



RANDON[®]

Companies

CONFERENCE CALL RESULTS | 2Q20

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.**





Quarter Highlights



Market Overview



Main Figures



Stock Market



Performance by Division



Sustainability



Innovation



Key Message

COVID-19

Our actions to combat the effects of the pandemic

1. HEALTH AND SAFETY



Temperature measurement at company accesses



Mandatory use of a mask inside the facilities



Distribution of lunch boxes, replacing the buffet option



Increase of bus lines that takes employees to companies with hygiene before each use

Adjustments to structures, services and medical assistance to ensure the health and safety of our employees

COVID-19

Our actions to combat the effects of the pandemic



2. PRESERVATION OF CASH AND RESULTS

- Reactivation of the contingency committee
- Investments prioritization
- Annual budget review
- Strict approval process for new expenses
- Fundraising
- Adherence to programs to reduce and suspend employment contracts (MP 936/2020)
- Flexible working hours
- Voluntary Redundancy Plan



Initiatives to guarantee the Company's sustainability and resilience even in adverse moments

COVID-19

Our actions to combat the effects of the pandemic

3. ACTING WITH THE COMMUNITY



Donation of 10,000 masks and 50,000 bottles of alcohol gel



Production and donation of items for face shields



Manufacture of components for the production of ventilators



Acquisition of ventilators for the healthcare system



Donation of 130 tons of food to families in Caxias do Sul



Investment of ICMS resources in the State Fund to Support Productive Inclusion

COVID-19

Our actions to combat the effects of the pandemic

4. ACCELERATING CHANGES



New communication channels with employees (Podcasts, WhatsApp and Lives)

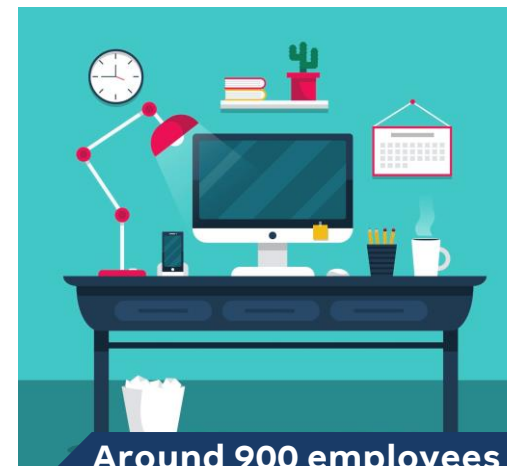
Online events for sales training and product launches



Foto: Samuel Zuliano



New opportunities in the service segment



Around 900 employees are working from home

Cultural Transformation:
Digital Mindset

MAIN HIGHLIGHTS

Resilience through diversification of the business model

2Q20:

Gradual resumption of production and sales;

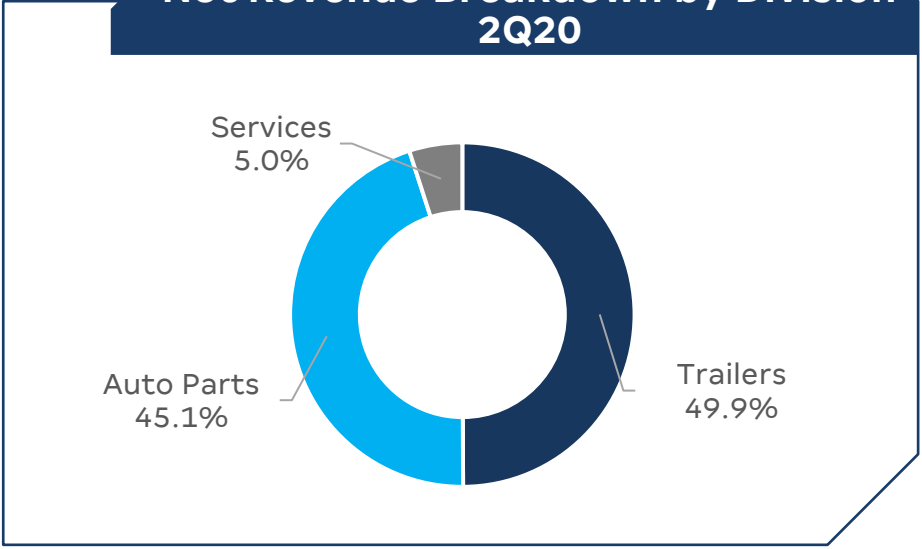
Agricultural and consumer goods sector boosting demand;

Relevant one-offs revenue from gains from tax proceedings.

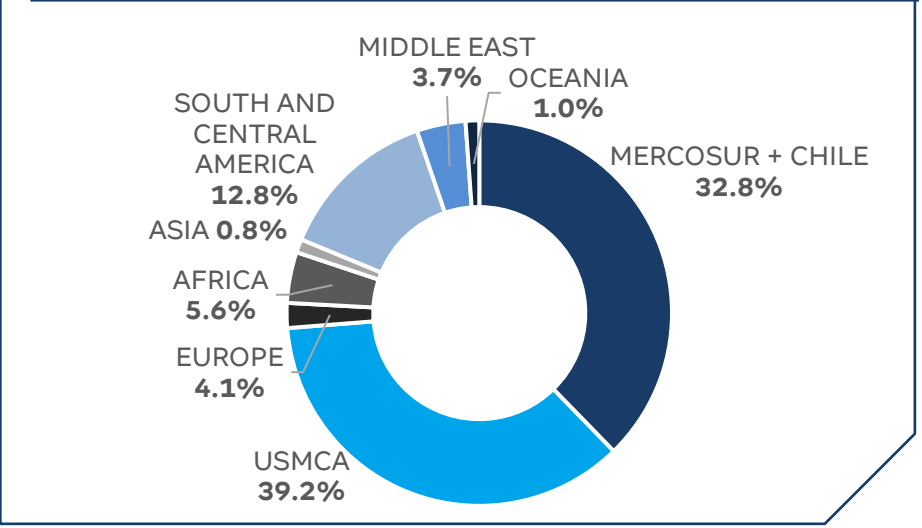
- People's health and safety are a priority for Randon;
- Several actions to mitigate the impacts of the pandemic on business;
- Preservation and reinforcement of the Company's cash;
- Record Harvey, foreign market demand and USD appreciation;
- Consumer goods, mainly through the increase of e-commerce, strengthening the demand for Randon products;
- Aftermarket was fundamental for the Auto Parts division;
- Favorable exchange rate for exports;
- Gradual recovery of sales and production volumes over the quarter;
- Social responsibility was even more relevant.

DIVERSIFIED BUSINESS MODEL

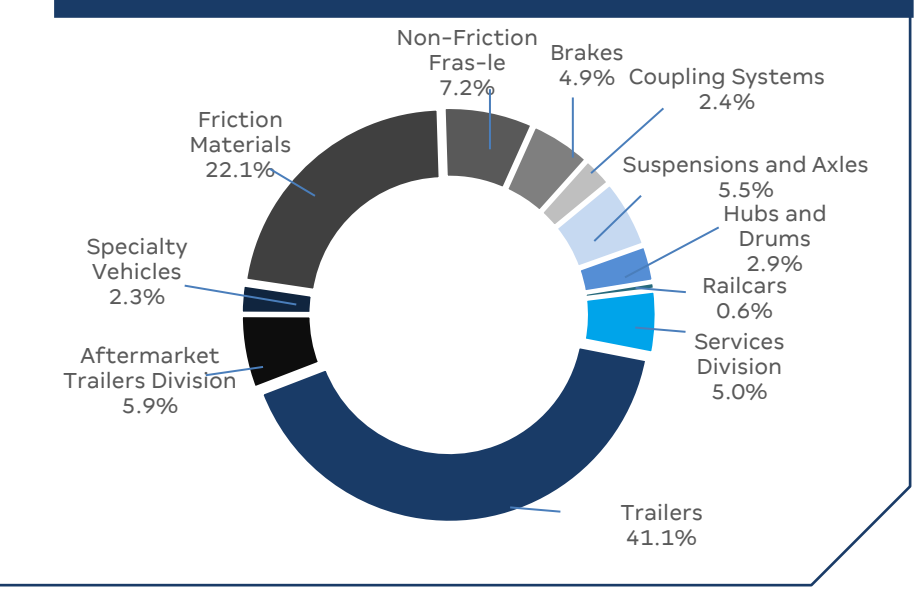
Net Revenue Breakdown by Division 2Q20



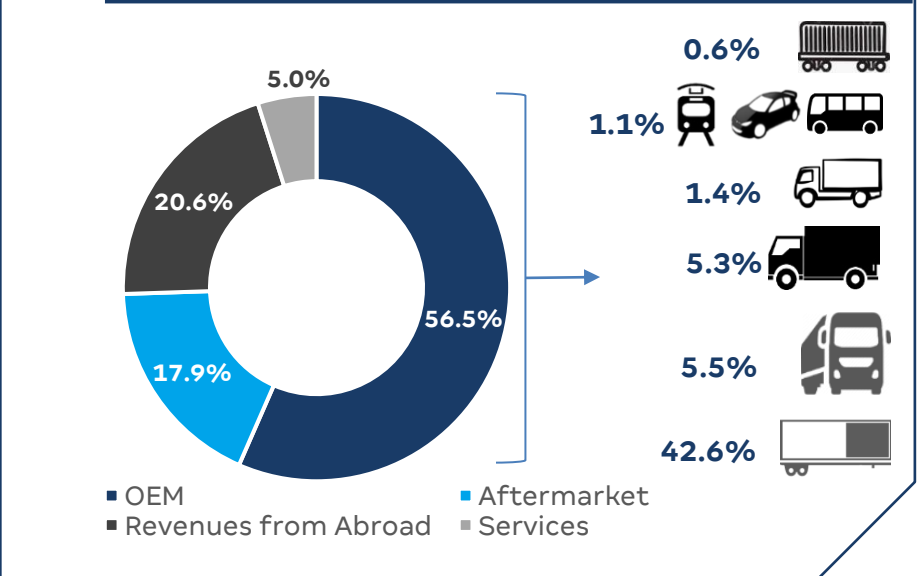
Exports Destination by Economic Region 2Q20



% Net Revenue Breakdown by Product



Sales by Segment 2Q20



MARKET OVERVIEW

Trailers³
Trucks²
Buses²

Production

2Q20	2Q19	Δ%	1H20	1H19	Δ%
13,897	17,571	-20.9%	27,538	32,279	-14.7%
10,091	30,677	-67.1%	34,797	55,438	-37.2%
2,957	7,907	-62.6%	8,931	14,023	-36.3%

Trailers¹
Trucks²
Buses²

Sales

2Q20	2Q19	Δ%	1H20	1H19	Δ%
13,537	16,856	-19.7%	26,701	30,805	-13.3%
17,725	25,315	-30.0%	37,860	46,779	-19.1%
2,055	4,943	-58.4%	5,716	9,623	-40.6%

Macroeconomic
Scenario
Outlook

INDICATOR	2020	2021
Brazil – GDP ⁴	-5.62%	3.50%
Interest rate ⁴	2.00%	3.00%
Inflation ⁴	1.63%	3.00%
Grain Harvest ⁵	251.4 t	-
BRL x USD ⁴	R\$5.20	R\$5.00

Source:

¹ ANFIR

² ANFAVEA

³ ANFIR + AliceWeb

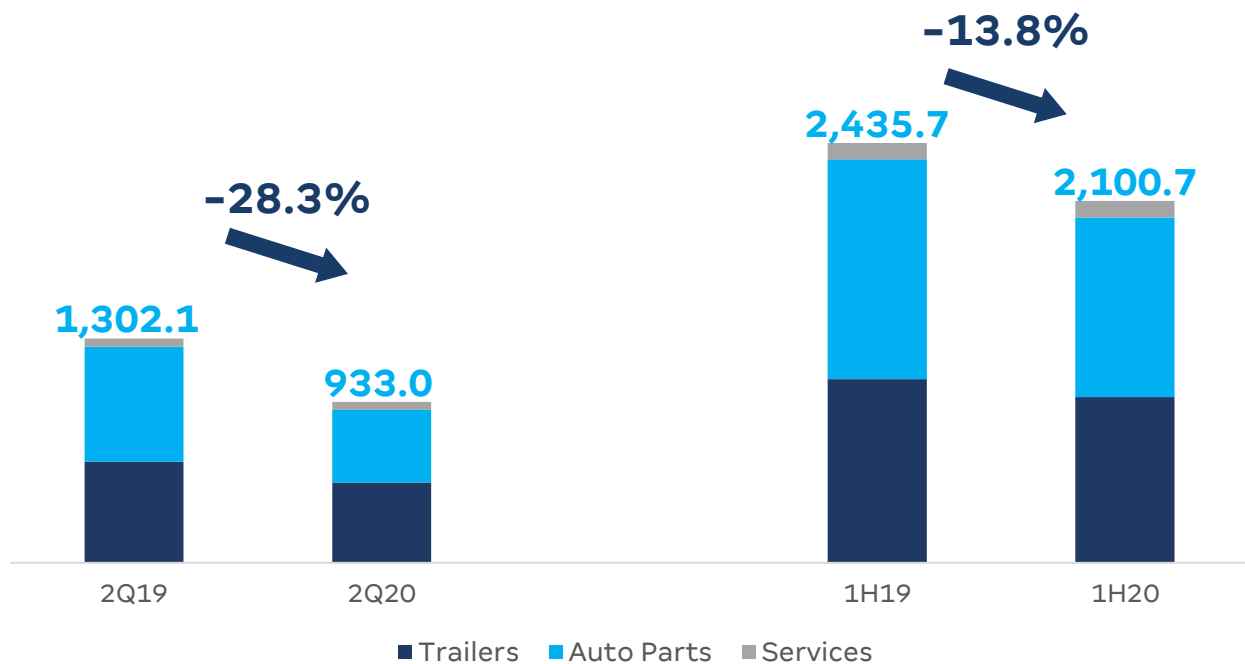
⁴ Focus Report 08/07/20

⁵ 10th CONAB Harvest Report

MAIN INDICATORS PERFORMANCE

Quarterly revenue affected by pandemic effects

Net Revenue, R\$ Million



Shutdowns and high uncertainty degree

Volumes decrease

Trailers

2Q20 X 2Q19: -20.6%

- -28.5% semitrailer units sold (Domestic+Foreign)
- 13 railcars sold 2Q20
- Increase in the Aftermarket sales
- Volumes recovery during 2Q20

Auto Parts

2Q20 X 2Q19: -36.9%

- Sharp drop in sales to OEMs due to production stops
- Exchange rates favorable to exports mitigated the effect of reducing volumes
- Challenging aftermarket but reacting to agribusiness and essential goods distribution customers

Services

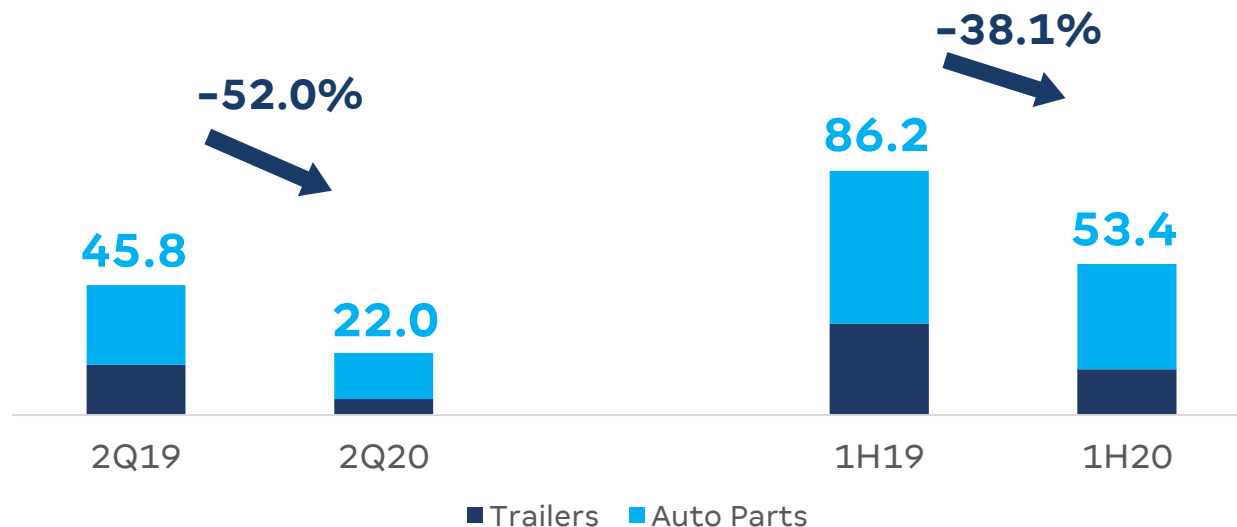
2Q20 X 2Q19: -6.2%

- Reduction in Randon Bank's activity
- Drop in consortium quotas sold

MAIN INDICATORS PERFORMANCE

Exports with additional challenges due to restrictions imposed by governments

Total Exports, US\$ Million



Drop in volumes and logistical difficulties

Demand affected by COVID-19

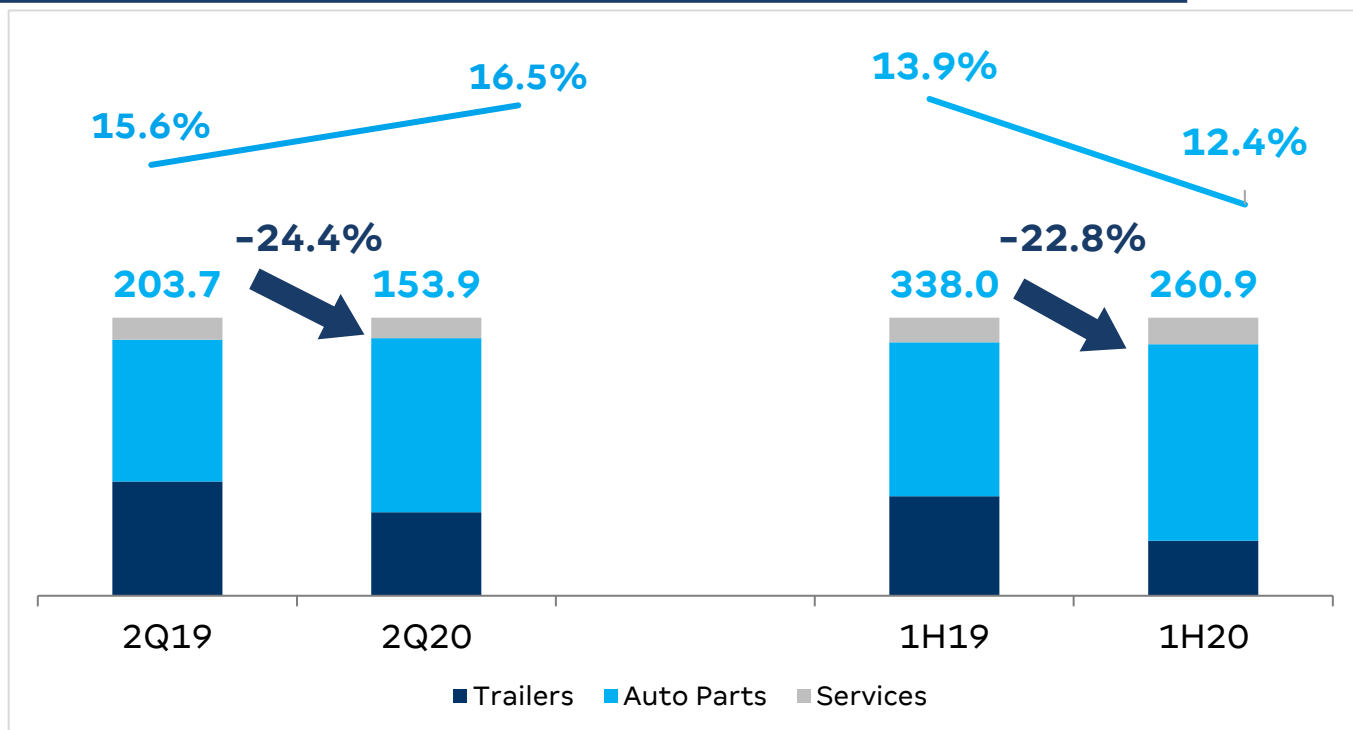
Important demand factors

- ↑ USD appreciation;
- ↑ Price adjustments and good margins;
- ↓ Low price of commodities such as oil and ores;
- ↓ High inventory level;
- ↓ Political and economic crises;
- ↓ COVID-19;
- ↓ Deceleration of global growth.

MAIN INDICATORS PERFORMANCE

EBITDA benefited by one-offs and affected by reduced demand

Consolidated EBITDA, R\$ Million | %



EBITDA affected by the reduction in volumes, but non-recurring revenues mitigated the impacts

2Q20

Trailers

EBITDA: R\$ 46.4 M | 10.0%
 Adjusted EBITDA: R\$ 23.1 M | 5.0%
 (-) Assets Demobilization: R\$ 4.1M
 (-) Voluntary Redundancy Plan: R\$ 3.8M
 (+) PIS and COFINS tax credits: R\$ 31.2M

Auto Parts

EBITDA: R\$ 96.2 M | 22.9%
 Adjusted EBITDA: R\$ 50.3 M | 12.0%
 (-) Assets Impairment: R\$ 2.7M
 (-) Voluntary Redundancy Plan: R\$ 9.8M
 (-) Restructuring Costs: R\$ 1.8M
 (-) Provision for loss receivable: R\$ 1.2M
 (+) PIS and COFINS tax credits and law suits: R\$ 61.5M

Services

EBITDA: R\$ 11.3M | 24.3%

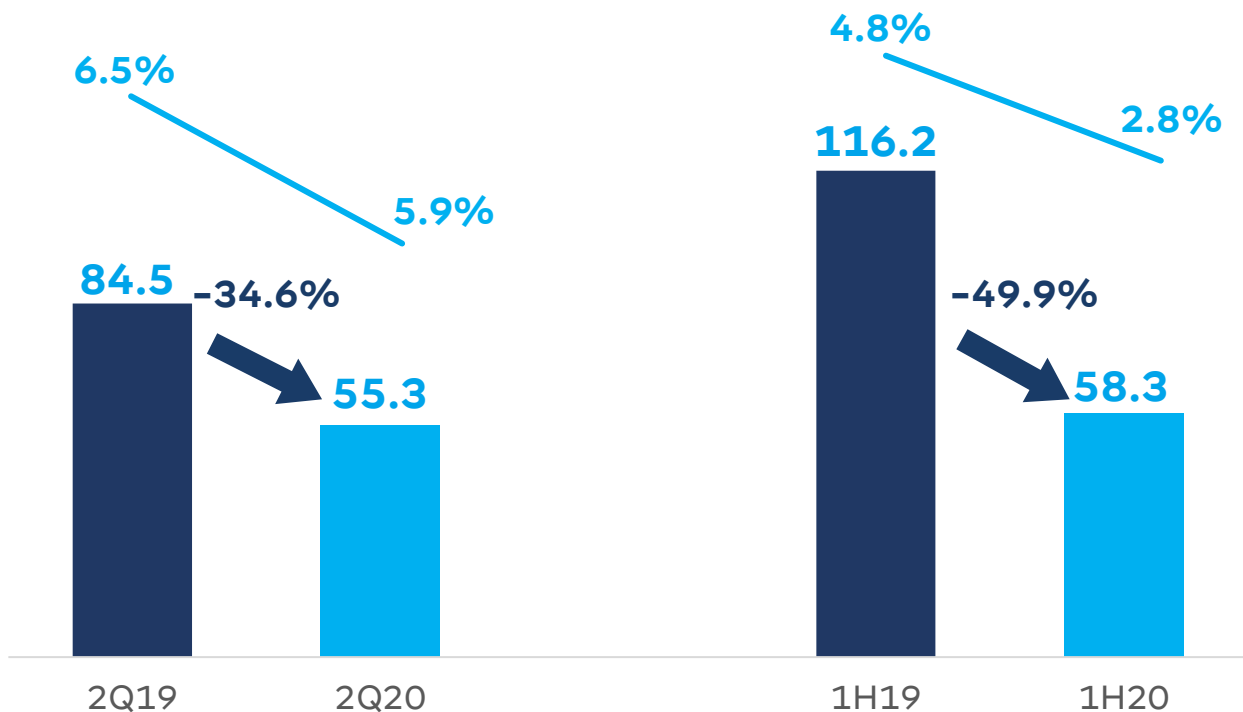
Adjusted Consolidated EBITDA

R\$ 84.7 M | 9.1%

MAIN INDICATORS PERFORMANCE

Net income reflected the current market moment combined with non-recurring revenues and expenses

Consolidated Net Profit, R\$ Million | %



Discipline in expenses and non-recurring earnings benefited the bottom line

Main impacts

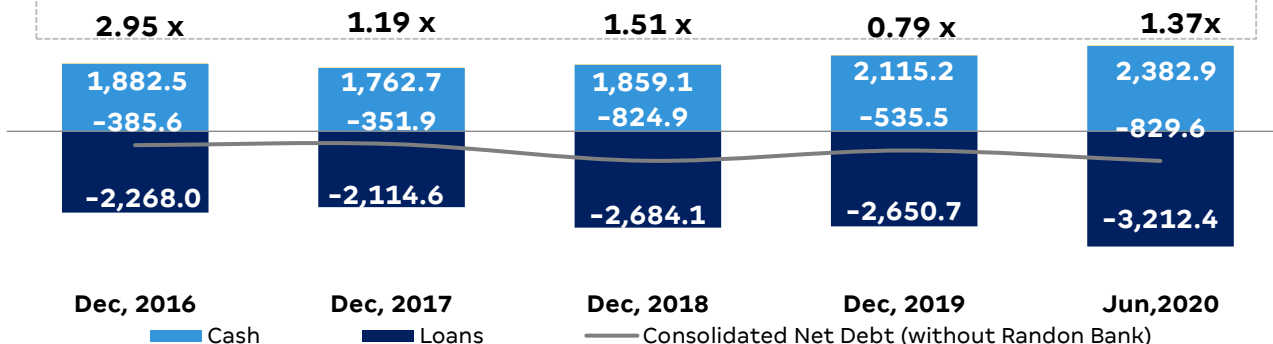
- Drop in volumes;
- Decrease in revenues from abroad;
- One-offs in revenues and expenses;
- Exchange rate devaluation;
- Discipline in expenses and investments;
- Use of benefits from Provisional Measure No. 936/2020.

MAIN INDICATORS PERFORMANCE

Growth in net debt due to increased Working Capital

Consolidated Net Debt (Without Randon Bank) R\$ Million

*Net Debt/EBITDA



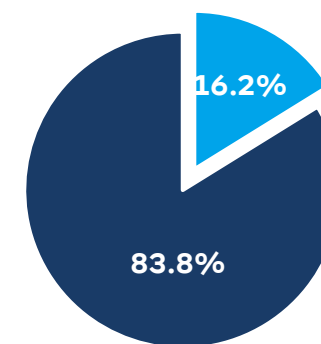
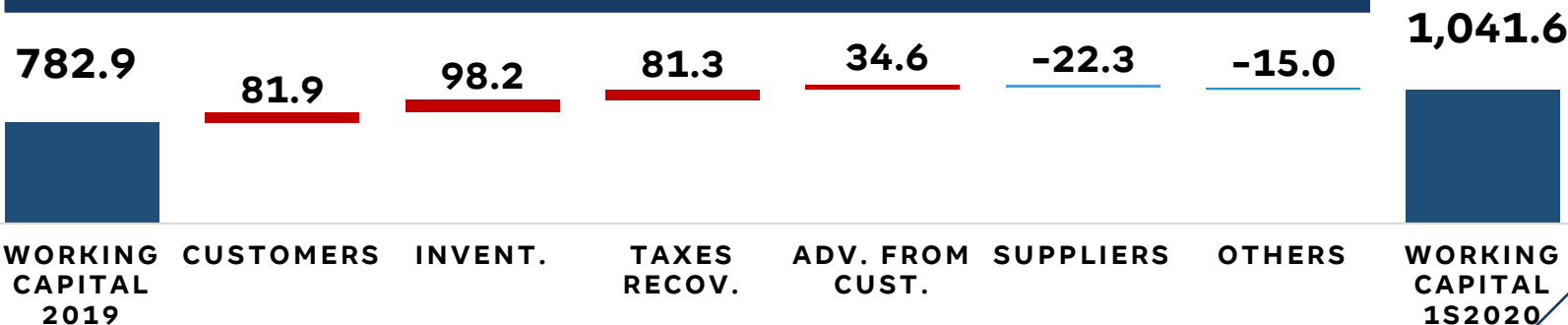
The chart above shows the Company's debt without considering the cash and the debt from Randon Bank. The Consolidated net debt at the end of 1H20 reached R\$ 1.2 billion, a multiple of 1.88x EBITDA over the last 12 months.

Total Gross Debt

R\$3,338.1

Gross Debt in BR currency	R\$2,798.1
Gross Debt in foreign currency	R\$540.0
USD rate (June 30, 2020)	R\$5.4760
Average Cost of Debt in BRL	3.89% per year
Average Cost of Debt in USD	3.73% per year
Average Debt Term	2.6 years

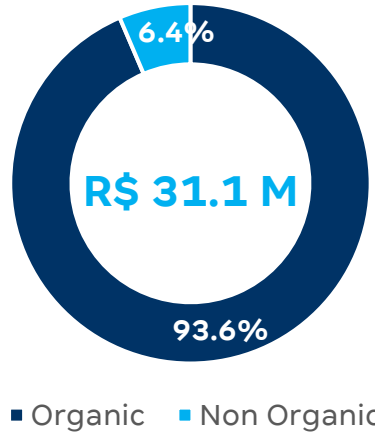
Working Capital (Without Randon Bank) 2020 – R\$ Million



■ Foreign Currency ■ Domestic Currency

INVESTMENTS

CAPEX 2Q20

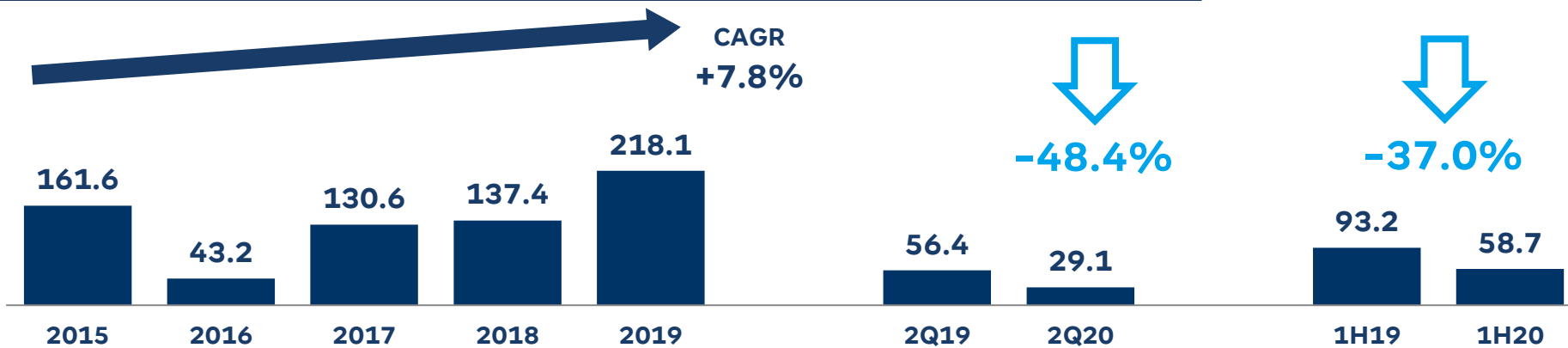


COMMENTS

R\$ 29.1 M - Organic investments made in maintenance, increased capacity (Fremax) and productivity.

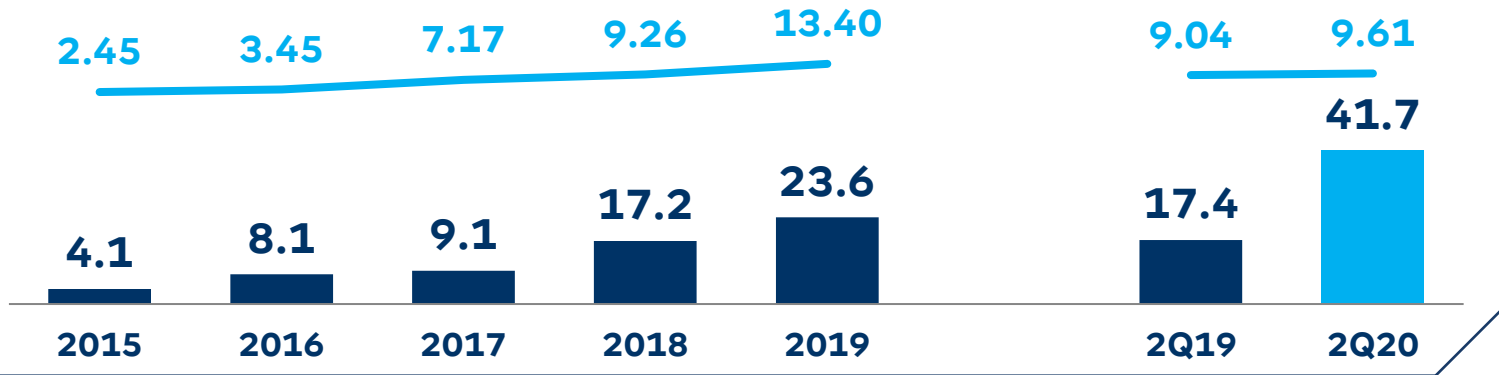
R\$ 2.0 M - Non-organic investment, referring to part of the acquisition value of indirect subsidiary Ferrari Metalúrgica.

Organic Investments (R\$ Million)

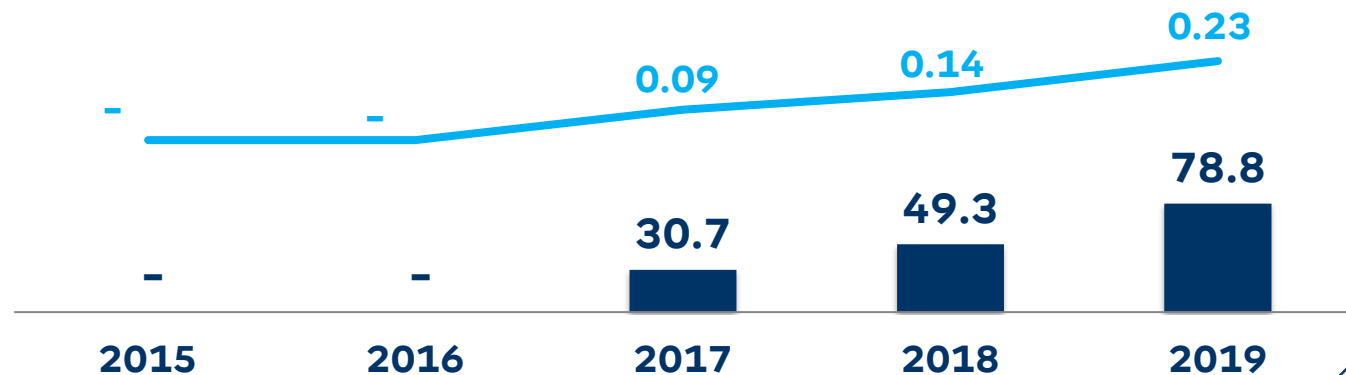


STOCK MARKET

RAPT4 Price/Daily Liquidity R\$ per share | R\$ Million

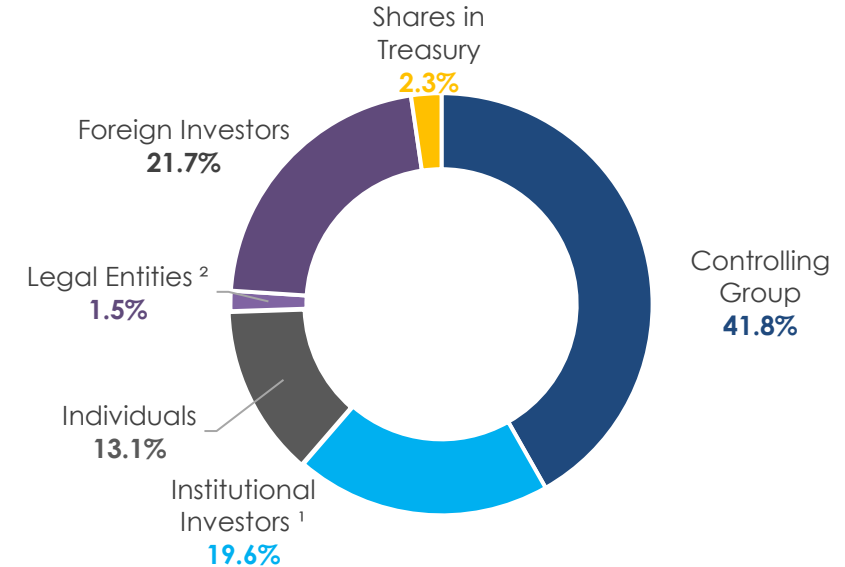


Dividends and Interest on Equity R\$ Million | R\$ per share



Shareholders Profile – Total Shares

35,026
shareholders



¹ Investment clubs and Funds

² Companies, banks, brokers and associations

BUYBACK PROGRAM

6 months – Apr/20 to Oct/20
Up to 13 million shares

2Q20 PERFORMANCE TRAILERS DIVISION

Net Revenue

 R\$ 465.8 Million


EBITDA %

 \$ 46.4 Million
10.0%


Markets Overseas TOTAL

 US\$ 10.4 Million


RAILCARS

-  13 units sold in 2Q20
-  Low expectations of volume recovery for 2020
-  Railway concession renewal brings good expectations for the sector in the medium and long term

SEMITRAILERS 2Q20 x 2Q19 | MARKET SHARE 2Q20


 4,678 units domestic market (-23.8%)

 -63.7% exports volumes

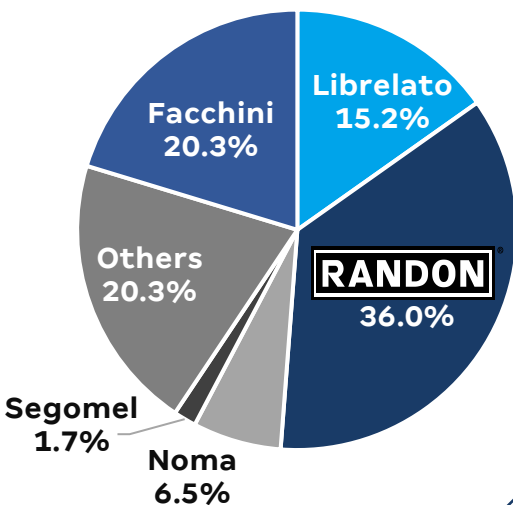
 +19.7% Aftermarket revenues

 Impact of shutdowns due to COVID-19

 Recovery during 2Q20

 Agribusiness remains strong

 Negative scenario for overseas markets



Access, to learn more about the launch of Randon Implementos products in 2Q20



2Q20 PERFORMANCE

AUTO PARTS DIVISION

Net Revenue

 R\$ 420.7
Million


EBITDA %

 \$ 96.2
Million
22.9%

Markets Overseas TOTAL

 US\$ 46.3
Million

BREAKING (Friction and Non-Friction)


 18,528 units
friction material
(-21.4%)

 2,408 units
non-friction
(-58.4%)


 Net Revenue
Decrease
(-17.3%)

 COVID-19 impacts


 OEMs sales
reduction


 Aftermarket
recovery during
2Q20


 Exposure to the
foreign market

 Products linked
to commercial
and agribusiness
lines

SUSPENSION AND WHEEL END


 116,137 units of hubs
and drums
(-10.0%)


 22,354 units of axles
and suspensions
(-39.8%)


 Decrease in sales to
OEMs due to stoppages

 Suspensys and VWCO
sign unprecedented
partnership

JV'S

 79,904 units of
brakes systems
(-60.0%)

 16,850 units of
coupling systems
(-49.6%)

 Significant drop in
revenue from exposure
to OEMs

 JOST is adapting the
factory to 4.0
concepts

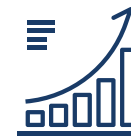
2Q20 PERFORMANCE SERVICES DIVISION

Net Revenue



R\$ 46.5
Million

EBITDA %



\$ 11.3
Million
24.3%

CONSÓRCIO

RANDON



3,086 Coop-Payment
Plan Qutoas Sold
(-15.9%)



Decrease in Net
Revenue
(-4.3%)

COVID-19 and the high
uncertainty degree, affected
consortium sales in 2Q20
mainly in the transport
segment

BANCO

RANDON



Reduction in
Net Revenue
(-14.1%)

Reduction in volumes of
Randon Companies affected
Randon Bank's revenues,
added to the drop in the basic
interest rate

April and May impacted by the
stoppages, with financing
contracting resumed from June

RANDON
VENTURES

Randon expands presence in
innovation ecosystems

Expectation to boost 12
startups in 2020

First investment: TruckHelp

Click [here](#) to know more
about Randon Ventures.

SUSTAINABILITY

- Randon Environment Week (SEMEAR initiative)
- Dissemination of the sustainability culture to employees through periodic disclosure of information;
- Projects aimed at reducing water and energy consumption;
- Sustainable buildings;
- Waste Management.



- Donation of alcohol gel, masks, rapid tests and ventilators;
- Production of items used in face shields and parts used in the manufacture of ventilators;
- Culture of COVID-19 prevention with employees and family members;
- Support to the local community.

- New policies approval:
 - 1) Allocation of Company's Results Policy;
 - 2) Hiring of Extra-Audit Services Policy;
 - 3) Sponsorships and Donations Policy.



**QR-CODE
SUSTAINABILITY
REPORT**



We are signatories to the corporate pact for integrity and against corruption, by Ethos Institute.

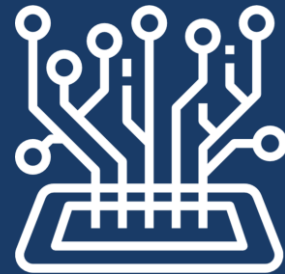


**ACCESS CORPORATE
GOVERNANCE
REPORT**

INNOVATION



**NEW WAYS TO DO
ONLINE EVENTS**



**DIGITAL
TRANSFORMATION
ACCELERATION
OF CHANGE**



**STARTUPS
CONNECTIONS
43**



APIMEC MEETING

AUGUST 27, 2020

2:00 PM

ONLINE EVENT

REGISTER AT

apimecsp@apimecsp.com.br

KEY MESSAGE

The actions started in 1Q20, gained strength and already have a positive impact, both from the economic and the social side. The collaboration and unity of all is essential to get through this moment and come out even stronger.

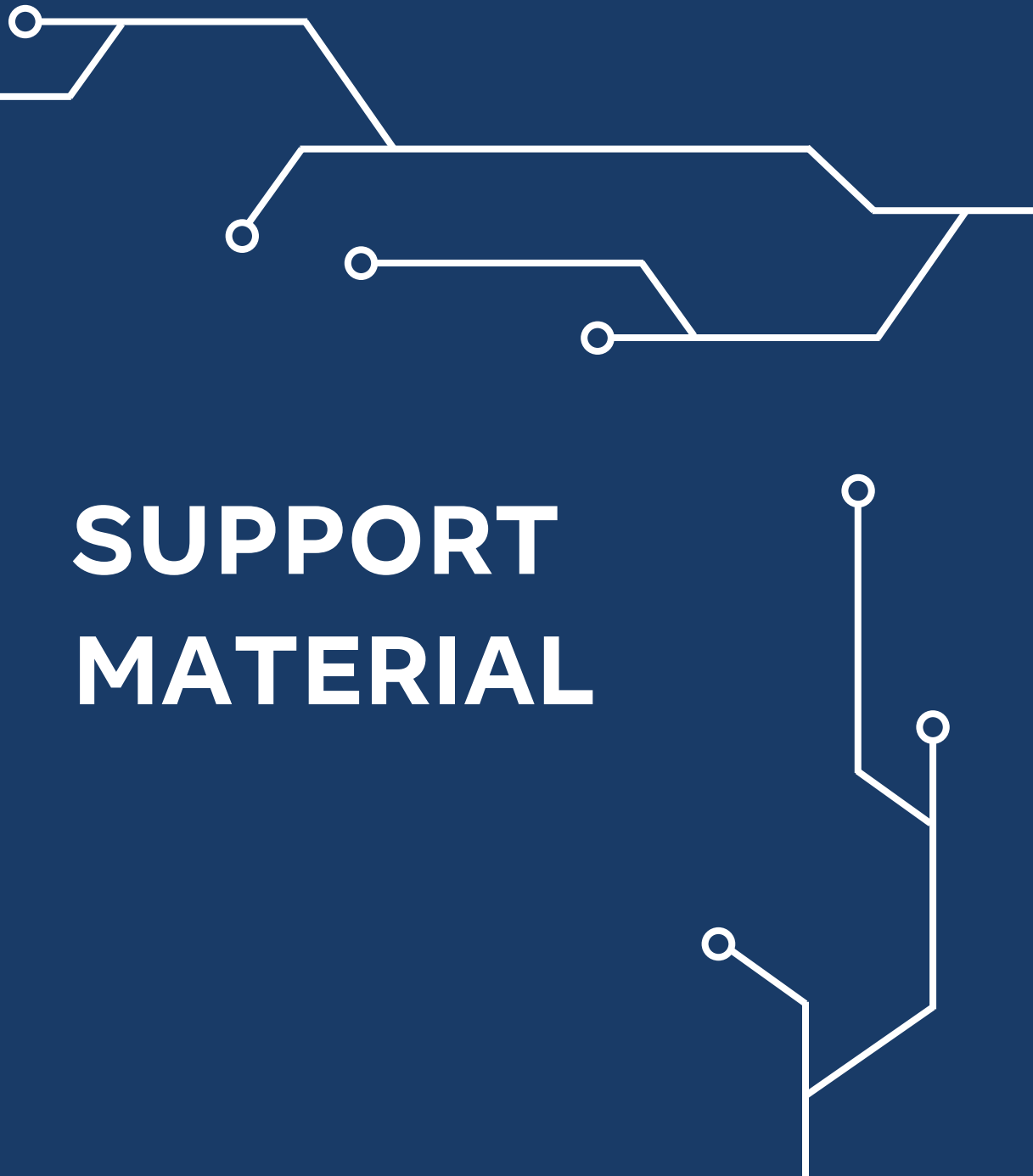
- Diversified business model
- Solid cash position
- Investment prioritization
- Caution in the budgeting process
- Opportunity to accelerate digital transformation

We act in an ethical and responsible manner, generating value for our shareholders, with a resilient business model that enables the Company's expansion and contributes to a better society.

CONNECT PEOPLE AND RICHES GENERATING PROSPERITY

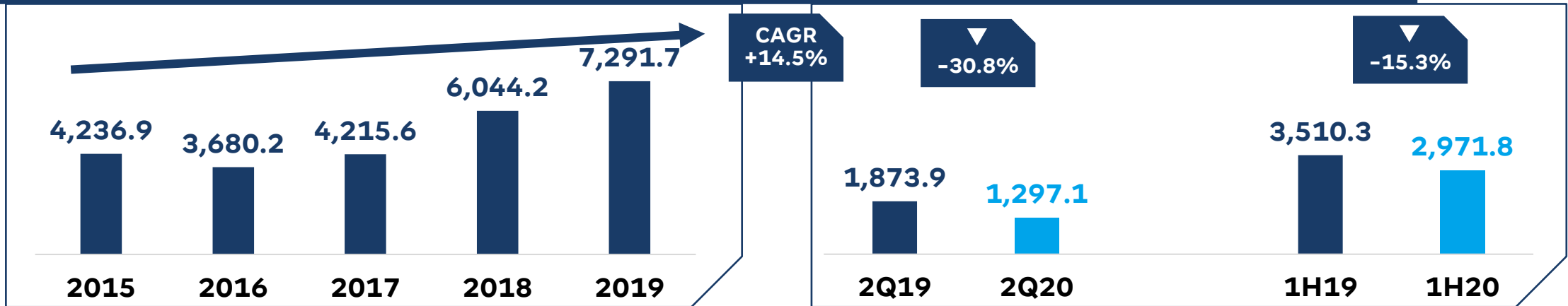


SUPPORT MATERIAL

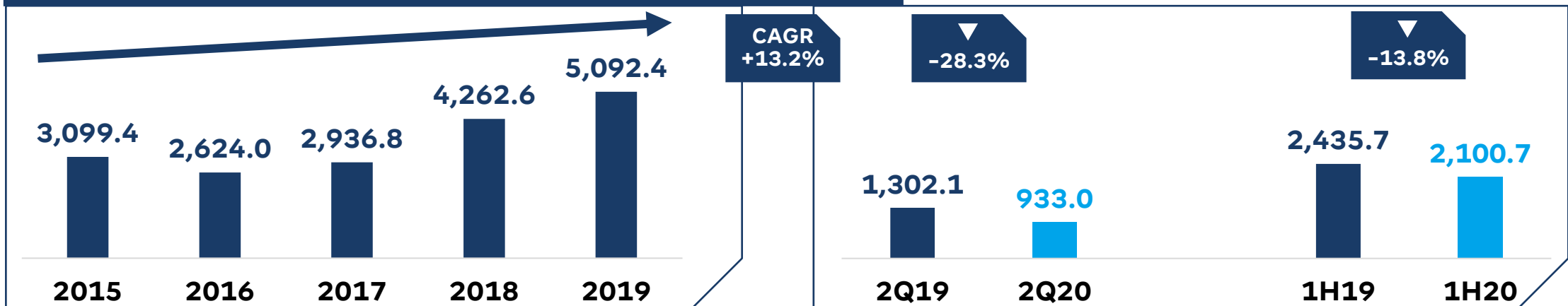


OPERATING RESULTS

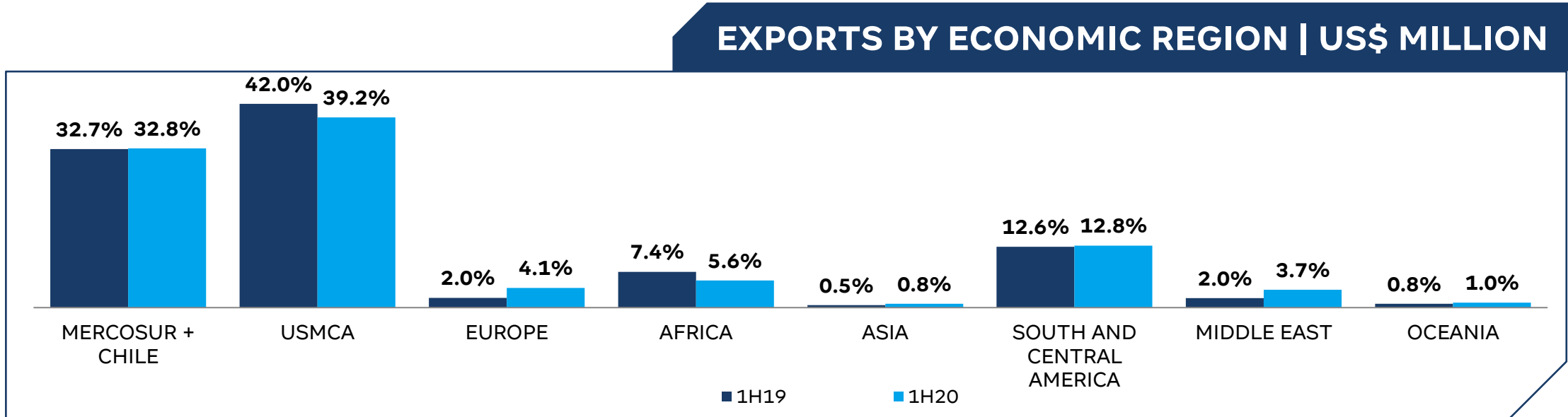
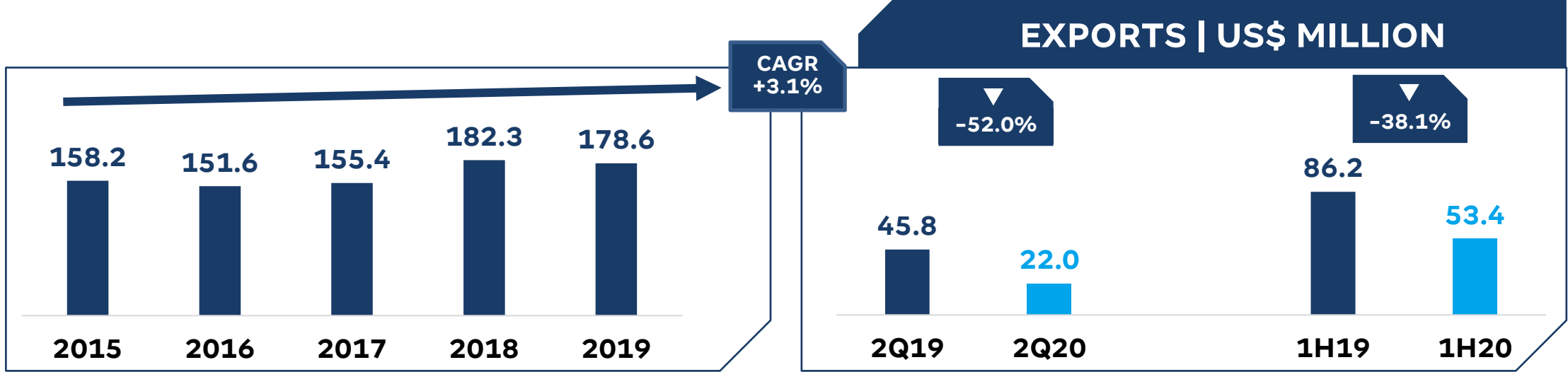
TOTAL GROSS REVENUE (Including Intercompany Sales) – R\$ MILLION



CONSOLIDATED NET REVENUE – R\$ MILLION

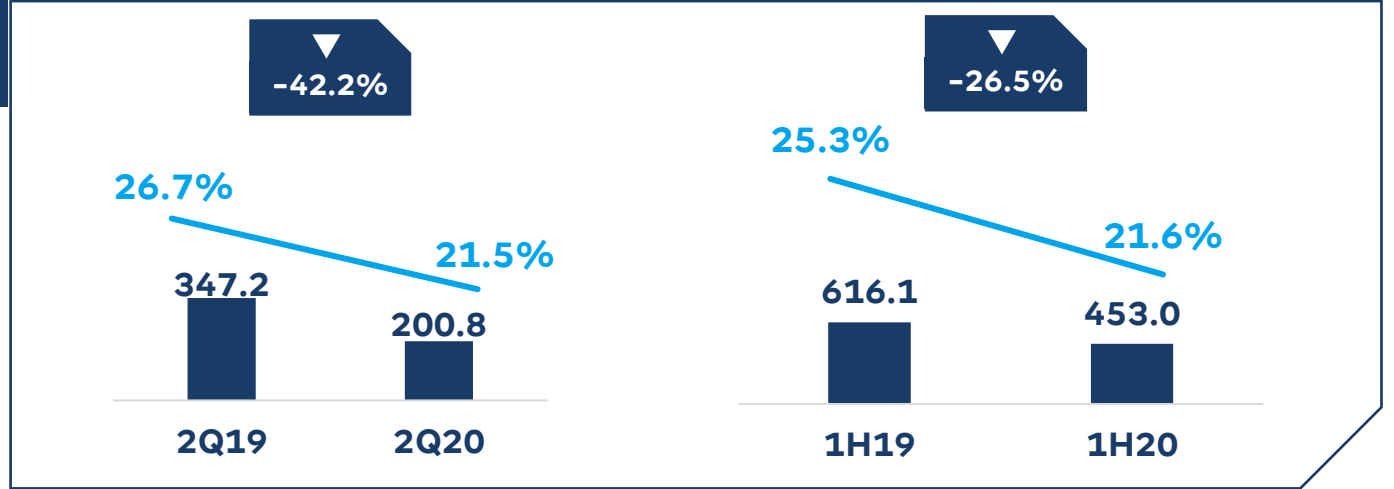
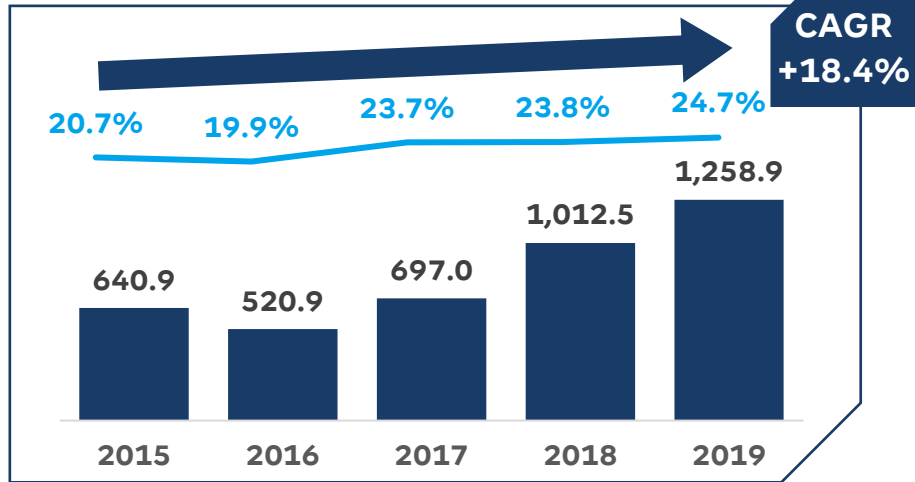


OPERATING RESULTS

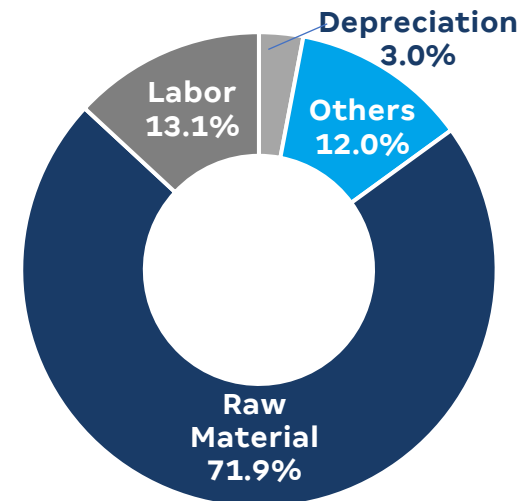
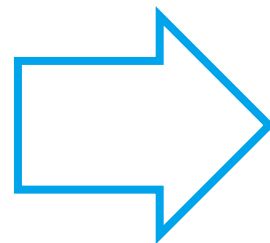


OPERATING RESULTS

GROSS PROFIT | GROSS MARGIN – R\$ MILLION | %

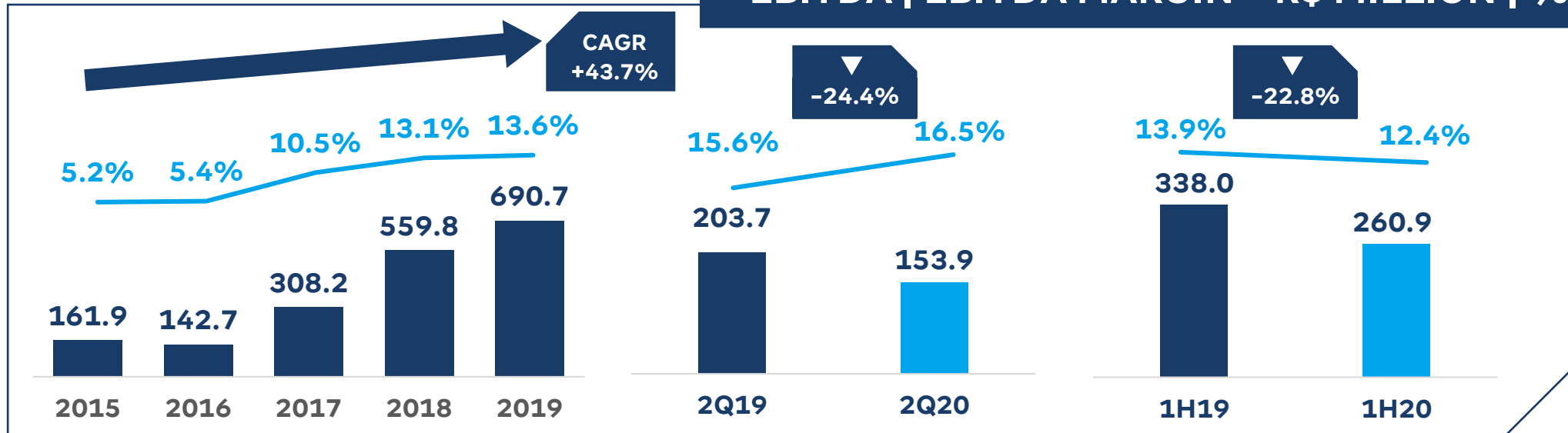


COGS 2Q20
R\$ 732.2 M
(78.5% o/CNR)

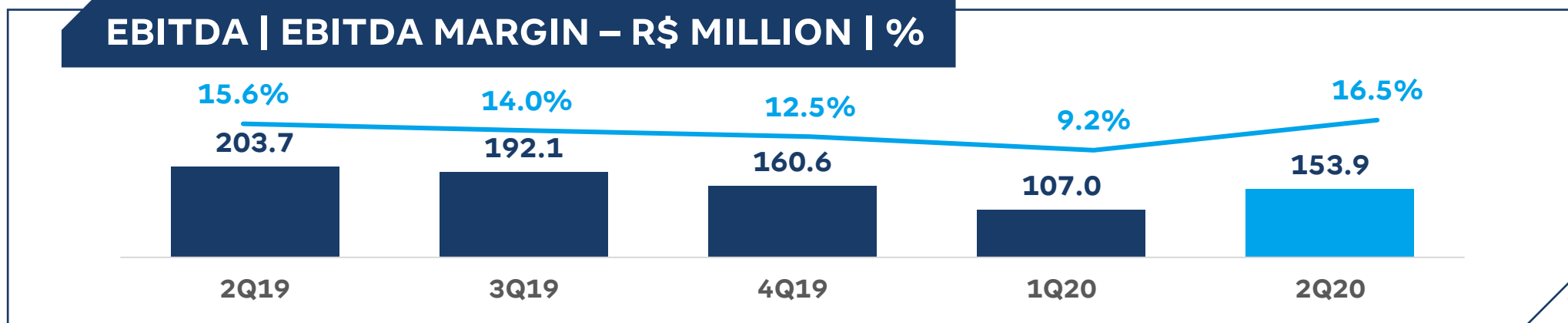


OPERATING RESULTS

EBITDA | EBITDA MARGIN – R\$ MILLION | %

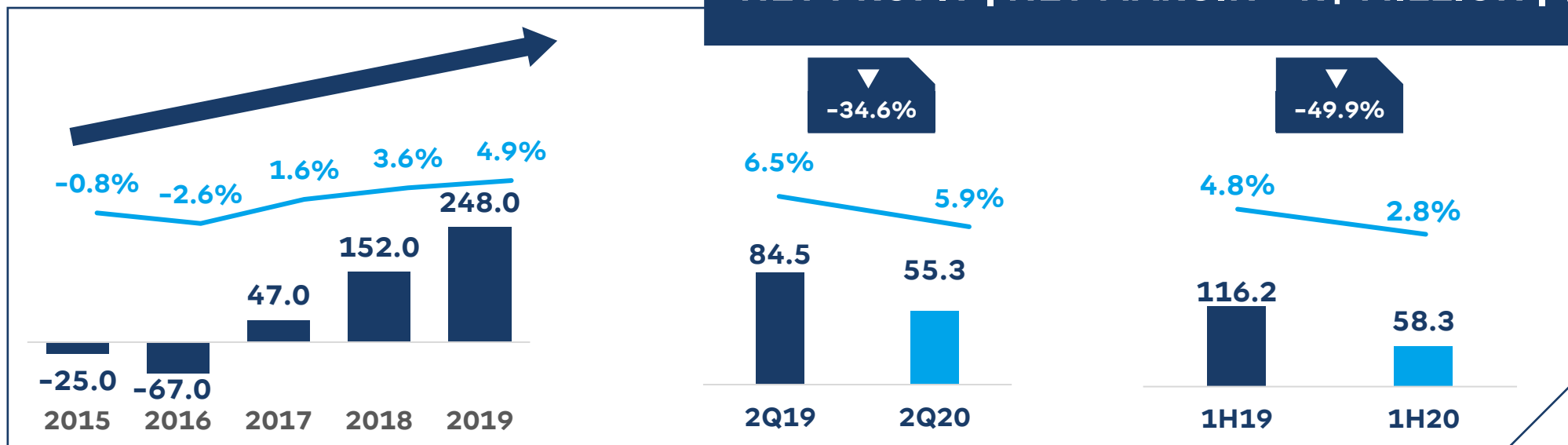


EBITDA | EBITDA MARGIN – R\$ MILLION | %



FINANCIAL RESULTS

NET PROFIT | NET MARGIN – R\$ MILLION | %

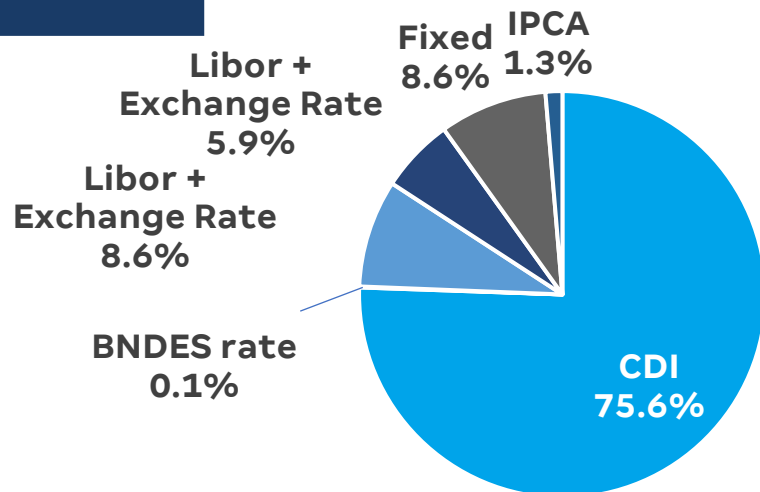


NET PROFIT | NET MARGIN QUARTERLY – R\$ MILLION | %

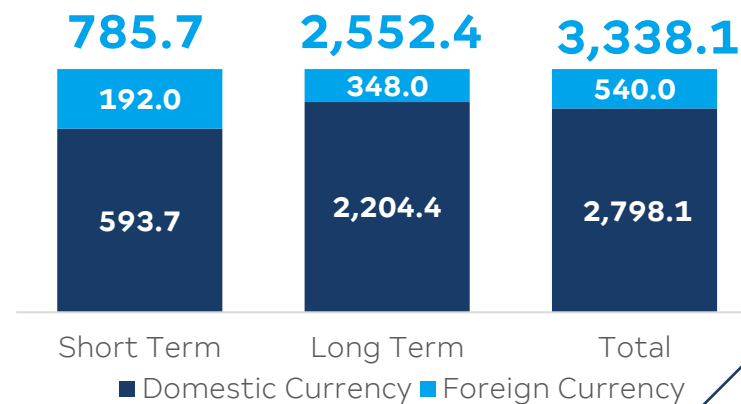


INDEBTEDNESS

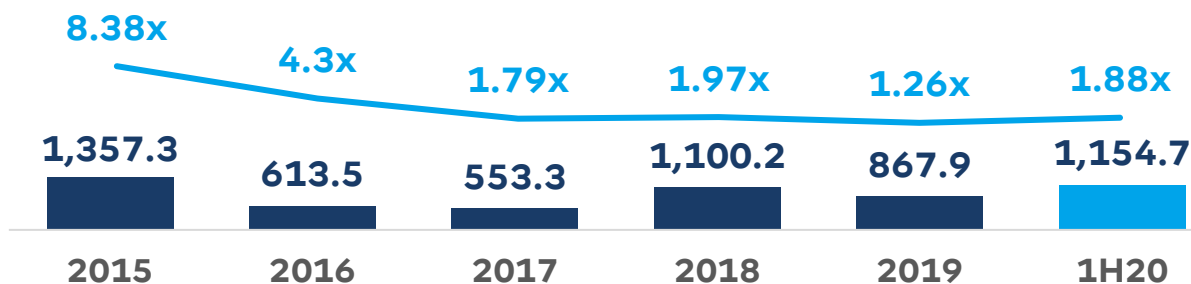
DEBT INDEXES



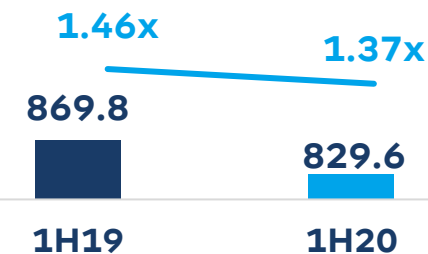
ORIGIN OF DEBT SHORT AND LONG TERM JUNE/2020 – R\$ MILLION



INDEBTEDNESS | NET DEBT / EBITDA – R\$ MILLION

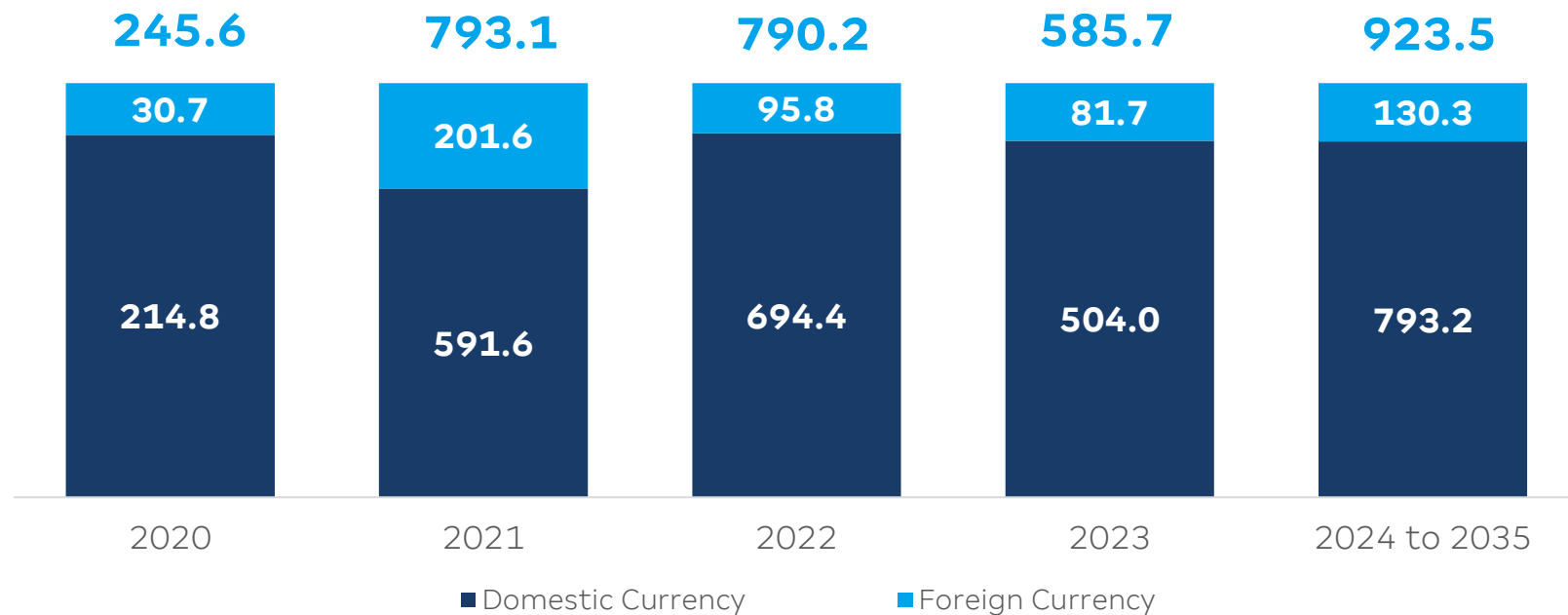


NET DEBT (Without Randon Bank)



INDEBTEDNESS

Schedule of Debt Payment 1H20 (R\$ Million)



CONSOLIDATED INCOME STATEMENT BY SEGMENT

R\$ MILLION

	Trailers			Auto Parts			Services			Consolidated		
	2Q20	2Q19	Δ%	2Q20	2Q19	Δ%	2Q20	2Q19	Δ%	2Q20	2Q19	Δ%
Gross Revenue	582,157	718,226	-18.9%	524,237	844,337	-37.9%	51,412	54,767	-6.1%	1,157,806	1,617,330	-28.4%
Deduction in Gross Revenue	-116,338	-131,826	-11.7%	-103,587	-178,214	-41.9%	-4,889	-5,167	-5.4%	-224,814	-315,208	-28.7%
Net Revenue	465,819	586,399	-20.6%	420,650	666,123	-36.9%	46,522	49,599	-6.2%	932,991	1,302,122	-28.3%
Costs of Sales and Service	-396,941	-456,489	-13.0%	-330,629	-493,787	-33.0%	-4,634	-4,633	0.0%	-732,204	-954,910	-23.3%
Gross Profit	68,879	129,910	-47.0%	90,021	172,335	-47.8%	41,888	44,966	-6.8%	200,788	347,212	-42.2%
Gross Margin (%)	14.8%	22.2%	-737 bps	21.4%	25.9%	-447 bps	90.0%	90.7%	-62 bps	21.5%	26.7%	-514 bps
Operating Expenses	-34,842	-57,673	-39.6%	-25,491	-94,412	-73.0%	-30,713	-28,982	6.0%	-91,047	-181,067	-49.7%
EBIT	34,037	72,237	-52.9%	64,530	77,923	-17.2%	11,175	15,984	-30.1%	109,741	166,145	-33.9%
EBITDA	46,381	83,858	-44.7%	96,232	103,671	-7.2%	11,319	16,126	-29.8%	153,932	203,655	-24.4%
EBITDA Margin	10.0%	14.3%	-434 bps	22.9%	15.6%	731 bps	24.3%	32.5%	-818 bps	16.5%	15.6%	86 bps
ADJUSTED EBITDA	23,100	84,148	-72.5%	50,321	109,308	-54.0%	11,319	16,126	-29.8%	84,740	209,583	-59.6%
ADJUSTED EBITDA MARGIN	5.0%	14.3%	-938 bps	12.0%	16.4%	-445 bps	24.3%	32.5%	-818 bps	9.1%	16.1%	-701 bps

QUARTERLY INFORMATION

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	2Q2019	3Q2019	4Q2019	2019	1Q2020	2Q2020
Consolidated Net Revenue	1,302.1	1,371.3	1,285.3	5,092.4	1,167.7	933.0
% Vehicles and Trailers	45.0%	45.8%	45.3%	44.7%	42.4%	49.9%
% Auto Parts	51.2%	50.7%	50.9%	51.6%	53.3%	45.1%
% Financial Services	3.8%	3.5%	3.8%	3.7%	4.3%	5.0%
Consolidated Gross Profit	347.2	338.6	304.2	1,258.9	252.2	200.8
% Gross Margin	26.7%	24.7%	23.7%	24.7%	21.6%	21.5%
EBITDA	203.7	192.1	160.6	690.7	107.0	153.9
% EBITDA Margin	15.6%	14.0%	12.5%	13.6%	9.2%	16.5%
Net Income	84.5	78.5	52.9	247.6	3.0	55.3
% Net Margin	6.5%	5.7%	4.1%	4.9%	0.3%	5.9%



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