



**EARNINGS  
RELEASE  
1T24**

**FRAS**  
B3 LISTED N1

**IBRA B3**

**IGC B3**

**IGCT B3**

**SMLL B3**

**Caxias do Sul, May 07, 2024.** Frasle Mobility (Fras-le S.A. – B3: FRAS3) discloses its results for the first quarter of 2024 (1Q24). 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 frist quarter of 2023 (1Q23).

## HIGHLIGHTS



NET REVENUE

**841.3 mm**

+0.3% vs. 1Q23

GUIDANCE R\$ 3.7 – 4.0 bi

**MARKET CAP (03/28/2024)**

R\$ 4.8 bi

**CLOSING QUOTE "FRAS3"**

R\$ 17.90

**FREE FLOAT**

33.2%

**Videoconference of Results 1Q24**

May, 08, 2024 (Wednesday)

11 am Brasília

10 am New York

03 pm London

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

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INTERNATIONAL MARKET US\$<sup>1</sup>

**69.0 mm**

+11.6% vs. 1Q23

GUIDANCE US\$ 250 – 290 mm



EBITDA

**154.0 mm**

EBITDA MARGIN 18.3%

GUIDANCE 17 – 21 %



INVESTMENTS<sup>2</sup>

**21.6 mm**

-30.6% vs. 1Q23

GUIDANCE R\$ 130 – 170 mm

**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



Our brand **makes history.**

On February 22, the pioneering brand Fras-le celebrated its 70th anniversary. Over seven decades, Fras-le has become a reference in friction materials, positioning itself as one of the global leaders, always attentive to innovation, trends, and the needs of demanding markets. The Company operates in more than 125 countries and began its internationalization in 1969 with exports to Latin America, subsequently establishing itself in North America, Europe, and Asia. [Learn about Fras-le's history.](#)

## END OF ACTIVITIES OF THE FANACIF S.A.

By means of a **Notice to the Market** disclosed on April 16, the Company announced the end of activities of the subsidiary Fanacif S.A., an industrial plant manufacturing friction material located in Montevideo, Uruguay. The decision to end the operation results from a strategic analysis of footprint optimization in response to the commercial challenges faced over the last few years.

## ANNUAL SHAREHOLDERS' MEETING (ASM)

The **ASM**, held on April 17, resolved on dividends, totaling R\$35.27 million (R\$0.13207637 per share). The meeting also elected the Board of Directors for the next term of office, which now includes Antonio Sergio Riede and Renata Faber Rocha Ribeiro, and reelected the Fiscal Council members with a one-year term of office. [Click here](#) to access the CV of board and directors members.

## PUBLIC CALAMITY IN RIO GRANDE DO SUL (RS)

Through a **Notice to the Market** disclosed on May 2, the Company temporarily suspended in-person operations at some of its manufacturing units in Rio Grande do Sul due to public calamity decrees resulting from heavy rains in the State, with **partial resumption** of activities on May 6. Frasle Mobility expresses solidarity with all those affected by this tragedy, which is the largest in the history of that State.

## CERTIFICATION AEO

In March, Frasle Mobility in Caxias do Sul, Fremax, and Controlol received the OEA certification - Authorized Economic Operator at the compliance level. This certification aims to provide benefits by the Brazilian Customs related to greater agility and predictability of their cargo in international trade flows.

## SUBSEQUENT EVENTS

## MESSAGE FROM MANAGEMENT

As the year begins, our responsibility is renewed towards a consistent and resilient development of our business strategy, combined with the delivery of results, thus allowing us to have a future with sustainable growth.

In this first quarter of the year, we recorded stable results compared to the same period in 2023, with consolidated net revenue of R\$ 841 million. This is indeed a positive scenario amid a time of global logistical instability and adjustments in domestic markets.

Q1 marks the celebration of the 70th anniversary of Fras-le, our pioneering brand. It has been present in the automotive market for seven decades, with firm and effective leadership in friction materials. From our strong presence in the original parts market, we have advanced to become a benchmark for replacement.

Just over a year ago, we created the new institutional identity Frasle Mobility, which

leads us to an increasingly diverse and global future, honouring a legacy of pioneering, dynamism, sustainability and safety of our iconic brand Fras-le, which develops safe and sustainable solutions.

We expanded our portfolio of products, services and brands, a path that proves to be assertive and safe, especially at times when various macroeconomic challenges put pressure on results.

*"... delivery of results,  
thus allowing us to have a  
future with steady and  
sustainable growth..."*

We trust in our business model and the capacity of our teams in the most diverse parts of the world, to continue carrying out our projects and actions, and delivering assertive solutions to the world of mobility.

**MAIN FIGURES**

	1Q24	1Q23	Δ %	4Q23	Δ %
<b>Net Revenue</b>	<b>841.3</b>	<b>838.8</b>	<b>0.3%</b>	<b>741.3</b>	<b>13.5%</b>
Domestic Market	499.4	517.6	-3.5%	555.5	-10.1%
Foreign Market	341.9	321.2	6.4%	185.8	84.0%
Foreign Market US\$	69.0	61.8	11.6%	37.0	86.7%
Exports – Brazil US\$ *	24.2	25.6	-5.4%	26.7	-9.3%
<b>Gross Profit</b>	<b>289.7</b>	<b>296.2</b>	<b>-2.2%</b>	<b>202.6</b>	<b>43.0%</b>
Gross Margin	34.4%	35.3%	-0.9 pp	27.3%	7.1 pp
<b>Operating Profit</b>	<b>116.9</b>	<b>147.2</b>	<b>-20.6%</b>	<b>81.4</b>	<b>43.5%</b>
Operating Margin	13.9%	17.5%	-3.6 pp	11.0%	2.9 pp
<b>EBITDA</b>	<b>154.0</b>	<b>177.1</b>	<b>-13.0%</b>	<b>113.1</b>	<b>36.1%</b>
EBITDA Margin	18.3%	21.1%	-2.8 pp	15.3%	3.0 pp
<b>Net Profit</b>	<b>109.1</b>	<b>90.4</b>	<b>20.7%</b>	<b>93.9</b>	<b>16.2%</b>
Net Margin	13.0%	10.8%	2.2 pp	12.7%	0.3 pp
<b>Adjusted EBITDA</b>	<b>154.0</b>	<b>177.1</b>	<b>-13.0%</b>	<b>98.0</b>	<b>57.2%</b>
Adjusted EBITDA Margin	18.3%	21.1%	-2.8 pp	13.2%	5.1 pp
<b>Investments</b>	<b>21.6</b>	<b>31.2</b>	<b>-30.6%</b>	<b>59.6</b>	<b>-63.7%</b>
<b>ROIC</b>	<b>15.7%</b>	<b>13.3%</b>	<b>2.4 pp</b>	<b>19.3%</b>	<b>-3.7 pp</b>

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

	1Q24	1Q23	Δ %	4Q23	Δ %
<b>Average price of the US dollar</b>	<b>4.95</b>	<b>5.19</b>	<b>-4.7%</b>	<b>4.95</b>	<b>0.0%</b>

**BUSINESS OVERVIEW IN THE QUARTER**

Despite the shutdown during the first week of the year due to the ERP update, in addition to the holidays that reduced working days, the Company delivered, at the end of first quarter, 2024, stable net revenue when compared to 1Q23. Factors such as operational management, supply purchasing strategies, consolidation of the replacement sales team in Brazil and gains in productivity contributed to this performance.

The domestic replacement market remained buoyant, despite the number of visits to workshops remaining stable in relation to the previous year, due to the seasonality of the holiday period. In the automaker market, attractive financing conditions stimulated consumption resulting in an important increase in volumes. In the international market, the Company's entry in new markets, especially in the original automotive sector, boosted revenue abroad. Furthermore, AML Juratek Limited completed a year of acquisition, reaping synergies that reflect the grow of this item, which is strategic for the Company's long-term growth.

## SALES PERFORMANCE

### VOLUMES AND NET REVENUE BY PRODUCT FAMILY

Sales Volumes by Product Line in millions of pieces or liters									
VOLUMES		1Q24		1Q23		Δ %	4Q23		Δ %
	Friction Material	24,7		24,9		-0,6%	27,3		-9,3%
	Components for the Brake System	2,2		2,2		3,7%	2,5		-10,5%
	Components for the Suspension, Steering and Powertrain	4,5		4,7		-4,6%	4,7		-4,1%
Sales Revenue by Material in R\$ million									
NET REVENUE		1Q24		1Q23		Δ %	4Q23		Δ %
	Friction Material	419,7	49,9%	399,0	47,6%	5,2%	361,9	48,8%	16,0%
	Components for the Brake System	152,8	18,2%	150,7	18,0%	1,4%	153,4	20,7%	-0,4%
	Components for the Suspension, Steering and Powertrain	233,0	27,7%	235,4	28,1%	-1,0%	213,0	28,7%	9,4%
	Other products *	35,8	4,3%	53,6	6,4%	-33,2%	13,0	1,8%	175,8%
	<b>Total Net Revenue</b>	<b>841,3</b>	<b>100,0%</b>	<b>838,8</b>	<b>100,0%</b>	<b>0,3%</b>	<b>741,3</b>	<b>100,0%</b>	<b>13,5%</b>

The components are detailed at the end of this report.

Friction volume has changed in total for 2023 due to intercompany adjustments and accounting for sets for parts.

Sales performance in Q1 showed a linear result compared to the same period last year. It is important to highlight that the SAP S/4HANA ERP<sup>1</sup> update resulted in fewer working days in this cycle. Concerning product families, the highlights are:

#### Friction Materials

- Heated domestic market for brake pads, with record production and sales.
- Strong demand for the export of brake linings for commercial vehicles to the North American market.
- New business deals in brake linings for commercial vehicles at Frasle Mobility (Alabama) and Frasle Mobility (ASK Fras-le).

#### Components for the Brake System

- Linear result in volumes reflects the stabilization of stock levels at distributors and great competition in the brake disc line.
- Revenue variation linked to the product mix.

#### Suspension, Steering and Powertrain Components

- Stable demand and resilient and growing shock absorber business. There has been a significant improvement in the level of delivery in the aftermarket, and, as a result, distributors are not replenishing stocks at the same speed.
- Frasle Mobility's Warehouse in Cartagena stood up when it comes to portfolio development, work of the commercial and logistics team aimed at making new businesses.

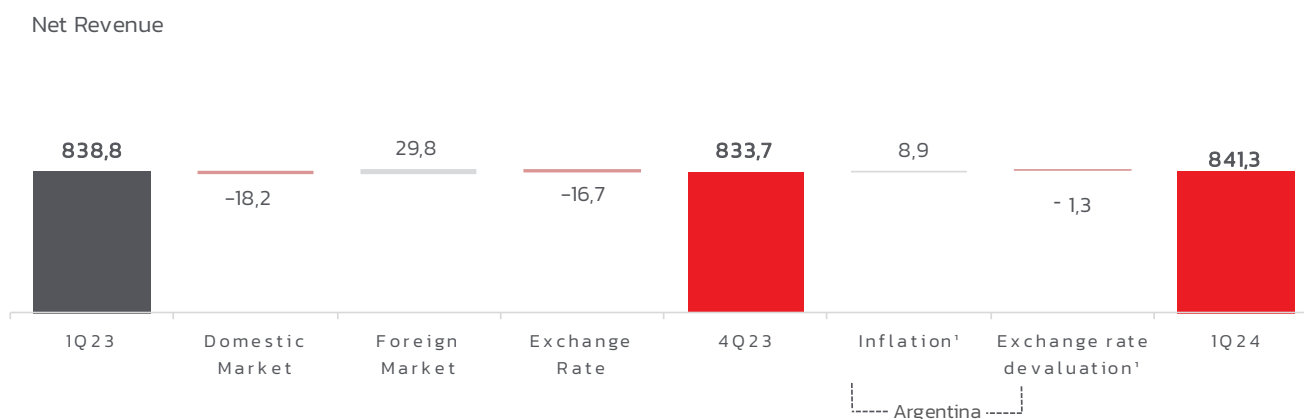
<sup>1</sup> The SAP S/4HANA update took place between December 26, 2023, and January 8, 2024.

## Other Products

- Composs gradually resumed production after being stopped due to the restructuring of its main client's lines at the end of last year.

**NOTE:** It is necessary to highlight that the performance of sales revenue by family of material does not necessarily reflect the same behaviour in volumes, as there are the effects from changes in exchange rates, product mix and prices charged. For more details about the families, see Appendix IV.

Below is the graph in causal format showing the effects responsible for changing the performance of consolidated net revenue in 1Q24 as compared to 1Q23.



## REVENUE BY MARKET

Net Revenue by Markets									
Markets	1Q24		1Q23		Δ %	4Q23		Δ %	
DM Aftermarket	445.2	52.9%	463.0	55.2%	-3.8%	501.7	67.7%	-11.2%	
DM OEM	54.2	6.4%	54.6	6.5%	-0.8%	53.8	7.3%	0.6%	
<b>Domestic Market</b>	<b>499.4</b>	<b>59.4%</b>	<b>517.6</b>	<b>61.7%</b>	<b>-3.5%</b>	<b>555.5</b>	<b>74.9%</b>	<b>-10.1%</b>	
FM Aftermarket	288.0	34.2%	279.7	33.3%	3.0%	143.0	19.3%	101.4%	
FM OEM	53.9	6.4%	41.5	4.9%	30.0%	42.8	5.8%	25.8%	
<b>Foreign Market</b>	<b>341.9</b>	<b>40.6%</b>	<b>321.2</b>	<b>38.3%</b>	<b>6.4%</b>	<b>185.8</b>	<b>25.1%</b>	<b>84.0%</b>	
Total Aftermarket Net Revenue	733.2	87.2%	742.7	88.5%	-1.3%	644.6	87.0%	13.7%	
Total OEM Net Revenue	108.0	12.8%	96.1	11.5%	12.4%	96.6	13.0%	11.8%	
<b>Total Net Revenue</b>	<b>841.3</b>	<b>100%</b>	<b>838.8</b>	<b>100%</b>	<b>0.3%</b>	<b>741.3</b>	<b>100%</b>	<b>13.5%</b>	

Values in R\$ million

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

## Domestic Market (DM)

### Replacement

- > Significant improvement in deliveries, leading distributors to not replenish their stocks as quickly.
- > Greater competition in the brake disc line.
- > Family of brake pads for light vehicles heated up due to one-off necessary product replacement and brand positioning in the market.
- > Brake pads for buses gained relevance, as they have increased in market share and easy availability.
- > Nakata's line of shock absorbers continues to stand out, increasing in market share.

### Trailers Division

- > Gradual resumption of sales driven by financing for new vehicles.
- > Acceleration of sales of commercial vehicles after update of pollutant emission standards (Euro6).

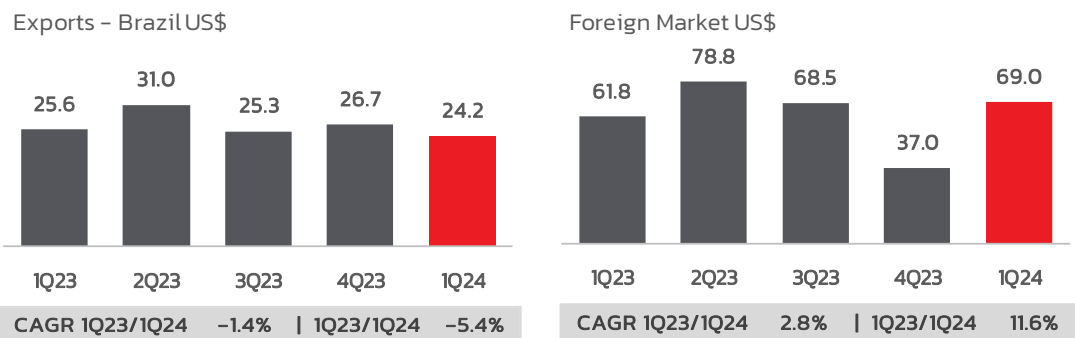
## International Market (IM)

### Replacement

- > Designs involving brake pads for the air brake system (ADB –Air Disc Brakes) for heavy vehicles, which were underway in 4Q23, gain sales traction on the Frasle Mobility website Alabama.
- > AML Juratek contributes to advancements in brake pad and disc lines.
- > Revenue variation between IQ24 vs. IQ23 due to exchange rate devaluation in Argentina.

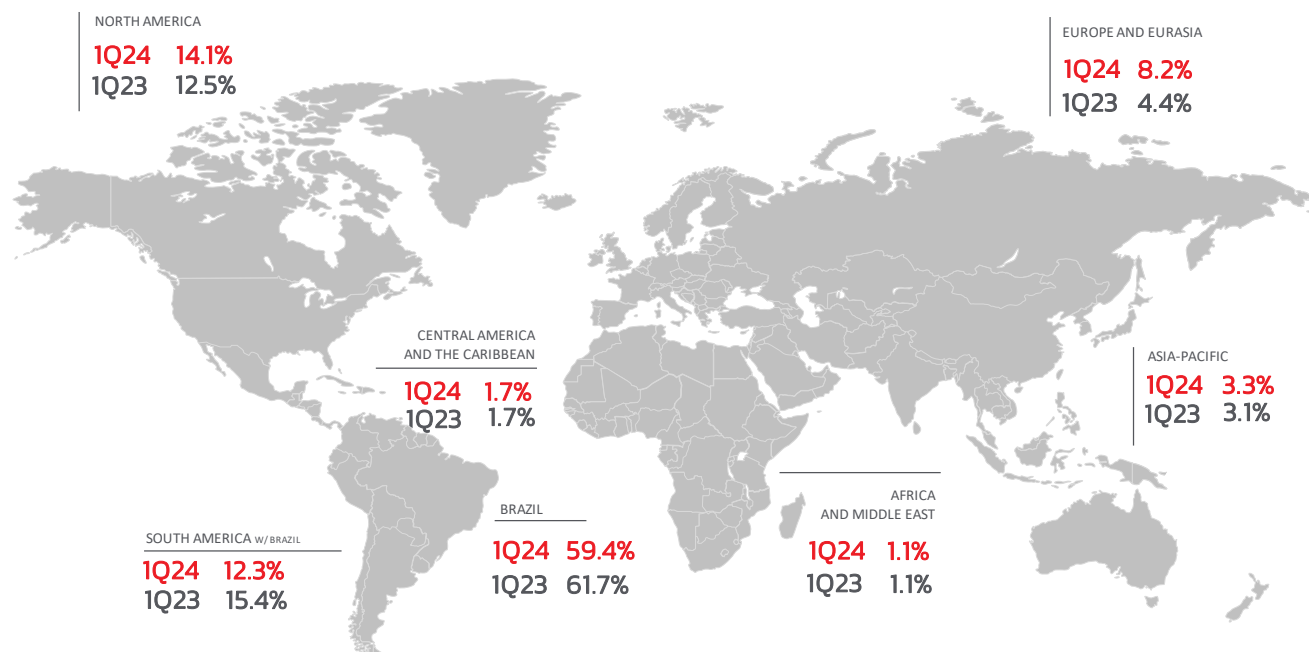
### Trailers Division

- > In the Trailer Division, Frasle Mobility (Alabama) showed growth linked to changes in particulate emission legislation for commercial vehicles. Regulation encouraged the sale of new heavy vehicles on the market.
- > New business throughout 2023 by Frasle Mobility (ASK Fras-le) began to reflect in results.
- > Exports to the United States, linked to automakers, gain strength this quarter due to the growth of our main customer in this market.
- > Frasle Mobility (Fremax) stands out due to the resumption of exports of brake discs to Argentina.





## REVENUE BREAKDOWN ACROSS THE GLOBE

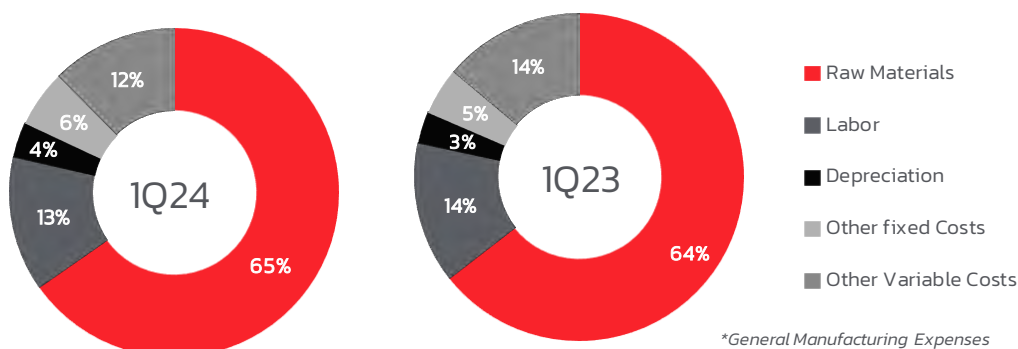


- > **North America:** resilient economy, even with the continued high rate of inflation, allows growth through the acquisition of new business in both replacement and assembly.
- > **South America:** more competitive market, especially in Argentina after the normalization of imports in the country. Even with the inflation rate slowing down, consumption is increasingly cautious.
- > **Europe and Eurasia:** AML Juratek Limited completes one year of acquisition! With an increase of more than 20% in net revenue and more than 6 p.p. in EBITDA margin (2022 vs. 2023), the operation reaps synergies in sourcing and reduction in freight costs, in addition to adding to the portfolio the sale of commercial brake discs and drums under the Fras-le brand. It should be noted that integration projects for the Company's brands will continue throughout 2024.
- > **Asia:** The operation in Pinghu in China maintains its level of market share, focusing attention on the availability of containers. In India, the Operation has advanced in revenue and volume due to gains in new business in both the domestic and export markets.

## OPERATIONAL PERFORMANCE

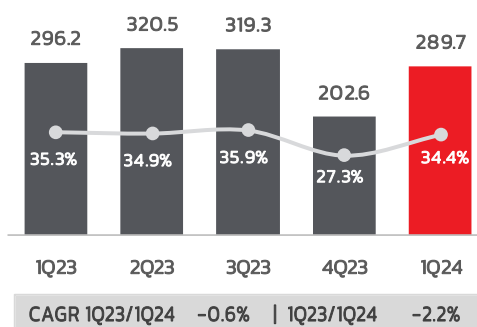
### COST OF GOODS SOLD (COGS) AND GROSS PROFIT

In 1Q24, the cost of products sold amounted to R\$ 551.6 million, accounting for 65.6% of net revenue, resulting in a gross profit of R\$ 289.7 million and gross margin of 34.4%, which is 0.9 percentage points lower than in the same period of the previous year. The graph below shows the composition of COGS and main highlights:



- > Deflation of chemical inputs and petroleum derivatives, combined with steel price negotiation strategies.
- > Synergy between operations in the negotiation and purchase of co-manufactured products.
- > Changing from water-based painting line to electrostatic powder at the Nakata shock absorber plant, enhancing efficiency.
- > One-off related to the review of the depreciation calculation impacted gross profit in the amount of R\$ 3.3 million.
- > Increased idleness due to the shutdown of plants for systemic ERP updates, impacting the dilution of fixed costs due to the reduced number of working days, which affected the margin increase (1Q24 x 1Q23).

Gross Profit



**OPERATING EXPENSES AND REVENUES**

	1Q24		1Q23		Δ %	4Q23		Δ %
<b>Selling Expenses</b>	-79.2	-9.4%	-79.2	-9.4%	0.1%	-72.0	-9.7%	10.1%
Variable Expenses w/ Sales	-29.2	-3.5%	-26.5	-3.2%	10.1%	-28.8	-3.9%	1.4%
Other Expenses w/ Sales	-50.0	-5.9%	-52.7	-6.3%	-5.0%	-43.2	-5.8%	15.9%
<b>Administrative Expenses</b>	-71.4	-8.5%	-55.5	-6.6%	28.6%	-66.7	-9.0%	7.1%
<b>Other Net Expenses/Income</b>	-22.1	-2.6%	-14.5	-1.7%	52.5%	17.7	2.4%	-224.5%
Other Operating Expenses	-32.3	-3.8%	-17.9	-2.1%	80.0%	-15.0	-2.0%	115.0%
Other Operating Income	10.2	1.2%	3.5	0.4%	195.2%	32.8	4.4%	-68.8%
<b>Equity Equivalence</b>	-0.1	0.0%	0.1	0.0%	-216.6%	-0.3	0.0%	-63.0%
<b>Total Operating Exp/Income</b>	-172.8	-20.5%	-149.0	-17.8%	15.9%	-121.2	-16.3%	42.6%

Values in R\$ millions and % over Net Revenue

1Q24 saw an increase of 15.9% in operating expenses compared to the same period last year, in total operating expenses and revenues. Regarding growth, the following stand out:

- > Selling expenses remained in line, accounting for 9.4% of net revenue for the quarter. In February, the replacement sales teams in Brazil were unified. This integration of teams is part of the last cycle of operational synergies of the business case for the acquisition of the subsidiary Nakata.
- > In administrative expenses, the highlight was in the M&A expenses, which reached the amount of R\$ 2.4 million. Considering the connection with the Company's M&A strategy, which is increasing in recurrence, these expenses will not be considered for adjusted EBITDA purposes.

- In Other Operating Expenses, the most relevant impact was on the controlling company with the contingency provision (negative R\$ 9.9 million). For more information, see note 19;
- In Other Operating Income, there was a refund of PAIS tax<sup>2</sup>, recognized in 2023 (R\$ 5.9 million). This refund is due to companies that purchased BOPREAL<sup>3</sup> bonds, issued by the Argentine government and indexed to the dollar.

### EBITDA AND ADJUSTED EBITDA

EBITDA Reconciliation and Adjusted EBITDA	1Q24	1Q23	Δ %	4Q23	Δ %
<b>Net Profit</b>	<b>109.1</b>	<b>90.4</b>	<b>20.7%</b>	<b>93.9</b>	<b>16.2%</b>
Financial Result	-51.4	20.8	-347.0%	-39.3	31.0%
Depreciation	37.1	29.9	24.1%	31.7	17.1%
Income Tax / Social Contribution	59.2	35.9	65.0%	26.8	121.1%
<b>EBITDA</b>	<b>154.0</b>	<b>177.1</b>	<b>-13.0%</b>	<b>113.1</b>	<b>36.1%</b>
EBITDA Margin	18.3%	21.1%	-2.8 pp	15.3%	3.0 pp
<b>Non-recurring Events</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>	<b>-15.2</b>	<b>-100.0%</b>
Asset impairment	0.0	0.0	0.0%	13.3	-100.0%
Business combination update	0.0	0.0	0.0%	-28.5	-100.0%
<b>Adjusted EBITDA</b>	<b>154.0</b>	<b>177.1</b>	<b>-13.0%</b>	<b>98.0</b>	<b>57.2%</b>
EBITDA Margin - Adjusted	18.3%	21.1%	-2.8 pp	13.2%	5.1 pp

Values in R\$ million

Consolidated EBITDA in 1Q24 totalled R\$ 154.0 million, with a margin of 18.3%, a drop of 2.8 percentage points compared to the same period. In addition to the comments made on the previous sections, we highlight the following:

- Exchange rate change contributes to the drop in margin (negative 4.7% in relation to the average exchange rate of the US dollar between 1Q24 x 1Q23).
- Price management linked to the repositioning of products with greater added value in the market.

<sup>2</sup> PAIS Tax, acronym for "For an Inclusive and Solidarity Argentina".

<sup>3</sup> Obligations for the Reconstruction of a Free Argentina.

## FINANCIAL RESULT

	1Q24	1Q23	Δ %	4Q23	Δ %
Exchange Variation	161.4	28.5	466.4%	20.6	682.8%
Interests on Capital Investment	45.9	25.1	82.5%	57.1	-19.6%
Present Value Adjust	5.0	4.7	6.3%	4.7	7.0%
Other Financial Income	6.8	5.4	26.8%	1.2	486.2%
<b>Financial Income</b>	<b>219.1</b>	<b>63.7</b>	<b>243.9%</b>	<b>83.6</b>	<b>162.2%</b>
Exchange Variation	-168.8	-31.0	445.4%	-55.1	206.6%
Financing Interests	-24.9	-29.0	-14.1%	-24.2	3.0%
Present Value Adjust	-5.8	-6.5	-10.9%	-18.5	-68.6%
Bank Expenses	-10.8	-14.3	-24.7%	-5.6	93.6%
Other Financial Expenses	-14.5	-7.4	97.3%	-16.6	-12.4%
<b>Financial Expenses</b>	<b>-224.8</b>	<b>-88.1</b>	<b>155.2%</b>	<b>-119.8</b>	<b>87.6%</b>
Monetary adjustment (IAS 29)	57.2	3.6	1504.5%	75.5	-24.3%
<b>Financial Result</b>	<b>51.4</b>	<b>-20.8</b>	<b>-347.0%</b>	<b>39.3</b>	<b>31.0%</b>

Values in R\$ millions

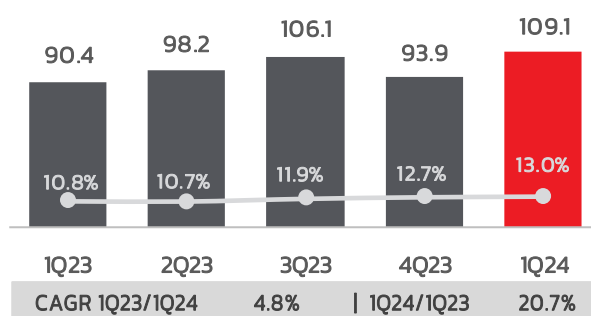
The Company's financial result in Q1 was positive R\$ 51.4 million. Highlights:

- Impact of exchange rate variation in our Operations in Argentina (208.98 USD/ARS 31.03.2023 vs. 856.80 USD/ARS 29.03.2024);
- Income from financial investments grows due to greater cash availability (1Q24 vs. 1Q23);
- Operations located in Argentina impact the financial result in hyperinflation (IAS 29) as, in 1Q24, Argentina sowed 51.6% of 3-month accumulated inflation (21.7% in 1Q23). For the breakdown of the impact by business unit, see note number 28.

## NET PROFIT

The combination of the factors listed above resulted in net profit of R\$ 109.1 million in 1Q24, with a net margin of 13.0%.

### Net Profit

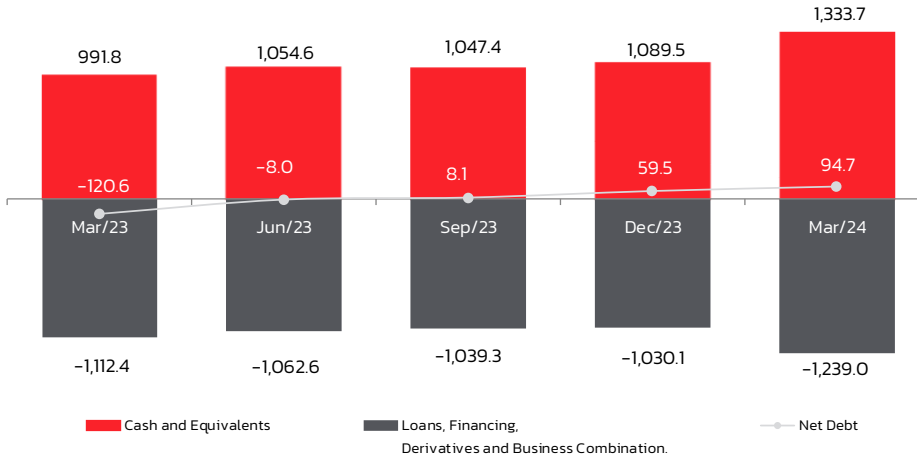


## FINANCIAL MANAGEMENT

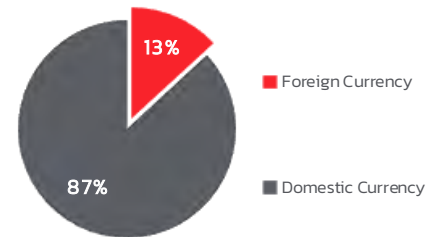
### NET DEBT

Net Debt/EBITDA

0 x      0 x      0 x      0 x      0 x



Debt Origin - Mar/24

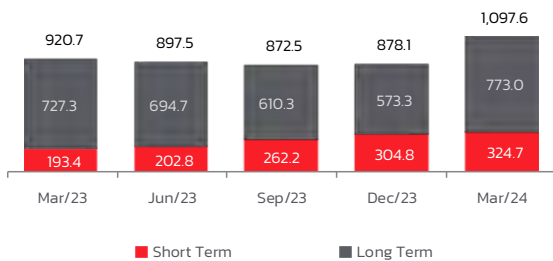


The main indexes of consolidated gross debt at the end of 1Q24 were:

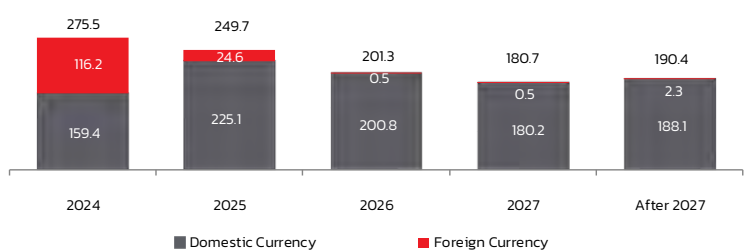
- In Reais indexed to the CDI, which accounted for 85.19% (average CDI cost + 1.49%);
- In Euros (Euro + 2.0% per year) with 0.39%.
- In Dollars (US\$ + average of 4.9% per year) with 12.74%, and
- In Reais indexed to others which accounted for 1.68% (average CDI cost + 1.10%).

The following graphs detail debt at the end of 1Q24:

Loans, financing and derivatives



Annual Payment



## WORKING CAPITAL

	1Q23	2Q23	3Q23	4Q23	1Q24
<b>Resources Investment</b>					
Customers	354.1	361.1	416.2	422.8	337.1
<i>In Days</i>	<i>31 d</i>	<i>31 d</i>	<i>35 d</i>	<i>35 d</i>	<i>28 d</i>
Inventory	852.3	829.9	836.3	783.5	833.3
<i>In Days</i>	<i>76 d</i>	<i>71 d</i>	<i>70 d</i>	<i>65 d</i>	<i>69 d</i>
Others Resources	118.9	124.8	128.7	109.4	118.8
<b>Total of Resources Invested</b>	<b>1,325.3</b>	<b>1,315.8</b>	<b>1,381.2</b>	<b>1,315.7</b>	<b>1,289.2</b>
<b>Sources</b>					
Suppliers*	-358.9	-375.2	-385.4	-435.9	-366.3
<i>In Days</i>	<i>32 d</i>	<i>32 d</i>	<i>32 d</i>	<i>36 d</i>	<i>30 d</i>
Others Resources	-239.0	-216.4	-240.9	-212.8	-233.9
<b>Total of Sources</b>	<b>-597.9</b>	<b>-591.6</b>	<b>-626.3</b>	<b>-648.7</b>	<b>-600.2</b>
<b>WC in R\$</b>	<b>727.4</b>	<b>724.3</b>	<b>754.9</b>	<b>667.0</b>	<b>689.1</b>
<i>WC in Days</i>	<i>65 d</i>	<i>62 d</i>	<i>63 d</i>	<i>55 d</i>	<i>57 d</i>

Values in R\$ million

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

At the end of the year, Q1 had 8 days fewer in working capital when compared to the same period last year.

The most relevant factors are:

- Reduction in the balance of customers is stimulated by the decrease in portfolio financing operations and orders placed at the end of March, which impacted revenue recognition at Frasle Mobility located in Caxias do Sul;
- Stocks are at historic levels but showing an upward trend due to the increase in production to better serve the market;
- The reduction in suppliers is stimulated by deadline negotiations carried out at the end of 2023.

## FREE CASH FLOW

	1Q23	2Q23	3Q23	4Q23	1Q24
<b>EBITDA</b>	<b>177.1</b>	<b>363.9</b>	<b>554.1</b>	<b>667.2</b>	<b>154.0</b>
Investments	-31.2	-56.6	-74.1	-133.7	-21.6
Financial Result	-20.8	-41.2	-55.1	-15.9	51.4
Income and Social Taxes	-35.9	-73.2	-111.2	-137.9	-59.2
Working Capital Variation	-30.8	-56.0	-86.6	1.2	-22.1
<b>Operating Cash Flow</b>	<b>58.4</b>	<b>136.8</b>	<b>227.0</b>	<b>381.0</b>	<b>102.6</b>
Dividends/ROE	-46.7	-46.7	-111.3	-111.3	-61.9
Capital Integr. / Business Acquis.	-102.5	-104.6	-108.8	-110.3	-12.5
Debt Exchange Variation	0.0	0.0	0.0	0.0	0.0
Others	-27.7	8.5	3.1	-98.0	7.1
<b>Free Cash Flow</b>	<b>-118.6</b>	<b>-6.0</b>	<b>10.1</b>	<b>61.4</b>	<b>35.2</b>
<b>NET DEBT (NET CASH)</b>	<b>-120.6</b>	<b>-8.0</b>	<b>8.1</b>	<b>59.5</b>	<b>94.7</b>

Values in R\$ million

The Company generated R\$ 102.6 million in operating cash flow in 1Q24. Highlights are:

- Investments focused on sustainability and productivity;

- > Increase in Income Tax and Social Contribution due to revenue growth in February/2024;
- > Payment in January 2024 of R\$ 61.9 million relating to Interest on Equity;
- > Balance of capital payment generated by the business combination of Armetal Autopartes S.A. (R\$ 12.0 million) and Nakata (R\$ 0.5 million).

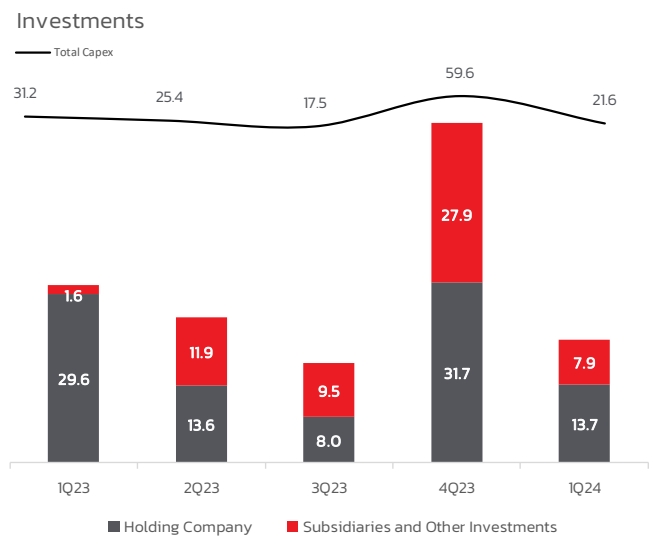
### DIVIDENDS AND INTEREST ON OWNERS' EQUITY

As resolved at the Annual General Meeting, which took place on April 17, 2024, shareholders approved dividends in the amount of R\$ 35,266,549.35, which corresponds to the gross value of R\$ 0.13207637 per share. To access Dividends history, [click here](#).

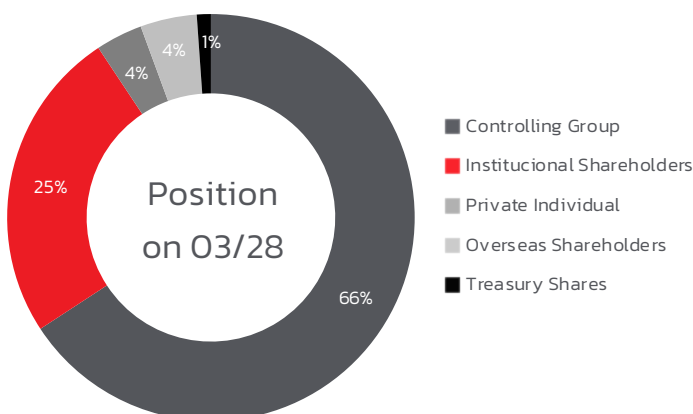
### INVESTMENTS (CAPEX)

Q1 ended with R\$ 21,6 million invested. Main highlights are:

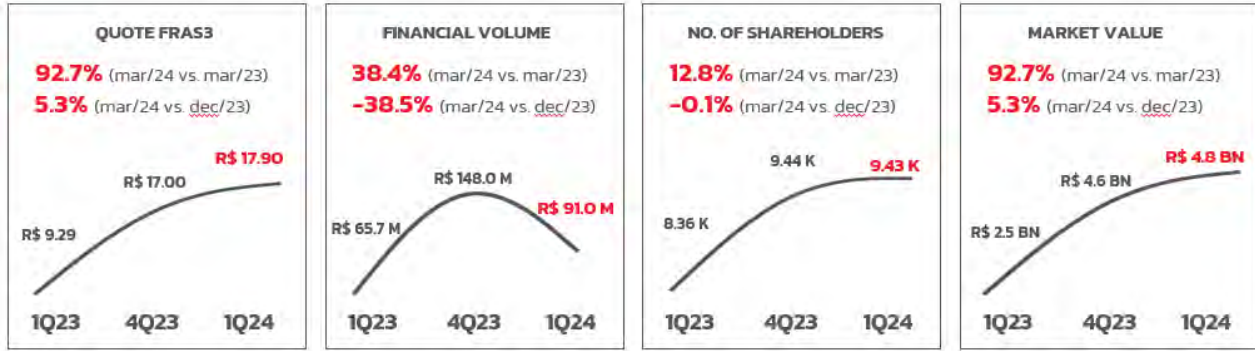
- > The controlling company continued the *Caldeira Verde* project, a source of clean energy to replace fossil fuel. Also highlighted was the implementation of software for the brake pad and brake lining production lines with the aim of improving productivity;
- > In subsidiaries the substation at the Fremax site, an initiative aimed at increasing the plant's production capacity, continued its project. In Sorocaba and at the ASK Fras-le unit, investments were focused on productivity, reflecting the gain in new business.



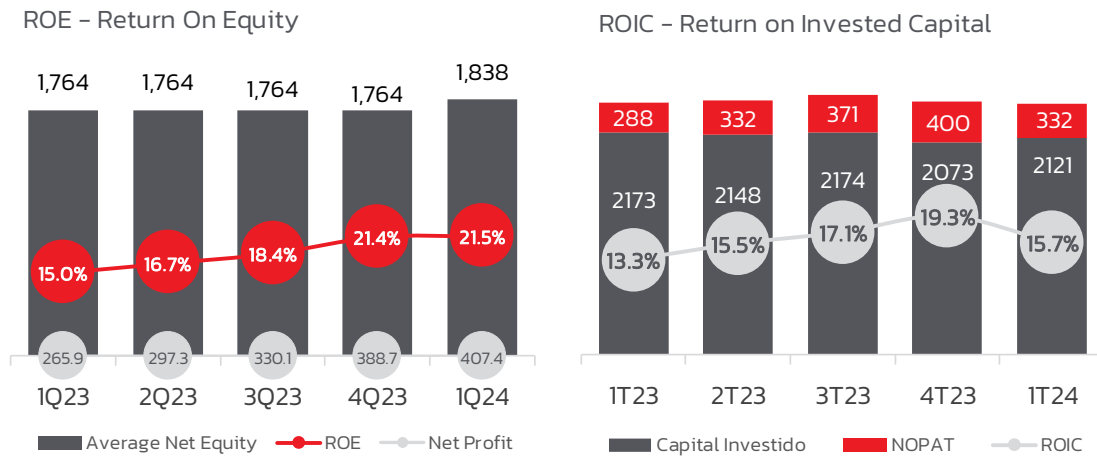
### CAPITAL MARKET



During 1Q24, 16.9 million "FRAS3" shares were traded. During this period, an average daily business volume of R\$ 4.5 million was recorded, 44.6% higher than the turnover recorded in 1Q23. The Company's market value at the end of March reached R\$ 4.8 billion.



**ROE and ROIC**



**ESG CHAPTER**

**PLANET**

Frasle Mobility Caxias do Sul continued the *Caldeira Verde* project, which consists of a source of clean energy intended to replace fossil fuels. The project is scheduled for completion in December 2024.

**PEOPLE**

In February, Frasle Mobility Caxias do Sul welcomed the second group of the project *Fras-le Without Borders*, which aims to include, develop, and adapt people with disabilities within the Company, seeking to find the best position for each participant.

**BUSINESSES**

In February, the Company executed a financing agreement with the International Finance Corporation (IFC) totaling R\$ 250 million. This loan aims to promote sustainability projects.



## APPENDICES

### Appendix I

#### CONSOLIDATED STATEMENT OF INCOME

Values in thousands of Reais

	1Q24	%	1Q23	%	4Q23	%	Variations	
							1Q24/1Q23	1Q24/4Q23
<b>Net Revenue</b>	<b>841,253</b>	<b>100.0%</b>	<b>838,774</b>	<b>100.0%</b>	<b>741,266</b>	<b>100.0%</b>	<b>0.3%</b>	<b>13.5%</b>
COGS – Cost of Goods Sold	-551,575	-65.6%	-542,574	-64.7%	-538,633	-72.7%	1.7%	2.4%
<b>Gross Profit</b>	<b>289,678</b>	<b>34.4%</b>	<b>296,200</b>	<b>35.3%</b>	<b>202,633</b>	<b>27.3%</b>	<b>-2.2%</b>	<b>43.0%</b>
Selling Expenses	-79,225	-9.4%	-79,162	-9.4%	-71,985	-9.7%	0.1%	10.1%
Administrative Expenses	-71,372	-8.5%	-55,499	-6.6%	-66,659	-9.0%	28.6%	7.1%
Other Operation Expens./Incom.	-22,080	-2.6%	-14,476	-1.7%	17,736	2.4%	52.5%	-224.5%
<b>Financial Result</b>	<b>51,447</b>	<b>6.1%</b>	<b>-20,832</b>	<b>-2.5%</b>	<b>39,272</b>	<b>5.3%</b>	<b>347.0%</b>	<b>31.0%</b>
Financial Income	219,106	26.0%	63,710	7.6%	83,567	11.3%	243.9%	162.2%
Financial Expenses	-224,810	-26.7%	-88,104	-10.5%	-119,827	-16.2%	155.2%	87.6%
Monetary adjustment	57,151	6.8%	3,562	0.4%	75,533	10.2%	1504.5%	-24.3%
<b>Income Before Tax</b>	<b>168,344</b>	<b>20.0%</b>	<b>126,320</b>	<b>15.1%</b>	<b>120,717</b>	<b>16.3%</b>	<b>33.3%</b>	<b>39.5%</b>
Income and Social Tax	-59,197	-7.0%	-35,871	-4.3%	-26,778	-3.6%	65.0%	121.1%
<b>Net Profit</b>	<b>109,147</b>	<b>13.0%</b>	<b>90,449</b>	<b>10.8%</b>	<b>93,939</b>	<b>12.7%</b>	<b>20.7%</b>	<b>16.2%</b>
Attributable to non-controlling shar.	-1,496	-0.2%	-1,070	-0.1%	-6,370	-0.9%	39.7%	-76.5%

Values in R\$ thousands

## Appendix II

**CONSOLIDATED BALANCE SHEET**

Values in Thousands of Reais

	03.31.24	03.31.23
<b>Assets</b>	<b>4,164,426</b>	<b>3,864,343</b>
<b>Current Assets</b>	<b>2,540,144</b>	<b>2,258,989</b>
Cash and Cash Equivalents	1,073,105	553,319
Financial Applications	169,245	402,515
Receivables	369,654	385,412
Inventory	833,332	852,259
Taxes Recoverable	94,808	65,484
	0	
<b>Non-current Assets</b>	<b>1,624,282</b>	<b>1,605,354</b>
Long-Term Realisable Assets	158,040	127,499
Investments	34,206	32,422
Fixed Assets and Leases	864,583	848,694
Intangible	567,453	596,739
<b>Liabilities</b>	<b>4,164,426</b>	<b>3,864,459</b>
<b>Current Liabilities</b>	<b>1,022,610</b>	<b>884,712</b>
Salaries and Charges	97,138	98,711
Suppliers	361,604	355,290
Tax Obligations	120,346	111,176
Loans and Financing	324,688	193,412
Others Obligations	112,753	116,429
Provisions	6,081	9,694
<b>Non-current Liabilities</b>	<b>1,148,647</b>	<b>1,131,924</b>
Loans and Financing	772,960	727,291
Others Obligations	265,697	336,011
Deferred Taxes	468	10,136
Provisions	108,047	56,742
Profits and Revenues to Be Appropriated	1,475	1,744
<b>Equity</b>	<b>1,993,169</b>	<b>1,847,823</b>
Social Capital	1,212,844	1,212,844
Profit Reserves	947,026	676,789
Other Comprehensive Results	-191,419	-56,867
Non-controlling Participation	24,718	15,057

Values in R\$ thousands

## Appendix III

**STATEMENTS OF CASH FLOW – INDIRECT METHOD**

Values in Thousands of Reais

	03.31.24	03.31.23
<b>Operational Cash Flow</b>		
<b>Net Operational Cash</b>	-62,055	227,901
<b>Cash generated from operations</b>	202,479	181,593
Net Income for the Period	109,147	90,448
Depreciation and Amortization	37,106	29,902
Provision for Disputes	11,784	2,883
Provision for Doubtful Settlement Credit	-983	758
Other Provisions	343	1,882
Residual Cost of Assets and Leases Downloaded and Sold	937	585
Variation on Loans, Derivatives and Leases	40,810	25,324
Equity	104	-89
Provision for Income Tax and Current and Deferred Social Contribution	59,197	35,872
Provision for Obsolete Inventories and Negative Margin	2,153	-77
Monetary Correction Adjustment	-57,151	-3,562
Revenue From Active Lawsuits	-6,694	-426
Impairment Reduction	6,916	-500
Clearing Retained Amounts in Business Combination	-1,190	-1,407
<b>Changes in assets and liabilities</b>	-264,534	46,308
Receivables	-5,658	10,853
Accounts Receivable from Customers	86,866	-34,671
Inventory	-32,187	29,473
Suppliers	-73,368	-45,962
Accounts Payable	14,023	-1,470
Income Tax and Social Contribution Paid	-24,564	-4,952
Financial Investments	-221,478	91,406
Judicial Deposits	305	124
Taxes to be Recovered	-8,473	1,507
<b>Investment Cash Flow</b>		
<b>Net investment cash</b>	-32,797	-129,589
Fixed and Intangible Purchases	-21,783	-31,175
Capital Payment in Affiliates	0	0
Business Combination	-11,014	-98,414
<b>Cash From Financing Activities</b>		
<b>Net funding cash</b>	117,545	-112,848
Payment Interest Equity and Dividends	-61,900	-46,737
Loans and Financial Instruments Taken	271,596	24,451
Payment of Loans and Financial Instruments	-55,495	-51,371
Interest Paid with Loans	-27,652	-31,739
Lease Payment	-9,004	-7,452
Payment of Capital	629,400	0
<b>Funding Cash Flow</b>	22,693	-14,536

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).

