

Strategy Update



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Highlights of our Journey

STRONG GROWTH IN RECENT YEARS

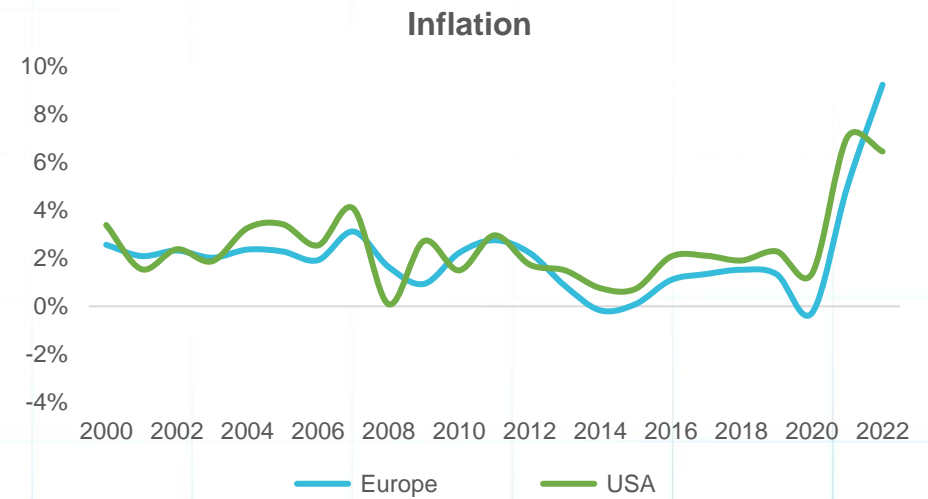
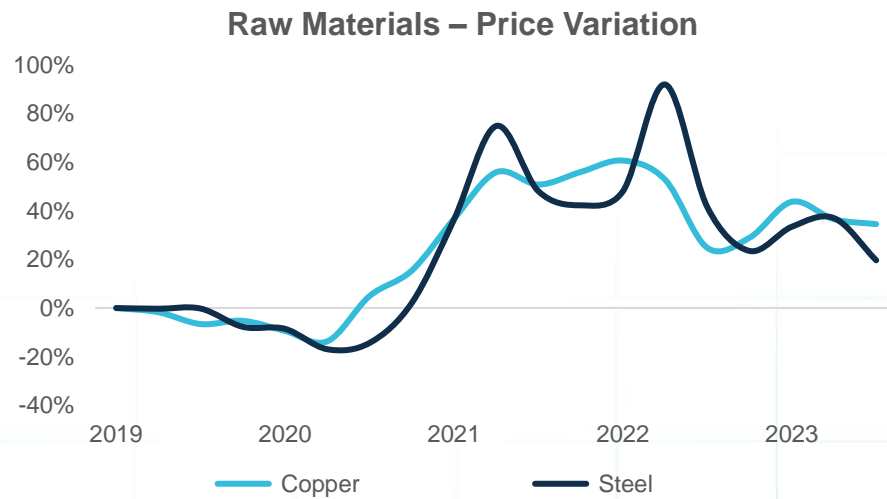
- Strong demand for industrial products after the pandemic
- Increasing global market share in motors and drives business
- Highlight to solar and T&D business
- Volume increase led to improved margins
- Development of wind turbines, electric mobility and energy storage business



2023 Challenges

GLOBAL DEMAND DECELERATION

- Growth reduction in China
- Conflict in Europe
- Raw material price accommodation
- High inflation and interest rates
- Lower GDP growth



Source: Eurostat and U.S. Bureau of Labor Statistics

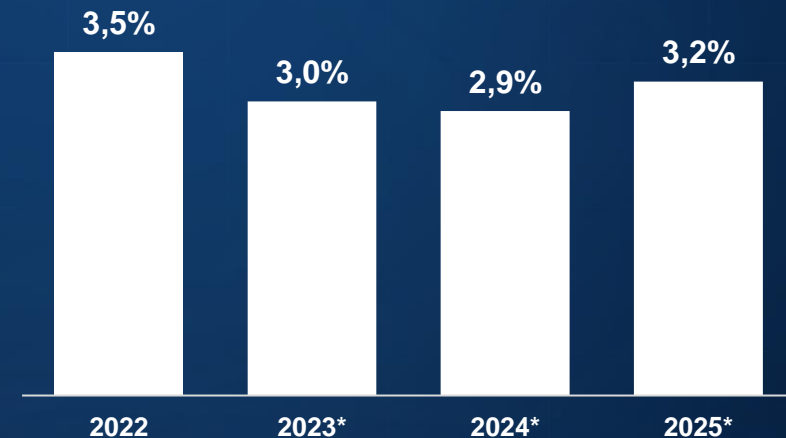


Looking Ahead

OPTIMISM FOR BUSINESS OPPORTUNITIES

- GDP growth, at lower pace
- Nearshoring and Reshoring
- Electric mobility and investments in mining
- New segments and opportunities for traditional WEG products:
 - Low carbon hydrogen
 - Carbon capture and storage
 - Synthetic fuels and biofuels
- Energy efficiency and decarbonization
- Renewable energy and energy storage
- Equipment for protection and control of electrical systems

Global GDP Growth



Source: International Monetary Fund (IMF)
Values 2023, 2024 and 2025 are estimates



Main Drivers for WEG Business

STRENGTHEN THE STRATEGY IN BRAZIL AND GLOBALLY

- 
- Pursue double-digit growth
 - Growth avenues:
 - International expansion
 - New business
 - More and better
 - Acquisitions strategy:
 - Markets
 - Segments
 - Technologies
 - Business model:
 - Financial discipline
 - Vertical Integration



External Market

NEW MARKETS AND NEW GEOGRAPHIES

- Continue advancing globally in electric motors
 - New factories and expansions: China, India, Mexico, Portugal and Türkiye
 - Incorporation of Regal Rexnord businesses: USA, Mexico, Canada, Netherlands, Italy, India and China
- To grow above average in Drivers and Gearboxes, Motion Drive strategy
- Seize opportunities on T&D in the Americas





Brazil

HEALTHY GROWTH DYNAMIC

- Continue to develop traditional businesses of Motors, Drives & Controls and GTD
- Expand offerings and solutions for electrification, automation and digitalization
- Strengthen renewable energy solutions
- Prominent player in new segments
 - Powertrain for buses and trucks
 - Electric vehicles charging infrastructure



ESG Highlights

WEG'S COMMITMENT TO SUSTAINABLE DEVELOPMENT

Sustainability Policy

- Global coverage
- Breakdown of objectives into actions



Social Investment Policy

- Expansion and internationalization of social investments



Recognition from Important Indices

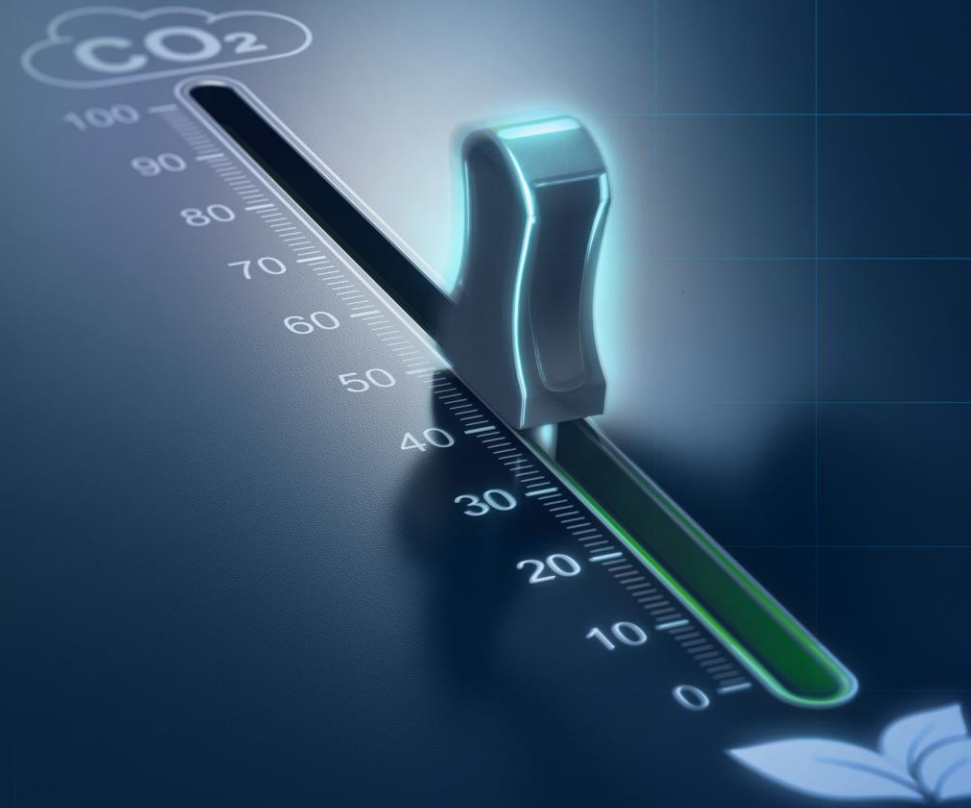
- Ecovadis: gold medal
- Sustainalytics: lowest risk level in the sector



WEG Carbon Neutral Program

FACING CLIMATE CHALLENGES

- Global Program
- Targets for Scopes 1 and 2, based on 2021
 - Reduce 52% of GHG emissions by 2030
 - Achieve net neutral emissions by 2050
- Emissions reduced by 15% in 2022
- +730 emission reduction projects completed/in progress
- Self-production contracts in Brazil from 2024
 - 90% of the energy consumed in 2021 will be from renewable sources
- Contracts for renewable energy abroad
 - Germany, Argentina, Austria, China, India and Portugal
- Globally, 75% of the energy consumed in 2021 will come from renewable sources in 2024



Key Messages



Seek growth in all markets

Continue to expand outside Brazil

Contribute to solutions related to the energy transition

Advance in ESG Actions

