
Corticeira Amorim

Net earnings fall to €89 million

Highlights:

- Consolidated sales total €986 million, pressured by volumes and exchange rates
- Sales by Amorim Cork increase, accounting for 76% of consolidated sales
- EBITDA totals €177 million and the EBITDA margin increases to 18.0%
- Proposal to pay a gross dividend of €0.20 per share

Consolidated Performance and Results

Corticeira Amorim's sales totalled €985.5 million in the 2023 financial year. Despite a more favourable product mix and higher prices, a significant reduction in activity levels, particularly at Amorim Cork Flooring, and an unfavourable exchange rate effect resulted in a 3.5% drop in sales compared with the previous year (-2.2%, excluding the negative impact of exchange rates).

Amorim Cork, which represented 76% of consolidated sales, showed a degree of resilience, with its sales increasing 0.7%. Sales by this Business Unit (BU) were particularly impacted by exchange rate developments - excluding this effect, sales would have increased 2.3%.

Despite the negatives impacts of increased cork consumption prices and operational deleveraging, consolidated EBITDA rose to €177.0 million. This growth of 7.9% mainly reflected an improvement in the sales mix and significant savings in terms of operating costs, mainly due to lower electricity and transport prices. The EBITDA margin was 18.0% (12M22: 16.1%).

After results attributable to non-controlling interests, Corticeira Amorim ended 2023 with a net profit of €88.9 million, a reduction of 9.7% compared with the previous year.

At the end of December, net debt increased to €241 million (12M22: €129 million), reflecting an increase in working capital requirements (€108 million), increased investment in fixed assets (€95 million), dividend payments (€39 million) and the acquisition of the VMD Group (€12 million).

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Listed Company

Share Capital: € 133 000 000,00

A company incorporated in Santa

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Registration and Corporate Tax ID No.

PT500077797

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

Performance by Business Unit

Sales by **Amorim Cork** totalled €759.4 million, a slight improvement on 2022 (+0.7%). Although sales benefited from an improved product mix and increased prices, volumes remained under pressure, mainly reflecting the impact of destocking. Stoppers for the sparkling wine and spirits segments showed the greatest resilience, with Neutrocork corks standing out in the still wines segment by continuing to register strong sales growth. Operating results were driven mainly by higher grinding yields and lower electricity and transport costs. EBITDA totalled €147.7 million and the EBITDA margins was 19.5% (12M22: 16.7%). The combined sales and EBITDA of the Amorim Cork and Amorim Florestal BUs totalled €772.8m and €163.1m respectively, with an EBITDA margin of 21.1% (12M22: 18.8%).

Amorim Cork Flooring registered sales totalling €92.2 million (-30.1% compared with the previous year), reflecting a contraction in volumes across all product lines, namely those being phased out, and in most markets where the BU operates. The extremely adverse economic climate, particularly in the retail and residential segments, was the main reason for this significant drop in activity levels. Operating profitability was heavily penalised, with EBITDA falling to -€7.9 million (12M22: -€1.7 million).

Sales by **Amorim Cork Composites** sales fell 3.8% to a total of €119.8 million, despite having registered a solid growth of 8.4% in the fourth quarter. The drop in sales volumes, particularly in lower added value segments, had a decisive impact on this outcome. The Sports Surfaces, Footwear and Aerospace segments recorded the highest levels of sales growth, contributing decisively to the BU's robust growth in profitability. EBITDA totalled €25.1 million (+15.8% compared with the previous year). The EBITDA margin rose to 21.0% (12M22: 17.4%).

Amorim Cork Insulation maintained positive sales growth (+14.2% compared with the previous year), benefiting from an improved product mix and increased prices. Operating results, however, were impacted by higher cork consumption prices and a reduction in activity levels. EBITDA fell to -€1.6 million (12M22: €0.9 million).

Dividend proposal

The Board of Directors decided to propose to the General Shareholders' Meeting, to be held on April 22, the payment of a gross dividend of €0.20 per share.

Main Consolidated Indicators

		2022	2023	yoy	4Q22	4Q23	qoq
Sales		1,021,391	985,467	-3.5%	231,093	222,248	-3.8%
Gross Margin – Value		523,766	507,633	-3.1%	111,356	115,073	3.3%
Gross Margin / Sales		51.3%	51.5%	+ 0.2 p.p.	48.2%	51.8%	+ 3.6 p.p.
Operating Costs - current		408,451	382,563	-6.3%	90,849	91,729	1.0%
EBITDA - current		163,954	176,985	7.9%	32,794	37,200	13.4%
EBITDA/Sales		16.1%	18.0%	+ 1.9 p.p.	14.2%	16.7%	+ 2.5 p.p.
EBIT - current		115,315	125,070	8.5%	20,507	23,345	13.8%
Net Income	1)	98,394	88,897	-9.7%	34,235	21,886	-36.1%
Earnings per share		0.740	0.668	-9.7%	0.257	0.165	-36.1%
Net Bank Debt		128,988	240,839	111,851	-	-	-
Net Bank Debt/EBITDA (x)	2)	0.79	1.36	0.57 x	-	-	-
EBITDA/Net Interest (x)	3)	148.6	52.6	-95.96 x	79.9	39.9	-39.99 x

1) Includes non-recurring costs, mainly from the sale of an investment property and the recognition of impairments at Amorim Cork (industrial reorganization) and Amorim Cork Flooring (discontinuation of product line).

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, February 22, 2024