



ROMI

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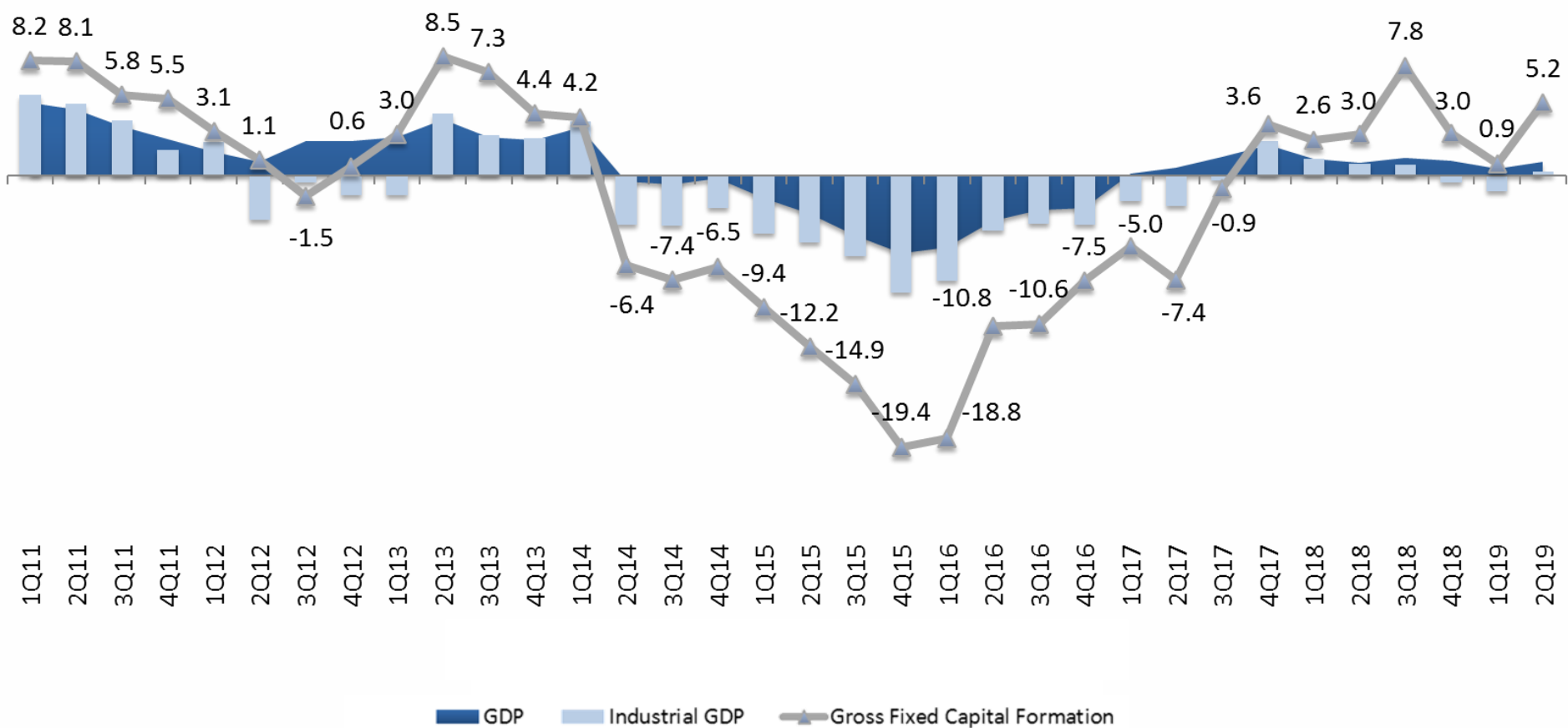


3Q19 Earnings Release

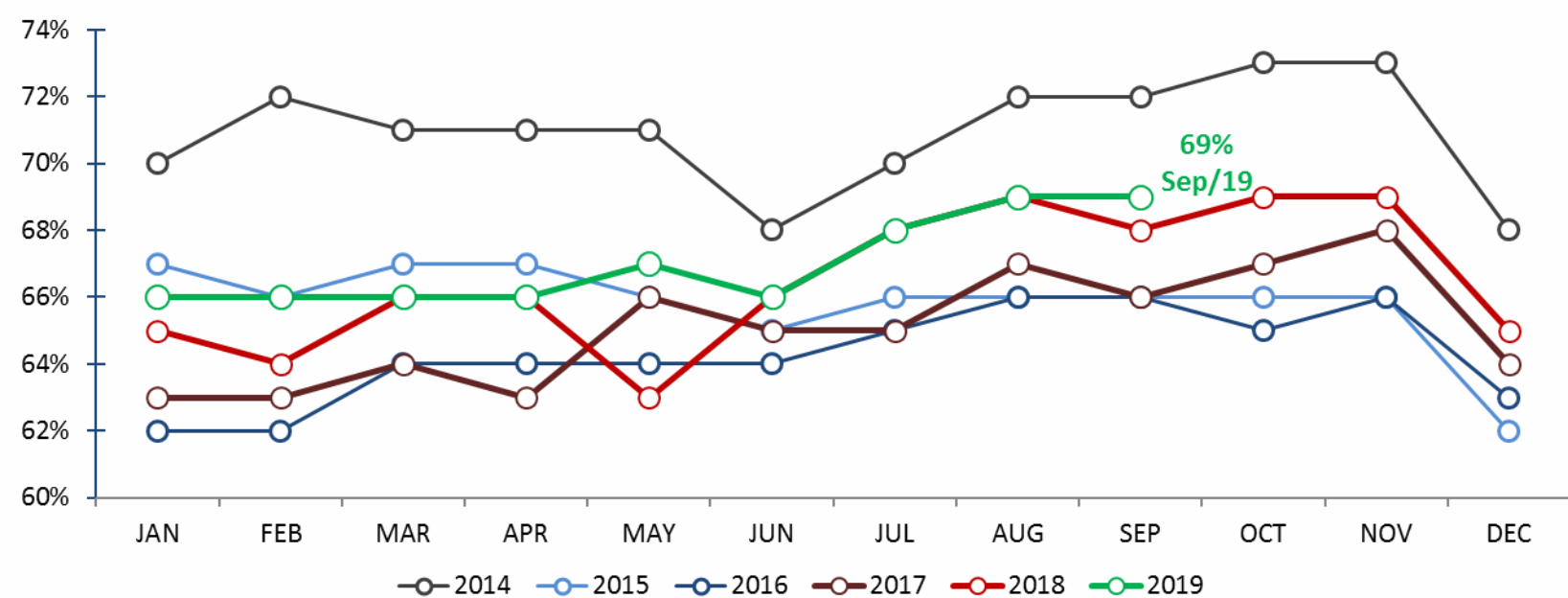
October 23, 2019

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.

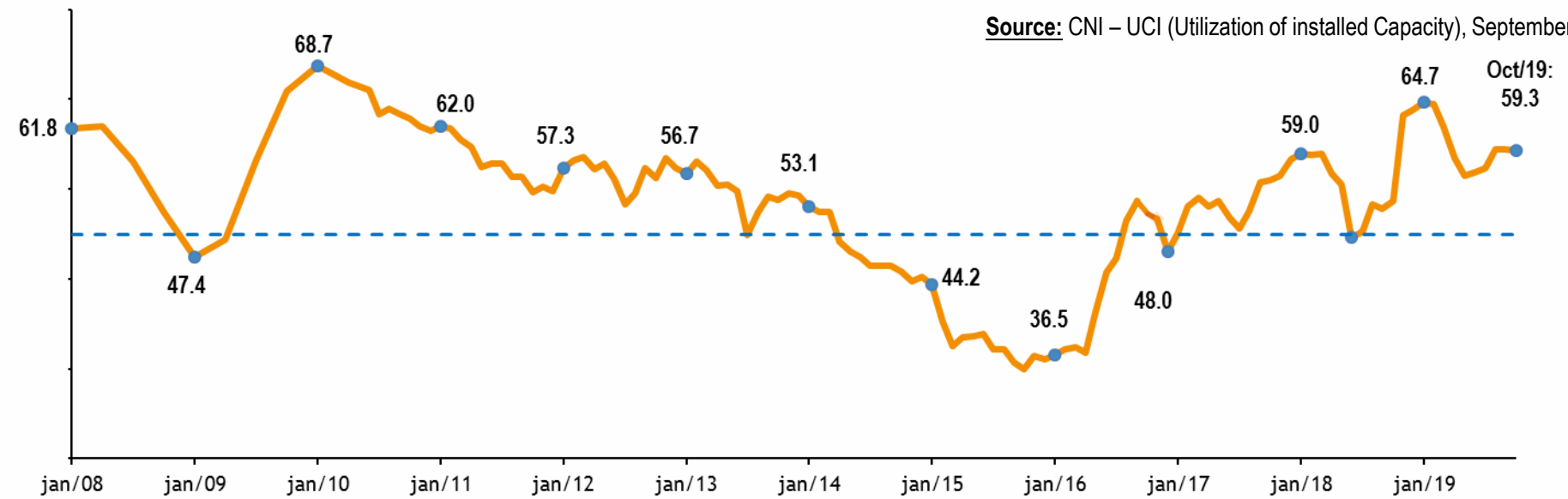
- **Net operating revenue** in 3Q19 reached **246.5 million**, an **increase of 19.7%** over the same period of the previous year, with emphasis on **Romi Machines** and **B+W Machines** Business Units;
- **EBITDA margin** in 3Q19 reached **14.4%**, an **increase of 2.8 p.p.** over 3Q18, with highlights to the **B+W Machines** Business Unit;
- The **Romi Machines** Business Unit, compared to 3Q18, posted a **15.7% growth** in net **operating revenue** and an **operating margin** of **16.4%** in 3Q19;
- The **B+W Machines** Unit, net operating revenue **grew 52.3%** in 3Q19 compared to 3Q18 and **10.5 p.p.** in **operating margin**, reflecting the release of new products, the development of solutions to serve new segments and projects focused on increasing profitability;
- In 3Q19, the **order entry** from the **Raw and Machined Cast Iron Parts** Business Unit **grew 103.3%** over 3Q18, reflecting the beginning of the resumption of demand for large castings; and
- The **Company's net cash** position **reached R\$ 15.8 million** on September 30, 2019 due to the operating cash generation in 3Q19 and the judicial deposits arising from the Success in Legal Proceeding, as described throughout this report, were released and incorporated into the Company's cash on September 20, 2019, in the amount of **R\$ 88.5 million**.



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



Source: CNI – UCI (Utilization of installed Capacity), September 2019



Source: CNI – ICEI (Industrial Executive Confidence Index), October 2019

Economic Indexes - Conjunctural

Romi Machines



	9M19	2018
Job shops	17%	16%
Machines and Equipments	10%	16%
Tooling	8%	6%
Automotive	12%	13%
Packing	3%	4%
Others	50%	45%

B+W Machines



	9M19	2018
Machines and Equipments	45%	52%
Automotive	31%	30%
Motors and Systems	17%	11%
Aerospace	6%	5%
Others	1%	2%

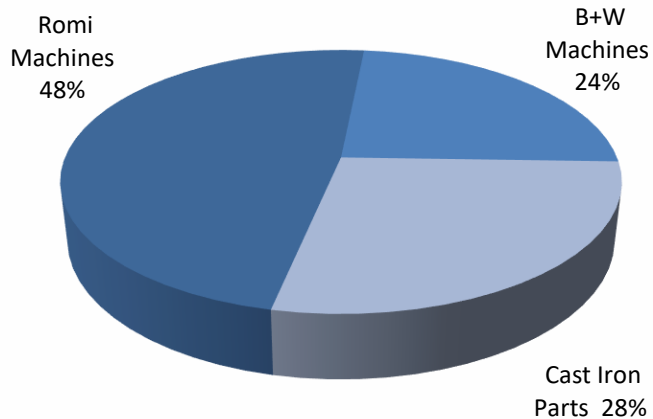
Rough and Machined Cast Iron Parts



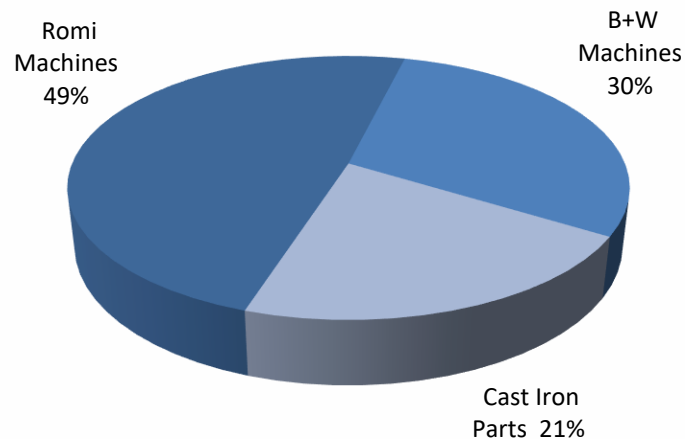
	9M19	2018
Automotive	32%	25%
Agriculture	25%	19%
Construction	22%	15%
Wind Power	19%	40%
Others	2%	1%

Business units

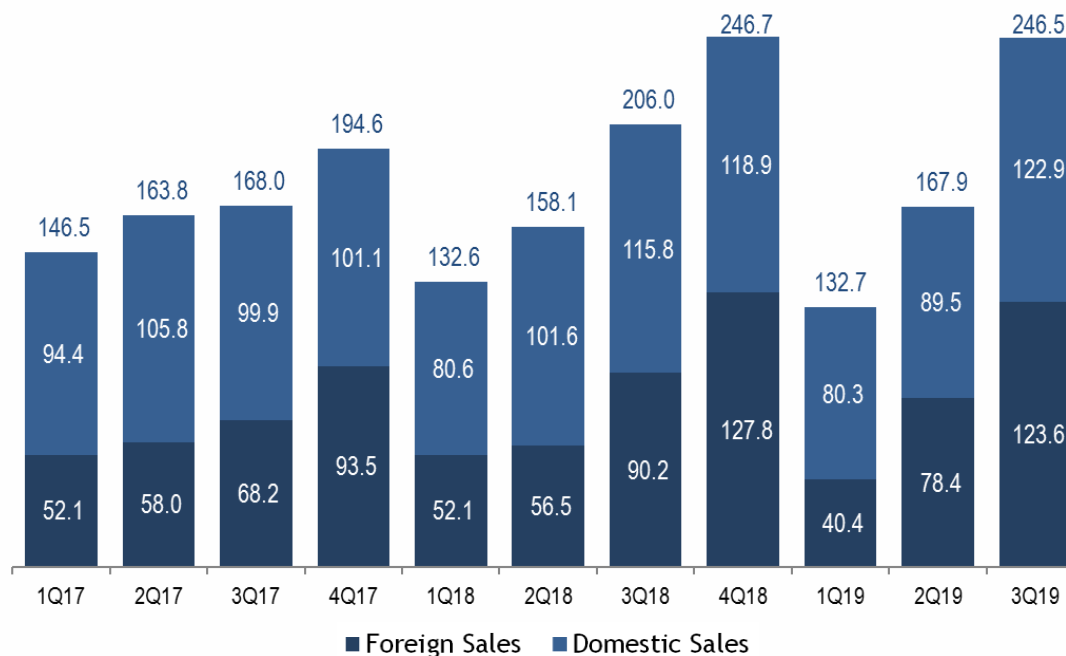
9M18



9M19

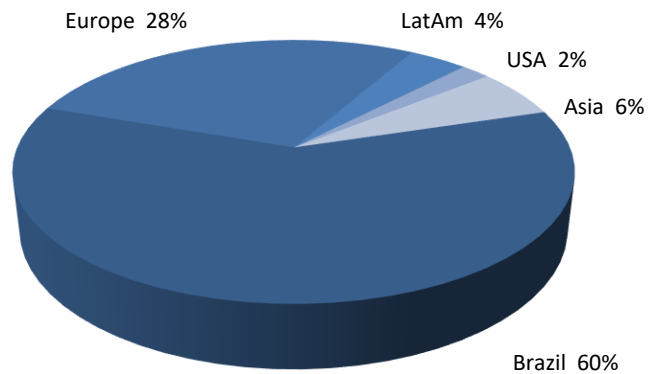


Net Operating Sales (R\$ million)

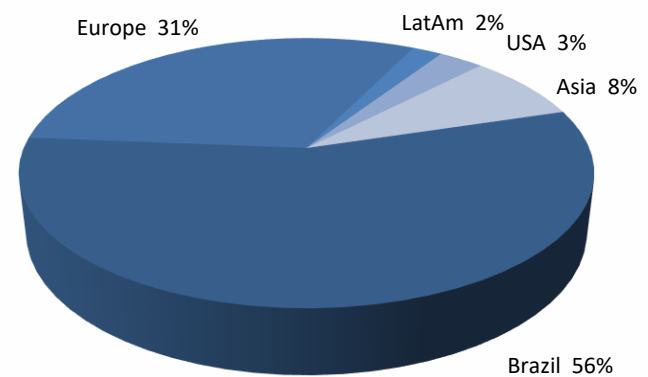


Net Sales per Business Unit

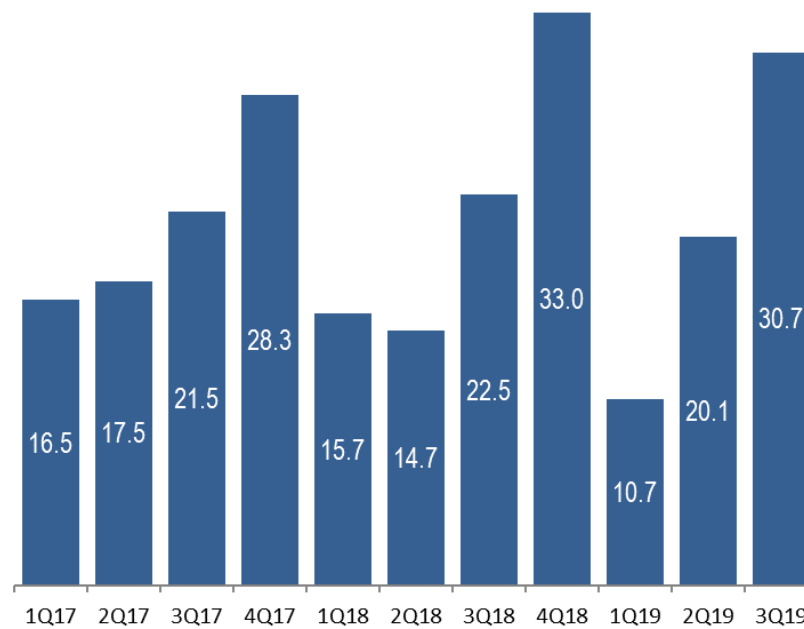
9M18



9M19



Foreign Sales (US\$ million)



Sales Distribution

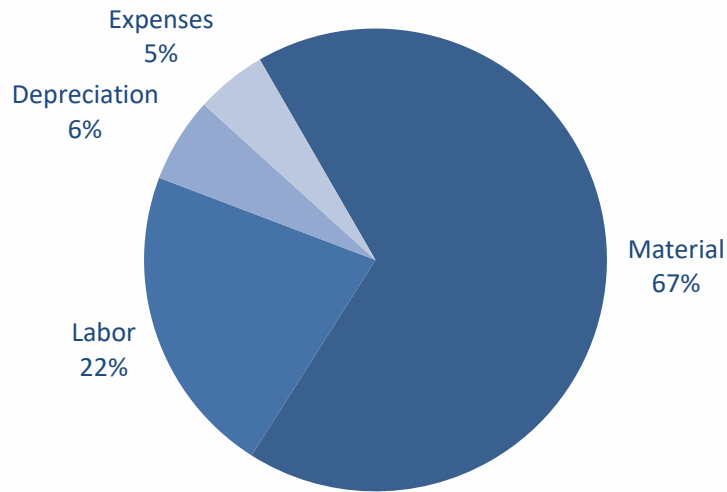
Order Entry (R\$ 000) Gross Values, sales taxes included	3Q18	2Q19	3Q19	Chg. 3Q19/2Q19	Chg. 3Q19/3Q18	9M18	9M19	Chg. 19/18
Romi Machines	108,944	116,053	92,413	-20.4%	-15.2%	276,853	280,422	1.3%
Burkhardt+Weber Machines	78,231	41,396	36,673	-11.4%	-53.1%	135,566	110,268	-18.7%
Rough and Machined Cast Iron Parts	29,408	66,560	59,774	-10.2%	103.3%	144,565	163,412	13.0%
Total *	216,583	224,008	188,860	-15.7%	-12.8%	556,984	554,101	-0.5%

Order Backlog (R\$ 000) Gross Values, sales taxes included	3Q18	2Q19	3Q19	Chg. 3Q19/2Q19	Chg. 3Q19/3Q18
Romi Machines	136,011	119,291	112,472	-5.7%	-17.3%
Burkhardt+Weber Machines	199,841	183,251	151,062	-17.6%	-24.4%
Rough and Machined Cast Iron Parts	41,217	62,930	71,624	13.8%	73.8%
Total *	377,069	365,472	335,158	-8.3%	-11.1%

(*) Order backlog and order entry values do not include spare parts and services

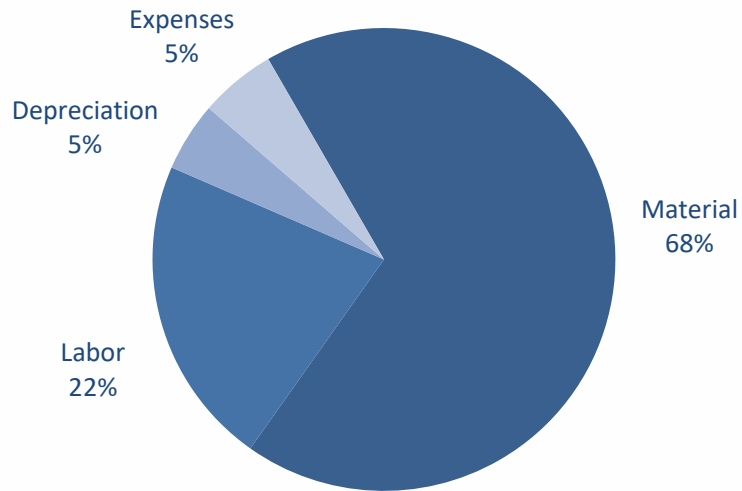
Order Entry Backlog

9M18



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

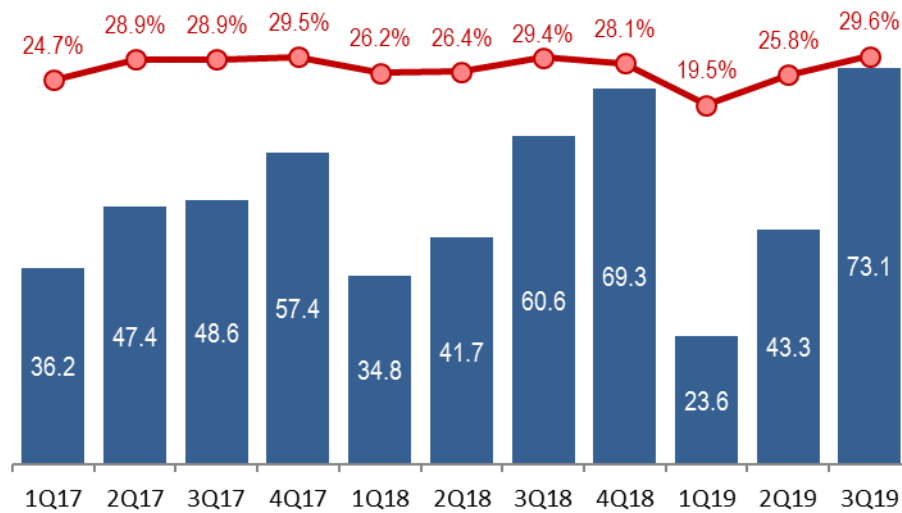
9M19



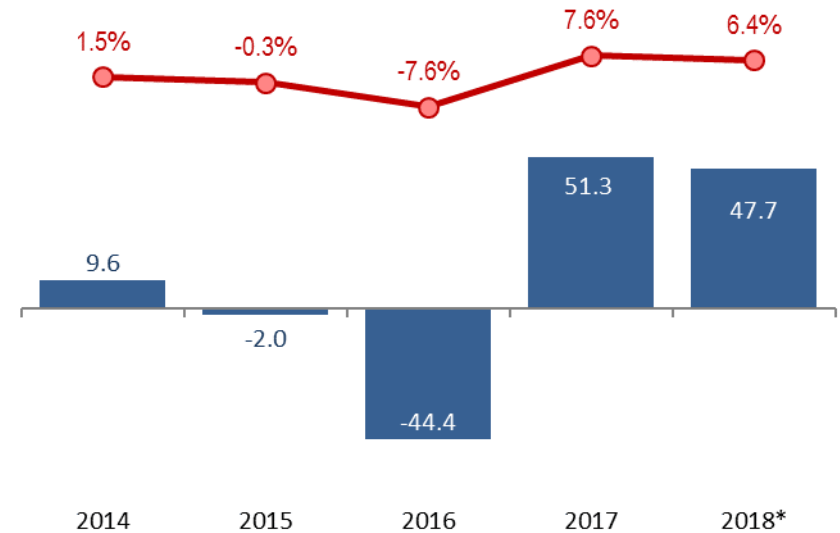
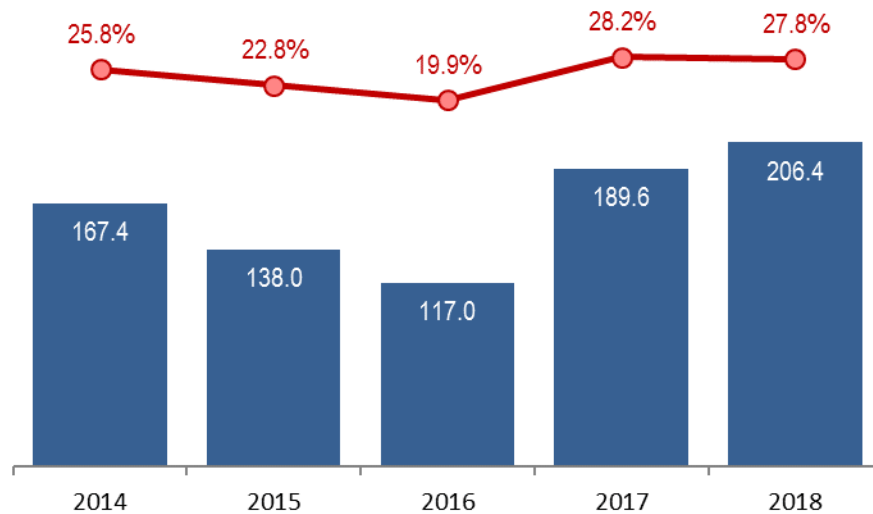
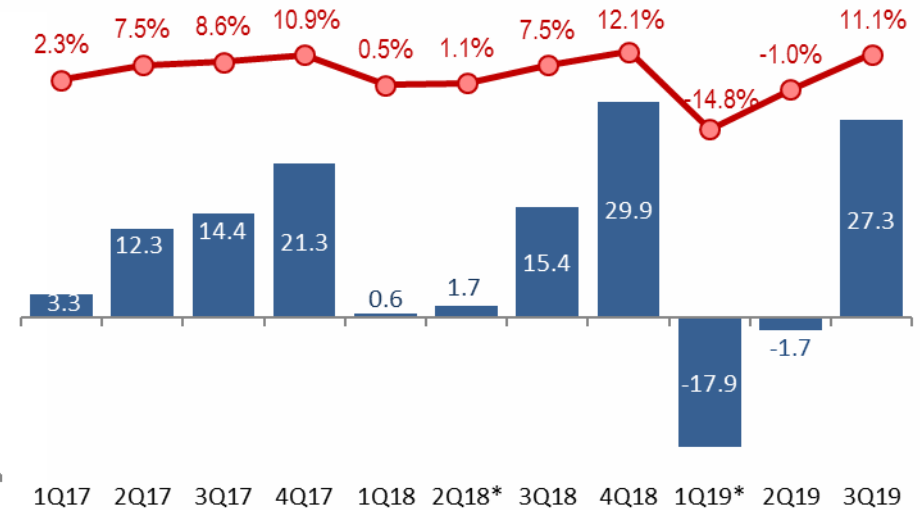
21%	Domestic material
16%	FX related domestic material
14%	Metals
17%	Imported material

Cost of Goods Sold

Gross Profit (R\$ million) and Gross Margin

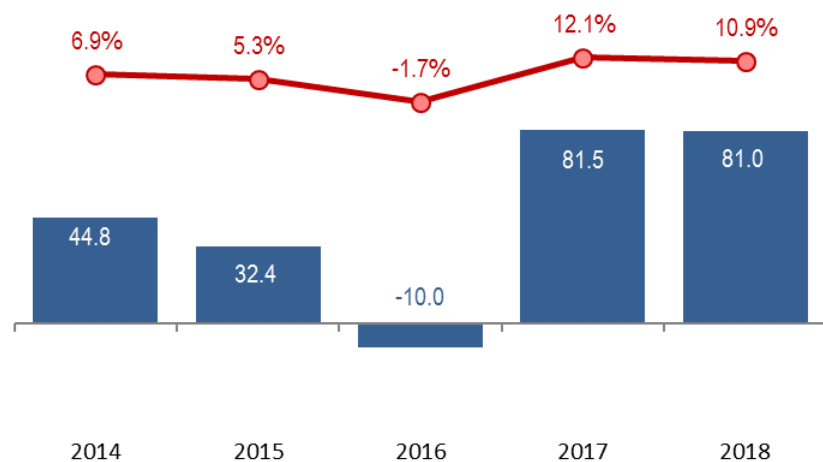
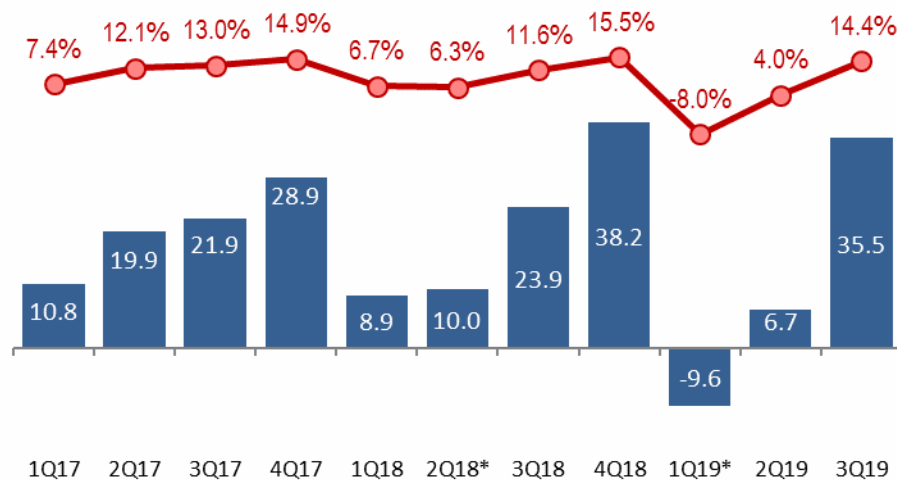


Operating Profit (loss) (R\$ million) and Operating Margin

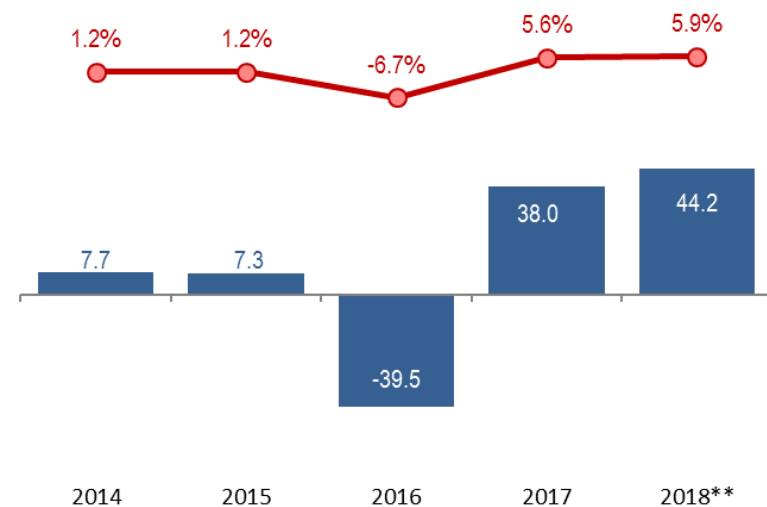
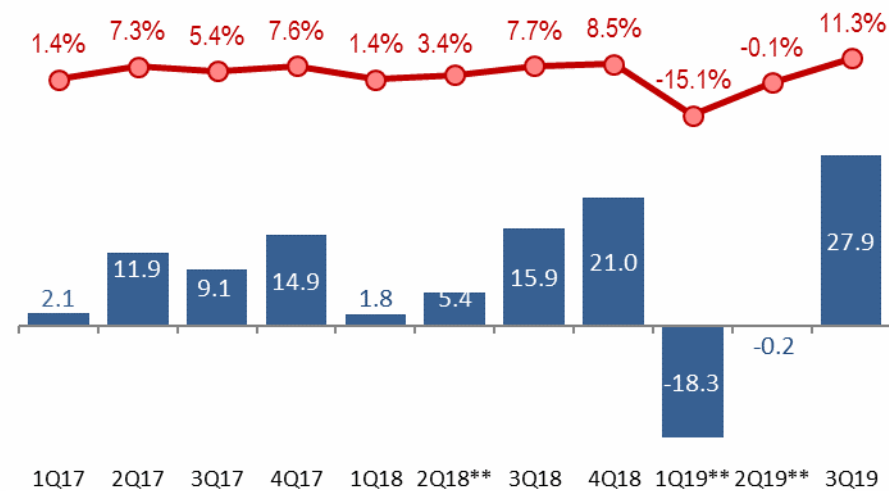


(*) According to the information in the 3Q19 Earnings Release, operating income is adjusted as follows: (i) 2Q18/2018: increased by R\$1.6 million; and (ii) 1Q19: reduced by R\$74.3 million.

EBITDA (R\$ million) and EBTIDA Margin



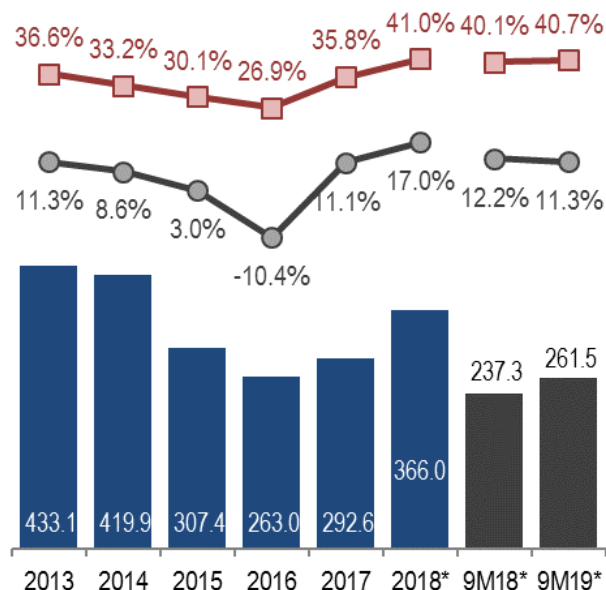
Net income (loss) (R\$ million) and Net Margin



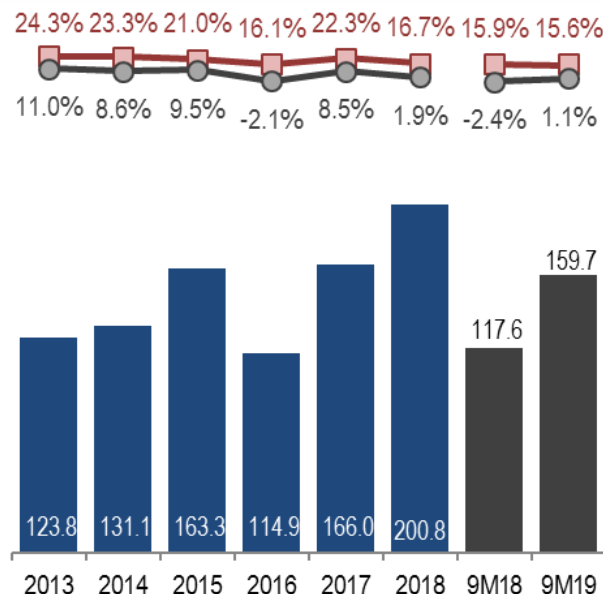
(*) According to the information in the 3Q19 Earnings Release, EBITDA is adjusted by the following aspects: (i) 2Q18/2018: increased by R\$1.6 million; and (ii) 1Q19: reduced by R\$74.3 million. (**) According to the information in the 3Q19 Earnings Release, net income is adjusted by the following aspects: (i) 2Q18/2018: reduced by R\$40.1 million; (ii) 1Q19: reduced by R\$105.6 million; and (iii) 2Q19: increased by R\$4.2 million.

	Quarter							Accumulated	
	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	9M18	9M19
Sales									
Machines (qty)	144	183	227	270	137	172	242	554	551
Burkhardt+Weber (qty)	3	4	9	13	2	8	12	16	22
Cast and Iron parts (ton)	4,592	5,453	5,520	3,469	3,567	3,836	4,286	15,565	11,689

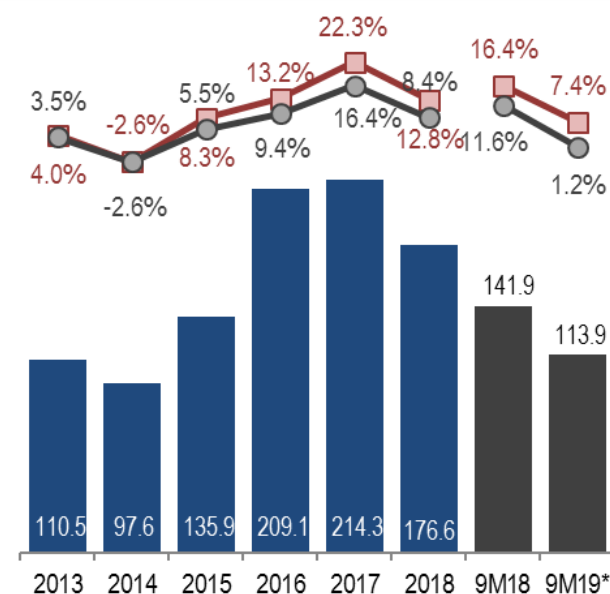
Romi Machines



B+W Machines



Rough and Machined Cast Iron Parts



■ Revenue ■ Gross Margin ● EBTIDA Adjusted

(*) EBTIDA margin is adjusted according to previous slides and 3Q19 Earnings Release.

Business Units' Results

Cash and Cash Equivalent (R\$ MM) - 09/30/2019

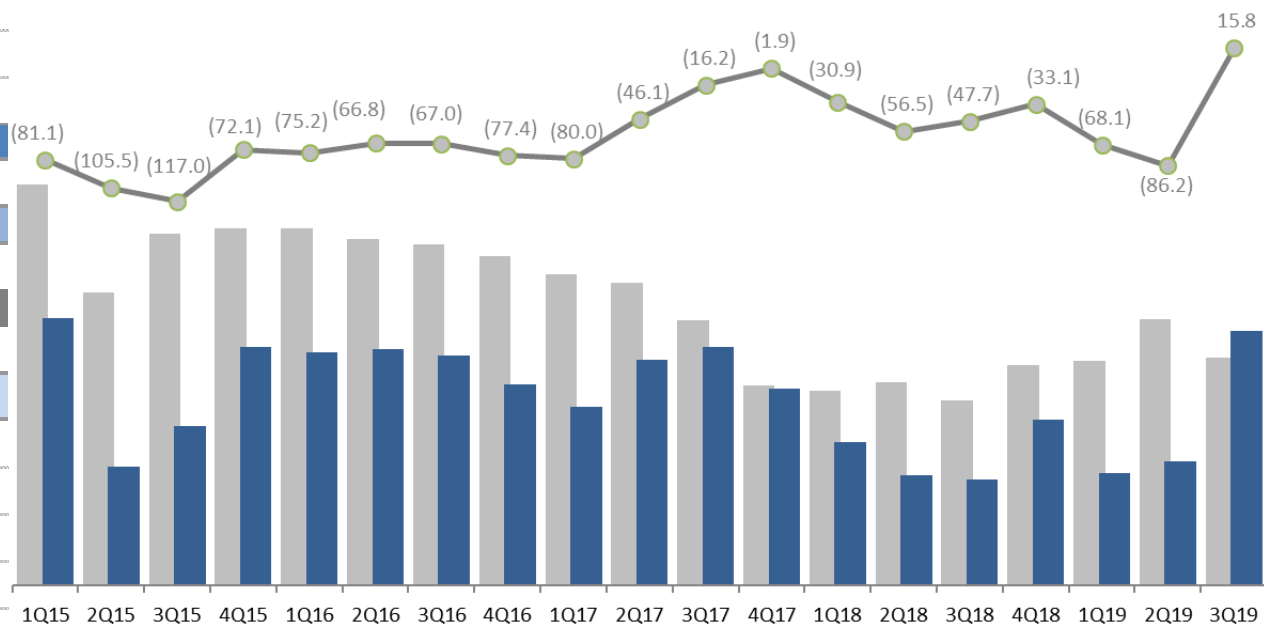
	Amount
Bank Deposit Certificate (CDB)	79.0
Financial Investment with Bonds	1.0
Financial Investment with Bonds	53.2
Banks	21.0
Total	154.3

Net Cash= 15.8

Loans* (R\$ MM) - 09/30/2019

	Amount
2019 (3 months)	53.4
2020	61.8
2021	7.3
2022	7.4
2023	2.2
2024 and after	6.4
Total	138.5

Net Cash (Debt) Position R\$ million

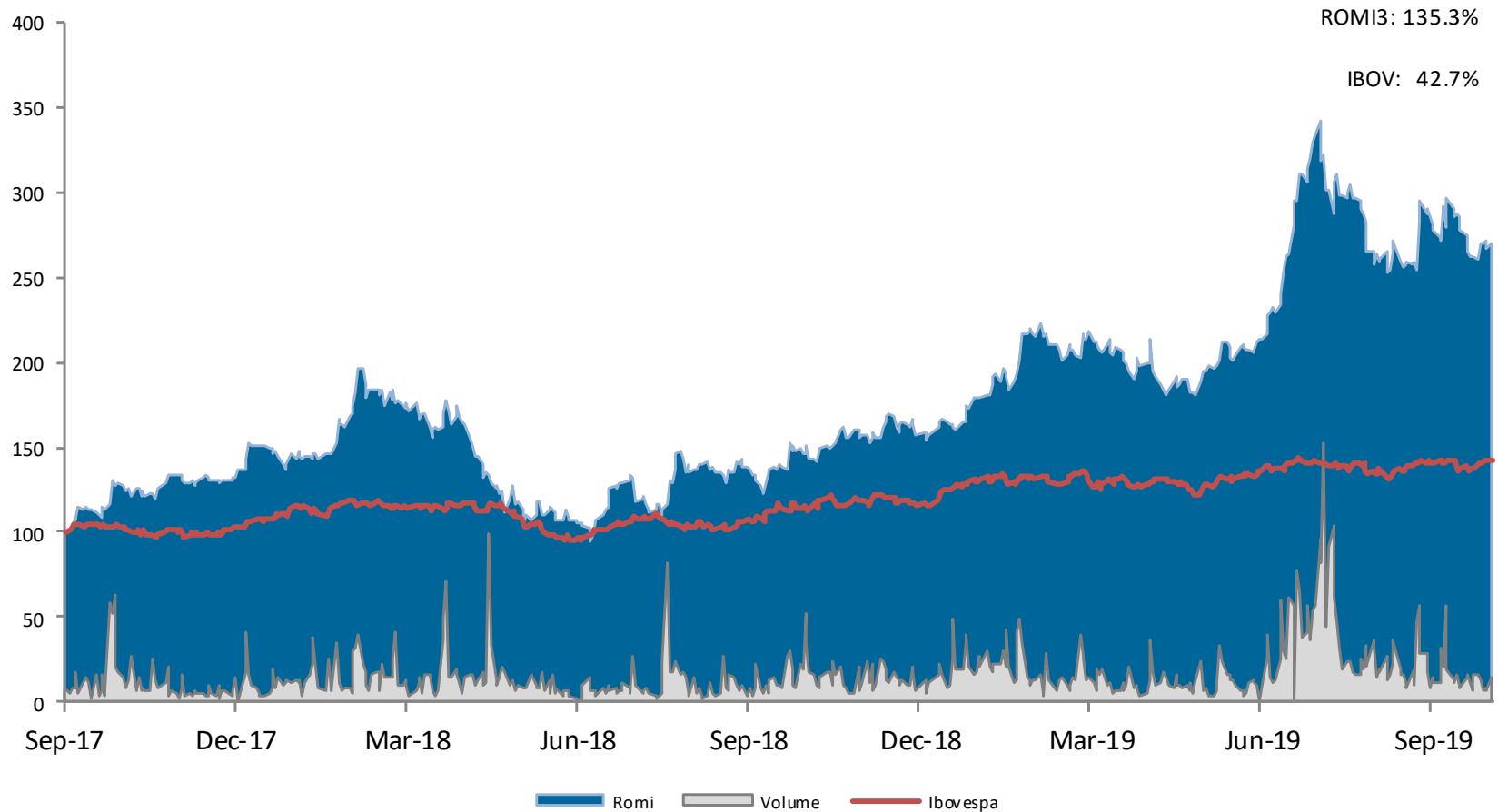


(*) Without Finame Manufacturer

Cash Position

Share Performance ROMI3 vs. Ibovespa

From 09/30/2017 to 10/21/2019



Source: B3

Share Performance



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