



BUILDING THE
FUTURE. NOW.



Earnings Release | 1Q22

Caxias do Sul, May 12, 2022. – Randon S/A Implementos e Participações [B3: RAPT3 and RAPT4], discloses its results for the first quarter of 2022 (1Q22). 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 73 years, we have been developing solutions in transportation equipment, automotive systems, and logistic services. Our brand has a global footprint that is based on quality, innovation, and ethics, to sustain value-generating relationships with our stakeholders and the environment.

As a Company with a diversified business model, distributed in 5 verticals, we serve different markets and geographies. Our headquarters is in Caxias do Sul, RS, Brazil, and we have units located on four continents. Altogether, we have 29 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

March 31, 2022



RAPT3 – R\$ 9.88
RAPT4 – R\$ 10.68



MARKET CAP
R\$ 3.4 billion



FREE FLOAT
60.4%

EARNINGS CONFERENCE CALL



May 13, 2022, Friday



11 am Brazil | 10 am New York | 3 pm London



Broadcasting in Portuguese and English



Translation into sign language



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

INVESTOR RELATIONS



ri@randon.com.br



ri.randon.com.br



Paulo Prignolato – CFO and IRO
Esteban M. Angeletti – Director
Davi C. Bacichette – Specialist
Caroline I. Colleto – Analyst
Gustavo Schwaizer – Analyst
Fabiana Martini – Assistant



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

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\$ 2.5 billion in 1Q22, 29.5% up from 1Q21, driven by the higher average price of products sold and by the addition of new business and M&As revenues.
- > **International market revenues** amounted to US\$ 99.9 million in 1Q22, 48.2% up from the same period in 2021, mainly because of the good performance of the exports in the trailers and motion control of commercial and light vehicles verticals.
- > **Consolidated EBITDA** reached R\$ 401.4 million in 1Q22, 15.0% up from 1Q21, with a consolidated EBITDA margin of 16.2%, without any impact from one-offs during the period.
- > **Net Profit** amounted to R\$ 130.1 million, with net margin of 5.3% in 1Q22, impacted largely by the increase in financial expenses on account of the scenario of higher interest rates and exchange rate variation.
- > **Investments** totalled R\$ 149.8 million, mainly in Paid-in Capital (R\$ 101.1 million) and CAPEX (R\$ 45.7 million), mostly in machinery and equipment.
- > Growth in **net debt** (without Randon Bank), reaching R\$ 2.1 billion in late 1Q22 (R\$ 1.4 billion in 4Q21), to support the increase in Working Capital resulting from the higher level of activity in operations and leverage of 1.58x EBITDA over the last 12 months.

MAIN FIGURES

Economic Highlights	1Q22	1Q21	Δ%	4Q21	Δ%
Total Gross Revenue ¹	3,695,493	2,770,106	33.4%	3,774,895	-2.1%
Consolidated Net Revenue	2,476,347	1,912,679	29.5%	2,544,489	-2.7%
International Market Revenues US\$ ²	99,856	67,386	48.2%	91,137	9.6%
Consolidated Gross Profit	644,575	512,212	25.8%	596,890	8.0%
Gross Margin (%)	26.0%	26.8%	-75 bps	23.5%	257 bps
Consolidated EBITDA	401,350	349,125	15.0%	258,424	55.3%
EBITDA Margin (%)	16.2%	18.3%	-205 bps	10.2%	605 bps
Adjusted EBITDA	401,350	333,924	20.2%	292,167	37.4%
Adjusted EBITDA Margin (%)	16.2%	17.5%	-125 bps	11.5%	472 bps
Consolidated Net Profit	130,074	134,065	-3.0%	153,164	-15.1%
Net Margin (%)	5.3%	7.0%	-176 bps	6.0%	-77 bps
Earnings per share R\$	0.39	0.41	-3.0%	0.47	-15.1%
Financial Highlights					
Equity	2,624,877	2,183,369	20.2%	2,520,327	4.1%
Investments ³	149,789	122,811	22.0%	181,275	-17.4%
Net Debt	3,129,358	2,039,176	53.5%	2,542,175	23.1%
Net Debt (Without Randon Bank)	2,148,298	1,384,397	55.2%	1,409,314	52.4%
Leverage	2.27 x	1.41 x	60.5%	1.92 x	18.4%
Leverage (Without Randon Bank)	1.58 x	0.97 x	63.4%	1.08 x	46.7%
ROE (last 12 months)	27.5%	38.6%	-1114 bps	33.9%	-641 bps
ROIC (last 12 months)	11.9%	16.9%	-500 bps	16.4%	-453 bps

¹ Without eliminating intercompany sales

² Consolidated Exports + Revenues from International Markets

³ Capex + Non-Organics + Paid-in Capital

Values in R\$ Thousands

Capital Market	03/31/2022	03/31/2021	Δ%	12/31/2021	Δ%
RAPT4 Closure Quote ¹	10.68	13.09	-18.4%	10.87	-1.7%
RAPT3 Closure Quote ¹	9.88	10.16	-2.8%	12.54	-21.2%
RAPT4 Total shares ²	212,815	229,260	-7.2%	212,815	0.0%
RAPT3 Total shares ²	116,516	116,516	0.0%	116,516	0.0%
Market cap ³	3,424,038	3,969,546	-13.7%	3,774,404	-9.3%
RAPT4 Treasury shares ²	-	16,445	-100.0%	-	-
Price over book value ¹	10.28	8.67	18.6%	9.94	3.4%

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

² Values in Thousands

³ Values in R\$ Thousands



Business Overview

Each new year brings with it renewed opportunities and expectations for the development of plans and projects. And we, at Randon Companies, believe and invest in our purpose, as we wish to build the future, today. We started this new cycle knowing some of the challenges to be faced, such as inflation and shortage of some inputs. Other challenges emerged abruptly, such as the Omicron variant and Russia's war with Ukraine, with all its impacts, both direct and indirect.

Yet, the first quarter of 2022 was another period of revenue growth. The highest level for a first quarter in our entire history. Our diversified business model allowed us to overcome adversities and our margins remained Strong. This was only possible due to the intense work carried out by all areas of the Company.

Volumes in our markets remained at good levels, but some segments have already shown signs of slowing down. Although we still have a strong agribusiness, the increase in capital goods financing costs, the decline of the population's purchasing power and the low growth of several sectors of the economy have hampered the sales of certain product categories of our companies.

Demand in the foreign market remained strong, with growth in all verticals exposed to foreign markets. Even with the recent devaluation of the Dollar against the Real and difficulties in some geographies, such as in China, due to lockdown, we still see good opportunities for the coming months.

Internally, we made important fundraising moves to continue growing, such as the 9th issue of debentures, in the amount of R\$ 500 million and the follow-on of the subsidiary Fras-le, which raised R\$ 629 million to undertake new projects. As controllers, we increased our stake in Fras-le's capital to 52.57%, further strengthening our presence in this company, which is a fundamental pillar of our future strategy.

In addition, following the evolution of our governance, we announced the new format for disclosing results, now in 5 business verticals: trailers, auto parts for commercial vehicles, motion control of commercial and light vehicles, financial and digital services, and advanced technology and headquarter.

So, we show the market that the way we conduct our business, also evidenced by the way we report our numbers, is another sign of our continuous preparation to keep our growth fast and strong, focusing even more on business conduction, execution of the strategy and sustainable growth of our business.

Our strategy remains based on the pillars of innovation and sustainability, seeking to create a positive impact whenever we are, and we intend to overcome the challenges and difficulties that arise with good governance practices, hard work and dedication, always innovating for a better future.

Market Overview

MARKET PERFORMANCE

		1Q22	1Q21	Δ%	4Q21	Δ%
Production	Trucks ¹	34,383	33,082	3.9%	40,508	-15.1%
	Trailers ³	20,632	22,382	-7.8%	23,556	-12.4%
Brazil Sales	Trucks ¹	26,852	26,077	3.0%	33,406	-19.6%
	Trailers ²	19,502	21,296	-8.4%	22,061	-11.6%
Exports	Trucks ¹	4,685	5,279	-11.3%	6,040	-22.4%
	Trailers ³	1,130	1,086	4.1%	1,495	-24.4%

¹ Anfavea

² Anfir

³ Anfir + Aliceweb

Volumes in units

The Company's markets continued to perform well, even though they are already showing signs of deceleration, as compared to the same period in 2021.

> Production and sale of **trucks** continue at a good pace, but impacted by the shortage of some inputs, such as semiconductors.

> **Semi-trailers** demand slowed down, mostly in the segments linked to retail and consumer goods.

> **Exports** of trucks and semi-trailers faced a more complex scenario, with less availability of products by manufacturers and reduced competitiveness due to the devaluation of the U.S. Dollar against the Brazilian Real.



Consolidated Performance



Consolidated Net Revenue

	1Q22	1Q21	Δ%	4Q21	Δ%
Net Revenue	2,476,347	1,912,679	29.5%	2,544,489	-2.7%
Domestic Market	1,955,839	1,542,386	26.8%	2,036,454	-4.0%
International Market ¹	520,507	370,293	40.6%	508,035	2.5%

¹ Consolidated Exports + Revenues from International Markets

Values in R\$ Thousands

In 1Q22, consolidated net revenue totalled R\$ 2.5 billion, an increase of 29.5% as compared to 1Q21 (a decrease of 2.7% compared to 4Q21).

Important factors for 1Q22 sales revenues were:

- > Good level of demand in the commercial vehicle markets and in the aftermarket segment.
- > Revenues from new companies acquired (R\$ 66.2 million in 1Q22).
- > Increase in the average price of most product lines, reflecting the price adjustments made to pass on inflation.
- > Increase in revenues from international markets (40.6% as compared to 1Q21).

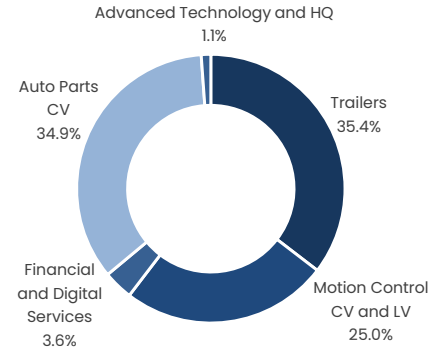
When analysing the breakdown of consolidated net revenue by business vertical, shown herein in the graphs, the following factors stand out:

- > Balanced representativeness of the verticals trailers and auto parts for commercial vehicles, accounting for 35.4% and 34.9% in 1Q22, respectively.
- > And the vertical Motion Control Commercial and Light vehicles with 25.0%.

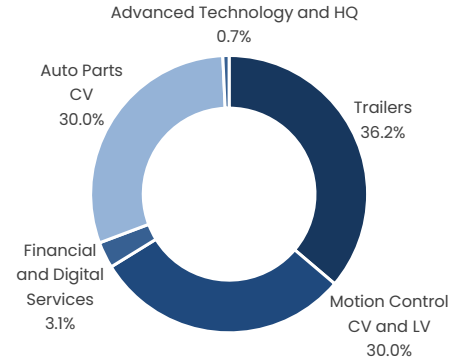
The details of each business vertical will be presented in the **Performance by Business Vertical** chapter.



Net Revenue by Vertical 1Q22



Net Revenue by Vertical 1Q21



International Market

Exports	1Q22	1Q21	Δ%	4Q21	Δ%
Trailers	27,523	13,496	103.9%	24,008	14.6%
Motion Control CV and LV	26,388	21,622	22.0%	18,100	45.8%
Auto Parts CV	10,700	6,049	76.9%	11,620	-7.9%
Advanced Technology and HQ	389	-	-	-	-
Sub-Total	65,000	41,168	57.9%	53,728	21.0%
(-) Intercompany Sales	-19,059	-15,686	21.5%	-13,398	42.3%
Consolidated Exports	45,940	25,482	80.3%	40,331	13.9%
Revenues from International Units	1Q22	1Q21	Δ%	4Q21	Δ%
Trailers	11,219	9,245	21.3%	15,387	-27.1%
Motion Control CV and LV	47,538	35,926	32.3%	40,336	17.9%
Auto Parts CV	547	321	70.6%	134	307.0%
Sub-Total	59,304	45,492	30.4%	55,858	6.2%
(-) Intercompany Sales	-5,388	-3,588	50.2%	-5,052	6.7%
Total	53,916	41,904	28.7%	50,806	6.1%
International Market US\$	99,856	67,386	48.2%	91,137	9.6%

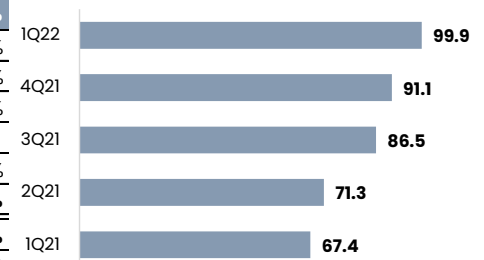
Note: CV - Commercial Vehicles | LV - Light Vehicles | HQ - Headquarter

Values in US\$ Thousands



International Market

US\$ Million



International market, made up of exports from Brazilian units and sales by subsidiaries located abroad, both with the elimination of intercompany sales, totalled US\$ 99.9 million in 1Q22, an increase of 48.2% as compared to 1Q21 (US\$ 67.4 million). When comparing it with 4Q21, this indicator increased by 9.6%.



International market revenues during the quarter were mostly impacted by:

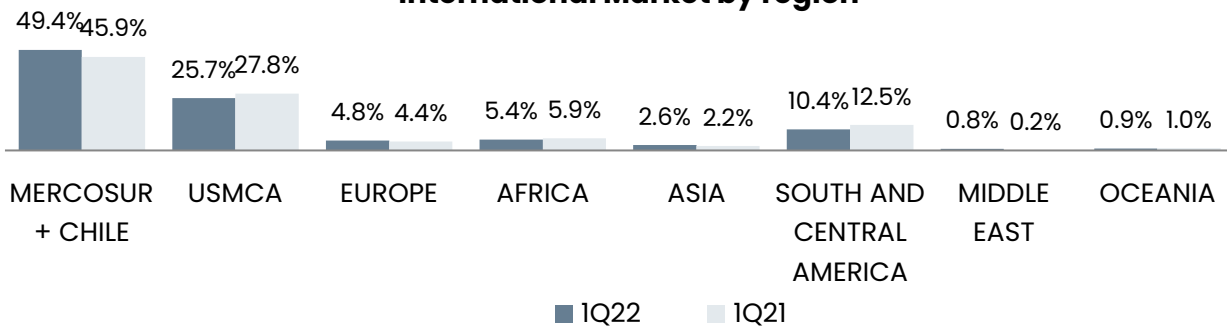
- > Agribusiness, which continued fuelling demand from the South American markets, despite the crop failure at the beginning of the year.
- > Strong demand for aftermarket for heavy-line products.
- > Gaining of new customers with new supply contracts and replenishment of distributors' inventories.
- > Increase in commodity prices caused by the conflict between Russia and Ukraine (oil price reached its highest level in the last seven years in March/22).
- > Increase in global logistics costs and inflationary pressure in several countries.
- > Attention to the gradual appreciation of the real against the dollar, which may make exports less competitive.

In terms of geographies, we can highlight:

- > The Mercosur countries and Chile were the most relevant destination, accounting for half of sales in the period.
- > Chile remained the Company's main geography for semi-trailers (1/3 of the total).
- > Strong sales volume to North America, accounting for 25.7% of the total, due to the good economic performance, mainly the USA.
- > Heated demand from heavy-duty OEMs in Mexico.
- > The African region benefited from the increase in oil prices, showing gradual growth in volumes.
- > Argentina with a good level of sales, but facing problems with import locks, foreign exchange shortages and inflation.
- > China facing challenges due to lockdown and increasing freight costs.

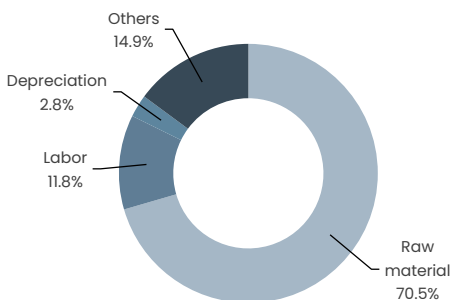
Below is a chart with consolidated sales to the international market, in dollars and by region, in 1Q22 and 1Q21:

International Market by region

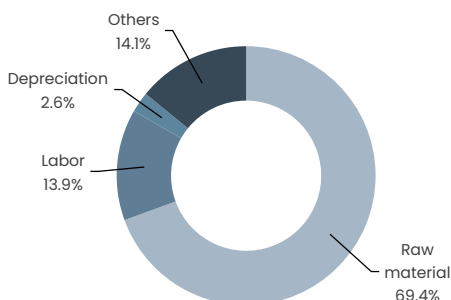


Cost of Goods Solds (COGS)

1Q22 COGS BREAKDOWN*



1Q21 COGS BREAKDOWN*



The Company's COGS totalled R\$ 1.8 billion in 1Q22, accounting for 74.0% of the consolidated net revenue for the period. In 1Q21, COGS was R\$ 1.4 billion and 73.2% of consolidated net revenue.

Given the current scenario, this small increase in representativeness is an important achievement. Several measures have been adopted in recent months to reduce the impacts of inflation, mainly on raw materials, which accounted for 70.5% of total COGS.

The highlights of the 1Q22 COGS performance are:

- > Strategic purchases of raw materials to mitigate the risk of shortages and loss of competitiveness.
- > Relevant price adjustments of various inputs, such as steel, tires, wheels, and aluminium items such as coils, strips, and plates.
- > Good level of production volumes, allowing for greater dilution of fixed costs.

For the coming months, a higher inflationary pressure in this indicator is expected for the Company's main input chains. Because of that, we will continue to work on several fronts seeking more competitive supply alternatives.

*Consolidated Information



General, Commercial and Administrative Expenses

	1Q22	%	1Q21	%	Δ%	4Q21	%	Δ%
Selling Expenses	-165,517	-6.7%	-132,135	-6.9%	25.3%	-186,583	-7.3%	-11.3%
Administrative Expenses	-115,185	-4.7%	-91,845	-4.8%	25.4%	-129,909	-5.1%	-11.3%
Equity Income	-424	0.0%	-	0.0%	-	-487	0.0%	-13.1%
Other Expenses/ Income	-22,958	-0.9%	5,361	0.3%	-528.3%	-81,947	-3.2%	-72.0%
Other Operating Expenses	-37,530	-1.5%	-44,766	-2.3%	-16.2%	-136,435	-5.4%	-72.5%
Other Operating Income	14,573	0.6%	50,127	2.6%	-70.9%	54,488	2.1%	-73.3%
Total Operating Exp/ Income	-304,084	-12.3%	-218,619	-11.4%	39.1%	-398,926	-15.7%	-23.8%

Values in R\$ Thousand and % over Net Revenue

Operating expenses and revenues amounted to R\$ 304.1 million in 1Q22, 12.3% of consolidated net revenue for the period (R\$ 218.6 million and 11.4% in 1Q21). The table above shows that selling expenses and administrative expenses have kept their representativeness over revenue year over year.

Although in 1Q22 we did not have one-offs when comparing year over year, we point out that in 1Q21 we had one-offs from the impairment reversal of our indirect subsidiary Fanacif (R\$ 4.3 million) and the net gain from the ICMS exclusion process from the PIS and COFINS taxes calculation basis of the subsidiary Castertech (R\$ 10.9 million), which positively impacted the line of other operation income that quarter.

Below are some highlights of the current quarter:

- > Addition of operating expenses and revenues of the companies acquired as of 2Q21 (Castertech Schroeder, RTS Industry, Auttom and Randon Corretora).
- > Resume of travel and trade shows due to the flexibility of protocols related to the pandemic.
- > Greater control of administrative spending, which, like production costs, are subject to inflationary pressure.



EBITDA

Consolidated EBITDA amounted to R\$ 401.4 million in 1Q22, with 16.2% margin, 15% higher than the amount reached in 1Q21 (R\$ 349.1 million and margin of 18.3%).

When comparing Adjusted EBITDA, we see a 20.2% growth rate in this indicator year over year, but with 130 bps reduction in the Adjusted EBITDA margin.



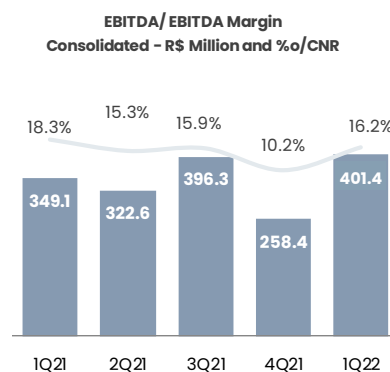
Here are some factors that affected EBITDA in 2022:

- > Good management of supplies, mitigating the inflationary pressure on raw materials through strategic purchases of inputs.
- > Price re-composition of products sold, which, combined with the purchasing strategy, allowed significant gains in margins.
- > Positive demand level in most product lines, allowing for greater dilution of fixed costs.

	1Q22	1Q21	Δ%	4Q21	Δ%
Net Profit	130,074	134,065	-3.0%	153,164	-15.1%
Discontinued Operation	101	111	-9.7%	13	650.7%
Interest of non-controlling shareholders	-40,254	-46,265	-13.0%	-28,344	42.0%
Income Tax and Social Contribution	-77,508	-84,309	-8.1%	2,329	-3427.6%
Financial Income	-92,756	-29,065	219.1%	-18,799	393.4%
EBIT	340,491	293,593	16.0%	197,964	72.0%
Depreciation and Amortization	60,858	55,531	9.6%	60,460	0.7%
Consolidated EBITDA	401,350	349,125	15.0%	258,424	55.3%
EBITDA Margin (%)	16.2%	18.3%	-205 bps	10.2%	605 bps
One-Offs	-	-15,201	-100.0%	33,742	-100.0%
Consolidated Adjusted EBITDA¹	401,350	333,924	20.2%	292,167	37.4%
Adjusted EBITDA Margin (%)	16.2%	17.5%	-125 bps	11.5%	472 bps

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

Values in R\$ Thousands





Financial Result

	1Q22	1Q21	Δ%	4Q21	Δ%
Financial Revenues	135,900	104,780	29.7%	138,818	-2.1%
Financial Expenses	-240,015	-150,685	59.3%	-167,723	43.1%
Monetary Adjustment (IAS 29)	11,359	16,839	-32.5%	10,107	12.4%
Net Financial Income	-92,756	-29,065	219.1%	-18,799	393.4%

Values in R\$

The Company's net financial result was negative R\$ 92.8 million at the end of 1Q22, 219.1% lower than the result reached in the same period in 2021 (negative R\$ 29.1 million).

Below are some factors that affected this indicator:

- > Increase in interest paid on financing, due both to the raise of the Selic rate and the increase in the Company's gross debt.
- > Increase in expenses with exchange variation due to the devaluation of the U.S. Dollar against the Brazilian Real.

For the breakdown of the financial result, see Note no. 21 in the Standard Financial Statements.



Net Result

The Company posted a consolidated net income of R\$ 130.1 million in 1Q22, with a net margin of 5.3%, reflecting a ROE of 27.5% (last 12 months).

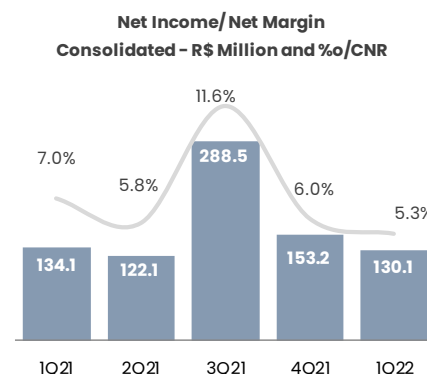
	1Q22	1Q21	Δ%	4Q21	Δ%
EBIT	340,491	293,593	16.0%	197,964	72.0%
Financial Income	-92,756	-29,065	219.1%	-18,799	393.4%
Operating Results	247,736	264,528	-6.3%	179,166	38.3%
Income Tax and Social	-77,508	-84,309	-8.1%	2,329	-3427.6%
Discontinued Operation	101	111	-9.7%	13	650.7%
Interest of non-controlling	-40,254	-46,265	-13.0%	-28,344	42.0%
Net Profit	130,074	134,065	-3.0%	153,164	-15.1%
Net Margin (%)	5.3%	7.0%	-176 bps	6.0%	-77 bps
ROE (last 12 months)	27.5%	38.6%	-1114 bps	33.9%	-641 bps

Values in R\$ Thousands

The chart on the right, shows the behaviour of net income over the last quarters:

The net income reached in this quarter is the result of:

- > Continued good demand in the Company's markets, both domestically and abroad.
- > Priority in the sale of items with greater added value and strategic decision by the trailers vertical in favouring price and profitability of its products.
- > Price adjustments to neutralize the effects of inflation.
- > Investments in technology and automation.
- > Adding of the results of the companies acquired in 2021, which have delivered good performance.
- > Capturing synergies between the business units and corporate processes.
- > Resilience that our diversified business model provides in terms of profitability.





Free Cash Flow (without Randon Bank)

At the end of 1Q22, the Company had negative free cash flow of R\$ 738.9 million, a change of 42.5% year over year.

The reduction in free cash flow is mostly due to the increase in working capital, due to some factors such as:

- > Raw material purchases made in advance to mitigate the effects of inflation and to guarantee supply.
- > Increase in tax credits due to the purchases made in advance and increased monetary adjustment in tax proceedings a result of the raise in the Selic rate.
- > Appreciation of the Brazilian Real against the U.S. Dollar.
- > Increased inventory of finished products in the trailers vertical, mainly because of the delayed delivery of trucks by the OEMs, making it difficult for customers to withdraw their products from our facilities.

	1Q22	1Q21	Δ%	4Q21	Δ%
EBITDA	394,694	344,397	14.6%	253,416	55.7%
Investments	-45,410	-53,366	-14.9%	-159,912	-71.6%
Financial Income	-92,733	-29,043	219.3%	-18,776	393.9%
Income Tax and Social	-74,574	-82,018	-9.1%	4,925	-1614.3%
Working Capital	-808,961	-506,462	59.7%	275,303	-393.8%
Operating Cash Flow	-626,984	-326,492	92.0%	354,956	-276.6%
Dividends/Interest on Equity	-61,808	-67,560	-8.5%	-23,773	160.0%
Paid-in Capital	-52,988	-60,499	-12.4%	-1,052	4936.9%
Others	2,893	-64,144	-104.5%	12,508	-76.9%
Free Cash Flow	-738,887	-518,694	42.5%	342,639	-315.6%

Values in R\$ Thousands without Randon Bank

Investments

		1Q22	1Q21	Δ%	4Q21	Δ%
Capex	Trailers	8,034	14,264	-43.7%	58,868	-86.4%
	Auto Parts CV	21,146	17,163	23.2%	43,740	-51.7%
	Motion Control CV and LV	13,192	21,298	-38.1%	45,291	-70.9%
	Financial and Digital Services	1,501	172	773.5%	1,233	21.8%
	Advanced Technology and HQ	1,863	415	349.0%	10,817	-82.8%
	Subtotal	45,738	53,312	-14.2%	159,948	-71.4%
Non Organic	Auto Parts CV	2,539	10,499	-75.8%	-	-
	Motion Control CV and LV	449	-	-	1,052	-57.3%
	Subtotal	2,988	10,499	-71.5%	1,052	184.0%
Paid-in Capital	Trailers	14,363	1,500	857.5%	6,633	116.5%
	Auto Parts CV	28,700	-	-	-	-
	Advanced Technology and HQ	58,000	57,500	0.9%	13,641	325.2%
	Subtotal	101,063	59,000	71.3%	20,275	398.5%
Total Investments	Total	149,789	122,811	22.0%	181,275	-17.4%

Note: CV - Commercial Vehicles | LV - Light Vehicles | HQ - Headquarter

Values in R\$ Thousands

In 1Q22, the Company invested R\$ 149.8 million as follows: Capex (R\$ 45.7 million), non-organic investments (R\$ 3.0 million) and Paid-in capital (R\$ 101.1 million).



The highlights in investments in 1Q2022 were:

- > **Capex:** machinery and equipment to increase productivity, automation and maintenance (R\$ 23.6 million), modernization of stamping and other productive processes (R\$ 3.6 million), improvements to buildings and premises (R\$ 2.8 million) and ERP and other software implemented by Randon Consórcios, as well as infrastructure projects in the corporate center (R\$ 2.4 million).
- > **Non-Organic:** portion related to the acquisition of the indirect controlled company Ferrari (R\$ 2.5 million).
- > **Paid-in Capital:** Randon Messias (R\$ 8.0 million), Randon Peru (R\$ 6.4 million), Randon Bank (R\$ 50 million), NIONE (R\$ 8.0 million) and Castertech Schroeder (R\$ 28.7 million).



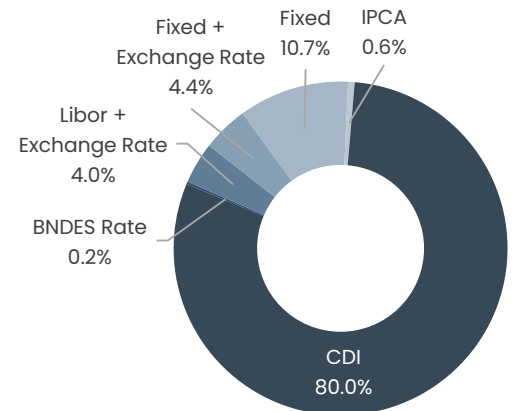
Net Debt

At the end of 2022, the Company's consolidated net debt amounted to R\$ 3.1 billion, with a leverage ratio of 2.27x (Net Debt / EBITDA of the last twelve months). Excluding Randon Bank's figures, net debt at the end of the quarter was R\$ 2.1 billion, with leverage of 1.58x EBITDA.

The average cost of debt in local currency went up again, rising from 10.9% per year in year-end 2021 to 13.1% per year at the end of the quarter. The reason for that is that 80% of our debt is linked to the CDI (Interbank Deposit Certificate), and this, in turn, to the Selic rate, which has been increasing.

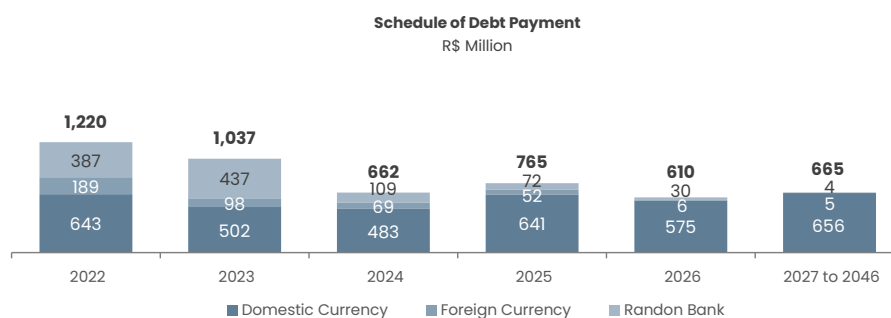
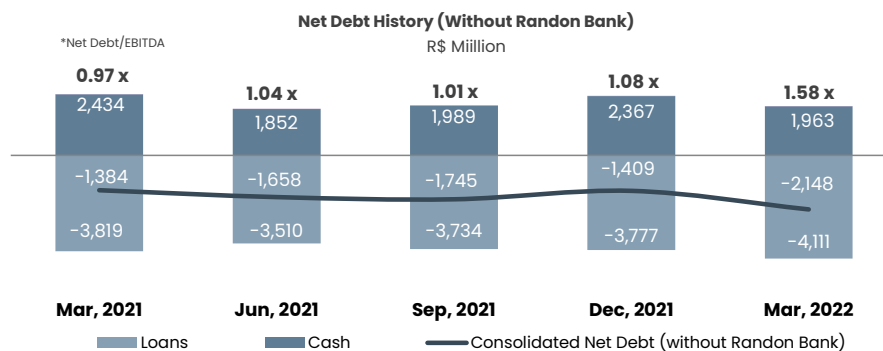
Regarding the increase in gross debt, one of the relevant factors was the settlement of our 9th issuance of debentures, which raised R\$ 500 million. Net debt increased because of the Company's working capital, explained in the chapter Free Cash Flow (without Randon Bank).

Gross Debt Indexes



	03/31/2021	12/31/2021	03/31/2022
Short Term Cash and Financial Investments	2,277,538	2,244,440	1,915,778
Long Term Cash and Financial Investments	129,204	53,054	104,895
Total Cash and Financial Investments	2,406,742	2,297,494	2,020,674
Short Term Debt Domestic Currency	942,661	1,513,852	1,397,820
Short Term Debt Foreign Currency	189,433	272,795	232,042
Total Short Term Debt	1,132,094	1,786,646	1,629,862
Long Term Debt Domestic Currency	2,765,870	2,613,881	3,141,202
Long Term Debt Foreign Currency	309,403	252,208	192,361
Total Long Term Debt	3,075,273	2,866,088	3,333,563
Accounts Payable by Business Combination	238,551	186,934	186,607
Total Gross Debt	4,445,919	4,839,669	5,150,032
Total Consolidated Net Debt	2,039,176	2,542,175	3,129,358
Net Debt (Without Randon Bank)	1,384,397	1,409,314	2,148,298
Average Cost of Bank Debt in Domestic Currency	4.2% per year	10.9% per year	13.1% per year
Average Cost of Bank Debt in Foreign Currency	3.8% per year	4.2% per year	3.9% per year
Average Term of Bank Debt	2.4 years	2.1 years	2.4 years
Average Term of Bank Debt Without Randon Bank	2.6 years	2.4 years	2.7 years

Values in R\$ Thousands, except when indicated otherwise





Performance by Business Verticals



- > **PORTFOLIO:** several models of semi-trailers, truck bodies, railcars, aftermarket.
- > **GEOGRAPHIES:** 8 industrial plants, 6 of which in Brazil and 2 abroad, 1 warehouse, 1 sales office and 4 strategic partners.
- > **CUSTOMER SERVICE NETWORK:** 90 dealers in Brazil and 85 abroad.
- > **SECTOR EXPOSURE:** agribusiness (2/3 Net Revenue), industry and civil construction (1/3 Net Revenue).
- > **CUSTOMER BASE:** large truckload carriers, generators of truck loads, fleet owners and self-employed drivers.
- > **REVENUE PROFILE:** domestic market 70% (Agribusiness 2/3), international market 18%, railcars 1% and aftermarket 11%.



Volumes	1Q22		1Q21			4Q21		
	Units	Revenue	Units	Revenue	Δ% Units	Units	Revenue	Δ% Units
Trailers Brazil (un.)	5,621	701,781	6,993	588,873	-19.6%	6,659	744,589	-15.6%
Trailers International Market (un.)	1,240	176,140	925	101,613	34.1%	1,249	182,613	-0.7%
Railcars (un.)	27	14,072	9	1,905	200.0%	147	83,512	-81.6%
Aftermarket	-	106,107	-	79,788	-	-	88,869	-

Performance	1Q22	1Q21	Δ%	4Q21	Δ%
Net Revenue	998,100	772,179	29.3%	1,099,582	-9.2%
COGS	-823,325	-624,115	31.9%	-927,426	-11.2%
Gross Profit	174,775	148,064	18.0%	172,157	1.5%
Gross Margin %	17.5%	19.2%	-166 bps	15.7%	185 bps
Operating Expenses/Revenues	-67,238	-61,226	9.8%	-100,451	-33.1%
EBIT	107,537	86,837	23.8%	71,706	50.0%
EBITDA	119,481	99,055	20.6%	83,283	43.5%
EBITDA Margin %	12.0%	12.8%	-86 bps	7.6%	440 bps
Adjusted EBITDA	119,481	99,055	20.6%	85,614	39.6%
Adjusted EBITDA Margin %	12.0%	12.8%	-86 bps	7.8%	418 bps

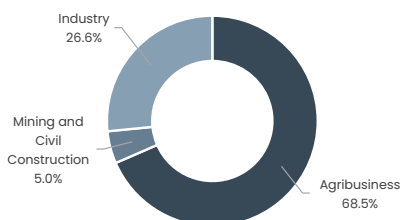
Values in R\$ Thousands, except when indicated otherwise

The trailers vertical delivered a positive quarter in revenues and margins. Although sales volumes were lower when comparing to prior quarters, the higher average price and expenditure control provided a good level of profitability in the period.

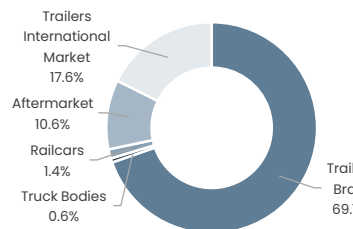
1Q2022 Highlights:

- > Semi-trailers market: production and sales volumes were lower than those in 1Q21.
- > The trailers vertical delivered 6,861 semi-trailers in the quarter (domestic and international markets), with a reduction of 13.3% year over year.
- > Even with lower volumes, net revenue increased by 29,3% year over year, as a result of the pass-through of prices and the good mix of products sold.
- > Margins remained at good levels due to the strategic decision made in late 2021, that of prioritizing price and profitability in business deals for 1Q22.
- > However, with the market slowdown, higher interest rates and higher level of uncertainty, the strategy of charging adjusted prices ended up by having a negative effect, that of reducing sales, resulting in a drop in the Company's market share.
- > Actions are being taken for the coming quarters to seek to balance volumes and profitability.
- > The agribusiness sector, responsible for 68.5% of revenues in this vertical, remains with a strong demand and good prospects for the coming quarters.
- > The volumes sold to the foreign market increased 34.1%, considering the increased demand in the South American countries, especially Chile. However, competition is becoming increasingly fierce in these markets.

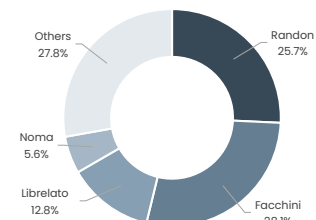
Net Revenue by Economic Sector (%)



Net Revenue by Product (%)



Quarterly Market Share (%)





► **PORTFOLIO:** brake systems, axles and suspensions, coupling systems, electromobility, casting and machining, among others.
 ► **GEOGRAPHIES:** 10 industrial plants (9 in Brazil and 1 in Mexico).
 ► **SECTOR EXPOSURE:** agribusiness, industry, civil construction, mining, mobility.
 ► **CUSTOMER BASE:** main global OEMs (trucks and buses), trailer manufacturers, aftermarket, and agricultural machine manufacturers.



Volumes	1Q22		1Q21		Δ% Units	4Q21		Δ% Units
	Units	Revenue	Units	Revenue		Units	Revenue	
Brakes (units)	245,526	201,283	214,918	153,544	14.2%	225,250	205,737	9.0%
Coupling Systems (units)	34,426	141,493	36,929	104,026	-6.8%	38,803	144,375	-11.3%
Axles and Suspensions (units)	48,638	426,702	45,772	276,342	6.3%	49,481	413,674	-1.7%
Foundry and Machining (Tons) ¹	26,659	214,162	18,960	105,711	40.6%	24,989	193,663	6.7%

¹We 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

Performance	1Q22	1Q21	Δ%	4Q21	Δ%
Net Revenue	983,641	639,623	53.8%	957,449	2.7%
COGS	-766,435	-515,235	48.8%	-773,050	-0.9%
Gross Profit	217,206	124,389	74.6%	184,398	17.8%
Gross Margin %	22.1%	19.4%	263 bps	19.3%	282 bps
Operating Expenses/Revenues	-64,843	-32,099	102.0%	-86,495	-25.0%
EBIT	152,363	92,290	65.1%	97,904	55.6%
EBITDA	170,530	105,374	61.8%	114,305	49.2%
EBITDA Margin %	17.3%	16.5%	86 bps	11.9%	540 bps
Adjusted EBITDA	170,530	94,424	80.6%	123,595	38.0%
Adjusted EBITDA Margin %	17.3%	14.8%	257 bps	12.9%	443 bps

Values in R\$ Thousands, except when indicated otherwise

This vertical continued to show record revenues and margins in the first quarter of 2022. Considering the good momentum in the trucks market, demand from the OEMs remained sustainable, which was crucial for the positive performance.

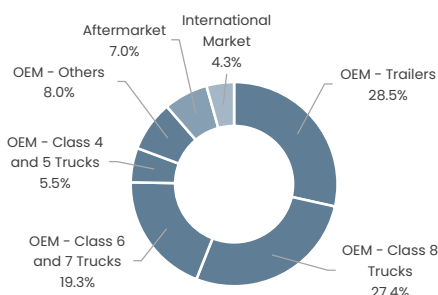
On the Auto Parts for Commercial Vehicles 1Q22, we stand out:

- Growth revenue of 53.8% year over year.
- Increase in revenues and result of the companies acquired by Castertech.
- Increase in gross margin by 270 basis points, mainly because of the adjusted selling prices and good management of inputs prices.
- The comparison of operating revenues and expenses with those of 1Q21 is affected by the one-offs reached in 1Q21 (R\$ 10.9 million), related to the success of Castertech's tax lawsuit.
- Adjusted EBITDA increased 80.6% with a margin increase of 260 basis points.
- The negative effects of the halt in the production of trucks and buses due to the lack of electronic components will probably appear in the volumes of April and May.
- However, the impact in the demand for auto parts should be marginal, since OEMs continue receiving products to replenish and normalize their inventories and the truck production order book continues to grow.

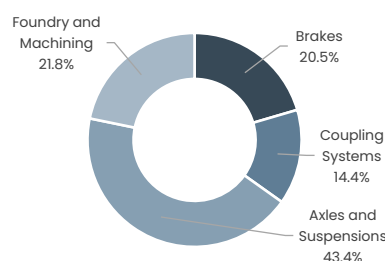


Suspensys expanded its production capacity to 300 thousand axle beams per year as a result of its new automated line – an investment of R\$ 20 million – making it one of the largest manufacturing parks in the world in the production of this type of equipment.

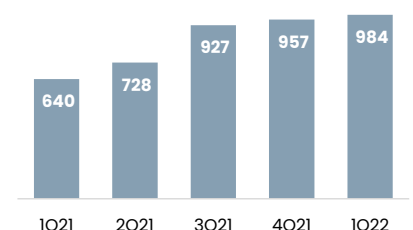
Net Revenue by Segment (%)



Net Revenue by Product (%)



Quarterly Net Revenue - R\$ Million





**MOTION CONTROL
COMMERCIAL
AND LIGHT
VEHICLES**



> **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, mobility.

> **CUSTOMER BASE:** OEMs, distributors, and retailers of auto parts.



Volumes	1Q22		1Q21			4Q21		
	Units	Revenue	Units	Revenue	Δ% Units	Units	Revenue	Δ% Units
Friction Materials (Thousand/un.)	23,822	370,062	26,843	309,741	-11.3%	23,417	313,123	1.7%
Components for the Braking Systems (Thousand/un.)	2,097	118,794	2,218	111,151	-5.4%	1,942	141,816	8.0%
Comp. Suspension, Steering and Powertrain Systems (Thousand/un.)	3,973	181,833	4,042	162,445	-1.7%	4,282	194,175	-7.2%
Others ¹	-	34,133	-	57,318	-	-	35,973	-

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

Performance	1Q22	1Q21	Δ%	4Q21	Δ%
Net Revenue	704,822	640,655	10.0%	685,088	2.9%
COGS	-510,335	-452,130	12.9%	-503,604	1.3%
Gross Profit	194,486	188,525	3.2%	181,485	7.2%
Gross Margin %	27.6%	29.4%	-183 bps	26.5%	110 bps
Operating Expenses/Revenues	-116,461	-91,811	26.8%	-151,349	-23.1%
Equity Income	-37	-	-	-122	-69.8%
EBIT	77,988	96,714	-19.4%	30,013	159.8%
EBITDA	105,993	125,583	-15.6%	59,703	77.5%
EBITDA Margin %	15.0%	19.6%	-456 bps	8.7%	632 bps
Adjusted EBITDA	105,993	121,331	-12.6%	83,047	27.6%
Adjusted EBITDA Margin %	15.0%	18.9%	-390 bps	12.1%	292 bps

Values in R\$ Thousands, except when indicated otherwise

The vertical motion control commercial and light vehicles showed an increase in its revenues year over year. The pass-through of prices carried out throughout 2021 was the main factor that contributed to this growth, even with the reduction in volumes in this period comparison. In addition, the good performance of the commercial vehicle line offset the weaker performance of the light vehicle line. In the foreign market, volumes and revenues were positive, despite the recent devaluation of the dollar.

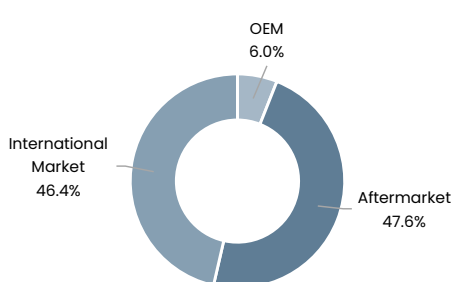
DOMESTIC MARKET

- > Delivery delays and low availability of suspension, steering and powertrain components due to logistics difficulties.
- > Reduction in the aftermarket of the light vehicle line caused by higher inflation, which affected the consumption power of the final customer.
- > Aftermarket of the commercial vehicle line with strong demand, driven by the agribusiness and resumption of urban transport.
- > New projects in the light vehicle OEMs.

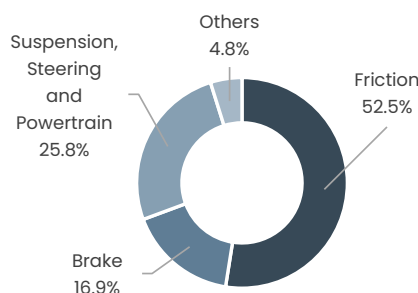
INTERNATIONAL MARKET

- > Global logistics difficulties.
- > Foreign exchange variation.
- > Uncertainties due to the conflict between Russia and Ukraine.
- > The North American market continued heated.
- > Strong export demand for the heavy line brake linings.
- > Increased exports out of Brazil to compensate for the production and logistics problems at the China Unit, due to lockdown.
- > Unit in India gaining representativeness, with new projects in OEMs.

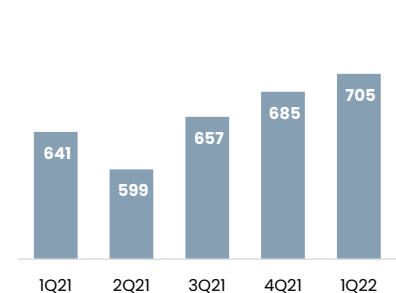
Net Revenue by Segment (%)



Net Revenue by Product (%)



Quarterly Net Revenue - R\$ Million





**FINANCIAL
AND DIGITAL
SERVICES**

- > **PORTFOLIO:** Coop-payment plans, credit, insurance, BaaS and investment in startups.
- > **STRUCTURE:** Bank, insurance broker, administrator of coop-payment plans, venture capital and fintech.
- > **SECTOR EXPOSURE:** Agribusiness, capital goods, logistics and civil construction.
- > **CUSTOMER BASE:** suppliers and customers of Randon Companies, manufacturers of agricultural equipment and operators of the logistics ecosystem.



Volumes	1Q22		1Q21			4Q21		
	Units	Revenue	Units	Revenue	Δ% Units	Units	Revenue	Δ% Units
Coop-payment plan quotas sold	3.426	56.631	3.023	45.265	13,3%	5.703	52.578	-39,9%
Randon Investimentos (Randon Bank)	-	42.747	-	20.284	-	-	35.328	-
Randon Corretora de Seguros	-	1.295	-	-	-	-	2.239	-

Performance	1Q20	2Q20	Δ%	3Q20	Δ%
	Net Revenue	100.673	65.549	53,6%	90.145
COGS	-27.660	-9.693	185,4%	-21.513	28,6%
Gross Profit	73.012	55.856	30,7%	68.632	6,4%
Gross Margin %	72,5%	85,2%	-1269 bps	76,1%	-361 bps
Operating Expenses/Revenues	-47.716	-35.056	36,1%	-57.219	-16,6%
Equity Income	-424	-	-	-487	-13,1%
EBIT	24.873	20.800	19,6%	10.926	127,6%
EBITDA	25.502	21.035	21,2%	11.512	121,5%
EBITDA Margin %	25,3%	32,1%	-676 bps	12,8%	1256 bps
Adjusted EBITDA	25.502	21.035	21,2%	11.253	126,6%
Adjusted EBITDA Margin %	25,3%	32,1%	-676 bps	12,5%	1285 bps

Values in R\$ Thousands, except when indicated otherwise

The financial and digital services vertical showed significant increase (53.6%) in its revenues, a record period for Randon Consórcios and Randon Bank, in addition to the revenues of Randon Corretora, acquired in 2021.

Randon Bank offers financial credit for the acquisition of products and fleet renewal, while Randon Consórcios, with the same purpose and by means of its specialized brands, helps people save through purchasing pools, forming equity, and thus enabling them to buy goods in the medium and long term. These companies have enhanced the offer of benefits to customers of Randon Companies and their ecosystem.

Regarding the result of this vertical in the 1Q22, we highlight:

- > Increase in sales of coop-payment plans, driven by the good performance of the agricultural sector and by higher interest rates, which makes this type of financing more attractive.
- > Larger number of operations contracted by Randon Bank's customers (with robust credit portfolio), fostered by business deals of Randon Companies.
- > Growth in COGS due to the increase in Randon Bank's funding cost as a result of the raise in the Selic rate.
- > Increase in administrative expenses resulting from services related to the reorganization of this vertical.
- > Investment in 8 startups and co-investment in 16 startups by Randon Ventures, with R\$ 21.9 million in invested capital.



Randon Ventures led investments in the fintech Money Money Invest, a platform that connects investors willing to lend money to small and medium entrepreneurs looking for credit.



**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 start-ups.
- > **STRUCTURE:** 2 advanced technology units, 1 technology center, 1 sales office, 1 industrial unit and 1 open innovation unit.
- > **SECTOR EXPOSURE:** several sectors from different business activities and segments.
- > **CUSTOMER BASE:** Randon Companies, various industries and start-ups.

	1Q22	1Q21		4Q21	
	Revenue	Revenue	Δ%	Revenue	Δ%
Holding and Others	15,194	15,554	-2.3%	23,088	-34.2%
CTR	5,860	-	-	6,014	-2.6%
RTS Industry/Autom	11,270	-	-	16,088	-29.9%
Performance	1Q22	1Q21	Δ%	4Q21	Δ%
Net Revenue	32,324	15,554	107.8%	45,190	-28.5%
COGS	-15,796	-7	232137.5%	-18,166	-13.0%
Gross Profit	16,527	15,547	6.3%	27,023	-38.8%
Gross Margin %	51.1%	100.0%	-4883 bps	59.8%	-867 bps
Operating Expenses/Revenues	-22,595	-14,582	54.9%	-26,996	-16.3%
Equity Income	149,134	139,311	7.1%	218,326	-31.7%
EBIT	143,067	140,276	2.0%	218,354	-34.5%
EBITDA	145,154	141,403	2.7%	220,534	-34.2%
EBITDA Margin %	449.1%	909.1%	-46004 bps	488.0%	-3896 bps
Adjusted EBITDA	145,154	141,403	2.7%	219,570	-33.9%
Adjusted EBITDA Margin %	449.1%	909.1%	-46004 bps	485.9%	-3682 bps

Values in R\$ Thousands, except when indicated otherwise



This vertical comprises services and products that promote innovation both for the Company itself and for its entire chain, in addition to offering customized solutions for the market.

The Holding is part of it, but it does not generate revenue or results, since its main objective is to support other Randon Companies to carry out strategic and administrative activities, which allow the business units to focus on their core activity.

Below are some highlights of the quarter:

- > Net revenue of R\$ 32.3 million, an increase of 107.8% compared to 1Q21.
- > Equity income of R\$ 149.1 million, due to investments by the Holding, which is the result of the Holding's equity interest in the other verticals and which are eliminated in the consolidated results.
- > CTR (Randon Technological Center) renewed an important partnership with Marcopolo (manufacturer of buses) which offers physical space and support from their engineering team in a "one stop shop" format, offering a complete set of engineering solutions, testing capacity and technical tests, in addition to investments targeted at electromobility.
- > NIONE continues developing products and projects with the goal of soon offering new solutions to the market using nanotechnology.
- > Conexo fostered and boosted innovation in *Serra Gaúcha* (Northeast of Rio Grande do Sul State) through Solo of Innovation, in which 867 participants received important content for digital transformation.



SOLO OF INNOVATION - CONEXO

Talk: How to translate signals and trends of the future in order to make decisions in the present.



Capital Market

Events

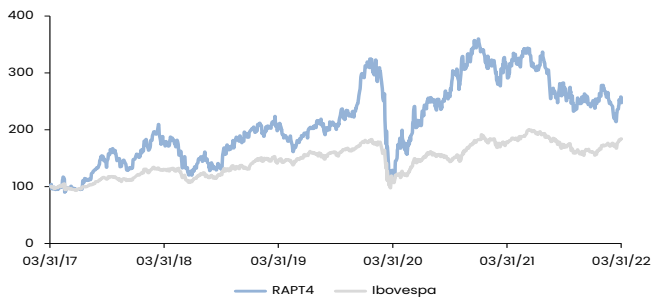
In 1Q22, the Company – represented by its IR team – participated in the following events:

- > Santander Annual Latin America Conference.
- > 2nd Annual Citi Brazil Disruption Conference.
- > Credit Suisse Latin America Conference.
- > BTG Pactual LatAm Opportunities Conference 2022.

RAPT x IBOV

Starting from the base date of March 31, 2017, we have seen a higher appreciation of the Company's shares compared to the benchmark index on B3. In the period, the RAPT4 shares have appreciated 144.4% against 84.7% of IBOV.

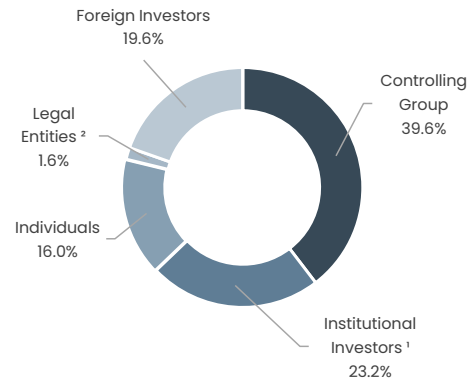
In 2022, Randon shares underperformed the IBOV, devaluing 1.7% compared to the end of 4Q21, while the *Bovespa* index increased by 14.5%.



Main shareholders

In late March 2022, Randon's shareholding base consisted of 40,391 shareholders.

The Company's total shares are distributed as follows:

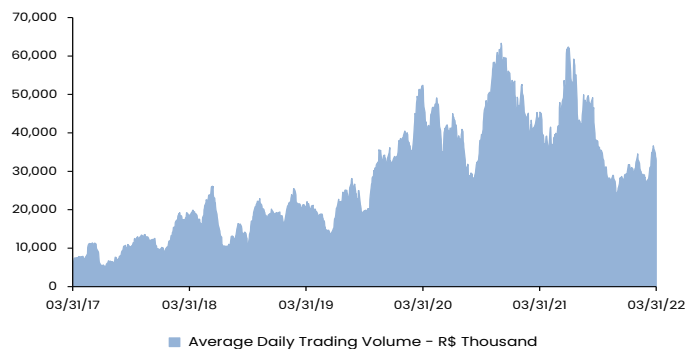


¹ Investment clubs and funds

² Companies, banks, brokers and associations

Financial Volume

In 1Q22, the Company recorded an average daily liquidity of R\$ 31.4 million, a decrease of 28.2% when compared to 1Q21 (R\$ 43.7 million). This figure, however, shows a recovery of 14.0% in relation to the average daily volume of R\$ 27.6 million in 4Q21.



CVM INSTRUCTION 381/2003

In compliance with Instruction No. 381/2003 of the Brazilian Securities and Exchange Commission, we inform that, in 1Q22, the Company paid fees to the company *Ernst Young Auditores Independentes S/S* in the amount of R\$ 5.1 million, which cover the services of external audit and other services.

The extra-audit services did not exceed 5% of the external audit services.



ESG



Excellence and Safety as a value

With focus on operational excellence, the subsidiary Castertech Indaiatuba was certified to the international certification ISO 9001:2015.

The Project to get Certification ISO9001 began in September 2021. Among the actions developed throughout the certification process, the organization's processes were mapped, risks and opportunities were evaluated, roles and responsibilities were defined, operational documentation was prepared, and indicators were implemented for monitoring process performance.

Seeking to ensure the health and safety of our employees with the advance of Covid-19 during 1Q22, measures to prevent the new coronavirus were reinforced and health protocols were updated according to the scenario of the period.



Prosperity for All

At the end of 1Q22, the Company had 16,210 employees, a growth rate of 5.0% in relation to the end of 2021 (15,433 employees). The increase was mainly due to the expansion of Randon Araraquara and Castertech and their controlled companies (recent acquisitions and incorporations).

Other highlights of the quarter:

> The IT and CSC (Shared Services Center) of Randon Companies renewed their GPTW (*Great Place to Work*®), recognizing good practices and a good working environment.

> In March, the *Florescer* Program celebrated 20 years of actions for the community. Conducted by the Elisabetha Randon Institute (IER), the program impacts positively the lives of thousands of children and adolescents through education and human training actions, in addition to professional training for 15 and 16-year-olds. Watch the video of celebration, [by clicking here](#).

> The supply team established the goal of working only with high-performance partners in terms of quality, deliveries and consolidated ESG actions by the end of 2022 seeking to develop the supply chain with attention to socio-environmental practices.



Ethical and Responsible Management

On April 13, during the preparation of this report, the Company held its Annual Ordinary and Extraordinary General Meeting in hybrid format, at which the following approvals were achieved:

- > Financial statements, annual management report, independent auditors report, and Audit Committee report.
- > Allocation of net income, with the remaining distribution of dividends of R\$ 117.6 million, corresponding to R\$ 0.356978 per common and preferred shares. Entitled are the shareholders holding the Company's shares on April 19. Payment began on April 29.
- > The Audit Committee was put in place, by electing five members.
- > Remuneration of administrators and audit committee board members.
- > Amendment and restatement of the [By-laws](#).
To access the AGM minutes, [click here](#).

Also in April, seeking to evolve in governance, bringing more quality and transparency to the materials presented to the market, we released a Notice to the Market informing the change in the format of disclosure of results, already contemplated in this report.



Sustainable Innovation

One of the pillars of our ESG ambition is sustainable innovation, whose main theme is Collaboration. We believe that, together with institutions, universities, and other partners we will be able to build a better future.

To this end, together with the subsidiary Conexo, we promoted to the community a series of activities and lectures on open innovation, professions, new technologies and skills at the Solo of Innovation, at *Festa Nacional da Uva*, in Caxias do Sul-RS. The event was held together with the City Hall and *Sebrae*. 867 participants were impacted by this initiative.

Another important innovation was promoted by *Instituto Hercílio Randon (IHR)*, held by the Company. The IHR signed a partnership with the global technology company Altair, whose purpose is to provide high-performance virtual simulation of structural composite materials and intelligent mobility systems. This is an important technological advance that takes IHR's performance to a new level.



Awards and Prizes

- > Randon Implementos was the highlight in the **Top Five Road Equipment 2022 award**, reaching the top of the ranking in a combination of 12 categories. The company took the first place in The Brand of the Year category and in six other classes by product segment that make up the award. Achieving the top position in seven categories strengthens the brand's certification among leading companies in Brazil.
- > Randon Companies are again among the most remembered and preferred brands by entrepreneurs and executives representing seven regions of Rio Grande do Sul, in the following positions:
 - **Innovative Brand in RS State**
1st place in people's remembrance
2nd place in preference
 - **Great Brand of The Year in RS**
5th place in people's remembrance
4th place in preference
 - And the subsidiary Randon Consórcios led the ranking with the **1st Place in People's Remembrance and Preference** of respondents.



Subsequent Events

On April 8, 2022, a material fact was disclosed informing the Company's participation in the follow-on of subsidiary Fras-le.

In total, 30,647,596 shares issued by Fras-Le, in the amount of R\$ 12.00 each, were subscribed, so that, after the Restricted Offering, Randon's share in the capital stock of Fras-le became 52.57 %.

Fras-le raised a total of R\$ 629.4 million with this offering. These resources will be used to:

- > expansion of the Company's business, including acquisitions, greenfields, joint ventures and/or other strategic commercial agreements.
- > investments in the business and products developed by Fras-le, including the exploration of new technologies and expansion of current production units.
- > working capital.

For further details on this operation, we recommend Reading the material facts disclosed, available at the links:

- > [Fras-le Material Fact.](#)
- > [Randon Material Fact.](#)





CONSOLIDATED STATEMENT OF INCOME 1Q22 – Values in R\$ Thousand

	1Q22		1Q21		4Q21		Variation %	
		%		%		%	1Q22/1Q21	1Q22/4Q21
Gross Revenue	3,047,646	123.1%	2,386,973	124.8%	3,143,682	123.5%	27.7%	-3.1%
Deduction in Gross Revenue	-571,300	-23.1%	-474,294	-24.8%	-599,193	-23.5%	20.5%	-4.7%
Net Revenue	2,476,347	100.0%	1,912,679	100.0%	2,544,489	100.0%	29.5%	-2.7%
Costs of Sales and Service	-1,831,772	-74.0%	-1,400,467	-73.2%	-1,947,598	-76.5%	30.8%	-5.9%
Gross Profit	644,575	26.0%	512,212	26.8%	596,890	23.5%	25.8%	8.0%
Sales Expenses	-165,517	-6.7%	-132,135	-6.9%	-186,583	-7.3%	25.3%	-11.3%
Administrative Expenses	-115,185	-4.7%	-91,845	-4.8%	-129,909	-5.1%	25.4%	-11.3%
Other Expenses/Income	-22,958	-0.9%	5,361	0.3%	-81,947	-3.2%	-528.3%	-72.0%
Equity Income	-424	0.0%	-	-	-487	0.0%	-	-13.1%
Financial Income	-92,756	-3.7%	-29,065	-1.5%	-18,799	-0.7%	219.1%	393.4%
Financial Revenues	135,900	5.5%	104,780	5.5%	138,818	5.5%	29.7%	-2.1%
Financial Expenses	-240,015	-9.7%	-150,685	-7.9%	-167,723	-6.6%	59.3%	43.1%
Monetary Adjustment (IAS 29)	11,359	0.5%	16,839	0.9%	10,107	0.4%	-32.5%	12.4%
Result Before Income Tax	247,736	10.0%	264,528	13.8%	179,166	7.0%	-6.3%	38.3%
Provision for Income Tax and Social Contribution Taxes	-77,508	-3.1%	-84,309	-4.4%	2,329	0.1%	-8.1%	-3427.6%
Discontinued Operation	101	0.0%	111	0.0%	13	0.0%	-9.7%	650.7%
Interest of non-controlling shareholders	-40,254	-1.6%	-46,265	-2.4%	-28,344	-1.1%	-13.0%	42.0%
Net Income for the Period	130,074	5.3%	134,065	7.0%	153,164	6.0%	-3.0%	-15.1%
EBIT	340,491	13.7%	293,593	15.3%	197,964	7.8%	16.0%	72.0%
EBITDA	401,350	16.2%	349,125	18.3%	258,424	10.2%	15.0%	55.3%
EBITDA Margin (%)	16.2%		18.3%		10.2%		-205 bps	605 bps
Adjusted EBITDA	401,350		333,924		292,167		20.2%	37.4%
Adjusted EBITDA Margin (%)	16.2%		17.5%		11.5%		-125 bps	472 bps



Statement of Income by Business Vertical 1Q22 – Values in R\$ Thousand

	Trailers			Motion Control Commercial and Light Vehicles			Financial and Digital Services			Auto Parts Commercial Vehicles			Advanced Technology and Headquarter			Intercompany Sales			Consolidated		
	1Q22	1Q21	Δ%	1Q22	1Q21	Δ%	1Q22	1Q21	Δ%	1Q22	1Q21	Δ%	1Q22	1Q21	Δ%	1Q22	1Q21	Δ%	1Q22	1Q21	Δ%
Gross Revenue	1,213,502	940,081	29.1%	890,928	834,066	6.8%	107,915	71,276	51.4%	1,233,403	810,388	52.2%	37,575	16,830	123.3%	-435,677	-285,668	52.5%	3,047,646	2,386,973	27.7%
Deduction in Gross Revenue	-215,402	-167,902	28.3%	-186,106	-193,412	-3.8%	-7,243	-5,727	26.5%	-249,763	-170,764	46.3%	-5,251	-1,276	311.6%	92,465	64,786	42.7%	-571,300	-474,294	20.5%
Net Revenue	998,100	772,179	29.3%	704,822	640,655	10.0%	100,673	65,549	53.6%	983,641	639,623	53.8%	32,324	15,554	107.8%	-343,212	-220,882	55.4%	2,476,347	1,912,679	29.5%
Costs of Sales and Service	-823,325	-624,115	31.9%	-510,335	-452,130	12.9%	-27,660	-9,693	185.4%	-766,435	-515,235	48.8%	-15,796	-7	232137.5%	311,780	200,713	55.3%	-1,831,772	-1,400,467	30.8%
Gross Profit	174,775	148,064	18.0%	194,486	188,525	3.2%	73,012	55,856	30.7%	217,206	124,389	74.6%	16,527	15,547	6.3%	-31,432	-20,169	55.8%	644,575	512,212	25.8%
GROSS MARGIN (%)	17.5%	19.2%	-166 bps	27.6%	29.4%	-183 bps	72.5%	85.2%	-1269 bps	22.1%	19.4%	263 bps	51.1%	100.0%	-4883 bps	-	-	-	26.0%	26.8%	-75 bps
Operating Expenses/Revenues	-67,238	-61,226	9.8%	-116,461	-91,811	26.8%	-47,716	-35,056	36.1%	-64,843	-32,099	102.0%	-22,595	-14,582	54.9%	15,193	16,156	-6.0%	-303,660	-218,619	38.9%
Equity Income	-	-	-	-37	-	-	-424	-	-	-	-	-	149,134	139,311	7.1%	-149,097	-139,311	7.0%	-424	-	-
EBIT	107,537	86,837	23.8%	77,988	96,714	-19.4%	24,873	20,800	19.6%	152,363	92,290	65.1%	143,067	140,276	2.0%	-165,337	-143,324	15.4%	340,491	293,593	16.0%
EBITDA	119,481	99,055	20.6%	105,993	125,583	-15.6%	25,502	21,035	21.2%	170,530	105,374	61.8%	145,154	141,403	2.7%	-165,311	-143,324	15.3%	401,350	349,125	15.0%
EBITDA MARGIN (%)	12.0%	12.8%	-86 bps	15.0%	19.6%	-456 bps	25.3%	32.1%	-676 bps	17.3%	16.5%	86 bps	449.1%	909.1%	-46004 bps	-	-	-	16.2%	18.3%	-205 bps
ADJUSTED EBITDA	119,481	99,055	20.6%	105,993	121,331	-12.6%	25,502	21,035	21.2%	170,530	94,424	80.6%	145,154	141,403	2.7%	-165,311	-477,248	-65.4%	401,350	-	-
ADJUSTED EBITDA MARGIN (%)	12.0%	12.8%	-86 bps	15.0%	18.9%	-390 bps	25.3%	32.1%	-676 bps	17.3%	14.8%	257 bps	449.1%	909.1%	-46004 bps	-	-	-	16.2%	17.5%	-125 bps



STATEMENTS OF CASH FLOW – INDIRECT METHOD

	Parent Company		Consolidated	
	03/31/2022	03/31/2021	03/31/2022	03/31/2021
Cash flow from operations				
Income for the period	130,074	134,065	170,329	180,331
Income tax and social contribution (current and deferred)	16,488	22,977	77,508	84,309
Exchange variation and interest on loans and leases	34,559	34,377	46,167	88,319
Depreciation and amortization	11,494	11,682	60,858	55,532
Other Provisions	-12,315	-11,431	-10,811	-12,953
Provisions (reversal) for litigation	490	586	2,213	2,784
Variation in derivatives	149	486	8,770	-2,308
Residual cost from sold and written off fixed assets	217	-1,450	859	23,143
Provision (reversal) for doubtful accounts	672	780	837	3,734
Provision (reversal) for obsolete inventory	1,370	-322	3,081	-2,102
Investment property fair value	-87,972	-87,255	423	-
Revenue from active legal proceedings, net of fees	-6,604	10,962	-16,932	-867
Reduction (reversal) impairment	-	-	484	-2,104
Fair value of investment properties	-	-	-	653
Monetary Adjustment (IAS 29)	-	-	-11,359	-16,839
Compensation of retained values business combination	-	-	-1,695	-
	88,622	115,457	330,732	401,632
Variations in assets and liabilities				
Financial Investments	211,983	190,879	132,600	101,665
Accounts receivable from customers	-237,958	-80,316	-407,844	-268,242
Inventory	-165,075	-142,837	-310,863	-292,648
Taxes to be recovered	-46,265	-24,304	-45,664	-21,540
Other assets	50,703	-26,858	57,905	-51,174
Suppliers	62,900	28,350	209,056	129,739
Other liabilities	-61,700	2,748	-249,586	-28,701
Net variation in discontinued operations	-	-	97	-63
Cash generated by operation	-96,790	63,119	-283,567	-29,332
Income tax and Social Contribution paid	-	-97,882	-28,790	-197,172
Net cash used (generated by) operation	-96,790	-34,763	-312,357	-226,504
Cash Flow from Investments				
Receipt of profits and dividends of subsidiaries	10,596	23,311	-	-
Paid-in capital in subsidiary	-51,500	-59,000	-	-
Loans granted to subsidiaries	-28,274	-39,900	-	-
Business combination	-	-	-2,539	-
Permanent assets acquisition	-5,440	-12,509	-43,073	-51,486
Investment in Permanent Assets by Business Combination	-	-	-	6,805
Intangible assets acquisition	-60	-2,921	-2,664	-1,826
Net available cash used in investments	-74,678	-91,019	-48,276	-46,507
Cash Flow From Financing				
Dividend and Interest on Equity Paid	-44,909	-43,658	-54,929	-60,566
Loans taken and derivatives	500,000	452,100	855,883	536,193
Payment of loans and derivatives	-101,621	-118,639	-477,074	-212,346
Interest paid on loans	-49,506	-12,439	-86,339	-26,018
Loans granted by related parties	-	-	-7,356	10,527
Payment of leasings	-1,949	-2,062	-10,396	11,655
Net variation in discontinued operations	-	-	-	-63
Net Cash used (resulting from) financing	302,015	275,302	219,789	259,382
Statement of increase in cash				
At beginning of period	1,118,468	996,576	1,890,759	1,660,364
At end of period	1,249,015	1,146,096	1,749,915	1,646,735
Increase in cash	130,547	149,520	-140,844	-13,629



SUMMARIZED FINANCIAL STATEMENTS – MARCH 31, 2022

	RANDON S/A IMPL. E PARTIC. CONSOLIDATED	RANDON S/A IMPL. E PARTIC. PARENT CO.	RANDON INVESTIMENTOS
Assets	11,161,782	6,209,205	1,379,774
Current Assets	7,003,813	3,071,756	896,936
Cash and equivalents	1,749,915	1,249,015	29,923
Financial Investments	165,863	138,262	-
Receivables	2,000,549	477,686	866,759
Inventory	2,353,109	806,824	-
Deferred Charges/Recoverable taxes	625,720	302,431	-
Others	108,657	97,538	253
Noncurrent Assets	4,157,970	3,137,449	482,838
Long-term Assets	1,417,171	768,194	481,027
Investments of non-immediate liquidity	104,895	-	72,239
Credit controlling company/controlled companies	-	206,588	-
Receivables	393,412	-	393,412
Consortiums for resale	17,666	-	-
Deferred Charges/recoverable taxes	815,779	545,489	7,847
Other non-current assets	31,434	-	123
Taxes under litigation	46,289	13,306	-
Goods for resale	7,695	289	7,406
Long Term Receivables	-	2,522	-
Investments/Property, Plant, Property/Intangible/Deferred	2,499,389	2,350,980	869
Right to use asset	241,410	18,274	942
Liabilities	11,161,782	6,209,205	1,379,774
Current Liabilities	3,827,555	1,537,981	788,960
Suppliers	1,161,208	521,231	8,031
Financing institutions	1,537,003	625,405	679,085
Accounts payable by business combination Short Term	8,569	3,158	-
Salaries and benefits	171,744	52,977	1,034
Taxes and Fees	210,271	33,089	4,913
Advances for customers and others	704,849	295,371	95,794
Leases Short Term	33,911	6,750	103
Noncurrent Liabilities	3,947,518	2,046,347	326,988
Financing institutions	3,327,880	1,969,749	324,623
Accounts payable by business combination Long Term	178,038	9,115	-
Government Subsidy	3,432	-	-
Debits with controlled companies	5,253	-	3
Diverse taxes and contributions	56,478	501	56
Provision for contingencies	75,247	17,304	-
Other non-current liabilities	60,092	20,213	956
Coop-payment plans obligations	2,718	-	-
Advances for customers and others	31,545	17,167	430
Leases	206,836	12,296	920
Total Net Equity	3,386,709	2,624,877	263,826
Net Equity	2,624,877	2,624,877	263,826
Minority interest	761,831	-	-

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

	RANDON S/A IMPL. E PARTIC. CONSOLIDATED	RANDON S/A IMPL. E PARTIC. PARENT CO.	RANDON INVESTIMENTOS
Income Statement			
Net revenue	2,476,347	942,119	42,747
Cost of goods and services	-1,831,772	-765,230	-27,660
Gross income	644,575	176,889	15,086
Sales expenses	-165,517	-32,841	1,549.99
Administrative expenses	-115,185	-30,074	-6,787
Other expenses / income	-22,958	-7,541	-3,260
Equity equivalence	-424	88,073	-
Financial income	-92,756	-47,944	-22
Income before taxes	247,736	146,562	6,567
Provision for taxes and social contributions	-77,508	-16,488	-2,934
Interest of non-controlling shareholders	-40,254	-	-
Discontinued Operation	101	-	-
Net income for the period	130,074	130,074	3,633
EBIT	340,491	194,507	6,589
EBITDA	401,350	206,000	6,656
EBITDA MARGIN (%)	16.2%	21.9%	15.6%