



RAMADA

INVESTIMENTOS E INDÚSTRIA

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

Public Company

Earnings announcement 3rd Quarter 2021
(unaudited)

This document is a translation of a document originally issued in Portuguese. In the event of discrepancies, the Portuguese language version prevails.

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4100-320 Oporto
Share capital: 25,641,459 Euro

INTRODUCTION

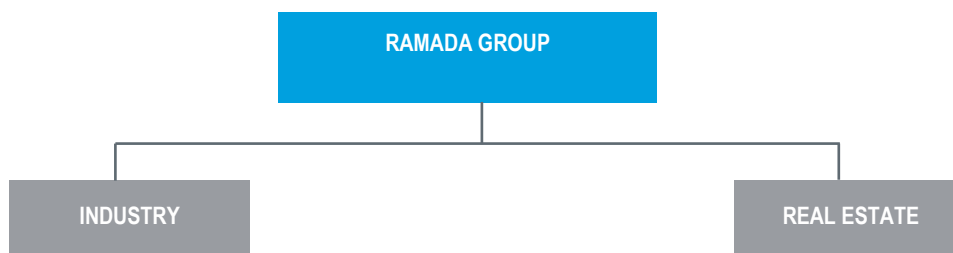
Ramada Investimentos is the parent company of a group of companies that together operate within two distinct business segments: i) Industry segment, which includes the activity of special steels and wire drawing, as well as the activity related to the management of financial investments in which the Group is a minority shareholder; and ii) Real Estate segment, aimed at the management of real estate assets.

The special steels activity, which develops, especially at the level of the sub-segment of moulds, with a leading position in the domestic market, is developed by three companies: Ramada Aços, Universal Afir and Planfuro Global.

The wire drawing activity is developed by Socitrel, whose main business is the manufacture and commercialization of steel wires, capable of being used in a wide variety of activities, including industry, agriculture and construction.

In the financial investments management activity, among other portfolio investments held by the Group, it should be highlighted the participations held in CEV, S.A. and Fisio Share – Gestão de Clínicas, S.A..

The Real Estate Segment includes the real estate asset management activity (composed by the forest assets and the Real Estate of the Group) and is developed by F. Ramada II - Imobiliária, S.A..



CONSOLIDATED INCOME STATEMENT BY NATURE

The consolidated financial information of Ramada Investimentos was prepared in accordance with the recognition and measurement principles of the International Financial Reporting Standards, as adopted by the European Union (IFRS – EU).

The key information and indicators of Ramada Group's consolidated activity can be presented as follows:

	9M 2021	9M 2020	Var. %
Total revenues (a)	102 595	74 819	37.1%
Total costs (b)	(86 838)	(66 486)	30.6%
EBITDA (c)	15 758	8 333	89.1%
EBITDA margin (d)	15.4%	11.1%	4.3 p.p.
Amortization and depreciation	(2 397)	(2 370)	1.1%
EBIT (e)	13 360	5 962	124.1%
EBIT margin (f)	13.0%	8.0%	5.0 p.p.
Results related to investments	177	57	210.5%
Financial expenses	(769)	(866)	-11.2%
Financial income	26	46	-44.1%
Profit before income tax	12 793	5 199	146.1%
Income tax	(2 698)	(845)	219.3%
Consolidated net profit	10 096	4 353	131.9%
Net profit attributable to shareholders of the parent company	10 096	4 353	131.9%

Amounts in thousands of Euro

(a) Total revenues = Sales and services rendered + Other income

(b) Total costs = Cost of sales and production variation + External supplies and services + Payroll expenses + Other expenses + Provisions and impairment losses

(c) EBITDA = Profit before income tax, Financial results and Amortization and depreciation

(d) EBITDA margin = EBITDA / Total revenues

(e) EBIT = EBITDA + Amortization and depreciation

(f) EBIT margin = EBIT / Total revenues

During the first nine months of 2021, total revenues of Ramada Group amounted to 102,595 thousand Euro, representing a 37.1% increase over the total revenues recorded in the same period of 2020.

Total costs amounted to 86,838 thousand Euro, recording a 30.6% increase over the previous year.

EBITDA amounted to 15,758 thousand Euro, representing an increase of 89.1% compared to the same period of 2020. EBITDA margin achieved 15.4%, representing an increase of 4.3 percentage points when compared to the previous year.

EBIT, in the amount of 13,360 thousand Euro, recorded an increase of 124.1% when compared to 5,962 thousand Euro in 2020.

The financial results (financial income - financial expenses), in the amount of 743 thousand Euro, recorded a 9.4% decrease over the previous year.

The consolidated net profit of the first nine months of 2021 amounted to 10,096 thousand Euro, increasing 131.9% compared to the net profit of the same period of the previous year.

INDUSTRY

	9M 2021	9M 2020	Var. %
Total revenues (a)	97 151	69 361	40.1%
Total costs (b)	(85 836)	(65 404)	31.2%
EBITDA (c)	11 314	3 958	185.9%
EBITDA margin (d)	11.6%	5.7%	5.9 p.p.
EBIT (e)	9 038	1 742	418.8%
EBIT margin (f)	9.3%	2.5%	6.8 p.p.
Results related to investments	177	57	210.5%
Financial results (g)	(351)	(430)	-18.3%
Profit before income tax	8 863	1 369	547.3%
Income tax	(1 833)	(22)	8231.8%
Net profit	7 030	1 347	421.8%

Amounts in thousands of Euro

(a) Total revenues = Sales and services rendered + Other income

(b) Total costs = Cost of sales and production variation + External supplies and services + Payroll expenses + Other expenses + Provisions and impairment losses

(c) EBITDA = Profit before income tax, Financial results and Amortization and depreciation

(d) EBITDA margin = EBITDA / Total revenues

(e) EBIT = EBITDA + Amortization and depreciation

(f) EBIT margin = EBIT / Total revenues

(g) Financial results = Financial income - Financial expenses

In the first nine months of 2021, total revenues from the Industry segment amounted to 97,151 thousand Euro, recording an increase of 40.1% compared to the same period of 2020.

EBITDA in the Industry segment amounted to 11,314 thousand Euro, representing a positive variation of 185.9% compared to the 3,958 thousand Euro recorded in the first nine months of 2020. EBITDA margin reached 11.6%, recording an increase of 5.9 percentage points over the same period of the previous year.

EBIT, in the amount of 9,038 thousand Euro, recorded an increase of 418.8% compared to the 1,742 thousand Euro in 2020.

The net profit of the Industry segment recorded in the first nine months of 2021, in the amount of 7,030 thousand Euro, represented an increase of 421.8% compared to the net profit of the same period of previous year.

In the first nine months of 2021, the Steel activity registered a significant growth compared to the same period of the previous year, with a relevant contribution from the Metalworking sector, which continues to stand out with accentuated growth rates since the beginning of the year.

The Moulds sector continues with low levels of activity, affected by the crisis experienced in the automobile industry. The delay seen in the launch of new projects for electric cars has had a negative effect on the Portuguese mould industry, once it is an industry very dependent on the automotive sector, which has generated the need to operate far below its installed capacity.

The quarter began with sales behavior below expectations. However, in August, there was a consistent increase in demand, through the reception of new projects in the automotive industry, which indicates that this sector is in a recovery phase.

Demand for steel remains high, as well as constant price increases and shortages of materials by some suppliers continue to be verified. The sharp rise in scrap and iron ore prices that occurred in the middle of the semester, the closing of import quotas from third countries in the European Union and the difficulties in maritime transport, caused a sharp rise in steel prices.

Prices are expected to remain high and material shortages to persist in the coming months.

The increase in the price of electricity and natural gas will have a significant impact on the Group's activity, for which reason it was decided to proceed with the Ramada Solar project, with the start of production of the first Megawatt scheduled for the end of January 2022.

In the first nine months of 2021, the sales of the Steel activity to the external market represented 9.2% of turnover, registering a growth of 42% compared to the same period of 2020.

The growth of exports has been gradual, being the highlight the consolidation of the presence in the Spanish market.

The wire drawing activity registered a sharp growth in sales compared to the previous year, as a result of significant increases in prices and production volume.

During the first half of 2021, Socitrel installed a self-consumption photovoltaic power plant (Socitrel Solar) with an installed capacity of 1 MWh, comprising 2,222 photovoltaic panels on the roof of some of its industrial units. The photovoltaic plant started operating at the end of the first half of the year, with an expected annual production of around 1.2 GWh, which will enable Socitrel's energy bill to be reduced by around 7.2%, as well as reducing the emission of 780 tons of CO₂ per year.

The wire drawing activity operates essentially in the foreign market, accounting for 65.8% of turnover in the first nine months of 2021. Exports in this sector registered a growth of 82% compared to the same period in 2020. The main destinations of exports were Spain, the United States and France.

REAL ESTATE

	9M 2021	9M 2020	Var. %
Total revenues (a)	5 444	5 458	-0.2%
Total costs (b)	(1 001)	(1 083)	-7.5%
EBITDA (c)	4 443	4 375	1.6%
EBIT (d)	4 322	4 220	2.4%
Financial results (e)	(392)	(391)	0.4%
Profit before income tax	3 930	3 830	2.6%
Income tax	(864)	(823)	5.0%
Net profit	3 066	3 006	2.0%

Amounts in thousands of Euro

(a) Total revenues = Sales and services rendered + Other income

(b) Total costs = Cost of sales and production variation + External supplies and services + Payroll expenses + Other expenses + Provisions and impairment losses

(c) EBITDA = Profit before income tax, Financial results and Amortization and depreciation

(d) EBIT = EBITDA + Amortization and depreciation

(e) Financial results = Financial income – Financial expenses

During the first nine months of 2021, total revenues from the Real Estate segment amounted to 5,444 thousand Euro, alike to the same period of 2020.

The rents obtained from the long-term leases of forest land represent about 90% of the total real estate revenues.

EBITDA in the Real Estate segment in the first nine months of 2021 amounted to 4,443 thousand Euro, 1.6% higher than the amount recorded in the same period of the previous year.

EBIT amounted to 4,322 thousand Euro, representing a growth of 2.4% compared to 2020.

The financial results of the Real Estate segment were negative by 392 thousand Euro, matching 2020 levels.

The net profit of the Real Estate segment during the first nine months of 2021 amounted to 3,066 thousand Euro, an increase of 2.0% compared to the same period of 2020.

INVESTMENTS AND INDEBTEDNESS

The investments¹ made by Ramada Group during the nine months of 2021 amounted to approximately 3 million Euro.

Ramada Group's net nominal indebtedness² on September 30, 2021, amounted to approximately 16 million Euro, with a dividend distribution of around 15 million Euro in May. As of December 31, 2020, the net nominal indebtedness was approximately 11 million Euro.

OUTLOOK

The growth in demand that has been verified since the beginning of the year, combined with the continued rise in raw material prices, with the supply difficulties by suppliers and with the significant increase in energy and fuel prices, leads the Group to face the rest of 2021 with confidence, with a significant increase in sales and profitability being expected when compared to 2020.

Oporto, November 18, 2021

The Board of Directors

¹ Investments: Acquisitions of property, plant and equipment and intangible assets related to the operational activity of the Industry and Real Estate segments.

² Net nominal indebtedness: Bank loans (nominal values) + Other loans (nominal values) – Cash and cash equivalents.



Shaping industry

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