



# RAMADA

## INVESTIMENTOS E INDÚSTRIA

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

Public Company

Earnings announcement 1<sup>st</sup> Quarter 2023  
(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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4100-320 Oporto  
Share capital: 25,641,459 Euro

## INTRODUCTION

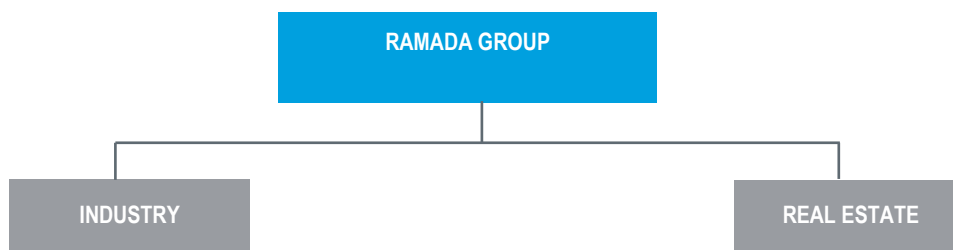
Ramada Investimentos is the parent company of a group of companies that together operate within two distinct business segments: i) Industry segment, which includes the activities of Special Steels and Wire Drawing, as well as the activity related to the management of financial investments, in which the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

The Special Steels activity is developed by Ramada Aços, Universal Afir and Planfuro Global, which are dedicated to the distribution of special steels, steel for molds, the production of drawn steel, and to the rendering of services, namely, Machining and Heat Treatment, for two main application areas, namely, metalworking and molds and tools.

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 fields, 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:

<i>Amounts in thousands of Euros</i>	<b>1Q 2023</b>	<b>1Q 2022</b>	<b>Var. %</b>
Total revenues	40 815	54 126	-24.6%
Total costs	(34 796)	(46 416)	-25.0%
<b>EBITDA</b>	<b>6 019</b>	<b>7 710</b>	-21.9%
<b>EBITDA margin</b>	<b>14.7%</b>	<b>14.2%</b>	<b>+ 0.5 p.p.</b>
Amortization and depreciation	(1 208)	(1 119)	8.0%
<b>EBIT</b>	<b>4 811</b>	<b>6 591</b>	<b>-27.0%</b>
<b>EBIT margin</b>	<b>11.8%</b>	<b>12.2%</b>	<b>- 0.4 p.p.</b>
Results related to investments	112	109	+2.8%
Financial expenses	(634)	(243)	161.2%
Financial income	32	17	84.1%
<b>Profit before income tax</b>	<b>4 322</b>	<b>6 475</b>	<b>-33.2%</b>
Income tax	(909)	(1 523)	-40.3%
<b>Consolidated net profit</b>	<b>3 413</b>	<b>4 952</b>	<b>-31.1%</b>
Net profit attributable to shareholders of the parent company	3 413	4 952	-31.1%

In the first quarter of 2023, total revenues of Ramada Group amounted to 40,815 thousand Euro, representing a 24.6% decrease over the total revenues recorded in the same period of 2022.

Total costs amounted to 34,796 thousand Euro, recording a 25.0% decrease when compared to the same period in the previous year.

EBITDA amounted to 6,019 thousand Euro, representing a decrease of 21.9% compared to the first quarter of 2022. EBITDA margin reached 14.7%, representing an increase of 0.5 percentage points when compared to the same period of the previous year.

EBIT, in the amount of 4,811 thousand Euro, recorded a decrease of 27.0% when compared to 6,591 thousand Euro recorded in the first three months of 2022.

The Financial results, in the amount of negative 602 thousand Euro, recorded a 166.4% increase over the same period of the previous year.

The consolidated net profit of the first quarter of 2023 amounted to 3,413 thousand Euro, decreasing 31.1% compared to the net profit of the same period of the previous year.

## INDUSTRY

	1Q 2023	1Q 2022	Var. %
<i>Amounts in thousands of Euros</i>			
Total revenues	38 750	52 266	-25.9%
Total costs	(34 382)	(46 038)	-25.3%
EBITDA	4 368	6 228	-29.9%
EBITDA margin	11.3%	11.9%	- 0.6 p.p.
EBIT	3 276	5 157	-36.5%
EBIT margin	8.5%	9.9%	- 1.4 p.p.
Results related to investments	112	109	+2.8%
Financial results	(340)	(118)	189.4%
Profit before income tax	3 048	5 148	-40.8%
Income tax	(629)	(1 231)	-48.9%
Net profit	2 419	3 917	-38.2%

In the first quarter of 2023, total revenues from the Industry segment amounted to 38,750 thousand Euro, recording a decrease of 25.9% compared to the same period of 2022.

The uncertainty about the influence of the war in the world economy, particularly in the European economy, the generalized inflation of costs and the successive increases in interest rates, retracted and postponed investments in the sectors of civil construction, industrial equipment and automotive industry. Thus, the last quarter of 2022 was marked by a slowdown in the markets and in companies' business, a behaviour that continued throughout the first quarter of 2023 in the Special Steels and Wire Drawing activities.

In Special Steels, the decrease in activity in the molds and metalworking sectors, which marked the beginning of 2023, was not accompanied to the same extent by the variation in Total revenues in the first quarter of 2023, given the ability to maintain average prices at levels higher than in the same period last year. On a positive note, we would also highlight the increase in demand in the area of stamps and dies, both in the sale of materials and in the provision of services. This behaviour indicates the possible start of new projects and equipment in the automotive industry. There was also a significant reduction in working capital needs in this quarter.

In the Special Steels activity, the Group continues to invest in exports and on increasing its customer portfolio to ensure future growth and less dependence on the domestic market. In the first quarter of 2023, sales of the Special Steels activity to the external market represented 9.6% of the turnover, recording a growth of 8.6% compared to the same period in 2022. The Spanish market assumed a great prominence, representing 80% of the turnover. In addition, it is worth noting the increased relevance of the French and Moroccan markets, essentially in the area of stamps and dies for the automotive industry.

In the Wire Drawing activity, during the first quarter of 2023, the Group registered a decrease in turnover, compared to the same period of the previous year, as a result of the slowdown in activity and the decrease in the average prices practiced in the various products and markets.

The Wire Drawing activity operates essentially for the foreign market, which in the first quarter of 2023 represented 66.2% of turnover. In the same period of 2022, exports represented 72.7% of turnover.

EBITDA in the Industry segment amounted to 4,368 thousand Euro, representing a negative variation of 29.9% compared to the 6,228 thousand Euro recorded in the first quarter of 2022. EBITDA margin reached 11.3%, recording a decrease of 0.6 percentage points over the same period of 2022.

EBIT, in the amount of 3,276 thousand Euro, recorded a decrease of 36.5% compared to the 5,157 thousand Euro in the same period of 2022.

The net profit of the Industry segment in the first quarter of 2023, in the amount of 2,419 thousand Euro, represented a decrease of 38.2% compared to the net profit of the same period of 2022.

## **REAL ESTATE**

<i>Amounts in thousands of Euros</i>	<b>1Q 2023</b>	<b>1Q 2022</b>	<b>Var. %</b>
Total revenues	<b>2 065</b>	1 860	11.0%
Total costs	<b>(413)</b>	(378)	9.5%
EBITDA	<b>1 651</b>	1 482	11.4%
EBIT	<b>1 535</b>	1 434	7.1%
Financial results	<b>(261)</b>	(108)	142.8%
Profit before income tax	<b>1 274</b>	1 327	-3.9%
Income tax	<b>(280)</b>	(292)	-3.9%
Net profit	<b>994</b>	1 035	-3.9%

During the first quarter of 2023, total revenues from the Real Estate segment amounted to 2,065 thousand Euro, recording a 11.0% increase over the same period of 2022.

EBITDA in the Real Estate segment in the first three months of 2023 amounted to 1,651 thousand Euro, 11.4% higher than the amount recorded in the same period of the previous year.

EBIT amounted to 1,535 thousand Euro, representing an increase of 7.1% compared to the same period of 2022.

In the first quarter of 2023, the financial results of the Real Estate segment were negative by 261 thousand Euro, recording a growth of 142.8% when compared to the negative 108 thousand Euro in the same period of 2022.

The net profit of the Real Estate segment amounted to 994 thousand Euro and recorded a decrease of 3.9% compared to the same period of 2022.

## **INVESTMENTS AND INDEBTEDNESS**

The investments made by Ramada Group in the first quarter of 2023 amounted to approximately 132 thousand Euro.

Ramada Group's net nominal indebtedness on March 31, 2023 amounted to, approximately, 17 million Euro. As of December 31, 2022, the net nominal indebtedness amounted to, approximately, 26 million Euro.

### FUTURE PERSPECTIVES

Market instability and very high stocks along the distribution chain anticipate a second quarter with even more challenging external conditions than those seen in the first quarter.

Despite the price reduction, as a result, mainly, of the decrease in energy costs, demand has remained low, given the perception that prices remain high. The low demand coupled with the residual activity levels of the steel mills does not yet generate the necessary confidence to reinforce stocks.

The Special Steels activity started the installation of two Self-Consumption Production Units with a joint installed solar power of 0.5 MWp (additional to the Self-Consumption Production Unit with a capacity of 1MWp, whose installation was started in the course of 2022), and the Wire Drawing activity started the installation of 1 MWp (additional to the 3 MWp that are already installed), and is expected to be completed by the end of the second quarter of 2023.

Despite the challenging environment we are going through, we will continue our path of continuous improvement in search of greater efficiency, attentive, on the one hand, to the movements of the automotive industry and, on the other, to the management of sales and stock.

Oporto, May 25, 2023

The Board of Directors

### Glossary

EBIT: EBITDA + Amortization and depreciation

EBIT margin: EBIT / Total revenues

EBITDA: Profit before income tax, Financial results, Amortization and depreciation and Results related to investments

EBITDA margin: EBITDA / Total revenues

Financial results: Financial income - Financial expenses

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

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

Total costs: Cost of sales and production variation + External supplies and services + Payroll expenses + Other expenses + Provisions and impairment losses

Total revenues: Sales and services rendered + Other income



Shaping industry

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