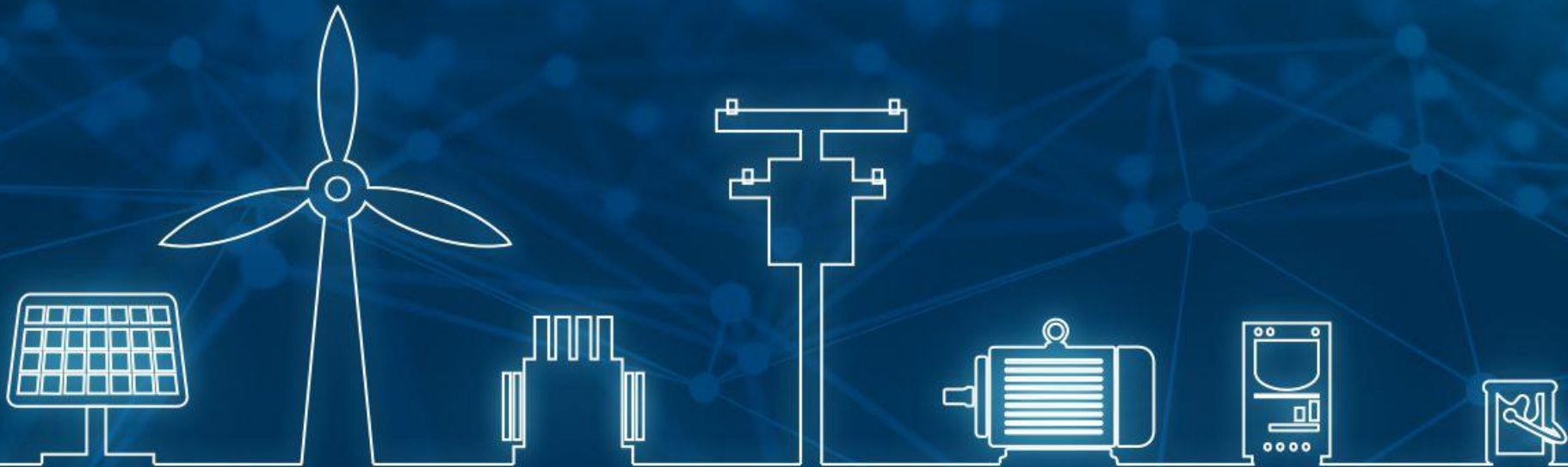


Asia-Pacific

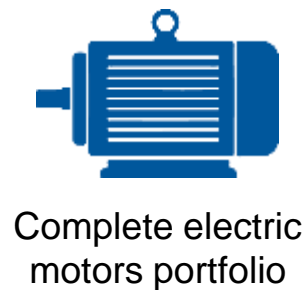
Mr. Siegfried Kreuzfeld



WEGDAY2018

Asia-Pacific

At a glance



Addressable Market

How much does Asia-Pacific represents for WEG?

≈ **US\$ 15 bi**

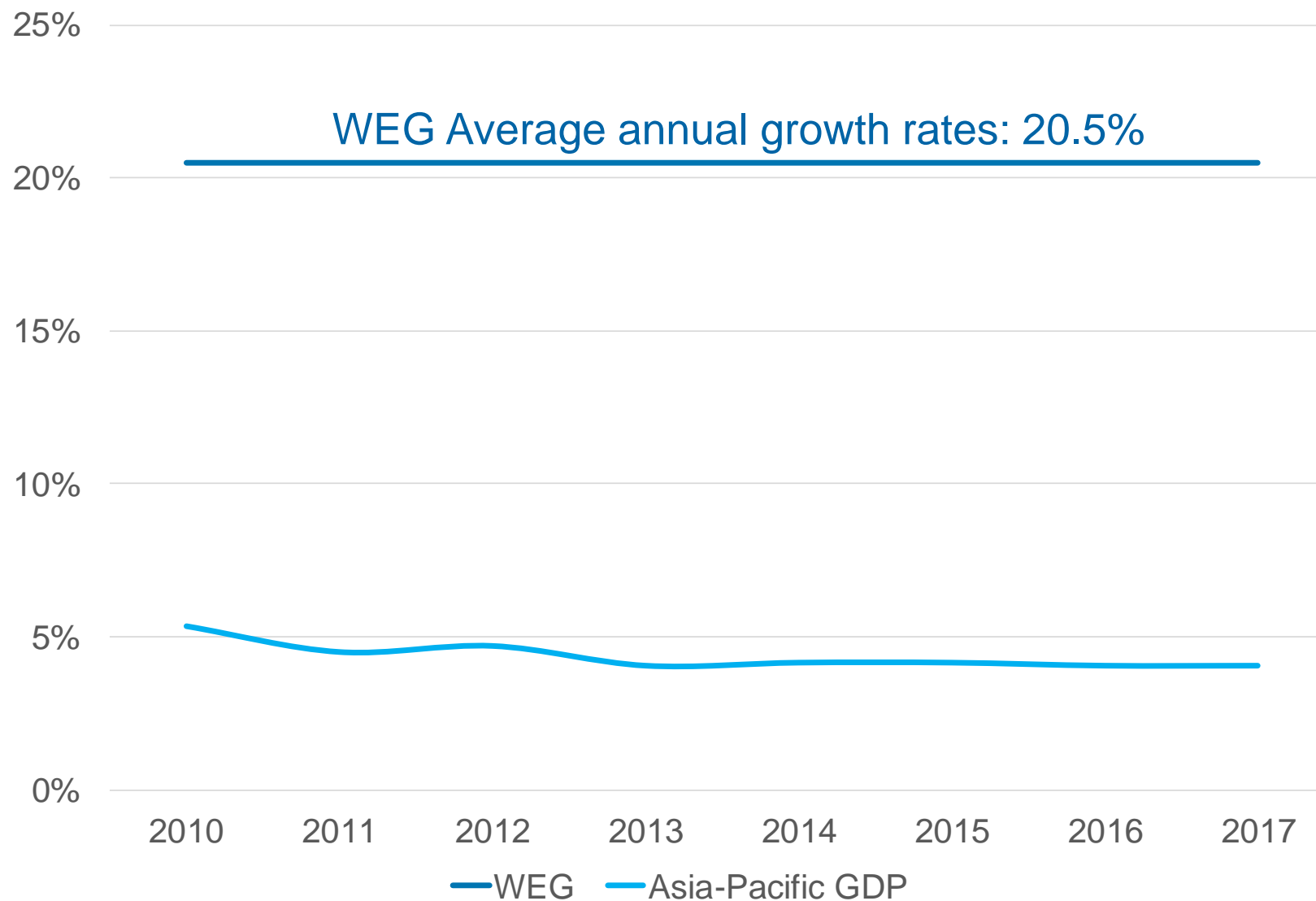
≈ **US\$ 10 bi in China, ≈ US\$ 5 bi other**

Potential Market LV Motors + Automation



Annual growth rates

WEG vs Asia-Pacific GDP



Manufacturing Footprint

WEG Nantong



Acquired in
2005



+700
employees



Total Area
721,000 sq. ft.



+360k
Motors / year



Low voltage

Medium and high voltage

Automation

Product line



Frames from **160 to 355 mm**

Frames from **280 to 630 mm**

CFW500 series



Manufacturing Footprint

WEG Rugao

Start up in
Aug, 2015



CAPEX
U\$125 M
Over 5 years



Total Area
1,991,000 sq. ft.



450k motors (2018)
957k motors (2022)



Low voltage

Product line



Frames from **63** to **132** mm

Manufacturing Footprint

WEG Changzhou



Acquired in
2014



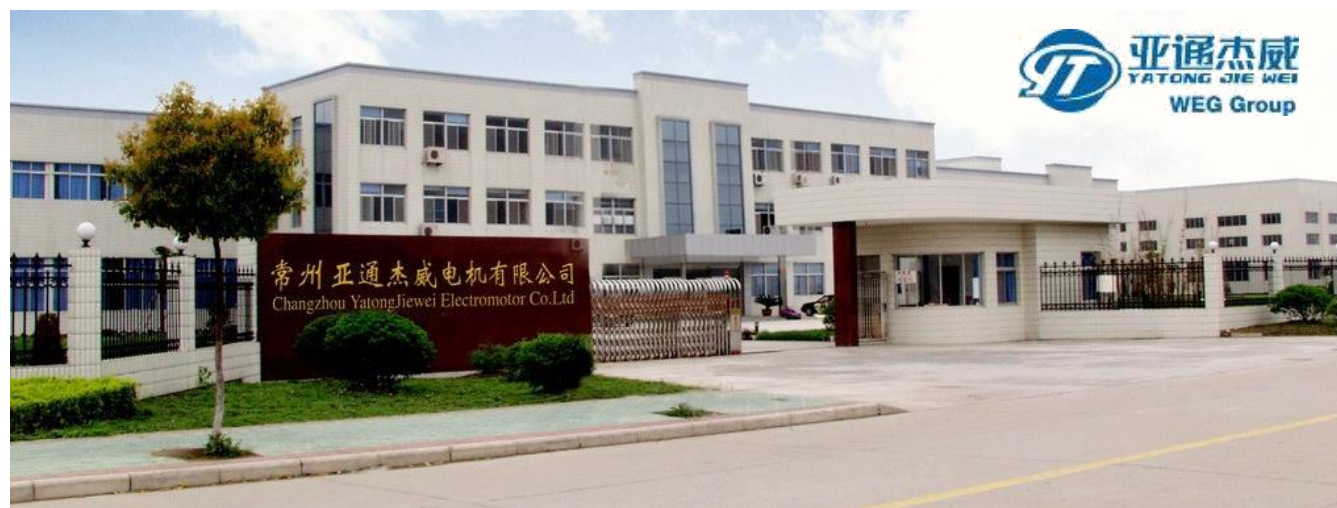
1,114
employees



Total Area
4,661,000 sq. ft.



3 M + **2 M**
Motors + Gears



EC electric motors

Product line



WECEM (IEC)



Emerald eZA (NEMA)

Manufacturing Footprint

WEG India



Start up in
2008



534
employees



Total Area
334,000 sq. ft.



300
Motors / year



High voltage motors, Synchronous motors, turbo and hydro generators

Product line



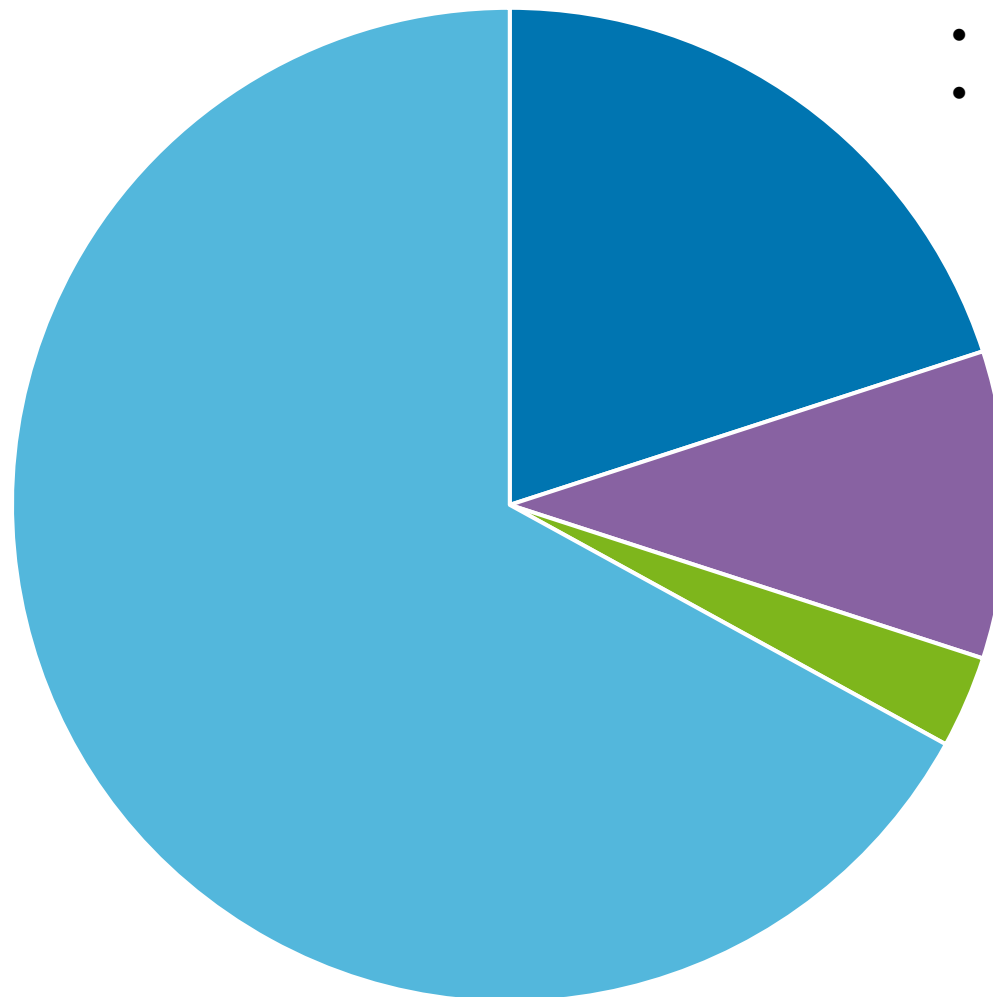
Market Position

Sales Channels

OEMs

67%

- Ventilation
- Pumps
- Compressors



Distribution

20%

- Inventories
- Technical assistance and services

Infrastructure

10%

- Water & Sanitation
- Irrigation
- Energy

End Users

3%

- Cement
- Mining
- Oil & Gas

Market Position

Original Equipment Manufacturers

Ventilation

KRUGER

Howden

SULLAIR

Twin City

halifaxfan

Shenyang Blower
Works Group

Pumps

PENTAIR

Sulzer

KSB

Alfa Laval

Flowserve

Gardner Denver

Compressors

Atlas Copco

Ingersoll Rand

ABC Compressors

FS Elliott

SEIZE AIR

ShaanGu

Market Position

Mining OEMs

Metso

ThyssenKrupp

FMG

NHI

Sandvik

Citic Pacific

Shipbuilding

Wartsila

ZPMC

Cosco

Novenco

Heinen & Hopman

End Users

Goodyear

Baosteel

Cargill

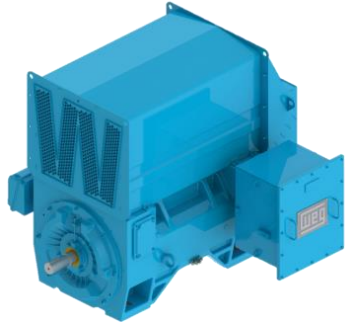
BUNGE

Sinoma

Chinese Market Potential



Low Voltage Motors
Market Size: \$5.2B



High Voltage Motors
Market Size: \$2.8B

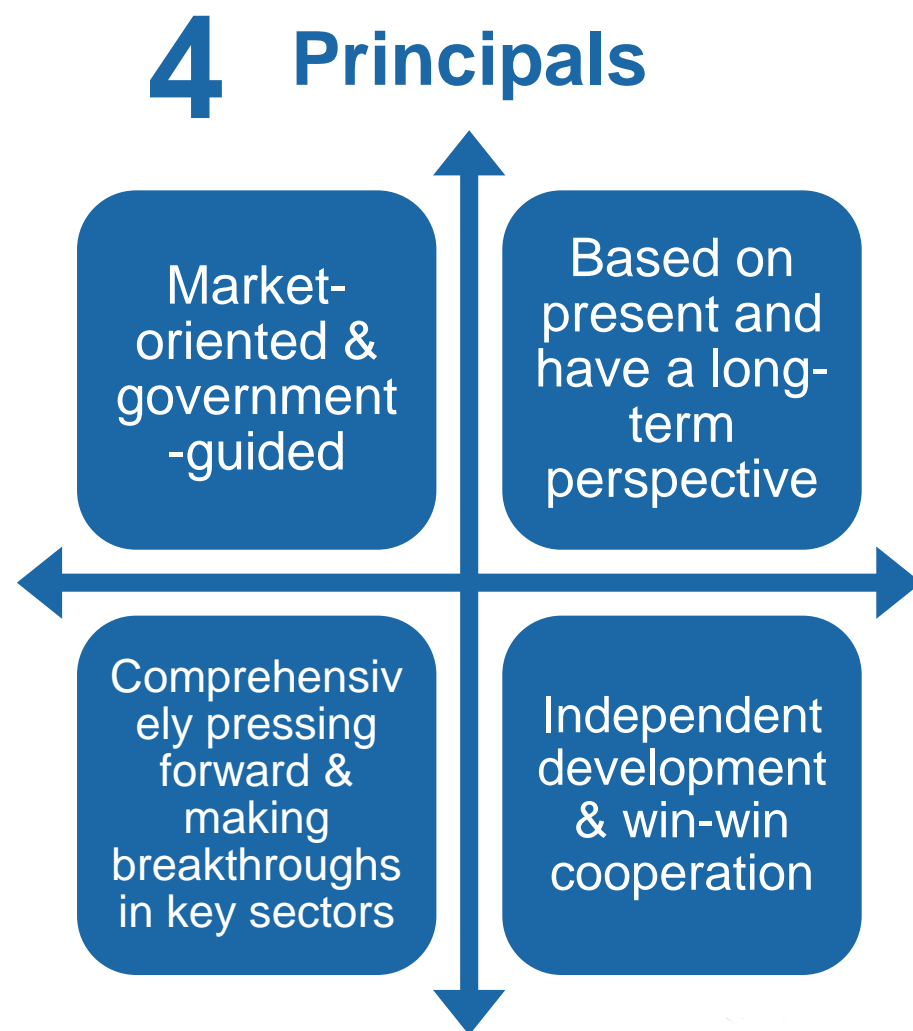


Low Voltage Drives
Market Size: \$4.8B



Opportunities

Chinese Government



5 Guidelines



Innovation-Driven



Quality as priority



Green Development



Structure optimizing



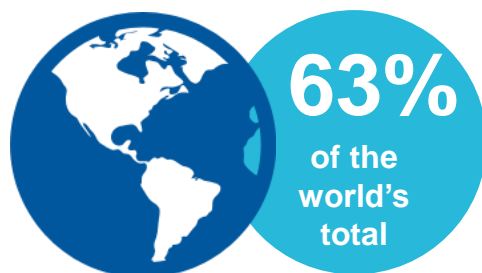
Talent oriented



Opportunities

Chinese Government

4.4 
Billion population affected



Support an economy of
US\$21 trillion



One Belt One Road

26 Countries and regions are along the routes of both corridors

60 Countries support and participating in the "B&R" development

Investment of about **US\$160** billion

Projects cover over **5,000** km

Cooperation Priorities



Policy coordination



People-to-people bond



Unimpeded trade



Financial integration



Facilities connectivity

Ahead on technological development

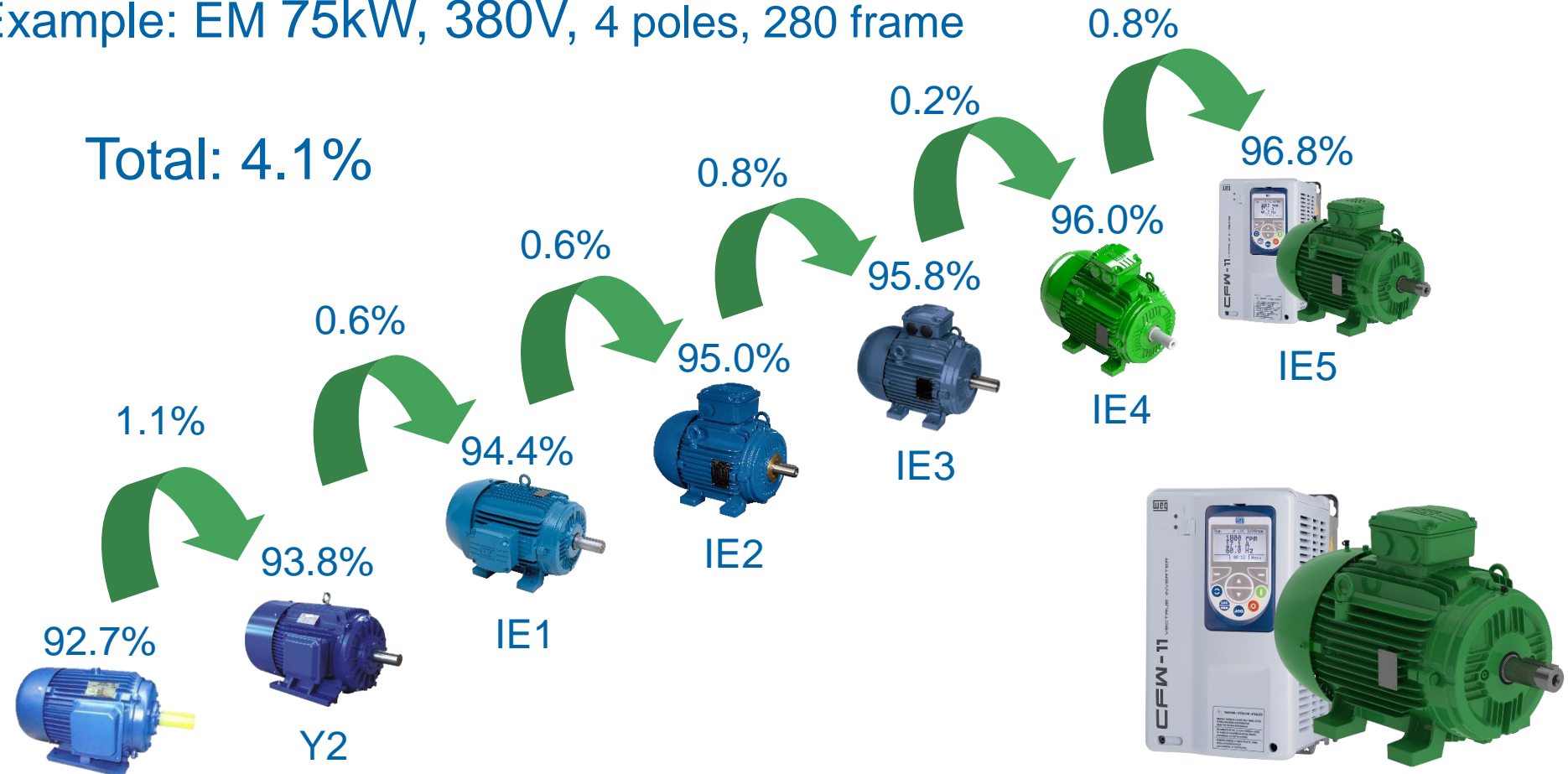
High efficiency electric motors



Energy Efficiency

EM design / specifications changing fast

Example: EM 75kW, 380V, 4 poles, 280 frame

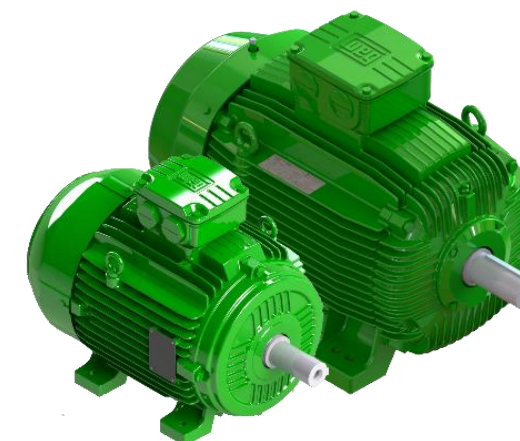
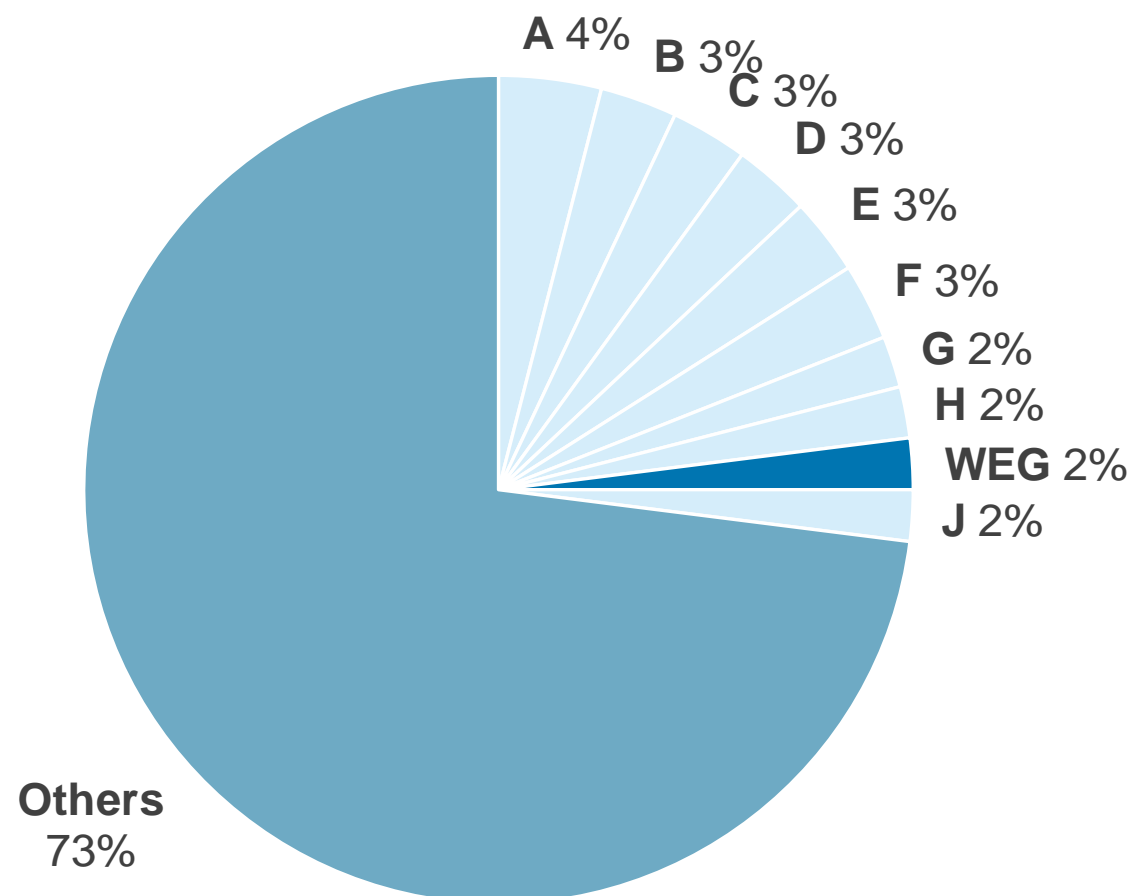


Total: 4.1%

And **WEG** has **IE5** W21 Magnet Ultra Premium

Chinese Market & Main Players

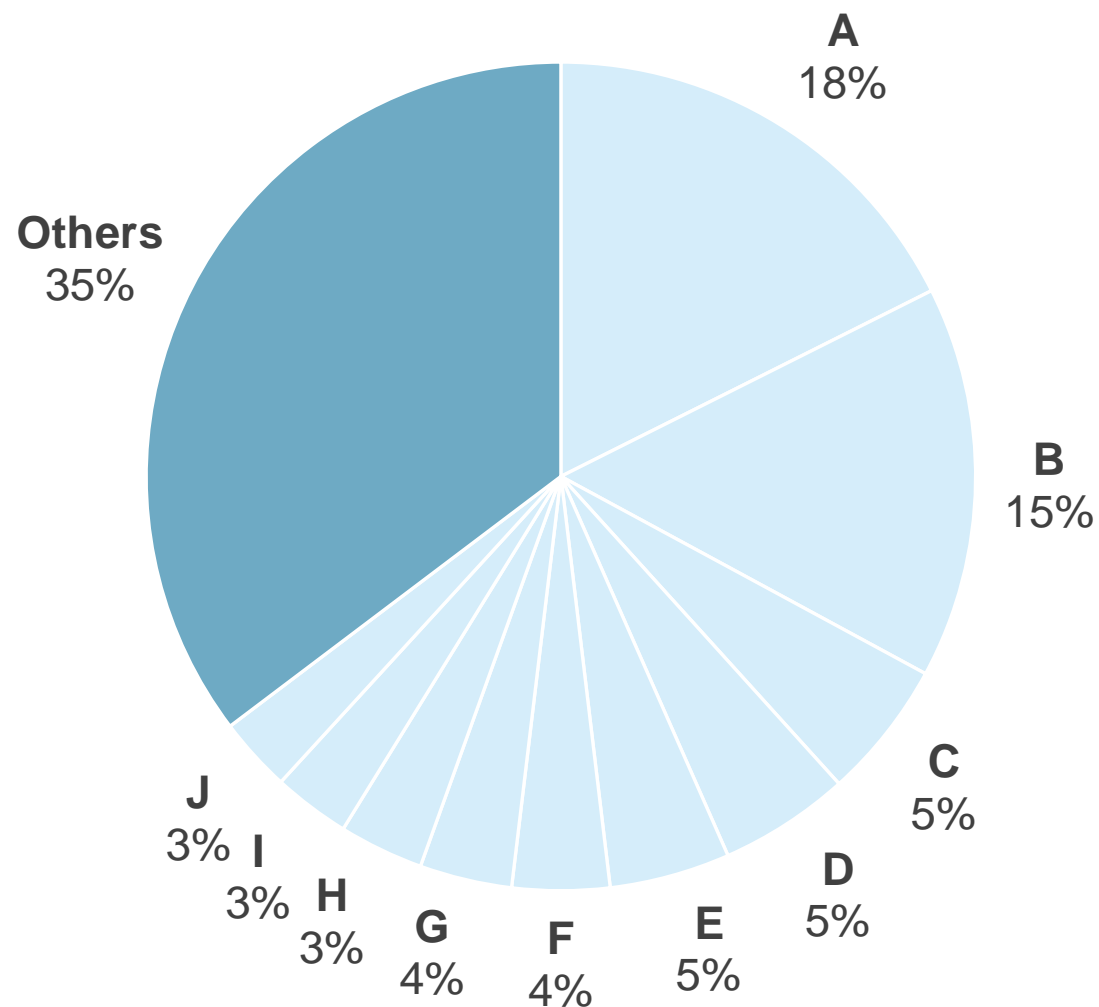
Top Chinese low voltage electric motor players



Around 2,000 electric motor manufacturers

Chinese Market & Main Players

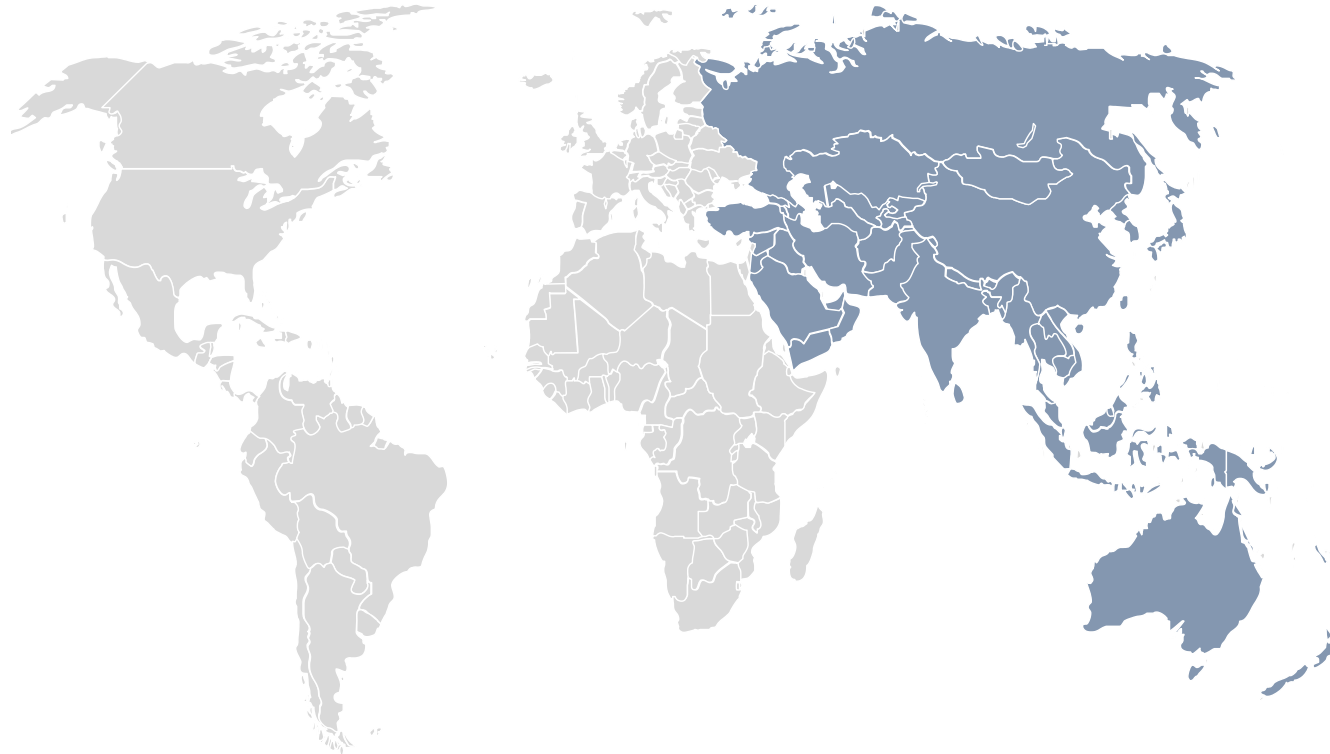
Top Chinese low voltage drives players



Main Strategic Goals

The Future is Now

The opportunity is the largest electric motors and drives market in the world



WEG's ambition is to be among the top largest players in the market by 2023

Strategic Goals

Short Term

- Accelerate expansion:
 - Industrial low voltage electric motors
 - High voltage electric motors
 - Low voltage drives
- Enlarge the portfolio of drives manufactured in China
- Start the Mini Circuit Breakers factory (China)
- Introduce the gearbox business (China)
- Develop Permanent Magnet product / business for high end applications

Medium Term

- Continue electric motors expansion in Chinese market and increase exports across Asia
- Accelerate business expansion:
 - Gearbox
 - Drives and controls
- Expand our service business targeting IoT (MotorScan)

Long Term

- Be among top players in low voltage electric motors
- Become a reference in Permanent Magnet industrial motors (China)
- Continuous growth in high voltage products, drives and controls
- Accelerate expansion:
 - Gearbox
 - Service business (became a reference in Remote Monitoring System)