



## CORPORATE PARTICIPANTS

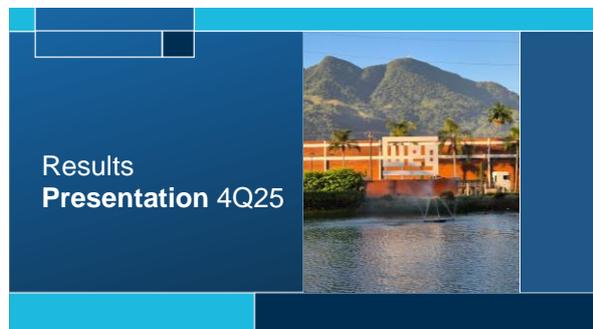
**Mr. André Luís Rodrigues** – Chief Financial Officer

**Mr. André Meneguetti Salgueiro** – Finance Director and Investor Relations Officer

**Mr. Felipe Scopel Hoffmann** – IR Manager

## PRESENTATION

**Operator:** Good morning, and welcome to WEG's Earnings Conference Call for the results of the 4th Quarter of 2025.



I would like to highlight that interpretation is available on the platform through the 'Interpretation' button accessed via the 'Globe' icon at the bottom of the screen. Please note that this conference call is being recorded and broadcast live. After its conclusion, the audio will be available on our investor relations website.

During the company's presentation, all participants will have their microphones muted, we will begin the Q&A session after that. To ask a question, please click the 'Raise Hand' icon at the bottom of your screen to join the queue. When your name is announced, a request to enable your microphone will appear on the screen; at that time, please enable your microphone to ask your question. If you have more than one question, we kindly ask that you ask them all at once.

If we are unable to answer all questions live, please do feel free to send your question to our e-mail address at [ri@weg.net](mailto:ri@weg.net), and we will respond after the conclusion of

this

conference.



We'd also like to emphasize that any forecasts contained in this document or any statements that may be made during this conference call regarding future events, business outlook, operational and financial projections and targets and WEG's future growth, potential growth, constitute merely the beliefs and expectations of WEG's management based on currently available information.

Such statements involve risks and uncertainties and depend on circumstances that may or not occur. Investors should understand that general economic conditions, industry conditions and other operating factors may affect WEG's future performance and may lead to results that differ materially from those expressed in such forward-looking statements.

Joining with us today, we have our CFO, André Luís Rodrigues; André Meneguetti Salgueiro, our finance and investor relations officer; and Felipe Scopel Hoffmann, investor relations manager.

## Mr. André Luís Rodrigues – Chief Financial Officer

Good morning, everyone. It is a pleasure to be with you once again for WEG's earnings conference call.



In Slide 3, we have the operating revenue, which decreased by 5.3% compared to 4Q24.

In Brazil, industrial activity remained positive, supported by sustained demand for short-cycle products and deliveries of long-cycle projects. The decline in revenue



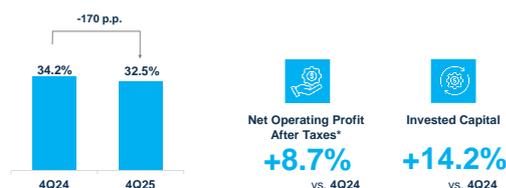
compared to the same period last year was motivated by the absence of centralized wind and solar generation products.

In the external market, we continue to see a strong level of deliveries in the power generation, transmission and distribution business, especially in the transmission and distribution segment in North America, combined with a solid demand in industrial, electrical and electronic equipment business across the main regions where we operate, although revenue in Brazilian BRL was impacted by exchange rate fluctuation.

We closed the quarter with an EBITDA margin increase compared to the same period last year, and it was 22.4%. EBITDA reached 2.3 billion, representing a 4% decrease compared to 4Q24. Throughout...

And then our main financial indicators remained at a high level of 32.5%, as we will see in more detail on the next slide.

Return on invested capital



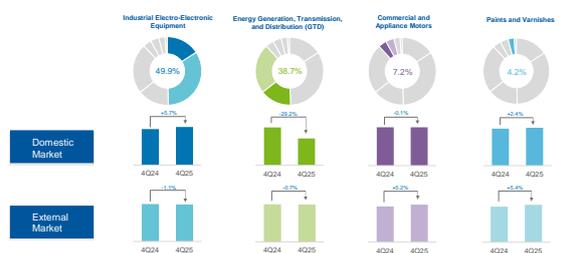
\*Accumulated in the last 12 months

ROIC remained at a healthy level, driven by the maintenance of high operating margins; however, we observed a reduction in the quarter compared to the same period last year, mainly due to increase in invested capital related to investments in fixed assets and acquisitions during the period. I now hand it over to André Salgueiro.

**Mr. André Meneguetti Salgueiro – Finance Director and Investor Relations Officer**

Good morning, everyone, and thank you, André. On Slide 5, I will show you the revenue performance across our business areas. Starting with Brazil, industrial activity was positive for short-cycle equipment with diversified demand across several segments, in addition to strong demand for new traction systems and batteries for electric buses.

4Q25 Business Area Performance



Despite a still restrictive environment for new investments, long-cycle equipment also delivered solid results.

In GTD, the decline in revenue was mainly due to lower deliveries in the generation business, especially because of the absence of centralized wind and solar generation projects. In addition, the T&D business also experienced fluctuations in deliveries, which is natural for this type of product.

In commercial and appliance motors, demand remained stable compared to the same period last year, with solid performance in the construction and compressor segments.

In coating and varnishes, demand remained positive, diversified across different segments, with emphasis on the sale volume of liquid paints in the construction segment.

In the external market, although revenue in BRL was impacted by the exchange rate fluctuations, industry activity remained healthy in several markets, especially in the ventilation and refrigeration segments. We recorded a strong volume of long-cycle equipment deliveries, particularly high-voltage motors, despite reduced new investments due to ongoing geopolitical uncertainties.

In GTD, we continue to see strong delivery volumes in the T&D business in the United States, although at a slower pace in other operations, particularly in South Africa.

In the generation business, we saw a solid performance in North America and fluctuations in project deliveries in India.

In commercial and appliance motors, we observed sales growth in key regions, especially in China and North America, in addition to the contribution of both businesses to revenue in the quarter.

In coatings and varnishes we recorded revenue growth, driven mainly by strong performance in Mexico and the contribution from the recently acquired Heresite business in the United States.



On Slide 6, we can see the EBITDA performance. The EBITDA margin closed the quarter at 22.4%, increasing compared to the same period last year, reflecting a better product mix and efforts to mitigate the impact of recent changes in international tariff legislation. EBITDA decreased by 4% compared to 4Q24, mainly due to lower revenue in the quarter.

### Investments (CAPEX)



On Slide 7, we show the evolution of investments, which totaled 814 million BRL with 50% allocated to Brazil and 50% to operations abroad. In Brazil, we continue the modernization and expansion of production capacity in T&D, in addition to capacity increases and productivity gains in Jaraguá do Sul and Linhares.

Abroad, highlights include the progress of transformer investments in Mexico, the United States and Colombia, as well as investments in expansion production capacity in China. With this, I conclude my remarks and hand it back to André.

### Mr. André Luís Rodrigues – Chief Financial Officer

On Slide 8, before moving to the Q&A session, I would like to highlight the following: in December '25, we announced the acquisition of Sanelec, an Indian company specialized in the manufacture of motor regulation and excitation systems. With this acquisition, we expanded our international footprint, strengthened the solutions offered to existing customers and increased our participation in power generation control market.

### Recent Achievements

- Acquisition of Sanelec, a manufacturer of voltage regulators and excitation systems.
- Investment in a new factory for battery energy storage systems (BESS).

### Outlook

- Despite some challenges to growth, we continue to have good opportunities in Brazil and abroad.
- Positive operational dynamics with healthy margins and returns.
- Robust investment plan to increase capacity in Brazil and abroad.
- Geopolitical and macroeconomic scenarios require attention.

More recently, we announced the construction of a new plant dedicated to the production of battery energy storage systems in Itajaí, with conclusion expected for 2H27.

And finally, I would like to address our outlook for this year. We continue to see strong revenue opportunities in our main businesses, both in Brazil and abroad. However, exchange rate impacts and the absence of centralized solar generation projects may weigh on growth, particularly in 1HTY. We maintain a healthy operating dynamic with an ongoing focus on operational efficiency and productivity gains, which should continue to support solid operating margins and returns on invested capital.

As part of our continued investment program, we approved a robust capital expenditure plan for '26 totaling 3.6 billion, supporting the company's strategy of continuous and sustainable growth. It's always important to remain attentive to the global macroeconomic environment and potential risks and volatility; even so, we maintain our expectation for business growth, strengthening our presence in Brazil and globally while pursuing opportunities in new markets.

This concludes our presentation. We can now move on to the Q&A session.

Driving efficiency and sustainability

### Q&A SESSION

**Operator**

Now we will start the Q&A session. As a reminder, to ask questions please click the 'Raise Hand' button on your screen to join the queue. When your name is announced, a request to enable your microphone will appear on your screen. You should then enable your microphone to ask your question. We kindly ask that you ask all your questions at once.

And to kick off with the first question from Lucas Marchiori, BTG Pactual. Lucas, we will open your microphone and please, proceed.

---

**Mr. Lucas Marchiori - BTG Pactual**

Well, thank you very much, good morning. I have two comments to make, first on tariffs, and I would like to hear from you the announce... your understanding. We know that the basis is 30%, and I would like to know how it works now since there is... is there a negotiation to accommodate prices? Would that affect any request? So the first topic is U.S. tariffs.

And then number two, the auction with a lot of comments on Chinese participation, and so I would like to hear from you what would WEG's competitive differential be regarding this auction?

**Mr. André Luís Rodrigues – Chief Financial Officer**

Lucas, thank you for your question. I will talk a little bit about tariffs and Salgueiro can update that as well. I would like to review what was mentioned before. Our understanding is that the tariffs that have been determined and announced for '25 in Brazil, which added up to 50%, lose their power. And initially it was announced as 10, but it may be that it will increase to 15%. 232 continues. It is the section of the law on commercial expansion applied above all to iron, aluminum, copper and imported products from the U.S.

But it is too early, I would say. We do not know whether we're going to have new tariffs announced in the upcoming weeks; and therefore, it's a bit premature to discuss commercial strategies right now. It's important to highlight that the current situation gives us a better competitive approach. We will continue discussing it, evaluating the impacts and taking the necessary measures to mitigate all of these effects - but we have to wait a little bit longer so that we know... so that we have a better idea of what is going on.

**Mr. André Meneguete Salgueiro – Finance Director and Investor Relations Officer**

Good morning, this is Salgueiro. And regarding the auction, it's important to highlight that it might happen now in 1Q and the expectation is for early June, but in practice, it has not been officially announced and published. We are monitoring it and tracking the development, market estimates and what has been informed the auction would be for 2 Gigs of installed capacity, but other information is being considered.

We have been prepared for this for a while now. Since the purchase of the technology in 2019 of the NPS in the United States, we've been developing some small and midsized projects, both in the U.S. and here in Brazil. And now more recently, we were preparing ourselves for this more structured demand for large products in Brazil with a more recent announcement made in Itajaí, and that will increase our productive capacity in Brazil so that we can meet the demands of this market.

Regarding competition, it's only natural to imagine a competitive environment for this segment, just as we have it for others such as wind and solar. So it's only natural that this will happen, and we are preparing ourselves the best way possible to address this market.

And then, there are some other aspects that we'd like to reinforce. So we have a long-standing relationship with the operators of this project, which could be a differential for us: engineering support, aftersales support and the presence here in Brazil for many years.

And of course, the competition aspect with the new plant, we have to be prepared for that. So we are following all of the regulatory aspects. They are not 100% defined, but we are monitoring and we have to make the best use of opportunities that will come, not only this year, but in future years when we will have a lot of opportunities.

---

**Mr. Lucas Marchiori - BTG Pactual**

Excellent. Thank you for your answer and have a good day.

---

**Operator**

Our next question is from Joao Frizo, Goldman Sachs. João please, proceed.

---

**Mr. Joao Frizo - Goldman Sachs**



Good morning everyone, thank you for taking my questions, I have three. First, I would like to hear a little bit about the (incomprehensible 16:49) in the area of electric and industrial motors here in Brazil and worldwide. We have uncertainties, which have had an impact on orders. Could we expect a weaker growth for '26 because of this?

And regarding capital, you mentioned relevant figures for '26, but could you expand that?

Regarding CapEx, we've been running for some years at 3% above revenue, and if you look at '27, '28 and '29, should we expect the same or should we expect normalization? Thank you very much.

---

**Mr. André Meneguetti Salgueiro – Finance Director and Investor Relations Officer**

João good morning, this is Salgueiro. I will start with the long industrial demand cycle, and then we'll talk about CapEx. As you mentioned, we've had some quarters in industrial area, both in Brazil and in the external market, with some volatility. The scenario is not poor, but there is some volatility.

Here in Brazil, we do have the impact of interest rates. We also have the investment cycles of the main segments that demand these projects: we have oil and gas, mining, paper and cellulose... and pulp actually; and we're going to have an increase this year, so we have these two factors.

And abroad, what we've seen are some delays, especially because of the geopolitical aspects and lack of definition of tariffs, there is some volatility. It's not something that is worrisome, because when we look at our orders, we do see some oscillation, which is only natural for this type of project. Revenue was good, both in Brazil and abroad, for the projects and the deliveries made throughout the quarter, but we have to analyze on a quarter-by-quarter basis.

---

**Mr. André Luís Rodrigues – CFO**

And now I will talk a little bit about capital, which was disseminated yesterday with robust growth of 3.6 billion for '26, the greatest we've had this far, to support our levels of growth.

And then how can we break it down? 46% will be for the domestic market and 54% abroad. In Itajaí, we have an expansion of the plant looking at verticalization, increase of production capacity. And I think that the most relevant investment in Itajaí is what we recently announced: the construction of the new plant, in 2HNY it will be concluded. And we also have the auction, as

mentioned during our presentation. It will be... it will represent good opportunity.

And then, we also announced growth in other areas, and the relevant growth will be the new plant to be concluded in '28 of electric large machines, where we will have a greater capacity of production of compensators and machines, where we developed in Jaraguá do Sul, in addition to increasing our capacity of larger motors... high-voltage motors.

Part of this investment, I would like to remind you, is related to the expansion of transformers that we announced in the past years; and here in Brazil basically we end the year with the expansion in Betim increasing the Betim capacity, and we continue the expansion of transformers in Gravataí, and that will end in '27. And to conclude, in Linhares we have the increase in our capacity.

When we discuss what is happening abroad, we have the transformers and different investments. We also have a new liquid paint plant so that we can take this business to North America; and we also have verticalization in China; we have the high-voltage motors in Turkey; we have a new plant with... a new bearing plant.

And then finally, the last investment package would be the modernization of one of the plants of special transformers in Missouri, and this is the last package, the last part of the package that we announced for transformers.

Undoubtedly, last year we were above, 6.6% above our revenue, and this was necessary for us to conclude the expansion cycle in the transformer business. And then to consolidate that, we have the other opportunities.

But looking ahead, what we are lacking in our investment package, which will continue after '27, the increase in the capacity of verticalization. It will go on in a more relevant manner after '27, but in the long run we do not think that we will be operating outside the range of 26% of our revenue. But as I mentioned before, in '23 and '24, we had 4.9%, 5.1% in the upper limit; and therefore, it is likely that perhaps two... one, two years later, we will operate at a higher level and then go back to normal.

---

**Mr. João Frizo - Goldman Sachs**

Wonderful, thank you.

---

**Operator**



Next question from Andressa Varotto, UBS. Andressa, please move on.

Gravataí here in Brazil and the new plants in Colombia and Mexico in the external market.

---

**Mrs. Andressa Varotto - UBS**

Hello, good morning, thank you for taking my question. I have two right now, the first one would be regarding the margin. We saw a margin expansion that was a bit unexpected. Here in the market, we expected a stronger impact of tariffs on costs in this quarter, and we were positively surprised.

But I would also like to highlight when we talk about capacity that we are talking about the concluded plant, and we will not necessarily start operating at full capacity. It's only natural in this business, and we have a gradual occupation.

I would like to know if there was any initiative or anything else that turned out to be better than expected.

From the point of view of revenue and contribution for the results, we will start strongly next year, and then we will gradually have a contribution throughout '27, but it will be more significant after '28.

And a follow-up on the transformer capacity: what should we expect for 2HTY? Would it be in 3Q or 4Q? And also what is the total to be expected?

---

**Mrs. Andressa Varotto - UBS**

Thank you, André and Salgueiro, I understood. But Salgueiro, regarding the figures you mentioned, 25, are you talking about Mexico alone or to the total?

---

**Mr. André Luís Rodrigues – CFO**

Andressa, thank you for your question. Let's talk a little bit about the margins and the market expectations, and then we have the expectations of fluctuations for 23 and 24. I think that this work is constant work that we do here at WEG. And of course, there are times when you face challenges such as the tariffs that were imposed throughout '25 and where we anticipated a higher impact on the margins.

And also a follow-up because I would like to know if you have started any efforts regarding the capacity that is coming in?

And it's important to highlight that regarding the attempt to compensate tariffs, we were successful in our attempt. We reviewed our business strategy among other factors, but we are going through a very positive moment globally. So basically, this was positively impacted regarding our expectation.

---

**Mr. André Meneguetti Salgueiro – Finance Director and Investor Relations Officer**

Well, actually, this is the total number. We announced investments, both in Brazil and in the external market, but the idea was to double the global capacity of WEG in T&D, and so this is for anywhere.

---

**Mr. André Meneguetti Salgueiro – Finance Director and Investor Relations Officer**

This is Salgueiro, Andressa. Regarding the T&D capacity, I would like to remind you that we made some announcements from the end of '23, with the intention to double the capacity we had until the end of this year and early next year. These projects have been happening, and I would say that part of it has already come in, and we do have a first and more relevant project coming early this year, and the new Betim capacity this year.

And we also have some projects that are moving forward, and when we have a better idea of the availability of the plant, we offer it to the market. We've also been communicating the demand is very needed and will remain so. So from a point of view of orders and portfolio, we do not see any risks. It's only a matter of being able to make the investments and have the plants available.

And then, if you look at the figures and if you look at Betim, we're probably close to 25% of the intention to double this capacity, and then we would have about 55% of this capacity to add at the end of this year and then early next year, because we're talking about

---

**Mrs. Andressa Varotto - UBS**

It was very clear, thank you very much.

---

**Operator**

Next question from André Mazini, Citi. André, please proceed.

---

**Mr. André Mazini - Citibank**

Good morning, Rodrigues and Salgueiro, thank you for taking my questions. I have two, the first one has to do



with the WEG Day regarding the solutions and services. So what is the impact on your... what is the percentage of the revenue that you're allocating, and how far do you intend to go?

And then number two, regarding growth of revenue for '26. Based on the exchange rate of 5.14, for the rest of the year would it be more likely for the revenue to grow single digit, or can we still consider two digits, even if the exchange rate is not very good right now? Thank you very much.

---

**Mr. André Meneguetti Salgueiro – Finance Director and Investor Relations Officer**

Good morning. I will answer your first question regarding solutions and services, and then André will talk about investments. In fact, we tried to show changes that have been taking place at the company, a company that until recently was more focused on products and has now become a solution provider.

We have product sales, we more and more incorporate services. So in fact, this has gained some representation. We have the creation of a new department for large machines to meet the demands of this market, the service market. We do see increasing demand, but there are services related to the other units as well, both in terms of wind generation, solar generation, operation, contracts, maintenance contracts and TGM, which is our thermal generation company; there is a very representative component in the area of services, especially in the alcohol sector; in Tupi, electric mobility, related to the areas of software services, drivers.

So there are different areas being opened up in the company, and the trend is for the revenue to evolve and continue growing, including in the industrial area. The PPI, software solutions for clients, monitoring industrial processes. So it's only natural to expect such a growth - but we do not have a specific target, and there are a lot of opportunities, not only looking at services, but also looking at the solutions, which include equipment sales, service offer.

---

**Mr. André Luís Rodrigues – CFO**

So now, let's talk a little bit about perspective of revenue for '26. The company will undoubtedly try to grow, even in a geopolitical scenario which will remain challenging.

But it's always important to take into account that we're moving smoothly, with a good demand for transmission and distribution areas in Brazil and abroad. But of course, this year we're limited because of capacity. We

showed you our expectation of increased capacity, but we can see good opportunities in businesses such as electric mobility, in BESS as mentioned, in WEG's preparation to capture opportunities not only this year, but later ahead.

Synchronous alternators, the demand, increasing demand for data center solutions. And when I talk about data centers, we always think about transformers, but WEG has complete solutions, full solutions to guarantee back up with alternators and BESS and automation solutions. So this is something where we have been receiving a good demand.

But André, where we have some expectation is to undoubtedly try to have two-digit growth, but this would be with more stable exchange rates of the BRL compared to the USD.

The situation is different now. Our currency is valuing, and we have a greater challenge to make this happen. But if the exchange rate remains as it is, it will be harder for us to deliver two-digit results.

It's important to highlight that what prevented a growth in the revenue, which actually went down in the last quarter and that will have an impact - maybe not the same as in the last quarter, but a little bit of 1Q and 2Q - are the same factors: the lack of a renewable portfolio, which we had in 1HLY, and then better exchange rates.

I would like to remind you that the exchange rate in 1Q25 was in the order of 5.84 and our situation now is that it is below 5.20. And what is likely to happen is that we will have different growth profiles, lower in 1Q because of the factors that I mentioned, and a recovery in 2H with closer averages and also a little bit about... related to the capacity announced by Salgueiro, and also the comparison basis, which is more stable in 2H.

---

**Mr. André Mazini - Citibank**

Perfect. Thank you very much, Rodrigues and Salgueiro.

---

**Operator**

Next question from Lucas Laghi, XP Investment. Lucas, please proceed.

---

**Mr. Lucas Laghi - XP Investimentos**

Hello, good morning everyone and thank you for the opportunity. Thinking about '26 but also talking about profitability, if we look at '25, as you commented, it was in the range of 23, 24 in terms of the EBITDA margin,



as you commented, and it's always very good to have clearer visibility for margins for WEG.

But I'm trying to understand this panorama for '26, and because exchange rate plays against us, T&D is high, but maybe because of a mix effect it won't be as favorable, increasing price of raw materials and strong demand.

So I would like to better understand the combination of all of these factors, and comparing it to '23, '24, does this range make any sense for '26? Or what should we consider now? I would like to know what the combination of all of these factors would result for WEG in '26.

And then a second question regarding wind energy because we've been talking a little bit less about this. Our perception is that the market will be looking ahead. We have the new 7 Mega platform. We have to understand what the perspective is.

And then, 4.2, which was well accepted domestically, but I would like to know what will happen in the foreign market. I would like you to talk a little bit more about this project and what we can expect for the future.

---

**Mr. André Luís Rodrigues – Chief Financial Officer**

Lucas, thank you for your questions. Let's talk a little bit about margins now. The management is very happy with the margins we've been delivering in the past years. It's very close to 22, and therefore, we're very happy with that - and we start '26 with an expectation to deliver margins that are close to the average of the past years.

It's very difficult to always have a margin projection. We can have some variations regarding the delivery of long-cycle projects, special projects that could change that - and of course, the mix could have an impact on that.

But in 1Q, I will tell you that we have a more favorable mix than we had in 1HLY, and that is very positive. And then, part of this good performance, and I commented it already, has to do with the transformer business, which has had a positive impact in the past year. So it's also important to monitor whether that will change this dynamic or not with exchange rate variations.

But in the short run, we always say that the correlation margin and exchange rate is not very good for us. But we also have the benefit of having stock which was purchased with a different exchange rate, leading to benefits - but the other way around also happens: with a valuation of the BRL that also has an impact, but in the midterm that will be compensated - but that will lead

or might lead to changes between one quarter and the other.

We also can expect some changes in tariffs. We continue monitoring relevant changes in commodities and that could also have an impact, especially copper, which is a very important raw material. But what I can tell you today is that for the year we expect to have healthy margins, aligned with what we've been practicing in the past years.

---

**Mr. André Meneguete Salgueiro – Finance Director and Investor Relations Officer**

Regarding wind energy we have Brazil situation, and we have not seen significant investments in Brazil in the past years. But also we have the regulated market, which is not very active; and then we also have competition-related factors, and basically investments in wind energy have stalled. And there are eventual risks that for the future we will have to consider new generation sources, and it's only natural to imagine that looking ahead we will have new investments, and we should resume investments.

We do have a sales profile that makes a lot of sense, but looking at the midterm we do believe in the development of this market.

And we have field tests, and new developments in Brazil would take into account this new machine.

We also have a market in India that you commented, and that would be with the 4.2 platform. It's already certified. The developments have been basically concluded, and we are now working around our first order.

We also have the U.S. market that would be with the machine 7. We do not have a contract, but we are working with our business area, and we want to have everything prepared.

And when we look at this year and probably next year, we will not have a contribution of in wind, but what we will see is that this segment being more representative in the mid and long term.

---

**Mr. Lucas Laghi - XP Investimentos**

Well, thank you very much and have a good day.

---

**Operator**

The next question comes from Pedro.

**Mr. Pedro Tineo – Itaú BBA**

Good morning and thank you for taking my question. I would like to explore the capacity of transformers once again for '27, and I just wanted to understand, because the margin expectation should be close to what has been practiced. But for '27, do you believe that we will have increased margins because of the changes in the mix with more transformers?

And I also wanted to ask for '26 because you commented about the exchange rate and expectations of growth. But for '27, with increased capacity, do you expect that we will have an impact more towards the end of the year, or could we expect resuming two-digit levels earlier in '27 without exchange rate factors?

**Mr. André Luís Rodrigues – Chief Financial Officer**

Well, thank you for your question. I think it is too early for us to talk about the margin for '27. There is a very important slide in our investor presentation, which shows the dynamics of short and long cycles, and of course, if we consider that only the transformer business will go, we can think of better consolidated margins than we've had. But in reality, at WEG all of the other businesses are pursuing investment opportunities and therefore, it will depend a lot on the mix, and we will have to wait a little bit so that we have better visibility.

And the second aspect, more for the end of '27 we need to have a better idea for these plants. And just to give you a better idea, when we talk about increased capacity, just so you know, the training of a technician to work with transformer, it takes about two years for a person to be trained to manufacture a transformer with the quality demanded for this type of product - and of course, we will increase our capacity, we will observe what happens, but we will see these changes more towards the end of '27 and after that.

**Mr. Pedro Tineo – Itaú BBA**

OK, very clear, thank you very much.

**Operator**

Well, next question from Rogerio Araujo. Rogerio, please proceed.

**Mr. Rogerio Araujo - Bank of America**

André, Salgueiro, thank you for the opportunity. I have two questions here, first, you talk about T&D in Brazil. Could you give us an idea of how much the GTD Brazil reduction was when compared to solar? And how many... or what was the decrease in the T&D deliveries?

We always make mistakes when we try to define what WEG's margins are going to be, but now we have a very strong component in the U.S. tariffs, the U.S. tariffs, and if you consider tariffs are 15% or not, we come to an estimate of margins of 1.1, 1.2, this will be more constant and relevant for WEG.

So I wanted to better understand if there are any specific factors involved in terms of timing, payment of tariffs, and when they will no longer be charged, because I understand that you will wait for us to have a final decision, but in the meantime will there be an impact? I wanted to understand if this makes sense, and when will this stop having an impact?

**Mr. André Meneguetti Salgueiro – Finance Director and Investor Relations Officer**

Rogerio, good morning. Regarding T&D or else regarding Brazil, we had a significant decrease in the quarter. Unfortunately, we do not break down according to the different businesses, but I would like to share that most of it was in fact the impact of solar energy, where we had a very significant concentration in the end of '24 and '25 in deliveries of GC projects, and these projects are no longer present in our portfolio, so we can say that an important part of this decrease resulted from GC.

And we also had a less relevant impact, but even more important than T&D, which was wind energy, because we still had something happening in the end of '24, and we had basically nothing. The maintenance contract remains, but when we talk about new machines, we had an impact from wind energy in this comparison quarter-over-quarter.

And then, we had T&D, and the new thing is that we didn't grow this quarter. There was a small decrease, but that was part of the issues we had in the development, so this is related to solar energy, and this is something natural that happens with this type of project depending on the deliveries and on how we organize our projects.

**Mr. André Luís Rodrigues – Chief Financial Officer**



Well, I will talk a little bit about tariffs. We have to keep in mind that we're talking about 232, which doesn't change, and in the past WEG focused more on Mexico because Brazil already had 50% tariffs. But now Brazil, as the rest of the world, will go into 232, which has to do with taxes on copper, aluminum and iron.

But then, it will expire; from 40 it will go to 10, maybe 15, but the impact of that will be seen later on. We have to keep in mind what the new orders are right now.

So getting out of Brazil we have the transit time, and so this impact on cost of imports going to the U.S. is something that will be seen in 2Q or 3Q. Now, we will have to monitor the impact this may have on business aspects that should be evaluated later on.

---

**Mr. Rogerio Araujo - Bank of America**

This was very clear, Andre and Salgueiro, thank you very much.

---

**Operator**

I will continue with our next question from Marcelo Motta, JP Morgan. Marcelo, please proceed.

---

**Mr. Marcelo Motta - JP Morgan**

Good morning. Could you give us some light on the minorities? Because if you look at the volume related to profit, we can see that it's been growing, and is this a trend that we should expect from now on?

And the other question has to do with the effective tariff rates and whether it would grow or not, but it is still at very low levels. You're trying to obtain new forms of tax efficiency, but should we expect that it will be below 20%? I wanted to better understand what range we can expect.

---

**Mr. André Meneguetti Salgueiro – Finance Director and IRO**

Hello Motta, good morning. Regarding the minority line, basically what we have there are the results for the areas where WEG does not have 100% participation. So we do have some operations here in Brazil, and perhaps we have a highlight to our joint venture in the reducers area, but the most relevant thing is the T&D operation in Mexico and the United States, where we have a partner, and then it has to do with that.

So what has happened is that the T&D business has grown at a very interesting result, both in terms of revenue, but also profitability, and this leads to better results. And then, if we look at this quarter, WEG's revenue went down on the consolidated results, but it increased significantly, and therefore, the debt line has reduced.

But what will be the growth range of the other businesses? If we follow it quarter by quarter, we know that it will keep on growing. And if we look at this alone, the expectation is for this line to grow a little bit, but we also have other businesses in the company that may evolve depending on the mix, and there will be some differences.

---

**Mr. André Luís Rodrigues – Chief Financial Officer**

And regarding the tariffs, the normalized one will be in the order of 20%, as it was the average for '24. But what happened in '25 was that it ran below that, and this had to do with improved profits. And we also had a positive contribution of tax incentives, especially related to the technological innovation law - but our expectations didn't change.

---

**Mr. Marcelo Motta - JP Morgan**

Perfect, thank you very much.

---

**Operator**

Our next question is from Lucas Melotti, Banco Safra. Lucas, please proceed.

---

**Mr. Lucas Melotti - Banco Safra**

Good morning, everyone, thank you for the opportunity. We've seen an acceleration of announcements of new data centers in the U.S., including increased energy demand, which has grown exponentially, which will be significant in the U.S.

And even taking into account the capacity of the industry, which will grow in the upcoming years, do you see any room for relevant price increases?

---

**Mr. André Meneguetti Salgueiro – Finance Director and IRO**

Lucas, bom dia, thank you. We've been tracking the development of the data center market - not only data

WEG S.A.

Conference Call - Earnings Results 4<sup>th</sup> Quarter 2025

February 26<sup>rd</sup>, 2025 – 11:00 a.m. São Paulo (BRT)

Transcript of the simultaneous translation from Portuguese into English



centers, but energy consumption and demand, especially for our equipment. So this has been the main driver in T&D, especially in the foreign market, and this trend tends to continue.

When we look at the market itself, the portfolio is robust, but we also see other players in the industry announcing an increase in the capacity. And what we've seen from a commercial point of view, at least for the past quarters, is that we have good profitability without significant expansions, as we saw last year and in the past couple of years.

And if the demand proves to be more heated in the future, then we can eventually start a new price cycle that will help us grow - but this is not our basic scenario for right now. Right now, we will be at a good level with good profitability for the company.

---

**Mr. Lucas Melotti - Banco Safra**

Perfect, very clear.

---

**Operator**

We now conclude our Q&A session, and as a reminder, if you have any further questions, please feel free to send them to our e-mail address at [ir@weg.net](mailto:ir@weg.net).

I would now like to turn over to André Rodrigues for his closing remarks. André, please go ahead.

---

**Mr. André Luís Rodrigues – Chief Financial Officer**

Well, once again, I would like to thank you all for your presence and participation, and we will talk to you again when we have our conference for 2Q26.

---

**Operator**

WEG's teleconference is now over. We thank you all for your participation and wish you a good day.

---