

1Q19 Conference Call

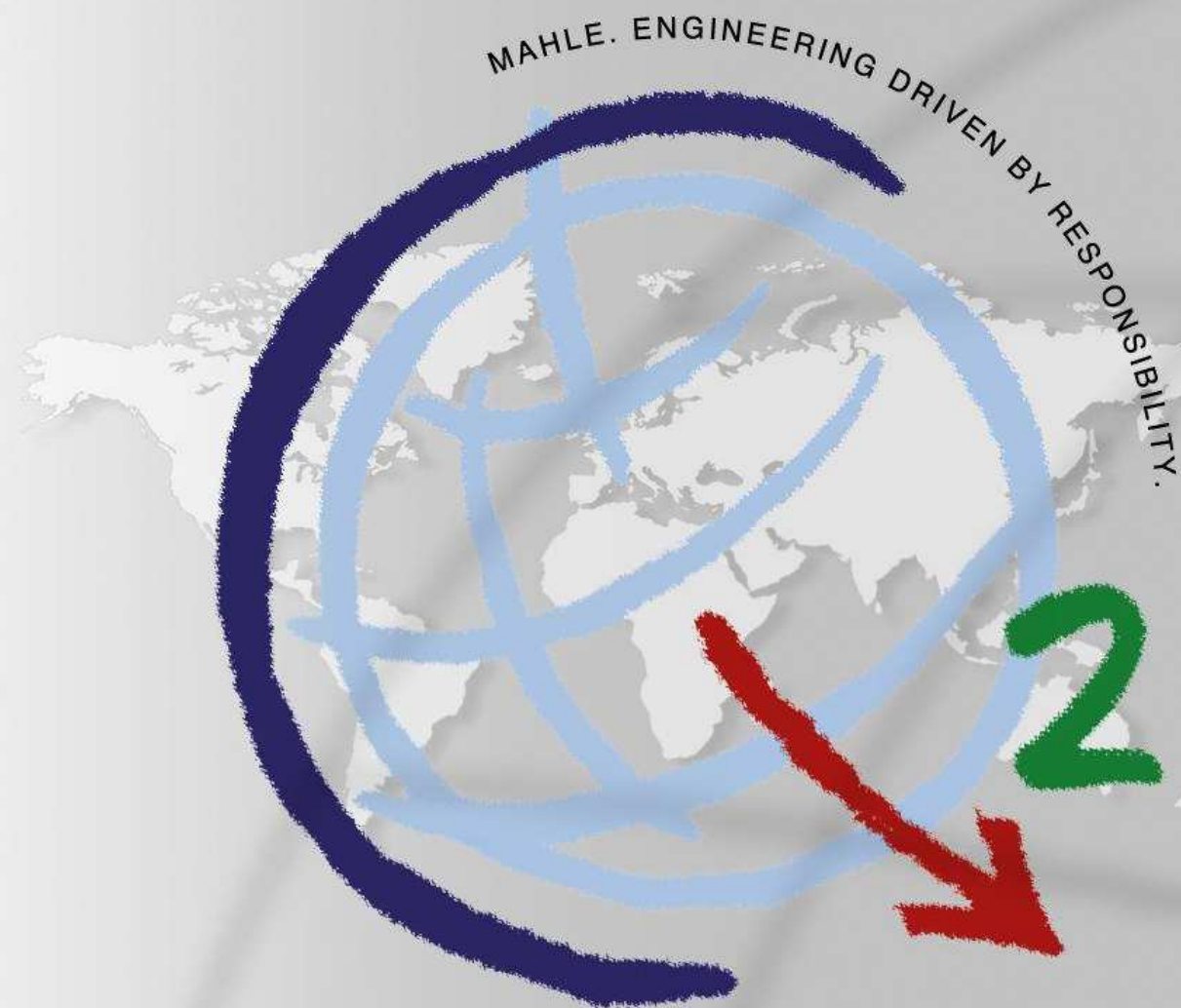
MAHLE Metal Leve S.A.

May 16th, 2019

12 noon Brasília time

4:00 p.m. London time

11:00 a.m. New York time





1Q19 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\$ 623.2 million in 1Q19, representing a growth of 0.7% when compared to 1Q18;

Key indicators					
(R\$ million)	1Q19	4Q18	1Q18	(a/b)	(a/c)
	(a)	(b)	(c)		
Net revenue	623,2	634,5	618,7	-1,8%	0,7%
EBITDA	120,3	86,6	118,8	38,9%	1,3%
EBITDA margin	19,3%	13,6%	19,2%	5,7 p.p.	0,1 p.p.
Profit for the year	63,9	67,9	71,4	-5,9%	-10,5%
Net margin	10,3%	10,7%	11,5%	-0,4 p.p.	-1,2 p.p.

- The Annual General Meeting held on April 30, 2019 approved a distribution of **complementary dividends** of R\$ 192.2 million referring to 2018. In aggregate, the Company **will** distribute R\$ 278.4 million of dividends and interest on capital to shareholders, representing **100.0% of the net income for the year (net of legal deductions)**;

Market Overview

Brazil & Argentina Registration and Production (1Q19 x 1Q18)



Light vehicles (ths)	Brazil	Argentina	Total
Sales	581.5 10.1%	94.2 -56.8%	675.6 -9.4%
Production	664.9 -0.5%	76.7 -30.7%	741.5 -4.8%



Medium and heavy vehicle (ths)	Brazil	Argentina	Total
Sales	35.4 42.8%	4.6 -56.4%	40.1 13.1%
Production	41.7 -3.6%	2.8 -22.7%	44.5 -5.1%

-4.8



Total vehicles production

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

Vehicle production in the main exports markets

Vehicle Production in the main export market (in ths)			
Segment	Jan-Mar 2019 (A)	Jan-Mar 2018 (B)	A/B
Production of Light vehicle	4,345	4,379	-0.8%
Production of medium and heavy vehicle	168	145	15.9%
North America	4,513	4,524	-0.2%
Production of Light vehicle	5,583	5,900	-5.4%
Production of medium and heavy vehicle	173	166	4.2%
Europe	5,756	6,066	-5.1%
Total Vehicle Production	10,269	10,590	-3.0%

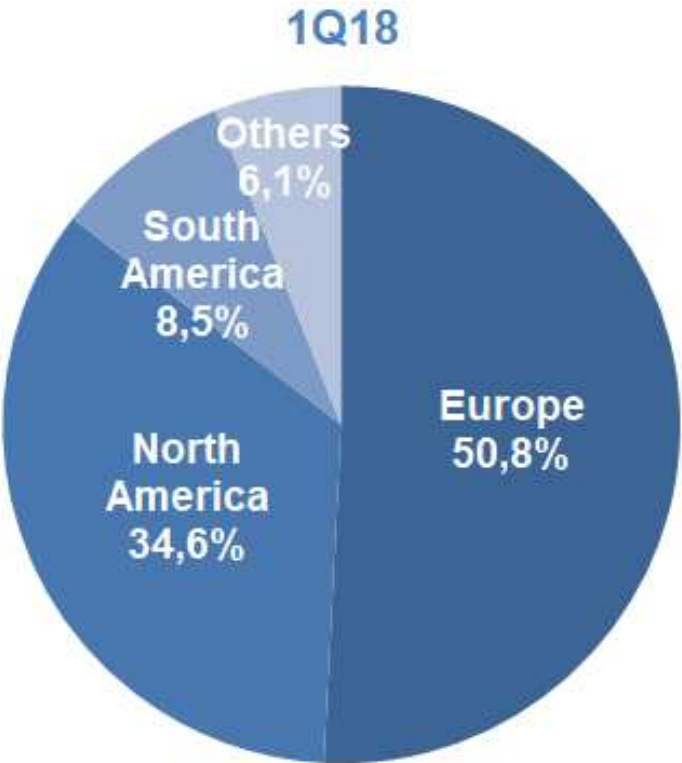
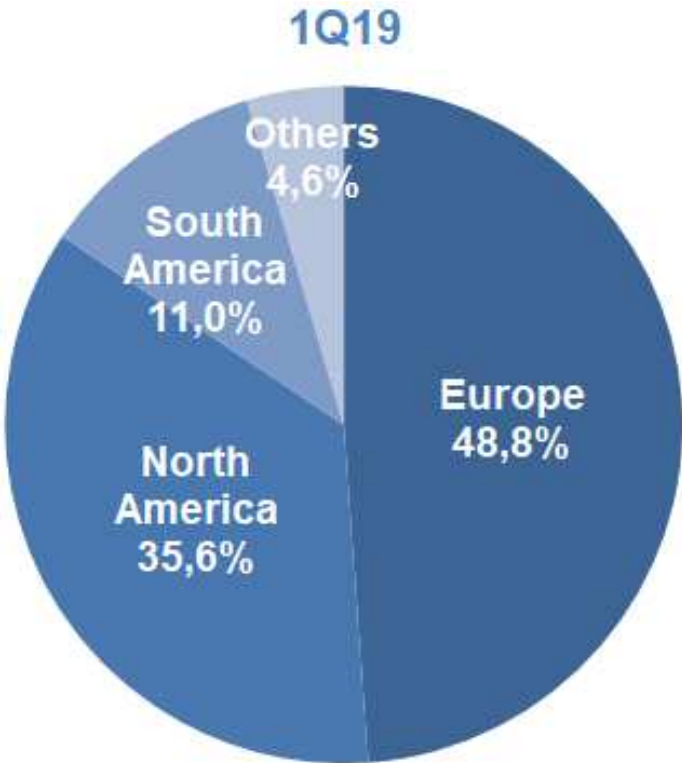
Source: IHS

Net Revenues Performance by Market

Net revenues by market (R\$ Million)		1Q19 (a)	Volume/Price (b)	FX-Variation (c)	1Q18 (d)	% volume/price impact (b/d)	% FX-impacts (c/d)	H.A. (%) (a/d)
Original equipment	Domestic ¹	182,8	7,9	(3,2)	178,1	4,5%	-1,8%	2,6%
	Export	236,0	(39,1)	25,7	249,4	-15,7%	10,3%	-5,4%
	Subtotal	418,8	(31,2)	22,5	427,5	-7,3%	5,3%	-2,0%
Aftermarket	Domestic ¹	156,1	26,0	(15,6)	145,7	17,8%	-10,7%	7,1%
	Export	48,3	(4,0)	6,8	45,5	-8,8%	15,0%	6,2%
	Subtotal	204,4	22,0	(8,8)	191,2	11,6%	-4,7%	6,9%
Total		623,2	(9,2)	13,7	618,7	-1,5%	2,2%	0,7%

¹ Domestic market includes Brazil and Argentina.

MAHLE Metal Leve's consolidated exports by region



- The Company closed 1Q19 with a gross margin of 27.1% (28.0% in 1Q18).

Summary P&L (R\$ million)	1Q19	1Q18	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)
Net sales revenue	623,2	618,7	100,0%	100,0%	0,7%
Cost of sales	(454,4)	(445,2)	-72,9%	-72,0%	2,1%
Gross profit	168,8	173,5	27,1%	28,0%	-2,7%
Gross margin	27,1%	28,0%			-0,9 p.p.

Summary P&L

Selling expenses:

- Selling expenses stable in 1Q19.

General and Administrative expenses:

- General and administrative expenses showed a reduction between the periods, based on the Company's efforts to maximize results.

R&D expenses:

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

Other operating income (expenses):

- Reversal for labor, civil and tax contingencies.

Summary P&L (R\$ million)	1Q19	1Q18	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)
Net sales revenue	623,2	618,7	100,0%	100,0%	0,7%
Selling expenses	(37,8)	(37,1)	-6,1%	-6,0%	1,9%
General and administrative expenses	(19,0)	(20,4)	-3,0%	-3,3%	-6,9%
Technology and product development expenses	(20,1)	(16,9)	-3,2%	-2,7%	18,9%
Other operating income (expenses)	(0,5)	(2,3)	-0,1%	-0,4%	78,3%

Operating income measured by the EBITDA

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

EBITDA 1Q18	¹ Gains/losses on net monetary position (Argentina IAS 29)	Other operating income (expenses)	General and administrative expenses	Gains/losses on the recoverable value of accounts receivable	Selling expenses	Technology and product development expenses	Gross income	EBITDA 1Q19
118,8	6,4	1,8	1,4	0,5	(0,7)	(3,2)	(4,7)	120,3
EBITDA margin 19,2%								EBITDA margin 19,3%

¹ IAS 29 – “Financial Reporting in Hyperinflationary Economies”

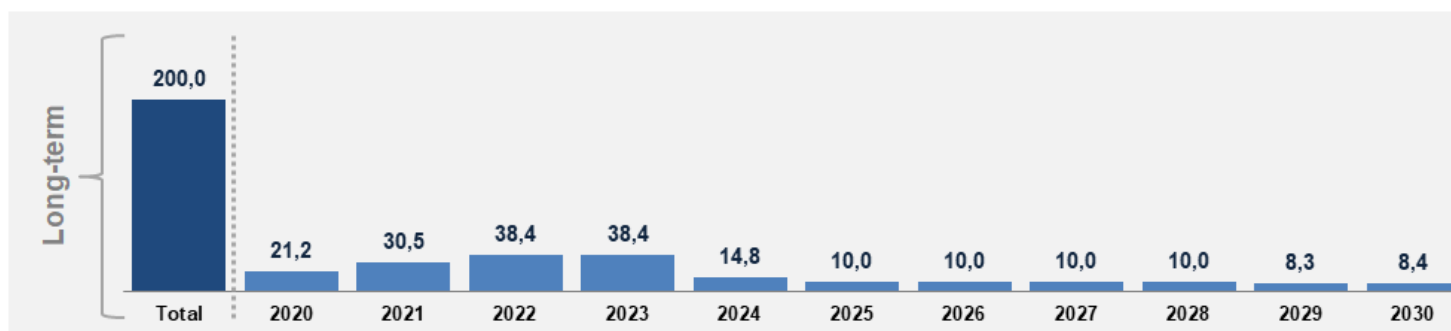
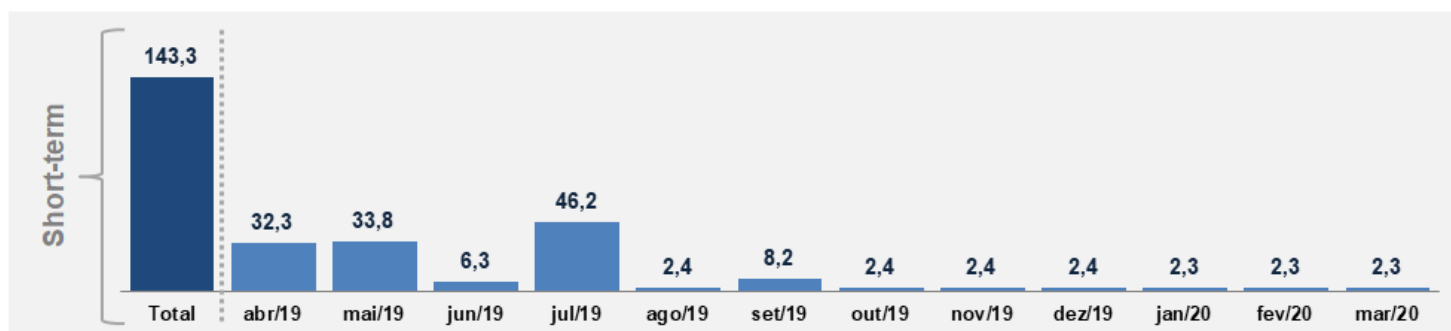
Net financial result (R\$ million)	1Q19 (a)	1Q18 (b)	Var. (a-b)
Interest income on financial investments	1,0	1,4	(0,4)
Interest on loans	(3,3)	(2,1)	(1,2)
Other income	0,6	0,4	0,2
Finance costs, net	(1,7)	(0,3)	(1,4)
Exchange variation, net	3,2	7,5	(4,3)
Gain (loss) on derivatives	(0,5)	(0,1)	(0,4)
Exchange variation and Result with derivatives (ii)	2,7	7,4	(4,7)
Monetary variation, net	(8,0)	(7,6)	(0,4)
Other	(1,8)	(1,3)	(0,5)
Monetary variation, net + Others (iii)	(9,8)	(8,9)	(0,9)
Finance income (costs) (i + ii + iii)	(8,8)	(1,8)	(7,0)
Interest rates and volumes (average)	1Q19 (a)	1Q18 (b)	Var. (a-b)
Investment Yield ¹	6,1%	6,6%	-0,5 p.p.
Cost of debt	4,7%	5,8%	-1,1 p.p.
Investments - average (R\$ million)	111,1	113,0	-1,7%
Average debt (R\$ million)	(355,5)	(174,9)	103,3%

¹ Bank deposit certificates (CDBs) and repurchase agreements with average remuneration of 98.7% of the interbank deposit rate (CDI), invested exclusively with first rate banks in Brazil.

Financial Management – Indebtedness (part I)

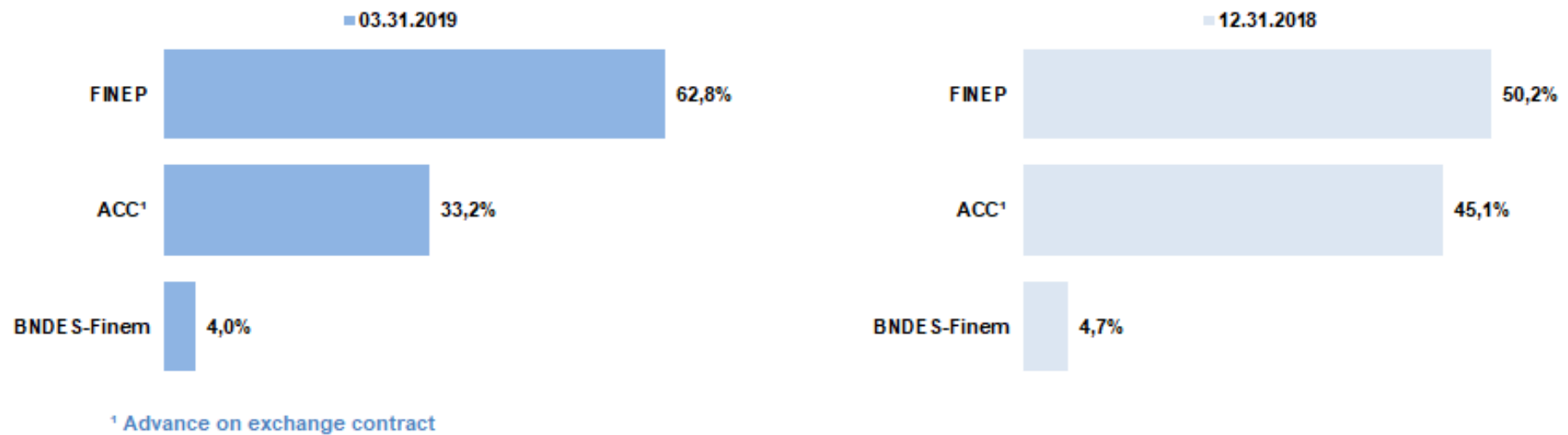
Net indebtedness (R\$ million)	03.31.2019 (a)	12.31.2018 (b)	Variation (a-b)	% Debt (a)	% Debt (b)
Liabilities (i)	343,3	291,6	51,7	100%	100%
Short-term	143,3	160,4	(17,1)	42%	55%
Long-term	200,0	131,2	68,8	58%	45%
Cash / banks / cash investments/ Loans - related parties (ii):	(232,4)	(138,3)	(94,1)		
Net position (i + ii)	110,9	153,3	(42,4)		

- Below is presented the maturities of short-term and long-term indebtedness (R\$ million):



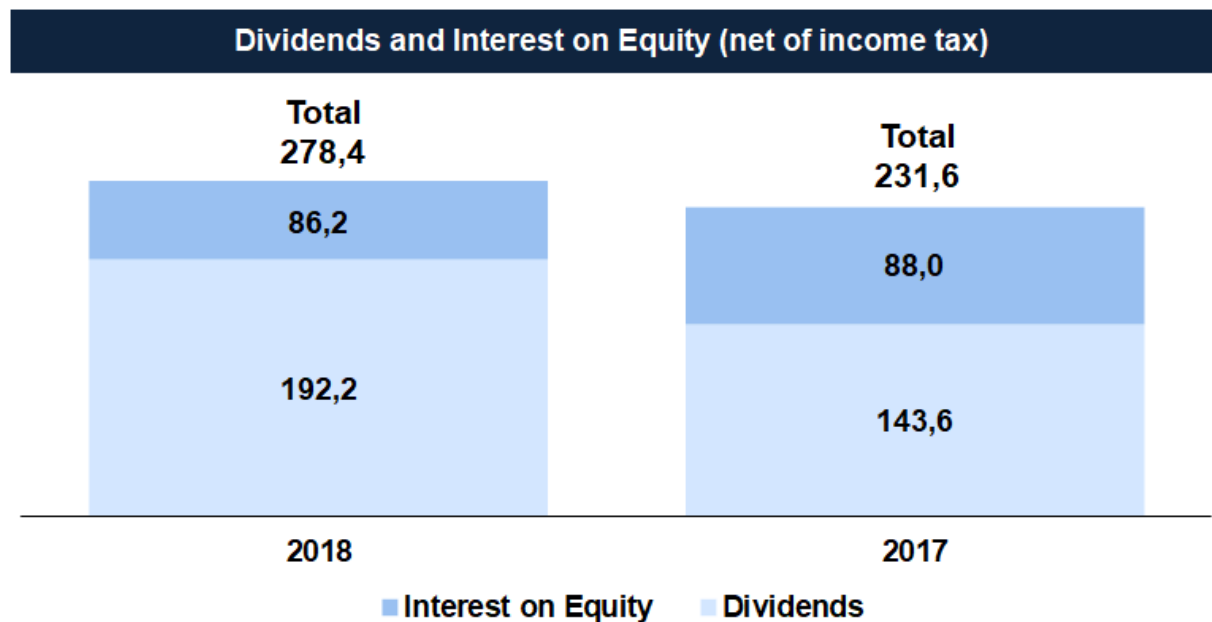
Financial Management – Indebtedness (part II)

- Below is a breakdown of the Company's financing transactions per type:



Net Income & Benefits to Shareholders

Summary P&L (R\$ million)	1Q19	1Q18	V.A. (%)	V.A. (%)	H.A. (%)
	(a)	(b)	(a)	(b)	(a/b)
	Net sales revenue	623,2	618,7	100,0%	100,0%
Profit for the year	63,9	71,4	10,3%	11,5%	-10,5%



- Capital expenditures estimated for 2019 total R\$ 127,0 million, which should exceed depreciation for the year.

CAPEX & Depreciation (R\$ million)	1Q19	1Q18
Capex	17.3	14.6
Total depreciation	22.9	22.9

Capex	1Q19	1Q18
% of Net sales revenue	2.8%	2.4%
% of Depreciation	75.5%	63.8%



Questions & Answers

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