



EARNINGS RELEASE

3Q 2023

Positive performance of operating margins and return on invested capital

Highlights



Net Operating Revenue (NOR) was **R\$ 8,074.8 million** in 3Q23, 2.1% higher than 3Q22 and 1.2% lower than 2Q23.



EBITDA⁽¹⁾ reached **R\$ 1,738.8 million**, 10.9% higher than 3Q22 and 5.1% lower than 2Q23, while **EBITDA margin** was **21.5%**, 170 bps higher than 3Q22 and 90 bps lower than the previous quarter.



Return on Invested Capital (ROIC⁽²⁾) reached **35.4%** in 3Q23, up 750 bps from 3Q22 and an increase of 100 bps from 2Q23.

Message from the Management

The results for the third quarter of 2023 showed positive performance in operating margins and return on invested capital. Maintenance of the operational efficiency of our industrial units in Brazil and abroad, the good demand for long-cycle products and the mix of products sold continued to contribute to this performance.

In Brazil, revenues from sales of long-cycle equipment continued to show good results, especially in Energy Generation, Transmission and Distribution (GTD), with highlights on Transmission & Distribution (T&D) and wind generation projects. We also continue to have a healthy demand for short-cycle equipment in automation and stability in the low-voltage electric motors business. Distributed solar generation revenues had a relevant reduction when compared to the same period last year.

In the external market, GTD showed growth as a result of the robust order backlog built in recent quarters, with the highlight on T&D business. In the remaining business areas, we observed sustained demand for our products and services, with revenue growth in local currencies compared to the same period of the previous year in the main markets in which we operate.

Even in an environment of accommodating demand for industrial equipment, we were able to grow in important segments such as oil & gas and water & wastewater. The lower growth in consolidated revenues compared to recent quarters was mainly concentrated in Brazil, due to the reduction in demand for some short-cycle businesses, notably distributed solar generation, and the appreciation of the Real against the US dollar, which negatively impacted the conversion of revenues from the external market.

Table 1 – Main Highlights

	3Q23	2Q23	HA%	3Q22	HA%	09M23	09M22	HA%
Return on Invested Capital	35.4%	34.4%	100 bps	27.9%	750 bps	35.4%	27.9%	750 bps
Net Operating Revenue	8,074,837	8,171,322	-1.2%	7,911,192	2.1%	23,942,316	21,925,085	9.2%
Domestic Market	3,826,685	3,744,356	2.2%	3,937,810	-2.8%	11,229,266	11,046,519	1.7%
External Markets	4,248,152	4,426,966	-4.0%	3,973,382	6.9%	12,713,050	10,878,566	16.9%
<i>External Markets in US\$</i>	<i>869,856</i>	<i>895,600</i>	<i>-2.9%</i>	<i>757,450</i>	<i>14.8%</i>	<i>2,542,669</i>	<i>2,121,405</i>	<i>19.9%</i>
Net Income	1,311,688	1,368,400	-4.1%	1,158,032	13.3%	3,986,741	3,014,897	32.2%
Net Margin	16.2%	16.7%	-50 bps	14.6%	160 bps	16.7%	13.8%	290 bps
EBITDA	1,738,770	1,833,098	-5.1%	1,568,104	10.9%	5,260,993	4,057,704	29.7%
EBITDA Margin	21.5%	22.4%	-90 bps	19.8%	170 bps	22.0%	18.5%	350 bps
Earnings per Share (EPS)	0.31270	0.32610	-4.1%	0.27598	13.3%	0.95019	0.71851	32.2%

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 grew by 2.1% compared to 3Q22, down 2.8% in the domestic market and up 6.9% in the external market, as shown in Table 1. The evolution of the revenue proportion between markets is presented in Figure 1. Adjusted for the effects of the consolidation of the Gefran's Motion Control business acquisition, consolidated revenue for the quarter would have grown by 1.3% over 3Q22.

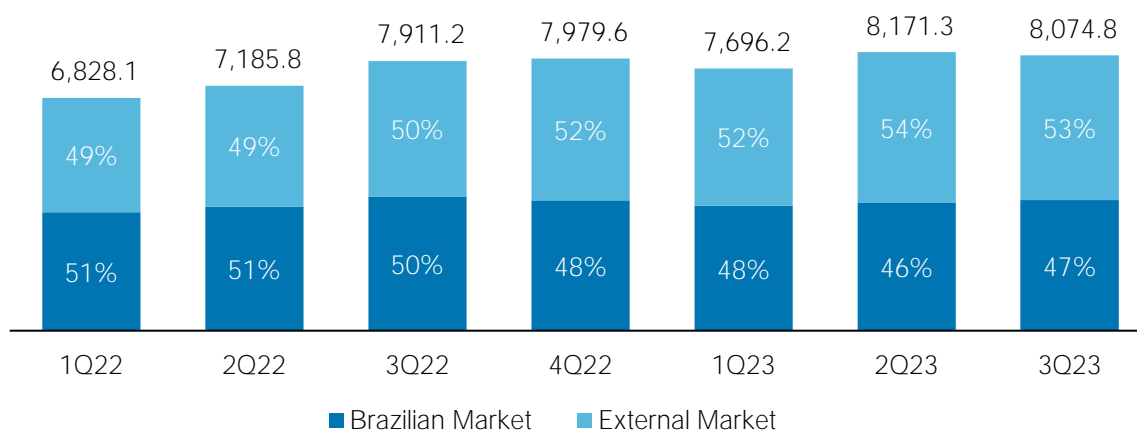


Figure 1 – Net Operating Revenue by Market (figures in R\$ million)

Net operating revenue from the external market, measured in the quarterly averaged US dollars, increased by 14.8% compared to 3Q22 and decreased 2.9% compared to 2Q23. The distribution of net revenue by geographic market is shown in Table 2.

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

	3Q23		2Q23		3Q22		HA% (A)/(B)	HA% (A)/(C)
	(A)	VA%	(B)	VA%	(C)	VA%		
<i>External Markets in US\$</i>	869,856	100.0%	895,600	100.0%	757,450	100.0%	-2.9%	14.8%
<i>North America</i>	421,762	48.5%	405,728	45.3%	362,881	47.9%	4.0%	16.2%
<i>South and Central America</i>	107,686	12.4%	98,988	11.0%	98,001	12.9%	8.8%	9.9%
<i>Europe</i>	209,470	24.1%	258,445	28.9%	169,013	22.3%	-18.9%	23.9%
<i>Africa</i>	57,937	6.6%	56,579	6.3%	48,425	6.4%	2.4%	19.6%
<i>Asia-Pacific</i>	73,001	8.4%	75,860	8.5%	79,130	10.5%	-3.8%	-7.7%

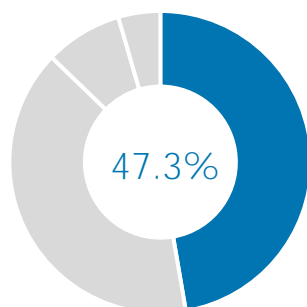
Net operating revenue from the external market was impacted by the average US dollar exchange rate that moved from R\$ 5.25 in 3Q22 to R\$ 4.88 in 3Q23, 7.0% depreciation over the Brazilian Real.

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 19.4% when compared to 3Q22.

Performance by Business Area

Industrial Electro-Electronic Equipment (EEI)

NOR	Domestic Market	External Market
3Q23	1,353,146	2,466,847
2Q23	1,278,125	2,488,297
Δ%	5.9%	-0.9%
3Q22	1,306,327	2,585,842
Δ%	3.6%	-4.6%



Share in NOR

Domestic Market

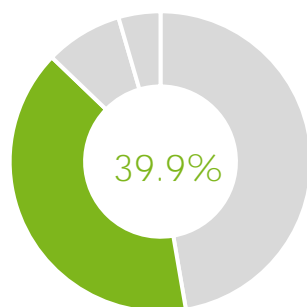
- Industrial activity in Brazil showed stability in demand for short-cycle products, with a positive environment for serial automation products, but accommodation in demand for electric motors. The highlighted segments were oil & gas and pulp & paper.
- We continue to see good demand for long-cycle equipment, such as medium voltage electric motors and automation panels.

External Market

- We observed good results in local currencies in most of the markets where we operate for short-cycle equipment, such as low-voltage electric motors and serial automation products, with highlights to the oil & gas and water & sanitation segments. Revenue performance in Reais was impacted by the exchange rate variation during the period.
- Long-cycle equipment, such as high voltage motors and automation systems, contributed positively to the results, reflecting the order backlog built in recent quarters.

Energy Generation, Transmission, and Distribution (GTD)

NOR	Domestic Market	External Market
3Q23	1,907,630	1,317,581
2Q23	1,926,788	1,499,495
Δ%	-1.0%	-12.1%
3Q22	2,032,151	886,042
Δ%	-6.1%	48.7%



Share in NOR

Domestic Market

- T&D business presented another quarter of good volume of deliveries, driven by large transformers and substations for projects linked to transmission auctions, together with sales of transformers for distribution networks.
- Demand for distributed solar generation (DG) presented revenue below the same period of the previous year, still influenced by the high cost of financing, regulation change in the sector, and more recently by the reduction in the costs of raw materials and consequent impact on the prices of products sold.

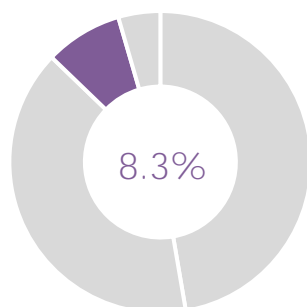
External Market

- With recurring highlights in recent quarters, the T&D business continues to lead growth, especially in North America, where we seize opportunities, especially in the sale of transformers for renewable energy generation parks (wind and solar).
- We maintained a good performance in other operations, building a healthy order book for the coming quarters.

Performance by Business Area

Commercial and Appliance Motors (MCA)

NOR	Domestic Market	External Market
3Q23	273,933	393,589
2Q23	251,007	377,367
Δ%	9.1%	4.3%
3Q22	286,015	423,556
Δ%	-4.2%	-7.1%



Share in NOR

Domestic Market

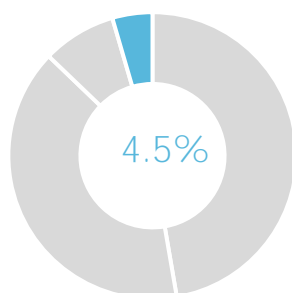
- Continuity of recovery in the demand after accommodation due to the strong sales volume in the same period of the previous year. It is important to highlight the revenue growth compared to 2Q23, with an increase in demand for commercial motors, such as water pumps and air conditioner motors.

External Market

- Fluctuation in demand in the external market, in markets such as Mexico and China, combined with the impact of exchange rate variation in the period, despite the good performance of commercial motors operations in the USA, reflecting gains in market share.

Paints and Varnishes (T&V)

NOR	Domestic Market	External Market
3Q23	291,977	70,135
2Q23	288,436	61,807
Δ%	1.2%	13.5%
3Q22	313,317	77,942
Δ%	-6.8%	-10.0%



Share in NOR

Domestic Market

- Despite the positive activity linked to the oil & gas and maintenance segments, general demand for industrial paint and varnish products was lower this quarter compared to the same period of the previous year.
- The impact of exchange rate variations on the cost structure and on the sales price of products in this business area contributed to the drop in revenue compared to the same quarter last year.

External Market

- The external market revenues also showed a reduction in revenue, mainly impacted by the exchange rate variation in the period and lower export activity from Brazil.

Cost of Goods Sold

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

Table 3 – Costs

	3Q23	2Q23	HA%	3Q22	HA%
Net Operating Revenues	8,074,837	8,171,322	-1.2%	7,911,192	2.1%
Cost of Goods Sold	(5,461,011)	5,416,788	0.8%	(5,493,544)	-0.6%
Gross Margin	32.4%	33.7%	-130 bps	27.4%	180 bps

The accommodation of prices on the main raw materials that make up our cost structure, notably steel and copper, together with a better mix of products sold, the increasing improvement in the performance of operations abroad, and the constant search for operational efficiency and productivity gains were important factors for the evolution of gross margin in the quarter when compared to the same period of the previous year.

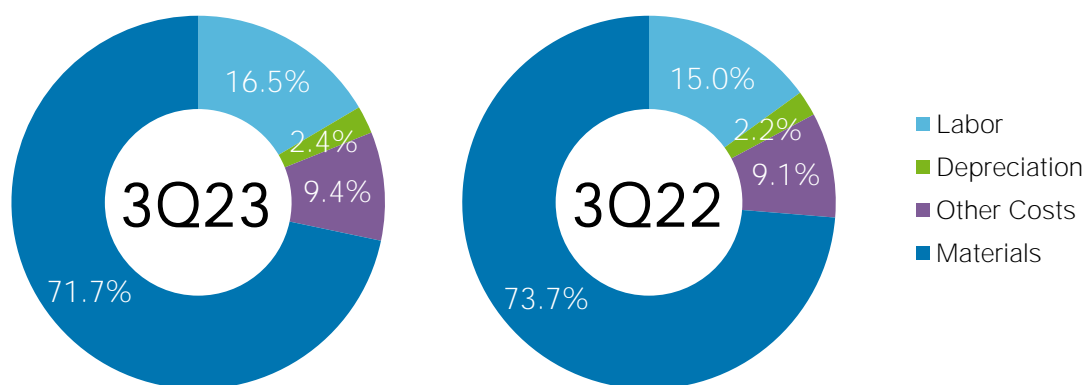


Figure 2 – COGS Composition

Sales, General, and Administrative Expenses

Consolidated Sales, General and Administrative (SG&A) expenses totaled R\$ 860.2 million in 3Q23, an increase of 8.5% vs. 3Q22 and an increase of 0.8% vs. 2Q23. When analyzed in relation to net operating revenue, they represented 10.7%, up 70 basis points compared to 3Q22 and down 30 basis points compared 2Q23.

EBITDA and EBITDA Margin

The composition of the EBITDA calculation, according to Instruction CVM 156/2022, and the EBITDA margin are shown in Table 4. EBITDA margin showed another quarter of evolution when compared to the same period of the previous year, mainly reflecting the accommodation of the costs of raw materials combined with the change in the mix of products sold.

Table 4 – Calculation of EBITDA and EBITDA Margin

	3Q23	2Q23	HA%	3Q22	HA%
Net Operating Revenues	8,074,837	8,171,322	-1.2%	7,911,192	2.1%
Net Income	1,311,688	1,368,400	-4.1%	1,158,032	13.3%
Net Income Before Minorities	1,345,892	1,409,787	-4.5%	1,174,204	14.6%
(+) Income Taxes & Contributions	268,697	307,368	-12.6%	269,816	-0.4%
(+/-) Financial Income (Expenses)	(33,420)	(35,882)	-6.9%	(18,073)	84.9%
(+) Depreciation & Amortization	157,601	151,825	3.8%	142,157	10.9%
EBITDA	1,738,770	1,833,098	-5.1%	1,568,104	10.9%
EBITDA Margin	21.5%	22.4%	-90 bps	19.8%	170 bps

Net Income

Net Income in 3Q23 was R\$ 1,311.7 million, an increase of 13.3% compared to 3Q22 and a decrease of 4.1% compared to 2Q23. The net margin reached 16.2%, 160 basis points higher than 3Q22 and 50 percentage points lower than 2Q23.

Cash Flow

Cash generation in operating activities was R\$ 5,124.7 million in the first nine months of the year, result of continued revenue growth and improvement in our operating margins. It is important to highlight the continuity of the process of normalizing inventory levels in the period, which increased last year and was necessary to ensure the availability of products globally.

In investment activities, which include changes in fixed and intangible assets, acquisition of subsidiaries, and financial investments, we consumed R\$ 1,277.0 million. The level of CAPEX⁽³⁾ in modernization and expansion of production capacity increased in relation to the same period of the previous year, continuing the investment in our factories in Brazil, Mexico, Portugal and India.

In financing activities, the Company raised R\$ 2,524.3 million and made amortizations of R\$3,215.4 million, including interest on loans, resulting in a net amortization of R\$ 691.2 million. Payments to equity holders (dividends and interest on capital) totaled R\$ 2,309.5 million. The result was a consumption of R\$ 3,037.9 million in financing activities in the period.

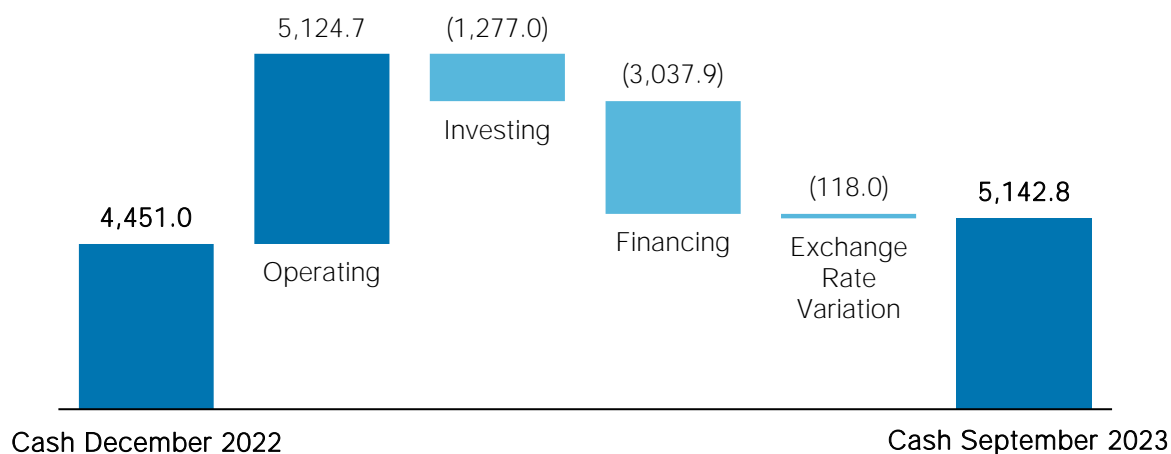


Figure 3 – Cash flow reconciliation (figures in R\$ million)

Note that the chart in Figure 3 shows the cash and cash equivalents positions classified as current assets. Furthermore, the Company has R\$ 597.3 million in financial investments with no immediate liquidity, including derivative financial instruments (R\$ 577.8 million in December 2022).

Return on Invested Capital

The ROIC for 3Q23, accumulated over the last 12 months, reached 35.4%, an increase of 750 basis points over 3Q22 and an increase of 100 basis points over 2Q23. The growth in Operating Profit after Taxes (NOPAT⁽⁴⁾), mainly due to the improvement in operating margins, more than offset the growth in capital employed, which expansion is mainly explained by investments in fixed and intangible assets made over the last 12 months, and for the better control of the need for working capital in the period.

Investments (CAPEX)

In 3Q23, we invested R\$ 431.7 million in the modernization and expansion of production capacity, machinery and equipment and software licenses, 43% for production units in Brazil and 57% for industrial plants and other facilities abroad.

In Brazil, we made progress with investments in the expansion of production capacity for industrial motors, electric traction motors and battery packs. In Mexico, in addition to continuing to increase the production capacity of our motor and transformer factories, we also announced the acquisition of new land with a total area of 640,000 m² (6,900,000 ft²). Also abroad, we continued with the construction of the motors factory in Portugal and the expansion of the high voltage motors and generator factory in India.

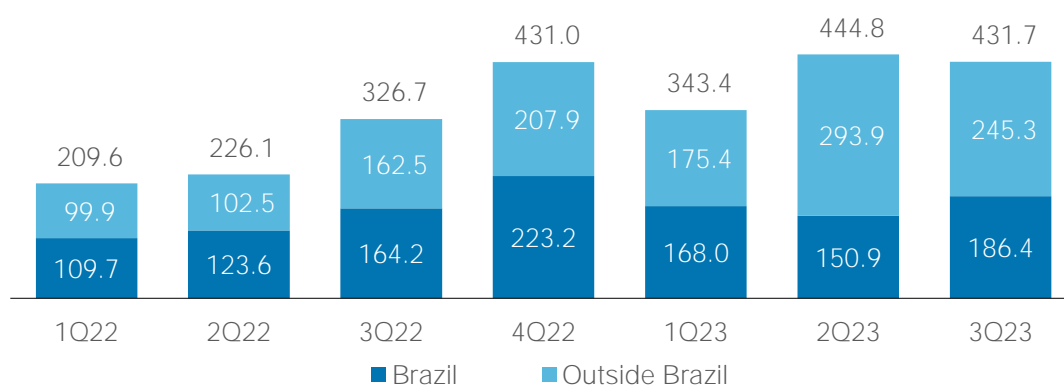


Figure 4 – CAPEX Evolution (figures in R\$ million)

Research, Development, and Innovation

Expenditures on research, development and innovation activities totaled R\$ 644.4 million, representing 2.7% of accumulated net operating revenue in 2023.

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

	September 2023		September 2022		December 2022	
Cash & Cash Equivalents	5,733,910		4,995,115		4,153,508	
Current	5,723,310		4,982,828		4,142,927	
Long Term	10,600		12,287		10,581	
Derivatives	(175,797)		(101,597)		42,156	
Short Term Assets	5,414		33,647		181,507	
Long Term Assets	859		-		1,730	
Short Term Liabilities	(110,393)		(87,831)		(133,364)	
Long Term Liabilities	(71,677)		(47,413)		(7,717)	
Debt	(2,848,572)	100%	(3,459,692)	100%	(3,835,041)	100%
Current	(2,189,867)	77%	(2,307,817)	67%	(2,639,967)	69%
In Brazilian Reais	(160,838)		(8,494)		(10,415)	
In other currencies	(2,029,029)		(2,299,323)		(2,629,552)	
Long Term	(658,705)	23%	(1,151,875)	33%	(1,195,074)	31%
In Brazilian Reais	(63,981)		(31,691)		(34,765)	
In other currencies	(594,724)		(1,120,184)		(1,160,309)	
Net Cash	2,709,541		1,433,826		360,623	

The total duration of our indebtedness was 13.0 months in September 2023 (11.8 months in December 2022).

Dividends and Interest on Stockholders' Equity

As of August 16, we paid to shareholders the dividends that were declared for the first half of 2023, according to events approved in:

- On March 14, as interest on **stockholder's** equity (JCP), to the gross amount of R\$ 223.4 million.
- On June 20, as interest on **stockholder's** equity (JCP), to the gross amount of R\$ 244.6 million.
- On July 18, as dividends in the total amount of R\$ 609.3 million.

Also, on September 19, the Board of Directors approved **interest on stockholders' equity to the gross** amount of R\$ 250.9 million. We will pay this interest from March 13, 2024.

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

	Board Meeting Date	Gross Amount per Share
Interest on Stockholders' Equity	Mar 14, 2023	0.053235294
Interest on Stockholders' Equity	Jun 20, 2023	0.058294118
Dividends	Jul 18, 2023	0.145202292
Interest on Stockholders' Equity	Sep 19, 2023	0.059823529
Total		0.316555233

Other Events

WEG acquires all shares in BirminD

On July 27, 2023, we announced an agreement to acquire the remaining partition of shares in BirminD, a technology company operating in the artificial intelligence market for industrial processes. WEG already held a controlling interest of 51% in the company and now assumes all the shares.

The acquisition is part of WEG's digital business growth strategy, which since 2020 has used BirminD technology in its solutions, including products and services such as B-WISE and Motion Drive Operation Center (MDOC), which is a monitoring of industrial assets using data sensing and diagnostics based on artificial intelligence insights and machine learning algorithms.

Acquisition of the industrial electric motors and generators businesses from Regal Rexnord

On September 25, 2023, we announced agreements with Regal Rexnord Corporation to acquire the industrial electric motors and generators business in the amount of US\$ 400.0 million (Enterprise Value - EV), to be paid upon completion of the transaction, which may be subject to price adjustments common to this type of operation. Net operating revenue of these businesses was US\$ 541.5 million in 2022, with an adjusted EBITDA margin of 9.5%. The agreement between the companies still depends on fulfilling customary closing conditions, including obtaining all regulatory approvals that are required in connection with the transaction.

Aligned with the strategy of continuous and sustainable growth, international expansion and diversification of WEG Group's industrial operations, this transaction includes the acquisition of 10 factories in 7 countries (United States, Mexico, China, India, Italy, Netherlands and Canada), commercial branches in 11 countries, and a team of approximately 2,800 employees worldwide. The geographic distribution of those operations is complementary to **WEG Group's current footprint** and will help achieve greater scale and cost efficiency as it integrates the operations into its existing business.

Results Conference Call

On October 26, 2023 (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/3t23.htm>
- Slides and simultaneous translation into English: <https://choruscall.com.br/weg/3q23.htm>

The presentation will also be available on our Investor Relations website (ri.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 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

3Q 2023

Annex



Annex I – Consolidated Income Statement – Quarterly

	3Q23		2Q23		3Q22		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
Net Operating Revenues	8,074,837	100.0%	8,171,322	100.0%	7,911,192	100.0%	-1.2%	2.1%
Cost of Goods Sold	(5,461,011)	-67.6%	(5,416,778)	-66.3%	(5,493,544)	-69.4%	0.8%	-0.6%
Gross Profit	2,613,826	32.4%	2,754,544	33.7%	2,417,648	30.6%	-5.1%	8.1%
Sales Expenses	(597,988)	-7.4%	(606,886)	-7.4%	(562,267)	-7.1%	-1.5%	6.4%
Administrative Expenses	(262,164)	-3.2%	(246,668)	-3.0%	(230,720)	-2.9%	6.3%	13.6%
Financial Revenues	297,429	3.7%	448,591	5.5%	346,716	4.4%	-33.7%	-14.2%
Financial Expenses	(264,009)	-3.3%	(412,709)	-5.1%	328,643	4.2%	-36.0%	n.a.
Other Operating Income	43,217	0.5%	15,591	0.2%	25,109	0.3%	177.2%	72.1%
Other Operating Expenses	(215,722)	-2.7%	(235,308)	-2.9%	(223,823)	-2.8%	-8.3%	-3.6%
Earnings Before Taxes	1,614,589	20.0%	1,717,155	21.0%	1,444,020	18.3%	-6.0%	11.8%
Income Taxes & Contributions	(262,087)	-3.2%	(358,711)	-4.4%	(280,043)	-3.5%	-26.9%	-6.4%
Deferred Taxes	(6,610)	-0.1%	51,343	0.6%	10,227	0.1%	n.a.	n.a.
Minorities	(34,204)	-0.4%	(41,387)	-0.5%	(16,172)	-0.2%	-17.4%	111.5%
Net Earnings	1,311,688	16.2%	1,368,400	16.7%	1,158,032	14.6%	-4.1%	13.3%
EBITDA	1,738,770	21.5%	1,833,098	22.4%	1,568,104	19.8%	-5.1%	10.9%
Earnings per Share (EPS)	0.31270		0.32610		0.27598		-4.1%	13.3%

Annex II – Consolidated Income Statement – Accumulated

	09M23		09M22		HA%
	(A)	VA%	(B)	VA%	(A)/(B)
Net Operating Revenues	23,942,316	100.0%	21,925,085	100.0%	9.2%
Cost of Goods Sold	(16,026,883)	-66.9%	(15,644,595)	-71.4%	2.4%
Gross Profit	7,915,433	33.1%	6,280,490	28.6%	26.0%
Sales Expenses	(1,773,007)	-7.4%	(1,561,980)	-7.1%	13.5%
Administrative Expenses	(767,454)	-3.2%	(644,914)	-2.9%	19.0%
Financial Revenues	1,134,662	4.7%	931,639	4.2%	21.8%
Financial Expenses	(996,852)	-4.2%	(863,745)	-3.9%	15.4%
Other Operating Income	113,620	0.5%	86,762	0.4%	31.0%
Other Operating Expenses	(687,957)	-2.9%	(514,382)	-2.3%	33.7%
Earnings Before Taxes	4,938,445	20.6%	3,713,870	16.9%	33.0%
Income Taxes & Contributions	(875,497)	-3.7%	(672,398)	-3.1%	30.2%
Deferred Taxes	16,672	0.1%	12,334	0.1%	35.2%
Minorities	(92,879)	-0.4%	(38,909)	-0.2%	138.7%
Net Earnings	3,986,741	16.7%	3,014,897	13.8%	32.2%
EBITDA	5,260,993	22.0%	4,057,704	18.5%	29.7%
Earnings per Share (EPS)	0.95019		0.71851		32.2%

Annex III – Consolidated Balance Sheet

	September 2023		September 2022		December 2022		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
Current Assets	20,745,864	69%	19,653,210	70%	19,548,424	71%	6%	6%
Cash & cash equivalents	5,723,310	19%	4,982,828	18%	4,142,927	15%	15%	38%
Receivables	6,011,821	20%	5,614,423	20%	5,589,806	20%	7%	8%
Inventories	7,662,245	25%	7,644,361	27%	7,963,761	29%	0%	-4%
Other current assets	1,348,488	4%	1,411,598	5%	1,851,930	7%	-4%	-27%
Noncurrent assets	9,329,947	31%	8,481,450	30%	8,149,061	29%	10%	14%
Long Term Assets	712,401	2%	673,726	2%	663,170	2%	6%	7%
Long term securities	10,600	0%	12,287	0%	10,581	0%	-14%	0%
Deferred taxes	472,830	2%	443,133	2%	425,190	2%	7%	11%
Other non-current assets	228,971	1%	218,306	1%	227,399	1%	5%	1%
Investment in Subs	61,925	0%	1,056	0%	1,086	0%	n.m.	n.m.
Property, Plant & Equipment	7,078,011	24%	6,282,653	22%	5,966,830	22%	13%	19%
Right of use	603,373	2%	595,024	2%	585,006	2%	1%	3%
Intangibles	1,477,610	5%	1,524,015	5%	1,517,975	5%	-3%	-3%
Total Assets	30,075,811	100%	28,134,660	100%	27,697,485	100%	7%	9%
Current Liabilities	11,125,693	37%	10,262,877	36%	10,789,911	39%	8%	3%
Social and Labor Liabilities	776,422	3%	466,843	2%	692,037	2%	66%	12%
Suppliers	2,300,085	8%	2,036,216	7%	2,405,151	9%	13%	-4%
Fiscal and Tax Liabilities	588,772	2%	459,647	2%	683,633	2%	28%	-14%
Short Term Debt	2,189,867	7%	2,307,817	8%	2,639,967	10%	-5%	-17%
Dividends Payable	224,278	1%	361,838	1%	167,861	1%	-38%	34%
Advances from Clients	3,055,609	10%	2,854,545	10%	2,582,777	9%	7%	18%
Profit Sharing	325,968	1%	447,150	2%	270,176	1%	-27%	21%
Derivatives	110,393	0%	87,831	0%	133,364	0%	26%	-17%
Leasing	72,301	0%	103,036	0%	61,638	0%	-30%	17%
Other Short Term Liabilities	1,481,998	5%	1,137,954	4%	1,153,307	4%	30%	28%
Long Term Liabilities	2,350,331	8%	2,623,428	9%	2,619,652	9%	-10%	-10%
Long Term Debt	658,705	2%	1,151,875	4%	1,195,074	4%	-43%	-45%
Other Long Term Liabilities	295,242	1%	228,335	1%	199,062	1%	29%	48%
Leasing	502,774	2%	446,594	2%	469,082	2%	13%	7%
Deferred Taxes	74,262	0%	77,136	0%	71,001	0%	-4%	5%
Contingencies Provisions	819,348	3%	719,488	3%	685,433	2%	14%	20%
Equity	16,599,787	55%	15,248,355	54%	14,287,922	52%	9%	16%
Owners of the Company	16,123,041	54%	14,834,795	53%	13,894,451	50%	9%	16%
Noncontrolling interests	476,746	2%	413,560	1%	393,471	1%	15%	21%
Total Liabilities	30,075,811	100%	28,134,660	100%	27,697,485	100%	7%	9%

Annex IV – Consolidated Cash Flow Statement

	9 Months 2023	9 Months 2022
Operating Activities		
Net Earnings before Taxes	4.938.445	3.713.870
Depreciation and Amortization	460.358	411.728
Provisions	817.078	919.548
Tax credit - ICMS exclusion from PIS/COFINS calculation basis	(28.933)	(40.768)
Changes in Assets & Liabilities	(1.062.201)	(3.508.166)
(Increase)/decrease in clients	(571.403)	(1.467.673)
Increase/(decrease) in suppliers	289.066	323.589
(Increase)/decrease in inventories	(287.451)	(1.794.363)
(Increase)/decrease in taxes recoverable	126.602	238.845
Increase/(decrease) in social/tax obligations	228.278	141.733
Increase/(decrease) in advances from clients	242.930	333.999
Increase/(decrease) in other accounts receivable/payable	343.068	(428.832)
Income Tax and Social Contribution on Net Earnings	(853.668)	(342.702)
Profit Sharing Paid	(579.623)	(512.762)
Cash Flow from Operating Activities	5.124.747	1.496.212
Investment Activities		
Fixed Assets	(1.173.067)	(715.805)
Intangible Assets	(46.799)	(46.521)
Results of sales of fixed assets	7.497	8.595
Aquisition of Subsidiaries	(7.414)	(97.307)
Acquisition of equity interest - affiliates	(60.928)	-
Financial investments held to maturity	-	(10.581)
Rescue of financial investments	3.672	12.767
Cash Flow From Investment Activities	(1.277.039)	(848.852)
Financing Activities		
Working Capital Financing	2.524.283	4.072.922
Long Term Financing	(3.110.385)	(1.803.660)
Interest paid on loans and financing	(105.051)	(41.848)
Treasury Shares	(37.247)	(7.520)
Dividends & Interest on Stockholders Equity Paid	(2.309.544)	(1.886.550)
Cash Flow From Financing Activities	(3.037.944)	333.344
Changes in Cash and Equivalents caused by FX Changes	(117.930)	(71.876)
Change in Cash Position	691.834	908.828
Cash & Cash Equivalents		
Beginning of Period	4.451.002	2.714.427
End of Period	5.142.836	3.623.255

Notes:

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

(2) Capital Expenditure

n.a. stands for not applicable

n.m. stands for not mentioned

bps stands for basis points

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