



# EARNINGS RELEASE

## 4Q 2022

### Solid and consistent results even in a challenging scenario

#### Highlights



**Net Operating Revenue (NOR)** was **R\$ 7,979.6 million** in 4Q22, 22.0% higher than 4Q21 and 0.9% higher than 3Q22.



**EBITDA<sup>(1)</sup>** reached **R\$ 1,559.4 million**, 38.6% higher than 4Q21 and 0.6% lower than 3Q22, while **EBITDA margin** was **19.5%**, 230 bps higher than 4Q21 and 30 bps lower than the previous quarter.



**Return on Invested Capital (ROIC<sup>(2)</sup>)** reached **29.4%** in 4Q22, down 110 bps from 4Q21 and an increase of 105 bps from 3Q22.

#### Message from the Management

This quarter we presented good results in most of the businesses, with positive demand in both the domestic market and the main countries where we operate abroad, delivering consistent revenue growth.

In Brazil, we maintained a good performance in providing solutions related to power generation, mainly by the wind and solar generation businesses, in addition to the good performance in transmission & distribution (T&D). We also continue to see good demand for industrial equipment, boosted by the business of low and medium-voltage electric motors, and automation goods.

In the external market, the performance was also positive, maintaining sales volume in the Industrial Electro-Electronic Equipment area, despite the concerns of the global economic scenario, and sales growth in Energy Generation, Transmission, and Distribution (GTD), as a result of the backlog built throughout the year, especially in the T&D business.

Our strategy of vertical integration, product diversification, and global presence was important for the results obtained, mitigating impacts that arose from the uncertainties of the global scenario. It is important to highlight that the supply chain normalization process, together with our efforts to control costs and operational efficiency, were important factors for the healthy margins obtained in this quarter, as well as the maintenance of the return on invested capital at an attractive level.

Table 1 – Main Highlights

	4Q22	3Q22	HA%	4Q21	HA%	12M22	12M21	HA%
Return on Invested Capital	29.4%	27.9%	150 bps	30.5%	-110 bps	29.4%	30.5%	-110 bps
Net Operating Revenue	7,979,637	7,911,192	0.9%	6,540,010	22.0%	29,904,722	23,563,338	26.9%
Domestic Market	3,817,819	3,937,810	-3.0%	2,890,352	32.1%	14,864,338	10,742,376	38.4%
External Markets	4,161,818	3,973,382	4.7%	3,649,658	14.0%	15,040,384	12,820,962	17.3%
<i>External Markets in US\$</i>	<i>791,925</i>	<i>757,450</i>	<i>4.6%</i>	<i>653,383</i>	<i>21.2%</i>	<i>2,913,330</i>	<i>2,376,654</i>	<i>22.6%</i>
Net Income	1,193,187	1,158,032	3.0%	874,055	36.5%	4,208,084	3,585,947	17.3%
Net Margin	15.0%	14.6%	40 bps	13.4%	160 bps	14.1%	15.2%	-110 bps
EBITDA	1,559,440	1,568,104	-0.6%	1,124,940	38.6%	5,617,144	4,678,520	20.1%
EBITDA Margin	19.5%	19.8%	-30 bps	17.2%	230 bps	18.8%	19.9%	-110 bps
Earnings per Share (EPS)	0.28437	0.27598	3.0%	0.20831	36.5%	1.00288	0.85459	17.4%

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 22.0% compared to 4Q21, up 32.1% in the domestic market and 14.0% 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 and the Gefran Motion Control business acquisition, consolidated revenue for the quarter would have grown by 20.8% over 4Q21.

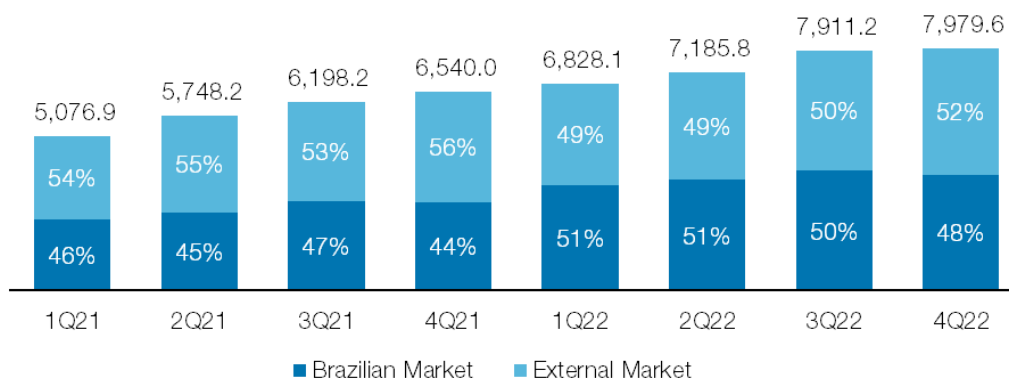


Figure 1 – Net Operating Revenue by Market (figures in R\$ million)

Net operating revenue from the external market, measured in the quarterly averaged US dollars, increased by 21.2% in relation to 4Q21 and 4.6% in relation to 3Q22. 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

	4Q22		3Q22		4Q21		HA% (A)/(B)	HA% (A)/(C)
	(A)	VA%	(B)	VA%	(C)	VA%		
<i>External Markets in US\$</i>	791,925	100.0%	757,450	100.0%	653,383	100.0%	4.6%	21.2%
<i>North America</i>	368,708	46.6%	362,881	47.9%	280,829	43.0%	1.6%	31.3%
<i>South and Central America</i>	78,979	10.0%	98,001	12.9%	79,136	12.1%	-19.4%	-0.2%
<i>Europe</i>	215,729	27.2%	169,013	22.3%	178,976	27.4%	27.6%	20.5%
<i>Africa</i>	52,884	6.7%	48,425	6.4%	42,126	6.4%	9.2%	25.5%
<i>Asia-Pacific</i>	75,625	9.5%	79,130	10.5%	72,316	11.1%	-4.4%	4.6%

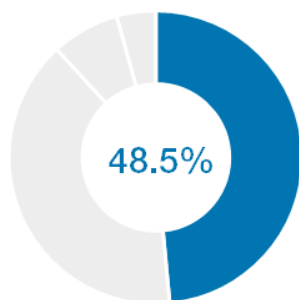
Net operating revenue from the external market was impacted by the average US dollar exchange rate that moved from R\$ 5.59 in 4Q21 to R\$ 5.25 in 4Q22, a 5.9% depreciation over the Brazilian Real.

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, weighted by revenues in each market, net operating revenue from the external market increased by 23,2% compared to 4Q21.

## Performance by Business Area

### Industrial Electro-Electronic Equipment (EEI)

NOR	Domestic Market	External Market
4Q22	1,253,233	2,613,685
3Q22	1,306,327	2,585,842
Δ%	-4.1%	1.1%
4Q21	988,128	2,271,211
Δ%	26.8%	15.1%



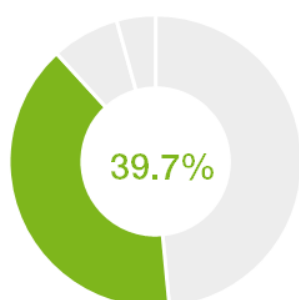
Share in NOR

- Domestic Market**
- Industrial activity continued positively in Brazil, with significant growth compared to the same period of the previous year. Short-cycle goods, such as low-voltage electric motors and gearboxes, maintained good demand, with a highlight on the agribusiness and pulp & paper segments.
  - Long cycle goods, such as medium voltage electric motors and automation panels, showed good results, especially in the oil & gas, mining, and pulp & paper segments.

- External Market**
- Maintenance of good results, despite the volatility observed in some regions where we operate, such as South America and China. Outstanding performance in the United States, with high industrial activity, and Europe, despite the concern with the political and economic scenario in the region. It is important to point out that we started consolidating Gefran's Motion Control in this business area in November. For short-cycle goods, we noted a dispersed demand among the different industrial segments in which we operate.
  - Long-cycle goods showed consistent results, with improved revenues and order entry, contributing to building a healthy order backlog. High-voltage motors, especially for oil & gas, mining, and water & sanitation projects, were important for the result obtained.

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

NOR	Domestic Market	External Market
4Q22	2,031,117	1,136,479
3Q22	2,032,151	886,042
Δ%	-0.1%	28.3%
4Q21	1,399,039	974,982
Δ%	45.2%	16.6%



Share in NOR

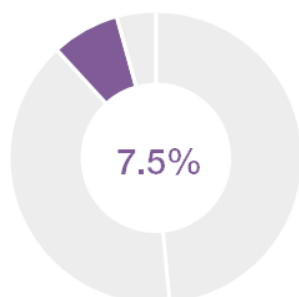
- Domestic Market**
- Continuation of good performance in Brazil, with growth in all business, especially distributed solar generation (GD) and alternators, along with scheduled deliveries of wind turbines.
  - Another highlight was the good performance of T&D, driven by the delivery of transformers to all important segments, such as transmission lines, renewables, distribution, and industrial.

- External Market**
- T&D sales had a positive quarter, with important projects in strategic regions. Highlight for North America, where we continue to take advantage of the opportunities in this market, advancing with the process of utilization of the new transformer plant capacity in the United States.
  - In the generation business, we highlight the good performance of our operation in India, with emphasis on the production of hydro generators.

## Performance by Business Area

### Commercial and Appliance Motors (MCA)

NOR	Domestic Market	External Market
4Q22	248,423	349,126
3Q22	286,015	423,556
Δ%	-13.1%	-17.6%
4Q21	265,021	347,038
Δ%	-6.3%	0.6%



Share in NOR

#### Domestic Market

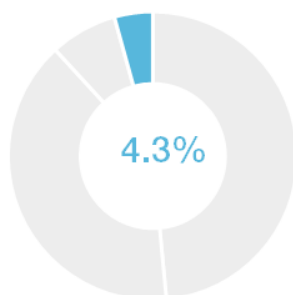
- Despite the good sales volume presented in some specific segments, such as air conditioners, we observed fluctuation in demand from important customers this quarter, such as washing machines and motor pump manufacturers.

#### External Market

- Performance in line with the same period of the previous year, despite the slowdown in sales volume observed in relevant markets, such as North America and Argentina, which led to a reduction in revenue compared to the previous quarter.

### Paints and Varnishes (T&V)

NOR	Domestic Market	External Market
4Q22	285,046	62,528
3Q22	313,317	77,942
Δ%	-9.0%	-19.8%
4Q21	238,164	56,427
Δ%	19.7%	10.8%



Share in NOR

#### Domestic Market

- Demand for paint and varnish products was positive compared to the same period of the previous year, with a highlight on the segments of metal structures and maintenance.

#### External Market

- Increased sales in the Mexico operation, which contributed to growth when compared to the same period of the previous year.

## Cost of Goods Sold

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

Table 3 – Costs

	4Q22	3Q22	HA%	4Q21	HA%
Net Operating Revenues	7,979,637	7,911,192	0.9%	6,540,010	22.0%
Cost of Goods Sold	(5,564,640)	(5,493,544)	1.3%	(4,732,113)	17.6%
Gross Margin	30.3%	30.6%	-30 bps	27.6%	270 bps

The stabilization of the main raw materials costs 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 important factors in maintaining the operating margins close to those achieved in the previous quarter and higher than those achieved in the same period of 2021.

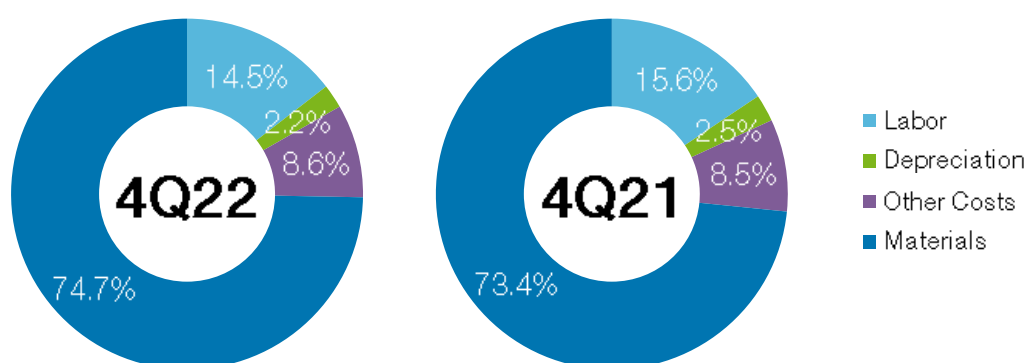


Figure 2 – COGS Composition

## Sales, General, and Administrative Expenses

Consolidated Sales, General, and Administrative (SG&A) expenses totaled R\$ 830,8 million in 4Q22, an increase of 19% vs. 4Q21 and an increase of 15.0% vs. 3Q22. When analyzed in relation to net operating revenue, these expenses accounted for 10.4%, down 30 basis points. vs. 4Q21 and up 40 basis points compared to 3Q22.

## 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 stabilization of costs observed in recent quarters and the growing improvement in the performance of operations outside Brazil.

Table 4 – Calculation of EBITDA and EBITDA Margin

	4Q22	3Q22	HA%	4Q21	HA%
Net Operating Revenues	7,979,637	7,911,192	0.9%	6,540,010	22.0%
Net Income	1,193,187	1,158,032	3.0%	874,055	36.5%
Net Income Before Minorities	1,219,066	1,174,204	3.8%	893,926	36.4%
(+) Income Taxes & Contributions	182,706	269,816	-32.3%	108,748	68.0%
(+/-) Financial Income (Expenses)	3,839	(18,073)	n.a.	(17,527)	n.a.
(+) Depreciation & Amortization	153,829	142,157	8.2%	139,793	10.0%
<b>EBITDA</b>	<b>1,559,440</b>	<b>1,568,104</b>	<b>-0.6%</b>	<b>1,124,940</b>	<b>38.6%</b>
<b>EBITDA Margin</b>	<b>19.5%</b>	<b>19.8%</b>	<b>-30 bps</b>	<b>17.2%</b>	<b>230 bps</b>

## Net Income

Net Income in 4Q22 was R\$ 1,193.2 million, up 36.5% compared to 4Q21 and up 3.0% compared to 3Q22. The net margin reached 15.0%, 160 basis points higher than 4Q21 and 40 basis points higher than 3Q22.

## Cash Flow

Cash generation in operating activities was R\$ 2,982.9 million in 2022, result of continuous revenue growth and improved operating margins. It is important to highlight the start of the process of normalizing inventory levels in 4Q22, which increased in previous quarters and was necessary to ensure the availability of products globally.

In investment activities, which include changes in fixed and intangible assets, acquisition of subsidiaries, and financial investments, we consumed R\$ 1,346.4 million. The (CAPEX<sup>(3)</sup>) level in modernization and expansion of production capacity increased in relation to the same period of the previous year, continuing the investment of resources in the plants in Brazil, Mexico, India, and Portugal.

In financing activities, the company raised R\$ 4,253.5 million and made amortizations of R\$ 2,166.6 million, including interest on loans, resulting in net funding of R\$ 2086.9 million. Payments to equity holders (dividends and interest on capital) totaled R\$ 1,887.5 million. The final result was net funding of R\$ 191.9 million in financing activities in the period.

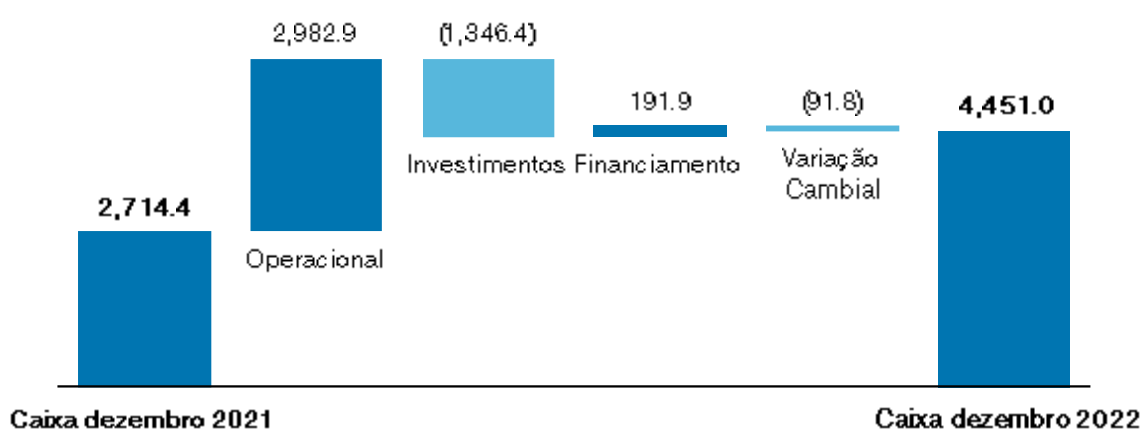


Figure 3 – Cash flow reconciliation (figures in R\$ million)

Note that the chart in Figure 3 shows the cash and cash equivalents positions classified as current assets. Furthermore, the company has R\$ 577.8 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 4Q22, accumulated in the last 12 months, reached 29.4%, decreasing 110 basis points over 4Q21 and growing 150 basis points over 3Q22. The increase in capital employed, mainly explained by investments in fixed and intangible assets in the period, was the main reason for ROIC reduction, despite the rise of Net Operating Profit After Taxes (NOPAT) in the last 12 months.

## Investments (CAPEX)

In 4Q22, we invested R\$ 431,0 million in the modernization and expansion of production capacity, machinery and equipment, and software licenses, 52% for production units in Brazil and 48% for industrial plants and other facilities abroad.

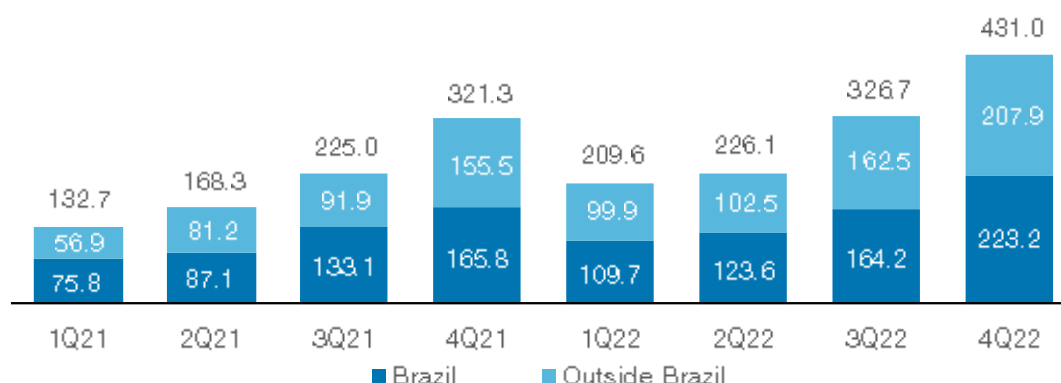


Figure 4 – CAPEX Evolution (figures in R\$ million)

## Research, Development, and Innovation

Expenditures on research, development, and innovation activities totaled R\$ 646.9 million, representing 2.2% of net operating revenue in 4Q22.

## 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 2022.

Table 5 – Cash and Debt

	Dezembro 2022		December 2021		September 2021	
<b>Cash &amp; Cash Equivalents</b>	<b>4,995,115</b>		<b>3,217,135</b>		<b>4,484,934</b>	
Current	4,982,828		3,217,135		4,484,934	
Long Term	12,287		-		-	
<b>Derivatives</b>	<b>(101,597)</b>		<b>392,013</b>		<b>504,629</b>	
Short Term Assets	33,647		409,337		206,849	
Long Term Assets	-		-		318,291	
Short Term Liabilities	(87,831)		(17,324)		(14,011)	
Long Term Liabilities	(47,413)		-		(6,500)	
<b>Debt</b>	<b>(3,459,692)</b>	<b>100%</b>	<b>(1,789,115)</b>	<b>100%</b>	<b>(1,686,580)</b>	<b>100%</b>
Current	(2,307,817)	67%	(1,052,044)	59%	(642,284)	38%
In Brazilian Reais	(8,494)		(7,769)		(12,289)	
In other currencies	(2,299,323)		(1,044,275)		(629,995)	
Long Term	(1,151,875)	33%	(737,071)	41%	(1,044,296)	62%
In Brazilian Reais	(31,691)		(35,818)		(48,193)	
In other currencies	(1,120,184)		(701,253)		(996,103)	
<b>Net Cash</b>	<b>1,433,826</b>		<b>1,820,033</b>		<b>3,302,983</b>	

The total duration of our indebtedness was 11.8 months on December 2022 (12.2 months in December 2021).

## Dividends and Interest on Stockholders' Equity

Management will propose, at the Annual General Meeting to be held on April 25, 2023, the allocation of R\$ 2,252.4 million for payment of Dividends and Interest on Stockholders' Equity as remuneration to shareholders on the results for the year 2022, representing 53.5% of net income.

Of this total, R\$ 820.8 million was declared in the first half of 2022 and paid on August 17, 2022. The payment of remuneration to shareholders for the second half of 2022, totaling R\$ 1,362.8 million, shall occur on March 15, 2023.

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	22/03/2022	0.036764706
Interest on Stockholders' Equity	21/06/2022	0.043294118
Dividends	19/07/2022	0.131948000
Interest on Stockholders' Equity	20/09/2022	0.044117647
Interest on Stockholders' Equity	13/12/2022	0.054352941
Dividends	15/02/2023	0.226303730
<b>Total</b>		<b>0.536781142</b>

## Other Events

### WEG acquires the remaining portion of MVISIA

On December 01, we announced that in continuation with the Notice to the Market published on June 23, 2020, we reached an agreement for the acquisition of the remaining portion of MVISIA Desenvolvidores Inovadores S.A., a company specialized in artificial intelligence solutions applied to computer vision for the industry. The acquisition is part of WEG's digital business growth strategy, which since 2020 has relied on MVISIA's technology to meet the demand of Industry 4.0 in computer vision. This movement is in line with the growing automation of industrial systems, which is converging towards the adoption of digitization, connectivity, and artificial intelligence to gain efficiency and rationalize the use of resources.



## Results Conference Call

On February 16, 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)
- 09:00 a.m. – New York (EST)
- 02:00 p.m. – London (GMT)

### 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/4t22.htm>
- Slides and simultaneous translation into English: <https://choruscall.com.br/weg/4q22.htm>

## 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

## 4Q 2022

Annex



## Annex I – Consolidated Income Statement – Quarterly

	4Q22		3Q22		4Q21		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
<b>Net Operating Revenues</b>	<b>7,979,637</b>	<b>100.0%</b>	<b>7,911,192</b>	<b>100.0%</b>	<b>6,540,010</b>	<b>100.0%</b>	<b>0.9%</b>	<b>22.0%</b>
Cost of Goods Sold	(5,564,640)	-69.7%	(5,493,544)	-69.4%	(4,732,113)	-72.4%	1.3%	17.6%
<b>Gross Profit</b>	<b>2,414,997</b>	<b>30.3%</b>	<b>2,417,648</b>	<b>30.6%</b>	<b>1,807,897</b>	<b>27.6%</b>	<b>-0.1%</b>	<b>33.6%</b>
Sales Expenses	(602,822)	-7.6%	(562,267)	-7.1%	(497,901)	-7.6%	7.2%	21.1%
Administrative Expenses	(228,021)	-2.9%	(230,720)	-2.9%	(201,498)	-3.1%	-1.2%	13.2%
Financial Revenues	238,116	3.0%	323,688	4.1%	241,410	3.7%	-26.4%	-1.4%
Financial Expenses	(241,955)	-3.0%	(305,615)	-3.9%	(223,883)	-3.4%	-20.8%	8.1%
Other Operating Income	60,598	0.8%	25,109	0.3%	11,227	0.2%	141.3%	439.8%
Other Operating Expenses	(239,141)	-3.0%	(223,823)	-2.8%	(134,577)	-2.1%	6.8%	77.7%
<b>Earnings Before Taxes</b>	<b>1,401,772</b>	<b>17.6%</b>	<b>1,444,020</b>	<b>18.3%</b>	<b>1,002,675</b>	<b>15.3%</b>	<b>-2.9%</b>	<b>39.8%</b>
Income Taxes & Contributions	(212,657)	-2.7%	(280,043)	-3.5%	(118,725)	-1.8%	-24.1%	79.1%
Deferred Taxes	29,951	0.4%	10,227	0.1%	9,976	0.2%	192.9%	200.2%
Minorities	(25,879)	-0.3%	(16,172)	-0.2%	(19,871)	-0.3%	60.0%	30.2%
<b>Net Earnings</b>	<b>1,193,187</b>	<b>15.0%</b>	<b>1,158,032</b>	<b>14.6%</b>	<b>874,055</b>	<b>13.4%</b>	<b>3.0%</b>	<b>36.5%</b>
<b>EBITDA</b>	<b>1,559,440</b>	<b>19.5%</b>	<b>1,568,104</b>	<b>19.8%</b>	<b>1,124,940</b>	<b>17.2%</b>	<b>-0.6%</b>	<b>38.6%</b>
<b>Earnings per Share (EPS)</b>	<b>0.28437</b>		<b>0.27598</b>		<b>0.20831</b>		<b>3.0%</b>	<b>36.5%</b>

## Annex II – Consolidated Income Statement Accumulated

	12M22		12M21		HA%
	(A)	VA%	(B)	VA%	(A)/(B)
<b>Net Operating Revenues</b>	<b>29,904,722</b>	<b>100.0%</b>	<b>23,563,338</b>	<b>100.0%</b>	<b>26.9%</b>
Cost of Goods Sold	(21,209,235)	-70.9%	(16,602,381)	-70.5%	27.7%
<b>Gross Profit</b>	<b>8,695,487</b>	<b>29.1%</b>	<b>6,960,957</b>	<b>29.5%</b>	<b>24.9%</b>
Sales Expenses	(2,164,802)	-7.2%	(1,833,204)	-7.8%	18.1%
Administrative Expenses	(872,935)	-2.9%	(776,007)	-3.3%	12.5%
Financial Revenues	1,105,994	3.7%	992,739	4.2%	11.4%
Financial Expenses	(1,041,939)	-3.5%	(821,046)	-3.5%	26.9%
Other Operating Income	147,360	0.5%	422,154	1.8%	-65.1%
Other Operating Expenses	(753,523)	-2.5%	(615,557)	-2.6%	22.4%
<b>Earnings Before Taxes</b>	<b>5,115,642</b>	<b>17.1%</b>	<b>4,330,036</b>	<b>18.4%</b>	<b>18.1%</b>
Income Taxes & Contributions	(885,055)	-3.0%	(693,854)	-2.9%	27.6%
Deferred Taxes	42,285	0.1%	21,298	0.1%	98.5%
Minorities	(64,788)	-0.2%	(71,533)	-0.3%	-9.4%
<b>Net Earnings</b>	<b>4,208,084</b>	<b>14.1%</b>	<b>3,585,947</b>	<b>15.2%</b>	<b>17.3%</b>
<b>EBITDA</b>	<b>5,617,144</b>	<b>18.8%</b>	<b>4,678,520</b>	<b>19.9%</b>	<b>20.1%</b>
<b>Earnings per Share (EPS)</b>	<b>1.00288</b>		<b>0.85459</b>		<b>17.4%</b>



## Annex III – Consolidated Balance Sheet

	December 2022		December 2021		December 2020		HA%	HA%
	(A)	VA%	(B)	VA%	(C)	VA%	(A)/(B)	(A)/(C)
<b>Current Assets</b>	<b>19,653,210</b>	<b>70%</b>	<b>15,945,946</b>	<b>67%</b>	<b>12,556,143</b>	<b>63%</b>	<b>23%</b>	<b>57%</b>
Cash & cash equivalents	4,982,828	18%	3,217,135	13%	4,484,934	23%	55%	11%
Receivables	5,614,423	20%	4,317,393	18%	3,417,251	17%	30%	64%
Inventories	7,644,361	27%	6,497,048	27%	3,737,529	19%	18%	105%
Other current assets	1,411,598	5%	1,914,370	8%	916,429	5%	-26%	54%
<b>Noncurrent assets</b>	<b>8,481,450</b>	<b>30%</b>	<b>7,986,841</b>	<b>33%</b>	<b>7,371,753</b>	<b>37%</b>	<b>6%</b>	<b>15%</b>
Long Term Assets	673,726	2%	930,416	4%	898,045	5%	-28%	-25%
Long term securities	12,287	0%	-	0%	-	0%	n.m.	n.m.
Deferred taxes	443,133	2%	421,900	2%	360,390	2%	5%	23%
Other non-current assets	218,306	1%	508,516	2%	537,655	3%	-57%	-59%
Investment in Subs	1,056	0%	1,265	0%	1,023	0%	-17%	3%
Property, Plant & Equipment	6,282,653	22%	5,504,772	23%	4,877,210	24%	14%	29%
Right of use	595,024	2%	403,721	2%	278,480	1%	47%	114%
Intangibles	1,524,015	5%	1,550,388	6%	1,595,475	8%	-2%	-4%
<b>Total Assets</b>	<b>28,134,660</b>	<b>100%</b>	<b>23,932,787</b>	<b>100%</b>	<b>19,927,896</b>	<b>100%</b>	<b>18%</b>	<b>41%</b>
<b>Current Liabilities</b>	<b>10,262,877</b>	<b>36%</b>	<b>7,927,884</b>	<b>33%</b>	<b>5,882,044</b>	<b>30%</b>	<b>29%</b>	<b>74%</b>
Social and Labor Liabilities	466,843	2%	388,190	2%	366,790	2%	20%	27%
Suppliers	2,036,216	7%	2,120,338	9%	1,249,368	6%	-4%	63%
Fiscal and Tax Liabilities	459,647	2%	279,271	1%	240,467	1%	65%	91%
Short Term Debt	2,307,817	8%	1,052,044	4%	642,284	3%	119%	259%
Dividends Payable	361,838	1%	195,272	1%	136,007	1%	85%	166%
Advances from Clients	2,854,545	10%	2,267,484	9%	1,714,656	9%	26%	66%
Profit Sharing	447,150	2%	384,272	2%	335,428	2%	16%	33%
Derivatives	87,831	0%	17,324	0%	14,011	0%	407%	n.m.
Leasing	103,036	0%	73,268	0%	63,994	0%	41%	61%
Other Short Term Liabilities	1,137,954	4%	1,150,421	5%	1,119,039	6%	-1%	2%
<b>Long Term Liabilities</b>	<b>2,623,428</b>	<b>9%</b>	<b>1,994,231</b>	<b>8%</b>	<b>2,115,554</b>	<b>11%</b>	<b>32%</b>	<b>24%</b>
Long Term Debt	1,151,875	4%	737,071	3%	1,044,296	5%	56%	10%
Other Long Term Liabilities	228,335	1%	292,852	1%	165,396	1%	-22%	38%
Leasing	446,594	2%	249,245	1%	223,532	1%	79%	100%
Deferred Taxes	77,136	0%	71,892	0%	69,625	0%	7%	11%
Contingencies Provisions	719,488	3%	643,171	3%	612,705	3%	12%	17%
<b>Equity</b>	<b>15,248,355</b>	<b>54%</b>	<b>14,010,672</b>	<b>59%</b>	<b>11,930,298</b>	<b>60%</b>	<b>9%</b>	<b>28%</b>
Owners of the Company	14,834,795	53%	13,604,971	57%	11,563,165	58%	9%	28%
Noncontrolling interests	413,560	1%	405,701	2%	367,133	2%	2%	13%
<b>Total Liabilities</b>	<b>28,134,660</b>	<b>100%</b>	<b>23,932,787</b>	<b>100%</b>	<b>19,927,896</b>	<b>100%</b>	<b>18%</b>	<b>41%</b>

## Annex IV – Consolidated Cash Flow Statement

	12 Months 2022	12 Months 2021
<b>Operating Activities</b>		
Net Earnings before Taxes	5,115,642	4,330,036
Depreciation and Amortization	565,557	520,178
Equity accounting	-	-
Provisions	1,280,249	709,140
Tax credit - ICMS exclusion from PIS/COFINS calculation basis	(69,740)	(506,942)
Changes in Assets & Liabilities	(3,908,778)	(3,996,354)
(Increase) / Reduction of Accounts Receivable	(912,382)	(1,348,893)
Increase / (Reduction) of Accounts Payable	(360,078)	1,170,236
(Increase) / Reduction of Inventories	(1,424,939)	(2,670,807)
Income Tax and Social Contribution on Net Earnings	(744,674)	(675,317)
Profit Sharing Paid	(466,705)	(471,573)
<b>Cash Flow from Operating Activities</b>	<b>2,982,930</b>	<b>1,056,058</b>
<b>Investment Activities</b>		
Fixed Assets	(1,111,431)	(780,849)
Intangible Assets	(62,979)	(66,495)
.	-	-
Cash Acquired from Subsidiaries	-	-
Financial investments held to maturity	(12,287)	(57,864)
Write-off of fixed assets	-	-
<b>Cash Flow From Investment Activities</b>	<b>(1,346,394)</b>	<b>(683,870)</b>
<b>Financing Activities</b>		
Working Capital Financing	4,253,529	386,533
Long Term Financing	(2,110,718)	(241,149)
Interest paid on loans and financing	(55,867)	(52,680)
Treasury Shares	(7,520)	4,563
Dividends & Interest on Stockholders Equity Paid	(1,887,512)	(1,657,345)
<b>Cash Flow From Financing Activities</b>	<b>191,912</b>	<b>(1,560,078)</b>
<b>Changes in Cash and Equivalents caused by FX Changes</b>	<b>(91,873)</b>	<b>10,177</b>
<b>Change in Cash Position</b>	<b>1,736,575</b>	<b>(1,177,713)</b>
Cash & Cash Equivalents		
Beginning of Period	2,714,427	3,892,140
End of Period	4,451,002	2,714,427

Notes:

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

(2) Capital Expenditure

bps stands for basis points

n.a. stands for not applicable

n.m. stands for not mentioned

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