



RANDON[®]

**ANNUAL
REPORT 2018**

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WORD FROM THE PRESIDENT

An exciting year

We have emerged from one of the most profound economic, political and ethical crises for a new cycle of growth. We had a strike of the truck drivers and elections that paralyzed the country. Even so, the Company was structured and prepared to respond promptly to the challenges of a constantly moving market.

It is interesting to note that it was also during this period that we prepared a solid path for sustained growth. We have continued to make partnerships and acquisitions, which brings us to a future with an even more diversified portfolio and present in important bases for the full and efficient attendance to the markets in all the continents.

To get solid and young at its 70th anniversary - which we are celebrating throughout 2019 - many actions were taken and involved innovations at all levels, especially in attitudes. Among them are the readjustment of processes and of organizational structures and investments in robust and diversified business models. The actions were strengthened by the more consistent resumption of the markets, which supported the good performance of the company.

Based on these same premises, which are constantly monitored and updated, we see an even more promising future. It is to be noted that we have achieved good results - though not the peaks of the past - thanks to the courage of our leaders to promote changes, and that were perfectly understood by the team of officers and managers, who committed to the mission of preserving a legacy of growth and that were not intimidated by adversity.

We are confident in the potential of Brazil and we hope that our representatives will lead our country to the road of prosperity, based on the balance of the public accounts and the many reforms that the population wants and needs, and which will also restore the dignity of a true Nation.



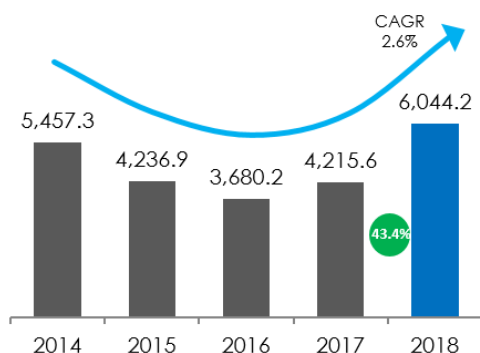
DAVID ABRAMO RANDON
CEO



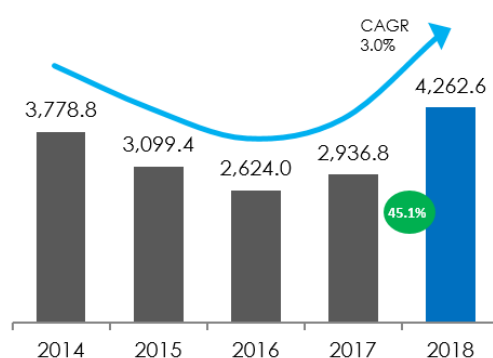


MAIN INDICATORS

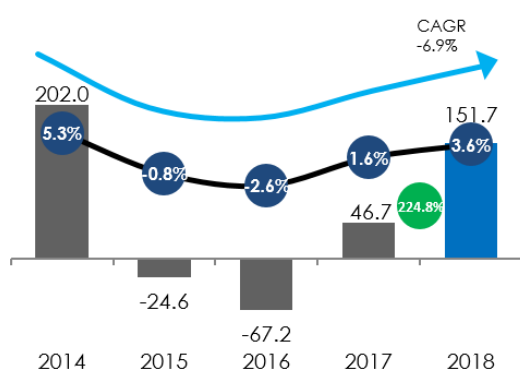
Total Gross Revenue (without elimination)
R\$ Million



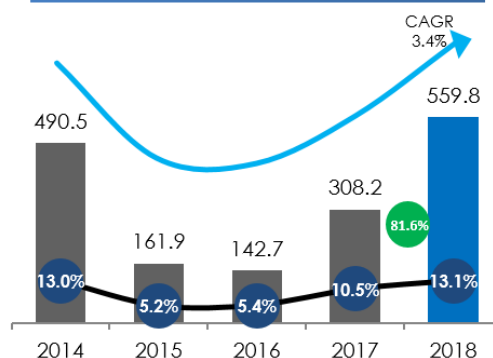
Consolidated Net Revenue
R\$ Million



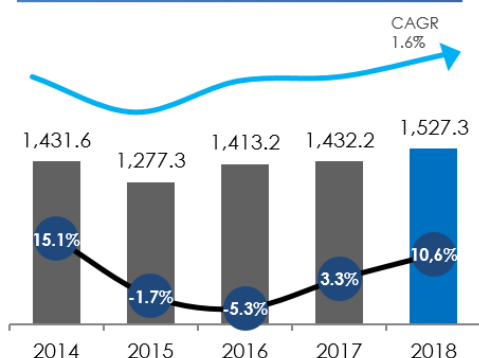
Net Results | Net Margin
R\$ Million | %



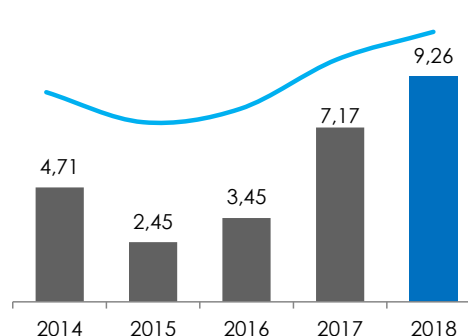
EBITDA | EBITDA Margin
R\$ Million | %



Net Equity | ROE
R\$ Million | %



RAP4 Quote in 12/31
R\$ per share



Capital Market	2018	2017	Var. %
Dividends + Interest on capital payable *	0.1010	0.0434	132.8%
Dividend Yield (%) **	1.20%	0.67%	0.53 p.p.
Return on Net Equity (%) ***	10.6%	3.3%	7.3 p.p.
Market Value on Dec 31 (R\$ billion)	2.91	2.26	29.2

* Fiscal Year Deliberations – R\$

** Fiscal Year Deliberations per share and quote at the last Day of the year before the Fiscal Year under analysis.

*** Ratio between the net income and the net equity of the controlling company in the prior year.

People



37.0%

7,821
2017



10,714
2018

Values in current Reais
CAGR: Compound Average Growth Rate
ROE: Return on Equity



PROFILE

Randon S.A.- Implementos e Participações, based in Caxias do Sul, is a mixed holding, the controlling company of a group of 10 companies operating in the segments of vehicles and road equipment. Randon is among the largest Brazilian private companies, holds leadership in most of its business segments and is part of Level 1 of Corporate Governance Practices of BOVESPA. The shareholding control is exercised by DRAMD Administração e Participações Ltda., which, together with the individual shares of each of its shareholder, holds 41.8% percent of the Company's total capital.

The conglomerate dates back to 1949 with the establishment of a small workshop dedicated to rebuilding electric motors in Caxias do Sul, RS. It is made up of eleven operating companies, being Randon S.A.- Implementos e Participações the controlling company. Its directly controlled companies are: Fras-le S.A., Randon Argentina S.A., Randon Implementos para o Transporte Ltda., Randon Administradora de Consórcios Ltda., Randon Veículos Ltda., Master Sistemas Automotivos Ltda., JOST Brasil Sistemas Automotivos Ltda, Castertech Tecnologia e Fundação Ltda. (Suspensys WE), Randon Investimentos Ltda. (a holding company of Banco Randon S.A.) and Randon Perú S.A.C. The controlling company also has four branches: Suspensys Sistemas Automotivos, Randon Chapecó, Randon Araraquara and Randon Linhares.

The full organizational chart is included in explanatory note number 2 of the consolidated financial statements.

The controlled Company Fras-le also controls fifteen other companies: Freios Controlil, Jurid do Brasil, Fras-le North America, Armetal Autopartes, Fanacif, Fremax Sistemas Automotivos, Fras-le Panamericana, Fras-le Europe, Fras-le Mexico, ASK Fras-le, Fras-le Andina, Fras-le Friction Material, Fras-le Africa Automotive, Fras-le Middle East and Fras-le Argentina.

The Company has an international sales and service network serving more than 100 countries, especially Chile, Mexico, Canada, the United States, South Africa, and countries in the Middle East, Asia, the European Union and Mercosur.



VEHICLES AND TRAILERS DIVISION

The trailer, railcar and specialty vehicles segment is represented by the following companies: Randon S.A.- Implementos e Participações, Randon Argentina S.A., Randon Implementos para o Transporte Ltda., Randon Veículos Ltda., Randon Perú S.A.C. and by the branches of Randon S/A.- Implementos e Participações: Randon Chapecó, Randon Araraquara and Randon Linhares.

Randon Implementos is the largest manufacturer of trailers in Latin America, producing truck bodies, trailers and semi-trailers (grain, tankers, dry cargo, dump, silo, reefer, sugar-cane, forestry, sider and vans), and since 2004 the company has been manufacturing rail cars of the following types: hopper, gondola, tank, general cargo, platform and others.

Randon Veículos operates in the development, manufacturing, sale and technical assistance of off-road trucks, backhoe loaders and mini loaders as well as in the sale of spare parts and components.



AUTO PARTS DIVISION

The auto parts segment of Randon is formed by the following companies: Suspensys (branch of Randon S.A.- Implementos e Participações), Fras-le., Master Sistemas Automotivos Ltda., JOST Brasil Sistemas Automotivos Ltda., and Castertech Fundição e Tecnologia Ltda. (Suspensys WE).

Fras-le produces brake linings and pads for the brake set produced by Master Sistemas Automotivos Ltda.

The brake set, in turn, integrates the axle-suspension assembly produced by Suspensys.

Castertech Fundição e Tecnologia Ltda. is dedicated to the production of wheel ends, which is part of this suspension system. And JOST Brasil Sistemas Automotivos Ltda. produces the coupling and articulation set that joins the truck tractor to the trailer.

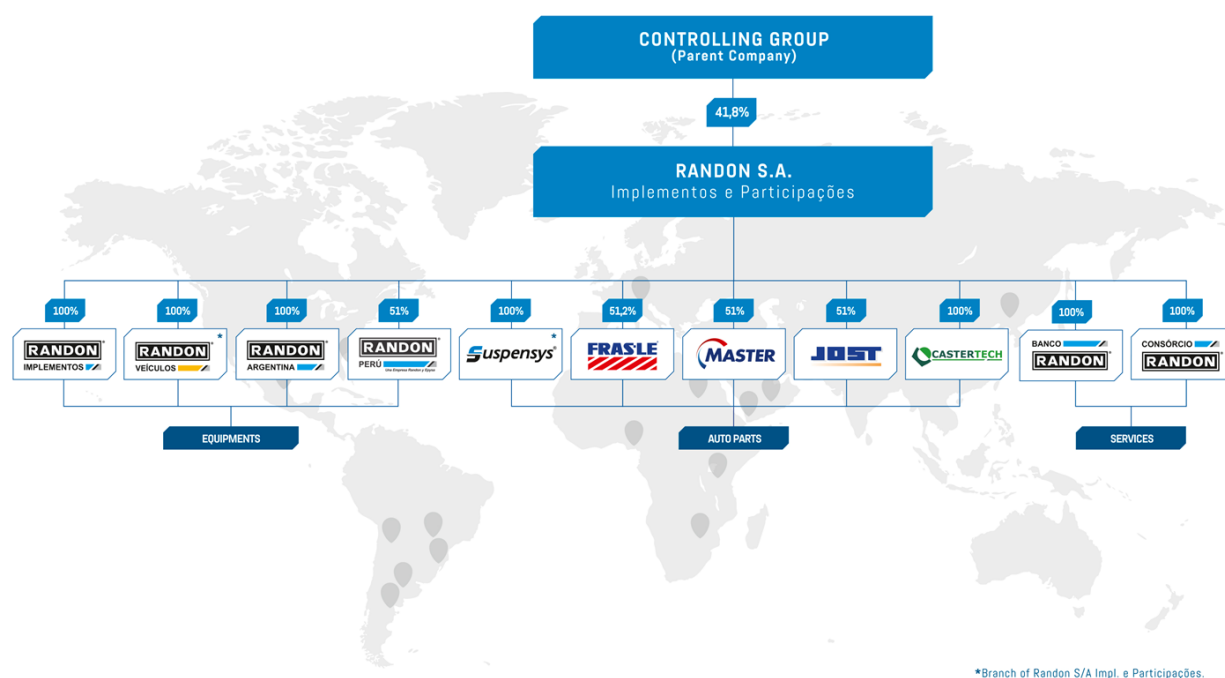


FINANCIAL SERVICES DIVISION

Services are represented by the following companies: Randon Consórcios and Banco Randon. Randon Consórcios sells and manages coop-payment plans as a way to provide financing to the customers of end products, and Banco Randon (Randon Bank) acts supporting sales by offering funding to customers and suppliers of Randon Companies.



ORGANIZATIONAL CHART



OPERATIONAL STRUCTURE



RANDON COMPANIES IN THE WORLD



BRAZIL | USA | MEXICO | CHILE | PERU | ARGENTINA | URUGUAY | COLOMBIA | HOLLAND | GERMANY | ALGERIA | KENYA | SOUTH AFRICA | CHINA | INDIA | DUBAI | EGYPT | CÔTE D'IVOIRE

 CONSOLIDATED GENERAL PERFORMANCE

The year 2018 was very positive for Randon Companies. Consolidated Net Revenue grew by 45.1%, which, considering that 2017 had already been a year of recovery for this sector of the economy, clearly shows the demand curve moving in the direction of what is considered to be a more normalized level of activity. Most of the business lines presented a sharp increase. In Brazil, 48,702 semitrailers and 105,534 trucks were produced, volumes much higher than those initially projected for the year.

The GDP growth of 1.1% in 2018, recently announced, frustrated market expectations and showed an atypical detachment between the performance of the economy and Randon Companies. Factors such as the aging of the fleet in the period of crisis, interest in historical lows and the positive agricultural crop boosted the demand for semitrailers and trucks. Moreover, the expectation of a more vigorous economic recovery, reflected in the current levels of market confidence, and the gains in freight prices after the truck driver's strike increased sales even more.

The movement led by the transport sector generated a change in the demand for trucks and semi-trailers in Brazil, which, at least until now, has promoted the insourcing of fleets, although there is still no evidence to suggest that it is a new market trend. In any case, this is another factor that benefited the segment of commercial vehicles in the period.

It should be highlighted the ability of Randon Implementos to reach a market share close to 40%, which was only possible with the rapid adjustment of material and human resources to the new cycle of demand.

Still in the Vehicle and Trailer segment, railcar sales and specialty vehicles did not follow the same trend as semi-trailers and are still waiting for new investments in the sector.

The increase in volumes of commercial vehicles leveraged the demand for components and automotive systems by the OEMs. This, in addition to the more stable performance of the aftermarket, strengthened the revenues of the auto parts division, which, in the year, accounted for the largest share of the company's consolidated revenues.

The foreign market accounted for approximately 25% of consolidated revenues in 2018.

There is a gradual expansion of operations overseas, in addition to the growth of direct exports. This movement aims at the international expansion of Randon Companies, increasing the Company's competitiveness.

The high demand in the domestic market absorbed almost the entire capacity of the Company's main production lines.

The management of costs, along with process improvement and constant innovation, the use of new materials, portfolio expansion and new products launched were the key to reach profitability to levels closer to historical average. It is important to emphasize, however, that the costs are under pressure, mainly due to the accelerated demand and the containment that occurred during the crisis period.

Organic Investments were within the 2018 Guidance, mainly for maintenance, process improvement and safety.

In addition, the Company made non-organic investments, not included in the Guidance, for acquisitions of companies and creation of new industrial plants.

The fiscal year ended with a very healthy financial situation, with indicators within the contracted standards. Continuing its conservative financial policy, the Company raised approximately R\$ 1.2 billion in the year, mostly with instruments such as debentures and long-term promissory notes.

Taking advantage of windows of opportunity and excellent bankability, it was possible to increase the average and reduce the weighted average cost of debt.

Finally, the Company's expectation for 2019 is of revenue growth, supported by a consistent order backlog, and also by the maturation of recent acquisitions, which are some of the basis for formulating the Guidance for 2019 disclosed to the public in February, 20, and which will be detailed in the following pages.

The main indicators in the period were:

Total Gross Revenue 2018

(before consolidation)

R\$ 6.0 billion, 43.4% up from that in 2017 (R\$ 4.2 billion).

Consolidated Net Revenue 2018

R\$ 4.3 billion, 45.1% up from the revenues achieved in 2017 (R\$ 2.9 billion).

Consolidated EBITDA 2018

R\$ 559.8 million, 81.6% up from that in 2017 and EBITDA margin of **13.1%** (10.5% in 2017).

Consolidated Net Income 2018

R\$ 151.7 million of net profit, with net margin of **3.6%**.

On February 15, 2018, the Company disclosed its Guidance for the year, based on the evaluation of the domestic macroeconomic scenario and that of the countries with which the Company operates, as well as sector indicators, those of the automotive sector and the market behavior in market segments.

See below a comparative table regarding the year 2018:

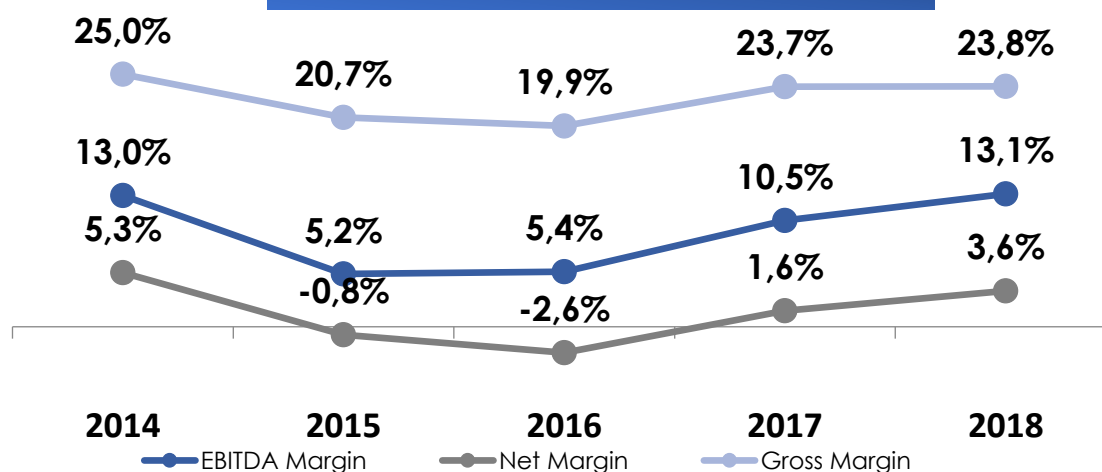
	Projected	Accomplished
Total gross revenue (before consolidation)	R\$ 5,0 billion	R\$ 6,0 billion
Consolidated Net Revenue	R\$ 3,6 billion	R\$ 4,3 billion
Revenues from Abroad	US\$ 300 million	US\$ 293,7 million
Imports	US\$ 51 million	US\$ 67,1 million
Organic Investments (*)	R\$ 140 million	R\$ 137,4 million

(*) Besides organic investments, the Company made acquisitions of controlled companies in the amount of R\$ 197,6 million.

Performance Chart

	2018	2017	Δ%
Total Gross Revenue without eliminations	6,044,161	4,215,630	43.4%
Consolidated Net Revenue	4,262,602	2,936,759	45.1%
Consolidated Gross Profit	1,012,514	697,004	45.3%
Net Income	151,719	46,712	224.8%
Operating Shareholders' Equity (EBIT) - Consolidated	437,490	190,946	129.1%
Consolidated EBITDA	559,819	308,228	81.6%
Consolidated Net Financial Debt	1,100,224	553,265	98.9%
Consolidated Net Financial Debt (without Randon Bank)	824,945	351,946	134.4%
Consolidated Net Financial Income	-118,275	-37,002	219.6%
<i>Financial Income</i>	333,726	262,296	27.2%
<i>Financial Expenses</i>	-460,200	-299,298	53.8%
<i>Monetary Adjustment (IAS 29)</i>	8,199	-	100.0%
Consolidated Administrative and Commercial Expenses	-608,791	-480,240	26.8%
Consolidated Income per Share	0.44	0.14	214.3%

R\$ Thousands

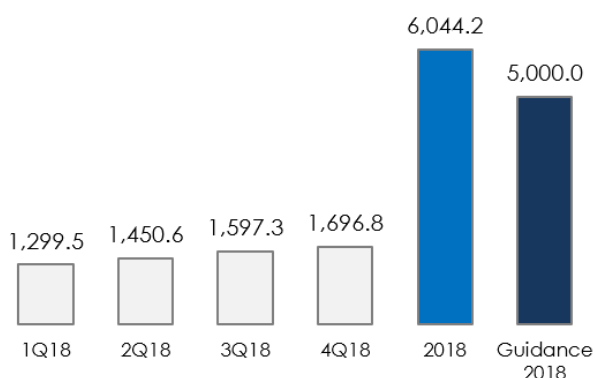
MARGINS HISTORY


REVENUES

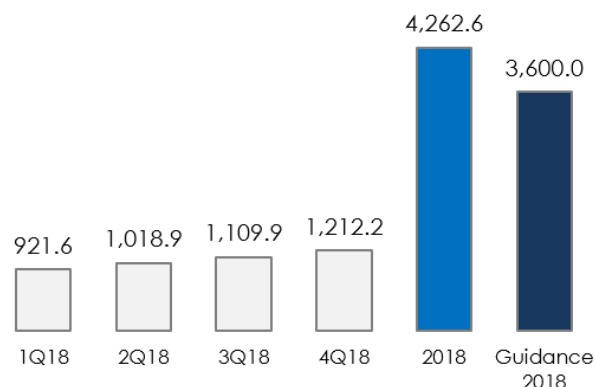
Total gross revenue, with taxes and before consolidation, totaled R\$ 6.0 billion in 2018, 43.4% higher than the gross revenue achieved in 2017 (R\$ 4.2 billion).

In fiscal year 2018, consolidated net revenue reached R\$ 4.3 billion, an increase of 45.1% compared to 2017 (R\$ 2.9 billion).

Total Gross Revenue R\$ Million



Consolidated Net Revenue R\$ Million

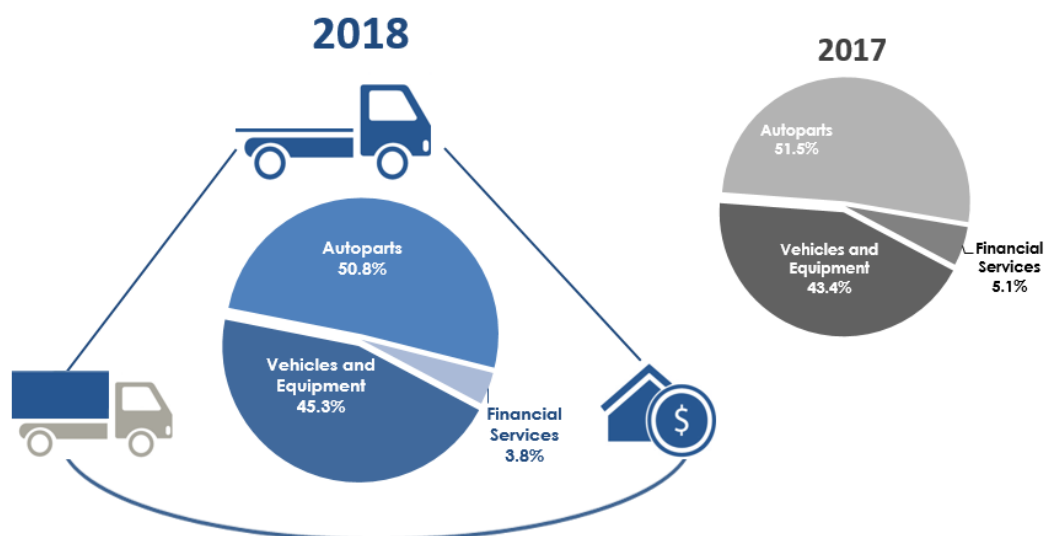


CONSOLIDATED NET REVENUE

	2018				2017	
	NET REVENUE	INTER-COMPANY SALES	CONSOLIDATED NET REVENUE	% OVER REVENUE	CONSOLIDATED NET REVENUE	% OVER REVENUE
Randon S.A. Impl. e Participações (Parent Company)	1,883,569	120,777	1,762,792	41.4%	1,128,514	38.4%
Randon Impl. p/o Transporte Ltda.	65,796	284	65,512	1.5%	60,045	2.0%
Randon Perú S.A.C.	6,706	-	6,706	0.2%	80	0.0%
Randon Argentina S.A.	97,487	-	97,487	2.3%	86,260	2.9%
International Offices	864	864	-	0.0%	-	0.0%
Vehicles and Road Equipment	2,055,318	122,813	1,932,505	45.3%	1,274,900	43.4%
Master Sist. Automotivos Ltda.	472,908	147,600	325,307	7.6%	228,472	7.8%
Jost Brasil Sistemas Automotivos Ltda.	248,080	77,543	170,537	4.0%	105,553	3.6%
Fras-Le S.A. (Consolidated)(*)	1,141,150	40,959	1,100,190	25.8%	802,780	27.3%
Randon S.A. Impl. e Participações (Suspensys)	408,419	13,268	395,151	9.3%	243,481	8.3%
Castertech Fundação e Tecnologia Ltda	351,383	175,952	175,431	4.1%	132,280	4.5%
Auto parts	2,621,939	455,323	2,166,616	50.8%	1,512,566	51.5%
Randon Administradora de Consórcios Ltda.	138,264	430	137,834	3.2%	120,217	4.1%
Randon Investimentos Ltda.	40,702	15,074	25,628	0.6%	29,070	1.0%
Randon Collection	163	144	18	0.0%	5	0.0%
Financial Services	179,129	15,649	163,481	3.8%	149,293	5.1%
TOTAL	4,856,386	593,784	4,262,602	100.0%	2,936,759	100.0%

(*) Revenue from acquisitions: R\$ 225,0 million

R\$ Thousands

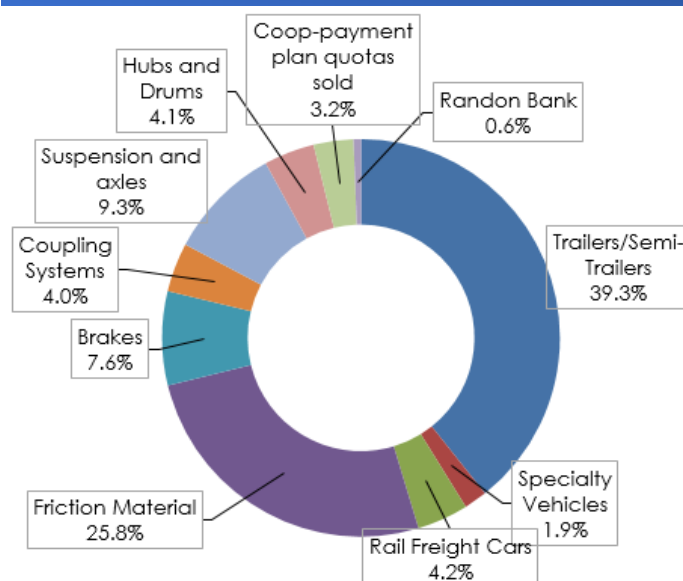
REVENUE BREAKDOWN BY SEGMENT AND PRODUCT
Revenue Brakedown by segment


In 2018, the auto parts division accounted for 50.8% of the Company's revenues, followed by 45.3% of the vehicle and trailers division and 3.8% of the financial services division.

Compared to 2017, the vehicle and trailers division had an increase of 190 bps in the breakdown, mainly due to the recovery of the semi-trailer market in the country.

The graph below shows the distribution of revenue by product type.

At the end of 2018, the products that had the largest share of the Company's revenues were: Semi-trailers (39.3%), Friction Materials (25.8%) and Axles and Suspensions (9.3%).

REVENUE BREAKDOWN BY PRODUCT


EXPORTS

Overseas consolidated sales, in fiscal year 2018, totaled US\$ 182.3 million, an increase of 17.3% over the same period of 2017 (US\$ 155.4 million).

Exports of Randon Companies accounted for 15.7% of consolidated net revenue for the twelve months of 2018, against 16.8% in the previous year.

The biggest expansion in the annual comparison came from the export of semi-trailers, which grew by 49.9%, especially the Chilean market, which accounted for more than half of the sales overseas of Randon Implementos.

In total exported volume, the controlled company Fras-le stood out, mainly taking advantage of the good momentum of the economy in the United States, which showed growing demand across the year and was responsible for 47.3% of the total exported by this company.

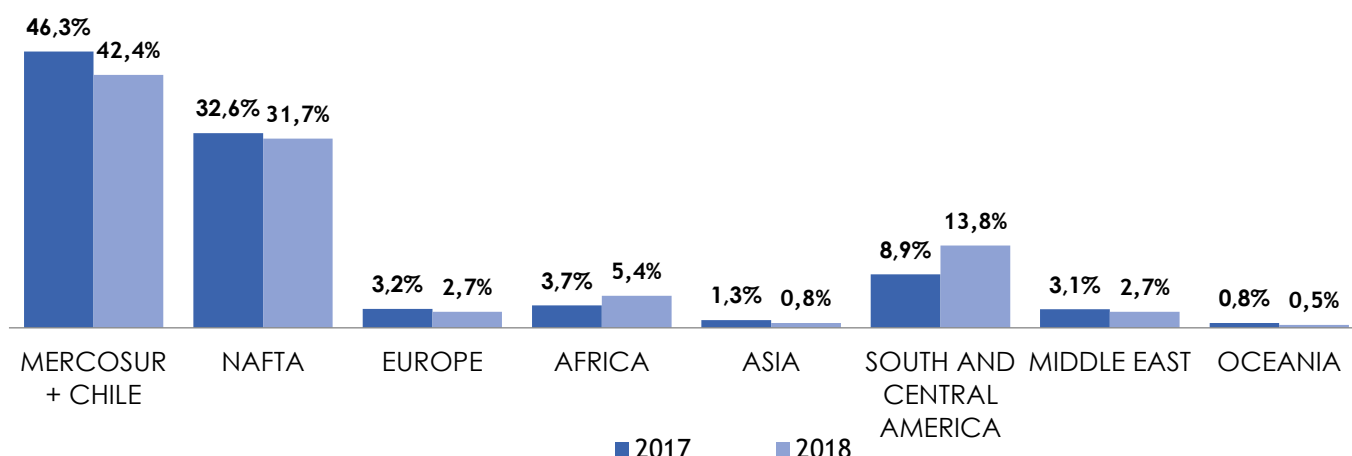
In the analysis of exports by economic bloc, it is possible to confirm the relevance of sales to Mercosur and Chile, which represented 42.4% of exports and to NAFTA, with 31.7% of total exports.

	2018	2017	Δ%
Randon S/A and Randon SP	64,429	42,988	49.9%
Vehicles division	4,883	7,684	-36.5%
Vehicles and Road Equipment	69,312	50,673	36.8%
Master	14,239	14,535	-2.0%
Jost	5,464	5,172	5.7%
Fras-le	84,239	76,433	10.2%
Randon (Divisão Suspensys)	6,812	5,830	16.8%
Castertech	2,218	2,751	-19.4%
Autoparts	112,973	104,722	7.9%
TOTAL	182,285	155,394	17.3%

* Revenues from overseas not included

US\$ Thousands

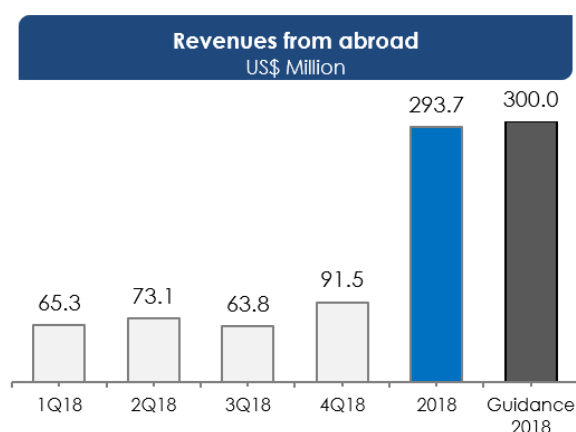
EXPORTS BY ECONOMIC BLOC



OPERATIONS ABROAD

In 2018, units abroad sold US\$ 111.4 million, against US\$ 84.3 million in 2017 (eliminating intercompany revenues). The plant of trailers in Argentina reported gross revenue of US\$ 30.5 million and the plant in Peru obtained US\$ 1.7 million in 2018. Foreign industrial facilities controlled by Fras-le and international offices obtained gross revenues of US\$ 79.2 million, an increase of 48.6% compared to 2017 (US\$ 53.3 million).

The total amount of exports and revenues from abroad was US\$ 293.7 million in 2018, 22.5% higher than in 2017 (US\$ 239.7 million).



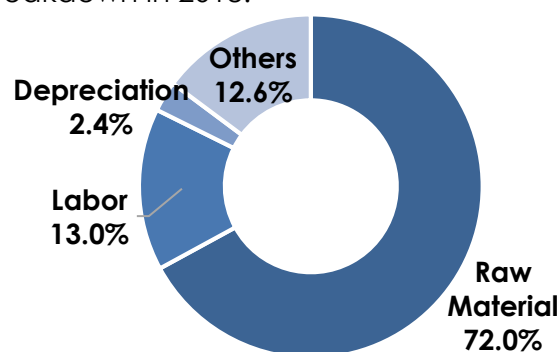
COST OF GOODS SOLD (COGS)

Cost of goods sold represented 76.2% of consolidated net revenue or R\$ 3.3 billion (in 2018) compared to R\$ 2.2 billion for 2017 and represented 76.3% of net revenue.

The reduction of 10 bps in COGS over net revenue demonstrates the continued work conducted by the Corporate Purchases Sector to control cost inflation.

It is important to state that cost management is among the main pillars for maintaining the Company's competitiveness and improving its margins.

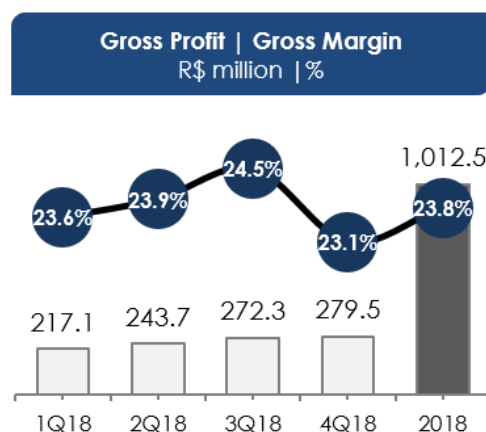
The chart below shows the COGS breakdown in 2018:



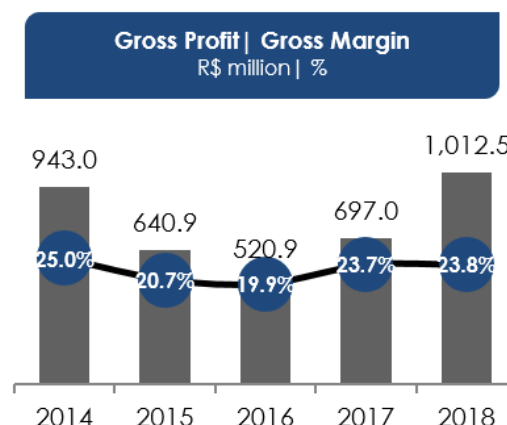
GROSS INCOME

Gross income totaled R\$ 1.0 billion in 2018 and represented 23.8% of consolidated net revenue, up 45.3% over the year 2017, when gross profit totaled R\$ 697.0 million or 23.7% of consolidated net revenue.

The graph below shows the performance of gross profit and gross margin over the course of 2018:



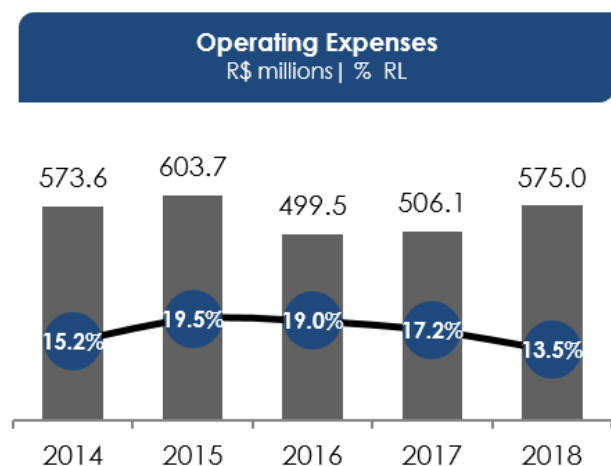
The following graph shows the history of gross profit and gross margin in the last five years.



OPERATING EXPENSES

Operating expenses in 2018 accounted for 13.5% of consolidated net revenue against 17.2% in 2017, totaling R\$ 575.0 million (R\$ 506.1 million in 2017).

Part of this reduction is explained by the accounting for the advantageous purchase of the indirect subsidiary, JURID, which totaled R\$ 52.5 million.



INCOME TAXES

Income Tax and Social Contribution totaled R\$ 92.3 million in 2018 or 2.2% of consolidated net revenue (R\$ 49.2 million in 2017 or 1.7% of consolidated net revenue), before income tax of R\$ 319.2 million (R\$ 153.9 million in 2017).

NET INCOME

The Company posted net income of R\$ 151.7 million and net margin of 3.6% in 2018, against net income of R\$ 46.7 million and net margin of 1.6% in 2017.

The Company's effort throughout 2018 to deliver better results has allowed profitability to return closer to historical levels, increasing by more than R\$ 100 million the profit achieved in 2017.

EBITDA

In 2018, consolidated EBITDA totaled R\$ 559.8 million or 13.1% of net revenue for the period, while in 2017 it had added up to R\$ 308.2 million or 10.5% of net revenue.

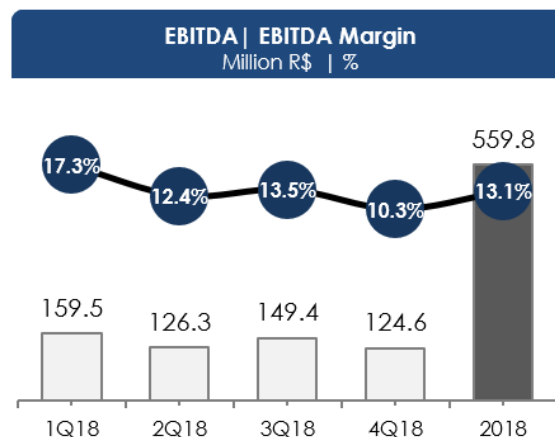
The expansion of EBITDA in the year came from more favorable market conditions, which enabled the Company's operations to grow as a whole.

The improvement in margin was possible through a broad effort to recover prices over the quarters and contain cost pressure, which was a major challenge throughout the year.

In 2018, EBITDA was impacted by one-offs, which benefited the indicator by R\$ 13.5 million. Among the one-offs are: advantageous purchase of Jurid do Brasil, hedge accounting, provisions, shutdown due to the truck drivers strike, restructuring of Fremax, among others.

	Trailer Division	Auto Parts Division	Total
Hedge Accounting	-25,190	-7,568	-32,758
Provisions	9,479	-5,067	4,412
Fras-le's non-recurring	-	-237	-237
Truck drivers' strike effects	-4,931	-1,110	-6,041
Hiperinflation	-626	-1,235	-1,861
Restructuring Fremax	-	-2,524	-2,524
Purchase adjustment of Jurid	-	52,478	52,478
Total non-recurring	-21,268	34,739	13,471

R\$ Thousand



FINANCIAL INCOME

Consolidated net financial income (revenues minus expenses) increased from negative R\$ 37.0 million in 2017 to negative R\$ 118.3 million in 2018.

	2018	2017	Δ%
Exchange variance	193,917	55,941	246.6%
Interest of financial investments	102,182	146,624	-30.3%
Revenue from Swap operations	184	3,244	-94.3%
Gains with other derivative operations	2,402	2,440	-1.6%
Adjustments at present value	25,121	36,095	-30.4%
Other financial revenues	9,920	17,952	-44.7%
Financial Revenues:	333,726	262,296	27.2%
Exchange variance	-220,869	-48,675	353.8%
Interest of financing	-161,356	-168,485	-4.2%
Expenses on swap operations	-2,431	-2,312	5.1%
Losses with other derivative operations	-528	-1,141	-53.7%
Expenses related to Loan Agreements	-375	-420	-10.7%
Adjustments at present value	-22,493	-21,393	5.1%
Interest on late payment	-222	-15,760	-98.6%
Discounts granted	-1,041	-1,895	-45.1%
Bank Expenses	-18,662	-15,442	20.9%
Other financial expenses	-32,223	-23,775	35.5%
Financial Expenses:	-460,200	-299,298	53.8%
Monetary Adjustment (IAS 29)	8,199	-	-
Net Financial Income	-118,275	-37,002	219.6%

R\$ Thousand

NET INDEBTEDNESS

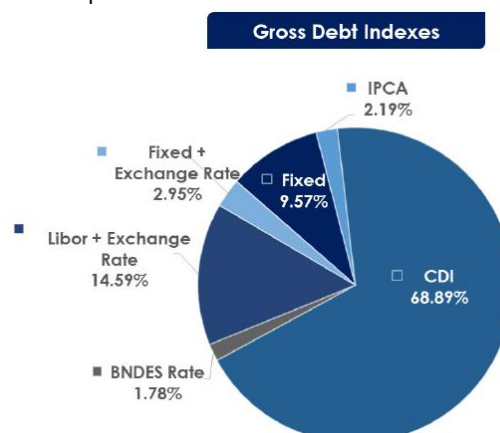
Consolidated net financial debt (gross debt less cash and cash equivalents) was R\$ 1.1 billion at the end of 2018, which is equivalent to a multiple of 1.97 times EBITDA of the last twelve months.

At the end of 2017, indebtedness was R\$ 553.3 million and represented a multiple of 1.79 times the EBITDA of the last twelve months.

It should be noted that part of the Company's consolidated net debt, R\$ 275.3 million, refers to the financial activity of Randon Bank

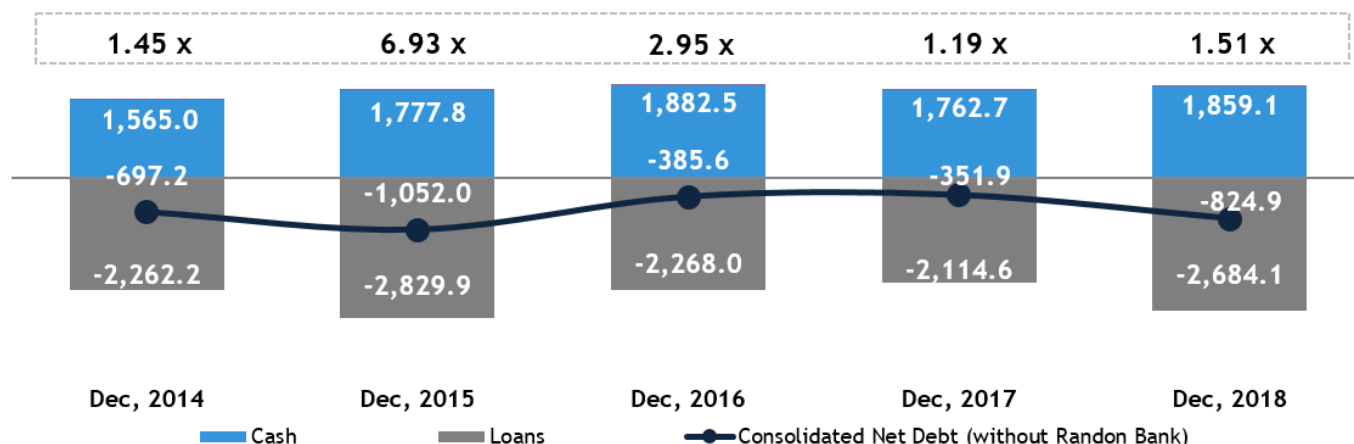
Excluding the amount related to this activity, the consolidated net debt is R\$ 824.9 million, a multiple of 1.51 times the EBITDA of the last twelve months.

The variation of the net debt in 2018 is mainly explained by the increase in working capital, due to the growth of volumes during the year. The main variations were in the accounts of inventories, customers and taxes to be recovered and also due to the disbursement for acquisitions of subsidiaries.



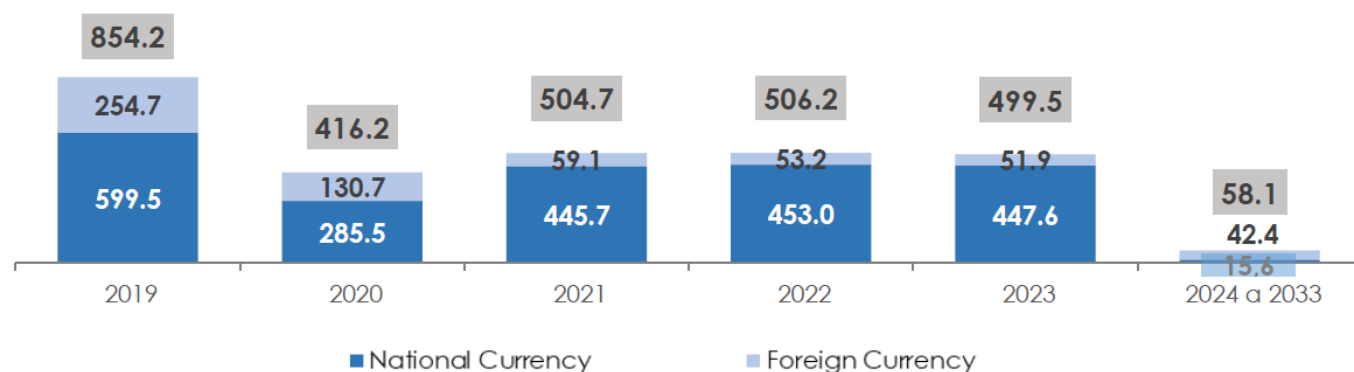
CONSOLIDATED NET DEBT (WITHOUT BANCO RANDON)
(R\$ Million)

*Net Debt/EBITDA

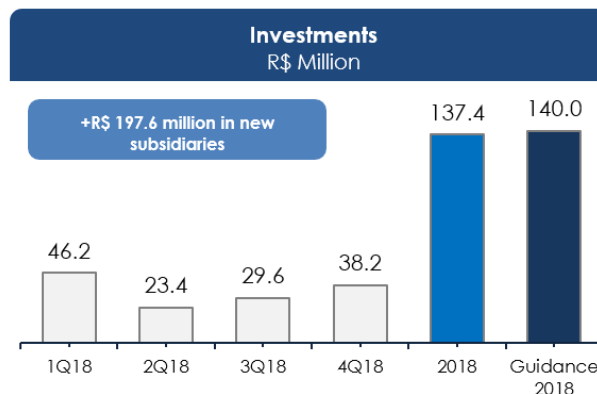


The chart above shows the Company's debt without Banco Randon's cash and debt indicators.

The Consolidated Net Debt at the end of December 2018 amounts to R\$ 1.1 billion, a multiple of 1.97x of EBITDA in the last 12 months.

SCHEDULE OF DEBT PAYMENT (R\$ Million)

CONSOLIDATED INVESTMENTS

In 2018 consolidated investments totaled R\$ 335.1 million (R\$ 216.0 million in 2017). Of this total, R\$ 137.4 million were investments in plant maintenance and expansion and R\$ 197.6 million were invested in the acquisition of new indirect subsidiaries (R\$ 162.3 million referring to Fremax, R\$ 0.9 million in Randon Peru and R\$ 34.4 million in the constitution of ASK Fras-le).



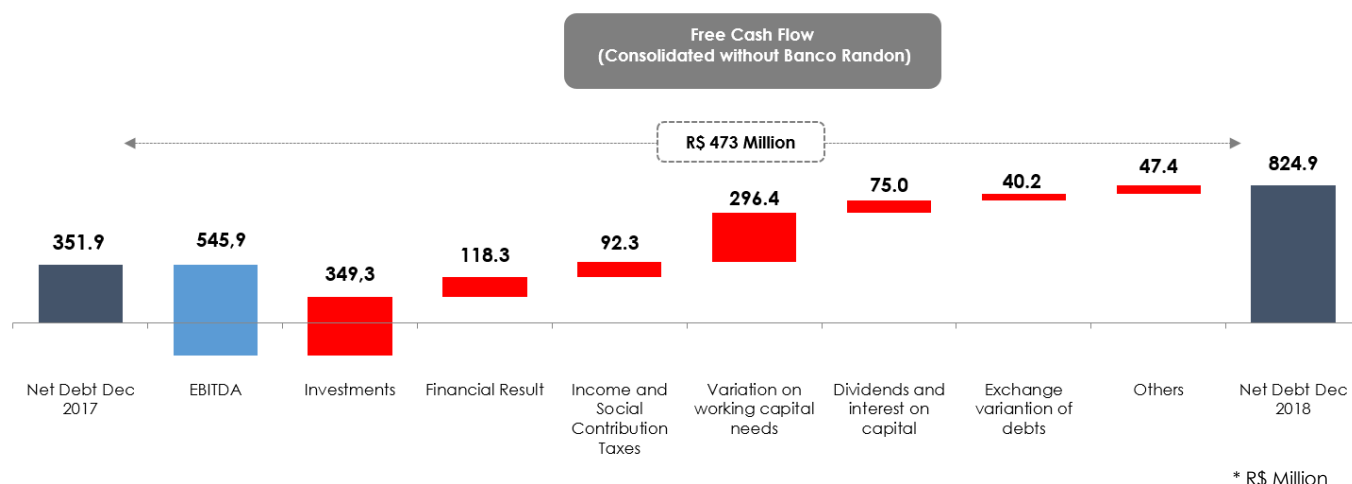
INVESTMENTS 2018											
Fixed Assets (R\$ thousands)	Randon	Fras-le	Master	Jost	Consórcio	Argentina	Randon Veículos	Randon Perú	Castertech	Randon Investim.	Total
Machinery	20,016	21,704	2,090	2,484	-	256	165	223	2,198	-	49,136
Buildings	9,788	523	690	180	-	145	-	235	206	-	11,767
Vehicles	1,852	263	2	-	-	-	-	135	222	-	2,474
Furniture and Fixture	1,368	820	125	211	13	4	-	-	241	9	2,791
Computer and Hardware	2,002	1,794	253	102	59	-	-	-	95	54	4,359
Others / Intangible Assets	17,849	55,052	5,757	993	195	-	-	-	17,864	30	97,740
TOTAL:	52,875	80,156	8,917	3,970	267	405	165	593	20,826	93	168,267
INVESTMENTS (*)	930	-	-	-	1	-	-	-	-	3,572	4,503
Fremax Acquisition	-	162,287	-	-	-	-	-	-	-	-	162,287
GRAND TOTAL	53,805	242,443	8,917	3,970	268	405	165	593	20,826	3,665	335,057

(*) Other companys' shares or quotas, etc.

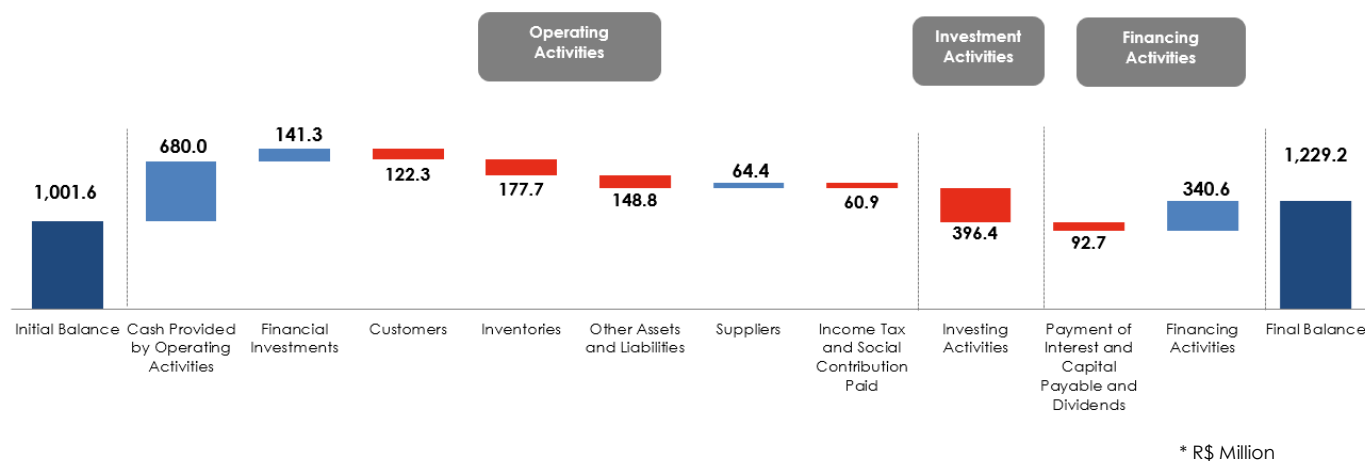
FREE CASH FLOW (Without Randon Bank)

In 2018, the Company had a negative cash generation of R\$ 473.0 million, increasing its net debt from R \$ 351.9 million in 2017 to R\$ 824.9 million in 2018. Financial leverage also increased, going from 1.19x in 2017 to 1.51x in 2018.

The increase in net indebtedness was mainly the result of M&A (R\$ 197.6 million) and working capital increase (R\$ 296.4 million) due to the resumption of production volumes and the increase in the Company's revenue.



CONSOLIDATED CASH





PERFORMANCE BY SEGMENT

VEHICLES AND TRAILERS

Randon Implementos is the largest manufacturer of trailers and semi-trailers in Latin America and is among the largest manufacturers worldwide. It has three plants in Brazil, in the cities of Caxias do Sul-RS, Chapecó-SC and Araraquara-SP and a unit for the distribution of parts in the city of Linhares-ES. Overseas, it has a manufacturing plant located in Rosario, Argentina and another in the city of Lima, Peru.

Besides the manufacture and sales of trailers, the main product of this division, the company also sells railcars and specialty vehicles (backhoe loaders, mini loaders and off-road trucks).

In 2018, this division accounted for 45.3% of the Company's total consolidated net revenue (R\$ 1.9 billion).

1.1 TRAILERS

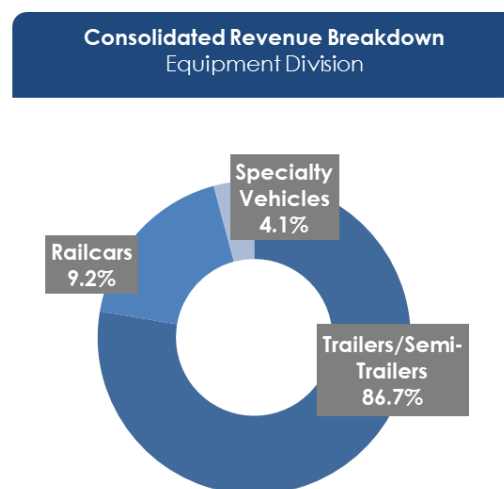
The improvement in economic indicators and market conditions in 2018 benefited the segment of trailers, which recorded another year of growth. The agricultural harvest was positive, and together with the improvement in freight prices and the definition of the electoral scenario, promoted a substantial increase in the sales of semi-trailers.

In the domestic market, 44,589 units were sold, against 24,927 units in 2017, an increase of 78.9%.

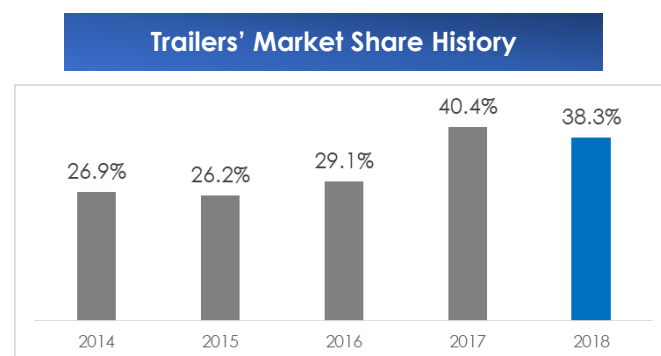
As market volumes intensified throughout 2018, the use of the Company's facilities for the production of trailers reached full capacity, which extended deadlines and pressured market share. Nevertheless, the Company closed the period with a market share of 38.3%.

In 2018, Randon sold to the Brazilian market 17,079 semitrailers, an increase of 69.5% compared to 2017 (10,075 units).

The net income breakdown from this segment can be seen in the chart below:

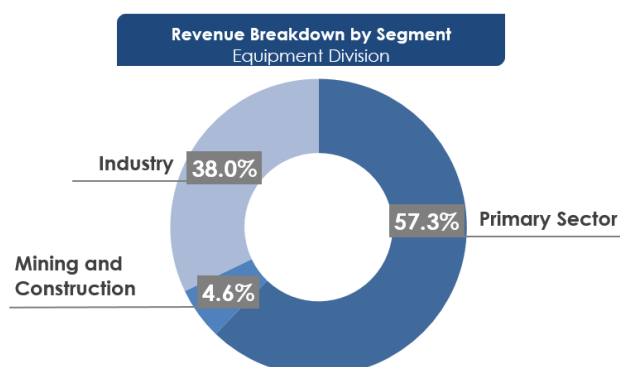


The Company has a wide product mix that serves several sectors. Among the main products can be highlighted the grains, tippers, tanks, sugar cane, forest and reefer trailers.



Sales of semi-trailers to the domestic and foreign markets at all Randon plants totaled 20,960 units in 2018, up 59.8% over the year 2017 (13,117 units).

In the chart below it is possible to observe the distribution of net revenue by economic sector:



Exports

Exports of Randon semi-trailers increased by 23.3% in 2018 and totaled 2,554 units, compared to 2,071 units in 2017.

Sales to South America showed a good performance, especially in the Chilean market, which accounted for more than half the volume exported.

Another positive point is that the African continent has returned to buy products. The Company's effort to develop new customers and markets on this continent began to show results.

Countries like Ghana and Côte d'Ivoire made their first purchases of semi-trailers. The volume is still low, but gives positive signs for the coming periods.

MAIN PRODUCTS



TIPPER / DUMP



GRAIN



TANKER



SUGAR CANE

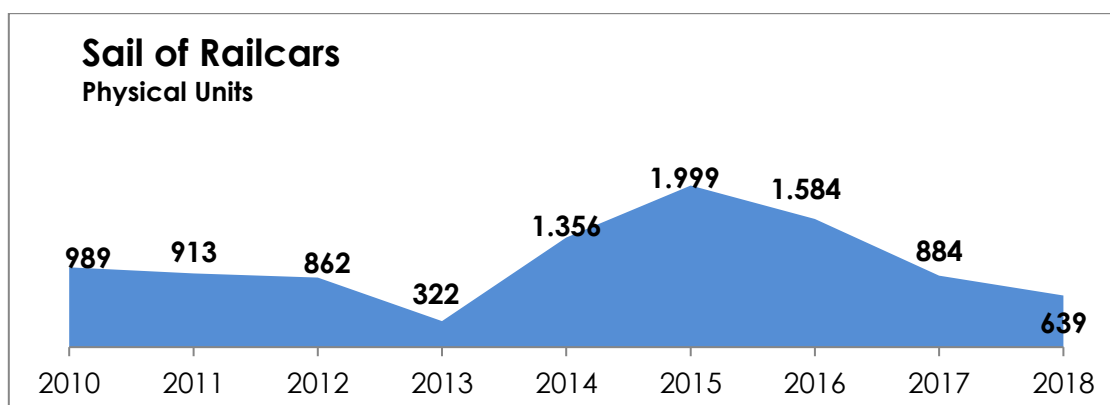
1.2 RAILCARS

In 2018, the sale of railcars represented 9.2% of the total net revenue of the equipment division. In this year, 639 cars were delivered, down 27.7% compared to 2017 (884 units).

The delay in the approval of the renewal of the concessions and a smaller volume of investments by rail companies resulted in a total market of 2,327 units produced in 2018, a drop

of 15.7% compared to 2017 (2,878 units). This is the fourth consecutive year of volume retraction and its decline has intensified in the last two years.

The chart below shows the evolution of the Company's sales, which after a significant growth cycle, are going through a downturn, as well as the Brazilian railcar market.



1.3 SPECIALTY VEHICLES

The infrastructure sector is still not strong enough to increase market volumes. Nevertheless, exports continue to be relevant to this segment, in addition to purchases made by public entities, such as state and municipal governments.

As the market is still recovering, the Company worked on all fronts in 2018 to ensure a more positive year than the previous one.

This year, in addition to sales overseas, it is worth highlighting the order of 177 backhoe loaders to the state of Rio Grande do Sul, which contributed fundamentally to the growth of volumes sold by Randon.

As a result, the company managed to grow by 34.1% in sales, (468 units in 2018, compared to 349 units in 2017)

MAIN PRODUCTS



BACKHOE LOADER



MINI LOADER



OFF ROAD TRUCK

Vehicles and Road Equipment	2018	2017	Var. %
Consolidated Net Revenue (R\$ Thousand)	1,932,505	1,274,900	51.6%
Unit Sales:			
Trailers(un.)*	20,960	13,117	59.8%
Specialty Vehicles (un.) 349 196	468	349	34.1%
Rail Cars (un.)	639	884	-27.7%

* Differences between units sold and reported in the composition of the market share refer to units sold to the foreign market or those that are not licensed in the domestic market.



Net
Revenue
R\$ 1.9 Bi

Gross
Margin
15.1%

Exports
US\$ 69.3 Mi

EBITDA
R\$ 146.3 Mi

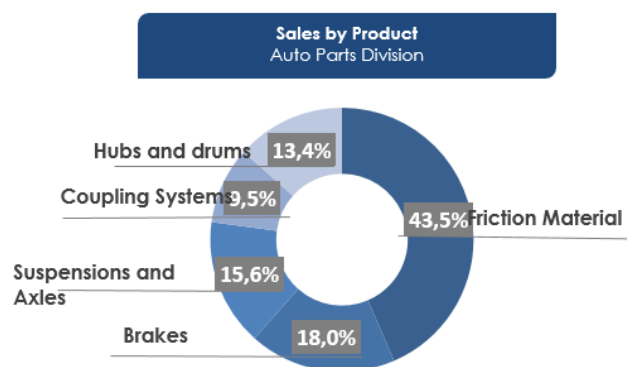
EBITDA
Margin
7.6%

AUTO PARTS

The auto parts division is made up of Castertech (Suspensys WE), Fras-le, JOST, Master and Suspensys (subsidiary of Randon S.A. Implementos e Participações).

The main products manufactured in this division are: castings and wheel ends, friction materials, brake systems, coupling systems, axles and suspensions. These items are supplied to the market of OEMs and also to the aftermarket, both in Brazil and abroad.

The main industrial plants of the auto parts division are located in the city of Caxias do Sul, and the subsidiary Fras-le has units in the United States, China, India, Argentina and Uruguay. In addition, the auto parts division has offices and business units distributed on all continents.



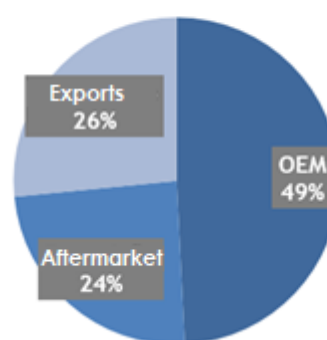
The auto parts division has as main business scope, the supply of auto parts for commercial vehicles, mainly trucks.

If in 2017 exports had been the main factor for the growth of the production of trucks, in 2018 the Brazilian market reacted and responded for much of the volume increase. During the period, 105,534 units were produced, an increase of 27.1% compared to 2017 (83,044 units).

The domestic market accounted for 72.0% of sales in 2018, an increase of 9.5 percentage points over the previous year. In total 75,987 units were sold in Brazil, 46.3% more than in 2017 (51,941 units).

The auto parts division seeks to expand its business based on the following pillars of growth: expansion of the product portfolio, greater exposure to exports and strengthening of the aftermarket. This strategy has been fundamental in increasing sales of this division, which in 2018 accounted for 50.8% of the Company's consolidated net revenue, totaling R \$ 2.2 billion.

Revenue Brakedown by Segment
Auto Parts Division



Revenues from auto parts companies reacted positively to the resumption of the market, growing by 43.2% compared to 2017. In addition, the aftermarket, the main growth vector of the subsidiary Fras-le, gained even more relevance after the acquisition of the indirect controlled company Fremax.

Revenues From Overseas

Direct exports of auto parts increased by 7.9% in 2018, compared to 2017, and totaled US \$ 113.0 million.

Throughout 2018, the auto parts division increased the relevance of revenues generated abroad, mainly through new operations in Argentina (FARLOC and ARMETAL), Uruguay (FANACIF) and India (ASK FRAS-LE). In addition, industrial plants in the United States and China are performing well. As a result, revenues from abroad reached US\$ 78.9 million in 2018, against US\$ 53.0 million in 2017.

Auto Parts	2018	2017	Var. %
Consolidated Net Revenue (R\$ Thousand)	2,166,616	1,512,566	43.2%
Unit Sales:			
Friction Material (un.) *	101,395	70,363	44.1%
Brakes (un.)	613,675	479,589	28.0%
Coupling Systems (un.)	119,271	74,479	60.1%
Axles and Suspensions (un.)	30,853	19,118	61.4%
Hubs and drums (um.)	436,255	365,116	19.5%



FINANCIAL SERVICES

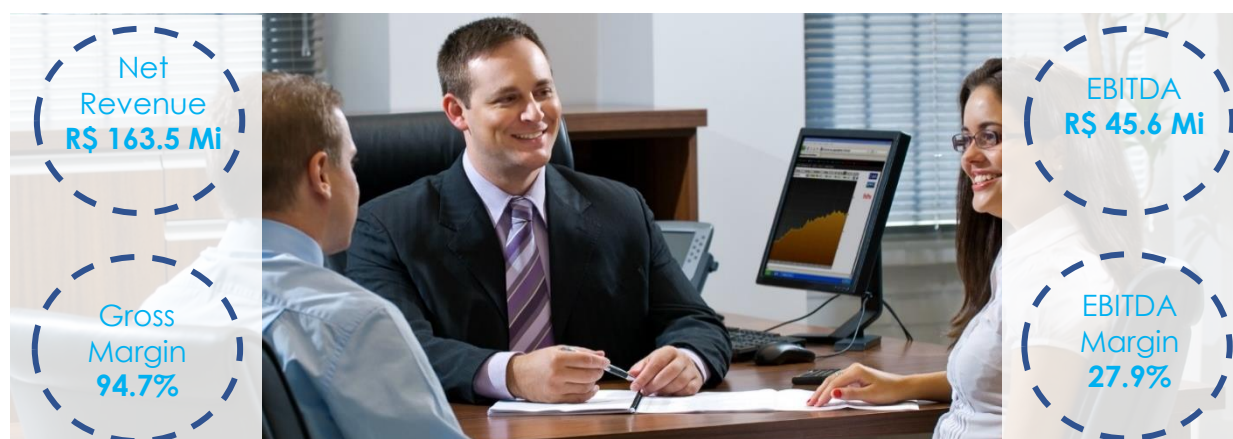
The Company's financial services division, represented by Randon Consórcios and Randon Investimentos (Banco Randon), accounted for 3.8% of consolidated net revenue.

These businesses are a means of sustaining sales and give access to credit and product financing for Randon Companies customers.

Randon Consórcios - In 2018, 14,306 quotas of coop-payment plans were sold, an increase of 4.8% in relation to quotas sold in 2017 (13,651 units).

Banco Randon - Banco Randon acts as support for the sales of Randon Companies, offering alternative financing to customers and suppliers of Randon Companies.

Services	2018	2017	Var. %
Consolidated Net Revenue (R\$ Thousand)	163,481	149,293	9.5%
"Coop-payment plan" quotas sold.	14,306	13,651	4.8%





SUSTAINABILITY

PEOPLE MANAGEMENT

The Company ended 2018 with 10,714 employees, 37.0% higher than in 2017 (7,821 employees).

This growth reflects the increase in the production of trailers and auto parts, as well as the expansion of manufacturing units with the new acquisitions of Fras-le's subsidiaries.

Employees are offered benefits such as health plan, private pension plan, credit union, profit sharing, transportation, health center and restaurant, which allow them to carry out their activities with health, safety and well-being. The companies maintain regular programs aimed at a better quality of life that encourage healthy practices.

SOCIAL RESPONSIBILITY

People, Valued and respected. More than one of the Company's principles, this phrase epitomizes the respect for the human being as the final recipient of the actions and business initiatives we take. This comprehensive concept goes beyond the relationship with employees and the benefits offered to them, but go through into a broad portfolio of social programs and relationships with the community and stakeholders.

The Company supports the Elisabetha Randon Institute (IER), and invested R\$ 2.2 million in the institution in 2018. The IER, founded in 2003, is a Public Interest private Organization aimed at promoting citizenship and social development, through actions directed to education, culture, social assistance and the encouragement of volunteer practice.

The IER keeps in place social programs aimed at the community, of which we highlight:

- **Florescer Program:** aimed at preparing children and adolescents with fewer social and economic opportunities for the exercise of citizenship through a service that strengthens fellowship and builds relationships in the shift opposite to their regular school hours. Created in 2002, the Program annually benefits 360 children from 6 to 14 years of age.

- **Florescer Program - Professional:** offers pre-vocational courses and has the mission of preparing young people for a better insertion in the labor market through humanistic and technical training. It works in partnership with SENAI, for technical and professional training, structuring learning programs as an Administrative Assistant and Logistics Operations Auxiliary, supplying technical qualification needs for 75 teenagers aged 15 to 16, without leaving aside their humanistic training.

- **Vida Sempre Program:** promotes education for traffic safety. The employees of Randon Companies and their families and community in general are given information through printed material, videos, theater and campaigns, with the purpose of provoking reflection on appropriate attitudes in traffic, aiming at contributing to improve the education indices in this area, benefiting in about 70 thousand people / year with these actions.

In pursuit of sustainable development, Randon Companies maintain an investment position that is also directed towards the community, in the area of environmental education for culture and leisure, as well as social and cultural education.



ENVIRONMENTAL RESPONSIBILITY

Randon Companies pursue the basic principle that good financial performance must necessarily come with clear attitudes in favor of the environment. The direction taken by a true corporate citizen permeates its affiliate companies which, as a guidance, have acted ahead of legal requirements and adopted pioneering and bold measures in social-environmental responsibility. The search for innovative technologies and cleaner technologies, within the environmental concept, has resulted in initiatives related to the effective use of energy, treatment of effluents, reuse of treated effluents utilization of rainwater and recycling of waste.

The companies have followed the practice of aligning actions, information and environmental monitoring since 2004, when the Environmental Task Force was created, formed by technical representatives from all companies of Randon Group. The Work Force holds monthly meetings to align concepts, legal requirements and practices. One of the actions that are part of the annual calendar of the Work Force is to organize the Environment Week, the responsibility of which is to dedicate the entire week (including June 5 - World Environment Day) to carry out social-environmental actions involving employees and stakeholders and focusing on the initial grades of the schools located in the local community.

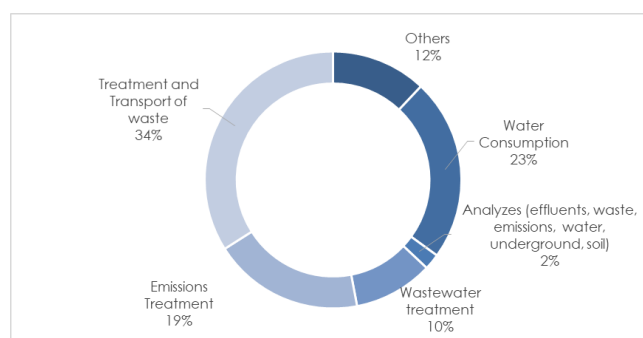
In 2017, a new format for environmental indicators was standardized, with a special focus on optimizing the use of raw materials and reducing waste generation, practices of the production concept and clean technologies, according to the methodology of the National Center for Clean Technologies CNTL).

Thus, the environmental performance indicator measures the amount of waste generated in relation to the input of raw material.

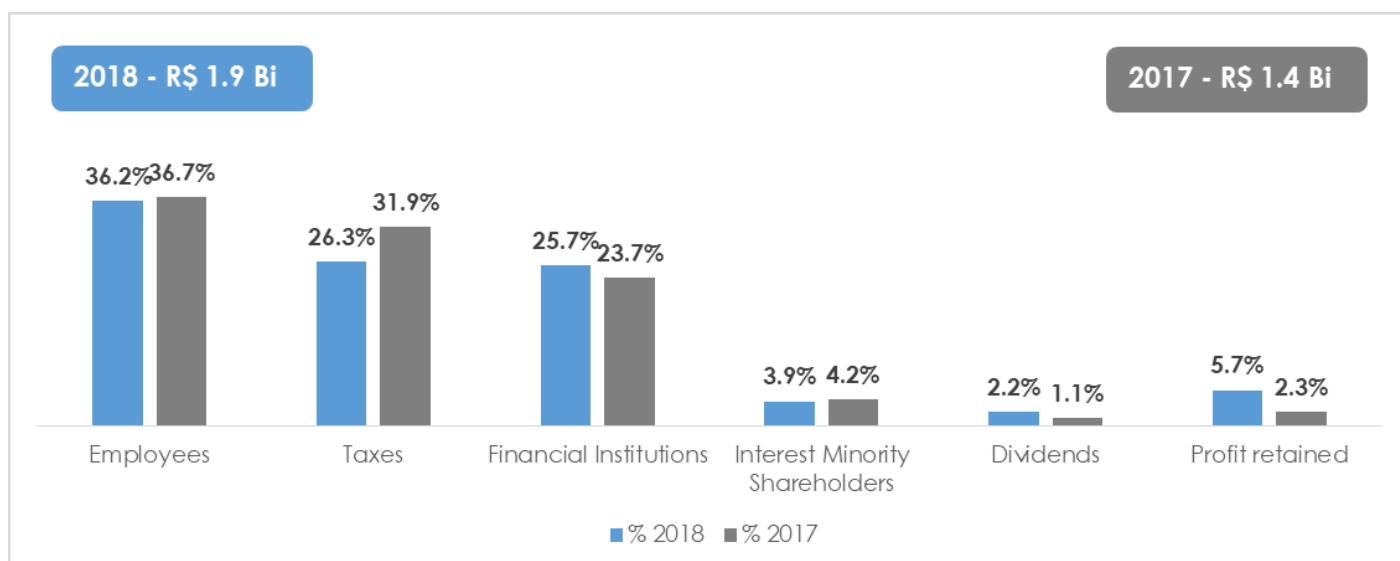
Among the environmental activities followed by Randon Companies, we highlight: management of solid, liquid and gaseous waste in line with the current legislation related to storage, transportation and final destination; composting process that is carried out for the residues of organic sludge from the effluent treatment plant and gardening pruning; use of rainwater; reuse of wastewater in toilets, gas scrubbers, cooling of parts; use of the metal scrap residue generated in the companies, such as the raw material in Castertech, the Foundry Unit of Randon Companies.

It should be noted that all companies are certified by ISO 14001 - Environmental Management System, audited every six months by an external certification body, which ensures the continuous improvement of the environmental management system.

In 2018, R\$ 15 million were invested in environmental preservation and conservation, guided by the Health, Safety and Environment policy. The following investments are presented in the chart below:



ADDED VALUE



The table with complete data is included in the explanatory notes included in the Financial Statements.

ETHICS AND COMPLIANCE

The Company has an integrity program, known as Randon ID, which was developed to guide and sustain its actions in an organized work environment, promoting the constant improvement and achievement of results. Randon ID is based on the Company's principles, and includes the ethical code of conduct, corporate policies and the ethics channel.

The integrity program demands a bimonthly follow-up of topics such as: ethics channel reports, review of corporate policies, review of the code of ethical conduct, training, corporate risk mapping, among others.

Randon Companies are concerned with building an ethical organizational environment so that everyone carries out their activities based on honesty, transparency, integrity and seriousness and, thereby, reaffirm their commitment to society as a whole.



PEOPLE, valued and respected



ETHICS, a matter of integrity and reliability



Satisfied CUSTOMER



PROFIT with SUSTAINABILITY, a means of perpetuation



QUALITY and SAFETY, everybody's commitment



Competitive TECHNOLOGY



IMAGE, an asset to preserve



We are all RONDON.



0800 777 0768



Portal de Ética e Compliance



www.canaldeetica.com.br/empresasrandon
compliance@empresasrandon.com.br

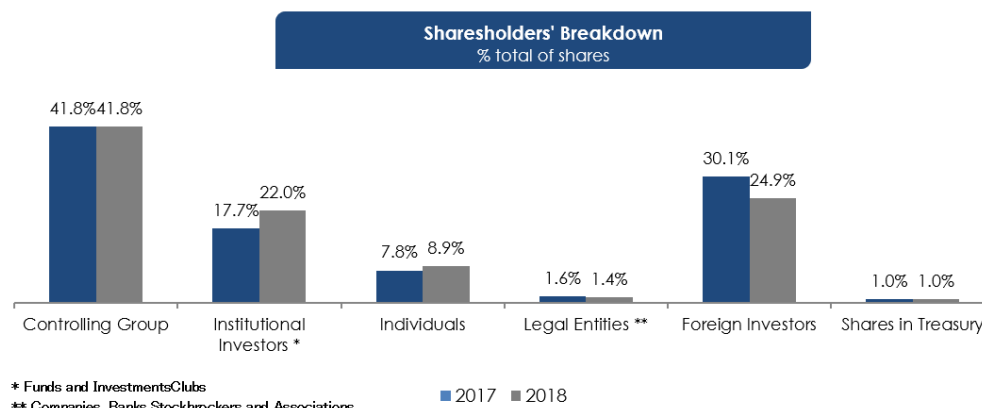


STOCK MARKET

STOCK PERFORMANCE

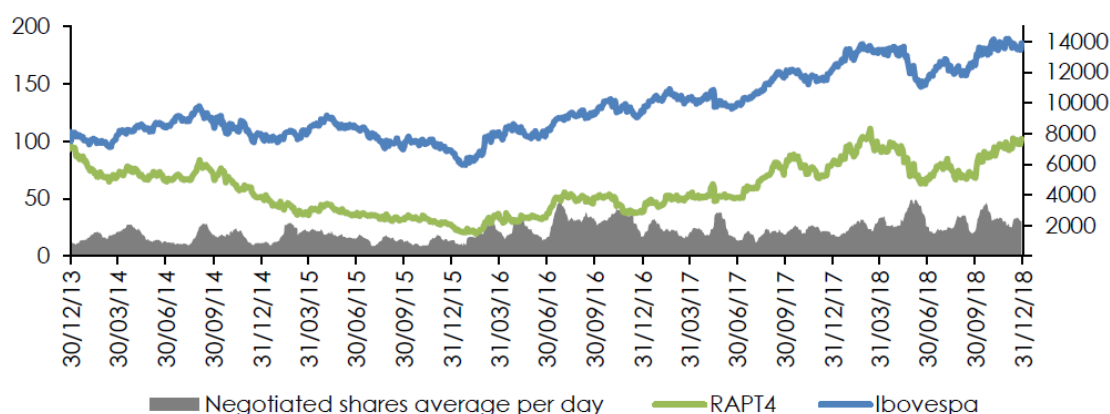
The preferred shares of Randon S.A. Implementos e Participações increased by 29.1% in 2018 (R\$ 9.26 per share on 12/31/2018, compared to R\$ 7.17 on 12/31/2017). In the same period, the Ibovespa index presented a positive variation of 15.0%.

During the same period, 543.3 million preferred shares were traded in the spot market of B3 (Bolsa, Brasil, Balcão). The Company registered in 2018 average daily trading volume of R\$ 17.2 million against R\$ 9.1 million of preferred shares, in the same period of 2017.



Variables	Jan-Dec/2018	Jan-Dec/2017
Number of Shareholders	12,976	9,382
Amount traded (Pref.)-	543,355,300	406,155,000
Number of trades	1,247,941	935,337
Daily Average - Shares Traded	2,217,777	1,651,037
Daily Average - Trades Accomplished	5,094	3,802
Change in Randon Shares (%)	29.1%	107.8%
IBOVESPA Change (%)	15.0%	26.9%
Equity Share Value	5.97	5.57
Stock Value	9.26	7.17
Daily Average - Traded Volume (R\$ Million)	17,193	9,086
Company Value (R\$ Million)	2,914	2,256

RAPT4 (100=12/30/2013)



INVESTOR RELATIONS

In 2018, the Company held meetings and participated in various events bringing together different audiences, such as the financial market, stock market, shareholders and potential investors, as follows:

- Credit Suisse Latin America Investment Conference – São Paulo – SP;
- BTG Pactual XIX CEO Conference – São Paulo – SP;
- Credit Suisse Infra & Capital Goods Conference – São Paulo – SP;
- BofAML Autos & Capital Goods Day – São Paulo – SP;
- 2nd Itaú BBA Transportation, Logistics and Capital Goods Conference – São Paulo – SP;
- Bradesco BBI 5th Annual Brazil Investment Forum – São Paulo – SP;
- Itaú BBA 12th Annual LatAm CEO Conference – New York – USA;
- UBS II Industrials Day – São Paulo – SP;
- Randon Day – Caxias do Sul – RS;
- APIMEC – São Paulo – SP;
- NDR Credit Suisse – São Paulo – SP;
- NDR Bradesco BBI – São Paulo – SP;
- NDR Safrá – São Paulo – SP;
- UBS Conference – New York – USA;
- NDR Safrá – São Paulo – SP;
- BTG Conference – New York – USA;
- J.P. Morgan Conference – São Paulo – SP;
- Bradesco BBI Conference – New York – USA;
- NDR Itaú – São Paulo – SP.

MATERIAL FACTS AND NOTICE TO SHAREHOLDERS

- On March 4, the Company issued a Material Fact informing the passing of the Chairman of the Board of Directors and Founder, Mr. Raul Anselmo Randon.
- On April 13, through a Material Fact, the Company announced the issue its 2nd commercial notes, in the amount of R\$ 350 million, with restricted efforts, pursuant to ICVM 566 and CVM Instruction 476. The net proceeds raised with this issue were fully used to reinforce the Company's working capital.
- On July 2, the Company issued a Material Fact approving the 6th Issue of Debentures, non-convertible into shares, unsecured and single series, in the amount of R\$ 600 million, maturing in 5 years from the date of issue. The net proceeds raised through this issue were used to roll over the Company's debts.
- On August 8, Fras-le acquired a 100% stake of the capital of Jofund S.A., which operated in the aftermarket using the Fremax brand. The transaction value was approximately R\$ 180 million, adjusted according to the assumptions of the estimated closing date price. With this acquisition, the Company expanded its portfolio and consolidated its leading position in the auto parts segment in Brazil, reinforcing its product mix.
- On November 28, the Company announced, through a Notice to Shareholders, the early redemption of the entire 2nd series of its 4th Issue of Debentures, and subsequent cancellation of such debentures.

SHAREHOLDERS' REMUNERATION

The adjusted Net Income of the Company in 2018, basis for the calculation of dividends, was R\$ 140,829,322.08 and the Bylaws provide for the payment of a minimum dividend to shareholders, corresponding to 30% of the adjusted profit.

In this sense, the managers proposal to be appraised by the shareholders at the Annual Shareholders' Meeting is to allocate the amount of R\$ 49,290,259.82 to dividends, corresponding to 35% of adjusted net income, 5% higher than the expected minimum in the Bylaws. From this amount, interim dividends have already been distributed to the 6-months income account raised on June 30, 2018, in the amount of R\$ 19,168,986.48, as resolved by the Board of Directors, on August 10, 2018, remaining the importance of R\$ 30,121,273.34, corresponding to R\$ 0.08798886 per common and preferred share, for distribution to shareholders.

CVM INSTRUCTION 381/2003 – INDEPENDENT AUDITORS

In compliance with CVM Instruction No. 381/2003 of the Brazilian Securities and Exchange Commission, we hereby inform you as follows:

In 2018, the Company paid fees to KPMG Auditores Independentes in the amount of R\$ 1,450 thousand, which includes external audit services and other services, the characteristics of which are as follows:

(a) Other Services			
Period	Term	Fees Paid	% over value of external audit services
January to December	12 months	R\$ 265 thousand	15%
During the year ended December 31, 2018, fees were paid for additional tax compliance services (R\$ 265 thousand).			
These services did not affect the restrictions of CVM Instruction 381/03, since they refer mainly to other specific works and were performed by professionals from a completely different area from the one in which professionals perform the external audit services, therefore not affecting the independence and objectivity required for external audit services.			
(b) Mandatory external audit services			
Period	Term	Fees Paid	% over value of external audit services
January to December	12 months	R\$ 1.185 mi	85%
The mandatory external audit services included the review of the quarterly information (ITRs) for the periods ended in March, June and September 2018 and auditing of the financial statements for the year ended December 31, 2018 (DFP).			

The Company's policy is to comply with the restrictions on the services of independent auditors, ie to ensure that there is no conflict of interest, loss of independence or objectivity for the services provided by independent auditors, not related to external auditing. Such independence is obtained by the provision of services by professionals from independent areas of the audit firm.



AWARDS AND HIGHLIGHTS

- Racon, a brand of Randon Consórcios, **ranked first in the Marcas de Quem Decide ranking**, promoted by Jornal do Comércio, both in remembrance and in the preference of the interviewees in the real estate and vehicle segments, in the coop-payment plan category. The annual survey is conducted by Qualidata.
- Randon S.A Implementos e Participações appears in third place in the remembrance and also in the preference of the interviewees, as **Innovative Brand**. In the Grande Marca Gaúcha category, it occupies the fourth position as a souvenir and the third as a preference.
- Fras-le's successful international expansion strategy led the company to be **a finalist in the King Award** in the Enterprise of the Year category, promoted by Automotive Business Magazine.
- Randon S.A Implementos e Participações (Empresas Randon) won the eighth place among the **top 10 in the category of Great Company / Brand of RS** - according to the survey Top of Mind 2018, made annually by Amanhã Magazine.
- Randon S.A Implementos e Participações won the award for **Best Manufacturer of Railcars**, promoted by Revista Ferroviária. The choice is made through voting by the railroad operators and takes into account criteria such as relationship, technological innovation and performance.
- **Randon S.A Implementos e Participações and Fras-le were awarded during the 46th Export Excellence Award.** Randon S.A. received the Distinction in the category Market Outstanding, recognition for the consolidation of the brand in all the continents in which it operates and for the management of the distribution and commercialization channels. Fras-le received the award for Market Diversification, the number of target countries to which the company exported and the ability to promote the plurality of destination in exports to more than 100 countries, in addition to the acquisition of companies overseas.
- Randon Companies received from the Chamber of Industry, Commerce, Agriculture and Services of Vacaria city, the 2017 **Business Recognition Trophy**, as a posthumous tribute to Mr. Raul Anselmo Randon.
- Fras-le S/A received the "**Recognition in Sustainability**" and "**Recognition in Productivity**" awards of the Gaúcho Quality and Productivity Program (PGQP). In Sustainability, the company was awarded the development of a new family of commercial brake blocks using recyclable materials. In Productivity, Fras-le implemented Total Productive Maintenance (TPM), a productive management process aiming at maximum efficiency of the industrial production system throughout the company's life cycle.
- JOST Brazil won the **sixth place in the select group of Best Companies to Work in Brazil**. The award is promoted by Great Place to Work® in 53 countries and, in Brazil, is held in partnership with the magazine Época Negócios, from Globo Organizations.
- Randon Companies are in the ranking of the 28th edition of the regional survey of the Amanhã Magazine of 2018 - **100 Biggest of Rio Grande do Sul, in 13th place**. The Company is also among the 500 largest in the South, ranking 32nd in the southern region.
- With levels of excellence achieved in indicators of credibility, respect, pride, impartiality and camaraderie among employees, **JOST Brasil was recognized as the Best Company to work in Rio Grande do Sul**. Randon Implementos was the winner of the Biggest and Best Transportation Award 2018. The recognition is granted by the magazine Transporte Moderno to the main names of all the modalities of the sector.



GUIDANCE 2019

On February 20, 2019, the Company announced its guidance for 2019:

	2019
Total Gross Revenue (before consolidation)	R\$ 7 billion
Consolidated Net Revenue	R\$ 5 billion
*Revenues from Overseas	US\$ 300 million
Imports	US\$ 75 million
Investments	R\$ 220 million

* Exports + Operations overseas

These indicators were validated in the strategic planning process of the Company and supported by the assessment of the domestic macroeconomic scenario and the countries with which it has commercial relations, as well as sectoral indicators, of the automotive industry, and market behavior in the operating segments.



ACKNOWLEDGEMENTS

The year 2018 marked the beginning of the resumption of activity in the Company's main sectors of activity. Along with the benefits of recovery, there have also come the challenges of delivering significant growth in such a short time interval. To that end, the trust and commitment of customers, distributors, suppliers, shareholders, financial institutions, government agencies and the community in general were fundamental. In particular, we thank the more than 10,000 employees who, with their work and dedication, have led to the results achieved.

Caxias do Sul, March 20, 2019.

Management



MANAGEMENT

Board of Directors	Audit Board
Alexandre Randon – President Hugo Eurico Irigoyen Ferreira - Vice-President Derci Alcântara – Board Member Pedro Ferro Neto – Board Member Ruy Lopes Filho – Board Member	Ademar Salvador João Carlos Sfreddo Maria Tereza Casagrande Renato Sobral Pires Chaves William Cordeiro
Executive Board	Executive Comittee
David Abramo Randon – President Director Alexandre Randon – Director Daniel Raul Randon –Vice-president Director Geraldo Santa Catharina – Director Alexandre Dorival Gazzi – Director Sergio Lisboa Moreira de Carvalho – Director	David Abramo Randon – President Director Daniel Raul Randon – Vice-President Director Alexandre Dorival Gazzi – Corporate Director Sergio L. M. de Carvalho – Corporate Director Paulo Prignolato – Corporate Director
IR and Financial Officer	IR and Planning Manager
Geraldo Santa Catharina	Esteban Mario Angeletti
Accountant	
Paula Machado Corrêa (CRC/RS-097654/O-8)	
Investor Relations	
Caroline Isotton Colleto Daniela Tomazzoni Davi Coin Bacichette	





ADDRESSES AND CONTACTS

■ **IR and Financial Officer:** Geraldo Santa Catharina

■ **IR Manager:** Esteban Mario Angeletti

■ **Phone:** +55 54 3239-2505

■ **Fax:** +55 54 3239-2566

■ **E-mail:** ri@randon.com.br

■ **Site:** www.empresasrandon.com.br

Book-Entry System and Shareholder Services

Bank: Itaú

Address: Rua Boa Vista, 176 – 1º Subsolo – Centro, São Paulo – SP

■ **Independent Auditors:** KPMG Auditores Independentes

■ **Newspaper:**

Diário Oficial do Estado do Rio Grande do Sul

Folha de Caxias – Caxias do Sul – RS

■ **Phot Credits:**

Magrão Scalco

João Carlos Lazzarotto

Julio Soares

Randon Companies Photo Database

SUMMARIZED FINANCIAL STATEMENTS AS OF 12/31/2018 (R\$ Thousand)

	RANDON S/A IMPL. E PARTIC. CONSOLIDATED	RANDON S/A IMPL. E PARTIC. PARENT CO.	RANDON INVESTIMENTOS
Assets	5,838,143	4,173,001	436,844
Current Assets	3,587,567	2,223,305	296,446
Cash and equivalents	1,229,151	922,716	36,106
Financial Investments	498,780	453,744	-
Derivative Financial Instrument	-	-	-
Receivables	638,718	217,522	260,202
Inventory	847,944	338,402	-
Deferred Charges/ Recoverable taxes	311,112	222,307	-
Others	61,862	68,614	138
Noncurrent Assets	2,250,577	1,949,696	140,398
Long-term Assets	531,262	290,596	136,625
Investments of non-immediate liquidity	10,640	116,132	10,640
Credit controlling company/controlled companies	-	9,957	-
Receivables	110,960	-	110,960
Consortiums for resale	53,138	19,776	26
Deferred Charges/ recoverable taxes	225,286	123,336	2,175
Other non-current assets	21,003	5,568	56
Taxes under litigation	37,823	15,539	-
Goods for resale	13,058	289	12,768
Long Term Receivables	59,354	-	-
Investments/Property, Plant, Property/Intangible/Deferred	1,719,315	1,659,100	3,772
Liabilities	5,838,143	4,173,001	436,844
Current Liabilities	1,587,915	1,005,185	253,134
Suppliers	394,881	235,849	1,328
Financing institutions	854,181	630,943	224,461
Salaries and benefits	77,786	27,828	656
Taxes and Fees	61,752	16,101	2,273
Advances for customers and others	199,315	94,464	24,416
Noncurrent Liabilities	2,205,268	1,640,505	102,036
Financing institutions	1,984,614	1,622,023	101,996
Government Subsidy	4,947	2,128	-
Debits with controlled companies	-	-	30
Diverse taxes and contributions	69,203	-	10
Provision for contingencies	35,608	15,288	-
Other non-current liabilities	36,378	1,065	-
Coop-payment plans obligations	74,517	-	-
Total Net Equity	2,044,961	1,527,312	81,674
Net Equity	1,527,312	1,527,312	81,673
Minority interest	517,649	-	1

SUMMARIZED FINANCIAL STATEMENTS AS OF 12/31/2018 (R\$ Thousand)
**RANDON S/A
IMPL. E PARTIC.
CONSOLIDATED**
**RANDON S/A
IMPL. E PARTIC.
PARENT CO.**
**RANDON
INVESTIMENTOS**
INCOME STATEMENT

Net turnover	4,262,602	2,291,988	40,702
Cost of goods and services	-3,250,088	-1,944,856	-18,421
Gross income	1,012,514	347,132	22,281
Sales expenses	-367,773	-121,412	-
Administrative expenses	-241,018	-100,710	-11,272
Financial income	-118,275	-82,757	-3
Investment valuation income	-	129,804	-
Other expenses/income	33,767	337	2,813
Income before taxes	319,215	172,395	13,818
Provision for taxes and social contributions	-92,312	-20,677	-8,090
Interest of non-controlling shareholders	-75,185	-	-
Net income for the period	151,719	151,719	5,728
EBIT	437,490	125,348	13,822
EBITDA	559,819	180,053	13,882
EBITDA MARGIN (%)	13.1%	7.9%	34.1%

STATEMENT OF CASH FLOW – INDIRECT METHOD (R\$ Thousand)

	Parent Company		Consolidated	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Cash flow from operations				
Income for the period	151,719	46,712	226,903	104,736
Provision for income tax and social contribution (current and deferred)	19,774	-9,349	92,312	49,208
Depreciation and amortization	54,705	53,984	122,243	117,281
Reduction in Recoverable Value	1,249		-6,143	9,031
Provision for disputes	-3,102	3,385	3,405	6,437
Provision for doubtful accounts	312	1,825	-5,318	-1,057
Provision for obsolete inventory	-4,353	3,995	-3,874	5,932
Other Provisions	1,010	11,827	8,079	19,411
Residual cost from sold and written off fixed assets	5,076	2,421	16,225	6,854
Investments written off	-	97,990	-	29,870
Non realized profit on receivable assets	-2,028	-9,926	-2,028	-9,926
Equity equivalence	-129,804	-117,058	-	-
Monetary Adjustment (IAS 29)	-	-	-8,199	-
Government Grant Revenue	188,446	154,689	233,484	185,227
Government Grant Revenue	344	265	827	478
Variations in derivatives	2,003	-2,056	2,096	-933
Receipt of profits and dividends of subsidiaries	285,351	238,704	680,012	522,549
Variations in assets and liabilities				
Financial investments	-60,698	-139,690	141,278	30,285
Accounts receivable from customers	-73,111	22,268	-122,263	19,598
Inventory	-98,689	-19,466	-177,700	-113,878
Other Assets	-100,237	-15,355	-137,712	4,357
Suppliers	69,022	70,997	64,420	121,761
Other accounts payable	21,263	-27,291	-11,105	-76,464
Cash used (generated by) operation	42,901	130,167	436,930	508,208
Income tax and Social Contribution paid	-292	-1,666	-60,876	-52,310
Net cash used (generated by) operation	42,609	128,501	376,054	455,898
Cash Flow from Investments				
Pay-up of capital in subsidiary	-980	-1,920	-	-
Receipt of profits and dividends of subsidiaries	99,279	95,229	-	-
Business combination	-	-	-228,168	-2,534
Investment Addition	-	-	-	-3
Purchases of property, plant and equipment	-47,990	-50,461	-160,187	-111,835
Additions to intangible assets	-4,885	-720	-8,080	-3,257
Net cash used (generated by) investments	45,424	42,128	-396,435	-117,629
Net cash used (generated by) investments				
Payment of dividends	-34,899	-15,005	-67,011	-24,610
Payment of interest on capital payable	-19	-39	-25,643	-29,558
Loans	1,050,128	438,839	1,467,417	535,979
Payment of loans	-639,039	-470,846	-981,730	-763,577
Interest paid on loans	-119,765	-164,686	-145,100	-188,547
Net Cash used (resulting from) financing	256,406	-211,737	247,933	-470,313
	344,439	-41,108	227,552	-132,044
Statement of increase in cash				
At beginning of period	578,277	619,385	1,001,599	1,133,643
At end of period	922,716	578,277	1,229,151	1,001,599
Increase in cash	344,439	-41,108	227,552	-132,044