

MAHLE REPORTS EBITDA OF R\$ 120.3 MILLION IN 1Q19; MARGIN OF 19.3%

Mogi Guaçu (SP), May 15, 2019 - MAHLE Metal Leve S.A. (B3: LEVE3), a Brazilian autoparts company that manufactures and sells components for internal combustion engines and automotive filters, announces today its results for the first quarter of 2019. The Company's operating and financial information is presented on a consolidated basis in BRL according to Brazilian Corporation Law unless otherwise indicated.

1Q19 HIGHLIGHTS

Conference call and Webcast of Results:

Date: May 16, 2019

12 noon Brasília time
04:00 p.m. London time
11:00 a.m. New York time

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- **Net sales revenue** of R\$ 623.2 million in 1Q19, which represents an increase of 0.7% as compared to 1Q18;
- At the end of the first quarter of 2019, whereas the consolidated vehicle production of Brazil and Argentina fell by 4.8%, the Company's **sales** in the domestic OE market (sales to auto manufacturers) **increased** by 2.6%, surpassing Brazil's vehicle production (-0.7% in 1Q19);
- At the Ordinary General Meeting held on April 30, 2019, the shareholders approved the distribution of **supplementary dividends** of R\$ 192.2 million relating to fiscal year 2018. For the full year, the Company distributed R\$ 278.4 million in the form of dividends and interest on capital, totaling **100.0% of the net profit for the year** (after legal deductions).

(R\$ million)	Key indicators				
	1Q19 (a)	4Q18 (b)	1Q18 (c)	(a/b)	(a/c)
Net revenue	623.2	634.5	618.7	-1.8%	0.7%
EBITDA	120.3	86.6	118.8	38.9%	1.3%
EBITDA margin	19.3%	13.6%	19.2%	5,7 p.p.	0,1 p.p.
Profit for the year	63.9	67.9	71.4	-5.9%	-10.5%
Net margin	10.3%	10.7%	11.5%	-0,4 p.p.	-1,2 p.p.

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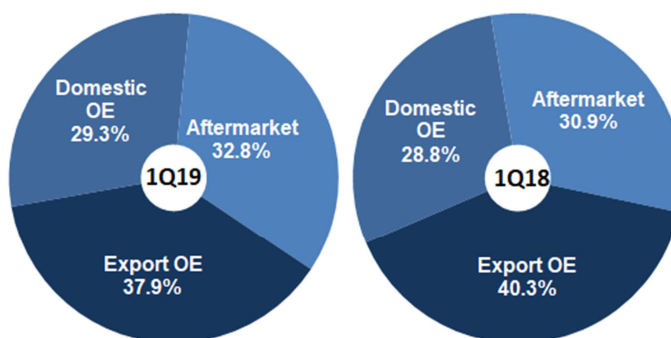
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1 Management's Comments

The year 2019 started with negative economic activity data and, consequently, the production rate in the automotive industry has been more moderate than expected.

The Company posted growth of 0.7% in 1Q19 compared to the same period of 2018, driven by strong sales in the domestic OE market (2.6%), Aftermarket (6.9%), which were partly offset by OE exports (-5.4%).

The chart below shows the Company's revenue broken down by market in 1Q19 and 1Q18:



It is important to note that holding balanced market shares both in domestic and export OE and aftermarket segments has allowed us to maintain our profit margins over time.

The Company's operating performance measured by EBITDA was R\$ 120.3 million for 1Q19, with an EBITDA margin of 19.3%.

2 About MAHLE Metal Leve

We are a Brazilian autoparts company that manufactures and sells components for internal combustion engines and automotive filters. We manufacture products with state-of-the-art technology and the highest quality, and we continuously invest in the research and development of new products and production processes.

We have developed activities in Brazil since the 50's and have a broad portfolio of products and integrated solutions that in most cases have been customized jointly with our major customers. We operate in the OEM (original equipment manufacturers) and aftermarket segments, serving automakers and large autoparts distributors and engine overhaul enterprises.

Our products are manufactured and sold in Brazil and Argentina, and also exported to over 60 countries, among USA, Germany, Mexico, Portugal and Spain, for a diversified portfolio of customers including General Motors, Volkswagen, Fiat, Ford, Daimler MBB, Opel, International, Cummins, Volvo, PSA Peugeot, John Deere, Renault, Scania, Caterpillar, Honda, Hyundai and others.

We own five industrial plants, four of which are located in Brazil, in the cities of Mogi Guaçu (two units) and São Bernardo do Campo, in the State of São Paulo, and in Itajubá, State of Minas Gerais. Our fifth plant is located in the city of Rafaela, Argentina. We have two distribution centers: one in the city of Limeira, State of São Paulo, and one in Buenos Aires, Argentina. We have a technology center located in the city of Jundiaí, State of São Paulo, which we believe is one of the largest and most well-equipped technology centers in Latin America for development of components and solution packages for internal combustion engines. This center allows us to add value to and

meet the requirements of our customers in a customized and efficient manner, and develop innovative new product technologies and processes.

We belong to the German autoparts group MAHLE, or MAHLE Group, which was established in 1920 and is one of the most traditional groups in the autoparts industry in the world. MAHLE Group, including the Company, currently has more than 170 industrial plants in 35 countries on five continents, 17 research and development centers and approximately 78 thousand employees.

As part of the MAHLE Group, a group with global operations, we are able to exchange knowledge, have constant access to the latest technology and develop new products together with our customers, which are key factors to the high level of market penetration and customer loyalty that we have achieved.

3 Developments of the Automotive Industry

3.1 Developments of the Brazilian market

Brazilian automotive industry												
Segments	Jan-Mar 2019					Jan-Mar 2018					Sales Variation (A/C)	Production Variation (B/D)
	Sales (**) (A)	Export	Import	Inventory (*)	Total Production (B)	Sales (**) (C)	Export	Import	Inventory (*)	Total Production (D)		
Passenger Cars	495,678	86,804	-42,895	45,364	584,951	451,504	145,180	-42,932	22,595	576,347	9.8%	1.5%
Light Commercials	85,778	13,159	-25,218	6,183	79,902	76,741	25,223	-20,577	10,700	92,087	11.8%	-13.2%
Total light vehicles	581,456	99,963	-68,113	51,547	664,853	528,245	170,403	-63,509	33,295	668,434	10.1%	-0.5%
Trucks	21,464	2,519	-732	1,510	24,761	14,533	7,331	-305	2,875	24,434	47.7%	1.3%
Buses	4,680	2,080	-	-644	6,116	2,758	2,473	-	1,655	6,886	69.7%	-11.2%
Total Trucks and Buses	26,144	4,599	-732	866	30,877	17,291	9,804	-305	4,530	31,320	51.2%	-1.4%
Agricultural	9,294	2,683	-	-1,109	10,868	7,523	2,936	-	-1,109	12,000	23.5%	-9.4%
Total medium and heavy vehicles	35,438	7,282	-732	-243	41,745	24,814	12,740	-305	3,421	43,320	42.8%	-3.6%
Total vehicle sales	616,894	107,245	-68,845	51,304	706,598	553,059	183,143	-63,814	36,716	711,754	11.5%	-0.7%
Variation (un) - 1Q19 x 1Q18	63,835	-75,898	-5,031	14,588	-5,156							
Variation (%) - 1Q19 x 1Q18	11.5%	-41.4%	7.9%	39.7%	-0.7%							

Source: Anfavea

(*) Vehicle inventory variation = production - (sales + exports - imports)

(**) Sales (Domestic + Imported)

The Brazilian automotive industry has seen a decrease of 0.7% in **production** and growth of 11.5% in **sales** in 1Q19 compared to the same period of 2018.

According to the Brazilian Association of Motor Vehicle Manufacturers (ANFAVEA), **vehicle inventory** recorded at the end of 1Q19 reached 296.4 thousand units, corresponding to 41 days of sales. In the same period of the previous year, vehicle inventory was equivalent to 34 days of sales, representing 230.7 thousand units.

The table at the right side of this section shows the changes in production, sales and total inventory of national vehicles in the first three months of 2019 compared to the same period of 2018:

Vehicle Production - monthly (thousand units)	Jan	Feb	Mar	Total
Production (2018)	221.4	217.4	272.9	711.7
Production (2019)	201.0	260.4	245.0	706.4
Total vehicle sales - monthly (thousand units)	Jan	Feb	Mar	Total
Sales (2018)	182.9	159.3	210.9	553.1
Sales (2019)	202.5	201.5	213.0	617.0
Brazilian Vehicles Inventory (days)	Jan	Feb	Mar	Final
Sales (2018)	38.0	41.0	34.0	34.0
Sales (2019)	37.0	43.0	41.0	41.0

3.2 Developments of the Argentina market

The Argentine automotive industry reported a decline of 56.7% in vehicle sales and of 30.4% in vehicle production when comparing 1Q19 to 1Q18.

Argentina's automotive industry			
Vehicle Sales (Locally-manufactured and imported)	Jan-Mar 2019 (A)	Jan-Mar 2018 (B)	A/B
Total of Light vehicle	94,150	217,747	-56.8%
Total of medium and heavy vehicle (**)	4,626	10,613	-56.4%
Total vehicle sales	98,776	228,360	-56.7%
Exports	47,919	57,348	-16.4%
Imports	67,629	157,846	-57.2%
Automotive trade balance	(19,710)	(100,498)	-80.4%
Vehicle inventory variation in the period (*)	5,038	(3,046)	-265.4%
Production of Light vehicle	76,692	110,598	-30.7%
Medium and heavy vehicle production	2,786	3,605	-22.7%
Total vehicle production	79,478	114,203	-30.4%

(*) Vehicle inventory variation = production - (sales + exports - imports).

(**) Source: Arcaras Arg.

Source: Adefa

The table below shows consolidated vehicle production and sales figures for Brazil and Argentina. This refers to the domestic market in which the Company operates.

Production and sales: Brazil & Argentina	Vehicle production			Vehicle sales		
	Jan-Mar 2019	Jan-Mar 2018	variation	Jan-Mar 2019	Jan-Mar 2018	variation
Light vehicle	741,545	779,032	-4.8%	675,606	745,992	-9.4%
Medium and heavy vehicle	44,531	46,925	-5.1%	40,064	35,427	13.1%
Total	786,076	825,957	-4.8%	715,670	781,419	-8.4%

Source: Anfavea and Adefa

3.3 Vehicle production in the main export markets

The table below shows the vehicle production figures for 1Q19 in Europe and North America (Company's main export markets) compared to 1Q18.

Vehicle Production in the main export market (in ths)			
Segment	Jan-Mar 2019 (A)	Jan-Mar 2018 (B)	A/B
Production of Light vehicle	4,345	4,379	-0.8%
Production of medium and heavy vehicle	168	145	15.9%
North America	4,513	4,524	-0.2%
Production of Light vehicle	5,583	5,900	-5.4%
Production of medium and heavy vehicle	173	166	4.2%
Europe	5,756	6,066	-5.1%
Total Vehicle Production	10,269	10,590	-3.0%

Source: IHS

4 Financial and Economic Performance

Summary P&L (R\$ million)	1Q19 (a)	1Q18 (b)	V.A. (%) (a)	V.A. (%) (b)	H.A. (%) (a/b)
Net sales revenue	623.2	618.7	100.0%	100.0%	0.7%
Cost of sales	(454.4)	(445.2)	-72.9%	-72.0%	2.1%
Gross profit	168.8	173.5	27.1%	28.0%	-2.7%
Selling expenses	(37.8)	(37.1)	-6.1%	-6.0%	1.9%
Gains/losses on the recoverable value of accounts receivable	(0.2)	(0.7)	0.0%	-0.1%	-71.4%
General and administrative expenses	(19.0)	(20.4)	-3.0%	-3.3%	-6.9%
Technology and product development expenses	(20.1)	(16.9)	-3.2%	-2.7%	18.9%
Other operating income (expenses)	(0.5)	(2.3)	-0.1%	-0.4%	78.3%
Gains/losses on net monetary position ¹	6.4	-	1.0%	0.0%	100.0%
Operating profit	97.6	96.1	15.7%	15.5%	1.6%
Finance income (costs), net	(8.8)	(1.8)	-1.4%	-0.3%	388.9%
Income tax and social contribution	(25.6)	(23.8)	-4.1%	-3.8%	7.6%
Profit for the year	63.2	70.5	10.1%	11.4%	-10.4%
Profit for the year	63.9	71.4	10.3%	11.5%	-10.5%
Attributable to: Non-controlling-interests	(0.7)	(0.9)	-0.1%	-0.1%	22.2%
EBITDA	120.3	118.8	19.3%	19.2%	1.3%
Margins:					
Gross margin	27.1%	28.0%			-0.9 p.p.
Operating margin	15.7%	15.5%			0.1 p.p.
Net margin attributable to owners of the parent	10.3%	11.5%			-1.2 p.p.
EBITDA margin	19.3%	19.2%			0.1 p.p.
SG&A expenses to net sales revenue	9.1%	9.3%			-0.2 p.p.

¹ Additional information is provided in Note 34 to the financial statements for the year ended December 31, 2018 (Adoption of IAS 29 - Financial Reporting in Hyperinflationary Economies).

4.1 Net sales revenue and segments' share

The Company's consolidated net revenue grew 0.7% in 1Q19 compared to the same period of 2018. The table below shows revenue by market and its respective impact in terms of volume/price and foreign exchange variation period over period:

Net revenues by market (R\$ Million)		1Q19 (a)	Volume/Price (b)	FX-Variation (c)	1Q18 (d)	% volume/price impact (b/d)	% FX-impacts (c/d)	H.A. (%) (a/d)
Original equipment	Domestic ¹	182.8	7.9	(3.2)	178.1	4.4%	-1.8%	2.6%
	Export	236.0	(39.1)	25.7	249.4	-15.7%	10.3%	-5.4%
	Subtotal	418.8	(31.2)	22.5	427.5	-7.3%	5.3%	-2.0%
Aftermarket	Domestic ¹	156.1	26.0	(15.6)	145.7	17.8%	-10.7%	7.1%
	Export	48.3	(4.0)	6.8	45.5	-8.8%	15.0%	6.2%
	Subtotal	204.4	22.0	(8.8)	191.2	11.5%	-4.6%	6.9%
Total		623.2	(9.2)	13.7	618.7	-1.5%	2.2%	0.7%

¹ Domestic market includes Brazil and Argentina.

4.2 OE sales

Domestic market:

The domestic OE segment grew 2.6% in 1Q19, with a 4.5% increase in volume/price, which was partially offset by the foreign exchange variation (-1.8%) from Argentina business (which was consolidated in our domestic OE segment). Please note that, in the same period, consolidated vehicle production of Brazil and Argentina fell by 4.8%.

Export market:

OE export sales fell by 5.4% in 1Q19 and the positive impact of 10.3% foreign exchange variation was offset by a 15.7% decline in volumes. Shown below are exports in hard currency comparing 1Q19 to 1Q18:

Export Sales by currency (million)	Jan-Mar 2019 (a)	Jan-Mar 2018 (b)	H.A. (%) (a/b)
Original equipment			
EUR	20.2	25.9	-22.0%
USD	40.3	43.9	-8.2%

4.3 Aftermarket sales

Domestic market:

The domestic Aftermarket grew 7.1% in 1Q19, with a 17.8% increase in volume/price, which was partially offset by the foreign exchange variation (-10.7%) from Aftermarket Argentina (this unit was consolidated in our domestic Aftermarket).

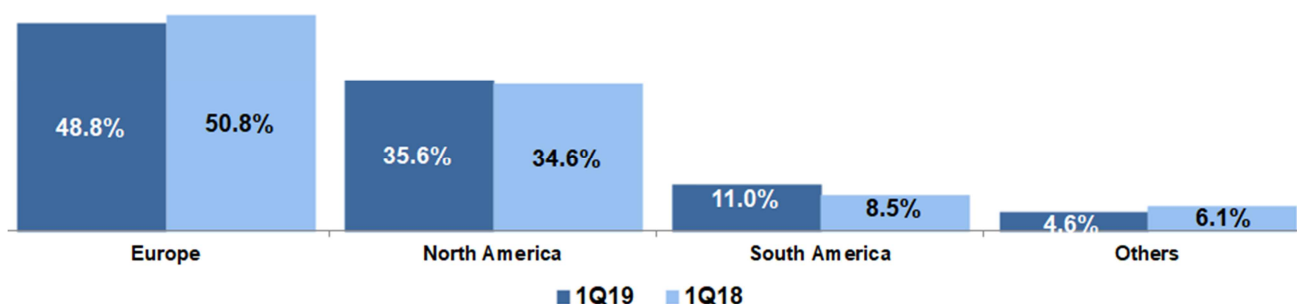
Export market:

In 1Q19, our Aftermarket exports grew 6.2% compared to the same period in 2018, with an 8.8% decrease in volume/price, which was offset by the positive impact of 15.0% foreign exchange variation. Aftermarket exports in hard currency were as follows:

Export Sales by currency (million)	Jan-Mar 2019 (a)	Jan-Mar 2018 (b)	H.A. (%) (a/b)
Aftermarket			
EUR	0.1	0.7	-85.7%
USD	12.8	13.2	-3.0%

4.4 Consolidated export by region

The graph below shows the Company's sales by geographic region in 1Q19 and 1Q18:



4.5 Net revenue by segment

In 1Q19, the engine component segment achieved 1.7% sales growth while the filter segment reported a decline of 6.2% when compared to the same period in 2018, as shown in the table below:

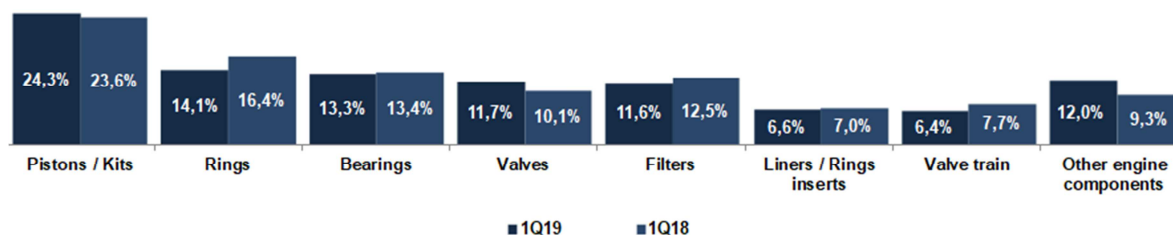
Performance of the net sales revenue by segment (R\$ million)	1Q19	4Q18	A.V.		H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)
Engine components	550.6	541.3	88.4%	87.5%	1.7%
Filters	72.6	77.4	11.6%	12.5%	-6.2%
Total	623.2	618.7	100.0%	100.0%	0.7%

For the filter segment, it should be considered that in 1Q18 there were sales of tooling and research & development services amounting to R\$ 3.7 million. If we exclude this effect in the comparison, this segment would have a decline of 1.6% between the periods compared.

It is important to note that we do not export filters and, therefore, there was no impact of foreign exchange variation on the filter segment as it was seen in the engine component segment.

4.6 Net revenue by product and service

The graph below shows the share of total sales for each product in 1Q19 compared to 1Q18:



4.7 Gross margin

As shown in the table below, the Company closed 1Q19 with a gross margin of 27.1% (28.0% in 1Q18):

Summary P&L (R\$ million)	1Q19 (a)	1Q18 (b)	V.A. (%) (a)	V.A. (%) (b)	H.A. (%) (a/b)
Net sales revenue	623.2	618.7	100.0%	100.0%	0.7%
Cost of sales	(454.4)	(445.2)	-72.9%	-72.0%	2.1%
Gross profit	168.8	173.5	27.1%	28.0%	-2.7%
Gross margin	27.1%	28.0%			-0,9 p.p.

4.8 Selling, general and administrative expenses

In 1Q19, selling expenses reflect the Company's revenue, with stable selling expense to revenue ratio period over period.

General and administrative expenses fell in 1Q19 compared with 1Q18 thanks to the Company's efforts to maximize the results.

Summary P&L (R\$ million)	1Q19 (a)	1Q18 (b)	V.A. (%) (a)	V.A. (%) (b)	H.A. (%) (a/b)
Net sales revenue	623.2	618.7	100.0%	100.0%	0.7%
Selling expenses	(37.8)	(37.1)	-6.1%	-6.0%	1.9%
General and administrative expenses	(19.0)	(20.4)	-3.0%	-3.3%	-6.9%
SG&A expenses	(56.8)	(57.5)	9.1%	9.3%	-1.2%
SG&A expenses to net sales revenue	9.1%	9.3%			-0,2 p.p.

4.9 Technology and new product development expenses

The Company believes that it is of utmost importance to continue to make investments in R&D and that the focus on technological innovations involving partnerships with customers with registration of patents and launch of new products in the market is one of its main competitive strengths.

Summary P&L (R\$ million)	1Q19 (a)	1Q18 (b)	V.A. (%) (a)	V.A. (%) (b)	H.A. (%) (a/b)
Net sales revenue	623.2	618.7	100.0%	100.0%	0.7%
Technology and product development expenses	(20.1)	(16.9)	-3.2%	-2.7%	18.9%

4.10 Other operating income (expenses), net

This account recorded a net expense of R\$ 0.5 million in 1Q19, as shown in the table below:

Other income and expenses, net (R\$ million)	1Q19 (a)	1Q18 (b)	Var. (a-b)
Provision/Reversal for labor, civil and tax contingencies	2.8	(6.1)	8.9
Provision/Reversal for obsolescence	(0.2)	0.1	(0.3)
Provision for restructuring	-	0.2	(0.2)
Electric power	0.3	0.4	(0.1)
Recovered taxes (Reintegra)	0.2	4.0	(3.8)
Export expenses (Argentina)	(4.0)	-	(4.0)
Other income/expenses	0.4	(0.9)	1.3
Total other income and expenses	(0.5)	(2.3)	1.8

4.11 Operating performance measured by EBITDA

EBITDA was R\$ 120.3 million in 1Q19 (R\$ 118.8 million in 1Q18), with an EBITDA margin of 19.3% (19.2% in 1Q18). The table below displays changes in the components of the operating result between the comparative periods:

EBITDA 1Q18	¹ Gains/losses on net monetary position (Argentina IAS 29)	Other operating income (expenses)	General and administrative expenses	Gains/losses on the recoverable value of accounts receivable	Selling expenses	Technology and product development expenses	Gross income	EBITDA 1Q19
118.8	6.4	1.8	1.4	0.5	(0.7)	(3.2)	(4.7)	120.3
EBITDA margin 19.2%				EBITDA margin 19.3%				

¹ Additional information is provided in Note 34 to the quarterly financial statements at March 31, 2019 (Adoption of IAS 29 - Financial Reporting in Hyperinflationary Economies).

4.12 Finance result, net

In 1Q19, the Company recorded net finance costs of R\$ 8.8 million versus net finance costs of R\$ 1.8 million in 1Q18, representing a negative change of R\$ 7.0 million between the comparative periods.

Net financial result (R\$ million)	1Q19 (a)	1Q18 (b)	Var. (a-b)
Interest income on financial investments	1.0	1.4	(0.4)
Interest on loans	(3.3)	(2.1)	(1.2)
Other income	0.6	0.4	0.2
Finance costs, net	(1.7)	(0.3)	(1.4)
Exchange variation, net	3.2	7.5	(4.3)
Gain (loss) on derivatives	(0.5)	(0.1)	(0.4)
Exchange variation and Result with derivatives (ii)	2.7	7.4	(4.7)
Monetary variation, net	(8.0)	(7.6)	(0.4)
Other	(1.8)	(1.3)	(0.5)
Monetary variation, net + Others (iii)	(9.8)	(8.9)	(0.9)
Finance income (costs) (i + ii + iii)	(8.8)	(1.8)	(7.0)

The negative change of R\$ 0.4 million in "Interest income on financial investments" between the comparative periods was due to the decrease in the average levels of financial investments to R\$ 111.1 million in 1Q19 from R\$ 113.0 million in 1Q18, combined with a decrease in the rate of return to 6.1% p.a. in 1Q19 from 6.6% p.a. in 1Q18, a movement which followed a cut in Brazil's basic interest rate (SELIC).

The negative change of R\$ 1.2 million in interest expenses on loans between the comparative periods was due to the increase in the average levels of borrowings to R\$ 355.5 million in 1Q19 from R\$ 174.9 million in 1Q18, whereas there was a decrease in borrowing costs to 4.7% p.a. in 1Q19 from 5.8% p.a. in 1Q18, a movement which also followed a cut in SELIC.

With respect to item “ii” of the table above, please note that these two line items “Foreign exchange variation, net” and “Gain (loss) on derivatives” should always be analyzed together, because the Company monitors and manages foreign exchange exposures and continually assesses whether it needs to use derivatives to hedge its foreign exchange exposures.

The objective of the currency hedging program is to minimize foreign exchange risks that could arise from adverse market conditions and negatively impact the Company's profitability. Also, with respect to foreign exchange risks, the hedging policy is to protect the estimated cash flow position (budget) and actual cash flow (balance sheet) denominated in and/or indexed to foreign currency through derivatives (NDF – Non-Deliverable Forwards). Additional information is provided in Note 31 to the quarterly financial statements at March 31, 2019.

The table below shows interest rates and average amounts of debt and investments:

Interest rates and volumes (average)	1Q19 (a)	1Q18 (b)	Var. (a-b)
Investment Yield ¹	6.1%	6.6%	-0.5 p.p.
Cost of debt	4.7%	5.8%	-1.1 p.p.
Investments - average (R\$ million)	111.1	113.0	-1.7%
Average debt (R\$ million)	(355.5)	(174.9)	103.3%

¹ Bank deposit certificates (CDBs) and repurchase agreements with average remuneration of 99.4% of the interbank deposit rate (CDI), invested exclusively with first rate banks in Brazil.

There has been an increase in average debt of 103.3%, from R\$ 174.9 million in 1Q18 to R\$ 355.5 million in 1Q19, mainly due to an increase in loan agreements, principally with Brazil's Innovation Agency FINEP.

4.13 Income tax and social contribution

As of March 31, 2019, the Company recorded a provision for consolidated income tax and social contribution expense of R\$ 25.6 million (expense of R\$ 23.8 million as of March 31, 2018), as detailed below:

- Current tax: expense of R\$ 27.7 million generated by the parent and its subsidiary MAHLE Argentina S/A.;
- Deferred tax: income of R\$ 2.1 million with no impact on cash, comprising mainly changes in the provisions and realization of differences measured according to Law 12,973/14.

Additional information is provided in Note 11 to the Quarterly Financial Statements at March 31, 2019.

4.14 Net profit

Net profit was R\$ 63.9 million in 1Q19, down 10.5% from R\$ 71.4 million in 1Q18, while net margin was 10.3% in 1Q19 versus 11.5% in 1Q18.

Summary P&L (R\$ million)	1Q19 (a)	1Q18 (b)	V.A. (%) (a)	V.A. (%) (b)	H.A. (%) (a/b)
Net sales revenue	623.2	618.7	100.0%	100.0%	0.7%
Attributable to: Owners of the parent	63.9	71.4	10.3%	11.5%	-10.5%
Net margin attributable to owners of the parent	10.3%	11.5%			-1,2 p.p.

4.15 Capital expenditures

The table below shows capital expenditures and total accumulated depreciation in 1Q19 and 1Q18:

CAPEX & Depreciation (R\$ million)	1Q19	1Q18
Capex	17.3	14.6
Total depreciation	22.9	22.9

Capex	1Q19	1Q18
% of Net sales revenue	2.8%	2.4%
% of Depreciation	75.5%	63.8%

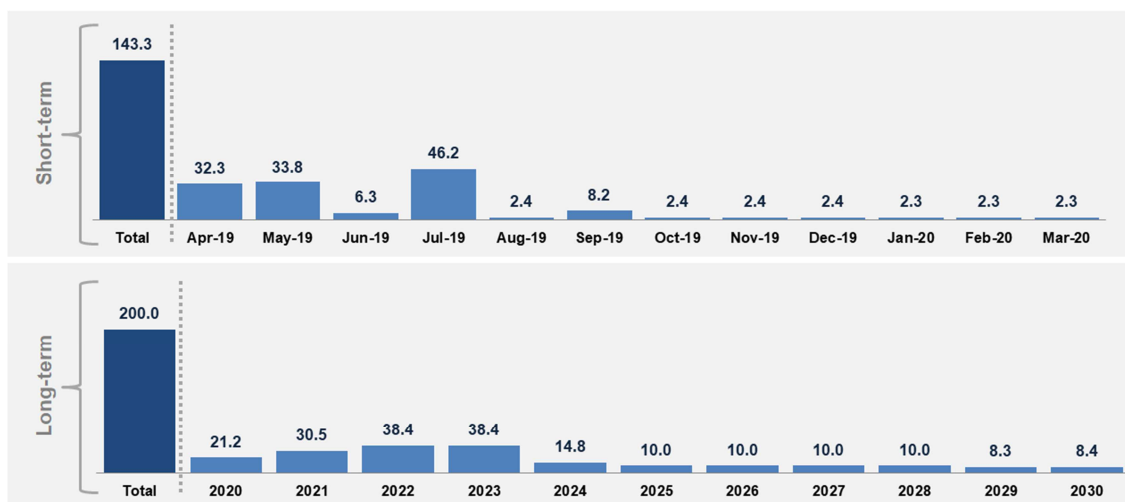
In 1Q19, the Company spent money on acquiring R&D equipment, new machinery and equipment in order to increase productivity and quality, new products, new buildings, information technology, among others.

4.16 Net position of financial assets and liabilities

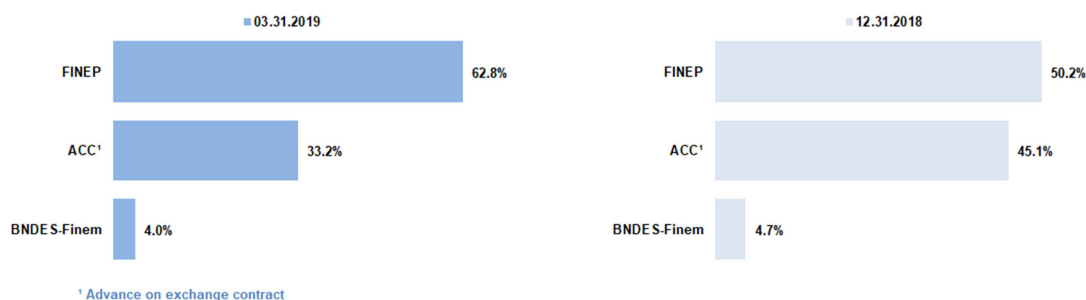
At the end of 1Q19, the Company's net position of financial assets and liabilities was R\$ 110.9 million (liability position), while at the end of 2018, the net position was R\$ 153.3 million (asset position).

Net indebtedness (R\$ million)	03.31.2019 (a)	12.31.2018 (b)	Variation (a-b)	% Debt (a)	% Debt (b)
Liabilities (i)	343.3	291.6	51.7	100%	100%
Short-term	143.3	160.4	(17.1)	42%	55%
Long-term	200.0	131.2	68.8	58%	45%
Cash / banks / cash investments/ Loans - related parties (ii):	(232.4)	(138.3)	(94.1)		
Net position (i + ii)	110.9	153.3	(42.4)		

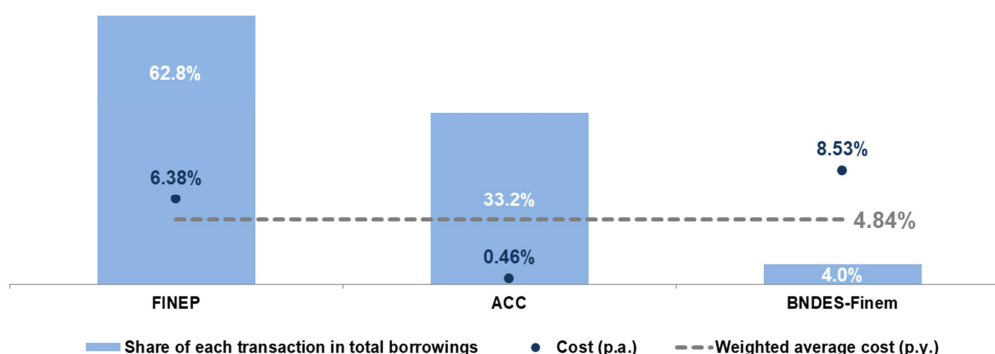
The charts below show the maturities of the liabilities classified into short-term and long-term at the end of 1Q19, which represents 42% and 58%, respectively, of the debt displayed in the table above:



Shown below are our borrowings by type for each of the periods shown in the previous table:



The chart below shows our borrowings by type at March 31, 2019, with respective costs and weighted average cost:



4.17 Dividends paid to shareholders

At the Ordinary General Meeting held on April 30, 2019, the shareholders approved the distribution of supplementary dividends of R\$ 192.2 million relating to fiscal year 2018. The Company distributed dividends and interest on capital for the full year 2018 in the amount of R\$ 278.4 million, as shown below:

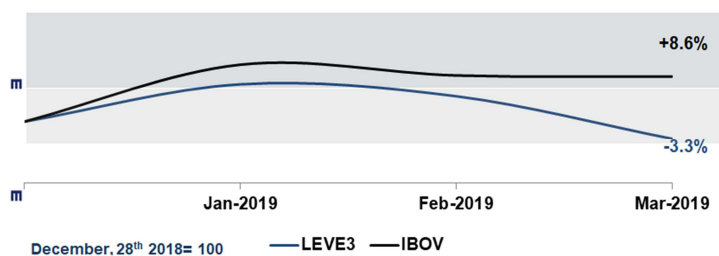
Date	Payment Date	Type of pay-out	Period	Reference Year	Total Gross Amount (in R\$ million)	Gross Amount per Share (in R\$)	Net Amount per Share (in R\$)
April 30, 2019	May 21, 2019	Dividends	Complementary Dividends	2018	192.2	1.4981719455	1.4981719455
December 26, 2018	May 21, 2019	Interest on capital	November 2018 - December 2018	2018	14.5	0.1133614082	0.0963571970
November 13, 2018	December 12, 2018	Interest on capital	January 2018 - October 2018	2018	71.7	0.5585251386	0.4747463678
Dividends					192.2	1.4981719455	1.4981719455
Interest on capital					86.2	0.6718865468	0.5711035648
Total 2018					278.4	2.1700584923	2.0692755103

5 Investor Relations and Capital Market

In 1Q19, the Company's Investor Relations department maintained its initiatives in support of interactions with our investors and the general market. Also, we continued to attend several meetings in person, conferences, site visits, call conferences and capital market events, in addition to interactions by telephone and e-mails.

5.1 Stock performance and free float turnover

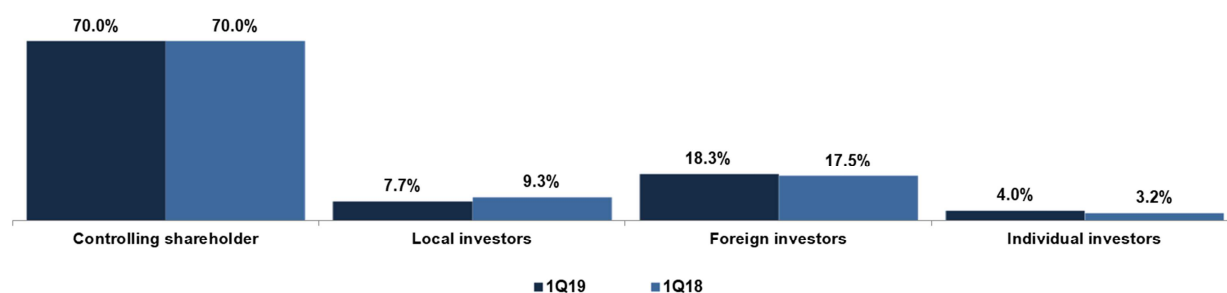
The graphs below show the LEVE3 stock performance, the Average Daily Trading Volume (ADTV) and the ADTV turnover in relation to the free float market capitalization:



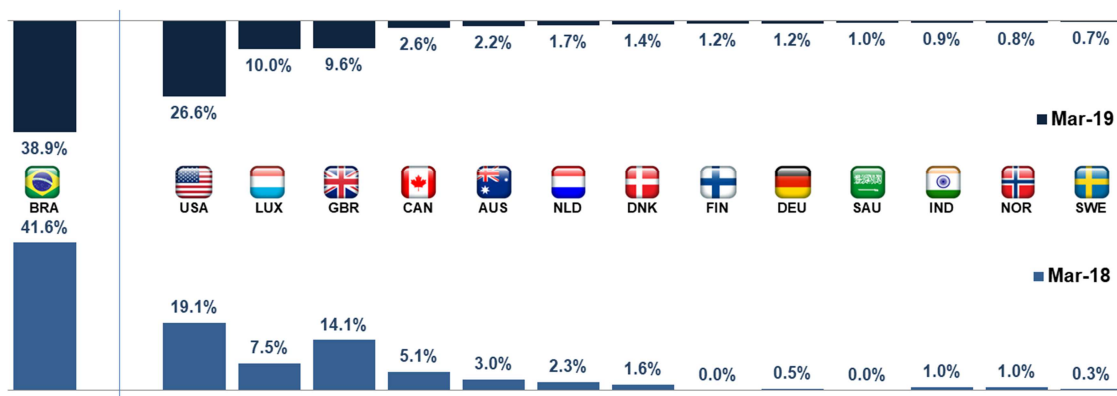
Average Daily Trading Volume (ADTV) and ADTV turnover to Free-Float Mkt Cap				
Period	2Q18	3Q18	4Q18	1Q19
Trading Volume (R\$ million)	8.7	7.8	7.2	6.5
Turnover (%)	0.88%	0.76%	0.78%	0.63%

5.2 Shareholder structure

In 1Q19 and 1Q18, the equity ownership percentage held by the Company's shareholders, including free float, is as follows:



The graph below shows the main countries in which the Company's free float shares were held in 1Q19 and 1Q18:



6 Independent Auditors

In accordance with CVM Instruction 381/03, the Company and its subsidiaries adopt a policy to ensure that the provision of non-audit services by the external auditors does not create any conflict of interest or impair the independence and objectivity of the external auditors.

In 1Q19, the Company did not engage KPMG Auditores Independentes to perform non-audit services; therefore, there is no situation that could constitute conflict of interest under that Instruction.

7 Representation by the Executive Board

In compliance with the provisions of CVM Instruction 480, the Executive Board hereby declares that it has discussed, reviewed and agrees with the financial statements for the quarter ended March 31, 2019 and the

opinions expressed in the independent auditor's report.

8 Acknowledgements

Management would like to thank the shareholders, employees, customers and suppliers of the Company for their support and trust during the first quarter of 2019.

Management

9 Exhibits

9.1 Balance sheet

BALANCE SHEETS (CONSOLIDATED)	03.31.19	12.31.18
ASSETS	2.462,8	2.316,1
Current assets	1.210,3	1.106,3
Cash and cash equivalents	67,4	39,7
Financial investments	103,3	57,9
Trade accounts receivable	458,6	437,6
Inventories	408,6	401,4
Recoverable taxes	74,1	79,6
Income tax and social contribution recoverable	47,3	47,4
Other assets	51,0	42,7
Non-current assets	1.252,5	1.209,8
Deferred taxes	19,2	13,3
Loans to related parties	61,6	40,7
Recoverable taxes	22,6	20,4
Investments in subsidiaries	0,5	0,5
Property, plant and equipment	659,3	645,5
Intangible assets	467,8	466,9
Other assets	21,5	22,5
LIABILITIES	2.462,8	2.316,1
Current liabilities	572,4	561,5
Salaries, vacation and social charges	96,7	82,3
Trade accounts payable	159,2	156,8
Lease liability	4,8	-
Income tax and social contribution payable	27,2	27,5
Borrowings	143,3	160,4
Provisions	49,7	45,7
Other liabilities	91,5	88,8
Non-current liabilities	486,4	401,7
Borrowings	200,0	131,2
Trade accounts payable	17,1	-
Deferred taxes	8,3	4,3
Provisions	252,7	258,1
Other liabilities	8,3	8,1
Consolidated shareholder's equity	1.404,0	1.352,9
Capital stock	966,3	966,3
Revenue reserves	305,8	305,7
Retained earnings (accumulated deficit)	64,2	-
Proposed dividends	192,2	192,2
Other comprehensive income	26,1	21,6
Cumulative translation adjustments	(146,3)	(129,5)
Non-controlling interests	(4,3)	(3,4)

9.2 Income statement

INCOME STATEMENT (CONSOLIDATED)	03.31.19 (a)	03.31.2018 (b)	Var. (a/b)
Net sales revenue	623.2	618.7	0.7%
Cost of sales	(454.4)	(445.2)	2.1%
Gross income	168.8	173.5	-2.7%
Operating income (expenses)	(71.2)	(77.4)	-8.0%
Selling expenses	(37.8)	(37.1)	1.9%
Gains/losses on the recoverable value of accounts receivable	(0.2)	(0.7)	-71.4%
General and administrative expenses	(19.0)	(20.4)	-6.9%
Technology and product development expenses	(20.1)	(16.9)	18.9%
Other operating income (expenses), net	(0.5)	(2.3)	-78.3%
Gains/losses on net monetary position	6.4	-	100.0%
Equity in the results of investees	(0.0)	(0.0)	0.0%
Profit before finance income and costs	97.6	96.1	1.6%
Finance income	31.1	24.6	26.4%
Finance costs	(39.9)	(26.4)	51.1%
Income and social contribution taxes	88.8	94.3	-5.8%
Current Income tax and social contribution	(27.8)	(39.9)	-30.3%
Deferred Income tax and social contribution	2.2	16.1	-86.3%
Net income for the period	63.2	70.5	-10.4%
Attributable to: Owners of the parent	63.9	71.4	-10.5%
Attributable to: Non-controlling-interests	(0.7)	(0.9)	-22.2%
Basic and diluted earnings per share (in reais)	0.49831	0.55631	-10.4%

9.3 Cash flow statement

STATEMENT OF CASH FLOWS (CONSOLIDATED)	03.31.19	03.31.2018
Cash flows from operating activities		
Profit (losses) before tax	88,8	94,4
Depreciation and amortization	22,7	22,7
Equity in the results of investees	0,0	0,0
Interest and monetary and exchange variations, net	(2,1)	6,8
Losses/(gains) on derivative financial instruments	0,6	0,2
Result on disposal of property, plant and equipment	(0,0)	0,0
Provision (reversal) for impairment of trade receivables	(0,3)	0,7
Provision (reversal) for contingencies and legal obligations	(6,8)	2,5
Provision (reversal) for guarantees	(0,7)	1,8
Other provisions (reversal)	5,3	5,1
Recognition (reversal) of provision for impairment of the property, plant and equipment and intangible assets	0,2	(0,1)
Provision (reversal) for losses on inventories	(2,0)	(2,7)
Interest expense on lease liability	0,3	-
Gain / loss on monetary variation, net	(6,4)	-
Assets and liabilities variation		
Trade accounts receivable and related parties	(20,7)	(66,8)
Inventories	(5,1)	(16,3)
Recoverable taxes	3,1	(12,3)
Other assets	(6,8)	1,3
Trade accounts payable and related parties	2,3	(3,9)
Salaries, accrual for vacation and social charges	14,4	16,6
Taxes and contributions payable	(2,7)	0,4
Other liabilities	(7,2)	(19,3)
Cash from operations	76,9	31,1
Income tax and social contribution paid	(16,2)	(15,7)
Net cash used in operating activities	60,7	15,4
Net Cash from Investment Activities	(38,0)	(26,5)
Loans granted to related subsidiaries	(210,9)	(120,7)
Loan repayments received from related parties	190,1	108,7
Additions to property, plant and equipment	(15,8)	(12,4)
Additions to intangible assets	(1,4)	(2,2)
Proceeds from sales of property, plant and equipment	0,0	0,1
Net Cash from Financing Activities	48,0	4,4
Proceeds from borrowings	95,4	13,5
Amortization of financing-principal amounts	(43,0)	(7,0)
Amortization of financing interest	(2,8)	(2,1)
Repayment of the principal of the lease liability	(1,6)	-
Effect of foreign exchange variation on cash and cash equivalents	2,5	(0,7)
Net increase (decrease) in cash and cash equivalents	73,2	(7,4)
Cash and cash equivalents at the beginning of the year	97,6	169,1
Cash and cash equivalents at the end of the year	170,8	161,7
Increase (Decrease) in cash and cash equivalents, net	73,2	(7,4)