

Jaraguá do Sul (SC), April 24, 2019: 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 **first quarter of 2019 (1Q19)**. 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.

PROFITABILITY IMPROVEMENT AND ROIC EXPANSION

- **Net Operating Revenues** were **R\$ 2,932.4 million** in **1Q19**, 14.9% higher than 1Q18 and 6.2% lower than 4Q18. Adjusted for the consolidation effects of the TGM acquisition, net revenues would have shown a 13.3% increase vs. 1Q18.
- **EBITDA** reached **R\$ 461.8 million**, 21.6% higher than 1Q18 and 5.7% lower than 4Q18, while **EBITDA margin** was **15.7%**, 0.8 p.p. higher than 1Q18 and the same level compared to the previous quarter.
- **Return on Invested Capital (ROIC)** reached 18.0% in 1Q19, up 1.5 p.p. from 1Q18 and up 0.4 p.p. from 4Q18.

We observed another positive quarter for the recovery process of Brazilian business environment. In the industrial area, in addition to the investments in short cycle equipment which are still consistent, we have noticed the resumption of some long cycle projects quotes, still concentrated in specific industries such as pulp & paper, oil & gas and mining. It is worth mentioning that this recovery should happen gradually, depending also on the confirmation in economic scenario improvement and the increase of the Brazilian industry confidence, which, according to recent indicators, showed a slight decrease compared to the beginning of the year. In GTD area (Generation, Transmission and Distribution) we have shown revenue growth, despite the lower participation of wind generation projects, already expected for this quarter, mainly due to the good performance of solar generation projects and the sales growth of transformers and substations.

In the external markets, we highlight the revenue growth in local currencies that remained consistent, mainly in short cycle equipment sales. New opportunities in projects requiring long cycle equipment continue to appear, specifically in the oil & gas, pulp & paper, infrastructure and mining segments.

ROIC presented another expansion quarter, proving right the strategy of investing in new businesses with favorable returns. Factors such as the improvement in operating margins coupled with gains in scale and efficiency in capital allocation have supported the growth seen in recent quarters.

MAIN HIGHLIGHTS

Figures in R\$ thousands

	Q1 2019	Q4 2018	%	Q1 2018	%
Return on Invested Capital	18.0%	17.6%	0.4 pp	16.5%	1.5 pp
Net Operating Revenue	2,932,379	3,124,657	-6.2%	2,551,476	14.9%
Domestic Market	1,252,159	1,259,721	-0.6%	1,128,571	11.0%
External Markets	1,680,220	1,864,936	-9.9%	1,422,905	18.1%
External Markets in US\$	445,444	489,736	-9.0%	438,538	1.6%
Net Income	306,849	335,280	-8.5%	285,004	7.7%
Net Margin	10.5%	10.7%		11.2%	
EBITDA	461,798	489,806	-5.7%	379,710	21.6%
EBITDA Margin	15.7%	15.7%		14.9%	
EPS (adjust for splits)	0.14631	0.15987	-8.5%	0.13589	7.7%

CONFERENCE CALL (SIMULTANEOUS TRANSLATION INTO ENGLISH)

April 25, Thursday 11:00 a.m. (Brasilia official time)

Pre-registration for conference call, [register here](#)

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

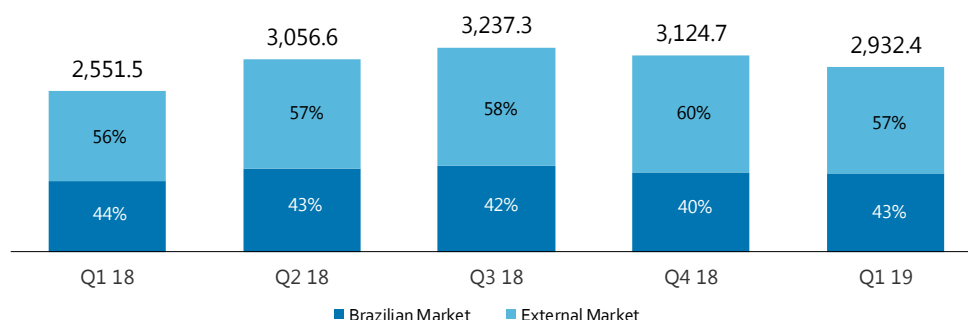
Webcasting (simultaneous translation into English): www.choruscall.com.br/weg/1q19.htm

Net Operating Revenues

Net Operating Revenues (NOR) reached **R\$ 2,932.4 million** in 1Q19, up 14.9% year-over-year and down 6.2% quarter-over-quarter. If adjusted for TGM acquisition, revenues were up 13.3% over 1Q18.

In this quarter, revenue was positively impacted by average Brazilian Real/US dollar exchange rate that went from R\$ 3.24 in 1Q18 to R\$ 3.77 in 1Q19, with a 16.3% depreciation of the Brazilian Real.

Net Operating Revenues by Market



(Figures in R\$ Million)

The breakdown of Net Operating Revenue in 1Q19 by market was:

- **Brazilian Market:** R\$ 1,252.2 million, representing 43% of revenues, up 11.0% vs. 1Q18 and down 0.6% vs. 4Q18. Disregarding the effects of the TGM acquisition, revenues would be up 7.9% vs. 1Q18;
- **External Markets:** R\$ 1,680.2 million, equivalent to 57% of revenues. It is important to consider that we set our sales prices in different markets in local currency amounts, according to local competitive conditions. In 1Q19 revenues in external markets were as follows:
 - Measured in Brazilian Reais: up 18.1% vs. 1Q18 and down 9.9% vs. 4Q18. Disregarding the effects of the TGM acquisition, revenues would have been up by 17.5% vs. 1Q18.
 - Measured in the quarterly averaged US dollar: up 1.6% vs. 1Q18 and down 9.0% vs. 4Q18. Disregarding the effects of the TGM acquisition, revenues would have been up by 1.1% vs. 1Q18.
 - Measured in local currencies, weighted by the revenues in each market and adjusted for the TGM acquisition: an 8.1% increase vs. 1Q18.

Evolution of Net Revenue According to Geographic Market

Figures in R\$ thousands

	Q1 2019	Q4 2018	%	Q1 2018	%
Net Operating Revenues	2,932,379	3,124,657	-6.2%	2,551,476	14.9%
- Brazilian Market	1,252,159	1,259,721	-0.6%	1,128,571	11.0%
- External Markets	1,680,220	1,864,936	-9.9%	1,422,905	18.1%
- External Markets in US\$	445,444	489,736	-9.0%	438,538	1.6%

External Market – Distribution of Net Revenue According to Geographic Market

	Q1 2019	Q4 2018	%	Q1 2018	%
North America	43.1%	43.8%	-0.7 pp	41.2%	1.9 pp
South and Central America	9.5%	12.8%	-3.3 pp	12.7%	-3.2 pp
Europe	27.1%	25.5%	1.6 pp	25.8%	1.3 pp
Africa	8.1%	8.3%	-0.2 pp	8.8%	-0.7 pp
Asia-Pacific	12.2%	9.6%	2.6 pp	11.5%	0.7 pp

Business Area

Industrial Electro-Electronic Equipment – Industrial investment in Brazil continues to recover although not as fast as expected at the beginning of the year. Sales of short cycle equipment remain consistent, especially regarding low voltage motors and serial automation equipment.

Additionally, in this quarter we observed an increase in the revenue participation of long cycle equipment, mainly in electrocenters and automation panels. Important industries such as mining, pulp & paper and oil & gas have gradually increased their investments. Another factor observed since 4Q18 was the increase in the demand for equipment for either brownfield or new greenfield investments, mostly still in the quotation phase, but already signaling the beginning of the resumption of these projects in Brazil. It is worth to highlight this recovery should happen gradually, depending also on the confirmation in economic scenario improvement and the increase of the Brazilian industry confidence, which according to recent indicators were better at the beginning of the year than now.

Abroad, sales have remained concentrated in short cycle products, where we have advanced by expanding our product line and gaining market share, especially in regions such as Europe, North America and Asia. Projects to increase capacity and build new plants, which also demand long cycle products, continue to have good prospects, especially in the oil & gas, pulp & paper, infrastructure and mining industries. It is worth noting that when analyzed in US dollars, revenues for the quarter were slightly below 1Q18, since the US dollar showed a significant appreciation in relation to the main global currencies in the period. The performance both operational and in local currencies continue on the growth path.

Energy Generation, Transmission, and Distribution (GTD) – The GTD area presented revenue growth in this quarter in Brazil, despite the lower participation in wind generation projects, previously anticipated. The positive highlight remains the solar generation business, which gained relevance in 2018 with important projects added to our backlog. The prospects for this business remain positive, especially in solar distributed generation, which has been showing continuous growth in order intake in recent months.

The Transmission and Distribution (T&D) business contributed positively to revenue growth in this quarter with the improvement in business dynamics in both, distribution transformers and transformers for renewable generation sites. The prospects remain positive considering that transmission auctions carried out in recent years should contribute positively to the performance of this business unit from 2019 onwards.

For other renewable sources, notably hydraulics and biomass, the order intake has stabilized in recent months and this should be the trend for the rest of the year. It is worth mentioning that since March 2018 we have consolidated in this business area a manufacturer of steam turbines (TGM) that contributed to the revenue growth in this quarter.

In the external market, the main contribution came from the transformers business, which continues to show growth in all operations, most notably WEG Transformers USA, a company acquired in August 2017. Sales of transformers to renewable power generation plants continue to grow and we have started to observe the first sales of large transformers produced in Mexico for the WEG Transformers USA customer base.

It is also worth mentioning the good performance of the generator operation in India, which showed a consistent improvement in order intake last year, reflecting higher revenues this year. The TGM consolidation also contributed to the revenues improvement in the external markets, since a significant part of its revenue comes from exports.

Motors for domestic use – In the domestic market, we see revenue growth compared to last year. Due to its short-cycle product characteristic, the dynamics of this business area

depend directly on the economy performance and especially on consumption, which is usually the first to show recovery signs in the scenario of economy resumption.

In the external market, revenue continues to show the impacts already observed in recent quarters, such as the lower order intake in the local market in China and the poor performance of the operation in Argentina, which is suffering from the recent problems faced by the local economy.

Paints and Varnishes – The good performance in the domestic market is due to the combination of the improvement of important industrial segments such as mining, metallic structures and white goods, combined with a greater participation in markets that are relatively new to WEG, such as auto parts and road implements. The drop in revenues in the external markets mainly reflects the difficulties of the economic scenario in Argentina.

Distribution of Net Revenue by Business Area

	Q1 2019	Q4 2018		Q1 2018	
Electro-electronic Industrial Equipments	52.31%	55.06%	-2.75 pp	53.61%	-1.30 pp
Domestic Market	16.13%	14.94%	1.19 pp	17.48%	-1.35 pp
External Market	36.17%	40.12%	-3.95 pp	36.13%	0.04 pp
Energy Generation, Transmission and Distribution	33.31%	31.56%	1.75 pp	31.57%	1.74 pp
Domestic Market	18.15%	16.65%	1.50 pp	18.37%	-0.22 pp
External Market	15.15%	14.91%	0.24 pp	13.20%	1.95 pp
Electric Motors for Domestic Use	9.77%	8.93%	0.84 pp	10.27%	-0.50 pp
Domestic Market	4.38%	4.75%	-0.37 pp	4.49%	-0.11 pp
External Market	5.39%	4.18%	1.21 pp	5.77%	-0.38 pp
Paints and Varnishes	4.62%	4.45%	0.17 pp	4.56%	0.06 pp
Domestic Market	4.03%	3.97%	0.06 pp	3.89%	0.14 pp
External Market	0.58%	0.48%	0.10 pp	0.66%	-0.08 pp

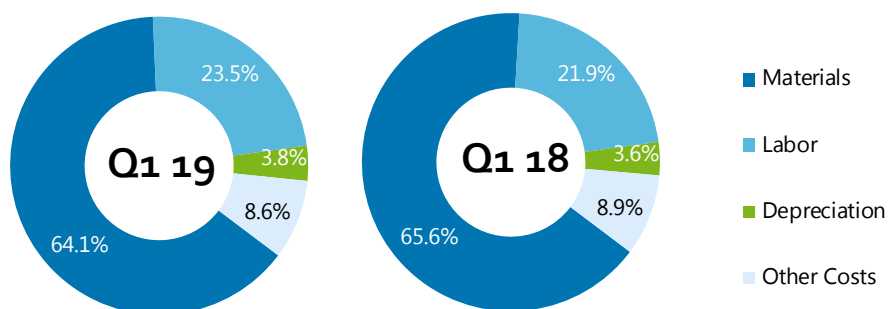
Cost of Goods Sold

The Cost of Goods Sold (COGS) totaled R\$ 2.074.8 million in 1Q19, up 13.5% vs. 1Q18 and down 6.0% vs. 4Q18. Gross margin was 29.2%, 0.8 p.p. higher vs. 1Q18 and 0.2 p.p. lower vs. 4Q18.

Despite the exchange variation of the period, we were able to improve gross margin by 0.8 p.p. over 1Q18, due to efforts to reduce costs and improve processes that provided productivity gains.

In 1Q19, the average price of copper in the spot market on the London Metal Exchange (LME) in US dollars increased 0.8% vs. 4Q18 and decreased 10.6% vs. 1Q18, while the average price of steel in Brazilian Reais decreased 5.5% vs. 4Q18 and decreased 8.2% vs. 1Q18.

COGS Composition



Sales, General, and Administrative Expenses

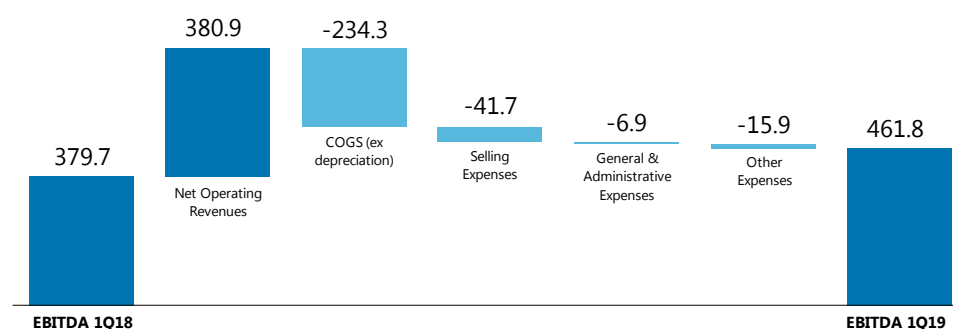
Consolidated sales, general, and administrative expenses (SG&A) totaled R\$ 429.3 million in 1Q19, an increase of 15.4% vs. 1Q18 and decrease of 1.8% vs. 4Q18. It is worth noting that some of these costs are for operations abroad and are also impacted by the recent depreciation of the Brazilian Real. When analyzed in relation to net operating revenue, these expenses accounted for 14.6%, same level compared to the 1Q18 and up 0.6 p.p. vs. 4Q18.

EBITDA and EBITDA Margin

In 1Q19, EBITDA reached R\$ 461.8 million, up 21.6% vs. 1Q18 and down 5.7% vs. 4Q18. EBITDA margin was 15.7%, 0.8 p.p. higher vs. 1Q18 and maintained the same level compared to the previous quarter. The EBITDA margin evolution is a reflection of better profitability in foreign operations, followed by margin gains in some operations in Brazil, in addition to the favorable mix due to lower wind generation revenues in the period.

	Q1 2019	Q4 2018	%	Q1 2018	%
Net Operating Revenues	2,932.4	3,124.7	-6.2%	2,551.5	14.9%
Net Income before Minorities	308.2	336.9	-8.5%	288.1	7.0%
(+) Income taxes & Contributions	22.9	26.9	-14.9%	46.1	-50.3%
(+/-) Financial income (expenses)	36.1	39.4	-8.4%	-27.9	n.a.
(+) Depreciation & Amortization	94.6	86.6	9.2%	73.4	28.8%
EBITDA	461.8	489.8	-5.7%	379.7	21.6%
EBITDA Margin	15.7%	15.7%		14.9%	

Figures in R\$ Million



(Figures in R\$ Million)

Net Financial Results

The net financial result in 1Q19 was negative R\$ 36.1 million (vs. positive R\$ 27.9 million in 1Q18 and negative R\$ 39.4 million in 4Q18). The decrease in the quarterly comparison is mainly explained by lower financial income from financial investments, due to the lower level of cash combined with lower interest rates in Brazil, and monetary adjustment over provisions in the period. In addition, in 1Q18, interest income on contractual renegotiations of customers was recognized, which did not occur in this quarter.

Income Tax

The provision for Income and Social Contribution on Net Profit in 1Q19 totaled R\$ 29.4 million (vs. R\$ 28.0 million and R\$ 28.8 million in 1Q18 and 4Q18, respectively). Additionally, we credited R\$ 6.5 million as Deferred Income Tax/Social Contribution in 1Q19 (vs. debt of R\$ 18.1 million in 1Q18 and credit of R\$ 1.9 million in 4Q18).

Net Income

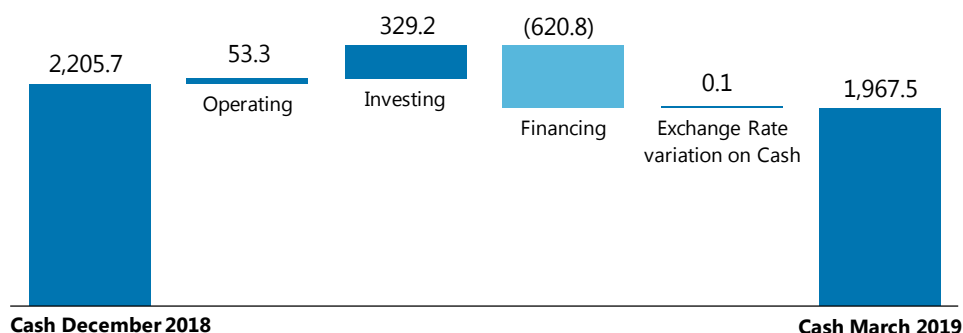
Net Income was R\$ 306.8 million in 1Q19, an increase of 7.7% vs. 1Q18 and decrease of 8.5% vs. 4Q18. Net margin reached 10.5%, 0.7 p.p. lower than 1Q18 and 0.2 p.p. lower than 4Q18.

Cash Flow

Cash generation in operating activities was R\$ 53.3 million in the first three months of 2019. The decrease in the period is basically due to the increased working capital needs.

Investment activities generated R\$ 329.2 million in the first three months of 2019, 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 1Q18, mainly due to investments in the new foundry in Mexico.

In the financing activities, we raised R\$ 4.5 million and made amortizations of R\$ 283.3 million, resulted in a net amortization of R\$ 278.8 million. Interest on loans consumed R\$ 8.0 million while payments to equity holders (dividends and interest on capital) totaled R\$ 335.8 million. The final result was consumption of R\$ 620.8 million in financing activities this year so far.

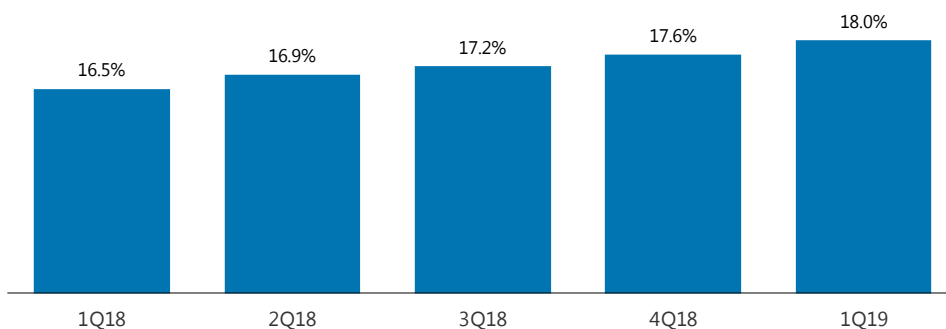


(Figures in R\$ Million)

We point out that the chart above shows the cash and cash equivalents positions classified as current assets. Also, we have R\$ 1,867.9 million in financial investments with no immediate liquidity (R\$ 2,277.7 million in December 2018).

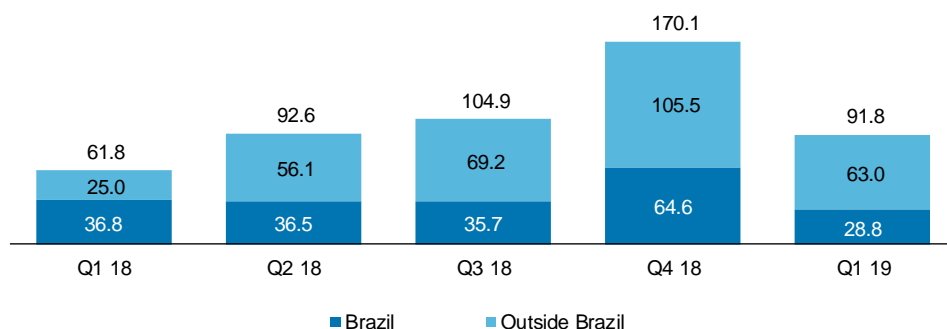
Return on Invested Capital

The Return on Invested Capital (ROIC) in 1Q19 (accumulated in the last 12 months) showed expansion of 1.5 p.p. over 1Q18, reaching 18.0%. 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 1Q19, we invested R\$ 91.8 million in modernization and expansion of production capacity, machinery and equipment, and software licenses, 31% of which are for production units in Brazil and 69% for industrial plants and other facilities abroad.



(Figures in R\$ Million)

Expenditures on Research, development, and innovation activities totaled R\$ 80.2 million, representing 2.7% of net operating revenue in 1Q19.

Debt and Cash Position

As of March 31, 2019 cash, cash equivalents, and financial investments totaled R\$ 3,835.4 million and were invested in first-tier banks and denominated in Brazilian currency. Gross financial debt totaled R\$ 3,484.9 million, of which 57% was in short-term operations and 43% in long-term operations. Net cash totaled R\$ 350.5 million.

	March 2019	December 2018	March 2018
Cash & Financial instruments	3,835,369	4,483,366	4,652,316
- Current	3,150,878	3,753,662	4,494,609
- Long Term	684,491	729,704	157,707
Debt	3,484,904	3,792,308	4,221,943
- Current	1,986,732	2,061,163	1,618,536
- In Brazilian Reais	176,385	175,475	890,748
- In other currencies	1,810,347	1,885,688	727,788
- Long Term	1,498,172	1,731,145	2,603,407
- In Brazilian Reais	287,800	315,291	483,787
- In other currencies	1,210,372	1,415,854	2,119,620
Net Cash	350,465	691,058	430,373

(Figures in R\$ thousands)

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

- The total duration of 18.1 months, with a duration of 35.8 months in the long term. In December 2018, these figures were 20.8 months and 37.7 months, respectively.
- The weighted average cost of debt denominated in Brazilian Reais is approximately 7.4% pa (vs. 7.2% pa in December 2018). The post-fixed contracts are indexed mainly to the Brazilian long-term interest rate (TJLP).

Dividends and Interest on Stockholders' Equity

At a meeting held on March 19, 2019, the Board of Directors decided to declare interest on equity in the total amount of R\$ 97.3 million before withholding income tax, with payment expected in August 14, 2019.

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.

**Acquisition of
Energy Storage
business of NPS, in
USA**

On February 13, WEG S.A. announced the acquisition of the Energy Storage System ("ESS") business of Northern Power Systems ("NPS"), a company that designs, develops and manufactures energy storage systems in Barre, Vermont, USA.

Under the agreement, WEG became the sole owner of NPS's energy storage assets, including the portfolio of ESS patents, know-how and related materials, including all drawings, projects, specifications and software used in the design and maintenance of battery energy storage systems.

WEG and NPS entered into a technology partnership in 2013 to successfully introduce permanent magnet direct drive wind turbine solutions in Brazil. In 2016, WEG acquired the NPS utility scale wind turbine business and expanded its portfolio.

**Acquisition of
Geremia Redutores**

On February 14, WEG-CESTARI has signed an agreement for the acquisition of the entire capital stock of Geremia Redutores, a Brazilian manufacturer of Gearboxes, Geared Motors, Speed and Flexible Couplings and Gearboxes Components. The transaction is subject to the approval of CADE (Administrative Council for Economic Defense).

Founded in 1973, headquartered in Bento Gonçalves city, state of Rio Grande do Sul, 111 kilometers from Porto Alegre city, Geremia has a total area of 52,000 square meters, of which 15,000 square meters is built. Employing around 220 people, the company serves the entire local and international market, mainly in South and Central America. Net revenue in 2017 were R\$ 57.4 million.

Results Conference Call

On April 25, 2019 (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)

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/1t19.htm

Slides and simultaneous translation into English: www.choruscall.com.br/weg/1q19.htm

The presentation will also be available on our Investor Relations website (<https://ir.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, solar panels, 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

	1st Quarter		4th Quarter		1st Quarter		Changes %	
	2019		2018		2018		Q1 2019	Q1 2019
	R\$	VA%	R\$	VA%	R\$	VA%	Q4 2018	Q1 2018
Net Operating Revenues	2,932,379	100%	3,124,657	100%	2,551,476	100%	-6.2%	14.9%
Cost of Goods Sold	(2,074,772)	-71%	(2,206,970)	-71%	(1,827,877)	-72%	-6.0%	13.5%
Gross Profit	857,607	29%	917,687	29%	723,599	28%	-6.5%	18.5%
Sales Expenses	(290,761)	-10%	(299,790)	-10%	(242,599)	-10%	-3.0%	19.9%
Administrative Expenses	(138,504)	-5%	(137,530)	-4%	(129,450)	-5%	0.7%	7.0%
Financial Revenues	129,369	4%	265,101	8%	238,391	9%	-51.2%	-45.7%
Financial Expenses	(165,505)	-6%	(304,535)	-10%	(210,456)	-8%	-45.7%	-21.4%
Other Operating Income	4,265	0%	5,940	0%	3,371	0%	-28.2%	26.5%
Other Operating Expenses	(65,377)	-2%	(84,196)	-3%	(48,916)	-2%	-22.4%	33.7%
Equity accounting	-	0%	1,065	0%	293	0%	-	-
EARNINGS BEFORE TAXES	331,094	11%	363,742	12%	334,233	13%	-9.0%	-0.9%
Income Taxes & Contributions	(29,425)	-1%	(28,782)	-1%	(28,014)	-1%	2.2%	5.0%
Deferred Taxes	6,538	0%	1,892	0%	(18,075)	-1%	245.6%	n.a
Minorities	1,358	0%	1,572	0%	3,140	0%	-13.6%	-56.8%
NET EARNINGS	306,849	10%	335,280	11%	285,004	11%	-8.5%	7.7%
EBITDA	461,798	15.7%	489,806	15.7%	379,710	14.9%	-5.7%	21.6%
EPS (adjusted for splits)	0.14631		0.15987		0.13589		-8.5%	7.7%

Annex II

Consolidated Balance Sheet

Figures in R\$ Thousands

	March 2019 (A)		December 2018 (B)		March 2018 (C)		(A)/(B)	(A)/(C)
	R\$	%	R\$	%	R\$	%		
CURRENT ASSETS	9,089,843	60%	9,438,581	61%	9,569,643	66%	-4%	-5%
Cash & cash equivalents	2,892,551	19%	3,529,888	23%	4,487,429	31%	-18%	-36%
Receivables	2,429,474	16%	2,440,844	16%	2,265,744	16%	0%	7%
Inventories	2,498,116	16%	2,458,410	16%	2,014,530	14%	2%	24%
Other current assets	1,269,702	8%	1,009,439	7%	801,940	5%	26%	58%
LONG TERM ASSETS	1,117,861	7%	1,178,926	8%	458,496	3%	-5%	144%
Long term securities	566,641	4%	562,782	4%	-	0%	-	-
Deferred taxes	150,460	1%	142,669	1%	166,032	1%	5%	-9%
Other non-current assets	400,760	3%	473,475	3%	292,464	2%	-15%	37%
FIXED ASSETS	5,019,278	33%	4,782,343	31%	4,556,810	31%	5%	10%
Investment in Subs	20,380	0%	20,362	0%	16,923	0%	0%	20%
Property, Plant & Equipment	3,601,203	24%	3,541,954	23%	3,286,590	23%	2%	10%
Intangibles	1,213,537	8%	1,220,027	8%	1,253,297	9%	-1%	-3%
Right of use	184,158	1%	-	0%	-	0%	-	-
TOTAL ASSETS	15,226,982	100%	15,399,850	100%	14,584,949	100%	-1%	4%
CURRENT LIABILITIES	4,859,505	32%	5,034,004	33%	4,156,279	28%	-3%	17%
Social and Labor Liabilities	321,938	2%	240,346	2%	286,691	2%	34%	12%
Suppliers	820,402	5%	842,957	5%	780,109	5%	-3%	5%
Fiscal and Tax Liabilities	147,729	1%	88,183	1%	137,200	1%	68%	8%
Short Term Debt	1,964,060	13%	2,049,093	13%	1,611,873	11%	-4%	22%
Dividends Payable	86,416	1%	165,441	1%	75,191	1%	-48%	15%
Advances from Clients	541,774	4%	655,242	4%	611,535	4%	-17%	-11%
Profit Sharring	73,002	0%	167,941	1%	62,218	0%	-57%	17%
Derivatives	22,672	0%	12,070	0%	6,663	0%	88%	240%
Leasing	61,615	0%	-	0%	-	0%	-	-
Other Short Term Liabilities	819,897	5%	812,731	5%	584,799	4%	1%	40%
LONG TERM LIABILITIES	2,444,325	16%	2,512,589	16%	3,402,636	23%	-3%	-28%
Long Term Debt	1,490,360	10%	1,723,021	11%	2,537,113	17%	-14%	-41%
Leasing	132,472	1%	-	0%	-	0%	-	-
Other Long Term Liabilities	179,950	1%	155,394	1%	213,193	1%	16%	-16%
Deferred Taxes	86,538	1%	86,537	1%	124,149	1%	0%	-30%
Contingencies Provisions	555,005	4%	547,637	4%	528,181	4%	1%	5%
MINORITIES	145,380	1%	138,983	1%	130,832	1%	5%	11%
STOCKHOLDERS' EQUITY	7,777,772	51%	7,714,274	50%	6,895,202	47%	1%	13%
TOTAL LIABILITIES	15,226,982	100%	15,399,850	100%	14,584,949	100%	-1%	4%

Annex III

Consolidated Cash Flow Statement

Figures in R\$ Thousands

	3 Months	3 Months
	2019	2018
Operating Activities		
Net Earnings before Taxes	331,094	334,233
Depreciation and Amortization	81,657	73,412
Equity accounting	-	(293)
Provisions:	33,012	124,823
Changes in Assets & Liabilities	(392,495)	(39,573)
(Increase) / Reduction of Accounts Receivable	(218,520)	23,783
Increase / (Reduction) of Accounts Payable	23,248	161,497
(Increase) / Reduction of Inventories	(35,319)	(80,622)
Income Tax and Social Contribution on Net Earnings	(17,587)	(21,644)
Profit Sharing Paid	(144,317)	(122,587)
Cash Flow from Operating Activities	53,268	492,602
Investment Activities		
Fixed Assets	(84,206)	(55,719)
Intangible Assets	(7,589)	(6,014)
Financial investments without immediate liquidity	-	(43,568)
Aquisition of Subsidiaries	-	(116,135)
Financial investments held to maturity	(1,779)	-
Rescue of financial investments	422,610	-
Results of sales of intangible assets	-	1,623
Write-off of fixed assets	213	1,397
Cash Flow From Investment Activities	329,249	(218,416)
Financing Activities		
Working Capital Financing	4,537	526,816
Long Term Financing	(283,286)	(536,566)
Interest paid on loans and financing	(8,027)	(74,460)
Treasury Shares	1,850	490
Dividends & Interest on Stockholders Equity Paid	(335,833)	(326,293)
Cash Flow From Financing Activities	(620,759)	(410,013)
Changes in Cash and Equivalents caused by FX Changes	51	5,957
Change in Cash Position	(238,191)	(129,870)
Cash & Cash Equivalents		
Beginning of Period	2,205,700	3,162,685
End of Period	1,967,509	3,032,815