

## Construtora Tenda S.A.

Corporate Taxpayer's Registry (CNPJ/MF) No. 71.476.527/0001-35

Corporate Registry Identification Number (NIRE) 35.300.348.206

## Notice to the Market

### 2Q19 PREVIEW OF OPERATIONAL RESULTS

**Launches up 9.9% YoY in 2Q19, reaching R\$2.09 billion in LTM, with landbank stable at R\$9.50 billion. Net pre-sales totaled R\$ 479.9 million, with a 28.9% net SoS**

**FOR IMMEDIATE RELEASE** – São Paulo, July 11, 2019 – Construtora Tenda S.A. (“Company”, “Tenda”), a leading Brazilian homebuilder and real estate developer focused on low-income residential projects operating within the 1.5 and 2 ranges of the “Minha Casa, Minha Vida” (“MCMV”) federal government housing program, today announced a preview of its operational results (launches, gross sales, cancellations, net pre-sales, transferred units, delivered units, construction sites and landbank) for the second quarter of 2019. These results are preliminary, subject to audit review.

#### HIGHLIGHTS

- **Landbank** up 33.2% YoY, totalling R\$ 9.50 billion in PSV
  - Increased competition for land reduced swaps opportunities in the year-to-date comparison
- **13 projects launched** resulted in PSV 53.6% higher QoQ
- **Net pre-sales** of R\$479.9 million in 2Q19, with net SoS of 28.9%
- **54 construction sites**, up 38.5% YoY (39 sites in 2Q18)
- **PSV transferred** totaled R\$457.7 million, up 2.0% YoY

## GUIDANCE

Aiming at generating useful comparative information and providing predictability to the market on our figures, Tenda opted to disclose guidance for 2019 based on scenarios identified with defined variables and assumptions.

- In 2019, the Company estimates that the **Adjusted Gross Margin**, which is the ratio of consolidated gross profit for the year less financial charges, as stated in Note 12 to the financial statements and consolidated net revenue for the year, will range between 34.0% and 36.0%
- In 2019, the Company estimates that the **Net Pre-Sales**, defined as the product of gross sales for the year (in R\$ million) minus cancellations for the year (in R\$ million), adjusting all amounts to Tenda's equity interest, will range between R\$1,950.0 million and R\$2,150.0 million.

<b>Guidance 2019</b>	<b>Minimum</b>	<b>Maximum</b>	<b>1Q19</b>	<b>2Q19</b>	<b>3Q19</b>	<b>4Q19</b>	<b>2019</b>
Adjusted Gross Margin (%)	34.0%	36.0%	35.8%	-	-	-	-
Net Pre-Sales (R\$ million)	1,950.0	2,150.0	406.9	479.9	-	-	886.8

## LAUNCHES

In 2Q19, Tenda launched 13 projects, totaling R\$592.3 million in PSV, up 9.9% YoY and 53.6% QoQ. This significant increase QoQ resulted in increased cash outflow to project development in this quarter. In the LTM, launches reached R\$2.09 billion in PSV.

9 of the 13 projects were launched in the metropolitan areas of São Paulo and Rio de Janeiro, accounting for 70% of the PSV launched in the quarter.

<b>Launches<sup>1</sup></b>	<b>2Q19</b>	<b>1Q19</b>	<b>QoQ (%)</b>	<b>2Q18</b>	<b>YoY (%)</b>	<b>1S19</b>	<b>1S18</b>	<b>YoY (%)</b>
Number of Launches	13	10	30.0% ↑	15	(13.3%) ↓	23	23	0.0% ↑
<b>PSV (R\$ million)</b>	<b>592.3</b>	<b>385.6</b>	<b>53.6% ↑</b>	<b>539.1</b>	<b>9.9% ↑</b>	<b>977.9</b>	<b>805.4</b>	<b>21.4% ↑</b>
Number of units	4,072	2,631	54.8% ↑	4,052	0.5% ↑	6,703	5,904	13.5% ↑
Average price per unit (R\$ thousand)	145.4	146.6	(0.8%) ↓	133.0	9.3% ↑	145.9	136.4	6.9% ↑
Average size of launches (in units)	313	263	19.1% ↑	270	16.0% ↑	291	257	13.5% ↑

1. Tenda holds 100% equity interest in all projects launched since 2013 (when it launched its current business model).

## GROSS SALES

Gross sales totaled R\$536.9 million in 2Q19, up 1.7% YoY. Compared to 1Q19, gross sales were up 21.2% QoQ. Gross Sales over Supply ("Gross SoS") reached 32.3% in 2Q19, up 2.4 p.p. QoQ and down 4.3 p.p. YoY.

Gross Sales	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
PSV (R\$ million)	536.9	443.0	21.2% ↑	528.1	1.7% ↑	979.9	999.4	(2.0%) ↓
Number of units	4,036	3,345	20.7% ↑	3,823	5.6% ↑	7,381	7,216	2.3% ↑
Average price per unit (R\$ thousand)	133.0	132.4	0.5% ↑	138.1	(3.7%) ↓	132.8	138.5	(4.1%) ↓
Gross SoS	32.3%	29.9%	2.4 p.p. ↑	36.6%	(4.3 p.p.) ↓	47.3%	53.5%	(6.2 p.p.) ↓

## CANCELLATIONS AND NET PRE-SALES

Net pre-sales totaled R\$479.9 million in 2Q19, in line with 2Q18 PSV despite the non-occurrence of CEF's annual real estate trade show (*feira*), which typically occurred in the second quarter. To mitigate this effect, Tenda promoted this year its own event, *Feiraço Tenda* (Tenda Trade Show). Net Sales over Supply ("Net SoS") reached 28.9% in 2Q19, up 1.4 p.p. QoQ but down 4.4 p.p. YoY. In addition to the non-occurrence of CEF's trade show, SoS was also impacted by the Company's lower participation in the bracket 1.5 of the Minha Casa, Minha Vida ("MCMV") program.

Cancellations as a percentage of gross sales increased to 10.6% as a result of the combination of the suspension of clients' transfers to banks at the end of 2018 and the change of MCMV rules in the beginning of 2019.

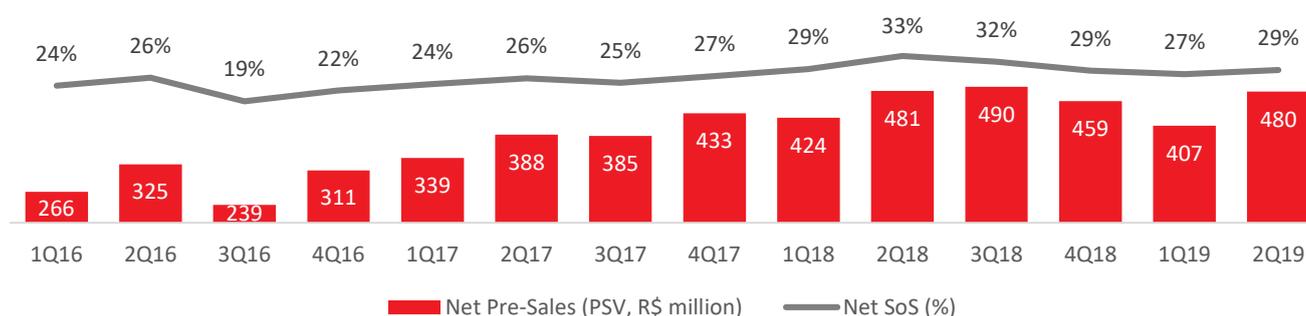
(PSV, R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Gross Sales	536.9	443.0	21.2% ↑	528.1	1.7% ↑	979.9	999.4	(2.0%) ↓
Cancellations	57.0	36.0	58.2% ↑	46.9	21.6% ↑	93.0	93.9	(0.9%) ↓
Net Pre-Sales	479.9	406.9	17.9% ↑	481.3	(0.3%) ↓	886.8	905.5	(2.1%) ↓
% Launches <sup>1</sup>	28.0%	4.4%	23.6 p.p. ↑	39.7%	(11.7 p.p.) ↓	17.2%	25.0%	(7.8 p.p.) ↓
% Inventory	72.0%	95.6%	(23.6 p.p.) ↓	60.3%	11.7 p.p. ↑	82.8%	75.0%	7.8 p.p. ↑
Cancellations / Gross Sales	10.6%	8.1%	2.5 p.p. ↑	8.9%	1.7 p.p. ↑	9.5%	9.4%	0.1 p.p. ↑
Net SoS	28.9%	27.5%	1.4 p.p. ↑	33.3%	(4.4 p.p.) ↓	42.8%	48.5%	(5.7 p.p.) ↓

(in units)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Gross Units Sold	4,036	3,345	20.7% ↑	3,823	5.6% ↑	7,381	7,216	2.3% ↑
Cancelled Units	427	276	54.7% ↑	341	25.2% ↑	703	682	3.1% ↑
Net Units Sold	3,609	3,069	17.6% ↑	3,482	3.6% ↑	6,678	6,534	2.2% ↑
Cancellations / Gross Sales	10.6%	8.3%	2.3 p.p. ↑	8.9%	1.7 p.p. ↑	9.5%	9.5%	0.0 p.p.

1. Current year launches.

### Net Pre-Sales (PSV, R\$ million) e Net SoS (%)



## UNITS TRANSFERRED, DELIVERED, AND CONSTRUCTION SITES

Transferred PSV totaled R\$457.7 million in 2Q19, up 32.8% QoQ and 2.0% YoY. During the second quarter, the transfer process was normalized. (In the first quarter, transfers were impacted by changes in banks' lending systems to reflect new MCMV rules and delays to provide access to MCMV funds).

3,236 units were delivered in 2Q19, down 13.0% YoY as some deliveries were postponed from June to July. This impact should be mitigated as early as the third quarter.

Transfers, Deliveries and Construction Sites	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
<b>PSV Transferred (in R\$ million)</b>	<b>457.7</b>	<b>344.7</b>	<b>32.8% ↑</b>	<b>448.9</b>	<b>2.0% ↑</b>	<b>802.4</b>	<b>862.0</b>	<b>(6.9%) ↓</b>
Transferred Units	3,908	2,924	33.7% ↑	3,574	9.3% ↑	6,832	6,829	0.0% ↑
<b>Delivered Units</b>	<b>3,236</b>	<b>1,536</b>	<b>110.7% ↑</b>	<b>3,720</b>	<b>(13.0%) ↓</b>	<b>4,772</b>	<b>5,124</b>	<b>(6.9%) ↓</b>
<b>Construction Sites</b>	<b>54</b>	<b>46</b>	<b>17.4% ↑</b>	<b>39</b>	<b>38.5% ↑</b>	<b>54</b>	<b>39</b>	<b>38.5% ↑</b>

## LANDBANK

In 2Q19, landbank remained stable compared to the previous quarter. Total landbank of R\$9.50 billion in PSV means a 33.2% increase over 2Q18. Year to date figures show that the use of swaps has decreased when compared to the same period of 2018. With greater competition in strategic regions, the Company has increased cash outflows with land.

In this quarter, 15 projects were acquired, representing a potential launch of R\$673.5 million in PSV. All projects of the landbank are feasible within the MCMV bracket 2, and, in some cases, could be adapted to the MCMV bracket 1.5.

Landbank <sup>1</sup>	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Number of projects	270	268	0.7% ↑	214	26.2% ↑	270	214	26.2% ↑
<b>PSV (R\$ million)</b>	<b>9,499.3</b>	<b>9,418.1</b>	<b>0.9% ↑</b>	<b>7,130.9</b>	<b>33.2% ↑</b>	<b>9,499.3</b>	<b>7,130.9</b>	<b>33.2% ↑</b>
<b>Acquisitions / Adjustments (R\$ million)</b>	<b>673.5</b>	<b>910.1</b>	<b>(26.0%) ↓</b>	<b>798.0</b>	<b>(15.6%) ↓</b>	<b>1,583.6</b>	<b>1,241.3</b>	<b>27.6% ↑</b>
Number of units	64,846	64,084	1.2% ↑	49,123	32.0% ↑	64,846	49,123	32.0% ↑
Average price per unit (R\$ thousands)	146.5	147.0	(0.3%) ↓	145.2	0.9% ↑	146.5	145.2	0.9% ↑
% Swap Total	26.2%	25.2%	1.0 p.p. ↑	27.9%	(1.7 p.p.) ↓	26.2%	27.9%	(1.7 p.p.) ↓
% Swap Units	11.7%	10.9%	0.8 p.p. ↑	14.4%	(2.7 p.p.) ↓	11.7%	14.4%	(2.7 p.p.) ↓
% Swap Financial	14.4%	14.3%	0.1 p.p. ↑	13.5%	0.9 p.p. ↑	14.4%	13.5%	0.9 p.p. ↑

1. Tenda holds 100% equity interest of its landbank.

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## About Tenda

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Construtora Tenda S.A. (B3:TEND3) is Brazil's second largest homebuilder focused on low-income residential projects listed at the Novo Mercado, B3's highest corporate governance level. The Company concentrates its activities in eight metropolitan regions of Brazil, uniquely operating within the brackets 1.5 and 2 of the "Minha Casa, Minha Vida" ("MCMV") federal government housing program. With a sustainable growth strategy, excellence in execution and strong business model, Tenda has been able to deliver solid cash generation and growing profits, sustaining its vision of offering to investors the highest returns in the low-income segment.