



RAMADA

INVESTIMENTOS E INDÚSTRIA

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

Public Company

Earnings announcement 3rd Quarter of 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.

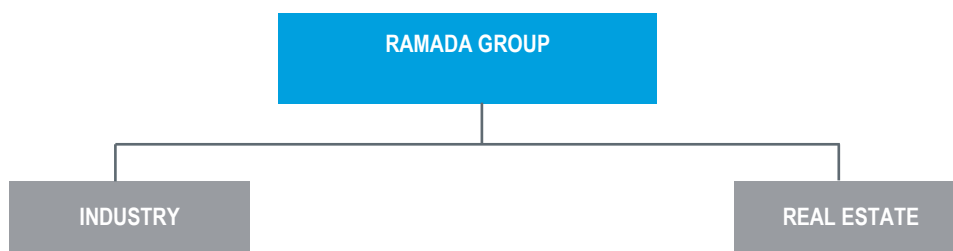
The Special Steels activity is developed by Ramada Aços, Universal Afir and Planfuro Global, which are dedicated to the distribution of special steels, steel for molds, the production of drawn steel, and to the rendering of services, namely, Machining and Heat Treatment, for two main application areas,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

In June 2023, the Group acquired the company Blau Stahl, Lda. (formerly known as Voestalpine High Performance Metals Portugal), whose activity focuses on Steel Cutting and Machining, as well as a strong competence in the manufacture of customized and assembled structures. This acquisition provides the activity of Special Steels with greater responsiveness in these areas of activity.

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:

Amounts in thousands of Euros	9M 2023	9M 2022	Var. %
Total revenues	110 860	159 302	-30.4%
Total costs	(96 777)	(134 526)	-28.1%
EBITDA	14 083	24 776	-43.2%
EBITDA margin	12.7%	15.6%	- 2.9 p.p.
Amortization and depreciation	(3 241)	(3 025)	7.1%
EBIT	10 843	21 751	-50.2%
EBIT margin	9.8%	13.7%	- 3.9 p.p.
Results related to investments	338	295	14.5%
Financial expenses	(2 072)	(1 029)	101.3%
Financial income	156	203	-23.1%
Profit before income tax	9 264	21 219	-56.3%
Income tax	(1 874)	(5 093)	-63.2%
Consolidated net profit	7 389	16 127	-54.2%
Net profit attributable to shareholders of the parent company	7 389	16 127	-54.2%

In the first nine months of 2023, total revenues of Ramada Group amounted to 110,860 thousand Euro, representing a 30.4% decrease over the total revenues recorded in the same period of 2022.

Total costs amounted to 96,777 thousand Euro, recording a 28.1% decrease when compared to the same period in the previous year.

EBITDA amounted to 14,083 thousand Euro, a decrease of 43.2% compared to the first nine months of 2022. EBITDA margin reached 12.7%, representing a decrease of 2.9 percentage points when compared to the same period of the previous year.

EBIT, in the amount of 10,843 thousand Euro, recorded a decrease of 50.2% when compared to 21,751 thousand Euro recorded in the first nine months of 2022.

The Financial results, in the amount of negative 1,916 thousand Euro, recorded a 131.8% increase over the same period of the previous year.

The consolidated net profit of the first nine months of 2023 amounted to 7,389 thousand Euro, decreasing 54.2% compared to the net profit of the same period of 2022.

INDUSTRY

Amounts in thousands of Euros	9M 2023	9M 2022	Var. %
Total revenues	104 728	152 389	-31.3%
Total costs	(95 641)	(132 256)	-27.7%
EBITDA	9 087	20 133	-54.9%
EBITDA margin	8.7%	13.2%	- 4.5 p.p.
EBIT	6 194	17 365	-64.3%
EBIT margin	5.9%	11.4%	- 5.5 p.p.
Results related to investments	338	295	14.5%
Financial results	(928)	(494)	87.8%
Profit before income tax	5 604	17 166	-67.4%
Income tax	(1 069)	(4 120)	-74.0%
Net profit	4 534	13 046	-65.2%

In the first nine months of 2023, total revenues from the Industry segment amounted to 104,728 thousand Euro, recording a decrease of 31.3% compared to total revenues of the same period of 2022.

The year 2023 began with a fall in the level of activity in the mould industry, which was reflected in a reduction in the turnover of the Special Steels, given the relationship of dependence with the behavior of this industry.

This trend continued in the third quarter, confirming what had already been seen in the first half of the year. Demand remained lower than in the same period last year, resulting in a drop in sales prices in practically all of the Group's business sectors. The metalworking sector continued to see a drop in activity, but it was in the plastic moulds sector that the greatest slowdown was felt.

Despite the slowdown in machining services compared to the previous year, the Group continues to focus on exports, investment in capacity and resources, and increasing the sale of material with services, as determining factors for the growth of this business, both on the conventional and customized side.

In the first nine months of 2023, sales of the Special Steels activity to the external market represented 9.6% of the turnover, whereas in the same period of 2022, exports represented 8.1% of sales. The Spanish market remained prominent, with significant growth in the German and French markets. The Group continues to focus on export growth and increasing its client portfolio to ensure less dependence on the domestic market in the future.

In terms of raw materials, prices fell in a generalized manner, predominantly in the area of moulds.

The Group continues to focus on the development of a Lean culture through the various Kaizen projects carried out over the last 2 years, and the work developed jointly with the Kaizen team. As a result of this commitment, Ramada Aços was recognized in 2023 with an honourable mention in the Analytics category in the 12th Edition of the KAIZEN™ Awards Portugal which, since 2011, distinguish national entities that stand out in the implementation of continuous improvement processes, with results and gains in profitability and growth.

Ramada Aços was also distinguished with the COTEC Innovative Status by COTEC Portugal, Association for Innovation, which aims to recognize companies that combine adequate financial strength, technological investment and investment in innovation to increase competitive potential and economic results, reinforcing the position of the Ramada Group.

The Special Steels activity concluded 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).

In the first nine months of 2023, the Wire Drawing activity registered a decrease in turnover, compared to the same period of the previous year, as a result of the slowdown in activity and, mainly, of 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 nine months of 2023 represented 64.9% of turnover, with emphasis on Spain, the USA and France. In the same period of 2022, exports represented 74.4% of turnover.

The Wire Drawing activity started the installation of 1 MWp (additional to the 3 MWp that are already installed), having been completed in July 2023.

EBITDA in the Industry segment amounted to 9,087 thousand Euro, representing a negative variation of 54.9% compared to the 20,133 thousand Euro recorded in the first nine months of 2022. EBITDA margin reached 8.7%, recording a decrease of 4.5 percentage points over the same period of 2022.

EBIT, in the amount of 6,194 thousand Euro, recorded a decrease of 64.3% compared to the 17,365 thousand Euro reached in the same period of 2022.

The net profit of the Industry segment in the first nine months of 2023, in the amount of 4,534 thousand Euro, represented a decrease of 65.2% compared to the net profit of the same period of 2022.

REAL ESTATE

Amounts in thousands of Euros	9M 2023	9M 2022	Var. %
Total revenues	6 132	6 913	-11.3%
Total costs	(1 136)	(2 270)	-50.0%
EBITDA	4 996	4 643	7.6%
EBIT	4 649	4 386	6.0%
Financial results	(989)	(333)	197.2%
Profit before income tax	3 660	4 053	-9.7%
Income tax	(805)	(973)	-17.2%
Net profit	2 855	3 081	-7.3%

During the first nine months of 2023, total revenues from the Real Estate segment amounted to 6,132 thousand Euro, recording a 11.3% decrease over the same period of 2022.

EBITDA in the Real Estate segment in the first nine months of 2023 amounted to 4,996 thousand Euro, 7.6% higher than the amount recorded in the same period of the previous year.

EBIT amounted to 4,649 thousand Euro, representing an increase of 6.0% compared to the same period of 2022.

The financial results of the Real Estate segment were negative by 989 thousand Euro, recording a variance of 197.2% when compared to the negative 333 thousand Euro in the same period of 2022.

In the first nine months of 2023, the net profit of the Real Estate segment amounted to 2,855 thousand Euro and recorded a decrease of 7.3% compared to the same period of 2022.

INVESTMENTS AND INDEBTEDNESS

The investments made by Ramada Group in the first nine months of 2023 amounted to approximately 1,200 thousand Euro.

Ramada Group's net nominal indebtedness on September 30, 2023 amounted to, approximately, 27 million Euro. As of December 31, 2022, the net nominal indebtedness amounted to, approximately, 26 million Euro.

FUTURE PERSPECTIVES

In the first nine months of 2023, there was a general downturn in the market, marked by price drops and high stocks throughout the distribution chain, and this is expected to continue until the end of the year.

This situation of instability has lasted for a longer period of time than has usually been the case in more adverse times. Despite the challenging environment we are going through, we will continue our path of continuous improvement in search of greater efficiency and the ability to manage opportunities to maintain the Group's profitability.

Oporto, November 16, 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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