

Capital Goods

Aircraft Export Trends Potentially Reflecting Trade War Effects

XP Industrials' Trade Monitor

SECEX released its May'25 data for exports/imports, with WEG's performance in GTD exports as the positive highlight. For WEG, we note: (i) electro-electronic-related products' basket (i.e.: industrial motors and some automation-related products) exports were down -2% YoY and -10% MoM in May'25 in USD terms (on top of a strong comparable basis, as illustrated in Figure 2); (ii) GTD-related products' basket (mainly transformers) exports +41% YoY in USD terms and +18% MoM; and (iii) solar panels' imports sequentially lower at -56% YoY in USD, impaired by lower volumes. Looking at turbo jets' exports, a proxy for Embraer's commercial deliveries, we see 3 units exported in May'25 vs. 5 in Apr'25 and 7 in May'24, in-line with aircraft deliveries' weaker seasonality in the beginning of the year, however potentially heightened by the current trade war, with companies such as Alaska Airlines postponing the receipt of jets due to increased costs across the supply chain.

WEG (+). In May25, we see EEI and GTD exports in WEG's footprint increasing +7% YoY in USD terms. We note: (i) WEG's EEI basket exports were down -2% YoY and -10% MoM on a strong comparable basis (Figure 2); (ii) WEG's GTD basket exports (mainly comprised of transformers) +41% YoY, accelerating vs. general GTD exports in Brazil (+28% YoY); and (iii) solar panels' imports in Brazil -56% YoY in May'25 and -38% MoM, with a stable price performance and significantly lower volumes MoM.

- Our take:** We see exports accelerating in WEG's footprint in May'25, with both EEI and GTD-related products increasing YoY in USD terms. We highlight strong GTD exports in WEG's footprint (+41% YoY) for the second month in a row (+42% YoY in Apr'25), with positive demand implications (and potentially a concentration of deliveries of high value-added products). We see EEI exports in-line with WEG's seasonality, with a stable performance in USD in a strong comparable basis (as illustrated by Figures 2 and 3).

Embraer (=/-). We see 3 aircraft exports in May'25 according to Secex data, vs. 5 in Apr'25 and 7 in May'24. We note stable unit prices both YoY and MoM, around US\$32 million/unit.

- Our take:** We note slow Commercial Aircraft exports in May'25, following Embraer's natural seasonality (with deliveries concentrated towards 3Q-4Q), however potentially heightened by the aftereffects of the current trade war. Recent news indicates airlines such as [Alaska Airlines postponing the receipt](#) of two E175 (E1) aircrafts, rejecting additional costs imposed by trade war-related tariffs throughout its supply chain.

Lucas Laghi

Metals & Mining, Pulp & Paper and Capital Goods
lucas.laghi@xpi.com.br

Fernanda Urbano

Capital Goods
fernanda.urbano@xpi.com.br

Guilherme Nippes

Metals & Mining, Pulp & Paper
guilherme.nippes@xpi.com.br

Read-Throughs Summary

●	Electric motors (E)
●	Transformers (E)
●	Solar Panels (I)
●	Turbojets (E)

Company	Ticker	Current Price	Target Price	Upside	Rec.	EBITDA		P/E		EV/EBITDA		Mkt. Cap
						2025E	2026E	2025E	2026E	2025E	2026E	
WEG	WEGE3	R\$42.54	R\$62.00	46%	Buy	R\$10,307	R\$11,892	23.6x	20.3x	16.9x	14.6x	R\$175,028
Embraer	EMBR3	R\$66.70	R\$62.00	-7%	Neutral	\$827	\$1,002	23.5x	16.6x	11.5x	9.5x	R\$47,990

Higher Exports YoY in Brazil in USD Terms in May'25

Electro-Electronic and Energy Industry

Methodology. We monitor some of WEG's main EEI/GTD-related products' exports in both Brazil and WEG's cities of main footprint exposure, as solar panels imports (broke down into volumes and prices).

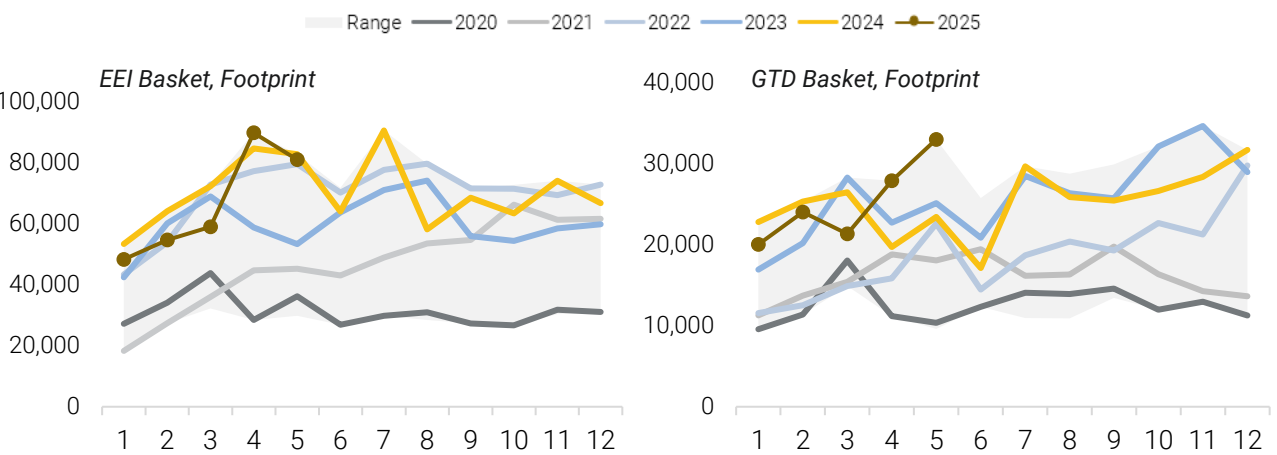
Figure 1: EEI and GTD Baskets Overview (Exports in US\$ million FOB)

Overview (US\$ FOB mn)	May-25	May-24	YoY (%)	Apr-25	MoM (%)
Brazil EEI and GTD Basket	253.8	229.7	▲ 10%	274.3	▼ -7%
EEI Basket	104.4	113.4	▼ -8%	117.7	▼ -11%
Electric Motors	66.9	79.2	▼ -15%	67.6	▼ -1%
Electric Motors Parts	8.9	14.4	▼ -38%	9.5	▼ -6%
Control panels, consoles	28.5	19.8	▲ 44%	40.7	▼ -30%
GTD Basket	149.4	116.3	▲ 28%	156.6	▼ -5%
Transformers	79.1	52.7	▲ 50%	89.1	▼ -11%
Transmission shafts	48.7	44.7	▲ 9%	49.3	▼ -1%
Switches	21.7	19.0	▲ 14%	18.1	▲ 20%

Brazil EEI and GTD Basket	253.8	229.7	▲ 10%	274.3	▼ -7%
WEG's Footprint	114.1	106.2	▲ 7%	117.8	▼ -3%
EEI Basket in Footprint	81.1	82.8	▼ -2%	89.8	▼ -10%
GTD Basket in Footprint	33.0	23.4	▲ 41%	27.9	▲ 18%

Brazil EEI and GTD Basket	253.8	229.7	▲ 10%	274.3	▼ -7%
WEG's Footprint	114.1	106.2	▲ 7%	117.8	▼ -3%
Jaraguá do Sul - SC	71.0	83.9	▼ -15%	69.6	■ 2%
Betim - MG	0.5	6.0	▼ -92%	5.2	▼ -90%
Blumenau - SC	36.5	6.4	▲ 474%	32.4	▲ 12%
Gravataí - RS	1.7	0.6	▲ 162%	4.4	▼ -61%
Itajaí - SC	0.3	0.3	▼ -17%	0.6	▼ -56%
Others	4.2	9.0	▼ -53%	5.6	▼ -25%
Other Cities	139.7	123.5	▲ 13%	156.6	▼ -11%

Figures 2-3: WEG's EEI and GTD Basket Exports Seasonality (in US\$ thousand FOB, range 2011-24)



WEG Footprint: GTD Exports Up +41% YoY in May'25

Electro-Electronic and Energy Industry

Figure 4: Secex Data vs. WEG's External EEI

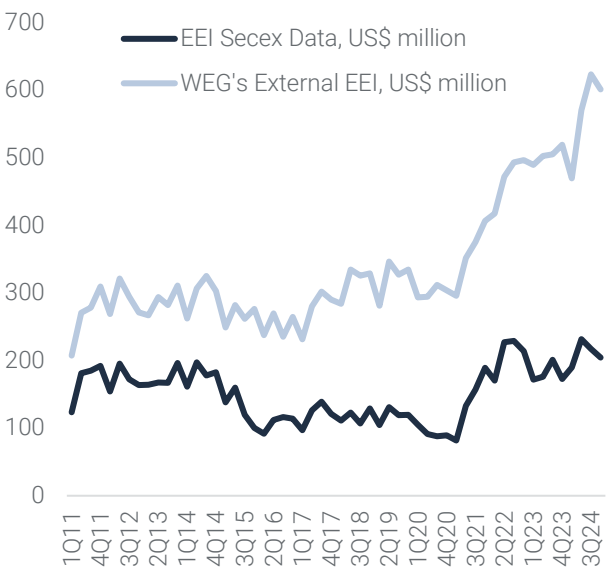


Figure 5: Secex Data and WEG's External GTD

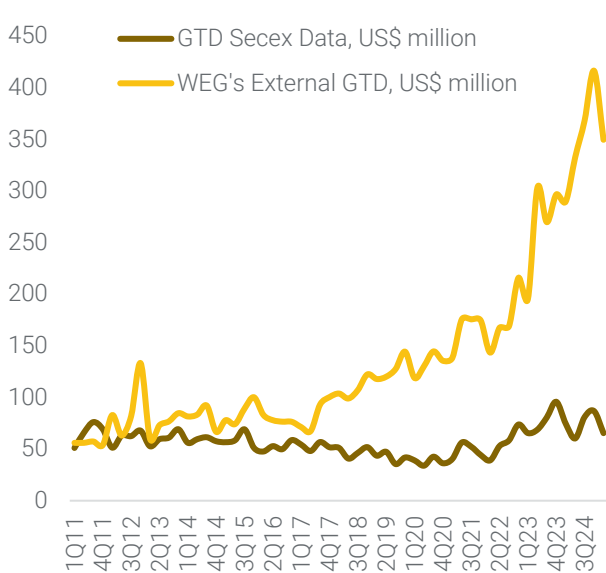


Figure 6: Electric Motors Secex Exports¹ (LTM rhs)

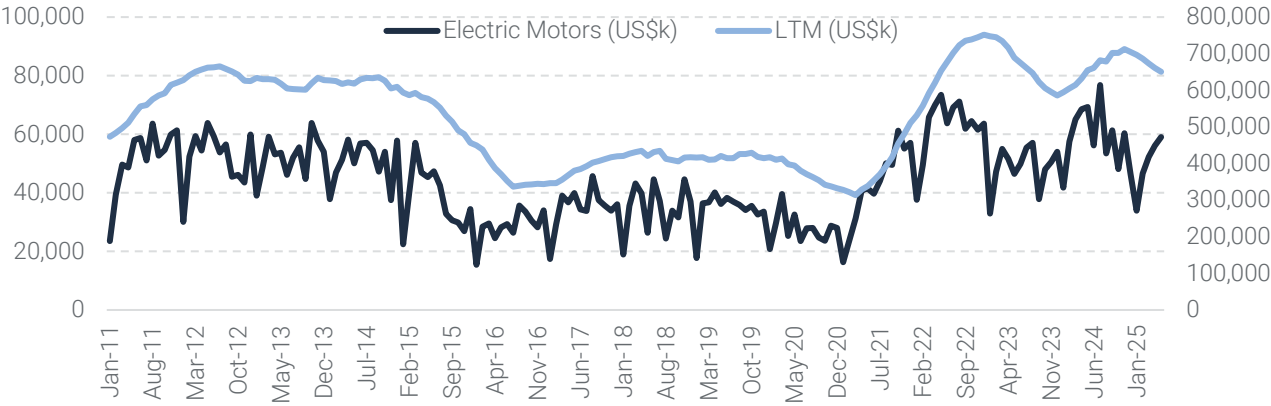
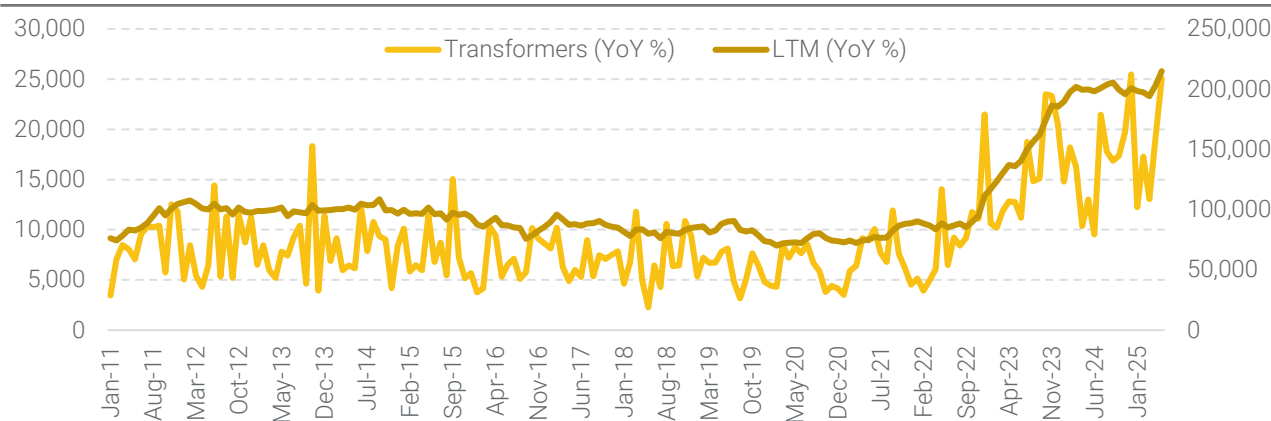


Figure 7: Transformers Secex Exports¹ (LTM rhs)



Stable Prices and Lower Volumes MoM in May'25

Solar Energy

Figure 8: Solar Module Imports Overview

Monthly	May-25	May-24	Diff. (%)	Apr-25	Diff. (%)
Solar Module Imports (US\$ mn)	101	232	▼ -56%	163	▼ -38%
Solar Module Imports (ton)	65	106	▼ -38%	105	▼ -38%
Solar Module Imports (unit prices)	1,550	2,187	▼ -29%	1,553	▲ 0%
Quarterly	1Q25	1Q24	Diff. (%)	4Q24	Diff. (%)
Solar Module Imports (US\$ mn)	557	812	▼ -31%	565	▲ -1%
Solar Module Imports (ton)	357	313	▲ 14%	322	▲ 11%
Solar Module Imports (unit prices)	1,561	2,596	▼ -40%	1,753	▼ -11%

Figure 9: Solar Module Imports (US\$ mn) and YoY Growth (%)

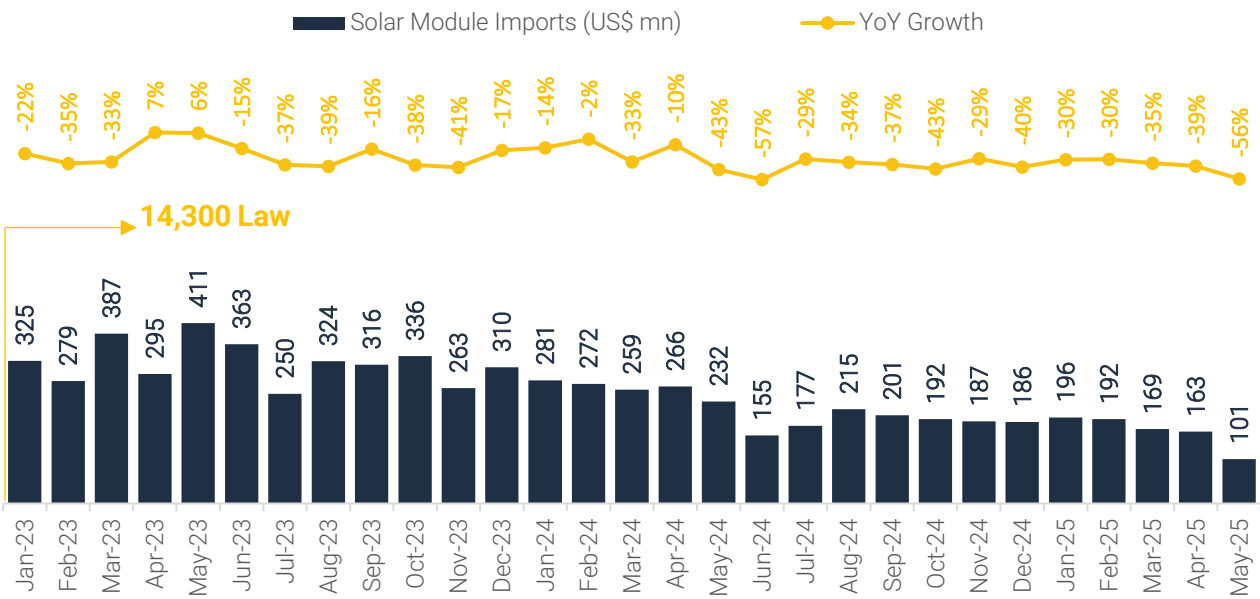
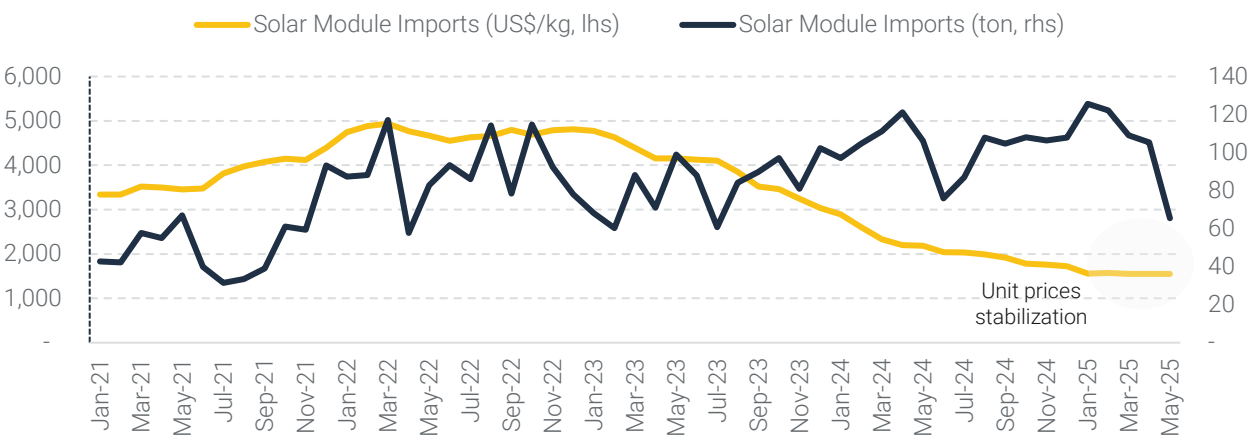


Figure 10: Unit Prices (lhs, in US\$/kg) x Units Imported (rhs, in ton)



Secex Data Implying 3 Aircraft Exports in May'25

Aerospace Industry

Methodology. We track turbo jets exports aligned with Embraer's E1/E2 jets profile, showing a high correlation vs. Embraer's historical commercial deliveries.

Figure 11: Turbojets Exports Overview

Monthly	May-25	May-24	Diff. (%)	Apr-25	Diff. (%)
Turbojets Exports (Units)	3	7	▼ -57%	5	▼ -40%
Turbojets Exports (Unit Price, US\$ mn)	33	32	▲ 4%	31	▲ 6%
Turbojets Exports (US\$ million)	98	221	▼ -56%	154	▼ -36%
Quarterly	1Q25	1Q24	Diff. (%)	4Q24	Diff. (%)
Embraer Deliveries (Units)	7	7	▲ 0%	31	▼ -77%
Turbojets Exports (Units)	14	13	▲ 8%	24	▼ -42%
Turbojets Exports (Unit Price, US\$ mn)	32	31	▲ 2%	31	▲ 2%
Turbojets Exports (US\$ million)	444	404	▲ 10%	746	▼ -41%

Figure 12: Aircraft Exports vs. ERJ Deliveries

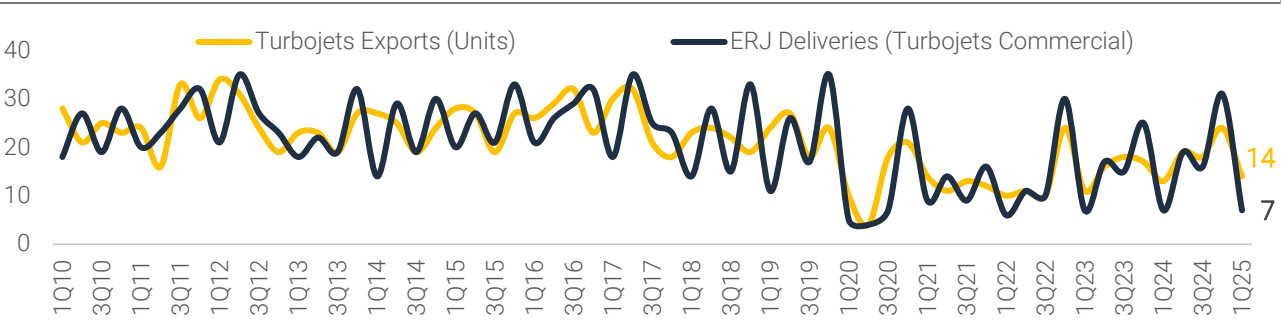


Figure 13: Aircraft Exports (Monthly, LTM)

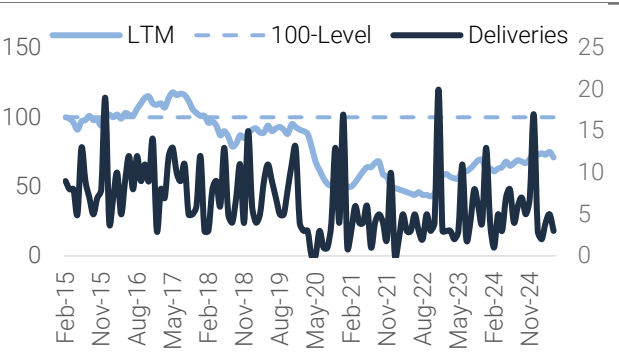
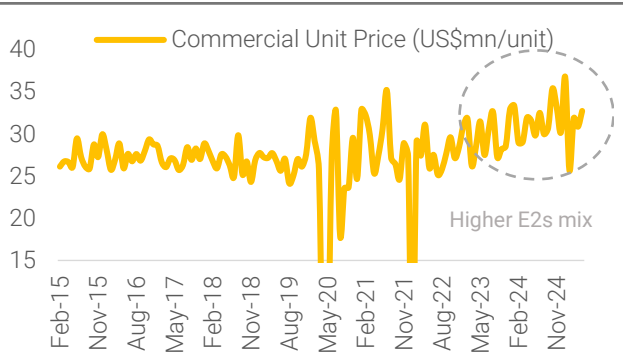
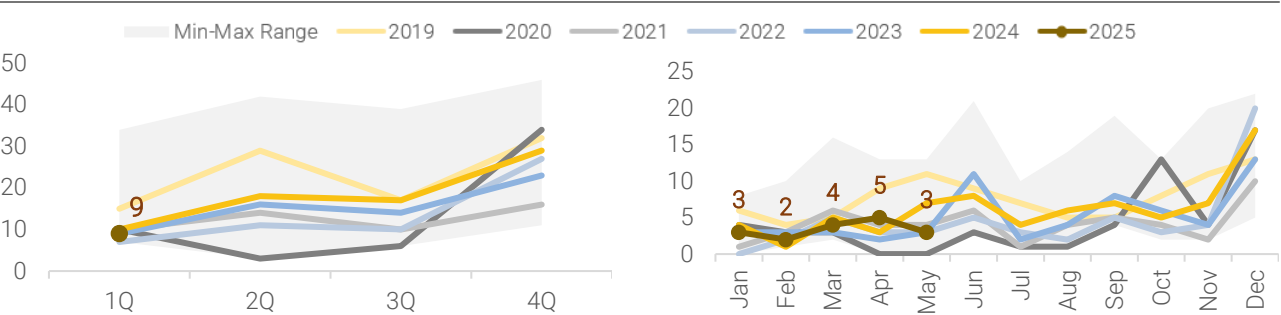


Figure 14: Exported Aircraft Prices (US\$ mn/unit)



Figures 15-16: Aircraft Exports Seasonality (Monthly and Quarterly)





Latest Reports

Insights of the Week

- [Shedding Some Light to a Clouded Aerospace Environment](#)
- [A Challenging 1Q; Better Prospects Around the Corner](#)
- [The Ripple Effect of Falling Oil Prices on WEG's Top-Line Growth](#)
- [XP Survey - Investors Are More Bearish on WEGE3 Following Recent Macro Events](#)
- [What Do Global Peers' Results Tell Us About WEG?](#)
- [Emerging Opportunities in Aerospace from the Global Trade War?](#)
- [Where Does Randon's Bottom-Line Come From?](#)
- [Is Marcopolo's Underperformance Fully Deserved? We Do Not Think So](#)
- [What Have We Learned at Greener's BESS Event?](#)
- [Buckle Up... Recent Events Suggest Downward Revisions Ahead](#)

Thematic Reports & Updates

- [Embraer \(EMBR3\): What's Priced In?](#)
- [Capital Goods & Utilities & ESG: The Power of Storage - BESS Explained](#)
- [WEG \(WEGE3\): Limited Earnings Impacts Suggesting a Promising Entry Point](#)
- [Capital Goods: Searching for Asymmetries Amid Uncertainty](#)
- [Marcopolo \(POM04\): Checking All The Boxes: Valuation, Momentum, Yields and Technical](#)
- [Embraer \(EMBR3\): Positive Momentum Reinforced Across the Board](#)

Recurring Trackers

- [A Tough Environment for Trailers Sales in Brazil in Apr'25 \(-26% YoY\) - Auto Tracker](#)
- [Better Buses' Production Data in Mar'25, According to Fabus - Auto Tracker](#)

Other Reports

- [WEG \(WEGE3\): Balancing Growth and Profitability Amid Uncertain Times - Meeting with CFO Feedback](#)
- [Capital Goods: A Negative Environment for Agri-Exposed Capital Goods - 1Q25 Preview](#)
- [Capital Goods: Unclear, Uncertain... But Not Necessarily Unappealing](#)
- [Randoncorp \(RAPT4\): Unlocking Randon's Portfolio Value Potential; Positive](#)
- [M&M | P&P | CG: Our Thoughts on Trump's Tariffs](#)
- [Capital Goods: High Expectations Suggesting Volatility Ahead - 4Q24 Preview](#)

Disclaimer

1) This report was prepared by XP Investimentos CCTVM S.A. ("XP Investimentos or XP") according to the requirements provided in CVM Resolution 20/2021 and aims to provide information that can help the investors make their own investment decisions, and does not constitute any kind of offer or purchase request and/or sale of any product. The information contained in this report is considered valid on the date of disclosure and has been obtained from public sources. XP Investimentos is not liable for any decisions made by the customer based on this report.

2) This report was prepared considering the product risk classification in order to generate allocation results for each investor profile.

3) All of the views expressed in this research report accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. No part of analyst(s) compensation was, is or will be, directly or indirectly related to the specific recommendations or views expressed in this research report.

4) The signatory of this report declare that the recommendations reflect solely and exclusively their personal analyses and opinions, which have been produced independently, including in relation to XP Investimentos and which are subject to modifications without notice due to changes in market conditions, and that their remuneration are indirectly affected by revenue from business and financial transactions carried out by XP Investimentos.

5) The analyst responsible for the content of this report and the compliance with CVM Resolution 20/2021 is indicated above, and, in the event of an indication of another analyst in the report, the person responsible will be the first accredited analyst to be mentioned in Report.

6) XP Investimentos' analysts are obligated to comply with all the rules laid down in the APIMEC's conduct code for the securities analyst and XP Investimentos' analyst of securities conduct policy.

7) Customer service is carried out by XP Investimentos employees or by autonomous investment agents who perform their activities through XP, in accordance with CVM Resolution 16/2021, which are registered in the national association of brokers and distributors of securities ("ANCORD"). The autonomous agent of investment may not provide consulting, administration or management of customer net worth, and must act as an intermediary and request prior authorization from the client for the realization of any operation in the capital market.

8) The products presented in this report may not be suitable for all types of customer. Before making any decisions, customers should ensure that the products presented are suitable for their investor profile. This material does not suggest any change of portfolio, but only guidance on products suitable to a certain investor profile.

9) The profitability of financial products may present variations and their price or value may increase or decrease in a short period of time. Past performance is not necessarily indicative of future results. Performance disclosed is not net of any applicable taxes. The information present in this material is based on simulations and the actual results may be significantly different.

10) This report is intended exclusively for to the XP Investimentos' network, including independent XP agents and XP customers, and may also be released on XP's website. It is prohibited to reproduce or redistribute this report to any person, in whole or in part, whatever the purpose, without the prior express consent of XP Investimentos.

11) XP Investimentos' ombudsman has the mission to serve as a contact channel whenever customers who do not feel satisfied with the solutions given by the company to their problems. The contact can be made via telephone 0800 722 3710 if you are in Brazil or via ombudsman form if you are in other localities: <https://institucional.xpi.com.br/ouvidoria.aspx/>.

12) The cost of the transactions billing policies are defined in the operational cost tables which are made available on XP Investimentos website: www.xpi.com.br.

13) XP Investimentos is exempt from any liability for any damages, direct or indirect, that come from the use of this report or its contents.

14) Technical analysis and fundamental analysis follow different methodologies. Technical analysis is performed following concepts such as trends, support, resistance, candles, volume, and moving averages, amongst others. Fundamental analysis uses as information the results disseminated by the issuing companies and their projections. In this way, the opinions of fundamental analysts, who seek the best returns given the market conditions, the macroeconomic scenario and the specific events of the company and the sector, may differ from the opinions of technical analysts, which aim to identify the most likely movements on asset prices, using "stops" limit possible losses.

15) Investment in stocks is appropriate for moderate and aggressive profile investors, according to the suitability policy practiced by XP Investimentos. Equity investments available are portion a company's capital that is traded on the market. Stock is a variable financial investment (i.e. an investment in which profitability is not pre-established and varies depending on market quotations). Investment in stock is a high-risk investment and past performance is not necessarily indicative of future results and no statement or warranty, expressed or implied, is made in this material in relation to future performance. Market conditions, macroeconomic scenario, company and sector specific events can affect investment performance and may even result in significant asset losses. The recommended duration for equity investments is medium-long term. There is no guarantee of investment return for customers' investments in stock.

16) Investment in options is preferably indicated for aggressive profile investors, according to the suitability policy practiced by XP Investimentos. In options market, the purchase or sale rights of a good shall be negotiated at a price fixed at a future date, and the purchaser of the negotiated duty should pay a premium to the seller as in a secure agreement. Operations with these derivatives are considered very high risk for presenting high risk and return relationships and some positions present the possibility of losses higher than the capital invested. The recommended duration for the investment is short-term and the customer's assets are not guaranteed in this type of product.

17) Investment in terms is indicated for aggressive profile investors, according to the suitability policy practiced by XP Investimentos. They are contracts for the purchase or sale of a certain number of shares at a fixed price for settlement within a specified period. The term of the contract is freely chosen by the investors, complying with the minimum period of 16 days and a maximum of 999 days. The price will be the value of the added share of a portion corresponding to the interest-which are set freely on the market, depending on the term of the contract. Every transaction in the term requires a guarantee deposit. These guarantees are provided in two forms: coverage or margin.

18) Investments in futures markets are subject to significant loss of principal, and are therefore appropriate for aggressive profile investors, according to the suitability policies practiced by XP Investimentos. A commodity is an object or price determinant of a future contract or other derivative instrument, which may substantiate an index, a fee, a movable value or a physical product. Commodities are considered high risk investments, which include the possibility of price fluctuation due to the use of financial leverage. The recommended duration for commodity investments is short-term and customers' assets are not guaranteed in this type of product. Market conditions and the macroeconomic scenario can affect the performance investments.

19) This institution is adhering ANBIMA Code of Regulation and best practices for the distribution activity of retail investment products.

20) XP Investments US, LLC, a broker-dealer registered with the U.S. Securities and Exchange Commission, has assumed responsibility for this research for purposes of U.S. law. All transactions arising from this research should be directed to XP Investments US, LLC, at +1 646-664-0525

