



**ROMI**®

A TRADITION OF INNOVATION



## 4Q13 Earnings Release

February 12, 2014

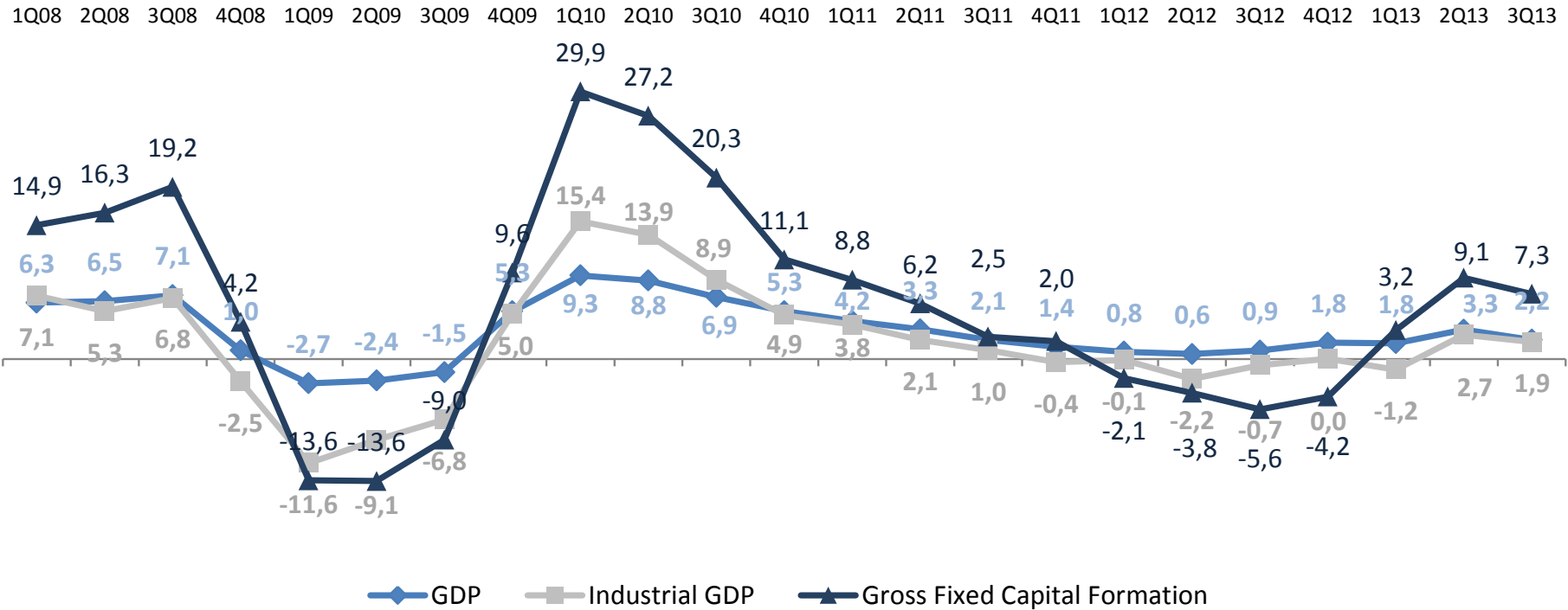


*This release contains forward-looking statements subject to risks and uncertainties. Such forward-looking statements are based on the management's beliefs and assumptions on information currently available to the Company. The reservations as to forward-looking statements also apply to information on possible or presumed operating results, as well as any statements preceded, followed or including words such as "believes", "may", "will", "expects", "intends", "plans", "estimates" or similar expressions. Forward-looking statements are not performance guarantees; they involve risks, uncertainties and assumptions because they refer to future events and, therefore, depend on circumstances which may or may not occur. Future results may differ materially from those expressed or suggested by forward-looking statements. Many of the factors which will determine these results and figures are beyond Romi's control or prediction capacity.*



- Continuing Operations reach **EBITDA of R\$ 31.4 million**, with a margin of 16.2%, for 4Q13
- Net operating revenue from Continuing Operations reached R\$ 667.4 million for 2013, a **growing of 11.4% from 2012**.
- **Gross margin** from Continuing Operations reached 32.6% for 4Q13 (vs. 28.3% for 3Q13 and 24.2% for 4Q12), keeping up the recovery observed in recent quarters.
- **Profit from Continuing Operations was R\$ 26.4 million for 2013** (R\$ 22.3 million loss in 2012).
- Taking Continuing and Discontinued Operations into account, the Company achieved a **profit of R\$ 1.8 million for 2013** (R\$ 37.4 million loss in 2012).
- Over the course of 2013, the **Company's net debt has been consistently diminishing**, with a R\$ 44.7 million decrease between January and December.
- The volume of **order entry in the year was up 11.8%** from 2012, reaching R\$ 796.3 million.

# Economic Indexes – Conjunctural Indicators



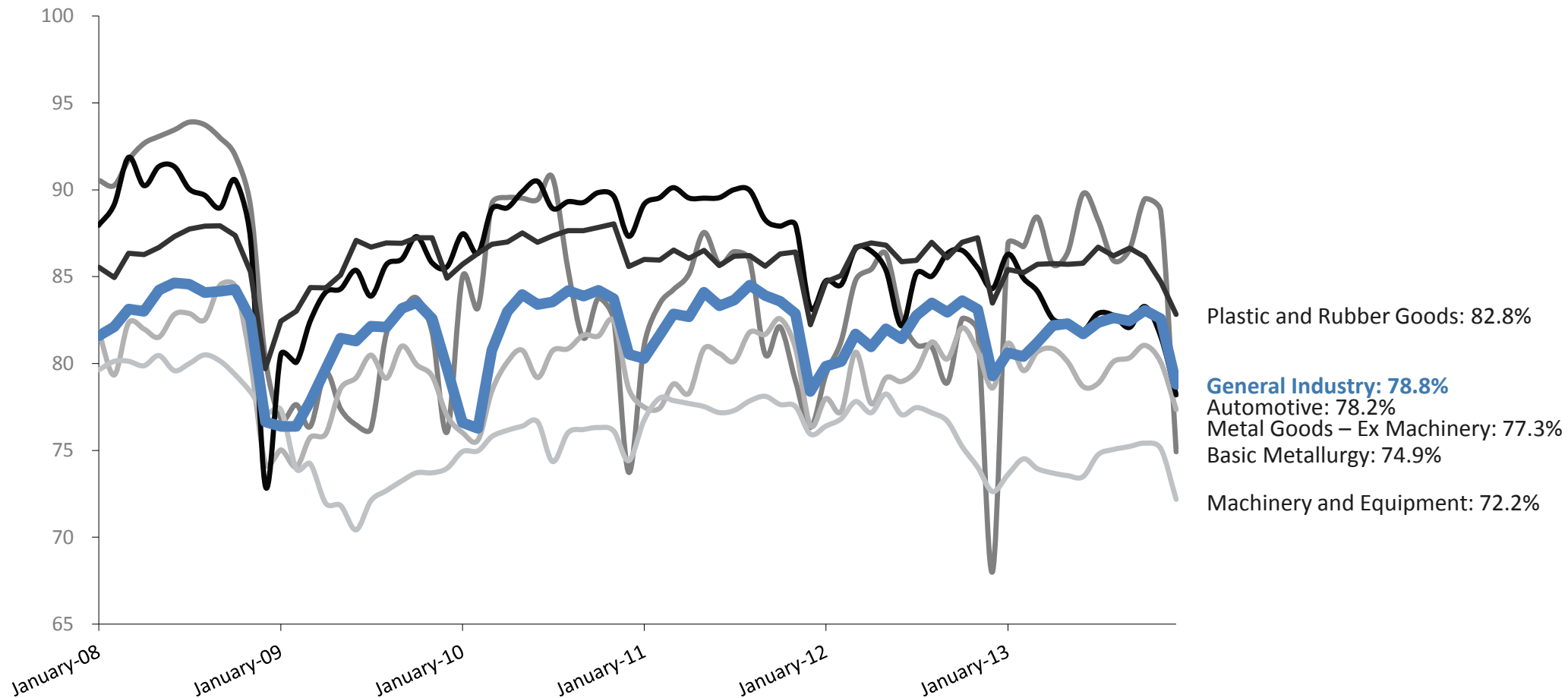
Source: IBGE (quarter this year vs. quarter last year)

# Economic Indexes

## Level of Activity Index (December, 2013)



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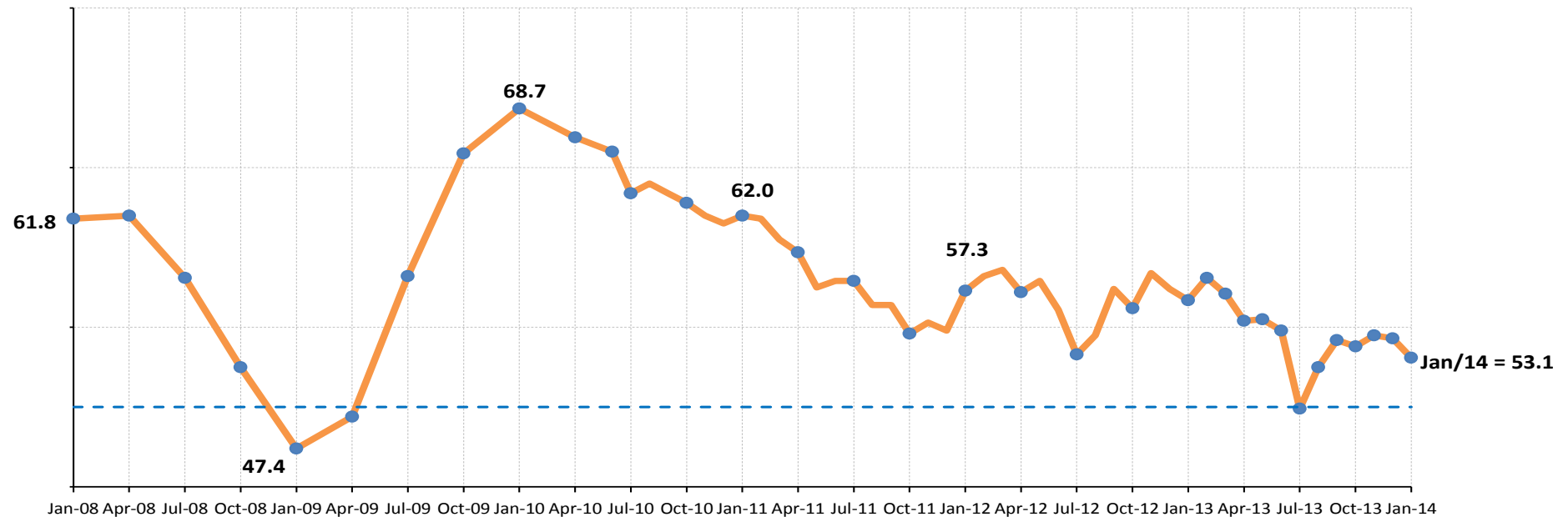


Source: Fiesp -INA Activity Level Indicator - NUCI ( Level of Utilization of Installed Capacity)

# Economic Indexes – Industrial Entrepreneurs Confidence Index



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Source: CNI - ICEI (Business Confidence Index)



## Machine Tools



Net Operating Revenues Distribution

	2013	2012
Job Shops	19%	25%
Machines and Equipments	16%	11%
Automotive	12%	13%
Technical Schools	9%	11%
Agricultural Equipment	8%	5%
Tooling	5%	5%
Others	31%	30%

## Plastic Machines



Net Operating Revenues Distribution

	2013	2012
Packaging	26%	24%
Automotive	15%	8%
Furniture	10%	5%
Home Appliances	8%	9%
Job Shops	8%	13%
Others	33%	41%

## Raw and Machined Cast Iron Parts

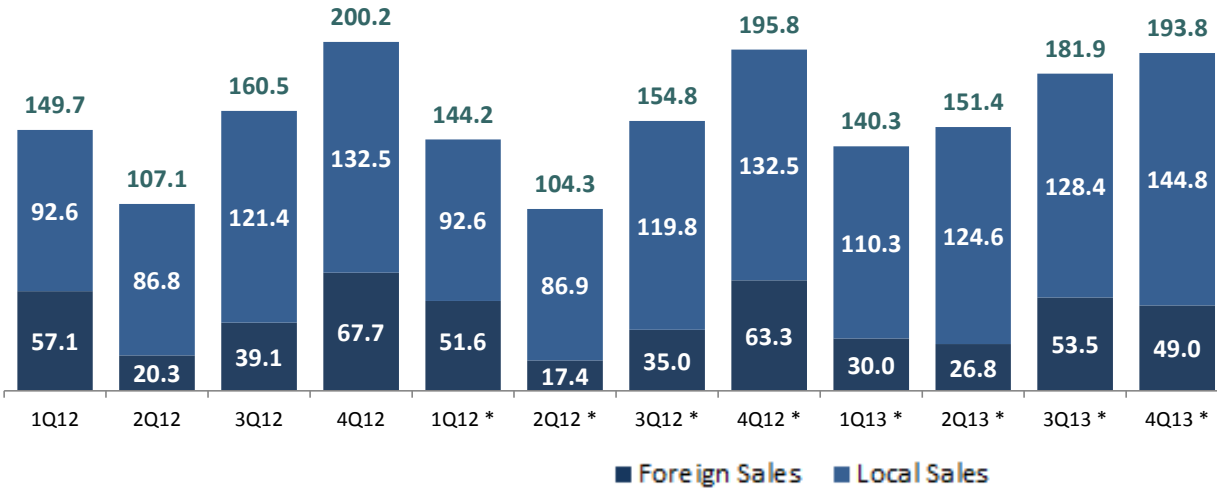
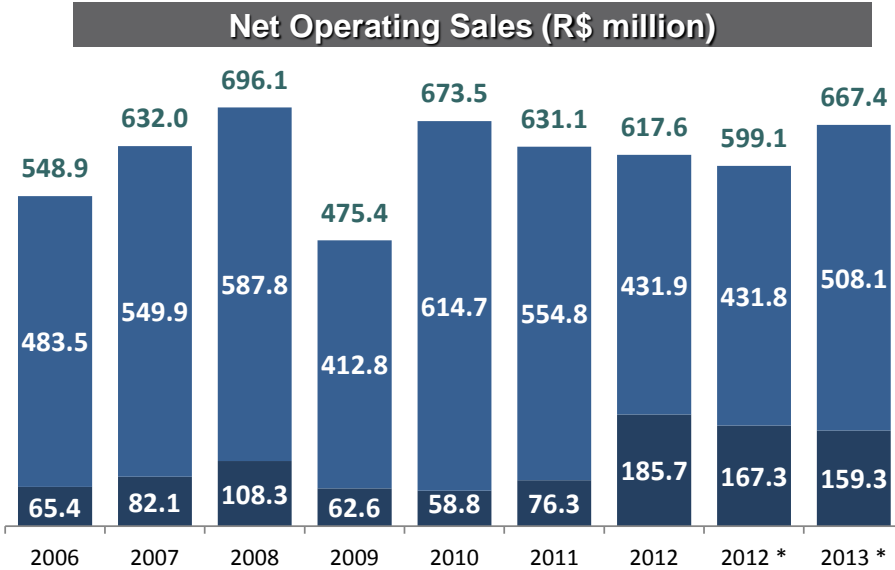
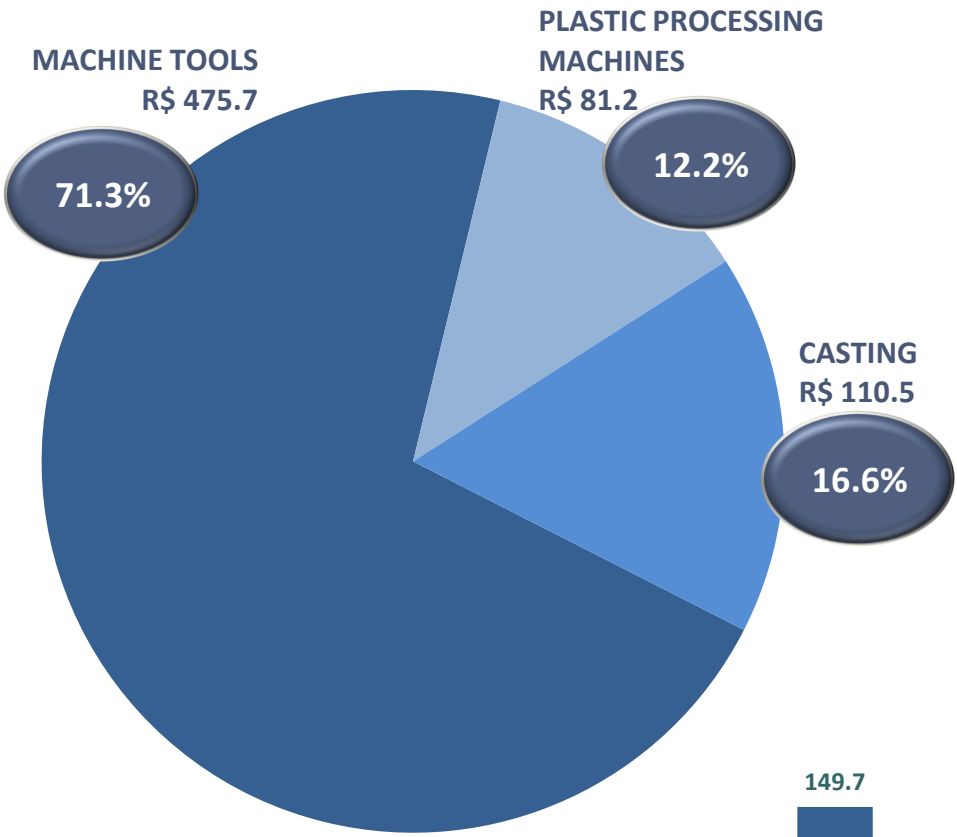


Net Operating Revenues Distribution

	2013	2012
Automotive - Trucks	39%	41%
Wind Power	33%	26%
Agriculture	23%	20%
Others	5%	13%

# Net Sales per Business Unit

## 2013 – Continued Operations

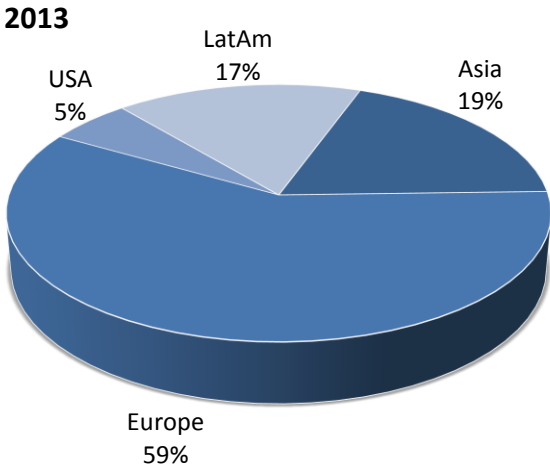
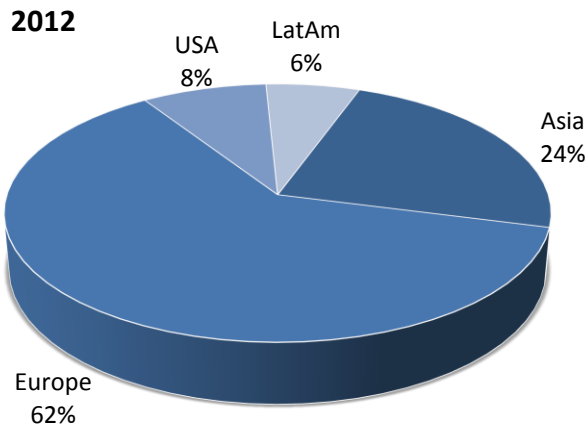


Since 1Q12 B+W's revenues became part of the revenues of the foreign market

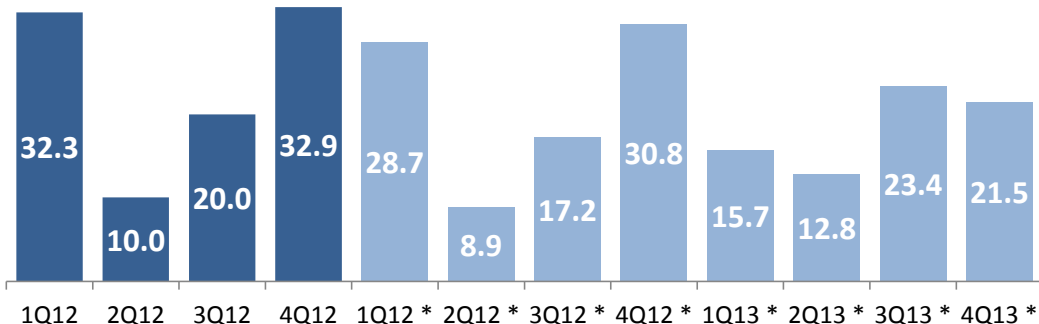
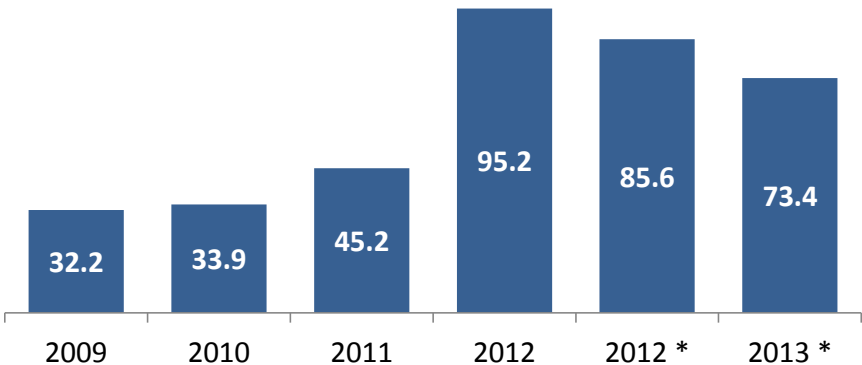
\* Amounts relating to continued operations, excluding the revenue from the subsidiary Romi Italia, which are presented as discontinued operations.



## Sales Destination



## Foreign Sales – US\$ million



\* Amounts relating to continued operations, excluding the revenue from the subsidiary Romi Italia, which are presented as discontinued operations.



<b>Order Entry (R\$ 000)</b> Gross Values, sales taxes included	4Q12	1Q13	2Q13	3Q13	4Q13	Chg % 4Q13/4Q12	Chg % 4Q13/3Q13
Machine Tools	155,800	84,479	173,368	144,518	119,676	-23.2%	-17.2%
Plastic Machines	32,148	25,462	45,484	25,686	35,170	9.4%	36.9%
Rough and Machined Cast Iron Parts	16,272	43,071	37,495	35,949	25,940	59.4%	-27.8%
<b>Total</b>	<b>204,220</b>	<b>153,012</b>	<b>256,347</b>	<b>206,154</b>	<b>180,786</b>	<b>-11.5%</b>	<b>-12.3%</b>

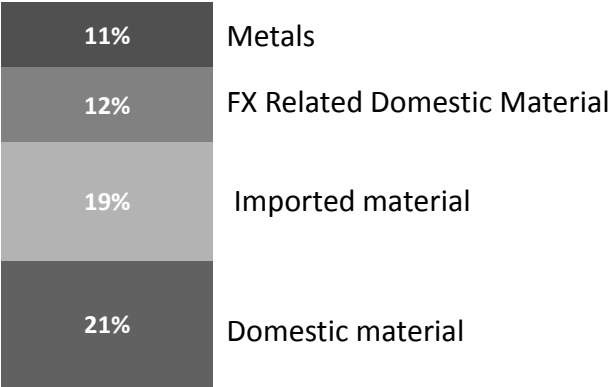
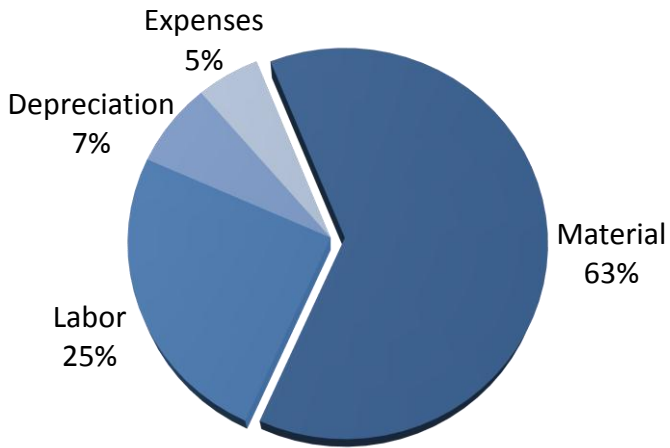
<b>Order Entry (R\$ 000)</b> Gross Values, sales taxes included	2012	2013	Chg % 2013/2012
Machine Tools	508,934	522,041	2.6%
Plastic Machines	97,087	131,803	35.8%
Rough and Machined Cast Iron Parts	106,254	142,455	34.1%
<b>Total</b>	<b>712,275</b>	<b>796,299</b>	<b>11.8%</b>

<b>Order Book (R\$ 000)</b> Gross Values, sales taxes included	4Q12	3Q13	4Q13	Chg % 4Q13/4Q12	Chg % 4Q13/3Q13
Machine Tools	210,390	254,591	238,522	13.4%	-6.3%
Plastic Machines	33,249	49,219	41,345	24.3%	-16.0%
Rough and Machined Cast Iron Parts	24,180	35,505	29,556	22.2%	-16.8%
<b>Total</b>	<b>267,820</b>	<b>339,315</b>	<b>309,423</b>	<b>15.5%</b>	<b>-8.8%</b>

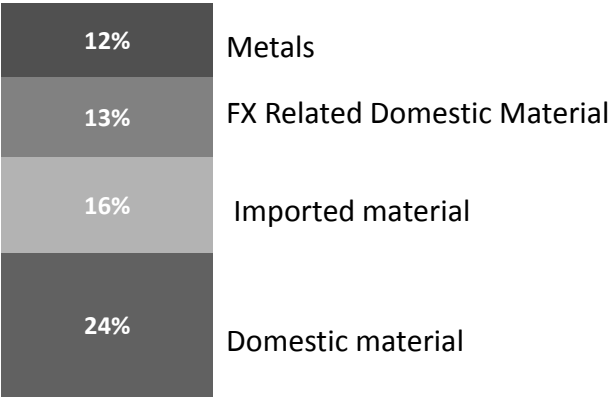
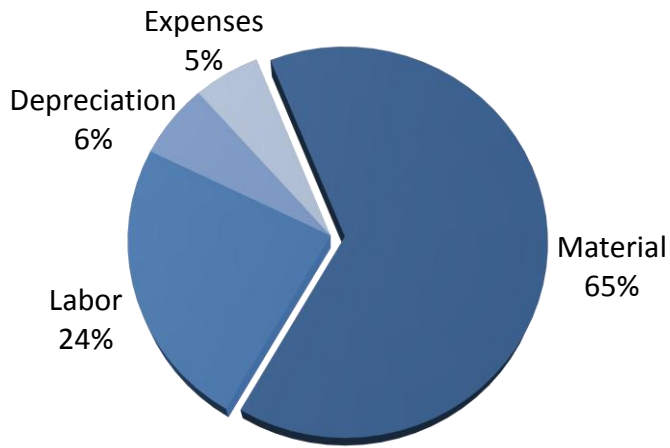
# Cost of Goods Sold



2012

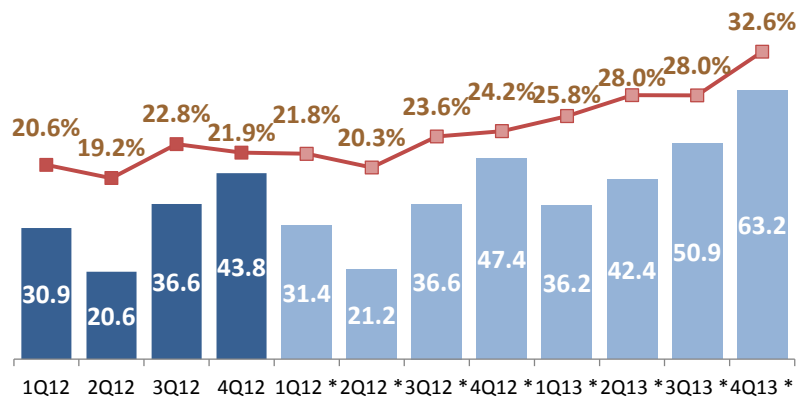


2013

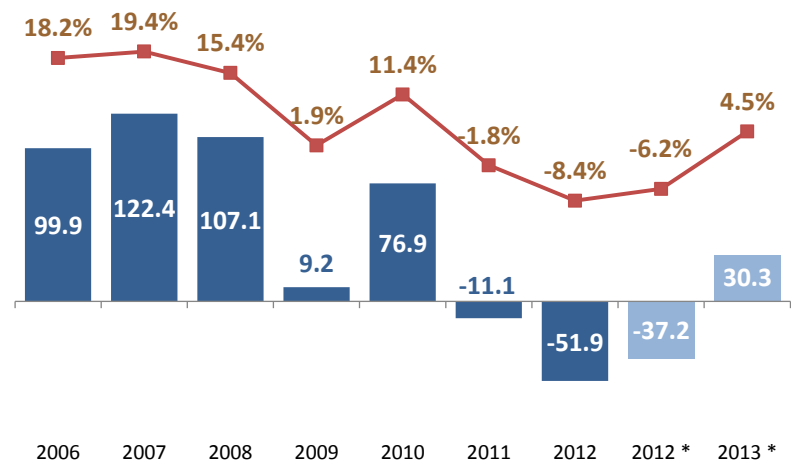
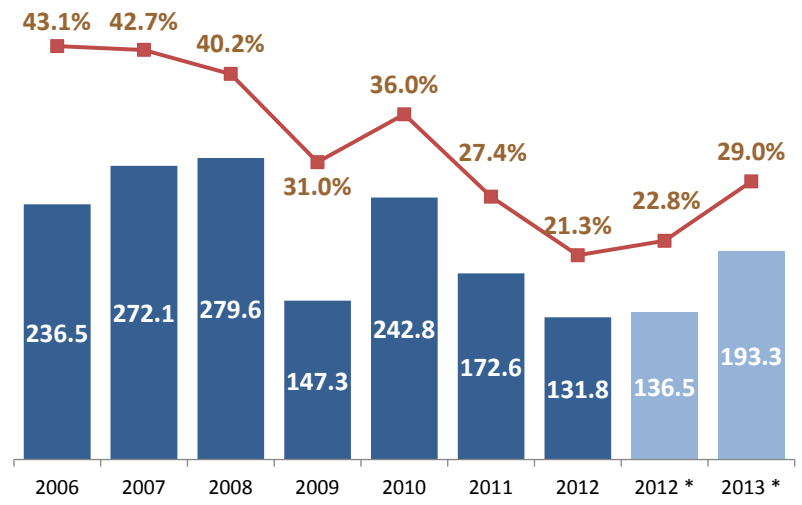
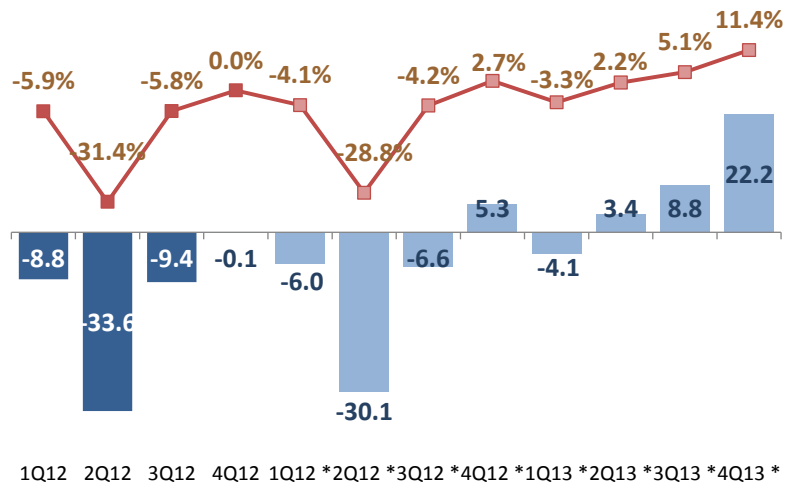




Gross Profit (R\$ million) and Gross Margin



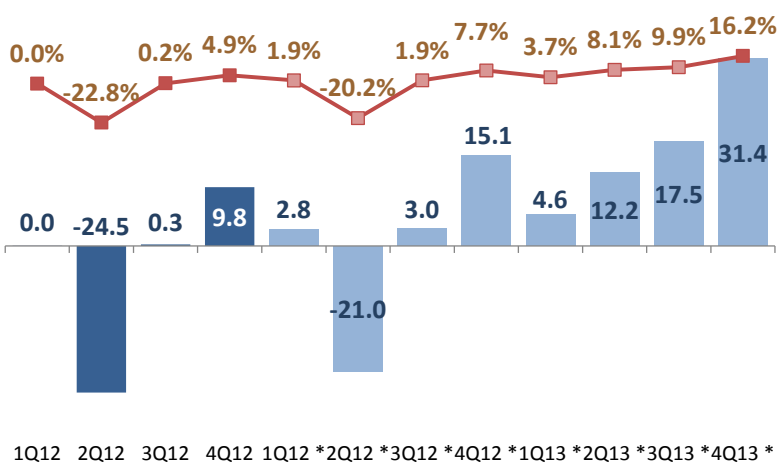
Operating Profit (R\$ million) and Operating Margin



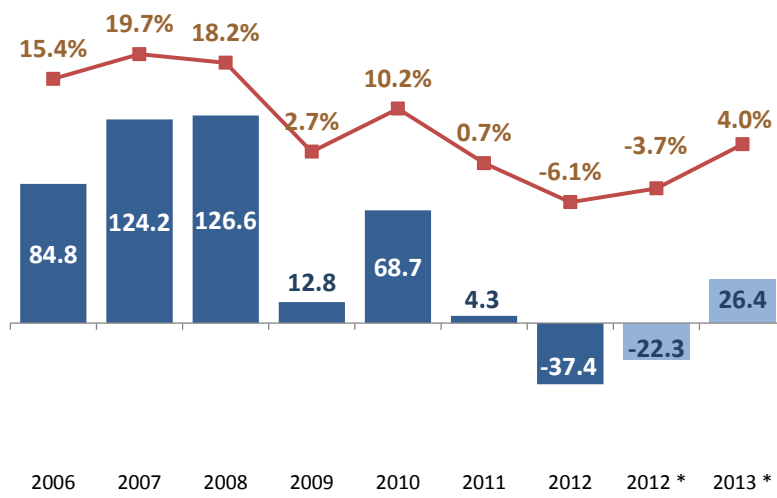
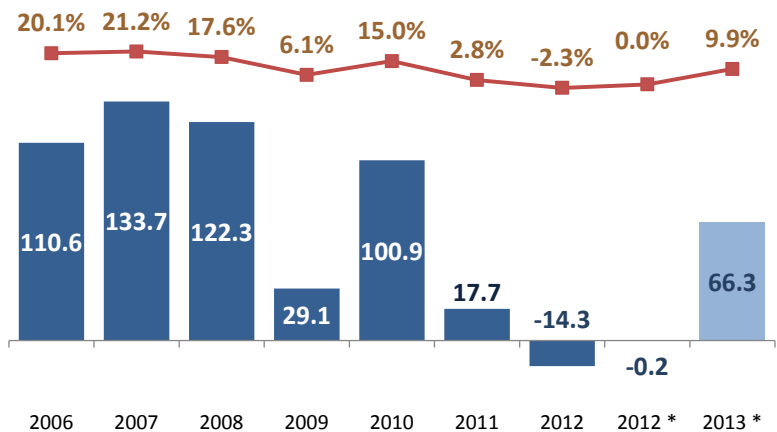
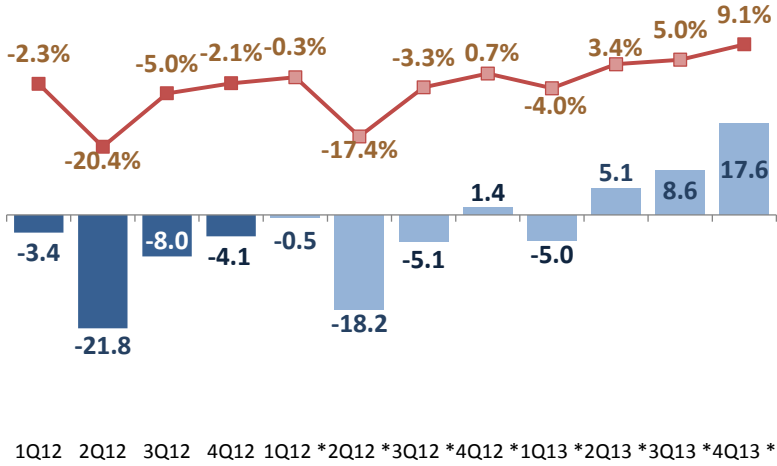
\* Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia, which are presented as discontinued operations



EBITDA (R\$ million) and EBITDA Margin



Net Income (R\$ million) and Net Margin



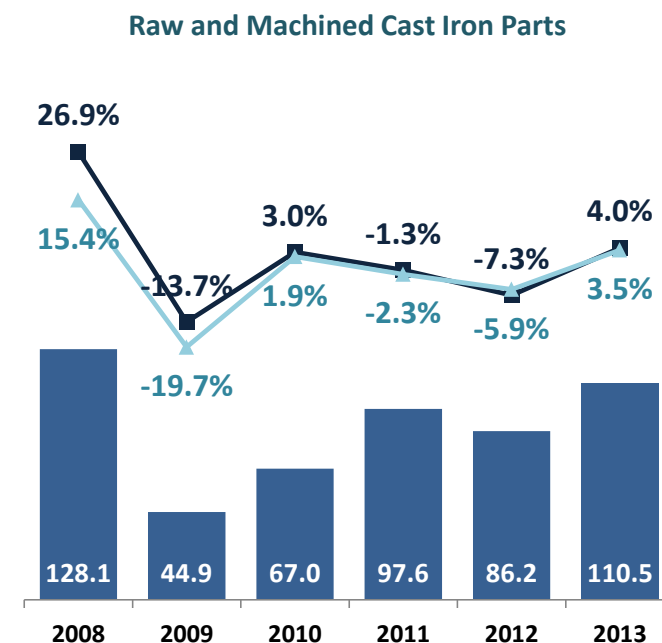
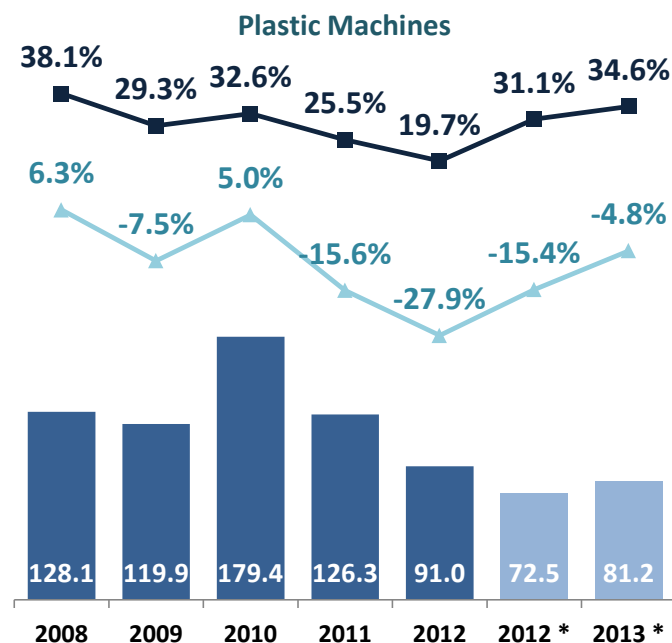
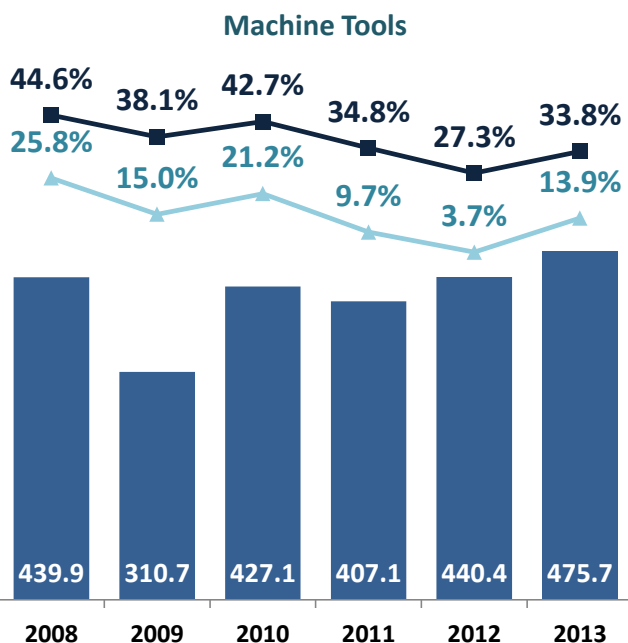
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# Business Units' Results



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Sales	Quarter								2012	2013
	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13		
Machine Tools (units)	257	311	443	480	399	304	367	443	1,491	1,513
Plastic Machines (units)	44	43	60	74	50	61	49	60	221	220
Rough and Machined Cast Iron Parts (ton.)	3.515	3.092	3.561	3.361	3.598	4.436	4.991	4.475	13,529	17,500



■ Net Revenues    ■ Gross Margin    ▲ EBITDA Margin

\* Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia, which are presented as discontinued operations

# Cash Position



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## Cash and Cash Equivalent – R\$ million – 12/31/2013

	Amount
Bank Deposit Certificate (CDB)	68.7
Financial Investment with Bonds	7.9
Banks	30.6
<b>Total</b>	<b>107.2</b>

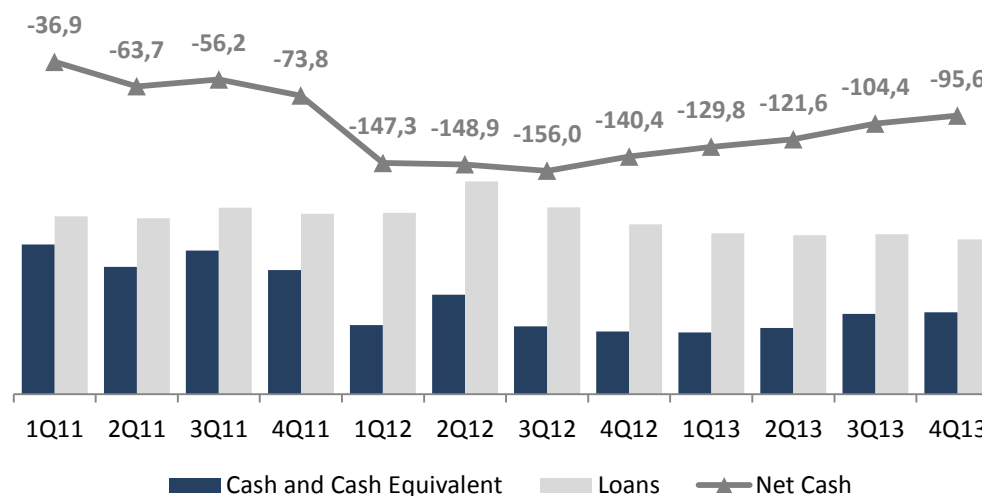
**Net Debt = 95.6**

## Loans\* – R\$ million – 12/31/2013

	Amount
2014	54.2
2015	87.4
2016	27.5
2017	15.6
2018 and afterwards	18.1
<b>Total</b>	<b>202.9</b>

(\*) without Finame Manufacturer

## Net Cash (Debt) Position

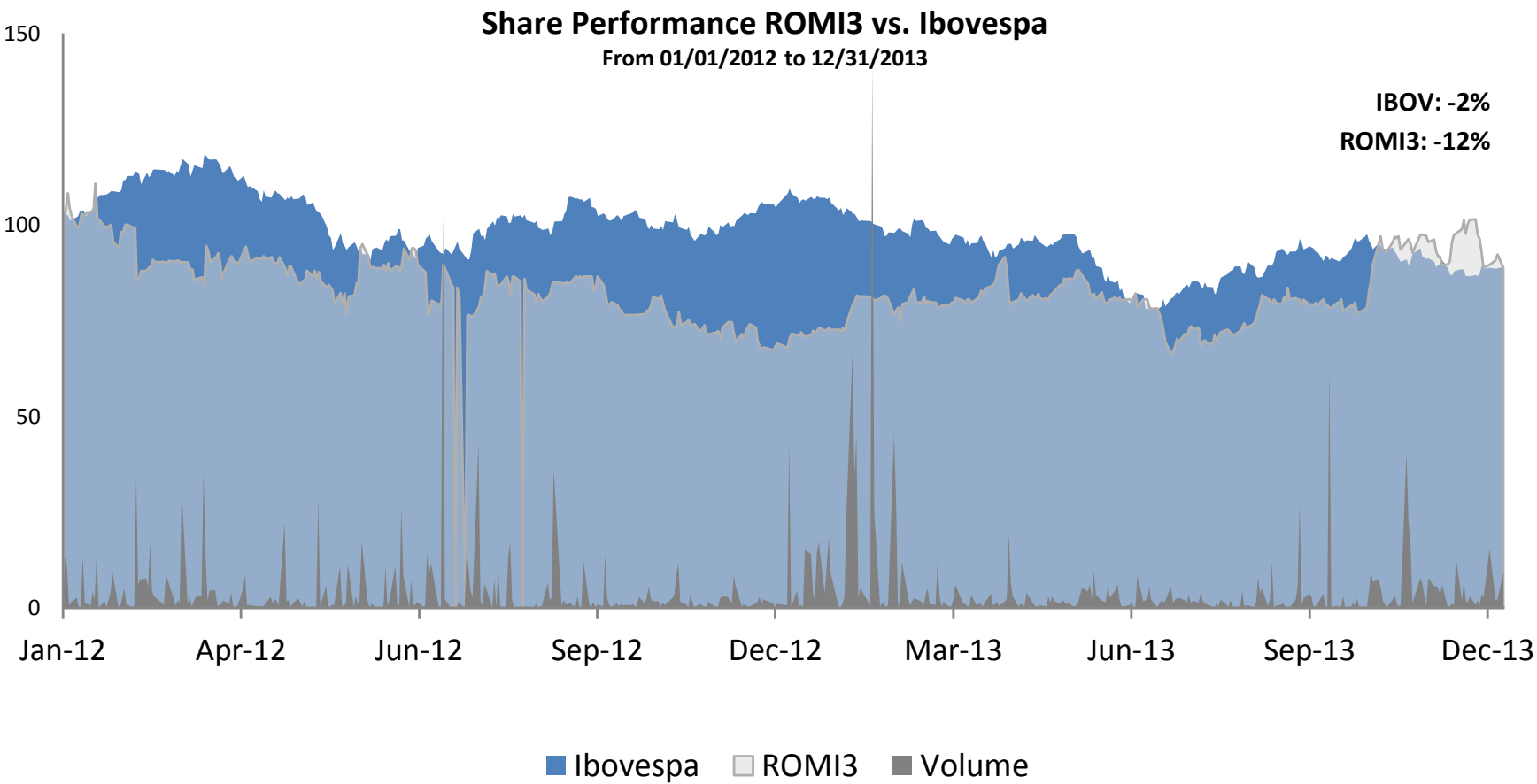




€ 000

	4Q12	3Q13	4Q13 *	Chg % 4T/4T	Chg % 4T/3T	2012	2013 *	Chg % 13/12
<b>Net Operating Revenue</b>	<b>19.598</b>	<b>14.964</b>	<b>12.944</b>	<b>(34,0)</b>	<b>(13,5)</b>	<b>47.863</b>	<b>42.828</b>	<b>(10,5)</b>
Cost of Goods Sold	(15.602)	(11.193)	(9.233)	(40,8)	(17,5)	(39.704)	(32.415)	(18,4)
<b>Gross Profit</b>	<b>3.997</b>	<b>3.771</b>	<b>3.711</b>	<b>(7,1)</b>	<b>(1,6)</b>	<b>8.159</b>	<b>10.413</b>	<b>27,6</b>
<i>Gross Margin %</i>	<i>20,4%</i>	<i>25,2%</i>	<i>28,7%</i>			<i>17,0%</i>	<i>24,3%</i>	
<b>Operating Income (Expenses)</b>	<b>(2.272)</b>	<b>(2.077)</b>	<b>(2.011)</b>	<b>(11,5)</b>	<b>(3,2)</b>	<b>(4.124)</b>	<b>(7.551)</b>	<b>83,1</b>
Selling expenses	(1.027)	(834)	(778)	(24,3)	(6,7)	(2.639)	(2.917)	10,5
General and administrative expenses	(1.245)	(1.243)	(1.233)	(1,0)	(0,8)	(4.720)	(4.635)	(1,8)
Other operating income, net	-	-	-	-	-	3.235	-	(100,0)
<b>Operating Income before Financial Results</b>	<b>1.725</b>	<b>1.694</b>	<b>1.701</b>	<b>(1,4)</b>	<b>0,4</b>	<b>4.034</b>	<b>2.861</b>	<b>(29,1)</b>
<i>Operating Margin %</i>	<i>8,8%</i>	<i>11,3%</i>	<i>13,1%</i>			<i>8,4%</i>	<i>6,7%</i>	
<b>Financial Results, Net</b>	<b>(45)</b>	<b>(69)</b>	<b>(76)</b>	<b>68,2</b>	<b>10,5</b>	<b>(239)</b>	<b>(295)</b>	<b>23,6</b>
<b>Operating Income</b>	<b>1.679</b>	<b>1.625</b>	<b>1.624</b>	<b>(3,3)</b>	<b>(0,1)</b>	<b>3.796</b>	<b>2.566</b>	<b>(32,4)</b>
Income tax and social contribution	(210)	(230)	(546)	160,0	-	12	(812)	(6.900,3)
<b>Net income</b>	<b>1.469</b>	<b>1.396</b>	<b>1.078</b>	<b>(26,6)</b>	<b>(22,7)</b>	<b>3.807</b>	<b>1.754</b>	<b>(53,9)</b>
<i>Net Margin %</i>	<i>7,5%</i>	<i>9,3%</i>	<i>8,3%</i>			<i>8,0%</i>	<i>4,1%</i>	
<b>EBITDA</b>	<b>2.448</b>	<b>2.086</b>	<b>2.246</b>	<b>(8,3)</b>	<b>7,7</b>	<b>5.687</b>	<b>4.725</b>	<b>(16,9)</b>
Net income / loss	1.469	1.396	1.078	(26,6)	(22,7)	3.807	1.754	(53,9)
Income tax and social contribution	210	230	546	160,0	-	(12)	812	(6.900,3)
Financial Results, Net	45	69	76	68,2	10,5	239	295	23,6
Depreciation	724	392	546	(24,6)	39,3	1.653	1.863	12,7
<i>EBITDA Margin %</i>	<i>12,5%</i>	<i>13,9%</i>	<i>17,4%</i>			<i>11,9%</i>	<i>11,0%</i>	

\* Of the amount of € 12.9 million attributed to B+W for the quarter, € 2.5 million represents sales of equipment manufactured by B+W for Romi's plant in Brazil. For consolidation purpose for both 4Q13 and full-year 2013, the results from this transaction between the group's companies was disregarded.



Source: BM&FBovespa



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