COMPANY
PROFILE


# "WHEN YOU LACK MACHINES, YOU CAN BUY THEM; IF YOU DO NOT HAVE MONEY, YOU GAN BORROW IT, BUT YOU CANNOT BUY OR BORROW PEOPLE, AND PEOPLE WHO ARE MOTIVATED BY AN IDEA ARE THE BASIS FOR SUCCESS" 

Eggon João da Silva

WEG is a global company regarded as one of the world's leading manufacturers of energy efficient electric motors, automation, power transmission, renewable resource technologies, solar, biomass and wind power generation, distribution equipment and industrial coatings and varnishes.

Doing business in over 135 countries, WEG is one of the top global players with background expertise to provide full turnkey systems for a wide variety of industrial applications.

## WEG in Numbers

NET OPERATING REVENUES
CONSISTENT GROWTH

## CAGR <br> $18 \%$ over the last 17 years

Largest manufacturing site for LV electric motors in the world with
+1 million m²
55
\% of the revenues came from products released in the last 5 years


Distributors in

hectares of reforestation, $\mathbf{5 0 \%}$ of renewable resources and $\mathbf{5 0 \%}$ of native forest


2.7
\% of the net
operating revenues are invested in R\&D

40manufacturing sites in 12 countries in the 5 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 |  |

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- Norway
- Peru
- Portugal
- Sweden
- UK
- Singapore
- Ukraine

South Korea

- Venezuela
- United Arab Emirates

Note: Distributors/agents in 120 countries.

## WEG GROUP AFFILIATED COMPANIES



PAUMAR
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WEG Group
EPulvernux
ZEST
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GIISGR AKM SUNTEC Weq CESTARI Hatit》》


## Company Milestones

1961
Foundation of WEG.


1968
The company produces the $1^{\text {st }}$ motor in accordance with IEC Standards.

1981
Product Portfolio is expanded with
the creation of WEG Energy, WEG
Controls and WEG Transformers.

## 1985

WEG Group and WEG SA Holding are created.


1983
Creation of WEG Coatings.

## 1988

The WEG Group Trading Co. WEG Exportadora is created. Creation of WEG Automation.

## 2007

WEG shares make part of BM\&F Bovespa's
Novo Mercado listing.

WEG shares are traded in the stock exchange.


Greenfield large motor and generator factory is built in India.
WEG acquires the large motor and generator manufacturer 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.

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.



## Mission



Continuous and sustainable growth while maintaining simplicity.

## Vision



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 50001


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.


## 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.

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.

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

## 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.

## 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 <br> Jaraguá do Sul / SC, Brazil <br> Phone +55 47 3276 4000 <br> www.weg.net |
| Yearly Turnover | R\$ 9.534 billion |
| Number os Employees | 30,000 |
| Business | Electric Motors \& Gearboxes; <br> Automation Technologies; <br> Transmission and Distribution; <br> Power Generation; <br> Industrial Coatings and Varnishes. |
| Manufacturing Sites | 40 Manufacturing Sites in 12 Countries |
| Subsidiaries | Commercial Branches in 29 Countries |
| Ticker | WEGE3 (BM\&FBovespa)/WEGZY (0TC - ADR Level 1) |
| Market Value | R\$ 38,9 bilhões (Dec 31, 2017) |
| Share Price | R\$ 18,55 (On Dec 30, 2017) |
| Stock Information | Number of shares issued: 1,614,353,076 <br> Number of shares in treasury: 1,310,021 <br> Number of shares ex-treasury: 1,613,043,055 |

## MESSAGE FROM THE PRESIDENT

Since its foundation, WEG has continuously focused its business strategy on innovative solutions. In fact, innovation is in our DNA, as we always keep up with market trends and anticipate opportunities to offer customers what is new and beneficial to them. This is why the company puts significant efforts on innovation and teamwork initiatives.
Our main goal is to grow the business in a sustainable way, expanding operational efficiency, delivering superior quality and highly efficient products for the benefit of our customers, while maintaining a high satisfaction rate from our stakeholders.

Despite the challenges that all industries have recently faced, WEG remains solid and shows positive results. Throughout the years, we have increasingly diversified our product portfolio, expanded our business and our global market share, and have been attractive to our


Harry Schmelzer Jr. President and CEO WEG Group customers, employees and stakeholders. Given our diversification of product lines and our global presence, we are certainly prepared and confident to secure business opportunities wherever they are.

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WEG Group

