



RAMADA

INVESTIMENTOS E INDÚSTRIA

RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.

Earnings announcement 1st Quarter 2024
(unaudited information)

23 May 2024

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

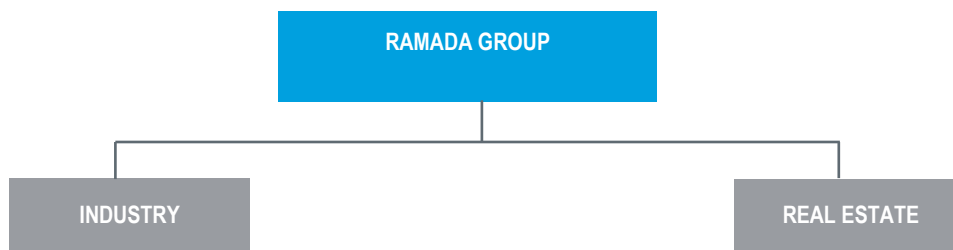
Ramada Investimentos is the parent company of a group of companies that together operate within two distinct business segments: i) Industry segment, which includes the activities of Special Steels and Wire Drawing, as well as the activity related to the management of financial investments, in which the 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, Planfuro Global and Blau Stahl, which are dedicated to the distribution of special steels, steel for moulds, the production of drawn steel, and to the rendering of services, namely, Machining and Heat Treatment, for two main application areas, namely, metalworking and moulds 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:

Amounts in thousands of Euros	1Q 2024	1Q 2023	Var. %
Total revenues	36 058	40 815	-11.7%
Total costs	(31 996)	(34 796)	-8.0%
EBITDA	4 063	6 019	-32.5%
EBITDA margin	11.3%	14.7%	- 3.4 p. p.
Amortization and depreciation	(1 253)	(1 208)	3.8%
EBIT	2 810	4 811	-41.6%
EBIT margin	7.8%	11.8%	-4.0 p. p.
Results related to investments	210	112	86.6%
Financial expenses	(671)	(634)	5.9%
Financial income	39	32	23.6%
Profit before income tax	2 388	4 322	-44.8%
Income tax	(470)	(909)	-48.3%
Consolidated net profit	1 918	3 413	-43.8%
Net profit attributable to shareholders of the parent company	1 918	3 413	-43.8%

Total revenues of Ramada Group in the first quarter of 2024 amounted to 36,058 thousand Euro, representing a decrease of 11.7% over the total revenues recorded in the same period of 2023.

Total costs amounted to 31,996 thousand Euro, recording a reduction of 8.0% over the same period of the previous year.

EBITDA amounted to 4,063 thousand Euro, a decrease of 32.5% over the amount recorded in the first quarter of 2023. EBITDA margin reached 11.3%, representing a reduction of 3.4 percentage points when compared to the same period of the previous year.

EBIT, in the amount of 2,810 thousand Euro, recorded a decrease of 41.6% when compared to 4,811 thousand Euro recorded in the first three months of 2023.

The Financial results, in the amount of negative 632 thousand Euro, recorded a 5.0% variation over the same period of the previous year.

The consolidated net profit recorded in the first quarter of 2024 in the amount of 1,918 thousand Euro, presented a decrease of 43.8% compared to the net profit of the same period of the previous year.

INDUSTRY

	1Q 2024	1Q 2023	Var. %
Amounts in thousands of Euros			
Total revenues	33 848	38 750	-12.7%
Total costs	(31 605)	(34 382)	-8.1%
EBITDA	2 243	4 368	-48.7%
EBITDA margin	6.6%	11.3%	- 4.7 p. p.
EBIT	1 144	3 276	-65.1%
EBIT margin	3.4%	8.5%	- 5.1 p. p.
Results related to investments	210	112	86.6%
Financial results	(250)	(340)	-26.7%
Profit before income tax	1 105	3 048	-63.8%
Income tax	(187)	(629)	-70.2%
Net profit	917	2 419	-62.1%

In the first quarter of 2024, total revenues from the Industry segment amounted to 33,848 thousand Euro, recording a decrease of 12.7% compared to total revenues of the same period of 2023.

In recent years, there has been widespread uncertainty in the areas of operation of the Ramada Group, namely in the moulds and metalworking sectors, which has been largely influenced by global political, economic and technological factors.

The volatility of raw material prices, international policies, the growing and increasingly constant oscillation between supply and demand, technological advances, environmental regulations and logistical difficulties have posed growing challenges for these sectors and for the business.

Despite this framework, in the first quarter of 2024 it was possible to identify some positive movements in the market. The Group was able to increase the sales volume compared to the same period last year, even if at lower prices. In recent months, however, there have been some signs of a recovery in prices, compared to the behaviour throughout 2023 and the first months of 2024, which is also a positive sign to consider.

The aforementioned growth in volume was notable in the more traditional metalworking markets, and most significant in the cold working tools industry, a sector strongly related to and influenced by the launch of new models in the automotive industry. However, this growth is not yet being matched by the Group's target market, the plastic moulding sector.

In the first quarter of 2024, sales of the Special Steels activity to the external market represented 12.6% of the turnover, whereas in the same period of 2023, exports represented 9.6% of sales. Europe continues to be the main destination for exports, with Brazil standing out in the first quarter of 2024.

In the first quarter of 2024, the Wire Drawing activity has also registered a decrease in turnover. Sales grew in quantity, but the average price was 16% lower than in the first quarter of 2023.

The Wire Drawing activity operates essentially for the foreign market, which, in the first quarter of 2024, represented 60.7% of turnover, with emphasis on Spain and the United States of America. In the first quarter of 2023, exports represented 66.2% of turnover.

EBITDA in the Industry segment amounted to 2,243 thousand Euro, representing a negative variation of 48.7% compared to the 4,368 thousand Euro recorded in the first quarter of 2023. EBITDA margin reached 6.6%, recording a decrease of 4.7 percentage points over the same period of 2023.

EBIT, in the amount of 1,144 thousand Euro, recorded a decrease of 65.1% compared to the 3,276 thousand Euro reached in the same period of 2023.

The net profit of the Industry segment in the first quarter of 2023, in the amount of 917 thousand Euro, represented a decrease of 62.1% compared to the net profit of the same period of 2023.

REAL ESTATE

Amounts in thousands of Euros	1Q 2024	1Q 2023	Var. %
Total revenues	2 210	2 065	7.1%
Total costs	(390)	(413)	-5.6%
EBITDA	1 820	1 651	10.2%
EBIT	1 665	1 535	8.5%
Financial results	(382)	(261)	46.2%
Profit before income tax	1 283	1 274	0.7%
Income tax	(282)	(280)	0.7%
Net profit	1 001	994	0.7%

During the first quarter of 2024, total revenues from the Real Estate segment amounted to 2,210 thousand Euro, recording a 7.1% increase over the same period of 2023.

EBITDA in the Real Estate segment in the first three months of 2024 amounted to 1,820 thousand Euro, 10.2% higher than the amount recorded in the same period of the previous year.

EBIT amounted to 1,665 thousand Euro, representing an increase of 8.5% compared to the same period of 2023.

In the first quarter of 2024, the financial results of the Real Estate segment were negative by 382 thousand Euro, recording a variance of 46.2% when compared to the negative 261 thousand Euro recorded in the same period of 2023.

The net profit of the Real Estate segment amounted to 1,001 thousand Euro and recorded an increase of 0.7% compared to the first quarter of 2023.

INVESTMENTS AND INDEBTEDNESS

The investments made by Ramada Group during the first quarter of 2024 amounted to approximately 240 thousand Euro.

Ramada Group's net nominal indebtedness on March 31, 2024 amounted to, approximately, 21 million Euro. As of December 31, 2023, the net nominal indebtedness amounted to, approximately, 30 million Euro.

FUTURE PERSPECTIVES

The first quarter of 2024 was marked by signs of instability in the automobile industry, as it has become clear that the market for electric vehicles is not taking off as much as expected, and also by the possibility that the European authorities will consider postponing the deadline for the sale of combustion cars.

Taking into account the current context of the European economy, we continue on our path of continuous improvement in the search for greater efficiency, the profitability of operations and the maximization of free cash flow.

SUBSEQUENT EVENTS

On May 12 and 14, 2024, the Ramada Group informed the market that, on May 10, 2024, an agreement was signed with 1 Thing Investments, S.A., for the sale to this company of the wholly owned subsidiary Ramada Aços, S.A. and its subsidiaries.

This transaction represents a cash inflow of approximately 71 million Euros (including a distribution to be made prior to completion of the transaction), with an estimated capital gain of around 20 million Euros, taking into account (i) the fixed price, (ii) the provisional unaudited data on the net assets of Ramada Aços, S.A. and its subsidiaries as at March 31, 2024, and (iii) the distribution to be made prior to completion of the transaction. The transaction implies an Enterprise Value/EBITDA multiple close to 7.4x, considering EBITDA for the 2023 financial year.

Completion of the transaction may be subject to prior notification to the Competition Authority, under the terms of the competition law. In any case, it is estimated that completion will take place during the first half of 2024.

Oporto, May 23, 2024

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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