

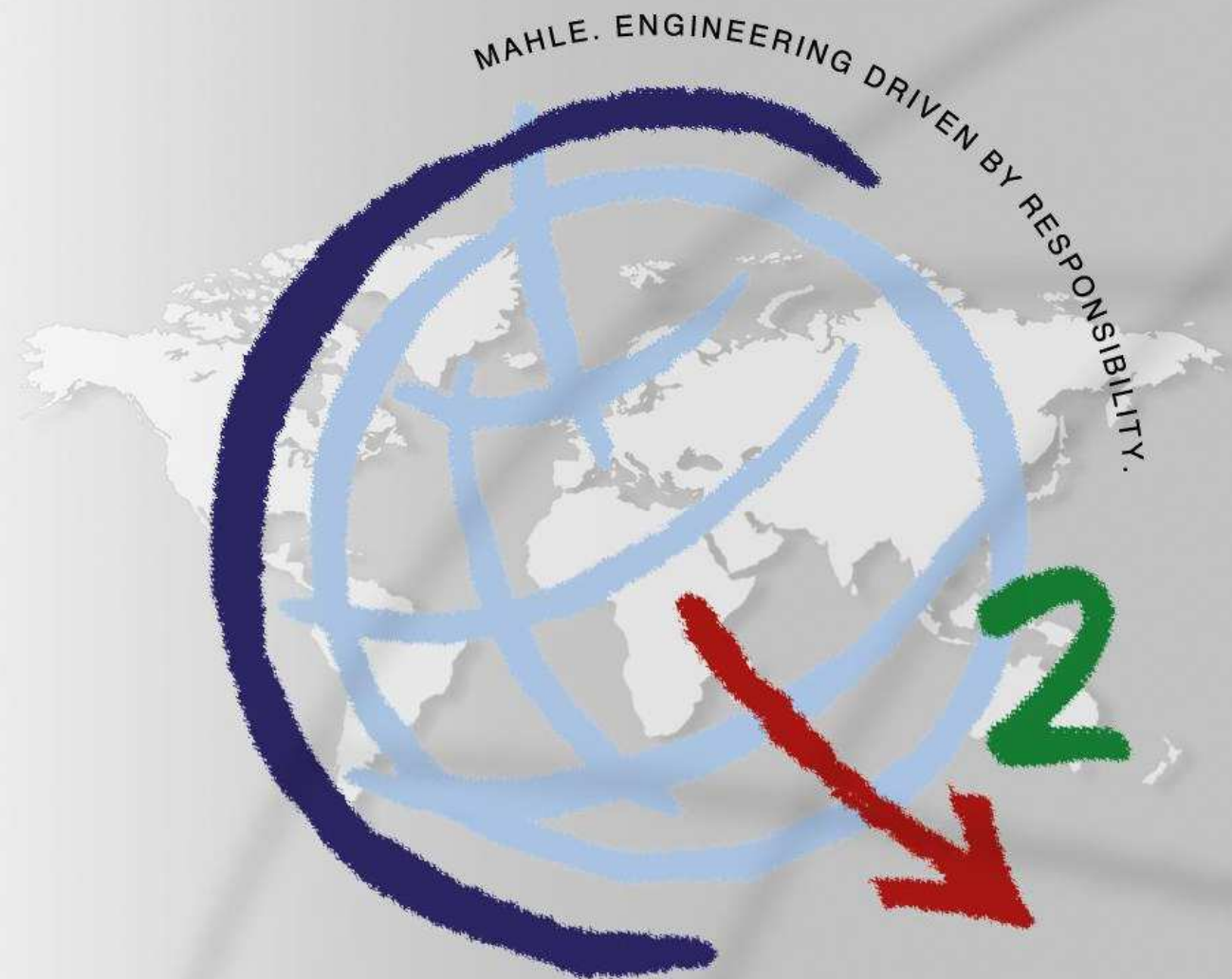
2Q18 Conference Call

MAHLE Metal Leve S.A.

August 14th, 2018

12:00 p.m. (BR time)

11:00 a.m. (Eastern time)





2Q18 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\$ 628.2 million meaning a growth of 9.0% compared to the 2Q17;
- Original Equipment manufacturer (OEM): Growth of **19.9% in domestic sales** and **14.1% in the OE Exports market**, both in the 2Q18 compared to the same period of 2017;
- MAHLE Metal Leve S.A. was chosen the **2nd best company in the “Automotive Industry and Heavy Vehicles” category**, according to “Valor Inovação Brasil 2018” survey which recognizes Brazil's most innovative companies based on investments and innovation solutions, among other benchmarks.

Main Indicators								
(R\$ million)	2Q18	1Q18	2Q17	(a/b)	(a/c)	1H18	1H17	(c/e)
	(a)	(b)	(c)			(d)	(e)	
Net revenues	628.2	618.7	576.3	1.5%	9.0%	1,246.9	1,091.4	14.2%
EBITDA	112.9	118.8	107.7	-5.0%	4.8%	231.7	186.5	24.2%
EBITDA margin	18.0%	19.2%	18.7%	-1.2 p.p.	-0,7 p.p.	18.6%	17.1%	1,5 p.p.
Net income	60.2	71.4	57.0	-15.7%	5.6%	131.6	95.4	37.9%
Net margin	9.6%	11.5%	9.9%	-1.9 p.p.	-0,3 p.p.	10.6%	8.7%	1,9 p.p.



Light vehicles (ths)	Brazil	Argentina	Total
Sales	1,129.2 13.7%	421.6 1.6%	1,550.8 10.1%
Production	1,370.0 12.6%	242.7 10.0%	1,612.6 12.2%



Medium and heavy vehicle (ths)	Brazil	Argentina	Total
Sales	57.5 23.1%	20.8 1.6%	78.3 16.5%
Production	91.7 24.2%	7.2 -6.8%	98.9 21.2%

+12.7



Total vehicles production

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

Vehicle Production in the main exports market (in ths)			
Segment	Jan-Jun 2018 (A)	Jan-Jun 2017 (B)	A/B
Production of Light vehicle	8,760	8,985	-2.5%
Production of medium and heavy vehicle	309	262	17.7%
North America	9,069	9,247	-1.9%
Production of Light vehicle	11,881	11,600	2.4%
Production of medium and heavy vehicle	353	328	7.6%
Europe	12,234	11,928	2.6%
Total Vehicle Production	21,303	21,175	0.6%

Source: IHS

Net revenues by market		2Q18	Volume/Price	FX-Variation	2Q17	% volume/price impact	% FX-impacts	H.A. (%)
(R\$ Million)		(a)	(b)	(c)	(d)	(b/d)	(c/d)	(a/d)
Original equipment	Domestic ¹	175.2	29.5	(0.4)	146.1	20.2%	-0.3%	19.9%
	Export	264.3	13.9	18.7	231.7	6.0%	8.1%	14.1%
	Subtotal	439.5	43.4	18.3	377.8	11.5%	4.8%	16.3%
Aftermarket	Domestic ¹	142.3	(8.3)	(7.0)	157.6	-5.3%	-4.4%	-9.7%
	Export	46.4	1.0	4.5	40.9	2.4%	11.0%	13.4%
	Subtotal	188.7	(7.3)	(2.5)	198.5	-3.7%	-1.2%	-4.9%
Total		628.2	36.1	15.8	576.3	6.3%	2.7%	9.0%

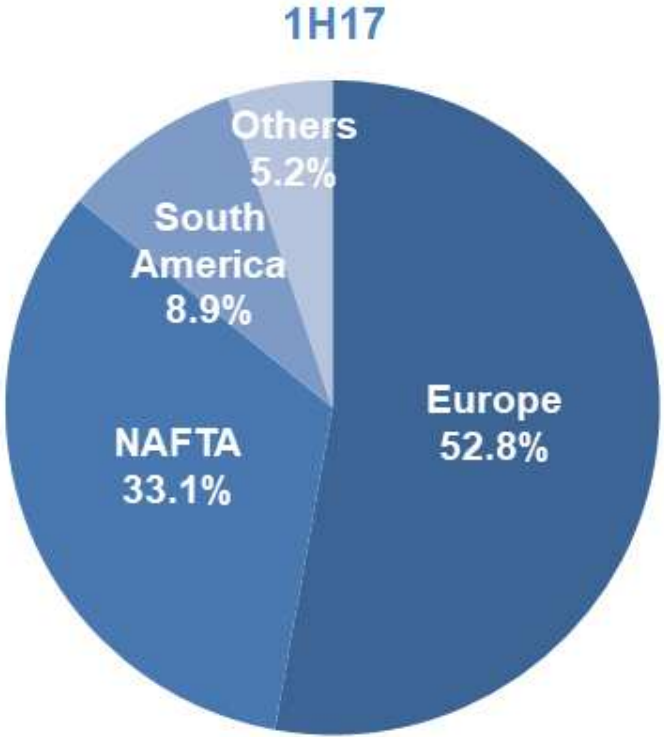
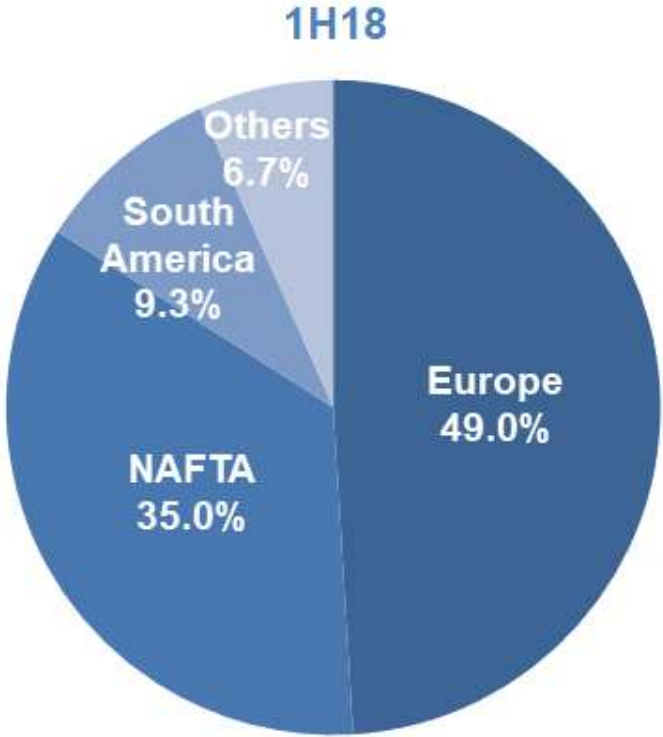
¹ Domestic market includes Brazil and Argentina.

- Volume / price impact by 6.3% between periods.

Net revenues by market (R\$ Million)		1H18 (a)	Volume/Price (b)	FX-Variation (c)	1H17 (d)	% volume/price impact (b/d)	% FX-impacts (c/d)	H.A. (%) (a/d)
Original equipment	Domestic ¹	353.3	76.5	(0.9)	277.7	27.5%	-0.3%	27.2%
	Export	513.7	24.7	43.9	445.1	5.5%	9.9%	15.4%
	Subtotal	867.0	101.2	43.0	722.8	14.0%	6.0%	20.0%
Aftermarket	Domestic ¹	288.0	6.1	(13.1)	295.0	2.1%	-4.5%	-2.4%
	Export	91.9	12.5	5.8	73.6	17.0%	7.9%	24.9%
	Subtotal	379.9	18.6	(7.3)	368.6	5.0%	-1.9%	3.1%
Total		1,246.9	119.8	35.7	1,091.4	11.0%	3.2%	14.2%

¹ Domestic market includes Brazil and Argentina.

- Volume / price impact by 11.0% between periods.



- As shown in the table below, the Company closed the 2Q18 with gross margin of 28.4% (27.0% in the 2Q17)
- If compared 1H18 with the same period in 2017, the gross margin achieved 28.2% and 26.5%, respectively.

Summary P&L (R\$ million)	2Q18	2Q17	V.A. (%)	V.A. (%)	H.A. (%)	1H18	1H17	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)	(c)	(d)	(c)	(d)	(c/d)
Net sales revenue	628.2	576.3	100.0%	100.0%	9.0%	1,246.9	1,091.4	100.0%	100.0%	14.2%
Cost of sales	(449.9)	(420.7)	-71.6%	-73.0%	6.9%	(895.1)	(802.7)	-71.8%	-73.5%	11.5%
Gross income	178.3	155.6	28.4%	27.0%	14.6%	351.8	288.7	28.2%	26.5%	21.9%
Gross margin	28.4%	27.0%			1,4 p.p.	28.2%	26.5%			1,7 p.p.

■ SG&A expenses:

- Increased selling expenses resulted from the performance of the Company’s revenue and from the effects of the truckers' strike in May, when the Company incurred additional costs with special freights;
- Reduced general and administrative expenses in both periods result from efforts to strengthen initiatives of productivity gains in the direct and indirect areas of the Company.

■ R&D expenses:

- It should be noted that R&D expenses returned to the historical level.

■ 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)	2Q18	2Q17	V.A. (%)	V.A. (%)	H.A. (%)	1H18	1H17	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)	(c)	(d)	(c)	(d)	(c/d)
Net sales revenue	628.2	576.3	100.0%	100.0%	9.0%	1,246.9	1,091.4	100.0%	100.0%	14.2%
Selling expenses	(47.8)	(34.8)	-7.6%	-6.0%	37.4%	(85.6)	(67.2)	-6.9%	-6.2%	27.4%
General and administrative expenses	(22.9)	(27.7)	-3.6%	-4.8%	-17.3%	(43.3)	(50.8)	-3.5%	-4.7%	-14.8%
Technology and product development expenses	(20.2)	(22.1)	-3.2%	-3.8%	-8.6%	(37.1)	(42.9)	-3.0%	-3.9%	-13.5%
Other operating income (expenses)	2.2	13.2	0.4%	2.3%	-83.3%	(0.1)	11.4	0.0%	1.0%	-100.9%

Operating income measured by the EBITDA

Driven by performance

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

EBITDA 2Q17	Gross income	General and administrative expenses	Technology and product development expenses	Equity in the results of investees	Depreciation	Other operating income (expenses)	Selling expenses	EBITDA 2Q18
107.7	22.7	4.8	1.9	0.2	(0.4)	(11.0)	(13.0)	112.9

EBITDA margin
18.7%

EBITDA margin
18.0%

Adjusted EBITDA 1H17	Gross income	General and administrative expenses	Technology and product development expenses	Equity in the results of investees	Depreciation	Other operating income (expenses)	Selling expenses	EBITDA 1H18
186.5	63.1	7.5	5.8	0.3	(1.6)	(11.5)	(18.4)	231.7

EBITDA margin
17.1%

EBITDA margin
18.6%

Net financial result (R\$ million)	2Q18 (a)	2Q17 (b)	Var. (a - b)	1H18 (c)	1H17 (d)	Var. (c - d)
Interests (income on investments)	1.7	5.7	(4.3)	3.1	11.4	(8.3)
Interests (expenses on financing)	(2.4)	(9.3)	10.7	(4.5)	(21.2)	16.7
Interests (Others)	0.1	1.7	0.2	0.5	3.9	(3.4)
Interests, net (i)	(0.6)	(1.9)	6.6	(0.9)	(5.9)	5.0
Exchange variation, net	32.3	18.7	13.8	39.8	13.3	26.5
Result with derivatives	(26.9)	(13.2)	(10.6)	(27.0)	(3.3)	(23.7)
Exchange variation and Result with derivatives (ii)	5.4	5.5	3.2	12.8	10.0	2.8
Monetary variation, net	(8.3)	(9.4)	1.2	(15.9)	(17.9)	2.0
Others	(1.7)	(1.8)	0.2	(3.0)	(3.1)	0.1
Monetary variation, net + Others (iii)	(10.0)	(11.2)	1.4	(18.9)	(21.0)	2.1
Financial income (expenses), net (i + ii + iii)	(5.2)	(7.6)	11.2	(7.0)	(16.9)	9.9

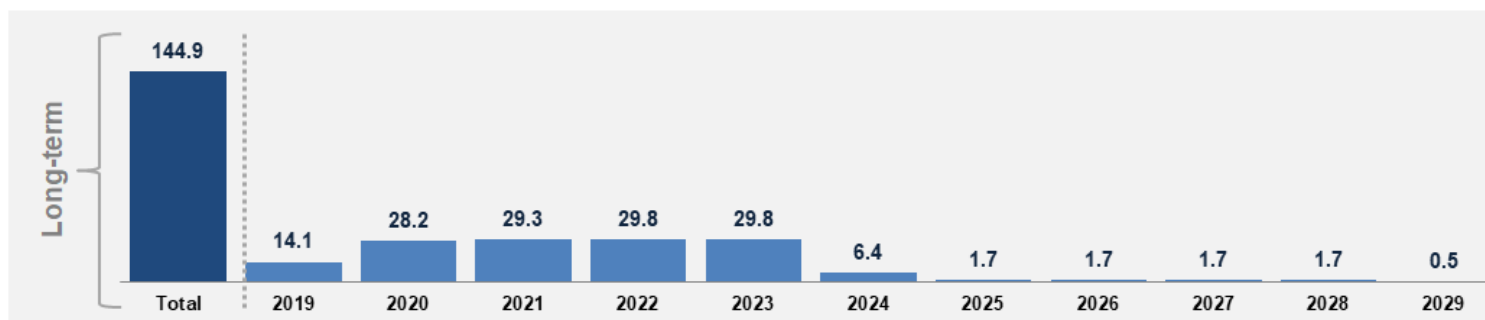
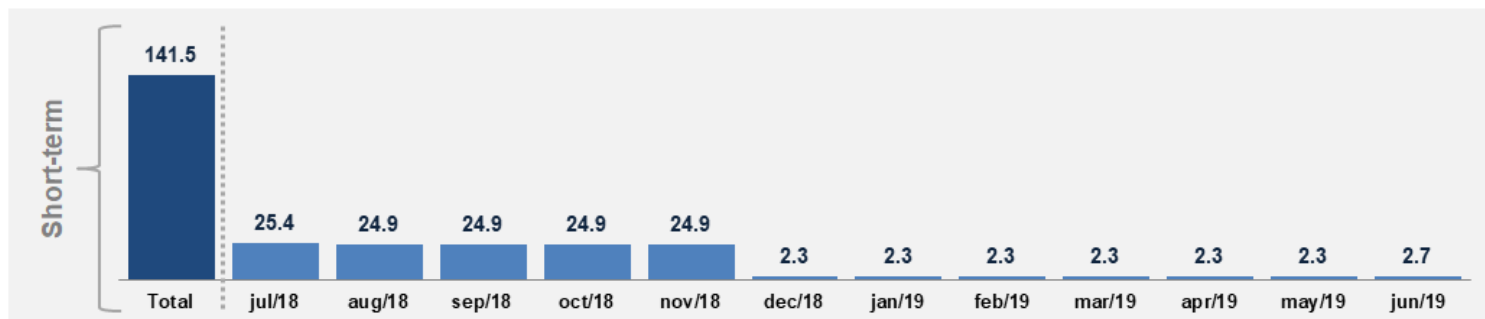
Interest rates and volumes (average)	2Q18 (a)	2Q17 (a)	Var. (a - b)	1H18 (c)	1H17 (d)	Var. (c - d)
Remuneration of investments ¹	6.3%	10.5%	-4.2 p.p.	6.4%	11.0%	-4.6 p.p.
Cost of debt	3.9%	9.0%	-5.1 p.p.	4.6%	9.1%	-4.5 p.p.
Investments - average	136.2	296.5	-54.1%	62.3	257.1	-75.8%
Average debt	(284.8)	(474.0)	-39.9%	(114.9)	(475.8)	-75.9%

Financial Management – Indebtedness
(part I)

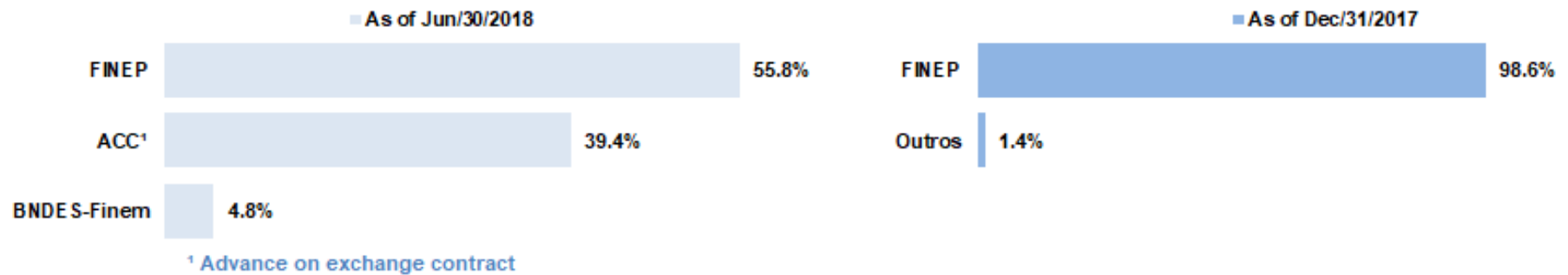
Driven by performance

Net indebtedness (R\$ million)	As of Jun/30/2018 (a)	As of Dec/31/2017 (b)	Variation (a-b)	% Debt (a)	% Debt (b)
Liabilities (i)	286.4	176.0	110.6	100%	100%
Short term	141.5	31.0	110.4	49%	18%
Long term	144.9	145.0	(0.1)	51%	82%
Cash / banks / cash investments/ Loans - related parties (ii):	(162.0)	(190.0)	28.0		
Net position (i + ii)	124.4	(14.0)	138.4		

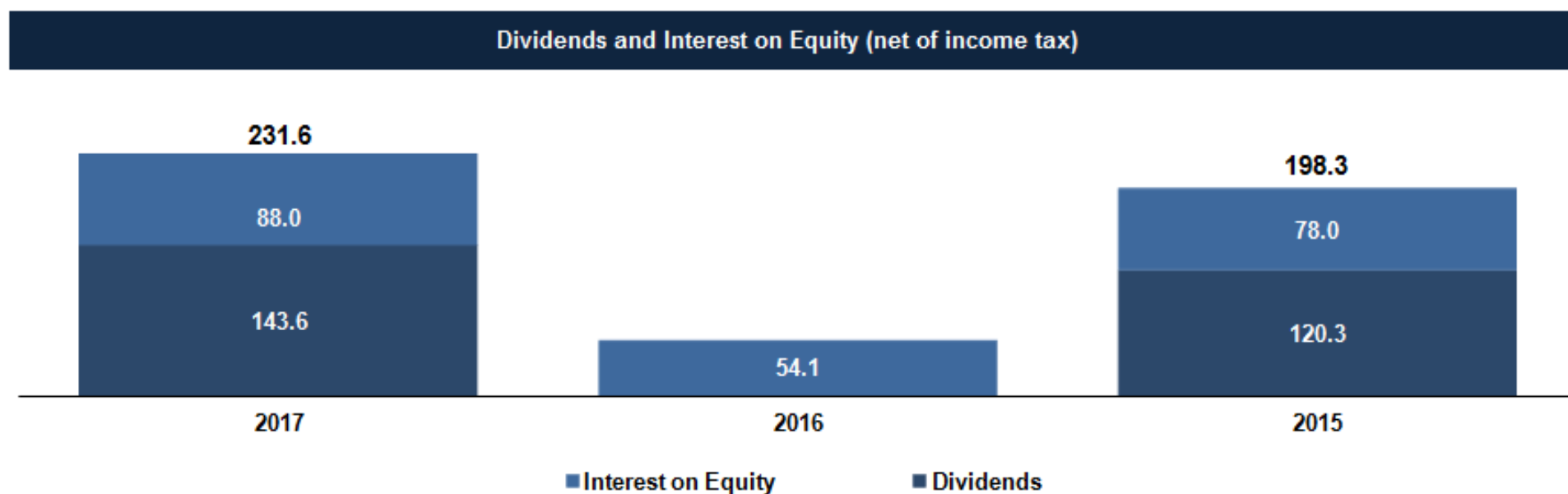
■ Below is presented the maturities of short-term and long-term indebtedness:



- 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)	2Q18	2Q17	V.A. (%)	V.A. (%)	H.A. (%)	1H18	1H17	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)	(c)	(d)	(c)	(d)	(c/d)
Net sales revenue	628.2	576.3	100.0%	100.0%	9.0%	1,246.9	1,091.4	100.0%	100.0%	14.2%
Net income attributable to owners of the parent	60.2	57.0	9.6%	9.9%	5.6%	131.6	95.4	10.6%	8.7%	37.9%



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

CAPEX & Depreciation (R\$ million)	1H18	1H17
Capex	29,0	29,3
Total depreciation	46,1	47,8

Capex	1H18	1H17
% of Net sales revenue	2,3%	2,7%
% of Depreciation	62,9%	61,3%

MAHLE Metal Leve S.A.

Earning Results Conference Call – 2Q18

MAHLE

Driven by performance



Questions & Answers

Investor Relations:

Phone #: 55 19 3861-9308 / 55 19 3861-9301

relacoes.investidores@br.mahle.com

<http://ri.mahle.com.br/eng/home/index.asp>