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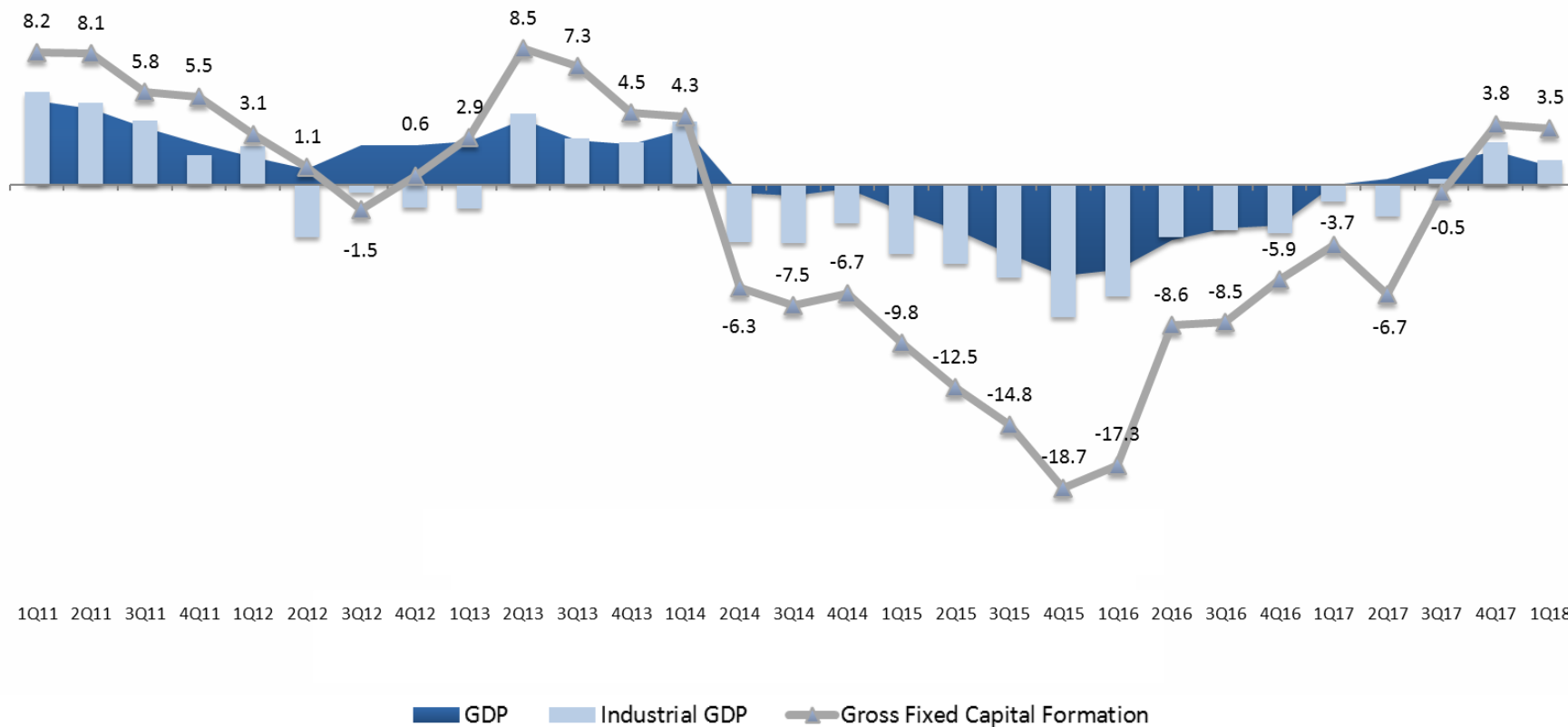


2Q18 Earnings Release

July 25, 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.

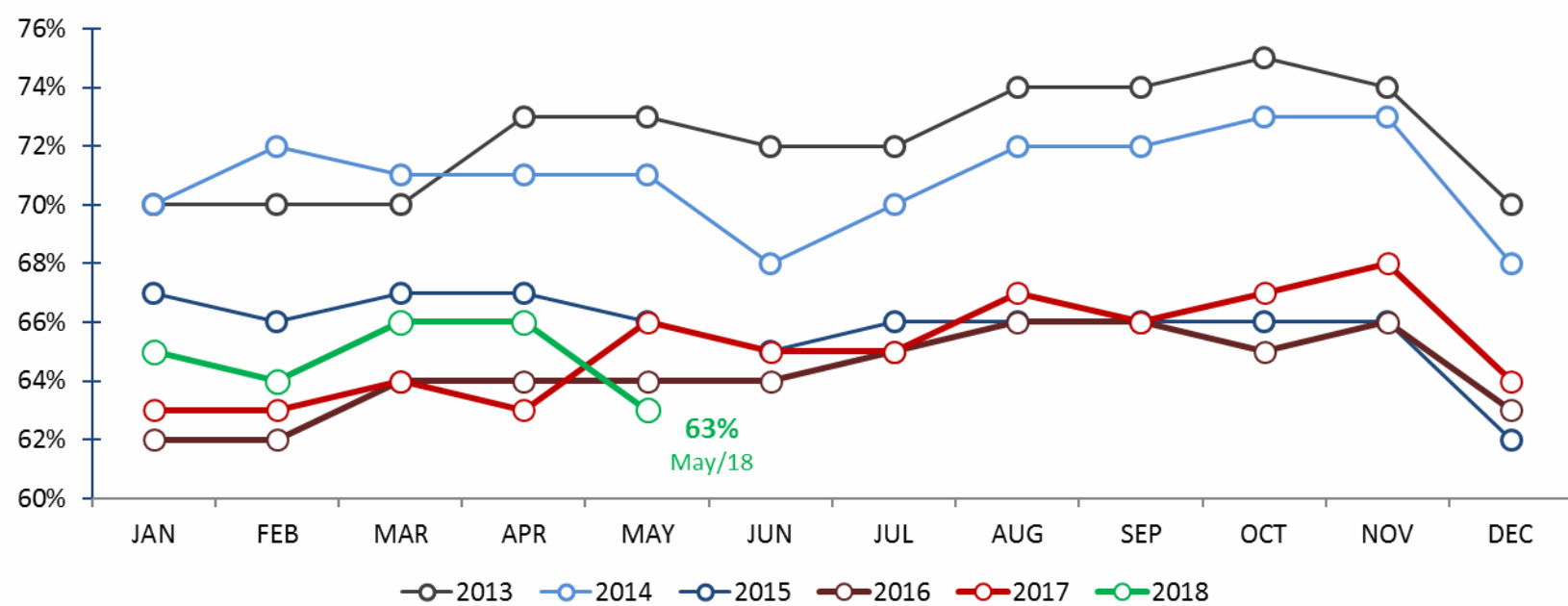
- **Order entry** in 2Q18, when compared to 2Q17, **increased** by **15.4%**, especially in the **Romi Machines** Business Unit, which **increased** by **65.8%**, showing that, in 2018, the economic is recovering slowly and gradually;
- In 2Q18, the **Romi Machines** Business Unit posted a **19.5% increase** in net **operating revenue** in relation to 2Q17 and 2.7 p.p. in **gross margin** in the same period of comparison, due to the higher volume of operations of this business unit in 2018;
- In the **Raw and Machined Cast Iron Parts** Business Unit, even in the face of a reduction in **net operating** revenue in the second quarter, it continues to show **appropriate margins**, as a result of improvements in operating efficiency;
- The Company's **net debt grew R\$54.6 million** during the 1H18, due to the profit distributions made and inventory increases, which is considered normal for this time of year;
- On April 9, 2018, the Company obtained the approval for its tax 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\$40.1 million after taxes and other costs). The effects of this gain were recognized in the 2Q18 financial statements.



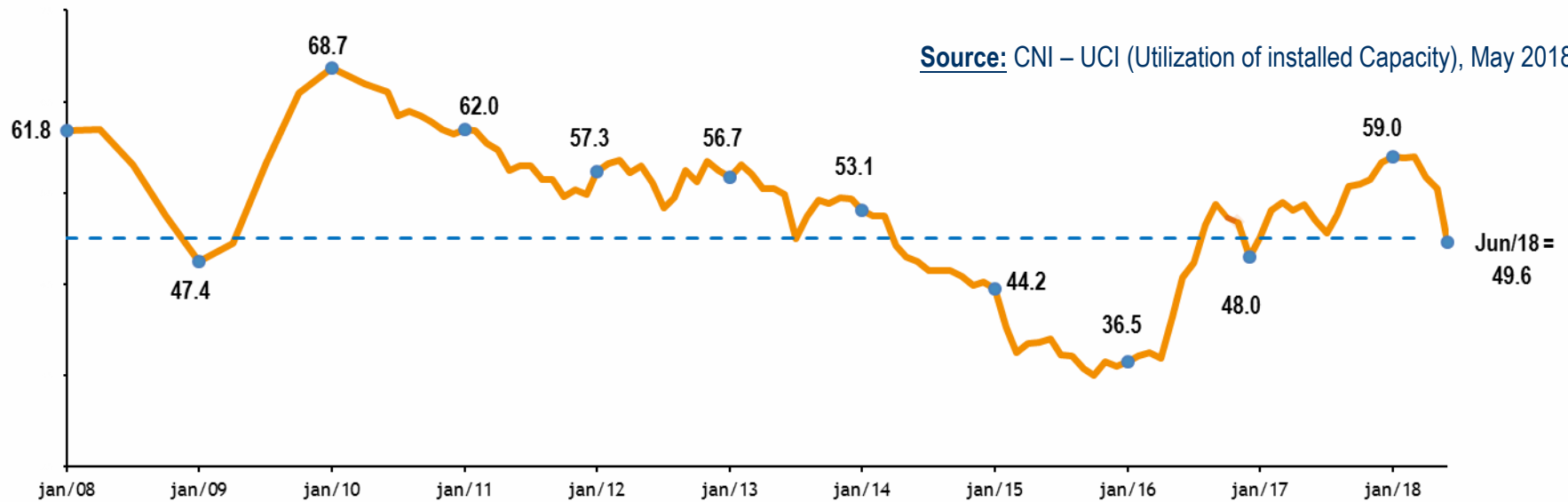
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Source: IBGE (current quarter vs. the same quarter last year)

Conjunctural Indicators – GDP and FBKF



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



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

Economic Indexes - Conjunctural

Romi Machines

B+W Machines

Rough and Machined Cast Iron Parts



	1H18	2017
Machines and Equipments	21%	13%
Automotive	11%	13%
Tolling	7%	4%
Job shops	13%	15%
Packing	4%	8%
Technical Schools	1%	4%
Others	43%	43%



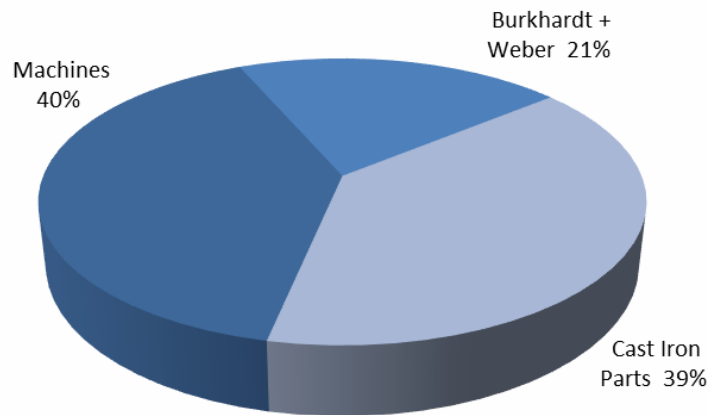
	1H18	2017
Machines and Equipments	78%	21%
Motors and Systems	0%	48%
Oil and Gas	0%	10%
Automotive	11%	14%
Others	11%	7%



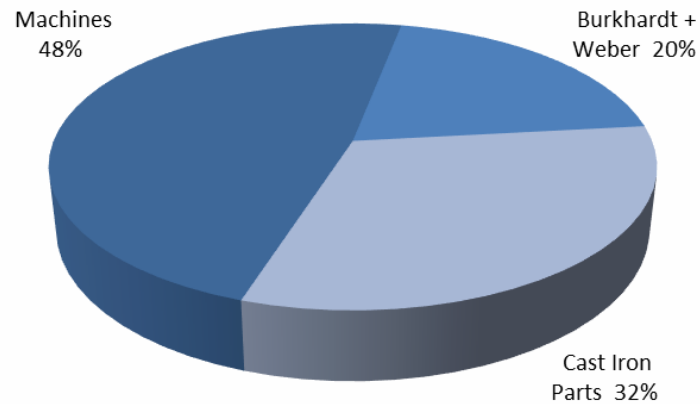
	1H18	2017
Wind Power	44%	58%
Automotive	24%	18%
Agriculture	17%	15%
Construction	13%	7%
Others	2%	2%

Business units

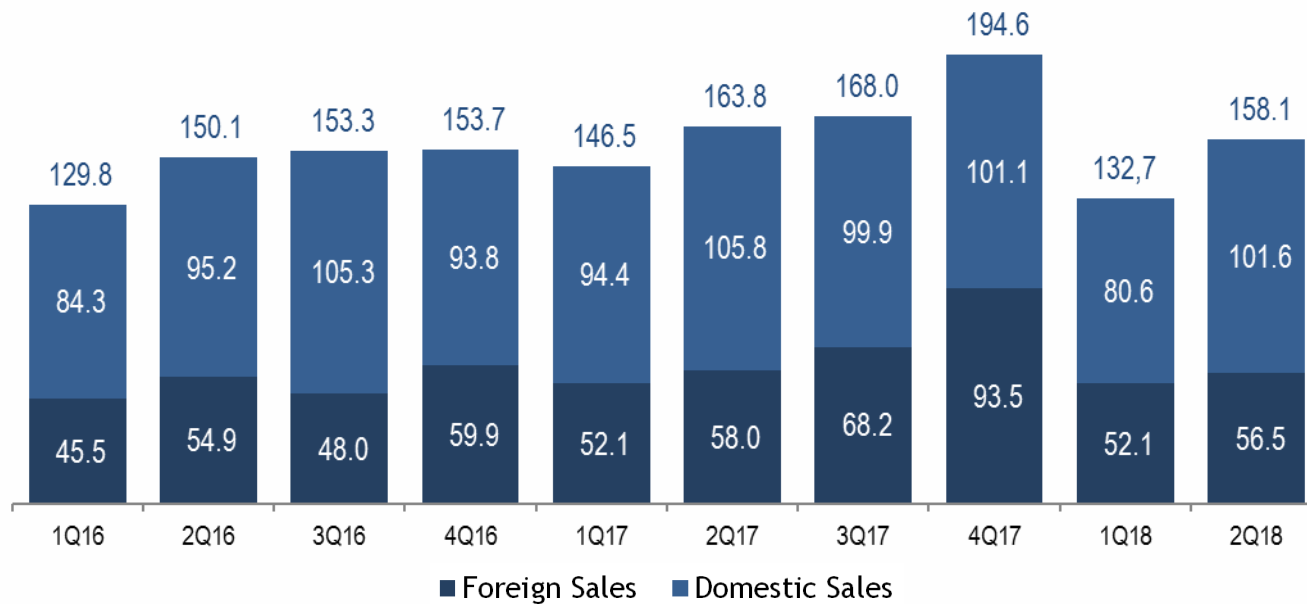
1H17



1H18

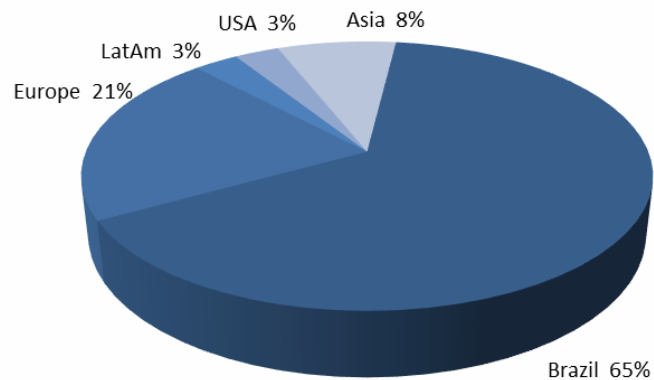


Net Operating Sales (R\$ million)

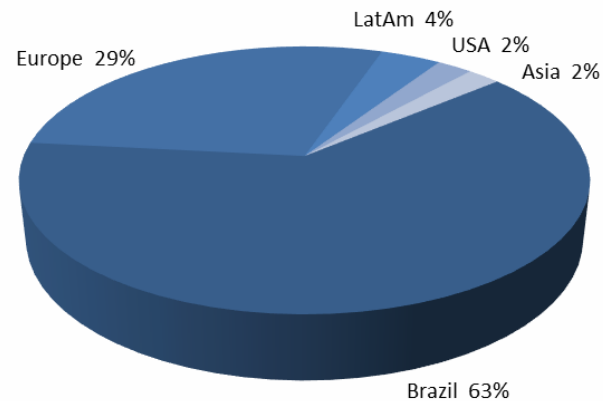


Net Sales per Business Unit

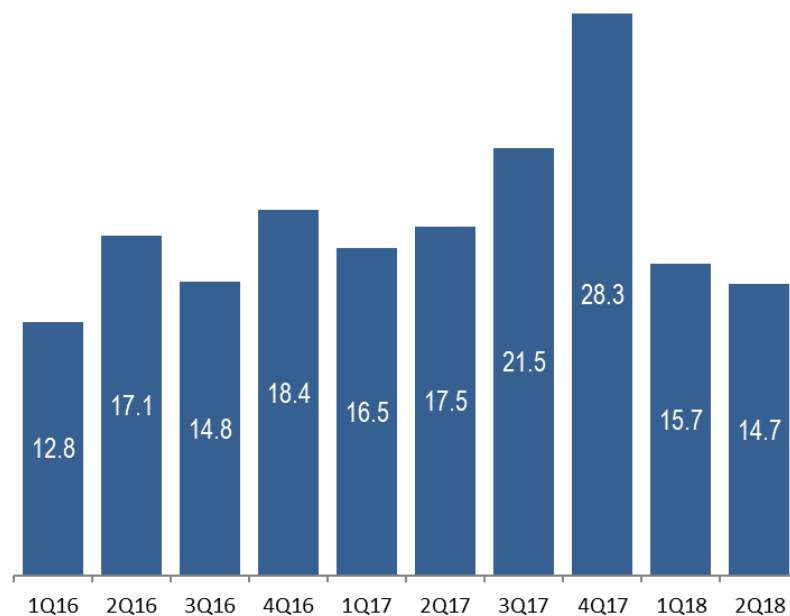
1H17



1H18



Foreign Sales (US\$ million)



Sales Distribution

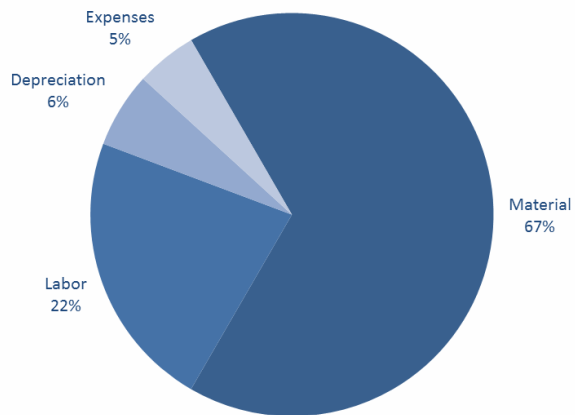
Order Entry (R\$ 000)								
Gross Values, sales taxes included	2Q17	1Q18	2Q18	Chg. 2Q18/1Q18	Chg. 2Q18/2Q17	1H17	1H18	Chg. 1H18/1H17
Romi Machines	71,820	48,864	119,045	143.6%	65.8%	131,350	167,908	27.8%
Burkhardt+Weber Machines	43,083	35,065	22,270	-36.5%	-48.3%	52,794	57,335	8.6%
Rough and Machined Cast Iron Parts	52,339	63,489	51,668	-18.6%	-1.3%	115,986	115,157	-0.7%
Total *	167,242	147,418	192,983	30.9%	15.4%	300,130	340,401	13.4%

Order Book (R\$ 000)					
Gross Values, sales taxes included	2Q17	1Q18	2Q18	Chg. 2Q18/1Q18	Chg. 2Q18/2Q17
Romi Machines	77,353	60,595	97,848	61.5%	26.5%
Burkhardt+Weber Machines	131,029	130,806	154,944	18.5%	18.3%
Rough and Machined Cast Iron Parts	58,406	66,471	60,325	-9.2%	3.3%
Total *	266,787	257,872	313,118	21.4%	17.4%

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

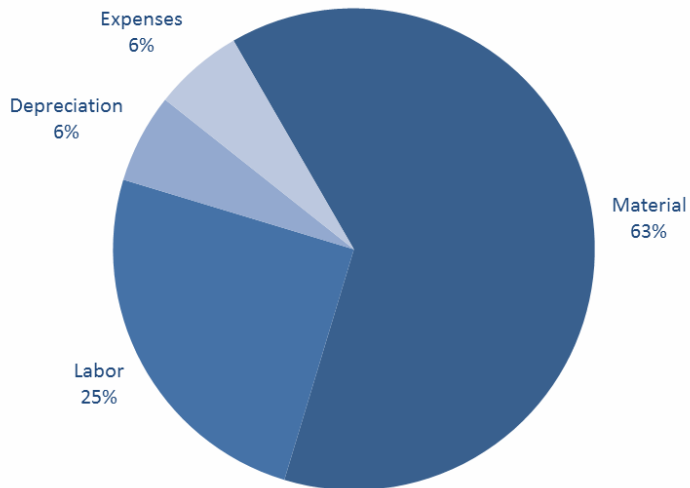
Order Entry Backlog

1H18



19%	Domestic material
12%	FX Related Domestic Material
16%	Metals
20%	Imported Material

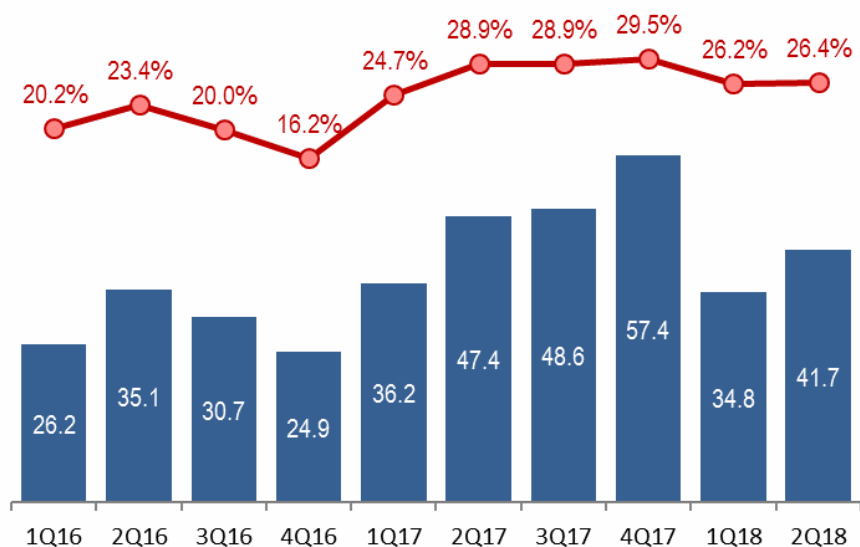
1H17



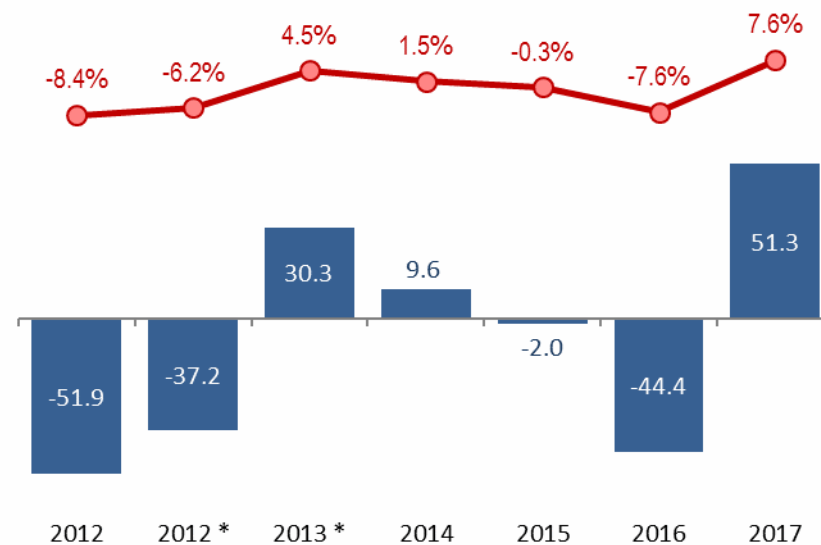
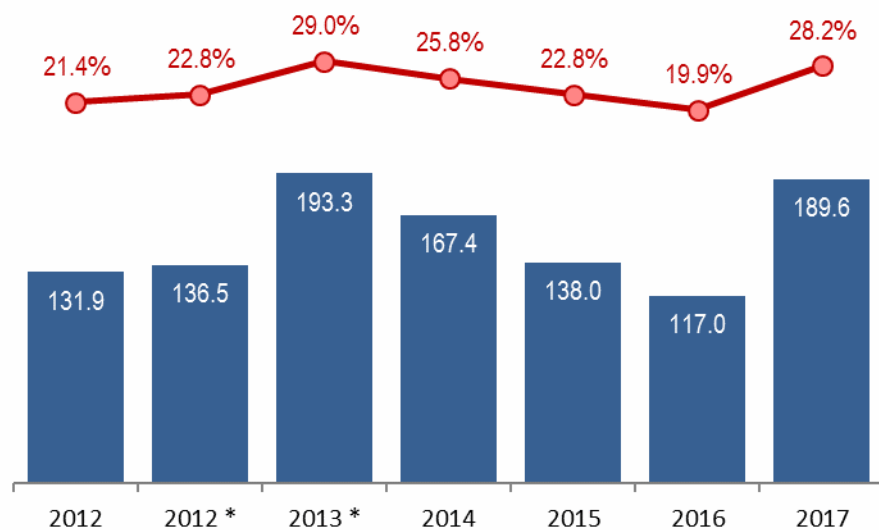
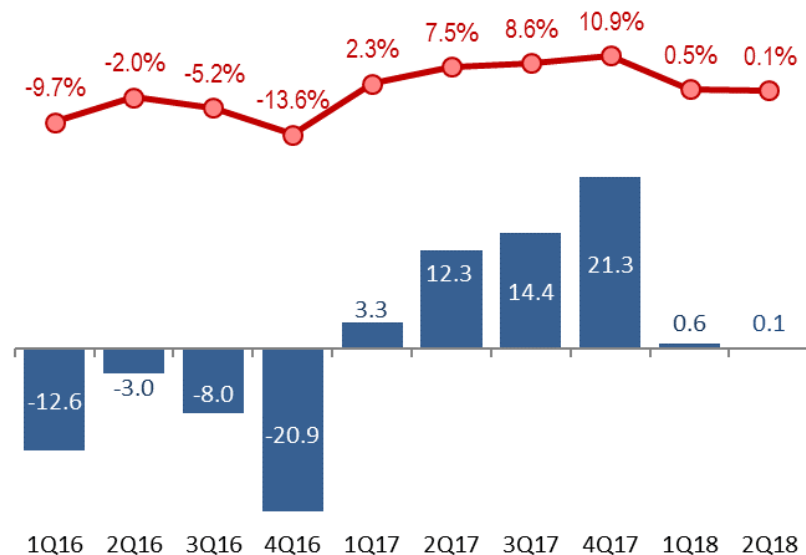
14%	Domestic material
10%	FX Related Domestic Material
19%	Metals
20%	Imported Material

Cost of Goods Sold

Gross Profit (R\$ million) and Gross Margin

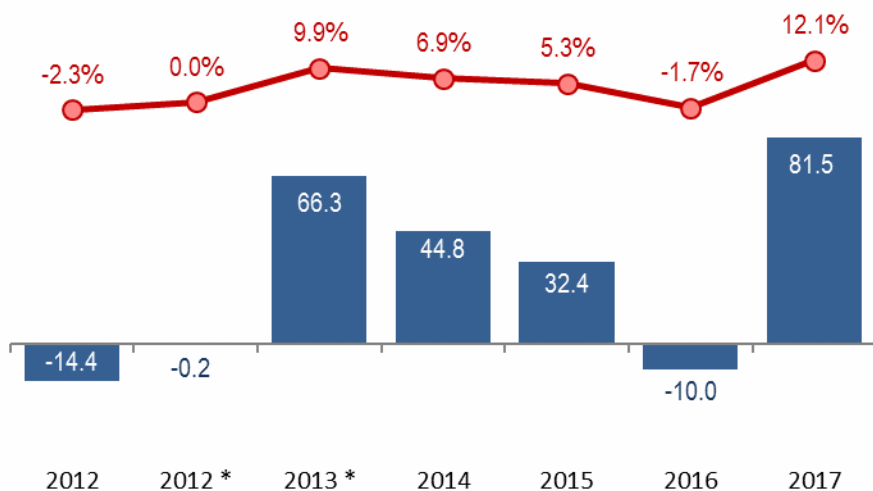
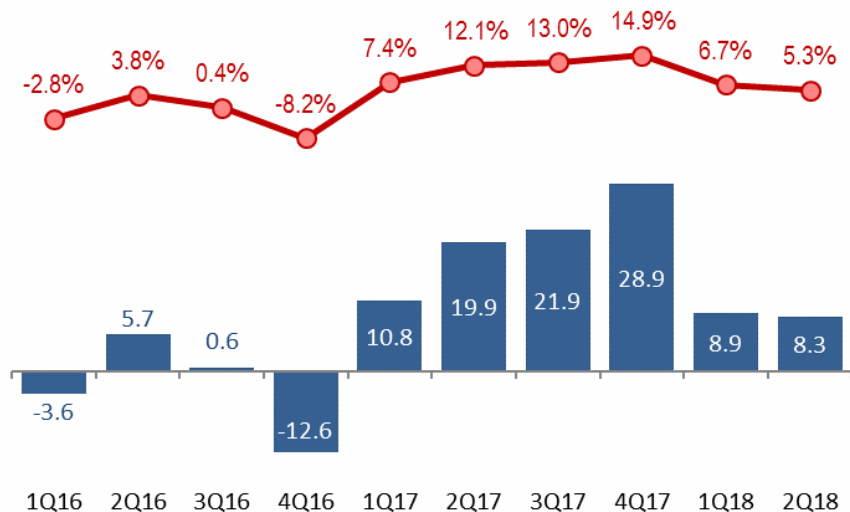


Operating Profit (loss) (R\$ million) and Operating Margin

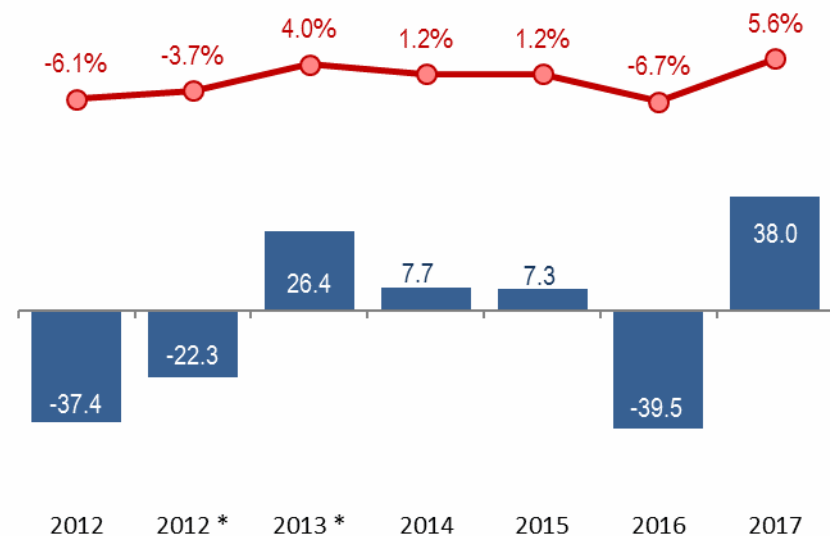
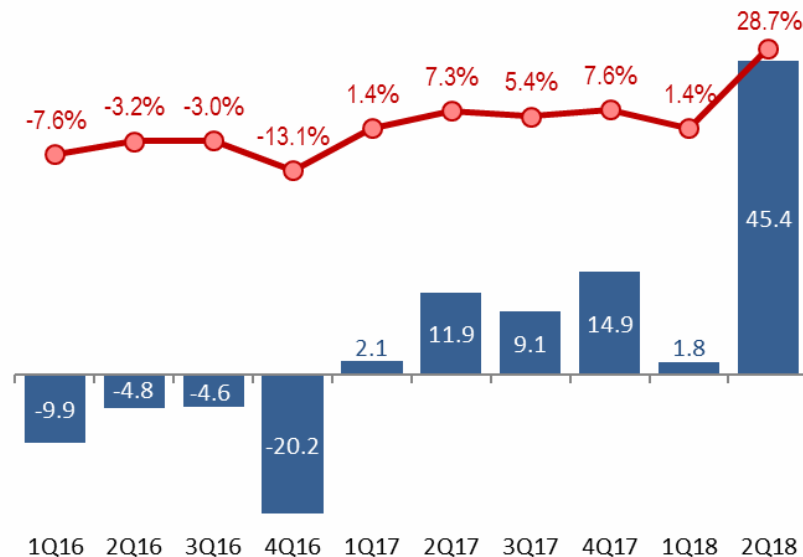


(*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

EBITDA (R\$ million) and EBTIDA Margin



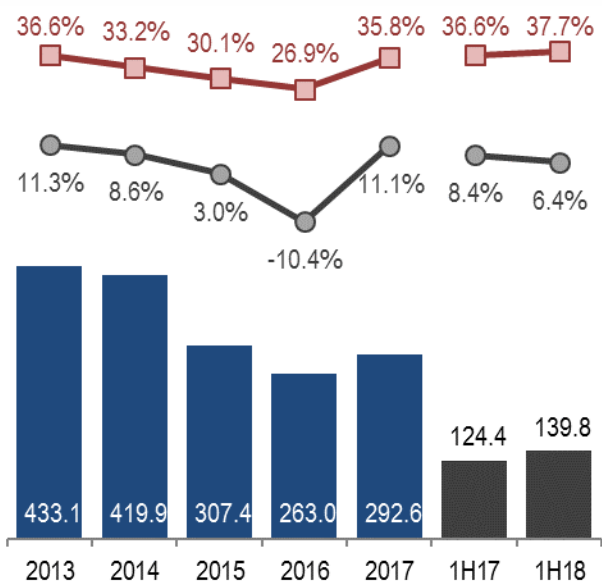
Net income (loss) (R\$ million) and Net Margin



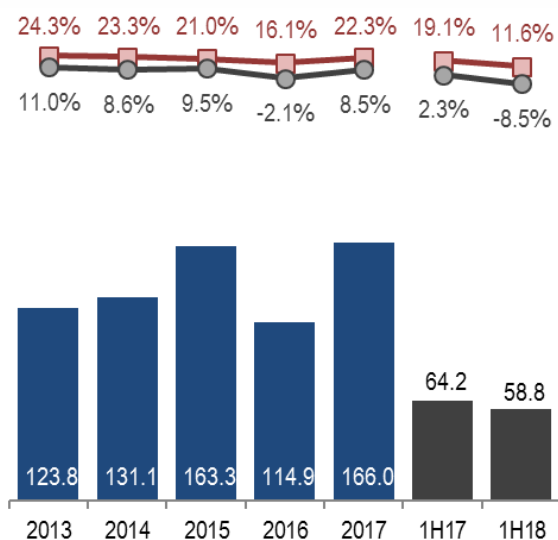
(*) Amounts relating to continued operations, excluding the results from the subsidiary Romi Italia

	Quarter						Accumulated	
Sales	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	1H17	1H18
Machines (qty)	162	141	195	246	144	183	303	327
Burkhardt+Weber (qty)	6	6	5	8	3	4	12	7
Cast and Iron parts (ton)	5,784	6,267	5,773	4,172	4,592	5,453	12,051	10,045

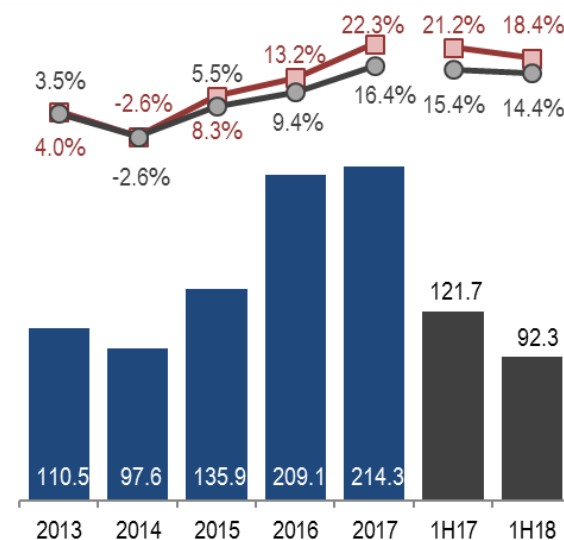
Romi Machines



B+W Machines



Rough and Machined Cast Iron Parts



■ Revenue ■ Gross Margin ● EBITDA

Business Units' Results

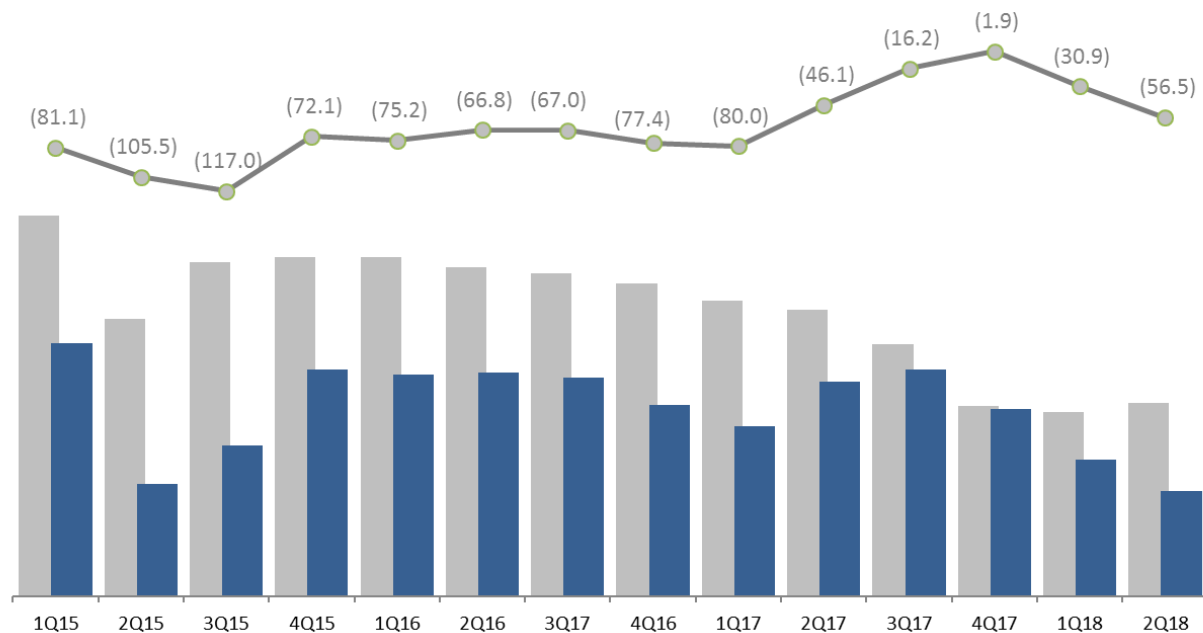
Cash and Cash Equivalent (R\$ MM) - 03/31/2018

	Amount
Bank Deposit Certificate (CDB)	24.8
Financial Investment with Bonds	19.1
Financial Investment with Bonds	5.7
Banks	17.3
Total	66.9
Net Debt =	56.5

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

	Amount
2018 (9 months)	54.8
2019	35.9
2020	9.9
2021	7.6
2022	7.4
2023 and afterwards	7.8
Total	123.4

Net Cash (Debt) Position
R\$ million

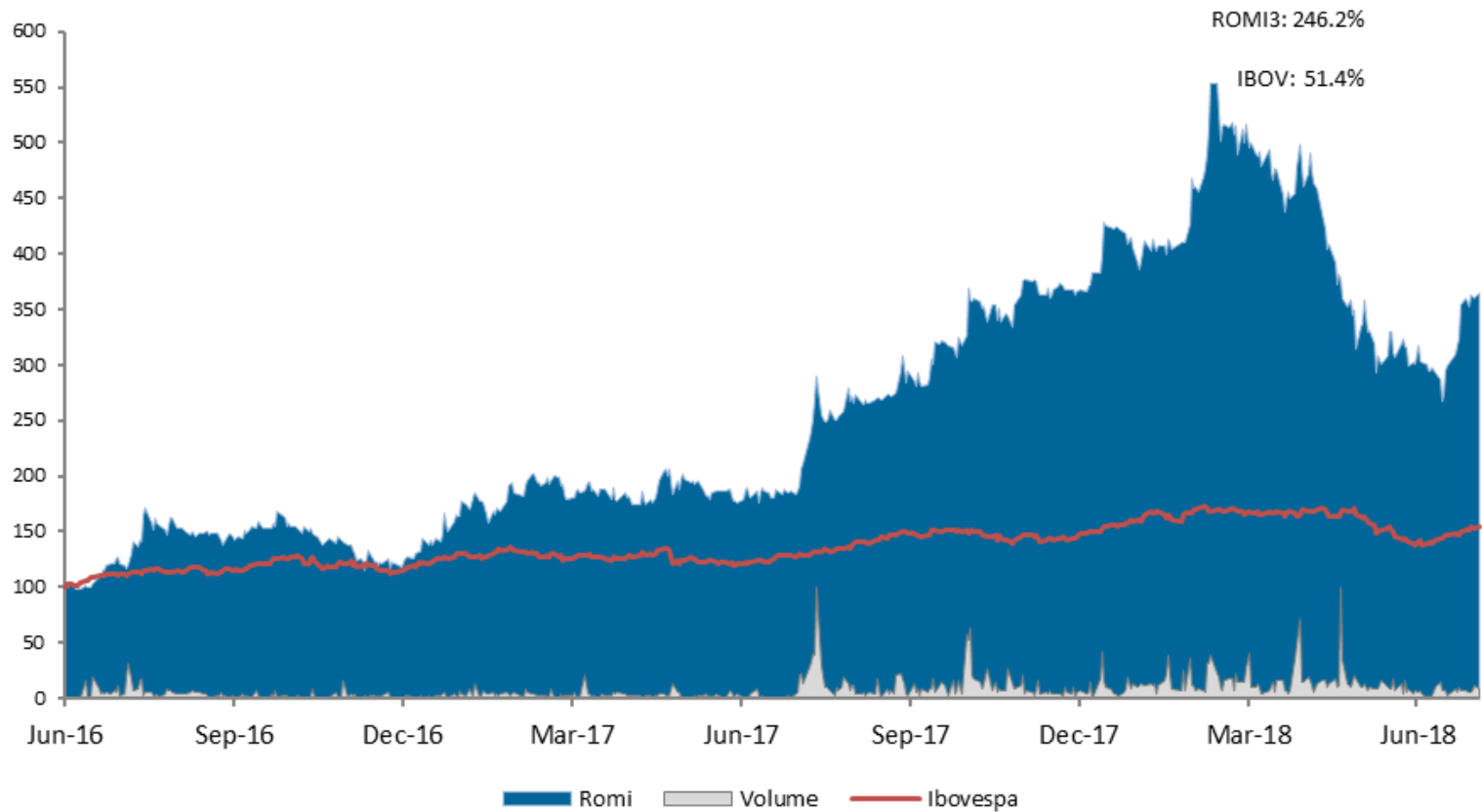


(*) Without Finame Manufacturer

Cash Position

Share Performance ROMI3 vs. Ibovespa

From 06/30/2016 to 07/23/2017



Source: B3

Share Performance



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