



**RAMADA**  
INVESTIMENTOS E INDÚSTRIA

## Earnings Announcement

3<sup>rd</sup> Quarter 2019

(unaudited)

This document is a translation of a document originally issued in Portuguese, prepared using accounting policies consistent with the International Financial Reporting Standards and in accordance with the International Accounting Standard 34, 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.



**80 YEARS**  
Investing in industry

### GRUPO RAMADA – BUSINESS PROFILE

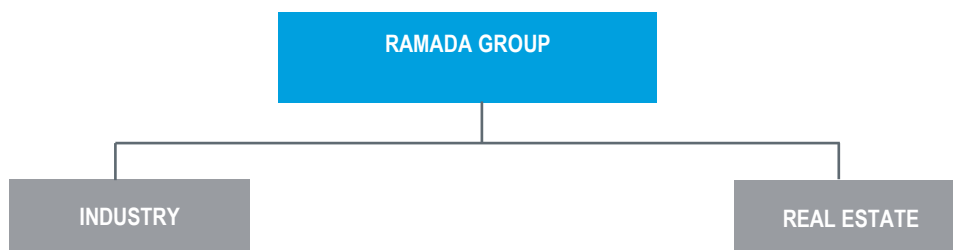
Ramada Investimentos is the parent company of a group of companies that together operate within two distinct business segments: i) Industry Segment, which includes the activity of special steels and wire drawing, as well as the activity related to the management of financial investments in which the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

Socitrel's 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 participation held in Consumo em Verde - Biotecnologia das Plantas, S.A..

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



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

### INCOME STATEMENT

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

	9M 2019	9M 2018	Var. %
Sales and services rendered	86 504	97 895	-11.6%
Other income	463	484	
<b>Total revenue</b>	<b>86 966</b>	<b>98 379</b>	<b>-11.6%</b>
Cost of sales	(54 161)	(59 288)	-8.6%
External supplies and services	(11 082)	(13 011)	-14.8%
Payroll expenses	(9 797)	(10 372)	-5.6%
Other expenses	(437)	(838)	-47.9%
<b>Total Costs (a)</b>	<b>(75 477)</b>	<b>(83 510)</b>	<b>-9.6%</b>
<b>EBITDA (b)</b>	<b>11 490</b>	<b>14 868</b>	<b>-22.7%</b>
<b>EBITDA Margin</b>	<b>13.2%</b>	<b>15.1%</b>	
Amortization and depreciation	(3 246)	(4 261)	-23.8%
<b>EBIT (c)</b>	<b>8 244</b>	<b>10 607</b>	<b>-22.3%</b>
<b>EBIT Margin</b>	<b>9.5%</b>	<b>10.8%</b>	
Financial expenses	(1 203)	(1 281)	-6.1%
Financial income	141	26	446.1%
<b>Net profit before income tax from continuing operations</b>	<b>7 181</b>	<b>9 352</b>	<b>-23.2%</b>
Income tax	(1 454)	(2 238)	
<b>Net profit after tax from continuing operations</b>	<b>5 727</b>	<b>7 113</b>	<b>-19.5%</b>
Net profit after tax income from discontinued operations	0	60 214	-100.0%
<b>Consolidated net profit</b>	<b>5 727</b>	<b>67 327</b>	<b>-91.5%</b>

(Amounts in thousands of Euro)

(a) Operating costs excluding depreciation and amortization, financial costs and income taxes

(b) EBITDA = earnings before financial results, taxes on income, amortization and depreciation

(c) EBIT = earnings before financial results and taxes on income

During the first nine months of 2019, total revenues of Ramada Group amounted to 86,966 thousand Euro, presenting a 11.6% decrease over the total revenues recorded in the same period of 2018.

Total costs, excluding amortizations, financial results and income taxes, amounting to 75,477 thousand Euro, recorded a 9.6% decrease over September 2018.

EBITDA amounted to 11,490 thousand Euro, 22.7% lower when compared to the first nine months of 2018. EBITDA margin amounted 13.2%, which compares with 15.1% recorded in the same period of 2018.

Operating income (EBIT), in the amount of 8,244 thousand Euro, recorded a decrease of 22.3% when compared to 10,607 thousand Euro in 2018.

The negative financial results, in the amount of 1,062 thousand Euro, recorded a 15.4% increase over the same period of the previous year.

During the first nine months of 2019, consolidated net profit amounted to 5,727 thousand Euro, being 67,327 thousand Euro in the same period of 2018.

## INDUSTRY SEGMENT

	9M 2019	9M 2018	Var. %
Total Revenues	81 661	93 069	-12.3%
Total Costs (a)	74 425	82 405	-9.7%
EBITDA ( b)	7 237	10 664	-32.1%
EBITDA Margin	8.9%	11.5%	
EBIT (c)	4 196	6 577	-36.2%
EBIT Margin	5.1%	7.1%	
Financial results	(469)	(626)	-25.0%
<b>Net profit before income tax from continuing operations</b>	<b>3 727</b>	<b>5 951</b>	<b>-37.4%</b>
Income tax	694	1 388	-50.0%
<b>Net profit from continuing operations</b>	<b>3 033</b>	<b>4 563</b>	<b>-33.5%</b>
Net profit from discontinued operations	0	60 214	-100.0%
<b>Consolidated net profit</b>	<b>3 033</b>	<b>64 777</b>	<b>-95.3%</b>

(Amounts in thousands of Euro)

(a) Operating costs excluding depreciation and amortization, financial costs and income taxes

(b) EBITDA = earnings before financial results, taxes on income, amortization and depreciation

(c) EBIT = earnings before financial results and taxes on income

In the first nine months of 2019, total revenues from the Industry segment amounted to 81,661 thousand Euro, recording a 12.3% decrease over total revenues of the same period of 2018.

The EBITDA of the Industry segment achieved 7,237 thousand Euro, decreasing 32.1% over the first nine months of 2018.

EBITDA margin amounted to 8.9%, that compares with 11.5% recorded in the previous year.

Operational income (EBIT), in the amount of 4,196 thousand Euro, recorded a 36.2% decrease over the 6,577 thousand Euro in the same period of 2018.

In the first nine months of 2019, the steel business recorded a decrease in turnover when compared to the homologous period of the previous year.

After a semester marked by market uncertainties and business difficulties due to market stagnation, the third quarter began better.

In this context, exports made an important contribution, reflecting the commercial effort that has been made at a international level.

The steel business is mainly developed in the domestic market which, in the first three months of 2019, accounted for 93% of turnover.

In the first nine months of 2019, Socitrel recorded a turnover decrease over the same period of 2018.

The market is keeping an intense supply pressure in all products, having as a consequence a decrease in price and in gross margin.

Socitrel operates mainly in the foreign market, which in the first nine months of 2019 represented 61% of turnover, with Europe being the major target market.

### **REAL ESTATE SEGMENT**

	9M 2019	9M 2018	Var. %
Total revenues	5 305	5 310	-0.1%
Total costs (a)	1 052	1 106	-4.9%
EBITDA ( b )	4 253	4 204	1.2%
EBIT (c)	4 048	4 030	0.4%
Financial results	(593)	(630)	-5.8%
Net profit before income tax	3 455	3 400	1.6%

(Amounts in thousands of Euro)

(a) Operating costs excluding depreciation and amortization, financial costs and income taxes

(b) EBITDA= earnings before financial results, taxes on income, amortization and depreciation

(c) EBIT = earnings before financial results and taxes on income

In the first nine months of 2019, total revenues of the Real Estate segment amounted to 5,305 thousand Euro, reaching the same level of 2018.

Income from long-term leases of forest land represent approximately 90% of total Real Estate revenues.

During the first nine months of 2019, EBITDA of the Real Estate segment amounted to 4,253 thousand Euro, recording a 1.2% increase over the same period of 2018. The operational profit (EBIT), in the amount of 4,048 thousand Euro, achieved a slightly increase comparatively to the same period of 2018.

The financial results of the Real Estate segment were negative by 593 thousand Euro, recording a 5.8% increase over the negative 630 thousand Euro recorded in the same period of 2018.

During the first nine months of 2019, profit before taxes for the Real Estate segment amounted to 3,455 thousand Euro, 1.6% higher than the recorded in the same period of 2018.

**INVESTMENTS AND DEBT**

Ramada Group's investments, during the first nine months of 2019, amounted to, approximately, 1,720 thousand Euro.

As of 30 September 2019, the nominal net debt amounted to 27,166 thousand Euro. As of 31 December 2018, this amount was 21,375 thousand Euro.

Oporto, November 7, 2019

The Board of Directors



Shaping industry

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