

Contents

Company information

Composition of capital	1
Cash dividends	2

Individual financial statements

Balance sheet - Assets	3
Balance sheet - Liabilities and equity	4
Income statements	5
Statement of comprehensive income	6
Cash flow statement	7
Statement of changes in equity	
Statements of changes in equity - 01/01/2019 to 09/30/2019	8
Statements of changes in equity - 01/01/2018 to 09/30/2018	9
Statements of value added	10

Consolidated financial statements

Balance sheet - Assets	11
Balance sheet - Liabilities and equity	12
Income statement	13
Statement of comprehensive income	14
Cash flow statement	15
Statement of changes in equity	
Statements of changes in equity - 01/01/2019 to 09/30/2019	16
Statements of changes in equity - 01/01/2018 to 09/30/2018	17
Statements of value added	18
Comments on performance	19
Notes to financial statements	27

Opinions and Statements

Qualified Report on Review of Quarterly Information	53
Officers' Statement on the Quarterly Information	55
Officers' Statement on the Independent Auditor's Report	56

Company information/Composition of capital**Number for shares
(Units)****Current quarter
09/30/2019****Paid-in capital**

Common shares	2,098,658,999
Preferred shares	0
Total	2,098,658,999

Treasury shares

Common shares	1,144,023
Preferred shares	0
Total	1,144,023

Company information/Cash dividends

Event	Approval	Type	Date of payment	Type of share	Class of share	Amount per share - (Reais/share)
Board of Directors' Meeting	03/19/2019	Interest on capital	08/14/2019	Ordinary		0.03945
Board of Directors' Meeting	06/25/2019	Interest on capital	08/14/2019	Ordinary		0.03645
Board of Directors' Meeting	07/23/2019	Dividends	08/14/2019	Ordinary		0.08910
Board of Directors' Meeting	09/17/2019	Interest on capital	03/11/2020	Ordinary		0.03475

Individual Financial Statements/Balance Sheet - Assets

(R\$ in thousands)

Code	Description	09/30/2019	12/31/2018
1	Total assets	8,431,958	7,896,734
1.01	Current assets	1,220,934	1,347,044
1.01.01	Cash and cash equivalents	333,424	200,693
1.01.01.01	Cash and banks	4	8
1.01.01.02	Short-term investments	333,420	200,685
1.01.02	Short-term investments	798,339	978,627
1.01.06	Taxes recoverable	20,493	17,083
1.01.06.01	Current taxes recoverable	20,493	17,083
1.01.08	Other current assets	68,678	150,641
1.01.08.03	Others	68,678	150,641
1.01.08.03.02	Interest on capital	68,150	150,114
1.01.08.03.03	Others	528	527
1.02	Noncurrent assets	7,211,024	6,549,690
1.02.01	Long-term receivables	9,137	7,994
1.02.01.07	Deferred taxes	4,470	3,322
1.02.01.07.01	Deferred income tax and social contribution	4,470	3,322
1.02.01.09	Receivables from related parties	10	15
1.02.01.09.02	Receivables from subsidiaries	10	15
1.02.01.10	Other noncurrent assets	4,657	4,657
1.02.01.10.03	Judicial deposits	4,657	4,657
1.02.02	Investments	7,197,646	6,537,391
1.02.02.01	Equity interests	7,197,646	6,537,391
1.02.02.01.02	Interest in subsidiaries	7,197,646	6,537,391
1.02.03	Property, plant and equipment	4,241	4,305
1.02.03.01	Property, plant and equipment in operation	4,241	4,305

Individual Financial Statements/Balance Sheet - Liabilities and Equity

(R\$ in thousands)

Code	Description	09/30/2019	12/31/2018
2	Total liabilities	8,431,958	7,896,734
2.01	Current liabilities	99,244	177,730
2.01.01	Social and labor obligations	8,176	9,966
2.01.01.01	Social obligations	8,176	9,966
2.01.03	Tax obligations	12,869	181
2.01.03.01	Federal tax obligations	12,869	181
2.01.03.01.01	Income tax and social contribution payable	16	78
2.01.03.01.02	Other tax obligations	12,853	103
2.01.05	Other obligations	78,199	167,583
2.01.05.02	Others	78,199	167,583
2.01.05.02.01	Dividends and interest on capital payable	76,520	165,016
2.01.05.02.04	Others	1,679	2,567
2.02	Noncurrent liabilities	4,730	4,730
2.02.04	Provisions	4,730	4,730
2.03	Equity	8,327,984	7,714,274
2.03.01	Paid-in capital	5,504,517	5,504,517
2.03.02	Capital reserves	(103,207)	(87,102)
2.03.02.04	Options granted	11,367	9,615
2.03.02.05	Treasury shares	(11,684)	(15,261)
2.03.02.07	Premium on capital transaction	(102,890)	(81,456)
2.03.03	Revaluation reserves	3,630	3,630
2.03.04	Earnings reserves	959,255	1,133,122
2.03.04.01	Legal reserve	66,916	66,916
2.03.04.02	Statutory reserve	892,339	892,339
2.03.04.08	Additional dividend proposed	-	173,867
2.03.05	Retained earnings/accumulated losses	672,860	-
2.03.06	Carrying value adjustments	365,080	380,781
2.03.06.01	Deemed cost	365,080	380,781
2.03.08	Other comprehensive income	925,849	779,326
2.03.08.01	Derivative financial instruments	(14,122)	(18,657)
2.03.08.02	Cumulative translation adjustments	939,971	797,983

Individual Financial Statements/Income Statements

(R\$ in thousands)

Code	Description	Current year quarter 07/01/2019 to 09/30/2019	YTD current year 01/01/2019 to 09/30/2019	Prior year quarter 07/01/2018 to 09/30/2018	YTD prior year 01/01/2018 to 09/30/2018
3.04	Operating income/expenses	409,052	1,086,555	370,923	969,873
3.04.02	General and administrative expenses	(1,238)	(3,903)	(1,346)	(3,824)
3.04.02.01	Management fees	(679)	(2,037)	(642)	(1,893)
3.04.02.02	Other administrative expenses	(559)	(1,866)	(704)	(1,931)
3.04.05	Other operating expenses	(2,499)	(5,444)	(2,444)	(6,565)
3.04.06	Share of profit or loss of investees	412,789	1,095,902	374,713	980,262
3.05	Profit before finance income (costs) and taxes	409,052	1,086,555	370,923	969,873
3.06	Finance income (costs)	9,232	26,976	10,530	32,739
3.06.01	Finance income	9,459	27,530	10,617	32,988
3.06.02	Finance costs	(227)	(554)	(87)	(249)
3.07	Profit before taxes on income	418,284	1,113,531	381,453	1,002,612
3.08	Income tax and social contribution	(41)	563	(23)	427
3.08.01	Current	(431)	(586)	(210)	(418)
3.08.02	Deferred	390	1,149	187	845
3.09	Profit for the period from continuing operations	418,243	1,114,094	381,430	1,003,039
3.11	Profit/loss for the period	418,243	1,114,094	381,430	1,003,039
3.99	Earnings per share – (real/share)	-	-	-	-
3.99.01	Basic earnings per share	-	-	-	-
3.99.01.01	Common shares	0.19939	0.53116	0.18187	0.47828
3.99.02	Diluted earnings per share	-	-	-	-
3.99.02.01	Common shares	0.19928	0.53084	0.18177	0.47799

Individual Financial Statements/Statement of Comprehensive Income

(R\$ in thousands)

Code	Description	Current year quarter 07/01/2019 to 09/30/2019	YTD current year 01/01/2019 to 09/30/2019	Prior year quarter 07/01/2018 to 09/30/2018	YTD prior year 01/01/2018 to 09/30/2018
4.01	Profit for the period	418,243	1,114,094	381,430	1,003,039
4.02	Other comprehensive income	164,609	149,479	92,541	460,437
4.02.01	Cumulative translation adjustments	174,161	144,944	72,236	466,227
4.02.02	Hedge Accounting	(9,552)	4,535	20,305	(5,790)
4.03	Total comprehensive income for the period	582,852	1,263,573	473,971	1,463,476

Individual Financial Statements/Cash Flow Statement

(R\$ in thousands)

Code	Description	YTD current year 01/01/2019 to 09/30/2019	YTD prior year 01/01/2018 to 09/30/2018
6.01	Net cash from operating activities	(6,509)	(24,165)
6.01.01	Cash from operations	(11,435)	(897)
6.01.01.01	Profit before taxes	1,113,531	1,002,612
6.01.01.02	Depreciation and amortization	64	65
6.01.01.03	Share of profit or loss of investees	(1,095,902)	(980,262)
6.01.01.04	Stock option plan expenses	2,827	4,191
6.01.01.06	Income from financial investments	(31,955)	(27,503)
6.01.02	Changes in assets and liabilities	4,926	(23,268)
6.01.02.01	(Increase)/decrease in trade receivables	(3,594)	(33,544)
6.01.02.02	Increase/(decrease) in trade payables	9,168	10,742
6.01.02.03	Income tax and social contribution paid	(648)	(466)
6.02	Net cash from investing activities	816,542	1,477
6.02.01	Dividends and interest on capital received	604,299	529,270
6.02.04	Held-to-maturity financial investments	(326,919)	(562,574)
6.02.05	Income from financial investments	539,162	34,781
6.03	Net cash from investing activities	(677,302)	(602,017)
6.03.01	Dividends and interest on capital paid	(680,879)	(604,148)
6.03.02	Treasury shares	3,577	2,131
6.05	Increase (decrease) in cash and cash equivalents	132,731	(624,705)
6.05.01	Cash and cash equivalents at the beginning of the period	200,693	798,191
6.05.02	Cash and cash equivalents at the end of the period	333,424	173,486

Individual Financial Statements /Statements of Changes in Equity - 01/01/2019 to 09/30/2019

R\$ (in thousands)

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity
5.01	Opening balances	5,504,517	(83,472)	959,255	173,867	1,160,107	7,714,274
5.03	Adjusted opening balances	5,504,517	(83,472)	959,255	173,867	1,160,107	7,714,274
5.04	Capital transactions with shareholders	-	(16,105)	-	(460,828)	-	(476,933)
5.04.03	Options granted recognized	-	1,752	-	(905)	-	847
5.04.05	Treasury shares sold	-	6,852	-	-	-	6,852
5.04.06	Dividends	-	-	-	(186,888)	-	(186,888)
5.04.07	Interest on capital	-	-	-	(273,035)	-	(273,035)
5.04.08	Capital transactions	-	(24,709)	-	-	-	(24,709)
5.05	Total comprehensive income	-	-	-	1,132,751	130,822	1,263,573
5.05.01	Profit for the period	-	-	-	1,114,094	-	1,114,094
5.05.02	Other comprehensive income	-	-	-	18,657	130,822	149,479
5.05.02.04	Translation adjustments for the period	-	-	-	-	144,944	144,944
5.05.02.06	Hedge Accounting	-	-	-	-	4,535	4,535
5.05.02.07	Realization of deemed cost	-	-	-	18,657	(18,657)	-
5.06	Internal changes in equity	-	-	-	(172,930)	-	(172,930)
5.06.04	Payment of dividends	-	-	-	(173,867)	-	(173,867)
5.06.05	Expired dividends	-	-	-	937	-	937
5.07	Closing balances	5,504,517	(99,577)	959,255	672,860	1,290,929	8,327,984

Individual Financial Statements /Statements of Changes in Equity - 01/01/2018 to 09/30/2018

R\$ (in thousands)

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity
5.01	Opening balances	3,533,973	(88,367)	2,269,436	132,455	868,584	6,716,081
5.03	Adjusted opening balances	3,533,973	(88,367)	2,269,436	132,455	868,584	6,716,081
5.04	Capital transactions with shareholders	1,970,544	2,083	(1,970,544)	(422,567)	-	(420,484)
5.04.01	Capital increases	1,970,544	-	(1,970,544)	-	-	-
5.04.03	Options granted recognized	-	3,439	-	(579)	-	2,860
5.04.05	Treasury shares sold	-	3,748	-	-	-	3,748
5.04.06	Dividends	-	-	-	(172,788)	-	(172,788)
5.04.07	Interest on capital	-	-	-	(249,200)	-	(249,200)
5.04.08	Capital transactions	-	(5,104)	-	-	-	(5,104)
5.05	Total comprehensive income	-	-	-	1,017,575	445,901	1,463,476
5.05.01	Profit for the period	-	-	-	1,003,039	-	1,003,039
5.05.02	Other comprehensive income	-	-	-	14,536	445,901	460,437
5.05.02.04	Translation adjustments for the period	-	-	-	-	466,227	466,227
5.05.02.06	Hedge Accounting	-	-	-	-	(5,790)	(5,790)
5.05.02.07	Realization of deemed cost	-	-	-	14,536	(14,536)	-
5.06	Internal changes in equity	-	-	-	(131,619)	-	(131,619)
5.06.04	Payment of dividends	-	-	-	(132,455)	-	(132,455)
5.06.05	Expired dividends	-	-	-	836	-	836
5.07	Closing balances	5,504,517	(86,284)	298,892	595,844	1,314,485	7,627,454

Individual Financial Statements/ Statements of Value AddedR\$ (in
thousands)

Code	Description	YTD current year 01/01/2019 to 09/30/2019	YTD prior year 01/01/2018 to 09/30/2018
7.02	Inputs acquired from third parties	(3,636)	(4,889)
7.02.02	Materials, electric power, third-party services and others	(809)	(694)
7.02.03	Loss/recovery of assets	(2,827)	(4,195)
7.03	Gross value added	(3,636)	(4,889)
7.04	Retentions	(64)	(65)
7.04.01	Depreciation, amortization and depletion	(64)	(65)
7.05	Wealth created by the Company	(3,700)	(4,954)
7.06	Wealth received in transfer	1,123,432	1,013,250
7.06.01	Share of profit or loss of investees	1,095,902	980,262
7.06.02	Finance income	27,530	32,988
7.07	Wealth for distribution	1,119,732	1,008,296
7.08	Wealth distributed	1,119,732	1,008,296
7.08.01	Personnel	4,570	4,482
7.08.01.01	Salaries and wages	4,372	4,262
7.08.01.02	Benefits	152	136
7.08.01.03	Severance pay fund (FGTS)	46	84
7.08.02	Taxes, fees and contributions	515	526
7.08.02.01	Federal	515	526
7.08.03	Lenders and lessors	553	249
7.08.03.01	Interest	553	249
7.08.04	Lenders and lessors	1,114,094	1,003,039
7.08.04.01	Interest on capital	273,035	249,200
7.08.04.02	Dividend	186,888	172,788
7.08.04.03	Retained earnings / Loss for the period	654,171	581,051

Consolidated Financial Statements Balance Sheet – Assets

(R\$ in thousands)

Code	Description	09/30/2019	12/31/2018
1	Total assets	15,479,421	15,399,850
1.01	Current assets	9,649,841	9,438,581
1.01.01	Cash and cash equivalents	2,100,404	2,205,700
1.01.01.01	Cash and banks	328,972	286,783
1.01.01.02	Short-term investments	1,771,432	1,918,917
1.01.02	Short-term investments	1,335,683	1,324,188
1.01.03	Trade receivables	2,488,671	2,440,844
1.01.03.01	Customers	2,488,671	2,440,844
1.01.04	Inventories	2,901,751	2,458,410
1.01.06	Taxes recoverable	462,029	421,938
1.01.06.01	Current taxes recoverable	462,029	421,938
1.01.08	Other current assets	361,303	587,501
1.01.08.03	Others	361,303	587,501
1.01.08.03.01	Derivative financial instruments	62,967	223,774
1.01.08.03.02	Others	298,336	363,727
1.02	Noncurrent assets	5,829,580	5,961,269
1.02.01	Long-term receivables	653,154	1,178,926
1.02.01.01	Short-term investments at fair value through profit or loss	48,646	562,782
1.02.01.01.01	Securities designated at fair value	48,646	562,782
1.02.01.07	Deferred taxes	161,581	142,669
1.02.01.07.01	Deferred income tax and social contribution	161,581	142,669
1.02.01.10	Other noncurrent assets	442,927	473,475
1.02.01.10.03	Judicial deposits	65,712	58,368
1.02.01.10.04	Taxes recoverable	86,735	167,689
1.02.01.10.05	Derivative financial instruments	191,355	166,922
1.02.01.10.06	Others	99,125	80,496
1.02.02	Investments	19,644	20,362
1.02.02.01	Equity interests	19,644	20,362
1.02.02.01.01	Interests in associates	19,559	19,981
1.02.02.01.05	Other investments	85	381
1.02.03	Property, plant and equipment	3,927,953	3,541,954
1.02.03.01	Property, plant and equipment in operation	3,715,097	3,541,954
1.02.03.02	Right-of-Use Assets	212,856	-
1.02.04	Intangible assets	1,228,829	1,220,027
1.02.04.01	Intangible assets	185,260	225,160
1.02.04.01.02	Others	185,260	225,160
1.02.04.02	Goodwill	1,043,569	994,867

Consolidated Financial Statements Balance Sheet – Liabilities and Equity

(R\$ in thousands)

Code	Description	09/30/2019	12/31/2018
2	Total liabilities	15,479,421	15,399,850
2.01	Current liabilities	4,537,024	5,034,004
2.01.01	Social and labor obligations	423,003	240,346
2.01.01.01	Social obligations	423,003	240,346
2.01.02	Trade payables	797,051	842,957
2.01.03	Tax obligations	131,513	88,183
2.01.03.01	Federal tax obligations	131,513	88,183
2.01.03.01.01	Income tax and social contribution payable	27,593	24,968
2.01.03.01.02	Others	103,920	63,215
2.01.04	Borrowings and financing	1,456,417	2,049,093
2.01.04.01	Borrowings and financing	1,456,417	2,049,093
2.01.04.01.01	In local currency	169,830	175,475
2.01.04.01.02	In foreign currency	1,286,587	1,873,618
2.01.05	Other obligations	1,729,040	1,813,425
2.01.05.02	Others	1,729,040	1,813,425
2.01.05.02.01	and interest on capital payable	76,520	165,441
2.01.05.02.04	Advances from customers	645,819	655,242
2.01.05.02.05	Profit sharing	119,943	167,941
2.01.05.02.06	Derivative financial instruments	22,664	12,070
2.01.05.02.07	Leases	30,879	-
2.01.05.02.08	Payables - subsidiaries abroad	219,848	270,901
2.01.05.02.09	Provision for product warranties	158,049	155,532
2.01.05.02.10	Others	455,318	386,298
2.02	Noncurrent liabilities	2,452,116	2,512,589
2.02.01	Borrowings and financing	1,509,966	1,723,021
2.02.01.01	Borrowings and financing	1,509,966	1,723,021
2.02.01.01.01	In local currency	232,467	315,291
2.02.01.01.02	In foreign currency	1,277,499	1,407,730
2.02.02	Other obligations	310,979	155,394
2.02.02.02	Others	310,979	155,394
2.02.02.02.04	Derivative financial instruments	7,556	8,124
2.02.02.02.05	Leases	180,744	-
2.02.02.02.06	Others	122,679	147,270
2.02.03	Deferred taxes	71,038	86,537
2.02.03.01	Deferred income tax and social contribution	71,038	86,537
2.02.04	Provisions	560,133	547,637
2.03	Consolidated equity	8,490,281	7,853,257
2.03.01	Paid-in capital	5,504,517	5,504,517
2.03.02	Capital reserves	(103,207)	(87,102)
2.03.02.04	Options granted	11,367	9,615
2.03.02.05	Treasury shares	(11,684)	(15,261)
2.03.02.07	Premium on capital transaction	(102,890)	(81,456)
2.03.03	Revaluation reserves	3,630	3,630
2.03.04	Earnings reserves	959,255	1,133,122
2.03.04.01	Legal reserve	66,916	66,916
2.03.04.02	Statutory reserve	892,339	892,339
2.03.04.08	Additional dividend proposed	-	173,867
2.03.05	Retained earnings/accumulated losses	672,860	-
2.03.06	Carrying value adjustments	365,080	380,781
2.03.06.01	Deemed cost	365,080	380,781
2.03.08	Other comprehensive income	925,849	779,326
2.03.08.01	Derivative financial instruments	(14,122)	(18,657)
2.03.08.02	Cumulative translation adjustments	939,971	797,983
2.03.09	Noncontrolling interests	162,297	138,983

Consolidated Financial Statements/Income Statement

R\$ (in thousands)

Code	Description	Current year quarter 07/01/2019 to 09/30/2019	YTD current year 01/01/2019 to 09/30/2019	Prior year quarter 07/01/2018 to 09/30/2018	YTD prior year 01/01/2018 to 09/30/2018
3.01	Revenue from sale of products and/or services	3,349,604	9,568,588	3,237,309	8,845,433
3.02	Cost of sales and services	(2,344,433)	(6,760,544)	(2,288,304)	(6,293,846)
3.03	Gross profit	1,005,171	2,808,044	949,005	2,551,587
3.04	Operating income/expenses	(527,082)	(1,524,488)	(540,158)	(1,447,732)
3.04.01	Selling expenses	(309,062)	(896,136)	(312,897)	(839,623)
3.04.02	General and administrative expenses	(135,468)	(410,559)	(154,625)	(429,101)
3.04.02.01	Management fees	(6,630)	(19,899)	(6,402)	(18,873)
3.04.02.02	Other administrative expenses	(128,838)	(390,660)	(148,223)	(410,228)
3.04.04	Other operating income	4,473	14,974	3,940	16,716
3.04.05	Other operating expenses	(87,025)	(235,606)	(78,647)	(198,088)
3.04.06	Share of profit or loss of investees	-	2,839	2,071	2,364
3.05	Profit before finance income (costs) and taxes	478,089	1,283,556	408,847	1,103,855
3.06	Finance income (costs)	(15,508)	(56,169)	8,481	29,945
3.06.01	Finance income	219,642	757,684	233,424	612,573
3.06.02	Finance costs	(235,150)	(813,853)	(224,943)	(582,628)
3.07	Profit before taxes on income	462,581	1,227,387	417,328	1,133,800
3.08	Income tax and social contribution	(38,041)	(99,380)	(37,216)	(126,504)
3.08.01	Current	(45,360)	(126,298)	(59,705)	(159,403)
3.08.02	Deferred	7,319	26,918	22,489	32,899
3.09	Profit for the period from continuing operations	424,540	1,128,007	380,112	1,007,296
3.11	Consolidated profit/loss for the period	424,540	1,128,007	380,112	1,007,296
3.11.01	Attributable to owners of the Company	418,243	1,114,094	381,430	1,003,039
3.11.02	Attributable to noncontrolling interests	6,297	13,913	(1,318)	4,257
3.99	Earnings per share – (real/share)				
3.99.01.01	Common shares	0.19939	0.53116	0.18187	0.47828
3.99.02	Diluted earnings per share	-	-	-	-
3.99.02.01	Common shares	0.19928	0.53084	0.18177	0.47799

Consolidated Financial Statements/Statement of Comprehensive Income

R\$ (in thousands)

Code	Description	Current year quarter 07/01/2019 to 09/30/2019	YTD current year 01/01/2019 to 09/30/2019	Prior year quarter 07/01/2018 to 09/30/2018	YTD prior year 01/01/2018 to 09/30/2018
4.01	Consolidated profit for the period	424,540	1,128,007	380,112	1,007,296
4.02	Other comprehensive income	168,659	152,273	94,200	471,451
4.02.01	Cumulative translation adjustments	178,211	147,738	73,895	477,241
4.02.02	Hedge Accounting	(9,552)	4,535	20,305	(5,790)
4.03	Consolidated comprehensive income for the period	593,199	1,280,280	474,312	1,478,747
4.03.01	Attributable to owners of the Company	582,852	1,263,573	473,971	1,463,476
4.03.02	Attributable to noncontrolling interests	10,347	16,707	341	15,271

Consolidated Financial Statements/Cash Flow Statement

R\$ (in thousands)			
Code	Description	YTD current year 01/01/2019 to 09/30/2019	YTD prior year 01/01/2018 to 09/30/2018
6.01	Net cash from operating activities	1,075,480	758,713
6.01.01	Cash from operations	1,706,773	1,565,653
6.01.01.01	Profit before taxes	1,227,387	1,133,800
6.01.01.02	Depreciation, amortization and depletion	294,520	230,392
6.01.01.03	Employee profit sharing	188,626	162,898
6.01.01.04	Stock option plan expenses	5,316	4,329
6.01.01.05	Provision for credit risk	5,251	5,834
6.01.01.06	Provision for tax, civil and labor liabilities	12,496	51,375
6.01.01.07	Provision for inventory losses	3,872	22,328
6.01.01.08	Provision for product warranty	2,517	29,468
6.01.01.09	Loss on disposal of property, plant and equipment and intangible assets	7,785	8,532
6.01.01.10	Accrued interest on borrowings	46,513	70,704
6.01.01.11	Share of profit (loss) of subsidiaries	(2,839)	(2,364)
6.01.01.12	Income from financial investments	(84,671)	(151,643)
6.01.02	Changes in assets and liabilities	(631,293)	(806,940)
6.01.02.01	(Increase)/decrease in trade receivables	96,060	(282,344)
6.01.02.02	Increase/(decrease) in trade payables	26,296	256,179
6.01.02.03	(Increase)/decrease in inventories	(394,769)	(458,108)
6.01.02.04	Income tax and social contribution paid	(123,674)	(129,734)
6.01.02.05	Employee profit sharing paid	(235,206)	(192,933)
6.02	Net cash from investing activities	258,570	(1,554,478)
6.02.01	Property, plant and equipment	(325,797)	(240,334)
6.02.02	Intangible assets	(18,237)	(18,985)
6.02.03	Proceeds from the sale of property, plant and equipment and intangible assets	15,292	8,079
6.02.07	Business acquisition - business combination net of cash	-	(128,567)
6.02.08	Cash acquired in a business combination	-	12,432
6.02.09	Redemption of short-term investments	(505,551)	(1,324,669)
6.02.10	Income from financial investments	1,092,863	137,566
6.03	Net cash from financing activities	(1,447,637)	(583,044)
6.03.01	Proceeds from borrowings and financing	1,192,356	1,194,083
6.03.02	Repayment of borrowings and financing	(1,904,770)	(1,111,749)
6.03.03	Interest paid on borrowings and financing	(57,496)	(63,201)
6.03.04	Treasury shares	3,577	2,131
6.03.05	and interest on capital paid	(681,304)	(604,308)
6.04	Exchange rate changes on cash and cash equivalents	8,291	34,849
6.05	Increase (decrease) in cash and cash equivalents	(105,296)	(1,343,960)
6.05.01	Cash and cash equivalents at the beginning of the period	2,205,700	3,162,685
6.05.02	Cash and cash equivalents at the end of the period	2,100,404	1,818,725

Consolidated Financial Statements/Statements of Changes in Equity - 01/01/2019 to 09/30/2019

R\$ (in thousands)

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity	Noncontrolling interests	Consolidated equity
5.01	Opening balances	5,504,517	(83,472)	959,255	173,867	1,160,107	7,714,274	138,983	7,853,257
5.03	Adjusted opening balances	5,504,517	(83,472)	959,255	173,867	1,160,107	7,714,274	138,983	7,853,257
5.04	Capital transactions with shareholders	-	(16,105)	-	(460,828)	-	(476,933)	6,607	(470,326)
5.04.03	Options granted recognized	-	1,752	-	(905)	-	847	-	847
5.04.05	Treasury shares sold	-	6,852	-	-	-	6,852	-	6,852
5.04.06	Dividends	-	-	-	(186,888)	-	(186,888)	-	(186,888)
5.04.07	Interest on capital	-	-	-	(273,035)	-	(273,035)	-	(273,035)
5.04.08	Interest on capital	-	(24,709)	-	-	-	(24,709)	6,607	(18,102)
5.05	Total comprehensive income	-	-	-	1,132,751	130,822	1,263,573	16,707	1,280,280
5.05.01	Profit for the period	-	-	-	1,114,094	-	1,114,094	13,913	1,128,007
5.05.02	Other comprehensive income	-	-	-	18,657	130,822	149,479	2,794	152,273
5.05.02.04	Translation adjustments for the period	-	-	-	-	144,944	144,944	2,794	147,738
5.05.02.06	Hedge accounting - Cash flow hedge, net of taxes	-	-	-	-	4,535	4,535	-	4,535
5.05.02.07	Realization of deemed cost	-	-	-	18,657	(18,657)	-	-	-
5.06	Internal changes in equity	-	-	-	(172,930)	-	(172,930)	-	(172,930)
5.06.04	Payment of	-	-	-	(173,867)	-	(173,867)	-	(173,867)
5.06.05	Expired dividends	-	-	-	937	-	937	-	937
5.07	Closing balances	5,504,517	(99,577)	959,255	672,860	1,290,929	8,327,984	162,297	8,490,281

Consolidated Financial Statements/Statements of Changes in Equity - 01/01/2018 to 09/30/2018

R\$ (in thousands)

Code	Description	Paid-in capital	Capital reserves, options granted and treasury shares	Earnings reserves	Retained earnings or accumulated losses	Other comprehensive income	Equity	Noncontrolling interests	Consolidated equity
5.01	Opening balances	3,533,973	(88,367)	2,269,436	132,455	868,584	6,716,081	122,381	6,838,462
5.03	Adjusted opening balances	3,533,973	(88,367)	2,269,436	132,455	868,584	6,716,081	122,381	6,838,462
5.04	Capital transactions with shareholders	1,970,544	2,083	(1,970,544)	(422,567)	-	(420,484)	7,013	(413,471)
5.04.01	Capital increase	1,970,544	-	(1,970,544)	-	-	-	-	-
5.04.03	Options granted recognized	-	3,439	-	(579)	-	2,860	-	2,860
5.04.05	Treasury shares sold	-	3,748	-	-	-	3,748	-	3,748
5.04.06	Dividends	-	-	-	(172,788)	-	(172,788)	-	(172,788)
5.04.07	Interest on capital	-	-	-	(249,200)	-	(249,200)	-	(249,200)
5.04.08	Capital transactions	-	(5,104)	-	-	-	(5,104)	7,013	1,909
5.05	Total comprehensive income	-	-	-	1,017,575	445,901	1,463,476	15,271	1,478,747
5.05.01	Profit for the period	-	-	-	1,003,039	-	1,003,039	4,257	1,007,296
5.05.02	Other comprehensive income	-	-	-	14,536	445,901	460,437	11,014	471,451
5.05.02.04	Translation adjustments for the period	-	-	-	-	466,227	466,227	11,014	477,241
5.05.02.06	Hedge Accounting	-	-	-	-	(5,790)	(5,790)	-	(5,790)
5.05.02.07	Realization of deemed cost	-	-	-	14,536	(14,536)	-	-	-
5.06	Internal changes in equity	-	-	-	(131,619)	-	(131,619)	-	(131,619)
5.06.04	Payment of dividends	-	-	-	(132,455)	-	(132,455)	-	(132,455)
5.06.05	Expired dividends	-	-	-	836	-	836	-	836
5.07	Closing balances	5,504,517	(86,284)	298,892	595,844	1,314,485	7,627,454	144,665	7,772,119

Consolidated Financial Statements/Statements of Value Added

R\$ (in thousands)

Code	Description	YTD current year 01/01/2019 to 09/30/2019	YTD prior year 01/01/2018 to 09/30/2018
7.01	Revenues	10,701,324	9,891,350
7.01.01	Sales of goods, products and services	10,672,759	9,868,626
7.01.02	Other revenues	33,816	28,558
7.01.04	Allowance for / Reversal of allowance for doubtful debts	(5,251)	(5,834)
7.02	Inputs acquired from third parties	(5,784,143)	(5,602,791)
7.02.02	Materials, electric power, third-party services and others	(5,744,455)	(5,576,344)
7.02.04	Others	(39,688)	(26,447)
7.03	Gross value added	4,917,181	4,288,559
7.04	Retentions	(294,520)	(230,392)
7.04.01	Depreciation, amortization and depletion	(294,520)	(230,392)
7.05	Wealth created by the Company	4,622,661	4,058,167
7.06	Wealth received in transfer	760,523	614,937
7.06.01	Share of profit or loss of investees	2,839	2,364
7.06.02	Finance income	757,684	612,573
7.07	Wealth for distribution	5,383,184	4,673,104
7.08	Wealth distributed	5,383,184	4,673,104
7.08.01	Personnel	2,333,878	1,959,813
7.08.01.01	Salaries and wages	1,963,029	1,682,895
7.08.01.02	Benefits	299,791	207,562
7.08.01.03	Severance pay fund (FGTS)	71,058	69,356
7.08.02	Taxes, fees and contributions	1,101,447	1,089,396
7.08.02.01	Federal	983,569	982,482
7.08.02.02	State	108,039	96,164
7.08.02.03	Municipal	9,839	10,750
7.08.03	Lenders and lessors	819,852	616,599
7.08.03.01	Interest	811,542	579,822
7.08.03.02	Rentals	8,310	36,777
7.08.04	Lenders and lessors	1,128,007	1,007,296
7.08.04.01	Interest on capital	273,035	249,200
7.08.04.02	Dividends	186,888	172,788
7.08.04.03	Retained earnings / Loss for the period	654,171	581,051
7.08.04.04	Noncontrolling interests	13,913	4,257

Comments on performance

IMPROVED MARGINS AND RETURN ON INVESTED CAPITAL

- Net Operating Revenues were R\$ 3,349.6 million in 3Q19, 3.5% higher than 3Q18 and 1.9% higher than 2Q19.
- EBITDA reached R\$ 579.1 million, 18.4% higher than 3Q18 and 7.8% higher than 2Q19, while EBITDA margin was 17.3%, 2.2 p.p. higher than 3Q18 and 1.0 p.p. higher compared with to the previous quarter.
- Return on Invested Capital (ROIC) reached 19.2% in 3Q19, up 2.0 p.p. from 3Q18 and up 0.8 p.p. from 2Q19.

The Brazilian market has shown a positive performance this quarter in all main business segments, despite the continued impact on revenue by the lower participation in wind generation projects. Demand for short cycle goods remains positive, mainly with industrial electro-electronic equipment, motors for domestic use and paints, reflecting the gradual improvement in the economic scenario. In long cycle goods, the T&D (transformers and substations) and solar generation businesses continue to perform well, with consistent growth since last year.

In external markets, we continued to observe a good revenue performance and consistent sales for long cycle goods, such as generators, transformers and high voltage motors, used in brownfield or greenfield projects in important market segments, like oil & gas, mining and water & waste water. For short cycle goods, we are beginning to experience a slowdown in business, with orders coming in at a slower pace than in recent months, reflecting changes in the macroeconomic scenario that signals lower prospects for global growth.

The highlight for this quarter was our EBITDA margin, which increased 2.2 p.p. when compared to 3Q18, a reflection of costs rationalization, lower expenses, gains in scale, 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

	Q3 2019	Q2 2019	%	Q3 2018	%	09M19	09M18	%
Return on Invested Capital	19.2%	18.4%	0.8 pp	17.2%	2.0 pp	19.2%	17.2%	2.0 pp
Net Operating Revenue	3,349,604	3,286,605	1.9%	3,237,309	3.5%	9,568,588	8,845,433	8.2%
Domestic Market	1,378,136	1,289,665	6.9%	1,375,424	0.2%	3,919,960	3,822,917	2.5%
External Markets	1,971,468	1,996,940	-1.3%	1,861,885	5.9%	5,648,628	5,022,516	12.5%
External Markets in US\$	496,585	509,026	-2.4%	470,585	5.5%	1,451,055	1,392,727	4.2%
Net Income	418,243	389,002	7.5%	381,430	9.7%	1,114,094	1,003,039	11.1%
Net Margin	12.5%	11.8%	0.7 pp	11.8%	0.7 pp	11.6%	11.3%	0.3 pp
EBITDA	579,073	537,205	7.8%	489,022	18.4%	1,578,076	1,334,247	18.3%
EBITDA Margin	17.3%	16.3%	1.0 pp	15.1%	2.2 pp	16.5%	15.1%	1.4 pp
EPS (adjust for splits)	0.19939	0.18546	7.5%	0.18187	9.6%	0.53116	0.47828	11.1%

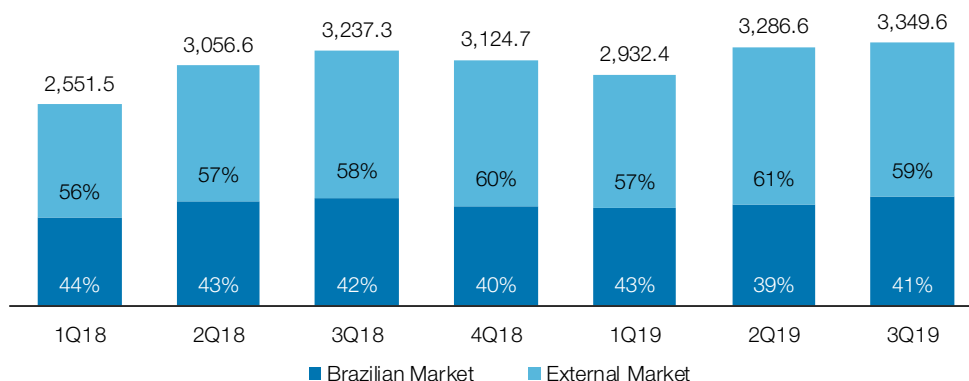
NET OPERATING REVENUES

Net Operating Revenues (NOR) reached R\$ 3,349.6 million in 3Q19, up 3.5% year-over-year and up 1.9% quarter-over-quarter.

In this quarter, revenue was slightly impacted by average Brazilian Real/US dollar exchange rate that moved from R\$ 3.96 in 3Q18 to R\$ 3.97 in 3Q19, with a 0.3% depreciation of the Brazilian Real.

Comments on performance

NET OPERATING REVENUES BY MARKET (R\$ MILLION)



(Figures in R\$ Million)

The breakdown of Net Operating Revenue in 3Q19 by market was:

- Brazilian Market: R\$ 1,378.1 million, representing 41% of revenues, up 0.2% vs. 3Q18 and up 6.9% vs. 2Q19.
- External Markets: R\$ 1,971.5 million, equivalent to 59% 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 3Q19 revenues in external markets were presented as follows:
 - Measured in Brazilian Reais: up 5.9% vs. 3Q18 and down 1.3% vs. 2Q19.
 - Measured in the quarterly averaged US dollar: up 5.5% vs. 3Q18 and down 2.4% vs. 2Q19.
 - Measured in local currencies, weighted by the revenues in each market, a 10.2% increase vs. 3Q18.

Evolution of net revenue according to geographic market

Figures in R\$ thousands

	3Q19	2Q19	%	3Q18	%
Net Operating Revenues	3,349,604	3,286,605	1.9%	3,237,309	3.5%
Brazilian Market	1,378,136	1,289,665	6.9%	1,375,424	0.2%
External Markets	1,971,468	1,996,940	-1.3%	1,861,885	5.9%
External Markets in US\$	496,585	509,026	-2.4%	470,585	5.5%

External Market – Distribution of Net Revenue According to Geographic Market

Figures in R\$ thousands

	3Q19	2Q19	%	3Q18	%
North America	46.7%	45.8%	0.9 pp	43.5%	3.2 pp
South and Central America	12.1%	11.3%	0.8 pp	10.5%	1.6 pp
Europe	23.2%	24.7%	-1.5 pp	28.0%	-4.8 pp
Africa	8.5%	9.1%	-0.6 pp	7.6%	0.9 pp
Asia-Pacific	9.4%	9.1%	0.3 pp	10.4%	-1.0 pp

Comments on performance

Business Area

Industrial Electro-Electronic Equipment – The Brazilian industrial sector showed a good overall performance for this business area when compared to 3Q18, especially with short cycle goods, where we observed an increased demand for low voltage motors and serial automation products. It is worth noting that there was a concentration of electric motors sales this quarter, driven by new minimum IE3 energy efficiency level that came into force after August, the deadline for manufacturing and importation of lower efficiency motors in Brazil. This new regulation has created a higher demand for IE2 motors, as although they can no longer be produced anymore, they can continue to be sold up until February 2020. We observed an improvement in revenue and sales for long cycle goods, mainly for automation panels and high voltage motors. These products are destined to specific market segments, such as oil & gas, pulp & paper and mining, but still focus on maintaining the existing base, as many capacity expansion projects or new investments are not being implemented in Brazil.

In external markets, we continued to observe a good demand for long cycle goods, such as automation panels and high voltage motors. Brownfield and greenfield projects in important market segments for WEG, like oil & gas, mining and water & wastewater, were the main destination for this type of equipment. For short cycle goods, we experienced lower signs of growth, impacting mainly low voltage motors and serial automation products.

Energy Generation, Transmission, and Distribution (GTD) – The performance of this business area in Brazil continues to reflect the lower share of wind generation projects in our revenues, as previously anticipated. However, other renewable sources had a good performance this quarter, such as equipment for thermal generation (biomass). The performance and expectations for the solar generation business remain a positive highlight, with mainly the solar distributed generation, as previously reported in recent quarters.

The Transmission and Distribution (T&D) business area continues to generate good results, especially in products related to transmissions auctions carried out in recent years, which should keep contributing to the performance of this sector.

External markets were the financial highlight of this quarter, where we continue to see positive returns of the electric generator operations in USA and India, result of a consistent sales improvement shown in recent quarters.

The performance of T&D business in USA and Mexico continues to show the expected synergies results. Besides revenue performance, we noted a good sales performance, for both transformers for renewable power generation plants in USA and new projects in Mexico.

Motors for domestic use – In the domestic market, we continue to observe the results shown since the beginning of the year, mainly attributed to the fact that we were able to increase our market share in important customers and segments, such as washing machines and air conditioning. Despite lower revenues reported in our China operation, we were able to increase our market share with gains on important customers in the United States of America and Argentina, even with the problems faced by the local economy, which lead to a positive result when compared to 3Q18.

Paints and Varnishes – The domestic market performance continues to reflect our efforts to increase market share in key customers, as well as in important maintenance projects in oil & gas and marine sectors. In the external markets, we intend to keep growing our customer base and market share in Latin America.

Comments on performance

Distribution of Net Revenue by Business Area

	3Q19	2Q19		3Q18	
Industrial Electro-Electronic Equipments	54.60%	55.92%	-1.32 pp	53.45%	1.15 pp
Domestic Market	15.82%	14.55%	1.27 pp	13.79%	2.03 pp
External Market	38.78%	41.36%	-2.58 pp	39.66%	-0.88 pp
Energy Generation, Transmission and Distribution	30.84%	30.39%	0.45 pp	33.93%	-3.09 pp
Domestic Market	15.71%	16.07%	-0.36 pp	20.87%	-5.16 pp
External Market	15.13%	14.33%	0.80 pp	13.06%	2.07 pp
Motors for Domestic Use	9.96%	9.27%	0.69 pp	8.56%	1.40 pp
Domestic Market	5.61%	4.77%	0.84 pp	4.30%	1.31 pp
External Market	4.35%	4.50%	-0.15 pp	4.26%	0.09 pp
Paints and Varnishes	4.60%	4.43%	0.17 pp	4.06%	0.54 pp
Domestic Market	4.00%	3.85%	0.15 pp	3.53%	0.47 pp
External Market	0.60%	0.58%	0.02 pp	0.53%	0.07 pp

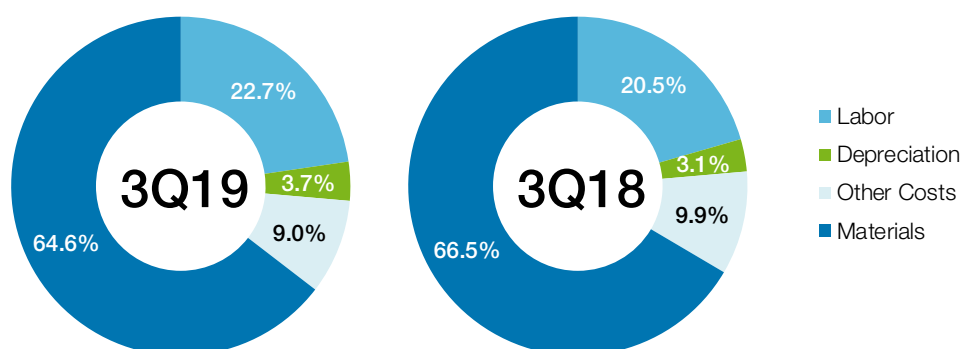
Cost of Goods Sold

The Cost of Goods Sold (COGS) totaled R\$ 2,344.4 million in 3Q19, up 2.5% vs. 3Q18 and up 0.1% vs. 2Q19. Gross margin was 30.0%, 0.7 higher vs. 3Q18 and 1.2 p.p. higher compared to last quarter.

Efforts to reduce costs and improve processes that provided productivity gains, along with reduction on some raw material prices, supported our gross margin improvement this quarter.

In 3Q19 the average price of copper in the spot market on the London Metal Exchange (LME) in US dollars decreased 5.0% vs. 2Q19 and decreased 5.1% vs. 3Q18, while the average price of steel in Brazilian Reais decreased 0.1% vs. 2Q19 and decreased 11.7% vs. 3Q18.

COGS Composition



Sales, General, and Administrative Expenses

Consolidated Sales, General, and Administrative (SG&A) expenses totaled R\$ 444.5 million in 3Q19, a reduction of 4.9% vs. 3Q18 and an increase of 2.7% vs. 2Q19. When analyzed in relation to net operating revenue, these expenses accounted for 13.3%, down 1.1 p.p. vs. 3Q18 and up 0.1 p.p. vs. 2Q19.

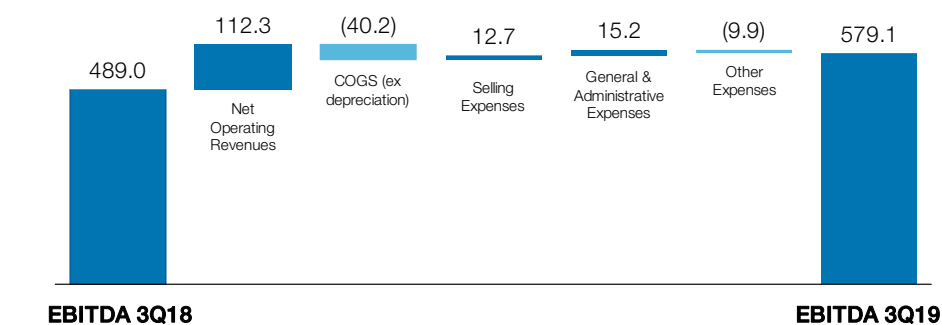
Comments on performance

EBITDA and EBITDA Margin

3Q19 EBITDA reached R\$ 579.1 million, up 18.4% vs. 3Q18 and up 7.8% vs. 2Q19. EBITDA margin was 17.3%, 2.2 p.p. higher vs. 3Q18 and 1.0 p.p. higher compared to the previous quarter. The EBITDA margin evolution is a reflection of costs rationalization, lower expenses, gains in scale, in addition to the favorable product mix revenues in the period.

Figures in R\$ Million

	3Q19	2Q19	%	3Q18	%
Net Operating Revenues	3,349.6	3,286.6	1.9%	3,237.3	3.5%
Net Income before Minorities	424.5	395.3	7.4%	380.1	11.7%
(+) Income taxes & Contributions	38.0	38.5	-1.1%	37.2	2.2%
(+/-) Financial income (expenses)	15.5	4.5	242.7%	(8.5)	n.a.
(+) Depreciation & Amortization	101.0	99.0	2.0%	80.2	26.0%
EBITDA	579.1	537.2	7.8%	489.0	18.4%
EBITDA Margin	17.3%	16.3%		15.1%	



(Figures in R\$ Million)

Net Financial Results

The net financial result in 3Q19 was negative R\$ 15.5 million (positive R\$ 8.5 million in 3Q18 and negative R\$ 4.5 million in 2Q19). 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 3Q19 totaled R\$ 45.4 million (vs. R\$ 59.7 million in 3Q18 and R\$ 51.5 million in 2Q19). Additionally, we credited R\$ 7.3 million as Deferred Income Tax and Social Contribution in 3Q19 (vs. credit of R\$ 22.5 million in 3Q18 and credit of R\$ 13.1 million in 2Q19).

Net Income

Net Income in 3Q19 was R\$ 418.2 million, an increase of 9.7% vs. 3Q18 and increase of 7.5% vs. 2Q19. Net margin reached 12.5%, 0.7 p.p. higher than 3Q18 and 2Q19.

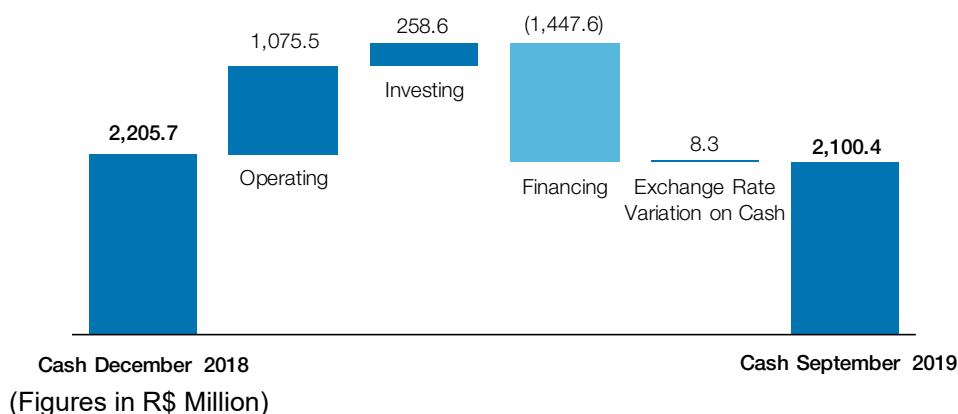
Comments on performance

Cash Flow

Cash generation in operating activities was R\$ 1,075.5 million in the first nine months of 2019, an increase of 41.8% compared to the same period of last year, mainly due to growth in operating income combined with good management of working capital.

Movements on long-term financial investments were the main reason for the generation of R\$ 258.6 million in investment activities, mainly financial, in the first nine months of 2019. The level of investment in modernization and expansion of production capacity showed a growth compared to 3Q18, mainly due to investments in the new foundry in Mexico.

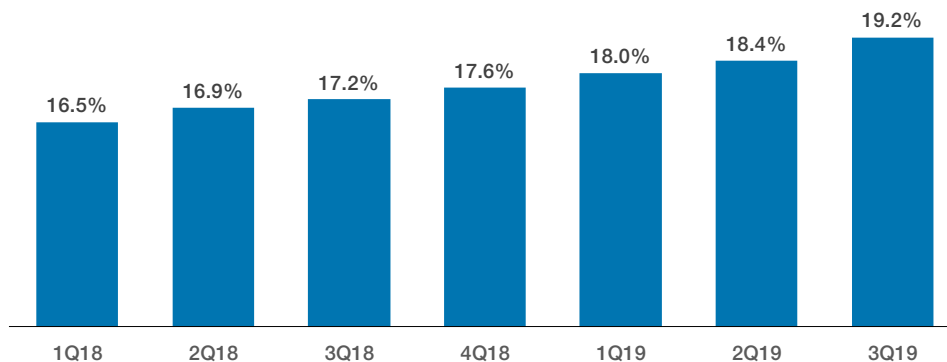
In the financing activities, we raised R\$ 1,192.4 million and made amortizations of R\$ 1,904.8 million, resulting in a net amortization of R\$ 712.4 million. Interest on loans consumed R\$ 57.5 million while payments to equity holders (dividends and interest on capital) totaled R\$ 681.3 million. The final result was consumption of R\$ 1,447.6 million in financing activities this year so far.



We point out that the chart above shows the cash and cash equivalents positions classified as current assets. Also, we have R\$ 1,638.6 million in financial investments with no immediate liquidity (R\$ 2,277.7 million in December 2018).

Return on Invested Capital

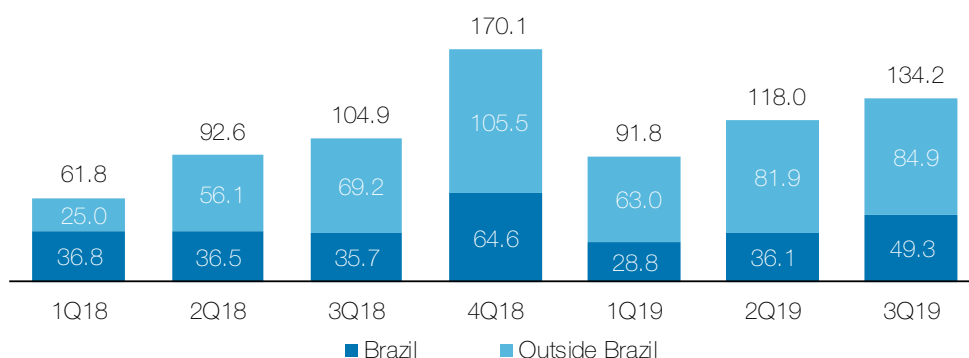
The Return on Invested Capital (ROIC) in 3Q19 (accumulated in the last 12 months) showed expansion of 2.0 p.p. over 3Q18, reaching 19.2%. Growth of Net Operating Profit After Taxes (NOPAT), due to revenue growth and lower costs and expenses, more than offset the growth in capital employed, which expanded due to a greater need for working capital and investments in fixed and intangible assets over the last 12 months.



Comments on performance

Investments (CAPEX)

In 3Q19, we invested R\$ 134.2 million in modernization and expansion of production capacity, machinery and equipment, and software licenses, 37% of which are for production units in Brazil and 63% for industrial plants and other facilities abroad.



(Figures in R\$ Million)

Expenditures on research, development, and innovation activities totaled R\$ 256.7 million, representing 2.7% of net operating revenue in the first nine months of 2019.

Debt and Cash Position

As of September 30th, 2019, cash, cash equivalents, and financial investments totaled R\$ 3,739.1 million and were invested in first-tier banks and denominated in Brazilian currency. Gross financial debt totaled R\$ 2,996.6 million, of which 49% was in short-term operations and 51% in long-term operations. Net cash totaled R\$ 742.5 million.

Figures in R\$ Thousands

	September 2019		December 2018		September 2018	
Cash & Financial instruments	3,739,055		4,483,366		5,055,162	
- Current	3,499,054		3,753,662		4,141,941	
- Long Term	240,001		729,704		913,221	
Debt	2,996,603	100%	3,792,308	100%	4,799,870	100%
- Current	1,479,081	49%	2,061,163	54%	2,673,228	56%
- In Brazilian Reais	169,830		175,475		503,920	
- In other currencies	1,309,251		1,885,688		2,169,308	
- Long Term	1,517,522	51%	1,731,145	46%	2,126,642	44%
- In Brazilian Reais	232,467		315,291		398,939	
- In other currencies	1,285,055		1,415,854		1,727,703	
Net Cash (Debt)	742,452		691,058		255,292	

(Figures in R\$ thousands)

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

- The total duration of 17.3 months, with a duration of 30.9 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 7.08% 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).

Comments on performance

Dividends and Interest on Stockholders' Equity

From August 14th, 2019, onwards, we started to pay dividends declared during the first half of 2019, as below:

- On March 19th, as interest on stockholders' equity (JCP), to the gross amount of R\$ 97.3 million.
- On June 25th, as interest on stockholders' equity (JCP), to the gross amount of R\$ 89.9 million.
- On July 23rd, as dividends referring to profit recorded in the first half of 2019, to the total amount of R\$ 186.9 million.

Also, on September 17th, the Board of Directors approved interest on stockholders' equity (JCP), to the gross amount of R\$ 85.8 million. We will pay this JCP from March 11, 2020.

Event	Board Meeting Date	Gross amount per share
Interest on Stockholders' Equity	19/03/2019	0.046411765
Interest on Stockholders' Equity	25/06/2019	0.042882353
Dividends	23/07/2019	0.089102378
Interest on Stockholders' Equity	17/09/2019	0.040882353
Total		0.219278849

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.

Control Acquisition of PPI-Multitask

WEG announced on September 3rd, 2019, the acquisition of 51% of the capital stock of PPI-Multitask, a company specialized in Industrial Automation Systems Integration, Manufacturing Execution System (MES) Solutions, Industrial Internet of Things (IIoT) and software for the industry.

Founded in 1992 in São Paulo (SP), PPI-Multitask has a long history in integrating automation systems for machine control and industrial processes, having one of the most respected MES software developed in Brazil. PPI offers solutions to the automation of data collection and online shop floor monitoring, connecting to other company's management systems and preparing the industrial site to meet the new demands of Industry 4.0.

In June, 2019, WEG announced 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.

Control Acquisition of V2COM

WEG announced on October 2nd, 2019, the acquisition of 51% of the capital stock of V2COM, a company specializing in IoT (Internet of Things) and complete telemetering solutions for power and smart grid systems

Founded in 2002, V2COM is headquartered in São Paulo (SP) with a hardware factory in Florianópolis (SC). With strong experience in the energy sector, the company has a broad portfolio of projects implemented in telemetry, reporting, loss analysis and IoT for companies, utilities and service providers of electricity, water, gas, among others. It controls, specifically in the electric utilities segment, assets totaling over 30GW of installed power.



1 INFORMATION ON THE COMPANY

WEG S.A. ("Company") is a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3300, in Jaraguá do Sul - State of Santa Catarina (SC), Brazil, holding company comprising the WEG Group ("Group"), which is primarily engaged in the production and sale of capital goods such as electric motors, generators and transformers; gear units and geared motors; hydraulic and steam turbines; frequency converters; motor starters and maneuver devices; control and protection of electric circuits for industrial automation; power sockets and switches; electric traction solutions for heavy vehicles, SUV vehicles, locomotives, and sea transportation electric propelling; solutions for the generation of renewable and distributed energy, exploring all opportunities in small hydro, thermal, biomass, wind and solar energy powerplants; solutions for the industry 4.0; no-breaks and alternators for groups of generators; conventional and movable electric substations; industrial electrical and electronic systems; and industrial paint & varnish, and paints for automotive repainting. The operations are performed through manufacturing facilities located in Brazil, Argentina, Colombia, Mexico, United States, Portugal, Spain, Austria, Germany, South Africa, India, and China.

The Company has shares traded on B3 under ticker symbol "WEGE3" and has been listed since June 2007 in the special segment of corporate governance called Novo Mercado.

The Company has American Depositary Receipts (ADRs) - Level 1 that are traded on the over-the-counter (OTC) market in the United States under the ticker symbol "WEGZY".

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The Company's interim financial information, included in the Quarterly Information Form – ITR for the quarter ended September 30, 2019 includes the individual and consolidated interim financial information prepared considering all significant information on the Company, which corresponds to that used by Management in managing the activities, with CPC 21 – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standard Board ("IASB") and presented consistently with the standards issued by the Brazilian Securities and Exchange Commission ("CVM") applicable to the preparation of Quarterly Information - ITR.

The interim financial information has been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, when required by the standard.

The Company's consolidated interim financial information for the period ended September 30, 2019 was authorized for issue at the executive board's meeting held on October 14, 2019.

The accounting policies, bases of consolidation and methods of calculation adopted in the preparation of the interim financial information, as well the key estimates and judgments used in applying the accounting policies are the same as those adopted in the preparation of the financial statements for the year ended December 31, 2018, including the adoption of the new accounting standards.

3 ACCOUNTING ESTIMATES

The interim financial information includes the use of estimates that took into consideration Management's assessments and judgments, past and current experiences, assumptions related to future events and other objective and subjective factors. The significant items subject to those estimates are:

- a) analysis of the credit risk to determine the allowance for doubtful debts;
- b) recognition of the allowance for inventory losses;
- c) review of the economic useful life of fixed assets and their recovery in operations;
- d) impairment test of intangible assets;
- e) fair value measurement of financial instruments;
- f) commitments to employee benefit plan;
- g) share-based plan transactions;
- h) deferred income and social contribution taxes; and
- i) provision for contingencies.



The settlement of transactions involving those estimates may lead to amounts different from those recorded in the interim financial information due to the inaccuracies inherent in the estimate process. These estimates are periodically reviewed.

4 CASH AND CASH EQUIVALENTS

	PARENT		CONSOLIDATED	
	09/30/19	12/31/18	09/30/19	12/31/18
a) Cash and banks	4	8	328,972	286,783
b) Short-term investments	333,420	200,685	1,771,432	1,918,917
In local currency:	333,420	200,685	1,628,399	1,870,749
Bank Certificate of Deposit (CDB) and Repurchase Agreements	333,420	200,685	1,628,399	1,870,749
In foreign currency:	-	-	143,033	48,168
TOTAL	333,424	200,693	2,100,404	2,205,700

Investments in Brazil:

Short-term investments in Brazil refer mainly to funds invested in private securities with first tier financial institutions and repurchase agreements.

These investments yield an average rate of 100.01% of the Interbank Deposit Rate - CDI (100.18% of the CDI as at December 31, 2018).

5 SHORT-TERM INVESTMENTS

	PARENT		CONSOLIDATED	
	09/30/19	12/31/18	09/30/19	12/31/18
Bank Certificate of Deposit (CDB), Repurchase Agreements and Funds	798,339	978,627	1,384,329	1,886,970
TOTAL	798,339	978,627	1,384,329	1,886,970
Current assets	798,339	978,627	1,335,683	1,324,188
Floating rate	798,339	978,627	1,251,791	1,243,861
Fixed rate	-	-	83,892	80,327
Noncurrent assets	-	-	48,646	562,782
Floating rate	-	-	-	516,138
Fixed rate	-	-	48,646	46,644

Short-term investments yield average fixed rates of 15.88% p.a. (15.88% p.a. as at December 31, 2018) and floating average rate of 103.06% of the CDI rate (102.56% of the CDI as at December 31, 2018).



6 TRADE RECEIVABLES

	CONSOLIDATED	
	09/30/19	12/31/18
a) Breakdown of balances:		
Domestic market	1,000,104	1,017,925
External market	1,544,614	1,473,715
SUBTOTAL	2,544,718	2,491,640
Allowance for doubtful debts	(56,047)	(50,796)
TOTAL	2,488,671	2,440,844
b) Losses on trade receivables in the period	5,368	8,639
c) Maturity of trade notes:		
Not past due	2,216,890	2,129,256
Past due:	327,828	362,384
Up to 30 days	175,338	214,301
From 31 to 90 days	58,236	75,102
From 91 to 180 days	42,929	24,048
Over 180 days	51,325	48,933
TOTAL	2,544,718	2,491,640

The movement in the allowance for doubtful debts is as follows:

Balance at 01/01/2018	(43,972)
Losses written off in the year	8,639
Recognition of provision in the year	(33,987)
Reversal of provision in the year	18,524
Balance at 12/31/2018	(50,796)
Losses written off in the period	5,368
Recognition of provision in the period	(20,216)
Reversal of provision in the period	9,597
Balance at 09/30/2019	(56,047)

7 INVENTORIES

	CONSOLIDATED	
	09/30/19	12/31/18
Finished goods	401,779	377,506
Work in progress	431,380	412,954
Raw materials and others	492,933	407,373
Imports in transit	108,492	74,543
Provision for slow-moving inventory losses	(31,265)	(33,262)
Total inventories - domestic market	1,403,319	1,239,114
Finished goods	895,474	744,153
Work in progress	316,868	246,507
Raw materials and others	369,165	305,842
Provision for slow-moving inventory losses	(83,075)	(77,206)
Total inventories – external market	1,498,432	1,219,296
GRAND TOTAL	2,901,751	2,458,410



The movement in the provision for slow-moving inventory losses is as follows:

Balance at 01/01/2018	(95,124)
Recognition of provision in the year	(70,734)
Reversal of provision in the year	55,390
Balance at 12/31/2018	(110,468)
Recognition of provision in the period	(34,318)
Reversal of provision in the period	30,446
Balance at 09/30/2019	(114,340)

Inventories are insured and their coverage is determined considering the values and level of risk involved. The recognition and reversal of provision for slow-moving inventory losses are recorded in cost of sales.

8 TAXES RECOVERABLE

	PARENT		CONSOLIDATED	
	09/30/19	12/31/18	09/30/19	12/31/18
BRAZIL	20,493	17,083	393,815	467,289
IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income)	17,103	17,083	139,420	153,436
IRRF (Withholding Income Tax) on financial investments)	3,390	-	29,812	-
ICMS (State VAT)	-	-	91,312	103,471
ICMS on purchases of property, plant and equipment	-	-	20,191	20,297
IPI (Federal VAT)	-	-	49,460	98,576
PIS/COFINS (Taxes on Revenue)	-	-	45,049	54,868
Reintegra	-	-	14,935	30,488
Others	-	-	3,636	6,153
FOREIGN	-	-	154,949	122,338
Income Tax	-	-	52,213	60,486
IVA / VAT	-	-	99,966	58,870
Others	-	-	2,770	2,982
TOTAL	20,493	17,083	548,764	589,627
Current assets	20,493	17,083	462,029	421,938
Noncurrent assets	-	-	86,735	167,689

The credits will be realized by the Company and its subsidiaries during the normal process of tax calculation and there are also credits subject to refund and/or offsetting.

9 RELATED PARTIES

The Company carried out trading transactions involving purchase and sale of goods and raw materials and contracting of services as well as financial transactions relating to loans and fundraising among Group companies, which are eliminated on consolidation, and Management compensation.

Amount of existing balances:	PARENT		CONSOLIDATED	
	09/30/19	12/31/18	09/30/19	12/31/18
BALANCE SHEET ACCOUNTS				
Noncurrent assets	10	15	-	-
Management of funds				
WEG Equipamentos Elétricos S.A.	10	15	-	-
Current liabilities	847	1,455	16,776	20,449
Contracts with Management	-	-	6,542	4,851
Profit sharing - Management	847	1,455	10,234	15,598



PROFIT & LOSS ACCOUNTS	PARENT		CONSOLIDATED	
	09/30/19	09/30/18	09/30/19	09/30/18
Management compensation:				
a) Fixed (fees)	2,037	1,893	19,899	18,873
Board of Directors	1,022	906	2,044	1,813
Board of Executive Officers	1,015	987	17,855	17,060
b) Variable (profit sharing)	2,037	1,893	19,613	18,330
Board of Directors	1,022	906	2,044	1,813
Board of Executive Officers	1,015	987	17,569	16,517

Additional Information:

a) Trading transactions

The purchase and sale of inputs and goods are conducted under conditions established between the parties;

b) Management of funds

The financial and trading transactions conducted among the Group companies are recorded and supported by the Group's policies. The credit/debit agreements entered into with Management are subject to interest of 95% of the CDI variation;

c) Sureties and guarantees

WEG SA has sureties and guarantees for foreign subsidiaries in the amount of US\$ 89.8 million (US\$ 50.3 million at December 31, 2018);

d) Management compensation

The members of the Board of Directors received compensation in the amount of R\$ 2,044 (R\$ 1,813 as at September 30, 2018) and the executive officers received R\$ 17,855 (R\$ 17,060 as at September 30, 2018) for their services, corresponding to a total amount of R\$ 19,899 (R\$ 18,873 as at September 30, 2018).

A share of 0% to 2.5% of the consolidated profit for the year is expected to be paid to Management as long as they achieve the minimum operating performance targets. The performance targets refer to the Return on Invested Capital (weight of 85%), with a minimum performance of 10%, and growth of EBITDA (weight of 15%), with a minimum performance of 1.3%. The corresponding provision is recognized in profit or loss for the exercise in the amount of R\$ 19,613 (R\$ 18,330 as at September 30, 2018), in line item other operating income (expenses). Directors receive benefits for the performance of their function.

10 DEFERRED TAXES

The deferred tax assets and liabilities were determined in accordance with CVM Resolution 599/09, which approved Technical Pronouncement CPC 32 – Income Taxes.

WEG S.A.
NOTES TO THE INTERIM FINANCIAL INFORMATION AS AT SEPTEMBER 30, 2019
(Amounts in thousands of Brazilian reais – R\$, unless otherwise stated)



a) Breakdown of amounts:

	PARENT		CONSOLIDATED	
	09/30/19	12/31/18	09/30/19	12/31/18
Income tax losses	-	46	81,655	96,719
Social contribution losses	261	140	15,793	16,340
Temporary differences:				
Provisions:				
Labor and civil contingencies	-	-	110,146	107,217
Taxes under litigation	1,608	1,608	48,253	42,432
Losses on trade receivables	-	-	13,353	13,794
Losses on slow-moving inventories	-	-	20,829	16,358
Indemnities on labor and contractual terminations	-	-	16,040	18,024
Freight and sales commissions	-	-	10,592	13,571
Third-party services	-	-	67,644	62,036
Employee profit sharing	-	-	36,779	49,587
Unrealized gains on derivatives	-	-	8,159	(21,825)
Derivatives - hedge accounting	-	-	6,134	9,611
Deferred revenue	-	-	8,411	6,270
Accelerated depreciation	-	-	(7,085)	(7,306)
Difference between tax and accounting amortization of goodwill	-	-	(34,474)	(32,739)
Difference between tax and accounting depreciation (useful life)	(14)	(14)	(200,450)	(194,042)
Others	3,965	2,914	56,915	38,084
Deemed cost of property, plant and equipment	(1,350)	(1,372)	(168,151)	(177,999)
TOTAL	4,470	3,322	90,543	56,132
Noncurrent assets	4,470	3,322	161,581	142,669
Noncurrent liabilities	-	-	(71,038)	(86,537)

b) Estimated realization period

Management estimates that the deferred taxes arising from temporary differences will be realized in proportion to the materialization of the contingencies, losses and forecast obligations.

In regard to deferred tax assets, recognized on income tax and social contribution losses, Management estimates that they will be realized within the next 5 years, taking into consideration the projection of future profits.

WEG S.A.
NOTES TO THE INTERIM FINANCIAL INFORMATION AS AT SEPTEMBER 30, 2019
(Amounts in thousands of Brazilian reais – R\$, unless otherwise stated)



11 INVESTMENTS

11.1 Investments in subsidiaries

	Country	Equity	Profit or loss for the period	Equity interest (%)				Share of profit (loss) of investees		Investment book value	
				09/30/19		12/31/18		09/30/19	09/30/18	09/30/19	12/31/18
				Direct	Indirect	Direct	Indirect				
WEG Equipamentos Elétricos S.A. (*)	Brazil	6,261,772	1,087,201	100.00	-	100.00	-	991,217	919,585	6,261,772	5,669,794
RF Reflorestadora Ltda.	Brazil	150,662	1,935	100.00	-	100.00	-	1,935	1,660	150,662	155,762
WEG Tintas Ltda.		-	-	-	-	-	-	-	520	-	-
WEG Amazônia S.A.		50,455	13,741	0.02	99.98	0.02	99.98	2	1	8	8
WEG Administradora de Bens Ltda.	Brazil	13,099	257	99.06	0.94	99.06	0.94	254	10	12,976	12,867
WEG Logística Ltda.		172,957	13,168	-	100.00	-	100.00	-	-	-	-
WEG Linhares Equip. Elétricos S.A.		393,174	81,338	-	100.00	-	100.00	-	-	2	2
WEG Drives & Controls Aut. Ltda.	Brazil	611,446	91,327	100.00	-	100.00	-	91,327	52,071	611,456	545,540
WEG Partner Holding Ltda.		1	(6)	0.10	99.90	0.10	99.90	-	-	-	-
WEG-Cestari Redut. Motorredut. S.A.	Brazil	40,348	2,548	-	50.00	-	50.00	-	-	-	-
Hidráulica Indl.- Ind. e Com. Ltda.		219,317	1,051	-	100.00	-	100.00	-	-	-	-
Agro Trafo Adm. de Bens Ltda.		1,063	(6)	91.75	8.25	91.75	8.25	15	187	975	1,101
Paumar S.A. Indústria e Comércio	Brazil	380,959	20,661	38.87	61.13	38.87	61.13	8,032	2,765	148,079	141,056
WEG-Jelec Oil and Gas Sol. Aut. Ltda.		11	-	-	100.00	-	100.00	-	-	-	-
Transformadores do Nordeste Ltda.	Brazil	17,320	(465)	0.01	99.99	0.01	99.99	-	-	-	-
TGM Ind. e Com. de Turbinas e Trans. Ltda.		-	19,782	-	-	0.01	99.99	-	-	-	-
Zest WEG Group Africa (Pty) Ltd.		235,848	5,187	-	100.00	-	100.00	-	-	-	-
Zest Energy (Pty) Ltd.		10,116	81	-	100.00	-	100.00	-	-	-	-
Zest WEG Manufacturing (Pty) Ltd.		(39,822)	(399)	-	100.00	-	100.00	-	-	-	-
Zest WEG Electric (Pty) Ltd.		116,822	12,766	-	74.80	-	74.80	-	-	-	-
ENI Electric/Instrumentations Eng. Cont.(Pty)	South Africa	(7,758)	346	-	86.67	-	86.67	-	-	-	-
Zest WEG Group Namibia Ent. (Pty) Ltd.		1,768	(123)	-	100.00	-	100.00	-	-	-	-
Zest WEG Investment Company (Pty) Ltd.		116,822	8,301	-	64.70	-	64.70	-	-	-	-
WEG Germany GmbH		49,704	5,094	-	100.00	-	100.00	-	-	-	-
Watt Drive GmbH		5,677	404	-	100.00	-	100.00	-	-	-	-
Wurtembergische Elektromotoren GmbH	Germany	16,456	(175)	-	100.00	-	100.00	-	-	-	-
Antriebstechnik KATT Hessen GmbH		(2,493)	(4,442)	-	100.00	-	100.00	-	-	-	-
WEG Equipamientos Electricos S.A.	Argentina	78,063	3,973	10.45	89.55	10.45	89.55	2,779	3,411	8,151	8,105
Pulverlux S.A.		6,511	(726)	-	100.00	-	100.00	-	-	-	-
WEG Australia Pty Ltd.	Australia	49,079	4,509	-	100.00	-	100.00	-	-	-	-
Watt Drive Antriebstechnik GmbH		92,609	5,684	-	100.00	-	100.00	-	-	-	-
WEG International Trade GmbH	Austria	562,133	540,282	-	100.00	-	100.00	-	-	-	-
WEG Holding GmbH		3,171,442	687,739	-	100.00	-	100.00	-	-	-	-
WEG Benelux S.A.	Belgium	54,752	5,372	-	100.00	-	100.00	-	-	-	-
WEG Chile S.A.	Chile	44,492	3,158	8.00	92.00	8.00	92.00	341	51	3,559	3,150
WEG (Nantong) Electric Motor Co., Ltd.		244,827	18,752	-	100.00	-	100.00	-	-	-	-
Changzhou Sinya Electromotor Co., Ltd.		20,323	(22,246)	-	100.00	-	100.00	-	-	-	-
Changzhou Yatong Jiewei Elect., Ltd.		6,143	(8,682)	-	100.00	-	100.00	-	-	-	-
Wuxi Ecovi Technology Co., Ltd.	China	5,106	(1,049)	-	100.00	-	100.00	-	-	-	-
WEG (Changzhou) Aut. Equip. Co., Ltd.		(447)	(4,871)	-	100.00	-	100.00	-	-	-	-
The First Drive Technology Co., Ltd.		5,425	(3,008)	-	100.00	-	100.00	-	-	-	-
WEG (Jiangsu) Electric Equip. Co., Ltd.		220,729	12,220	-	100.00	-	100.00	-	-	-	-
WEG Singapore Pte. Ltd.	Singapore	1,750	1,452	-	100.00	-	100.00	-	-	-	-
WEG Colombia S.A.S.		115,229	5,325	-	100.00	-	100.00	-	-	-	-
FTC Energy Group S.A.	Colombia	-	118	-	100.00	-	100.00	-	-	-	-
WEG Transformadores Colombia S.A.S.		-	66	-	100.00	-	100.00	-	-	-	-
WEG Middle East Fze.	Arab Emirates	(18,411)	(3,188)	-	100.00	-	100.00	-	-	-	-
WEG Iberia Industrial S.L.		63,164	7,106	-	100.00	-	100.00	-	-	-	-
Autrial S.L.	Spain	(9,142)	708	-	100.00	-	51.00	-	-	-	-

WEG S.A.
NOTES TO THE INTERIM FINANCIAL INFORMATION AS AT SEPTEMBER 30, 2019
(Amounts in thousands of Brazilian reais – R\$, unless otherwise stated)



	Country	Equity	Profit or loss for the period	Equity interest (%)				Share of profit (loss) of investees		Investment book value	
				09/30/19		12/31/18		09/30/19	09/30/18	09/30/19	12/31/18
				Direct	Indirect	Direct	Indirect				
WEG Electric Corp.	United States	720,977	63,561	-	100.00	-	100.00	-	-	-	-
Electric Machinery Company LLC		80,730	7,004	-	100.00	-	100.00	-	-	-	-
FTC Energy Group Inc.		1,166	229	-	100.00	-	100.00	-	-	-	-
Bluffton Motor Works, LLC		317,052	(1,881)	-	100.00	-	100.00	-	-	-	-
WEG Transformers USA LLC		112,794	8,221	-	72.00	-	72.00	-	-	-	-
WEG Investment North America Inc.		111,842	5,293	-	100.00	-	100.00	-	-	-	-
WEG France SAS	France	36,342	915	-	100.00	-	100.00	-	-	-	-
Zest WEG Group Ghana Ltd.	Ghana	9,405	1,753	-	100.00	-	100.00	-	-	-	-
E & I Electrical Ghana Ltd.	Ghana	(1,644)	(47)	-	90.00	-	90.00	-	-	-	-
WEG Industries (India) Private Ltd.	India	203,517	(3,518)	-	100.00	-	100.00	-	-	-	-
WEG (UK) Ltd.	England	25,170	771	-	100.00	-	100.00	-	-	-	-
WEG Italia S.R.L.	Italy	37,351	2,221	-	100.00	-	100.00	-	-	-	-
WEG Electric Motors Japan Co. Ltd.	Japan	3,705	389	-	95.00	-	95.00	-	-	-	-
WEG South East Asia SDN BHD	Malaysia	(4,228)	(1,555)	-	100.00	-	100.00	-	-	-	-
WEG México S.A. de C.V.	Mexico	572,197	(881)	-	100.00	-	100.00	-	-	-	-
WEG Transform. México S.A. de C.V.		77,781	410	-	72.00	-	72.00	-	-	-	-
Voltran S.A. de C.V.		101,754	9,854	-	72.00	-	72.00	-	-	-	-
WEG Equipos Eléctricos S.A. de C.V.		13,206	1,850	-	100.00	-	100.00	-	-	-	-
WEG Power Systems S.A. de C.V.		3,130	395	-	72.00	-	72.00	-	-	-	-
Zest WEG Group Mozambique, Lda.	Mozambique	(846)	(866)	-	100.00	-	100.00	-	-	-	-
WEG Peru S.A.C.	Peru	12,501	1,983	0.05	99.95	0.05	99.95	-	1	6	6
WEGEuro Ind. Eléctrica S.A.	Portugal	109,217	14,537	-	100.00	-	100.00	-	-	-	-
WEG Electric CIS	Russia	8,271	2,209	-	100.00	-	100.00	-	-	-	-
WEG Scandinavia AB	Swedish	13,444	2,134	-	100.00	-	100.00	-	-	-	-
ENI Electrical Tanzania (Pty) Limited	Tanzania	51	(106)	-	100.00	-	100.00	-	-	-	-
WEG Industrias Venezuela C.A.	Venezuela	(2)	(2)	-	100.00	-	100.00	-	-	-	-
E & I Zambia Ltd.	Zambia	222	2,245	-	50.00	-	50.00	-	-	-	-
TOTAL								1,095,902	980,262	1,197,646	6,537,391

(*) Share of profit (loss) of investees adjusted for unrealized profits on related-party transactions.

The Company's consolidated interim financial information includes the individual interim financial information of WEG S.A. and all its subsidiaries. The subsidiaries are fully consolidated from the date on which the control is obtained.

Subsidiaries with negative equity are capitalized annually, in accordance with the legislation of each country.

11.2 Investment in associate

	Country	Equity	Profit (loss) for the period	Equity interest (%)				Share of profit (loss) of investees		Investment book value	
				09/30/19		12/31/18		09/30/19	09/30/18	09/30/19	12/31/18
				Direct	Indirect	Direct	Indirect				
TGM Kanis Turbinen GmbH	Germany	45,635	6,624	-	42.86	-	42.86	2,839	18,102	19,559	19,981

11.3 Acquisition

(i) Northern Power Systems ("NPS") Energy Storage Business

On February 13, 2019, the Company announced the acquisition in the amount of R\$ 5,422 of assets related to the Energy Storage System (ESS) business of Northern Power Systems ("NPS"), a company that designs, develops and manufactures energy storage systems in Barre, Vermont, United States.

WEG became the sole owner of the assets, patent portfolio, know-how and related materials, including all drawings, designs, specifications and software used in the design and maintenance of NPS battery energy storage systems.



(ii) Geremia Redutores Ltda.

On February 14, 2019, the subsidiary WEG-Cestari Redutores and Motorreductores S.A. signed an agreement for the acquisition of the entire capital stock of Geremia Redutores Ltda., a Brazilian manufacturer of gearboxes, geared motors, speed and flexible couplings and gearboxes components, located in Bento Gonçalves, Rio Grande do Sul. This acquisition does not include the interim financial information as at September 30, 2019 due to the pending approval of the Administrative Council for Economic Defense (CADE).

(iii) Autrial S.L.

In March 2019, the subsidiary WEG Iberia Industrial S.L. acquired for R\$ 6,835 the remaining 49% equity interest from Autrial S.L.. The goodwill in the amount of R\$ 11,477 was measured as the surplus of the considered transferred in relation to the net assets acquired, and recognized in equity as capital transaction.

(iv) PPI Multitask Sistemas e Automação S.A.

On September 3, 2019, the Company entered into an agreement for the acquisition of a 51% equity interest in PPI Multitask Sistemas e Automação S.A., a group specializing in Industrial Automation System Integration, Manufacturing Execution System (MES) Solutions, IIOT (Industrial Internet of Things) and industry software. Such acquisition is not included in the interim financial information for September 30, 2019 as there are agreed-upon conditions precedent still to be met prior to making the investments, which is expected to take place in October 2019

11.4 Corporate Events 2019

(i) FTC Energy Group S.A. and WEG Transformadores Colombia S.A.S.

In March 2019 the companies FTC Energy Group S.A. and WEG Transformadores Colombia S.A.S. were merged into the parent WEG Colombia S.A.S.. The purpose of this restructuring is to streamline the technical and administrative services, obtain synergy from them, and reduce the operating costs and administrative expenses.

(ii) TGM Indústria e Comércio de Turbinas e Transmissões Ltda.

In September 2019, the company TGM Indústria e Comércio de Turbinas e Transmissões Ltda. was merged into the parent WEG Equipamentos Elétricos S.A. Such restructuring process is aimed at streamlining and bringing synergy to the technical and administrative services, as well as reducing the operating costs and administrative expenses.

12 PROPERTY, PLANT AND EQUIPMENT

		PARENT		CONSOLIDATED	
		09/30/19	12/31/18	09/30/19	12/31/18
Land		1,440	1,440	417,795	404,019
Constructions and facilities		5,639	5,639	1,534,015	1,469,714
Machines and Equipment		-	-	4,232,290	4,139,915
Furniture and fixtures		-	-	148,136	148,236
Hardware		-	-	135,078	127,383
Construction in progress		-	-	558,712	385,711
Reforestation		-	-	58,629	57,899
Others		-	-	107,128	113,962
Total property, plant and equipment		7,079	7,079	7,191,783	6,846,839
Accumulated depreciation/depletion	Annual depreciation rate (%)	(2,838)	(2,774)	(3,476,686)	(3,304,885)
Constructions and facilities	02 to 03	(2,838)	(2,774)	(484,279)	(444,132)
Machines and Equipment	05 to 20	-	-	(2,739,946)	(2,609,041)
Furniture and fixtures	07 to 10	-	-	(101,029)	(101,616)
Hardware	20 to 50	-	-	(101,166)	(100,026)
Reforestation	-	-	-	(26,551)	(25,745)
Others	-	-	-	(23,715)	(24,325)
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET		4,241	4,305	3,715,097	3,541,954



a) Summary of the movement in property, plant and equipment - consolidated:

Classification of the PP&E	12/31/18	Transfer between classes	Acquisitions	Write-offs	Depreciation and depletion	Effect of exchange rate changes	09/30/19
Land	404,019	-	6,837	-	-	6,939	417,795
Constructions and facilities	1,025,582	18,061	14,660	(1,300)	(30,043)	22,776	1,049,736
Machines and Equipment	1,530,874	36,659	89,596	(13,788)	(163,803)	12,806	1,492,344
Furniture and fixtures	46,620	(1,682)	8,848	(492)	(6,742)	555	47,107
Hardware	27,357	322	14,227	(913)	(7,557)	476	33,912
Construction in progress	385,711	(52,651)	195,496	-	-	30,156	558,712
Reforestation	32,154	-	730	-	(806)	-	32,078
Advances to suppliers	67,920	(860)	(9,889)	-	-	3,435	60,606
Others	21,717	151	5,292	(1,035)	(3,366)	48	22,807
TOTAL	3,541,954	-	325,797	(17,528)	(212,317)	77,191	3,715,097

b) Construction in progress – the Company has investments in progress in property, plant and equipment items as at September 30, 2019 amounting to R\$ 558,712 (R\$ 385,711 as at December 31, 2018), and the most significant investments are in Mexico unit, which amount to R\$ 455,164 (R\$ 303,232 as at December 31, 2018).

c) Amount offered as guarantee – PP&E items were offered as guarantee of borrowings, financing, labor claims and tax lawsuits in the consolidated amount of R\$ 31,166 (R\$ 31,166 as at December 31, 2018).

13 LEASES

The Company adopted as from January 1, 2019 Technical Pronouncement CPC 06 (R2) (IFRS 16) Leases, which introduces a single model for the recording of leases for lessees in the balance sheet.

	CONSOLIDATED	
	09/30/19	12/31/18
Properties	211,655	-
Machinery and equipment	31,339	-
Hardware	1,741	-
Vehicles	13,257	-
Total leases	257,992	-
Accumulated depreciation	(45,136)	-
Properties	(36,090)	-
Machinery and equipment	(5,321)	-
Hardware	(408)	-
Vehicles	(3,317)	-
TOTAL NET	212,856	-

a) The variation in leases is as follows:

Class	12/31/18	Leases	Write-offs	Depreciation	Foreign Exchange	09/30/19
Properties	-	204,251	(2,344)	(34,994)	8,652	175,565
Machinery and equipment	-	30,669	(607)	(5,321)	1,277	26,018
Hardware	-	1,640	-	(408)	101	1,333
Vehicles	-	13,055	(222)	(3,316)	423	9,940
TOTAL	-	249,615	(3,173)	(44,039)	10,453	212,856



14 INTANGIBLE ASSETS - CONSOLIDATED

	Amortization / No. of years	Cost	Accumulated amortization	09/30/19	12/31/18
Software license	5	169,899	(123,408)	46,491	45,324
Property right	50 – 99	84,730	(23,434)	61,296	63,342
Trademarks and patents	5	44,584	(21,889)	22,695	27,063
Others	5	125,376	(70,598)	54,778	89,431
Subtotal		424,589	(239,329)	185,260	225,160
Goodwill on acquisition of subsidiaries	-	1,064,922	(21,353)	1,043,569	994,867
TOTAL		1,489,511	(260,682)	1,228,829	1,220,027

a) Summary of the movement in intangible assets:

	12/31/18	Transfer between classes	Additions	PPA TGM (b)	Write-offs	Amortization	Effect of exchange rate changes	09/30/19
Software license	45,324	(1,631)	10,112	-	(630)	(7,348)	664	46,491
Property right	63,342	(149)	-	-	(3,072)	(971)	2,146	61,296
Trademarks and patents	27,063	7,274	-	(401)	(1,847)	(10,223)	829	22,695
Others	89,431	(5,494)	8,125	(20,475)	-	(19,622)	2,813	54,778
Subtotal	225,160	-	18,237	(20,876)	(5,549)	(38,164)	6,452	185,260
Goodwill on acquisition of subsidiaries	994,867	-	-	14,275	-	-	34,427	1,043,569
TOTAL	1,220,027	-	18,237	(6,601)	(5,549)	(38,164)	40,879	1,228,829

b) Purchase Price Allocation – PPA:

In February 2019, the goodwill allocation was finalized based on the Purchase Price Allocation (PPA) report of TGM Indústria e Comércio de Turbinas e Transmissões Ltda. As a result of this PPA, the amount of R\$ 125,186 was initially recognized as goodwill in the line items Intangible assets (R\$ 45,768) and Property, plant and equipment (R\$ 79,418) as a function of their fair value.

c) Breakdown of goodwill generated on acquisition of subsidiaries:

	09/30/19	12/31/18
Electric Machinery Company LLC	203,857	189,680
Bluffton Motor Works, LLC	169,883	158,069
TGM Ind. e Com. de Turbinas e Transm. Ltda.	116,516	102,240
Zest WEG Group Africa (PTY) Ltd.	82,845	81,368
Changzhou Sinya Electromotor Co., Ltd.	75,624	73,158
Trafo Equipamentos Elétricos S.A. (Merged)	62,827	62,827
WEG Transformadores Colombia S.A.S.	51,214	50,787
WEG-Cestari Redutores e Motorreductores S.A.	48,139	48,139
Stardur Tintas Especiais Ltda. (Merged)	43,402	43,402
Watt Drive Antriebstechnik GmbH	30,833	30,130
Changzhou Machine Master Co., Ltd. (Merged)	17,574	17,001
Others	140,855	138,066
TOTAL	1,043,569	994,867

d) Amortization schedule of intangible assets (except goodwill):

	09/30/19
2019	11,417
2020	34,458
2021	22,098
2022	12,603
2023	38,375
From 2024 onwards	66,309
TOTAL	185,260



15 TRADE PAYABLES

	CONSOLIDATED	
	09/30/19	12/31/18
Balance breakdown:		
Domestic market	356,591	325,527
External market	440,460	517,430
TOTAL	797,051	842,957

16 BORROWINGS AND FINANCING

Direct borrowings from BNDES are collateralized by the parent company WEG S.A. Direct borrowings from FINEP are collateralized by sureties and bank guarantees. FINAME transactions are collateralized by sureties and chattel mortgage. The covenants related to indicators of capitalization, which are exclusive to BNDES contracts, current liquidity and net debt/EBITDA ratio have been complied with.

Type	Annual charges at 09/30/2019	CONSOLIDATED	
		09/30/19	12/31/18
IN LOCAL CURRENCY			
CURRENT		169,830	175,475
In Brazilian Reais, fixed rate			
Working capital	3.5% to 11.0% p.a.	108,162	121,819
Property, plant and equipment	2.5% to 8.7% p.a.	2,665	2,674
In Brazilian Reais, floating rate			
Working capital	TJLP (+) 1.4% to 2.4% p.a.	55,295	47,543
Working capital	UFIR (+) 4.0% p.a.	1,100	431
Others			
Others	Sundry	2,608	3,008
NONCURRENT		232,467	315,291
In Brazilian Reais, fixed rate			
Working capital	3.5% to 11.0% p.a.	86,807	126,021
Property, plant and equipment	2.5% to 8.7% p.a.	6,957	8,947
In Brazilian Reais, floating rate			
Working capital	TJLP (+) 1.4% to 2.4% p.a.	134,486	173,567
Working capital	UFIR (+) 4.0% p.a.	1,057	1,888
Others			
Others	Sundry	3,160	4,868
IN FOREIGN CURRENCY			
CURRENT		1,286,587	1,873,618
In US Dollar			
Working capital (ACCs)	US\$ variation (+) 2.65% p.a.	171,695	-
Export prepayment (PPE)	US\$ variation (+) Libor (+) 0.95% to 1.2% p.a.	249,181	1,368,342
In US Dollar			
Working capital	Libor (+) 0.65% p.a. to 1.40% p.a.	314,497	240,369
In Euros			
Working capital	Euribor (+) 0.12% to 1.30% p.a.	369,142	74,169
In Mexican Pesos			
Working capital	TIIE (+) 0.90% p.a.	69,578	68,368
In Rand (South Africa)			
Working capital	8.75% to 9.25% p.a.	84,464	94,007
Other currencies			
Working capital	Domestic market rates	28,030	28,363
NONCURRENT		1,277,499	1,407,730
In US Dollar			
Export prepayment (PPE)	US\$ variation (+) Libor (+) 1.0% to 1.5% p.a.	-	91,519
In US Dollar			
Working capital	Libor (+) 1.40% p.a.	1,054,171	973,434
In Euros			
Working capital	Euribor	7,233	37,571
In Mexican Pesos			
Working capital	TIIE (+) 0.90% p.a.	183,268	302,086
In Colombian Pesos			
Working capital	8.26% to 9.95% p.a.	30,094	570
Other currencies			
Working capital	Domestic market rates	2,733	2,550
TOTAL BORROWINGS AND FINANCING		2,966,383	3,772,114
TOTAL CURRENT		1,456,417	2,049,093
TOTAL NONCURRENT		1,509,966	1,723,021



Maturity of noncurrent borrowings and financing:

	09/30/19	12/31/18
2020	57,290	236,591
2021	467,773	416,441
2022	753,381	694,057
2023	34,237	28,764
From 2024 onwards	197,285	347,168
TOTAL	1,509,966	1,723,021

17 PROVISION FOR CONTINGENCIES

The Company and its subsidiaries are parties to administrative and judicial proceedings involving tax, labor and civil matters arising from the normal activities of their businesses. The corresponding provisions were recorded for proceedings the likelihood of loss of which was rated as “probable” based on the estimate of value at risk determined by the Company's legal counsel. The Company's management estimates that the provision for contingencies recognized is sufficient to cover any losses on ongoing proceedings,

a) Balance of provision for contingencies:

	PARENT		CONSOLIDATED	
	09/30/19	12/31/18	09/30/19	12/31/18
(i) Tax:	4,730	4,730	214,062	203,493
- IRPJ and CSLL (a,1)	-	-	84,708	80,889
- INSS (a,2)	4,730	4,730	55,202	52,146
- PIS and COFINS (a,3)	-	-	64,553	60,113
- Others	-	-	9,599	10,345
(ii) Labor	-	-	265,321	260,689
(iii) Civil	-	-	76,666	81,081
(iv) Others	-	-	4,084	2,374
TOTAL	4,730	4,730	560,133	547,637

b) Statement of the movement for the year - consolidated:

	12/31/18	Additions	Interest	Write-offs	Reversals	09/30/19
a) Tax	203,493	9,970	6,030	-	(5,431)	214,062
b) Labor	260,689	24,030	12,536	(11,528)	(20,406)	265,321
c) Civil	81,081	16,970	1,239	(20,206)	(2,418)	76,666
d) Others	2,374	2,087	-	(117)	(260)	4,084
TOTAL	547,637	53,057	19,805	(31,851)	(28,515)	560,133

c) The provisions recognized refer mainly to:

(i) Tax contingencies

- (a.1) Refers to the proceeding regarding the difference of the IPC (Consumer Price Index) for January 1989 (“Plano Verão”) on the 16.24% inflation adjustment and the proceeding on the deduction from the calculation basis of 2011 RD&I Project expenditures (“Lei do Bem” – Innovation Tax Incentive Law).
- (a.2) Refers to contribution due to the Social Security. The litigation refers to social security charges levied on private pension plan, profit sharing, education allowance, among others.
- (a.3) Refers to non-approval by the Brazilian Federal Revenue Office of the request for offset of the credit balance of PIS and COFINS against federal tax debts.

(ii) Labor contingencies

The Company and its subsidiaries are defendants in labor claims primarily involving discussions about health and risk exposure, among others,

(iii) Civil contingencies

Refer mainly to civil lawsuits, including pain and suffering, aesthetic damage, occupational diseases and indemnities arising from occupational accidents,



d) Escrow deposits:

	PARENT		CONSOLIDATED	
	09/30/19	12/31/18	09/30/19	12/31/18
Tax	4,657	4,657	37,858	37,844
Labor and civil	-	-	25,187	16,398
Others	-	-	149	1,221
TOTAL RESTRICTED DEPOSITS	4,657	4,657	63,194	55,463
- Non-restricted escrow deposits	-	-	2,518	2,905
TOTAL ESCROW DEPOSITS	4,657	4,657	65,712	58,368

The escrow deposits not restricted to contingencies are awaiting court authorization for withdrawal.

e) Contingencies assessed as possible losses:

The Company and its subsidiaries are parties to other lawsuits for which the likelihood of loss is classified as “possible” and for which no provision for contingencies was recognized.

As at September 30, 2019, the estimated amount of these lawsuits amounted to R\$ 222,118 (R\$ 165,275 as at December 31, 2018).

(i) Tax

- Taxation on profits earned abroad in total estimated amount of R\$ 99.9 million (R\$ 43.2 million as at December 31, 2018);
- Levy of ICMS-ST on purchases of raw material in the amount of R\$ 25.9 million (R\$ 25.3 million as at December 31, 2018);
- Levy of social security contribution on dental care, education allowance, technical courses and salary premium for education in the amount of R\$ 23.2 million (R\$ 23.4 million as at December 31, 2018);
- Non-approval of IPI credits in the amount of R\$ 14.5 million (R\$ 14.2 million as at December 31, 2018); and
- Other tax contingencies in the amount of R\$ 37.9 million (R\$ 36.5 million as at December 31, 2018).

(ii) Civil

- São Fernando Energia Ltda. in the estimated amount of R\$ 14.9 million (R\$ 14.9 million as at December 31, 2018);
- Other civil lawsuits in the amount of R\$ 5.8 million (R\$ 7.8 million as at December 31, 2018).

18 PRIVATE PENSION PLAN

The Company and its subsidiaries are sponsors of WEG Seguridade Social, which has as main purpose to supplement the retirement benefits offered by the official social security system.

The Plan, administered by WEG Seguridade Social, includes monthly income benefits (retirement), annual bonus, supplemental sickness benefit, supplemental disability retirement, supplemental pension, supplemental annual bonus and death benefit.

The number of participants is 20,444 (19,646 as at September 30, 2018), The Company and its subsidiaries made contributions in the amount of R\$ 27,242 (R\$ 25,174 as at September 30, 2018).

Based on actuarial calculations made by independent actuaries in order to define the net liability value between the defined benefit obligation and the fair value of the plan assets, pursuant to the procedures established by CVM Resolution No. 695/12 – CPC 33 (R1) Employee Benefits, there are sufficient contributed amounts to ensure full payment of the plan commitments and there is no post-employment liability to be recognized by the Company.



19 EQUITY

a) Issued capital

The Company's capital is R\$ 5,504,517 (R\$ 5,504,517 as at December 31, 2018), comprising 2,098,658,999 registered book-entry common shares with no par value, all with voting rights, including the 1,144,023 shares held in treasury pursuant to item "c".

b) Shareholder compensation

b.1) Interest on capital

In 2019, the Company declared interest on capital according to the following approvals from the Board of Directors:

I. On March 19, 2019 the Company declared interest on capital in the gross amount of R\$ 97,341 (R\$ 84,637 in March 2018), net of R\$ 82,740 (R\$ 71,942 in March 2018) corresponding to R\$ 0.03945 per share, already deducting the withholding income tax of 15% pursuant to § 2, Article 9 of Law 9,249/95, except for corporate shareholders who are exempt from this tax.

II. On June 25, 2019, the Company declared interest on capital in the gross amount of R\$ 89,943 (R\$ 82,156 in June 2018), net of R\$ 76,452 (R\$ 69,833 in June 2018), corresponding to R\$ 0.03645 per share, already deducting the withholding income tax of 15%, pursuant to paragraph 2 of Article 9 of Law 9,249/95, except for corporate shareholders who are exempt from this tax.

Interest on capital on March 19, 2019 and June 25, 2019, pursuant to article 37 of the Bylaws and article 9 of Law 9249/95, was incorporated into mandatory dividends and paid on August 14, 2019.

III. On September 17, 2019, the Company declared interest on capital in the gross amount of R\$85,751 (R\$82,406 in September 2018), net of R\$72,889 (R\$70,045 in September 2018), corresponding to 0.03475 per share, already deducting the withholding income tax of 15%, pursuant to paragraph 2, article 9 of Law 9249/95, except for corporate shareholders who are exempt from this tax.

Interest on capital on September 17, 2019, pursuant to article 37 of the Bylaws and article 9 of Law 9249/95, will be incorporated into mandatory dividends and paid beginning March 11, 2020.

b.2) Interim dividends

On July 23, 2019, the Company approved the proposed distribution of interim dividends on profit recorded in the first half of 2018, in the amount of R\$186,888 (R\$0.08910 per share).

The interim dividends were paid on August 14, 2019, pursuant to article 37 of the Bylaws.

c) Treasury shares

The shares acquired by the Company are held in treasury to be used by the beneficiaries of the Company's Stock Option Plan and Long-Term Incentive Plan or subsequent cancellation or disposal.

Until September 30, 2019, the beneficiaries of the Company's Stock Option Plan and Plan ILP exercised 350,260 shares. The Company holds in treasury 1,144,023 shares at the average cost of R\$ 10.21 per share, in the total amount of R\$ 11,684 (R\$ 15,261 as at December 31, 2018).



20 LONG-TERM INCENTIVE PLAN (LTIP)

The Extraordinary General Meeting (EGM) held on June 28, 2016 approved the share-based compensation plan called Long-term incentive plan (LTIP Plan) for its Management and officers.

(i) Plan

The Plan is managed by the Board of Directors and is aimed at granting shares issued by WEG S.A. (Company), classified as "WEGE3" on B3, to its management and officers in order to attract, motivate and retain them, as well as align their interests to those of the Company and its shareholders.

For the LIP Plan application in each year, and the consequent granting of shares, an essential condition (trigger) is that the Company has obtained, in the immediately preceding year, at least 10% of Return on Invested Capital (ROIC).

The shares to be granted under LIP Plan are limited to a maximum of 2% (two percent) of the total shares representing the Company's capital.

The number of shares granted to the participants is included in clauses 7 and 8 of the LIP Plan, which establishes the criteria for the number of shares to be granted and the vesting period to be complied with.

The Plan may be discontinued, suspended or altered at any time, upon a proposal approved by the Company's Board of Directors.

(ii) Program

The Board of Directors may approve, annually, Long-Term Incentive Programs ("Programs") in which the participants, number of shares, value of share, and other rules specific to each Program will be defined.

Programs

The program participants are the officers of the Company and of its subsidiaries based in Brazil, excluding the officers of subsidiaries with third party participation.

The weighted average fair value was determined based on the Black-Scholes-Merton method:

The programs were updated on April 24, 2018, due to the bonus of 30% (thirty percent) on the number of shares, including the new market values in the strike price and the increase in shares for the number of shares granted. This update does not represent an impact in the calculation performed at the beginning of the Program.

Program	Shares Granted		Average calculation - Black-Scholes-Merton Method				
	Number	Share value (R\$)	Installment lifespan - in days	Expected volatility in share value (%)	Current share value at grant date (R\$)	Share value (R\$)	Expense to be recognized during the plan period (R\$ thousand)
2016	354,167	11.95	520 – 1,022	25.6	13.15	16.75	5,932
2017	297,069	19.25	525 – 1,025	29.0	18.01	24.18	7,183
2018	331,010	18.72	522 – 1,027	27.9	18.79	24.19	8,007

The expenses are recognized over the vesting period established by the LIP (Long-Term Incentive Plan).

Summary of the variation of the plan's shares:

Program	12/31/18	Granted	Exercised	Number of shares 09/30/19
2016	354,167	-	(99,706)	254,461
2017	297,069	-	(7,948)	289,121
2018	-	331,010	(8,717)	322,293
TOTAL	651,236	331,010	(116,371)	865,875



In September 30, 2019, expenses in the amount of R\$ 5,543 (R\$ 3,695 as at September 30, 2018) were recognized in line item "Other operating income (expenses)" in the income statement against capital reserve in equity.

The shares exercised in September 30, 2019 amounted to R\$ 2,488, with R\$ 2,907 recognized as capital reserve in equity and R\$ 419 in reversal to the accrued amount recorded in line item Other operating income (expenses) in the income statement.

21 STOCK OPTION PLAN

The EGM held on June 28, 2016 approved the discontinuance of the Company's Stock Option Plan which had been approved at the EGM of February 22, 2011, and subsequent amendments, complying with the agreements that had already been entered into and not yet completed.

The programs were updated on April 24, 2018, due to the bonus of 30% (thirty percent) on the number of shares, increasing the number of shares granted. This update does not represent an impact in the calculation performed at the beginning of the Program.

Summary of the movement of the plan's shares:

Program	12/31/18	Exercised	Number of shares
			09/30/19
April/13	14,266	(14,266)	-
September/13	7,007	(7,007)	-
March/14	113,299	(60,565)	52,734
August/14	28,598	(16,638)	11,960
March/15	115,106	(59,382)	55,724
August/15	149,897	(54,851)	95,046
March/16	201,080	(53,040)	148,040
TOTAL	629,253	(265,749)	363,504

The expenses on stock options are recognized over the vesting period.

In September 30, 2019, expenses in the amount of R\$ 191 (R\$ 496 as at September 30, 2018) were recognized in line item "Other operating income (expenses)" in the income statement against capital reserve in equity.

The options exercised in September 30, 2019 amounted to R\$ 1,979 (R\$ 1,331 as at September 30, 2018), The amount of R\$ 1,074 (R\$ 752 as at September 30, 2018) was recognized in line item capital reserve, in equity, and the amount of R\$ 905 (R\$ 579 as at September 30, 2018) related to the complement of the accrued amount was recorded in the retained earnings account.

22 NET REVENUE

BREAKDOWN OF NET REVENUE	CONSOLIDATED	
	09/30/19	09/30/18
Gross revenue	10,907,963	10,046,824
Domestic market	4,956,415	4,754,182
External market	5,951,548	5,292,642
Deductions	(1,339,375)	(1,201,391)
Taxes	(1,104,171)	(1,023,193)
Returns and rebates	(235,204)	(178,198)
Net revenue	9,568,588	8,845,433
Domestic market	3,919,960	3,822,917
External market	5,648,628	5,022,516



23 CONSTRUCTION CONTRACTS

The revenues and costs from construction contracts are recognized according to the percentage of completion method, based on the costs incurred, considering the legal possibility of requiring the payment by the customer or delivery of the product to the customer (transfer of control).

	CONSOLIDATED	
	09/30/19	09/30/18
Gross operating revenues recognized	695,591	943,795
Costs incurred	(562,340)	(800,947)
	09/30/19	12/31/18
Advances received	126,738	63,974

24 OPERATING EXPENSES BY NATURE AND FUNCTION

	CONSOLIDATED	
	09/30/19	09/30/18
EXPENSES BY NATURE	(8,287,871)	(7,743,942)
Depreciation, amortization and depletion	(294,520)	(230,392)
Personnel expenses	(2,244,502)	(1,966,571)
Raw materials and consumables	(4,238,894)	(4,190,874)
Freight and insurance expenses	(292,511)	(233,287)
Other expenses	(1,217,444)	(1,122,818)
EXPENSE BY FUNCTION	(8,287,871)	(7,743,942)
Cost of sales and services	(6,760,544)	(6,293,846)
Selling expenses	(896,136)	(839,623)
General and administrative expenses	(390,660)	(410,228)
Management fees	(19,899)	(18,873)
Other operating income (expenses)	(220,632)	(181,372)

25 OTHER OPERATING INCOME (EXPENSES)

The amounts recorded refer to profit sharing, reversal of/provision for tax lawsuits and others, as shown below:

	CONSOLIDATED	
	09/30/19	09/30/18
OTHER OPERATING INCOME	14,974	16,716
OTHER OPERATING EXPENSES	(235,606)	(198,088)
Profit sharing – employees	(157,097)	(141,546)
Profit sharing – foreign subsidiaries	(31,529)	(21,352)
Profit sharing – management	(19,613)	(18,330)
Share-based plan	(5,315)	(4,329)
Others	(22,052)	(12,531)
TOTAL, NET	(220,632)	(181,372)



26 FINANCE INCOME (COSTS), NET

	PARENT		CONSOLIDATED	
	09/30/19	09/30/18	09/30/19	09/30/18
FINANCE INCOME	27,530	32,988	757,684	612,573
Income from short-term investments	52,833	55,357	156,992	269,187
Exchange rate changes	-	-	464,426	296,967
Exchange rate changes - Trade payables	-	-	36,191	43,265
Exchange rate changes - Trade receivables	-	-	130,784	159,515
Exchange rate changes – Borrowings	-	-	215,480	53,137
Exchange rate changes – Others	-	-	81,971	41,050
PIS/COFINS on interest on capital	(23,484)	(20,709)	(23,484)	(20,709)
PIS/COFINS on finance income	(2,484)	(2,612)	(9,225)	(14,993)
Derivatives	-	-	127,765	14,108
PROEX - Equaliz, Interest rate	-	-	12,495	13,408
Other income	665	952	28,715	54,605
FINANCE EXPENSES	(554)	(249)	(813,853)	(582,628)
Interest on borrowings and financing	-	-	(133,911)	(173,317)
Exchange rate changes	-	-	(580,346)	(300,006)
Exchange rate changes - Trade payables	-	-	(54,068)	(71,654)
Exchange rate changes - Trade receivables	-	-	(92,327)	(88,324)
Exchange rate changes – Borrowings	-	-	(332,574)	(100,050)
Exchange rate changes – Others	-	-	(101,377)	(39,978)
Derivatives	-	-	(46,335)	(71,565)
Other expenses	(554)	(249)	(53,261)	(37,740)
FINANCE INCOME (EXPENSES), NET	26,976	32,739	(56,169)	29,945

27 PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION

The Company and its subsidiaries in Brazil calculate income tax and social contribution based on taxable income, except for WEG Administradora de Bens Ltda. and Agro Trafo Miner., Agric., Pec. e Administradora de Bens S.A., which adopt the calculation based on the deemed income. The provision for income tax was recognized at a 15% rate, plus a 10% surtax, and the social contribution at a 9% rate. The taxes of foreign subsidiaries are recognized according to the legislation of each country,

Reconciliation of income tax and social contribution:

	PARENT		CONSOLIDATED	
	09/30/19	09/30/18	09/30/19	09/30/18
Profit before taxes on income	1,113,531	1,002,612	1,227,387	1,133,800
Statutory rate	34%	34%	34%	34%
IRPJ and CSLL calculated at statutory rate	(378,601)	(340,888)	(417,312)	(385,492)
Adjustments for calculation of income tax and social contribution at effective rate:				
Income from investments in subsidiaries	372,607	333,289	5,565	(340)
Difference in rates on income abroad	-	-	151,520	116,235
Tax incentives	-	-	77,154	64,919
Reintegra (Special Regime for Refund of Taxes paid by Export Companies)	-	-	605	9,401
Interest on capital	6,514	8,607	92,832	84,728
Other adjustments	43	(581)	(9,744)	(15,955)
IRPJ and CSLL in the income statement	563	427	(99,380)	(126,504)
Current tax	(586)	(418)	(126,298)	(159,403)
Deferred tax	1,149	845	26,918	32,899
Effective rate - %	-0.05%	-0.04%	8.10%	11.16%



28 INSURANCE COVERAGE

The Company and its subsidiaries have a Worldwide Insurance Program - WIP, in which the following world policies established stand out: Transport (Export, Import and Domestic), Civil Liability for Products, Civil Liability of Directors and Officers (D&O), Property/Operational Risks, Environment Pollution, Performance Bond and Engineering Risk (Construction, Installation, Assembly and Commissioning).

The insurance policies are taken only with first-tier multinational insurance companies.

Below we highlight the Indemnity Limits (LMI) of the policies comprising the WIP:

Insurance policy	Maximum Insured Amount (MIA)	Maturity
Operational risks (Equity)	US\$ 36 million	03/31/2020
Loss of Profits	US\$ 10.3 million (for Paint companies and newly acquired companies for the first 12 months with an indemnity period of 6 months)	03/31/2020
General Civil liability	US\$ 10 million	09/12/2020
Civil Liability for Products	US\$ 40 million	09/12/2020
Domestic Transport	R\$ 12 million per shipment/accumulation/trip	11/01/2019
International Transport - Export/Import	US\$ 5 million per shipment/accumulation/trip	11/01/2019
Environmental Pollution	US\$ 20 million	09/12/2020
Contractual Performance Bond	As stipulated in the contract	As per the agreement / delivery
Engineering, Installation and Assembly Risk	According to the value at risk of the contracts, limited to R\$ 200 million in Brazil, US\$ 30 million in Latin America (except Cuba) and US\$ 5 million in the USA;	As per the construction schedule / supply
Civil Liability of Directors & Officers (D&O)	US\$ 30 million	3/12/2020

29 FINANCIAL INSTRUMENTS

The Company and its subsidiaries performed the valuation of its financial instruments, including derivatives recorded in the interim financial statements, presenting the following values:

	CARRYING AMOUNT	
	09/30/19	12/31/18
Cash and cash equivalents	2,100,404	2,205,700
Cash and banks	328,972	286,783
Short-term investments:	1,771,432	1,918,917
- In local currency	1,628,399	1,870,749
- In foreign currency	143,033	48,168
Short-term investments	1,384,329	1,886,970
Derivatives	254,322	390,696
- Non-Deliverable Forwards – NDF	947	9,192
- Hedge accounting	253,375	381,504
Total – Assets	3,739,055	4,483,366
Borrowings and financing	2,966,383	3,772,114
- In local currency	402,297	490,766
- In foreign currency	2,564,086	3,281,348
Derivatives	30,220	20,194
- Non-Deliverable Forwards – NDF	8,853	9,201
- SWAP	7,539	8,124
- Hedge accounting	13,828	2,869
Total – Liabilities	2,996,603	3,792,308



29.1 Risk factors

The risk factors of the financial instruments are basically related to:

a) Credit risks

Arises from the possibility of the Company's subsidiaries not receiving amounts from sales or credits held with financial institutions generated by financial investments. To mitigate the risk of the sales transactions, the Company's subsidiaries adopt a policy of analyzing the financial position of their customers, establishing a credit limit and performing an ongoing monitoring of their debt balance. As regards the financial investments, the Company and its subsidiaries invest with institutions with low credit risk.

b) Foreign currency risks

The Company and its subsidiaries conduct import and export transactions in various currencies, they manage and monitor the exchange exposure seeking to balance their financial assets and liabilities within the limits established by Management.

The limit of exchange exposure sold (net) may be equivalent to up to two months of exports in foreign currencies as established by the Company's Board of Directors.

As at September 30, 2019, the Company and its subsidiaries made exports in the amount of USD 554.4 million (USD 494.8 million as at September 30, 2018), representing a natural hedge for part of the indebtedness and other costs associated to other currencies, mainly the US dollar.

c) Debt charge risks

These risks arise from the possibility that the subsidiaries may incur losses due to fluctuations in interest rates or other debt indexes, which would increase the finance costs related to borrowings and financing raised in the market, or decrease the finance income related to short-term investments of subsidiaries. The Company and its subsidiaries perform an ongoing monitoring of the market interest rates aiming at assessing the need for hedging against the risk of volatility of these rates.

29.2, Derivative financial instruments

The Company and its subsidiaries have the following derivative transactions:

a) Non-Deliverable Forwards - NDF, in the notional amount of:

- (i) USD 25.5 million, held by its subsidiary WEG International Trade GmbH, with the purpose of hedging its product exports against the risks of fluctuations in exchange rates;
- (ii) USD 25.0 million, held by its subsidiary WEG Equipamentos Elétricos S.A., with the purpose of partially hedging its exports against the risks of fluctuations in exchange rates;
USD 5.8 million, held by its subsidiary Zest WEG Group Africa (Pty) Ltd, aiming at hedging its product imports against the risks of fluctuations in exchange rates;
- (iii) EUR 5.0 million, held by its subsidiary WEG Equipamentos Elétricos S.A., with the purpose of partially hedging its exports against the risks of fluctuations in exchange rates;
- (iv) EUR 8.6 million, held by its subsidiary WEG Colombia S.A.S., with the purpose of hedging its financing transactions against the risk of appreciation in the Euro rate,
- (v)

b) Swap transactions, in the notional amount of:

EUR 10 million, held by its subsidiary Watt Drive Antriebstechnik GmbH, with the purpose of hedging its financing against the risks of fluctuation of the Euribor;

The management of the Company and its subsidiaries maintain an ongoing monitoring of the derivative financial instruments contracted, through their internal controls.



The sensitivity analysis table (item 29,3) should be read jointly with the other financial assets and liabilities expressed in foreign currency as at September 30, 2019 since the estimated effects of the exchange rates on NDFs and swaps will be offset, if materialized, in whole or in part, against the devaluation of all assets and liabilities.

Management defined that, for the probable scenario (market value), the exchange rates used to mark to market the financial instruments, valid at September 30, 2019, should be considered. These rates represent the best estimate of the future behavior of their prices and represent the amount by which the positions could be settled on their maturity.

The Company and its subsidiaries made the recording based on their market price at September 30, 2019 at fair value and on the accrual basis. These transactions had a net positive impact of R\$ 81,430 (negative R\$ 57,457 as at September 30, 2018) which were recognized as finance income (cost). The Company and its subsidiaries have no margins given in guarantee for the derivative financial instruments outstanding at September 30, 2019.

c) Financial Derivatives instruments designated for hedge accounting:

The Company made the formal designation of its transactions subject to hedge accounting for hedging derivative instruments related to purchase of inputs and expenses denominated in foreign currency, documenting:

- Date of designation and identification of the hedging relationship;
- Description of the purpose of hedging and risk management strategy;
- Statement of compliance with respect to hedge and risk management;
- Description and identification of the derivative instrument and the hedged item;
- Description of the hedged risks and excluded risks;
- Description of the method to evaluate the hedge effectiveness;
- Frequency of prospective and retrospective effectiveness assessment;
- Description of the hedge accounting policy.

The Company and its subsidiaries entered into the following transactions involving derivatives designated for hedge accounting:

Non-Deliverable Forwards - NDF, in the notional amount of:

- (i) USD 90.8 million, held by its subsidiary WEG Holding GmbH, with the purpose of hedging its intercompany financing transactions against the risks of fluctuations in exchange rates;
- (ii) USD 9.8 million, held by its subsidiary WEG Equipamentos Elétricos S.A., with the purpose of hedging its imports of inputs against the risks of fluctuations in exchange rates;
- (iii) EUR 2.2 million, held by its subsidiary WEG Equipamentos Elétricos S.A., with the purpose of hedging its imports of inputs against the risks of fluctuations in exchange rates;
- (iv) AUD 10.9 million, held by its subsidiary WEG Holding GmbH, with the purpose of hedging its intercompany financing transactions against the risks of fluctuations in exchange rates.

SWAP transactions, in the notional amount of:

USD319.3 million, held by its subsidiary WEG Equipamentos Elétricos S.A., with the purpose of hedging the export prepayment (PPE) transactions;

The Company and its subsidiaries made the recording based on their fair value as at September 30, 2019 on the accrual basis. The accumulated value, net of taxes, recognized in equity is R\$ 14,122 negative (R\$ 18,657 negative at December 31, 2018).



29.3. Sensitivity analysis

The tables below present in reads the effects of "cash and expense" relating to the results of the financial instruments in each of the scenarios.

a) Financing:

Transaction	Risk	Currency	Notional value (in thousands)	Market value at 09/30/2019		Possible scenario 25%		Remote scenario 50%	
				Average price	In R\$ thousand	Average price	In R\$ thousand	Average price	In R\$ thousand
Financing	Increase in TJLP (*)	R\$	189,781	Rate 5.95% p.a.	(11,292)	Rate 7.44% p.a.	(14,120)	Rate 8.93% p.a.	(16,947)
	TOTAL				(11,292)				

(*) Sensitivity analysis of the variations in financing: The Company's risk in the event of increase in interest rate, considering static the position of financing based on TJLP at September 30, 2019.

b) Non-Deliverable Forwards - NDF transactions:

Transaction	Risk	Currency	Notional value (In thousands)	Market value at 09/30/2019		Possible scenario 25%		Remote scenario 50%	
				Average price	In R\$ thousand	Average price	In R\$ thousand	Average price	In R\$ thousand
Non Deliverable Forwards - NDF	Increase in Dollar	US\$/R\$	25,026	4.1760	(6,071)	5.2200	(32,196)	6.2640	(58,323)
	Decrease in Dollar	US\$/ZAR	5,831	15.5492	947	11.6619	(4,887)	7.7746	(11,116)
	Decrease in Dollar	US\$/EUR	27,000	1.0927	(2,257)	0.8195	(36,279)	0.5463	(104,710)
	Decrease in Interest	US\$/AUD	440	1.4790	(41)	1.1093	(416)	0.7395	(873)
	Total Dollar		58,297		(7,422)				
	Increase in Euro	EUR/R\$	5,000	4.5476	(356)	5.6845	(6,041)	6.8214	(11,726)
	Decrease in Euro	EUR/COP	8,645	3,815.1586	(63)	2,861.3690	(9,956)	1,907.5793	(19,849)
	Total Euro		13,645		(419)				
	Decrease in Pound	GBP/EUR	5,194	0.8907	(65)	0.6680	(8,134)	0.4453	(24,282)
	Total Pound		5,194		(65)				
	TOTAL				(7,906)				



c) SWAP transactions:

Operation	Risk	Currency	National Value (in thousands)	Market Value in 09/30/2019		Possible Scenario 25%		Remote Scenario 50%	
				Average Price	In R\$ thousands	Average Price	In R\$ thousands	Average Price	In R\$ thousands
SWAP	Decrease of Euribor	EUR	10,000	Interest - 0.73% p.a.	(7,539)	Interest - 0.92% p.a.	(7,805)	Interest - 1.10% p.a.	(8,071)
	TOTAL				(7,539)				

d) Hedge accounting transactions:

Operation	Risk	Currency	National Value (in thousands)	Market Value in 09/30/2019		Possible Scenario 25%		Remote Scenario 50%	
				Average Price	In R\$ thousands	Average Price	In R\$ thousands	Average Price	In R\$ thousands
NDF	Decrease in Dollar	USD/R\$	9,775	4.1840	992	3.1380	(9,233)	2.0920	(19,458)
	Decrease in Dollar	USD/EUR	90,800	1.1070	(11,918)	0.8302	(124,482)	0.5535	(351,650)
	Decrease in Euro	EUR/R\$	2,247	4.6221	(279)	3.4666	(2,875)	2.3110	(5,472)
	Alta do Renminbi	CNY/R\$	17,667	0.5815	449	0.7268	(3,017)	0.8722	(5,585)
	Queda do Dólar Australiano	AUD/EUR	10,936	1.6388	(250)	1.2291	(9,470)	0.8194	(27,950)
	Queda da Libra	GBP/EUR	3,377	0.8957	(958)	0.6718	(6,096)	0.4479	(16,538)
	Queda do Dólar da Singapura	SGD/EUR	1,800	1.5238	(181)	1.1429	(1,801)	0.7619	(5,073)
	Queda do Ringgit Malaio	MYR/EUR	8,300	4.5983	(192)	3.4487	(2,675)	2.2991	(7,674)
	TOTAL				(12,337)				

30 GOVERNMENT SUBSIDIES AND GRANTS

The Company and its subsidiaries obtained subsidies in the amount of R\$ 95,144 (R\$ 71,728 as at September 30, 2018) arising from tax incentives, recognized in profit or loss for the period:

			CONSOLIDATED	
			09/30/19	09/30/18
Total government subsidies and grants			95,144	71,728
a) WEG Linhares Equipamentos Elétricos S.A.			38,181	29,893
- ICMS (state VAT) incentive credit of 85.0%			27,291	22,011
- 75.0% reduction of IRPJ			10,871	7,663
- Decrease due to reinvestment of 30.0%			-	200
- Municipal investment			19	19
b) WEG Drives & Controls – Automata Ltda.			40,563	28,636
- ICMS incentive credit			40,563	28,636
c) WEG Logística Ltda.			12,360	10,738
- ICMS incentive credit			12,360	10,738
d) WEG Amazônia S.A.			3,067	1,520
- ICMS (state VAT) incentive credit of 90.25%			297	300
- 75.0% reduction of IRPJ			2,770	1,220
e) WEG Equipamentos Elétricos S.A.			973	941
- Municipal investment			973	941

There are no contingencies related to the subsidies, and all the conditions for obtaining government subsidies have been met.



31 SEGMENT INFORMATION

	Brazil				Abroad		Eliminations and Adjustments		Consolidated	
	Industry		Energy							
	09/30/2019	09/30/2018	09/30/2019	09/30/2018	09/30/2019	09/30/2018	09/30/2019	09/30/2018	09/30/2019	09/30/2018
Revenue from Sale of Products and/or Services	4,905,912	4,169,206	1,511,606	1,760,896	5,932,272	5,197,008	(2,781,202)	(2,281,677)	9,568,588	8,845,433
Profit (loss) before taxes on Income	1,891,587	1,477,649	560,434	653,039	765,760	602,597	(1,990,394)	(1,599,485)	1,227,387	1,133,800
Depreciation/Amortization/Depletion	110,755	101,989	61,348	39,758	129,465	88,645	(7,048)	-	294,520	230,392
	09/30/2019	12/31/2018	09/30/2019	12/31/2018	09/30/2019	12/31/2018	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Identifiable Assets	3,753,075	3,518,281	1,685,418	1,785,329	7,123,905	6,367,858	(1,281,824)	(976,382)	11,280,574	10,695,086
Identifiable Liabilities	1,174,512	970,906	835,781	953,258	1,681,117	1,495,515	(618,184)	(465,010)	3,073,226	2,954,669

Industry: single and three phase low/medium voltage motors, gearboxes and geared motors, drives and controls, industrial automation equipment and services, power sockets and switches, electric traction solutions for heavy vehicles, SUV vehicles, locomotives, and sea transportation electric propelling, paint & varnish.

Energy: electric generators for thermal and hydraulic power plants (biomass), hydraulic and steam turbines, transformers, substations, wind power generators, solar panels, control panels, integration services of renewable and distributed energy systems and solutions,

Foreign: comprised of operations carried out by subsidiaries located in various countries,

The column of eliminations and adjustments includes the eliminations applicable to the Company in the context of the Consolidated Interim Financial Information.

All operating assets and liabilities are presented as identifiable assets and liabilities.

The segment information is presented consistently with the reports used by Management to assess the performance of each segment of the Company.

32 EARNINGS PER SHARE

a) Basic

Basic earnings per share are calculated by dividing profit for the period, attributable to the holders of the Company's common shares, by the weighted average number of common shares outstanding in the period.

	09/30/19	09/30/18
Profit attributable to the Company's shareholders	1,114,094	1,003,039
Weighted average number of potential diluting common shares (adjusted with bonuses) held by shareholders (shares/thousand)	2,097,454	2,097,199
Basic earnings per share - R\$	0.53116	0.47828

b) Diluted

Diluted earnings per share are calculated by dividing the profit attributable to the holders of the Company's common shares by the weighted average number of common shares available during the year plus the weighted average number of common shares that would be issued upon the conversion of potential diluted common shares.

	09/30/19	09/30/18
Profit attributable to the Company's shareholders	1,114,094	1,003,039
Weighted average number of potential diluting common shares (adjusted with bonuses) held by shareholders (shares/thousand)	2,098,746	2,098,459
Diluted earnings per share - R\$	0.53084	0.47799



33 SUBSEQUENT EVENTS

33.1 V2COM Participações S.A.

On October 2, 2019, the Company announced the acquisition of a 51% equity interest in V2COM Participações S.A., a company specializing in IoT (Internet of Things) and complete telemetering solutions for power and Smart Grid systems.

Board of Directors

Décio da Silva - Presidente
Nildemar Secches - Vice-Presidente
Dan Ioschpe
Martin Werninghaus
Miguel Normando Abdalla Saad
Sérgio Luiz Silva Schwartz
Umberto Gobbato

Board of Executive Officers

Harry Schmelzer Junior - Chief Executive Officer
André Luis Rodrigues - Chief Administrative and Financial Officer
Carlos Diether Prinz – Chief Transmission and Distribution Division Officer
Daniel Marteleto Godinho – Chief Corporate Strategies Officer
Eduardo de Nóbrega - Chief Energy Division Officer
Hilton José da Veiga Faria - Chief Human Resources and Institutional Relations Officer
Luis Alberto Tiefensee – Chief Motors Division Officer
Luis Gustavo Lopes Iensen – Chief International Division Officer
Manfred Peter Johann - Chief Automation Division Officer
Paulo Geraldo Polezi – Chief Financial and Investor Relations Officer
Reinaldo Richter – Chief Paints Division Officer
Siegfried Kreutzfeld – Chief South Africa Division Officer
Wilson José Watzko - Chief Controlling Officer

Accountant

Homero Fabiano Michelli
CRC/SC 025355/O-2

Supervisory Board

Sitting members

Alidor Lueders
Adelino Dias Pinho
Vanderlei Dominguez da Rosa

Deputy members

Ilário Bruch
José Luiz Ribeiro de Carvalho
Paulo Roberto Francesch

Qualified Report on Review of Quarterly Information

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF QUARTERLY INFORMATION

To the Shareholders and Management of
WEG S.A.
Jaraguá do Sul - SC

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of WEG S.A. (the "Company"), identified as Parent and Consolidated, respectively, included in the Quarterly Information Form (ITR), for the quarter ended September 30, 2019, which comprises the balance sheet as at September 30, 2019, and the statements of profit and loss and of comprehensive income for the three and nine-month periods then ended and of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

The Company's Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) - Interim Financial Reporting and international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Quarterly Information (ITR) referred to above is not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and the international standard IAS 34, applicable to the preparation of Quarterly Information (ITR), and presented in accordance with the standards issued by CVM.

Other matters*Statements of value added*

The interim financial information referred to above includes the individual and consolidated statements of value added (DVA) for the nine-month period ended September 30, 2019, prepared under the responsibility of the Company's Management and disclosed as supplemental information for international standard IAS 34 purposes. These statements were subject to review procedures performed together with the review of the Interim Financial Information (ITR), in order to conclude as to whether these individual and consolidated statements of value added are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added are not prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and in relation to the individual and consolidated interim financial information taken as a whole.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

Joinville, October 14, 2019

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Otávio Ramos Pereira
Engagement Partner

Opinions and Statements / Officers' Statement on the Quarterly Information

By this instrument, the Chief Executive Officer and the other Officers of WEG S.A., a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3300, registered with the CNPJ (Corporate Taxpayer Register) under CNPJ 84.429.695/0001-11, for purposes of the provisions in item II of §1 of Article 29 of CVM Ruling 480, of December 7, 2009, state that they have reviewed and discussed and agree with the quarterly information of WEG S.A. and Consolidated as at September 30, 2019.

Jaraguá do Sul (SC), October 14, 2019

Harry Schmelzer Junior - Chief Executive Officer

André Luis Rodrigues - Chief Administrative and Financial Officer

Carlos Diether Prinz – Chief Transmission and Distribution Division Officer

Daniel Marteleto Godinho – Chief Corporate Strategies Officer

Eduardo de Nóbrega - Chief Energy Division Officer

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Paulo Geraldo Polezi – Chief Financial and Investor Relations Officer

Reinaldo Richter - Chief Paints Division Officer

Siegfried Kreutzfeld – Chief South Africa Division Officer

Wilson José Watzko - Chief Controlling Officer

Opinions and Statements / Officers' Statement on the Independent Auditor's Report

By this instrument, the Chief Executive Officers and the other Officers of WEG S.A., a publicly-held corporation headquartered at Avenida Prefeito Waldemar Grubba, 3300, registered with the CNPJ (Corporate Taxpayer Register) under No. 84.429.695/0001-11, for purposes of the provisions in item II of §1 of Article 29 of CVM Ruling No. 480, of December 7, 2009, state that they have reviewed and discussed and agree with the opinions expressed in the independent auditor's report of Deloitte Touche Tohmatsu Auditores Independentes, dated October 14, 2019, in respect of the quarterly information of WEG S.A. and Consolidated as at September 30, 2019.

Jaraguá do Sul (SC), October 14, 2019

Harry Schmelzer Junior - Chief Executive Officer

André Luis Rodrigues - Chief Administrative and Financial Officer

Carlos Diether Prinz – Chief Transmission and Distribution Division Officer

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