



ROMI

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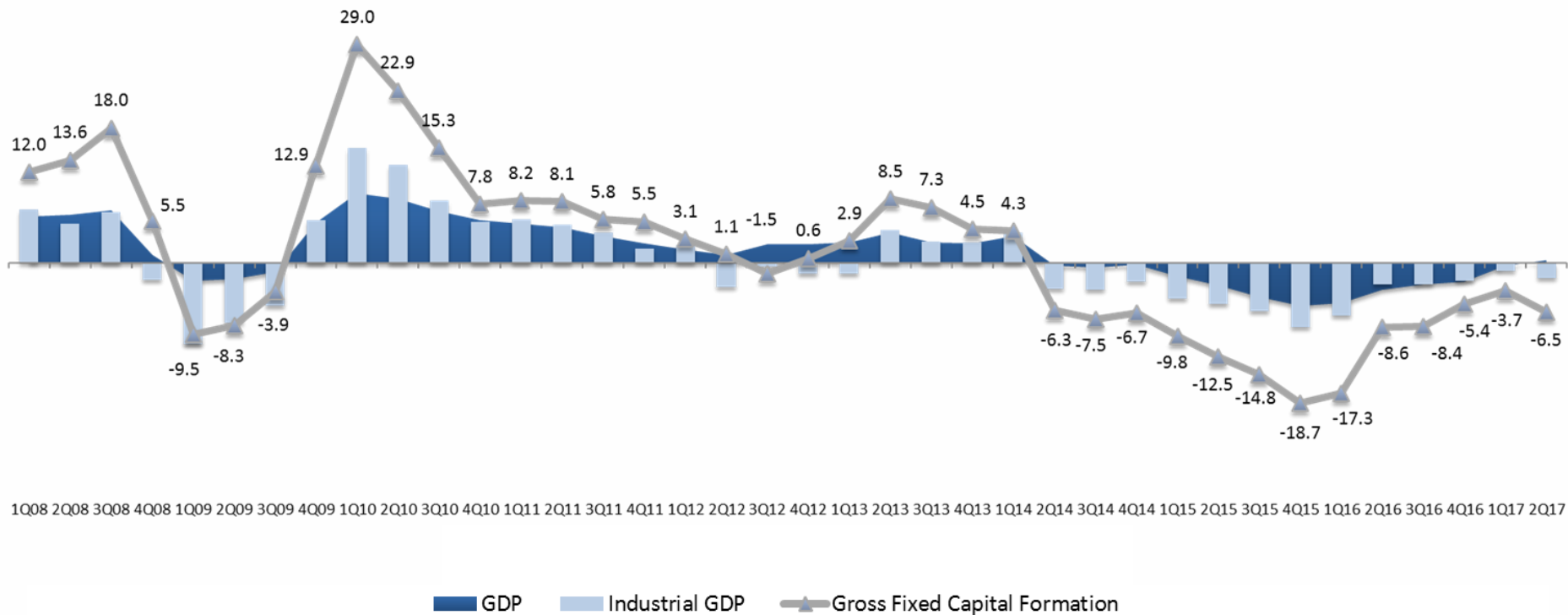


3Q17 Earnings Release

October 25, 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.

- **Operating margins** continue **improving** and **EBITDA** reached **13.0%** in 3Q17.
- **Romi Machines** Business Unit, in 3Q17, reached an **EBITDA** margin of **10.2%**, an **improvement of 17.2 percentage points** compared with 3Q16, as a result of the operating adjustments, reduction of costs and expenses and mix of products.
- **B+W Machines** Business Unit posted, in 9M17, an **increase in gross and EBITDA margins of 7.0 and 11.6 percentage points**, respectively, when compared with the same period of 2016, due to a growth production volume and net operating revenue.
- In 3Q17, compared with the same period of 2016, the **Raw and Machined Cast Iron Parts** Business Unit reported a **growth of 11.3 percentage points** in **EBITDA** margin, as a result of the improvements in the operational efficiency of this business unit.
- **The Company's net debt decreased R\$ 61.2 million** during 2017 and reached **R\$ 16.2 million** at September 30, 2017.
- **The order entries** in 3Q17, when compared with 3Q16, reported a **growth of 15.5%**, with highlight to the Romi Machines and B + W Machines Business Units.

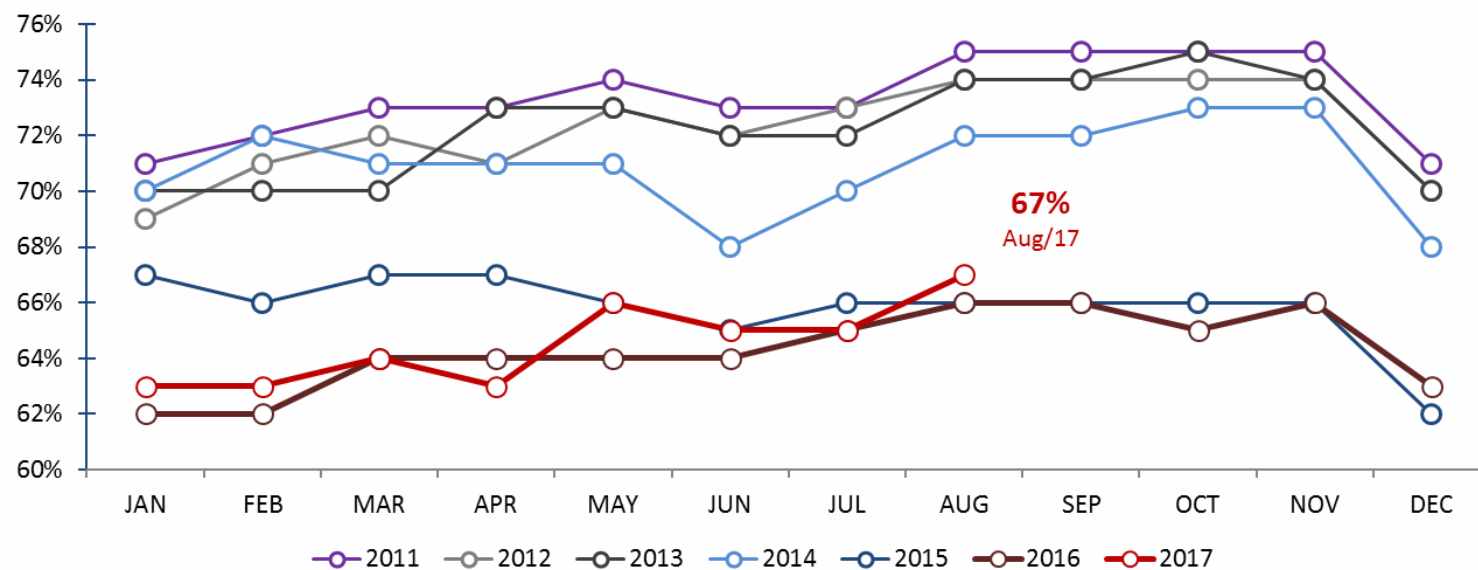


1Q08 2Q08 3Q08 4Q08 1Q09 2Q09 3Q09 4Q09 1Q10 2Q10 3Q10 4Q10 1Q11 2Q11 3Q11 4Q11 1Q12 2Q12 3Q12 4Q12 1Q13 2Q13 3Q13 4Q13 1Q14 2Q14 3Q14 4Q14 1Q15 2Q15 3Q15 4Q15 1Q16 2Q16 3Q16 4Q16 1Q17 2Q17

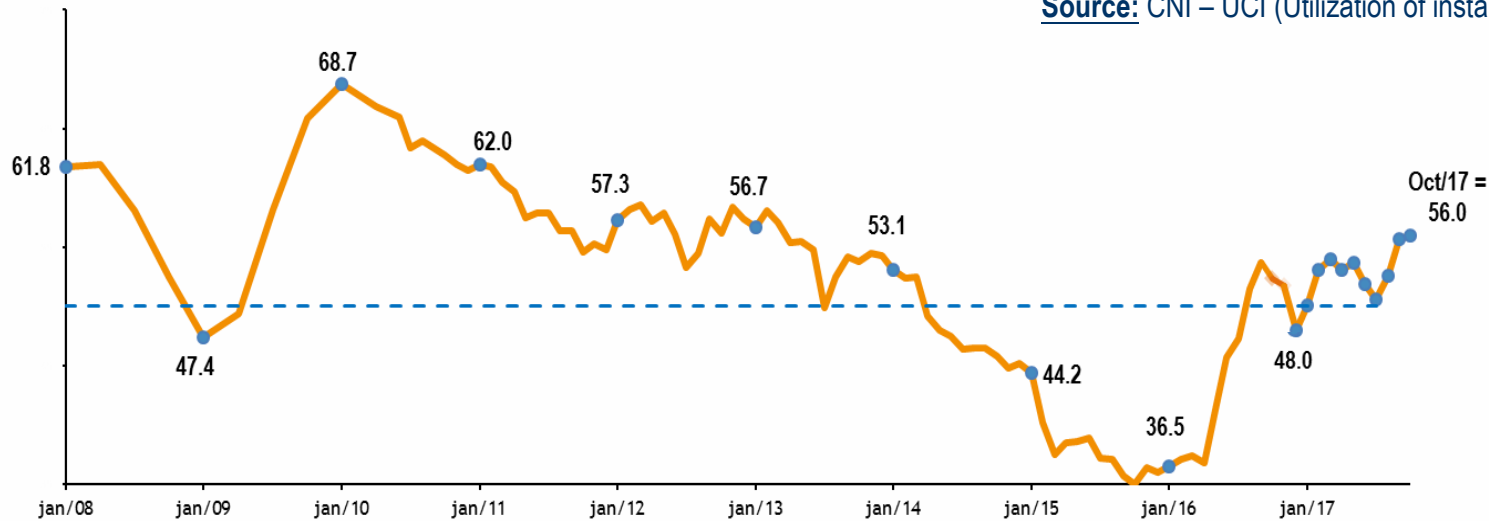
■ GDP ■ Industrial GDP ▲ Gross Fixed Capital Formation

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

Conjunctural Indicators – GDP and FBKF



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



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

Economic Indexes - Conjunctural

Romi Machines

B+W Machines

Rough and Machined Cast Iron Parts



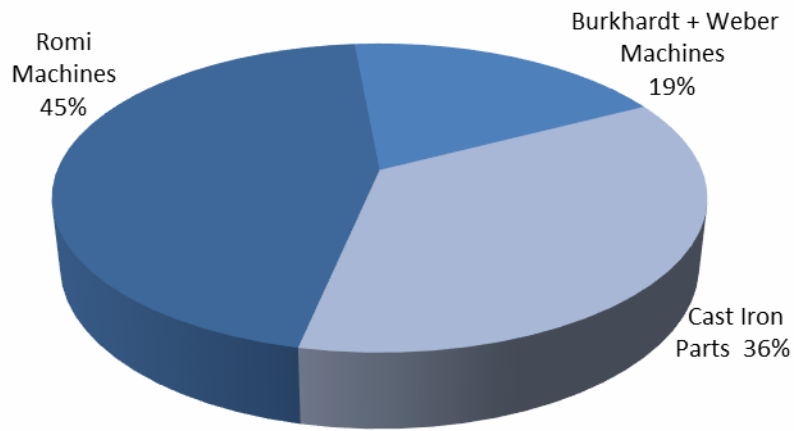
	9M17	2016
Automotive	15%	17%
Machines and Equipments	15%	10%
Job Shops	14%	12%
Tolling	4%	7%
Technical Schools	5%	3%
Packing	9%	8%
Others	38%	43%

	9M17	2016
Machines and Equipments	11%	57%
Motors and Systems	75%	24%
Oil and Gas	0%	18%
Automotive	7%	0%
Others	7%	1%

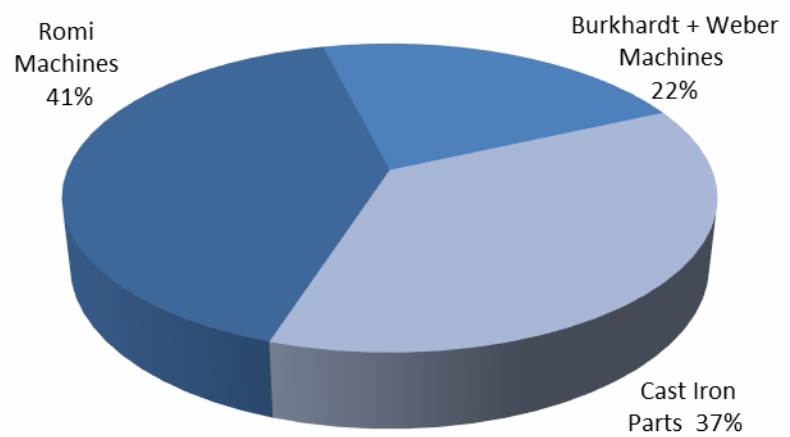
	9M17	2016
Wind Power	61%	69%
Automotive	16%	11%
Agriculture	15%	14%
Construction	6%	4%
Others	2%	2%

Business units

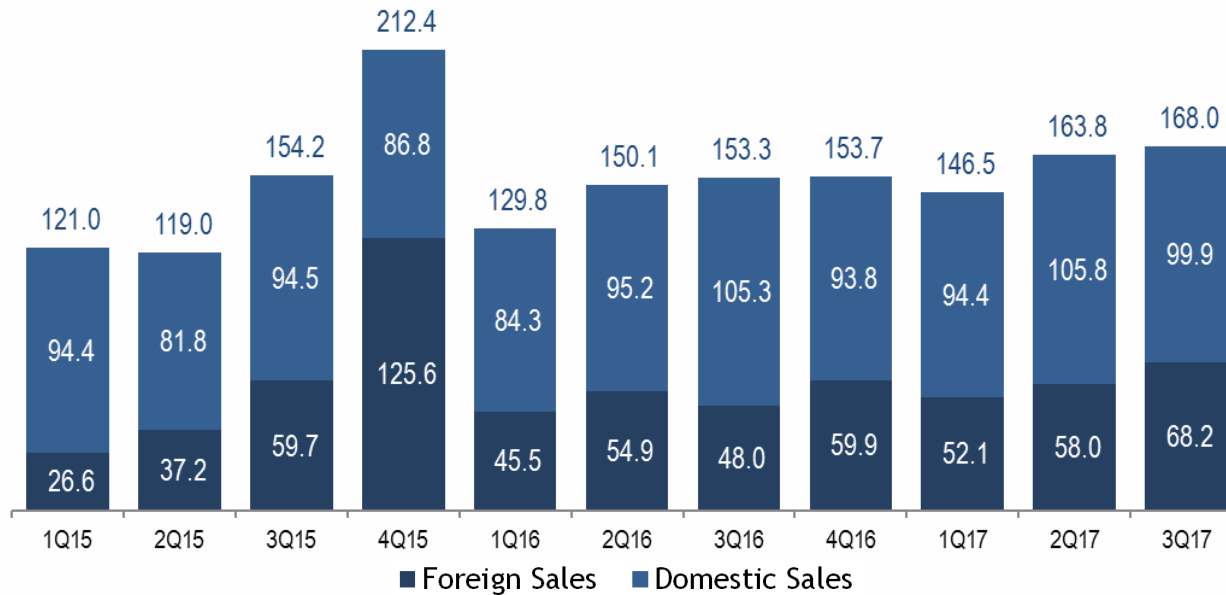
9M16



9M17

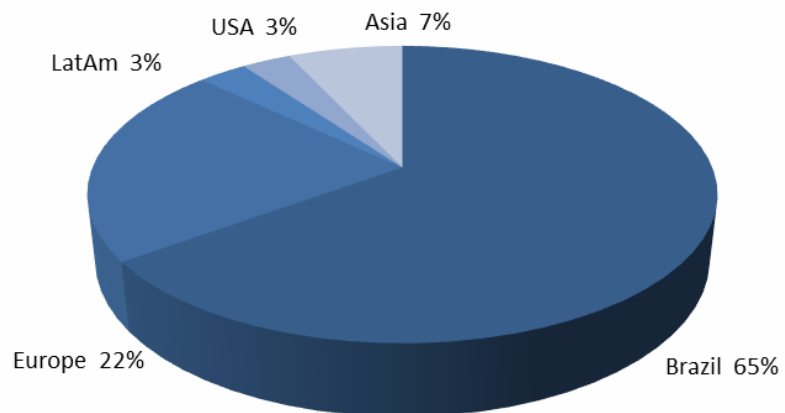


Net Operating Sales (R\$ million)

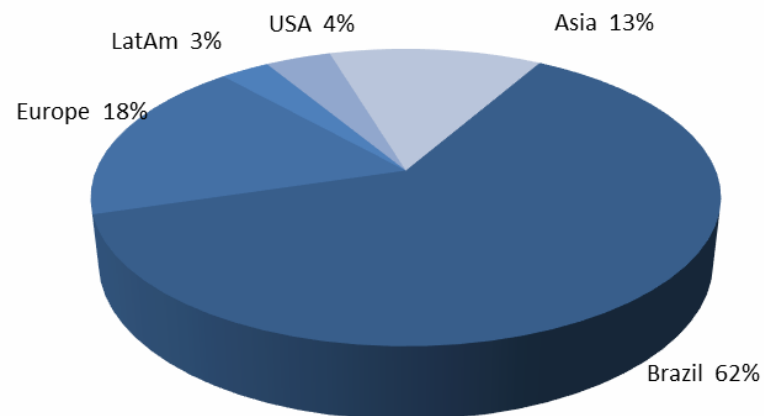


Net Sales per Business Unit

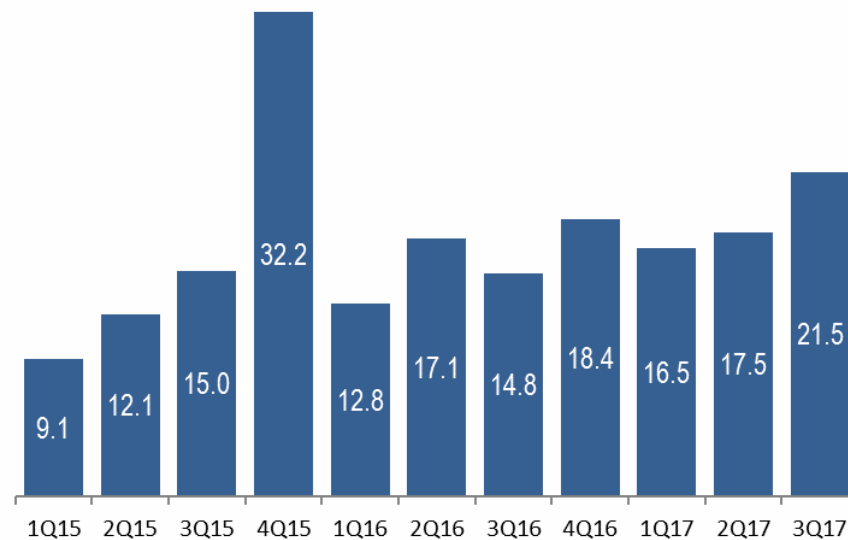
9M16



9M17



Foreign Sales (US\$ million)



Sales Distribution

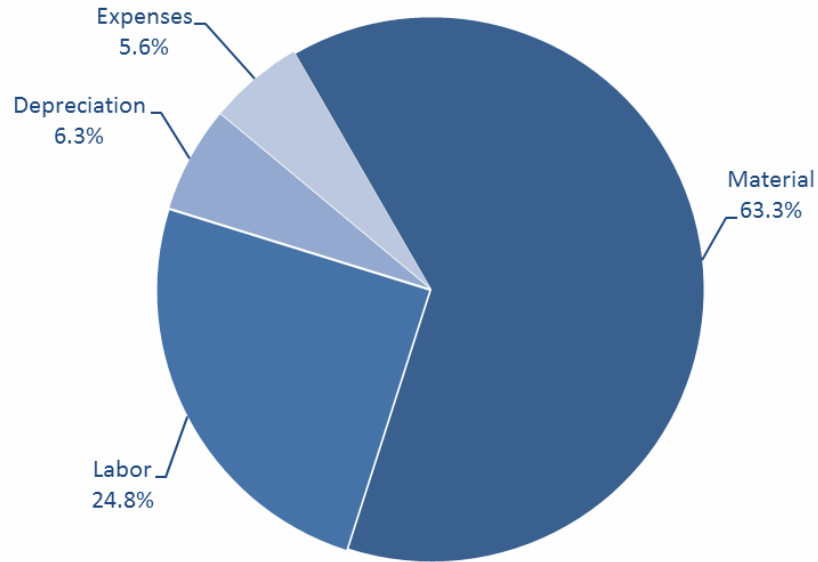
Order Entry (R\$ 000)	3Q16	2Q17	3Q17	Chg. 3Q17/2Q17	Chg. 3Q17/3Q16	9M16	9M17	Chg. 9M17/9M16
Gross Values, sales taxes included								
Romi Machines	62,516	71,820	72,806	1.4%	16.5%	186,943	212,399	13.6%
Burkhardt+Weber Machines	31,333	43,083	41,090	-4.6%	31.1%	138,921	93,883	-32.4%
Rough and Machined Cast Iron Parts	39,636	52,339	40,238	-23.1%	1.5%	161,322	156,224	-3.2%
Total	133,485	167,242	154,134	-7.8%	15.5%	487,186	462,507	-5.1%

Order Book (R\$ 000)	3Q16	2Q17	3Q17	Chg. 3Q17/2Q17	Chg. 3Q17/3Q16
Gross Values, sales taxes included					
Romi Machines	68,180	77,353	90,189	16.6%	32.3%
Burkhardt+Weber Machines	130,143	131,029	141,676	8.1%	8.9%
Rough and Machined Cast Iron Parts	82,310	58,406	37,595	-35.6%	-54.3%
Total *	280,633	266,787	269,460	1.0%	-4.0%

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

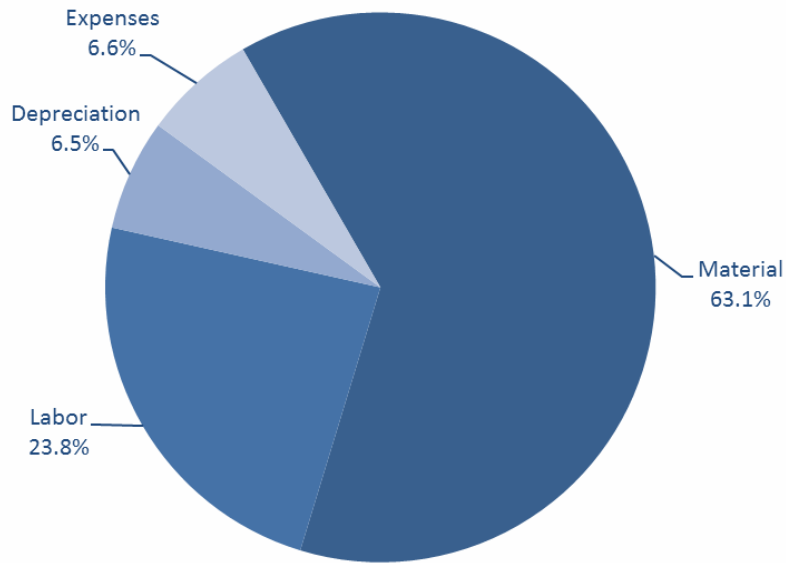
Order Entry Backlog

9M17



24%	Domestic material
12%	FX Related Domestic Material
18%	Metals
9%	Imported Material

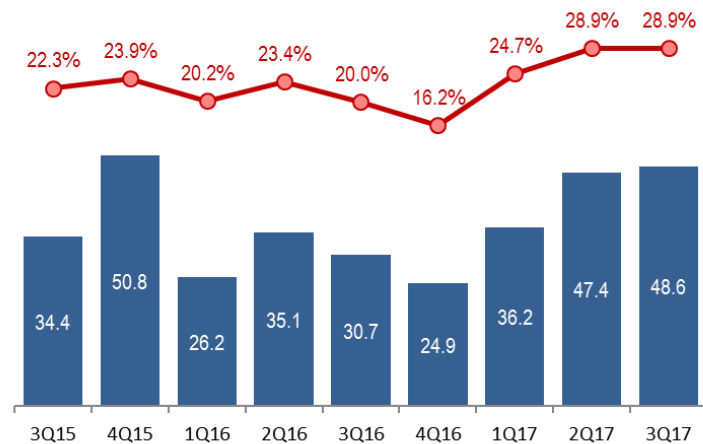
9M16



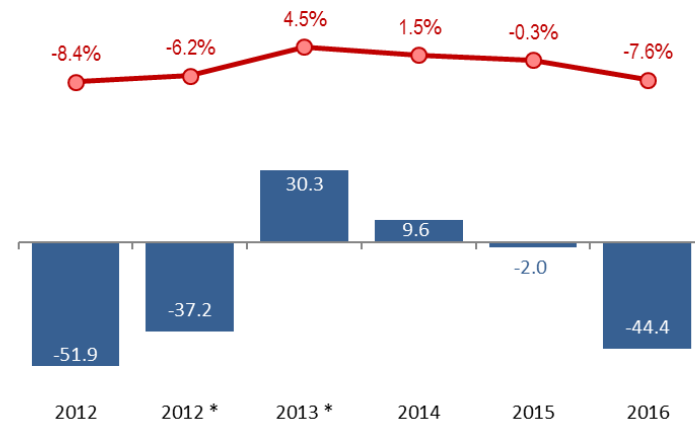
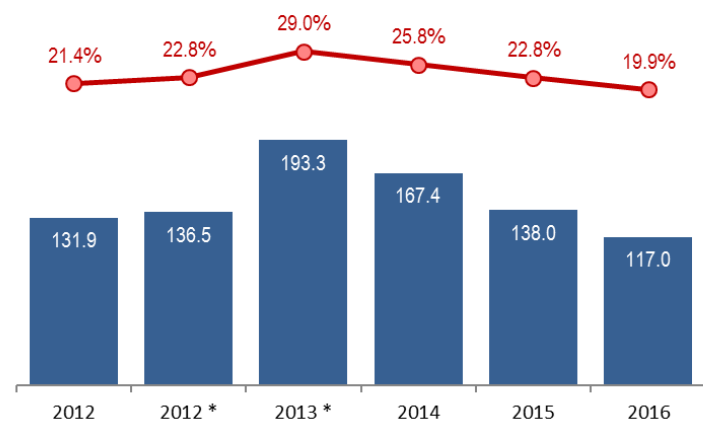
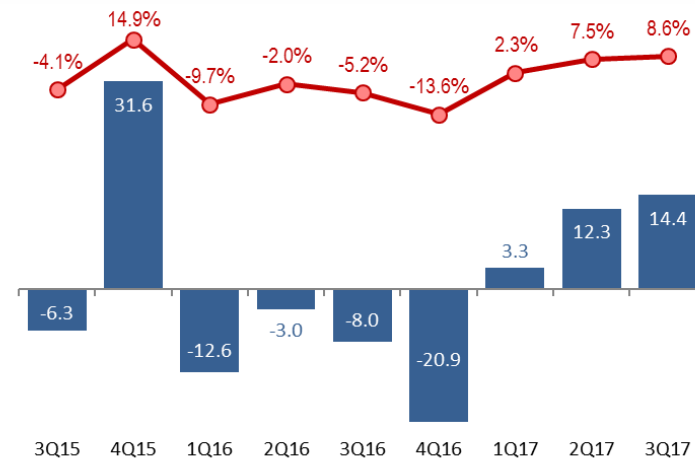
16%	Domestic material
11%	FX Related Domestic Material
18%	Metals
19%	Imported Material

Cost of Goods Sold

Gross Profit (R\$ million) and Gross Margin

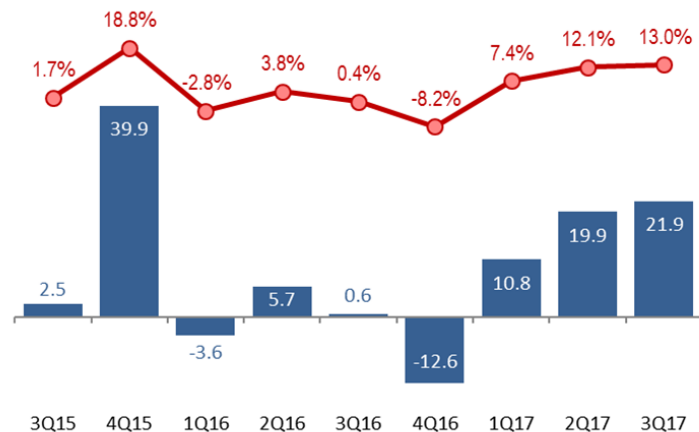


Operating Profit (loss) (R\$ million) and Operating Margin

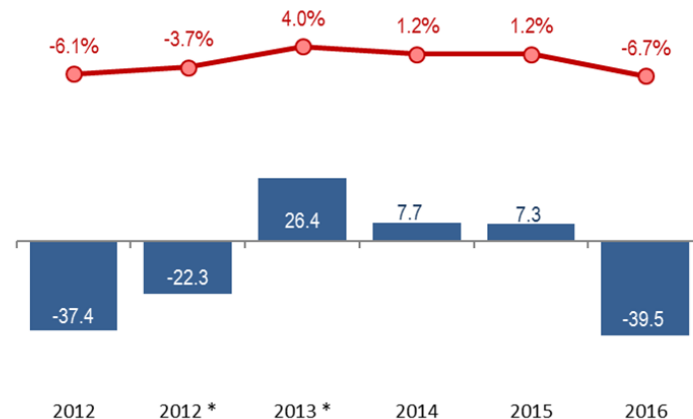
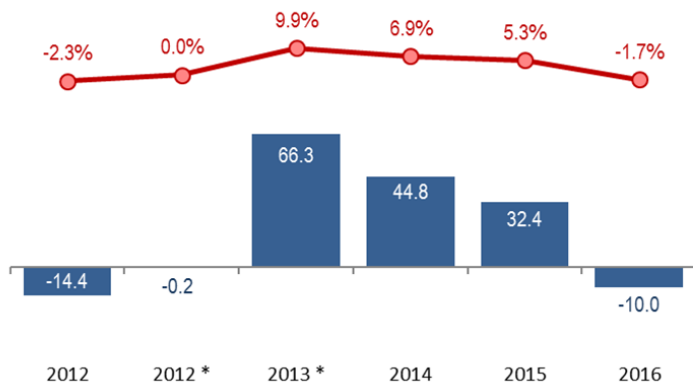
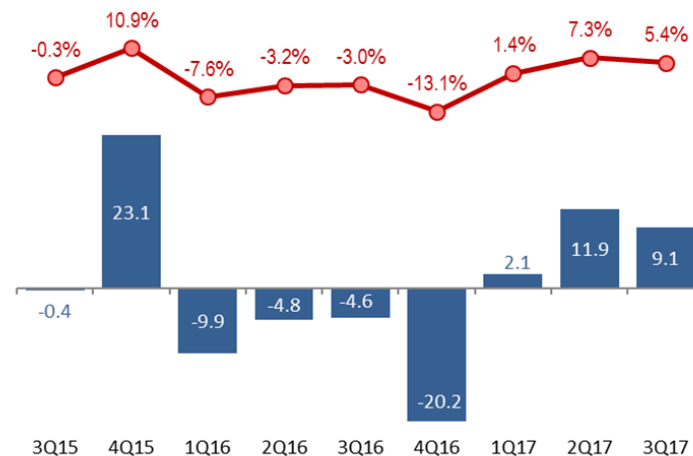


(*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

EBITDA (R\$ million) and EBTIDA Margin



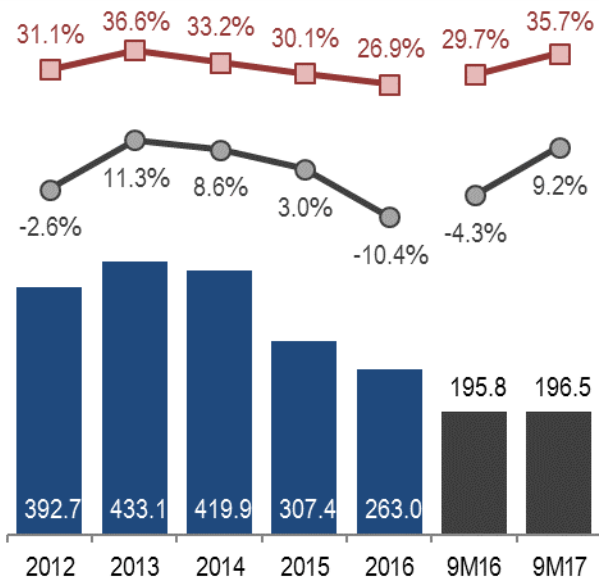
Net income (loss) (R\$ million) and Net Margin



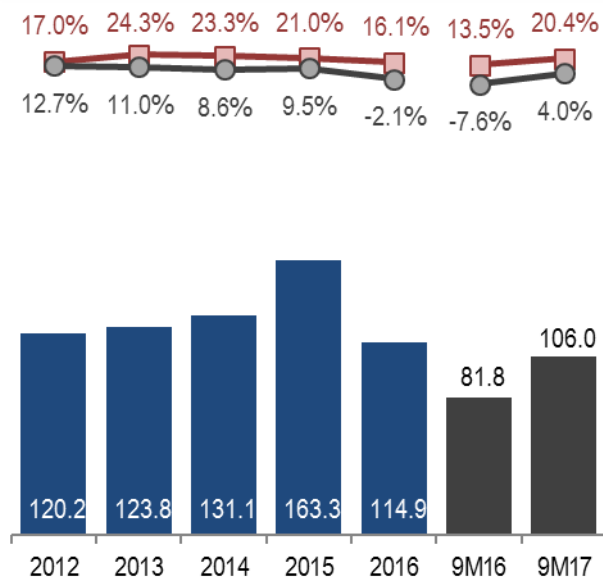
(*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

	Quarter							Accumulated	
Sales	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	9M16	9M17
Machines (qty)	170	172	192	214	162	141	195	534	498
Burkhardt+Weber (qty)	3	3	4	7	6	6	5	10	17
Cast and Iron parts (ton)	4,240	5,145	5,845	5,174	5,784	6,267	5,773	15,229	17,824

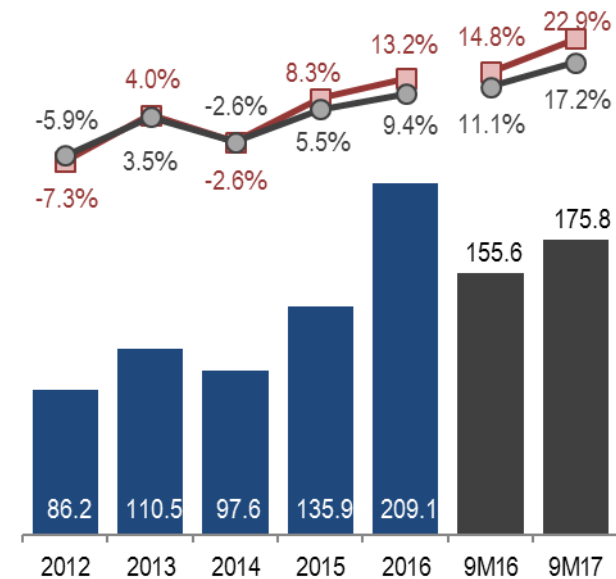
Romi Machines



B+W Machines



Rough and Machined Cast Iron Parts



■ Revenue ■ Gross Margin ● EBITDA

Business Units' Results

Cash and Cash Equivalent (R\$ MM) - 09/30/2017

	Amount
Bank Deposit Certificate (CDB)	42.9
Financial Investment with Bonds	34.8
Financial Investment with Bonds	43.6
Banks	23.6
Total	145.0

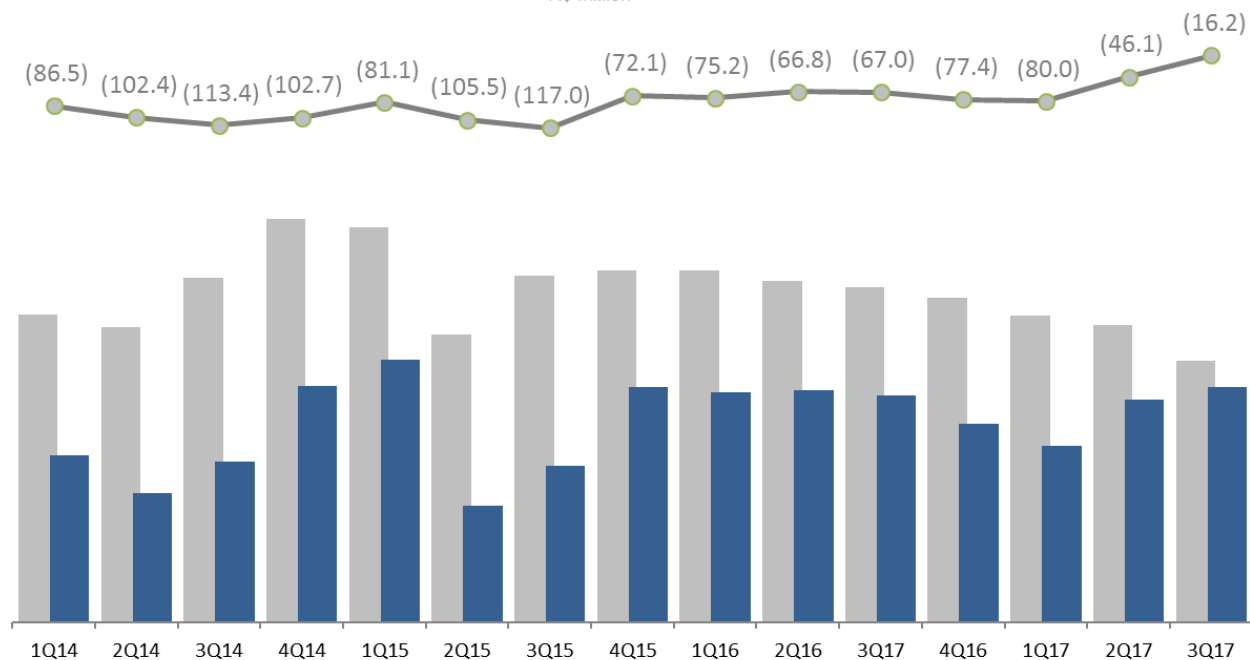
Net Debt = 16.2

Loans* (R\$ MM) - 09/30/2017

	Amount
2017 (3 months)	56.7
2018	58.0
2019	13.7
2020	19.5
2021	6.3
2022 and afterwards	7.0
Total	161.2

Net Cash (Debt) Position

R\$ million

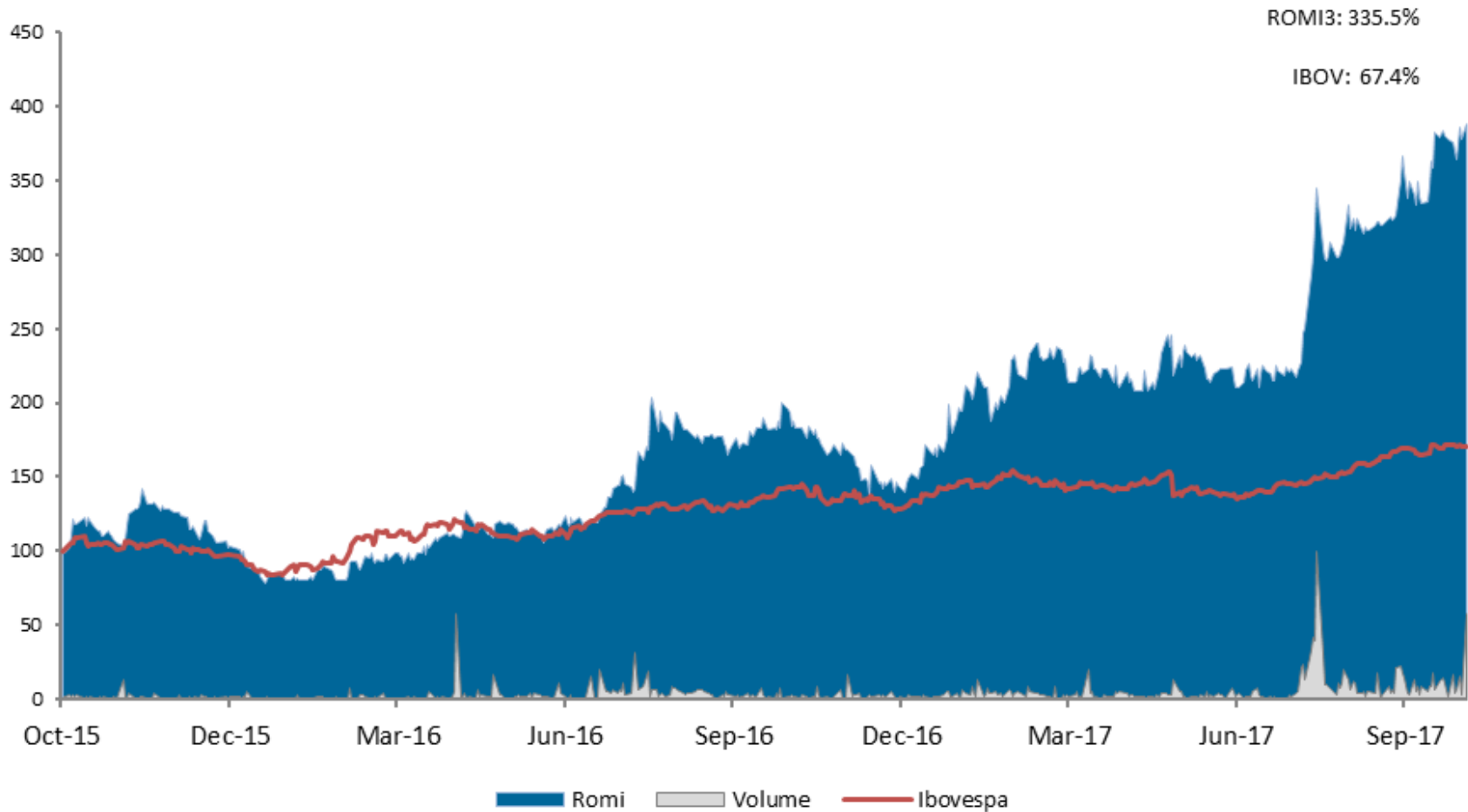


(*) Without Finame Manufacturer

Cash Position

Share Performance ROMI3 vs. Ibovespa

From 10/01/2015 to 10/23/2017



Source: BM&FBovespa

Share Performance



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