
AMORIM

Corticeira Amorim

1Q2024

In brief

“Commitment and Ambition” Annual Team Meeting 2024

A memorable day for Corticeira Amorim that gathered more than 300 attendees at Casa da Música.

António Rios Amorim, CEO, presented the 2023 results and discussed the targets for 2024. It was also an occasion to celebrate the accomplishments of the year and to award the remarkable achievements made in important areas: sustainability, security, best project, revelation and career.

Paulo Portas, Portugal’s former Minister of Foreign Affairs, provided valuable insights into global geopolitical and geo-economic trends.



In brief

Life Cycle Analysis highlights the environmental superiority of Naturity® corks

This study also showed that Naturity® cork stopper has a negative carbon footprint and is an important ally in the decarbonization of the wine sector.

The study analyses the environmental impact of each of the three shutters through their entire life cycle and demonstrates that the environmental benefit associated with Naturity® cork stoppers is significantly superior to artificial closures in five of the seven indicators analysed.



<https://www.amorim.com/en/media/news/life-cycle-analysis-confirms-environmental-superiority-of-amorim-cork039s-natural-cork-stoppers/5034/>

In brief

Amorim announces the opening date of City Cortex

A research program devised in partnership with experimentadesign that explores the use of cork in urban design.

Featuring the participation of Diller Scofidio + Renfro, Eduardo Souto de Moura, Gabriel Calatrava, Leong Leong, Sagmeister & Walsh and Yves Béhar, this programme is currently developing original projects for public and semi-public spaces in the greater metropolitan area of Lisbon, testing the possibilities for Portuguese cork in urban design through in situ experimentation.

City Cortex exhibition will open on June 6 and remain on display for six months, offering a positive and useful contribution to our lived experience as a social community and paving the way for a wider awareness of sustainability and the development of contemporary urban landscapes.



In brief

The “Aldeias Suber-Protegidas” Programme

An innovative initiative developed by Quercus and supported by Corticeira Amorim.

The main objective of the “Aldeias Suber Protegidas (Suber-Protected Villages)” programme, which was launched in 2023, is to improve the resilience of forest areas and increase the safety and quality of life in villages located in areas at high risk of rural or forest fires.

The pilot project began in Unhais da Serra, Portugal, in an area previously devastated by a major fire in 2018. This marked the start of a wider journey to protect these villages and the natural environment that surrounds them. The project was then extended to Segude (Monção), and Lordosa (Viseu), resulting in the planting of approximately 1,300 trees with the active participation of 120 local students. The ambition for 2024-2025 is to plant 20,000 trees.



In brief

Launch of a new corporate video “Roots of Innovation”

A portrait of Corticeira Amorim’s journey as a pioneer in the search for excellence in raw materials and their applications, as well as the Forestry Intervention Project.

The Forestry Intervention Project was launched in 2013 with the aim of preserving and ensuring the sustainable development of cork oak forests. This research project seeks to mobilise resources and lead the implementation of an innovative management model in partnership with forestry producers, research institutions and local authorities.



https://www.youtube.com/watch?v=PpzG7yl9aKU&list=PLTSyPLqOKkFx1w6sR8_5br119_ajAAJye&index=2

In brief

Women's Paths

On International Women's Day, Corticeira Amorim launched a campaign highlighting its female workers.

On a day of celebrating the achievements of women, Corticeira Amorim paid homage to all its female employees by sharing the stories of some of them.

These were real and inspiring stories that highlighted persistence, determination and achievement and that, despite being common to many other women, are often little remembered or recognised.



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Consolidated Performance

Key Figures

Sales decreased 9.7% to 234.7 M€ :

- Amorim Florestal: -7.8%
- Amorim Cork: -10.4%
- Amorim Cork Flooring: -16.5%
- Amorim Cork Composites: +0.6%
- Amorim Cork Insulation: -4.6%

FX negatively impacted sales:

- Total impact: **-1.2 M€** (1Q23: +0.7 M€);

EBITDA/Sales improved to 18.6% (1Q23: 18.4%)

- **EBITDA decreased to 43.7 M€** (-8.8%),
- Positives: increased sales prices and lower non-cork raw material prices,
- Negatives: operating deleverage, higher cork prices and increased electricity costs;

Amorim Florestal + Amorim Cork: 78% of sales

- Sales: -10.5%
- **EBITDA/Sales: 24.1%** (1Q23: 22.0%)



Key Figures

Non-recurrent costs of 4.0 M€ resulting from the implementation in the short term of Amorim Cork Flooring's Industrial Optimisation Plan;

Net income totalled 16.1 M€ (1Q23: 23.8 M€);

Net Debt decreased to 236.7 M€ (YE23: 240.8 M€):

- Higher NWC needs (25.7 M€),
- Capex (12.4 M€);

Dividends: the General Shareholders Meeting approved the distribution of a **gross dividend of € 0.20 per share** (to be paid on May 22)



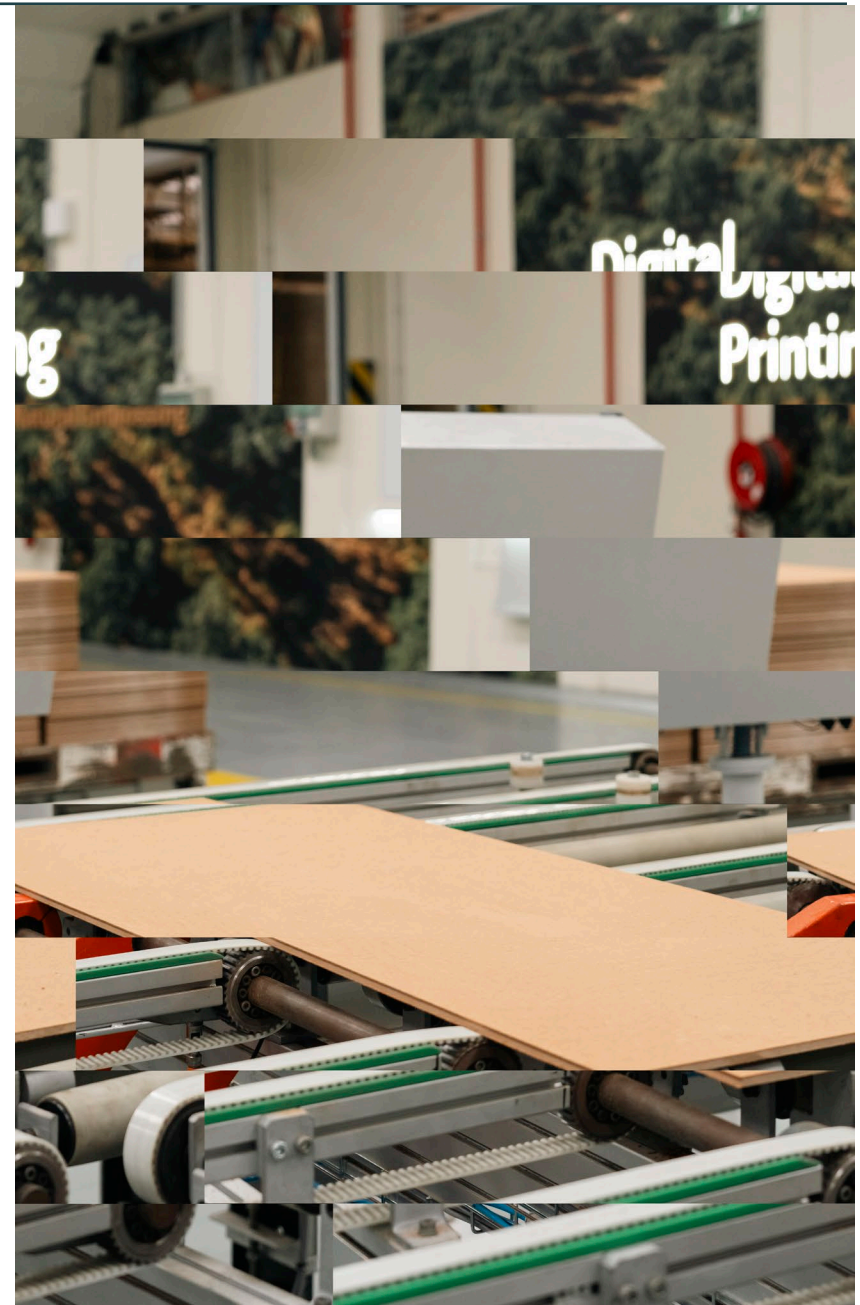
Amorim Cork Flooring Industrial Optimisation Plan

A challenging European flooring market

- Sales down 14% in 2022 and ca. 20% in 2023,
- Effects of economic climate on the construction sector and the intensification of competition from Asian producers,
- Significant losses led major players in the sector to implement cost reduction measures;

Amorim Cork Flooring's activity and results also penalised by these adverse conditions, posting losses in the recent years that worsened in the first months of 2024;

Need to adjust its cost structure to reduce operating losses and increase efficiency through industrial optimisation, which will involve, in the first phase, adjusting production and support structures to current sales volumes.



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Business Units

Vertical Integration

CORTICEIRA
AMORIM

AMORIM
FLORESTAL

AMORIM
CORK

AMORIM
CORK
FLOORING

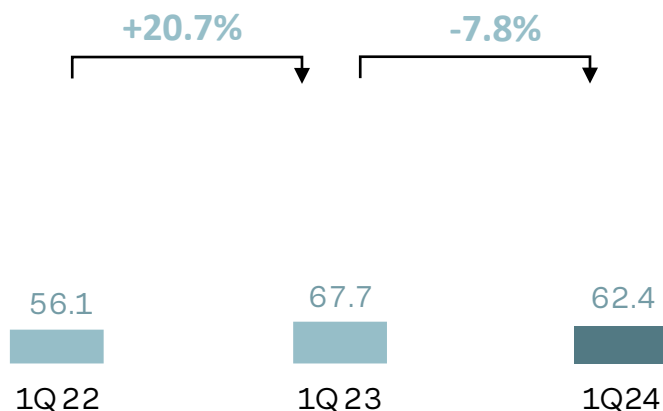
AMORIM
CORK
COMPOSITES

AMORIM
CORK
INSULATION

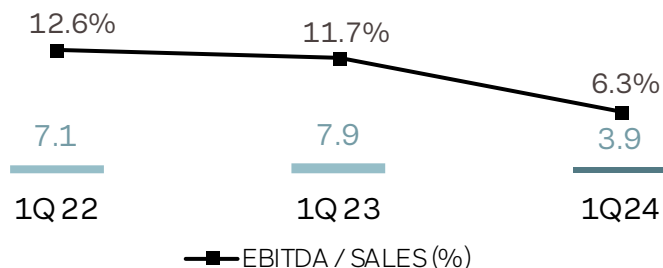


Amorim Florestal

Sales



EBITDA



Values in million euros.

Sales decreased 7.8 % to 62.4 M€

Lower activity levels of the other BUs impacted sales performance;

High cork consumption prices and operating deleverage were the main drivers of EBITDA margin decline, even though it benefited from:

- › Better product mix,
- › Lower operating costs, particularly transports and maintenance costs;

After two years of atypical cork campaigns, a normalisation is expected in 2024; cork consumption prices, however, will remain at high levels over the coming months, reflecting the existing inventories built up in the 2023 campaign;

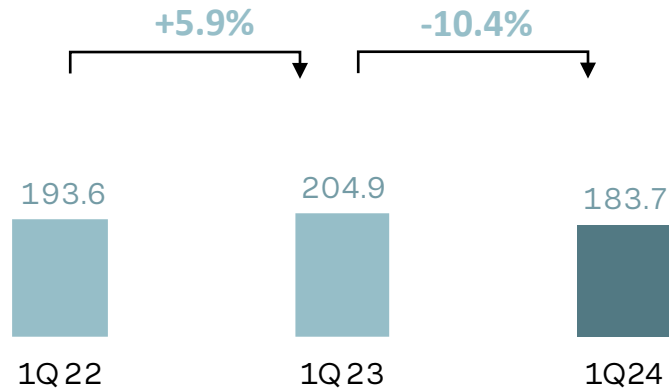
As planned, new plantations at the Rio Frio and Baliza estates that were initiated in 2023 will be extended into the beginning of the year;

More efficient technologies to improve processes, ranging from forestry to the manufacturing and selection of cork discs, will continue to be developed.



Amorim Cork

Sales



Sales decreased 10.4% to 183.7 M€

Volume declines were the main reasons for the evolution of sales, even though these benefited from product mix improvements and price increases;

Negative FX effect: at constant exchange rates, sales decreased 9.8%;

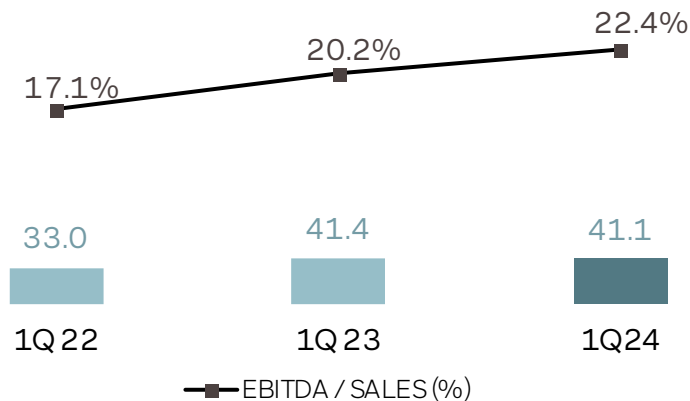
All segments and most wine markets showed pressure on volumes, reflecting mainly the effects of de-stocking; the still wine segment outperformed the other segments, supported by the robust sales growth of Neutrocork, which stood out amongst all stoppers categories;

Increased cork prices and operating deleverage pressured profitability, but the EBITDA margin performed positively, supported by:

- › Better product mix,
- › Lower transport costs,
- › Improved industrial efficiency,
- › Lower non-cork raw material prices;

Consolidation of the VMD Group added 5.8 M€ to the BU's sales.

EBITDA

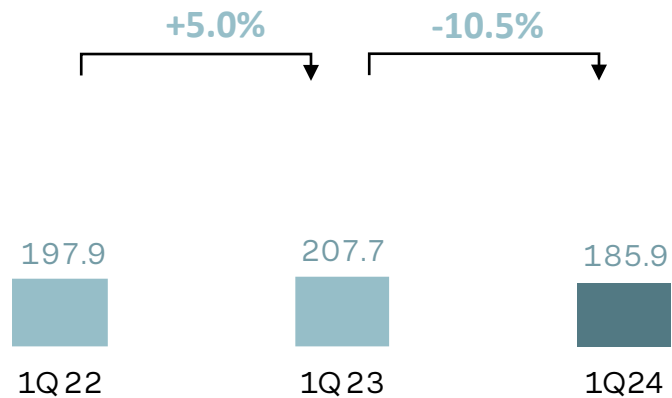


Values in million euros.

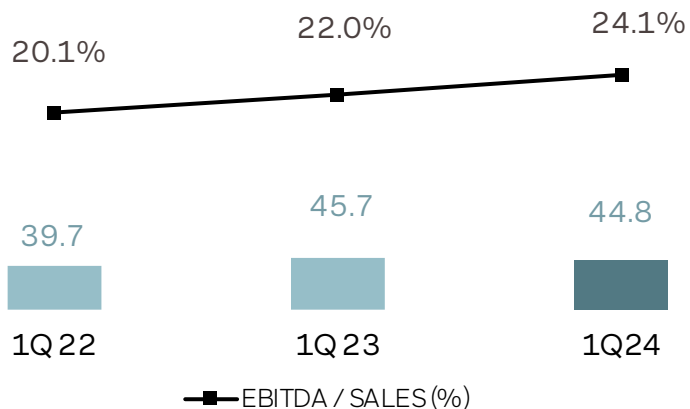


Amorim Florestal+ Amorim Cork

Sales



EBITDA

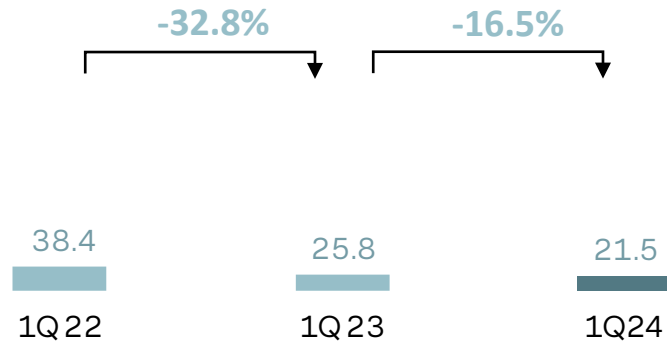


Values in million euros.



Amorim Cork Flooring

Sales



Sales decreased 16.5% to 21.5 M€

Despite trade products evolving positively, sales declined due to the volume performance of manufactured products reflecting very challenging market conditions, namely in the residential segment;

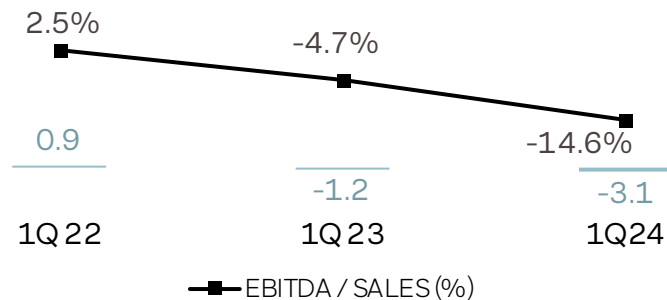
Most product lines showed lower sales, especially those being phased out; new and more sustainable products were launched at the beginning of the year, but their contribution to overall sales was still very small;

Scandinavia and Canada performed positively; sales in all other regions, including Germany, the BU's most important market, showed no signs of a recovery;

Operating leverage was the main cause of the decline in the EBITDA margin, which was further impacted by:

- › Price decreases,
- › Marketing costs (essentially the production of marketing tools for the collection of products),
- › Electricity costs.

EBITDA

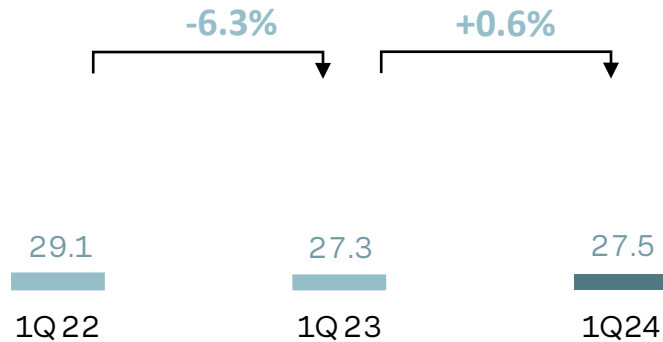


Values in million euros.



Amorim Cork Composites

Sales



Sales increased 0.6% to 27.5 M€

Modest sales performance as price increases compensated the impact of volume decline and a worse product mix;

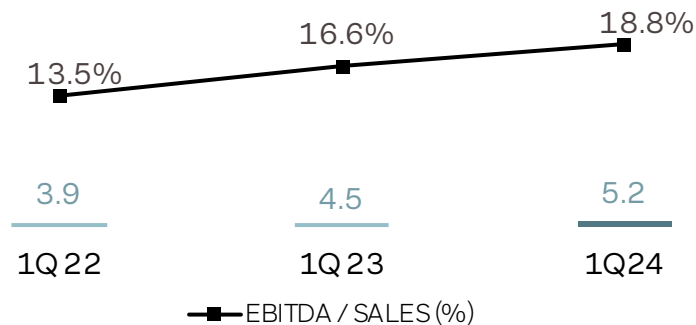
Two segments - Resilient & Engineered Flooring Manufacturers and Distributors of Flooring & Related Products - showed the biggest increases in sales, reversing the poor performance of 2023; major sales declines in the Multi-purpose Seals & Gaskets, Construction Special Retail and Rail segments;

Positive contribution from existing partnerships (Amorim Sports, Corkeen, Korko), whose sales totalled 1.8 M€;

EBITDA margin benefited from lower non-cork raw material prices and improved industrial efficiency, which more than offset the negatives impacts from:

- › Operating deleverage,
- › Increased cork prices,
- › Higher operating costs, particularly electricity and maintenance.

EBITDA

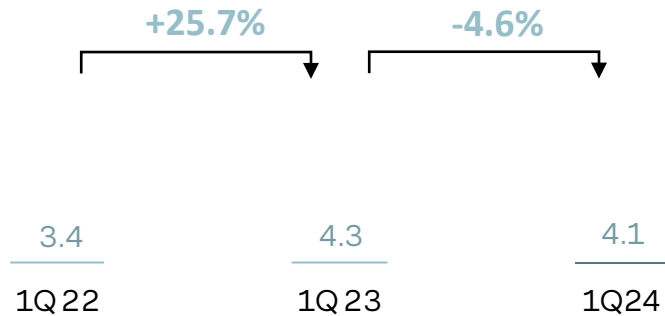


Values in million euros.



Amorim Cork Insulation

Sales



Sales decreased 4.6% to 4.1 M€

Sales declines were mostly driven by volumes performance, despite benefiting from a marginal increase in prices;

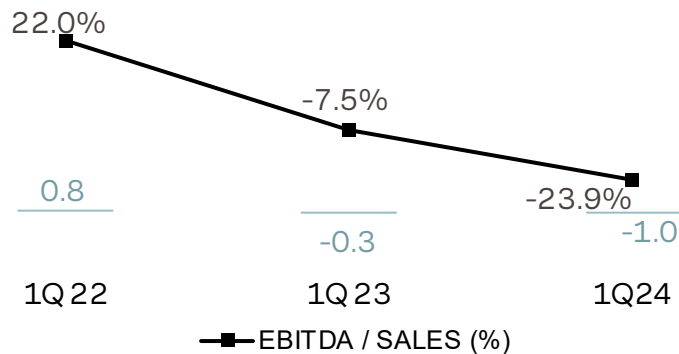
Cork consumption prices have been pressuring EBITDA margin since 2022, further impacted by:

- > Operating deleverage,
- > Lower cork yields,
- > Higher operating costs, namely increased electricity costs and amortisations;

Contexts of high cork prices typically have a significant impact on the BU's margins, as expanded insulation corkboard being highly sensitive to cork prices, as its manufacture uses only cork as a raw material;

Profitability is expected to be restored as cork prices normalise after two years of significant increases.

EBITDA



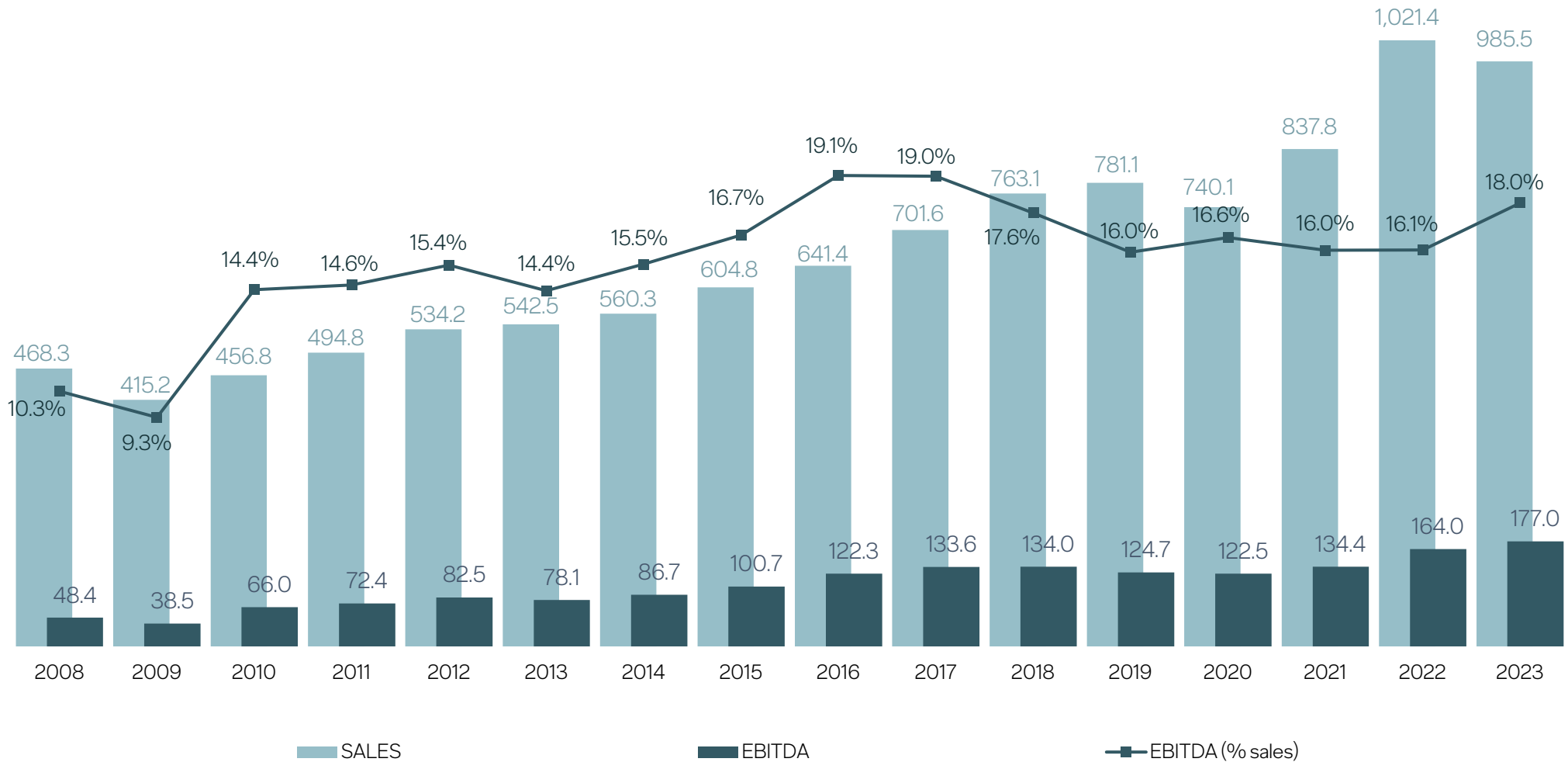
Values in million euros.



AMORIM

Key Financials

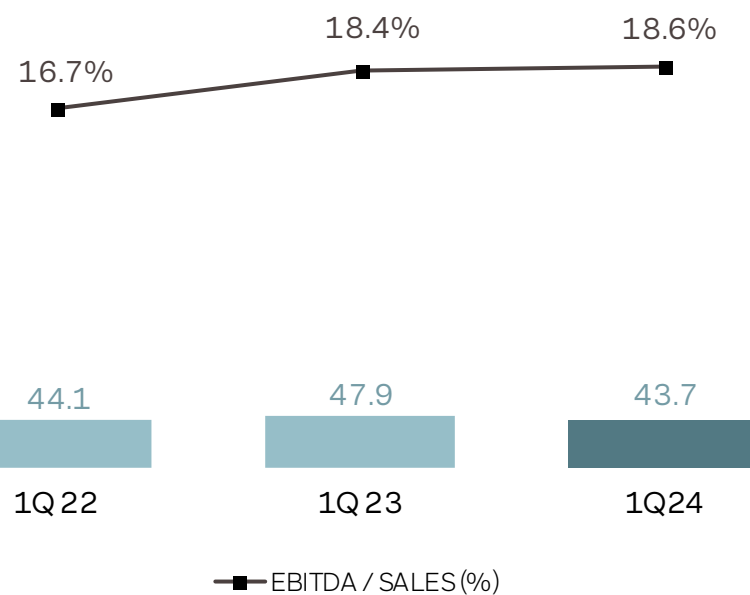
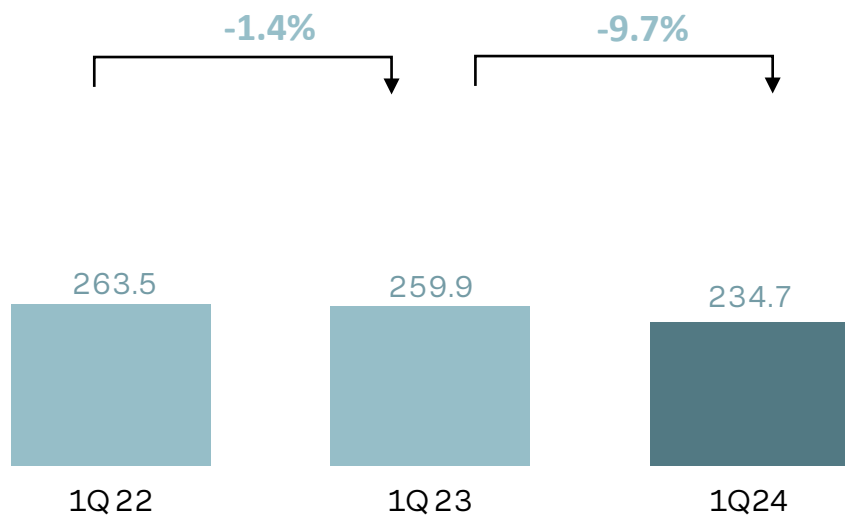
Sales & EBITDA



Values in million euros.

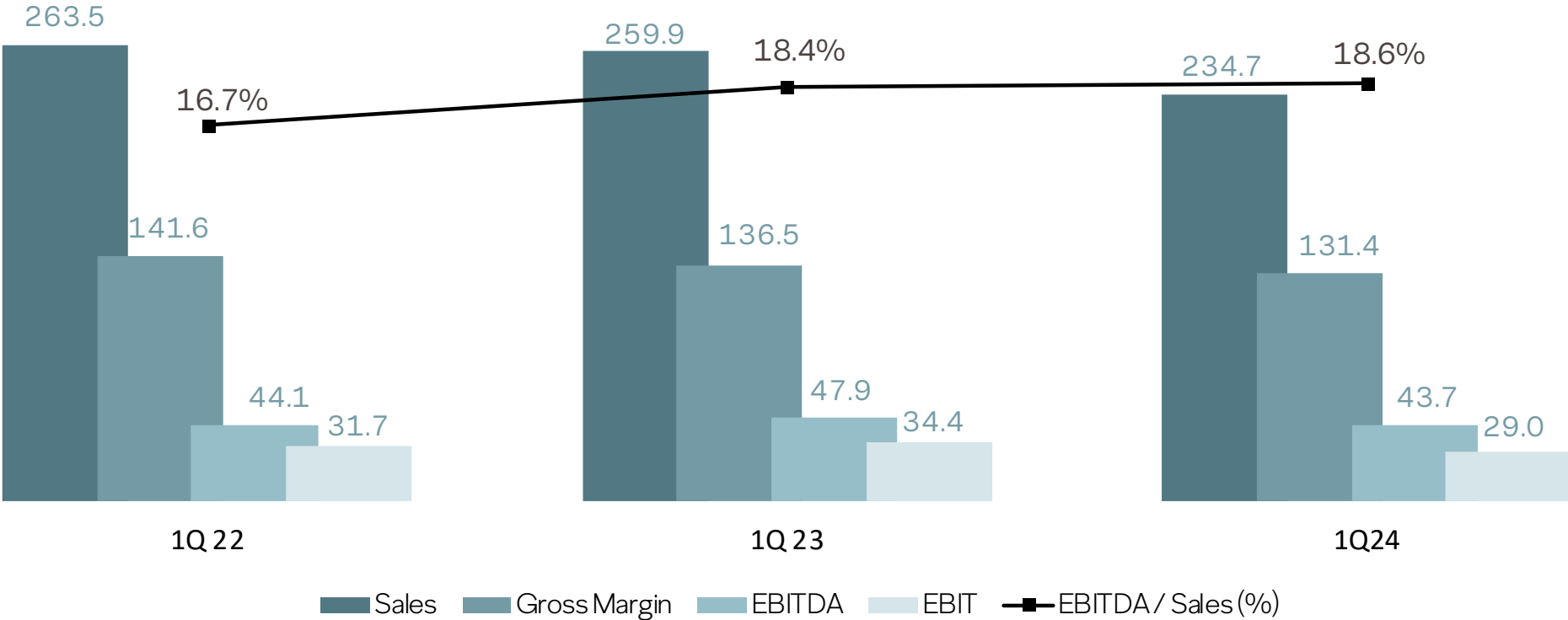
Sales

EBITDA



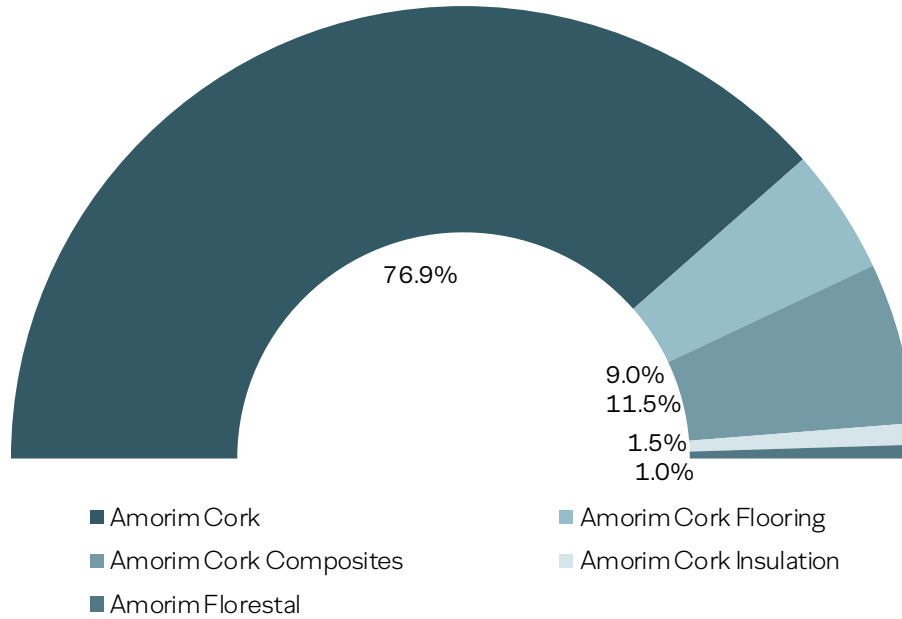
Values in million euros.

Sales | Gross Margin | EBITDA | EBIT



Values in million euros.

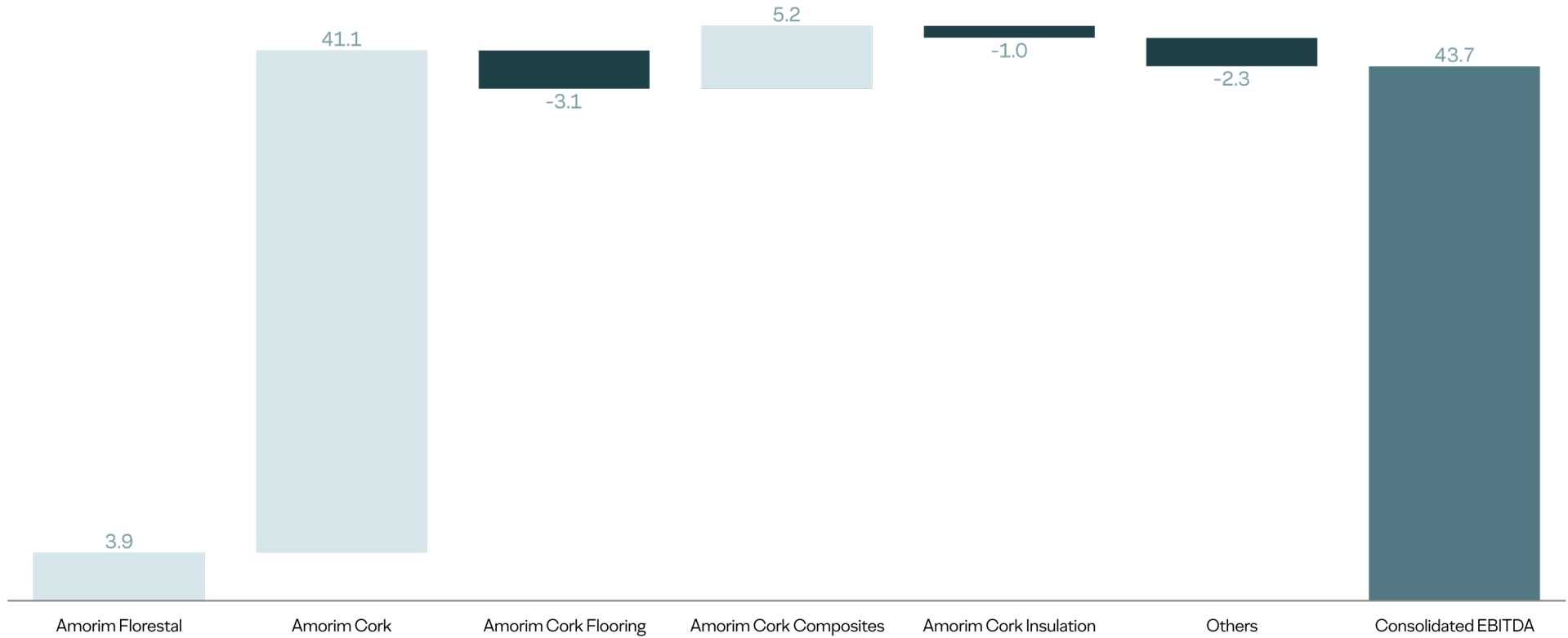
Sales by Business Unit



	1Q 22	1Q 23	1Q24
Amorim Florestal + Amorim Cork	73.9%	78.7%	77.9%
Amorim Cork Flooring	14.0%	9.6%	9.0%
Amorim Cork Composites	10.9%	10.3%	11.5%
Amorim Cork Insulation	1.1%	1.4%	1.5%
	100%	100%	100%

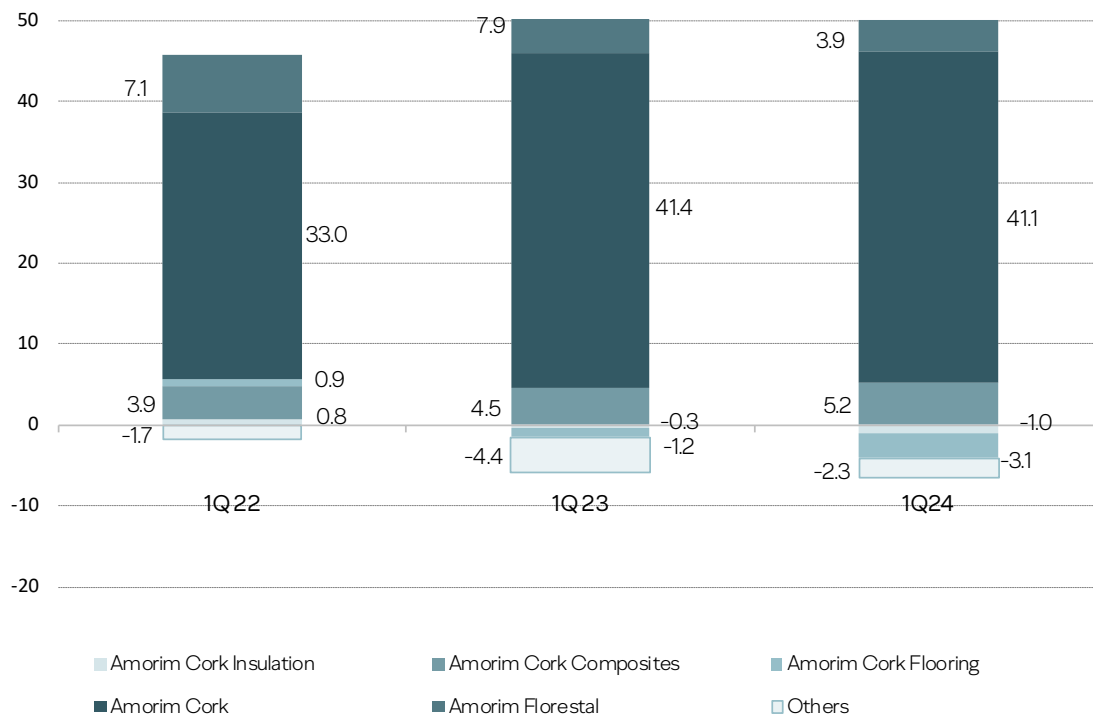


EBITDA by BU



Values in million euros.

EBITDA by BU



Values in million euros.

EBITDA/Sales (%)	1Q 22	1Q 23	1Q24
Amorim Florestal + Amorim Cork	20.1%	22.0%	24.1%
Amorim Cork Flooring	2.5%	-4.7%	-14.6%
Amorim Cork Composites	13.5%	16.6%	18.8%
Amorim Cork Insulation	22.0%	-7.5%	-23.9%
Consolidated	16.7%	18.4%	18.6%



Key P&L Figures

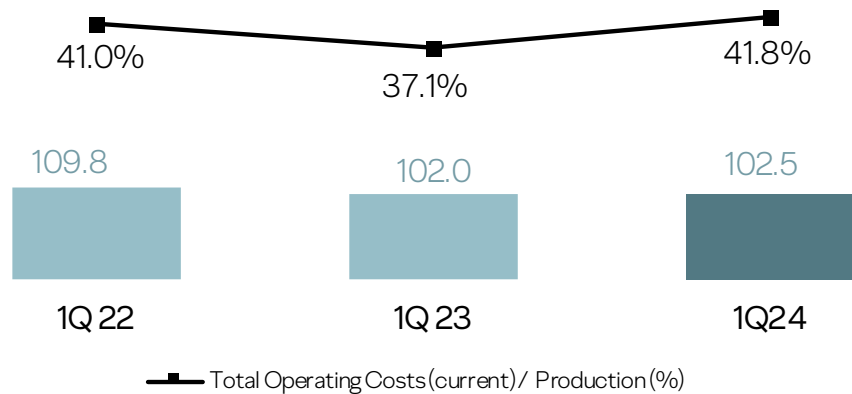
	1Q22	1Q23	1Q24	yoy
Sales	263.5	259.9	234.7	-9.7%
Gross Margin	141.6	136.5	131.4	-3.7%
Operating Costs (incl. depreciation)	109.8	102.0	102.5	0.4%
EBITDA	44.1	47.9	43.7	-8.8%
Depreciation	12.3	13.5	14.7	9.1%
EBIT	31.7	34.4	29.0	-15.9%
Non-recurrent costs	3.0	-	4.0	-
Net financial costs	0.6	1.0	2.6	171.3%
Share of (loss)/profit of associates	1.3	1.6	1.4	-13.7%
Profit before tax	29.5	35.1	23.7	-32.4%
Income tax	6.3	8.2	5.3	-35.8%
Non-controlling interest	3.0	3.1	2.4	-23.2%
Net Income	20.1	23.8	16.1	-32.4%

	1Q22	1Q23	1Q24	yoy
Gross Margin/ Sales	53.7%	52.5%	56.0%	+ 349 b.p.
EBITDA / Sales	16.7%	18.4%	18.6%	+ 18 b.p.
Earnings per share (€)	0.151	0.179	0.121	-32.4%

Values in million euros.

Operating Figures

Operating costs



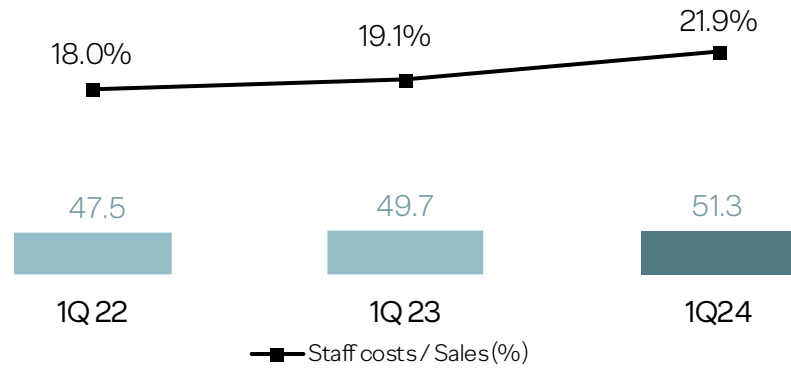
	1Q 22	1Q 23	1Q 24	yoy
External supplies	49.7	40.5	38.9	-4.0%
Transports	10.1	8.6	6.6	-23.4%
Energy	12.3	4.1	5.0	22.6%
Staff costs	47.5	49.7	51.3	3.2%
Depreciation	12.3	13.5	14.7	9.1%
Impairments	-0.2	0.5	0.1	-78.6%
Others	0.6	-2.2	-2.5	16.4%
Total Operating Costs (current)	109.8	102.0	102.5	0.4%

Values in million euros.



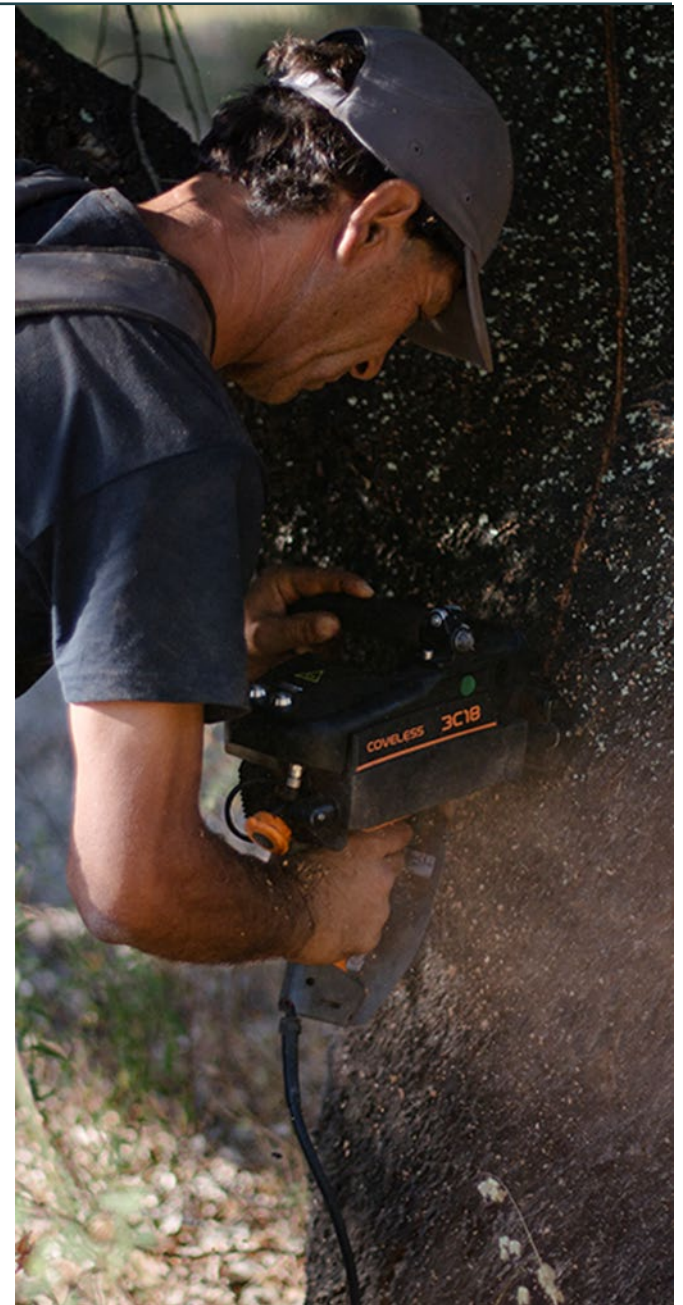
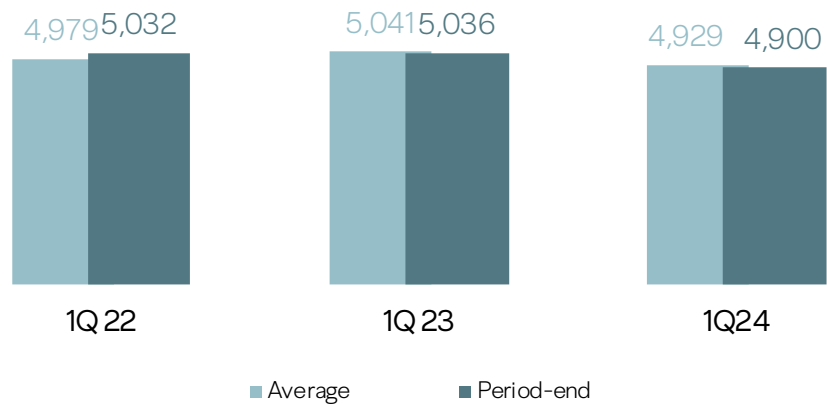
Staff

Staff costs

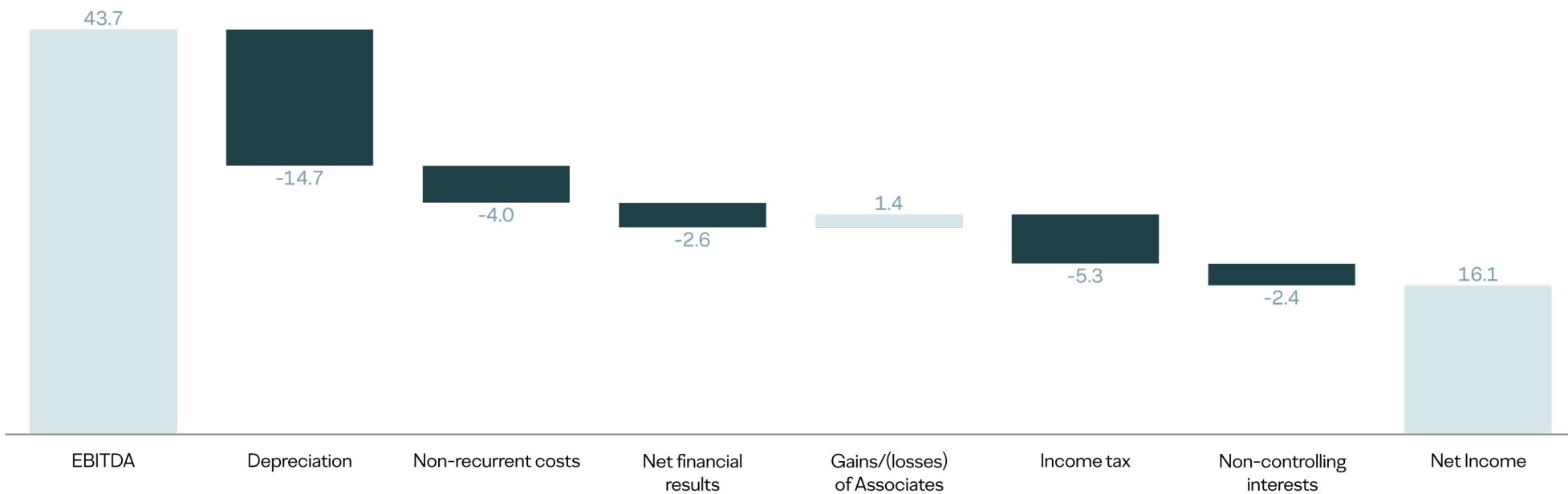


Values in million euros.

Number of workers



Net Income



Values in million euros.

Financial Position

	December 31, 2021 *	March 31, 2022	December 31, 2022 *	March 31, 2023	December 31, 2023 *	March 31, 2024
Net Goodwill	9.8	21.1	18.9	18.9	23.9	23.9
Net Fixed Assets / Intangible Assets / Right of use / Biological assets	307.5	336.2	420.1	426.8	467.4	464.0
Net Working Capital**	358.3	412.3	441.8	501.2	556.8	579.5
Other ***	61.2	40.7	46.2	48.3	43.0	44.2
Invested Capital	736.9	810.3	926.9	995.3	1,091.0	1,111.5
Net Debt	48.1	45.9	129.0	166.0	240.8	236.7
Share Capital	133.0	133.0	133.0	133.0	133.0	133.0
Reserves and Retained Earnings	462.9	485.2	532.6	556.9	577.2	592.4
Non Controlling Interests	27.3	75.2	79.3	82.7	89.8	91.1
Agreement to acquire non-controlling interests	5.0	5.0	-	-	-	-
Taxes and Deferred Taxes	33.3	37.7	25.1	29.0	19.6	23.3
Provisions	5.5	5.9	6.6	7.6	11.1	14.7
Grants ****	21.7	22.3	21.3	20.1	18.0	20.4
Equity and other sources	688.8	764.3	797.9	829.3	848.8	874.8

* Final figures according to the approved accounts.

** Inventories + accounts receivables - accounts payables + other operating assets/(liabilities).

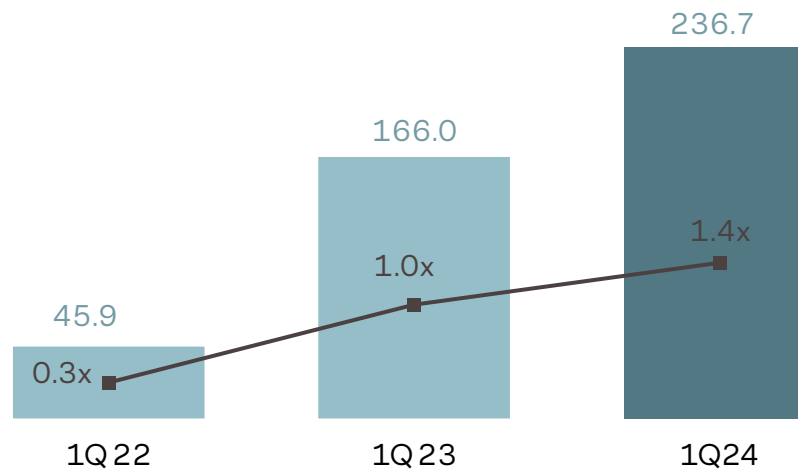
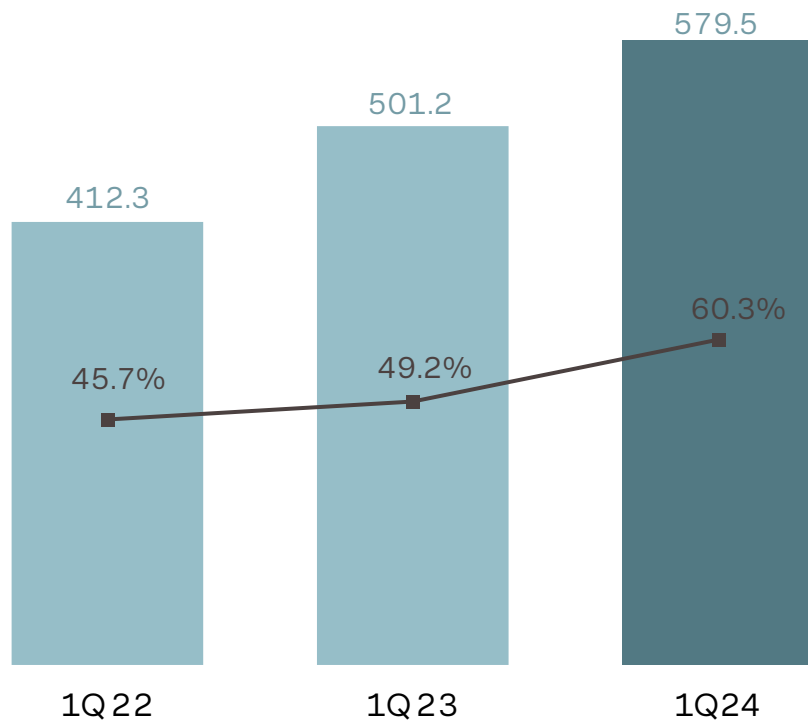
*** Investment property + Investments in associates + Other non-operating assets/(liabilities).

**** Non interest bearing grants (reimbursable and non-reimbursable).

Values in million euros.

Net Working Capital

Net Debt



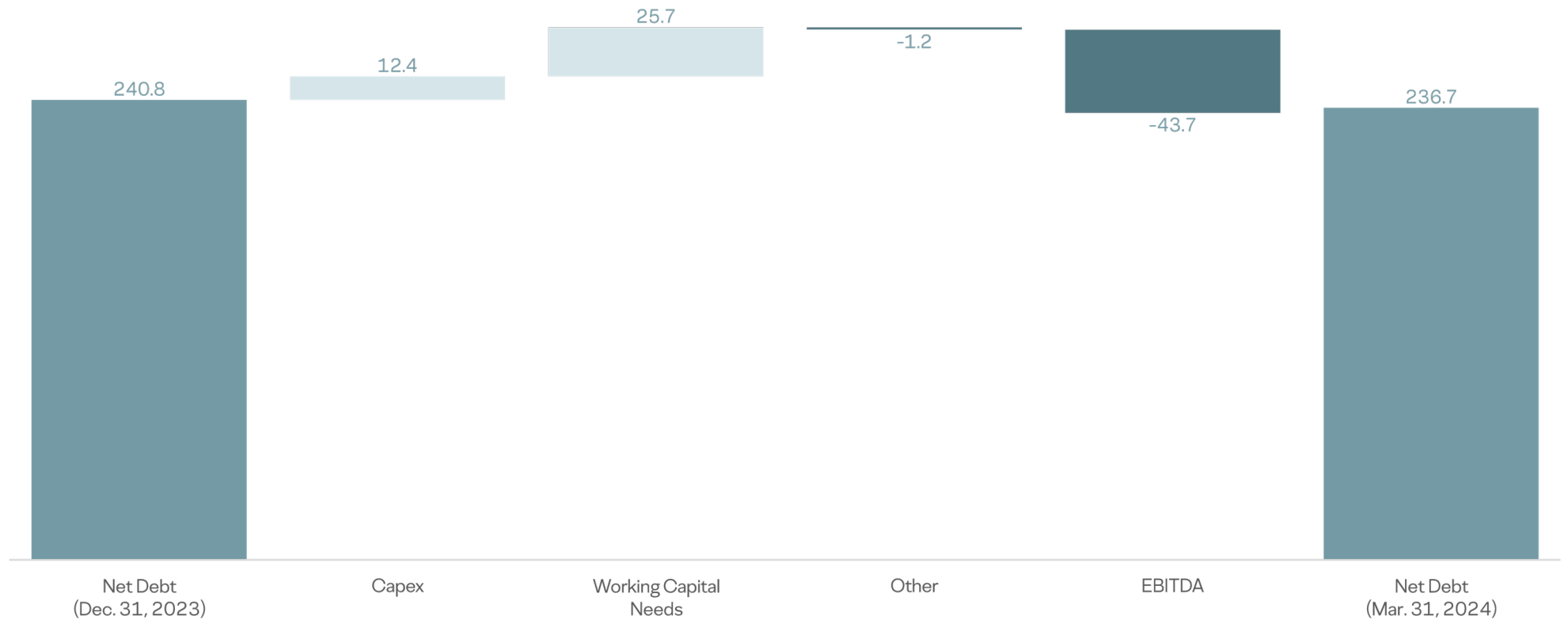
■ NWC / SALES

■ NET DEBT / EBITDA

Current sales and EBITDA of the last four quarters.

Values in million euros.

Net Debt



Values in million euros.

Ratios

	1Q 22	2022	1Q 23	2023	1Q24
Net Debt / EBITDA *	0.31	0.79	0.99	1.36	1.37
EBITDA / Net Interest	243.2	148.6	83.6	52.6	39.0
Gearing	6.6%	17.3%	21.5%	30.1%	29.0%
NWC / Market capitalization	30.8%	38.1%	37.7%	45.7%	44.3%
NWC / Sales x 360 *	164.6	109.3	177.3	202.9	217.2
Free cash flow (FCF)	18.8	-139.6	-34.5	-45.1	8.2
Capex	13.7	76.7	20.3	95.3	12.4
Return on invested capital (ROIC) pre-tax	15.7%	12.4%	14.3%	12.0%	10.5%
Return on invested capital (ROIC)	12.6%	11.8%	10.9%	10.0%	8.6%
Average Cost of Debt	0.9%	1.2%	1.6%	3.1%	3.7%

* Current sales and EBITDA of the last four quarters.

FCF = EBITDA – Net financing expenses – Income tax – Capex – NWC variation.

ROIC = Annualized NOPAT / Capital employed (average).

Values in million euros.

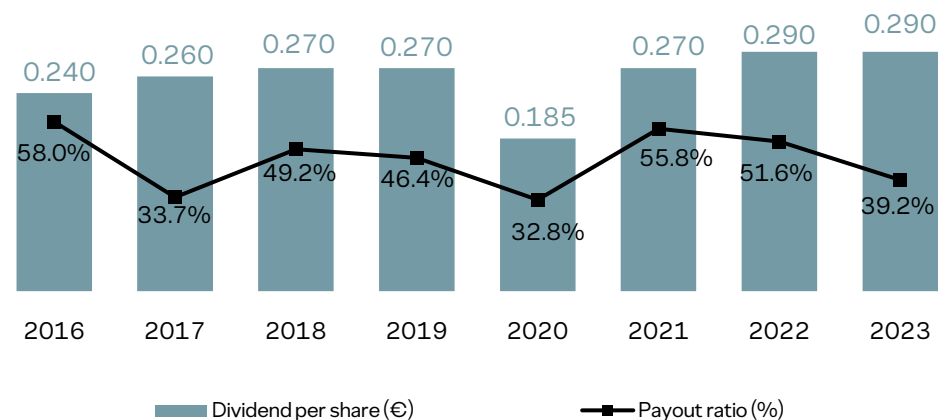


Dividends

Steadily growing Dividend Payment

In 2023, a total of 38.6 M€ was paid out in dividends (2022: 38.6 M€).

The Shareholders General Meeting held on April 22, approved the distribution of a gross dividend of € 0.20 per share (to be paid on May 22).

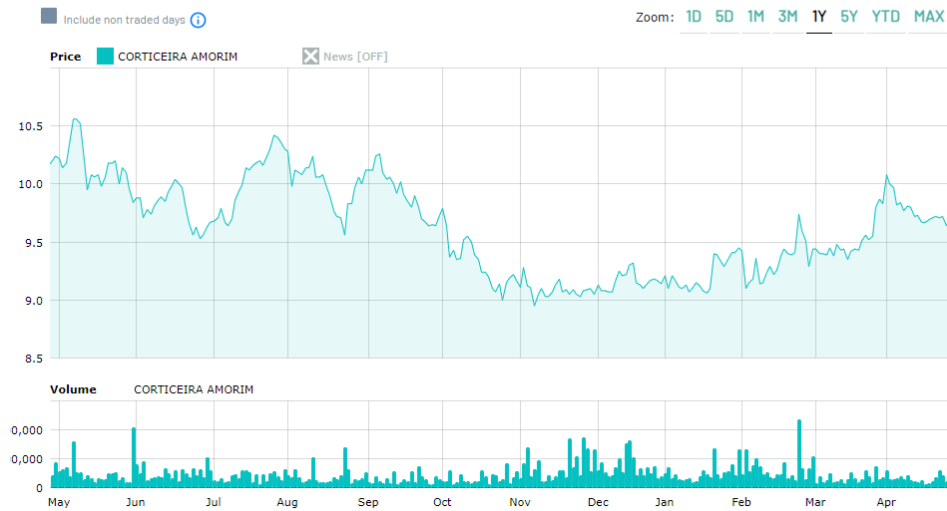


		2016	2017	2018	2019	2020	2021	2022	2023
Issued shares	Qt.	133,000,000	133,000,000	133,000,000	133,000,000	133,000,000	133,000,000	133,000,000	133,000,000
Year-end close (N-1)	€	5.948	8.500	10.300	9.000	11.300	11.600	11.280	8.720
Earnings per share (N-1)	€	0.431	0.772	0.549	0.582	0.564	0.484	0.562	0.740
Payout	%	58.0%	33.7%	49.2%	46.4%	32.8%	55.8%	51.6%	39.2%
Dividend per share	€	0.240	0.260	0.270	0.270	0.185	0.270	0.290	0.290
Total dividend	M€	31.9	34.6	35.9	35.9	24.6	35.9	38.6	38.6
Dividend Yield	%	5.5%	3.6%	2.4%	2.5%	1.8%	2.4%	2.9%	3.0%

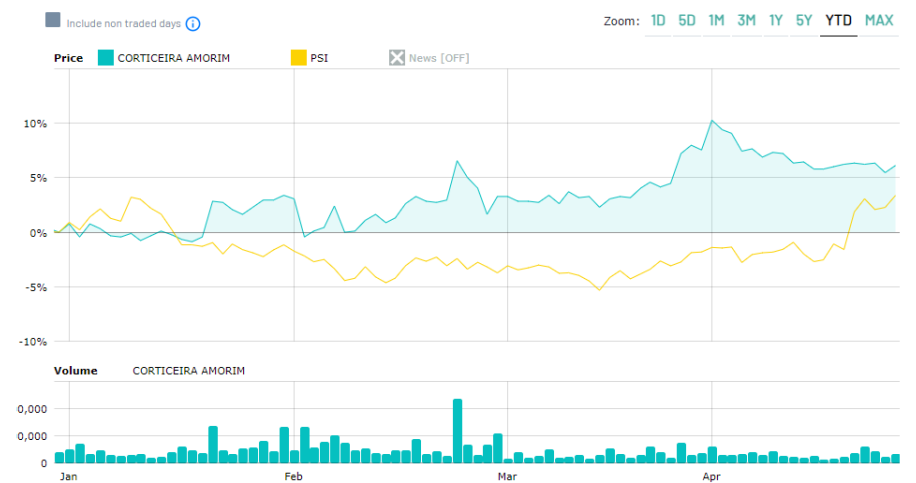
Dividend of year N-1 is payed in year N.
Dividend yield = dividend per share/average share price (N-1).

Stock Market

From: 2023-04-27 to: 2024-04-27



From: 2024-01-01 to: 2024-04-27



	2018	2019	2020	2021	2022	2023	1Q24
Qt. of shares traded	14,884,641	9,481,944	13,353,226	11,448,484	19,946,784	13,258,212	3,135,485
Share price (€):							
Maximum	12.000	11.520	11.780	12.700	11.360	10.620	9.920
Average	10.604	10.062	9.990	11.031	9.864	9.664	9.350
Minimum	8.370	8.710	7.480	9.860	8.500	8.740	9.020
Period-end	9.000	11.300	11.600	11.280	8.720	9.140	9.830
Trading Frequency	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Stock market capitalisation at period-end (M€)	1,197	1,503	1,543	1,500	1,160	1,216	1,307

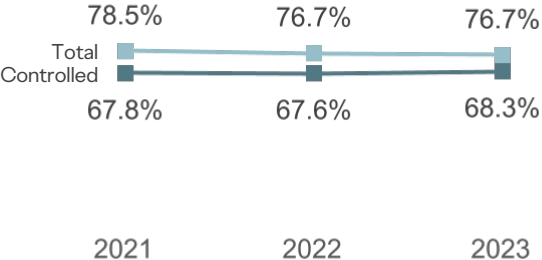
Source: Euronext | Corticeira Amorim

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Sustainable by nature

ESG Performance

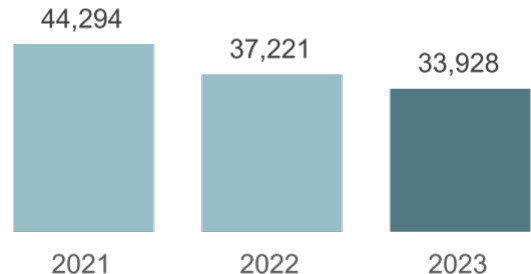
Renewable energy (%)



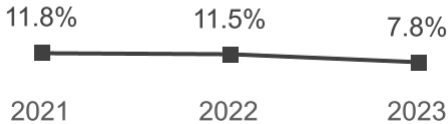
Energy efficiency (%)



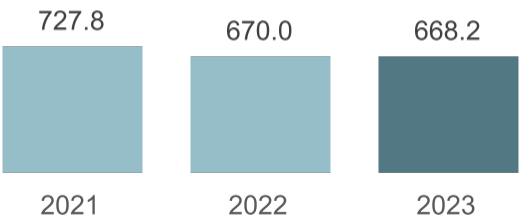
Emissions - scope 1 + 2 (tCO2eq)



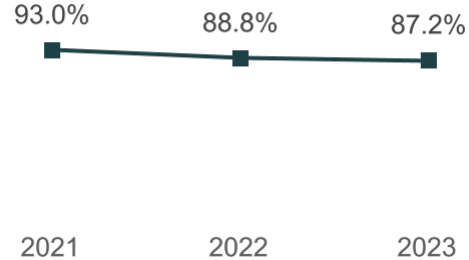
Virgin non-renewable materials (%)



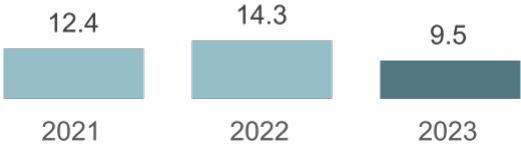
Water consumption intensity (m3/M€ sales)



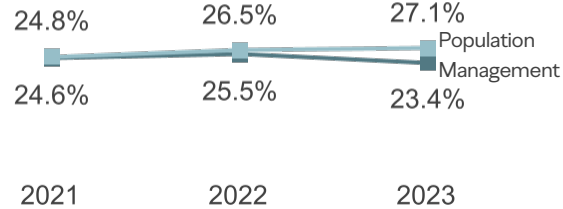
Waste recovery rate non-cork (%)



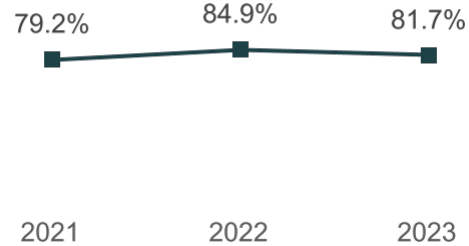
Lost time injury frequency rate



Diversity - women (%)



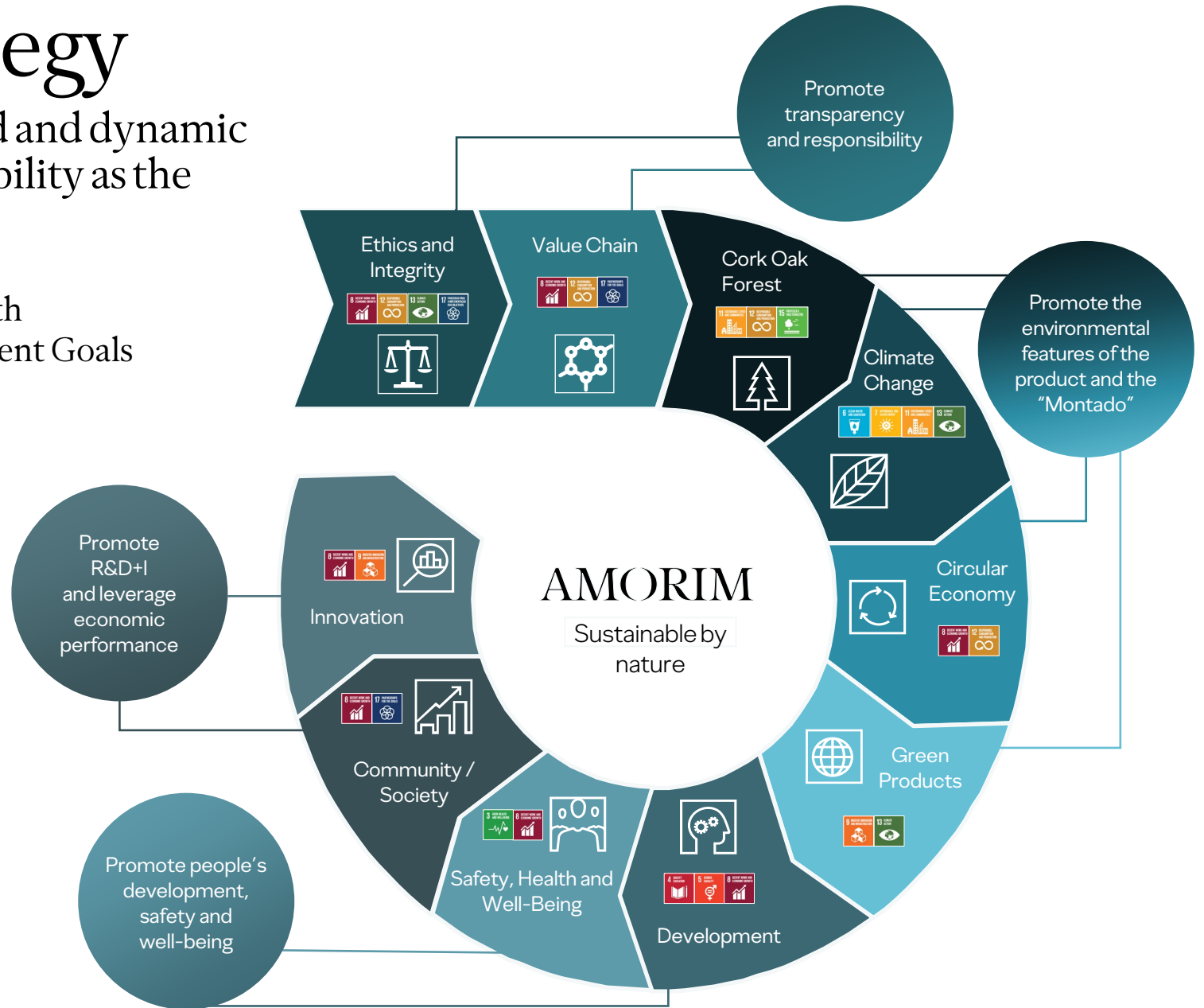
Workers accessing training (%)



ESG Strategy

Committed to a solid and dynamic future with sustainability as the main reference

Our strategy is aligned with 12 Sustainable Development Goals



ESG Strategy Goals



Ethics and Integrity

Act in an appropriate and ethical way, with transparency and responsibility, stimulating competitiveness and the creation of long-term value



Value Chain

Reinforce responsible production and consumption, preferably selecting suppliers that adopt good ESG practices



Cork Oak Forest

Preserve the cork oak forest and ecosystem services by increasing knowledge, mobilizing resources and proposing initiatives



Climate Change

Reduce the environmental impact of operations by adopting renewable, affordable and efficient solutions



Circular Economy

Apply the principles of circular economy through the reduction of waste, extend the life of materials and regeneration of natural systems



Green Products

Maintain a proactive role in developing the already vast scope of application of cork, sustained by the innate properties of the material



Development

Promote personal and professional development for all



Safety, Health and Well-Being

Ensure the safety, health and physical and psychological well-being of all, and promote appropriate work environments



Community / Society

Boost economic growth in a sustainable and inclusive manner, ensuring efficient production and decent work for all



Innovation

Support and promote research, development and innovation and foster sustainable solutions

ESG Targets: 2030

(Portuguese operations)



100%
workers with
training



Zero
impact in packaging



Zero
discrimination



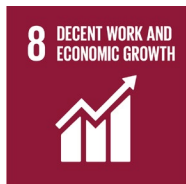
100%
waste recovery rate



100%
controlled renewable
electrical energy



Zero
carbon footprint
(scopes 1 and 2)

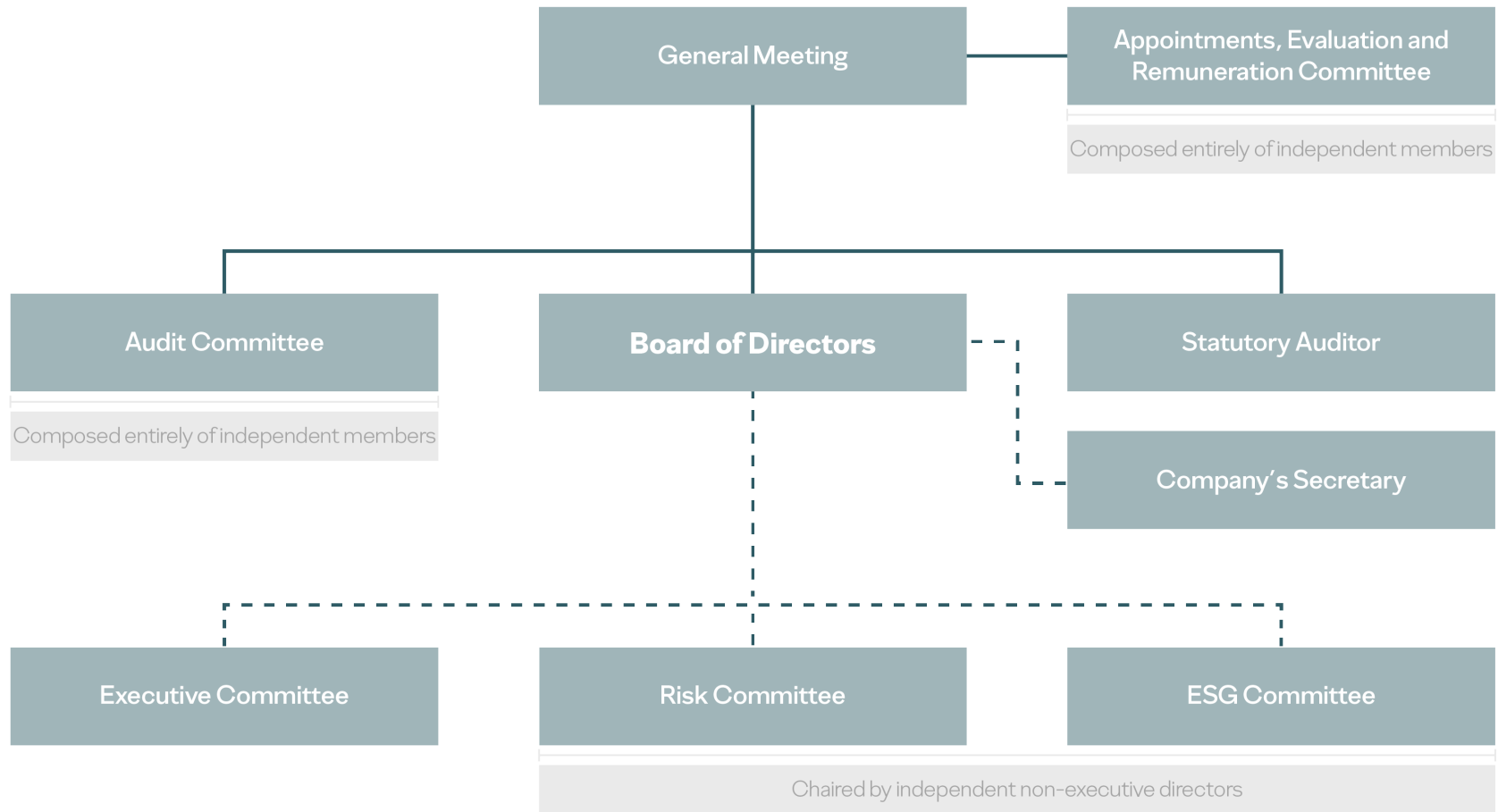


Zero
recordable work-
related injuries



Balanced and Agile Governance Model

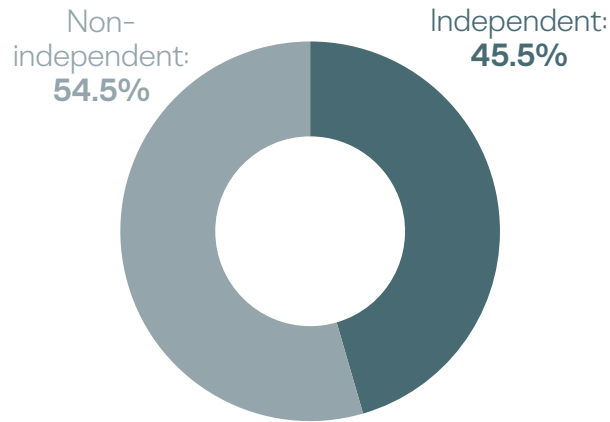
Anglo-Saxon Model



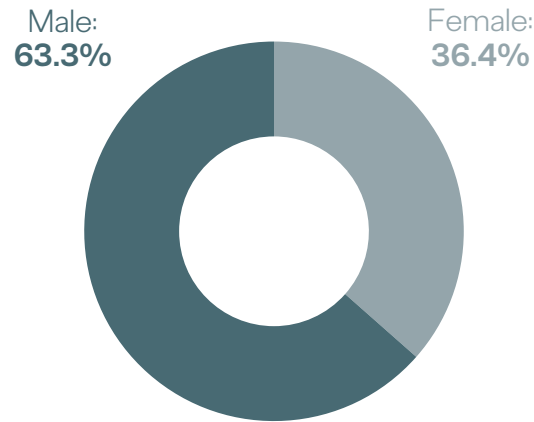
— Elected by the shareholders' General Meeting
- - Designated by the Board of Directors

Balanced and Agile Governance Model

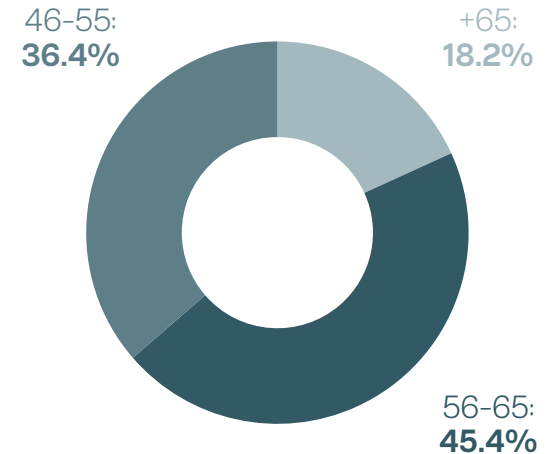
Leveraging Board Effectiveness



Including an Independent Lead Director

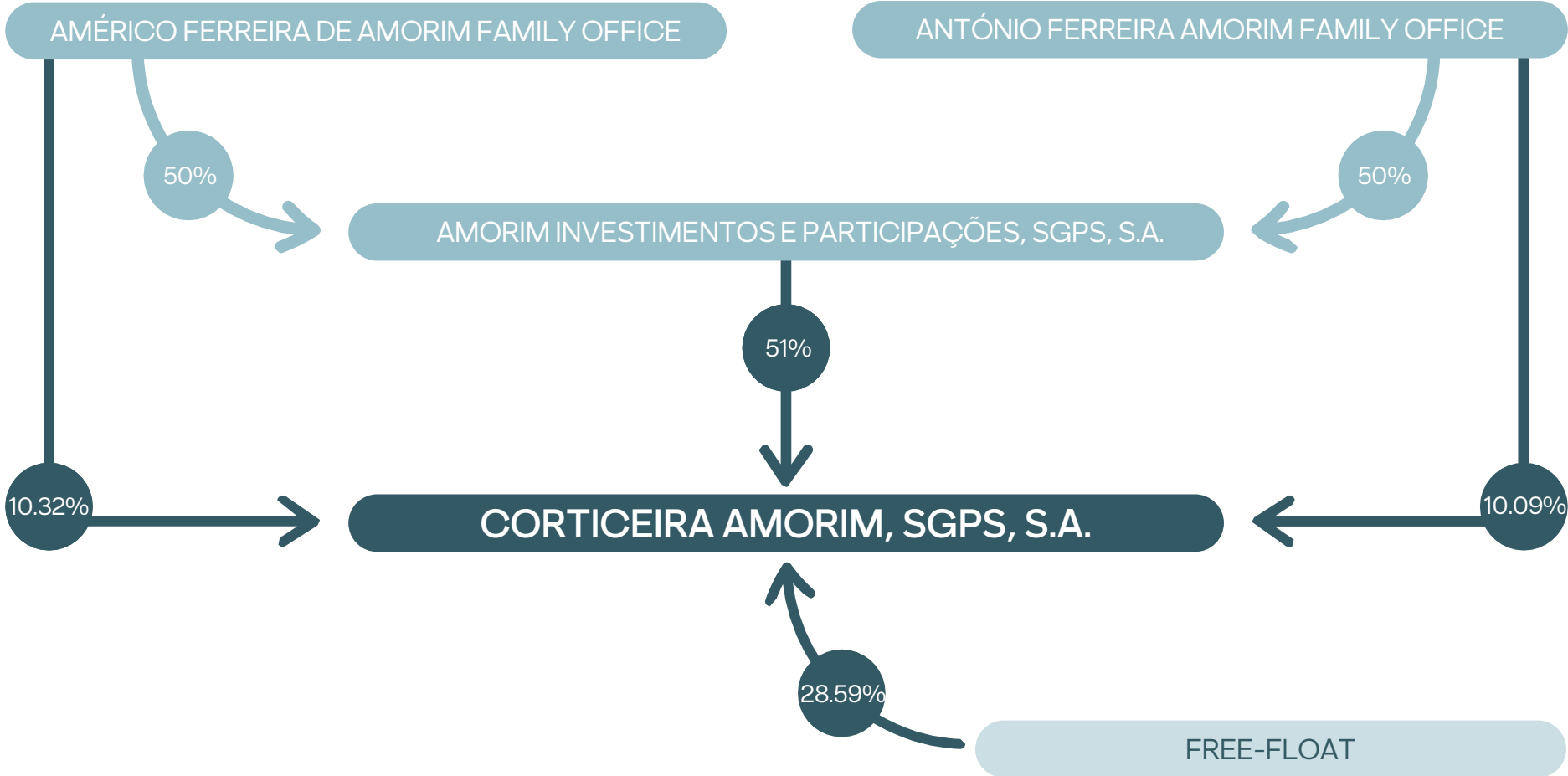


25% of women at the Executive Committee



Combining vision, experience and challenging approaches

Shareholder Structure



Held directly and indirectly.
Free-float includes 3,045,823 shares (2.29%) held by fund managed by Santander Asset Management, SA, SGILC (June 2019)

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