

WEGDAY₂₀₂₂

Welcome!



André Menegueti Salgueiro

Driving efficiency and sustainability



DISCLAIMER



Any forward-looking statements that may be made about future events, at business perspective, at operational and financial projections and goals, and the growth potential of WEG in the future, constitute mere beliefs and expectations of WEG's management, based on information currently available.

These statements involve risks and uncertainties and therefore depend on circumstances that may or may not occur.

Investors should understand that general economic, industrial, and other operating conditions may affect WEG's future performance and lead to results that differ from those expressed in such forward-looking state.

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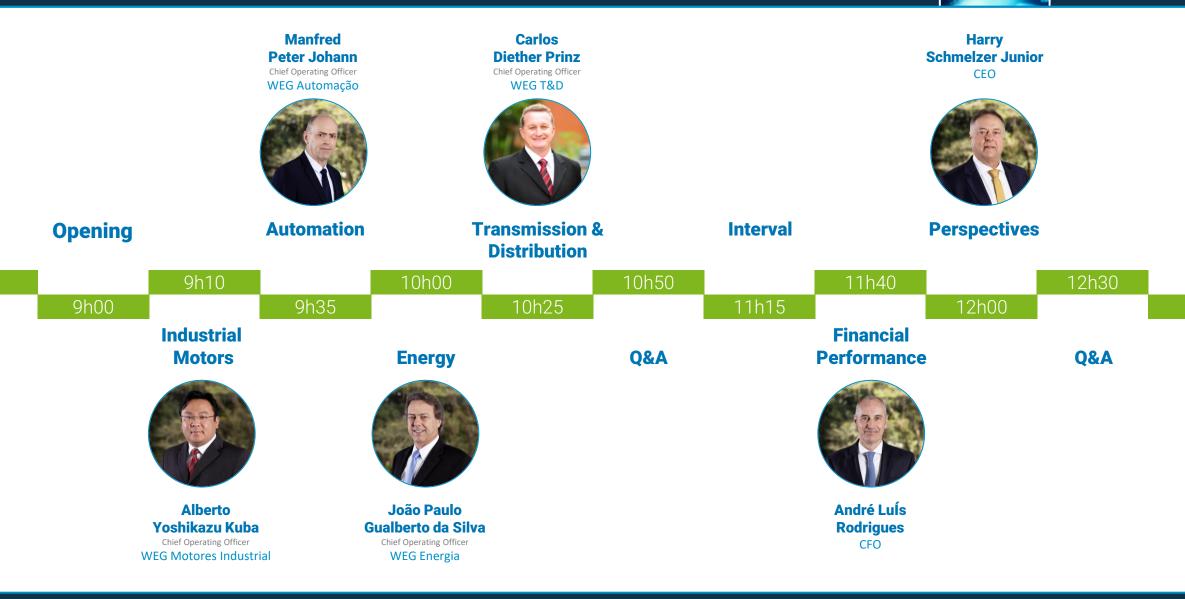
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AGENDA 08/11





WEGDAY2022



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Industrial Motors



Alberto Yoshikazu Kuba

Driving efficiency and sustainability



AT A GLANCE



13 Manufacturing sites

8 Countries 4 Continents

Industrial motors manufactured per year

> **F13,500** Employees

Resellers and Distributors

70% of sales in 2021 were high efficiency electric motors

+3,300

+79%

of motor sales outside Brazil Largest manufacturing facility for IOW voltage motors in the world

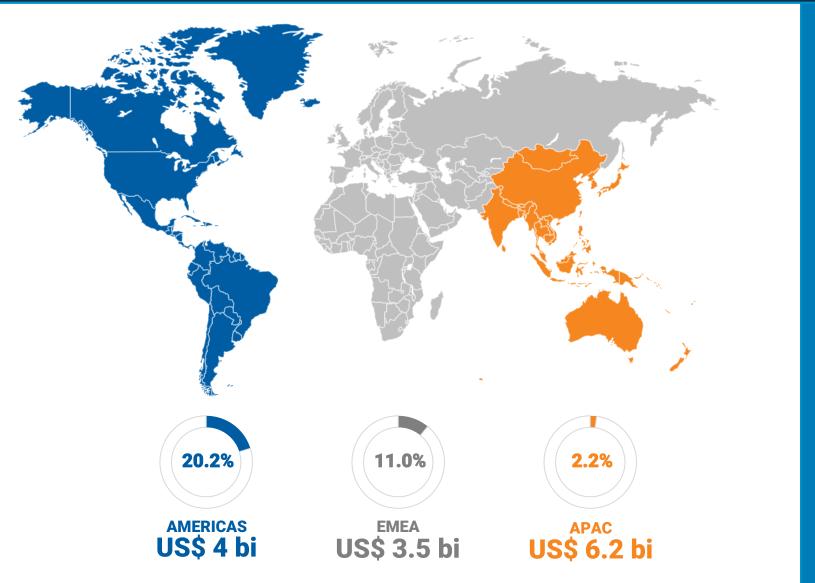
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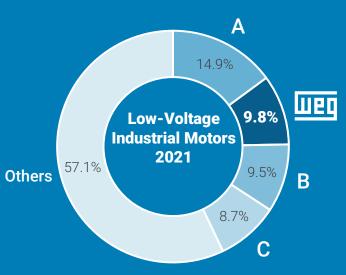
PRODUCT PORTFOLIO





MARKET SHARE





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GLOBAL US\$ 13.7 bi

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SUPPLY CHAIN STRATEGY REVIEW





INDUSTRIAL FOOTPRINT



Manufacturing of the main product lines according to the sales strategy

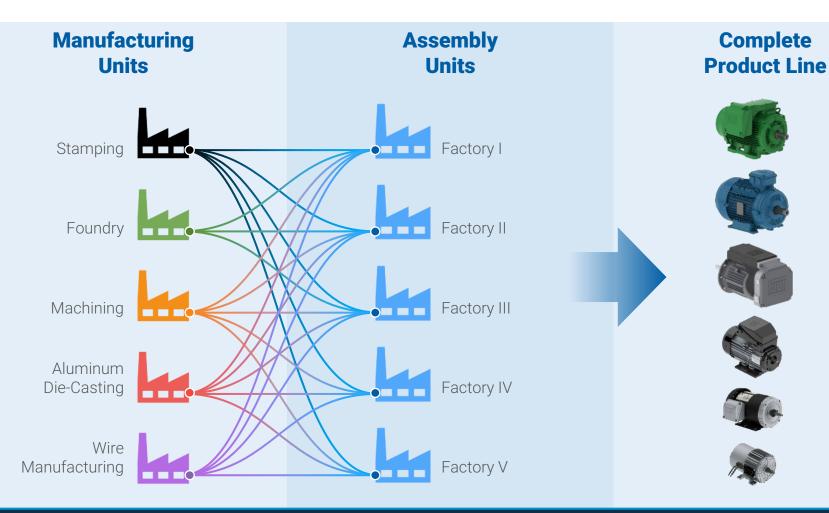


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VERTICAL INTEGRATION

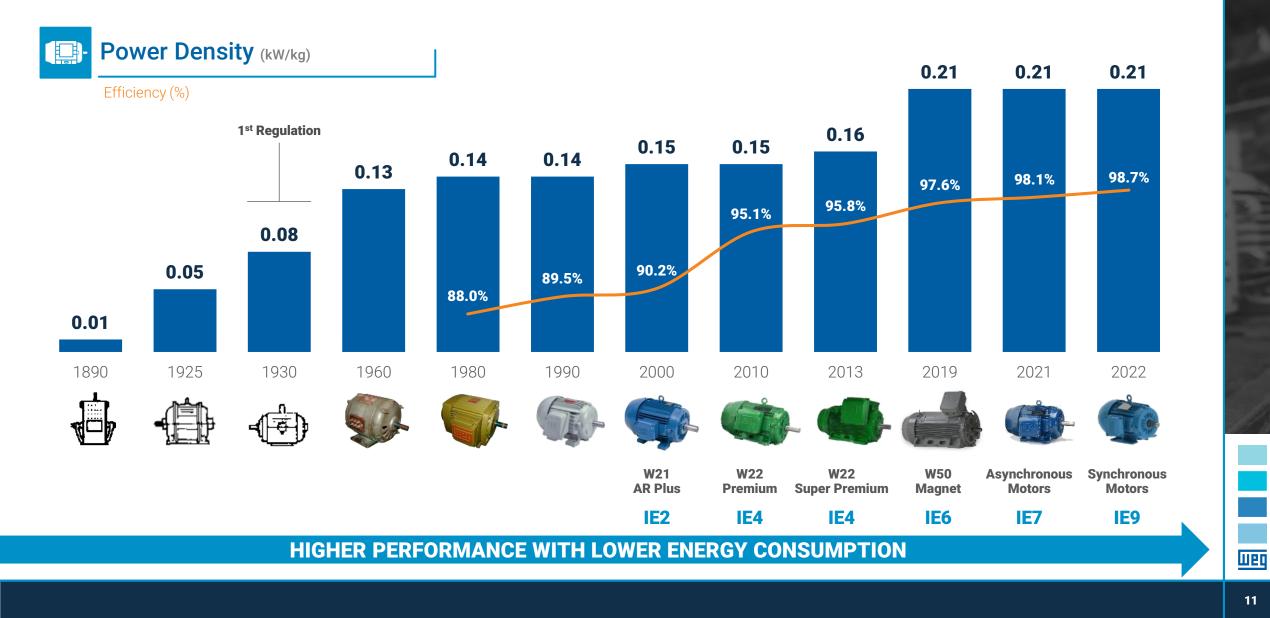


Production flexibility to provide customized products Supply chain with low dependence on external suppliers





ENERGY EFFICIENCY EVOLUTION



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NEW PRODUCTS DEVELOPMENT



220 kW@3600 rpm

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NEW PRODUCTS DEVELOPMENT



Induction Motor x Axial Flux Motor

	Induction Motor (55M/L)	Axial Flux Motor (200)
Mass [kg]	1,498	51
Power [kW]	220	220
Density [kW/kg]	0.15	4.30

INDUCTION MOTOR

- Well-known and accepted solution in the market
- Standard power density
- The packet grows in the axial direction
- Established maintenance procedure

AXIAL FLOW MOTOR

- Ultra compact
- 29X less raw material
- Extreme power density
- Design allows in series association

INVESTMENTS | ABROAD



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India – Hosur



Begins operation in: August 2022



Investment: US\$ 20 mi



INVESTMENTS | ABROAD





Turkey – Kocaeli

Begins operation in: September 2022



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INVESTMENTS | ABROAD







Begins operation in: June 2023



Investment: US\$ 25 mi

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INVESTMENTS | BRAZIL



Jaraguá do Sul / SC





KEY MESSAGES





Vertical Integration Model

Resilience in high volatility scenarios

Strategic location of the factories Lower logistic impact to our customers

Continuity of investments Aiming for long-term opportunities

Portfolio update More efficient and sustainable products

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Automation



Manfred Peter Johann

Driving efficiency and sustainability



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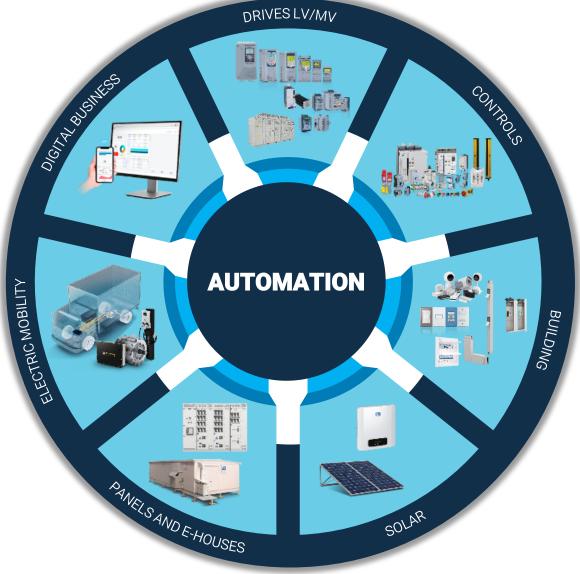
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PRODUCT PORTFOLIO

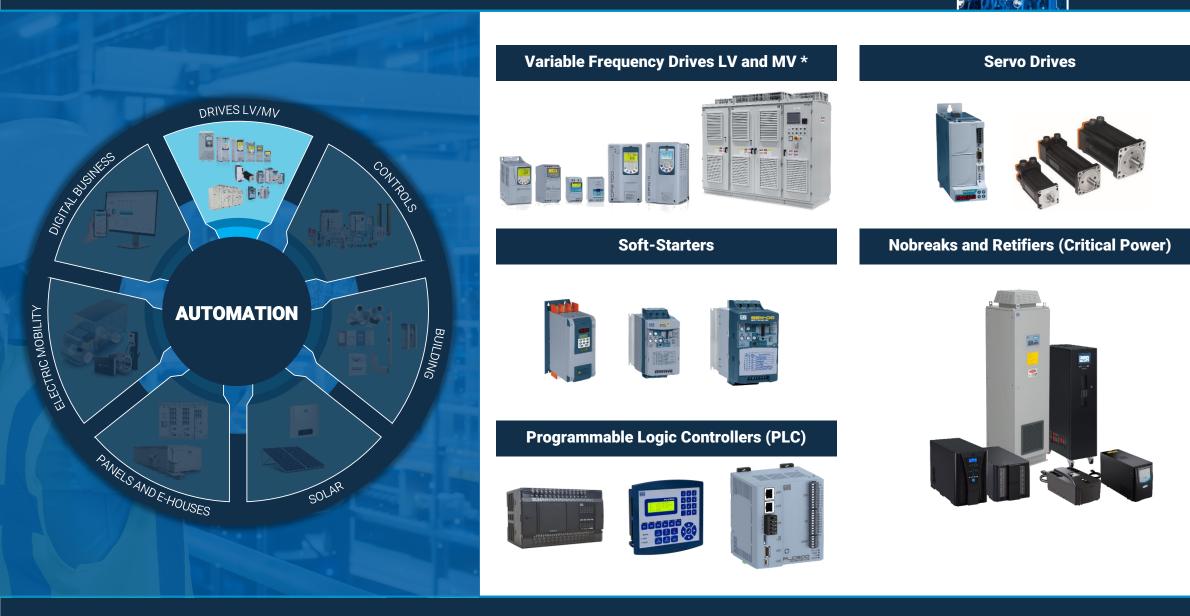






DRIVES





CONTROLS

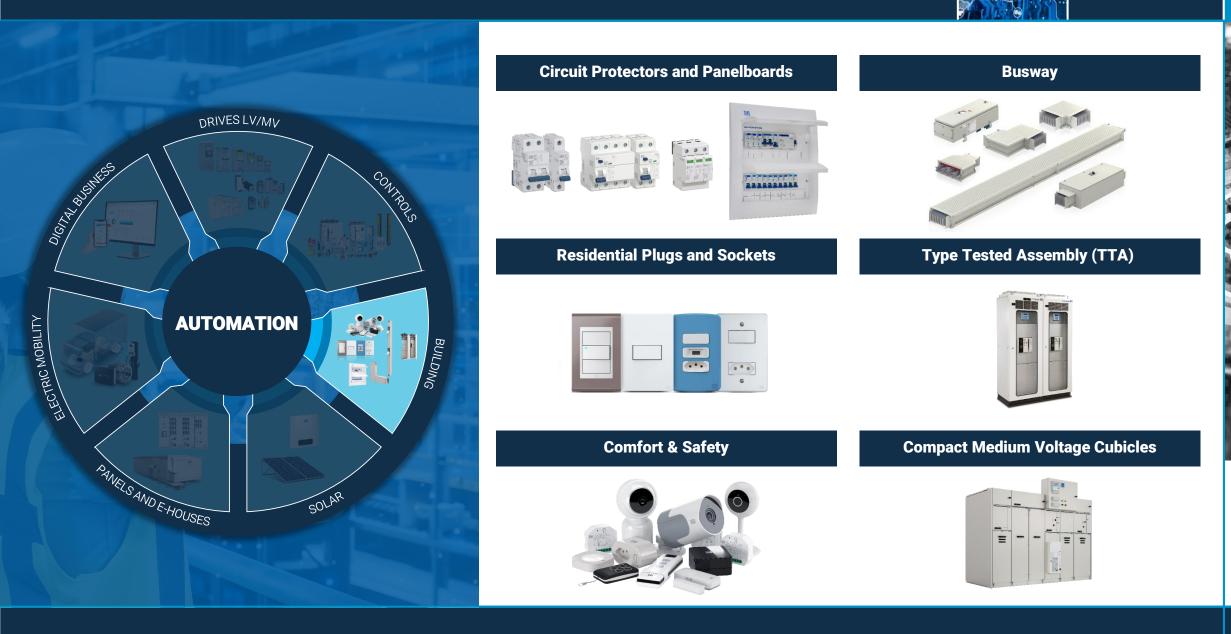




BUILDING & INFRASTRUCTURE

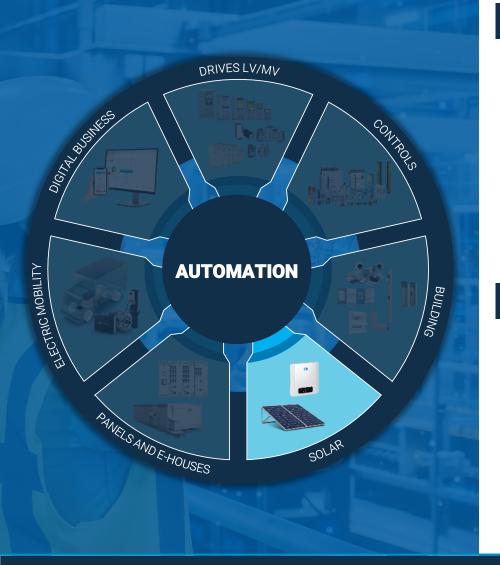


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SOLAR





Distributed Generation

- Single-phase
- Three-phase
- Battery powered hybrids
- Fixing structures
- Cables and accessories





Centralized Generation

- Full EPC Projects
- Equipment
 - Central Solar Inverters
 - Solar Skids
 - Battery Energy Storage Systems

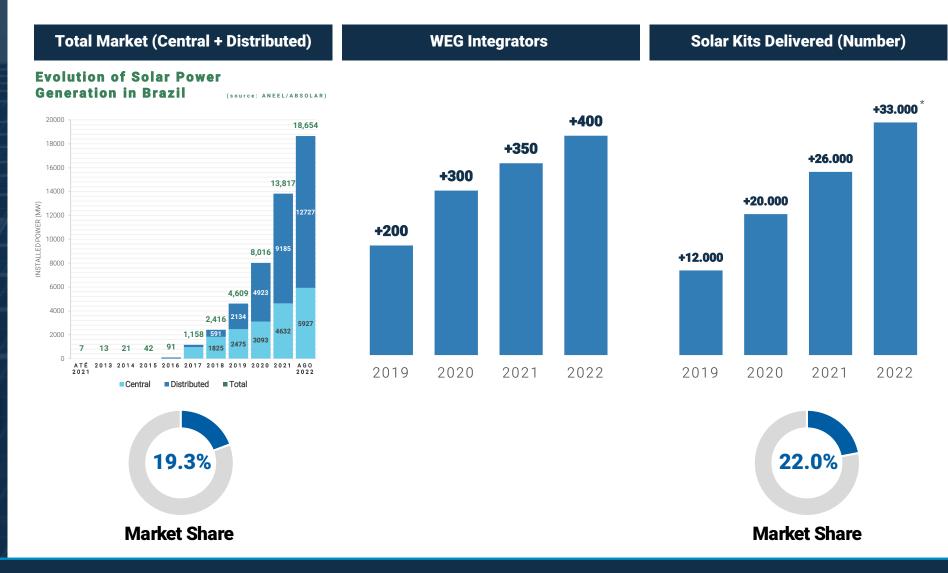


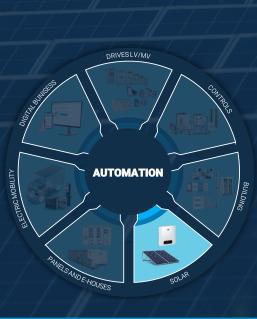


SOLAR – MARKET



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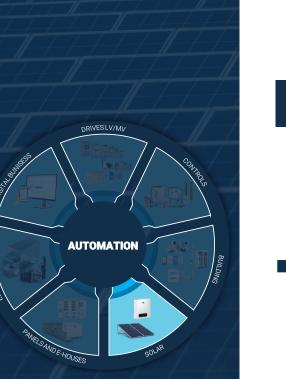


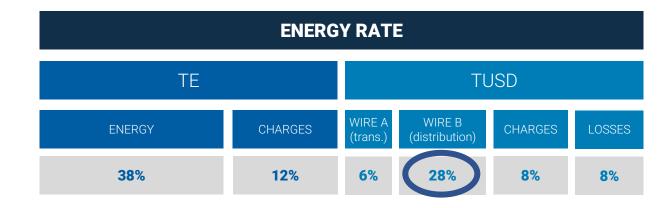


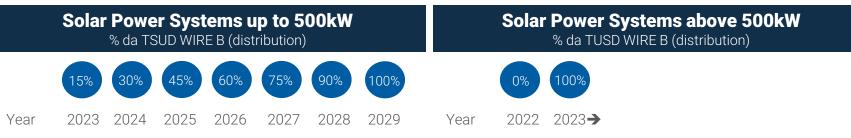
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SOLAR DISTRIBUTED – LAW 14.300









Existing projects or projects whose access request is filed by 01/07/2023, will maintain the current compensation conditions until 12/31/2045

SOLAR DISTRIBUTED – LAW 14.300

ORIVES LV/MI

AUTOMATION



Estimated effects after Law 14.300 enforcement

	Up to 2022	Year 2023	Year 2026	Year 2029
Deduction TUSD - Wire B	0%	4,2%	16,8%	28%
Residential System (discounted payback in years)	4.8	4.9	5.6	5.9
Comercial System (discounted payback in years)	3.8	3.9	4.4	4.7
Deduction TUSD - Wire B	0%	28%	28%	28%
Power plant > 500kW (IRR)	14.8%	2.5%	2.5%	2.5%

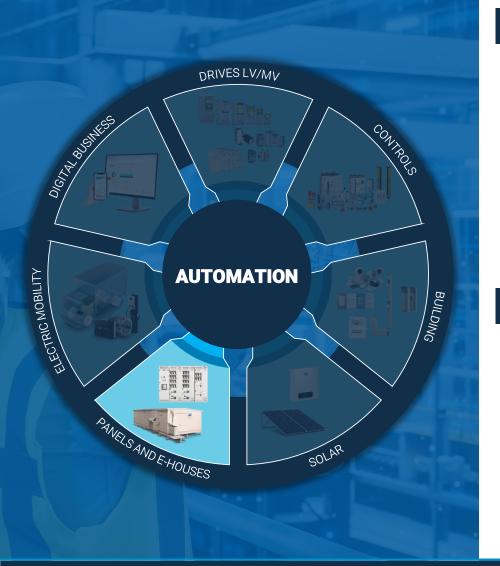
SOLAR POWER PLANTS

From 2023 onwards, the free market (ACL) will lower the entry barrier to 500kW, making room for a greater number of customers

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PANELS AND E-HOUSES





Motor Control Center (MCC)



E-Houses

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Medium Voltage Cubicles

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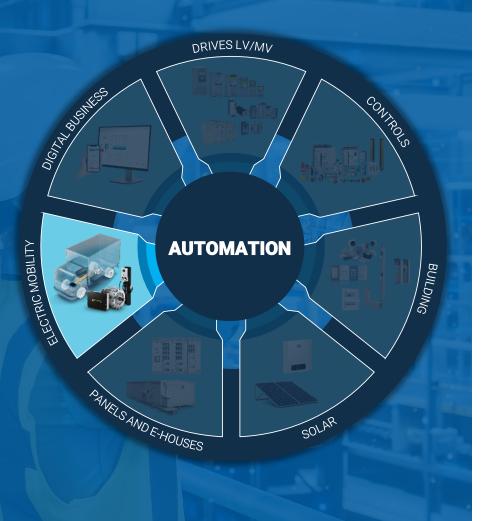
Load Centers



ELECTRIC POWERTRAIN



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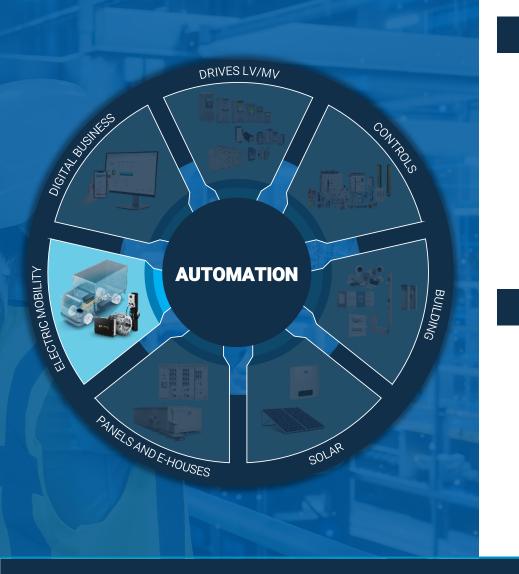




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EV CHARGING







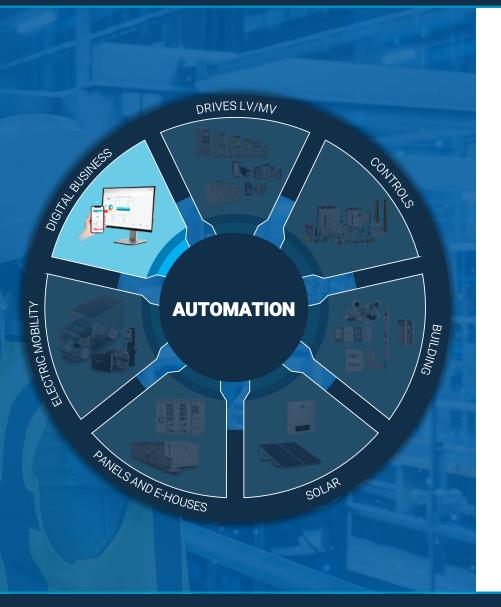
EV Charging

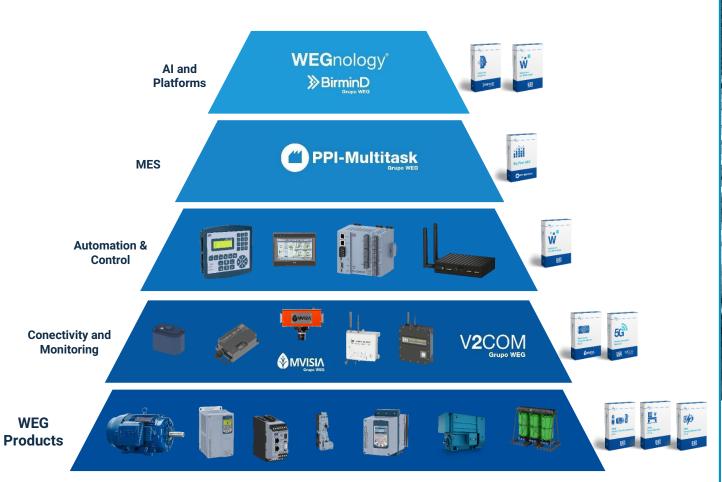
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DIGITAL BUSINESS





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INDUSTRIAL FOOTPRINT



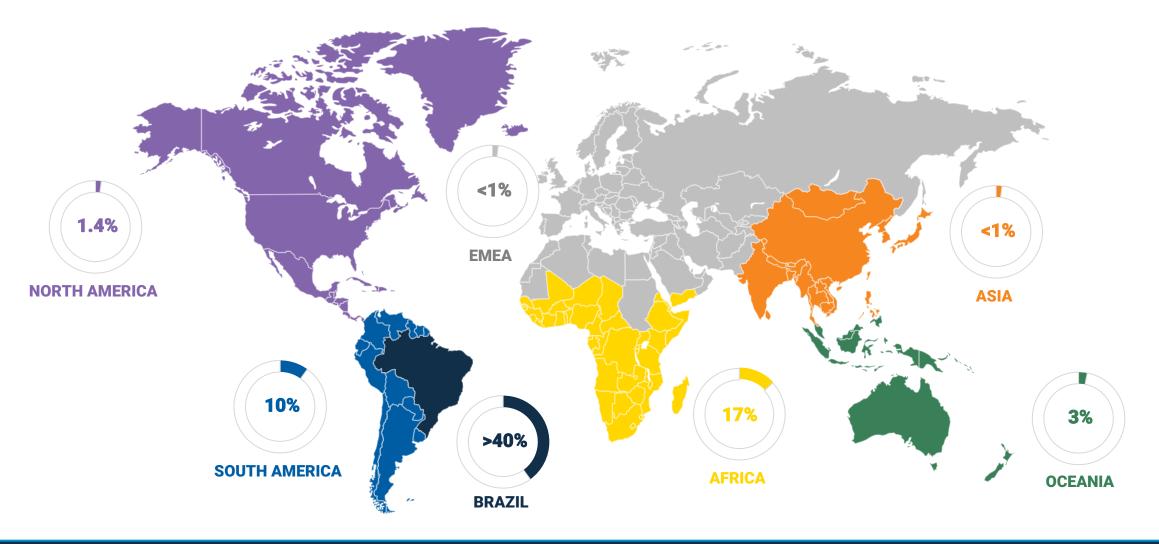
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MARKET SHARE



LV Drives and SoftStarters



AQUISITION – EUROPA DRIVE & MOTION





Current Portfolio



General Purpose Drive







Extended Portfolio















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INVESTMENTS

Buildings and Equipments



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GROWTH STRATEGY





Expansion of the LV Drives portfolio through new developments and acquisition of Gefran Drive & Motion

Acceleration of the internationalization process through the synergistic action of Motion Drives

Continue to advance in the industrial market together with the Building & Infrastructure electrification area

Advance in electric mobility, notably with EV Charging and Electric PowerTrain

Constant expansion of the portfolio of digital solutions (hardware and software)

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Energy

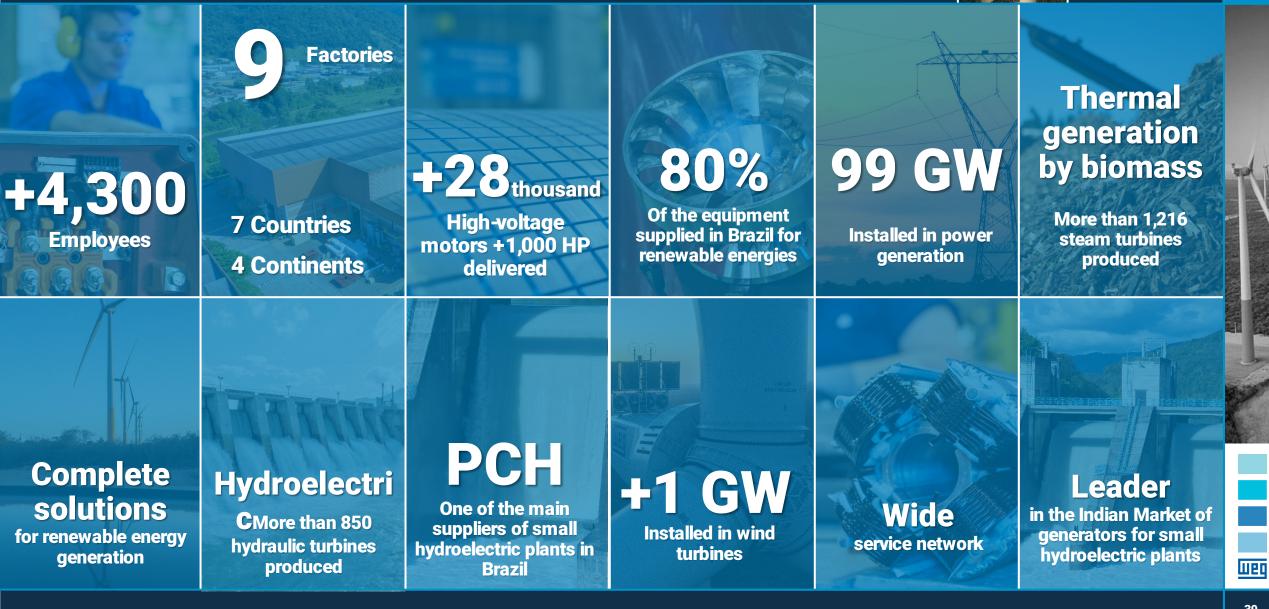


João Paulo Gualberto da Silva



AT A GLANCE





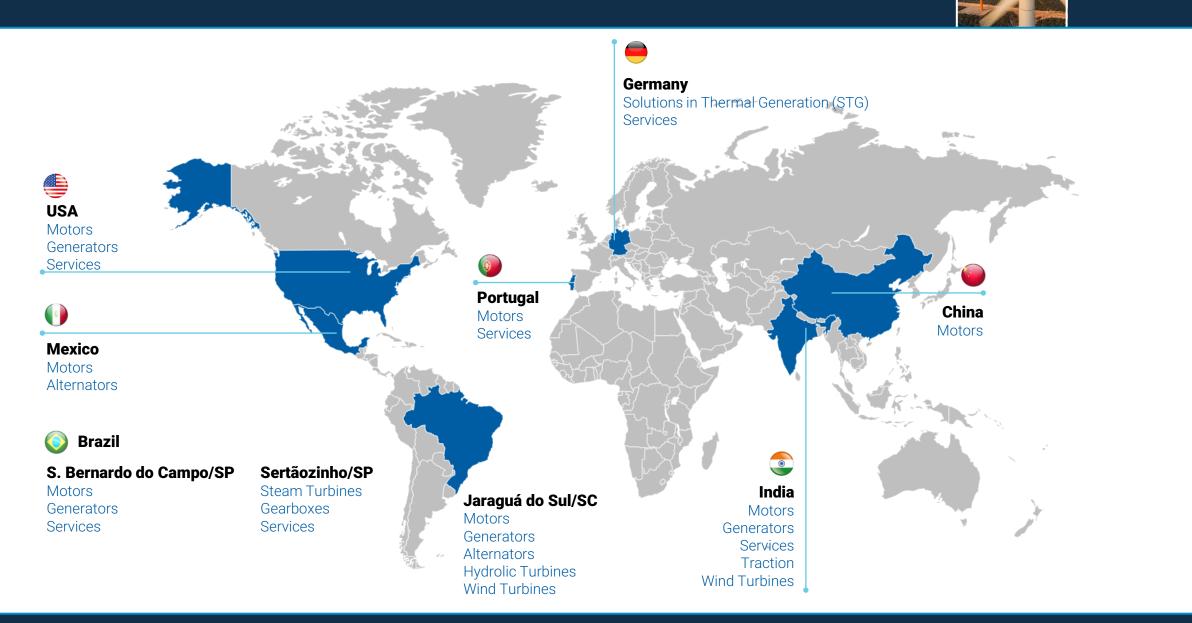
PRODUCT PORTFOLIO





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INDUSTRIAL FOOTPRINT



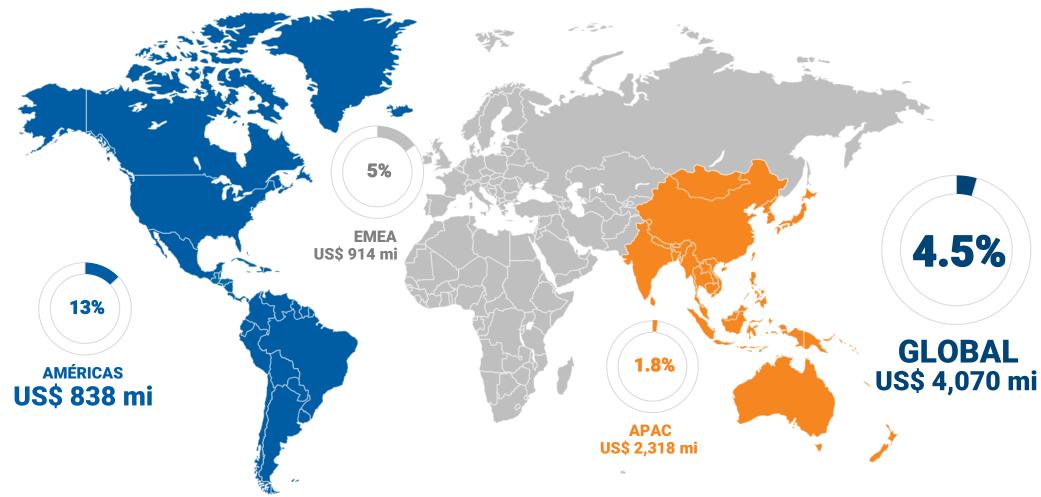
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HIGH-VOLTAGE MOTORS



Market Share



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HIGH-VOLTAGE MOTORS



W60 2022 Higher Power Density



Main gains

- Competitiveness and performance
- Higher power density:
 - Up to 34% on 2 pole motors
 - Up to 79% on 4 to 12 pole motors
- Kw per frame equal or greater than major competitors

Opportunities

- Oil & gas, driven by investments in exploration off the Brazilian coast
- Return of the shale gas extraction segment, mainly in the North American market
- Mineral commodities investments increasing in North America, South America, Africa and Australia
- Legal framework for sanitation in Brazil
- Compressor market in hydrogen applications and new carbon capture technologies



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GROWTH SEGMENTS

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H2 Synchronous Motors Carbon Capture Slip Ring Motors

Generators Oil & Gas Offshore



Mining Motors



Induction Motors Oil & Gas Offshore



Geothermal Generation

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CHINA STRATEGY





- Dedicated sales team for high voltage motors
- Greater exposure of WEG brand
- Product portfolio expansion
 - Induction Motors: W60, HGF, Master
 - Synchronous Motors
 - Turbogenerators 4-pole up to 65 MW (2023)

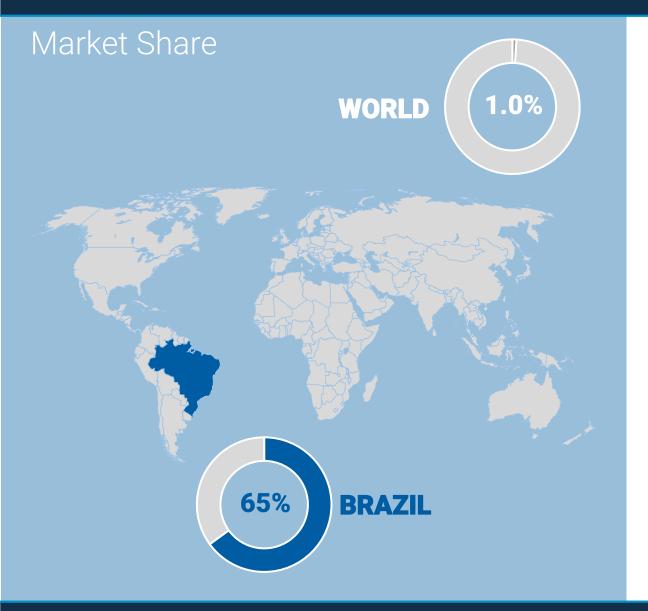


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HGF

ALTERNATORS



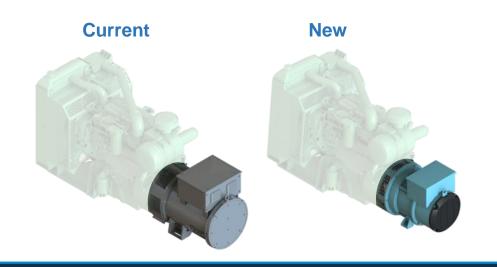


New Line

- New product platform integrating connectivity solutions
- Solutions for hospitals, data centers and telecommunications
- Reducing costs and increasing production capacity

Opportunities

- Europe's energy crisis
- Investments in Oil & Gas
- Gas, biogas and hydrogen



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STEAM GENERATION



Solutions



Turbo Generator 60 MW

- Complete Solutions: Turbines + Gearboxes + Generator + Services
- Product development aimed at increasing energy efficiency and digitalization (industry 4.0)
- Main segments: Sugarcane, Pulp & Paper, Corn Ethanol, E2G, e Utilities (Steam and Electric Energy)
- Expansion in the provision of services, supporting entry strategy for end users
- Retrofit of existing plants, increasing energy efficiency
- Growth of the biofuels segment in the foreign market

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HYDROGENERATION

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UHE São Roque – Generator 50 MW

- Distributed Generation Market to CGHs (up to 5,0 MW)
- Regulated Auctions prioritizing Water Source (Law 14.182/2022)
- Internationalization: Latin America and Global OEM Generators
- retrofit and modernizations of installed operations

- Technological update in the Kaplan turbine line
- Launch of new generators (GH30 and SH11)
- Digitization of equipment and provision of services
- Greater presence in the services segment

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WIND GENERATION



WEG Wind Turbine Platform

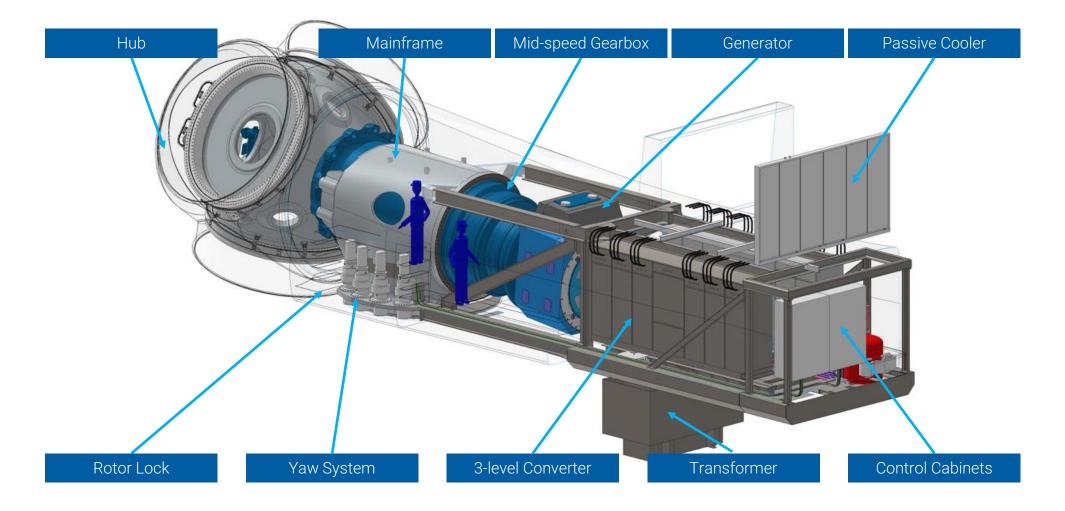
			under development
	2014	2020	2024
Model	AGW110/2.0-2.2	AGW147/4.2	AGW172/7. X
Nominal power	2,100-2,200 kW	4,200 kW	7,000 kW
Rotor diameter	110 m	147 m	172 m
Hub height	80 m (steel) 120 m (concrete)	125 m (concrete)	135-140 m (concrete)
Transmission	Direct Drive	Direct Drive	Medium-speed Geared

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WIND GENERATION



New AGW 7.X – Layout



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INVESTMENTS

India – Hosur

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Expansion to production of wind turbines

Begins operation in: 2023





GRAVITATIONAL STORAGE (GES)

Project ARES

Advanced Rail Energy Storage (Gravity Energy Storage - GES)

- Supply of the 1st set of equipment
- ARES Project Gravity Energy Storage
- Complete Solution:
 - + Motor/Generator 5,500 kW (WEG Energy)
 - + Medium Voltage Drives (WEG Automation)
 - + Transformers (WEG Transmission & Distribution)
- + 9 planned system lines



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SYNCHRONOUS CONDENSER

Complete Solution (EPC)

- Synchronous Condenser (+50/-25 MVAr 13.8kV)
- Pony Motor (starter system)
- Main power transformer (55 MVA 115kV:13.8kV)
- Complete System of Control and Protection of Facilities

Versant Power Boggy Brook 50 MVAr Synchronous Condenser Facility

- Oil Lubrication System for Bearings
- Complete Solutions Design and Systems Analysis
- Compensator construction and complete infrastructure
- Installation & Commissioning

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BESS, GES E SYNCHRONOUS CONDENSERS

What's the difference?

What is the difference between: BESS - Battery Energy Storage System GES - Gravitacional Energy Storage Synchronous Condenser

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KEY MESSAGES



Global manufacturing capability and flexibility minimizing uncertainty Mining and wastewater driving demand for high voltage motors

Providing solutions for clean energy generation, leveraged by the new 7.X wind turbine platform and internationalization

Hydrogeneration: expanding the scope of products, services and internationalization

Know-how in complete energy generation solutions, capturing opportunities with incentives in bioenergy and biofuels

Proven capability in new trends such as green hydrogen, gravitational, pump-storage, solid waste and geothermal

Global investments in expanding service capacity

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Transmission & Distribution



Carlos Diether Prinz



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Certifications

In the main energy utilities in our markets

5 Brazil 8 Abroad

13

Factories

+4,600 Colaboradores

+2,900 Brazil +1,700 Abroad

Largest Latin American

Latin American transformers manufacturer

76 thousand

MVAs/year of manufacturing capacity

Turnkey substations delivered and energized at all voltage levels up to 550 kV

+450

Wide service network

Technical representatives and assistants

LICICICS in the Brazilian market for mobile solutions

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PRODUCT PORTFOLIO



Transformers



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PRODUCT PORTFOLIO





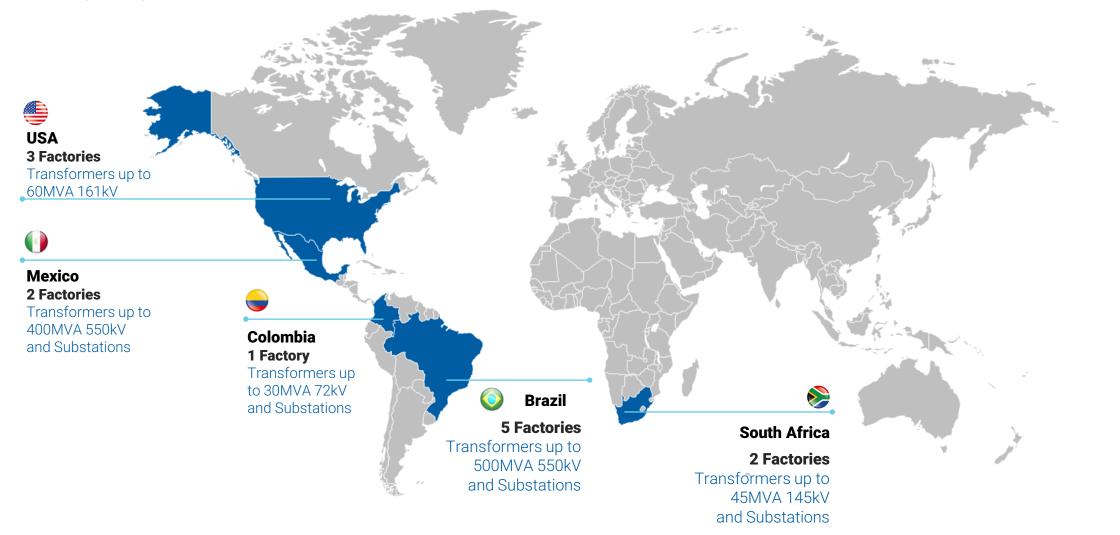
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INDUSTRIAL FOOTPRINT



Strategically located factories to serve our main markets



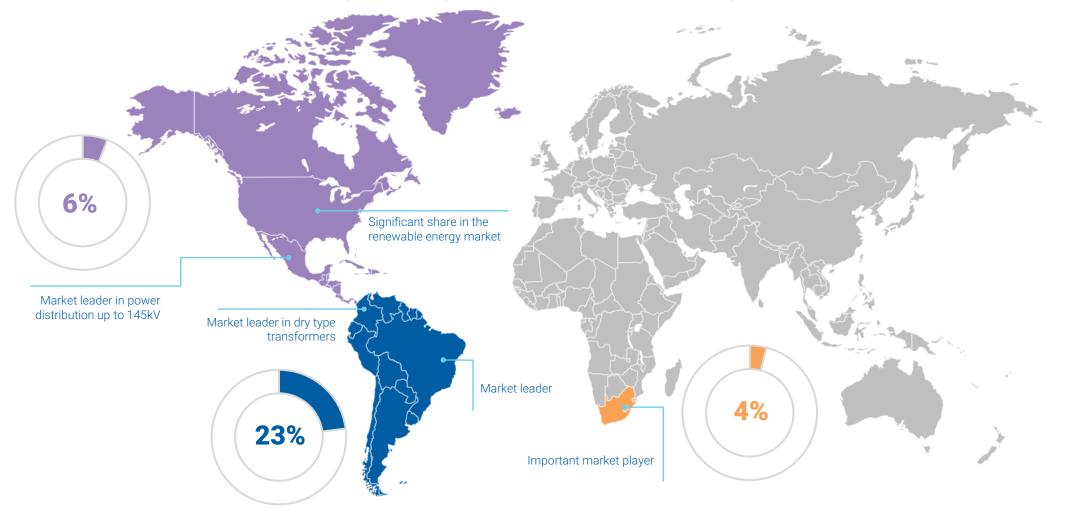
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MARKET SHARE



Total volume of transformers (including lines outside our scope)



Source: Goulden Report

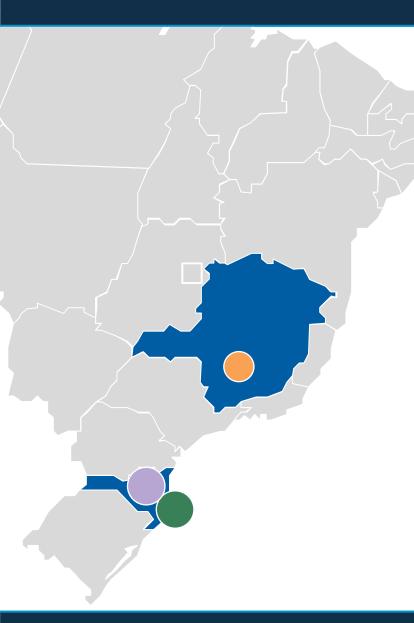
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INVESTMENTS | BRAZIL











Blumenau

- Execution of the line of renewable transformers
- Expansion of the radiator factory
- Expansion of the tank factory

Betim

- Training of the assembly line and high voltage laboratory for power transformers
- Execution of the line of mobile solutions
- Implementation of line of services for the renovation and repowering of power transformers
- Construction of the new radiator factory _

Itajaí

 Expansion of the dry-type and VPI transformer factory

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INVESTMENTS | ABROAD

USA

- Training of the transformer factory for application in renewable energies
- Expansion of the power transformer factory

Mexico

- Training of the transformer factory for application in renewable energies
- Expansion of the power transformer factory (230 550 kV)
- Construction of a new tank factory to serve the plants in Mexico and USA

Colombia

Capacity building of the dry transformer assembly line

South Africa

Capacity of the power transformer assembly line





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M&A



Balteau



- Location: Itajubá MG
- Area: 11.500 square meters
- Scope: Current Transformers and Capacitive Potential Transformers up to 550 kV, Inductive Potential Transformers up to 145 kV and Measuring Equipment up to 36 kV
- Investments in progress: Expansion of the current transformer factory for voltage classes 362 and 550 kV

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NEW PRODUCTS DEVELOPMENT

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Complete line of products to meet all market segments

WEG Transformer Fleet Management



Online, remote and intelligent management

WEG Power Transformer Specialist



Monitoring accuracy

WEG SmartGrid Transformer Specialist



Monitors and detects nontechnical losses Dry type transformers – VPI for aplication in variable speed drive



300 to 6,000 kVA ≤ 15 kV

High Voltage Current Transformers and Inductive and Capacitive Potential



72 a 550 kV

Current and Potential Transformers, Low and Medium Voltage, Indoor and Outdoor



0.6 to 36.5 kV

Measuring Sets



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KEY MESSAGES



External Market

- Focus on markets in the Americas and Sub-Saharan Africa
- Intensify the synergy between the North American plants with a focus on the vertical integration strategy
- Expand participation in renewable energy and energy transmission markets

Domestic Market

- Development of a broad and diversified portfolio
- Increase participation in future energy transmission auctions
- Increase participation in the renewable energy market
- Consolidate the Betim factory, to expand its presence in the power transformers and shunt reactors market, as well as mobile solutions and power transformer renovations

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Q&A







Break







Financial Performance



André Luís Rodrigues

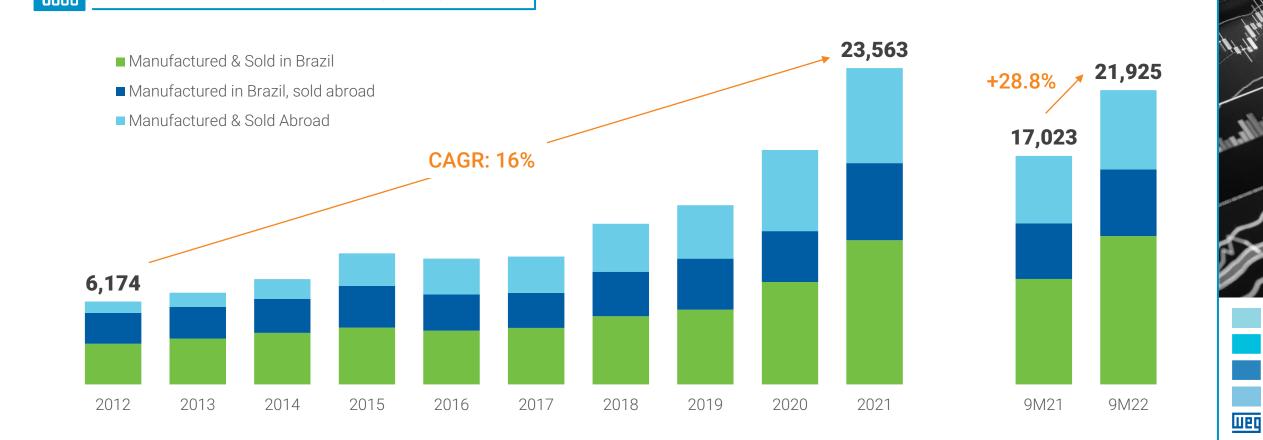


SOLID GROWTH TRACK RECORD

Net Operating Revenue (NOR) (R\$ mi)



Business model allows exploring growth opportunities in different economic cycles

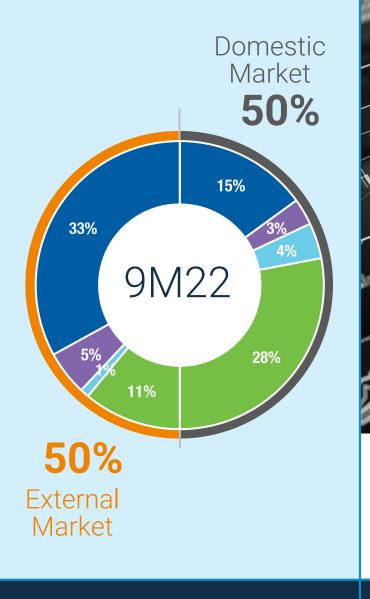


REVENUE



Favored by the diversification of products and markets

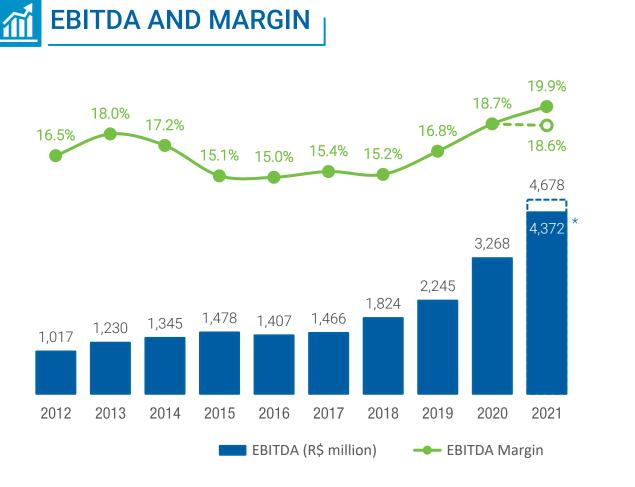
Net Operating Revenue (9M22 x 9M21)				
		Total Revenue	Domestic Market	External Market
	Industrial Electro- Electronic Equipment	28%	25%	30%
	Generation, Transmission and Distribution (GTD)	38%	70%	-6%
	Commercial and Appliance Motors	-1%	-20%	18%
	Paints and Varnishes	30%	30%	32%



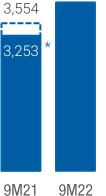
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INCREASING OPERATING RESULT

Resulting in above-average margins







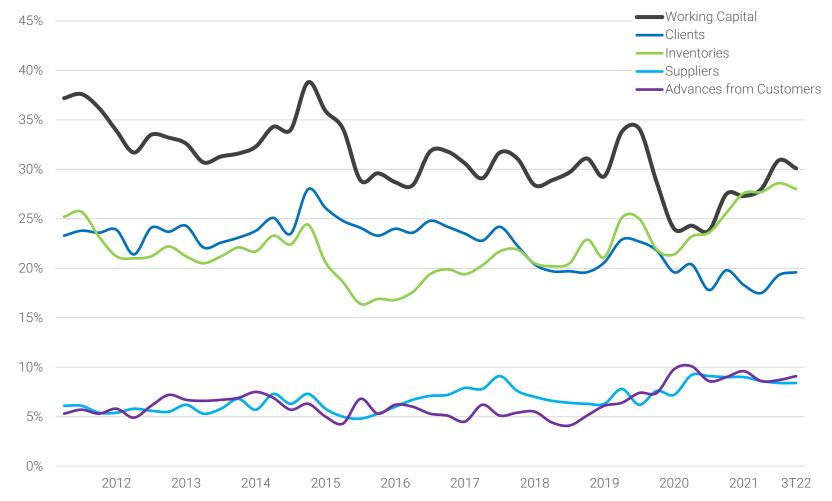


WORKING CAPITAL





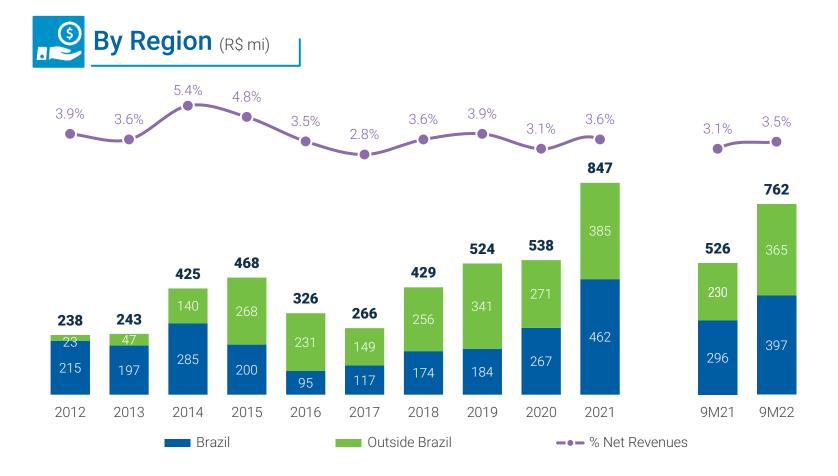
KPIs vs. NOR (last 12 months)



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INVESTMENTS

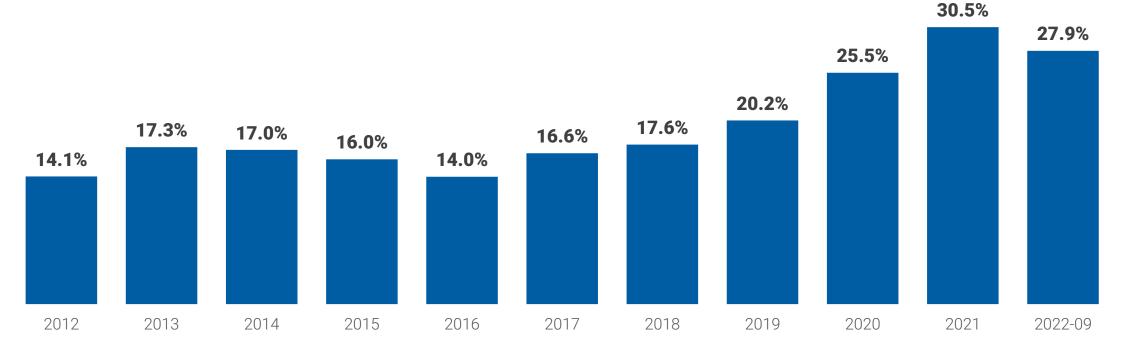
Capacity increase and process improvements to meet growing demand





RETURN ON INVESTED CAPITAL

Discipline in capital allocation with attractive returns





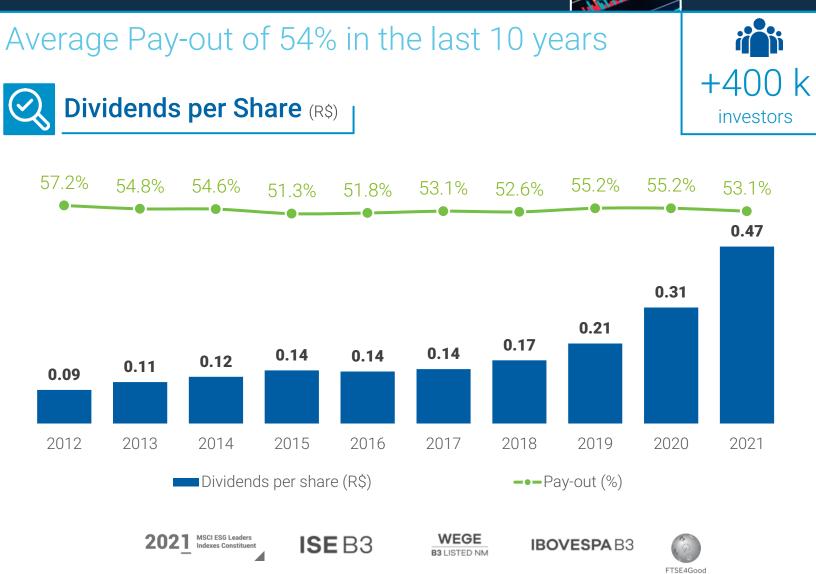
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ROBUST DIVIDEND FLOW







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KEY MESSAGES





Continuous and Sustainable Growth

Healthy EBITDA margin and ROIC

Improve Inventory Performance Indicators



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Perspectives



Harry Schmelzer Jr.

Driving efficiency and sustainability



WEG MAIN DRIVERS



Keep **focus** on the following businesses



Advance in **eletrification** solutions to the new **mobility** world

Develop **digital solutions** as a complementary and integrated offer to all WEG's businesses

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POSITIVE SCENARIO FOR WEG BUSINESS AND INITIATIVES



STRONG DEMANDS FROM SOCIETY	Global decarbonization Increasingly electrified world
MORE ELETRIFICATION	Bigger investments in GTD
NEW INVESTMENTS IN POWER GENERATION	predominantly in renewable energies Will demand energy storage systems
ELETRIFICATION OF TRANSPORT	Will demand major investments in charging infrastructure, batteries and mining of processing metals
GROWING NUMBER OF COMPANIES COMMITING TO REDUCE CO2 EMISSIONS	
MOTORS, DRIVES AND AUTOMATION MARKET WILL CONTINUE TO GROW	

MORE THAN INDUSTRIAL ACTIVITY

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STRATEGIC JOURNEY

Highlighted actions for the 2021–2026 Cycle

- Fast forward with the Transmission & Distribution business in the Americas
- Continue to advance the renewable energy business and invest in battery energy storage, electric powertrain and EV charging infrastructure solutions
- Invest and master the most efficient motor and drives technologies
- Globally incorporate the offer of digital solutions for asset management
- Strengthen "Motion Drive" strategy (motors, gearboxes and drives)
- Accelerate internationalization of the automation business
- Robotization and digitization of operations for greater productivity and efficiency
- Raise performance and productivity levels in factories outside Brazil
- Strengthen WEG Culture and increase ESG actions



AUTOMATION RESTRUCTURING

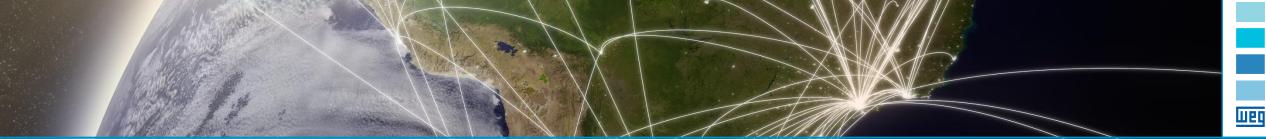
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Accelerate internationalization of the automation business



Focus on <u>new businesses</u>, while maintaining the same attention to the <u>internationalization</u> and expansion of the offer of products for automation and electrification





ACQUISITION AUTOMATION EUROPE

Acquisition of Gefran's Motion Control business unit

- Complete line of variable speed drive, direct current converters and special applications of servo drives
- Factories in Italy, Germany, China and India
- 2021 net revenue: € 44.8 million





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MOTION DRIVE STRATEGY

Strengthen industrial strategy in motors, gearboxes and drives

Increase WEG's share in business with equipment manufacturers and segments where drives and/or gearmotors are widely used





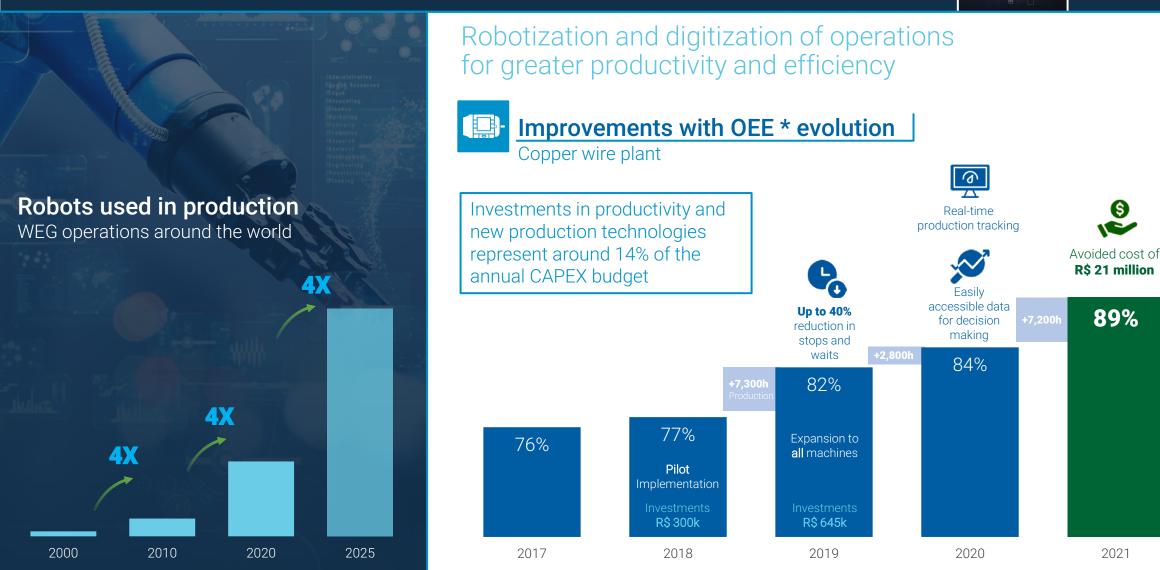
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INDUSTRY 4.0 & ROBOTIZATION

WEGDAY2022



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NEW PURPOSE AND POSITIONING

Strengthen WEG Culture and deepen ESG actions



Driving Efficiency and Sustainability

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Develop technologies and solutions to contribute to building a more efficient and sustainable world



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WEG CARBON NEUTRAL PROGRAM





Strengthen WEG Culture and increase ESG actions

Reduce 52% of GHG * emissions → 2030

Achieve net neutral emissions (net-zero) → 2050

- Global average of WEG operations
- WEG global emissions targets
- Scopes 1 and 2, based on the year 2021

Incorporated into the company's targets and bonus plans



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KEY MESSAGES

WEGDAY2022

Corporate aspiration for continuous and sustainable growth, pursue historical growth rates with discipline in relation to capital allocation

Brazil:

Maintain market positions in mature businesses and invest in new businesses

External Market:

Pursue double-digit organic growth in all regions through market share gains and product diversification following the model adopted in Brazil

Invest in new technologies and operational excellence, permanently pursuing greater competitiveness

Differentiate in customer relationships

Strengthen ESG actions

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Q&A



Driving efficiency and sustainability





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Thank you!



Driving efficiency and sustainability

