

# BUILDING THE FUTURE. NOW.



## Earnings Results | 4Q22

Caxias do Sul, February 28, 2023. – Randon S/A Implementos e Participações [B3: RAPT3 and RAPT4], discloses its results for the fourth quarter of 2022 (4Q22) and full year of 2022. The consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil and with international Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

### About Randon Companies

We are Randon Companies, and, for over 74 years, we have been developing solutions in transportation equipment, automotive systems, logistics and financial services. Our brand has a global footprint that is based on quality, innovation, and ethics, to sustain value-generating relationships with our stakeholders. As a Company with a diversified business model, distributed in 5 verticals, we serve different markets and geographies. Our headquarter 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.



#### 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 | Randon is all of us



#### STRATEGIC GUIDELINES

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

### CAPITAL MARKET

Dec 31, 2022



**RAPT3** – R\$ 7.99

**RAPT4** – R\$ 8.21



**MARKET CAP**

R\$ 2.7 billion



**FREE FLOAT**

60.1%

### EARNINGS CONFERENCE CALL



March 1<sup>st</sup>, 2023, Wednesday



11 AM Brazil | 9 AM New York | 2 PM London



Broadcasting in Portuguese and English



Translation into Brazilian sign language



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### INVESTOR RELATIONS



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[Click here](#) and download the report tables.

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.**



## Quarter Highlights

### ECONOMIC AND FINANCIAL

- > **Consolidated Net Revenue** amounted to R\$ 2.8 billion in 4Q22, 11.9% up from 4Q21, on account of the consistent demand in the automotive markets, new businesses, and growth abroad.
- > **International Market Revenues** totalled US\$ 102.6 million in 4Q22, 12.6% higher than the same period in 2021, reflecting the acquisition of Hercules Enterprises, increase in exports and good performance of our subsidiaries abroad.
- > **Consolidated EBITDA** was R\$ 322.3 million in 4Q22, an increase of 24.7% compared to 4Q21, with a consolidated EBITDA margin of 11.3%.
- > **Net Profit** was R\$ 89.4 million, with net margin of 3.1% in 4Q22, a reduction of 41.6% compared to 4Q21, mainly because of the positive impact of one-offs in that quarter and higher financial expenses due to the increase in interest rates.
- > **Investments** totalled R\$ 492.8 million, most of which are non-organic.
- > **Net Debt** (without Randon Bank) decreased 20.8% when compared to 3Q22, reaching R\$ 1.6 billion (leverage of 1.08x EBITDA in the last 12 months), mainly due to the reduction in working capital and higher gross cash gain.

### MAIN FIGURES

Economic Highlights	4Q22	4Q21	Δ%	3Q22	Δ%	2022	2021	Δ%
Total Gross Revenue <sup>1</sup>	4,156,677	3,774,895	10.1%	4,386,742	-5.2%	16,188,683	13,269,421	22.0%
Consolidated Net Revenue	2,847,923	2,544,489	11.9%	3,055,830	-6.8%	11,152,417	9,057,457	23.1%
International Market Revenues US\$ <sup>2</sup>	102,646	91,137	12.6%	121,492	-15.5%	436,463	316,399	37.9%
Consolidated Gross Profit	592,344	596,890	-0.8%	742,423	-20.2%	2,624,762	2,268,352	15.7%
Gross Margin (%)	20.8%	23.5%	-266 bps	24.3%	-350 bps	23.5%	25.0%	-151 bps
Consolidated EBITDA	322,336	258,424	24.7%	419,261	-23.1%	1,504,964	1,326,464	13.5%
EBITDA Margin (%)	11.3%	10.2%	116 bps	13.7%	-240 bps	13.5%	14.6%	-115 bps
Adjusted EBITDA	327,815	292,167	12.2%	419,261	-21.8%	1,510,443	1,337,376	12.9%
Adjusted EBITDA Margin (%)	11.5%	11.5%	3 bps	13.7%	-221 bps	13.5%	14.8%	-122 bps
Consolidated Net Profit	89,440	153,164	-41.6%	147,680	-39.4%	471,719	697,876	-32.4%
Net Margin (%)	3.1%	6.0%	-288 bps	4.8%	-169 bps	4.2%	7.7%	-348 bps
Earnings per share R\$	0.27	0.47	-41.9%	0.45	-39.9%	1.43	2.12	-32.5%
Financial Highlights								
Equity	2,744,765	2,520,219	8.9%	2,771,965	-1.0%	2,744,765	2,520,219	8.9%
Investments <sup>3</sup>	492,758	181,275	171.8%	119,745	311.5%	1,221,200	586,893	108.1%
Net Debt	2,925,301	2,542,175	15.1%	3,257,929	-10.2%	2,925,301	2,542,175	15.1%
Net Debt (Without Randon Bank)	1,594,320	1,409,314	13.1%	2,013,042	-20.8%	1,594,320	1,409,314	13.1%
Leverage	1.94 x	1.92 x	1.5%	2.26 x	-14.0%	1.94 x	1.92 x	1.5%
Leverage (Without Randon Bank)	1.08 x	1.08 x	0.2%	1.42 x	-24.1%	1.08 x	1.08 x	0.2%
ROE (last 12 months)	18.7%	33.9%	-1519 bps	21.3%	-254 bps	18.7%	33.9%	-1519 bps
ROIC (last 12 months)	14.5%	16.4%	-192 bps	12.5%	202 bps	14.5%	16.4%	-192 bps

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

<sup>2</sup> Exports + Revenues from International Markets (both consolidated)

<sup>3</sup> Capex + Non-Organics + Paid-in Capital

Values in R\$ Thousands

Capital Market	12/31/2022	12/31/2021	Δ%	09/30/2022	Δ%
RAPT4 Closure Quote <sup>1</sup>	8.21	9.85	-16.6%	9.06	-9.4%
RAPT3 Closure Quote <sup>1</sup>	7.99	11.21	-28.7%	8.37	-4.5%
RAPT4 Total shares <sup>2</sup>	212,815	212,815	0.0%	212,815	0.0%
RAPT3 Total shares <sup>2</sup>	116,516	116,516	0.0%	116,516	0.0%
Market cap <sup>3</sup>	2,669,657	3,402,367	-21.5%	2,896,832	-7.8%
RAPT4 Treasury shares <sup>2</sup>	1,037	-	-	718	44.4%
Price over book value <sup>1</sup>	11.64	9.94	17.1%	11.84	-1.7%

<sup>1</sup> Values in R\$ and adjusted to dividends and interest on equity paid

<sup>2</sup> Values in Thousands

<sup>3</sup> Values in R\$ Thousands



## Business Overview

The fourth quarter of 2022 ends a full and challenging period, from which we leave with the feeling of achievement of goals. Despite the complex macroeconomic scenario and high competitiveness in the markets where the Company operates, we managed to set historical revenue records and reached the Guidance disclosed for 2022. This performance is the result of our diversification, internationalization, sustainable growth strategy, and initiatives developed over the last few years to make Randon less cyclical.

In 4Q22, we announced several facts: the purchase of the assets of *Fundição Balancins*, the acquisition of DBServer, and the structuring of the new joint venture, Addiante. In addition, we advanced in our internationalization process by completing the purchase of Hercules Enterprises, a manufacturer of trailers in the USA and, more recently, we also announced, through our subsidiary Fras-le, the acquisition of AML Juratek Limited, a company located in the United Kingdom, which will expand our presence in the European aftermarket. These operations will enable us not only to expand our exposure to different sectors and geographies but also to keep a fast pace of business expansion, while making the Company increasingly resilient.

These movements demonstrate our constant search for the diversification of our revenue sources, balancing exposure between the domestic and international markets and between aftermarket sales and OEMs, thus reducing the seasonality effects of sectors and regions. This distribution can be observed among our five business verticals, which, together, allow the Company to maintain consistent consolidated margins.

When analysing the production numbers of our main markets in the quarter, we see a decrease in trailers and growth in trucks. This market dynamics will be explained in more detail in the Market Overview. In relation to the year 2022, approximately 162 thousand trucks and 89 thousand trailers were produced, with demand driven mainly by the agribusiness, which produced a strong harvest in the period, forecasting a record crop in 2023.

The challenges faced in recent years, such as the pandemic, supply chain disruptions, economic instability, and political crises, which affected all markets globally, have allowed us to evolve and put our strategy into place, confirming our thesis of a more robust and balanced business model. We feel strengthened and confident for the future, which is very promising because of the various opportunities we spot, such as increased exposure to the North American and European markets, synergy gains through the new acquisitions and launch of innovative and disruptive solutions for transport.

In addition to increasing our market share and consolidating us in a leadership position, these projects allow us to bring benefits to our customers and society, thus contributing to the global sustainability agenda. Furthermore, they reflect our purpose of connecting people and riches, to generate prosperity.

## Market Overview

### MARKET PERFORMANCE

		4Q22	4Q21	Δ%	3Q22	Δ%	2022	2021	Δ%
Production	Trucks <sup>1</sup>	45,141	40,508	11.4%	44,903	0.5%	161,816	158,810	1.9%
	Trailers <sup>3</sup>	22,089	23,556	-6.2%	23,975	-7.9%	88,537	95,387	-7.2%
Brazil Sales	Trucks <sup>1</sup>	33,480	33,406	0.2%	35,557	-5.8%	126,642	128,679	-1.6%
	Trailers <sup>2</sup>	20,450	22,061	-7.3%	22,373	-8.6%	82,837	90,323	-8.3%
Exports	Trucks <sup>1</sup>	7,478	6,040	23.8%	6,839	9.3%	25,455	22,699	12.1%
	Trailers <sup>3</sup>	1,639	1,495	9.6%	1,602	2.3%	5,700	5,064	12.6%

<sup>1</sup> Anfavea

<sup>2</sup> Anfir

<sup>3</sup> Anfir + Aliceweb

Volumes in units

► **Trucks:** volumes at the end of 2022 were good in all segments, even in the face of a shortage of semiconductors. Throughout the second half, OEMs intensified their pace of production, ending 4Q22 with higher volumes. This has ensured good inventory levels of Euro 5 trucks to meet market demand in early 2023, while making plant adjustments for the production of the new Euro 6 model.

► **Trailers:** although the annual and quarterly comparisons of production and sales have shown a decline, this was the second-best year in the history of this segment, with demand at good levels, mainly due to the record harvest and the advances in exports, with our entry into the USA trailers market.

► **Aftermarket:** benefited by the increase in the average age of the fleet and booming aftermarket, this segment performed positively throughout 2022.



## Consolidated Performance



### Consolidated Net Revenue

	4Q22	4Q21	Δ%	3Q22	Δ%	2022	2021	Δ%
Net Revenue	2,847,923	2,544,489	11.9%	3,055,830	-6.8%	11,152,417	9,057,457	23.1%
Domestic Market	2,308,447	2,036,454	13.4%	2,419,156	-4.6%	8,901,160	7,344,572	21.2%
International Market <sup>1</sup>	539,476	508,035	6.2%	636,674	-15.3%	2,251,257	1,712,885	31.4%

<sup>1</sup> Exports + Revenues from International Markets (both consolidated)

Values in R\$ Thousands

Consolidated net revenue was R\$ 2.8 billion in 4Q22, an increase of 11.9% when compared to 4Q21, but a decrease of 6.8% compared to 3Q22. In the full year results, this indicator reached R\$ 11.2 billion, an increase of 23.1% compared to 2021, topping the Guidance for the year.

The highlights in the quarter and year were:

- > Markets for trucks and trailers with a good level of demand, leading to higher volumes in most of our product lines.
- > Inflation pass-throughs carried out over the last twelve months, reflecting in increased average selling prices.
- > New sources of income through the expansion of production capacity and the acquisition and constitution of companies.
- > Good performance in the aftermarket.
- > Expansion of revenues in the international market.
- > Diversified business model, with access to new geographies, increased portfolio, new customers and offer of innovative and more sustainable products.

When analysing net revenue by business vertical, the well balanced distribution of revenues between the verticals, in the period under comparison, can be seen in the graphs on the side, despite the different market scenarios.

Below are relevant factors that impacted the verticals revenue in 4Q22:

- > **Trailers:** acquisition of Hercules Enterprises (R\$ 52.5 million in net revenue in the quarter), exports to the United States (R\$ 51.1 million in 4Q22) and the beginning of the delivery of the products sold at Fenatran.
- > **Auto parts:** benefited from the strong production pace of the OEMs, due to the effect of the pre-buy of Euro 5 trucks and normalizing of the supply chain.
- > **Financial and Digital Services:** negative impact of R\$ 55.4 million from the adoption of CPC 47 (similar to IFRS 15 - further details in the chapter of this vertical, page 13), which establishes the account entry of revenues on an accrual basis and not on a cash basis, as it was previously done.

The details will be presented in the Performance by Business Verticals chapter.



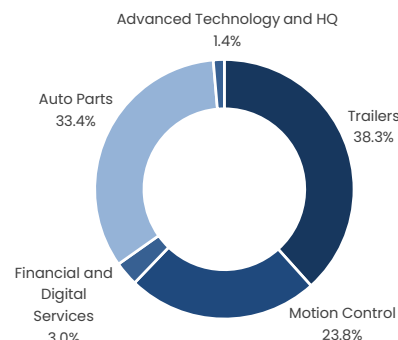
### International Market

Exports	4Q22	4Q21	Δ%	3Q22	Δ%	2022	2021	Δ%
Trailers	30,247	24,008	26.0%	30,634	-1.3%	115,746	71,091	62.8%
Auto Parts	11,676	11,620	0.5%	11,783	-0.9%	43,409	36,159	20.1%
Motion Control	25,023	18,100	38.2%	24,527	2.0%	103,653	84,740	22.3%
Advanced Technology and HQ	600	-	-	563	6.6%	1,918	-	-
<b>Sub-Total</b>	<b>67,545</b>	<b>53,728</b>	<b>25.7%</b>	<b>67,507</b>	<b>0.1%</b>	<b>264,726</b>	<b>191,989</b>	<b>37.9%</b>
(-) Intercompany Sales	-19,856	-13,398	48.2%	-16,038	23.8%	-74,061	-61,737	20.0%
<b>Consolidated Exports</b>	<b>47,689</b>	<b>40,331</b>	<b>18.2%</b>	<b>51,470</b>	<b>-7.3%</b>	<b>190,665</b>	<b>130,252</b>	<b>46.4%</b>
Revenues from International Units	4Q22	4Q21	Δ%	3Q22	Δ%	2022	2021	Δ%
Trailers	21,076	15,387	37.0%	20,246	4.1%	70,985	45,487	56.1%
Auto Parts	289	134	115.2%	673	-57.0%	2,110	1,300	62.3%
Motion Control	37,907	40,336	-6.0%	54,776	-30.8%	195,615	156,163	25.3%
<b>Sub-Total</b>	<b>59,272</b>	<b>55,858</b>	<b>6.1%</b>	<b>75,696</b>	<b>-21.7%</b>	<b>268,710</b>	<b>202,950</b>	<b>32.4%</b>
(-) Intercompany Sales	-4,315	-5,052	-14.6%	-5,673	-23.9%	-22,912	-16,803	36.4%
<b>Total</b>	<b>54,957</b>	<b>50,806</b>	<b>8.2%</b>	<b>70,023</b>	<b>-21.5%</b>	<b>245,798</b>	<b>186,147</b>	<b>32.0%</b>
<b>International Market</b>	<b>102,646</b>	<b>91,137</b>	<b>12.6%</b>	<b>121,492</b>	<b>-15.5%</b>	<b>436,463</b>	<b>316,389</b>	<b>37.9%</b>

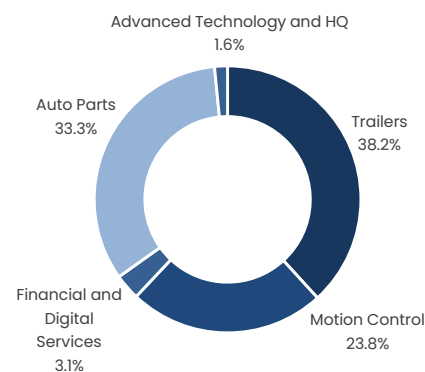
Values in US\$ Thousands



### Net Revenue by Vertical 4Q22



### Net Revenue by Vertical 4Q21



### International Market

US\$ Million







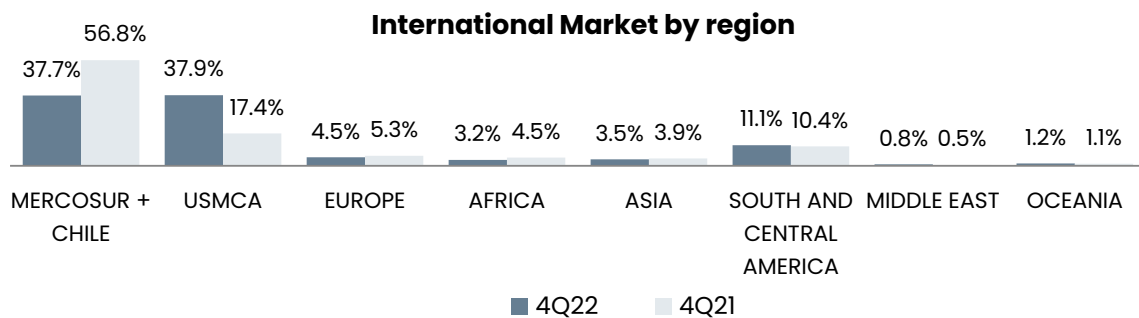
Revenues from the international markets, which include exports out of the Brazilian units and sales by companies abroad, both with intercompany elimination, reached US\$ 102.6 million in 4Q22, an increase of 12.6% compared to 4Q21.

Below are the highlights of 4Q22:

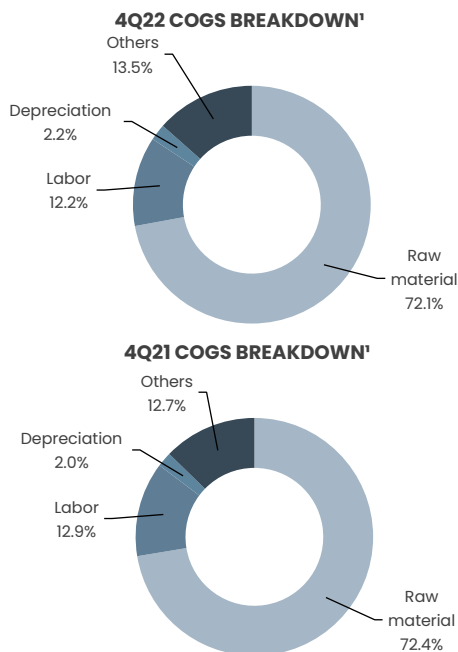
- > Revenues from Hercules Enterprises, acquired in November 2022 (US\$ 10.0 million).
- > Exports of trailers to the North American market (US\$ 9.7 million).
- > Increase in the average price of products sold abroad when compared to 4Q21.
- > Favourable exchange rate for exports.
- > New customers and projects.

The factors listed above were key for us to exceed the top of the Guidance for this indicator by 18.0% in 2022. The projection did not consider the entry of the Trailers Vertical in the United States and the increase in inflation, which had a positive impact on revenue, especially in the subsidiaries located in Argentina.

The graph below shows the breakdown of consolidated sales to the international market, by region, in 4Q22 and 4Q21:



### Cost of Goods Sold (COGS)



<sup>1</sup>Consolidated information

The COGS of the Company was R\$ 2.3 billion in 4Q22, totalling 79.2% of consolidated net revenue, against R\$ 1.9 billion and 76.5% of consolidated net revenue in 4Q21. The comparison of COGS was affected by the reduction of R\$ 55.4 million in the net revenue of the Financial and Digital Services Vertical, as a result of adopting CPC 47, thus reducing the revenue base on which the COGS is calculated and with an impact of 150 bps in this indicator.

The following factors influenced COGS in 4Q22:

- > Tires, mechanical springs and resins had the highest price adjustments in the period.
- > Impacts of the seasonality of the period with production slowdown due to year-end holidays.

As a strategy to maintain the competitiveness of input prices, we have intensified the negotiations of the main raw material with suppliers.



## General, Commercial and Administrative Expenses

	4Q22	%	4Q21	%	Δ%	3Q22	%	Δ%	2022	%	2021	%	Δ%
Selling Expenses	-146,476	-5.1%	-186,583	-7.3%	-21.5%	-216,240	-7.1%	-32.3%	-717,075	-6.4%	-616,968	-6.8%	16.2%
Administrative Expenses	-162,275	-5.7%	-129,909	-5.1%	24.9%	-138,020	-4.5%	17.6%	-541,434	-4.9%	-446,852	-4.9%	21.2%
Other Expenses/ Income	-31,192	-1.1%	-81,947	-3.2%	-61.9%	-30,212	-1.0%	3.2%	-113,717	-1.0%	-103,531	-1.1%	9.8%
Other Operating Expenses	-73,867	-2.6%	-136,435	-5.4%	-45.9%	-48,619	-1.6%	51.9%	-202,791	-1.8%	-286,681	-3.2%	-29.3%
Other Operating Income	42,675	1.5%	54,488	2.1%	-21.7%	18,407	0.6%	131.8%	89,074	0.8%	183,151	2.0%	-51.4%
Equity Income	1,105	0.0%	-487	0.0%	-326.8%	-544	0.0%	-303.0%	-280	0.0%	-487	0.0%	-42.6%
Total Operating Exp/ Income	-338,837	-11.9%	-398,926	-15.7%	-15.1%	-385,016	-12.6%	-12.0%	-1,372,506	-12.3%	-1,167,838	-12.9%	17.5%

Values in R\$ Thousand and % over Net Revenue

Operating expenses reached R\$ 338.8 million in the fourth quarter of 2022, which is 11.9% of consolidated net revenue (CNR) for the period, a 15.1% decrease compared to 4Q21 (R\$ 398.9 million and 15.7% o/CNR). When comparing the full periods, we see an increase of 17.5% in this line, reaching R\$ 1.4 billion in 2022 (R\$ 1.2 billion in 2021).

The highlights of this indicator in the quarter were:

- > **Selling expenses:** adopting of CPC 47 at Randon Consórcios, resulting in the provision for delinquencies and reversal of commissions on sales of R\$ 86.7 million, by the new guidelines of deferral<sup>1</sup>.
- > **Administrative expenses:** addition of expenses related to the new operations, consultancy for the opening and incorporation of companies, write-offs of obsolete assets and adjustments in the administrative structure carried out in the verticals.
- > **Other Operating Income:** One-offs related to the business combination update of Castertech Indaiatuba<sup>2</sup> (R\$ 3.0 million) and gain from Castertech<sup>3</sup> tax lawsuit (R\$ 14.0 million).
- > **Other Operating Expenses:** business combination update of Nakata<sup>2</sup> (R\$ 16.2 million), provision for contingency related to the tax lawsuit gain from Jurid<sup>3</sup> (R\$ 5.6 million) and impairment of the indirect subsidiaries Fras-le North America and Eurobrakes<sup>4</sup> (R\$ 715.3 thousand).

<sup>1</sup> Deferral is the process by which the expense will be distributed over the duration of the contract.  
Annual Financial Statements: <sup>2</sup> Note 4 | <sup>3</sup> Note 12 | <sup>4</sup> Note 16.



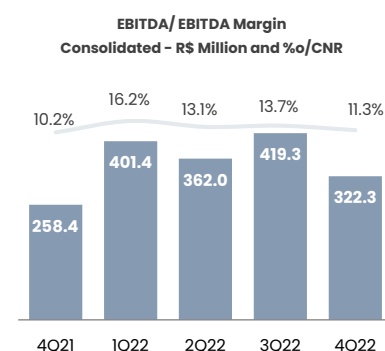
## EBITDA

Consolidated EBITDA was R\$ 322.3 million in 4Q22, with an EBITDA margin of 11.3%, an increase of 116 bps compared to 4Q21 (R\$ 258.4 million and an EBITDA margin of 10.2%). For 2022, we reached R\$ 1.5 billion in Consolidated EBITDA, with an EBITDA margin of 13.5%, within the Guidance range announced for 2022.

When analysing the Adjusted EBITDA comparison, there was stability of margins compared to the same period in 2021. In 4Q22 there were one-offs, already mentioned in this report, totalling R\$ 5.5 million in the consolidated results, improving EBITDA margin in 3 bps. One-offs by vertical can be checked in the Performance by Business verticals chapter.

The main highlights that impacted the EBITDA in 4Q22 are:

- > Good production and sales volumes in most of the group's companies.
- > Negative impact of the period's seasonality on operations, with less dilution of fixed costs.
- > Competitive market in the Trailers Vertical, with low ability to pass on prices.
- > Expenses related to the establishment and acquisition of companies, which, after being integrated, tend to benefit margins in the medium and long term.
- > Increase in the margins of some verticals, with price readjustment and operational efficiency gains, on account of investments made in innovation and technology.
- > Positive net impact of the adopting of CPC 47 in the Financial and Digital Services Vertical, of R\$ 27.9 million.





	4Q22	4Q21	Δ%	3Q22	Δ%	2022	2021	Δ%
Net Profit	89,440	153,164	-41.6%	147,680	-39.4%	471,719	697,876	-32.4%
Discontinued Operation	56	13	317.5%	416	-86.5%	652	529	23.2%
Interest of non-controlling shareholders	-40,231	-28,344	41.9%	-60,497	-33.5%	-194,683	-186,836	4.2%
Income Tax and Social Contribution	-6,952	2,329	-398.5%	-57,668	-87.9%	-216,205	-110,151	96.3%
Financial Income	-116,939	-18,799	522.1%	-91,978	27.1%	-370,301	-106,182	248.7%
<b>EBIT</b>	<b>253,506</b>	<b>197,964</b>	<b>28.1%</b>	<b>357,407</b>	<b>-29.1%</b>	<b>1,252,256</b>	<b>1,100,515</b>	<b>13.8%</b>
Depreciation and Amortization	68,830	60,460	13.8%	61,854	11.3%	252,708	225,950	11.8%
<b>Consolidated EBITDA</b>	<b>322,336</b>	<b>258,424</b>	<b>24.7%</b>	<b>419,261</b>	<b>-23.1%</b>	<b>1,504,964</b>	<b>1,326,464</b>	<b>13.5%</b>
EBITDA Margin (%)	11.3%	10.2%	116 bps	13.7%	-240 bps	13.5%	14.6%	-115 bps
One-Offs	5,479	33,742	-83.8%	-	-	5,479	10,912	-49.8%
<b>Consolidated Adjusted EBITDA<sup>1</sup></b>	<b>327,815</b>	<b>292,167</b>	<b>12.2%</b>	<b>419,261</b>	<b>-21.8%</b>	<b>1,510,443</b>	<b>1,337,376</b>	<b>12.9%</b>
Adjusted EBITDA Margin (%)	11.5%	11.5%	3 bps	13.7%	-221 bps	13.5%	14.8%	-122 bps

<sup>1</sup> Breakdown of EBITDA by vertical in the Performance by Business Segment chapter

Values in R\$ Thousands

## Financial Result

	4Q22	4Q21	Δ%	3Q22	Δ%	2022	2021	Δ%
Financial Revenues	191,544	138,818	38.0%	200,553	-4.5%	709,834	413,009	71.9%
Financial Expenses	-321,007	-167,723	91.4%	-320,587	0.1%	-1,162,179	-574,664	102.2%
Monetary Adjustment (IAS 29)	12,524	10,107	23.9%	28,056	-55.4%	82,044	55,473	47.9%
<b>Net Financial Income</b>	<b>-116,939</b>	<b>-18,799</b>	<b>522.1%</b>	<b>-91,978</b>	<b>27.1%</b>	<b>-370,301</b>	<b>-106,182</b>	<b>248.7%</b>

Values in R\$ Thousand

The Company's net financial result totalled negative R\$ 116.9 million at the end of 4Q22, an increase of 522.1% against 4Q21, when this indicator reached negative R\$ 18.8 million.

Below are the main factors that affected the financial result both in the quarterly and full-year comparisons:

- > Selic rate with consecutive increases in the last 12 months, going from 9.25% to 13.75% per year, negatively impacting the financial result.
- > Increase in interest paid on financing due to higher gross debt.
- > Growth in expenses with exchange variation, due to the devaluation of the US Dollar against the Real.
- > Higher revenue related to the adjustment for inflation (IAS 29) when comparing both years, related to operations located in Argentina.

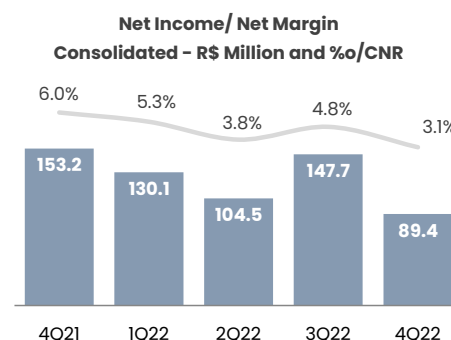
See Note no. 31 in Annual Financial Statements for breakdown of financial result.

## Net Result

The Company delivered net income of R\$ 89.4 million in 4Q22, with a net margin of 3.1%, resulting in an ROE of 18.7% (last 12 months). This is a drop of 41.6% in this indicator when compared to 4Q21, mainly due to one-off tax credits recorded in that period.

Besides the factors mentioned on the previous chapters, we highlight other relevant topics that are related to net profit both in the quarter and the year:

- > Diversified business model, which provides greater resilience to results.
- > Continuous progress in capturing synergies between business units and corporate processes.
- > Recognition of deferred tax of R\$ 8.6 million in 4Q22 (R\$ 13.1 million in 4Q21), which favoured the net result.
- > Positive net impact from adopting CPC 47 on 4Q22 results of R\$ 19.0 million.





	4Q22	4Q21	Δ%	3Q22	Δ%	2022	2021	Δ%
EBIT	253,506	197,964	28.1%	357,407	-29.1%	1,252,256	1,100,515	13.8%
Financial Income	-116,939	-18,799	522.1%	-91,978	27.1%	-370,301	-106,182	248.7%
<b>Operating Results</b>	<b>136,567</b>	<b>179,166</b>	<b>-23.8%</b>	<b>265,428</b>	<b>-48.5%</b>	<b>881,955</b>	<b>994,333</b>	<b>-11.3%</b>
Income Tax and Social Contribution	-6,952	2,329	-398.5%	-57,668	-87.9%	-216,205	-110,151	96.3%
Discontinued Operation	56	13	317.5%	416	-86.5%	652	529	23.2%
Interest of non-controlling shareholders	-40,231	-28,344	41.9%	-60,497	-33.5%	-194,683	-186,836	4.2%
<b>Net Profit</b>	<b>89,440</b>	<b>153,164</b>	<b>-41.6%</b>	<b>147,680</b>	<b>-39.4%</b>	<b>471,719</b>	<b>697,876</b>	<b>-32.4%</b>
<b>Net Margin (%)</b>	<b>3.1%</b>	<b>6.0%</b>	<b>-288 bps</b>	<b>4.8%</b>	<b>-169 bps</b>	<b>4.2%</b>	<b>7.7%</b>	<b>-348 bps</b>
<b>ROE (last 12 months)</b>	<b>18.7%</b>	<b>33.9%</b>	<b>-1519 bps</b>	<b>21.3%</b>	<b>-254 bps</b>	<b>18.7%</b>	<b>33.9%</b>	<b>-1519 bps</b>

Values in R\$ Thousands

## Cash Flow (without Randon Bank)

The Company generated free cash flow of R\$ 418.7 million, which is a positive variation of 22.2% when compared to the same period in 2021 (R\$ 342.6 million).

The main factors impacting this indicator were:

- > Increased gross cash generation (EBITDA).
- > Financial result negatively impacted by the growth in gross debt and increase in the Selic rate.
- > Implementation of several initiatives that reduced the Company's Working Capital in 4Q22, mainly in customer, supplier, and inventory accounts.
- > Acquisition of Hercules Enterprises, with payment of R\$ 258.2 million in 4Q22 (non-organic).

	4Q22	4Q21	Δ%	3Q22	Δ%	2022	2021	Δ%
EBITDA	315,163	253,904	24.1%	409,550	-23.0%	1,474,267	1,305,651	12.9%
Investments	-131,562	-159,912	-17.7%	-96,366	36.5%	-345,199	-357,887	-3.5%
Financial Income	-116,916	-18,776	522.7%	-91,956	27.1%	-370,212	-106,092	249.0%
Income Tax and Social	-3,603	4,925	-173.2%	-53,340	-93.2%	-202,494	-100,425	101.6%
Working Capital	847,499	306,523	176.5%	48,635	1642.6%	-27,095	-792,573	-96.6%
<b>Operating Cash Flow</b>	<b>910,581</b>	<b>386,664</b>	<b>135.5%</b>	<b>216,523</b>	<b>320.5%</b>	<b>529,268</b>	<b>-51,326</b>	<b>1131.2%</b>
Dividends/Interest on Equity	-44,729	-23,652	89.1%	-81,534	-45.1%	-348,438	-275,259	26.6%
Paid-in Capital	-324,985	-652	49737.3%	-20,024	1523.0%	-154,798	-186,061	-16.8%
Others	-122,145	-11,770	937.7%	-34,597	253.1%	-211,038	-37,556	461.9%
<b>Free Cash Flow</b>	<b>418,722</b>	<b>350,589</b>	<b>19.4%</b>	<b>80,369</b>	<b>421.0%</b>	<b>-185,006</b>	<b>-550,201</b>	<b>-66.4%</b>

Values in R\$ Thousands without Randon Bank

## Investments

	4Q22	4Q21	Δ%	3Q22	Δ%	2022	2021	Δ%	
Organic (CAPEX)	Trailers	34,599	58,868	-41.2%	13,883	149.2%	69,222	121,390	-43.0%
	Auto Parts	31,530	43,740	-27.9%	55,053	-42.7%	153,191	102,486	49.5%
	Motion Control	59,512	45,291	31.4%	20,783	186.4%	106,420	115,570	-7.9%
	Financial and Digital Services	1,142	1,233	-7.3%	1,053	8.4%	4,881	5,189	-5.9%
	Advanced Technology and HQ	5,065	10,817	-53.2%	5,821	-13.0%	13,106	13,492	-2.9%
	<b>Subtotal</b>	<b>131,848</b>	<b>159,948</b>	<b>-17.6%</b>	<b>96,594</b>	<b>36.5%</b>	<b>346,820</b>	<b>358,128</b>	<b>-3.2%</b>
Non Organic	Trailers	258,245	-	-	-	258,245	-	-	
	Auto Parts	-	-	-	-	5,778	13,785	-58.1%	
	Motion Control	8,994	1,052	754.9%	861	944.6%	10,361	51,927	-80.0%
	Financial and Digital Services	-	-	-	-	-	13,004	-100.0%	
	Advanced Technology and HQ	7,746	-	-	-	10,947	5,544	97.4%	
	<b>Subtotal</b>	<b>274,985</b>	<b>1,052</b>	<b>26037.0%</b>	<b>861</b>	<b>31837.0%</b>	<b>285,330</b>	<b>84,261</b>	<b>238.6%</b>
Paid-in Capital	Trailers	9,055	6,633	36.5%	1,885	380.4%	31,303	8,133	284.9%
	Auto Parts	40,000	-	-	19,163	108.7%	87,863	52,200	68.3%
	Motion Control	8,092	-	-	-	-	375,863	-	-
	Financial and Digital Services	23,578	7,500	214.4%	1,242	1797.9%	74,821	65,000	15.1%
	Advanced Technology and HQ	5,200	6,141	-15.3%	0	-	19,200	19,171	0.1%
	<b>Subtotal</b>	<b>85,925</b>	<b>20,275</b>	<b>323.8%</b>	<b>22,290</b>	<b>285.5%</b>	<b>589,049</b>	<b>144,505</b>	<b>307.6%</b>
<b>Total Investments Total</b>	<b>492,758</b>	<b>181,275</b>	<b>171.8%</b>	<b>119,745</b>	<b>311.5%</b>	<b>1,221,200</b>	<b>586,893</b>	<b>108.1%</b>	

Values in R\$ Thousands





In 4Q22, the Company invested R\$ 492.8 million, of which R\$ 131.8 million in CAPEX, R\$ 275.0 million in non-organic investments and R\$ 85.9 million in Paid-in capital. In 2022, we reached R\$ 346.8 million in organic investments, within the Guidance announced for the year.



Regarding investments in 4Q22, we highlight:

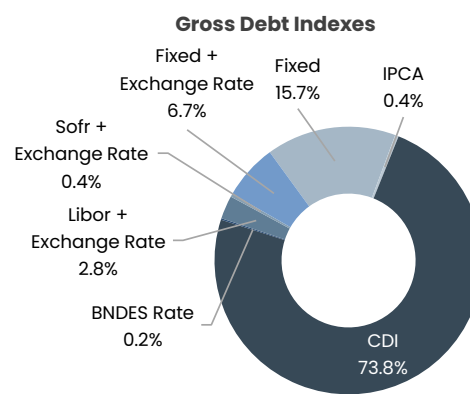
- > **Organic Investments:** modernization of stamping and plant adaptations at the Trailers Vertical (R\$ 23.0 million), expansion of machining capacity at the Auto Parts Vertical (R\$ 32.8 million), acquisition of a machine to expand capacity in the USA at the Motion Control Vertical (R\$ 17.8 million) and construction of the photovoltaic power plant at Randon Technological Center (R\$ 2.7 million).
- > **Non-organic Investments:** Hercules Enterprises (R\$ 258.2 million), Nakata (R\$ 9.0 million) and Auttom (R\$ 7.7 million).
- > **Paid-in Capital:** Castertech Mogi (R\$ 40.0 million), HoldCo USA (R\$ 9.1 million), AFF (R\$ 8.1 million), Randon Ventures (R\$ 13.5 million) and Addiante (R\$ 10.0 million).

## Indebtedness

At the end of 2022, the Company's consolidated net debt was R\$ 2.9 billion, with a leverage ratio of 1.94x (Net Debt / EBITDA in the last twelve months). Disregarding Randon Bank figures, net debt in the period was R\$ 1.6 billion, with leverage of 1.08x EBITDA.

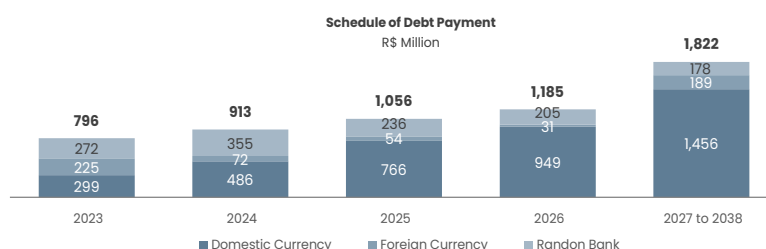
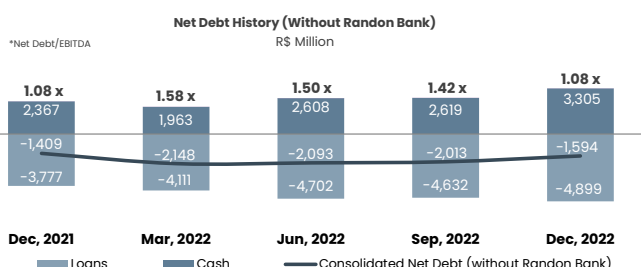
We highlight some points related to the Company's indebtedness:

- > Lower net debt (without Randon Bank) compared to 9M22, due to Working Capital reduction and higher gross cash generation.
- > Lengthening of the debt profile, due to the 10<sup>th</sup> Debentures issuance, on November, in the amount of R\$ 500 million, (average term of 3.1 years at the end of 2022).
- > Average cost of debt increased both in domestic currency and in foreign currency in the year-over-year comparison, due to the increase in interest rates over the period.



	12/31/2021	03/31/2022	06/30/2022	09/30/2022	12/31/2022
Short Term Cash and Financial Investments	2,244,440	1,915,778	2,393,169	2,356,417	3,129,759
Long Term Cash and Financial Investments	53,054	104,895	67,525	69,717	89,024
<b>Total Cash and Financial Investments</b>	<b>2,297,494</b>	<b>2,020,674</b>	<b>2,460,694</b>	<b>2,426,133</b>	<b>3,218,784</b>
Short Term Debt Domestic Currency	1,513,852	1,397,820	1,494,156	1,458,362	1,022,280
Short Term Debt Foreign Currency	272,795	232,042	249,103	265,174	229,523
<b>Total Short Term Debt</b>	<b>1,786,646</b>	<b>1,629,862</b>	<b>1,743,259</b>	<b>1,723,536</b>	<b>1,251,803</b>
Long Term Debt Domestic Currency	2,613,881	3,141,202	3,475,227	3,458,246	4,179,108
Long Term Debt Foreign Currency	252,208	192,361	324,896	316,454	352,010
<b>Total Long Term Debt</b>	<b>2,866,088</b>	<b>3,333,563</b>	<b>3,800,123</b>	<b>3,774,700</b>	<b>4,531,118</b>
Accounts Payable by Business Combination	186,934	186,607	183,314	185,826	361,164
<b>Total Gross Debt</b>	<b>4,839,669</b>	<b>5,150,032</b>	<b>5,726,696</b>	<b>5,684,062</b>	<b>6,144,084</b>
<b>Total Consolidated Net Debt</b>	<b>2,542,175</b>	<b>3,129,358</b>	<b>3,266,002</b>	<b>3,257,929</b>	<b>2,925,301</b>
<b>Net Debt (Without Randon Bank)</b>	<b>1,409,314</b>	<b>2,148,298</b>	<b>2,093,411</b>	<b>2,013,042</b>	<b>1,594,320</b>
Average Cost of Bank Debt in Domestic Currency	10.9% per year	13.1% per year	15.0% per year	15.6% per year	15.3% per year
Average Cost of Bank Debt in Foreign Currency	4.2% per year	3.9% per year	5.5% per year	6.4% per year	6.9% per year
Average Term of Bank Debt	2.1 years	2.4 years	2.7 years	2.8 years	3.1 years
Average Term of Bank Debt Without Randon Bank	2.4 years	2.7 years	2.8 years	2.8 years	3.3 years

Values in R\$ Thousands, except when indicated otherwise





## Performance by Business Verticals

### TRAILERS



- **PORTFOLIO:** several models of trailers, truck bodies, railcars, aftermarket.
- **GEOGRAPHIES:** 8 industrial units, 6 in Brazil and 2 abroad, 1 warehouse, 1 sales office, 1 holding company abroad and 4 strategic partners.
- **CUSTOMER SERVICE NETWORK:** 80 points in Brazil and 85 abroad.
- **SECTORAL EXPOSURE:** agribusiness (2/3 of Net Revenue), industry and civil construction (1/3 of Net Revenue).
- **CUSTOMER BASE:** Large truckload carriers, generators of truck loads, fleet owners and self-employed customers.
- **REVENUE PROFILE:** domestic market 68% (Agri 2/3), international market 20%, railcars 4% and aftermarket 8%.



Volumes	4Q22		4Q21			3Q22			2022		2021		
	Units	Revenue	Units	Revenue	Δ% Units	Units	Revenue	Δ% Units	Units	Revenue	Units	Revenue	Δ% Units
Trailers Brazil (un.)	6,461	812,248	6,659	744,589	-3.0%	6,487	832,838	-0.4%	24,556	3,108,192	29,039	2,790,764	-15.4%
Trailers International Market (un.)	1,999	244,429	1,249	182,613	60.0%	1,289	233,486	55.1%	5,786	855,544	4,207	519,609	37.5%
Railcars (un.)	100	49,909	147	83,512	-32.0%	123	86,415	-18.7%	342	213,681	459	238,968	-25.5%
Aftermarket	-	94,795	-	88,869	-	-	114,469	-	-	423,876	-	372,887	-
Performance	4Q22		4Q21		Δ%	3Q22		Δ%	2022		2021		Δ%
Net Revenue	1,201,382		1,099,656		9.3%	1,267,209		-5.2%	4,601,293		3,922,228		17.3%
COGS	-1,068,469		-927,499		15.2%	-1,115,476		-4.2%	-3,985,924		-3,287,114		21.3%
Gross Profit	132,913		172,157		-22.8%	151,733		-12.4%	615,368		635,114		-3.1%
Gross Margin %	11.1%		15.7%		-459 bps	12.0%		-91 bps	13.4%		16.2%		-282 bps
Operating Expenses/Revenues	-90,268		-100,451		-10.1%	-76,346		18.2%	-305,423		-273,371		11.7%
EBIT	42,645		71,706		-40.5%	75,387		-43.4%	309,946		361,743		-14.3%
EBITDA	56,541		83,283		-32.1%	88,188		-35.9%	361,796		408,408		-11.4%
EBITDA Margin %	4.7%		7.6%		-287 bps	7.0%		-225 bps	7.9%		10.4%		-255 bps
Adjusted EBITDA	56,541		85,614		-34.0%	88,188		-35.9%	361,796		395,640		-8.6%
Adjusted EBITDA Margin %	4.7%		7.8%		-308 bps	7.0%		-225 bps	7.9%		10.1%		-222 bps

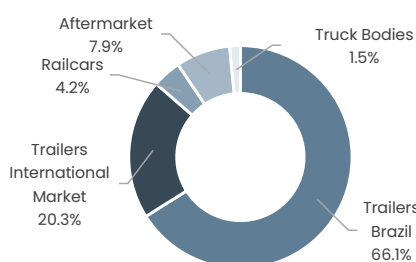
Values in R\$ Thousands, except when indicated otherwise

This vertical closed the year with good expectations, with many opportunities for the future. In 4Q22, we highlight the Company's participation in Fenatran trade show, where innovative and disruptive products were launched, with good volume of incoming orders. Furthermore, the period was marked by the biggest M&A operation in its history, with the acquisition of Hercules Enterprises, adding revenues in strong currency and accelerating its internationalization process.

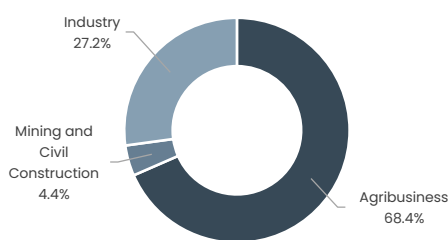
About this vertical, we also highlight in 4Q22:

- Good level of sales in the domestic market, down only 3% compared to 4Q21, while volumes in the Brazilian market fell 7.3% in the same period.
- Sales of trailers to the agribusiness accounted for 68.4% of the revenue in the quarter and are expected to continue at a good pace, as a record harvest for 2023 is expected.
- Intense competitive scenario and the period's seasonality, combined with cost inflation, put pressure on margins, which fell when comparing periods.
- Leadership in market share in the Brazilian market, with 29.5%, and in exports, with 66.1% of the total.
- The international market showed a significant increase in volumes, mainly due to the entrance in the north-american trailers market.
- Hercules Enterprises volumes and revenues, as of November, when the company was included in the results, totalled 558 units and R\$ 52.5 million.
- Export of 590 trailers to the US in 4Q22 (R\$ 51.1 million), totalling 650 products in 2022.
- The railcar market remains at a low level of sales (100 units delivered in 4Q22), with no expectation of a more intense recovery in the short term.

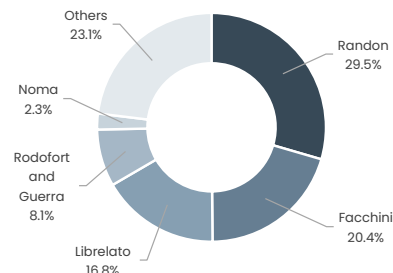
Net Revenue by Product (%)



Net Revenue by Economic Sector (%)



Quarterly Market Share (%)





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

**>GEOGRAPHIES:** 12 industrial plants (11 in Brazil and 1 in 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.



Volumes	4Q22		4Q21			3Q22			2022		2021		
	Units	Revenue	Units	Revenue	Δ% Units	Units	Revenue	Δ% Units	Units	Revenue	Units	Revenue	Δ% Units
Brakes (units)	231,159	231,815	225,250	205,737	2.6%	258,136	251,932	-10.5%	976,063	919,867	917,532	744,306	6.4%
Coupling Systems (units)	32,637	168,548	38,803	144,375	-15.9%	35,600	160,418	-8.3%	136,305	618,437	152,997	493,314	-10.9%
Axles and Suspensions (units)	45,650	429,708	49,481	413,674	-7.7%	47,511	454,002	-3.9%	185,934	1,710,485	197,377	1,414,235	-5.8%
Foundry and Machining (Tons) <sup>1</sup>	27,478	216,833	24,989	193,663	10.0%	29,815	252,566	-7.8%	110,070	896,568	87,798	600,347	25.4%

Performance	4Q22		4Q21		3Q22		2022		2021	
	Revenue	Δ%	Revenue	Δ%	Revenue	Δ%	Revenue	Δ%	Revenue	Δ%
Net Revenue	1,046,905	9.3%	957,449	9.3%	1,118,917	-6.4%	4,145,356	3,252,202	27.5%	
COGS	-833,502	7.8%	-773,050	7.8%	-865,627	-3.7%	-3,265,477	-2,593,648	25.9%	
Gross Profit	213,403	19.3%	184,398	15.7%	253,290	-15.7%	879,879	658,554	33.6%	
Gross Margin %	20.4%	112 bps	19.3%	22.6%	-225 bps	21.2%	20.2%	98 bps		
Operating Expenses/Revenues	-63,777	-26.3%	-86,495	-26.3%	-78,777	-19.0%	-278,349	-241,482	15.3%	
EBIT	149,626	52.8%	97,904	52.8%	174,514	-14.3%	601,530	417,072	44.2%	
EBITDA	167,258	46.3%	114,305	46.3%	191,379	-12.6%	670,868	474,851	41.3%	
EBITDA Margin %	16.0%	404 bps	11.9%	17.1%	-113 bps	16.2%	14.6%	158 bps		
Adjusted EBITDA	150,177	21.5%	123,595	21.5%	191,379	-21.5%	653,787	474,592	37.8%	
Adjusted EBITDA Margin %	14.3%	144 bps	12.9%	17.1%	-276 bps	15.8%	14.6%	118 bps		

<sup>1</sup>We changed the way we report Castertech volumes due to the unit's growth and better market practices, in addition to reflecting the way we look at the business internally.

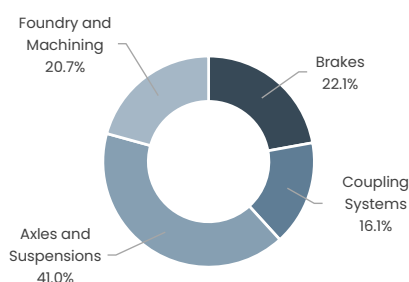
Values in R\$ Thousands, except when indicated otherwise

The Auto Parts vertical delivered another quarter of strong revenues, with growth in all the business units in the comparisons, benefited by the heated demand of the truck market. In addition, there was an growth in margins, due to the recovery of prices throughout 2022, the increase in productivity and greater dilution of fixed costs, in addition to synergy gains between operations.

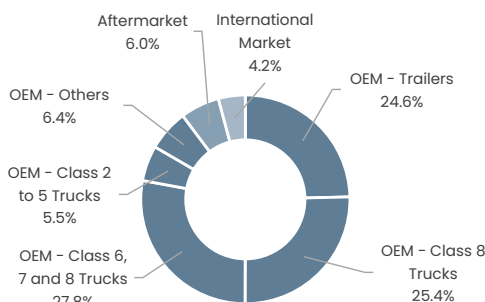
Below are other relevant factors for the good performance of this vertical:

- > Intensified production of Euro 5<sup>1</sup> trucks by the end of the year, because of the switch to Euro 6<sup>1</sup> engines as of 2023.
- > 4Q22 EBITDA benefited from one-offs at the subsidiary Castertech, being i) success in a lawsuit related to the right to PIS and COFINS taxes credits on scrap acquisitions (R\$ 14.0 million) and ii) update on the business combination (R\$ 3.0 million).
- > Gradual increase in sales to the agricultural market, which already accounts for around 10% of Castertech's net revenue.
- > Bus Link - the product that marked JOST's entry into the bus auto parts market - helped its operation to grow, already accounting for 5% of its revenue.
- > Completion of the acquisition of *Fundição Balancins* assets, by Castertech, which will expand its foundry capacity by around 20,000 tons and whose beginning of the operation is scheduled for 2024.
- > Master intensified the sale of brakes to the North American market, increasing volumes by 33% compared to 4Q21.

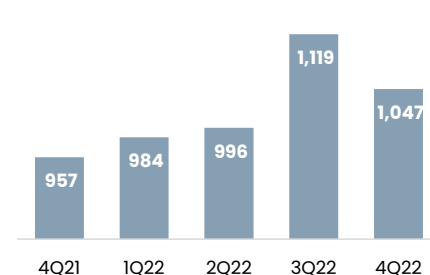
Net Revenue by Product (%)



Net Revenue by Segment (%)



Quarterly Net Revenue - R\$ Million



<sup>1</sup>Euro 5 and Euro 6 are sets of regulatory norms designed to reduce pollutant emissions from diesel-powered vehicles, such as trucks. This name is a reference to the European law created for the same purpose.



**MOTION CONTROL**



- > **PORTFOLIO:** friction material, components for brake, suspension, steering and powertrain systems.
- > **GEOGRAPHIES:** 10 industrial plants (5 in Brazil and 5 abroad), 6 warehouses (1 in Brazil and 5 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.
- > **REVENUE PROFILE:** domestic market 66%, with 91% Aftermarket and 9% in OEMs, and 34% in the international market, with 87% in the aftermarket, and 13% in OEMs.



Volumes	4Q22		4Q21		Δ%	3Q22		Δ%	2022		2021		Δ%
	Units	Revenue	Units	Revenue		Units	Revenue		Units	Revenue	Units	Revenue	
Friction Materials (Thousand/un.)	25,231	357,927	23,417	313,123	7.7%	23,981	388,539	5.2%	98,541	1,502,769	102,053	1,262,932	-3.4%
Comp. for the Braking Systems (Thousand/un.)	2,200	158,167	1,942	141,816	13.3%	2,141	167,235	2.7%	8,655	591,585	8,497	492,936	1.9%
Comp. Suspension, Steering and Powertrain Syst. (Thousand/un.)	4,032	201,223	4,282	194,175	-5.8%	4,431	229,038	-9.0%	16,602	821,064	15,566	671,581	6.6%
Others <sup>1</sup>	-	29,510	-	35,973	-	-	39,115	-	-	142,753	-	154,717	-

Performance	4Q22	4Q21	Δ%	3Q22	Δ%	2022	2021	Δ%
Net Revenue	746,827	685,088	9.0%	823,928	-9.4%	3,058,171	2,582,166	18.4%
COGS	-527,699	-503,604	4.8%	-564,534	-6.5%	-2,154,694	-1,833,869	17.5%
Gross Profit	219,128	181,485	20.7%	259,394	-15.5%	903,477	748,297	20.7%
Gross Margin %	29.3%	26.5%	285 bps	31.5%	-214 bps	29.5%	29.0%	56 bps
Operating Expenses/Revenues	-169,107	-151,349	11.7%	-151,121	11.9%	-570,453	-473,665	20.4%
Equity Income	-187	-122	52.8%	271	-168.8%	16	553	-97.1%
EBIT	49,834	30,013	66.0%	108,544	-54.1%	333,040	275,184	21.0%
EBITDA	84,115	59,703	40.9%	137,869	-39.0%	453,120	388,698	16.6%
EBITDA Margin %	11.3%	8.7%	255 bps	16.7%	-547 bps	14.8%	15.1%	-24 bps
Adjusted EBITDA	106,675	83,047	28.5%	137,869	-22.6%	475,679	413,859	14.9%
Adjusted EBITDA Margin %	14.3%	12.1%	216 bps	16.7%	-245 bps	15.6%	16.0%	-47 bps

<sup>1</sup> For the opening of the Others line, see attachment IV of the Fras-le Release  
Values in R\$ Thousands, except when indicated otherwise

In 4Q22, Fras-le and its subsidiaries showed growth in revenues and margins. The aftermarket continues to do well and this - combined with the broad product portfolio and capturing of synergies between its operations - boosted the results of this vertical. Below, the main highlights of the quarter:

- > Completion of inventory integration at the Nakata distribution center, in Extrema/MG, important movement that offers greater agility and efficiency in customer service.
- > EBITDA impacted by non-recurring expenses, i) update of Nakata's business combination (R\$ 16.2 million), ii) provision for contingency related to Jurid's tax lawsuit gain (R\$ 5.6 million), and iii) impairment at Fras-le North America and Eurobrakes (R\$ 715.3 thousand).
- > Announcement, during the preparation of this report, of the acquisition of the company AML Juratek Limited, in the United Kingdom, through the indirect subsidiary Fras-le Europe B.V., strengthening the company's expansion and internationalization.

The dynamics of the markets where Fras-le operates are:

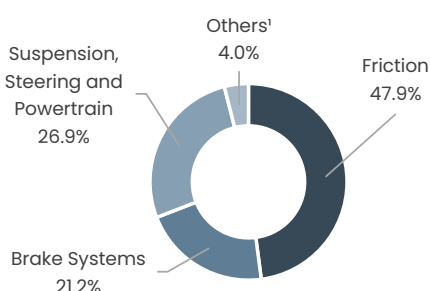
**DOMESTIC MARKET**

- > OEM market doing well, with a 16.7% increase in revenues compared to 4Q21.
- > Heated demand in the aftermarket, which allowed for a 17.6% increase in sales compared to the same period in 2021.
- > Beginning of supply of Smart Composites products for OEM.
- > Stabilization of Nakata's new shock absorber plant, allowing for greater delivery capacity and increased market share.

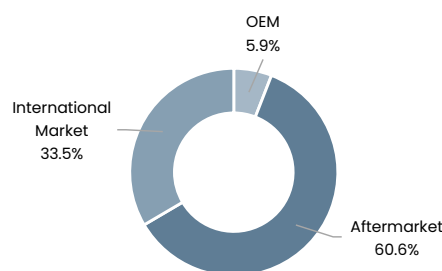
**INTERNATIONAL MARKET**

- > The restriction on imports and the shortage of foreign exchange affected the performance of the subsidiaries located in Argentina.
- > Advance in aftermarket and OEMs in Asia.
- > Expansion of production capacity and portfolio in the US, to meet growing market demand.
- > Europe continues with demand affected by the effects of the conflict between Russia and Ukraine, but with gradual recovery.
- > Opening of the New Operating Center in Argentina, to centralize operations in the region.

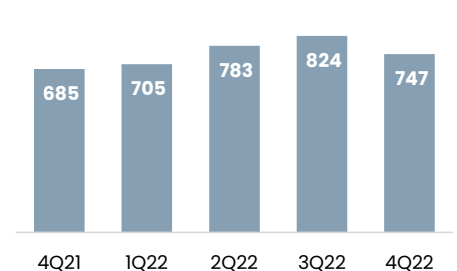
Net Revenue by Product (%)



Net Revenue by Segment (%)



Quarterly Net Revenue - R\$ Million



<sup>1</sup> For the opening of the Others line, see attachment IV of the Fras-le Release





**FINANCIAL  
AND DIGITAL  
SERVICES**

- > **PORTFOLIO:** Coop-payment plans, credit, insurance, and investment in *startups*, leasing and Saas.
- > **STRUCTURE:** Bank, insurance broker, administrator of coop-payment plans, venture capital, commercial vehicles rental services, and technology and data analysis services.
- > **SECTOR EXPOSURE:** Agribusiness, capital goods, logistics and civil construction.
- > **CUSTOMER BASE:** suppliers and customers of Randon Companies, manufacturers of agricultural machinery and equipment, and logistics ecosystem operators.

Volumes	4Q22			4Q21			3Q22			2022			2021		
	Units	Revenue	Units	Revenue	Δ% Units	Units	Revenue	Δ% Units	Units	Revenue	Units	Revenue	Δ% Units		
Coop-payment plan quotas sold	6,268	20,614	5,703	52,578	9.9%	7,457	69,909	-15.9%	22,199	210,028	16,669	198,594	33.2%		
Randon Investimentos (Randon Bank)	-	72,484	-	35,328	-	-	62,502	-	-	231,027	-	103,172	-		
Randon Corretora de Seguros	-	2,196	-	2,239	-	-	1,341	-	-	6,314	-	3,775	-		
Performance	4Q22			4Q21			3Q22			2022			2021		
Net Revenue	95,294			90,145			133,752			447,368			305,542		
COGS	-48,344			-21,513			-39,791			-149,156			-55,509		
Gross Profit	46,950			68,632			93,961			298,213			250,033		
Gross Margin %	49.3%			76.1%			70.2%			66.7%			81.8%		
Operating Expenses/Revenues	-669			-57,219			-68,930			-178,537			-173,361		
Equity Income	1,105			-487			-544			-280			-487		
EBIT	47,387			10,926			24,486			119,396			76,184		
EBITDA	48,195			11,512			25,231			122,268			77,772		
EBITDA Margin %	50.6%			12.8%			18.9%			27.3%			25.5%		
Adjusted EBITDA	48,195			11,253			25,231			122,268			77,513		
Adjusted EBITDA Margin %	50.6%			12.5%			18.9%			27.3%			25.4%		

Values in R\$ Thousands, except when indicated otherwise



With records in sales and credit operations, the Financial and Digital Services Vertical has gained new clients and businesses, strengthening relationships and establishing partnerships that enhance the synergies between the companies and will allow for important advances in the future.

In 4Q22, the performance of this vertical was impacted by the adoption of CPC 47, as already mentioned in this report. The major effects were in net revenue (reversal of R\$ 55.4 million) and sales expenses (reversal of R\$ 86.7 million), as the CPC establishes that these operations are accounted for on an accrual basis and no longer on a cash basis, as it was previously carried out, that is, the amounts must be deferred until the maturity of the contract. For more information, see Note no. 7.3 in the Annual Financial Statements.

Below are highlights and other factors that affect the annual and quarterly comparisons:

- > The consortium segment is growing well since the high interest rate makes this type of financing more attractive.
- > Increase in the number of coop-payment plans sold in 4Q22, with emphasis on the agricultural segment.
- > Record of quotas traded in 2022, which allowed reaching R\$ 1.2 billion in aggregate management fee.
- > Addition of income from *Randon Corretora de Seguros* (R\$ 2.2 million in 4Q22 and R\$ 6.3 million in 2022), with an expansion in the range of services.
- > COGS growth due to the increase in interest rates, which impacts Randon Bank's funding.
- > Randon Bank's portfolio continues good, with a low level of delinquency and good customer credit risk.
- > Completion of the vertical's restructuring process, which continues to work to expand synergies between the group's service companies.
- > *Addiante*, a joint venture in partnership with Gerdau, which aims to lease commercial vehicles, is still in the structuring phase, with operations expected to start in 1H2023.
- > At the end of 2022, Randon Ventures had 8 invested and 18 co-invested startups, totalling R\$ 25.3 million in investment.

**Acquisition of DBServer**

On December 16, 2022, the Company disclosed, through a Notice to the Market, the acquisition of 51% of the capital stock of *DBServer Assessoria em Sistemas de Informação Ltda.*, by the subsidiary *Randon Serviços e Participações Ltda.*, in the amount of R\$ 23.2 million, being the closing of the deal in February 15, 2023.

DB expands the portfolio of digital solutions offered by Randon Companies, such as consulting, innovation, design, development and software testing services.



**ADVANCED  
TECHNOLOGY  
AND  
HEADQUARTER**

- > **PORTFOLIO:** holding, manufacturing and sale of robotic cells, industrial automation, development and approval of products for the mobility industry, production and processing of materials through nanotechnology and an open innovation platform for connecting companies, people and startups.
- > **STRUCTURE:** 2 advanced technology units, 1 technological center, 1 sales office, 1 industrial unit, 1 open innovation unit and 1 corporate center.
- > **SECTOR EXPOSURE:** several sectors from different business activities and segments.
- > **CUSTOMER BASE:** Randon Companies, diverse industries and startups.

	4Q22		4Q21		3Q22		2022		2021	
	Revenue	Revenue	Δ%	Revenue	Δ%	Revenue	Revenue	Δ%		
Holding and Others	21,278	23,088	-7.8%	19,566	8.8%	74,043	79,408	-6.8%		
CTR	6,433	6,014	7.0%	6,751	-4.7%	25,808	15,187	69.9%		
RTS Industry/Autum	15,246	16,088	-5.2%	14,697	3.7%	55,674	24,138	130.6%		
<b>Performance</b>	<b>4Q22</b>	<b>4Q21</b>	<b>Δ%</b>	<b>3Q22</b>	<b>Δ%</b>	<b>2022</b>	<b>2021</b>	<b>Δ%</b>		
Net Revenue	42,956	45,190	-4.9%	41,014	4.7%	155,524	118,734	31.0%		
COGS	-21,101	-18,166	16.2%	-17,969	17.4%	-74,282	-30,008	147.5%		
Gross Profit	21,855	27,023	-19.1%	23,044	-5.2%	81,242	88,725	-8.4%		
Gross Margin %	50.9%	59.8%	-892 bps	56.2%	-531 bps	52.2%	74.7%	-2249 bps		
Operating Expenses/Revenues	-39,686	-26,996	47.0%	-31,392	26.4%	-120,544	-88,330	36.5%		
Equity Income	101,595	222,883	-54.4%	152,527	-33.4%	534,028	748,966	-28.7%		
EBIT	83,764	222,910	-62.4%	144,179	-41.9%	494,726	749,361	-34.0%		
EBITDA	85,952	225,091	-61.8%	146,273	-41.2%	503,198	755,689	-33.4%		
EBITDA Margin %	200.1%	498.1%	-29801 bps	356.6%	-15655 bps	323.5%	636.5%	-31291 bps		
Adjusted EBITDA	87,547	224,127	-60.9%	144,678	-39.5%	503,198	754,725	-33.3%		
Adjusted EBITDA Margin %	203.8%	496.0%	-29217 bps	352.8%	-14895 bps	323.5%	635.6%	-31210 bps		
EBITDA Without Equity Income	-15,643	2,207	-808.6%	-6,254	150.1%	-30,830	6,723	-558.6%		
EBITDA Margin % Without Equity Income	-36.4%	4.9%	-4130 bps	-15.2%	-2117 bps	-19.8%	5.7%	-2549 bps		

Values in R\$ Thousands, except when indicated otherwise



Although the results of this vertical are still not very expressive compared to the other businesses of the Company, the Units that comprise it aim to be a source of innovation for Randon Companies, helping to develop new solutions and enhancing results, mainly in the medium and long term.

About 4Q22 we can highlight:

- > Net revenue of R\$ 43.0 million, a 4.9% decrease compared to 4Q21 and 4.7% growth when compared to 3Q22 respectively.
- > Acquisition of 20% of Auttom's capital stock (R\$ 7.7 million), reaching 100% stake in the company.
- > EBITDA margin from operations is negative, as these units are in the business maturation phase, with greater short-term investment for long-term gains.
- > Equity income of R\$ 103.2 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:

- > Auttom has expanded its operations to the North American market, in line with the Company's internationalization strategy.
- > The Randon Technological Center, which has supported and developed new products and services, focusing on embedded electronics, electrification, smart materials and sustainability.
- > NIONE has over 60 ongoing projects in different sectors and in partnership with large companies. However, the approval and the validation stages of these projects take an average of 2 years, as they are disruptive and highly complex products. For this reason, they have not yet been converted into revenue yet, which is expected over the next few years.
- > Conexo has fostered innovation, especially in the region where it is headquartered, and launched the first edition of the [Mapping of the Innovation Ecosystem of Serra Gaúcha](#), which identifies and highlights the agents responsible for the development of innovative projects and which supports and improves the work environment co-creation and collaboration.

\*Holding is also part of this vertical, but does not generate revenue or results, as its main objective is to support the capture of synergies between operations and optimize the Company's scale, carrying out strategic and administrative activities, which allow the units of business to focus on their core operation.



## Capital Market



### Events

In the fourth quarter of 2022, the Company, represented by its IR team and executives, participated in the following events:

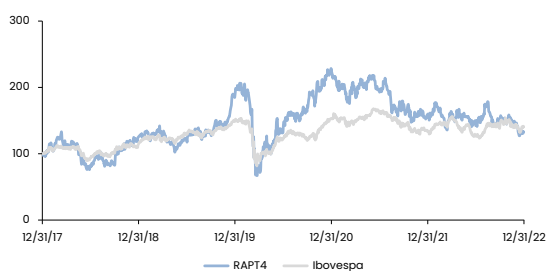
- > BTG Pactual LatAm CEO Conference 2022.
- > Investors in Fenatran.
- > UBS BB Virtual Capital Goods Series.
- > Bradesco BBI 12th CEO Forum.
- > Itaú BBA's 15th Annual LatAm Conference.



### RAPT x IBOV

From Dec 31, 2017 to Dec 31, 2022, the Company's shares underperformed the reference index on B3. In the period, RAPT4 shares appreciated 40.3% while IBOV 43.6%. In full year 2022, RAPT4 recorded a drop of 16.6% against a 4.7% increase in IBOV.

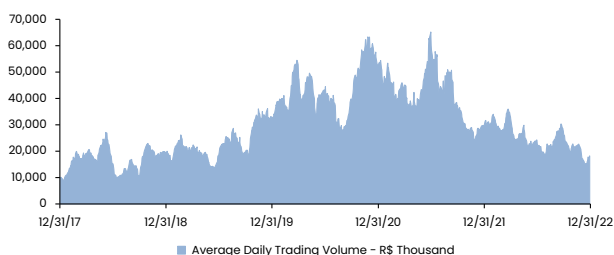
In 4Q22, Randon's shares fell by 9.4% compared to the end of 3Q22, while the IBOV devaluated 0.3%.



### Financial Volume

The Company showed reduction in its liquidity throughout 2022. The daily average for the period was R\$ 24.6 million, a decrease of 39.6% when compared to the R\$ 40.8 million of 2021.

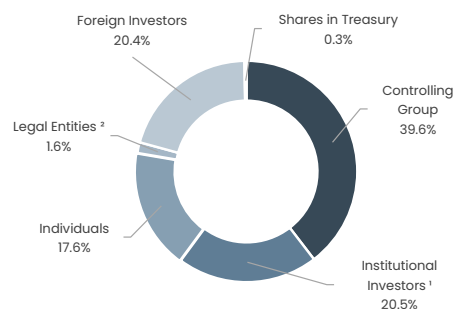
In 4Q22, the average daily trading volume of RAPT4 was R\$ 19.8 million, 28.3% below the R\$ 27.6 million in 4Q21 and 15.7% below the R\$ 23.7 million in 3Q22.



### Main Shareholders

On December 31, 2022, Randon's shareholder base was made up of 41,541 shareholders.

The Company's total shares are distributed as follows:

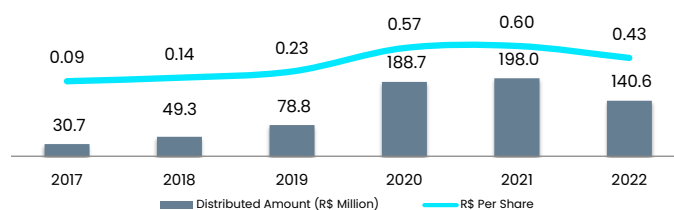


<sup>1</sup> Investment clubs and funds  
<sup>2</sup> Companies, banks, brokers and associations



### Payment of Dividends and Interest on Equity

See below the payment history of recent years:



Distribution by period of competence and without income tax



### Shareholders' Remuneration

On December 16, 2022, the Company approved the payment of interest on equity in the amount of R\$ 95.0 million, corresponding to the gross amount of R\$ 0.28932 per share.

The payment of Interest on Equity started on January 20, 2023, to investors who, on December 22, 2022, were holding the Company's shares.

To know more about the Company's profit allocation policy, [click here](#).



## ESG



### Ethical and Responsible Management

On December 15, 2022, the Board of Directors approved the establishment of the People Committee, a non-statutory advisory body aimed at assisting the Board of Directors. The following members of the Board of Directors were elected for a term, as effective members, from January 2023 to April 2025: Alexandre Randon and Ana Carolina Ribeiro Strobel. Were also elected the President-Director Daniel Raul Randon and the specialist Victoria Christina Bloch (with 47 years of diversified experience and occupying several positions in the human resources area).

To learn more, consult the Internal Rules of the People Committee, [click here](#).



### Prosperity for All

At the end of 2022, the Company had 15,950 employees, a positive variation of 3.3% compared to the end of 2021 (15,433 employees) and a slight reduction when compared to the number of 16,131 employees in the previous quarter.

On this pillar, we highlight:

> Growth of 23.1% in the Company's net revenue year over year, while maintaining a stable headcount, showing the increase in the Company's operational efficiency.

> Professional training for 128 young people who participated in the *Florescer Iniciação Profissional* and *Qualificar* programs and completed courses for Logistics Assistant and Mechanical Manufacturing Process Operator.

> Year-end celebration with the participation of over 15,000 people, including Company employees, their families and friends, marked by the return of the in person event.



### Sustainable Innovation

The Company was recognized for its work in innovation and connection with startups, through the Ranking 100 Open Startups 2022 award, standing out among the Brazilian automotive industries that are most connected with open innovation. The Company took the third position in the ranking.

In addition, it participated in Mercopar, the largest industrial innovation fair in Latin America, exhibiting a series of solutions and research, fostering innovation in the industrial ecosystem.



### Excellence and Safety as a Value

In order to meet its public commitment to zero serious accidents and strengthen the safety culture, we set up thematic groups focused on dealing with the most relevant critical risks for the Company, in order to share the best practices, monitor indicators and projects, and promote knowledge forums about new technologies.

We currently have seven groups, led by qualified managers, who work on the following topics: liquid metal, material storage at heights, suspended loads, industrial machines, industrial vehicles, maintenance and safety culture.

The groups report to the Executive Committee on a quarterly basis, promoting this agenda in all the Company's units.



### Awards

> Randon Implementos and Fras-le were awarded the **Best Truck 2022 Award**, granted by the magazines *O Carreiteiro* and *Transporte Mundial*, being listed among the most valued brands within their operating segments.

> We took the 24th position in **the 500 Maiores do Sul** ranking (500 Largest Companies in Southern Brazil) by *Grupo Amanhã*. In the Rio Grande do Sul ranking, we climbed three positions compared to the previous year, taking 8<sup>th</sup> place.

> Daniel Randon, President-Director, joined the Money Report's **Notables Gallery**, for his commitment to the Sustainability agenda that he develops for the Company.

> Daniel Randon was awarded the **Gigia Bandeira Metallurgical Merit**, an award that recognizes the successful trajectory of entrepreneurs, granted by the Union of Metallurgical, Mechanical and Electrical Material Industries of Caxias do Sul (SIMECS).



### Subsequent Events

In a notice to the market, dated 16 February 2023, the Company informed that its indirect subsidiary, Fras-le Europe B.V., entered into purchase and sale agreement for all shares from AML Juratek Limited., based in the United Kingdom. The acquisition price was £ 18.22 million, with the final amount subject to adjustments as provided contractually. Fras-le will effectively assume the control and management of the acquired company, after compliance with the conditions precedent.





## CONSOLIDATED STATEMENT OF INCOME 4Q22 – Values in R\$ thousands

	4Q22		4Q21		3Q22		2022		2021		Variation %		
		%		%		%		%		%	4Q22/4Q21	4Q22/3Q22	2022/2021
Gross Revenue	3,501,850	123.0%	3,143,682	123.5%	3,744,124	122.5%	13,698,035	122.8%	11,240,621	124.1%	11.4%	-6.5%	21.9%
Deduction in Gross Revenue	-653,927	-23.0%	-599,193	-23.5%	-688,294	-22.5%	-2,545,618	-22.8%	-2,183,164	-24.1%	9.1%	-5.0%	16.6%
<b>Net Revenue</b>	<b>2,847,923</b>	<b>100.0%</b>	<b>2,544,489</b>	<b>100.0%</b>	<b>3,055,830</b>	<b>100.0%</b>	<b>11,152,417</b>	<b>100.0%</b>	<b>9,057,457</b>	<b>100.0%</b>	<b>11.9%</b>	<b>-6.8%</b>	<b>23.1%</b>
Costs of Sales and Service	-2,255,579	-79.2%	-1,947,598	-76.5%	-2,313,407	-75.7%	-8,527,655	-76.5%	-6,789,104	-75.0%	15.8%	-2.5%	25.6%
<b>Gross Profit</b>	<b>592,344</b>	<b>20.8%</b>	<b>596,890</b>	<b>23.5%</b>	<b>742,423</b>	<b>24.3%</b>	<b>2,624,762</b>	<b>23.5%</b>	<b>2,268,352</b>	<b>25.0%</b>	<b>-0.8%</b>	<b>-20.2%</b>	<b>15.7%</b>
Sales Expenses	-146,476	-5.1%	-186,583	-7.3%	-216,240	-7.1%	-717,075	-6.4%	-616,968	-6.8%	-21.5%	-32.3%	16.2%
Administrative Expenses	-162,275	-5.7%	-129,909	-5.1%	-138,020	-4.5%	-541,434	-4.9%	-446,852	-4.9%	24.9%	17.6%	21.2%
Other Expenses/Income	-31,192	-1.1%	-81,947	-3.2%	-30,212	-1.0%	-113,717	-1.0%	-103,531	-1.1%	-61.9%	3.2%	9.8%
Equity Income	1,105	0.0%	-487	0.0%	-544	0.0%	-280	0.0%	-487	0.0%	-326.8%	-303.0%	-42.6%
<b>Financial Income</b>	<b>-116,939</b>	<b>-4.1%</b>	<b>-18,799</b>	<b>-0.7%</b>	<b>-91,978</b>	<b>-3.0%</b>	<b>-370,301</b>	<b>-3.3%</b>	<b>-106,182</b>	<b>-1.2%</b>	<b>522.1%</b>	<b>27.1%</b>	<b>248.7%</b>
Financial Revenues	191,544	6.7%	138,818	5.5%	200,553	6.6%	709,834	6.4%	413,009	4.6%	38.0%	-4.5%	71.9%
Financial Expenses	-321,007	-11.3%	-167,723	-6.6%	-320,587	-10.5%	-1,162,179	-10.4%	-574,664	-6.3%	91.4%	0.1%	102.2%
Monetary Adjustment (IAS 29)	12,524	0.4%	10,107	0.4%	28,056	0.9%	82,044	0.7%	55,473	0.6%	23.9%	-55.4%	47.9%
<b>Result Before Income Tax</b>	<b>136,567</b>	<b>4.8%</b>	<b>179,166</b>	<b>7.0%</b>	<b>265,428</b>	<b>8.7%</b>	<b>881,955</b>	<b>7.9%</b>	<b>994,333</b>	<b>11.0%</b>	<b>-23.8%</b>	<b>-48.5%</b>	<b>-11.3%</b>
Provision for Income Tax and Social Contribution Taxes	-6,952	-0.2%	2,329	0.1%	-57,668	-1.9%	-216,205	-1.9%	-110,151	-1.2%	-398.5%	-87.9%	96.3%
Discontinued Operation	56	0.0%	13	0.0%	416	0.0%	652	0.0%	529	0.0%	317.5%	-86.5%	23.2%
Interest of non-controlling shareholders	-40,231	-1.4%	-28,344	-1.1%	-60,497	-2.0%	-194,683	-1.7%	-186,836	-2.1%	41.9%	-33.5%	4.2%
<b>Net Income for the Period</b>	<b>89,440</b>	<b>3.1%</b>	<b>153,164</b>	<b>6.0%</b>	<b>147,680</b>	<b>4.8%</b>	<b>471,719</b>	<b>4.2%</b>	<b>697,876</b>	<b>7.7%</b>	<b>-41.6%</b>	<b>-39.4%</b>	<b>-32.4%</b>
<b>EBIT</b>	<b>253,506</b>	<b>8.9%</b>	<b>197,964</b>	<b>7.8%</b>	<b>357,407</b>	<b>11.7%</b>	<b>1,252,256</b>	<b>11.2%</b>	<b>1,100,515</b>	<b>12.2%</b>	<b>28.1%</b>	<b>-29.1%</b>	<b>13.8%</b>
<b>EBITDA</b>	<b>322,336</b>	<b>11.3%</b>	<b>258,424</b>	<b>10.2%</b>	<b>419,261</b>	<b>13.7%</b>	<b>1,504,964</b>	<b>13.5%</b>	<b>1,326,464</b>	<b>14.6%</b>	<b>24.7%</b>	<b>-23.1%</b>	<b>13.5%</b>
<b>EBITDA MARGIN (%)</b>	<b>11.3%</b>		<b>10.2%</b>		<b>13.7%</b>		<b>13.5%</b>		<b>14.6%</b>		<b>116 bps</b>	<b>-240 bps</b>	<b>-115 bps</b>
ADJUSTED EBITDA	327,815		292,167		419,261		1,510,443		1,337,376		12.2%	-21.8%	12.9%
ADJUSTED EBITDA MARGIN (%)	11.5%		11.5%		13.7%		13.5%		14.8%		3 bps	-221 bps	-122 bps



## Statement of Income by Business Vertical 4Q22 – Values in R\$ thousands

	Trailers			Auto Parts			Motion Control			Financial and Digital Services			Advanced Technology and Headquarter			Intercompany Sales			Consolidated		
	4Q22	4Q21	Δ%	4Q22	4Q21	Δ%	4Q22	4Q21	Δ%	4Q22	4Q21	Δ%	4Q22	4Q21	Δ%	4Q22	4Q21	Δ%	4Q22	4Q21	Δ%
Gross Revenue	1,431,449	1,340,449	6.8%	1,317,281	1,199,825	9.8%	956,480	875,966	9.2%	97,693	96,932	0.8%	49,286	53,600	-8.0%	-350,338	-423,090	-17.2%	3,501,850	3,143,682	11.4%
Deduction in Gross Revenue	-230,067	-240,793	-4.5%	-270,376	-242,376	11.6%	-209,654	-190,877	9.8%	-2,399	-6,787	-64.7%	-6,329	-8,410	-24.7%	64,898	90,051	-27.9%	-653,927	-599,193	9.1%
<b>Net Revenue</b>	<b>1,201,382</b>	<b>1,099,656</b>	<b>9.3%</b>	<b>1,046,905</b>	<b>957,449</b>	<b>9.3%</b>	<b>746,827</b>	<b>685,088</b>	<b>9.0%</b>	<b>95,294</b>	<b>90,145</b>	<b>5.7%</b>	<b>42,956</b>	<b>45,190</b>	<b>-4.9%</b>	<b>-285,440</b>	<b>-333,039</b>	<b>-14.3%</b>	<b>2,847,923</b>	<b>2,544,489</b>	<b>11.9%</b>
Costs of Sales and Service	-1,068,469	-927,499	15.2%	-833,502	-773,050	7.8%	-527,699	-503,604	4.8%	-48,344	-21,513	124.7%	-21,101	-18,166	16.2%	243,535	296,234	-17.8%	-2,255,579	-1,947,598	15.8%
<b>Gross Profit</b>	<b>132,913</b>	<b>172,157</b>	<b>-22.8%</b>	<b>213,403</b>	<b>184,398</b>	<b>15.7%</b>	<b>219,128</b>	<b>181,485</b>	<b>20.7%</b>	<b>46,950</b>	<b>68,632</b>	<b>-31.6%</b>	<b>21,855</b>	<b>27,023</b>	<b>-19.1%</b>	<b>-41,905</b>	<b>-36,805</b>	<b>13.9%</b>	<b>592,344</b>	<b>596,890</b>	<b>-0.8%</b>
GROSS MARGIN (%)	11.1%	15.7%	-459 bps	20.4%	19.3%	112 bps	29.3%	26.5%	285 bps	49.3%	76.1%	-2687 bps	50.9%	59.8%	-892 bps	-	-	-	20.8%	23.5%	-266 bps
Operating Expenses/Revenues	-90,268	-100,451	-10.1%	-63,777	-86,495	-26.3%	-169,107	-151,349	11.7%	-669	-57,219	-98.8%	-39,686	-26,996	47.0%	23,564	24,072	-2.1%	-339,943	-398,438	-14.7%
Equity Income	-	-	-	-	-	-	-187	-122	52.8%	1,105	-487	-326.8%	101,595	222,883	-54.4%	-101,408	-222,761	-54.5%	1,105	-487	-326.8%
<b>EBIT</b>	<b>42,645</b>	<b>71,706</b>	<b>-40.5%</b>	<b>149,626</b>	<b>97,904</b>	<b>52.8%</b>	<b>49,834</b>	<b>30,013</b>	<b>66.0%</b>	<b>47,387</b>	<b>10,926</b>	<b>333.7%</b>	<b>83,764</b>	<b>222,910</b>	<b>-62.4%</b>	<b>-119,749</b>	<b>-235,494</b>	<b>-49.1%</b>	<b>253,506</b>	<b>197,964</b>	<b>28.1%</b>
<b>EBITDA</b>	<b>56,541</b>	<b>83,283</b>	<b>-32.1%</b>	<b>167,258</b>	<b>114,305</b>	<b>46.3%</b>	<b>84,115</b>	<b>59,703</b>	<b>40.9%</b>	<b>48,195</b>	<b>11,512</b>	<b>318.7%</b>	<b>85,952</b>	<b>225,091</b>	<b>-61.8%</b>	<b>-119,725</b>	<b>-235,469</b>	<b>-49.2%</b>	<b>322,336</b>	<b>258,424</b>	<b>24.7%</b>
<b>EBITDA MARGIN (%)</b>	<b>4.7%</b>	<b>7.6%</b>	<b>-287 bps</b>	<b>16.0%</b>	<b>11.9%</b>	<b>404 bps</b>	<b>11.3%</b>	<b>8.7%</b>	<b>255 bps</b>	<b>50.6%</b>	<b>12.8%</b>	<b>3781 bps</b>	<b>200.1%</b>	<b>498.1%</b>	<b>-29801 bps</b>	-	-	-	<b>11.3%</b>	<b>10.2%</b>	<b>116 bps</b>
ADJUSTED EBITDA	56,541	85,614	-34.0%	150,177	123,595	21.5%	106,675	83,047	28.5%	48,195	11,253	328.3%	87,547	224,127	-60.9%	-121,321	-235,469	-48.5%	327,815	292,167	12.2%
ADJUSTED EBITDA MARGIN (%)	4.7%	7.8%	-308 bps	14.3%	12.9%	144 bps	14.3%	12.1%	216 bps	50.6%	12.5%	3809 bps	203.8%	496.0%	-29217 bps	-	-	-	11.5%	11.5%	3 bps



## SUMMARIZED FINANCIAL STATEMENTS – DEC 31, 2022

BALANCE SHEET	RANDON S/A IMPL. E PARTIC. CONSOLIDATED	RANDON S/A IMPL. E PARTIC. PARENT CO.	RANDON INVESTIMENTOS
Assets	12,882,348	6,531,070	1,823,905
Current Assets	7,829,913	2,573,533	1,172,416
Cash and equivalents	2,504,862	1,119,611	149,211
Financial Investments	624,009	65,140	-
Derivative Financial Instrument	889	889	-
Receivables	1,914,901	466,675	1,015,874
Inventory	2,204,861	580,548	-
Deferred Charges/Recoverable taxes	477,476	208,849	-
Others	102,916	131,821	7,331
Noncurrent Assets	5,052,434	3,957,537	651,489
Long-term Assets	1,751,813	790,696	648,548
Investments of non-immediate liquidity	89,024	-	26,002
Credit controlling company/controlled companies	-	93,883	-
Receivables	612,500	-	612,500
Consortiums for resale	18,570	-	-
Deferred Charges/recoverable taxes	889,484	685,984	9,924
Other non-current assets	104,331	-	123
Taxes under litigation	37,904	9,080	-
Long Term Receivables	-	1,748	-
Investments/Property, Plant, Property/Intangible/Deferred	3,029,824	3,144,952	2,007
Right to use asset	270,797	21,890	934
Liabilities	12,882,348	6,531,070	1,823,905
Current Liabilities	3,900,956	1,134,297	1,027,408
Suppliers	1,443,574	604,639	8,775
Financing institutions Short Term	951,698	228,762	698,218
Accounts payable by business combination Short Term	173,094	-	-
Salaries and benefits	169,300	46,708	1,420
Taxes and Fees	253,470	35,542	14,071
Advances for customers and others	872,872	212,046	304,804
Leases Short Term	36,948	6,601	120
Noncurrent Liabilities	5,160,126	2,652,009	523,709
Financing institutions Long Term	4,470,224	2,566,846	467,414
Accounts payable by business combination Long Term	188,070	817	-
Government Subsidy	3,163	-	-
Debits with controlled companies	6,423	-	3
Diverse payable taxes and contributions	7,898	-	-
Provision for contingencies	86,143	15,773	-
Other non-current liabilities	86,314	22,184	906
Coop-payment plans obligations Long Term	2,729	-	-
Advances for customers and others Long Term	80,406	30,065	54,471
Leases Long Term	228,755	16,324	914
Total Net Equity	3,821,266	2,744,765	272,787
Net Equity	2,744,765	2,744,765	272,787
Minority interest	1,076,501	-	-

**SUMMARIZED FINANCIAL STATEMENTS – DEC 31, 2022**

	RANDON S/A IMPL. E PARTIC. CONSOLIDATED	RANDON S/A IMPL. E PARTIC. PARENT CO.	RANDON INVESTIMENTOS
Income Statement			
Net revenue	11,152,417	4,095,074	231,027
Cost of goods and services	-8,527,655	-3,513,104	-153,784
Gross income	2,624,762	581,970	77,242
Sales expenses	-717,075	-150,379	-2,818
Administrative expenses	-541,434	-149,296	-36,241
Other expenses / income	-113,717	-21,561	-7,808
Equity equivalence	-280	427,988	-
Financial income	-370,301	-271,473	-89
Income before taxes	881,955	417,249	30,286
Provision for taxes and social contributions	-216,205	54,470	-13,711
Interest of non-controlling shareholders	-194,683	-	-
Discontinued Operation	652	-	-
Net income for the period	471,719	471,719	16,575
EBIT	1,252,256	688,722	30,375
EBITDA	1,504,964	736,643	30,697
EBITDA MARGIN (%)	13.5%	18.0%	13.3%





## STATEMENTS OF CASH FLOW – INDIRECT METHOD

	Parent Company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
<b>Cash flow from operations</b>				
<b>Income for the period</b>	<b>471,720</b>	697,876	<b>666,402</b>	884,711
Income tax and social contribution (current and deferred)	-54,470	-25,748	216,205	110,151
Exchange variation and interest on loans and leases	397,598	132,108	613,094	251,848
Depreciation and amortization	47,921	44,798	252,708	225,950
Other Provisions	-17,046	11,551	-5,363	49,063
Provisions (reversal) for litigation	-1,041	1,799	13,109	20,407
Variation in derivatives	-714	3,369	14,262	13,699
Residual cost from sold and written off fixed assets	6,787	25,022	20,760	37,979
Provision (reversal) for doubtful accounts	2,517	-5,596	10,572	2,331
Provision (reversal) for obsolete inventory	9,770	1,509	22,999	-428
Equity Income Result	-427,336	-395,728	280	487
Revenue from active legal proceedings, net of fees	-42,084	-5,840	-79,397	-42,616
Provision (reversal) reduction in impairment	32	2,763	-3,423	-19,964
Fair value of investment properties	-	-	-	714
Monetary Adjustment	-	-	-82,044	-55,473
Compensation of retained values business combination	-	-	5,960	13,240
Consideration payable for customers	-	-	-	30,542
	<b>393,654</b>	487,883	<b>1,666,124</b>	1,522,641
<b>Variations in assets and liabilities</b>				
Financial Investments	285,105	432,781	-307,956	447,926
Accounts receivable from customers	-228,774	-35,387	-525,194	-515,970
Inventory	52,801	-346,253	-88,317	-964,391
Taxes to be recovered	19,166	-135,380	135,054	-121,466
Other assets	55,498	15,232	-12,042	11,112
Suppliers	142,956	42,174	462,748	67,836
Other liabilities	-115,441	104,002	-83,788	240,302
Net variation in discontinued operations	-	-	1,292	35
<b>Cash generated by operation</b>	<b>604,965</b>	565,052	<b>1,247,921</b>	688,025
Income tax and Social Contribution paid	-	-97,882	-118,106	-261,396
<b>Net cash used (generated by) operation</b>	<b>604,965</b>	467,170	<b>1,129,815</b>	426,629
<b>Cash Flow from Investments</b>				
Receipt of profits and dividends of subsidiaries	175,989	149,707	-	-
Paid-in capital in subsidiary	-725,971	-86,632	-	-1,333
Disposal of investment property	-	-24,044	-	-24,421
Loans granted to subsidiaries	84,431	-59,874	-	-
Acquisition of interest in jointly controlled	-	-12,999	-10,000	-12,999
Business combination	-10,947	-5,820	-283,522	-101,282
Permanent assets acquisition	-70,807	-104,030	-356,236	-430,491
Intangible assets acquisition	-750	-2,832	-11,648	-13,830
<b>Net available cash used in investments</b>	<b>-548,055</b>	-146,524	<b>-661,406</b>	-584,356
<b>Cash Flow From Financing</b>				
Dividend and Interest on Equity Paid	-224,570	-202,622	-331,646	-262,139
Loans taken and derivatives	1,739,223	544,502	2,928,808	1,839,761
Payment of loans and derivatives	-1,164,836	-432,324	-2,029,677	-978,763
Acquisition of Treasury Shares	-9,997	-	-9,997	-
Interest paid on loans	-386,382	-100,607	-604,026	-157,735
Loans granted by related parties	-	-	-6,186	5,527
Payment of leasings	-9,205	-7,703	-51,277	-58,529
Capital Increase in Subsidiary	-	-	249,695	-
<b>Net Cash used (resulting from) financing</b>	<b>-55,767</b>	-198,754	<b>145,694</b>	388,122
<b>Statement of increase in cash</b>				
At beginning of period	1,118,468	996,576	1,890,759	1,660,364
At end of period	1,119,611	1,118,468	2,504,862	1,890,759
<b>Increase in cash</b>	<b>1,143</b>	121,892	<b>614,103</b>	230,395