

INSTITUTIONAL PROFILE
1Q2017

Empresas RANDON presente na sua vida

RESULTS
1Q2017

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Significant Information

We make forward-looking statements that are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of our management and on information currently available to us. Forward-looking statements include statements regarding our intent, belief or current expectations or that of our directors or executive officer.

Forward-looking statements also include information concerning our possible or assumed future results of operations as well as statements preceded by, followed by, or that include the words "believes", "may", "will", "continues","expects","anticipates","intends","plans","estimates" or similar expressions.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur. Our future results and shareholder values may differ materially from those expressed in or suggested by these forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict.

Randon Profile

Foundation	IPO	Employees	Market Cap
1949	1971	7,508	R$ 1.5 billion



- leader in the 4th biggest automotive market in the world;
- among the 10 biggest manufacturers of trailers;
- leader in Brazil in all auto parts produced by the Company.

- fast and constant growing;
- present in all Brazilian economy sectors;
- international exposure through exports and foreign operations.

- one of the main suppliers in the Brazilian commercial vehicles chain;
- complementary products and integrated industrial sites;
- traditional partnerships and worldwide exposure.

- one of the most respected brands in transportation in Latam;
- elected among the best companies to work in Latam;
- regular investments in R&D.



Randon Profile

Consolidated Net Revenue Distribution by Segment | 1Q2017



40.6% Vehicles and Trailers

- ✓ Among the 10 biggest manufacturers of road equipment in the world;
- ✓ Second major manufacturer of rail cars in Brazil;
- ✓ The largest Brazilian manufacturer of specialty vehicles of up to 30 tons.
- ✓ One of the biggest manufacturers of backhoe loaders in Brazil.



53.1% Auto Parts

- ✓ One of the biggest friction material manufacturers in the Western hemisphere;
- ✓ The largest producer of air brakes for commercial vehicles in Brazil;
- ✓ Leader in production of friction material, air breaks, axles and suspension systems and coupling components for commercial vehicles.



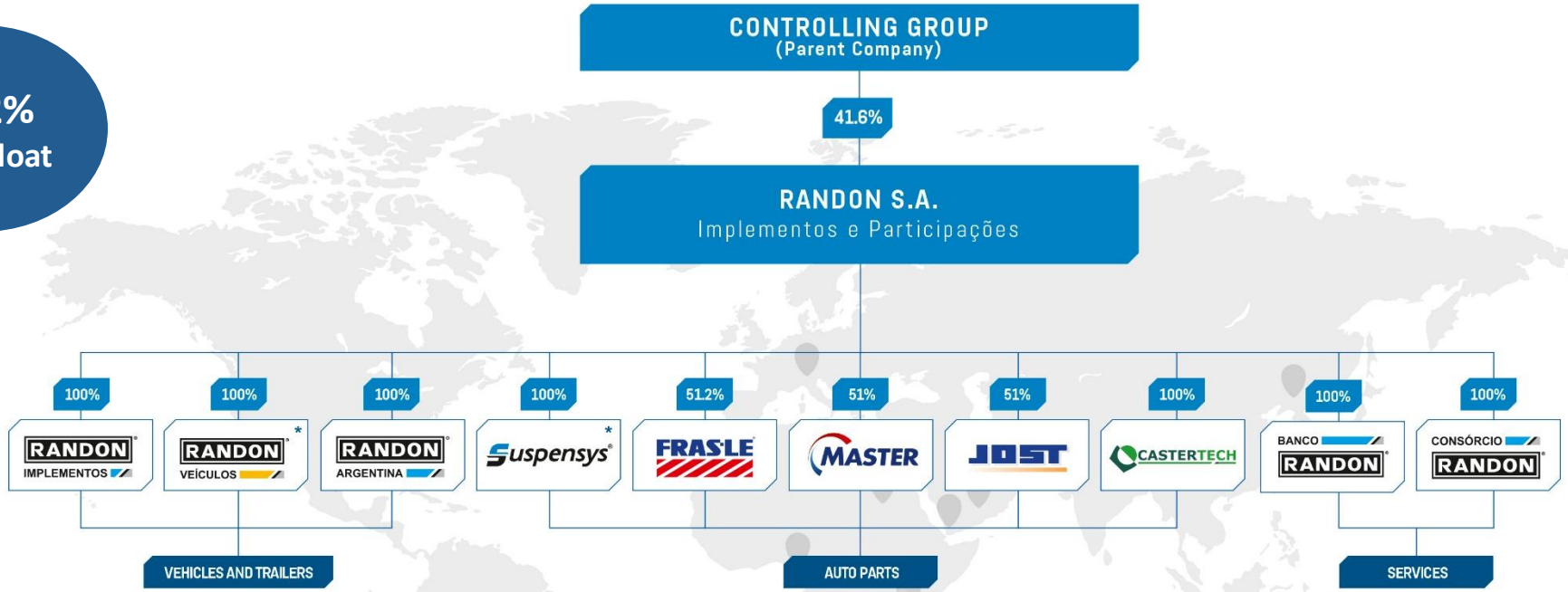
6.3% Financial Services

- ✓ One of the biggest consortium companies for commercial vehicles in Brazil;
- ✓ In-house bank to finance clients and suppliers.

Randon Profile

Corporate Structure

58.2%
Free Float



80.0%
Tag Along

Total Stocks	345,775,809
RAPT3	229,260,282
RAPT4	116,515,527

NÍVEL 1
BM&FBOVESPA

SMLL INDX IBRX ITAG IGC

*Branch of Randon S/A Impl. e Participações.

Randon Profile

Operational Structure



RANDON COMPANIES **IN THE WORLD**

Industrial Parks | International offices | Assembly and CKD Units | Warehouses

BRAZIL | USA | MEXICO | CHILE | ARGENTINA | GERMANY | ALGERIA | KENYA | SOUTH AFRICA | CHINA | DUBAI | EGYPT

Vehicles and Trailers





Physical Volume Sales | % Breakdown of Revenues by Segment

	1Q2017		1Q2016		Δ% Un.	1Q2017		4Q2016		Δ% Un.
	Un.	% CNR	Un.	% CNR		Un.	% CNR	Un.	% CNR	
Vehicles and Road Equipment		**40.6%**		**51.3%**			**40.6%**		**44.5%**	
Trailers / Semi-Trailers (un.)	2,423	31.0%	2,303	26.0%	5.2%	2,423	31.0%	2,552	31.1%	-5.1%
Specialty Vehicles (un.)	84	2.0%	45	1.2%	86.7%	84	2.0%	50	1.3%	68.0%
Rail Freight Cars (un.)	169	7.5%	726	24.0%	-76.7%	169	7.5%	318	12.0%	-46.9%

Physical Volume Sold over the last 5 Years

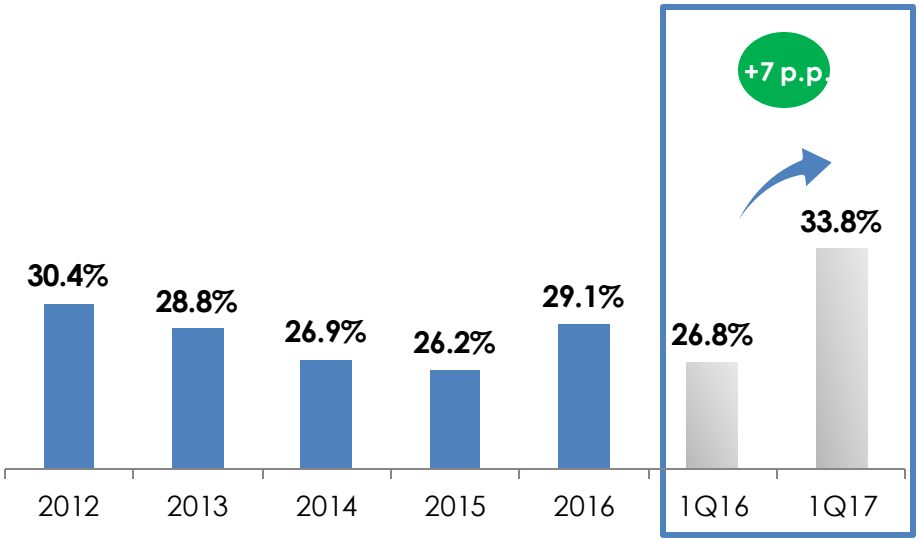
Products	2012	2013	2014	2015	2016
Trailers / Semi-Trailers	21,106	25,489	16,619	10,584	9,850
Specialty Vehicles	1,085	1,316	580	355	196
Rail Freight Cars	862	322	1,356	1,999	1,584



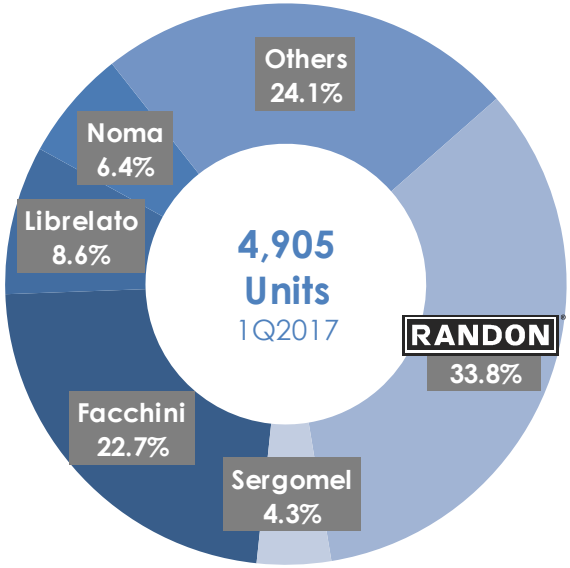
Vehicles and Trailers

Leader in the Domestic Market

Trailers
Market Share Randon | 1Q2017



Trailers
Total Market | 1Q2017





RANDON

Vehicles and Trailers

Market Characteristics

Fragmented base of clients	strong distribution dealers in all main markets
Import barriers	logistics costs | regulation | import tax | financing
Exposure to all economic segments	direct relation with Brazilian GDP
Concentrated exports	Latam and African markets



Grain Trailers

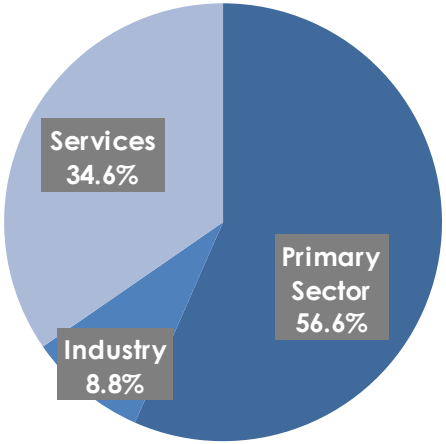


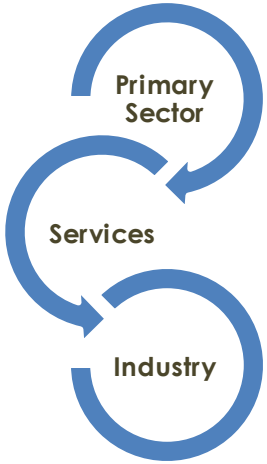
Tipper/Dump Trailers



Tankers

Sales by Segment | 1Q2017





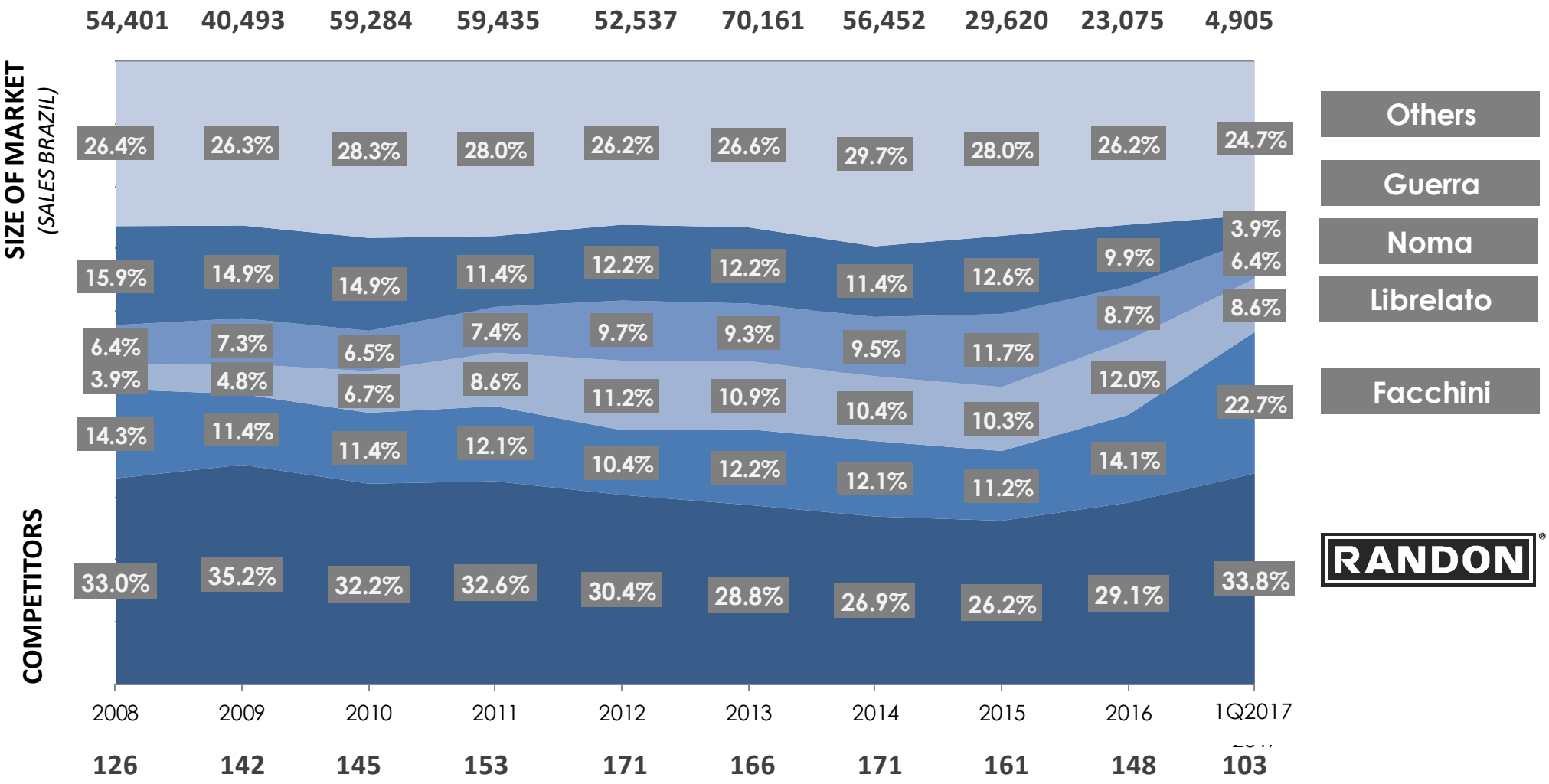
General Cargo, Grain , Sugar-Cane, Forestry and Reefers trailers.

Tippers, Skeletal Bases for Containers, Low Bed and Carbon Steel Tankers.

Platforms, General Cargo, Siders, Van and Stainless steel tankers.

Vehicles and Trailers

Leader in the Domestic Market



Auto Parts



Suspensys® FRAS-LE MASTER JOST CASTERTECH

Auto Parts

Physical Volume Sales | % Breakdown of Revenues by Segment

	1Q2017		1Q2016		Δ% Un.	1Q2017		4Q2016		Δ% Un.
	Un.	% CNR	Un.	% CNR		Un.	% CNR	Un.	% CNR	
Auto Parts		**53.1%**		**43.9%**			**53.1%**		**49.6%**	
Friction Material (ton.)	17,432	29.4%	16,476	27.3%	5.8%	17,432	29.4%	13,942	30.8%	25.0%
Brakes(un.)	108,944	8.1%	97,933	5.7%	11.2%	108,944	8.1%	84,330	7.0%	29.2%
Coupling Systems (un.)	13,908	3.6%	12,979	2.9%	7.2%	13,908	3.6%	10,596	2.9%	31.3%
Axles and Suspensions(un.)	6,535	7.8%	3,017	6.1%	116.6%	6,535	7.8%	3,290	6.9%	98.6%
Wheel Ends (un.)	32,597	4.2%	25,012	1.8%	30.3%	32,597	4.2%	21,629	1.8%	50.7%
**Castings (ton.)*	-	-	3,967	0.1%	-	-	-	4,372	0.2%	-

* On January 1st, 2017, the production of Wheel Ends was transferred from the subsidiary of the Parent Company, Suspensys, to the subsidiary Castertech Fundição e Tecnologia Ltda. with the objective of reorganizing the process, gaining agility and productivity in the manufacture of these items. For this reason, the products that will represent the subsidiary Castertech in the physical volume table as of this quarter will be shown as Wheel Ends (Hubs and Drums), and the Castings volumes will no longer be demonstrated.









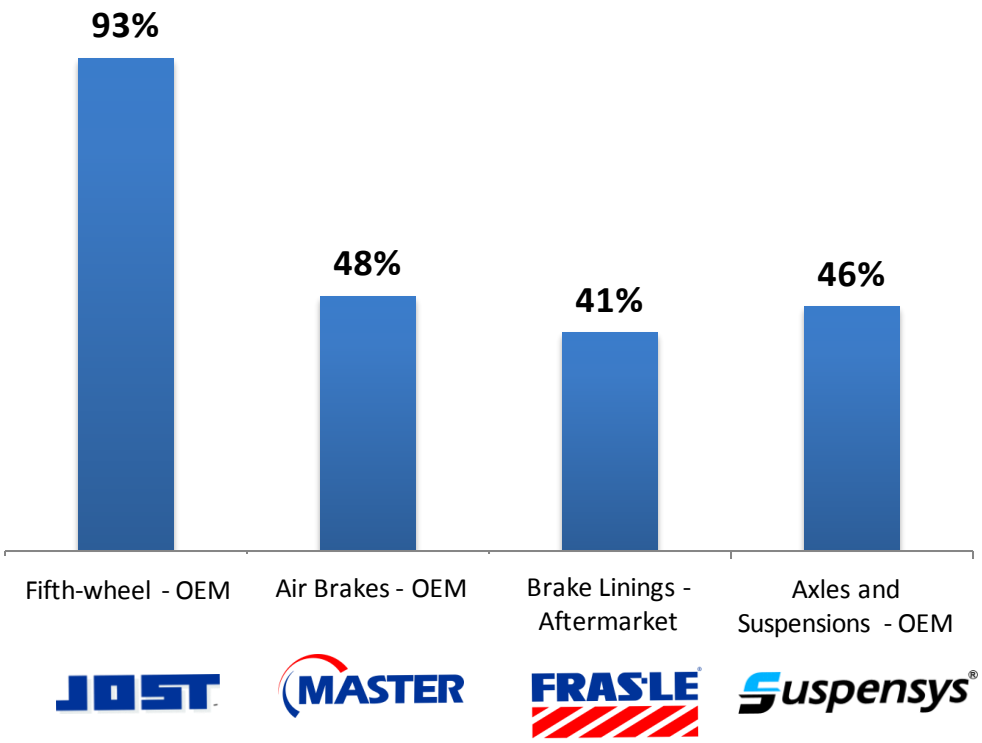


Auto Parts

Leader in the Domestic Market

Market Share

Main component in each controlled company
1Q2017



Main Competitors

Brakes	Knorr (Germany) – unit in SP Wabco (USA) – unit in SP Guerra – Brazil/RS Silpa – Brazil/RS Captive Market – (MB, Scania)
Axles and Suspensions	Hendrickson (USA) BPW (Germany) SAF Holland (USA and Germany) – Unit in SP Fuwa (China) HBZ – Brazil/SP
Articulation Systems	Fontaine (USA) – Unit in PR GF – George Fischer (Switzerland) – office in RS Fuwa (China)
Friction Materials	SYL – Brazil/SP TRW (USA) – Unit in São Paulo Brakeparts – Brazil/SP Nakata (USA) – Unit in São Paulo

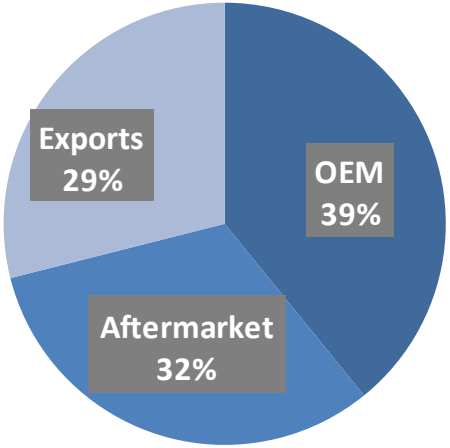
Auto Parts

Market Characteristics and Sales by Segments

Concentrated base of clients	big clients play a major role in sales
Moderated imports	simultaneous engineering | import tax | financing
Exposure to all economic segments	direct relation with the Brazilian GDP and OEM production
Exports concentrated in NAFTA	mainly USA market



Sales by Segment | 1Q2017





OEM – Original Equipment Manufacturer of commercial vehicles – trucks, buses and trailers.

Aftermarket – Replacement parts.

Exports – Parts for OEMs abroad as well as for the international aftermarket.

Highlights – 1Q2017



Trailers

***Production

1Q2016	1Q2017	4Q2016
6,839	5,828	5,889
	-14.8%	-1.0%

**Sales

1Q2016	1Q2017	4Q2016
6,041	4,905	4,717
	-18.8%	+4.0%

*Source: ANFAVEA



Trucks

*Production

1Q2016	1Q2017	4Q2016
15,136	15,748	14,099
	+4.0%	+11.7%

*Sales

1Q2016	1Q2017	4Q2016
13,110	9,665	11,694
	-26.3%	-17.4%

** Source: ANFIR



Buses

*Production

1Q2016	1Q2017	4Q2016
4,339	4,113	4,223
	-5.2%	-2.6%

*Sales

1Q2016	1Q2017	4Q2016
2,720	1,789	1,860
	-34.2%	-3.8%

*** Source: ANFIR+Aliceweb

Highlights – 1Q2017

	1Q2017	1Q2016	Δ%	1Q2017	4Q2016	Δ%
Total Gross Revenue (*)	841,488	1,020,513	-17.5%	841,488	866,780	-2.9%
Domestic market	743,135	898,488	-17.3%	743,135	737,566	0.8%
Foreign market	98,353	122,025	-19.4%	98,353	129,215	-23.9%
Foreign market in *US$*	30,920	32,185	-3.9%	30,920	39,568	-21.9%
Consolidated Net Revenue	579,736	734,614	-21.1%	579,736	622,388	-6.9%
Consolidated Gross Profit	118,427	131,017	-9.6%	118,427	115,474	2.6%
Gross Margin (%)	20.4%	17.8%	2.6 p.p.	20.4%	18.6%	1.9 p.p.
Consolidated Net Profit	1,579	-9,556	-116.5%	1,579	-48,490	-103.3%
Net Margin (%)	0.3%	-1.3%	1.6 p.p.	0.3%	-7.8%	8.1 p.p.
Consolidated EBITDA	48,226	46,481	3.8%	48,226	1,034	4,563.4%
EBITDA Margin (%)	8.3%	6.3%	2.0 p.p.	8.3%	0.2%	8.2 p.p.
Adjusted EBITDA	56,474	88,315	-36.1%	56,474	29,476	91.6%
Adjusted EBITDA Margin (%)	9.6%	11.7%	-2.1 p.p.	9.6%	4.7%	4.9 p.p.

(*) Without eliminating intercompany sales

R$ Thousand



Overview – 1Q2017

Business Segments – Vehicles and Trailers

TRAILERS / SEMI-TRAILERS

- The grains harvest is contributing to the reduction of the idle fleet and recovery of freight values.
- One of the reasons for the low volumes of the period was the weak sale of sugar cane semi-trailers, resulting from changes in the legislation of semi-trailers;
- The 1Q2017 registered the sale of 5,828 semi-trailers, a drop of 14.8% over 1Q2016 (6,383 units). Compared to the previous quarter, the decrease was 1% (5,828 in 1Q2017 versus 5,889 in 4Q2016).
- Despite a market still under pressure in volumes, the company recorded a better Market Share year over year (33.8% in 1Q2017 compared to 26.8% in 1Q2016).

Randon named new dealers - Truckvan (SP) and Dipesul Veículos (RS)

Randon signed a contract with a dealer in Ethiopia

Randon wins trophies at the 2017 Transport Preference Award



Overview – 1Q2017

Business Segments – Vehicles and Trailers





RAILCARS

- The seasonality of orders in the railcars segment affected sales volumes in the quarter;
- In 1Q2017 the sale of railcars totaled 169 units, -76.7% when compared to 1Q2016 (726 units);
- Portfolio of products for the next quarter is already defined.

SPECIALTY VEHICLES

- Exports of special vehicles contributed to the increase in volumes sold in 1Q2017;
- Sales in the period totaled 84 units versus 45 units in 1Q2016 (+ 86.7%);
- The company started the commercialization of the mini loaders, used mainly for civil construction.

Randon and Wacker Neuson sign a cooperation agreement for the South American Market

Overview – 1Q2017

Business Segment – Auto Parts

AUTO PARTS

- The production of trucks showed positive numbers in 1Q2017, totaling 15,748 units, growth of 4% in relation to 1Q2016 (15,136 units) and 11.7% in comparison to 4Q2016 (14,099 units).
- The increasing volume of truck exports is sustaining the productive level of the OEMs and compensating the low demand of the domestic market.
- The increasing volumes of auto parts sold by the Company followed the growth of truck production in the period.
- In addition to the domestic market, the company continues to work to find opportunities in the aftermarket and in the international market, which are important revenue alternatives.

Director of the Auto Parts Division speaks at the Asia Brake Conference 2017

Fras-le is the Preferred Brand in Brake Pads

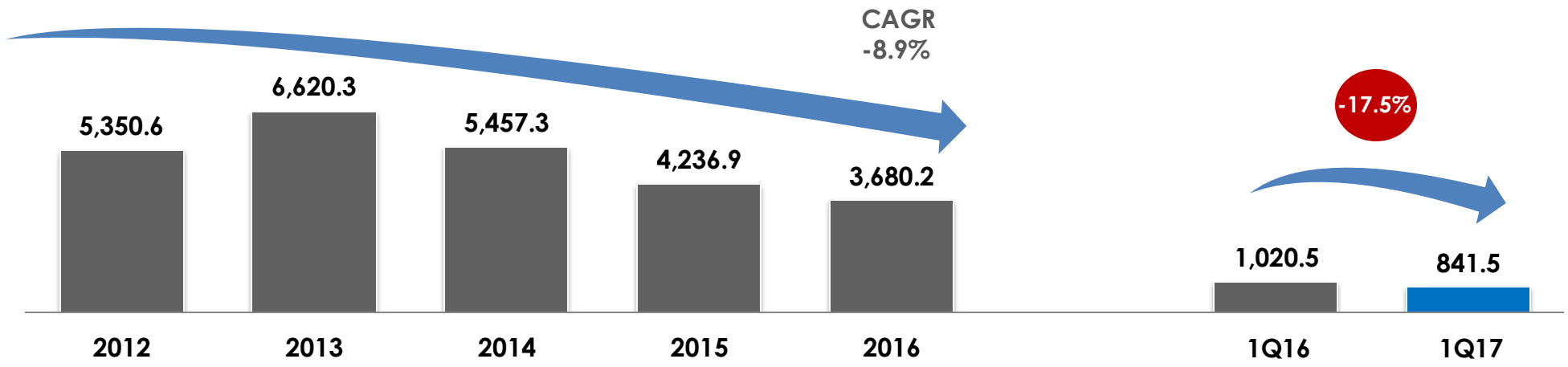


Randon auto parts manufacturers participate in AUTOMEC 2017

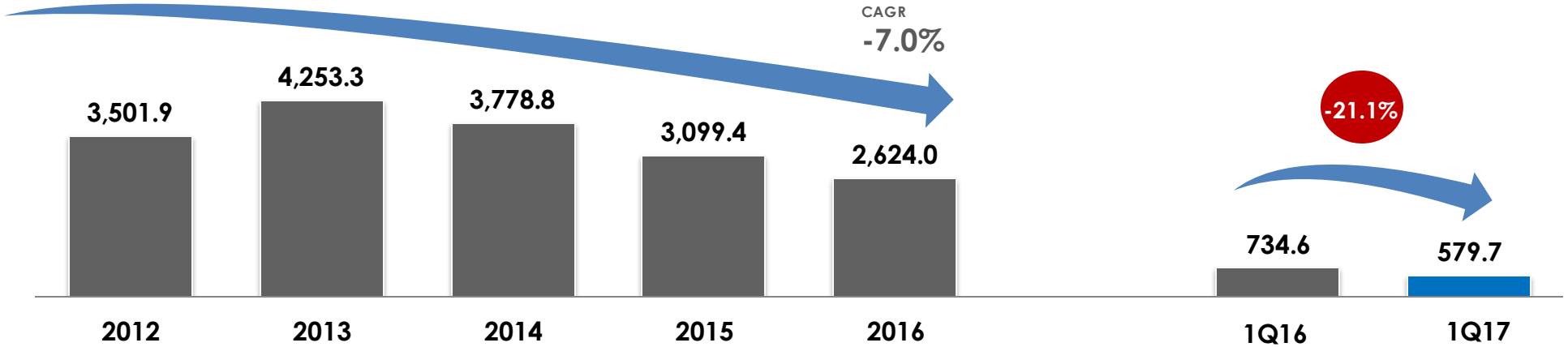
Fras-le exhibit product technology at HDAW in Las Vegas

Financial Results

Total Gross Revenue - Including Intercompany Sales - R$ million

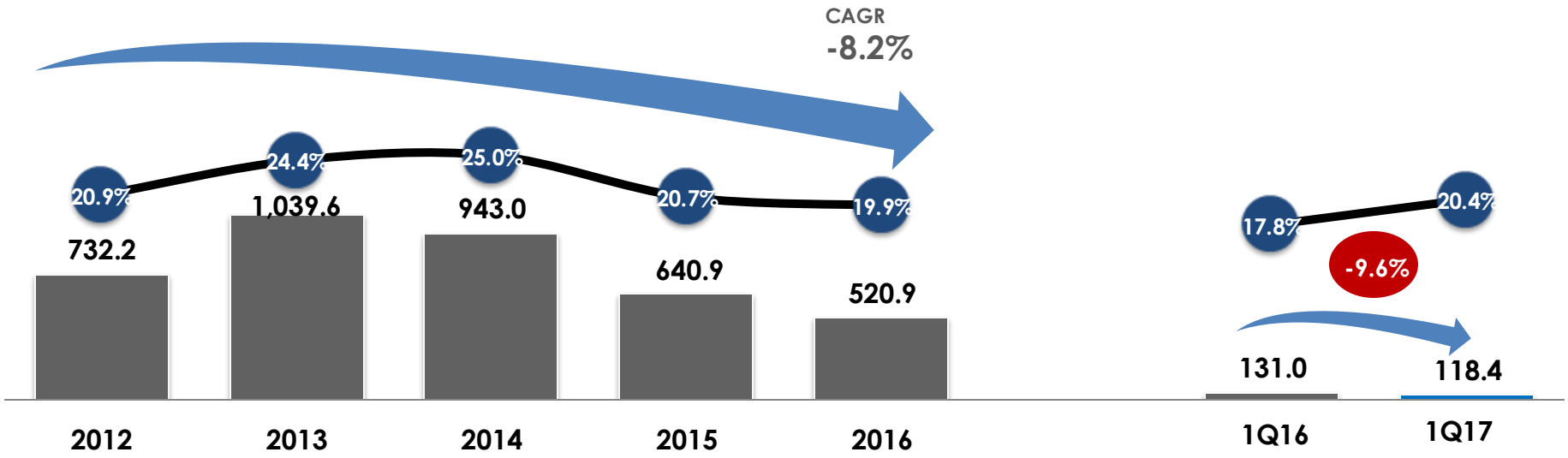


Consolidated Net Revenue - R$ million



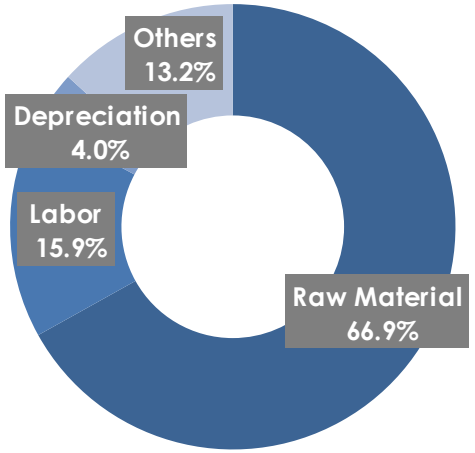
Financial Results

Gross Profit| Gross Margin - R$ million



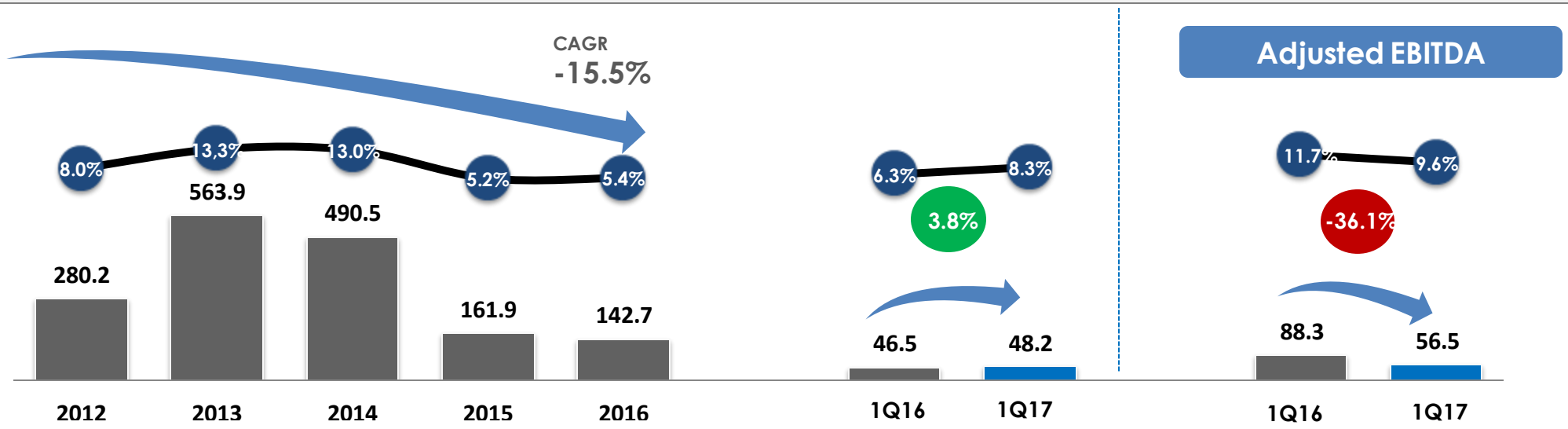
Consolidated COGS Breakdown 1Q2017| R$ million

COGS 1Q2017
R$ 461.3 million
(79.6% of CNR)

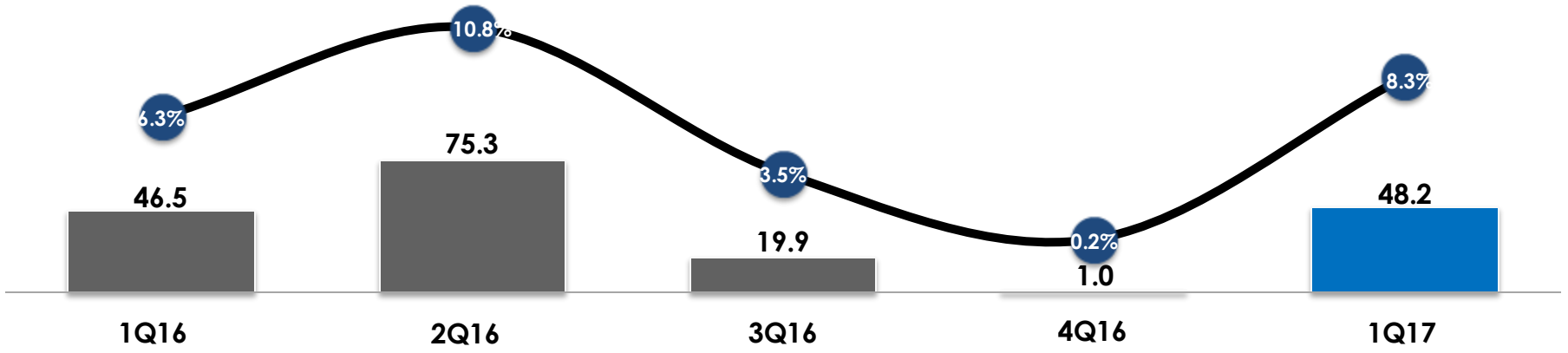


Financial Results

EBITDA | EBITDA Margin - R$ million

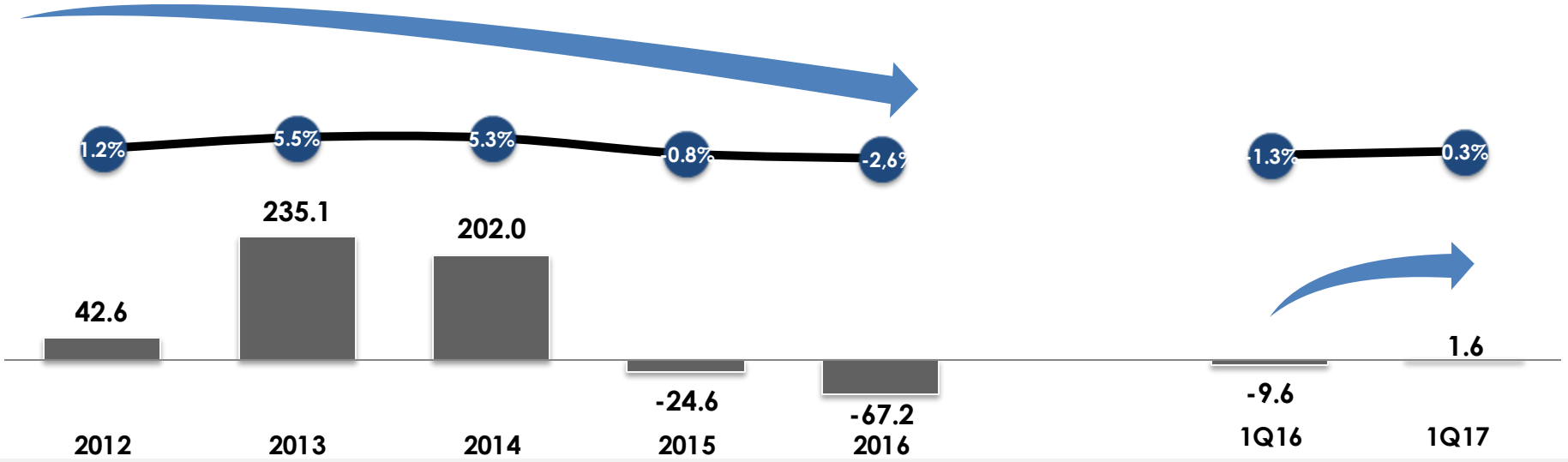


EBITDA | Quarterly EBITDA Margins - R$ million

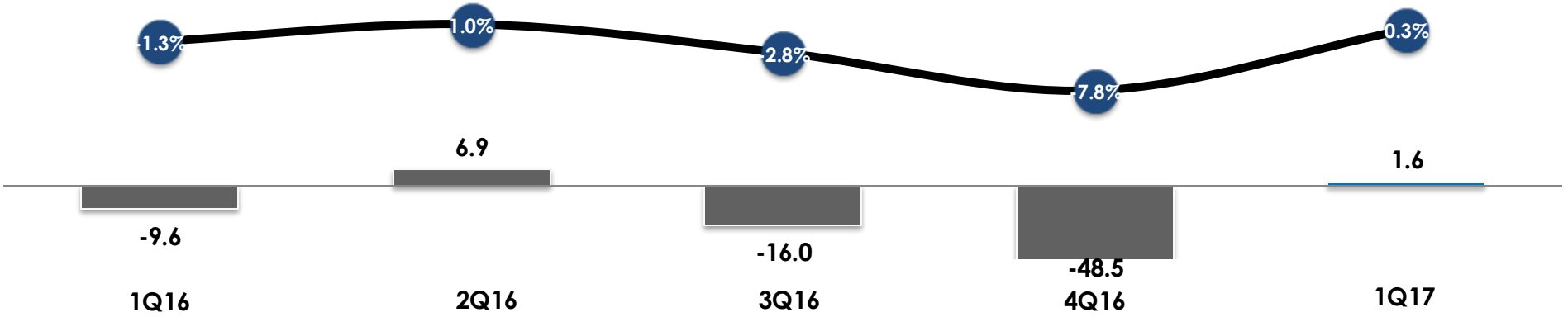


Financial Results

Net Income| Net Margin- R$ million



Net Income| Quarterly Net Margin - R$ million



Financial Results

Consolidated Income Statement by Segment - R$ million/%

	Vehicles and Trailers			Auto Parts			Financial Services			Consolidated		
	1Q2017	1Q2016	Δ%	1Q2017	1Q2016	Δ%	1Q2017	1Q2016	Δ%	1Q2017	1Q2016	Δ%
Gross Revenue	283,356	471,022	-39.8%	406,462	409,851	-0.8%	40,003	38,437	4.1%	729,821	919,310	-20.6%
Deduction in Gross Revenue	-47,911	-94,287	-49.2%	-98,602	-87,251	13.0%	-3,573	-3,159	13.1%	-150,085	-184,696	-18.7%
Net Revenue	**235,445**	376,735	-37.5%	**307,860**	322,600	-4.6%	**36,431**	35,279	3.3%	**579,736**	734,614	-21.1%
Cost of Sales and Services	**-219,451**	-353,025	-37.8%	**-240,206**	-248,114	-3.2%	**-1,652**	-2,458	-32.8%	**-461,308**	-603,596	-23.6%
Gross Profit	**15,994**	23,710	-32.5%	**67,654**	74,487	-9.2%	**34,779**	32,821	6.0%	**118,427**	131,017	-9.6%
GROSS MARGIN (%)	6.8%	6.3%	0.5 p.p.	22.0%	23.1%	-1.1 p.p.	95.5%	93.0%	2.4 p.p.	20.4%	17.8%	2.6 p.p.
Operating Expenses	-23,014	-48,707	-52.7%	-50,216	-44,807	12.1%	-25,879	-22,546	14.8%	-99,109	-116,061	-14.6%
EBIT	**-7,020**	-24,997	-71.9%	**17,439**	29,679	-41.2%	**8,900**	10,275	-13.4%	**19,318**	14,957	29.2%
EBITDA	**2,466**	-14,712	-116.8%	**36,752**	50,795	-27.6%	**9,008**	10,397	-13.4%	**48,226**	46,481	3.8%
EBITDA MARGIN (%)	**1.0%**	-3.9%	5.0 p.p.	**11.9%**	15.7%	-3.8 p.p.	**24.7%**	29.5%	-4.7 p.p.	**8.3%**	6.3%	2.0 p.p.
ADJUSTED EBITDA	**3,785**	19,958	-81.0%	**43,681**	57,630	-24.2%	**9,008**	10,727	-16.0%	**56,474**	88,315	-36.1%
ADJUSTED EBITDA MARGIN (R$)	**1.6%**	5.1%	-3.5 p.p.	**13.9%**	17.7%	-3.8 p.p.	**24.7%**	30.4%	-5.7 p.p.	**9.6%**	11.7%	-2.1 p.p.

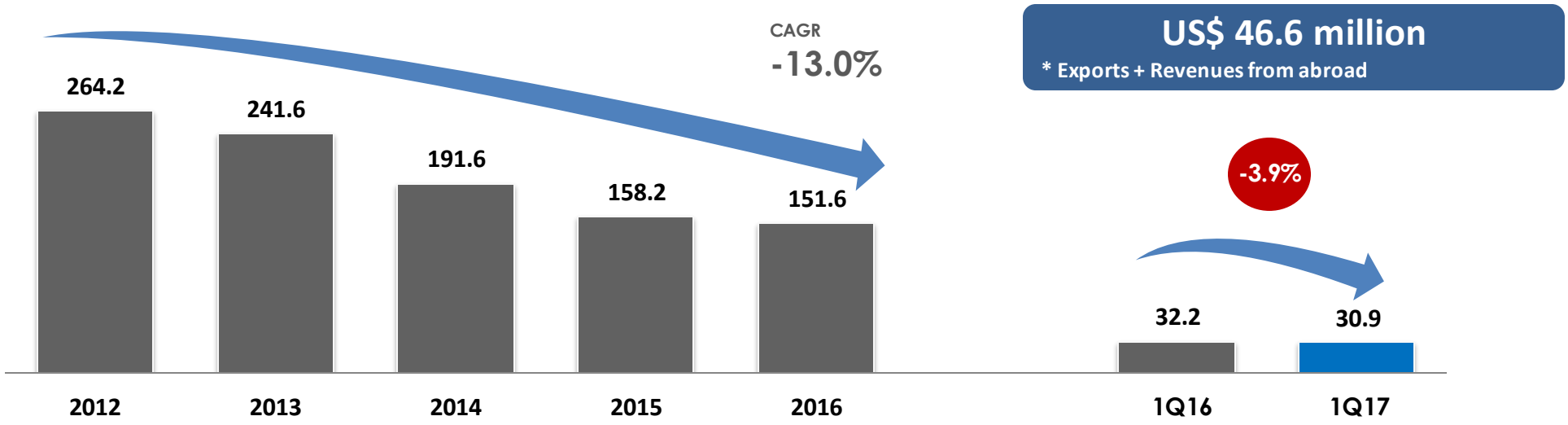
Financial Results

Consolidated Income Statement (by Segment/Quarterly) - R$ million/%

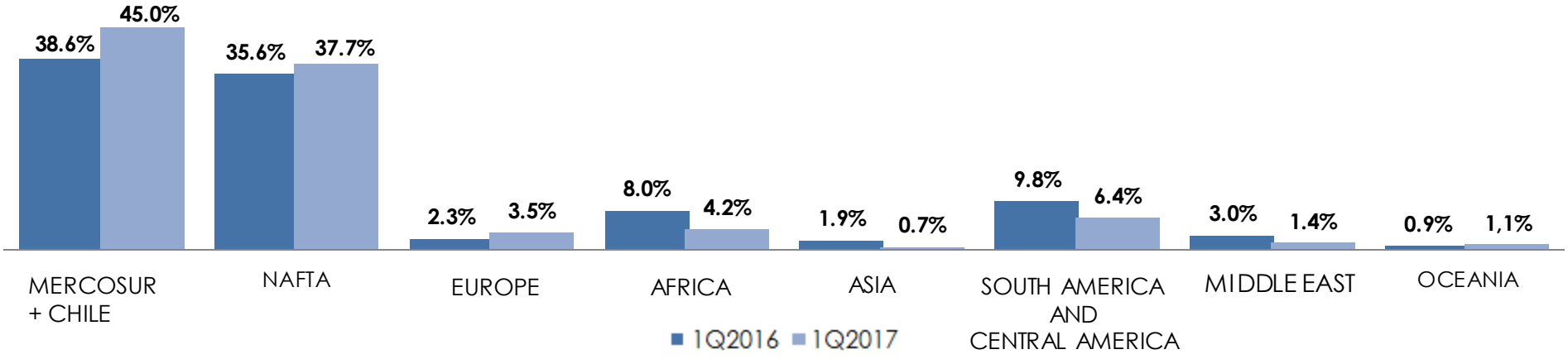
	1Q2016	2Q2016	3Q2016	4Q2016	2016	1Q2017
Consolidated Net Revenue	**734.6**	**696.8**	**570.2**	**622.4**	**2,624.0**	**579.7**
% Vehicles and Trailers	51.3%	47.9%	35.7%	44.5%	44.4%	40.6%
% Auto Parts	43.9%	47.2%	58.0%	49.6%	50.1%	53.1%
% Financial Services	4.8%	5.0%	6.4%	5.9%	5.5%	6,3%
Consolidated Gross Profit	**131.0**	**162.4**	**112.0**	**115.5**	**520.9**	**118.4**
% Gross Margin	17.8%	23.3%	19.7%	18.6%	19.9%	20.4%
EBITDA	**46.5**	**75.3**	**19.9**	**1.0**	**142.7**	**48.2**
% EBITDA Margin	6.3%	10.8%	3.5%	0.2%	5.4%	8.3%
Net Income	**-9.6**	**6.9**	**-16.0**	**-48.5**	**-67.2**	**1.6**
% Net Margin	-1.3%	1.0%	-2.8%	-7.8%	-2.6%	0.3%

Operating Results

Exports - US$ million

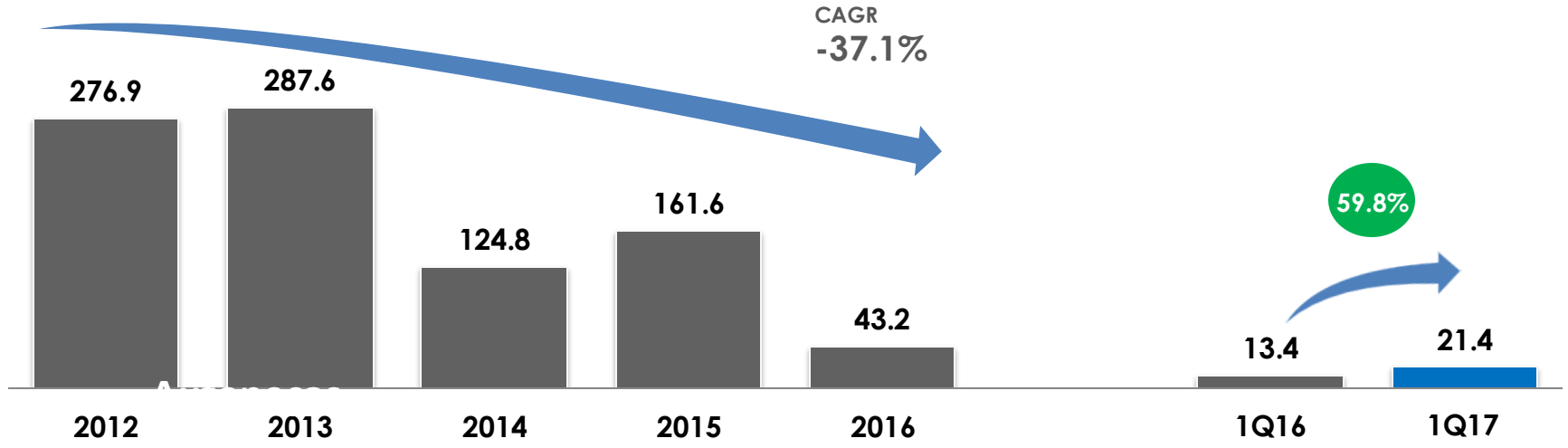


Exports – Destination by Economic Bloc 1Q2017| US$ million

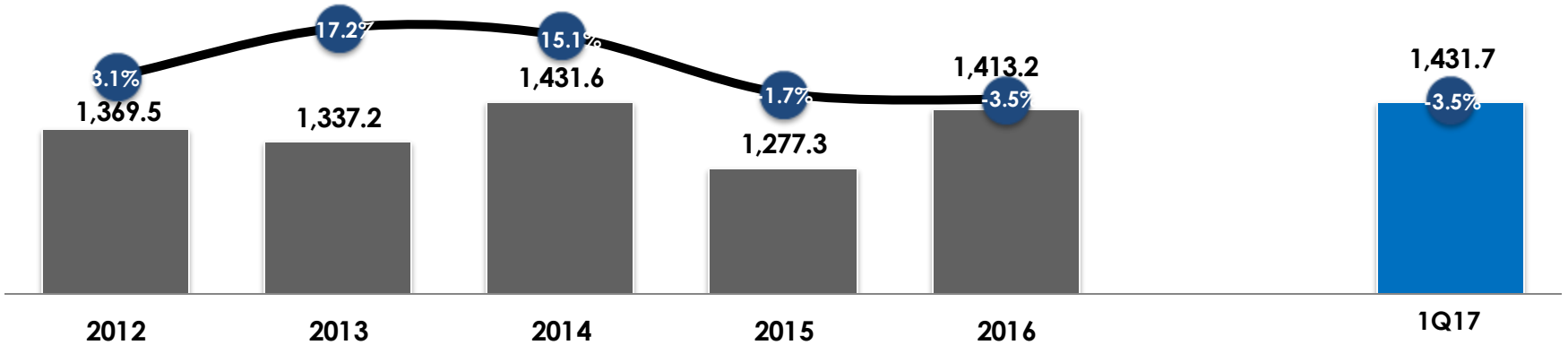


Financial Results

Investments - R$ million



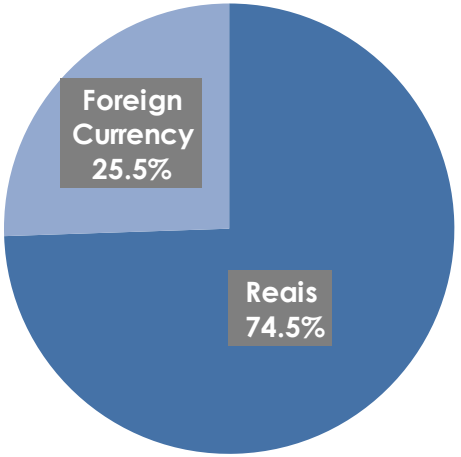
Shareholders' Equity | ROE - R$ million



Financial Results

Gross Debt Breakdown 1Q2017 - R$ | %

Total Gross Debt	R$ 2,294,727,346
Gross debt in BR currency	R$ 1,708,903,537
Gross debt in foreign currency	R$ 585,823,808
USD rate (Mar. 31,2017)	R$ 3.1684

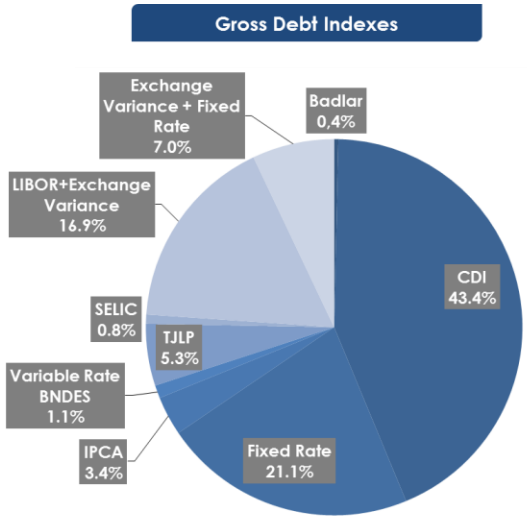


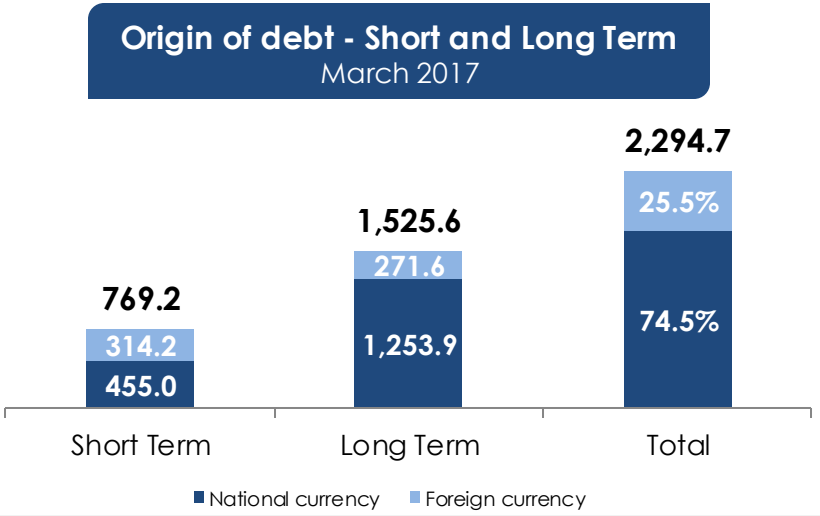
Consolidated Working Capital 1Q2017 - R$ Million



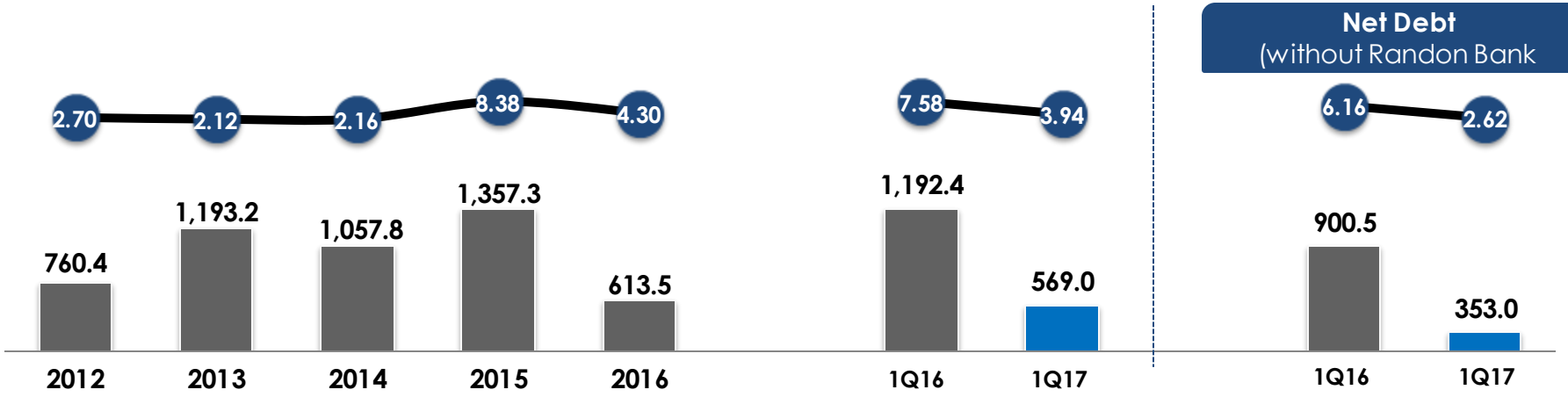
Financial Results

Gross Debt Breakdown 1Q2017 - R$ '000 | %



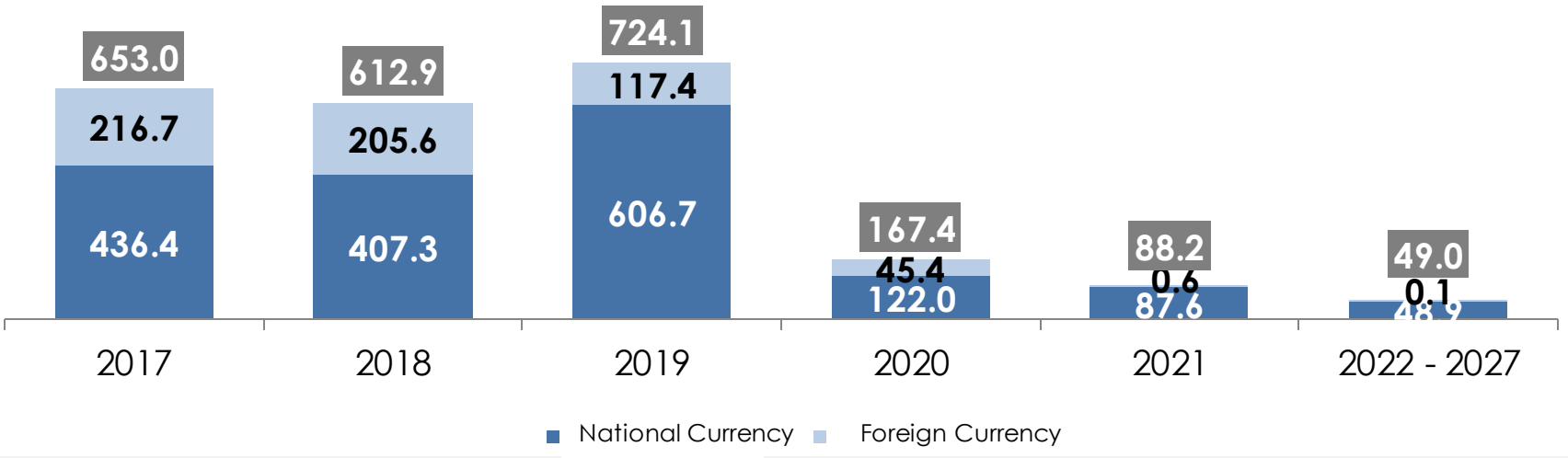


Debt | Net Debt/EBITDA - R$ million



Financial Results

Schedule of Debt Payment 1Q2017 - R$ million

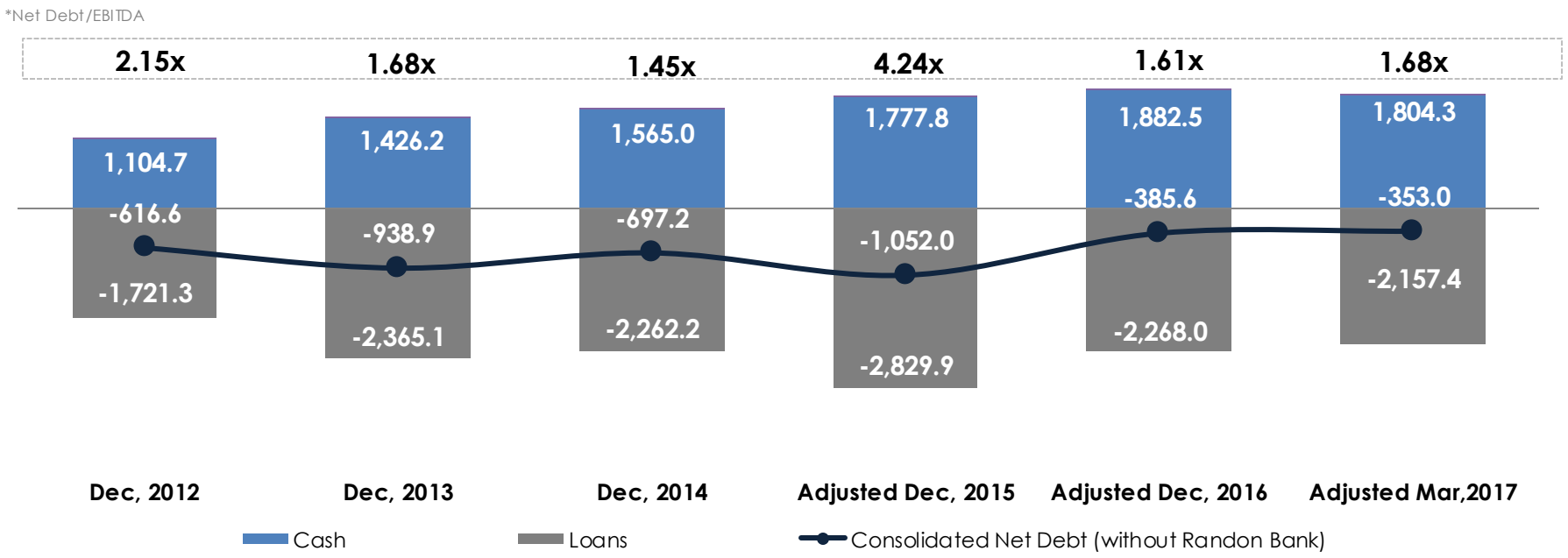


Covenants

COVENANTS	INDEX	BALANCE IN MAR 31, 2017
Net Debt / EBITDA (consolidated without bank)	>= 1.5x	R$ 17.7 Million
Net Debt / EBITDA (consolidated without bank)	>= 3.0x	R$ 117.9 Million
Net Debt / EBITDA (consolidated without bank)	>= 3.5x	R$ 310.5 Million
TOTAL		**R$ 446.1 Million**

Financial Results

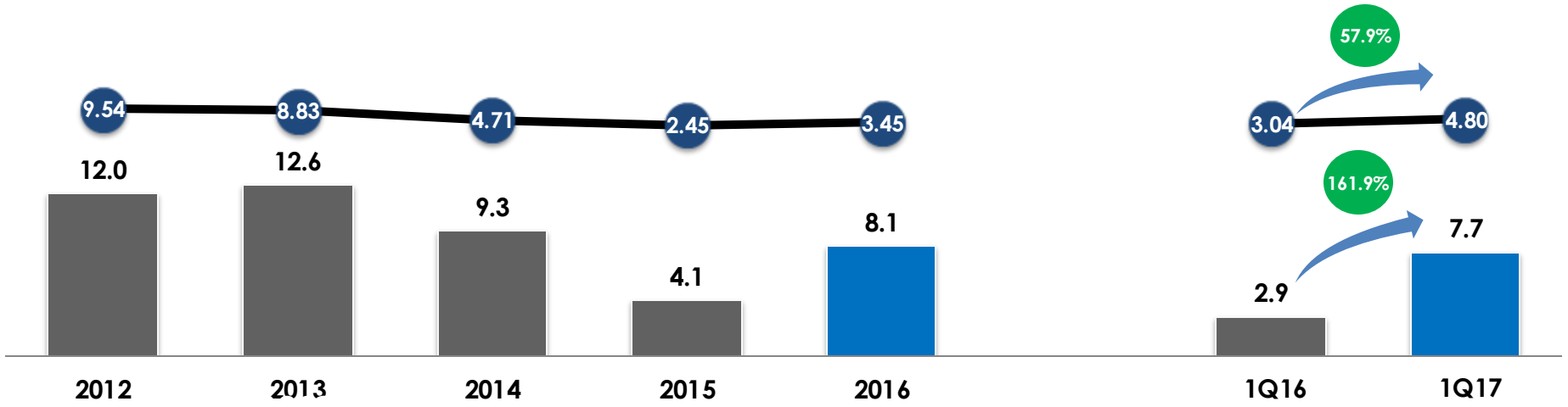
Consolidated Net Debt (without Randon Bank) - R$ million – 1Q2017



The chart above shows the company's debt, without the cash and debt indicators of the Randon Bank.
The comparative EBITDA used to calculate debt is adjusted to the non-recurring effects of the period..
Consolidated net debt at the end of March, 2017, amounts to R$ 569.0 million, a multiple of 3.94x EBITDA over the last 12 Months (2.58x if considering the EBITDA adjusted to the non-recurring effects of the period).
Consolidated net debt (without Randon Bank) at the end March, 2017, amounts to R$ 353.0 million, a multiple of 2.62x EBITDA over the last 12 months (1.68x if considering the EBITDA adjusted to the non-recurring effects of the period).

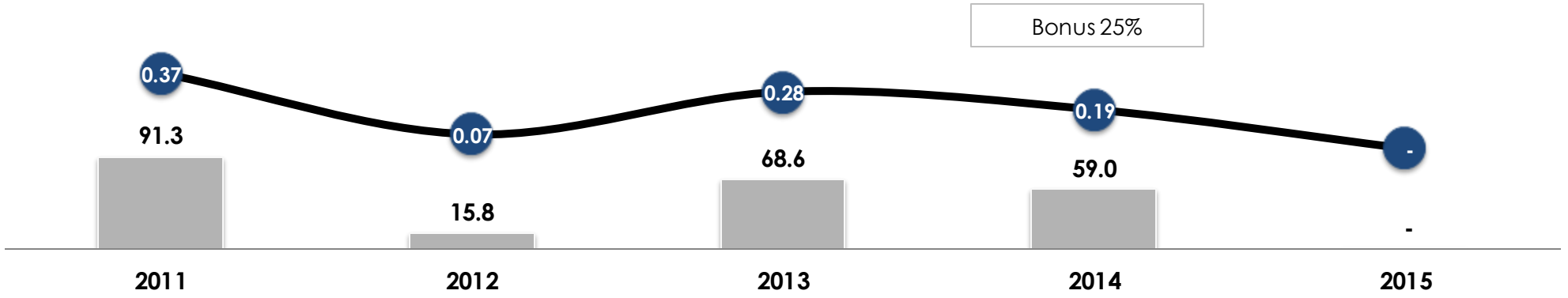
Capital Markets

RAPT4 Price/Daily Liquidity - R$ per share| R$ '000



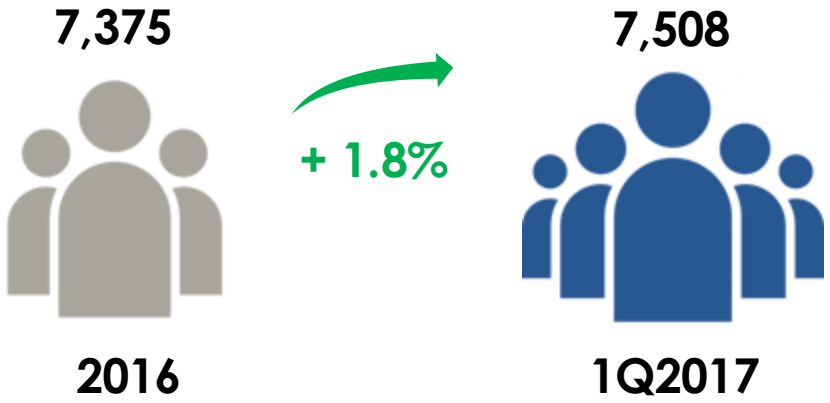
Note: When comparing results with prior years, we have already taken into account the updated quotation with regard to the effect of bonus and payment of dividends.

Dividends and Interest on Equity - R$ million | R$ per share



Sustainability

Employment | 1Q2017



Social Investments | 2016

R$ **62** million

Benefits

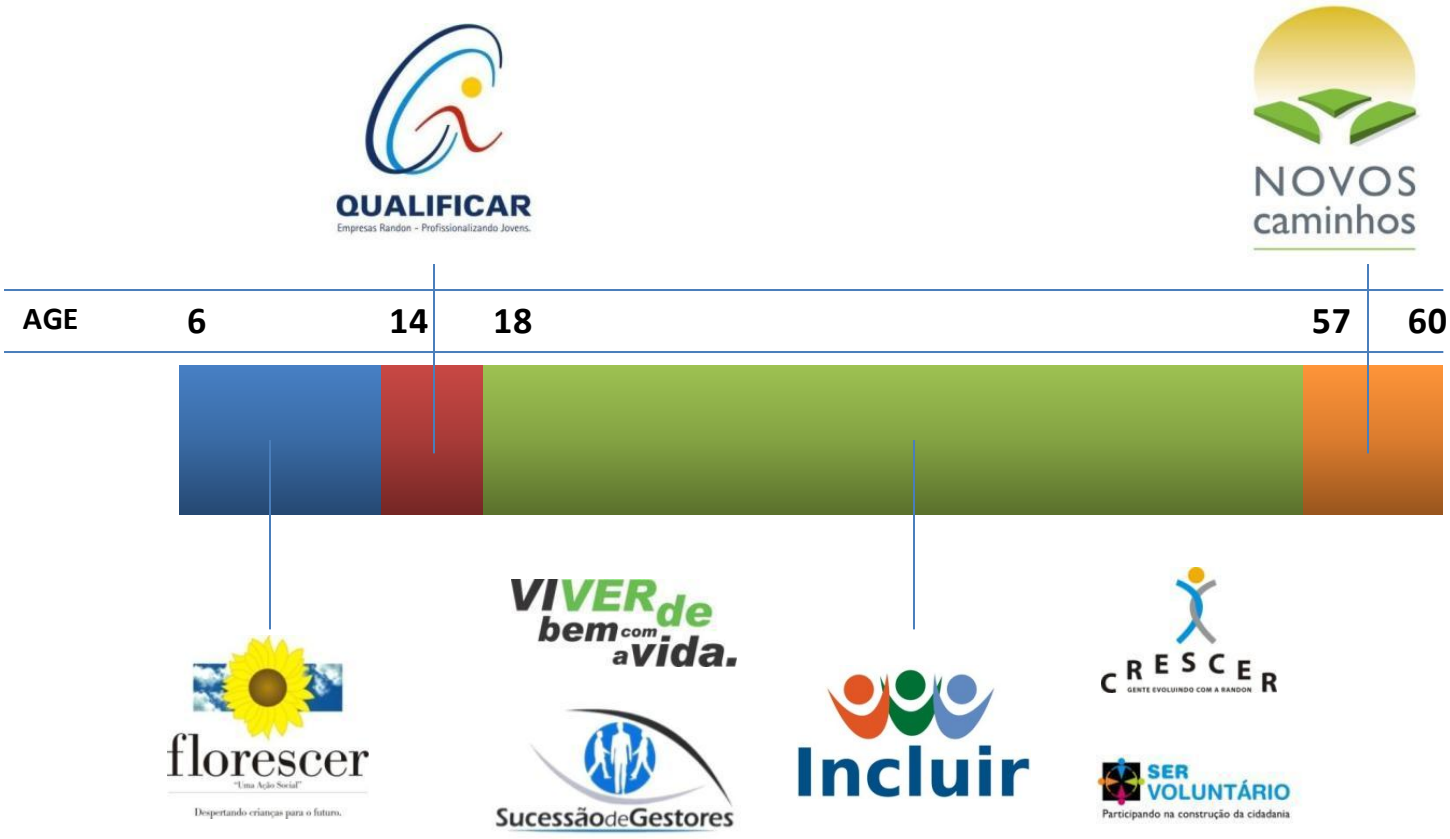
education, food, private retirement plan, healthcare, transport, social responsability

R$ **6.7** million

Environment

Sustainability

Social Responsability – Implemented Programs

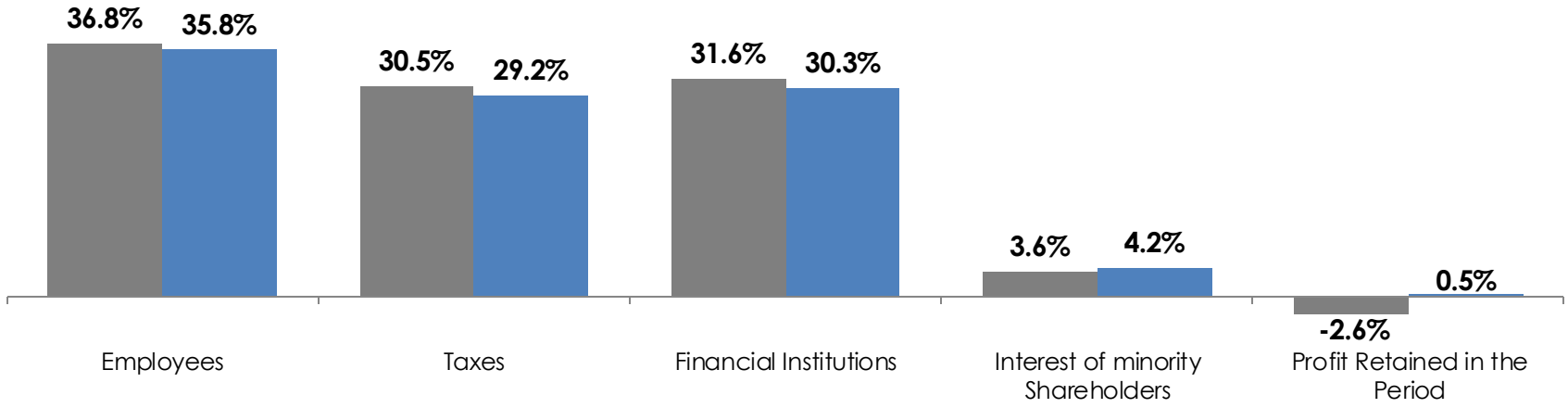


Sustainability

Consolidated Added Value 1Q2017

1Q2016- R$ 373.9 million

1Q2017 R$ 316.2 million



Outlook

ECONOMY

- **Brazilian economic growth forecast:** +0.47% in 2017 e +2.50% in 2018*;
- **Harvest:** The seventh CONAB survey for the 2016-2017 harvest estimates an increase of 22.1% over the previous harvest (227.9 million tons) **;
- Brazil's Central Bank signals inflation rates at 4.01% per year by the end of 2017*;
- Brazil's Central Bank projects SELIC interest rate at 8.5% per year by the end of 2017*;
- Improvement in the confidence of the entrepreneur and the consumer indexes.

RESULTS 2Q2017

- The second quarter should show a slight recovery of some sectors of the economy and a more positive business environment for the automotive segment.
- Domestic market remains at low volumes, but exports should sustain growth in production, especially in trucks.

Source: * BACEN / FOCUS report (05/05/2017)
** 7th Harvest-Survey 2016/2017 - Conab

Vehicles and Trailers



- Regional Business;
- Focus on primary and industrial sector and services;
- Trailers Domestic Fleet: 600,000 units (Source: ANTT)
- Trailers Average Age - Domestic Fleet: 13 years (Source: ANTT)



- Focus on primary sector;
- Rail National Fleet: 115,000 (Source: RF)
- Market Share 2016: 40.6%
- Total Market 2016: 3,903 units



- Focus on services sector;
- National Backhoe Fleet of 87,000 (Source: Abimaq)
- Average Age of Domestic Fleet: 10 years

Vehicles and Trailers



Caxias do Sul/RS

RANDON IMPLEMENTOS

Chapecó/SC



RANDON IMPLEMENTOS

Rosário/AR



RANDON ARGENTINA

Caxias do Sul/RS



RANDON VEÍCULOS

General Cargo, Grain trailers, Sugar-Cane Trailers, Forestry Equipment, Reefers, Platforms, trailers for coils, siders and stainless steel tankers.

Trailers



Hopper, telescopic, gondola, tanker, sider and platform freight cars.

Rail Cars



Backhoes, Mini Loaders and Off-Road Trucks.

Specialty Vehicles



Auto Parts



- 5 plants in Caxias do Sul;
- Plants in the USA and China;
- Distribution centers in the USA, Europe e Argentina;
- Focus on sales for OEMs, exports and aftermarket;
- Exports to more than 100 countries;
- Joint Ventures with World Class partners.

Auto Parts

FRAS-LE



China



EUA



São Leopoldo/RS



Caxias do Sul/RS

Controil

Brake pads, blocks and shoes.

Friction materials



Suspensys

Incorporated by Randon Implementos on Dec. 2013



Caxias do Sul/RS

Axles and suspension systems.

Axles and Suspensions



Auto Parts



Caxias do Sul/RS

Brakes and components for commercial vehicles.



Brakes



Caxias do Sul/RS

Articulation Systems, Fifth-wheel, King-Pin and landing gear.



Coupling Systems



Caxias do Sul/RS

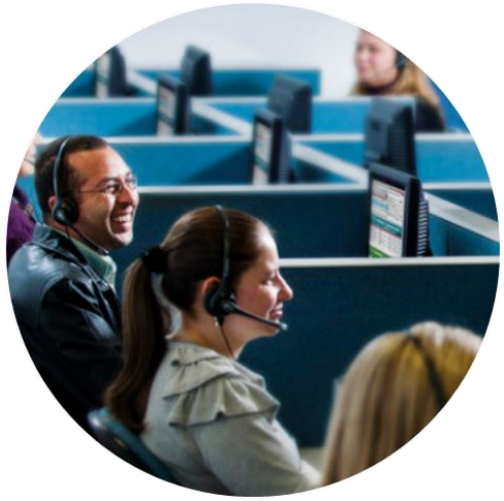
Wheel End Sets: Hubs, drums, etc.



Wheel End Sets

Financial Services

CONSÓRCIO RANDON



In the sectors of automobiles, real estate, trailers/semi-trailers, trucks, buses, minibuses, agricultural machinery and implements.

Coop-payments

BANCO RANDON



Finance lines for customers and suppliers.

Services