

**EARNINGS  
RELEASE  
3Q24**

**FRAS**  
B3 LISTED N1

**IBRA B3**

**IGC B3**

**IGCT B3**

**SMLL B3**

**Caxias do Sul, November 06, 2024.** Frasle Mobility (Fras-le S.A. – B3: FRAS3) discloses its results for the third quarter of 2024 (3Q24) and nine month period of 2024 (9M24). The Company’s Financial Information is consolidated in accordance with international standards IFRS – International Financial Reporting Standards and monetary vales are expressed in Reais, unless otherwise indicated. Comparisons are made with the third quarter of 2023 (3Q23) and nine month period of 2023 (9M23).

# HIGHLIGHTS



**NET REVENUE (R\$)**

**2.9 B**

+8.0% vs. 9M23

**GUIDANCE R\$ 3.7 – 4.0 B**

**MARKET CAP (09/30/2024)**

R\$ 5.5 B

**CLOSING QUOTE “FRAS3”**

R\$ 20.28

**FREE FLOAT**

33.2%

**Videoconference of Results 3Q24**

November, 07, 2024 (Thursday)

11 am Brasília

09 am New York

02 pm London

WEBCAST (Portuguese/English): [Click here](#)

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**INTERNATIONAL MARKET<sup>1</sup> (US\$)**

**214.3 M**

+2.5% vs. 9M23

**GUIDANCE US\$ 250 – 290 M**



**ADJUSTED EBITDA (R\$)**

**512.0 M**

-9.7% vs. 9M23

ADJUSTED EBITDA MARGIN 17.9% – 9M24

**GUIDANCE 17 – 21 %**



**INVESTMENTS<sup>2</sup> (R\$)**

**85.9 M**

+16.0% vs. 9M23

**GUIDANCE R\$ 130 – 170 M**

**FORWARD-LOOKING STATEMENTS.** The statements contained in this report regarding FRASLE MOBILITY’s (FRAS-LE S.A.) business prospects, projections and results and the company’s growth potential are merely forecasts and were based on management’s expectations regarding the Company’s future. These expectations are highly dependent on changes in the market, the general economic performance of the country, the sector, and international markets, and may undergo changes.

<sup>1</sup> Value referring to the sum of exports out of Brazil and revenues from operations abroad, net of intercompany operations;

<sup>2</sup> Value referring to organic investments.

# FRASLE MOBILITY UNIVERSE

## RECYCLE MAX



The circular economy program, known as Descarte Seguro (Safe Disposal) has a new identity and is now called **Recycle Max**. The program was designed in the Fremax unit and promotes the reuse of brake discs and drums, which are collected from partner mechanic workshops and sent back to the factory.

In 2023, 343,800 parts were recycled through this initiative, representing around 2,400 tons of virgin raw material no longer used in the production process. With the new identity, the program is already consolidated in the States of Rio Grande do Sul, Paraná, and Santa Catarina, and will be expanded to workshops in the States of Espírito Santo, Minas Gerais, São Paulo, and Rio de Janeiro. **Find out more about the project.**

## ESG AMBITION

Held in August, the event approached the 2023 FY and 1H24. Frasle Mobility and Randoncorp presented the main progress related to people, the environment, and governance, and brought updates on the goals defined for each public sustainability commitment defined in 2021. Watch the recording of the event by [clicking here](#).

## 5th DEBENTURE ISSUANCE

Through a **Material Fact**, published on September 4, the Company informed the market of the 5th issuance of simple debentures, not convertible into shares, on an unsecured basis, with a maturity of 7 years in the amount of R\$ 750 million.

## EARNINGS RELEASE 3Q24



In July, the **research, development, and innovation center** celebrated 50 years. Located at our headquarters in Caxias do Sul (RS), the center has a new identity and is now called Movetech.

With five decades of existence, Movetech consolidates as the largest advanced engineering center for friction materials in the Southern Hemisphere that offers complete solutions for the mobility market.

The advanced technology center currently has 160 highly specialized professionals who work in Brazil and abroad designing new products, using advanced tools for component creation, tests, and simulations within an integrated structure that includes three laboratories.

**Find out more about Movetech.**

## SINDIREPA - SP AWARD

*For the eighth consecutive year, **Fremax** was awarded the gold prize as the best brake disk brand in the “**Best of the Year**” category by Sindirepa-SP (Sindicato da Indústria de Reparação de Veículos e Acessórios do Estado de São Paulo). Furthermore, **Jurid** and **Fras-le** were awarded silver in the brake pad category.*

## MESSAGE FROM MANAGEMENT

The third quarter of 2024 was marked by a historic achievement: for the first time, the Company reached revenues exceeding R\$ 1 billion in a quarter, and this is something that deserves to be celebrated. We would like to express our special thanks to the more than 5,900 employees who have made this result possible.

In this quarter our operations in Rio Grande do Sul were resumed, now without the influence of the floods which significantly impacted our unit located in São Leopoldo, the Controll site.

Frasle Mobility followed its path of resilience in a favorable competitive environment, with the market showing signs of stability and opportunities of growth, but also facing challenges of global logistical instability that impacted our business due to shortages in supply and difficulties to export goods.

The aftermarket remained buoyant, driven by strong demand for our friction products and suspension/steering components. Our operations in Brazil and Latin America also benefited from a

more stable scenario, despite macroeconomic challenges.

Throughout this year, our strategy of portfolio expansion and strengthening has proven to be successful, with significant gains in market share both in Brazil and abroad. Our focus continued to

be on our Operations, taking advantage of the synergies from recent acquisitions. One example was the launch of new products and brands for the European market at Automechanika, in Frankfurt. We also await approval from the competent authorities to complete the acquisition of *KUO Refacciones*, announced last quarter, which will mark another important milestone for the company, strengthening our presence in strategic markets, such as Mexico and the United States.

We are confident that our business model, combined with

the expertise of our teams around the world, will continue to support our sustainable growth and reinforce our leadership in the mobility sector.

*“The third quarter of 2024 was marked by a historic achievement: for the first time, the Company reached revenues exceeding R\$ 1 billion in a quarter, and this is something that deserves to be celebrated...”*

## MAIN FIGURES

	3Q24	3Q23	Δ %	2Q24	Δ %	9M24	9M23	Δ %
<b>Net Revenue</b>	<b>1,036.5</b>	<b>889.1</b>	<b>16.6%</b>	<b>980.3</b>	<b>5.7%</b>	<b>2,858.0</b>	<b>2,647.4</b>	<b>8.0%</b>
Domestic Market	647.8	554.5	16.8%	587.8	10.2%	1,735.0	1,601.0	8.4%
Foreign Market	388.7	334.5	16.2%	392.5	-1.0%	1,123.0	1,046.4	7.3%
Foreign Market US\$	70.1	68.5	2.3%	75.2	-6.8%	214.3	209.2	2.5%
Exports - Brazil US\$	31.1	25.3	23.2%	31.1	0.0%	86.4	81.8	5.6%
<b>Gross Profit</b>	<b>330.9</b>	<b>319.3</b>	<b>3.7%</b>	<b>315.5</b>	<b>4.9%</b>	<b>936.1</b>	<b>936.0</b>	<b>0.0%</b>
Gross Margin	31.9%	35.9%	-4.0 pp	32.2%	-0.3 pp	32.8%	35.4%	-2.6 pp
<b>Operating Profit</b>	<b>154.2</b>	<b>157.9</b>	<b>-2.4%</b>	<b>76.6</b>	<b>101.3%</b>	<b>347.7</b>	<b>461.1</b>	<b>-24.6%</b>
Operating Margin	14.9%	17.8%	-2.9 pp	7.8%	7.1 pp	12.2%	17.4%	-5.3 pp
<b>EBITDA</b>	<b>191.2</b>	<b>190.2</b>	<b>0.5%</b>	<b>112.3</b>	<b>70.3%</b>	<b>457.5</b>	<b>554.1</b>	<b>-17.4%</b>
EBITDA Margin	18.4%	21.4%	-2.9 pp	11.5%	7.0 pp	16.0%	20.9%	-4.9 pp
<b>Net Profit</b>	<b>89.0</b>	<b>106.1</b>	<b>-16.1%</b>	<b>41.4</b>	<b>115.1%</b>	<b>239.6</b>	<b>294.8</b>	<b>-18.7%</b>
Net Margin	8.6%	11.9%	-3.3 pp	4.2%	4.4 pp	8.4%	11.1%	-2.8 pp
<b>Adjusted EBITDA</b>	<b>195.4</b>	<b>190.2</b>	<b>2.8%</b>	<b>162.5</b>	<b>20.2%</b>	<b>512.0</b>	<b>566.7</b>	<b>-9.7%</b>
Adjusted EBITDA Margin	18.9%	21.4%	-2.5 pp	16.6%	2.3 pp	17.9%	21.4%	-3.5 pp
<b>Investments</b>	<b>44.2</b>	<b>17.5</b>	<b>153.0%</b>	<b>20.1</b>	<b>120.5%</b>	<b>85.9</b>	<b>74.1</b>	<b>16.0%</b>
<b>ROIC</b>	<b>12.9%</b>	<b>17.1%</b>	<b>-4.2 pp</b>	<b>11.4%</b>	<b>1.5 pp</b>	<b>12.9%</b>	<b>17.1%</b>	<b>-4.2 pp</b>

Values in R\$ million (except for exports, profit per share and percentage)

	3Q24	3Q23	Δ %	2Q24	Δ %	9M24	9M23	Δ %
<b>Average price of the US dollar</b>	<b>5.55</b>	<b>4.88</b>	<b>13.6%</b>	<b>5.22</b>	<b>6.3%</b>	<b>5.24</b>	<b>5.01</b>	<b>4.6%</b>

## BUSINESS OVERVIEW IN THE QUARTER

In the 9-month period of 2024, net revenue grew by 8.0%, with a highlight in the third quarter, which showed an increase of 16.6% in the same line. During this period, the Company worked to maintain its business level by developing new projects and exploring the strong demand in all markets, but mainly in the domestic replacement market.

The third quarter was also marked by operational challenges related to port logistics, which impacted not only our results but business around the world as well. The Company worked actively to maintain the level of service to the markets, mitigating the risks of inventory shortages in warehouses, thus making it possible to make deliveries in different freight modes, such as air, and extending deliveries to the next quarter.

Despite the adversities, the Company continued to win new business, mainly for its line of brake linings for commercial vehicles, in addition to exploring the demands of the different geographies in which it operates. Another positive point is the gradual recovery of the Argentine market's consumer appetite. Operations in the country are focused on strengthening the portfolio and sales team.

## SALES PERFORMANCE

### VOLUMES AND NET REVENUE BY PRODUCT FAMILY

Sales Volumes by Product Line in millions of pieces or liters																
VOLUMES	3Q24		3Q23		Δ %		2Q24		Δ %		9M24		9M23		Δ %	
	Friction Material	28.1		26.1		7.9%		26.8		4.9%		79.7		77.5		2.8%
Components for the Brake System	3.0		2.3		29.8%		2.6		16.6%		7.8		7.1		10.1%	
Components for the Suspension, Steering and Powertrain	5.8		5.2		10.0%		5.5		5.0%		15.7		14.8		6.4%	

Sales Revenue by Material in R\$ million																
NET REVENUE	3Q24		3Q23		Δ %		2Q24		Δ %		9M24		9M23		Δ %	
	Friction Material	480.2	46.3%	425.6	47.9%	12.8%		467.3	47.7%	2.8%		1,366.9	47.8%	1,273.4	48.1%	7.3%
Components for the Brake System	224.3	21.6%	176.1	19.8%	27.4%		193.6	19.8%	15.9%		570.9	20.0%	522.6	19.7%	9.2%	
Components for the Suspension, Steering and Powertrain	291.7	28.1%	258.4	29.1%	12.9%		272.1	27.8%	7.2%		796.8	27.9%	735.6	27.8%	8.3%	
Other products *	40.3	3.9%	28.9	3.3%	39.3%		47.2	4.8%	-14.6%		123.4	4.3%	115.7	4.4%	6.6%	
<b>Total Net Revenue</b>	<b>1,036.5</b>	<b>100.0%</b>	<b>889.1</b>	<b>100.0%</b>	<b>16.6%</b>		<b>980.3</b>	<b>100.0%</b>	<b>5.7%</b>		<b>2,858.0</b>	<b>100.0%</b>	<b>2,647.4</b>	<b>100.0%</b>	<b>8.0%</b>	

The components are detailed at the end of this report.

Friction volume has changed in total for 2023 due to the reclassification of intercompany sales and accounting for sets for parts.

The Company maintained growth in volume and revenue in the third quarter of 2024. The main highlights during the quarter were: the advance of the US dollar, the continued strong demand for the domestic replacement market and the gradual recovery of the Argentine market. Other contributing factors were:

#### Friction Materials

- > Brake pads for light vehicles remained prominent, influenced by the growing market demand in the replacement segment.
- > Brake linings for commercial vehicles showed growth, driven by demand in the international market for new business and by the defense of market share in the domestic market.

#### Components for the Brake System

- > Brake discs grow in revenue and volume due to the recovery of exports to the Argentine market and the return to normal orders at the automaker, after shutdowns in 2Q24.
- > Cylinders from the Controil site also see growth connected to demand from the replacement market.

#### Suspension, Steering and Powertrain Components

- > Extrema site continues to work on expanding its portfolio and gaining market share in Brazil, which has driven growth in volume and revenue.
- > Inventory allocated to operations located in Argentina has helped to increase sales, especially of shock absorbers, driven by the gradual return of consumption in this market.

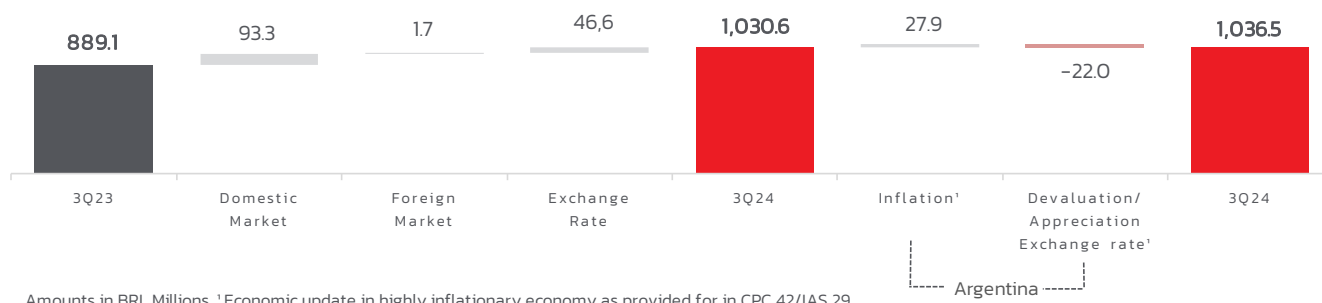
#### Other Products

- > In the composite materials line, began to supply to a new contract in August of this year and this justifies the growth of this item. In addition, Composs remains active in research and development of new technologies applied to products.

**NOTE:** It is important to note that the performance of sales revenue by friction material family does not necessarily reflect the same behaviour in volumes, as we have to consider the effects from exchange rate variations, product mix and prices charged. For more details on the families, see Annex IV.

Below is a graph in casual format showing the effects that have changed the consolidated revenue performance in 3Q24 comparing to 3Q23.

Net Revenue



## REVENUE BY MARKET

Net Revenue by Markets													
Markets	3Q24		3Q23		Δ %	2Q24		Δ %	9M24		9M23		Δ %
DM Aftermarket	580.9	56.0%	502.1	56.5%	15.7%	534.0	54.5%	8.8%	1,560.1	54.6%	1,444.8	54.6%	8.0%
DM OEM	66.9	6.5%	52.4	5.9%	27.5%	53.9	5.5%	24.2%	174.9	6.1%	156.2	5.9%	12.0%
<b>Domestic Market</b>	<b>647.8</b>	<b>62.5%</b>	<b>554.5</b>	<b>62.4%</b>	<b>16.8%</b>	<b>587.8</b>	<b>60.0%</b>	<b>10.2%</b>	<b>1,735.0</b>	<b>60.7%</b>	<b>1,601.0</b>	<b>60.5%</b>	<b>8.4%</b>
FM Aftermarket	335.8	32.4%	284.1	32.0%	18.2%	332.8	34.0%	0.9%	956.6	33.5%	894.8	33.8%	6.9%
FM OEM	52.9	5.1%	50.4	5.7%	5.1%	59.6	6.1%	-11.2%	166.5	5.8%	151.6	5.7%	9.8%
<b>Foreign Market</b>	<b>388.7</b>	<b>37.5%</b>	<b>334.5</b>	<b>37.6%</b>	<b>16.2%</b>	<b>392.5</b>	<b>40.0%</b>	<b>-1.0%</b>	<b>1,123.0</b>	<b>39.3%</b>	<b>1,046.4</b>	<b>39.5%</b>	<b>7.3%</b>
Total Aftermarket Net Revenue	916.7	88.4%	786.2	88.4%	16.6%	866.8	88.4%	5.8%	2,516.6	88.1%	2,339.6	88.4%	7.6%
Total OEM Net Revenue	119.8	11.6%	102.8	11.6%	16.5%	113.5	11.6%	5.6%	341.4	11.9%	307.8	11.6%	10.9%
<b>Total Net Revenue</b>	<b>1,036.5</b>	<b>100%</b>	<b>889.1</b>	<b>100%</b>	<b>16.6%</b>	<b>980.3</b>	<b>100%</b>	<b>5.7%</b>	<b>2,858.0</b>	<b>100%</b>	<b>2,647.4</b>	<b>100%</b>	<b>8.0%</b>

Values in R\$ million

Note: The reclassification of intercompany revenue eliminations has modified the result of the Revenue lines in the Domestic and International Market in 2023. The changes made are highlighted in the Company's [Modeling Guide](#).

### Domestic Market (DM)

#### Replacement

- Brake linings for commercial vehicles are the highlight in this quarter in terms of revenue, as a result of the price repositioning work carried out in the second quarter of this year.
- Brake pads for light vehicles continue to grow in volume and revenue, reflecting the level of service offered to the market.
- Brake system components such as discs and cylinders contribute positively to the result due to strong demand and commercial strategies.

#### Trailers Division

- Brake linings contribute to growth in the trailers division on account of the strong sales for heavy vehicles after the update of pollutant emission standards (Euro 6).
- The acquisition and approval of new business operations in the last cycle drives the revenue growth of brake pads for light vehicles.

### International Market (IM)

In this quarter, in general, all operations around the world suffered from difficulties in logistics involving sea freight. Our operations worked to mitigate risks and maintain the level of service and support to the markets. This

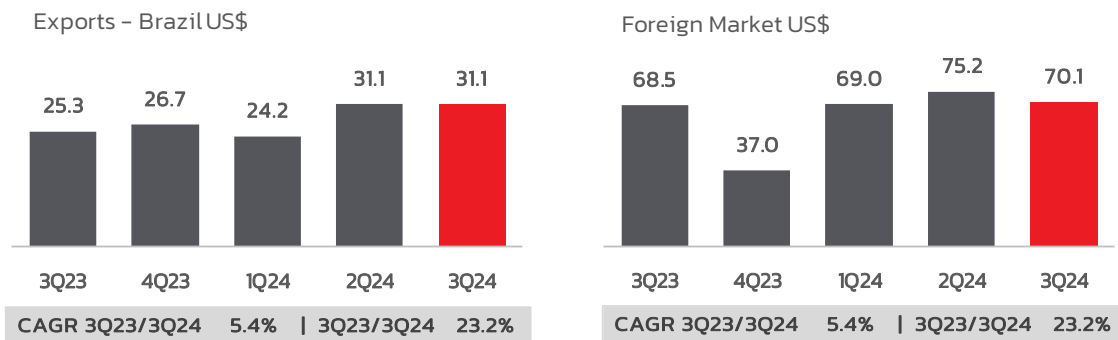
factor was the main barrier to even greater revenue growth in the international market when comparing 3Q24 x 2Q24.

*Replacement*

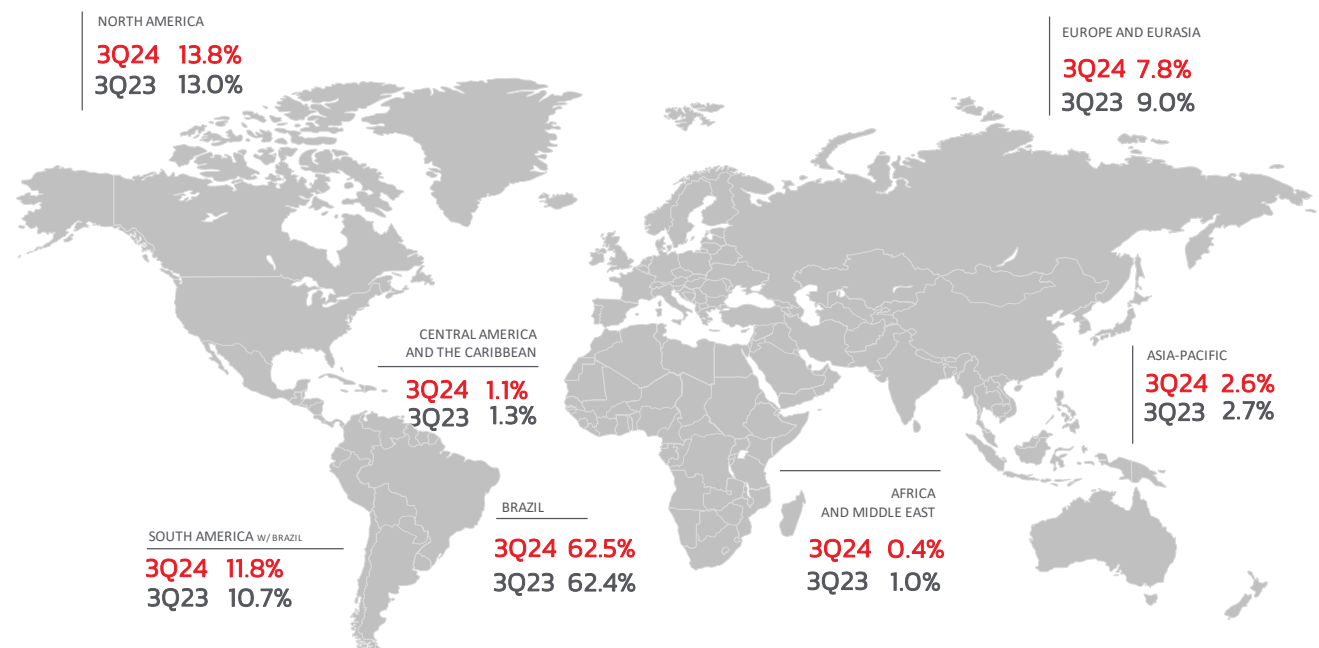
- > Despite the logistical crisis, Fremax subsidiary maintained good export levels, driven by the capacity expansion of Port of *Itapoá*, in addition to the redirection of orders to different ports in *Santa Catarina*.
- > Extrema site recorded an average delay of approximately 60 days in the receipt of goods and components for production, impacting sales in the quarter. Although the order book has been maintained so far, the effective sale will depend on the replenishment of distributors' stocks in the coming months.
- > Considering that the warehouse in Argentina has good levels of supply, the operation showed good results in terms of revenue and margin, as a result of the gradual return of consumption. Components for the brake and suspension system, steering and powertrain were the highlights.

*Trailers Division*

- > The increase between 3Q24 and 3Q23 is linked to the rise in the US dollar and growth in sales of brake linings for commercial vehicles to the United States due to new business.
- > In addition, the operation in India also stands out in the development and acquisition of new business focused on heavy vehicles.



**REVENUE BREAKDOWN ACROSS THE GLOBE**



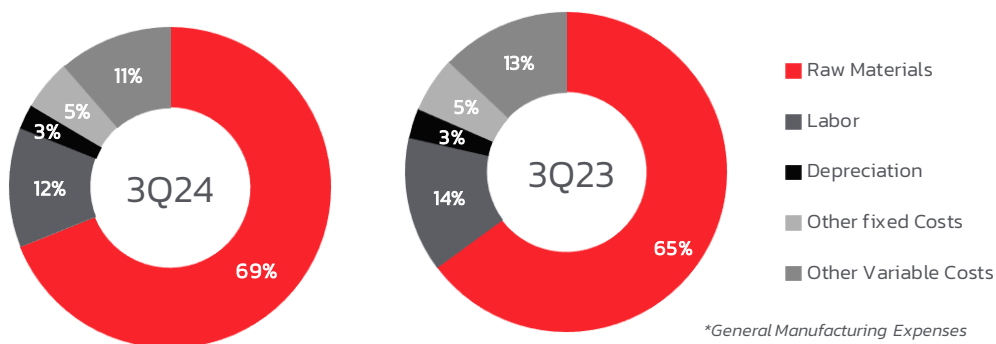


- > **North America:** the increase in revenue was driven by the strengthening of commercial partnerships for heavy vehicles.
- > **South America:** the Argentine market showed positive signs of recovery with a gradual resumption in consumption. Operations are focused on developing the portfolio and strengthening the sales team.
- > **Europe and Eurasia:** operations on the continent were impacted by the global logistics crisis, which affected performance. As a relevant point, the Company launched in this quarter brake calipers, which will be sold under the Fremax brand.
- > **Asia:** operations on the continent maintained their business level, with emphasis on the unit in India, which remains active in developing new partnerships related to the automaker for products in the brake lining line for heavy vehicles.

## OPERATIONAL PERFORMANCE

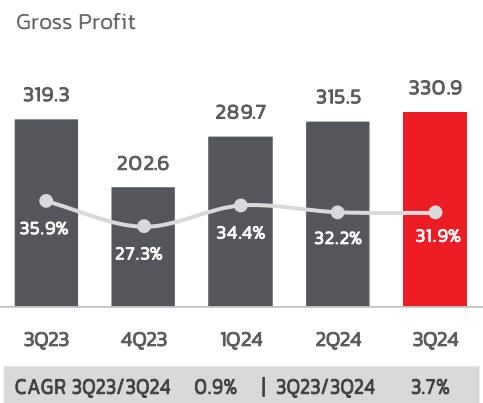
### COST OF GOODS SOLD (COGS AND GROSS PROFIT)

In 3Q24, cost of goods sold totalled R\$ 705.5 million, accounting for 68.1% of net revenue, and resulted in gross profit of R\$ 330.9 million and gross margin of 31.9%, 4.0 percentage points lower than in the same period last year. The chart below shows the composition of COGS and the main highlights.



- > A growth of 4 percentage points in the raw material line (3Q24 vs. 3Q23), mainly related to the increase in freight costs.
- > Changes in the Argentine economic scenario and their inflationary effects, detailed in our [modelling guide](#).
- > Mismatch between the receipt of costs and the transfer of prices.

Furthermore, the constant pursuit of operational efficiency and productivity gains were important factors in sustaining the gross margin in this quarter.



## OPERATING EXPENSES AND REVENUES

	3Q24		3Q23		Δ %	2Q24		Δ %	9M24		9M23		Δ %
<b>Selling Expenses</b>	-101.2	-9.8%	-82.7	-9.3%	22.4%	-94.9	-9.7%	6.6%	-275.3	-9.6%	-241.0	-9.1%	14.2%
Variable Expenses w/ Sales	-36.5	-3.5%	-28.3	-3.2%	29.1%	-33.9	-3.5%	7.7%	-99.6	-3.5%	-86.4	-3.3%	15.3%
Other Expenses w/ Sales	-64.7	-6.2%	-54.4	-6.1%	18.9%	-61.0	-6.2%	6.1%	-175.7	-6.1%	-154.7	-5.8%	13.6%
<b>Administrative Expenses</b>	-80.9	-7.8%	-63.8	-7.2%	26.9%	-79.6	-8.1%	1.7%	-231.9	-8.1%	-183.4	-6.9%	26.5%
<b>Other Net Expenses/Income</b>	5.0	0.5%	-14.6	-1.6%	-134.0%	-64.2	-6.6%	-107.7%	-81.3	-2.8%	-50.3	-1.9%	61.8%
Other Operating Expenses	-17.7	-1.7%	-19.0	-2.1%	-6.7%	-71.4	-7.3%	-75.2%	-121.4	-4.2%	-87.0	-3.3%	39.6%
Other Operating Income	22.7	2.2%	4.3	0.5%	421.4%	7.2	0.7%	214.8%	40.1	1.4%	36.7	1.4%	9.1%
<b>Equity Equivalence</b>	0.4	0.0%	-0.2	0.0%	-273.3%	-0.1	0.0%	-439.6%	0.20	0.0%	-0.17	0.0%	-217.1%
<b>Total Operating Exp/Income</b>	-176.7	-17.1%	-161.3	-18.1%	9.5%	-238.9	-24.4%	-26.0%	-588.4	-20.6%	-474.9	-17.9%	23.9%

Values in R\$ millions and % over Net Revenue

The third quarter showed a 9.5% increase in operating expenses and revenues compared to the same period last year. Below are some highlights of the quarter:

- The increase in selling expenses is mainly due to freight and commission costs. High freight costs are a result of global logistics issues, especially related to container shortages and port congestion.
- In administrative expenses, M&A expenses totalled R\$ 1.5 million in the quarter and R\$ 5.5 million in 9M24. Given the connection with the Company's M&A strategy, which is increasingly recurrent, these expenses will not be considered for adjusted EBITDA purposes. Additionally, the breakdown of expenses by nature is available in Note no. 26.
- In 3Q24, Farloc's building was sold and the subsidiary moved to Buenos Aires, impacting the other expenses and revenues lines. The net result was a negative R\$ 5.7 million, due to the adjustment for inflation over the last few years.
- Other operating revenues have an increased balance related to the reversal of the provision for the restructuring of Fanacif (which took place in 2Q24, in the amount of R\$ 1.5 million) and to the Green Mobility and Innovation Program (Mover) in the amount of R\$ 7.5 million. The accumulated balance is detailed in Note no. 11.

## EBITDA AND ADJUSTED EBITDA

Consolidated EBITDA for 3Q24 totalled R\$ 191.2 million, with a margin of 18.4%, down 2.9 percentage points from the same period last year. See below relevant factors in this quarter:

- The aforementioned delays in port logistics, impacting not only inbound but also outbound.
- Favourable exchange rate for exports.

EBITDA Reconciliation and Adjusted EBITDA		3Q24	3Q23	Δ %	2Q24	Δ %	9M24	9M23	Δ %
<b>Net Profit</b>		<b>89.0</b>	<b>106.1</b>	<b>-16.1%</b>	<b>41.4</b>	<b>115.1%</b>	<b>239.6</b>	<b>294.8</b>	<b>-18.7%</b>
Financial Result		42.5	13.9	206.1%	-13.2	-421.4%	-22.1	55.1	-140.1%
Depreciation		37.0	32.2	14.8%	35.6	3.9%	109.7	93.0	18.0%
Income Tax / Social Contribution		22.6	37.9	-40.3%	48.5	-53.3%	130.3	111.2	17.2%
<b>EBITDA</b>		<b>191.2</b>	<b>190.2</b>	<b>0.5%</b>	<b>112.3</b>	<b>70.3%</b>	<b>457.5</b>	<b>554.1</b>	<b>-17.4%</b>
EBITDA Margin		18.4%	21.4%	-2.9 pp	11.5%	7.0 pp	16.0%	20.9%	-4.9 pp
<b>Non-recurring Events</b>		<b>4.2</b>	<b>0.0</b>	<b>0.0%</b>	<b>50.2</b>	<b>-91.6%</b>	<b>54.4</b>	<b>12.6</b>	<b>332.0%</b>
Asset impairment		0.0	0.0	0.0%	8.3	-100.0%	8.3	0.0	0.0%
Fanacif Restructuring		-1.5	0.0	0.0%	41.9	-103.5%	40.4	0.0	0.0%
Rescission action Nakata		0.0	0.0	0.0%	0.0	0.0%	0.0	-24.5	-100.0%
Exclusion of ICMS from the PIS calculation base and COFINS		0.0	0.0	0.0%	0.0	0.0%	0.0	37.1	-100.0%
Sale of assets		5.7	0.0	0.0%	0.0	0.0%	5.7	0.0	0.0%
<b>Adjusted EBITDA</b>		<b>195.4</b>	<b>190.2</b>	<b>2.8%</b>	<b>162.5</b>	<b>20.3%</b>	<b>512.0</b>	<b>566.7</b>	<b>-9.7%</b>
EBITDA Margin - Adjusted		18.9%	21.4%	-2.5 pp	16.6%	2.3 pp	17.9%	21.4%	-3.5 pp

Values in R\$ million

In this quarter, one-off events were recorded, resulting in adjusted EBITDA of R\$195.4 million and adjusted EBITDA margin of 18.9%. Regarding one-off events:

- Sale of Farloc building in Argentina for a negative net value of R\$ 5.7 million. The sale was made as that business unit was transferred to Buenos Aires site Garín, along with the other operations in the country.
- Restructuring of Fanacif in the amount of R\$ 1.5 million. The negative value is due to the reversal of the provision made in 2Q24 resulting from the sale of assets and reuse of objects/equipment.
- To remember the one-off events of 2023, [click here](#).

## FINANCIAL RESULT

	3Q24	3Q23	Δ %	2Q24	Δ %	9M24	9M23	Δ %
Exchange Variation	32.8	33.3	-15%	78.8	-58.4%	273.0	72.7	275.4%
Interests on Capital Investment	40.1	63.6	-37.0%	45.2	-11.4%	131.2	161.9	-19.0%
Present Value Adjust	5.5	5.0	11.0%	3.9	40.5%	14.4	15.0	-3.7%
Other Financial Income	0.7	3.7	-80.3%	0.7	3.7%	8.2	4.2	93.8%
<b>Financial Income</b>	<b>79.1</b>	<b>105.5</b>	<b>-25.0%</b>	<b>128.6</b>	<b>-38.5%</b>	<b>426.8</b>	<b>253.8</b>	<b>68.2%</b>
Exchange Variation	-45.0	-68.4	-34.2%	-79.6	-43.5%	-293.5	-146.1	100.8%
Financing Interests	-34.4	-22.0	56.1%	-37.0	-7.0%	-96.3	-84.9	13.4%
Present Value Adjust	-7.2	-6.7	8.5%	-6.4	12.2%	-19.5	-19.4	0.0%
Bank Expenses	-13.6	-12.2	11.2%	-12.7	7.2%	-37.0	-41.5	-10.8%
Other Financial Expenses	-17.3	-11.1	55.3%	-12.4	39.3%	-44.2	-22.4	97.5%
<b>Financial Expenses</b>	<b>-117.5</b>	<b>-120.4</b>	<b>-2.4%</b>	<b>-148.2</b>	<b>-20.7%</b>	<b>-490.5</b>	<b>-314.4</b>	<b>56.0%</b>
Monetary adjustment (IAS 29)	-4.1	1.0	-516.8%	32.7	-112.6%	85.8	5.4	1487.6%
<b>Financial Result</b>	<b>-42.5</b>	<b>-13.9</b>	<b>206.1%</b>	<b>13.2</b>	<b>-421.4%</b>	<b>22.1</b>	<b>-55.1</b>	<b>-140.1%</b>

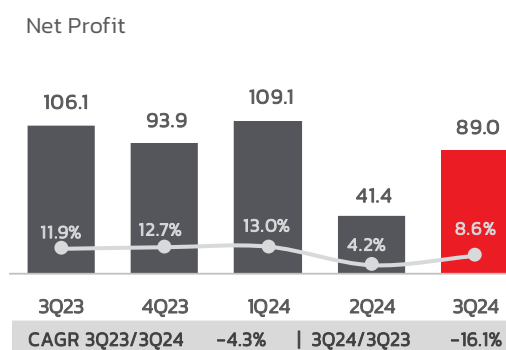
Values in R\$ millions

In the quarter, the Company's financial result totaled a negative R\$ 42.5 million, with the main highlights being:

- Income on financial investments is mostly impacted by the reduction in the Selic rate.
- Impact of exchange rate variation on Operations in Argentina (968.50 USD/ARS Sept 30, 2024 vs. 350.00 USD/ARS SEPT 29, 2023);
- Operations located in Argentina impact the financial result in hyperinflation (IAS 29) since Argentina had 101.6% accumulated inflation in the nine months of 2024 (103.2% in 9M23). A breakdown of the impact by business unit is available in Note no. 28.
- When comparing 3Q24 x 3Q23, interest on financing increased mainly due to the 5th debenture issuance, carried out in September and the sustainable fundraising, carried out in February, by the International Finance Corporation.

## NET PROFIT

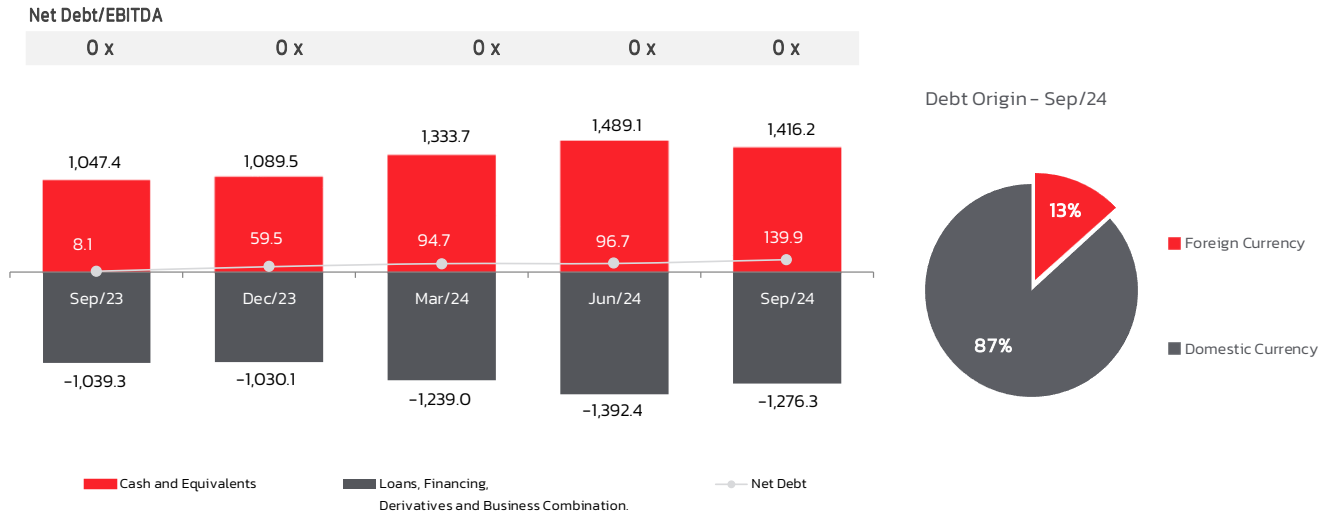
The factors mentioned above, added of the increase in the effective IRPJ (Income Tax) and CSLL (Social Contribution) rates in this fiscal year (mainly due to one-off events and also to the Subsidy Taxation Law, by which ICMS tax benefits began to be taxed in PIS/COFINS and IR/CS as of 2024), impacted the results. In addition, in this quarter in particular, there was taxation of profits abroad. For more information, see Note 24. These factors



culminated in a net income of R\$ 89.0 million in 3Q24, accounting for a net margin of 8.6%.

## FINANCIAL MANAGEMENT

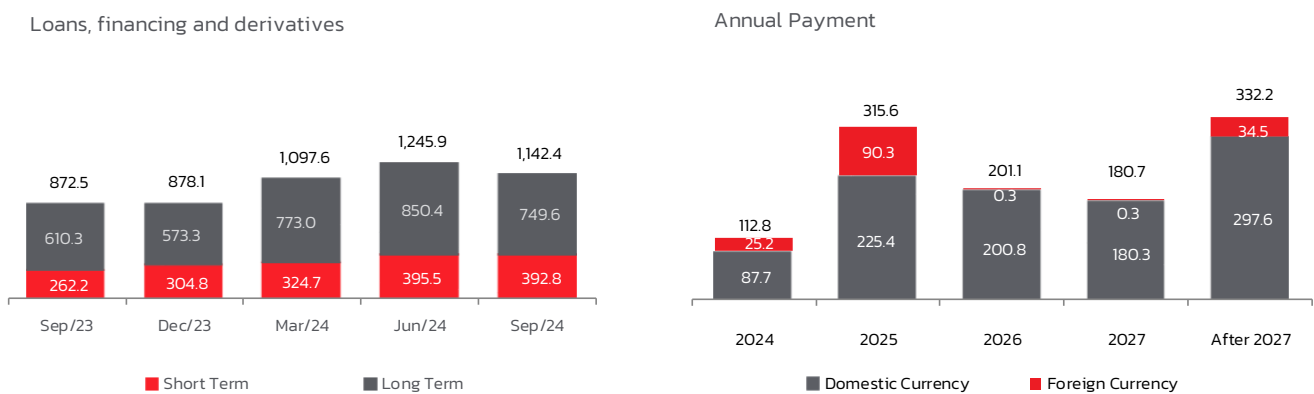
### NET DEBT



The main indexers of consolidated gross debt at the end of 3Q24 were:

- > Lines in Reais indexed to the CDI which accounted for 75.75% (average CDI cost + 1.44%);
- > Lines in Euros (Euro + 2.0% per year) with 0.41%.
- > Lines in Dollars (US\$ + average of 4.8% per year) with 12.78%.
- > Lines in Reais indexed to others which accounted for 11.07% (average CDI cost + 1.40%).

The following graphs show the debt breakdown at the end of 3Q24:



## WORKING CAPITAL

	9M23	2023	1Q24	1H24	9M24
<b>Resources Investment</b>					
Customers	416.2	422.8	337.1	441.2	386.6
<i>In Days</i>	<i>35 d</i>	<i>35 d</i>	<i>28 d</i>	<i>36 d</i>	<i>30 d</i>
Inventory	836.3	783.5	833.3	844.9	879.4
<i>In Days</i>	<i>70 d</i>	<i>65 d</i>	<i>69 d</i>	<i>69 d</i>	<i>69 d</i>
Others Resources	128.7	109.4	118.8	122.4	157.6
<b>Total of Resources Invested</b>	<b>1,381.2</b>	<b>1,315.7</b>	<b>1,289.2</b>	<b>1,408.4</b>	<b>1,423.5</b>
<b>Sources</b>					
Suppliers*	-385.4	-435.9	-366.3	-436.7	-476.6
<i>In Days</i>	<i>32 d</i>	<i>36 d</i>	<i>30 d</i>	<i>36 d</i>	<i>37 d</i>
Others Resources	-240.9	-212.8	-233.9	-220.2	-247.2
<b>Total of Sources</b>	<b>-626.3</b>	<b>-648.7</b>	<b>-600.2</b>	<b>-656.9</b>	<b>-723.9</b>
<b>WC in R\$</b>	<b>754.9</b>	<b>667.0</b>	<b>689.1</b>	<b>751.5</b>	<b>699.6</b>
<i>WC in Days</i>	<i>63 d</i>	<i>55 d</i>	<i>57 d</i>	<i>61 d</i>	<i>55 d</i>

Values in R\$ million

\*Total value is the sum of the Suppliers and Drawn Risk accounts

The nine-month period of 2024 period ended with eight days of reduction in working capital needs, with the main highlights being:

- > Exchange rate variation (average closing rate USD/BRL 5.55 in 3Q24 vs. 4.88 in 3Q23) stimulated fluctuations in all working capital lines.
- > In the inventory line, the delay of co-manufactured products in maritime transit contributed to a higher balance due to port logistics complications.
- > The supplier line shows progress linked to negotiations aimed at extending the payment term.

## FREE CASH FLOW

	9M23	2023	1Q24	1H24	9M24
<b>EBITDA</b>	<b>554.1</b>	<b>667.2</b>	<b>154.0</b>	<b>266.3</b>	<b>457.5</b>
Investments	-74.1	-133.7	-21.6	-41.7	-85.9
Financial Result	-55.1	-15.9	51.4	64.7	22.1
Income and Social Taxes	-111.2	-137.9	-59.2	-107.7	-130.3
Working Capital Variation	-86.6	1.2	-22.1	-84.5	-32.6
<b>Operating Cash Flow</b>	<b>227.0</b>	<b>381.0</b>	<b>102.6</b>	<b>97.1</b>	<b>230.8</b>
Dividends/ROE	-111.3	-111.3	-61.9	-97.2	-162.8
Capital Integr. / Business Acquis.	-108.8	-110.3	-12.5	-12.7	-34.1
Debt Exchange Variation	0.0	0.0	0.0	0.0	0.0
Others	3.1	-98.0	7.1	50.0	46.5
<b>Free Cash Flow</b>	<b>10.1</b>	<b>61.4</b>	<b>35.2</b>	<b>37.2</b>	<b>80.4</b>
<b>NET DEBT (NET CASH)</b>	<b>8.1</b>	<b>59.5</b>	<b>94.7</b>	<b>96.7</b>	<b>139.9</b>

Values in R\$ million

The Company recorded R\$ 80.4 million in free cash flow in the first nine months of 2024. The highlights are:

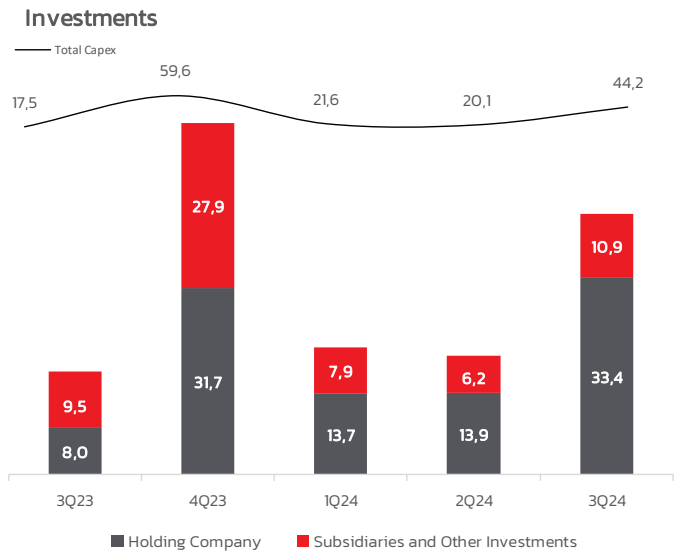
- > Payment (in August) of interest on equity in the amount of R\$ 65.7 million.
- > The capital integration and business acquisition line had movements related to the acquisitions of Armetal for R\$12,0 million and Nakata for R\$ 20,1 million, related to business combinations, in addition to R\$ 2,0 million allocated to Centro Tecnológico Randon for integration in Nione.

### INVESTMENTS (CAPEX)

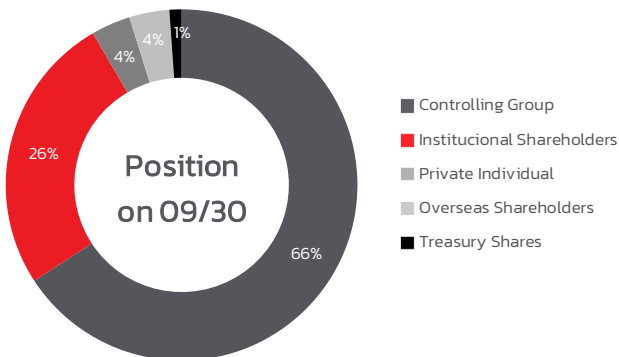
The quarter ended with R\$ 44.2 million invested. The main highlights are:

> At the controlling company, the most significant investments were the adaptation of Fanacif equipment (R\$ 0.6 million), acquisition of machinery (R\$ 5.1 million) and equipment (R\$ 4.3 million) for the brake lining product line for commercial vehicles, and continuation of the *Caldeira Verde* project (R\$ 2.6 million). The subsidiary Fremax continued to operate the substation (R\$ 6.5 million).

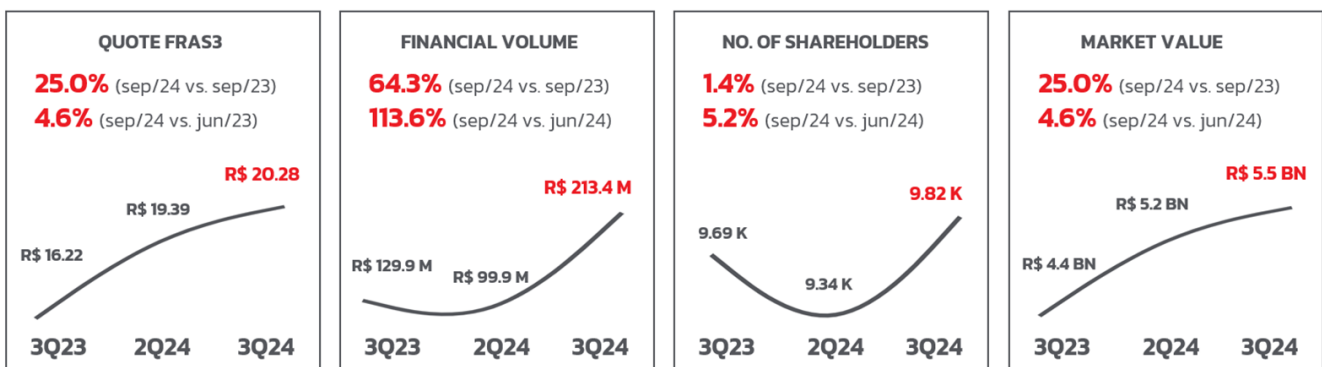
> At the controlled companies, the operations located in Argentina have made adaptations to the warehouse structure (R\$ 2.0 million), partly due to Farloc's move to the Buenos Aires site and partly for general improvements. Controlil focused on expanding machining capacity and updating the manufacturing plant with the acquisition of new equipment (R\$ 2.8 million), and the units in Sorocaba (R\$ 1.7 million) and ASK Fras-le (R\$ 0.9 million) invested in productivity to meet new projects.



### CAPITAL MARKET

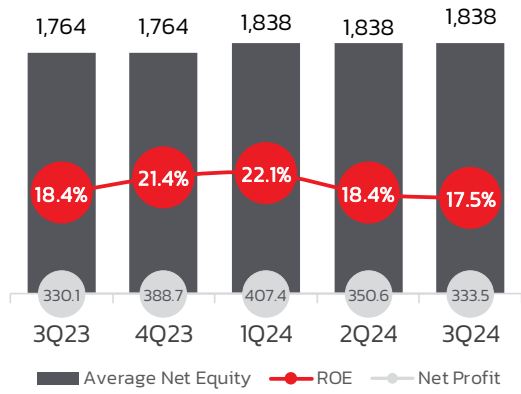


In 3Q24, 32.9 million "FRAS3" shares were traded. During this period, the average daily trading volume was R\$ 9.7 million, 59.5% higher than the volume recorded in 3Q23. The Company's market value at the end of September reached R\$ 5.5 billion.

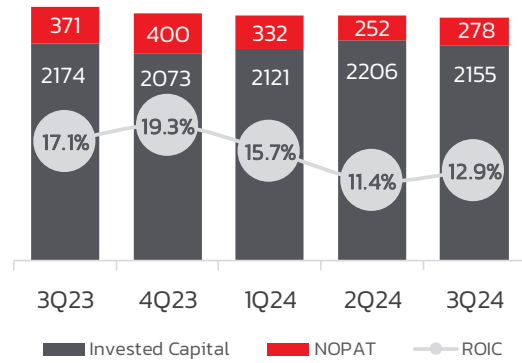


**ROE and ROIC**

ROE - Return On Equity



ROIC - Return on Invested Capital



## APPENDICES

### Appendix I

#### CONSOLIDATED STATEMENT OF INCOME

Values in thousands of Reais

	3Q24	%	3Q23	%	9M24	%	9M23	%	Variations	
									3Q24/3Q23	9M24/9M23
<b>Net Revenue</b>	<b>1,036,493</b>	<b>100.0%</b>	<b>889,065</b>	<b>100.0%</b>	<b>2,858,017</b>	<b>100.0%</b>	<b>2,647,392</b>	<b>100.0%</b>	<b>16.6%</b>	<b>8.0%</b>
COGS – Cost of Goods Sold	-705,547	-68.1%	-569,784	-64.1%	-1,921,884	-67.2%	-1,711,423	-64.6%	23.8%	12.3%
<b>Gross Profit</b>	<b>330,946</b>	<b>31.9%</b>	<b>319,281</b>	<b>35.9%</b>	<b>936,133</b>	<b>32.8%</b>	<b>935,969</b>	<b>35.4%</b>	<b>3.7%</b>	<b>0.0%</b>
Selling Expenses	-101,215	-9.8%	-82,715	-9.3%	-275,348	-9.6%	-241,040	-9.1%	22.4%	14.2%
Administrative Expenses	-80,926	-7.8%	-63,751	-7.2%	-231,907	-8.1%	-183,386	-6.9%	26.9%	26.5%
Other Operation Expens./Incom.	4,973	0.5%	-14,634	-1.6%	-81,346	-2.8%	-50,262	-1.9%	-134.0%	61.8%
<b>Financial Result</b>	<b>-42,545</b>	<b>-4.1%</b>	<b>-13,900</b>	<b>-1.6%</b>	<b>22,139</b>	<b>0.8%</b>	<b>-55,144</b>	<b>-2.1%</b>	<b>-206.1%</b>	<b>-140.1%</b>
Financial Income	79,094	7.6%	105,518	11.9%	426,845	14.9%	253,830	9.6%	-25.0%	68.2%
Financial Expenses	-117,515	-11.3%	-120,407	-13.5%	-490,481	-17.2%	-314,376	-11.9%	-2.4%	56.0%
Monetary adjustment	-4,124	-0.4%	990	0.1%	85,775	3.0%	5,403	0.2%	-516.8%	1487.6%
<b>Income Before Tax</b>	<b>111,665</b>	<b>10.8%</b>	<b>144,033</b>	<b>16.2%</b>	<b>369,872</b>	<b>12.9%</b>	<b>405,966</b>	<b>15.3%</b>	<b>-22.5%</b>	<b>-8.9%</b>
Income and Social Tax	-22,626	-2.2%	-37,923	-4.3%	-130,295	-4.6%	-111,172	-4.2%	-40.3%	17.2%
<b>Net Profit</b>	<b>89,039</b>	<b>8.6%</b>	<b>106,110</b>	<b>11.9%</b>	<b>239,577</b>	<b>8.4%</b>	<b>294,794</b>	<b>11.1%</b>	<b>-16.1%</b>	<b>-18.7%</b>
Attributable to non-controlling shar.	-2,533	-0.2%	-2,253	-0.3%	-5,558	-0.2%	-4,977	-0.2%	12.4%	11.7%

Values in R\$ thousands



## Appendix II

**CONSOLIDATED BALANCE SHEET**

Values in Thousands of Reais

	09.30.24	09.30.23
<b>Assets</b>	<b>4,430,601</b>	<b>3,946,530</b>
<b>Current Assets</b>	<b>2,760,523</b>	<b>2,365,256</b>
Cash and Cash Equivalents	814,922	796,420
Financial Applications	17,085	212,931
Receivables	436,694	443,327
Inventory	879,407	836,303
Taxes Recoverable	126,386	76,275
Other Current Assets	486,029	0
<b>Non-current Assets</b>	<b>1,670,078</b>	<b>1,581,274</b>
Long-Term Realisable Assets	178,513	128,269
Investments	36,539	33,941
Fixed Assets and Leases	878,024	840,690
Intangible	577,002	578,374
<b>Liabilities</b>	<b>4,430,601</b>	<b>3,946,530</b>
<b>Current Liabilities</b>	<b>1,222,860</b>	<b>970,037</b>
Salaries and Charges	116,425	108,415
Suppliers	471,192	381,437
Tax Obligations	95,319	104,954
Loans and Financing	392,772	262,235
Others Obligations	140,085	105,429
Provisions	7,067	7,567
<b>Non-current Liabilities</b>	<b>1,131,328</b>	<b>1,032,093</b>
Loans and Financing	749,638	610,259
Others Obligations	258,605	309,784
Deferred Taxes	13,314	12,104
Provisions	108,296	98,202
Profits and Revenues to Be Appropriated	1,475	1,744
<b>Equity</b>	<b>2,076,413</b>	<b>1,944,400</b>
Social Capital	1,229,400	1,229,400
Capital Reserves	-16,556	-16,556
Profit Reserves	972,890	813,196
Other Comprehensive Results	-138,991	-99,441
Non-controlling Participation	29,670	17,801

Values in R\$ thousands

### Appendix III

## STATEMENTS OF CASH FLOW – INDIRECT METHOD

Values in thousands of Reais

	09.30.24	09.30.23
<b>Operational Cash Flow</b>		
<b>Net Operational Cash</b>	<b>-98,240</b>	<b>691,482</b>
<b>Cash generated from operations</b>	<b>531,696</b>	<b>593,885</b>
Net Income for the Period	239,577	294,794
Depreciation and Amortization	110,082	93,001
Provision for Disputes	12,033	44,343
Provision for Doubtful Settlement Credit	110	1,264
Other Provisions	-5,747	988
Residual Cost of Assets and Leases Downloaded and Sold	9,881	1,681
Variation on Loans, Derivatives and Leases	116,330	86,817
Equity	-201	172
Provision for Income Tax and Current and Deferred Social Contribution	130,295	111,172
Provision for Obsolete Inventories and Negative Margin	6,959	-5,644
Monetary Correction Adjustment	-85,775	-5,403
Revenue From Active Lawsuits	-7,861	-553
Impairment Reduction	7,873	-537
Clearing Retained Amounts in Business Combination	-1,860	-28,210
<b>Changes in assets and liabilities</b>	<b>-629,936</b>	<b>97,597</b>
Receivables	-21,701	905
Accounts Receivable from Customers	34,622	-100,381
Inventory	-114,322	57,243
Suppliers	36,304	-19,815
Accounts Payable	123,770	-74,871
Income Tax and Social Contribution Paid	-74,023	-35,619
Financial Investments	-562,190	278,768
Judicial Deposits	628	1,838
Taxes to be Recovered	-53,024	-10,471
<b>Investment Cash Flow</b>		
<b>Net investment cash</b>	<b>-118,651</b>	<b>-176,797</b>
Fixed and Intangible Purchases	-87,053	-74,109
Capital Payment in Affiliates	-2,028	-1,803
Business Combination	-29,570	-100,885
<b>Cash From Financing Activities</b>		
<b>Net funding cash</b>	<b>-18,599</b>	<b>-286,120</b>
Payment Interest Equity and Dividends	-162,805	-98,939
Loans and Financial Instruments Taken	471,122	69,383
Payment of Loans and Financial Instruments	-226,903	-147,053
Interest Paid with Loans	-72,855	-85,888
Lease Payment	-27,158	-23,623
<b>Funding Cash Flow</b>	<b>-235,490</b>	<b>228,565</b>

Values in R\$ thousands

Appendix IV

DETAILING BY PRODUCT FAMILY

Detailed description – Product family	
<b>Friction Material</b>	Brake linings for commercial vehicles, Brake pads for commercial vehicles, automobiles, motorcycles and small-sized aircraft, Brake linings for automobiles, railway shoes, Brake Shoes for commercial vehicles and automobiles clutch facings, molded linings, universal sheets and industrial products.
<b>Components for the Brake System</b>	Brake Discs, Brake Drums, Master Cylinder, Vacuum Booster, Wheel Cylinder, Wheel hubs, repair kits, actuators, and retaining valves.
<b>Components for Suspension System, Steering, Powertrain</b>	Shock absorbers, Suspension Plate, Bars, Pivots and Terminals, Rubber & Metal Rubber Parts, CV Joint, Crown and Pinion, Motorcycle – Suspension, Transmission & Brake, Suspension bushing kits, ball joints, gas and mechanical springs.
<b>Other Various Products</b>	Components for the Engine (Pistons, valves, water pumps, oil pumps, fuel pumps, hoses, air filters, gaskets), Packed liquids (Brake fluids, coolants, Antifreeze, anticorrosive, additives, Lubricants), Composite Materials, Other Various Products (Polymer materials that do not fall into the previous categories, Cardan shaft and accessories, bearings, cross pieces, axles, flange, linkage bar, reaction bar, side steering rod, rod ends, joints, backing plates, riveting machines, rivets, dies and iron and steel scrap).



NAKATA



COMPOSS

