



**ROMI**

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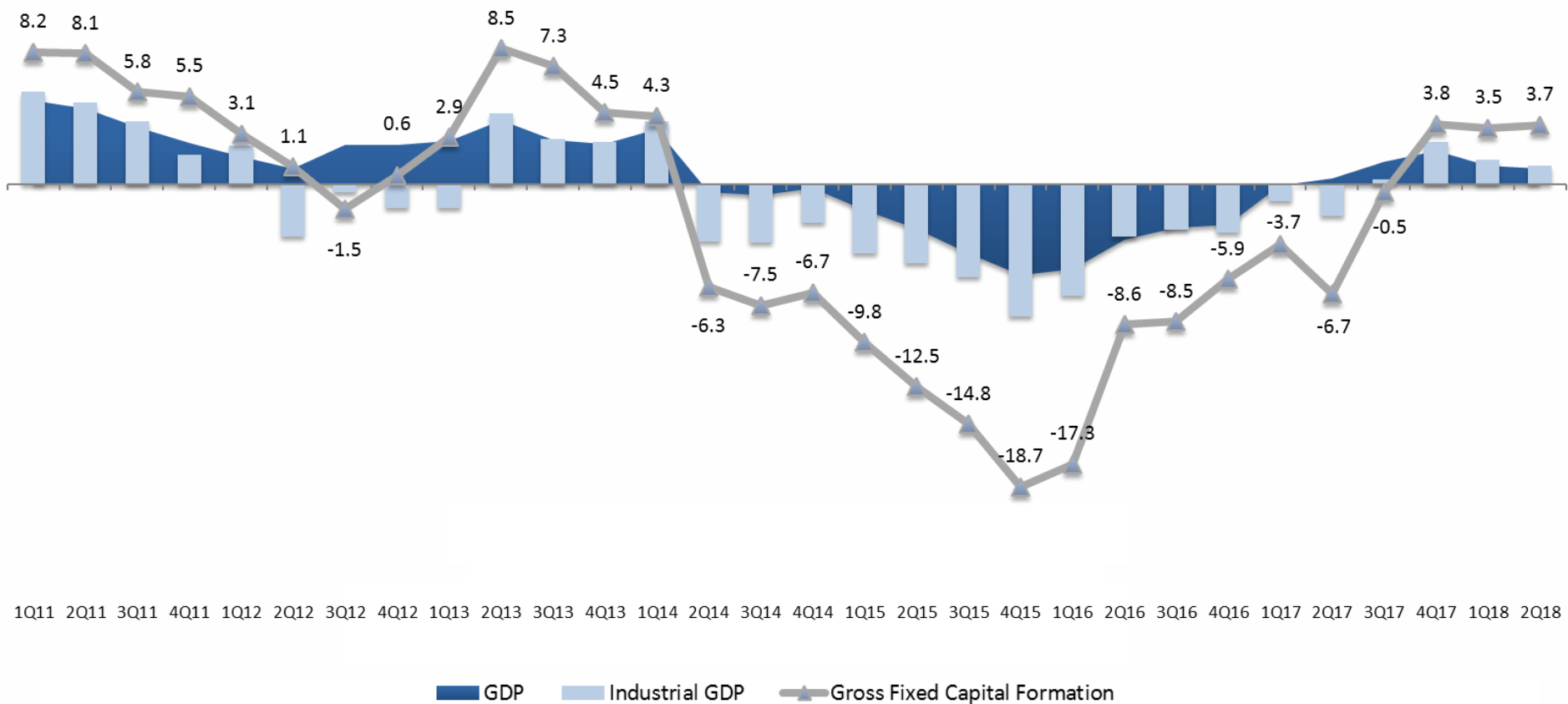


**3Q18 Earnings Release**

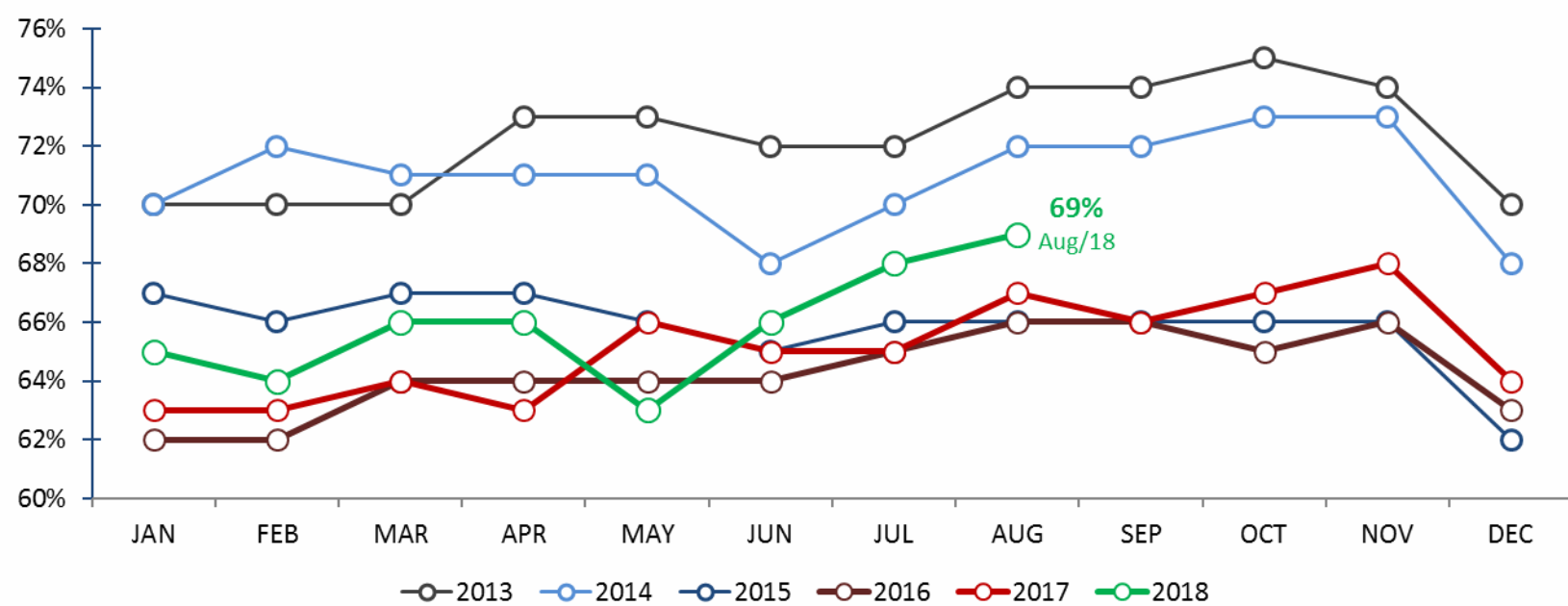
**October 24, 2018**

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.

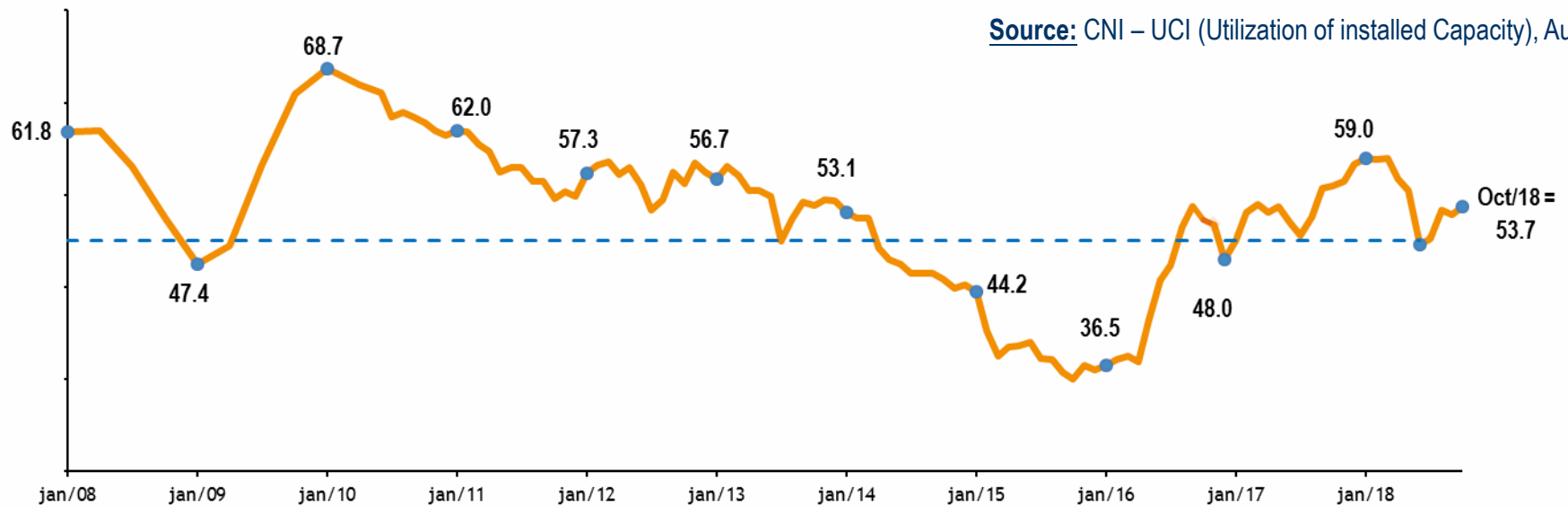
- **Order entry** in 3Q18, when compared to 3Q17, **increased** by **40.5%**, especially in the **Romi Machines** Business Unit, which **increased** by **49.6%**, as a result of the release of new products and the gradual economic recovery in 2018;
- In 3Q18, the **Romi Machines** Business Unit posted a **35.3% increase** in net operating revenue in relation to 3Q17 and **9.6 p.p.** and **9.8 p.p.** in **gross** and **operating margin**, respectively, in the same period of comparison, due to the higher volume of operations of this business unit in 2018;
- In the **B+W Machines** Business Unit, **order entry** in the first nine months of 2018 **increased** by **44.4%** over the same period in 2017, as a result of the release of new product lines in 2017 and the development of solutions to serve new segments;
- The Company's net debt **decreased** by **R\$8.8 million** in 3Q18, reflecting the increase in machine deliveries in this quarter.



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



Source: CNI – UCI (Utilization of installed Capacity), August 2018



Source: CNI – ICEI (Industrial Executive Confidence Index), October 2018

## Economic Indexes - Conjunctural



## Romi Machines



	9M18	2017
Machines and Equipments	17%	13%
Job shops	16%	15%
Automotive	9%	13%
Tooling	6%	4%
Packing	4%	8%
Technical Schools	3%	4%
Others	45%	43%

## B+W Machines



	9M18	2017
Machines and Equipments	64%	21%
Motors and Systems	19%	48%
Oil and Gas	5%	10%
Automotive	9%	14%
Others	3%	7%

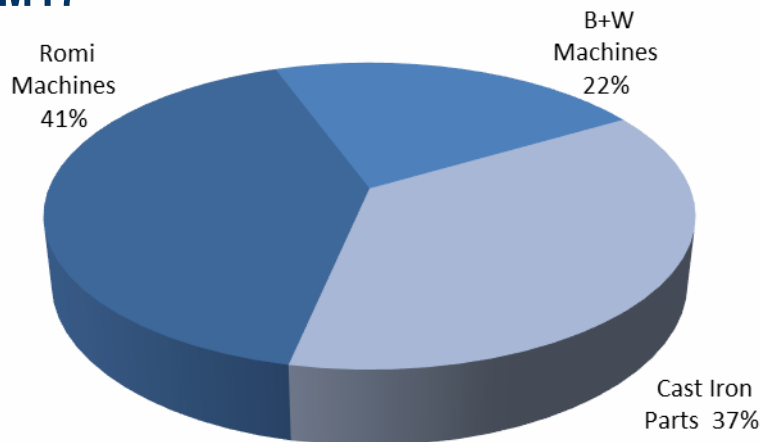
## Rough and Machined Cast Iron Parts



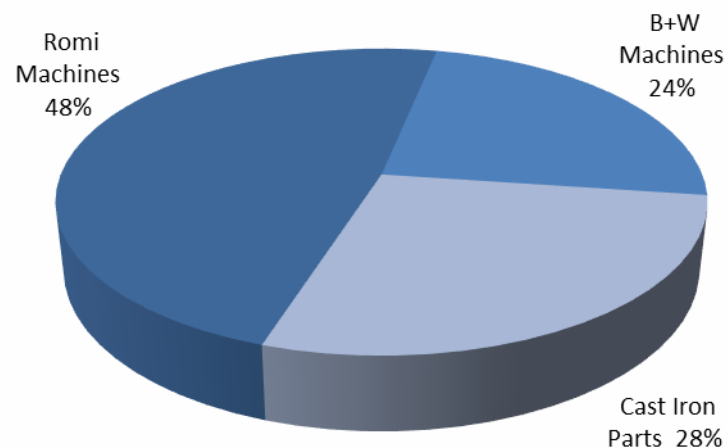
	9M18	2017
Wind Power	42%	58%
Automotive	24%	18%
Agriculture	18%	15%
Construction	14%	7%
Others	2%	2%

## Business units

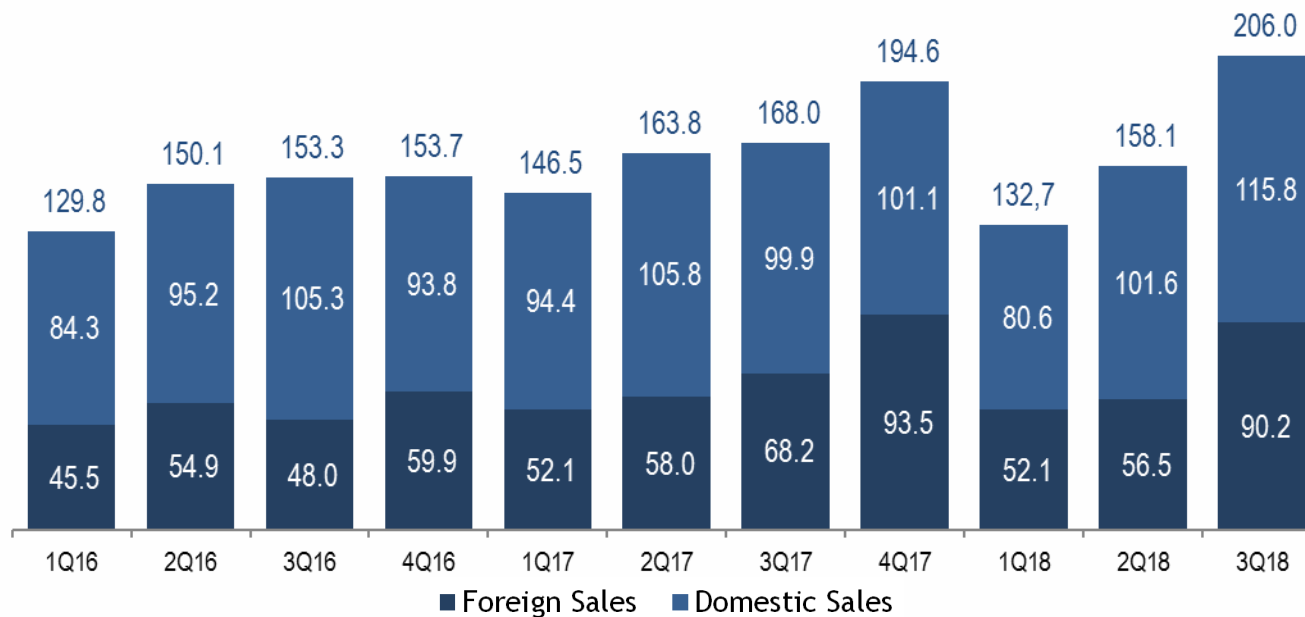
9M17



9M18

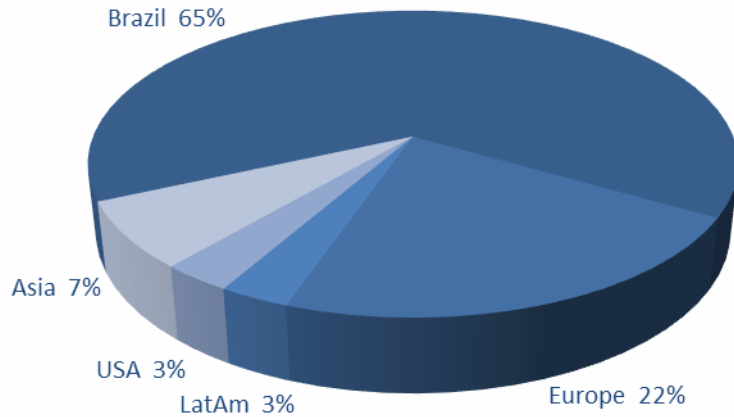


## Net Operating Sales (R\$ million)

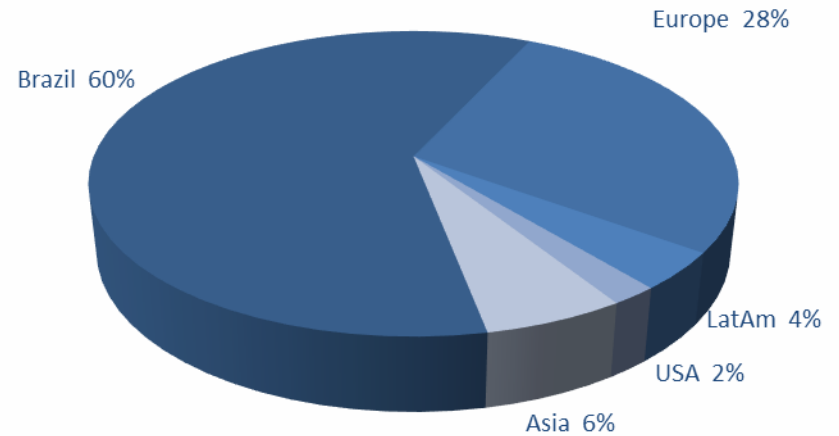


# Net Sales per Business Unit

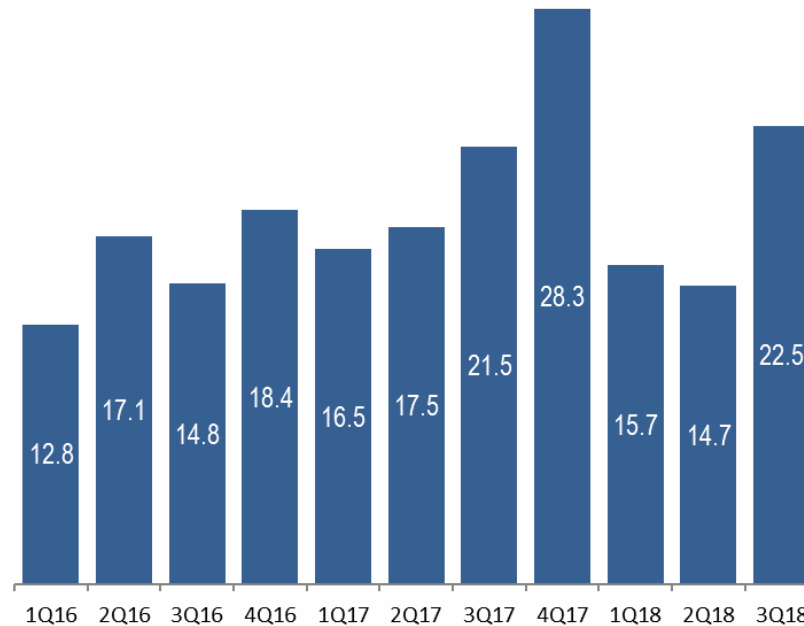
9M17



9M18



## Foreign Sales (US\$ million)



## Sales Distribution



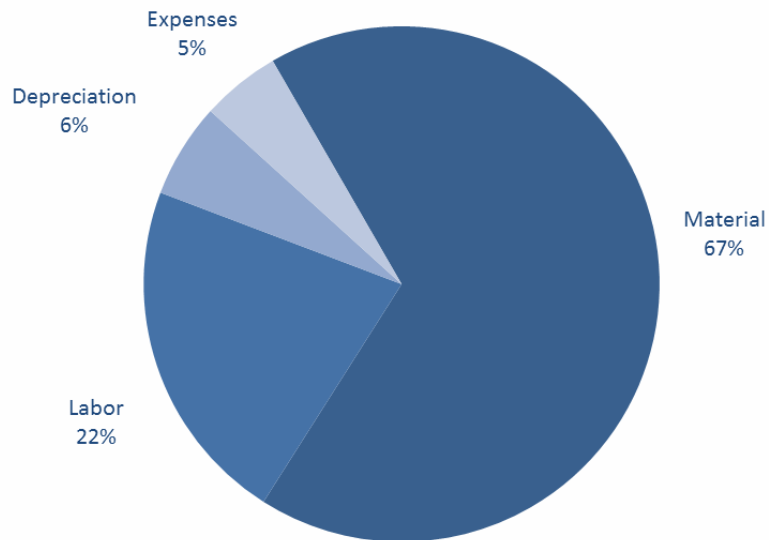
<b>Order Entry (R\$ 000)</b>	<b>3Q17</b>	<b>2Q18</b>	<b>3Q18</b>	<b>Chg. 3Q18/2Q18</b>	<b>Chg. 3Q18/3Q17</b>	<b>9M17</b>	<b>9M18</b>	<b>Chg. 9M18/9M17</b>
<b>Gross Values, sales taxes included</b>								
Romi Machines	72,806	119,045	108,944	-8.5%	49.6%	204,156	276,853	35.6%
Burkhardt+Weber Machines	41,090	22,270	78,231	251.3%	90.4%	93,884	135,566	44.4%
Rough and Machined Cast Iron Parts	40,238	51,668	29,408	-43.1%	-26.9%	156,224	144,565	-7.5%
<b>Total *</b>	<b>154,134</b>	<b>192,983</b>	<b>216,583</b>	<b>12.2%</b>	<b>40.5%</b>	<b>454,264</b>	<b>556,984</b>	<b>22.6%</b>

<b>Order Book (R\$ 000)</b>	<b>3Q17</b>	<b>2Q18</b>	<b>3Q18</b>	<b>Chg. 3Q18/2Q18</b>	<b>Chg. 3Q18/3Q17</b>
<b>Gross Values, sales taxes included</b>					
Romi Machines	90,189	97,848	154,635	58.0%	71.5%
Burkhardt+Weber Machines	141,676	154,944	199,841	29.0%	41.1%
Rough and Machined Cast Iron Parts	37,595	60,325	41,217	-31.7%	9.6%
<b>Total *</b>	<b>269,460</b>	<b>313,118</b>	<b>395,693</b>	<b>26.4%</b>	<b>46.8%</b>

(\*) Order book and order entry values don't include spare parts and services

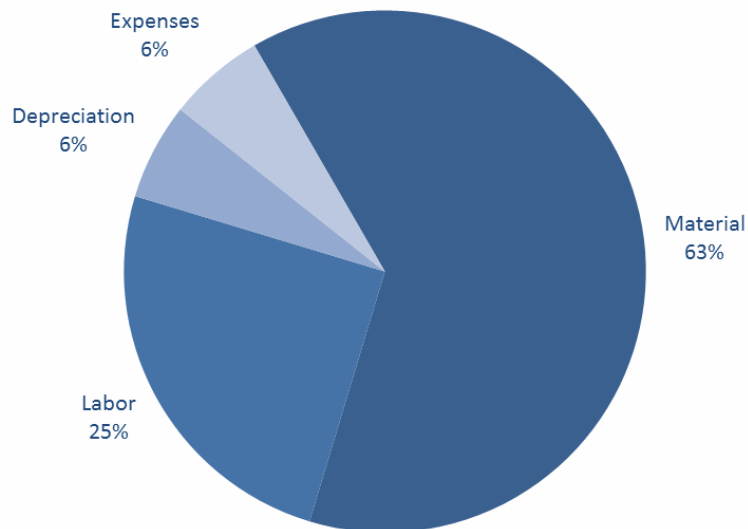
## Order Entry Backlog

9M18



19%	Domestic material
12%	FX related domestic material
16%	Metals
20%	Imported material

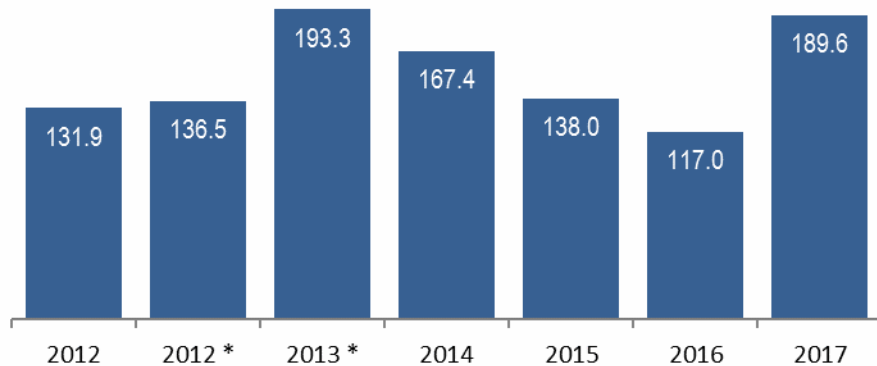
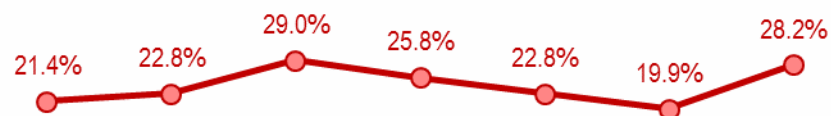
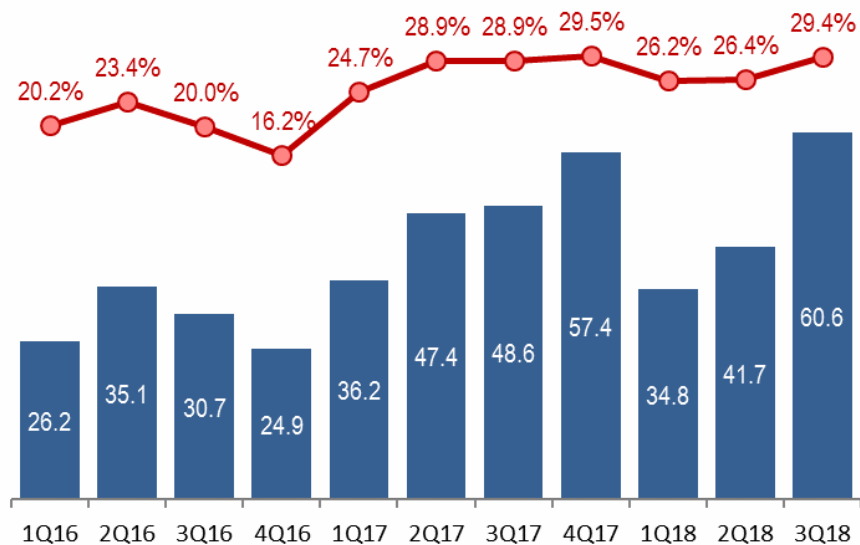
9M17



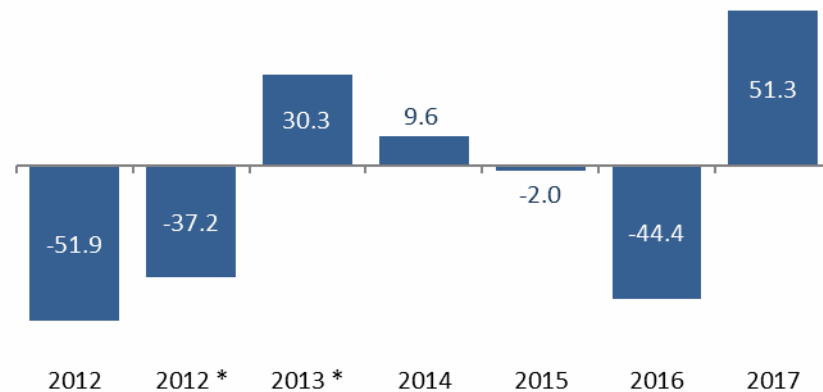
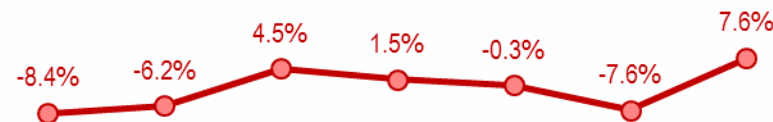
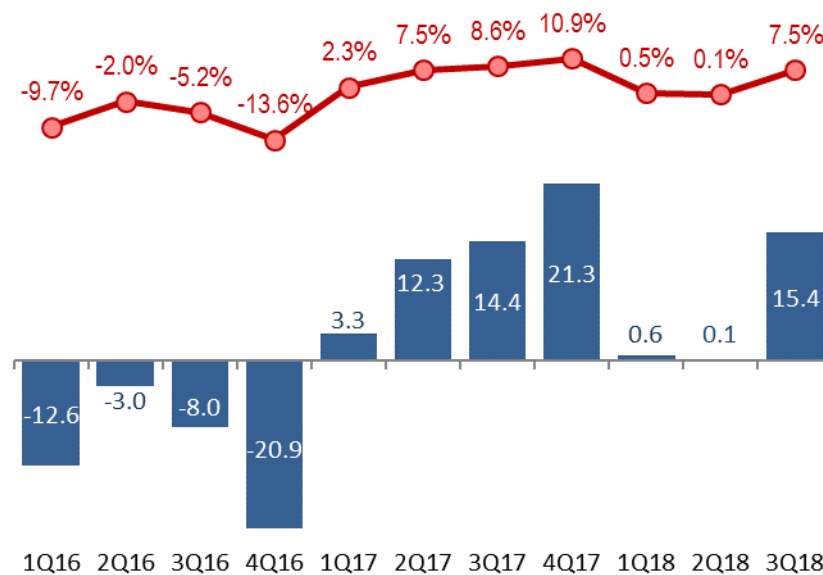
24%	Domestic material
12%	FX related domestic material
18%	Metals
9%	Imported material

## Cost of Goods Sold

## Gross Profit (R\$ million) and Gross Margin

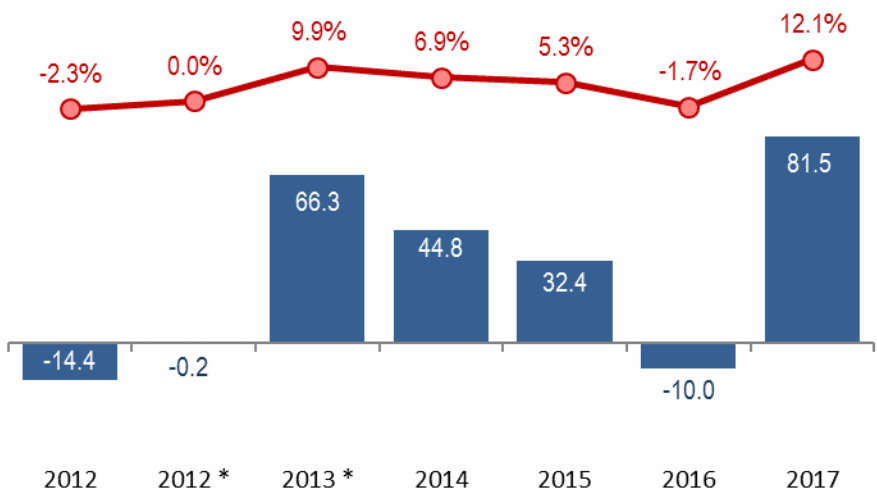
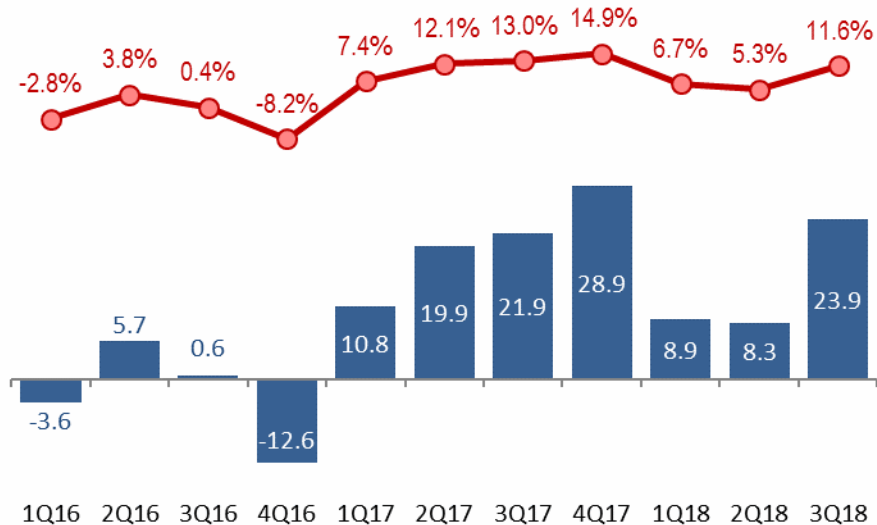


## Operating Profit (loss) (R\$ million) and Operating Margin

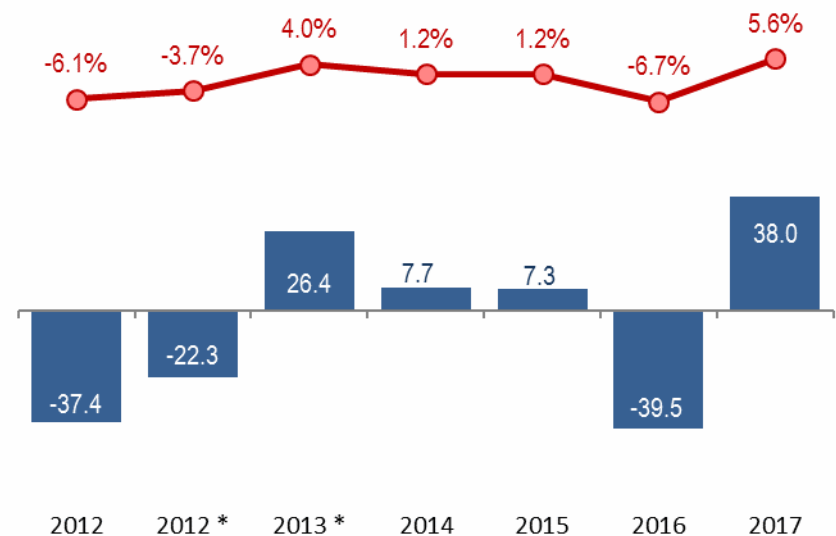
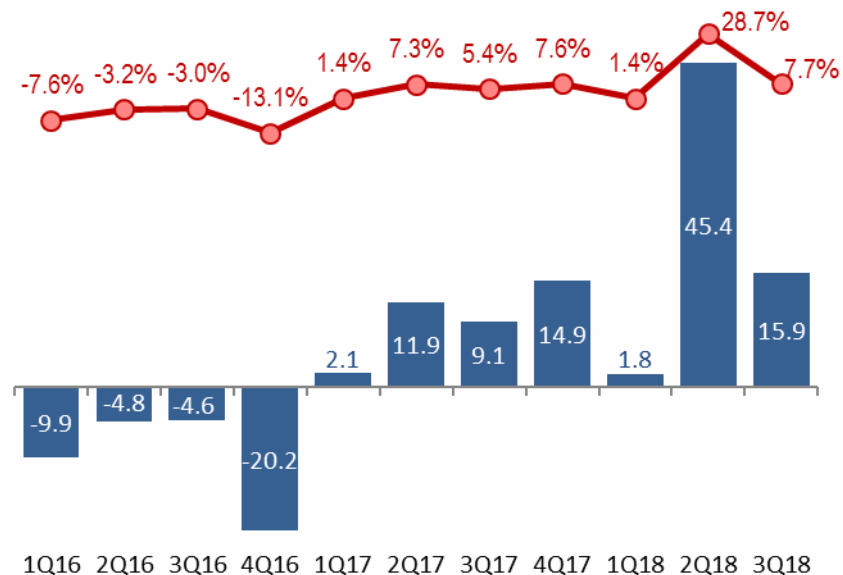


(\*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

### EBITDA (R\$ million) and EBTIDA Margin



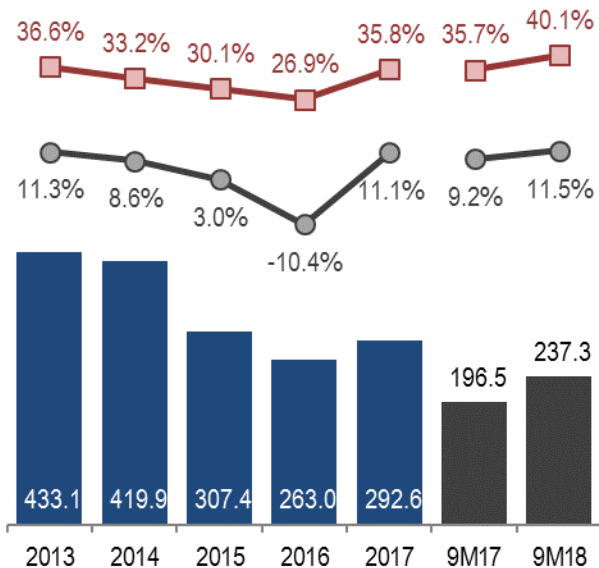
### Net income (loss) (R\$ million) and Net Margin



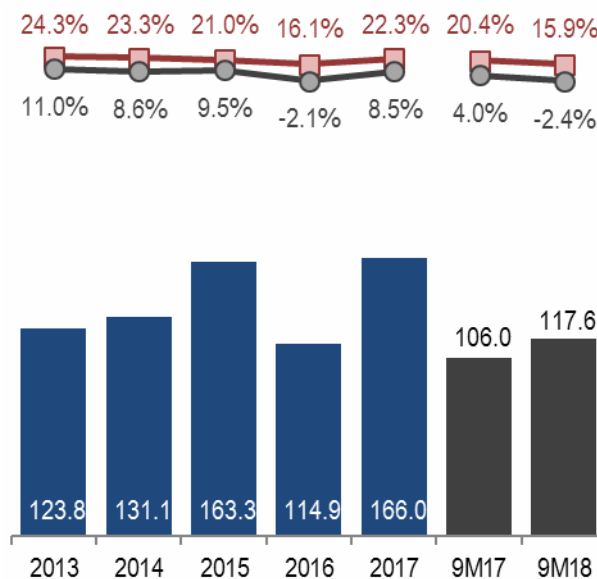
(\*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

	Quarter							Accumulated	
Sales	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	9M17	9M18
Machines (qty)	162	141	195	246	144	183	227	498	554
Burkhardt+Weber (qty)	6	6	5	8	3	4	9	17	16
Cast and Iron parts (ton)	5,784	6,267	5,773	4,172	4,592	5,453	5,520	17,824	15,565

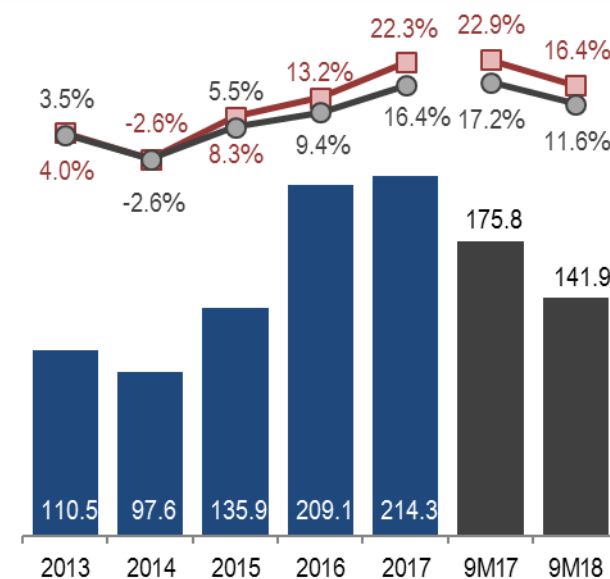
## Romi Machines



## B+W Machines



## Rough and Machined Cast Iron Parts



■ Revenue ■ Gross Margin ● EBITDA

# Business Units' Results

## Cash and Cash Equivalent (R\$ MM) - 09/30/2018

	Amount
Bank Deposit Certificate (CDB)	22.3
Financial Investment with Bonds	20.3
Financial Investment with Bonds	4.9
Banks	16.9
<b>Total</b>	<b>64.4</b>

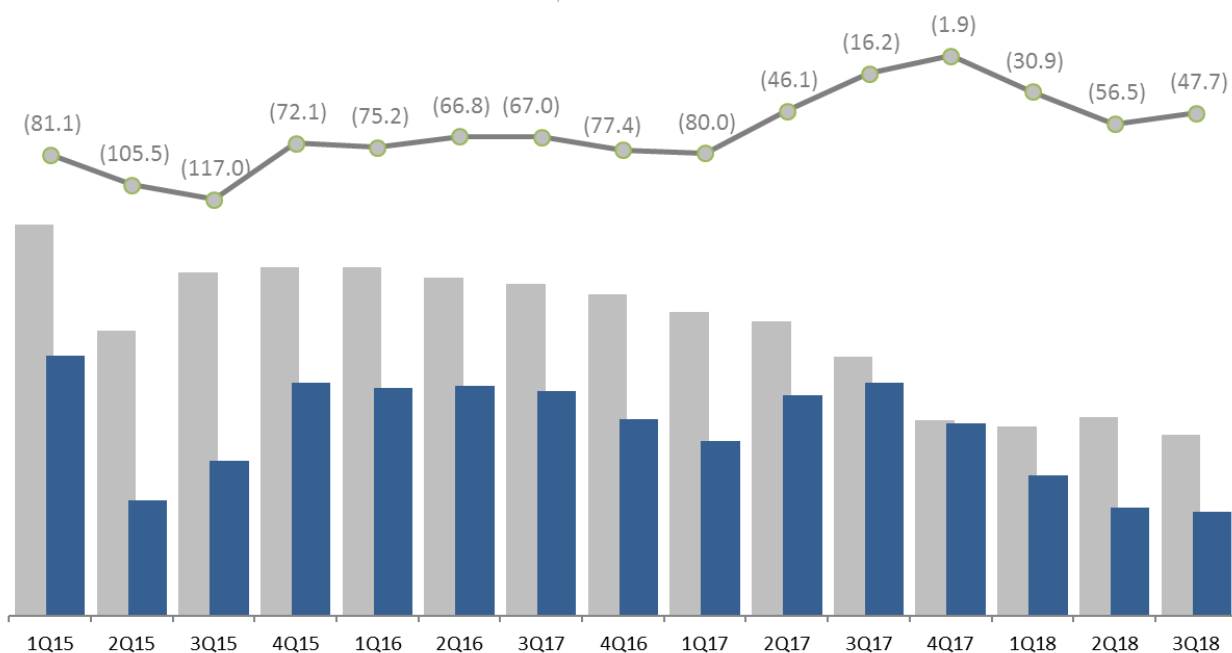
Net Debt = 47.7

## Loans\* (R\$ MM) - 09/30/2018

	Amount
2018 (3 months)	22.4
2019	56.8
2020	9.9
2021	7.7
2022	7.4
2023 and afterwards	8.0
<b>Total</b>	<b>112.2</b>

## Net Cash (Debt) Position

R\$ million



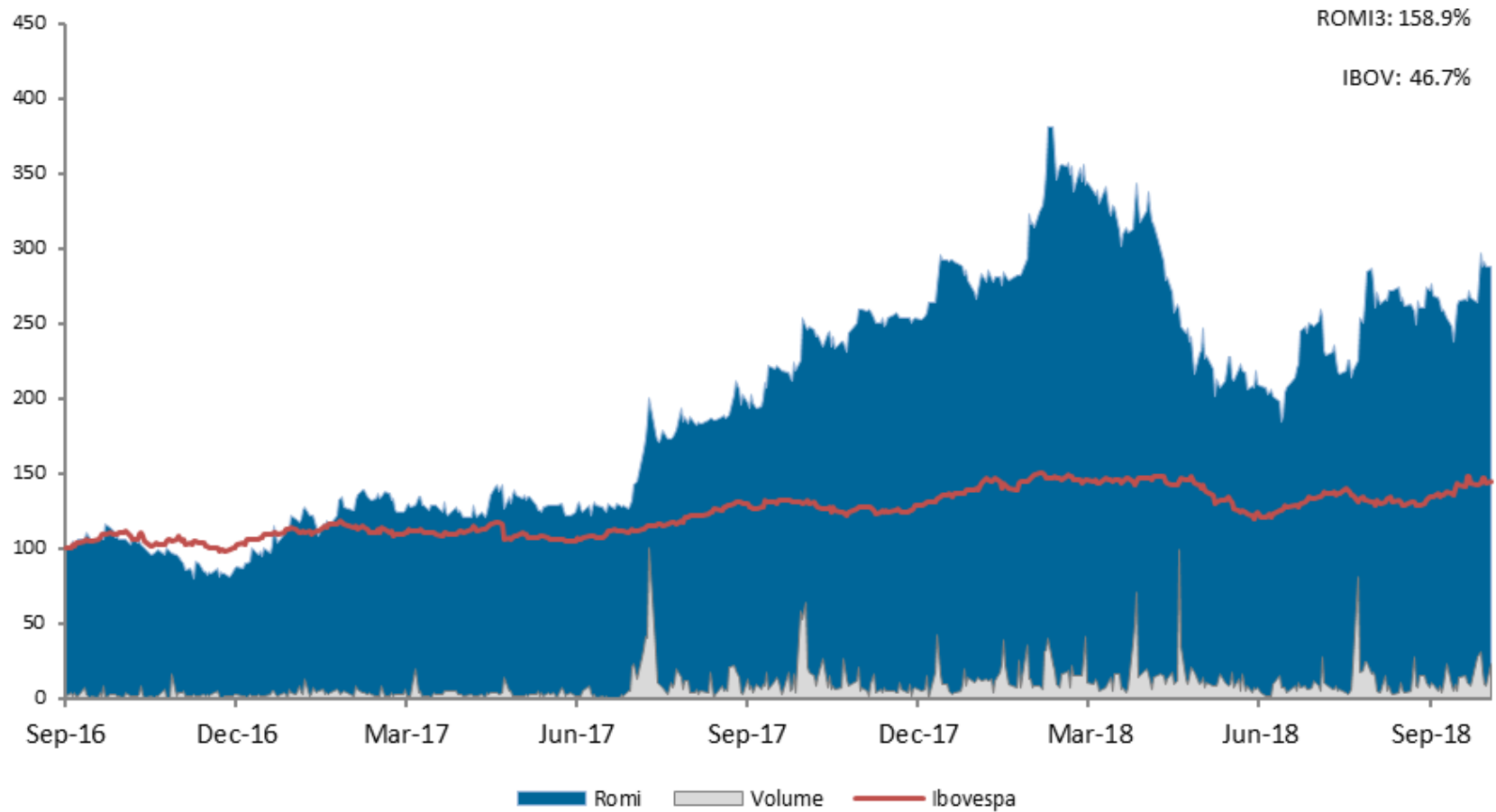
(\*) Without Finame Manufacturer

# Cash Position



## Share Performance ROMI3 vs. Ibovespa

From 09/30/2016 to 10/22/2018



Source: B3

# Share Performance



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