



## February 11, 2020 4Q19 Earnings Release

### December 31, 2019

#### Share price

ROMI3 - R\$17.07 per share (on 02/10/2020)

#### Market value

R\$ 1.073,0 million

US\$ 248,4 million

#### Number of shares

Common: 62,857,647

Total: 62,857,647

**Free Float = 50.8%**

#### Investor Relations Contact

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### February 12, 2020

#### Earnings Conference Call

Time: 10:30 a.m.

Dial-in numbers:

+55 (11) 3193-1001 or (11) 2820-4001

Access Code: Romi

#### Earnings Conference Call in English

Time: 12:00 p.m. (São Paulo)

3:00 p.m. (London)

10:00 a.m. (New York)

Dial-in numbers:

USA +1 (800) 469-5743

Brazil +55 (11) 3193-1001

Other + 1 (646) 828-8246

Access Code: Romi

Santa Bárbara d'Oeste - SP, February 11, 2020 - 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 Rough and Machined Cast Iron Parts, announces its results for the fourth quarter of 2019 ("4Q19"). 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

### Order Entry in 4Q19 grew 19.5% over 4Q18, due to the recovery of the Brazilian market

- 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 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 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.

	Quarterly					Accumulated		
R\$'000	4Q18	3Q19	4Q19	Chg.	Chg.	2018	2019	Chg.
				4Q19/3Q19	4Q19/4Q18			2019/2018
<b>Revenues Volume</b>								
Romi Machines (units)	270	242	248	2.5%	-8.1%	824	799	-3.0%
Burkhardt + Weber (units)	13	12	7	-41.7%	-46.2%	29	29	0.0%
Rough and Machined Cast Iron Parts (tons)	3,469	4,286	3,605	-15.9%	3.9%	19,034	15,294	-19.6%
<b>Net Operating Revenue</b>	<b>246,743</b>	<b>246,501</b>	<b>230,381</b>	<b>-6.5%</b>	<b>-6.6%</b>	<b>743,462</b>	<b>765,506</b>	<b>3.0%</b>
Gross margin (%)	28.1%	29.6%	29.9%			27.8%	27.3%	
<b>Operating Income (EBIT)</b>	<b>29,883</b>	<b>27,333</b>	<b>22,397</b>	<b>-18.1%</b>	<b>-25.1%</b>	<b>46,048</b>	<b>104,493</b>	<b>126.9%</b>
Operating margin (%)	12.1%	11.1%	9.7%			6.2%	13.7%	
<b>Operating Income (EBIT) - adjusted (*)</b>	<b>29,883</b>	<b>27,333</b>	<b>22,397</b>	<b>-18.1%</b>	<b>-25.1%</b>	<b>47,671</b>	<b>30,172</b>	<b>-36.7%</b>
Operating margin (%) - adjusted (*)	12.1%	11.1%	9.7%			6.4%	3.9%	
<b>Net Income</b>	<b>21,040</b>	<b>27,890</b>	<b>19,066</b>	<b>-31.6%</b>	<b>-9.4%</b>	<b>84,250</b>	<b>129,910</b>	<b>54.2%</b>
Net margin (%)	8.5%	11.3%	8.3%			11.3%	17.0%	
<b>Net Income - adjusted (*)</b>	<b>21,040</b>	<b>27,890</b>	<b>19,066</b>	<b>-31.6%</b>	<b>-9.4%</b>	<b>44,177</b>	<b>28,520</b>	<b>-35.4%</b>
Net margin (%) - adjusted (*)	8.5%	11.3%	8.3%			5.9%	3.7%	
<b>EBITDA</b>	<b>38,208</b>	<b>35,527</b>	<b>31,123</b>	<b>-12.4%</b>	<b>-18.5%</b>	<b>79,334</b>	<b>138,041</b>	<b>74.0%</b>
EBITDA margin (%)	15.5%	14.4%	13.5%			10.7%	18.0%	
<b>EBITDA - adjusted (*)</b>	<b>38,208</b>	<b>35,527</b>	<b>31,123</b>	<b>-12.4%</b>	<b>-18.5%</b>	<b>80,957</b>	<b>63,720</b>	<b>-21.3%</b>
EBITDA margin (%) - adjusted (*)	15.5%	14.4%	13.5%			10.9%	8.3%	
<b>Investments</b>	<b>7,280</b>	<b>5,591</b>	<b>10,339</b>	<b>84.9%</b>	<b>42.0%</b>	<b>24,534</b>	<b>29,113</b>	<b>18.7%</b>

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

(\*)

2018: refers to the effects from the success in tax proceeding (Plano Verão) in which the Company claimed for the right to monetarily restate the balance sheet for the calendar year 1989 by reference to the inflation for January and February of that year and to dismiss the inflation indexes of the legislation then in force. The effects impacted the financial information as follows: EBIT/EBITDA: reduced by R\$ 1,623 thousand, referring to attorney's fees recorded under "Other net operating income (expenses)"; and (ii) profit for the period: increased by the impact from the net gain of R\$ 40,073 thousand, already including the effects of income tax and social contribution on the gain, which were reduced by the use of the interest on capital proposed in April 2018, as per the Shareholders Notice dated April 17, 2018.

2019: As described in the "Success in Legal Proceeding" section of this report, the Company recognized in the financial statements for 2019 the effects of the favorable final decision on the tax proceeding (judicial proceeding on the exclusion of ICMS from the PIS and COFINS tax base). The effects impacted the financial information as follows: (i) EBIT/EBITDA: increase of R\$ 74,321 thousand, related to the recognition of the original amount of the proceeding under "Other operating income (expenses)"; and (ii) result for the period: increased by the impact of net gain of R\$ 105,564 thousand, already considering the effects of income tax and social contribution on the gain, which were reduced by the use of interest on capital proposed in March 2019, as per the Shareholders Notice dated March 26, 2019. On September 20, 2019, judicial deposits in the amount of R\$ 88,456 thousand were released and incorporated into the Company's cash. The Company reviewed the calculations referring to the success in tax proceeding, named Summer Plan, recognized in the financial statements for 2Q18. As a result of this review, the result for 2019 was impacted (decreased) by R\$ 4,174 thousand, including the effects of income tax and social contribution.

## Corporate Profile



Romi, founded in 1930, is the leader in the Brazilian industrial machinery and equipment market, and an important manufacturer of rough 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, Computerized Numerical Control (CNC) 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 thirteen manufacturing units, four of which for final assembly of industrial machinery, two foundries, four units for machining of mechanical components, two units for manufacture of steel sheet components, and one unit for assembly of electronic panels. Of these, eleven are located in Brazil and two in Germany. The installed capacity of industrial machines and casting production is of, respectively, about 2,900 units and 50,000 tons per year.

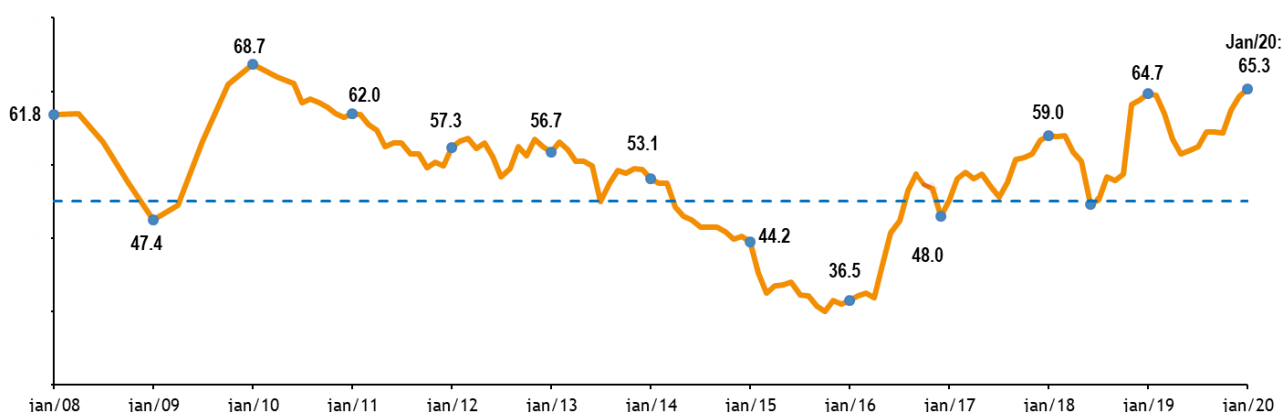


## Current Economic Scenario

2019 began with the continuity of the economic recovery and, mainly, with a good level of optimism in the industry. Some macroeconomic data also continue to indicate recovery signs in the Brazilian economy, such as the improvement in the confidence indexes and in the utilization of installed capacity when compared to the last three years, presented below. The volume of business opportunities also recovered over the months, mainly from the second half of the year, where a greater consistency of this recovery can be seen. This improvement in macroeconomic data and in the general economic environment begins to materialize mainly in the Romi Machines business unit, which, faced with a more stable scenario, encourages customers to resume their investments. The foreign market felt the effects of the global economic slowdown, especially the South American markets, and, as a consequence, a reduction in turnover generated in these countries can be noted.

In January 2020, as shown below, the Industrial Entrepreneur Confidence Index (ICEI) reached 65.3, a level that shows the evolution of the index in 2019 when compared to the previous three years, in line with the gradual resumption of the economy.

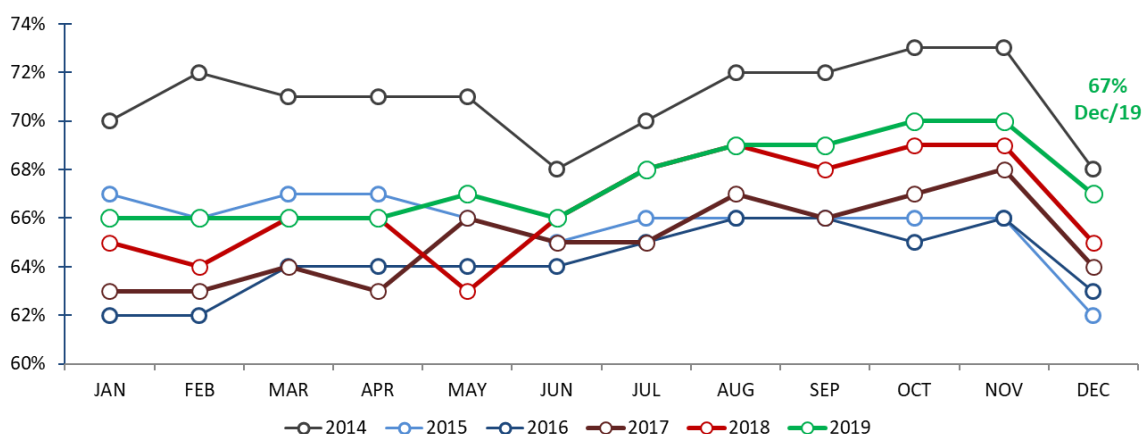
**Industrial Entrepreneur Confidence Index - ICEI**



Source: CNI - ICEI, January 2020

The Installed Capacity Utilization (UCI) index of the Brazilian industry in general, as released by the National Confederation of Industries (CNI), has consolidated at an important growth level, when compared to the last years, showing an important recovery of the Brazilian economy.

**Average Installed Capacity Utilization (UCI)**



Source: CNI - UCI, December 2019

Romi continues to implement actions to streamline its structure and the planning and manufacturing process, to respond quickly to the demand volatility. Over the past few years we have made several optimizations, especially in indirect structures. We 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 2017. Strategically, we have defined the launching of new product generations as a priority, and the first lines are already successful in the domestic and international markets. This gives us great confidence that we are very well prepared for the rekindling of the domestic economy.

## Market

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

<b>Order Entry (R\$ 000)</b> 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%
<b>Total *</b>	<b>154,977</b>	<b>189,331</b>	<b>185,253</b>	<b>-2.2%</b>	<b>19.5%</b>	<b>711,961</b>	<b>739,826</b>	<b>3.9%</b>

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

The order entry volume from the Romi Machines Unit in 4Q19 grew 68.5% compared to 4Q18, chiefly due to the growth of orders in the domestic market, demonstrating that in 2019 the continuing economic recovery and a good level of optimism are observed, which encourages investments. In 2019, the order entry from this business unit grew 14.4%.

At the German subsidiary B+W, order entry in 2019 decreased 27.9%, reflecting the slowdown in the world economy. On the other hand, the volume of projects remains at good levels, showing that by 2020 there are still several opportunities to be realized.

The order entry from the Rough and Machined Cast Iron Parts Unit grew 38.9% in 4Q19 over 4Q18, demonstrating the beginning of recovery of large cast iron parts for the energy segment.

<b>Order Backlog (R\$ 000)</b> 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%
<b>Total *</b>	<b>277,861</b>	<b>335,158</b>	<b>304,952</b>	<b>-9.0%</b>	<b>9.7%</b>

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

We entered 2020 with an order backlog 9.7% higher than in 2019. All this growth is related to the domestic market, where we noticed an important resumption of investments and, consequently, of the demand for Romi machines. In addition, the heavy parts market at the Foundry is also quite heated, as can be seen in the growth in orders at this unit.

## Operational Performance

### **NET OPERATING REVENUE**

Net operating revenue posted by the Company in 4Q19 reached R\$ 230.4 million, 6.6% lower than in 4Q18 and 6.5% lower than in 3Q19. In 2019, net operating revenue grew 3.0% over 2018.

#### **By Business Unit**

Net Operating Revenue (R\$ 000)	Quarterly					Accumulated		
	4Q18	3Q19	4Q19	Chg. 4Q19/3Q19	Chg. 4Q19/4Q18	2018	2019	Chg. 19/18
Romi Machines	128,753	112,825	129,313	14.6%	0.4%	366,017	390,794	6.8%
Burkhardt+Weber Machines	83,251	89,607	63,707	-28.9%	-23.5%	200,832	223,438	11.3%
Rough and Machined Cast Iron Parts	34,739	44,069	37,361	-15.2%	7.5%	176,613	151,274	-14.3%
<b>Total</b>	<b>246,743</b>	<b>246,501</b>	<b>230,381</b>	<b>-6.5%</b>	<b>-6.6%</b>	<b>743,462</b>	<b>765,506</b>	<b>3.0%</b>

#### **Romi Machines**

The net operating revenue of this Business Unit reached R\$ 129.3 million in 4Q19, posting a slight increase of 0.4% when compared to 4Q18, which had already been a quarter with a significant sales volume. In 2019, this growth was 6.8% compared to 2018. The improvement in revenue, order entry and, consequently, order backlog in 2019, as a result of the higher volume of business generated in the domestic market, reflects the gradual economic recovery that began in 2018.

#### **Burkhardt + Weber Machines**

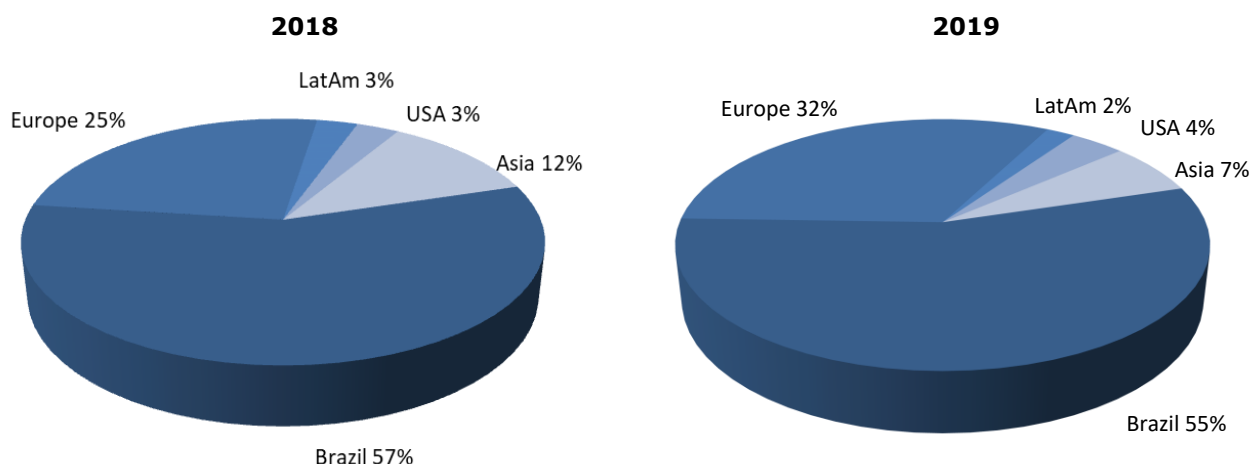
In 4Q19, revenue of the German subsidiary B+W, in Reais, was 23.5% lower than in 4Q18. However, since it deals with large machines and high-value projects, the annual analysis reflects the results of operations in a more normalized way, and in 2019 net operating revenue increased 11.3% in Reais compared to 2018. In EUROS, this growth was 7.7%.

#### **Rough and Machined Cast Iron Parts**

The net operating revenue of this Business Unit was R\$ 37.4 million in 4Q19, a 7.5% increase compared to 4Q18, due to the start of deliveries of large rough and machined cast iron parts, reflecting the resumption of investments in the energy sector.

#### **By Geographic Region**

The domestic market accounted for 56% of Romi's consolidated revenue in 2019 (57% in 2018). Considering the revenue obtained in foreign markets, which takes into account sales by Romi's subsidiaries abroad (Germany, China, United States, Italy, United Kingdom, France, Mexico and Spain) and direct sales to other markets, the distribution of Romi's consolidated revenue by geographic region was the following:



The following shows the foreign market revenue, in Reais (R\$) and in US dollars (US\$):

Foreign Sales	Quarterly					Accumulated		
	4Q18	3Q19	4Q19	Chg. 4Q19/3Q19	Chg. 4Q19/4Q18	2018	2019	Chg. 1H19/1H18
Net Sales (R\$ million)	127.8	123.6	100.1	-19.0%	-21.7%	326.6	342.5	4.8%
Net Sales (US\$ million)	33.0	30.7	24.5	-20.3%	-25.8%	85.9	86.0	0.2%

In the foreign market, Europe increased its share of consolidated revenue in 2019, from 25% to 32%, due to the projects of the German subsidiary B+W being more concentrated in Europe. This fact also impacted Asia's share, which in 2019 reduced its share from 12% in 2018 to 7% in 2019. Latin America reduced its share due to the lower volume of orders in this region, with emphasis on South America, where there was a more significant reduction in business due to the political and economic environment with high levels of uncertainty. USA increased its share in 2019, reflecting the new commercial strategies in that country, such as, for example, the introduction of direct sales in certain regions.

## **OPERATING COSTS AND EXPENSES**

The gross margin obtained in 4Q19 was 29.9%, an increase of 1.8 pp compared to 4Q18. The operating margin (EBIT) decreased 2.4 p.p. in the same period, due to the lower volume of revenues, mainly at the B+W Machines Unit.



	Quarterly					Accumulated		
Gross Margin	4Q18	3Q19	4Q19	Chg. p.p. 4Q19/3Q19	Chg. p.p. 4Q19/4Q18	2018	2019	Chg. pp 2019/2018
Romi Machines	42.8%	40.6%	37.6%	(3.0)	(5.2)	41.0%	39.7%	(1.3)
Burkhardt+Weber Machines	17.9%	24.1%	22.9%	(1.2)	5.1	16.7%	17.7%	0.9
Rough and Machined Cast Iron Parts	-1.7%	12.8%	15.0%	2.2	16.7	12.8%	9.3%	(3.5)
<b>Total</b>	<b>28.1%</b>	<b>29.6%</b>	<b>29.9%</b>	<b>0.2</b>	<b>1.8</b>	<b>27.8%</b>	<b>27.3%</b>	<b>(0.5)</b>

	Quarterly					Accumulated		
EBIT Margin	4Q18	3Q19	4Q19	Chg. p.p. 4Q19/3Q19	Chg. p.p. 4Q19/4Q18	2018	2019	Chg. pp 2019/2018
Romi Machines	23.5%	16.4%	14.7%	(1.7)	(8.9)	13.2%	23.9%	10.7
Burkhardt+Weber Machines	4.9%	10.3%	5.5%	(4.8)	0.6	-2.3%	-0.8%	1.4
Rough and Machined Cast Iron Parts	-13.0%	-0.9%	-0.2%	0.7	12.8	1.3%	8.4%	7.1
<b>Total</b>	<b>12.1%</b>	<b>11.1%</b>	<b>9.7%</b>	<b>(1.4)</b>	<b>(2.4)</b>	<b>6.2%</b>	<b>13.7%</b>	<b>7.5</b>

	Quarterly					Accumulated		
EBIT Margin - Adjusted	4Q18	3Q19	4Q19	Chg. p.p. 4Q19/3Q19	Chg. p.p. 4Q19/4Q18	2018	2019	Chg. pp 2019/2018
Romi Machines	23.5%	16.4%	14.7%	(1.7)	(8.9)	13.6%	10.2%	(3.4)
Burkhardt+Weber Machines	4.9%	10.3%	5.5%	(4.8)	0.6	-2.3%	-0.8%	1.4
Rough and Machined Cast Iron Parts	-13.0%	-0.9%	-0.2%	0.7	12.8	1.3%	-5.3%	(6.6)
<b>Total</b>	<b>12.1%</b>	<b>11.1%</b>	<b>9.7%</b>	<b>(1.4)</b>	<b>(2.4)</b>	<b>6.4%</b>	<b>3.9%</b>	<b>(2.5)</b>

### Romi Machines

The gross margin of this Business Unit in 4Q19 decreased 5.2 p.p. compared to 4Q18 due to the product mix. This reduction in gross margin also had an impact on the operating margin (EBIT), which fell 8.9 p.p. in the same period.

### Burkhardt + Weber Machines

At this Business Unit, gross and operating margins in 4Q19 increased 5.1 p.p. and 0.6 p.p., respectively, compared to 4Q18, reflecting projects focused on increasing profitability.

### Rough and Machined Cast Iron Parts

The gross margin of this Business Unit in 4Q19 grew 16.7 p.p. compared to 4Q18, as well as the operating margin, which in the same comparison period, grew 12.8 p.p. This increase is due to the higher volume of revenues and production in 4Q19, reflecting the start of deliveries of large rough and machined cast iron parts and projects focused on improving productivity and operational efficiency.

## **EBITDA AND EBITDA MARGIN**

In 4Q19, the operating cash generation as measured by EBITDA amounted to R\$ 31.1 million, representing an EBITDA margin of 13.5% in the quarter, as indicated in the following table:

Reconciliation of Net Income to EBITDA	Quarterly					Accumulated		
(R\$ 000)	4Q18	3Q19	4Q19	Chg. 4Q19/3Q19	Chg. 4Q19/4Q18	2018	2019	Chg. 2019/2018
<b>Net Income</b>	21,040	27,890	19,066	31.6%	-9.4%	84,250	129,910	54.2%
Income tax and social contributions	11,152	1,043	4,448	-326.5%	-60.1%	2,919	36,183	1139.6%
Net Financial Income	(2,309)	(1,600)	(1,117)	30.2%	-51.6%	(41,121)	(61,600)	49.8%
Depreciation and amortization	8,325	8,194	8,726	-6.5%	4.8%	33,286	33,548	0.8%
<b>EBITDA</b>	38,208	35,527	31,123	12.4%	-18.5%	79,334	138,041	74.0%
<b>EBITDA Margin</b>	15.5%	14.4%	13.5%	0.06	(0.13)	10.7%	18.0%	0.69
<b>EBITDA - Adjusted (*)</b>	38,208	35,527	31,123	12.4%	-18.5%	80,957	63,720	-21.3%
<b>EBITDA Margin - Adjusted (*)</b>	15.5%	14.4%	13.5%	0.06	(0.13)	10.9%	8.3%	(0.24)
<b>Total Net Operating Revenue</b>	<b>246,743</b>	<b>246,500</b>	<b>230,381</b>	<b>6.5%</b>	<b>-6.6%</b>	<b>743,462</b>	<b>765,506</b>	<b>3.0%</b>

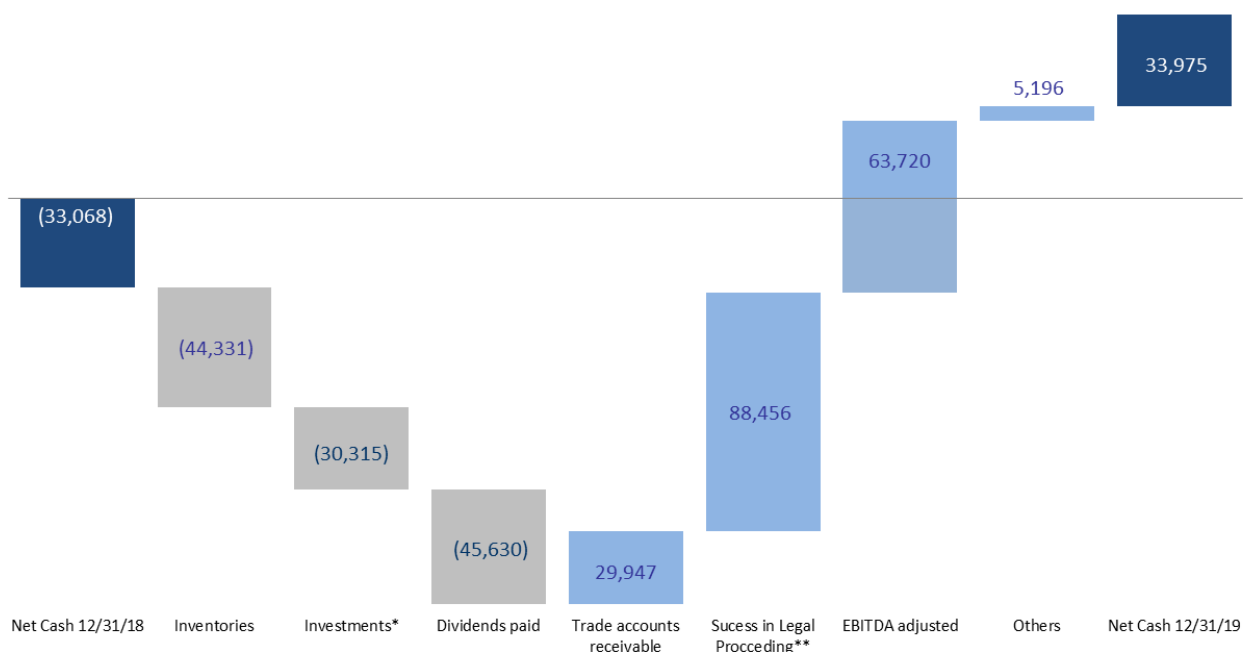
(\*) As described in the highlights of this report.

## RESULT FOR THE PERIOD

The result for the period in 4Q19 was positive R\$ 19.1 million.

## Evolution of the Net Cash (Debt) Position

The main variations in the net cash position during 2019 are described below in R\$'000:



"Investment" balances are net of the impacts recognized in accordance with CPC 06 (R2) Leases, equivalent to the international standard IFRS 06 - Leases.

\*\* Amounts received regarding Success in Tax Proceeding, as disclosed in 1Q19.

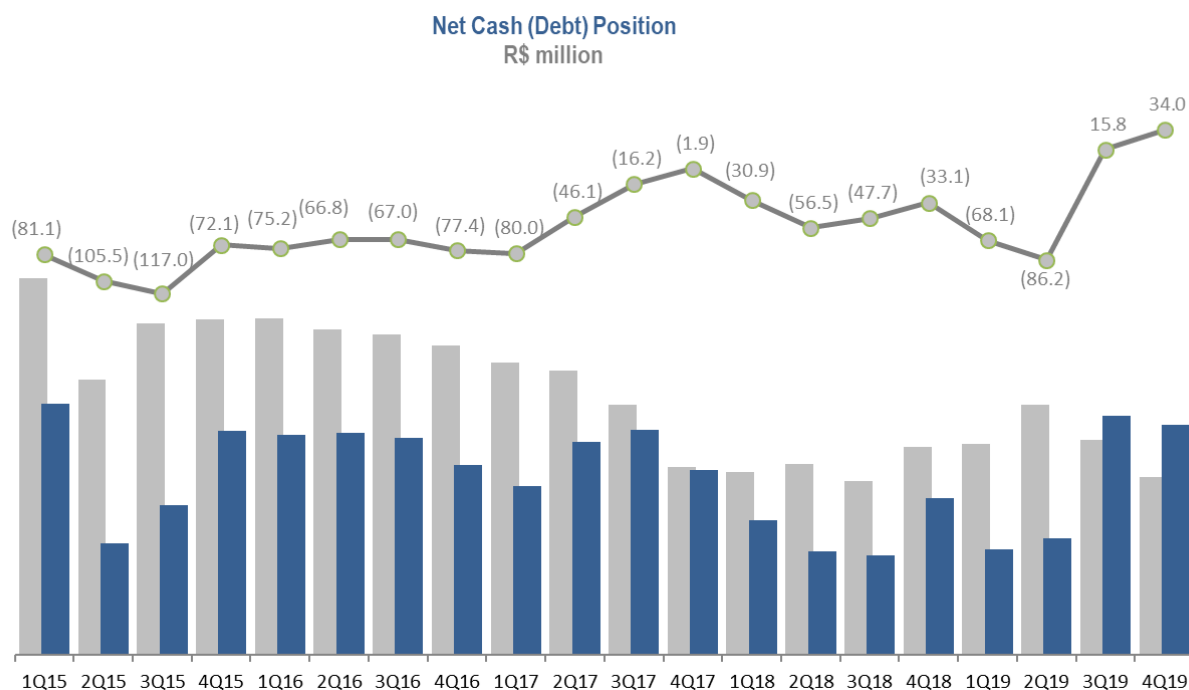
Cash generation in 2019 is due to the following main aspects:

- a) Increase in inventory level due to higher volume of purchases in order to ensure adequate availability of products for customers and fulfillment of the order backlog, which had a very important growth compared to December 2018;
- b) Payment of interest on capital proposed in April 2018 and September 2019, paid in March and November 2019, respectively, in the total net amount of R\$ 45.6 million;
- c) Investments made during 2019, most of them for the installation of an automatic molding machine for the Rough and Machined Cast Iron Parts Business Unit. The other investments were allocated in part to maintenance as well as to improve productivity, flexibility and competitiveness of the other industrial units, all of them pursuant to the investment plan already scheduled for the year; and
- d) Cash inflow from the release of escrow deposits in the amount of R\$ 88,456, as described in the section on Success in Legal Proceeding.

## Financial Position

Short-term investments, including those backed by debentures, are made with prime financial institutions with low credit risk and their yield is mainly pegged to the Interbank Certificate of Deposit (CDI). The consolidated net cash (debt) position at December 31, 2019 was positive R\$34.0 million.

The Company's borrowings are used mainly in investments for the modernization of the industrial facilities, research and development of new products and financing of exports and imports. At December 31, 2019, the amount of financing in local currency was R\$ 33.7 million, and in foreign currency, R\$ 80.8 million, totaling R\$114.5 million.



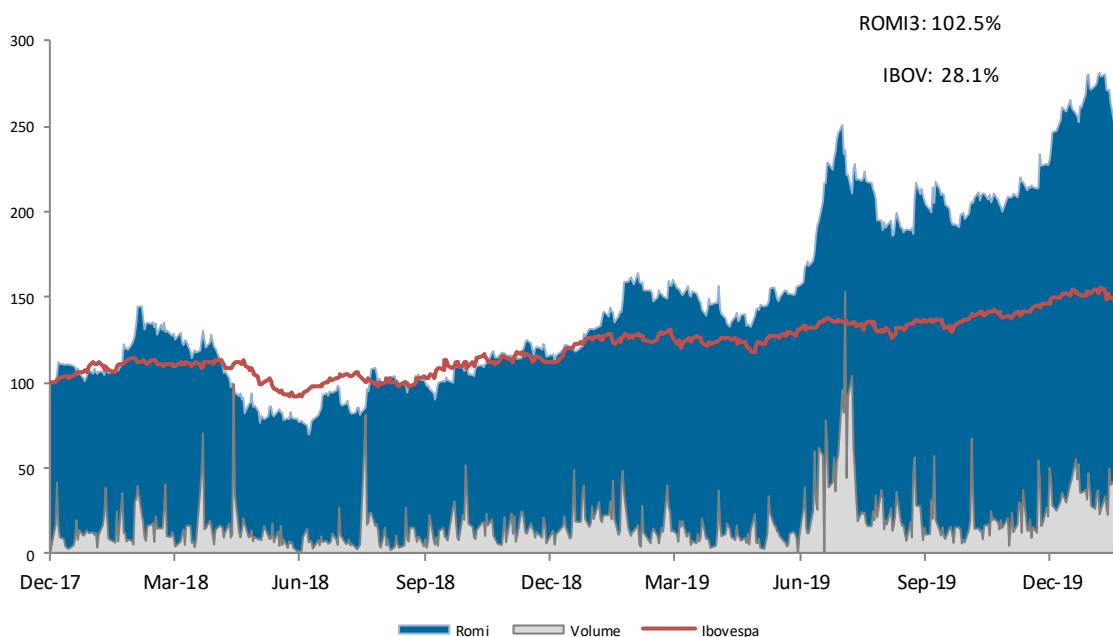
The balances of "Finame Manufacturer Financing" are not used in the calculation of net debt of the Company.

At December 31, 2019, the Company did not have any derivative transactions.

## Capital Market

### Share Performance ROMI3 vs. Ibovespa

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



Source: B3.

On February 10, 2020, the Company's common shares (ROMI3), which were quoted at R\$17.07, posted appreciation of 102.5 since December 31, 2018 and 121.7% since December 31, 2017. Ibovespa recorded appreciation of 28.1% and 47.3% in the same periods.

The Company's market capitalization on February 10, 2020 was R\$1,073.0 million. The average daily trading volume during 4Q19 was R\$ 2.0 million.

## Success in Legal Proceeding

### **EXCLUSION OF ICMS LEVIED ON SALES FROM THE PIS AND COFINS TAX BASE**

As disclosed in note 14 to the Quarterly Information for the first quarter of 2019, on October 24, 2006, the Company filed a claim in which it questioned the constitutionality of the inclusion of ICMS (state tax) on sales in the PIS and COFINS (federal taxes) tax base, as well as the repetition of such tax overpayment retroactively for 5 (five) years.

The Company, on March 13, 2019, obtained a favorable final outcome on its individual ordinary lawsuit about the matter. As a consequence of such final and unappealable decision on its individual lawsuit, the then present obligation derived from a past event was no longer considered as an obligation and, therefore, the Company recognized in the financial statements for the first quarter of 2019 the effects of the success in such proceeding, which totaled R\$ 138,008, before taxes, of which R\$ 74,321 was recorded in "Other operating income (expenses), net", and R\$ 63,686 in "Financial income". The impact on profit for the period was R\$105,564, already considering the effects of income tax and social contribution on the gain, which were reduced by the use of the interest on capital, proposed in March 2019, according to the Shareholder Notice dated March 26, 2019.

On September 20, 2019, escrow deposits in the amount of R\$ 88,456 thousand were released and incorporated into the Company's cash.



## Consolidated Balance Sheet

IFRS (R\$ 000)

ASSETS		12/31/18	09/30/19	12/31/19	LIABILITIES AND SHAREHOLDER'S EQUITY		12/31/18	09/30/19	12/31/19
<b>CURRENT</b>		<b>697,357</b>	<b>823,557</b>	<b>760,182</b>	<b>CURRENT</b>		<b>362,752</b>	<b>450,524</b>	<b>395,429</b>
Cash and Cash equivalents		100,428	153,621	147,807	Loans and financing		102,547	113,555	91,649
Financial investments		489	676	683	FINAME manufacturer financing		63,326	73,800	82,177
Trade accounts receivable		168,213	173,790	140,395	Trade accounts payable		44,261	62,158	51,451
Onlending of FINAME manufacturer financing		87,482	91,990	97,053	Payroll and related taxes		27,504	35,690	21,490
Inventories		300,547	366,104	344,878	Taxes payables		7,847	7,372	15,553
Recoverable taxes		25,267	16,762	15,347	Advances from customers		71,466	86,334	68,200
Other receivables		14,931	20,614	14,019	Related parties		2,195	256	1,205
					Dividends		23,785	47,682	39,523
					Other payables		19,821	23,677	24,181
<b>NON CURRENT</b>		<b>209,430</b>	<b>244,369</b>	<b>265,282</b>	<b>NON CURRENT</b>		<b>181,732</b>	<b>201,280</b>	<b>212,930</b>
Trade accounts receivable		13,618	10,233	11,489	Loans and financing		31,438	24,919	22,866
Onlending of FINAME manufacturer financing		128,584	144,959	166,959	FINAME manufacturer financing		116,278	138,487	152,786
Recoverable taxes		18,998	53,487	54,401	Deferred income and social contribution taxes		31,786	31,912	31,630
Deferred income and social contribution taxes		43,948	28,895	24,822	Reserve for contingencies		2,100	910	454
Judicial Deposits		2,110	2,016	1,930	Other payables		130	5,052	5,194
Other receivables		2,172	4,779	5,681					
<b>Investments</b>					<b>SHAREHOLDER'S EQUITY</b>		<b>695,977</b>	<b>754,217</b>	<b>757,284</b>
Property, Plant and Equipment		258,921	265,501	269,235	Capital		492,025	492,025	492,025
Investment Properties		18,398	18,398	18,181	Retained earnings		160,218	216,216	219,482
Intangible assets		57,981	55,709	54,361	Cumulative translation adjustments		43,734	45,976	45,777
					<b>NON CONTROLLING INTERESTS</b>		<b>1,626</b>	<b>1,513</b>	<b>1,598</b>
					<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>697,603</b>	<b>755,730</b>	<b>758,882</b>
<b>TOTAL ASSETS</b>		<b>1,242,087</b>	<b>1,407,534</b>	<b>1,367,241</b>	<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>1,242,087</b>	<b>1,407,534</b>	<b>1,367,241</b>

## Consolidated Income Statement

IFRS (R\$ thousand)

	4Q18	3Q19	4Q19	Chg. 4Q19/3Q19	Chg. 4Q19/4Q18	2018	2019	Chg. 2019/2018
<b>Net Operating Revenue</b>	<b>246,743</b>	<b>246,500</b>	<b>230,381</b>	<b>-6.5%</b>	<b>-6.6%</b>	<b>743,462</b>	<b>765,506</b>	<b>3.0%</b>
Cost of Goods Sold	(177,401)	(173,450)	(161,590)	-6.8%	-8.9%	(537,083)	(556,808)	3.7%
<b>Gross Profit</b>	<b>69,342</b>	<b>73,050</b>	<b>68,791</b>	<b>-5.8%</b>	<b>-0.8%</b>	<b>206,379</b>	<b>208,698</b>	<b>1.1%</b>
<i>Gross Margin %</i>	<i>28.1%</i>	<i>29.6%</i>	<i>29.9%</i>			<i>27.8%</i>	<i>27.3%</i>	
<b>Operating revenues (expenses)</b>	<b>(39,458)</b>	<b>(45,716)</b>	<b>(46,394)</b>	<b>1.5%</b>	<b>17.6%</b>	<b>(160,331)</b>	<b>(104,205)</b>	<b>-35.0%</b>
Selling expenses	(22,097)	(22,531)	(23,652)	5.0%	7.0%	(79,801)	(85,621)	7.3%
Research and development expenses	(4,575)	(5,286)	(4,676)	-11.5%	2.2%	(17,379)	(20,470)	17.8%
General and administrative expenses	(15,059)	(16,743)	(18,671)	11.5%	24.0%	(59,300)	(70,138)	18.3%
Management profit sharing and compensation	(2,040)	(1,785)	(2,467)	38.2%	20.9%	(7,846)	(7,305)	-6.9%
Other operating income, net	4,313	629	3,072	388.4%	-28.8%	3,995	79,329	1885.7%
<b>Operating Income (loss) before Financial Results</b>	<b>29,883</b>	<b>27,333</b>	<b>22,397</b>	<b>-18.1%</b>	<b>-25.1%</b>	<b>46,048</b>	<b>104,493</b>	<b>126.9%</b>
<i>Operating Margin %</i>	<i>12.1%</i>	<i>11.1%</i>	<i>9.7%</i>			<i>6.2%</i>	<i>13.7%</i>	
<b>Financial Results, Net</b>	<b>2,309</b>	<b>1,600</b>	<b>1,117</b>	<b>-30.2%</b>	<b>-51.6%</b>	<b>41,121</b>	<b>61,600</b>	<b>49.8%</b>
Financial income	2,153	3,325	3,302	-0.7%	53.4%	43,740	69,942	59.9%
Financial expenses	(1,645)	(1,187)	(1,245)	4.9%	-24.3%	(8,831)	(4,741)	-46.3%
Exchange gain (loss), net	1,801	(538)	(940)	74.7%	-152.2%	6,212	(3,601)	-158.0%
<b>Operations Operating Income</b>	<b>32,192</b>	<b>28,933</b>	<b>23,514</b>	<b>-18.7%</b>	<b>-27.0%</b>	<b>87,169</b>	<b>166,093</b>	<b>90.5%</b>
Income tax and social contribution	(11,152)	(1,043)	(4,448)	326.5%	-60.1%	(2,919)	(36,183)	1139.6%
<b>Net income</b>	<b>21,040</b>	<b>27,890</b>	<b>19,066</b>	<b>-31.6%</b>	<b>-9.4%</b>	<b>84,250</b>	<b>129,910</b>	<b>54.2%</b>
<i>Net Margin %</i>	<i>8.5%</i>	<i>11.3%</i>	<i>8.3%</i>			<i>11.3%</i>	<i>17.0%</i>	
<b>Net profit (loss) concerning:</b>								
Controlling interests	20,912	27,835	18,981	-31.8%	-9.2%	84,001	129,664	54.4%
Non controlling interests	128	56	85	51.8%	-33.6%	249	246	-1.2%
	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>					
<b>EBITDA</b>	<b>38,208</b>	<b>35,527</b>	<b>31,123</b>	<b>-12.4%</b>	<b>-18.5%</b>	<b>79,332</b>	<b>138,043</b>	<b>74.0%</b>
Profit (loss) for the period	21,040	27,890	19,066	-31.6%	-9.4%	84,250	129,909	54.2%
Income tax and social contribution	11,152	1,043	4,448	326.5%	-60.1%	2,919	36,183	1139.6%
Financial result, net	(2,309)	(1,600)	(1,117)	-30.2%	-51.6%	(41,123)	(61,600)	49.8%
Depreciation and amortization	8,325	8,194	8,726	6.5%	4.8%	33,286	33,551	0.8%
<i>EBITDA Margin %</i>	<i>15.5%</i>	<i>14.4%</i>	<i>13.5%</i>			<i>10.7%</i>	<i>18.0%</i>	
Nº of shares in capital stock (th)	62,858	62,858	62,858	0.0%	0.0%	62,858	62,858	0.0%
Profit (loss) per share - R\$	0.33	0.44	0.30	-31.8%	-9.2%	1.34	2.06	54.4%

## Consolidated Cash Flow Statement

IFRS (R\$ thousand)

	4Q18	3Q19	4Q19	2018	2019
<b>Cash from operating activities</b>					
<b>Net Income before taxation</b>	<b>32,192</b>	<b>28,934</b>	<b>23,514</b>	<b>87,169</b>	<b>166,093</b>
Financial expenses and exchange gain	(2,369)	1	(486)	(36,894)	(59,094)
Depreciation and amortization	8,325	8,192	8,725	33,286	33,548
Allowance for doubtful accounts and other receivables	(2,131)	1,017	2,872	(3,939)	722
Proceeds from sale of fixed assets and intangibles	1,035	(289)	(2,482)	390	(3,214)
Provision for inventory realization	(3,560)	(1,744)	(2,801)	(2,252)	(4,280)
Reserve for contingencies	(1,366)	(2,607)	(1,338)	894	(61,149)
<b>Change on operating assets and liabilities</b>					
Financial Investments	(8)	(8)	(7)	13,181	(194)
Trade accounts receivable	(37,044)	(36,672)	30,056	(37,869)	34,294
Onlending of Finame manufacturer financing	(28,492)	(16,306)	(33,518)	(42,011)	(57,122)
Inventories	53,252	16,306	24,027	(56,403)	(40,050)
Recoverable taxes, net	20,672	4,618	4,574	(26,229)	20,327
Judicial deposits	(1,026)	89,291	86	(3,988)	96,825
Other receivables	6,299	3,235	13,826	48,326	20,702
Trade accounts payable	(17,773)	(4,432)	(10,501)	10,761	5,011
Payroll and related taxes	(7,413)	5,375	(13,447)	(300)	(3,579)
Taxes payable	(8,674)	(780)	1,562	(923)	(33,935)
Advances from customers	(16,063)	258	(18,134)	14,954	(3,266)
Other payables	3,990	5,125	1,973	5,386	8,208
<b>Cash provided by (used in) operating activities</b>	<b>(154)</b>	<b>99,514</b>	<b>28,501</b>	<b>3,539</b>	<b>119,847</b>
Income tax and social contribution paid	(87)	(296)	(136)	(3,834)	(3,791)
<b>Net Cash provided by (used in) operating activities</b>	<b>(241)</b>	<b>99,218</b>	<b>28,365</b>	<b>(295)</b>	<b>116,056</b>
Purchase of fixed assets	(7,612)	(5,699)	(11,122)	(24,879)	(36,888)
Sales of fixed assets	-	492	3,189	977	4,301
Increase in intangible assets	(417)	(28)	530	(3,213)	(80)
<b>Net cash Used in Investing Activities</b>	<b>(7,578)</b>	<b>(5,235)</b>	<b>(7,403)</b>	<b>(26,664)</b>	<b>(32,667)</b>
Interest on capital paid	(13,758)	(105)	(21,877)	(21,760)	(45,904)
New loans and financing	43,279	44,945	(24,565)	93,754	71,412
Payments of loans and financing	(19,158)	(72,160)	(628)	(84,918)	(94,096)
Interests paid (including Finame manufacturer financing)	(2,765)	(6,507)	(726)	(15,858)	(19,108)
New loans in Finame manufacturer	51,070	39,174	41,315	110,767	124,937
Payment of Finame manufacturer financing	(14,890)	(19,055)	(19,086)	(59,433)	(71,149)
<b>Net Cash provided by (used in) Financing Activities</b>	<b>43,778</b>	<b>(13,708)</b>	<b>(25,567)</b>	<b>22,552</b>	<b>(33,908)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>35,959</b>	<b>80,275</b>	<b>(4,605)</b>	<b>(4,407)</b>	<b>49,481</b>
Exchange variation changes on cash and cash equivalents abroad	518	(1,218)	(1,209)	(847)	(2,102)
<b>Cash and cash equivalents - beginning of period</b>	<b>63,951</b>	<b>74,564</b>	<b>153,621</b>	<b>105,682</b>	<b>100,428</b>
<b>Cash and cash equivalents - end of period</b>	<b>100,428</b>	<b>153,621</b>	<b>147,807</b>	<b>100,428</b>	<b>147,807</b>

## Attachment I – Income Statement by Business Unit

### Income Statement by Business Units - 4Q19

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron	Total
<b>Net Operating Revenue</b>	<b>129,312</b>	<b>63,707</b>	<b>37,361</b>	<b>230,380</b>
<b>Cost of Sales and Services</b>	<b>(74,562)</b>	<b>(49,091)</b>	<b>(37,936)</b>	<b>(161,589)</b>
Business Units Transfers	102	-	6,275	6,377
Business Units Transfers	(6,275)	-	(102)	(6,377)
<b>Gross Profit</b>	<b>48,577</b>	<b>14,616</b>	<b>5,598</b>	<b>68,791</b>
<i>Gross Margin %</i>	<i>37.6%</i>	<i>22.9%</i>	<i>15.0%</i>	<i>29.9%</i>
<b>Operating Expenses</b>	<b>(29,600)</b>	<b>(11,111)</b>	<b>(5,683)</b>	<b>(46,394)</b>
Selling	(17,079)	(5,332)	(1,241)	(23,652)
General and Administrative	(9,426)	(6,634)	(2,609)	(18,669)
Research and Development	(3,609)	-	(1,067)	(4,676)
Management profit sharing	(1,701)	-	(766)	(2,467)
Other operating revenue	2,215	855	-	3,070
<b>Operating Income (loss) before Financial Results</b>	<b>18,977</b>	<b>3,505</b>	<b>(85)</b>	<b>22,397</b>
<i>Operating Margin %</i>	<i>14.7%</i>	<i>5.5%</i>	<i>-0.2%</i>	<i>9.7%</i>
Depreciation and amortization	2,962	2,673	3,089	8,724
<b>EBITDA</b>	<b>21,939</b>	<b>6,178</b>	<b>3,004</b>	<b>31,121</b>
<i>EBITDA Margin %</i>	<i>17.0%</i>	<i>9.7%</i>	<i>8.0%</i>	<i>13.5%</i>

### Income Statement by Business Units - 4Q18

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron	Total
<b>Net Operating Revenue</b>	<b>128,753</b>	<b>83,251</b>	<b>34,739</b>	<b>246,743</b>
<b>Cost of Sales and Services</b>	<b>(67,387)</b>	<b>(68,371)</b>	<b>(41,643)</b>	<b>(177,401)</b>
Business Units Transfers	393	-	6,712	7,105
Business Units Transfers	(6,712)	-	(393)	(7,105)
<b>Gross Profit (loss)</b>	<b>55,047</b>	<b>14,880</b>	<b>(585)</b>	<b>69,342</b>
<i>Gross Margin %</i>	<i>42.8%</i>	<i>17.9%</i>	<i>-1.7%</i>	<i>28.1%</i>
<b>Operating Expenses</b>	<b>(24,729)</b>	<b>(10,782)</b>	<b>(3,945)</b>	<b>(39,456)</b>
Selling	(16,092)	(4,916)	(1,089)	(22,097)
General and Administrative	(7,042)	(5,866)	(2,150)	(15,058)
Research and Development	(4,575)	-	-	(4,575)
Management profit sharing	(1,334)	-	(706)	(2,040)
Other operating revenue	4,314	-	-	4,314
<b>Operating Income (loss) before Financial Results</b>	<b>30,318</b>	<b>4,098</b>	<b>(4,530)</b>	<b>29,886</b>
<i>Operating Margin %</i>	<i>23.5%</i>	<i>4.9%</i>	<i>-13.0%</i>	<i>12.1%</i>
Depreciation and amortization	2,957	2,455	2,912	8,324
<b>EBITDA</b>	<b>33,275</b>	<b>6,553</b>	<b>(1,618)</b>	<b>38,210</b>
<i>EBITDA Margin %</i>	<i>25.8%</i>	<i>7.9%</i>	<i>-4.7%</i>	<i>15.5%</i>

## Income Statement by Business Units - 2019

R\$ 000	Romi Machines	Burkhardt + Weber	Rough and Machined Cast Iron	Total
<b>Net Operating Revenue</b>	<b>390,794</b>	<b>223,438</b>	<b>151,274</b>	<b>765,506</b>
<b>Cost of Sales and Services</b>	<b>(209,641)</b>	<b>(183,941)</b>	<b>(163,226)</b>	<b>(556,808)</b>
Business Units Transfers	1,983	-	27,958	29,941
Business Units Transfers	(27,958)	-	(1,983)	(29,941)
<b>Gross Profit</b>	<b>155,178</b>	<b>39,497</b>	<b>14,023</b>	<b>208,698</b>
<i>Gross Margin %</i>	<i>39.7%</i>	<i>17.7%</i>	<i>9.3%</i>	<i>27.3%</i>
<b>Operating Expenses</b>	<b>(61,651)</b>	<b>(41,307)</b>	<b>(1,247)</b>	<b>(104,205)</b>
Selling	(63,584)	(16,628)	(5,409)	(85,621)
General and Administrative	(34,035)	(25,534)	(10,569)	(70,138)
Research and Development	(16,767)	-	(3,703)	(20,470)
Management profit sharing	(4,929)	-	(2,376)	(7,305)
Other operating revenue	57,664	855	20,810	79,329
<b>Operating Income (loss) before Financial Results</b>	<b>93,527</b>	<b>(1,810)</b>	<b>12,776</b>	<b>104,493</b>
<i>Operating Margin %</i>	<i>23.9%</i>	<i>-0.8%</i>	<i>8.4%</i>	<i>13.7%</i>
<b>Operating loss before Financial Results - Adjusted (*)</b>				
<i>Operating Margin % - Adjusted (*)</i>				
Depreciation and amortization	11,505	9,689	12,354	33,548
<b>EBITDA</b>	<b>105,032</b>	<b>7,879</b>	<b>25,130</b>	<b>138,041</b>
<i>EBITDA Margin %</i>	<i>26.9%</i>	<i>3.5%</i>	<i>16.6%</i>	<i>18.0%</i>
<b>EBITDA - Adjusted (*)</b>				
<i>EBITDA Margin % - Adjusted (*)</i>				

## Income Statement by Business Units - 2018

R\$ 000	Romi Machines	Burkhardt + Weber	Rough and Machined Cast Iron	Total
<b>Net Operating Revenue</b>	<b>366,017</b>	<b>200,832</b>	<b>176,613</b>	<b>743,462</b>
<b>Cost of Sales and Services</b>	<b>(193,326)</b>	<b>(167,234)</b>	<b>(176,523)</b>	<b>(537,083)</b>
Business Units Transfers	3,130	-	25,655	28,785
Business Units Transfers	(25,654)	-	(3,130)	(28,784)
<b>Gross Profit</b>	<b>150,167</b>	<b>33,598</b>	<b>22,615</b>	<b>206,380</b>
<i>Gross Margin %</i>	<i>41.0%</i>	<i>16.7%</i>	<i>12.8%</i>	<i>27.8%</i>
<b>Operating Expenses</b>	<b>(101,886)</b>	<b>(38,130)</b>	<b>(20,315)</b>	<b>(160,331)</b>
Selling	(59,991)	(14,927)	(4,883)	(79,801)
General and Administrative	(24,176)	(23,203)	(11,921)	(59,300)
Research and Development	(17,379)	-	-	(17,379)
Management profit sharing	(4,335)	-	(3,511)	(7,846)
Other operating revenue	3,995	-	-	3,995
<b>Operating Income (loss) before Financial Results</b>	<b>48,281</b>	<b>(4,532)</b>	<b>2,300</b>	<b>46,049</b>
<i>Operating Margin %</i>	<i>13.2%</i>	<i>-2.3%</i>	<i>1.3%</i>	<i>6.2%</i>
<b>Operating loss before Financial Results - Adjusted (*)</b>				
<i>Operating Margin % - Adjusted (*)</i>				
Depreciation and amortization	12,386	8,321	12,579	33,286
<b>EBITDA</b>	<b>60,667</b>	<b>3,789</b>	<b>14,879</b>	<b>79,335</b>
<i>EBITDA Margin %</i>	<i>16.6%</i>	<i>1.9%</i>	<i>8.4%</i>	<i>10.7%</i>
<b>EBITDA - Adjusted (*)</b>				
<i>EBITDA Margin % - Adjusted (*)</i>				



## Attachment II - Financial Statements of B + W

## Balance Sheet B+W

	(€ 000)		
ASSETS	12/31/18	09/30/19	12/31/19
<b>CURRENT</b>	<b>26,223</b>	<b>31,267</b>	<b>25,314</b>
Cash and Cash equivalents	1,136	1	2,813
Trade accounts receivable	11,925	14,712	7,928
Inventories	12,069	14,355	13,371
Recoverable taxes	-	858	541
Deferred income and social contribution taxes	80	504	275
Related Parties	877	232	104
Other receivables	136	606	282
<b>Investments</b>			
Property, plant and equipment	14,579	14,233	14,032
Investment in subsidiaries	59	59	-
Intangible assets	12,868	12,121	11,870
<b>TOTAL ASSETS</b>	<b>53,729</b>	<b>57,680</b>	<b>51,216</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>12/31/18</b>	<b>03/31/19</b>	<b>06/30/19</b>
<b>CURRENT</b>	<b>21,650</b>	<b>27,312</b>	<b>20,598</b>
Loans and financing	2,349	2,948	1,749
Trade accounts payable	3,216	4,227	2,916
Payroll and related taxes	894	1,477	922
Taxes payable	9	1,042	788
Advances from customers	12,425	14,249	11,594
Other payables	2,143	2,247	2,176
Related Parties	614	1,120	453
<b>NON CURRENT</b>	<b>7,054</b>	<b>6,534</b>	<b>6,400</b>
Loans and financing	2,551	2,164	2,075
Deferred income and social contribution taxes	4,504	4,369	4,325
<b>SHAREHOLDER'S EQUITY</b>	<b>25,025</b>	<b>23,835</b>	<b>24,218</b>
Capital	7,025	7,025	7,025
Capital reserve	505	505	505
Profit reserve	17,495	16,305	16,688
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>53,729</b>	<b>57,680</b>	<b>51,216</b>

## B+W Income Statement

	(€ 000)				
	4Q18	3Q19	4Q19	2018	2019
<b>Net Operating Revenue</b>	<b>19,697</b>	<b>20,216</b>	<b>13,964</b>	<b>46,587</b>	<b>50,184</b>
Cost of Goods Sold	(16,235)	(15,349)	(10,763)	(38,487)	(40,973)
<b>Gross Profit</b>	<b>3,462</b>	<b>4,867</b>	<b>3,201</b>	<b>8,100</b>	<b>9,211</b>
<i>Gross Margin %</i>	<i>17.6%</i>	<i>24.1%</i>	<i>22.9%</i>	<i>17.4%</i>	<i>18.4%</i>
<b>Operating Expenses</b>	<b>(2,477)</b>	<b>(2,790)</b>	<b>(2,624)</b>	<b>(8,780)</b>	<b>(9,525)</b>
Selling expenses	(1,128)	(1,287)	(1,169)	(3,397)	(3,740)
General and administrative expenses	(1,349)	(1,503)	(1,455)	(5,383)	(5,785)
<b>Operating Income before Financial Results</b>	<b>985</b>	<b>2,077</b>	<b>577</b>	<b>(680)</b>	<b>(314)</b>
<i>Operating Margin %</i>	<i>5.0%</i>	<i>10.3%</i>	<i>4.1%</i>	<i>-1.5%</i>	<i>-0.6%</i>
<b>Financial Results, Net</b>	<b>(67)</b>	<b>(83)</b>	<b>(99)</b>	<b>(331)</b>	<b>(379)</b>
<b>Operations Operating Income</b>	<b>917</b>	<b>1,994</b>	<b>478</b>	<b>(1,011)</b>	<b>(693)</b>
Income tax and social contribution	(318)	(608)	(222)	273	195
<b>Net income</b>	<b>599</b>	<b>1,386</b>	<b>256</b>	<b>(738)</b>	<b>(498)</b>
<i>Net Margin %</i>	<i>3.0%</i>	<i>6.9%</i>	<i>1.8%</i>	<i>-1.6%</i>	<i>-1.0%</i>
<b>EBITDA</b>	<b>1,547</b>	<b>2,551</b>	<b>1,129</b>	<b>1,241</b>	<b>1,776</b>
Net income / loss for the period	599	1,386	256	(738)	(498)
Income tax and social contribution	318	608	222	(273)	(195)
Financial income, net	67	83	99	331	379
Depreciation and amortization	563	474	552	1,921	2,090
<i>EBITDA Margin %</i>	<i>7.9%</i>	<i>12.6%</i>	<i>8.1%</i>	<i>2.7%</i>	<i>3.5%</i>

Statements contained in this release related to Romi'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 situation in Brazil, the industry and international markets. Therefore, they are subject to changes.