



EARNINGS RELEASE

3Q 2020

Short-cycle recovery and long-cycle growth drives operational performance

Highlights



Net Operating Revenue (NOR) were **R\$ 4,801.3 million** in 3Q20, 43.3% higher than 3Q19 and 18.1% higher than 2Q20;



EBITDA⁽¹⁾ reached **R\$ 935.3 million**, 61.5% higher than 3Q19 and 27.7% higher than 2Q20, while **EBITDA margin** was **19.5%**, 2.2 p.p. higher than 3Q19 and 1.5 p.p. higher than the previous quarter;



Return on Invested Capital (ROIC) reached **23.3%** in 3Q20, up 4.1 p.p. from 3Q19 and up 1.7 p.p. from 2Q20.

Message from the Management

This quarter was marked by the resumption of demand for short-cycle equipment, both in Brazil, where we observed a significant improvement in all business units, and abroad, where the recovery, although slower, has remained constant since April/May, worst months of the pandemic's impact on our business. This recovery, combined with the maintenance of the good performance of the long-cycle businesses and our efforts to control costs and operational efficiency, were determining factors for the good results presented in this quarter.

Demand improvement for short-cycle equipment occurred in all business areas, though at different pace between them. The Commercial and Appliance Motors, Paints and Varnishes and Distributed Solar Generation businesses (included in GTD), linked to the Brazilian market, showed rapid recovery, reaching volumes at the end of the quarter similar to pre-pandemic levels. Businesses in the Industrial Electro-Electronic Equipment area showed a good evolution compared to the previous quarter, although slowly in the external market when compared to domestic market.

Another highlight was the performance of our long-cycle businesses, which continue to contribute positively to the result, as a result of the important order book built both in Brazil and abroad. Projects for relevant industries such as mining, pulp & paper, water & wastewater and oil & gas, as well as in the Transmission & Distribution (T&D) area, were mainly responsible for the good performance in the quarter.

Despite the improvement in business dynamics this quarter, we reinforce that the pandemic caused by COVID-19 is yet to be overcome. Uncertainties regarding the global economic recovery still remain, and future impacts in different industry segments can reflect on our business in the medium and long term, especially in projects related to long-cycle equipment.

Table 1 – Main Highlights

	3Q20	2Q20	%	3Q19	%	09M20	09M19	%
Return on Invested Capital	23.3%	21.6%	1.7 pp	19.2%	4.1 pp	23.3%	19.2%	4.1 pp
Net Operating Revenue	4,801,260	4,063,943	18.1%	3,349,604	43.3%	12,579,639	9,568,588	31.5%
Domestic Market	2,085,192	1,604,279	30.0%	1,378,136	51.3%	5,381,871	3,919,960	37.3%
External Markets	2,716,068	2,459,664	10.4%	1,971,468	37.8%	7,197,768	5,648,628	27.4%
<i>External Markets in US\$</i>	<i>505,040</i>	<i>457,014</i>	<i>10.5%</i>	<i>496,584</i>	<i>1.7%</i>	<i>1,413,813</i>	<i>1,451,054</i>	<i>-2.6%</i>
Net Income	644,246	514,375	25.2%	418,243	54.0%	1,598,644	1,114,094	43.5%
Net Margin	13.4%	12.7%	0.7 pp	12.5%	0.9 pp	12.7%	11.6%	1.1 pp
EBITDA	935,332	732,222	27.7%	579,073	61.5%	2,286,668	1,578,076	44.9%
EBITDA Margin	19.5%	18.0%	1.5 pp	17.3%	2.2 pp	18.2%	16.5%	1.7 pp
Earnings per Share (EPS)	0.30711	0.24521	25.2%	0.19939	54.0%	0.76209	0.53116	43.5%

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

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.



Net Operating Revenue

Net operating revenue increased by 43.3% over 3Q19, up 51.3% in the domestic market and up 37.8% in the external markets as shown in the table 1 above. The evolution of the revenue proportion between markets is shown in figure 1 below.

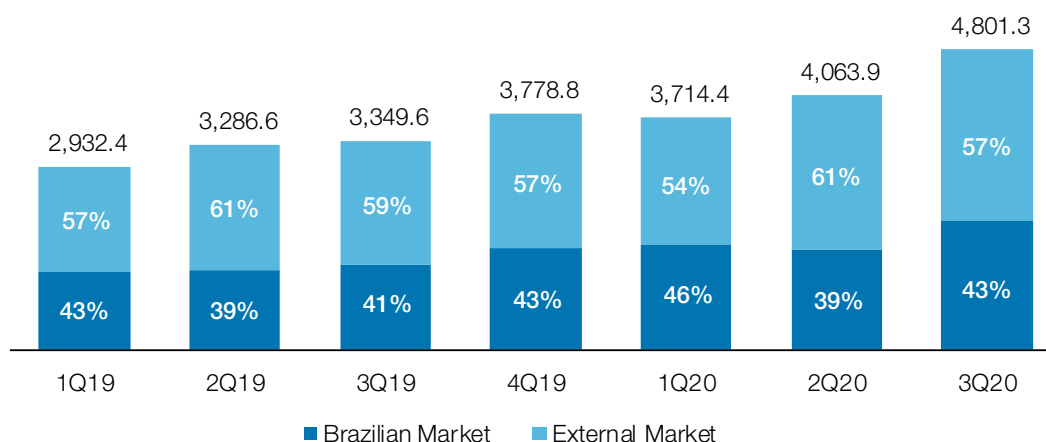


Figure 1 – Net Operating Revenue by Market (figures in R\$ million)

Net operating revenue from the external market, measured in the quarterly averaged US dollars, increased by 1.7% in relation to 3Q19 and grew 10.5% in relation to 2Q20. The distribution of net revenue by geographic market is shown in table 2 below.

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

	3Q20		2Q20		3Q19		HA% (A)/(B)	HA% (A)/(C)
	(A)	VA%	(B)	VA%	(C)	VA%		
<i>External Markets in US\$</i>	505,040	100.0%	457,014	100.0%	496,584	100.0%	10.5%	1.7%
<i>North America</i>	221,583	43.9%	214,340	46.9%	231,905	46.7%	3.4%	-4.5%
<i>South and Central America</i>	55,851	11.1%	44,787	9.8%	60,087	12.1%	24.7%	-7.0%
<i>Europe</i>	143,533	28.4%	133,448	29.2%	115,207	23.2%	7.6%	24.6%
<i>Africa</i>	34,141	6.8%	23,765	5.2%	42,210	8.5%	43.7%	-19.1%
<i>Asia-Pacific</i>	49,932	9.9%	40,674	8.9%	47,175	9.5%	22.8%	5.8%

Net operating revenue from the external market, measured in Brazilian Real, was positively impacted by the average Brazilian Real/US dollar exchange rate that moved from R\$ 3.97 in 3Q19 to R\$ 5.38 in 3Q20, with 35.5% depreciation of the Brazilian Real.

It is important to consider that we set our sales prices in different markets in local currency amounts, according to local competitive conditions. Measured in local currencies, weighted by revenues in each market, net operating revenue from external market increased by 4.5% in relation to 3Q19.

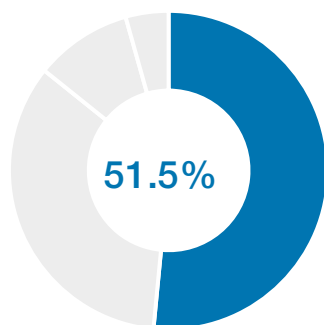
Acquisition Adjustments

Adjusted for the consolidation effects of recent acquisitions of Geremia Redutores, PPI-Multitask and V2COM, revenue would have grown by 42.3% vs. 3Q19. The growth in the domestic market would have been 48.8%, while in the external market it would be in line with the reported values.

Performance by Business Area

Industrial Electro-Electronic Equipment

NOR	Domestic Market	External Market
3Q20	795,313	1,678,359
2Q20	635,641	1,583,637
Δ%	25.1%	6.0%
3Q19	530,024	1,298,831
Δ%	50.1%	29.2%



Domestic Market

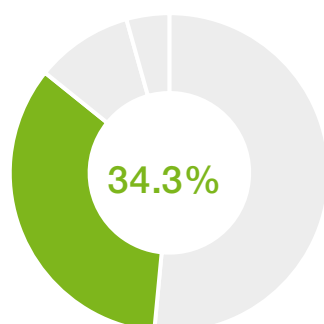
- Important recovery in the Brazilian industrial activity linked to short-cycle equipment, with emphasis on the serial automation products and low voltage motors, partly associated with the high demand in the construction and agribusiness sectors.
- Deliveries of important projects contributed to the good long-cycle equipment quarter, especially for the mining, oil & gas and pulp & paper segments.

External Market

- Continuity in the gradual resumption of global economic activity after the initial impacts of the pandemic, but still lower when compared to the same period last year for short-cycle equipment. Except for our operations in China, which showed significant growth, associated with the high industrial activity in the Chinese domestic market.
- Long-cycle equipment maintained good revenue performance this quarter, with orders being delivered to relevant segments such as oil & gas and water & wastewater.
- It is important to highlight that throughout 3Q20, we observed a decrease in order entry for long-cycle equipment in several regions. Important industries, such as oil & gas, pulp & paper and water & wastewater, reduced the pace of investment, reflecting the effects of the pandemic.

Energy Generation, Transmission, and Distribution (GTD)

NOR	Domestic Market	External Market
3Q20	867,383	777,722
2Q20	755,710	700,600
Δ%	14.8%	11.0%
3Q19	526,221	506,817
Δ%	64.8%	53.5%



Domestic Market

- A recurring highlight in recent quarters, the transmission and distribution (T&D) business continues to be a main driver for reported growth, with large transformers and substations being delivered for projects linked to the transmission line auctions carried out in recent years.
- The distributed solar generation (GD) business, after the initial impact of the pandemic felt in 2Q20, showed a good recovery, reaching activity levels similar to 1Q20 at the end of this quarter, contributing to the good results of the GTD area.

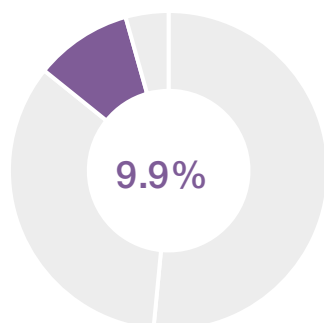
External Market

- We presented another quarter of good results, with the continuation of relevant deliveries being made in the USA and Mexico, with an important contribution from the synergy between our operations in North America.

Performance by Business Area

Commercial and Appliance Motors

NOR	Domestic Market	External Market
3Q20	253,321	220,709
2Q20	106,285	153,889
Δ%	138.3%	43.4%
3Q19	188,023	145,720
Δ%	34.7%	51.5%



Domestic Market

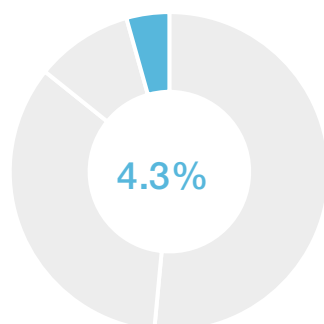
- Following the movement observed at the end of 2Q20, demand for products in this business area showed a rapid improvement, after a sharp drop at the beginning of the pandemic, especially in the segments of motors for durable goods (white goods), motor pumps and commercial compressors. This movement can be explained in part by the economic stimulus promoted by the local authorities.

External Market

- Sales recovered well this quarter, especially in North America, where we continue to increase our market share in the USA and Mexico.

Paints and Varnishes

NOR	Domestic Market	External Market
3Q20	169,175	39,278
2Q20	106,643	21,538
Δ%	58.6%	82.4%
3Q19	133,868	20,100
Δ%	26.4%	95.4%



Domestic Market

- An increase in demand in several important segments, especially in road implements, agricultural machinery, home appliances and construction, confirmed the road to recovery which began in the second half of last quarter.

External Market

- The good performance was driven by the improvement in economic activity in Argentina after slow months due to the pandemic, as well as the increase in sales in other Latin American countries, both in industrial paints and in automotive refinish paints.

Cost of Goods Sold

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

Table 3 – Costs

	3Q20	2Q20	HA%	3Q19	HA%
Net Operating Revenues	4,801,260	4,063,943	18.1%	3,349,604	43.3%
Cost of Goods Sold	(3,289,688)	(2,831,840)	16.2%	(2,344,433)	40.3%
Gross Margin	31.5%	30.3%	1.2 pp	30.0%	1.5 pp

With the return of normal operating activity in most of our operations, especially those related to short-cycle equipment, gross margin improved compared to that of the previous year. Despite the exchange rate variation in the period, the operational adjustments implemented since the beginning of the pandemic, the efforts to reduce costs and improve processes that provided productivity gains, were decisive factors for this performance.

In 3Q20 the average price of copper in the spot Market on London Metal Exchange (LME) in US dollars increased 21.6% vs. 2Q20 and increased 12.3% vs. 3Q19. In addition, throughout the year, the average price of steel has been lower the same period in 2019 in our main markets outside Brazil. On the other hand, when analyzed in Brazilian Reals, it showed significant increase due to the impact of the exchange rate variation in the period.

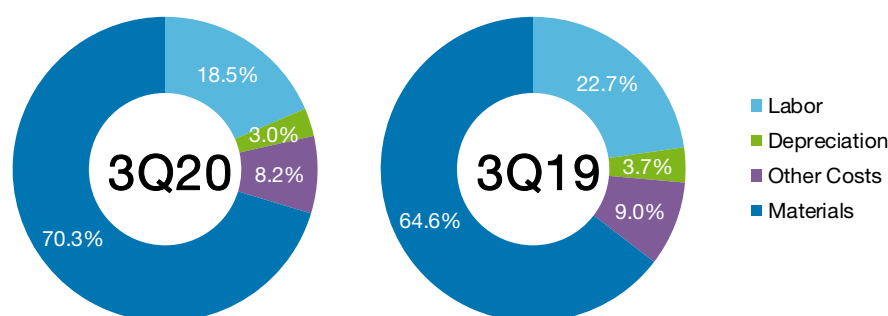


Figure 2 – COGS Composition

Sales, General, and Administrative Expenses

Consolidated Sales, General, and Administrative (SG&A) expenses totaled R\$ 564.9 million in 3Q20, an increase of 27.1% vs. 3Q19 and an increase of 12.5% vs. 2Q20. When analyzed in relation to net operating revenue, these expenses accounted for 11.8%, down 1.5 p.p. vs. 3Q19 and down 0.6 p.p. vs. 2Q20.

It is worth mentioning that part of the adjustments made since the beginning of the pandemic continue to contribute to the control of expenses, although in less intensity when compared to 2Q20. Mainly in relation to the reduction in selling expenses, such as business trips and reduced labor hours and wages still present in some operations this quarter.

EBITDA and EBITDA Margin

The composition of the EBITDA calculation, according to Instruction CVM 527/2012, and the EBITDA margin are shown in table 4 below. The EBITDA margin showed another quarter of growth, reflecting the rationalization of expense and costs, described above, together with the improvement in the margin in long-cycle operations and in some important operations abroad.

It is worth mentioning that this quarter we had a non-recurring impact on EBITDA, referring to financial credits from the IT law, in the amount of R\$ 29.2 million. Normalized by this effect, the 3Q20 EBITDA margin would have been 18.9%.

Table 4 – Calculation of EBITDA and EBITDA Margin

	3Q20	2Q20	HA%	3Q19	HA%
Net Operating Revenues	4,801,260	4,063,943	18.1%	3,349,604	43.3%
Net Income	644,246	514,375	25.2%	418,243	54.0%
Net Income Before Minorities	653,612	526,517	24.1%	424,541	54.0%
(+) Income Taxes & Contributions	131,892	46,784	181.9%	38,041	246.7%
(+/-) Financial Income (Expenses)	31,980	46,164	-30.7%	15,508	106.2%
(+) Depreciation & Amortization	117,848	112,757	4.5%	100,984	16.7%
EBITDA	935,332	732,222	27.7%	579,074	61.5%
EBITDA Margin	19.5%	18.0%	1.5 pp	17.3%	2.2 pp

Net Income

Net Income in 3Q20 was R\$ 644.2 million, an increase of 54.0% vs. 3Q19 and increase of 25.2% vs. 2Q20. Net margin reached 13.4%, 0.9 p.p. higher than 3Q19 and 0.7 p.p. higher than 2Q20.

Cash Flow

Cash generation in operating activities was R\$ 2,554.2 million in the first nine months of 2020, an increase of 137.5% compared to the same period of the previous year. This growth is driven by the growth in operating income and less need for working capital in the period.

The level of investment (CAPEX⁽²⁾) in modernization and expansion of production capacity increased compared to 2019, primarily due to the continuity of investments in our factories in Brazil, US, Mexico and China. In addition, movements in long-term financial investments, included in this group in the accounting cash flow statement, were largely responsible for the generation of R\$ 121.5 million in investment activities.

In financing activities, the company raised R\$ 71.5 million and made amortizations of R\$ 1,378.5 million, resulting in a net amortization of R\$ 1,307.0 million. Interest on loans consumed R\$ 7.6 million while payments to equity holders (dividends and interest on capital) totaled R\$ 880.0 million. The final result was consumption of R\$ 2,199.0 million in financing activities this year so far.

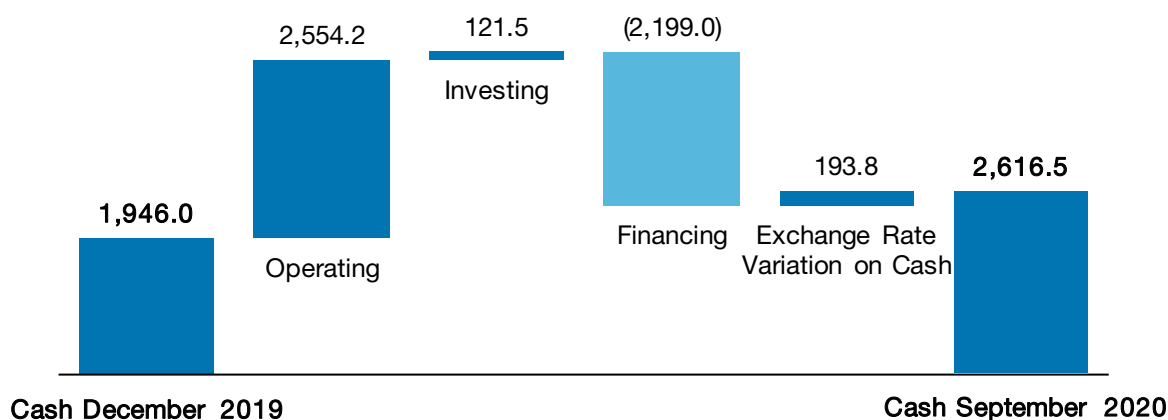


Figure 3 – Cash flow reconciliation (figures in R\$ million)

Chart of figure 3 above shows the cash and cash equivalents positions classified as current assets. Furthermore, the company has R\$ 1,597.4 million in financial investments with no immediate liquidity (R\$ 1,635.4 million in December 2019).

(2) Capital Expenditure.

Return on Invested Capital

The Return on Invested Capital (ROIC) in 3Q20 (accumulated in the last 12 months) increased by 4.1 p.p. over 3Q19, reaching 23.3%. Growth of Net Operating Profit After Taxes (NOPAT), due to revenue growth and lower costs and expenses, more than offset the growth 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 3Q20, we invested R\$ 148.7 million in modernization and expansion of production capacity, machinery and equipment, and software licenses, 49% of which are for production units in Brazil and 51% for industrial plants and other facilities abroad. We highlight the resumption of investments in this quarter, which were partially suspended at the beginning of 2Q20 due to the scenario of great uncertainty brought about by the pandemic.

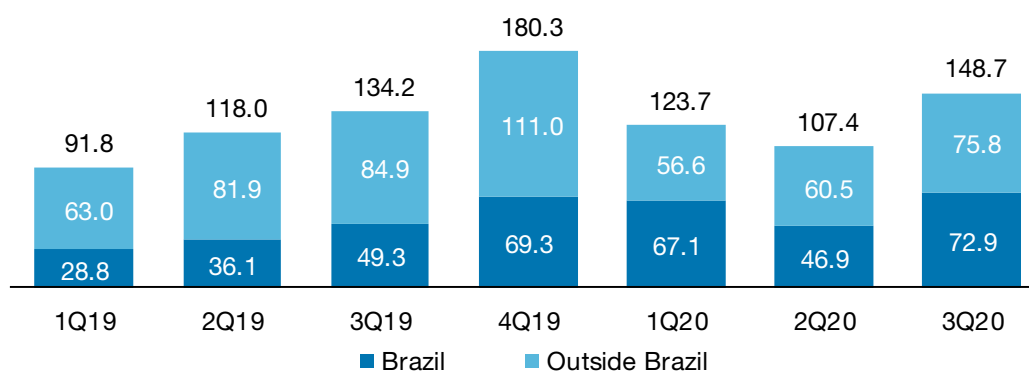


Figure 4 – CAPEX Evolution (figures in R\$ million)

Expenditures on research, development, and innovation activities totaled R\$ 322.1 million, representing 2.6% of net operating revenue in the first nine months of 2020.

Debt and Cash Position

Cash, cash equivalents, and financial investments and derivatives, invested in first-tier banks and denominated in Brazilian currency, are presented in table 5 below. 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 (debt) at the end of the quarter.

Table 5 – Cash and Debt

	september 2020		december 2019		september 2019	
Cash & Financial Instruments	4,213,910		3,581,442		3,739,055	
Current	3,637,944		3,414,373		3,499,054	
Long Term	575,966		167,069		240,001	
Debt	1,998,758		2,305,527		2,996,603	
Current	317,602	16%	950,249	41%	1,479,081	49%
In Brazilian Reais	55,414		87,566		169,830	
In other currencies	262,188		862,683		1,309,251	
Long Term	1,681,156	84%	1,355,278	59%	1,517,522	51%
In Brazilian Reais	62,605		107,930		232,467	
In other currencies	1,618,551		1,247,348		1,285,055	
Net Cash	2,215,152		1,275,915		742,452	

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

- Total duration of 18.9 months, with duration of 21.2 months in the long term. In December 2019, these figures were 19.5 months and 29.1 months, respectively.
- Weighted average cost of debt denominated in Brazilian Reais is approximately 5.22% p.a. (vs. 5.41% p.a. in December 2019). The post-fixed contracts are indexed mainly to the Brazilian long-term interest rate (TJLP).

Dividends and Interest on Stockholders' Equity

From August 12, 2020, onwards, we started to pay dividends declared during the first half of 2020, as below:

- On March 17, as interest on stockholders' equity, to the gross amount of R\$ 63.4 million.
- On June 23, as interest on stockholders' equity, to the gross amount of R\$ 80.2 million.
- On July 21, as dividends referring to profit recorded in the first half of 2020, to the total amount of R\$ 266.0 million.

Also, on September 22, the Board of Directors approved interest on stockholders' equity, to the gross amount of R\$ 72.3 million. We will pay this interest from March 10, 2021.

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
Interest on Stockholders' Equity	17/03/2020	0.030235294
Interest on Stockholders' Equity	23/06/2020	0.038235294
Dividends	21/07/2020	0.126801590
Interest on Stockholders' Equity	22/09/2020	0.034470588
Total		0.229742766

Results Conference Call

On October 22, 2020 (Thursday), WEG will hold a teleconference in Portuguese, with simultaneous translation into English, also available on the via 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 (web phone connection):

- Conference call in Portuguese: [click here](#)
- Conference call in English: [click here](#)

Access to Webcasting:

- Slides and original audio in Portuguese: choruscall.websiteseguro.com/weg/3t20.htm
- Slides and simultaneous translation into English: choruscall.websiteseguro.com/weg/3q20.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, and international markets, and are subject to change.

FINANCIAL STATEMENTS

3Q 2020

Annex

Annex I – Consolidated Income Statement – Quarterly

	3Q20		2Q20		3Q19		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
Net Operating Revenues	4,801,260	100.0%	4,063,943	100.0%	3,349,604	100.0%	18.1%	43.3%
Cost of Goods Sold	(3,289,688)	-68.5%	(2,831,840)	-69.7%	(2,344,433)	-70.0%	16.2%	40.3%
Gross Profit	1,511,572	31.5%	1,232,103	30.3%	1,005,171	30.0%	22.7%	50.4%
Sales Expenses	(395,780)	-8.2%	(356,198)	-8.8%	(309,062)	-9.2%	11.1%	28.1%
Administrative Expenses	(169,122)	-3.5%	(145,995)	-3.6%	(135,468)	-4.0%	15.8%	24.8%
Financial Revenues	196,626	4.1%	192,294	4.7%	219,642	6.6%	2.3%	-10.5%
Financial Expenses	(228,606)	-4.8%	(238,458)	-5.9%	(235,150)	-7.0%	-4.1%	-2.8%
Other Operating Income	3,821	0.1%	3,959	0.1%	4,473	0.1%	-3.5%	-14.6%
Other Operating Expenses	(139,855)	-2.9%	(110,173)	-2.7%	(87,025)	-2.6%	26.9%	60.7%
Equity accounting	6,848	0.1%	(4,231)	-0.1%	-	0.0%	n.a.	n.m
Earnings Before Taxes	785,504	16.4%	573,301	14.1%	462,581	13.8%	37.0%	69.8%
Income Taxes & Contributions	(161,867)	-3.4%	(104,439)	-2.6%	(45,360)	-1.4%	55.0%	256.8%
Deferred Taxes	29,975	0.6%	57,655	1.4%	7,319	0.2%	-48.0%	309.6%
Minorities	9,366	0.2%	12,142	0.3%	6,297	0.2%	-22.9%	48.7%
Net Earnings	644,246	13.4%	514,375	12.7%	418,243	12.5%	25.2%	54.0%
EBITDA	935,332	19.5%	732,222	18.0%	579,073	17.3%	27.7%	61.5%
Earnings per Share (EPS)	0.30711		0.24521		0.19939		25.2%	54.0%

Annex II – Consolidated Income Statement – Accumulated

	09M20		09M19		HA%
	(A)	VA%	(B)	VA%	(A)/(B)
Net Operating Revenues	12,579,639	100.0%	9,568,588	100.0%	31.5%
Cost of Goods Sold	(8,738,431)	-69.5%	(6,760,544)	-70.7%	29.3%
Gross Profit	3,841,208	30.5%	2,808,044	29.3%	36.8%
Sales Expenses	(1,101,071)	-8.8%	(896,136)	-9.4%	22.9%
Administrative Expenses	(470,802)	-3.7%	(410,559)	-4.3%	14.7%
Financial Revenues	770,116	6.1%	757,684	7.9%	1.6%
Financial Expenses	(849,012)	-6.7%	(813,853)	-8.5%	4.3%
Other Operating Income	15,665	0.1%	14,974	0.2%	4.6%
Other Operating Expenses	(331,731)	-2.6%	(235,606)	-2.5%	40.8%
Equity accounting	2,617	0.0%	2,839	0.0%	-7.8%
Earnings Before Taxes	1,876,990	14.9%	1,227,387	12.8%	52.9%
Income Taxes & Contributions	(319,162)	-2.5%	(126,298)	-1.3%	152.7%
Deferred Taxes	76,276	0.6%	26,918	0.3%	183.4%
Minorities	35,460	0.3%	13,913	0.1%	154.9%
Net Earnings	1,598,644	12.7%	1,114,094	11.6%	43.5%
EBITDA	2,286,668	18.2%	1,578,076	16.5%	44.9%
Earnings per Share (EPS)	0.76209		0.53116		43.5%

Annex III – Consolidated Balance Sheet

	september 2020		december 2019		september 2019		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
Current Assets	11.581.761	61%	9.760.902	62%	9.649.841	62%	19%	20%
Cash & cash equivalents	3.597.570	19%	3.390.271	22%	3.436.087	22%	6%	5%
Receivables	3.564.454	19%	2.747.084	18%	2.488.671	16%	30%	43%
Inventories	3.586.598	19%	2.817.129	18%	2.901.751	19%	27%	24%
Other current assets	833.139	4%	806.418	5%	823.332	5%	3%	1%
Long Term Assets	1.107.252	6%	597.797	4%	653.154	4%	85%	70%
Long term securities	-	0%	-	0%	48.646	0%	n.m	n.a.
Deferred taxes	292.342	2%	182.042	1%	161.581	1%	61%	81%
Other non-current assets	814.910	4%	415.755	3%	442.927	3%	96%	84%
Fixed Assets	6.359.862	33%	5.328.942	34%	5.176.426	33%	19%	23%
Investment in Subs	45.670	0%	28.012	0%	19.644	0%	63%	132%
Property, Plant & Equipment	4.406.791	23%	3.776.561	24%	3.715.097	24%	17%	19%
Intangibles	1.604.420	8%	1.319.746	8%	1.228.829	8%	22%	31%
Right of use	302.981	2%	204.623	1%	212.856	1%	48%	42%
Total Assets	19.048.875	100%	15.687.641	100%	15.479.421	100%	21%	23%
Current Liabilities	4.924.701	26%	4.491.021	29%	4.537.024	29%	10%	9%
Social and Labor Liabilities	564.222	3%	287.187	2%	423.003	3%	96%	33%
Suppliers	1.239.930	7%	839.879	5%	797.051	5%	48%	56%
Fiscal and Tax Liabilities	228.293	1%	134.510	1%	131.513	1%	70%	74%
Short Term Debt	296.413	2%	936.370	6%	1.456.417	9%	-68%	-80%
Dividends Payable	67.736	0%	145.376	1%	76.520	0%	-53%	-11%
Advances from Clients	1.216.807	6%	814.964	5%	645.819	4%	49%	88%
Profit Sharing	212.781	1%	212.608	1%	119.943	1%	0%	77%
Derivatives	21.189	0%	13.879	0%	22.664	0%	53%	-7%
Leasing	56.242	0%	49.168	0%	30.879	0%	14%	82%
Other Short Term Liabilities	1.021.088	5%	1.057.080	7%	833.215	5%	-3%	23%
Long Term Liabilities	2.724.139	14%	2.266.630	14%	2.452.116	16%	20%	11%
Long Term Debt	1.673.573	9%	1.348.599	9%	1.509.966	10%	24%	11%
Other Long Term Liabilities	151.757	1%	137.643	1%	130.235	1%	10%	17%
Leasing	247.157	1%	153.667	1%	180.744	1%	61%	37%
Deferred Taxes	77.660	0%	75.143	0%	71.038	0%	3%	9%
Contingencies Provisions	573.992	3%	551.578	4%	560.133	4%	4%	2%
Minorities	277.565	1%	212.743	1%	162.297	1%	30%	71%
Stockholders' Equity	11.122.470	58%	8.717.247	56%	8.327.984	54%	28%	34%
Total Liabilities	19.048.875	100%	15.687.641	100%	15.479.421	100%	21%	23%



Annex IV – Consolidated Cash Flow Statement

	9 Months 2020	9 Months 2019
Operating Activities		
Net Earnings before Taxes	1,876,990	1,227,387
Depreciation and Amortization	330,781	294,520
Equity accounting	(2,617)	(2,839)
Provisions	457,501	187,705
Changes in Assets & Liabilities	(108,473)	(631,293)
(Increase) / Reduction of Accounts Receivable	428,080	96,060
Increase / (Reduction) of Accounts Payable	209,333	26,296
(Increase) / Reduction of Inventories	(205,628)	(394,769)
Income Tax and Social Contribution on Net Earnings	(260,177)	(123,674)
Profit Sharing Paid	(280,081)	(235,206)
Cash Flow from Operating Activities	2,554,182	1,075,480
Investment Activities		
Fixed Assets	(345,414)	(325,797)
Intangible Assets	(34,400)	(18,237)
Results of sales of fixed assets	4,731	15,292
Financial investments held to maturity	(516,648)	(505,551)
Rescue of financial investments	1,013,214	1,092,863
Cash Flow From Investment Activities	121,483	258,570
Financing Activities		
Working Capital Financing	71,451	1,192,356
Long Term Financing	(1,378,472)	(1,904,770)
Interest paid on loans and financing	(7,579)	(57,496)
Treasury Shares	(4,360)	3,577
Dividends & Interest on Stockholders Equity Paid	(880,013)	(681,304)
Cash Flow From Financing Activities	(2,198,973)	(1,447,637)
Changes in Cash and Equivalents caused by FX Changes	193,749	8,291
Change in Cash Position	670,441	(105,296)
Cash & Cash Equivalents		
Beginning of Period	1,946,044	2,205,700
End of Period	2,616,485	2,100,404

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