



ROMI

| WWW.ROMI.COM

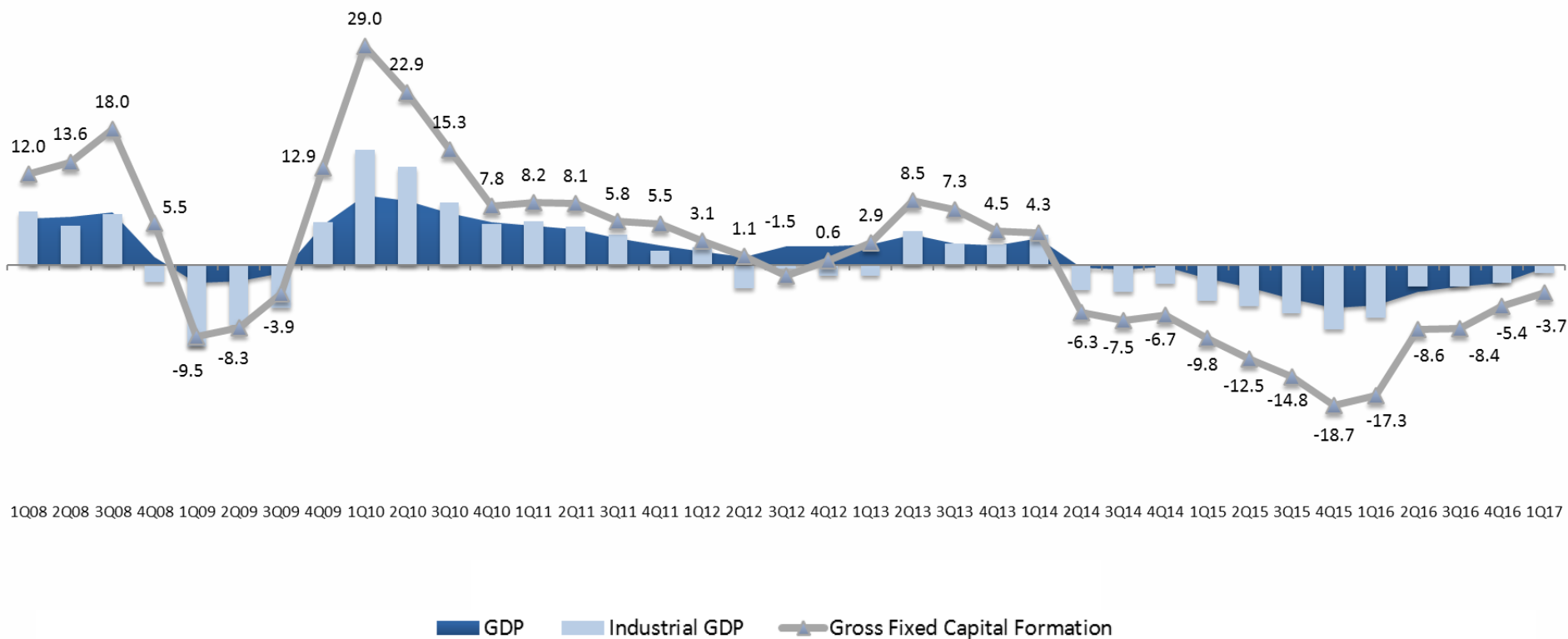


2Q17 Earnings Release

July 26, 2017

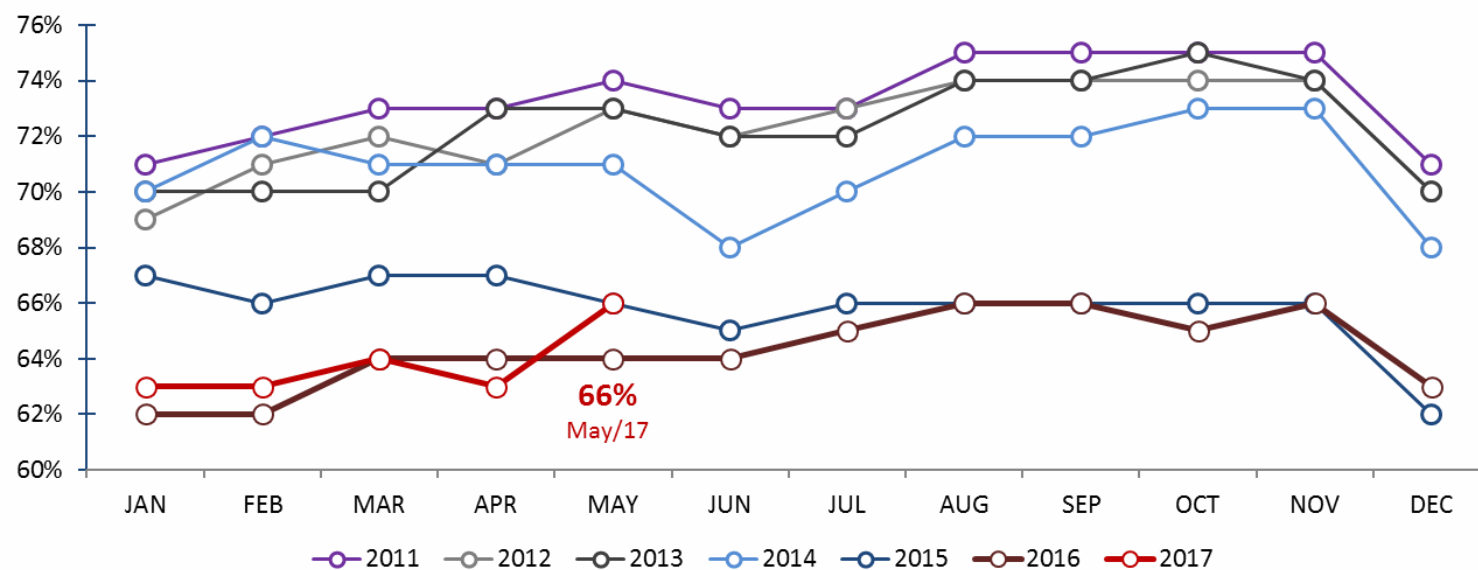
This release contains forward-looking statements subject to risks and uncertainties, Such forward-looking statements are based on the management's beliefs and assumptions on information currently available to the Company, The reservations as to forward-looking statements also apply to information on 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 **12.1%** in 2Q17
- The **Romi Machines** Business Unit, in 2Q17, reached a positive **EBITDA** margin of **9.3%**, an **improvement** of **14.1** percentage points compared with 2Q16, as a result of the operating adjustments, reduction of costs and expenses and mix of products.
- The **B+W Machines** Business Unit posted, in the first half of 2017, an **increase** in **gross and operating margins** of **5.8** and **12.9** percentage points, respectively, when compared with the same period of 2016, due to a better production volume and revenue.
- In 2Q17, compared with the same period of 2016, the **Raw and Machined Cast Iron Parts** Business Unit reported a **growth** of **23%** in operating revenues, and **improvement** of **8.2 percentage points** in **EBITDA** margin.
- The **Company's net debt decreased R\$31.3 million** during the first half of 2017 and reached **R\$46.1 million** at June, 30th 2017.

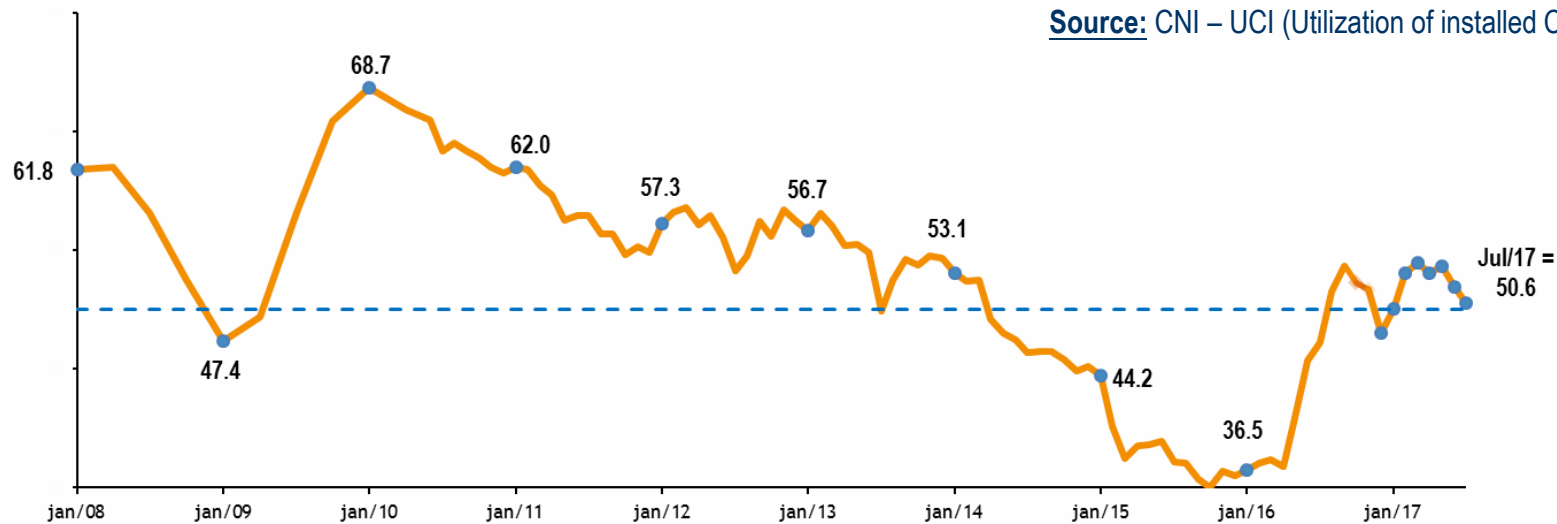


Source: IBGE (current quarter vs. the same quarter last year)

Conjunctural Indicators – GDP and FBKF



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



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

Economic Indexes - Conjunctural

Romi Machines

B+W Machines

Rough and Machined Cast Iron Parts



	1H17	2016
Automotive	25%	17%
Machines and Equipments	7%	10%
Job Shops	10%	12%
Tolling	4%	7%
Technical Schools	11%	3%
Packing	3%	8%
Others	40%	43%



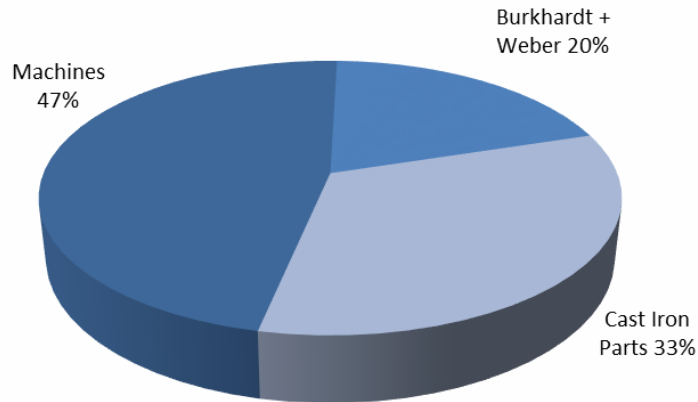
	1H17	2016
Machines and Equipments	0%	57%
Motors and Systems	100%	24%
Oil and Gas	0%	18%
Others	0%	1%



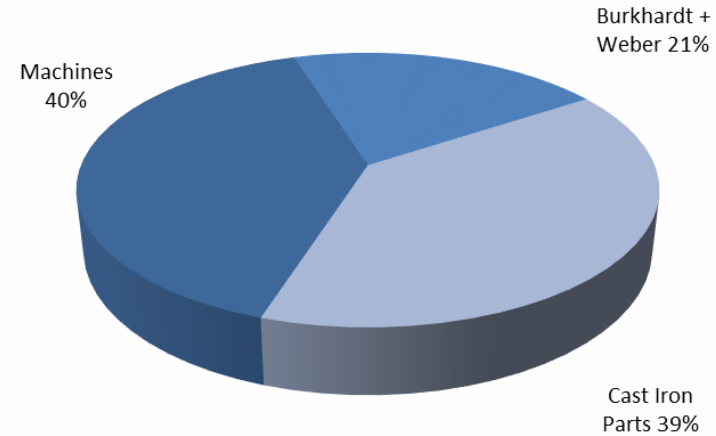
	1H17	2016
Wind Power	67%	69%
Automotive	13%	11%
Agriculture	13%	14%
Construction	5%	4%
Others	2%	2%

Business units

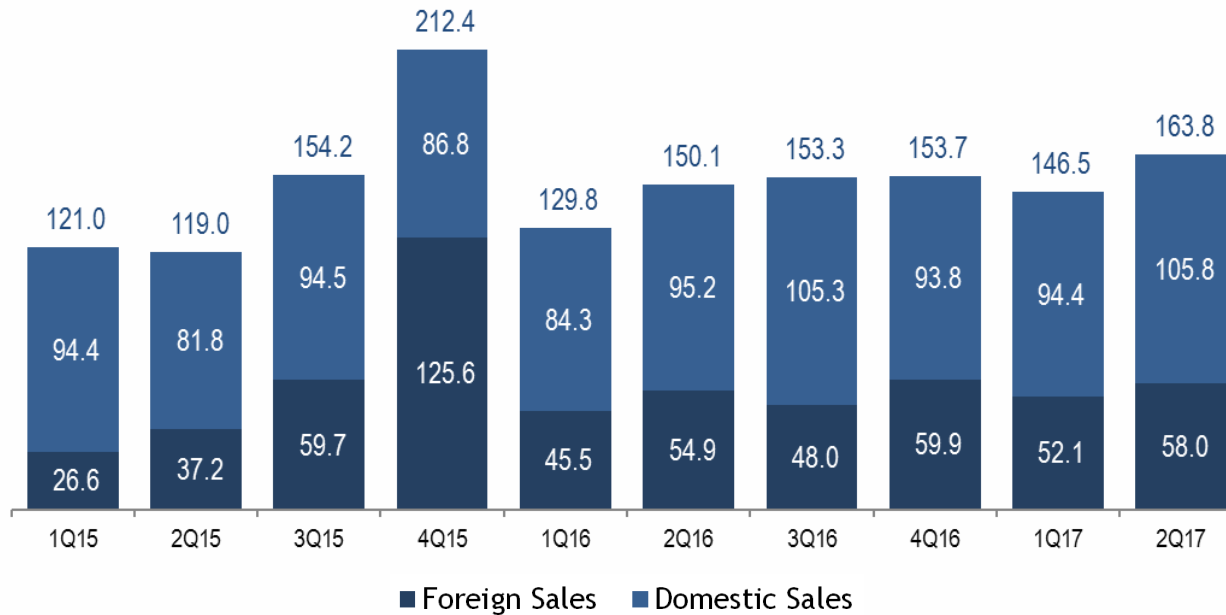
1H16



1H17

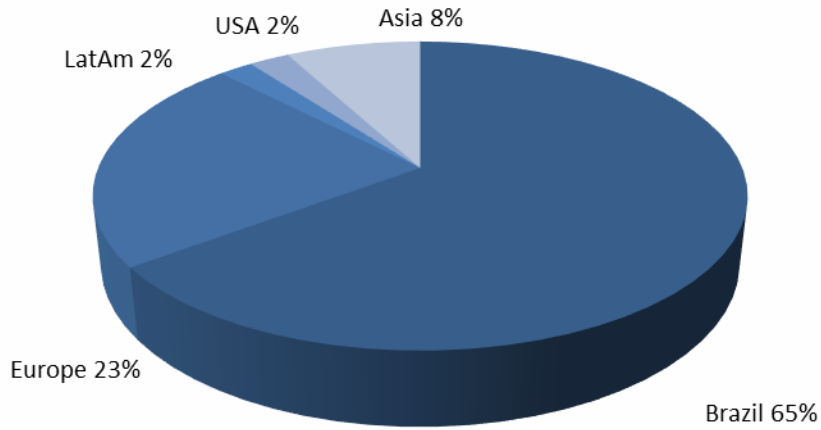


Net Operating Sales (R\$ million)

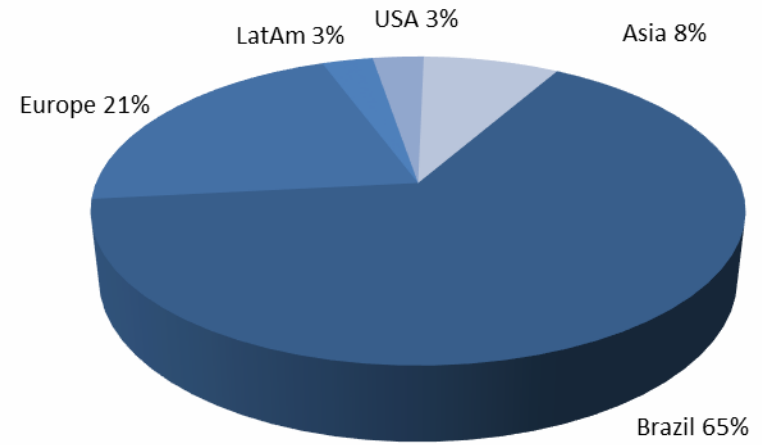


Net Sales per Business Unit

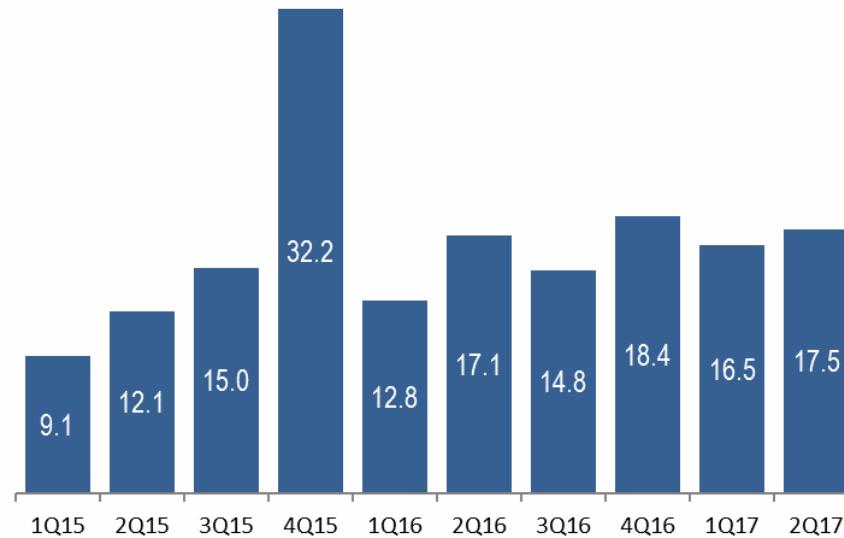
1H16



1H17



Foreign Sales (US\$ million)



Sales Distribution

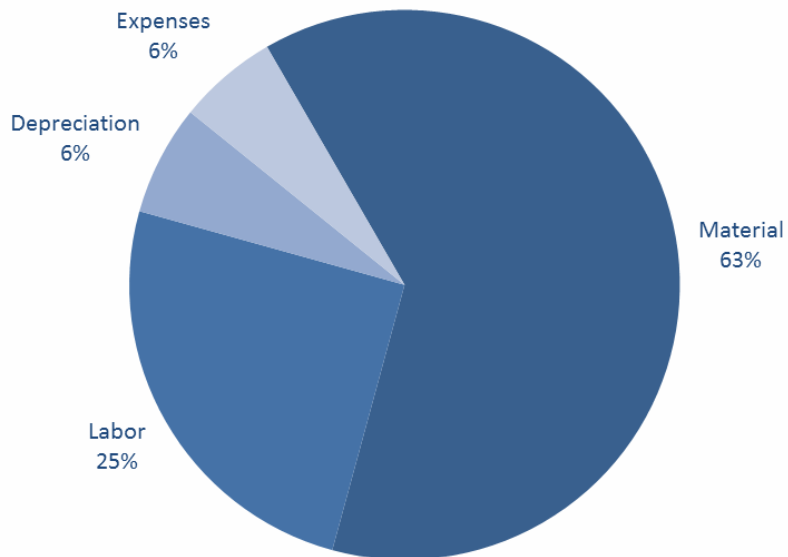
Order Entry (R\$ 000)	2Q16	1Q17	2Q17	Chg. 2Q17/1Q17	Chg. 2Q17/2Q16	1H16	1H17	Chg. 1H17/1H16
Gross Values, sales taxes included								
Romi Machines	65,471	67,773	71,820	6.0%	9.7%	124,427	139,593	12.2%
Burkhardt+Weber Machines	98,630	9,711	43,083	343.7%	-56.3%	107,588	52,793	-50.9%
Rough and Machined Cast Iron Parts	69,251	63,647	52,339	-17.8%	-24.4%	121,686	115,986	-4.7%
Total	233,352	141,131	167,242	18.5%	-28.3%	353,701	308,373	-12.8%

Order Book (R\$ 000)	2Q16	1Q17	2Q17	Chg. 2Q17/1Q17	Chg. 2Q17/2Q16
Gross Values, sales taxes included					
Romi Machines	77,706	64,304	77,353	20.3%	-0.5%
Burkhardt+Weber Machines	129,325	109,251	131,029	19.9%	1.3%
Rough and Machined Cast Iron Parts	110,363	74,808	58,406	-21.9%	-47.1%
Total *	317,394	248,363	266,787	7.4%	-15.9%

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

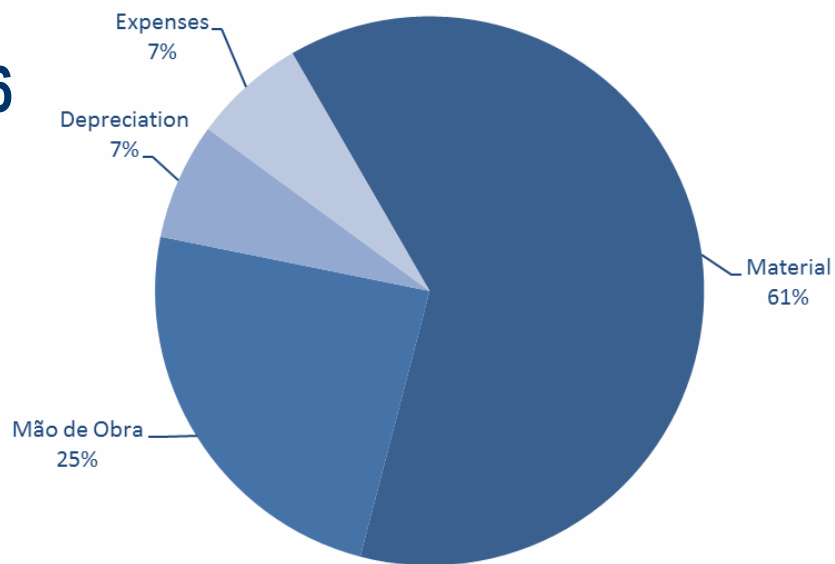
Order Entry Backlog

1H17



24%	Domestic Material
12%	Fx Related Domestic Material
19%	Metals
8%	Imported Material

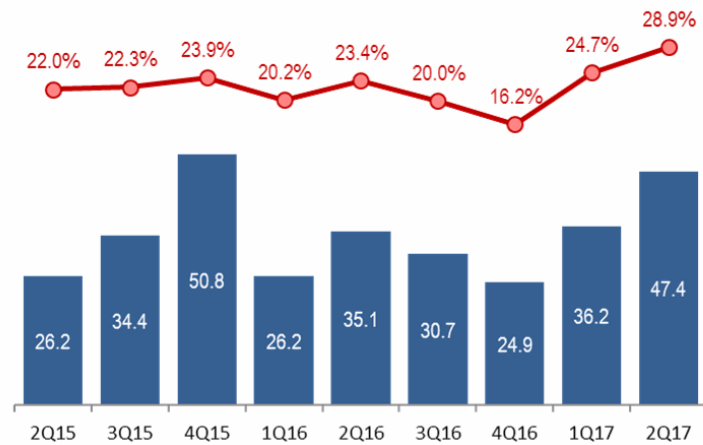
1H16



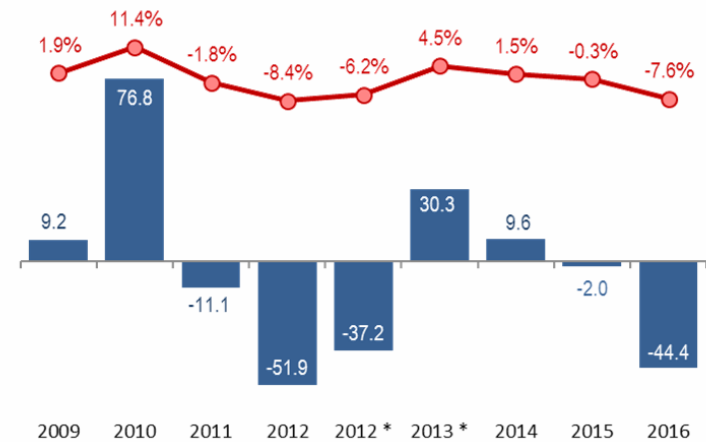
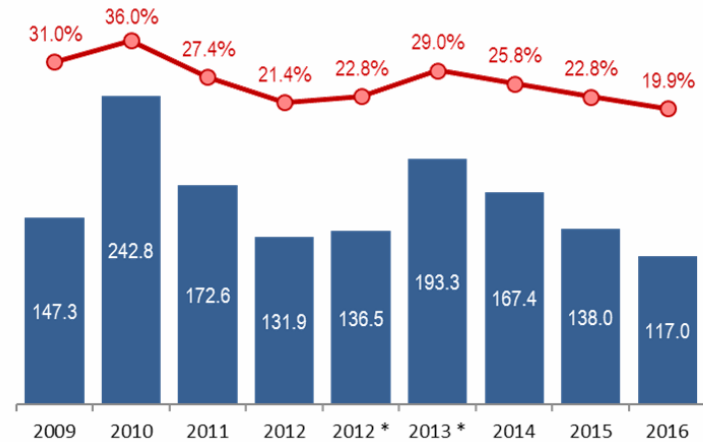
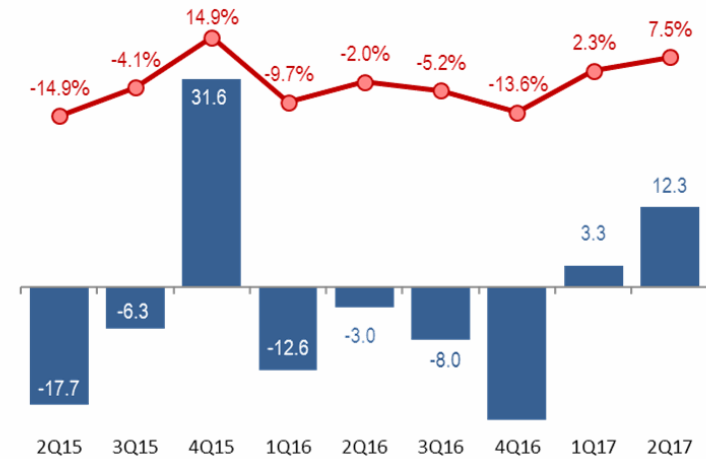
16%	Domestic Material
11%	Fx Related Domestic Material
16%	Metals
18%	Imported Material

Cost of Goods Sold

Gross Profit (R\$ million) and Gross Margin

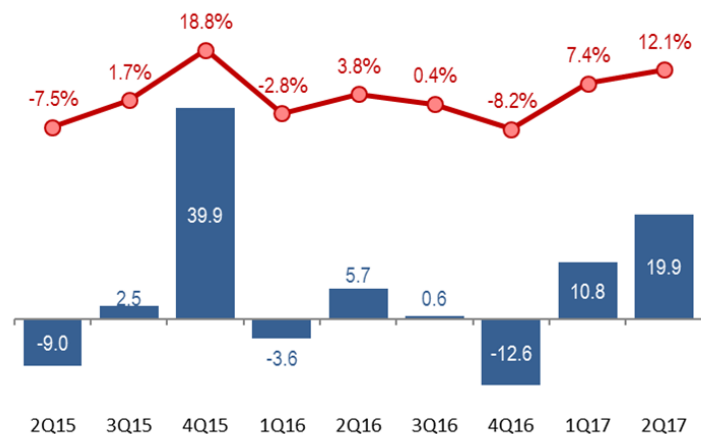


Operating Profit (loss) (R\$ million) and Operating Margin

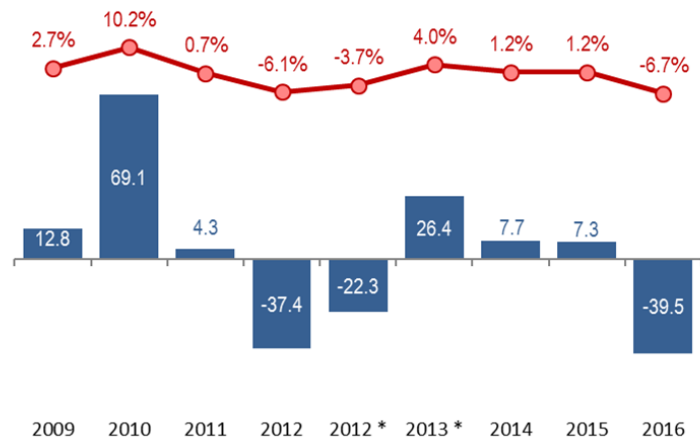
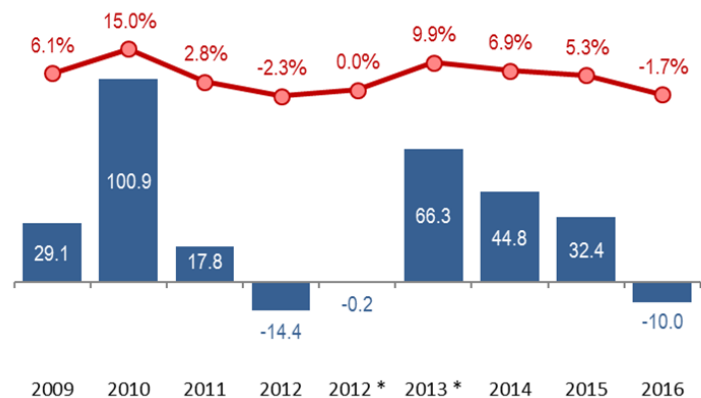
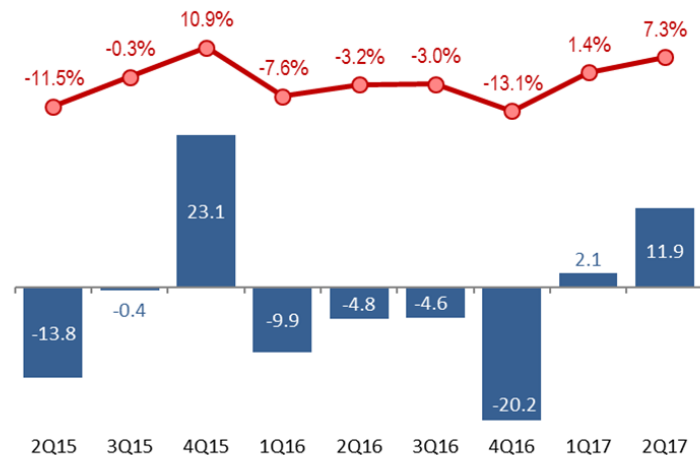


(*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

EBITDA (R\$ million) and EBTIDA Margin



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

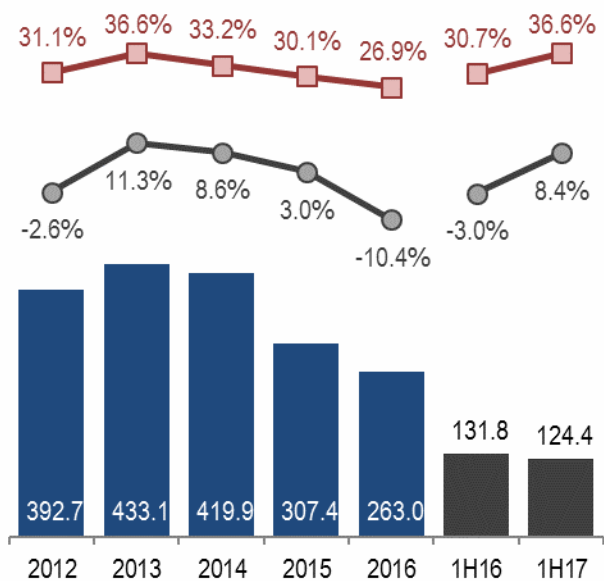


(*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

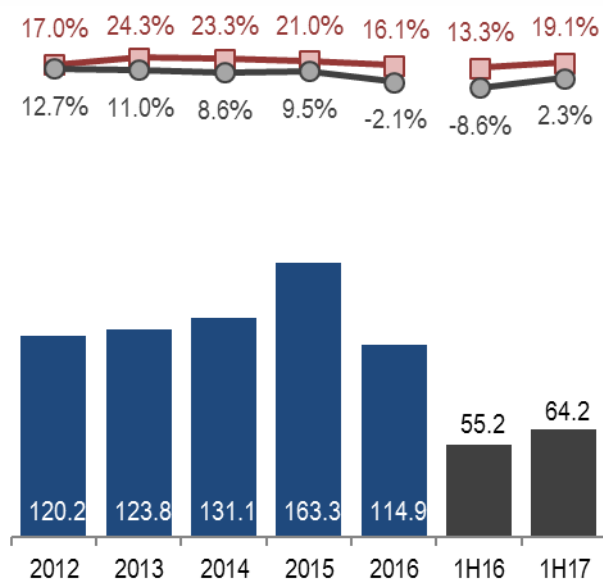
Profitability

	Quarter						Accumulated	
Sales	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	1H16	1H17
Machines (qty)	170	172	192	214	162	141	342	303
Burkhardt+Weber (qty)	3	3	4	7	6	6	6	12
Cast and Iron parts (ton)	4,240	5,145	5,845	5,174	5,784	6,267	9,385	12,051

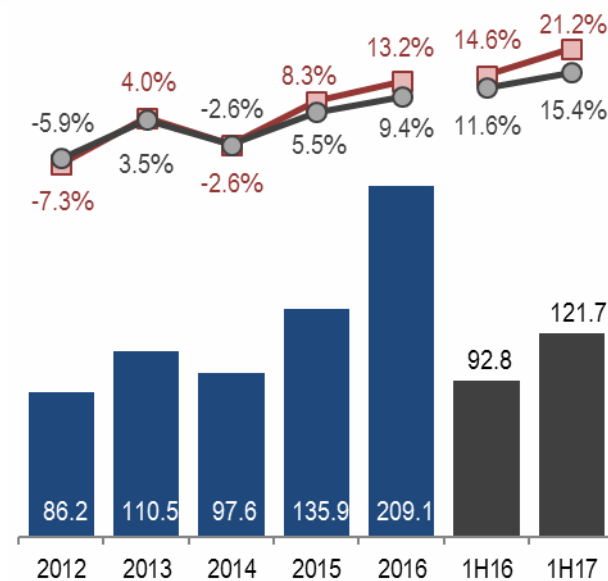
Romi Machines



B+W Machines



Rough and Machined Cast Iron Parts



■ Revenue ■ Gross Margin ● EBITDA

Business Units' Results

Cash and Cash Equivalent (R\$ MM) - 06/30/2017

	Amount
Bank Deposit Certificate (CDB)	41.9
Financial Investment with Bonds	43.9
Financial Investment with Bonds	38.7
Banks	12.8
Total	137.3

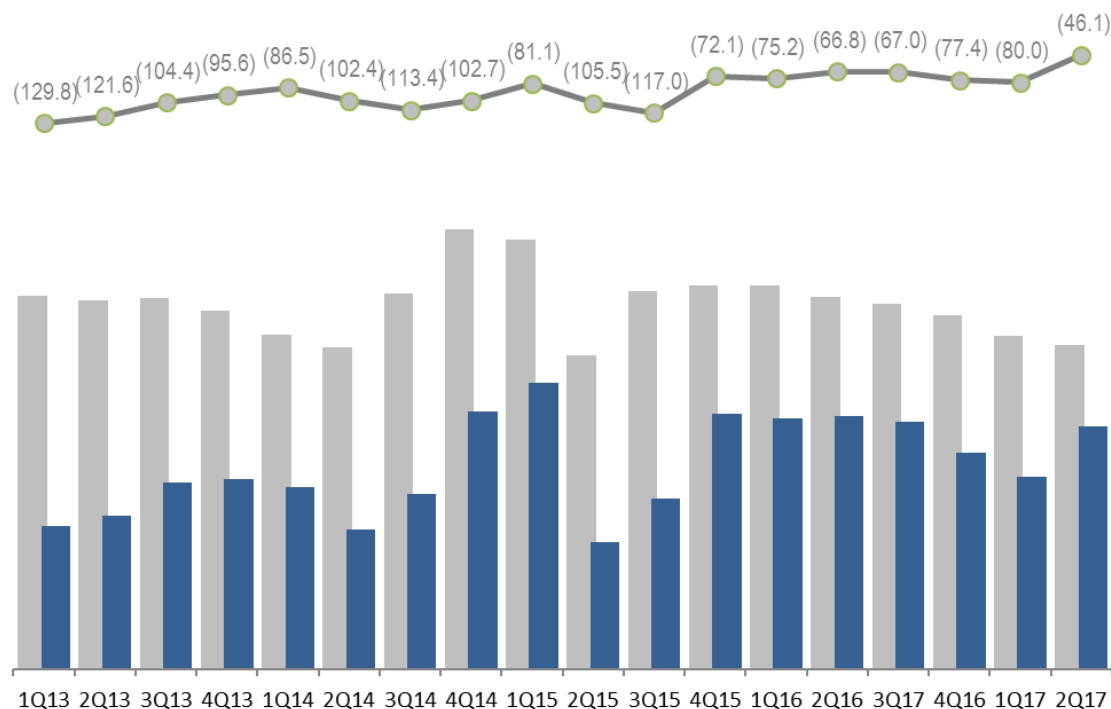
Net Debt = 46.1

Loans* (R\$ MM) - 06/30/2017

	Amount
2017 (6 months)	76.4
2018	60.4
2019	13.9
2020	19.5
2021	6.2
2022 and afterwards	7.0
Total	183.4

Net Cash (debt) Position

R\$ million

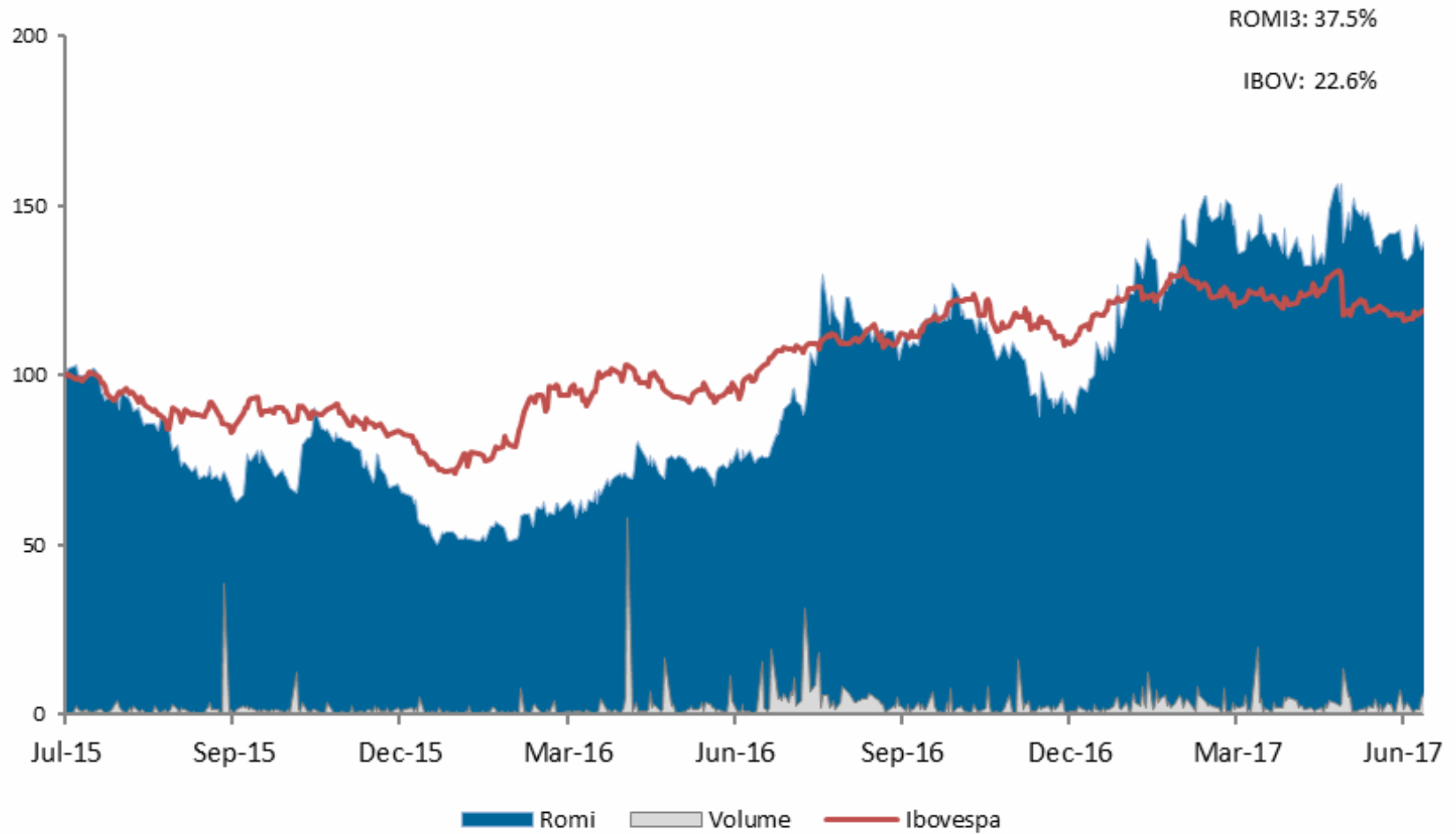


(*) Without Finame Manufacturer

Cash Position

Share Performance ROMI3 vs. Ibovespa

From 07/01/2015 to 07/24/2017



Source: BM&FBovespa

Share Performance



ROMI

| WWW.ROMI.COM

Luiz Cassiano R. Rosolen
CEO

lrosolen@romi.com
+55 (19) 3455 9004

Fábio B. Taiar
CFO

ftaiar@romi.com
+55 (19) 3455 9418