



EARNINGS RELEASE

2Q 2023

Improved operating margins and return on invested capital with continued growth

Highlights



Net Operating Revenue (NOR) was **R\$ 8,171.3 million** in 2Q23, 13.7% higher than 2Q22 and 6.2% higher than 1Q23.



EBITDA⁽¹⁾ reached **R\$ 1,833.1 million**, 45.9% higher than 2Q22 and 8.5% higher than 1Q23, while **EBITDA margin** was **22.4%**, 490 bps higher than 2Q22 and 50 bps higher than the previous quarter.



Return on Invested Capital (ROIC⁽²⁾) reached **34.4%** in 2Q23, up 750 bps from 2Q22 and an increase of 300 bps from 1Q23.

Message from the Management

We reported consistent revenue growth this quarter, reflecting the good performance of the long-cycle businesses, combined with good demand for our products and services in the main regions where we operate, contributing to a quarter of growth in operating margins.

In Brazil, we maintained a positive performance, with continued good demand for industrial equipment in relevant segments such as oil & gas, pulp & paper, and mining. Highlight for long-cycle equipment, with good performance in the Energy Generation, Transmission and Distribution (GTD) area, especially in transmission & distribution (T&D), despite the lower level of revenue in the distributed solar generation business when compared to the same period last year.

In the external market, we highlight the good performance in the GTD area, where the T&D business in North America continued to present important evolution in this quarter. We presented good results in the other markets in which we operate, with emphasis on the mining and oil & gas segments in the Industrial Electro-Electronic Equipment area.

The control of our working capital requirement, combined with the accommodation of material costs, product mix and performance improvement in the operations outside Brazil, contributed to the growth of the return on invested capital. We remain confident in our strategy, where the diversification of products and solutions, together with our global presence, makes it possible for us to take advantage of the opportunities present in our markets. We seek to be always attentive to market risks and uncertainties, and we believe that our long-term vision, financial flexibility and constant search for operational efficiency contribute to the Company's continuous and sustainable growth.

Table 1 – Main Highlights

	2Q23	1Q23	HA%	2Q22	HA%	06M23	06M22	HA%
Return on Invested Capital	34,4%	31,4%	300 bps	26,9%	750 bps	34,4%	26,9%	750 bps
Net Operating Revenue	8.171.322	7.696.157	6,2%	7.185.787	13,7%	15.867.479	14.013.893	13,2%
Domestic Market	3.744.356	3.658.225	2,4%	3.637.755	2,9%	7.402.581	7.108.709	4,1%
External Markets	4.426.966	4.037.932	9,6%	3.548.032	24,8%	8.464.898	6.905.184	22,6%
<i>External Markets in US\$</i>	<i>895.600</i>	<i>777.213</i>	<i>15,2%</i>	<i>719.262</i>	<i>24,5%</i>	<i>1.672.813</i>	<i>1.363.955</i>	<i>22,6%</i>
Net Income	1.368.400	1.306.653	4,7%	912.965	49,9%	2.675.053	1.856.865	44,1%
Net Margin	16,7%	17,0%	-30 bps	12,7%	400 bps	16,9%	13,3%	360 bps
EBITDA	1.833.098	1.689.125	8,5%	1.256.662	45,9%	3.522.223	2.489.600	41,5%
EBITDA Margin	22,4%	21,9%	50 bps	17,5%	490 bps	22,2%	17,8%	440 bps
Earnings per Share (EPS)	0,32610	0,31139	4,7%	0,21758	49,9%	0,63749	0,44253	44,1%

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 13.7% compared to 2Q22, up 2.9% in the domestic market and 24.8% in the external markets, as shown in Table 1. The evolution of revenue proportion between markets is shown in Figure 1. Adjusted for the effects of the consolidation of the Gefran Motion Control business acquisition, consolidated revenue for the quarter would have grown by 12.5% over 2Q22.

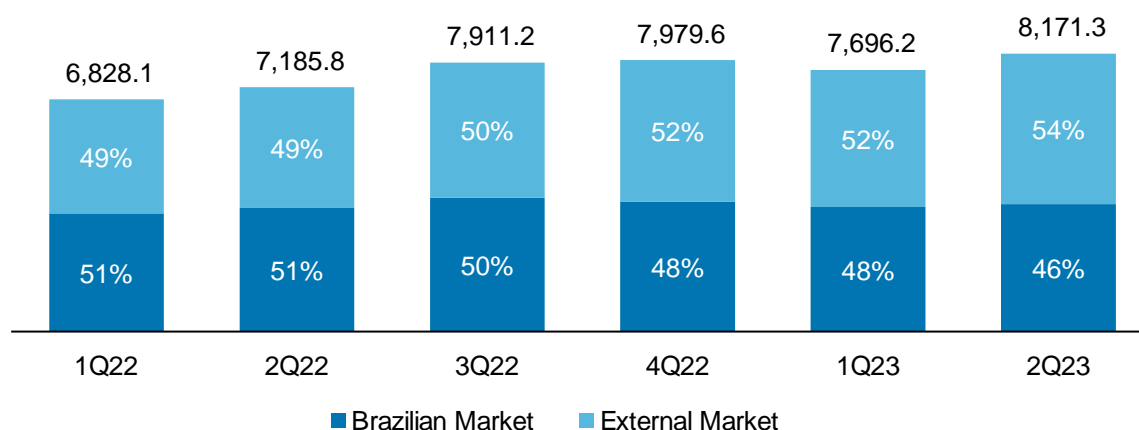


Figure 1 – Net Operating Revenue by Market (figures in R\$ million)

Net operating revenue from the external market, measured in the quarterly averaged US dollars, increased by 24.5% in relation to 2Q22 and increased 15.2% in relation to 1Q23. 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

	2Q23		1Q23		2Q22		HA% (A)/(B)	HA% (A)/(C)
	(A)	VA%	(B)	VA%	(C)	VA%		
<i>External Markets in US\$</i>	895,600	100.0%	777,213	100.0%	719,262	100.0%	15.2%	24.5%
<i>North America</i>	405,728	45.3%	380,816	49.0%	336,683	46.8%	6.5%	20.5%
<i>South and Central America</i>	98,988	11.0%	86,837	11.2%	86,537	12.0%	14.0%	14.4%
<i>Europe</i>	258,445	28.9%	188,437	24.2%	174,106	24.2%	37.2%	48.4%
<i>Africa</i>	56,579	6.3%	45,577	5.9%	44,934	6.3%	24.1%	25.9%
<i>Asia-Pacific</i>	75,860	8.5%	75,546	9.7%	77,002	10.7%	0.4%	-1.5%

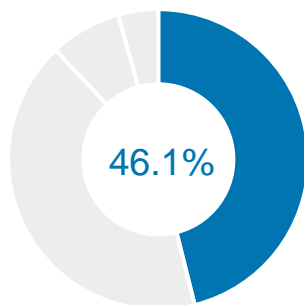
Net operating revenue from the external market was little impacted by the average US dollar exchange rate that moved from R\$ 4.93 in 2Q22 to R\$ 4.95 in 2Q23, 0.4% appreciation over the Brazilian Real.

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 27.5% when compared to 2Q22.

Performance by Business Area

Industrial Electro-Electronic Equipment (EEI)

NOR	Domestic Market	External Market
2Q23	1,278,125	2,488,297
1Q23	1,206,553	2,541,095
Δ%	5.9%	-2.1%
2Q22	1,110,609	2,319,428
Δ%	15.1%	7.3%



Share in NOR

Domestic Market

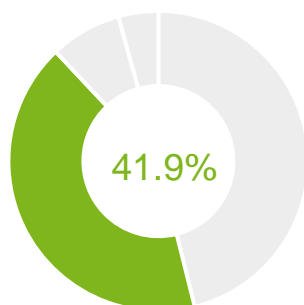
- We continued to have good industrial activity in Brazil, with positive demand for short-cycle products, especially for serial automation products, mainly destined for the mining and pulp & paper segments.
- Continued good performance for long cycle equipment, such as medium voltage electric motors and automation panels, with emphasis on the oil & gas, mining and pulp & paper segments.

External Market

- Global industrial demand remains positive for the company's main products and solutions. Short-cycle equipment, such as low voltage electric motors and serial automation products, showed good demand in most of the markets where we operate, with especially in North America.
- Long cycle equipment showed consistent results, reflecting the backlog built in last quarters. High voltage motors, mainly for oil & gas and mining projects, contributed to this quarter's result.

Energy Generation, Transmission, and Distribution (GTD)

NOR	Domestic Market	External Market
2Q23	1,926,788	1,499,495
1Q23	1,948,118	1,014,932
Δ%	-1.1%	47.7%
2Q22	2,015,057	823,675
Δ%	-4.4%	82.0%



Share in NOR

Domestic Market

- Another quarter of good performance in the T&D business, driven by the deliveries of large transformers and substations for projects related to transmission auctions and projects for distribution networks.
- Demand for distributed solar generation (GD), despite showing an evolution in relation to 1Q23, remained below the same period of the previous year, still influenced by the change in regulation in the sector associated with the higher cost of financing and reduction in the cost of energy in Brazil.

External Market

- The main highlight this quarter, deliveries of T&D projects presented another positive quarter, especially in North America, where we continue to take advantage of the present opportunities, both in Mexico and in the US, mainly in the sale of transformers for renewable energy generation parks (wind and solar).
- In the generation business, we highlight the good performance of our operation in Europe and the construction of a healthy backlog for the coming quarters in the remaining operations.

Performance by Business Area

Commercial and Appliance Motors (MCA)

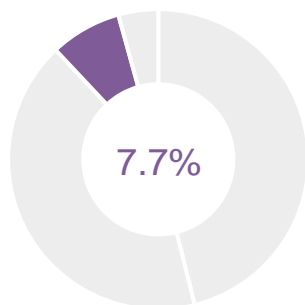
NOR	Domestic Market	External Market
2Q23	251,007	377,367
1Q23	218,917	426,498
Δ%	14.7%	-11.5%
2Q22	234,905	345,311
Δ%	6.9%	9.3%

Domestic Market

- We observed growth in demand for products in different segments, including durable consumer goods, such as air conditioning, compressors and operators.

External Market

- We showed growth in demand in some important regions where we operate, with emphasis on the continued growth in the US market.



Share in NOR

Paints and Varnishes (T&V)

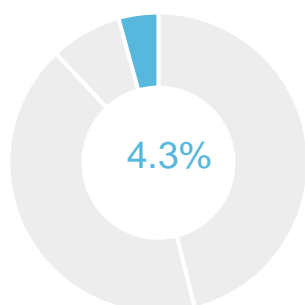
NOR	Domestic Market	External Market
2Q23	288,436	61,807
1Q23	284,637	55,407
Δ%	1.3%	11.6%
2Q22	277,184	59,618
Δ%	4.1%	3.7%

Domestic Market

- Demand for paint and varnish products was positive, with highlight on the oil & gas and maintenance segments.

External Market

- Revenues in our operations abroad showed growth, offsetting the lower export activity from Brazil in the quarter.



Share in NOR

Cost of Goods Sold

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

Table 3 – Costs

	2Q23	1Q23	HA%	2Q22	HA%
Net Operating Revenues	8,171,322	7,696,157	6.2%	7,185,787	13.7%
Cost of Goods Sold	(5,416,778)	(5,149,094)	5.2%	(5,217,781)	3.8%
Gross Margin	33.7%	33.1%	60 bps	27.4%	630 bps

The accommodation of prices on the main raw materials that make up our cost structure, notably steel and copper, together with the change in the mix of products sold, improvement in the performance of our operations outside Brazil and the constant search for operational efficiency and productivity gains were important factors for the evolution of gross margin in the quarter.

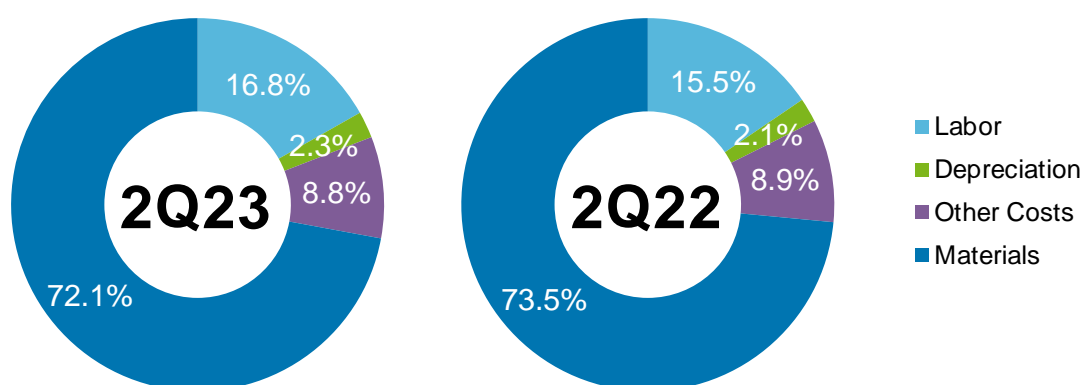


Figure 2 – COGS Composition

Sales, General, and Administrative Expenses

Consolidated Sales, General, and Administrative (SG&A) expenses totaled R\$ 853.6 million in 2Q23, an increase of 18.4% Vs. 2Q22 and an increase of 3.2% vs. 1Q23. When analyzed in relation to net operating revenue, these expenses accounted for 10.4%, up 40 basis points. vs. 2Q22 and down 30 basis points compared to 1Q23.

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 an important evolution when compared to the same period of the previous year, mainly a reflection of the accommodation of raw material costs combined with the change in the mix of products sold.

Table 4 – Calculation of EBITDA and EBITDA Margin

	2Q23	1Q23	HA%	2Q22	HA%
Net Operating Revenues	8,171,322	7,696,157	6.2%	7,185,787	13.7%
Net Income	1,368,400	1,306,653	4.7%	912,965	49.9%
Net Income Before Minorities	1,409,787	1,323,941	6.5%	926,120	52.2%
(+) Income Taxes & Contributions	307,368	282,760	8.7%	190,878	61.0%
(+/-) Financial Income (Expenses)	(35,882)	(68,508)	-47.6%	4,443	n.a.
(+) Depreciation & Amortization	151,825	150,932	0.6%	135,221	12.3%
EBITDA	1,833,098	1,689,125	8.5%	1,256,662	45.9%
EBITDA Margin	22.4%	21.9%	50 bps	17.5%	490 bps

Net Income

Net Income in 2Q23 was R\$ 1,368.4 million, up 49.9% compared to 2Q22 and up 4.7% compared to 1Q23. The net margin reached 16.7%, 400 basis points higher than 2Q22 and 30 basis points lower than 1Q23.

Cash Flow

Operating activities generated cash flow of R\$ 3,174.3 million in the first six months of the year, as a result of continued revenue growth and improved operating margins. It is important to highlight the evolution of the process of improving inventory turnover indicators in the period, whose growth during the previous year was necessary to guarantee the good availability of products globally.

In investment activities, which include changes in fixed and intangible assets, acquisition of subsidiary and financial investments, we had a cash consumption of R\$ 782.0 million. The level of (CAPEX⁽²⁾) in modernization and expansion of production capacity increased in relation to the same period of the previous year, continuing the investment of resources in the factories in Brazil, Mexico, Portugal and India.

In financing activities, we raised R\$ 931.2 million and amortized R\$1,443.3 million, including interest on loans, resulting in a net amortization of R\$ 512.1 million. Remuneration on equity (dividends and interest on equity) amounted to R\$1,301.2 million. The result was a cash consumption of R\$1,810.5 million in financing activities in the period.

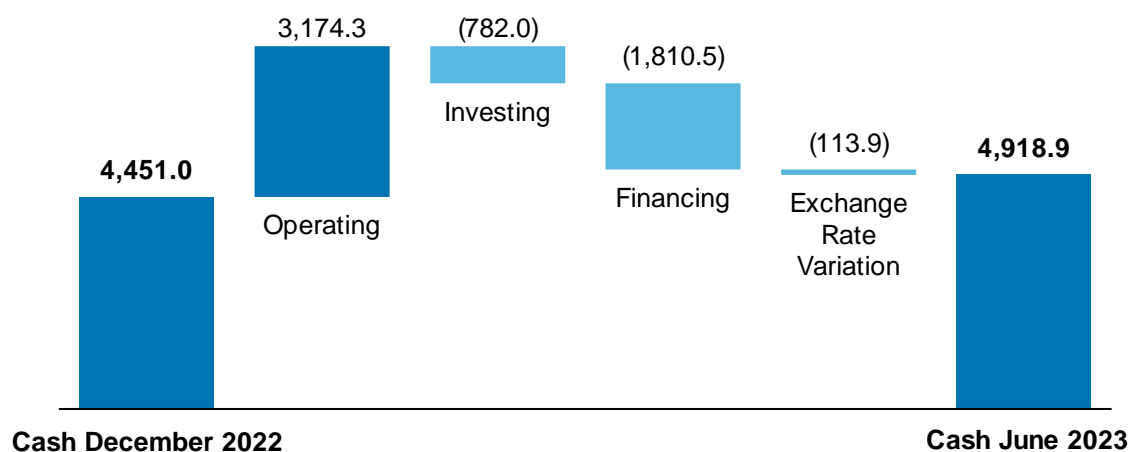


Figure 3 – Cash flow reconciliation (figures in R\$ million)

Note that the chart in Figure 3 shows the cash and cash equivalents positions classified as current assets. Furthermore, the Company has R\$ 592.3 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 in 2Q23, accumulated in the last 12 months, reached 34.4%, increased by 750 basis points over 2Q22 and growing 300 basis points over 1Q23. The growth of Net Operating Profit After Taxes (NOPAT), mainly due to revenue growth and improvement in operating margins, more than offset the growth in capital employed, which expansion is explained mainly by investments in fixed and intangible assets made over the last 12 months and by our better control of working capital requirement in the period.

Investments (CAPEX)

In 2Q23, we invested R\$ 444.8 million in the modernization and expansion of production capacity, machinery and equipment, and software licenses, 34% for production units in Brazil and 66% for industrial plants and other facilities abroad.

In Brazil, we continue to invest in expanding production capacity for industrial motors, electric traction motors and battery packs. Abroad, we continued to increase the production capacity of the motor and transformer factories in Mexico, build the motor factory in Portugal and expand the high voltage motor and generator factory in India.

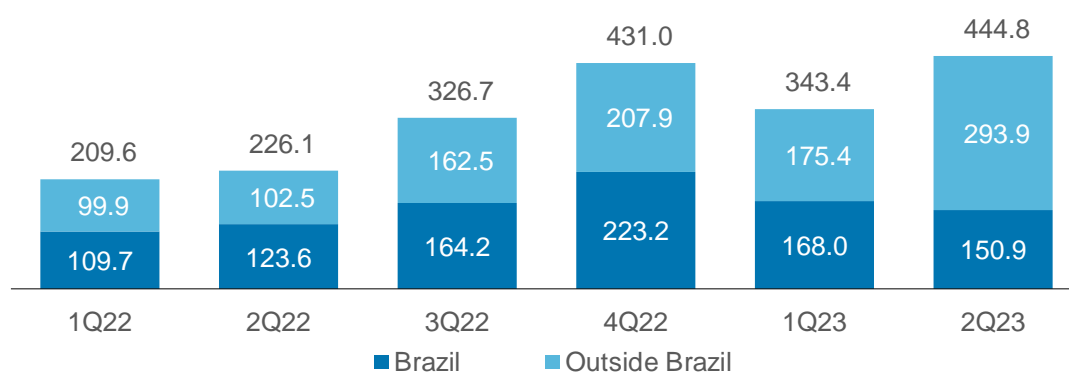


Figure 4 – CAPEX Evolution (figures in R\$ million)

Research, Development, and Innovation

Expenditures on research, development, and innovation activities totaled R\$ 427.7 million, representing 2.7% of accumulated net operating revenue in 2Q23.

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 2023		December 2022		June 2022	
Cash & Cash Equivalents	5,490,984		4,995,115		3,083,418	
Current	5,480,459		4,982,828		3,072,450	
Long Term	10,525		12,287		10,968	
Derivatives	(244,957)		(101,597)		35,738	
Short Term Assets	19,432		33,647		167,083	
Long Term Assets	826		-		82	
Short Term Liabilities	(136,609)		(87,831)		(119,483)	
Long Term Liabilities	(128,606)		(47,413)		(11,944)	
Debt	(2,782,722)	100%	(3,459,692)	100%	(2,853,828)	100%
Current	(1,924,891)	69%	(2,307,817)	67%	(2,712,497)	95%
In Brazilian Reais	(8,372)		(8,494)		(8,283)	
In other currencies	(1,916,519)		(2,299,323)		(2,704,214)	
Long Term	(857,831)	31%	(1,151,875)	33%	(141,331)	5%
In Brazilian Reais	(41,995)		(31,691)		(36,288)	
In other currencies	(815,836)		(1,120,184)		(105,043)	
Net Cash	2,463,305		1,433,826		265,328	

The total duration of our indebtedness was 9.6 months on June 2023 (11.8 months in December 2022).

Dividends and Interest on Stockholders' Equity

For the first half of 2023, the Board of Directors approved *ad referendum* of a future Annual Shareholders Meeting, the following events regarding dividends:

- On March 14, as interest on equity (JCP), to the gross amount of R\$ 223.4 million.
- On June 20, as interest on equity (JCP), to the gross amount of R\$ 244.6 million.

The board of directors also approved, in a meeting held on July 18, 2023, intermediate dividends related to the net income for the first half of 2023, to the total amount of R\$ 609.3 million.

The proceeds will be paid on August 16, 2023. Amounts declared as remuneration to shareholders in the first half represented 40.3% 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 2023	1st Half 2022	%
Dividends	467,992	335,936	39.3%
Interest on stockholders' Equity	609,303	553,650	10.1%
Gross Total	1,077,295	889,586	21.1%
Net Earnings	2,675,053	1,856,865	44.1%
Total Dividends / Net Earnings	40.3%	47.9%	

Other Events

WEG announces agreement for self-production of wind energy

On July 5, 2023, we announced a binding agreement with Alupar for the self-production of energy to be used in WEG's operations in Brazil. The agreement provides for the annual delivery of around 15 MW average, which will be used in WEG's manufacturing operations in the form of self-production by equalization, for a period of 18 years. The start of energy supply to the factories will start in January 2024, with energy purchase contracts estimated at R\$ 460 million during the period of the contract.

On July 5, 2023, we also announced an agreement with 2W Ecobank S.A. for energy self-production. With energy purchase contracts worth approximately BRL 970 million, lasting 20 years and starting in January 2024, the initiative will guarantee the annual delivery of 30 MW average of renewable energy to WEG's industrial operations in the self-production mode by equivalence.

Both agreements still depend on the fulfillment of conditions precedent, including the approval of the Brazilian authorities.

In addition to guaranteeing the supply of energy to WEG, these agreements also contribute to achieving the decarbonization targets assumed last year. These two contracts represent close to 90% of energy consumption in Brazil and, together with other projects underway in India and China, account for 75% of our global energy consumption in 2022 coming from renewable sources.

Results Conference Call

On July 20, 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/2t23.htm>
- Slides and simultaneous translation into English: <https://choruscall.com.br/weg/2q23.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 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 2023

Annex

Annex I – Consolidated Income Statement – Quarterly

	2Q23		1Q23		2Q22		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
Net Operating Revenues	8,171,322	100.0%	7,696,157	100.0%	7,185,787	100.0%	6.2%	13.7%
Cost of Goods Sold	(5,416,778)	-66.3%	(5,149,094)	-66.9%	(5,217,781)	-72.6%	5.2%	3.8%
Gross Profit	2,754,544	33.7%	2,547,063	33.1%	1,968,006	27.4%	8.1%	40.0%
Sales Expenses	(606,886)	-7.4%	(568,133)	-7.4%	(506,697)	-7.1%	6.8%	19.8%
Administrative Expenses	(246,668)	-3.0%	(258,622)	-3.4%	(214,447)	-3.0%	-4.6%	15.0%
Financial Revenues	448,591	5.5%	388,642	5.0%	142,180	2.0%	15.4%	215.5%
Financial Expenses	(412,709)	-5.1%	(320,134)	-4.2%	(146,623)	-2.0%	28.9%	181.5%
Other Operating Income	15,591	0.2%	54,812	0.7%	15,639	0.2%	-71.6%	-0.3%
Other Operating Expenses	(235,308)	-2.9%	(236,927)	-3.1%	(141,060)	-2.0%	-0.7%	66.8%
Equity accounting	-	0.0%	-	0.0%	-	0.0%	n.m.	n.m.
Earnings Before Taxes	1,717,155	21.0%	1,606,701	20.9%	1,116,998	15.5%	6.9%	53.7%
Income Taxes & Contributions	(358,711)	-4.4%	(254,699)	-3.3%	(249,859)	-3.5%	40.8%	43.6%
Deferred Taxes	51,343	0.6%	(28,061)	-0.4%	58,981	0.8%	n.a.	-12.9%
Minorities	(41,387)	-0.5%	(17,288)	-0.2%	(13,155)	-0.2%	139.4%	214.6%
Net Earnings	1,368,400	16.7%	1,306,653	17.0%	912,965	12.7%	4.7%	49.9%
EBITDA	1,833,098	22.4%	1,689,125	21.9%	1,256,662	17.5%	8.5%	45.9%
Earnings per Share (EPS)	0.32610		0.31139		0.21758		4.7%	49.9%

Annex II – Consolidated Income Statement Accumulated

	06M23		06M22		HA%
	(A)	VA%	(B)	VA%	(A)/(B)
Net Operating Revenues	15,867,479	100.0%	14,013,893	100.0%	13.2%
Cost of Goods Sold	(10,565,872)	-66.6%	(10,151,051)	-72.4%	4.1%
Gross Profit	5,301,607	33.4%	3,862,842	27.6%	37.2%
Sales Expenses	(1,175,019)	-7.4%	(999,713)	-7.1%	17.5%
Administrative Expenses	(505,290)	-3.2%	(414,194)	-3.0%	22.0%
Financial Revenues	837,233	5.3%	584,924	4.2%	43.1%
Financial Expenses	(732,843)	-4.6%	(535,103)	-3.8%	37.0%
Other Operating Income	70,403	0.4%	61,653	0.4%	14.2%
Other Operating Expenses	(472,235)	-3.0%	(290,559)	-2.1%	62.5%
Equity accounting	-	0.0%	-	0.0%	n.m.
Earnings Before Taxes	3,323,856	20.9%	2,269,850	16.2%	46.4%
Income Taxes & Contributions	(613,410)	-3.9%	(392,355)	-2.8%	56.3%
Deferred Taxes	23,282	0.1%	2,107	0.0%	n.m.
Minorities	(58,675)	-0.4%	(22,737)	-0.2%	158.1%
Net Earnings	2,675,053	16.9%	1,856,865	13.3%	44.1%
EBITDA	3,522,223	22.2%	2,489,600	17.8%	41.5%
Earnings per Share (EPS)	0.63749		0.44253		44.1%

Annex III – Consolidated Balance Sheet

	June 2023		June 2022		December 2022		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
Current Assets	20,237,039	70%	19,653,210	70%	17,566,996	68%	3%	15%
Cash & cash equivalents	5,480,459	19%	4,982,828	18%	3,072,450	12%	10%	78%
Receivables	5,936,243	20%	5,614,423	20%	5,166,658	20%	6%	15%
Inventories	7,466,742	26%	7,644,361	27%	7,659,131	30%	-2%	-3%
Other current assets	1,353,595	5%	1,411,598	5%	1,668,757	6%	-4%	-19%
Noncurrent assets	8,864,188	30%	8,481,450	30%	8,315,428	32%	5%	7%
Long Term Assets	717,473	2%	673,726	2%	1,043,647	4%	6%	-31%
Long term securities	10,525	0%	12,287	0%	10,968	0%	-14%	-4%
Deferred taxes	485,393	2%	443,133	2%	402,024	2%	10%	21%
Other non-current assets	221,555	1%	218,306	1%	630,655	2%	1%	-65%
Investment in Subs	986	0%	1,056	0%	1,107	0%	-7%	-11%
Property, Plant & Equipment	6,705,602	23%	6,282,653	22%	5,758,142	22%	7%	16%
Right of use	590,928	2%	595,024	2%	591,758	2%	-1%	0%
Intangibles	1,440,127	5%	1,524,015	5%	1,512,532	6%	-6%	-5%
Total Assets	29,101,227	100%	28,134,660	100%	25,882,424	100%	3%	12%
Current Liabilities	10,724,454	37%	10,262,877	36%	10,410,529	40%	4%	3%
Social and Labor Liabilities	663,134	2%	466,843	2%	609,342	2%	42%	9%
Suppliers	2,139,603	7%	2,036,216	7%	2,245,478	9%	5%	-5%
Fiscal and Tax Liabilities	559,764	2%	459,647	2%	488,367	2%	22%	15%
Short Term Debt	1,924,891	7%	2,307,817	8%	2,712,497	10%	-17%	-29%
Dividends Payable	578,205	2%	361,838	1%	402,775	2%	60%	44%
Advances from Clients	2,936,323	10%	2,854,545	10%	2,323,798	9%	3%	26%
Profit Sharing	403,634	1%	447,150	2%	270,396	1%	-10%	49%
Derivatives	136,609	0%	87,831	0%	119,483	0%	56%	14%
Leasing	92,491	0%	103,036	0%	64,360	0%	-10%	44%
Other Short Term Liabilities	1,289,800	4%	1,137,954	4%	1,174,033	5%	13%	10%
Long Term Liabilities	2,546,250	9%	2,623,428	9%	1,671,144	6%	-3%	52%
Long Term Debt	857,831	3%	1,151,875	4%	141,331	1%	-26%	n.m.
Other Long Term Liabilities	347,076	1%	228,335	1%	330,424	1%	52%	5%
Leasing	471,350	2%	446,594	2%	468,231	2%	6%	1%
Deferred Taxes	71,347	0%	77,136	0%	66,634	0%	-8%	7%
Contingencies Provisions	798,646	3%	719,488	3%	664,524	3%	11%	20%
Equity	15,830,523	54%	15,248,355	54%	13,800,751	53%	4%	15%
Owners of the Company	15,385,027	53%	14,834,795	53%	13,413,944	52%	4%	15%
Noncontrolling interests	445,496	2%	413,560	1%	386,807	1%	8%	15%
Total Liabilities	29,101,227	100%	28,134,660	100%	25,882,424	100%	3%	12%

Annex IV – Consolidated Cash Flow Statement

	6 Months 2023	6 Months 2022
Operating Activities		
Net Earnings before Taxes	3.323.856	2.269.850
Depreciation and Amortization	302.757	269.571
Provisions	596.640	694.366
Tax credit - ICMS exclusion from PIS/COFINS calculation basis	(28.933)	(41.300)
Changes in Assets & Liabilities	(1.020.026)	(2.788.035)
(Increase)/decrease in clients	(519.643)	(1.015.125)
Increase/(decrease) in suppliers	142.334	169.784
(Increase)/decrease in inventories	(149.908)	(1.467.938)
(Increase)/decrease in taxes recoverable	135.033	(4.145)
Increase/(decrease) in social/tax obligations	188.593	218.829
Increase/(decrease) in advances from clients	156.745	107.847
Increase/(decrease) in other accounts receivable/payable	14.683	(200.871)
Income Tax and Social Contribution on Net Earnings	(616.592)	(260.225)
Profit Sharing Paid	(371.271)	(336.191)
Cash Flow from Operating Activities	3.174.294	404.452
Investment Activities		
Fixed Assets	(760.937)	(408.976)
Intangible Assets	(27.246)	(26.731)
Results of sales of fixed assets	9.890	4.334
Aquisition of Subsidiaries	(7.414)	(98.441)
Financial investments held to maturity	-	(10.968)
Rescue of financial investments	3.746	12.768
Cash Flow From Investment Activities	(781.961)	(528.014)
Financing Activities		
Working Capital Financing	931.200	1.792.262
Long Term Financing	(1.378.212)	(663.867)
Interest paid on loans and financing	(65.118)	(24.431)
Treasury Shares	2.832	(8.026)
Dividends & Intesrest on Stockholders Equity Paid	(1.301.188)	(1.048.621)
Cash Flow From Financing Activities	(1.810.486)	47.317
Changes in Cash and Equivalents caused by FX Changes	(113.912)	(67.898)
Change in Cash Position	467.935	(144.143)
Cash & Cash Equivalents		
Beginning of Period	4.451.002	2.714.427
End of Period	4.918.937	2.570.284

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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