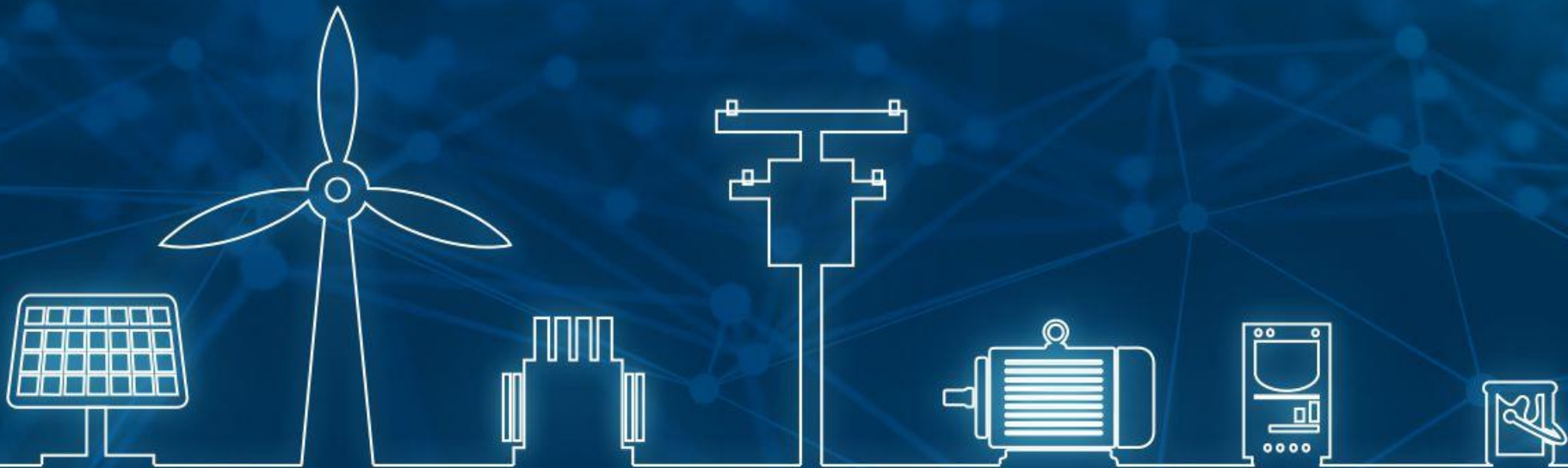


# Financial Performance

*Mr. André Luís Rodrigues*



**WEGDAY2018**

# WEG is a global company headquartered in Brazil

One of the world's largest manufacturers of electric-electronic equipment

One of the highest growth  
**Capital Goods**  
companies



Largest manufacturing site for LV electric motors in the World  
**+10,8million** ft<sup>2</sup>

**BRL 9.5** billion  
in net revenues (2017)

Stock exchange

**[B]<sup>3</sup>** OTCPink  
**WEGE3 WEGZY**

**BRL 36** billion  
in market cap  
(May 2018)

### Indices

MEMBER OF  
Dow Jones  
Sustainability Indices  
In Collaboration with RobecoSAM

Corporate  
Sustainability  
Index **ISE**  
2018

MSCI 2015 Constituent  
MSCI Global  
Sustainability Indexes

**+30,000**  
employees globally

**70,000**  
motors produced per day

**+3,000**  
engineers

Sales to  
**+135**  
countries

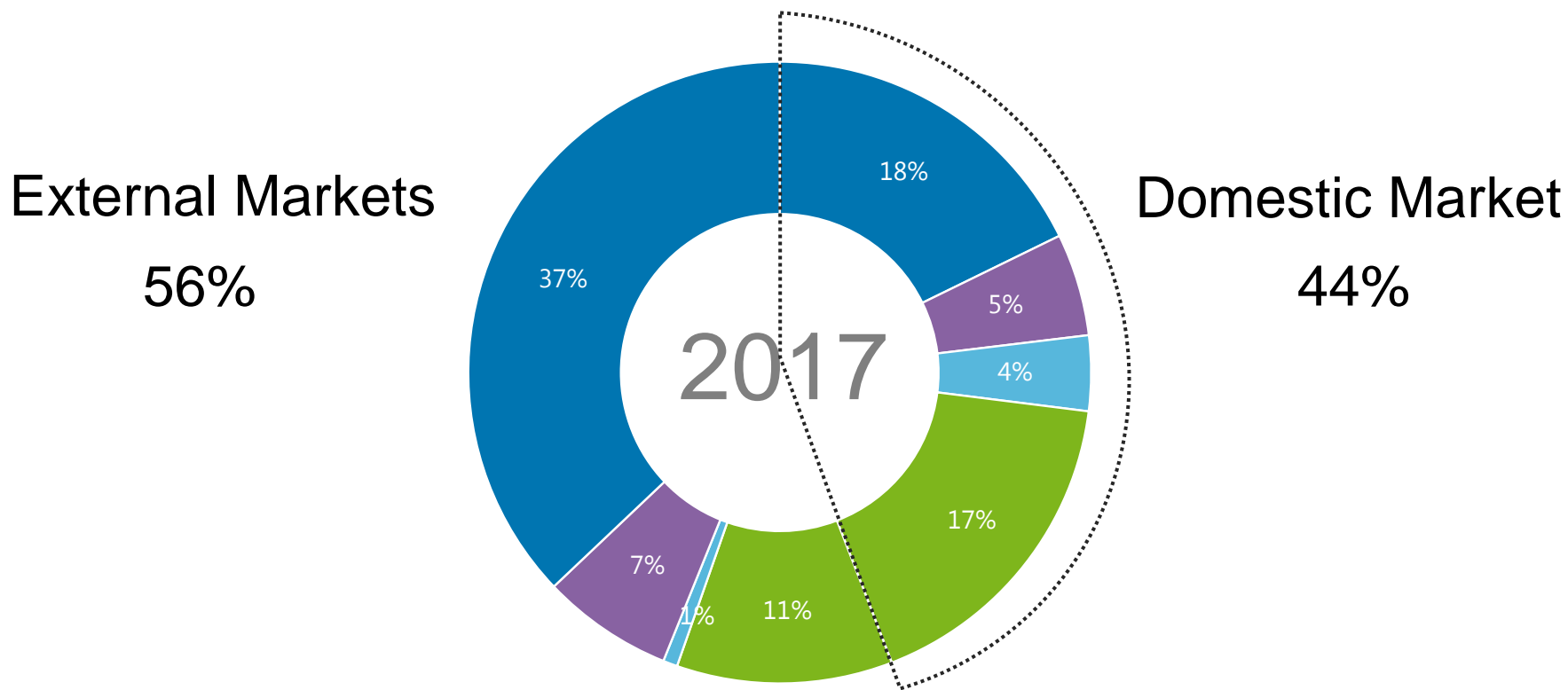
**40** Manufacturing sites  
in 12 countries 4  
continents

Distributors in  
**+105**  
countries

**55** % of the products  
sold in 2017 were  
released in the last  
5 years

# WEG Business

*Diversified product line allows for strong growth across different market cycles*



  
Industrial Electro-  
Electronic Equipment

  
Energy Generation, Transmission,  
and Distribution (GTD)

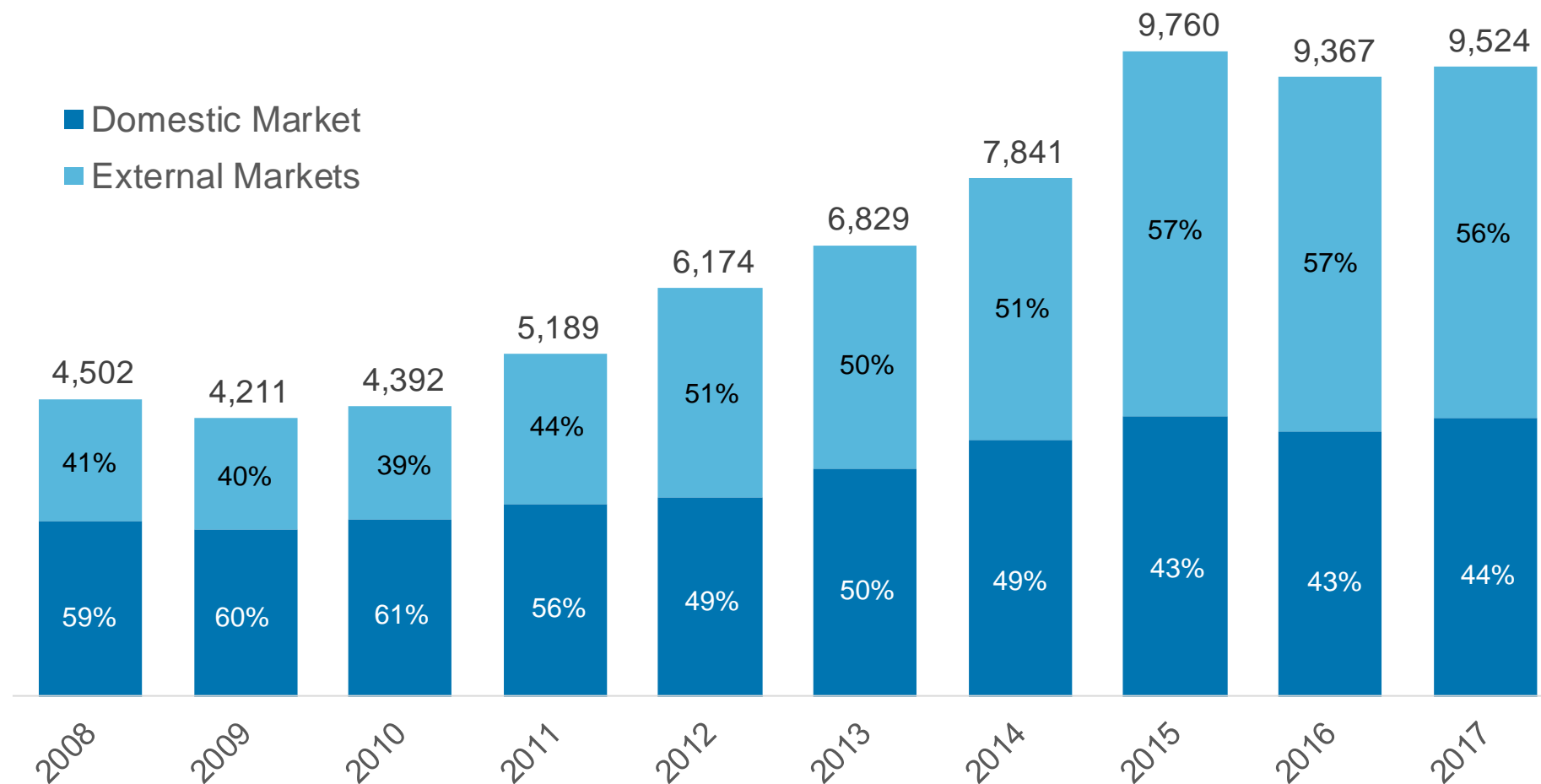
  
Motors for  
domestic use

  
Paints and  
Varnishes

# Solid growth track record

*Business model allows us to find and explore growth opportunities, even under unfavorable macroeconomic conditions*

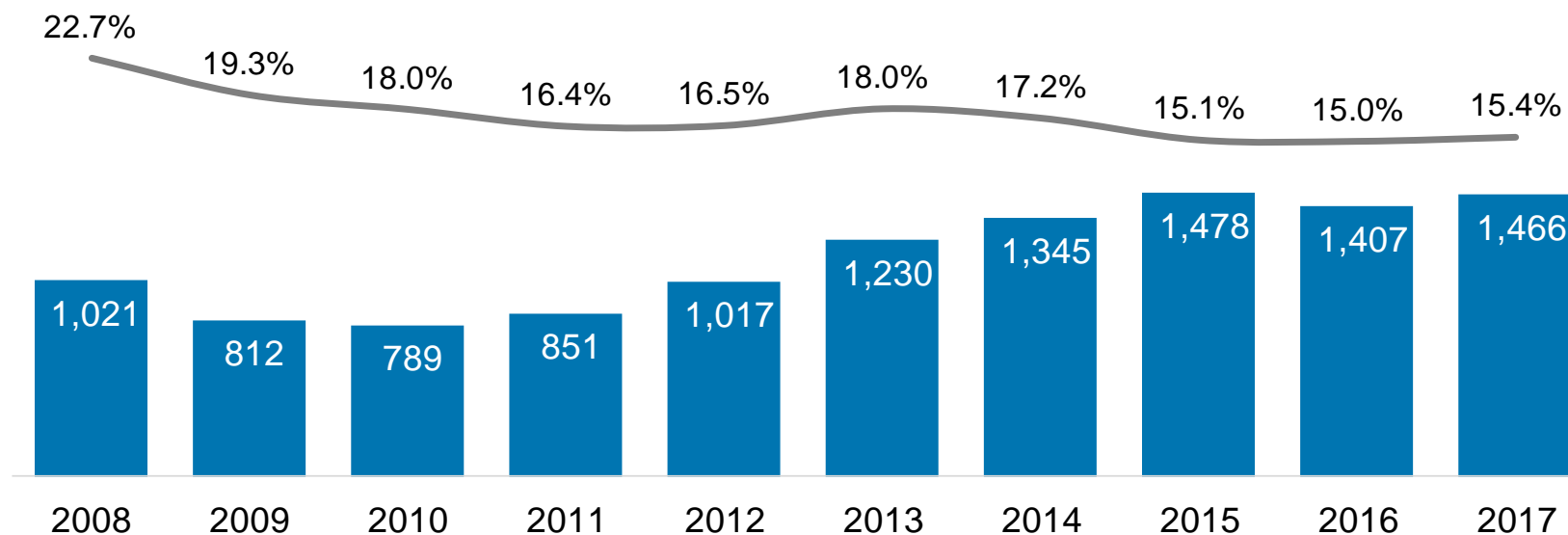
Net Operating Revenues (R\$ million)



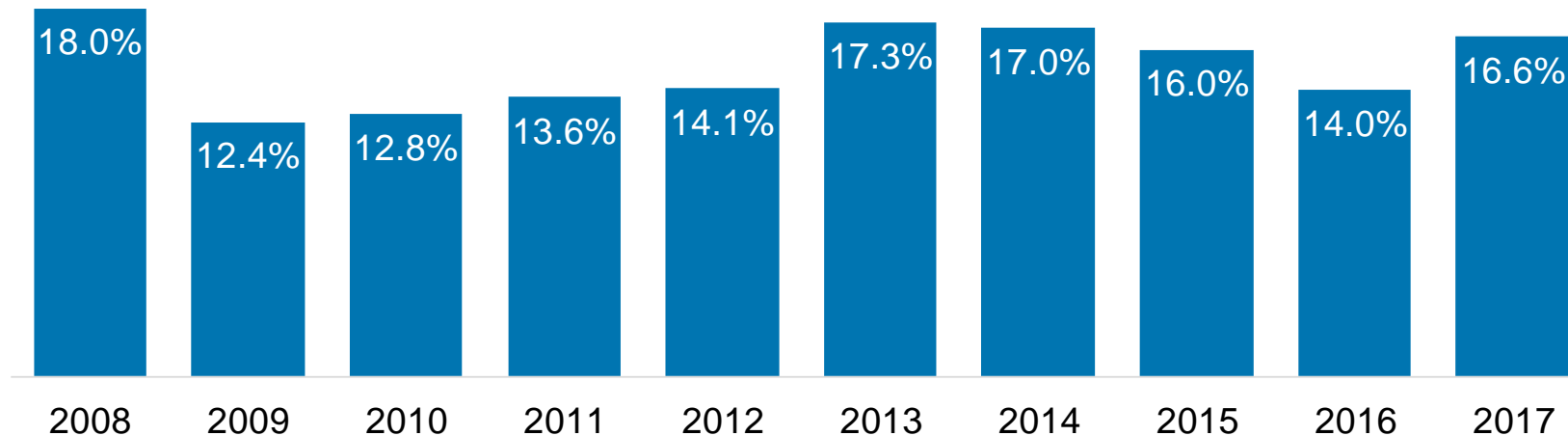
# Strong operating returns and disciplined capital allocation

*Resulting in stable above average ROIC over time even with lower EBITDA margin*

EBITDA (R\$ million) and EBITDA Margin



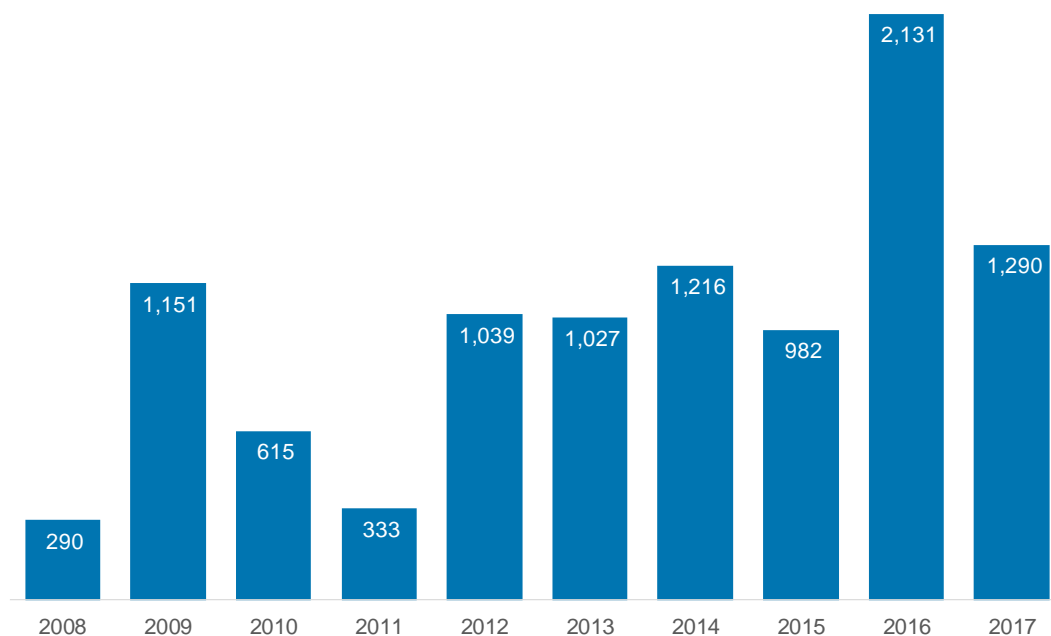
ROIC



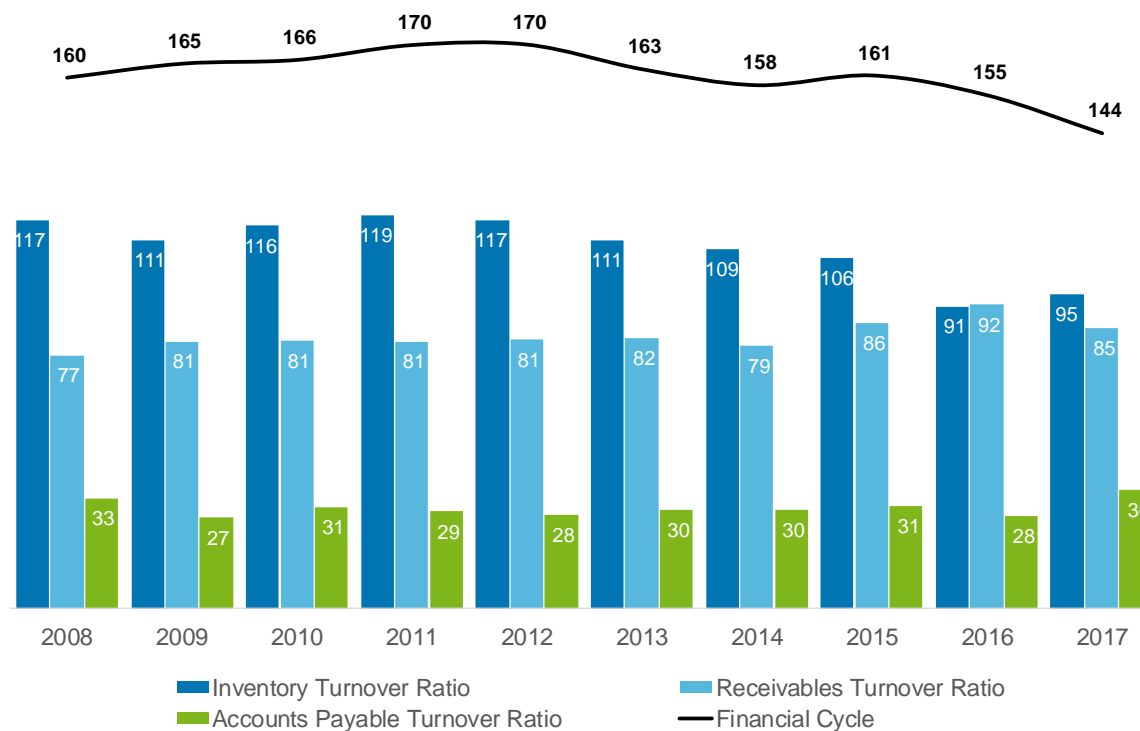
# Operational cash flow

*Consistent cash generation on the back of higher discipline in working capital management*

Operational cash flow (R\$ million)

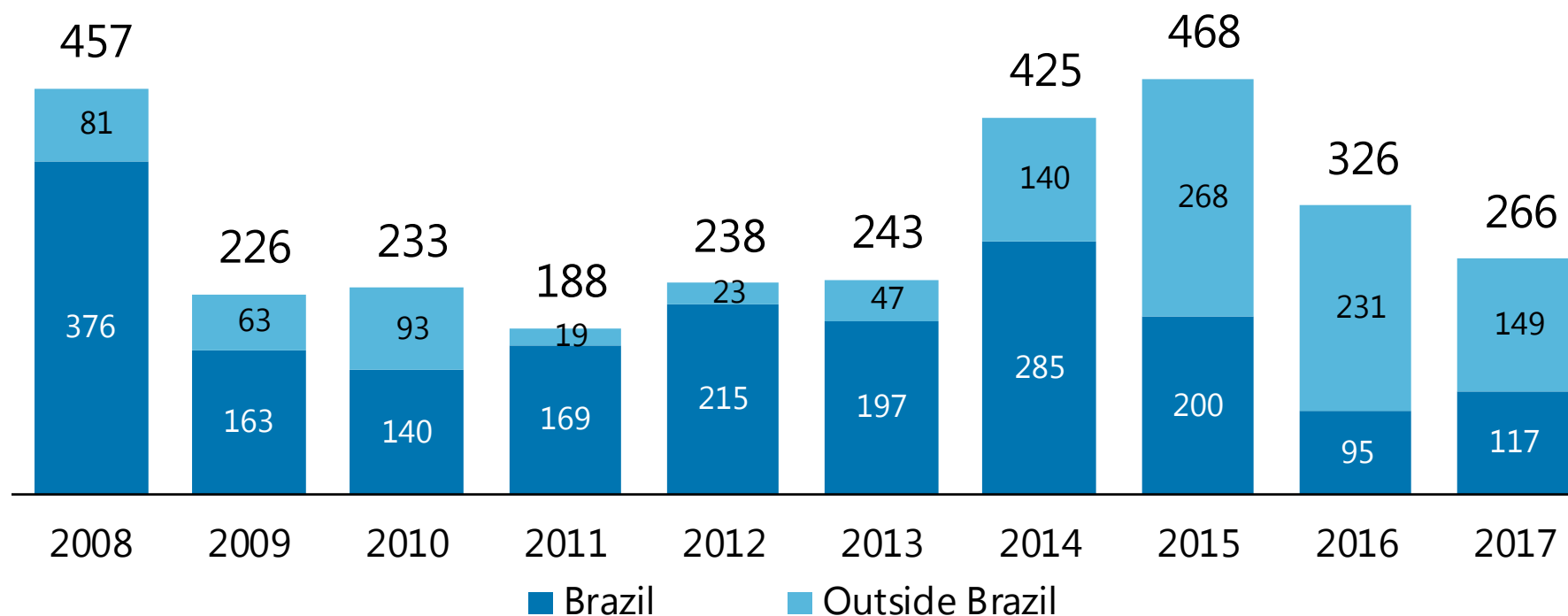


Financial Cycle - Working Capital (Days)



# Investments

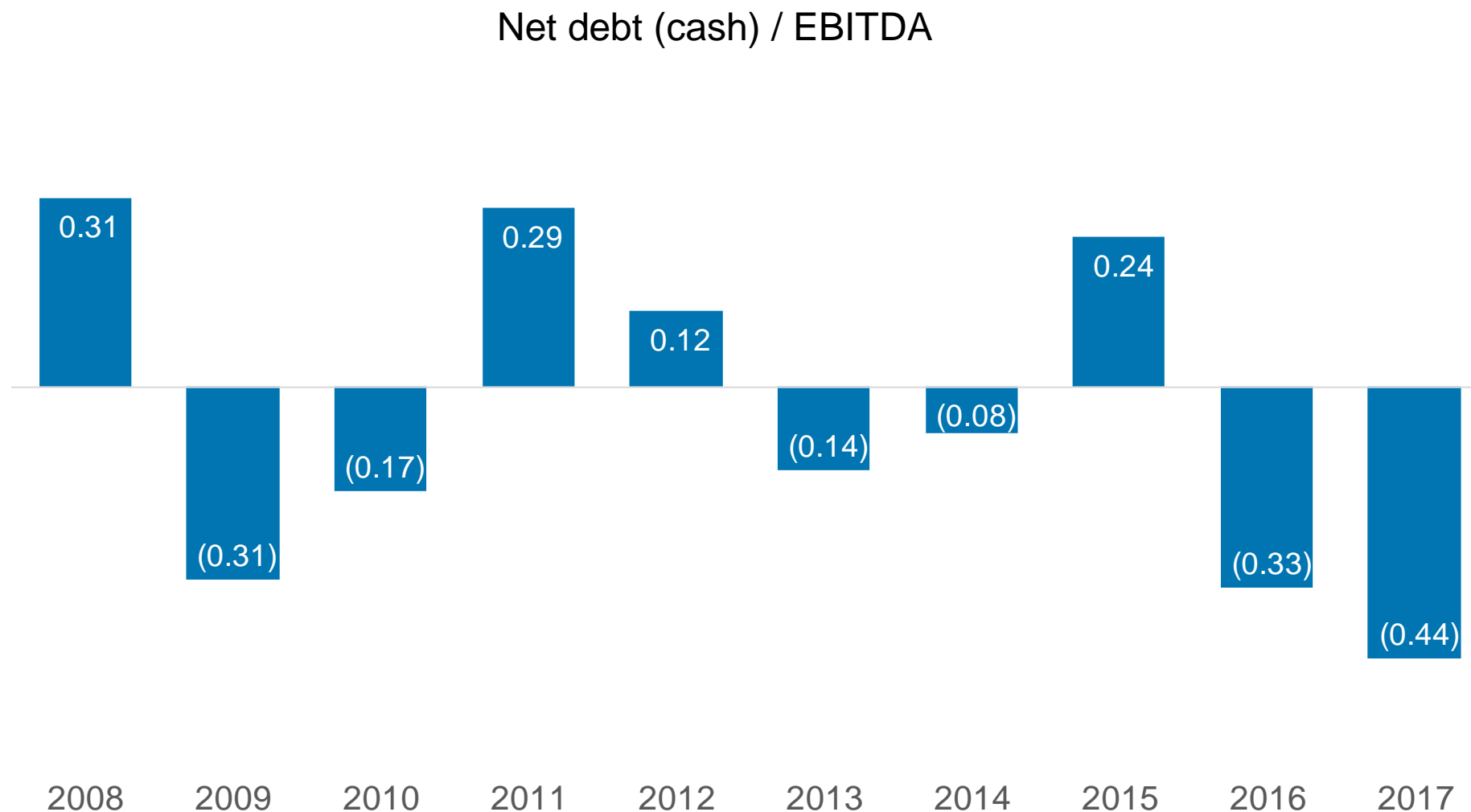
*Focused on increasing production capacity outside Brazil in recent years*



*Figures in R\$ million*

# Financial Flexibility

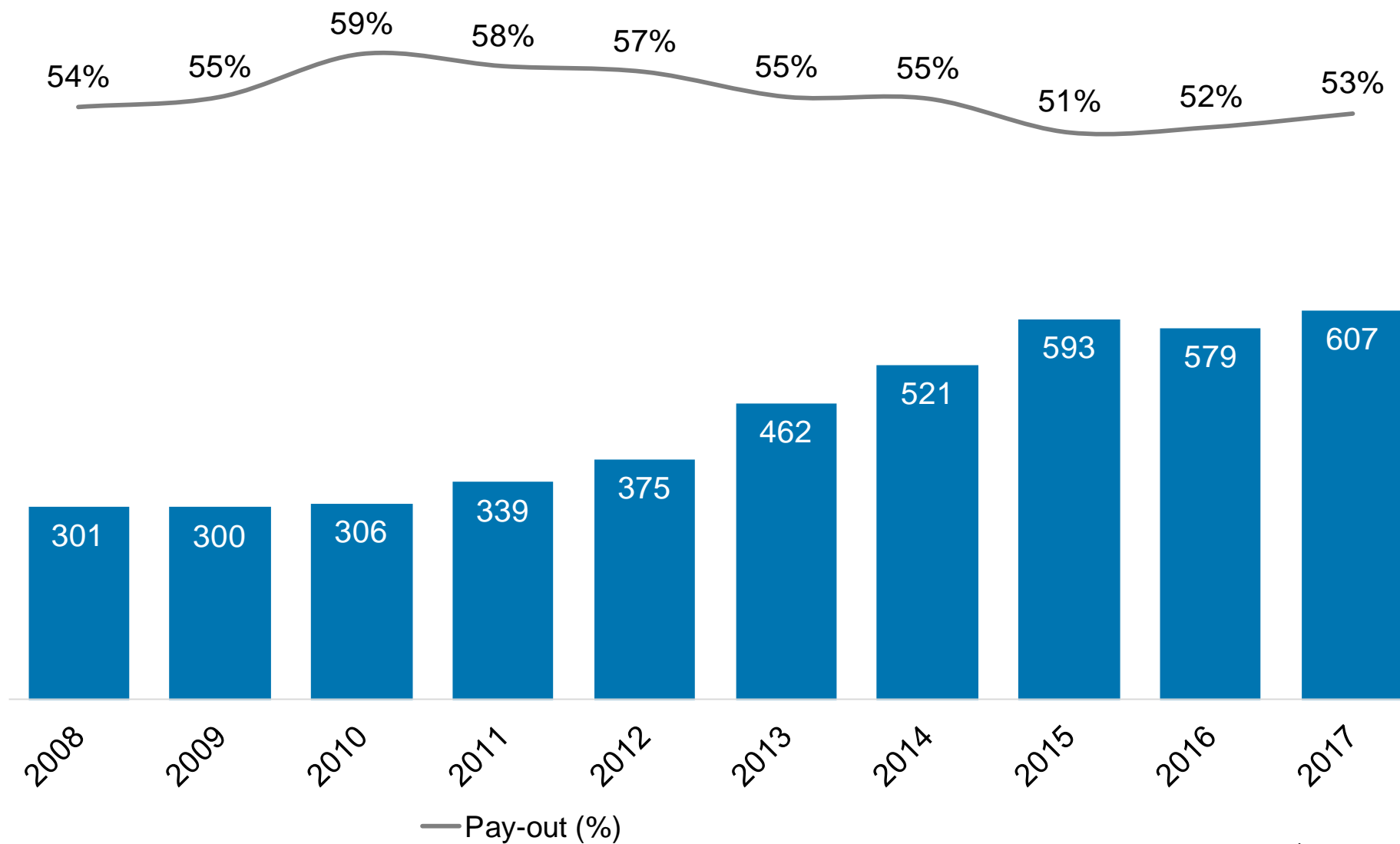
*Allows us to pursue growth opportunities as they become available*





# Robust dividend flow

*Payout average 55% in the last 10 years*

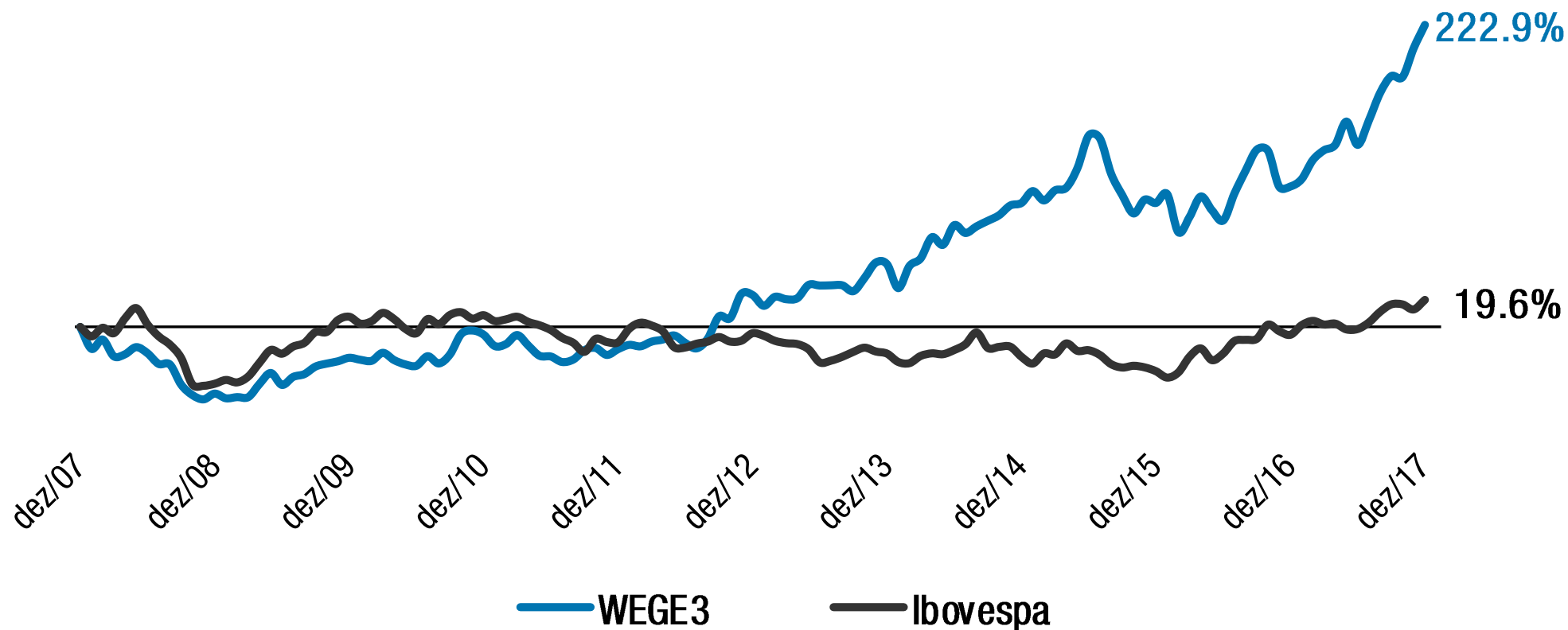


Figures in R\$ million



# Consistent performance of WEGE3

*Return above industry average*



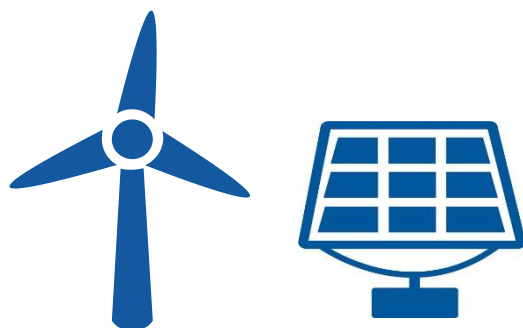
# Environment, Social and Governance

*ESG practices are core to our business strategy*

## Environment

### Reducing environmental impacts on customers

*We develop technologies to improve energy efficiency, the generation of renewable energy and the reduction of electricity consumption.*



## Social

*Investments in Training*

**R\$ 28.9 million**

*Average hours of training by employee*

**116 hours**

*Investment in employee benefits*

**R\$ 343 million**

 PROFIT SHARING	 HEALTH CARE
 DENTAL CARE	 PENSION PLAN
 MEALS	 INFLUENZA VACCINATION PROGRAM
 LIFE INSURANCE	 CHRISTMAS GIFTS
 CHILD EDUCATION SUPPORT PROGRAM	

## Governance

MEMBER OF

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MSCI



2015 Constituent  
MSCI Global  
Sustainability Indexes

Corporate Sustainability Index **ISE** 2018



# Key messages

## *Financial Performance*

- Fundamentals remain the same:
  - Long term vision
  - Continuous and sustainable growth
  - ROIC as key performance indicator
- Internationalization process was carried out while maintaining company value
- Back to revenue growth after the worst crisis in Brazil's history
- ROIC resilient and above market average
- Continued discipline in capital allocation and working capital needs
- Returns above average for our shareholders