



EARNINGS RELEASE

2Q 2021

Improved global economic activity supporting revenue and ROIC growth

Highlights



Net Operating Revenue (NOR) was **R\$ 5,748.2 million** in 2Q21, 41.4% higher than 2Q20, and 13.2% higher than 1Q21;



EBITDA⁽⁷⁾ reached **R\$ 1,392.7 million**, 90.2% higher than 2Q20 and 37.0% higher than 1Q21, while **EBITDA margin** was **24.2%**, 6.2 p.p. higher than 2Q20, and 4.2 p.p. higher than the previous quarter;



Return on Invested Capital (ROIC) reached **32.2%** in 2Q21, up 10.6 p.p. from 2Q20 and up 4.0 p.p. from 1Q21.

Message from the Management

We report another quarter of good performance in our businesses, marked by continued good demand in the domestic market and by accelerated industrial activity in the main countries where we operate in the external market.

In Brazil, we observed solid demand after the consistent recovery in recent quarters. We highlight the short-cycle businesses growth in areas such as Commercial and Appliance Motors, Industrial Electro-Electronic Equipment, and in particular, the distributed solar generation (GD) business. The maintenance of the long-cycle business, mainly in the GTD area, also made an essential contribution to this result, especially the return of wind generation projects revenue.

In the external market, the recovery of global industrial activity confirmed the signs of improvement reported in the last quarter. We posted significant growth in revenue in the main markets in which we operate, especially in mining, oil & gas, and water & wastewater segments. In addition to the Industrial Electro-Electronic Equipment businesses, we also highlight the good performance of the Commercial and Appliance Motors and Power Transmission and Distribution (T&D) areas, with sales growth and increased share in important markets.

It is worth noting that in this quarter, we recorded tax credits referring to the exclusion of ICMS from the PIS and COFINS calculation basis, according to the material fact disclosed on June 22, 2021. The EBITDA and net income were positively impacted by R\$ 300.4 million and R\$ 282.8 million, respectively.

We remain confident in our strategy to overcome this challenging period, working to protect and promote the health and safety of all employees and minimize, as much as possible, impacts on our operations.

Table 1 – Main Highlights

	2Q21	1Q21	%	2Q20	%	06M21	06M20	%
Return on Invested Capital	32.2%	28.2%	4.0 pp	21.6%	10.6 pp	32.2%	21.6%	10.6 pp
Net Operating Revenue	5,748,206	5,076,879	13.2%	4,063,943	41.4%	10,825,085	7,778,379	39.2%
Domestic Market	2,577,971	2,343,108	10.0%	1,604,279	60.7%	4,921,079	3,296,679	49.3%
External Markets	3,170,235	2,733,771	16.0%	2,459,664	28.9%	5,904,006	4,481,700	31.7%
<i>External Markets in US\$</i>	<i>600,806</i>	<i>498,120</i>	<i>20.6%</i>	<i>457,014</i>	<i>31.5%</i>	<i>1,098,926</i>	<i>908,773</i>	<i>20.9%</i>
Net Income	1,134,709	764,258	48.5%	514,375	120.6%	1,898,967	954,398	99.0%
Net Margin	19.7%	15.1%	4.6 pp	12.7%	7.0 pp	17.5%	12.3%	5.2 pp
EBITDA	1,392,718	1,016,852	37.0%	732,222	90.2%	2,409,570	1,351,336	78.3%
EBITDA Margin	24.2%	20.0%	4.2 pp	18.0%	6.2 pp	22.3%	17.4%	4.9 pp
Earnings per Share (EPS)	0.27045	0.18211	48.5%	0.12261	120.6%	0.45256	0.22749	98.9%

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. Earnings per Share data is adjusted for split or bonus events.

Net Operating Revenue

Net operating revenue increased by 41.4% over 2Q20, up 60.7% in the domestic market and 28.9% in the external markets, as shown in table 1. The evolution of revenue proportion between markets is shown in figure 1.

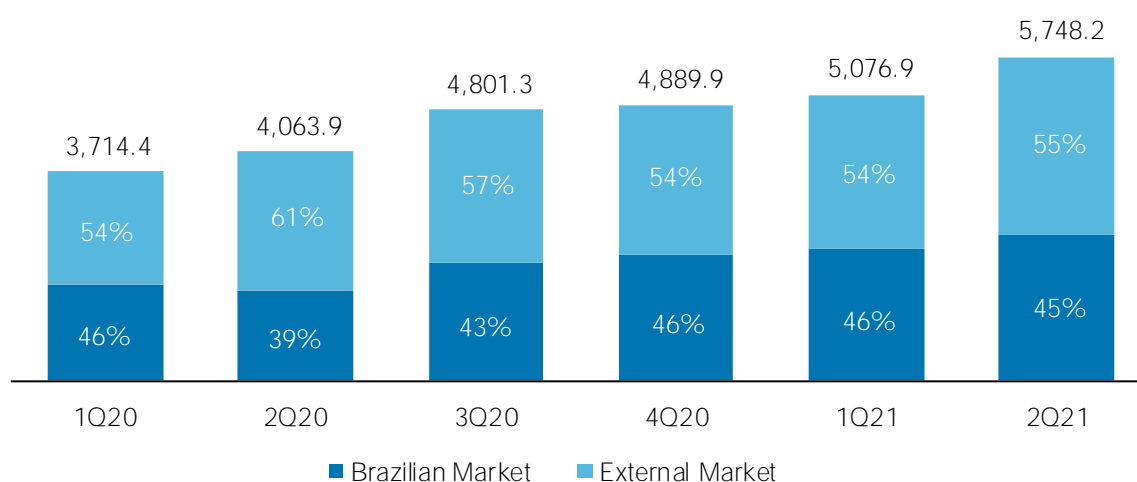


Figure 1 – Net operating revenue by market (figures in R\$ million)

Net operating revenue from the external market, measured by quarterly average US dollars, increased by 31.5% compared to 2Q20 and increased by 20.6% compared to 1Q21. The distribution of net revenue by the geographic market is shown in table 2.

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

	2Q21		1Q21		2Q20		HA% (A)/(B)	HA% (A)/(C)
	(A)	VA%	(B)	VA%	(C)	VA%		
<i>External Markets in US\$</i>	600,806	100.0%	498,120	100.0%	457,014	100.0%	20.6%	31.5%
<i>North America</i>	260,106	43.3%	213,758	42.9%	214,340	46.9%	21.7%	21.4%
<i>South and Central America</i>	72,546	12.1%	58,354	11.7%	44,787	9.8%	24.3%	62.0%
<i>Europe</i>	154,484	25.7%	133,645	26.8%	133,448	29.2%	15.6%	15.8%
<i>Africa</i>	40,254	6.7%	32,102	6.5%	23,765	5.2%	25.4%	69.4%
<i>Asia-Pacific</i>	73,416	12.2%	60,261	12.1%	40,674	8.9%	21.8%	80.5%

Net operating revenue from the external market, measured in Brazilian Real, was impacted by the average Brazilian Real/US dollar Exchange rate that moved from R\$ 5.38 in 2Q20 to R\$ 5.29 in 2Q21, a 1.8% appreciation of 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 22.5% compared to 2Q20.

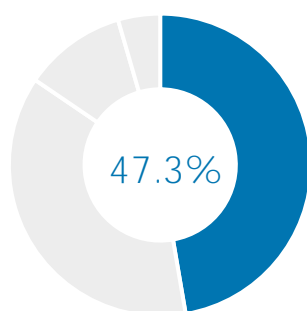
Consolidation and Acquisitions Adjustments

Adjusted for the consolidation effects of recent acquisitions of MVISIA, BirminD, and consolidation of TGM Kanis Turbinen GmbH, revenue would have grown by 39.4% vs. 2Q20.

Performance by Business Area

Industrial Electro-Electronic Equipment

NOR	Domestic Market	External Market
2Q21	851,190	1,865,878
1Q21	900,493	1,620,332
$\Delta\%$	-5.5%	15.2%
2Q20	635,641	1,583,637
$\Delta\%$	33.9%	17.8%



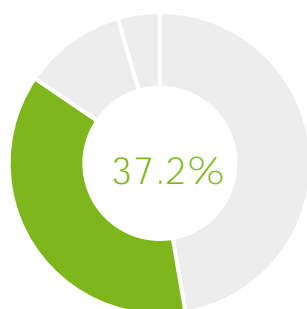
Share in NOR

- Domestic Market**
- Revenue continues to be supported by the high demand for industrial products in Brazil this year. Segments such as agribusiness, civil construction, and mining were the main highlights in demand for short-cycle products such as electric motors, serial automation equipment, and gearboxes.
 - Important supplies of long-cycle equipment, such as e-houses and automation panels, continue to contribute in this quarter, especially in the mining and oil & gas segments.

- External Market**
- We observed an accelerated pace in the economic and industrial recovery in all regions where we operate. The high sales volume to equipment manufacturers (OEMs) confirms the industry's recovery movement. Relevant segments such as mining, oil & gas, and water & wastewater are among those that most demanded our products, such as low voltage electric motors and automation equipment.
 - Long-cycle equipment showed a gradual improvement in revenue. However, it is worth noting that the signs of recovery reported in the previous quarter are being confirmed, with a growing improvement in orders intake for projects in segments such as mining, oil & gas, water & wastewater, and steel.

Energy Generation, Transmission, and Distribution (GTD)

NOR	Domestic Market	External Market
2Q21	1,204,262	931,744
1Q21	974,275	757,391
$\Delta\%$	23.6%	23.0%
2Q20	755,710	700,600
$\Delta\%$	59.4%	33.0%



Share in NOR

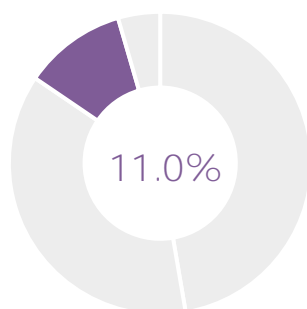
- Domestic Market**
- All businesses presented growth in this quarter, where we highlight the return of wind turbine supplies, the good demand for distributed solar generation (GD), which continues to evolve compared to previous quarters, and the increased demand for alternators.
 - We also highlight the maintenance of deliveries of large transformers and substations for important projects linked to transmission line auctions carried out in recent years.

- External Market**
- The T&D businesses presented another quarter of evolution, with relevant projects being delivered in the US, Colombia, and also South Africa.
 - In generation, we highlight our steam turbine business in Europe, where we are successfully expanding the sales of products and services. It is worth remembering that in October 2020, we began to consolidate this operation in our results.

Performance by Business Area

Commercial and Appliance Motors

NOR	Domestic Market	External Market
2Q21	306,977	326,113
1Q21	280,829	309,084
Δ%	9.3%	5.5%
2Q20	106,285	153,889
Δ%	188.8%	111.9%



Share in NOR

Domestic Market

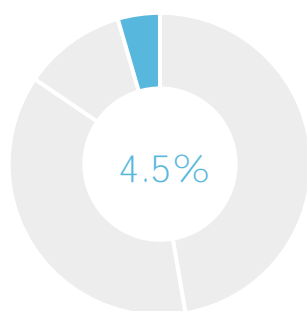
- Sales volume remained high in Brazil. Durable consumer goods segments, agribusiness, and food & beverage were the highlights this quarter. Applications such as air conditioning, washing machines, and leisure (swimming pools) were some of the main destinations for our products.

External Market

- We observed substantial growth in the demand for our products, a movement explained by the economic recovery acceleration and market share gain, especially in the US and Mexico.
- It is worth highlighting the weak comparison base in 2Q20, both in Brazil and abroad, a period in which we had the most significant impacts of the pandemic on short-cycle businesses.

Paints and Varnishes

NOR	Domestic Market	External Market
2Q21	215,542	46,500
1Q21	187,511	46,964
Δ%	14.9%	-1.0%
2Q20	106,643	21,538
Δ%	102.1%	115.9%



Share in NOR

Domestic Market

- Demand for paint and varnish products also continued to be strong, with emphasis on the oil & gas, sanitation, and construction segments.

External Market

- We presented sales growth in Latin American countries, especially in Mexico, where we initiated operations at our new paint factory at the end of 2020.
- As in other short-cycle businesses, the weak comparison base in 2Q20 explains part of the strong growth presented this quarter in Brazil and abroad.

Cost of Goods Sold

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

Table 3 – Costs

	2Q21	1Q21	HA%	2Q20	HA%
Net Operating Revenues	5,748,206	5,076,879	13.2%	4,063,943	41.4%
Cost of Goods Sold	(4,001,699)	(3,457,140)	15.8%	(2,831,840)	41.3%
Gross Margin	30.4%	31.9%	-1.5 pp	30.3%	0.1 pp

Efforts to reduce costs and improve processes that led to productivity gains, especially in our operations abroad, were decisive factors in maintaining operating margins close to normal, despite the increase in the main raw materials used in our products.

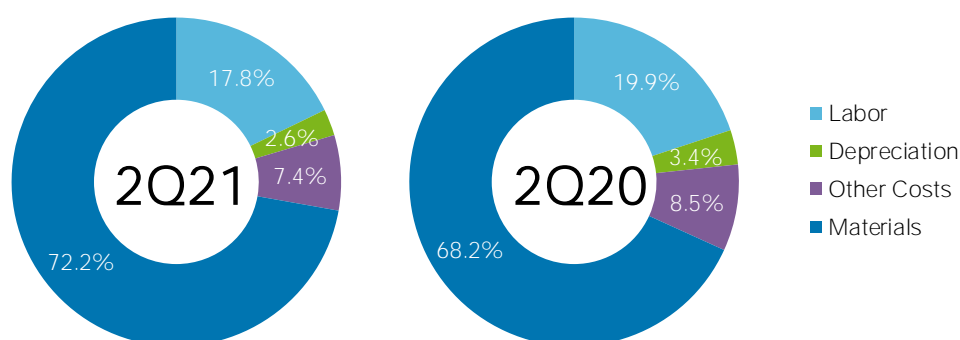


Figure 2 – COGS Composition

Sales, General, and Administrative Expenses

Consolidated Sales, General, and Administrative (SG&A) expenses totaled R\$ 637.0 million in 2Q21, an increase of 26.8% vs. 2Q20 and an increase of 4.6% vs. 1Q21. When analyzed compared to net operating revenue, these expenses accounted for 11.1%, down 1.3 p.p. vs. 2Q20 and down 0.9 p.p. vs. 1Q21.

It is worth mentioning that adjustments made since the beginning of the pandemic continue to contribute to the control of expenses, although in less intensity when compared to previous quarters, mainly due to the reduction in expenses with business trips.

EBITDA e EBITDA Margin

The composition of the EBITDA calculation, according to Instruction CVM 527/2012, and EBITDA margin are shown in table 4. Note that EBITDA was positively impacted this quarter by the recognition of tax credits referring to the exclusion of ICMS from the PIS and COFINS calculation basis. Disregarding this non-recurring effect, EBITDA would have been R\$ 1,092.3 million, with an EBITDA margin of 19.0%.

Even considering the recurring EBITDA margin, we recorded another quarter of evolution year over year, reflecting the rationalization of costs and expenses, better capacity utilization, and improved margins in some significant operations abroad. However, it is worth mentioning that recent material costs increase and the change in the mix of products sold, mainly concerning the return of the wind generation business, reduced the EBITDA margin compared to 1Q21.

Table 4 – Calculation of EBITDA and EBITDA Margin

	2Q21	1Q21	HA%	2Q20	HA%
Net Operating Revenues	5,748,206	5,076,879	13.2%	4,063,943	41.4%
Net Income	1,134,709	764,258	48.5%	514,375	120.6%
Net Income Before Minorities	1,152,402	778,921	47.9%	526,517	118.9%
(+) Income Tax and Contributions	253,477	124,796	103.1%	46,784	441.8%
(+/-) Finance Income (Expenses)	(139,906)	(10,535)	n.m.	46,164	n.a.
(+) Depreciation & Amortization	126,745	123,670	2.5%	112,757	12.4%
EBITDA	1,392,718	1,016,852	37.0%	732,222	90.2%
EBITDA Margin	24.2%	20.0%	4.2 pp	18.0%	6.2 pp

Net Income

Net income in 2Q21 was R\$ 1,134.7 million, an increase of 120.6% vs. 2Q20 and an increase of 48.5% vs. 1Q21. The net margin reached 19.7%, 7.0 p.p. higher than 2Q20, and 4.6 p.p. higher than 1Q21.

Net income was also positively impacted by the recognition of tax credits referring to the exclusion of ICMS from the PIS and COFINS calculation basis. In addition to the EBITDA adjustments, we also had a positive impact on the financial result of R\$ 129.9 million and an increase in the income tax earned from these credits of R\$ 147.5 million. Disregarding these non-recurring effects, net income would have been R\$ 851.9 million this quarter, an increase of 65.6% compared to 2Q20, with a net margin of 14.8%.

Cash Flow

Cash generation in operating activities was R\$ 526.9 million in the first half of 2021, a decrease of 46.2% compared to the previous year. This result is mainly driven by the increased demand for working capital in the period.

The level of investment (CAPEX⁽²⁾) in modernization and expansion of production capacity showed an increase compared to 2020, with continued investments in factories in Brazil, Mexico, China, and the US.

In financing activities, the company raised R\$ 211.3 million and made amortizations of R\$ 208.3 million, resulting in a net increase of R\$ 3.0 million. Interest on loans consumed R\$ 27.4 million, while payments to equity holders (dividends and interest on capital) totaled R\$ 859.2 million. The final result was consumption of R\$ 879.8 million in financing activities in the year.

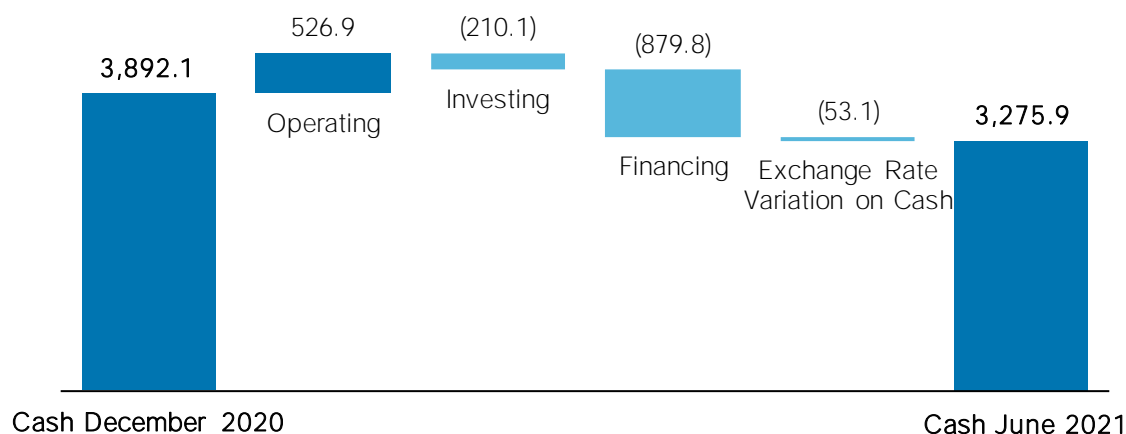


Figure 3 – Cash flow reconciliation (figures in R\$ million)

The chart of figure 3 shows the cash and cash equivalents positions classified as current assets. Furthermore, the company has R\$ 992.3 million in financial investments with no immediate liquidity, including derivatives (R\$ 1,117.9 million in December 2020).

Return on Invested Capital

The Return on Invested Capital (ROIC) in 2Q21 (accumulated in the last 12 months) increased by 10.6 p.p. over 2Q20, reaching 32.2%. Growth of Net Operating Profit After Taxes (NOPAT), due to revenue growth and improved margins, more than offset the increase in capital employed, which expanded due to a greater need for working capital, and investments in fixed and intangible assets over the last 12 months.

Investments (CAPEX)

In 2Q21, we invested R\$ 168.3 million in modernization and expansion of production capacity, machinery and equipment, and software licenses, of which 52% are for production units in Brazil and 48% for industrial plants and other facilities abroad.

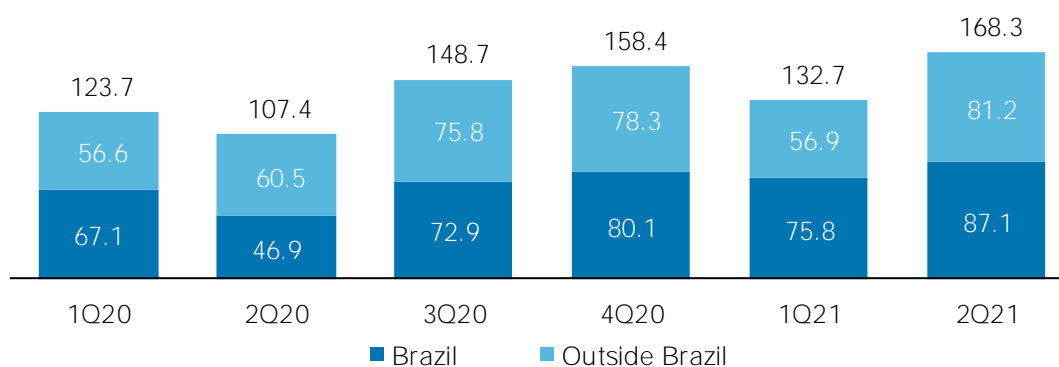


Figure 4 – CAPEX Evolution (figures in R\$ million)

Research, Development and Innovation

Expenditures on research, development and innovation activities totaled R\$ 166.3 million, representing 2.9% of net operating revenue in 2Q21.

Debt and Cash Position

Cash, cash equivalents, and derivatives, invested in first-tier banks and denominated in Brazilian currency, 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 2021		December 2020		June 2020	
Cash & Cash Equivalents	3,822,227		4,484,934		2,849,836	
Current	3,822,227		4,484,934		2,849,836	
Derivatives	427,383		504,629		535,544	
Debt	(1,501,736)	100%	(1,686,580)	100%	(2,124,333)	100%
Current	(939,588)	63%	(642,284)	38%	(466,585)	22%
In Brazilian Reais	(7,738)		(12,289)		(89,458)	
In other currencies	(931,850)		(629,995)		(377,127)	
Long Term	(562,148)	37%	(1,044,296)	62%	(1,657,748)	78%
In Brazilian Reais	(39,406)		(48,193)		(78,333)	
In other currencies	(522,742)		(996,103)		(1,579,415)	
Net Cash	2,747,874		3,302,983		1,261,047	

The characteristics of our indebtedness at the end of June were:

- The total duration of 12.0 months, with a duration of 20.2 months in the long term. In December 2020, these figures were 18.5 months and 21.8 months, respectively;
- The weighted average cost of debt denominated in Brazilian Reais is approximately 4.8% p.a. (vs. 2.8% p.a. in December 2020). The post-fixed contracts are indexed mainly to the CDI rate (Interbank Deposit Certificate in Brazil).

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 23, as interest on stockholders' equity (JCP), to the gross amount of R\$ 71.0 million;
- On June 22, as interest on stockholders' equity (JCP), to the gross amount of R\$ 86.1 million.

The Board of Directors approved intermediate dividends related to the net income for the first half of 2021, to the total amount of R\$ 663.7 million. The proceeds will be paid on August 11, 2021. Amounts declared as remuneration to shareholders in the first half represented 43.2% 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

	1st Half 2021	1st Half 2020	%
Dividends	663,691	265,992	149.5%
Interest on stockholders' Equity	157,101	143,627	9.4%
Gross Total	820,792	409,619	100.4%
Net Earnings	1,898,967	954,398	99.0%
Total Dividends / Net Earnings	43.2%	42.9%	

Results Conference Call

On July 29, 2021 (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 – Brazilian time
- 10:00 – New York (EDT)
- 15:00 – London (BST)

Connecting phone numbers:

- Dial-in for connections in Brazil: (11) 3181-8565 / (11) 4210-1803
- 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/2t21.htm>
- Slides and simultaneous translation into English: <https://choruscall.com.br/weg/2q21.htm>
- The presentation will also be available on our Investor Relations website (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, international markets and are subject to change.

FINANCIAL STATEMENTS

2Q 2021

Annex

Annex I – Consolidated Income Statement – Quarterly

	2Q21		1Q21		2Q20		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
Net Operating Revenues	5,748,206	100.0%	5,076,879	100.0%	4,063,943	100.0%	13.2%	41.4%
Cost of Goods Sold	(4,001,699)	-69.6%	(3,457,140)	-68.1%	(2,831,840)	-69.7%	15.8%	41.3%
Gross Profit	1,746,507	30.4%	1,619,739	31.9%	1,232,103	30.3%	7.8%	41.8%
Sales Expenses	(443,133)	-7.7%	(434,281)	-8.6%	(356,198)	-8.8%	2.0%	24.4%
Administrative Expenses	(193,870)	-3.4%	(174,928)	-3.4%	(145,995)	-3.6%	10.8%	32.8%
Financial Revenues	425,155	7.4%	163,865	3.2%	192,294	4.7%	159.5%	121.1%
Financial Expenses	(285,249)	-5.0%	(153,330)	-3.0%	(238,458)	-5.9%	86.0%	19.6%
Other Operating Income	371,255	6.5%	16,211	0.3%	3,959	0.1%	n.m.	n.m.
Other Operating Expenses	(214,787)	-3.7%	(133,559)	-2.6%	(110,173)	-2.7%	60.8%	95.0%
Equity accounting	-	0.0%	-	0.0%	(4,231)	-0.1%	n.m.	n.a.
Earnings Before Taxes	1,405,878	24.5%	903,717	17.8%	573,301	14.1%	55.6%	145.2%
Income Taxes & Contributions	(363,674)	-6.3%	(41,999)	-0.8%	(104,439)	-2.6%	n.m.	248.2%
Deferred Taxes	110,197	1.9%	(82,797)	-1.6%	57,655	1.4%	n.a.	91.1%
Minorities	(17,692)	-0.3%	(14,663)	-0.3%	(12,142)	-0.3%	20.7%	45.7%
Net Earnings	1,134,709	19.7%	764,258	15.1%	514,375	12.7%	48.5%	120.6%
EBITDA	1,392,717	24.2%	1,016,852	20.0%	732,222	18.0%	37.0%	90.2%
Earnings per Share (EPS)	0.27045		0.18211		0.12261		48.5%	120.6%

Annex II – Consolidated Income Statement – Accumulated

	06M21		06M20		HA%
	(A)	VA%	(B)	VA%	(A)/(B)
Net Operating Revenues	10,825,085	100.0%	7,778,379	100.0%	39.2%
Cost of Goods Sold	(7,458,839)	-68.9%	(5,448,743)	-70.0%	36.9%
Gross Profit	3,366,246	31.1%	2,329,636	30.0%	44.5%
Sales Expenses	(877,414)	-8.1%	(705,291)	-9.1%	24.4%
Administrative Expenses	(368,798)	-3.4%	(301,680)	-3.9%	22.2%
Financial Revenues	589,020	5.4%	573,490	7.4%	2.7%
Financial Expenses	(438,579)	-4.1%	(620,406)	-8.0%	-29.3%
Other Operating Income	387,466	3.6%	11,844	0.2%	n.m.
Other Operating Expenses	(348,346)	-3.2%	(191,876)	-2.5%	81.5%
Equity accounting	-	0.0%	(4,231)	-0.1%	n.a.
Earnings Before Taxes	2,309,595	21.3%	1,091,486	14.0%	111.6%
Income Taxes & Contributions	(405,673)	-3.7%	(157,295)	-2.0%	157.9%
Deferred Taxes	27,400	0.3%	46,301	0.6%	-40.8%
Minorities	(32,355)	-0.3%	(26,094)	-0.3%	24.0%
Net Earnings	1,898,967	17.5%	954,398	12.3%	99.0%
EBITDA	2,409,569	22.3%	1,351,336	17.4%	78.3%
Earnings per Share (EPS)	0.45256		0.22749		98.9%



Annex III – Consolidated Balance Sheet

	June 2021		December 2020		June 2020		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
Current Assets	13,990,900	65%	12,556,143	63%	10,827,449	60%	11%	29%
Cash & cash equivalents	3,822,227	18%	4,484,934	23%	2,849,836	16%	-15%	34%
Receivables	3,660,880	17%	3,417,251	17%	3,385,942	19%	7%	8%
Inventories	4,846,993	23%	3,737,529	19%	3,727,943	21%	30%	30%
Other current assets	1,660,800	8%	916,429	5%	863,728	5%	81%	92%
Noncurrent assets	7,420,935	35%	7,371,753	37%	7,180,332	40%	1%	3%
Long Term Assets	983,820	5%	898,045	5%	1,056,425	6%	10%	-7%
Deferred taxes	409,664	2%	360,390	2%	255,098	1%	14%	61%
Other non-current assets	574,156	3%	537,655	3%	801,327	4%	7%	-28%
Investments in Subs	2,536	0%	1,023	0%	35,405	0%	148%	-93%
Property, Plant & Equipment	4,575,883	21%	4,598,730	23%	4,206,492	23%	0%	9%
Intangibles	1,537,608	7%	1,595,475	8%	1,557,791	9%	-4%	-1%
Right of use	321,088	1%	278,480	1%	324,219	2%	15%	-1%
Total Assets	21,411,835	100%	19,927,896	100%	18,007,781	100%	7%	19%
Current Liabilities	7,407,489	35%	5,882,044	30%	4,687,927	26%	26%	58%
Social and Labor Liabilities	516,302	2%	366,790	2%	508,955	3%	41%	1%
Suppliers	1,875,591	9%	1,249,368	6%	928,897	5%	50%	102%
Fiscal and Tax Liabilities	408,859	2%	240,467	1%	194,686	1%	70%	110%
Short Term Debt	939,588	4%	642,284	3%	466,585	3%	46%	101%
Dividends Payable	436,163	2%	136,007	1%	213,812	1%	221%	104%
Advances from Clients	1,756,826	8%	1,714,656	9%	1,098,189	6%	2%	60%
Profit Sharing	338,842	2%	335,428	2%	179,722	1%	1%	89%
Derivatives	13,934	0%	14,011	0%	14,280	0%	-1%	-2%
Leasing	57,851	0%	63,994	0%	65,184	0%	-10%	-11%
Other Short Term Liabilities	1,063,533	5%	1,119,039	6%	1,017,617	6%	-5%	5%
Long Term Liabilities	1,682,133	8%	2,115,554	11%	2,691,175	15%	-20%	-37%
Long Term Debt	562,148	3%	1,044,296	5%	1,657,748	9%	-46%	-66%
Other Long Term Liabilities	159,009	1%	165,396	1%	143,568	1%	-4%	11%
Leasing	273,758	1%	223,532	1%	258,316	1%	22%	6%
Deferred Taxes	73,760	0%	69,625	0%	82,661	0%	6%	-11%
Contingencies Provisions	613,458	3%	612,705	3%	548,882	3%	0%	12%
Minorities	355,383	2%	367,133	2%	266,371	1%	-3%	33%
Stockholders' Equity	11,966,830	56%	11,563,165	58%	10,362,308	58%	3%	15%
Total Liabilities	21,411,835	100%	19,927,896	100%	18,007,781	100%	7%	19%

Annex IV – Consolidated Cash Flow Statement

	6 Months 2021	6 Months 2020
Operating Activities		
Net Earnings before Taxes	2,309,595	1,091,486
Depreciation and Amortization	250,415	212,934
Equity accounting	-	4,231
Provisions	(170,665)	279,514
Changes in Assets & Liabilities	(1,862,452)	(609,028)
(Increase) / Reduction of Accounts Receivable	(907,260)	248,529
Increase / (Reduction) of Accounts Payable	848,857	(74,044)
(Increase) / Reduction of Inventories	(1,240,638)	(460,817)
Income Tax and Social Contribution on Net Earnings	(259,925)	(125,153)
Profit Sharing Paid	(303,486)	(197,543)
Cash Flow from Operating Activities	526,893	979,137
Investment Activities		
Fixed Assets	(262,798)	(206,845)
Intangible Assets	(38,213)	(24,248)
Results of sales of fixed assets	37,605	8,406
Financial investments held to maturity	(57,863)	(72,357)
Rescue of financial investments	111,136	370,170
Cash Flow from Investment Activities	(210,133)	75,126
Financing Activities		
Working Capital Financing	211,291	8,609
Long Term Financing	(208,279)	(986,345)
Interest paid on loans and financing	(27,447)	(5,951)
Treasury Shares	3,866	(5,051)
Dividends & Interest on Stockholders Equity Paid	(859,246)	(491,536)
Cash Flow from Financing Activities	(879,815)	(1,480,274)
Changes in Cash and Equivalents caused by FX Changes	(53,158)	157,384
Change in Cash Position	(616,213)	(268,627)
Cash & Cash Equivalents		
Beginning of Period	3,892,140	1,946,044
End of Period	3,275,927	1,677,417

Notes:

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

(2) Capital Expenditure

n.a. stands for not applicable

n.m. stands for not mentioned

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