



RANDON[®]

Companies

INSTITUTIONAL PROFILE 2Q20

RANDON[®]

Companies

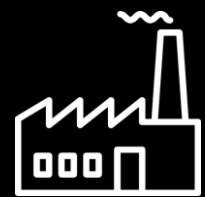
SAFE HARBOR STATEMENT

This presentation contains forward-looking statements that are subject to risks and uncertainties. These statements are based on Management's beliefs and assumptions, as well as on currently available information. Forward-looking statements include information on our current intentions, beliefs or expectations, **as well as those of the Company's Board of Directors and Board of Executive Officers.**

The reservations as to forward looking statements and information also include data on possible or presumed operating results, as well as any statements preceded, followed or including words such as **"believes"**, **"may"**, **"will"**, **"expects"**, **"intends"**, **"plans"**, **"estimates"** or similar expressions.

Forward-looking statements are not performance guarantees; they involve risks, uncertainties and assumptions because they refer to future events and, therefore, depend on circumstances which may or may not occur. Future results may differ materially from those expressed or suggested by forward-looking statements. **Many of the factors which will determine these results and figures are beyond our ability to control or predict.**

IT'S A PLEASURE TO MEET YOU, WE ARE RANDON COMPANIES



Global reference in transport solutions, with **22 industrial plants**



Products in more than **100 countries**

Foundation
1949

IPO
1974

10,341
employees

R\$ 3.2 bn
Market Cap



WE HAVE BEEN ON THE ROAD FOR DECADES, GUIDED FOR AN ONLY PURPOSE

CONECT PEOPLE AND RICHES,
GENERATING PROSPERITY...

...and all the kilometers we traveled followed the
same principles



Valued and
respected
people



Safety and Quality



Ethics



Innovation and
Technology



Satisfied
Customers



Preservation
of our **image**
and **legacy**



Profitability with
sustainability



Randon is all of us

1940

The brothers **Hercílio and Raul Randon** open **Mecânica Randon**.

1950

Mecânica Randon becomes the **only one to manufacture air brake systems in Brazil**. In addition, innovates in: trucks and trailers axles.

1960

Randon launches the equalizer suspension system and the third axle for trailers. **The Company becomes a leader in road freight transport in Brazil**.

1970

Establishment of Randon Veículos for Off-road Trucks manufacturing. **Inaugurated a new industrial plant** and Initial Public Offering in the Stock Market.

1980

Randon begins in the Auto Parts sector with the **foundation of Freios Master and Randon Administradora de Consórcios**.

1990

Establishment of Randon Participações, the parent company. Acquisition of Fras-le, Randon Argentina foundation and joint ventures Jost Brasil and Suspensys beginning. Starts in the railway sector.

2000

Randon becomes one of the **biggest private companies in Brazil**. Creates Castertech for the production of iron casts auto parts. Fras-le inaugurates its plants in China and in the USA.

2010

Great global expansion and acquisitions in the national market. Growth in production, sales and qualified and sustainable operations. Foundation of Randon Bank and Randon Technological Center.

CORPORATE GOVERNANCE



EXECUTIVE COMMITTEE

TOTAL SHARES

345,775,809

RAPT3

116,515,527

RAPT4

229,260,282

BOARD OF DIRECTORS

David Abramo Randon | Chairman
Alexandre Randon | Vice-Chairman
Pedro Ferro Neto | Board Member
Ruy Lopes Filho | Board Member
William Ling | Board Member



Daniel Raul Randon
CEO



Paulo Prignolato
CFO and Vice-President



Sergio L.M. de Carvalho
COO and Vice-president



Daniel Martin Ely
CTO

Tag Along

80%

Free Float

55.4%

Índice de Ações com Governança Corporativa Diferenciada

IGC

Índice Brasil Amplo BM&FBOVESPA

IBRA

Índice de Governança Corporativa Trade

IGCT

Índice de Ações com Tag Along Diferenciado

ITAG

Índice do Setor Industrial

INDX

Índice Brasil

IBRX

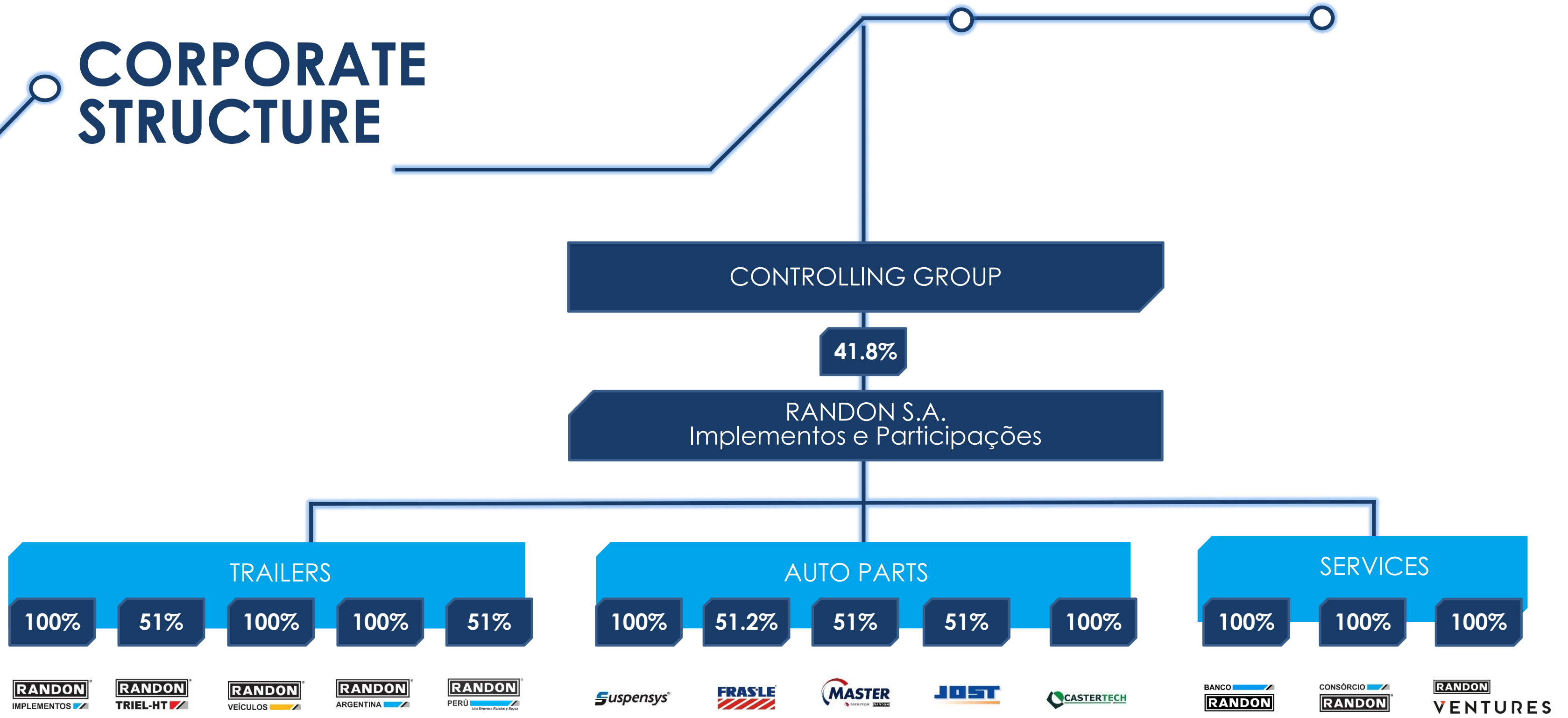
Índice Small Cap

SMLL

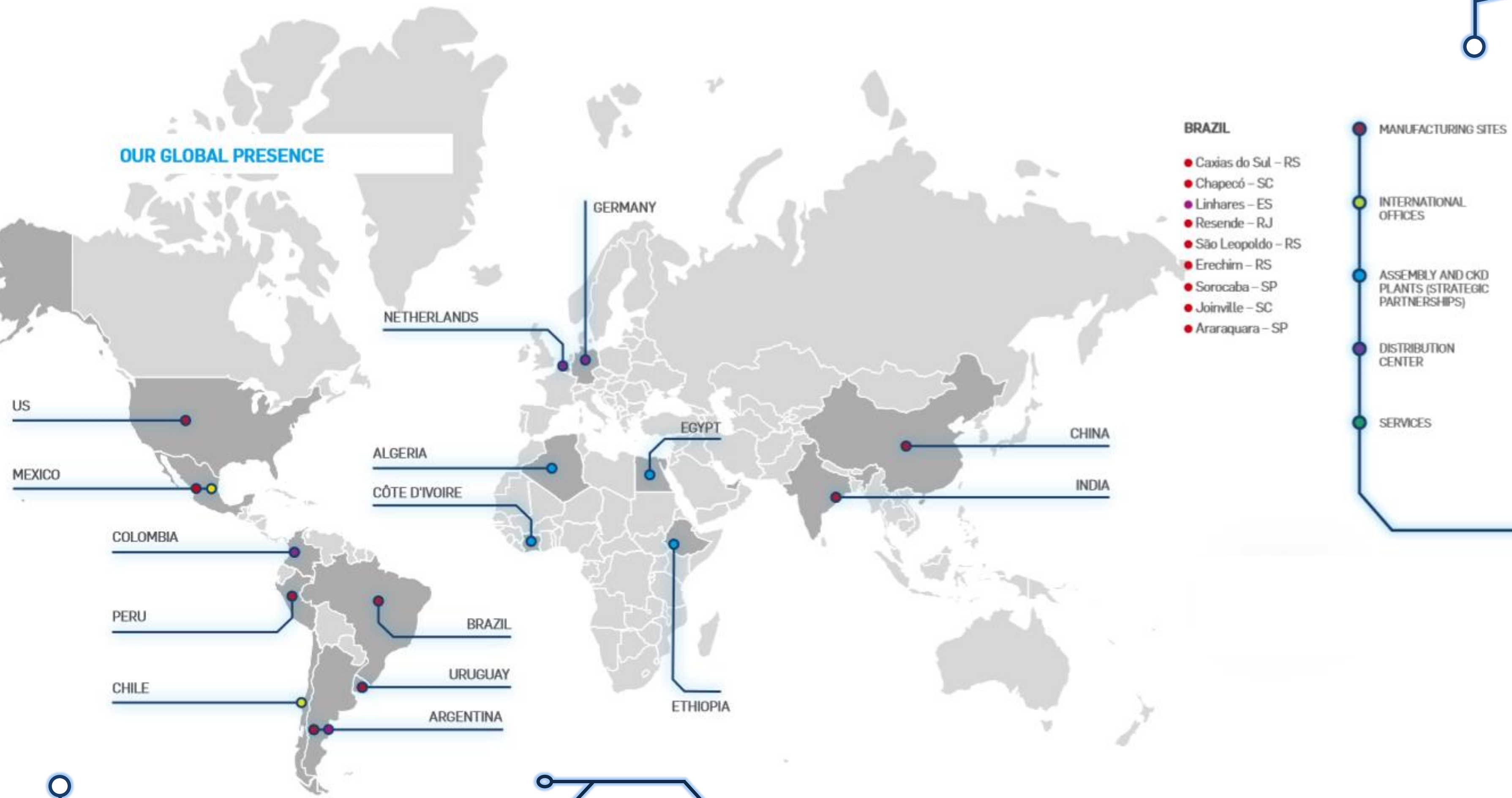


NÍVEL 1
BM&FBOVESPA

CORPORATE STRUCTURE



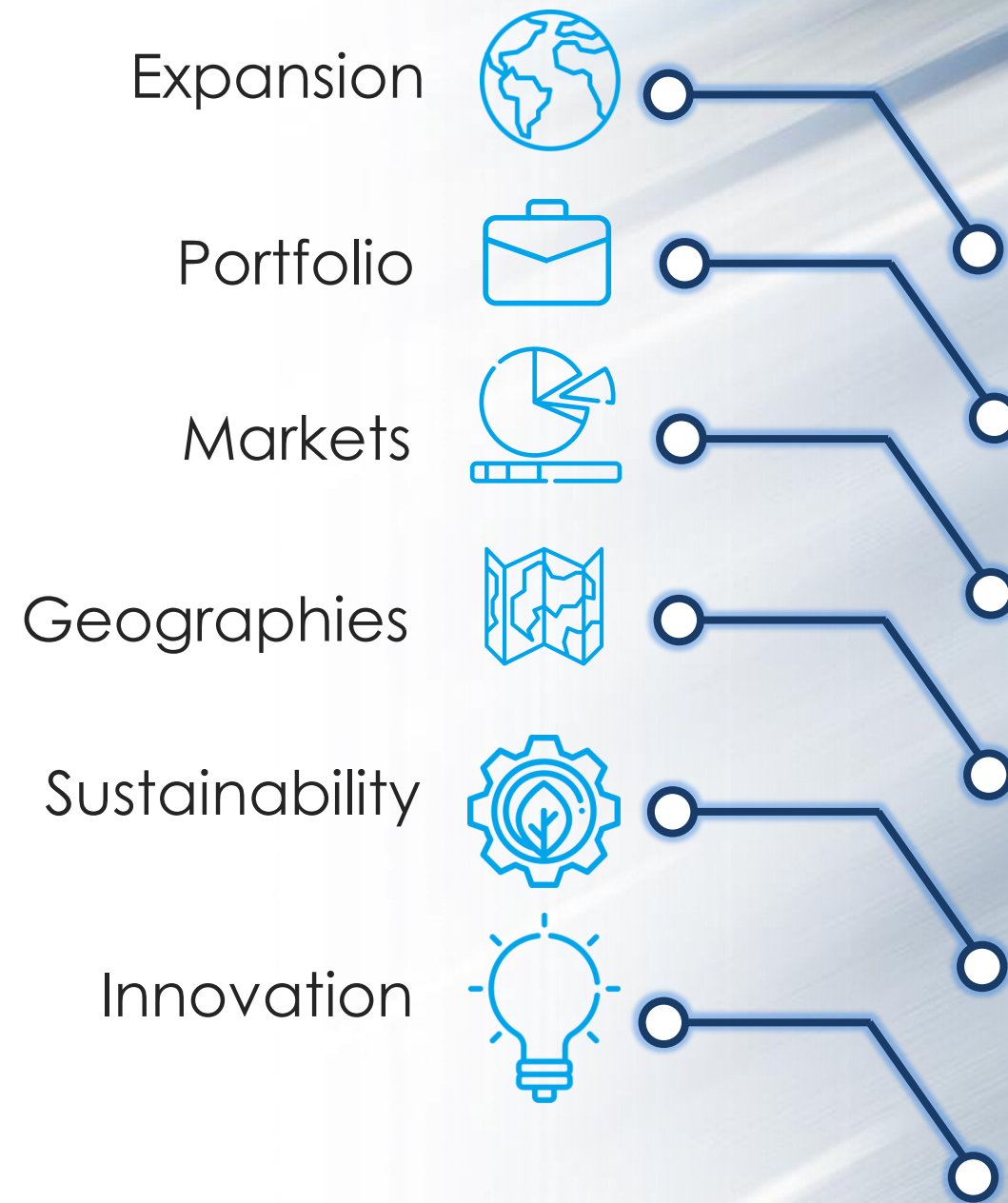
OUR GLOBAL PRESENCE



- BRAZIL**
- Caxias do Sul – RS
 - Chapecó – SC
 - Linhares – ES
 - Resende – RJ
 - São Leopoldo – RS
 - Erechim – RS
 - Sorocaba – SP
 - Joinville – SC
 - Araraquara – SP

- MANUFACTURING SITES
- INTERNATIONAL OFFICES
- ASSEMBLY AND CKD PLANTS (STRATEGIC PARTNERSHIPS)
- DISTRIBUTION CENTER
- SERVICES

HOW WE OPERATE



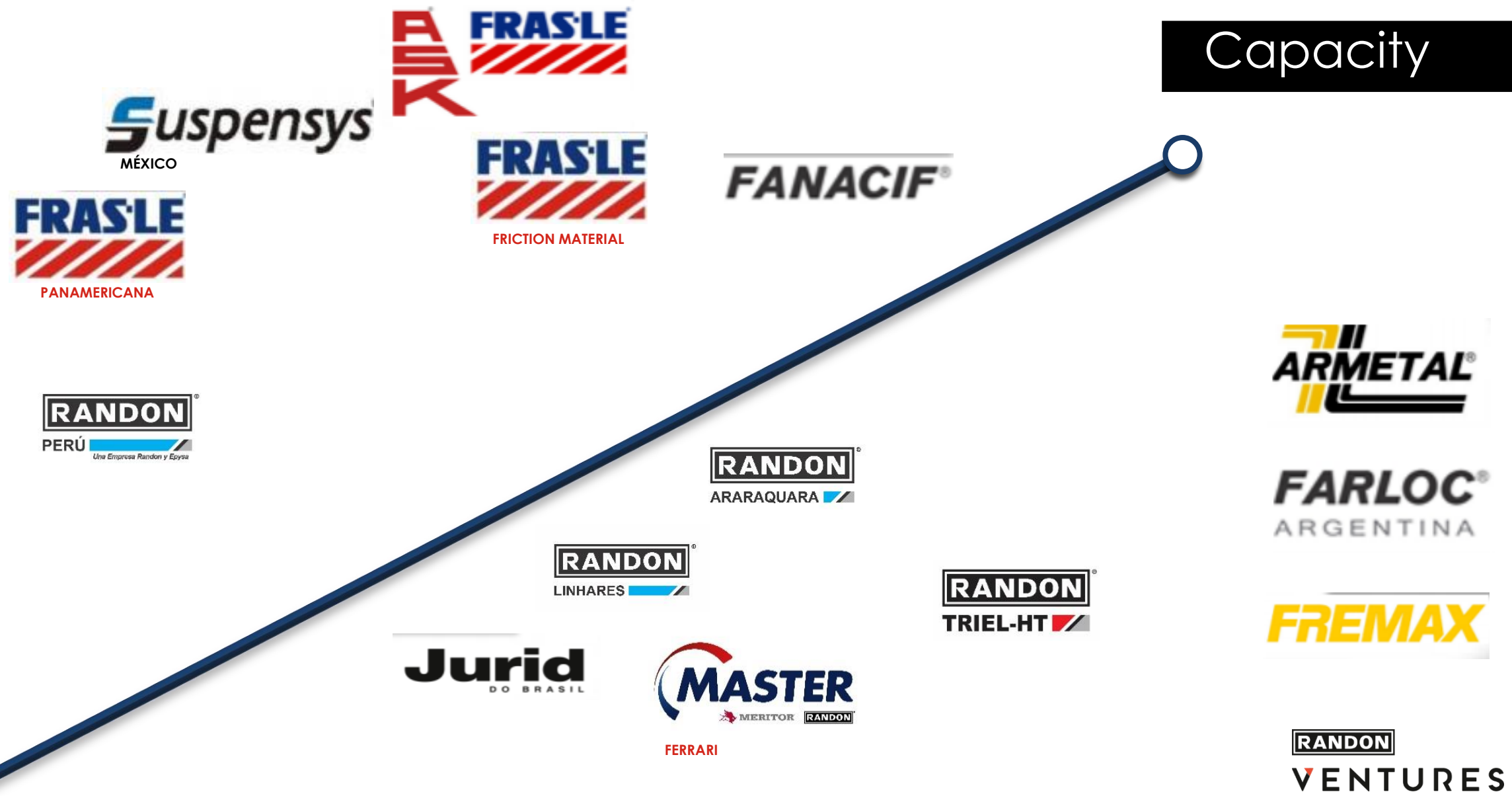
 **Customer on Focus**

OUR EXPANSION STRATEGY

Internationalization

Capacity

Portfolio



FUTURE IS OPPORTUNITY

HOW WE INNOVATE

Megatrend Projects (number of projects)

4 Mobility/
Autonomy

9 Smart Materials

2 Connectivity



We have the biggest independent Technological Center of the Automotive sector in **Latin America**



81% of Randon Implementos' revenues come from **products launched in the last 5 years**



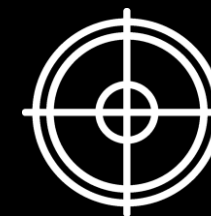
R\$ 90 million invested in research and development in 2019



31 new patents registered in 2019



A Group focused on innovation and technology



Focus on Total Cost of Ownership reduction



Preserving the environment and preparing for the future

FUTURE IS OPPORTUNITY

HOW WE INNOVATE



PROCESS INNOVATION

- Industry 4.0
- Stamping modernization
- E-coat painting
- Automation
- RPA
- Use of Virtual Reality



COLLABORATION

- We are members of Hélice, a program to boost innovation
- The Instituto Hercílio Randon, was created to boost, accelerate and share innovation inside the company and outside it
- Partnership with Startups and Universities



DIGITAL TRANSFORMATION

- Randon ExO
- Empreende Randon
- Digital Business creation
- CTR Industry

VALUED AND RESPECTED PEOPLE

We understand that happy people take us further, and that is why we **value the people who work with us** with a series of initiatives



DIGITAL TRANSFORMATION

Our innovation teams combine team development with the search for more agile solutions



PRA.VC

Our online platform that encourages protagonism in the search for personal and professional development



NOVOS CAMINHOS

We prepare our employees for retirement and prepare for the challenges of the future

SOCIAL RESPONSABILITY

The Elisabetha Randon Institute (IER) coordinates all social programs of Randon Companies to be relevant in the communities where we operate



FLORESCER

Integral education for children and adolescents



MEMORIAL RANDON

Preserving our memory and cargo transportation in Brazil



VIDA SEMPRE

Educational activities for road safety

CREATIVITY AND ENVIRONMENTAL AWARENESS GENERATE INNOVATIVE SOLUTIONS

These qualities are always part of DNA Randon. Our daily routines are marked by effective waste management, conscious consumption of electricity and sustainable management of water and effluents, in addition to strict emissions control for the preservation of natural resources.

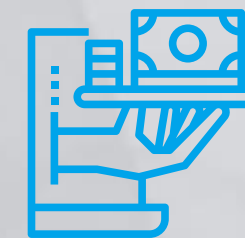
Our actions are guided by the principles of Circular Economy



R\$ 3.5 Million/year is the economy obtained by the best use of the raw material



25,500 tons/year of scrap metal generated by Randon Companies (which represents 81% of the foundry consumption)



R\$ 6.7 Million/year is the savings generated from the reuse of residues from our own production processes



In 2019, we invested **R\$ 11.1 million** in environmental preservation projects

BIG NUMBERS

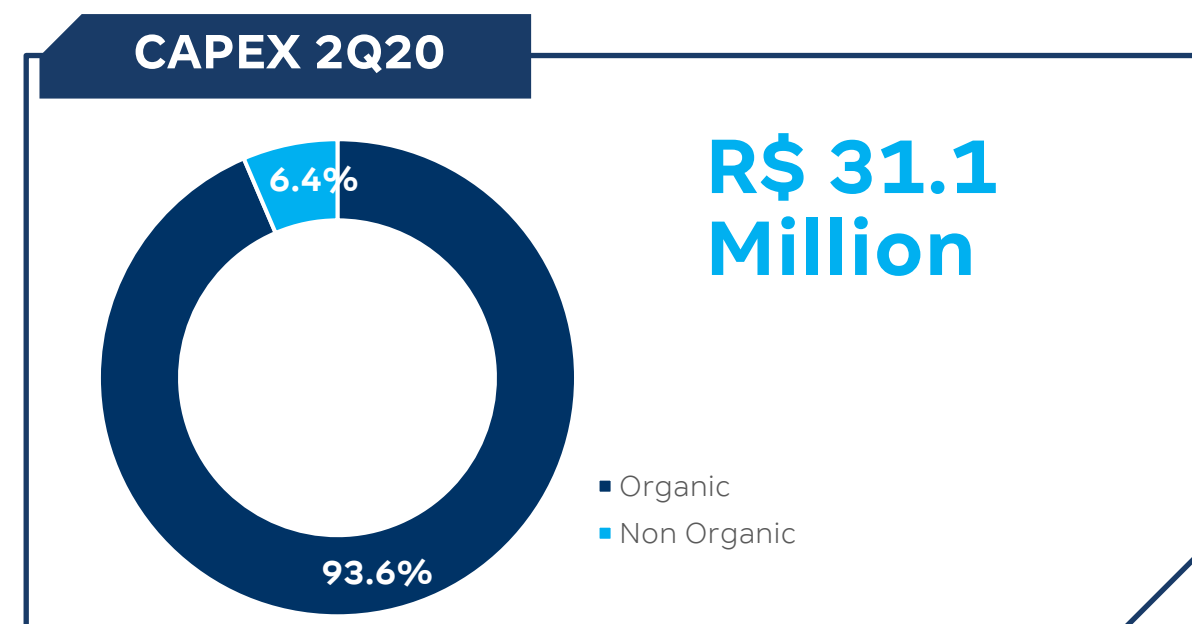
Main Figures

	2Q20	2Q19	Δ%	1H20	1H19	Δ%
Total Gross Revenue¹	1,297,105	1,873,904	-30.8%	2,971,823	3,510,276	-15.3%
Domestic market¹	1,178,469	1,694,385	-30.4%	2,707,304	3,177,817	-14.8%
Exports¹	118,636	179,519	-33.9%	264,519	332,459	-20.4%
Consolidated Exports US\$	14,817	35,275	-58.0%	32,237	65,876	-51.1%
Revenues from Overseas US\$²	44,985	76,127	-40.9%	97,389	144,732	-32.7%
Consolidated Net Revenue	932,991	1,302,122	-28.3%	2,100,725	2,435,712	-13.8%
Consolidated Gross Profit	200,788	347,212	-42.2%	452,969	616,086	-26.5%
Gross Margin (%)	21.5%	26.7%	-514.4 bps	21.6%	25.3%	-373.1 bps
Consolidated Net Profit	55,270	84,538	-34.6%	58,264	116,203	-49.9%
Net Margin (%)	5.9%	6.5%	-56.8 bps	2.8%	4.8%	-199.7 bps
Consolidated EBITDA	153,932	203,655	-24.4%	260,913	337,961	-22.8%
EBITDA Margin (%)	16.5%	15.6%	85.9 bps	12.4%	13.9%	-145.5 bps
Adjusted EBITDA	84,740	209,583	-59.6%	234,746	362,417	-35.2%
Adjusted EBITDA Margin (%)	9.1%	16.1%	-700.9 bps	11.0%	14.8%	-372.8 bps

¹ Without eliminating intercompany sales

² Exports + Revenues from Overseas

Values in R\$ Thousands



2Q20:

Gradual resumption of production and sales;

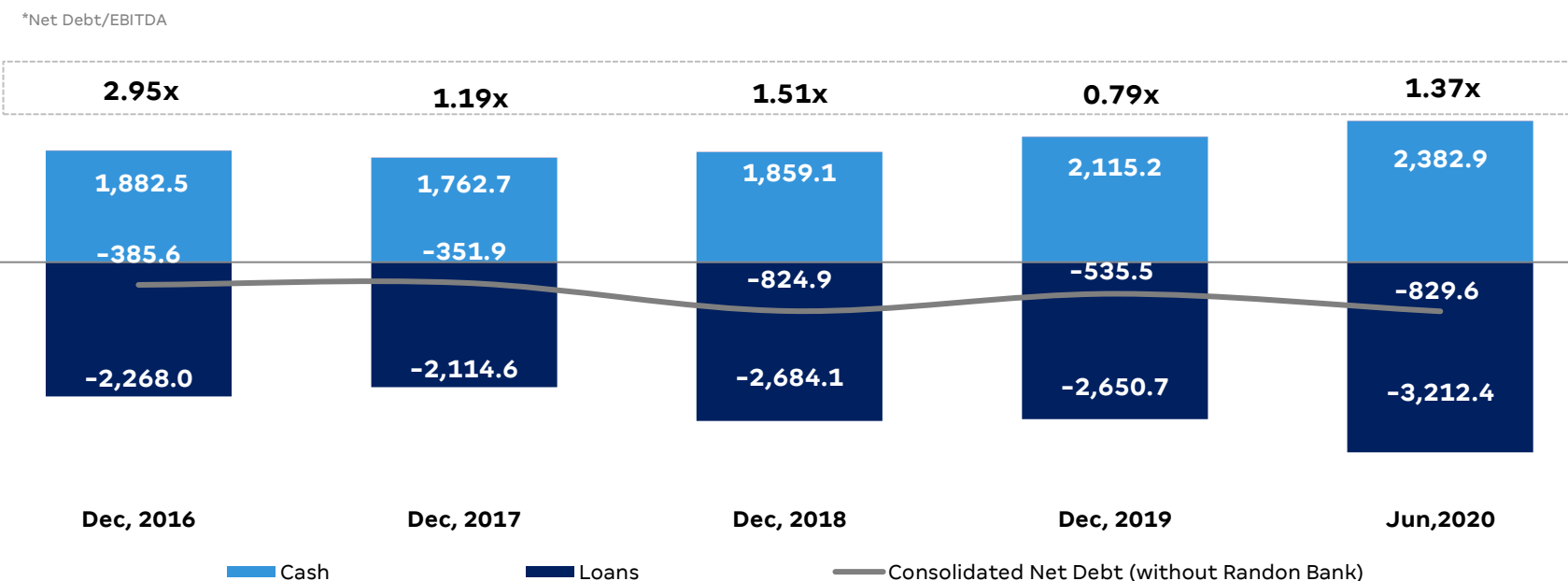
Agricultural and consumer goods sectors moving the market;

Relevant non-recurring revenue from tax proceedings gains.

INDEBTEDNESS

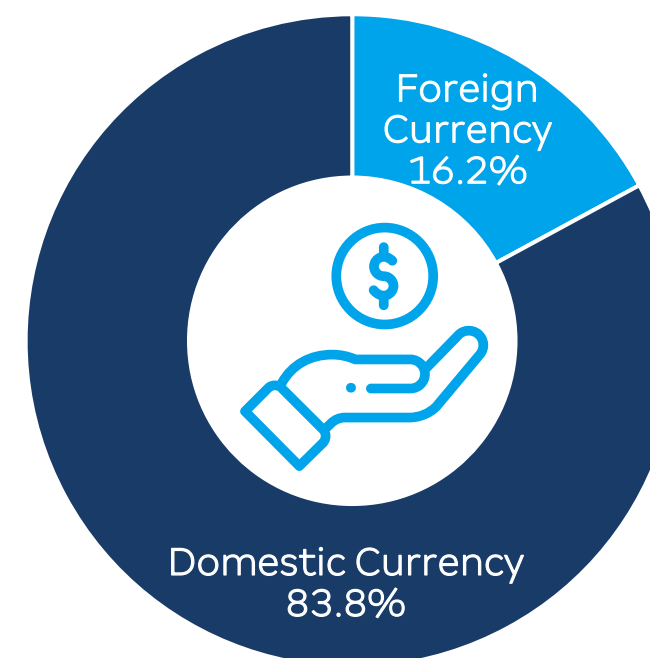
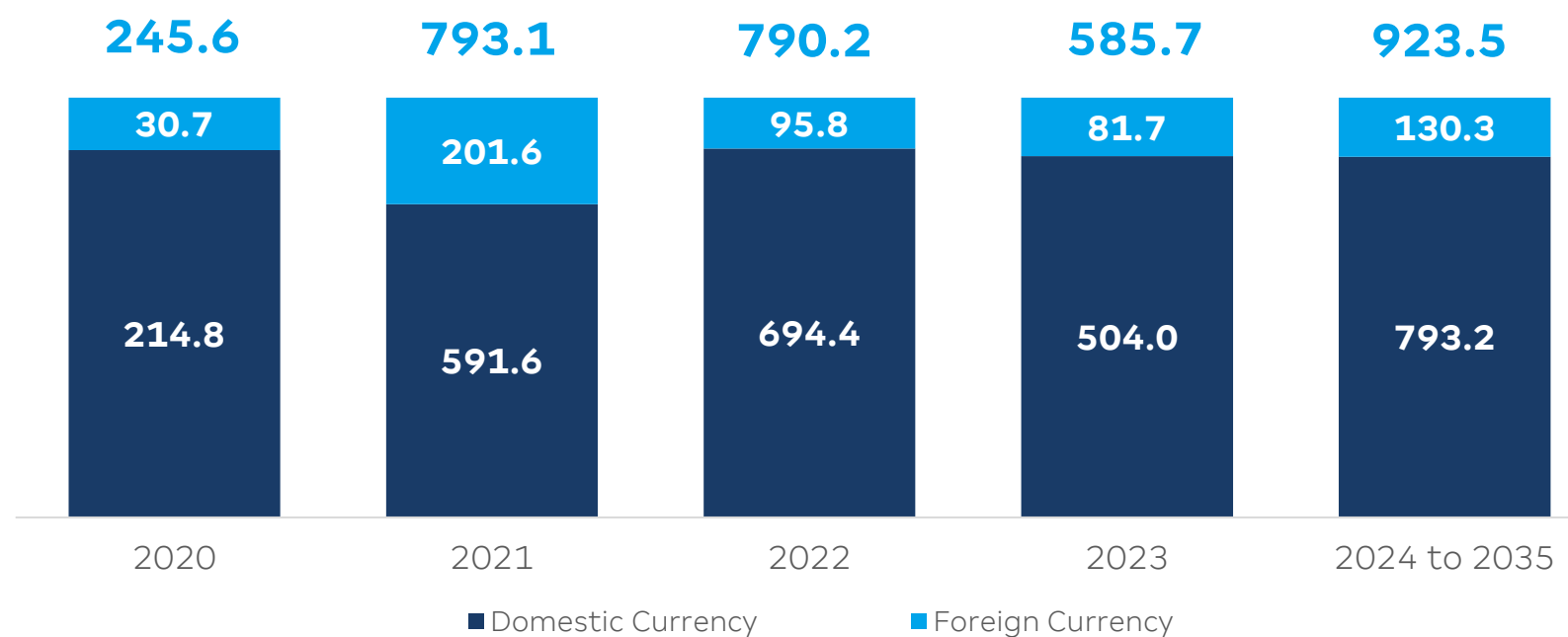
Total Gross Debt: R\$ 3.3 billion
 Gross Debt in BR currency: R\$ 2.8 billion
 Gross Debt in foreign currency: R\$ 540 million
 USD rate (06.30.20) R\$ 5.4760
 Average Cost of Debt in BRL : 3.9 % per year
 Average Cost of Debt in USD : 3.7 % per year
 Average Debt Term : 2.6 years

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



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

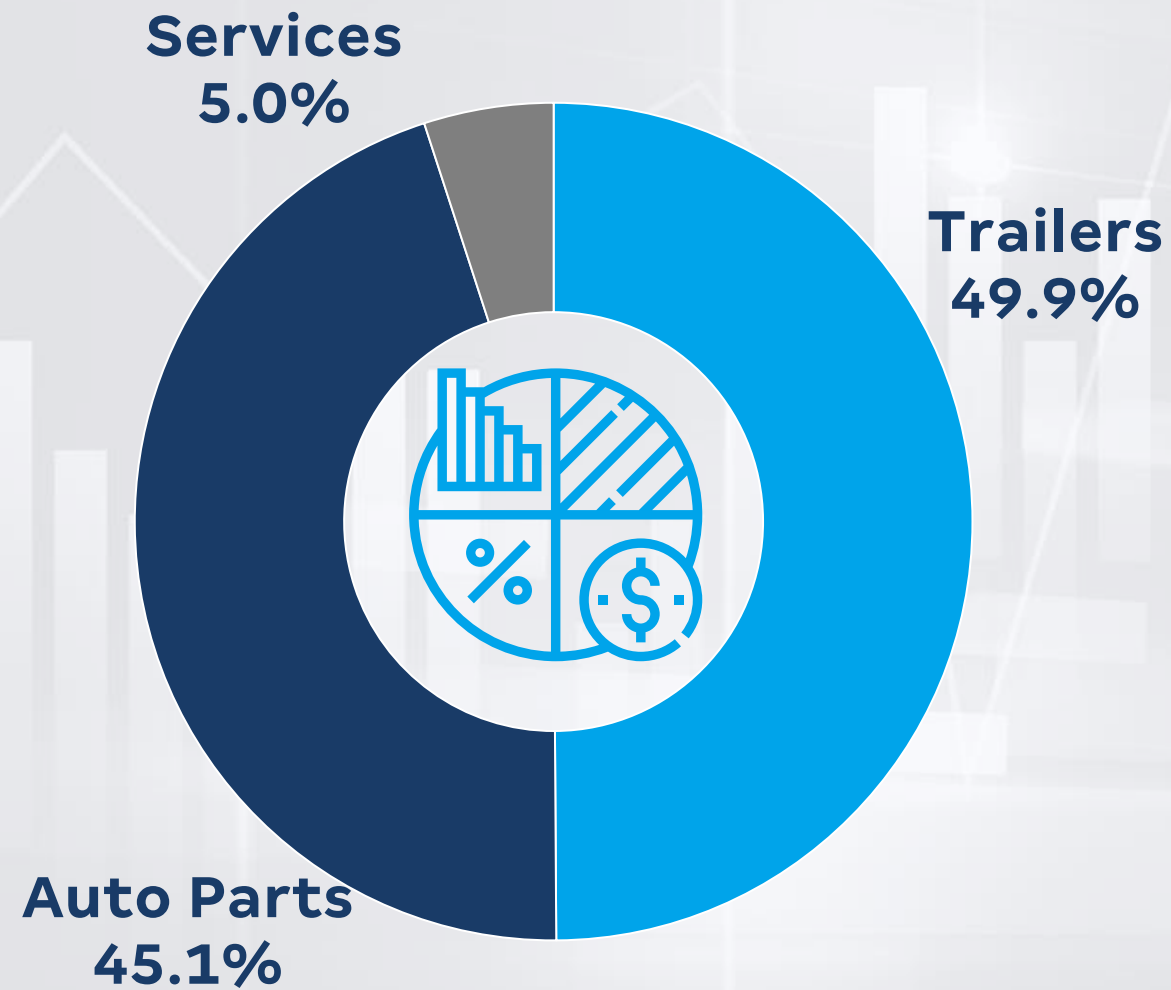
Schedule of Debt Payment (R\$ Million)



**Working Capital
+258.7 MM**

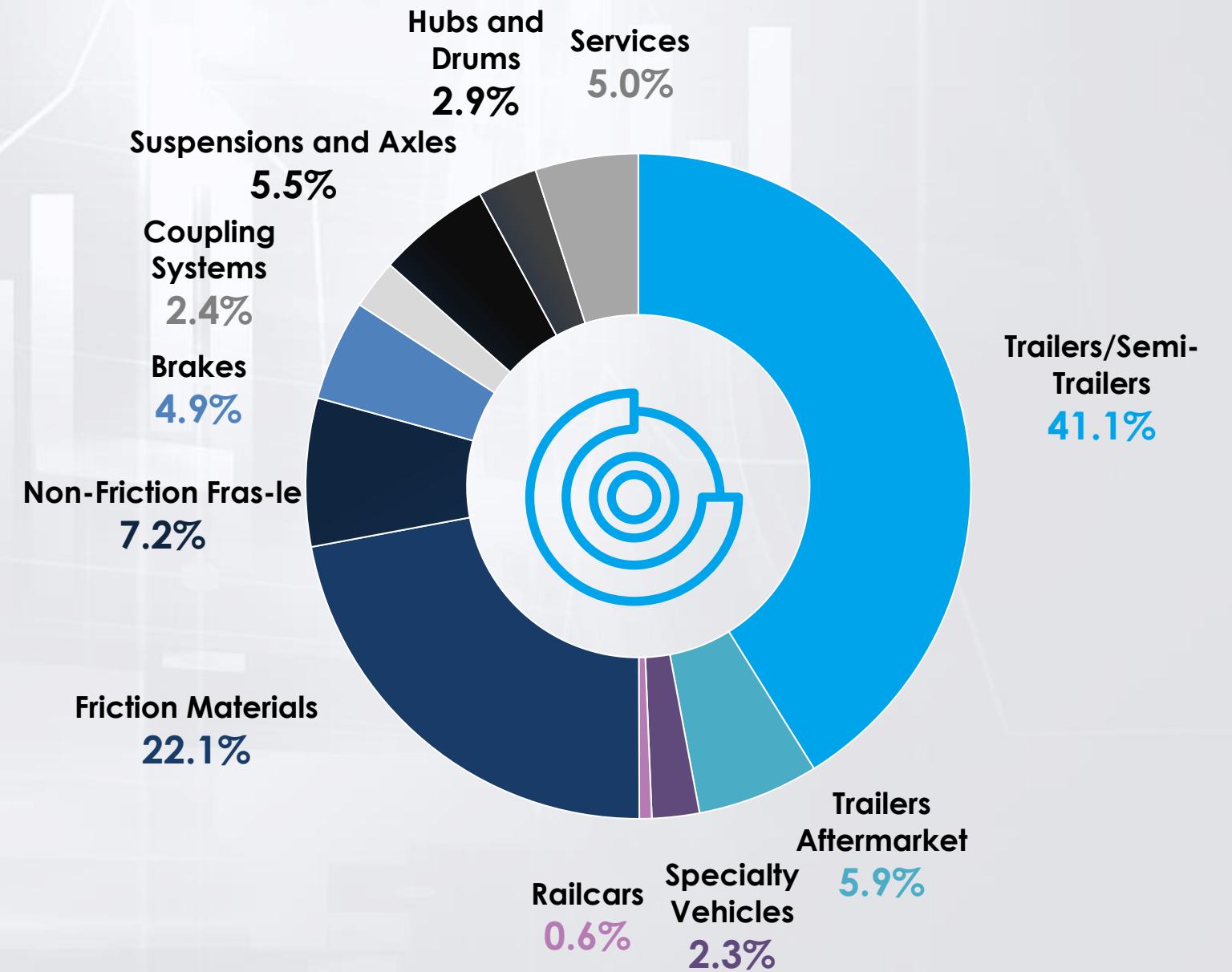
Currency
Contributed to
the working
capital increase

DIVERSIFIED BUSINESS MODEL

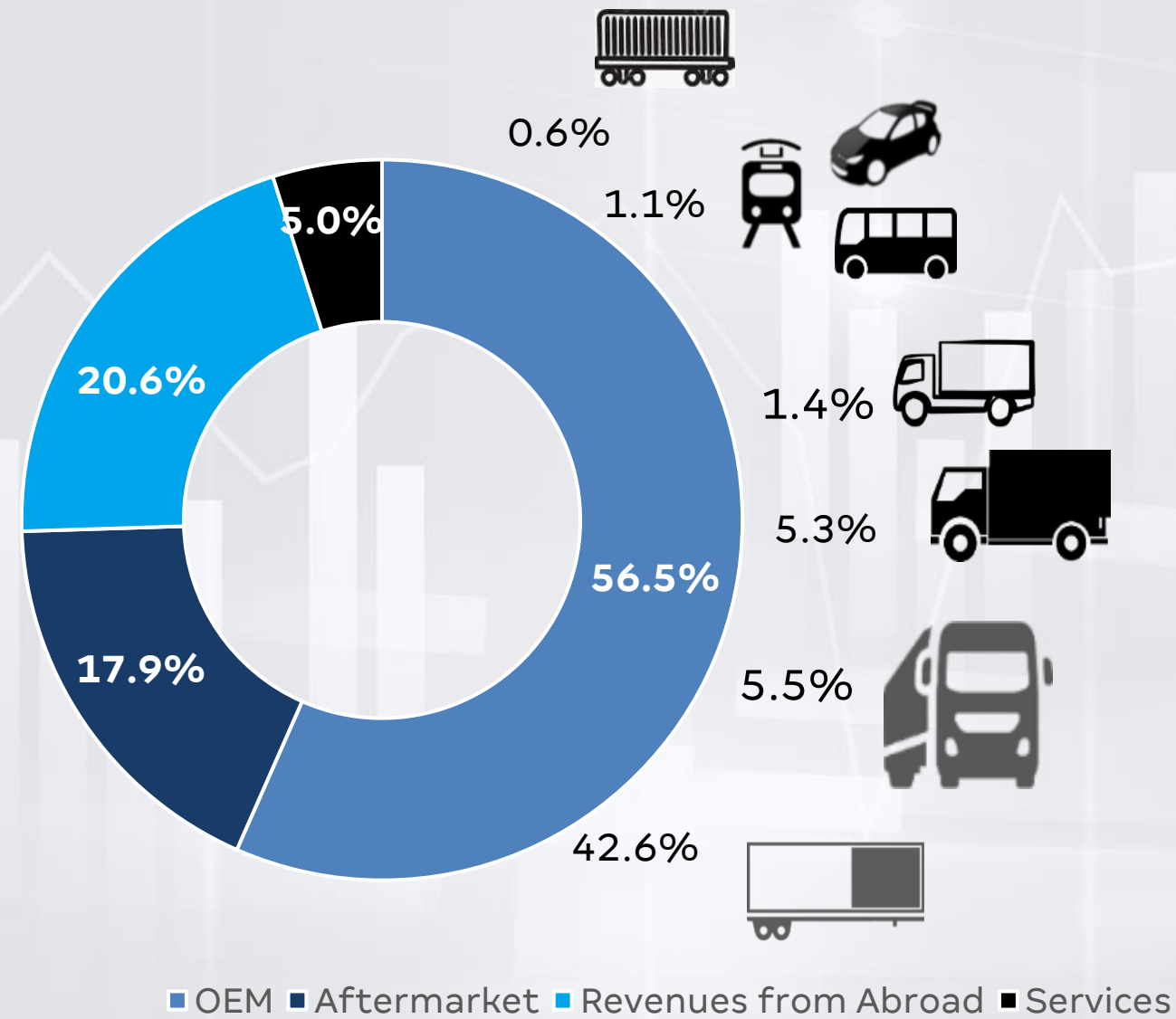


Net Revenue Breakdown by Division 2Q20

% Net Revenue Breakdown by Product 2Q20

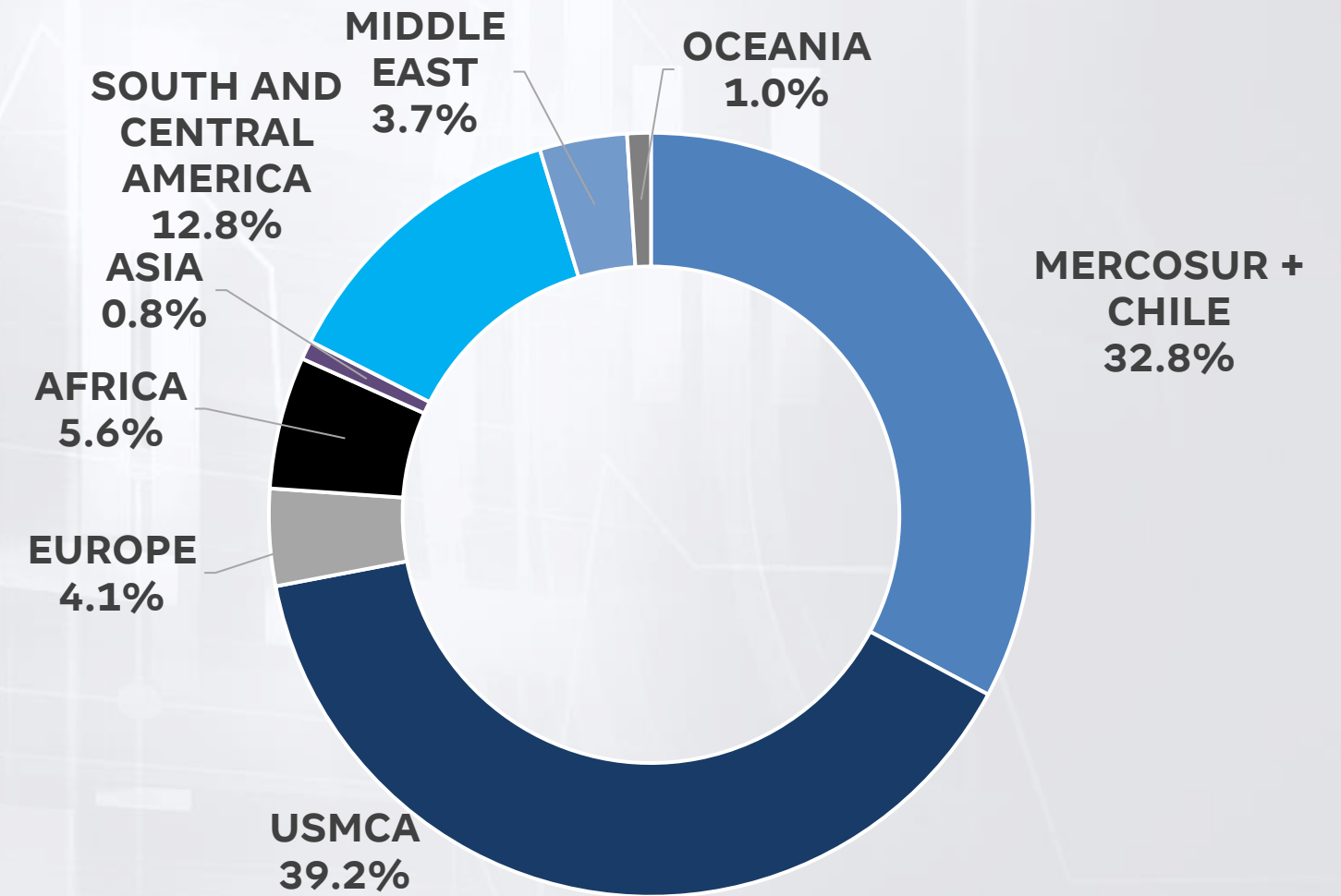


DIVERSIFIED BUSINESS MODEL



Sales by Segment 2Q20

Exports Destination by Economic Region



MARKET and DRIVERS

Trailers³
Trucks²
Buses²

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

Trailers¹
Trucks²
Buses²

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



MAIN FIGURES

- GDP
- Harvey
- Confidence
- Unemployment Rate
- Interest Rate
- Inflation

Source:
¹ ANFIR
² ANFAVEA
³ ANFIR + AliceWeb

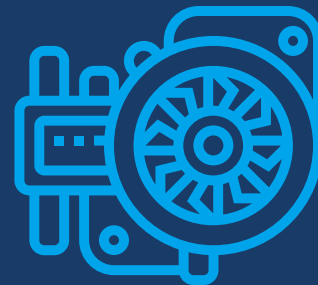
#RANDONISALLOFUS

It is through the synergy between our companies that we offer end-to-end solutions to our customers.



TRAILERS

Directly linked to the evolution of cargo transport in Brazil, it produces trailers and semi-trailers, special vehicles and rail cars



AUTO PARTS

The best market solutions for axles, suspensions, friction materials, brake components, coupling and wheel end systems



SERVICES

Own financial institution, one of the largest consortium administrators in Brazil, in addition to investment and acceleration of startups

TRAILERS DIVISION

RAIL CARS



TRAILERS AND SEMITRAILERS



SPECIALTY VEHICLES



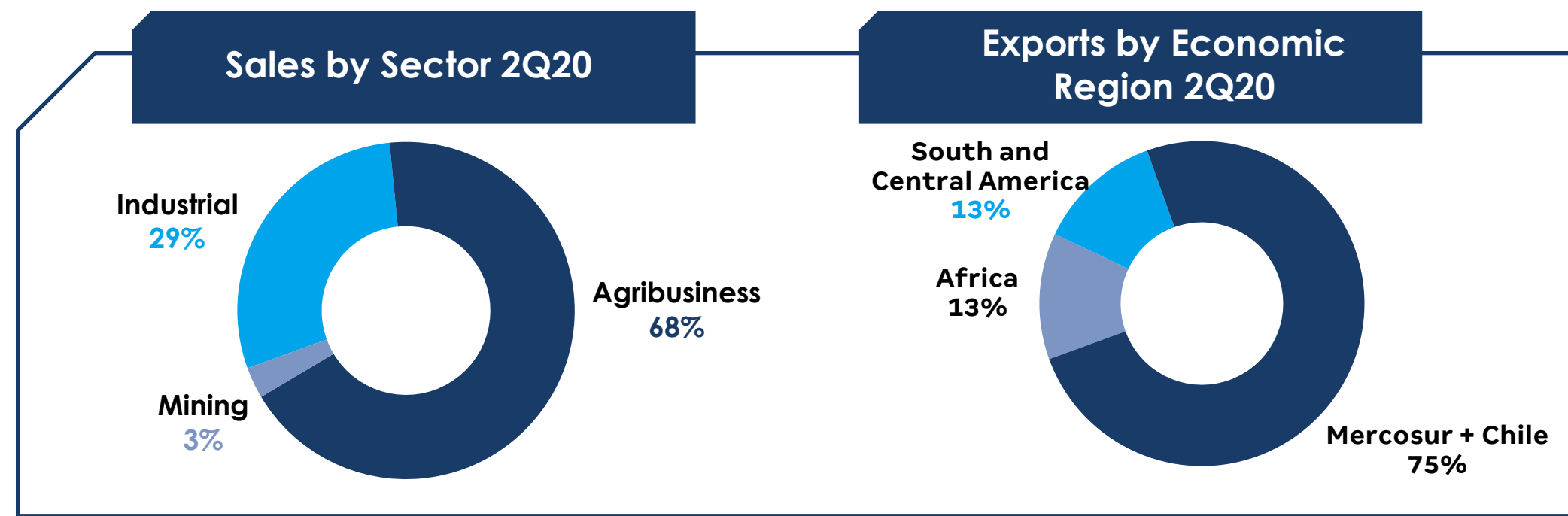
TRAILERS DIVISION

Trailers and Semitrailers

MARKET CHARACTERISTICS:

- Diversified customer base, covering different market segments
- Low penetration of imported road implements in the country
- We are exposed to all sectors of the economy, as the road modal is the most used for cargo transportation in Brazil

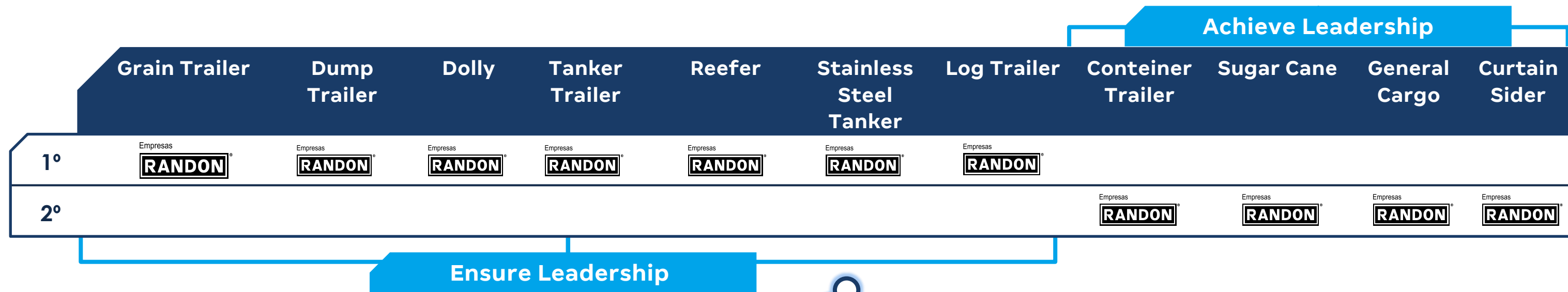
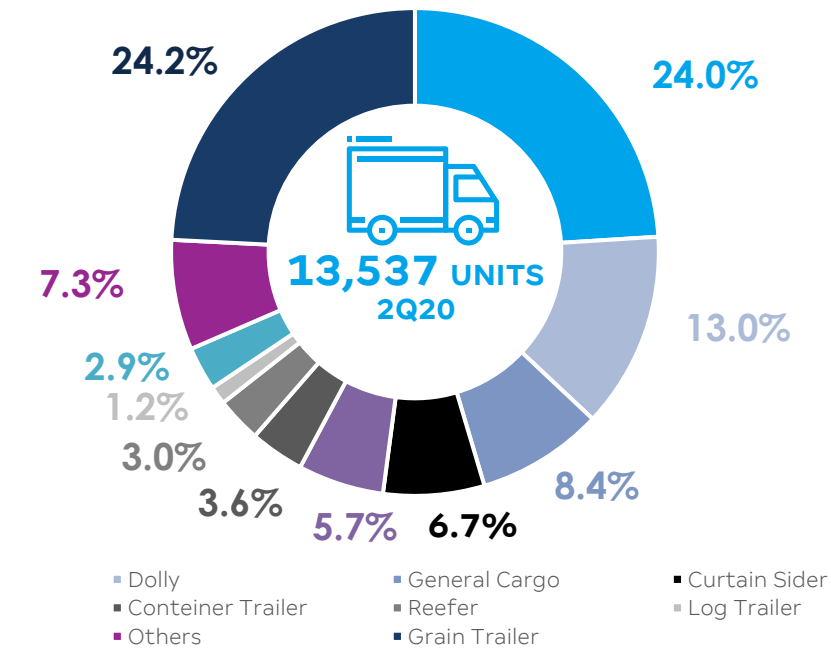
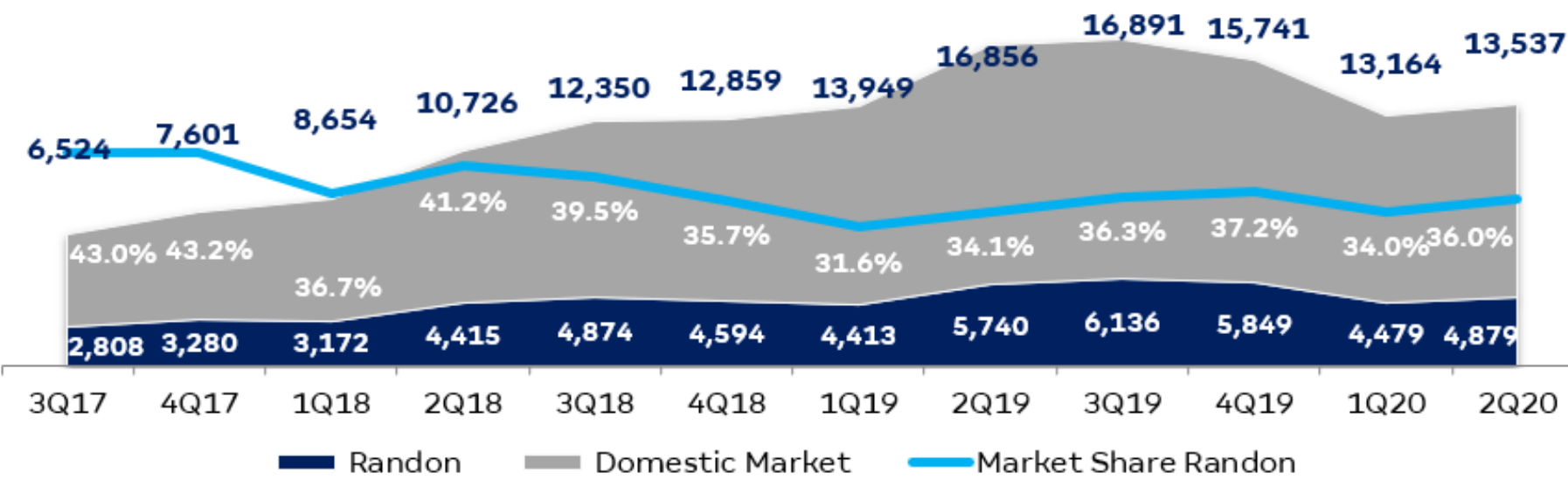
SALES SEMITRAILERS			
	Brazil	Foreign Market	Total
2Q20	4,678	296	4,974
2Q19	6,142	815	6,957
Δ%	-23.8%	-63.7%	-28.5%
1H20	9,864	760	10,624
1H19	10,500	1,592	12,092
Δ%	-6.1%	-52.3%	-12.1%



TRAILERS DIVISION

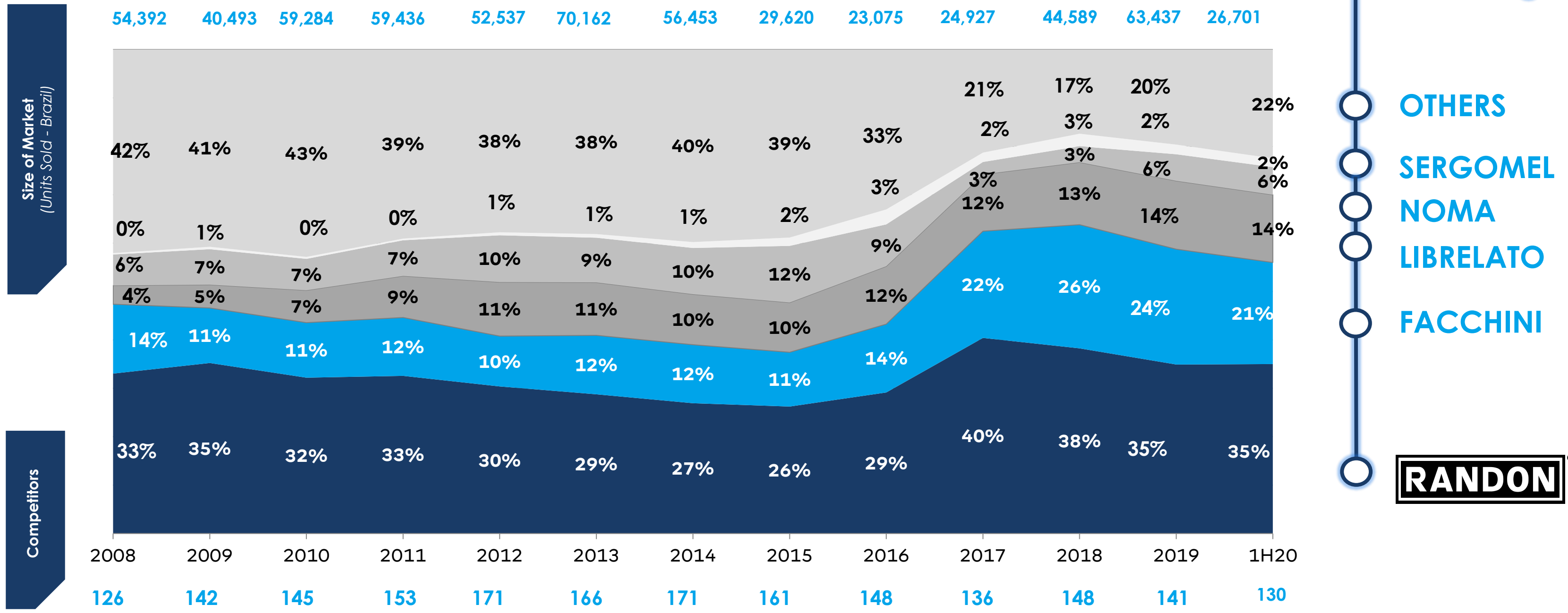
SEMITRAILERS – Domestic Market Leadership

QUARTERLY MARKET SHARE



TRAILERS DIVISION

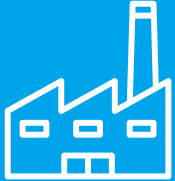


SEMITRAILERS – Domestic Market Leadership

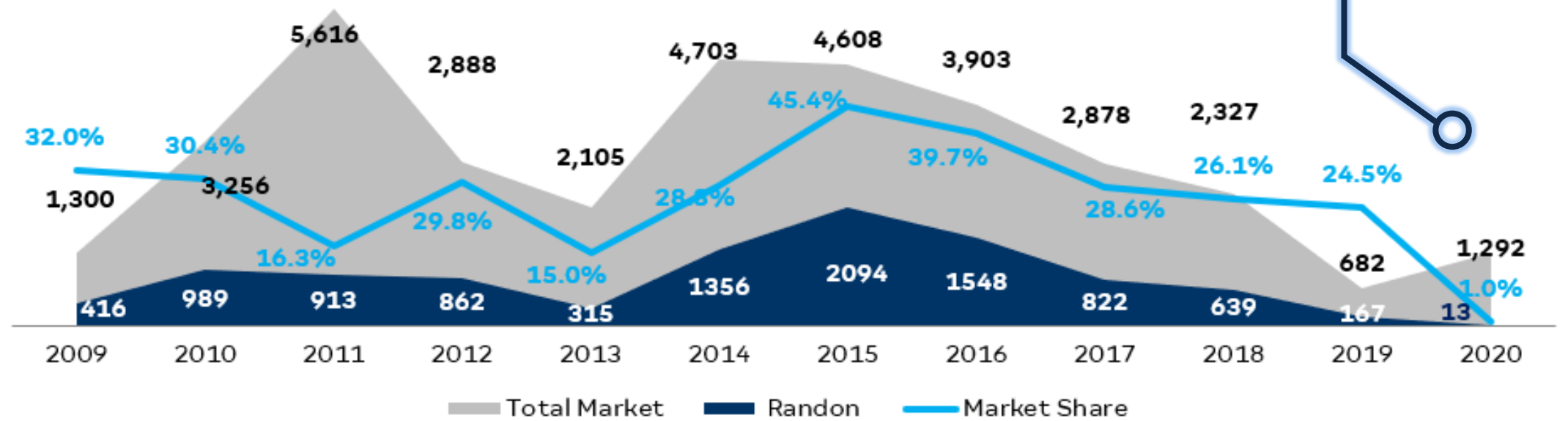


TRAILERS DIVISION

Rail Cars

MARKET CHARACTERISTICS:

-  Customer base concentrated in large industries or concessionaires
-  Long cycle between order and delivery
-  Higher cargo volume

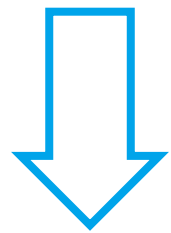


RAIL CARS SOLD (UNITS)		
2Q20	2Q19	Δ%
13	1	1200%
1H20	1H19	Δ%
13	87	-85.1%

TRAILERS DIVISION

Highlights 2Q20

BRAZILIAN MARKET DELIVERIES:



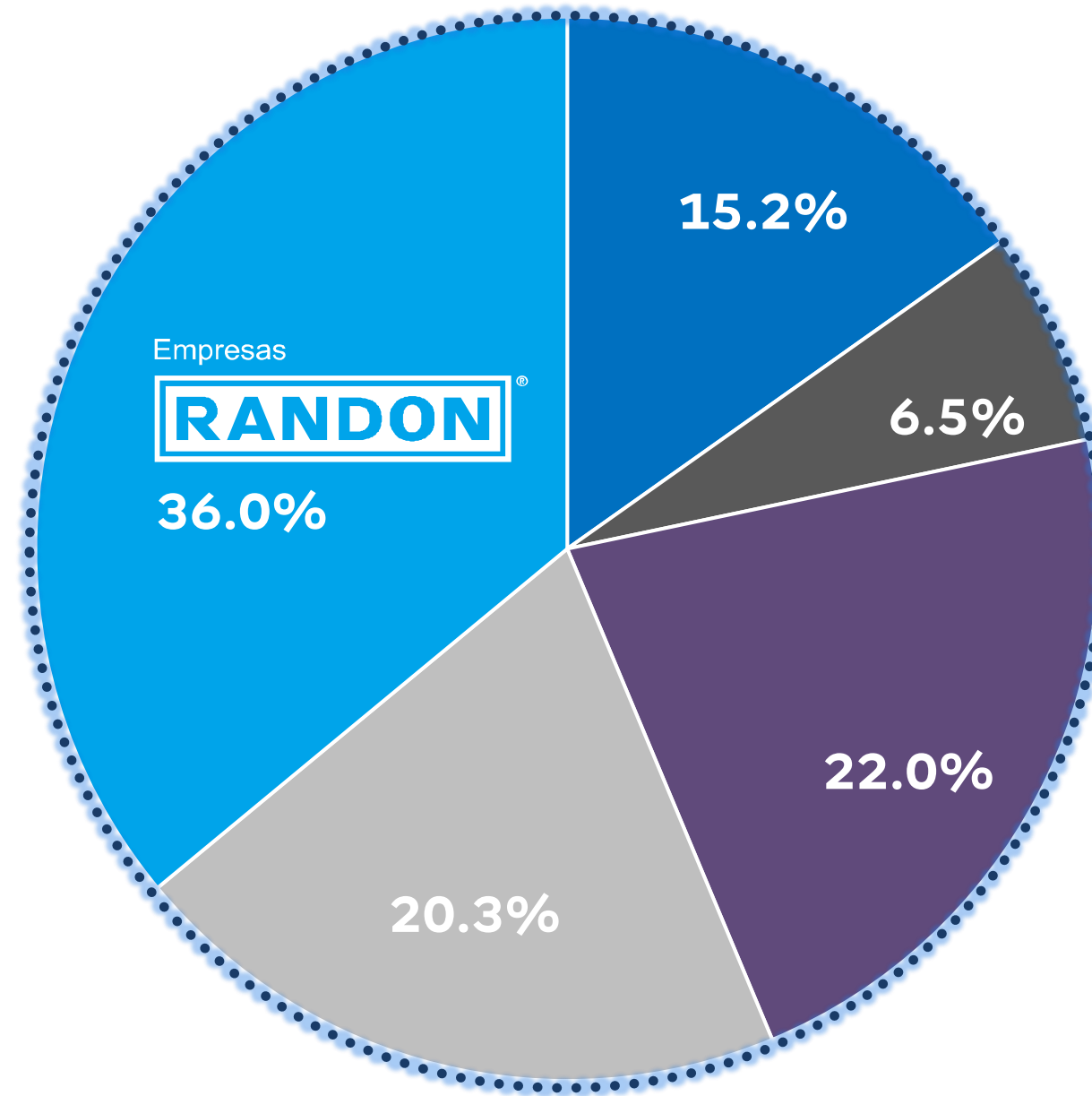
-19.7%
13,537 units

4,879

Randon's Semitrailers delivered



Access the QR Code to watch the live launch of the new Randon Implementos Van and Sider



■ Librelato ■ Noma ■ Others ■ Fachhini ■ Randon

FOREIGN MARKET VOLUMES:

296 units

SALES ABROAD

-63.7%

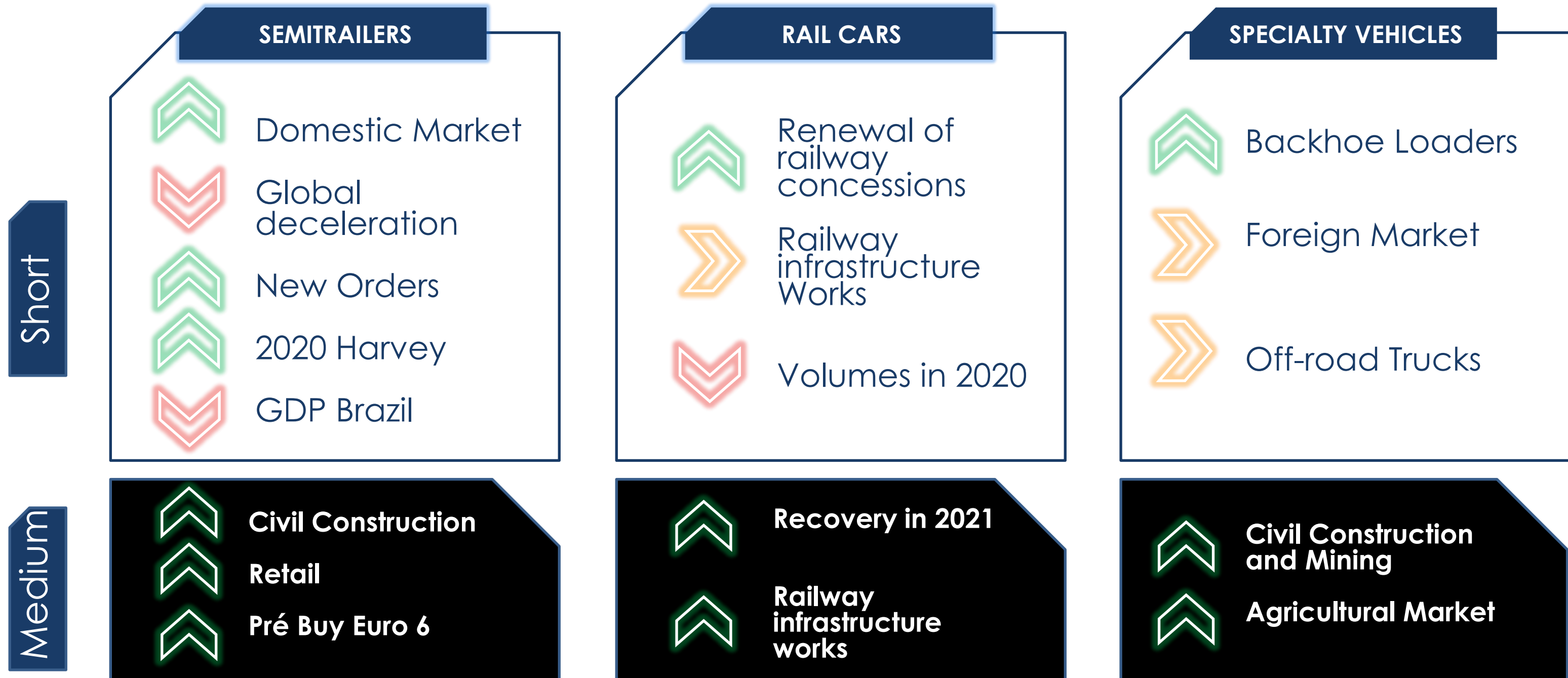
(815 units in 2Q19)

The drop is mainly due to the impacts of COVID-19 in the countries of Latin America and Africa

TRAILERS DIVISION

MARKET TRENDS

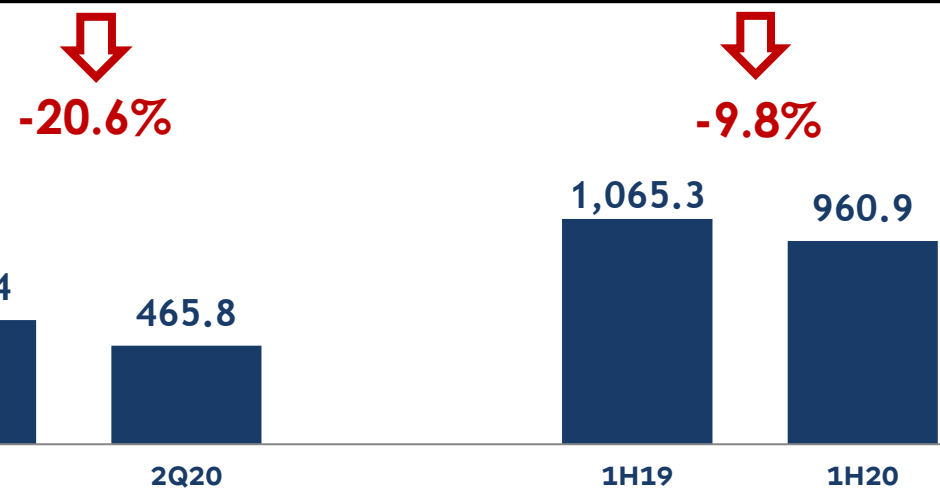
Short and medium term



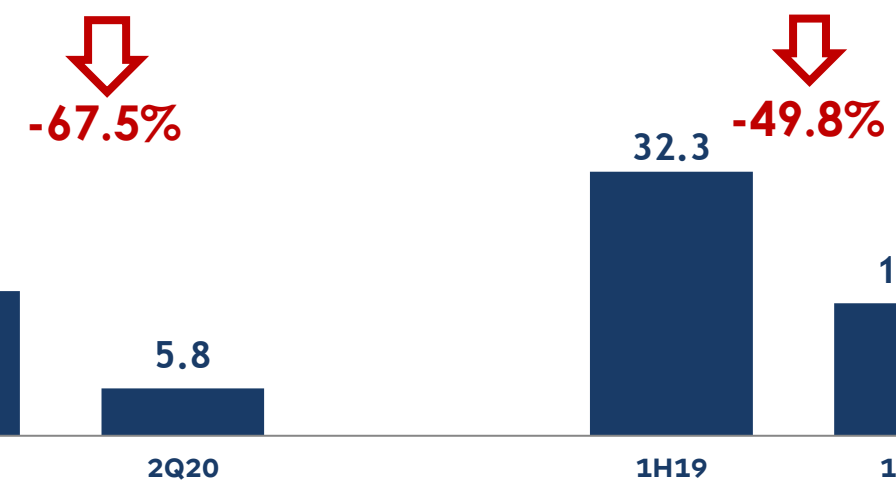
TRAILERS DIVISION

PERFORMANCE 2Q20

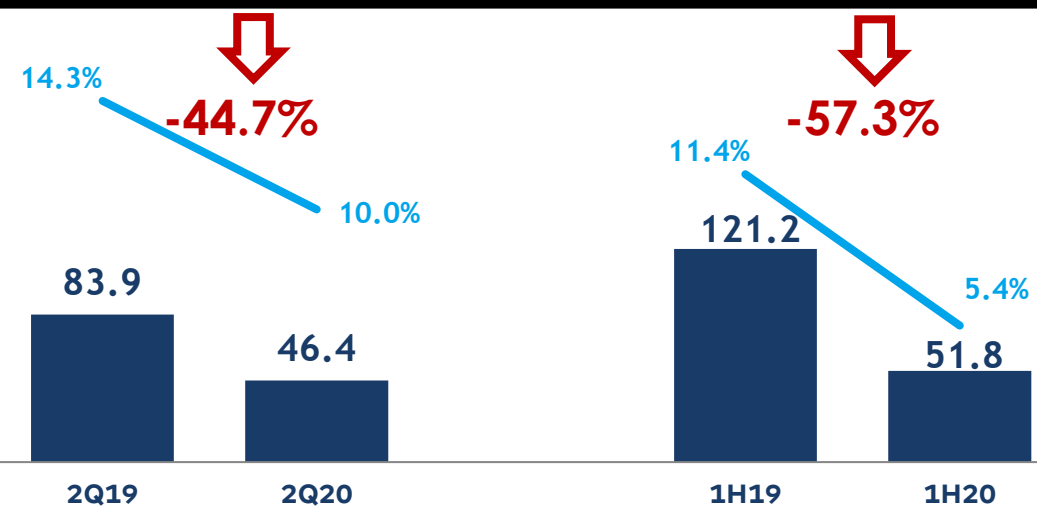
CONSOLIDATED NET REVENUE (R\$ MILLION)



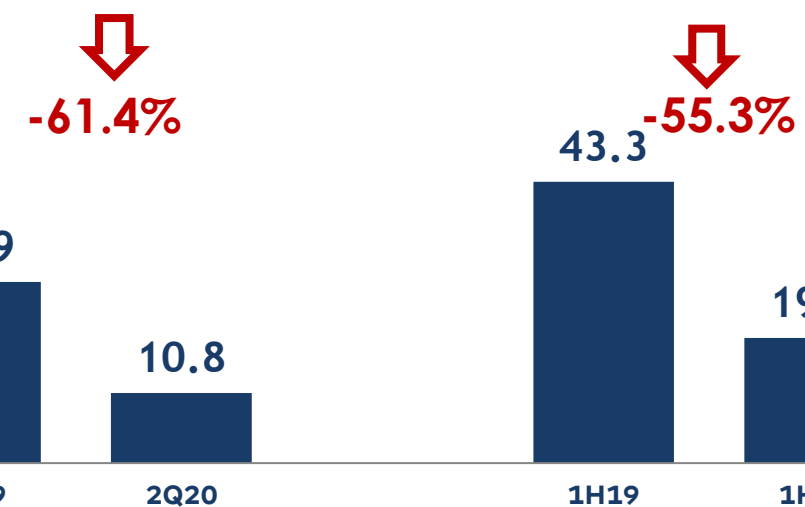
EXPORTS (US\$ MILLION)



Consolidated EBITDA | EBITDA Margin (R\$ Million)



INVESTMENTS (R\$ MILLION)



AUTO PARTS



AUTO PARTS DIVISION

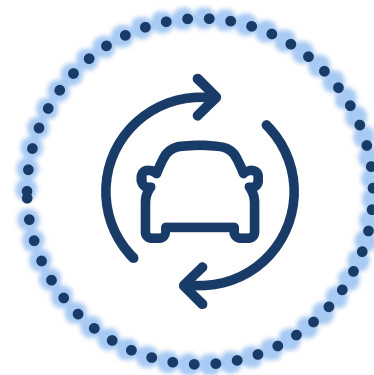
SEGMENTS



OEMs



Exports



Aftermarket

MARKET CHARACTERISTICS

- Diversified customer base
- Moderate import penetration
- Exposure to all sectors of the economy
- Exports concentrated in the USA, Argentina and Colombia markets

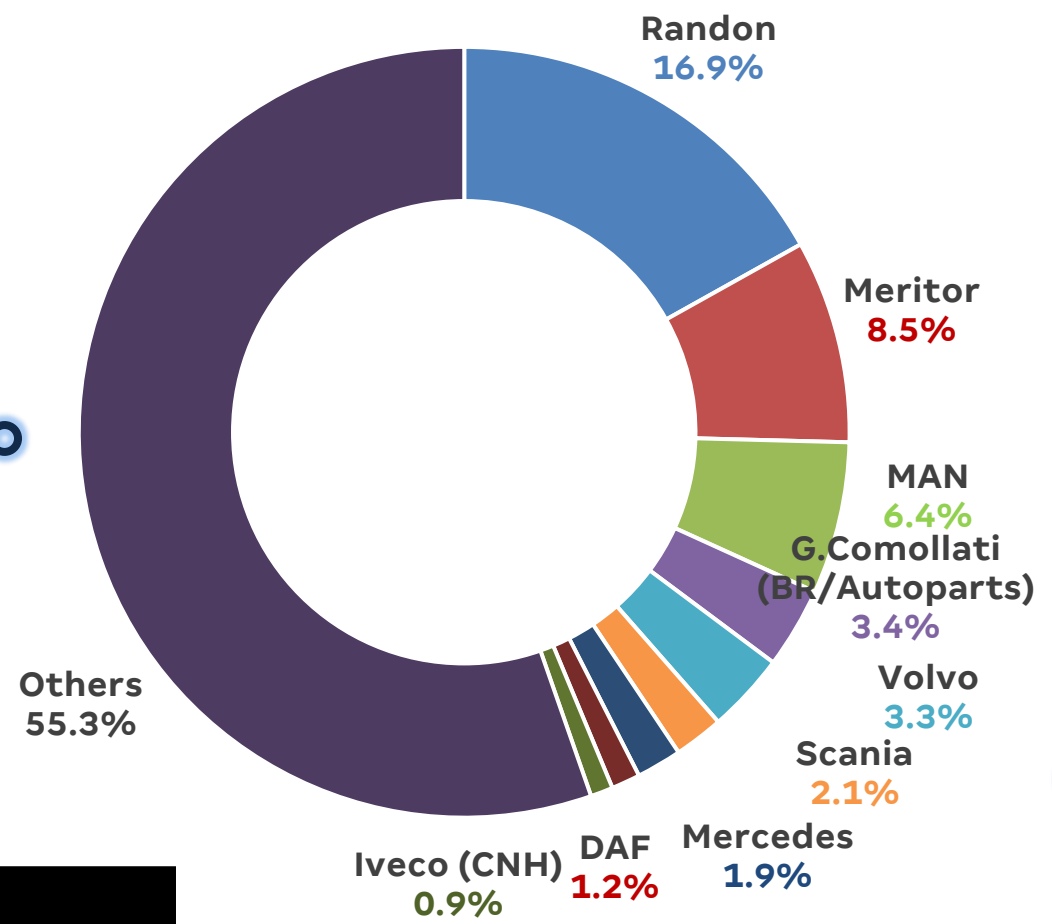
SALES VOLUME

	2Q20		2Q19		Δ% Units	1H20		1H19		Δ% Units
	Units	% CNR	Units	% CNR		Units	% CNR	Units	% CNR	
Friction Materials (un.)	18,528	22.1%	23,575	18.7%	-21.4%	41,785	21.5%	51,220	19.6%	-18.4%
Non-Friction Fras-le (un.)	2,408	7.2%	5,793	6.4%	-58.4%	6,980	7.3%	11,241	6.6%	-37.9%
Brakes (un.)	79,904	4.9%	199,993	8.5%	-60.0%	230,976	6.3%	382,653	8.5%	-39.6%
Coupling Systems (un.)	16,850	2.4%	33,459	3.7%	-49.6%	43,384	2.9%	63,470	3.8%	-31.6%
Suspensions and Axles (un.) ¹	22,354	5.5%	37,156	9.8%	-39.8%	54,553	7.8%	69,860	9.8%	-21.9%
Hubs and Drums (un.)	116,137	2.9%	129,101	4.0%	-10.0%	239,468	3.7%	239,604	4.1%	-0.1%

¹ The suspension and axles volumes were revised to better reflect the units sold by the subsidiary Suspensys. The history of these volumes can be obtained in the section Interactive Spreadsheets - Consolidated Data Randon S/A.

AUTO PARTS DIVISION

Leadership



SOUTH AMERICA OEM RANKING



#1



#1



#1



#1



#1

Main Competitors



Knorr (Germany) – Brazil/SP
Wabco (USA) – Brazil/SP
Captive Market – (MB, Scania and Silpa)



KLL/ SAF Holland – Brazil/SP
Ibero – Brazil/SP
Hendrickson (USA)
BPW (Germany)
Fuwa (China)
Captive Market – (Facchini, Noma)



Fontaine – Brazil/PR
GF – George Fischer (Switzerland)
Fuwa (China)



Durametal (Brazil/CE)
Schulz (Brazil/SC)
Frum (Brazil/MG)
Fundimisa (Brazil/RS)



Cobreq (TMD) – Brazil/SP
Duroline – Brazil/RS
SYL – Brazil/SP
TRW (USA) – Brazil/SP
Brakeparts – Brazil/SP

AUTO PARTS DIVISION

Highlights 2Q20



-21.4%

In sales of friction materials

- Sales reduction for OEMs and impacts of COVID-19;
- Aftermarket recovery in the quarter.



-58.4%

In volumes of Non-Friction Fras-le

- Light vehicles aftermarket with low demand.



-10.0%

Hubs and Drums volumes

- OEMs sales dropped;
- Good volumes for customers in the agricultural, export and aftermarket segments.

-39.8%

Axles and Suspensions

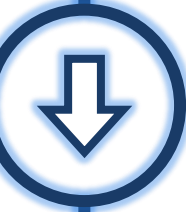
- OEMs sales dropped;
- New partnership with VWCO, brings good prospects for 2021.

-60.0%

Drop in brake system sales due to OEM stoppages

-49.6%

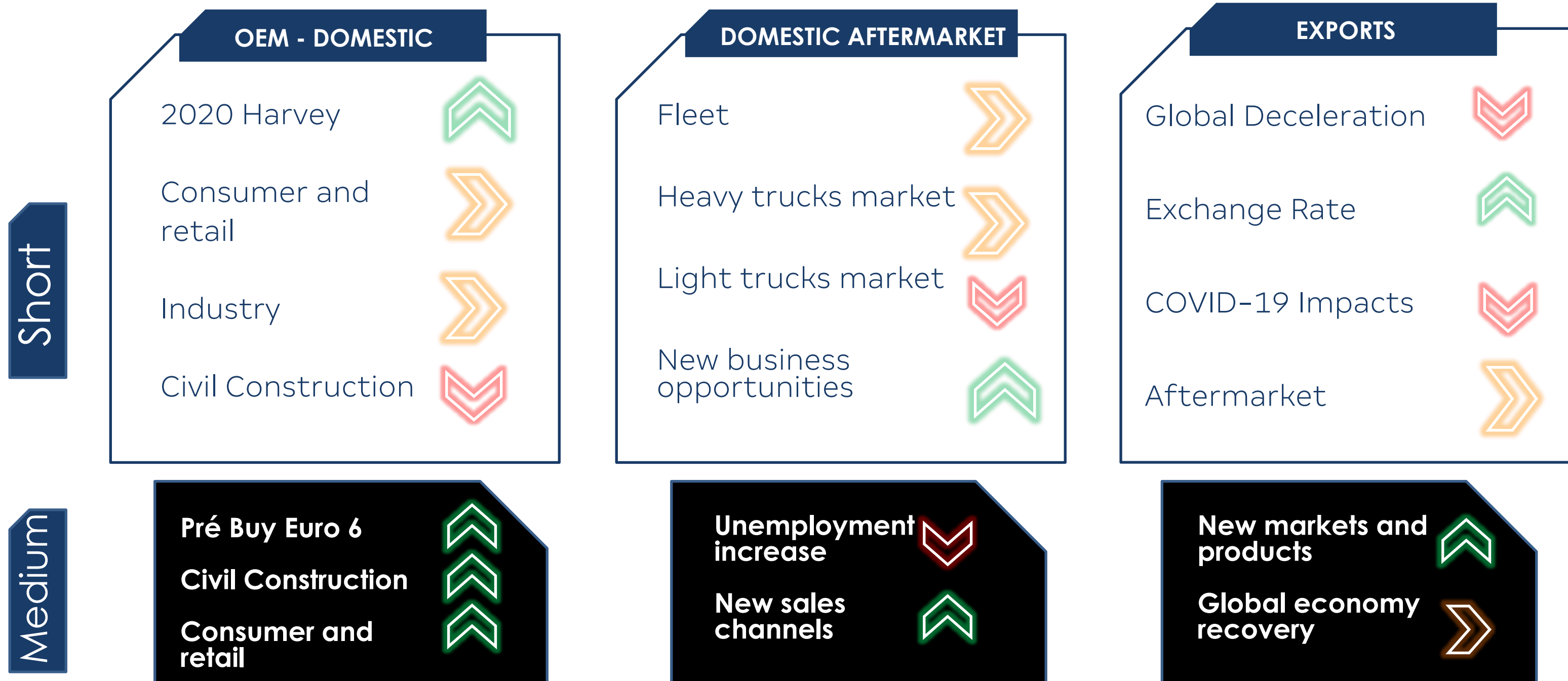
Reduction of coupling systems due to their exposure to OEMs



AUTO PARTS DIVISION

Market Trends

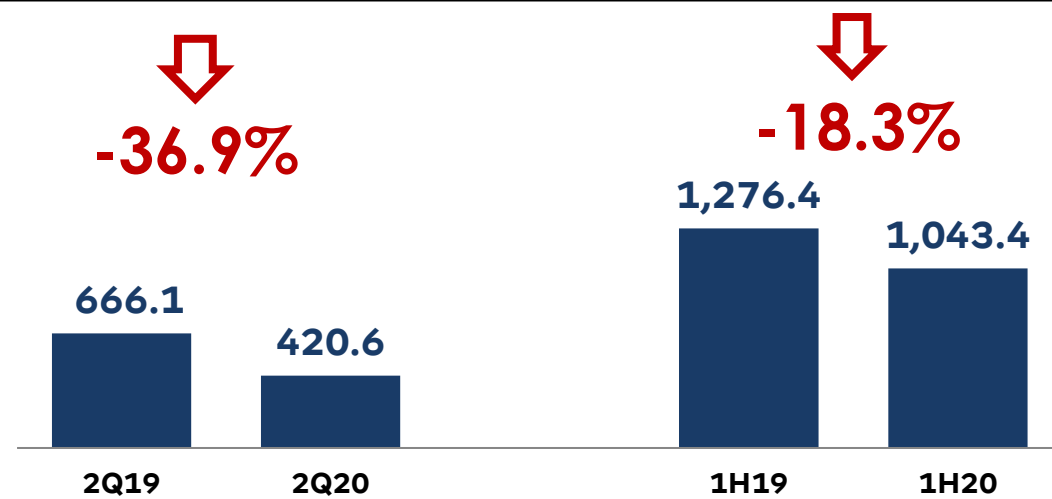
Short and medium term



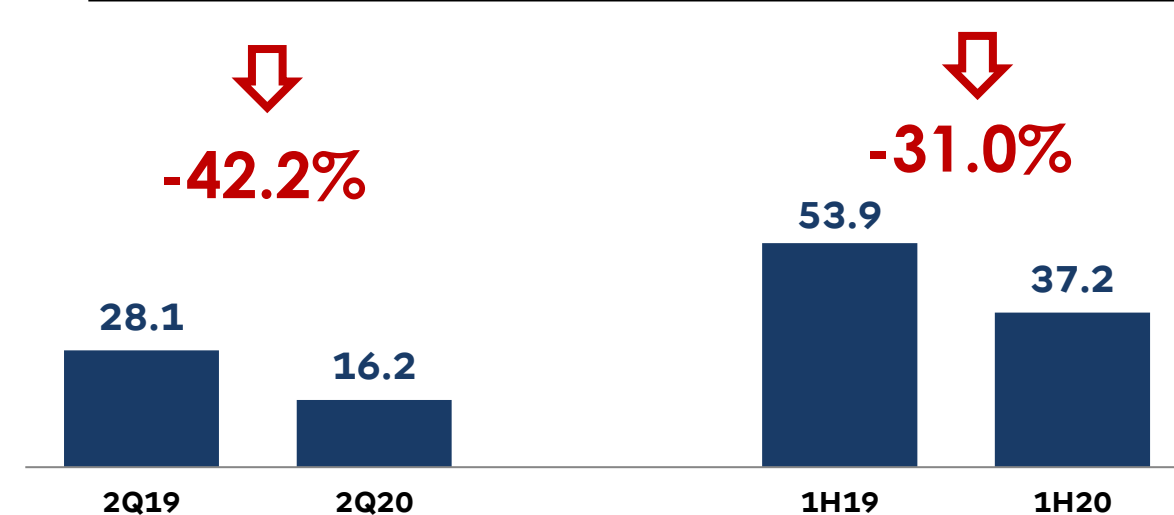
AUTO PARTS DIVISION

2Q20 PERFORMANCE

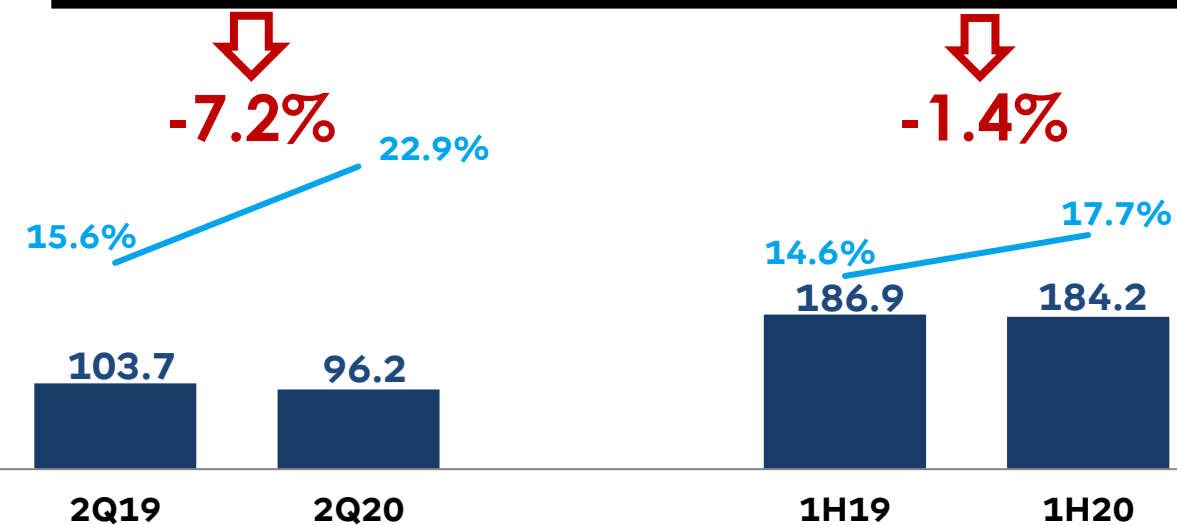
Consolidated Net Revenue (R\$ Million)



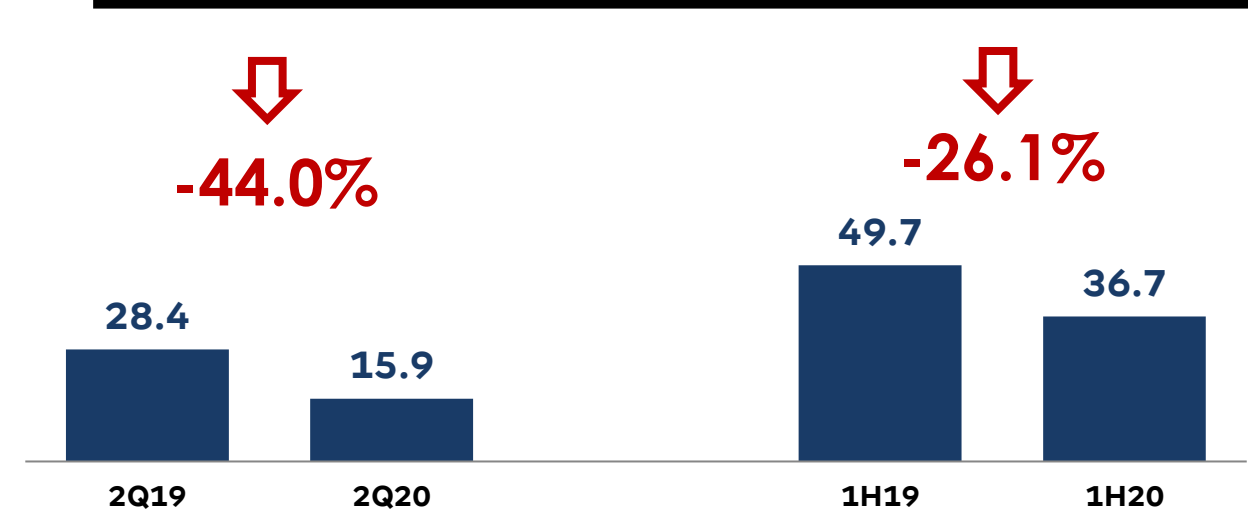
Exports (US\$ Million)



Consolidated EBITDA | EBITDA Margin (R\$ Million)



Investments (R\$ Million)





SERVICES

Randon Companies have their own financial institution and one of the largest consortium administrators in Brazil, in addition to the investment company in startups.

SERVICES

2Q20 PERFORMANCE



29 thousand
Customers

220 thousand
Quotas commercialized

65 thousand
Active Quotas

R\$ 641 M
Accrued Administration Fee

117 thousand
Quotas Awarded

Trailers; • Real estate and vehicles; • Machinery and Equipment • Minibus; • Light and Heavy Trucks.



R\$ 3 M
invested

Conection with 43 Startups



R\$ 617 M
Assets

R\$ 135 M
Equity

Number of Customers
2,003

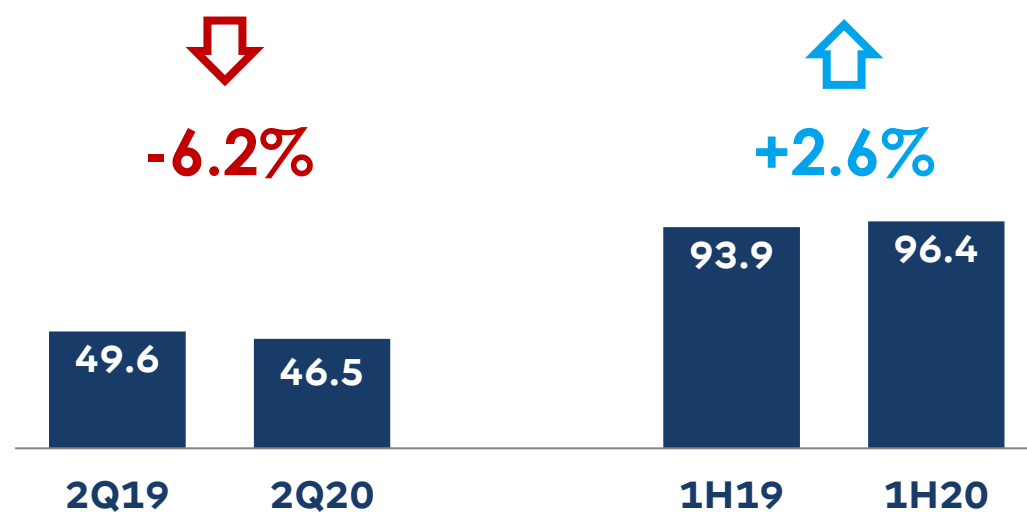
CREDIT LINE

For the acquisition of trailers, vehicles, componentes and automotive systems.

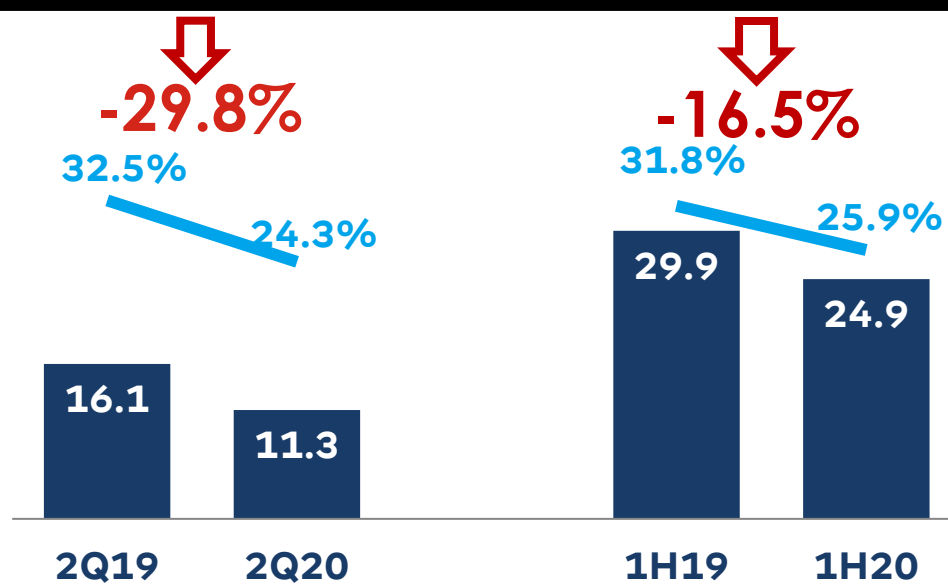
SERVICES

PERFORMANCE 2Q20

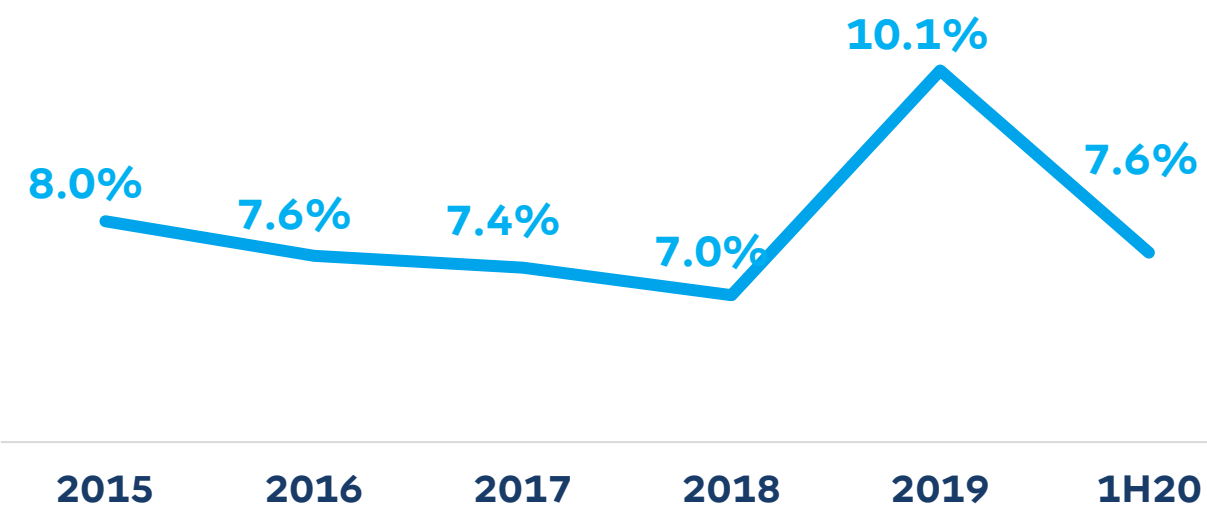
CONSOLIDATED NET REVENUE (R\$ MILLION)



CONSOLIDATED EBITDA | EBITDA MARGIN (R\$ MILLION)



RANDON BANK – ROE %



RANDON CONSÓRCIOS – ROE (%)



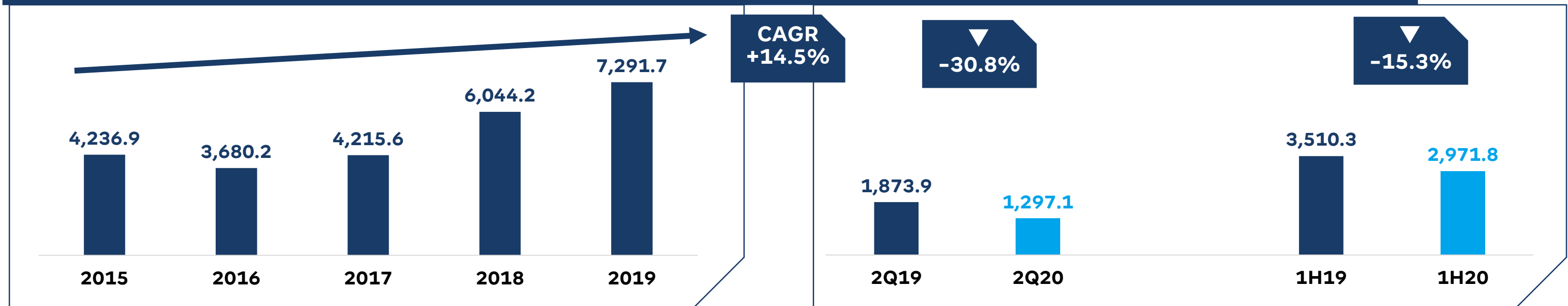


SUPPORT MATERIAL

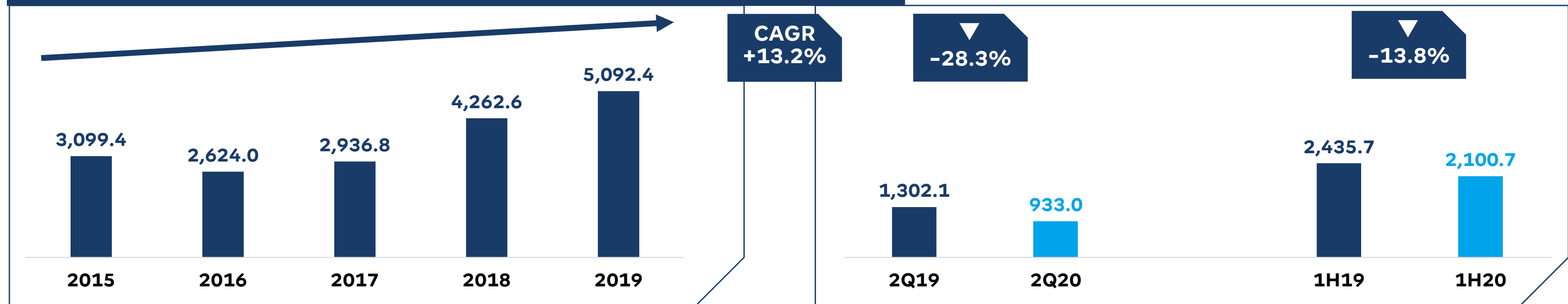


OPERATING RESULTS

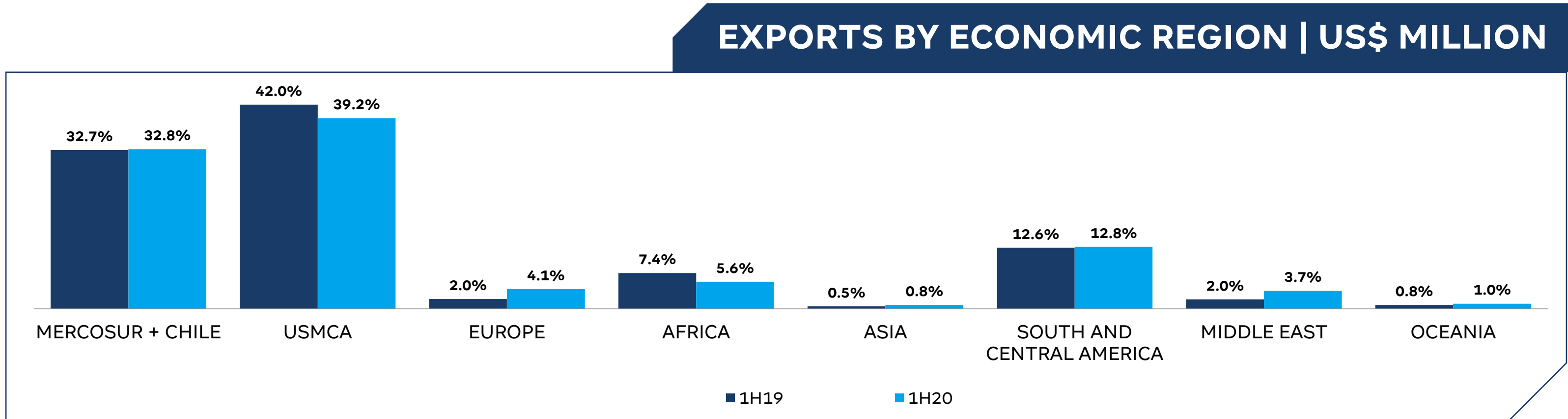
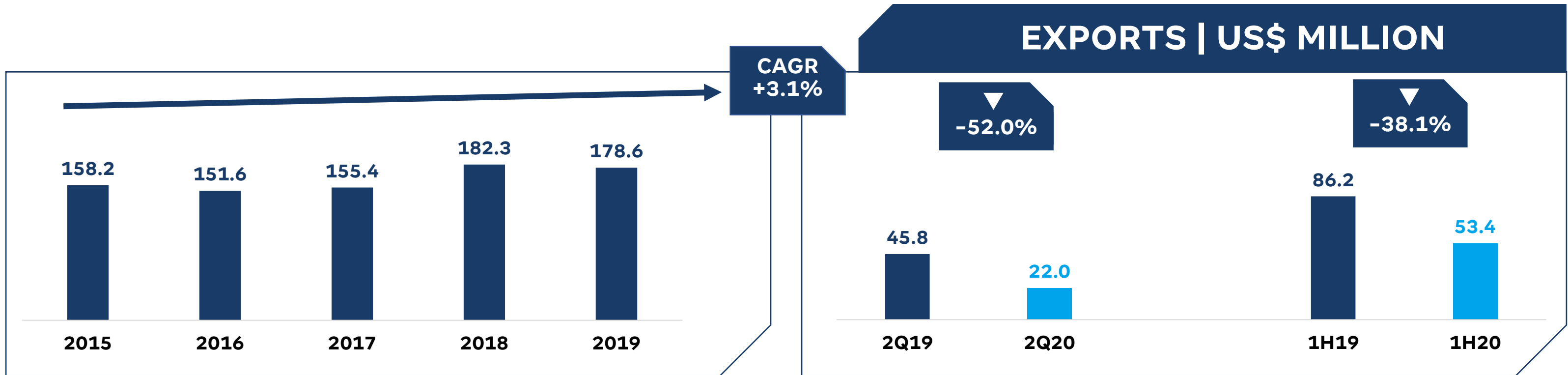
TOTAL GROSS REVENUE (Including Intercompany Sales) – R\$ MILLION



CONSOLIDATED NET REVENUE – R\$ MILLION

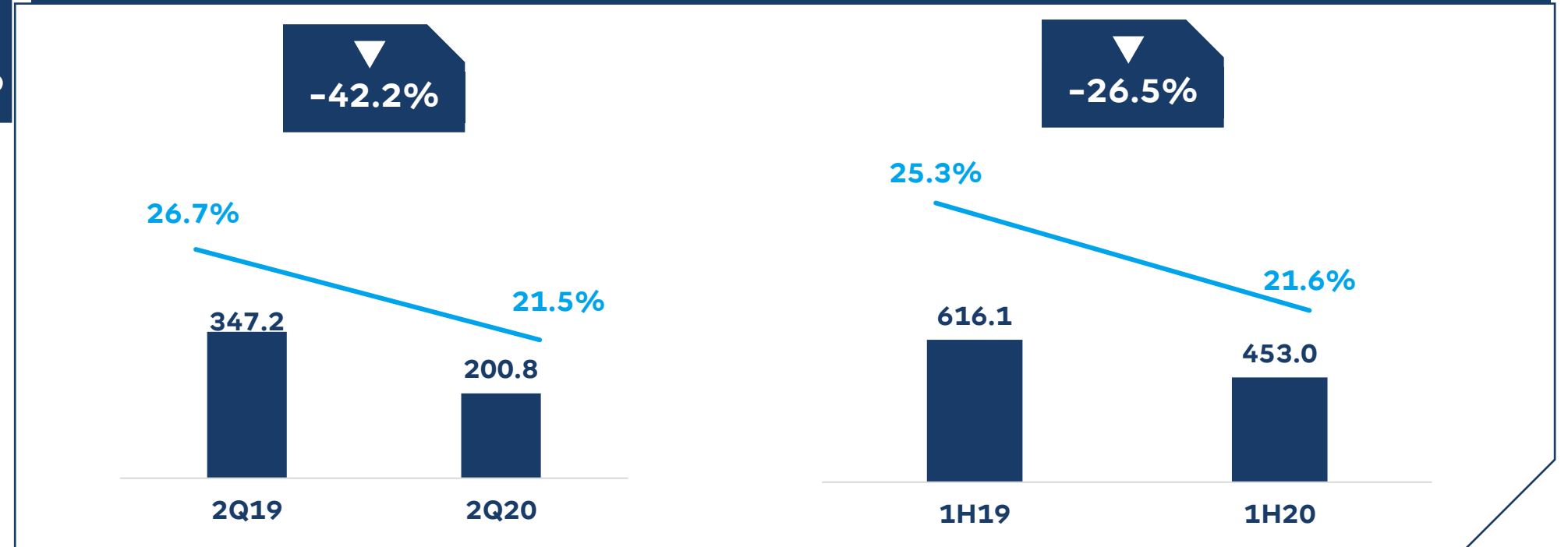
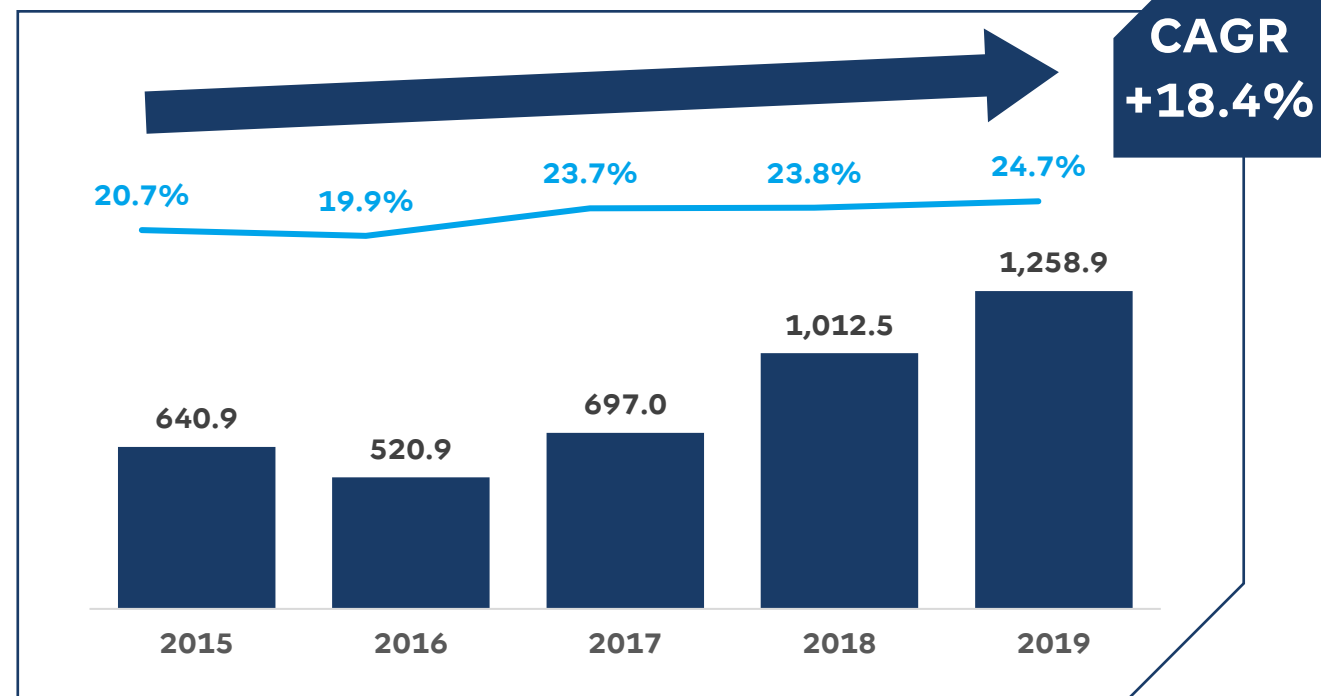


OPERATING RESULTS

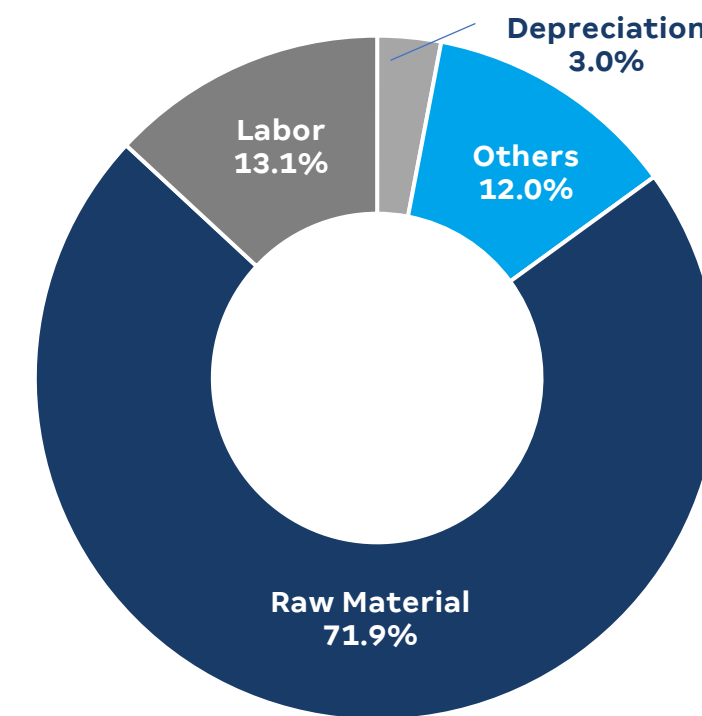
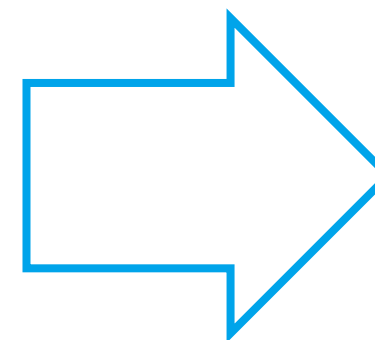


OPERATING RESULTS

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

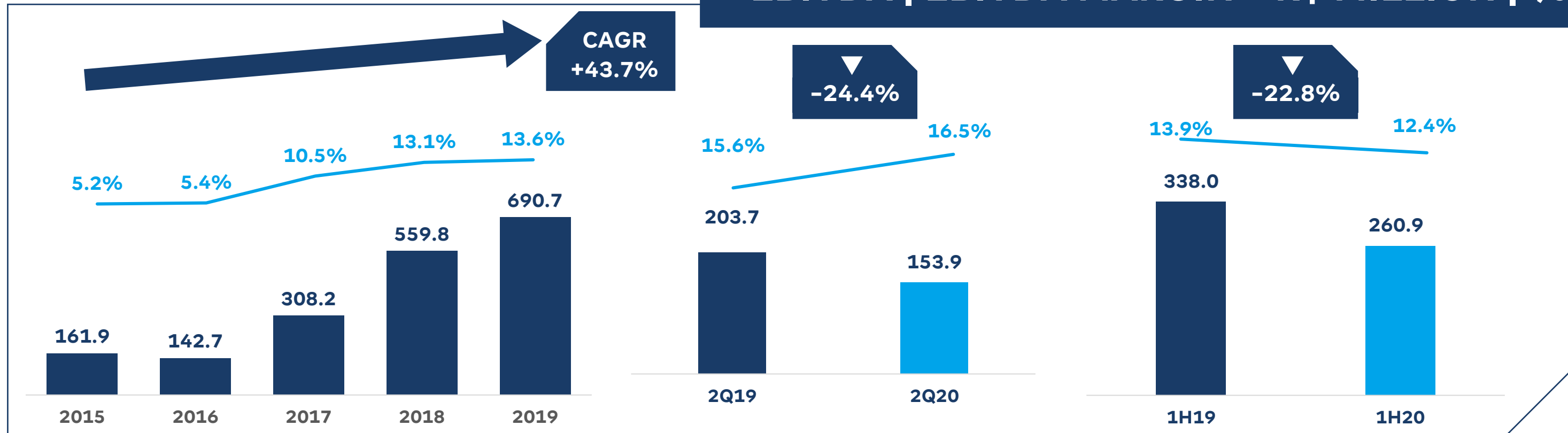


COGS 2Q20
R\$ 732.2 M
(78.5% o/CNR)

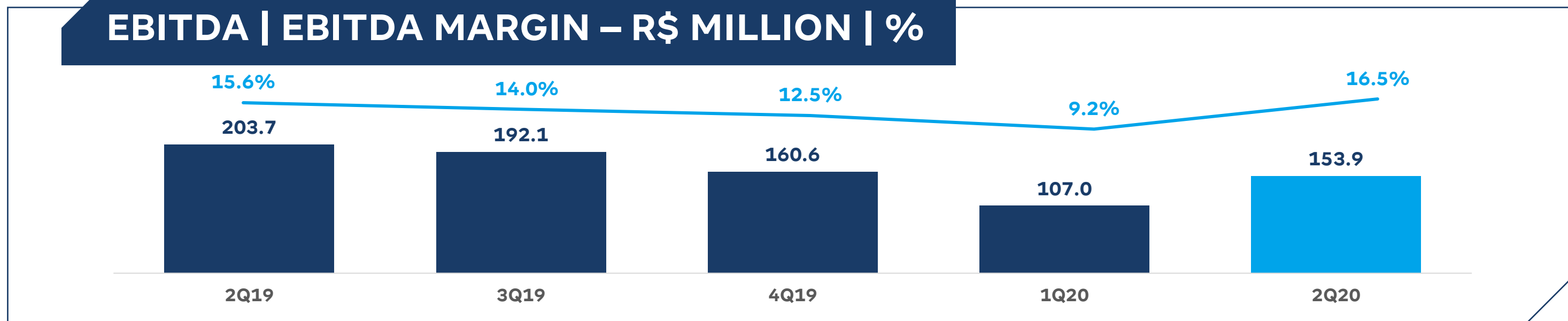


OPERATING RESULTS

EBITDA | EBITDA MARGIN – R\$ MILLION | %

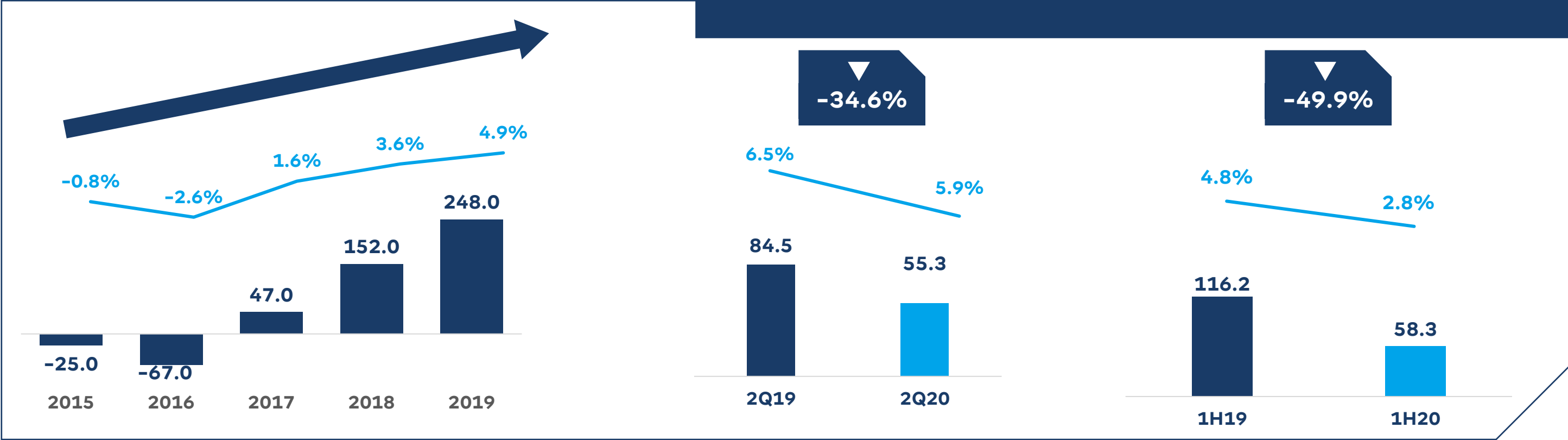


EBITDA | EBITDA MARGIN – R\$ MILLION | %

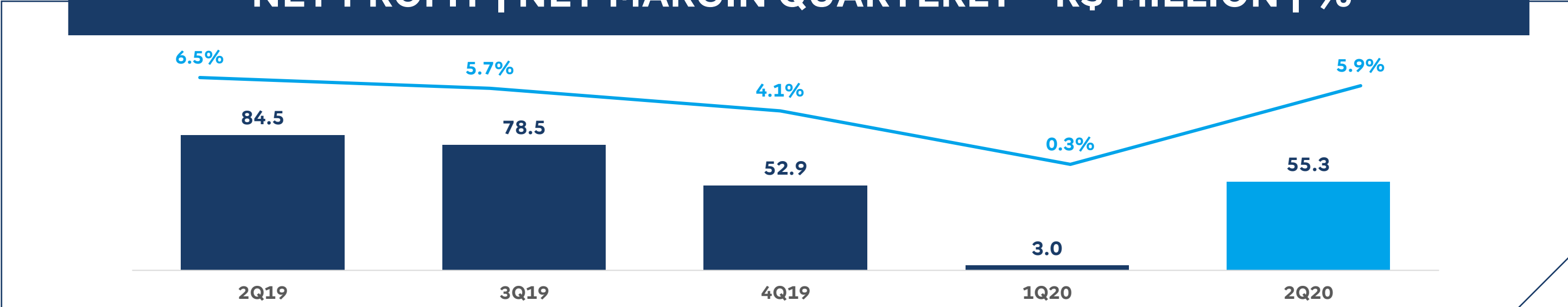


FINANCIAL RESULTS

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

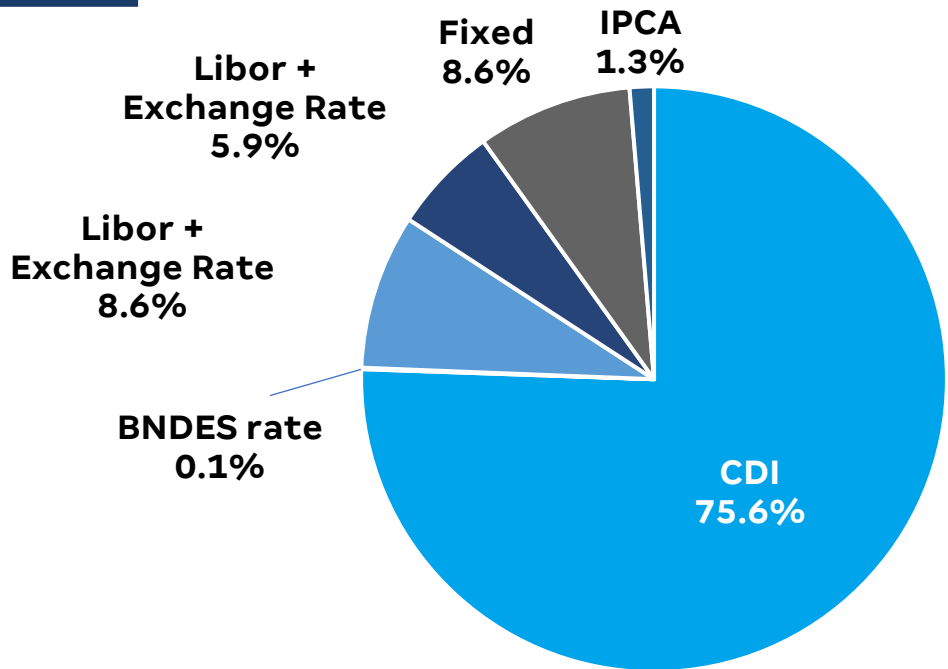


NET PROFIT | NET MARGIN QUARTERLY – R\$ MILLION | %

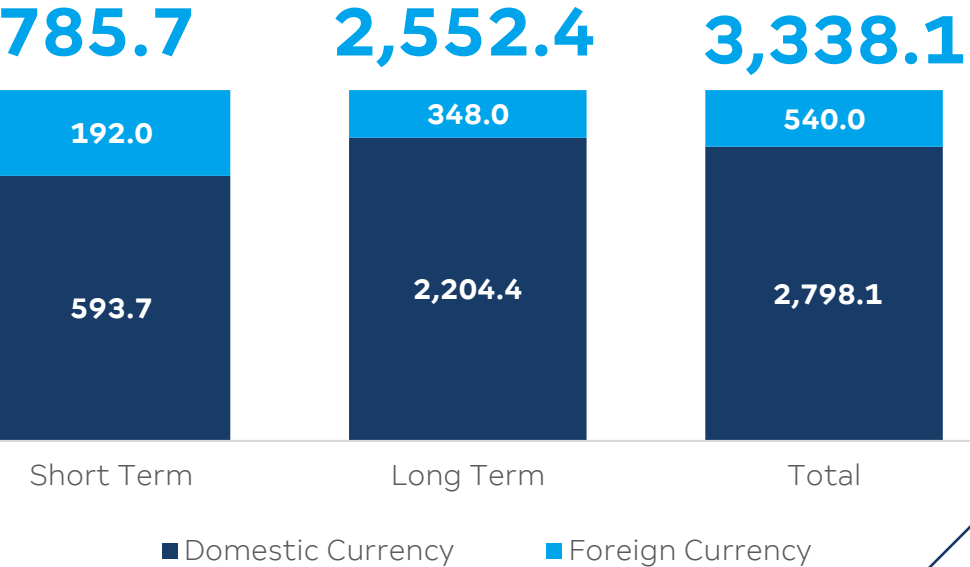


INDEBTEDNESS

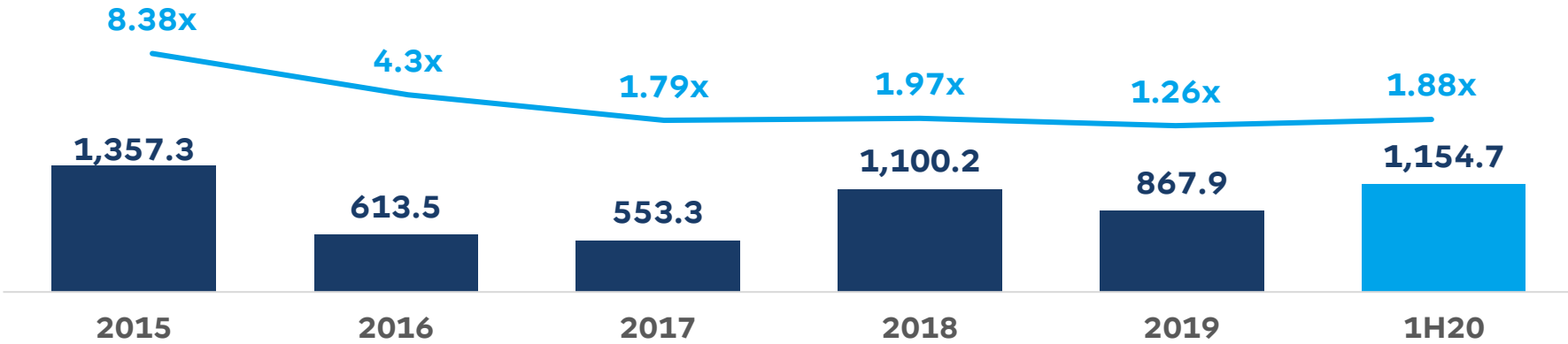
DEBT INDEXES



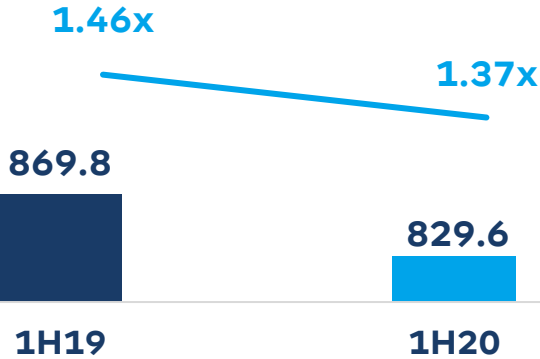
ORIGIN OF DEBT SHORT AND LONG TERM JUNE/2020 – R\$ MILLION



INDEBTEDNESS | NET DEBT/ EBITDA – R\$ MILLION

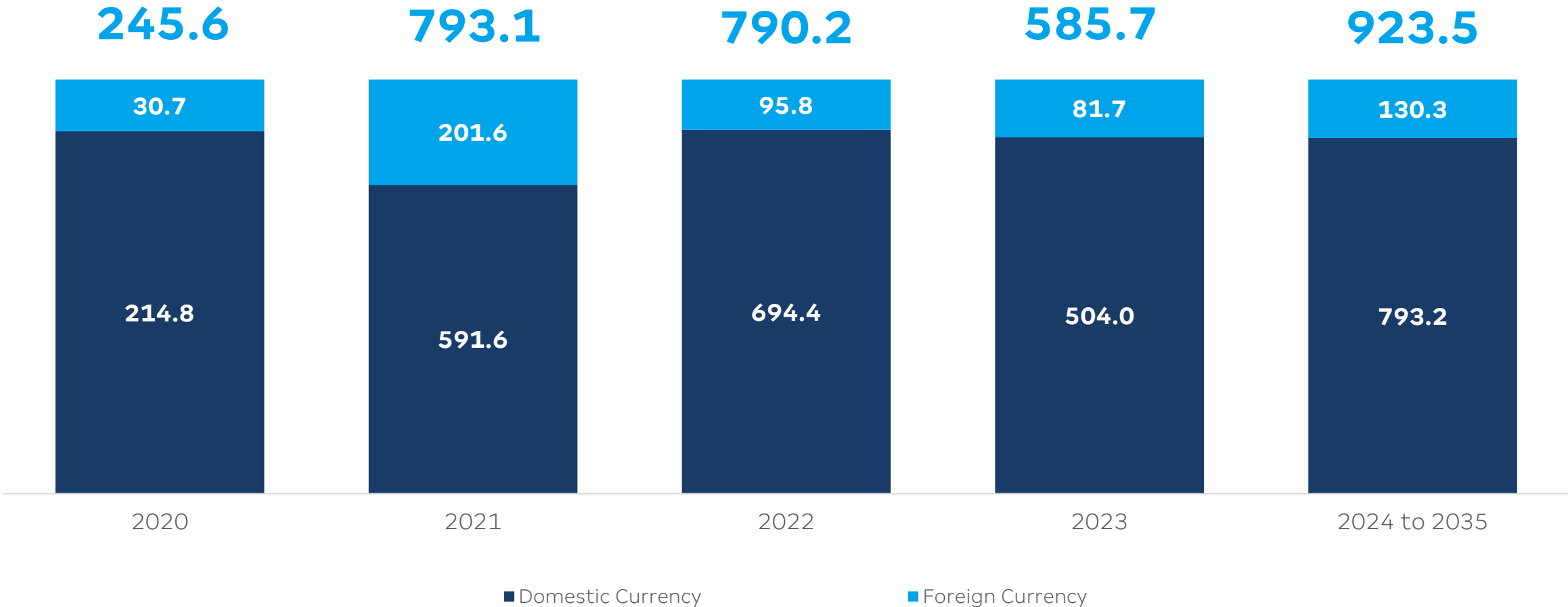


NET DEBT (Without Randon Bank)



INDEBTEDNESS

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



CONSOLIDATED INCOME STATEMENT BY SEGMENT

R\$ MILLION

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

QUARTERLY INFORMATION

R\$ MILLION | %

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



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Companies

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