



Jaraguá do Sul (SC), July 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 **second quarter of 2019 (2Q19)**. 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 MARGIN IMPROVEMENT AND GROWING RETURN ON INVESTED CAPITAL

- **Net Operating Revenues** were **R\$ 3,286.6 million** in **2Q19**, 7.5% higher than 2Q18 and 12.1% higher than 1Q19.
- **EBITDA** reached **R\$ 537.2 million**, 15.4% higher than 2Q18 and 16.3% higher than 1Q19, while **EBITDA margin** was **16.3%**, 1.1 p.p. higher than 2Q18 and 0.6 p.p. higher compared with to the previous quarter.
- **Return on Invested Capital (ROIC)** reached 18.4% in 2Q19, up 1.5 p.p. from 2Q18 and up 0.4 p.p. from 1Q19.

The Brazilian market has shown positive signs and is still growing in the main business segments, although not as fast as expected at the beginning of the year. Revenues performance in the quarterly comparison is explained by the already expected lower participation of wind generation projects. The demand for short cycle products follows the trend observed in the last quarters, in particular industrial and domestic use motors and paintings. However, domestic market highlights remain the solar generation and transmission & distribution (T&D) business, which have been confirming the expectations of a higher demand observed since the end of last year.

The performance in external market was positive, mainly in the Generation, Transmission and Distribution (GTD) and Industrial Electro-Electronic Equipment areas, both in Brazilian Reais and local currencies. Important industry segments, like oil & gas, mining, pulp & paper and infrastructure sectors are showing healthy demand for new products for either brownfield or greenfield investments. It is important to highlight the presence and growing recognition of the company's solutions in projects and partnerships with large global companies, by means of exclusive frame agreements or addition to approved vendor lists, what sets us apart and brings unique opportunities to WEG.

Another highlight for this quarter was the EBITDA margin, which increased 1.1 p.p. when compared to 2Q18, a reflection of margin gains in some operations in Brazil, followed by better profitability in foreign operations, in addition to the favorable product mix revenues in the period.

ROIC presented another expansion quarter. Factors such as growing revenues, 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

	Q2 2019	Q1 2019	%	Q2 2018	%	06M19	06M18	%
Return on Invested Capital	18.4%	18.0%	0.4 pp	16.9%	1.5 pp	18.4%	16.9%	1.5 pp
Net Operating Revenue	3,286,605	2,932,379	12.1%	3,056,648	7.5%	6,218,984	5,608,124	10.9%
Domestic Market	1,289,665	1,252,159	3.0%	1,318,922	-2.2%	2,541,824	2,447,493	3.9%
External Markets	1,996,940	1,680,220	18.8%	1,737,726	14.9%	3,677,160	3,160,631	16.3%
External Markets in US\$	509,026	445,444	14.3%	483,604	5.3%	954,470	922,142	3.5%
Net Income	389,002	306,849	26.8%	336,605	15.6%	695,851	621,609	11.9%
Net Margin	11.8%	10.5%	1.3 pp	11.0%	0.8 pp	11.2%	11.1%	0.1 pp
EBITDA	537,205	461,798	16.3%	465,515	15.4%	999,003	845,225	18.2%
EBITDA Margin	16.3%	15.7%	0.6 pp	15.2%	1.1 pp	16.1%	15.1%	1.0 pp
EPS (adjust for splits)	0.18546	0.14631	26.8%	0.16052	15.5%	0.33177	0.29641	11.9%

CONFERENCE CALL (SIMULTANEOUS TRANSLATION INTO ENGLISH)

July 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/2q19.htm



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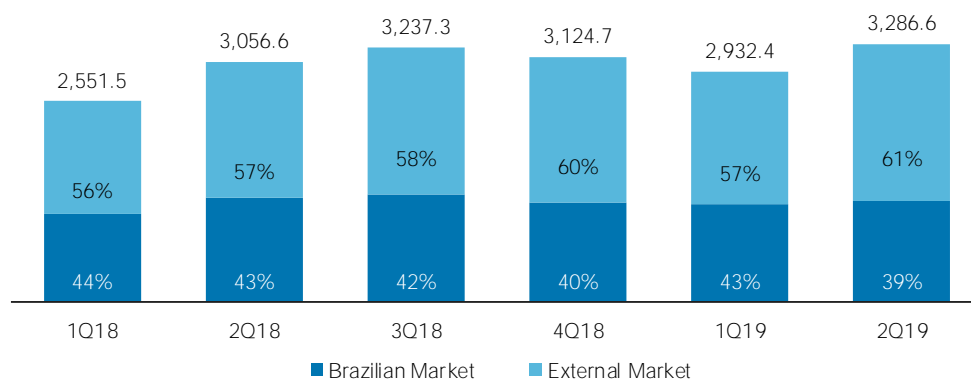
MSCI 2019 Constituent MSCI ESG Leaders Index

Net Operating Revenues

Net Operating Revenues (NOR) reached **R\$ 3,286.6 million** in 2Q19, up 7.5% year-over-year and up 12.1% quarter-over-quarter.

In this quarter, revenue was positively impacted by average Brazilian Real/US dollar exchange rate that moved from R\$ 3.59 in 2Q18 to R\$ 3.92 in 2Q19, with a 9.2% depreciation of the Brazilian Real.

Net Operating Revenues by Market



(Figures in R\$ Million)

The breakdown of Net Operating Revenue in 2Q19 by market was:

- Brazilian Market: R\$ 1,289.7 million, representing 39% of revenues, down 2.2% vs. 2Q18 and up 3.0% vs. 1Q19.
- External Markets: R\$ 1,996.9 million, equivalent to 61% 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 2Q19 revenues in external markets were presented as follows:
 - Measured in Brazilian Reais: up 14.9% vs. 2Q18 and up 18.8% vs. 1Q19.
 - Measured in the quarterly averaged US dollar: up 5.3% vs. 2Q18 and up 14.3% vs. 1Q19.
 - Measured in local currencies, weighted by the revenues in each market, a 12.6% increase vs. 2Q18.

Evolution of Net Revenue According to Geographic Market

Figures in R\$ thousands

	Q2 2019	Q1 2019	%	Q2 2018	%
Net Operating Revenues	3,286,605	2,932,379	12.1%	3,056,648	7.5%
Brazilian Market	1,289,665	1,252,159	3.0%	1,318,922	-2.2%
External Markets	1,996,940	1,680,220	18.8%	1,737,726	14.9%
External Markets in US\$	509,026	445,444	14.3%	483,604	5.3%

External Market – Distribution of Net Revenue According to Geographic Market

	Q2 2019	Q1 2019	%	Q2 2018	%
North America	45.8%	43.1%	2.7 pp	42.5%	3.3 pp
South and Central America	11.3%	9.5%	1.8 pp	12.7%	-1.4 pp
Europe	24.7%	27.1%	-2.4 pp	26.0%	-1.3 pp
Africa	9.1%	8.1%	1.0 pp	9.3%	-0.2 pp
Asia-Pacific	9.1%	12.2%	-3.1 pp	9.5%	-0.4 pp

Business Area

Industrial Electro-Electronic Equipment – The performance of Brazilian industrial area continues to show signs of recovery, following the trend observed in the last quarters, especially short cycle equipment sales, such as low voltage motors and serial automation products, that remain consistent. Sales for long cycle equipment are flat when compared with past quarters, justifying the lower growth revenues in Brazil for this business area. It is worth to highlight that this recovery should happen gradually, depending on the confirmation in economic scenario improvement and the increase of the Brazilian industry confidence.

In external markets we observed a consistent demand for short cycle equipment, like low voltage motors, and an increasing demand for long cycle products, including important orders and invoices for high voltage motors and automation panels. Brownfield and greenfield projects, which also demand long cycle products, continue to have good prospects, especially in the oil & gas, pulp & paper, infrastructure and mining industries.

Energy Generation, Transmission, and Distribution (GTD) – Generation business presented revenue decreased in this quarter in Brazil due to the previously anticipated lower participation in wind generation projects. On the other hand, solar generation business remains as a positive highlight. The prospects for this business remain positive, especially in solar distributed generation, which has been showing continuous growth in order intake in recent months.

For other renewable sources, notably hydraulics and biomass, the order intake has stabilized and this should be the trend for the rest of the year.

Transmission and Distribution (T&D) business continues to contribute positively to revenue with the improvement in business dynamics. 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.

Abroad, the main contribution came from the T&D business, which continues to show growth, most notably the USA operation. Sales of transformers to renewable power generation plants continue to grow and we can already observe in a concrete way the expected synergies between our operations in Mexico and USA, which have contributed significantly to our sales growth during this period.

It is also worth mentioning the good performance in both generators operation in USA and India, which showed a consistent improvement in order intake last year, reflecting higher revenues this year.

Motors for domestic use – In the domestic market, we observed revenue growth compared to last year. Part of this growth can be explained by higher inventory levels of some customers which demanded less of our products in 2Q18. Additionally, we were able to increase our market share in some important segments, such as washing machines. 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 domestic market performance is still reflecting the improvement of important industrial segments such as mining, metallic structures and white goods, with highlights to projects in the oil & gas and wastewater sectors, combined with a greater participation in markets that are relatively new, 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

	2Q19	1Q19		2Q18	
Electro-electronic Industrial Equipments	55,92%	52,31%	3,61 pp	54,63%	1,29 pp
Domestic Market	14,55%	16,13%	-1,58 pp	15,18%	-0,63 pp
External Market	41,36%	36,17%	5,19 pp	39,45%	1,91 pp
Energy Generation , Transmission and Distribution	30,39%	33,31%	-2,92 pp	32,57%	-2,18 pp
Domestic Market	16,07%	18,15%	-2,08 pp	20,89%	-4,82 pp
External Market	14,33%	15,15%	-0,82 pp	11,68%	2,65 pp
Electric Motors for Domestic Use	9,27%	9,77%	-0,50 pp	8,91%	0,36 pp
Domestic Market	4,77%	4,38%	0,39 pp	3,78%	0,99 pp
External Market	4,50%	5,39%	-0,89 pp	5,14%	-0,64 pp
Paints and Varnishes	4,43%	4,62%	-0,19 pp	3,88%	0,55 pp
Domestic Market	3,85%	4,03%	-0,18 pp	3,31%	0,54 pp
External Market	0,58%	0,58%	0,00 pp	0,58%	0,00 pp

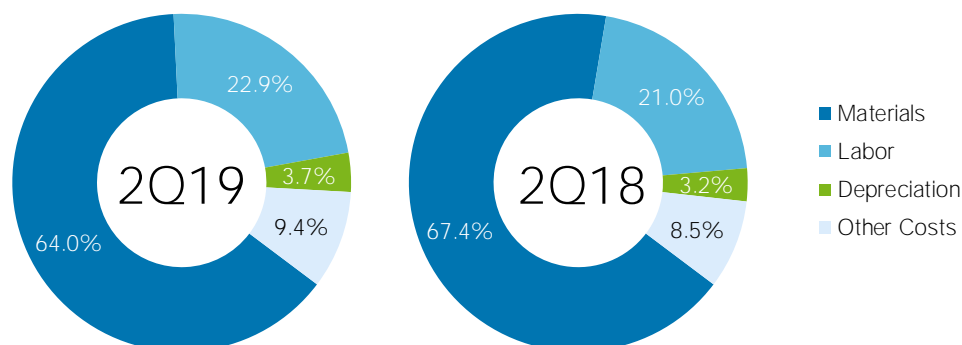
Cost of Goods Sold

The Cost of Goods Sold (COGS) totaled R\$ 2,341.3 million in 2Q19, up 7.5% vs. 2Q18 and up 12.8% vs. 1Q19. Gross margin was 28.8%, same level vs. 2Q18 and 0.4 p.p. lower compared to last quarter.

Despite the exchange variation of the period, we were able to sustain the same gross margin compared to 2Q18, due to reduction on some raw materials prices, efforts to reduce costs and improve processes that provided productivity gains.

In 2Q19 the average price of copper in the spot market on the London Metal Exchange (LME) in US dollars decreased 1.8% vs. 1Q19 and decreased 11.2% vs. 2Q18, while the average price of steel in Brazilian Reais decreased 0.3% vs. 1Q19 and decreased 12.0% vs. 2Q18.

COGS Composition



Sales, General, and Administrative Expenses

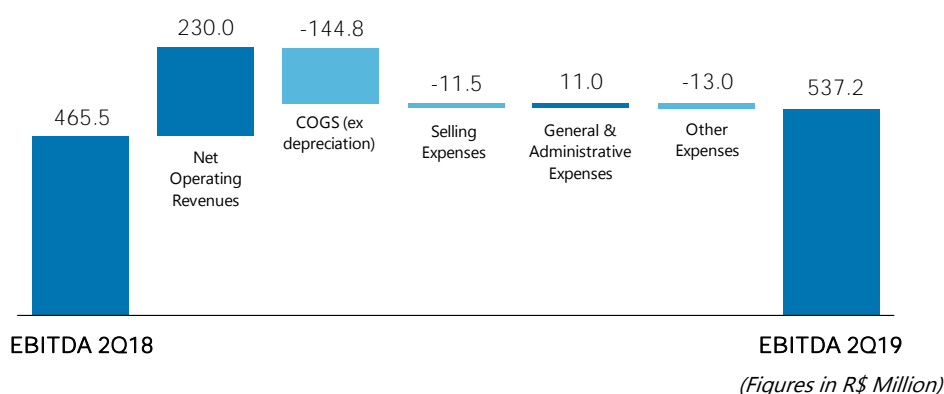
Consolidated Sales, General, and Administrative expenses totaled R\$ 432.9 million in 2Q19, an increase of 0.9% vs. 2Q18 and an increase of 0.8% vs. 1Q19. It is worth noting that some of these costs are for operations abroad and are also impacted by the recent depreciation of the Brazilian Real. When analyzed in relation to net operating revenue, these expenses accounted for 13.2%, down 0.8 p.p. vs. 2Q18 and down 1.4 p.p. vs. 1Q19.

EBITDA and EBITDA Margin

2Q19 EBITDA reached R\$ 537.2 million, up 15.4% vs. 2Q18 and up 16.3% vs. 1Q19. EBITDA margin was 16.3%, 1.1 p.p. higher vs. 2Q18 and 0.6 p.p. higher compared to the previous quarter. The EBITDA margin evolution is a reflection of margin gains in some operations in Brazil and abroad, in addition to the favorable product mix revenues in the period.

Figures in R\$ Million

	2Q19	1Q19	%	2Q18	%
Net Operating Revenues	3,286.6	2,932.4	12.1%	3,056.6	7.5%
Net Income before Minorities	395.3	308.2	28.2%	339.0	16.6%
(+) Income taxes & Contributions	38.5	22.9	68.0%	43.2	-11.0%
(+/-) Financial income (expenses)	4.5	36.1	-87.5%	6.5	-30.1%
(+) Depreciation & Amortization	99.0	94.6	4.7%	76.8	28.9%
EBITDA	537.2	461.8	16.3%	465.5	15.4%
EBITDA Margin	16.3%	15.7%		15.2%	



Net Financial Results

The net financial result in 2Q19 was negative R\$ 4.5 million (negative R\$ 6.5 million in 2Q18 and negative R\$ 36.1 million in 1Q19). This is mainly explained by lower income from financial investments and monetary adjustment over provisions in the period.

Income Tax

The provision for Income Tax and Social Contribution on Net Profit in 2Q19 totaled R\$ 51.5 million (vs. R\$ 71.7 million in 2Q18 and R\$ 29.4 million in 1Q19). Additionally, we credited R\$ 13.1 million as Deferred Income Tax and Social Contribution in 2Q19 (vs. credit of R\$ 28.5 million in 2Q18 and credit of R\$ 6.5 million in 1Q19).

Net Income

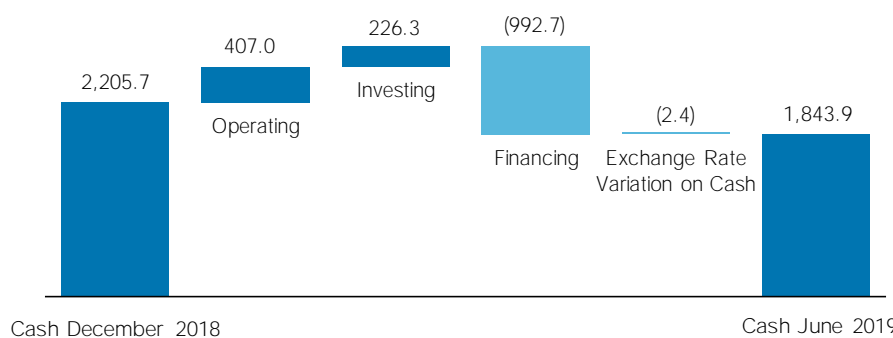
Net Income in 2Q19 was R\$ 389.0 million, an increase of 15.6% vs. 2Q18 and increase of 26.8% vs. 1Q19. Net margin reached 11.8%, 0.8 p.p. higher than 2Q18 and 1.3 p.p. higher than 1Q19.

Cash Flow

Cash generation in operating activities was R\$ 407.0 million in the first half of 2019. Back to normal level after the increase of working capital needs accounted in the first quarter.

Movements on long-term financial investments were the main reason for the generation of R\$ 226.3 million in investment activities in the first half of 2019. The level of investment in modernization and expansion of production capacity showed a growth compared to 2Q18, mainly due to investments in the new foundry in Mexico.

In the financing activities, we raised R\$ 884.1 million and made amortizations of R\$ 1,528.2 million, resulted in a net amortization of R\$ 644.1 million. Interest on loans consumed R\$ 15.5 million while payments to equity holders (dividends and interest on capital) totaled R\$ 335.9 million. The final result was consumption of R\$ 992.7 million in financing activities this year so far.

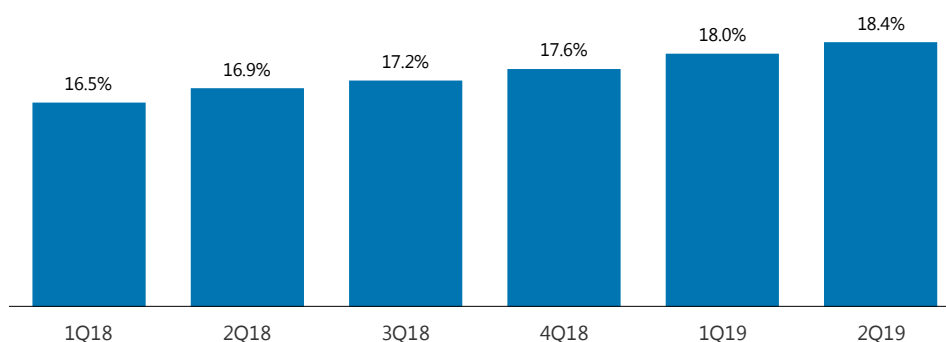


(Figures in R\$ Million)

We point out that the chart above shows the cash and cash equivalents positions classified as current assets. Also, we have R\$ 1,705.3 million in financial investments with no immediate liquidity (R\$ 2,277.7 million in December 2018).

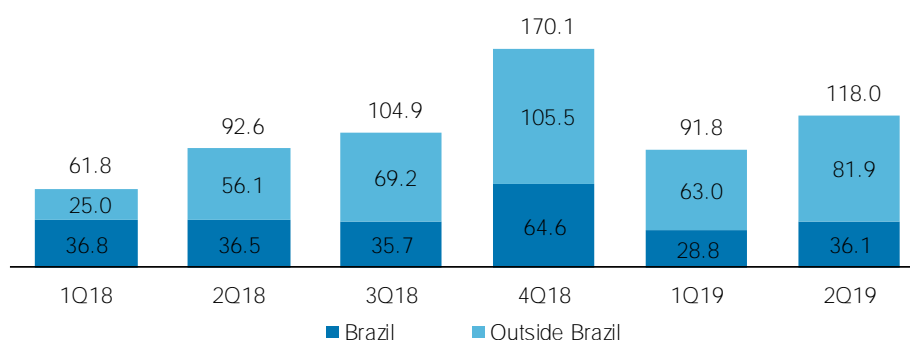
Return on Invested Capital

The Return on Invested Capital (ROIC) in 2Q19 (accumulated in the last 12 months) showed expansion of 1.5 p.p. over 2Q18, reaching 18.4%. Growth of Net Operating Profit After Taxes (NOPAT), due to revenue growth and better margins, 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 2Q19, we invested R\$ 118.0 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\$ 165.4 million, representing 2.7% of net operating revenue in the first half.

Debt and Cash Position

As of June 30, 2019, cash, cash equivalents, and financial investments totaled R\$ 3,549.2 million and were invested in first-tier banks and denominated in Brazilian currency. Gross financial debt totaled R\$ 2,920.2 million, of which 51% was in short-term operations and 49% in long-term operations. Net cash totaled R\$ 628.9 million.

Figures in R\$ Thousands

	June 2019	December 2018	June 2018
Cash & Financial Instruments	3,549,159	4,483,366	4,645,082
- Current	2,847,749	3,753,662	4,264,056
- Long Term	701,410	729,704	381,026
Debt	2,920,234	3,792,308	4,198,958
- Current	1,488,444	2,061,163	2,020,773
- In Brazilian Reais	175,902	175,475	491,033
- In other currencies	1,312,542	1,885,688	1,529,740
- Long Term	1,431,790	1,731,145	2,178,185
- In Brazilian Reais	260,303	315,291	432,416
- In other currencies	1,171,487	1,415,854	1,745,769
Net Cash (Debt)	628,925	691,058	446,124

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

- The total duration of 18.8 months, with a duration of 33.2 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 7.11% p.a. (vs. 7.2% p.a. in December 2018). The post-fixed contracts are indexed mainly to the Brazilian long-term interest rate (TJLP).

Dividends and Interest on Stockholders' Equity

For the first half of 2019, the Board of Directors approved, ad referendum of a future Annual Shareholders Meeting, the following events regarding dividends:

- On March 19, as interest on stockholders' equity (JCP), to the gross amount of R\$ 97.3 million
- On June 25, as interest on stockholders' equity (JCP), to the gross amount of R\$ 89.9 million

The Board of Directors approved intermediate dividends related to the net income for the first half of 2019, to the total amount of R\$ 186.9 million. The proceeds will be paid on August 14, 2019. Amounts declared as remuneration to shareholders in the first half represented 53.8% of net income for the period.

Figures in R\$ Million

	2nd Half 2019	2nd Half 2018	%
Dividends	186.9	172.8	8.2%
Interest on Stockholders' Equity	187.3	166.8	12.3%
Gross Total	374.2	339.6	10.2%
Net Earnings	695.9	621.6	11.9%
Total Dividends / Net Earnings	53.8%	54.6%	

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.

New Digital Business Structure

We announced on June 26, 2019 the creation of a new digital business structure to accelerate the development of embarked and/or external software solutions to the company's traditional products, as well as transforming its real-time manufacturing and process management system into a business.

The new structure will act in a matrix form, fomenting and supporting all the company's business units for the greater application of new technologies as augmented reality and artificial intelligence in our products as well as to develop digital services. These actions, coupled with the mission to develop the business of sensing, IIoT (Industrial Internet of Things) and monitoring software and data analysis, WEG will be offering to its customers the backbone of the "industry 4.0".

Results Conference Call On July 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 Webcasting:

Slides and original audio in Portuguese: www.choruscall.com.br/weg/2t19.htm

Slides and simultaneous translation into English: www.choruscall.com.br/weg/2q19.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 (PCHs), 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

	2nd Quarter		1st Quarter		2nd Quarter		Q2 2019	Q2 2019
	2019		2019		2018			
	R\$	VA%	R\$	VA%	R\$	VA%	Q1 2019	Q2 2018
Net Operating Revenues	3,286,605	100.0%	2,932,379	100.0%	3,056,648	100.0%	12.1%	7.5%
Cost of Goods Sold	(2,341,339)	-71.2%	(2,074,772)	-70.8%	(2,177,665)	-71.2%	12.8%	7.5%
Gross Profit	945,266	28.8%	857,607	29.2%	878,983	28.8%	10.2%	7.5%
Sales Expenses	(296,313)	-9.0%	(290,761)	-9.9%	(284,127)	-9.3%	1.9%	4.3%
Administrative Expenses	(136,587)	-4.2%	(138,504)	-4.7%	(145,026)	-4.7%	-1.4%	-5.8%
Financial Revenues	408,673	12.4%	129,369	4.4%	140,758	4.6%	215.9%	190.3%
Financial Expenses	(413,198)	-12.6%	(165,505)	-5.6%	(147,229)	-4.8%	149.7%	180.6%
Other Operating Income	6,236	0.2%	4,265	0.1%	9,405	0.3%	46.2%	-33.7%
Other Operating Expenses	(83,204)	-2.5%	(65,377)	-2.2%	(70,525)	-2.3%	27.3%	18.0%
Equity accounting	2,839	0.1%	-	0.0%	-	0.0%	n.m	n.m
EARNINGS BEFORE TAXES	433,712	13.2%	331,094	11.3%	382,239	12.5%	31.0%	13.5%
Income Taxes & Contributions	(51,513)	-1.6%	(29,425)	-1.0%	(71,684)	-2.3%	75.1%	-28.1%
Deferred Taxes	13,061	0.4%	6,538	0.2%	28,485	0.9%	99.8%	-54.1%
Minorities	6,258	0.2%	1,358	0.0%	2,435	0.1%	360.8%	157.0%
NET EARNINGS	389,002	11.8%	306,849	10.5%	336,605	11.0%	26.8%	15.6%
EBITDA	537,205	16.3%	461,798	15.7%	465,515	15.2%	16.3%	15.4%
EPS (adjusted for splits)	0.18546		0.14631		0.16052		26.8%	15.5%

Annex II
Consolidated Income Statement
Figures in R\$ Thousands

	6 Months		6 Months		%
	2019		2018		2019
	R\$	VA%	R\$	VA%	2018
Net Operating Revenues	6,218,984	100.0%	5,608,124	100.0%	10.9%
Cost of Goods Sold	(4,416,111)	-71.0%	(4,005,542)	-71.4%	10.3%
Gross Profit	1,802,873	29.0%	1,602,582	28.6%	12.5%
Sales Expenses	(587,074)	-9.4%	(526,726)	-9.4%	11.5%
Administrative Expenses	(275,091)	-4.4%	(274,476)	-4.9%	0.2%
Financial Revenues	538,042	8.7%	379,149	6.8%	41.9%
Financial Expenses	(578,703)	-9.3%	(357,685)	-6.4%	61.8%
Other Operating Income	10,501	0.2%	12,776	0.2%	-17.8%
Other Operating Expenses	(148,581)	-2.4%	(119,441)	-2.1%	24.4%
Equity accounting	2,839	0.0%	293	0.0%	n.m
EARNINGS BEFORE TAXES	764,806	12.3%	716,472	12.8%	6.7%
Income Taxes & Contributions	(80,938)	-1.3%	(99,698)	-1.8%	-18.8%
Deferred Taxes	19,599	0.3%	10,410	0.2%	88.3%
Minorities	7,616	0.1%	5,575	0.1%	36.6%
NET EARNINGS	695,851	11.2%	621,609	11.1%	11.9%
EBITDA	999,003	16.1%	845,225	15.1%	18.2%
EPS (adjusted for splits)	0.33177		0.29641		11.9%

Annex III
Consolidated Balance Sheet
Figures in R\$ Thousands

	June 2019 (A)		December 2018 (B)		June 2018 (C)		(A)/(B)	(A)/(C)
	R\$	%	R\$	%	R\$	%		
CURRENT ASSETS	8,803,475	59%	9,438,581	61%	9,968,378	64%	-7%	-12%
Cash & cash equivalents	2,782,754	19%	3,529,888	23%	4,257,196	28%	-21%	-35%
Receivables	2,474,176	17%	2,440,844	16%	2,589,700	17%	1%	-4%
Inventories	2,583,387	17%	2,458,410	16%	2,328,357	15%	5%	11%
Other current assets	963,158	6%	1,009,439	7%	793,125	5%	-5%	21%
LONG TERM ASSETS	1,106,020	7%	1,178,926	8%	791,825	5%	-6%	40%
Long term securities	573,757	4%	562,782	4%	-	0%	2%	n.m
Deferred taxes	148,729	1%	142,669	1%	174,450	1%	4%	-15%
Other non-current assets	383,534	3%	473,475	3%	617,375	4%	-19%	-38%
FIXED ASSETS	4,998,311	34%	4,782,343	31%	4,703,843	30%	5%	6%
Investment in Subs	19,974	0%	20,362	0%	17,013	0%	-2%	17%
Property, Plant & Equipment	3,586,364	24%	3,541,954	23%	3,406,149	22%	1%	5%
Intangibles	1,188,174	8%	1,220,027	8%	1,280,681	8%	-3%	-7%
Right of use	203,799	1%	-	0%	-	0%	n.m	n.m
TOTAL ASSETS	14,907,806	100%	15,399,850	100%	15,464,046	100%	-3%	-4%
CURRENT LIABILITIES	4,400,792	30%	5,034,004	33%	4,953,204	32%	-13%	-11%
Social and Labor Liabilities	374,793	3%	240,346	2%	330,444	2%	56%	13%
Suppliers	809,232	5%	842,957	5%	973,788	6%	-4%	-17%
Fiscal and Tax Liabilities	144,544	1%	88,183	1%	141,475	1%	64%	2%
Short Term Debt	1,486,659	10%	2,049,093	13%	1,988,080	13%	-27%	-25%
Dividends Payable	162,448	1%	165,441	1%	144,820	1%	-2%	12%
Advances from Clients	511,514	3%	655,242	4%	544,865	4%	-22%	-6%
Profit Sharring	117,287	1%	167,941	1%	107,363	1%	-30%	9%
Derivatives	1,785	0%	12,070	0%	32,693	0%	-85%	-95%
Leasing	48,220	0%	-	0%	-	0%	n.m	n.m
Other Short Term Liabilities	744,310	5%	812,731	5%	689,676	4%	-8%	8%
LONG TERM LIABILITIES	2,338,568	16%	2,512,589	16%	2,965,058	19%	-7%	-21%
Long Term Debt	1,424,176	10%	1,723,021	11%	2,169,171	14%	-17%	-34%
Other Long Term Liabilities	141,828	1%	155,394	1%	156,633	1%	-9%	-9%
Leasing	153,613	1%	-	0%	-	0%	n.m	n.m
Deferred Taxes	76,751	1%	86,537	1%	97,613	1%	-11%	-21%
Contingencies Provisions	542,200	4%	547,637	4%	541,641	4%	-1%	0%
MINORITIES	150,546	1%	138,983	1%	140,218	1%	8%	7%
STOCKHOLDERS' EQUITY	8,017,900	54%	7,714,274	50%	7,405,566	48%	4%	8%
TOTAL LIABILITIES	14,907,806	100%	15,399,850	100%	15,464,046	100%	-3%	-4%

Anexo IV
Consolidated Cash Flow Statement
Figures in R\$ Thousands

	6 Months	6 Months
	2019	2018
OPERATING ACTIVITIES		
Net Earnings before Taxes	764,806	716,472
Depreciation and Amortization	193,536	150,217
Equity accounting	(2,839)	(293)
Provisions:	85,692	145,796
Changes in Assets & Liabilities	(634,231)	(455,376)
(Increase) / Reduction of Accounts Receivable	(149,474)	(220,803)
Increase / (Reduction) of Accounts Payable	(115,456)	266,335
(Increase) / Reduction of Inventories	(147,203)	(292,414)
Income Tax and Social Contribution on Net Earnings	(57,390)	(78,248)
Profit Sharing Paid	(164,708)	(130,246)
Cash Flow from Operating Activities	406,964	556,816
INVESTMENT ACTIVITIES		
Fixed Assets	(198,840)	(139,397)
Intangible Assets	(10,983)	(14,984)
Aquisition of Subsidiaries	-	(128,567)
Cash Acquired from Subsidiaries	-	12,432
Financial investments held to maturity	(67,617)	(127,439)
Rescue of financial investments	490,802	71,721
Write-off of fixed assets	12,957	5,307
Cash Flow From Investment Activities	226,319	(320,927)
FINANCING ACTIVITIES		
Working Capital Financing	884,150	654,271
Long Term Financing	(1,528,236)	(983,109)
Interest paid on loans and financing	(15,528)	(106,596)
Treasury Shares	2,762	1,309
Dividends & Interest on Stockholders Equity Paid	(335,862)	(290,048)
Cash Flow From Financing Activities	(992,714)	(724,173)
Changes in Cash and Equivalents caused by FX Changes	(2,401)	29,370
Change in Cash Position	(361,832)	(458,914)
Cash & Cash Equivalents		
Beginning of Period	2,205,700	3,162,685
End of Period	1,843,868	2,703,771