



ROMI

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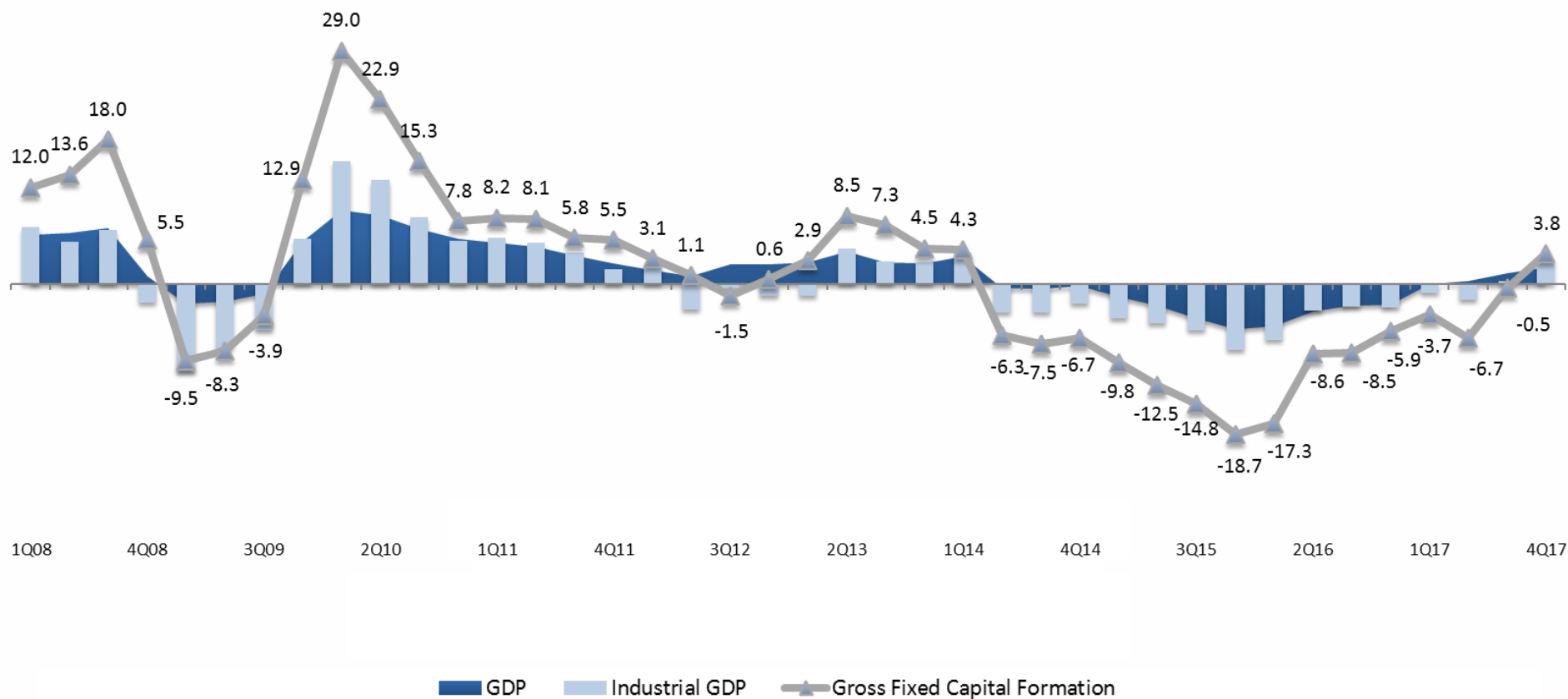


1Q18 Earnings Release

April 18, 2018

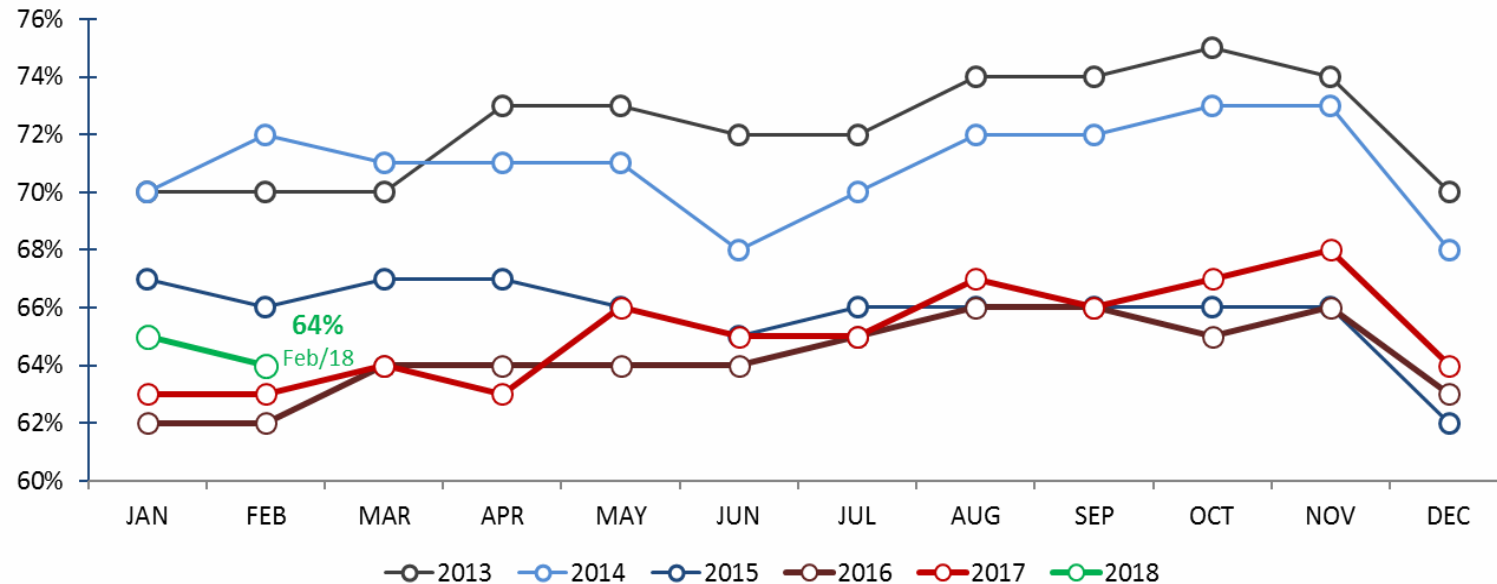
This release contains forward-looking statements subject to risks and uncertainties, Such forward-looking statements are based on the management's beliefs and assumptions on information currently available to the Company, The reservations as to forward-looking statements also apply to information on 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.

- The **gross margin** in 1Q18 was **26.2%**, representing an **increase** of **1.5** percentage point compared with the 1Q17, even with a lower net operating revenue;
- The **Romi Machines** Business Unit, in 1Q18, reached an **EBITDA** margin of **4.8%**, representing a reduction of **2.7 points** in comparison with 1Q17, as a result of the product mix;
- In 1Q18, compared with the same period in 2017, the **Raw and Machined Cast Iron Parts** Business Unit reported a **growth** of **7.2** percentage points in **EBITDA** margin as a result of improvements in this business unit's operational efficiency.
- The Company's **net debt grew R\$ 29.0 million** at March 31, 2018, due to the profit distributions made and inventory increases, which is considered normal for this time of year;
- The **orders entry** in **1Q18**, when compared to 1Q17, posted a **growth** of **10.9%**, with highlight to the Burkhardt+Weber Machines Business Unit.
- On April 10, 2018, the Company obtained the **approval** for its **credit** utilization request relating to the income tax and social contribution refund proceeding (“Plano Verão”), the amount of which, before taxes, is approximately **R\$44.4 million** (R\$29.6 million after taxes and other costs). All the gains will be recognized in the profit and loss account during 2Q18.

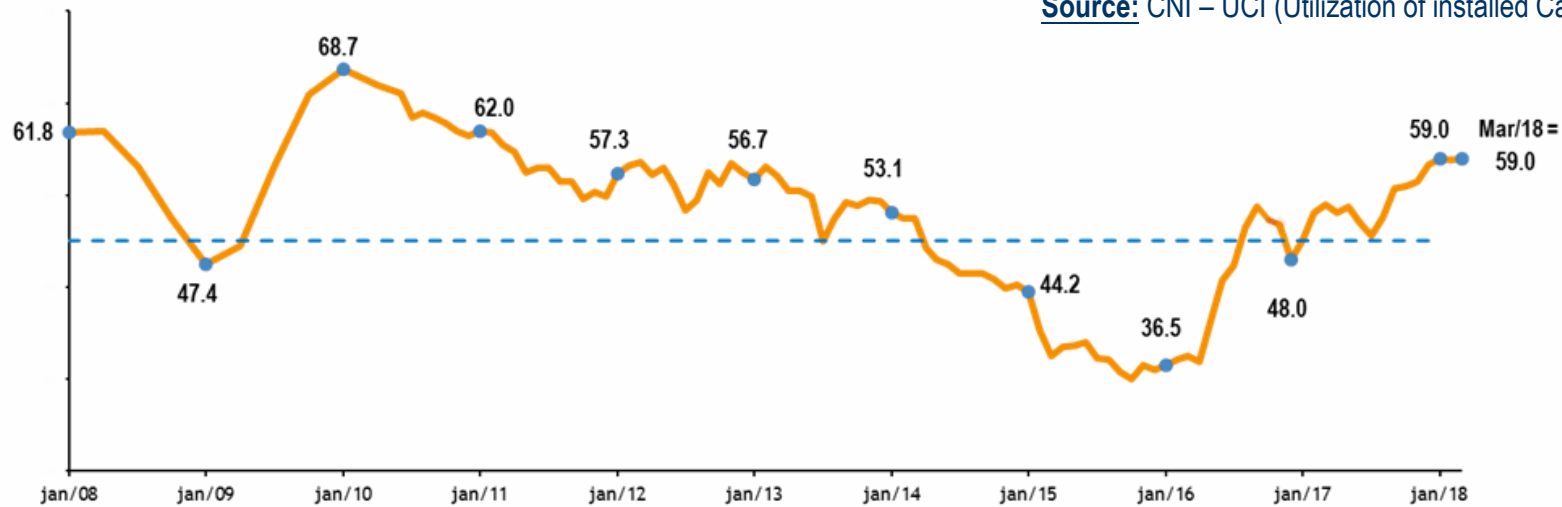


Source: IBGE (current quarter vs. the same quarter last year)

Conjunctural Indicators – GDP and FBKF



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



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

Economic Indexes - Conjunctural

Romi Machines

B+W Machines

Rough and Machined Cast Iron Parts



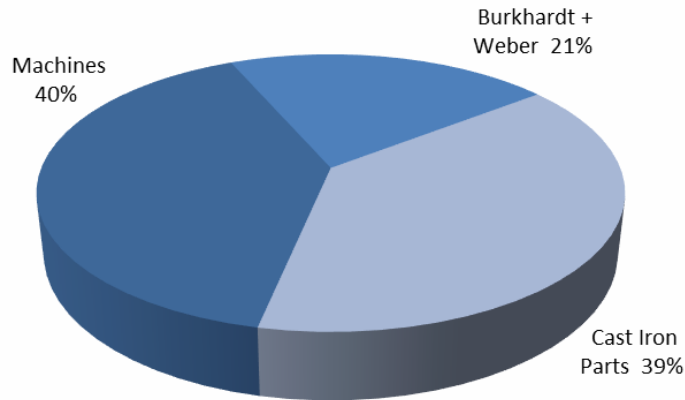
	1Q18	2017
Machines and Equipments	39%	13%
Automotive	7%	13%
Tolling	6%	4%
Job shops	4%	15%
Packing	4%	8%
Technical Schools	2%	4%
Others	38%	43%

	1Q18	2017
Machines and Equipments	67%	21%
Motors and Systems	0%	48%
Oil and Gas	0%	10%
Automotive	33%	14%
Others	0%	7%

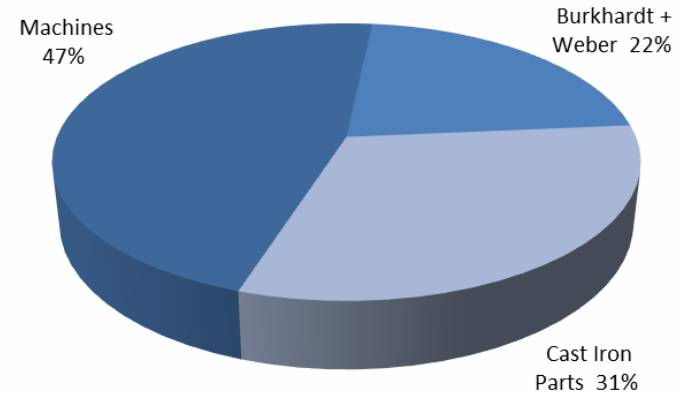
	1Q18	2017
Wind Power	44%	58%
Automotive	24%	18%
Agriculture	18%	15%
Construction	13%	7%
Others	1%	2%

Business units

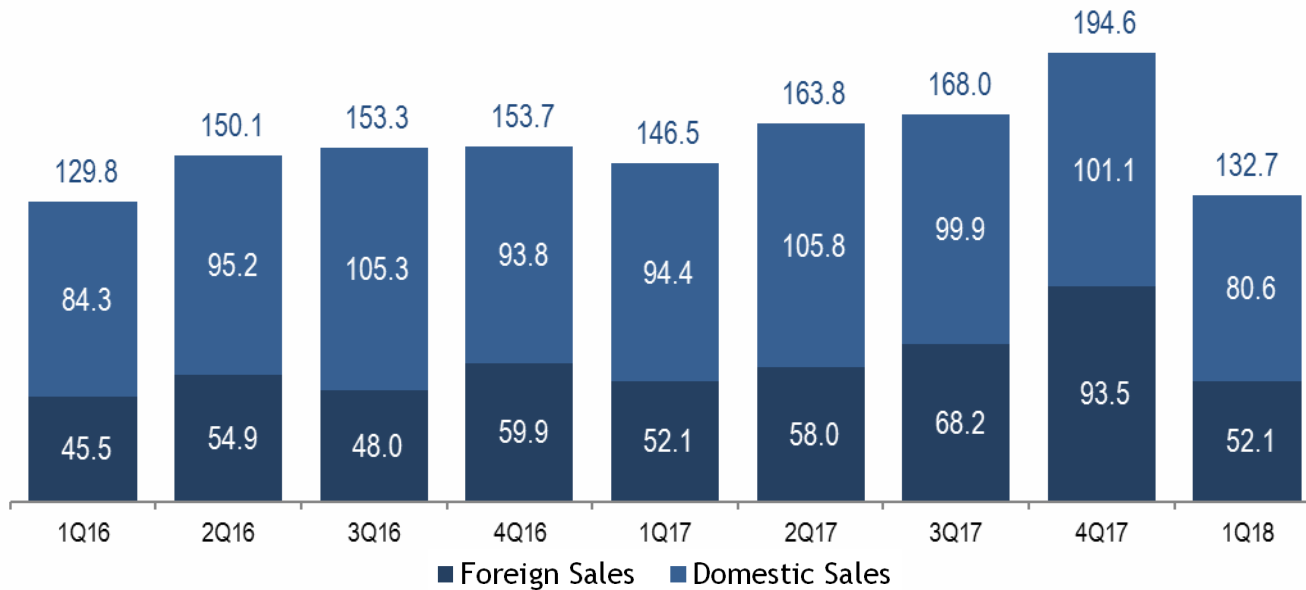
1Q17



1Q18

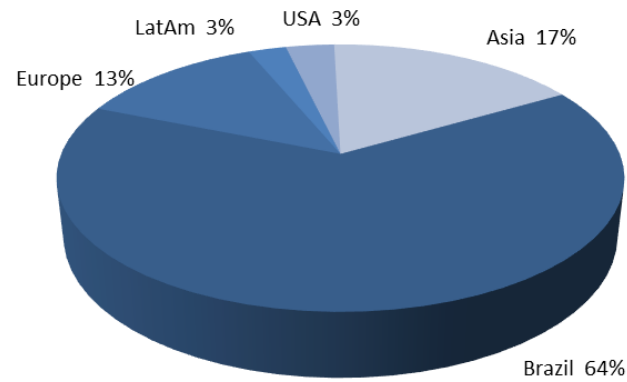


Net Operating Sales (R\$ million)

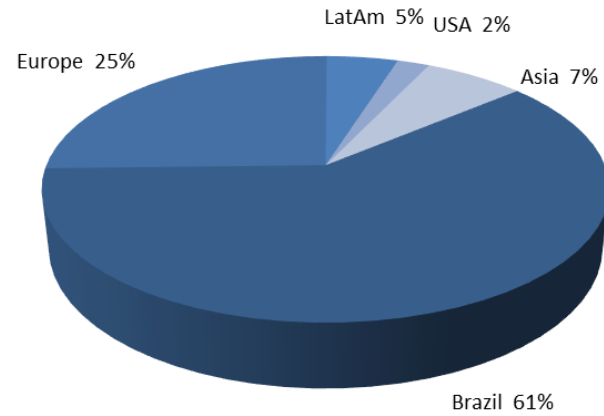


Net Sales per Business Unit

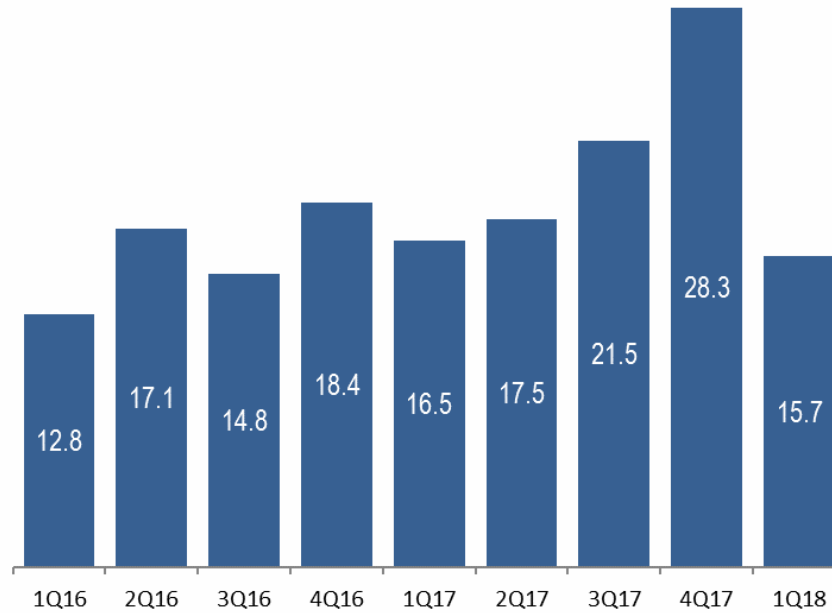
1Q17



1Q18



Foreign Sales (US\$ million)



Sales Distribution

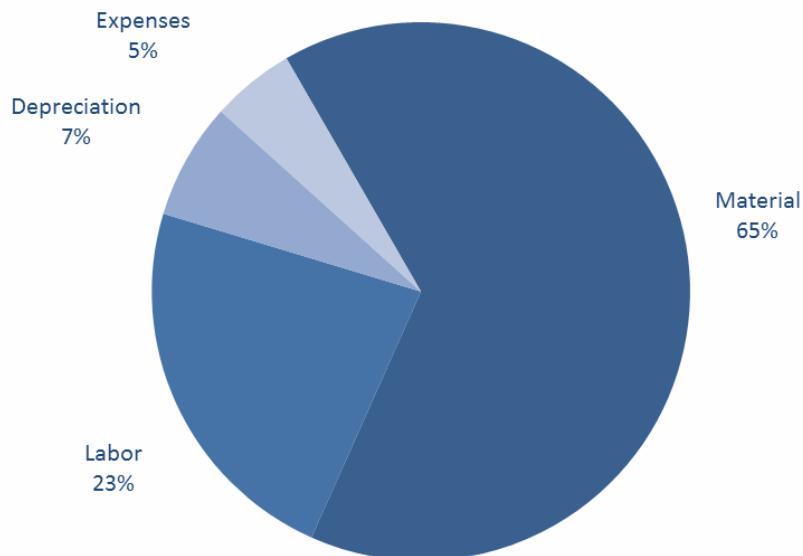
Order Entry (R\$ 000)					
Gross Values, sales taxes included	1Q17	4Q17	1Q18	Chg. 1Q18/4Q17	Chg. 1Q18/1Q17
Romi Machines	59,530	70,195	48,778	-30.5%	-18.1%
Burkhardt+Weber Machines	9,711	22,211	35,065	57.9%	261.1%
Rough and Machined Cast Iron Parts	63,647	56,269	63,489	12.8%	-0.2%
Total *	132,888	148,675	147,332	-0.9%	10.9%

Order Book (R\$ 000)					
Gross Values, sales taxes included	1Q17	4Q17	1Q18	Chg. 1Q18/4Q17	Chg. 1Q18/1Q17
Romi Machines	64,304	71,745	60,595	-15.5%	-5.8%
Burkhardt+Weber Machines	109,251	118,624	130,806	10.3%	19.7%
Rough and Machined Cast Iron Parts	74,808	51,279	66,471	29.6%	-11.1%
Total *	248,363	241,648	257,872	6.7%	3.8%

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

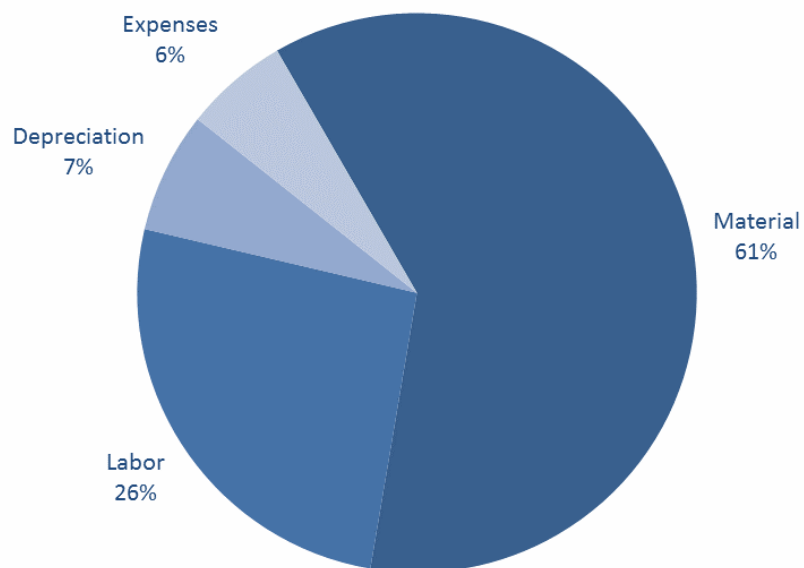
Order Entry Backlog

1Q18



18%	Domestic material
12%	FX Related Domestic Material
15%	Metals
20%	Imported Material

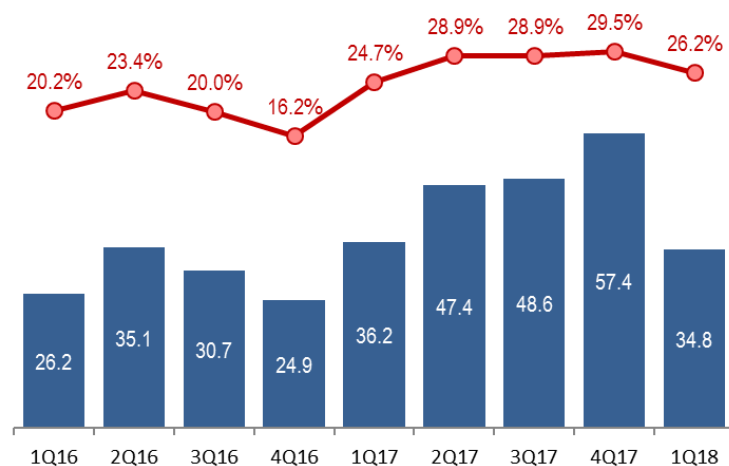
1Q17



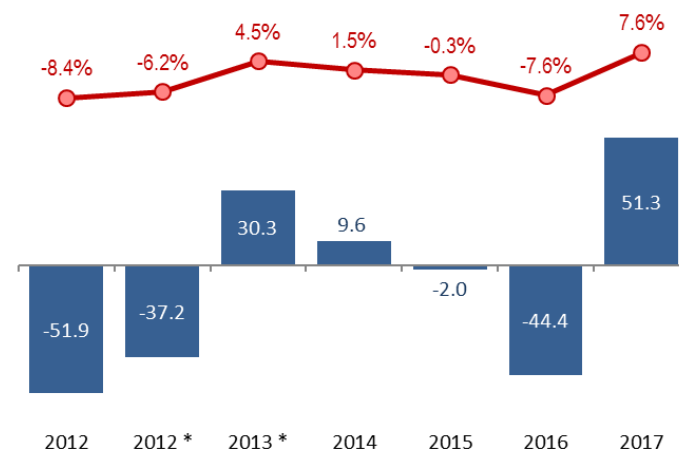
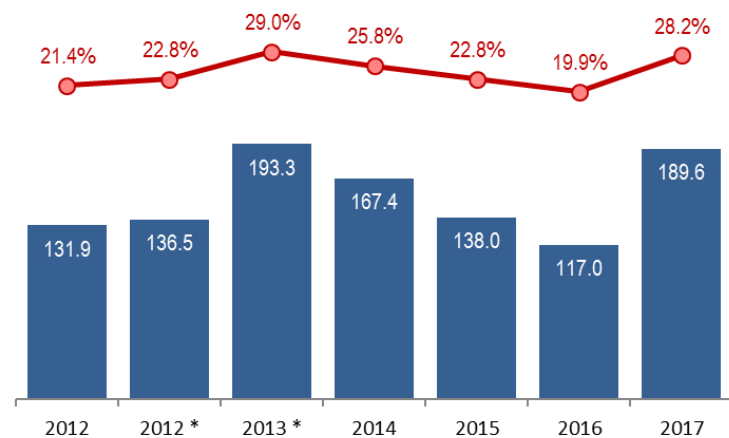
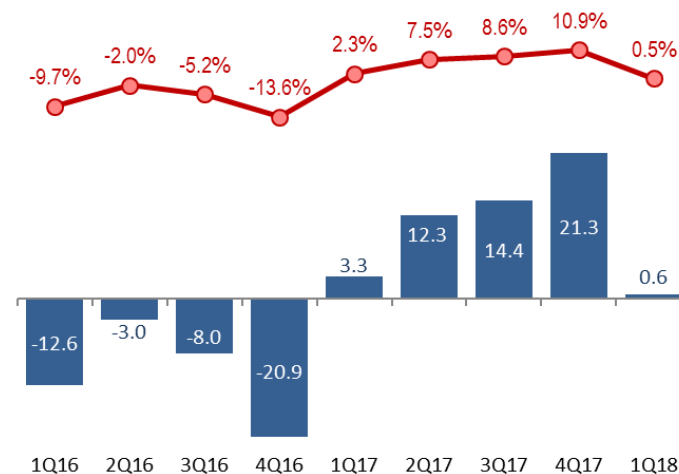
14%	Domestic material
10%	FX Related Domestic Material
19%	Metals
18%	Imported Material

Cost of Goods Sold

Gross Profit (R\$ million) and Gross Margin



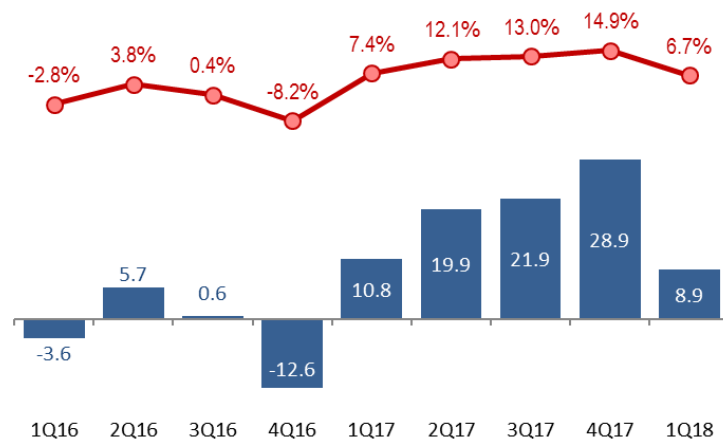
Operating Profit (loss) (R\$ million) and Operating Margin



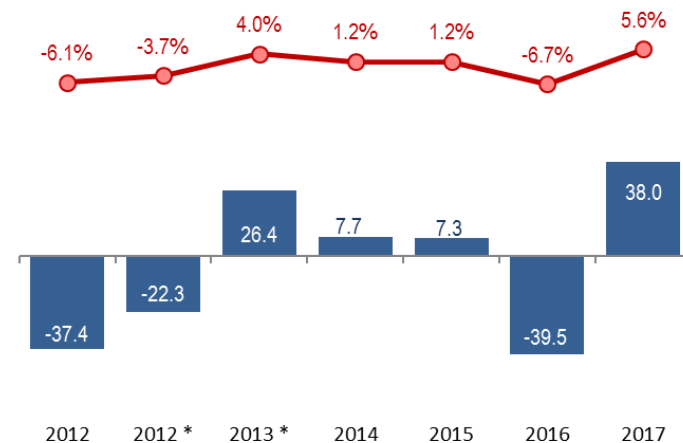
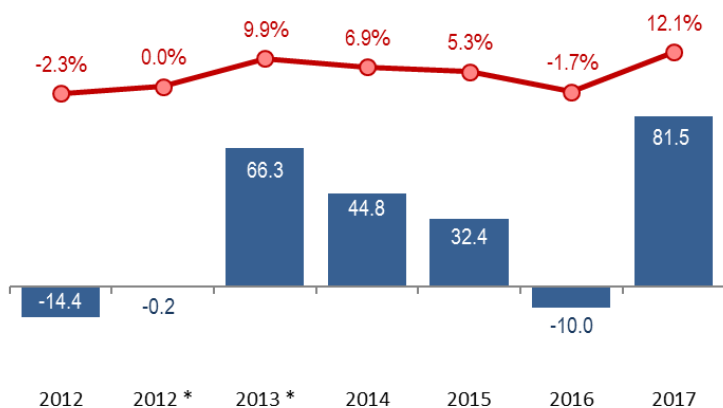
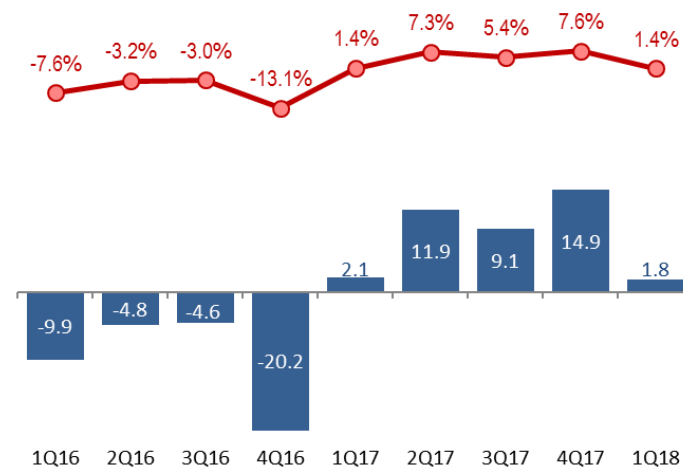
(*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

Profitability

EBITDA (R\$ million) and EBTIDA Margin



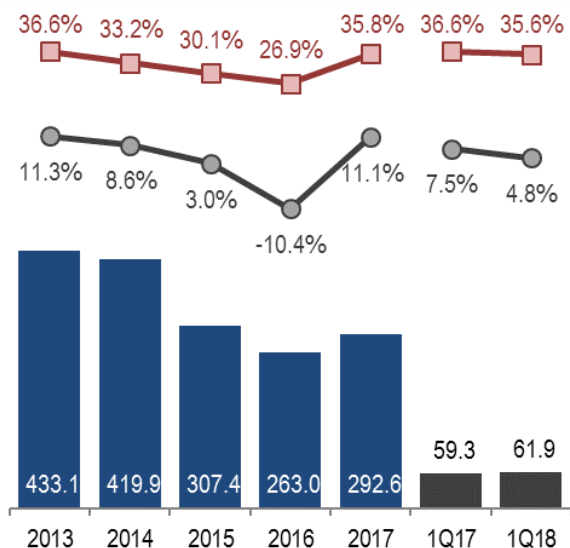
Net income (loss) (R\$ million) and Net Margin



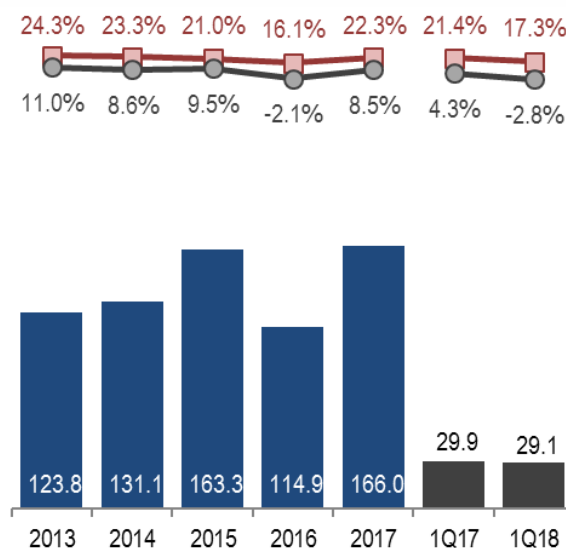
(*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

	Quarter				
Sales	1Q17	2Q17	3Q17	4Q17	1Q18
Machines (qty)	162	141	195	246	144
Burkhardt+Weber (qty)	6	6	5	8	3
Cast and Iron parts (ton)	5,784	6,267	5,773	4,172	4,592

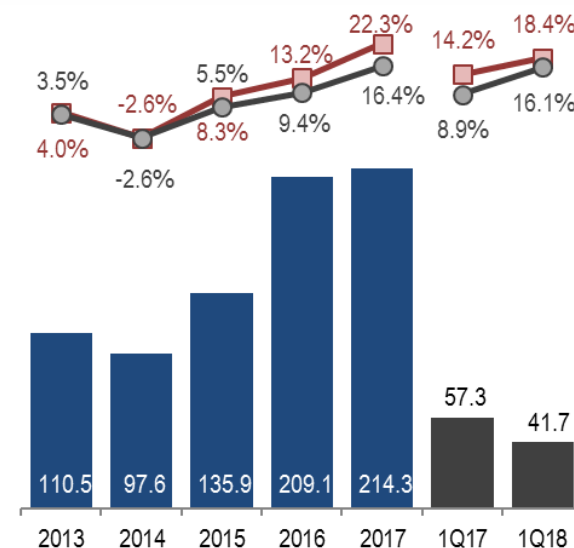
Romi Machines



B+W Machines



Rough and Machined Cast Iron Parts



■ Revenue ■ Gross Margin ● EBITDA

Business Units' Results

Cash and Cash Equivalent (R\$ MM) - 03/31/2018

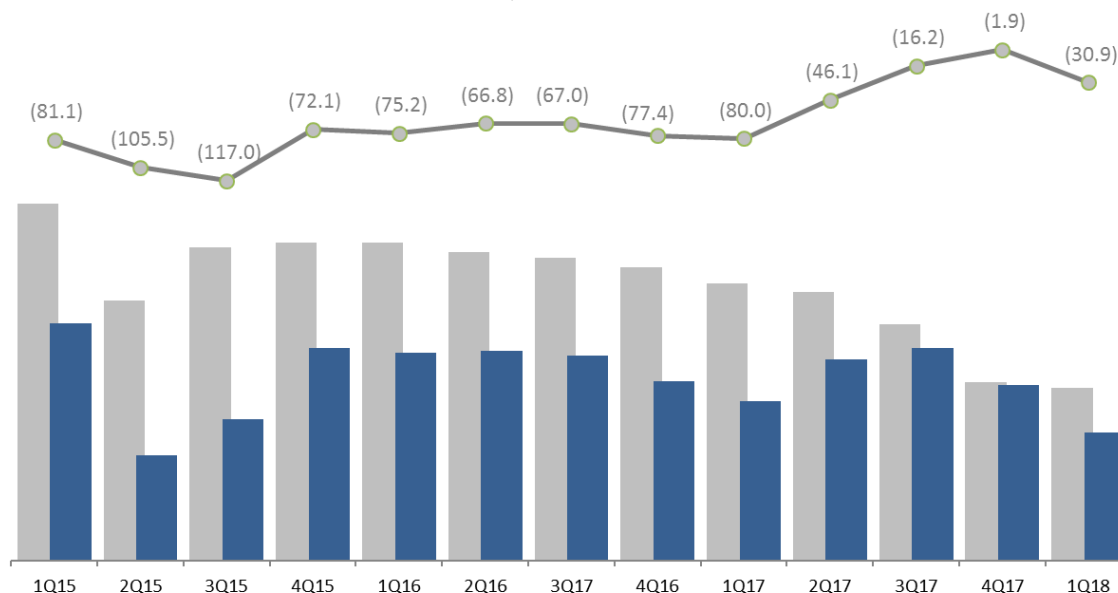
	Amount
Bank Deposit Certificate (CDB)	35.3
Financial Investment with Bonds	13.4
Financial Investment with Bonds	20.9
Banks	17.5
Total	87.0

Net Debt = 30.9

Loans* (R\$ MM) - 03/31/2018

	Amount
2018 (9 months)	71.1
2019	14.7
2020	10.2
2021	7.5
2022	7.3
2023 and afterwards	7.2
Total	118.0

Net Cash (Debt) Position
R\$ million

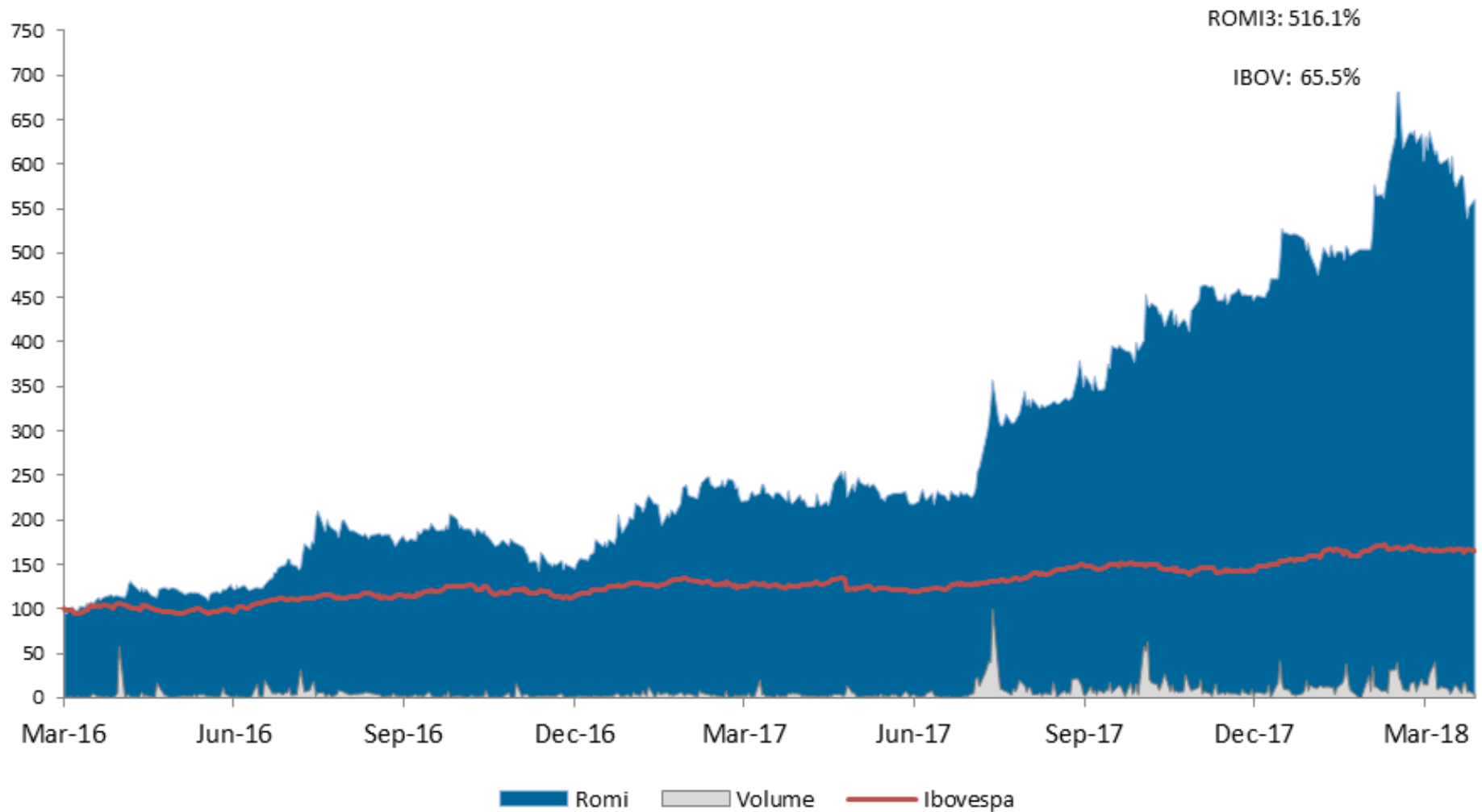


(*) Without Finame Manufacturer

Cash Position

Share Performance ROMI3 vs. Ibovespa

From 03/31/2016 to 04/16/2017



Source: B3

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