



Earnings announcement  
2017

(Unaudited)

## RAMADA GROUP – BUSINESS PROFILE

F. Ramada Investimentos is the parent company of a group of companies (“Ramada Group”) that operates in two segments: i) Industry, which includes the Steel activity, of which we highlight the sub segment of steel for moulds, the Storage Systems activity, and the activity related to financial investments management in which the Group holds non-controlling interests; and ii) Real Estate, focused in the management of real estate assets.

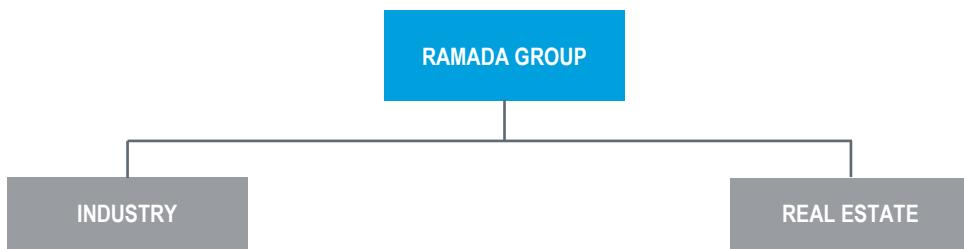
The Steel activity, which mainly develops at the level of the sub segment of steels for moulds, with a prominent position in the domestic market, is carried out by four Companies: Ramada Aços, Universal Afir, Planfuro Global and Socitrel (since December 2017).

In the last quarter of 2017, F. Ramada Investimentos acquired the indirect control of 99% of the share capital of SOCITREL – Sociedade Industrial de Trefilaria, S.A.’ (“SOCITREL”), following the decision of non-opposition by the Competition Authority disclosed in December 2017.

This acquisition allowed Ramada Group to diversify its industrial activity by entering in a new business area. Socitrel’s main activity includes the manufacture and sale of steel wire for a variety of applications, namely industry, agriculture and construction.

The Group consolidated financial statements only include Socitrel’s balance sheet, as the referred acquisition only became effective at the end of 2017. As from January 1<sup>st</sup>, 2018, Socitrel’s operations will be included in the Group’s consolidated financial statements.

The Storage Systems activity is carried out by five Companies: Ramada Storax (largest manufacturer of storage systems in Portugal and where all Group production is concentrated), Storax France, Storax United Kingdom, Storax Belgium and Storax Spain.



The consolidated financial information presented below in relation to F. Ramada Investimentos was prepared in accordance with the recognition and measurement criteria of the International Financial Reporting Standards (IFRS), as adopted by the European Union.

### INCOME STATEMENT

	2017	2016	Var. %
Sales and services rendered	156,886	135,930	15.4%
Other income	1,334	1,415	-5.8%
<b>Total Income</b>	<b>158,220</b>	<b>137,344</b>	<b>15.2%</b>
Cost of sales	(83,673)	(72,265)	15.8%
External supplies and services	(29,668)	(25,759)	15.2%
Payroll expenses	(19,212)	(16,628)	15.5%
Other costs	(835)	(1,368)	-39.0%
<b>Total costs (a)</b>	<b>(133,388)</b>	<b>(116,019)</b>	<b>15.0%</b>
<b>EBITDA (b)</b>	<b>24,831</b>	<b>21,325</b>	<b>16.4%</b>
<b>EBITDA margin</b>	<b>15.7%</b>	<b>15.5%</b>	
Depreciation and amortization	(5,931)	(4,719)	25.7%
<b>EBIT (c)</b>	<b>18,900</b>	<b>16,605</b>	<b>13.8%</b>
<b>EBIT margin</b>	<b>11.9%</b>	<b>12.1%</b>	
Income from investments	42,527	2,028	Ss
Financial costs	(1,864)	(2,088)	-10.7%
Financial gains	213	205	3.7%
<b>Net profit before income tax</b>	<b>59,777</b>	<b>16,752</b>	<b>256.8%</b>
Income tax	(3,068)	(2,824)	
<b>Consolidated net profit</b>	<b>56,708</b>	<b>13,928</b>	<b>307.2%</b>
Consolidated net profit attributable to shareholders of Parent company	56,708	13,861	309.1%
Consolidated net profit attributable to non-controlling interests	0	67	

(Amounts in thousand Euros)

(a) Operating expenses excluding depreciation, financial expenses and income tax

(b) EBITDA= earnings before financial results, income tax, depreciation and amortization

(c) EBIT = earnings before financial results and income tax

The total turnover of F. Ramada Group amounted to 158,220 thousand Euros, representing an increase of 15.2% in relation to total turnover in 2016.

The total costs, excluding depreciation, financial results and income tax, amounted to 133,388 thousand Euros, thus representing an increase of 15.0% in relation to 2016.

EBITDA in 2017 reached 24,831 thousand Euros, representing an increase of 16.4% when compared with 2016. EBITDA margin reached 15.7%, which compares to 15.5 % obtained in 2016.

Operating results (EBIT) amounted to 18,900 thousand Euros, representing an increase of 13.8% in relation to 16,605 thousand Euros reached in 2016.

As disclosed to the Portuguese Securities Market Commission (CMVM) in September 19, 2017, Ramada Group sold in 2017 its shareholding in Base Group after the decision of non-opposition by the Competition Authority.

The capital gains arising from the referred operation, as well as the effects of the application of the equity method in 2017, were recorded in the income statement under the caption "Income from Investments".

Negative financial results amounted to 1,651 thousand Euros, representing an improvement of 12.3%, when compared with 2016.

#### INDUSTRY

	2017	2016	Var. %
Total Income	151,717	130,817	16.0%
Total Costs (a)	132,367	114,755	15.3%
EBITDA ( b)	19,350	16,062	20.5%
EBITDA margin	12.8%	12.3%	
EBIT (c)	13,726	11,665	17.7%
EBIT margin	9.0%	8.9%	
Financial results	(587)	(455)	28.9%
Income from investments	42,527	2,028	ss
Net profit before income tax	55,666	13,238	320.5%

(Amounts in thousand Euros)

(a) Operating expenses excluding depreciation, financial expenses and income tax

(b) EBITDA = earnings before financial results, income tax, depreciation and amortization

(c) EBIT = earnings before financial results and income tax

In 2017, the turnover of the industry segment reached 151,717 thousand Euros, thus reflecting an increase of 16.0% in relation to 2016.

EBITDA of the industry segment in 2017 reached 19,350 thousand Euros, representing an increase of 20.5% when compared with 16,062 thousand Euros in 2016.

EBITDA margin of the Industry segment increased from 12.3% to 12.8%.

Earnings before interest and taxes (EBIT) reached 13,726 thousand Euros, representing an improvement of 17.7% when compared to 11,665 thousand Euros in 2016.

The Steel Activity recorded a significant turnover growth when compared with 2016.

This growth is a consequence of the sales increase to the moulds industry and to machinery and construction equipment segment.

The Portuguese mould industry has been growing and consolidating itself in the international market, driven by both external demand and the recognition by its customers of the expertise and productive capacity. In fact, Portugal is currently ranked among the major worldwide mould producers, namely in the injection moulds for plastics segment (8<sup>th</sup> major producer in the world and 3<sup>rd</sup> in Europe).

2017 was the best year ever for the mould industry either regarding the levels of production, as well as in exports.

The metalworking sector also experienced a significant growth, as a result of the increase of Portuguese companies' turnover, but also as a consequence of new players in this sector.

Similar to 2016, the year of 2017 was also marked by the increase of purchase prices of all steels, as a result of the fluctuation of raw material prices. In fact, in the second half of the year, the growth of the global economy, along with the surge in graphite electrodes price caused by supply disruption, have further increased the demand for those raw materials, causing prices to increase until the end of the year.

In what concerns to investment activities, it is important to highlight that the investment phase regarding the new activity of machinery structures for moulds is almost concluded, being currently the third machine in the final assembly stage.

In 2017, the installation of new saw blades, an investment started in 2016, was completed in order to increase the cut capacity and guarantee a service level of 95%.

Additionally, four additional heat treatment furnaces were installed at year end, in order to increase the productive capacity and to improve the compliance with the delivery deadlines demanded by the market.

Customers have been, increasingly, recognizing Ramada Group quality as well as its reliability in the provision of machined parts able to incorporate moulds and/or equipment.

The Steel Activity is essentially developed in the domestic market, representing approximately 94.1% of the total turnover of 2017. Exports represented almost 5.9% of sales, maintaining a strong growth trend in recent years (4.7% in 2016 and 4.1% in 2015). Europe continues to be the main destination of the referred sales, being England, Germany and France the main markets.

The Storage Solutions Activity (*Storax - Engineered Storage Solutions*) also recorded a significant turnover growth when compared with 2016.

In 2017, the Group consolidated its position as European leader in the high density cold storage systems' market ("Cold Stores").

The foreign market continues to be the main booster of this activity, representing 80% of its turnover in 2017. Sales in the domestic market also experienced a significant growth, supported in the increase of the demand for automatic warehouse projects.

Europe continues to represent the main destination, representing 90% of the exports.

In 2017, Ramada Group had customers of this activity all over 33 countries, which demonstrates the international dimension of this market.

In order to meet the growth of the activity in this market, different investments were made throughout the year to increase Ramada Group's productive capacity.

### **REAL ESTATE**

	2017	2016	Var. %
Total income	6,502	6,529	-0.4%
Total costs (a)	1,022	1,265	-19.2%
EBITDA ( b)	5,481	5,263	4.1%
EBIT ( c)	5,174	4,941	4.7%
Financial results	(1,064)	(1,428)	-25.5%
Net profit before income tax	4,110	3,514	17.0%

(Amounts in thousand Euros)

(a) Operating expenses excluding depreciation, financial expenses and income tax

(b) EBITDA = earnings before financial results, income tax, depreciation and amortization

(c) EBIT = earnings before financial results and income tax

In 2017, the total turnover of the Real Estate segment amounted to 6,502 thousand Euros, representing a slight decrease in relation to the prior year.

The rents obtained with the long-term renting of the forest land represent more than 95% of the total turnover of the Real Estate segment.

In 2017 Real Estate segment's EBITDA reached 5,481 thousand Euros, representing an increase of 4.1% in relation to 2016.

Real Estate segment EBIT amounted to 5,174 thousand Euros, representing an increase of 4.7% in relation to 2016.

Financial results of the Real Estate segment, in 2017, amounted to negative 1,064 thousand Euros, representing an improvement of 25.5% compared with negative 1,428 thousand Euros reached in 2016.

Real Estate segment net profit before income tax reached 4,110 thousand Euros in 2017, representing an increase of 17.0% in relation to 2016.

### OWN SHARES

On July 25, 2017, the Group sold all its own shares. This operation allowed Ramada Group to reinforce its consolidated equity by 18 million Euros.

### INVESTMENTS AND DEBT

Ramada investments in fixed assets (CAPEX) in 2017 amounted to, approximately, 7 million Euros.

The nominal net debt of Ramada Group as of December 31, 2017, reached 7,872 thousand Euros (72,973 thousand Euros as of December 31, 2016).

For the 2017 financial year, the Board of Directors will propose to the Shareholders' General Meeting the distribution of a 2.23 Euro dividend per share.

We should also highlight that, on March 6, 2018 Euronext announced the inclusion of F. Ramada Investimentos in the PSI-20 index as a result of the annual review of the referred index. The changes due to the review will be effective from March 19, 2018.

Oporto, March 8, 2018

The Board of Directors



Shaping industry

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