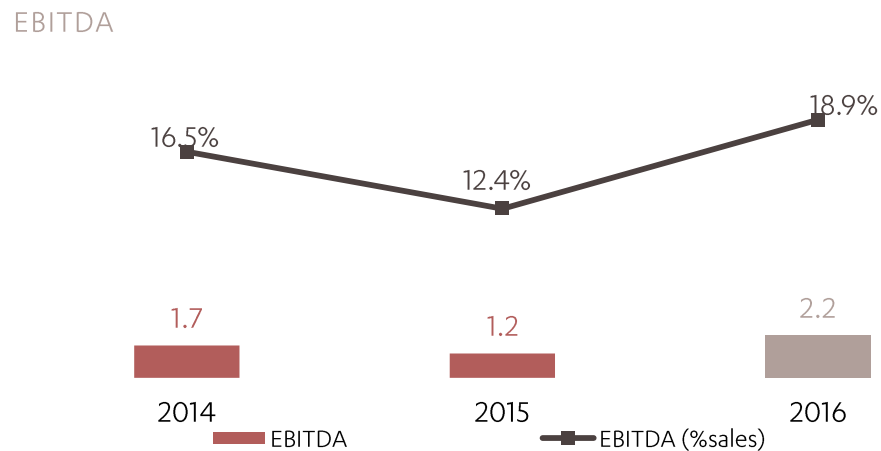
Sales growth influenced by the supply of granulated cork to Cork Composites BU;

Sales increase of expanded corkboard, the main product of this BU, justified by volume (+2%);

Increase in sales of specialties (MDFachada + regranulates);

EBITDA reached 2.2 M€ (+73.8%);

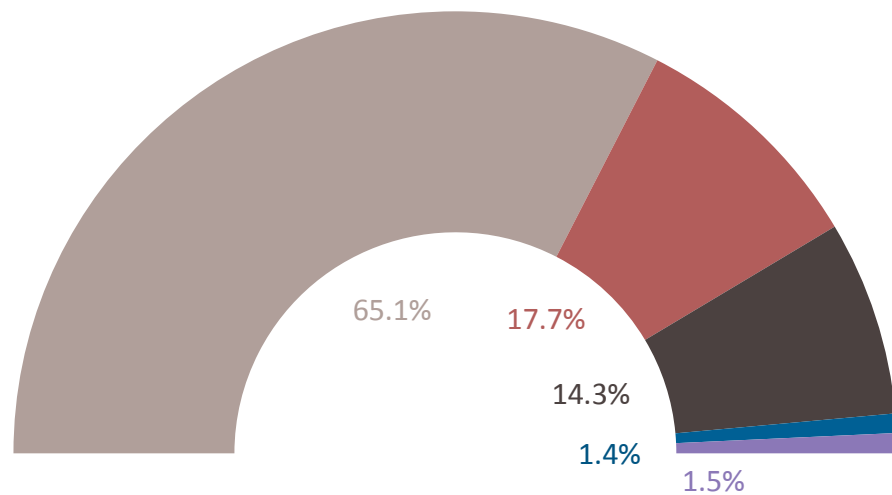
EBITDA/Sales: 18.9%, comparing to 12.4% registered on 2015.





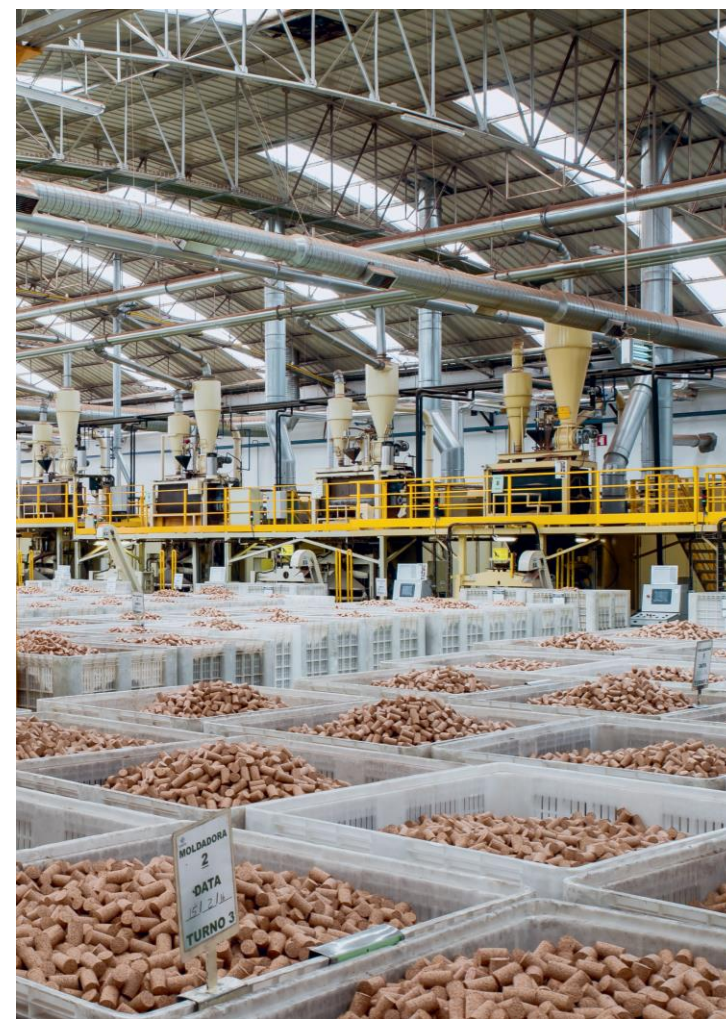
Key Financials

Sales by Business Unit



■ Cork Stoppers ■ Floor and Wall Coverings ■ Cork Composites ■ Insulation Cork ■ Raw Materials

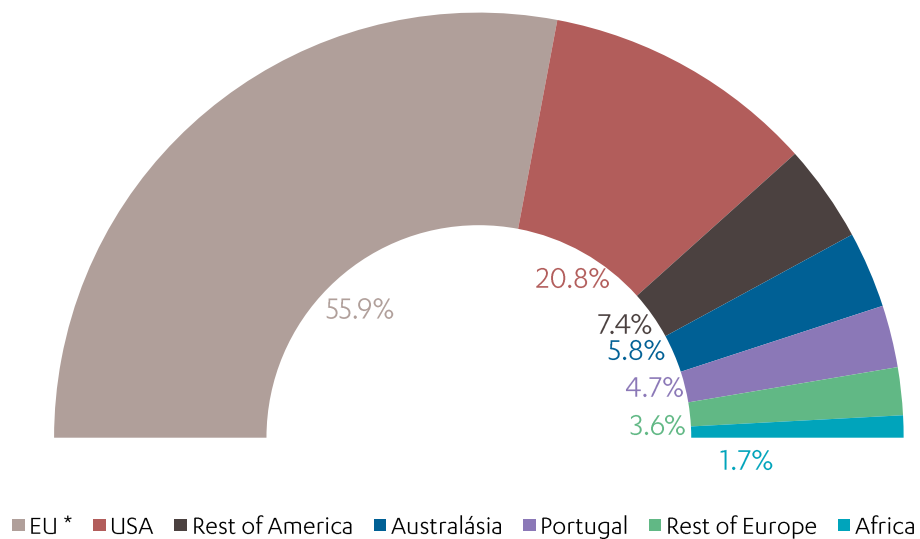
	2014	2015	2016
Cork Stoppers	63.1%	64.2%	65.1%
Floor and Wall Coverings	20.2%	17.8%	17.7%
Cork Composites	14.2%	15.4%	14.3%
Insulation Cork	1.5%	1.4%	1.4%
Raw Materials	0.9%	1.2%	1.5%
	100%	100%	100%



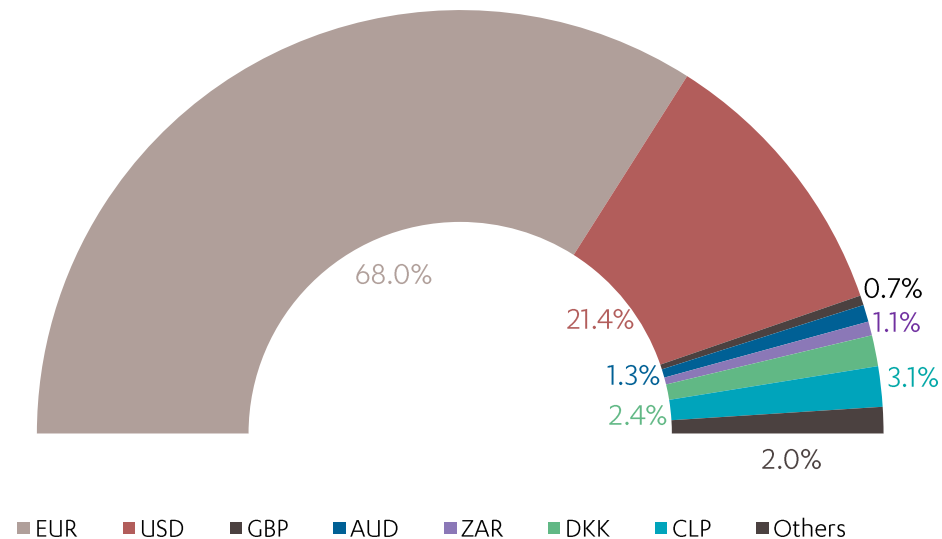
Sales to more than 100 countries



Sales by geographic areas

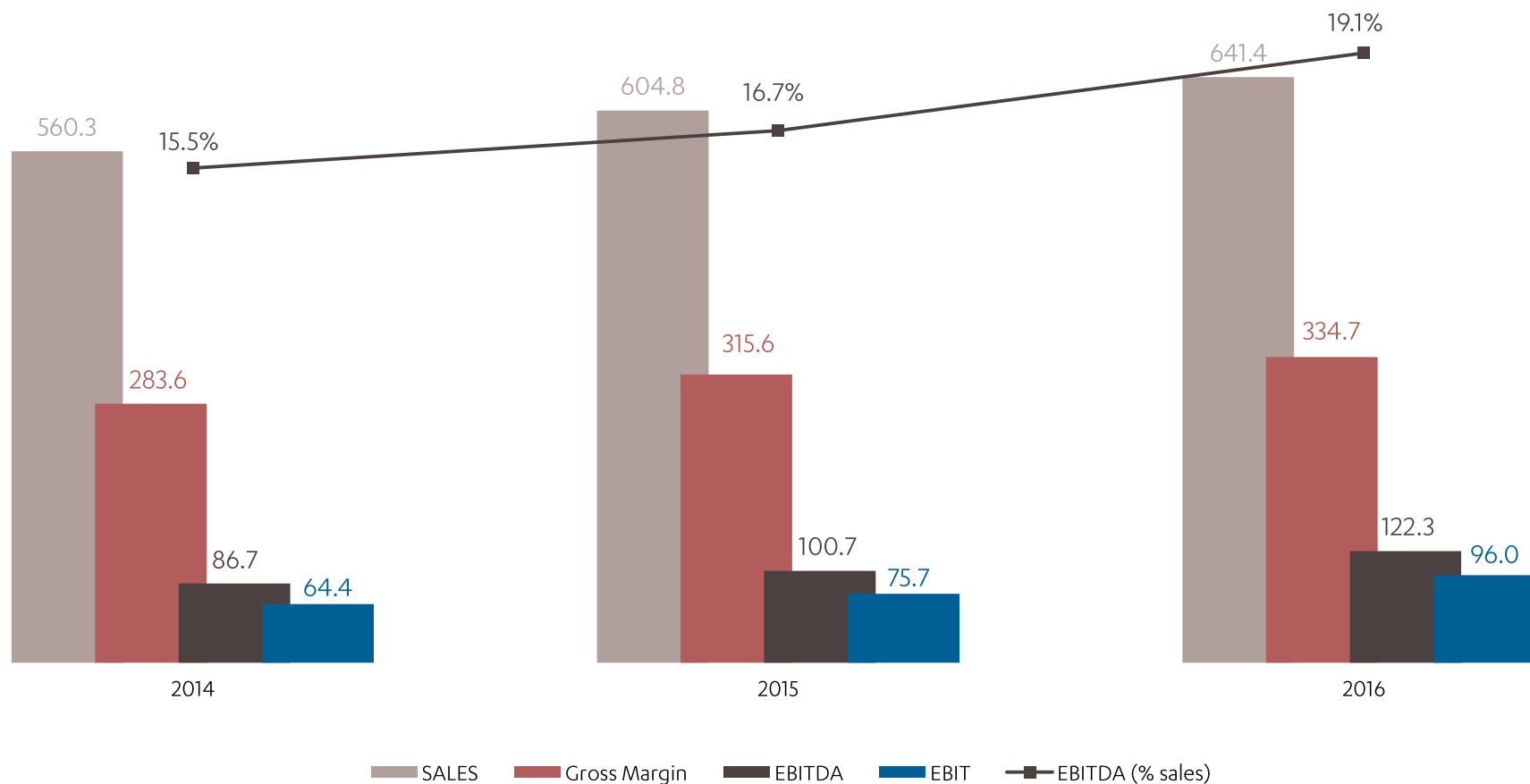


Sales by currency



* It includes Switzerland and Norway and excludes Portugal.
Sales to non-Group Clients.

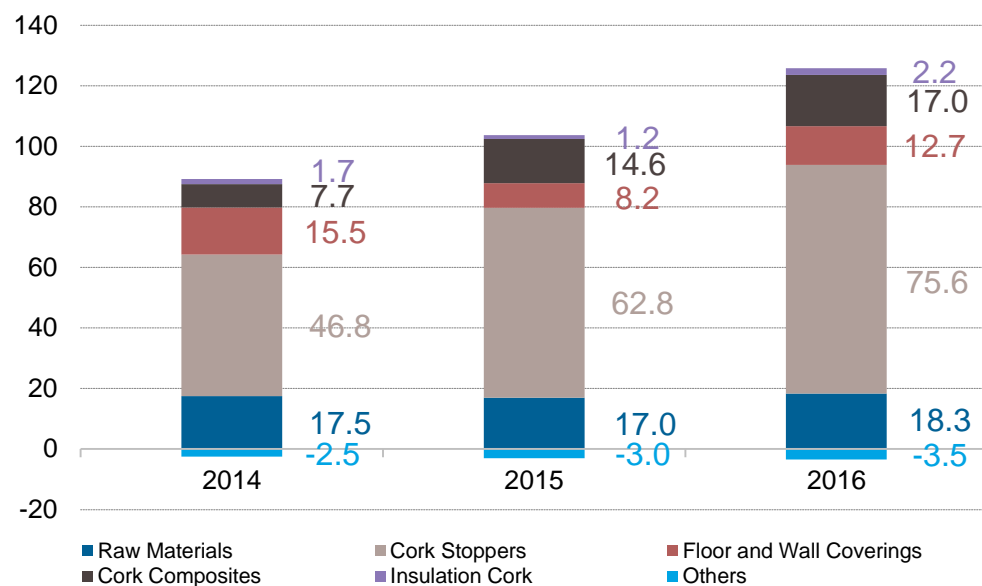
Sales | Gross Margin | EBIT | EBITDA



Values in million euros.

EBITDA by BU

EBITDA by BU (value)



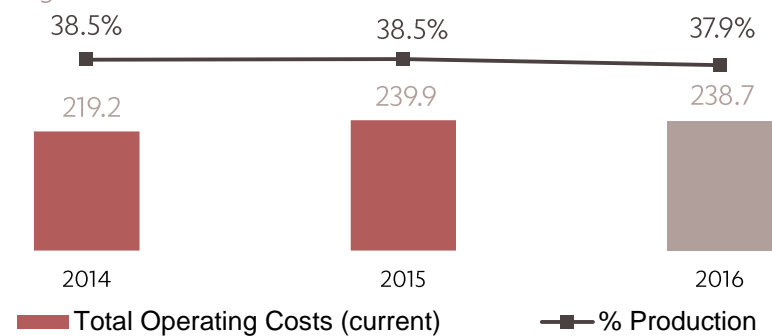
EBITDA/Sales (%)	2014	2015	2016
Raw Materials + Cork Stoppers	17.7%	19.9%	21.9%
Floor and Wall Coverings	13.3%	7.4%	10.9%
Cork Composite	9.2%	14.6%	17.0%
Insulation Cork	16.5%	12.4%	18.9%
Consolidated	15.5%	16.7%	19.1%

Values in million euros.



Operating Figures

Operating costs

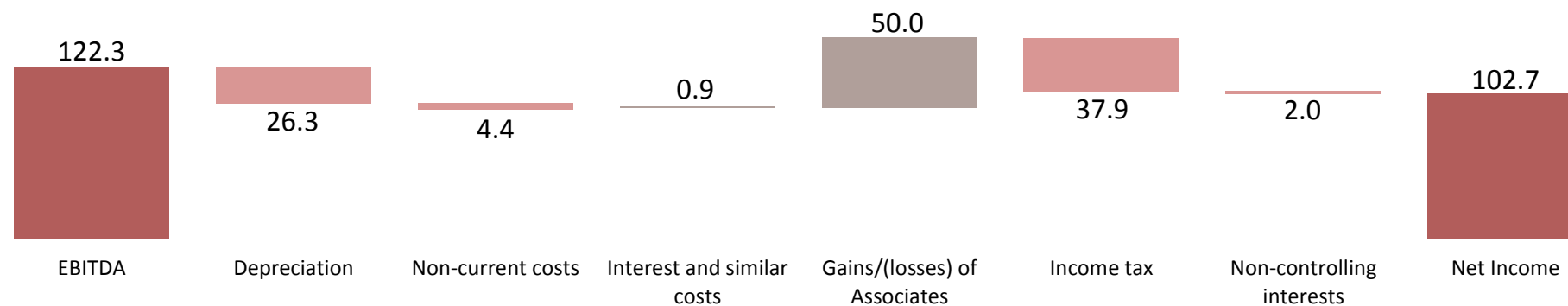


	2014	2015	2016	yoy
External supplies	96.4	100.5	103.0	2.5%
Transports	21.5	22.4	22.9	2.1%
Energy	11.4	11.9	12.2	2.1%
Staff costs	103.3	111.9	113.3	1.3%
Depreciation	22.3	25.1	26.3	5.0%
Provisions	-0.4	3.3	0.7	-77.8%
Others	2.5	0.8	4.7	471.4%
Total Operating Costs (current)	219.2	239.9	238.7	-0.5%
Number of employees:				
Average	3,497	3,636	3,655	0.5%
Year-end	3,468	3,537	3,602	1.8%

Values in million euros.



Net Income



	2014	2015	2016	yoy
EBIT current	64.4	75.7	96.0	26.9%
Net financial costs	5.9	2.8	-0.9	-
Interest costs and other financial costs	3.9	2.1	1.6	-27.2%
Provisions	2.0	0.7	-2.5	-
Non-current costs	6.4	2.9	4.4	49.9%
Share of (loss)/profit of associates	1.3	3.1	50.0	1516.5%
Profit before tax	53.5	73.1	142.6	95.2%
Income tax	16.8	17.5	37.9	116.5%
Non-controlling interest	0.9	0.6	2.0	259.9%
Net Income	35.8	55.0	102.7	86.7%

Consolidated Key Indicators



Sales up 6.1% to 641.4 M€;

Cork Stoppers and Floor and Wall Coverings – major impact in growth;

Exchange rate with no material impact on sales;

EBITDA/Sales: 19.1%;

Net income up 86.7% to 102.7 M€;

All business units recorded sales growth of finished products to end customers;

2016 EBITDA + US Floors cash-in. Main applications:

- 33 M€ Capex
- 32 M€ Dividends
- 19 M€ Working Capital Needs
- 26 M€ Taxes
- 48 M€ Net Debt Reduction
- 6 M€ Other

The Board will propose to the AGM a dividend of 0.18€ per share.

	2014	2015	2016	yoy
Sales	560.3	604.8	641.4	6.1%
Gross Margin	283.6	315.6	334.7	6.0%
Gross Margin (Sales / Production)	49.8%	50.7%	53.2%	+ 2.5 p.p.
Operating Costs	219.2	239.9	238.7	-0.5%
EBITDA	86.7	100.7	122.3	21.5%
EBITDA / Sales	15.5%	16.7%	19.1%	+ 2.4 p.p.
EBIT	64.4	75.7	96.0	26.9%
Non-recurrent costs	6.4	2.9	4.4	49.9%
Net Income	35.8	55.0	102.7	86.7%
Earnings per share (€)	0.285	0.431	0.772	79.3%

Debt| Ratios



	2012	2013	2014	2015	2016
Net Debt	121.6	104.4	87.6	83.9	35.9
Net Assets	643.8	627.3	617.4	667.2	724.2
Equity and Minority interests	295.3	301.7	315.6	354.1	426.9
Net Debt / EBITDA	1.47	1.34	1.01	0.83	0.29
EBITDA / Net Interest	17.2	20.8	30.8	70.5	108.6
Equity / Net Assets	45.9%	48.1%	51.1%	53.1%	58.7%
Gearing	41.2%	34.6%	27.7%	23.7%	8.4%
Net working capital (NWC)	276.0	261.3	269.2	296.8	315.7
NWC / Market capitalization	129.7%	88.9%	67.0%	37.3%	27.9%
NWC / Sales x 360	186.0	179.3	173.0	176.7	177.2
Free cash flow (FCF)	23.3	38.3	41.7	22.1	86.9
Capex	21.4	26.8	21.2	31.4	33.6
Return on invested capital (ROIC)	10.8%	10.2%	11.8%	14.3%	16.9%
Average Cost of Debt	5.1%	4.4%	3.7%	2.1%	1.8%

NWC = Inventories + Trade receivables + Other operating assets – Trade payables – Other operating liabilities
 FCF = EBITDA – Non-current cash expenditures – Net financing expenses – Income tax – Capex – NWC variation

Balance Sheet



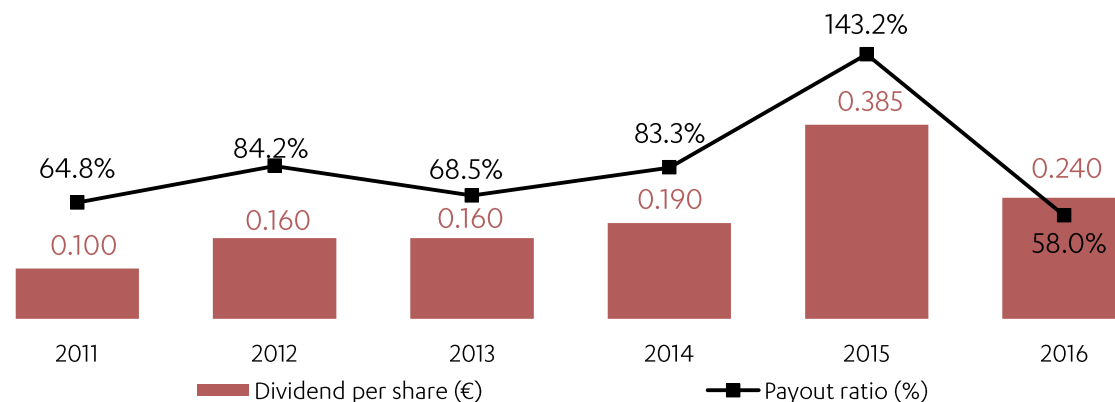
Assets

	2014	2015	2016
Total non-current assets	213.3	223.7	231.7
Inventories	247.6	271.7	268.7
Raw materials (cork)	129.9	137.7	149.2
Finished products and WIP	105.9	123.2	109.1
Others	11.8	10.8	10.4
Trade receivables	122.6	132.5	141.9
Other current assets	33.9	39.3	82.0
Corporate Income Tax	2.2	3.1	4.2
Cash	6.0	7.5	51.1
VAT receivable	17.0	18.8	19.9
Others	8.6	9.9	9.3
Total current assets	404.2	443.5	495.2
Total Assets	617.4	667.2	726.9

Liabilities & Equity

	2014	2015	2016
Equity	315.6	354.1	426.9
Bank borrowings	26.2	41.2	38.6
Provisions	28.0	32.2	30.7
Other non-current liabilities	18.5	16.8	16.1
Total non-current liabilities	72.7	90.2	85.3
Bank borrowings	67.4	50.1	48.4
Trade payables	115.3	121.2	110.0
Deferred costs	18.6	21.8	23.4
State and social security - withholding/others	13.4	13.6	16.1
Other current liabilities	14.4	16.2	16.8
Total current liabilities	229.2	222.9	214.7
Total Liabilities and Equity	617.4	667.2	726.9

Dividend



Attractive dividend payment:

2014: **23.9 M€**; 9.3% of dividend yield (15.1 M€ + 8.8 M€);
 2015: **50.2 M€**; 13.5% of dividend yield (17.6 M€ + 32.6 M€);
 2016: **31.9 M€**; 5.5% of dividend yield (21.3 M€ + 10.6 M€).

1 – by payment year;

2 – dividend yield considers: average share price of 2.04€, 2.85€, and 4.34€, respectively for 2013, 2014 and 2015;

3 – 2015 dividend includes extraordinary payment of 25.9 M€ from the gains accrued in the ABB of treasury stock (Sep. 2015)

		2011	2012	2013	2014	2015	2016
Issued shares	Qt.	133,000,000	133,000,000	133,000,000	133,000,000	133,000,000	133,000,000
Year-end close (N-1)	€	1.160	1.350	1.600	2.210	3.020	5.948
Earnings per share (N-1)	€	0.163	0.200	0.246	0.242	0.285	0.431
Payout	%	64.80%	84.20%	68.50%	83.30%	143.21%	58.02%
Dividend per share	€	0.100	0.160	0.160	0.190	0.385	0.240
Dividend Yield	%	10.4%	14.0%	11.3%	9.3%	13.5%	5.5%

Dividend of year N-1 is paid in year N

Dividend yield = dividend per share/average share price (N-1)

2015: dividend of 0.385€ per share includes an additional dividend of 0.195€ per share (Nov. 2015) as a result of application of gains accrued in the ABB of treasury stock (5.62%)

Stock Market | COR.LS



Source: Euronext



Source: Euronext

	2012	2013	2014	2015	2016
Qt. of shares traded	2,856,436	2,184,858	3,481,685	12,693,424	80,927,163
Share price (€):					
Maximum	1.650	2.400	3.650	6.290	9.899
Average	1.420	2.040	2.850	4.340	7.303
Minimum	1.270	1.560	2.200	2.990	5.200
Year-end	1.600	2.210	3.020	5.948	8.500
Trading Frequency	85.2%	89.3%	96.1%	98.8%	100%
Stock market capitalization at year-end (€)	212,800,000	293,930,000	401,660,000	791,084,000	1,130,500,000

Source: Euronext|Corticeira Amorim

Qt. of shares traded in 2015 includes the ABB of 7,399,262 shares (17-09-2015).



Cristina Rios de Amorim

CFO. IRO

Tel.: +351 22 747 54 25 . Fax: +351 22 747 54 07

Email: cristina.amorim@amorim.com

www.corticeiraamorim.com

Corticeira Amorim, SGPS, S.A.

Rua de Meladas, nº 380 . PO BOX 20 . 4536-902 MOZELOS
PORTUGAL

Tel.: +351 22 747 54 00 . Fax: +351 22 747 54 07

Email: corticeira.amorim@amorim.com

www.corticeiraamorim.com