



Jaraguá do Sul (SC), October 24, 2018: WEG S.A. (B3(NM): WEGE3, OTC: WEGZY), one of the world's largest manufacturers of electric-electronic equipment, announced today its results for the **third quarter of 2018 (3Q18)**. The following financial and operating data are presented on a consolidated basis, except when otherwise indicated, in thousands of Brazilian Reais (R\$) according to accounting practices adopted in Brazil, including Brazilian Corporate Law and in convergence with IFRS international norms. Except when otherwise indicated, growth rates and other comparisons are made to the same period of the previous year.

CONSISTENT REVENUE GROWTH AND RETURN ON INVESTED CAPITAL IN EXPANSION

- **Net Operating Revenues** were **R\$ 3,237.3 million** in **3Q18**, 32.9% higher than 3Q17 and 5.9% higher than 2Q18. Adjusted for the effects of the consolidation of acquisitions of WEG Transformers USA (WTU) and TGM, net revenues would show a 29.3% increase vs. 3Q17 and 6.6% increase vs. 2Q18.
- **EBITDA** reached **R\$ 489.0 million**, 25.9% higher than 3Q17 and 5.0% higher than 2Q18, while **EBITDA margin** was **15.1%**, 0.9 p.p. lower than 3Q17 and 0.1 p.p. lower than 2Q18.
- **Return on Invested Capital (ROIC)** reached 17.2% in 3Q18, up 0.6 p.p. from 3Q17 and up 0.3 p.p. from 2Q18.

Revenue growth keeps pace in the third quarter in Brazil and abroad. In Brazil the highlight was the revenue from new businesses, such as solar power plants and the recent acquisition of TGM, a steam turbine company. In the external markets, growth remains consistent in short-cycle equipment sales and we have already seen new opportunities in projects that require long-cycle equipment, mainly for oil & gas, pulp & paper and mining segments.

ROIC expansion was highlighted again this quarter confirm the strategy to invest in new business with attractive returns. Volatility over operating margins, especially in GTD in Brazil and abroad, was more than offset by efficient capital allocation and scale gains.

MAIN HIGHLIGHTS

Figures in R\$ thousands

	Q3 2018	Q2 2018	%	Q3 2017	%	09M18	09M17	%
Return on Invested Capital	17.2%	16.9%	0.3 pp	16.6%	0.6 pp	17.2%	16.6%	0.6 pp
Net Operating Revenue	3,237,309	3,056,648	5.9%	2,435,085	32.9%	8,845,433	6,850,083	29.1%
Domestic Market	1,375,424	1,318,922	4.3%	1,008,161	36.4%	3,822,917	2,971,685	28.6%
External Markets	1,861,885	1,737,726	7.1%	1,426,924	30.5%	5,022,516	3,878,398	29.5%
External Markets in US\$	470,585	483,604	-2.7%	451,452	4.2%	1,548,002	1,221,546	26.7%
Net Income	381,430	336,605	13.3%	312,030	22.2%	1,003,039	841,899	19.1%
Net Margin	11.8%	11.0%		12.8%		11.3%	12.3%	
EBITDA	489,022	465,515	5.0%	388,446	25.9%	1,334,247	1,090,017	22.4%
EBITDA Margin	15.1%	15.2%		16.0%		15.1%	15.9%	
EPS (adjust for splits)	0.18187	0.16052	13.3%	0.14876	22.3%	0.47828	0.40139	19.2%

CONFERENCE CALL (SIMULTANEOUS TRANSLATION INTO ENGLISH)

October 25, Thursday 11:00 a.m. (Brasília official time)

NEW: pre-registration for conference call, [register here](#)

Dial-in USA (for those who did not pre-register): +1 646 828-8246

Webcasting (simultaneous translation into English): www.choruscall.com.br/weg/3q18.htm



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IBRX 50

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2018 Social, Environmental & Governance Index

Net Operating Revenues

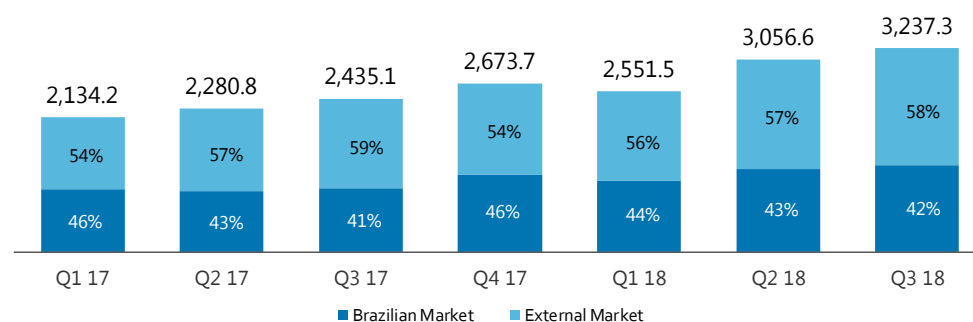
Net Operating Revenues (NOR) reached **R\$ 3,237.3 million** in 3Q18, up 32.9% year-over-year and up 5.9% quarter-over-quarter. If adjusted for acquisitions of WEG Transformers USA and TGM, revenues were up 29.3% over 3Q17 and up 6.6% in relation to 2Q18.

As has been the case for some quarters, Energy Generation, Transmission, and Distribution (GTD) led consolidated growth. In Brazil, GTD's expansion is mainly explained by the following factors: a) revenue recognition in more significant solar power projects, b) TGM acquisition, a steam turbine company and c) gradual improvement in revenue from WEG Transformers. Recent acquisitions, WEG Transformers USA and TGM, explain much of the revenue growth in external markets.

In Industrial Electro-Electronic Equipment, the global industrial investments growth combined with some commodities (oil and metals) prices recovery have contributed positively to the revenues growth, mainly in the external markets. In Motors for Domestic Use, there was a slight growth in revenue in Brazil, reflecting consumption activity, and the continuation of revenue declines abroad, mainly explained by specific dynamics in China and Argentina. The Paint and Varnishes business area continued to benefit from the gradual recovery of Brazilian industry, its main consumer market.

In this quarter, revenue was positively impacted by average Brazilian Real/US dollar Exchange rate that went from R\$ 3.16 in 3Q17 to R\$ 3.96 in 3Q18, with a 25.2% depreciation of the Brazilian Real.

Net Operating Revenues by Market



(Figures in R\$ Million)

The breakdown of Net Operating Revenue in 3Q18 by market was:

- **Brazilian Market:** R\$ 1,375.4 million, representing 42% of revenues, up 36.4% vs. 3Q17 and up 4.3% vs. 2Q18. Disregarding the effects of the TGM acquisition, revenues would be up 33.4% vs. 3Q17 and up 4.9% vs. 2Q18;
- **External Market:** R\$ 1,861.9 million, equivalent to 58% of revenues. We almost always set our sales prices in different markets in local currency amounts, according to local competitive conditions. In 3Q18 revenues in external markets were as follows:
 - Measured in Brazilian Reais: 30.5% above 3Q17 and 7.1% above 2Q18. Disregarding the effects of the WEG Transformers USA and TGM acquisitions, revenues would have been up by 26.3% vs. 3Q17 and up 7.9% vs. 2Q18.
 - Measured in the quarterly averaged US dollar: up 4.2% vs. 3Q17 and down 2.7% vs. 2Q18. Disregarding the effects of the WEG Transformers USA and TGM acquisitions, revenues would have been up 0.9% vs. 3Q17 and down 2.0% vs. 2Q18.
 - Measured in local currencies, weighted by the revenues in each Market and adjusted for the WEG Transformers USA and TGM acquisitions: a 6.0% increase vs. 3Q17.

Evolution of Net Revenue According to Geographic Market

Figures in R\$ thousands

	Q3 2018	Q2 2018	%	Q3 2017	%
Net Operating Revenues	3,237,309	3,056,648	5.9%	2,435,085	32.9%
- Brazilian Market	1,375,424	1,318,922	4.3%	1,008,161	36.4%
- External Markets	1,861,885	1,737,726	7.1%	1,426,924	30.5%
- External Markets in US\$	470,585	483,604	-2.7%	451,452	4.2%

External Market – Distribution of Net Revenue According to Geographic Market

	Q3 2018	Q2 2018	%	Q3 2017	%
North America	43.5%	42.5%	1.0 pp	41.5%	2.0 pp
South and Central America	10.5%	12.7%	-2.2 pp	14.5%	-4.0 pp
Europe	28.0%	26.0%	2.0 pp	26.9%	1.1 pp
Africa	7.6%	9.3%	-1.7 pp	8.5%	-0.9 pp
Asia-Pacific	10.4%	9.5%	0.9 pp	8.6%	1.8 pp

Business Area

Industrial Electro-Electronic Equipment – As observed in recent quarters, the good performance in the external markets was the highlight in this business area. We continue to notice a recovery in global industrial investment, although it is still focused on installed capacity maintenance. Brownfield or new greenfield projects show improvement abroad, but are still not consistently observed in Brazil.

In Brazil, the sales of short cycle products especially low voltage motors and serial automation equipment, continue its growth path. Demand, however, continues to depend on investments in installed capacity maintenance, reducing the effect of Brazilian Real devaluation as a competitiveness advantage.

Sales of long-cycle equipment, mainly automation panels, showed a slight decrease in the quarterly comparison. Despite the gradual improvement in order intake level the delivery of such equipment was lower than the same period of the previous year.

Abroad, revenue growth was predominantly in short-cycle products, where we have been advancing through the expansion of our product line and market share gains. Capacity expansion projects and new plant construction, which also demand long-cycle products, continue to grow, following the same trend of previous quarters, mainly in industries related to oil & gas, infrastructure and pulp & paper production.

Energy Generation, Transmission, and Distribution (GTD) – The equipment in this business area is characteristically linked to renewable energies, with manufacturing deadlines that extend for several months. Thus, revenue growth, which remains strong, is resulting from the backlog execution that has been built in recent months. The highlight has been, for some quarters, solar power generation systems. It is important to remember that deliveries of solar systems began in 1Q18, which means that the growth rate in GTD is high by the low comparison base. In addition, it is worth mentioning that this is a still-maturing business, although it has an attractive return on invested capital, it has structurally lower operating margins.

The performance in GTD also had a relevant contribution of the wind generation business, which grew significantly in relation to 3Q17. As reported at the time, in 3Q17 we postponed the delivery of an important wind generation project to 2018, reducing the revenue recognized in that quarter.

For other renewable sources, notably hydro and biomass, improvement in order intake continues. This trend is expected to continue in 2018, signaling stability for upcoming months. It's worth nothing that starting in March 2018 we began consolidating TGM, the steam turbines manufacturing operation, which contributed to revenue growth in this quarter.

In Transmission and Distribution (T&D), we began to observe a gradual improvement in revenues, mainly in distribution transformers and transformers and substations for renewable energy projects, reflecting the higher order intake observed in recent months. In addition, the transmission lines auctions held in the last years had a positive impact on our medium and long-term backlog and will contribute to the this business unit performance from the end of 2019.

In external markets, the largest contribution was from the transformers business, which presented growth in all operations, highlighting the consolidation of the new US company, WEG Transformers USA. This acquisition complements our production platform in North America and offers significant synergies. The combination of large-scale vertical operations and the flexibility of having production units in multiple geographies, opens up numerous opportunities for expansion abroad.

Motors for domestic use – In the domestic market we see small revenue growth compared to last year. Because of its short-cycle product characteristics, the dynamics of this business area closely related to the economy performance, mainly consumption, which has not yet presented a consistent recovery compared to last year.

Outside Brazil, revenue declined mainly due to lower orders in the local market in China, coupled with the poor performance of Argentina operation, which is suffering from the recent problems faced by the local economy.

Paints and Varnishes – Domestic market performance continues to reflect the industrial and consumer goods markets performance, which show a gradual recovery throughout 2018. Reflecting the improvement in some segments, such as auto parts, road implements and water utilities, as well as normalization of preventive maintenance in important segments such as oil & gas, mining and shipping. The decrease in revenues in the external markets mainly reflects the difficulties of the economic scenario in Argentina, our main market for this business unit abroad.

Distribution of Net Revenue by Business Area

	Q3 2018	Q2 2018		Q3 2017	
Electro-electronic Industrial Equipments	53.45%	54.63%	-1.18 pp	57.13%	-3.68 pp
Domestic Market	13.79%	15.18%	-1.39 pp	17.86%	-4.07 pp
External Market	39.66%	39.45%	0.21 pp	39.27%	0.39 pp
Energy Generation, Transmission and Distribution	33.93%	32.57%	1.36 pp	26.22%	7.71 pp
Domestic Market	20.87%	20.89%	-0.02 pp	14.06%	6.81 pp
External Market	13.06%	11.68%	1.38 pp	12.15%	0.91 pp
Electric Motors for Domestic Use	8.56%	8.91%	-0.35 pp	11.90%	-3.34 pp
Domestic Market	4.30%	3.78%	0.52 pp	5.47%	-1.17 pp
External Market	4.26%	5.14%	-0.88 pp	6.43%	-2.17 pp
Paints and Varnishes	4.06%	3.88%	0.18 pp	4.75%	-0.69 pp
Domestic Market	3.53%	3.31%	0.22 pp	4.00%	-0.47 pp
External Market	0.53%	0.58%	-0.05 pp	0.74%	-0.21 pp

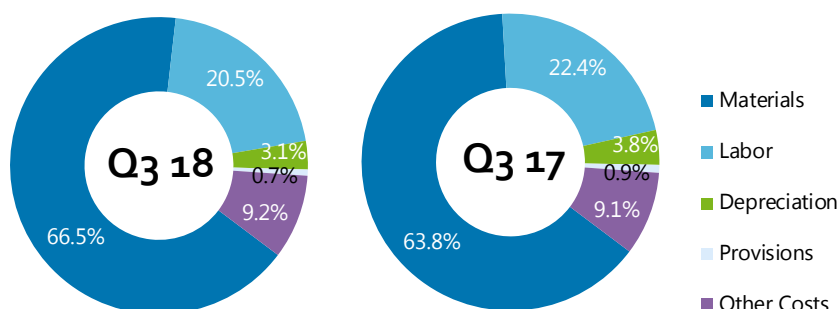
Cost of Goods Sold

The Cost of Goods Sold (COGS) totaled R\$ 2,288.3 million in 3Q18, up 34.5% vs. 3Q17 and up 5.1% vs. 2Q18. Gross margin was 29.3%, 0.8 p.p. lower vs. 3Q17, and 0.5 p.p. higher vs. 2Q18.

The increase in costs and the consequent reduction in gross margin compared to 3Q17 is mainly due to the consolidation of the acquisition of WEG Transformers USA, increased sales of solar generation projects, in which operating margins are structurally lower, and also to the impact of near term exchange rate volatility on raw materials costs, especially on long-cycle projects.

In 3Q18, the average price of copper in the spot market on the London Metal Exchange (LME) decreased 11.1% vs. 2Q18 and decreased 3.7% vs. 3Q17, while the average price of steel decreased 0.2% vs. 2Q18 and increased 13.3% vs. 3Q17.

COGS Composition



Sales, General, and Administrative Expenses

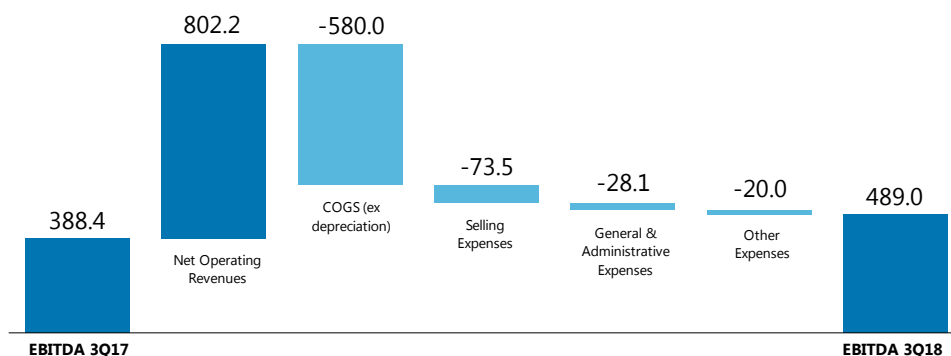
Consolidated sales, general, and administrative expenses (SG&A) totaled R\$ 467.5 million in 3Q18, an increase of 28.4% vs. 3Q17 and of 8.9% vs. 2Q18. It is worth noting that some of these costs are for operations abroad and are also impacted by the recent depreciation of the Brazilian Real. When analyzed in relation to net operating revenue, these expenses accounted for 14.4%, down 0.6 p.p. vs. 3Q17 and up 0.4 p.p. vs. 2Q18. Revenue growth, combined with disciplined expense control, has increased operational efficiency, lessening the impact of increased participation of new businesses in sales.

EBITDA and EBITDA Margin

In 3Q18, EBITDA reached R\$ 489.0 million, up 25.9% vs. 3Q17 and up 5.0% vs. 2Q18. EBITDA margin was 15.1%, 0.9 p.p. lower vs. 3Q17 and 0.1 p.p. lower vs. 2Q18. EBITDA margin performance was stable compared to 2Q18 but below over 3Q17 due to the impacts of the acquisition of WEG Transformers USA and the rapid growth of new businesses, such as solar generation, with characteristics of lower operating margins and also the impact of near term exchange rate volatility on raw materials costs of long-cycle projects.

	Q3 2018	Q2 2018	%	Q3 2017	%
Net Operating Revenues	3,237.3	3,056.6	5.9%	2,435.1	32.9%
Net Income before Minorities	380.1	339.0	12.1%	312.9	21.5%
(+) Income taxes & Contributions	37.2	43.2	-13.8%	30.2	23.3%
(+/-) Financial income (expenses)	-8.5	6.5	n.a.	-26.7	n.a.
(+) Depreciation & Amortization	80.2	76.8	4.4%	72.1	11.2%
EBITDA	489.0	465.5	5.0%	388.4	25.9%
EBITDA Margin	15.1%	15.2%		16.0%	

Figures in R\$ Million



(Figures in R\$ Million)

Net Financial Results

The net financial result in 3Q18 was positive R\$ 8.5 million (vs. positive R\$ 26.7 million in 3Q17 and negative R\$ 6.5 million in 2Q18), the decrease in the quarterly comparison is mainly due to the lower interest rates received on our cash position.

Income Tax

The provision for Income and Social Contribution on Net Profit in 3Q18 totaled R\$ 59.7 million (vs. R\$ 48.2 million and R\$ 71.7 million in 3Q17 and 2Q18, respectively). Additionally, we credited R\$ 22.5 million as Deferred Income Tax/Social Contribution in 3Q18 (vs. a credit of R\$ 18.0 million in 3Q17 and credit of R\$ 28.5 million in 2Q18).

Net Income

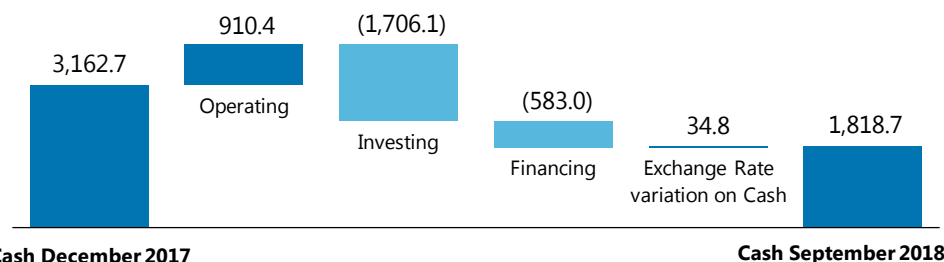
Net Income 3Q18 was R\$ 381.4 million, an increase of 22.2% vs. 3Q17 and an increase of 13.3% vs. 2Q18. Net margin reached 11.8%, 1.0 p.p. lower than 3Q17 and 0,8 p.p. higher than 2Q18.

Cash Flow

Cash generation in operating activities in the first nine months of 2018 was R\$ 910.4 million, a decrease of 6.6% compared to the same period of the previous year, a result of the increased need for working capital, mainly in the inventories, including exchange variation, to support the growth of the external market.

The most significant growth in the disbursement of investment activities, which totaled R\$ 1,706.1 million in the first nine months, is mainly due to the movement of long-term financial investments. The level of investment in modernization and expansion of production capacity showed a growth compared to 2017, in line with the approved capital budget at the beginning of the year.

In the financing activities, we raised R\$ 1,194.1 million and made amortizations of R\$ 1,111.7 million, resulted in a net increase of debt of R\$ 82.3 million. Interest on loans consumed R\$ 63.2 million while payments to equity holders (dividends and interest on capital) totaled R\$ 604.3 million. The final result was consumption of R\$ 583.0 million in financing activities in the first nine months of 2018.

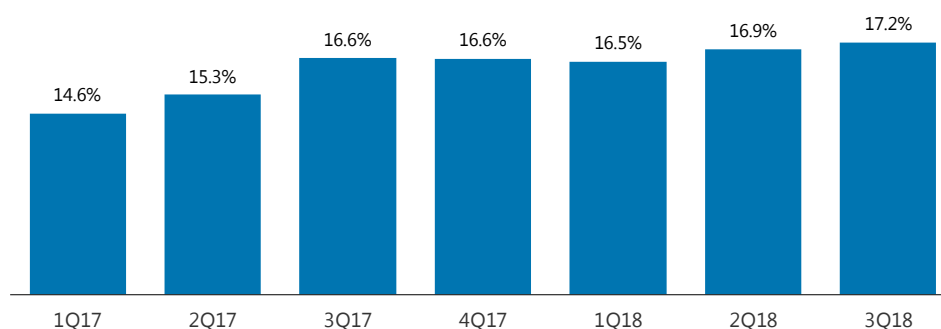


(Figures in R\$ Million)

We point out that the chart above shows the cash and cash equivalents positions classified as current assets. Also, we have R\$ 3,236.4 million in financial investments with no immediate liquidity (R\$ 1,593.2 million in December 2017).

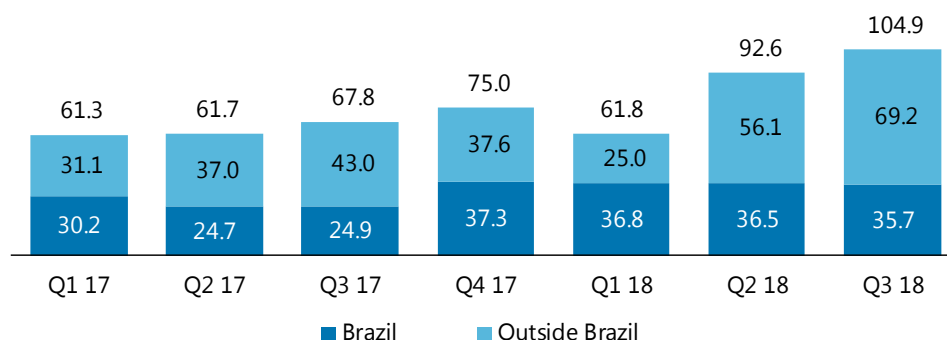
Return on Invested Capital

The Return on Invested Capital (ROIC) in 3Q18 (accumulated in the last 12 months) showed expansion of 0.6 p.p. over 3Q17, reaching 17.2%. Growth of Net Operating Profit After Taxes (NOPAT), due to revenue growth and expense control, more than offset the growth in capital employed, which expanded due to a greater need for working capital and investments in fixed and intangible assets over the last 12 months.



Investments (CAPEX)

In the first nine months of 2018, we invested R\$ 259.3 million in modernization and expansion of production capacity, machinery and equipment, and software licenses, 42% of which are for production units in Brazil and 58% for industrial plants and other facilities abroad. Considering the consolidation of fixed assets related to TGM acquisition the total investment in the first nine months of 2018 was R\$ 344.3 million.



(Figures in R\$ Million)

Expenditures on research, development, and innovation activities totaled R\$248.3 million, representing 2.8% of net operating revenue in 2018.

Debt and Cash Position

As of September 30, 2018, cash, cash equivalents, and financial investments totaled R\$ 5,055.2 million and were invested in first-tier banks and denominated in Brazilian currency. Gross financial debt totaled R\$ 4,799.9 million, of which 56% was in short-term operations and 44% in long-term operations. Net cash totaled R\$ 255.3 million.

	September 2018		December 2017		September 2017	
Cash & Financial instruments	5,055,162		4,755,885		4,909,065	
- Current	4,141,941		4,585,606		4,766,855	
- Long Term	913,221		170,279		142,210	
Debt	4,799,870	100%	4,110,082	100%	4,472,629	100%
- Current	2,673,228	56%	2,027,375	49%	1,760,135	39%
- In Brazilian Reais	503,920		1,300,232		1,051,077	
- In other currencies	2,169,308		727,143		709,058	
- Long Term	2,126,642	44%	2,082,707	51%	2,712,494	61%
- In Brazilian Reais	398,939		457,386		1,357,194	
- In other currencies	1,727,703		1,625,321		1,355,300	
Net Cash (Debt)	255,292		645,803		436,436	

(Figures in R\$ thousands)

The characteristics of our indebtedness at the end of September were:

- The total duration of 18.7 months, with a duration of 36.4 months in the long term. In December 2017, these figures were 20.0 months and 32.3 months, respectively.
- The weighted average cost of debt denominated in Reais is approximately 7.1% pa (vs. 8.3% in December 2017). The post-fixed contracts are indexed mainly to the Brazilian long-term interest rate (TJLP).

Dividends and Interest on Stockholders' Equity

From August 15, 2018, onwards, we started to pay dividends declared during the first half of 2018, as below:

- On March 20, as interest on stockholders' equity (JCP), to the gross amount of R\$ 84.6 million
- On June 26, as interest on stockholders' equity (JCP), to the gross amount of R\$ 82.2 million
- On July 17, as dividends referring to profit recorded in the first half of 2018, to the total amount of R\$ 172.8 million

Also, On September 18, the Board of Directors approved interest on stockholders' equity (JCP), to the gross amount of R\$ 82.4 million. We will pay this JCP from March 13, 2019, onwards.

Event	Board Meeting Date	Gross amount per share
Interest on Stockholders' Equity	20/03/2018	0.052470588
Interest on Stockholders' Equity	26/06/2018	0.039176471
Dividends	17/07/2018	0.082394405
Interest on Stockholders' Equity	18/09/2018	0.039294118
Total		0.213335582

Our practice is to declare interest on capital quarterly and dividends based on the profit obtained each half year, that is, six proceeds each year, paid semi-annually.

Results Conference Call

On October 25, 2018 (Thursday), WEG will hold a teleconference in Portuguese, with simultaneous translation into English, also available on the via Internet webcast, at the following times:

11:00 – Brazilian time

10:00 – New York (EDT)

15:00 – London (BST)

New:

Link to pre-registration (avoid queuing on the conference call)

- Conference call in Portuguese: [register here](#)
- Conference call in English: [register here](#)

Connecting phone numbers:

Dial-in for connections in Brazil: (11) 3193-1001 / (11) 2820-4001

Dial-in for connections in the United States: +1 646 828-8246

Toll-free for connections in the United States: +1 800 492-3904

Code: WEG

Access to the Webcasting:

Slides and original audio in Portuguese: www.choruscall.com.br/weg/3t18.htm

Slides and simultaneous translation into English: www.choruscall.com.br/weg/3q18.htm

The presentation will also be available on our Investor Relations website (<https://ri.weg.net>). Please call approximately 10 minutes before the conference all time.

Business areas**Industrial Electro-
Electronic Equipment**

The area of industrial electrical and electronic equipment includes low- and medium-voltage electric motors, drives & controls, industrial automation equipment, and maintenance services. The electric motors and other equipment have applications in almost all industrial segments, including in equipment such as compressors, pumps, and fans. We compete with our products and solutions in virtually every major world market.

**Energy Generation,
Transmission, and
Distribution (GTD)**

Products and services in this area include electric generators for hydroelectric and thermal plants (biomass), hydraulic turbines (PCH's), steam turbines, wind turbines, transformers, substations, control panels, and systems integration services. In the area of GTD in general, and specifically in power generation, the maturity times of investments are longer, with slower investment decisions and longer design and manufacturing lead times.

Motors for Domestic Use

Our focus in this area has traditionally been the Brazilian market, where we have significant participation in the single-phase motors for durable consumer goods market, which includes washing machines, air conditioners, water pumps, and others. In recent years, we started the internationalization of this business area, offering a complete portfolio of products to serve our global customers. In this short-cycle business, changes in consumer demand transfer quickly to the industry, with almost immediate impacts on production and revenue.

Paints and Varnishes

In this area of operation, which includes liquid paints, powder paints, and electro-insulating varnishes, we have a very clear focus on industrial applications and the Brazilian market, expanding to Latin America. Our strategy in this area is to cross-sell to customers in other areas. Target markets range from white goods manufacturers to the shipbuilding industry. We seek to maximize the scale of production and the effort to develop new products and new segments.

The statements contained in this report relating to WEG's business prospects, projections, and results and the Company's growth potential are mere forecasts, based on management's expectations regarding the future of WEG. These expectations are highly dependent on changes in the market, overall national economic performance, sector performance, and international markets, and may change.

Annex I
Consolidated Income Statement - Quarterly
Figures in R\$ Thousands

	3rd Quarter		2nd Quarter		3rd Quarter		Changes %	
	2018		2018		2017		Q3 2018	Q3 2018
	R\$	VA%	R\$	VA%	R\$	VA%	Q2 2018	Q3 2017
Net Operating Revenues	3,237,309	100%	3,056,648	100%	2,435,085	100%	5.9%	32.9%
Cost of Goods Sold	(2,288,304)	-71%	(2,177,665)	-71%	(1,701,858)	-70%	5.1%	34.5%
Gross Profit	949,005	29%	878,983	29%	733,227	30%	8.0%	29.4%
Sales Expenses	(312,897)	-10%	(284,127)	-9%	(238,374)	-10%	10.1%	31.3%
Administrative Expenses	(154,625)	-5%	(145,026)	-5%	(125,875)	-5%	6.6%	22.8%
Financial Revenues	233,424	7%	140,758	5%	178,778	7%	65.8%	30.6%
Financial Expenses	(224,943)	-7%	(147,229)	-5%	(152,047)	-6%	52.8%	47.9%
Other Operating Income	3,940	0%	9,405	0%	5,339	0%	-58.1%	-26.2%
Other Operating Expenses	(78,647)	-2%	(70,525)	-2%	(57,971)	-2%	11.5%	35.7%
Equity accounting	2,071	0%	-	0%	-	0%	-	-
EARNINGS BEFORE TAXES	417,328	13%	382,239	13%	343,077	14%	9.2%	21.6%
Income Taxes & Contributions	(59,705)	-2%	(71,684)	-2%	(48,180)	-2%	-16.7%	23.9%
Deferred Taxes	22,489	1%	28,485	1%	17,992	1%	-21.0%	25.0%
Minorities	(1,318)	0%	2,435	0%	859	0%	n.m	n.m
NET EARNINGS	381,430	12%	336,605	11%	312,030	13%	13.3%	22.2%
EBITDA	489,022	15.1%	465,515	15.2%	388,446	16.0%	5.0%	25.9%
EPS (adjusted for splits)	0.18187		0.16052		0.14876		13.3%	22.3%

Annex II
Consolidated Income Statement
Figures in R\$ Thousands

	9 Months		9 Months		%
	2018		2017		
	R\$	VA%	R\$	VA%	2018 2017
Net Operating Revenues	8,845,433	100%	6,850,083	100%	29%
Cost of Goods Sold	(6,293,846)	-71%	(4,798,392)	-70%	31%
Gross Profit	2,551,587	29%	2,051,691	30%	24%
Sales Expenses	(839,623)	-9%	(656,991)	-10%	28%
Administrative Expenses	(429,101)	-5%	(361,577)	-5%	19%
Financial Revenues	612,573	7%	615,335	9%	0%
Financial Expenses	(582,628)	-7%	(550,650)	-8%	6%
Other Operating Income	16,716	0%	17,842	0%	-6%
Other Operating Expenses	(198,088)	-2%	(172,393)	-3%	15%
Equity accounting	2,364	0%	-	0%	-
EARNINGS BEFORE TAXES	1,133,800	13%	943,257	14%	20%
Income Taxes & Contributions	(159,403)	-2%	(137,900)	-2%	16%
Deferred Taxes	32,899	0%	39,180	1%	-16%
Minorities	4,257	0%	2,638	0%	61%
NET EARNINGS	1,003,039	11%	841,899	12%	19%
EBITDA	1,334,247	15.1%	1,090,017	15.9%	22%
EPS (adjusted for splits)	0.47828		0.40139		19%

Annex III

Consolidated Balance Sheet

Figures in R\$ Thousands

	September 2018 (A)		December 2017 (B)		September 2017 (C)		(A)/(B)	(A)/(C)
	R\$	%	R\$	%	R\$	%		
CURRENT ASSETS	10,075,121	62%	9,415,667	67%	9,462,943	68%	7%	6%
Cash & cash equivalents	3,937,880	24%	4,573,731	33%	4,757,582	34%	-14%	-17%
Receivables	2,564,768	16%	2,242,613	16%	2,233,281	16%	14%	15%
Inventories	2,518,626	15%	1,852,266	13%	1,836,737	13%	36%	37%
Other current assets	1,053,847	6%	747,057	5%	635,343	5%	41%	66%
LONG TERM ASSETS	1,391,073	9%	443,844	3%	410,395	3%	213%	239%
Long term securities	630,638	4%	-	0%	-	0%	-	-
Deferred taxes	164,913	1%	148,284	1%	147,137	1%	11%	12%
Other non-current assets	595,522	4%	295,560	2%	263,258	2%	101%	126%
FIXED ASSETS	4,807,936	30%	4,121,631	29%	4,061,395	29%	17%	18%
Investment in Subs	18,478	0%	268	0%	306	0%	6795%	5939%
Property, Plant & Equipment	3,493,399	21%	3,160,111	23%	3,129,052	22%	11%	12%
Intangibles	1,296,059	8%	961,252	7%	932,037	7%	35%	39%
TOTAL ASSETS	16,274,130	100%	13,981,142	100%	13,934,733	100%	16%	17%
CURRENT LIABILITIES	5,579,559	34%	4,326,788	31%	3,990,150	29%	29%	40%
Social and Labor Liabilities	370,846	2%	211,062	2%	340,635	2%	76%	9%
Suppliers	878,547	5%	750,533	5%	668,828	5%	17%	31%
Fiscal and Tax Liabilities	150,240	1%	102,944	1%	126,410	1%	46%	19%
Short Term Debt	2,653,066	16%	2,014,530	14%	1,740,222	12%	32%	52%
Dividends Payable	73,143	0%	160,892	1%	82,411	1%	-55%	-11%
Advances from Clients	622,430	4%	429,258	3%	467,451	3%	45%	33%
Profit Sharring	111,768	1%	138,788	1%	88,357	1%	-19%	26%
Derivatives	20,162	0%	12,845	0%	19,913	0%	57%	1%
Other Short Term Liabilities	699,357	4%	505,936	4%	455,923	3%	38%	53%
LONG TERM LIABILITIES	2,922,452	18%	2,815,892	20%	3,461,032	25%	4%	-16%
Long Term Debt	2,118,054	13%	2,041,912	15%	2,652,021	19%	4%	-20%
Other Long Term Liabilities	164,923	1%	150,390	1%	169,024	1%	10%	-2%
Deferred Taxes	81,139	0%	116,629	1%	137,024	1%	-30%	-41%
Contingencies Provisions	558,336	3%	506,961	4%	502,963	4%	10%	11%
MINORITIES	144,665	1%	122,381	1%	112,565	1%	18%	29%
STOCKHOLDERS' EQUITY	7,627,454	47%	6,716,081	48%	6,370,986	46%	14%	20%
TOTAL LIABILITIES	16,274,130	100%	13,981,142	100%	13,934,733	100%	16%	17%

Annex IV

Consolidated Cash Flow Statement

Figures in R\$ Thousands

	9 Months 2018	9 Months 2017
Operating Activities		
Net Earnings before Taxes	1,133,800	943,257
Depreciation and Amortization	230,392	211,445
Equity accounting	(2,364)	-
Provisions:	355,468	411,592
Changes in Assets & Liabilities	(806,940)	(591,089)
(Increase) / Reduction of Accounts Receivable	(282,344)	(66,662)
Increase / (Reduction) of Accounts Payable	256,179	(4,523)
(Increase) / Reduction of Inventories	(458,108)	(198,933)
Income Tax and Social Contribution on Net Earnings	(129,734)	(132,833)
Profit Sharing Paid	(192,933)	(188,138)
Cash Flow from Operating Activities	910,356	975,205
Investment Activities		
Fixed Assets	(240,334)	(179,760)
Intangible Assets	(18,985)	(11,045)
Results of sales of fixed assets	8,079	6,948
Aquisition of Subsidiaries	(128,567)	(95,828)
Cash Acquired from Subsidiaries	12,432	1,154
Financial investments held to maturity	(1,324,669)	-
Rescue of financial investments	137,566	31,857
Income on financial investments	(151,643)	(142,913)
Cash Flow From Investment Activities	(1,706,121)	(389,587)
Financing Activities		
Working Capital Financing	1,194,083	639,965
Long Term Financing	(1,111,749)	(508,091)
Interest paid on loans and financing	(63,201)	(284,939)
Treasury Shares	2,131	(5,872)
Dividends & Interest on Stockholders Equity Paid	(604,308)	(550,384)
Cash Flow From Financing Activities	(583,044)	(709,321)
Changes in Cash and Equivalents caused by FX Changes	34,849	6,280
Change in Cash Position	(1,343,960)	(117,423)
Cash & Cash Equivalents		
Beginning of Period	3,162,685	3,390,662
End of Period	1,818,725	3,273,239