



EARNINGS RELEASE

4Q 2023

Revenue growth and improved operating margins and return on invested capital

Highlights



Net Operating Revenue (NOR) was **R\$ 8,561.3 million** in 4Q23, 7.3% higher than 4Q22 and 6.0% higher than 3Q23.



EBITDA⁽¹⁾ reached **R\$ 1,829.2 million**, 17.3% higher than 4Q22 and 5.2% higher than 3Q23, while **EBITDA margin** was **21.4%**, 190 bps higher than 4Q22 and 10 bps lower than the previous quarter.



Return on Invested Capital (ROIC) reached **39.2%** in 4Q23, up 980 bps from 4Q22 and an increase of 380 bps from 3Q23.

Message from the Management

We presented good results this quarter, with accelerated revenue growth, robust evolution in return on invested capital and maintenance of operating margins at higher levels, driven by the long-cycle business' continued strong performance and good demand for our products and services in the main markets where we operate.

In Brazil, revenue growth was supported by continued good performance in sales of long-cycle goods, especially the transmission & distribution (T&D) related businesses and wind power generation. For short-cycle goods, we continued to have good demand in the automation area and observed the revenue growth recovery in Commercial and Appliance Motors (MCA) despite the lower level of revenue in the distributed solar generation business compared to the same period last year.

In the external market, the result was also positive, with revenue growth in local currencies compared to the same period in the previous year in the main markets where we operate. The highlight was the excellent performance from the Energy Generation, Transmission and Distribution (GTD) area, with good demand from the generation business in India and the United States, in addition to the good volume of deliveries in the T&D area, a result of the order backlog built throughout the year, especially in North America.

In addition to the good long-cycle order backlog built in recent quarters, the constant search for operational efficiency, combined with the stabilization of the costs on main raw materials, contributed to the good margins obtained and the excellent return on invested capital reported. Important to highlight that in 4Q23, we recognized tax credits related to the incorporation of a new subsidiary in Switzerland, impacting net income and ROIC. Adjusted for this effect, net margin and ROIC would have grown by 140 and 660 basis points, respectively.

Table 1 – Main Highlights

	4Q23	3Q23	HA%	4Q22	HA%	12M23	12M22	HA%
Return on Invested Capital	39.2%	35.4%	380 bps	29.4%	980 bps	39.2%	29.4%	980 bps
Net Operating Revenue	8,561,285	8,074,837	6.0%	7,979,637	7.3%	32,503,601	29,904,722	8.7%
Domestic Market	4,082,805	3,826,685	6.7%	3,817,819	6.9%	15,312,071	14,864,338	3.0%
External Markets	4,478,480	4,248,152	5.4%	4,161,818	7.6%	17,191,530	15,040,384	14.3%
<i>External Markets in US\$</i>	<i>903,784</i>	<i>869,856</i>	<i>3.9%</i>	<i>791,925</i>	<i>14.1%</i>	<i>3,446,453</i>	<i>2,913,330</i>	<i>18.3%</i>
Net Income	1,744,929	1,311,688	33.0%	1,193,187	46.2%	5,731,670	4,208,084	36.2%
Net Margin	20.4%	16.2%	420 bps	15.0%	540 bps	17.6%	14.1%	350 bps
EBITDA	1,829,174	1,738,770	5.2%	1,559,440	17.3%	7,090,167	5,617,144	26.2%
EBITDA Margin	21.4%	21.5%	-10 bps	19.5%	190 bps	21.8%	18.8%	300 bps
Earnings per Share (EPS)	0.41589	0.31270	33.0%	0.28437	46.2%	1.36608	1.00288	36.2%

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 by 7.3% compared to 4Q22, up 6.9% in the domestic market and 7.6% in the external market, 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 7.2% over 4Q22.

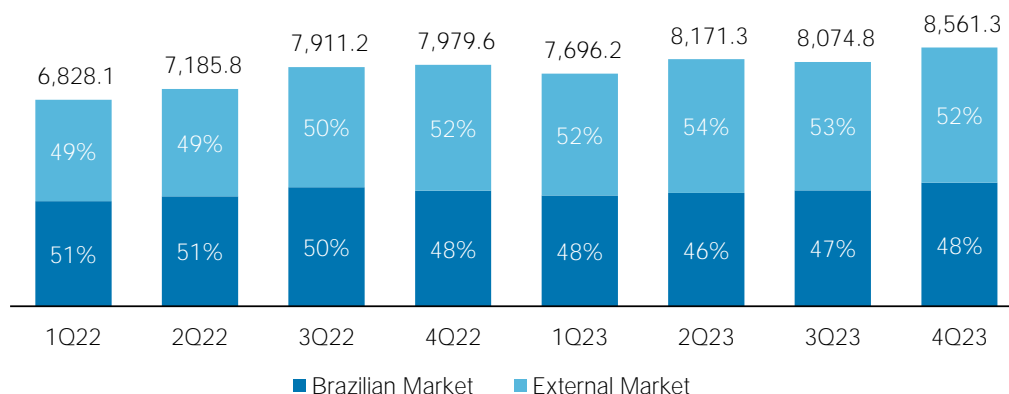


Figure 1 – Net Operating Revenue by Market (figures in R\$ million)

Net operating revenue from the external market, measured in the quarterly averaged US dollars (US\$), increased by 14.1% compared to 4Q22 and 3.9% compared to 3Q23. The distribution of net revenue by geographic market is shown in Table 2.

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

	4Q23		3Q23		4Q22		HA% (A)/(B)	HA% (A)/(C)
	(A)	VA%	(B)	VA%	(C)	VA%		
<i>External Markets in US\$</i>	903,784	100.0%	869,856	100.0%	791,925	100.0%	3.9%	14.1%
<i>North America</i>	414,395	45.9%	421,762	48.5%	368,708	46.6%	-1.7%	12.4%
<i>South and Central America</i>	111,822	12.4%	107,686	12.4%	78,979	10.0%	3.8%	41.6%
<i>Europe</i>	235,332	26.0%	209,470	24.1%	215,729	27.2%	12.3%	9.1%
<i>Africa</i>	69,890	7.7%	57,937	6.6%	52,884	6.7%	20.6%	32.2%
<i>Asia-Pacific</i>	72,345	8.0%	73,001	8.4%	75,625	9.5%	-0.9%	-4.3%

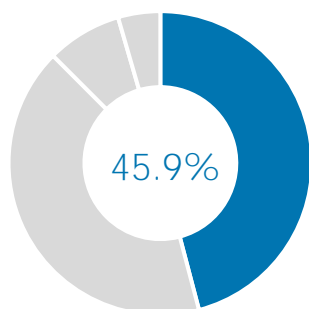
Net operating revenue from the external market was impacted by the average US dollar exchange rate that moved from R\$ 5.25 in 4Q22 to R\$ 4.95 in 4Q23, a 5.7% depreciation over the Brazilian Real.

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 and weighted by revenues in each market, net operating revenue from the external market increased by 23.5% compared to 4Q22.

Performance by Business Area

Industrial Electro-Electronic Equipment (EEI)

NOR	Domestic Market	External Market
4Q23	1,356,039	2,571,859
3Q23	1,353,146	2,466,847
Δ%	0.2%	4.3%
4Q22	1,253,233	2,613,685
Δ%	8.2%	-1.6%



Share in NOR

Domestic Market

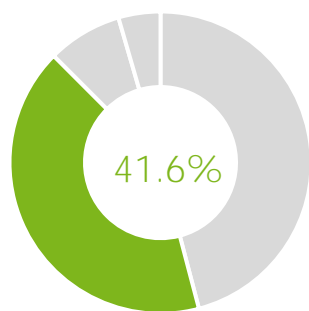
- Positive industrial activity in Brazil, especially in short-cycle goods, such as serial automation products and gearboxes, with dispersed demand across different industrial segments.
- Good performance in automation long-cycle goods, such as electrical panels, especially in the mining and water & wastewater segments. In high voltage motors, some oscillation was observed in the project deliveries, a typical dynamic for this type of product.

External Market

- Positive results in most of the markets where we operate, maintaining good demand in some product lines. Good performance in serial automation products, with highlight to the oil & gas segment.
- Long-cycle goods showed consistent results, even with the impact of exchange rate variations in the quarter. Highlight for automation systems, especially in the water & wastewater and mining segments.

Energy Generation, Transmission, and Distribution (GTD)

NOR	Domestic Market	External Market
4Q23	2,093,998	1,469,082
3Q23	1,907,630	1,317,581
Δ%	9.8%	11.5%
4Q22	2,031,117	1,136,479
Δ%	3.1%	29.3%



Share in NOR

Domestic Market

- Good performance for the T&D business, driven by deliveries of large transformers and substations for projects linked to transmission auctions, together with sales of transformers for distribution networks.
- In the generation business, the growth in the volume of wind turbine deliveries contributed positively to the result. Demand for distributed solar generation (DG), despite showing important growth compared to 3Q23, remained below the same period of the previous year, influenced by the significant reduction in the cost of photovoltaic modules.

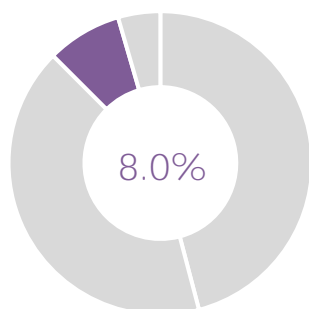
External Market

- The opportunities present in the T&D market contributed to the performance of this business area, especially in North America, with the sale of transformers to renewable energy generation parks (wind and solar) and energy concessionaires.
- In the generation business, highlight to the good revenue performance and construction of a healthy order book for the coming quarters in our operations in Europe, India and the US.

Performance by Business Area

Commercial and Appliance Motors (MCA)

NOR	Domestic Market	External Market
4Q23	328,634	360,361
3Q23	273,933	393,589
Δ%	20.0%	-8.4%
4Q22	248,423	349,126
Δ%	32.3%	3.2%



Share in NOR

Domestic Market

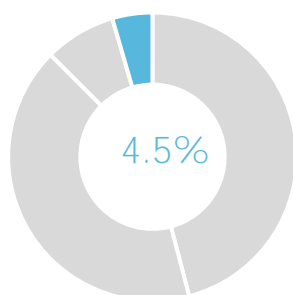
- Strong sales growth, signaling a recovery for the activity in some segments, like air conditioning, motor pumps and machinery for the food sector.

External Market

- Revenues showed growth in the quarter, despite the impact of exchange rate variation in the period, with highlight for the good performance of the commercial motors operation in the US, reflecting market share gains.

Paints and Varnishes (T&V)

NOR	Domestic Market	External Market
4Q23	304,134	77,178
3Q23	291,977	70,135
Δ%	4.2%	10.0%
4Q22	285,046	62,528
Δ%	6.7%	23.4%



Share in NOR

Domestic Market

- Continued recovery of the demand for paint and varnish products, with good sales volume in the period. Demand was spread across different segments, with prominence on the maintenance and civil construction segments.

External Market

- Good results from the operations abroad, combined with the good volume of exports from Brazil to Latin American countries, contributed to strong growth this quarter.

Cost of Goods Sold

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

Table 3 – Costs

	4Q23	3Q23	HA%	4Q22	HA%
Net Operating Revenues	8,561,285	8,074,837	6.0%	7,979,637	7.3%
Cost of Goods Sold	(5,675,854)	(5,461,011)	3.9%	(5,564,640)	2.0%
Gross Margin	33.7%	32.4%	130 bps	30.3%	340 bps

The accommodation of prices on the main raw materials that make up our cost structure, mainly steel and copper, together with a better mix of products sold and the increasing improvement in the performance of operations abroad were important factors for the evolution of gross margin in the quarter.

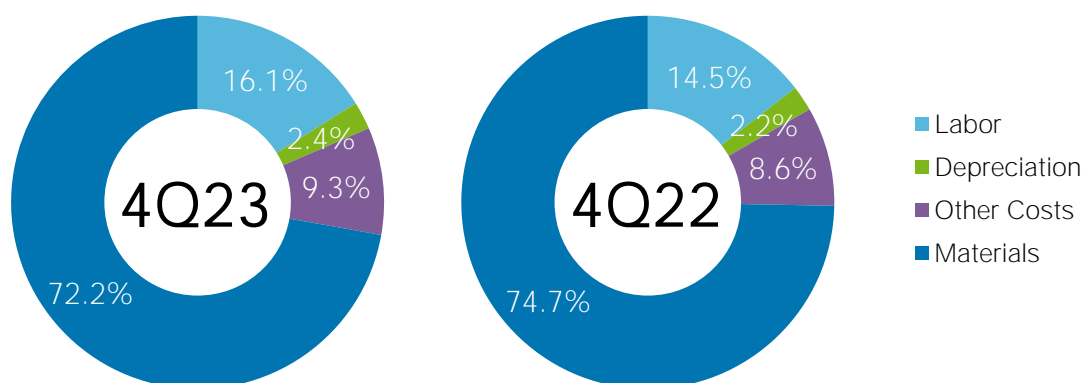


Figure 2 – COGS Composition

Sales, General, and Administrative Expenses

Consolidated Sales, General and Administrative (SG&A) expenses totaled R\$ 930.9 million in 4Q23, an increase of 12.0% vs. 4Q22 and an increase of 8.2% vs. 3Q23. When analyzed in relation to net operating revenue, they represented 10.9%, up 50 basis points compared to 4Q22 and up 20 basis points compared 3Q23.

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 another quarter of evolution when compared to the same period of the previous year, mainly reflecting the accommodation of raw materials costs combined with the change in the mix of products sold.

Table 4 – Calculation of EBITDA and EBITDA Margin

	4Q23	3Q23	HA%	4Q22	HA%
Net Operating Revenues	8,561,285	8,074,837	6.0%	7,979,637	7.3%
Net Income	1,744,929	1,311,688	33.0%	1,193,187	46.2%
Net Income Before Minorities	1,787,995	1,345,892	32.8%	1,219,066	46.7%
(+) Income Taxes & Contributions	(135,643)	268,697	n.a.	182,706	n.a.
(+/-) Financial Income (Expenses)	9,138	(33,420)	n.a.	3,839	138.0%
(+) Depreciation & Amortization	167,684	157,601	6.4%	153,829	9.0%
EBITDA	1,829,174	1,738,770	5.2%	1,559,440	17.3%
EBITDA Margin	21.4%	21.5%	-10 bps	19.5%	190 bps

Net Income

Net Income in 4Q23 was R\$ 1,744.9 million, an increase of 46.2% compared to 4Q22 and an increase of 33.0% compared to 3Q23. The net margin reached 20.4%, 540 basis points higher than 4Q22 and 420 basis points higher than 3Q23.

Net profit was positively impacted by the recognition of tax credits related to the creation of a new subsidiary in Switzerland. Excluding this non-recurring effect, net profit would have been R\$ 1,402.1 million this quarter, with a net margin of 16.4%.

Cash Flow

Cash generation in operating activities was R\$ 7,021.8 million in 2023, result of continued revenue growth and improvement in our operating margins. It is important to highlight the continuity of the process of improving operational working capital indicators in the period.

In investment activities, which include changes in fixed and intangible assets, acquisition of subsidiaries, and financial investments, we consumed R\$ 1,714.2 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 factories in Brazil, Mexico, China and the United States.

In financing activities, the Company raised R\$ 2,916.8 million and made amortizations of R\$ 3,534.4 million, resulting in a net amortization of R\$ 617.6 million. Payments to equity holders (dividends and interest on capital) totaled R\$ 2,308.6 million. The result was a consumption of R\$ 2,963.4 million in financing activities in the period.

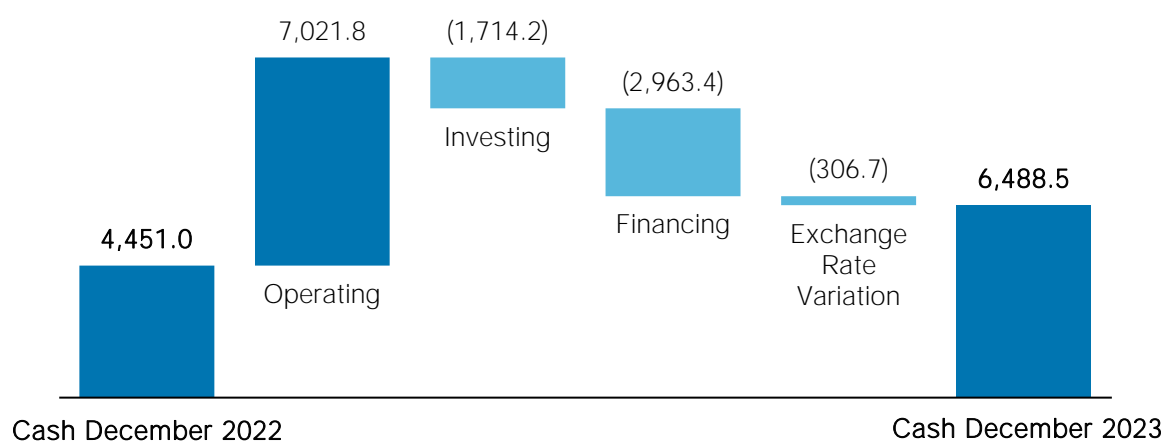


Figure 3 – Cash flow reconciliation (figures in R\$ million)

Note that the chart in Figure 3 shows the cash and cash equivalents positions classified as current assets. Furthermore, the Company has R\$ 626.5 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 for 4Q23, accumulated over the last 12 months, reached 39.2%, an increase of 980 basis points over 4Q22 and 380 basis points over 3Q23. The growth in Net Operating Profit after Taxes (NOPAT), mainly due to the improvement in operating margins, more than offset the growth in capital employed, which expansion is mainly explained by investments in fixed and intangible assets made over the last 12 months, and for the better control of the need for working capital in the period.

ROIC was also positively impacted by tax credits related to the new subsidiary in Switzerland. Excluding this non-recurring effect, the ROIC would be 36.0%.

Investments (CAPEX)

In 4Q23, we invested R\$ 438.8 million in the modernization and expansion of production capacity, machinery and equipment and software licenses, 64% for production units in Brazil and 36% for industrial plants and other facilities abroad.

In Brazil, we made progress with investments in the expansion of production capacity for industrial motors, electric traction motors and battery packs. Abroad, we continued to increase the production capacity of the motors and transformers factories in Mexico, and the low voltage motors factory expansion in China.

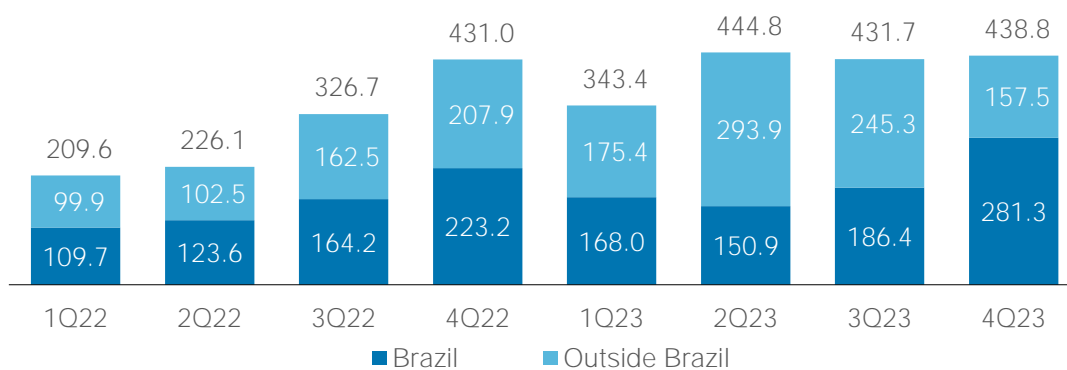


Figure 4 – CAPEX Evolution (figures in R\$ million)

Research, Development, and Innovation

Expenditures on research, development and innovation activities totaled R\$ 832.5 million, representing 2.6% of accumulated net operating revenue in 2023.

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

	December 2023		December 2022		December 2021	
Cash & Cash Equivalents	7,091,927		4,995,115		3,217,135	
Current	7,081,224		4,982,828		3,217,135	
Long Term	10,703		12,287		-	
Derivatives	(141,917)		(101,597)		392,013	
Short Term Assets	22,423		33,647		409,337	
Long Term Assets	605		-		-	
Short Term Liabilities	(73,082)		(87,831)		(17,324)	
Long Term Liabilities	(91,863)		(47,413)		-	
Debt	(2,835,061)	100%	(3,459,692)	100%	(1,789,115)	100%
Current	(2,170,324)	77%	(2,307,817)	67%	(1,052,044)	59%
In Brazilian Reais	(158,814)		(8,494)		(7,769)	
In other currencies	(2,011,510)		(2,299,323)		(1,044,275)	
Long Term	(664,737)	23%	(1,151,875)	33%	(737,071)	41%
In Brazilian Reais	(91,192)		(31,691)		(35,818)	
In other currencies	(573,545)		(1,120,184)		(701,253)	
Net Cash	4,114,949		1,433,826		1,820,033	

The total duration of our indebtedness was 10.7 months in December 2023 (11.8 months in December 2022).

Dividends and Interest on Stockholders' Equity

Management will propose, at the Annual General Meeting to be held on April 23, 2024, the allocation of R\$ 2,880.0 million for payment of Dividends and Interest on Stockholders' Equity as remuneration to shareholders on the results for the year 2023, representing 50.2% of net income.

Of this total, R\$ 1,077.3 million was declared in the first half of 2023 and paid on August 16, 2023. The payment of remuneration to shareholders for the second half of 2023, totaling R\$ 1,802.7 million, is scheduled to take place on March 13, 2024.

Our practice is to declare Interest on Stockholders' Equity quarterly and interim and supplementary Dividends based on the profit obtained each semester, that is, six proceeds a year, paid semi-annually.

Table 6 – Dividends

	Board Meeting Date	Gross Amount per Share
Interest on Stockholders' Equity	Mar 14, 2023	0.053235294
Interest on Stockholders' Equity	Jun 20, 2023	0.058294118
Dividends	Jul 18, 2023	0.145202292
Interest on Stockholders' Equity	Sep 19, 2023	0.059823529
Interest on Stockholders' Equity	Dec 12, 2023	0.071941176
Dividends	Feb 20, 2024	0.297942793
Total		0.686439202

Other Events

Acquisition of minority stake of Bewind

On October 24, 2023, we announced an agreement to acquire a minority stake equivalent to 45% of the share capital of Bewind GmbH (“Bewind”), a company specialized in engineering and developing technologies for wind turbines and their components.

Headquartered in Germany, Bewind has a team of around 30 highly qualified professionals who work to develop new technologies and power generation equipment projects and provide services, consultancy, and technology development in the segment. The acquisition is part of WEG's strategy to grow energy generation solutions within the Energy Generation, Transmission and Distribution (GTD) business.

Results Conference Call

On February 22, 2024 (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)
- 9:00 a.m. – New York (EST)
- 2:00 p.m. – London (GMT)

Access Link: [click here](#)

The presentation will also be available on our Investor Relations website (ri.weg.net).

Forward-Looking Statements

The statements contained in this report relating to WEG's business prospects, projections, and results and the Company's growth potential 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

4Q 2023

Annex

Annex I – Consolidated Income Statement – Quarterly

	4Q23		3Q23		4Q22		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
Net Operating Revenues	8,561,285	100.0%	8,074,837	100.0%	7,979,637	100.0%	6.0%	7.3%
Cost of Goods Sold	(5,675,854)	-66.3%	(5,461,011)	-67.6%	(5,564,640)	-69.7%	3.9%	2.0%
Gross Profit	2,885,431	33.7%	2,613,826	32.4%	2,414,997	30.3%	10.4%	19.5%
Sales Expenses	(653,452)	-7.6%	(597,988)	-7.4%	(602,822)	-7.6%	9.3%	8.4%
Administrative Expenses	(277,434)	-3.2%	(262,164)	-3.2%	(228,021)	-2.9%	5.8%	21.7%
Financial Revenues	418,987	4.9%	297,429	3.7%	265,631	3.3%	40.9%	57.7%
Financial Expenses	(428,125)	-5.0%	(264,009)	-3.3%	(269,470)	-3.4%	62.2%	58.9%
Other Operating Income	41,846	0.5%	43,217	0.5%	60,598	0.8%	-3.2%	-30.9%
Other Operating Expenses	(335,014)	-3.9%	(215,722)	-2.7%	(239,141)	-3.0%	55.3%	40.1%
Earnings Before Taxes	1,652,352	19.3%	1,614,589	20.0%	1,401,772	17.6%	2.3%	17.9%
Income Taxes & Contributions	(252,440)	-2.9%	(262,087)	-3.2%	(212,657)	-2.7%	-3.7%	18.7%
Deferred Taxes	388,083	4.5%	(6,610)	-0.1%	29,951	0.4%	n.a.	n.m.
Minorities	(43,066)	-0.5%	(34,204)	-0.4%	(25,879)	-0.3%	25.9%	66.4%
Net Earnings	1,744,929	20.4%	1,311,688	16.2%	1,193,187	15.0%	33.0%	46.2%
EBITDA	1,829,174	21.4%	1,738,770	21.5%	1,559,440	19.5%	5.2%	17.3%
Earnings per Share (EPS)	0.41589		0.31270		0.28437		33.0%	46.2%

Annex II – Consolidated Income Statement – Accumulated

	12M23		12M22		HA%
	(A)	VA%	(B)	VA%	(A)/(B)
Net Operating Revenues	32,503,601	100.0%	29,904,722	100.0%	8.7%
Cost of Goods Sold	(21,702,737)	-66.8%	(21,209,235)	-70.9%	2.3%
Gross Profit	10,800,864	33.2%	8,695,487	29.1%	24.2%
Sales Expenses	(2,426,459)	-7.5%	(2,164,802)	-7.2%	12.1%
Administrative Expenses	(1,044,888)	-3.2%	(872,935)	-2.9%	19.7%
Financial Revenues	1,553,649	4.8%	1,197,270	4.0%	29.8%
Financial Expenses	(1,424,977)	-4.4%	(1,133,215)	-3.8%	25.7%
Other Operating Income	155,466	0.5%	147,360	0.5%	5.5%
Other Operating Expenses	(1,022,971)	-3.1%	(753,523)	-2.5%	35.8%
Equity accounting	113	0.0%	-	0.0%	n.m.
Earnings Before Taxes	6,590,797	20.3%	5,115,642	17.1%	28.8%
Income Taxes & Contributions	(1,127,937)	-3.5%	(885,055)	-3.0%	27.4%
Deferred Taxes	404,755	1.2%	42,285	0.1%	n.m.
Minorities	(135,945)	-0.4%	(64,788)	-0.2%	109.8%
Net Earnings	5,731,670	17.6%	4,208,084	14.1%	36.2%
EBITDA	7,090,167	21.8%	5,617,144	18.8%	26.2%
Earnings per Share (EPS)	1.36608		1.00288		36.2%

Annex III – Consolidated Balance Sheet

	December 2023		December 2022		December 2021		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
Current Assets	21,562,311	68%	19,653,210	70%	15,945,946	67%	10%	35%
Cash & cash equivalents	7,081,224	22%	4,982,828	18%	3,217,135	13%	42%	120%
Receivables	6,070,556	19%	5,614,423	20%	4,317,393	18%	8%	41%
Inventories	7,116,286	23%	7,644,361	27%	6,497,048	27%	-7%	10%
Other current assets	1,294,245	4%	1,411,598	5%	1,914,370	8%	-8%	-32%
Noncurrent assets	9,933,959	32%	8,481,450	30%	7,986,841	33%	17%	24%
Long Term Assets	1,090,397	3%	673,726	2%	930,416	4%	62%	17%
Long term securities	10,703	0%	12,287	0%	-	0%	-13%	n.m.
Deferred taxes	864,394	3%	443,133	2%	421,900	2%	95%	105%
Other non-current assets	215,300	1%	218,306	1%	508,516	2%	-1%	-58%
Investment in Subs	77,481	0%	1,056	0%	1,265	0%	n.m.	n.m.
Property, Plant & Equipment	7,294,836	23%	6,282,653	22%	5,504,772	23%	16%	33%
Right of use	587,291	2%	595,024	2%	403,721	2%	-1%	45%
Intangibles	1,471,245	5%	1,524,015	5%	1,550,388	6%	-3%	-5%
Total Assets	31,496,270	100%	28,134,660	100%	23,932,787	100%	12%	32%
Current Liabilities	11,219,689	36%	10,262,877	36%	7,927,884	33%	9%	42%
Social and Labor Liabilities	515,538	2%	466,843	2%	388,190	2%	10%	33%
Suppliers	2,190,088	7%	2,036,216	7%	2,120,338	9%	8%	3%
Fiscal and Tax Liabilities	483,273	2%	459,647	2%	279,271	1%	5%	73%
Short Term Debt	2,170,324	7%	2,307,817	8%	1,052,044	4%	-6%	106%
Dividends Payable	482,903	2%	361,838	1%	195,272	1%	33%	147%
Advances from Clients	3,238,834	10%	2,854,545	10%	2,267,484	9%	13%	43%
Profit Sharing	563,436	2%	447,150	2%	384,272	2%	26%	47%
Derivatives	73,082	0%	87,831	0%	17,324	0%	-17%	322%
Leasing	72,872	0%	103,036	0%	73,268	0%	-29%	-1%
Other Short Term Liabilities	1,429,339	5%	1,137,954	4%	1,150,421	5%	26%	24%
Long Term Liabilities	2,421,805	8%	2,623,428	9%	1,994,231	8%	-8%	21%
Long Term Debt	664,737	2%	1,151,875	4%	737,071	3%	-42%	-10%
Other Long Term Liabilities	311,351	1%	228,335	1%	292,852	1%	36%	6%
Leasing	484,027	2%	446,594	2%	249,245	1%	8%	94%
Deferred Taxes	87,056	0%	77,136	0%	71,892	0%	13%	21%
Contingencies Provisions	874,634	3%	719,488	3%	643,171	3%	22%	36%
Equity	17,854,776	57%	15,248,355	54%	14,010,672	59%	17%	27%
Owners of the Company	17,342,085	55%	14,834,795	53%	13,604,971	57%	17%	27%
Noncontrolling interests	512,691	2%	413,560	1%	405,701	2%	24%	26%
Total Liabilities	31,496,270	100%	28,134,660	100%	23,932,787	100%	12%	32%

Annex IV – Consolidated Cash Flow Statement

	12 Months 2023	12 Months 2022
Operating Activities		
Net Earnings before Taxes	6,590,797	5,115,642
Depreciation and Amortization	628,042	565,557
Equity accounting	(113)	-
Provisions	1,173,937	1,290,117
Tax credit - ICMS exclusion from PIS/COFINS calculation basis	(28,933)	(69,740)
Changes in Assets & Liabilities	(1,341,907)	(3,964,645)
(Increase)/decrease in clients	(689,737)	(1,435,059)
Increase/(decrease) in suppliers	194,660	(82,620)
(Increase)/decrease in inventories	142,764	(1,424,939)
(Increase)/decrease in taxes recoverable	246,397	655,045
Increase/(decrease) in social/tax obligations	(162,284)	(184,475)
Increase/(decrease) in advances from clients	456,271	618,377
Increase/(decrease) in other accounts receivable/payable	325,871	(843,728)
Income Tax and Social Contribution on Net Earnings	(1,159,725)	(744,674)
Profit Sharing Paid	(568,469)	(466,705)
Dividends & Interest on Stockholders Equity Paid	(127,655)	(55,867)
Cash Flow from Operating Activities	7,021,823	2,936,931
Investment Activities		
Fixed Assets	(1,586,001)	(1,111,431)
Intangible Assets	(72,624)	(62,979)
Results of sales of fixed assets	17,827	10,658
Acquisition of Subsidiaries	(7,414)	(195,052)
Acquisition of equity interest - affiliates	(71,584)	-
Financial investments held to maturity	-	(12,287)
Rescue of financial investments	5,590	14,829
Cash Flow From Investment Activities	(1,714,206)	(1,356,262)
Financing Activities		
Working Capital Financing	2,916,805	4,253,529
Long Term Financing	(3,534,389)	(2,110,718)
Interest paid on loans and financing	(37,247)	(7,520)
Treasury Shares	(2,308,620)	(1,887,512)
Cash Flow From Financing Activities	(2,963,451)	247,779
Changes in Cash and Equivalents caused by FX Changes	(306,714)	(91,873)
Change in Cash Position	2,037,452	1,736,575
Cash & Cash Equivalents		
Beginning of Period	4,451,002	2,714,427
End of Period	6,488,454	4,451,002

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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