



# RAMADA

INVESTIMENTOS E INDÚSTRIA

**RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.**

Public Company

Earnings announcement 1<sup>st</sup> Quarter 2022

(unaudited information)

This document is a translation of a document originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards adopted in European Union (IFRS-EU), some of which may not conform or be required by generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version prevails.

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Share capital: 25,641,459 Euro

## INTRODUCTION

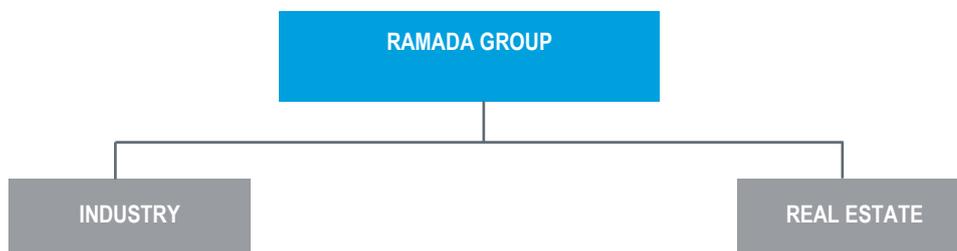
Ramada Investimentos is the parent company of a group of companies that together operate within two distinct business segments: i) Industry segment, which includes the activity of special steels and wire drawing, as well as the activity related to the management of financial investments in which the 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 Físio 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:

	1Q 2022	1Q 2021	Var. %
Total revenues (a)	54 126	32 251	67.8%
Total costs (b)	(46 416)	(27 540)	68.5%
<b>EBITDA (c)</b>	<b>7 710</b>	<b>4 712</b>	<b>63.6%</b>
<b>EBITDA margin (d)</b>	<b>14.2%</b>	<b>14.6%</b>	<b>-0.4 p.p.</b>
Amortization and depreciation	(1 119)	(792)	41.3%
<b>EBIT (e)</b>	<b>6 591</b>	<b>3 920</b>	<b>68.1%</b>
<b>EBIT margin (f)</b>	<b>12.2%</b>	<b>12.2%</b>	<b>-</b>
Results related to investments	109	(13)	ss
Financial expenses	(243)	(274)	-11.3%
Financial income	17	5	ss
<b>Profit before income tax</b>	<b>6 475</b>	<b>3 639</b>	<b>77.9%</b>
Income tax	(1 523)	(782)	94.8%
<b>Consolidated net profit</b>	<b>4 952</b>	<b>2 857</b>	<b>73.3%</b>
Net profit attributable to shareholders of the parent company	4 952	2 857	73.3%

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, Amortization and depreciation and Results related to investments

(d) EBITDA margin = EBITDA / Total revenues

(e) EBIT = EBITDA + Amortization and depreciation

(f) EBIT margin = EBIT / Total revenues

In the first quarter of 2022, total revenues of Ramada Group amounted to 54,126 thousand Euro, representing a 67.8% increase over the total revenues recorded in the same period of 2021.

Total costs amounted to 46,416 thousand Euro, recording a 68.5% increase when compared to the same period in the previous year.

EBITDA amounted to 7,710 thousand Euro, representing an increase of 63.6% compared to the same period of 2021. EBITDA margin achieved 14.2%, representing a decrease of 0.4 percentage points when compared to the previous year.

EBIT, in the amount of 6,591 thousand Euro, recorded an increase of 68.1% when compared to 3,920 thousand Euro in 2021.

The financial results (financial income - financial expenses), in the amount of 226 thousand Euro, recorded a 16.0% decrease over the previous year.

The consolidated net profit of the first quarter of 2022 amounted to 4,952 thousand Euro, increasing 73.3% compared to the net profit of the same period of the previous year.

## INDUSTRY

	1Q 2022	1Q 2021	Var. %
Total revenues (a)	52 266	30 428	71.8%
Total costs (b)	(46 038)	(27 196)	69.3%
EBITDA (c)	6 228	3 232	92.7%
EBITDA margin (d)	11.9%	10.6%	+1.3 p.p.
EBIT (e)	5 157	2 480	107.9%
EBIT margin (f)	9.9%	8.2%	+1.7 p.p.
Results related to investments	109	(13)	ss
Financial results (g)	(118)	(138)	-14.5%
Profit before income tax	5 148	2 330	120.9%
Income tax	(1 231)	(494)	149.2%
Net profit	3 917	1 836	113.3%

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, Amortization and depreciation and Results related to investments

(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 quarter of 2022, total revenues from the Industry segment amounted to 52,266 thousand Euro, recording an increase of 71.8% compared to the same period of 2021.

EBITDA in the Industry segment amounted to 6,228 thousand Euro, representing a positive variation of 92.7% compared to the 3,232 thousand Euro recorded in the first quarter of 2021. EBITDA margin reached 11.9%, recording an increase of 1.3 percentage points over the same period of the previous year.

EBIT, in the amount of 5,157 thousand Euro, recorded an increase of 107.9% compared to the 2,480 thousand Euro in 2021.

The net profit of the Industry segment in the first quarter of 2022, in the amount of 3,917 thousand Euro, represented an increase of 113.3% compared to the net profit of the same period of previous year.

In the first three months of 2022, Ramada Group reached record turnover figures, as a result of price increases and volume growth that occurred in all sectors of activity.

The Moulds sector was where there was a more accelerated growth in this period, with increases in demand in quantity, especially in large pieces, which led to a need to reinforce the purchases of materials at higher prices. This acceleration in the Moulds sector leveraged the growth in the machining sector, and this sector registered significant increases in the rendering of conventional and customized machining services.

In the Metalworking sector, demand is currently more stable, and the year-on-year growth was stimulated essentially by the price factor. The reduction in quantities sold is largely related to the industrial downturn resulting from the pandemic and the shortage of electronic components, such as chips.

The rise in electricity and natural gas prices had a significant impact on the Group's profitability. With the uncertainty caused by the war in Ukraine, energy costs have increased significantly and this scenario is likely to continue for some time. In order to partially mitigate this impact and simultaneously improve environmental performance, the Group decided to invest in a self-consumption photovoltaic power plant (Ramada Solar), with the start-up of the first megawatt production planned for the first half of 2022.

Due to the rise in prices, stock management was necessarily one of the pillars of action at the beginning of the year, requiring constant attention to market movements. Additionally, demand was at very high levels, with steel mills' production deadlines being extended by two months more than usual. The difficulties in the supply of materials are increasing, both due to the crisis in Ukraine and Russia, and to price increases from China. At the same time, there were also difficulties in transport, which caused even more uncertainty in the supply chain.

The Group continues to focus on exports and on increasing its customer portfolio to ensure future growth and less dependence on the domestic market. In the first quarter of 2022, the sales of the Steel activity to the external market represented 7.6% of the turnover, registering a growth of 31.4% compared to the same period of 2021. In exports, the start was lower than the same period of the previous year, but now with a higher number of projects for moldmakers in Spain and Germany. The follow-up work in the field consolidated the relationship and the customers' confidence in our capacity and competence.

In the first quarter of 2022, the wire drawing activity registered a record growth in turnover, compared to the same period of the previous year.

The wire drawing activity operates essentially for the foreign market, which in the first quarter of 2022 represented 72.7% of turnover. In the same period of 2021, exports represented 64.2% of turnover.

## REAL ESTATE

	1Q 2022	1Q 2021	Var. %
Total revenues (a)	1 860	1 823	2.0%
Total costs (b)	(378)	(344)	9.9%
EBITDA (c)	1 482	1 480	0.1%
EBIT (d)	1 434	1 439	-0.3%
Financial results (e)	(108)	(131)	-17.6%
Profit before income tax	1 327	1 309	1.4%
Income tax	(292)	(288)	1.4%
Net profit	1 035	1 021	1.4%

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, Amortization and depreciation and Results related to investments

(d) EBIT = EBITDA + Amortization and depreciation

(e) Financial results = Financial income – Financial expenses

During the first quarter of 2022, total revenues from the Real Estate segment amounted to 1,860 thousand Euro, recording a 2.0% increase over the same period of 2021.

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 three months of 2022 amounted to 1,482 thousand Euro, 0.1% higher than the amount recorded in the same period of the previous year.

EBIT amounted to 1,434 thousand Euro, representing a decrease of 0.3% compared to 2021.

The financial results of the Real Estate segment were negative by 108 thousand Euro in the first quarter of 2022, recording an improvement of 17.6% when compared to the negative 131 thousand Euro in 2021.

The net profit of the Real Estate segment during the first quarter of 2022 amounted to 1,035 thousand Euro, an increase of 1.4% compared to the same period of 2021.

## INVESTMENTS AND INDEBTEDNESS

The investments<sup>1</sup> made by Ramada Group in the first quarter of 2022 amounted to approximately 450 thousand Euro.

Ramada Group's net nominal indebtedness<sup>2</sup> on March 31, 2022 amounted to, approximately, 9 million Euros. As of December 31, 2021, the net nominal indebtedness amounted to, approximately, 11 million Euros.

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

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

### FUTURE PERSPECTIVES

The prices of all raw materials are at an all-time high. In addition, it is expected that the shortage of materials will lead to an increase in the level of unemployment and at the same time, in the economy as a whole, that the sharp rise in inflation will lead to a reduction in purchasing power.

The consequences of the war in Ukraine, the rising prices of raw materials and the shortage of electronic components create uncertainty as to how the automotive industry will react to rising costs combined with falling sales. The fear of possible shutdowns of ongoing projects in the automotive industry could jeopardize the entire value chain.

Given the importance of Russia and Ukraine in the supply of SLABS, European steel mills are experiencing moments of great uncertainty given the difficulty in finding alternative materials. Despite the challenging environment we are going through, we continue on our path of continuous improvement in the search for greater efficiency.

Oporto, May 27, 2022

The Board of Directors



Shaping industry

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[www.ramadainvestimentos.pt](http://www.ramadainvestimentos.pt)