



3Q20 Earnings Release

October 21st, 2020



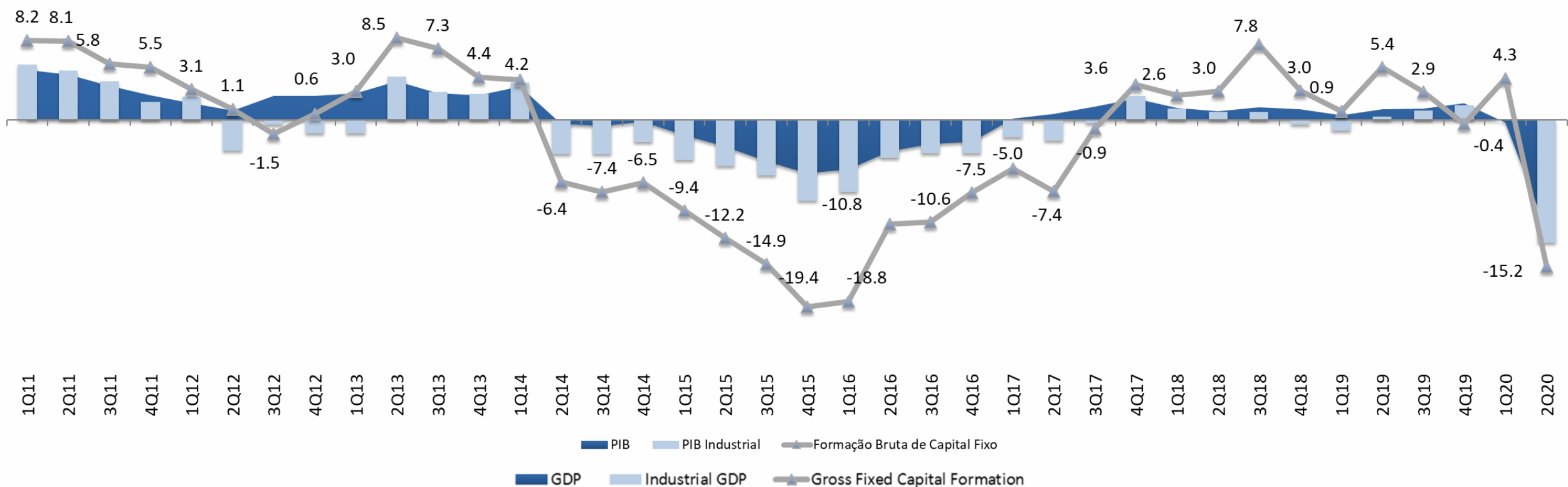


This release contains forward-looking statements subject to risks and uncertainties. Such forward-looking statements are based on the management's beliefs and assumptions on information currently available to the Company. The reservations as to forward-looking statements also apply to information on 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.



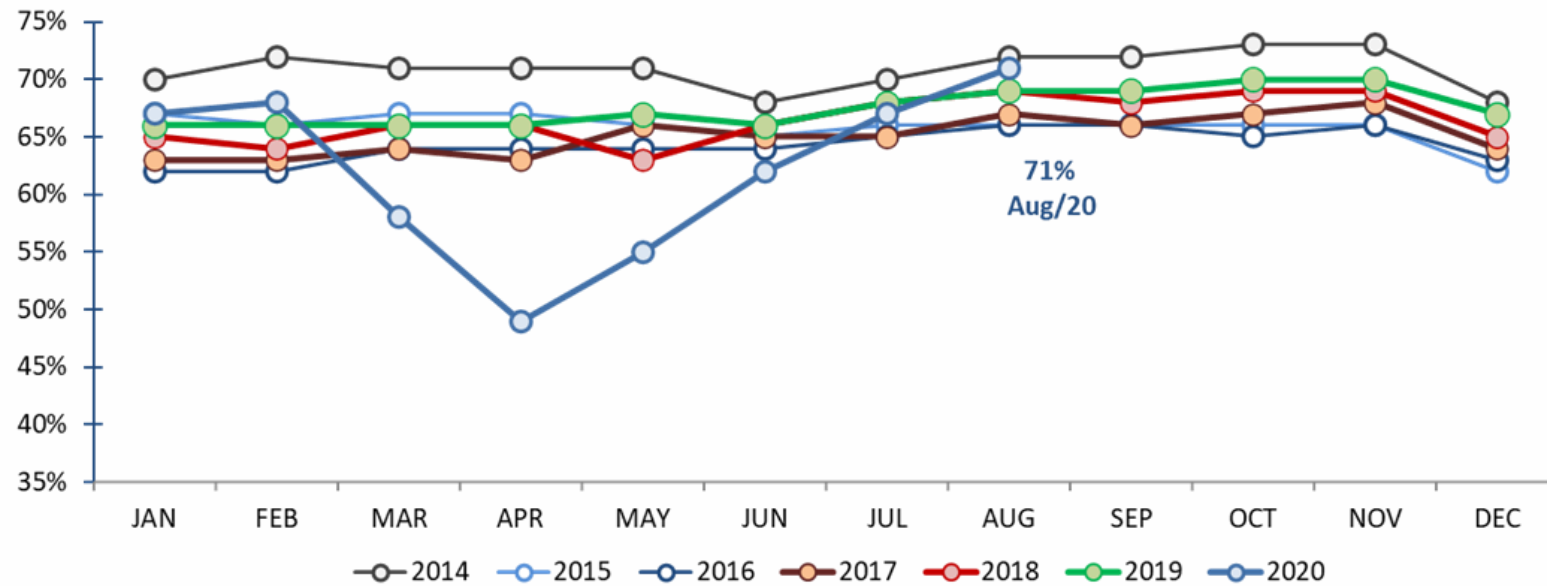
- **Incoming orders** reach **R\$313.4 million**, an **increase of 65.5%** compared to 3Q19
- The net operating revenue of the **Rough and Machined Cast Iron Parts Unit** **grew by 74.9%** in **3Q20** over 3Q19, due to the deliveries of large parts. **The operating margin** posted a **growth of 10.1 p.p.**, reflecting the higher production volume, evolution in operational efficiency and higher revenue;
- At the **Romi Machines Unit**, the **net operating revenue increased by 12.4%** in 3Q20 compared to 3Q19 due to the resumption of orders from June of this year. The increase in revenue, with the reduction in operating expenses, resulted in an expansion of the **operating margin**, which in the same comparison period **grew by 6.3 p.p.**;
- **Incoming orders at the Romi Machines Unit** recorded **growth of 140.3%** in 3Q20 as compared to 3Q19, reflecting the very favorable environment for investments and new business alternatives, such as the machine rental business;
- **Incoming orders at the Rough and Machined Cast Iron Parts Unit increased by 40.9%** in 3Q20 over 3Q19, reflecting the large parts for the energy sector and the gradual resumption of all other industrial segments;
- The **order backlog grew by 40.9%** at the end of the third quarter of 2020 as compared to September 30, 2019, with highlights to the Romi Machines and Rough and Machined Cast Iron Parts Business Units.

Conjunctural Indicators – GDP and FBKF

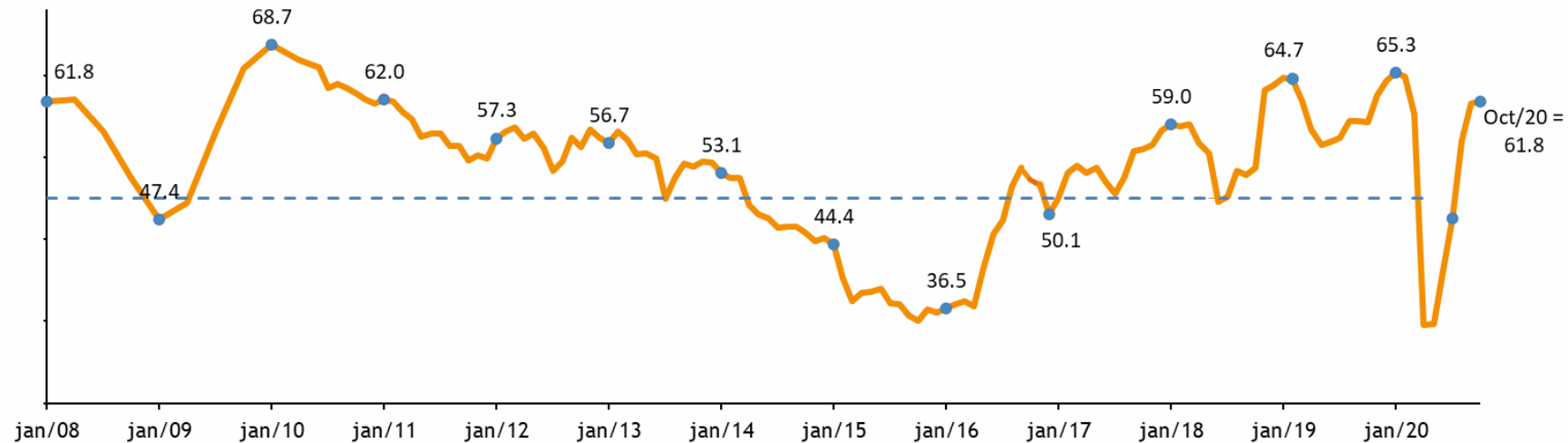


Source: IBGE (current quarter vs. the same quarter last year)

Economic Indexes - Conjunctural



Source: CNI – UCI (Utilization of installed Capacity), August 2020



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



Romi Machines



	9M20	2019
Job shops	21%	22%
Machines and Equipments	13%	19%
Automotive	11%	14%
Agricultural	8%	2%
Tooling	5%	7%
Packing	9%	5%
Others	33%	31%

B+W Machines



	9M20	2019
Machines and Equipments	52%	52%
Automotive	13%	24%
Motors and Systems	35%	20%
Aerospace	0%	4%

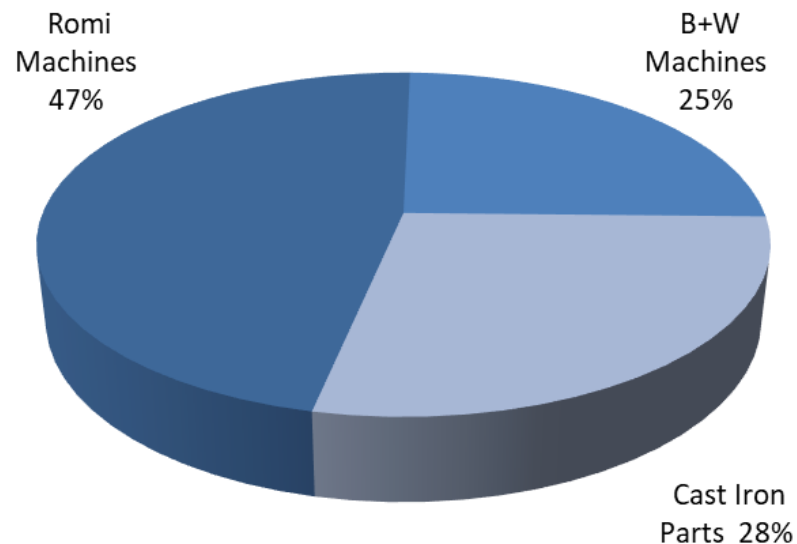
Rough and Machined Cast Iron Parts



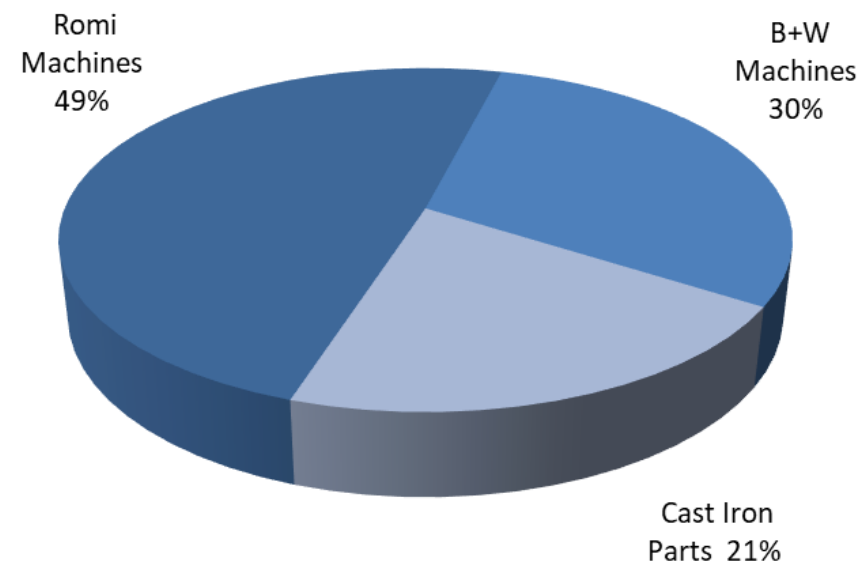
	9M20	2019
Wind Power	54%	23%
Automotive	21%	32%
Construction	11%	20%
Agriculture	14%	23%
Others	0%	2%

Net Sales per Business Unit

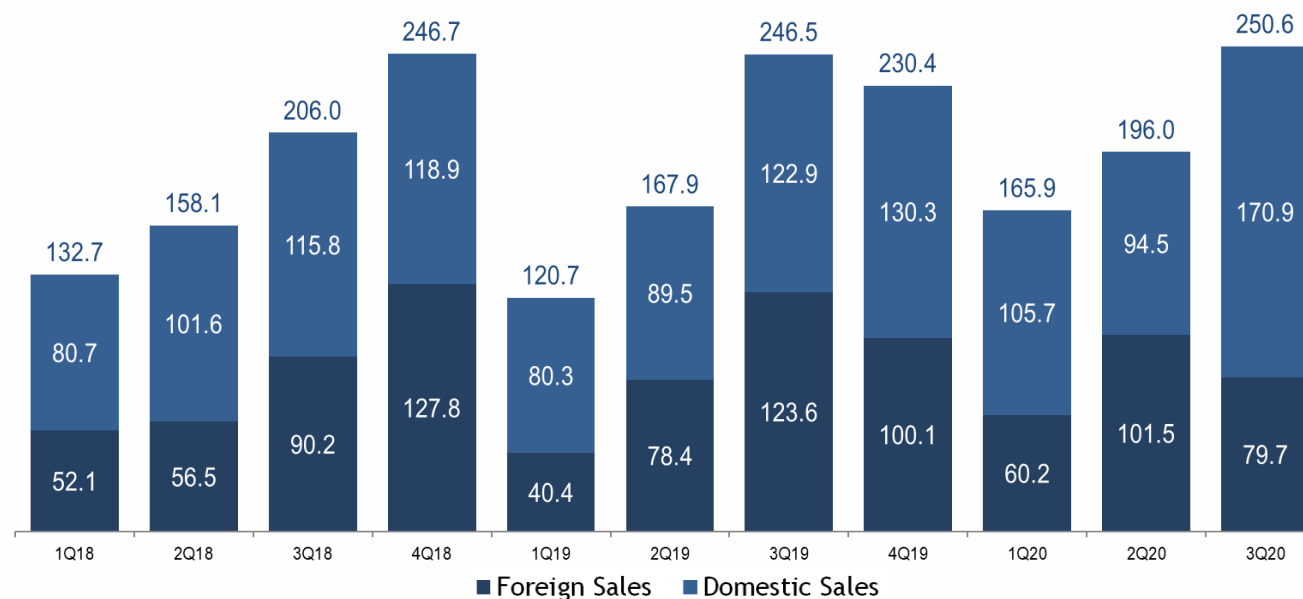
9M20



9M19



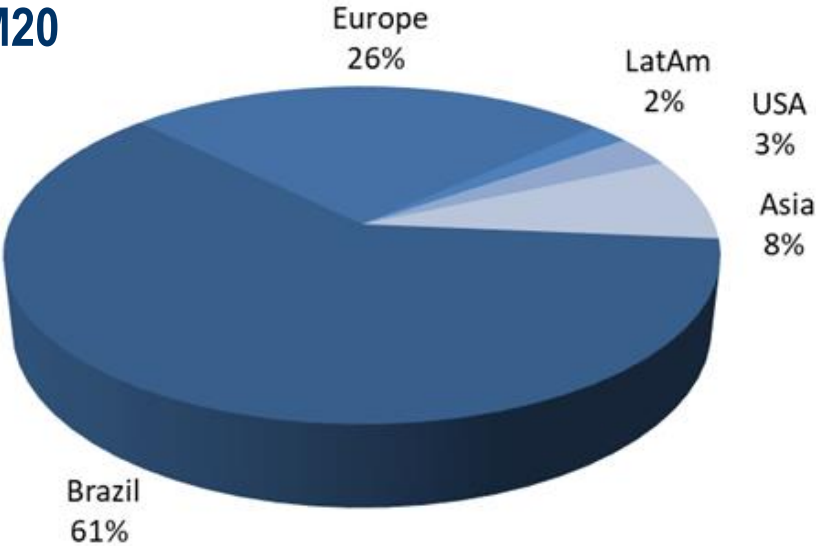
Net Operating Sales (R\$ million)



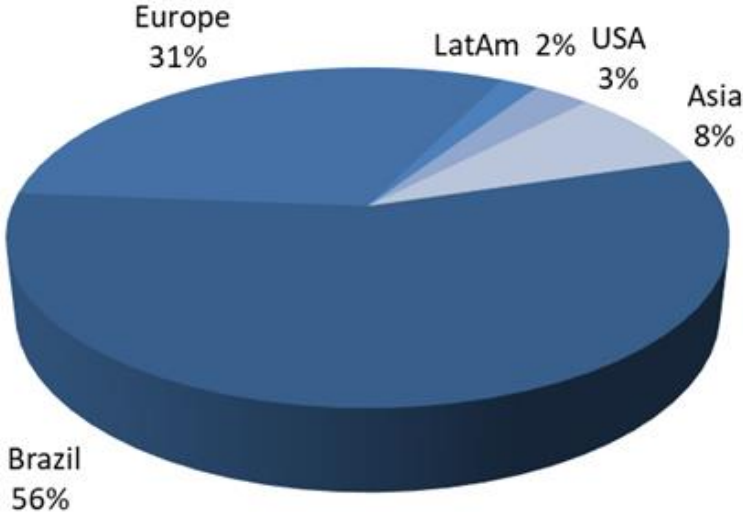
Sales Distribution



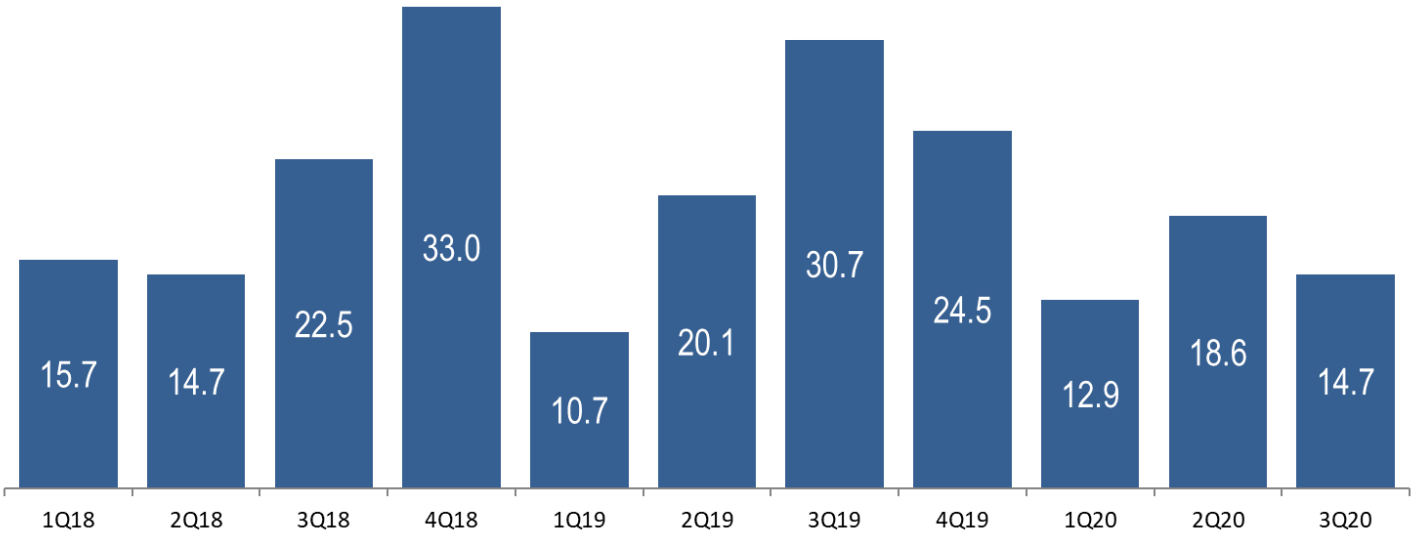
9M20



9M19



Foreign Sales (US\$ million)



Order Entry Backlog



Order Entry (R\$ 000)								
Gross Values, sales taxes included	3Q19	2Q20	3Q20	Chg. 3Q20/2Q20	Chg. 3Q20/3Q19	9M19	9M20	Chg. 20/19
Romi Machines	92,885	109,324	223,189	104.2%	140.3%	280,894	420,137	49.6%
Burkhardt+Weber Machines	36,673	-	6,012	0.0%	-83.6%	110,267	26,194	-76.2%
Rough and Machined Cast Iron Parts	59,774	73,095	84,236	15.2%	40.9%	163,412	236,946	45.0%
Total *	189,331	182,418	313,436	71.8%	65.5%	554,573	683,278	23.2%

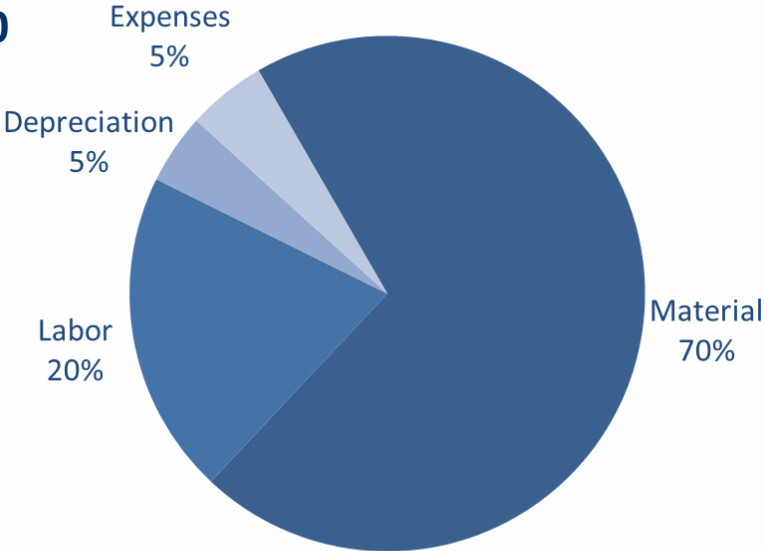
Order Backlog (R\$ 000)					
Gross Values, sales taxes included	3Q19	2Q20	3Q20	Chg. 3Q20/2Q20	Chg. 3Q20/3Q19
Romi Machines	112,472	151,191	255,346	68.9%	127.0%
Burkhardt+Weber Machines	151,062	118,574	89,526	-24.5%	-40.7%
Rough and Machined Cast Iron Parts	71,624	130,080	127,262	-2.2%	77.7%
Total *	335,158	399,845	472,134	18.1%	40.9%

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

Cost of Goods Sold

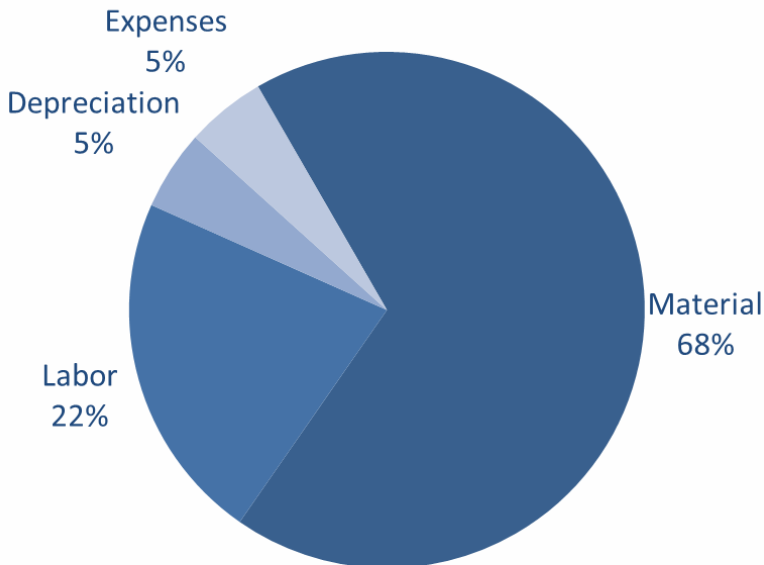


9M20



21%	Domestic material
15%	FX Related Domestic Material
15%	Metals
19%	Imported Material

9M19

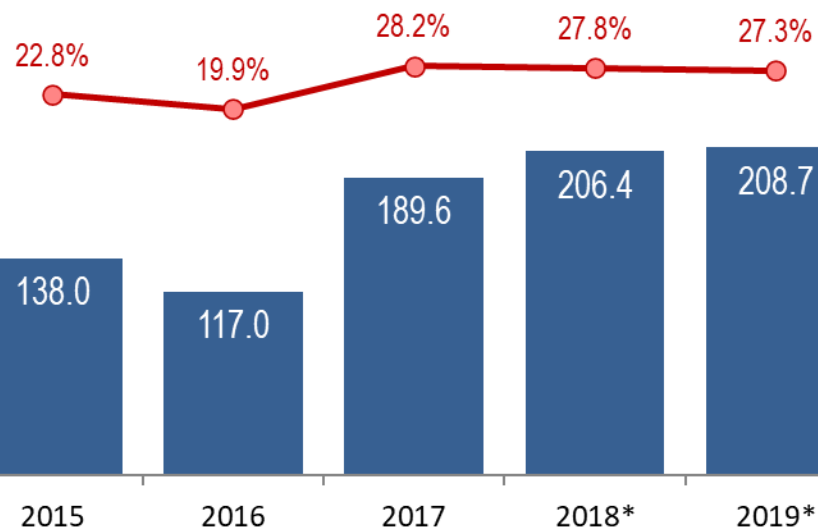
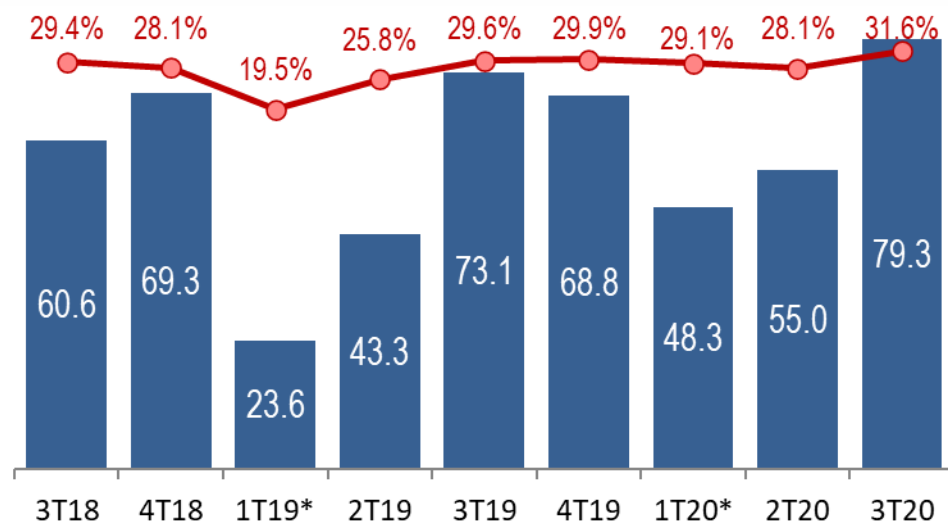


21%	Domestic material
16%	FX Related Domestic Material
14%	Metals
17%	Imported Material

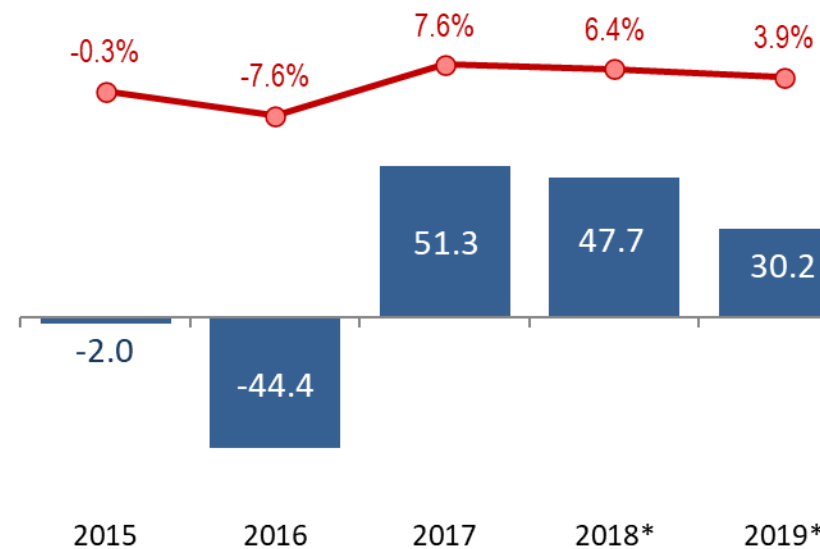
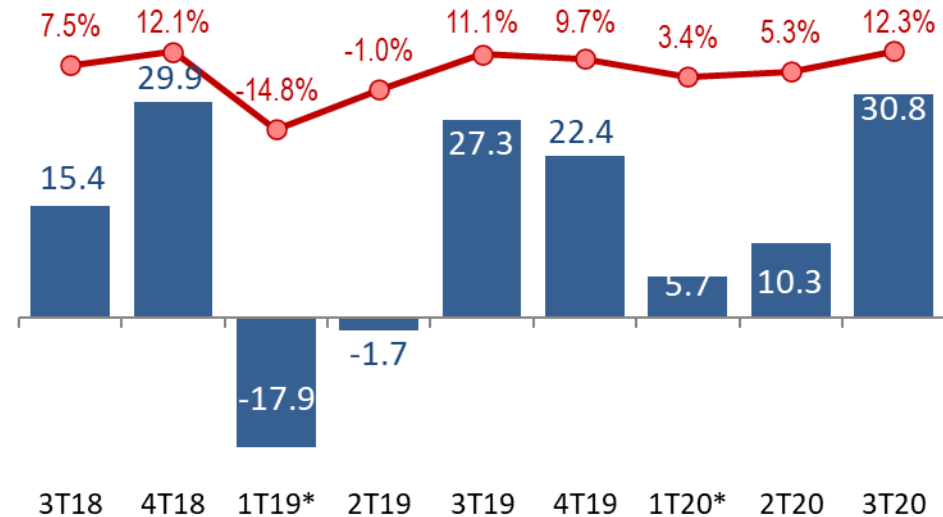
Profitability



Gross Profit (R\$ million) and Gross Margin



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

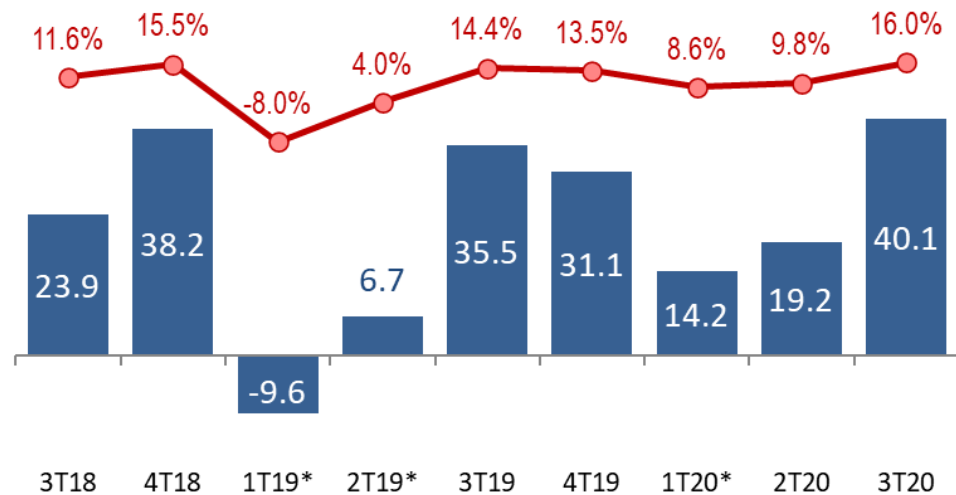


(*) According to the information in the 1Q20 Earnings Release, operating income is adjusted as follows: (i) 2Q18/2018: increased by R\$1.6 million; (ii) 1Q19/2019: reduced by R\$74.3 million; and (iii) 1Q20: increased by R\$1.0 million.

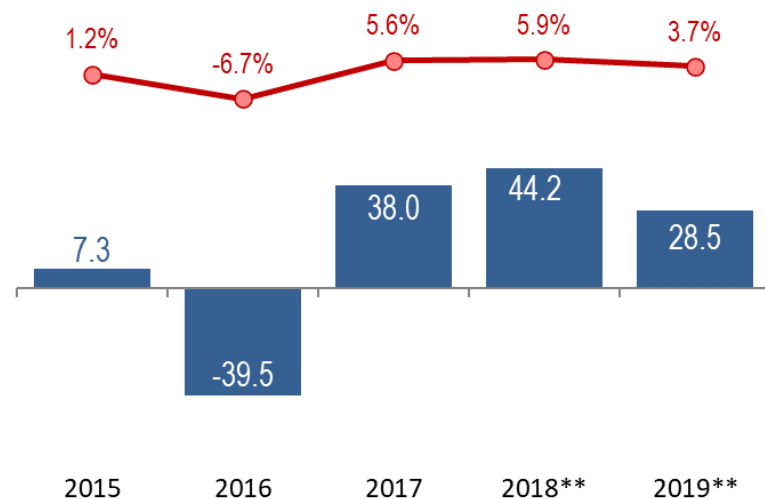
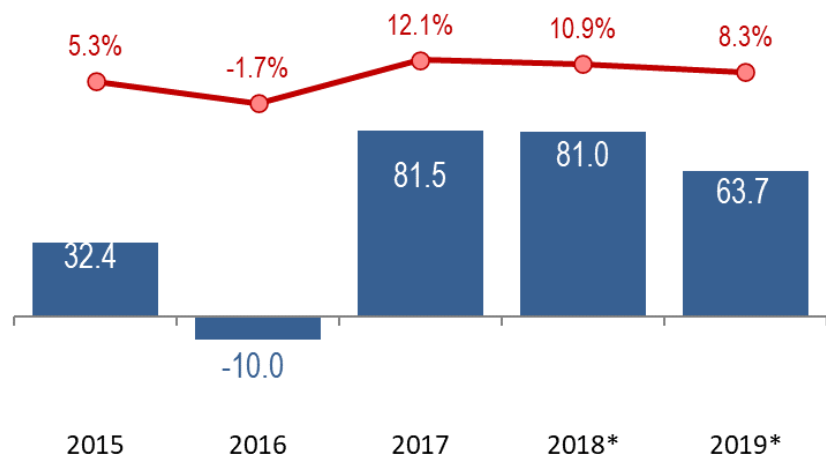
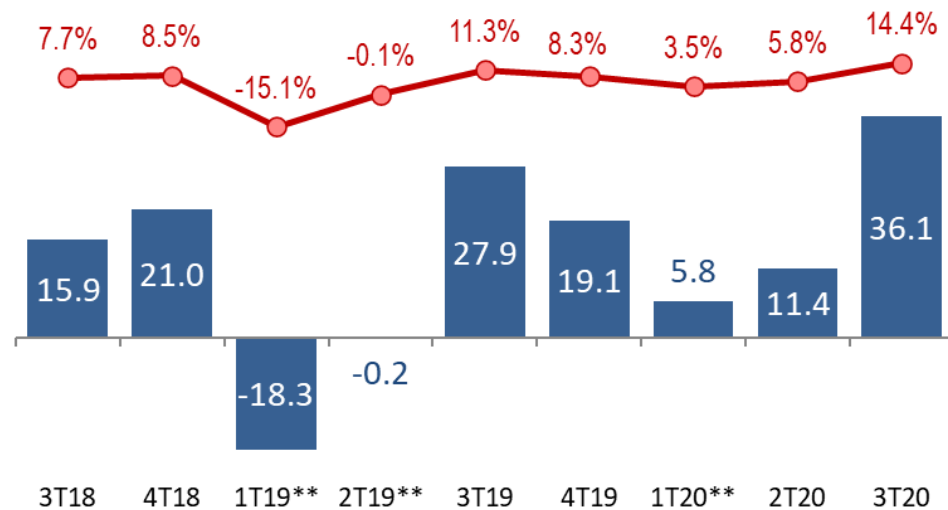
Profitability



EBITDA (R\$ million) and EBTIDA Margin



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



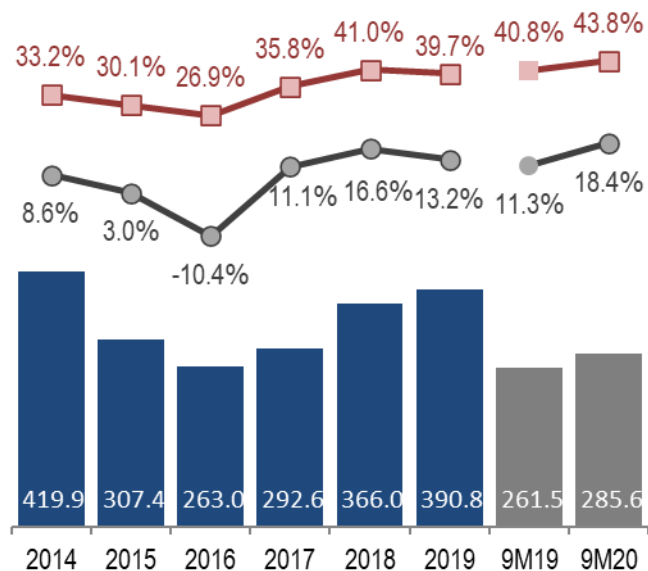
(*) According to the information in the 1Q20 Earnings Release, EBITDA is adjusted by the following aspects: (i) 2Q18/2018: increased by R\$1.6 million; (ii) 1Q19/2019: reduced by R\$74.3 million; and (iii) 1Q20: reduced by R\$1.0 million. (**) According to the information in the 1Q20 Earnings Release, 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; (iv) 2019: reduced by R\$101.4; and (v) 1Q20: reduced by R\$35.0 million.

Business Units' Results

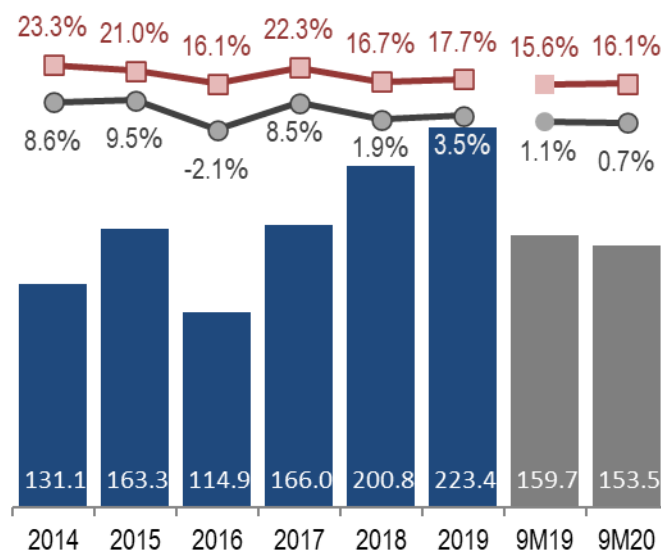


Sales	Quarter											Accumulated	
	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	9M19	9M20
Romi Machines (qty)	144	183	227	270	137	172	242	248	164	137	230	551	531
Burkhardt+Weber (qty)	3	4	9	13	2	8	12	7	3	5	2	22	10
Rough and Machined Cast Iron Parts (ton)	4,592	5,453	5,520	3,469	3,567	3,836	4,286	3,605	4,095	4,263	7,056	11,689	15,415

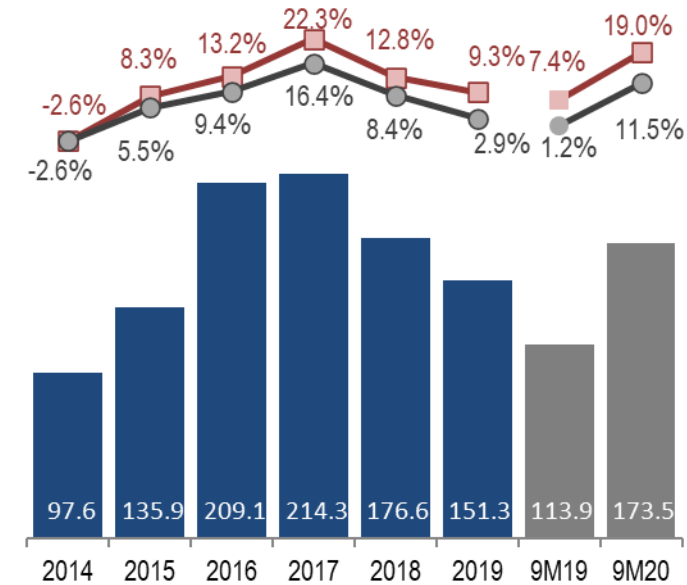
Romi Machines



B+W Machines



Rough and Machined Cast Iron Parts



■ Revenue ■ Gross Margin ● EBTIDA Adjusted

(*) EBTIDA margin is adjusted according to previous slides.

Cash Position



Cash and Cash Equivalent (R\$ MM) - 09/30/2020

	Amount
Bank Deposit Certificate ("CDB")	151.5
Investment funds DI and fixed income	11.6
Short-term investments in foreign currency - US\$ (Time deposit)	4.2
Banks	25.3
Total	192.6

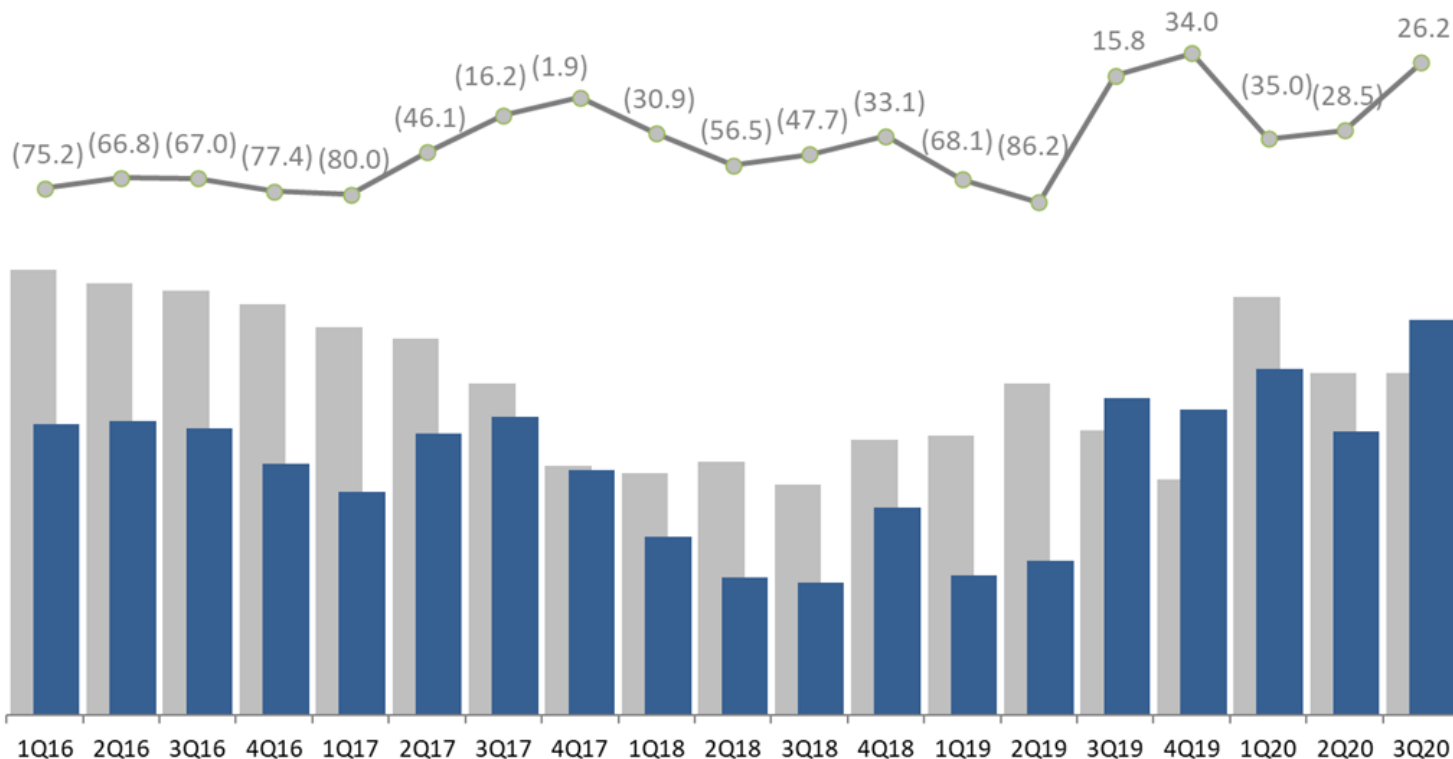
Net Cash = 26.2

Loans* (R\$ MM) - 09/30/2020

	Amount
2020	11.7
2021	116.2
2022	12.9
2023	17.8
2024 and after	7.8
Total	166.4

Net Cash (Debt) Position

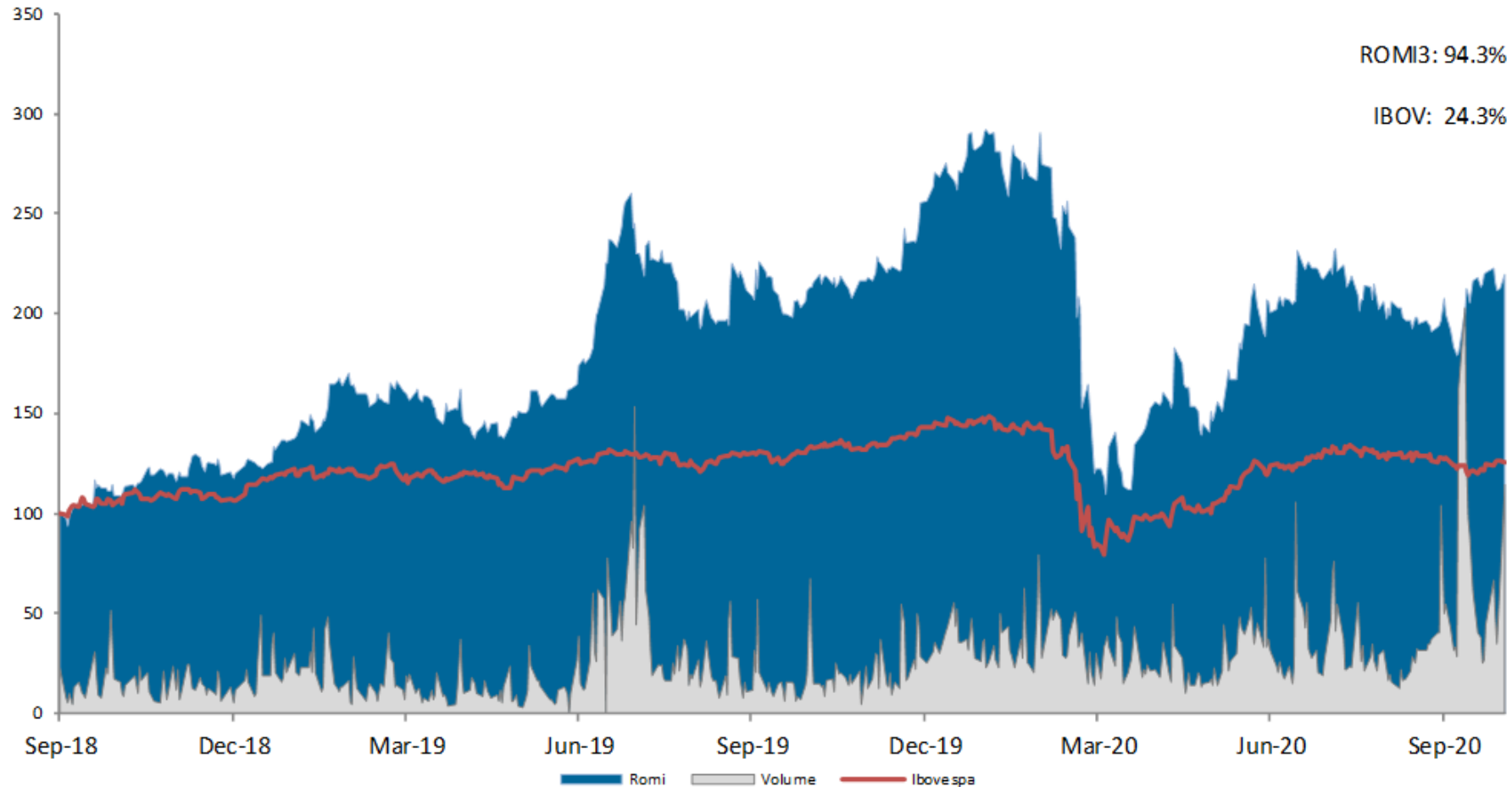
R\$ million





Share Performance ROMI3 vs. Ibovespa

From 09/28/2018 to 10/19/2020





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