



ROMI

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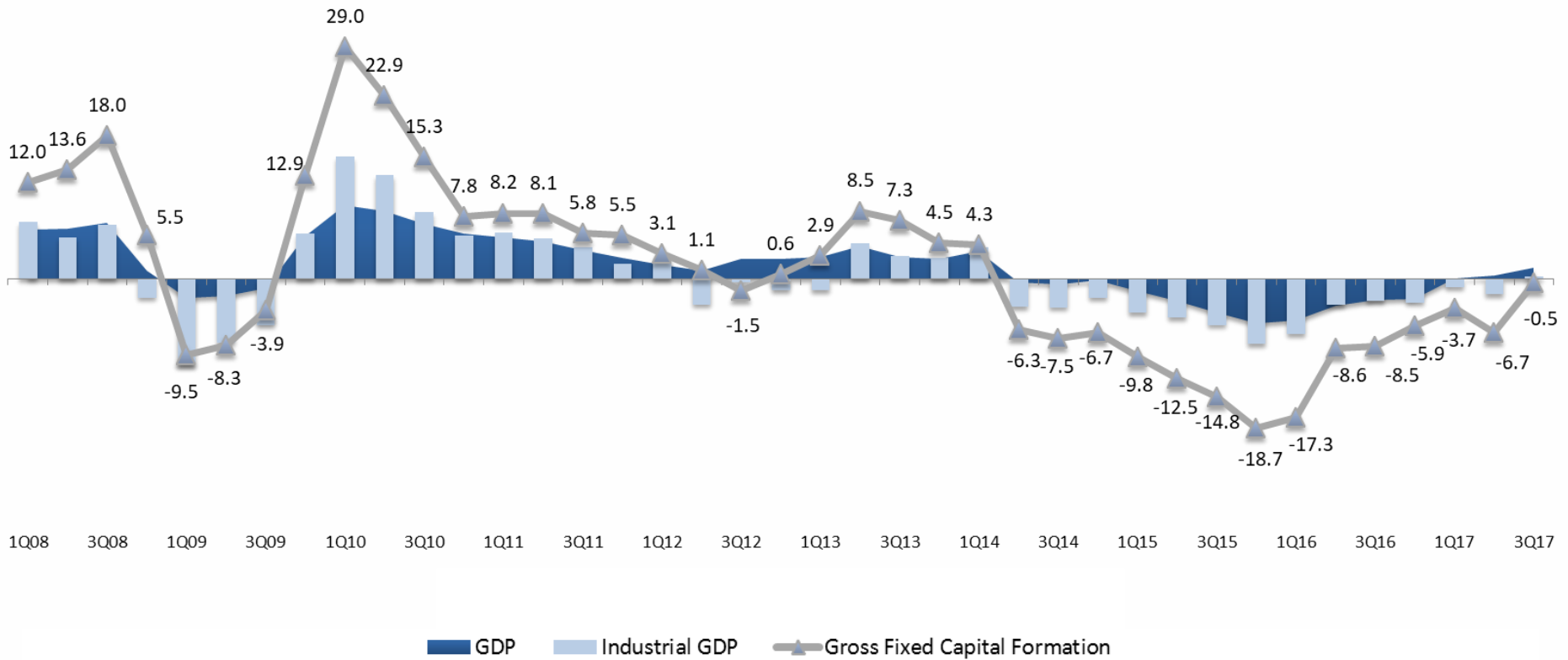


4Q17 Earnings Release

February 7, 2018

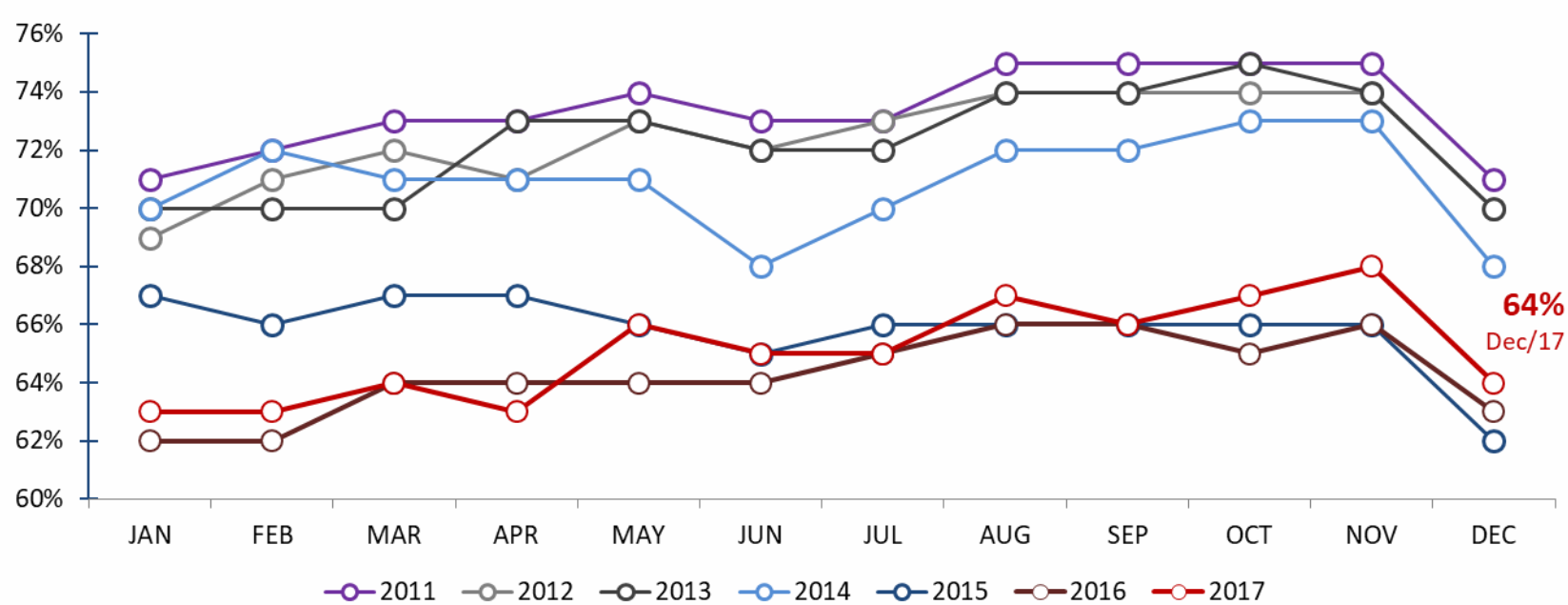
This release contains forward-looking statements subject to risks and uncertainties, Such forward-looking statements are based on the management's beliefs and assumptions on information currently available to the Company, The reservations as to forward-looking statements also apply to information on 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.

- Operating margins are still evolving and **EBTIDA reaches 14.9%** in 4Q17;
- **Romi Machines** Business Unit, in 4Q17, reached an **EBITDA** margin of **14.9%**, an improvement of **42.8% percentage points** compared with 4Q16, as a result of the operating adjustments, reduction of costs and expenses and mix of products;
- **B+W Machines** Business Unit posted, in 12M17, an **increase** in **gross and EBITDA margins** of **6.2** and **10.6** percentage points, respectively, when compared with the same period of 2016, due to the greater production volume and net operating revenue;
- In 4Q17, compared with the same period of 2016, the **Raw and Machined Cast Iron Parts Business** Unit reported a **growth** of **8.3** percentage points in **EBITDA** margin, as a result of the improvements in this business unit's operational efficiency;
- The Company's **net debt** reached **R\$1.9 million** at December 31, 2017, showing a **decrease** of **R\$75.5** million during 2017;
- **The orders entry** in 4Q17, when compared with 4Q16, reported a **growth** of **9.7%**, with highlight to the Romi Machines and Raw and Machined Cast Iron Parts Business Units.



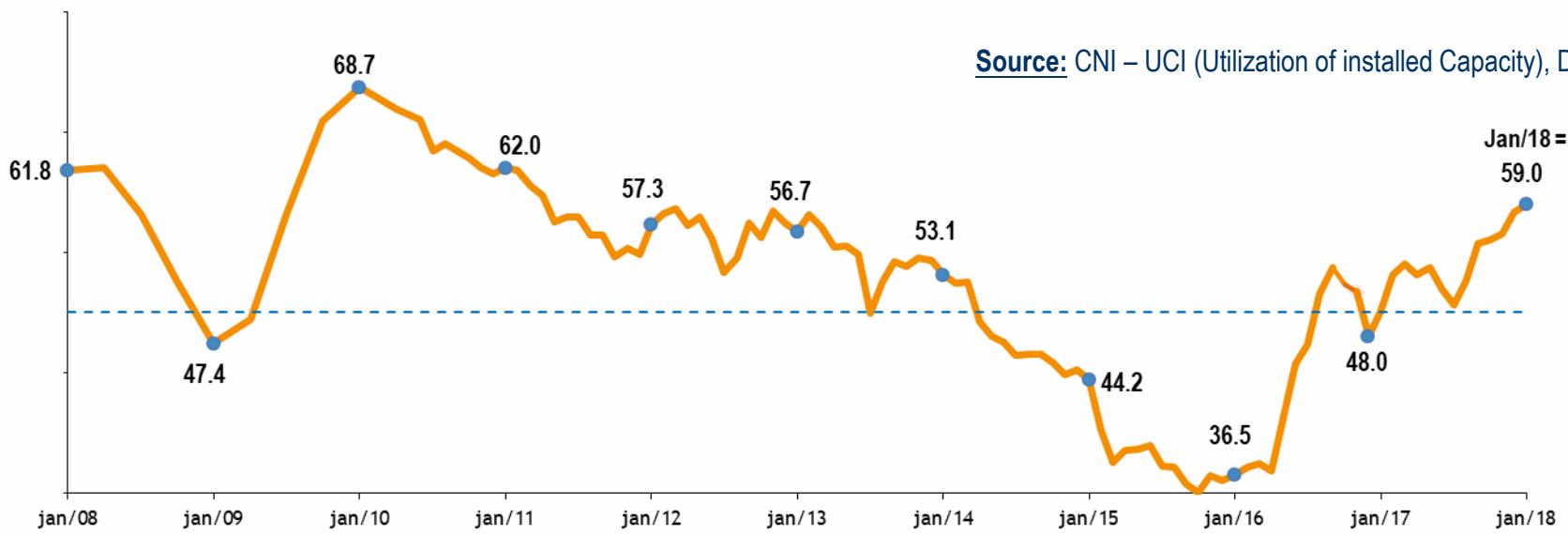
Source: IBGE (current quarter vs. the same quarter last year)

Conjunctural Indicators – GDP and FBKF



64%
Dec/17

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



Source: CNI – ICEI (Industrial Executive Confidence Index), January 2018

Economic Indexes - Conjunctural

Romi Machines



	2017	2016
Automotive	13%	17%
Machines and Equipments	13%	10%
Job Shops	15%	12%
Tolling	4%	7%
Technical Schools	4%	3%
Packing	8%	8%
Others	43%	43%

B+W Machines



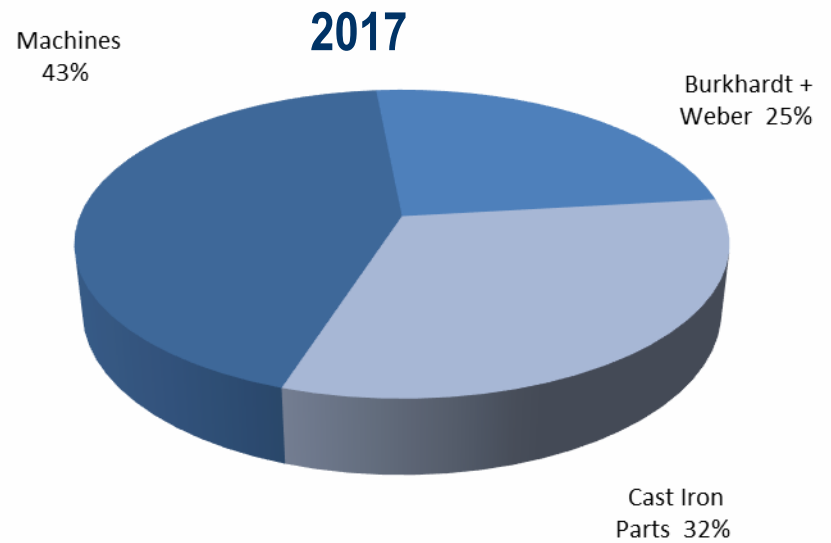
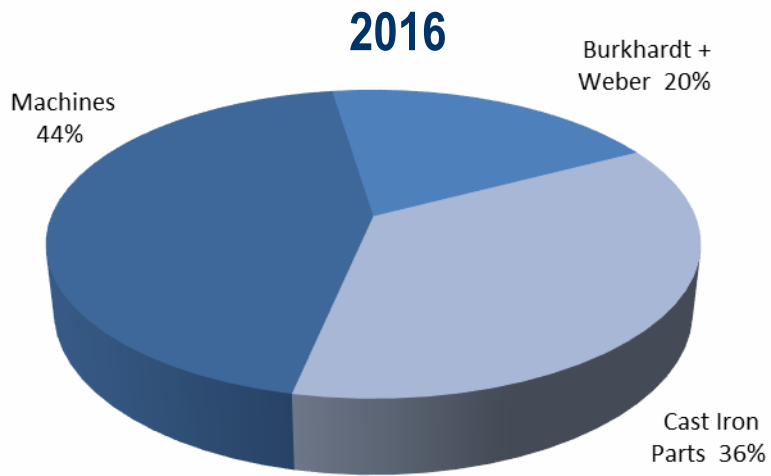
	2017	2016
Machines and Equipments	21%	57%
Motors and Systems	48%	24%
Oil and Gas	10%	18%
Automotive	14%	0%
Others	7%	1%

Rough and Machined Cast Iron Parts

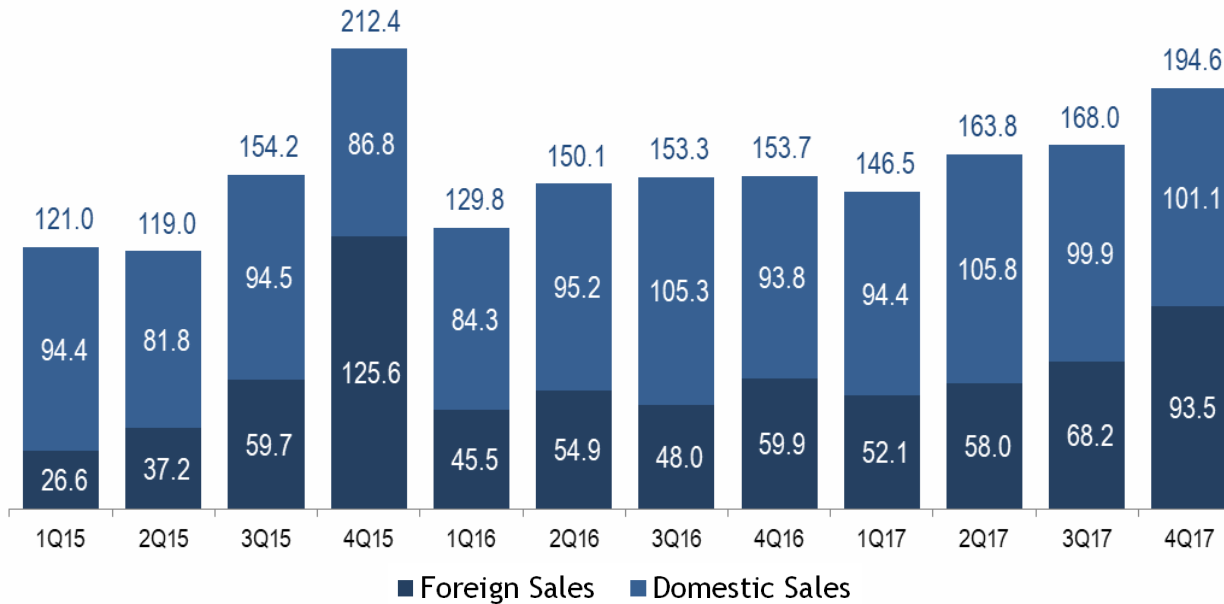


	2017	2016
Wind Power	58%	69%
Automotive	18%	11%
Agriculture	15%	14%
Construction	7%	4%
Others	2%	2%

Business units

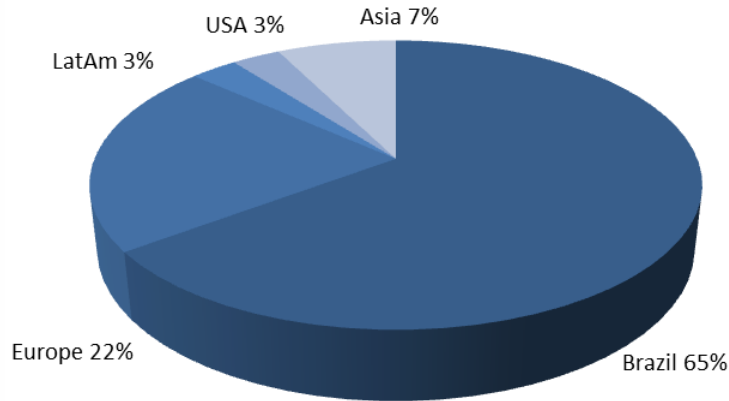


Net Operating Sales (R\$ million)

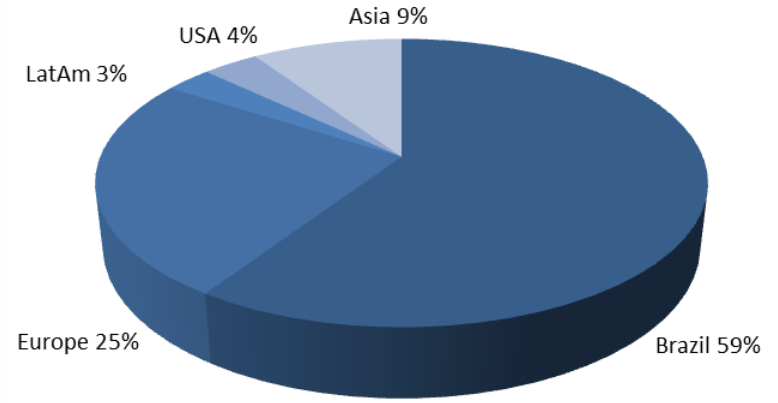


Net Sales per Business Unit

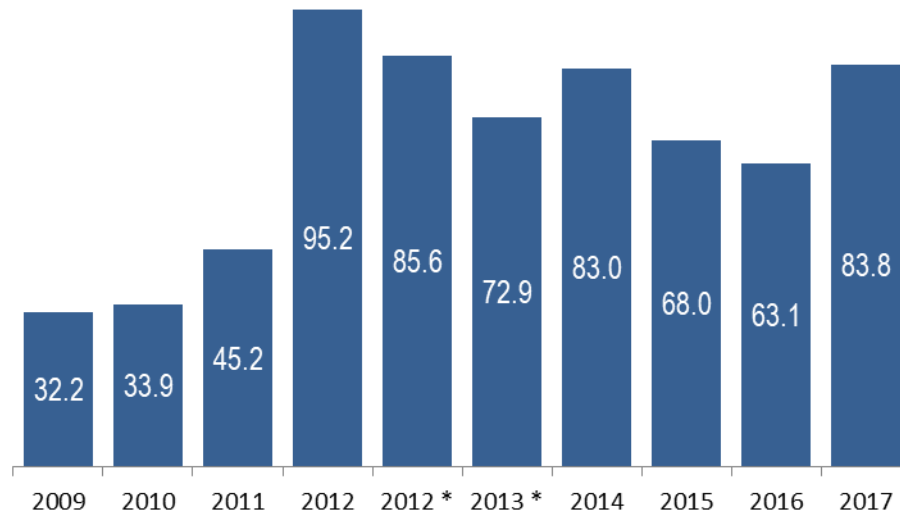
2016



2017



Foreign Sales (US\$ million)

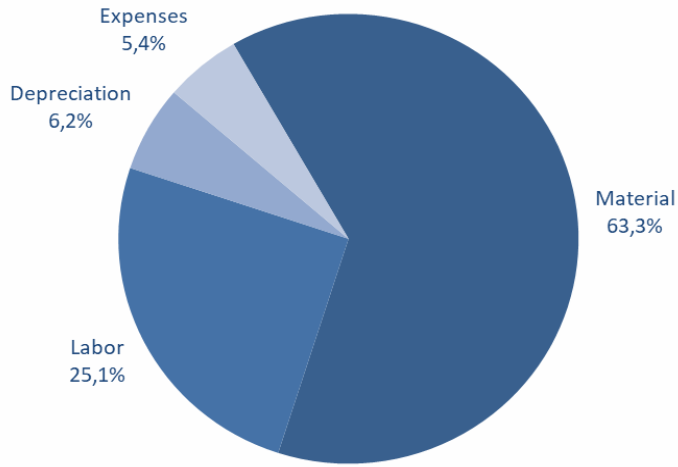


Order Entry (R\$ 000)	4Q16	3Q17	4Q17	Chg. 4Q17/3Q17	Chg. 4Q17/4Q16	2016	2017	Chg. 2017/2016
Gross Values, sales taxes included								
Romi Machines	55,612	72,806	70,195	-3.6%	26.2%	242,556	282,594	16.5%
Burkhardt+Weber Machines	30,679	41,090	22,211	-45.9%	-27.6%	169,600	116,094	-31.5%
Rough and Machined Cast Iron Parts	49,194	40,238	56,269	39.8%	14.4%	210,516	212,493	0.9%
Total	135,485	154,134	148,675	-3.5%	9.7%	622,671	611,181	-1.8%

Order Book (R\$ 000)	4Q16	3Q17	4Q17	Chg. 4Q17/3Q17	Chg. 4Q17/4Q16
Gross Values, sales taxes included					
Romi Machines	53,339	90,189	71,745	-20.5%	34.5%
Burkhardt+Weber Machines	125,774	141,676	118,624	-16.3%	-5.7%
Rough and Machined Cast Iron Parts	72,943	37,595	51,279	36.4%	-29.7%
Total *	252,057	269,460	241,648	-10.3%	-4.1%

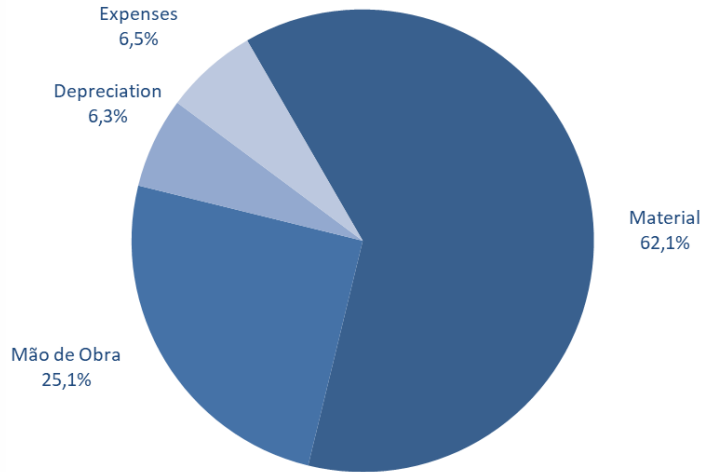
(*) Order book values doesn't include spare parts and services

2017



17%	Domestic material
10%	FX Related Domestic Material
17%	Metals
19%	Imported Material

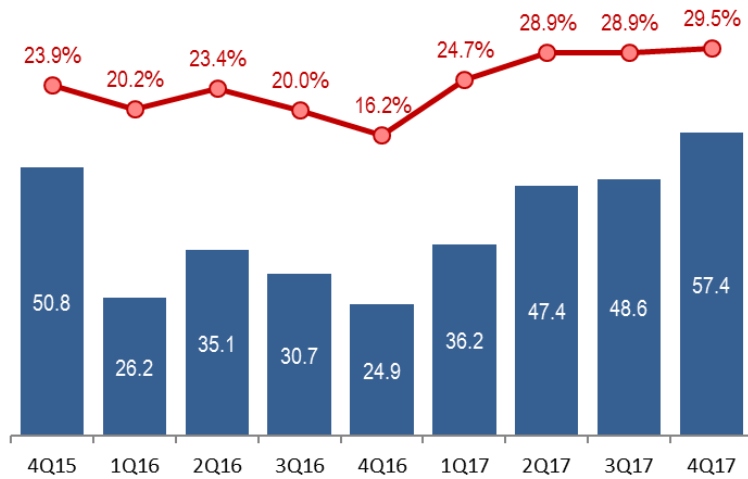
2016



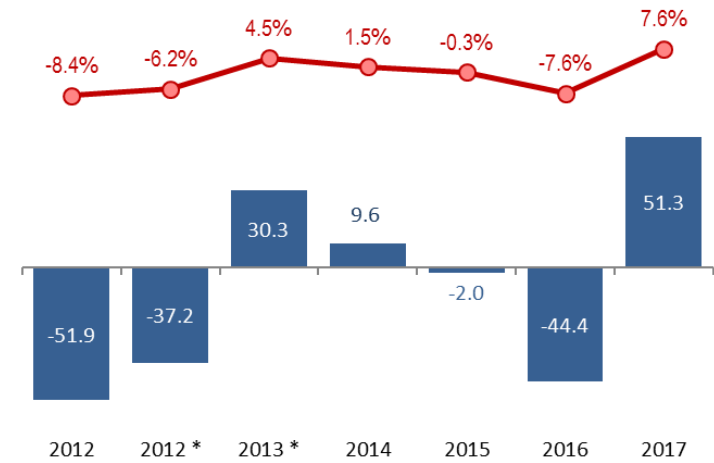
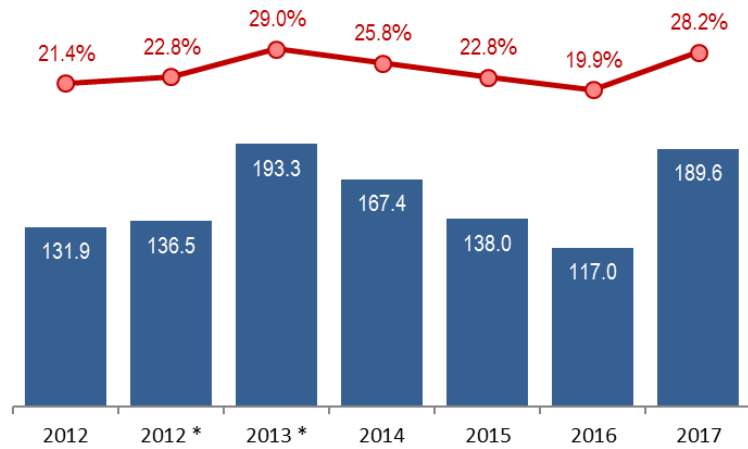
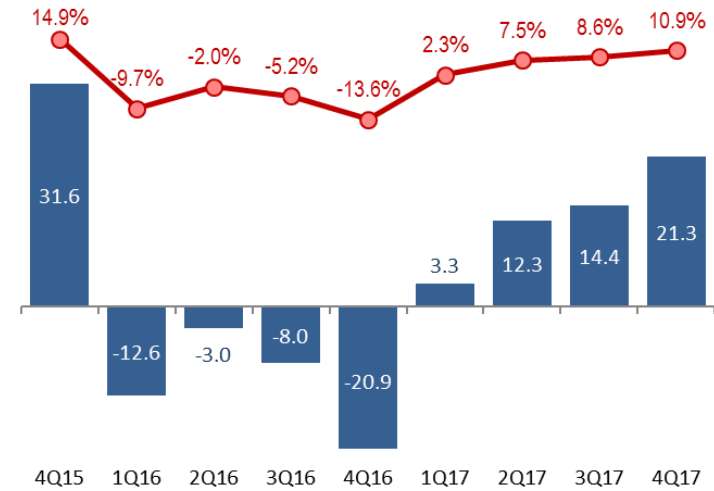
15%	Domestic material
11%	FX Related Domestic Material
18%	Metals
19%	Imported Material

Cost of Goods Sold

Gross Profit (R\$ million) and Gross Margin

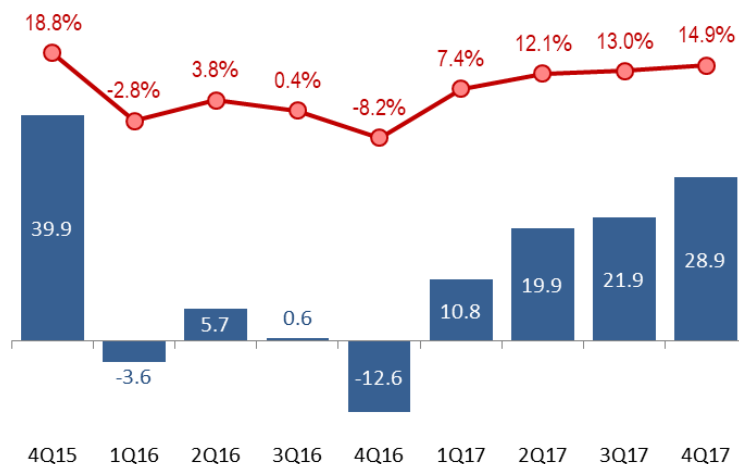


Operating Profit (loss) (R\$ million) and Operating Margin

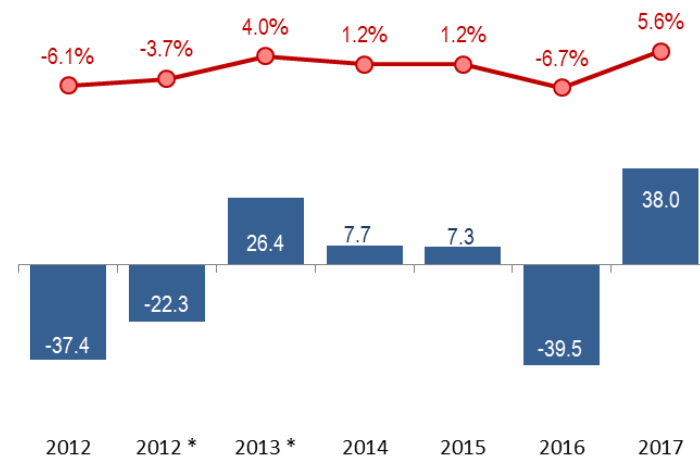
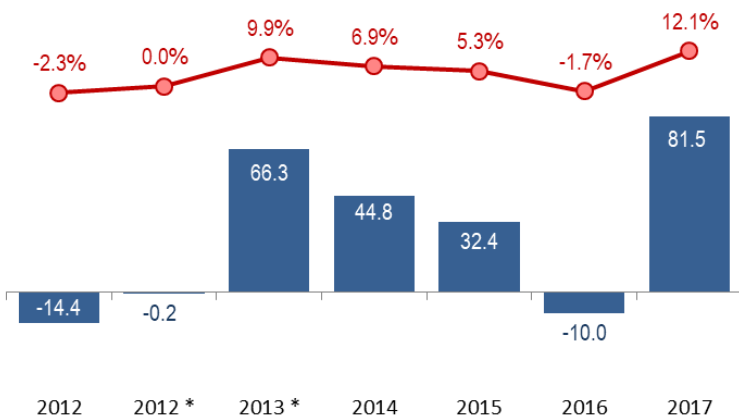
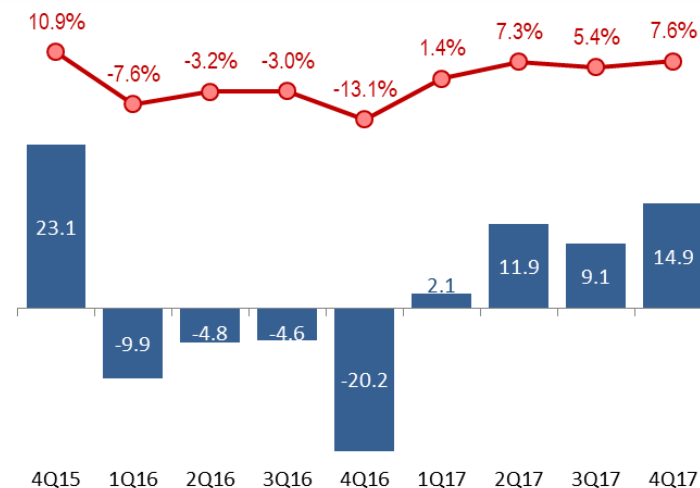


(*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

EBITDA (R\$ million) and EBTIDA Margin



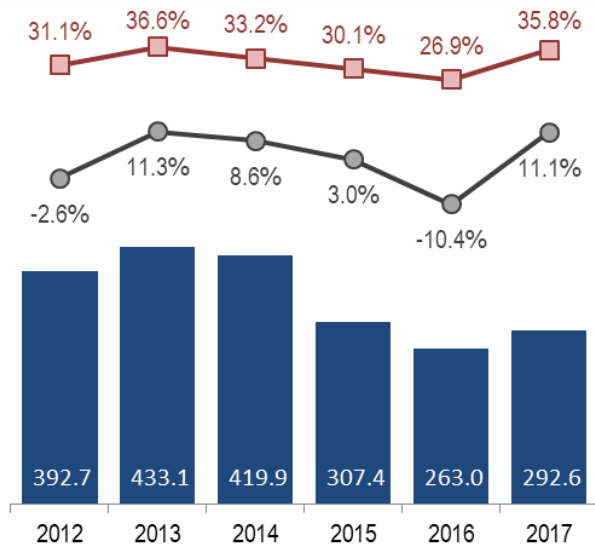
Net income (loss) (R\$ million) and Net Margin



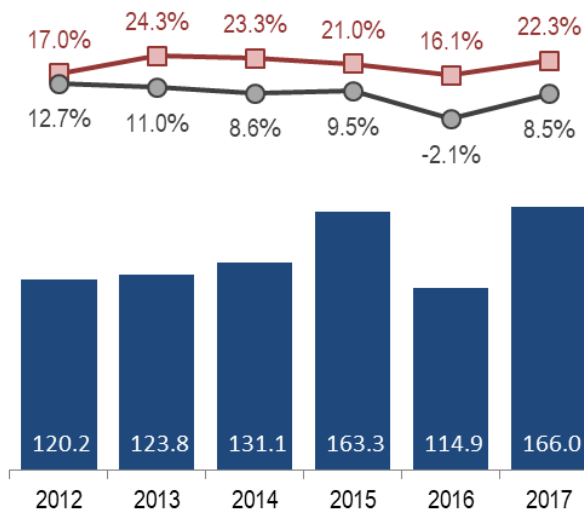
(*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

	Quarter								Accumulated	
	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	2016	2017
Sales										
Machines (qty)	170	172	192	214	162	141	195	246	748	744
Burkhardt+Weber (qty)	3	3	4	7	6	6	5	8	17	25
Cast and Iron parts (ton)	4,240	5,145	5,845	5,174	5,784	6,267	5,773	4,172	20,403	21,996

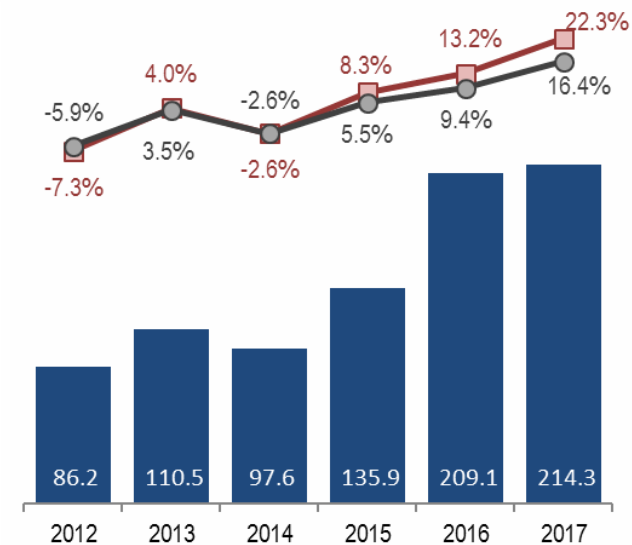
Romi Machines



B+W Machines



Rough and Machined Cast Iron Parts



■ Revenue ■ Gross Margin ● EBITDA

Business Units' Results

Cash and Cash Equivalent (R\$ MM) - 12/31/2017

	Amount
Bank Deposit Certificate (CDB)	43.1
Financial Investment with Bonds	19.4
Financial Investment with Bonds	34.8
Banks	22.1
Total	119.4

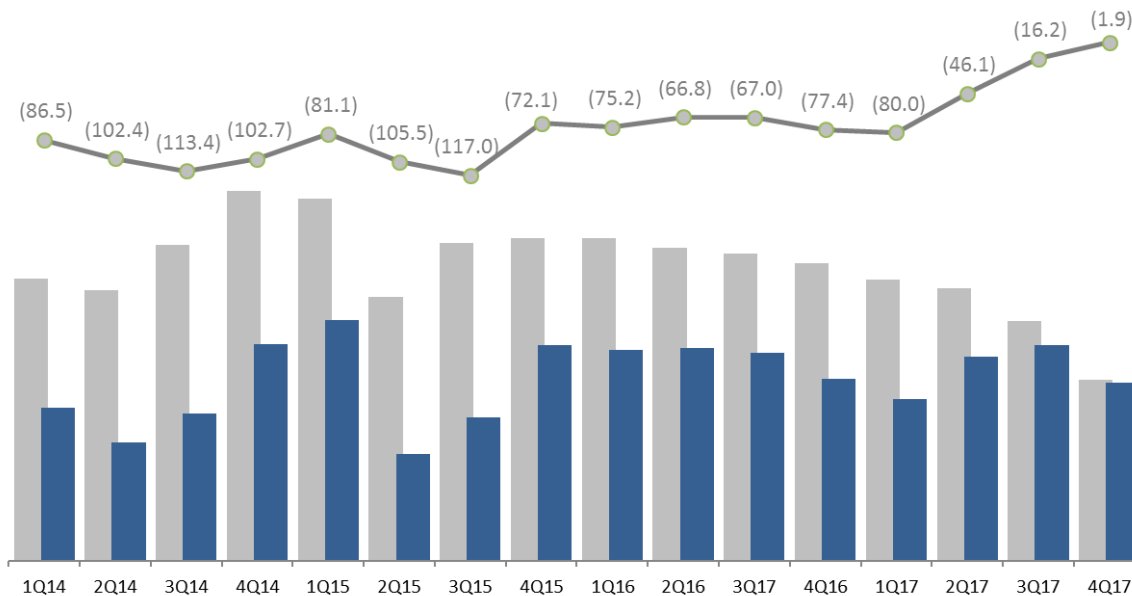
Net Debt = 1.9

Loans* (R\$ MM) - 12/31/2017

	Amount
2018	74.2
2019	13.2
2020	20.3
2021	6.4
2022	6.1
2023 and afterwards	0.9
Total	121.2

Net Cash (Debt) Position

R\$ million

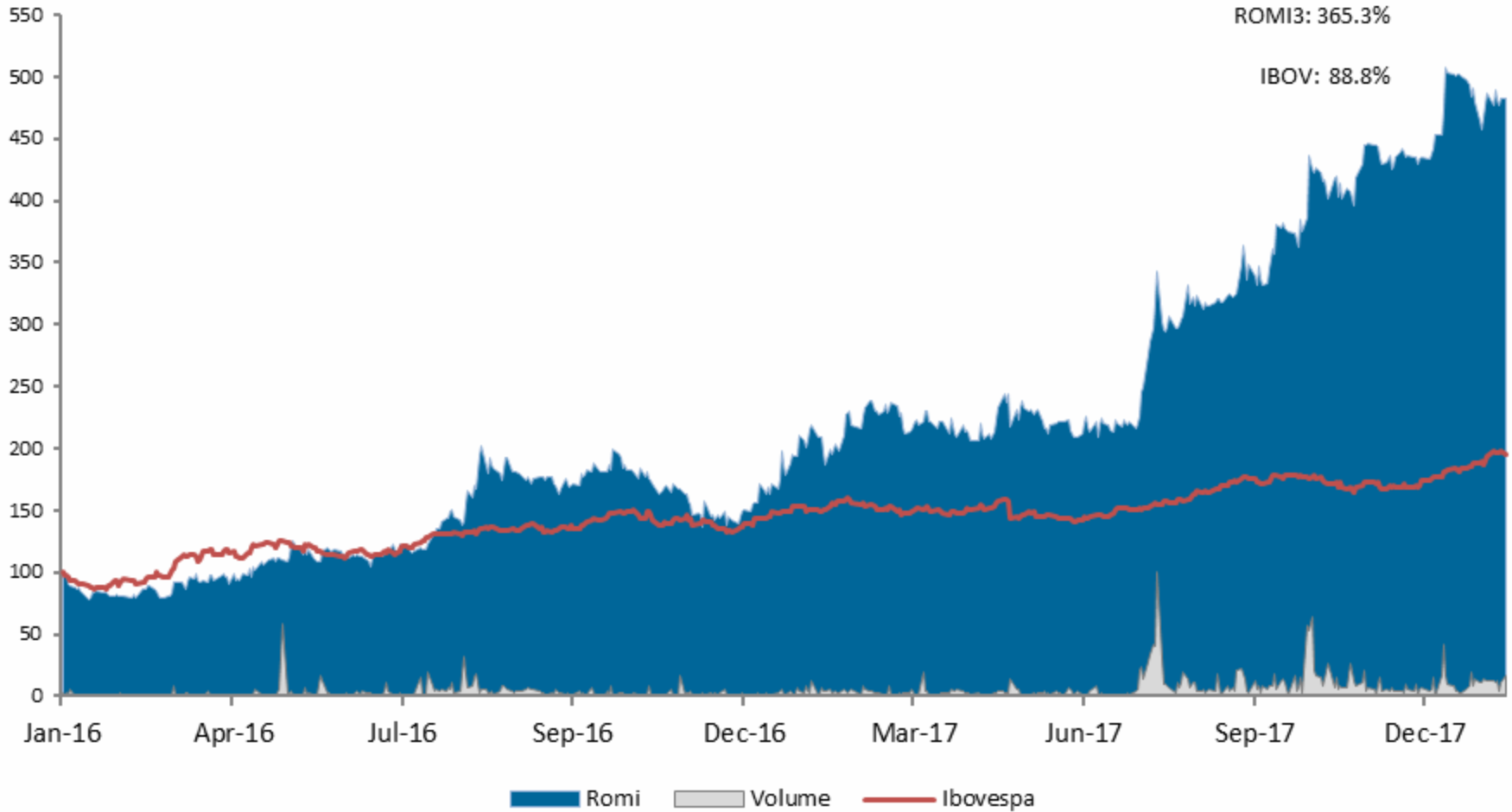


(*) Without Finame Manufacturer

Cash Position

Share Performance ROMI3 vs. Ibovespa

From 01/01/2016 to 02/05/2017



Source: B3

Share Performance



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