



2Q19 RESULTS

**CONSISTENT MARGIN IMPROVEMENT
AND GROWING RETURN ON INVESTED CAPITAL**



DISCLAIMER

This is a support document for the WEG S.A. 2019 second 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

2Q19

Net Revenue

R\$ 3.3 bi


+7.5% 

ROIC

18.4% 

EBITDA

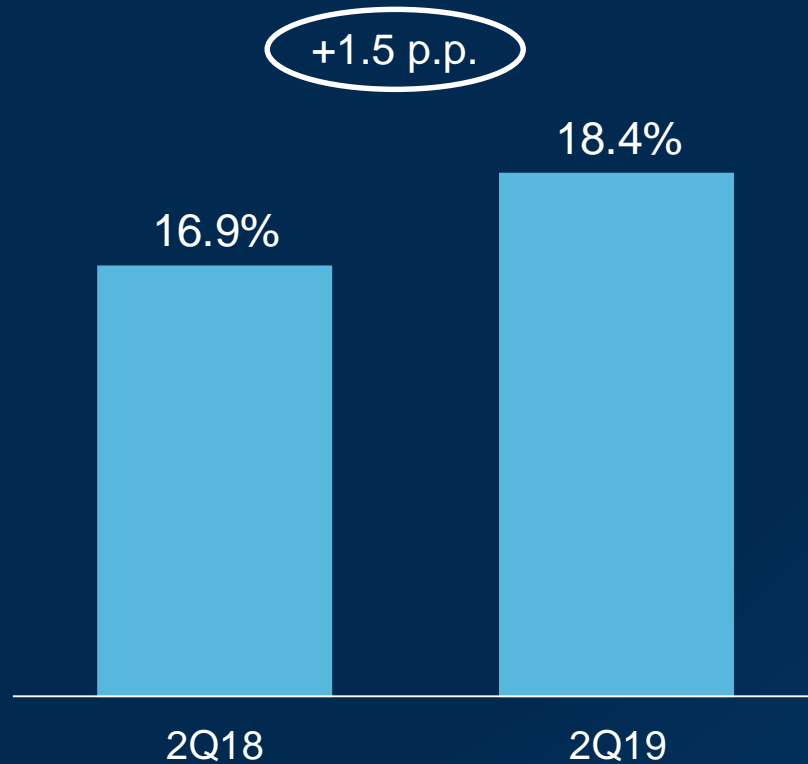
R\$ 537 mi

+15.4%  0000

EBITDA margin

16.3% 

RETURN ON INVESTED CAPITAL (ROIC)

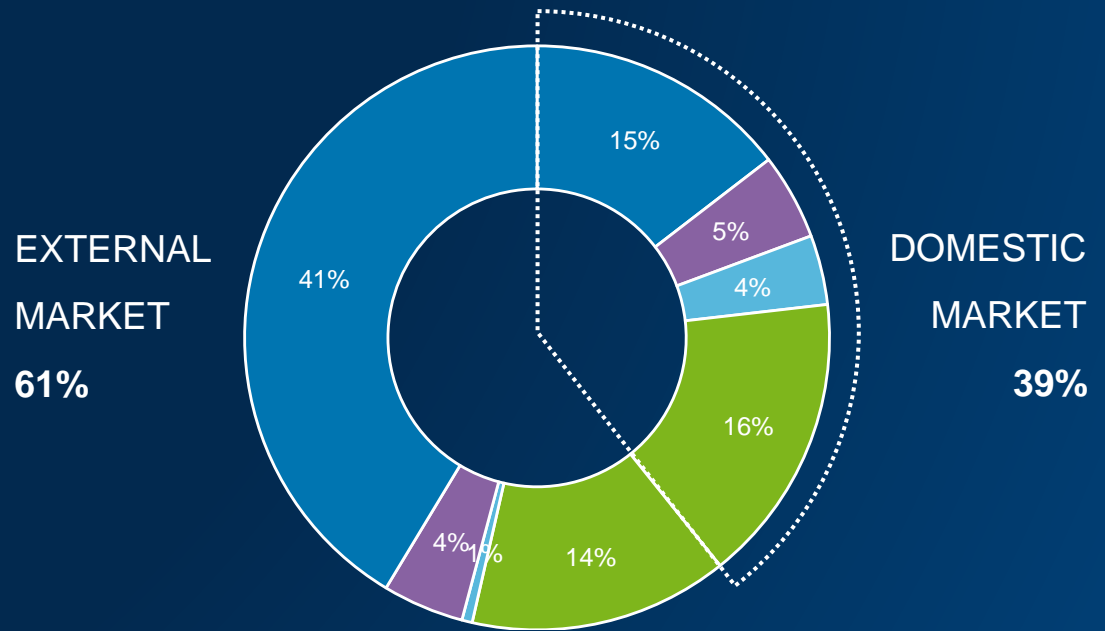


**Net Operating Profit
After Taxes**  +24.4%

Invested Capital  +14.4%

BUSINESS AREA PERFORMANCE

2Q19

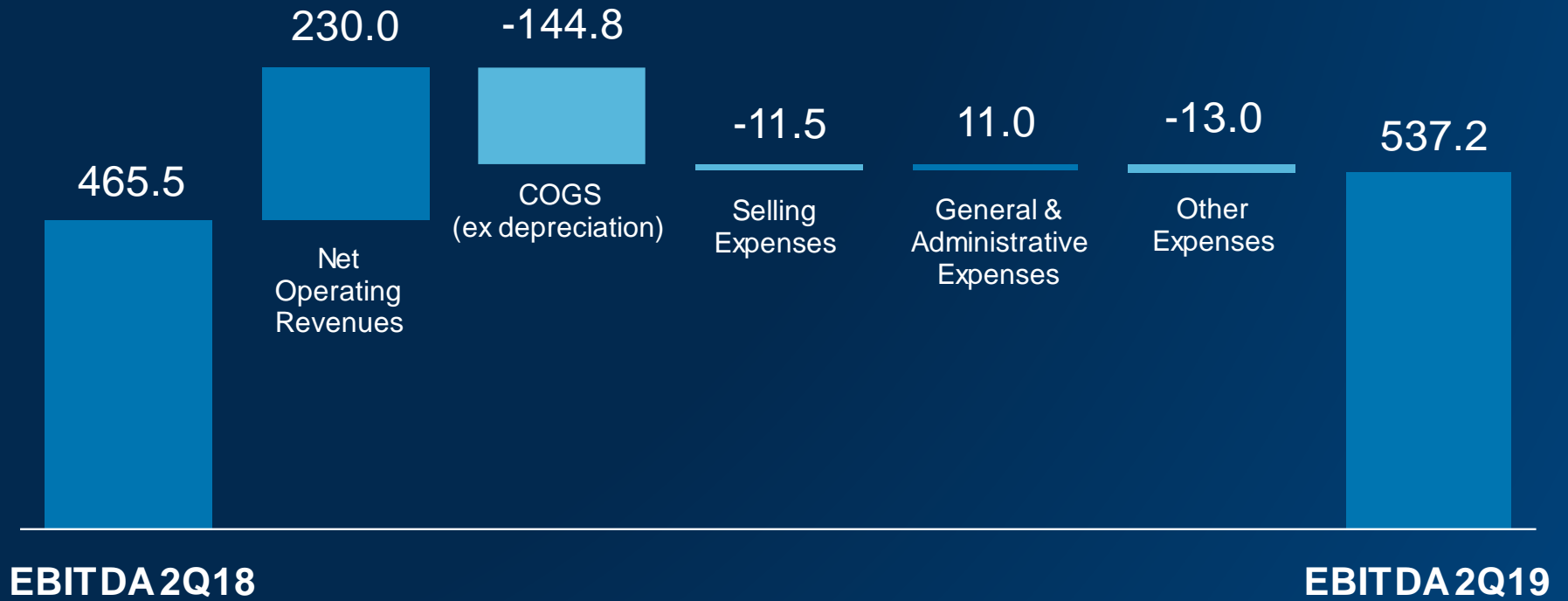


$\Delta\%$ 2Q19 / 2Q18	 Industrial Electro-Electronic Equipment	 Energy Generation, Transmission and Distribution (GTD)	 Motors for domestic use	 Paints and Varnishes
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Net Revenue	+10%	0%	+12%	+22%
Domestic Market	+3%	-17%	+36%	+25%
External Market	+13%	+32%	-6%	+7%

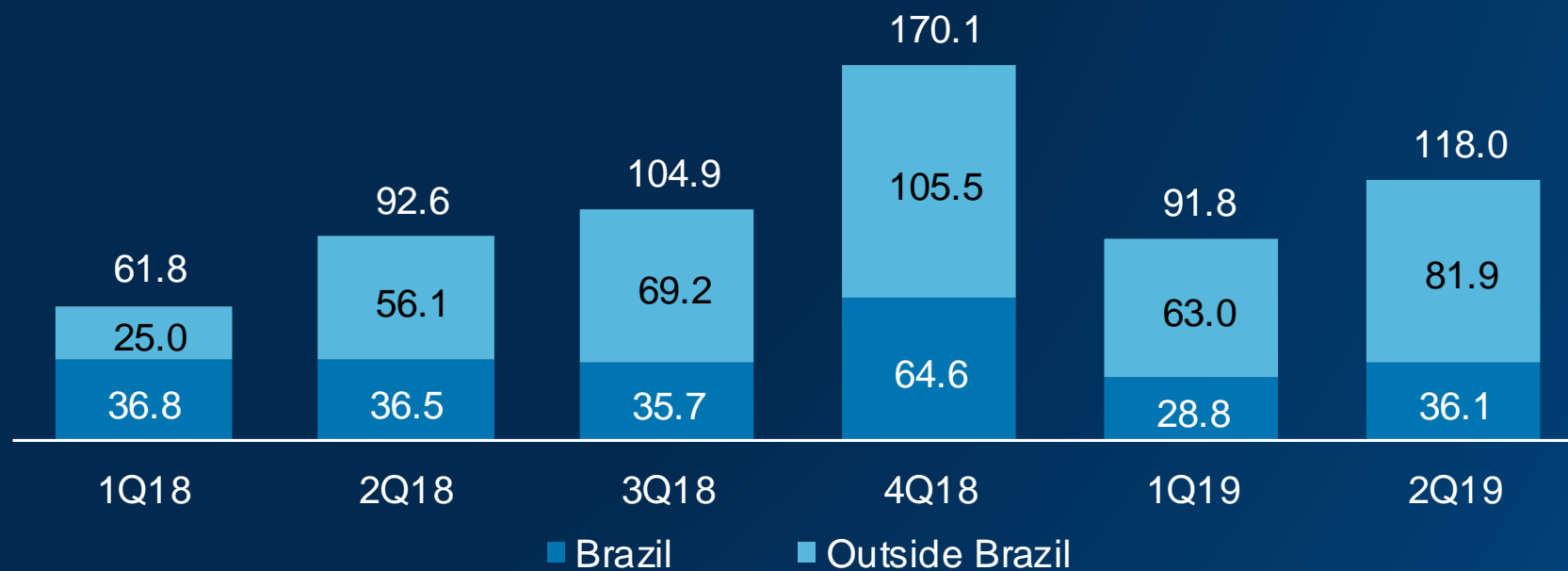
EBITDA

In R\$ million



CAPEX

In R\$ million





Recent Achievements

- External market new contracts: Refinery in Oman and Arkema in Europe
- Announcement of a New Digital Business Structure
- Scientific and Technological Cooperation Agreement with Embraer to enable electric propulsion in aircrafts



Outlook 2019

- Slowdown in revenue growth due to lower wind projects backlog
- Improvement in EBITDA margin supported by mature businesses in Brazil and overseas operations
- Another year of favorable ROIC performance

CONTACTS

IR WEG



Paulo Polezi

Finance and Investor
Relations Officer

+55 (47) 3276-6355
ppolezi@weg.net



André Salgueiro

Investor Relations Manager

+55 (47) 3276-6367
amsalgueiro@weg.net



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