

RANDONCORP

Building tomorrow



Earnings Release

1Q23

CAPITAL MARKET

* Data from March 31, 2023



RAPT3 – R\$ 7.07

RAPT4 – R\$ 7.51

MARKET CAP – R\$ 2.4 billion

FREE FLOAT – 60.1 %

EARNINGS CONFERENCE CALL



May 11, 2023, Thursday
11 a.m. Brazil | 10 a.m. NY | 3 p.m. London
Broadcasting in Portuguese and English
Translation into Brazilian sign language
[Click Here](#) to access the event.

INVESTOR RELATIONS

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Randoncorp (Randon S/A Implementos e Participações) | B3: RAPT3 and RAPT4), discloses its financial results for the first quarter of 2023 (1Q23). The consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil and with international accounting standards (IFRS) issued by the International Accounting Standards Board (IASB).

Caxias do Sul, May 10, 2023.

We are **Randoncorp**, and, for over 74 years, we have been developing equipment, automotive systems, and transportation services solutions.

As a Company with a diversified business model, distributed in 5 verticals, we serve different markets and geographies.

Our headquarters is in Caxias do Sul, RS, Brazil, and we have units located on four continents. Altogether, we have 32 industrial plants, and our products are sold in more than 120 countries.



[Click here to access the manifesto of the new brand.](#)

Purpose

Connecting people and riches, to generate prosperity.

Principles

- › Valued and respected people
- › Satisfied customer
- › Safety and quality
- › Preservation of our image and legacy
- › Ethics
- › Profitability with sustainability
- › Innovation and Technology
- › Randoncorp is all of us

Strategic Guideliness

- › Innovation and technology as differentiators
- › Absolute focus on customers
- › Diversification with focus
- › Financial strength
- › Leveraging synergies
- › Company desired to work
- › Sustentability (ESG) prioritized



[Click here to download the charts in this report.](#)

RAPT

B3 LISTED N1

IBRA B3

IGC B3

IGCT B3

INDX B3

ITAG B3

SMLL B3

IAGRO-FFS B3

R Guidance 2023

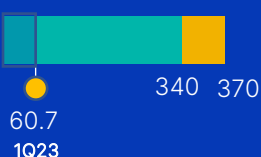
Consolidated Net Revenue (R\$ B)



Revenues From International Markets (US\$ M)



Investments (R\$ M)



EBITDA Margin (%)



■ 2023 Guidance Range



> [Click here](#) to watch the 2023 Guidance videoconference presentation.

Economic and Financial Highlights 1Q23

Net Revenue
R\$ 2.7 billion

7.3% increase compared to 1Q22 due to the addition of new businesses, growth in the international market, and good sales volumes in most of the Company's markets.

International Markets
US\$ 111.0 million

11.1% higher when compared to 1Q22, mainly due to the increase in revenues in the US, both in exports and local production.

EBITDA
R\$ 442.2 million
16.6% o/ CNR

Consolidated EBITDA grew 10.2% and added 43 basis points to the EBITDA margin compared to 1Q22, due to good price levels, lower raw material costs, and gains in operational efficiency.

Net Profit
R\$ 122.1 million
4.6% o/ CNR

Decrease of 6.1% in the indicator compared to 1Q22, largely due to the increase in financial expenses, as a result of the current interest rate.

Total Investments
R\$ 316.1 million

Non-organic investments, for the acquisition of Juratek. CAPEX, especially for the purchase of machines and equipment. Capital Paid-in in Randon Bank and Addiante.

Net Debt
R\$ 2.5 billion
(without /Randon Bank)
1.68x (Net Debt/EBITDA)

Growth of 18.2% in net debt (excluding Banco Randon), mainly due to the increase in working capital, with leverage of 1.68x the EBITDA for the last 12 months.

Forward-looking statements and information are not assurance of performance. They involve risks, uncertainties and assumptions, since they refer to future events, depending, therefore, on circumstances that may or may not occur. Future results and the creation of shareholder value may differ significantly from those expressed or suggested by the statements related to the future. Many of the factors that will determine these results and values are beyond our ability to control or predict.

Main Figures

Economic Highlights	1Q23	1Q22	Δ%	4Q22	Δ%
Consolidated Gross Revenue	3,263,661	3,047,646	7.1%	3,501,850	-6.8%
Consolidated Net Revenue	2,658,168	2,476,347	7.3%	2,847,923	-6.7%
International Market Revenues US\$ ¹	110,970	99,856	11.1%	102,646	8.1%
Consolidated Gross Profit	732,308	644,575	13.6%	592,344	23.6%
Gross Margin (%)	27.5%	26.0%	152 bps	20.8%	675 bps
Consolidated EBITDA	442,164	401,350	10.2%	322,336	37.2%
EBITDA Margin (%)	16.6%	16.2%	43 bps	11.3%	532 bps
Adjusted EBITDA	442,164	401,350	10.2%	327,815	34.9%
Adjusted EBITDA Margin (%)	16.6%	16.2%	43 bps	11.5%	512 bps
Consolidated Net Profit	122,108	130,074	-6.1%	89,440	36.5%
Net Margin (%)	4.6%	5.3%	-66 bps	3.1%	145 bps
Earnings per share R\$	0.37	0.39	-5.8%	0.27	36.5%

Financial Highlights	1Q23	1Q22	Δ%	4Q22	Δ%
Equity	2,846,864	2,624,877	8.5%	2,744,765	3.7%
Investments ²	316,105	149,789	111.0%	492,758	-35.8%
Net Debt	3,968,307	3,129,358	26.8%	2,925,301	35.7%
Net Debt (Without Randon Bank)	2,538,871	2,148,298	18.2%	1,594,320	59.2%
Leverage	2.57 x	2.27 x	13.1%	1.94 x	32.1%
Leverage (Without Randon Bank)	1.68 x	1.58 x	6.0%	1.08 x	55.4%
ROE (last 12 months)	16.9%	27.5%	-1059 bps	18.7%	-181 bps
ROIC (last 12 months)	12.0%	12.1%	-12 bps	14.8%	-276 bps

¹ Exports + Revenues from International Markets (both consolidated)

² Capex + Non-Organics + Paid-in Capital

Capital Market	03/31/2023	03/31/2022	Δ%	12/31/2022	Δ%
RAPT4 Closure Quote ¹	7.51	9.84	-23.7%	8.21	-8.5%
RAPT3 Closure Quote ¹	7.07	9.88	-28.4%	7.99	-11.5%
RAPT4 Total Shares ²	212,815	212,815	0.0%	212,815	0.0%
RAPT3 Total Shares ²	116,516	116,516	0.0%	116,516	0.0%
Market Cap ³	2,414,218	3,245,273	-25.6%	2,669,657	-9.6%
RAPT4 Treasury Shares ²	1,037	-	-	1,037	0.0%
Price Over Book Value ¹	12.11	10.28	17.8%	11.64	4.0%

¹ Values in R\$ and adjusted to dividends and interest on equity paid

² Values in Thousands

³ Values in R\$ Thousands

RANDONCORP

Business Overview

We have embarked on a new cycle with great intensity and speed. We remain committed to delivering consistent results, while also making strides in expanding our business and improving our governance.

In this sense, we highlight our new identity: Randoncorp. This brand represents the evolution experienced by the Company in recent years, becoming a complete ecosystem of solutions for transportation and representing an increasingly diverse company with sustainable solutions. It reflects even better our purpose of connecting people and wealth, generating prosperity.

In this route of evolution, we have successfully overcome the difficulties and challenges imposed by the market, mainly through our diversification strategy. We had a quarter with high revenue levels and margin expansion, even with a decrease in truck production, high interest rates, and a series of political and economic uncertainties.

In addition, we continue to carry out important movements, with the conclusion of the acquisition of the companies AML Juratek and DB Server, from the Motion Control and Financial and Digital Services verticals, respectively. We also advanced in innovation and technology, with emphasis on the opening of Suspensys E-Mobility, a manufacturing unit dedicated to electromobility technologies, inserting the Company in an unprecedented segment in Latin America, and the launch of Composs, a new brand of solutions in composite materials by Frasle Mobility

Our projections for 2023 were disclosed at the end of April through a Material Fact. We are confident in achieving our plans for the year, mainly due to the consistency in executing our strategy. With increasing revenues in strong currencies and in the aftermarket, investments in productivity, and the synergies captured by our companies, the resilience of our business model will become increasingly evident.

The Randoncorp brand and our new manifesto express our company's sentiment: "With an appetite for tomorrow and the courage to embrace the future. Relentless. Restless. Evolving. That's how we move forward."

Enjoy reading it!

Market Overview



		1Q23	1Q22	Δ%	4Q22	Δ%
Production	Trucks ¹	24,497	34,383	-28.8%	45,141	-45.7%
	Trailers ³	22,195	20,453	8.5%	22,089	0.5%
Brazil Sales	Trucks ¹	28,616	26,852	6.6%	33,480	-14.5%
	Trailers ²	20,890	19,319	8.1%	20,450	2.2%
Exports	Trucks ¹	4,468	4,685	-4.6%	7,478	-40.3%
	Trailers ³	1,305	1,134	15.1%	1,639	-20.4%

¹ Anfeava

² Anfir

³ Anfir + Aliceweb

Volumes in units

> **Trucks:** This market showed a significant decline in production compared to the previous year, due to anticipated demand in 2022 and production stoppages at OEMs in the early months of 2023, as a result of the switch to Euro 6 engines. Sales were not affected in the same way during the quarter, as most of the vehicles sold were Euro 5 models produced last year and stored in dealer shops.

> **Trailers:** The segment maintained good volumes, with stable demand compared to the previous year, mainly due to the positive performance of the agribusiness sector.

> **Aftermarket:** The reduction in new vehicle production in the domestic market and an increase in sales in the secondary market boosted the aftermarket, especially in the light and commercial lines.



Consolidated Performance



Consolidated Net Revenue

	1Q23	1Q22	Δ%	4Q22	Δ%
Net Revenue	2,658,168	2,476,347	7.3%	2,847,923	-6.7%
Brazilian Market	2,081,598	1,955,839	6.4%	2,308,447	-9.8%
International Market ¹	576,570	520,507	10.8%	539,476	6.9%

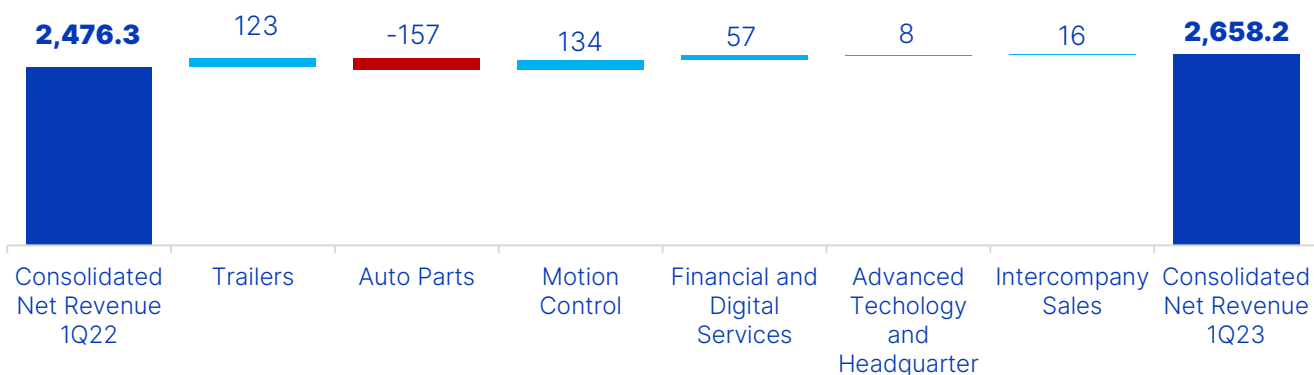
¹ Exports + Revenues From International Markets (Consolidated)

Values in R\$ Thousand

Consolidated net revenue reached R\$ 2.7 billion in 1Q23, a 7.3% increase compared to 1Q22.

The main highlights of the quarter for this indicator are:

- › Increase in revenue from international markets, especially due to recent acquisitions of overseas companies such as Hercules Chassis and AML Juratek (R\$ 111.7 million).
- › New sources of revenue in technology services, resulting from the acquisition of DB, in the Financial and Digital Services vertical (R\$ 16.2 million).
- › Agribusiness, which drove sales of trailers, especially dump and grain types, the most relevant products in terms of revenue for the Trailers Vertical.
- › Decrease in sales volumes of auto parts, due to production shutdowns by OEMs.
- › Aftermarket segment continues to perform well.
- › Diversified business model, with access to new geographies, portfolio expansion, new customers, and offering of innovative and more sustainable products.

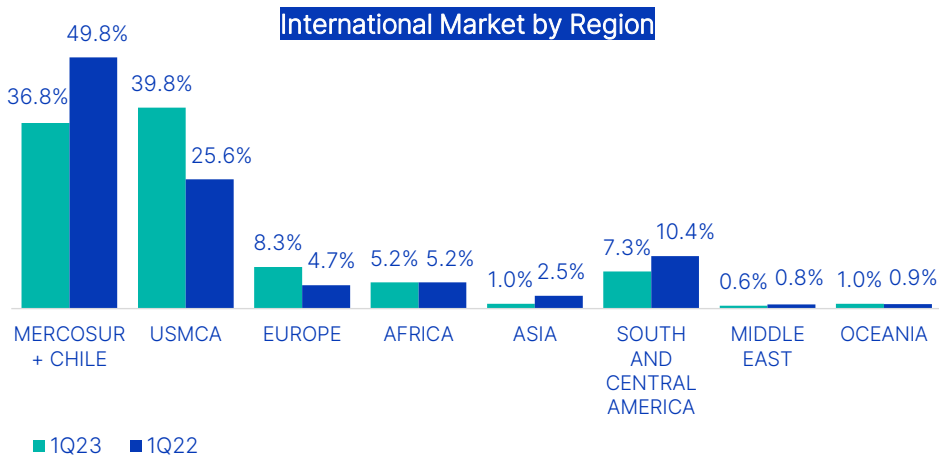


Revenues From International Markets

Exports	1Q23	1Q22	Δ%	4Q22	Δ%
Trailers	23,360	27,523	-15.1%	30,247	-22.8%
Auto Parts	10,682	10,700	-0.2%	11,676	-8.5%
Motion Control	25,562	26,388	-3.1%	25,023	2.2%
Advanced Technology and HQ	507	389	30.3%	600	-15.5%
Sub-Total	60,112	65,000	-7.5%	67,545	-11.0%
(-) Intercompany Sales	-15,224	-19,059	-20.1%	-19,856	-23.3%
Consolidated Exports	44,888	45,940	-2.3%	47,689	-5.9%

Revenues from International Units	1Q23	1Q22	Δ%	4Q22	Δ%
Trailers	26,526	11,219	136.4%	21,076	25.9%
Auto Parts	375	547	-31.5%	289	29.5%
Motion Control	51,577	47,538	8.5%	37,907	36.1%
Sub-Total	78,478	59,304	32.3%	59,272	32.4%
(-) Intercompany Sales	-12,395	-5,388	130.0%	-4,315	187.3%
Total	66,082	53,916	22.6%	54,957	20.2%
Total International Market	110,970	99,856	11.1%	102,646	8.1%

Values in US\$ Thousands



Revenue from international markets, which includes exports from Brazilian units and sales from overseas companies, both with intercompany elimination, totaled US\$ 111.0 million in 1Q23, an 11.1% increase compared to 1Q22, and representing 21.7% of the consolidated net revenue.

Below are the highlights of 1Q23:

- › Revenue from international operations in the Trailers Vertical more than doubled YoY due to the excellent performance of Hercules, whose revenue totaled US\$ 18.8 million in 1Q23.
- › Trailer exports to the United States (US\$ 9.3 million) have been crucial in offsetting part of the decline in semitrailer sales in South America.
- › Growth in revenue from the Motion Control Vertical, especially due to the good performance of its subsidiaries located abroad. AML Juratek, acquired in March 2023, contributed with US\$ 2.7 million in sales.
- › Stable exchange rate in the quarterly comparison (R\$ 5.1963 in 1Q23 against R\$ 5.2299 in 1Q22).

Below, we bring some highlights by geography in 1Q23:

- › USMCA represented 39.8% of revenues, mainly due to the increase in sales of the Trailer Vertical in the USA, but also due to the good volumes of brakes and friction materials sold in that geography.
- › Chile and Argentina continue to present difficulties, due to political and economic crises, both related to import restrictions and the reduction of demand in some product lines.
- › Sales of semitrailers to the African continent are recovering due to the resumption of the oil and mining sectors, but still have low representation in the Trailer Vertical.
- › Recovery of the Chinese market due to the post-Covid-19 reopening and benefiting from the reduction in maritime freight costs.
- › The acquisition of AML Juratek will allow the Company to expand its presence in the European market, increasing the representation of this continent in revenues.

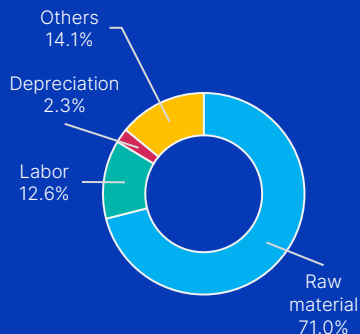
Cost Of Goods Sold (COGS)

The Company's COGS reached R\$ 1.9 billion in 1Q23, totaling 72.5% of consolidated net revenue, against R\$ 1.8 billion and 74.0% of consolidated net revenue in 1Q22.

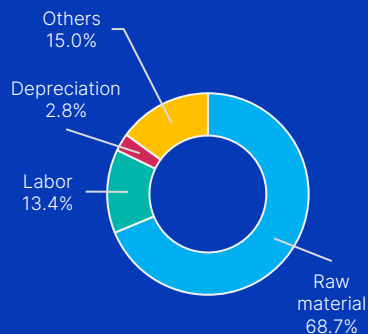
COGS highlights in 1Q23:

- > Deflation in the cost of steel was one of the main factors behind the improvement in this indicator;
- > Reduction of General Manufacturing Expenses (GME), especially at the Trailers Vertical;
- > Mix of products sold, mainly in the international market, which have higher margins;
- > Inputs with the highest price adjustments in the period were: rubber items and some categories of springs, chemical fibers and graphite;
- > Internalization of the production of items usually acquired from third parties, especially at Castertech and Master.

**1Q23 COGS
BREAKDOWN¹**



**1Q22 COGS
BREAKDOWN¹**



¹ Consolidated information

Sales and General Expenses

	1Q23	%	1Q22	%	Δ%	4Q22	%	Δ%
Selling Expenses	-182,201	-6.9%	-165,517	-6.7%	10.1%	-146,476	-5.1%	24.4%
Administrative Expenses	-146,695	-5.5%	-115,185	-4.7%	27.4%	-162,275	-5.7%	-9.6%
Other Expenses/ Income	-26,931	-1.0%	-22,958	-0.9%	17.3%	-31,192	-1.1%	-13.7%
Other Operating Expenses	-38,179	-1.4%	-37,530	-1.5%	1.7%	-73,867	-2.6%	-48.3%
Other Operating Income	11,248	0.4%	14,573	0.6%	-22.8%	42,675	1.5%	-73.6%
Equity Income	274	0.0%	-424	0.0%	-164.6%	1,105	0.0%	-75.2%
Total Operating Exp/ Income	-355,553	-13.4%	-304,084	-12.3%	16.9%	-338,837	-11.9%	4.9%

Values in R\$ Thousand and % over Net Revenue

Operating expenses reached R\$ 355.6 million in the first quarter of 2023, or 13.4% of the consolidated net revenue for the period, an increase of 16.9% compared to 1Q22 (R\$ 304.1 million and 12.3 % s/RLC).

Below are the main factors that impacted the increase in operating expenses in the quarterly comparison:

Selling expenses: increase in freight cost due to the growth of the Trailers Vertical exports to the United States and Africa, increase in the value of guarantees and addition of expenses from companies acquired after 1Q22 (AML Juratek, Hercules and DB Server).

Administrative expenses: consultancy for the acquisition of AML Juratek and DB Server and expenses with the development of innovation projects and related to new operations.

Other Operating Income: the amount of other operating income refers to rental income, gains from lawsuits, reversal of provisions, sales of assets and interest of "Consórcio" (cooppayment plans) members. The comparison with 4Q22 is affected by one-offs in the period (R\$ 17.0 million).

Other Operating Expenses: other operating expenses comprise fines, provisions for contingencies, fees, write-offs of fixed assets, profit sharing program and other provisions. The comparison with 4Q22 is affected by one-offs in the period (R\$ 22.5 million).

Equity Income: the amount refers to the company Addiante, which is currently starting its activities, with good perspectives for the coming quarters.

Consolidated EBITDA

Consolidated EBITDA amounted to R\$ 442.2 million in 1Q23, with an EBITDA margin of 16.6%, an increase of 43 basis points compared to 1Q22, when it reached R\$ 401.4 million and an EBITDA margin of 16.2%.

In this first quarter of 2023, there were no one-offs to be adjusted to EBITDA.

More details on this indicator can be obtained in the Performance by Business Vertical chapter.

	1Q23	1Q22	Δ%	4Q22	Δ%
Net Profit	122,108	130,074	-6.1%	89,440	36.5%
Discontinued Operation	129	101	28.3%	56	130.7%
Interest of non-controlling shareholders	-64,732	-40,254	60.8%	-40,231	60.9%
Income Tax and Social Contribution	-82,275	-77,508	6.2%	-6,952	1083.4%
Financial Income	-107,768	-92,756	16.2%	-116,939	-7.8%
EBIT	376,755	340,491	10.7%	253,506	48.6%
Depreciation and Amortization	65,409	60,858	7.5%	68,830	-5.0%
Consolidated EBITDA	442,164	401,350	10.2%	322,336	37.2%
EBITDA Margin (%)	16.6%	16.2%	43 bps	11.3%	532 bps
One-Offs	-	-	-	5,479	-100.0%
Consolidated Adjusted EBITDA¹	442,164	401,350	10.2%	327,815	34.9%
Adjusted EBITDA Margin (%)	16.6%	16.2%	43 bps	11.5%	512 bps

¹ Breakdown of EBITDA by vertical in the Performance by Business Vertical chapter

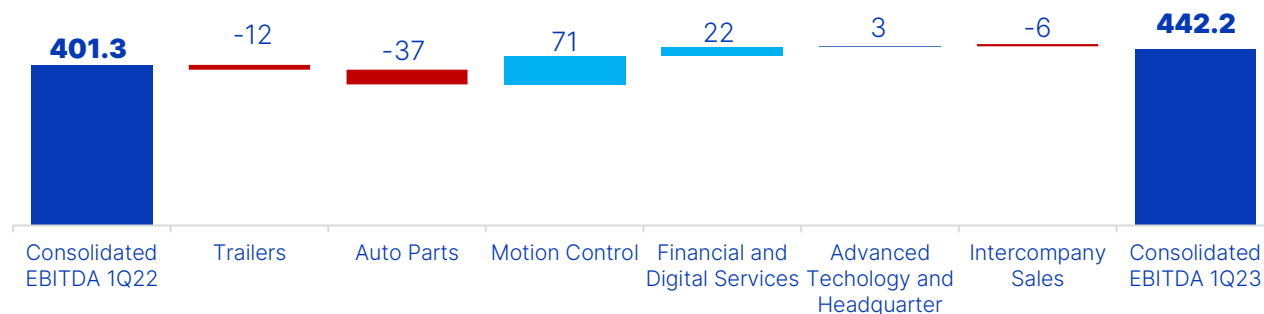
Values in R\$ Thousands

EBITDA/EBITDA Margin Consolidated - R\$ Million and %/ CNR



The main EBITDA highlights in the quarter are:

- › Assertiveness of the diversified business model, which even in complex scenarios such as the current one, enabled the evolution of margins.
- › Price stability in the Company's main markets.
- › Mix of products sold, with higher added value, especially in the international market and aftermarket.
- › Reduction in the cost of raw materials, benefiting the period's margins.
- › Consistent margins of the acquired companies, benefiting the consolidated numbers.
- › Gains in operational efficiency, due to investments made in innovation and technology.
- › Positive impact of the adoption of CPC 47 (similar to IFRS 15), as of 4Q22.



Financial Result

	1Q23	1Q22	Δ%	4Q22	Δ%
Financial Revenues	141,609	135,900	4.2%	191,544	-26.1%
Financial Expenses	-263,520	-240,015	9.8%	-321,007	-17.9%
Monetary Adjustment (IAS 29)	14,143	11,359	24.5%	12,524	12.9%
Net Financial Income	-107,768	-92,756	16.2%	-116,939	-7.8%

Values in R\$ Thousands

See Note no. 21 in the Financial Statements for breakdown of financial result.

The Company's net financial result amounted to negative R\$ 107.8 million at the end of 1Q23, an increase of 16.2% against 1Q22 (negative R\$ 92.8 million).

The financial result was impacted by:

- › Current level of the Selic rate (13.75% per year).
- › Increase in interest paid on financing due to higher gross debt compared to 1Q22.
- › Decrease in revenues related to financial investments, due to the decrease in cash compared to 4Q22.
- › Expenses with exchange variation higher than 1Q22 due to the devaluation of the dollar against the real.

Net Income

	1Q23	1Q22	Δ%	4Q22	Δ%
EBIT	376,755	340,491	10.7%	253,506	48.6%
Financial Income	-107,768	-92,756	16.2%	-116,939	-7.8%
Operating Results	268,986	247,736	8.6%	136,567	97.0%
Income Tax and Social Contribution	-82,275	-77,508	6.2%	-6,952	1083.4%
Discontinued Operation	129	101	28.3%	56	130.7%
Interest of non-controlling shareholders	-64,732	-40,254	60.8%	-40,231	60.9%
Net Profit	122,108	130,074	-6.1%	89,440	36.5%
Net Margin (%)	4.6%	5.3%	-66 bps	3.1%	145 bps
ROE (last 12 months)	16.9%	27.5%	-1059 bps	18.7%	-181 bps

Values in R\$ Thousands

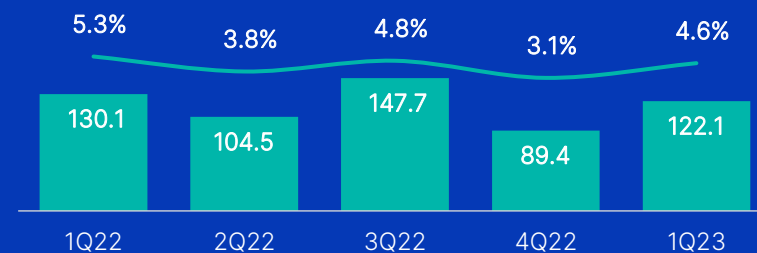
The Company reached net income of R\$ 122.1 million in 1Q23, with a net margin of 4.6%, resulting in a ROE of 16.9% (last 12 months).

Comparing to 1T22, it is a drop of 6.1%, mainly explained by the aforementioned increase in financial expenses.

The Company's profitability is due, among other factors, to:

- › Positive level of demand in its operating markets.
- › Increase in revenues and margins, due to the acquisitions made in recent years.
- › International expansion, with results in strong currency.
- › Investments in technology and automation that allow productivity gains.
- › Synergy between operations.
- › Exposure to different sectors and geographies, which mitigate seasonality and market fluctuations.

Net Income/ Net Margin Consolidated - R\$ Million and %/CNR



Free Cash Flow (Without Randon Bank)

At the end of 1Q23, the Company's free cash flow was R\$ 944.6 million negative, a variation of 27.8% when compared to the same period of the previous year (R\$ 739.0 million negative).

The main factors that impacted this indicator were:

- › Gross cash generation (EBITDA).
- › Financial result negatively affected by the increase in gross debt and higher Selic rate.
- › Lower working capital than in the same period of 2022, due to several strategic initiatives adopted by the business units.
- › Payments made for the acquisition of companies and capital paid-in, which totaled R\$ 240.0 million.
- › Payment of interest on equity higher than 1Q22.

	1Q23	1Q22	Δ%	4Q22	Δ%
EBITDA	431,522	394,694	9.3%	315,163	36.9%
Investments	-59,529	-45,410	31.1%	-131,562	-54.8%
Financial Income	-107,746	-92,733	16.2%	-116,916	-7.8%
Income Tax and Social Contribution	-77,566	-74,574	4.0%	-3,603	2053.1%
Working Capital	-770,333	-836,045	-7.9%	877,194	-187.8%
Operating Cash Flow	-583,652	-654,068	-10.8%	940,277	-162.1%
Dividends/Interest on Equity	-116,873	-61,808	89.1%	-44,729	161.3%
Paid-in Capital	-239,964	-52,988	352.9%	-324,985	-26.2%
Others	-4,062	29,880	-113.6%	-151,841	-97.3%
Free Cash Flow	-944,551	-738,984	27.8%	418,722	-325.6%

Values in R\$ Thousands without Randon Bank

Investments

	1Q23	1Q22	Δ%	4Q22	Δ%
Organic (CAPEX)					
Trailers	6,180	8,034	-23.1%	34,599	-82.1%
Auto Parts	20,170	21,146	-4.6%	31,530	-36.0%
Motion Control	31,176	13,192	136.3%	59,512	-47.6%
Financial and Digital Services	1,798	1,501	19.8%	1,142	57.4%
Advanced Technology and HQ	1,386	1,863	-25.6%	5,065	-72.6%
Subtotal	60,711	45,738	32.7%	131,848	-54.0%
Non Organic					
Trailers	18,735	-	-	258,245	-92.7%
Auto Parts	-	2,539	-100.0%	-	-
Motion Control	102,493	449	22723.8%	8,994	1039.6%
Financial and Digital Services	7,735	-	-	-	-
Advanced Technology and HQ	-	-	-	7,746	-100.0%
Subtotal	128,964	2,988	4215.4%	274,985	-53.1%
Paid-in Capital					
Trailers	5,100	14,363	-64.5%	9,055	-43.7%
Auto Parts	522	28,700	-98.2%	40,000	-98.7%
Motion Control	9,808	-	-	8,092	21.2%
Financial and Digital Services	111,000	50,000	122.0%	23,578	370.8%
Advanced Technology and HQ	-	8,000	-100.0%	5,200	-100.0%
Subtotal	126,430	101,063	25.1%	85,925	47.1%
Total Investments	316,105	149,789	111.0%	492,758	-35.8%

Values in R\$ Thousands

Below are the main highlights of investments in 1Q23:

- › **Organic:** acquisition of machinery and equipment for expansion, productivity gains and automation, mainly in the Motion Control (R\$ 30.4 million) and Auto Parts (R\$ 12.9 million) verticals.
- › **Non-organic:** Hercules Enterprises (R\$ 18.7 million), Nakata (R\$ 1.4 million), Juratek (R\$ 101.1 million) and DB (R\$ 7.7 million).
- › **Capital Paid-in:** Addiante (R\$ 40.0 million), Banco Randon (R\$ 71.0 million), Fras-le BV (R\$ 9.8 million) and Randon Triel-HT (R\$ 5.1 million).

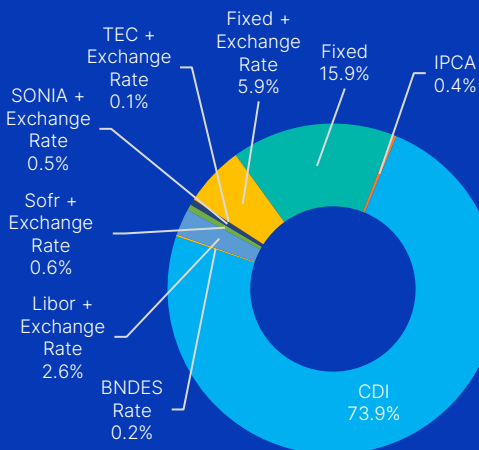
Indebtedness

At the end of 1Q23, the Company's consolidated net debt totaled R\$ 4.0 billion, with a leverage ratio of 2.57x (Net Debt / EBITDA for the last twelve months). Disregarding Banco Randon figures, net debt in the period was R\$ 2.5 billion, with leverage of 1.68x EBITDA.

The increase in the Company's net debt compared to the previous quarter is mainly due to the following factors:

- › Reduction in cash, due to the payment of acquisitions and incorporation of companies (R\$ 169.0 million).
- › Increase in working capital in the period (R\$ 770.3 million).
- › Addition of the debt of AML Juratek, which impacted the consolidated figure by R\$ 30.8 million.

Gross Debt Indexes



	03/31/2022	06/30/2022	09/30/2022	12/31/2022	03/31/2023
Short Term Cash and Financial Investments	1,915,778	2,393,169	2,356,417	3,129,759	2,099,470
Long Term Cash and Financial Investments	104,895	67,525	69,717	89,024	155,986
Total Cash and Financial Investments	2,020,674	2,460,694	2,426,133	3,218,784	2,255,455
Short Term Debt Domestic Currency	1,397,820	1,494,156	1,458,362	1,022,280	1,028,691
Short Term Debt Foreign Currency	232,042	249,103	265,174	229,523	244,276
Total Short Term Debt	1,629,862	1,743,259	1,723,536	1,251,803	1,272,968
Long Term Debt Domestic Currency	3,141,202	3,475,227	3,458,246	4,179,108	4,229,586
Long Term Debt Foreign Currency	192,361	324,896	316,454	352,010	330,203
Total Long Term Debt	3,333,563	3,800,123	3,774,700	4,531,118	4,559,790
Accounts Payable by Business Combination	186,607	183,314	185,826	361,164	391,005
Total Gross Debt	5,150,032	5,726,696	5,684,062	6,144,084	6,223,762
Total Consolidated Net Debt	3,129,358	3,266,002	3,257,929	2,925,301	3,968,307
Net Debt (Without Randon Bank)	2,148,298	2,093,411	2,013,042	1,594,320	2,538,871
Average Cost of Bank Debt in Domestic Currency	13.1% per year	15.0% per year	15.6% per year	15.3% per year	15.3% per year
Average Cost of Bank Debt in Foreign Currency	3.9% per year	5.5% per year	6.4% per year	6.9% per year	7.3% per year
Average Term of Bank Debt	2.4 years	2.7 years	2.8 years	3.1 years	2.9 years
Average Term of Bank Debt Without Randon Bank	2.7 years	2.8 Years	2.8 years	3.3 years	3.1 years

Values in R\$ Thousands, except when indicated otherwise

Net Debt History (Without Randon Bank)

R\$ Million

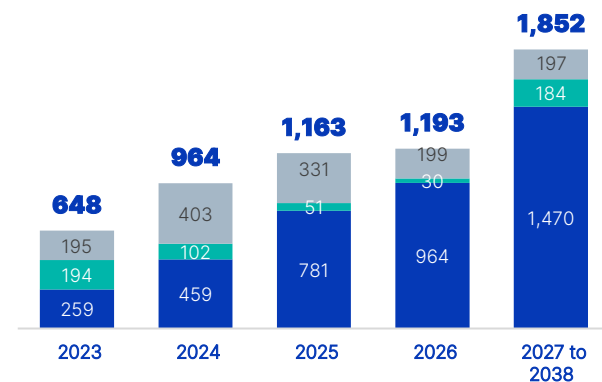
*Net Debt/EBITDA



Loans
Cash
Consolidated Net Debt (without Randon Bank)

Schedule of Debt Payment

R\$ Million



Domestic Currency Foreign Currency Randon Bank



Performance by Business Vertical

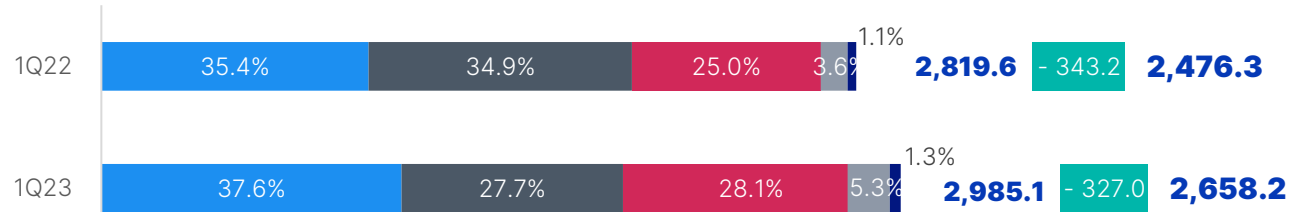
Randoncorp is made up of five business verticals, which are complementary and have several synergies.

They will be presented in this report in detail, with their names and respective colors:

- Trailers
- Auto Parts
- Motion Control
- Financial and Digital Services
- Advanced Technology and HQ
- Intercompany sales

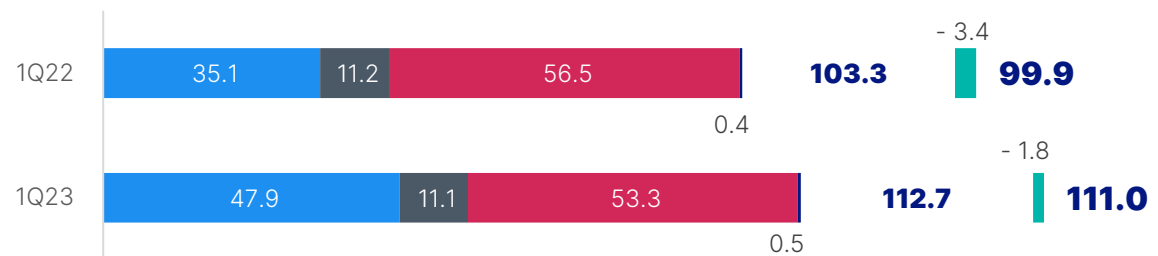
> Consolidated Net Revenue

R\$ Million | % o/ Total Revenue



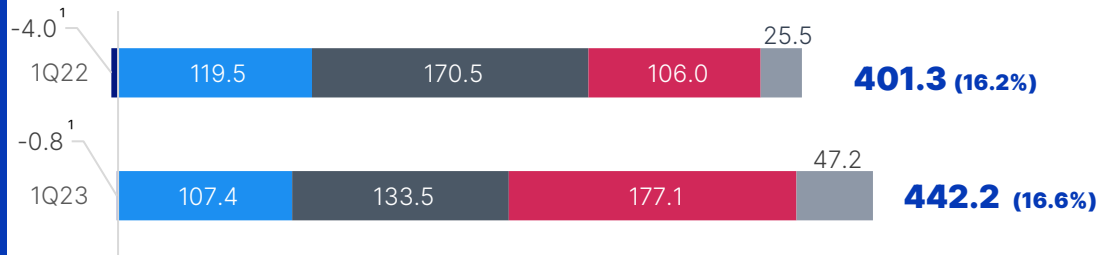
> International Market Revenues

US\$ Million



> Consolidated EBITDA

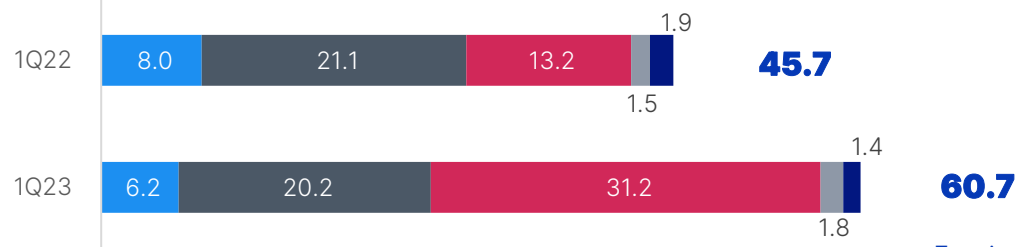
R\$ Million | % o/ Consolidated Net Revenue



¹ Advanced Tec. Vertical EBITDA disregards the equity income effects from the Headquarter, in order to better reflect its operating performance.

> Organic Investments

R\$ Million | % o/ Consolidated EBITDA





Trailers

Portfolio

Trailers, truck bodies, rail cars and aftermarket.

Coverage

8 industrial units, being 6 in Brazil and 2 abroad, 1 warehouse, 1 sales office and 4 strategic partners.

Customer Service Network

80 points in Brazil and 85 abroad.

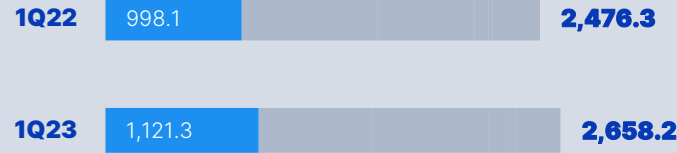
Customer Base

Large truckload carriers, generators of truck loads, fleet owners and self-employed customers.

Strategy

- > Expand **international operations** significantly
- > Increase sales to the **aftermarket**
- > Focus on strong economic sectors such as **agribusiness**
- > Gain positions among the **top ten** global players in the segment
- > Be at the **forefront of technology** in the development of sustainable products

Consolidated Net Revenue (R\$ Million)



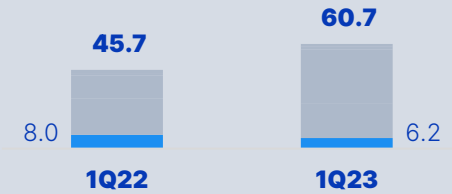
International Market Revenues (US\$ Million)



EBITDA | EBITDA Margin (R\$ Million) | % o/CNR

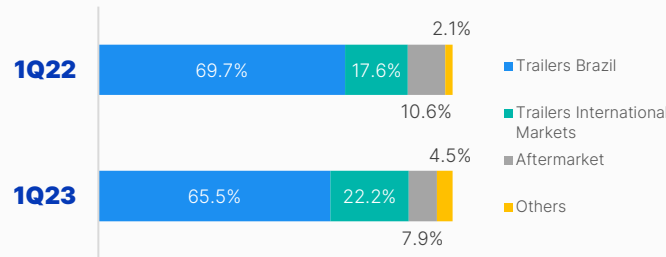


CAPEX (R\$ Million)

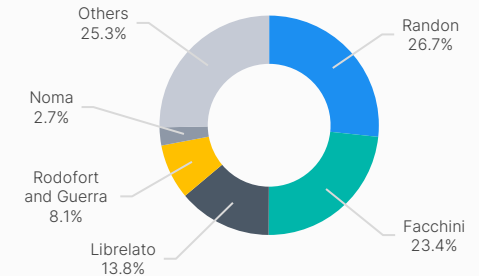


Trailers Others Verticals

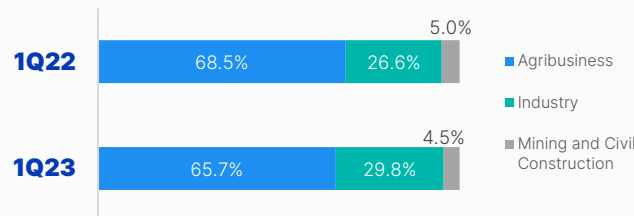
Net Revenue by Product (% o/CNR)



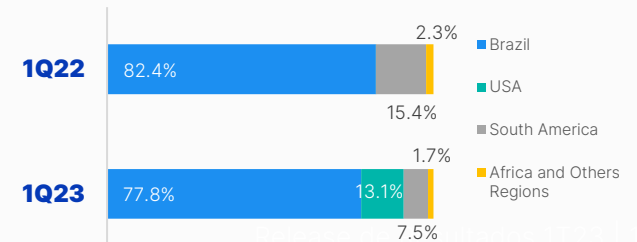
Quarterly Market Share (%)



Sector Exposure (% o/delivers)



Net Revenue by Region (% o/CNR)





Trailers



The Randon telematics system has gained relevance among customers. Through the platform, more than 75,000 kilometers have already been monitored in semi-trailers operating in various segments, gathering important data that allows for better fleet management for transporters.



Photo: Pedro Carvalho Inojosa de Andrade

Trailers Vertical has expanded its production capacity of truck bodies with the inauguration of the final assembly operation of this type of road equipment in Paulínia (SP), aiming to be geographically located in the largest light-duty market in Brazil. To learn more, [click here](#).

Distribution of Net Revenue	1Q23		1Q22			4Q22		
	Units	Revenue	Units	Revenue	Δ% Units	Units	Revenue	Δ% Units
Trailers Brazil (un.)	5,708	757,094	5,621	701,781	1.5%	6,461	812,248	-11.7%
Trailers United States ¹	1,771	155,832	-	-	-	1,148	103,643	54.3%
Trailers Others Geographies (un.)	471	83,881	1,240	176,140	-62.0%	851	140,786	-44.7%
Railcars (un.)	46	20,623	27	14,072	70.4%	100	49,909	-54.0%
Aftermarket	-	103,875	-	106,107	-	-	94,795	-

Performance	1Q23	1Q22	Δ%	4Q22	Δ%
Net Revenue	1,121,306	998,100	12.3%	1,201,382	-6.7%
COGS	-941,439	-823,325	14.3%	-1,068,469	-11.9%
Gross Profit	179,866	174,775	2.9%	132,913	35.3%
Gross Margin %	16.0%	17.5%	-147 bps	11.1%	498 bps
Operating Expenses/Revenues	-87,190	-67,238	29.7%	-90,268	-3.4%
EBIT	92,676	107,537	-13.8%	42,645	117.3%
EBITDA	107,443	119,481	-10.1%	56,541	90.0%
EBITDA Margin %	9.6%	12.0%	-239 bps	4.7%	488 bps
Adjusted EBITDA	107,443	119,481	-10.1%	56,541	90.0%
Adjusted EBITDA Margin %	9.6%	12.0%	-239 bps	4.7%	488 bps

¹ Volumes sold by Hercules + exports from Brazil

Values in R\$ Thousands, except when indicated otherwise

Trailers Vertical started the year with a recovery of margins compared to the previous quarter. In the domestic market, the good moment of agribusiness contributed to a more favorable market than initially expected, being an important factor for maintaining prices at adequate levels. In addition to that, sales in the international market, especially in the US (Hercules and exports from Brazil), have shown excellent performance both in volumes and margins.

We highlight the 1Q23 of this business unit:

- › Good level of sales in the domestic market, presenting a growth of 1.5% compared to 1Q22.
- › Sales of semi-trailers to agribusiness represented 66% of revenue in the quarter and are expected to continue at a good pace due to the record harvest expected for 2023.
- › Reduction in input costs, especially steel, are starting to benefit the conversion of margins for this business unit.
- › Leadership in market share in the Brazilian market, with approximately 27%, and in exports, with 64% of the total.
- › The international market presented an 81% increase in volumes year-on-year, mainly due to the entry of this vertical into the North American market.
- › The Latin American market experienced a strong drop in demand, especially in Chile.
- › Volumes and revenues of Hercules Enterprises LLC totaled 1,171 units and R\$ 97.8 million.
- › Export of 600 container chassis to the US in 1Q23 (R\$ 58.0 million).
- › The market for rail cars remained with a low level of sales, totaling 46 units in the quarter.



Auto Parts

Portfolio

Brake systems, axles and suspensions, coupling systems, electromobility, foundry and machining, among others.

Coverage

12 industrial units, being 11 in Brazil and 1 abroad.

Sector Exposure

Agribusiness, industry, civil construction, mining, and mobility.

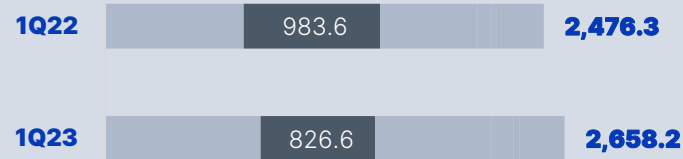
Customer Base

Main global OEMs (trucks and buses), trailer manufacturers, aftermarket, and farming product manufacturers.

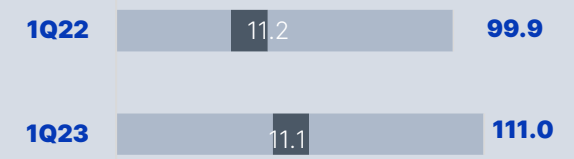
Strategy

- > Expand **international operations**
- > Increase volumes in the **aftermarket**
- > Grow exposure to **agribusiness**
- > Develop new product **portfolios**
- > Maintain **leadership** in their markets of operation
- > Be at the **forefront of technology** in the development of sustainable products

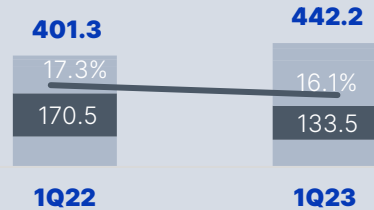
Consolidated Net Revenue (R\$ Million)



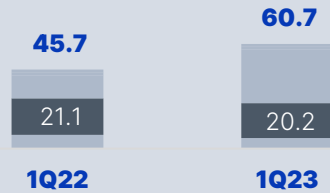
International Market Revenues (US\$ Million)



EBITDA | EBITDA Margin (R\$ Million) | % o/CNR

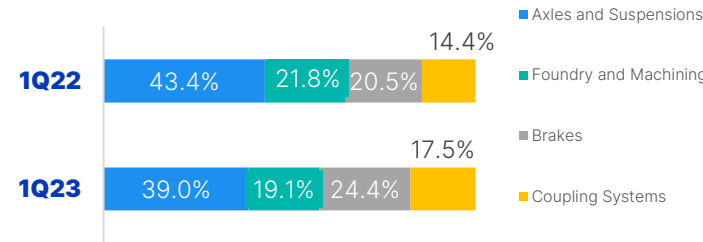


CAPEX (R\$ Million)

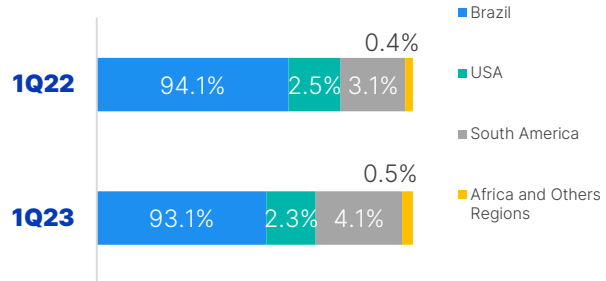


■ Auto Parts ■ Others Verticals

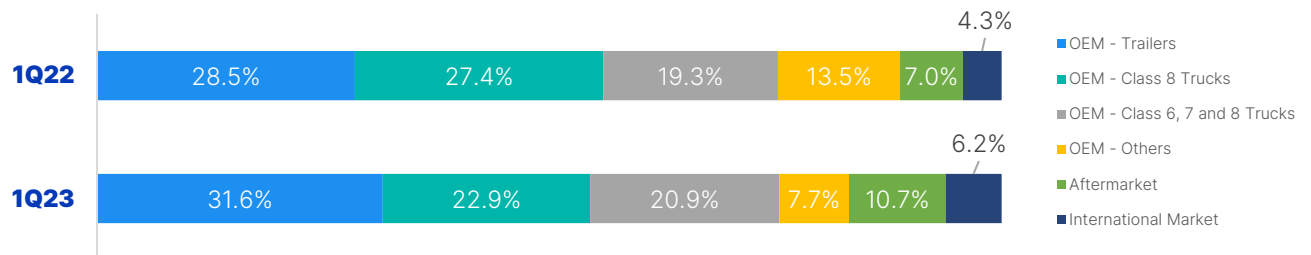
Net Revenue by Product (% o/CNR)



Net Revenue by Region (% o/CNR)



Net Revenue by Segment (% o/CNR)



Opening of Suspensys E-Mobility



Opening of a new unit for electromobility technologies: Suspensys E-Mobility.

Focused on the production of the eSys system, including the assembly and production of batteries. To learn more, [click here](#).

Suspensys Mexico In Queretaro



Suspensys has relocated its unit from Mexico to the city of Queretaro, located in a strategic point to optimize logistics and intensive exports.

The new location will also house Castertech's first warehouse abroad. For more information, [click here](#).

Distribution of Net Revenue		1Q23		1Q22		4Q22		
	Units	Revenue	Units	Revenue	Δ% Units	Units	Revenue	Δ% Units
Brakes (units)	202,627	202,097	245,526	201,283	-17.5%	231,159	231,815	-12.3%
Coupling Systems (units)	33,526	144,256	34,426	141,493	-2.6%	32,637	168,548	2.7%
Axles and Suspensions (units)	39,884	324,101	48,638	426,702	-18.0%	45,650	429,708	-12.6%
Foundry and Machining (Tons)	21,357	156,161	26,659	214,162	-19.9%	27,478	216,833	-22.3%
Performance		1Q23		1Q22	Δ%		4Q22	Δ%
Net Revenue		826,615		983,641	-16.0%		1,046,905	-21.0%
COGS		-648,454		-766,435	-15.4%		-833,502	-22.2%
Gross Profit		178,161		217,206	-18.0%		213,403	-16.5%
Gross Margin %		21.6%		22.1%	-53 bps		20.4%	117 bps
Operating Expenses/Revenues		-62,570		-64,843	-3.5%		-63,777	-1.9%
EBIT		115,592		152,363	-24.1%		149,626	-22.7%
EBITDA		133,453		170,530	-21.7%		167,258	-20.2%
EBITDA Margin %		16.1%		17.3%	-119 bps		16.0%	17 bps
Adjusted EBITDA		133,453		170,530	-21.7%		150,177	-11.1%
Adjusted EBITDA Margin %		16.1%		17.3%	-119 bps		14.3%	180 bps

Values in R\$ Thousands, except when indicated otherwise

Auto Parts Vertical had a quarter of decreased volumes and revenues, mainly impacted by the low production level of Euro 6 trucks during the period. However, the companies in this vertical worked on several fronts to mitigate the impact of the reduction in demand from OEMs, directing part of the volumes to the international markets and aftermarket, as well as internalizing the production of items usually acquired from third parties, maintaining the use of facilities capacity at a good level. Therefore, despite the lower revenue compared to previous periods, the margins remained at a good levels.

Below are other relevant factors about the performance of this vertical in the quarter:

- › Even with truck production showing a 29% decline compared to 1Q22, revenues from this vertical fell by a smaller proportion, decreasing by 16% in the same period.
- › The trailer market showed good performance in the quarter, maintaining demand for auto parts at similar levels to 1Q22.
- › Brake system volumes sold to the United States increased by 49.7% compared to 1Q22.
- › Castertech brought the production of brake drums in-house, adding margin and contributing to keeping their factories operating at full capacity.
- › The expansion of the product portfolio carried out by this vertical in recent years also contributed to the consistency of results.
- › Sales to the agricultural market accounted for approximately 13.1% of Castertech's net revenue.

Portfolio

friction material, components for brake, suspension, steering and powertrain systems.

Coverage

10 industrial units (5 in Brazil and 5 abroad), 9 warehouses (1 in Brazil and 8 abroad), 4 sales offices abroad and 1 technological center.

Sector Exposure

Agribusiness, industry, civil construction and mobility

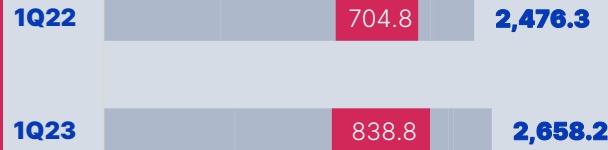
Customer Base

OEMs, distributors and auto parts retailers.

Strategy

- > Operate in new geographies
- > Expand production capacity
- > Remain as leader in their markets
- > Expand synergies between controlled companies
- > Explore the power of brands and product offerings
- > Diversify product portfolio
- > Be at the forefront of technology in the development of sustainable products

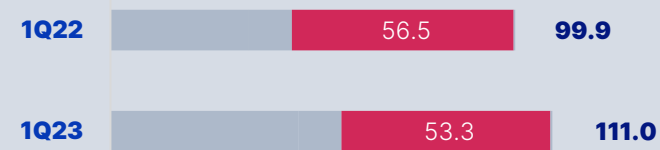
Consolidated Net Revenue (R\$ Million)



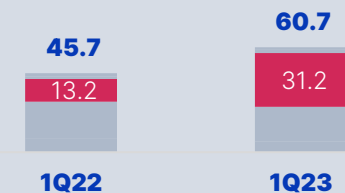
EBITDA | EBITDA Margin (R\$ Million) | % o/CNR



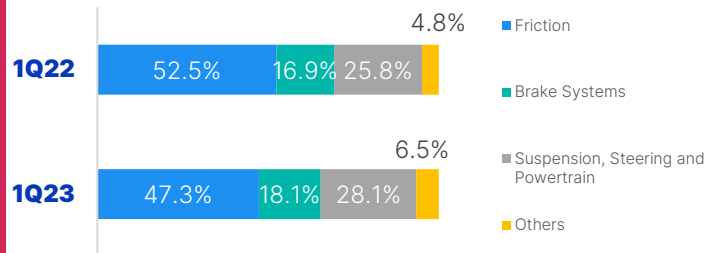
International Market Revenues (US\$ Million)



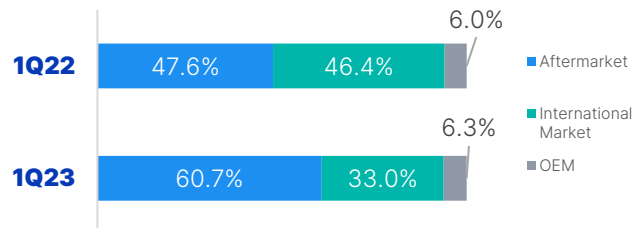
CAPEX (R\$ Million)



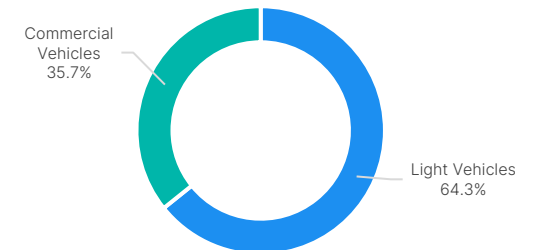
Net Revenue by Product (% o/CNR)



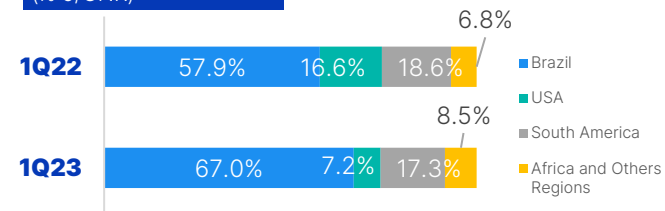
Net Revenue by Segment (% o/CNR)



Net Revenue by Vehicle Type (% o/CNR) 1Q23



Net Revenue by Region (% o/CNR)





Following the transformation experienced in recent years, the subsidiary presented the market with a new identity.

Fras-le is now called Frasle Mobility, reinforcing the business strategy as a global company focused on safety and innovation in its products and services. [Click here](#) to watch the manifesto of the new brand.



Compass: New brand of composite materials solutions

Compass is a new brand for composite materials solutions that represents the technological progress in the development of sustainable solutions for mobility. This movement represents the evolution of the Smart Composites brand, launched in 2021 to enable new technologies focused on structural composite materials in a pioneering way in the Latin American market. [Click here](#) to learn more.

Distribution of Net Revenue	1Q23		1Q22		4Q22			
	Units	Revenue	Units	Revenue	Δ% Units	Units	Revenue	Δ% Units
Friction Materials (Thousand/un.)	24,775	396,978	23,822	370,062	4.0%	25,231	357,927	-1.8%
Comp. for the Braking Systems (Thousand/un.)	2,151	151,683	2,097	118,794	2.5%	2,200	158,167	-2.3%
Comp. Suspension, Steering and Powertrain Syst. (Thousand/un.)	4,677	235,557	3,973	181,833	17.7%	4,032	201,223	16.0%
Others ¹	-	54,556	-	34,133	-	-	29,510	-

¹For the opening of the Others line, see attachment IV of the Fras-le Release

Performance	1Q23	1Q22	Δ%	4Q22	Δ%
Net Revenue	838,774	704,822	19.0%	746,827	12.3%
COGS	-542,574	-510,335	6.3%	-527,699	2.8%
Gross Profit	296,200	194,486	52.3%	219,128	35.2%
Gross Margin %	35.3%	27.6%	772 bps	29.3%	597 bps
Operating Expenses/Revenues	-149,137	-116,461	28.1%	-169,107	-11.8%
Equity Income	89	-37	-341.4%	-187	-147.7%
EBIT	147,152	77,988	88.7%	49,834	195.3%
EBITDA	177,055	105,993	67.0%	84,115	110.5%
EBITDA Margin %	21.1%	15.0%	607 bps	11.3%	985 bps
Adjusted EBITDA	177,055	105,993	67.0%	106,675	66.0%
Adjusted EBITDA Margin %	21.1%	15.0%	607 bps	14.3%	682 bps

Values in R\$ Thousands, except when indicated otherwise

The Motion Control Vertical presented a quarter of record revenues, with margins above historical averages. With the new vehicle market facing production difficulties and OEMs of both light and heavy vehicles being forced to halt production, the aftermarket segment has been registering good sales volumes to serve the circulating fleet and the used vehicle market. Positive performance overseas, together with reduced logistics and input costs, also contributed to the vertical's results, with strong year-over-year margin expansion. Below are other highlights from 1Q23:

DOMESTIC MARKET

- › Volumes sold to OEMs remained positive, but at a slower pace than the aftermarket.
- › Demand for Fremax brake discs remained strong both in Brazil and abroad.
- › Sales of smart materials, now under the Compass brand, showed volume growth in the period
- › Nakata increased its delivery capacity for shock absorbers and gained market share in this product line.

INTERNATIONAL MARKET

- › Import restrictions and currency scarcity continued to affect operations in Argentina.
- › Growth in Asia, with new commercial partnerships in India and positive volumes in China.
- › Europe still affected by the conflict between Russia and Ukraine, but with gradual recovery. AML Juratek started to contribute to expanding business in this geography.
- › North America with weaker volumes due to high levels of distributor inventories, expected to normalize in the coming months.

R Financial and Digital Services

Portfolio

Coop-payment plans, credit, insurance, and investment in startups, leasing and SaaS.

Coverage

Bank, insurance brokerage, coop-payment plans administrator, venture capital, commercial vehicle rental services, technology and data analysis services, and open innovation unit.

Sector Exposure

Agribusiness, capital goods, logistics and civil construction, retail and technology.

Customer Base

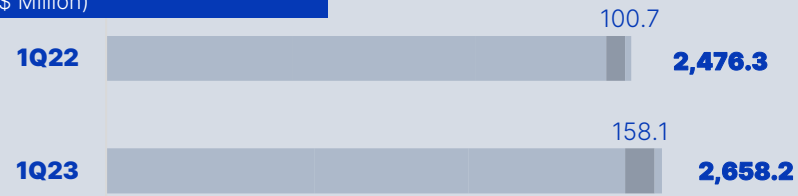
Suppliers, distributors, and customers of Randoncorp, agricultural machinery and equipment manufacturers, logistics ecosystem operators, large retailers, and information technology companies.

Strategy

- > Diversify **product portfolio**
- > Increase **synergies** between its units and with Randoncorp
- > Explore the power of **brands and product offerings**
- > Expand its presence into the **logistics ecosystem**

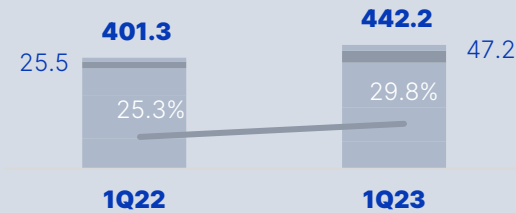
Consolidated Net Revenue

(R\$ Million)



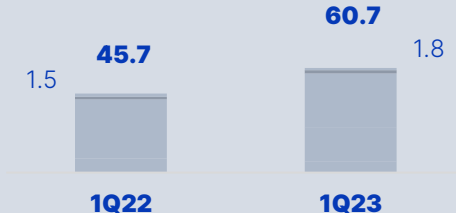
EBITDA | EBITDA Margin

(R\$ Million) | % o/CNR



CAPEX

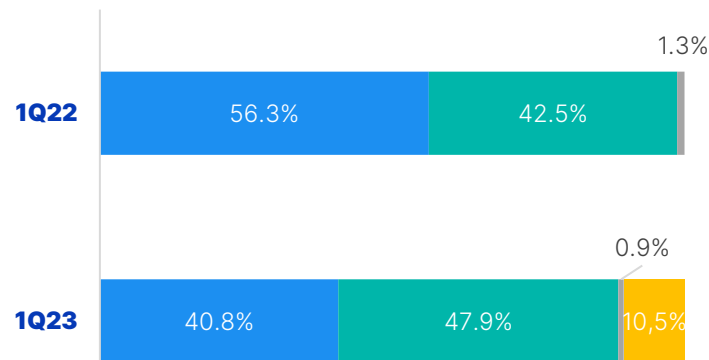
(R\$ Million)



■ Financial and Digital Services ■ Others Verticals

Net Revenue by Product

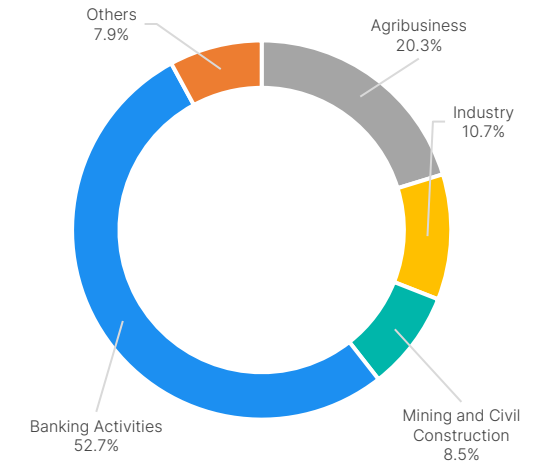
(% o/CNR)



■ Coop-payment plans ■ Credit ■ Insurance ■ Technology

Net Revenue by Segment

(% o/CNR) 1Q23





Financial and Digital Services



Randon Ventures, the startup investment unit of Randoncorp, joined forces with Frasle Mobility to create the company's first LogDay. The meeting brought logistics solution-focused startups to Extrema (MG) to identify and propose solutions to the challenges of Nakata's Distribution Center. [Click here](#) to learn more.

Distribution of Net Revenue	1Q23		1Q22			4Q22		
	Units	Revenue	Units	Revenue	Δ% Units	Units	Revenue	Δ% Units
Coop-payment plan quotas sold	5,704	64,459	3,426	56,631	66.5%	6,268	20,614	-9.0%
Randon Bank	-	75,779	-	42,747	-	-	72,484	-
Insurance	-	1,409	-	1,295	-	-	2,196	-
Innovation and Technology	-	16,496	-	-	-	-	-	-

Performance	1Q23	1Q22	Δ%	4Q22	Δ%
Net Revenue	158,144	100,673	57.1%	95,294	66.0%
COGS	-62,174	-27,660	124.8%	-48,344	28.6%
Gross Profit	95,970	73,012	31.4%	46,950	104.4%
Gross Margin %	60.7%	72.5%	-1184 bps	49.3%	1142 bps
Operating Expenses/Revenues	-49,915	-47,716	4.6%	-669	7363.4%
Equity Income	274	-424	-164.6%	1,105	-75.2%
EBIT	46,328	24,873	86.3%	47,387	-2.2%
EBITDA	47,188	25,502	85.0%	48,195	-2.1%
EBITDA Margin %	29.8%	25.3%	451 bps	50.6%	-2074 bps
Adjusted EBITDA	47,188	25,502	85.0%	48,195	-2.1%
Adjusted EBITDA Margin %	29.8%	25.3%	451 bps	50.6%	-2074 bps

Values in R\$ Thousands, except when indicated otherwise

The Financial and Digital Services Vertical continued to present robust growth in 1Q23. The sales of consortium quotas grew by 66.5% compared to the same quarter of the previous year, driven by the scenario of high interest rates, which makes this financing modality more attractive. In addition, Banco Randon continued to expand its activities, being an important means of granting credit in the Randoncorp ecosystem.

Highlights of 1Q23:

- › Increase in the number of consortium quotas sold, with emphasis on trucks, trailers, and agricultural machinery.
- › Adoption of CPC 47 (similar to IFRS 15), as of 4Q22, benefited Randon Consórcios results compared to 1Q22.
- › Banco Randon's portfolio remains healthy, with a low level of delinquency.
- › Addiante, a joint venture in partnership with Gerdaul, which focuses on the rental of heavy vehicles, closed its first lease contract, totaling more than 200 assets.
- › The Equity Income refers to the values received for the Company's shareholding in Addiante, which should be incremental in the coming quarters.
- › DB contributed with revenues of R\$ 16,2 million in the quarter, diversifying the markets of this vertical's operation by providing software development services to companies in different economic segments.

R Advanced Technology and Headquarter

Portfolio

Headquarter, manufacturing and sale of robotic cells, industrial automation, development and approval of products for the mobility industry, production and processing of materials through nanotechnology

Coverage

1 advanced technology unit, 1 technological center, 1 sales office, 1 industrial unit and 1 corporate center.

Sector Exposure

several sectors from different business activities and segments.

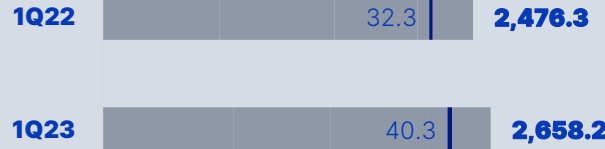
Customer base

Randoncorp controlled companies and diverse industries.

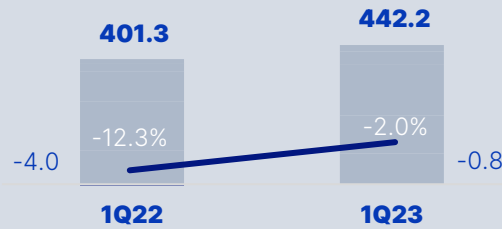
Strategy

- > Expand to new **geographies**
- > Increase **synergies** among controlled companies
- > Diversify **product portfolio**
- > Be at the **forefront of technology** in the development of sustainable products
- > Develop **disruptive** products and solutions

Consolidated Net Revenue (R\$ Million)

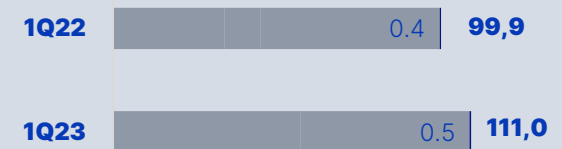


EBITDA | EBITDA Margin (R\$ Million) | % o/CNR

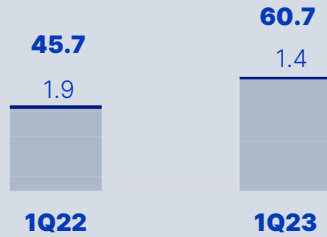


¹ In this graph Advanced Technology's EBITDA disregards the Headquarter's equity income effects, in order to better reflect its operating performance.

International Market Revenue (US\$ Million)

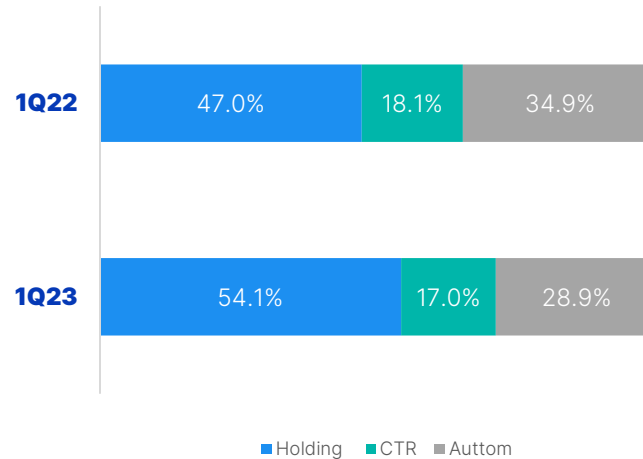


CAPEX (R\$ Million)

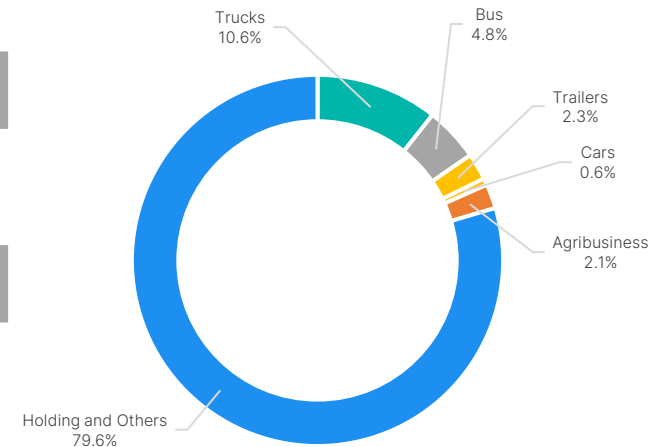


■ Advanced Technology and Headquarter ■ Other Verticals

Net Revenue by Business Unit (% o/CNR)



Net Revenue by Segment (% o/CNR) 1Q23



R Advanced Technology and Headquarter



The company has fully acquired Auttom and has merged it with RTS Industry, strengthening the synergy between the units to leverage the development of industrial automation solutions for the market. Now, only the Auttom name will be used. For more information, [click here](#).

 **NIONE**

65 Ongoing projects

35 in advanced stage

Distribution of Net Revenue	1Q23	1Q22	4Q22		
	Revenue	Revenue	Δ%	Revenue	Δ%
Holding and Collection	21,778	15,194	43.3%	21,278	2.3%
CTR	6,852	5,860	16.9%	6,433	6.5%
Auttom	11,656	11,270	3.4%	15,246	-23.5%

Performance	1Q23	1Q22	Δ%	4Q22	Δ%
Net Revenue	40,285	32,324	24.6%	42,956	-6.2%
COGS	-16,612	-15,796	5.2%	-21,101	-21.3%
Gross Profit	23,674	16,527	43.2%	21,855	8.3%
Gross Margin %	58.8%	51.1%	763 bps	50.9%	789 bps
Operating Expenses/Revenues	-26,481	-22,595	17.2%	-39,686	-33.3%
Equity Income	148,705	149,134	-0.3%	101,595	46.4%
EBIT	145,898	143,067	2.0%	83,764	74.2%
EBITDA	147,892	145,154	1.9%	85,952	72.1%
EBITDA Margin %	367.1%	449.1%	-8195 bps	200.1%	16702 bps
Adjusted EBITDA	147,892	145,154	1.9%	87,547	68.9%
Adjusted EBITDA Margin %	367.1%	449.1%	-8195 bps	203.8%	16331 bps
EBITDA Without Equity Income	-813	-3,980	-79.6%	-15,643	-94.8%
EBITDA Margin % Without Equity Income	-2.0%	-12.3%	1030 bps	-36.4%	3440 bps

Values in R\$ Thousands, except when indicated otherwise

The companies that comprise it aim to be a source of innovation for Randoncorp, contributing to the development of new solutions and boosting results, especially in the medium and long term.

About 1Q23 we can highlight:

- › Net revenue of R\$ 40.3 million, an increase of 24.6% compared to 1Q22.
- › EBITDA margin increased in comparison with previous quarters.
- › Equity income of R\$ 147.9 million, which is the result of the Holding's shareholding in the other verticals, and which is eliminated in the consolidated results.

Regarding the performance of this vertical, we emphasize:

- › Nione started supplying nanoparticles to an important client in the paint sector, whose revenues should increase throughout the year.
- › Deceleration in the demand for services by OEMs in the CTR, due to the seasonality of the period and stoppages related to the migration of Euro 5 trucks to Euro 6.
- › Auttom signed a contract with a large client to implement robotic cells for injected parts. Other large projects are being negotiated.

¹The Holding is also part of this vertical. Its objective is to support the capture of synergies between operations, carrying out strategic and administrative activities, allowing the business units to concentrate on their core operation. In addition, it is responsible for ensuring the Company's governance for consistent and sustainable growth.

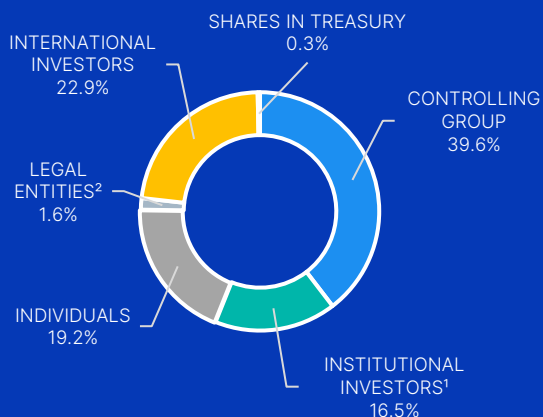


Capital Market

Shareholder Profile

On March 31, 2023, the shareholder base of Randoncorp was composed of 45,593 shareholders.

The total shares of the Company are distributed among the following profiles:



¹ Investment clubs and funds

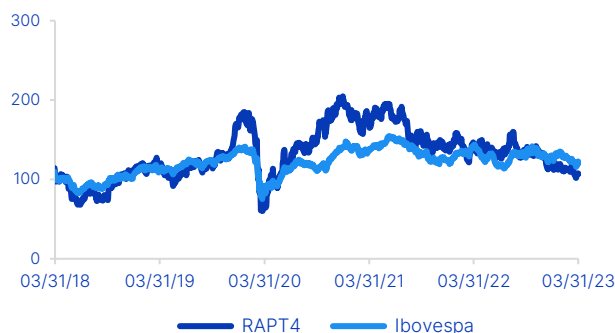
² Companies, banks, brokers and associations

RAPT X IBOV

From March 31, 2018 to March 31, 2023, the Company's shares performed worse than the benchmark index on B3. During this period, RAPT4 appreciated by 4.9% while the IBOV increased by 19.3%.

It is worth mentioning that, although the Company's stock price is close to its 2018 value, its profits have multiplied by 3.1 times, and Randoncorp is now a more resilient and diversified company than it was in the past.

In the first three months of 2023, RAPT4 and IBOV registered drops of 8.5% and 7.2% respectively, when compared to their closing prices in 2022.



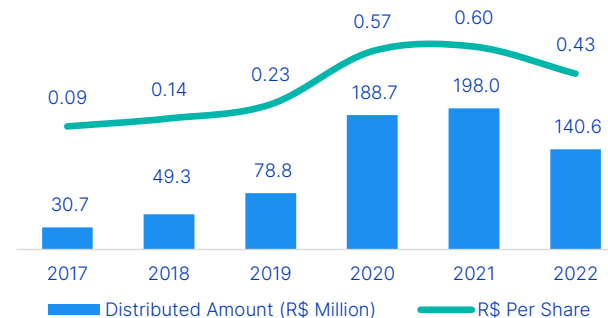
Events

On 1Q23, the Company participated of the following events:

- › Morgan Stanley LatAm Conference.
- › Citi Industrials Day.
- › Credit Suisse Latin America Conference.
- › BofA Capital Goods Day.
- › UBS BB Capital Goods Day.
- › BTG Brazil CEO Conference.
- › J.P. Morgan GEM Conference (DCM).
- › BTG London Conference.

Dividends and Interest on Equity

Please find below the payment history for the last few years:



Distribution by period of competence and without income tax.

Financial Volume

The average trading volume of the Company in the first quarter of 2023 was R\$ 24.3 million, a decrease of 22.5% compared to the same quarter of the previous year, but an increase of 23.1% compared to 4Q22.



Ethical and Responsible Conduct

- › The president of Randoncorp, Daniel Randon, participated in the World Economic Forum, joining one of the discussion panels among world leaders, which addressed the global challenges for a fair transition and adaptation towards a more sustainable economy.
- › On April 28, during the preparation of this report, the Company held the third edition of the ESG Ambition event, in which it presented the initiatives carried out to achieve its public commitments, unveiled its new brand, and released its sustainability report.



[Click here](#) to access the report



[Click here](#) to watch the event.

Credits: Alex Batistel

- › In another move to advance the Company's governance, the Executive Committee (Comex) underwent changes. Starting on May 1, 2023, the executive directors Anderson Pontalti (Motion Control Vertical), Sandro Trentin (Trailers Vertical), Ricardo Escoboza (Auto Parts Vertical), and Daniel M. Ely (Financial and Digital Services Vertical) assumed the position of Chief Operating Officer (COO) of their respective verticals. Additionally, the Director of Advanced Technology of Product and Manufacturing, Cesar A. Ferreira, joined the Comex, assuming the role of Superintendent Director of the Advanced Technology Vertical.
- › On April 14, the Company held its Ordinary General Meeting in a hybrid format, re-electing all members of the Board of Directors and electing new members of the Fiscal Council, as follows:

Board of Directors

David Abramo Randon – President
 Alexandre Randon – Vice-President
 Ana Carolina R. Strobel – Board member
 Pedro Ferro Neto – Board member
 Vicente F. Assis - Board member

Fiscal Council

- › **Full member:** Ademar Salvador, Maria Paula Aranha, Gilberto C. Monticelli, Rosângela C. Suffert and Valmir P. Rossi.
- › **Alternate member:** José C. Neves, Michelle Squeff, Eduardo C. Magrisso, Carlos O. P. Hoff and Patrícia V. Stierli.

The Board of Directors re-elected all statutory directors in a meeting on May 2nd.

Sustainable Innovation

- › Frasle Mobility, a subsidiary of Randoncorp, maintains a permanent innovation incentive program called <AR> Movement, which is active in all its units in Brazil and abroad. The program has more than 100 transformation agents and connects business units to Randoncorp's internal and external innovation ecosystems, with five pillars of action for cultural transformation: digitalization, diversity connectivity, exploring opportunities, thinking and acting globally, and collaborating and sharing.
- › Randoncorp participated in the South Summit Brazil, one of the largest global innovation events, with the presence of five spokespersons who shared experiences and knowledge in lectures and panels related to topics such as the future of mobility, sustainability, the positive use of data science, innovative partnerships in new fields of activity, among others.



Credits: Randoncorp

Prosperity for All

The Company ended 1Q23 with 16,854 employees, an increase of 5.7% compared to the end of 2022 (15,950 employees) due to the acquisition of AML Juratek and DB companies. Regarding this pillar, we highlight:

- › The Elisabetha Randon Institute (IER) participated in the Brazilian Forum for Conscious Capitalism, joining discussions on how the private sector can reduce inequalities in access to education.
- › The volunteer strength of Randoncorp employees contributed to another community initiative. The group, which is part of the SER Volunteer Program, led by IER, assisted in actions of Mosaico na Quebrada, a project that organizes a series of social, artistic, and cultural actions in neighborhoods of Caxias do Sul (RS).
- › The subsidiary Frasle Mobility launched the PWD Development Center - Fras-le Without Borders, preparing the company for the inclusion of people with disabilities, with work that goes beyond the legal quota, bringing diversity, learning, team spirit, respect, recognition of individual differences to build something greater and daily.

- › Several initiatives were carried out to celebrate Women's Month. Among them, the launch of the development program: Jornada Delas | Special Career Mentoring, the opening of a lactation room at the subsidiary JOST, and the **photo exhibition TodAs**, in which our female employees were photographed, celebrating being a woman in all its forms.



*Mother, immigrant, black, woman.
The calm and happiness of someone
who chose Brazil as her new home.
Johanny Novas Leon Gerome.*

Credits: Tatiele Sperry

Excellence and Safety as a value

The Randon Technological Center has obtained Inmetro certification for the anchoring of seat belts and seats, which allows for testing of the Isofix system, an international standard for securing child seats. The service is available for light and utility vehicles.

R Awards

- › Randoncorp was among the top five most remembered and preferred companies in the categories "Grande Marca Gaúcha do Ano" (Great Gaúcho Brand of the Year) and "Marca Gaúcha Inovadora" (Innovative Gaúcho Brand). Racon, one of the brands managed by the company, also ranked among the most remembered and preferred in the "Consórcios" (Coop-payment plans) category. The recognition was pointed out by the "Marcas de Quem Decide" (Brands of Those Who Decide) survey, promoted for 25 years by the Jornal do Comércio newspaper.
- › Randon was recognized as Brand of the Year in a national award in the transport sector for the second consecutive year, as the highlight of the Top Five Implementos 2023 award, promoted by the Frota & Cia magazine.
- › Daniel Randon, CEO of Randoncorp, received the Medalha do Mérito Farroupilha, the highest tribute from the Legislative Assembly of Rio Grande do Sul.
- › We are among the most remembered brands by Gaúchos in the Top of Mind award from Grupo Amanhã, recognizing Randoncorp in the "Grande Empresa" (Large Company) category among the top 10.

The tribute was delivered to Randoncorp's CEO, Sergio L. Carvalho



Credits: Grupo Amanhã

Consolidated Income Statement 1Q23 – Values in R\$ Thousand

	1Q23		1Q22		4Q22		Variation %	
		%		%		%	1Q23/1Q22	1Q23/4Q22
Gross Revenue	3,263,661	122.8%	3,047,646	123.1%	3,501,850	123.0%	7.1%	-6.8%
Deduction in Gross Revenue	-605,494	-22.8%	-571,300	-23.1%	-653,927	-23.0%	6.0%	-7.4%
Net Revenue	2,658,168	100.0%	2,476,347	100.0%	2,847,923	100.0%	7.3%	-6.7%
Costs of Sales and Service	-1,925,860	-72.5%	-1,831,772	-74.0%	-2,255,579	-79.2%	5.1%	-14.6%
Gross Profit	732,308	27.5%	644,575	26.0%	592,344	20.8%	13.6%	23.6%
Sales Expenses	-182,201	-6.9%	-165,517	-6.7%	-146,476	-5.1%	10.1%	24.4%
Administrative Expenses	-146,695	-5.5%	-115,185	-4.7%	-162,275	-5.7%	27.4%	-9.6%
Other Expenses/Income	-26,931	-1.0%	-22,958	-0.9%	-31,192	-1.1%	17.3%	-13.7%
Equity Income	274	0.0%	-424	0.0%	1,105	0.0%	-164.6%	-75.2%
Financial Income	-107,768	-4.1%	-92,756	-3.7%	-116,939	-4.1%	16.2%	-7.8%
Financial Revenues	141,609	5.3%	135,900	5.5%	191,544	6.7%	4.2%	-26.1%
Financial Expenses	-263,520	-9.9%	-240,015	-9.7%	-321,007	-11.3%	9.8%	-17.9%
Monetary Adjustment (IAS 29)	14,143	0.5%	11,359	0.5%	12,524	0.4%	24.5%	12.9%
Result Before Income Tax	268,986	10.1%	247,736	10.0%	136,567	4.8%	8.6%	97.0%
Provision for Income Tax and Social Contribution Taxes	-82,275	-3.1%	-77,508	-3.1%	-6,952	-0.2%	6.2%	1083.4%
Discontinued Operation	129	0.0%	101	0.0%	56	0.0%	28.3%	130.7%
Interest of non-controlling shareholders	-64,732	-2.4%	-40,254	-1.6%	-40,231	-1.4%	60.8%	60.9%
Net Income for the Period	122,108	4.6%	130,074	5.3%	89,440	3.1%	-6.1%	36.5%
EBIT	376,755	14.2%	340,491	13.7%	253,506	8.9%	10.7%	48.6%
EBITDA	442,164	16.6%	401,350	16.2%	322,336	11.3%	10.2%	37.2%
EBITDA MARGIN (%)	16.6%		16.2%		11.3%		43 bps	532 bps
ADJUSTED EBITDA	442,164		401,350		327,815		10.2%	34.9%
ADJUSTED EBITDA MARGIN (%)	16.6%		16.2%		11.5%		43 bps	512 bps

Income Statement by Business Vertical 1Q23 – Values in R\$ Thousand

	Trailers			Auto Parts			Motion Control		
	1Q23	1Q22	Δ%	1Q23	1Q22	Δ%	1Q23	1Q22	Δ%
	Gross Revenue	1,339,706	1,213,502	10.4%	1,048,538	1,233,403	-15.0%	1,068,895	890,928
Deduction in Gross Revenue	-218,400	-215,402	1.4%	-221,923	-249,763	-11.1%	-230,120	-186,106	23.6%
Net Revenue	1,121,306	998,100	12.3%	826,615	983,641	-16.0%	838,774	704,822	19.0%
Costs of Sales and Service	-941,439	-823,325	14.3%	-648,454	-766,435	-15.4%	-542,574	-510,335	6.3%
Gross Profit	179,866	174,775	2.9%	178,161	217,206	-18.0%	296,200	194,486	52.3%
GROSS MARGIN (%)	16.0%	17.5%	-147 bps	21.6%	22.1%	-53 bps	35.3%	27.6%	772 bps
Operating Expenses/Revenues	-87,190	-67,238	29.7%	-62,570	-64,843	-3.5%	-149,137	-116,461	28.1%
Equity Income	-	-	-	-	-	-	89	-37	-341.4%
EBIT	92,676	107,537	-13.8%	115,592	152,363	-24.1%	147,152	77,988	88.7%
EBITDA	107,443	119,481	-10.1%	133,453	170,530	-21.7%	177,055	105,993	67.0%
EBITDA MARGIN (%)	9.6%	12.0%	-239 bps	16.1%	17.3%	-119 bps	21.1%	15.0%	607 bps
ADJUSTED EBITDA	107,443	119,481	-10.1%	133,453	170,530	-21.7%	177,055	105,993	67.0%
ADJUSTED EBITDA MARGIN (%)	9.6%	12.0%	-239 bps	16.1%	17.3%	-119 bps	21.1%	15.0%	607 bps

	Financial and Digital Services			Advanced Technology and Headquarter			Intercompany Sales			Consolidated		
	1Q23	1Q22	Δ%	1Q23	1Q22	Δ%	1Q23	1Q22	Δ%	1Q23	1Q22	Δ%
Gross Revenue	168,129	107,915	55.8%	46,238	37,575	23.1%	-407,845	-435,677	-6.4%	3,263,661	3,047,646	7.1%
Deduction in Gross Revenue	-9,985	-7,243	37.9%	-5,953	-5,251	13.4%	80,888	92,465	-12.5%	-605,494	-571,300	6.0%
Net Revenue	158,144	100,673	57.1%	40,285	32,324	24.6%	-326,957	-343,212	-4.7%	2,658,168	2,476,347	7.3%
Costs of Sales and Service	-62,174	-27,660	124.8%	-16,612	-15,796	5.2%	285,394	311,780	-8.5%	-1,925,860	-1,831,772	5.1%
Gross Profit	95,970	73,012	31.4%	23,674	16,527	43.2%	-41,563	-31,432	32.2%	732,308	644,575	13.6%
GROSS MARGIN (%)	60.7%	72.5%	-1184 bps	58.8%	51.1%	763 bps	-	-	-	27.5%	26.0%	152 bps
Operating Expenses/Revenues	-49,915	-47,716	4.6%	-26,481	-22,595	17.2%	19,467	15,193	28.1%	-355,826	-303,660	17.2%
Equity Income	274	-424	-164.6%	148,705	149,134	-0.3%	-148,794	-149,097	-0.2%	274	-424	-164.6%
EBIT	46,328	24,873	86.3%	145,898	143,067	2.0%	-170,891	-165,337	3.4%	376,755	340,491	10.7%
EBITDA	47,188	25,502	85.0%	147,892	145,154	1.9%	-170,867	-165,311	3.4%	442,164	401,350	10.2%
EBITDA MARGIN (%)	29.8%	25.3%	451 bps	367.1%	449.1%	-8195 bps	-	-	-	16.6%	16.2%	43 bps
ADJUSTED EBITDA	47,188	25,502	85.0%	147,892	145,154	1.9%	-170,867	-165,311	3.4%	442,164	401,350	10.2%
ADJUSTED EBITDA MARGIN (%)	29.8%	25.3%	451 bps	367.1%	449.1%	-8195 bps	-	-	-	16.6%	16.2%	43 bps

Financial Statement – Values in R\$ Thousand

	Consolidated	Parent Company	Randon Bank
Assets	12,547,459	6,364,660	1,987,775
Current Assets	7,285,047	2,222,298	1,219,436
Cash and equivalents	1,614,230	721,006	64,961
Financial Investments	484,175	216	2,202
Derivative Financial Instrument	1,064	659	-
Receivables	2,214,229	475,224	1,144,795
Inventory	2,309,643	633,534	-
Deferred Charges/Recoverable taxes	506,675	261,665	-
Others	155,030	129,993	7,478
Noncurrent Assets	5,262,412	4,142,362	768,339
Long-term Assets	1,762,347	754,289	764,337
Investments of non-immediate liquidity	155,986	-	97,185
Credit controlling company/controlled companies	-	120,721	-
Receivables	655,490	-	655,490
Consortiums for resale	19,892	-	-
Deferred Charges/recoverable taxes	799,708	623,742	11,539
Other non-current assets	94,434	-	123
Taxes under litigation	36,837	8,392	-
Long Term Receivables	-	1,435	-
Investments/Property, Plant, Property/Intangible/Deferred	3,224,200	3,368,164	3,104
Right to use asset	275,865	19,908	899

Financial Statement – Values in R\$ Thousand

	Consolidated	Parent Company	Randon Bank
Liabilities	12,547,459	6,364,660	1,987,775
Current Liabilities	3,348,788	861,778	1,054,621
Suppliers	949,321	415,099	11,205
Financing institutions Short Term	930,458	230,310	686,119
Accounts payable by business combination Short Term	164,792	-	-
Salaries and benefits	194,892	53,885	1,393
Taxes and Fees	212,358	10,203	7,952
Advances for customers and others	858,956	146,017	347,822
Leases Short Term	38,010	6,264	129
Noncurrent Liabilities	5,223,855	2,656,019	583,577
Financing institutions Long Term	4,495,117	2,561,911	524,281
Accounts payable by business combination Long Term	226,213	844	-
Government Subsidy	3,006	-	-
Debits with controlled companies	6,261	-	8
Diverse payable taxes and contributions	6,767	-	-
Provision for contingencies	87,813	16,057	-
Other non-current liabilities	78,761	23,380	-
Coop-payment plans obligations Long Term	2,439	-	-
Advances for customers and others Long Term	82,304	39,078	58,412
Leases Long Term	235,174	14,750	876
Total Net Equity	3,974,815	2,846,864	349,577
Net Equity	2,846,864	2,846,864	349,577
Minority interest	1,127,952	-	-

Income Statement – Values in R\$ Thousand

	Consolidated	Parent Company	Randon Bank
Net revenue	2,658,168	973,567	75,779
Cost of goods and services	-1,925,860	-816,607	-50,634
Gross income	732,308	156,960	25,145
Sales expenses	-182,201	-41,610	-1,888
Administrative expenses	-146,695	-37,977	-10,907
Other expenses / income	-26,931	-4,008	-1,829
Equity equivalence	274	125,272	-
Financial income	-107,768	-80,157	-22
Income before taxes	268,986	118,480	10,498
Provision for taxes and social contributions	-82,275	3,629	-4,708
Interest of non-controlling shareholders	-64,732	-	-
Discontinued Operation	129	-	-
Net income for the period	122,108	122,108	5,790
EBIT	376,755	198,636	10,521
EBITDA	442,164	211,225	10,641
EBITDA MARGIN (%)	16.6%	21.7%	14.0%

Cash Flow Statement – Values in R\$ Thousand

	Parent Company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Cash flow from operations				
Income for the period	122,108	130,074	186,840	170,329
Income tax and social contribution (current and deferred)	-3,628	16,488	82,276	77,508
Exchange variation and interest on loans and leases	90,706	34,559	174,867	46,167
Depreciation and amortization	12,589	11,494	65,409	60,858
Other Provisions	-3,384	-12,315	-15,228	-10,811
Provisions (reversal) for litigation	284	490	1,670	2,213
Variation in derivatives	230	149	5,382	8,770
Residual cost from sold and written off fixed assets	849	217	1,090	859
Provision (reversal) for doubtful accounts	-3,284	672	25	837
Provision (reversal) for obsolete inventory	1,470	1,370	3,874	3,081
Equity Income Result	-125,272	-87,972	-274	423
Revenue from active legal proceedings, net of fees	-10,621	-6,604	-12,928	-16,932
Provision (reversal) reduction in impairment	-	-	-469	484
Monetary Adjustment	-	-	-14,143	-11,359
Compensation of retained values business combination	-	-	-1,407	-1,695
	82,047	88,622	476,984	330,732
Variations in assets and liabilities				
Financial Investments	64,924	211,983	72,872	132,600
Accounts receivable from customers	-5,153	-237,958	-280,060	-407,844
Inventory	-54,456	-165,075	-85,632	-310,863
Taxes to be recovered	23,677	-46,265	43,662	-45,664
Other assets	6,466	50,703	16,671	57,905
Suppliers	-189,540	62,900	-513,255	209,056
Other liabilities	-18,505	-61,700	2,833	-249,586
Net variation in discontinued operations	-	-	-140	97
Cash generated by operation	-90,540	-96,790	-266,065	-283,567
Income tax and Social Contribution paid	-	-	-76,024	-28,790
Net cash used (generated by) operation	-90,540	-96,790	-342,089	-312,357

Cash Flow Statement – Values in R\$ Thousand

	Parent Company		Consolidated	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Cash Flow from Investments				
Receipt of profits and dividends of subsidiaries	21,118	10,596	-	-
Paid-in capital in subsidiary	-119,724	-51,500	-	-
Loans granted to subsidiaries	-26,838	-28,274	-	-
Acquisition of interest in jointly controlled	-	-	-40,000	-
Business combination	-	-	-124,885	-2,539
Permanent assets acquisition	-3,160	-5,440	-57,278	-43,073
Intangible assets acquisition	-	-60	-3,433	-2,664
Net available cash used in investments	-128,604	-74,678	-225,596	-48,276
Cash Flow From Financing				
Dividend and Interest on Equity Paid	-83,573	-44,909	-104,063	-54,929
Loans taken and derivatives	555	500,000	277,013	855,883
Payment of loans and derivatives	-10,215	-101,621	-295,134	-477,074
Interest paid on loans	-83,857	-49,506	-185,925	-86,339
Loans granted by related parties	-	-	-162	-7,356
Payment of leasings	-2,371	-1,949	-14,676	-10,396
Net Cash used (resulting from) financing	-179,461	302,015	-322,947	219,789
Statement of increase in cash				
At beginning of period	1,119,611	1,118,468	2,504,862	1,890,759
At end of period	721,006	1,249,015	1,614,230	1,749,915
Increase in cash	-398,605	130,547	-890,632	-140,844