



# 4Q18 RESULTS



THE INDUSTRIAL RECOVERY  
CYCLE CONTINUES SUPPORTING  
ROIC IMPROVEMENT

# DISCLAIMER

This is a support document for the WEG S.A. 2018 fourth 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.

Standards and criteria applied in the preparation of information

The financial statements presented in this document has been prepared in accordance with IFRS (International Financial Reporting Standards). The financial information relating to WEG correspond to the company's consolidation information.

In addition, the financial and operating information included in this results discussion are subject to rounding adjustments and, as a result, the total value presented in the tables and graphs may differ from the direct figures that precede them.

The information denominated EBITDA – Earnings Before Interest, Taxes on Income and Social Contribution on Net Income, Depreciation, and Amortization; EBIT – Earnings Before Interest and Income Taxes and Social Contribution on Net Income are presented in accordance with Instruction No.527 issued by CVM on October 4, 2012.

# HIGHLIGHTS

## 4Q18

**Net Revenue**

**R\$ 3.1 bi**

+17% 

**ROIC**

**17.6%** 

**EBITDA**

**R\$ 490 mi**

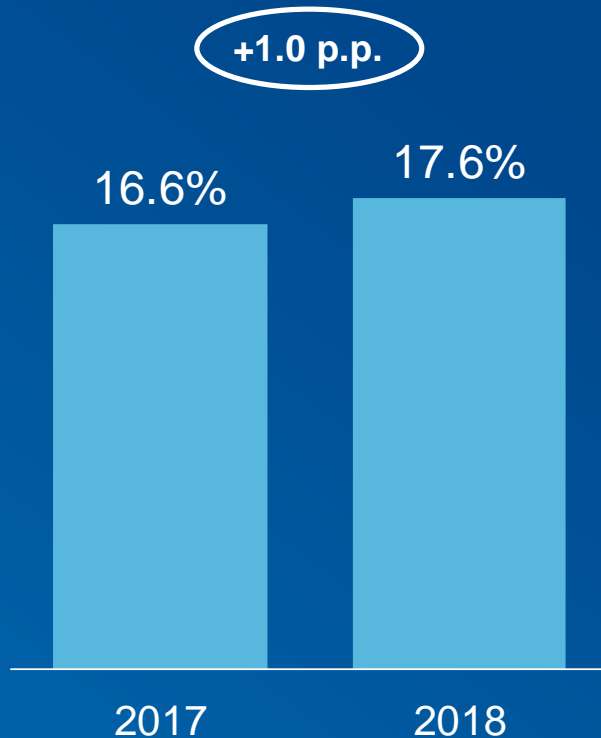
+30%   
EBITDA margin: 15.7% 

**CAPEX**

**R\$ 170 mi**

R\$ 429 mi in 2018 

# RETURN ON INVESTED CAPITAL (ROIC)

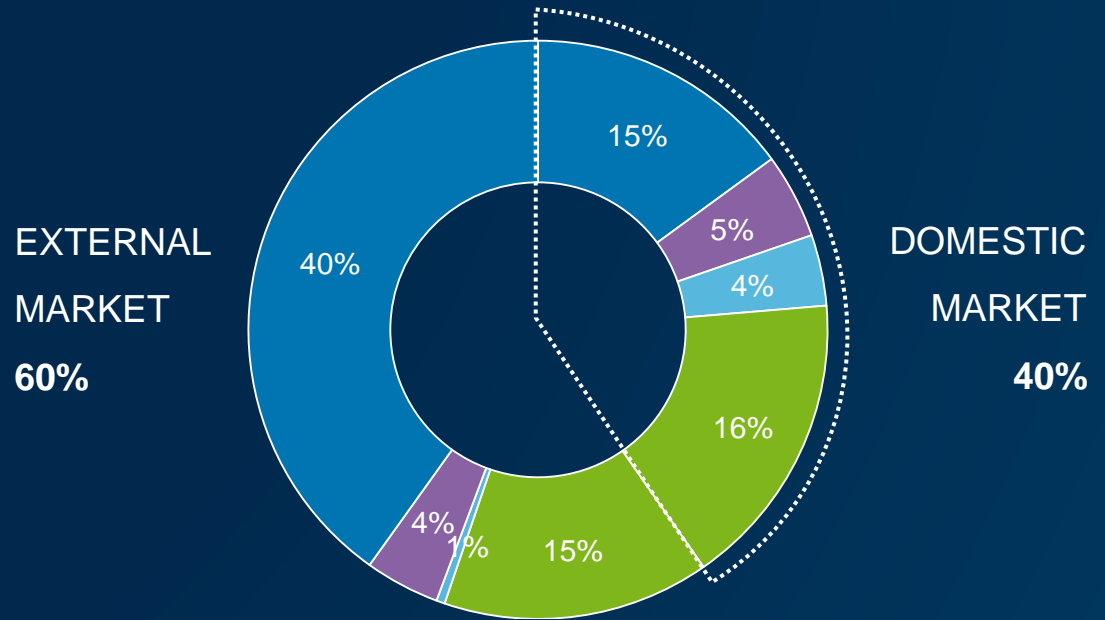






**Net Operating Profit  
After Taxes**  +24.7%

**Invested Capital**  +17.8%

# BUSINESS AREA PERFORMANCE

## 4Q18

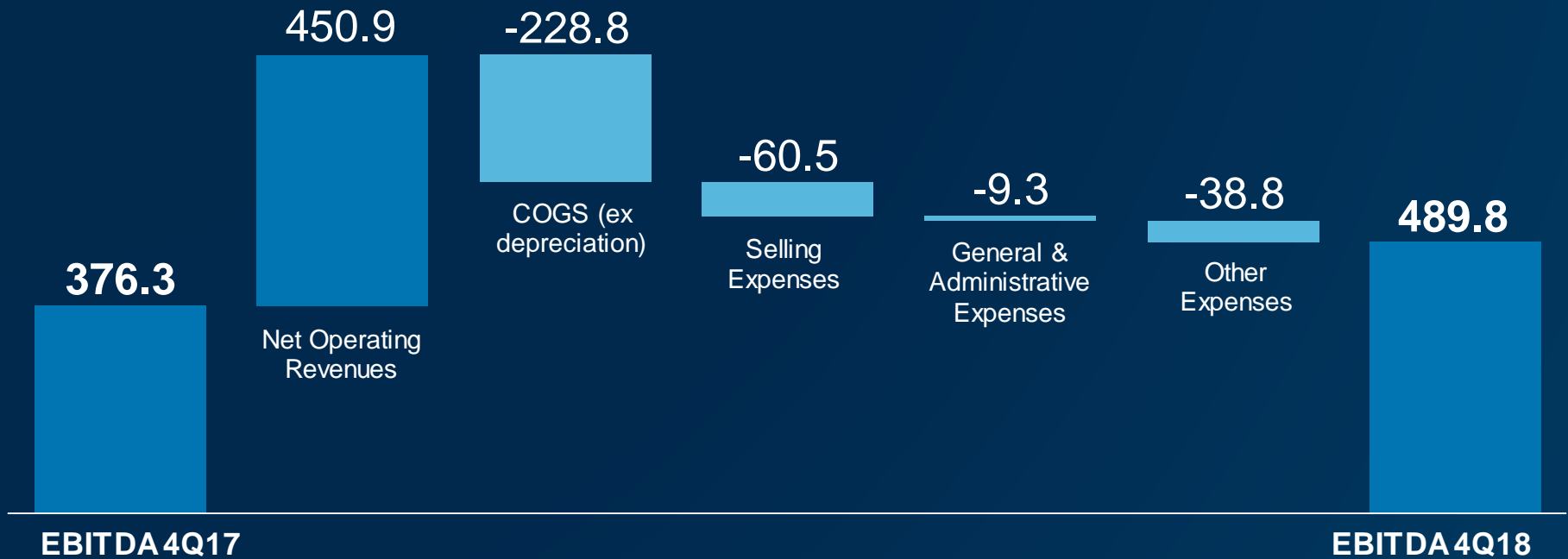


Δ% 4Q18 / 4Q17	 Industrial Electro-Electronic Equipment	 Energy Generation, Transmission and Distribution (GTD)	 Motors for domestic use	 Paints and Varnishes
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<b>Net Revenue</b>	<b>+27%</b>	<b>+10%</b>	<b>-7%</b>	<b>+13%</b>
Domestic Market	+15%	-8%	-3%	+20%
External Market	+33%	+42%	-12%	-25%

# EBITDA

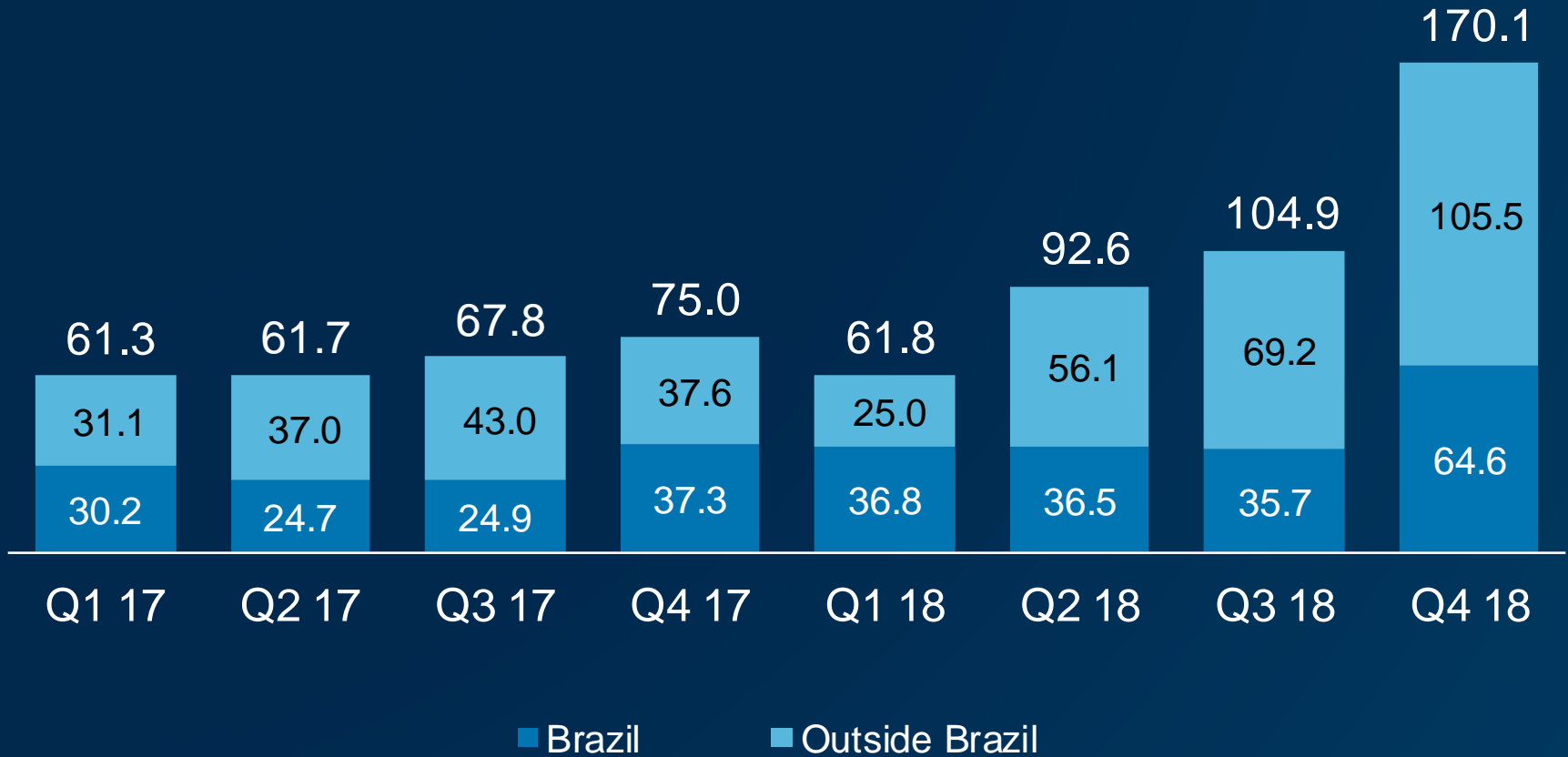
In R\$ million





# CAPEX

In R\$ million





## Recent Achievements

- Acquisition of the Energy Storage System business of NPS in the US
- Acquisition of Geremia Redutores, manufacturer of gearboxes, geared motors, speed and flexible couplings and gearboxes components in Brazil



## Outlook 2019

- EBITDA margin and ROIC will be the main drivers of 2019
- Lower revenue growth in 2019, mainly due to the lower wind projects portfolio
- Improved mix and performance of operations should contribute positively to margin



# CONTACTS

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