

# 1Q23 Earnings Release

April 18, 2023



**April 18, 2023**

**Share price at 4/17/2023**  
ROMI3 - R\$15.20 per share

**Market value**  
R\$1,226,1 million  
US\$248.1 million

**Number of shares**  
Common: 88,734,045  
Total: 88,734,045

**Free float = 50.8%**

**Earnings Conference Call broadcast over the web in Portuguese, with  
simultaneous translation into English**

April 18, 2023

11 a.m. (São Paulo) | 3 p.m. (London) | 10 a.m. (New York)

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**Santa Bárbara d'Oeste - São Paulo, April 18, 2023**

ROMI S.A. ("ROMI" or "Company") (B3: 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 first quarter of 2023 ("1Q23"). Except where otherwise stated, the Company's operating and financial information is presented on a consolidated basis, in accordance with the International Financial Reporting Standards (IFRS).

*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, the economic situation in Brazil, the industry and international markets. Therefore, they are subject to changes.*

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## Highlights

**Adjusted EBITDA in 1Q23 was R\$45.4 million (+13.3% over 1Q22), with a margin increase of 17.5%**

- Gross margin in 1Q23 grew by 3.1 p.p. compared to the same period of 2022, with emphasis on the ROMI Machines and B+W Machines Business Units. Operating profit also grew by 1.9 p.p.;
- The gross and operating margin of the ROMI Machines Unit in 1Q23 grew by 6.5 p.p. and 6.4 p.p. compared to the same period of 2022, with the growth of the domestic market and the machine rental business;
- The B+W Machines Unit, in 1Q23, presented an important evolution in operating margins, reflecting gains in operational efficiency and the increase in revenues from services and spare parts;
- At the ROMI Machines Unit, order intake in 1Q23 grew by 3.6% compared to 1Q22, with emphasis on the domestic market and the machine rental business;

R\$'000	Quarterly				
	1Q22	4Q22	1Q23	Chg. 1Q23/4Q22	Chg. 1Q23/1Q22
<b>Revenues Volume</b>					
<b>ROMI Machines (units)</b>	256	382	205	-46.3%	-19.9%
<b>Burkhardt+Weber (units)</b>	-	8	-	-100.0%	0.0%
<b>Rough and Machined Cast Iron Parts (tons)</b>	5,561	6,844	4,232	-38.2%	-23.9%
<b>Net Operating Revenue</b>	<b>285,335</b>	<b>536,215</b>	<b>259,155</b>	-51.7%	-9.2%
<i>Gross margin (%)</i>	30.0%	33.8%	33.1%		
<b>Operating Income (EBIT)</b>	<b>28,565</b>	<b>124,161</b>	<b>37,045</b>	-70.2%	29.7%
<i>Operating margin (%)</i>	10.0%	23.2%	14.3%		
<b>Operating Income (EBIT) - adjusted (*)</b>	<b>28,565</b>	<b>110,746</b>	<b>30,767</b>	-72.2%	7.7%
<i>Operating margin (%) - adjusted (*)</i>	10.0%	20.7%	11.9%		
<b>Net Income</b>	<b>30,504</b>	<b>87,670</b>	<b>36,130</b>	-58.8%	18.4%
<i>Net margin (%)</i>	10.7%	16.3%	13.9%		
<b>Net Income - adjusted (*)</b>	<b>30,504</b>	<b>74,622</b>	<b>30,052</b>	-59.7%	-1.5%
<i>Net margin (%) - adjusted (*)</i>	10.7%	13.9%	11.6%		
<b>EBITDA</b>	<b>40,059</b>	<b>138,246</b>	<b>51,671</b>	-62.6%	29.0%
<i>EBITDA margin (%)</i>	14.0%	25.8%	19.9%		
<b>EBITDA - adjusted (*)</b>	<b>40,059</b>	<b>124,831</b>	<b>45,393</b>	-63.6%	13.3%
<i>EBITDA margin (%) - adjusted</i>	14.0%	23.3%	17.5%		
<b>Investments (**)</b>	<b>23,095</b>	<b>27,547</b>	<b>21,420</b>	-22.2%	-7.3%

(\*) 4Q22 and 1Q23 are adjusted by the values of: (i) EBIT and EBITDA in the amounts of R\$13,415 and R\$6,278, respectively; and (ii) Profit in the amounts of R\$13,048 and R\$6,078, respectively, referring to the recognition of the impacts of the Vila Romi Residence project, as described in section "Vila Romi Residence (real estate project)" and the sale of a non-industrial plot of land owned by the Company.

(\*\*) Of the investments made in 1Q21, 4Q22 and 1Q23, the amounts of R\$14.3, R\$11.2 and R\$8.4 million refer to machines manufactured by the Company that were allocated to the machine rental business, a new solution launched in the third quarter of 2020. In the accumulated of the years 2021 and 2022, R\$38.9 and R\$64.9 million were invested, respectively.



## 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, either in raw or machined form. The Company's cutting-edge products and services, which feature Industry 4.0 technologies, enable the smart use of the data generated, whether through built-in artificial intelligence or through the transfer of big data over the networks (connectivity) to a central analysis site. This equipment is sold worldwide and used by a number of industrial segments, such as the agricultural machinery, capital goods, consumer goods, packaging, tooling, hydraulic equipment, sanitation, automotive and wind energy industries, among many others.

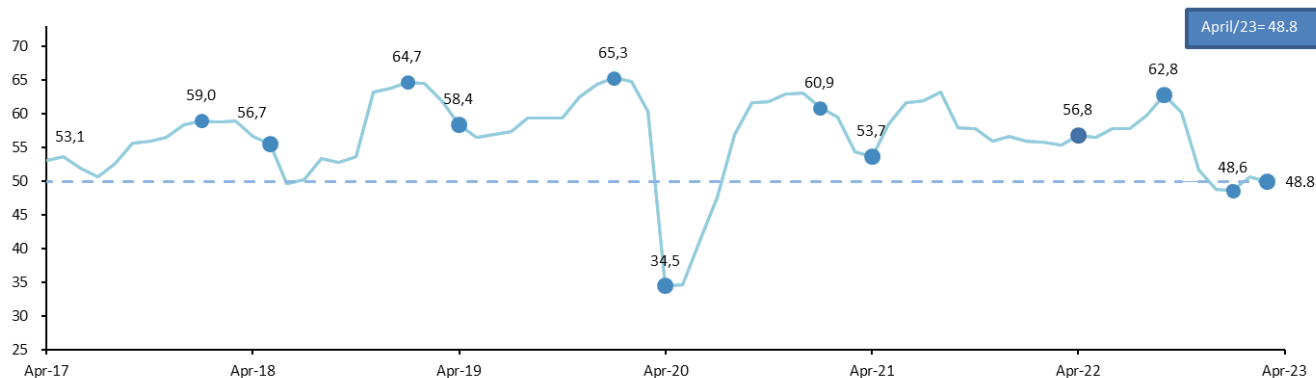
The Company has thirteen manufacturing units, four of which for final assembly of industrial machinery, two foundries, four units for machining of mechanical components, two units for manufacture of steel sheet components, and a unit for assembly of electronic panels. Of these, eleven are located in Brazil and two in Germany. The Company has an installed production capacity of approximately 2,900 industrial machines and 50,000 thousand metric tons of castings per year.

## Current Economic Scenario

Although the beginning of 2023 continues to indicate an unstable environment for investments, both in the domestic and foreign markets, we can see that in the domestic market, the level of confidence in business shows a gradual recovery trend, as well as in the installed capacity utilization. This improvement was reflected in the data of the ROMI Machines Unit, which in this quarter returned to 2022 levels.

We noticed a gradual recovery in the Industrial Entrepreneur Confidence Index (ICEI) in March and April, reaching a level of 48.8. However, with the world scenario of inflation and interest rates at high levels, we currently have a more challenging environment for carrying out investments, mainly in the foreign market.

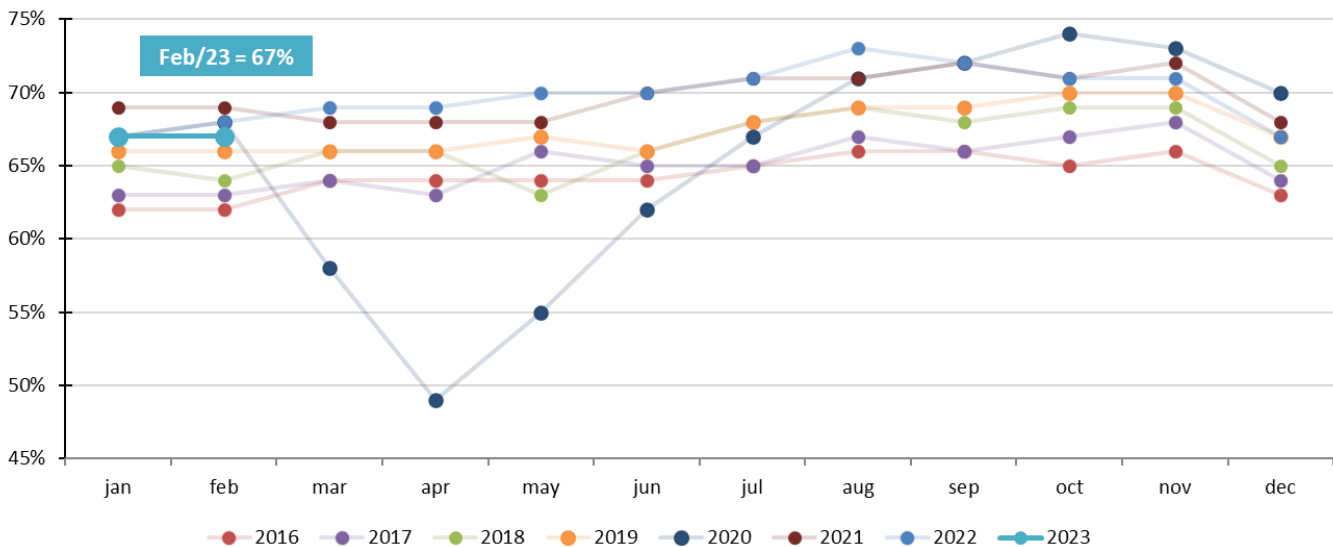
### Industrial Entrepreneur Confidence Index – ICEI



Source: CNI-ICEI, April 2023

The Installed Capacity Utilization (UCI) index for the domestic industry in general, released by the National Confederation of Industry (CNI), remained stable at the beginning of 2023, and in March it reached the level of 67%, showing that industrial activity continues to operate at normal levels.

### Average Installed Capacity Utilization (UCI)



Source: CNI - UCI, February 2023

The past few years have been marked by an environment of uncertainty and high volatility, with major challenges in relation to production volume management, for example. Accordingly, we continue to implement actions to streamline the structure, with a more agile and flexible 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 and in internal processes automation.

Strategically, we have defined the development of new product generations as a priority. We have advanced significantly in terms of technological content, aligned to the needs of Industry 4.0, and the new products launched in recent years have achieved great success in the domestic and foreign markets. Focused on the future, we continue to invest heavily in launching new generations of machines and new technologies to be incorporated into our products.

Additionally, we have strengthened our structures abroad and developed new solutions for our customers, such as machine leasing and financial support, through the creation of a fintech. These strategies are consistently consolidating and give us great confidence that we are very well prepared to keep seizing the opportunities, both in the domestic and foreign markets.

## Market

The Company's main leading edges in the market - ongoing investments in the development of cutting-edge products and solutions, nationwide distribution network, own permanent technical assistance service, machine rental, availability of attractive customer credit packages in local currency, and short product delivery times - are all recognized by the customers, giving the ROMI brand name a traditional and prestigious reputation.

### Incoming Orders

Order Entry (R\$ 000) Gross Values, sales taxes included	1Q22	4Q22	1Q23	Chg. 1Q23/4Q22	Chg. 1Q23/1Q22
ROMI Machines	192,725	140,122	199,713	42.5%	3.6%
Burkhardt+Weber Machines	41,415	88,470	-	-100.0%	-100.0%
Rough and Machined Cast Iron Parts	93,933	52,386	60,676	15.8%	-35.4%
<b>Total *</b>	<b>328,072</b>	<b>280,978</b>	<b>260,389</b>	<b>-7.3%</b>	<b>-20.6%</b>

\* The informed amounts related to incoming orders and order backlog do not include parts and services.

The last quarter of 2022 was marked by a significant drop in the industrial entrepreneur confidence index, which mainly impacted the incoming orders of the ROMI Machines Unit. In 2023, we can see a gradual recovery of industrial entrepreneur confidence, as well as the installed capacity utilization remaining at normal levels, which demonstrates that the domestic market has good prospects for normalization throughout the year.

In the foreign market, the current levels of inflation and the perspective of rising interest rates are affecting investment prospects. As a result of this moment in the domestic and foreign markets, at the ROMI Machines Unit, incoming orders in 1Q23 grew by 3.6% in comparison with the same period in 2022, due to orders from the domestic market and the consolidation of the machine rental business.

As previously mentioned, the new generations of products, with important technological evolutions in the mechatronic part, in thermal compensation and in their connectivity, also allowed the Company to seek competitive alternatives to enable new business to its customers, such as, for example, the leasing of machines. In the first quarter of 2023, 42 new machines have been rented, or 50 new contracts (59 machines in the first quarter of 2022, or 72 new contracts), whose contracts represent approximately R\$13.6 million (R\$21.5 million in the first quarter of 2022). Since the date this solution was launched to the market, in June 2020, 478 machines have been rented, or 577 contracts, representing R\$150.2 million. Such contracts are valid for 12 to 24 months.

In 1Q23, although the German subsidiary BW has not closed new orders, it has a significant volume of projects in progress and we are confident that they will materialize over the coming quarters, so that we may improve over 2024.

The Cast and Machined Cast Iron Parts Unit showed a 35.4% reduction in incoming orders, as a result of the reduction in new projects linked to wind energy, which, given the drop in electricity prices, are being reviewed or postponed. The other segments served by this unit continue with order levels similar to 2022.

### Order Backlog

Order Backlog (R\$ 000) Gross Values, sales taxes included	1Q22	4Q22	1Q23	Chg. 1Q23/4Q22	Chg. 1Q23/1Q22
ROMI Machines	330,676	221,881	263,208	18.6%	-20.4%
Burkhardt+Weber Machines	140,481	191,711	188,043	-1.9%	33.9%
Rough and Machined Cast Iron Parts	320,190	145,559	118,609	-18.5%	-63.0%
<b>Total *</b>	<b>791,346</b>	<b>559,151</b>	<b>569,861</b>	<b>1.9%</b>	<b>-28.0%</b>

\* The informed amounts related to incoming orders and order backlog do not include parts and services.

At the end of the first quarter of 2023, the order backlog dropped by 28.0% compared to the same period in 2022. However, when compared to 4Q22, there was an increase of 1.9%, with emphasis on the ROMI Machines Unit, which showed an important recovery in incoming orders in 1Q23.

## Operational Performance

### Net Operating Revenue by Business Unit

The net operating revenue posted in 1Q23 reached R\$259.2 million, a 9.2% decrease in comparison with 1Q22, especially at the ROMI Machines and Rough and Machined Cast Iron Parts Business Units.

Net Operating Revenue (R\$ 000)	Quarterly				
	1Q22	4Q22	1Q23	Var. 1Q23/4Q22	Var. 1Q23/1Q22
ROMI Machines	177,289	296,512	165,242	-44.3%	-6.8%
Burkhardt+Weber Machines	11,229	103,971	15,623	-85.0%	39.1%
Rough and Machined Cast Iron Parts	96,817	135,732	78,290	-42.3%	-19.1%
<b>Total</b>	<b>285,335</b>	<b>536,215</b>	<b>259,155</b>	<b>-51.7%</b>	<b>-9.2%</b>



### ROMI MACHINES

This Business Unit's net operating revenue reached R\$165.2 million in 1Q23, showing a small reduction of 6.8% when compared to 1Q22, reflecting the decrease in incoming orders from the foreign market, which was largely offset by the significant increase in revenues from machine rental, a business launched by ROMI in mid-2020.

### BURKHARDT + WEBER MACHINES

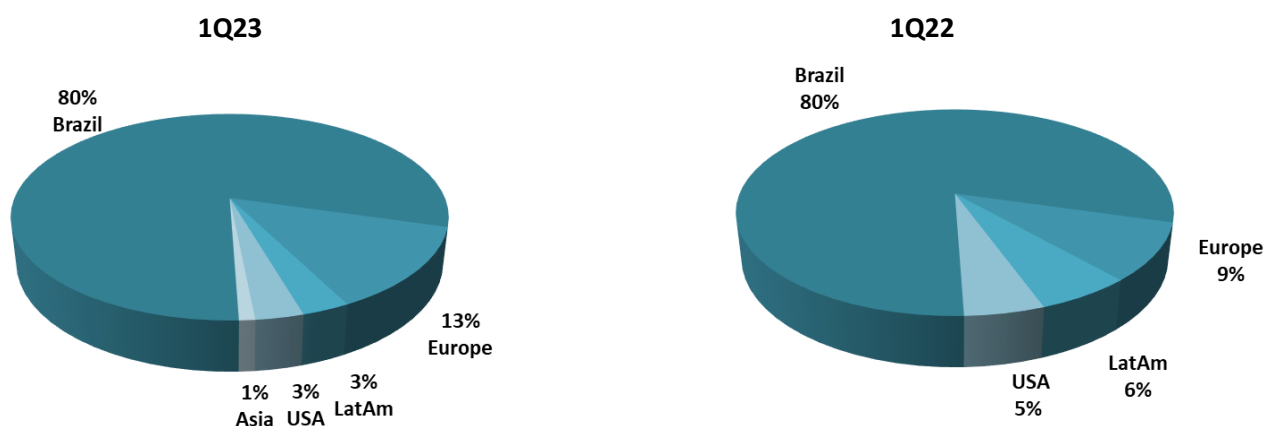
The revenue of German subsidiary BW, in Reais, reached a total of R\$15.6 million in 1Q23, a volume 39.1% higher when compared to 1Q22, reflecting the increase in revenues from technical assistance services and spare parts.

### ROUGH AND MACHINED CAST IRON PARTS

The net operating revenue of this Business Unit was R\$78.3 million in 1Q23, which represents a volume 19.1% lower compared to 1Q22, due to the already mentioned reduction in the business related to large rough and machined cast iron parts for the wind energy sector.

### Net Operating Revenue per Geographical Region

The domestic market accounted for 80% of ROMI's consolidated revenue in 1Q23 (80% in 1Q22). 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 geographical region was the following:



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

Foreign Sales	Quarterly				
	1Q22	4Q22	1Q23	Var. 1Q23/4Q22	Chg. 1Q23/1Q22
Net Sales (R\$ million)	59.5	165.1	53.3	-67.7%	-10.4%
Net Sales (US\$ million)	11.7	31.4	10.4	-66.9%	-11.1%

### Gross and Operating Margins

The gross margin obtained in 1Q23 was 33.1%, an increase of 3.1 p.p. compared to 1Q22, due to the positive performance of the ROMI Machines and B+W Machines Units. The operating margin (EBIT) in the same period increased by 4.0 p.p. The new solutions and products launched by the Company in recent years, greater share of the domestic market in revenue, as well as projects aimed at improving operational efficiency and efficient control of expenditures were the facts leading to this improvement in the operating margins.

Gross Margin	Quarterly				
	1Q22	4Q22	1Q23	Chg. p.p. 1Q23/4Q22	Chg. p.p. 1Q23/1Q22
ROMI Machines	42.0%	45.3%	48.5%	3.2	6.5
Burkhardt+Weber Machines	-54.5%	21.2%	8.4%	(12.8)	62.9
Rough and Machined Cast Iron Parts	17.9%	18.4%	5.5%	(12.9)	(12.4)
<b>Total</b>	<b>30.0%</b>	<b>33.8%</b>	<b>33.1%</b>	<b>(0.7)</b>	<b>3.1</b>

EBIT Margin - Adjusted	Quarterly				
	1Q22	4Q22	1Q23	Chg. p.p. 1Q23/4Q22	Chg. p.p. 1Q23/1Q22
ROMI Machines	20.7%	29.2%	27.1%	(2.1)	6.4
Burkhardt+Weber Machines	-139.6%	10.6%	-55.4%	(66.0)	84.2
Rough and Machined Cast Iron Parts	7.8%	9.6%	-6.9%	(16.5)	(14.6)
<b>Total</b>	<b>10.0%</b>	<b>20.7%</b>	<b>11.9%</b>	<b>(8.8)</b>	<b>1.9</b>

(\*) 4Q22 and 1Q23 are adjusted by the values of: (i) EBIT and EBITDA in the amounts of R\$13,415 and R\$6,278, respectively; and (ii) Profit in the amount of R\$13,048 and R\$6,078, respectively, referring to the recognition of the impacts of the Vila Romi Residence project, as described in section "Vila Romi Residence (real estate project)" and the sale of a non-industrial plot of land owned by the Company.

## ROMI MACHINES

In 1Q23, the gross margin of this Business Unit was at a high level, given the revenue mix, with a greater presence in the domestic market and rental machines. The high level of gross margin and the control of operating expenses resulted in an increase in the adjusted operating margin (EBIT) of 6.4 p.p. in the same comparison period.

## BURKHARDT + WEBER MACHINES

The gross margin and operating margin of this Business Unit in 1Q23 showed a significant improvement of 62.9p.p. and 84.2pp, respectively, compared to 1Q22. Both periods had very low net operating revenues, due to the lack of delivery of machines. However, the improvement in operational efficiency in 2023 is beginning to show concrete progress in results.

## ROUGH AND MACHINED CAST IRON PARTS

In 1Q23, the gross margin of this Business Unit decreased by 12.4 p.p. compared to 1Q22, and its operating margin (EBIT) grew by 14.6 p.p. in the same comparison period. This reduction is due to the lower revenue and production volume in 1Q23, since this business unit has a significant fixed cost, and expenses with adapting the structure to a lower level of production expected in 2023.

## EBITDA and EBITDA Margin

In 1Q23, the operating cash generation as measured by adjusted EBITDA amounted to R\$45.4 million, representing an EBITDA margin of 17.5% in the quarter, as shown in the table below:

Reconciliation of Net Income to EBITDA (R\$ 000)	Quarterly				
	1Q22	4Q22	1Q23	Chg. 1Q23/4Q22	Chg. 1Q23/1Q22
Net Income	30,504	87,670	36,130	-58.8%	18.4%
Income tax and social contributions	7,273	32,542	5,218	-84.0%	-28.3%
Net Financial Income	(9,212)	3,949	(4,303)	-209.0%	-53.3%
Depreciation and amortization	11,494	14,085	14,626	3.8%	27.3%
<b>EBITDA</b>	<b>40,059</b>	<b>138,246</b>	<b>51,671</b>	<b>-62.6%</b>	<b>29.0%</b>
<b>EBITDA Margin</b>	<b>14.0%</b>	<b>25.8%</b>	<b>19.9%</b>	<b>-22.7%</b>	<b>42.0%</b>
<b>EBITDA - Adjusted (*)</b>	<b>40,059</b>	<b>124,831</b>	<b>45,393</b>	<b>-63.6%</b>	<b>13.3%</b>
<b>EBITDA Margin - Adjusted (*)</b>	<b>14.0%</b>	<b>23.3%</b>	<b>17.5%</b>	<b>-24.8%</b>	<b>24.8%</b>
<b>Total Net Operating Revenue</b>	<b>285,335</b>	<b>536,215</b>	<b>259,155</b>	<b>34.5%</b>	<b>-9.2%</b>

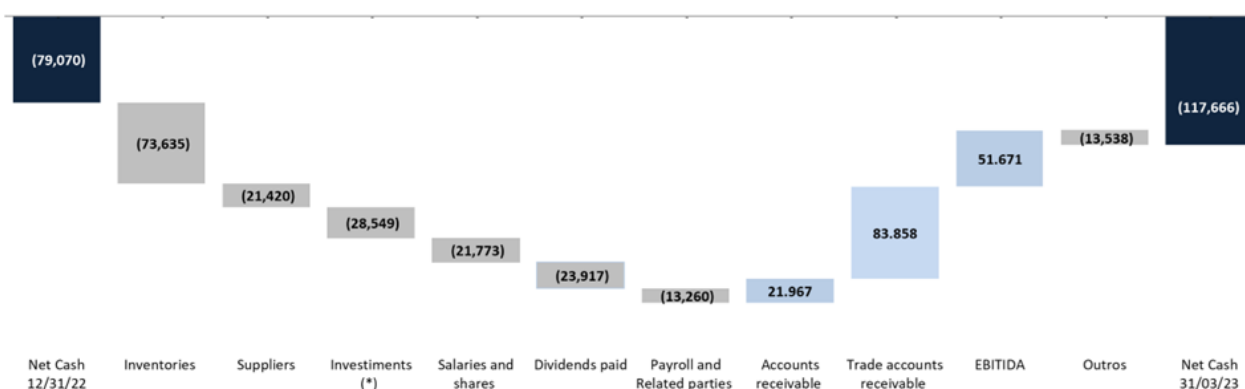
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## Adjusted Profit for the Period

The adjusted profit for 1Q23 was R\$30.1 million, a slight decrease of 1.5% compared to the profit for 1Q22, due to the higher volume of exchange variation in 1Q22, reflecting the behavior of the exchange rate.

## Evolution of Net Cash (Debt) Position

The main changes in net cash position during the first quarter of 2023, in thousands of reais, are described below:



\*The balances recognized under "Investments" are net of the impacts recognized in accordance with CPC 06 (R2) - Leases, equivalent to international standard IFRS 16 - Leases.

The evolution of the net cash position in the first quarter of 2023 showed the following main variations:

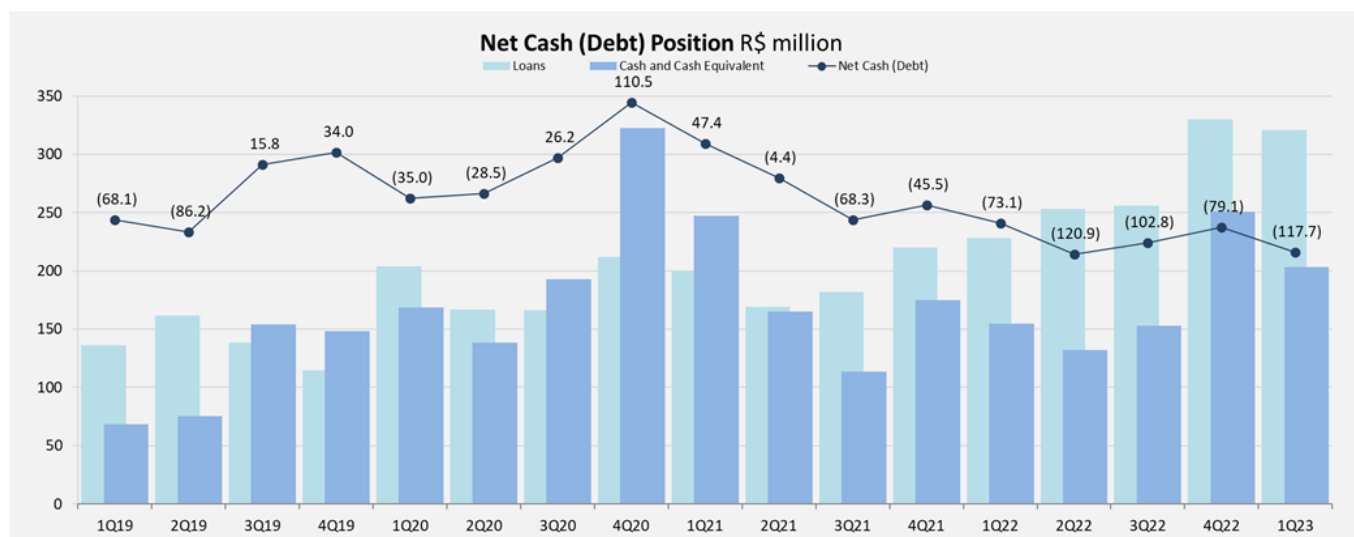
- Investments made in 1Q23 aimed at the maintenance, productivity, flexibility and competitiveness of the other units in the manufacturing facilities and, mainly, related to the new machine rental business;
- Payments of interest on capital and interim dividends, declared in December 2022 and January 2023, paid during 1Q23, amounting to R\$28.5 million;
- Increase in trade accounts receivable, mainly due to the Parent company's and German subsidiary B+W's revenue, which will be received at the beginning of 2023.

## Financial Position

Short-term investments are made with prime institutions with low credit risk and their yield is mainly linked to the Interbank Certificate of Deposit (CDI). The consolidated net cash position as at March 31, 2023 was negative by R\$117.7 million.

The Company's borrowings are used mainly for investments in the modernization of its manufacturing facilities, research and development of new products, and financing of exports and imports. As at March 31, 2023, the amount of financing in local currency was R\$129.2 million, and in foreign currency R\$191.8 million, totaling R\$321.0 million, of which R\$135.0 million maturing in up to 12 months.

As at March 31, 2023, the Company recorded R\$203.4 million as cash and cash equivalents and short-term investments.



The balances recorded under “Finame Manufacturer Financing” are not used in the calculation of the Company’s net debt.

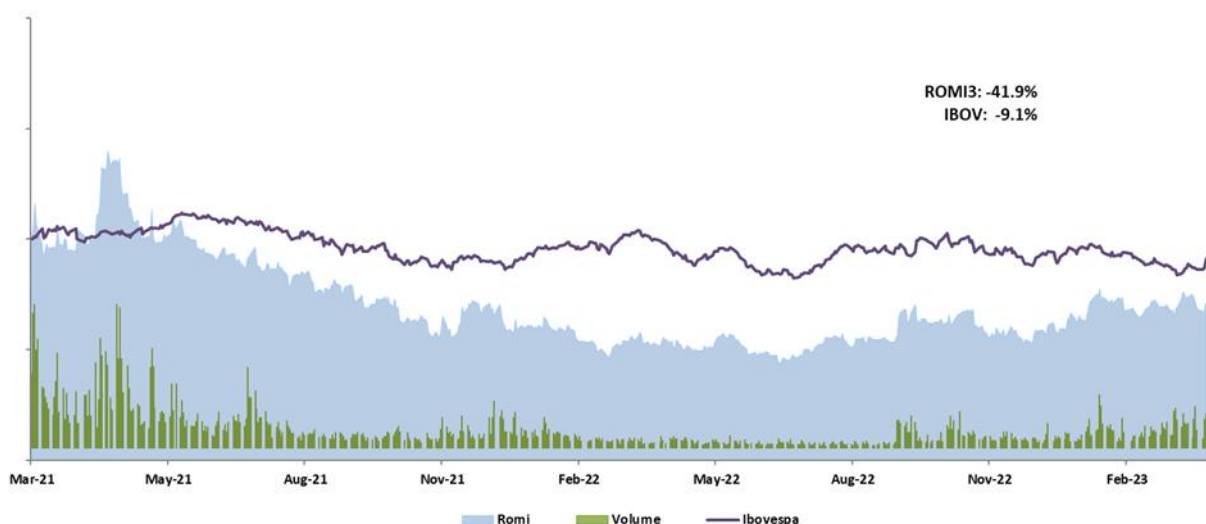
As at March 31, 2023, the Company did not have any derivative transactions.



## Capital Markets

### Share Performance ROMI3 x Ibovespa

Period: March 30, 2021 to April 17, 2023



**Note:** The performance of ROMI3 shares shown in the chart above does not consider the distribution of profits made in the period presented, as well as the stock bonus in shares that occurred in March 2023 and October 2022.

**Source:** B3.

On April 17, 2023 the Company's common shares (ROMI3), which were quoted at R\$15.20, posted devaluation of 41,9% since March 31, 2021 and 1.5% since December 29, 2022. The Ibovespa Index (Ibovespa) went down 9.1% and 3.4%, respectively, in the same periods.

The Company's market capitalization on April 17, 2023 was R\$1,226.1 billion. The average daily trading volume during 1Q23 was R\$17.3 million.

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## Vila Romi Residence

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In April 2022, through the subsidiary Rominor Empreendimentos Imobiliários S.A. (“Rominor Empreendimentos”), there was the launch of the closed subdivision Vila Romi Residence, which has 350 lots between 300m<sup>2</sup> and 884m<sup>2</sup>, whose delivery and completion forecast is by the end of 2024. Currently, 339 lots have been sold, with the General Sales Value (“GSV”) estimated at around R\$130 million. The interest of Rominor Empreendimentos, a wholly-owned subsidiary of the Company, in this project is 50% of GSV.

The payment terms vary from cash up to 10 years of direct financing, with 10% of the total land value being mandatory. The financing installments are monetarily adjusted by the IPCA, plus 12% interest per year. In cases where the land was financed, the property itself appears as a guarantee for the payment of the installments.

As of the date of these interim financial statements, the subsidiary Rominor Empreendimentos had received approximately R\$37.8 million (amount plus monetary adjustment and interest), of which R\$16.2 million are recorded under advances from customers, in current liabilities.

Management, based on CPC47 - Revenue from Contracts with Customers and the applicable CVM rules, adopted as a criterion for the recognition of the enterprise's revenue the Percentage of Completion (POC) methodology, where revenue and the respective costs are recognized in profit or loss in proportion to the percentage of completion of the infrastructure works, through measurement reports issued monthly.

As at March 31, 2023, the percentage of completion of the works was 26.14% according to the aforementioned construction measurement report, which resulted in the following impacts on the financial statements:

(i) Net operating revenue/EBIT/EBITDA: R\$6.3 million; and (ii) profit for the period: R\$6.1 million.

## Consolidated Balance Sheet

IFRS (R\$ 000)

ASSETS	03/31/22	12/31/22	03/31/23	LIABILITIES AND SHAREHOLDER'S EQUITY	03/31/22	12/31/22	03/31/23
<b>CURRENT</b>	<b>1.147.778</b>	<b>1.388.934</b>	<b>1.341.221</b>	<b>CURRENT</b>	<b>564.188</b>	<b>597.847</b>	<b>637.203</b>
Cash and Cash equivalents	89.032	131.999	180.990	Loans and financing	64.617	53.714	135.023
Financial investments	65.786	118.814	22.362	FINAME manufacturer financing	142.651	154.076	158.271
Trade accounts receivable	204.784	275.323	190.284	Trade accounts payable	145.702	135.557	122.297
Onlending of Finame manufacturer financing	153.304	162.993	167.928	Payroll and related taxes	38.244	48.850	35.063
Inventories	575.910	640.797	714.432	Taxes payables	18.468	37.397	14.439
Recoverable taxes	41.583	41.880	46.472	Advances from customers	104.377	106.404	125.356
Other receivables	17.379	17.128	18.753	Related parties	1.529	9.406	1.420
Judicial Deposits	-	-	-	Dividends	19.465	15.130	16.547
				Provision for contingent liabilities	2.220	2.683	2.492
				Other payables	26.915	34.630	26.295
<b>NON CURRENT</b>	<b>333.358</b>	<b>369.461</b>	<b>367.933</b>	<b>NON CURRENT</b>	<b>408.699</b>	<b>551.688</b>	<b>459.425</b>
Trade accounts receivable	16.466	28.571	29.752	Loans and financing	163.311	276.169	185.995
Onlending of Finame manufacturer financing	209.961	243.845	239.144	FINAME manufacturer financing	208.602	237.055	234.586
Recoverable taxes	71.450	56.440	57.635	Deferred income and social contribution taxes	34.163	35.440	34.907
Deferred income and social contribution taxes	15.858	19.006	21.878	Reserve for contingencies	286	270	416
Judicial Deposits	12.108	12.200	12.212	Other payables	2.337	2.754	3.521
Other receivables	7.515	9.399	7.312				
<b>Investments</b>							
Property, Plant and Equipment	373.546	420.275	422.905	<b>SHAREHOLDER'S EQUITY</b>	<b>948.928</b>	<b>1.093.127</b>	<b>1.098.280</b>
Investment Properties	16.593	15.251	15.251	Capital	637.756	771.454	904.772
Intangible assets	52.113	51.012	49.186	Retained earnings	244.283	248.144	120.860
				Cumulative translation adjustments	66.889	73.529	72.648
				<b>NON CONTROLLING INTERESTS</b>	<b>1.573</b>	<b>2.271</b>	<b>1.588</b>
				<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>950.501</b>	<b>1.095.398</b>	<b>1.099.868</b>
<b>TOTAL ASSETS</b>	<b>1.923.388</b>	<b>2.244.933</b>	<b>2.196.496</b>	<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>1.923.388</b>	<b>2.244.933</b>	<b>2.196.496</b>

## Consolidated Income Statement IFRS (R\$ thousand)

	1Q22	4Q22	1Q23	Chg. 1Q23/4Q22	Chg. 1Q23/1Q22
<b>Net Operating Revenue</b>	<b>285,335</b>	<b>536,215</b>	<b>259,155</b>	<b>-51.7%</b>	<b>-9.2%</b>
Cost of Goods Sold	(199,730)	(354,812)	(173,378)	-51.1%	-13.2%
<b>Gross Profit</b>	<b>85,605</b>	<b>181,403</b>	<b>85,777</b>	<b>-52.7%</b>	<b>0.2%</b>
<i>Gross Margin %</i>	<b>30.0%</b>	<b>33.8%</b>	<b>33.1%</b>		
<b>Operating revenues (expenses)</b>	<b>(57,040)</b>	<b>(57,242)</b>	<b>(48,732)</b>	<b>-14.9%</b>	<b>-14.6%</b>
Selling expenses	(25,587)	(33,574)	(25,421)	-24.3%	-0.6%
Research and development expenses	(6,924)	(7,797)	(7,681)	-1.5%	10.9%
General and administrative expenses	(22,117)	(24,919)	(20,590)	-17.4%	-6.9%
Management profit sharing and compensation	(3,438)	(5,755)	(3,517)	-38.9%	2.3%
Other operating income, net	1,026	14,803	8,477	-42.7%	726.2%
<b>Operating Income (loss) before Financial Results</b>	<b>28,565</b>	<b>124,161</b>	<b>37,045</b>	<b>-70.2%</b>	<b>29.7%</b>
<i>Operating Margin %</i>	<b>10.0%</b>	<b>23.2%</b>	<b>14.3%</b>		
<b>Operating Income (loss) before Financial Results - Adjusted (*)</b>	<b>28,565</b>	<b>110,746</b>	<b>30,767</b>	<b>-72.2%</b>	<b>7.7%</b>
<i>Operating Margin % - Adjusted (*)</i>	<b>10.0%</b>	<b>20.7%</b>	<b>11.9%</b>		
<b>Financial Results, Net</b>	<b>9,212</b>	<b>(3,949)</b>	<b>4,303</b>	<b>-209.0%</b>	<b>-53.3%</b>
Financial income	3,640	5,586	9,791	75.3%	169.0%
Financial expenses	(2,841)	(6,468)	(6,037)	-6.7%	112.5%
Exchange gain (loss), net	8,413	(3,067)	549	-117.9%	-93.5%
<b>Operations Operating Income</b>	<b>37,777</b>	<b>120,212</b>	<b>41,348</b>	<b>-65.6%</b>	<b>9.5%</b>
Income tax and social contribution	(7,273)	(32,542)	(5,218)	-84.0%	-28.3%
<b>Income (loss) for Continued Operation</b>	<b>30,504</b>	<b>87,670</b>	<b>36,130</b>	<b>-58.8%</b>	<b>18.4%</b>
<i>Net Margin %</i>	<b>10.7%</b>	<b>16.3%</b>	<b>13.9%</b>		
<b>Net income - Adjusted (*)</b>	<b>30,504</b>	<b>74,622</b>	<b>30,052</b>	<b>-59.7%</b>	<b>-1.5%</b>
<i>Net Margin % - Adjusted (*)</i>	<b>10.7%</b>	<b>13.9%</b>	<b>11.6%</b>		
<b>Net profit (loss) concerning:</b>					
Controlling interests	30,388	86,966	35,998	-58.6%	18.5%
Non controlling interests	116	722	132	-81.7%	13.8%
<b>EBITDA</b>	<b>40,059</b>	<b>138,246</b>	<b>51,671</b>	<b>-62.6%</b>	<b>29.0%</b>
Profit (loss) for the period	30,504	87,670	36,130	-58.8%	18.4%
Income tax and social contribution	7,273	32,542	5,218	-84.0%	-28.3%
Financial result, net	(9,212)	3,949	(4,303)	-209.0%	-53.3%
Depreciation and amortization	11,494	14,085	14,626	3.8%	27.3%
<i>EBITDA Margin %</i>	<b>14.0%</b>	<b>25.8%</b>	<b>19.9%</b>		
<b>EBITDA - Adjusted (*)</b>	<b>40,059</b>	<b>124,831</b>	<b>45,393</b>	<b>-63.6%</b>	<b>13.3%</b>
<i>EBITDA Margin % - Adjusted (*)</i>	<b>14.0%</b>	<b>23.3%</b>	<b>17.5%</b>		
Nº of shares in capital stock (th)	73,334	80,667	88,734		
Profit (loss) per share - R\$	0.41	1.09	0.41		

## Consolidated Cash Flow Statement

IFRS (R\$ thousand)

	1Q22	4Q22	1Q23
<b>Cash from operating activities</b>			
<b>Net Income before taxation</b>	<b>37,777</b>	<b>120,212</b>	<b>41,348</b>
Financial expenses and exchange gain	(12,903)	3,747	(802)
Depreciation and amortization	12,451	14,085	14,626
Allowance for doubtful accounts and other receivables	(1,185)	507	(644)
Proceeds from sale of fixed assets and intangibles	(1,167)	(21,012)	(3,056)
Provision for inventory realization	(3,248)	(1,352)	1,699
Reserve for contingencies	714	131	162
Trade accounts receivable	22,910	(45,625)	85,971
Onlending of Finame manufacturer financing	8,450	(36,981)	412
Inventories	(35,865)	118,420	(75,330)
Recoverable taxes, net	1,073	23,981	(8,659)
Judicial deposits	(11)	-	(12)
Other receivables	(4,041)	(736)	2,273
Trade accounts payable	21,048	(65,649)	(12,670)
Payroll and related taxes	(7,818)	(8,983)	(13,787)
Taxes payable	(17,012)	(19,053)	(4,792)
Advances from customers	380	(36,018)	18,952
Other payables	(15,277)	8,842	(15,752)
<b>Cash provided by (used in) operating activities</b>	<b>6,276</b>	<b>54,516</b>	<b>29,939</b>
Income tax and social contribution paid	(237)	(8,723)	(23,917)
<b>Net Cash provided by (used in) operating activities</b>	<b>6,039</b>	<b>45,793</b>	<b>6,022</b>
Financial Investments	9,000	(75,343)	96,452
Purchase of fixed assets	(33,387)	(30,334)	(21,420)
Sales of fixed assets	2,293	11,708	9,630
Purchase of intangible assets	(102)	(132)	-
<b>Net cash Used in Investing Activities</b>	<b>(22,196)</b>	<b>(94,101)</b>	<b>84,662</b>
Interest on capital paid	(18,545)	(23,919)	(29,364)
New loans and financing	52,618	101,681	-
Payments of loans and financing	(18,259)	(41,942)	(7,639)
Interests paid (including Finame manufacturer financing)	(11,963)	2,813	(11,599)
New loans in Finame manufacturer	35,598	71,402	47,530
Payment of Finame manufacturer financing	(37,625)	(38,241)	(39,156)
<b>Net Cash provided by (used in) Financing Activities</b>	<b>1,824</b>	<b>71,794</b>	<b>(40,228)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(14,333)</b>	<b>23,486</b>	<b>50,456</b>
Exchange variation changes on cash and cash equivalents abroad	3,454	1,575	(1,467)
<b>Cash and cash equivalents - beginning of period</b>	<b>99,911</b>	<b>109,497</b>	<b>131,999</b>
<b>Cash and cash equivalents - end of period</b>	<b>89,032</b>	<b>131,999</b>	<b>180,990</b>



## Attachment I – Income Statement by Business Unit

### Income Statement by Business Units - 1Q23

R\$ 000	ROMI Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron	Total
<b>Net Operating Revenue</b>	<b>165,242</b>	<b>15,623</b>	<b>78,290</b>	<b>259,155</b>
<b>Cost of Sales and Services</b>	(70,252)	(14,310)	(88,816)	(173,378)
Business Units Transfers	536	-	15,385	15,921
Business Units Transfers	(15,385)	-	(536)	(15,921)
<b>Gross Profit</b>	<b>80,141</b>	<b>1,313</b>	<b>4,323</b>	<b>85,777</b>
<i>Gross Margin %</i>	<b>48.5%</b>	<b>8.4%</b>	<b>5.5%</b>	<b>33.1%</b>
<b>Operating Expenses</b>	<b>(35,357)</b>	<b>(9,968)</b>	<b>(9,686)</b>	<b>(55,010)</b>
Selling	(20,524)	(3,278)	(1,619)	(25,421)
General and Administrative	(9,507)	(6,690)	(4,393)	(20,590)
Research and Development	(5,667)	-	(2,014)	(7,681)
Management profit sharing	(1,858)	-	(1,659)	(3,517)
Other operating revenue	2,199	-	-	2,199
<b>Operating Income (loss) before Financial Results</b>	<b>44,785</b>	<b>(8,655)</b>	<b>(5,363)</b>	<b>30,767</b>
<i>Operating Margin % - Adjusted (*)</i>	<b>27.1%</b>	<b>-55.4%</b>	<b>-6.9%</b>	<b>11.9%</b>
Depreciation and amortization	7,926	2,601	4,100	14,626
<b>EBITDA</b>	<b>52,710</b>	<b>(6,054)</b>	<b>(1,263)</b>	<b>45,393</b>
<i>EBITDA Margin %</i>	<b>31.9%</b>	<b>-38.8%</b>	<b>-1.6%</b>	<b>17.5%</b>

### Income Statement by Business Units - 1Q22

R\$ 000	ROMI Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron	Total
<b>Net Operating Revenue</b>	<b>177,289</b>	<b>11,229</b>	<b>96,817</b>	<b>285,335</b>
<b>Cost of Sales and Services</b>	(86,957)	(17,353)	(95,420)	(199,730)
Business Units Transfers	74	-	15,986	16,060
Business Units Transfers	(15,986)	-	(74)	(16,060)
<b>Gross Profit</b>	<b>74,420</b>	<b>(6,124)</b>	<b>17,309</b>	<b>85,605</b>
<i>Gross Margin %</i>	<b>42.0%</b>	<b>-54.5%</b>	<b>17.9%</b>	<b>30.0%</b>
<b>Operating Expenses</b>	<b>(37,728)</b>	<b>(9,547)</b>	<b>(9,765)</b>	<b>(57,040)</b>
Selling	(21,528)	(2,774)	(1,285)	(25,587)
General and Administrative	(10,345)	(6,772)	(5,000)	(22,117)
Research and Development	(5,079)	-	(1,844)	(6,924)
Management profit sharing	(1,803)	-	(1,636)	(3,438)
Other operating revenue	1,026	-	-	1,026
<b>Operating Income (loss) before Financial Results</b>	<b>36,692</b>	<b>(15,671)</b>	<b>7,544</b>	<b>28,565</b>
<i>Operating Margin %</i>	<b>20.7%</b>	<b>-139.6%</b>	<b>7.8%</b>	<b>10.0%</b>
Depreciation and amortization	5,290	2,917	3,287	11,494
<b>EBITDA</b>	<b>41,981</b>	<b>(12,754)</b>	<b>10,831</b>	<b>40,059</b>
<i>EBITDA Margin %</i>	<b>23.7%</b>	<b>-113.6%</b>	<b>11.2%</b>	<b>14.0%</b>

## Attachment II - Financial Statements of BW

### Balance Sheet BW

	(€ Mil)		
ASSETS	03/31/22	12/31/22	03/31/23
<b>CURRENT</b>	<b>22,166</b>	<b>28,454</b>	<b>28,383</b>
Cash and Cash equivalents	1,414	291	135
Trade accounts receivable	6,932	12,892	5,859
Inventories	11,298	12,697	19,103
Recoverable taxes	480	697	718
Deferred income and social contribution taxes	834	1,035	1,443
Related Parties	202	92	29
Other receivables	1,006	750	1,096
<b>Investments</b>			
Property, plant and equipment	12,432	12,047	12,107
Investment in subsidiaries	-	-	-
Intangible assets	9,736	9,019	8,775
<b>TOTAL ASSETS</b>	<b>44,334</b>	<b>49,520</b>	<b>49,265</b>
LIABILITIES AND SHAREHOLDER'S EQUITY	03/31/22	12/31/22	03/31/23
<b>CURRENT</b>	<b>15,410</b>	<b>21,296</b>	<b>24,868</b>
Loans and financing	1,074	2,727	3,930
Trade accounts payable	1,843	4,508	3,351
Payroll and related taxes	1,443	760	1,259
Taxes payable	(39)	597	152
Advances from customers	7,939	7,965	12,121
Other payables	2,561	3,369	2,431
Related Parties	590	1,371	1,624
<b>NON CURRENT</b>	<b>7,691</b>	<b>7,556</b>	<b>4,705</b>
Loans and financing	3,849	3,849	1,042
Deferred income and social contribution taxes	3,842	3,707	3,662
<b>SHAREHOLDER'S EQUITY</b>	<b>21,234</b>	<b>20,669</b>	<b>19,694</b>
Capital	7,025	7,025	7,025
Capital reserve	505	505	505
Profit reserve	13,704	13,139	12,164
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>44,334</b>	<b>49,520</b>	<b>49,265</b>

## BW Income Statement

	(€ Mil)		
	1Q22	4Q22	1Q23
<b>Net Operating Revenue</b>	<b>1,925</b>	<b>18,967</b>	<b>2,804</b>
Cost of Goods Sold	(2,727)	(14,536)	(2,570)
<b>Gross Profit</b>	<b>(802)</b>	<b>4,431</b>	<b>234</b>
<b>Gross Margin %</b>	<b>-41.7%</b>	<b>23.4%</b>	<b>8.3%</b>
<b>Operating Expenses</b>	<b>(1,624)</b>	<b>(2,041)</b>	<b>(1,789)</b>
Selling expenses	(479)	(874)	(588)
General and administrative expenses	(1,146)	(1,167)	(1,201)
<b>Operating Income before Financial Results</b>	<b>(2,426)</b>	<b>2,390</b>	<b>(1,555)</b>
<b>Operating Margin %</b>	<b>-126.0%</b>	<b>12.6%</b>	<b>-55.5%</b>
<b>Financial Results, Net</b>	<b>(81)</b>	<b>(125)</b>	<b>(45)</b>
<b>Operations Operating Income</b>	<b>(2,507)</b>	<b>2,265</b>	<b>(1,600)</b>
Income tax and social contribution	724	(555)	452
<b>Net income</b>	<b>(1,783)</b>	<b>1,710</b>	<b>(1,148)</b>
<b>Net Margin %</b>	<b>-92.6%</b>	<b>9.0%</b>	<b>-40.9%</b>
<b>EBITDA</b>	<b>(1,927)</b>	<b>2,867</b>	<b>(1,089)</b>
Net income / loss for the period	(1,783)	1,710	(1,148)
Income tax and social contribution	(724)	555	(452)
Financial income, net	81	125	45
Depreciation and amortization	499	477	467
<b>EBITDA Margin %</b>	<b>-100.1%</b>	<b>15.1%</b>	<b>-38.8%</b>