
Corticeira Amorim

Consolidated sales total €235 million

Highlights:

- EBITDA margin improves to 18.6%, despite a drop in volume sales and increased cork prices
- Net earnings of €16 million, down 32%
- Reduction of Net Debt to €237 million
- Implementation in the short-term of an Industrial Optimisation Plan at Amorim Cork Flooring

Message from António Rios de Amorim

Chairman and CEO

"The first three months of the year were affected by unfavourable market conditions. Faced with the negative impact of operational deleveraging, reflecting a contraction of volume sales in the sectors where we operate, and higher cork consumption prices, we focused our efforts on increasing industrial efficiency, improving the product mix and gaining market share. Given the absence of encouraging signs from the European flooring market, the implementation in the short-term of an Industrial Optimisation Plan at Amorim Cork Flooring became inevitable. The plan is aimed at reducing operational losses and improving the overall efficiency of Amorim Cork Flooring.

In a climate marked by a high degree of uncertainty, we aim to make 2024 a positive year for Corticeira Amorim. We are counting on the resilience and dedication of our People, confident that the investments that we have made in recent years will enable us to continue providing innovative products and solutions and to conquer new markets and customers while protecting profitability levels and strengthening our financial solidity."

Consolidated Performance and Results

In the first quarter of 2024, Corticeira Amorim's consolidated sales totalled €234.7 million, down 9.7% on the same period of 2023, mostly due to a decrease in sales volumes.

All Business Units (BUs) experienced pressure on sales, with the exception of Amorim Cork Composites, whose sales increased slightly to €27.5 million (+0.6% year-on-year). Sales by Amorim Cork (-10.4% year-on-year), which accounted for 77% of total consolidated sales, were penalised by a reduction in volume sales across all segments, while benefitting from improvements in the product mix and the introduction of price increases.

Consolidated EBITDA totalled €43.7 million, compared with €47.9 million in the first quarter of 2023. The consumption of

AMORIM

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Listed Company

Share Capital: € 133 000 000,00

A company incorporated in Santa

Maria da Feira – Portugal

Registration and Corporate Tax ID No.

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[instagram: amorimcork](https://www.instagram.com/amorimcork)

raw material cork purchased at higher prices and the negative impact of operational deleveraging were decisive factors in this reduction. Amorim Cork and Amorim Cork Composites were the BUs that stood out in terms of improving profitability in the period. Among other factors, this reflected reductions in the cost of non-cork raw materials and improved industrial efficiency. The consolidated EBITDA margin was 18.6% (1Q23: 18.4%).

After results attributable to non-controlling interests, Corticeira Amorim closed the first quarter of 2024 with net earnings of €16.1 million, a reduction of 32.4% compared with the first three months of 2023. This includes non-recurring costs from the implementation in short-term of an Industrial Optimisation Plan at Amorim Cork Flooring (€4.0 million), as well as increased financial charges resulting from higher interest rates and increased level of indebtedness.

At the end of March, net interest-bearing debt had decreased to €236.7 million (12M23: €240.8 million) despite an increase in working capital needs (€25.7 million) and increased investment in fixed assets (€12.4 million).

Amorim Cork Flooring's Industrial Optimisation Plan

Influenced by the economic climate affecting the construction sector and the intensification of competition from Asian producers, the flooring market in Europe faced sales reductions of 14% in 2022 and approximately 20% in 2023. This led to significant losses that have led major players in the sector to implement cost reduction measures. This unfavourable climate also penalised the activity and results of Amorim Cork Flooring, which in recent years has been posting losses that worsened in the first months of 2024.

Considering the demanding economic climate, the lack of signs of recovery in the flooring market and the current competitive weaknesses of Amorim Cork Flooring, it was decided to initiate a restructuring process of this BU which, in the first phase, will involve adjusting its production and support structures to current sales to reduce operating losses and increase efficiency through industrial optimisation.

Main Consolidated Indicators

		1Q23	1Q24	qoq
Sales		259,887	234,694	-9.7%
Gross Margin – Value		136,472	131,434	-3.7%
Gross Margin / Sales		52.5%	56.0%	+ 3.5 p.p.
Operating Costs - current		102,048	102,470	0.4%
EBITDA - current		47,905	43,679	-8.8%
EBITDA/Sales		18.4%	18.6%	+ 0.2 p.p.
EBIT - current		34,424	28,964	-15.9%
Net Income	1)	23,772	16,082	-32.4%
Earnings per share		0.179	0.121	-32.4%
Net Bank Debt		165,979	236,722	70,743
Net Bank Debt/EBITDA (x)	2)	0.99	1.37	0.38 x
EBITDA/Net Interest (x)	3)	83.6	39.0	-44.60 x

1) Includes non-recurring results related to the industrial optimisation plan at Amorim Cork Flooring.

2) Current EBITDA of the past four quarters.

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

Mozelos, May 9, 2024