



ROMI

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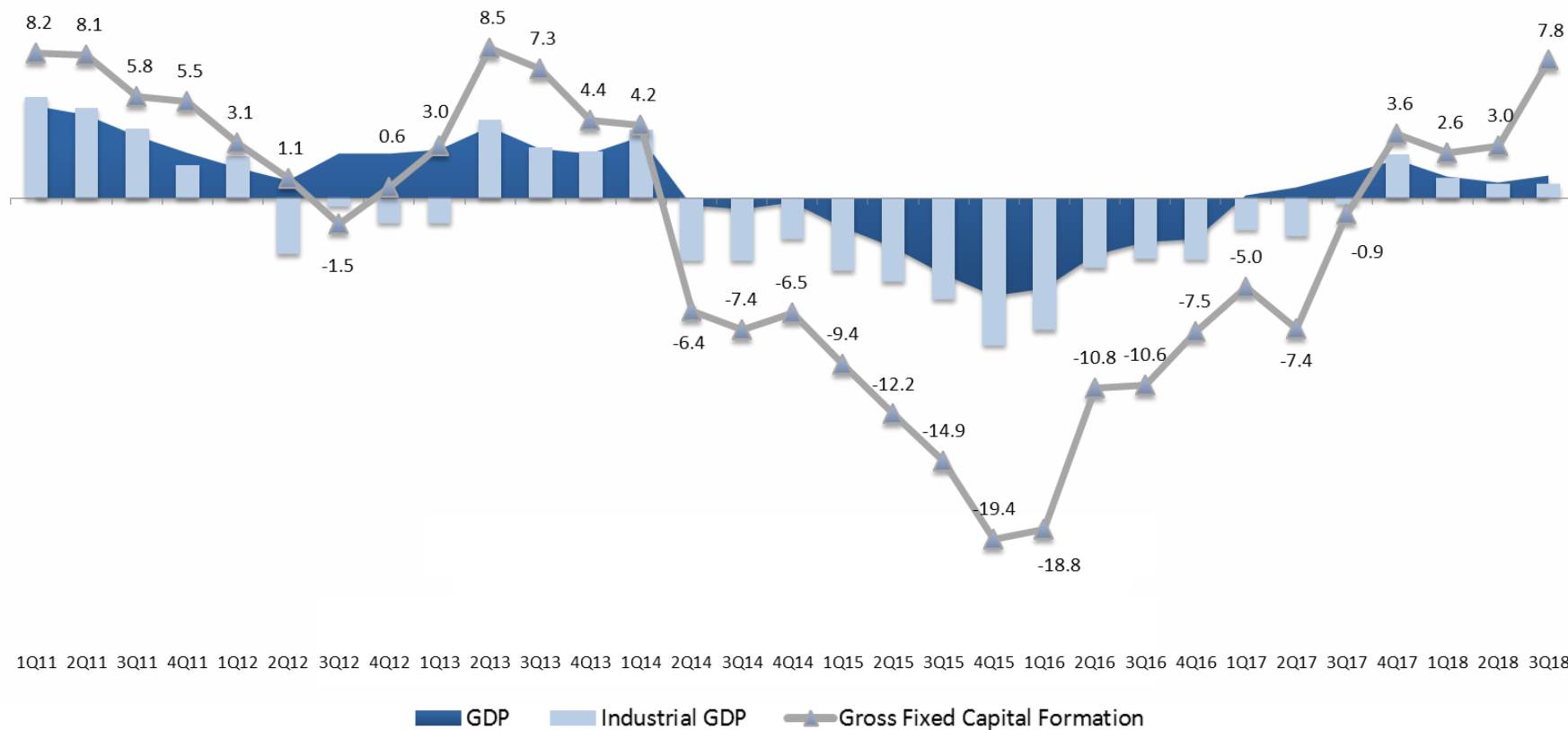


4Q18 Earnings Release

February 13, 2019

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.

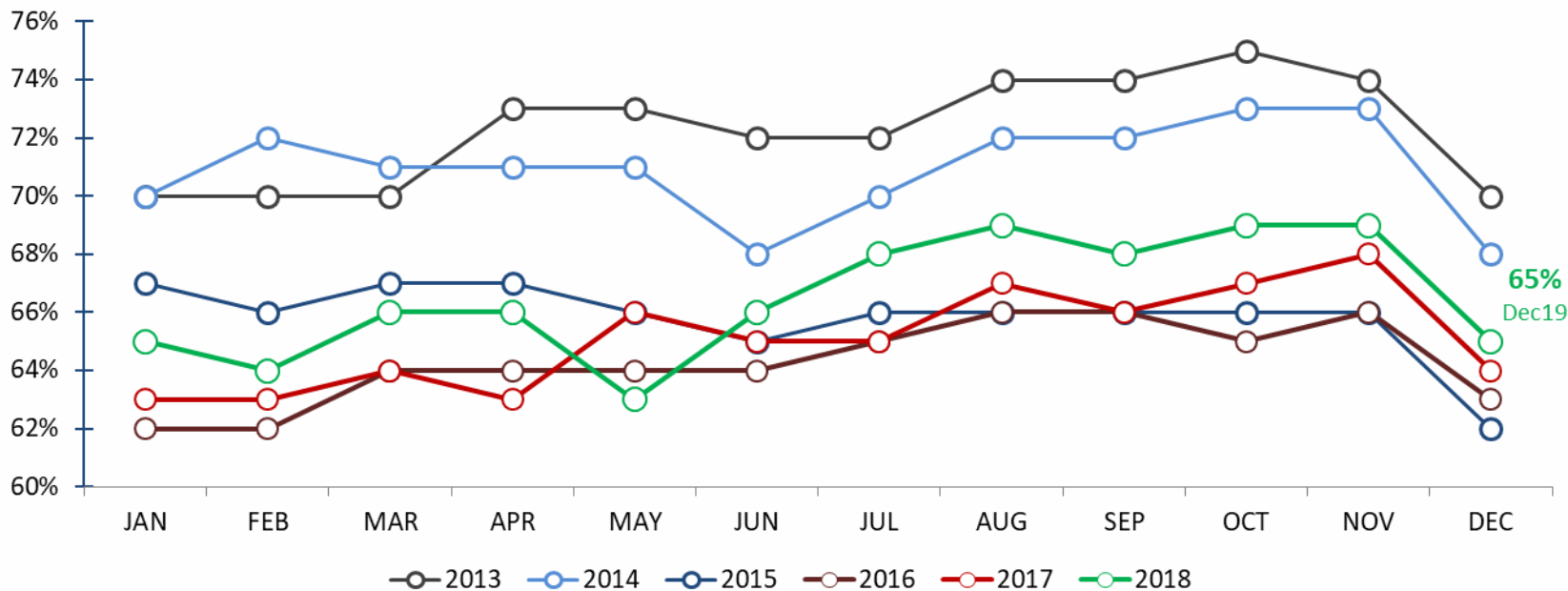
- **Net operating revenue** in 4Q18 **increased** by **26.8%** compared to 4Q17, **especially** in the **Romi Machines and B+W Business Units**, which **grew** by **33.9%** and **38.7%**, respectively. In 2018, net operating revenue reached **R\$ 743.5 million**, the highest in Romi's history, representing a growth of **10.5%** over 2017.
- **Order entry** in 4Q18, when compared to 4Q17, **increased** by **4.1%**, especially in the **B+W Machines Business Unit**, which increased by **149.0%**, as a result of the release of new product lines in 2017 and the development of solutions to serve new segments. In 2018, **order entry grew by 18.1%** over 2017, with highlight also to the **Romi Machines Unit**, which posted **growth of 25.0%**, impacted by the launch of new products and the gradual recovery of the domestic economy in 2018;
- In 4Q18, the **Romi Machines Business Unit** posted a **33.9% increase** in **net operating revenue** in relation to 4Q17 and **6.7** and **11.9 percentage points** 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 and reduction of costs and expenses incurred in recent years;
- In the **B+W Machines Business Unit**, **order entry** in 2018 **increased** by **64.4%** over 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\$14.7** million in 4Q18, reflecting the increase in machine deliveries in this quarter;



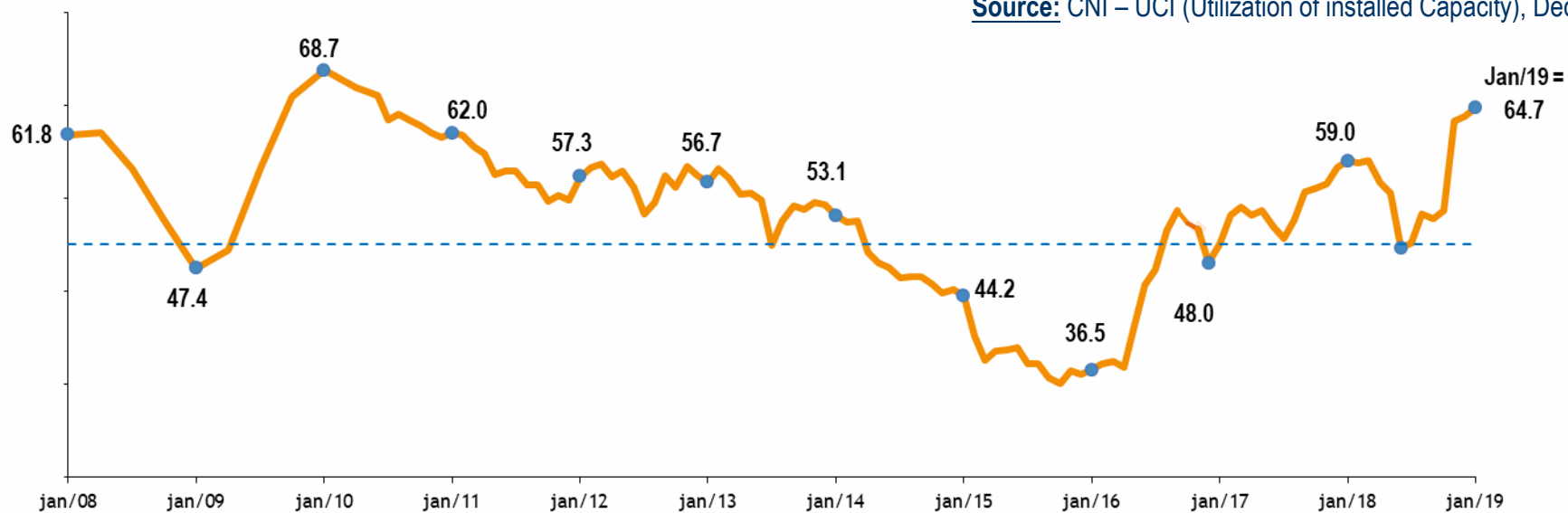
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Source: IBGE (current quarter vs. the same quarter last year)

Conjunctural Indicators – GDP and FBKF



Source: CNI - UCI (Utilization of installed Capacity), December 2018



Source: CNI - ICEI (Industrial Executive Confidence Index), January 2019

Economic Indexes - Conjunctural

Romi Machines



B+W Machines



Rough and Machined Cast Iron Parts



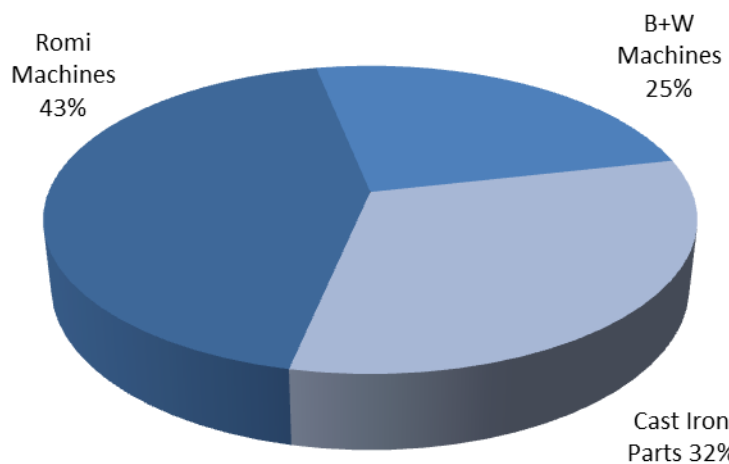
	2018	2017
Machines and Equipments	17%	13%
Job shops	16%	15%
Automotive	9%	13%
Tooling	6%	4%
Agricultural	6%	5%
Packing	4%	8%
Technical Schools	3%	4%
Others	39%	38%

	2018	2017
Machines and Equipments	64%	21%
Motors and Systems	19%	48%
Oil and Gas	5%	10%
Automotive	9%	14%
Others	3%	7%

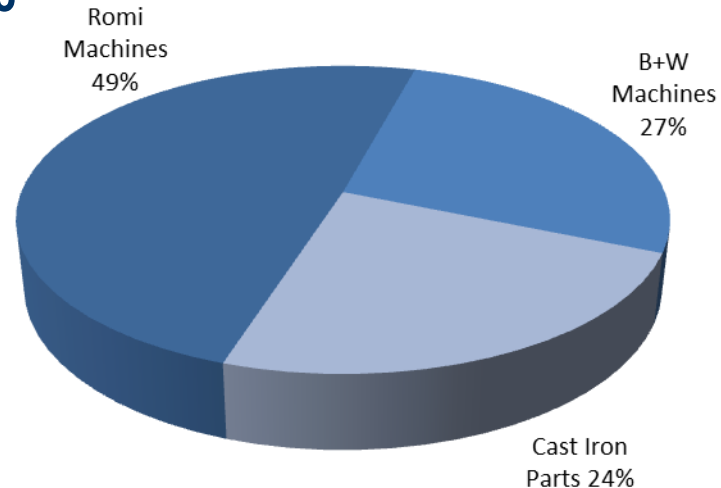
	2018	2017
Wind Power	42%	58%
Automotive	24%	18%
Agriculture	18%	15%
Construction	14%	7%
Others	2%	2%

Business units

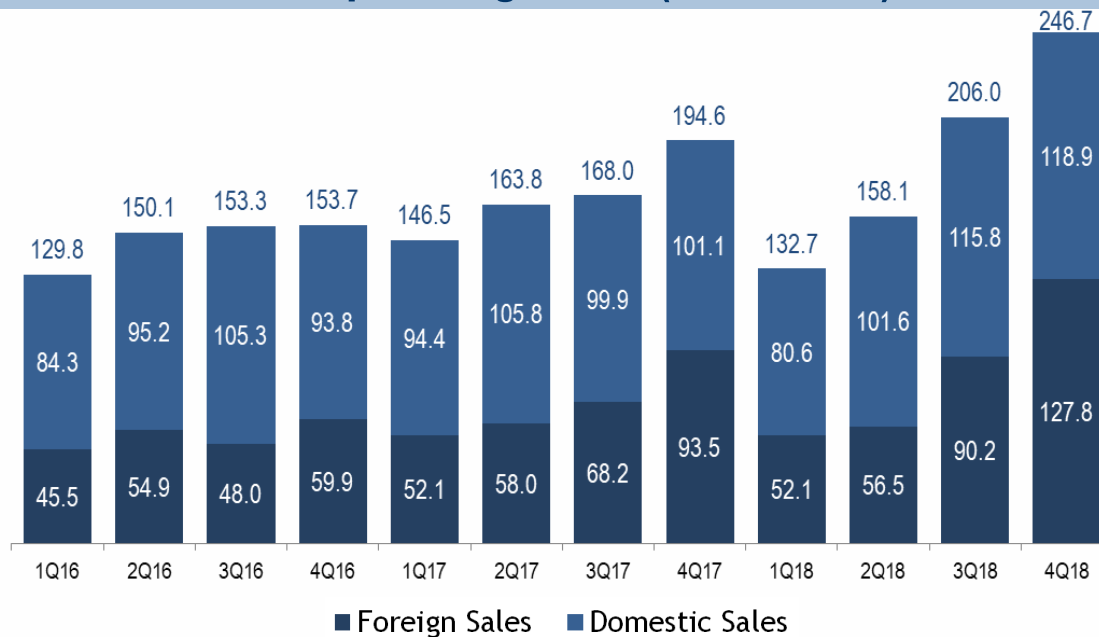
2017



2018

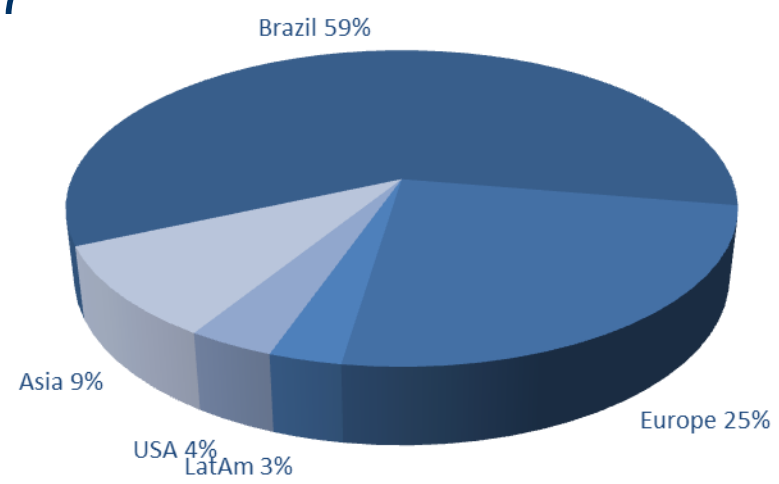


Net Operating Sales (R\$ million)

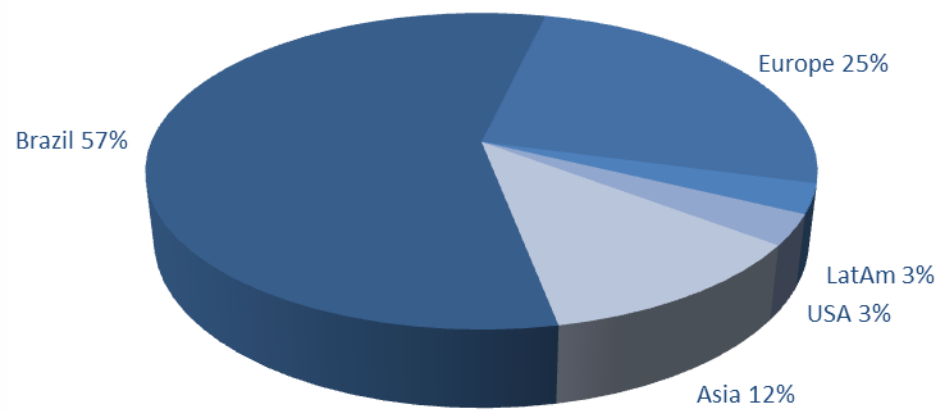


Net Sales per Business Unit

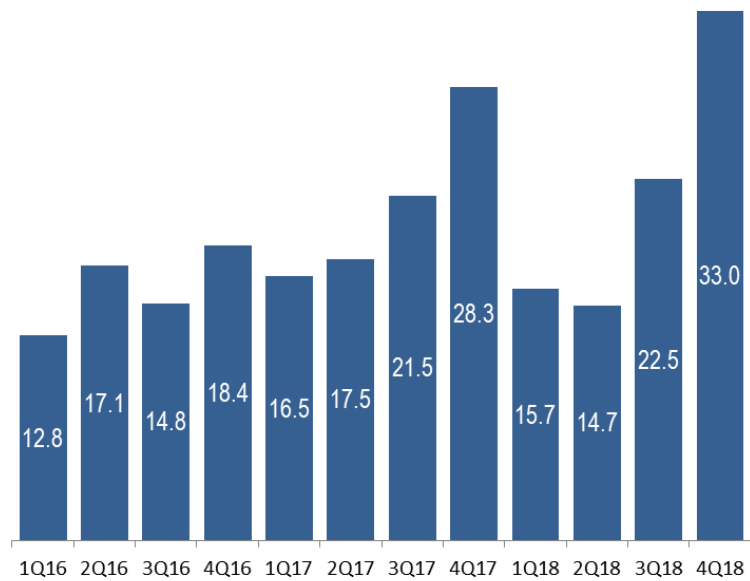
2017



2018



Foreign Sales (US\$ million)



Sales Distribution

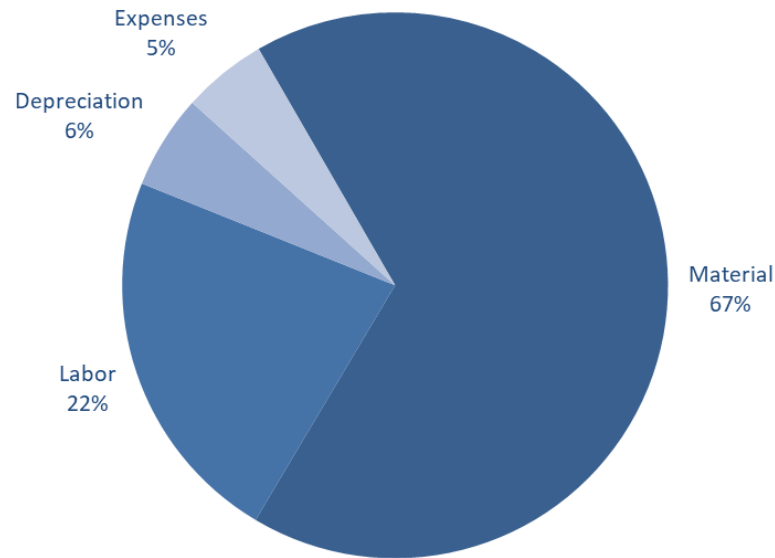
Order Entry (R\$ 000)	4Q17	3Q18	4Q18	Chg. 4Q18/3Q18	Chg. 4Q18/4Q17	2017	2018	Chg. 18/17
Gross Values, sales taxes included								
Romi Machines	70,195	108,944	65,981	-39.4%	-6.0%	274,351	342,834	25.0%
Burkhardt+Weber Machines	22,211	78,231	55,296	-29.3%	149.0%	116,095	190,862	64.4%
Rough and Machined Cast Iron Parts	56,269	29,408	33,544	14.1%	-40.4%	212,493	178,109	-16.2%
Total *	148,675	216,583	154,821	-28.5%	4.1%	602,939	711,805	18.1%

Order Book (R\$ 000)	4Q17	3Q18	4Q18	Chg. 4Q18/3Q18	Chg. 4Q18/4Q17
Gross Values, sales taxes included					
Romi Machines	71,745	154,635	77,527	-49.9%	8.1%
Burkhardt+Weber Machines	118,624	199,841	166,576	-16.6%	40.4%
Rough and Machined Cast Iron Parts	51,279	41,217	49,705	20.6%	-3.1%
Total *	241,648	395,693	293,808	-25.7%	21.6%

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

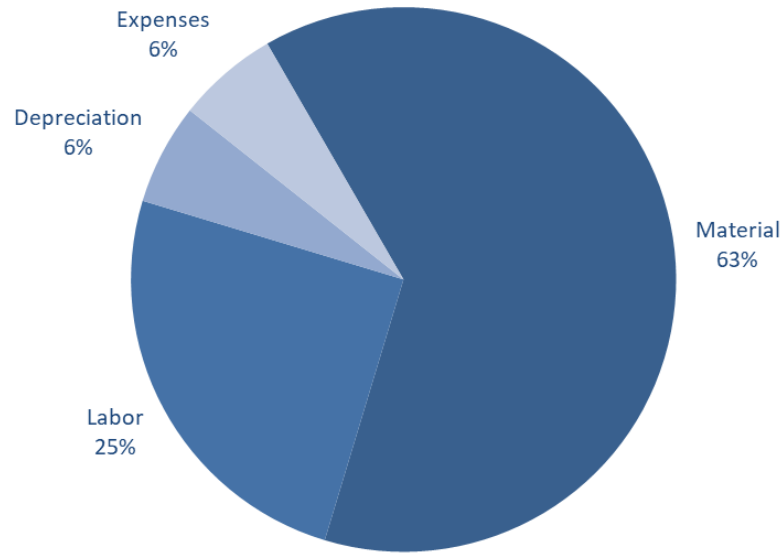
Order Entry Backlog

2018



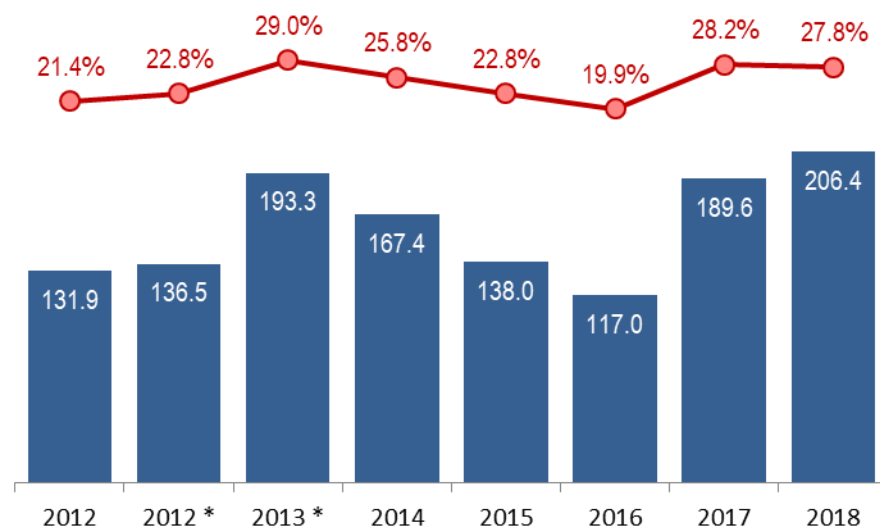
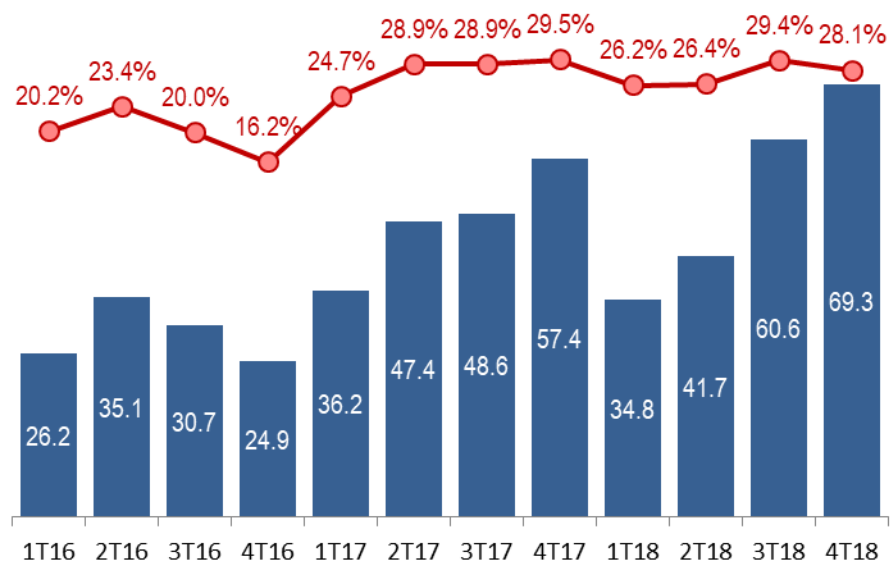
19%	Domestic material
12%	FX Related Domestic Material
15%	Metals
21%	Imported Material

2017

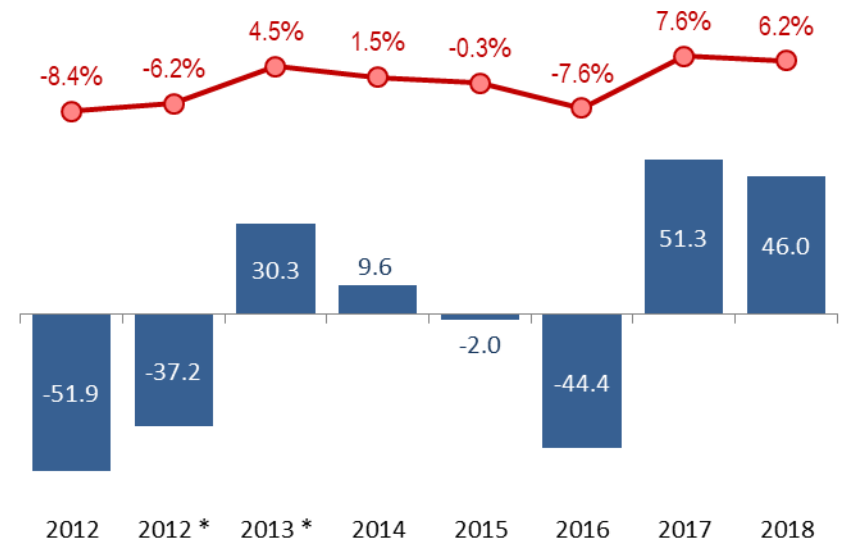
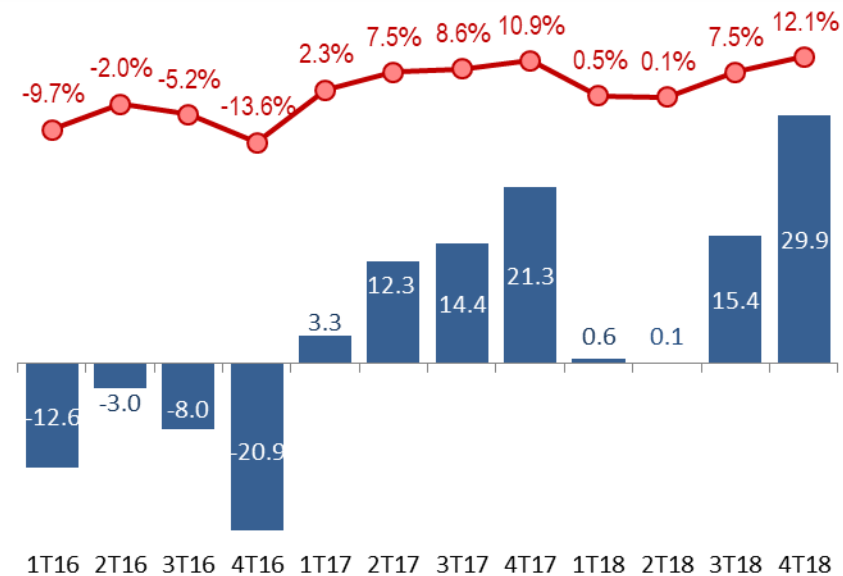


17%	Domestic material
10%	FX Related Domestic Material
17%	Metals
19%	Imported Material

Gross Profit (R\$ million) and Gross Margin

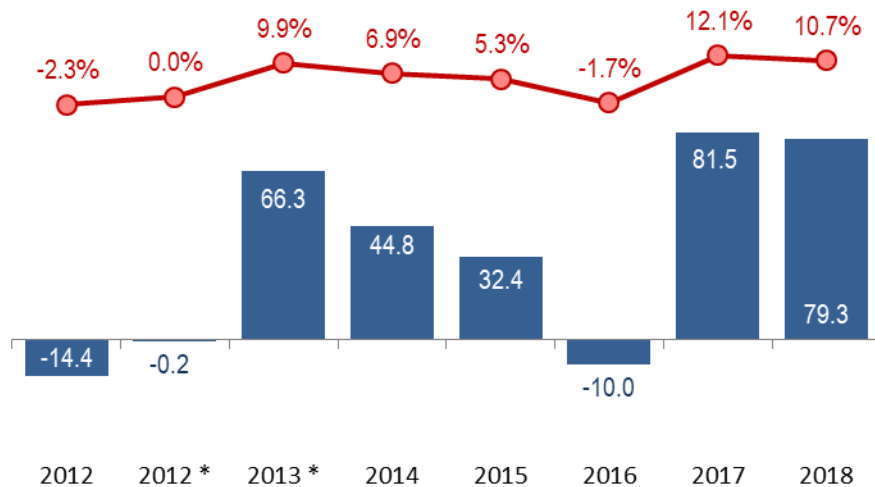
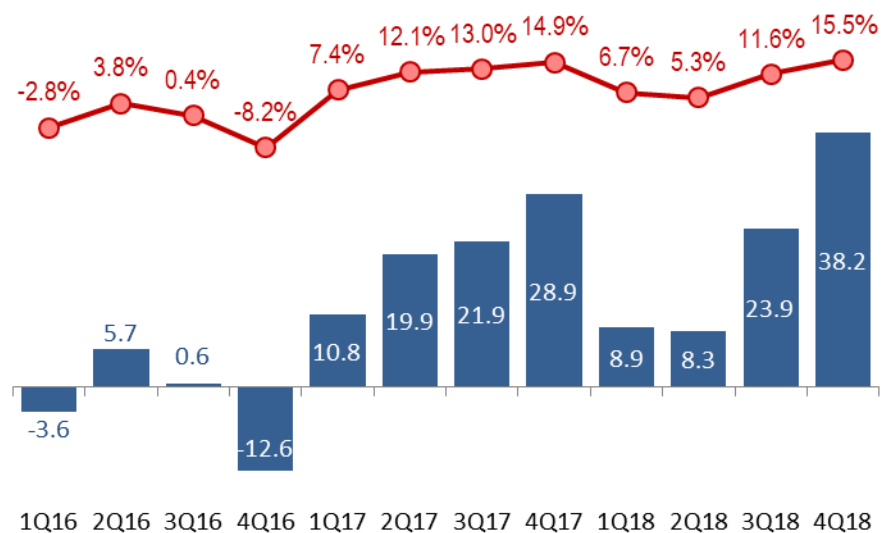


Operating Profit (loss) (R\$ million) and Operating Margin

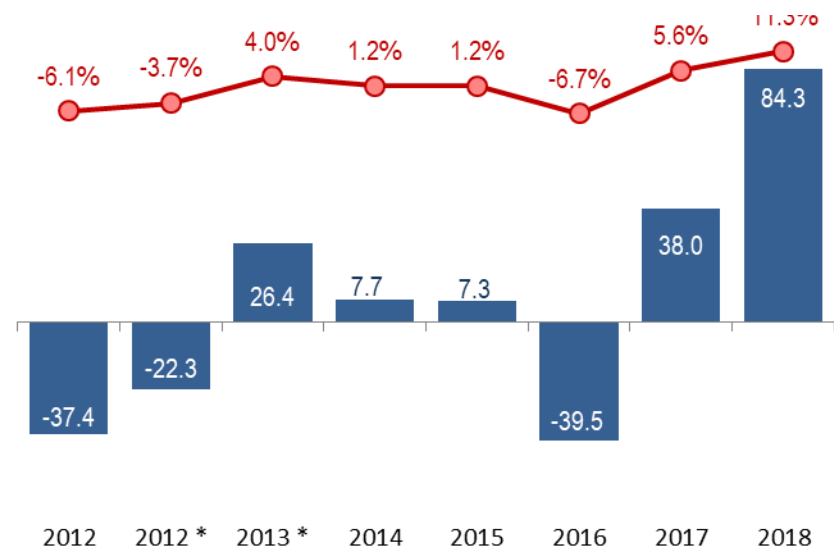
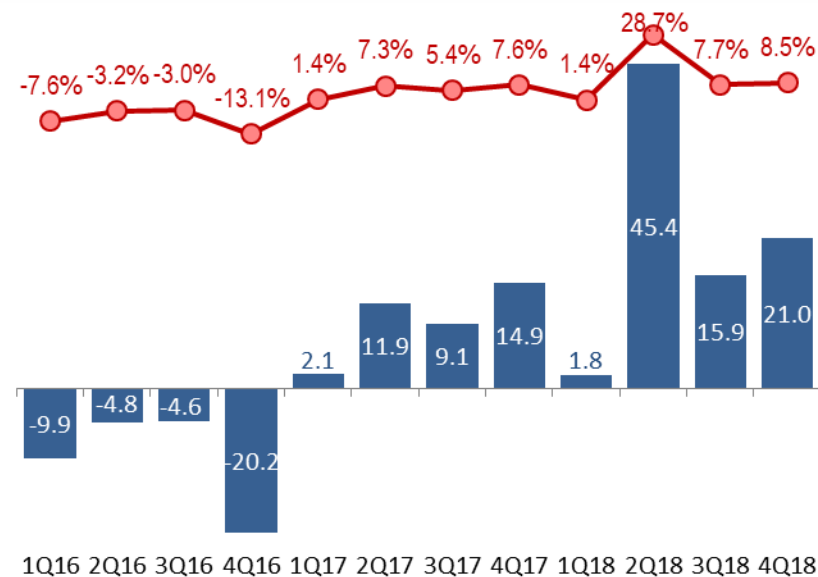


(*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

EBITDA (R\$ million) and EBTIDA Margin



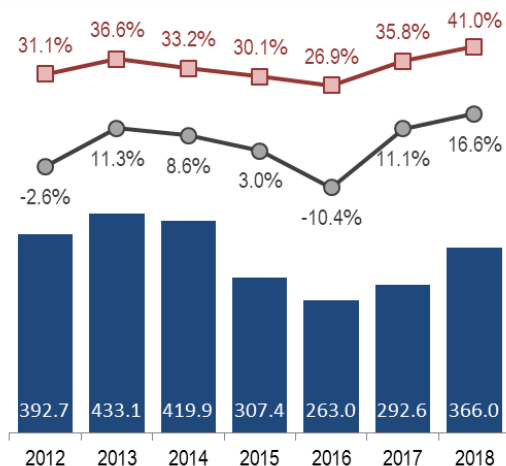
Net income (loss) (R\$ million) and Net Margin



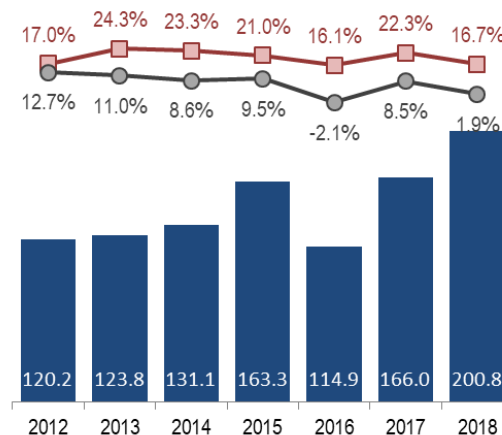
(*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

	Quarter								Accumulated	
Sales	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	2017	2018
Machines (qty)	162	141	195	246	144	183	227	270	744	824
Burkhardt+Weber (qty)	6	6	5	8	3	4	9	13	25	29
Cast and Iron parts (ton)	5,784	6,267	5,773	4,172	4,592	5,453	5,520	3,469	21,996	19,034

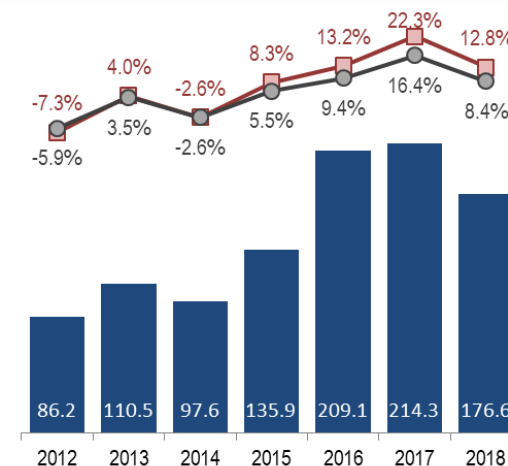
Romi Machines



B+W Machines



Rough and Machined Cast Iron Parts



■ Revenue ■ Gross Margin ● EBITDA

Business Units' Results

Cash and Cash Equivalent (R\$ MM) - 12/31/2018

	Amount
Bank Deposit Certificate (CDB)	14.0
Financial Investment with Bonds	53.2
Financial Investment with Bonds	9.7
Banks	24.0
Total	100.9

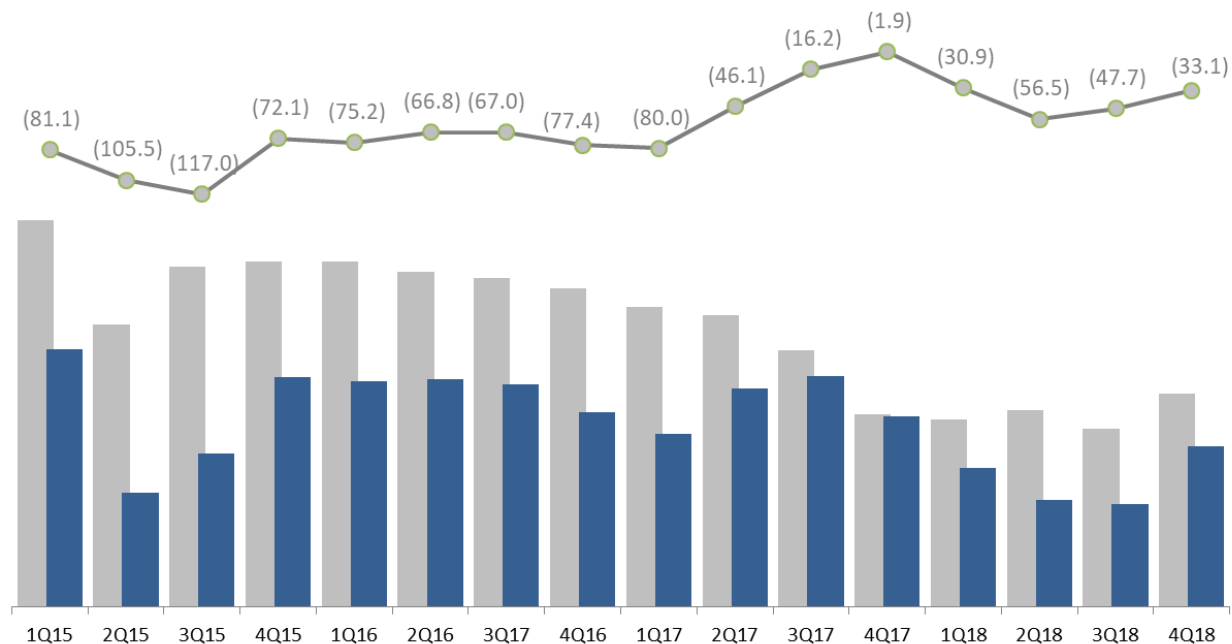
Net Debt = 33.1

Loans* (R\$ MM) - 12/31/2018

	Amount
2019	102.5
2020	10.5
2021	7.8
2022	7.4
2023	2.1
2024 e após	3.7
Total	134.0

Net Cash (Debt) Position

R\$ million

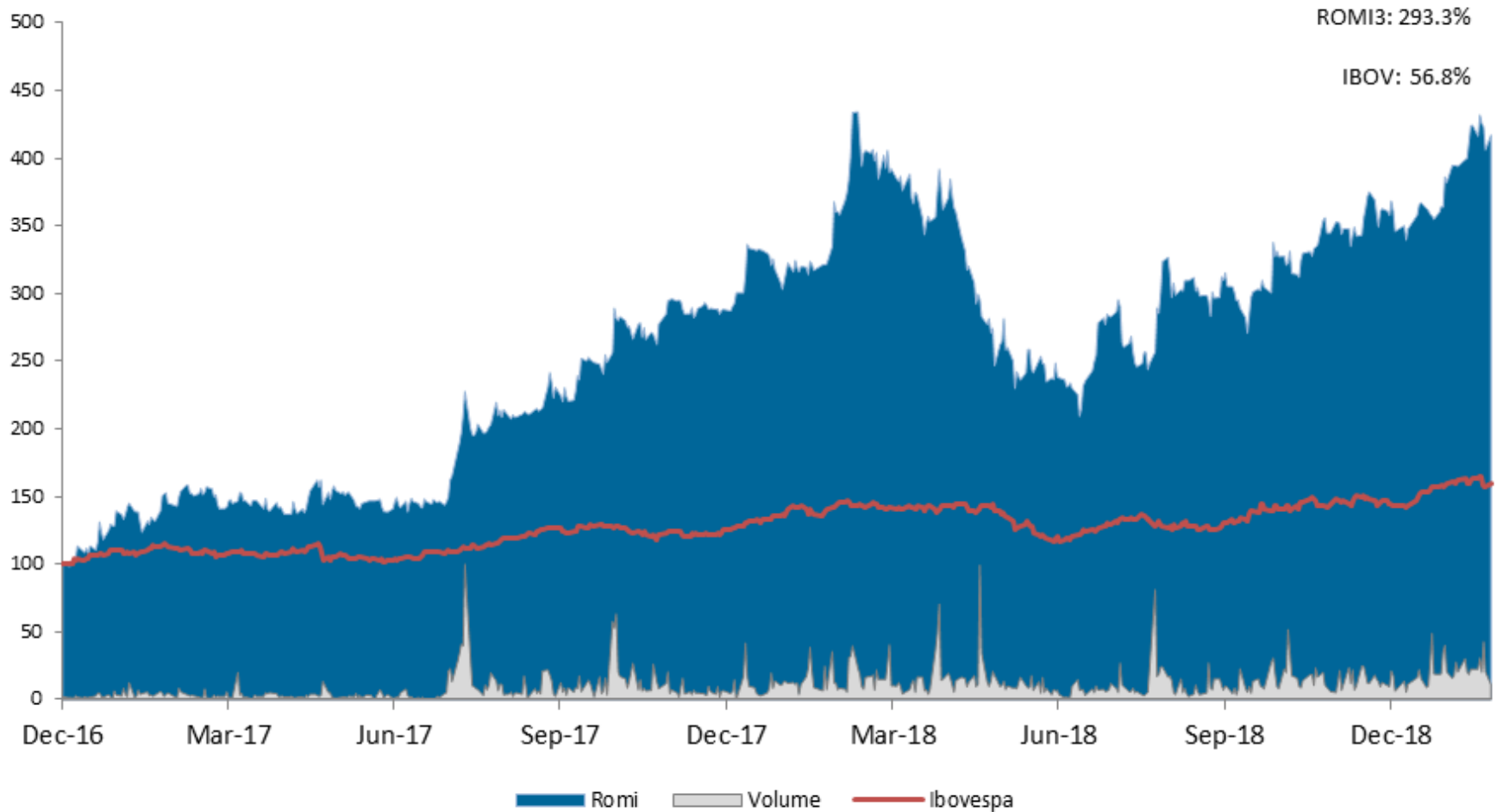


(*) Without Finame Manufacturer

Cash Position

Share Performance ROMI3 vs. Ibovespa

From 12/31/2016 to 02/11/2019



Source: B3

Share Performance



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