



# EARNINGS RELEASE

## 2Q 2022

Positive results with growth  
along the main business areas

### Highlights



**Net Operating Revenue (NOR)** was **R\$ 7.185,8 million** in 2022, 25.0% higher than 2021 and 5.2% higher than 1Q22.



**EBITDA<sup>(1)</sup>** reached **R\$ 1,256.7 million**, 9.8% lower than 2021 and 1.9% higher than 1Q22, while **EBITDA margin** was **17.5%**, 6.7 p.p. lower than 2021, and 0.6 p.p. lower than the previous quarter. Adjusted by the non-recurrent tax credits from 2021, EBITDA showed growth of 14.5% compared to 2021.



**Return on Invested Capital (ROIC<sup>(2)</sup>)** reached **26.9%** in 2022, down 5.3 p.p. from 2021 and down 2.8 p.p. from 1Q22.

### Message from the Management

The results for the second quarter of 2022 confirmed our expectations regarding the demand for our products and services, gradually overcoming the adversities in Brazil and the world macroeconomic scenario.

In Brazil, the strong revenue growth was supported by the good performance of the low voltage electric motors and automation products, especially sales of renewable energy generation projects and transmission & distribution. The external market continued to show an important demand for industrial goods, with an important growth in local currencies compared to the same period of the previous year.

It is important to highlight that in 2021 we had to account for non-recurring tax credits referring to the exclusion of ICMS from the PIS and COFINS calculation basis, according to the material to a relevant fact disclosed on June 22, 2021. Adjusted for this effect, EBITDA and net income showed an increase of 14.5% and 6.6%, respectively, in relation to 2021.

Despite the global supply chain challenges, we are still facing and the consequent increase in raw material cost and the greater need for working capital, we believe that our long-term-oriented business model helps us mitigate these risks. The diversification of products and solutions, along with our global presence and exposure to businesses with good long-term prospects, are some of the most important factors that help us in this journey.

Table 1 – Main Highlights

	2Q22	1Q22	HA%	2Q21	HA%	06M22	06M21	HA%
Return on Invested Capital	26.9%	29.7%	-2.8 pp	32.2%	-5.3 pp	26.90%	32.20%	-5.3 pp
Net Operating Revenue	7,185,787	6,828,106	5.2%	5,748,206	25.0%	14,013,893	10,825,085	29.5%
Domestic Market	3,637,755	3,470,954	4.8%	2,577,971	41.1%	7,108,709	4,921,079	44.5%
External Markets	3,548,032	3,357,152	5.7%	3,170,235	11.9%	6,905,184	5,904,006	17.0%
<i>External Markets in US\$</i>	<i>719,262</i>	<i>644,693</i>	<i>11.6%</i>	<i>600,806</i>	<i>19.7%</i>	<i>1,363,955</i>	<i>1,098,926</i>	<i>24.1%</i>
Net Income	912,965	943,900	-3.3%	1,134,709	-19.5%	1,856,865	1,898,967	-2.2%
Net Margin	12.7%	13.8%	-1.1 pp	19.7%	-7.0 pp	13.3%	17.5%	-4.2 pp
EBITDA	1,256,661	1,232,938	1.9%	1,392,718	-9.8%	2,489,599	2,409,570	3.3%
EBITDA Margin	17.5%	18.1%	-0.6 pp	24.2%	-6.7 pp	17.8%	22.3%	-4.5 pp
Earnings per Share (EPS)	0.21758	0.22495	-3.3%	0.27045	-19.5%	0.44253	0.45256	-2.2%

The following financial and operating data are presented on a consolidated basis, except when otherwise indicated, in thousands of Brazilian Reals (R\$) according to accounting practices adopted in Brazil, including Brazilian Corporate Law in convergence with IFRS international norms. Except when otherwise indicated, growth rates and other comparisons are made to the

same period of the previous year. Share data is adjusted for split or bonus events.

## Net Operating Revenue

Net operating revenue increased by 25.0% over 2Q21, up 41.1% in the domestic market and 11.9% in the external markets, as shown in Table 1. The evolution of revenue proportion between markets is shown in Figure 1.

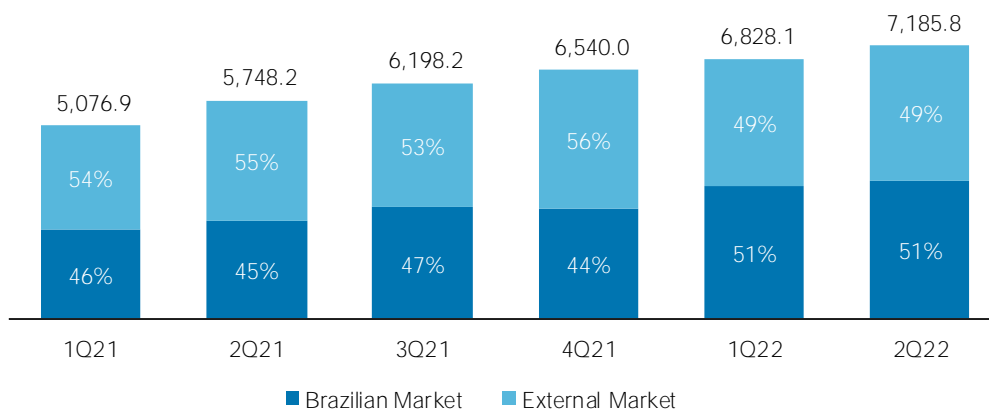


Figure 1 – Net Operating Revenue by Market (figures in R\$ million)

Net operating revenue from the external market, measured in the quarterly averaged US dollars, increased by 19.7% in relation to 2Q21 and 11.6% in relation to 1Q22. The distribution of net revenue by geographic markets is shown in Table 2.

Table 2 – Net operating revenue from the external market by geographic region, in US dollars

	2Q22		1Q22		2Q21		HA% (A)/(B)	HA% (A)/(C)
	(A)	VA%	(B)	VA%	(C)	VA%		
<i>External Markets in US\$</i>	719,262	100.0%	644,693	100.0%	600,806	100.0%	11.6%	19.7%
<i>North America</i>	336,683	46.8%	283,992	44.1%	260,106	43.3%	18.6%	29.4%
<i>South and Central America</i>	86,537	12.0%	72,355	11.2%	72,546	12.1%	19.6%	19.3%
<i>Europe</i>	174,106	24.2%	170,259	26.4%	154,484	25.7%	2.3%	12.7%
<i>Africa</i>	44,934	6.3%	43,890	6.8%	40,254	6.7%	2.4%	11.6%
<i>Asia-Pacific</i>	77,002	10.7%	74,197	11.5%	73,416	12.2%	3.8%	4.9%

Net operating revenue from the external market, measured in Brazilian Real, was impacted by the average US dollar exchange rate that moved from R\$ 5.29 in 2Q21 to R\$ 4.93 in 2Q22, a 6.9% depreciation over the Brazilian Real.

It is important to consider that we set our sales prices in different markets in local currency and according to their competitive conditions. Measured in local currencies, weighted by revenues in each market, net operating revenue from the external market increased by 23.7% in relation to 2Q21.

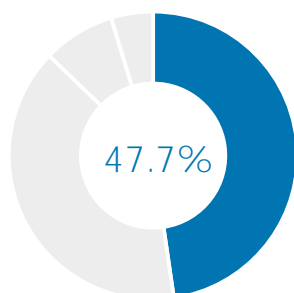
### Consolidation and Acquisitions Adjustments

Adjusted for the consolidation effects of Balteau's acquisition, revenue would have grown by 24.2% vs. 2Q21.

## Performance by Business Area

### Industrial Electro-Electronic Equipment (EEI)

NOR	Domestic Market	External Market
2Q22	1,110,609	2,319,428
1Q22	1,004,713	2,183,585
Δ%	10,5%	6,2%
2Q21	851,190	1,865,878
Δ%	30,5%	24,3%



Share in NOR

#### Domestic Market

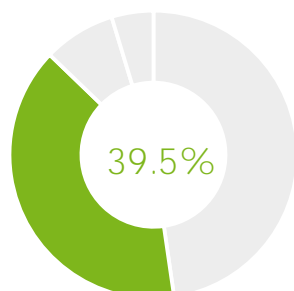
- Industrial activity showed good demand in Brazil, mainly in important segments such as agribusiness, pulp & paper, and mining. These segments were the highlights of a dispersed demand for short-cycle goods such as electric motors, gearboxes, and serial automation products.
- Revenue from long-cycle goods was in line with last quarters, with good performance in segments such as mining, pulp & paper, and water & wastewater, where we highlight the supply of automation panels.

#### External Market

- The continuity of industrial investment observed in recent quarters continues to favor this business area, despite the uncertainties present in the macroeconomic scenario. The short-cycle businesses showed an important revenue increase, with highlight to low voltage electric motors, with dispersed demand among different industrial segments.
- Long-cycle goods also presented revenue growth, a consequence of the already reported good order backlog, with revenues increasing in the oil & gas and mining segments.

### Energy Generation, Transmission, and Distribution (GTD)

NOR	Domestic Market	External Market
2Q22	2,015,057	823,675
1Q22	2,014,992	750,701
Δ%	0,0%	9,7%
2Q21	1,204,262	931,744
Δ%	67,3%	-11,6%



Share in NOR

#### Domestic Market

- Important growth for all businesses in Brazil. The increasing demand for distributed solar generation (GD), as well as the considerable volume of wind turbines deliveries, were the main factors for the performance this quarter.
- The T&D business also showed a high volume of deliveries, driven by large transformers and substations for projects linked to transmission auctions, along with sales of transformers for distribution networks and general industries.

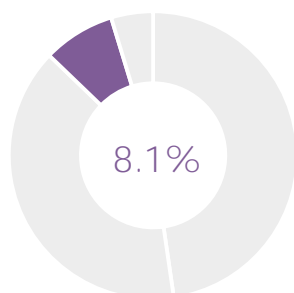
#### External Market

- Revenues presented fluctuations, typical of long-cycle businesses, mainly after important T&D projects deliveries in Colombia and South Africa and steam turbines in Europe during 2021.
- In North America, our primary operating region in this business area, we continue increasing the capacity of the new transformer factory in the US, taking advantage of the opportunities in the market to build a robust portfolio for the upcoming quarters.

## Performance by Business Area

### Commercial and Appliance Motors (MCA)

NOR	Domestic Market	External Market
2Q22	234,905	345,311
1Q22	206,555	374,591
Δ%	13,7%	-7,8%
2Q21	306,977	326,113
Δ%	-23,5%	5,9%



Share in NOR

#### Domestic Market

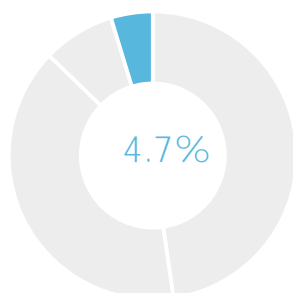
- The expected accommodation in demand, after the substantial sales volume in the same period last year, **caused an impact on this quarter's** performance. It is worth noting that we observed sales recovery by some customers and segments within the end of the quarter, especially in motors for the home appliance segment.

#### External Market

- The positive sales volume, compared to the same period last year, is mainly explained by the good economic activity and market share gains in Mexico and China. Applications such as pumps and compressors were the highlights of this quarter.

### Paints and Varnishes (T&V)

NOR	Domestic Market	External Market
2Q22	277,184	59,618
1Q22	244,694	48,275
Δ%	13,3%	23,5%
2Q21	215,542	46,500
Δ%	28,6%	28,2%



Share in NOR

#### Domestic Market

- Demand for paint and varnish products maintained a high level of sales, with highlights in segments such as wastewater, mining, and metal structures.

#### External Market

- Exports from Brazil to Latin American countries and sales from our operations from Mexico and Argentina contributed to the sales growth this quarter.

## Cost of Goods Sold

Cost of Goods Sold (COGS) and gross margin for the quarter are shown in Table 3.

Table 3 – Costs

	2Q22	1Q22	HA%	2Q21	HA%
Net Operating Revenues	7,185,787	6,828,106	5.2%	5,748,206	25.0%
Cost of Goods Sold	(5,217,781)	(4,933,270)	5.8%	(4,001,699)	30.4%
Gross Margin	27.4%	27.8%	-0.4 pp	30.4%	-3.0 pp

The cost increase for primary raw materials that make up our cost structure, notably steel and copper, together with the change in the product mix and energy and freight increases, were the main factors contributing to the reduction of the operating margins compared to 2Q21. Important to highlight the continuity of cost reduction programs and process improvements, which provided productivity gains, helped to offset part of this effect.

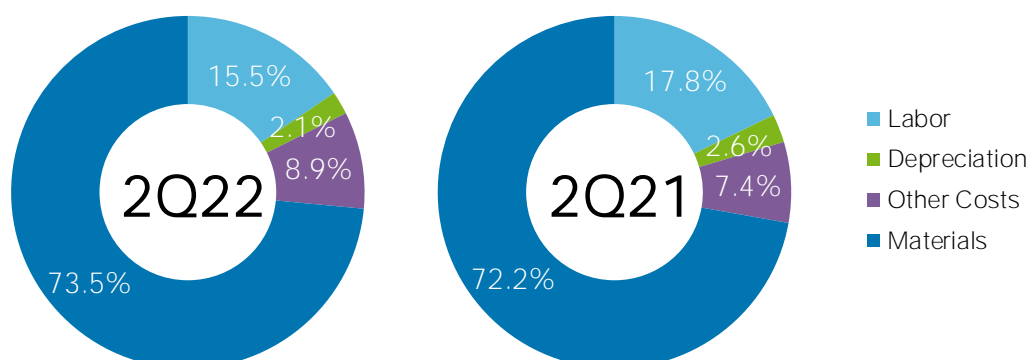


Figure 2 – COGS Composition

## Sales, General, and Administrative Expenses

Consolidated Sales, General, and Administrative (SG&A) expenses totaled R\$ 721.1 million in 2Q22, an increase of 13.2% vs. 2Q21 and an increase of 4.1% vs. 1Q22. When analyzed in relation to net operating revenue, these expenses accounted for 10.0%, down 1.1 p.p. vs. 2Q21 and down 0.1 p.p. vs. 1Q22.

## EBITDA and EBITDA Margin

The composition of the EBITDA calculation, according to Instruction CVM 527/2012, and EBITDA margin are shown in Table 4. We highlight that EBITDA was positively impacted in 2Q21 by the recognition of tax credits, referring to the exclusion of ICMS from the PIS and COFINS calculation basis. Excluding this non-recurring effect, EBITDA would have an increase of 14.5% compared with the same period in the previous year, with an EBITDA margin 1.6 p.p. lower.

The uncertainties and challenges in the global supply chain, the consequent increase in raw material costs, and the change in the product mix, notably due to the return of revenues from wind generation projects, continued to pressure the company's operating margins.

Table 4 – Calculation of EBITDA and EBITDA Margin

	2Q22	1Q22	HA%	2Q21	HA%
Net Operating Revenues	7,185,787	6,828,106	5.2%	5,748,206	25.0%
Net Income	912,965	943,900	-3.3%	1,134,709	-19.5%
Net Income Before Minorities	926,120	953,482	-2.9%	1,152,402	-19.6%
(+) Income Taxes & Contributions	190,878	199,370	-4.3%	253,477	-24.7%
(+/-) Financial Income (Expenses)	4,443	(54,264)	n.a.	(139,906)	n.a.
(+) Depreciation & Amortization	135,221	134,350	0.6%	126,745	6.7%
<b>EBITDA</b>	<b>1,256,662</b>	<b>1,232,938</b>	<b>1.9%</b>	<b>1,392,718</b>	<b>-9.8%</b>
<b>EBITDA Margin</b>	<b>17.5%</b>	<b>18.1%</b>	<b>-0.6 pp</b>	<b>24.2%</b>	<b>-6.7 pp</b>

## Net Income

Net Income in 2Q22 was R\$ 913.0 million, a decrease of 19.5% compared to 2Q21 and a decrease of 3.3% compared to 1Q22. The net margin reached 12.7%, 7.0 p.p. lower than 2Q21 and 1.1 p.p. lower than 1Q22.

Net Income was also positively impacted in 2Q21 by the recognition of tax credits referring to the exclusion of ICMS from the PIS and COFINS calculation basis. Excluding these non-recurring effects, net income would have increased 6.6% compared to the same period last year, with a net margin of 2.2 p.p. lower.

## Cash Flow

Cash generation in operating activities was R\$ 60.3 million in the first half of 2022, still reflecting the greater need for working capital in the period, notably in relation to the increase in the company's inventories. This move was necessary due to the sales increase and the uncertain scenario in the global supply chain.

The level of investment (CAPEX<sup>(2)</sup>) in modernization and expansion of production capacity showed an increase compared to the same period of last year, continuing investments in our factories in Brazil, Mexico, India, China, and the US.

In financing activities, the company raised R\$ 2,130.3 million and made amortizations of R\$ 688.3 million, including interest on loans, resulting in net funding of R\$ 1,442.0 million. Payments to equity holders (dividends and interest on capital) totaled R\$ 1,048.6 million. The final result was net funding of R\$ 385.3 million in financing activities in the period.

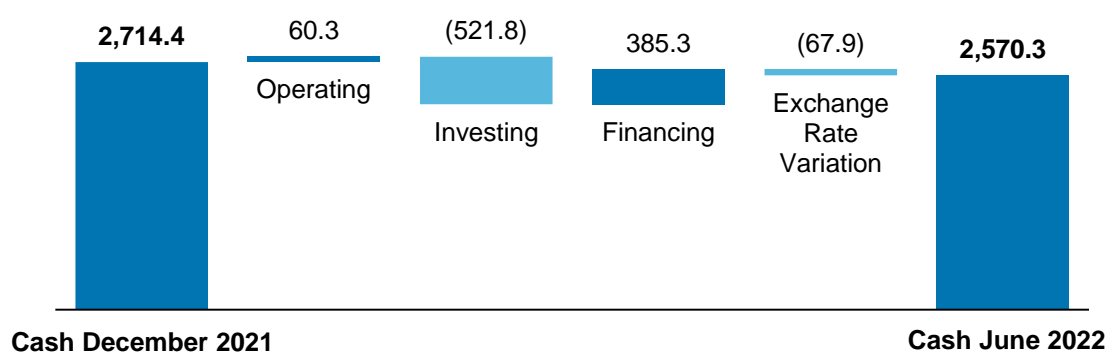


Figure 3 – Cash flow reconciliation (figures in R\$ million)

The chart in Figure 3 shows the cash and cash equivalents positions classified as current assets. Furthermore, the company has R\$ 680.3 million in financial investments with no immediate liquidity, including derivatives (R\$ 912.0 million in December 2021).

## Return on Invested Capital

The ROIC in 2Q22, accumulated in the last 12 months, reached 26.9%, decreasing by 5.3 p.p. over 2Q21. The increase in capital employed, which expanded due to a greater need for working capital and CAPEX, is the main reason for ROIC reduction, despite the rise of Net Operating Profit After Taxes (NOPAT) in the last 12 months.

## Investments (CAPEX)

In 2Q22, we invested R\$ 226.1 million in modernization and expansion of production capacity, machinery and equipment, and software licenses, 55% for production units in Brazil and 45% for industrial plants and other facilities abroad.

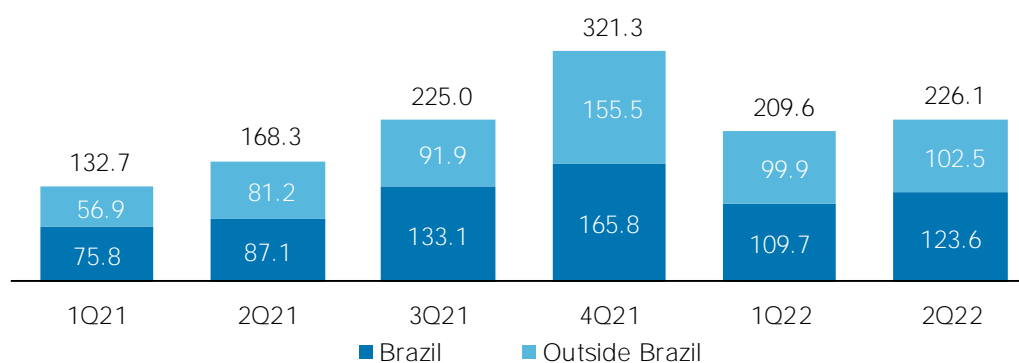


Figure 4 – CAPEX Evolution (figures in R\$ million)

## Research, Development, and Innovation

Expenditures on research, development, and innovation activities totaled R\$ 146.5 million, representing 2.0% of net operating revenue in 2Q22.

## Debt and Cash Position

Cash, cash equivalents, invested in first-tier banks and denominated in Brazilian currency, and financial investments and derivatives are presented in Table 5. Likewise, the company demonstrates the total gross financial debt, with details between short and long term, in Brazilian Reais and other currencies, resulting in the company's net cash at the end of the quarter.

Table 5 – Cash and Debt

	June 2022		December 2021		June 2021	
<b>Cash &amp; Cash Equivalents</b>	<b>3,083,418</b>		<b>3,217,135</b>		<b>3,822,227</b>	
Current	3,072,450		3,217,135		3,822,227	
Long Term	10,968		-		-	
<b>Derivatives</b>	<b>35,738</b>		<b>392,013</b>		<b>427,383</b>	
Short Term Assets	167,083		409,337		311,221	
Long Term Assets	82		-		134,806	
Short Term Liabilities	(119,483)		(17,324)		(13,934)	
Long Term Liabilities	(11,944)		-		(4,710)	
<b>Debt</b>	<b>(2,853,828)</b>	<b>100%</b>	<b>(1,789,115)</b>	<b>100%</b>	<b>(1,501,736)</b>	<b>100%</b>
Current	(2,712,497)	95%	(1,052,044)	59%	(939,588)	63%
In Brazilian Reais	(8,283)		(7,769)		(7,738)	
In other currencies	(2,704,214)		(1,044,275)		(931,850)	
Long Term	(141,331)	5%	(737,071)	41%	(562,148)	37%
In Brazilian Reais	(36,288)		(35,818)		(39,406)	
In other currencies	(105,043)		(701,253)		(522,742)	
<b>Net Cash</b>	<b>265,328</b>		<b>1,820,033</b>		<b>2,747,874</b>	

The total duration of our indebtedness was 5.5 months on June and 12.2 months in December 2021.

## Dividends and Interest on Stockholders' Equity

For the first half of 2021, the Board of Directors approved *ad referendum* of a future Annual Shareholders Meeting, the following events regarding dividends:

- On March 22, as interest on **stockholder's** equity (JCP), to the gross amount of R\$ 154.3 million;
- On June 21, as interest on **stockholder's** equity (JCP), to the gross amount of R\$ 181.7 million.

The board of directors also approved, in a meeting held on July 19, 2021, intermediate dividends related to the net income for the first half of 2022, to the total amount of R\$ 553.7 million.

The proceeds will be paid on August 17, 2022. Amounts declared as remuneration to shareholders in the first half represented 47.9% of net income for the period.

Our practice is to declare interest on capital quarterly and dividends based on the profit obtained each half-year, that is, six proceeds each year, paid semi-annually.

Table 6 - Dividends

	1st Half 2022	1st Half 2021	%
Dividends	335,936	157,101	113.8%
Interest on stockholders' Equity	553,650	663,691	26.4%
<b>Gross Total</b>	<b>889,586</b>	<b>820,792</b>	<b>43.2%</b>
Net Earnings	1,856,865	1,898,967	-2.2%
<b>Total Dividends / Net Earnings</b>	<b>47.9%</b>	<b>43.2%</b>	



## Other Events

### Joint Venture with Cevital Group

We announced on July 18 that we signed binding documents with the Cevital Group, a conglomerate based in Algeria, for the creation of a Joint Venture (JV) that will operate in the production and sale of electric motors for washing machines, with an initial focus on the Algerian and North African market.

The new company WEG Algeria Motors SpA will have a 51% share by the WEG Group and 49% by the Cevital Group. It will have its operations located in the city of Setif, initially producing motors used in washing machines manufactured by the Cevital Group and other customers in the region. WEG investments will be mainly dedicated to technology and know-how in electric motors manufacturing for home appliances in Algeria. Production will start in the fourth quarter of 2022.

### Results Conference Call

On July 21, 2022 (Thursday), WEG will hold a teleconference in Portuguese, with simultaneous translation into English, also available on the internet webcast, at the following times:

- 11:00 a.m. – São Paulo (BRT)
- 10:00 a.m. – New York (EDT)
- 03:00 p.m. – London (BST)

### Connecting phone numbers:

- Dial-in for connections in Brazil: +55 11 4090 1621 / +55 11 3181 8565
- Dial-in for connections in the United States: +1 412 717 9627
- Toll-free for connections in the United States: +1 844 204 8942
- Code: WEG

### Access to HD Web Phone (webphone connection):

- Conference call in Portuguese: [click here](#)
- Conference call in English: [click here](#)

### Access to Webcasting:

- Slides and original audio in Portuguese: <https://choruscall.com.br/weg/2t22.htm>
- Slides and simultaneous translation into English: <https://choruscall.com.br/weg/2q22.htm>
- The presentation will also be available on our Investor Relations website ([ir.weg.net](http://ir.weg.net)). Please, call approximately 10 minutes before the conference call time.

## Forward-Looking Statements

The statements contained in this report relating to WEG's business prospects, projections, and results and the company's growth potential are projected forecasts based on management's expectations regarding the future of WEG. These expectations are highly dependent on changes in the market, overall national economic performance, sector performance, and international markets and are subject to change.

# FINANCIAL STATEMENTS

## 2Q 2022

Annex



## Annex I – Consolidated Income Statement – Quarterly

	2Q22		1Q22		2Q21		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
<b>Net Operating Revenues</b>	<b>7,185,787</b>	<b>100.0%</b>	<b>6,828,106</b>	<b>100.0%</b>	<b>5,748,206</b>	<b>100.0%</b>	<b>5.2%</b>	<b>25.0%</b>
Cost of Goods Sold	(5,217,781)	-72.6%	(4,933,270)	-72.2%	(4,001,699)	-69.6%	5.8%	30.4%
<b>Gross Profit</b>	<b>1,968,006</b>	<b>27.4%</b>	<b>1,894,836</b>	<b>27.8%</b>	<b>1,746,507</b>	<b>30.4%</b>	<b>3.9%</b>	<b>12.7%</b>
Sales Expenses	(506,697)	-7.1%	(493,016)	-7.2%	(443,133)	-7.7%	2.8%	14.3%
Administrative Expenses	(214,447)	-3.0%	(199,747)	-2.9%	(193,870)	-3.4%	7.4%	10.6%
Financial Revenues	120,091	1.7%	424,099	6.2%	425,155	7.4%	-71.7%	-71.8%
Financial Expenses	(124,534)	-1.7%	(369,835)	-5.4%	(285,249)	-5.0%	-66.3%	-56.3%
Other Operating Income	15,639	0.2%	46,014	0.7%	371,255	6.5%	-66.0%	-95.8%
Other Operating Expenses	(141,060)	-2.0%	(149,499)	-2.2%	(214,787)	-3.7%	-5.6%	-34.3%
<b>Earnings Before Taxes</b>	<b>1,116,998</b>	<b>15.5%</b>	<b>1,152,852</b>	<b>16.9%</b>	<b>1,405,878</b>	<b>24.5%</b>	<b>-3.1%</b>	<b>-20.5%</b>
Income Taxes & Contributions	(249,859)	-3.5%	(142,496)	-2.1%	(363,674)	-6.3%	75.3%	-31.3%
Deferred Taxes	58,981	0.8%	(56,874)	-0.8%	110,197	1.9%	n.a.	-46.5%
Minorities	(13,155)	-0.2%	(9,582)	-0.1%	(17,692)	-0.3%	37.3%	-25.6%
<b>Net Earnings</b>	<b>912,965</b>	<b>12.7%</b>	<b>943,900</b>	<b>13.8%</b>	<b>1,134,709</b>	<b>19.7%</b>	<b>-3.3%</b>	<b>-19.5%</b>
<b>EBITDA</b>	<b>1,256,661</b>	<b>17.5%</b>	<b>1,232,938</b>	<b>18.1%</b>	<b>1,392,718</b>	<b>24.2%</b>	<b>1.9%</b>	<b>-9.8%</b>
<b>Earnings per Share (EPS)</b>	<b>0.21758</b>		<b>0.22495</b>		<b>0.27045</b>		<b>-3.3%</b>	<b>-19.5%</b>

## Annex II Consolidated Income Statement Accumulated

	06M22		06M21		HA%
	(A)	VA%	(B)	VA%	(A)/(B)
<b>Net Operating Revenues</b>	<b>14,013,893</b>	<b>100.0%</b>	<b>10,825,085</b>	<b>100.0%</b>	<b>29.5%</b>
Cost of Goods Sold	(10,151,051)	-72.4%	(7,458,839)	-68.9%	36.1%
<b>Gross Profit</b>	<b>3,862,842</b>	<b>27.6%</b>	<b>3,366,246</b>	<b>31.1%</b>	<b>14.8%</b>
Sales Expenses	(999,713)	-7.1%	(877,414)	-8.1%	13.9%
Administrative Expenses	(414,194)	-3.0%	(368,798)	-3.4%	12.3%
Financial Revenues	544,190	3.9%	589,020	5.4%	-7.6%
Financial Expenses	(494,369)	-3.5%	(438,579)	-4.1%	12.7%
Other Operating Income	61,653	0.4%	387,466	3.6%	-84.1%
Other Operating Expenses	(290,559)	-2.1%	(348,346)	-3.2%	-16.6%
Equity accounting	-	0.0%	-	0.0%	n.m.
<b>Earnings Before Taxes</b>	<b>2,269,850</b>	<b>16.2%</b>	<b>2,309,595</b>	<b>21.3%</b>	<b>-1.7%</b>
Income Taxes & Contributions	(392,355)	-2.8%	(405,673)	-3.7%	-3.3%
Deferred Taxes	2,107	0.0%	27,400	0.3%	-92.3%
Minorities	(22,737)	-0.2%	(32,355)	-0.3%	-29.7%
<b>Net Earnings</b>	<b>1,856,865</b>	<b>13.3%</b>	<b>1,898,967</b>	<b>17.5%</b>	<b>-2.2%</b>
<b>EBITDA</b>	<b>2,489,599</b>	<b>17.8%</b>	<b>2,409,570</b>	<b>22.3%</b>	<b>3.3%</b>
<b>Earnings per Share (EPS)</b>	<b>0.44253</b>		<b>0.45256</b>		<b>-2.2%</b>



## Annex III Consolidated Balance Sheet

	June 2022		December 2021		June 2021		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
<b>Current Assets</b>	<b>17,566,996</b>	<b>68%</b>	<b>15,945,946</b>	<b>67%</b>	<b>13,990,900</b>	<b>65%</b>	<b>10%</b>	<b>26%</b>
Cash & cash equivalents	3,072,450	12%	3,217,135	13%	3,822,227	18%	-4%	-20%
Receivables	5,166,658	20%	4,317,393	18%	3,660,880	17%	20%	41%
Inventories	7,659,131	30%	6,497,048	27%	4,846,993	23%	18%	58%
Other current assets	1,668,757	6%	1,914,370	8%	1,660,800	8%	-13%	0%
<b>Noncurrent assets</b>	<b>8,315,428</b>	<b>32%</b>	<b>7,986,841</b>	<b>33%</b>	<b>7,420,935</b>	<b>35%</b>	<b>4%</b>	<b>12%</b>
Long Term Assets	1,043,647	4%	930,416	4%	983,820	5%	12%	6%
Financial investments	10,968	0%	-	0%	-	0%	n.m.	n.m.
Deferred taxes	402,024	2%	421,900	2%	409,664	2%	-5%	-2%
Other non-current assets	630,655	2%	508,516	2%	574,156	3%	24%	10%
Investments in Subs	1,107	0%	1,265	0%	2,536	0%	-12%	-56%
Fixed Assets	5,758,142	22%	5,504,772	23%	4,896,971	23%	5%	18%
Right of use	591,758	2%	403,721	2%	321,088	1%	47%	84%
Intangibles	1,512,532	6%	1,550,388	6%	1,537,608	7%	-2%	-2%
<b>Total do Ativo</b>	<b>25,882,424</b>	<b>100%</b>	<b>23,932,787</b>	<b>100%</b>	<b>21,411,835</b>	<b>100%</b>	<b>8%</b>	<b>21%</b>
<b>Current Liabilities</b>	<b>10,410,529</b>	<b>40%</b>	<b>7,927,884</b>	<b>33%</b>	<b>7,407,489</b>	<b>35%</b>	<b>31%</b>	<b>41%</b>
Social and Labor Liabilities	609,342	2%	388,190	2%	516,302	2%	57%	18%
Suppliers	2,245,478	9%	2,120,338	9%	1,875,591	9%	6%	20%
Fiscal and Tax Liabilities	488,367	2%	279,271	1%	408,859	2%	75%	19%
Short Term Debt	2,712,497	10%	1,052,044	4%	939,588	4%	158%	189%
Dividends Payable	402,775	2%	195,272	1%	436,163	2%	106%	-8%
Advances from Clients	2,323,798	9%	2,267,484	9%	1,756,826	8%	2%	32%
Profit Sharing	270,396	1%	384,272	2%	338,842	2%	-30%	-20%
Derivatives	119,483	0%	17,324	0%	13,934	0%	n.m.	n.m.
Leasing	64,360	0%	73,268	0%	57,851	0%	-12%	11%
Other Short Term Liabilities	1,174,033	5%	1,150,421	5%	1,063,533	5%	2%	10%
<b>Long Term Liabilities</b>	<b>1,671,144</b>	<b>6%</b>	<b>1,994,231</b>	<b>8%</b>	<b>1,682,133</b>	<b>8%</b>	<b>-16%</b>	<b>-1%</b>
Long Term Debt	141,331	1%	737,071	3%	562,148	3%	-81%	-75%
Other Long Term Liabilities	330,424	1%	292,852	1%	159,009	1%	13%	108%
Leasing	468,231	2%	249,245	1%	273,758	1%	88%	71%
Deferred Taxes	66,634	0%	71,892	0%	73,760	0%	-7%	-10%
Contingencies Provisions	664,524	3%	643,171	3%	613,458	3%	3%	8%
<b>Equity</b>	<b>13,800,751</b>	<b>53%</b>	<b>14,010,672</b>	<b>59%</b>	<b>12,322,213</b>	<b>58%</b>	<b>-1%</b>	<b>12%</b>
Owners of the Company	13,413,944	52%	13,604,971	57%	11,966,830	56%	-1%	12%
Noncontrolling interests	386,807	1%	405,701	2%	355,383	2%	-5%	9%
<b>Total Liabilities</b>	<b>25,882,424</b>	<b>100%</b>	<b>23,932,787</b>	<b>100%</b>	<b>21,411,835</b>	<b>100%</b>	<b>8%</b>	<b>21%</b>

## Annex IV – Consolidated Cash Flow Statement

	6 Months 2022	6 Months 2021
<b>Operating Activities</b>		
Net Earnings before Taxes	2,269,850	2,309,595
Depreciation and Amortization	269,571	250,415
Provisions	334,583	314,905
Tax credit - ICMS exclusion from PIS/COFINS calculation basis	(41,300)	(485,570)
Changes in Assets & Liabilities	(2,772,451)	(1,862,452)
(Increase) / Reduction of Accounts Receivable	(1,328,485)	(907,260)
Increase / (Reduction) of Accounts Payable	612,146	848,857
(Increase) / Reduction of Inventories	(1,459,696)	(1,240,638)
Income Tax and Social Contribution on Net Earnings	(260,225)	(259,925)
Profit Sharing Paid	(336,191)	(303,486)
<b>Cash Flow from Operating Activities</b>	<b>60,253</b>	<b>526,893</b>
<b>Investment Activities</b>		
Fixed Assets	(408,976)	(262,798)
Intangible Assets	(26,731)	(38,213)
Results of sales of fixed assets	10,531	37,605
<b>Aquisition of Subsidiaries</b>	(98,441)	-
Financial investments held to maturity	(10,968)	(57,863)
Rescue of financial investments	12,768	111,136
<b>Cash Flow from Investment Activities</b>	<b>(521,817)</b>	<b>(210,133)</b>
<b>Financing Activities</b>		
Working Capital Financing	2,130,264	211,291
Long Term Financing	(663,867)	(208,279)
Interest paid on loans and financing	(24,431)	(27,447)
Treasury Shares	(8,026)	3,866
Dividends & Interest on Stockholders Equity Paid	(1,048,621)	(859,246)
<b>Cash Flow from Financing Activities</b>	<b>385,319</b>	<b>(879,815)</b>
<b>Changes in Cash and Equivalents caused by FX Changes</b>	<b>(67,898)</b>	<b>(53,158)</b>
<b>Change in Cash Position</b>	<b>(144,143)</b>	<b>(616,213)</b>
Cash & Cash Equivalents:		
Beginning of Period	2,714,427	3,892,140
End of Period	2,570,284	3,275,927

Notes:

(1) Earnings before Interest, Taxes, Depreciation, and Amortization

(2) Capital Expenditure

p.p. stands for percentage points

n.a. stands for not applicable

n.m. stands for not mentioned

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