



# Corticeira Amorim: Innovating the Future

## TEAM ABC

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Innovate. Disrupt. Transform.



# Corticeira Amorim should expand, innovate, and partner

1

## EXPAND



**Expand** into new markets through manufacturing customized cork

2

## INNOVATE



**Innovate** through new products for interior design and other industries

3

## PARTNER



**Partner** with production companies to agree on as exclusive supplier

## 3 Part Strategy

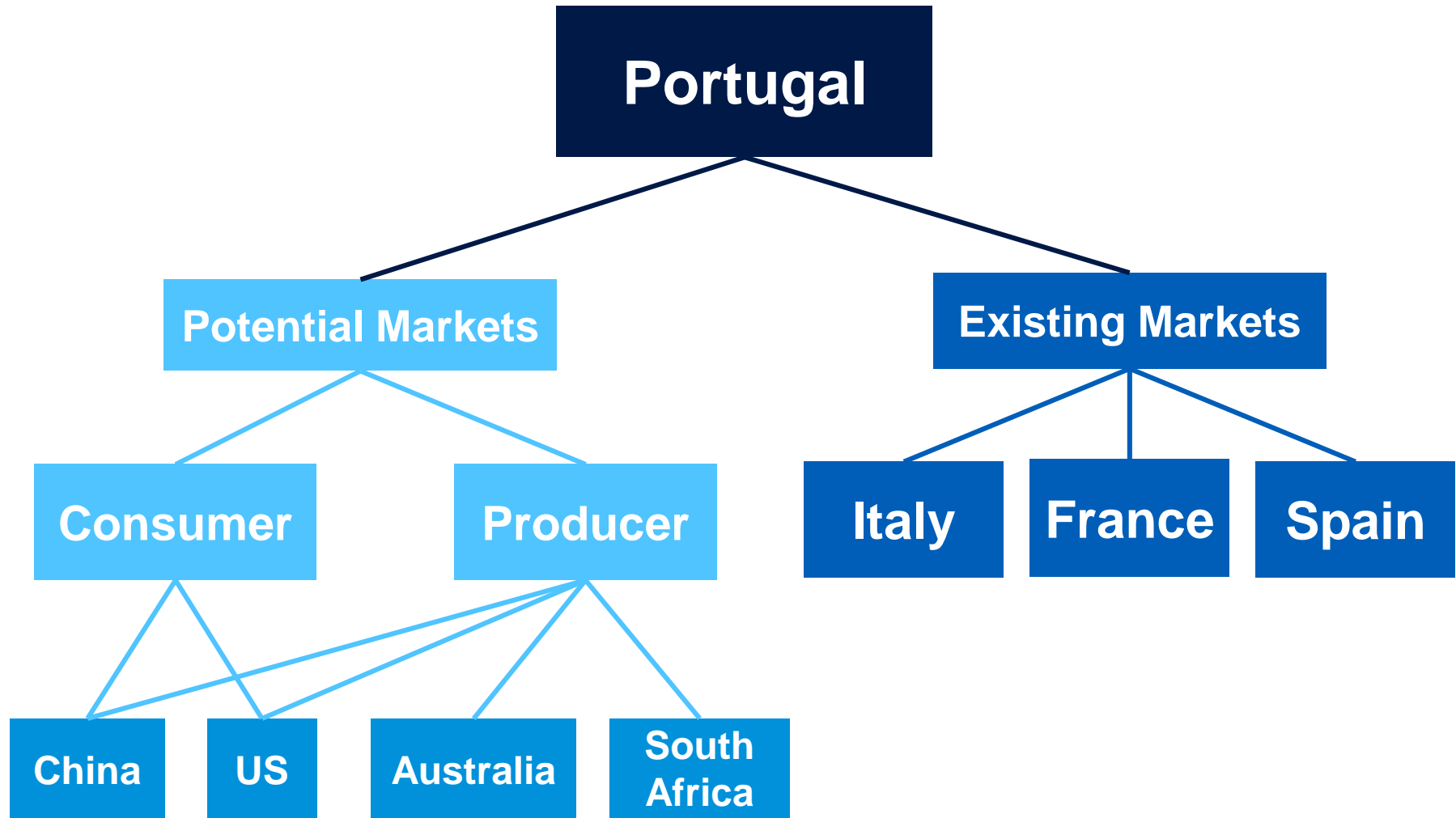
- Although demand for wine is rising within current markets, there are untapped potential markets for growth in new countries
- Become the new alternative material for real estate, athletics, and pharmaceuticals in order to diversify Amorim's product offerings
- Partnerships and agreements with wine manufacturers, construction and biomedical companies



3 Part Strategy:

Expand

# Corticeira Amorim should expand in current and future markets



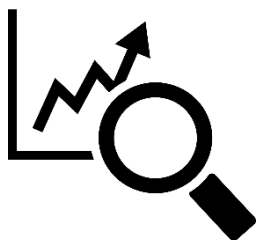
# Reinforce Amorim's presence in Existing Markets

## Existing Markets

**Spain**

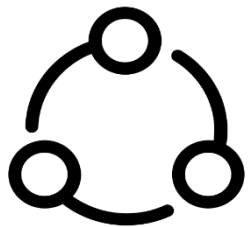
**France**

**Italy**



☐ More agglomerated cork for sparkling wine

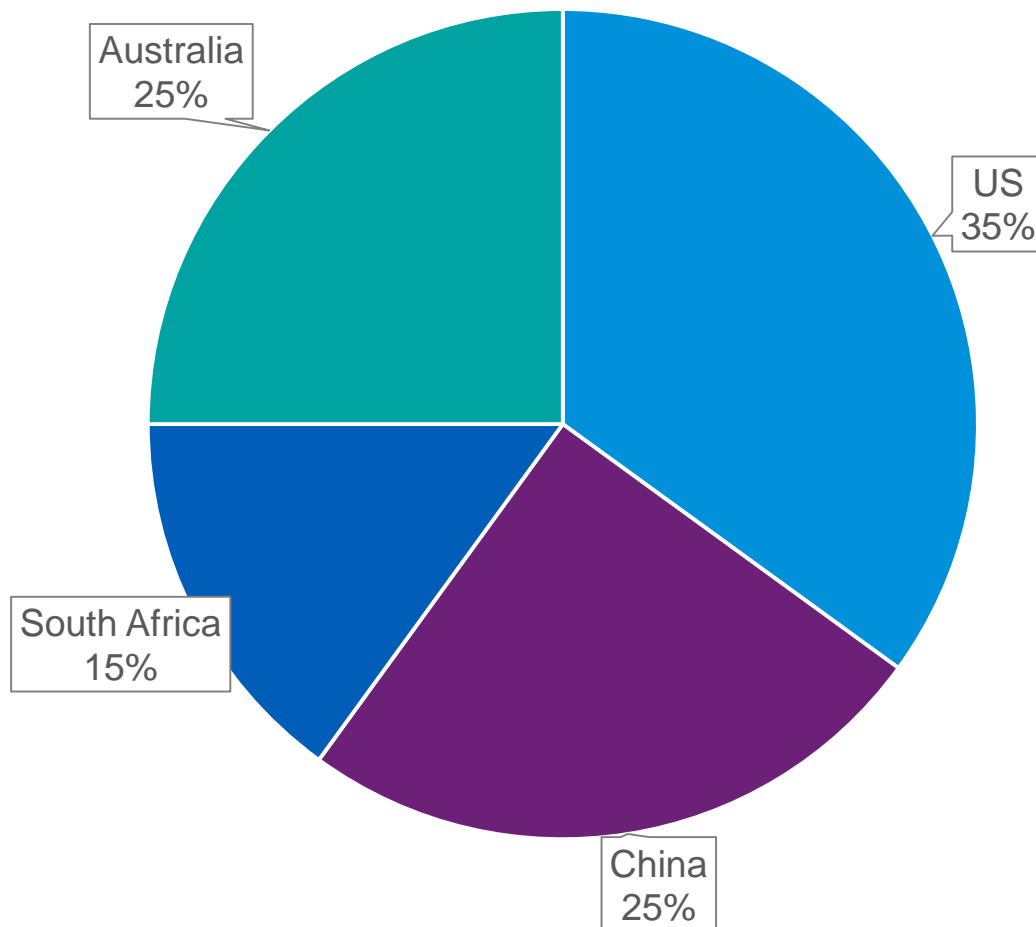
☐ Stronger connections through incentive programs



☐ Identify industry trends and benchmarks

☐ Encourage wine producers to market high-end branding

# Production of Wine in Potential Markets



## Assumptions of potential production of wine



Geographic advantages



Climate

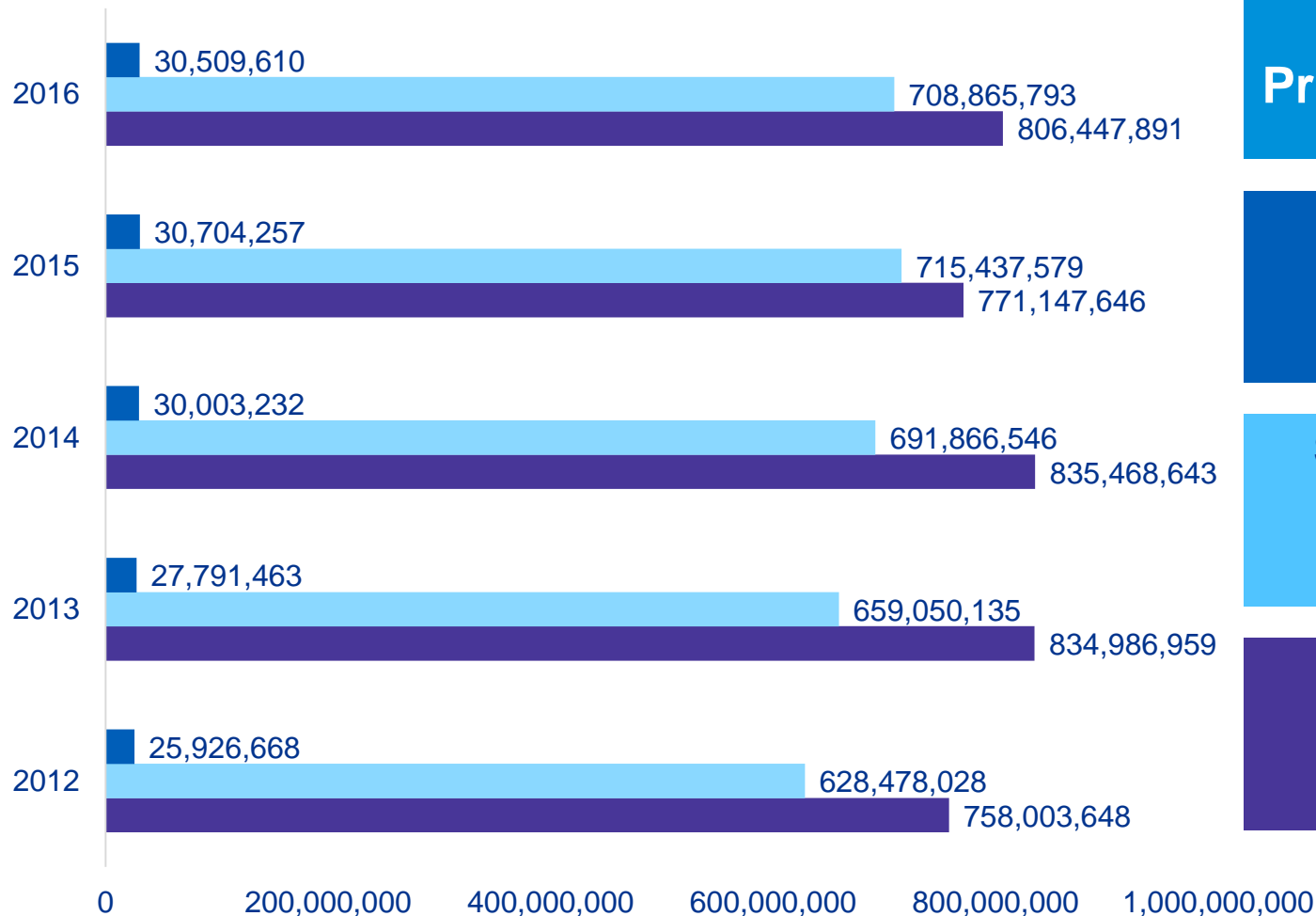


Population



Policy

# Wine Production by US



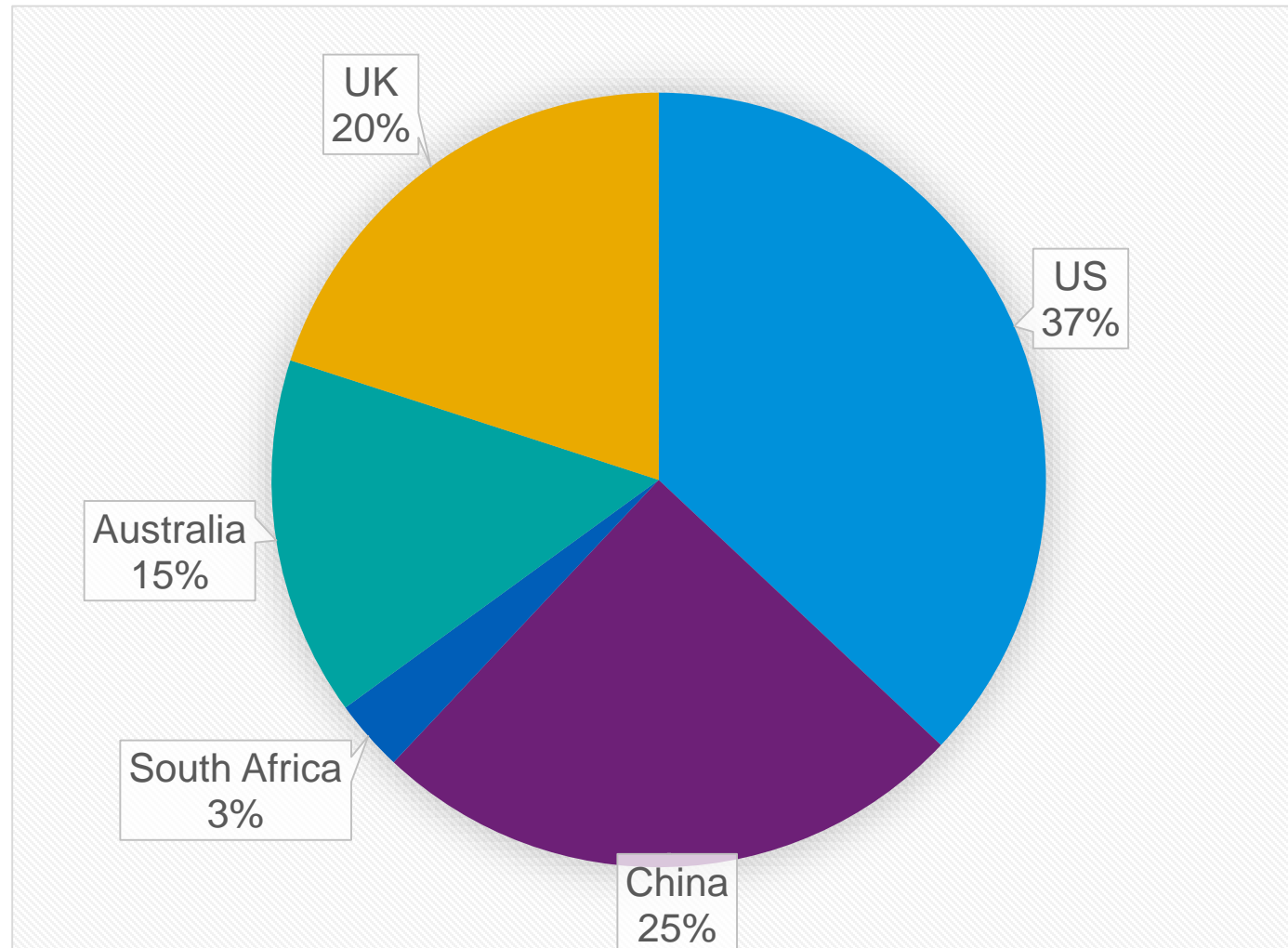
**Average  
Predicted Growth**

Sparkling wine  
**1.77%**

Still wine (bottled)  
**3.08%**

Still wine (bulk)  
**4.21%**

# Demand of Wine in Existing and Future Markets

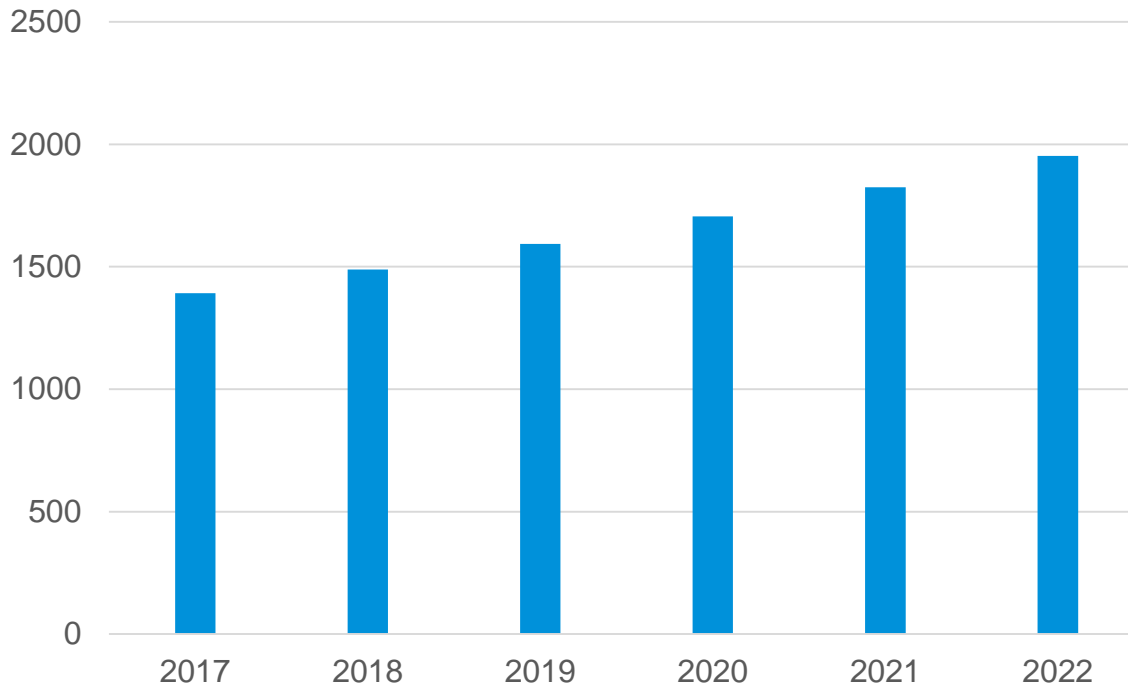




# Establish Amorim's presence in foreign markets



## Predicted Demand in US



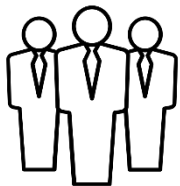
■ Estimated Usage of Natural Corks (in Millions of Dollars)

Estimated to grow  
**7% annually**

Estimated Revenue  
**\$986 Million**

# Establish Amorim's presence in foreign markets

## ★ CHINA



- Percentage of adults is increasing
- GDP is growing
- Very large population
- Purchasing power increases
- Corporate industry is expanding
- Demand in high-end market is growing

# Future Potential Markets for Growth

## South Africa

### ☐ Future manufacturing potential

- Climate advantage for production
- Developing country
- Cheap labor
- Upcoming country
- Investment potential
- Capital growth
- ❖ Establish relationship early on
- ❖ Closely monitor the market trend

## Australia

### ☐ Potential buyer

- Product in high demand
- Already famous in producing wine
- Exports oriented
- Has stable supply and demand chain
- In good relations with foreign markets
- ❖ Recognize the market for high-end wine, and replace screw cap
- ❖ Promote easier way to recycle, quickly dissolve to the ground, more sustainable



3 Part Strategy:

Innovate



# Current Product Recommendations

## Cork Closures

- Difficulty in opening, corkscrew requirement
  - Incorporate built in opener around cork as an add-on
  - Patent and license cork add-ons to wineries and bottlers
    - Creates new revenues stream
- Bacterial safety concerns
  - Mitigate bacterial cross-contamination in bottling process
  - Reduces potential liability for clients garnering new sales opportunities

## Other segments

- Promote turf fields, infrastructure, and solvents more aggressively
  - Cork not recognized as consistent competitor in periphery markets

# Innovate new ventures to capture growing markets

28%

Non-closures only represent 28% of the total cork market which has room for growth

- ❑ Expanding to new markets limits dependency on wine and spirits market and diversifies client industries
- ❑ Correlation between wine production and cork sales is high
- ❑ Cork competitors have yet to fully penetrate other markets
- ❑ Cork already known to most consumers through the closure market
- ❑ Use existing supply chain networks to other countries to export products



# 3 Part Strategy:

# Partner



# Potential New and Underutilized Market Partnerships



## Real Estate and Infrastructure

- Flooring, Walls, and Insulation
- Furniture
- “Green” Housing Growth
- Public Works Projects
- Versatility in Lifecycle



## Sport, Music, and Apparel

- Turf fields inert
- Sport projectiles
- Hats, Bags
- Acoustic improvements



## Closure Enhancements

- Susceptible to cross-contamination
- Higher costs
- Regain closure market share



## Pharmaceuticals

- IV Insulation
- Chemical storage
- Other medical applications

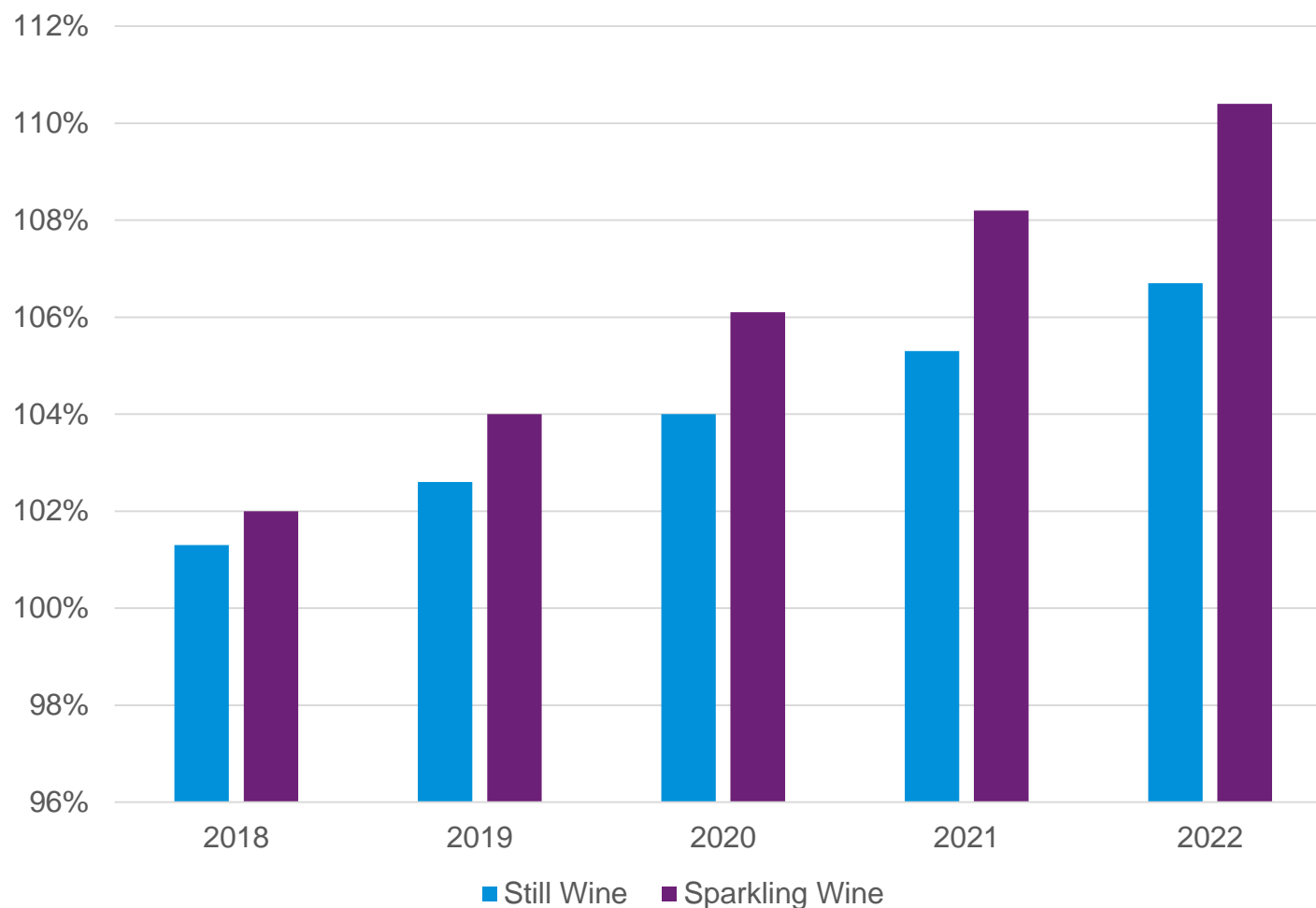




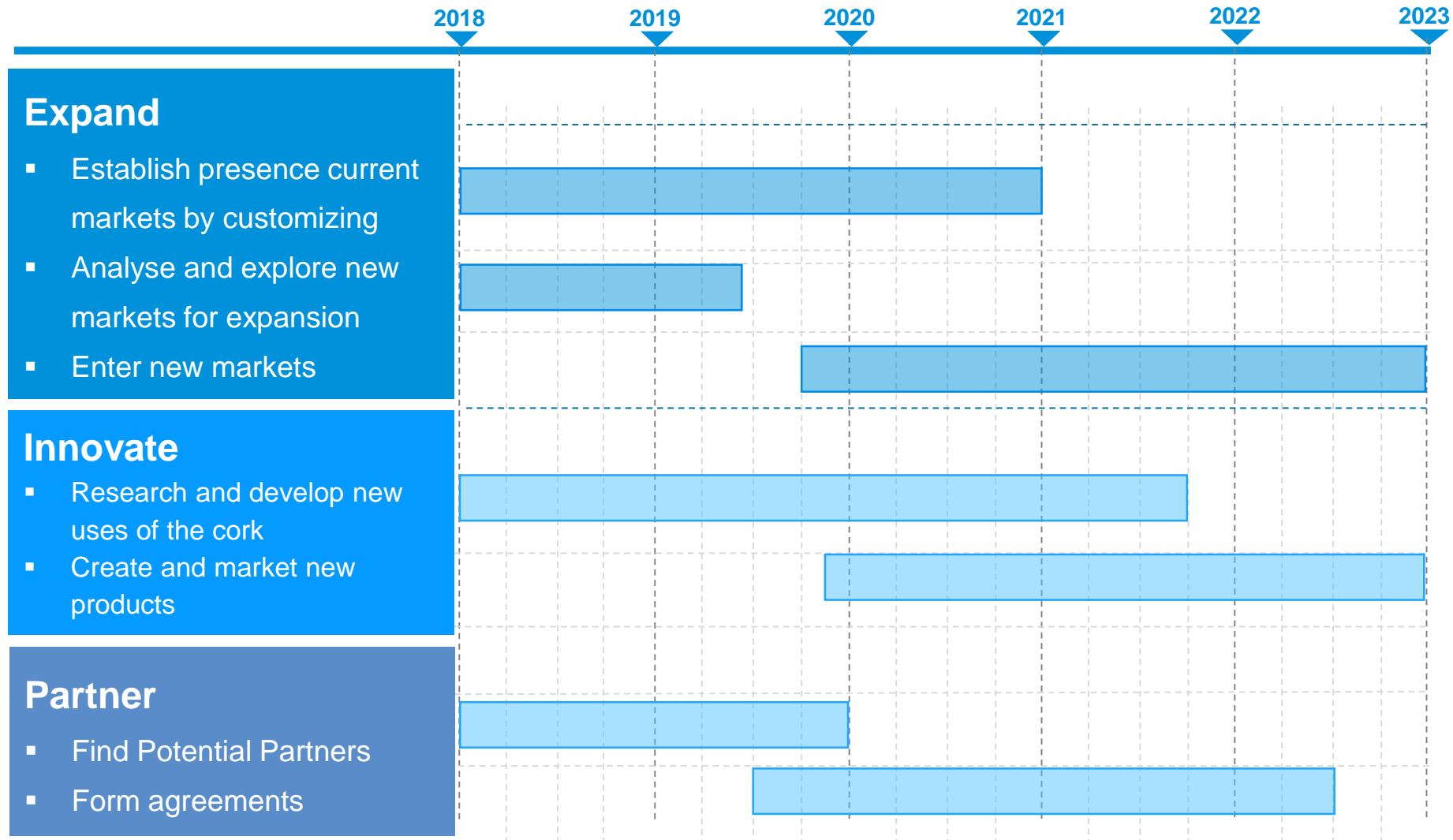
# Implement



# World Projections of Demand for Wine



# Implementation Timeline

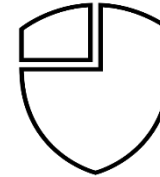


# Risks and Mitigations



## Risks

- ✕ Natural Disasters
- ✕ Market Demand Fluctuations
- ✕ New Competitors



## Mitigations

- Diversify production areas
- Increase product variety
- Be a leader in innovation

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## 3 Part Strategy

### EXPAND



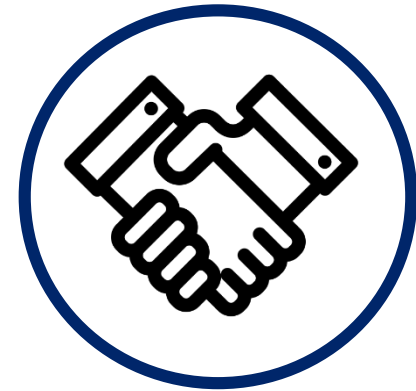
**Expand** into new markets  
through manufacturing  
customized cork

### INNOVATE



**Innovate** through new  
products for interior design  
and other industries

### PARTNER



**Partner** with production  
companies to agree on as  
exclusive supplier



# Thank you for your time



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