



ROMI

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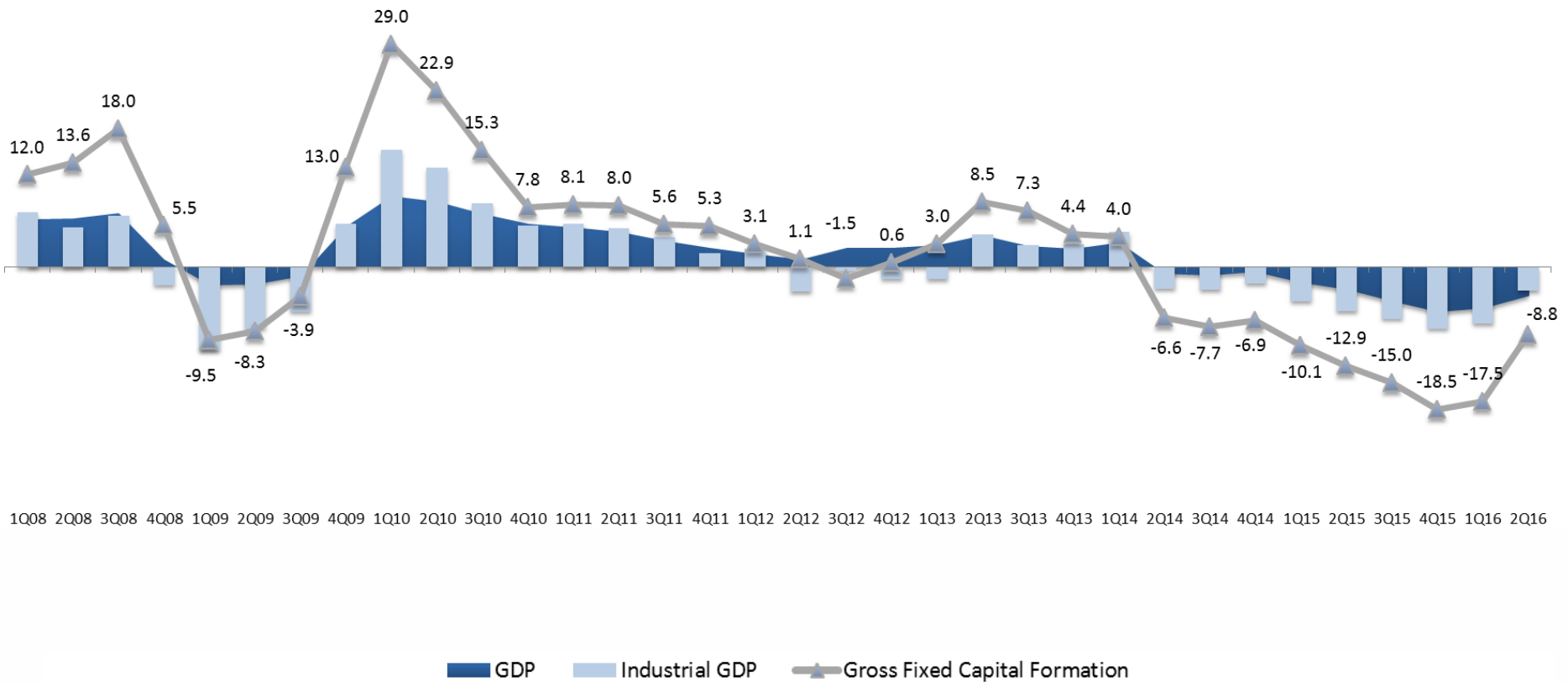


3Q16 Earnings Release

October 26, 2016

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.

- **Revenues** of Raw and Machined Cast Iron Parts **grew 53.3%** in 3Q16 over 3Q15
- **EBITDA** in 3Q16 was positive by **R\$0.6 million**, mainly due to the performance of the Raw and Machined Cast Iron Parts Business Unit.
- In 3Q16, compared with 3Q15, the Raw and Machined Cast Iron Parts Business Unit posted **improvements of 3.0 and 1.9** percentage points in terms of **gross margin** and **EBITDA**, respectively.
- The Company's **net debt** at the end of 3Q16 was **R\$67.0 million**, a decrease of **7.1%** in the first nine months of 2016.
- The **order entry** of the German subsidiary B+W in 9M16 compared with 9M15 **grew by 282.2%**.
- The **order entry** of the Romi Machines Business Unit in 9M16, when compared with 9M15, posted a **7.0% increase**.

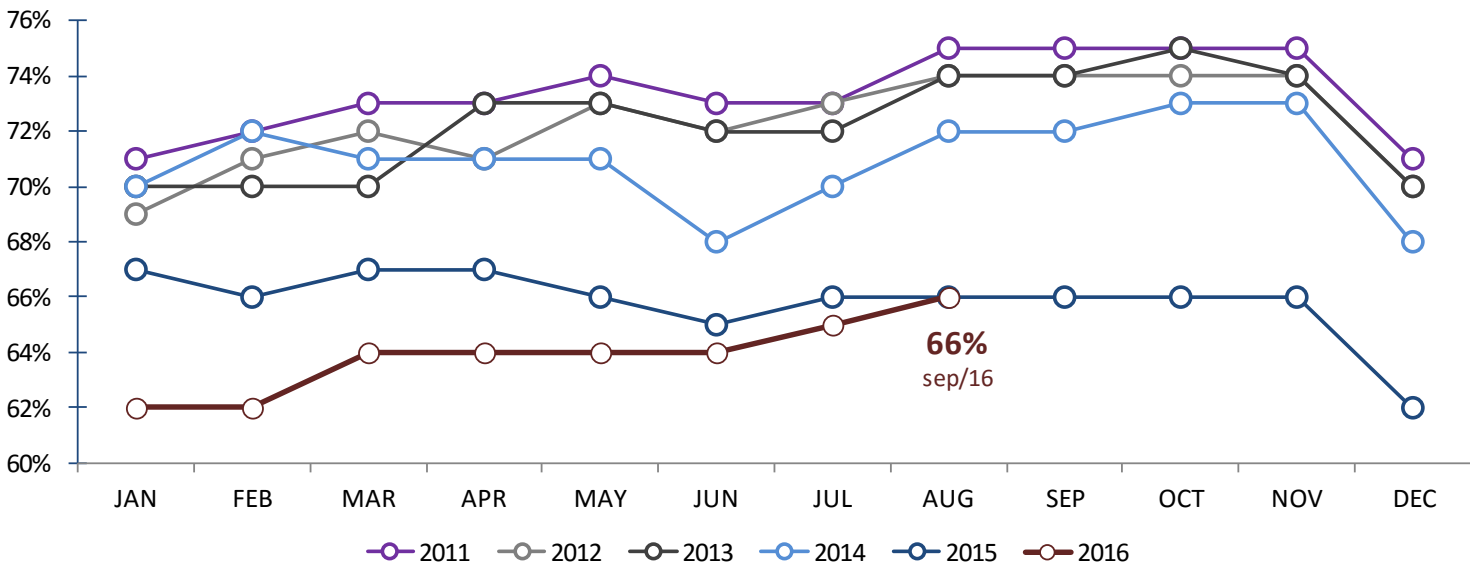


1Q08 2Q08 3Q08 4Q08 1Q09 2Q09 3Q09 4Q09 1Q10 2Q10 3Q10 4Q10 1Q11 2Q11 3Q11 4Q11 1Q12 2Q12 3Q12 4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15 3Q15 4Q15 1Q16 2Q16

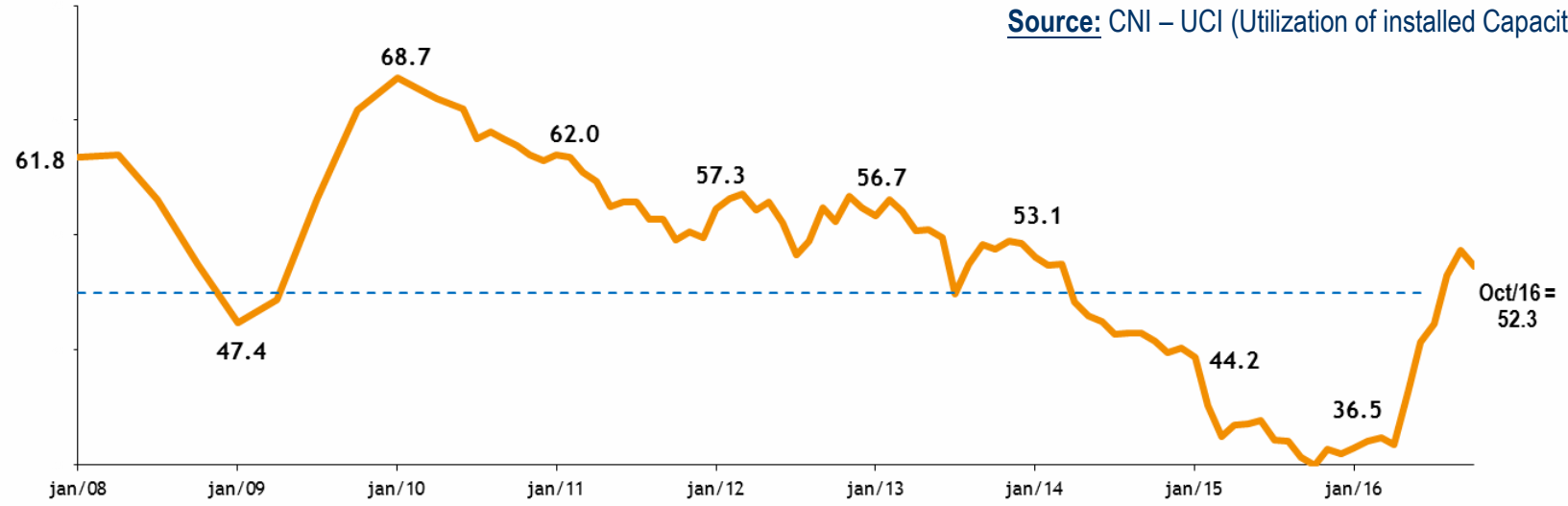
■ GDP ■ Industrial GDP ▲ Gross Fixed Capital Formation

Source: IBGE (second quarter this year vs, the same quarter last year)

Conjunctural Indicators – PIB and FBKF



Source: CNI – UCI (Utilization of installed Capacity), September 2016



Source: CNI – ICEI (Industrial Executive Confidence Index), October 2016

Economic Indexes - Conjunctural

Romi Machines

B+W Machines

Raw and Machined Cast Iron Parts

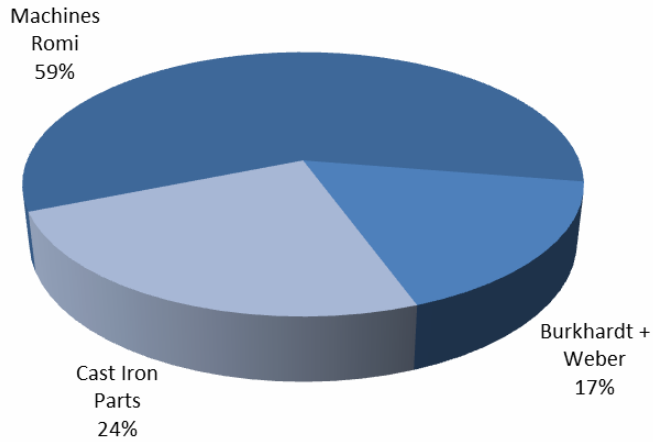


	9M16	2015
Automotive	17%	16%
Machines and Equipments	10%	9%
Job Shops	13%	18%
Tolling	7%	1%
Technical Schools	4%	7%
Packing	10%	13%
Others	39%	36%

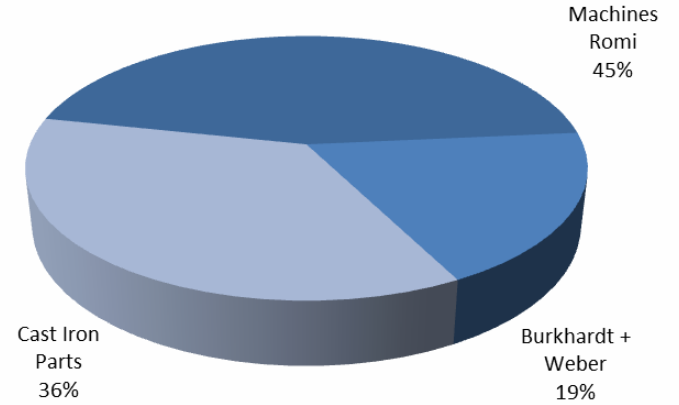
	9M16	2015
Machines and Equipments	65%	36%
Motors and Systems	16%	19%
Automotive	20%	25%
Others	0%	21%

	9M16	2015
Wind Power	70%	55%
Automotive	12%	20%
Agriculture	13%	19%
Construction	4%	4%
Others	1%	2%

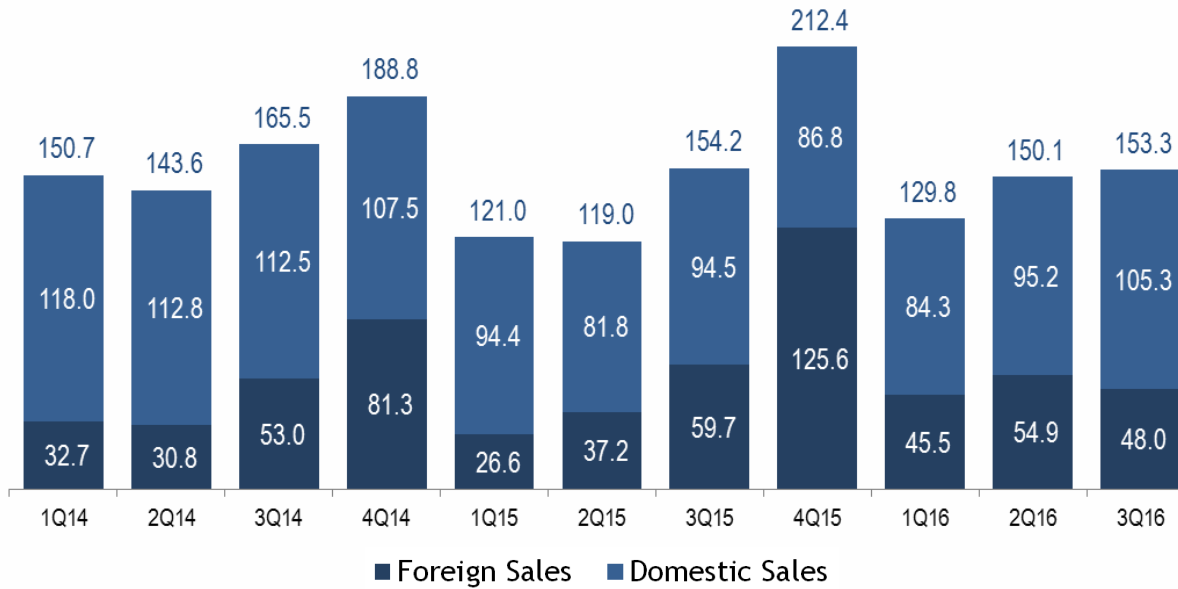
9M15



9M16

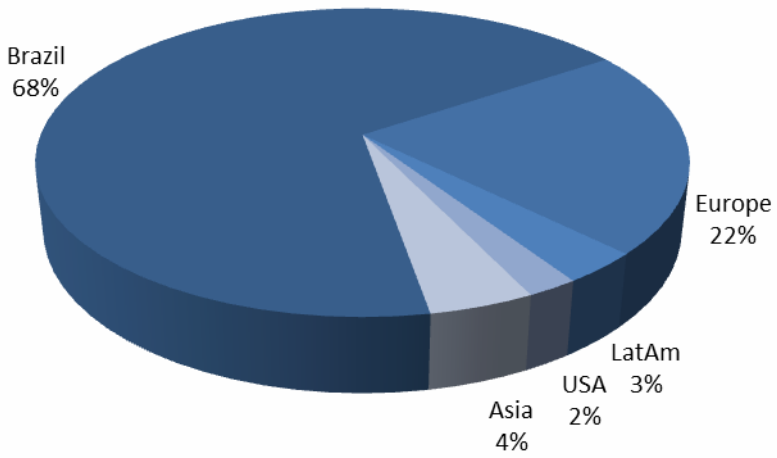


Net Operating Sales (R\$ million)

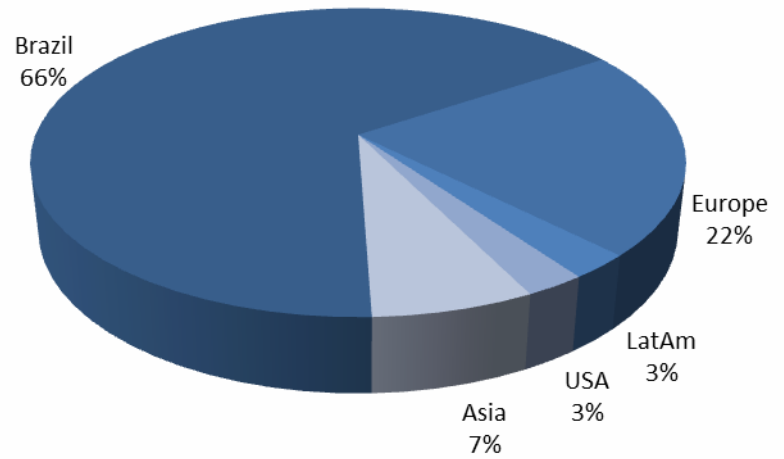


Net Sales per Business Unit

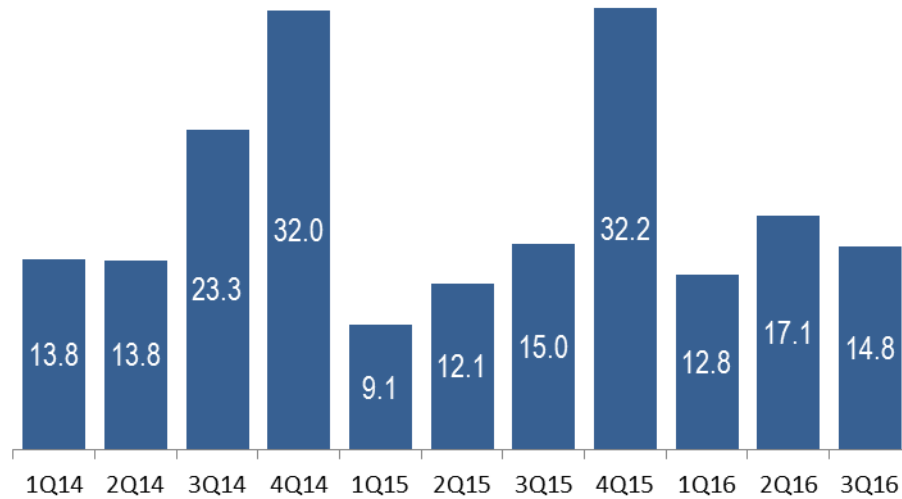
9M15



9M16



Foreign Sales (US\$ million)



Sales Distribution

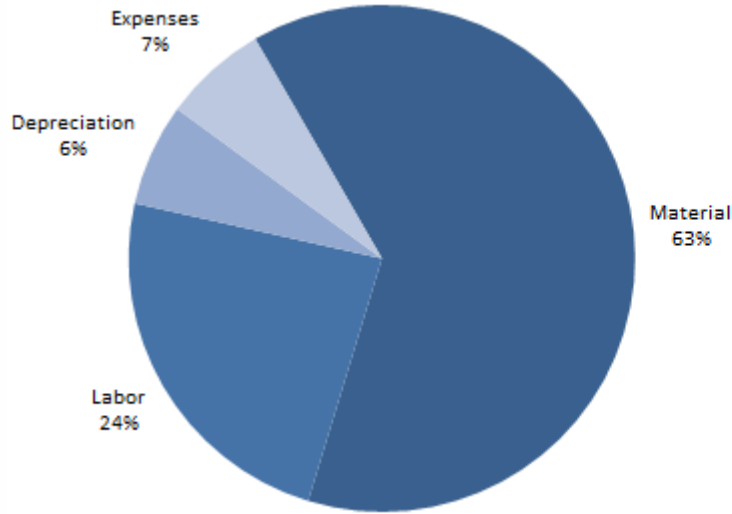
Order Entry (R\$ 000) Gross Values, sales taxes included	3Q15	2Q16	3Q16	Chg. 3Q16/2Q16	Chg. 3Q16/3Q15	9M15	9M16	Chg. 2016/2015
Romi Machines	66,483	65,471	62,516	-4.5%	-6.0%	174,666	186,943	7.0%
Burkhardt+Weber Machines	15,254	98,630	31,333	-68.2%	105.4%	36,349	138,922	282.2%
Rough and Machined Cast Iron Parts	77,263	69,251	39,636	-42.8%	-48.7%	175,862	161,322	-8.3%
Total	159,000	233,351	133,485	-42.8%	-16.0%	386,878	487,185	25.9%

Order Book (R\$ 000) Gross Values, sales taxes included	3Q15	2Q16	3Q16	Chg. 3Q16/2Q16	Chg. 3Q16/3Q15
Romi Machines	71,493	77,706	68,180	-12.3%	-4.6%
Burkhardt+Weber Machines	140,736	129,325	130,143	0.6%	-7.5%
Rough and Machined Cast Iron Parts	118,133	110,363	82,310	-25.4%	-30.3%
Total *	330,362	317,394	280,633	-11.6%	-15.1%

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

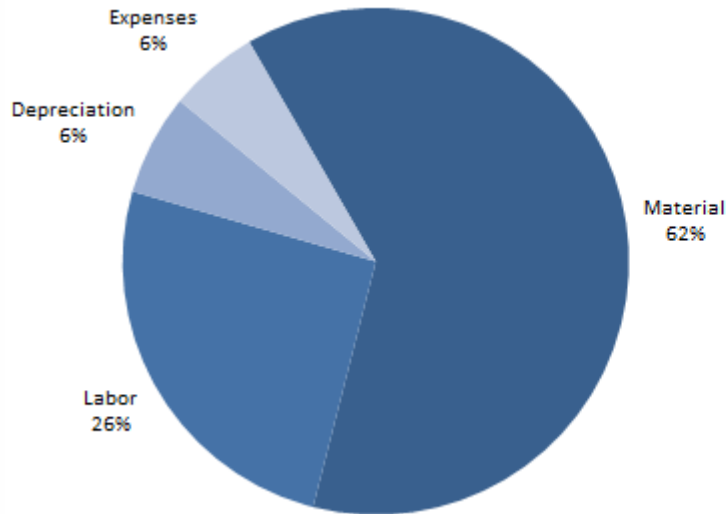
Order Entry Backlog

9M16



16%	Domestic material
11%	FX Related Domestic Material
18%	Metals
19%	Imported Material

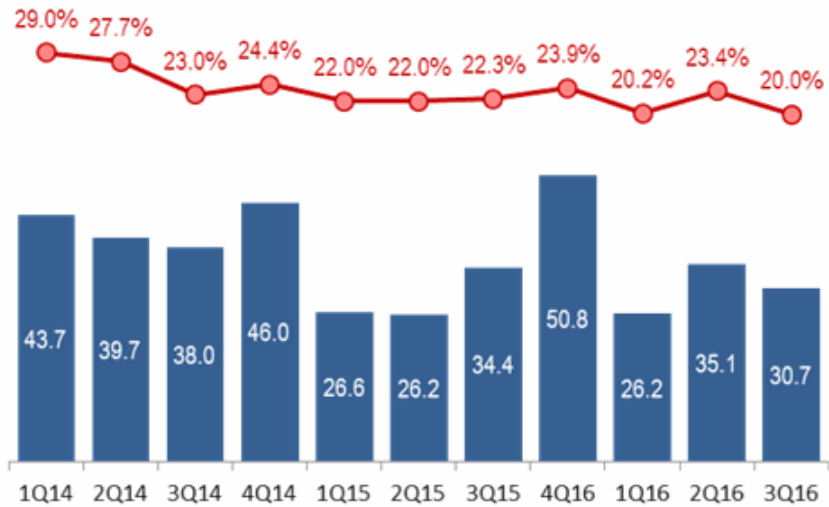
9M15



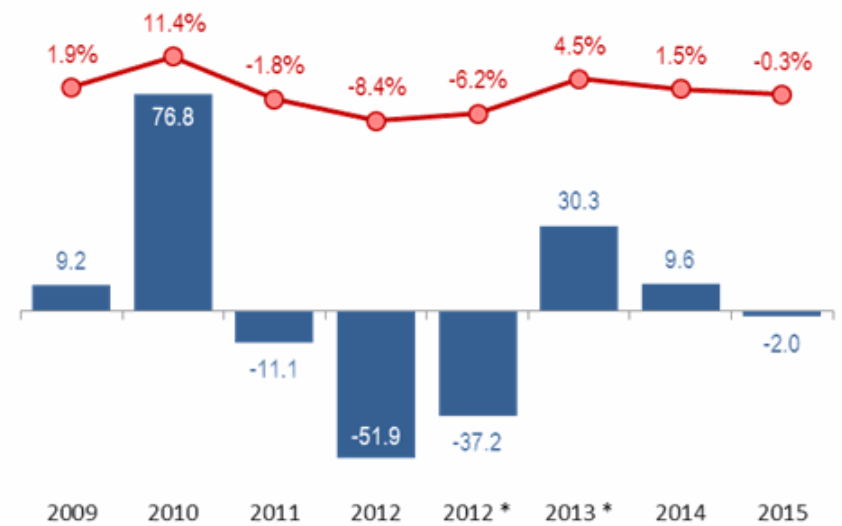
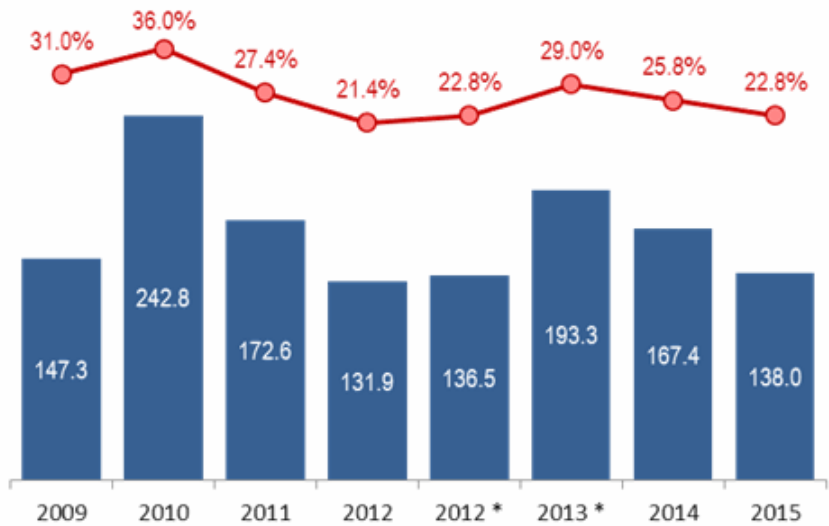
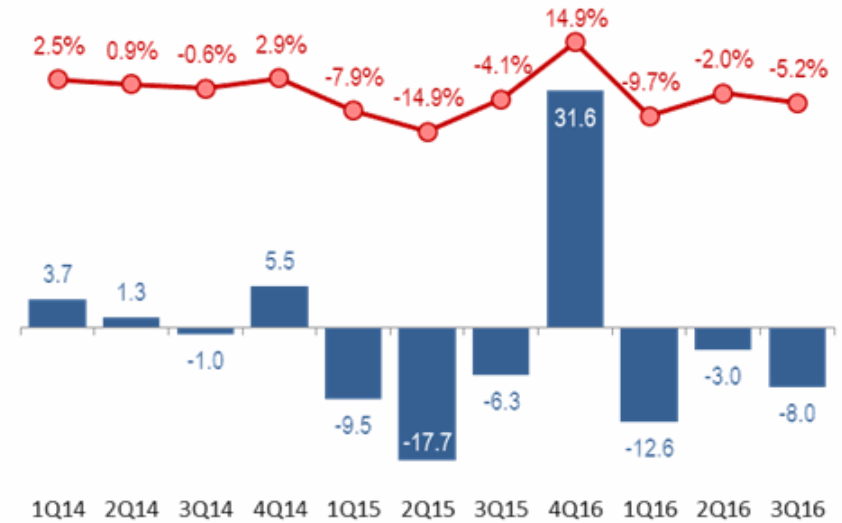
18%	Domestic material
12%	FX Related Domestic Material
14%	Metals
19%	Imported Material

Cost of Goods Sold

Gross Profit (R\$ million) and Gross Margin



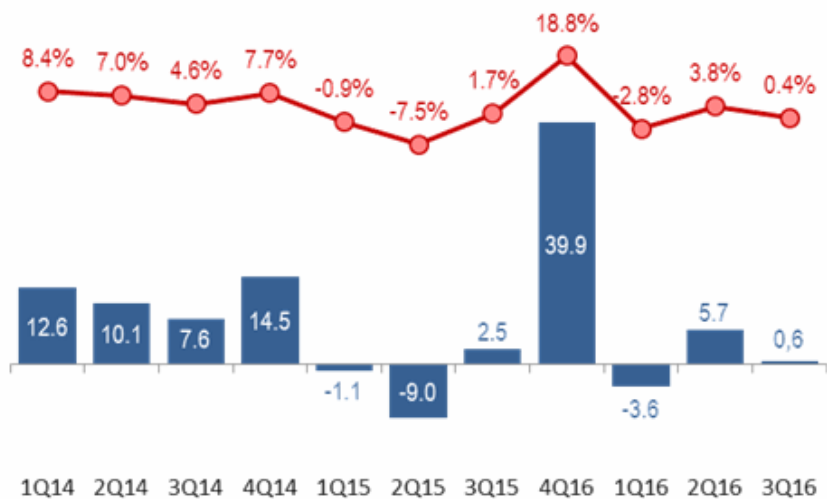
Operating Profit (loss) (R\$ million) and Operating Margin



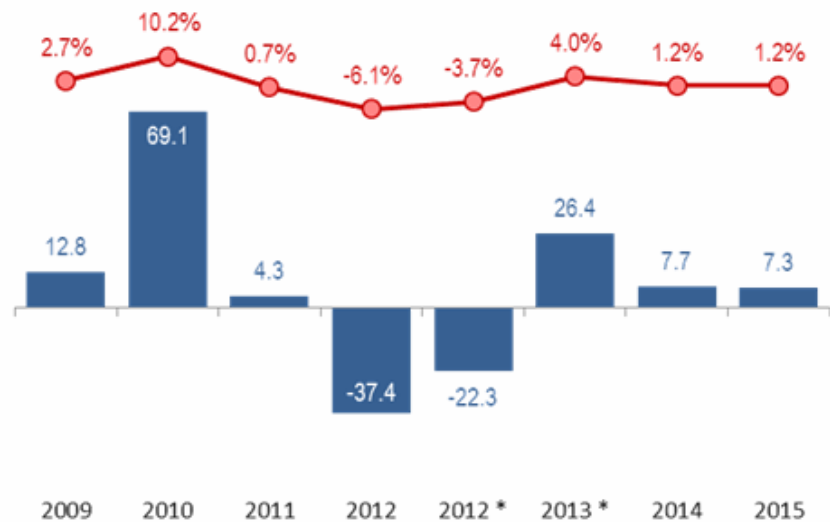
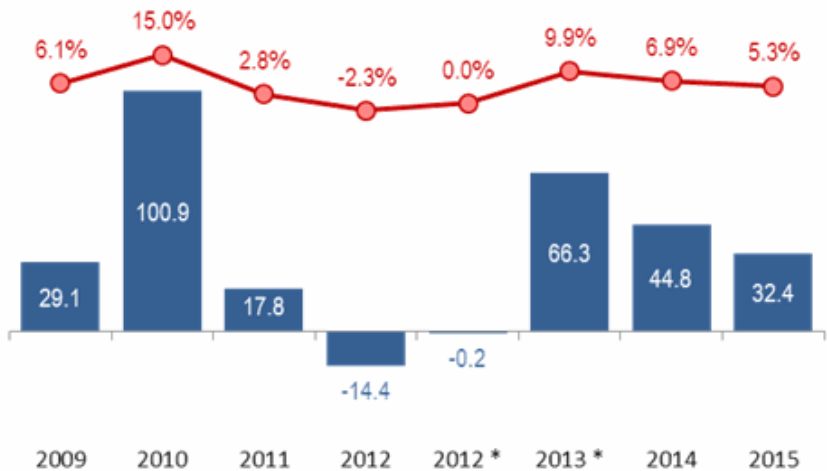
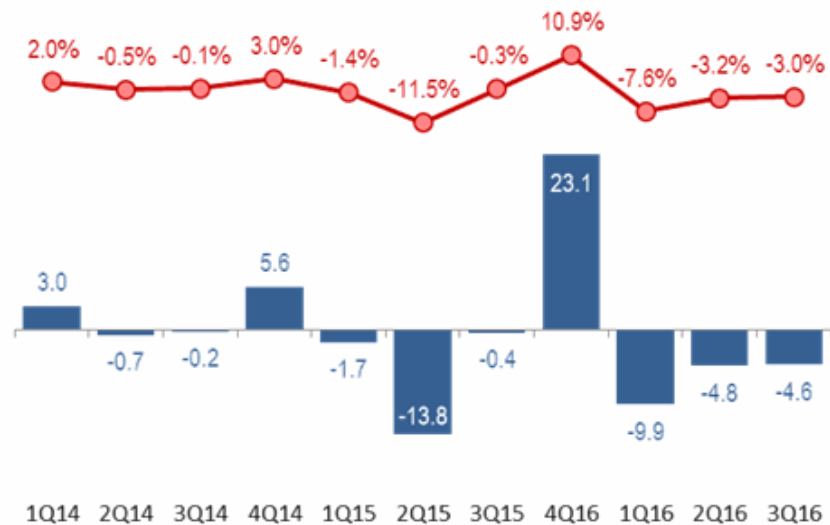
(*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

Profitability

EBITDA (R\$ million) and EBTIDA Margin



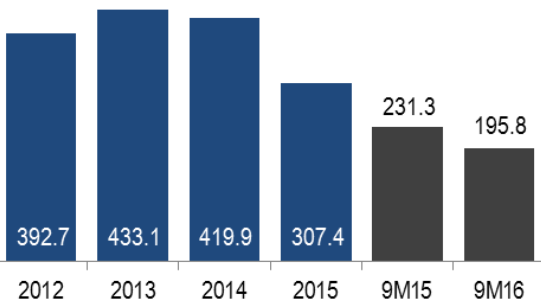
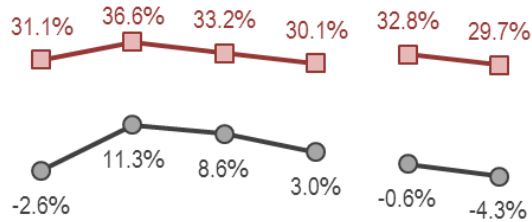
Net income (loss) (R\$ million) and Net Margin



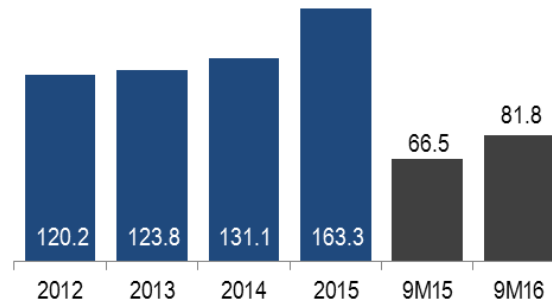
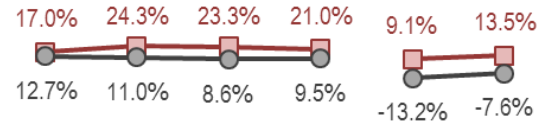
(*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

Sales	Quarter							Accumulated	
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	9M15	9M16
Romi Machines (units)	271	143	164	199	170	172	192	578	534
B+W Machines (units)	1	3	6	11	3	3	4	10	10
Cast Iron Parts (ton)	3,632	4,060	4,956	4,109	4,240	5,145	5,845	12,649	15,229

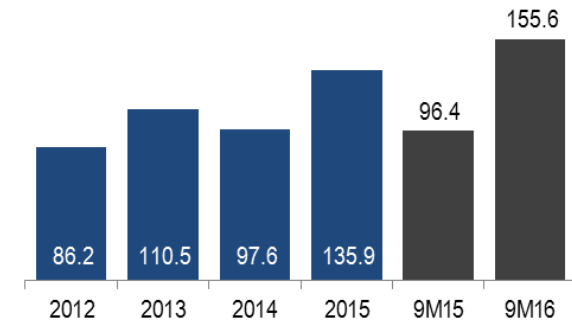
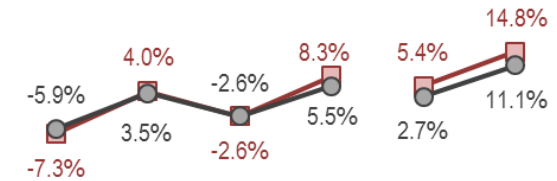
Romi Machines



B+W Machines



Rough and Machined Cast Iron Parts



■ Revenue ■ Gross Margin ● EBITDA

Business Units' Results

Cash and Cash Equivalent (R\$ MM) - 09/30/2016

	Amount
Bank Deposit Certificate (CDB)	35.0
Financial Investment with Bonds	80.2
Banks	24.5
Total	139.7

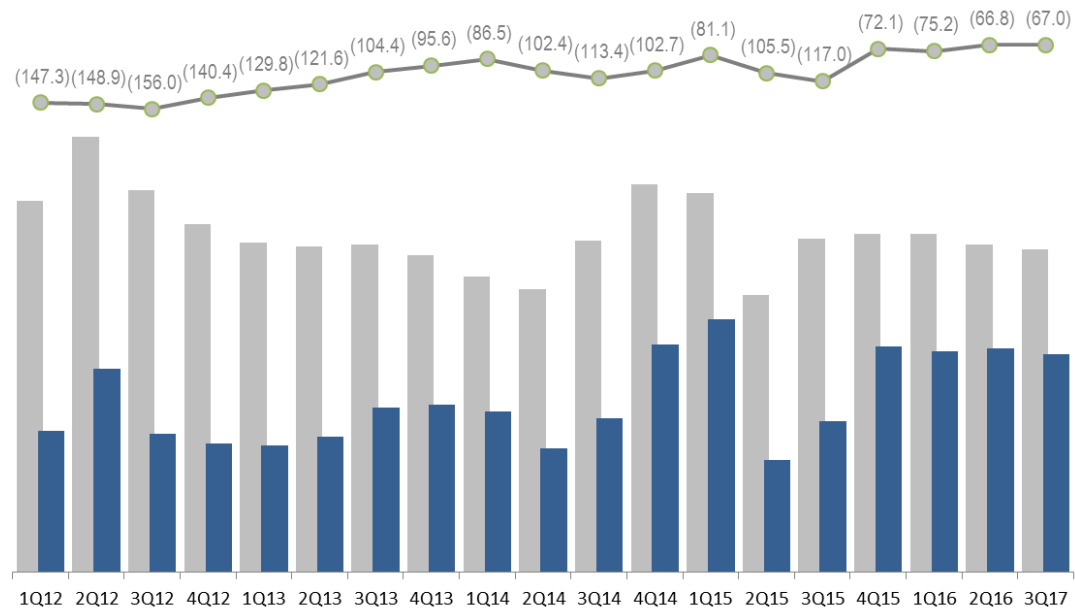
Net Debt = 67.0

Loans* (R\$ MM) - 09/30/2016

	Amount
2016 (3 months)	18.6
2017	95.1
2018	53.1
2019	12.0
2020 and afterwards	28.0
Total	206.7

Net Cash (Debt) Position

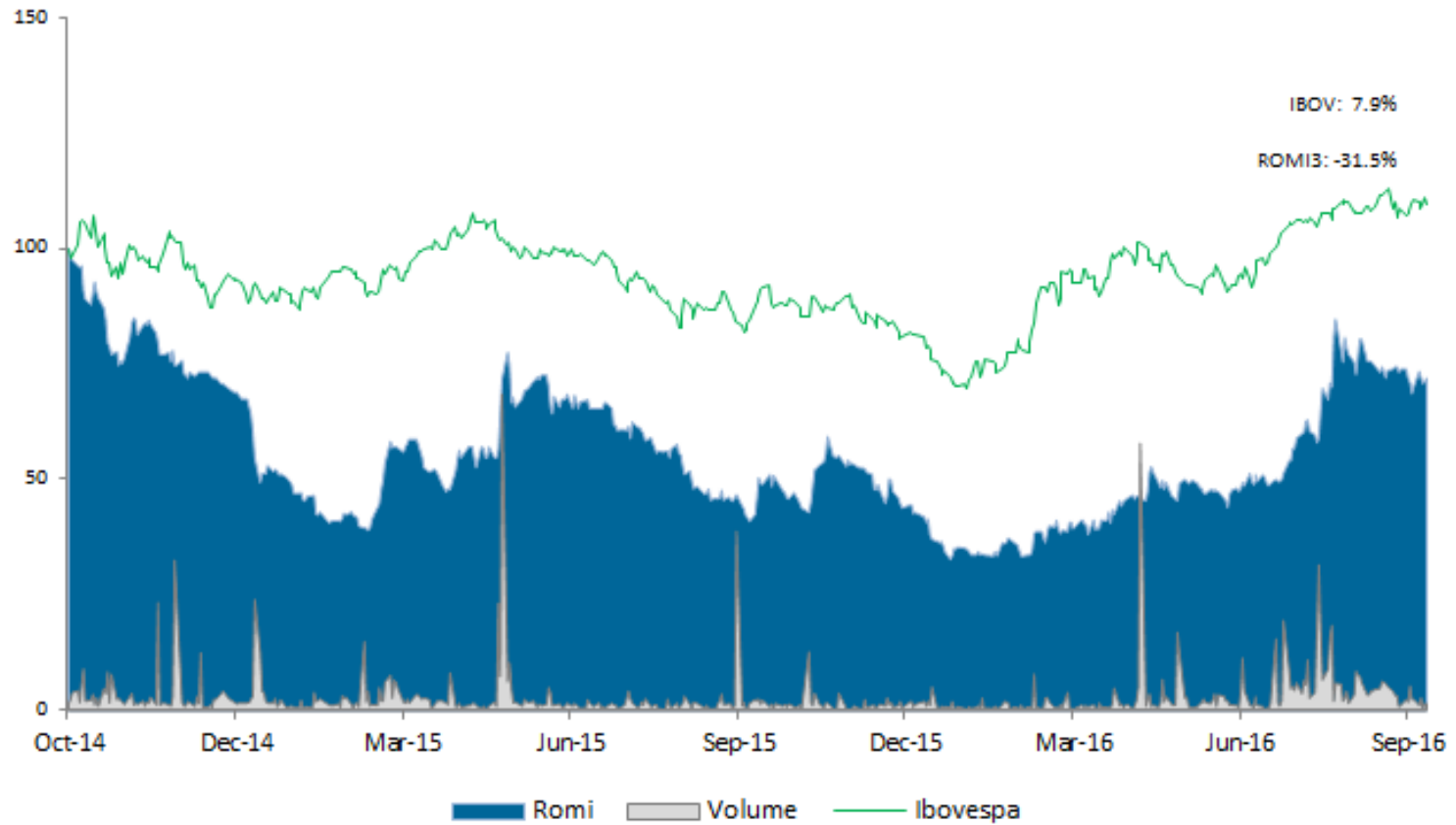
R\$ million



(*) Without Finame Manufacturer

Share Performance ROMI3 vs. Ibovespa

From 10/01/2014 to 09/30/2016



Source: BM&FBovespa

Share Performance



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