
Corticeira Amorim

Robust sales growth, reaching €264 million

Highlights:

- Excluding changes to the consolidation perimeter, sales rose 18% and net earnings increased 9%
- Consolidation of the SACI Group contributed €28 million in sales and €2.8 million in net earnings
- Net debt decreased to €46 million

Performance and Consolidated Results

Corticeira Amorim's consolidated sales rose to €264 million in the first quarter of 2022, an increase of 32.0% compared with the same period of the previous year. This growth was assisted by the inclusion in the company's consolidated earnings from January 1 of the activities of the SACI Group (SACI). In comparable terms, sales increased 17.9%.

Organic sales growth mainly reflected higher levels of activity, an improvement in the product mix and price increases. Consolidated sales also benefited from favourable exchange rates - excluding this effect, sales would have increased 30.8% (+16.7% excluding the consolidation of SACI). The comparison with the same period of 2021 is favoured by the fact that the first three months of 2021 were the only quarter of the year when sales fell, due to the impact of the Covid-19 pandemic.

Excluding the effect of the change in the consolidation perimeter referred to above, consolidated EBITDA totalled €39.4 million, an increase of 22.7% compared with the first quarter of 2021. This performance mainly reflects growth in sales volumes and improvements in the product mix, despite the negative impact of a significant increase in energy costs, increased prices for some non-cork raw materials and higher personnel costs. The EBITDA-sales ratio rose to 16.7% (1Q2021: 16.1%).

After earnings attributable to non-controlling interests, Corticeira Amorim ended the first quarter with a net profit of €20.1 million, an increase of 25.9% over the same period of 2021. Excluding the consolidation of SACI, net profit rose 8.6%.

Despite increased investment in fixed assets (€14 million) and making the first payment related to the acquisition of 50% of SACI (€25 million) in the first quarter, net debt totalled €46 million at the end of March, a reduction of €2 million compared with the end of December 2021, reflecting strong cash flow generation.

AMORIM

Corticeira Amorim, SGPS, S.A.

Edifício Amorim I
Rua Comendador Américo
Ferreira Amorim, 380
4535-186 Mozelos, Portugal

www.corticeiraamorim.com

IRO:
Ana Negrais de Matos, CFA
T: +351227475423
F: +351227475407

ana.matos@amorim.com

Share Capital: €133 000 000,00
A company incorporated in Santa Maria
da Feira – Portugal
Registration and Corporate Tax ID No.
PT500077797
instagram: [amorimcork](https://www.instagram.com/amorimcork)

Performance by Business Unit

Sales by the Cork Stoppers BU totalled €193.6 million, up 37.8% year-on-year (+17.8% excluding changes in the consolidation perimeter). The BU benefited from strong growth in volume sales, price increases implemented at the beginning of the year and favourable exchange rates (excluding the latter, sales would have increased 36.6%). Sales grew in all segments and categories of cork stoppers, as well as in most wine markets, particularly in Europe. EBITDA totalled €33.0 million (+34.8% year-on-year). The EBITDA-sales ratio was 17.1% (1Q2021: 17.4%). The combined sales of the Raw Materials and Cork Stoppers BUs totalled €197.9 million (+38.4%), while their combined EBITDA was €39.7 million (+37.8%). The combined EBITDA-sales ratio for the two BUs was 20.1% (1Q2021: 20.2%).

The Floor and Wall Coverings BU recorded a robust 25.7% increase in sales growth to €38.4 million, benefiting mostly from higher activity levels. Sales of trading products, the Amorim WISE product range and recently launched products all performed positively. The BU's EBITDA totalled €0.9 million and its EBITDA-sales ratio was 2.5%.

Sales by the Composite Cork BU rose to €38.4 million (+7.0% year-on-year), reflecting growth in most of its markets. In terms of segments, Aerospace, Distributors of Flooring & Related Products, Mobility and Multi-purposes Seals & Gaskets performed best. Sales were positively impacted by the appreciation of the US dollar - excluding this effect, sales would have increased 4.6%. The BU's EBITDA rose to €4.0 million, while its EBITDA-sales ratio increased to 13.5% (1Q2021: 4.9%).

Sales by the Insulation BU dropped slightly to €3.4 million (-2.8%) compared with the same period of last year. The BU recorded strong sales growth in the first quarter of 2021 (+25.3%), making the basis for comparison particularly demanding. In spite of this, operating profits remained robust, with an EBITDA-sales ratio of 22.0% (1Q2021: 22.7%).

Main Indicators

	1Q21	1Q22	qoq	1Q22 exc. SACI	qoq
Sales	199,588	263,545	32.0%	235,380	17.9%
Gross Margin – Value	99,819	141,594	41.9%	126,929	27.2%
Gross Margin / Sales	50.0%	53.7%	+ 4 p.p.	53.9%	+ 4 p.p.
Operating Costs – current	77,873	109,844	41.1%	98,633	26.7%
EBITDA – current	32,124	44,087	37.2%	39,417	22.7%
EBITDA/Sales	16.1%	16.7%	+ 0.6 p.p.	16.7%	+ 0.7 p.p.
EBIT – current	21,946	31,749	44.7%	28,295	28.9%
Net Income	1) 15,969	20,104	25.9%	17,349	8.6%
Earnings per share	0.120	0.151	25.9%	0.130	8.6%
Net Bank Debt	75,595	45,950	-29,645	-	-
Net Bank Debt/EBITDA (x)	2) 0.64	0.31	-0.32 x	-	-
EBITDA/Net Interest (x)	3) 199.5	243.2	43.67 x	238.6	39.04 x

1) Net income includes non-recurring results. In 1Q22, non-recurring earnings result mainly from impairments (inventories and accounts receivable) reflecting a more prudent approach to exposures to Russia, Ukraine and Belarus.

2) Current EBITDA of the last four quarters

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

Mozelos, May 3, 2022