

**ROMI**

WWW.ROMI.COM



October 22, 2019 3Q19 Earnings Release

September 30, 2019

Share price

ROMI3 - R\$ 13.48 per share (on 10/21/2019)

Market value

R\$ 847.3 million

US\$ 205.1 million

Number of shares

Common: 62,857,647

Total: 62,857,647

Free Float = 50.8%**Investor Relations Contact****Fábio B. Taiar**

Investor Relations Officer

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October 23, 2019

APIMEC-SP Analysts Meeting

Time: 5:00 pm (São Paulo)

Venue: Clarion Faria Lima

Rua Jerônimo da Veiga, 248

Web broadcast,

With access link at www.romi.com**Earnings Conference Call in English**

Time: 11:00 am (Sao Paulo)

3:00 pm (London)

10:00 am (New York)

Dial-in numbers:

USA +1 (786) 924-6977

Brazil +55 (11) 3193-1001

Other + 1 (888) 700-0802

Access Code: Romi

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Santa Bárbara d'Oeste - SP, October 22, 2019 - Indústrias Romi S.A. ("Romi" or "Company") (B3: ROMI3), domestic market leader in the Machine Tools and Plastic Processing Machines markets, as well as an important producer of Raw and Machined Cast Iron Parts, announces its results for the third quarter of 2019 ("3Q19"). Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis, in accordance with International Financial Reporting Standards (IFRS).

Highlights

EBITDA margin in 3Q19 reaches 14.4%, 2.8 p.p. above 3Q18

- Net operating revenue in 3Q19 reached 246.5 million, an increase of 19.7% over the same period of the previous year, with emphasis on Romi Machines and B+W Machines Business Units;
- EBITDA margin in 3Q19 reached 14.4%, an increase of 2.8 p.p. over 3Q18, with highlights to the B+W Machines Business Unit;
- The Romi Machines Business Unit, compared to 3Q18, posted a 15.7% growth in net operating revenue and an operating margin of 16.4% in 3Q19;
- The B+W Machines Unit, net operating revenue grew 52.3% in 3Q19 compared to 3Q18 and 10.5 p.p. in operating margin, reflecting the release of new products, the development of solutions to serve new segments and projects focused on increasing profitability;
- In 3Q19, the order entry from the Raw and Machined Cast Iron Parts Business Unit grew 103.3% over 3Q18, reflecting the beginning of the resumption of demand for large castings; and
- The Company's net cash position reached R\$ 15.8 million on September 30, 2019 due to the operating cash generation in 3Q19 and the judicial deposits arising from the Success in Legal Proceeding, as described throughout this report, were released and incorporated into the Company's cash on September 20, 2019, in the amount of R\$ 88.5 million;

R\$'000	Quarterly					Accumulated		
	3Q18	2Q19	3Q19	Chg.	Chg.	9M18	9M19	Chg.
Revenues Volume				3Q19/2Q19	3Q19/3Q18			9M19/9M18
Machines (units)	227	172	242	40.7%	6.6%	498	554	11.2%
Burkhardt + Weber (units)	9	8	12	50.0%	33.3%	17	16	-5.9%
Raw and Machined Cast Iron Parts (tons)	5,520	3,836	4,286	11.7%	-22.3%	17,824	15,565	-12.7%
Net Operating Revenue	205,954	167,859	246,500	46.8%	19.7%	496,720	535,125	7.7%
Gross margin (%)	29.4%	25.8%	29.6%			27.6%	26.1%	
Operating Income (EBIT)	15,407	(1,681)	27,334	-1726.1%	77.4%	16,163	82,096	407.9%
Operating margin (%)	7.5%	-1.0%	11.1%			3.3%	15.3%	
Operating Income (EBIT) - adjusted (*)	15,407	(1,681)	27,334	-1726.1%	77.4%	17,786	7,775	-56.3%
Operating margin (%) - adjusted (*)	0.0%	-1.0%	11.1%			3.6%	1.5%	
Net Income	15,931	(4,348)	27,891	-741.5%	75.1%	63,210	110,844	75.4%
Net margin (%)	7.7%	-2.6%	11.3%			12.7%	20.7%	
Net Income - adjusted (*)	15,931	(174)	27,891	-16129.3%	75.1%	23,137	9,454	-59.1%
Net margin (%) - adjusted (*)	7.7%	-0.1%	11.3%			4.7%	1.8%	
EBITDA	23,886	6,688	35,528	431.2%	48.7%	41,124	106,919	160.0%
EBITDA margin (%)	11.6%	4.0%	14.4%			8.3%	20.0%	
EBITDA - adjusted (*)	23,886	6,688	35,528	431.2%	48.7%	42,747	32,600	-23.7%
EBITDA margin (%) - adjusted (*)	11.6%	4.0%	14.4%			8.6%	6.1%	
Investments	4,139	6,032	5,310	-12.0%	28.3%	17,254	18,493	7.2%

EBITDA = Earnings before interest, taxes, depreciation and amortization.

(*)

2Q18/9M18: refers to the effects from the success in tax proceeding (Plano Verão) in which the Company claimed for the right to monetarily restate the balance sheet for the calendar year 1989 by reference to the inflation for January and February of that year and to dismiss the inflation indexes of the legislation then in force. The effects impacted the financial information as follows: EBIT/EBITDA: reduced by R\$ 1,623 thousand, referring to attorney's fees recorded under "Other net operating income (expenses)"; and (ii) profit for the period: increased by the impact from the net gain of R\$ 40,073 thousand, already including the effects of income tax and social contribution on the gain, which were reduced by the use of the interest on capital proposed in April 2018, as per the Shareholders Notice dated April 17, 2018.

1Q19: As described in the "Success in Legal Proceeding" section of this report, the Company recognized in the financial statements for 1Q19 the effects of the favorable final decision on the tax proceeding (judicial proceeding on the exclusion of ICMS from the PIS and COFINS tax base). The effects impacted the financial information as follows: (i) EBIT/EBITDA: increase of R\$ 74,321 thousand, related to the recognition of the original amount of the proceeding under "Other operating income (expenses)"; and (ii) result for the period: increased by the impact of net gain of R\$ 105,564 thousand, already considering the effects of income tax and social contribution on the gain, which were reduced by the use of interest on capital proposed in March 2019, as per the Shareholders Notice dated March 26, 2019. On September 20, 2019, judicial deposits in the amount of R\$ 88,456 thousand were released and incorporated into the Company's cash.

2Q19: the Company reviewed the calculations referring to the success in tax proceeding, named Summer Plan, recognized in the financial statements for 2Q18. As a result of this review, the result for the period in 2Q19 was impacted (decreased) by R\$ 4,174 thousand, including the effects of income tax and social contribution.

9M19: The sum of the amounts mentioned above, in 1Q19 and 2Q19, is recognized in 9M19.

Corporate Profile



Romi, founded in 1930, is the leader in the Brazilian industrial machinery and equipment market, and an important manufacturer of raw and machined cast iron parts.

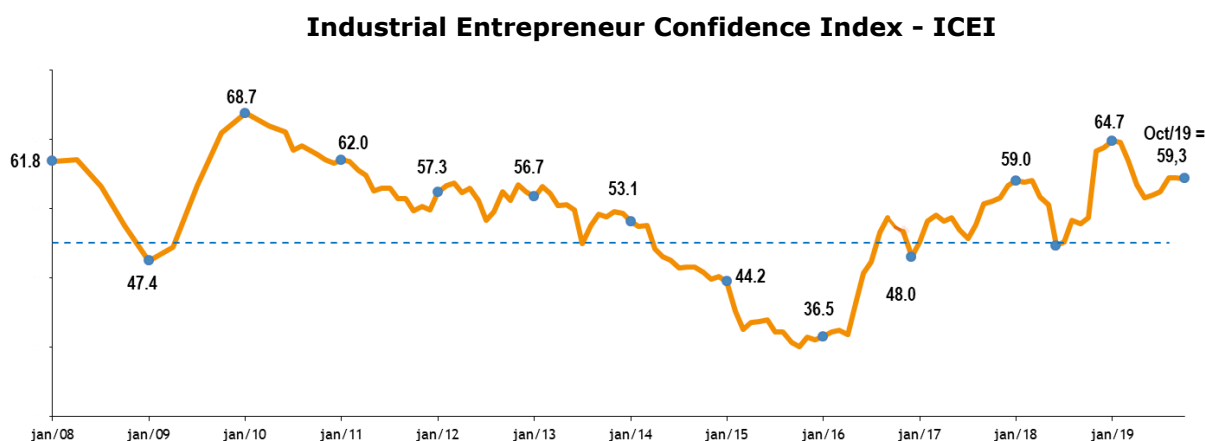
The Company is listed on B3's "New Market", which is reserved for companies with a higher level of corporate governance. Romi manufactures machine tools (Conventional Lathes, Computerized Numerical Control (CNC) Lathes, Lathing Centers, Machining Centers, Vertical and Horizontal Heavy and Extra-Heavy Lathes and Drilling Mills), Plastic Injection or Blow Molding Machines and ductile or CDI gray cast iron parts, which may be supplied in raw or machined form. The Company's products and services are sold around the world and used by various industrial segments, such as the automotive (light and heavy), agricultural machinery, capital goods, consumer goods, tools, hydraulic equipment and wind power industries, among many others.

The Company has thirteen manufacturing units, four of which for final assembly of industrial machinery, two foundries, four units for machining of mechanical components, two units for manufacture of steel sheet components, and one unit for assembly of electronic panels. Of these, eleven are located in Brazil and two in Germany. The installed capacity of industrial machines and casting production is of, respectively, about 2,900 units and 50,000 tons per year.

Current Economic Scenario

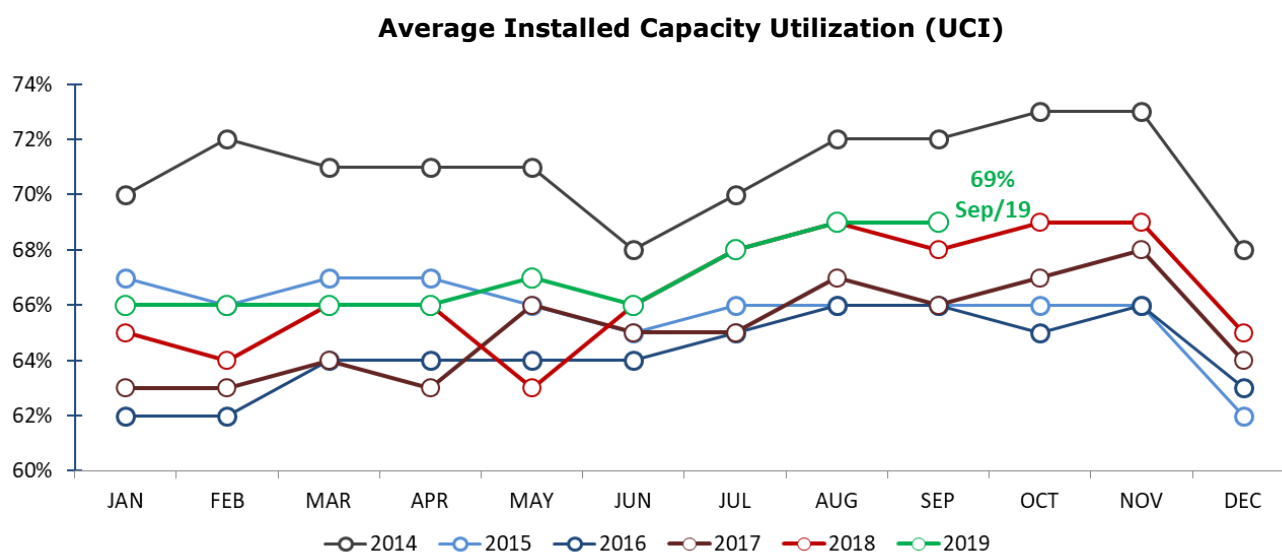
2019 began with the continuity of the economic recovery and, mainly, with a good level of optimism in the industry. Some macroeconomic data also continue to indicate recovery signs in the Brazilian economy, such as the improvement in the confidence indexes and in the utilization of installed capacity when compared to the last three years, presented below. This improvement in macroeconomic data begins to materialize in the Romi Machines business unit, which, faced with a more stable scenario, encourages customers to resume their investments. The foreign market begins to feel the effects of the global economic slowdown, especially the South American markets, and, as a consequence, a reduction in turnover generated in these countries can be noted.

In October 2019, as shown below, the Industrial Entrepreneur Confidence Index (ICEI) reached 59.3, a level that shows the evolution of the index in 2019 when compared to the previous three years, in line with the gradual resumption of the economy.



Source: CNI - ICEI, October 2019

The Installed Capacity Utilization (UCI) index of the Brazilian industry in general, as released by the National Confederation of Industries (CNI), has consolidated at an important growth level, when compared to the last years, showing an important recovery of the Brazilian economy.



Source: CNI - UCI, September 2019

Romi continues to implement actions to streamline its structure and the planning and manufacturing process, to respond quickly to the demand volatility. Over the past few years we have made several optimizations, especially in indirect structures. We reinforced the focus on cost and expense reduction projects and invested in automation and productivity, focusing on the increase of profitability, which can be noted since 2017. Strategically, we have defined the launching of new product generations as a priority, and the first lines are already successful in the domestic and international markets. This gives us great confidence that we are very well prepared for the rekindling of the domestic economy.

Market

The Company's main leading edges in the market; namely, products with cutting-edge technology, own nationwide distribution network, own ongoing technical assistance, availability of attractive customer credit facilities in local currency, and short product delivery times, are all recognized by customers, giving the ROMI® brand name a traditional and prestigious reputation.

Order Entry (R\$ 000) Gross Values, sales taxes included	3Q18	2Q19	3Q19	Chg. 3Q19/2Q19	Chg. 3Q19/3Q18	9M18	9M19	Chg. 19/18
Romi Machines	108,944	116,053	92,413	-20.4%	-15.2%	276,853	280,422	1.3%
Burkhardt+Weber Machines	78,231	41,396	36,673	-11.4%	-53.1%	135,566	110,268	-18.7%
Rough and Machined Cast Iron Parts	29,408	66,560	59,774	-10.2%	103.3%	144,565	163,412	13.0%
Total *	216,583	224,008	188,860	-15.7%	-12.8%	556,984	554,101	-0.5%

* The order entry figures do not include parts and services.

The order entry volume at the Romi Machines Unit in 9M19 showed a growth of 1.3% compared to 9M18, chiefly due to the growth of orders in the domestic market, demonstrating that in 2019 the continuing economic recovery and a good level of optimism are observed, which encourages investments. In 3Q19, the order entry from this business unit decreased by 15.2%, reflecting the global slowdown and the political and economic challenges faced by South American countries. The reduction in new orders mentioned, coupled with the large number of machines delivered in 3Q19, resulted in a order backlog reduction at the end of 3Q19 of 17.3% when compared to 3Q18.

At the German subsidiary B+W, the order entry in the first nine months of 2019 decreased by 18.7%, reflecting the slowdown in the world economy. On the other hand, the volume of projects remains at good levels, showing that by 2020 there are still several opportunities to be realized.

The Raw and Machined Cast Iron Parts Unit presented 103.3% higher order entry in 3Q19 than in 2Q18, demonstrating the beginning of the recovery of large cast iron parts for the energy segment.

Order Backlog (R\$ 000) Gross Values, sales taxes included	3Q18	2Q19	3Q19	Chg. 3Q19/2Q19	Chg. 3Q19/3Q18
Romi Machines	136,011	119,291	112,472	-5.7%	-17.3%
Burkhardt+Weber Machines	199,841	183,251	151,062	-17.6%	-24.4%
Rough and Machined Cast Iron Parts	41,217	62,930	71,624	13.8%	73.8%
Total *	377,069	365,472	335,158	-8.3%	-11.1%

* The order entry figures do not include parts and services.

Operational Performance

NET OPERATING REVENUE

Net operating revenue posted by the Company in 3Q19 reached R\$ 246.5 million, 19.7% higher than in 3Q18 and 46.8% higher than in 2Q19.

By Business Unit

Net Operating Revenue (R\$ 000)	3Q18	2Q19	3Q19	Chg. 3Q19/2Q19	Chg. 3Q19/3Q18	9M18	9M19	Chg. 19/18
Romi Machines	97,512	79,738	112,824	41.5%	15.7%	237,265	261,481	10.2%
Burkhardt+Weber Machines	58,823	52,408	89,607	71.0%	52.3%	117,581	159,731	35.8%
Raw and Machined Cast Iron Parts	49,619	35,713	44,069	23.4%	-11.2%	141,874	113,913	-19.7%
Total	205,954	167,859	246,500	46.8%	19.7%	496,720	535,125	7.7%

Romi Machines

The net operating revenue of this Business Unit reached R\$ 112.8 million in 3Q19, posting an increase of 15.7% when compared to the same period in 2018, reflecting the higher turnover generated in the domestic market, due to the gradual economic recovery started in 2018.

Burkhardt + Weber Machines

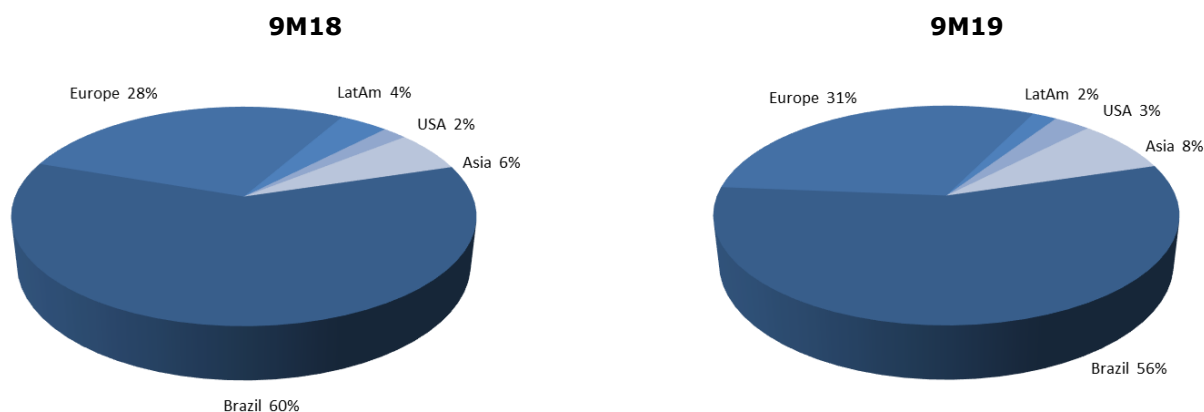
In 3Q19, revenue of the German subsidiary B+W, in Reais, was 52.3% higher than in 3Q18, due to the good volume of new businesses generated in the last periods. In 9M19, this growth was 35.8%, showing that machine deliveries are better distributed throughout the second half of the year.

Raw and Machined Cast Iron Parts

The net operating revenue of this Business Unit was R\$ 44.1 million in 3Q19, representing a 11.2% decrease compared to 3Q18, chiefly due to the reduction in the volume of large raw and machined cast iron parts.

By Geographic Region

The domestic market accounted for 56% of Romi's consolidated revenue in 9M19 (60% in 9M18). Considering the revenue obtained in foreign markets, which takes into account sales by Romi's subsidiaries abroad (Germany, China, United States, Italy, United Kingdom, France, Mexico and Spain) and direct sales to other markets, the distribution of Romi's consolidated revenue by geographic region was the following:



The following shows the foreign market revenue, in Reais (R\$) and in US dollars (US\$):

Receita Operacional Líquida no Mercado Externo	Trimestral					Acumulado		
	3T18	2T19	3T19	Var. 2T19/1T19	Var. 2T19/2T18	9M18	9M19	Var. 1S19/1S18
ROL (em R\$ milhões):	90,2	78,4	123,6	57,7%	37,0%	198,8	242,4	21,9%
ROL (em US\$ milhões):	22,5	20,1	30,7	53,1%	36,4%	52,9	61,5	16,4%

OPERATING COSTS AND EXPENSES

The gross margin of 29.6% obtained in 3Q19 decreased by 0.2 p.p. in relation to 3Q18, and the operating margin (EBIT) presented an increase of 3.6 p.p. in the same period, due to the lower volume of revenues at the Romi Machines and B+W Machines Business units and the focus on projects to increase profitability.

						Accumulated		
Gross Margin	3Q18	2Q19	3Q19	Chg. p.p. 3Q19/2Q19	Chg. p.p. 3Q19/3Q18	9M18	9M19	Chg. pp 9M19/9M1
Romi Machines	43.5%	41.0%	40.6%	(0.4)	(2.9)	40.1%	40.8%	0.7
Burkhardt+Weber Machines	20.2%	12.4%	24.1%	11.7	3.9	15.9%	15.6%	(0.3)
Raw and Machined Cast Iron Parts	12.5%	10.8%	12.8%	2.0	0.2	16.4%	7.4%	(9.0)
Total	29.4%	25.6%	29.6%	4.0	0.2	27.6%	26.1%	(1.4)

						Accumulated		
EBIT Margin	3Q18	2Q19	3Q19	Chg. p.p. 3Q19/2Q19	Chg. p.p. 3Q19/3Q18	9M18	9M19	Chg. pp 9M19/9M1
Romi Machines	15.8%	3.7%	16.4%	12.7	0.6	7.6%	28.5%	20.9
Burkhardt+Weber Machines	-0.2%	-5.2%	10.3%	15.5	10.5	-7.3%	-3.3%	4.0
Raw and Machined Cast Iron Parts	0.2%	-5.3%	-0.9%	4.3	(1.2)	4.8%	11.3%	6.5
Total	7.5%	-1.0%	11.1%	12.1	3.6	3.3%	15.3%	12.1

						Accumulated		
EBIT Margin - Adjusted	3Q18	2Q19	3Q19	Chg. p.p. 3Q19/2Q19	Chg. p.p. 3Q19/3Q18	9M18	9M19	Chg. pp 9M19/9M1
Romi Machines	15.8%	3.7%	16.4%	12.7	0.6	8.3%	8.0%	(0.2)
Burkhardt+Weber Machines	-0.2%	-5.2%	10.3%	15.5	10.5	-7.3%	-3.3%	4.0
Raw and Machined Cast Iron Parts	0.2%	-5.3%	-0.9%	4.3	(1.2)	4.8%	-7.0%	(11.8)
Total	7.5%	-1.0%	11.1%	12.1	3.6	3.6%	1.5%	(2.1)

Romi Machines

The gross margin of this Business Unit in 3Q19 decreased by 2.9 p.p. when compared to 3Q18 due to the product mix. The operating margin (EBIT) also increased by 0.6 p.p. over the same comparison period due to higher sales volume.

Burkhardt + Weber Machines

In this Business Unit, gross and operating margins in 3Q19 increased by 3.9 pp and 10.5 pp, respectively, in relation to 3Q18, due to the 52.3% increase in net operating revenue and projects with focus in increasing profitability.

Raw and Machined Cast Iron Parts

The gross margin of this Business Unit in 3Q19 increased by 0.2 pp compared to 3Q18. In the same comparison period, the operating margin decreased by 1.2 pp due to the 11.2% decrease in sales volume.

EBITDA AND EBITDA MARGIN

In 3Q19, the operating cash generation as measured by EBITDA amounted to R\$ 35.5 million, representing an EBITDA margin of 14.4% in the quarter, as indicated in the following table:

Reconciliation of Net Income to EBITDA						Accumulated		
(R\$ 000)	3Q18	2Q19	3Q19	Chg. 3Q19/2Q19	Chg. 3Q19/3Q18	9M18	9M19	Chg. 9M19/9M18
Net Income	15,931	(4,348)	27,891	741.5%	75.1%	63,210	110,844	75.4%
Income tax and social contributions	(526)	194	1,043	437.6%	298.3%	(8,233)	31,735	-485.5%
Net Financial Income	2	2,473	(1,600)	-164.7%	-80100.0%	(38,814)	(60,483)	55.8%
Depreciation and amortization	8,479	8,369	8,194	-2.1%	-3.4%	24,961	24,823	-0.6%
EBITDA	23,886	6,688	35,528	431.2%	48.7%	41,124	106,919	160.0%
EBITDA Margin	11.6%	4.0%	14.4%	2.62	0.24	8.3%	20.0%	1.41
EBITDA - Adjusted (*)	23,886	6,688	35,528	431.2%	48.7%	42,747	32,600	-23.7%
EBITDA Margin - Adjusted (*)	11.6%	4.0%	14.4%	2.62	0.24	8.6%	6.1%	(0.29)
Total Net Operating Revenue	205,954	167,859	246,500	46.8%	19.7%	496,720	535,125	7.7%

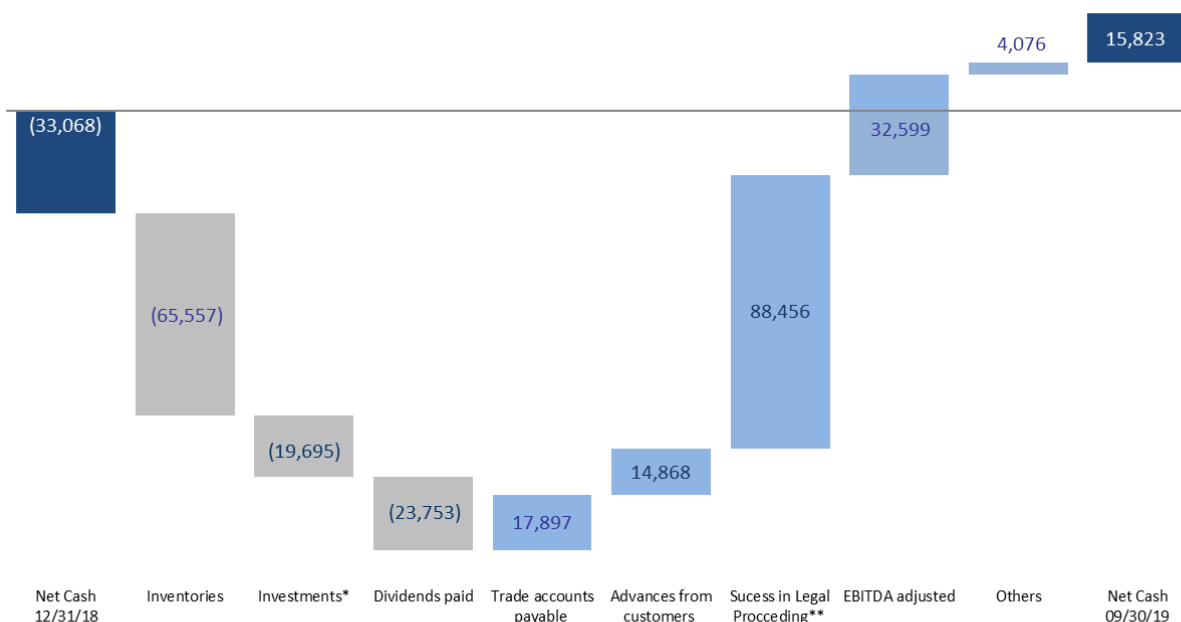
(*) As described in the highlights of this report.

RESULT FOR THE PERIOD

The result for the period in 3Q19 was positive by R\$ 27.9 million.

Evolution of the Net Cash (Debt) Position

The main variations in the net debt position during 9M19 are described below in R\$'000:



*"Investment" balances are net of the impacts recognized in accordance with IFRS 16 - Leases.

** Amounts received regarding Success in Tax Proceeding, as disclosed in 1Q19.

Cash generation in 9M19 is due to the following main aspects:

a) Increase in inventory level due to higher volume of purchases in order to ensure adequate availability of products for customers and fulfillment of the order backlog, which presented a significant growth compared to December 2018;

b) Payment of interest on capital proposed in April 2018 and paid in March 2019, in the total net amount of R\$ 23.8 million; and

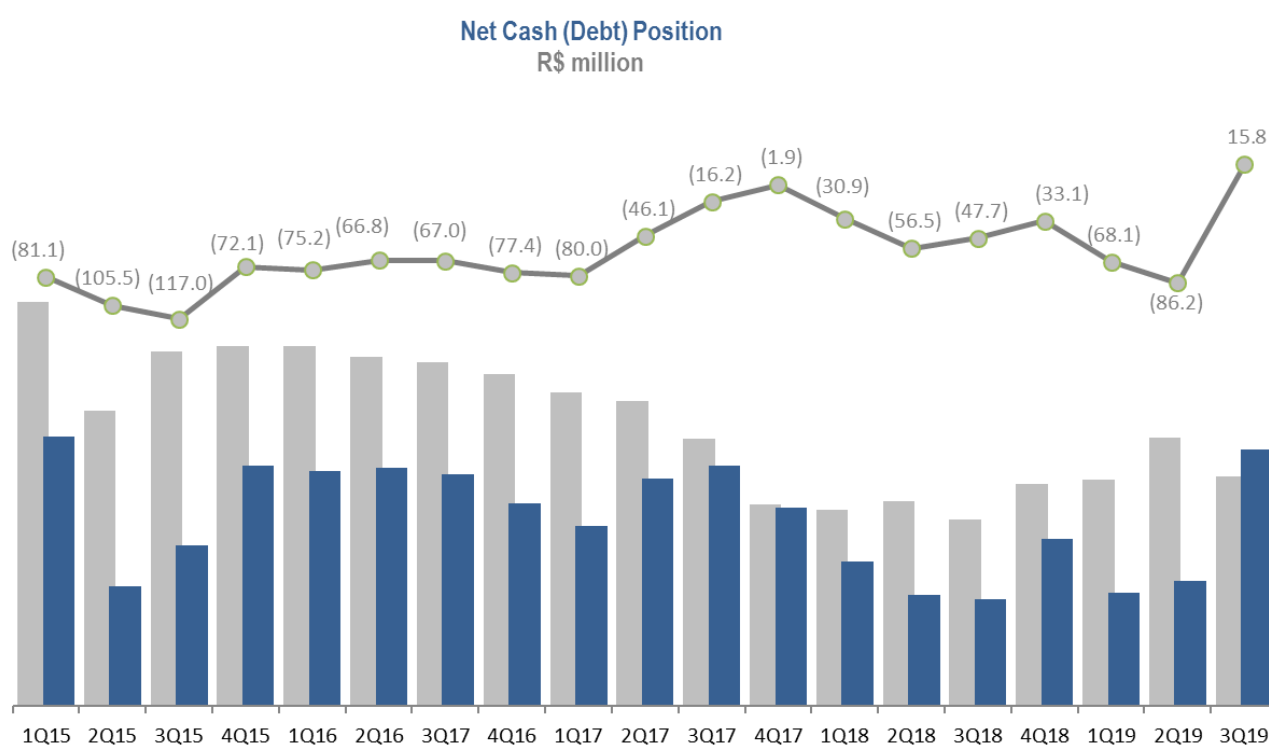
c) Investments made during 9M19, most of them for the installation of an automatic molding machine for the Raw and Machined Cast Iron Parts Business Unit. The other investments were allocated in part to maintenance as well as to improve productivity, flexibility and competitiveness of the other industrial units, all of them pursuant to the investment plan already scheduled for the year.

d) Cash inflow from the release of escrow deposits in the amount of R\$ 88,456, as described in the section on Success in Legal Proceeding.

Financial Position

Short-term investments, including those backed by debentures, are made with prime financial institutions with low credit risk and their yield is mainly pegged to the Interbank Certificate of Deposit (CDI). The consolidated net cash (debt) position at September 30, 2019 was positive R\$15.8 million.

The Company's borrowings are used mainly in investments for the modernization of the industrial facilities, research and development of new products and financing of exports and imports. At September 30, 2019, the amount of financing in local currency was R\$ 21.9 million, and in foreign currency, R\$ 116.6 million, totaling R\$138.5 million.



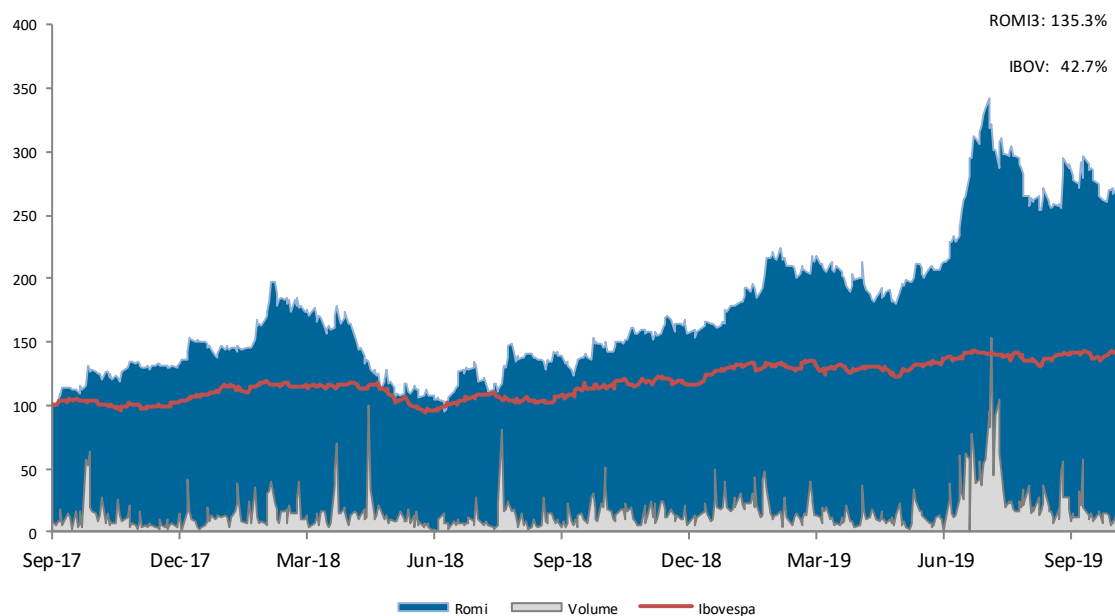
The balances of "Finame Manufacturer Financing" are not used in the calculation of net debt of the Company.

At September 30, 2019, the Company did not have any derivative transactions.

Capital Market

Share Performance ROMI3 vs. Ibovespa

From 09/30/2017 to 10/21/2019



Source: B3.

On October 21, 2019, the Company's common shares (ROMI3), which were quoted at R\$13.48, posted appreciation of 59.9% since December 31, 2018 and 135.3% since September 30, 2017. Ibovespa recorded appreciation of 20.6% and 42.7% in the same periods.

The Company's market capitalization on October 21, 2019 was R\$847.3 million. The average daily trading volume during 3Q19 was R\$3.6 million.

Success in Legal Proceeding

EXCLUSION OF ICMS LEVIED ON SALES FROM THE PIS AND COFINS TAX BASE

As disclosed in note 14 to the Quarterly Information for the first quarter of 2019, on October 24, 2006, the Company filed a claim in which it questioned the constitutionality of the inclusion of ICMS (state tax) on sales in the PIS and COFINS (federal taxes) tax base, as well as the repetition of such tax overpayment retroactively for 5 (five) years.

The Company, on March 13, 2019, obtained a favorable final outcome on its individual ordinary lawsuit about the matter. As a consequence of such final and unappealable decision on its individual lawsuit, the then present obligation derived from a past event was no longer considered as an obligation and, therefore, the Company recognized in the financial statements for the first quarter of 2019 the effects of the success in such proceeding, which totaled R\$ 138,008, before taxes, of which R\$ 74,321 was recorded in "Other operating income (expenses), net", and R\$ 63,868 in "Financial income". The impact on profit for the period was R\$105,564, already considering the effects of income tax and social contribution on the gain, which were reduced by the use of the interest on capital, proposed in March 2019, according to the Shareholders Notice dated March 26, 2019.

On September 20, 2019, escrow deposits in the amount of R\$ 88,456 thousand were released and incorporated into the Company's cash.

Consolidated Balance Sheet

IFRS (R\$ 000)

ASSETS		09/30/18	12/31/18	06/30/19	09/30/19
CURRENT		681,559	697,357	806,396	823,557
Cash and Cash equivalents		63,951	100,428	74,564	153,621
Financial investments		481	489	668	676
Trade accounts receivable		134,184	168,213	131,340	173,790
Onlending of FINAME manufacturer financing		80,479	87,482	89,606	91,990
Inventories		350,239	300,547	380,666	366,104
Recoverable taxes		36,671	25,267	20,420	16,762
Judicial Deposits		-	-	87,699	-
Other receivables		15,554	14,931	21,433	20,614
NON CURRENT		197,651	209,430	228,886	244,369
Trade accounts receivable		12,526	13,618	10,840	10,233
Onlending of FINAME manufacturer financing		104,737	128,584	128,930	144,959
Recoverable taxes		20,495	18,998	53,023	53,487
Deferred income and social contribution taxes		51,719	43,948	29,521	28,895
Judicial Deposits		2,129	2,110	2,098	2,016
Other receivables		6,045	2,172	4,474	4,779
Investments					
Property, Plant and Equipment		263,610	258,921	263,560	265,501
Investment Properties		18,602	18,398	18,398	18,398
Intangible assets		58,486	57,981	54,561	55,709
TOTAL ASSETS		1,219,908	1,242,087	1,371,801	1,407,534
LIABILITIES AND SHAREHOLDER'S EQUITY		09/30/18	12/31/18	06/30/19	09/30/19
CURRENT		379,892	362,752	438,013	450,524
Loans and financing		75,061	102,547	134,808	113,555
FINAME manufacturer financing		55,931	63,326	69,354	73,800
Trade accounts payable		64,702	44,261	65,784	62,158
Payroll and related taxes		35,351	27,504	31,540	35,690
Taxes payables		2,826	7,847	5,226	7,372
Advances from customers		87,529	71,466	86,076	86,334
Other payables		58,492	45,801	45,225	71,615
NON CURRENT		160,355	181,732	185,240	201,280
Loans and financing		37,106	31,438	26,649	24,919
FINAME manufacturer financing		87,928	116,278	121,474	138,487
Deferred income and social contribution taxes		34,419	31,786	30,825	31,912
Taxes payable		666	2,100	1,352	910
Reserve for contingencies		236	130	4,940	5,052
Other payables		-	-	-	-
SHAREHOLDER'S EQUITY		680,796	695,977	746,986	754,217
Capital		492,025	492,025	492,025	492,025
Retained earnings		139,306	160,218	213,524	216,216
Cumulative translation adjustments		49,465	43,734	41,437	45,976
NON CONTROLLING INTERESTS		1,498	1,626	1,562	1,513
TOTAL SHAREHOLDER'S EQUITY		682,294	697,603	748,548	755,730
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		1,222,541	1,242,087	1,371,801	1,407,534

Consolidated Income Statement

IFRS (R\$ thousand)

	3Q18	2Q19	3Q19	Chg. 3Q19/2Q19	Chg. 3Q19/3Q18	9M18	9M19	Chg. 9M19/9M18
Net Operating Revenue	205,954	167,859	246,500	46.8%	19.7%	496,720	535,125	7.7%
Cost of Goods Sold	(145,400)	(124,553)	(173,450)	39.3%	19.3%	(359,682)	(395,218)	9.9%
Gross Profit	60,554	43,306	73,050	68.7%	20.6%	137,038	139,907	2.1%
<i>Gross Margin %</i>	<i>29.4%</i>	<i>25.8%</i>	<i>29.6%</i>			<i>27.6%</i>	<i>26.1%</i>	
Operating revenues (expenses)	(45,147)	(44,987)	(45,716)	1.6%	1.3%	(120,875)	(57,811)	-52.2%
Selling expenses	(23,498)	(20,880)	(22,531)	7.9%	-4.1%	(57,704)	(61,969)	7.4%
Research and development expenses	(4,377)	(5,748)	(5,286)	-8.0%	20.8%	(12,804)	(15,794)	23.4%
General and administrative expenses	(15,406)	(17,289)	(16,743)	-3.2%	8.7%	(44,241)	(51,467)	16.3%
Management profit sharing and compensation	(2,171)	(1,555)	(1,785)	14.8%	-17.8%	(5,806)	(4,838)	-16.7%
Other operating income, net	305	485	629	29.7%	106.2%	(320)	76,257	-23930.3%
Operating Income (loss) before Financial Results	15,407	(1,681)	27,334	-1726.1%	77.4%	16,163	82,096	407.9%
<i>Operating Margin %</i>	<i>7.5%</i>	<i>-1.0%</i>	<i>11.1%</i>			<i>3.3%</i>	<i>15.3%</i>	
Financial Results, Net	(2)	(2,473)	1,600	-164.7%	-80100.0%	38,814	60,483	55.8%
Financial income	1,316	(510)	3,325	-752.0%	152.7%	41,587	66,640	60.2%
Financial expenses	(2,114)	(1,133)	(1,187)	4.8%	-43.9%	(7,186)	(3,496)	-51.3%
Exchange gain (loss), net	796	(830)	(538)	-35.2%	-167.6%	4,413	(2,661)	-160.3%
Operations Operating Income	15,405	(4,154)	28,934	-796.5%	87.8%	54,977	142,579	159.3%
Income tax and social contribution	526	(194)	(1,043)	437.6%	-298.3%	8,233	(31,735)	-485.5%
Net income	15,931	(4,348)	27,891	-741.5%	75.1%	63,210	110,844	75.4%
<i>Net Margin %</i>	<i>7.7%</i>	<i>-2.6%</i>	<i>11.3%</i>			<i>12.7%</i>	<i>20.7%</i>	
Net profit (loss) concerning:								
Controlling interests	15,889	(4,406)	27,835	-731.8%	75.2%	63,089	110,683	75.4%
Non controlling interests	42	58	56	-3.4%	33.3%	121	161	33.1%
EBITDA	23,886	6,688	35,528	431.2%	48.7%	41,124	106,919	160.0%
Profit (loss) for the period	15,931	(4,348)	27,891	-741.5%	75.1%	63,210	110,844	75.4%
Income tax and social contribution	(526)	194	1,043	437.6%	-298.3%	(8,233)	31,735	-485.5%
Financial result, net	2	2,473	(1,600)	-164.7%	-80100.0%	(38,814)	(60,483)	55.8%
Depreciation and amortization	8,479	8,369	8,194	-2.1%	-3.4%	24,961	24,823	-0.6%
<i>EBITDA Margin %</i>	<i>11.6%</i>	<i>4.0%</i>	<i>14.4%</i>			<i>8.3%</i>	<i>20.0%</i>	
Nº of shares in capital stock (th)	62,858	62,858	62,858	0.0%	0.0%	62,858	62,858	0.0%
Profit (loss) per share - R\$	0.25	(0.07)	0.44	-731.8%	75.2%	1.01	1.76	75.1%

Consolidated Cash Flow Statement

IFRS (R\$ thousand)

	3Q18	2Q19	3Q19	9M18	9M19
Cash from operating activities					
Net Income before taxation	15,405	(4,153)	28,934	39,572	113,645
Financial expenses and exchange gain	625	1,800	1	(35,150)	(58,609)
Depreciation and amortization	8,479	8,369	8,192	16,482	16,631
Allowance for doubtful accounts and other receivables	(1,653)	130	1,017	(155)	(3,167)
Proceeds from sale of fixed assets and intangibles	(715)	(205)	(289)	70	(443)
Provision for inventory realization	2,142	(1,098)	(1,744)	(834)	265
Reserve for contingencies	705	(458)	(2,607)	1,555	(57,204)
Change on operating assets and liabilities					
Financial Investments	(6)	(9)	(8)	13,195	(179)
Trade accounts receivable	(1,741)	3,914	(36,672)	916	40,910
Onlending of Finame manufacturer financing	(20,562)	(6,010)	(16,306)	8,691	(7,298)
Inventories	(25,123)	(32,637)	16,306	(84,532)	(80,383)
Recoverable taxes, net	(3,256)	19,937	4,618	(43,645)	11,135
Judicial deposits	(1,277)	(1,092)	89,291	(1,685)	7,448
Other receivables	6,944	2,085	3,235	33,435	3,641
Trade accounts payable	2,438	4,943	(4,432)	26,096	19,944
Payroll and related taxes	4,083	6,590	5,375	3,030	4,493
Taxes payable	1,194	(16,308)	(780)	6,557	(34,717)
Advances from customers	11,785	1,586	258	19,232	14,610
Other payables	1,851	7,602	5,125	(455)	1,110
Cash provided by (used in) operating activities	1,318	(5,014)	99,514	2,375	(8,168)
Income tax and social contribution paid	(3,225)	(587)	(296)	(522)	(3,359)
Net Cash provided by (used in) operating activities	(1,907)	(5,601)	99,218	1,853	(11,527)
Purchase of fixed assets	(4,104)	(12,910)	(5,699)	(13,163)	(20,067)
Sales of fixed assets	-	351	492	977	620
Increase in intangible assets	(669)	(1)	(28)	(2,127)	(582)
Net cash Used in Investing Activities	(4,773)	(12,560)	(5,235)	(14,313)	(20,029)
Interest on capital paid	(79)	-	(105)	(7,923)	(23,922)
New loans and financing	33,396	37,065	44,945	17,079	51,032
Payments of loans and financing	(46,812)	(11,225)	(72,160)	(18,948)	(21,308)
Interests paid (including Finame manufacturer financing)	(2,962)	(7,045)	(6,507)	(10,131)	(11,875)
New loans in Finame manufacturer	36,008	23,989	39,174	23,689	44,448
Payment of Finame manufacturer financing	(14,835)	(17,631)	(19,055)	(29,708)	(33,008)
Net Cash provided by (used in) Financing Activities	4,716	25,153	(13,708)	(25,942)	5,367
Increase (decrease) in cash and cash equivalents	(1,964)	6,992	80,275	(38,402)	(26,189)
Exchange variation changes on cash and cash equivalents abroad	(540)	60	(1,218)	(825)	325
Cash and cash equivalents - beginning of period	66,455	67,512	74,564	105,682	100,428
Cash and cash equivalents - end of period	63,951	74,564	153,621	66,455	74,564

Attachment I – Income Statement by Business Unit

Income Statement by Business Units - 3Q19

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Raw and Machined Cast Iron	Total
Net Operating Revenue	112,824	89,607	44,069	246,500
Cost of Sales and Services	(60,360)	(67,996)	(45,094)	(173,450)
Business Units Transfers	613	-	7,266	7,879
Business Units Transfers	(7,266)	-	(613)	(7,879)
Gross Profit	45,811	21,611	5,628	73,050
<i>Gross Margin %</i>	<i>40.6%</i>	<i>24.1%</i>	<i>12.8%</i>	<i>29.6%</i>
Operating Expenses	(27,319)	(12,354)	(6,043)	(45,716)
Selling	(15,260)	(5,722)	(1,549)	(22,531)
General and Administrative	(7,133)	(6,632)	(2,978)	(16,743)
Research and Development	(4,451)	-	(835)	(5,286)
Management profit sharing	(1,104)	-	(681)	(1,785)
Other operating revenue	629	-	-	629
Operating Income (loss) before Financial Results	18,492	9,257	(415)	27,334
<i>Operating Margin %</i>	<i>16.4%</i>	<i>10.3%</i>	<i>-0.9%</i>	<i>11.1%</i>
Depreciation and amortization	2,886	2,207	3,101	8,194
EBITDA	21,378	11,464	2,686	35,528
<i>EBITDA Margin %</i>	<i>18.9%</i>	<i>12.8%</i>	<i>6.1%</i>	<i>14.4%</i>

Income Statement by Business Units - 3Q18

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Raw and Machined Cast Iron	Total
Net Operating Revenue	97,512	58,823	49,619	205,954
Cost of Sales and Services	(48,077)	(46,939)	(50,384)	(145,400)
Business Units Transfers	866	-	7,857	8,723
Business Units Transfers	(7,857)	-	(866)	(8,723)
Gross Profit	42,444	11,884	6,226	60,554
<i>Gross Margin %</i>	<i>43.5%</i>	<i>20.2%</i>	<i>12.5%</i>	<i>29.4%</i>
Operating Expenses	(27,031)	(12,013)	(6,103)	(45,147)
Selling	(16,385)	(5,416)	(1,697)	(23,498)
General and Administrative	(5,514)	(6,597)	(3,295)	(15,406)
Research and Development	(4,377)	-	-	(4,377)
Management profit sharing	(1,060)	-	(1,111)	(2,171)
Other operating revenue	305	-	-	305
Operating Income (loss) before Financial Results	15,413	(129)	123	15,407
<i>Operating Margin %</i>	<i>15.8%</i>	<i>-0.2%</i>	<i>0.2%</i>	<i>7.5%</i>
Depreciation and amortization	3,095	2,334	3,052	8,481
EBITDA	18,508	2,205	3,175	23,888
<i>EBITDA Margin %</i>	<i>19.0%</i>	<i>3.7%</i>	<i>6.4%</i>	<i>11.6%</i>

Income Statement by Business Units - 9M19

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron	Total
Net Operating Revenue	261,481	159,731	113,913	535,125
Cost of Sales and Services	(135,078)	(134,850)	(125,290)	(395,218)
Business Units Transfers	1,881	-	21,682	23,563
Business Units Transfers	(21,682)	-	(1,881)	(23,563)
Gross Profit	106,602	24,881	8,424	139,907
<i>Gross Margin %</i>	<i>40.8%</i>	<i>15.6%</i>	<i>7.4%</i>	<i>26.1%</i>
Operating Expenses	(32,051)	(30,196)	4,436	(57,811)
Selling	(46,505)	(11,296)	(4,168)	(61,969)
General and Administrative	(24,607)	(18,900)	(7,960)	(51,467)
Research and Development	(13,158)	-	(2,636)	(15,794)
Management profit sharing	(3,228)	-	(1,610)	(4,838)
Other operating revenue	55,447	-	20,810	76,257
Operating Income (loss) before Financial Results	74,551	(5,315)	12,860	82,096
<i>Operating Margin %</i>	<i>28.5%</i>	<i>-3.3%</i>	<i>11.3%</i>	<i>15.3%</i>
Operating loss before Financial Results - Adjusted (*)	21,040	(5,315)	(7,950)	7,775
<i>Operating Margin % - Adjusted (*)</i>	<i>8.0%</i>	<i>-3.3%</i>	<i>-7.0%</i>	<i>1.5%</i>
Depreciation and amortization	8,541	7,016	9,266	24,823
EBITDA	83,092	1,701	22,126	106,919
<i>EBITDA Margin %</i>	<i>31.8%</i>	<i>1.1%</i>	<i>19.4%</i>	<i>20.0%</i>
EBITDA - Adjusted (*)	29,583	1,701	1,316	32,600
<i>EBITDA Margin % - Adjusted (*)</i>	<i>11.3%</i>	<i>1.1%</i>	<i>1.2%</i>	<i>6.1%</i>

Income Statement by Business Units - 9M18

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron	Total
Net Operating Revenue	237,265	117,581	141,874	496,720
Cost of Sales and Services	(125,939)	(98,863)	(134,880)	(359,682)
Business Units Transfers	2,737	-	18,942	21,679
Business Units Transfers	(18,942)	-	(2,737)	(21,679)
Gross Profit	95,121	18,718	23,199	137,038
<i>Gross Margin %</i>	<i>40.1%</i>	<i>15.9%</i>	<i>16.4%</i>	<i>27.6%</i>
Operating Expenses	(77,157)	(27,348)	(16,370)	(120,875)
Selling	(43,899)	(10,011)	(3,794)	(57,704)
General and Administrative	(17,133)	(17,337)	(9,771)	(44,241)
Research and Development	(12,804)	-	-	(12,804)
Management profit sharing	(3,001)	-	(2,805)	(5,806)
Other operating revenue	(320)	-	-	(320)
Operating Income (loss) before Financial Results	17,964	(8,630)	6,829	16,163
<i>Operating Margin %</i>	<i>7.6%</i>	<i>-7.3%</i>	<i>4.8%</i>	<i>3.3%</i>
Operating loss before Financial Results - Adjusted (*)	19,587	(8,630)	6,829	17,786
<i>Operating Margin % - Adjusted (*)</i>	<i>8.3%</i>	<i>-7.3%</i>	<i>4.8%</i>	<i>3.6%</i>
Depreciation and amortization	9,427	5,866	9,668	24,961
EBITDA	27,391	(2,764)	16,497	41,124
<i>EBITDA Margin %</i>	<i>11.5%</i>	<i>-2.4%</i>	<i>11.6%</i>	<i>8.3%</i>
EBITDA - Adjusted (*)	29,014	(2,764)	16,497	42,747
<i>EBITDA Margin % - Adjusted (*)</i>	<i>12.2%</i>	<i>-2.4%</i>	<i>11.6%</i>	<i>8.6%</i>

Attachment II - Financial Statements of B + W

Balance Sheet B+W

	(€ 000)			
ASSETS	09/30/18	12/31/18	06/30/19	09/30/19
CURRENT	27,198	26,223	29,934	31,267
Cash and Cash equivalents	1,875	1,136	160	1
Trade accounts receivable	6,273	11,925	9,121	14,712
Inventories	17,488	12,069	18,063	14,355
Recoverable taxes	680	-	253	858
Deferred income and social contribution taxes	-	80	1,112	504
Related Parties	103	877	243	232
Other receivables	780	136	982	606
Investments				
Property, plant and equipment	14,711	14,579	14,247	14,233
Investment in subsidiaries	59	59	59	59
Intangible assets	12,933	12,868	12,354	12,121
TOTAL ASSETS	54,901	53,729	56,594	57,680
LIABILITIES AND SHAREHOLDER'S EQUITY	09/30/18	12/31/18	12/31/18	03/31/19
CURRENT	23,048	21,650	27,459	27,312
Loans and financing	1,500	2,349	2,499	2,948
Trade accounts payable	3,056	3,216	4,047	4,227
Payroll and related taxes	1,305	894	1,682	1,477
Taxes payable	-	9	801	1,042
Advances from customers	15,005	12,425	15,955	14,249
Other payables	1,342	2,143	1,519	2,247
Related Parties	840	614	957	1,120
NON CURRENT	7,429	7,054	6,688	6,534
Loans and financing	2,689	2,551	2,274	2,164
Deferred income and social contribution taxes	4,740	4,504	4,414	4,369
SHAREHOLDER'S EQUITY	24,424	25,025	22,448	23,835
Capital	7,025	7,025	7,025	7,025
Capital reserve	505	505	505	505
Profit reserve	16,894	17,495	14,918	16,305
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	54,901	53,729	56,594	57,680

B+W Income Statement

	(€ 000)				
	3Q18	2Q19	3Q19	9M18	9M19
Net Operating Revenue	12,765	11,883	20,216	26,891	36,220
Cost of Goods Sold	(10,199)	(10,411)	(15,349)	(22,688)	(30,647)
Gross Profit	2,566	1,472	4,867	4,203	5,573
<i>Gross Margin %</i>	<i>20.1%</i>	<i>12.4%</i>	<i>24.1%</i>	<i>15.6%</i>	<i>15.4%</i>
Operating Expenses	(2,597)	(2,092)	(2,790)	(6,303)	(6,901)
Selling expenses	(1,162)	(655)	(1,287)	(2,269)	(2,571)
General and administrative expenses	(1,435)	(1,437)	(1,503)	(4,034)	(4,330)
Operating Income before Financial Results	(31)	(620)	2,077	(2,100)	(1,328)
<i>Operating Margin %</i>	<i>-0.2%</i>	<i>-5.2%</i>	<i>10.3%</i>	<i>-7.8%</i>	<i>-3.7%</i>
Financial Results, Net	(83)	(76)	(83)	(264)	(280)
Operations Operating Income	(115)	(696)	1,994	(2,364)	(1,608)
Income tax and social contribution	2	165	(608)	590	418
Net income	(113)	(531)	1,386	(1,774)	(1,190)
<i>Net Margin %</i>	<i>-0.9%</i>	<i>-4.5%</i>	<i>6.9%</i>	<i>-6.6%</i>	<i>-3.3%</i>
EBITDA	474	(98)	2,551	(742)	211
Net income / loss for the period	(113)	(531)	1,386	(1,774)	(1,190)
Income tax and social contribution	(2)	(165)	608	(590)	(418)
Financial income, net	83	76	83	264	280
Depreciation and amortization	506	522	474	1,358	1,539
<i>EBITDA Margin %</i>	<i>3.7%</i>	<i>-0.8%</i>	<i>12.6%</i>	<i>-2.8%</i>	<i>0.6%</i>

Statements contained in this release related to Romi's business outlook, projections of operating and financial results and references to the Company's growth potential are mere forecasts and have been based on Management's expectations regarding its future performance. These expectations are highly dependent upon market behavior, economic situation in Brazil, the industry and international markets. Therefore, they are subject to changes.