



ROMI

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April 23, 2019 1Q19 Earnings Release

March 31, 2019

Share price

ROMI3 - R\$9.93 per share (on 04/22/2019)

Market value

R\$ 624.2 million

US\$ 159.1 million

Number of shares

Common: 62,857,647

Total: 62,857,647

Free Float = 46.8%

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April 24, 2019

Earnings Conference Call

Time: 10:30 a.m.

Dial-in numbers:

+55 (11) 3193-1001 or (11) 2820-4001

Access Code: Romi

Earnings Conference Call in English

Time: 12:00 (noon) (São Paulo)

4:00 p.m. (London)

11 a.m. (New York)

Dial-in numbers:

USA +1 (800) 492-3904

Brazil +55 (11) 3193-1001

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Access Code: Romi



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Santa Bárbara d'Oeste - SP, April 23, 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 first quarter of 2019 ("1Q19"). 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

Order Entry of Romi machines grows 47.3% over 1Q18

- The order entry of the Romi Machines Unit in 1Q19 increased by 47.3% in relation to the same quarter of the previous year, as a consequence of the launch of new products and the gradual recovery of the domestic economy;
- The order backlog at the end of 1Q19 showed a growth of 29.3% compared to the backlog at the end of 1Q18, with highlights to the Romi Machines and Burkhardt+Weber Machines Units;
- In 1Q19, the Romi Machines Business Unit posted a 11.3% increase in net operating revenue in relation to 1Q18 and an increase of 4.8 percentage points in gross margin, due to the higher volume of operations and reduction of costs and expenses incurred in recent years;
- The Company, on March 13, 2019, obtained a favorable final outcome regarding the legal proceeding on the exclusion of ICMS (state tax) from the PIS and COFINS (federal taxes) tax base, the pre-tax amount of which is approximately R\$ 135 million (R\$ 105.6 million net of taxes and other costs). The effects of this gain were recognized in the financial statements in 1Q19 and are detailed throughout this report and in the section "Success in Judicial Proceedings".

R\$'000	Quarter				
	1Q18	4Q18	1Q19	Chg. 1Q19/4Q18	Chg. 1Q19/1Q18
Revenues Volume					
Machines (units)	144	270	137	-49.3%	-4.9%
Burkhardt + Weber (units)	3	13	2	-84.6%	-33.3%
Raw and Machined Cast Iron Parts (tons)	4,592	3,469	3,567	2.8%	-22.3%
Net Operating Revenue	132,647	246,742	120,766	-51.1%	-9.0%
<i>Gross margin (%)</i>	26.2%	28.1%	19.5%		
Operating Income (EBIT)	644	29,883	56,443	88.9%	8664.4%
<i>Operating margin (%)</i>	0.5%	12.1%	46.7%		
Operating Income (EBIT) - adjusted (*)	644	29,883	(17,878)	-159.8%	-2876.1%
<i>Operating margin (%) - adjusted (*)</i>	0.5%	12.1%	-14.8%		
Net Income	1,836	21,040	87,300	314.9%	4654.9%
<i>Net margin (%)</i>	1.4%	8.5%	72.3%		
Net Income - adjusted (*)	1,836	21,040	(18,264)	-186.8%	-1094.8%
<i>Net margin (%) - adjusted (*)</i>	1.4%	8.5%	-15.1%		
EBITDA	8,892	38,208	64,705	69.3%	627.7%
<i>EBITDA margin (%)</i>	6.7%	15.5%	53.6%		
EBITDA - adjusted (*)	8,892	38,208	(9,616)	-125.2%	-208.1%
<i>EBITDA margin (%) - adjusted (*)</i>	6.7%	15.5%	-8.0%		
Investments	8,621	7,280	7,157	-1.7%	-17.0%

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

* As described in the "Success in Legal Proceedings" section of this report, the Company recognized in the financial statements of 1Q19 the effects of success in the tax proceeding (judicial proceeding on the exclusion of ICMS from the PIS and COFINS tax base) from the favorable final outcome for this proceeding, as such, the then present obligation arising from a past event was no longer considered an obligation and therefore, the Company recognized in the financial statements for the 1Q19, the effects of success in this judicial proceeding, which totaled R\$ 138,008, before taxes, of which R\$ 74,321 in "Other operating income (expenses)" and R\$ 63,686 in "Financial income" headings. The impact on net 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 interest on equity, declared in March 2019, according to the Notice to Shareholders dated March 26, 2019.

Corporate Profile



Romi, founded in 1930, is a 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.

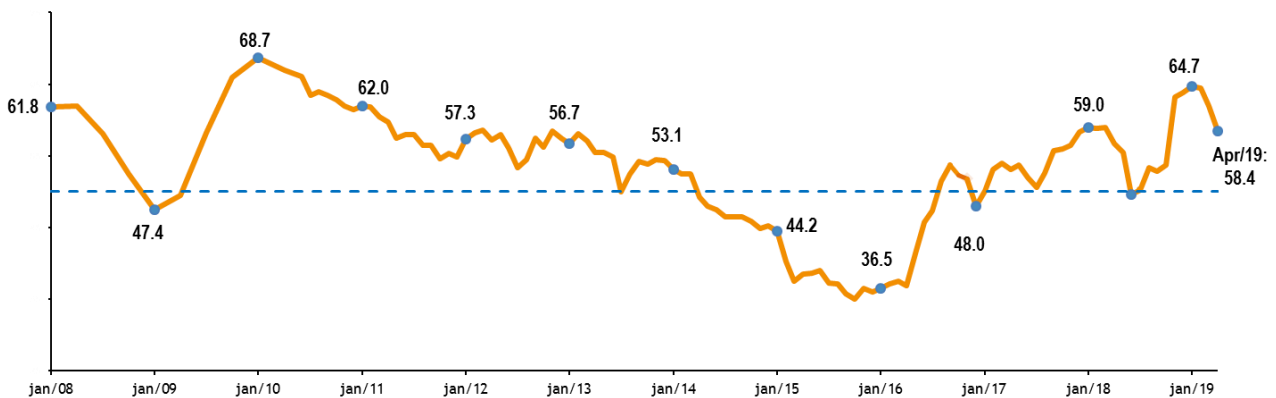
The Company has thirteen manufacturing units, four of which for final assembly of industrial machinery, two foundries, three units for machining of mechanical components, one unit for manufacture of steel sheet components and one unit for assembly of electronic panels. Of these, eleven are located in Brazil and two in Germany. The installed capacity of industrial machines and casting production is of, respectively, about 2,900 units and 80,000 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.

In April 2019, as shown below, the Industrial Entrepreneur Confidence Index (ICEI) reached 58.4, a level that shows the improvement of the index in 2019 when compared to the previous three years; in line with the gradual improvement of the economy.

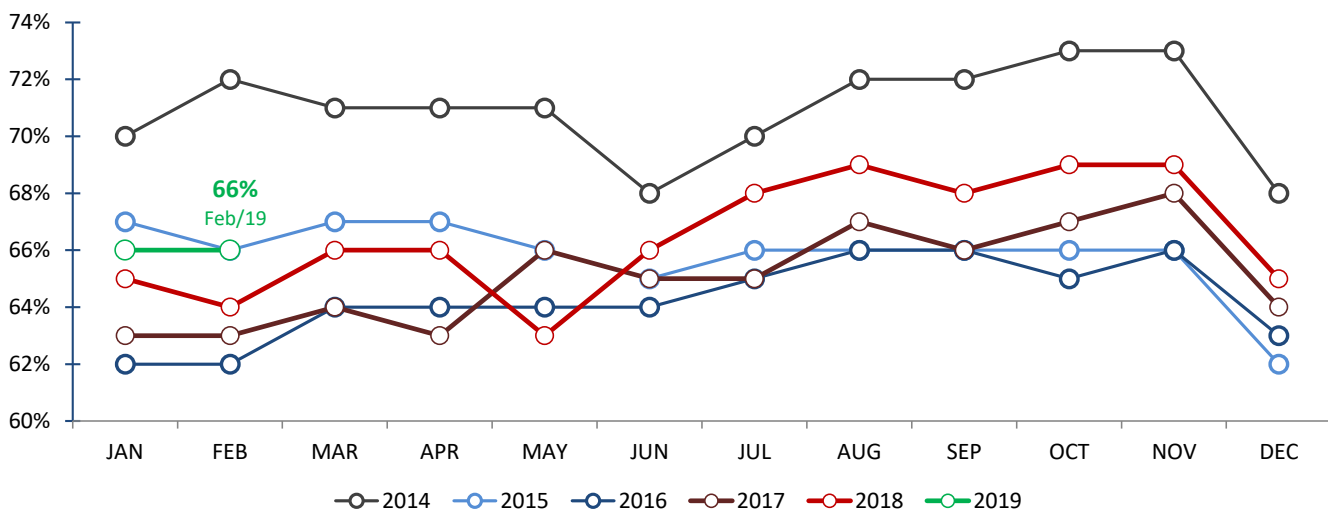
Industrial Entrepreneur Confidence Index – ICEI



Source: CNI – ICEI, April 2019.

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

Average Installed Capacity Utilization (UCI)



Source: CNI – UCI, February 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	1Q18	4Q18	1Q19	Chg. 1Q19/4Q18	Chg. 1Q19/1Q18
Romi Machines	48,864	65,981	71,956	9.1%	47.3%
Burkhardt+Weber Machines	35,065	55,296	32,199	-41.8%	-8.2%
Rough and Machined Cast Iron Parts	63,489	33,700	37,078	10.0%	-41.6%
Total *	147,418	154,977	141,233	-8.9%	-4.2%

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

The order entry volume in the Romi Machine Unit in 1Q19 showed a growth of 47.3% compared to 1Q18, demonstrating that in 2019 an economic recovery and a good level of optimism are observed, which encourage investments.

In the German subsidiary B+W, order entry in 1Q19 was 8.2% lower when compared to 1Q18, but at an expected level, as it can be seen in the solid order book at the end of the first quarter of 2019, which presented a 43% growth in relation to the amount presented at the end of the first quarter of 2018.

The Raw and Machined Cast Iron Parts Unit presented 41.6% lower order entry in 1Q19 than in 1Q18, a result of the decrease in the volume of large cast iron parts demanded started in the second half of 2018.

Order Book (R\$ 000) Gross Values, sales taxes included	1Q18	4Q18	1Q19	Chg. 1Q19/4Q18	Chg. 1Q19/1Q18
Romi Machines	60,595	77,527	96,324	24.2%	59.0%
Burkhardt+Weber Machines	130,806	166,576	187,107	12.3%	43.0%
Rough and Machined Cast Iron Parts	66,471	49,705	50,100	0.8%	-24.6%
Total *	257,872	293,808	333,531	13.5%	29.3%

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

At March 31, 2019, the order book totaled R\$ 333.5 million, amount 29.3% higher than in the same period last year. The increase in the portfolio at the end of 1Q19 at Romi Machines and B+W Machines Units was due to the important volume of new orders made during the first quarter of 2019.

Operational Performance

NET OPERATING REVENUE

Net operating revenue posted by the Company in 1Q19 reached R\$ 120.8 million, 9.0% lower than in 1Q18 and 51.1% lower than in 4Q18.

By Business Unit

Net Operating Revenue (R\$ 000)	Quarter				
	1Q18	4Q18	1Q19	Chg. 1Q19/4Q18	Chg. 1Q19/1Q18
Romi Machines	61,913	128,752	68,919	-46.5%	11.3%
Burkhardt+Weber Machines	29,077	83,251	17,716	-78.7%	-39.1%
Raw and Machined Cast Iron Parts	41,657	34,739	34,131	-1.8%	-18.1%
Total	132,647	246,742	120,766	-51.1%	-9.0%

Romi Machines

The net operating revenue of this Business Unit reached R\$ 68.9 million in 1Q19, posting an increase of 11.3% when compared to the same period in 2018, reflecting the gradual economic recovery started in 2018.

Burkhardt+Weber Machines

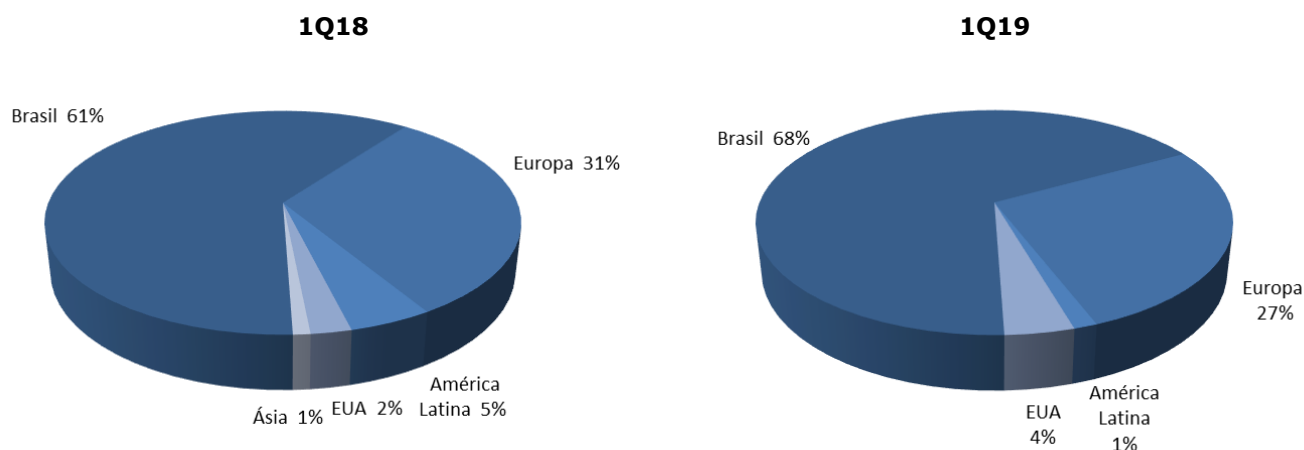
In 1Q19, revenue of the German subsidiary B+W, in Reais, was 39.1% lower than in 1Q18, due to the deadlines for the delivery of orders in the portfolio being concentrated in the second quarter.

Raw and Machined Cast Iron Parts

The net operating revenue of this Business Unit was R\$ 34.1 million in 1Q19, representing a 18.1% decrease compared to 1Q18, chiefly due to the reduction in the volume of large raw and machined cast iron parts.

By Geographic Region

The domestic market accounted for 68% of Romi's consolidated revenue in 1Q19 (61% in 1Q18). Considering the revenue in foreign markets, which takes into consideration sales by Romi subsidiaries abroad (Germany, China, United States, Italy, United Kingdom, France, Mexico and Spain) and direct sales to other markets, the distribution of Romi's total revenue by geographic region was the following:



OPERATING COSTS AND EXPENSES

The gross margin of 19.5% obtained in 1Q19 decreased 6.7 pp in relation to 1Q18, as a result of the decrease in the revenue of the B+W and Raw and Machined Cast Iron Parts Business Units, and restructuring expenses, which represented an impact of 4.6 pp. The operating margin (EBIT) when compared to 1Q18 presented an increase of 46.3 pp, due to the judicial proceeding on the exclusion of ICMS from the PIS and COFINS tax base (see details in the "Success in Judicial Proceeding" section of this report). If we exclude the impact of this judicial proceeding, the operating margin (EBIT), in 1Q19, would have decreased 15.3 pp in relation to 1Q18, as a result of the decrease in revenues and restructuring expenses, which represented an impact of 4.8 pp in the EBIT.

	Quarter				
	1Q18	4Q18	1Q19	Chg. p.p. 1Q19/4Q18	Chg. p.p. 1Q19/1Q18
Gross Margin					
Romi Machines	35.6%	42.8%	40.4%	(2.4)	4.8
Burkhardt+Weber Machines	17.3%	17.9%	-18.2%	(36.1)	(35.5)
Raw and Machined Cast Iron Parts	18.4%	-1.7%	-3.1%	(1.4)	(21.5)
Total	26.2%	28.1%	19.5%	(8.6)	(6.7)

	Quarter				
	1Q18	4Q18	1Q19	Chg. p.p. 1Q19/4Q18	Chg. p.p. 1Q19/1Q18
EBIT Margin					
Romi Machines	-0.3%	23.5%	77.1%	53.6	77.4
Burkhardt+Weber Machines	-8.6%	4.9%	-67.0%	(71.9)	(58.4)
Raw and Machined Cast Iron Parts	8.0%	-13.0%	44.4%	57.5	36.4
Total	0.5%	12.1%	46.7%	34.6	46.3

	Quarter				
	1Q18	4Q18	1Q19	Chg. p.p. 1Q19/4Q18	Chg. p.p. 1Q19/1Q18
EBIT Margin - Adjusted					
Romi Machines	-0.3%	23.5%	-0.5%	(24.0)	(0.2)
Burkhardt+Weber Machines	-8.6%	4.9%	-67.0%	(71.9)	(58.4)
Raw and Machined Cast Iron Parts	8.0%	-13.0%	-16.5%	(3.5)	(24.5)
Total	0.5%	12.1%	-14.8%	(26.9)	(15.3)

Romi Machines

The gross margin of this Business Unit in 1Q19 increased by 4.8 percentage points when compared to 1Q18 due to the Company's focus on profitability improvement projects and on revenue increase, which contributes to the dilution of fixed costs. Operating margin also increased by 77.4 percentage points over the same comparison period for the same reasons mentioned above. Excluding impacts of the judicial proceeding on the exclusion of ICMS from the PIS and COFINS tax base, EBIT, would have been stable in 1Q19 when compared to the same quarter of the previous year.

Burkhardt+Weber Machines

In this Business Unit, gross and operating margins in 1Q19 decreased 35.5 pp and 58.4 pp, respectively, in relation to 1Q18, due to the decrease in net operating revenue, which did not allow diluting the unit's fixed costs; nevertheless, this decreased revenue was already expected, as machine deliveries are planned to take place as from 2Q19.

Raw and Machined Cast Iron Parts

The gross margin of this Business Unit decreased by 21.5 pp in 1Q19 in relation to 1Q18, due to the decrease in net operating revenue in this quarter, change in the product mix with reduction of larger parts and restructuring costs. Operating margin increased by 36.4 percentage points over the same comparison period for the same reasons mentioned above. Excluding the impact of the judicial proceeding on the exclusion of ICMS from the PIS and COFINS tax base, EBIT, in 1Q19, would have decreased 24.5 pp in relation to the same quarter of the previous year, due to the decrease in volume and restructuring costs.

EBITDA AND EBITDA MARGIN

In 1Q19, the operating cash generation as measured by EBITDA amounted to R\$64.7 million, representing an EBITDA margin of 53.6% in the quarter. On the other hand, the EBITDA adjusted of the impact of the legal proceeding on the exclusion of ICMS in the calculation basis of PIS and COFINS, in 1Q19, was negative in the amount of R\$ 9.6 million, representing a margin of -8.0%, as indicates the following table, as shown in the table below:

Reconciliation of Net Income to EBITDA					
(R\$ 000)	1Q18	4Q18	1Q19	Chg. 1Q19/4Q18	Chg. 1Q19/1Q18
Net Income	1,836	21,040	87,300	314.9%	4654.9%
Income tax and social contributions	(11)	11,152	30,498	173.5%	-277354.5%
Net Financial Income	(1,181)	(2,309)	(61,355)	2557.2%	5095.2%
Depreciation and amortization	8,248	8,325	8,262	-0.8%	0.2%
EBITDA	8,892	38,208	64,705	69.3%	627.7%
EBITDA Margin	6.7%	15.5%	53.6%	2.46	6.99
EBITDA - Adjusted (*)	8,892	38,208	(9,616)	-125.2%	-208.1%
EBITDA Margin - Adjusted (*)	6.7%	15.5%	-8.0%	1.51	2.19
Total Net Operating Revenue	132,647	246,742	120,766	-51.1%	-9.0%

(*) As described in the "Success in Legal Proceedings" section of this report, the Company recognized in the financial statements of 1Q19 the effects of success in the tax process (judicial process on the exclusion of ICMS in the PIS and COFINS calculation base) from obtaining of the final outcome of this action. The present obligation arising from a past event was no longer considered an obligation and therefore, the Company recognized in the financial statements for the 1Q19 the effects of success in this tax process, which totaled R\$ 138,008 before taxes, of which R\$ 74,321 in the caption "Other operating income (expenses)" and R\$ 63,686 under "Financial income". The impact on net income for the period was R\$ 105,564, already considering the effects of income tax and social

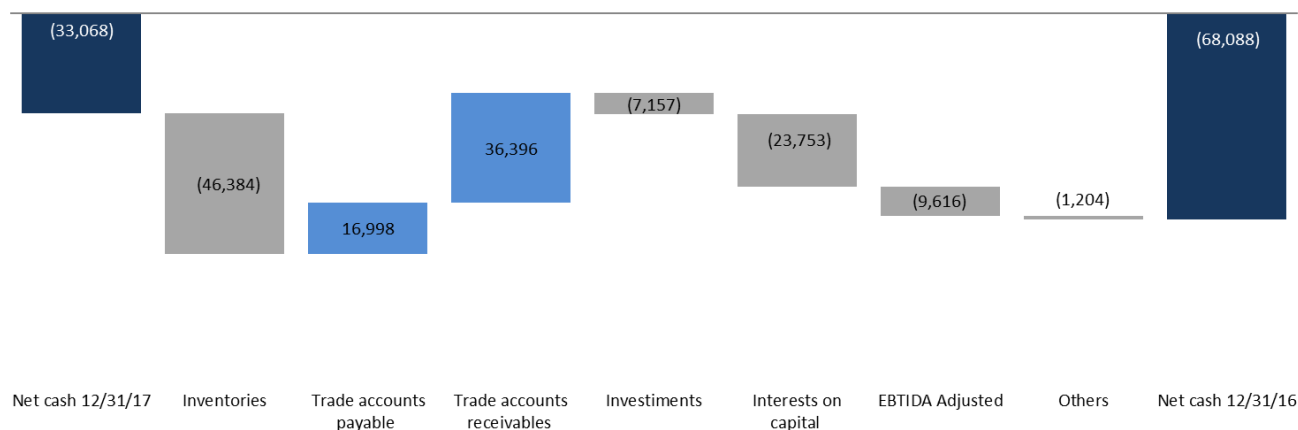
contribution on the gain, which were reduced by the use of interest on capital declared in March 2019, according to Notice to Shareholders dated of March 26, 2019.

PROFIT FOR THE PERIOD

The profit for the period amounted to R\$87.2 million in 1Q19, representing a net margin of 72.3%. As mentioned in this report, net profit for 1Q19 is impacted by success in the judicial proceeding on the exclusion of ICMS from the PIS and COFINS tax base, in the net amount of R\$ 105.6 million, with the net income adjusted loss in 1Q19 of R\$18.3 million.

Evolution of the Net Cash (Debt) Position

The main variations in the net debt position during 1Q19 are described below in R\$'000:



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

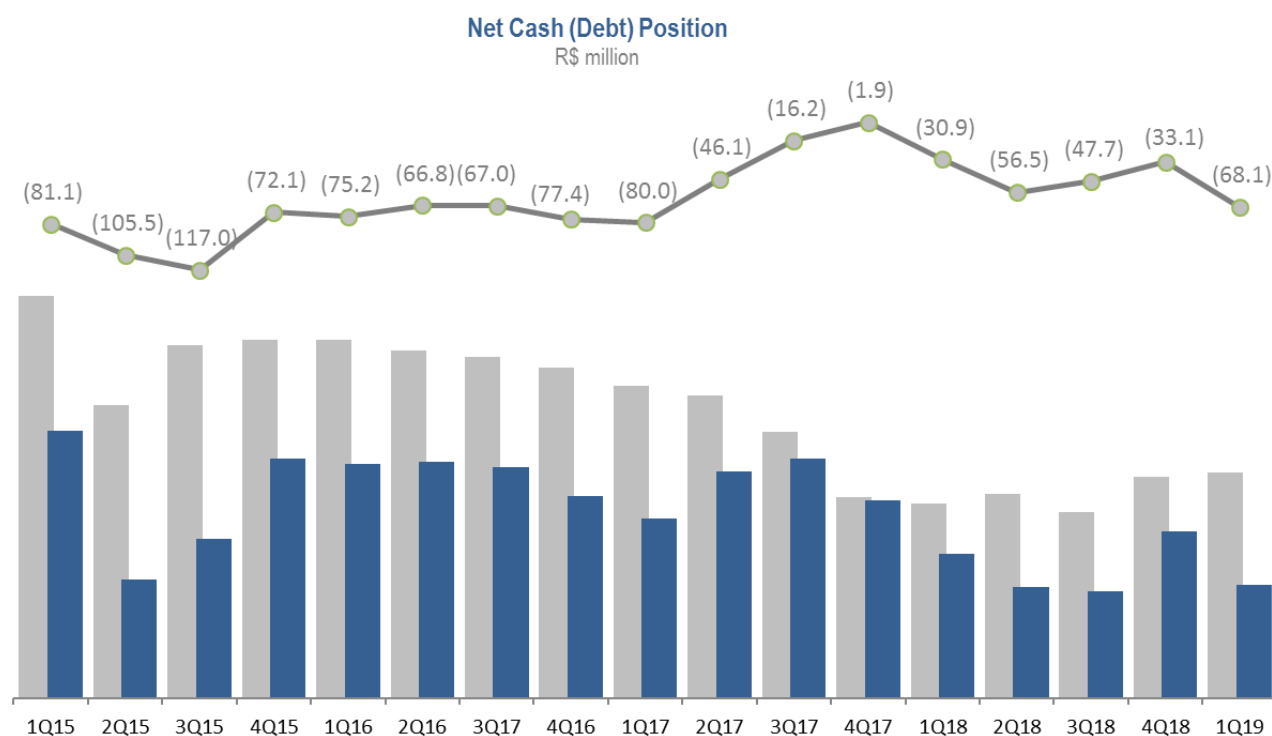
Net debt growth in 1Q19 is due to the following main aspects:

- Increase in inventory level due to higher volume of purchases in order to ensure adequate availability of products for customers and fulfillment of the scheduled orders, which increased in relation to December 2018.
- Trade accounts receivables – during the 1Q19, were received amounts regarding delivered machines in the 4Q18, mainly in the German subsidiary B+W.
- Payment of interest on capital declared in April 2018 and paid in March 2019, in the total net amount of R \$ 23.8 million; and
- Investments made during 1Q19, 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.

Financial Position

Short-term financial 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) interest. The consolidated net cash (debt) position at March 31, 2019 was negative R\$68.1 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 March 31, 2019, the amount of borrowings in local currency was R\$ 25.7 million, and in foreign currency, R\$ 110.6 million, totaling R\$136.3 million.



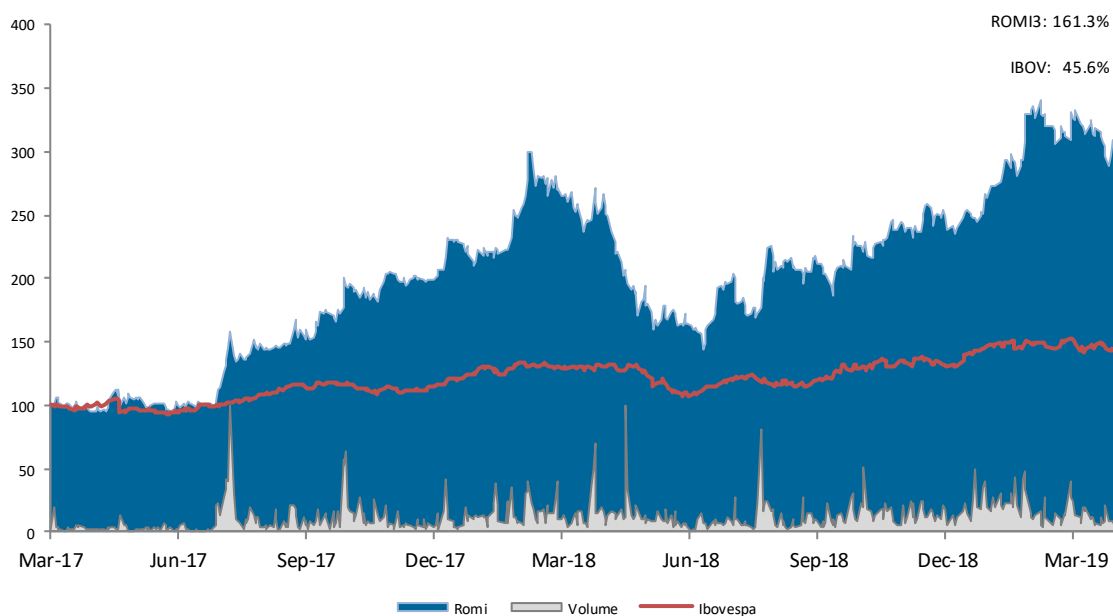
The balances of "Finame Manufacturer Financing" are not used in the calculation of net debt of the Company.

At March 31, 2019, the Company did not have any derivative transactions.

Capital Market

Share Performance ROMI3 vs. Ibovespa

From 03/31/2017 to 04/22/2019



Source: B3.

On April 22, 2019, the Company's common shares (ROMI3), which were quoted at R\$9.93, posted appreciation of 17.8% since December 31, 2018 and 161.3% since December 31, 2017. Ibovespa recorded appreciation of 7.6% and 45.6% in the same periods.

The Company's market capitalization on April 22, 2019 was R\$624.2 million. The average daily trading volume during 1Q19 was R\$2.0 million.

Success in Legal Proceeding

Judicial Proceeding For Exclusion Of Icms Levied On Sales From The Pis And Cofins Tax Base

As disclosed in note 14 of 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) calculation basis, 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 outcome on its individual lawsuit, the then present obligation arising from a past event was no longer considered an obligation and therefore, the Company recognized in the financial statements for the first quarter of 2019, the effects of success in this judicial proceeding, which totaled R\$ 138,008, before taxes, of which R\$ 74,321 was recorded in "Other operating income (expenses)" and R\$ 63,686 in "Financial income". The impact on net 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 interest on equity, declared in March 2019, according to the Notice to Shareholders dated March 26, 2019.

Consolidated Balance Sheet

(R\$ 000)

	ASSETS			LIABILITIES AND SHAREHOLDER'S EQUITY		
	31/03/18	31/12/18	31/03/19	31/03/18	31/12/18	31/03/19
CURRENT	588,232	697,357	786,334	277,153	362,752	409,957
Cash and Cash equivalents	74,088	100,428	67,512	75,039	102,547	107,295
Financial investments	12,944	489	659	54,161	63,326	65,772
Trade accounts receivable	119,832	168,213	133,094	47,697	44,261	60,959
Onlending of FINAME manufacturer financing	82,131	87,482	88,431	26,929	27,504	25,563
Inventories	273,233	300,547	346,931	2,470	7,847	21,619
Recoverable taxes	13,436	25,267	43,012	52,911	71,466	84,490
Judicial Deposits	-	-	86,579	17,946	45,801	44,259
Other receivables	12,568	14,931	20,116			
NON CURRENT	150,940	209,430	223,097	146,216	181,732	185,045
Trade accounts receivable	11,852	13,618	12,341	42,912	31,438	28,964
Onlending of FINAME manufacturer financing	76,272	128,584	126,406	71,404	116,278	118,759
Recoverable taxes	894	18,998	52,292			
Deferred income and social contribution taxes	49,975	43,948	27,597	30,573	31,786	31,133
Judicial Deposits	2,092	2,110	2,126	1,214	2,100	2,061
Other receivables	9,855	2,172	2,335	113	130	4,128
				-	-	-
SHAREHOLDER'S EQUITY	646,820	695,977	752,124	646,820	695,977	752,124
Capital	492,025	492,025	492,025	492,025	492,025	492,025
Retained earnings	120,759	160,218	217,929	120,759	160,218	217,929
Cumulative translation adjustments	34,036	43,734	42,170	34,036	43,734	42,170
NON CONTROLLING INTERESTS	1,493	1,626	1,504	1,493	1,626	1,504
TOTAL SHAREHOLDER'S EQUITY	648,313	697,603	753,628	648,313	697,603	753,628
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,071,682	1,242,087	1,348,630	1,071,682	1,242,087	1,348,630

Consolidated Income Statement

(R\$ thousand)

	1Q18	4Q18	1Q19	Chg. 1Q19/4Q18	Chg. 1Q19/1Q18
Net Operating Revenue	132,647	246,742	120,766	-51.1%	-9.0%
Cost of Goods Sold	(97,888)	(177,401)	(97,215)	-45.2%	-0.7%
Gross Profit	34,759	69,341	23,551	-66.0%	-32.2%
<i>Gross Margin %</i>	<i>26.2%</i>	<i>28.1%</i>	<i>19.5%</i>		
Operating Expenses	(34,115)	(39,458)	32,892	-183.4%	-196.4%
Selling expenses	(16,153)	(22,097)	(18,558)	-16.0%	14.9%
Research and development expenses	(3,883)	(4,575)	(4,760)	4.0%	22.6%
General and administrative expenses	(13,367)	(15,059)	(17,435)	15.8%	30.4%
Management profit sharing and compensation	(1,456)	(2,040)	(1,498)	-26.6%	2.9%
Other operating income, net	744	4,313	75,143	1642.2%	9999.9%
Operating Income before Financial Results	644	29,883	56,443	88.9%	8664.4%
<i>Operating Margin %</i>	<i>0.5%</i>	<i>12.1%</i>	<i>46.7%</i>		
Financial Results, Net	1,181	2,309	61,355	2557.2%	5095.2%
Financial income	3,478	2,153	63,825	2864.5%	1735.1%
Financial expenses	(2,601)	(1,645)	(1,176)	-28.5%	-54.8%
Exchange gain (loss), net	304	1,801	(1,294)	-171.8%	-525.7%
Operations Operating Income	1,825	32,192	117,798	265.9%	6354.7%
Income tax and social contribution	11	(11,152)	(30,498)	173.5%	-277354.5%
Net income	1,836	21,040	87,300	314.9%	4654.9%
<i>Net Margin %</i>	<i>1.4%</i>	<i>8.5%</i>	<i>72.3%</i>		
Net profit concerning:	€ -	€ -	€ -		
Controlling interests	1,799	20,912	87,253	317.2%	4750.1%
Non controlling interests	37	128	47	-63.3%	27.0%
<i>EBITDA Margin %</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
EBITDA	8,892	38,208	64,705	69.3%	627.7%
Profit for the period	1,836	21,040	87,300	314.9%	4654.9%
Income tax and social contribution	(11)	11,152	30,498	173.5%	-277354.5%
Financial income, net	(1,181)	(2,309)	(61,355)	2557.2%	5095.2%
Depreciation and amortization	8,248	8,325	8,262	-0.8%	0.2%
<i>EBITDA Margin %</i>	<i>6.7%</i>	<i>15.5%</i>	<i>53.6%</i>		
Nº of shares in capital stock (th)	62,858	62,858	62,858	0.0%	0.0%
Profit per share - R\$	0.03	0.33	1.39	317.2%	4750.1%

Consolidated Cash Flow Statement

(R\$ thousand)

	1Q18	4Q18	1Q19
Cash from operating activities			
Net Income before taxation	1,825	32,192	117,798
Financial expenses and exchange gain	448	(2,369)	(60,409)
Depreciation and amortization	8,248	8,325	8,262
Allowance for doubtful accounts and other receivables	(737)	(2,131)	(3,297)
Proceeds from sale of fixed assets and intangibles	(684)	1,035	(238)
Provision for inventory realization	(839)	(3,560)	1,363
Reserve for contingencies	1,553	(1,366)	(56,746)
Change on operating assets and liabilities			
Financial Investments	726	(8)	(170)
Trade accounts receivable	3,043	(37,044)	36,996
Onlending of Finame manufacturer financing	11,737	(28,492)	(1,288)
Inventories	(30,502)	53,252	(47,746)
Recoverable taxes, net	(2,321)	20,672	(8,802)
Judicial deposits	(1,132)	(1,026)	8,540
Other receivables	731	6,299	1,556
Trade accounts payable	13,664	(17,773)	15,001
Payroll and related taxes	(1,610)	(7,413)	(2,097)
Taxes payable	(2,448)	(8,674)	(18,409)
Advances from customers	(3,601)	(16,063)	13,024
Other payables	(1,014)	3,990	(6,492)
Cash provided by operating activities	(2,913)	(154)	(3,154)
Income tax and social contribution paid	(279)	(87)	(2,772)
Net Cash provided by (used in) operating activities	(3,192)	(241)	(5,926)
Purchase of fixed assets	(8,800)	(7,612)	(7,157)
Sales of fixed assets	769	-	269
Increase in intangible assets	(8)	(417)	(581)
Unrealized profit	-	451	-
Net cash Used in Investing Activities	(8,039)	(7,578)	(7,469)
Interest on capital paid	(8,305)	(13,758)	(23,922)
New loans and financing	5,572	43,279	13,967
Payments of loans and financing	(9,436)	(19,158)	(10,083)
Interests paid (including Finame manufacturer financing)	(4,954)	(2,765)	(4,830)
New loans in Finame manufacturer	11,764	51,070	20,459
Payment of Finame manufacturer financing	(14,736)	(14,890)	(15,377)
Net Cash provided by Financing Activities	(20,095)	43,778	(19,786)
Increase (decrease) in cash and cash equivalents	(31,326)	35,959	(33,181)
Exchange variation changes on cash and cash equivalents abroad	(268)	518	265
Cash and cash equivalents - beginning of period	105,682	63,951	100,428
Cash and cash equivalents - end of period	74,088	100,428	67,512

Attachment I – Income Statement by Business Unit

Income Statement by Business Units - 1Q19

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Raw and Machined Cast Iron	Total
Net Operating Revenue	68,919	17,716	34,131	120,766
Cost of Sales and Services	(35,005)	(20,942)	(41,268)	(97,215)
Business Units Transfers	417	-	6,508	6,925
Business Units Transfers	(6,508)	-	(417)	(6,925)
Gross (loss) Profit	27,823	(3,226)	(1,046)	23,551
<i>Gross Margin %</i>	<i>40.4%</i>	<i>-18.2%</i>	<i>-3.1%</i>	<i>19.5%</i>
Operating Expenses	25,322	(8,638)	16,208	32,892
Selling	(14,497)	(2,690)	(1,371)	(18,558)
General and Administrative	(9,071)	(5,948)	(2,416)	(17,435)
Research and Development	(4,392)	-	(368)	(4,760)
Management profit sharing	(1,051)	-	(447)	(1,498)
Other operating revenue	54,333	-	20,810	75,143
Operating Income (loss) before Financial Results	53,145	(11,864)	15,162	56,443
<i>Operating Margin %</i>	<i>77.1%</i>	<i>-67.0%</i>	<i>44.4%</i>	<i>46.7%</i>
Operating loss before Financial Results - Adjusted (*)	(366)	(11,864)	(5,648)	(17,878)
<i>Operating Margin % - Adjusted (*)</i>	<i>-0.5%</i>	<i>-67.0%</i>	<i>-16.5%</i>	<i>-14.8%</i>
Depreciation and amortization	2,840	2,397	3,025	8,262
EBITDA	55,985	(9,467)	18,187	64,705
<i>EBITDA Margin %</i>	<i>81.2%</i>	<i>-53.4%</i>	<i>53.3%</i>	<i>53.6%</i>
EBITDA - Adjusted (*)	2,474	(9,467)	(2,623)	(9,616)
<i>EBITDA Margin % - Adjusted (*)</i>	<i>3.6%</i>	<i>-53.4%</i>	<i>-7.7%</i>	<i>-8.0%</i>

Income Statement by Business Units - 1Q18

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Raw and Machined Cast Iron	Total
Net Operating Revenue	61,913	29,077	41,657	132,647
Cost of Sales and Services	(37,548)	(24,036)	(36,304)	(97,888)
Business Units Transfers	940	-	3,265	4,205
Business Units Transfers	(3,265)	-	(940)	(4,205)
Gross Profit	22,040	5,041	7,678	34,759
<i>Gross Margin %</i>	<i>35.6%</i>	<i>17.3%</i>	<i>18.4%</i>	<i>26.2%</i>
Operating Expenses	(22,219)	(7,544)	(4,352)	(34,115)
Selling	(13,077)	(2,177)	(899)	(16,153)
General and Administrative	(5,200)	(5,367)	(2,800)	(13,367)
Research and Development	(3,883)	-	-	(3,883)
Management profit sharing	(803)	-	(653)	(1,456)
Other operating revenue	744	-	-	744
Operating Income before Financial Results	(179)	(2,503)	3,326	644
<i>Operating Margin %</i>	<i>-0.3%</i>	<i>-8.6%</i>	<i>8.0%</i>	<i>0.5%</i>
Depreciation and amortization	3,175	1,694	3,379	8,248
EBITDA	2,996	(809)	6,705	8,892
<i>EBITDA Margin %</i>	<i>4.8%</i>	<i>-2.8%</i>	<i>16.1%</i>	<i>6.7%</i>

Attachment II – Financial Statements of B+W

Balance Sheet B+W

	(€ 000)		
ASSETS	03/31/18	12/31/18	03/31/19
CURRENT	20,882	26,223	28,462
Cash and Cash equivalents	828	1,136	774
Trade accounts receivable	4,844	11,925	7,051
Inventories	14,151	12,069	18,215
Recoverable taxes	492	-	907
Deferred income and social contribution taxes	189	80	940
Related Parties	82	877	170
Other receivables	296	136	404
Investments			
Property, plant and equipment	15,158	14,579	14,539
Investment in subsidiaries	59	59	59
Intangible assets	12,707	12,868	12,611
TOTAL ASSETS	48,806	53,729	55,670
LIABILITIES AND SHAREHOLDER'S EQUITY	03/31/18	12/31/18	12/31/18
CURRENT	15,388	21,650	25,820
Loans and financing	-	2,349	2,249
Trade accounts payable	1,788	3,216	4,232
Payroll and related taxes	1,939	894	1,406
Taxes payable	-	9	315
Advances from customers	10,173	12,425	15,600
Other payables	1,284	2,143	1,338
Related Parties	204	614	681
NON CURRENT	7,795	7,054	6,871
Loans and financing	2,966	2,551	2,412
Deferred income and social contribution taxes	4,829	4,504	4,459
SHAREHOLDER'S EQUITY	25,623	25,025	22,979
Capital	7,025	7,025	7,025
Capital reserve	505	505	505
Profit reserve	18,093	17,495	15,449
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	48,806	53,729	55,670

B+W Income Statement

	1Q18	4Q18	1Q19
Net Operating Revenue	7,214	19,697	4,120
Cost of Goods Sold	(5,976)	(16,235)	(4,887)
Gross Profit (loss)	1,238	3,462	(767)
<i>Gross Margin %</i>	<i>17.2%</i>	<i>17.6%</i>	<i>-18.6%</i>
Operating Expenses	(1,892)	(2,477)	(2,019)
Selling expenses	(546)	(1,128)	(629)
General and administrative expenses	(1,346)	(1,349)	(1,390)
Operating Income before Financial Results	(654)	985	(2,786)
<i>Operating Margin %</i>	<i>-9.1%</i>	<i>5.0%</i>	<i>-67.6%</i>
Financial Results, Net	(111)	(67)	(121)
Operations Operating Income	(765)	917	(2,907)
Income tax and social contribution	189	(318)	861
Net income	(576)	599	(2,046)
<i>Net Margin %</i>	<i>-8.0%</i>	<i>3.0%</i>	<i>-49.7%</i>
EBITDA	(121)	1,547	(2,243)
Net income / loss for the period	(576)	599	(2,046)
Income tax and social contribution	(189)	318	(861)
Financial income, net	111	67	121
Depreciation and amortization	533	563	543
<i>EBITDA Margin %</i>	<i>-1.7%</i>	<i>7.9%</i>	<i>-54.5%</i>

Statements contained in this release related to the Company'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 conditions in Brazil, the industry and international markets. Therefore, they are subject to changes.