



4Q23 Earnings Release

January 30, 2024



Share price at 1/29/2024

ROMI3 - R\$ 12.88 per share

Market value

R\$ 1,142.9 million
USD\$ 231.3 million

Number of shares

Common: 88,734,045

Free float = 50.8%



Earnings Conference Call

Simultaneous translation (Portuguese - English)

January 31, 2024 - 11 a.m. (São Paulo)
2 p.m. (London) | 9 a.m. (New York)

[Click here](#) to access the conference call

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Message from Management

We ended 2023 with great success, convinced that we seized every market opportunity. We highlight the significant improvements made in our operations, as well as continuous investments in innovative technologies to enrich our portfolio and offer the best solutions always focused in our customers success. 2023 was marked by dedication to the development of our human capital and the constant pursuit of excellence in health and occupational safety. The confidence in our committed and engaged team with ROMI's purposes drives us to face the next challenges and evolve continuously.

Our solutions, such as machine rental and PRODZ (a fintech specialized in machine financing), have established themselves as successful solutions for our customers, responding positively in volatile environments. This has allowed us to mitigate market fluctuations, keeping our business solid and profitable. Satisfaction is evident when seeing a significant portion of our rental customers engaging in new businesses with ROMI, reflecting our commitment to their success.

The operation in Germany (B+ W) showcased a robust recovery in 2023, concluding the year with operational profit. Our restructuring efforts undertaken in recent years, coupled with a dedication to working even closer with customers to understand their needs, resulted in a significant increase in new orders, with growth of approximately 34% compared to 2022, culminating in an order backlog of R\$265 million, to be delivered in 2024 and 2025.

At the Castings Unit, 2023 presented challenges due to the reduction in demand from the wind power and agriculture segments. Throughout the year, we dedicated efforts to adjust the structure to the new production levels, reviewing internal processes and the quality of stocks that impacted the result of this unit. We start 2024 more structured and lean, ready to recover profitability even in a challenging demand scenario.

We are confident that our competitive advantages will allow us to continue evolving and adding more value to all stakeholders. We maintain solid investments in innovation, covering technologies such as connectivity, big data, new generations of machines, process improvement, and human development.

The solid cash generation reflects our ability to react quickly to market fluctuations.

We cannot conclude this message without mentioning a major achievement for the year of 2023: ROMI's ISO 45001 certification. Although it has been a long journey, we feel gratified, as this certification strengthens our foundations in health and occupational safety. Not only do we celebrate this achievement, but we will also continue to systematically improve our processes, highlighting the relevance of this topic for everyone at ROMI.

Luiz Cassiano Rosolen

Chief Executive Officer

Santa Bárbara d'Oeste - São Paulo, January 30, 2024

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 2023 ("4Q23"). Except where otherwise stated, ROMI'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 4Q23 was R\$57.7M with margin of 14.9%

Adjusted EBITDA
R\$57.7 million
margin of 14.9%

Order Backlog
R\$492.9 million

Incoming Orders
R\$273.2 million

- The B+W Machines Unit showed significant operational recovery in 2023. Net operating revenue evolved by 24.9%, and gross and operating margins increased by 10.1 p.p. and 13.1 p.p., respectively, compared to 2022;
- The incoming orders for rental machines grew by around 34.1% in 2023 when compared to the same period in 2023, demonstrating the consolidation of this new business;
- The B+W Machines Unit closed 2023 with significant growth in its incoming orders and order backlog, which increased by 33.9% and 38.1% compared to 2022, reaching R\$301.1 million and R\$264.8 million respectively;
- Cash generation in 4Q23 amounted to R\$29.6 million, already net of the R\$32.4 million in interest on equity paid during 4Q23.

Other Highlights

- On December 11, 2023, the Company's Board of Directors approved the payment of interest on capital in the gross amount of R\$17.1 million (equivalent to R\$ 0.193 per share);



- In October 2023, the company achieved Recommendation for Certification to the **ISO 45001** standard. This Certification, which took place on January 15, 2024, recognizes the result of ROMI's strong performance in improving its OHS (Occupational Health and Safety) processes and management.

R\$'000	Quarterly					Acumulated		
	4Q22	3Q23	4Q23	Chg. 4Q23/3Q23	Chg. 4Q23/4Q22	2022	2023	Chg. 2023/2022
Revenue								
ROMI Machines (units)	382	281	305	8.5%	-20.2%	1,287	1,082	-15.9%
Burkhardt+Weber (units)	8	1	8	700.0%	0.0%	13	11	-15.4%
Rough and Machined Cast Iron Parts (tons)	6,844	2,725	1,786	-34.5%	-73.9%	26,218	12,284	-53.1%
Net Operating Revenue	536,215	272,795	386,661	41.7%	-27.9%	1,592,302	1,227,247	-22.9%
<i>Gross margin (%)</i>	33.8%	29.6%	28.3%			32.0%	29.9%	
Operating Income (EBIT)	124,161	42,413	60,150	41.8%	-51.6%	271,138	173,169	-36.1%
<i>Operating margin (%)</i>	23.2%	15.5%	15.6%			17.0%	14.1%	
Operating Income (EBIT) - adjusted (*)	110,746	19,539	44,142	125.9%	-60.1%	248,259	121,203	-51.2%
<i>Operating margin (%) - adjusted (*)</i>	20.7%	7.2%	11.4%			15.6%	9.9%	
Net Income	87,670	44,491	51,340	15.4%	-41.4%	216,096	164,586	-23.8%
<i>Net margin (%)</i>	16.3%	16.3%	13.3%			13.6%	13.4%	
Net Income - adjusted (*)	74,622	22,348	35,844	60.4%	-52.0%	193,897	114,281	-41.1%
<i>Net margin (%) - adjusted (*)</i>	13.9%	8.2%	9.3%			12.2%	9.3%	
EBITDA	138,246	55,768	73,729	32.2%	-46.7%	321,885	229,206	-28.8%
<i>EBITDA margin (%)</i>	25.8%	20.4%	19.1%			20.2%	18.7%	
EBITDA - adjusted (*)	124,831	32,894	57,721	75.5%	-53.8%	299,005	177,240	-40.7%
<i>EBITDA margin (%) - adjusted</i>	23.3%	12.1%	14.9%			18.8%	14.4%	
Investments (**)	27,547	39,902	32,252	-19.2%	17.1%	127,322	126,379	-0.7%

(*) 4Q22, 3Q23 and 4Q23: EBIT and EBITDA are adjusted by the amounts of R\$13,415, R\$22,874 and R\$16,008, respectively; and profit by the amounts of R\$13,048, R\$22,143 and R\$15,496, respectively, referring to the recognition of the impacts of the Vila ROMI Residence project.

2022 and 2023: EBIT AND EBITDA are adjusted by the amounts of R\$22,879 and R\$51,966, respectively, and Profit by the amounts of R\$22,199 and R\$50,305, respectively, referring to the recognition of the impacts of the Vila ROMI Residence project, as described in the section "Vila ROMI Residence".

(**) Of the investments made in 4Q22, 3Q23 and 4Q23, the amounts of R\$ 13.9 million, R\$28 million and R\$25,1 million, respectively, refer to machines manufactured by the Company that were allocated to the machine rental business. In the accumulated of 2022 and 2023, R\$69.7 and R\$87.8 million were invested.

Corporate Profile



Founded in 1930, ROMI is a renowned company operating in the Brazilian industrial machinery and equipment market.

Over the years, it has emerged as a key manufacturer of rough and machined cast iron parts, establishing itself as a key player in the industry. Notably, ROMI is publicly listed on the B3 exchange's prestigious "New Market" segment, which is dedicated to companies with a strong commitment to corporate governance. Specializing in an extensive range of machine tools, ROMI manufactures Conventional Lathes, Computerized Numerical Control (CNC) Lathes, Lathing Centers, Machining Centers, Vertical and Horizontal Heavy and Extra-Heavy Lathes, and Drilling Mills. Additionally, ROMI manufactures Plastic Injection and Blow Molding Machines, as well as ductile or CDI gray cast iron parts, both raw and machined. A distinguishing feature of ROMI's products and services lies in its incorporation of Industry 4.0 technologies across its products and services. These advanced capabilities facilitate the intelligent utilization of data generated by ROMI equipment. The data can be processed internally through built-in artificial intelligence or transmitted via networks (connectivity) to a central analysis site. These high-quality equipment and solutions are globally distributed and widely adopted across various industrial sectors. Industries such as agricultural machinery, capital goods, consumer goods, packaging, tooling, hydraulic equipment, sanitation, automotive, and wind energy rely on ROMI's machinery for their operations.

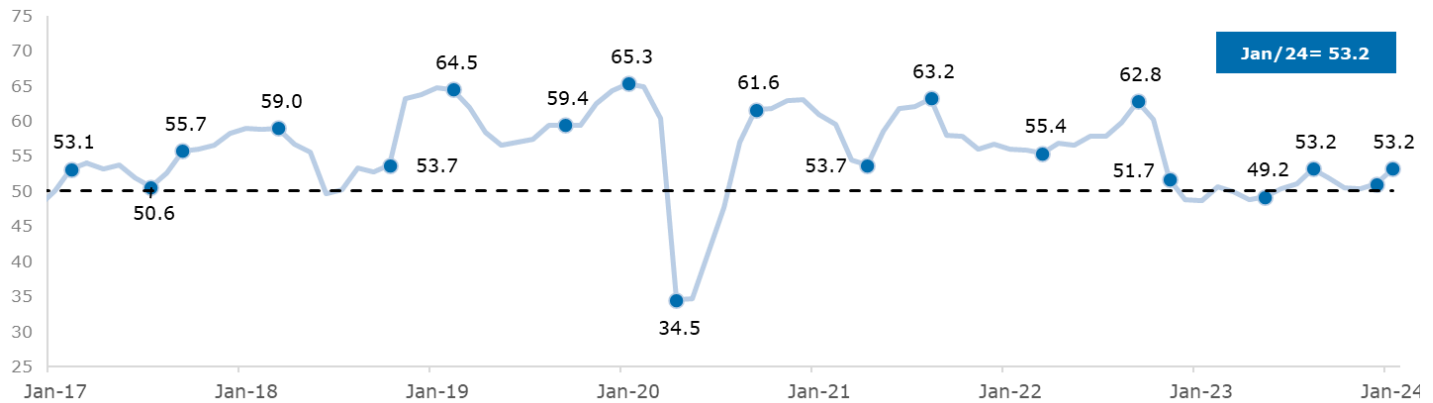
ROMI operates a network of thirteen manufacturing units. These units encompass four facilities dedicated to the final assembly of industrial machinery, two foundries, four units for machining mechanical components, two units for manufacturing steel sheet components, and one unit for the assembly of electronic panels. While eleven units are based in Brazil, two are located in Germany. The Company's production capacity amounts to approximately 2,900 industrial machines and 50,000 metric tons of castings per year.

Current Economic Scenario

Economic indicators for the fourth quarter of 2023 closed the year pointing to an environment of economic stability, both domestically and internationally. However, at the beginning of 2024, the Entrepreneur Confidence Index in the industrial sector registered its second consecutive month of increase, reaching 53.2 points in January. The scenario of gradual reduction in Brazilian interest rates and controlled inflation could have a positive impact on the year 2024, causing the industry to recover confidence levels and make new investments. The tax benefit of Accelerated Depreciation, announced by the government and still awaiting approval, can also positively impact the Company's sales, when and if approved. In the foreign market, the expectation is of a possible "soft landing", a situation that would also provide an environment of greater confidence for investments.

Despite the challenges facing investors amid a more complex investment environment, industry leaders continue to express some optimism, as evidenced by this index. This occurs amid an environment that demands greater caution when making investment decisions.

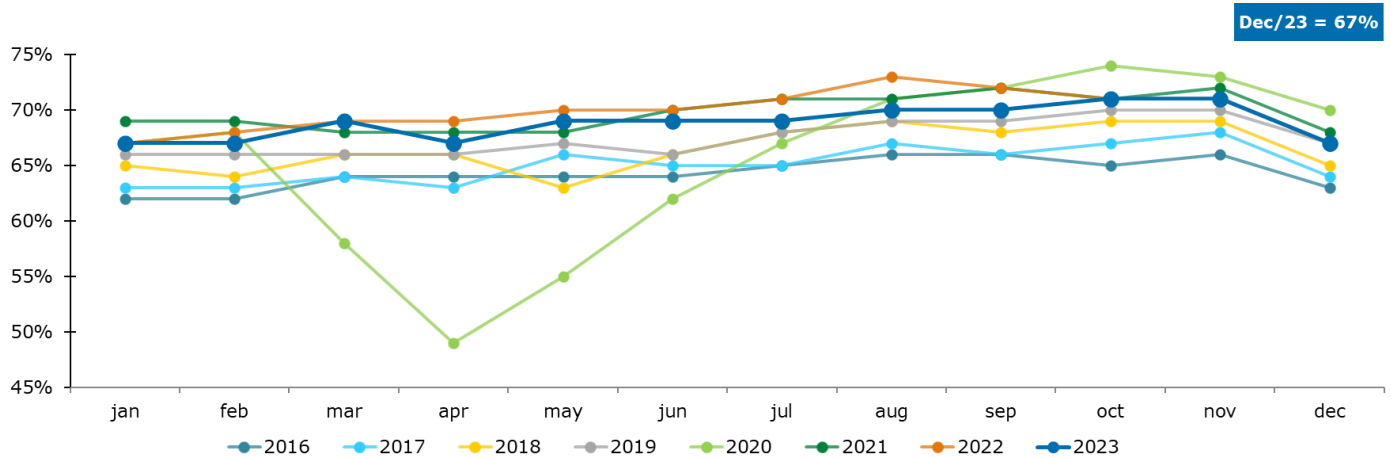
Industrial Business Confidence Index – ICEI



Source: CNI-ICEI, January 2024

According to data from the National Confederation of Industry (CNI), the Installed Capacity Utilization Index (UCI) of the national industry reached 67% in January 2024, indicating that industrial activity remains solid.

Average Installed Capacity Utilization (UCI)



Source: CNI - UCI, december 2023

The past few years have been characterized by a volatile business environment marked by uncertainty. These conditions have presented significant obstacles in effectively managing production volumes. As a response, the Company has implemented a series of strategic measures to optimize its operational structure, enhance planning and manufacturing processes, and improve its ability to swiftly adapt to fluctuations in demand. Over the past few years, we have made several optimizations, especially in indirect structures and in internal processes automation.

The Company has strategically prioritized the development of new product generations aligned with the technological advancements of Industry 4.0. This strategic focus has yielded significant advancements in technological content, resulting in a successful market reception of our recent product launches, both domestically and internationally. Looking ahead, ROMI remains committed in launching new machine generations and integrating cutting-edge technologies into our product portfolio, ensuring our continued relevance and competitiveness in the industry. In mid-2020, we also launched a solution for our customers, the rental of Romi machines. This solution has proven to be highly competitive and has provided our customers with more business opportunities and, consequently, success in their operations. This new business has shown average annual growth of more than 70% in the last 3 years, and with great potential for continued growth in the future. With the aim of financially supporting our customers, in 2022 we created a fintech, PRODZ, which offers credit lines for the purchase of machines, directly from Romi, in an easy, agile, digital and uncomplicated way. Since 2022, PRODZ has carried out around 200 operations, totaling R\$81 million in credits granted. These new solutions have supported a large number of customers on their journeys of growth and success and demonstrate Romi's strategic purpose of taking care of the success of its customers.

In the foreign market, we have strengthened our structures so that we can be even closer to our customers and consolidate the Romi brand in the countries where we operate. These strategic initiatives continue to solidify our position and instill a strong sense of confidence in our ability to seize opportunities, both domestically and internationally.

Market

The Company holds a prominent position in the market, driven by its notable competitive advantages. Ongoing investments in cutting-edge product development and innovative solutions, alongside an extensive nationwide distribution network, contribute to its market leadership. The Company's unwavering commitment to customer satisfaction is exemplified by the provision of a dedicated in-house technical assistance service, machine rental options, attractive customer credit packages in local currency, and efficient product delivery. As a result, the ROMI brand enjoys a long-standing reputation for excellence and prestige, as recognized and valued by its discerning customers.

Incoming Orders

Order Entry (R\$ 000) Gross Values, sales taxes included	4Q22	3Q23	4Q23	Chg. 4Q23/3Q23	Chg. 4Q23/4Q22	2022	2023	Chg. 23/22
ROMI Machines	140,122	182,804	130,830	-28.4%	-6.6%	856,341	657,149	-23.3%
Burkhardt+Weber Machines	88,470	66,566	93,409	40.3%	5.6%	224,864	301,019	33.9%
Rough and Machined Cast Iron Parts	52,386	39,244	48,966	24.8%	-6.5%	371,803	158,555	-57.4%
Total *	280,978	288,614	273,205	-5.3%	-2.8%	1,453,006	1,116,722	-23.1%

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

In the foreign market, the current levels of inflation, the rising interest rates and the political instabilities continue to affect investment prospects. In 4Q23, as a result of the reduction in demand in the foreign market, at the ROMI Machines Unit, incoming orders showed a 6.6% drop in comparison with the same period in 2022.

As previously mentioned, the new generations of products, with important technological evolutions in the mechatronic part, in thermal compensation and in 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 fourth quarter of 2023, 43 new machines have been rented, or 46 new contracts (24 machines in 4Q22 or 32 new contracts), which represent approximately R\$ 13.2 million (R\$9.3 million in 4Q22). In 2023, 220 new machines were rented, an increase of 34.1% compared to the number reached in 2022.

In 4Q23, the German subsidiary B+W has received significant new orders, leading to a substantial increase in Order Entry. These new orders are expected to materialize throughout 2024 and 2025.

The Rough and Machined Cast Iron Parts Unit had a reduction of 6.5% in incoming orders, due to the reduction of the agricultural machinery segment, mainly from the second half of this year.

Order Backlog

Order Backlog (R\$ 000) Gross Values, sales taxes included	4Q22	3Q23	4Q23	Chg. 4Q23/3Q23	Chg. 4Q23/4Q22
ROMI Machines	221,881	267,298	177,059	-33.8%	-20.2%
Burkhardt+Weber Machines	191,711	259,707	264,806	2.0%	38.1%
Rough and Machined Cast Iron Parts	145,559	56,369	51,069	-9.4%	-64.9%
Total *	559,151	583,374	492,934	-15.5%	-11.8%

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

At the end of 2023, the order backlog dropped by 11.8% compared to the same period in 2022. The B+W Machines Unit showed an important recovery in incoming orders in 4Q23, with a 38.1% increase in the backlog when compared to 4Q22.

Net Operating Revenue by Business Unit

The net operating revenue posted in 4Q23 reached R\$386.6 million, a 27.9% decrease in comparison with 4Q22, especially as a consequence of lower sales of large parts at the Rough and Machined Cast Iron Parts Business Unit.

Net Operating Revenue (R\$ 000)	Quarter					Accumulated		
	4Q22	3Q23	4Q23	Chg.	Chg.	2022	2023	Chg.
				4Q23/3Q23	4Q23/4Q22			23/22
ROMI Machines	296,512	193,997	216,881	11.8%	-26.9%	904,600	779,068	-13.9%
Burkhardt+Weber Machines	103,971	29,345	134,716	359.1%	29.6%	180,566	225,584	24.9%
Rough and Machined Cast Iron Parts	135,732	49,453	35,063	-29.1%	-74.2%	507,136	222,595	-56.1%
Total	536,215	272,795	386,661	41.7%	-27.9%	1,592,302	1,227,247	-22.9%

ROMI MACHINES

This Business Unit's net operating revenue reached R\$216.9 million in 4Q23, showing a reduction of 26.9% when compared to 4Q22, reflecting the decrease in incoming orders from the foreign market, which was partially offset by the significant increase in revenues from machine rental, a business launched by ROMI in mid-2020.

BURKHARDT + WEBER MACHINES

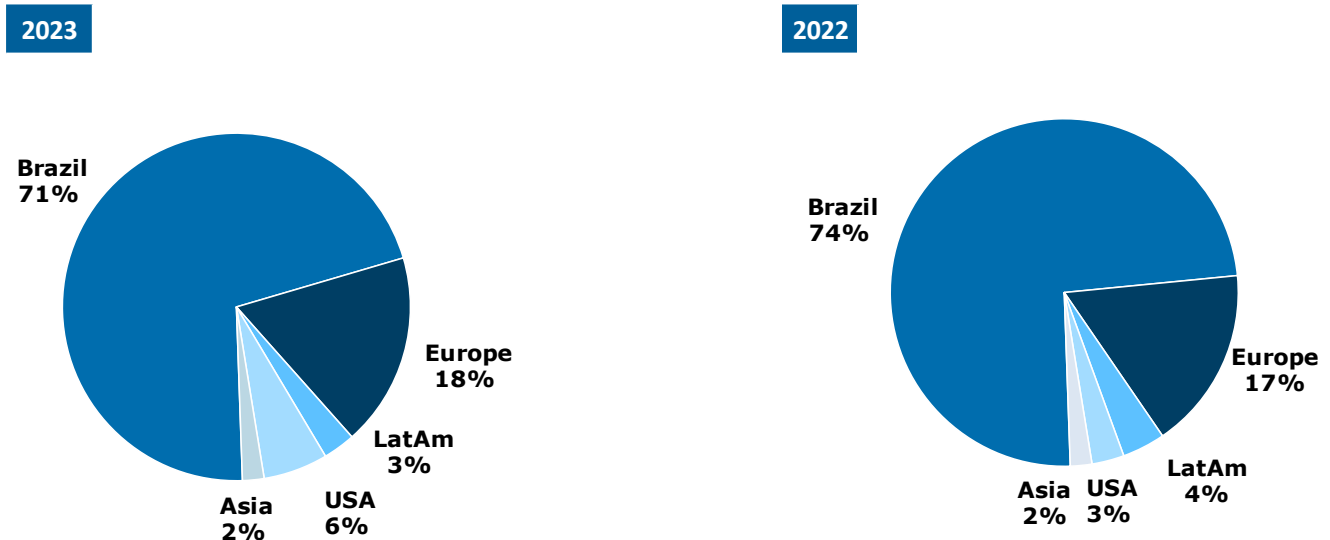
The revenue of German subsidiary BW, in Reais, reached a total of R\$134.7 million in 4Q23, a volume 29.6% higher when compared to 4Q22, reflecting the increase in the machines incoming orders since 2022, as well as revenues from the Technical Assistance Services and Spare Parts Unit.

ROUGH AND MACHINED CAST IRON PARTS

The net operating revenue of this Business Unit was R\$35.1 million in 4Q23, which represents a volume 74.2% lower compared to 4Q22, mainly due to the already mentioned reduction in the business related to large rough and machined cast iron parts for the wind energy sector, in addition to the revenues of the agricultural machinery sector.

Net Operating Revenue per Geographical Region

The domestic market accounted for 71% of ROMI's consolidated revenue in 2023 (74% in 2022). When considering the revenue generated from foreign markets, which includes sales by ROMI subsidiaries abroad (Germany, China, Spain, United States, France, Italy, Mexico and United Kingdom) as well as direct sales to other markets, the distribution of ROMI's consolidated revenue by geographical region was as follows:



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

Foreign Sales	Quarterly					Accumulated		
	4Q22	3Q23	4Q23	Chg. 4Q23/3Q23	Chg. 4Q23/4Q22	2022	2023	Chg. 23/22
Net Sales (R\$ million)	165.1	61.2	166.2	171.6%	0.7%	396.1	366.9	-7.4%
Net Sales (US\$ million)	31.4	12.2	33.4	173.8%	6.4%	76.8	73.1	-4.8%

Gross and Operating Margins

The gross margin obtained in 4Q23 was 28.3%, a decrease of 5.5 p.p. compared to 4Q22, mainly due to the significant reduction in the revenue volume of the Rough and Machined Cast Iron Parts Unit. The drop in revenue in the period impacted the operating margin (EBIT), which fell 9.2 p.p. in the same period. Year-to-date, the gross margin recorded a slight reduction of 2.1 p.p., while the operating margin (EBIT) posted a drop of 5.6 p.p. as a result of the drop in revenue volume.

Gross Margin	Quarterly					Accumulated		
	4Q22	3Q23	4Q23	Chg.pp 4Q23/3Q23	Chg.pp 4Q23/4Q22	2022	2023	Chg. pp 2023/2022
ROMI Machines	45.3%	40.5%	42.2%	1.7	(3.1)	41.7%	41.9%	0.2
Burkhardt+Weber Machines	21.2%	14.9%	27.2%	12.3	6.0	11.8%	21.9%	10.1
Rough and Machined Cast Iron Parts	18.4%	-4.7%	-53.5%	(48.8)	(71.9)	21.8%	-3.8%	(25.6)
Total	33.8%	29.6%	28.3%	(1.2)	(5.5)	32.0%	29.9%	(2.1)

EBIT Margin - Adjusted	Quarterly					Accumulated		
	4Q22	3Q23	4Q23	Chg.pp 4Q23/3Q23	Chg.pp 4Q23/4Q22	2022	2023	Chg. pp 2023/2022
ROMI Machines	29.2%	19.5%	24.2%	4.8	(5.0)	22.5%	21.5%	(1.0)
Burkhardt+Weber Machines	10.6%	-24.0%	14.9%	38.9	4.3	-12.6%	0.5%	13.1
Rough and Machined Cast Iron Parts	9.6%	-22.6%	-81.4%	(58.8)	(91.0)	13.3%	-21.4%	(34.7)
Total	20.7%	7.2%	11.4%	4.3	(9.2)	15.6%	9.9%	(5.6)

(*) 4Q22, 3Q23 and 4Q23: EBIT and EBITDA are adjusted in the amounts of R\$13,415, R\$22,874 and R\$16,008, respectively, referring to the recognition of the impacts of the Vila ROMI Residence project.

2022 and 2023: EBIT and EBITDA are adjusted in the amounts of R\$22,879 and R\$51,966, respectively, referring to the recognition of the impacts of the Vila ROMI Residence project, as described in the "Vila ROMI Residence" section.

ROMI MACHINES

The gross margin of this Business Unit in 4Q23 showed a high level when compared to the historical levels of this business unit due to the revenue mix, with a greater presence in the domestic market and rental machines business. The rapid adaptation to new levels of demand and control of operating expenses allowed, even in the face of a lower volume of revenue, operating margins to remain at levels similar to 2022. In 4Q23, the drop in gross margin was 3.1 p.p. when compared to the same quarter in 2022. Year-to-date, the gross margin increased by 0.2 p.p. and the EBIT margin showed a slight drop of 1.0 p.p.

BURKHARDT + WEBER MACHINES

The gross margin and operating margin of this Business Unit in 4Q23 showed a significant improvement of 6.0 p.p. and 4.3 p.p., respectively, compared to 4Q22. Reinforcing that the improvement in operational efficiency in 2023, combined with the higher revenue volume, resulted in a concrete evolution of results. Year-to-date, gross margins and EBIT increased by 10.1 p.p. and 13.1 p.p. respectively.

ROUGH AND MACHINED CAST IRON PARTS

In 4Q23, the gross margin of this Business Unit decreased by 71.9 p.p. compared to 4Q22, and its operating margin (EBIT) decreased by 91.0 p.p. in the same comparison period. This reduction is due to the significant drop in revenue and production volume in 4Q23, since this business unit has a significant fixed cost, expenses with adapting the structure to a lower level of production expected in 2023 and inventory adjustments in a scenario of lower turnover. Year-to-date, the gross margins and EBIT fell by 25.6 p.p. and 34.7 p.p. respectively.

EBITDA and EBITDA Margin

In 4Q23, the operating cash generation as measured by adjusted EBITDA amounted to R\$57.7 million, representing an EBITDA margin of 14.9% in the quarter, as shown in the table below:

Reconciliation of Net Income to EBITDA (R\$ 000)	Quarterly					Accumulated		
	4Q22	3Q23	4Q23	Chg. 4Q23/3Q23	Chg. 4Q23/4Q22	2022	2023	Chg. 2023/2022
Net Income	87,670	44,491	51,340	15.4%	-41.4%	216,094	164,586	-23.8%
Income tax and social contributions	32,542	2,364	9,191	288.8%	-71.8%	62,995	18,771	-70.2%
Net Financial Income	3,949	(4,442)	(381)	-91.4%	-109.6%	(7,951)	(10,188)	28.1%
Depreciation and amortization	14,085	13,355	13,579	1.7%	-3.6%	51,737	56,037	8.3%
EBITDA	138,246	55,768	73,729	32.2%	-46.7%	321,885	229,206	-28.8%
EBITDA Margin	25.8%	20.4%	19.1%	-6.7%	-26.0%	20.2%	18.7%	-7.6%
EBITDA - Adjusted (*)	124,831	32,894	57,721	75.5%	-53.8%	299,005	177,240	-40.7%
EBITDA Margin - Adjusted (*)	23.3%	12.1%	14.9%	23.8%	-35.9%	18.8%	14.4%	-23.1%
Total Net Operating Revenue	536,215	272,795	386,661	41.7%	-27.9%	1,592,302	1,227,247	-22.9%

(*) 4Q22, 3Q23 and 4Q23: EBIT and EBITDA are adjusted in the amounts of R\$13,415, R\$22,874 and R\$16,008, respectively, referring to the recognition of the impacts of the Vila ROMI Residence project.

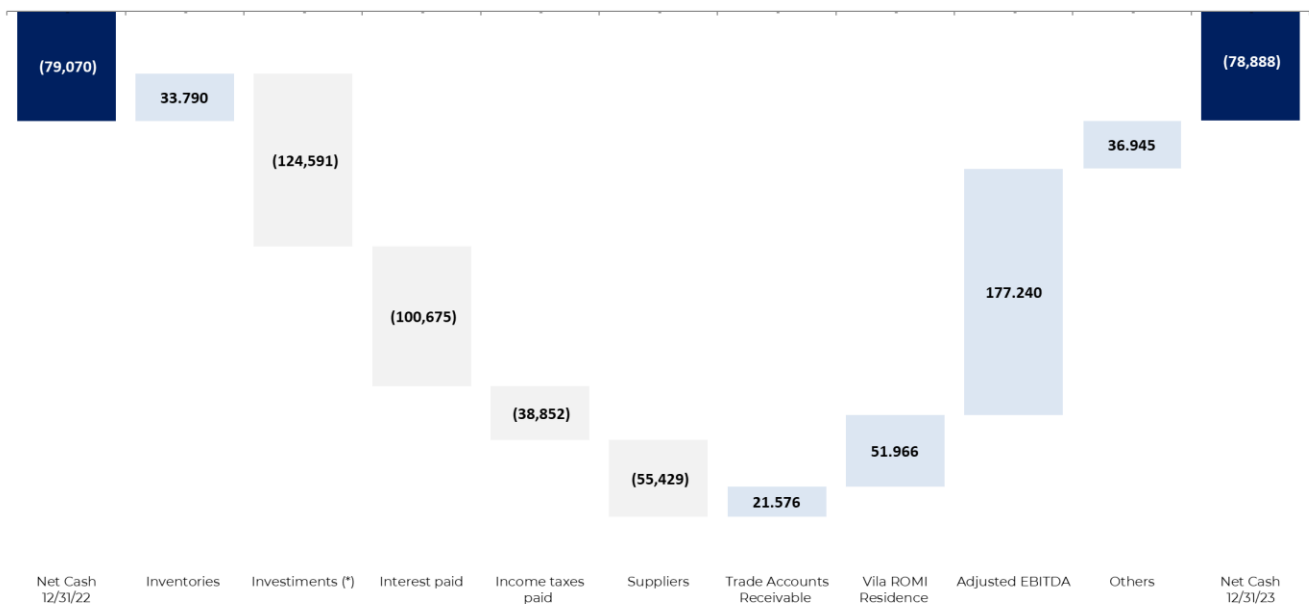
2022 and 2023: EBIT and EBITDA are adjusted in the amounts of R\$22,879 and R\$51,966, respectively, referring to the recognition of the impacts of the Vila ROMI Residence project, as described in the "Vila ROMI Residence" section.

Adjusted Profit for the Period

The adjusted profit for 4Q23 was R\$36.7 million, a decrease of 50.8% compared to the same period of 4Q22, impacted mainly by the results of the Rough and Machined Cast Iron Parts Unit.

Evolution of Net Cash (Debt) Position

The main changes in net cash position in 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.

In 2023, the net cash position had the following main variations:

- The investments made in 2023 were focused on enhancing the maintenance, productivity, flexibility and competitiveness of the other manufacturing facilities, with particular emphasis on the new machine rental business;
- Payments of interest on capital and interim dividends, declared in December 2022 and January, March, June, September and December 2023, paid during the year, amounting to R\$100.7 million;
- The reduction of inventories refers to the adjustment to the current level of the order backlog, as well as the Company's strategy aimed at generating cash, and consequently the reduction of the Trade Accounts Payable line item.

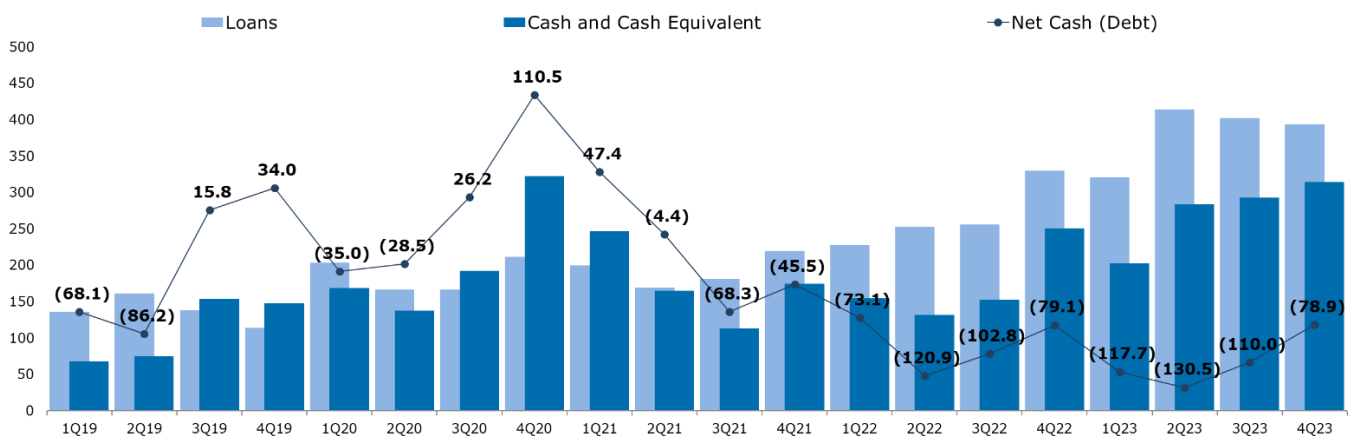
Financial Position

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 December 31, 2023, the amount of financing in local currency was R\$212.4 million, and in foreign currency R\$180.9 million, totaling R\$393.4 million, of which R\$176.9 million maturing in up to 12 months.

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 December 31, 2023 was negative by R\$78.9 million.

As at December 31, 2023, the Company recorded R\$314.4 million as cash and cash equivalents and short-term investments.

Net Cash (Debt) Position R\$ million



The balances recorded under "Finame Manufacturer Financing" are not used in the calculation of the Company's net debt. As at December 31, 2023, the Company did not have any derivative transactions.

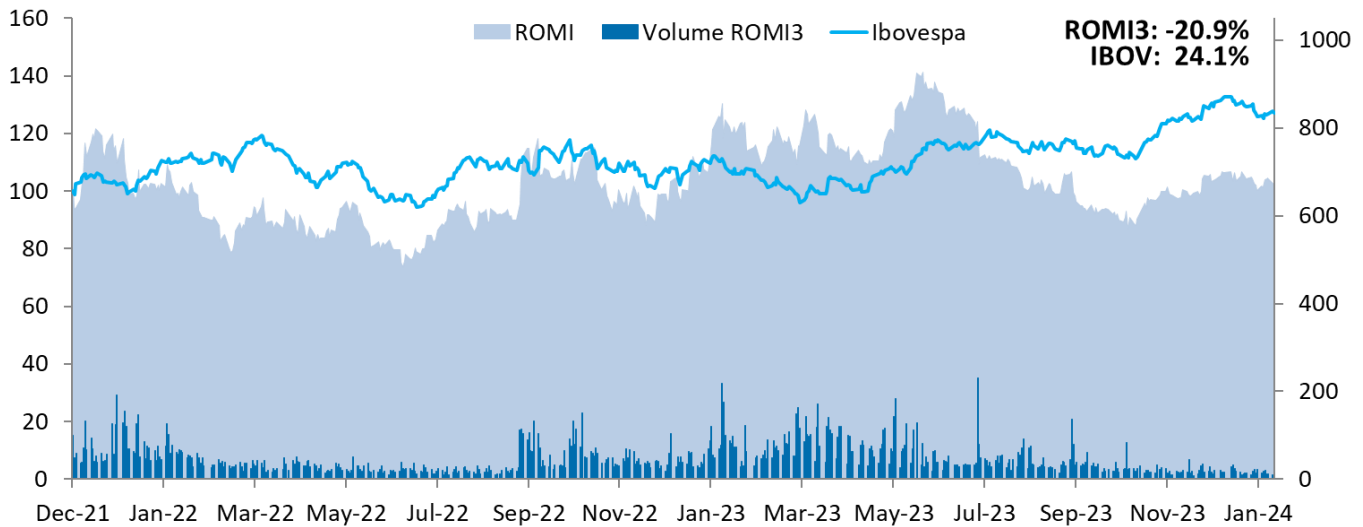
Capital Markets

Share Performance ROMI3 x Ibovespa

Period: December 30, 2021 to January 29, 2024

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

Source: Brasil, Bolsa e Balcão (B3).



On January 29, 2024 the Company's common shares (ROMI3), which were quoted at R\$12.88, posted devaluation of 20.9% since December 30, 2021 and 9.2% since December 29, 2022. The Bovespa Index (Ibovespa) went up 24.1% and 22%, respectively, in the same periods.

The Company's market capitalization on January 29, 2024 was R\$1,142.9 billion. The average daily trading volume during 4Q23 was R\$4.4 million.

Vila Romi Residence

In April 2022, through the subsidiary Rominor Empreendimentos Imobiliários Ltda. (“Rominor Empreendimentos”), there was the launch of the closed subdivision Vila Romi Residence, which has 350 lots between 300m² and 884m², whose delivery and completion forecast is by the end of 2024. Currently, 344 lots have been sold, with the General Sales Value (“GSV”) estimated at around R\$133 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\$43.6 million (amount plus monetary adjustment and interest), of which R\$8.8 million are recorded under trade accounts receivable, in current assets.

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 December 31, 2023, the percentage of completion of the works was 81.8% (19.08% as at December 31, 2022), according to the aforementioned construction measurement report, which resulted in the following impacts on the financial statements:

(i) Net operating revenue/EBIT/EBITDA: R\$52.0 million (R\$14.0 million as at December 31, 2022); and **(ii) Profit for the period:** R\$50.3 million (R\$13.6 million as at December 31, 2022).

Consolidated Income Statement IFRS (R\$ thousand)	4Q22	3Q23	4Q23	Chg. 4Q23/3Q23	Chg. 4Q23/4Q22	2022	2023	Chg. 2023/2022
Net Operating Revenue	536,215	272,795	386,661	41.7%	-27.9%	1,592,302	1,227,247	-22.9%
Cost of Goods Sold	(354,812)	(192,113)	(277,125)	44.3%	-21.9%	(1,083,470)	(859,705)	-20.7%
Gross Profit	181,403	80,682	109,536	35.8%	-39.6%	508,832	367,542	-27.8%
	Gross Margin %	33.8%	29.6%	28.3%		32.0%	29.9%	
Operating revenues (expenses)	(57,242)	(38,269)	(49,386)	29.0%	-13.7%	(237,694)	(194,373)	-18.2%
Selling expenses	(33,574)	(27,896)	(29,154)	4.5%	-13.2%	(125,756)	(111,386)	-11.4%
Research and development expenses	(7,797)	(6,769)	(7,238)	6.9%	-7.2%	(29,907)	(30,160)	0.8%
General and administrative expenses	(24,919)	(24,326)	(28,135)	15.7%	12.9%	(91,376)	(98,431)	7.7%
Management profit sharing and compensation	(5,755)	(3,283)	(3,956)	20.5%	-31.3%	(17,575)	(14,231)	-19.0%
Other operating income, net	14,803	24,005	19,097	-20.4%	29.0%	26,920	59,835	122.3%
Operating Income (loss) before Financial Results	124,161	42,413	60,150	41.8%	-51.6%	271,138	173,169	-36.1%
	Operating Margin %	23.2%	15.5%			17.0%	14.1%	
Operating Income (loss) before Financial Results - Adjusted (*)	110,746	19,539	44,142	125.9%	-60.1%	248,259	121,203	-51.2%
	Operating Margin % - Adjusted (*)	20.7%	7.2%	11.4%		15.6%	9.9%	
Financial Results, Net	(3,949)	4,442	381	-91.4%	-109.6%	7,951	10,188	28.1%
Financial income	5,586	9,225	8,727	-5.4%	56.2%	19,075	34,966	83.3%
Financial expenses	(6,468)	(6,249)	(7,076)	13.2%	9.4%	(16,751)	(26,039)	55.4%
Exchange gain (loss), net	(3,067)	1,466	(1,270)	-186.6%	-58.6%	5,627	1,261	-77.6%
Operations Operating Income	120,212	46,855	60,531	29.2%	-49.6%	279,089	183,357	-34.3%
Income tax and social contribution	(32,542)	(2,364)	(9,191)	288.8%	-71.8%	(62,995)	(18,771)	-70.2%
Income (loss) for Continued Operation	87,670	44,491	51,340	15.4%	-41.4%	216,094	164,586	-23.8%
	Net Margin %	16.3%	16.3%	13.3%		13.6%	13.4%	
Net income - Adjusted (*)	74,622	22,348	35,844	60.4%	-52.0%	193,897	114,281	-41.1%
	Net Margin % - Adjusted (*)	13.9%	8.2%	9.3%		12.2%	9.3%	
Net profit (loss) concerning:								
Controlling interests	86,966	44,379	51,212	15.4%	-41.1%	215,027	164,088	-23.7%
Non controlling interests	722	112	128	14.3%	-82.3%	1,086	500	-54.0%
	0.0%	0.0%	0.0%					
EBITDA	138,246	55,768	73,729	32.2%	-46.7%	321,885	229,206	-28.8%
Profit (loss) for the period	87,670	44,491	51,340	15.4%	-41.4%	216,096	164,586	-23.8%
Income tax and social contribution	32,542	2,364	9,191	288.8%	-71.8%	62,993	18,771	-70.2%
Financial result, net	3,949	(4,442)	(381)	-91.4%	-109.6%	(7,951)	(10,188)	28.1%
Depreciation and amortization	14,085	13,355	13,579	1.7%	-3.6%	50,747	56,037	10.4%
	EBITDA Margin %	25.8%	20.4%	19.1%		20.2%	18.7%	
EBITDA - Adjusted (*)	124,831	32,894	57,721	75.5%	-53.8%	299,005	177,240	-40.7%
	EBITDA Margin % - Adjusted (*)	23.3%	12.1%	14.9%		18.8%	14.4%	
Nº of shares in capital stock (th)	80,667	88,734	88,734			80,667	88,734	
Profit (loss) per share - R\$	1.09	0.50	0.58			2.67	1.85	-30.6%

Consolidated Cash Flow Statement

IFRS (R\$ thousand)

	4Q22	3Q23	4Q23	2022	2023
Cash from operating activities					
Net Income before taxation	120,212	46,856	60,531	279,089	183,358
Financial expenses and exchange gain	3,747	(6,641)	(11,411)	5,955	(17,474)
Depreciation and amortization	14,085	13,355	13,580	50,746	56,038
Allowance for doubtful accounts and other receivables	507	1,884	2,035	(636)	3,782
Proceeds from sale of fixed assets and intangibles	(21,012)	(15,692)	(14,353)	(26,816)	(39,998)
Provision for inventory realization	(1,352)	(1,539)	(265)	(4,341)	(1,630)
Reserve for contingencies	131	163	979	1,026	1,354
Trade accounts receivable	(45,625)	(963)	(92,967)	(80,424)	(4,066)
Onlending of Finame manufacturer financing	(36,981)	6,403	(2,090)	(34,770)	3,935
Inventories	118,420	10,018	95,556	(69,472)	35,048
Recoverable taxes, net	23,981	7,787	17,384	12,638	23,090
Judicial deposits	-	10	(25)	(103)	50
Other receivables	(736)	5,953	8,698	5,518	14,293
Trade accounts payable	(65,649)	(16,712)	(980)	18,813	(51,596)
Payroll and related taxes	(8,983)	5,385	(12,181)	2,788	(9,785)
Taxes payable	(19,053)	4,341	(2,022)	(42,604)	(2,890)
Advances from customers	(36,018)	10,151	(9,544)	2,407	3,406
Other payables	8,842	1,448	9,533	1,414	(2,504)
Cash provided by (used in) operating activities	54,516	72,207	62,458	121,228	194,411
Income tax and social contribution paid	(8,723)	(4,153)	(4,420)	(10,159)	(40,081)
Net Cash provided by (used in) operating activities	45,793	68,054	58,038	111,069	154,330
Financial Investments	(75,343)	4,601	122	(44,028)	86,748
Purchase of fixed assets	(30,334)	(39,871)	(37,742)	(132,197)	(130,051)
Sales of fixed assets	11,708	28,493	27,746	21,043	80,093
Purchase of intangible assets	(132)	(4)	(14)	(252)	(199)
Net cash Used in Investing Activities	(94,101)	(6,781)	(9,888)	(155,434)	36,591
Interest on capital paid	(23,919)	(18,581)	(32,417)	(70,195)	(98,910)
New loans and financing	101,681	-	(2,585)	187,746	100,325
Payments of loans and financing	(41,942)	(9,827)	1,380	(63,246)	(26,293)
Interests paid (including Finame manufacturer financing)	2,813	(30,980)	(16,128)	(36,665)	(72,046)
New loans in Finame manufacturer	71,402	14,443	49,380	211,922	171,540
Payment of Finame manufacturer financing	(38,241)	(2,327)	(30,916)	(156,272)	(117,426)
Net Cash provided by (used in) Financing Activities	71,794	(47,272)	(31,286)	73,290	(42,810)
Increase (decrease) in cash and cash equivalents	23,486	14,001	16,864	26,366	148,111
Exchange variation changes on cash and cash equivalents abroad	1,575	(600)	4,988	3,163	2,308
Cash and cash equivalents - beginning of period	109,497	247,248	260,649	99,911	131,999
Cash and cash equivalents - end of period	131,999	260,649	282,418	131,999	282,418

Attachment I – Income Statement by Business Unit

Income Statement by Business Units - 4Q23

R\$ 000	ROMI Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	216,881	134,716	35,063	386,661
Cost of Sales and Services	(109,094)	(98,031)	(70,000)	(277,125)
Business Units Transfers	384	-	16,567	16,951
Business Units Transfers	(16,567)	-	(384)	(16,951)
Gross Profit	91,604	36,685	(18,754)	109,536
	<i>Gross Margin %</i>	<i>27.2%</i>	<i>-53.5%</i>	<i>28.3%</i>
Operating Expenses	(39,066)	(16,549)	(9,780)	(65,395)
Selling	(20,571)	(7,481)	(1,102)	(29,154)
General and Administrative	(13,116)	(9,067)	(5,951)	(28,135)
Research and Development	(5,887)	-	(1,351)	(7,238)
Management profit sharing	(2,580)	-	(1,376)	(3,956)
Other operating revenue	3,088	-	-	3,088
Operating loss before Financial Results - Adjusted (*)	52,538	20,137	(28,534)	44,141
	<i>Operating Margin % - Adjusted (*)</i>	<i>14.9%</i>	<i>-81.4%</i>	<i>11.4%</i>
Depreciation and amortization	7,871	2,117	3,591	13,579
EBITDA - Adjusted (*)	60,409	22,254	(24,943)	57,720
	<i>EBITDA Margin % - Adjusted (*)</i>	<i>16.5%</i>	<i>-71.1%</i>	<i>14.9%</i>

Income Statement by Business Units - 4Q22

R\$ 000	Romi Machines	Burkhardt + Weber Machines	Rough and Machined Cast Iron Parts	Total
Net Operating Revenue	296,512	103,971	135,732	536,215
Cost of Sales and Services	(138,136)	(81,884)	(134,792)	(354,812)
Business Units Transfers	502	-	24,503	25,005
Business Units Transfers	(24,503)	-	(502)	(25,005)
Gross Profit	134,375	22,087	24,941	181,403
	<i>Gross Margin %</i>	<i>21.2%</i>	<i>18.4%</i>	<i>33.8%</i>
Operating Expenses	(47,762)	(11,032)	(11,863)	(70,657)
Selling	(27,201)	(4,755)	(1,618)	(33,574)
General and Administrative	(12,887)	(6,277)	(5,755)	(24,919)
Research and Development	(5,868)	-	(1,929)	(7,797)
Management profit sharing	(3,194)	-	(2,561)	(5,755)
Other operating revenue	1,388	-	-	1,388
Operating Income (loss) before Financial Results - Adjusted (*)	86,613	11,055	13,078	110,746
	<i>Operating Margin % - Adjusted (*)</i>	<i>10.6%</i>	<i>9.6%</i>	<i>20.7%</i>
Depreciation and amortization	7,484	2,730	3,871	14,085
EBITDA - Adjusted (*)	94,097	13,785	16,949	124,831
	<i>EBITDA Margin % - Adjusted (*)</i>	<i>13.3%</i>	<i>12.5%</i>	<i>23.3%</i>

Income Statement by Business Units - 2023

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron Parts	Total
Net Operating Revenue	779,068	225,584	222,595	1,227,247
Cost of Sales and Services	(380,634)	(176,218)	(302,853)	(859,705)
Business Units Transfers	1,896	-	73,603	75,498
Business Units Transfers	(73,603)	-	(1,896)	(75,498)
Gross Profit	326,726	49,366	(8,551)	367,542
<i>Gross Margin %</i>	41.9%	21.9%	-3.8%	29.9%
Operating Expenses	(158,999)	(48,288)	(39,055)	(246,342)
Selling	(86,545)	(18,867)	(5,974)	(111,386)
General and Administrative	(48,372)	(29,420)	(20,638)	(98,431)
Research and Development	(23,193)	-	(6,967)	(30,160)
Management profit sharing	(8,757)	-	(5,476)	(14,233)
Other operating revenue	7,868	-	-	7,868
Operating loss before Financial Results - Adjusted (*)	167,727	1,079	(47,606)	121,200
<i>Operating Margin % - Adjusted (*)</i>	21.5%	0.5%	-21.4%	9.9%
Depreciation and amortization	31,287	9,500	15,250	56,037
EBITDA - Adjusted (*)	199,014	10,579	(32,356)	177,237
<i>EBITDA Margin % - Adjusted (*)</i>	25.5%	4.7%	-14.5%	14.4%

(*) 4Q23/ 2023: adjusted for the recognition of revenue from the "Vila Romi Residence" project.

Income Statement by Business Units - 2022

R\$ 000	Machines	Burkhardt + Weber	Raw and Machined Cast Iron Parts	Total
Net Operating Revenue	904,600	180,566	507,136	1,592,302
Cost of Sales and Services	(428,190)	(169,667)	(485,613)	(1,083,470)
Business Units Transfers	1,277	10,464	90,130	101,871
Business Units Transfers	(100,594)	-	(1,277)	(101,871)
Gross Profit	377,092	21,363	110,377	508,832
<i>Gross Margin %</i>	41.7%	11.8%	21.8%	32.0%
Operating Expenses	(173,353)	(44,143)	(43,077)	(260,573)
Selling	(102,591)	(16,922)	(6,243)	(125,756)
General and Administrative	(43,179)	(27,221)	(20,976)	(91,376)
Research and Development	(22,178)	-	(7,729)	(29,907)
Management profit sharing	(9,447)	-	(8,129)	(17,576)
Other operating revenue	4,042	-	-	4,042
Operating Income before Financial Results - Adjusted (*)	203,740	(22,780)	67,300	248,259
<i>Operating Margin % - Adjusted (*)</i>	22.5%	-12.6%	13.3%	15.6%
Depreciation and amortization	24,562	11,875	14,309	50,746
EBITDA - Adjusted (*)	228,302	(10,905)	81,609	299,005
<i>EBITDA Margin % - Adjusted (*)</i>	25.2%	-6.0%	16.1%	18.8%

(*) 4Q22 / 2022: adjusted for the recognition of revenue from the "Vila Romi Residence" project.

Attachment II - Financial Statements of BW

Balance Sheet BW

	(€ Mil)		
ASSETS	31/12/22	30/09/23	31/12/23
CURRENT	28,454	33,758	34,436
Cash and Cash equivalents	291	194	183
Trade accounts receivable	12,892	4,528	11,193
Inventories	12,697	25,623	17,512
Recoverable taxes	697	553	293
Deferred income and social contribution taxes	1,035	1,913	1,163
Related Parties	92	34	3,173
Other receivables	750	913	919
Investments			
Property, plant and equipment	12,047	11,846	11,766
Investment in subsidiaries	-	-	-
Intangible assets	9,019	8,341	8,174
TOTAL ASSETS	49,520	53,945	54,376
LIABILITIES AND SHAREHOLDER'S EQUITY	31/12/22	30/09/23	31/12/23
CURRENT	21,296	28,065	26,250
Loans and financing	2,727	2,795	1,873
Trade accounts payable	4,508	3,758	4,118
Payroll and related taxes	760	1,537	882
Taxes payable	597	184	136
Advances from customers	7,965	15,059	13,194
Other payables	3,369	2,373	3,106
Related Parties	1,371	2,360	2,941
NON CURRENT	7,556	8,115	8,070
Loans and financing	3,849	4,542	4,542
Deferred income and social contribution taxes	3,707	3,573	3,528
SHAREHOLDER'S EQUITY	20,669	17,766	20,055
Capital	7,025	7,025	7,025
Capital reserve	505	505	505
Profit reserve	13,139	10,236	12,525
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	49,520	53,945	54,376

BW Income Statement

	4Q22	3Q23	4Q23	2022	2023
	(€ Mil)				
Net Operating Revenue	18,967	5,532	25,024	33,261	41,878
Cost of Goods Sold	(14,536)	(4,708)	(18,441)	(28,271)	(32,940)
Gross Profit	4,431	824	6,583	4,990	8,938
Gross Margin %	23.4%	14.9%	26.3%	15.0%	21.3%
Operating Expenses	(2,041)	(2,152)	(2,796)	(8,141)	(8,660)
Selling expenses	(874)	(843)	(1,392)	(3,132)	(3,501)
General and administrative expenses	(1,167)	(1,309)	(1,404)	(5,010)	(5,159)
Operating Income before Financial Results	2,390	(1,328)	3,786	(3,151)	277
Operating Margin %	12.6%	-24.0%	15.1%	-9.5%	0.7%
Financial Results, Net	(125)	(131)	(210)	(398)	(534)
Net Income before tax and social contribution	2,265	(1,459)	3,576	(3,549)	(257)
Income tax and social contribution	(555)	370	(705)	1,056	307
Net income	1,710	(1,088)	2,871	(2,494)	50
Net Margin %	9.0%	-19.7%	11.5%	-7.5%	0.1%
EBITDA	2,867	(915)	4,184	(1,181)	2,036
Net income / loss for the period	1,710	(1,088)	2,871	(2,494)	50
Income tax and social contribution	555	(370)	705	(1,056)	(307)
Financial income, net	125	131	210	398	534
Depreciation and amortization	477	413	397	1,969	1,759
EBITDA Margin %	15.1%	-16.5%	16.7%	-3.6%	4.9%