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Corticeira Amorim, SGPS, S.A.

Public company

Edifício Amorim I

Rua de Meladas, n.º 380

4536-902 Mozelos VFR

Portugal

Share capital: € 133 000 000,00

A company incorporated in

Santa Maria da Feira - Portugal

Registration number and corporation

tax ID number: PT 500 077 797

About Corticeira Amorim SGPS, S.A.:

While tracing its roots to the XIX Century, Corticeira Amorim SGPS has become the world's largest cork and cork-derived company in the world, generating more than Euro half billion in sales throughout 103 countries. Corticeira Amorim SGPS and its subsidiaries are an integral part of a conservationist effort to guarantee the survival of hundreds of thousands of cork trees throughout the Mediterranean Basin. We are proud of our contribution to the correct utilisation of these important forests that are home to several endangered species throughout the region. We encourage you to learn more by visiting informative websites such as [www.amorim.com](http://www.amorim.com) and [www.amorimcork.com](http://www.amorimcork.com)

## Corticeira Amorim 2015 sales surpass EUR 600 million

### Highlights

- *Sales of EUR 604.8 million driven mainly by the Cork Stopper BU and the Cork Composites BU*
- *Strong operating performance drives EBITDA for the first time beyond the EUR 100 million mark*
- *Profit grows to EUR 55 M, partly driven by an appreciation of the USD against the Euro*

Corticeira Amorim's sales at the end of last financial year showed a remarkable growth (7.9%) to € 604.8 M.

EBITDA amounted to € 100.7 M, a 16.1% increase over 2014, recording its highest value ever. The EBITDA to Sales ratio rose to 16.7%, comparing favorably with the 15.5% figure in 2014.

Net profit for the year exceeded € 50 M for the first time; in comparison with 2014, it grew by 53.9% to € 55.012 M at the end of December 2015.

The good performance of these indicators is due not only to the appreciation of the US Dollar against the Euro, but also to the dynamics of the US market, that proved to be of great importance to the business of Corticeira Amorim. In fact, the US market is consolidating its position as the leading market for our products.

Attention should also be drawn to the good performance of the Net financial results, driven by lower interest rates and a declining net debt (€ 83.9 M), showing a € 3.7 M decrease compared to 2014. Of note is also the € 35 M loan from the EIB at very competitive interest rates. This 10-year loan (including a 4-year grace period) is intended to finance the RDI program for 2014-17.

The Board of Directors has decided to propose to the Annual General Meeting that a gross dividend of € 0.16 per share be paid.

## Cork Stoppers and Cork Composites lead sales growth

The sales of the **Raw Materials BU** rose by about 3% to € 135.37 M in 2015.

EBITDA dropped slightly by 2.88% compared to 2014, totaling € 16.98 M, as a result of weaker cork buying season in 2014 and a fall in sales from the Floor and Wall Coverings BU.

The sales of the **Cork Stoppers BU** reached € 393, a 10%-increase over the previous year. This performance was also influenced by the appreciation of the US dollar exchange rate which alone accounted for 40% of sales increase. In terms of quantity, sales grew by 4.6% in 2015 and a record number of cork stoppers – 4,200 million – were sold. During 2015, the Cork Stoppers BU has largely maintained its sales mix, thereby strengthening its position across all its product segments.

EBITDA reached € 62.75 M, a 34%-increase over 2014.

In 2015, the **Floor and Wall Coverings BU** was the only business segment to record a year-on-year sales decrease, with sales figures declining 5.6% to € 109.84 M over the past year. All in all, the BU's performance was penalized by decreasing sales of its products and declining sales to its Eastern European markets, in particular to Russia. And this in addition to the unfavorable EUR/USD exchange rate, that amounted to about € 1.5 M.

EBITDA was € 8.17 M, down on the figure recorded in 2014 (€ 15.52 M).

Sales made by the **Cork Composites BU** rose 18.6%, totaling € 100 M. This positive performance was largely the result of an appreciation of the US

dollar against the Euro - with a 45% impact on the increase of turnover – in addition to a significant sales growth to the US market.

EBITDA improved significantly to € 14.6 M in 2015 as compared to € 7.7 M in 2014.

The **Insulation Cork BU** reported year-end sales of € 10 M, a slight increase over 2014. During 2015, the BU's gross profit margin grew by more than 11% as a result of greater sales of higher value-added products and a positive exchange rate effect. However, after a provision for debt impairments was made, EBITDA decreased by 24.9% to € 1.24 M. If this impact were excluded, then this indicator would have increased by 15%.

## Increasing free-floating shares to 15%

At the end of the third quarter of last year, Corticeira Amorim sold all its treasury shares (7,399,262 shares accounting for 5.63% of its share capital) through an accelerated bookbuilding process. Following this transaction, the Company's free float accounts now for 15% of its capital. That move had an immediate impact on Corticeira Amorim's shares, which translated into an increase in the liquidity of its securities and a growth in average daily trading volume.

The sound financial position of the Company and the cash inflow from the sale of the securities allowed to pay out more than € 50 M in dividends in 2015.

## Consolidated Key Indicators

	2015	2014	Variation	4Q15	4Q14	Variation
Sales	604,800	560,340	7.9%	141,911	130,655	8.6%
Gross Margin – Value	315,613	283,583	11.3%	73,274	70,457	4.0%
	1) 50.7%	49.8%	+ 0.9 p.p.	50.4%	50.5%	-0.07 p.p.
Operating Costs - current	239,944	219,197	9.5%	59,046	55,468	6.4%
EBITDA – current	100,720	86,722	16.1%	20,565	20,639	-0.4%
EBITDA/Sales	16.7%	15.5%	+ 1.2 p.p.	14.5%	15.8%	-1.31 p.p.
EBIT - current	75,669	64,386	17.5%	14,229	14,990	-5.1%
Non-current costs	2) 2,904	6,354	-	-3	2,840	-
Net Income	55,012	35,756	53.9%	13,402	6,722	99.4%
Earnings per share	0.431	0.285	51.3%	0.101	0.054	88.3%
Net Bank Debt	83,896	87,558	- 3,662	-	-	-
Net Bank Debt/EBITDA (x)	4) 0.83	1.01	-0.18 x	-	-	-
EBITDA/Net Interest (x)	3) 70.5	30.8	39.71 x	74.9	38.2	36.67 x
Equity/Net Assets	53.1%	51.1%	+ 2. p.p.	-	-	-

1) Related to Production

2) Goodwill impairment and industrial restructuring (2014); goodwill impairment (2015)

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