



**AMORIM**

**CORTICEIRA AMORIM, S.G.P.S., S.A.**

**Consolidated results**

**First Quarter 2014**

# Summary

## Consolidated results

- Highlights
- Consolidated key indicators

## Raw Materials

- Key indicators
- Highlights

## Cork Stoppers

- Key indicators
- Highlights

## Floor & Wall Coverings

- Key indicators
- Highlights

## Cork Composites

- Key indicators
- Highlights

## Insulation Cork

- Key indicators
- Highlights

## Appendices

- Consolidated indicators

# Consolidated results

- Highlights
- Consolidated key indicators

Unit: thousands of euros

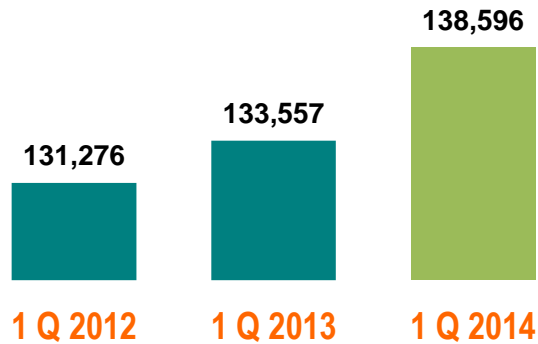


# Highlights

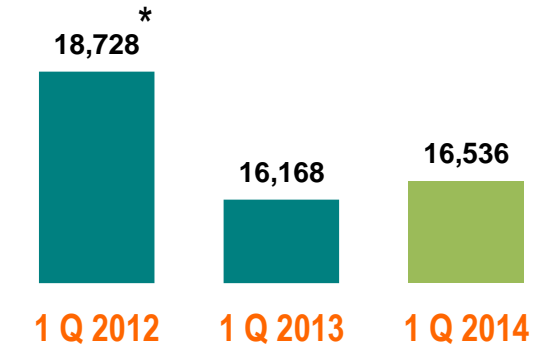
- ❑ Consolidated 1Q14 sales totalled 138.6 million euros (M€), up 3.8% from same quarter 2013 (133.6M€);
- ❑ Unfavorable currency effect on sales: 2.5 M€;
- ❑ All Business Unit's (BU) with higher sales to final customers. Specially Cork Stoppers Business Unit (BU) (+5.2%);
- ❑ Further implementation of measures to increase operational efficiency through investment in the latest technology;
- ❑ Beginning of industrial reorganization of the Composites BU;
- ❑ EBITDA grew by 2.3% (16.2 M€), hurt by foreign exchange impact (-2M€) and and the impact of industrial reorganization expenses and exchange differences
- ❑ Net profit reached 5.982 M€ (13%);
- ❑ Net debt (102.5 M€) 14 M€ lower than March 2013;
- ❑ Lower financial costs benefiting from lowering debt and interest rates;
- ❑ Dividends (0.12€ per share) approved by GSM (payment as of April, 23).

# Consolidated key indicators

## Sales

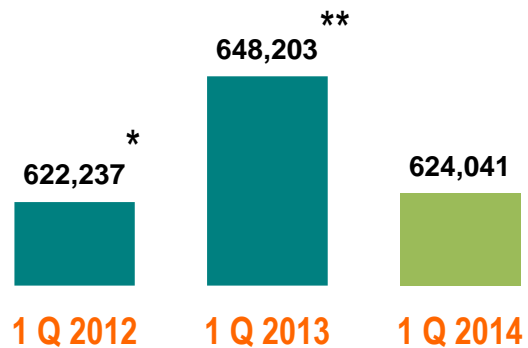


## EBITDA



\* Excludes VAT impairment in Argentina (1,827 K€)

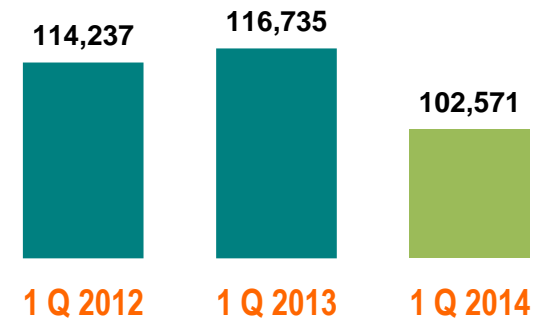
## Total Assets



\* Includes 27,000 K€ of time deposits

\*\* Includes 30,000 K€ of time deposits

## Net debt





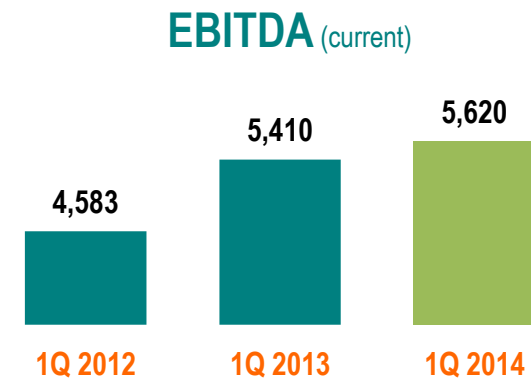
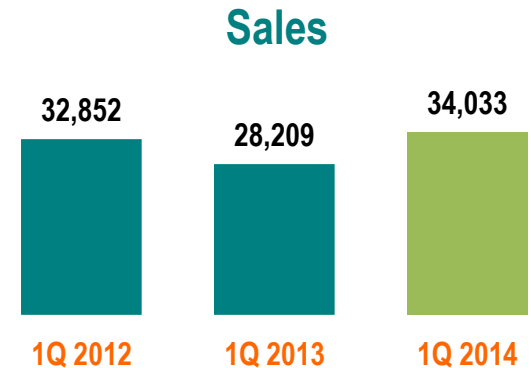
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# Highlights and key indicators by Business Unit

Unit: thousands of euros

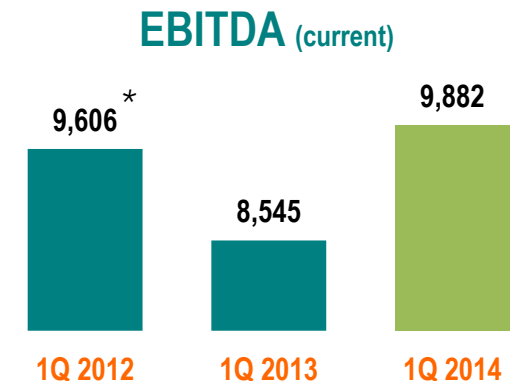
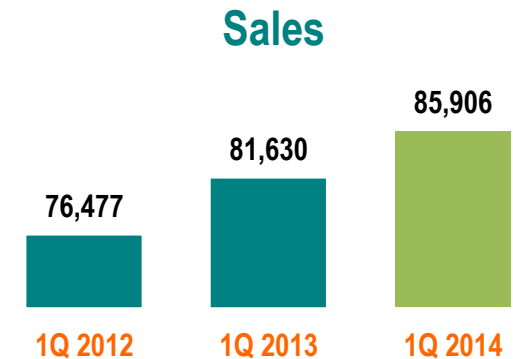
### ☐ Sales increase 21%

- Sales for the value chain rose by 23% (demobilization of stocks in BU and following the increased activity in the Cork Stoppers BU);
- Augusta Cork joined the BU;
- EBITDA reached 3.9% (5.6 M€);
- Involvement in the cork purchasing market (before the harvest) ran as planned.



### ☐ Sales: 5.2% increase

- In general all the families of cork stoppers had sales growth;
- Highlight for Neutrocork® and Twin Top® corks;
- Volume and mix more than offset the effect of exchange;
- Sales to China and French market affected by restrictive policies to consumption in China;
- Positive performance in the U.S. and Chile;
- EBITDA reached 9.9 M€ (+15%): more sales and operational efficiency measures more than offset unfavourable currency effect.



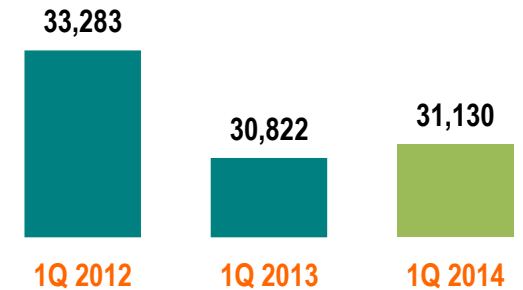
\* Excludes VAT impairment in Argentina (1,827 K€)



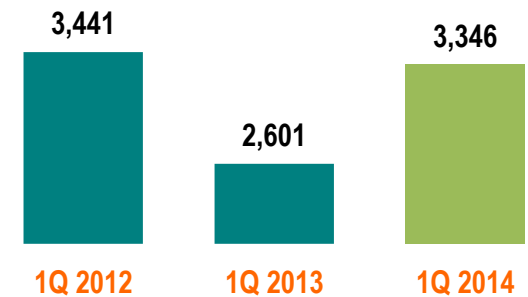
### ☐ Sales: 1% increase (cork products: 0%)

- Reduction in sales to the U.S. and some break in the German market;
- Markets in Eastern Europe and China offset falling sales in those markets;
- Operational efficiency measures more than compensate stagnant sales;
- EBITDA reached 28% (3.3 M€).

#### Sales

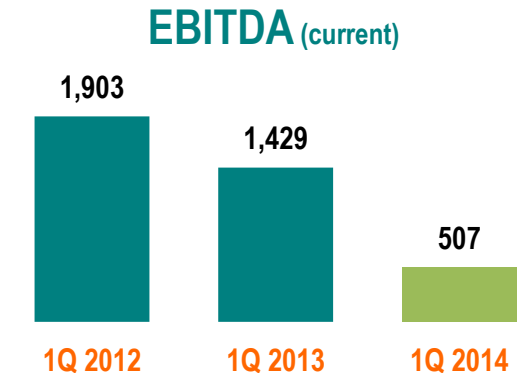
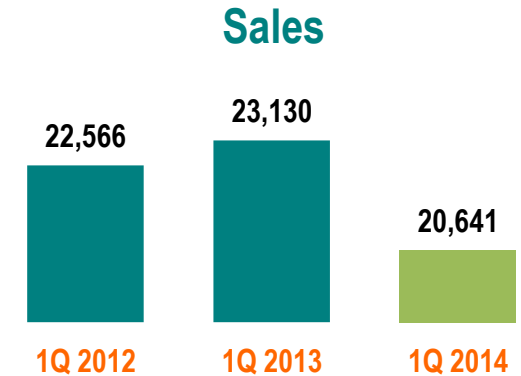


#### EBITDA (current)



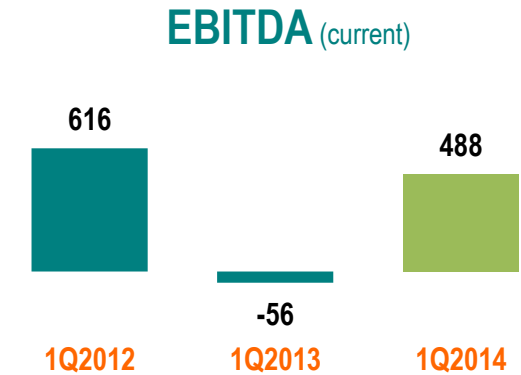
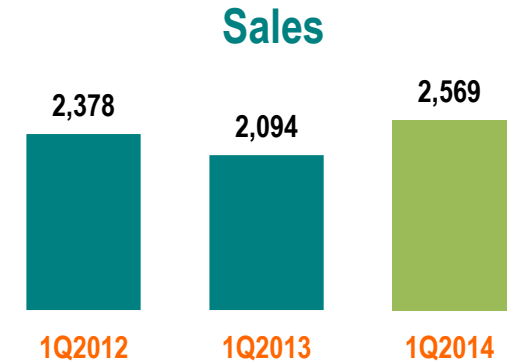
### Market sales: +4.4%

- Total sales affected by shutdown of Drauvil (supply of granulates to Cork Stoppers BU);
  - Beginning of the industrial restructuring of the UN;
  - Smooth progress of the North American market;
  - Positive performance of the transport sector and flooring (applications for the sport)
- EBITDA of 0.5M€ (1Q13: 1.4 M€), impacted by expenses related to industrial reorganization.



### ❑ Sale of manufactured goods: +11%

- Total sales growth of 22.6% benefited both by manufactured products and non manufactured goods;
- Sales growth of expanded cork agglomerate (13%) practically justified by the volume effect;
- Growth in the Middle East and Asia markets offset falls in European markets;
- EBITDA reached 0.5 M€, reversing negative sign of 1Q13.

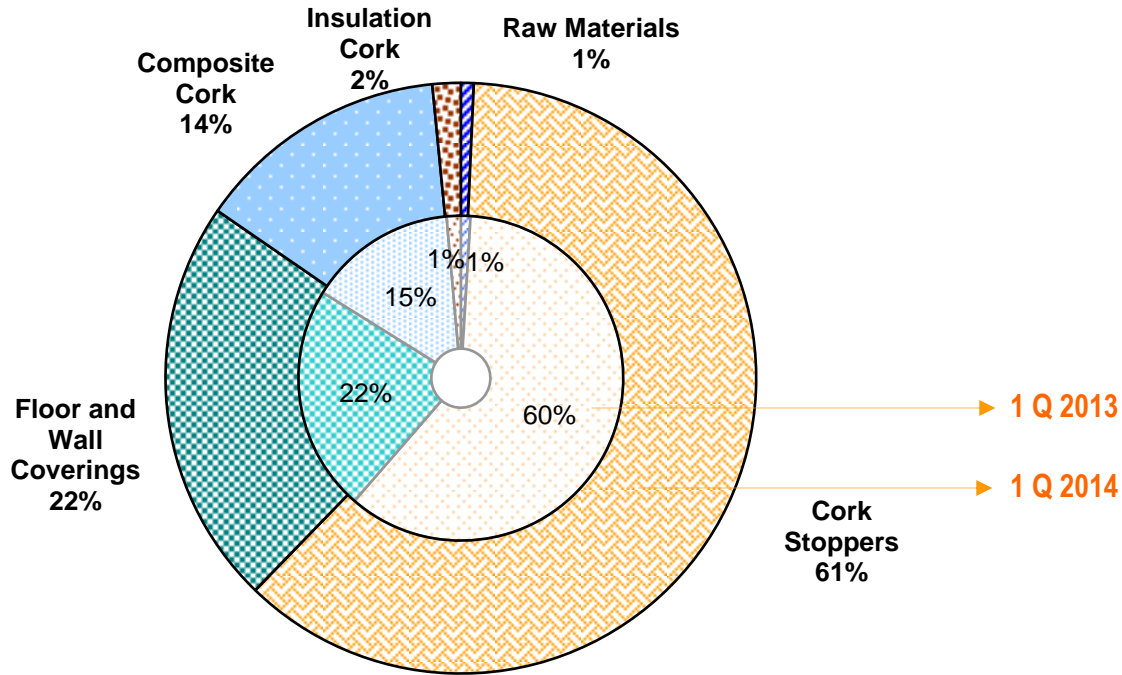


# Appendices

- Consolidated indicators

Unit: thousands of euros

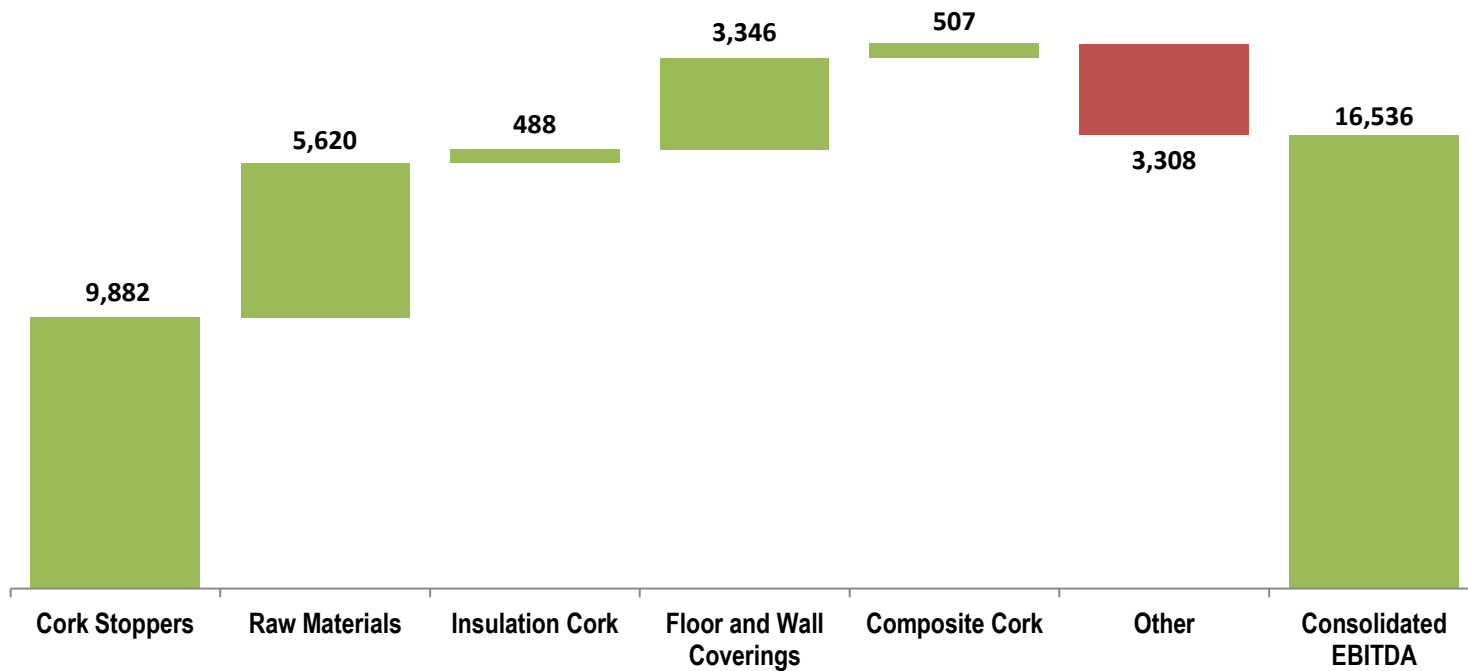
# Breakdown Sales by Business Unit



	1 Q 2012	1 Q 2013	1 Q 2014
Raw Materials	1%	1%	1%
Cork Stoppers	57%	60%	61%
Floor and Wall Coverings	25%	22%	22%
Composite Cork	15%	15%	14%
Insulation Cork	2%	1%	2%

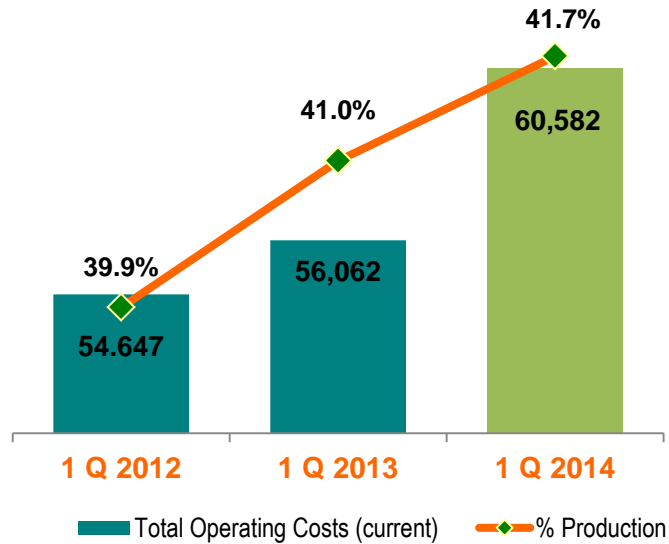
# Breakdown EBITDA by Business Unit

## Current EBITDA



# Operating Costs Breakdown

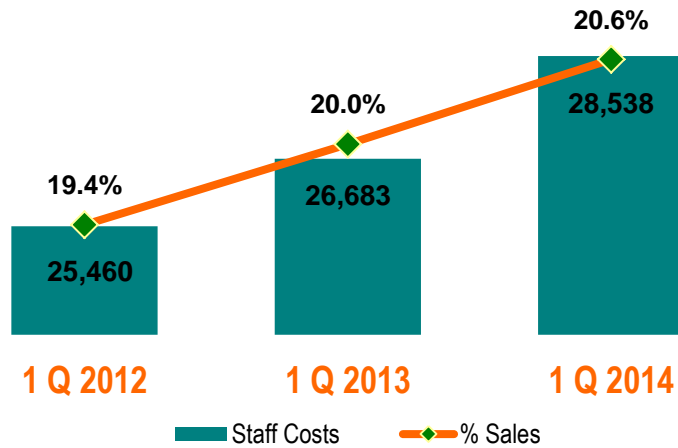
## Value and % (Production):



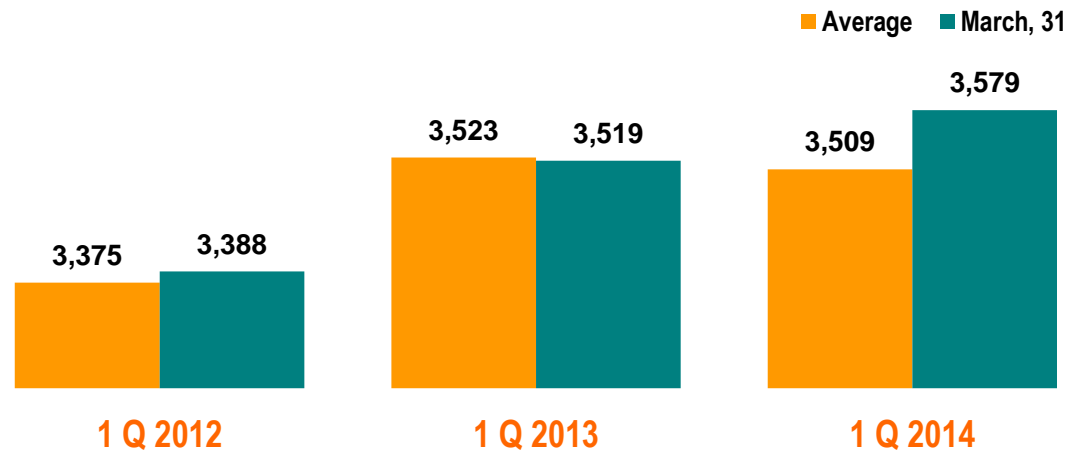
	1 Q 2012	1 Q 2013	1 Q 2014
External supplies	22,420	23,836	24,186
Staff costs	25,460	26,683	28,538
Depreciation	5,520	5,821	6,618
Provisions	1,180	236	424
Other operating expenses and profits	-68	513	-816
<b>Total Operating Costs (current)</b>	<b>54,647</b>	<b>56,062</b>	<b>60,582</b>
<b>% Production</b>	<b>39.9%</b>	<b>41.0%</b>	<b>41.7%</b>

\* Excluding charges with reorganization

## Value and % (sales):

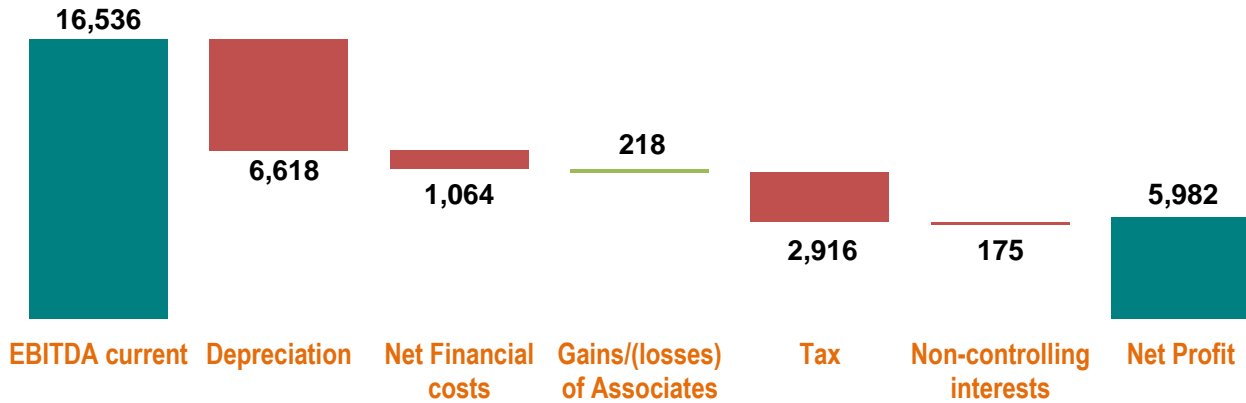


## Number of employees:





# Net Profit



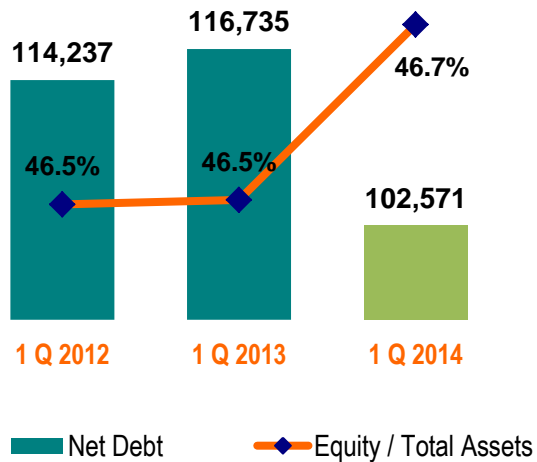
	1 Q 2012	1 Q 2013	1 Q 2014
EBIT current	13,208	10,347	9,918
Interest	1,585*	1,309**	1,064***
Restructuring costs	1,843	0	0
(loss)/profit of associates	-5	-108	218
EBT	9,775	8,930	9,072
Tax	3,990	3,571	2,916
Minority interests	25	65	175
<b>Net Profit</b>	<b>5,761</b>	<b>5,294</b>	<b>5,982</b>

\* includes 70 of swap gain

\*\* includes 258 of swap gain

\*\*\* includes 133 of swap gain

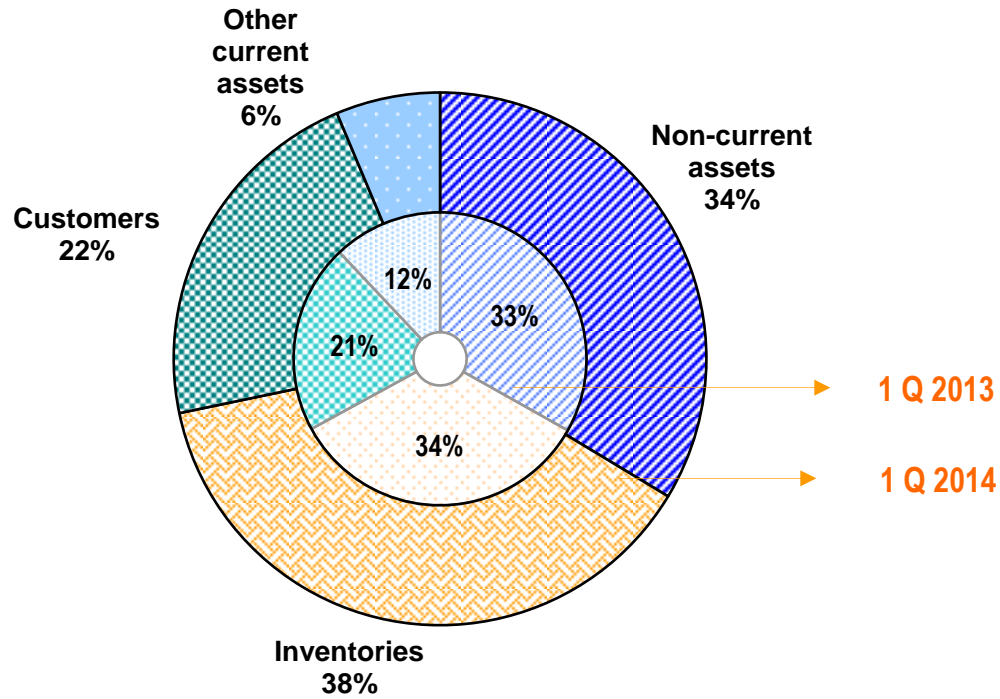
## Net debt and Equity/ Total Assets:



	1 Q 2012	1 Q 2013	1 Q 2014
Net Debt	114,237	116,735	102,571
Equity and Minority interests	289,133	301,239	291,592
EBITDA / Interest	16.3	16.5	21.5
Equity / Total Assets	46.5%	46.5%	46.7%
Gearing	39.5%	38.8%	35.2%

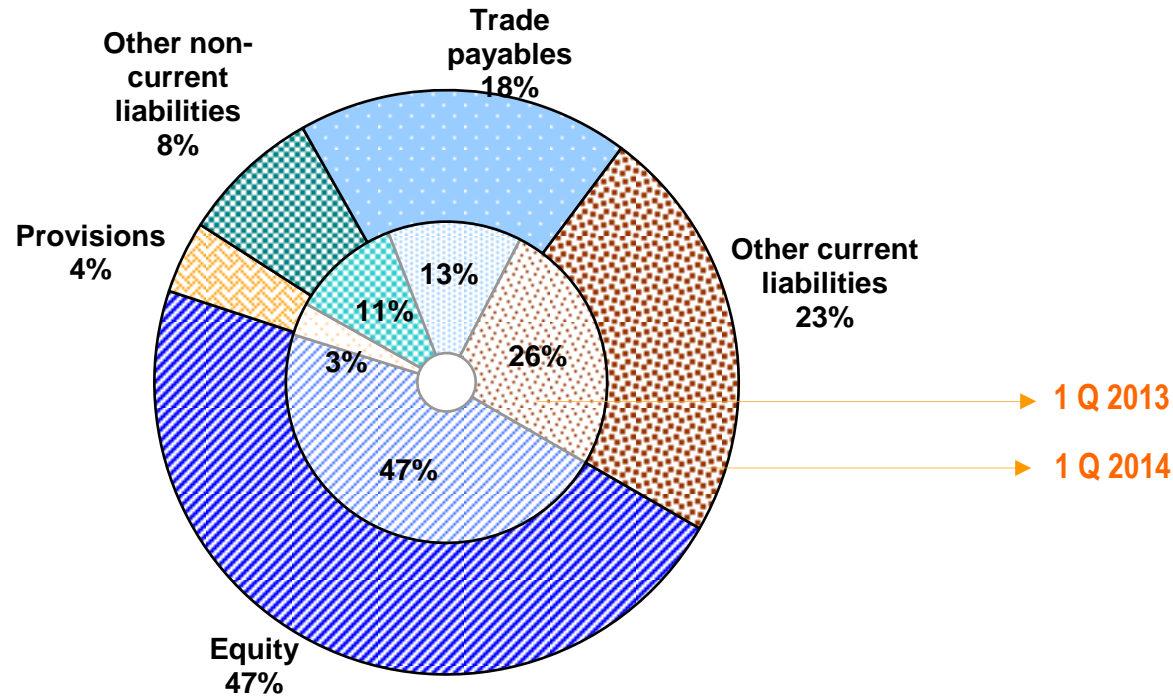
*Net interest includes interest from loans less interest from deposits (excludes stamp tax and commissions)*

# Total Assets



	1Q12	1Q13	1Q14
Non-current assets	206,003	214,816	209,908
Inventories	216,892	219,881	237,713
Customers	128,092	135,497	136,958
Other current assets	71,250	78,009	39,462
<b>Total Assets</b>	<b>622,237</b>	<b>648,203</b>	<b>624,041</b>
Capex	3,868	4,215	3,869

# Equity and Liabilities



	1Q12	1Q13	1Q14
Equity	289,133	301,239	291,593
Provisions	18,514	21,425	24,969
Other non-current liabilities	97,869	71,260	48,342
Trade payables	90,637	87,302	114,843
Other current liabilities	126,085	166,977	144,295
<b>Total Liabilities</b>	<b>333,105</b>	<b>346,964</b>	<b>332,449</b>

# Consolidated Statement of Financial Position

	March 31, 2014	December 31, 2013	March 31, 2013
<b>Non-current assets</b>	<b>209,908</b>	<b>212,744</b>	<b>214,816</b>
<b>Current assets</b>			
Inventories	237,713	244,063	219,881
Other current assets	176,420	170,499	213,506
<b>Total current assets</b>	<b>414,133</b>	<b>414,562</b>	<b>433,387</b>
<b>Total Assets</b>	<b>624,041</b>	<b>627,307</b>	<b>648,203</b>
<b>Equity (M. I. included)</b>	<b>291,592</b>	<b>301,737</b>	<b>301,239</b>
<b>Non-current liabilities</b>			
Bank borrowings	31,879	33,623	52,250
Other non-current liabilities	41,432	42,815	40,435
<b>Total non-current liabilities</b>	<b>73,311</b>	<b>76,438</b>	<b>92,685</b>
<b>Current liabilities</b>			
Bank borrowings	76,674	78,612	103,068
Other current liabilities	182,464	170,520	151,210
<b>Total current liabilities</b>	<b>259,138</b>	<b>249,132</b>	<b>254,278</b>
<b>Total Liabilities and Equity</b>	<b>624,041</b>	<b>627,307</b>	<b>648,203</b>

# Key Figures

		1Q14	1Q13	Variation
Sales		138,596	133,557	3.8%
Gross Margin – Value		70,500	66,410	6.2%
	1)	48.5%	48.5%	+0. p.p.
Operating Costs - current		60,582	56,063	8.06%
EBITDA - current		16,536	16,168	2.3%
EBITDA/Sales		11.9%	12.1%	-0.17 p.p.
EBIT - current		9,918	10,347	-4.1%
Net Income		5,982	5,294	12.99%
Earnings per share		0.047	0.042	12.99%
Net Bank Debt		102,571	116,736	- 14,165
Net Bank Debt/EBITDA (x)	3)	1.27	1.46	-0.19 x
EBITDA/Net Interest (x)	2)	21.5	16.5	4.98 x
Equity/Net Assets		46.7%	46.5%	+0.25 p.p.

1) Related to Production

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

3) Current EBITDA of the last four quarters



AMORIM

**CORTICEIRA AMORIM, S.G.P.S., S.A.**

Rua de Meladas, nº 380  
P.O. Box 20  
4536-902 MOZELOS VFR  
PORTUGAL

Tel.: +351 22 747 54 00  
Fax: +351 22 747 54 07

Email: [corticeira.amorim@amorim.com](mailto:corticeira.amorim@amorim.com)  
<http://www.corticeiraamorim.com>  
[www.corkfacts.com](http://www.corkfacts.com)