

**ROMI**

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April 17, 2018 1Q18 Earnings Release

March 31, 2018

Share price

ROMI3 - R\$9.55 per share (on 04/16/2018)

Market capitalization

R\$600.3 million

US\$ 175.5 million

Number of shares

Common: 62,857,647

Total: 62,857,647

Free Float = 45.6%**Investor Relations Contact****Fábio B. Taiar**

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April 18, 2018

Earnings Conference Call

Time: 10:30 am

Dial-in numbers:

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Access code: Romi

Earnings Conference Call in English

Time: 12:00 pm (São Paulo)

4:00 pm (London)

11:00 am (New York)

Dial-in numbers:

USA +1 (800) 492-3904

Brazil +55 (11) 3193-1001

Other + 1 (646) 828-8246

Access Code: Romi



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IGC

Santa Bárbara d'Oeste – SP, April 17, 2018 – Indústrias Romi S.A. ("Romi" or "Company") (B3: ROMI3), domestic market leader in the Machine Tools and Plastic Processing Machines markets, as well as an important producer of Raw and Machined Cast Iron Parts, announces its results for the first quarter of 2018 ("1Q18"). Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis, in accordance with International Financial Reporting Standards – IFRS).

Highlights

Gross margin reaches 26.2% in the quarter

- 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 2.7% reduction 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 9, 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.

R\$'000	Quarter				
	1Q17	4Q17	1Q18	Chg.	Chg.
Revenues Volume				1Q18/4Q17	1Q18/1Q17
Machines (units)	162	246	144	-41.5%	-11.1%
Burkhardt + Weber (units)	6	8	3	-62.5%	-50.0%
Raw and Machined Cast Iron Parts (tons)	5,784	4,172	4,592	10.1%	-20.6%
Net Operating Revenue	146,525	194,555	132,647	-31.8%	-9.5%
Gross margin (%)	24.7%	29.5%	26.2%		
Operating Income (EBIT)	3,316	21,272	644	-97.0%	-80.6%
Operating margin (%)	2.3%	10.9%	0.5%		
Net Income	2,064	14,852	1,836	-87.6%	-11.0%
Net margin (%)	1.4%	7.6%	1.4%		
EBITDA	10,829	28,948	8,892	-69.3%	-17.9%
EBITDA margin (%)	7.4%	14.9%	6.7%		
Investments	4,065	15,445	8,800	-43.0%	116.5%

EBITDA = Earnings before interest, taxes, depreciation and amortization.

Corporate Profile



Romi, founded in 1930, is the leader in the Brazilian industrial machinery and equipment market, and an important manufacturer of raw and machined cast iron parts.

The Company is listed on B3's "New Market", which is reserved for companies with a higher level of corporate governance. Romi manufactures machine tools (Conventional Lathes, CNC - Computerized Numerical Control Lathes, Lathing Centers, Machining Centers, Vertical and Horizontal Heavy and Extra-Heavy Lathes and Drilling Mills), Plastic Injection or Blow Molding Machines, and ductile or CDI gray cast iron parts, which may be supplied in raw or machined form. The Company's products and services are sold around the world and used by various industrial segments, such as the automotive (light and heavy), agricultural machinery, capital goods, consumer goods, tools, hydraulic equipment and wind power industries, among many others.

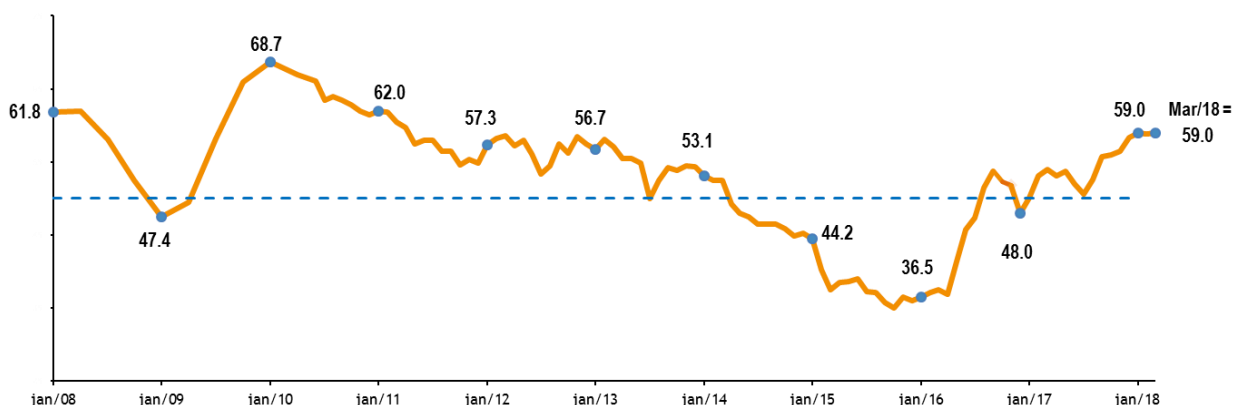
The Company has eleven manufacturing units, four of which for final assembly of industrial machinery, two foundries, three units for machining of mechanical components, one unit for manufacture of steel sheet components, and one unit for assembly of electronic panels. Of these, nine are located in Brazil and two in Germany. The installed capacity of industrial machines and casting production is of, respectively, about 3,500 units and 50,000 tons per year.

Current Economic Scenario

2018 showed a poor economic activity and high volatility in its first two months, but there is an acceleration in the number of opportunities and orders generated in the last month of 2018's first quarter. Some macroeconomic data indicate concrete recovery signs in the Brazilian economy, such as the improvement in the confidence indexes and in the utilization of installed capacity when compared to 2017, presented below. This improvement in macroeconomic data begins to materialize more significantly in the volume of orders entry of the Raw and Machined Cast Iron Parts Unit, mainly from the commercial and agricultural automotive segments.

In March 2018, the Industrial Entrepreneur Confidence Index (ICEI) reached 59.0, a level that shows the development of the index since 2016, where it reached its lowest level of 36.5 points, as shown below:

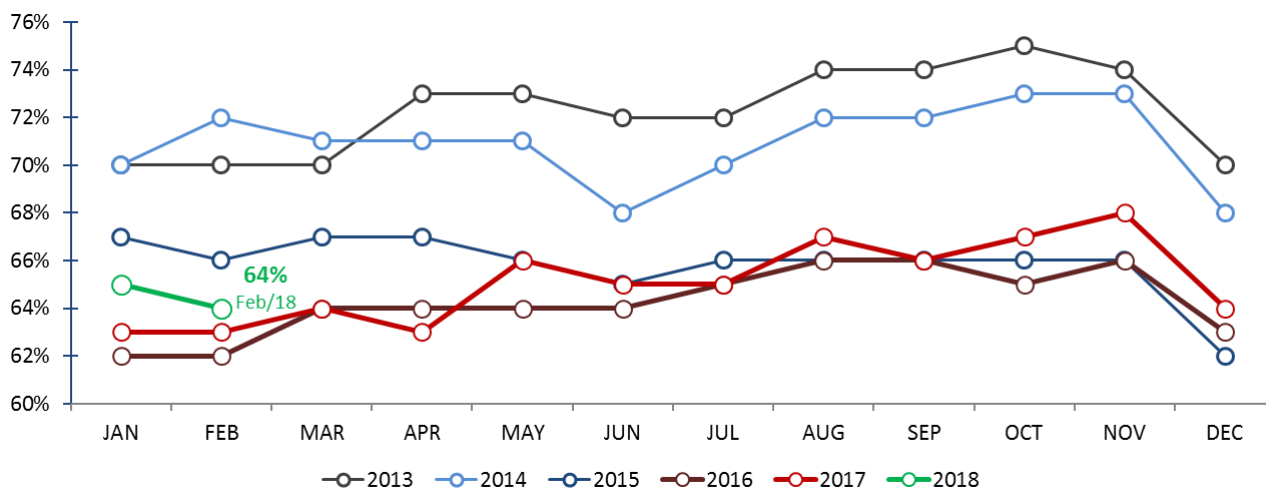
Industrial Entrepreneur Confidence Index – ICEI



Source: CNI – UCI, March 2018.

The Installed Capacity Utilization (UCI) index of the Brazilian industry in general, as released by the National Confederation of Industries (CNI), remains at low levels, but higher than those of the same periods of 2017 and 2016, demonstrating that, although the Brazilian economic scenario is still challenging, there are signs of a modest and gradual recovery.

Average Installed Capacity Utilization(UCI)



Source: CNI – ICEI, February 2018.

Romi continues to implement actions to streamline its structure and the planning and manufacturing process, to respond quickly to the demand volatility. During the last years we have carried out a number of optimizations, mainly in indirect structures, reinforced the focus on cost and expense reduction projects and invested in automation and productivity, focusing on the increase of profitability, which can be noted since the first quarter of 2017.

Market

The Company's main competitive advantages in the market – products with cutting-edge technology, own nationwide distribution network, ongoing technical assistance, availability of attractive customer credit packages in local currency, and short product delivery times – are all recognized by customers, giving the ROMI® brand name a traditional and prestigious reputation.

Order Entry (R\$ 000)	1Q17	4Q17	1Q18	Chg. 1Q18/4Q17	Chg. 1Q18/1Q17
Gross Values, sales taxes included					
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%

* The order entry figures do not include parts and services.

The order entry volume in Romi Machines Unit in 1Q18 was 18.1% lower than in 1Q17, demonstrating that although there are signs of economic recovery, the Brazilian environment still continues with high volatility, which in turn reflects the order entry level.

In German subsidiary B+W the order entry in 1Q18 was 261.1% higher than in 1Q17. This increase was chiefly due to a relevant order made by an Asian customer. The number of projects currently in progress and the volume of backlog orders are within the normal range and allow us to keep the good expectation of sustaining the normal profitability levels presented in 2017.

The Raw and Machined Cast Iron Parts Unit presented stable order entry in 1Q18 when compared to 1Q17. Even with the reduction of large wind turbine parts, there has been a significant increase in the volume of orders for parts for the commercial automotive segment and earth movement machinery.

Order Book (R\$ 000)	1Q17	4Q17	1Q18	Chg. 1Q18/4Q17	Chg. 1Q18/1Q17
Gross Values, sales taxes included					
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%

* The order backlog figures do not include parts and services.

At March 31, 2018, the order backlog totaled R\$257.9 million, 3.8% higher than in the same period last year. The increase in the backlog at the end of 1Q18 at B+W Machines Unit was chiefly due to the increase in the volume of orders of 1Q18 previously mentioned.

Operational Performance

NET OPERATING REVENUE

Net operating revenue posted by the Company in 1Q18 reached R\$132.7 million, 31.8% and 9.5% lower than in 4Q17 and 1Q17, respectively.

By Business Unit

Net Operating Revenue (R\$ 000)	Quarter				
	1Q17	4Q17	1Q18	Chg. 1Q18/4Q17	Chg. 1Q18/1Q17
Romi Machines	59,313	96,124	61,913	-35.6%	4.4%
Burkhardt+Weber Machines	29,869	60,002	29,077	-51.5%	-2.7%
Raw and Machined Cast Iron Parts	57,343	38,429	41,657	8.4%	-27.4%
Total	146,525	194,555	132,647	-31.8%	-9.5%

Romi Machines

The net operating revenue of this Business Unit reached R\$61.9 million in 1Q18, posting a slight increase of 4.4% when compared with the same period in 2017, showing that the economic recovery should be slow and gradual.

Burkhardt+Weber Machines

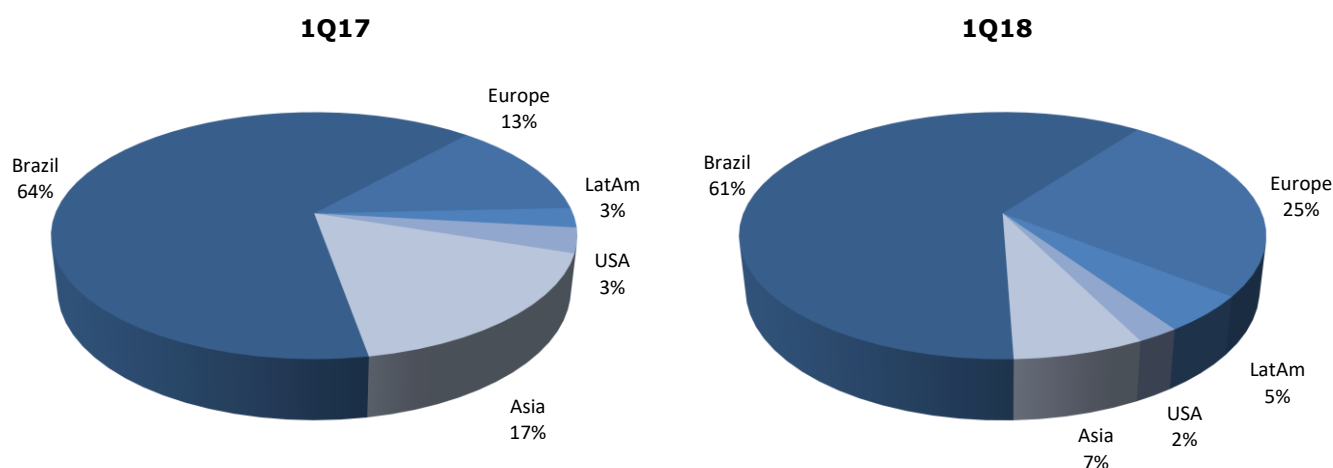
The revenue of the German subsidiary B+W in 1Q18 posted a volume similar to that observed in 1Q17, demonstrating that the revenue has reflected the solid order entry and backlog.

Raw and Machined Cast Iron Parts

The net operating revenue of this Business Unit was R\$41.7 million in 1Q18, representing a 27.4% reduction compared to 1Q17, chiefly due to the reduction in the volume of orders for large raw and machined cast iron parts.

By Geographical Region

The domestic market accounted for 61% of Romi's consolidated revenue in 1Q18, 3 percentage points lower than in 1Q17. Considering the revenue in foreign markets, which takes into consideration sales by Romi subsidiaries abroad (Germany, China, United States, Italy, United Kingdom, France, Mexico and Spain) and direct sales to other markets, the distribution of Romi's total revenue by geographic region was the following:



Below we show the revenue obtained in the foreign market, in Brazilian reais (R\$) and US dollars (US\$):

Foreign Sales	Quarter				
	1Q17	4Q17	1Q18	Chg. 1Q18/4Q17	Chg. 1Q18/1Q17
Net Sales (R\$ million)	52.1	93.5	52.1	-44.3%	-0.1%
Net Sales (US\$ million)	16.5	28.3	15.7	-44.5%	-4.8%

OPERATING COSTS AND EXPENSES

The gross margin obtained in 1Q18, of 26.2%, posted an increase of 1.5 percentage points when compared to 1Q17, while operating margin (EBIT), when compared to 1Q17, posted a decrease of 1.8 percentage points due to a revenue volume 9.5% lower than in 1Q18.

	Quarter				
	1Q17	4Q17	1Q18	Chg. p.p. 1Q18/4Q17	Chg. p.p. 1Q18/1Q17
Gross Margin					
Romi Machines	36.6%	36.0%	35.6%	(0.4)	(1.0)
Burkhardt+Weber Machines	21.4%	25.7%	17.3%	(8.3)	(4.1)
Raw and Machined Cast Iron Parts	14.2%	19.3%	18.4%	(7.9)	4.2
Total	24.7%	29.5%	26.2%	(3.3)	1.5

	Quarter				
	1Q17	4Q17	1Q18	Chg. p.p. 1Q18/4Q17	Chg. p.p. 1Q18/1Q17
EBIT Margin					
Romi Machines	2.1%	11.7%	-0.3%	(12.0)	(2.4)
Burkhardt+Weber Machines	-0.2%	13.4%	-8.6%	(22.0)	(8.4)
Raw and Machined Cast Iron Parts	3.7%	5.2%	8.0%	2.8	4.3
Total	2.3%	10.9%	0.5%	(10.4)	(1.8)

Romi Machines

Gross and operating margins of this Business Unit presented a drop of 1.0 and 2.4 percentage points in 1Q18 when compared to 1T17. The slight reduction was chiefly due to the revenue mix, where there has been growth in share of the foreign market, which has higher trade costs when compared to an equipment

in Brazil and, consequently, lower operating margins.

Burkhardt+Weber Machines

In this Business Unit, the gross margin in 1Q18 was 17.3%, which represents a decrease of 4.1 percentage points as compared to 1Q17, due to the lower volume of turnover in Euros of 19.3% and the mix of products.

Raw and Machined Cast Iron Parts

Gross and operating margins of this Business Unit posted a drop of 4.2 and 4.3 percentage points in 1Q18 when compared to 1T17. Projects focused on operational efficiency and strategy to add more value to products were the main reasons for this margin development.

EBITDA AND EBITDA MARGIN

In 1Q18, the operating cash generation as measured by EBITDA amounted to R\$8.9 million, representing an EBITDA margin of 6.7% in the quarter, as shown in the table below:

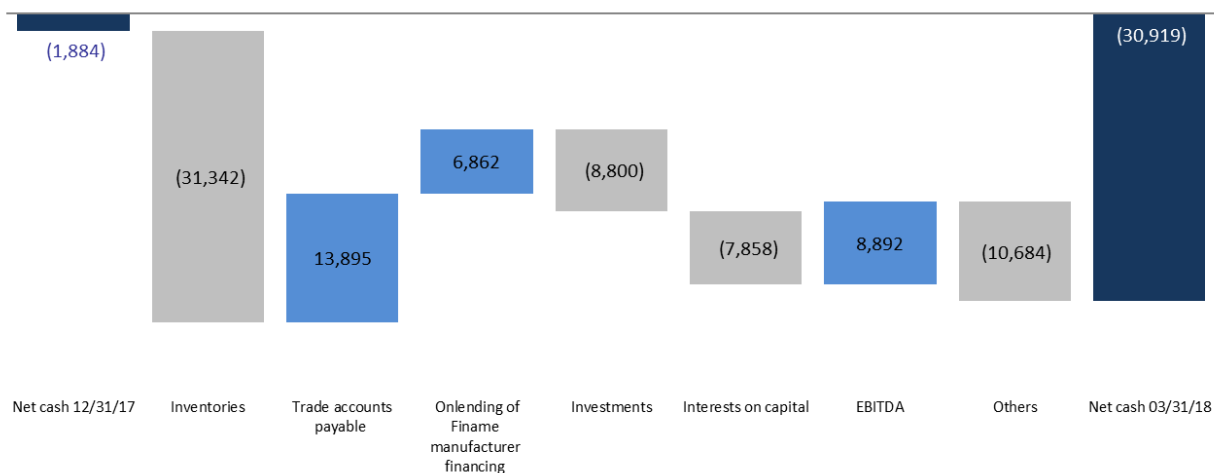
Reconciliation of Net Income to EBITDA (R\$ 000)	Quarter				
	1Q17	4Q17	1Q18	Chg. 1Q18/4Q17	Chg. 1Q18/1Q17
Net Income	2,064	14,852	1,836	-87.6%	-11.0%
Income tax and social contributions	735	7,787	(11)	-100.1%	-101.5%
Net Financial Income	517	(1,367)	(1,181)	-13.6%	-328.4%
Depreciation and amortization	7,513	7,676	8,248	7.5%	9.8%
EBITDA	10,829	28,948	8,892	-69.3%	-17.9%
EBITDA Margin	7.4%	14.9%	6.7%	-54.9%	-9.3%
Total Net Operating Revenue	146,525	194,555	132,647	-31.8%	-9.5%

PROFIT FOR THE PERIOD

The profit for the period amounted to R\$1.8 million in 1Q18, representing a net margin of 1.4%.

Evolution of Net Cash (Debt) Position

The main variations in the net debt position during 1Q18 are described below in R\$'000:



The balances of "Finame Manufacturer Financing" are not used in the calculation of net debt of the Company.

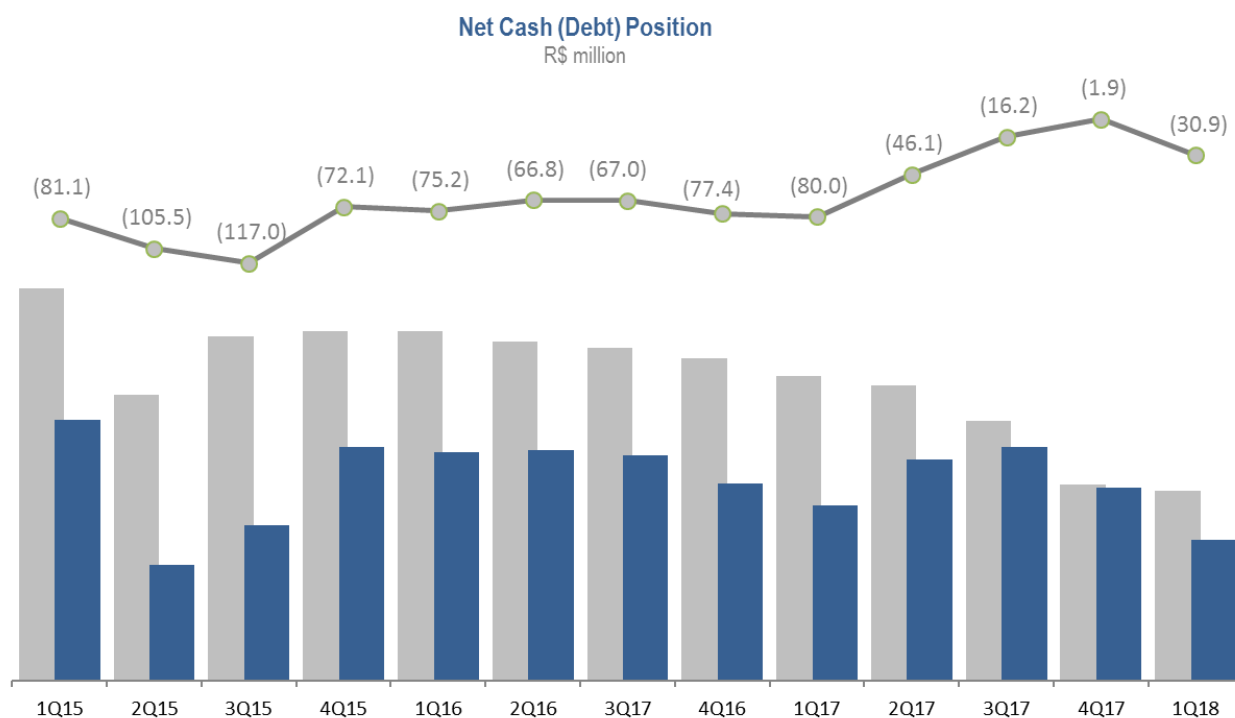
The growth in net debt in 1Q18 is due to the following main aspects:

- a) growth of inventories due to the larger volume of purchases at the beginning of the year so that there is adequate availability of products to customers. In April and/or May of each year the leading trade fair in the machine-tool sector and plastic processing takes place, and such fair generates a significant business volume that must be met within a reasonable period; and
- b) profit distribution for 2017, amounting to a total of R\$7.9 million.

Financial Position

Short-term investments, including those backed by debentures, are made with financial institutions with low credit risk and their yield is substantially indexed to the Interbank Certificate of Deposit (CDI). The consolidated net cash (debt) position at March 31, 2018 was R\$30.9 million.

The Company's borrowings are used mainly in investments in the modernization of the industrial facilities, research and development of new products and financing of exports and imports. At March 31, 2018, the amount of financing in local currency was R\$85.0 million, and in foreign currency, R\$33.0 million, totaling R\$118.0 million.



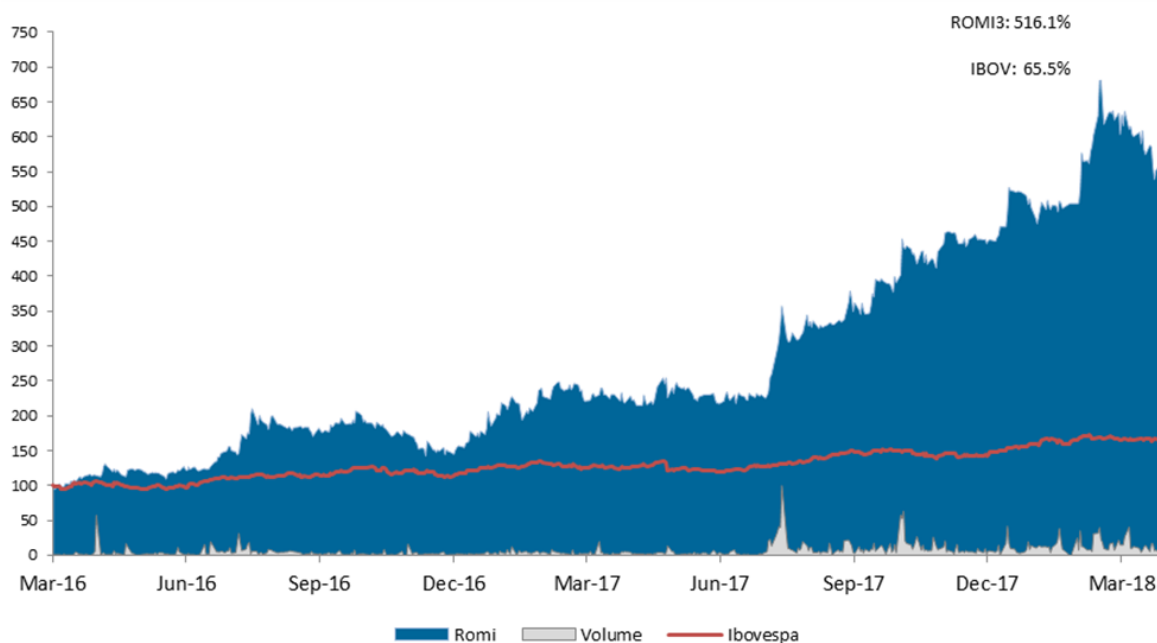
The balances of "Finame Manufacturer Financing" are not used in the calculation of net debt of the Company.

At March 31, 2018, the Company did not have any derivative transactions.

Capital Market

Share Performance ROMI3 vs. Ibovespa

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



Source: B3.

On April 16, 2018 the Company's common shares (ROMI3), which were quoted at R\$9.55, posted appreciation of 151.3% since March 31, 2017 and 516.1% since March 31, 2016. Ibovespa recorded appreciation of 27.5% and 65.5% in the same period.

The Company's market capitalization on April 16, 2018 was R\$600.3 million. The average daily trading volume during 1Q18 was R\$1,490.2.

Success in Legal Proceeding (“Plano Verão”)

In 2017, the Company was successful in the legal proceeding in which it is the plaintiff and the Federal Government is the defendant, whose object is the right to adjust for inflation the balance sheet of the calendar year 1989, in accordance with the inflation for the months of January and February of that year, and exclude the inflation indexes of the legislation then in force (“Plano Verão”). On September 6, 2017, the Company filed with the Federal Revenue Service a request for utilization of this credit. On April 9, 2018 the Federal Revenue granted the request to utilize this credit, allowing the Company to utilize it for offset against future federal taxes. The Company estimates, based on preliminary calculations, that such credit, adjusted for inflation based on the inflation adjustment indexes recognized by the courts, corresponds to approximately R\$44.4 million before taxes and other costs, the impact of which on profit for the period is estimated at approximately R\$29.6 million.

Consolidated Balance Sheet

(R\$ 000)

ASSETS		03/31/17	12/31/17	03/31/18	LIABILITIES AND SHAREHOLDER'S EQUITY		03/31/17	12/31/17	03/31/18
CURRENT	CURRENT	605,824	592,193	588,232	CURRENT	CURRENT	274,847	280,526	277,153
Cash and Cash equivalents		87,214	105,682	74,088	Loans and financing		94,952	74,170	75,039
Financial investments		21,365	13,670	12,944	FINAME manufacturer financing		62,025	55,463	54,161
Trade accounts receivable		113,469	120,303	119,832	Trade accounts payable		26,828	33,802	47,697
Onlending of FINAME manufacturer financing		95,668	88,114	82,131	Payroll and related taxes		21,765	28,148	26,929
Inventories		250,036	241,891	273,233	Taxes payables		1,759	5,896	2,470
Recoverable taxes		21,879	11,780	13,436	Advances from customers		53,665	56,512	52,911
Other receivables		16,193	10,753	12,568	Other payables		13,853	26,535	17,946
NON CURRENT	NON CURRENT	446,403	154,515	150,940	NON CURRENT	NON CURRENT	175,449	151,397	146,216
Trade accounts receivable		11,466	11,310	11,852	Loans and financing		93,621	47,066	42,912
Onlending of FINAME manufacturer financing		58,447	79,819	76,272	FINAME manufacturer financing		54,406	72,770	71,404
Recoverable taxes		671	778	894	Deferred income and social contribution taxes		25,331	29,885	30,573
Deferred income and social contribution taxes		57,040	49,426	49,975	Taxes payable		539	-	-
Judicial Deposits		2,087	2,057	2,092	Reserve for contingencies		1,439	1,561	1,214
Other receivables		9,462	11,125	9,855	Other payables		113	115	113
Investments	SHAREHOLDER'S EQUITY				SHAREHOLDER'S EQUITY	SHAREHOLDER'S EQUITY	600,425	641,969	646,820
Property, Plant and Equipment		246,344	257,939	260,980	Capital		492,025	492,025	492,025
Investment Property		18,588	18,602	18,602	Retained earnings		492,025	118,960	118,960
Intangible assets		42,298	52,174	52,928	Profit for the period		90,243	-	1,799
					Cumulative translation adjustments		2,015	30,984	34,036
	NON CONTROLLING INTERESTS				NON CONTROLLING INTERESTS	NON CONTROLLING INTERESTS	1,506	1,531	1,493
TOTAL ASSETS	TOTAL SHAREHOLDER'S EQUITY	1,052,227	1,075,423	1,071,682	TOTAL SHAREHOLDER'S EQUITY	TOTAL SHAREHOLDER'S EQUITY	601,931	643,500	648,313
	TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,052,227	1,075,423	1,071,682	TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	1,052,227	1,075,423	1,071,682

Consolidated Income Statement

(R\$ thousand)

	1Q17	4Q17	1Q18	Chg. 1Q18/4Q17	Chg. 1Q18/1Q17
Net Operating Revenue	146,525	194,555	132,647	-31.8%	-9.5%
Cost of Goods Sold	(110,281)	(137,106)	(97,888)	-28.6%	-11.2%
Gross Profit	36,244	57,449	34,759	-39.5%	-4.1%
<i>Gross Margin %</i>	<i>24.7%</i>	<i>29.5%</i>	<i>26.2%</i>	<i>0.0%</i>	<i>0.0%</i>
Operating Expenses	(32,928)	(36,177)	(34,115)	-5.7%	3.6%
Selling expenses	(14,659)	(18,590)	(16,153)	-13.1%	10.2%
Research and development expenses	(4,052)	(4,186)	(3,883)	-7.2%	-4.2%
General and administrative expenses	(12,906)	(13,539)	(13,367)	-1.3%	3.6%
Management profit sharing and compensation	(1,453)	(1,904)	(1,456)	-23.5%	0.2%
Other operating income, net	142	2,042	744	-63.6%	423.9%
Operating Income before Financial Results	3,316	21,272	644	-97.0%	-80.6%
<i>Operating Margin %</i>	<i>2.3%</i>	<i>10.9%</i>	<i>0.5%</i>	<i>0.0%</i>	<i>0.0%</i>
Financial Results, Net	(517)	1,367	1,181	-13.6%	-328.4%
Financial income	4,285	2,995	3,478	16.1%	-18.8%
Financial expenses	(4,067)	(2,915)	(2,601)	-10.8%	-36.0%
Exchange gain (loss), net	(735)	1,287	304	-76.4%	-141.4%
Operations Operating Income	2,799	22,639	1,825	-91.9%	-34.8%
Income tax and social contribution	(735)	(7,787)	11	-100.1%	-101.5%
Net income	2,064	14,852	1,836	-87.6%	-11.0%
<i>Net Margin %</i>	<i>1.4%</i>	<i>7.6%</i>	<i>1.4%</i>	<i>0.0%</i>	<i>0.0%</i>
Net profit concerning:					
Controlling interests	2,015	14,816	1,799	-87.9%	-10.7%
Non controlling interests	49	36	37	2.8%	-24.5%
EBITDA	10,829	28,948	8,892	-69.3%	-17.9%
Profit (loss) for the period	2,064	14,852	1,836	-87.6%	-11.0%
Income tax and social contribution	735	7,787	(11)	-100.1%	-101.5%
Depreciation income, net	517	(1,367)	(1,181)	-13.6%	-328.4%
Depreciation and amortization	7,513	7,676	8,248	7.5%	9.8%
<i>EBITDA Margin %</i>	<i>7.4%</i>	<i>14.9%</i>	<i>6.7%</i>	<i>0.0%</i>	<i>0.0%</i>
Nº of shares in capital stock (th)	62,858	62,858	62,858	0.0%	0.0%
Profit per share - R\$	0.03	0.24	0.03	-87.9%	-10.7%

Consolidated Cash Flow Statement

(R\$ thousand)

	1Q17	4Q17	1Q18
Cash from operating activities			
Net Income before taxation	2,799	22,638	1,825
Financial expenses and exchange gain	2,478	(9,715)	448
Depreciation and amortization	7,513	7,676	8,248
Allowance for doubtful accounts and other receivables	420	(956)	(737)
Proceeds from sale of fixed assets and intangibles	(297)	(1,137)	(684)
Provision for inventory realization	(2,475)	(6,719)	(839)
Reserve for contingencies	(3,511)	1,857	1,553
Change on operating assets and liabilities			
Financial Investments	(534)	(250)	726
Trade accounts receivable	(18,130)	(1,802)	3,043
Onlending of Finame manufacturer financing	16,305	(16,741)	11,737
Inventories	17,028	28,155	(30,502)
Recoverable taxes, net	3,642	6,172	(2,321)
Judicial deposits	(578)	(531)	(1,132)
Other receivables	(1,430)	3,136	731
Trade accounts payable	(7,519)	(928)	13,664
Payroll and related taxes	4,641	(4,405)	(1,610)
Taxes payable	(1,252)	(2,905)	(2,448)
Advances from customers	(122)	(15,856)	(3,601)
Other payables	1,043	1,330	(1,014)
Cash provided by (used in) operating activities	20,021	9,019	(2,913)
Income tax and social contribution paid	(842)	(463)	(279)
Net Cash provided by (used in) operating activities	19,179	8,556	(3,192)
Purchase of fixed assets	(3,394)	(16,094)	(8,800)
Sales of fixed assets	494	2,611	769
Increase in intangible assets	(671)	(5,040)	(8)
Net cash Used in Investing Activities	(3,571)	(18,523)	(8,039)
Interest on capital paid	(113)	-	(8,305)
New loans and financing	1,801	4,515	5,572
Payments of loans and financing	(12,823)	48,882	(9,436)
Interests paid (including Finame manufacturer financing)	(5,020)	(88,656)	(4,954)
New loans in Finame manufacturer	4,759	35,082	11,764
Payment of Finame manufacturer financing	(18,497)	(15,859)	(14,736)
Net Cash provided by (used in) Financing Activities	(29,893)	(16,036)	(20,095)
Increase (decrease) in cash and cash equivalents	(14,285)	(26,003)	(31,326)
Exchange variation changes on cash and cash equivalents abroad	(11)	93	(268)
Cash and cash equivalents - beginning of period	101,510	128,420	105,682
Cash and cash equivalents - end of period	87,214	102,510	74,088

Attachment I – DRE by Business Unit

Demonstração do Resultado Consolidado por Unidade de Negócio - 1Q18

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Raw and Machined Cast Iron	Total
Net Operating Revenue	61,913	29,077	41,657	132,647
Cost of Sales and Services	(37,548)	(24,036)	(36,304)	(97,888)
Business Units Transfers	940	-	3,265	4,205
Business Units Transfers	(3,265)	-	(940)	(4,205)
Gross Profit	22,040	5,041	7,678	34,759
<i>Gross Margin %</i>	<i>35.6%</i>	<i>17.3%</i>	<i>18.4%</i>	<i>26.2%</i>
Operating Expenses	(22,219)	(7,544)	(4,352)	(34,115)
Selling	(13,077)	(2,177)	(899)	(16,153)
General and Administrative	(5,200)	(5,367)	(2,800)	(13,367)
Research and Development	(3,883)	-	-	(3,883)
Management profit sharing	(803)	-	(653)	(1,456)
Other operating revenue	744	-	-	744
Operating Income before Financial Results	(179)	(2,503)	3,326	644
<i>Operating Margin %</i>	<i>-0.3%</i>	<i>-8.6%</i>	<i>8.0%</i>	<i>0.5%</i>
Depreciation and amortization	3,175	1,694	3,379	8,248
EBITDA	2,996	(809)	6,705	8,892
<i>EBITDA Margin %</i>	<i>4.8%</i>	<i>-2.8%</i>	<i>16.1%</i>	<i>6.7%</i>

Income Statement by Business Units - 1Q17

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Raw and Machined Cast Iron	Total
Net Operating Revenue	59,313	29,869	57,343	146,525
Cost of Sales and Services	(37,563)	(23,479)	(49,239)	(110,281)
Business Units Transfers	1,500	-	1,529	3,030
Business Units Transfers	(1,529)	-	(1,500)	(3,030)
Gross Profit	21,721	6,390	8,133	36,244
<i>Gross Margin %</i>	<i>36.6%</i>	<i>21.4%</i>	<i>14.2%</i>	<i>24.7%</i>
Operating Expenses	(20,461)	(6,452)	(6,015)	(32,928)
Selling	(10,842)	(2,497)	(1,320)	(14,659)
General and Administrative	(5,067)	(3,955)	(3,884)	(12,906)
Research and Development	(4,052)	-	-	(4,052)
Management profit sharing	(642)	-	(811)	(1,453)
Other operating revenue	142	-	-	142
Operating Income before Financial Results	1,260	(62)	2,118	3,316
<i>Operating Margin %</i>	<i>2.1%</i>	<i>-0.2%</i>	<i>3.7%</i>	<i>2.3%</i>
Depreciation and amortization	3,174	1,334	3,005	7,513
EBITDA	4,434	1,272	5,123	10,829
<i>EBITDA Margin %</i>	<i>7.5%</i>	<i>4.3%</i>	<i>8.9%</i>	<i>7.4%</i>

Attachment II – Financial Statements of B+W

Balance Sheet B+W

	(€ 000)		
ASSETS	06/30/17	12/31/17	03/31/18
CURRENT	24,892	20,810	20,882
Cash and Cash equivalents	980	1,587	828
Trade accounts receivable	5,562	7,011	4,844
Inventories	16,430	11,372	14,151
Recoverable taxes	1,017	527	681
Related Parties	134	99	82
Other receivables	768	214	296
NONCURRENT	26,556	28,235	27,924
Investments			
Property, plant and equipment	14,569	15,308	15,158
Investment in subsidiaries	46	59	59
Intangible assets	11,941	12,868	12,707
TOTAL ASSETS	51,448	49,045	48,806
LIABILITIES AND SHAREHOLDER'S EQUITY	06/30/17	12/31/17	03/31/18
CURRENT	17,954	14,868	15,388
Trade accounts payable	1,484	953	1,788
Payroll and related taxes	1,489	1,613	1,939
Advances from customers	12,949	10,690	10,172
Other payables	1,708	1,528	1,285
Related Parties	248	84	204
NON CURRENT	8,154	7,979	7,795
Loans and financing	3,382	3,105	2,966
Deferred income and social contribution taxes	4,772	4,874	4,829
SHAREHOLDER'S EQUITY	25,340	26,198	25,623
Capital	7,025	7,025	7,025
Capital reserve	505	505	505
Profit reserve	17,810	18,668	18,093
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	51,448	49,045	48,806

B+W Income Statement

	(€ 000)		
	1Q17	4Q17	1Q18
Net Operating Revenue	8,937	15,606	7,214
Cost of Goods Sold	(7,026)	(11,602)	(5,976)
Gross Profit	1,911	4,004	1,238
<i>Gross Margin %</i>	<i>21.4%</i>	<i>25.7%</i>	<i>17.2%</i>
Operating Expenses	(1,926)	(1,925)	(1,892)
Selling expenses	(747)	(786)	(546)
General and administrative expenses	(1,179)	(1,139)	(1,346)
Operating Income before Financial Results	(15)	2,079	(654)
<i>Operating Margin %</i>	<i>-0.2%</i>	<i>13.3%</i>	<i>-9.1%</i>
Financial Results, Net	(105)	(156)	(111)
Operations Operating Income	(120)	1,923	(765)
Income tax and social contribution	35	(641)	189
Net income	(85)	1,282	(576)
<i>Net Margin %</i>	<i>-1.0%</i>	<i>8.2%</i>	<i>-8.0%</i>
EBITDA	492	2,640	(121)
Net income / loss for the period	(85)	1,282	(576)
Income tax and social contribution	(35)	641	(189)
Financial income, net	105	156	111
Depreciation and amortization	507	561	533
<i>EBITDA Margin %</i>	<i>5.5%</i>	<i>16.9%</i>	<i>-1.7%</i>

Statements contained in this release related to the Company's business outlook, projections of operating and financial results, and references to the Company's growth potential are mere forecasts and have been based on Management's expectations regarding its future performance. These expectations are highly dependent upon market behavior, economic conditions in Brazil, the industry and international markets. Therefore, they are subject to changes.