



ROMI

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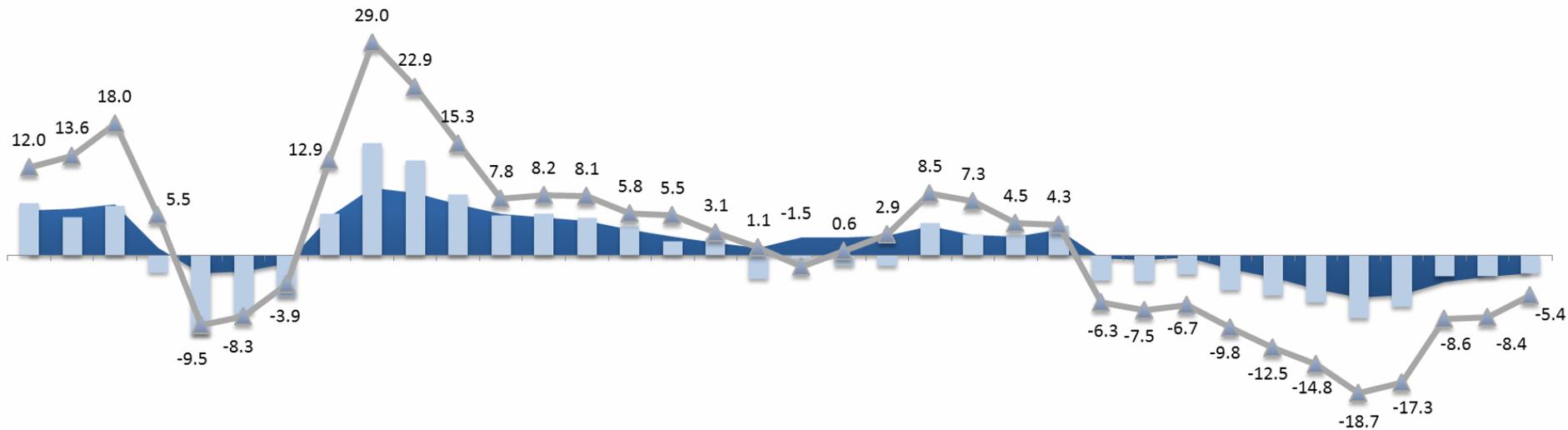


1Q17 Earnings Release

April 26, 2017

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.

- EBIT grows and **EBITDA** Margin reaches **R\$10.8 million** in 1Q17
- The **Romi Machines** unit, in 1Q17, reached a positive **EBITDA** margin of **7.5%**, an improvement of **8.8%** compared to 1Q16, as result of the operating adjustments and cost and expense reduction carried out in 2016;
- The German subsidiary **B+W**, in 1Q17, reported a **growth** in **gross and operating margins** of **20.0** and **38.7** percentage points, respectively, when compared to 1Q16, due to a better volume of production and revenues;
- In 1Q17, compared to the same period of 2016, the **Raw and Machined Cast Iron Parts** Business Unit presented a **growth** of **41.6%** in operating revenues, and **improvement** of **2.4** percentage points in gross margin.
- The **orders entry** in 1Q17 compared to 1Q16 posted a **growth** of **17.3%**, especially the Romi Machines Business Unit and the Raw and Machined Cast Iron Parts Business Unit, which posted a **growth** of **15.0%** and **21.4%**, respectively.

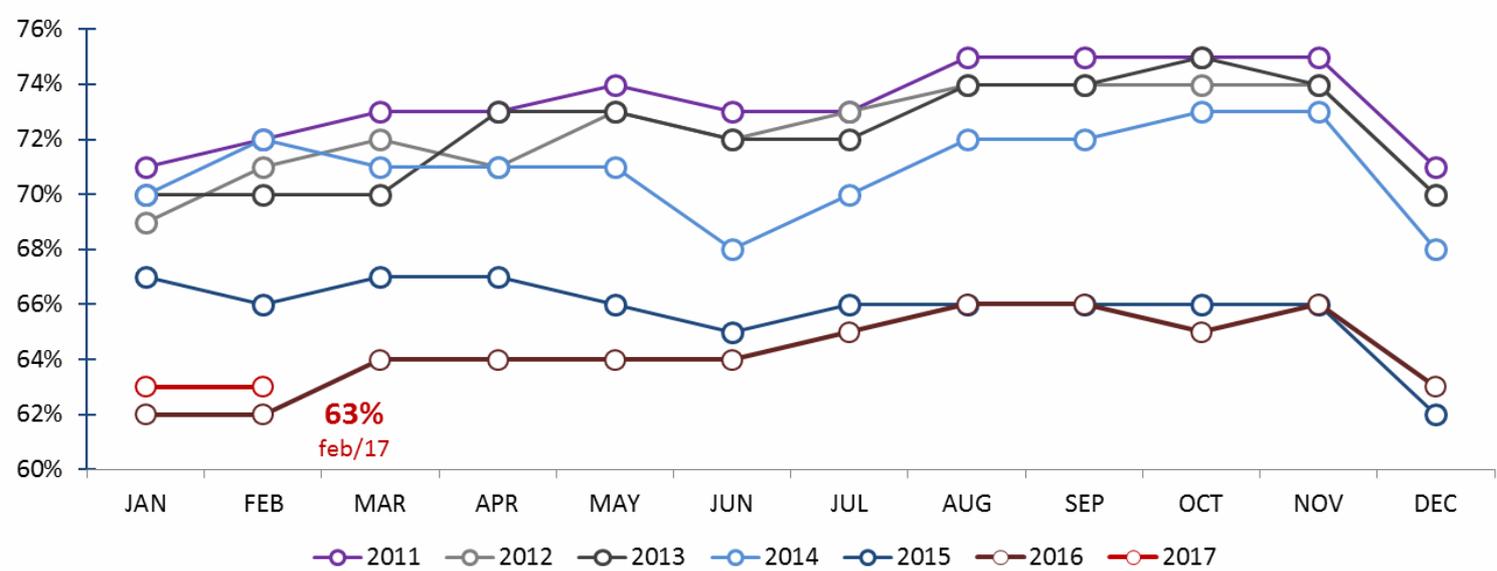


1Q08 2Q08 3Q08 4Q08 1Q09 2Q09 3Q09 4Q09 1Q10 2Q10 3Q10 4Q10 1Q11 2Q11 3Q11 4Q11 1Q12 2Q12 3Q12 4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15 3Q15 4Q15 1Q16 2Q16 3Q16 4Q16

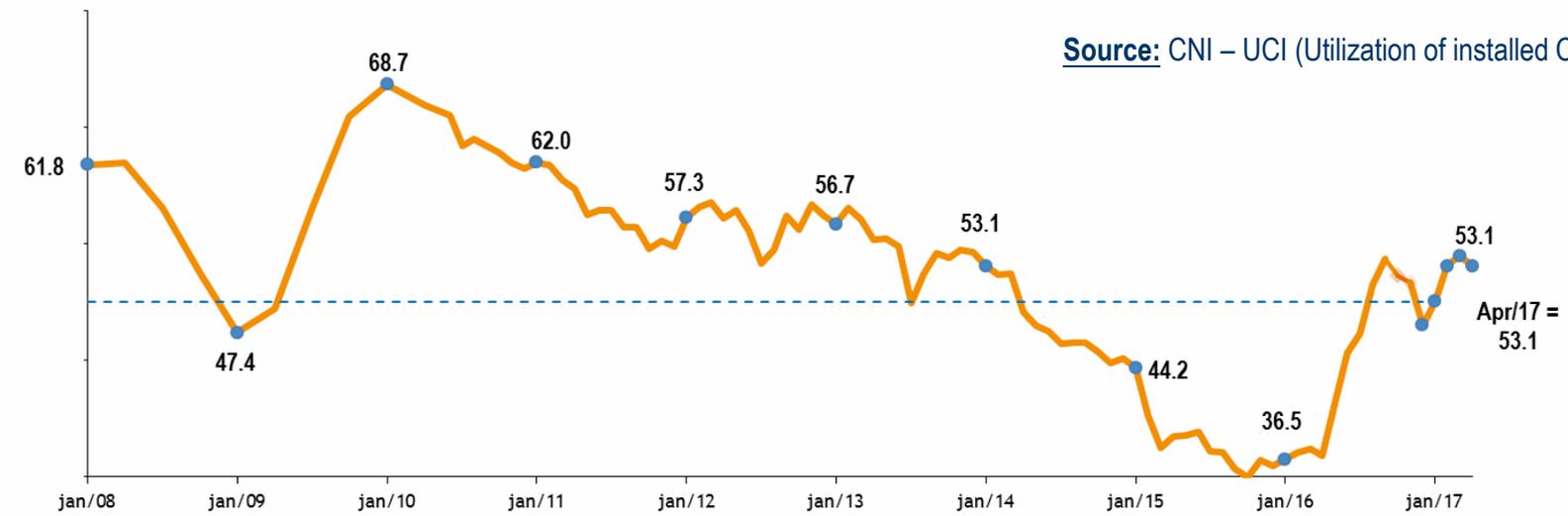
■ GDP ■ Industrial GDP ▲ Gross Fixed Capital Formation

Source: IBGE (current quarter vs. the same quarter last year)

Conjunctural Indicators – GDP and FBKF



Source: CNI – UCI (Utilization of installed Capacity), February 2017



Source: CNI – ICEI (Industrial Executive Confidence Index), April 2017

Romi Machines

B+W Machines

Rough and Machined Cast Iron Parts



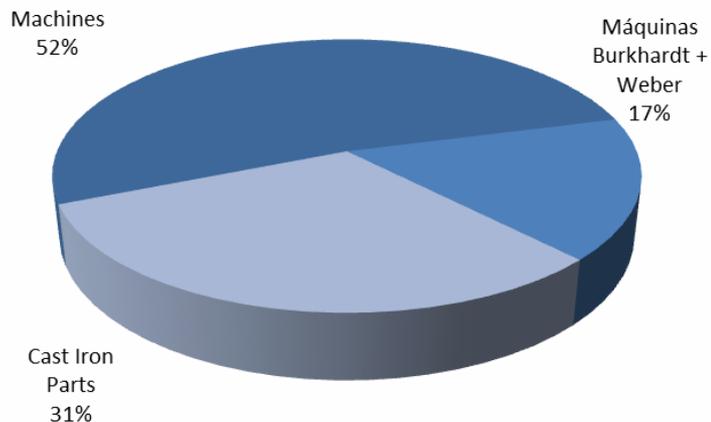
| | 1Q17 | 2016 |
|-------------------------|------|------|
| Automotive | 30% | 17% |
| Machines and Equipments | 8% | 10% |
| Job Shops | 7% | 12% |
| Tolling | 1% | 7% |
| Technical Schools | 13% | 3% |
| Packing | 3% | 8% |
| Others | 38% | 43% |

| | 1Q17 | 2016 |
|-------------------------|------|------|
| Machines and Equipments | 0% | 57% |
| Motors and Systems | 100% | 24% |
| Oil and Gas | 0% | 18% |
| Others | 0% | 1% |

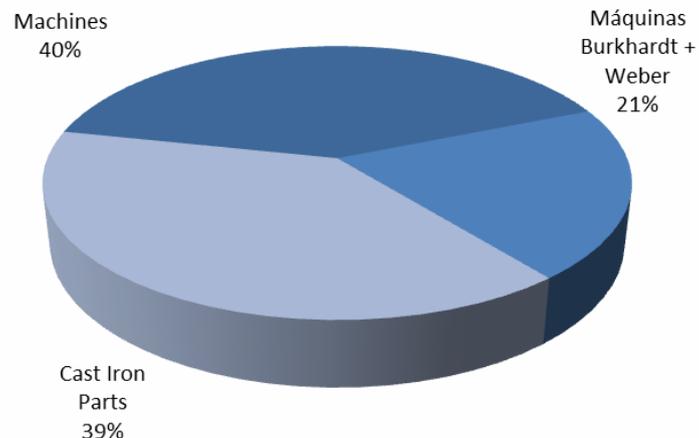
| | 1Q17 | 2016 |
|--------------|------|------|
| Wind Power | 69% | 69% |
| Automotive | 12% | 11% |
| Agriculture | 13% | 14% |
| Construction | 5% | 4% |
| Others | 1% | 2% |

Business units

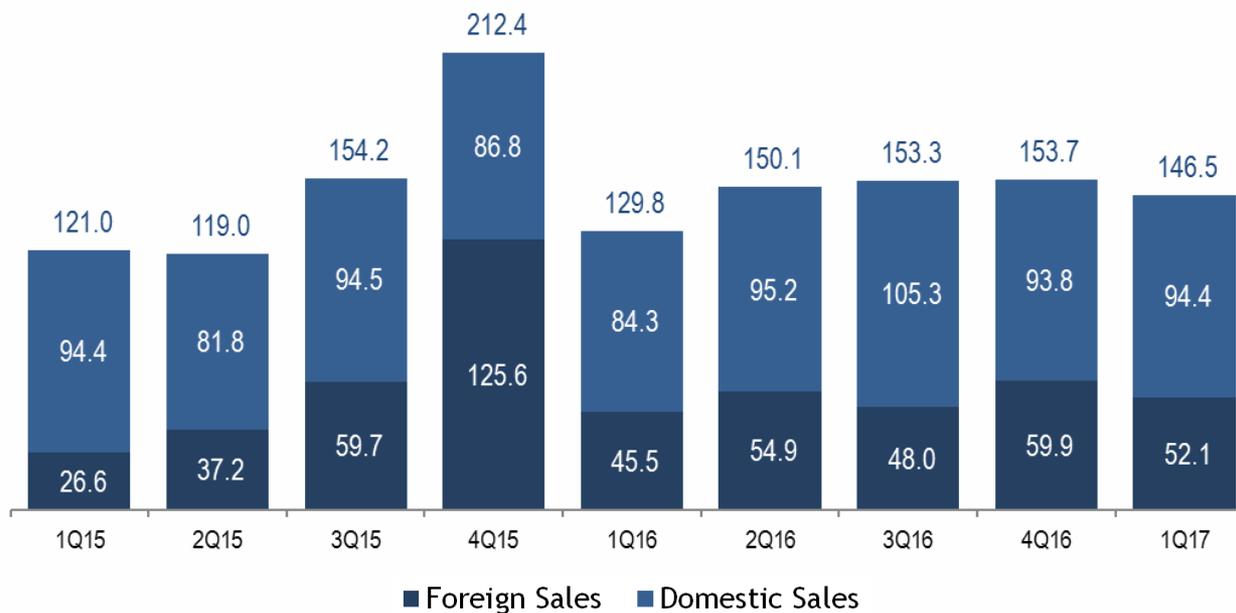
1Q16



1Q17

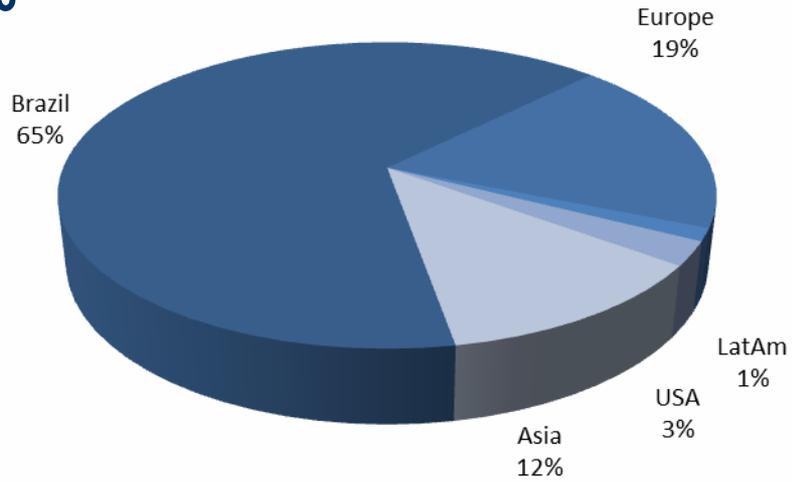


Net Operating Sales (R\$ million)

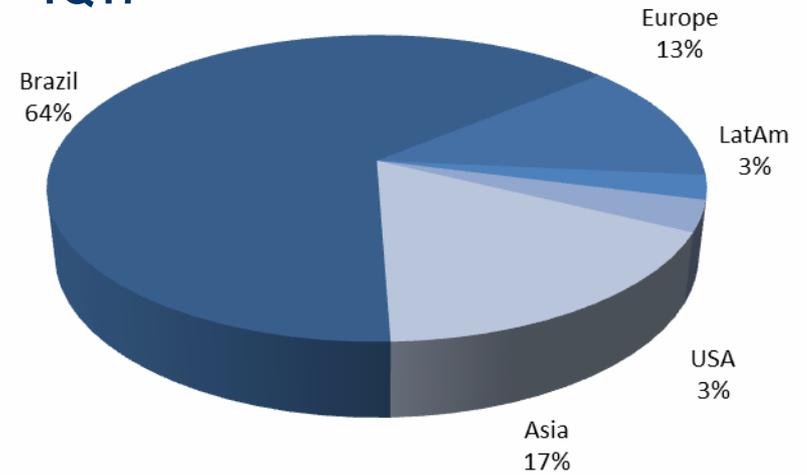


Net Sales per Business Unit

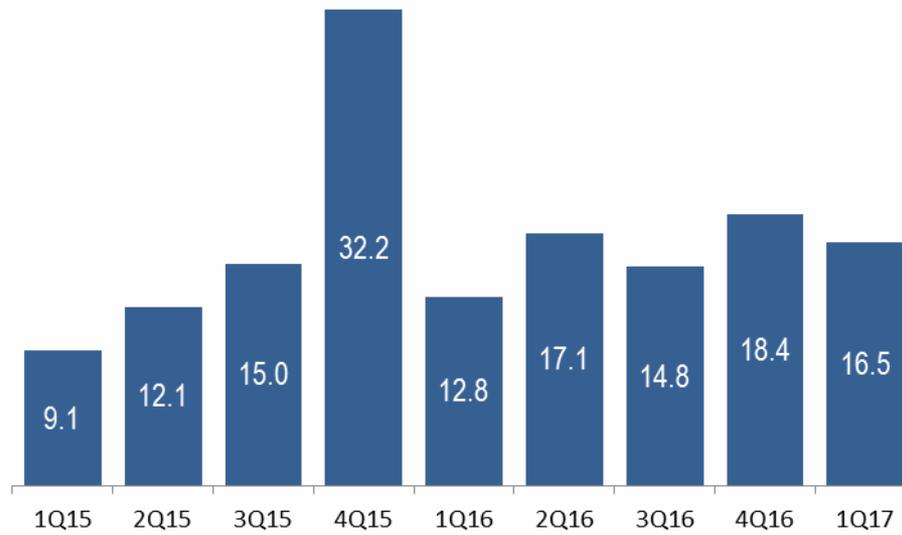
1Q16



1Q17



Foreign Sales (US\$ million)



Sales Distribution

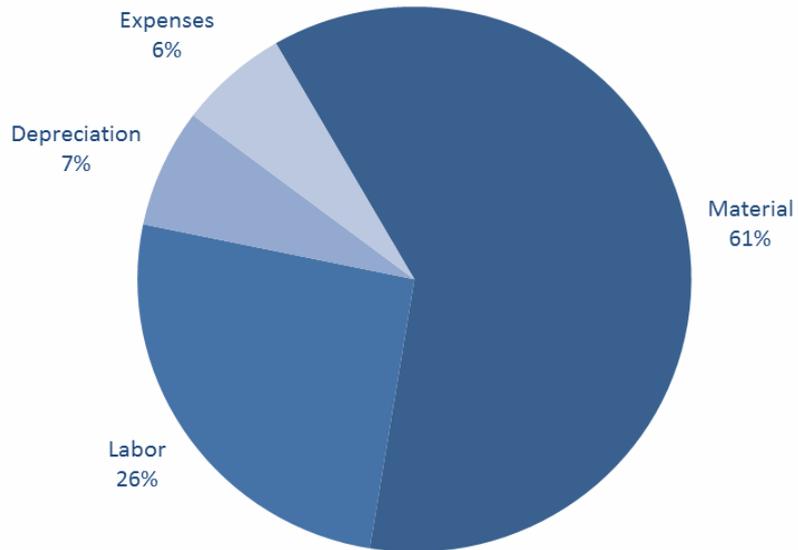
| Order Entry (R\$ 000) | | | | | |
|---|----------------|----------------|----------------|---------------------------|---------------------------|
| Gross Values, sales taxes included | 1Q16 | 4Q16 | 1Q17 | Chg. 1Q17/4Q16 | Chg. 1Q17/1Q16 |
| Romi Machines | 58,956 | 55,612 | 67,773 | 21.9% | 15.0% |
| Burkhardt+Weber Machines | 8,958 | 30,679 | 9,711 | -68.3% | 8.4% |
| Rough and Machined Cast Iron Parts | 52,435 | 49,194 | 63,647 | 29.4% | 21.4% |
| Total | 120,349 | 135,485 | 141,131 | 4.2% | 17.3% |

| Order Book (R\$ 000) | | | | | |
|---|----------------|----------------|----------------|---------------------------|---------------------------|
| Gross Values, sales taxes included | 1Q16 | 4Q16 | 1Q17 | Chg. 1Q17/4Q16 | Chg. 1Q17/1Q16 |
| Romi Machines | 75,862 | 53,339 | 64,304 | 20.6% | -15.2% |
| Burkhardt+Weber Machines | 57,062 | 125,774 | 109,251 | -13.1% | 91.5% |
| Rough and Machined Cast Iron Parts | 103,277 | 72,943 | 74,808 | 2.6% | -27.6% |
| Total * | 236,201 | 252,057 | 248,363 | -1.5% | 5.1% |

(*) Order book values doesn't include spare parts and services

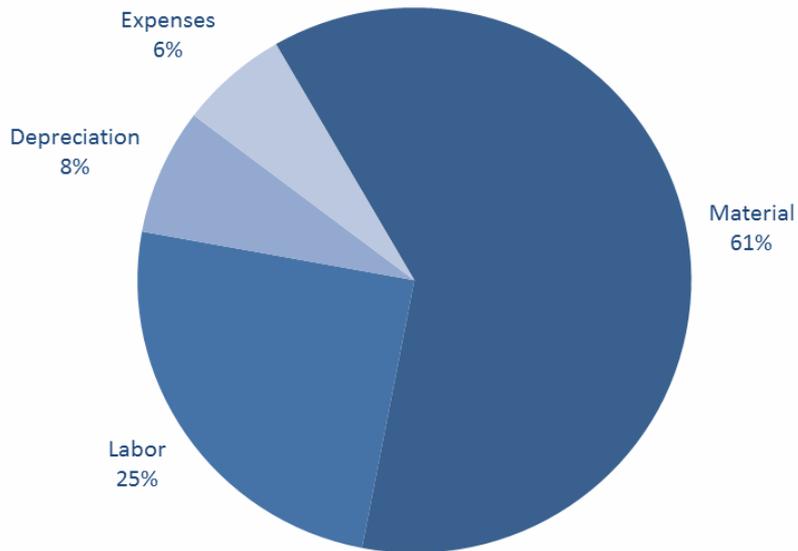
Order Entry Backlog

1Q17



| | |
|------------|------------------------------|
| 27% | Domestic material |
| 12% | FX Related Domestic Material |
| 14% | Metals |
| 8% | Imported Material |

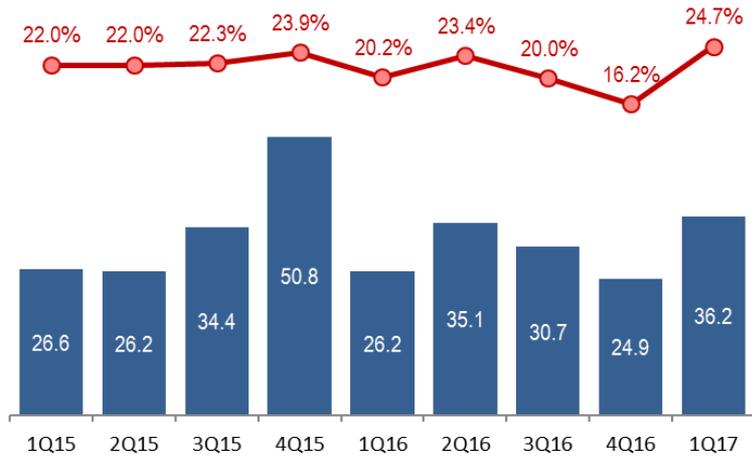
1Q16



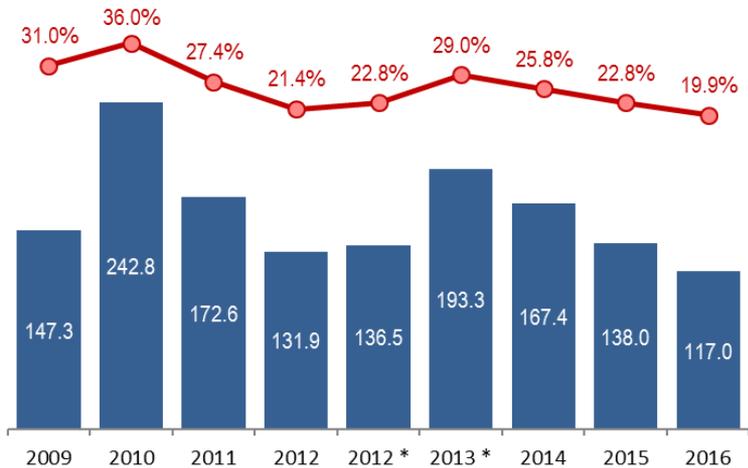
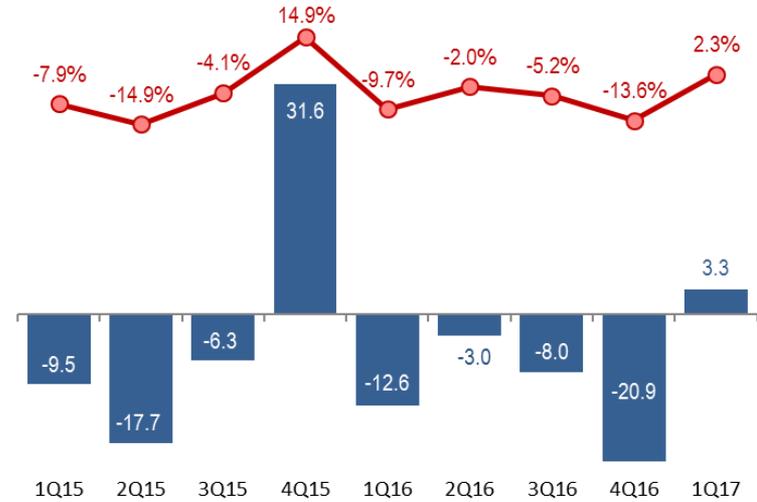
| | |
|------------|------------------------------|
| 17% | Domestic material |
| 11% | FX Related Domestic Material |
| 15% | Metals |
| 18% | Imported Material |

Cost of Goods Sold

Gross Profit (R\$ million) and Gross Margin

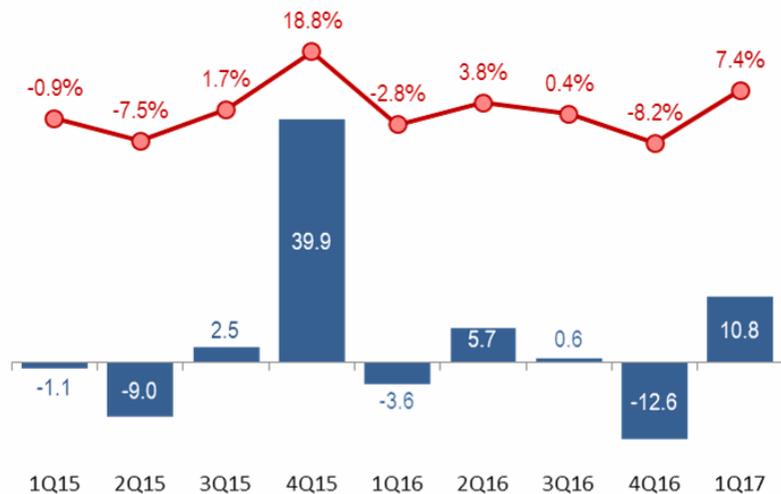


Operating Profit (loss) (R\$ million) and Operating Margin

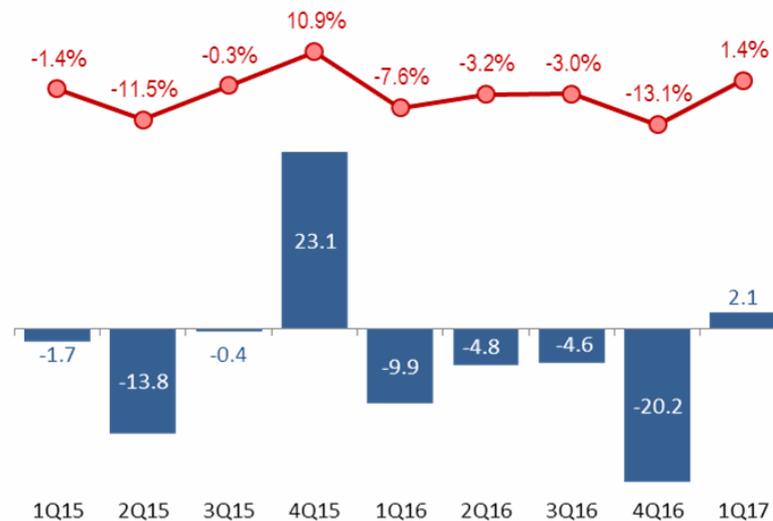


(*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

EBITDA (R\$ million) and EBTIDA Margin



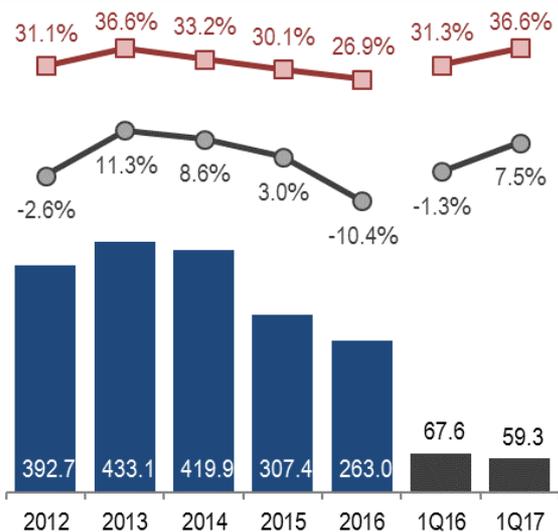
Net income (loss) (R\$ million) and Net Margin



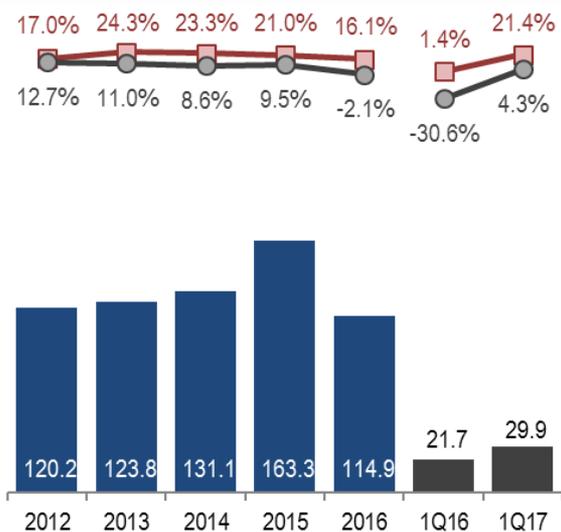
(*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

| | Quarterly | | | | |
|---------------------------|-----------|-------|-------|-------|-------|
| Sales | 1Q16 | 2Q16 | 3Q16 | 4Q16 | 1Q17 |
| Machines (qty) | 170 | 172 | 192 | 214 | 162 |
| Burkhardt+Weber (qty) | 3 | 3 | 4 | 7 | 6 |
| Cast and Iron parts (ton) | 4,240 | 5,145 | 5,845 | 5,174 | 5,784 |

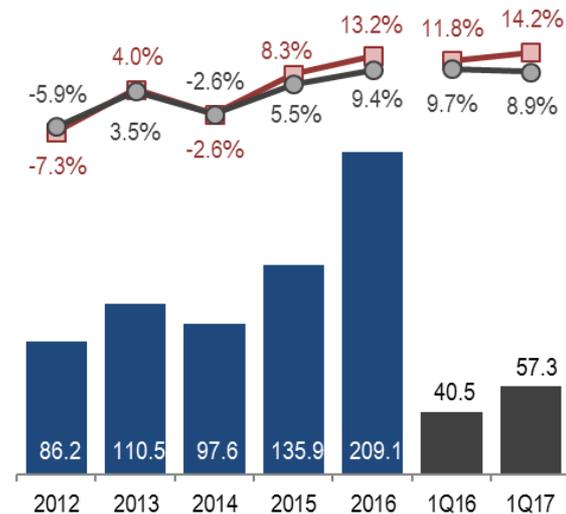
Romi Machines



B+W Machines



Rough and Machined Cast Iron Parts



■ Revenue ■ Gross Margin ● EBITDA

Business Units' Results

Cash and Cash Equivalent (R\$ MM) - 03/31/2017

| | Amount |
|---------------------------------|--------------|
| Bank Deposit Certificate (CDB) | 37.9 |
| Financial Investment with Bonds | 43.0 |
| Banks | 27.8 |
| Total | 108.6 |

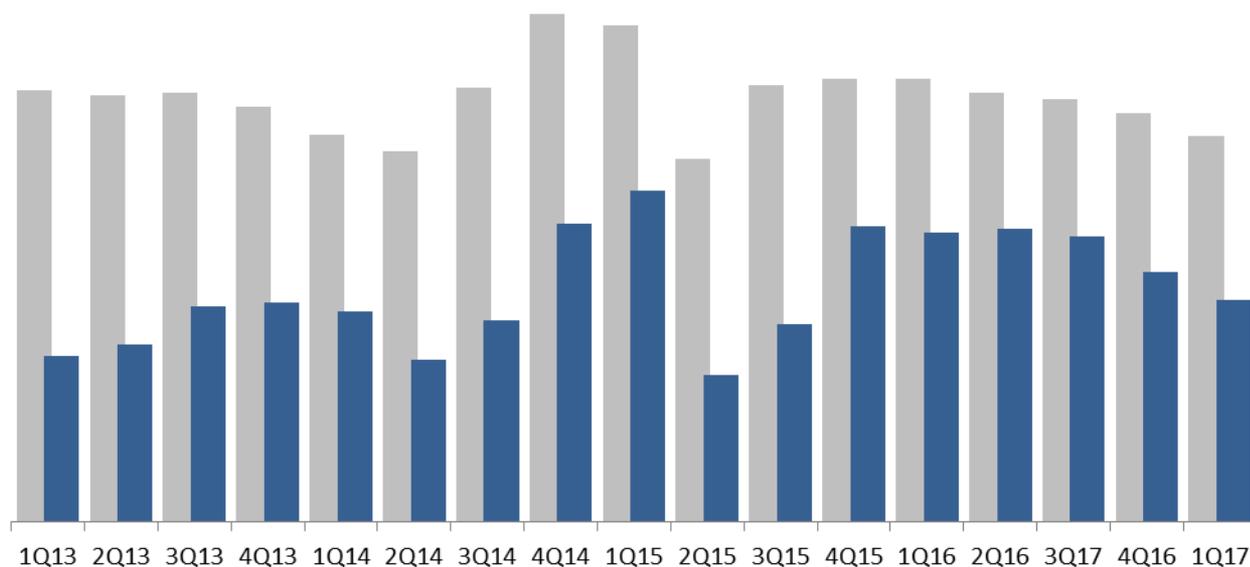
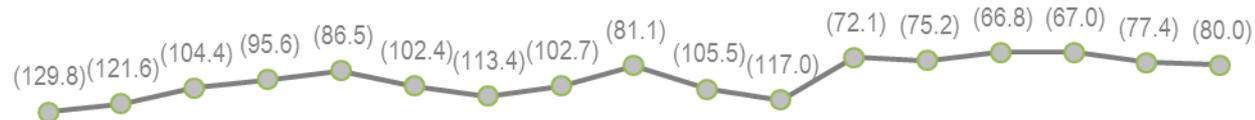
Net Debt = 80.0

Loans* (R\$ MM) - 03/31/2017

| | Amount |
|---------------------|--------------|
| 2017 (9 months) | 87.7 |
| 2018 | 56.1 |
| 2019 | 13.6 |
| 2020 | 18.2 |
| 2021 and afterwards | 13.0 |
| Total | 188.6 |

Net Cash (Debt) Position

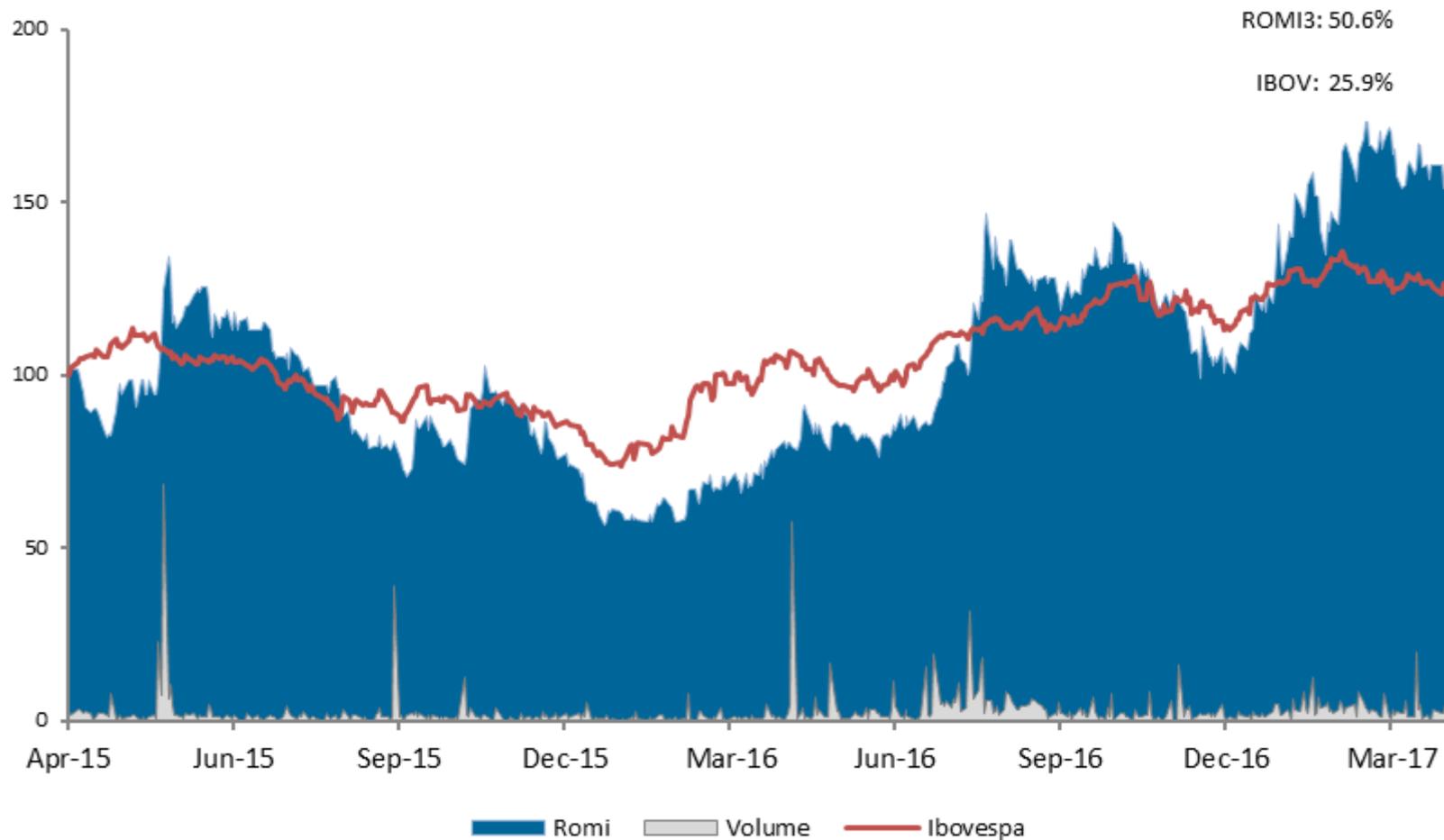
R\$ million



(*) Without Finame Manufacturer

Share Performance ROMI3 vs. Ibovespa

From 04/01/2015 to 04/24/2017



Source: BM&FBovespa

Share Performance



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