



**AMORIM**

**Corticeira Amorim, S.G.P.S., S.A.**

**Consolidated results**

**2013 Fiscal Year**

# Summary

## Consolidated results

- Highlights
- Consolidated key indicators

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- Key indicators
- Highlights

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- Key indicators
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- Consolidated indicators

# Consolidated results

- Highlights
- Consolidated key indicators

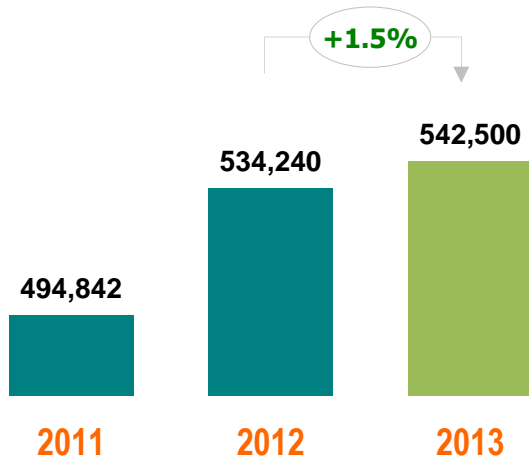
Unit: thousands of euros

# Highlights

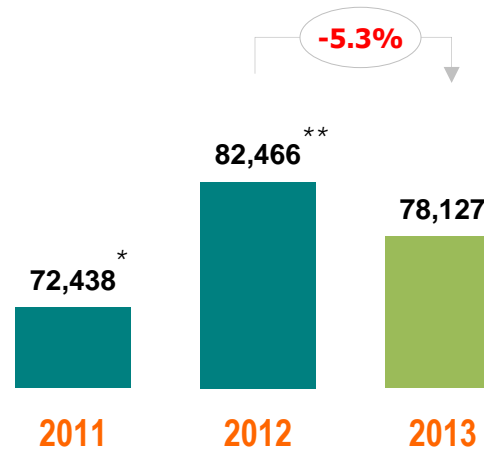
- ❑ CORTICEIRA AMORIM registered the second best ever fiscal year during 2013;
- ❑ Consolidated sales reached 542.5M€ (+1.5%); like-for-like sales -1% (-5M€);
- ❑ Exchange rate impact on sales: -7M€;
- ❑ Less wood sales (5M€) and less raw cork sales (3M€);
- ❑ Current EBITDA (78.1M€ = 14.4% of sales) and current EBIT (56.6M€) down 5.3% and 7.6% from 2012 (exchange rate impact on EBITDA: -7M€);
- ❑ Provisions booked: 8M€ (stamp tax: 2.7M€ plus income tax: 5.3M€)
- ❑ Net profit totalled 30.339M€, decreasing 2.3% from last year comparable of 31.055M€;
- ❑ Dividends paid reached 20.1M€ (2012: 20.2M€);
- ❑ Capex reached 26.8M€ (2012: 21.4M€);
- ❑ Cork purchasing campaign finished with higher quantities and similar prices (by comparison with 2012 campaign).
- ❑ Net debt 104.4M€ (2012: 121.6M€).

# Consolidated key indicators

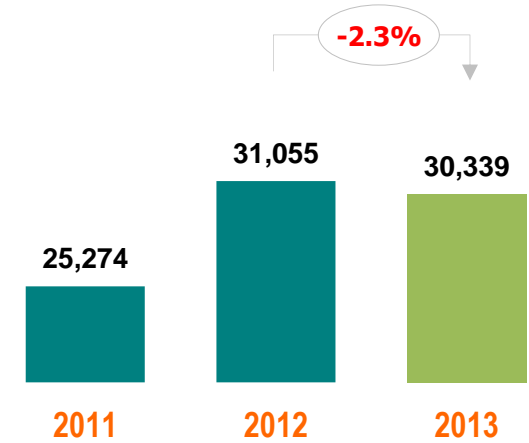
## Sales



## EBITDA current



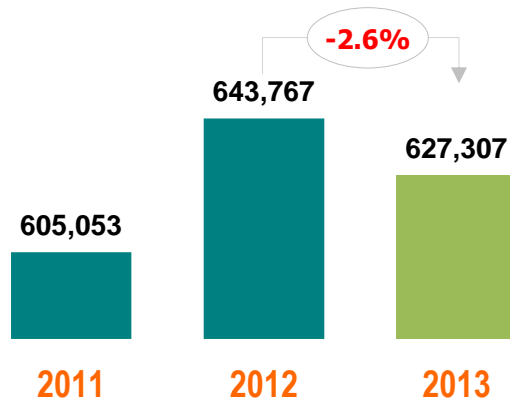
## Net Profit



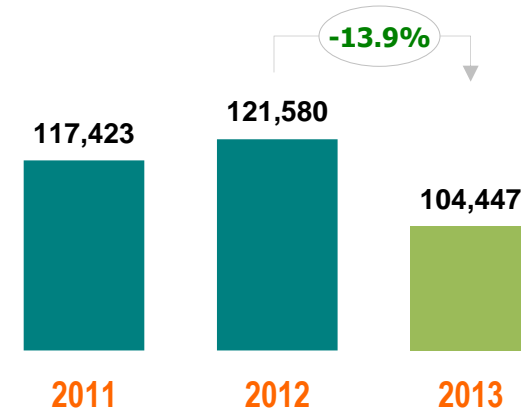
\* Excludes write-off Goodwill SNL and US Floors (5,792).

\*\* Excludes write-off Goodwill North Africa, land impairment and TVA Argentina (5.240)

## Total Assets



## Net debt





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Business Unit:

# Raw Materials

- Key indicators
- Highlights

Unit: thousands of euros



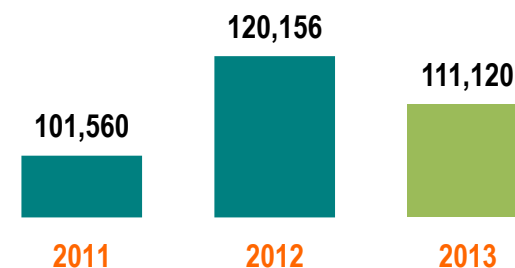
# Highlights and key indicators

## Raw Materials

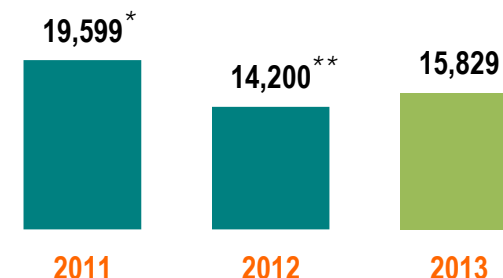
### Less activity and better results

- Sales to Group value chain decreased by 5.6% (2012 cork campaign below historical average);
- Better margins and yields;
- EBITDA up 11.5% (15.8M€);
- Better weather conditions allowed for a good campaign;
- Cork available to fulfill required needs for 2014; Purchase conditions similar to 2012
- Working methods for cork preparation being consolidated;
- Disks production (champagne and Twin Top) modernization.

### Sales



### EBITDA current



\* excludes 2,200 K€ (3T11) due to impairment  
\*\* excludes 1,995 K€ (2T12) due to impairment



# Highlights and key indicators

## Raw Materials

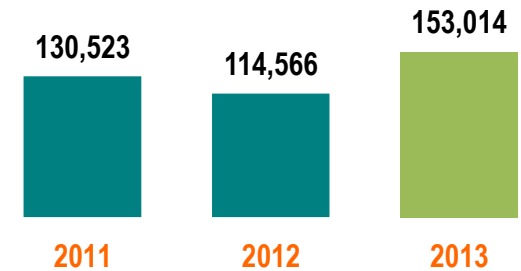
### Industrial activity

- Less cork transformed;
- Preparation units yields increased considerably.

### Outlook

- Higher activity (more cork transformed);
- Stability in cork purchasing activity: assurance of group needs easing possible pressure on cork demand;
- Maintenance of 2013 profitability;
- Higher industrial efficiency and transportation flows optimization;

### Total Assets\*



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



Business Unit:

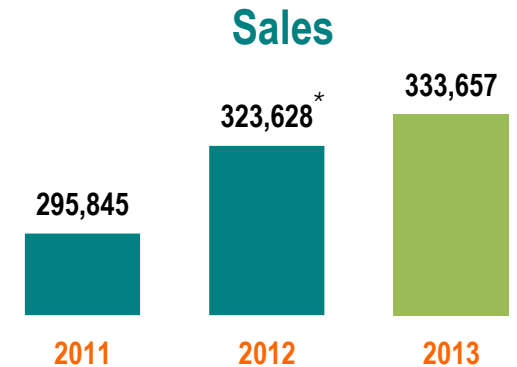
# Cork Stoppers

- Key indicators
- Highlights

Unit: thousands of euros

### ☐ Sales – 333.6M€ (+3.1%) (like-for-like: -1.1%)

- Slowdown in major markets (France and Australia); strong increase in Spanish (13%), Italian (7%) markets. Russia and Georgia also to be noted;
- Exchange rate hit sales (-4.8M€: USD/ZAR/AUD/CLP);
- Performance by product family:
  - Natural cork stoppers:
    - At the same level of 2012 but with changes in important markets:
      - Drop in France / Switzerland / Australia;
      - Increase in Argentina and Spain;
      - New commercial strategy / sales force restructuring plan.
  - Champagne cork stoppers:
    - Growth of 2.5% mainly due to volume (exchange rate negative effect);
    - Good performance in Italy and Spain.
  - Neutrocork stoppers:
    - Growth of 5.9% due to volume;
    - Growth at major markets.
  - TwinTop stoppers:
    - Drop of 12.4% due to volume;
    - Decrease in US market (after a significant increase in 2012).



\* includes Trefinos (1S12)



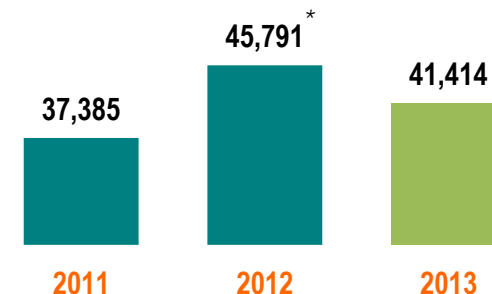
# Highlights and key indicators

## Cork Stoppers

### Operating activity

- Percentual gross margin hit from a strong USD (average: 1.328 vs. 1.285);
- Decrease in comparable operating costs (1.9%);
- EBITDA decreased by 9.5% (drop in gross margin not compensated by the operating costs decrease).

### EBITDA current

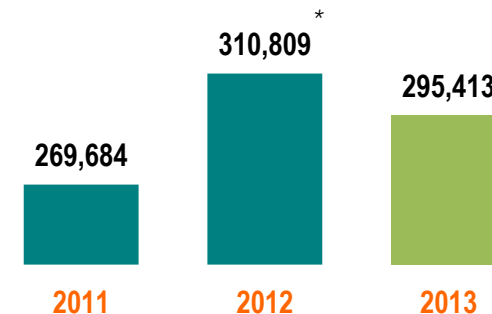


\* excludes 3245 K€ due to impairment  
\* includes Trefinos (1S12)

### Other

- New products launch:
  - Helix and Wine Top
- Improvement in natural cork stoppers finishing process:
  - Washing and treatment systems
- Trefinos integration in operating structure.

### Total Assets\*



\* includes Trefinos



# Highlights and key indicators

## Cork Stoppers

### □ Outlook

- Wine consumption still growing in USA, Asia (India and China) and Brazil;
- Sale of non used assets
- Increasing retention and loyalty of customers;
- Market share increase;
- Launch of new products;
- Improving volume-mix versus value with high potential growth and perceived value products;
- Production capacity reinforcement: operating efficiency, acquisitions or joint-ventures.



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Business Unit:

# Floor & Wall Coverings

- Key indicators
- Highlights

Unit: thousands of euros

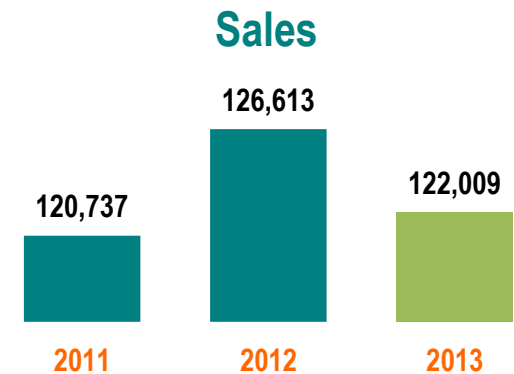


# Highlights and key indicators

## Floor & Wall Coverings

### ❑ Sales decrease of 3.6% (own products = 2012)

- Own products sales equals 2012, but impacted by a USD devaluation (0.6M€);
- Wood and laminated flooring sales down 5M€ accelerated prior years decline;
- High value added products allowed for a better margin;
- Nordic and US markets good performance; Russia hit by inventory repositioning in the distribution channel;
- LVT sales increases.





# Highlights and key indicators

## Floor & Wall Coverings

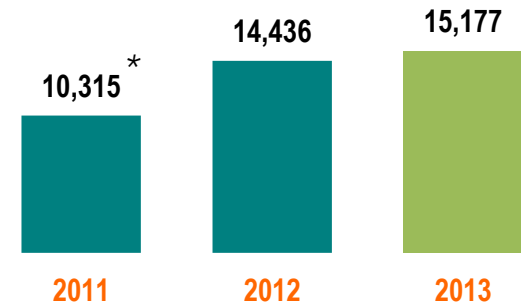
### □ Operating activity

- Decrease in percentual gross margin more than compensated by operating costs reduction;
- EUR/USD evolution hit results;
- EBITDA reached 15.2M€ (+5.1%)

### □ Outlook

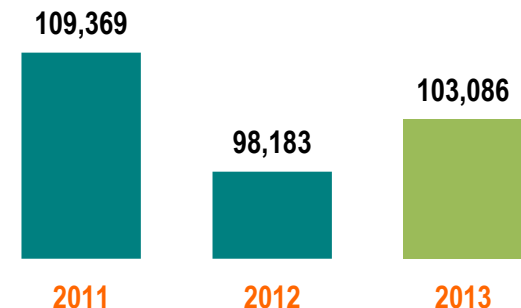
- Good receptiveness in the launching Artcomfort collection (visuals, finishing, dimensions);
- Profitability consolidation in all markets;
- New markets with enlargement of the distribution network.

#### EBITDA current



\*\* excludes 3592 K€ due to impairment

#### Total Assets\*



Business Unit:

# Composite Cork

- Key indicators
- Highlights

Unit: thousands of euros



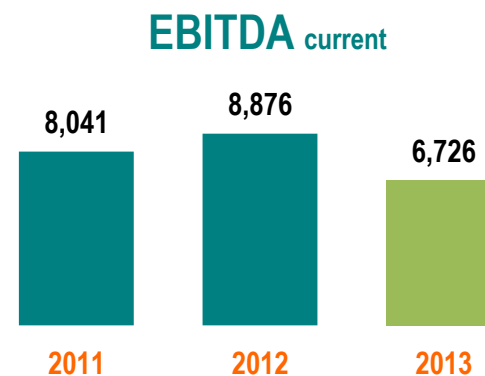
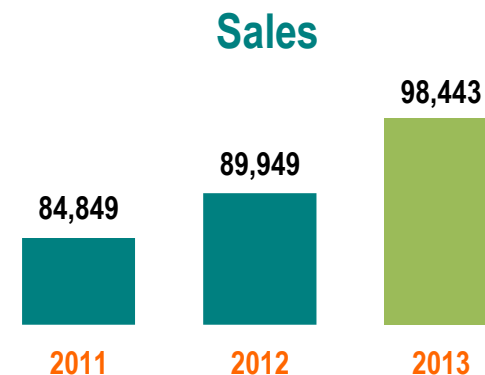


# Highlights and key indicators

## Cork Composites

### □ Sales – up 0.7% (sales of finished products to final costumers)

- Global picture improved in second semester; good performance in US market;
- Sales to Industry (the most important sector) dropped and also to Sealing and Construction (except USA);
- Construction: higher growth area mainly in the USA;
- Favourable sales prices impacted reversed by unfavourable USD rate;
- High cash costs: energy and transportation;
- Costs related with Spain production discontinuity (1.1M€);
- New press DBP still far away from its total capability;
- New press DBP and China still hurting activity;
- EBITDA dropped 2.2M€ (-24%) but showing better results than first half (-42%);





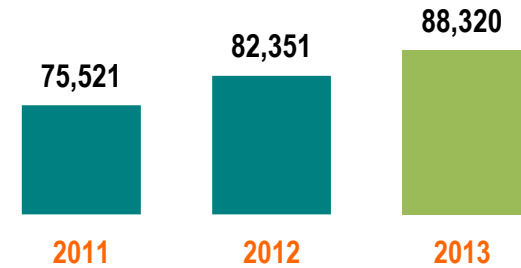
# Highlights and key indicators

## Cork Composites

### □ Outlook

- New capacity and new DBP technology will allow for better profitability;
- Local players partnerships;
- Sales increase due to new products launch (sportive areas / transportation / DBP).

### Total Assets\*



Business Unit:

# Insulation Cork

- Key indicators
- Highlights

Unit: thousands of euros

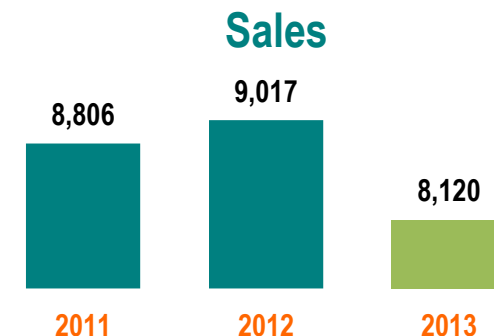


# Highlights and key indicators

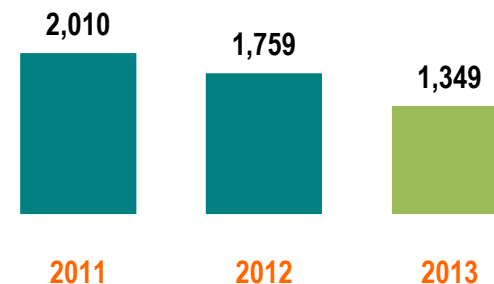
## Insulation Cork

### ❑ Sales – down 10%

- Sales suffered from the postponing of projects;
- Sales decrease justified by volume;
- Asian sales remain strong but not enough to compensate the drops in France (number one market), Italy and Middle East;
- EBITDA decrease due to high raw materials cost and less sales.



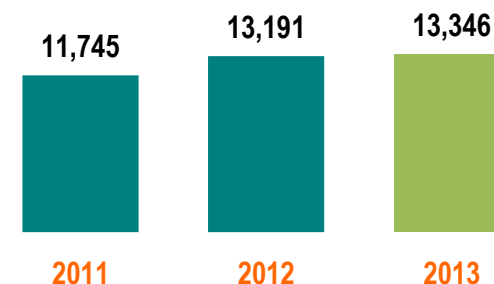
### EBITDA<sub>current</sub>



### ❑ Outlook

- Relevance MDFacades;
- Greater visibility and use of BU products

### Total Assets\*



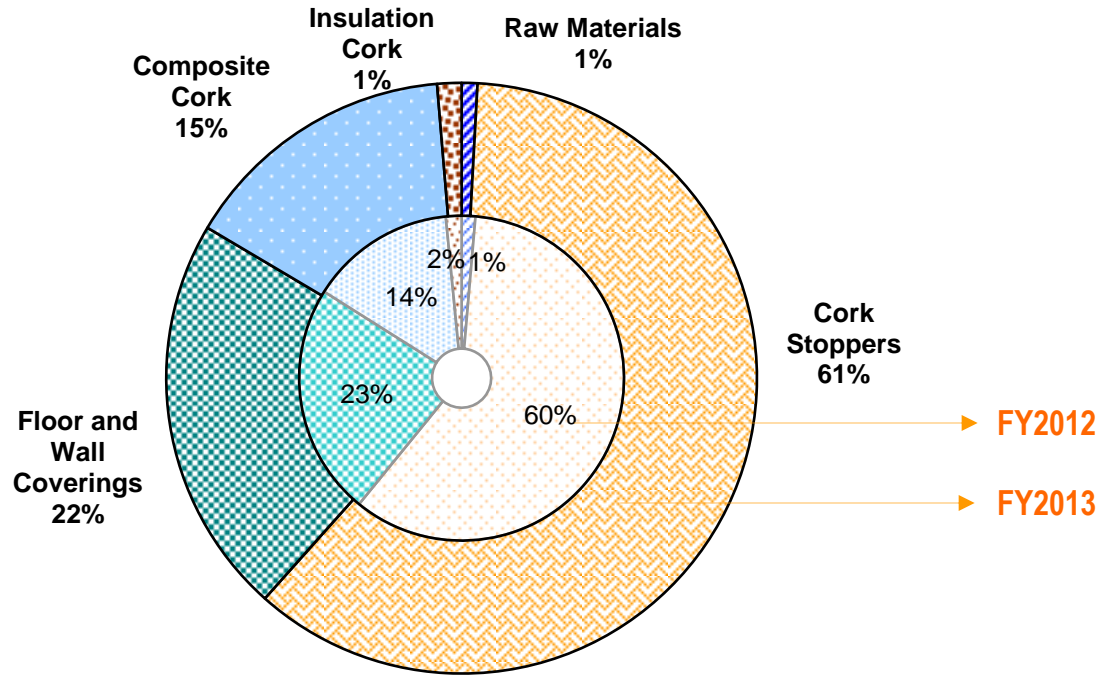
\* Excludes Deferred Taxes and non-trade balances with Group Companies.

# Appendices

- Consolidated indicators
- Financial statements

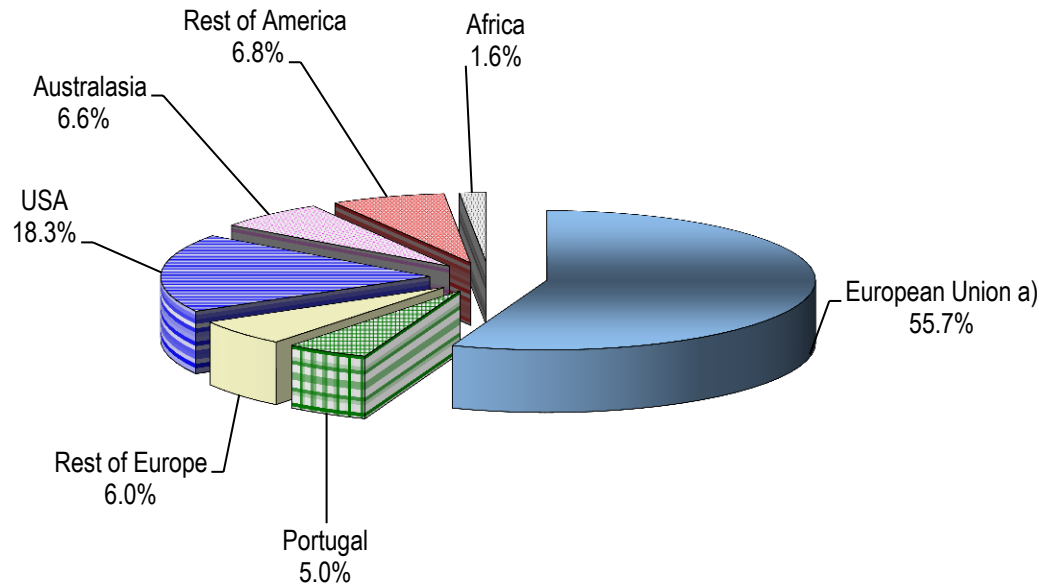
Unit: thousands of euros

# Breakdown Sales by Business Unit



	2011	2012	2013
Raw Materials	0.7%	1.4%	0.9%
Cork Stoppers	58.9%	59.4%	60.7%
Floor and Wall Coverings	23.7%	23.0%	21.9%
Composite Cork	14.9%	14.5%	15.2%
Insulation Cork	1.7%	1.6%	1.3%

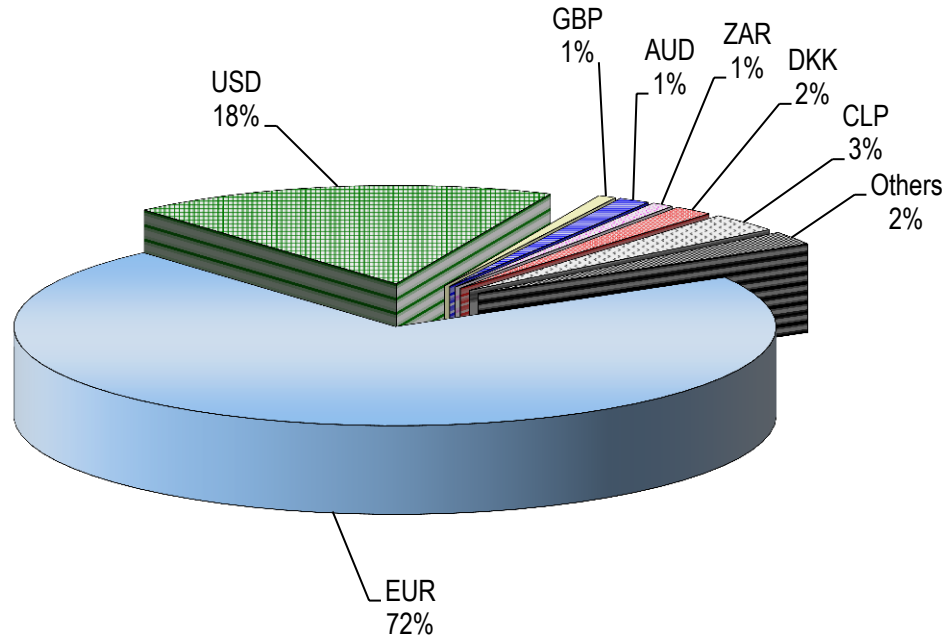
# Breakdown Sales by Geographic Areas



	2011	2012	2013
<b>European Union a)</b>	<b>55.4%</b>	<b>54.5%</b>	<b>55.7%</b>
<b>Portugal</b>	<b>4.9%</b>	<b>5.0%</b>	<b>5.0%</b>
<b>Rest of Europe</b>	<b>6.3%</b>	<b>7.1%</b>	<b>6.0%</b>
<b>USA</b>	<b>17.2%</b>	<b>18.0%</b>	<b>18.3%</b>
<b>Australasia</b>	<b>6.9%</b>	<b>6.8%</b>	<b>6.6%</b>
<b>Rest of America</b>	<b>7.5%</b>	<b>6.8%</b>	<b>6.8%</b>
<b>Africa</b>	<b>1.6%</b>	<b>1.7%</b>	<b>1.6%</b>

a) Includes Switzerland and Norway and excludes Portugal.

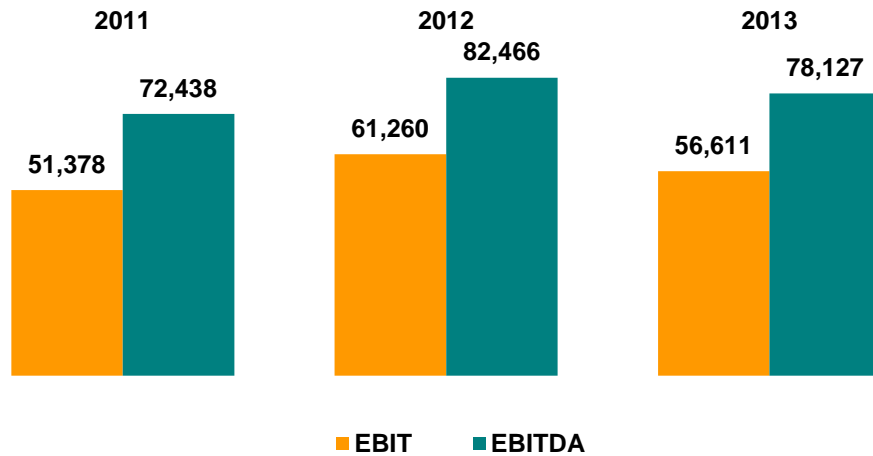
# Breakdown Sales by Currency



	2011	2012	2013
EUR	70.6%	69.0%	71.8%
USD	18.0%	19.5%	18.2%
GBP	0.7%	0.7%	0.8%
AUD	2.0%	2.0%	1.3%
ZAR	0.9%	1.1%	0.9%
DKK	0.2%	1.8%	1.7%
CLP	3.4%	3.3%	3.1%
Others	4.3%	2.7%	2.2%



# EBIT & EBITDA evolution

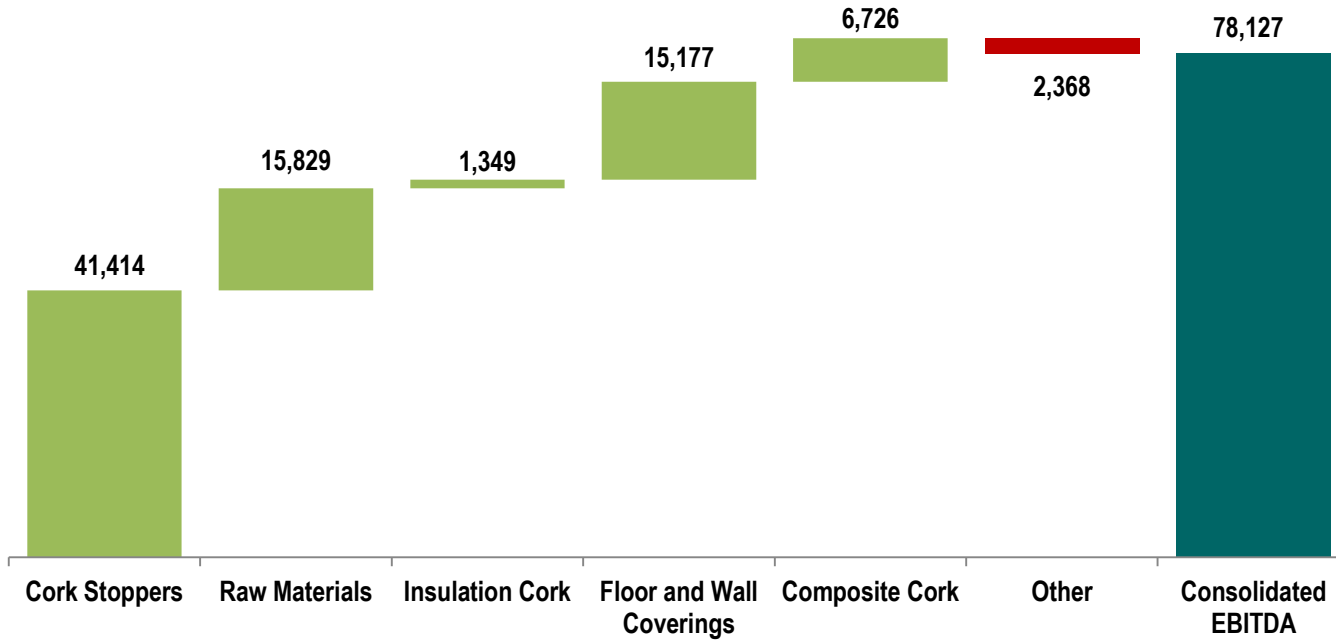


	2011	2012	2013
Gross Margin	255,007	273,960	277,483
Other operating costs (current) <sup>1</sup>	200,587	212,700	220,872
<b>EBIT</b>	<b>51,378</b>	<b>61,260</b>	<b>56,611</b>
<b>EBITDA</b>	<b>72,438</b>	<b>82,466</b>	<b>78,127</b>

<sup>1</sup> Excludes non current costs and severance costs (2011: 3042)



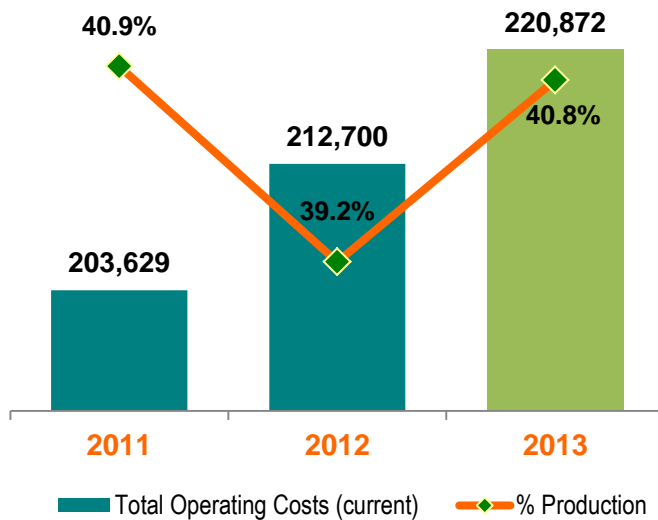
# Breakdown EBITDA by Business Unit



	2011	2012	2013
Raw Materials	25%	17%	20%
Cork Stoppers	48%	54%	51%
Floor and Wall Coverings	13%	17%	19%
Composite Cork	10%	10%	8%
Insulation Cork	3%	2%	2%

# Operating Costs Breakdown

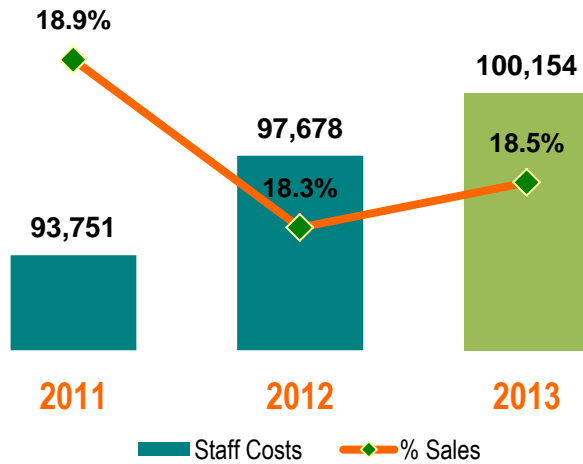
Value and % (production):



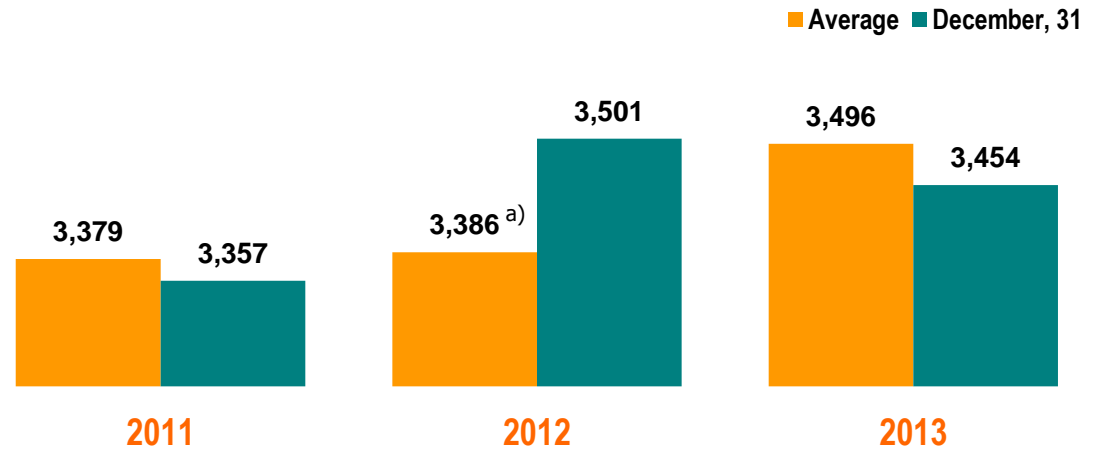
	2011	2012	2013
External supplies	86,602	93,205	97,266
Staff costs	93,751	97,678	100,154
Depreciation	21,060	21,206	21,516
Provisions	1,872	1,007	1,930
Other operating expenses and profits	-344	397	-6
<b>Total Operating Costs (current)</b>	<b>203,629</b>	<b>212,700</b>	<b>220,872</b>
<b>% Production</b>	<b>40.9%</b>	<b>39.2%</b>	<b>40.8%</b>

# Staff Costs

Value and % (sales):

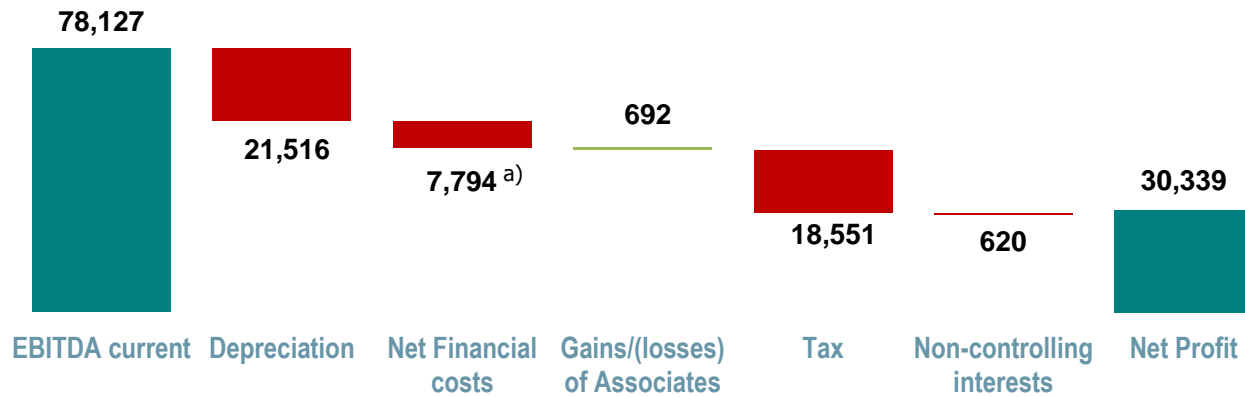


Number of employees:



a) Does not includes perimeter effect (Trefinos 74 and Timberman 10)

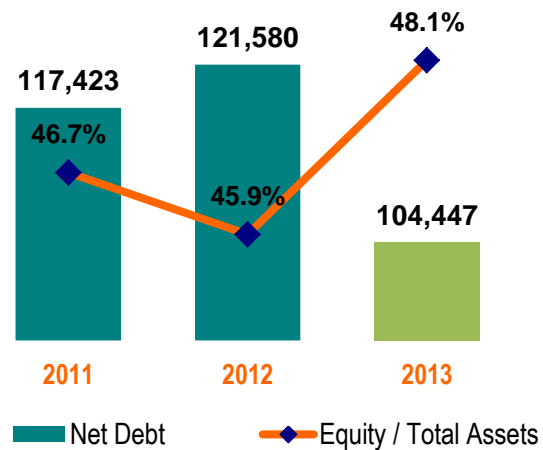
# Net Profit



	2011	2012	2013
EBIT current	51,378	61,260	56,611
Interest	5,515	6,153	7,794 <sup>a)</sup>
Restructuring costs	5,792	6,979	0
(loss)/profit of associates	91	-192	692
EBT	40,162	47,936	49,509
Tax	13,747	16,203	18,551
Minority interests	1,141	678	620
<b>Net Profit</b>	<b>25,274</b>	<b>31,055</b>	<b>30,339</b>

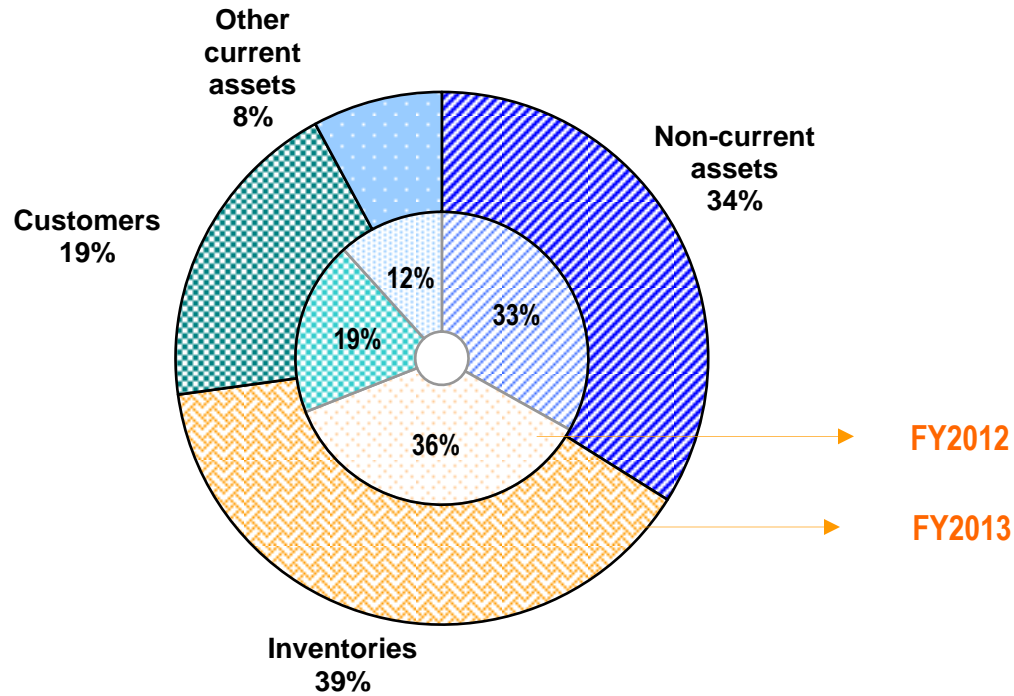
a) Includes provisions for Stamp Tax 2,657

## Net debt and Equity/ Total Assets:



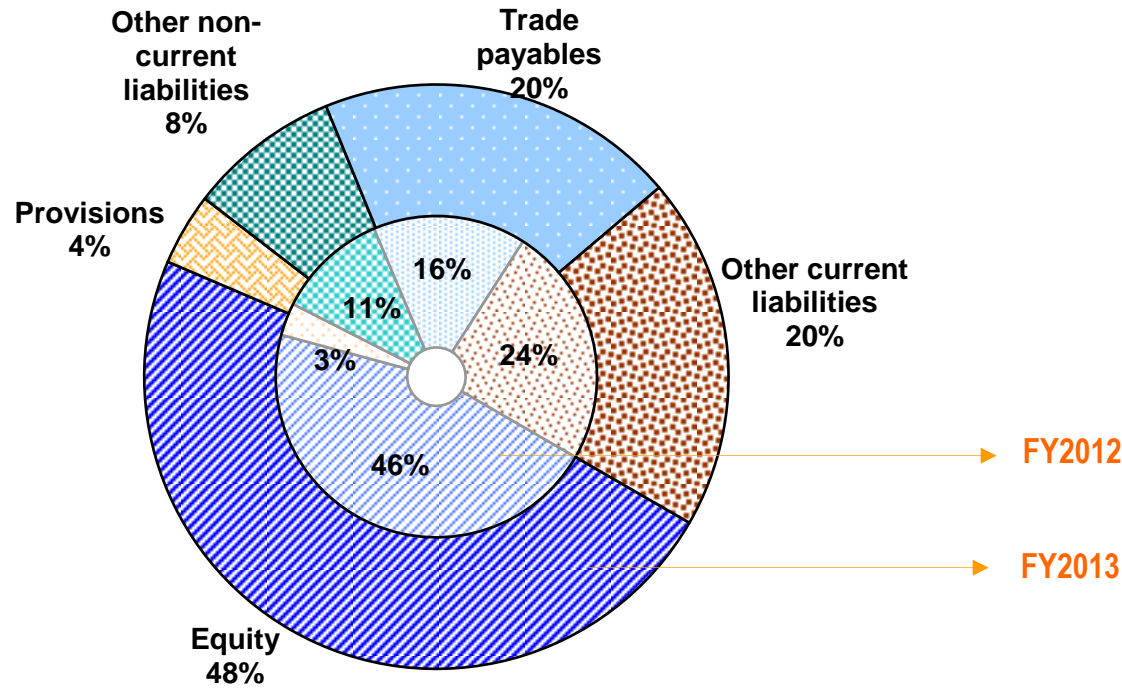
	2011	2012	2013
Net Debt	117,423	121,580	104,447
Equity and Minority interests	282,292	295,247	301,737
EBITDA / Interest	18.5	16.9	20.8
Equity / Total Assets	46.7%	45.9%	48.1%
Gearing	41.6%	41.2%	34.6%

# Total Assets



	2011	2012	2013
Non-current assets	207,869	213,168	212,744
Inventories	224,922	231,211	244,063
Customers	116,758	124,108	121,069
Other current assets	55,504	75,279	49,431
<b>Total Assets</b>	<b>605,053</b>	<b>643,767</b>	<b>627,307</b>
Capex	25,564	21,373	26,834

# Equity and Liabilities



	2011	2012	2013
Equity	282,292	295,247	301,737
Provisions	16,700	21,038	25,085
Other non-current liabilities	79,092	72,080	51,353
Trade payables	105,939	99,240	125,203
Other current liabilities	121,030	156,162	123,929
<b>Total Liabilities</b>	<b>322,761</b>	<b>348,520</b>	<b>325,570</b>



# Consolidated Statement of Financial Position

	December 2013	December 2012
<b>Non-current assets</b>	<b>212,744</b>	<b>213,168</b>
<b>Current assets</b>		
Inventories	244,063	231,211
Other current assets	170,499	199,388
<b>Total current assets</b>	<b>414,562</b>	<b>430,600</b>
<b>Total Assets</b>	<b>627,307</b>	<b>643,767</b>
<b>Equity (M. I. included)</b>	<b>301,737</b>	<b>295,247</b>
<b>Non-current liabilities</b>		
Bank borrowings	33,623	52,363
Other non-current liabilities	42,815	40,755
<b>Total non-current liabilities</b>	<b>76,438</b>	<b>93,118</b>
<b>Current liabilities</b>		
Bank borrowings	78,612	108,231
Other current liabilities	170,520	147,171
<b>Total current liabilities</b>	<b>249,132</b>	<b>255,402</b>
<b>Total Liabilities and Equity</b>	<b>627,307</b>	<b>643,767</b>

# Key Figures

	2013	2012	Variation	4Q13	4Q12	Variation	
Sales	542,500	534,240	1.5%	123,359	125,749	-1.9%	
Gross Margin – Value	277,483	273,960	1.3%	67,765	66,195	2.4%	
	1)	51.2%	50.5%	+0.7 p.p.	49.9%	50.8%	-0.88 p.p.
Operating Costs - current	220,872	212,701	3.84%	54,332	52,191	4.10%	
EBITDA - current	78,127	82,465	-5.3%	19,028	20,061	-5.1%	
EBITDA/Sales	14.4%	15.4%	-1.03 p.p.	15.4%	16.0%	-0.53 p.p.	
EBIT - current	56,611	61,259	-7.6%	13,433	14,004	-4.1%	
Non-current costs	2)	0	6,978	-100.00%	0	2,384	-
Net Income	30,339	31,055	-2.31%	5,204	4,567	13.95%	
Earnings per share	0.242	0.246	-1.87%	0.041	0.036	14.33%	
Net Bank Debt	104,447	121,579	-17,132	-	-	-	
Net Bank Debt/EBITDA (x)	4)	1.30	1.47	-0.17 x	-	-	-
EBITDA/Net Interest (x)	3)	20.81	17.18	3.64 x	25.28	20.53	4.75 x
Equity/Net Assets	48.1%	45.9%	+2.24 p.p.	-	-	-	

1) Related to Production

2) Goodwill impairment and other impairments

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

4) Current EBITDA of the last four quarters



AMORIM

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