



# EARNINGS RELEASE

## 3Q 2022

### Solid performance with improved operating margins

#### Highlights



**Net Operating Revenue (NOR)** was **R\$ 7,911.2 million** in 3Q22, 27.6% higher than 3Q21 and 10.1% higher than 2Q22.



**EBITDA<sup>(1)</sup>** reached **R\$ 1,568.1 million**, 37.1% higher than 3Q21 and 24.8% higher than 2Q22, while **EBITDA margin** was **19.8%**, 1.3 p.p. higher than 3Q21, and 2.3 p.p. higher than the previous quarter.



**Return on Invested Capital (ROIC<sup>(2)</sup>)** reached **27.9%** in 3Q22, down 3.4 p.p. from 3Q21 and an increase of 1.0 p.p. from 2Q22.

#### Message from the Management

We report another quarter of good results, highlighting consistent revenue growth, combined with an increase in operating margins, which allowed us to maintain the return on invested capital at an attractive level.

Brazil's strong revenue growth resulted from both industrial activities and the Generation, Transmission & Distribution (GTD) segment. The good demand from the local industry was mainly motivated by commodities-related businesses, such as agriculture, mining, pulp & paper, and oil & gas. In GTD, growth was driven by wind generation and Transmission & Distribution (T&D) projects, as well as the solar generation business's continued performance.

In the external market, demand for industrial equipment continued to be strong in important segments like oil & gas, mining, and water & wastewater, mainly due to the good availability of WEG products and **the ability to meet customer's** needs globally. We had another quarter of solid revenue growth in local currencies compared to the same period of the previous year in our main markets.

The good results presented in this quarter were driven by consistent demand for our products in the markets where we operate. Key factors in the Company's business model made the difference, such as the constant pursuit of operational efficiency, long-term vision, financial flexibility, and diversification of products and solutions. These factors allowed us to take advantage of greater product availability to pursue revenue growth opportunities, with good profitability and market share gains, in the main markets in which we operate.

On the other hand, the global macroeconomic scenario remains challenging. The good long-cycle order backlog built so far, together with the dynamics of our business, are positive aspects of this scenario. However, it is important to be aware of the political-economic risks and uncertainties and their possible impacts, especially in demand for short-cycle industrial equipment.

Table 1 – Main Highlights

	3Q22	2Q22	HA%	3Q21	HA%	09M22	09M21	HA%
Return on Invested Capital	27,9%	26,9%	1,0 pp	31,3%	-3,4 pp	27,90%	31,30%	-3,4 pp
Net Operating Revenue	7.911.192	7.185.787	10,1%	6.198.243	27,6%	21.925.085	17.023.328	28,8%
Domestic Market	3.937.810	3.637.755	8,2%	2.930.945	34,4%	11.046.519	7.852.024	40,7%
External Markets	3.973.382	3.548.032	12,0%	3.267.298	21,6%	10.878.566	9.171.304	18,6%
<i>External Markets in US\$</i>	<i>757.450</i>	<i>719.262</i>	<i>5,3%</i>	<i>624.344</i>	<i>21,3%</i>	<i>2.121.405</i>	<i>1.723.270</i>	<i>23,1%</i>
Net Income	1.158.032	912.965	26,8%	812.925	42,5%	3.014.897	2.711.892	11,2%
Net Margin	14,6%	12,7%	1,9 pp	13,1%	1,5 pp	13,8%	15,9%	-2,1 pp
EBITDA	1.568.105	1.256.661	24,8%	1.144.010	37,1%	4.057.704	3.553.580	14,2%
EBITDA Margin	19,8%	17,5%	2,3 pp	18,5%	1,3 pp	18,5%	20,9%	-2,4 pp
Earnings per Share (EPS)	0,27598	0,21758	26,8%	0,19372	42,5%	0,71851	0,64628	11,2%

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 27.6% compared to 3Q21, up 34.4% in the domestic market and 21.6% in the external markets, as shown in Table 1. The evolution of revenue proportion between markets is shown in Figure 1. Adjusted for the effects of the consolidation of the Balteau acquisition, consolidated revenue for the quarter would have grown by 26.9% over 3Q21.

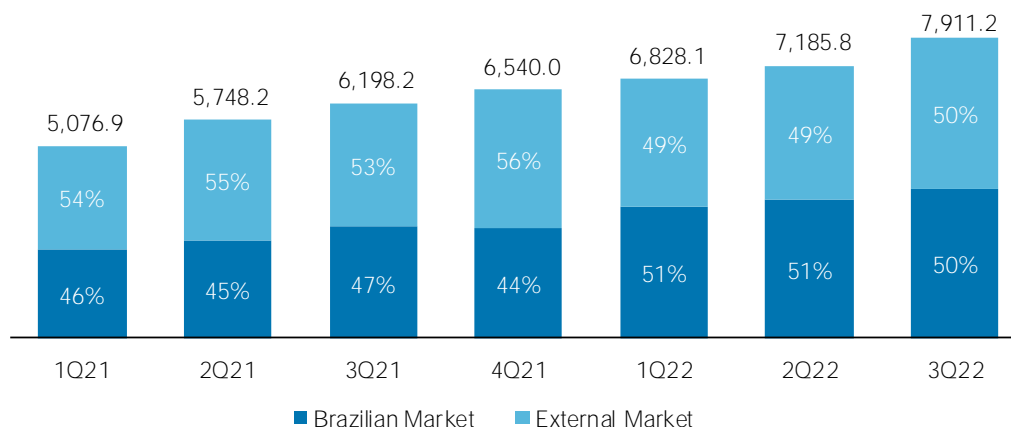


Figure 1 – Net Operating Revenue by Market (figures in R\$ million)

Net operating revenue from the external market, measured in the quarterly averaged US dollars, increased by 21.3% in relation to 3Q21 and 5.3% in relation to 2Q22. The distribution of net revenue by geographic markets is shown in Table 2.

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

	3Q22		2Q22		3Q21		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
<i>External Markets in US\$</i>	757,450	100.0%	719,262	100.0%	624,344	100.0%	5.3%	21.3%
<i>North America</i>	362,881	47.9%	336,683	46.8%	263,767	42.2%	7.8%	37.6%
<i>South and Central America</i>	98,001	12.9%	86,537	12.0%	87,017	13.9%	13.2%	12.6%
<i>Europe</i>	169,013	22.3%	174,106	24.2%	149,358	23.9%	-2.9%	13.2%
<i>Africa</i>	48,425	6.4%	44,934	6.3%	45,236	7.2%	7.8%	7.0%
<i>Asia-Pacific</i>	79,130	10.5%	77,002	10.7%	78,966	12.8%	2.8%	0.2%

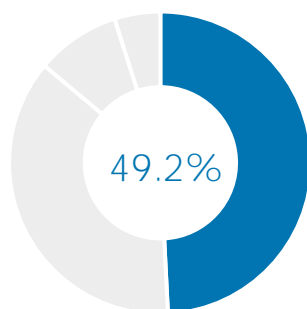
Net operating revenue from the external market was little impacted by the average US dollar exchange rate that moved from R\$ 5.23 in 3Q21 to R\$ 5.24 in 3Q22, a 0.2% appreciation over the Brazilian Real.

It is important to consider that we set our sales prices in different markets in local currency and according to their competitive conditions. Measured in local currencies, weighted by revenues in each market, net operating revenue from the external market increased by 28.5% in relation to 3Q21.

## Performance by Business Area

### Industrial Electro-Electronic Equipment (EEI)

NOR	Domestic Market	External Market
3Q22	1,306,327	2,585,842
2Q22	1,110,609	2,319,428
$\Delta\%$	17.6%	11.5%
3Q21	984,664	1,964,283
$\Delta\%$	32.7%	31.6%



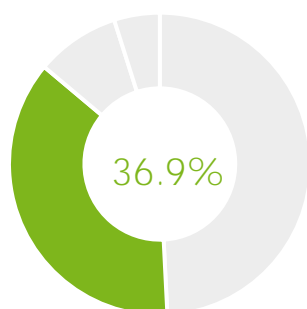
Share in NOR

- Domestic Market**
- Industrial activity continued to be positive, exceeding the expectations at the beginning of the year. Short-cycle products, such as electric motors, gearboxes, and serial automation equipment, maintained good demand, especially in the agriculture and mining segments.
  - In long-cycle equipment, sales of automation panels and industrial high-voltage motors, intended for important projects in the pulp & paper and oil & gas segments, were the highlights.

- External Market**
- The main market segments, such as oil & gas, mining, and water & wastewater, continued to contribute to good revenue performance. Short-cycle equipment, such as low-voltage electric motors, showed good demand and great acceptance in most markets where we operate. Despite fluctuations in order intake observed during the quarter, notably in some European countries, we continue to have a good order backlog for the rest of the year.
  - The portfolio built in recent quarters was a decisive factor for the result obtained in long-cycle equipment, where we highlight deliveries to the oil & gas industry, mainly for offshore exploration platform projects.

### Energy Generation, Transmission, and Distribution (GTD)

NOR	Domestic Market	External Market
3Q22	2,032,151	886,042
2Q22	2,015,057	823,675
$\Delta\%$	0.8%	7.6%
3Q21	1,381,004	918,524
$\Delta\%$	47.2%	-3.5%



Share in NOR

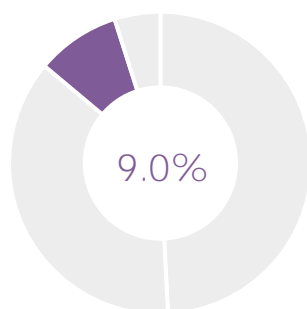
- Domestic Market**
- Growth in all businesses in this quarter, highlighting the excellent contribution of the energy generation area, with the continued growth of the distributed solar generation (GD) business, delivery of new wind turbines, and an increase in the billing of alternators and thermal generation in Brazil.
  - In the T&D business, we saw another quarter of results driven by deliveries of large transformers and substations for projects linked to transmission auctions and distribution network projects.

- External Market**
- Revenues continued to show fluctuations, typical of long-cycle businesses, especially after important deliveries of T&D projects in Colombia and South Africa and steam turbines in Europe throughout 2021.
  - In North America, we advanced with the process of using the capacity of the new transformer factory in the USA, taking advantage of the opportunities present in this market, especially in the sale of transformers for renewable energy generation sites (wind and solar).

## Performance by Business Area

### Commercial and Appliance Motors (MCA)

NOR	Domestic Market	External Market
3Q22	286,015	423,556
2Q22	234,905	345,311
Δ%	21.8%	22.7%
3Q21	326,397	336,843
Δ%	-12.4%	25.7%



Share in NOR

#### Domestic Market

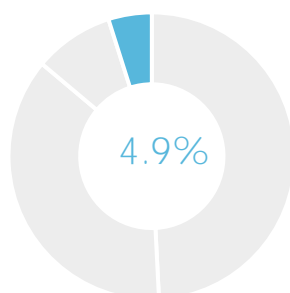
- We continued to note an improvement in the number of orders for domestic use motors, returning to pre-pandemic levels after an accommodation in the market due to strong sales volume in the same period of the previous year. It is important to highlight the revenue growth compared to 2Q22, highlighting the improvement in demand in commercials, such as water pumps and washing machines.

#### External Market

- We observed growth in demand in all regions in which we operate, with highlight to the continuity on market share gain in North America and the good performance in Argentina and China's operation

### Paints and Varnishes (T&V)

NOR	Domestic Market	External Market
3Q22	313,317	77,942
2Q22	277,184	59,618
Δ%	13.0%	30.7%
3Q21	238,880	47,648
Δ%	31.2%	63.6%



Share in NOR

#### Domestic Market

- With good activity in the segments in which it operates in Brazil, this business area also remained strong, with robust demand in the agribusiness and infrastructure segments.

#### External Market

- Exports from Brazil to Latin American countries and sales made by our operations abroad contributed to this quarter's growth.

## Cost of Goods Sold

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

Table 3 – Costs

	3Q22	2Q22	HA%	3Q21	HA%
Net Operating Revenues	7,911,192	7,185,787	10.1%	6,198,243	27.6%
Cost of Goods Sold	(5,493,544)	(5,217,781)	5.3%	(4,411,429)	24.5%
Gross Margin	30.6%	27.4%	3.2 pp	28.8%	1.8 pp

The stabilization of the costs of the main raw materials that make up our cost structure, mainly steel and copper, together with the continuity of cost reduction programs and process improvements, which provide productivity gains, were the factors that most contributed to the improvement of operating margins.

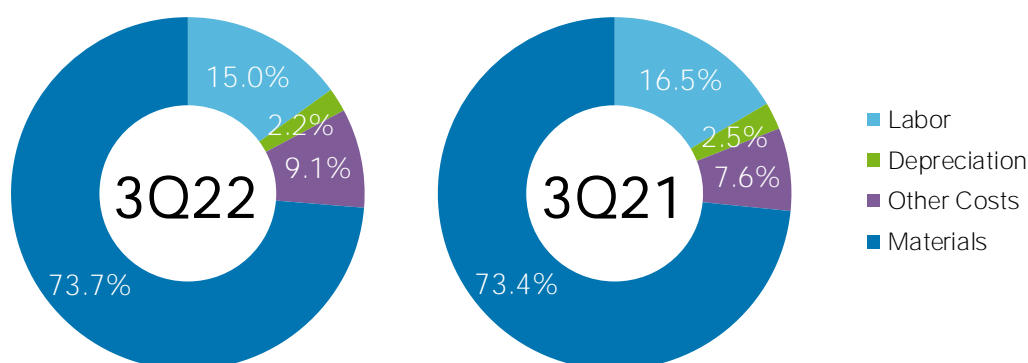


Figure 2 – COGS Composition

## Sales, General, and Administrative Expenses

Consolidated Sales, General, and Administrative (SG&A) expenses totaled R\$ 793.0 million in 3Q22, an increase of 19.5% vs. 3Q21 and an increase of 10.0% vs. 2Q22. When analyzed in relation to net operating revenue, these expenses accounted for 10.0%, down 0.7 p.p. vs. 3Q21 and at the same level compared to 2Q22.

## EBITDA and EBITDA Margin

The composition of the EBITDA calculation, according to Instruction CVM 156/2022, and the EBITDA margin are shown in Table 4. EBITDA margin showed an evolution compared to the same period of the previous year, reflecting the improvement in the margin of some important operations abroad, better occupancy of the plants, along with the reduction of cost pressure observed in the last quarters.

Table 4 – Calculation of EBITDA and EBITDA Margin

	3Q22	2Q22	HA%	3Q21	HA%
Net Operating Revenues	7,911,192	7,185,787	10.1%	6,198,243	27.6%
Net Income	1,158,032	912,965	26.8%	812,925	42.5%
Net Income Before Minorities	1,174,204	926,120	26.8%	832,231	41.1%
(+) Income Taxes & Contributions	269,816	190,878	41.4%	185,534	45.4%
(+/-) Financial Income (Expenses)	(18,073)	4,443	n.a.	(3,725)	385.2%
(+) Depreciation & Amortization	142,157	135,221	5.1%	129,970	9.4%
<b>EBITDA</b>	<b>1,568,104</b>	<b>1,256,662</b>	<b>24.8%</b>	<b>1,144,010</b>	<b>37.1%</b>
<b>EBITDA Margin</b>	<b>19.8%</b>	<b>17.5%</b>	<b>2.3 pp</b>	<b>18.5%</b>	<b>1.3 pp</b>

## Net Income

Net Income in 3Q22 was R\$ 1,158.0 million, up 42.5% compared to 3Q21 and up 26.8% compared to 2Q22. The net margin reached 14.6%, 1.5 p.p. higher than 3Q21 and 1.9 p.p. higher than 2Q22.

## Cash Flow

Cash generation in operating activities was R\$ 1,162.1 million in the first nine months of 2022, result of revenue growth and improvement in our operating margins, despite the greater need for working capital, notably in relation to the increase in inventories of the Company. This move was necessary due to the increase in sales and the scenario of uncertainties in the global supply chain.

In investment activities, which include changes in fixed and intangible assets, acquisition of subsidiaries, and financial investments, we consumed R\$ 845.2 million. The main changes were the higher level of investment (CAPEX<sup>(3)</sup>) in modernization and expansion of production capacity, with continued investments in factories in Brazil, Mexico, India, and Portugal and the acquisitions of subsidiaries in the period.

In financing activities, the company raised R\$ 4,762.3 million and made amortizations of R\$ 2,204.5 million, including interest on loans, resulting in net funding of R\$ 2,557.8 million. Payments to equity holders (dividends and interest on capital) totaled R\$ 1,886.6 million. The final result was net funding of R\$ 663.8 million in financing activities in the period.

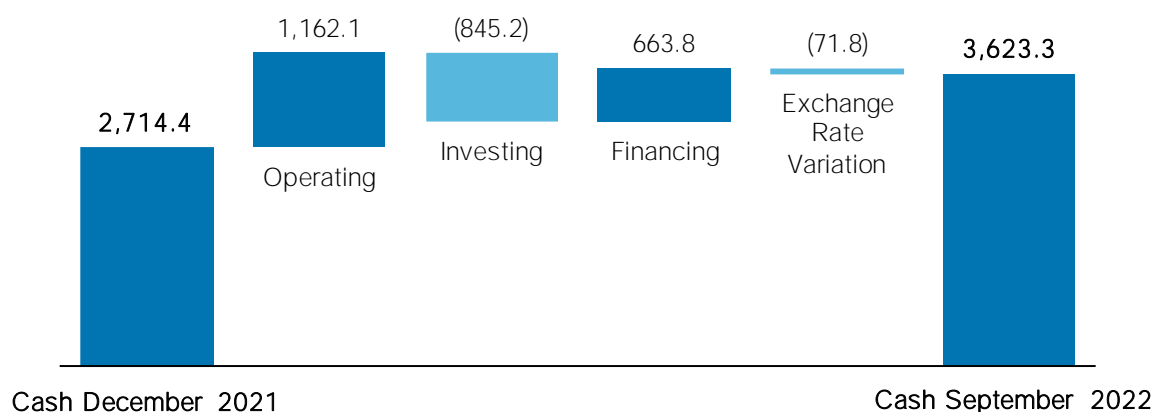


Figure 3 – Cash flow reconciliation (figures in R\$ million)

Note that the chart in Figure 3 shows the cash and cash equivalents positions classified as current assets. Furthermore, the company has R\$ 713.5 million in financial investments with no immediate liquidity, including derivative financial instruments (R\$ 912.0 million in December 2021).

## Return on Invested Capital

The ROIC in 3Q22, accumulated in the last 12 months, reached 27.9%, decreasing by 3.4 p.p. over 3Q21 and growing by 1.0 p.p. over 2Q22. The increase in capital employed, which expanded due to a greater need for working capital and the higher CAPEX in the period, were the main reason for ROIC reduction, despite the rise of Net Operating Profit After Taxes (NOPAT) in the last 12 months.

## Investments (CAPEX)

In 3Q22, we invested R\$ 326.7 million in the modernization and expansion of production capacity, machinery and equipment, and software licenses, 50% for production units in Brazil and 50% for industrial plants and other facilities abroad.

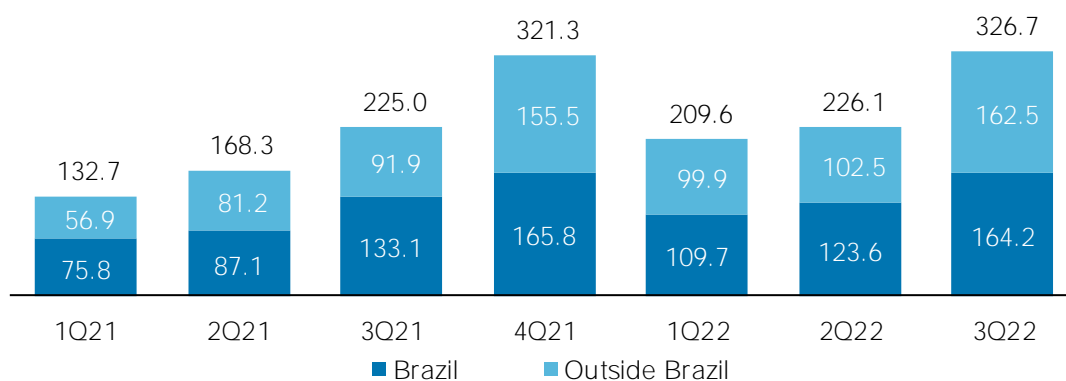


Figure 4 – CAPEX Evolution (figures in R\$ million)

## Research, Development, and Innovation

Expenditures on research, development and innovation activities totaled R\$ 193.9 million, representing 2.5% of net operating revenue in 3Q22.

## 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 Reals and other currencies, resulting in the Company's net cash at the end of the quarter.

Table 5 – Cash and Debt

	September 2022	December 2021	September 2021
<b>Cash &amp; Cash Equivalents</b>	<b>4,153,508</b>	<b>3,217,135</b>	<b>2,942,361</b>
Current	4,142,927	3,217,135	2,942,361
Long Term	10,581	-	-
<b>Derivatives</b>	<b>42,156</b>	<b>392,013</b>	<b>495,838</b>
Short Term Assets	181,507	409,337	366,987
Long Term Assets	1,730	-	183,997
Short Term Liabilities	(133,364)	(17,324)	(51,166)
Long Term Liabilities	(7,717)	-	(3,980)
<b>Debt</b>	<b>(3,835,041)</b>	<b>(1,789,115)</b>	<b>(1,635,209)</b>
Current	(2,639,967)	(1,052,044)	(1,031,609)
In Brazilian Reals	(10,415)	(7,769)	(8,177)
In other currencies	(2,629,552)	(1,044,275)	(1,023,432)
Long Term	(1,195,074)	(737,071)	(603,600)
In Brazilian Reals	(34,765)	(35,818)	(39,140)
In other currencies	(1,160,309)	(701,253)	(564,460)
<b>Net Cash</b>	<b>360,623</b>	<b>1,820,033</b>	<b>1,802,990</b>

The total duration of our indebtedness was 13.9 months on September 2022 (12.2 months in December 2021).

## Dividends and Interest on Stockholders' Equity

As of August 17, we paid dividends related to **shareholders'** remuneration that were declared for the first half of 2022, according to events approved in:

- On March 22, as interest on **stockholder's** equity (JCP), to the gross amount of R\$ 154.3 million;
- On June 21, as interest on **stockholder's** equity (JCP), to the gross amount of R\$ 181.7 million.
- On July 19, as dividends in the total amount of R\$ 553.7 million

Also, on September 20, the Board of Directors approved **interest on stockholders' equity to the gross** amount of R\$ 185.1 million. We will pay this interest from March 15, 2023

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

	Board Meeting Date	Gross Amount per Share
Interest on Stockholders' Equity	Mar 22, 2022	0,036764706
Interest on Stockholders' Equity	Jun 21, 2022	0,043294118
Dividends	Jul 19, 2022	0,131948000
Interest on Stockholders' Equity	Sep 20, 2022	0,044117647
<b>Total</b>		<b>0,256124471</b>



## Other Events

### Acquisition of Gefran's Motion Control Business Unit

On August 1st, we announced contracts for the acquisition of the Motion Control business unit of Gefran S.p.A (Gefran), an Italian manufacturer of sensors, components and industrial automation equipment, for an estimated total value of €23.0 million.

A traditional company in the automation and technological innovation industry, founded in 1960 and listed on the Italian stock exchange (Borsa Italiana: GE), Gefran is divided into three business units: Motion Control, Automation Components, and Sensors. This agreement focuses on the acquisition of the Motion Control business unit, responsible for the development and production of a complete line of variable frequency drives, direct current converters and special applications of servo drives. With a team of approximately 180 employees and factories in Italy, Germany, China, and India, the Motion Control unit has customers and operations in more than 70 countries. In 2021 its net revenue was €44.8 million.

### WEG Carbon Neutral Program

On August 30, 2022, we announced the WEG Carbon Neutral Program, which defines global decarbonization goals (reduction of GHG emissions - Greenhouse Gases) as follows:

1. Reduce 52% of GHG emissions by 2030;
2. Achieve net neutral emissions (net-zero) by 2050.

## Results Conference Call

On October 27, 2022 (Thursday), WEG will hold a teleconference in Portuguese, with simultaneous translation into English, also available on the internet webcast, at the following times:

- 11:00 a.m. – São Paulo (BRT)
- 10:00 a.m. – New York (EDT)
- 03:00 p.m. – London (BST)

### Connecting phone numbers:

- Dial-in for connections in Brazil: +55 11 4090 1621 / +55 11 3181 8565
- Dial-in for connections in the United States: +1 412 717 9627
- Toll-free for connections in the United States: +1 844 204 8942
- Code: WEG

### Access to HD Web Phone (webphone connection):

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

### Access to Webcasting:

- Slides and original audio in Portuguese: <https://choruscall.com.br/weg/3t22.htm>
- Slides and simultaneous translation into English: <https://choruscall.com.br/weg/3q22.htm>

The presentation will also be available on our Investor Relations website ([ir.weg.net](http://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 2022

Annex



## Annex I – Consolidated Income Statement – Quarterly

	3Q22		2Q22		3Q21		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
<b>Net Operating Revenues</b>	<b>7,911,192</b>	<b>100.0%</b>	<b>7,185,787</b>	<b>100.0%</b>	<b>6,198,243</b>	<b>100.0%</b>	<b>10.1%</b>	<b>27.6%</b>
Cost of Goods Sold	(5,493,544)	-69.4%	(5,217,781)	-72.6%	(4,411,429)	-71.2%	5.3%	24.5%
<b>Gross Profit</b>	<b>2,417,648</b>	<b>30.6%</b>	<b>1,968,006</b>	<b>27.4%</b>	<b>1,786,814</b>	<b>28.8%</b>	<b>22.8%</b>	<b>35.3%</b>
Sales Expenses	(562,267)	-7.1%	(506,697)	-7.1%	(457,889)	-7.4%	11.0%	22.8%
Administrative Expenses	(230,720)	-2.9%	(214,447)	-3.0%	(205,711)	-3.3%	7.6%	12.2%
Financial Revenues	323,688	4.1%	120,091	1.7%	162,309	2.6%	169.5%	99.4%
Financial Expenses	(305,615)	-3.9%	(124,534)	-1.7%	(158,584)	-2.6%	145.4%	92.7%
Other Operating Income	25,109	0.3%	15,639	0.2%	23,461	0.4%	60.6%	7.0%
Other Operating Expenses	(223,823)	-2.8%	(141,060)	-2.0%	(132,634)	-2.1%	58.7%	68.8%
<b>Earnings Before Taxes</b>	<b>1,444,020</b>	<b>18.3%</b>	<b>1,116,998</b>	<b>15.5%</b>	<b>1,017,766</b>	<b>16.4%</b>	<b>29.3%</b>	<b>41.9%</b>
Income Taxes & Contributions	(280,043)	-3.5%	(249,859)	-3.5%	(169,456)	-2.7%	12.1%	65.3%
Deferred Taxes	10,227	0.1%	58,981	0.8%	(16,078)	-0.3%	-82.7%	n.a.
Minorities	(16,172)	-0.2%	(13,155)	-0.2%	(19,307)	-0.3%	22.9%	-16.2%
<b>Net Earnings</b>	<b>1,158,032</b>	<b>14.6%</b>	<b>912,965</b>	<b>12.7%</b>	<b>812,925</b>	<b>13.1%</b>	<b>26.8%</b>	<b>42.5%</b>
<b>EBITDA</b>	<b>1,568,105</b>	<b>19.8%</b>	<b>1,256,661</b>	<b>17.5%</b>	<b>1,144,010</b>	<b>18.5%</b>	<b>24.8%</b>	<b>37.1%</b>
<b>Earnings per Share (EPS)</b>	<b>0.27598</b>		<b>0.21758</b>		<b>0.19372</b>		<b>26.8%</b>	<b>42.5%</b>

## Annex II – Consolidated Income Statement Accumulated

	09M22		09M21		HA%
	(A)	VA%	(B)	VA%	(A)/(B)
<b>Net Operating Revenues</b>	<b>21,925,085</b>	<b>100.0%</b>	<b>17,023,328</b>	<b>100.0%</b>	<b>28.8%</b>
Cost of Goods Sold	(15,644,595)	-71.4%	(11,870,268)	-69.7%	31.8%
<b>Gross Profit</b>	<b>6,280,490</b>	<b>28.6%</b>	<b>5,153,060</b>	<b>30.3%</b>	<b>21.9%</b>
Sales Expenses	(1,561,980)	-7.1%	(1,335,303)	-7.8%	17.0%
Administrative Expenses	(644,914)	-2.9%	(574,509)	-3.4%	12.3%
Financial Revenues	867,878	4.0%	751,329	4.4%	15.5%
Financial Expenses	(799,984)	-3.6%	(597,163)	-3.5%	34.0%
Other Operating Income	86,762	0.4%	410,927	2.4%	-78.9%
Other Operating Expenses	(514,382)	-2.3%	(480,980)	-2.8%	6.9%
<b>Earnings Before Taxes</b>	<b>3,713,870</b>	<b>16.9%</b>	<b>3,327,361</b>	<b>19.5%</b>	<b>11.6%</b>
Income Taxes & Contributions	(672,398)	-3.1%	(575,129)	-3.4%	16.9%
Deferred Taxes	12,334	0.1%	11,322	0.1%	8.9%
Minorities	(38,909)	-0.2%	(51,662)	-0.3%	-24.7%
<b>Net Earnings</b>	<b>3,014,897</b>	<b>13.8%</b>	<b>2,711,892</b>	<b>15.9%</b>	<b>11.2%</b>
<b>EBITDA</b>	<b>4,057,704</b>	<b>18.5%</b>	<b>3,553,580</b>	<b>20.9%</b>	<b>14.2%</b>
<b>Earnings per Share (EPS)</b>	<b>0.71851</b>		<b>0.64628</b>		<b>11.2%</b>



## Annex III – Consolidated Balance Sheet

	September 2022		December 2021		September 2021		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
<b>Current Assets</b>	<b>19.548.424</b>	<b>71%</b>	<b>15.945.946</b>	<b>67%</b>	<b>14.743.151</b>	<b>66%</b>	<b>23%</b>	<b>33%</b>
Cash & cash equivalents	4.142.927	15%	3.217.135	13%	2.942.361	13%	29%	41%
Receivables	5.589.806	20%	4.317.393	18%	4.349.461	19%	29%	29%
Inventories	7.963.761	29%	6.497.048	27%	5.619.084	25%	23%	42%
Other current assets	1.851.930	7%	1.914.370	8%	1.832.245	8%	-3%	1%
<b>Noncurrent assets</b>	<b>8.149.061</b>	<b>29%</b>	<b>7.986.841</b>	<b>33%</b>	<b>7.757.150</b>	<b>34%</b>	<b>2%</b>	<b>5%</b>
Long Term Assets	663.170	2%	930.416	4%	973.648	4%	-29%	-32%
Long term securities	10.581	0%	-	0%	-	0%	n.m.	n.m.
Deferred taxes	425.190	2%	421.900	2%	409.256	2%	1%	4%
Other non-current assets	227.399	1%	508.516	2%	564.392	3%	-55%	-60%
Investment in Subs	1.086	0%	1.265	0%	1.254	0%	-14%	-13%
Property, Plant & Equipment	5.966.830	22%	5.504.772	23%	5.164.500	23%	8%	16%
Right of use	585.006	2%	403.721	2%	318.083	1%	45%	84%
Intangibles	1.517.975	5%	1.550.388	6%	1.617.748	7%	-2%	-6%
<b>Total Assets</b>	<b>27.697.485</b>	<b>100%</b>	<b>23.932.787</b>	<b>100%</b>	<b>22.500.301</b>	<b>100%</b>	<b>16%</b>	<b>23%</b>
<b>Current Liabilities</b>	<b>10.789.911</b>	<b>39%</b>	<b>7.927.884</b>	<b>33%</b>	<b>7.533.439</b>	<b>33%</b>	<b>36%</b>	<b>43%</b>
Social and Labor Liabilities	692.037	2%	388.190	2%	587.206	3%	78%	18%
Suppliers	2.405.151	9%	2.120.338	9%	1.968.897	9%	13%	22%
Fiscal and Tax Liabilities	683.633	2%	279.271	1%	410.308	2%	145%	67%
Short Term Debt	2.639.967	10%	1.052.044	4%	1.031.609	5%	151%	156%
Dividends Payable	167.861	1%	195.272	1%	81.457	0%	-14%	106%
Advances from Clients	2.582.777	9%	2.267.484	9%	1.966.805	9%	14%	31%
Profit Sharing	270.176	1%	384.272	2%	290.325	1%	-30%	-7%
Derivatives	133.364	0%	17.324	0%	51.166	0%	n.m.	161%
Leasing	61.638	0%	73.268	0%	49.438	0%	-16%	25%
Other Short Term Liabilities	1.153.307	4%	1.150.421	5%	1.096.228	5%	0%	5%
<b>Long Term Liabilities</b>	<b>2.619.652</b>	<b>9%</b>	<b>1.994.231</b>	<b>8%</b>	<b>1.827.090</b>	<b>8%</b>	<b>31%</b>	<b>43%</b>
Long Term Debt	1.195.074	4%	737.071	3%	603.600	3%	62%	98%
Other Long Term Liabilities	199.062	1%	292.852	1%	244.189	1%	-32%	-18%
Leasing	469.082	2%	249.245	1%	284.042	1%	88%	65%
Deferred Taxes	71.001	0%	71.892	0%	74.183	0%	-1%	-4%
Contingencies Provisions	685.433	2%	643.171	3%	621.076	3%	7%	10%
<b>Equity</b>	<b>14.287.922</b>	<b>52%</b>	<b>14.010.672</b>	<b>59%</b>	<b>13.139.772</b>	<b>58%</b>	<b>2%</b>	<b>9%</b>
Owners of the Company	13.894.451	50%	13.604.971	57%	12.750.405	57%	2%	9%
Noncontrolling interests	393.471	1%	405.701	2%	389.367	2%	-3%	1%
<b>Total Liabilities</b>	<b>27.697.485</b>	<b>100%</b>	<b>23.932.787</b>	<b>100%</b>	<b>22.500.301</b>	<b>100%</b>	<b>16%</b>	<b>23%</b>

## Annex IV – Consolidated Cash Flow Statement

	9 Months 2022	9 Months 2021
<b>Operating Activities</b>		
Net Earnings before Taxes	3.713.870	3.327.361
Depreciation and Amortization	411.728	380.385
Provisions	585.441	460.175
Tax credit - ICMS exclusion from PIS/COFINS calculation basis	(40.768)	(502.953)
Changes in Assets & Liabilities	(3.508.165)	(3.039.278)
(Increase) / Reduction of Accounts Receivable	(1.331.361)	(1.305.735)
Increase / (Reduction) of Accounts Payable	473.023	1.033.500
(Increase) / Reduction of Inventories	(1.794.363)	(1.830.383)
Income Tax and Social Contribution on Net Earnings	(342.702)	(465.224)
Profit Sharing Paid	(512.762)	(471.436)
<b>Cash Flow from Operating Activities</b>	<b>1.162.106</b>	<b>625.690</b>
<b>Investment Activities</b>		
Fixed Assets	(715.805)	(477.770)
Intangible Assets	(46.521)	(48.277)
Results of sales of fixed assets	12.282	40.840
Aquisition of Subsidiaries	(97.307)	-
Financial investments held to maturity	(10.581)	(57.864)
Rescue of financial investments	12.767	119.191
<b>Cash Flow from Investment Activities</b>	<b>(845.165)</b>	<b>(423.880)</b>
<b>Financing Activities</b>		
Working Capital Financing	4.762.317	239.738
Long Term Financing	(2.159.908)	(239.775)
Interest paid on loans and financing	(44.576)	(40.415)
Treasury Shares	(7.520)	4.563
Dividends & Interest on Stockholders Equity Paid	(1.886.550)	(1.656.518)
<b>Cash Flow from Financing Activities</b>	<b>663.763</b>	<b>(1.692.407)</b>
<b>Changes in Cash and Equivalents caused by FX Changes</b>	<b>(71.876)</b>	<b>(5.128)</b>
<b>Change in Cash Position</b>	<b>908.828</b>	<b>(1.495.725)</b>
Cash & Cash Equivalents:		
Beginning of Period	2.714.427	3.892.140
End of Period	3.623.255	2.396.415

Notes:

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

(2) Capital Expenditure

p.p. stands for percentage points

n.a. stands for not applicable

n.m. stands for not mentioned

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