



Caxias do Sul, RS, November 12, 2020. Randon S.A – Implementos e Participações (B3 - RAPT3 and RAPT4), which operates in the segments of vehicles and trailers, auto parts and services, reports the results of the third quarter (3Q20) and nine months of 2020 (9M20), ended in September 30, 2020. The Company's interim financial information, except as otherwise stated, is consolidated in accordance with the international standards of IFRS – International Financial Reporting Standards and the monetary values are denominated in Reais.

RANDON® EARNINGS RELEASE 3Q2020 AND 9M2020



HIGHLIGHTS

- **9M20 Total Gross Revenue**, before consolidation, is R\$ 5.1 billion, a 7.2% reduction compared to 9M19 (R\$ 5,5 billion);
- **9M20 Consolidated Net Revenue** reached R\$ 3.6 billion, 5.0% lower than that of 9M19 (R\$ 3.8 billion);
- **9M20 Consolidated EBITDA** is R\$ 530.9 million, with an EBITDA margin of 14.7% and **9M20 Adjusted EBITDA** of R\$ 495,3 Million, with an adjusted EBITDA margin of 13.6%.
- **9M20 Net Income** of R\$ 174.3 million and net margin of 4,8%, against Net Income of R\$ 194.7 million in 9M19.

MARKET CAP (09/30/2020)

R\$ 3,7 Billion

RAPT3 and RAPT4 QUOTE (09/30/2020)

RAPT3: R\$ 9.55

RAPT4: R\$ 12.17

3Q20 CONFERENCE CALL RESULTS

November 13, 2020, Friday

- 11:00 AM Brasília, 9:00 AM New York and 3:00 PM London
- Dial-in from Brazil: +55 (11) 3181-8565 / 4210-1803
- Dial-in from USA: +1 844 204-8942 / +1 412 717-9627
- **Webcasting**
- [Click here](#) to access the Webcast in Portuguese.
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The third quarter of 2020 marked the history of Randon Companies, with records in revenues, EBITDA and net income. This period had a positive combination of factors that reflected in the business. Among them are the recovery of the Company's markets, the continuity of actions to control costs and expenses, which started in the months most impacted by the pandemic, and investments in technology to increase efficiency and productivity. All this, supported by the diversification of the business carried out over the last few years, brought greater resilience to operations and contributed to the results achieved in 3Q20.

"One of the learnings of the pandemic is that even in times of difficulty, it is important to continue taking actions to grow, develop, and prosper."

Market demand also exceeded initial expectations. In addition to agribusiness and the sale of essential items, which were already showing a recovery, other segments began a more consistent resumption, such as the fuel and industrial sectors. In addition, the lower restriction on the movement of people in recent months has reflected in the intensification of passenger car traffic, expanding opportunities in the aftermarket for light vehicles.

This positive scenario contributed to the continuity of the good pace of commercialization of trailers, which recorded another quarter of volume growth. The production of trucks, which was at low levels to enable the reduction of inventories of OEMs and dealers, had to be resumed with greater speed as of September, because there was already a lack of this type of vehicle in the market. As a result, the production of auto parts to supply OEMs intensified throughout the quarter. And finally, with the country's transportation returning to levels similar to before the pandemic, sales in the aftermarket strengthened even more.

In this period, we also observed the recovery of some economic indicators and confidence indexes of the country, presenting good prospects for business in the coming months. However, it is necessary to remain vigilant, as there is still a context of uncertainties and possible side effects of the pandemic, such as the scarcity of some products and, consequently, the significant increase in prices of important inputs, such as steel, in addition to the possibility of a second wave of COVID-19 in the Company's main markets.

Still, one of the learnings of the pandemic is that, even in times of difficulty, it is important to continue taking actions to grow, develop and prosper. And for this to happen it is necessary to invest, innovate and encourage good ideas. In this quarter, we had several initiatives in this regard. We announced the closing of the acquisition of Nakata Automotive through the subsidiary Fras-le and we reap the first fruits with Randon Ventures, offering a new service to our customers in partnership with Truck Help, in addition to the acquisition of robots to increase our productivity and efficiency.

In addition, during the month of October, we announced an important step of Randon Companies in its innovation front: Conexo. Linked to the Company's strategy, the initiative comes with the mission of connecting people and ideas to develop new products and services, to create startups and cooperate in the process of digital transformation of Randon and the Community, serving as a physical and digital hub for innovation for the entire region.

With this, we ended the quarter in which, more than good results, we showed that our initiatives in innovation, efficiency, transparency and protagonism move us towards an increasingly sustainable Randon and strengthen our purpose of connecting people and riches, to generate prosperity.

Good reading!

MAIN FIGURES

	3Q20	3Q19	Δ%	9M20	9M19	Δ%
Total Gross Revenue¹	2,120,122	1,975,384	7.3%	5,091,945	5,485,659	-7.2%
Domestic market¹	1,930,416	1,813,669	6.4%	4,637,720	4,991,486	-7.1%
Exports¹	189,706	161,714	17.3%	454,225	494,174	-8.1%
Consolidated Exports US\$	22,052	32,575	-32.3%	54,288	98,451	-44.9%
Revenues from Overseas US\$²	57,649	65,849	-12.5%	155,038	210,581	-26.4%
Consolidated Net Revenue	1,515,500	1,371,329	10.5%	3,616,225	3,807,041	-5.0%
Consolidated Gross Profit	419,624	338,605	23.9%	872,593	954,691	-8.6%
Gross Margin (%)	27.7%	24.7%	300 bps	24.1%	25.1%	-95 bps
Consolidated Net Profit	116,016	78,539	47.7%	174,280	194,743	-10.5%
Net Margin (%)	7.7%	5.7%	193 bps	4.8%	5.1%	-30 bps
Consolidated EBITDA	269,996	192,136	40.5%	530,908	530,097	0.2%
EBITDA Margin (%)	17.8%	14.0%	380 bps	14.7%	13.9%	76 bps
Adjusted EBITDA	260,551	209,595	24.3%	495,297	572,011	-13.4%
Adjusted EBITDA Margin (%)	17.2%	15.1%	210 bps	13.6%	14.9%	-129 bps

¹ Without eliminating intercompany sales

² Exports + Revenues from Overseas

Values in R\$ Thousands

OPERATING PERFORMANCE
Total Gross Revenue

In 3Q20, the Company's total gross revenue, with taxes and before consolidation, totaled R\$ 2.1 billion, 7.3% higher than in 3Q19 (R\$ 2.0 billion). When comparing with the nine months of 2019, total gross revenue reduced by 7.2%, reaching R\$ 5.1 billion in 9M20 (R\$ 5.5 billion in 9M19).

Consolidated Net Revenue

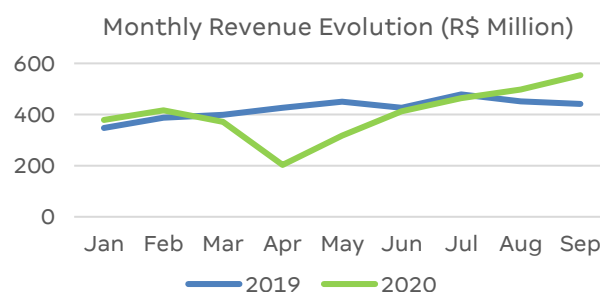
Consolidated net revenue totaled R\$ 1.5 billion in 3Q20, an increase of 10.5% compared to the same period in 2019, when it totaled R\$ 1.4 billion. In comparison with 9M19, this indicator showed a drop of 5.0%.

Revenue analysis

In the trailer division, the quarterly comparison showed an evolution of 9.7%, reaching, in 3Q20, net revenue of R\$ 688.8 million. In the auto parts division, in this same comparison, net revenue increased 11.2%, totaling R\$ 774.1 million in the quarter.

The predominant factors for the evolution of revenues were:

- Good demand of trailers for the transportation of grains, e-commerce sales, fuels, consumer goods and industrial products;
- Resumption of sales in the aftermarket for light vehicles;
- Replenishment of inventories in auto parts dealers;
- Appreciation of the U.S. Dollar against Brazilian Real;
- Increase in non-organic revenues as of September (Nakata Automotiva);
- Resumption of truck production, mainly in semi-heavy and heavy segments;
- Recovery of sales to the foreign market due to the opening of borders and flexibilization of restrictive measures against COVID-19.



The economic context improved during the quarter, as seen in some indicators. However, inflation has become a point of attention for the coming periods, as well as the possible shortage of some inputs.

CONSOLIDATED NET REVENUE BREAKDOWN BY COMPANY

Intercompany sales accounted for 10.9% of total revenues in 3Q20 (12.9% in 3Q19). See chart, as follows:

	3Q20		3Q19			
	NET REVENUE	INTER-COMPANY SALES	CONSOLIDATED NET REVENUE	% OVER REVENUE	CONSOLIDATED NET REVENUE	% OVER REVENUE
Randon S.A. Impl. e Participações (Parent Company)	634,633	23,772	610,861	40.3%	588,563	42.9%
Randon Impl. p/o Transporte Ltda.	3	-	3	0.0%	13,659	1.0%
Randon Veículos Ltda.	24,791	1,041	23,749	1.6%	10,939	0.8%
Randon Triel-HT Implementos Rodoviários Ltda.	24,930	192	24,738	1.6%	7,701.31	0.6%
Randon Perú S.A.C.	4,572	-	4,572	0.3%	1,911	0.1%
Randon Argentina S.A.	25,066	222	24,844	1.6%	4,875	0.4%
Trailers	713,994	25,226	688,768	45.4%	627,648	45.8%
Master Sist. Automotivos Ltda.	141,388	51,210	90,178	6.0%	114,722	8.4%
Jost Brasil Sistemas Automotivos Ltda.	77,833	30,679	47,155	3.1%	51,934	3.8%
Fras-Le S.A. (Consolidated)¹	453,592	6,994	446,597	29.5%	322,650	23.5%
Randon S.A. Impl. e Participações (Suspensys)	136,259	4,462	131,797	8.7%	151,859	11.1%
Castertech Fundação e Tecnologia Ltda	119,477	61,147	58,330	3.8%	54,658	4.0%
Auto Parts	928,550	154,492	774,057	51.1%	695,822	50.7%
Randon Administradora de Consórcios Ltda.	41,520	39.30	41,481	2.7%	39,881	2.9%
Randon Investimentos Ltda.	16,813	5,625	11,188	0.7%	7,959	0.6%
Randon Collection Com. Art. Prom. Ltda.	6	0	6	0.0%	18	0.0%
Services	58,339	5,665	52,675	3.5%	47,858	3.5%
TOTAL	1,700,884	185,383	1,515,500	100.0%	1,371,329	100.0%

Values in R\$ Thousands

¹ Nakata Automotiva's net revenue in 3Q20: R\$ 50.2 million.

CONSOLIDATED NET REVENUE AND PHYSICAL SALES VOLUME BREAKDOWN

	3Q20		3Q19		Δ% Un.	9M20		9M19		Δ% Un.
	Un.	% CNR	Un.	% CNR		Un.	% CNR	Un.	% CNR	
Trailers		45.4%		45.8%			45.6%		44.5%	
Trailers/ Semi-Trailers Brazil (un.)	6,774	33.7%	6,224	33.8%	8.8%	16,638	33.9%	16,724	32.1%	-0.5%
Trailers/ Semi-Trailers Overseas (un.)	681	5.4%	700	3.7%	-2.7%	1,441	4.9%	2,292	5.0%	-37.1%
Rail cars (un.)	5	0.0%	74	2.2%	-93.2%	18	0.2%	161	1.6%	-88.8%
Aftermarket	-	4.7%	-	4.1%	-	-	5.0%	-	3.9%	-
Specialty Vehicles (un.)	115	1.7%	113	2.0%	1.8%	275	1.6%	307	1.8%	-10.4%
Auto Parts		51.1%		50.7%			50.3%		51.8%	
Friction Material (Thousand un.)	26,148	18.1%	24,917	16.9%	4.9%	67,933	20.1%	76,137	18.6%	-10.8%
Other Materials Fras-le (Thousand un.) ²	6,053	11.4%	6,471	6.6%	-6.5%	13,032	9.0%	17,712	6.6%	-26.4%
Brakes (un.)	157,078	6.0%	208,911	8.4%	-24.8%	388,054	6.2%	591,564	8.5%	-34.4%
Coupling Systems (un.)	31,178	3.1%	32,999	3.8%	-5.5%	74,562	3.0%	96,469	3.8%	-22.7%
Suspension and axles (un.) ¹	36,839	8.7%	37,806	11.1%	-2.6%	91,392	8.2%	107,666	10.3%	-15.1%
Hubs and drums (un.)	173,297	3.8%	136,684	4.0%	26.8%	412,765	3.8%	376,288	4.0%	9.7%
Services		3.5%		3.5%			4.1%		3.7%	
Coop-payment plan quotas sold	3,415	2.7%	3,673	2.9%	-7.0%	8,714	3.3%	10,135	3.1%	-14.0%
Randon Investimentos (Randon Bank)	-	0.7%	-	0.6%	-	-	0.9%	-	0.7%	-

¹ Axle volumes and suspensions have undergone revision to better reflect the units sold by the Suspensys subsidiary. The history of these volumes can be obtained in the Interactive Spreadsheets - Consolidated Data Randon S/A session.

² The product volumes of indirect subsidiary Nakata Automotiva started to be added to this line from September 2020.

COMMENTS BY MARKET SEGMENT

Brazilian Market of Commercial Vehicles

Production

	3Q20	3Q19	Δ%	9M20	9M19	Δ%
Trailers ³	20,886	17,459	19.6%	48,424	49,750	-2.7%
Trucks ²	23,566	32,056	-26.5%	58,304	87,452	-33.3%
Buses ²	5,274	7,719	-31.7%	14,248	21,783	-34.6%

Source:
¹ ANFIR
² ANFAVEA
³ ANFIR + AliceWeb

Sales

	3Q20	3Q19	Δ%	9M20	9M19	Δ%
Trailers ¹	20,164	16,891	19.4%	46,865	47,696	-1.7%
Trucks ²	24,928	27,473	-9.3%	62,788	74,255	-15.4%
Buses ²	4,253	5,577	-23.7%	9,969	15,200	-34.4%

Vehicles and Trailers

The trailer market presented a surprising growth in 3Q20, and exceeded volumes sold in the same period of 2019. In the Brazilian market, 20,164 semi-trailers were delivered in 3Q20, an increase of 19,4% comparing to 3Q19.

The demand for semi-trailers remains largely linked to the agribusiness sector, followed by the transport of essential goods and e-commerce. More recently, the fuel and industrial sectors reacted, as a result of the increased movement of people in big metropolitan areas, the use of public and private transportation on a larger scale and also the recovery of the economy.

Thus, in 3Q20, Randon sold 7,455 semi-trailers (6,774 units in Brazil and 681 units overseas), 7.7% higher than the volumes sold in the same period of the previous year.

An interesting aspect is that, for the first time in the history of Randon Implementos, the sale of dump trailers exceeded that of grain trailers, given the versatility of this product, which serves both for the transportation of grains and for other segments, such as civil construction.

Randon's market share was 36.4% in 3Q20 (36.3% in 3Q19) and 35.6% in 9M20 (34.1% in 9M19). The stability of the *market share* in the period proves the assertiveness of the Company's strategy in adding to its portfolio the manufacture of more customized products, through the subsidiary Randon Triel-HT, and focusing the efforts of the other units in the production of standardized products with a larger scale, thus serving different niches of customers.

The number of new orders remains at good levels, ensuring a robust production backlog for the coming months.

In markets overseas, the scenario is of a recovery in sales. Countries such as Paraguay, Chile and Argentina accounted for approximately 80% of the exports of semi-trailers in 3Q20, due to the reopening of the borders and the strong agribusiness demand.

But in some regions, especially in Africa, the side effects of the pandemic are still present, which combined with the economic difficulties of most countries and the scarcity of foreign exchange, has hampered sales.

However, the export business environment provides good visibility for the 4Q20 and the delivery of some product lines is already booked for 1Q21.

Railcars

The renewal of railway concessions of important customers in this sector has created a more positive environment for the segment in the coming months, but that still has not translated into new product orders. The expectation, however, is that 2021 will be a year with better volumes than the current year.

For 2020, the scenario is a market still weak in sales, in line with the Company's performance in 3Q20 in this segment, in which 5 units of railcars were delivered, 93.2% lower than the same period of 2019.

Autoparts

In Brazil, during 3Q20, 24,928 trucks were sold, against 27,473 units in 3Q19 (-9.3%). On the other hand, production dropped 26.5% in the same comparison.

This difference shows the effect of inventory reduction over the period both in OEMs and dealers, while also showing the need for a more consistent resumption of truck production throughout the quarter, which occurred mainly in September.

The replenishment of the OEMs production lines benefited the auto parts segment, which began to produce on a larger scale to meet this growing demand. As an additional positive factor, we still observed the recovery of sales in the aftermarket of light vehicles.

In the analysis of the volumes sold by Randon Companies operating in this segment, we highlight:

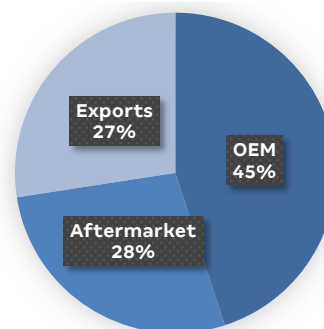
- Increase in sales of coupling systems and axles and suspensions compared to 2Q20, linked to the resumption of the production in OEMs.
- Hubs and drums growing 26.8% compared to 3Q19, due to sales to new customers and markets and recovery of truck production;
- Reduction of 24.8% in volumes of brake systems compared to the same quarter of 2019, due to the decrease in sales abroad.

In a separate chapter are Fras-le and its subsidiaries, which, in 3Q20, reached record revenues and margins.

With the resumption of the aftermarket and the recovery of sales in markets overseas, helped by the exchange rate devaluation, the subsidiary Fras-le showed positive results in the quarter. In addition, from September, the sales of Nakata Automotiva began to be booked in the revenues of this company.

The new subsidiary Nakata expands the mix of products offered to the market and also the sectors of operation, making the aftermarket segment even more representative for the Company and making the business model more resilient and balanced.

In the chart below, you can observe the revenue distribution of this division, by market, in 9M20:



COVID-19

Approximately eight months have passed since the outbreak of the pandemic in Brazil.

A number of measures have been taken on the prevention to COVID-19, both in the aspects of people's health and safety as well as on the effects on the Company's results. At this time, the focus is on keeping sanitation measures and strengthening the importance of our actions as a company and as citizens.

Regarding results, in compliance with CVM's Circular Letter No. 02/2020 of March 10, 2020, which deals with the effects of the COVID-19 pandemic on quarterly information, management evaluated the main risks and accounting impacts, in addition to uncertainties that could affect such information. At the end of September 2020, the Company did not identify risks to the continuity of its businesses and the estimates and accounting judgments.

The mechanisms used throughout 2020, such as reduction, suspension and flexibility of working hours, were gradually reduced as activities resumed. Currently, these benefits are mostly used for employees who belong to risk groups.

For more details, see note 2 that appears in the quarterly financial information.

FOREIGN MARKET

Consolidated exports totaled US\$ 22.1 million in 3Q20, a 32.3% drop compared to 3Q19 (US\$ 32.6 million). In the comparison of the nine months of 2020, the decrease is more significant, 44.9%, totaling US\$ 54.3 million against US\$ 98.5 million in 9M19.

After a difficult second quarter for exports, due to the rigorous restrictions imposed on the control of the spread of COVID-19, such as the closure of borders and the restrictions on the free movement of people, 3Q20 showed a significant resumption of volumes. As disclosed in our last quarterly report, the flexibilization of the measures, together with the appreciation of the U.S. Dollar against the Brazilian Real and the recovery of markets, mainly related to agribusiness, were the highlights for sales to the foreign market.

The commercialization of semi-trailers, which had faced a significant decrease in the previous quarter, started to pick up again, presenting stability compared to 3Q19. The order backlog of these products to markets overseas is already booked for the 4Q20.

In the auto parts segment, the drop in the quarterly comparison was 11.9%, being one of the main factors, the reduction of exports to the U.S. market by subsidiary Master. On the other hand, Fras-le resumed its sales and presented stability in the same comparison.

It is important to highlight that, even with the drop in exports in U.S. Dollars, when we compare them in Brazilian Reais, there was a growth of 17.3% in the quarterly analysis, which brought good margins for these sales.

Exports Analysis by Region

Mercosur+Chile: this region represented near 80% of sales of semi-trailers in 3Q20. With the easing of measures to face COVID-19, countries such as Argentina and Paraguay placed new product orders and Chile recorded sales on pre-pandemic levels. For auto parts, in Argentina, the dealers worked on the replenishment of stocks, mainly due to the instability of the local currency, in order to mitigate the inflationary impacts. The point of attention for the next quarter is the scarcity of foreign exchange and the measures that the Government can take to restrict imports.

Africa: still feels the effects of *lockdown*, affecting the sales of new orders, both in the auto parts and in the trailers market.

USMCA: this region is the most relevant for the Company's exports. The North American market continues to present good opportunities, with the conquest of new customers and orders. Mexico presented a recovery in volumes, especially in OEMs.

Asia: region with normalized sales, and with good expectations for the next months due to the access of new markets and customers.

Europe: good level of new orders in 3Q20, but demand in this region may be affected by a new wave of COVID-19 in 4Q20.

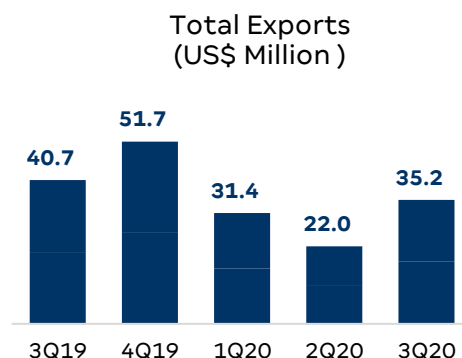
South and Central America: showed sales recovery for both auto parts and semi-trailers, mainly in Colombia. In auto parts, we highlight the resumption of sales of parts for light vehicles and revenue stability. In trailers, volumes sold to this country accounted for 10% of 3Q20 semi-trailer sales abroad.

Middle East and Oceania: with volumes higher than those obtained in the same period of the previous year, these regions present a recovery, especially in the light vehicle segment.

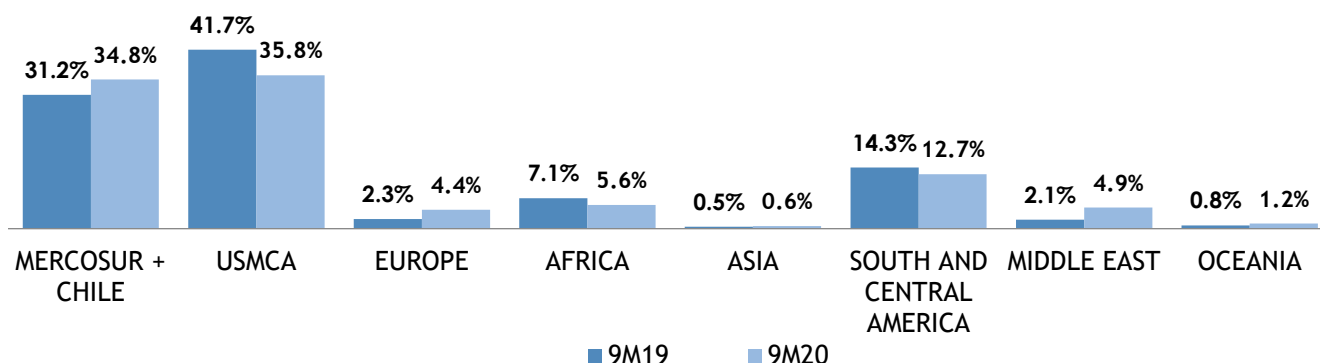
Revenues from Abroad

In the operations of units installed abroad, gross revenue, with eliminations of sales between companies, totaled US\$ 35.6 million, in 3Q20 compared to US\$ 33.3 million in 3Q19, an increase of 7.0%. The total between the sum of exports and revenues generated abroad (with eliminations) was \$57.6 million in 3Q20 versus US\$ 65.8 million in 3Q19 (-12.5%).

The units located abroad have been looking for alternatives to overcome the impacts of COVID-19 on demand. Most of them showed good volumes in 3Q20, like Randon Peru, which, even facing the effects of the pandemic, will come very close to the planned sales figures for 2020 and Fras-le Friction Material, located in China, which is growing and gaining new markets and customers.



Exports Breakdown by Economic Blocs



See below the exports in the period, by company:

Exports	3Q20	3Q19	Δ%	9M20	9M19	Δ%
Randon S/A and Randon SP	10,614	11,290	-6.0%	25,424	40,023	-36.5%
Randon Triel-HT	554	-	100.0%	1,146	-	100.0%
Randon Veículos	242	2,470	-90.2%	1,070	6,070	-82.4%
Trailers	11,410	13,760	-17.1%	27,640	46,094	-40.0%
Master	1,812	4,934	-63.3%	5,293	14,048	-62.3%
Jost	974	1,036	-5.9%	1,994	2,801	-28.8%
Fras-le	19,332	19,645	-1.6%	49,446	60,139	-17.8%
Randon (Division Suspensys)	1,562	1,181	32.2%	3,519	3,349	5.1%
Castertech	75	176	-57.5%	654	510	28.3%
Auto Parts	23,755	26,972	-11.9%	60,906	80,847	-24.7%
Sub-Total	35,166	40,732	-13.7%	88,546	126,941	-30.2%
(-) Intercompany Sales	-13,114	-8,157	60.8%	-34,257	-28,489	20.2%
Total	22,052	32,576	-32.3%	54,288	98,452	-44.9%
Revenues from overseas	3Q20	3Q19	Δ%	9M20	9M19	Δ%
Trailers	6,372	4,378	45.5%	16,665	17,995	-7.4%
Auto Parts	33,309	30,169	10.4%	96,832	100,757	-3.9%
(-) Intercompany Sales	-4,084	-1,274	220.6%	-12,747	-6,623	92.5%
Total	35,597	33,274	7.0%	100,750	112,129	-10.1%
Foreign Market US\$	57,649	65,849	-12.5%	155,038	210,581	-26.4%

Values in US\$ Million

COGS

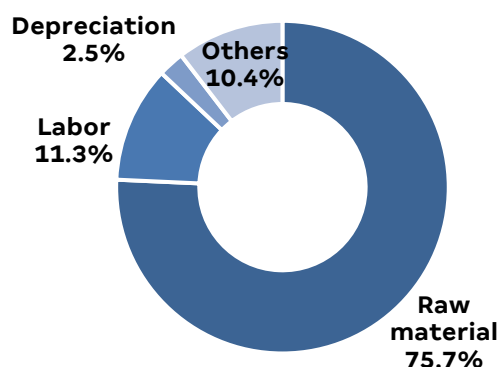
In 3Q20, the cost of goods sold represented 72.3% of the consolidated net revenue or R\$ 1.1 billion. In the same period of 2019, COGS totaled R\$ 1.0 billion and represented 75.3% of the consolidated net revenue.

Among the factors that can be highlighted concerning COGS performance are:

- increase in volumes sold in 3Q20, with higher absorption of fixed costs and;
- positive effect of investments in productivity and efficiency;

Furthermore, the inflationary effects on raw materials have not yet been relevant in 3Q20. However, for the coming months, a significant increase is expected in the main production inputs.

Below is the graph that shows the distribution of the COGS in 9M20:

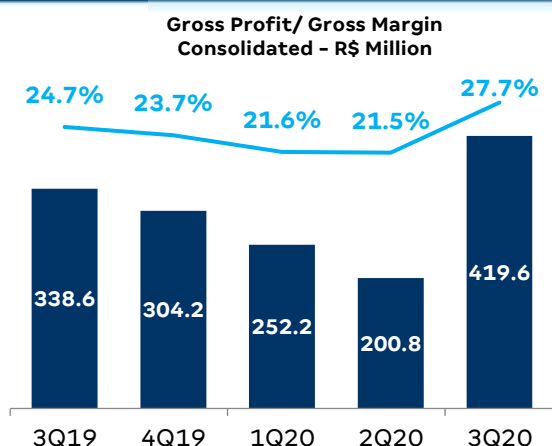


GROSS PROFIT

Gross profit totaled R\$ 419.6 million in 3Q20, an increase of 23.9% compared to the same period of the previous year (R\$ 338.6 million). Gross margin increased from 24.7% in 3Q19 to 27.7% in 3Q20.

The gross profit and gross margin obtained in 3Q20 were the best performance of these indicators in recent quarters, as can be seen in the graph on the right.

This is mainly due to the increase in volumes and by the improvement of COGS, already explained earlier.


OPERATING EXPENSES

Operating expenses (administrative, and other operating income and expenses) totaled R\$ 197.6 million in 3Q20, an increase of 7.0% over the same period in 2019, when they reached R\$ 184.6 million. In the comparative of the 9M20, operating expenses fell 11.1% and totaled R\$ 477.3 million (R\$ 536.9 million in 9M19).

In 9M20, gains of R\$ 102.1 million from judicial processes were recorded, in the consolidated figures of Randon Companies. The positive effect of these gains in 3Q20 was R\$ 9.4 million.

Below is the opening of judicial gains per company in 9M20:

Company	Total R\$ Thousand ¹
Randon	35,457
Master	11,325
Castertech	16,778
Jost	5,684
Suspensys	10,191
Jurid	6,805
Controil	14,068
Randon Veículos	10
Fras-le	1,776
Total	102,094

¹ No selic rate update (Financial Result)

For more information see explanatory note no. 12.5, attached to the quarterly financial information.

Other Operating Expenses/Revenues

The other operating revenues in 3Q20 reached R\$ 19.0 million (1.3% of consolidated net revenue) against R\$ 10.7 million in the same quarter of 2019 (0.8% of consolidated net revenue). The value of other operating revenues refers to the revenues of rents, gains from lawsuits, reversal of provisions, sales of assets and interest of consortium members. The increase in this revenue is explained, mainly by the accounting for the gain of tax proceedings, mentioned earlier.

Other operating expenses amounted to R\$ 26.5 million (1.7% over consolidated net revenue for 3Q20) against R\$ 21.8 million in the third quarter of 2019 (1.6% on consolidated net revenue). The other operating expenses are composed of fines, provisions for contingencies, fees, write-off of fixed assets, profit sharing program and other provisions.

The increase in expenses is mainly due to the higher level of provisions for the profit sharing program due to the improvement of results and the addition of expenses of Nakata Automotiva.

	3Q20	%	3Q19	%	Δ%	9M20	%	9M19	%	Δ%
Selling Expenses	-108,168	-7.1%	-104,630	-7.6%	3.4%	-283,794	-7.8%	-310,398	-8.2%	-8.6%
Administrative Expenses	-81,884	-5.4%	-68,845	-5.0%	18.9%	-231,485	-6.4%	-200,646	-5.3%	15.4%
Other Expenses/ Income	-7,538	-0.5%	-11,153	-0.8%	-32.4%	37,973	1.1%	-25,864	-0.7%	-246.8%
Other Operating Expenses	-26,500	-1.7%	-21,829	-1.6%	21.4%	-106,519	-2.9%	-55,821	-1.5%	90.8%
Other Operating Income	18,961	1.3%	10,676	0.8%	77.6%	144,491	4.0%	29,957	0.8%	382.3%
Total Operating Exp/ Income	-197,591	-13.0%	-184,629	-13.5%	7.0%	-477,306	-13.2%	-536,908	-14.1%	-11.1%

Values in R\$ Thousand and % over Net Revenue

EBITDA - Gross Cash Generation

In 3Q20, consolidated EBITDA totaled R\$ 270.0 million, an increase of 40.5% over the amount obtained in the same quarter of 2019 (R\$ 192.1 million). Ebitda margin increased from 14.0% in 3Q19 to 17.8% in 3Q20.

	3Q20	3Q19	Δ%	9M20	9M19	Δ%
Consolidated Net Revenue	1,515,500	1,371,329	10.5%	3,616,225	3,807,041	-5.0%
Cost of Goods Sold	-1,095,876	-1,032,724	6.1%	-2,743,632	-2,852,350	-3.8%
Consolidated Gross Profit	419,624	338,605	23.9%	872,593	954,691	-8.6%
(-) Operating Expenses	-190,052	-173,476	9.6%	-515,279	-511,044	0.8%
(-) Other expenses/income	-7,538	-11,153	-32.4%	37,973	-25,864	-246.8%
Operational Results	222,033	153,976	44.2%	395,287	417,783	-5.4%
(+) Depreciation/ Amortization	47,962	38,159	25.7%	135,621	112,314	20.8%
Consolidated EBITDA	269,996	192,136	40.5%	530,908	530,097	0.2%
EBITDA Margin (%)	17.8%	14.0%	380 bps	14.7%	13.9%	76 bps

Values in R\$ Thousand

Consolidated EBITDA for 3Q20 was impacted by one-offs (R\$ 9.4 million, highlighted). Find below the detailed information and composition of Adjusted EBITDA:

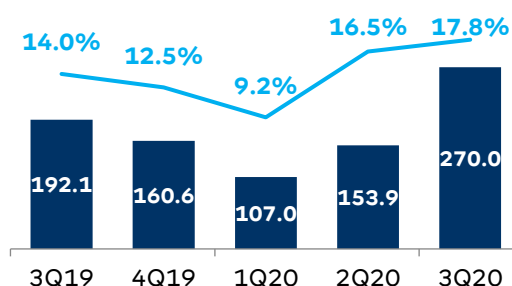
	1Q20	2Q20	3Q20	9M20
(+) Hedge Accounting	26,101	-	-	26,101
Consolidated Net Revenue	1,167,733	932,991	1,515,500	3,616,225
Adjusted Consolidated Net Revenue¹	1,193,834	932,991	1,515,500	3,642,326
Cost of Goods Sold	-915,552	-732,204	-1,095,876	-2,743,632
(-) Voluntary Redundancy Plan	-	12,389	-	12,389
(-) Restructuring Costs	-	1,826	-	1,826
Adjusted Consolidated Gross Profit	278,282	215,003	419,624	912,909
(-) Operating Expenses	-165,218	-160,009	-190,052	-515,279
(+) Loss on Asset Sales	9,080	-	-	9,080
(+) Controlled Companies Impairment	5,686	2,744	-	8,430
(+) Voluntary Redundancy Plan	-	1,151	-	1,151
(+) Provision for loss of receivables	-	1,238	-	1,238
(+) Assets Demobilization	2,159	4,108	-	6,267
(-) Lawsuits revenues	-	-24,306	-9,445	-33,751
(-) PIS and COFINS credits (rectified)	-	-68,343	-	-68,343
(-) Other Expenses/Revenues	-23,451	68,962	-7,538	37,973
Adjusted Operational Results	106,539	40,548	212,588	359,675
(+) Depreciation/Amortization	43,468	44,191	47,962	135,621
Adjusted Consolidated EBITDA²	150,006	84,740	260,551	495,297
Adjusted EBITDA Margin (%)	12.6%	9.1%	17.2%	13.6%

Values in R\$ Thousand

¹ To calculate Adjusted EBITDA, Hedge Accounting is added to Net Revenue.

² For Consolidated EBITDA by Division see Consolidated Income Statement by Segment pages 22 and 23.

EBITDA/ EBITDA Margin
Consolidated - R\$ Million


INCOME TAX AND SOCIAL CONTRIBUTION

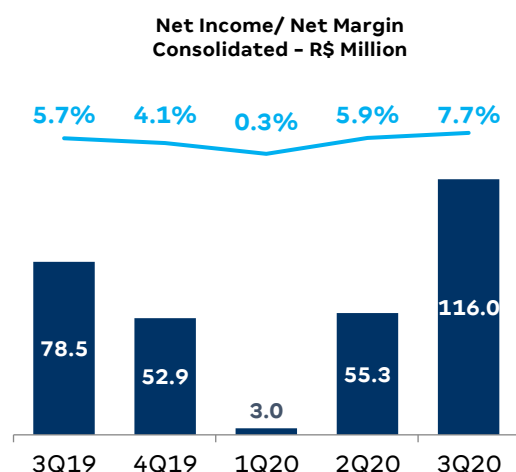
Income Tax and Social Contribution totaled R\$ 59.2 million in 3Q20 (R\$ 24.6 million in the same period of 2019), over income before income tax of R\$ 205.8 million (R\$ 118.9 million in the 3Q19).

In 9M20, these taxes totaled R\$ 123.6 million, and had the impact of the deferred tax write-off in the amount of R\$ 8.2 million in Randon Veículos and ASK Fras-le, due to the expectation of non-recoverability of tax losses in the next ten years. In addition, an adjustment of R\$ 5.3 million was made in the deferred tax of the subsidiary Randon Argentina.

NET INCOME

In 3Q20, net income of R\$ 116.0 million was obtained against R\$ 78.5 million in 3Q19. Consolidated net margin stood at 7.7% in 3Q20 versus 5.7% in the same quarter of the previous year.

In 9M20, the Company reached a net income of R\$ 174.3 million and net margin of 4.8%.


FINANCIAL RESULT

Net financial result, in 9M20, totaled a negative R\$ 49.7 million (negative R\$ 77.4 million in the same period of 2019). The composition of this result has as highlights:

- Reduction of interest on income from financial investments (-32.0%) due to the reduction in CDI (Interbank Deposit Rate);
- Revenues from judicial processes of R\$ 12.7 million in 2020;
- Decrease in interest on financing indexed to the SELIC rate (-35.8%);
- Drop of 26.5% in other financial expenses due mainly to the exemption of IOF (Taxes on Financial Operations)

The following table presents the detailing of the net financial result in the period.

	9M20	9M19	D%
Exchange variance	250,678	136,245	84.0%
Interest on financial investments	48,689	71,602	-32.0%
Revenue from swap operations	3,219	2,283	41.0%
Gains with other derivative operations	976	262	272.5%
Adjustments to present value	3,980	20,031	-80.1%
Revenues from Law Suits	12,661	48	26277.1%
Other financial revenues	7,983	9,952	-19.8%
Financial Revenues	328,186	240,423	36.5%
Exchange variance	-260,698	-153,354	70.0%
Interest on financing	-77,225	-120,246	-35.8%
Expenses on swap operations	-1,004	-832	20.7%
Expenses related to Loan Agreements	-1,102	-600	83.7%
Adjustments to present value	-3,538	-16,938	-79.1%
Leasing adjustments to present value	-5,604	-5,922	-5.4%
Bank Expenses	-15,634	-15,304	2.2%
Other financial expenses	-21,093	-28,710	-26.5%
Financial Expenses	-385,898	-341,906	12.9%
Monetary Adjustment (IAS 29)	7,998	24,066	-66.8%
Net Financial Income	-49,714	-77,417	-35.8%

Values in R\$ Thousand

INDEBTEDNESS

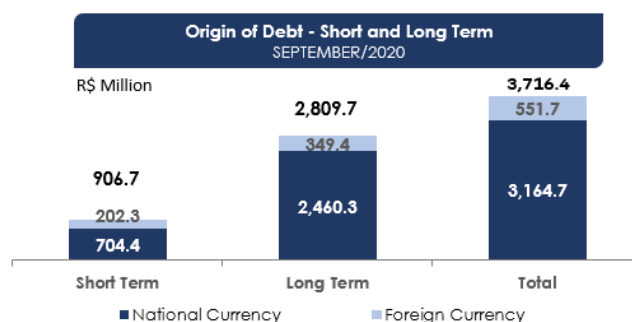
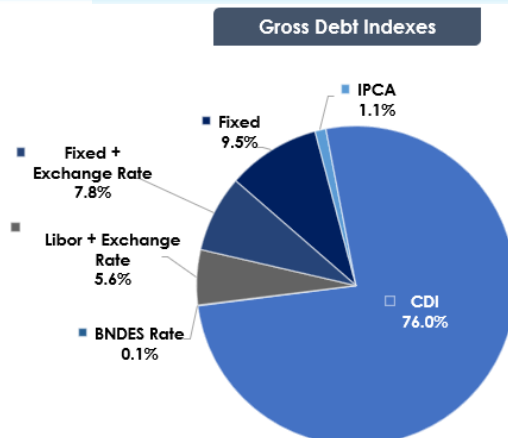
Consolidated net financial debt (gross debt minus cash equivalents) was R\$ 1.6 billion at the end of 9M20, equivalent to a multiple of 2.31 times the EBITDA of the last 12 months.

At the end of September 2019, this debt was R\$ 1.1 billion and represented a multiple of 1.66 times the EBITDA of the last 12 months.

It should be noted that part of the Company's consolidated net debt, R\$ 399.2 million refers to Banco Randon's financial activity.

Excluding the amount related to this activity, consolidated net debt is R\$ 1.2 billion a multiple of 1.77 times the EBITDA of the last twelve months.

The acquisition of Nakata added R\$ 511.8 million to the Company's net debt, a figure composed of the company's purchase value and its debt. However, the significant reduction in working capital compensated for part of this negative effect on net debt (without Banco Randon), which increased R\$ 365 million in the last three months.



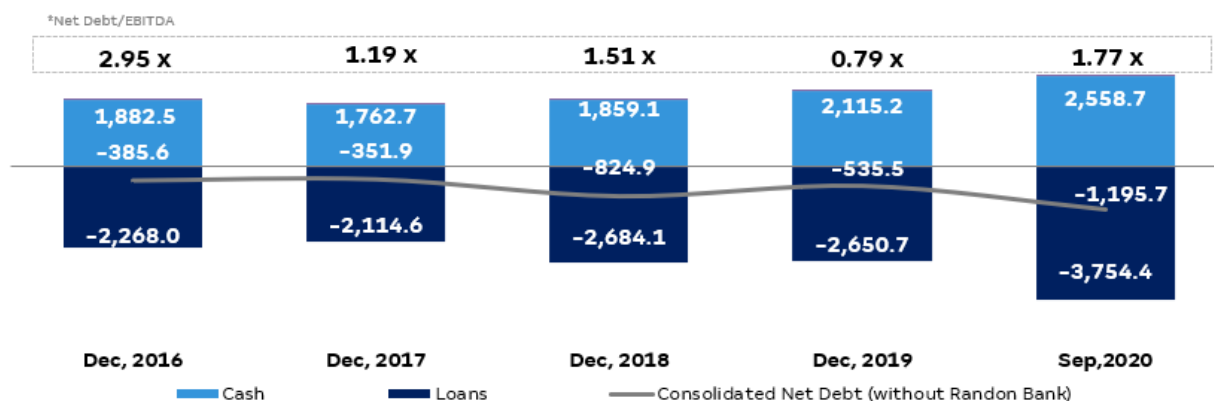
The following table shows the history of the Company's debt over the last quarters:

	09/30/2019	12/31/2019	03/31/2020	06/30/2020	09/30/2020
Total Gross Debt	2,870,356	2,866,659	2,846,133	3,338,109	3,953,385
<i>Total Bank Indebtedness</i>	2,870,356	2,866,659	2,846,133	3,338,109	3,716,442
<i>Accounts Payable by Business Combination¹</i>	-	-	-	-	236.943
Total Consolidated Net Debt	1,086,675	867,857	1,104,396	1,154,691	1,594,860
Net Debt (without Randon Bank)	779,938	535,499	847,287	829,559	1,195,657

¹ As of 3Q20, Accounts Payable by Business Combination were included in the calculation of net debt.

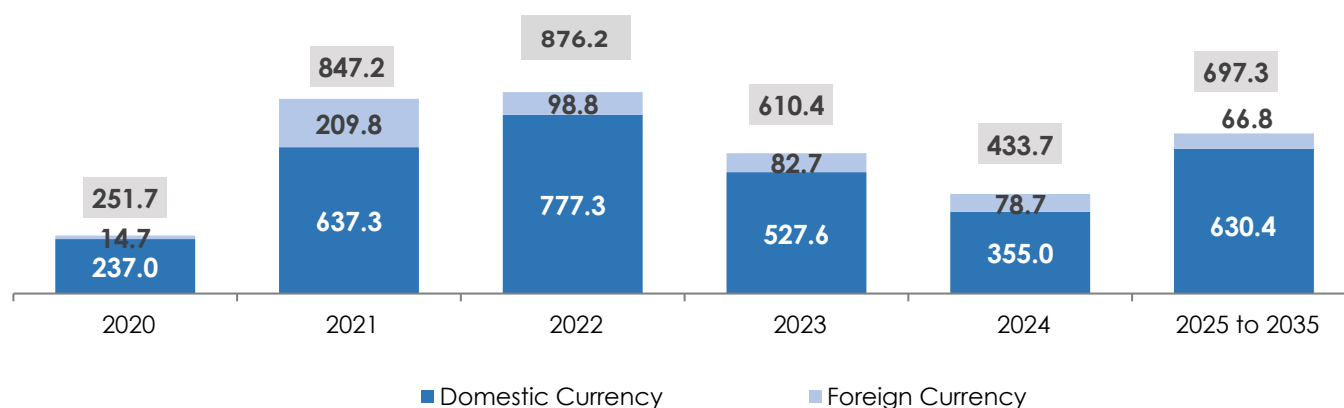
Values in R\$ Thousands

Below, the evolution of consolidated net debt (Without Randon Bank) as of September 30, 2020:



The chart above shows the Company's debt without the cash and debt indicators from Randon Bank.

The consolidated net debt at the end of 9M20 totaled R\$ 1.6 billion, a multiple of 2.31x EBITDA in the last 12 months.

SCHEDULE OF DEBT PAYMENT (R\$ Million)

INVESTMENTS

	3Q20	3Q19	Δ%	9M20	9M19	Δ%
Randon S.A. Implementos e Participações	21,528	12,362	74.2%	36,466	54,669	-33.3%
Randon Veículos Ltda.	4	154	-97.3%	-19	190	-110.0%
Randon Triel-HT Impl. Rodoviários Ltda.	209	2,726	-92.3%	4,479	2,726	64.3%
Randon Argentina S.A.	41	122	-66.1%	194	1,036	-81.3%
Randon Perú S.A.C.	61	13	383.8%	71	81	-12.3%
Trailers	21,843	15,376	42.1%	41,191	58,701	-29.8%
Randon (suspensys Division)	4,384	13,778	-68.2%	10,623	23,754	-55.3%
Master Sistemas Automotivos Ltda.	2,713	5,010	-45.8%	3,731	8,484	-56.0%
JOST Brasil Sistemas Automotivos Ltda.	776	1,838	-57.8%	2,412	2,552	-5.5%
Fras-le S.A.	11,059	23,639	-53.2%	36,110	52,557	-31.3%
Castertech Fundação e Tecnologia Ltda.	5,799	4,512	28.5%	8,579	11,133	-22.9%
Auto Parts	24,732	48,777	-49.3%	61,455	98,481	-37.6%
Randon Adm. de Consórcios Ltda.	912	585	55.9%	3,443	677	408.5%
Randon Investimentos Ltda.	42	2,451	-98.3%	128	2,507	-94.9%
Services	954	3,036	-68.6%	3,571	3,184	12.2%
SUB-TOTAL	47,528	67,189	-29.3%	106,217	160,365	-33.8%
Non Organic ¹	274,577	17,650	1,455.7%	276,577	17,650	1467.0%
Investment in controlled companies	1,000	-	-	61,500	-	-
TOTAL	323,106	84,839	280.8%	444,294	178,015	149.6%

¹Other company's shares or quotas

Values in R\$ Thousands

In 3Q20, investments totaled R\$ 323.1 million, of which we highlight:

- **Non-Organic:** part of the acquisition value of Nakata Automotiva (R\$ 274.6 million);
- **Investment in controlled companies:** investment in Randon Ventures (R\$ 1.0 million);
- **Organic:** acquisition of robots (R\$ 11.0 million) and expansion of Randon Araraquara production lines (\$ 3.0 million).

PERFORMANCE COMPARISON

	3Q20	3Q19	Δ%	9M20	9M19	Δ%
Total Gross Revenue (without eliminations)	2,120,122	1,975,384	7.3%	5,091,945	5,485,659	-7.2%
Consolidated Net Revenue	1,515,500	1,371,329	10.5%	3,616,225	3,807,041	-5.0%
Consolidated Gross Profit	419,624	338,605	23.9%	872,593	954,691	-8.6%
Net Income	116,016	78,539	47.7%	174,280	194,743	-10.5%
Operating Shareholders' Equity (EBIT) - Consolidated	222,033	153,976	44.2%	395,287	417,783	-5.4%
Consolidated EBITDA	269,996	192,136	40.5%	530,908	530,097	0.2%
Consolidated Net Financial Debt	-	-	-	1,594,860	1,086,675	46.8%
Consolidated Net Financial Debt (without Randon Bank)	-	-	-	1,195,657	779,938	53.3%
Consolidated Net Financial Income	-16,241	-35,082	-53.7%	-49,714	-77,417	-35.8%
Financial Income	81,003	98,431	-17.7%	328,186	240,423	36.5%
Financial Expenses	-102,321	-139,209	-26.5%	-385,898	-341,906	12.9%
Monetary Adjustment (IAS 29)	5,078	5,696	-10.9%	7,998	24,066	-66.8%
Consolidated Administrative and Commercial Expenses	-190,052	-173,476	9.6%	-515,279	-511,044	0.8%
Consolidated Income per Share	-	-	-	0.53	0.57	-7.2%

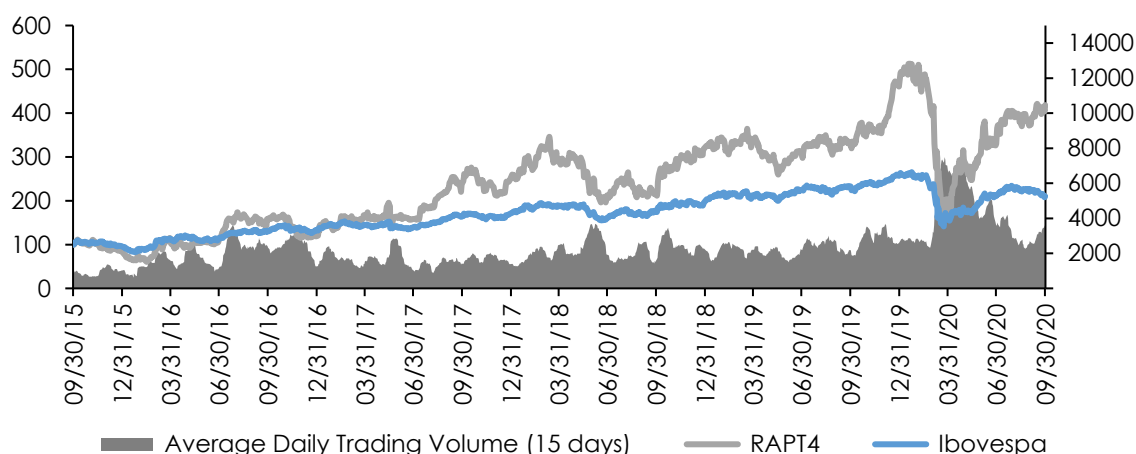
Values in R\$ Thousands (except Consolidated Income per Share)

PERFORMANCE OF SHARES

The price of preferred shares of Randon S.A. Implementos e Participações fell 9.2% at the end of September 2020 compared to the end of 2019 (R\$ 12.17 per share on September 30, 2020 and R\$ 13.40 per share on December 31, 2019). In the same period, the Ibovespa index showed a negative change of 18.2%.

In the nine months of 2020, 778.1 million preferred shares were traded in the spot market of B3. In this period, the Company recorded an average daily trading volume of R\$ 40.2 million (R\$ 20.8 million in 9M19). In 3Q20, 207.1 million RAPT4 shares were traded, with an average daily volume of R\$ 53.7 million (158.2 million shares and R\$ 23.4 million of average daily volume traded in 3Q19).

RAPT4 (100=09/30/2015)



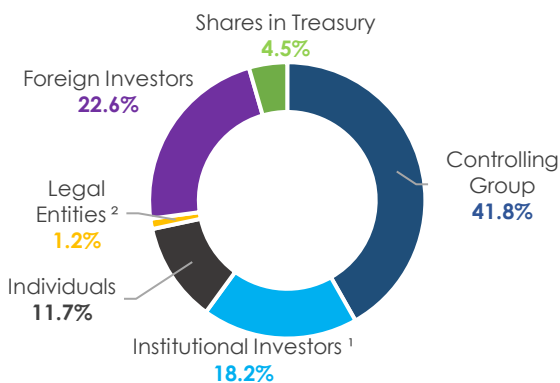
EVENTS

In 3Q20, Randon S.A. - represented by its IR team, participated in the following online events:

- Itaú BBA: *Group Meeting*;
- Santander: *21st Annual Santander Conference*;
- Randon APIMEC Meeting;
- Safra: *Group Meeting*;
- Necton: *Live with Investors*.

SHAREHOLDER'S PROFILE

At the end of September 2020, Randon's share base was composed of 36,944 Shareholders. The total shares of the Company are distributed in the following profiles:

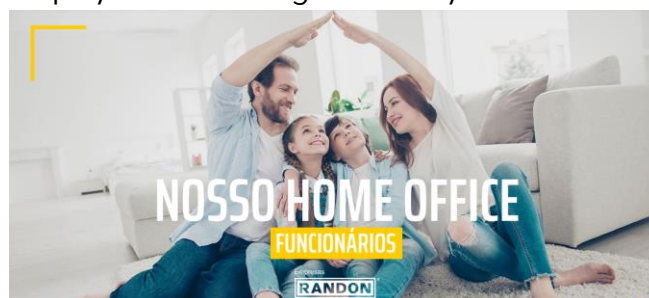


¹ Investment clubs and funds

² Companies, banks, brokers and associations

There are still around 1,000 employees of Randon Companies working from home. To assist them in this new form of work, a cost aid was made available, based on market research.

A book of guidelines for this new way of working was also released, aiming at the employee's well-being and safety.



With the reduction in the number of infected people in the cities where the Company has operations, it is conducting a gradual return of employees to the office, maintaining all health protocols, monitoring and taking care of people.

During the pandemic, a survey was conducted to understand the perception of employees about the Company's actions in this scenario, in the aspects: Well-Being, Leadership, Relationships, Forms of Work, Communication, Image, Reputation and Feelings.

Here are some data obtained in the survey:

- 94% of the respondents are satisfied with the health and safety actions carried out by the company;
- 82% say they strictly follow prevention measures at home and in the company;
- 97% feel comfortable in informing their immediate leadership if they present symptoms of COVID-19;
- 85% feel well informed and satisfied with the content and frequency of communication;
- 88% are aware of the actions taken by Randon Companies with the community, in order to contribute to minimize the impacts during the pandemic and feel proud of the company.

The "Valued and Respected People" principle has guided all actions and initiatives aimed at the well-being and safety of employees at this very different and intense time. Several online events focused on physical and psychological health are available and various channels of assistance for the employee to access whenever he/she feels the need, were implemented.

PEOPLE

The Company's staff, at the end of 9M20, amounted to 11,247 people, similar number to the end of 2019 (11,251 employees). In this quarter, 483 employees of indirect subsidiary Nakata Automotiva were added, reducing the variation in the comparison.

During 3Q20, initiatives to prevent COVID-19 were maintained and strengthened, because as restrictions and decrees were relaxed, employees gradually resumed their activities, especially in productive areas.

To make the collective transport of employees safer, as of August 24, all the buses are receiving a complementary disinfection measure. The action is carried out in partnership with Marcopolo Next, responsible for the supply of the FIP biosecurity system Onboard.



ESG

Environment

Randon Companies have several initiatives and projects to reduce the impacts of their operations on the environment.

The Company's main objectives on this front are:

- Reduce water and energy consumption;
- Minimize waste generation;
- Use the concepts of circular economy.

Based on these objectives, during 3Q20, the 1st Environmental Kaizen was held in the subsidiary Fras-le, to seek the improvement of environmental performance in its production process.

Another important action comes from Suspensys, which is reusing the machining oil of its manufacturing processes, through a decanting process.

The entire environmental strategy is connected to the Company's principles and is disseminated through the SSMA (Health, Safety and Environment) policy, which guides the decisions of Randon Companies to build a safe, balanced and respectful relation with the environment.

The following image shows the representation of this strategy:



Social

Even though a few months have passed since the beginning of the pandemic, the concern regarding the maintenance of preventive care is still present for companies and society.

With this in mind, the subsidiary Master delivered, in 3Q20, kits containing masks and hand sanitizers to all employees and reinforced the importance of continuing health care.



In addition to actions with the community, for the prevention of COVID-19, the Company strongly acts in initiatives for education and awareness of people on several fronts, through the Elisabetha Randon Institute (IER).

Throughout 3Q20, actions were taken for education in traffic, regarding speed and its risks and also specific guidelines for motorcyclists, as they are the biggest traffic victims in Brazil.

We invite you to access the new IER website (ier.randon.com.br), and learn a little more about the programs promoted by this institution.

Governance

One of the main pillars of Randon Corporate Governance is transparency.

And in recognition of its performance, the Company was awarded, for the second consecutive year, by the National Association of Finance, Administration and Accounting Executives (ANEFAC), with the Transparency Trophy, due to the clarity of the 2019 financial statements.

This award encourages and drives Randon even further on this very important journey of good practices and governance.

During the quarter we also took important steps to adapt Randon Companies to the General Data Protection Law (LGPD), creating a group dedicated to the search for best practices in this regard.

INNOVATION AND SERVICES

Conexo

During the preparation of this report, Randon launched its new innovation movement: Conexo.

Through this subsidiary, the Company will promote innovation initiatives, not only from Randon Companies, but will connect them with the community, entrepreneurs, universities, startups and other companies.

This new hub covers 945 m² and was designed to have areas for co-creation, interaction and content production.



Photo: Alex Battistel

In addition to the physical space, there is also a digital environment, which will allow the connection among interested players, allowing cooperation and the development of new ideas.

One of Conexo's objectives is to accelerate the process of cultural transformation of Randon Companies, producing knowledge and agile solutions to real problems. The initiative will also enhance the actions developed by Randon in recent years, such as the ExO exploratory cells, which are already in the fourth generation and have become a tool for the development of tech and soft skills - skills and competences related to technology and human behavior.

During the launch of Conexo, challenges were presented on four fronts so that companies and stakeholders can access their platform and contribute with new solutions and ideas:

- IoT;
- Sustainability;
- *Advanced Analytics*;
- Connection.

To learn more about this initiative, go to conexo.io.

Randon Technological Center

Aware of market directions and the needs of its customers, the Randon Technological Center (CTR) has as its premise the constant technological update of the available technical structure. As part of this action, investments of approximately R\$ 20 million were made in the expansion of the unit's structural laboratory, in the creation of the Innovation Lab space, and in the new area for dynamic tests (VDA - vehicle dynamic area), which has the largest low friction track in Latin America.

In this new area, which was inaugurated on October 26 in an online event, it will be possible to carry out tests for various types and combinations of light and heavy vehicles, with the capacity to support the necessary approvals of anti-lock braking systems (ABS), electronic stability and performance control and tire noise.



Photo: Márcio Campos

Randon Ventures

At the end of September, Randon Companies and Truckhelp, the first startup invested by Randon Ventures, launched an assistance package for truck drivers across the country. The Truck Assistance plan guarantees services 24 hours a day to service trucks and trailers. This new product adds important value and helps the day-to-day of one of the main partners of Randon Companies, the customers.

Also during 3Q20, Randon Ventures announced a new investment: Reboque.me. This startup offers, through a digital platform, on-demand assistance services for light vehicles.

Randon Ventures seeks solutions connected to the Company's business, through the units' expertise in the segments of trailers, auto parts and services.

NAKATA | FRAS-LE

On September 1, 2020, the acquisition of Nakata Automotiva S/A was concluded, through the subsidiary Fras-le, and as of this date, the numbers of this company were included in Randon's consolidated results.

This investment, which totaled R\$ 478 million, combines the experience in the automotive aftermarket of the two companies, which are a reference in this market, and expands the range of products brought together under the same group, with the addition of the Nakata portfolio to the mix of Fras-le, Controil, Fremax and Lonaflex brands.

The company has a production plant in Diadema (SP), administrative headquarters and a technology and development center in Osasco (SP), and a distribution center in Extrema (MG).

For more information visit <http://ri.fras-le.com.br>.



Photo: Alexandre Takashi

FUNDITUBA

On September 14, 2020, the Board of Directors approved, through the subsidiary Castertech, the acquisition of Fundituba Indústria Metalúrgica Ltda., in the amount of R\$ 5.4 million, which may be adjusted on the closing date.

The completion of this deal is subject to the fulfillment of precedent conditions. The Administrative Council for Economic Defense (CADE) published the approval of this operation on November 4, and the final decision is scheduled for November 20.

The main objective of this acquisition is to increase the production capacity and flexibility of Castertech.

SUBSEQUENT EVENTS

Corporate Reorganization

On October 5, the Company announced, by means of a Notice to the Market, the approval by the Board of Directors, of the corporate restructuring in which its Suspensys branches, located in Caxias do Sul-RS and Resende-RJ, started to compose the assets of its subsidiary Castertech Fundação e Tecnologia. The operation aims to expand the synergies between Suspensys and Castertech, since both operate in the auto parts segment.

As a result of the restructuring, Suspensys' establishments are now branches of Castertech, without significant impacts on the operations of the two companies, which will continue to operate independently, without any impact on the production chain, shareholders and other stakeholders.

Randon Veículos Shutdown

On October 8, 2020, the Company informed the market that, at the Board of Directors' Meeting, it was decided to approve the sale of part of the assets of the subsidiary Randon Veículos Ltda. to Müller Indústria de Máquinas de Construção Ltda., which consist of projects, tools and other items for the manufacture of special vehicles, such as parts and components, and inventories applied to production and the aftermarket.

Consequently, the Directors approved the closure of Randon Veículos' operational activities, which should take place during December this year.

These decisions are aimed at concentrating Randon Companies' activities in their main businesses, taking into account the synergies between them, and are part of the optimization of their plants and industrial processes.

Conclusion of the Buyback Program

On October 9, 2020, Randon ended its buyback program, which had been approved at a Board meeting on April 9, 2020. The Company has acquired 13 million preferred shares (RAPT4), which may be held in treasury, disposed of or cancelled, in accordance with the law.

Randon Tech Solutions Industry

On October 22, the Board of Directors approved the constitution of the company Randon Tech Solution Industry Ltda., located in Caxias do Sul (RS), with an investment of R\$ 20.4 million.

The new subsidiary aims to manufacture and commercialize equipment, parts and robotization machines, in addition to providing technical engineering services and advice for industrial automation.

Favorable Decision on Tax Credits

In a Material Fact disclosed on October 29, 2020, the Company informed the market that it obtained a favorable and final decision, which has become *res judicata*, in lawsuits filed in the Federal Court.

The respective amounts to be recovered are being determined and will be reported in due time to the market, as well as potential impacts on the financial statements. The use of the credits arising from this decision, is being verified and will be subject to qualification, through administrative procedure, before the Federal Revenue Service of Brazil.

The following companies were successful in the lawsuits: Randon, JOST, Master and Fras-le. Other Subsidiaries that have similar demand, appear in different cases, which have not yet become final.

RANDON DAY 2020

The Company invites its shareholders and the market in general to participate in its *Investor Day*, which will take place on December 2, 2020 at 2:30 PM (Brazilian time), exclusively on-line.

More information about the event will be sent to investors by the mailing of the Company.

If you are not yet registered, [click here](#) and register to receive information from Randon.

AWARDS AND HIGHLIGHTS

In the third quarter of 2020, Randon Companies received awards, of which we highlight:

- Randon Companies appear in the ranking of **Innovation Value Award 2020** among the most innovative companies in the country. The award is an initiative of the newspaper Valor Econômico in partnership with Strategy&, pwc's strategic consultancy

- Randon Companies won the prominent position in the award **As 100+ Innovative in IT Use**, recognition given by IT Media in partnership with PwC. Randon Companies appeared in second position in the automotive industry, auto parts and mechanics category.
- Randon Companies were recognized among the most transparent companies in Brazil. For the second consecutive year, the company is among the organizations awarded for **Transparency Trophy**, an initiative of the National Association of Finance, Administration and Accounting Executives (ANEFAC), in partnership with the Foundation Institute for Accounting, Actuarial and Financial Research (Fipecafi).
- The companies Randon Implementos, Fras-le and Randon Veículos were featured in the **48th Export RS Award**, in the categories Global Advancement and Sector Prominence - Vehicles and Auto parts. Promoted by the Association of Marketing and Sales Managers of Brazil (ADVB/RS), the award is the largest recognition of the South of the country to the export segment, listing the companies with the best market results for their innovative strategies in the international market, based on 2019 data.
- Randon Companies are, for the second year in a row, on the list of the 100 Brazilian companies most engaged with open innovation in Brazil. The company is part of the ranking **Top 100 Open Corps**, which lists the companies that most connect to startups in Brazil.
- Pointed out by the members of the Union of the Vehicle Repair Industry of São Paulo among the best in the lines of discs and brake pads, the brands Fremax and Fras-le were awarded in the 11th edition of the Sindirepa-SP Award, for the second consecutive year. Fremax received the gold award in the **Best Brake Disc**. Fras-le received the bronze label in the category **Best Brake Pad**.

BOARDS AND POSITIONS**Board of Directors**

David Abramo Randon - President
Alexandre Randon - Vice-President
Pedro Ferro Neto - Board member
Ruy Lopes Filho - Board member
William Ling - Board member

Audit Board

Ademar Salvador
Joao Carlos Sfreddo
Renato Sobral Pires Chaves

Executive Board

Daniel Randon - President Director
Alexandre Randon - Director
Alexandre Gazzi - Director
Sergio Carvalho - Director
Paulo Prignolato - Director

Executive Committee (Non-Statutory)

Daniel Randon - President Director
Daniel Martin Ely - Corporate Director
Paulo Prignolato - Corporate Director
Sergio Carvalho - Corporate Director

CFO and IR Director

Paulo Prignolato - Director

Finance and IR Manager

Esteban Mario Angeletti

Accountant

Paula Machado Corrêa
RS-097654/O-8

Investor Relations

Caroline Isotton Colleto
Davi Coin Bacichette
Gustavo Schwaizer

(54) 3239-2795
ri@randon.com.br



Attachment I.a

CONSOLIDATED INCOME STATEMENTS

R\$ Thousand

	3Q20	%	3Q19	%	9M20	%	9M19	%	Variation %	
									3Q20/3Q19	9M20/9M19
Gross Revenue	1,878,703	124.0%	1,714,769	125.0%	4,503,919	124.5%	4,747,640	124.7%	9.6%	-5.1%
Deduction in Gross Revenue	-363,203	-24.0%	-343,440	-25.0%	-887,694	-24.5%	-940,599	-24.7%	5.8%	-5.6%
Net Revenue	1,515,500	100.0%	1,371,329	100.0%	3,616,225	100.0%	3,807,041	100.0%	10.5%	-5.0%
Costs of Sales and Service	-1,095,876	-72.3%	-1,032,724	-75.3%	-2,743,632	-75.9%	-2,852,350	-74.9%	6.1%	-3.8%
Gross Profit	419,624	27.7%	338,605	24.7%	872,593	24.1%	954,691	25.1%	23.9%	-8.6%
Sales Expenses	-108,168	-7.1%	-104,630	-7.6%	-283,794	-7.8%	-310,398	-8.2%	3.4%	-8.6%
Administrative Expenses	-81,884	-5.4%	-68,845	-5.0%	-231,485	-6.4%	-200,646	-5.3%	18.9%	15.4%
Financial Income	-16,241	-1.1%	-35,082	-2.6%	-49,714	-1.4%	-77,417	-2.0%	-53.7%	-35.8%
Financial Revenues	81,003	5.3%	98,431	7.2%	328,186	9.1%	240,423	6.3%	-17.7%	36.5%
Financial Expenses	-102,321	-6.8%	-139,209	-10.2%	-385,898	-10.7%	-341,906	-9.0%	-26.5%	12.9%
Monetary Adjustment(IAS 29)	5,078	0.3%	5,696	0.4%	7,998	0.2%	24,066	0.6%	-	-
Other Expenses/Income	-7,538	-0.5%	-11,153	-0.8%	37,973	1.1%	-25,864	-0.7%	-32.4%	-246.8%
Result Before Income Tax	205,793	13.6%	118,895	8.7%	345,573	9.6%	340,366	8.9%	73.1%	1.5%
Provision for Income Tax and Social Contribution Taxes	-59,204	-3.9%	-24,616	-1.8%	-123,567	-3.4%	-97,066	-2.5%	140.5%	27.3%
Interest of non-controlling shareholders	-30,572	-2.0%	-15,739	-1.1%	-47,726	-1.3%	-48,558	-1.3%	94.2%	-1.7%
Net Income for the Period	116,016	7.7%	78,539	5.7%	174,280	4.8%	194,743	5.1%	47.7%	-10.5%
EBIT	222,033	14.7%	153,976	11.2%	395,287	10.9%	417,783	11.0%	44.2%	-5.4%
EBITDA	269,996	17.8%	192,136	14.0%	530,908	14.7%	530,097	13.9%	40.5%	0.2%
EBITDA Margin (%)	17.8%		14.0%		14.7%		13.9%		380 bps	76 bps
Adjusted EBITDA	260,551		209,595		495,297		572,011		24.3%	-13.4%
Adjusted EBITDA Margin (%)	17.2%		15.1%		13.6%		14.9%		210 bps	-129 bps



Attachment I.b

CONSOLIDATED INCOME STATEMENTS BREAKDOWN BY SEGMENT

R\$ Thousands (3Q20|3Q19)

	Trailers and Semi-trailers			Auto Parts			Financial Services			Consolidated		
	3Q20	3Q19	Δ%	3Q20	3Q19	Δ%	3Q20	3Q19	Δ%	3Q20	3Q19	Δ%
Gross Revenue	849,462	772,209	10.0%	971,311	889,627	9.2%	57,930	52,933	9.4%	1,878,703	1,714,769	9.6%
Deduction in Gross Revenue	-160,694	-144,560	11.2%	-197,253	-193,805	1.8%	-5,256	-5,075	3.6%	-363,203	-343,440	5.8%
Net Revenue	688,768	627,648	9.7%	774,057	695,822	11.2%	52,675	47,858	10.1%	1,515,500	1,371,329	10.5%
Costs of Sales and Service	-559,068	-511,784	9.2%	-530,280	-516,595	2.6%	-6,529	-4,345	50.3%	-1,095,876	-1,032,724	6.1%
Gross Profit	129,700	115,865	11.9%	243,778	179,227	36.0%	46,146	43,513	6.1%	419,624	338,605	23.9%
Gross Margin (%)	18.8%	18.5%	37 bps	31.5%	25.8%	574 bps	87.6%	90.9%	-332 bps	27.7%	24.7%	300 bps
Operating Expenses	-56,657	-56,696	-0.1%	-111,470	-97,183	14.7%	-29,464	-30,749	-4.2%	-197,591	-184,629	7.0%
EBIT	73,044	59,168	23.5%	132,308	82,044	61.3%	16,682	12,764	30.7%	222,033	153,976	44.2%
EBITDA	85,718	70,860	21.0%	167,362	108,399	54.4%	16,916	12,877	31.4%	269,996	192,136	40.5%
EBITDA Margin	12.4%	11.3%	116 bps	21.6%	15.6%	604 bps	32.1%	26.9%	521 bps	17.8%	14.0%	380 bps
ADJUSTED EBITDA	81,401	88,199	-7.7%	162,233	108,519	49.5%	16,916	12,877	31.4%	260,551	209,595	24.3%
ADJUSTED EBITDA MARGIN	11.8%	13.7%	-186 bps	21.0%	15.6%	536 bps	32.1%	26.9%	521 bps	17.2%	15.1%	210 bps



CONSOLIDATED INCOME STATEMENTS BREAKDOWN BY SEGMENT

R\$ Thousands (9M20|9M19)

	Trailers and Semi-trailers			Auto Parts			Financial Services			Consolidated		
	9M20	9M19	Δ%	9M20	9M19	Δ%	9M20	9M19	Δ%	9M20	9M19	Δ%
Gross Revenue	2,052,714	2,073,747	-1.0%	2,287,126	2,517,054	-9.1%	164,079	156,839	4.6%	4,503,919	4,747,640	-5.1%
Deduction in Gross Revenue	-403,068	-380,751	5.9%	-469,639	-544,805	-13.8%	-14,988	-15,043	-0.4%	-887,694	-940,599	-5.6%
Net Revenue	1,649,646	1,692,995	-2.6%	1,817,487	1,972,250	-7.8%	149,092	141,796	5.1%	3,616,225	3,807,041	-5.0%
Costs of Sales and Service	-1,399,326	-1,368,982	2.2%	-1,326,421	-1,471,117	-9.8%	-17,885	-12,251	46.0%	-2,743,632	-2,852,350	-3.8%
Gross Profit	250,320	324,013	-22.7%	491,066	501,133	-2.0%	131,207	129,545	1.3%	872,593	954,691	-8.6%
Gross Margin (%)	15.2%	19.1%	-396 bps	27.0%	25.4%	161 bps	88.0%	91.4%	-336 bps	24.1%	25.1%	-95 bps
Operating Expenses	-150,425	-166,712	-9.8%	-237,045	-283,074	-16.3%	-89,836	-87,122	3.1%	-477,306	-536,908	-11.1%
EBIT	99,895	157,302	-36.5%	254,021	218,058	16.5%	41,371	42,423	-2.5%	395,287	417,783	-5.4%
EBITDA	137,478	192,064	-28.4%	351,566	295,271	19.1%	41,864	42,761	-2.1%	530,908	530,097	0.2%
EBITDA Margin	8.3%	11.3%	-301 bps	19.3%	15.0%	437 bps	28.1%	30.2%	-208 bps	14.7%	13.9%	76 bps
ADJUSTED EBITDA	145,061	224,312	-35.3%	308,371	304,938	1.1%	41,864	42,761	-2.1%	495,297	572,011	-13.4%
ADJUSTED EBITDA MARGIN	8.7%	13.0%	-435 bps	17.0%	15.4%	154 bps	28.1%	30.2%	-208 bps	13.6%	14.9%	-129 bps

Attachment II STATEMENT OF CASH FLOW – INDIRECT METHOD

R\$ Thousands

	Parent Company		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Cash flow from operations				
Income for the period	174,280	194,743	222,006	243,300
Provision for income tax and social contribution (current and deferred)	24,759	34,407	123,567	97,066
Depreciation and amortization	44,810	44,809	135,621	112,314
Reversal Reduction in Recoverable Value	-9,080	-100	-9,080	-
Reduction in Recoverable Value (Impairment)	-	-	8,431	-
Provision for disputes	7,536	126	14,638	-1,236
Provision for doubtful accounts	-1,001	-2,891	-1,485	-3,676
Provision for obsolete inventory	2,150	586	6,956	2,997
Other Provisions	-9,140	3,758	-9,184	2,667
Residual cost from sold and written off fixed assets	22,024	1,090	29,824	9,169
Equity equivalence	-96,190	-98,073	-	-
Monetary Adjustment (IAS 29)	-	-	-7,998	-24,066
Revenues from law suits	-48,610	-	-113,419	-
Variation in loans and leasing	129,970	122,763	280,426	203,846
Variations in derivatives	-864	-1,452	-582	-1,452
Receipt of profits and dividends of subsidiaries	240,644	299,766	679,721	640,929
Variations in assets and liabilities				
Financial investments	246,387	-234,844	127,897	-273,490
Accounts receivable from customers	-161,869	-61,770	-420,862	-163,061
Inventory	-13,654	-65,280	-71,034	-123,791
Other Assets	79,799	35,690	91,995	41,820
Suppliers	72,031	27,162	195,482	54,518
Other accounts payable	41	60,829	46,151	106,741
Cash used (generated by) operation	463,379	61,553	649,350	283,666
Income tax and Social Contribution paid	-2,592	-12,902	-52,122	-66,931
Net cash used (generated by) operation	460,787	48,651	597,228	216,735
Cash Flow from Investments				
Pay-up of capital in subsidiary	-61,500	-9,439	-	-
Receipt of profits and dividends of subsidiaries	26,358	92,117	-	-
Disposal for investment property	-12,055	-	-12,055	-
Investment Addition	-	-	-1	-2
Loans to subsidiaries	-16,323	-	-	-
Investment in Permanent Assets by Business Combination	-	-	-261,688	-
Purchases of property, plant and equipment	-53,878	-76,503	-110,618	-154,263
Additions to intangible assets	-10,146	-1,921	-40,082	-3,701
Net available cash used in investments	-127,544	4,254	-424,444	-157,966
Net Cash used (resulting from) financing				
Payment of dividends	-13	-30,096	-3,770	-97,359
Payment of interest on capital payable	-78,254	-30,843	-87,584	-50,638
Loans	218,083	444,367	1,111,830	818,988
Payment of loans	-97,404	-572,190	-491,013	-783,700
Acquisition of Treasury Shares	-124,160	-	-124,160	-
Loans granted by related parties	-	-	8,264	-
Payment of leasings	-5,921	-5,309	-20,665	-16,487
Interest paid on loans	-69,824	-94,214	-90,502	-159,405
Net Cash used (resulting from) financing	-157,493	-288,285	302,400	-288,601
	175,750	-235,380	475,184	-229,832
Statement of increase in cash				
At beginning of period	883,874	922,716	1,177,202	1,229,151
At end of period	1,059,624	687,336	1,652,386	999,319
Increase in cash	175,750	-235,380	475,184	-229,832

Attachment III SUMMARIZED FINANCIAL STATEMENTS AS OF 09/30/2020

R\$ Thousands - according to Corporate Legislation

	RANDON S/A IMPL. E PARTIC. CONSOLIDATED	RANDON S/A IMPL. E PARTIC. PARENT CO.	RANDON INVESTIMENTOS
Assets	7,922,554	4,558,454	758,603
Current Assets	4,724,943	2,420,027	475,530
Cash and equivalents	1,652,386	1,059,624	11,144
Financial Investments	624,299	555,679	11,531
Derivative Financial Instrument	13,818	2,246	-
Receivables	1,156,310	331,234	452,437
Inventory	1,000,892	343,747	-
Deferred Charges/ Recoverable taxes	208,754	92,830	130
Others	68,485	34,667	289
Noncurrent Assets	3,197,610	2,138,427	283,073
Long-term Assets	751,346	352,458	275,563
Investments of non-immediate liquidity	68,022	61,119	-
Credit controlling company/controlled companies	-	119,280	-
Receivables	258,741	-	258,741
Consortiums for resale	15,858	588	-
Deferred Charges/ recoverable taxes	268,249	149,107	3,580
Other non-current assets	18,050	4,247	138
Taxes under litigation	49,998	17,828	-
Goods for resale	13,393	289	13,103
Long Term Receivables	59,035	-	-
Investments/Property, Plant, Right to use asset	2,266,636	1,762,679	6,526
	179,628	23,289	984
Liabilities	7,922,554	4,558,454	758,603
Current Liabilities	2,230,684	1,007,982	342,508
Suppliers	613,566	297,572	2,207
Financing institutions	906,743	542,140	206,544
Accounts payable by business combination Short Term	62,904	-	-
Salaries and benefits	121,490	48,335	1,001
Taxes and Fees	108,430	8,796	4,826
Advances for customers and others	388,557	104,434	127,850
Goods for resales	28,995	6,705	80
Noncurrent Liabilities	3,395,772	1,807,111	261,877
Financing institutions	2,801,435	1,763,498	222,222
Accounts payable by business combination Long Term	174,039	-	-
Government Subsidy	4,403	1,852	-
Debits with controlled companies	8,264	-	1
Diverse taxes and contributions	77,414	-	19
Provision for contingencies	56,062	22,558	-
Other non-current liabilities	11,350	1,199	978
Coop-payment plans obligations	74,514	-	-
Advances for customers and others	37,717	805	37,717
Leases	150,573	17,198	938
Total Net Equity	2,296,098	1,743,361	154,218
Net Equity	1,743,361	1,743,361	154,217
Minority interest	552,737	-	0



Attachment III SUMMARIZED FINANCIAL STATEMENTS AS OF 09/30/2020

R\$ Thousands - according to Corporate Legislation

	RANDON S/A IMPL. E PARTIC. CONSOLIDATED	RANDON S/A IMPL. E PARTIC. PARENT CO.	RANDON INVESTIMENTOS
INCOME STATEMENT			
Net revenue	3,616,225	1,837,206	44,784
Cost of goods and services	-2,743,632	-1,547,885	-20,473
Gross income	872,593	289,321	24,311
Sales expenses	-283,794	-87,554	-
Administrative expenses	-231,485	-87,401	-10,725
Financial income	-49,714	-31,239	-68
Investment valuation income	-	96,190	-
Other expenses/income	37,973	19,722	-2,132
Income before taxes	345,573	199,039	11,386
Provision for taxes and social contributions	-123,566	-24,759	-4,261
Interest of non-controlling shareholders	-47,726	-	1.1
Net income for the period	174,280	174,280	7,126
EBIT	395,287	134,087	11,454
EBITDA	530,908	178,897	11,591
EBITDA MARGIN (%)	14.7%	9.7%	25.9%

