

Corticeira Amorim 9M2018



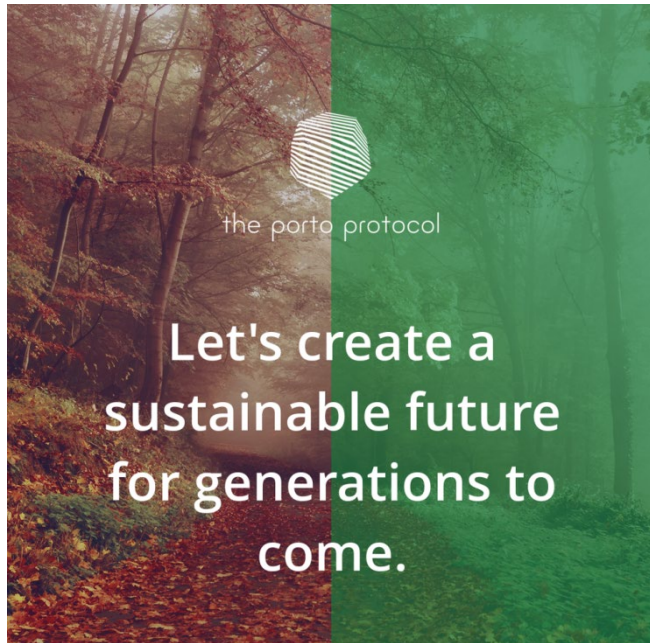
In brief

First investment of Amorim in forest property: acquisition of 100% of Herdade da Baliza estate in Castelo Branco (released on October, 24).

“Intensive Cork Oak Plantation” to be developed.



In brief



Corticeira Amorim is a Porto Protocol partner, a business and institutional movement aiming at tackling climate change.



Cork in the Mars exploration project of the European Space Agency.



Acquisition of ELFVERSON & Co AB.

In brief



Corticeira Amorim and the Auchan group promote a joint cork stopper recycling initiative (France).



One of the largest collections of Madeira wine (1796 and 1820) recently rediscovered at the Liberty Hall Museum at Kean University. The wines were uncorked, tasted, recorked and will be included in a Christie's wine auction in December.



Fairway Wines & Spirits promotes cork in the USA.

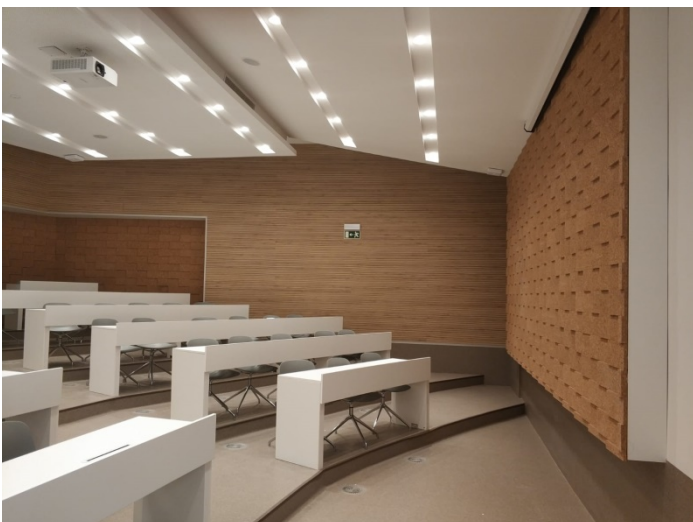


Blind tasting tests confirm North American wine consumers' preference for cork stoppers. Conclusions published in the International Journal of Hospitality Management.

In brief



Américo Amorim's Auditorium at NOVA School of Business and Economics new campus with cork wall tiles designed by Jasper Morrison.



Amorim Cork Composites launches i.cork factory, a cutting-edge innovation hub to develop new materials and technologies.

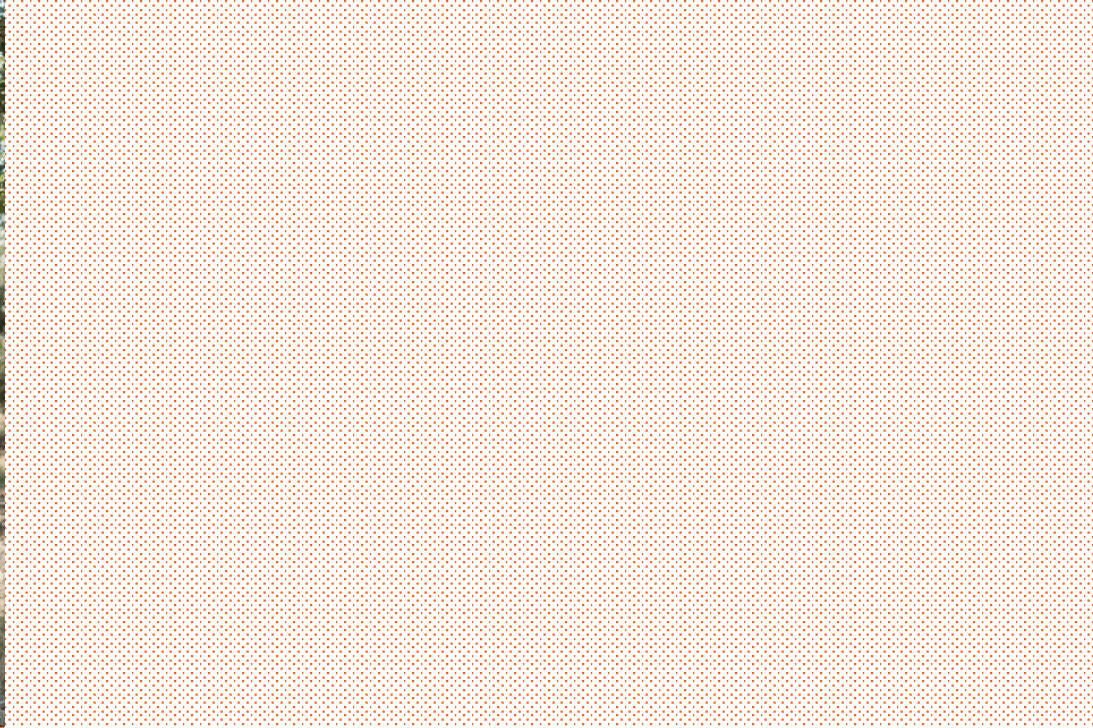
In brief



TAP's new lounge with Wicanders' flooring. A project by Miguel Arruda, winner of a A' Design Award.



One, two, three Swing! installation by Superflex presented in the reopening of the Copenhagen Contemporary Art Center and at the Bonn Bundeskunsthalle.



Consolidated Results

Integral Verticalization

Corticeira Amorim, SGPS, S.A.

Raw Materials

Cork Stoppers

Floor and Wall
Coverings

Composite Cork

Insulation Cork



Key Facts & Figures

Sales totalled 583.8 M€ an increase of 52.3 M€ (+9.8%);
Excluding changes in the consolidation perimeter, sales increased 3.0%;

The exchange rate had a negative impact of 10.4 M€ on sales (9M17: +1.8 M€);
At constant exchange rates, Corticeira Amorim delivered a 11.8% increase in sales and a 10.6% increase in EBITDA;

Sales performance by BU:

- Raw Materials: +15.2%;
- Cork Stoppers: +12.8%;
- Floor & Wall Coverings: -7.7%;
- Composite Cork: +3.8%;
- Insulation: +8.9%;

The Cork Stoppers BU remained the major growth engine; sales growth in all business segments (still wine, sparkling wine and spirits) and well-balanced across different geographic areas;

NDtech® sales totalled 36.7 million stoppers (9M17: 21.5 million);

Hydrocork® sales increased to 14.7 M€ (9M17: 14.1 M€);

Encouraging performance by the **Composite Cork BU**, even though negatively affected by the depreciation of the USD (at constant exchange rates, sales were up by 6.8%);

Impairments totalled 0.9 M€ vs. 3.6 M€ in 9M17.



Key Facts & Figures

EBITDA increased 2.9% to 108.4 M€ (9M17: 105.4 M€);

EBITDA/Sales: 18.6% (9M17: 19.8%);

EBITDA/Sales for Raw Materials + Cork Stoppers: 23.5% (9M17: 24.2%);

Net debt totalled 104.7 M€ (FY17: 92.8 M€), on increased NWC needs (46.4 M€), higher Capex (40.1 M€) and dividend payments (24.6 M€);

Non-recurrent results totalled 0.7 M€;

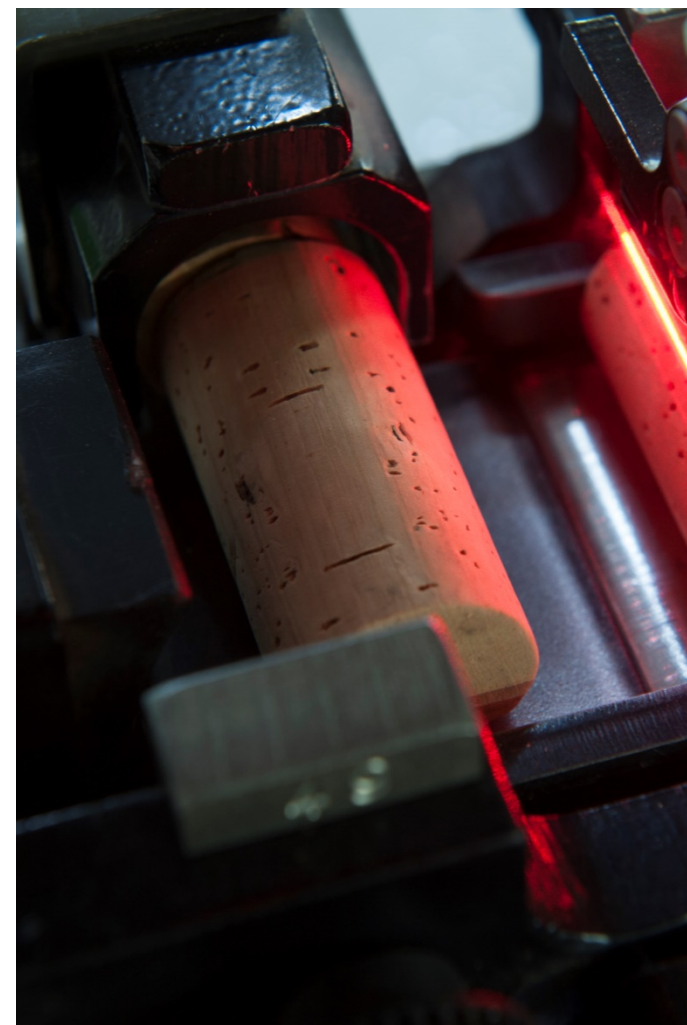
Net Income rose to 58.6 M€, an increase of 4.0% (9M17: 56.4 M€);

Total Assets increased to 971.0 M€ (FY17: 869.4 M€);

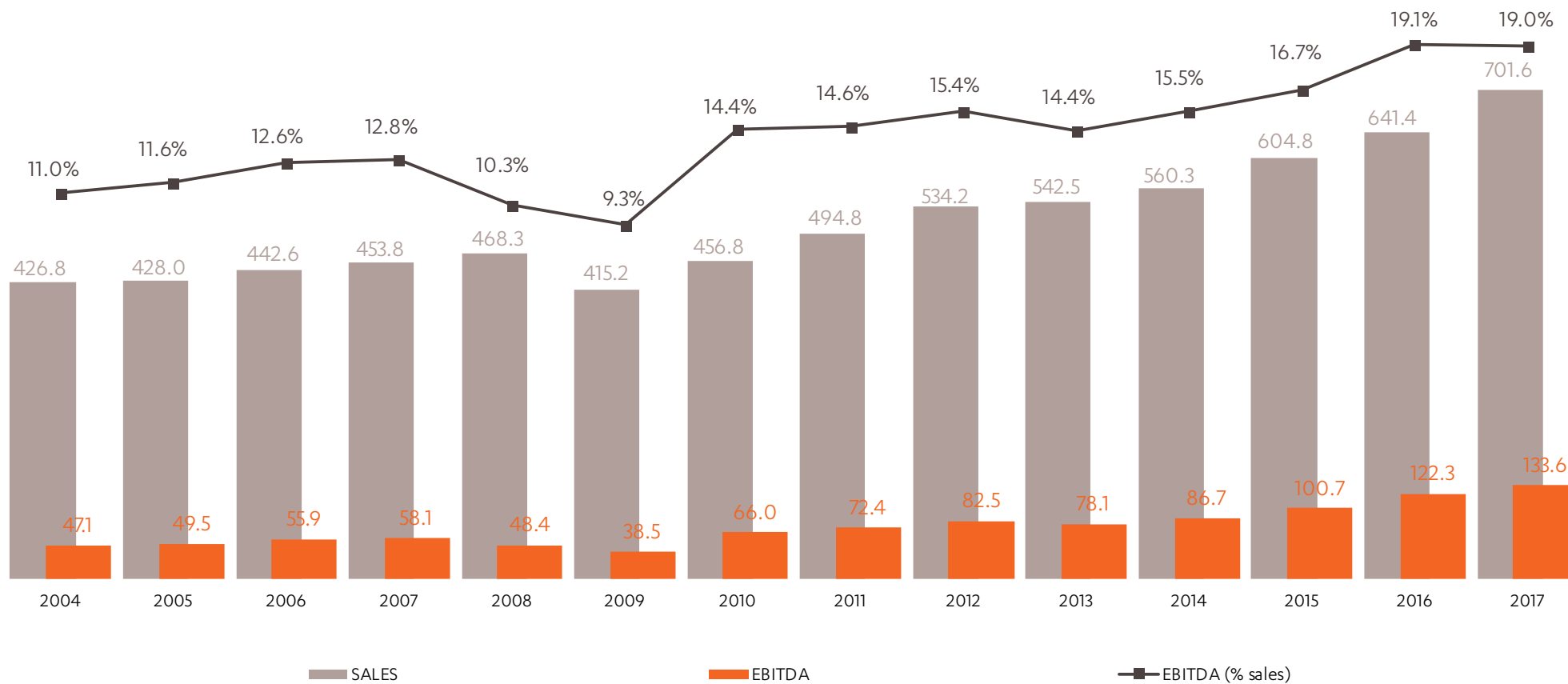
Dividends: the Board of Directors will propose at the Shareholders General Meeting (December, 3) an **additional dividend of € 0.085 per share**; a dividend of € 0.185 per share was payed in April 2018;

Subsequent Events: acquisition of Herdade da Baliza for the amount of **5.5 M€** (October 2018), the first investment in forest property;

- Total area: 2,866 hectares (o.w. only 109 with cork oak trees);
- Additional investment to build fertigation infrastructure and plant cork oak trees;
- Increased density of cork oaks per hectare and use of intensive production methods (reducing the time required for the first cork harvest);
- Valuable contribution to establishing cork oak plantations as sustainable and profitable investments.



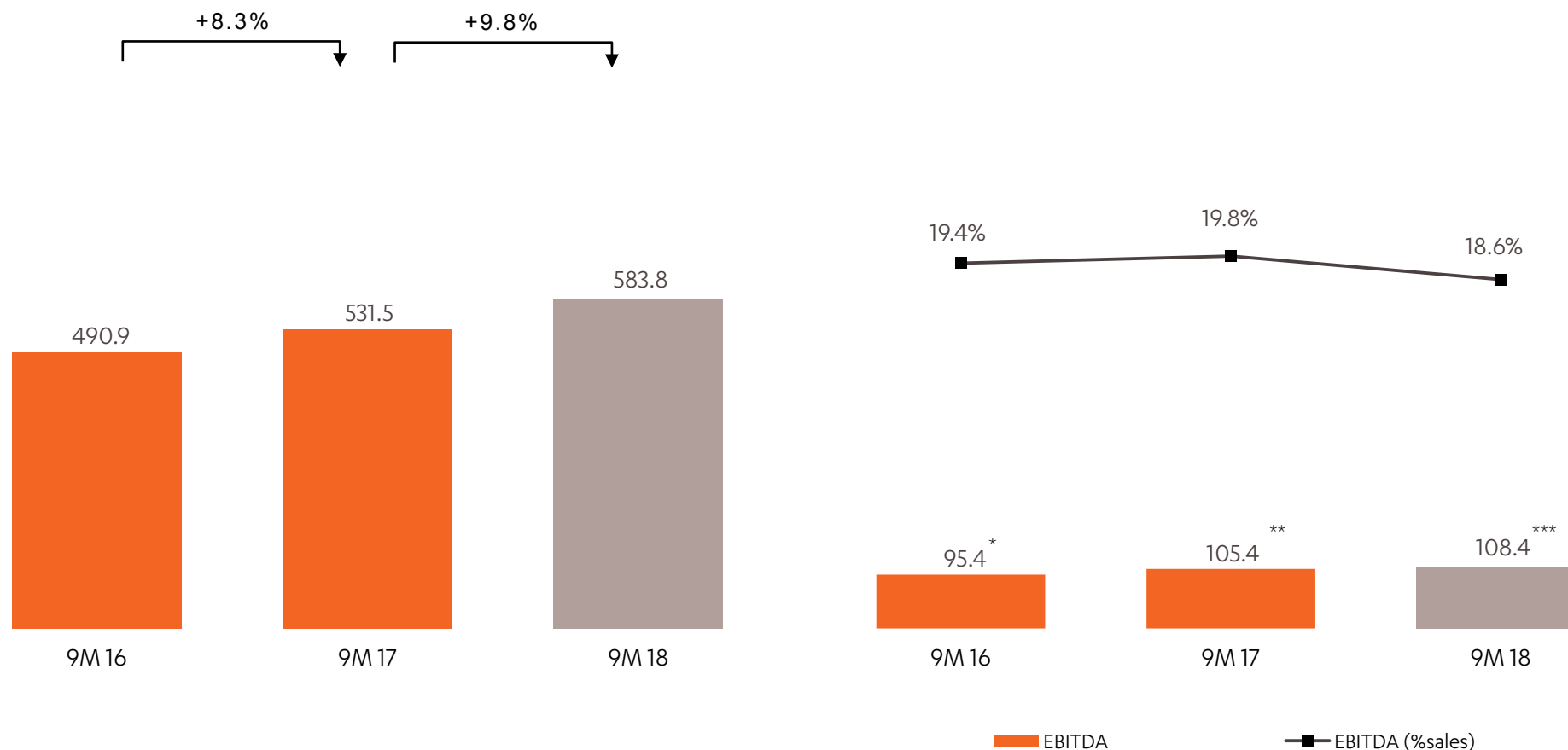
Sales & EBITDA



Sales | EBITDA

Sales ^{a)}

EBITDA

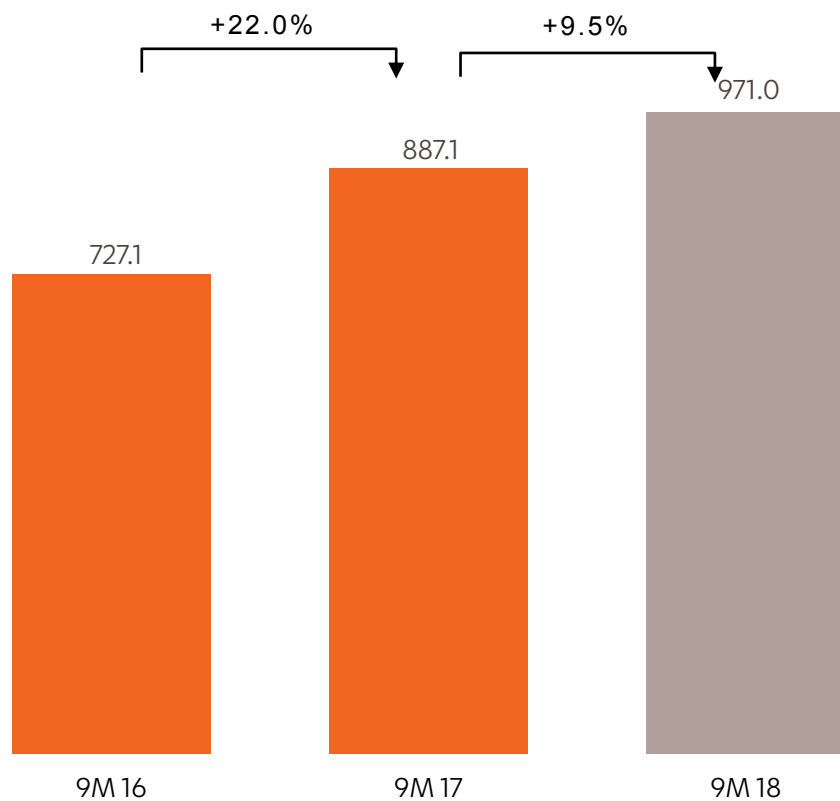


a) Consolidated sales – excludes sales between Corticeira Amorim’s Business Units.
 9M17 figures include Bourrassé (3 months); 9M18 figures include Bourrassé, Sodiliège and Elfverson.
 Values in million euros.

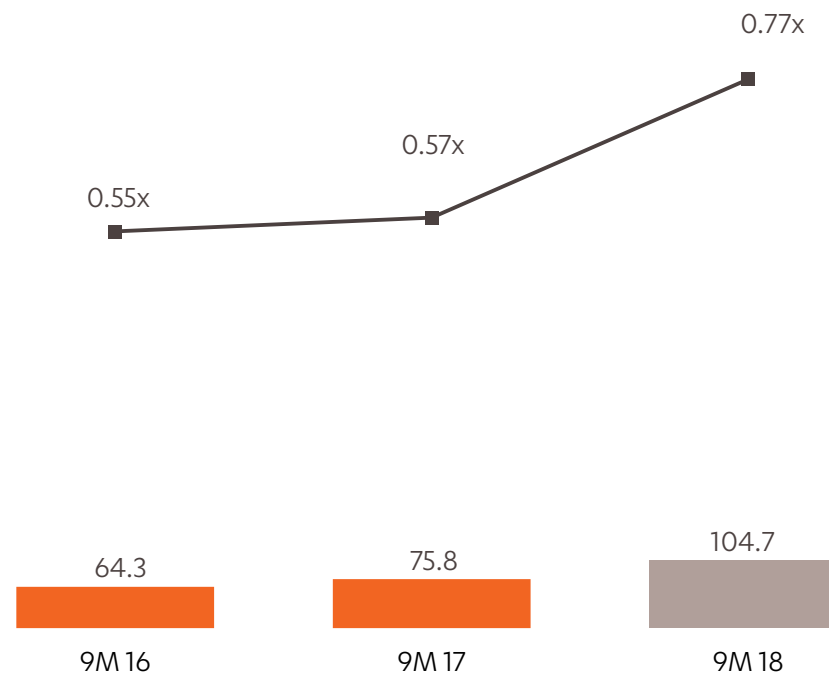
* excludes 3.7 M€: non-recurrent costs
 ** excludes 1.6 M€: non-recurrent costs
 *** excludes 0.7 M€: non-recurrent gains

Assets | Net Debt

Assets



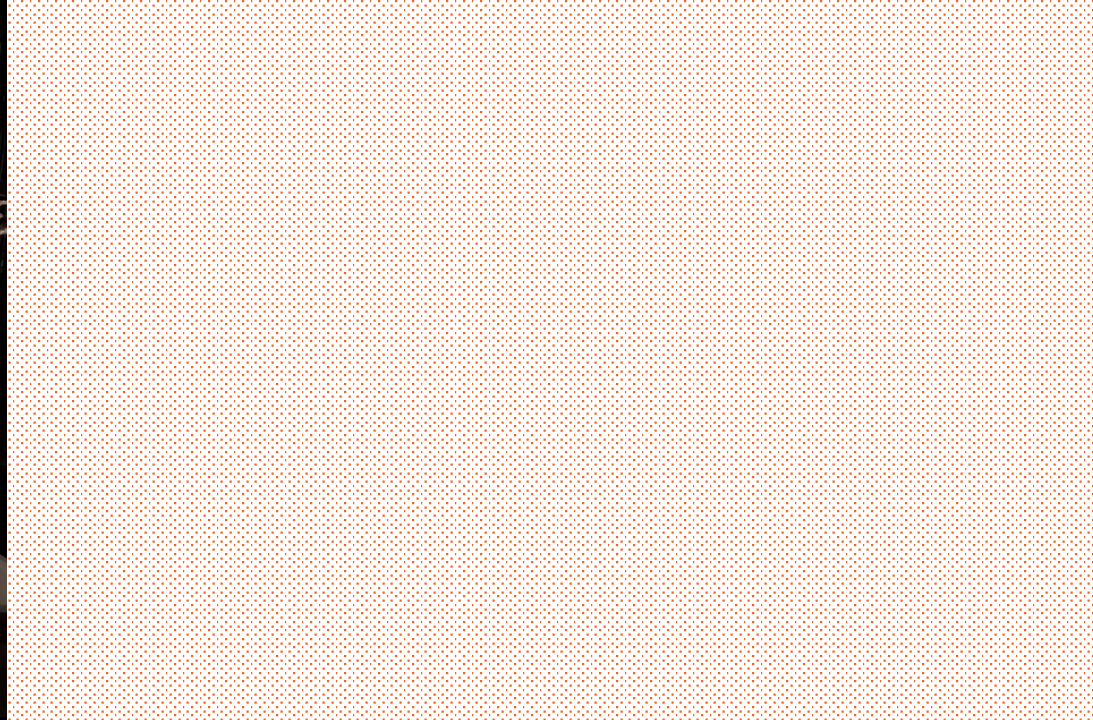
Net Debt



NET DEBT

NET DEBT / EBITDA *

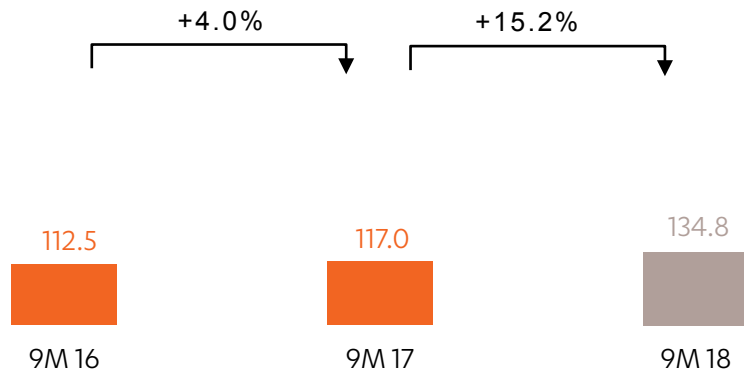
* Current EBITDA of the last four quarters



Business Units

Raw Materials

Sales



Sales increased by 15.2% to 134.8 M€

Sales growth reflecting higher cork prices and increased sales activity, mostly driven by the Cork Stoppers BU;

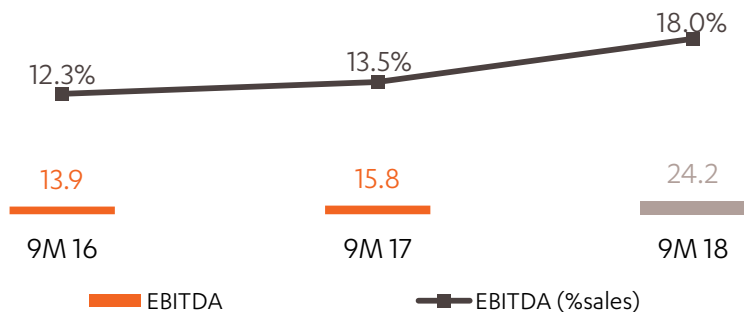
EBITDA increased by 52.9% to 24.2 M€, benefiting from strong sales and high cork prices, as well as a strict cost control and efficiency gains;

Despite the yoy improvement, EBITDA margins fell 1.4 p.p. from 1H18, reflecting consumption of raw-materials purchased at higher prices;

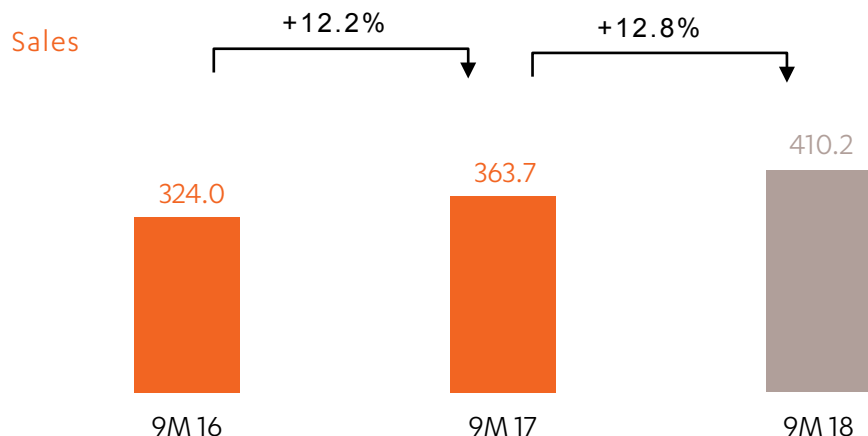
Significant price increases in recent cork campaigns: +11% in 2017 and +17% in 2018;

Acquisition of Herdade da Baliza will be an important step towards the implementation of the Forestry Intervention Program; intensive cork oak plantations, using fertigation, should result in increased productivity and profitability the cork oak forests and, consequently, the continued production of quality cork in the future.

EBITDA



Cork Stoppers



Sales increased by 12.8% to 410.2 M€

Sales growth still reflecting changes of the consolidation perimeter, but effect will continue to smooth throughout the year (Bourrassé's inclusion in consolidated accounts from July 1, 2017);

Like-for-like sales growth of 2.8%, negatively impacted by the depreciation of the USD (at constant exchange rates, like-for-like sales growth of 4.7%);

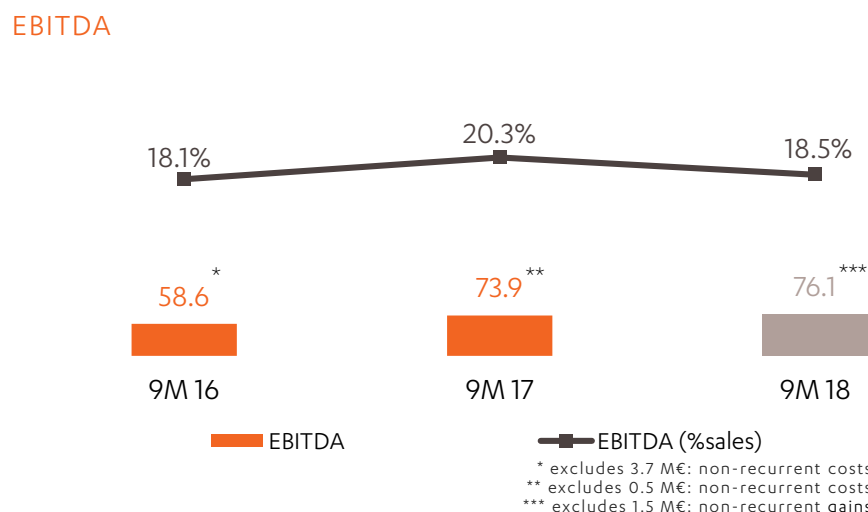
Sales growth in all business segments: spirits (+14%), still wines (+4%) and sparkling wines (+3%);

Balanced growth on a geographic base, supported by strong performances in the key markets of France, Italy, Spain and Portugal; declining sales in the US (on a weak USD) and Argentina;

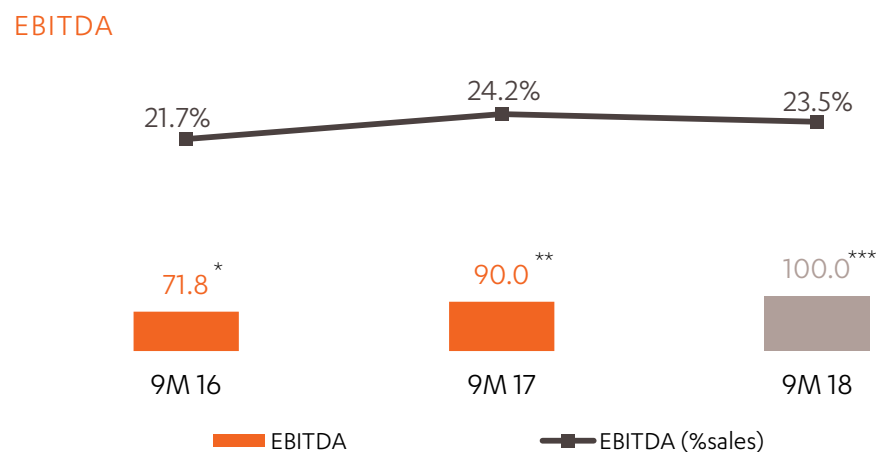
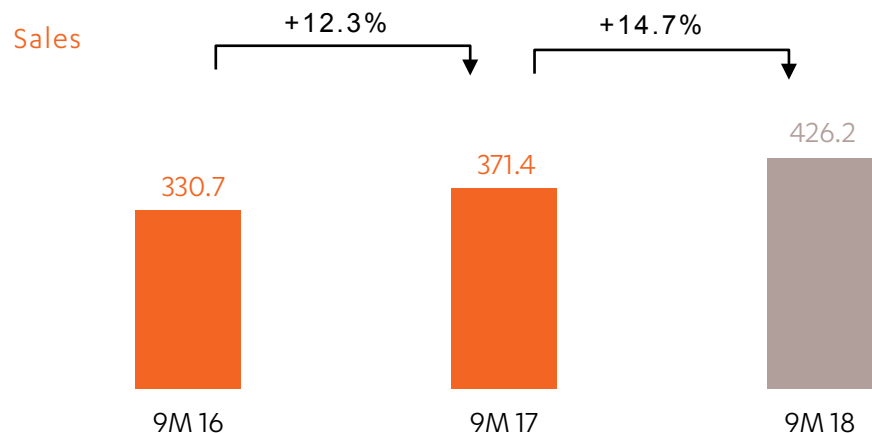
NDtech® sales of 36.7 million stoppers (9M17: 21.5 million);

EBITDA increased to 76.1 M€ (+3.0%), whilst margins declined by 1.80 p.p. as cork purchased at higher prices was incorporated into production; positive contributions from a better product mix, price increases and margin improvements of Bourrassé;

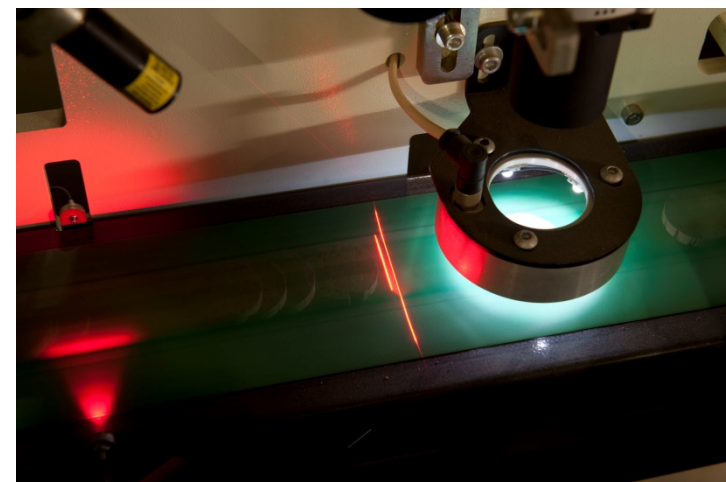
After an historically low 2017 harvest, world wine production estimated to grow by 12% in 2018 (OIV).



Raw Materials + Cork Stoppers

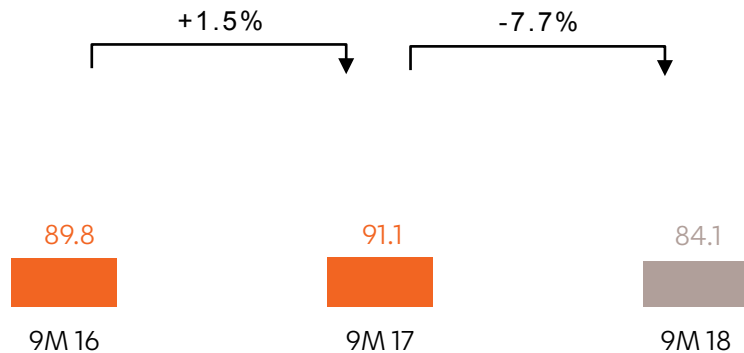


* excludes 3.7 M€: non-recurrent costs
 ** excludes 0.5 M€: non-recurrent costs
 *** excludes 1.5 M€: non-recurrent gains



Floor & Wall Coverings

Sales



Sales decreased by 7.7% to 84.1 M€

No major improvements in sales performance in the three markets that have been constraining sales growth: the US, Russia and Germany;

Strong sales growth in Scandinavia and Portugal (namely in the hospitality segment);

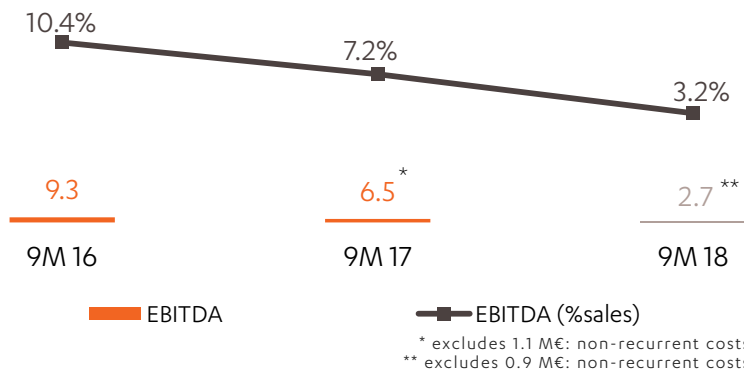
Hydrocork® continued to outpace overall sales growth, even if pace of growth has decelerated; Hydrocork® accounted for more than 20% of this BU's sales;

EBITDA fell to 2.7 M€ on the back of lower activity levels, increased raw material prices, lower grinding yields, higher costs (sales force) and impairments; efficiency-oriented projects (Recork) showed good progresses;

New management team focused on launching sustainable flooring solutions, attaining manufacturing excellence and providing a reliable service; a new generation of sustainable products – SUBERTECH – water proof, PVC-free and carbon negative, to be presented at Domotex (January 2019);

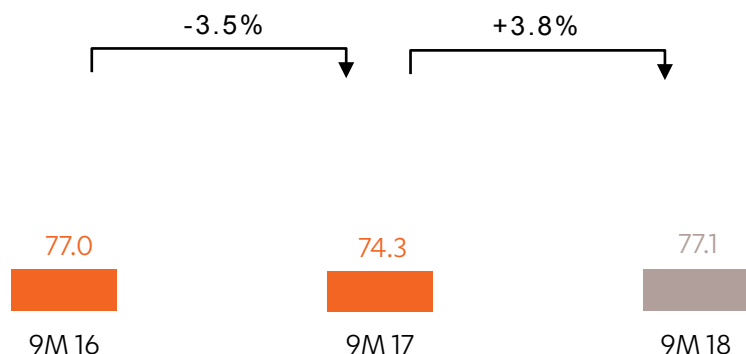
Rationalization of product portfolio and measures to increase productivity and operational efficiency should support EBITDA margins improvements.

EBITDA



Composite Cork

Sales



Sales increased by 3.8% to 77.1 M€

Sound sales growth supported by:

- Price increases;
- Higher activity levels;
- Product mix improvements;

Development of “market intelligence” tools further enhanced sales growth;

Sales negatively impacted by the USD depreciation (North America accounted for ca. 1/3 of total sales); at constant exchange rates, this BU delivered sales growth of 6.8% and an EBITDA margin of 12.4%;

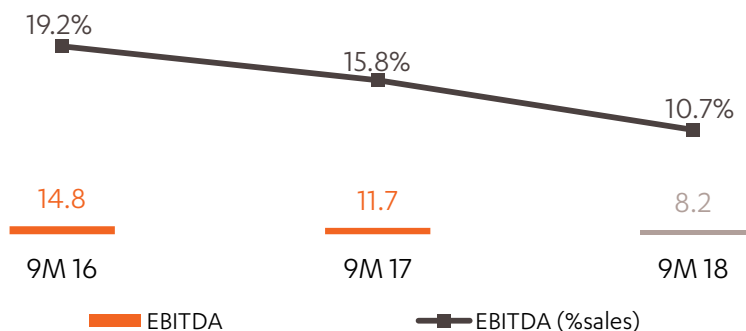
Major sales changes:

- Increases: Footwear, Sports Surfaces, Cork Specialists;
- Decreases: Panels & Composites, Construction Specialists;

Strong sales growth in EMEA (in all business clusters), flat sales in North America (but +7.3% at constant exchange rates) and lower sales in Asia (Flooring Manufacturers);

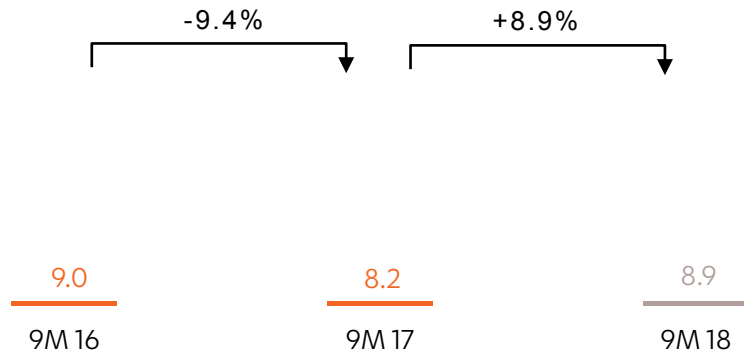
EBITDA decreased to 8.2 M€, reflecting a weak USD, higher raw-material prices (cork and non-cork) and lower grinding yields.

EBITDA



Insulation Cork

Sales



Sales increased by 8.9% to 8.9 M€

Sales growth supported by higher activity levels and prices increases; sales of granulated cork to other BUs (zero last year) impacted positively the activity;

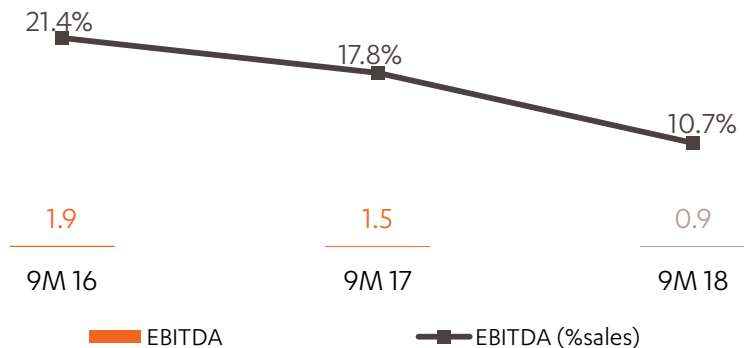
MDFachada's sales slightly below last year's, but expected to recover by the end of the year;

A weaker USD had a negative impact in the first nine months; at constant exchange rates, Insulation Cork Business Unit delivered a 10.3% increase in sales;

Despite the implementation of measures to increase cork-use optimisation, EBITDA declined by 34.9% to 0.9 M€, on the back of:

- Consumption of more expensive raw materials;
- Higher costs;
- Impairments.

EBITDA

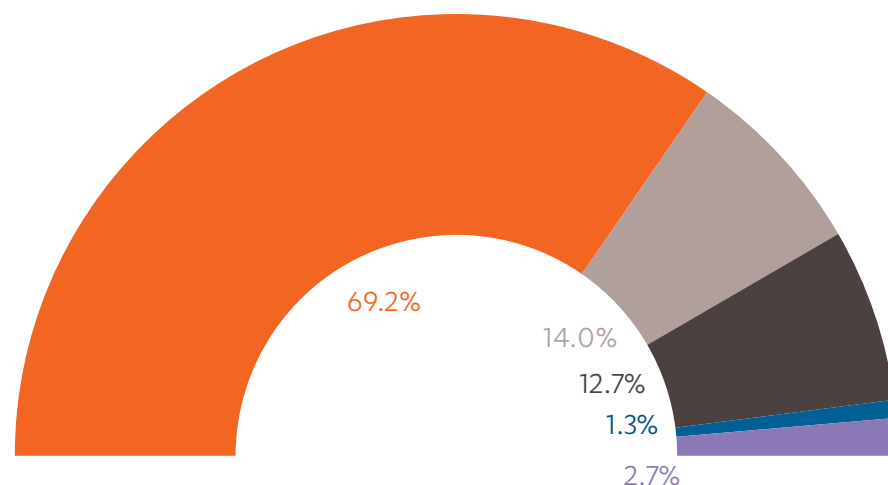




AMORIM

Key Financials

Sales by Business Unit

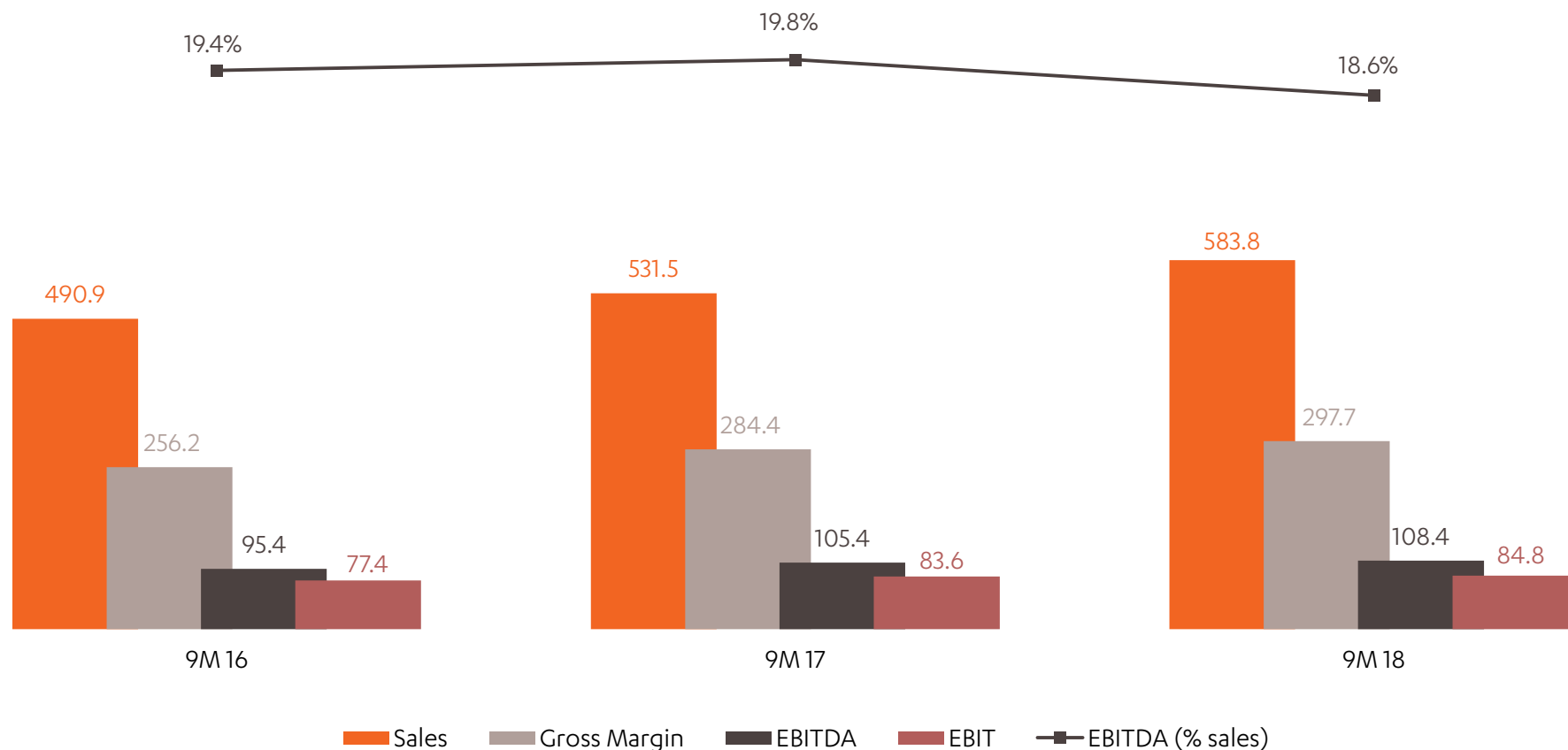


■ Cork Stoppers
 ■ Floor and Wall Coverings
 ■ Composite Cork
 ■ Insulation Cork
 ■ Raw Materials

	9M 16	9M 17	9M 18
Cork Stoppers	65.2%	67.7%	69.2%
Floor and Wall Coverings	17.8%	16.7%	14.0%
Composite Cork	14.2%	12.7%	12.7%
Insulation Cork	1.4%	1.4%	1.3%
Raw Materials	1.4%	1.5%	2.7%
	100%	100%	100%

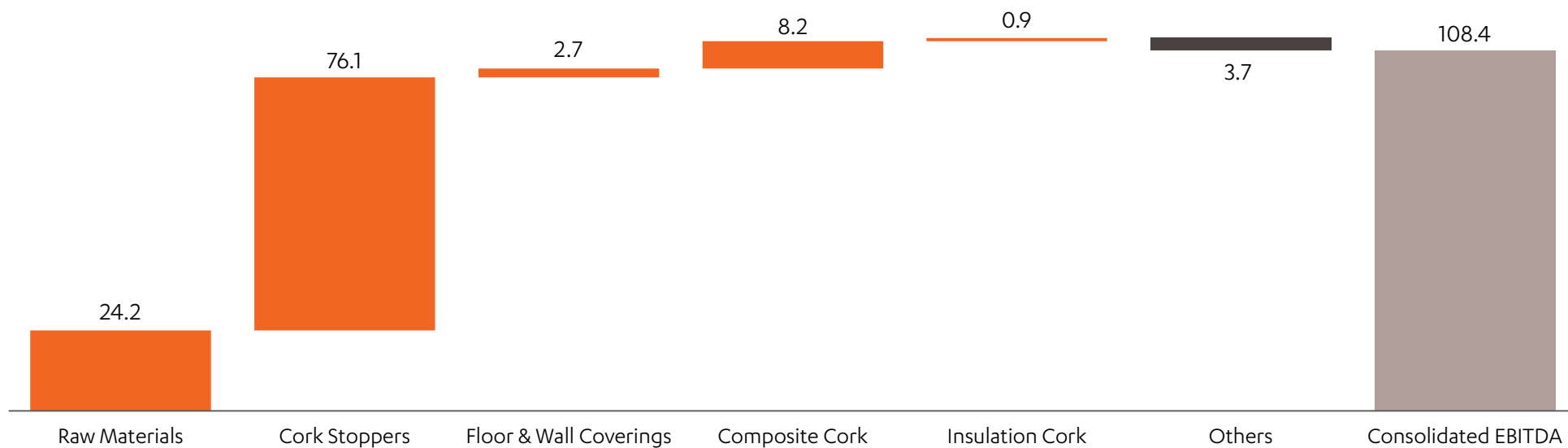


Sales | Gross Margin | EBITDA | EBIT



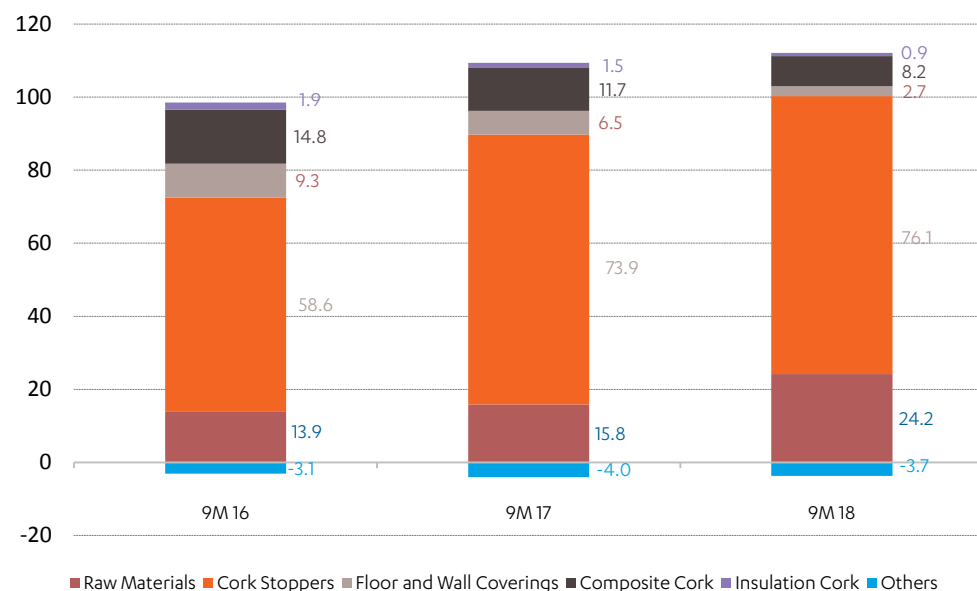
EBITDA by BU

EBITDA by BU



EBITDA by BU

EBITDA by BU (value)



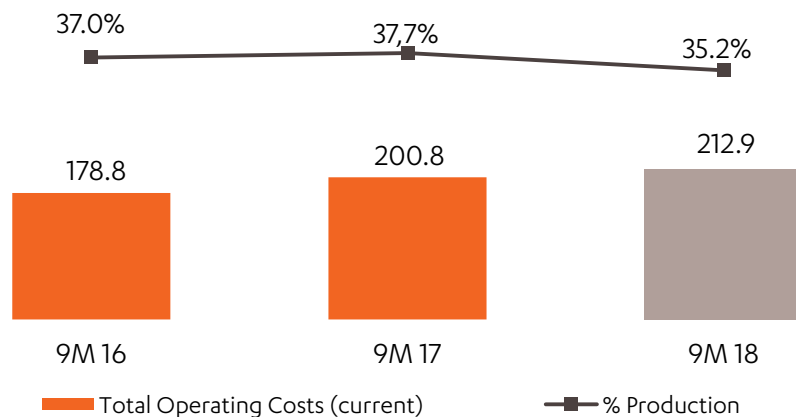
EBITDA/Sales (%)

	9M 16	9M 17	9M 18
Raw Materials + Cork Stoppers	21.7%	24.2%	23.5%
Floor and Wall Coverings	10.4%	7.2%	3.2%
Composite Cork	19.2%	15.8%	10.7%
Insulation Cork	21.4%	17.8%	10.7%
Consolidated	19.4%	19.8%	18.6%



Operating Figures

Operating costs



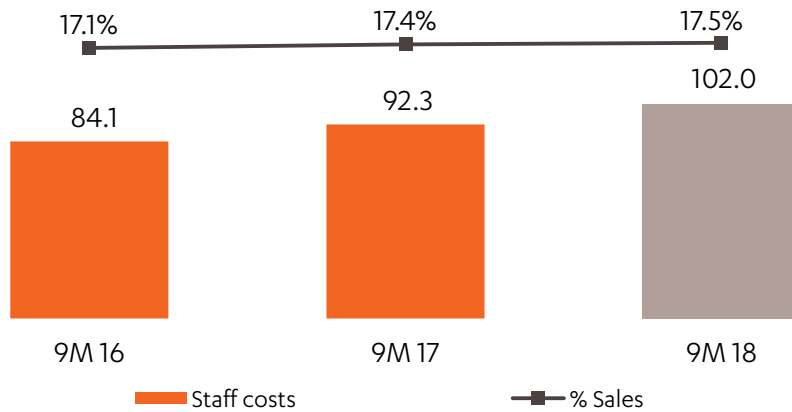
	9M 16	9M 17	9M 18	yoy
External supplies	77.2	85.7	90.6	5.7%
Transports	17.6	19.0	19.1	0.5%
Energy	9.4	9.8	11.1	14.2%
Staff costs	84.1	92.3	102.0	10.5%
Depreciation	18.1	21.7	23.6	8.6%
Impairments	2.0	3.6	0.9	-74.9%
Others	-2.6	-2.5	-4.2	68.7%
Total Operating Costs (current)	178.8	200.8	212.9	6.0%

9M17 figures include Bourrassé (3 months); 9M18 figures include Bourrassé, Sodiliège and Elfverson.
 Values in million euros.



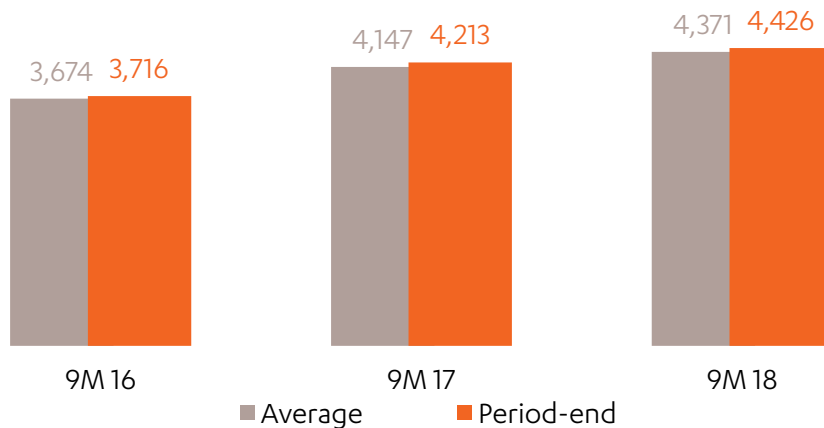
Staff

Value and % (sales)

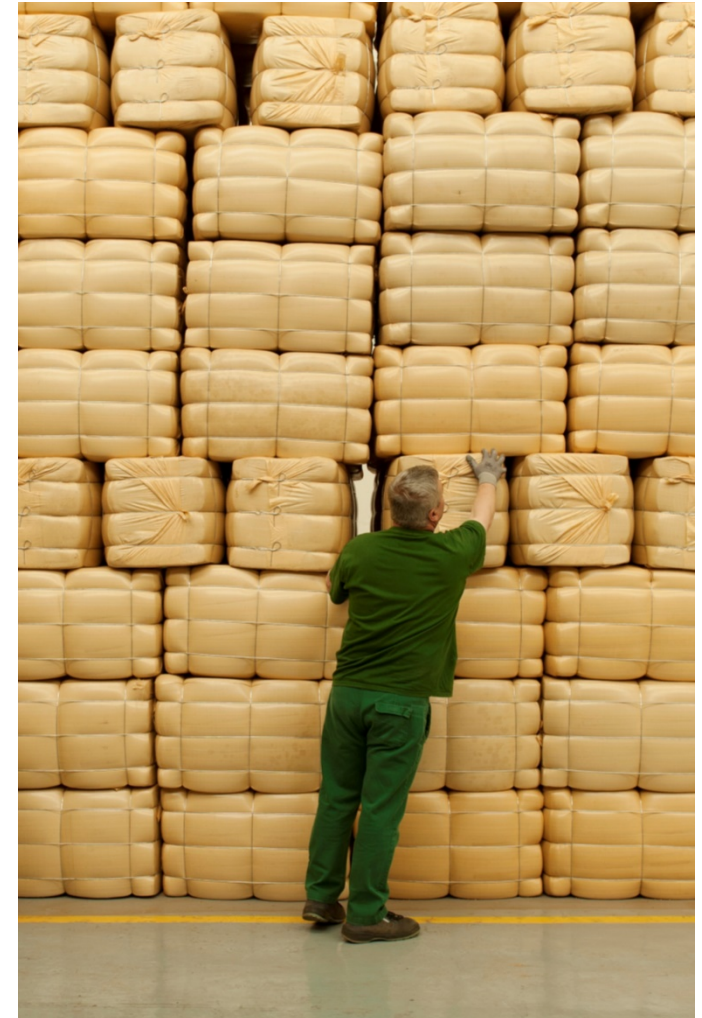


Values in million euros.

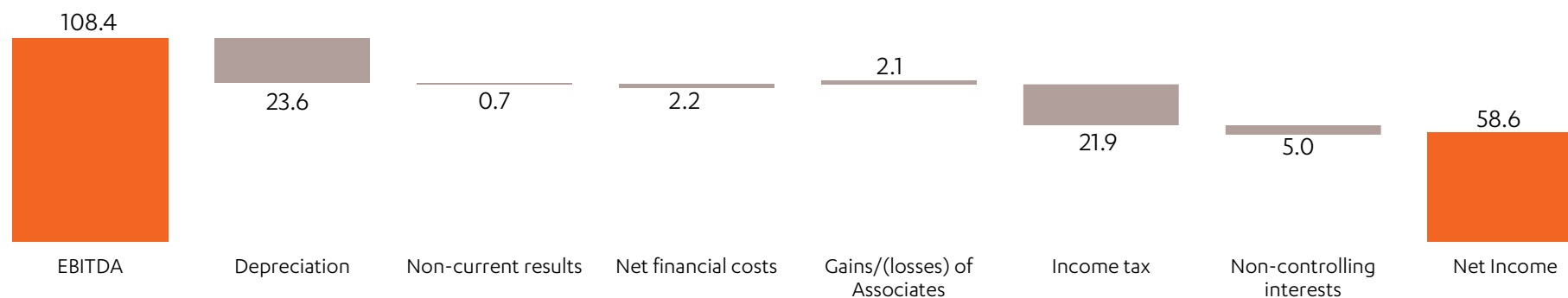
Number of employees



9M17 figures include Bourrassé (3 months); 9M18 figures include Bourrassé, Sodiliège and Elfverson.



Net Income



	9M 16	9M 17	9M 18	yoy
EBITDA	95.4	105.4	108.4	2.9%
Depreciation	18.1	21.7	23.6	8.6%
Net financial costs	-0.5	0.8	2.2	169.4%
Non-current costs	3.7	1.6	-0.7	-
Share of (loss)/profit of associates	2.3	1.0	2.1	122.3%
Profit before tax	76.4	82.2	85.5	4.0%
Income tax	20.2	22.9	21.9	-4.5%
Non-controlling interest	1.0	2.9	5.0	71.2%
Net Income	55.2	56.4	58.6	4.0%

Key Consolidated Indicators



Sales up 9.8% to 583.8 M€;

EBITDA/Sales: 18.6%;

Non-recurrent results mostly reflecting gains from a reversal of provisions for labour and customs litigation in Amorim Argentina; additional restructuring provisions at the Floor & Wall Coverings BU was the major issue impacting non-recurrent costs;

Net Income up by 4.0% to 58.6 M€;

Main applications of EBITDA (108.4 M€), net debt increase (11.9 M€) and grants (1.1 M€):

- 46.4 M€ Working Capital Needs;
- 40.1 M€ Capex;
- 8.8 M€ Acquisitions;
- 24.6 M€ Dividends Paid;
- 2.5 M€ Other

	9M 16	9M 17	9M 18	yoy
Sales	490.9	531.5	583.8	9.8%
Gross Margin	256.2	284.4	297.7	4.7%
Gross Margin / Production	53.0%	53.3%	49.2%	-4.1 p.p.
Operating Costs (incl. depreciation)	178.8	200.8	212.9	6.0%
EBITDA	95.4	105.4	108.4	2.9%
EBITDA / Sales	19.4%	19.8%	18.6%	-1.3 p.p.
EBIT	77.4	83.6	84.8	1.4%
Non-recurrent costs	3.7	1.6	-0.7	-
Net Income	55.2	56.4	58.6	4.0%
Earnings per share (€)	0.415	0.424	0.441	4.0%

EBITDA and EBIT do not include non-recurrent costs.

Capex expected to grow through the year and total 50 M€ in 2018;

The Board of Directors will propose at SGM to be held on December 3 an additional dividend of 0.085€ per share.

Debt | Ratios

	9M 16	2016	9M 17	2017	9M 18
Net Debt	64.3	35.9	75.8	92.8	104.7
Net Assets	727.1	726.9	887.1	869.4	971.0
Equity and Minority interests	388.5	426.9	453.0	460.0	492.2
Net Debt / EBITDA *	0.55	0.29	0.57	0.69	0.77
EBITDA / Net Interest	105.6	108.6	173.3	135.9	123.5
Equity / Net Assets	53.4%	58.7%	51.1%	52.9%	50.7%
Gearing	16.5%	8.4%	16.7%	20.2%	21.3%
Net working capital (NWC) **	286.4	286.6	353.4	361.1	402.9
NWC** / Market capitalization	24.9%	25.4%	22.4%	26.4%	26.3%
NWC** / Sales x 360	157.6	160.9	119.7	179.5	186.0
Free cash flow (FCF)	45.7	86.9	43.4	34.0	22.9
Capex	22.3	33.6	27.1	43.7	40.1
Return on invested capital (ROIC)	17.3%	16.9%	26.1%	15.0%	14.0%
Average Cost of Debt	1.74%	1.80%	1.66%	1.67%	1.15%

* Current EBITDA of the last four quarters

** NWC calculation method was changed with impact on the other operating assets and liabilities. To allow comparability and analysis of NWC variation, comparative data was reexpressed

NWC = Inventories + Trade receivables + Other operating assets – Trade payables – Other operating liabilities

FCF = EBITDA – Non-current cash expenditures – Net financing expenses – Income tax – Capex – NWC variation

ROIC = Annualized NOPAT / Capital employed (average)

9M17 and 2017 figures include Bourrassé and Sodiliège; 9M18 figures include Bourrassé, Sodiliège and Elfverson.

2017 figures according to statutory financial statements.

Values in million euros.

Balance Sheet



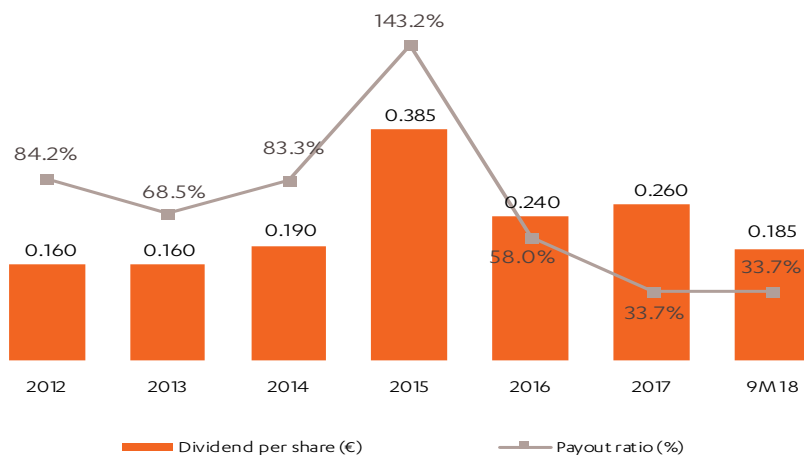
Assets			Liabilities & Equity				
	9M 17	2017	9M 18		9M 17	2017	9M 18
Goodwill	9.5	9.8	13.9	Share capital	133.0	133.0	133.0
Tangible assets	224.0	227.9	245.1	Reserves	232.9	224.4	267.5
Other non-current assets	32.6	36.4	33.8	Net income	56.4	73.0	58.6
Total non-current assets	266.1	274.2	292.9	Non-controlling interest	30.8	29.5	33.1
Inventories	366.7	359.1	418.7	Equity	453.0	460.0	492.2
Raw materials	217.6	205.7	255.4	Bank borrowings	53.4	48.1	44.1
Finished products and WIP	122.4	129.7	137.0	Provisions	30.5	41.3	36.8
Others	26.8	23.7	26.3	Other non-current liabilities	45.1	44.0	44.9
Trade receivables	171.8	167.6	179.4	Total non-current liabilities	129.0	133.4	125.8
Other current assets	82.5	68.5	80.0	Bank borrowings	56.1	61.7	89.8
Corporate Income Tax	16.2	13.3	14.7	Trade payables	168.9	157.1	179.8
Cash	33.7	17.0	29.2	Accrued costs	31.5	29.6	31.7
VAT receivable	19.0	21.4	18.9	State and social security - withholding/VAT/others	33.7	15.8	34.9
Others	13.6	16.8	17.2	Other current liabilities	14.9	11.9	16.9
Total current assets	621.0	595.2	678.1	Total current liabilities	305.2	276.1	353.0
Total Assets	887.1	869.4	971.0	Total Liabilities and Equity	887.1	869.4	971.0

9M17 and 2017 figures include Bourrassé and Sodiliège; 9M18 figures include Bourrassé, Sodiliège and Elfverson.

2017 figures according to statutory financial statements.

Values in million euros.

Dividends



Attractive dividend payment:

2014: **23.9 M€**; 9.3% of dividend yield (15.1 M€+ 8.8 M€);
 2015: **50.2 M€**; 13.5% of dividend yield (17.6 M€+ 32.6 M€);
 2016: **31.9 M€**; 5.5% of dividend yield (21.3 M€+ 10.6 M€);
 2017: **34.6 M€**; 3.6% of dividend yield (23.9 M€+ 10.6 M€);
 9M18: **24.6 M€**; 1.7% of dividend yield (0.185 €/share).

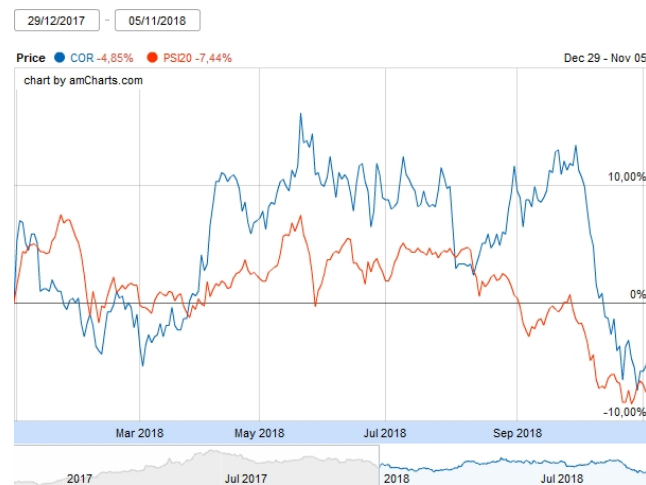
		2012	2013	2014	2015	2016	2017	9M 18
Issued shares	Qt.	133,000,000	133,000,000	133,000,000	133,000,000	133,000,000	133,000,000	133,000,000
Year-end close (N-1)	€	1.350	1.600	2.210	3.020	5.948	8.500	10.300
Earnings per share (N-1)	€	0.200	0.246	0.242	0.285	0.431	0.772	0.549
Payout	%	84.2%	68.5%	83.3%	143.2%	58.0%	33.7%	33.7%
Dividend per share	€	0.160	0.160	0.190	0.385	0.240	0.260	0.185
Dividend Yield	%	14.0%	11.3%	9.3%	13.5%	5.5%	3.6%	1.7%

Dividend of year N-1 is paid in year N
 Dividend yield = dividend per share/average share price (N-1)
 2015: dividend of 0.385€ per share includes an additional dividend of 0.195€ per share (Nov. 2015) as an application of gains accrued in the ABB of treasury stock (5.62%)

Stock Market|CORA.LS



Source: Euronext



Source: Euronext

	2012	2013	2014	2015	2016	2017	9M 18
Qt. of shares traded	2,856,436	2,184,858	3,481,685	12,693,424	10,801,324	19,290,907	12,267,762
Share price (€):							
Maximum	1.650	2.400	3.650	6.290	9.899	13.300	12.000
Average	1.420	2.040	2.850	4.340	7.303	11.067	10.901
Minimum	1.270	1.560	2.200	2.990	5.200	8.180	9.670
Period-end	1.600	2.210	3.020	5.948	8.500	10.300	11.500
Trading Frequency	85.2%	89.3%	96.1%	98.8%	100.0%	100.0%	100.0%
Stock market capitalisation at period-end (€)	212,800,000	293,930,000	401,660,000	791,084,000	1,130,500,000	1,369,900,000	1,529,500,000

Source: Euronext|Corticeira Amorim

Qt. of shares traded in 2015 includes the ABB of 7,399,262 shares (17-09-2015).



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