



Companies

# Institutional Profile

## 2Q21

# Safe Harbor Statement

This presentation contains forward-looking statements that are subject to risks and uncertainties. These statements are based on Management's beliefs and assumptions, as well as on currently available information. Forward-looking statements include information on our current intentions, beliefs or expectations, **as well as those of the Company's Board of Directors and Board of Executive Officers.**

The reservations as to forward looking statements and information also include data on possible or presumed operating results, as well as any statements preceded, followed or including words such as **"believes", "may", "will", "expects", "intends", "plans", "estimates" or similar expressions.**

Forward-looking statements are not performance guarantees; they involve risks, uncertainties and assumptions because they refer to future events and, therefore, depend on circumstances which may or may not occur. Future results may differ materially from those expressed or suggested by forward-looking statements. **Many of the factors which will determine these results and figures are beyond our ability to control or predict.**



**We are Randon Companies and for more than 70 years we have developed solutions in equipment, automotive systems and services for transportation.**

## Principles



Valued and respected people



Safety and Quality



Ethics



Innovation and Technology



Satisfied Customer



Preservation of our image and legacy



Profitability with Sustainability



Randon is all of us

## Purpose

Connecting people and riches, to generate prosperity.



## Our way of being

Happy people take us further. We cultivate an environment favorable to improvement.



## Our beliefs

We believe that the future is not a frontier: it is an opportunity to build the new.



Foundation  
**1949**

IPO  
**1974**

**13,638**  
Employees<sup>1</sup>

**R\$ 4.4 Bn**  
Market Cap<sup>1</sup>

Products in  
more than  
**120**  
**countries**



# Corporate Governance

## Board of Directors

David Abramo Randon | President  
Alexandre Randon | Vice-President  
Pedro Ferro Neto | Board member  
Ana Carolina R. Strobel | Board member  
William Ling | Board member

## TOTAL SHARES

345,775,809

## RAPT3

116,515,527

## RAPT4

229,260,282

## TAG ALONG

80%

## FREE FLOAT

57.5%

**RAPT**

B3 LISTED N1

IBRAB3 | IBRX100B3 | IGC B3 | IGCT B3

INDXB3 | ITAG B3 | SMLLB3

## Executive Committee



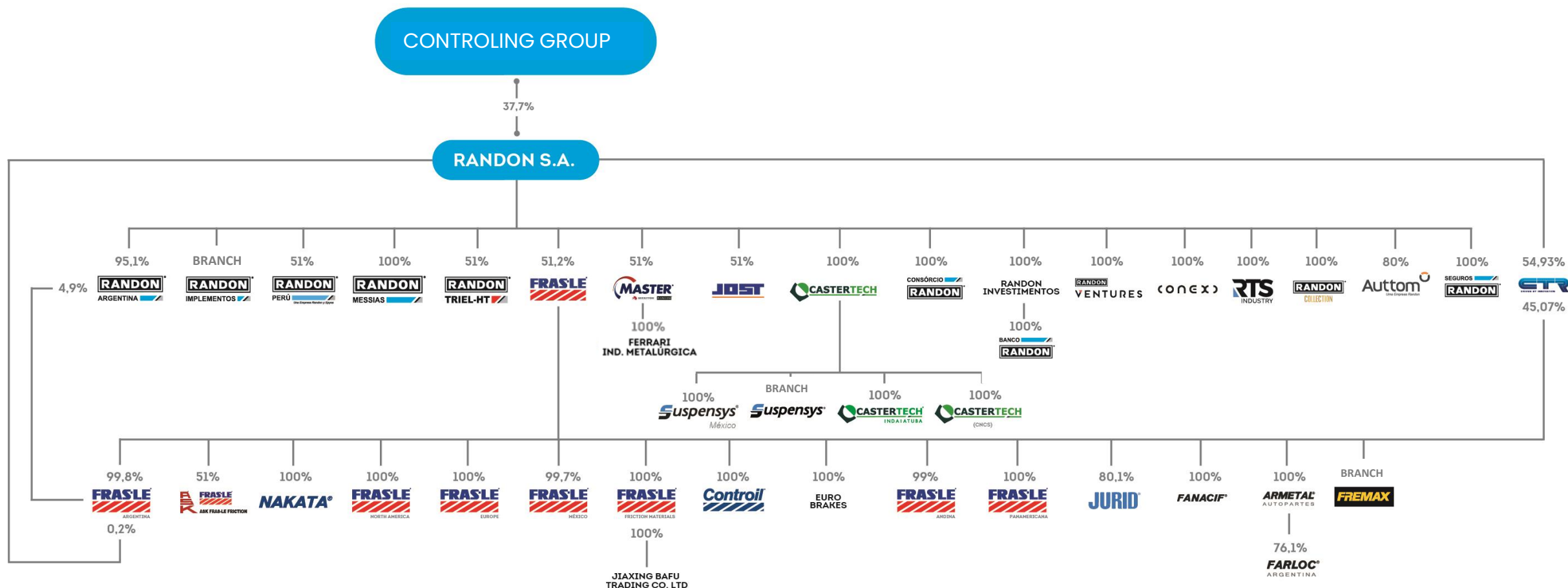
**Paulo Prignolato**  
CFO and IRO

**Daniel Randon**  
CEO

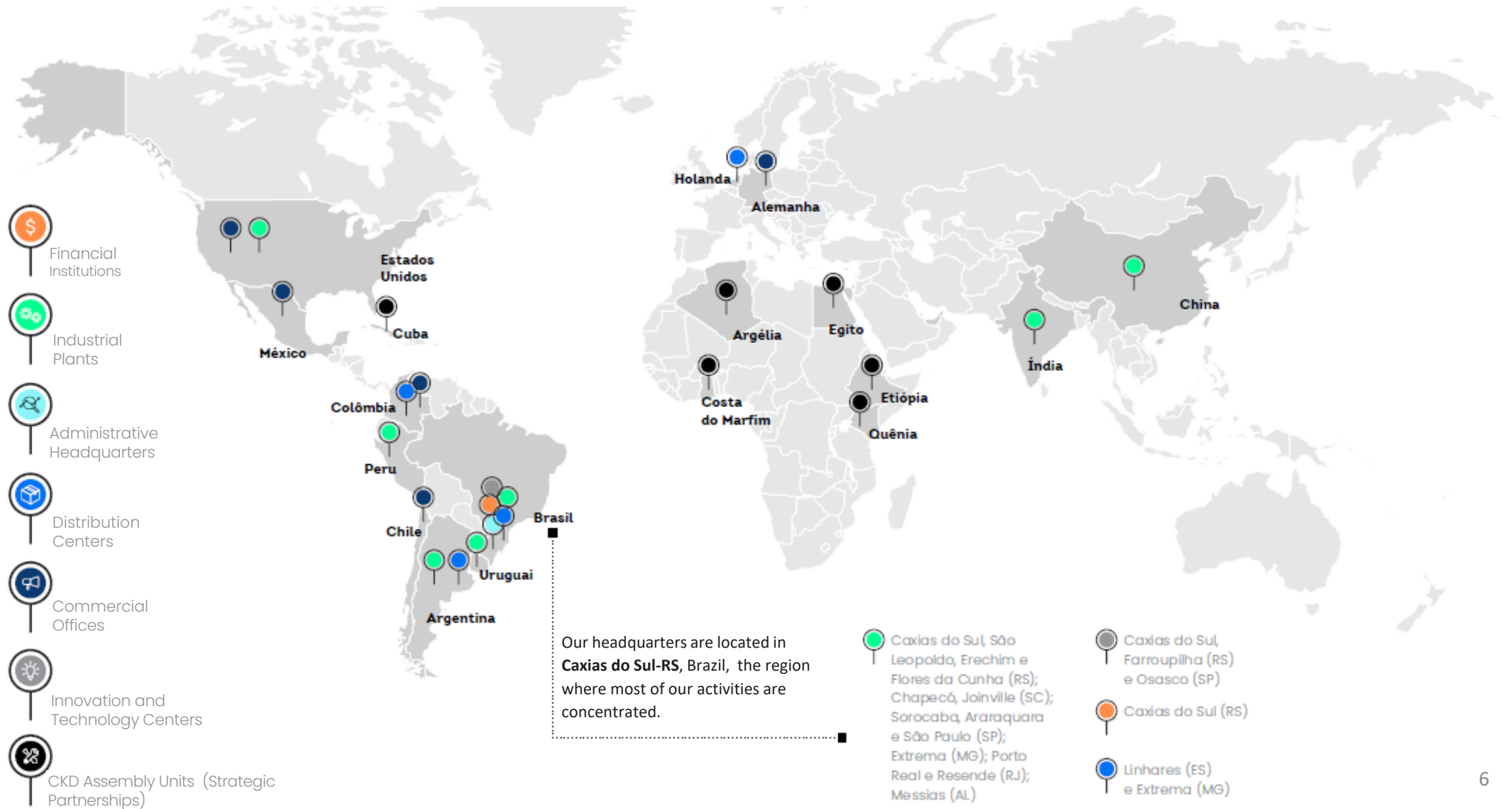
**Sérgio L. Carvalho**  
COO

**Daniel M. Ely**  
CTO

# Our Structure



# Global Presence





# How We Operate

To be featured in **INNOVATION AND TECHNOLOGY**  
Products – Processes – Manufacture – Services

Absolute focused on **CUSTOMERS**

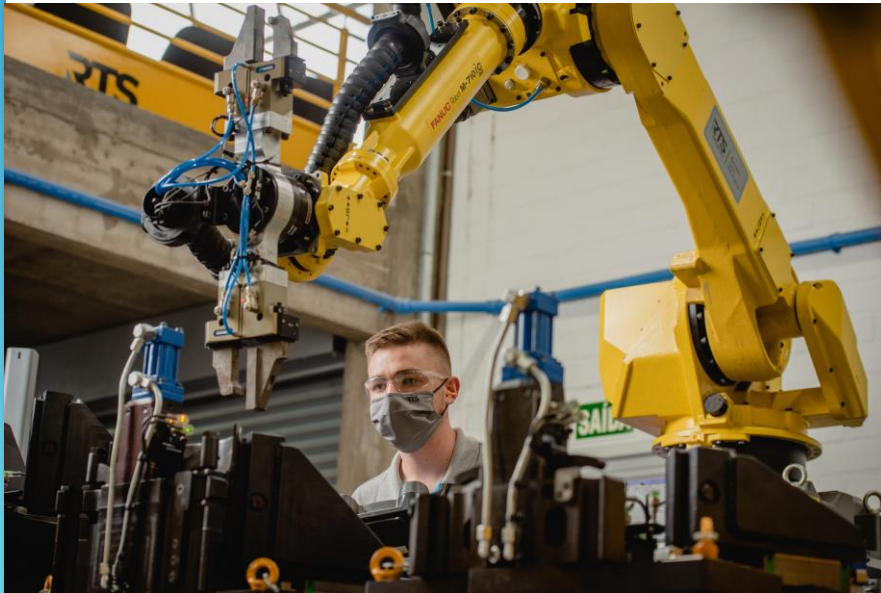
**DIVERSIFICATION** with focus

**FINANCIAL** strength

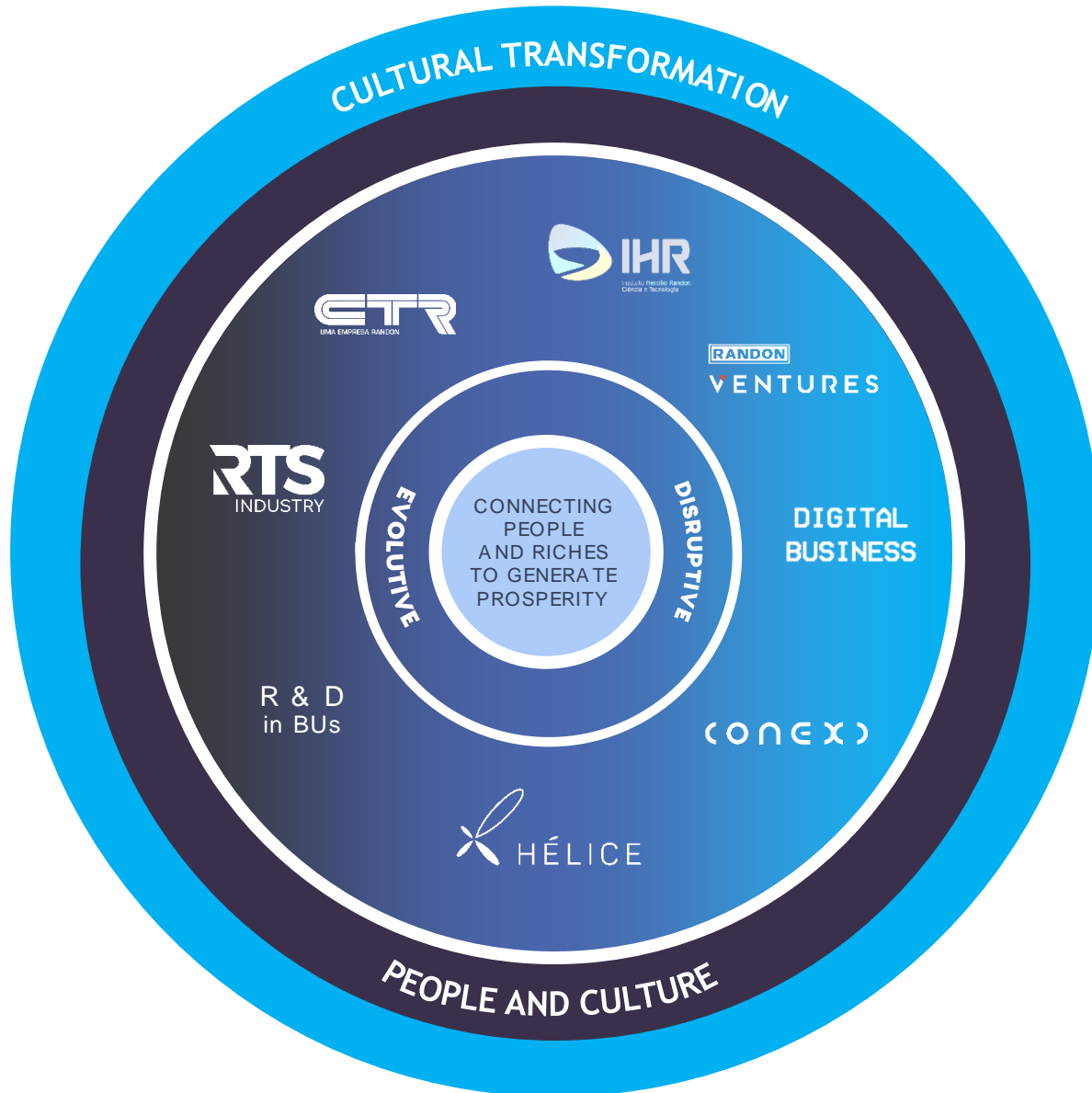
Leveraging  
**SYNERGIES**

Company **DESIRED** to work

**SUSTAINABILITY** (ESG) Prioritized



# How We Innovate



We have the biggest independent Technological Center of the Automotive Sector in **Latin America**



**R\$ 90 million** invested in R&D and innovation in 2020



**23** new patents registered in 2020

**We work in megatrend projects  
(number of projects)**



**9** Mobility and Eletrification



**5** Embedded Electronics



**19** Smart Materials



# Continuous and disruptive Innovation



## PRODUCTS AND PROCESSES INNOVATION

Smart Manufacturing  
Megatrends in mobility  
Automation  
RPA  
Digital Manufacturing  
Industrial Technology



## COLABORATION

We are members of Hélice, a program to boost innovation

The Instituto Hercílio Randon, was created to boost, accelerate and share innovation inside the Company and outside it

Partnership with Startups and Universities



## DIGITAL TRANSFORMATION

ExO

Start and Startup Creator

Digital Business

Artificial Intelligence



# Our People

## Team that thrives and develops

Skills expected by employees of Randon Companies:

- Self-knowledge and continuous learning
- Positive influence
- Inspire with confidence
- Results with strategic vision

**OUR WAY OF  
BEING AND  
DOING**



## Diversity

- Strengthening an inclusive culture
- Expansion of the representativeness of social minorized groups
- Processes that ensure an environment that manages belonging and authenticity



## Valued and Respected People



# Our People



## New talents Development

Qualificar Program that for 15 years has prepared young apprentices, between 16 and 18 years old, for their first professional experience in the job market.

In 2020 the program expanded the presence of robotization and industrial automation in the courses offered.



## Novos Caminhos Program

It recognizes the legacy of people in the organization and provides the opportunity for a career transition journey, encouraging longevity of careers with vision and action for new challenges.



We were recognized in the Great Place to Work<sup>®</sup> survey as the best companies to work for.

Some initiatives that make it possible to attract and retain talent:

- Tribute for company time
- Christmas in family
- Coffee with the President
- Digital recruitment
- Performance evaluation
- Continuous development
- Engaged leadership



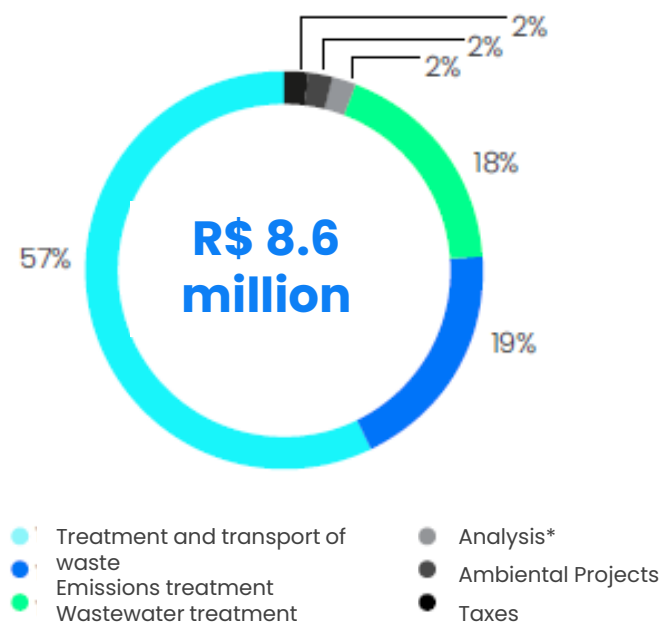
# Social Responsibility

The Elisabetha Randon Institute (IER) coordinates all social programs of Randon Companies to be relevant in the communities where we operate:



# Commitment to the environment

## Investments in environmental management initiatives



\*effluents, waste, emissions, water and soil.

**83%**

Is our conversion rate from raw material to product



Generation of **30,850 tons/year of scrap metal** by Randon Companies



**70%**

**Metal Scrap**  
Used in the foundry process comes from the reuse of residues



**Our actions are guided by the principles of Circular Economy**



# Our ESG ambition



## PUBLIC COMMITMENTS

- >> Double the number of women in leadership positions by 2025.
- >> Zero serious accidents.
- >> Increase the consolidated annual net revenue generated by new products.
- >> Reduce 40% of greenhouse gas emissions by 2030.
- >> Zero waste disposal in industrial landfill and discharge of effluents by 2025.



# Main figures

## 2Q21:

- Positive economic and financial performance;
- Expansion of business diversification with the acquisition and incorporation of companies;
- Trailer and truck markets remains strong;
- Higher inflationary pressure on margins.

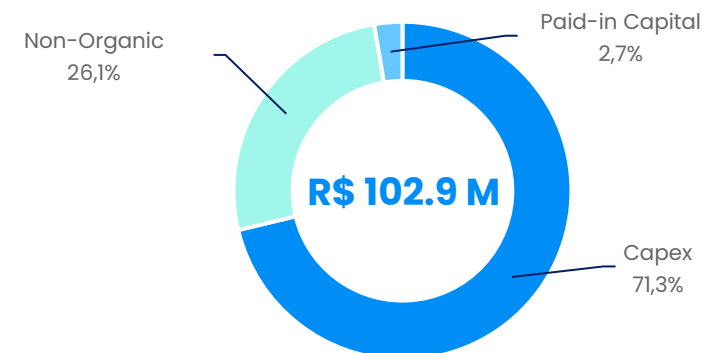
MAIN FIGURES								
Economic Highlights	2Q21	2Q20	Δ%	1Q21	Δ%	1H21	1H20	Δ%
Total Gross Revenue <sup>1</sup>	3,048,653	1,297,105	135.0%	2,763,453	10.3%	5,812,106	2,971,823	95.6%
Consolidated Net Revenue	2,113,800	932,991	126.6%	1,913,107	10.5%	4,026,907	2,100,725	91.7%
International Market Revenues US\$ <sup>2</sup>	71,331	44,985	58.6%	67,466	5.7%	138,797	97,389	42.5%
Consolidated Gross Profit	520,566	200,788	159.3%	512,351	1.6%	1,032,916	452,969	128.0%
Gross Margin (%)	24.6%	21.5%	311 bps	26.8%	-215 bps	25.7%	21.6%	409 bps
Consolidated EBITDA	322,645	153,932	109.6%	349,273	-7.6%	671,918	260,913	157.5%
EBITDA Margin (%)	15.3%	16.5%	-124 bps	18.3%	-299 bps	16.7%	12.4%	427 bps
Adjusted EBITDA	322,645	84,740	280.7%	334,072	-3.4%	656,717	234,746	179.8%
Adjusted EBITDA Margin (%)	15.3%	9.1%	618 bps	17.5%	-220 bps	16.3%	11.0%	527 bps
Consolidated Net Profit	122,146	55,270	121.0%	134,065	-8.9%	256,211	58,264	339.7%
Net Margin (%)	5.8%	5.9%	-15 bps	7.0%	-123 bps	6.4%	2.8%	359 bps
Earnings per share <sup>1</sup>	0.37	0.16	126.6%	0.41	-8.9%	0.78	0.17	351.0%

<sup>1</sup> Without eliminating intercompany sales

<sup>2</sup> Exports + Revenues from International Markets

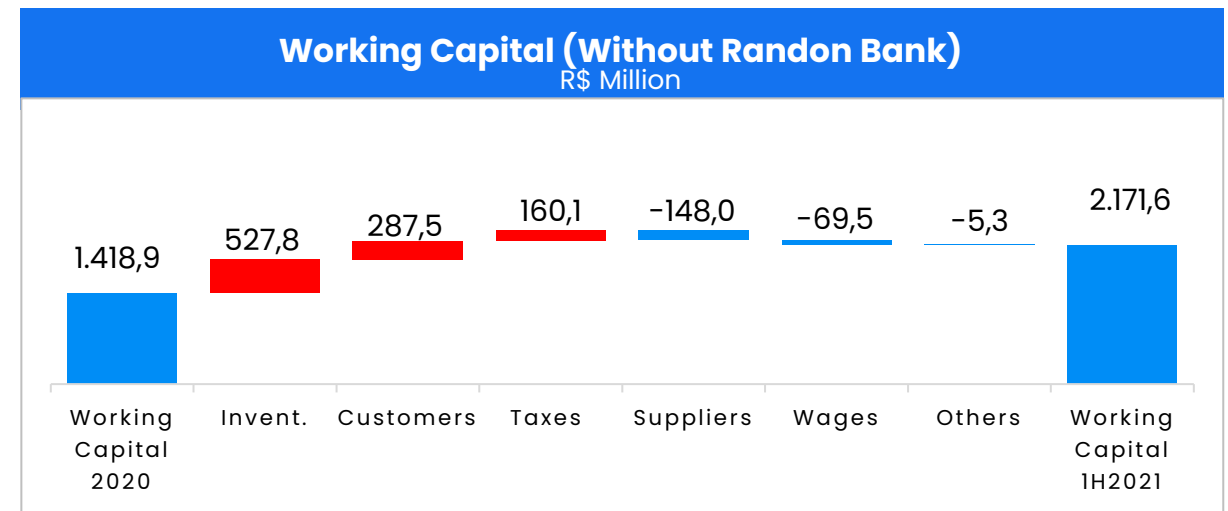
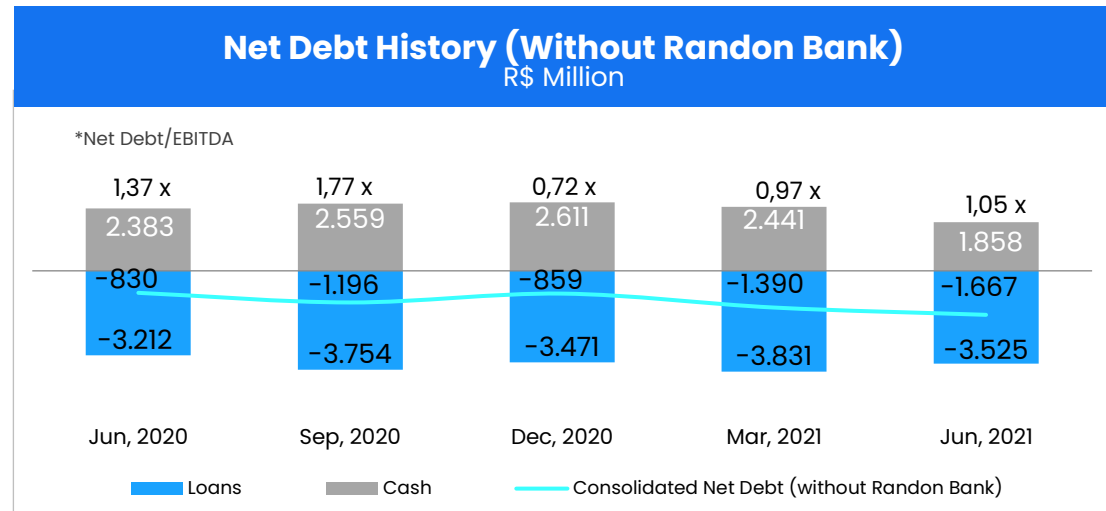
Values in R\$ Thousands

## Investments | R\$ Million



# Indebtedness

Increase in net debt as a result of higher Working Capital to support the growth of operating activities



## Gross Debt

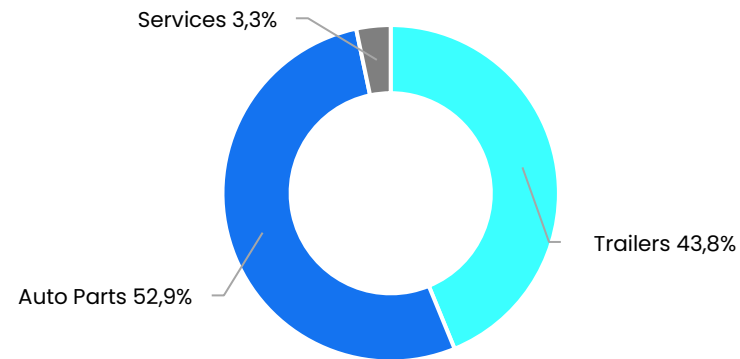
R\$ Million, except when indicated otherwise

<b>Total Gross Debt</b>	<b>R\$ 4,120</b>
Gross Debt in domestic currency (without Randon Bank)	R\$ 2,879
Randon Bank's Gross Debt	R\$ 595
Gross Debt in foreign currency	R\$ 404
Business Combination	R\$ 242

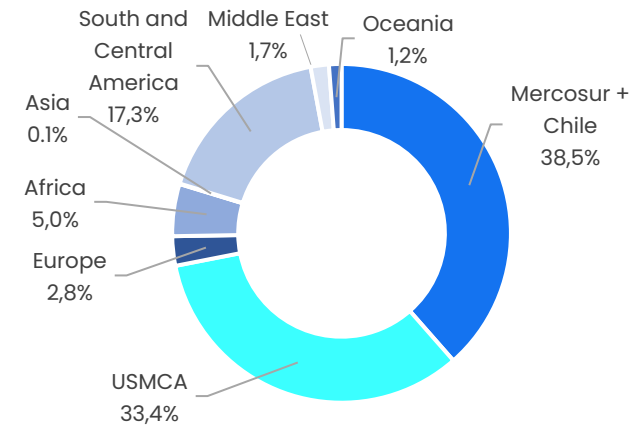
USD rate on June 30, 2021	R\$ 5.0022
Average cost of debt in Domestic Currency	5.9% per year
Average cost of debt in Foreign Currency	4.0% per year
Average debt term	2.4 Years
Average debt term without Randon Bank	2.6 Years

# Diversified Business Model

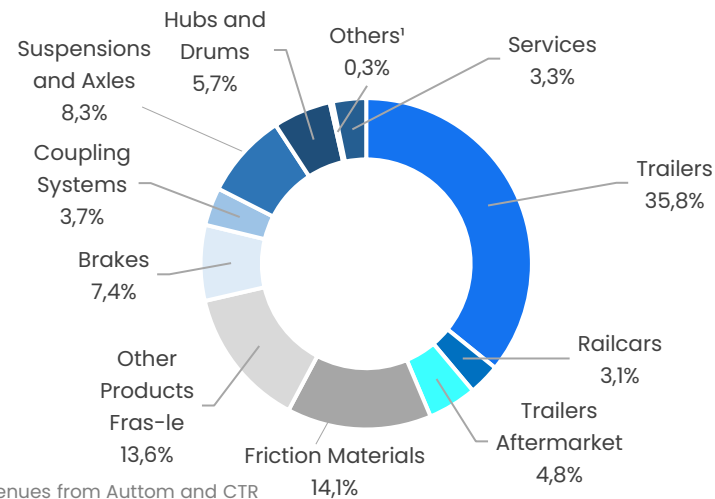
% Net Revenue by Business Division 2Q21



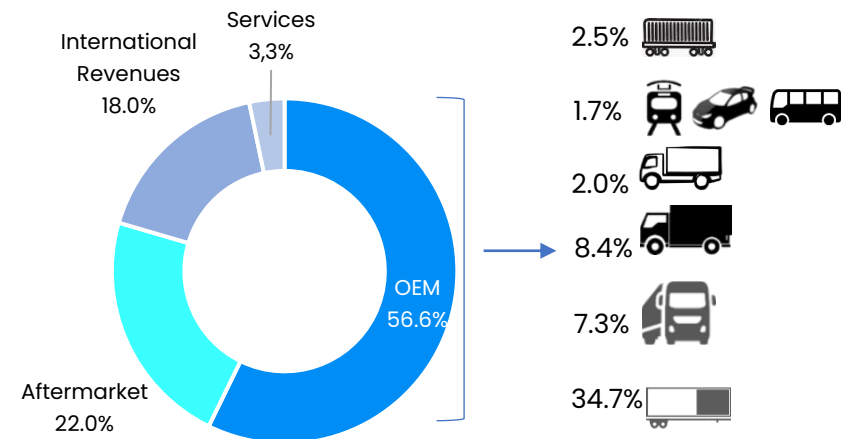
% Exports by Geographies 2Q21



% Net Revenue by Product 2Q21



% Net Revenue by Segment 2Q21





# Market and Drivers

MARKET PERFORMANCE		2Q21	2Q20	Δ%	1Q21	Δ%	1H21	1H20	Δ%
Production	Trucks <sup>1</sup>	41,640	10,032	315.1%	33,082	25.9%	74,722	34,738	115.1%
	Trailers <sup>3</sup>	24,681	13,897	77.6%	22,382	10.3%	47,063	27,538	70.9%
Brazil Sales	Trucks <sup>1</sup>	32,658	17,725	84.2%	26,077	25.2%	58,735	37,860	55.1%
	Trailers <sup>2</sup>	23,575	13,537	74.2%	21,296	10.7%	44,871	26,701	68.0%
Exports	Trucks <sup>1</sup>	5,452	2,040	167.3%	5,279	3.3%	10,731	4,799	123.6%
	Trailers <sup>3</sup>	1,106	360	207.2%	1,086	1.8%	2,192	837	161.9%

<sup>1</sup> Anfavea

<sup>2</sup> Anfir

<sup>3</sup> Anfir + Aliceweb

Volumes in units

## DETERMINANT FACTORS OF DEMAND

- GDP
- Harvest
- Confidence
- Unemployment Rate
- Interest Rate
- Inflation



# Segments | Trailers

Volumes	2Q21		2Q20			1Q21			1H21		1H20		
	Units	Revenue	Units	Revenue	Δ% Units	Units	Revenue	Δ% Units	Units	Revenue	Units	Revenue	Δ% Units
Trailers Brazil (un.)	7,353	660,197	4,678	343,168	57.2%	6,993	585,544	5.1%	14,346	1,245,741	9,864	716,617	45.4%
Trailers International Market (un.)	925	96,639	296	39,645	212.5%	925	101,613	0.0%	1,850	198,252	760	94,115	143.4%
Railcars (un.)	132	65,016	13	6,054	915.4%	9	1,905	1366.7%	141	66,921	13	6,102	984.6%
Aftermarket	-	100,868	-	55,108	-	-	79,788	-	-	180,655	-	110,826	-
Specialty Vehicles (un.)	-	-	102	21,844	-100.0%	-	428	-	-	428	160	33,218	-100.0%
Others <sup>1</sup>	-	3,384	-	-	-	-	-	-	-	3,384	-	-	-

<sup>1</sup>Refers to the operation of the Randon Autom company which, at this moment, is located within the Trailers division.

## QUARTER HIGHLIGHTS

- Increased demand driven by agribusiness, which represented 67% of semi-trailer sales in 2Q21;
- In exports, the Mercosur countries and Chile continued to be the most relevant, but Africa has recovered and gained strength with a new partner in Kenya;
- Backlog of over 120 days;
- Delivery of 132 railcars in 2Q21, contributing to revenue growth;
- Market share pressured by the significant increase in market volumes.

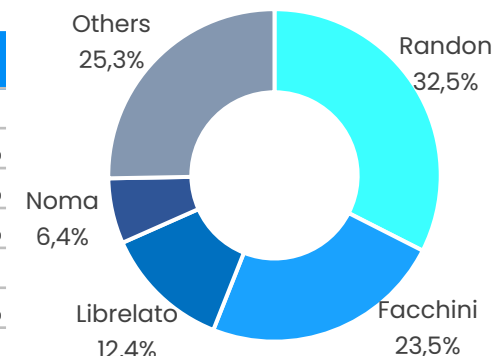
## MARKET CHARACTERISTICS

Fragmented customer base, covering different market segments

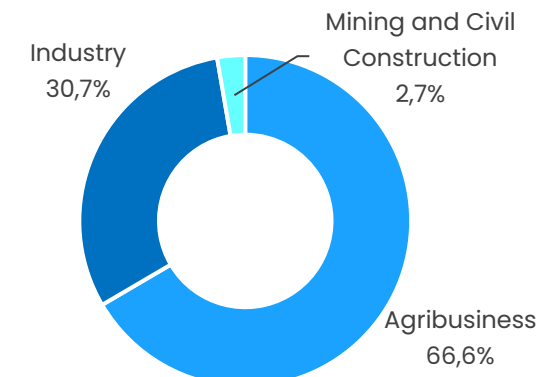
Low penetration of imported road implements in the country

We are exposed to all sectors of the economy, as the road mode is the most used for cargo transportation in Brazil

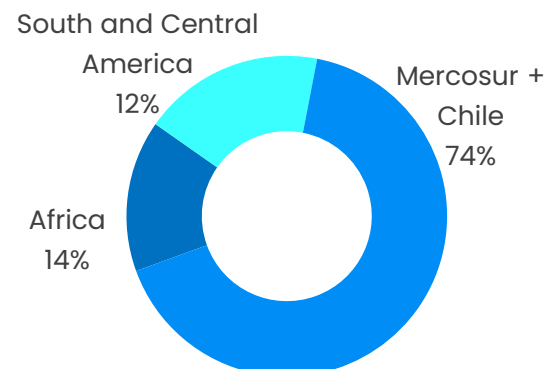
## Quarterly Market Share (%)



## Net Revenue Breakdown by Economic Sector (%)



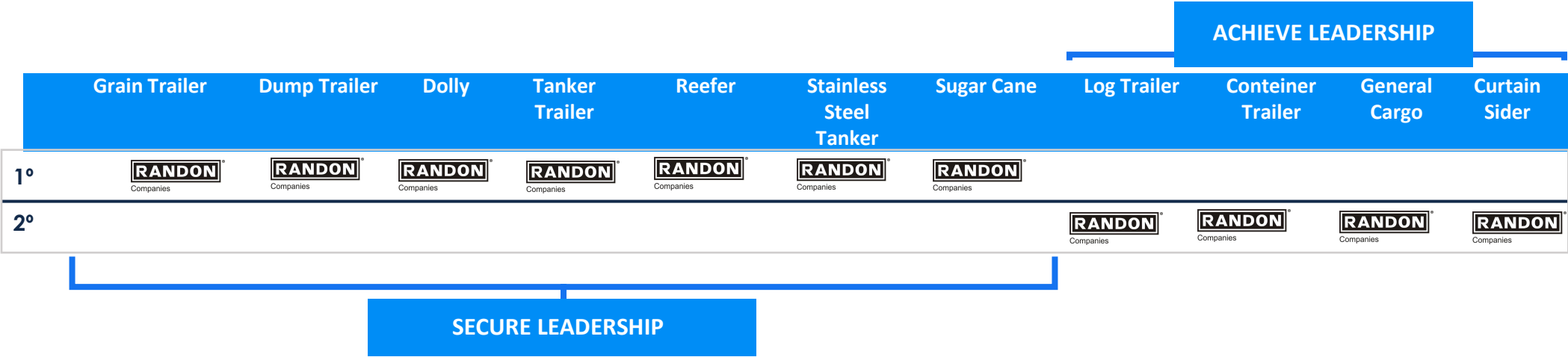
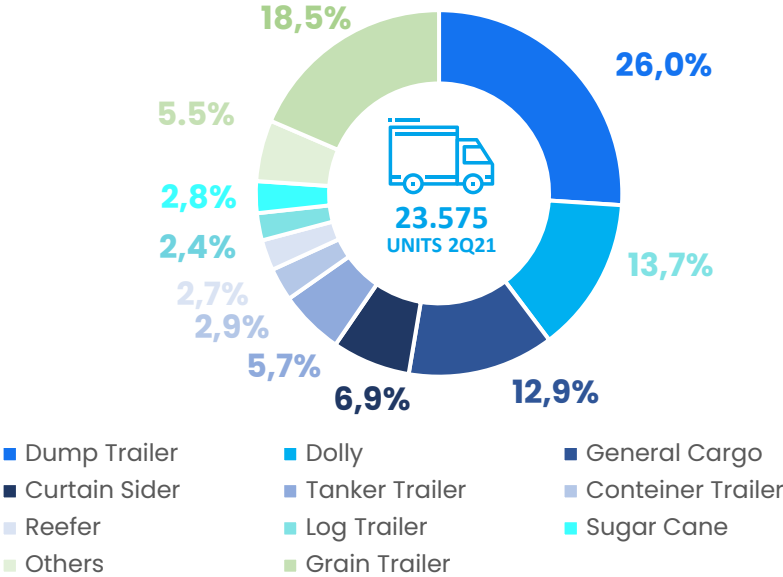
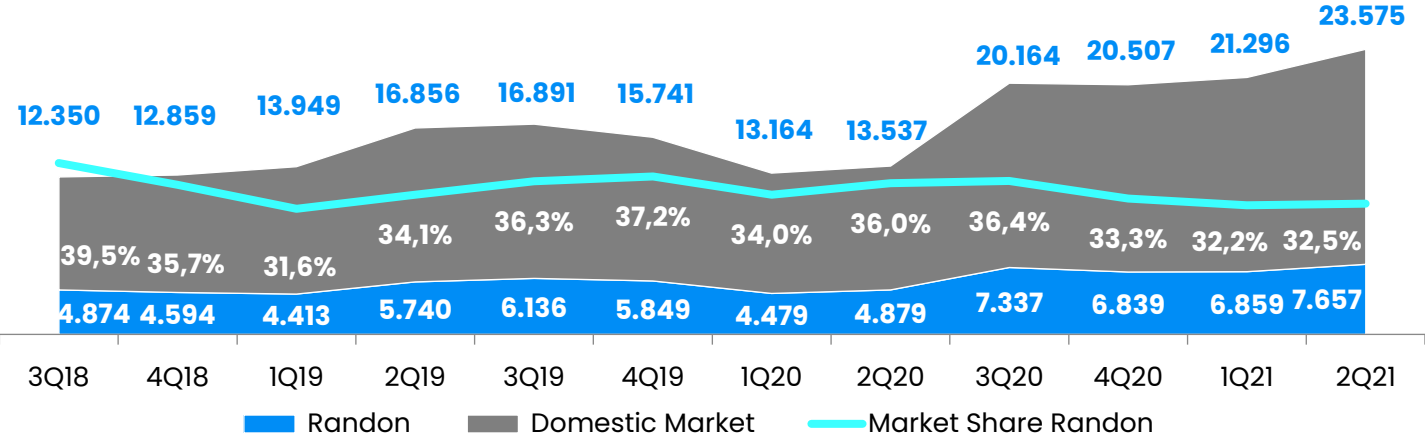
## Exportações por Bloco Econômico%



# Segments | Trailers

## TRAILERS – LEADERSHIP IN THE DOMESTIC MARKET

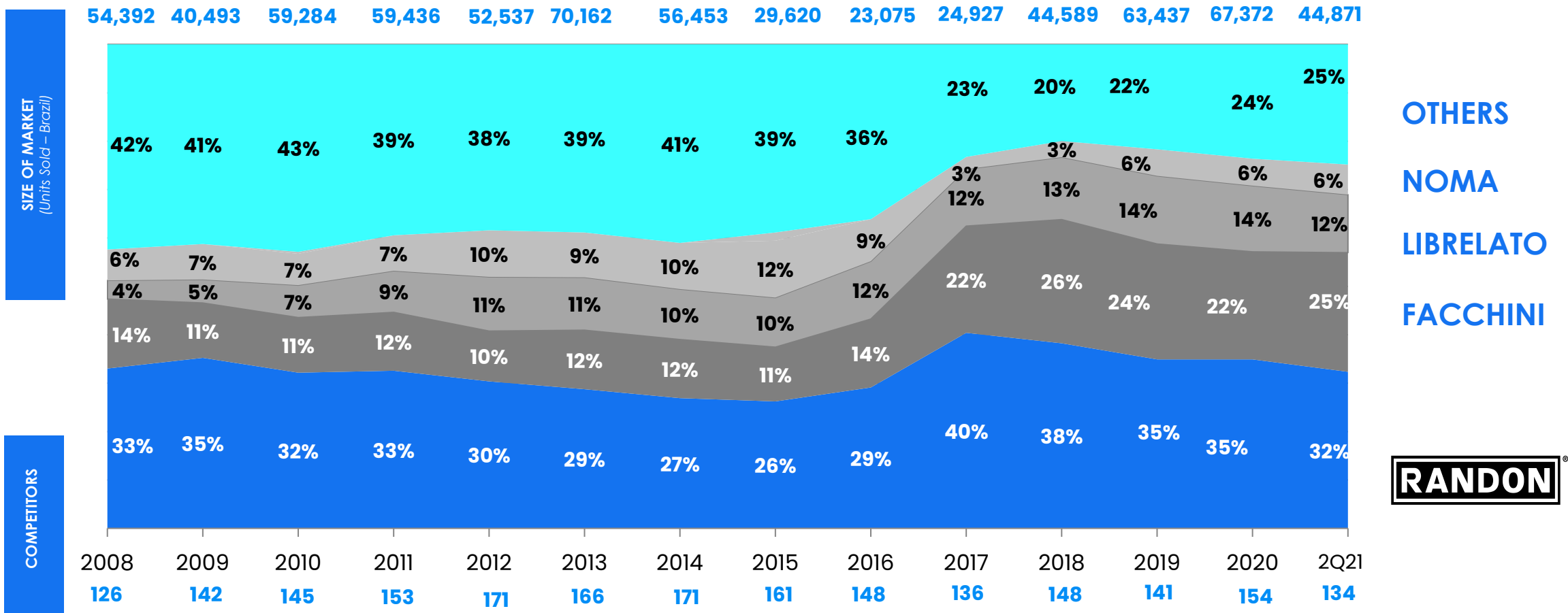
QUARTERLY MARKET SHARE





# Segments | Trailers

## TRAILERS – LEADERSHIP IN THE DOMESTIC MARKET



# Segments | Trailers

## RAILCARS

### MARKET CHARACTERISTICS:



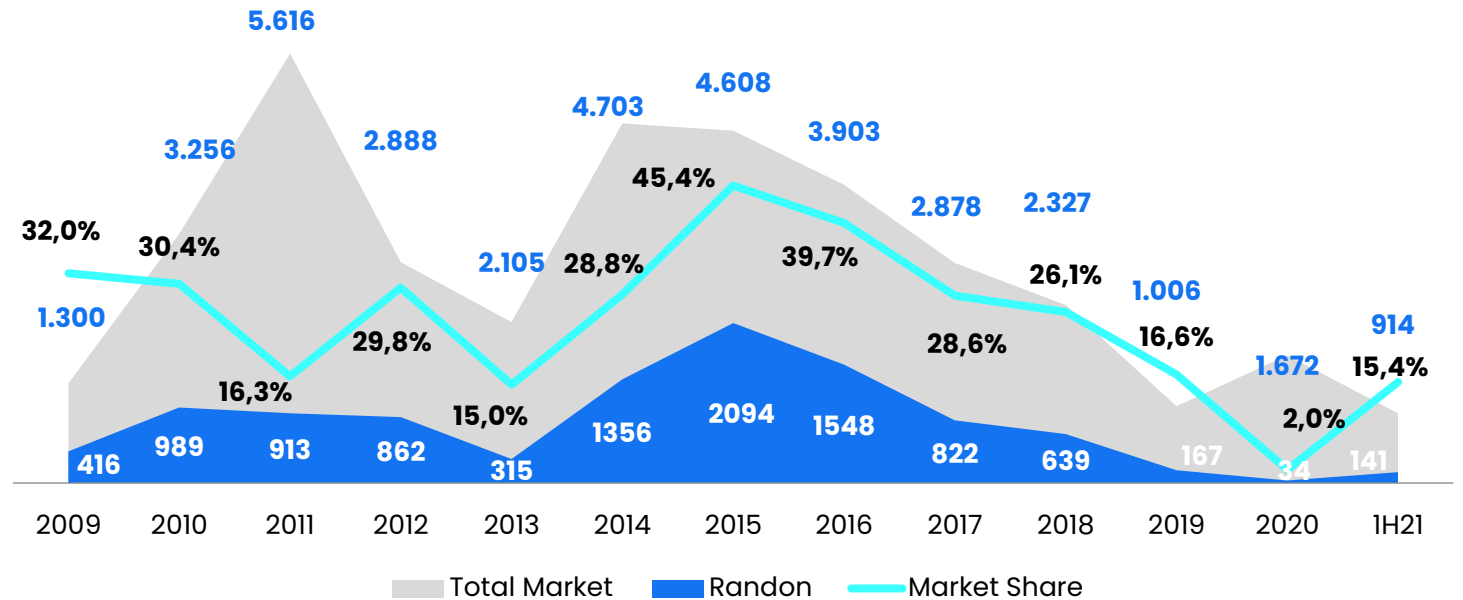
Customer base concentrated in large industries or concessionaires



Long cycle between order and delivery

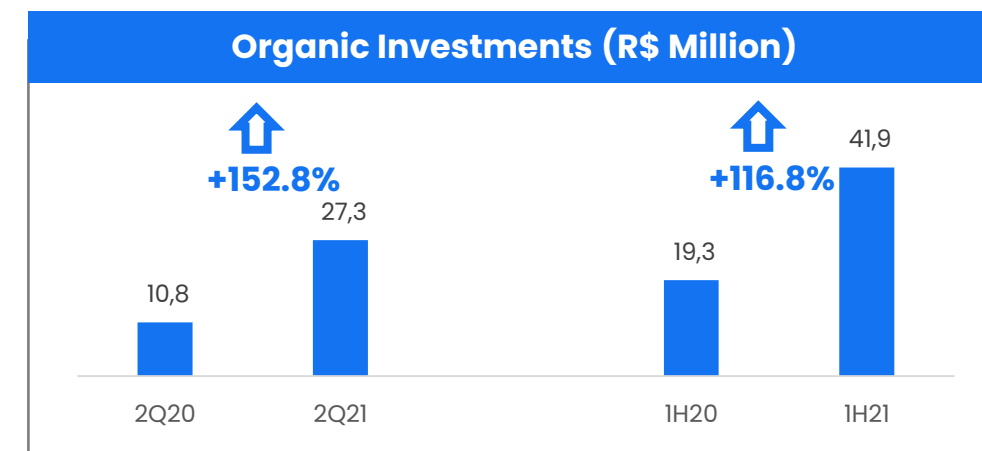
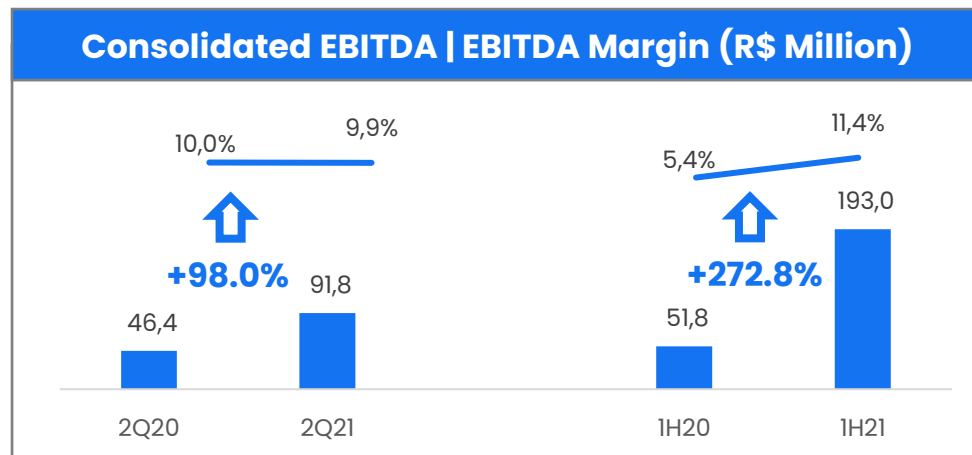
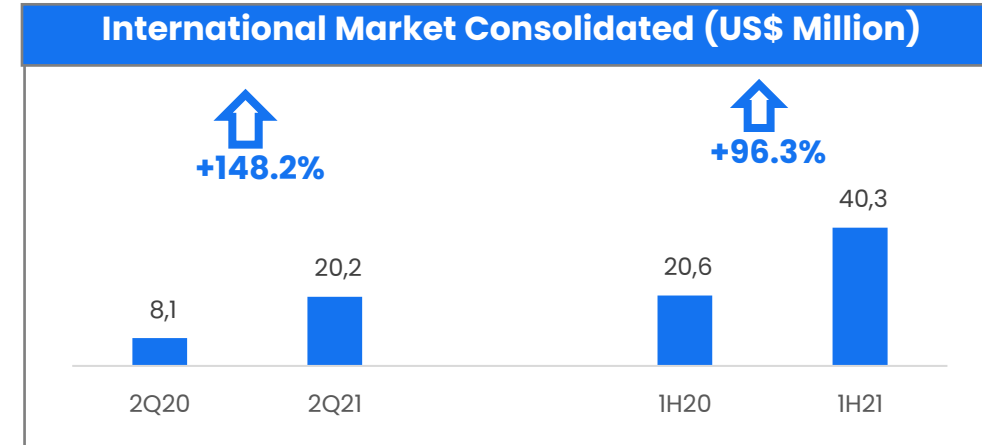
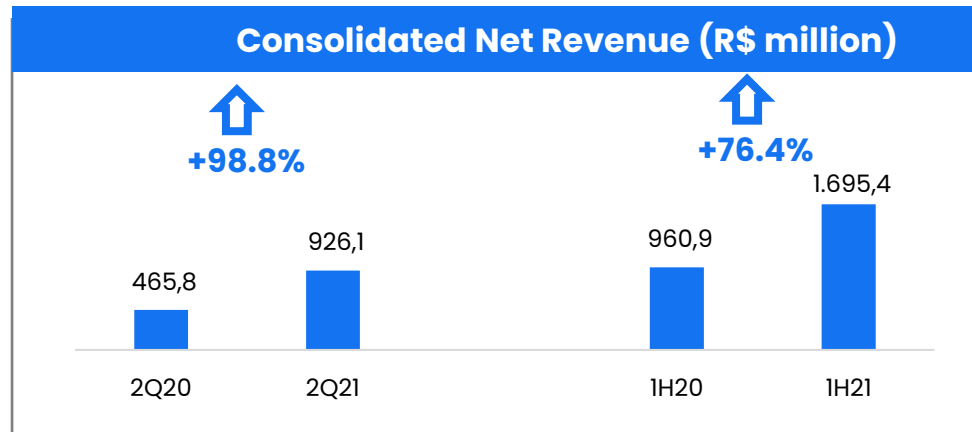


Higher cargo volume



# Segments | Trailers

## 2Q21 PERFORMANCE



# Segments | Auto Parts

## MARKET CHARACTERISTICS

Diversified customer base

Moderate import penetration

Exposure to all sectors of the economy

Exports concentrated in the USA, Argentina and Colombia markets



Castertech acquires the Menegotti Group's Foundry and Machining unit

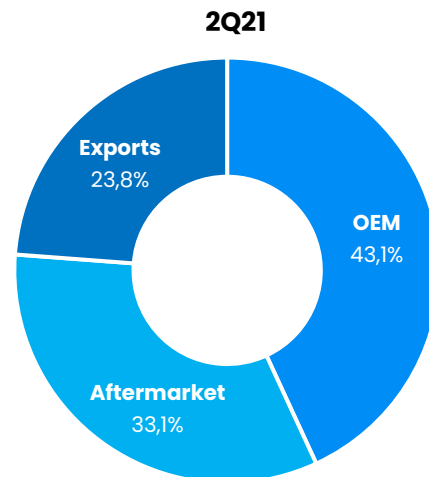
Volumes	2Q21			2Q20			1Q21			1H21			1H20		
	Units	Revenue		Units	Revenue	Δ% Units	Units	Revenue	Δ% Units	Units	Revenue		Units	Revenue	Δ% Units
Friction Materials (Thousand/un.)	24,306	298,267		18,528	206,518	31.2%	26,843	304,538	-9.5%	51,149	602,805		41,785	451,850	22.4%
Other products Fras-le (Thousand/un.) <sup>1</sup>	9,415	288,304		2,408	67,518	290.9%	10,539	325,354	-10.7%	19,954	613,658		6,980	154,198	185.9%
Brakes (un.)	223,471	156,139		79,904	45,858	179.7%	214,918	132,744	4.0%	438,389	288,883		230,976	132,959	89.8%
Coupling Systems (un.)	37,432	78,105		16,850	22,407	122.1%	36,929	67,050	1.4%	74,361	145,155		43,384	61,636	71.4%
Suspensions and Axles (un.)	46,094	175,683		22,354	51,171	106.2%	45,772	151,016	0.7%	91,866	326,699		54,553	164,349	68.4%
Hubs and Drums (un.)	201,966	119,595		116,137	27,177	73.9%	199,746	101,281	1.1%	401,712	220,877		239,468	78,437	67.8%
Others	-	2,058		-	-	-	-	-	-	-	2,058		-	-	-

<sup>1</sup> The product volumes of the indirect subsidiary Nakata Automotiva started to compose this line as of September 2020.

<sup>2</sup> Refers to CTR activities, which were allocated within Fras-le, but now operates separately with its own Tax Payer Registry Number

Net revenue in R\$ Thousand

### Net Revenue Breakdown by Segment

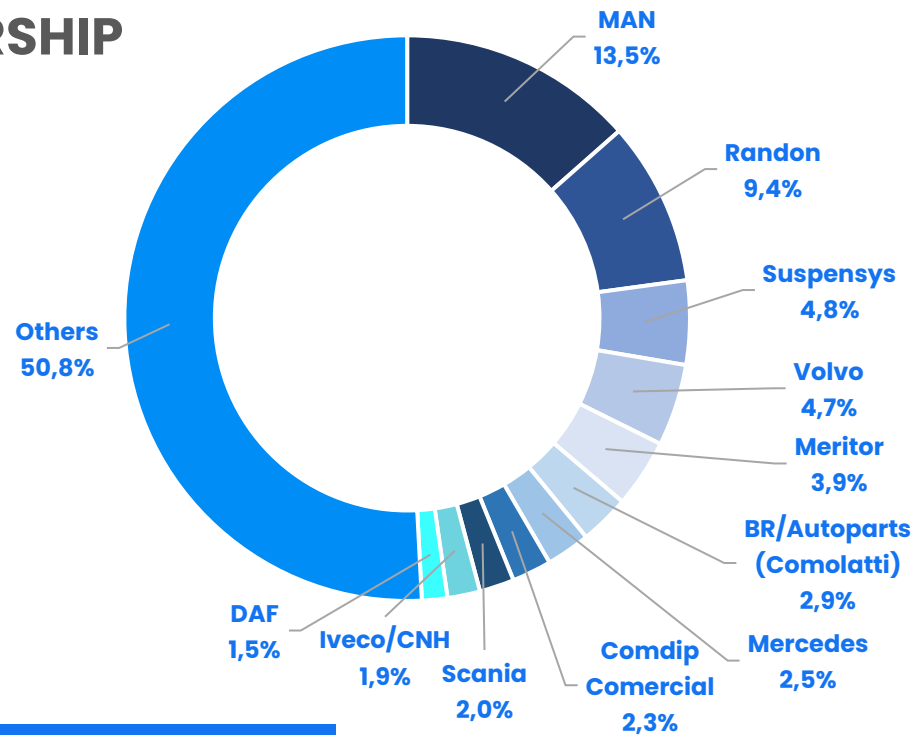


- Strong demand in Brazil, due to sales growth from OEMs and trailers manufacturers;
- International market recovered with advances in vaccination and customer's inventory rebuilding;
- Aftermarket segment showed a slight slowdown compared to 1Q21, impacted by the effects of Covid-19, mobility restrictions and high inflation;
- Addition of revenues from acquired companies, especially Nakata (R\$153.7 million in 2Q21);
- Current backlog indicates positive demand for the coming months.



# Segments | Auto Parts

## LEADERSHIP



## Main Competitors



**Knorr (Germany)** – Brazil/SP  
**Wabco (USA)** – Brazil/SP  
**Captive Market** – (MB, Scania and Silpa)



**KLL/ SAF Holland** – Brazil/SP  
**Ibero** – Brazil/SP  
**Hendrickson (USA)**  
**BPW (Germany)**  
**Fuwa (China)**  
**Captive Market** – (Facchini, Noma)



**Fontaine** – Brazil/PR  
**GF** – George Fischer (Switzerland)  
**Fuwa (China)**



**Durametal (Brazil/CE)**  
**Schulz (Brazil/SC)**  
**Frum (Brazil/MG)**  
**Fundimisa (Brazil/RS)**



**Cobreq (TMD)** – Brazil/SP  
**Duroline** – Brazil/RS  
**SYL** – Brazil/SP  
**TRW (USA)** – Brazil/SP  
**Brakeparts** – Brazil/SP

## RANKING OEM SOUTH AMERICA



#1



#1



#1



#1

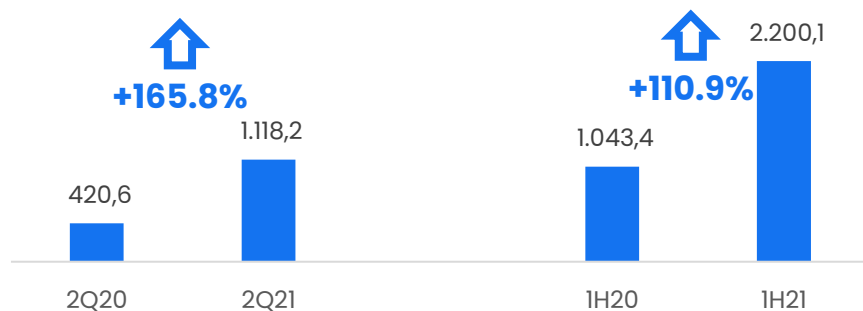


#1

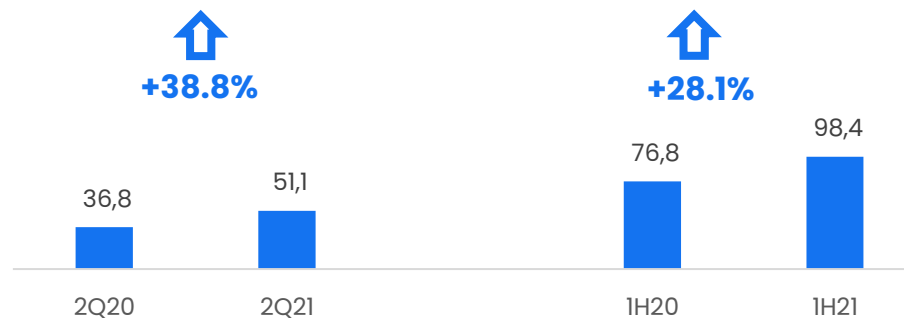
# Segments | Auto Parts

## 2Q21 PERFORMANCE

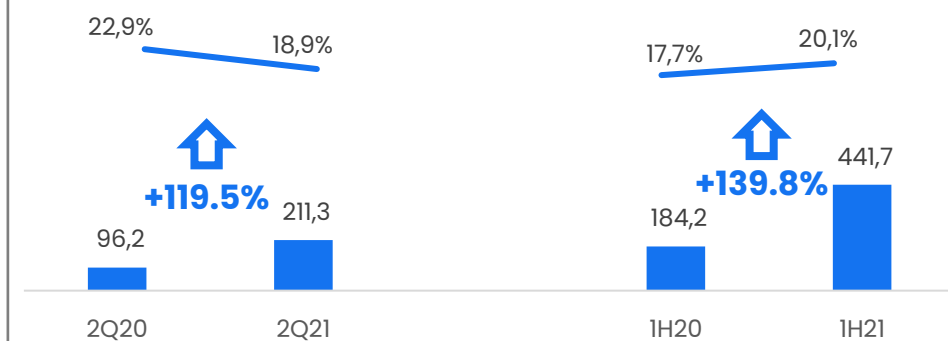
### Consolidated Net Revenue (R\$ Million)



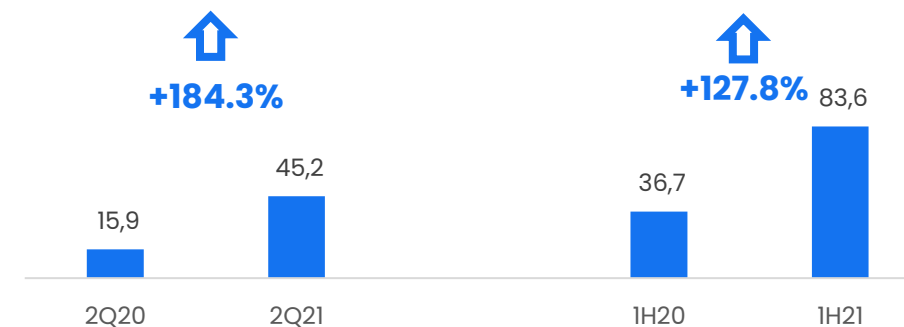
### International Market Consolidated (US\$ Million)



### Consolidated EBITDA | EBITDA Margin (R\$ Million)



### Organic Investments (R\$ Million)



# Segments | Services

## 1H21 PERFORMANCE



**30 thousand**  
Customers

**236 thousand**  
Quotas commercialized

**69 thousand**  
Active quotas

**R\$ 788 M**  
Accrued  
administration fee

**130 thousand**  
Quotas awarded



**R\$ 867.3 M**  
Assets

**R\$ 207.9 M**  
Equity

**3,677**  
Customers



**R\$ 17 M**  
Invested Capital

**5** startups  
invested

**12** startups  
co-invested

**+ 210** startups  
analysed



**Challenges**

**ExO**

**Start**

**Startup Creator**

**Events**

**Education**

# Segments | Services

Volumes	2Q21		2Q20			1Q21			1H21		1H20		
	Units	Revenue	Units	Revenue	Δ% Units	Units	Revenue	Δ% Units	Units	Revenue	Units	Revenue	Δ% Units
Coop-payment plan quotas sold	4,695	51,725	3,086	38,451	52.1%	3,023	45,265	55.3%	7,718	96,990	5,299	76,664	45.7%
Randon Investimentos (Randon Bank)	-	16,686	-	8,067	-	-	16,288	-	-	32,975	-	19,744	-
Others <sup>1</sup>	-	1,135	-	4	-	-	292	-	-	1,427	-	9	-

<sup>1</sup> Randon Collection, Conexo, Randon Corretora and Randon Ventures.

## Randon Consórcios

- Expressive growth in the number of quotas sold compared to 2Q20 (+52.1%);
- Most representative segments: trucks, implements, real estate and agricultural machinery.

## Banco Randon

- Advance in the number of operations contracted in the quarter;
- Default under control, given the good quality of the customer base.

## Randon Ventures

- Accumulated investment of R\$ 17.0 million in startups.



Randon Ventures and 4All  
presented fintech R4  
Digital



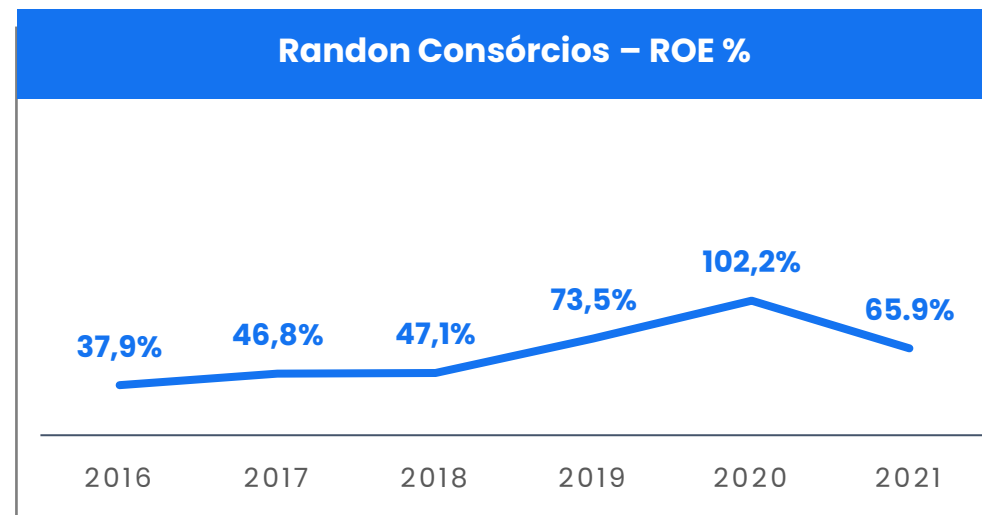
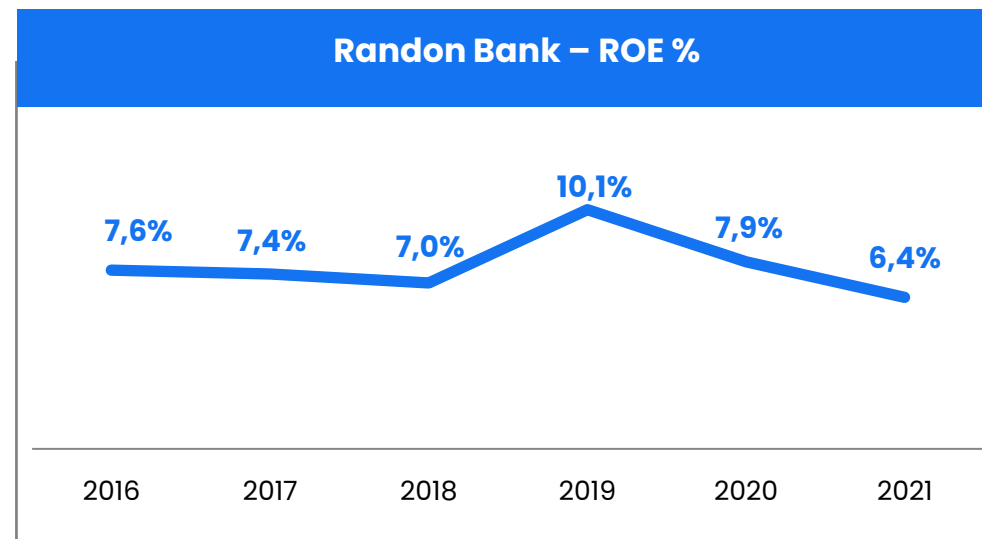
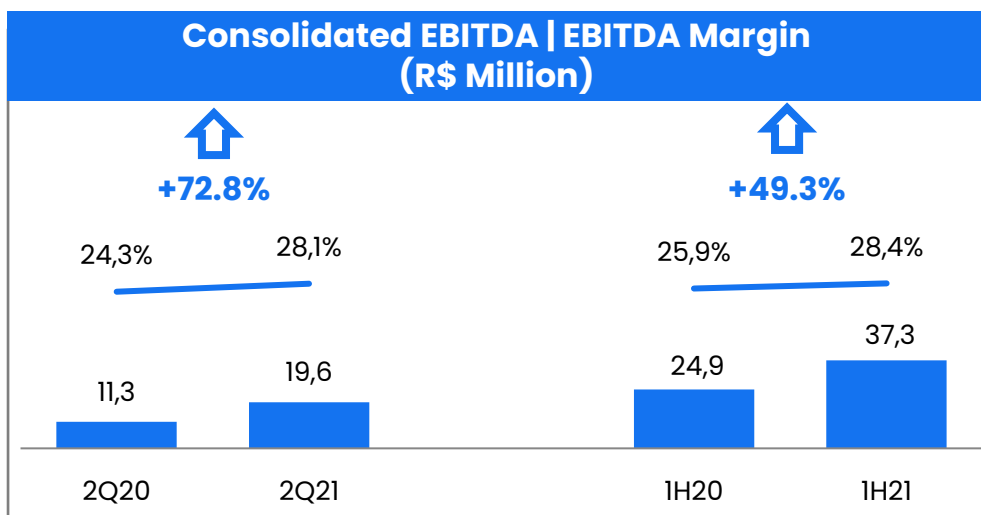
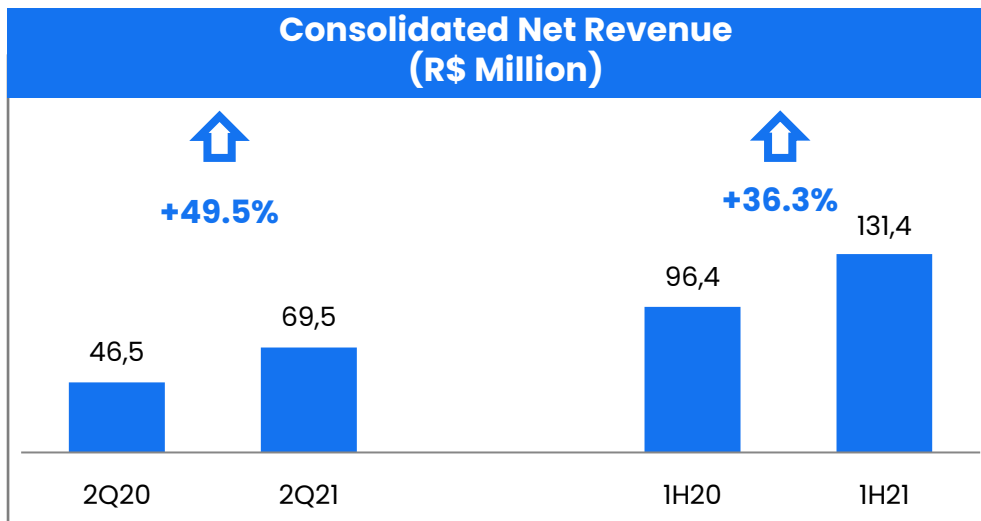
Randon Ventures  
Announces Investment  
in TruggHub





# Segments | Services

## 2Q21 PERFORMANCE

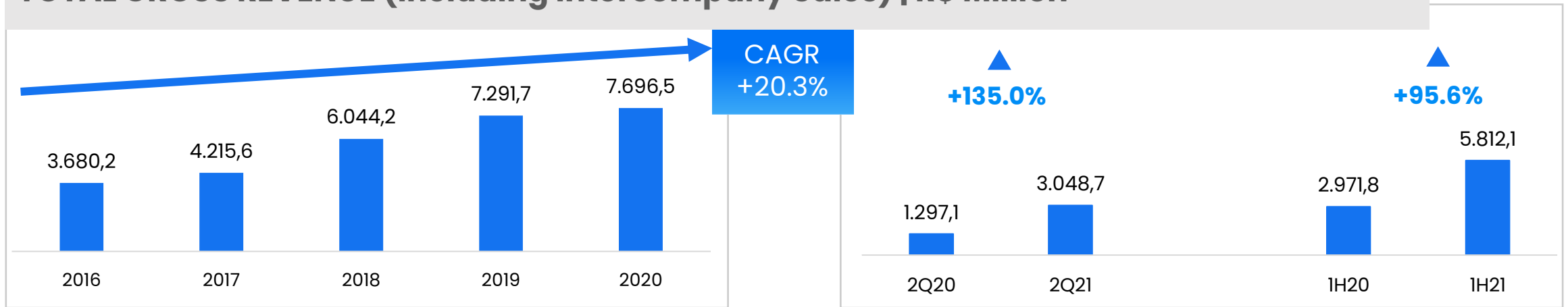


# Support Material 2Q21

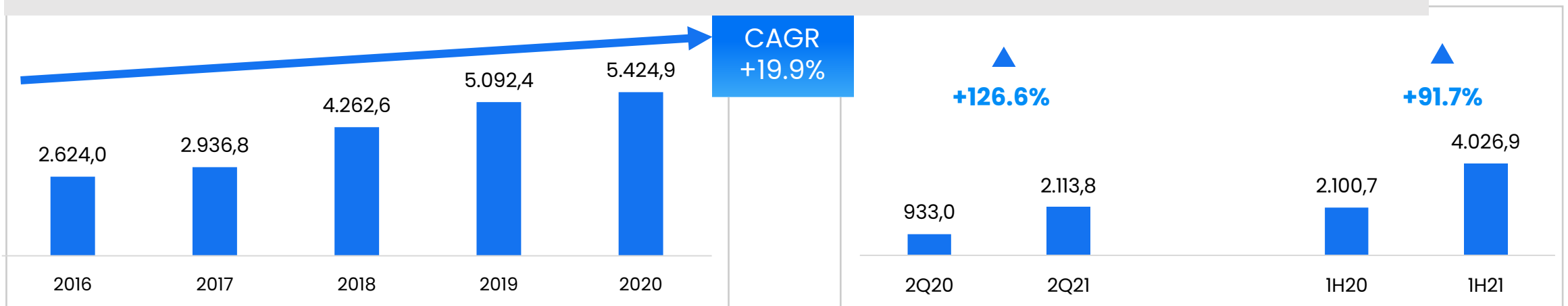


# Operating Results

## TOTAL GROSS REVENUE (Including Intercompany Sales) | R\$ Million

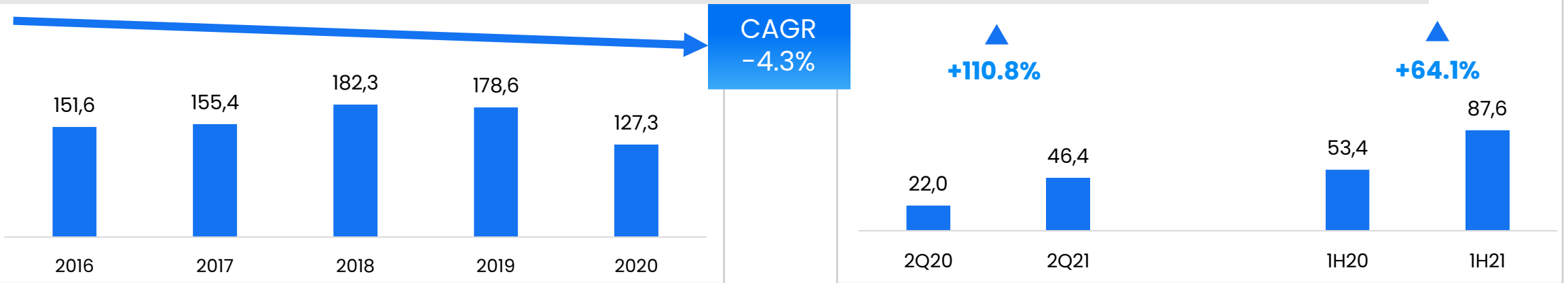


## CONSOLIDATED NET REVENUE | R\$ Million

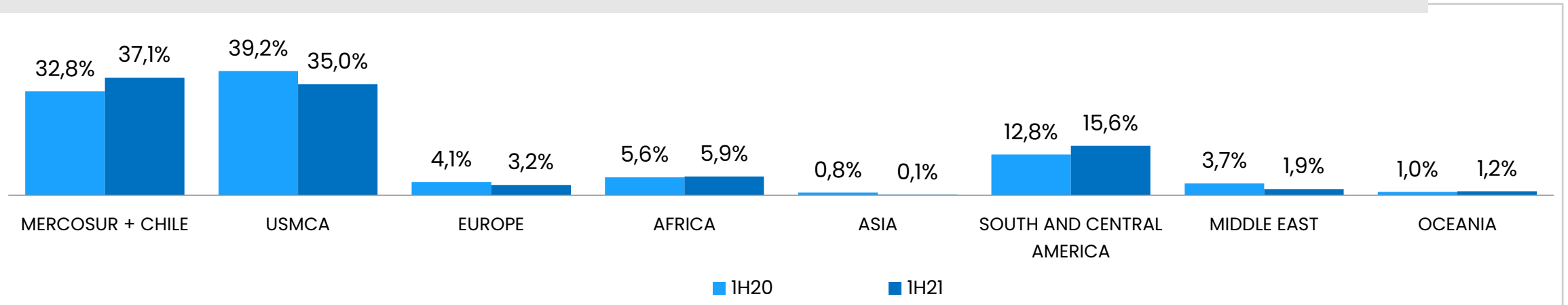


# Operating Results

## TOTAL EXPORTS | US\$ Million



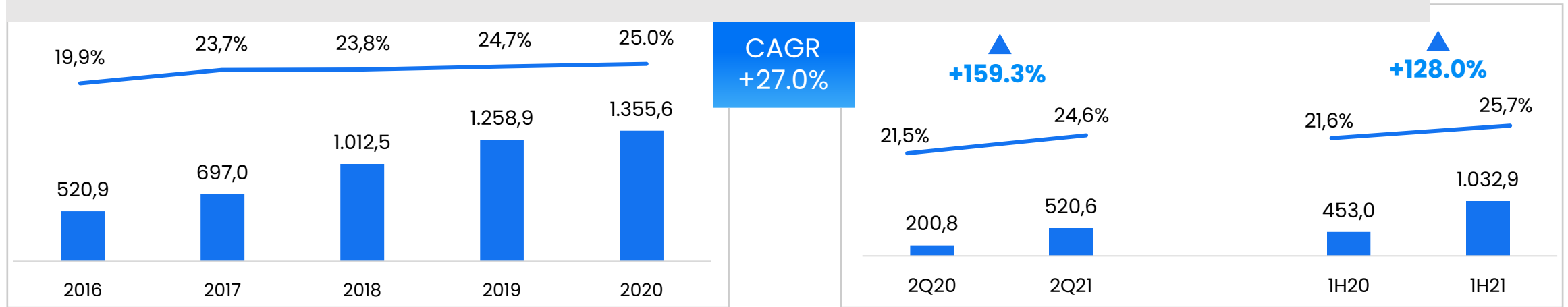
## EXPORTS BY ECONOMIC REGION | US\$ Million





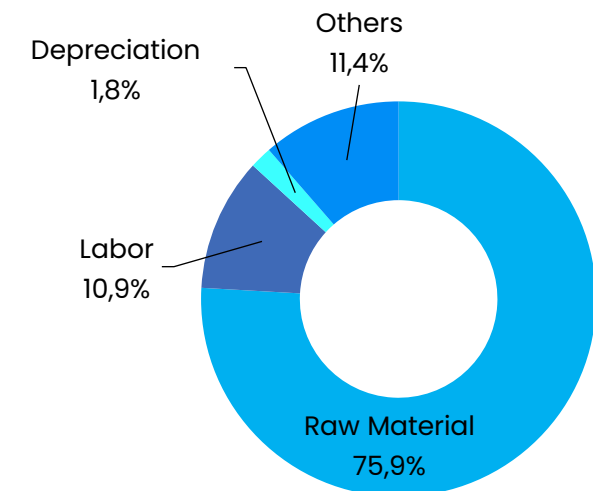
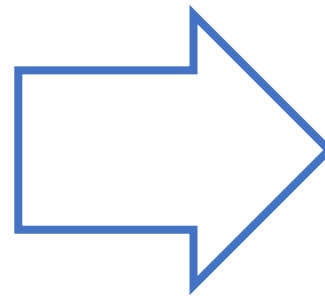
# Operating Results

## GROSS PROFIT | GROSS MARGIN | R\$ Million | %



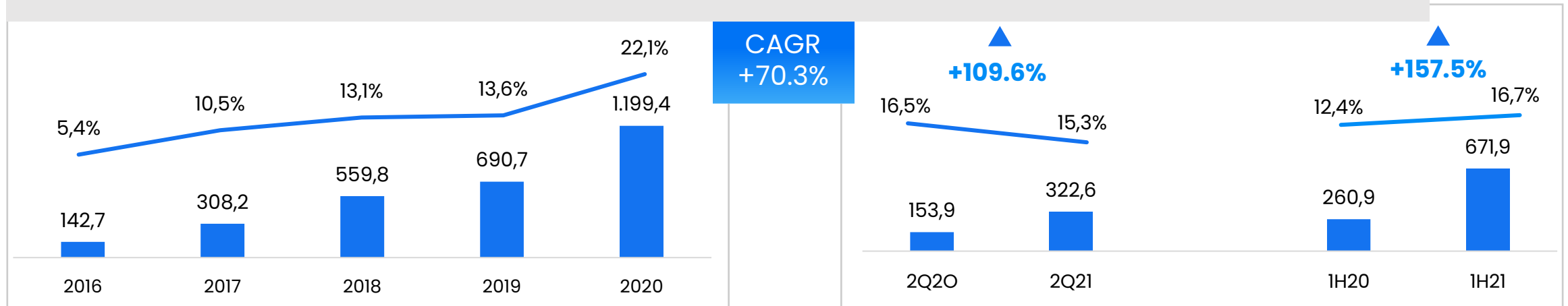
**COGS 2Q21**  
R\$ 1.6 Bn  
(75.4% o/CNR)

## COGS DISTRIBUTION 2Q21

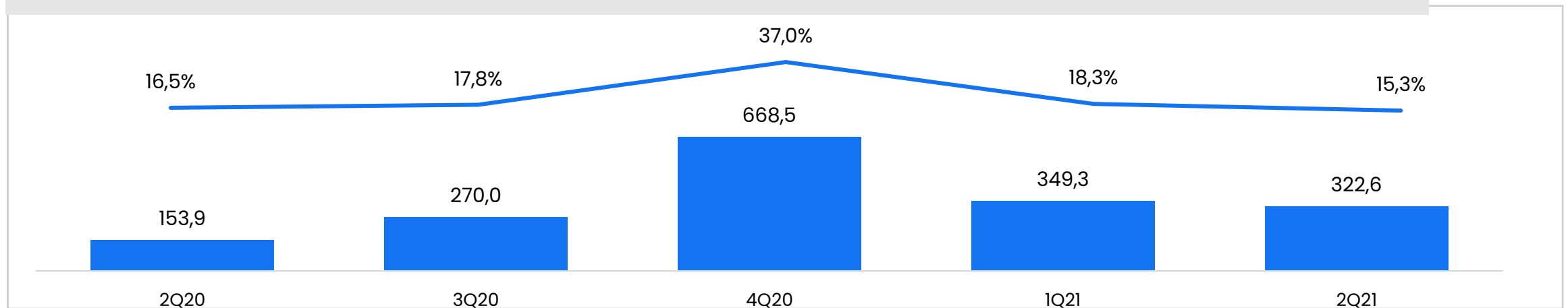


# Operating Results

## EBITDA | EBITDA MARGIN | R\$ Million | %

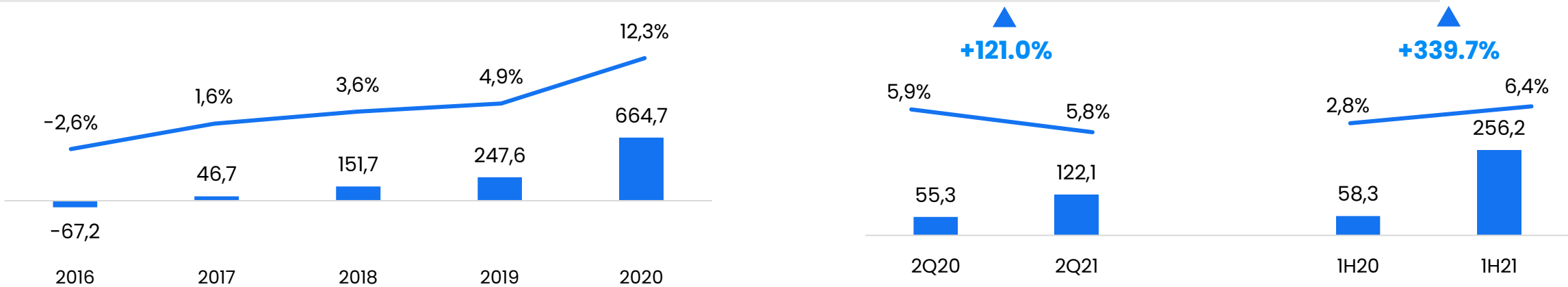


## EBITDA | EBITDA MARGIN QUARTERLY | R\$ Million | %

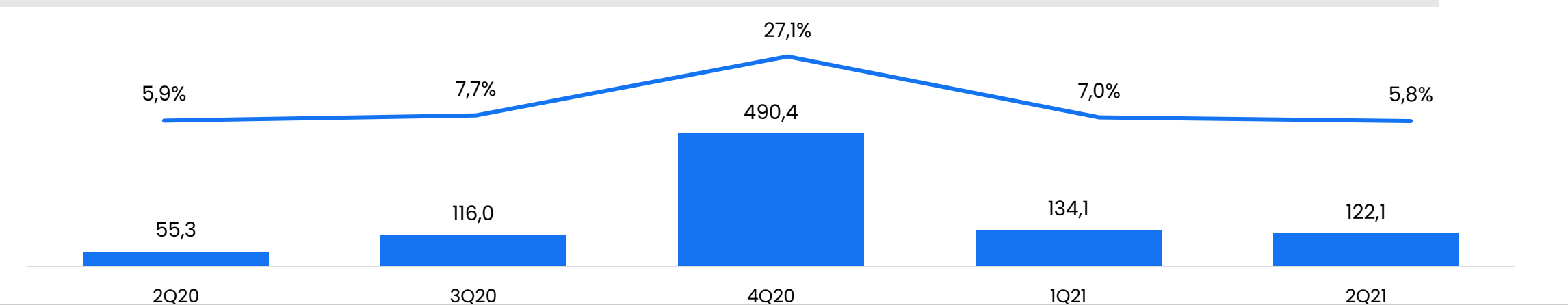


# Financial Results

## NET PROFIT | NET MARGIN | R\$ Million | %

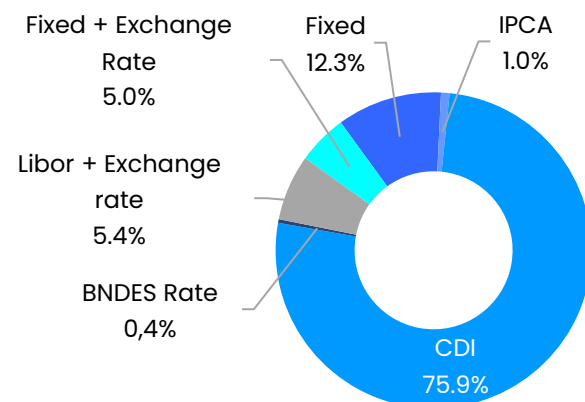


## NET PROFIT | NET MARGIN QUARTERLY | R\$ Million | %



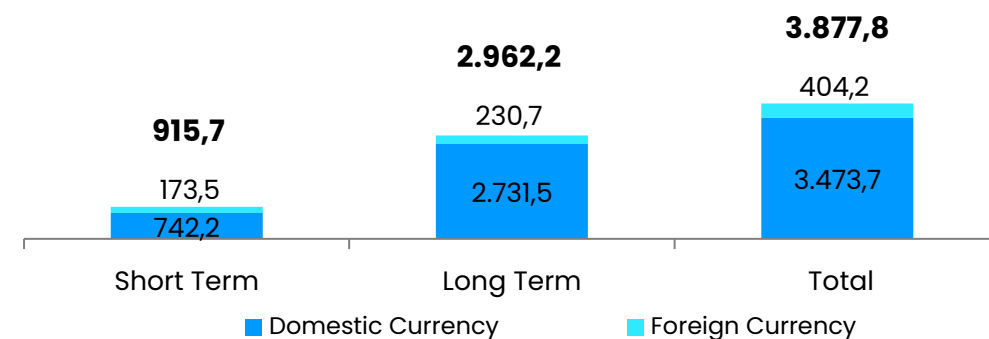
# Indebtedness

## DEBT INDEXES

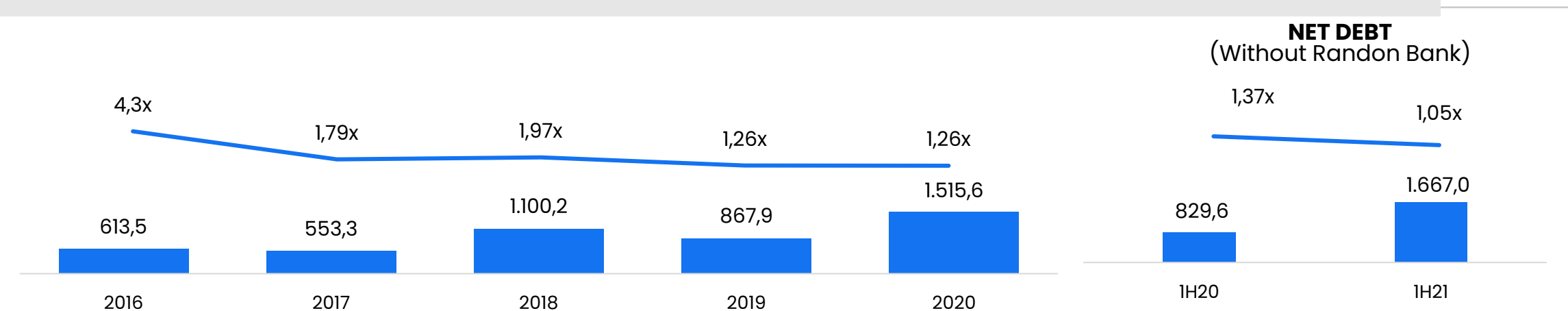


## ORIGIN OF DEBT SHORT AND LONG TERM

June/2021 - R\$ Million

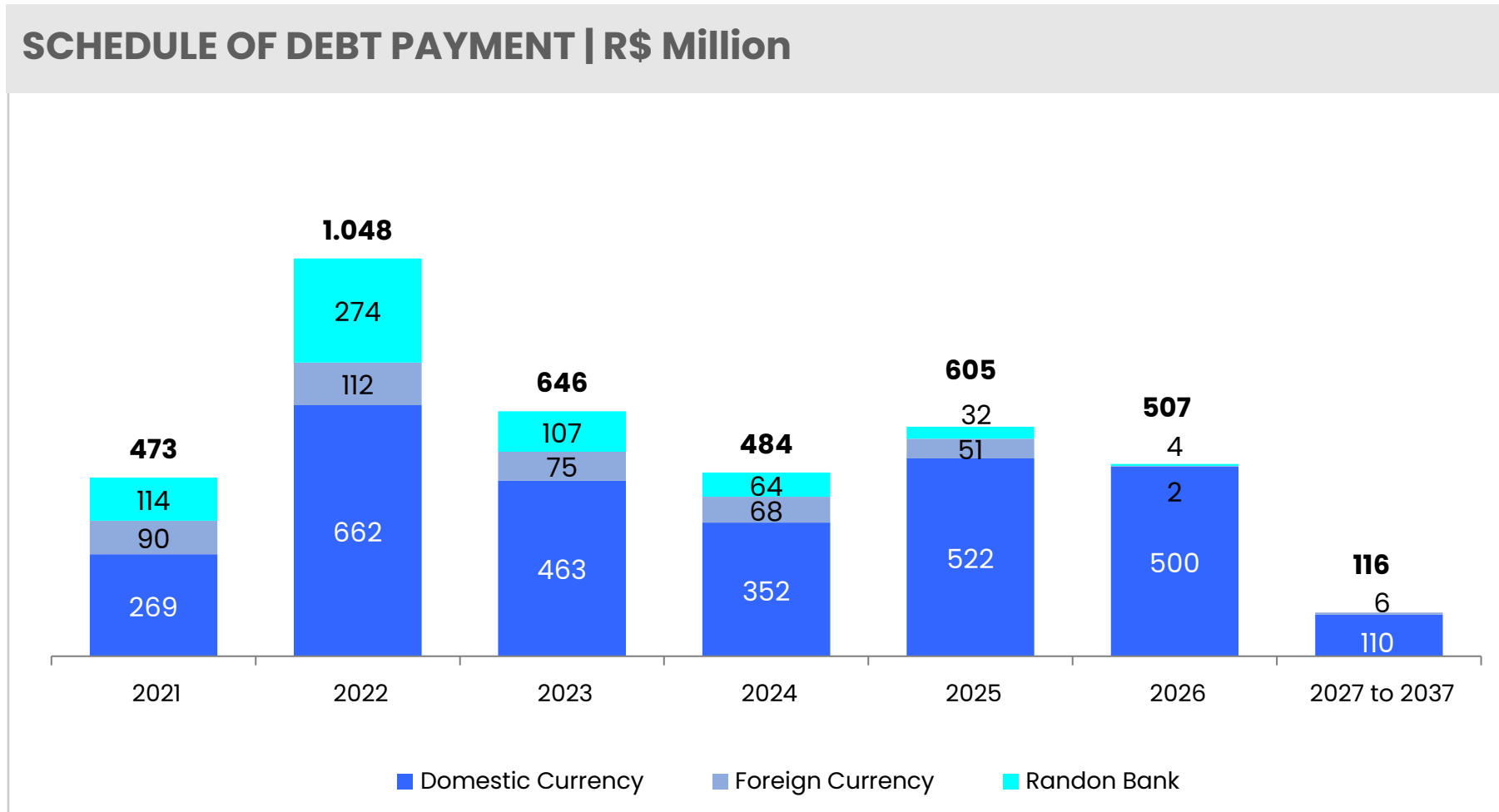


## INDEBTEDNESS | NET DEBT / EBITDA | R\$ Million





# Indebtedness



# Quarterly Information

R\$ million | %

	2Q2020	3Q2020	4Q2020	2020	1Q2021	2Q2021
Consolidated Net Revenue	933.0	1,515.5	1,808.6	5,424.8	1,913.1	2,113.8
% Trailers	49.9%	45.4%	42.0%	44.4%	40.2%	43.8%
% Auto Parts	45.1%	51.1%	54.9%	51.8%	56.6%	52.9%
% Services	5.0%	3.5%	3.1%	3.8%	3.2%	3.3%
Consolidated Gross Profit	200.8	419.6	483.0	1,355.6	512.4	520.6
% Gross Margin	21.5%	27.7%	26.7%	25.0%	26.8%	24.6%
EBITDA	153.9	270.0	668.5	1,199.4	349.3	322.6
% EBITDA Margin	16.5%	17.8%	37.0%	22.1%	18.3%	15.3%
Net Profit	55.3	116.0	490.4	664.7	134.1	122.1
% Net Margin	5.9%	7.7%	27.1%	12.3%	7.0%	5.8%

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