



FOTOS: M. SCALCO E BANCO DE IMAGENS EMPRESAS RANDON

VEHICLES AND TRAILERS

AUTO PARTS

SERVICES



Caxias do Sul, RS, March 14, 2018. Randon S.A – Implementos e Participações (BM&FBovespa - RAPT3 and RAPT4), the controlling holding company of nine companies operating within the segments of vehicles and trailers/semi-trailers, auto parts and financial services, reports its results for the fourth quarter of 2017 (4Q2017), and 2017, ended December 31, 2017. The information of the Company, except when otherwise stated, are consolidated in accordance with the international standards of IFRS – International Financial Reporting Standards and the monetary values are denominated in Reais.



## 4Q2017 AND 2017 EARNINGS RELEASE



### HIGHLIGHTS

- **Total Gross Revenue 4Q2017**, before consolidation, of R\$ 1.2 billion, an increase of 41.1% in comparison to 4Q2016;
- **4Q2017 Consolidated Net Revenue** of R\$ 853.2 million, 37.1% higher than the one obtained in the 4Q2016 (R\$ 622.4 million);
- **EBITDA 4Q2017** of R\$ 78.4 million, with EBITDA Margin of de 9.2%;
- R\$ 3.6 million of **Net Profit** in the 4Q2017, with net margin of 0.4%, against a net loss of R\$ 48.5 million in the 4Q2016.

### Market Cap (12/31/2017)

R\$ 2.3 billion

### Quote RAPT3 and RAPT4 (12/31/2017)

**RAPT3:** R\$ 5.25

**RAPT4:** R\$ 7.17

### Conference Call 4Q2017

**March 14, Wednesday,**

- 11:00 h Brasília Time and 10:00 h New York Time
- Dial-in from Brasil: +55 (11) 3193-1001/ 2820-4001
- Dial-in from the United States: +1 646 828-8246
- **Webcasting**
- [www.choruscall.com.br/randon/4q17.htm](http://www.choruscall.com.br/randon/4q17.htm)

**MAIN FIGURES (R\$ THOUSANDS)**

	4Q2017	4Q2016	Δ%	2017	2016	Δ%
<b>Total Gross Revenue (*)</b>	1,223,089	866,780	41.1%	4,215,630	3,680,156	14.6%
Domestic market	1,098,517	737,566	48.9%	3,721,850	3,154,584	18.0%
Foreign market	124,572	129,215	-3.6%	493,780	525,573	-6.0%
Foreign market in US\$	39,922	39,568	0.9%	155,394	151,560	2.5%
<b>Consolidated Net Revenue</b>	853,213	622,388	37.1%	2,936,759	2,623,976	11.9%
Consolidated Gross Profit	202,867	115,474	75.7%	697,004	520,907	33.8%
Gross Margin (%)	23.8%	18.6%	520 bps	23.7%	19.9%	390 bps
<b>Consolidated Net Profit</b>	3,575	-48,490	-107.4%	46,712	-67,205	169.5%
Net Margin (%)	0.4%	-7.8%	820 bps	1.6%	-2.6%	420 bps
<b>Consolidated EBITDA</b>	78,372	1,034	7478.5%	308,228	142,717	116.0%
EBITDA Margin (%)	9.2%	0.2%	900 bps	10.5%	5.4%	510 bps

(\*) Without eliminating intercompany sales

**CONSOLIDATED NET REVENUE BREAKDOWN BY COMPANY**

	4Q2017				4Q2016	
	NET REVENUE	INTER-COMPANY SALES	CONSOLIDATED NET REVENUE	% OVER REVENUE	CONSOLIDATED NET REVENUE	% OVER REVENUE
Randon S.A. Impl. e Participações (Parent Company)	381,757	39,418	342,339	40.1%	248,517	39.9%
Randon Impl. p/o Transporte Ltda.	32,627	-	32,627	3.8%	8,349	1.3%
Randon Perú S.A.C.	80	-	80	0.0%	-	0.0%
Randon Argentina S.A.	23,842	-	23,842	2.8%	19,878	3.2%
International Offices	355	338	17.04	0.0%	-	0.0%
<b>Vehicles and Road Equipment</b>	438,661	39,756	398,905	46.8%	276,744	44.5%
Master Sist. Automotivos Ltda.	93,360	29,593	63,767	7.5%	43,778	7.0%
Jost Brasil Sistemas Automotivos Ltda.	42,350	12,087	30,264	3.5%	18,338	2.9%
Fras-Le S.A. (Consolidated)	221,527	7,365	214,162	25.1%	191,470	30.8%
Randon S.A. Impl. e Participações (Suspensys)	75,834	2,963	72,871	8.5%	54,397	8.7%
Castertech Fundação e Tecnologia Ltda	67,968	32,579	35,389	4.1%	968	0.2%
<b>Auto parts</b>	501,040	84,587	416,453	48.8%	308,952	49.6%
Randon Administradora de Consórcios Ltda.	31,217	11	31,206	3.7%	27,885	4.5%
Randon Investimentos Ltda.	10,311	3,668	6,643	0.8%	8,808	1.4%
Randon Collection	5	-	5	0.0%	-	0.0%
<b>Financial Services</b>	41,534	3,679	37,855	4.4%	36,693	5.9%
<b>TOTAL</b>	<b>981,235</b>	<b>128,022</b>	<b>853,213</b>	<b>100.0%</b>	<b>622,388</b>	<b>100.0%</b>

R\$ Thousands

**CONSOLIDATED NET REVENUE AND PHYSICAL SALES VOLUME BREAKDOWN**

	4Q2017		4Q2016		Δ% Un.	2017		2016		Δ% Un.
	Un.	% CNR	Un.	% CNR		Un.	% CNR	Un.	% CNR	
<b>Vehicles and Road Equipment</b>		<b>46.8%</b>		<b>44.5%</b>			<b>43.4%</b>		<b>44.4%</b>	
Trailers/ Semi-Trailers (un.)	4,040	36.0%	2,552	31.2%	58.3%	13,117	33.7%	9,850	38.3%	33.2%
Specialty Vehicles (un.)	67	1.3%	50	1.3%	34.0%	349	1.8%	196	3.1%	78.1%
Rail freight cars (un.)	328	9.5%	318	12.0%	3.1%	884	7.9%	1,584	3.0%	-44.2%
<b>Autoparts</b>		<b>48.8%</b>		<b>49.6%</b>			<b>51.5%</b>		<b>50.1%</b>	
Friction Material (ton.)	17,171	25.1%	13,942	30.8%	23.2%	70,363	27.3%	63,601	30.5%	10.6%
Brakes (un.)	121,775	7.5%	84,330	7.0%	44.4%	479,589	7.8%	403,411	7.0%	18.9%
Coupling Systems (un.)	20,421	3.5%	10,596	2.9%	92.7%	74,479	3.6%	49,137	3.1%	51.6%
Suspension and axles (un.)	8,741	8.5%	3,290	6.2%	165.7%	32,152	8.3%	13,114	7.3%	145.2%
Hubs and drums (un.)	51,219	4.1%	21,629	2.5%	136.8%	183,486	4.5%	101,943	2.1%	80.0%
*Castings (ton.)	-	-	4,372	0.2%	-	-	-	16,980	0.1%	-
<b>Financial Services</b>		<b>4.4%</b>		<b>5.9%</b>			<b>5.1%</b>		<b>5.5%</b>	
Coop-payment plan quotas sold	9,911	3.7%	2,997	4.5%	230.7%	13,651	4.1%	11,626	4.1%	17.4%
Randon Investimentos (Randon Bank)	0	0.8%	0	1.4%	-	0	1.0%	0	1.4%	-

**EXPORTS**

	4Q2017	4Q2016	Δ%	2017	2016	Δ%
Randon S/A e Randon SP	10,545	13,247	-20.4%	42,988	49,616	-13.4%
Vehicles division	1,632	437	273.5%	7,684	1,868	311.4%
<b>Vehicles and Road Equipment</b>	12,177	13,684	-11.0%	50,673	51,484	-1.6%
Master	3,580	2,874	24.6%	14,535	11,477	26.6%
Jost	1,331	1,339	-0.6%	5,172	4,553	13.6%
Fras-le	20,837	20,715	0.6%	76,433	79,632	-4.0%
Randon (Suspensys Division)	1,414	693	104.1%	5,830	3,604	61.8%
Castertech	583	263	121.3%	2,751	810	239.5%
<b>Auto parts</b>	27,745	25,884	7.2%	104,722	100,076	4.6%
<b>TOTAL</b>	39,922	39,568	0.9%	155,394	151,560	2.5%

\* Revenues from overseas not included

US\$ Thousands

**EBITDA/EBITDA MARGIN**

	4Q2017	4Q2016	Δ%	2017	2016	Δ%
<b>Consolidated Net Revenue</b>	853,213	622,388	37.1%	2,936,759	2,623,976	11.9%
Cost of Goods Sold	-650,345	-506,914	28.3%	-2,239,754	-2,103,069	6.5%
<b>Consolidated Gross Profit</b>	202,867	115,474	75.7%	697,004	520,907	33.8%
(-) Operating Expenses	-136,318	-114,422	19.1%	-480,240	-457,749	4.9%
(-) Other expenses/income	-20,032	-29,858	-32.9%	-25,818	-41,772	-38.2%
<b>Resultado da Atividade</b>	46,517	-28,805	261.5%	190,946	21,386	792.9%
(+) Depreciation	31,855	29,840	6.8%	117,281	121,331	-3.3%
<b>EBITDA Consolidated</b>	78,372	1,034	7478.5%	308,228	142,717	116.0%
EBITDA Margin (%)	9.2%	0.2%	900 bps	10.5%	5.4%	510 bps

**PERFORMANCE COMPARISON**

	4Q2017	4Q2016	Δ%	2017	2016	Δ%
<b>Total Gross Revenue</b> without eliminations	1,223,089	866,780	41.1%	4,215,630	3,680,156	14.6%
<b>Consolidated Net Revenue</b>	853,213	622,388	37.1%	2,936,759	2,623,976	11.9%
<b>Consolidated Gross Profit</b>	202,867	115,474	75.7%	697,004	520,907	33.8%
<b>Net Income</b>	3,575	-48,490	107.4%	46,712	-67,205	169.5%
<b>Operating Shareholders' Equity (EBIT)</b> - Consolidated	46,517	-28,805	261.5%	190,946	21,386	792.9%
<b>Consolidated EBITDA</b>	78,372	1,034	7478.5%	308,228	142,717	116.0%
<b>Consolidated Net Financial Debt</b>	-	-	-	553,265	613,529	-9.8%
<b>Consolidated Net Financial Debt</b> (without Randon Bank)	-	-	-	351,946	385,574	-8.7%
<b>Consolidated Net Financial Income</b>	-13,476	389	3562.2%	-37,002	-20,305	82.2%
Financial Income	52,830	89,525	-41.0%	262,296	356,035	-26.3%
Financial Expenses	-66,307	-89,136	-25.6%	-299,298	-376,340	-20.5%
<b>Consolidated Administrative and Commercial Expenses</b>	-136,318	-114,422	19.1%	-480,240	-457,749	4.9%
<b>Consolidated Income per Share</b>				0.14	-0.21	165.0%

**INVESTMENTS**

	4Q2017	4Q2016	Δ%	2017	2016	Δ%
Randon S.A. Implementos e Participações	29.587	5.953	397,0%	66.724	25.221	164,6%
Randon Impl. para o Transporte Ltda.	1	-	-	1	180	-99,2%
Randon Argentina S.A.	307	- 13	-2447,4%	623	358	74,0%
Randon Automotive Ltda.	-	6	-100,0%	-	7	-100,0%
Randon Perú S.A.C.	918	-	-	1.495	-	-
Master Sistemas Automotivos Ltda.	2.100	832	152,4%	4.511	2.459	83,4%
JOST Brasil Sistemas Automotivos Ltda.	2.097	1.670	25,6%	3.926	3.018	30,1%
Fras-le S.A.	28.428	3.690	670,5%	44.959	10.422	331,4%
Castertech Fundação e Tecnologia Ltda.	6.722	310	2065,9%	8.137	1.470	453,5%
Randon Adm. de Consórcios Ltda.	42	22	92,7%	198	95	108,9%
Randon Investimentos Ltda.	-	-	-	39	-	-
<b>SUBTOTAL</b>	<b>70.202</b>	<b>12.469</b>	<b>463,0%</b>	<b>130.614</b>	<b>43.231</b>	<b>202,1%</b>
Aquisition of Fras-le Subsidiaries	85.428	-	-	85.428	-	-
Increase of shareholding Participation at Fras-le	-	-	-	-	158.144	-100,0%
<b>TOTAL</b>	<b>155.630</b>	<b>12.469</b>	<b>1148,1%</b>	<b>216.042</b>	<b>201.375</b>	<b>7,3%</b>

R\$ Million

## CONSOLIDATED FINANCIAL STATEMENTS (R\$ THOUSANDS)

	4Q2017	%	4Q2016	%	2017	%	2016	%	4Q2017/ 4Q2016	2017/2016
<b>Gross Revenue</b>	1,059,109	124.1%	775,081	124.5%	3,661,113	124.7%	3,285,415	125.2%	36.6%	11.4%
Deduction in Gross Revenue	-205,896	-24.1%	-152,693	-24.5%	-724,355	-24.7%	-661,439	-25.2%	34.8%	9.5%
<b>Net Revenue</b>	<b>853,213</b>	<b>100.0%</b>	<b>622,388</b>	<b>100.0%</b>	<b>2,936,759</b>	<b>100.0%</b>	<b>2,623,976</b>	<b>100.0%</b>	<b>37.1%</b>	<b>11.9%</b>
<b>Costs of Sales and Service</b>	<b>-650,345</b>	<b>-76.2%</b>	<b>-506,914</b>	<b>-81.4%</b>	<b>-2,239,754</b>	<b>-76.3%</b>	<b>-2,103,069</b>	<b>-80.1%</b>	<b>28.3%</b>	<b>6.5%</b>
<b>Gross Profit</b>	<b>202,867</b>	<b>23.8%</b>	<b>115,474</b>	<b>18.6%</b>	<b>697,004</b>	<b>23.7%</b>	<b>520,907</b>	<b>19.9%</b>	<b>75.7%</b>	<b>33.8%</b>
Sales Expenses	-82,785	-9.7%	-71,109	-11.4%	-282,451	-9.6%	-273,732	-10.4%	16.4%	3.2%
Administrative Expenses	-53,533	-6.3%	-43,313	-7.0%	-197,789	-6.7%	-184,017	-7.0%	23.6%	7.5%
Financial Income	-13,476	-1.6%	389	0.1%	-37,002	-1.3%	-20,305	-0.8%	-	82.2%
<i>Financial Revenues</i>	52,830	6.2%	89,525	14.4%	262,296	8.9%	356,035	13.6%	3562.2%	-26.3%
<i>Financial Expenses</i>	-66,307	-7.8%	-89,136	-14.3%	-299,298	-10.2%	-376,340	-14.3%	-41.0%	-20.5%
Other Expenses/Income	-20,032	-2.3%	-29,858	-4.8%	-25,818	-0.9%	-41,772	-1.6%	-32.9%	-38.2%
<b>Result Before Income Tax</b>	<b>33,041</b>	<b>3.9%</b>	<b>-28,416</b>	<b>-4.6%</b>	<b>153,944</b>	<b>5.2%</b>	<b>1,081</b>	<b>0.0%</b>	<b>-216.3%</b>	<b>14146.9%</b>
Provision for Income Tax and Social Cont.	-19,581	-2.3%	-10,598	-1.7%	-49,208	-1.7%	-12,447	-0.5%	84.8%	295.3%
Interest of non-controlling shareholders	-9,885	-1.2%	-9,476	-1.5%	-58,024	-2.0%	-55,839	-2.1%	4.3%	3.9%
<b>Net Income for the Period</b>	<b>3,575</b>	<b>0.4%</b>	<b>-48,490</b>	<b>-7.8%</b>	<b>46,712</b>	<b>1.6%</b>	<b>-67,205</b>	<b>-2.6%</b>	<b>-107.4%</b>	<b>-169.5%</b>
<b>EBIT</b>	<b>46,517</b>	<b>5.5%</b>	<b>-28,805</b>	<b>-4.6%</b>	<b>190,946</b>	<b>6.5%</b>	<b>21,386</b>	<b>0.8%</b>	<b>-261.5%</b>	<b>792.9%</b>
<b>EBITDA</b>	<b>78,372</b>	<b>9.2%</b>	<b>1,034</b>	<b>0.2%</b>	<b>308,228</b>	<b>10.5%</b>	<b>142,717</b>	<b>5.4%</b>	<b>7478.5%</b>	<b>116.0%</b>
<b>EBITDA Margin (%)</b>	<b>9.2%</b>		<b>0.2%</b>		<b>10.5%</b>		<b>5.4%</b>		<b>900 bps</b>	<b>510 bps</b>

**FINANCIAL STATEMENTS CONSOLIDATED BY SEGMENT 4Q2017 (R\$ THOUSANDS)**

	Vehicles and Trailers/Semi-trailers			Auto Parts			Financial Services			Consolidated		
	4Q2017	4Q2016	Δ%	4Q2017	4Q2016	Δ%	4Q2017	4Q2016	Δ%	4Q2017	4Q2016	Δ%
<b>Gross Revenue</b>	479,663	331,530	44.7%	537,637	403,317	33.3%	41,809	40,234	3.9%	1,059,109	775,081	36.6%
Deduction in Gross Revenue	-80,757	-54,787	47.4%	-121,185	-94,365	28.4%	-3,954	-3,541	11.7%	-205,896	-152,693	34.8%
<b>Net Revenue</b>	<b>398,905</b>	276,744	44.1%	<b>416,453</b>	308,952	34.8%	<b>37,855</b>	36,693	3.2%	<b>853,213</b>	622,388	37.1%
<b>Costs of Sales and Service</b>	<b>-336,806</b>	-264,679	27.3%	<b>-312,167</b>	-240,406	29.8%	<b>-1,372</b>	-1,829	-25.0%	<b>-650,345</b>	-506,914	28.3%
<b>Gross Profit</b>	<b>62,099</b>	12,065	414.7%	<b>104,286</b>	68,545	52.1%	<b>36,483</b>	34,864	4.6%	<b>202,867</b>	115,474	75.7%
GROSS Margin (%)	15.6%	4.4%	11.2 bps	25.0%	22.2%	2.9 bps	96.4%	95.0%	1.4 bps	23.8%	18.6%	5.2 bps
Operating Expenses	-52,598	-50,049	5.1%	-76,279	-67,746	12.6%	-27,472	-26,485	3.7%	-156,350	-144,279	8.4%
<b>EBIT</b>	<b>9,501</b>	-37,984	125.0%	<b>28,006</b>	799	3404.4%	<b>9,011</b>	8,379	7.5%	<b>46,517</b>	-28,805	261.5%
<b>EBITDA</b>	<b>18,358</b>	-28,143	165.2%	<b>50,910</b>	20,685	146.1%	<b>9,104</b>	8,492	7.2%	<b>78,372</b>	1,034	7478.5%
<b>EBITDA Margin(%)</b>	<b>4.6%</b>	-10.2%	14.8 bps	<b>12.2%</b>	6.7%	5.5 bps	<b>24.1%</b>	23.1%	0.9 bps	<b>9.2%</b>	0.2%	9.0 bps

**FINANCIAL STATEMENTS CONSOLIDATED BY SEGMENT 2017 (R\$ THOUSANDS)**

	Vehicles and Trailers/Semi-trailers			Auto Parts			Financial Services			Consolidated		
	2017	2016	Δ%	2017	2016	Δ%	2017	2016	Δ%	2017	2016	Δ%
<b>Gross Revenue</b>	1,530,360	1,429,300	7.1%	1,966,227	1,697,997	15.8%	164,526	158,118	4.1%	3,661,113	3,285,415	11.4%
Deduction in Gross Revenue	-255,461	-264,346	-3.4%	-453,661	-383,377	18.3%	-15,233	-13,716	11.1%	-724,355	-661,439	9.5%
<b>Net Revenue</b>	<b>1,274,900</b>	1,164,954	9.4%	<b>1,512,566</b>	1,314,621	15.1%	<b>149,293</b>	144,402	3.4%	<b>2,936,759</b>	2,623,976	11.9%
<b>Costs of Sales and Service</b>	<b>-1,102,054</b>	-1,092,253	0.9%	<b>-1,131,881</b>	-1,002,142	12.9%	<b>-5,819</b>	-8,674	-32.9%	<b>-2,239,754</b>	-2,103,069	6.5%
<b>Gross Profit</b>	<b>172,845</b>	72,701	137.7%	<b>380,685</b>	312,479	21.8%	<b>143,473</b>	135,728	5.7%	<b>697,004</b>	520,907	33.8%
GROSS Margin (%)	13.6%	6.2%	7.3 bps	25.2%	23.8%	1.4 bps	96.1%	94.0%	2.1 bps	23.7%	19.9%	3.9 bps
Operating Expenses	-163,030	-188,833	-13.7%	-240,595	-211,528	13.7%	-102,433	-99,161	3.3%	-506,058	-499,522	1.3%
<b>EBIT</b>	<b>9,816</b>	-116,132	108.5%	<b>140,091</b>	100,951	38.8%	<b>41,040</b>	36,567	12.2%	<b>190,946</b>	21,386	792.9%
<b>EBITDA</b>	<b>46,313</b>	-76,528	160.5%	<b>220,473</b>	182,211	21.0%	<b>41,441</b>	37,034	11.9%	<b>308,228</b>	142,717	116.0%
<b>EBITDA Margin(%)</b>	<b>3.6%</b>	-6.6%	10.2 bps	<b>14.6%</b>	13.9%	0.7 bps	<b>27.8%</b>	25.6%	2.1 bps	<b>10.5%</b>	5.4%	5.1 bps