



EARNINGS RELEASE

3Q 2021

Solid and consistent growth in challenging operating environment

Highlights



Net Operating Revenue (NOR) was **R\$ 6,198.2 million** in 3Q21, 29.1% higher than 3Q20, and 7.8% higher than 2Q21;



EBITDA⁽⁷⁾ reached **R\$ 1,144.0 million**, 22.3% higher than 3Q20 and 17.9% lower than 2Q21*, while **EBITDA margin** was **18.5%**, 1.0 p.p. lower than 3Q20, and 5.7 p.p. lower than the previous quarter*;



Return on Invested Capital (ROIC⁽²⁾) reached **31.3%** in 3Q21, up 8.0 p.p. from 3Q20 and down 0.9 p.p. from 2Q21.

Message from the Management

The performance this quarter was positive in all of our business areas, despite the recent increase in operational costs, a reflex of the industrial activity improvement and the good demand for our products and services in the markets where we operate.

The Brazilian market was the main highlight, based on the consistent good demand observed in recent quarters. Short-cycle equipment revenues remained positive for both industrial and commercial segments, emphasizing electric motors (industrial and commercial), automation, and solar distributed generation (GD) businesses. The GTD business performance was key for the reported growth for the long-cycle products, primarily because of the good performance on transmission & distribution (T&D) and wind generation.

We posted another quarter of solid growth in the external market, justified by the continued demand improvement for industrial products. We registered sales growth on major markets, highlighting mining, oil & gas, and water & wastewater segments. In addition to the Industrial Electro-Electronic Equipment business, the good performance of the Commercial and Appliance Motors and GTD areas are worth mentioning, with sales improvements and increased share in important markets.

The challenges observed in the global supply chain and the consequent higher raw material cost, along with the change in the products mix, led to a reduction in operational margins this quarter. On the other hand, higher commodities prices unlock investments in significant industries such as oil & gas, mining, and pulp & paper, which contributed to build or backlog for coming quarters.

We reiterate the efforts to adapt and respond in an agile and efficient manner to the challenges imposed by the impacts of the pandemic in the global supply chain so far. Our vertical integrated business model allowed us to provide greater product availability and seize sales growth opportunities with market share gain in the main regions where we operate.

Table 1 – Main Highlights

	3Q21	2Q21	%	3Q20	%	09M21	09M20	%
Return on Invested Capital	31,3%	32,2%	-0,9 pp	23,3%	8,0 pp	31,3%	23,3%	8,0 pp
Net Operating Revenue	6.198.243	5.748.206	7,8%	4.801.260	29,1%	17.023.328	12.579.639	35,3%
Domestic Market	2.930.945	2.577.971	13,7%	2.085.192	40,6%	7.852.024	5.381.871	45,9%
External Markets	3.267.298	3.170.235	3,1%	2.716.068	20,3%	9.171.304	7.197.768	27,4%
<i>External Markets in US\$</i>	<i>624.344</i>	<i>600.806</i>	<i>3,9%</i>	<i>505.040</i>	<i>23,6%</i>	<i>1.723.270</i>	<i>1.413.813</i>	<i>21,9%</i>
Net Income *	812.925	1.134.709	-28,4%	644.246	26,2%	2.711.892	1.598.644	69,6%
Net Margin *	13,1%	19,7%	-6,6 pp	13,4%	-0,3 pp	15,9%	12,7%	3,2 pp
EBITDA *	1.144.010	1.392.718	-17,9%	935.332	22,3%	3.553.580	2.286.668	55,4%
EBITDA Margin *	18,5%	24,2%	-5,7 pp	19,5%	-1,0 pp	20,9%	18,2%	2,7 pp
Earnings per Share (EPS)	0,19372	0,27045	-28,4%	0,15355	26,2%	0,64628	0,38104	69,6%

* EBITDA and Net Income in 2Q21 were positively impacted by the tax credits referring to the exclusion of ICMS from the PIS and COFINS calculation basis

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 29.1% over 3Q20, up 40.6% in the domestic market and 20.3% in the external market, as shown in Table 1. The evolution of revenue proportion between markets is shown in Figure 1.

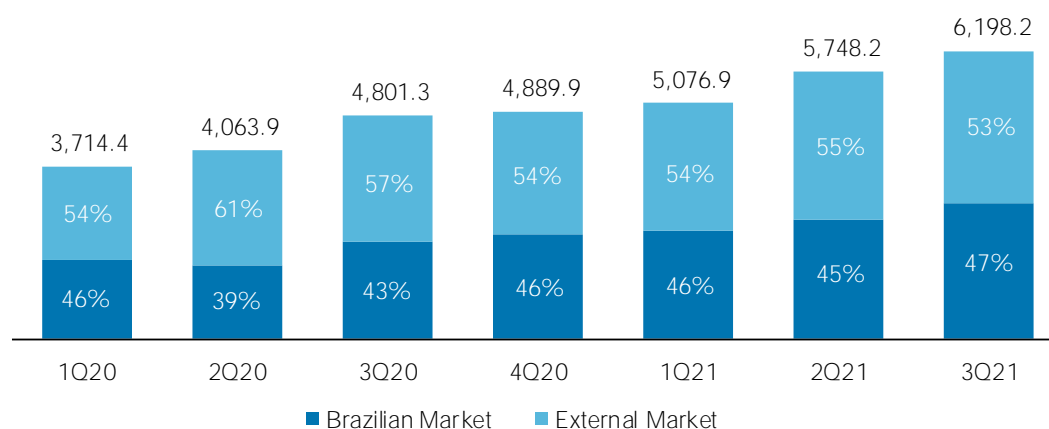


Figure 1 – Net operating revenue by market (figures in R\$ million)

Net operating revenue from the external market, measured by quarterly average US dollars (US\$), increased by 23.6% compared to 3Q20 and increased by 3.9% compared to 2Q21. 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

	3Q21		2Q21		3Q20		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
<i>External Markets in US\$</i>	624,344	100.0%	600,806	100.0%	505,040	100.0%	3.9%	23.6%
<i>North America</i>	263,767	42.2%	260,106	43.3%	221,583	43.9%	1.4%	19.0%
<i>South and Central America</i>	87,017	13.9%	72,546	12.1%	55,851	11.0%	19.9%	55.8%
<i>Europe</i>	149,358	23.9%	154,484	25.7%	143,533	28.4%	-3.3%	4.1%
<i>Africa</i>	45,236	7.2%	40,254	6.7%	34,141	6.8%	12.4%	32.5%
<i>Asia-Pacific</i>	78,966	12.8%	73,416	12.2%	49,932	9.9%	7.6%	58.1%

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 3Q20 to R\$ 5.23 in 3Q21, a 2.8% 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 20.9% compared to 3Q20.

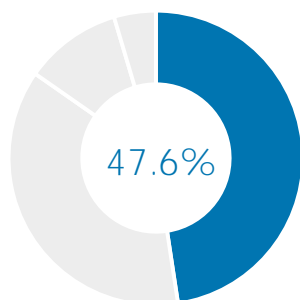
Consolidation and Acquisitions Adjustments

Adjusted for the consolidation effects of recent acquisitions of MVISIA, BirminD, and consolidation of TGM Kanis Turbinen GmbH, revenue would have grown by 27.5% vs. 3Q20.

Performance by Business Area

Industrial Electro-Electronic Equipment

NOR	Domestic Market	External Market
3Q21	984,664	1,964,283
2Q21	851,190	1,865,878
Δ%	15.7%	5.3%
3Q20	795,313	1,678,359
Δ%	23.8%	17.0%



Share in NOR

Domestic Market

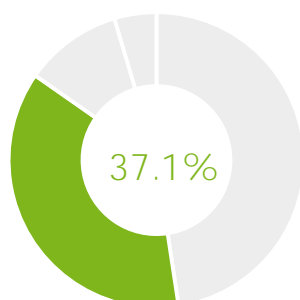
- Industrial activity remains positive in Brazil. The demand for short-cycle products, such as electric motors, gearboxes, and serial automation equipment, showed another quarter of improvement, mainly on agribusiness and water & wastewater.
- Revenues for long-cycle equipment, such as medium voltage electric motors and automation panels, continue to show good evolution in important markets, namely oil & gas, mining and water & wastewater.

External Market

- Consolidation of the economic and industrial recovery observed last quarter. Sales volumes to equipment manufacturers (OEMs) confirm the industry's recovery movement. Relevant segments such as mining, oil & gas, and water & wastewater led the demand for short-cycle products, such as low voltage electric motors and automation equipment.
- Long-cycle equipment showed improved revenues, reaffirming the signs of recovery reported last quarter. Sales and orders intake are growing for projects in segments such as oil & gas, mining, and water & wastewater.

Energy Generation, Transmission, and Distribution (GTD)

NOR	Domestic Market	External Market
3Q21	1,381,004	918,524
2Q21	1,204,262	931,744
Δ%	14.7%	-1.4%
3Q20	867,383	777,722
Δ%	59.2%	18.1%



Share in NOR

Domestic Market

- Another good quarter where all businesses presented growth. Highlights to good demand for distributed solar generation (GD), with sales accelerating in recent months, and the increased revenues for wind turbines and alternators.
- The T&D business showed another quarter of evolution, driven by deliveries of large transformers and substations for important projects linked to transmission lines, associated with sales of transformers for distribution and renewable energy generation projects (wind and solar).

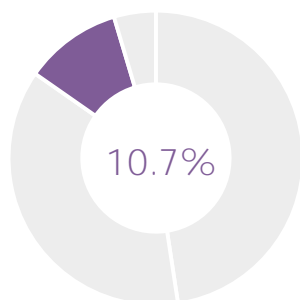
External Market

- The T&D businesses presented another good quarter, with relevant projects being delivered in México, 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.

Performance by Business Area

Commercial and Appliance Motors

NOR	Domestic Market	External Market
3Q21	326,397	336,843
2Q21	306,977	326,113
Δ%	6.3%	3.3%
3Q20	253,321	220,709
Δ%	28.8%	52.6%



Share in NOR

Domestic Market

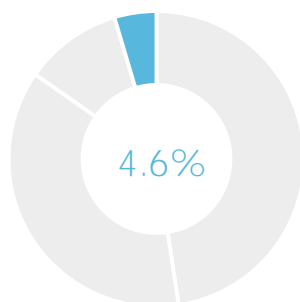
- Sales volume remained high in Brazil. Food & beverage, agribusiness, and durable consumer goods segments were the ones that contributed the most to this quarter's growth. Applications such as air conditioning, pumps, and bakery equipment were some of the main destinations for our products.
- Order intake began to show accommodation through this quarter, mainly in the appliance segment, an expected move after the strong recovery since the second half of 2020.

External Market

- We observed 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. Pump and compressor applications were the highlights this quarter.

Paints and Varnishes

NOR	Domestic Market	External Market
3Q21	238,880	47,648
2Q21	215,542	46,500
Δ%	10.8%	2.5%
3Q20	169,175	39,278
Δ%	41.2%	21.3%



Share in NOR

Domestic Market

- Demand for paint and varnish products also continued to be strong, emphasizing road equipment, aluminum profiles, and agribusiness.

External Market

We presented sales growth in Latin American countries, especially in Chile, through exports from Brazil, and México, where we initiated operations on our new paint factory at the end of 2020.

Cost of Goods Sold

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

Table 3 – Costs

	3Q21	2Q21	HA%	2Q20	HA%
Net Operating Revenues	6,198,243	5,748,206	7.8%	4,801,260	29.1%
Cost of Goods Sold	(4,411,429)	(4,001,699)	10.2%	(3,289,688)	34.1%
Gross Margin	28.8%	30.4%	-1.6 pp	31.5%	-2.7 pp

Higher costs on the main raw materials in our cost structure, notably steel and copper, along with the change in the product mix, were decisive factors for the reduction in operating margins this quarter, despite the continued cost reduction efforts and process improvements, which provided productivity gains, especially in our operations abroad.

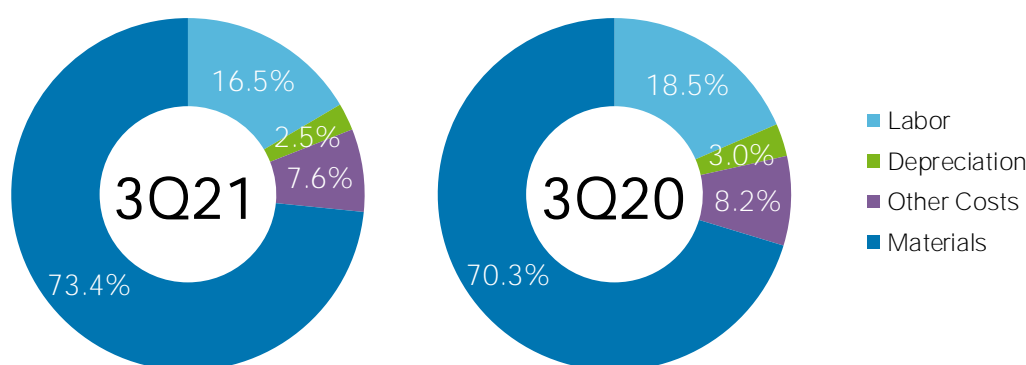


Figure 2 – COGS Composition

Sales, General, and Administrative Expenses

Consolidated Sales, General, and Administrative (SG&A) expenses totaled R\$ 663.6 million in 3Q21, an increase of 17.5% vs. 3Q20 and an increase of 4.2% vs. 2Q21. When analyzed compared to net operating revenue, these expenses accounted for 10.7%, down 1.1 p.p. vs. 3Q20 and down 0.4 p.p. vs. 2Q21.

EBITDA e EBITDA Margin

The composition of the EBITDA calculation, according to Instruction CVM 527/2012, and EBITDA margin are shown in Table 4. The challenges in the global supply chain and the consequent increase in raw material costs, together with the change in the product mix, notably the return of the wind generation business, resulted in a reduction in operating margins this quarter.

Table 4 – Calculation of EBITDA and EBITDA Margin

	3Q21	2Q21	HA%	3Q20	HA%
Net Operating Revenues	6.198.243	5.748.206	7,8%	4.801.260	29,1%
Net Income *	812.925	1.134.709	-28,4%	644.246	26,2%
Net Income Before Minorities	832.231	1.152.402	-27,8%	653.612	27,3%
(+) Income Tax and Contributions	185.534	253.477	-26,8%	131.892	40,7%
(+/-) Finance Income (Expenses)	(3.725)	(139.906)	-97,3%	31.980	n.a.
(+) Depreciation & Amortization	129.970	126.745	2,5%	117.848	10,3%
EBITDA *	1.144.010	1.392.718	-17,9%	935.332	22,3%
EBITDA Margin *	18,5%	24,2%	-5,7 pp	19,5%	-1,0 pp

* EBITDA and Net Income in 2Q21 were positively impacted by the tax credits referring to the exclusion of ICMS from the PIS and COFINS calculation basis.

Net Income

Net income in 3Q21 was R\$ 812.9 million, an increase of 26.2% vs. 3Q20 and a decrease of 28.4% vs. 2Q21. The net margin reached 13.1%, 0.3 p.p. lower than 3Q20, and 6.6 p.p. lower than 2Q21.

Cash Flow

Cash generation in operating activities was R\$ 625.7 million in the first nine months of 2021. 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 the same period of last year, continuing investments in our factories in Brazil, China, US, and India.

In financing activities, the company raised R\$ 239.7 million and made amortizations of R\$ 239.8 million, resulting in a net amortization of R\$ 0.1 million. Interest on loans consumed R\$ 40.4 million, while payments to equity holders (dividends and interest on capital) totaled R\$ 1,656.5 million. The final result was consumption of R\$ 1692.4 million in financing activities in the year.

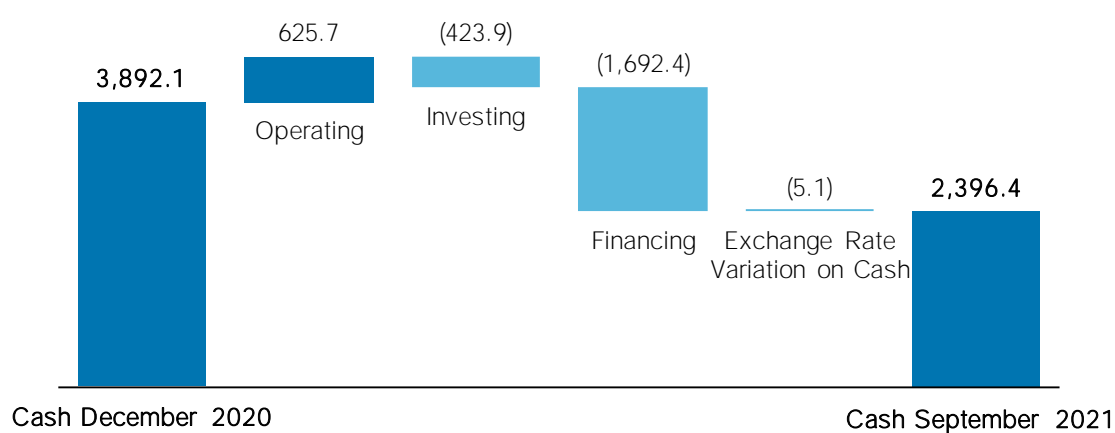


Figure 3 – Cash flow reconciliation (figures in R\$ million)

The chart of Figure 3 shows the cash and cash equivalents positions classified as current assets. Furthermore, the company has R\$ 1,096.9 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 3Q21, accumulated in the last 12 months, increased by 8.0 p.p. over 3Q20, reaching 31.3%. 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 3Q21, we invested R\$ 225.0 million in modernization and expansion of production capacity, machinery and equipment, and software licenses, of which 59% are for production units in Brazil and 41% for industrial plants and other facilities abroad.

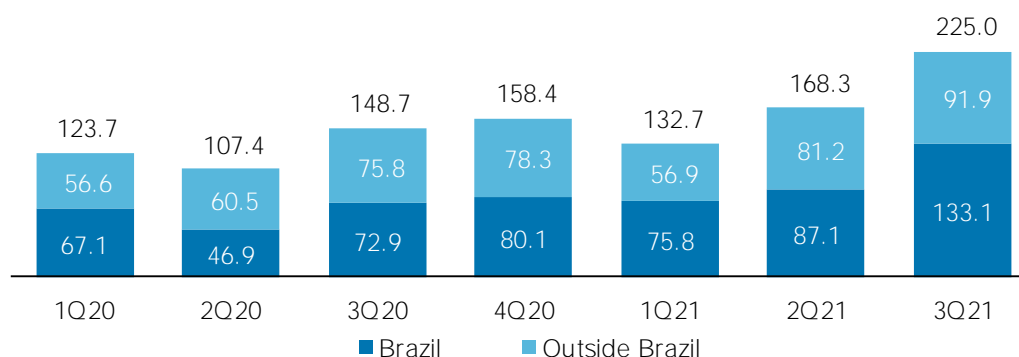


Figure 4 – CAPEX Evolution (figures in R\$ million)

Research, Development and Innovation

Expenditures on research, development and innovation activities totaled R\$ 149.3 million, representing 2.4% of net operating revenue in 3Q21.

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

	September 2021		December 2020		September 2020	
Cash & Cash Equivalents	2,942,361		4,484,934		3,597,570	
Current	2,942,361		4,484,934		3,597,570	
Derivatives	495,838		504,629		587,568	
Debt	(1,635,209)	100%	(1,686,580)	100%	(1,969,986)	100%
Current	(1,031,609)	63%	(642,284)	38%	(296,413)	15%
In Brazilian Reais	(8,177)		(12,289)		(55,414)	
In other currencies	(1,023,432)		(629,995)		(240,999)	
Long Term	(603,600)	37%	(1,044,296)	62%	(1,673,573)	85%
In Brazilian Reais	(39,140)		(48,193)		(62,605)	
In other currencies	(564,460)		(996,103)		(1,610,968)	
Net Cash	1,802,990		3,302,983		2,215,152	

The total duration of our indebtedness was 9.7 months at the end of quarter, with a duration of 18.5 months in the long term. In December 2020, these figures were 18.5 months and 21.8 months, respectively;

Dividends and Interest on Stockholders' Equity

From August 11, 2021, onwards, we started to pay dividends declared during the first half of 2021, as below:

- On March 23, as interest on stockholders' equity, to the gross amount of R\$ 71.0 million;
- On June 22, as interest on stockholders' equity, to the gross amount of R\$ 86.1 million;
- On July 27, as dividends referring to profit recorded in the first half of 2021, to the total amount of R\$ 663.7 million.

Also, on September 21, the Board of Directors approved interest on stockholders' equity, to the gross amount of R\$ 86.9 million. We will pay this interest from March 16, 2022.

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 and Interest on Stockholders' Equity

Event	Board Meeting Date	Gross amount per share
Interested on Stockholders' Equity	23/03/2021	0,033823529
Interest on Stockholders' Equity	22/06/2021	0,020529412
Dividends	27/07/2021	0,158175000
Interest on Stockholders' Equity	21/09/2021	0,020705882
Total		0,233233823

Other Events

Acquisition of Balteau

On September 14, 2021 we announced the acquisition of the entire capital stock of Balteau Produtos Elétricos Ltda., a manufacturer of instrument transformers and measuring sets located in Itajubá, Minas Gerais State. The transaction is subject to the approval from the local competition authority (CADE - Administrative Council for Economic Defense).

Traditional company in its segment, with long history operating in Brazil, Balteau has a manufacturing site of 11,800 m² with state-of-the-art equipment and facilities. With a workforce of 350 employees, the company specializes in the design, manufacturing, electrical testing, and technical services of current transformers and capacitive voltage transformers up to 550 kV, inductive voltage transformers up to 145kV, and measurement sets up to 36kV, products currently not part of WEG portfolio. Net revenue in 2020 was R\$ 121.7 million.

Results Conference Call

On October 28, 2021 (Thursday), WEG will hold a teleconference in Portuguese, with simultaneous translation into English, also available on the internet webcast, at the following times.

- 11h00 – São Paulo (BRT)
- 10h00 – New York (EDT)
- 15h00 – London (BST)

Connecting phone numbers:

- Dial-in for connections in Brazil: 55 11 4090-1621 / 55 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/3t21.htm>
- Slides and simultaneous translation into English: <https://choruscall.com.br/weg/3q21.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

3Q 2021

Annex

Annex I – Consolidated Income Statement – Quarterly

	3Q21		2Q21		3Q20		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
Net Operating Revenues	6,198,243	100.0%	5,748,206	100.0%	4,801,260	100.0%	7.8%	29.1%
Cost of Goods Sold	(4,411,429)	-71.2%	(4,001,699)	-69.6%	(3,289,688)	-68.5%	10.2%	34.1%
Gross Profit	1,786,814	28.8%	1,746,507	30.4%	1,511,572	31.5%	2.3%	18.2%
Sales Expenses	(457,889)	-7.4%	(443,133)	-7.7%	(395,780)	-8.2%	3.3%	15.7%
Administrative Expenses	(205,711)	-3.3%	(193,870)	-3.4%	(169,122)	-3.5%	6.1%	21.6%
Financial Revenues	162,309	2.6%	425,155	7.4%	196,626	4.1%	-61.8%	-17.5%
Financial Expenses	(158,584)	-2.6%	(285,249)	-5.0%	(228,606)	-4.8%	-44.4%	-30.6%
Other Operating Income	23,461	0.4%	371,255	6.5%	3,821	0.1%	-93.7%	n.m.
Other Operating Expenses	(132,634)	-2.1%	(214,787)	-3.7%	(139,855)	-2.9%	-38.2%	-5.2%
Equity accounting	-	0.0%	-	0.0%	6,848	0.1%	n.m.	n.a.
Earnings Before Taxes	1,017,766	16.4%	1,405,878	24.5%	785,504	16.4%	-27.6%	29.6%
Income Taxes & Contributions	(169,456)	-2.7%	(363,674)	-6.3%	(161,867)	-3.4%	-53.4%	4.7%
Deferred Taxes	(16,078)	-0.3%	110,197	1.9%	29,975	0.6%	n.a.	n.a.
Minorities	(19,307)	-0.3%	(17,692)	-0.3%	(9,366)	-0.2%	9.1%	106.1%
Net Earnings	812,925	13.1%	1,134,709	19.7%	644,246	13.4%	-28.4%	26.2%
EBITDA	1,144,010	18.5%	1,392,718	24.2%	935,332	19.5%	-17.9%	22.3%
Earnings per Share (EPS)	0.19372		0.27045		0.15355		-28.4%	26.2%

Annex II – Consolidated Income Statement – Accumulated

	09M21		09M20		HA%
	(A)	VA%	(B)	VA%	(A)/(B)
Net Operating Revenues	17,023,328	100.0%	12,579,639	100.0%	35.3%
Cost of Goods Sold	(11,870,268)	-69.7%	(8,738,431)	-69.5%	35.8%
Gross Profit	5,153,060	30.3%	3,841,208	30.5%	34.2%
Sales Expenses	(1,335,303)	-7.8%	(1,101,071)	-8.8%	21.3%
Administrative Expenses	(574,509)	-3.4%	(470,802)	-3.7%	22.0%
Financial Revenues	751,329	4.4%	770,116	6.1%	-2.4%
Financial Expenses	(597,163)	-3.5%	(849,012)	-6.7%	-29.7%
Other Operating Income	410,927	2.4%	15,665	0.1%	n.m.
Other Operating Expenses	(480,980)	-2.8%	(331,731)	-2.6%	45.0%
Equity accounting	-	0.0%	2,617	0.0%	n.a.
Earnings Before Taxes	3,327,361	19.5%	1,876,990	14.9%	77.3%
Income Taxes & Contributions	(575,129)	-3.4%	(319,162)	-2.5%	80.2%
Deferred Taxes	11,322	0.1%	76,276	0.6%	-85.2%
Minorities	(51,662)	-0.3%	(35,460)	-0.3%	45.7%
Net Earnings	2,711,892	15.9%	1,598,644	12.7%	69.6%
EBITDA	3,553,580	20.9%	2,286,668	18.2%	55.4%
Earnings per Share (EPS)	0.64628		0.38104		69.6%

Annex III – Consolidated Balance Sheet

	September 2021		December 2020		September 2020		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
Current Assets	14,743,151	66%	12,556,143	63%	11,581,761	61%	17%	27%
Cash & cash equivalents	2,942,361	13%	4,484,934	23%	3,597,570	19%	-34%	-18%
Receivables	4,349,461	19%	3,417,251	17%	3,564,454	19%	27%	22%
Inventories	5,619,084	25%	3,737,529	19%	3,586,598	19%	50%	57%
Other current assets	1,832,245	8%	916,429	5%	833,139	4%	100%	120%
Noncurrent assets	7,757,150	34%	7,371,753	37%	7,467,114	39%	5%	4%
Long Term Assets	973,648	4%	898,045	5%	1,107,252	6%	8%	-12%
Deferred taxes	409,256	2%	360,390	2%	292,342	2%	14%	40%
Other non-current assets	564,392	3%	537,655	3%	814,910	4%	5%	-31%
Investment in Subs	1,254	0%	1,023	0%	45,670	0%	23%	-97%
Property, Plant & Equipment	4,846,417	22%	4,598,730	23%	4,406,791	23%	5%	10%
Intangibles	1,617,748	7%	1,595,475	8%	1,604,420	8%	1%	1%
Right of use	318,083	1%	278,480	1%	302,981	2%	14%	5%
Total Assets	22,500,301	100%	19,927,896	100%	19,048,875	100%	13%	18%
Current Liabilities	7,533,439	33%	5,882,044	30%	4,924,701	26%	28%	53%
Social and Labor Liabilities	587,206	3%	366,790	2%	564,222	3%	60%	4%
Suppliers	1,968,897	9%	1,249,368	6%	1,239,930	7%	58%	59%
Fiscal and Tax Liabilities	410,308	2%	240,467	1%	228,293	1%	71%	80%
Short Term Debt	1,031,609	5%	642,284	3%	296,413	2%	61%	248%
Dividends Payable	81,457	0%	136,007	1%	67,736	0%	-40%	20%
Advances from Clients	1,966,805	9%	1,714,656	9%	1,216,807	6%	15%	62%
Profit Sharring	290,325	1%	335,428	2%	212,781	1%	-13%	36%
Derivatives	51,166	0%	14,011	0%	21,189	0%	265%	141%
Leasing	49,438	0%	63,994	0%	56,242	0%	-23%	-12%
Other Short Term Liabilities	1,096,228	5%	1,119,039	6%	1,021,088	5%	-2%	7%
Long Term Liabilities	1,827,090	8%	2,115,554	11%	2,724,139	14%	-14%	-33%
Long Term Debt	603,600	3%	1,044,296	5%	1,673,573	9%	-42%	-64%
Other Long Term Liabilities	244,189	1%	165,396	1%	151,757	1%	48%	61%
Leasing	284,042	1%	223,532	1%	247,157	1%	27%	15%
Deferred Taxes	74,183	0%	69,625	0%	77,660	0%	7%	-4%
Contingencies Provisions	621,076	3%	612,705	3%	573,992	3%	1%	8%
Minorities	389,367	2%	367,133	2%	277,565	1%	6%	40%
Stockholders' Equity	13,139,772	58%	11,930,298	60%	11,400,035	60%	10%	15%
Total Liabilities	22,500,301	100%	19,927,896	100%	19,048,875	100%	13%	18%

Annex IV – Consolidated Cash Flow Statement

	9 Months 2021	9 Months 2020
Operating Activities		
Net Earnings before Taxes	3,327,361	1,876,990
Depreciation and Amortization	380,385	330,781
Equity accounting	-	(2,617)
Provisions	460,175	457,501
Tax credit - ICMS exclusion from PIS/COFINS calculation basis	(502,953)	-
Changes in Assets & Liabilities	(3,039,278)	(108,472)
(Increase) / Reduction of Accounts Receivable	(1,305,735)	428,081
Increase / (Reduction) of Accounts Payable	1,033,500	209,333
(Increase) / Reduction of Inventories	(1,830,383)	(205,628)
Income Tax and Social Contribution on Net Earnings	(465,224)	(260,177)
Profit Sharing Paid	(471,436)	(280,081)
Cash Flow from Operating Activities	625,690	2,554,183
Investment Activities		
Fixed Assets	(477,770)	(345,414)
Intangible Assets	(48,277)	(34,400)
Results of sales of fixed assets	40,840	4,731
Financial investments held to maturity	(57,864)	(516,648)
Rescue of financial investments	119,191	1,013,214
Cash Flow From Investment Activities	(423,880)	121,483
Financing Activities		
Working Capital Financing	239,738	71,451
Long Term Financing	(239,775)	(1,378,472)
Interest paid on loans and financing	(40,415)	(7,579)
Treasury Shares	4,563	(4,360)
Dividends & Interest on Stockholders Equity Paid	(1,656,518)	(880,013)
Cash Flow From Financing Activities	(1,692,407)	(2,198,973)
Changes in Cash and Equivalents caused by FX Changes	(5,128)	193,749
Change in Cash Position	(1,495,725)	670,442
Cash & Cash Equivalents		
Beginning of Period	3,892,140	1,946,044
End of Period	2,396,415	2,616,486

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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