

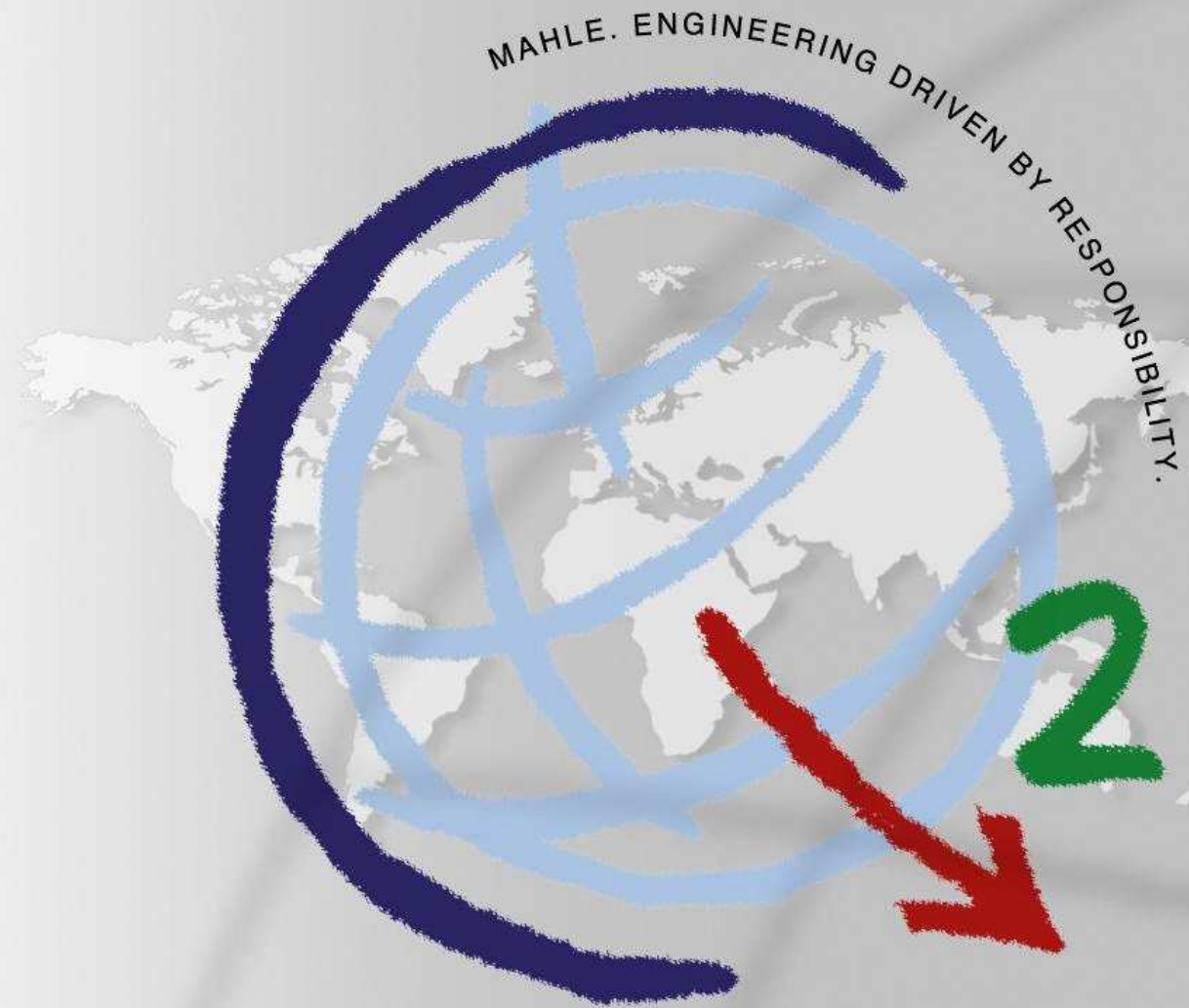
1Q18 Conference Call

MAHLE Metal Leve S.A.

May 15th, 2018

12:00 p.m. (BR time)

11:00 a.m. (Eastern time)





1Q18 Highlights



Market Overview



Net Revenues Performance by Market



Summary P&L & EBITDA



Financial Management: Net financial result & Indebtedness



Capex & Depreciation

- **Net Sales Revenue** of R\$ 618.7 million in the 1Q18, meaning a growth of 14.5% in relation to the 1Q17;
- Growth of 17.6% in **domestic sales of original equipment manufacturer (OEM)** in the 1Q18 compared to the same period of 2017;
- The Annual General Meeting held on April 27, 2018 approved distribution of **complementary dividends** of R\$ 143.6 million referring to 2017. In aggregate, the Company distributed R\$ 231.6 million of dividends and interest on capital to shareholders, representing **100.0% of the net income for the year (net of legal deductions)**;
- Management **did not consider the information on subsidiary MAHLE Metal Leve Miba Sinterizados Ltda. as material** for purposes of inclusion in the quarterly financial statements as of March 31, 2018. For this reason, the Company **did not adjust the values of discontinued operations** in the income statement as of March 31, 2017.

Main Indicators			
(R\$ million)	1Q18 (a)	1Q17 (b)	(a/b)
Net revenues ¹	618.7	540.5	14.5%
EBITDA	118.8	80.7	47.2%
EBITDA margin	19.2%	14.9%	4,3 p.p.
Net income	71.4	38.4	85.9%
Net margin	11.5%	7.1%	4,4 p.p.

¹On May 9, 2017, the Company's Board of Directors authorized the sale of 60% of the shares that MAHLE Metal Leve S.A. held in the capital stock of the subsidiary MAHLE Metal Leve Miba Sinterizados Ltda. to Miba Sinter Holding GmbH & Co KG, and the sale was completed on June 30, 2017.



Light vehicles (ths)	Brazil	Argentina	Total
Sales	528.2 14.7%	217.7 16.4%	746.0 15.2%
Production	668.3 13.1%	110.6 20.0%	778.9 14.0%



+15%
Total vehicle
production



Medium and heavy vehicle (ths)	Brazil	Argentina	Total
Sales	24.8 19.6%	11.1 9.7%	35.9 16.3%
Production	43.3 36.4%	3.8 0.3%	47.1 32.6%

Sources: Anfavea, Adefa, Acaras, IHS and Indec.

Vehicle Production in the main exports market (in ths)			
Segment	Jan-Mar 2018 (A)	Jan-Mar 2017 (B)	A/B
Production of Light vehicle	4.409	4.528	-2,6%
Production of medium and heavy vehicle	144	119	20,2%
North America	4.553	4.647	-2,0%
Production of Light vehicle	5.913	5.861	0,9%
Production of medium and heavy vehicle	154	148	4,4%
Europe	6.068	6.009	1,0%
Total Vehicle Production	10.620	10.656	-0,3%

Source: IHS

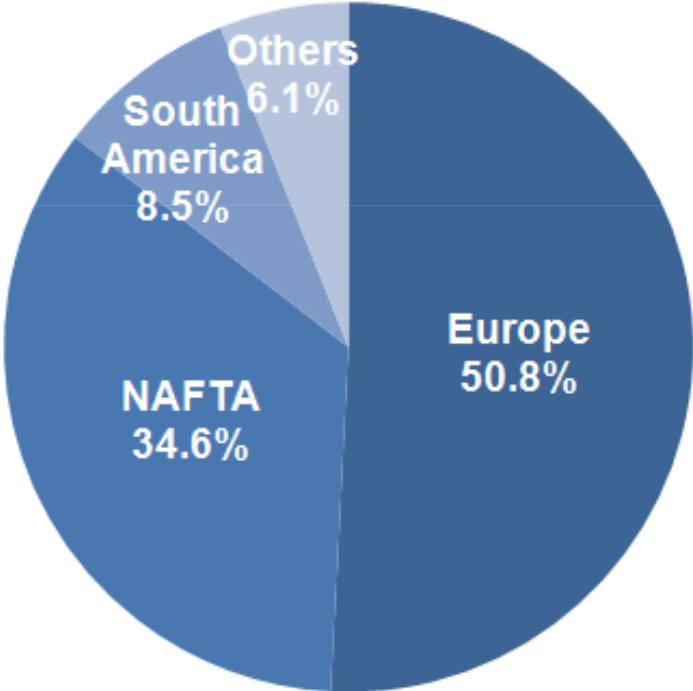
Net revenues by market		1Q18	Volume/Price	FX-Variation	1Q17	% volume/price impact	% FX-impacts	H.A. (%)
(R\$ Million)		(a)	(b)	(c)	(d)	(b/d)	(c/d)	(a/d)
Original equipment	Domestic ¹	178.1	47.0	(0.5)	131.6	35.7%	-0.4%	35.3%
	Export	249.4	10.8	25.2	213.4	5.1%	11.8%	16.9%
	Subtotal²	427.5	57.8	24.7	345.0	16.8%	7.1%	23.9%
Aftermarket	Domestic ¹	145.7	14.6	(6.3)	137.4	10.6%	-4.6%	6.0%
	Export	45.5	11.6	1.2	32.7	35.5%	3.6%	39.1%
	Subtotal²	191.2	26.2	(5.1)	170.1	15.4%	-3.0%	12.4%
Total²		618.7	84.0	19.6	515.1	16.3%	3.8%	20.1%
MAHLE Metal Leve Miba Sinterizados Ltda.		-	(25.9)	0.5	25.4	-102.1%	2.1%	-100.0%
Grand total		618.7	58.1	20.1	540.5	10.8%	3.7%	14.5%

¹ Domestic market includes Brazil and Argentina.

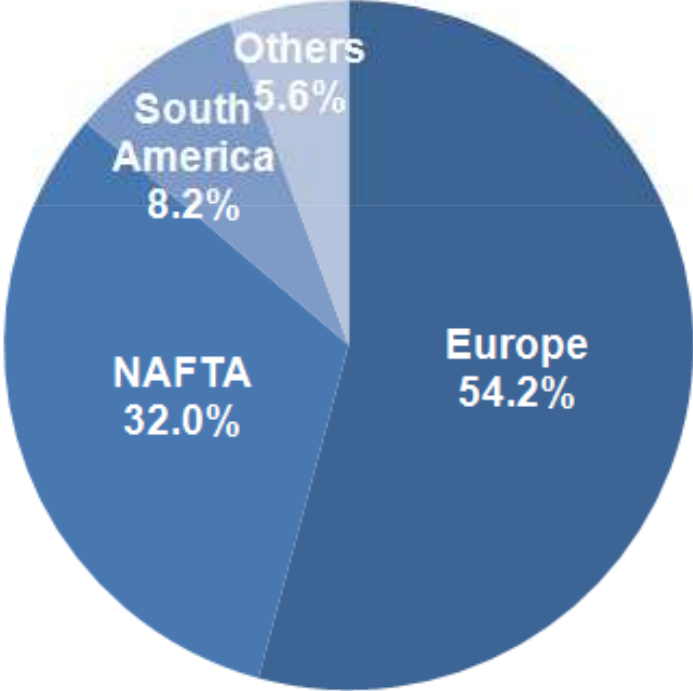
² Excluded MAHLE Metal Leve Miba Sinterizados Ltda.

- Volume / price impact by 16.3% between periods.

1Q18



1Q17



- As shown in the table below, the Company closed the 1Q18 with gross margin of 28.0% (25.3% in the 1Q17):

Summary P&L (R\$ million)	1Q18	1Q17	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)
Net sales revenue	618.7	540.5	100.0%	100.0%	14.5%
Cost of sales	(445.2)	(404.0)	-72.0%	-74.7%	10.2%
Gross income	173.5	136.5	28.0%	25.3%	27.1%
Gross margin	28.0%	25.3%			2,7 p.p.

■ SG&A expenses:

- Increased Selling Expenses closely followed the performance of the Company's revenue, although percentage to net sales was kept in its historical level. As a percentage of net sales, General and Administrative expenses decreased to its historical level mainly driven by a reduction in the severance payments related to labor force adjustments.

■ R&D expenses:

- R&D expenses were channeled into technological innovations involving developments in partnership with customers, such as patent registrations and release of new products to the market.

■ Other operating income (expenses):

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

Summary P&L (R\$ million)	1Q18	1Q17	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)
Net sales revenue	618.7	540.5	100.0%	100.0%	14.5%
Selling expenses	(37.8)	(33.8)	-6.1%	-6.3%	11.8%
General and administrative expenses	(20.4)	(23.9)	-3.3%	-4.4%	-14.6%
Technology and product development expenses	(16.9)	(21.3)	-2.7%	-3.9%	-20.7%
Other operating income (expenses)	(2.3)	(2.3)	-0.4%	-0.4%	0.0%

- The table below shows the changes between the quarters in the accounts that make up operating income:

EBITDA 1Q17	Gross income	Technology and product development expenses	General and administrative expenses	Equity in the results of investees	Depreciation	Selling expenses	EBITDA 1Q18
80.7	37.0	4.4	3.5	0.1	(2.9)	(4.0)	118.8
EBITDA margin 14.9%							EBITDA margin 19.2%

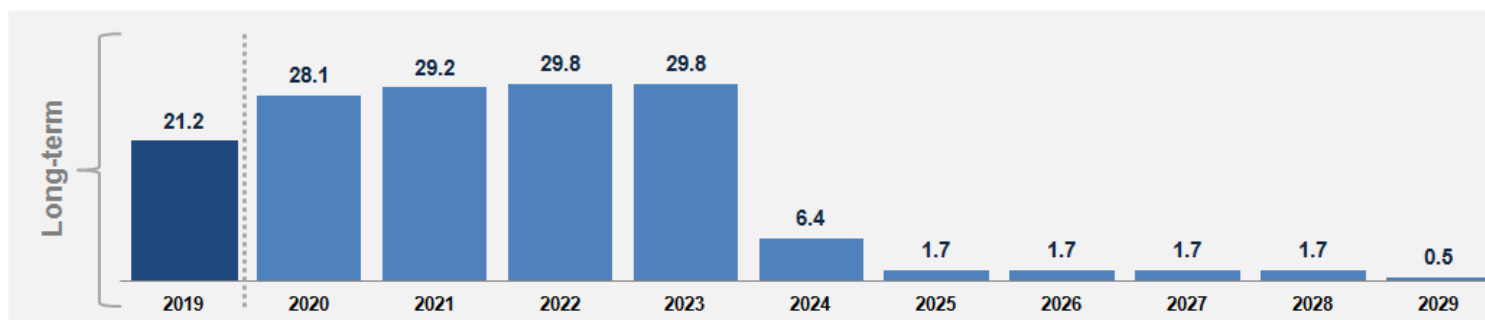
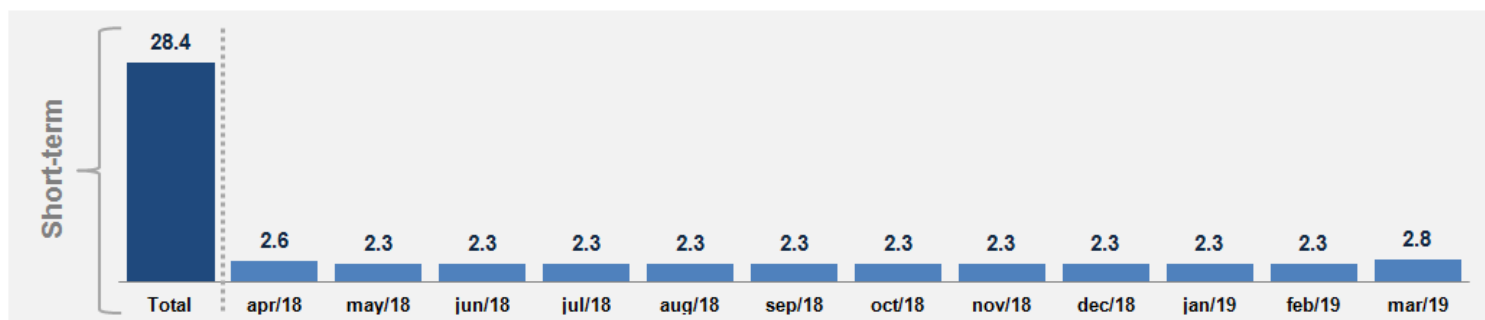
Net financial result (R\$ million)	1Q18 (a)	1Q17 (b)	Var. (a - b)
Interests (income on investments)	1.4	5.7	(4.3)
Interests (expenses on financing)	(2.1)	(12.8)	10.7
Interests (Others)	0.4	0.2	0.2
Interests, net (i)	(0.3)	(6.9)	6.6
Exchange variation, net	7.5	(6.3)	13.8
Result with derivatives	(0.1)	10.5	(10.6)
Exchange variation and Result with derivatives (ii)	7.4	4.2	3.2
Monetary variation, net	(7.6)	(8.8)	1.2
Others	(1.3)	(1.5)	0.2
Monetary variation, net + Others (iii)	(8.9)	(10.3)	1.4
Financial income (expenses), net (i + ii + iii)	(1.8)	(13.0)	11.2
Interest rates and volumes (average)	1Q18 (a)	1Q17 (b)	Var. (a - b)
Remuneration of investments	6.6%	11.7%	-5.1 p.p.
Cost of debt	5.8%	9.3%	-3.5 p.p.
Investments - average	113.0	221.3	-48.9%
Average debt	(174.9)	(516.9)	-66.2%

Financial Management – Indebtedness
(part I)

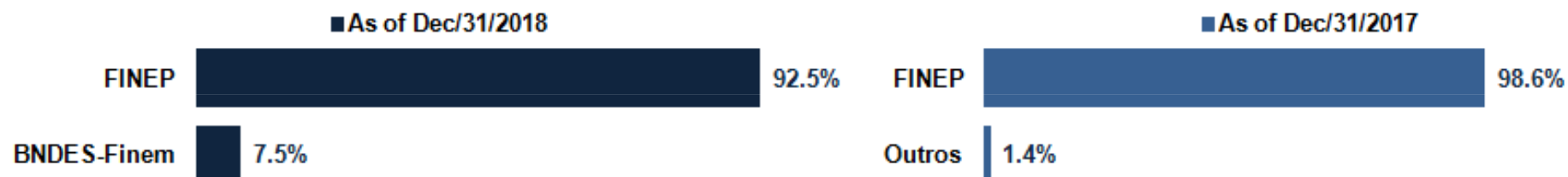
Driven by performance

Posição líquida de Ativos e Passivos Financeiros (R\$ milhões)	31.03.18 (a)	31.12.17 (b)	Variação (a-b)	% Dívida (a)	% Dívida (b)
Financiamentos (i):	180.2	176.0	4.2	100%	100%
Curto prazo	28.4	31.0	(2.6)	16%	18%
Longo prazo	151.8	145.0	6.8	84%	82%
Caixa / bancos / aplicações financeiras / mútuo (ii):	(194.7)	(190.0)	(4.7)		
Posição líquida (i + ii):	(14.5)	(14.0)	(0.5)		

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

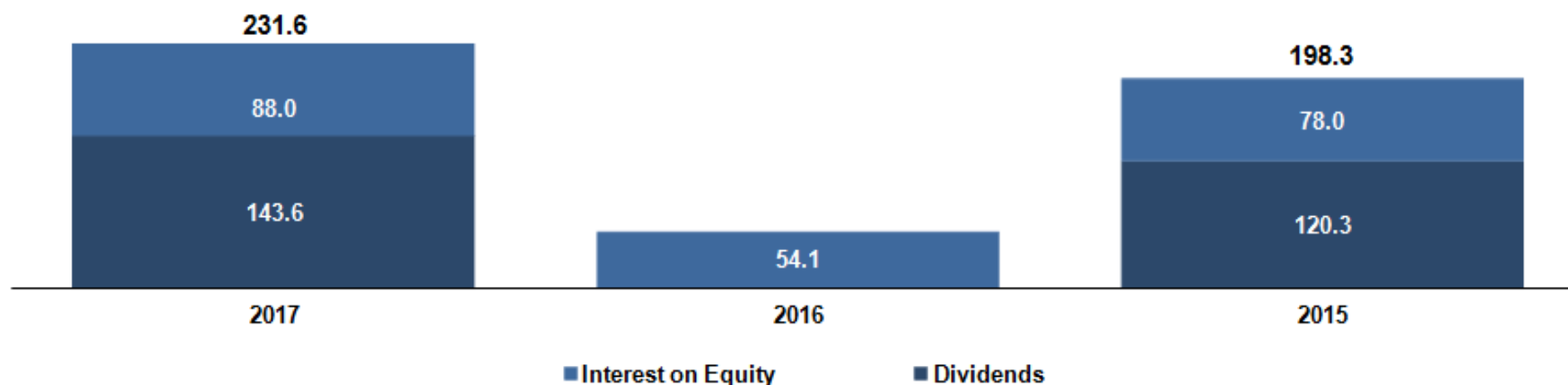


- Below is a breakdown of the Company's financing transactions per type for each of the periods indicated in the table above:



Summary P&L (R\$ million)	1Q18	1Q17	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)
Net sales revenue	618.7	540.5	100.0%	100.0%	14.5%
Net income attributable to owners of the parent	71.4	38.4	11.5%	7.1%	85.9%

Dividends and Interest on Equity (net of income tax)



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

CAPEX & Depreciation (R\$ million)	1Q18	1Q17
Capex	14.6	12.2
Total depreciation	22.9	24.1

Capex	1Q18	1Q17
% of Net sales revenue	2.4%	2.3%
% of Depreciation	63.8%	50.6%

MAHLE Metal Leve S.A.

Earning Results Conference Call – 1Q18

MAHLE

Driven by performance



Questions & Answers

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