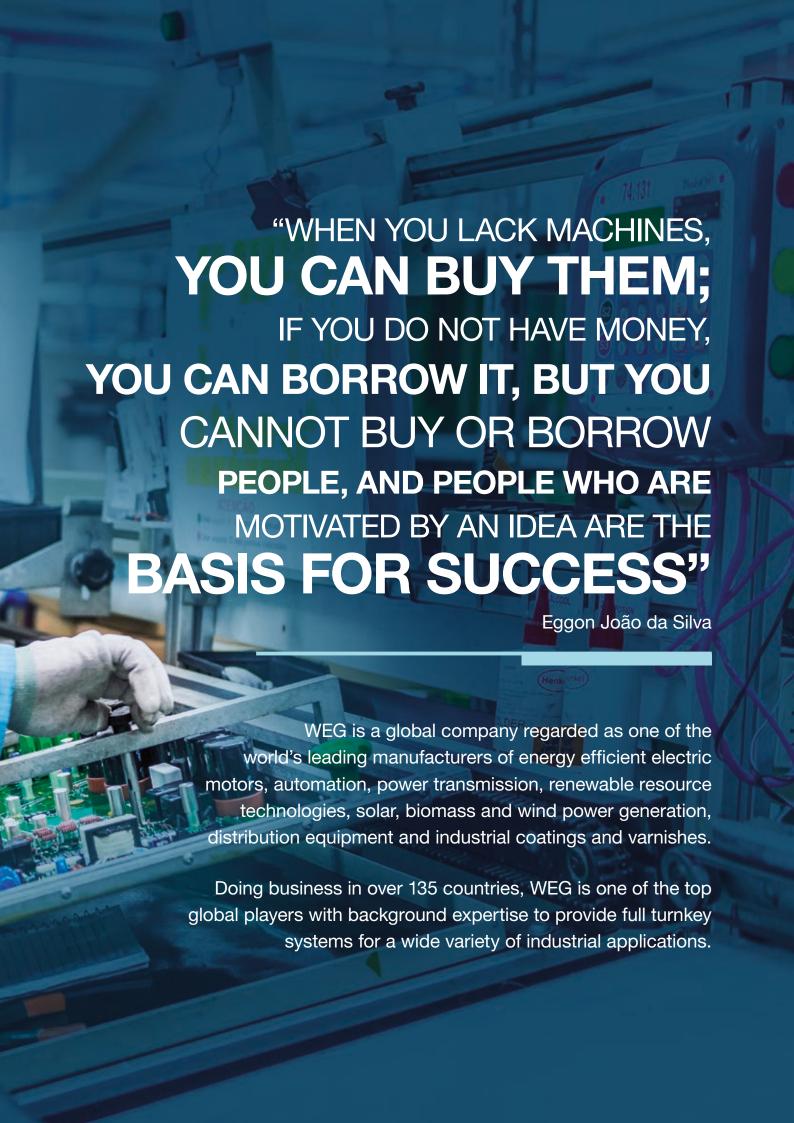


# **COMPANY**PROFILE

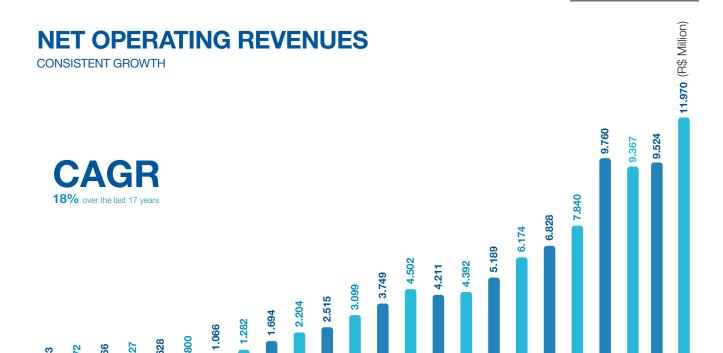








## WEG in Numbers





1996 1997

1995

Largest manufacturing site for LV electric motors in the world with

+1million m<sup>2</sup>

460 product lines

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

43.7

% of the revenues came from products released in the last 5 years



1998 1999

Over 400 Service Centers around the world



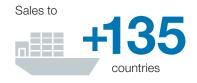




% of the net operating revenues are invested in R&D

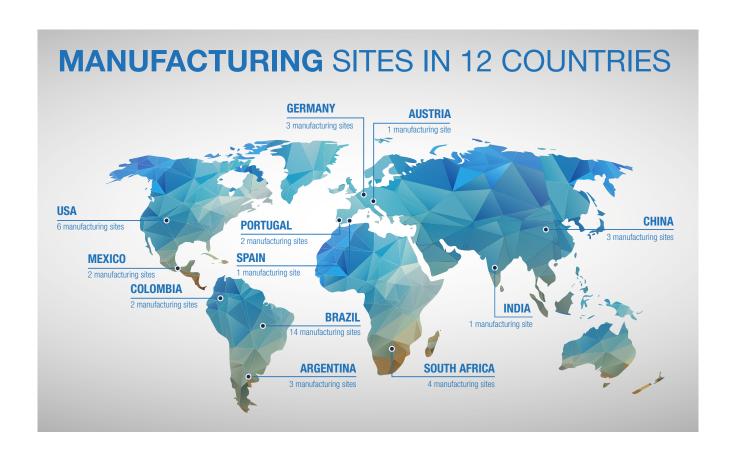


manufacturing sites in 12 countries in the 4 continents





### WEG Global Presence



### **COMMERCIAL OPERATIONS IN 34 COUNTRIES**

Argentina	■ China	Ghana	Netherlands	Singapore	UK
Australia	Colombia	India	Norway	South Africa	Ukraine
Austria	Denmark	Italy	■ Peru	South Korea	USA
Belgium	Ecuador	Japan	Portugal	Spain	Venezuela
■ Brazil	France	Malaysia	Russia	Thailand	
Chile	■ Germany	Mexico	Sweden	United Arab Emirates	

Note: Distributors/agents in 120 countries.

### WEG GROUP AFFILIATED COMPANIES



























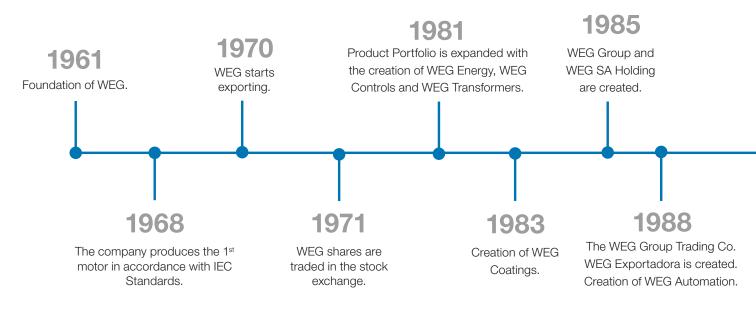


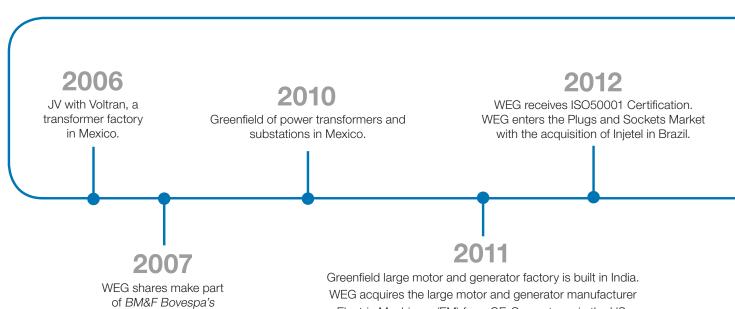




# Company Milestones







Electric Machinery (EM) from GE-Converteam in the US.

Watt Drive, a gearbox factory is acquired in Austria. WEG enters the Critical Power Market in Brazil.

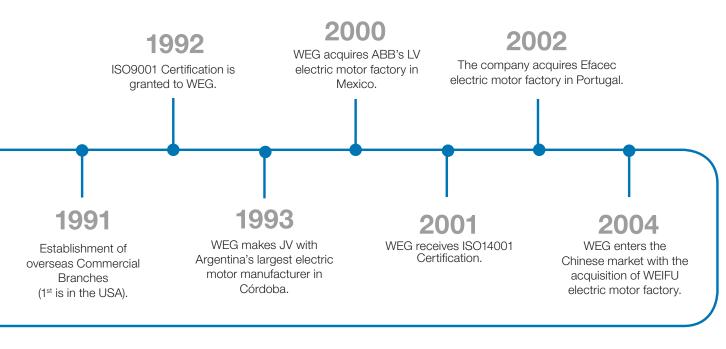
Novo Mercado listing.



WEG initially started to produce electric motors and in the 80's the company expanded its business activities with the manufacture of electric and eletronic components, industrial automation technologies, power and distribution transformes, liquid and powder coatings and insulating varnishes. Recently the company entered the wind power, solar and mobility business sectors, allowing the company consolidation not only as a manufacturer of electric motors, but also as a supplier of complete industrial systems.



The track record of the organization, built-up by Werner, Eggon and Geraldo, is marked by success. The set of values, beliefs and ideals supported by the founders is deeply rooted in the organization and establishes the winner paths the company has followed along its history.



### 2014

WEG acquires Württembergische Elektromotoren GmbH. a special motor and gearbox factory in Germany. Chinese business are expanded with the acquisition of SINYA and CMM Group. WEG is appointed as member of Dow Jones Sustainability Indices (DJSI). WEG acquires FTC, an electric panel company in Colombia. High speed motor factory AKH is acquired in Germany.

### 2016

WEG acquires Bluffton Motor Works, LCC., an electric motor factory in the USA. WEG greenfield manufacturing site in Rugao, China.

JV with Northen Power Systems for Wind Power Generation in Brazil.

TSS transformer factory in South Africa. Electric panel factory Autrial S.L. in Spain. Suntec - Colombian Transformer Manufacturer are acquired.

Acquires the brazilian turbines manufacturer TGM and the US tranformers business of CG Power USA Inc.



### Mission

### Vision



Continuous and sustainable growth while maintaining simplicity.



To be a global reference for electric machines and with a wide range of products, providing efficient and complete solutions.

### **WEG Policies**



#### **QUALITY**

Provide products and services with true quality, that is, meet the needs of our customers at the lowest possible cost.



#### **ENERGY CONSERVATION**

Ensure the development, production and trade of products and services with greater effciency and continuous improvement of our business processes, meeting legal requirements and allowing reduction of energy consumption.

#### **ENVIRONMENT**



Ensure the lowest environmental impact of its products and production processes, focusing on:

- Compliance with applicable environmental legislation;
- Continuous improvement by establishing environmental goals and objectives;
- Operation in a preventive way, aiming at protecting the environment;
- Development of eco-effcient processes and products, while preserving the natural resources.

#### **HEALTH AND SAFETY**

Value the health and safety of people while performing their activities, products and services, and it is committed to:



- Adopting preventive approaches in all hierarchical levels;
- Identifying, eliminating and/or minimizing signifcant risks to the health and safety of its employees, contractors and the public in general;
- Identifying and complying with legal requirements applicable to occupational health and safety related to its processes, products and services;
- Setting objectives and goals, aiming at continuously improving the performance of the management system.

### **SOCIAL RESPONSIBILITY**

Conduct the business for continuous and sustainable growth, valuing and respecting stakeholders, maintaining transparency and ethics in the relationships and committing itself to:

- Complying with labor and tax legislation, applicable to all company activities and the place where it operates;
- Ensuring the eradication of child labor and forced or compulsory labor in all company activities;
- Ensuring fight against sexual abuse of children and adolescents in all company activities;
- Not hiring people under 18, except upon apprenticesship program;
- Encouraging and providing conditions for the development of employees, aiming at improving competences and personal and professional growth;
- Valuing diversity and multicultural initiatives protecting from any act of discrimination by race, gender, sexual orientation, physical condition, religion, age, social class, political party and nationality;
- Rejecting any practices of moral and sexual harassment in work place that compromise the person's integrity;
- Respecting the right of employees to join trade unions, negotiate collectively and ensure no retaliations in the work place;
- Supporting the communities which directly interact with WEG, strengthening economic and social development;
- Code of Ethics.



# Corporate Governance

The implementation of Corporate Governance practices reflects the example set by WEG founders and the respect for the partners who have joined the company along its history. The company is committed and engaged to promoting the same principles of transparency, fairness and accountability to shareholders and other stakeholders.

# Stepping Forwards on Sustainability

Aware that renewable sources of energy will cover a much larger share of the global energy demands WEG has been doing major efforts to meet world's sustainability requirements. The outlines of a sustainable energy system are already becoming apparent at WEG since the company set itself ambitious goals for a clean energy supply from renewable resources and high efficiency electric products.

To make this possible, WEG keeps encouraging major technological advances and innovations onto its business strategy with the design, manufacturing and provision of energy efficient and eco-friendly solutions for a sustainable planet.









# Management System Certifications



**ISO** 9001

ISO 14001

**ISO** TS 16949



# Business



### **ELECTRIC MOTORS & GEARBOXES**

Complete line of electric motors and gearboxes meeting and exceeding efficiency levels. Main products: Low and high voltage induction motors, Synchronous motors. DC motors and Gearboxes.

### **AUTOMATION TECHNOLOGIES**

Complete range of low voltage and medium voltage electric & electronic products and systems enhancing productivity. Manufacturing of automation solutions to meet the demand of several industrial and building segments such as Drives, Controls, Electrical panels, Automation systems, Machine safety, Building technologies, etc.

### **TRANSMISSION AND DISTRIBUTION**

Supply of solutions for Substations, Power and Distribution Transformers, Dry Transformes and Power Reactors.







WEG is regarded as one of the world's largest manufacturers of commercial and industrial electric motors, gearboxes, automation technologies, control and protection systems, power generation equipment and industrial coatings and varnishes. Besides the already-estabilished global network of manufacturing sites, commercial branches, distributors and service centers, the acquisition of new brands and joint ventures established along the years have expanded the product and service portfolio and made the company business even more solid and competitive.



#### **POWER GENERATION**

Manufacturing of large Machines such as Turbo, Hydro and Wind Generators, Alternators and Hydro and Steam Turbines which integrate the key industrial projects around the world.

### INDUSTRIAL COATINGS AND VARNISHES

Prodution of industrial liquid and powder coatings and insulating varnishes for industrial, marine, anticorrosion and automotive applications.

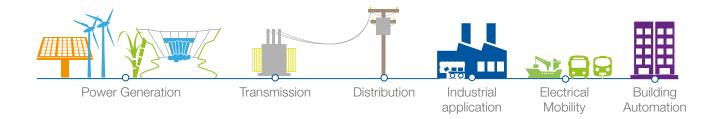






### End to End of the Wire

# The global solution in electric machines and automation technologies for the industry and energy systems



WEG's strategic vision is to provide complete and efficient solutions with a complete line of electrical machines, from the generation all the way to the consumption.

This means we intend to continue being a competitive supplier of electrical equipment for typical applications. For example, WEG is one the world's largest supplier of industrial electric motors used by OEM's in the manufacturing

of pumps, compressors, industrial fans, among others. We also can use this production competitiveness and flexibility and our broad product line to integrate those products into a complete solutions.

We can combine electric motors of several types and sizes with the drives and controls to build industry automation systems, or provide complete solutions for electricity generation from

renewable resources; even complete power substations for just about any use. Important to note that these systems basically consist of WEG manufactured products.

This integrated approach based on competitive manufacturing capabilities has been the basis of our market presence and the way we present ourselves to our customers and to the market.















# Clear Competitive Advantages

WEG has implemented along the years an unique business model that creates important and defensible competitive advantages

### **VERTICAL INTEGRATION**

Vertical integration allows production flexibility to competitively supply small batches of highly customized products that match with perfectly our customers needs. We do mass customization, not necessarily mass production.

### FINANCIAL STRENGH

Financial strengh allows WEG to pursue growth opportunities as they become available. These opportunities range from trivial, such as raw materials procurement at attractive conditions to strategic, such as acquisitions of new business.

### **GLOBAL PRESENCE**

The diversity of our product offering also allows us to expand internationally, leveraging the expertise we have developed into new markets and being a premium partner for our global customers.

#### **DIVERSIFICATION**

Our production flexibility allows us to target the markets (geographies, segments and products) to offer the best growth perspectives. It also allows us to target markets based on returns, not on our needs to occupy specialized production capacity.

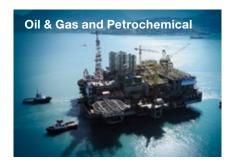
#### **MODULAR EXPANSION**

Our production system is also based on modular expansion, avoiding idle capacity build up, maximizing returns on capital and lowering demand risks.



# Main Segments Covered by WEG

From a stand alone motor for farming application to solutions that meet several segments of the industry, WEG is present there providing complete and integrated systems.































# Corporate Profile

Company Name	WEG S.A.		
Date of Establishment	September 16, 1961		
Headquarters	Av. Prefeito Waldemar Grubba, 3000 Jaraguá do Sul / SC, Brazil Phone +55 47 3276 4000 www.weg.net		
Yearly Turnover	R\$ 11,970 million		
Number of Employees	Over 31,000		
Business	Electric Motors & Gearboxes; Automation Technologies; Transmission and Distribution; Power Generation; Industrial Coatings and Varnishes.		
Manufacturing Sites	42 Manufacturing Sites in 12 Countries		
Subsidiaries	Commercial operations in 34 Countries		
Ticker	WEGE3 (B3) / WEGZY (OTC – ADR Level 1)		
Market Value	R\$ 36.8 billion (On Dec 28, 2018)		
Share Price	R\$ 17.54 (On Dec 28, 2018)		
Stock Information	Number of shares issued: 2,098,658,999 Number of shares in treasury: 1,494,283 Number of shares ex-treasury: 2,097,164,716		

### MESSAGE FROM THE PRESIDENT

WEG has consistently followed its investment plan in new business, new technologies, its international expansion, as well as in the development of people.

With 42 factories in 12 countries and more than 31,000 employees worldwide, we achieved net sales of R\$ 11.960 billion in 2018, of which approximately 3% were invested in research and innovation, R\$ 307.6 million. Similar values were also directed to employees through training, investments in education and benefits such as medical and dental care, pension plan, and profit sharing, among others.

As a global manufacturer of electrical and electronic equipment, WEG excels in innovation by constantly developing solutions to meet major trends in energy efficiency, renewable energy, electric mobility and industry 4.0.

We are each year conquering more presence in the world. Our climb has been recognized by both the capital market and by costumers and entities.

As for innovation, we are among the 1000 open share capital companies in the world that invest the most in innovation, and also the only one in Latin America related to Aon Hewit's Global Top Companies for Leaders. In the Capital Market, the company composes the Dow Jones Sustainability Emerging Markets Index and the MSCI Global Sustainability Index Series, the most important international acknowledgments of our performance.

We are grateful to our employees, as well as to WEG's customers, suppliers and shareholders for their trust in the company.

We will continue to identify opportunities and pursue our mission of continuous and sustainable growth while maintaining simplicity.



Harry Schmelzer Jr. President and CEO **WEG Group** 





WEG Group Jaraguá do Sul - SC - Brazil Phone: +55 47 3276 4000 info-br@weg.net www.weg.net