

1Q20 RESULTS



**SOLID AND CONSISTENT RESULTS
BUT WITH A CHALLENGING SCENARIO AHEAD**

WEGnology®*

* New WEG IoT platform

DISCLAIMER

This is a support document for the WEG S.A. 2020 First quarter results conference call.

Any forecasts contained in this document or statements that may eventually be made during this conference call relating to WEG's business perspectives, projections and operating and financial goals and to WEG's potential future growth are management beliefs and expectations, as well as information that is currently available.

These statements involve risks, uncertainties and the use of assumptions, as they relate to future events and, as such, depend on circumstances that may or may not be present. Investors should understand that the general economic conditions, conditions in the industry and other operating factors may affect WEG's future performance and lead to results that may differ materially from those expressed in such future considerations.



1 Q 20 HIGHLIGHTS

Net Revenue

R\$ 3.7 bi

+26.7% 

ROIC

20.7% 

EBITDA

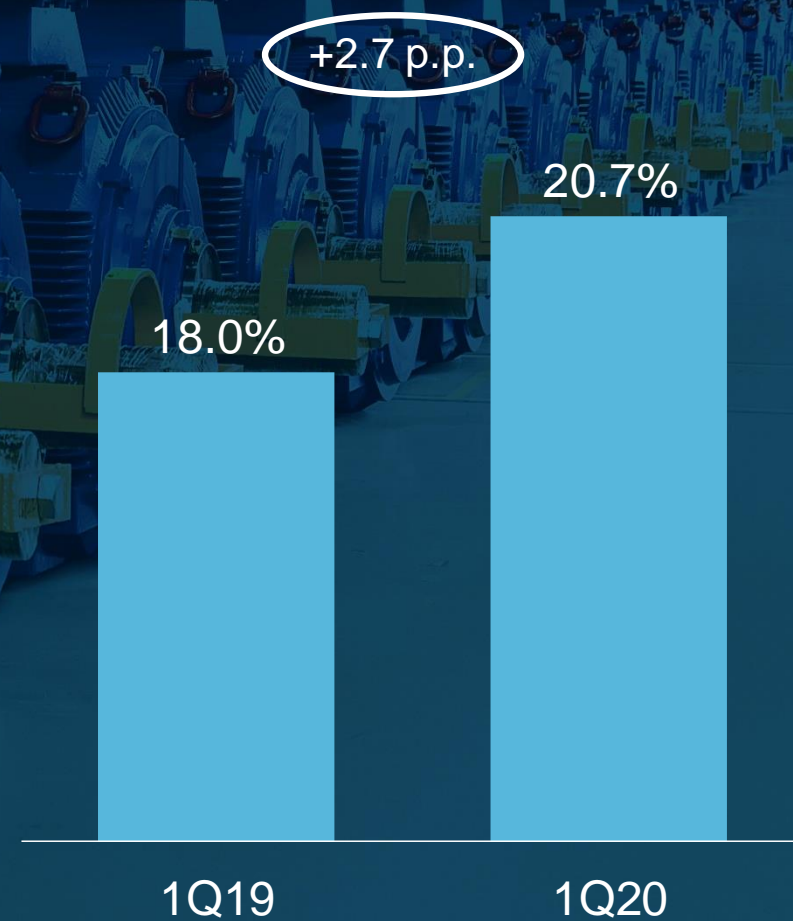
R\$ 619 mi

+34.1%  

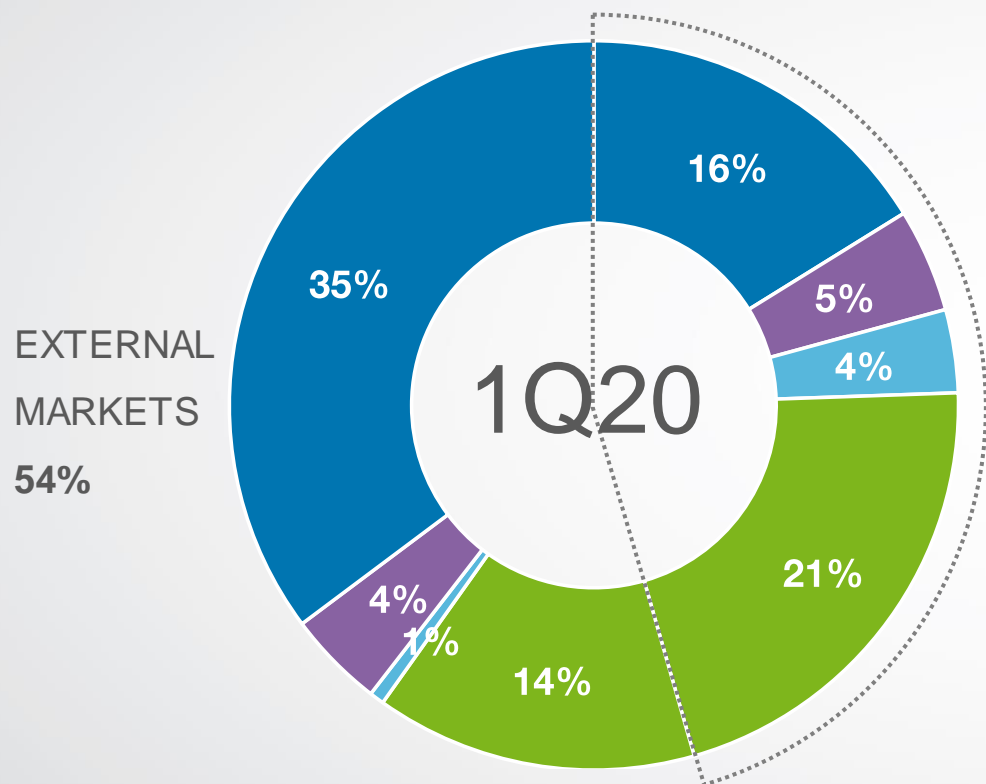
EBITDA margin

16.7% 

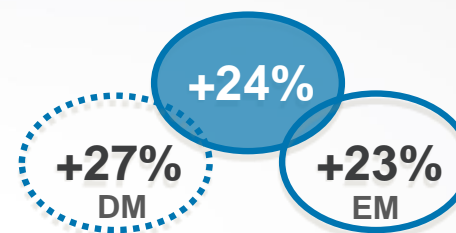
RETURN ON INVESTED CAPITAL



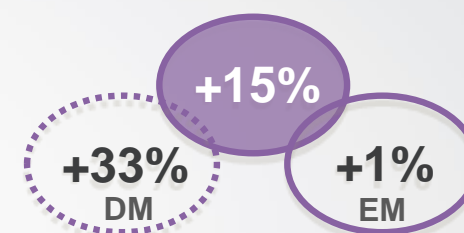
BUSINESS AREA PERFORMANCE



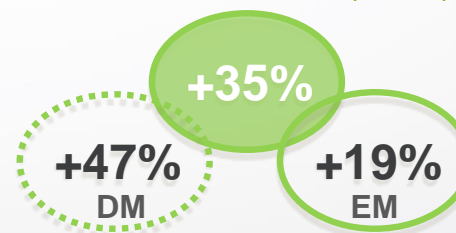
Industrial Electro-Electronic Equipment



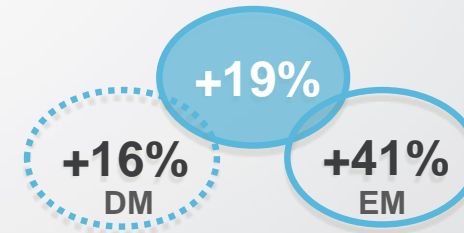
Commercial and Appliance Motors



Energy Generation, Transmission, and Distribution (GTD)



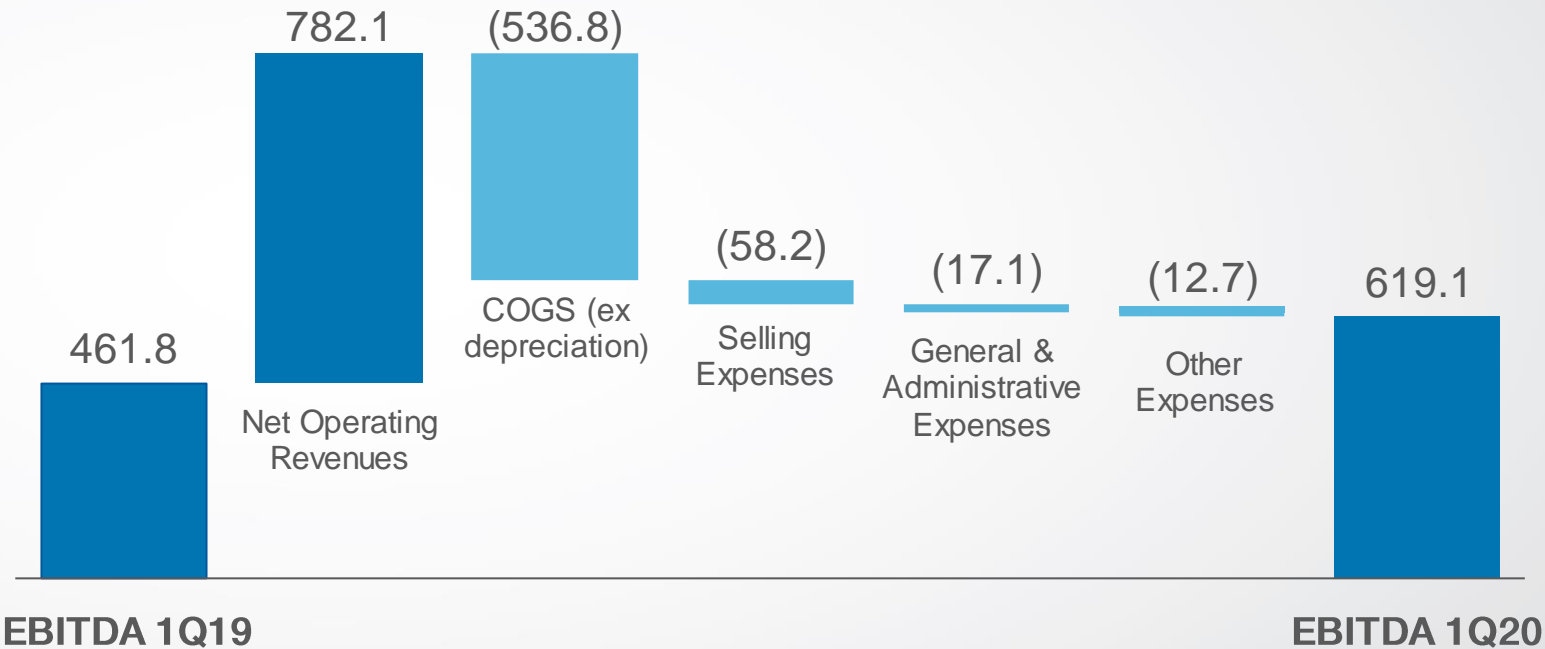
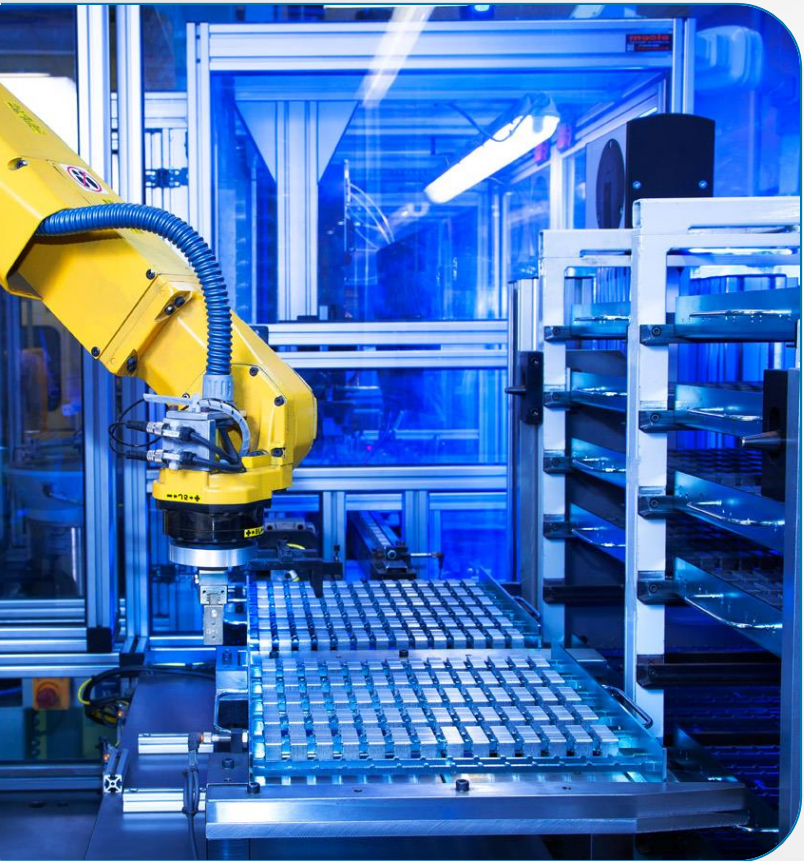
Paints and Varnishes



EBITDA

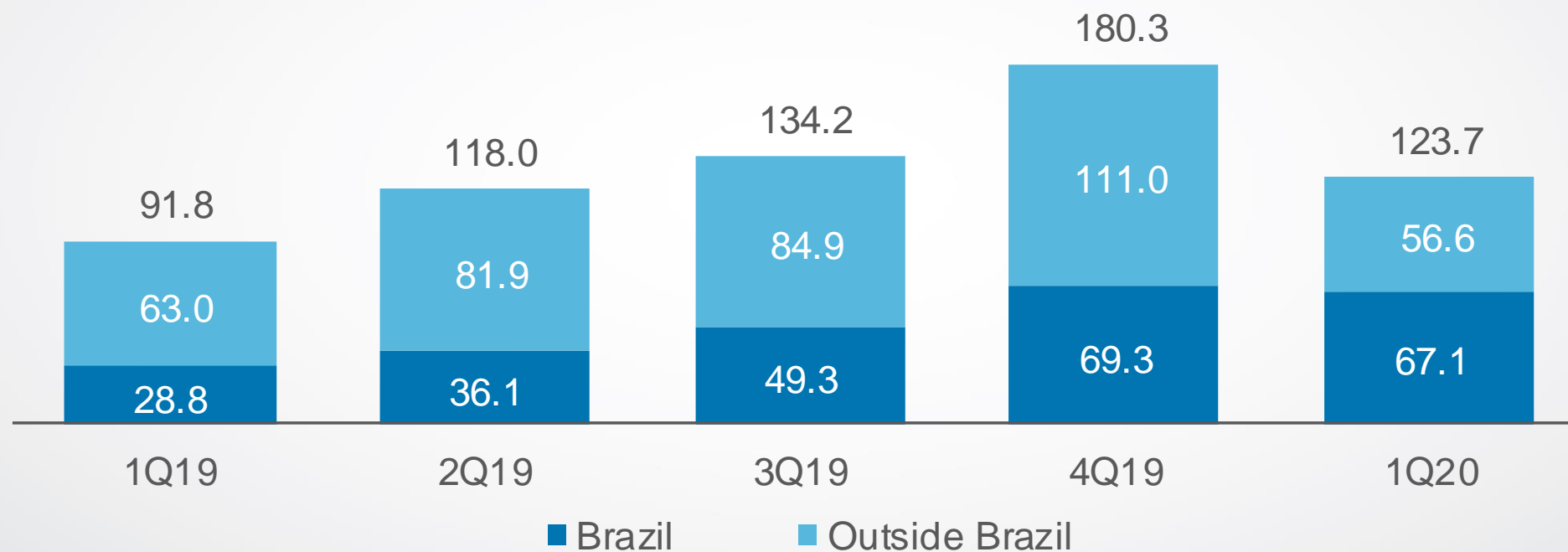


In R\$ million



INVESTMENTS (CAPEX)

In R\$ million





Outlook for 2020 facing COVID-19



MAIN ACTIONS

AIMING AT BUSINESS PRESERVATION



3 levels of Crisis Committee:

- Executive
- Operational
- Units Abroad



Adoption of protective and social distance measures to preserve the health of our employees and other stakeholders



Adoption of furlough, bank of hours and working from home



Constant monitoring and mitigation of credit risks



Measures to optimize the financial cycle of each business



Review of the Annual Capex Plan keeping only essential investments



Maintenance of strong cash position in Brazil and abroad with high liquidity (immediate availability)



Adapting our factory for lung ventilators production



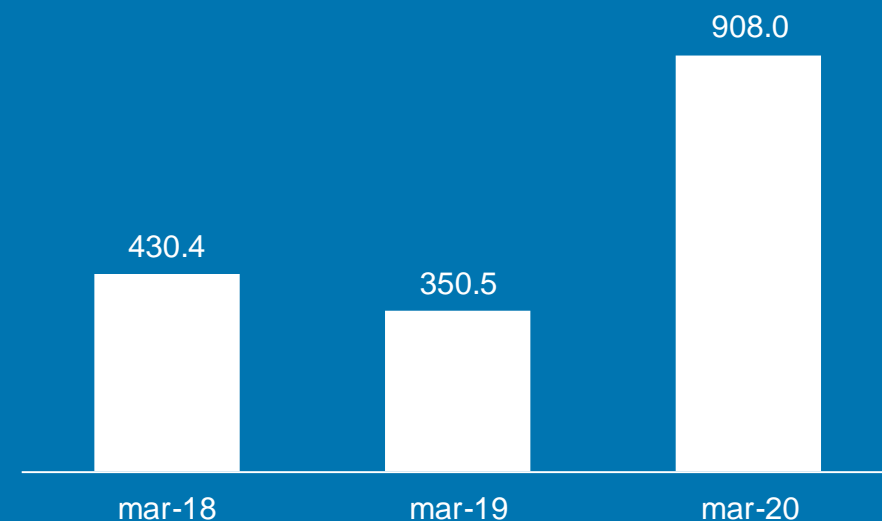
Alcohol gel production for internal use and donation to hospitals in the region

CASH POSITION



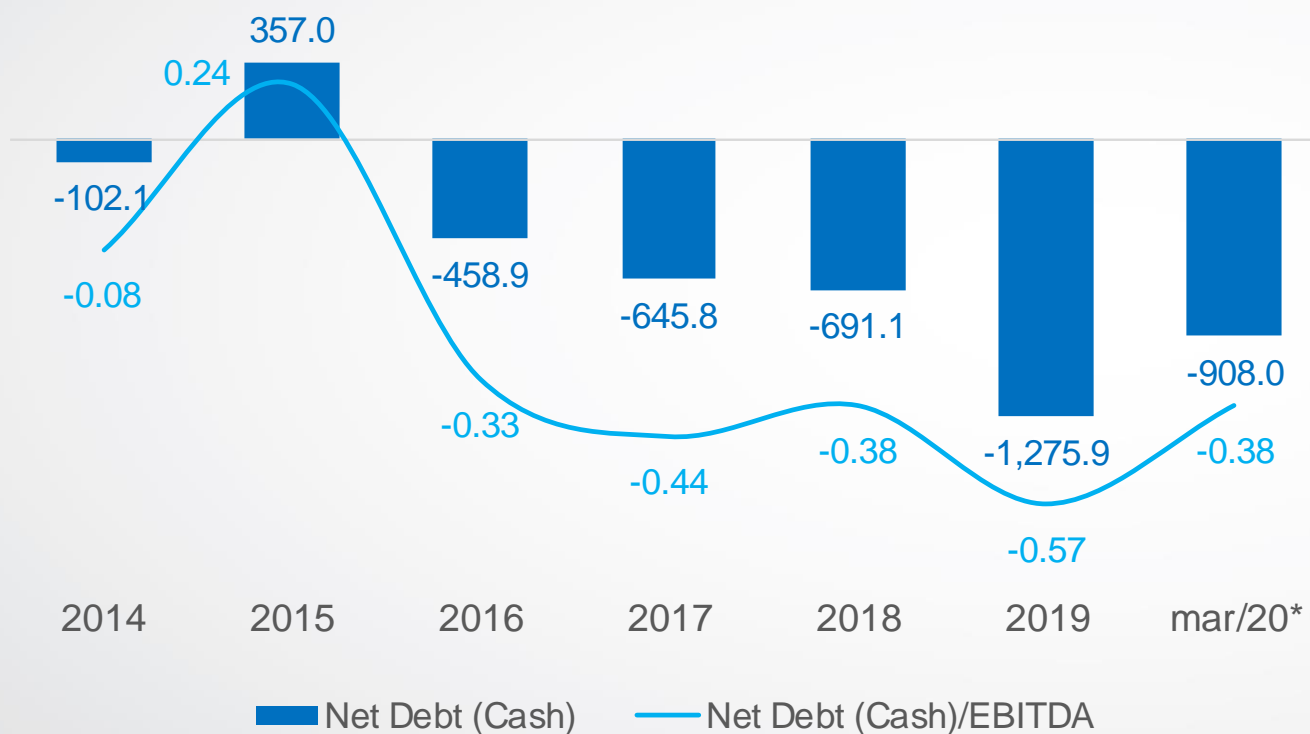
Cash position of **R\$ 3.4 billion** combined with net debt / EBITDA ratio below zero, allows WEG to go through the period of macroeconomic deterioration caused by COVID-19 in a balanced way.

Net Cash (R\$ million)



DEBT EVOLUTION

In R\$ million



*EBITDA last 12 months



Outlook for 2020



Expectation of lower demand for short cycle products in the coming months



Long cycle product portfolio bringing stability to these businesses in the short term



Margin pressure due to restrictive measures adopted in some countries and lower demand



Priority in preserving cash

Our differentials



Geographically diversified revenues and customer base



Production distributed across multiple locations reduces operational risk



Vertical production model and strong cost competitiveness



Solid balance sheet supporting us throughout this crisis



New business development with good medium and long term perspective

CONTACTS

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