

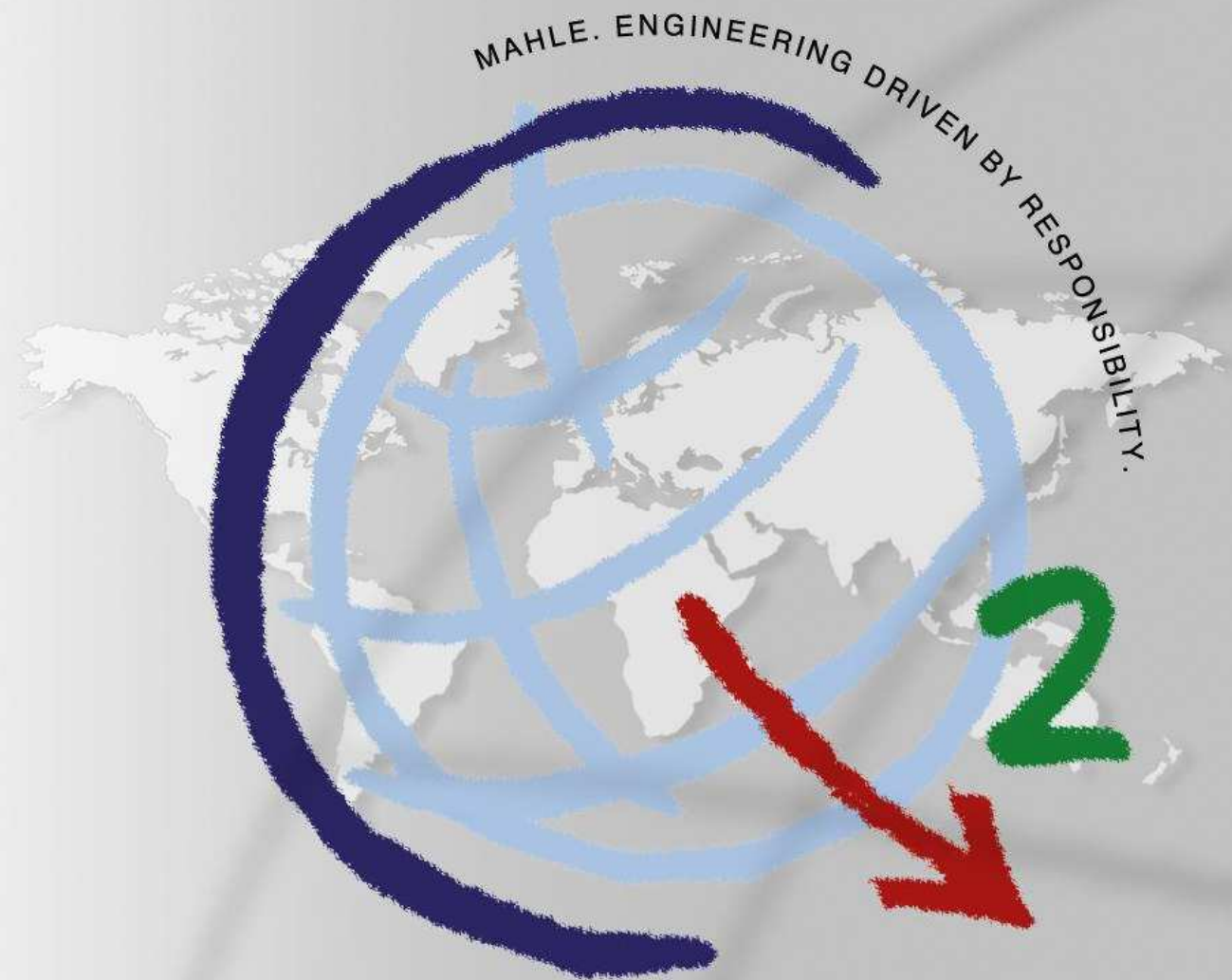
2017 / 4Q17 Conference Call

MAHLE Metal Leve S.A.

March 20th, 2018

12:00 p.m. (BR time)

11:00 a.m. (Eastern time)



- **Net Sales Revenue**¹ of R\$ 2,264.5 million in 2017, 5.7% higher than that of 2016, and Ebitda margin of 17.7%. In the 4Q17, net sales revenue was 14.4% higher than that reported in the 4Q16 and **Ebitda margin** was 14.3%;
- The Board of Directors' Meeting held on December 27, 2017 approved distribution of **interest on capital (gross)** of **R\$ 14.9 million** for the period between November 1, 2017 and December 31, 2017;
- On January 18, 2018, the Board of Directors **approved the Business Plan for Production and Commercialization of the MBE2 Technology**, which seeks to improve the first generation ethanol production process.

Main Indicators								
(R\$ million)	2017	2016	(a/b)	4Q17	3Q17	4Q16	(c/d)	(c/e)
	(a)	(b)		(c)	(d)	(e)		
Net revenues ¹	2,264.5	2,143.3	5.7%	576.6	596.5	503.9	-3.3%	14.4%
EBITDA	401.8	120.1	234.6%	82.7	132.6	(164.5)	-37.6%	N/A
Adjusted EBITDA ²	401.8	308.7	30.2%	82.7	132.6	24.1	-37.6%	243.2%
EBITDA margin	17.7%	5.6%	12,1 p.p.	14.3%	22.2%	-32.6%	-7.9 p.p.	46,9 p.p.
Adjusted EBITDA margin ²	17.7%	14.4%	3,3 p.p.	14.3%	22.2%	4.8%	-7.9 p.p.	9,5 p.p.
Net income	237.3	24.6	864.6%	43.5	98.4	(142.7)	-55.8%	N/A
Adjusted net income	237.3	213.2	11.3%	43.5	98.4	45.9	-55.8%	-5.2%
Net margin	10.5%	1.1%	9,4 p.p.	7.5%	16.5%	-28.3%	-9,0 p.p.	35,8 p.p.
Adjusted net margin	10.5%	9.9%	0,6 p.p.	7.5%	16.5%	9.1%	-9,0 p.p.	-1,6 p.p.

¹ For purposes of adjustment of the basis for comparison between the periods, the results from subsidiary MAHLE Metal Leve Miba Sinterizados LTDA were excluded from these financial statements since that subsidiary was sold on June 30, 2017. Additional information is available in note 36 to the Financial Statements as of December 31, 2017.

² Adjustment in Ebitda for the 4Q16/2016 due to the impairment loss of R\$ 188.6 million on goodwill of the piston rings business and in net income, due to reversal of R\$ 64.1 million relating to income and social contribution taxes on the impairment loss.

Performance of the Brazilian automotive industry

Source: ANFAVEA

Driven by performance

Brazilian automotive industry												
Segments	Jan-Dec 2017					Jan-Dec 2016					Sales Variation (A/C)	Production Variation (B/D)
	Sales (Local + Imp) (A)	Export	Import	Inventory (*)	Total Production (B)	Sales (Local + Imp) (C)	Export	Import	Inventory (*)	Total Production (D)		
Passenger Cars	1,856,097	619,121	-164,747	-41,003	2,269,468	1,688,289	411,692	-203,545	-117,972	1,778,464	9.9%	27.6%
Light Commercials	319,890	105,487	-77,578	-21,152	326,647	300,308	77,132	-68,088	-10,647	298,705	6.5%	9.4%
Total of Light vehicles	2,175,987	724,608	-242,325	-62,155	2,596,115	1,988,597	488,824	-271,633	-128,619	2,077,169	9.4%	25.0%
Trucks	51,941	28,288	-1,783	4,441	82,887	50,559	21,548	-1,817	-9,808	60,482	2.7%	37.0%
Buses	11,755	9,137	-1	-221	20,670	11,161	9,765	-7	-2,214	18,705	5.3%	10.5%
Total Trucks and Buses	63,696	37,425	-1,784	4,220	103,557	61,720	31,313	-1,824	-12,022	79,187	3.2%	30.8%
Agricultural	44,362	14,096	-	-3,470	54,988	43,701	9,598	-	733	54,032	1.5%	1.8%
Total of medium and heavy vehicle	108,058	51,521	-1,784	750	158,545	105,421	40,911	-1,824	-11,289	133,219	2.5%	19.0%
Total vehicle sales	2,284,045	776,129	-244,109	-61,405	2,754,660	2,094,018	529,735	-273,457	-139,908	2,210,388	9.1%	24.6%
Variation (un) - 2017 x 2016	190,027	246,394	29,348	78,503	544,272							
Variation (%) - 2017 x 2016	9.1%	46.5%	-10.7%	-56.1%	24.6%							

Source: Anfaeva

(*) Vehicle inventory variation = production - (sales + exports - imports)

- According to the Brazilian Association of Motor Vehicle Manufacturers (ANFAVEA), **vehicle inventory** recorded at the end of 2017 totaled 219.1 thousand units, corresponding to 31 days of sales. In 2016, vehicle inventory was equivalent to 26 days of sales (176.0 thousand units).

Argentinian automotive industry			
Vehicle Sales (Locally-manufactured and imported)	Jan-Dec 2017 (A)	Jan-Dec 2016 (B)	A/B
Passenger Cars	642,624	518,637	23.9%
Light Commercials	241,178	202,774	18.9%
Total of Light vehicle	883,802	721,411	22.5%
Total of medium and heavy vehicle (**)	26,168	17,173	52.4%
Total vehicle sales	909,970	738,584	23.2%
Exports	209,587	190,008	10.3%
Imports	624,794	439,752	42.1%
Automotive trade balance	(415,207)	(249,744)	-66.3%
Vehicle inventory variation in the period (*)	(15,552)	(11,154)	-39.4%
Total vehicle production	479,211	477,686	0.3%
Production of Light vehicle	472,158	472,776	-0.1%
Production Trucks (***)	5,357	4,002	33.9%
Production Buses (***)	1,696	908	86.8%
Production of medium and heavy vehicle	7,053	4,910	43.6%
Total Vehicle Production	479,211	477,686	0.3%

(*) Vehicle inventory variation = production - (sales + exports - imports).

(**) Source: Arcaras Arg.

(***) Source: IHS

Source: Adefa

Vehicle production and sales (Brazil + Argentina)
 Vehicle production in the main exports markets

Driven by performance

Production and sales: Brazil & Argentina	Vehicle production			Vehicle sales		
	Jan-Dec 2017	Jan-Dec 2016	variation	Jan-Dec 2017	Jan-Dec 2016	variation
Light vehicle	3,068,273	2,549,945	20.3%	3,059,789	2,710,008	12.9%
Medium and heavy vehicle	165,598	138,129	19.9%	134,226	122,594	9.5%
Total	3,233,871	2,688,074	20.3%	3,194,015	2,832,602	12.8%

Source: Anfavea and Adefa

Vehicle Production in the main exports market			
Segment	Jan-Dec 2017 (A)	Jan-Dec 2016 (B)	A/B
Production of Light vehicle	17,136,612	17,836,685	-3.9%
Production of medium and heavy vehicle	521,259	474,007	10.0%
North America	17,657,871	18,310,692	-3.6%
Production of Light vehicle	22,330,723	21,540,272	3.7%
Production of medium and heavy vehicle	673,930	634,125	6.3%
Europe	23,004,653	22,174,397	3.7%
Total Vehicle Production	40,662,524	40,485,089	0.4%

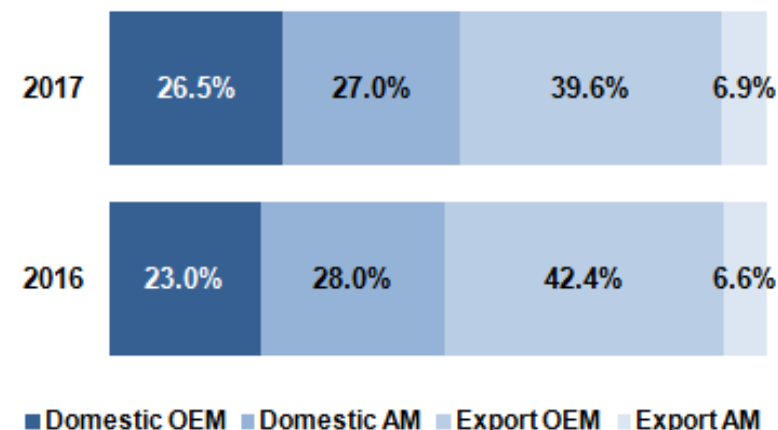
Source: IHS

Net Revenues Performance by Market

Driven by performance

Net revenues by market (R\$ Million)	2017 (a)	Volume/Price (b)	FX-Variation (c)	2016 (d)	% volume/price impact (b/d)	% FX-impacts (c/d)	H.A. (%) (a/d)
Original equipment							
Domestic ¹	599.2	109.0	(1.8)	492.0	22.2%	-0.4%	21.8%
Export	897.9	22.6	(35.2)	910.5	2.5%	-3.9%	-1.4%
Total	1,497.1	131.6	(37.0)	1,402.5	9.4%	-2.7%	6.7%
Aftermarket							
Domestic ¹	611.0	35.1	(23.5)	599.4	5.9%	-4.0%	1.9%
Export	156.4	28.4	(13.4)	141.4	20.1%	-9.5%	10.6%
Total	767.4	63.5	(36.9)	740.8	8.6%	-5.0%	3.6%
Grand total	2,264.5	195.1	(73.9)	2,143.3	9.1%	-3.4%	5.7%

¹ Domestic market includes Brazil and Argentina.



- Volume / price increased by 9.1% between periods.

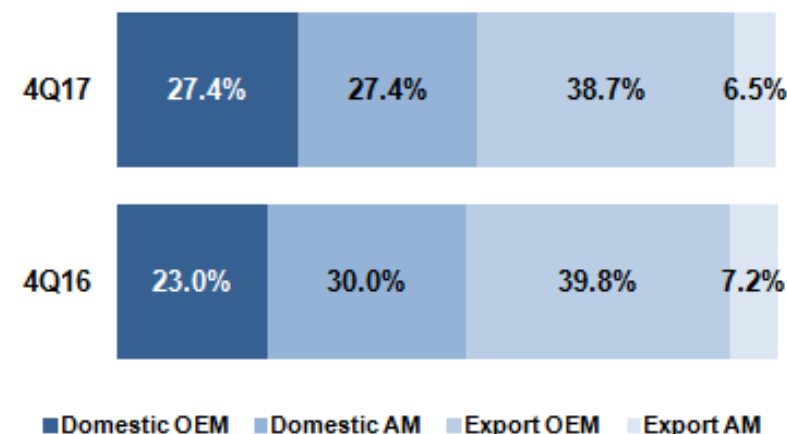
Net Revenues Performance by Market

Driven by performance

Net revenues by market (R\$ Million)	4Q17 (a)	Volume/Price (b)	FX-Variation (c)	4Q16 (d)	% volume/price impact (b/d)	% FX-impacts (c/d)	H.A. (%) (a/d)
Original equipment							
Domestic ¹	157.9	42.3	(0.3)	115.9	36.5%	-0.3%	36.2%
Export	223.4	1.9	20.9	200.6	0.9%	10.5%	11.4%
Total	381.3	44.2	20.6	316.5	14.0%	6.5%	20.5%
Aftermarket							
Domestic ¹	157.8	8.7	(2.3)	151.4	5.7%	-1.5%	4.2%
Export	37.5	0.8	0.7	36.0	2.2%	2.0%	4.2%
Total	195.3	9.5	(1.6)	187.4	5.1%	-0.9%	4.2%
Grand total	576.6	53.7	19.0	503.9	10.7%	3.7%	14.4%

¹ Domestic market includes Brazil and Argentina.

- Volume / price increased by 10.7% between periods.

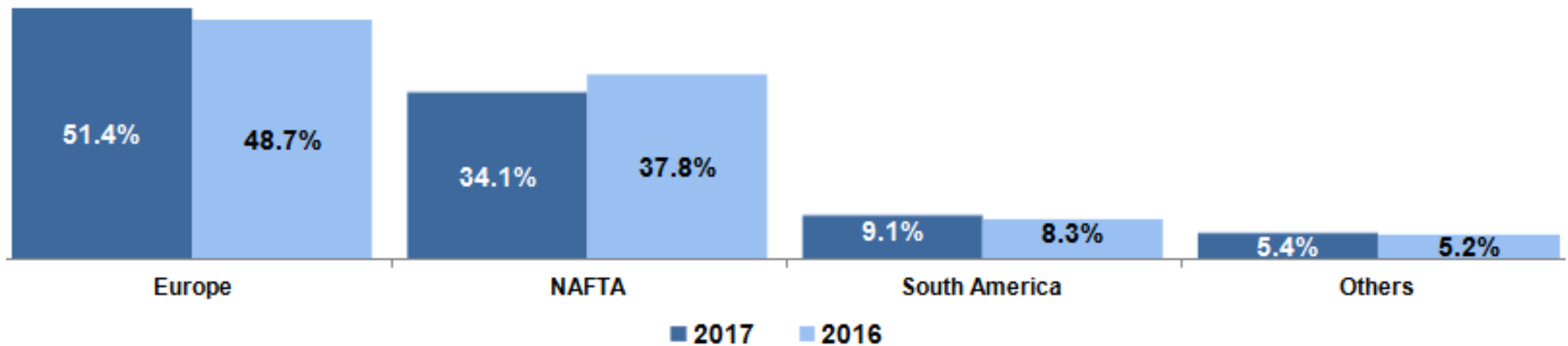


MAHLE Metal Leve S.A.

MAHLE Metal Leve's consolidated exports by region:



Driven by performance



MAHLE Metal Leve S.A.

Summary P&L



Driven by performance

Summary P&L (R\$ million)	2017	2016	V.A. (%)	V.A. (%)	H.A. (%)	4Q17	4Q16	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)	(c)	(d)	(c)	(d)	(c/d)
Net revenues	2,264.5	2,143.3	100.0%	100.0%	5.7%	576.6	503.9	100.0%	100.0%	14.4%
Cost of sales	(1,635.8)	(1,550.2)	-72.2%	-72.3%	5.5%	(421.5)	(382.2)	-73.1%	-75.8%	10.3%
Gross income	628.7	593.1	27.8%	27.7%	6.0%	155.1	121.7	26.9%	24.2%	27.4%
Gross margin	27.8%	27.7%			0,1 p.p.	26.9%	24.2%			2,7 p.p.

- The gross income positive variation between the periods is mainly due to the volumes increase of 9.1% in domestic and export sales in 2017 and 10.7% in the 4Q17.

- SG&A expenses:
 - The increase in general and administrative expenses, in turn, is mainly due to payment of indemnity for employment terminations.

- R&D expenses:
 - In line with the percentages reported in the previous periods.

- Other operating income (expenses):
 - Provision/reversal for labor, civil and tax contingencies;
 - Gain on disposal of assets, i.e., sale of MAHLE Metal Leve Miba Sinterizados Ltda.
 - Income from Recovered Taxes under the Reintegra Program.

Summary P&L (R\$ million)	2017	2016	V.A. (%)	V.A. (%)	H.A. (%)	4Q17	4Q16	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)	(c)	(d)	(c)	(d)	(c/d)
Net revenues	2,264.5	2,143.3	100.0%	100.0%	5.7%	576.6	503.9	100.0%	100.0%	14.4%
Selling expenses	(146.9)	(145.9)	-6.5%	-6.8%	0.7%	(41.8)	(41.5)	-7.2%	-8.2%	0.7%
General and administrative expenses	(88.3)	(76.1)	-3.9%	-3.6%	16.0%	(19.8)	(16.9)	-3.4%	-3.4%	17.2%
Technology and product development expenses	(83.4)	(84.9)	-3.7%	-4.0%	-1.8%	(21.4)	(20.3)	-3.7%	-4.0%	5.4%
Other operating income (expenses)	(2.2)	(258.0)	-0.1%	-12.0%	-99.1%	(12.6)	(229.2)	-2.2%	-45.5%	-94.5%

Operating income measured by the EBITDA

Driven by performance

- The tables below shows the changes between the periods in the accounts that make up EBITDA figure:

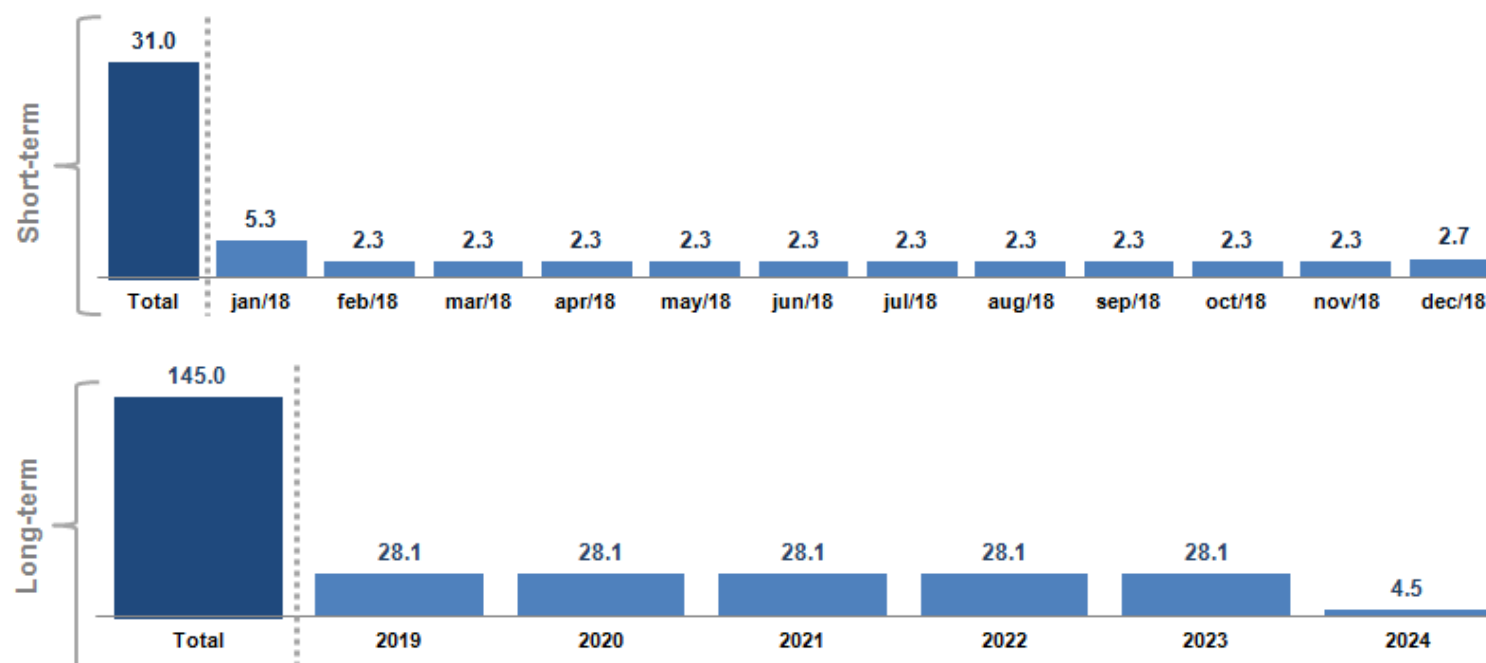
Adjusted EBITDA 2016	Other operating income (expenses)	Technology and product development expenses	Gross income	Depreciation	Equity in the results of investees	Selling expenses	General and administrative expenses	Impairment (rings business)	EBITDA 2017
308.7	255.8	1.5	35.6	0.2	1.8	(1.0)	(12.2)	(188.6)	401.8
EBITDA margin 14.4%									EBITDA margin 17.7%

Adjusted EBITDA 4Q16	Gross income	Other operating income (expenses)	Technology and product development expenses	Equity in the results of investees	Depreciation	General and administrative expenses	Selling expenses	Impairment (rings business)	EBITDA 4Q17
24.1	33.4	216.6	(1.1)	2.1	(0.6)	(2.9)	(0.3)	(188.6)	82.7
EBITDA margin 4.8%									EBITDA margin 14.3%

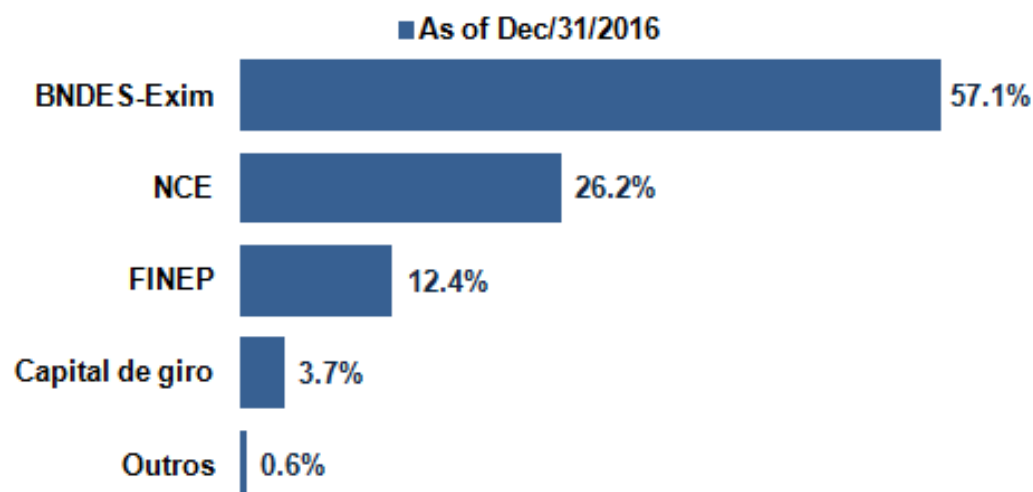
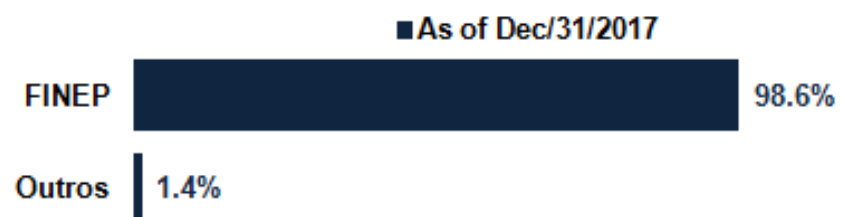
Net financial result (R\$ million)	2017 (a)	2016 (b)	Var. (a - b)	4Q17 (c)	4Q16 (d)	Var. (c - d)
Interests (income on investments)	24.4	13.1	11.3	4.3	6.0	(1.7)
Interests (expenses on financing)	(35.8)	(38.3)	2.5	(5.3)	(9.7)	4.4
Interests (Others)	4.9	6.2	(1.3)	0.3	2.0	(1.7)
Interests, net (i)	(6.5)	(19.0)	12.5	(0.7)	(1.7)	1.0
Exchange variation, net	23.5	(31.8)	55.3	12.4	(2.4)	14.8
Result with derivatives	(3.3)	44.3	(47.6)	(6.3)	9.8	(16.1)
Exchange variation and Result with derivatives (ii)	20.2	12.5	7.7	6.1	7.4	(1.3)
Monetary variation, net	(35.6)	(32.5)	(3.1)	(8.4)	(8.8)	0.4
Others	(6.5)	(5.8)	(0.7)	(1.4)	(1.6)	0.2
Monetary variation, net + Others (iii)	(42.1)	(38.3)	(3.8)	(9.8)	(10.4)	0.6
Financial income (expenses), net (i + ii + iii)	(28.4)	(44.8)	16.4	(4.4)	(4.7)	0.3
Interest rates and volumes (average)	2017 (a)	2016 (b)	Var. (a - b)	4Q17 (c)	4Q16 (d)	Var. (c - d)
Remuneration of investments	9.4%	13.0%	-3,6 p.p.	7.2%	13.3%	-6,1 p.p.
Cost of debt	8.3%	9.4%	-1,1 p.p.	6.8%	8.9%	-2,1 p.p.
Investments - average	292.6	132.0	121.7%	233.8	220.8	5.9%
Average debt	(429.5)	(412.4)	4.1%	(267.4)	(459.2)	-41.8%

Net indebtedness (R\$ million)	As of Dec/31/2017 (a)	As of Dec/31/2016 (b)	Variation (a - b)	% Debt (a)	% Debt (b)
Liabilities (i)	176.0	499.5	(323.5)	100%	100%
Short term	31.0	156.3	(125.3)	18%	31%
Long term	145.0	343.2	(198.2)	82%	69%
Cash / banks / cash investments/ Loans - related parties (ii):	(190.0)	(316.2)	126.2		
Net position (i + ii)	(14.0)	183.3	(197.3)		

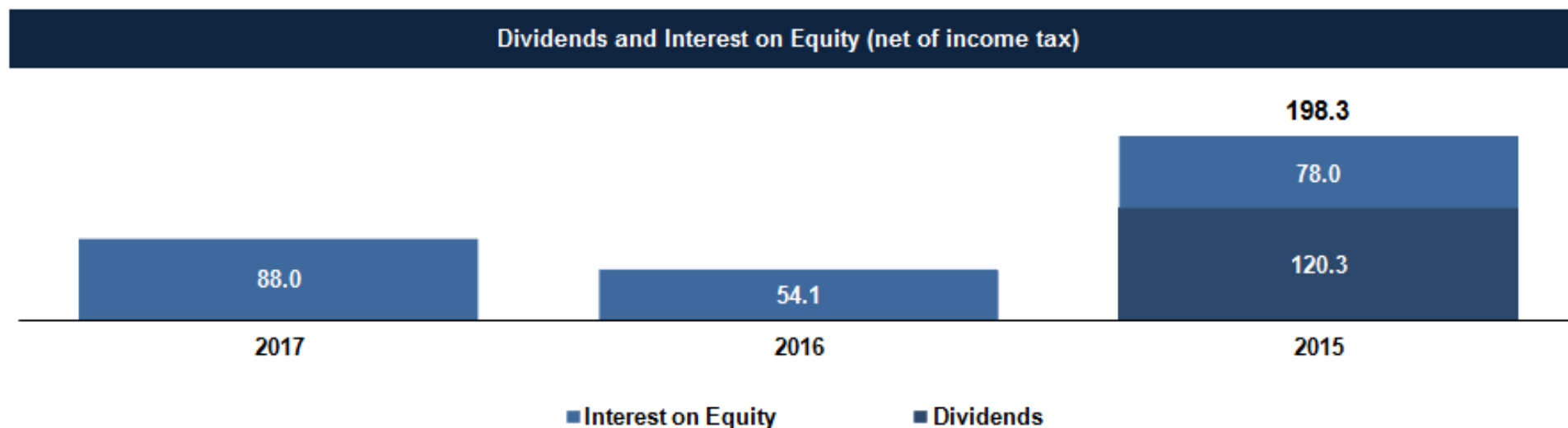
- Below is presented the maturities of short-term and long-term indebtedness:



- Below is the breakdown of the Company’s financing by type of funding for each of the periods of the periods of the slide before.



Summary P&L (R\$ million)	2017	2016	V.A. (%)	V.A. (%)	H.A. (%)	4Q17	4Q16	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)	(c)	(d)	(c)	(d)	(c/d)
Net revenues	2,264.5	2,143.3	100.0%	100.0%	5.7%	576.6	503.9	100.0%	100.0%	14.4%
Net income attributable to owners of the parent	237.3	24.6	10.5%	1.1%	864.6%	43.5	(142.7)	7.5%	-28.3%	N/A



- Capital expenditures estimated for 2018 total R\$ 99.5 million, which should exceed depreciation for the year.

CAPEX & Depreciation (R\$ million)	2017	2016
Capex	89.8	99.3
Total depreciation	94.6	94.6

Capex	2017	2016
% of Net sales revenue	4.0%	4.6%
% of Depreciation	94.9%	105.0%

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Earning Results Conference Call – 2017 / 4Q17

MAHLE

Driven by performance



Questions & Answers

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