



ROMI

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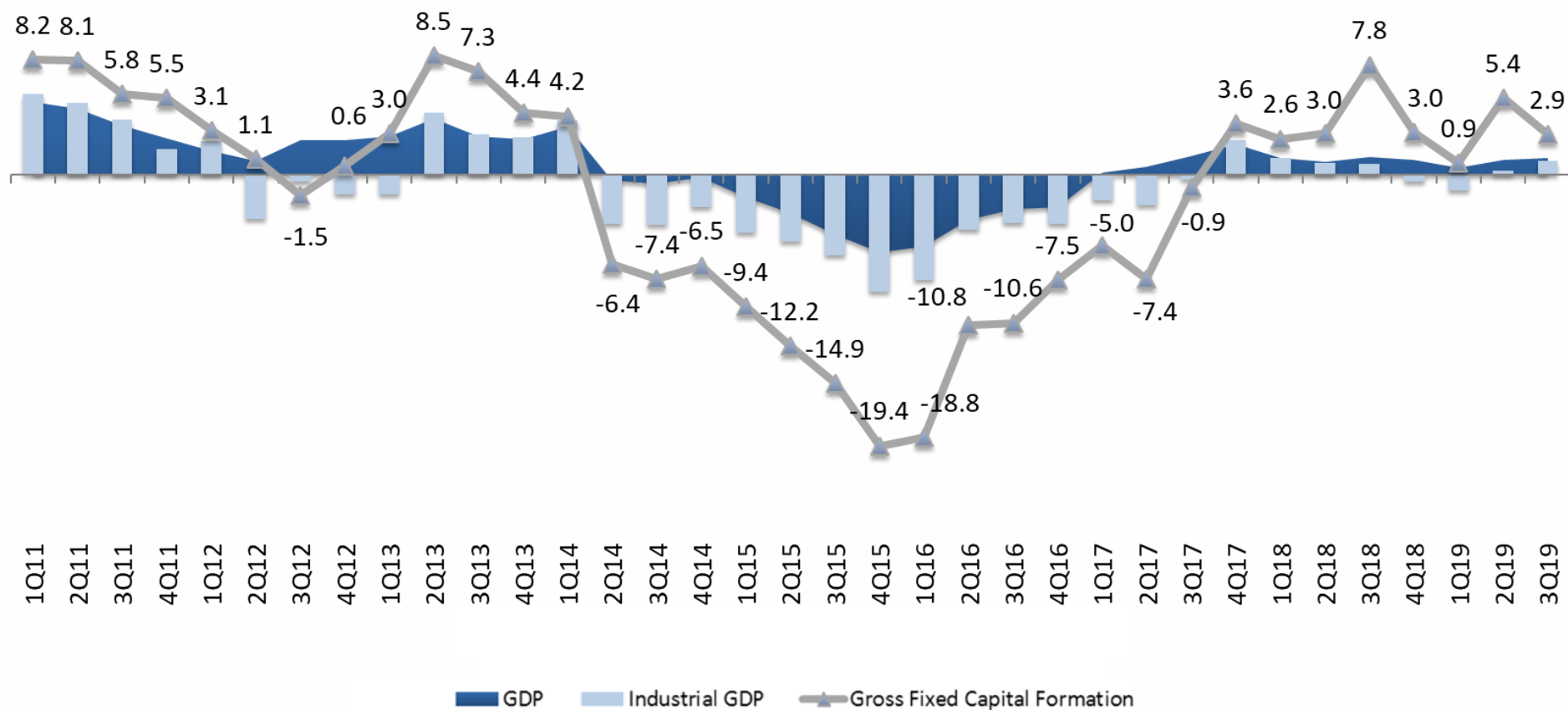


4Q19 Earnings Release

February 12, 2020

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.

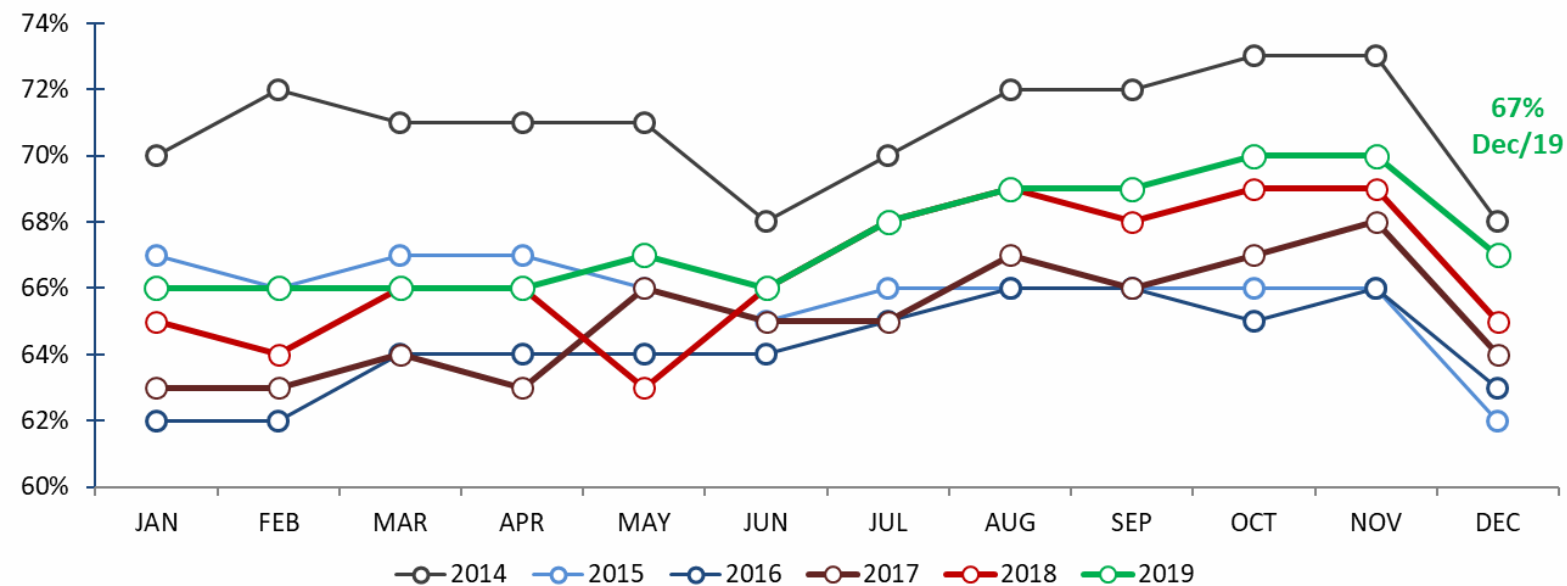
- The **order entry grew 19.5%** in 4Q19 compare to the 4Q18, due to the **Romi Machines** and **Rough and Machined Cast Iron Parts** Business Units, reflecting the more consistent recovery of the economy and the demand for large castings;
- The **net operating revenue of the Rough and Machined Cast Iron Parts Unit grew 7.5%** in 4Q19 over 4Q18, due to the start of deliveries of large parts. The **operating margin grew 12.8 p.p.**, reflecting the higher volume of production and revenue and projects focused on improving operational efficiency;
- The **order backlog grew 9.7%** at the end of 2019 compared to 2018, with highlights to the **Romi Machines** and **Rough and Machined Cast Iron Parts** Business Units;
- The **Company's net cash** position **reached R\$ 34.0 million** at December 31, 2019, representing a cash generation of **R\$ 18.2 million** in 4Q19, as a result of the higher sales volume and the reduction in inventories.



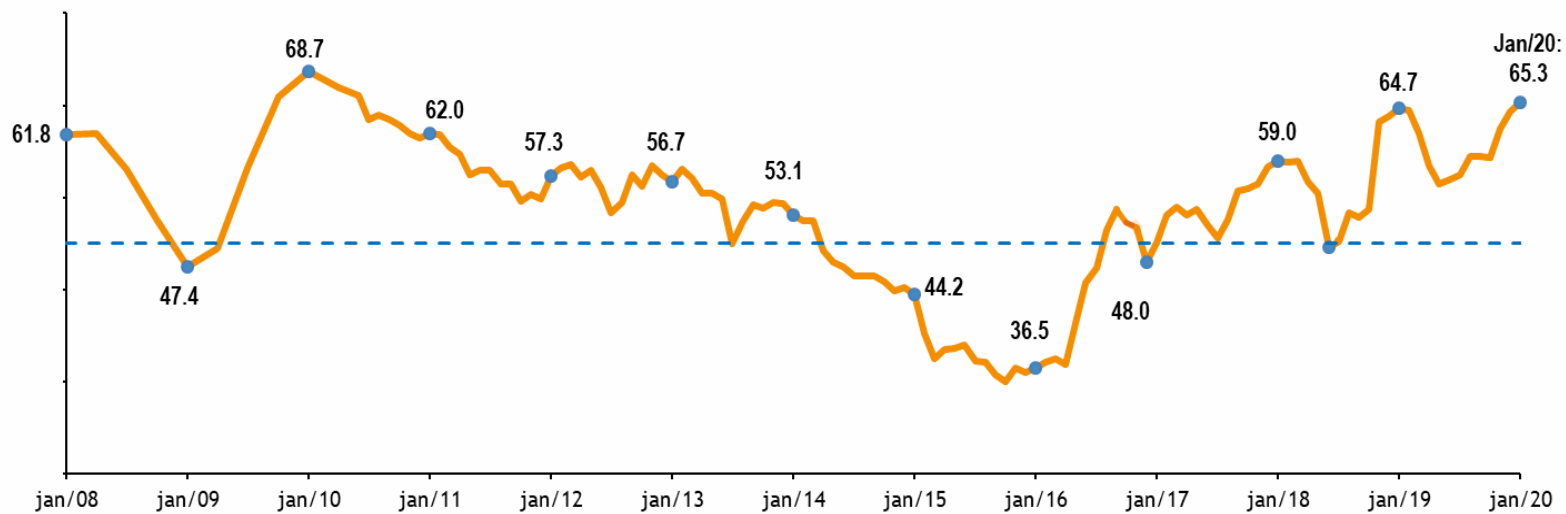
Source: IBGE (current quarter vs. the same quarter last year)



Conjunctural Indicators – GDP and FBKF



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



Source: CNI – ICEI (Industrial Executive Confidence Index), January 2020

Economic Indexes - Conjunctural

Romi Machines



	2019	2018
Job shops	22%	20%
Machines and Equipments	19%	15%
Automotive	14%	17%
Tooling	7%	5%
Packing	5%	3%
Housewares	4%	3%
Mining and steel	3%	1%
Others	26%	36%

B+W Machines



	2019	2018
Machines and Equipments	52%	52%
Automotive	24%	30%
Motors and Systems	20%	11%
Aerospace	4%	5%
Others	0%	2%

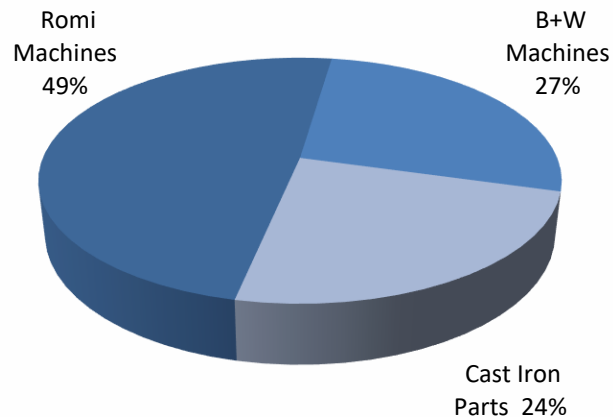
Rough and Machined Cast Iron Parts



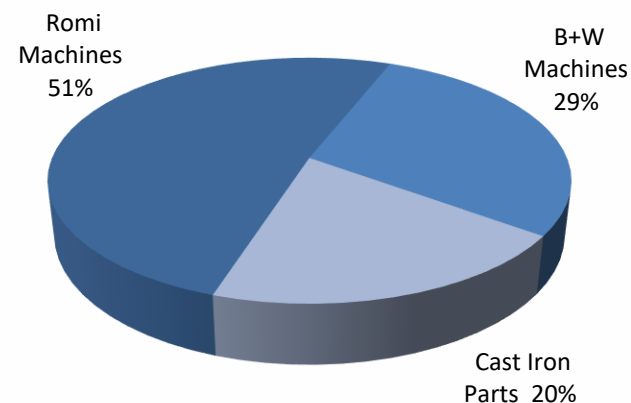
	2019	2018
Automotive	32%	25%
Agriculture	23%	19%
Construction	20%	15%
Wind Power	23%	40%
Others	2%	1%

Business units

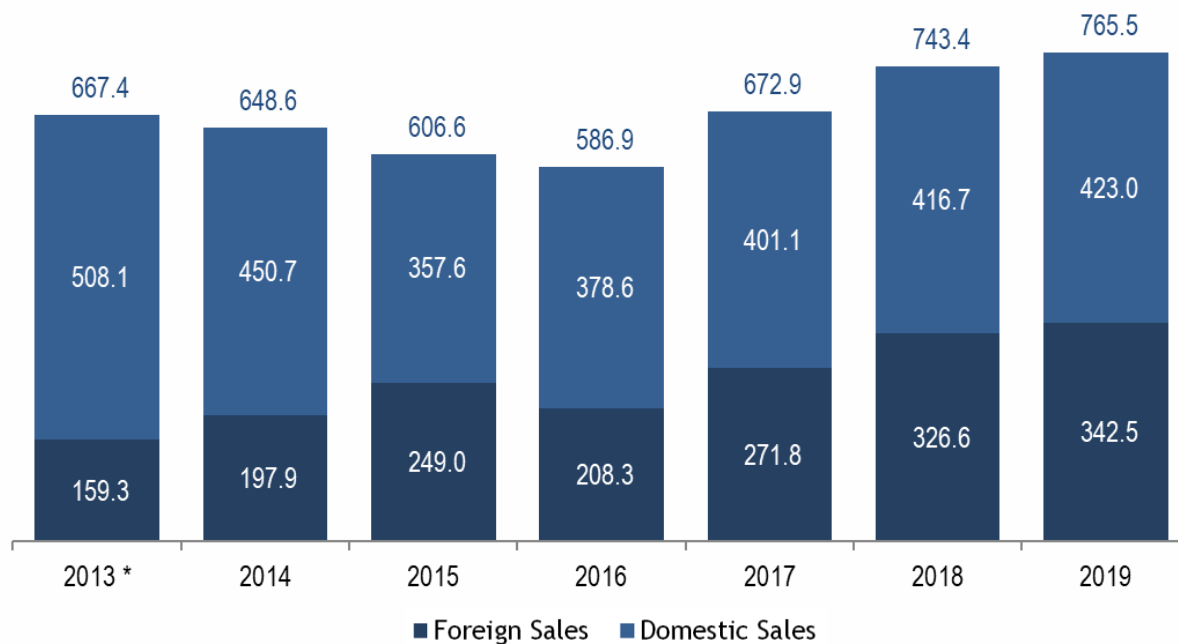
2018



2019



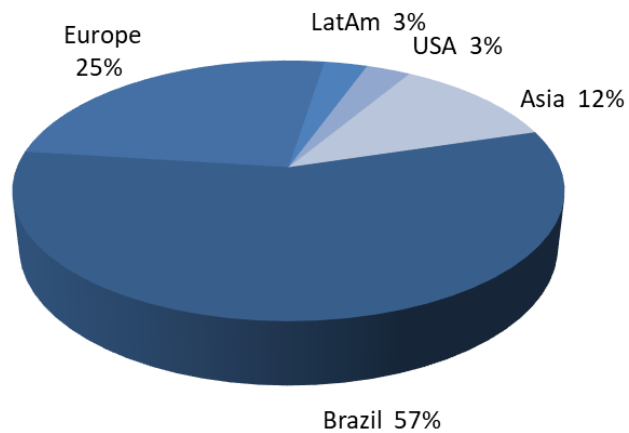
Net Operating Sales (R\$ million)



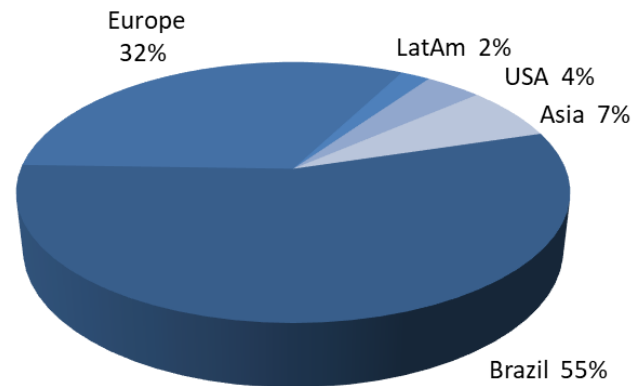
(*) Amounts relating to continued operations, excluding revenues from the subsidiary Romi Italia, which are presented as discontinued operations.

Net Sales per Business Unit

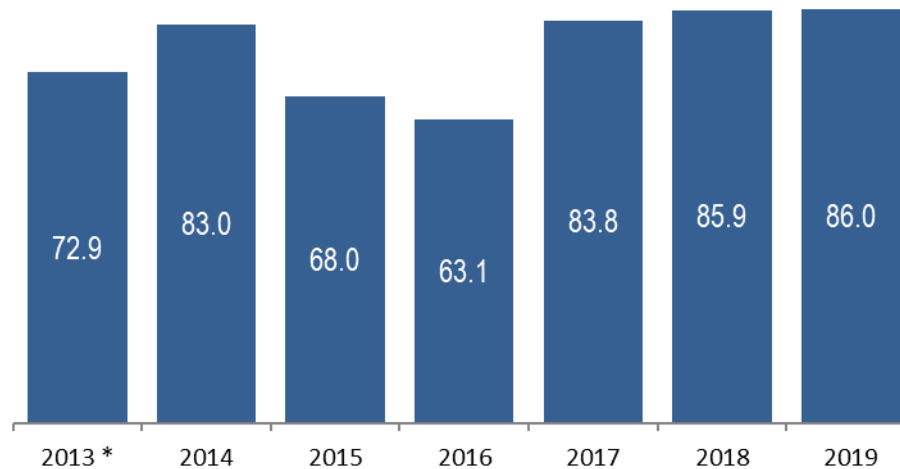
2018



2019



Foreign Sales (US\$ million)



(*) Amounts relating to continued operations, excluding revenues from the subsidiary Romi Italia, which are presented as discontinued operations.

Sales Distribution

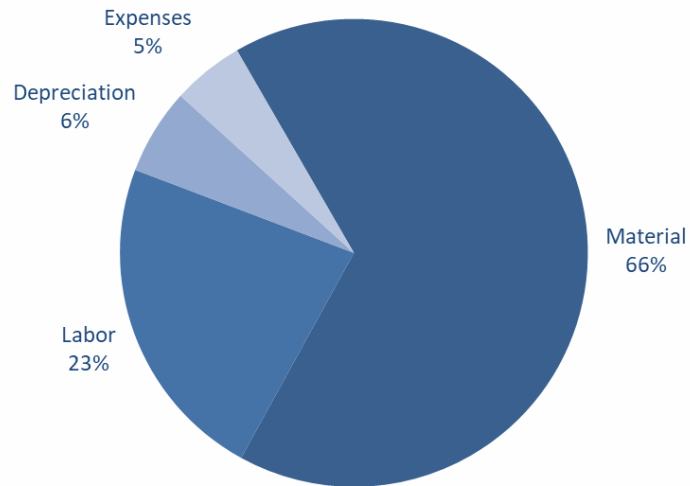
Order Entry (R\$ 000) Gross Values, sales taxes included	4Q18	3Q19	4Q19	Chg. 4Q19/3Q19	Chg. 4Q19/4Q18	2018	2019	Chg. 19/18
Romi Machines	65,981	92,885	111,184	19.7%	68.5%	342,834	392,077	14.4%
Burkhardt+Weber Machines	55,296	36,673	27,249	-25.7%	-50.7%	190,862	137,517	-27.9%
Rough and Machined Cast Iron Parts	33,700	59,774	46,820	-21.7%	38.9%	178,265	210,232	17.9%
Total *	154,977	189,331	185,253	-2.2%	19.5%	711,961	739,826	3.9%

Order Backlog (R\$ 000) Gross Values, sales taxes included	4Q18	3Q19	4Q19	Chg. 4Q19/3Q19	Chg. 4Q19/4Q18
Romi Machines	61,580	112,472	93,276	-17.1%	51.5%
Burkhardt+Weber Machines	166,576	151,062	138,470	-8.3%	-16.9%
Rough and Machined Cast Iron Parts	49,705	71,624	73,207	2.2%	47.3%
Total *	277,861	335,158	304,952	-9.0%	9.7%

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

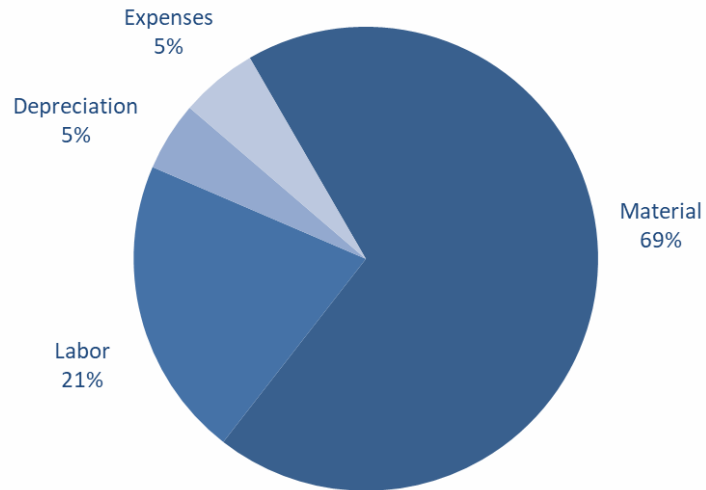
Order Entry Backlog

2018



19%	Domestic material
12%	FX related domestic material
15%	Metals
20%	Imported material

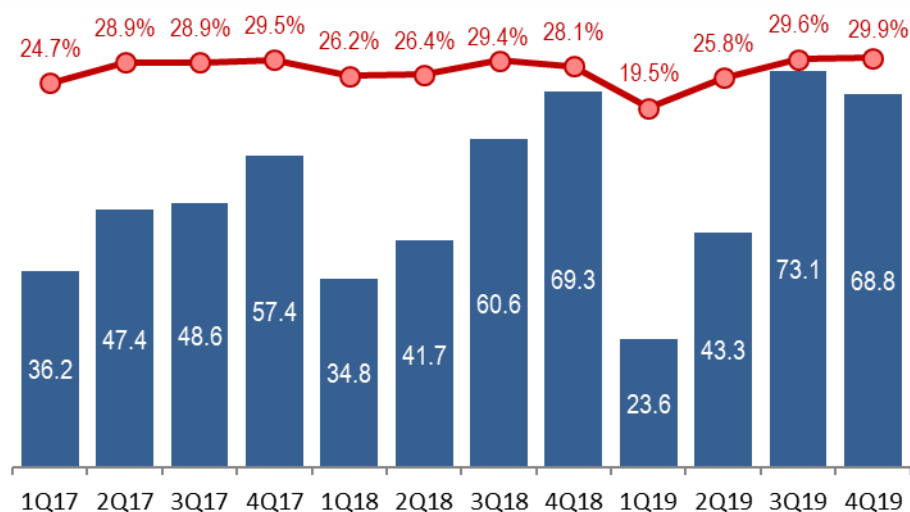
2019



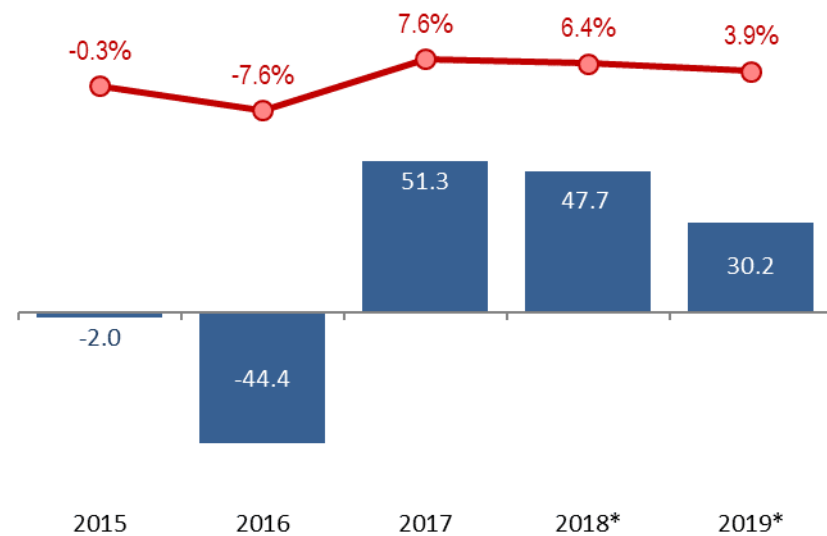
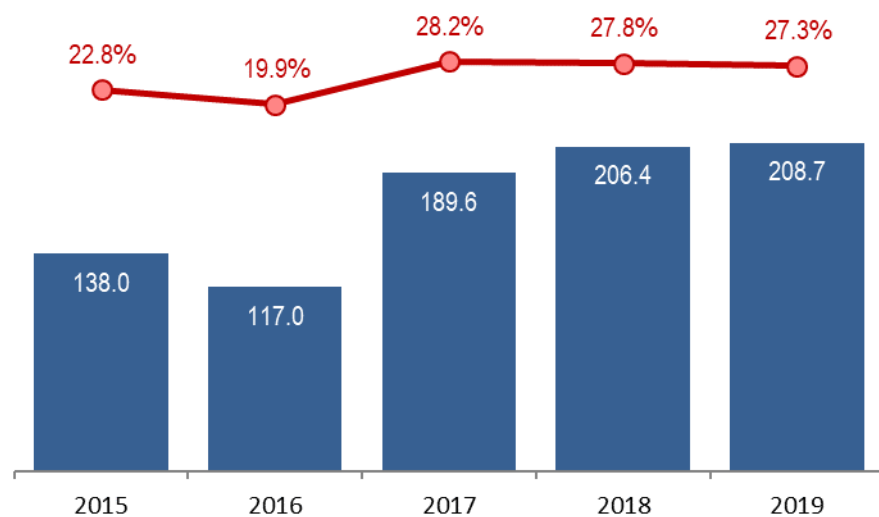
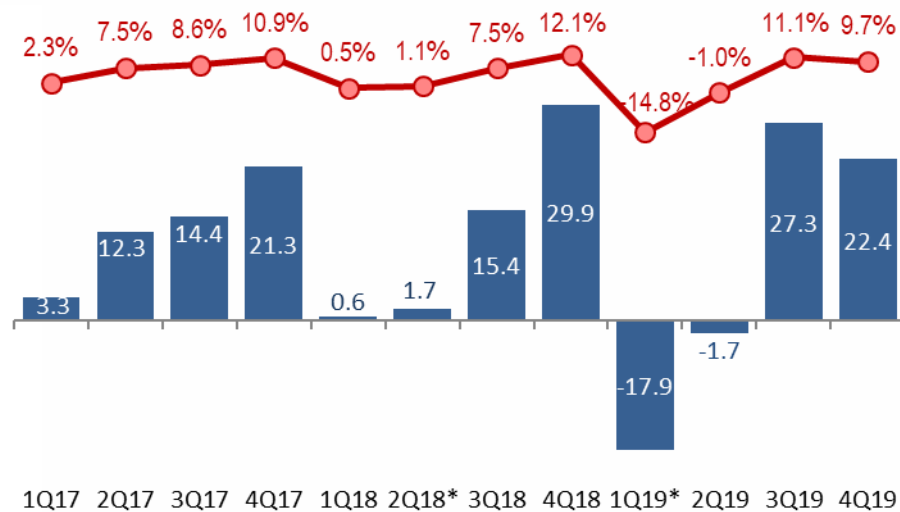
20%	Domestic material
16%	FX related domestic material
15%	Metals
18%	Imported material

Cost of Goods Sold

Gross Profit (R\$ million) and Gross Margin



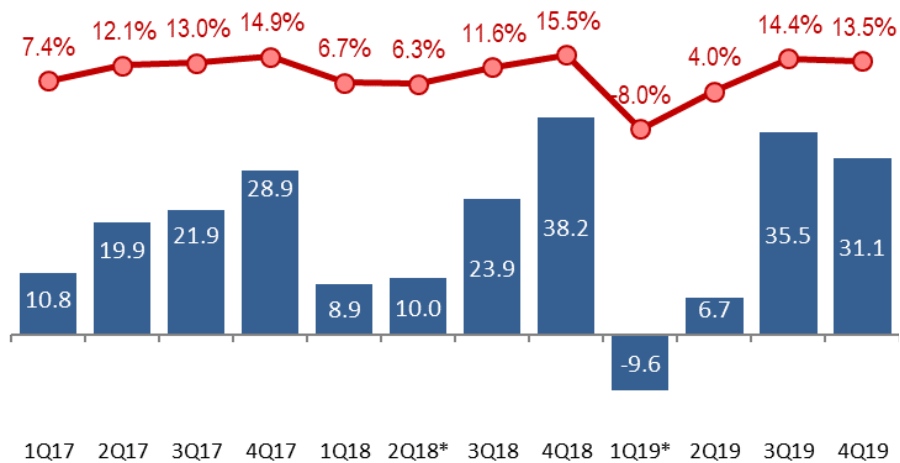
Operating Profit (loss) (R\$ million) and Operating Margin



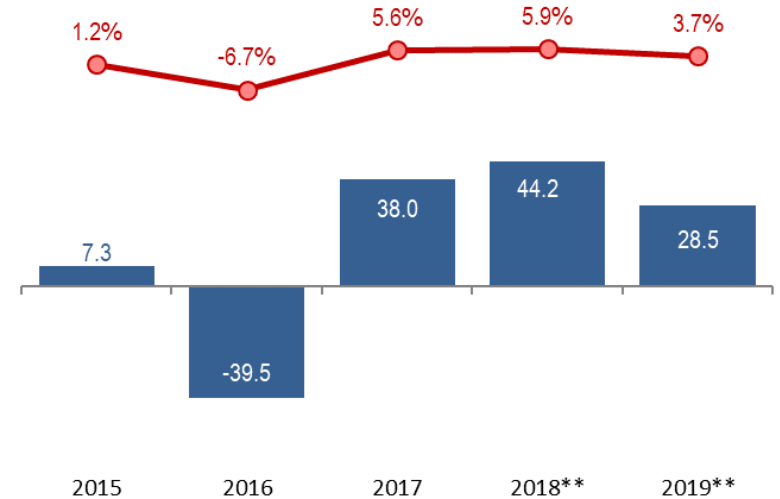
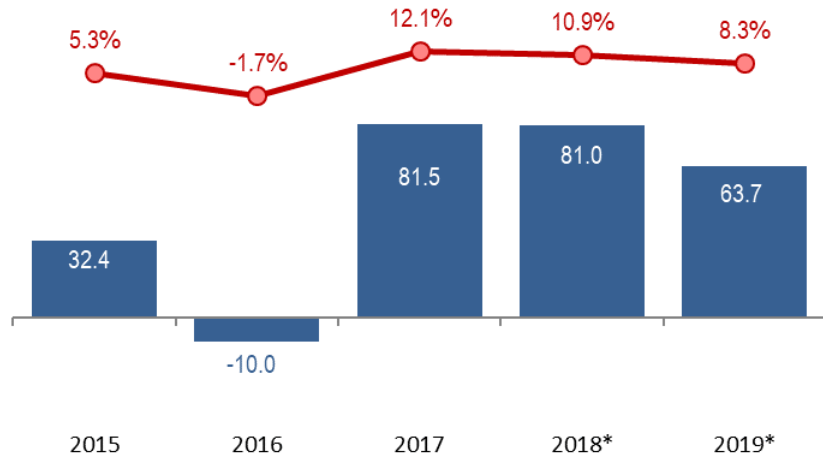
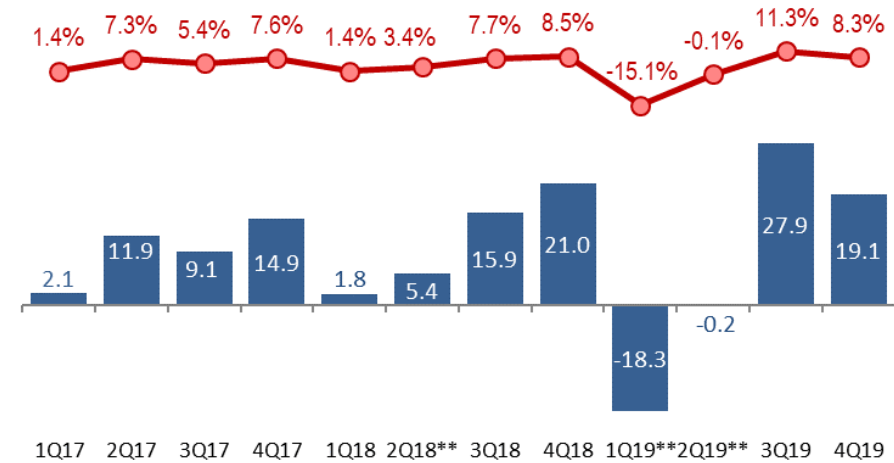
(*) According to the information in the 4Q19 Earnings Release, operating income is adjusted as follows: (i) 2Q18/2018: increased by R\$1.6 million; and (ii) 1Q19/2019: reduced by R\$74.3 million.

Profitability

EBITDA (R\$ million) and EBTIDA Margin



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

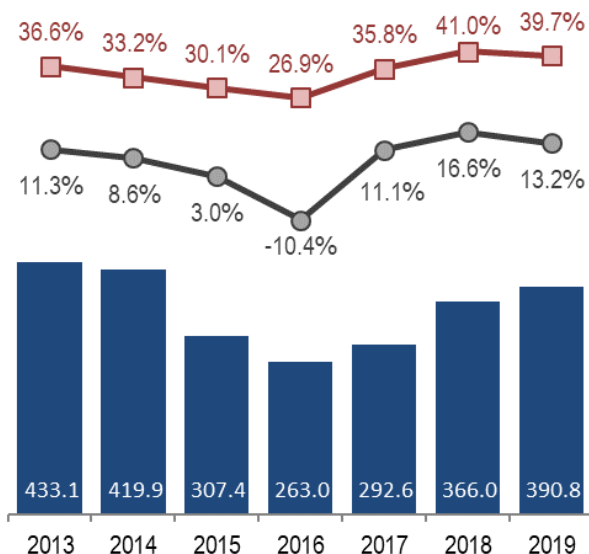


(*) According to the information in the 4Q19 Earnings Release, EBITDA is adjusted by the following aspects: (i) 2Q18/2018: increased by R\$1.6 million; and (ii) 1Q19/2019: reduced by R\$74.3 million. (**) According to the information in the 4Q19 Earnings Release, net income is adjusted by the following 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 and (iv) 2019: reduced by R\$101.4.

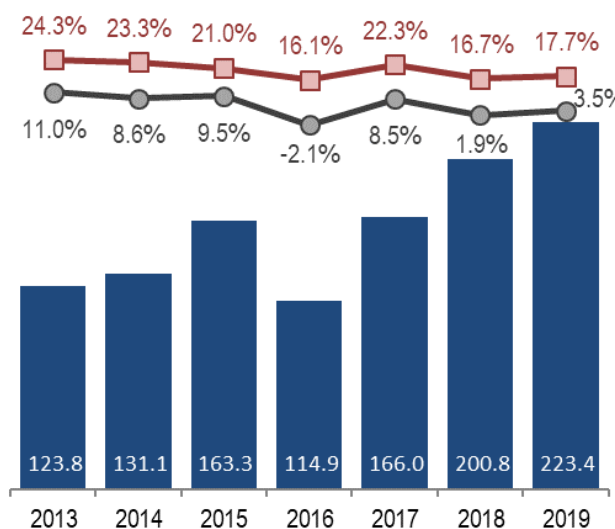
Profitability

Sales	Quarter								Accumulated	
	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	2018	2019
Machines (qty)	144	183	227	270	137	172	242	248	824	799
Burkhardt+Weber (qty)	3	4	9	13	2	8	12	7	29	29
Cast and Iron parts (ton)	4,592	5,453	5,520	3,469	3,567	3,836	4,286	3,605	19,034	15,294

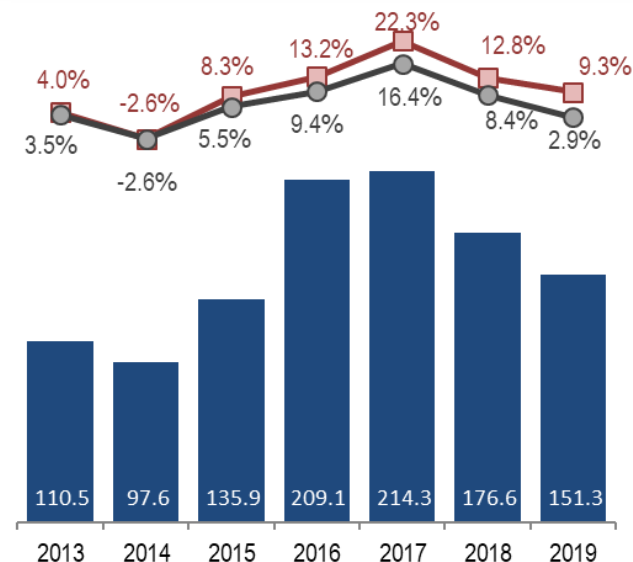
Romi Machines



B+W Machines



Rough and Machined Cast Iron Parts



■ Revenue ■ Gross Margin ● EBTIDA Adjusted

(*) EBTIDA margin is adjusted according to previous slides and 4Q19 Earnings Release.

Business Units' Results

Cash and Cash Equivalent (R\$ MM) - 12/31/2019

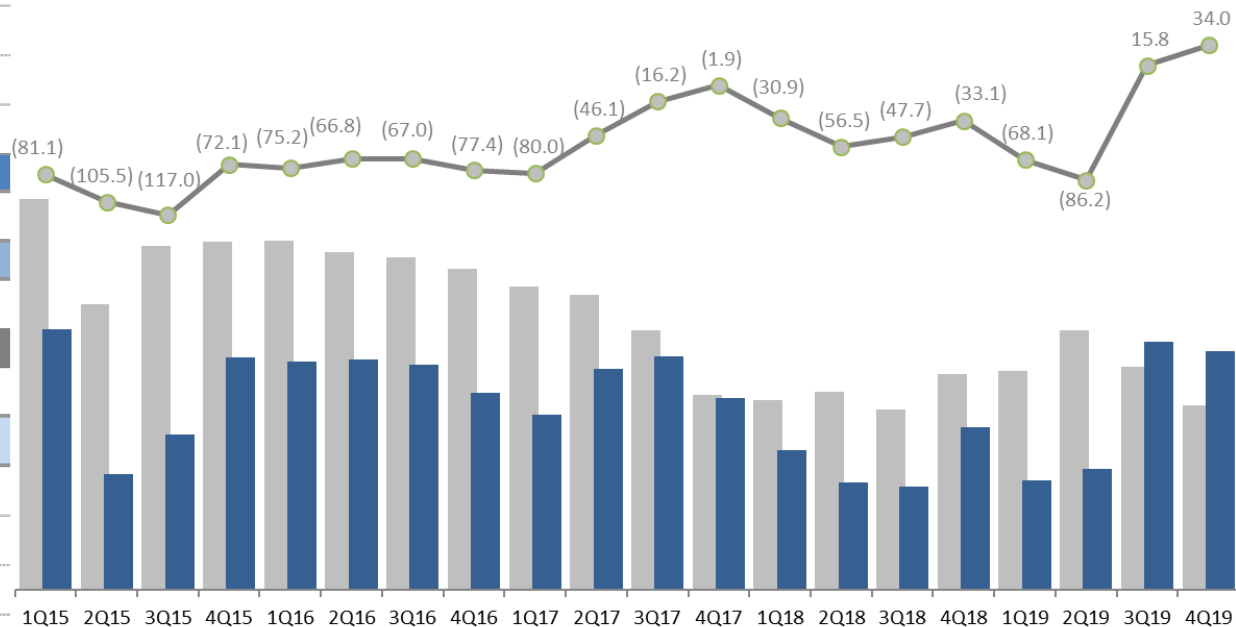
	Amount
Bank Deposit Certificate (CDB)	107.0
Financial Investment with Bonds	0.4
Financial Investment with Bonds	5.1
Banks	36.0
Total	148.5

Net Cash= 34.0

Loans* (R\$ MM) - 12/31/2019

	Amount
2020	91.6
2021	6.9
2022	7.4
2023	2.2
2024 and after	6.4
Total	114.5

Net Cash (Debt) Position R\$ million

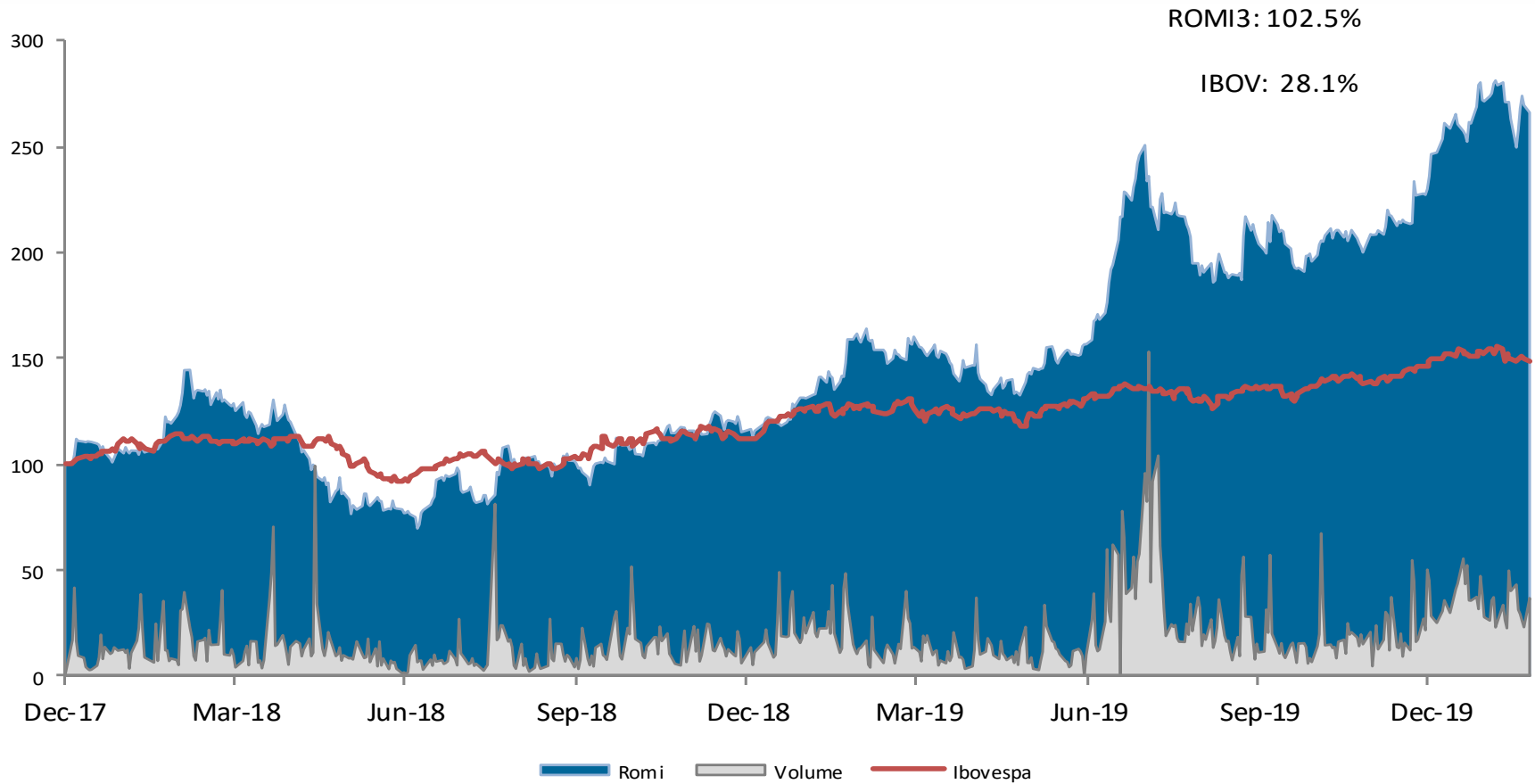


(*) Without Finaime Manufacturer

Cash Position

Share Performance ROMI3 vs. Ibovespa

From 12/31/2017 to 02/10/2020



Source: B3

Share Performance



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