

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 EARNINGS RELEASE

2Q19 net income increased 41.4% YoY. In the last 12 months, earnings per share grew by 65.6% YoY and ROE reached 19.3%. Adjusted gross margin reached 36.1% in another positive quarter in terms of cash generation, which totaled 26.2 million.

FOR IMMEDIATE RELEASE – São Paulo, August 8, 2019 – Construtora Tenda S.A. (“Company”, “Tenda”), a leading Brazilian homebuilder and real estate developer focused on low-income residential projects operating within the brackets 1.5 and 2 of the “Minha Casa, Minha Vida” (“MCMV”) federal government housing program, today reports its operating and financial results for the second quarter of 2019.

HIGHLIGHTS

- **Net income** of R\$73.0 million in 2Q19, up 41.4% YoY.
- **Earnings per share (ex-Treasury)** in the last twelve months up 65.6% YoY.
- **ROE** of 19.3% LTM, up to 1.5 p.p. QoQ and 5.7 p.p. YoY.
- **Cash generation** totaled R\$26.2 million in 2Q19 and capital structure remained unlevered, with a ratio of net debt to shareholders' equity of -23.1%.
- **Landbank** up to 33.2% YoY, totalling R\$9.50 billion in PSV.
- **13 projects** launched resulted in PSV 9.9% higher YoY and 53.6% QoQ.
- **Net pre-sales** of R\$479.9 million in 2Q19, with net SoS of 28.9%.
- Higher **PSV transferred** (+35.2% QoQ).

CONFERENCE CALL AND WEBCAST

Friday, August 9, 2019

9h00 a.m. (NY)

10h00 a.m. (BRT)

Dial in:

International: +1-516-300-1066

Brazil: +55-11-3127-4971

Code: Tenda

Webcast: [Click here](#)

MESSAGE FROM THE MANAGEMENT

In the second quarter of 2019, Tenda presented solid financial results, while seeking to overcome the challenges posed by the changes implemented in the Minha Casa Minha Vida program, restrictions in clients' credit scoring in financial institutions and the postponement of CEF's annual real estate trade show (*Feirão da Caixa*). Among the commercial initiatives of this quarter, the Company invested in the first *Feiraço Tenda* (Tenda Trade Show), an event held between June 7 and 9 in five metropolitan areas. In a single weekend, the pre-sale of 369 units represented more than 9% of total units sold this quarter.

Despite this, net sales' PSV fell by 2.1% YTD, compared to the same period of the previous year. Lower average price of the units sold in 2019, one of the factors that hampered the PSV sold, was also decisive for the speed of sales (Net SoS) to remain high, closing the quarter at 28.9%. The Company still faces the challenge of achieving its net pre-sales guidance for the year, which is equivalent to a 5.4% to 16.2% YoY growth. The 9.9% YoY growth in PSV launched in 1H19 is still insufficient to ensure that the guidance will be met, leading Tenda to increase its efforts to make new products available on the shelf in the third quarter. Accordingly, the Company maintains its guidance on net pre-sales, assuming that the performance of launches in 3Q19 will be crucial for the projection (made at the beginning of the year) to materialize.

Adjusted gross margin in the first half of the year stood at 35.9%, close to the top of the guidance for the year (between 34.0% and 36.0%). On the one hand, the gradual reduction in sales prices and the increase in costs of the main building materials (steel and concrete) had a negative impact on the Company's margins - which is more evident in the 4.5 p.p. QoQ and a 5.8 p.p. YoY drop of the backlog margins. However, a crucial factor for the gross margin to be sustained at the top of the guidance were the results of the implementation of new collection initiatives at the Company, aimed at ensuring customer non-default and, consequently, at strengthening the balance sheet.

Cash generation remained positive, at R\$26.2 million, and net income increased to R\$ 73.0 million in 2Q19, up 41.4% YoY. Earnings per share (ex-treasury) reached R\$ 2.43 in the last twelve months, a 8.5% QoQ and a 65.6% YoY growth. In addition, LTM ROE reached 19.3%.

Regarding capital distribution, Tenda delivered R\$36.0 million to shareholders in the quarter (49% payout) and R\$181.6 million in the last twelve months (77% payout). The Company's distribution strategy so far has been to maintain a stock buyback program in place, seeking market buying opportunities and monitoring the number of shares held in Treasury to ensure the full execution of stock option-based compensation plans. In parallel to the repurchase, the Company must deliberate quarterly, with the Board, the anticipation of the minimum mandatory dividends.

For the second half of the year, Tenda remains attentive to the more restrictive environment for clients' credit approval under Minha Casa, Minha Vida conditions and also to rising construction costs, but believes that the regulatory scenario regarding the future of the program and the maintenance of FGTS as the main source of funding for low-income housing has been strengthened in recent months. Regarding Minha Casa Minha Vida, there are signals that the subsidized acquisition model (typical of brackets 1.5 and 2) is increasingly seen as the most sustainable way to address the country's housing deficit. As for the FGTS, initiatives proposed by the Government in July were aimed at maintaining the Fund as a more profitable source of savings for workers in the long run, as well as reinforcing its importance for the low-income housing program.

With an emphasis on operational excellence – that was proven again by a positive cash generation in this second quarter –, conservative capital structure with low leverage, and operational footprint only in metropolitan regions, where the housing deficit is disproportionate and the entry barrier is higher, Tenda remains focused on the goal of seeking the highest return for shareholders in this sector.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Operational Highlights (R\$ million, PSV)								
Launches	592.3	385.6	53.6% ↑	539.1	9.9% ↑	977.9	805.4	21.4% ↑
Net Pre-Sales	479.9	406.9	17.9% ↑	481.3	(0.3%) ↓	886.8	905.5	(2.1%) ↓
Sales over Supply (SoS) (%)	28.9%	27.5%	1.4 p.p. ↑	33.3%	(4.4 p.p.) ↓	42.8%	48.5%	(5.7 p.p.) ↓
PSV Transferred	466.0	344.7	35.2% ↑	448.9	3.8% ↑	810.6	862.0	(6.0%) ↓
Units Delivered (#)	3,236	1,536	110.7% ↑	3,720	(13.0%) ↓	4,772	5,124	(6.9%) ↓
Landbank	9,499.3	9,418.1	0.9% ↑	7,130.9	33.2% ↑	9,499.3	7,130.9	33.2% ↑
Landbank - Acquisitions / Adjustments	673.5	910.1	(26.0%) ↓	798.0	(15.6%) ↓	1,583.6	1,241.3	27.6% ↑
Financial Highlights (R\$ million)								
Net Revenue	489.1	409.3	19.5% ↑	399.1	22.6% ↑	898.4	765.1	17.4% ↑
Adjusted Gross Profit ¹	176.4	146.4	20.5% ↑	150.0	17.5% ↑	322.7	279.0	15.7% ↑
Adjusted Gross Margin ¹ (%)	36.1%	35.8%	0.3 p.p. ↑	37.6%	(1.5 p.p.) ↓	35.9%	36.5%	(0.5 p.p.) ↓
Adjusted EBITDA ²	95.3	69.9	36.4% ↑	68.3	39.4% ↑	165.1	126.6	30.5% ↑
Adjusted EBITDA Margin ² (%)	19.5%	17.1%	2.4 p.p. ↑	17.1%	2.4 p.p. ↑	18.4%	16.5%	1.8 p.p. ↑
Net Financial Result	2.4	0.3	820.5% ↑	3.4	(30.9%) ↓	2.6	6.6	(60.1%) ↓
Net Income (Loss) ³	73.0	49.8	46.6% ↑	51.6	41.4% ↑	122.7	87.9	39.7% ↑
Backlog Revenues	528.6	531.5	(0.5%) ↓	480.5	10.0% ↑	528.6	480.5	10.0% ↑
Backlog Results ⁴	200.2	225.1	(11.1%) ↓	209.8	(4.6%) ↓	200.2	209.8	(4.6%) ↓
Backlog Margin ⁴ (%)	37.9%	42.4%	(4.5 p.p.) ↓	43.7%	(5.8 p.p.) ↓	37.9%	43.7%	(5.8 p.p.) ↓
Cash and Cash Equivalents ⁵	1,045.9	854.5	22.4% ↑	656.8	59.2% ↑	1,045.9	656.8	59.2% ↑
Net Debt	(289.6)	(299.4)	3.3% ↑	(273.0)	(6.1%) ↓	(289.6)	(273.0)	(6.1%) ↓
Shareholders' Equity + Minority Shareholders	1,252.4	1,201.0	4.3% ↑	1,190.4	5.2% ↑	1,252.4	1,190.4	5.2% ↑
Net Debt / (SE + Minority) (%)	(23.1%)	(24.9%)	1.8 p.p. ↑	(22.9%)	(0.2 p.p.) ↓	(23.1%)	(22.9%)	(0.2 p.p.) ↓
Cash Generation ⁶	26.2	37.9	(30.9%) ↓	0.0	0.0% ↑	64.1	118.7	(46.0%) ↓
Operating Cash Generation ⁷	32.6	36.1	(9.7%) ↓	0.0	0.0% ↑	68.6	123.4	(44.4%) ↓
Net Income (Loss) (LTM)	235.1	213.8	10.0% ↑	154.8	51.9% ↑	235.1	154.8	51.9% ↑
NOPAT ⁸ (LTM)	260.9	235.2	10.9% ↑	180.0	45.0% ↑	260.9	180.0	45.0% ↑
Capital Employed ⁹	962.8	901.6	6.8% ↑	916.3	5.1% ↑	962.8	916.3	5.1% ↑
ROE ¹⁰ (LTM)	19.3%	17.8%	1.5 p.p. ↑	13.6%	5.7 p.p. ↑	19.3%	13.6%	5.7 p.p. ↑
ROCE ¹¹ (LTM)	27.8%	25.7%	2.1 p.p. ↑	18.6%	9.2 p.p. ↑	27.8%	18.6%	9.2 p.p. ↑
Earnings per share ¹² (12 months) (R\$/share) (ex-Treasury)	2.43	2.24	8.5% ↑	1.47	65.6% ↑	2.43	2.24	8.5% ↑

1. Adjusted by capitalized interests.

2. Adjusted by capitalized interests, expenses with stock option plans (non-cash) and minority shareholders.

3. Adjusted by minority shareholders.

4. Backlog results comprise the projects restricted by condition precedent.

5. Cash and cash equivalents and securities.

6. Cash Generation is obtained through the difference between the variation of Available Cash and the variation of Gross Debt, adjusted to the amounts of Share Buyback and Dividends Paid.

7. Operating Cash Generation is a result of the company's managerial calculation which neither reflects nor is compared with the figures reported in the financial statements.

8. NOPAT is composed of net income excluding financial result and capitalized interest effects.

9. Capital Employed is composed of the sum of net debt, shareholders' equity and minority shareholders.

10. ROE is calculated by net income of the last 12 months adjusted by minority shareholders divided by the average shareholders' equity. Average referring to the opening and closing position in the last 12 months.

11. ROCE is calculated by NOPAT of the last 12 months divided by average capital employed. Average referring to the opening and closing position in the last 12 months.

12. Earnings per share (ex-Treasury) considers the issued shares (adjusted for stock splits) and does not consider shares held in Treasury at the end of the period.

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.

Guidance 2019	Minimum	Maximum	1T19	2T19	3T19	4T19	2019
Adjusted Gross Margin (%)	34.0%	36.0%	35.8%	36.1%	-	-	35.9%
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.

Launches ¹	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Number of Launches	13	10	30.0% ↑	15	(13.3%) ↓	23	23	0.0% ↑
PSV (R\$ million)	592.3	385.6	53.6% ↑	539.1	9.9% ↑	977.9	805.4	21.4% ↑
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

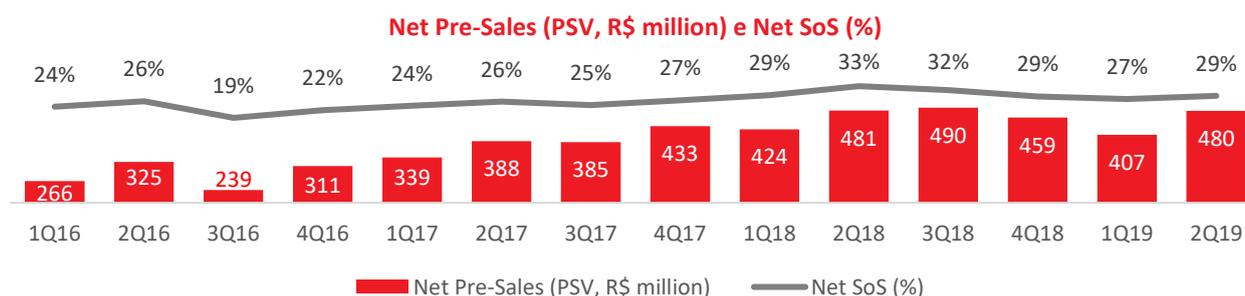
Net pre-sales totaled R\$479.9 million in 2Q19, in line with 2Q18 PSV despite the non-occurrence of CEF's annual real estate trade show (*feira*), which typically occurred in the second quarter. To mitigate this effect, Tenda promoted this year its own event, *Feiraço Tenda* (Tenda Trade Show). Net Sales 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 ¹	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



UNITS TRANSFERRED, DELIVERED, AND CONSTRUCTION SITES

Transferred PSV totaled R\$466.0 million in 2Q19, up 35.2% QoQ and 3.8% 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 (%)
PSV Transferred (in R\$ million)	466.0*	344.7	35.2% ↑	448.9	3.8% ↑	810.6	862.0	(6.0%) ↓
Transferred Units	3,944*	2,924	34.9% ↑	3,574	10.4% ↑	6,868	6,829	0.6% ↑
Delivered Units	3,236	1,536	110.7% ↑	3,720	(13.0%) ↓	4,772	5,124	(6.9%) ↓
Construction Sites	54	46	17.4% ↑	39	38.5% ↑	54	39	38.5% ↑

*Updated after preview of operating results. In the preview, PSV transferred and transferred units totaled R\$ 457.7 million and 3,908 units, respectively.

INVENTORY AT MARKET VALUE

Tenda ended 2Q19 with R\$1.18 billion in inventory at market value, 10.1% higher QoQ and 22.9 higher YoY. Finished inventory units ended 2Q19 with a 36.2% YoY decrease, totaling R\$60.1 million (5.1% of the total inventory). Inventory turnover is 7.7 months, similar to 2018 (when it ranged between 6.7 and 7.6 months).

Inventory at Market Value	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
PSV (R\$ million)	1,183.4	1,075.0	10.1% ↑	963.0	22.9% ↑	1,183.4	963.0	22.9% ↑
Number of Units	7,998	7,503	6.6% ↑	7,247.0	10.4% ↑	7,998	7,247.0	10.4% ↑
Average price per unit (R\$ thousand)	148.0	143.3	3.3% ↑	132.9	11.4% ↑	148.0	132.9	11.4% ↑

Status of Construction	2Q19	Not Initiated	Up to 30% built	30% to 70% built	More than 70% built	Finished units
PSV (R\$ million)	1,183.4	569.3	219.5	261.7	72.8	60.1

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 ¹	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Number of Projects	270	268	0.7% ↑	214	26.2% ↑	270	214	26.2% ↑
PSV (in R\$ million)	9,499.3	9,418.1	0.9% ↑	7,130.9	33.2% ↑	9,499.3	7,130.9	33.2% ↑
Acquisitions / Adjustments (in R\$ million)	673.5	910.1	(26.0%) ↓	798	(15.6%) ↓	1,583.6	1,241.3	27.6% ↑
Number of Units	64,846	64,084	1.2% ↑	49,123	32.0% ↑	64,846	49,123	32.0% ↑
Average price per unit (in 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.

CURRENT BUSINESS MODEL UPDATE

Current Business Model Update	2013	2014	2015	2016	2017	2018	2019
Number of Projects	7	14	30	40	45	49	23
Units launched	2,460	4,315	7,711	9,579	11,768	13,636	6,703
Total PSV (R\$ 000)	313.9	613.3	1,088.9	1,315.0	1,695.2	1,912.7	977.9
Units Sold	2,451	4,258	7,630	9,301	11,478	11,724	1,134
% Sold	99.6%	98.7%	98.9%	97.1%	97.5%	86.0%	16.9%
Avg SoS (Month)	8.6%	6.5%	8.3%	11.6%	12.9%	17.5%	8.0%
Units transferred	2,450	4,254	7,619	9,277	11,403	10,807	613
% Units transferred	99.6%	98.6%	98.8%	96.8%	96.9%	79.3%	9.1%
% Construction	100.0%	100.0%	100.0%	98.6%	98.1%	73.4%	9.7%

LEGACY UPDATE

Over the past several years, the impact of legacy projects on both our results and on capital employed¹ has decreased. The speed of this phase-out will slowly decline until liquidation, due to the low liquidity of inventory and portfolio.

Legacy Update	2011	2012	2013	2014	2015	2016	2017	2018	2019
Operational									
Inventory at Market Value	1,171.5	826.7	478.7	365.1	226.2	154.9	132.1	58.2	46.9
Gross Sales	249.0	1,091.9	874.4	508.0	228.3	143.1	58.7	75.3	20.8
Cancellations	467.8	1,166.2	583.0	414.1	120.8	90.0	43.9	17.4	6.8
Net Sales	(218.8)	(74.3)	291.4	93.9	107.5	53.1	14.8	57.9	13.9
Cancellations / Gross Sales	187.9%	106.8%	66.7%	81.5%	52.9%	62.9%	74.7%	23.1%	32.9%
Sales over Supply (SoS)	(23.0%)	(9.9%)	37.8%	20.5%	32.2%	25.5%	10.1%	49.9%	22.9%
Gross SoS	702.9	1,182.6	900.3	459.9	214.6	145.2	108.7	55.9	7.1
Delivered Units	14	16,889	7,027	6,076	1,848	0	0	0	0
Construction Sites	138	63	26	5	1	1	1	1	1
Financial									
Adjusted Capital Employed ¹	2,516.9	2,089.7	1,152.4	755.1	547.2	324.5	211.4	123.7	118.7
Accounts Receivable ¹	1,465.9	1,233.5	623.3	317.8	232.0	117.0	47.6	31.6	43.3
AR Clients	1,465.9	1,233.5	623.3	306.4	223.7	97.7	19.9	12.4	21.4
AR Landbank Sold	ND ²	ND ²	ND ²	11.4	8.3	19.2	27.6	19.2	21.9
Inventory ²	1,051.0	856.2	529.1	437.2	315.2	207.5	163.9	92.1	75.4
Inventory	1,023.8	730.8	421.3	332.7	213.7	132.3	99.1	55.7	41.2
Landbank for Sale	27.2	125.4	107.8	104.5	101.5	75.2	64.8	36.4	34.2
Other Operating Revenues and Expenses	(60.3)	(47.8)	(24.8)	(62.2)	(52.6)	(36.7)	(98.5)	(81.5)	(27.3)
Litigation Expenses	(15.2)	(17.5)	(18.1)	(51.2)	(27.3)	(21.2)	(51.8)	(53.9)	(15.2)
Other	(45.2)	(30.3)	(6.7)	(11.0)	(25.3)	(15.5)	(46.7)	(27.6)	(12.1)
Net Revenue	439.3	1,069.1	722.5	273.8	168.3	(52.2)	7.2	76.5	26.1
Gross Profit	(281.9)	130.4	27.0	(3.1)	(29.2)	(87.0)	(70.5)	(32.5)	2.4
Gross Margin	(64.2%)	12.2%	3.7%	(1.1%)	(17.4%)	NA ²	(979.8%)	(42.6%)	9.1%

1. Managerial information

2. ND: Not published; NA: Does not apply

NET OPERATING REVENUE

Net operating revenue totaled R\$489.1 million in 2Q19, an increase of 22.6% YoY and of 19.5% QoQ. In addition to sales performance, changes in internal collection processes, such as adjustments to incentives and the implementation of more robust systems, allowed the reversal of estimated losses on doubtful accounts.

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Gross Operating Revenues	494.3	428.7	15.3% ↑	422.8	16.9% ↑	923.0	799.6	15.4% ↑
Reversal (constitution) of estimated losses on doubtful accounts	6.4	(0.1)	5,818.8% ↑	(10.5)	161.0% ↑	6.3	(13.4)	146.8% ↑
Provision for cancellations	(3.0)	(9.7)	69.7% ↑	(2.3)	(26.9%) ↓	(12.7)	(1.5)	(760.0%) ↓
Taxes on sales of properties and services	(8.7)	(9.5)	(9.4%) ↓	(10.9)	(20.9%) ↓	(18.2)	(19.5)	(6.8%) ↓
Net Operating Revenue	489.1	409.3	19.5% ↑	399.1	22.6% ↑	898.4	765.1	17.4% ↑

GROSS PROFIT

Gross profit totaled R\$166.4 million in 2Q18, up 15.7% YoY, resulting in a gross margin of 34.0%, 2.0 p.p. lower YoY. Adjusted by capitalized interest rates, gross profit totaled R\$176.4 million in 2Q19, resulting in an adjusted gross margin of 36.1%, 0.1 p.p. above the top of the guidance for the year (between 34.0% and 36.0%).

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Net Revenue	489.1	409.3	19.5% ↑	399.1	22.6% ↑	898.4	765.1	17.4% ↑
Gross Profit	166.4	140.5	18.4% ↑	143.8	15.7% ↑	307.0	267.5	14.7% ↑
Gross Margin	34.0%	34.3%	(0.3 p.p.) ↓	36.0%	(2.0 p.p.) ↓	34.2%	35.0%	(0.8 p.p.) ↓
(-) Financial Costs	9.9	5.8	70.1% ↑	6.2	59.7% ↑	15.8	11.5	37.4% ↑
Adjusted Gross Profit¹	176.4	146.4	20.5% ↑	150.0	17.5% ↑	322.7	279.0	15.7% ↑
Adjusted Gross Margin	36.1%	35.8%	0.3 p.p. ↑	37.6%	(1.5 p.p.) ↓	35.9%	36.5%	(0.5 p.p.) ↓

1. Adjusted by capitalized interest rates.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

In 2Q19, selling expenses totaled R\$37.5 million, up 5.0% YoY. Selling expenses represented 7.0% of gross sales, up 0.2 p.p. YoY. The lower share of MCMV bracket 1.5 sales and the promotion of the *Feiraço Tenda* (Tenda Trade Show) in June were the main events that resulted in higher selling expenses.

General and administrative expenses (“G&A”) accounted for 6.3% of net operating revenues in 2Q19, a decrease of 0.9 p.p. QoQ and 0.4 p.p. YoY.

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Selling Expenses	(37.5)	(32.8)	14.4% ↑	(35.7)	5.0% ↑	(70.3)	(67.4)	4.2% ↑
General & Admin Expenses	(30.6)	(29.1)	5.2% ↑	(26.5)	15.5% ↑	(59.7)	(60.5)	(1.4%) ↓
Total SG&A Expenses	(68.1)	(61.9)	10.1% ↑	(62.2)	9.5% ↑	(129.9)	(127.9)	1.6% ↑
Gross Sales	536.9	443.0	21.2% ↑	528.1	1.7% ↑	979.9	999.4	(2.0%) ↓
Launches	592.3	385.6	53.6% ↑	539.1	9.9% ↑	977.9	805.4	21.4% ↑
Net Operating Revenue	489.1	409.3	19.5% ↑	399.1	22.6% ↑	898.4	765.1	17.4% ↑
Selling Expenses / Gross Sales	7.0%	7.4%	(0.4 p.p.) ↓	6.8%	0.2 p.p. ↑	7.2%	6.7%	0.4 p.p. ↑
G&A Expenses / Launches	5.2%	7.5%	(2.4 p.p.) ↓	4.9%	0.3 p.p. ↑	6.1%	7.5%	(1.4 p.p.) ↓
G&A Expenses / Net Operating Revenue	6.3%	7.1%	(0.9 p.p.) ↓	6.6%	(0.4 p.p.) ↓	6.6%	7.9%	(1.3 p.p.) ↓

OTHER OPERATIONAL REVENUES (EXPENSES)

Other operating revenues and expenses totaled R\$ 13.5 million in expenses in 2Q19, down 35.1% YoY and 15.2% QoQ.

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Other Operating Revenues and Expenses	(13.5)	(15.9)	(15.2%) ↓	(20.8)	(35.1%) ↓	(29.4)	(35.7)	(17.4%) ↓
Litigation Expenses	(5.2)	(12.4)	(58.3%) ↓	(14.3)	(64.0%) ↓	(17.5)	(24.6)	(28.8%) ↓
Others	(8.4)	(3.6)	133.4% ↑	(6.5)	28.0% ↑	(11.9)	(11.1)	7.7% ↑
Equity Income	(0.2)	(1.2)	(81.9%) ↓	0.5	149.7% ↑	(1.5)	0.5	373.4% ↑

ADJUSTED EBITDA

In 2Q19, the Company's adjusted EBITDA totaled R\$95.3 million, an increase of 39.4% YoY, due to the increase in the net income for the period.

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Net Income	73.0	49.8	46.6% ↑	51.6	41.4% ↑	122.7	87.9	39.7% ↑
(+) Financial result	(2.4)	(0.3)	(820.5%) ↓	(3.4)	30.9% ↑	(2.6)	(6.6)	60.1% ↑
(+) Income taxes and social contribution	9.2	6.5	41.8% ↑	6.3	46.4% ↑	15.8	12.9	22.1% ↑
(+) Depreciation and amortization	4.9	4.7	3.5% ↑	6.4	(24.5%) ↓	9.5	9.8	(2.8%) ↓
(+) Capitalized interests	9.9	5.8	70.1% ↑	6.2	59.7% ↑	15.8	11.5	37.4% ↑
(+) Expenses with Stock Option Plan	0.7	2.5	(70.9%) ↓	0.9	(14.8%) ↓	3.3	10.6	(69.4%) ↓
(+) Minority Shareholders	(0.1)	0.8	(108.5%) ↓	0.4	(118.3%) ↓	0.7	0.5	46.8% ↑
Adjusted EBITDA¹	95.3	69.9	36.4% ↑	68.3	39.4% ↑	165.1	126.6	30.5% ↑
Net Revenue	489.1	409.3	19.5% ↑	399.1	22.6% ↑	898.4	765.1	17.4% ↑
Adjusted EBITDA Margin¹	19.5%	17.1%	2.4 p.p. ↑	17.1%	2.4 p.p. ↑	18.4%	16.5%	1.8 p.p. ↑

1. Adjusted by capitalized interests, expenses with stock option plans (non-cash) and minority shareholders.

FINANCIAL RESULTS

In 2Q19, Tenda posted a financial result of R\$2.4 million.

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Financial Income	15.2	12.1	26.5% ↑	10.9	40.1% ↑	27.3	20.5	33.0% ↑
Financial Expenses	(12.9)	(11.8)	9.0% ↑	(7.4)	72.9% ↑	(24.7)	(13.9)	77.2% ↑
Financial Results	2.4	0.3	820.5% ↑	3.4	(30.9%) ↓	2.6	6.6	(60.1%) ↓

NET INCOME

In 2Q19, Tenda posted net income of R\$73.0 million, an increase of 41.4% YoY due to the combination of 15.7% YoY growth in gross profit and the 2.6% YoY decrease in operating expenses. Net income grew 46.6% QoQ.

Earnings per share ex-Treasury in the last twelve months totaled R\$2.43, up 65.6% YoY and 8.5% QoQ.

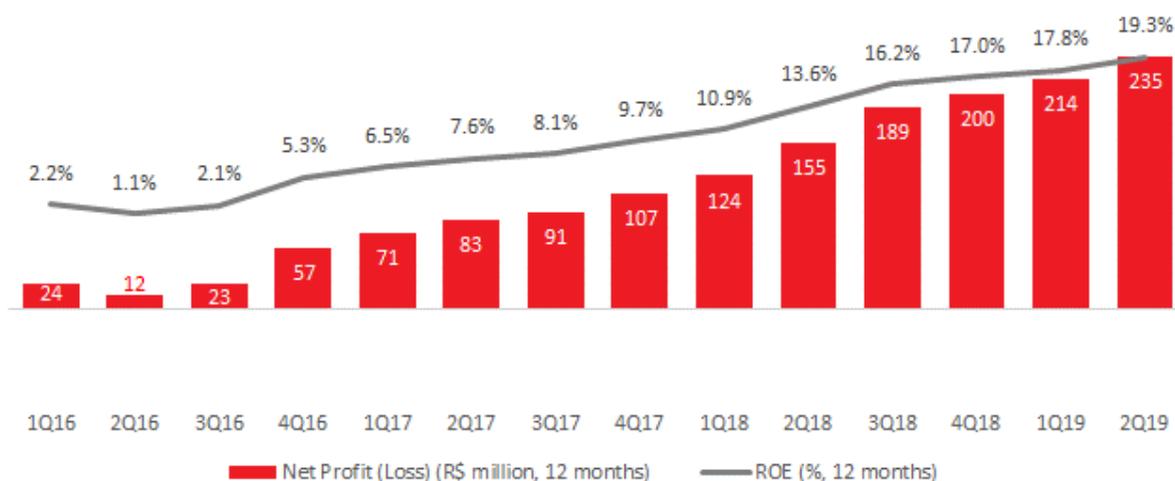
(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Net Income after Income Tax and Social Contribution	72.9	50.5	44.2% ↑	52.0	40.3% ↑	123.4	88.3	39.7% ↑
(-) Minority shareholders	0.1	(0.8)	108.5% ↑	(0.4)	118.3% ↑	(0.7)	(0.5)	(46.8%) ↓
Net Income	73.0	49.8	46.6% ↑	51.6	41.4% ↑	122.7	87.9	39.7% ↑
Net Margin	14.9%	12.2%	2.8 p.p. ↑	12.9%	2.0 p.p. ↑	13.7%	11.5%	2.2 p.p. ↑
Earnings per share (R\$/share) ¹	2.25	2.05	10.0% ↑	1.43	57.7% ↑	2.25	2.05	10.0% ↑
Earnings per share (R\$/share) (ex-Treasury) ²	2.43	2.24	8.5% ↑	1.47	65.6% ↑	2.43	2.24	8.5% ↑

1. Earnings per share considers all issued shares (adjusted for stock splits)

2. Earnings per share (ex-Treasury) considers the issued shares (adjusted for stock splits) and does not consider shares held in Treasury at the end of the period.

*LTM:

Net Income (Loss) (R\$ million, 12 months) e ROE (% , 12 months)



BACKLOG RESULTS

Backlog margin at 37.9%, down 4.5 p.p. QoQ and 5.8 p.p. YoY. Increased credit restrictions for clients and changes in MCMV bracket 1.5 led to a change in pricing policy (the average price of units sold dropped 4.1% YoY in 1H19). In addition, the rising costs of the main building materials (steel and concrete) also had a negative impact on the backlog margin.

(R\$ million)	June 19	March 19	QoQ (%)	June 18	YoY (%)
Backlog Revenues	528.6	531.5	(0.5%) ↓	480.5	10.0% ↑
Backlog Costs (of Units Sold)	(328.4)	(306.4)	7.2% ↑	(270.6)	21.3% ↑
Backlog Results¹	200.2	225.1	(11.1%) ↓	209.8	(4.6%) ↓
Backlog Margin	37.9%	42.4%	(4.5 p.p.) ↓	43.7%	(5.8 p.p.) ↓

1. Comprises the projects restricted by precedent condition.

CASH AND CASH EQUIVALENTS, AND FINANCIAL INVESTMENTS

(R\$ million)	June 19	March 19	QoQ (%)	June 18	YoY (%)
Cash & Cash Equivalents	69.5	67.5	3.0% ↑	33.3	108.8% ↑
Short-term Investments	976.4	787.1	24.1% ↑	623.6	56.6% ↑
Total Cash Position	1,045.9	854.5	22.4% ↑	656.8	59.2% ↑

ACCOUNTS RECEIVABLE FROM DEVELOPMENTS AND SERVICES RENDERED

The Company totaled R\$529.5 million in accounts receivable, up 4.2% QoQ and 23.4% YoY. The strategic repositioning of the Company's collection activities reduced the provision for doubtful accounts in 2019. The balance of accounts receivable is equivalent to 107 days of net operating revenue, an indicator that has remained stable in recent quarters.

(R\$ million)	June 19	March 19	QoQ (%)	June 18	YoY (%)
Until 2019 ¹	310.1	415.2	(25.3%) ↓	500.3	(38.0%) ↓
2020	298.7	185.7	60.8% ↑	36.2	724.6% ↑
2021	36.6	32.6	12.2% ↑	20.7	76.5% ↑
2022	23.1	21.0	10.2% ↑	12.7	82.1% ↑
2023	12.0	10.1	18.4% ↑	5.9	104.0% ↑
2024 and beyond	9.3	7.4	25.2% ↑	0.0	0.0% ↑
Total Accounts Receivable	689.8	672.1	2.6% ↑	575.8	19.8% ↑
(-) Present value adjustment	(8.3)	(8.3)	(0.1%) ↓	(11.0)	24.7% ↑
(-) Provision for doubtful accounts	(124.2)	(130.6)	4.9% ↑	(112.5)	(10.4%) ↓
(-) Provision for cancellations	(27.8)	(24.9)	(11.9%) ↓	(23.2)	(20.0%) ↓
Accounts Receivable	529.5	508.3	4.2% ↑	429.2	23.4% ↑
Days of Accounts Receivable	107	108	(1.0%) ↓	106	0.9% ↑

1. Overdue and falling due.

Amounts of not transferred receivables net of provisions paid in installments directly to the Company ("Tenda Receivables") increased 27.7% YoY, in line with the increase in accounts receivable (+ 23.4% YoY). "Tenda Receivables" as a % of accounts receivable and backlog revenues grew 2.1 p.p. YoY, mainly driven by increased credit restrictions in 2019.

Accounts Receivable Tenda ¹ (R\$ million)	June 19	March 19	QoQ (%)	June 18	YoY (%)
Before delivery to buyer (Pro-Soluto)	47.9	38.6	24.0% ↑	37.5	27.8% ↑
After delivery to buyer (TCD)	201.8	176.4	14.4% ↑	158.1	27.6% ↑
Tenda Receivables	249.7	215.1	16.1% ↑	195.6	27.7% ↑
Total accounts receivable	529.5	508.3	4.2% ↑	429.2	23.4% ↑
Backlog Revenues	528.6	531.5	(0.5%) ↓	480.5	10.0% ↑
Tenda Receivables / (Total accounts receivable + Backlog Revenues)	23.6%	20.7%	2.9 p.p. ↑	21.5%	2.1 p.p. ↑

1. Amounts of not transferred receivables net of provisions, with installment payments directly to the Company, since bank loans not absorb 100% of the property value.

INDEBTEDNESS

The Company ended 2Q19 with a gross debt of R\$756.1 million, duration of 31.0 months and weighted average cost of debt of 7.8% per year. Tenda has successfully completed, in early April, the issuance of local notes (*debêntures*) totaling R\$150 million, reinforcing its presence in debt capital markets, gradually reducing the average cost and increasing the average duration of the Company's debt. 79.4% of the Company's gross debt is indexed at CDI; therefore, the outlook for declining local interest rates (Selic) should also support the reduction of the weighted average cost in the coming quarters. The Company's gross debt is lower than the cash position, cash equivalents and financial investments, which totaled R\$1.05 billion at the end of 1Q19.

Debt Maturity Schedule (R\$ million)	2Q19	Project Finance (SFH)	Corporate Debt
2019	9.4	3.7	5.8
2020	20.4	20.4	0.0
2021	412.6	67.6	345.0
2022	106.5	56.5	50.0
2023	132.4	7.4	125.0
2024 onwards	75.0	0.0	75.0
Total Debt	756.3	155.6	600.7
Duration (in months)	31.0		

Debt Breakdown (R\$ million)	Maturity	Charges (APY)	Balance Due June 19	Balance Due March 19
Total			756.3	555.1
CRI	until 01/2021	CDI + 0.90%	295.0	295.0
Debenture	until 09/2023	CDI + 1.75%	153.6	146.6
Debenture	until 03/2024	CDI + 1.40%	152.2	0.0
SFH	until 12/2023	TR + 8.3% to 9.5%	155.6	112.7
CCB	until 06/2019	Based on INCC-DI	0.0	0.9

Weighted Average Cost of Debt (R\$ million)	Balance Due June 19	Balance Due / Total Debt	Average Cost (APY)
CDI	600.7	79.4%	CDI + 1.24%
TR	155.6	20.6%	TR + 8.3%
Total	756.3	100%	7.8%

RATING

As a result of good operating and financial results, Standard & Poor's Global Ratings ("S&P") reaffirmed Tenda's brAA+ corporate credit rating, with a stable outlook.

NET DEBT

Tenda has a negative net debt to shareholders' equity ratio of 23.1%, thus being one of the most deleveraged companies in its sector.

(R\$ million)	June 19	March 19	QoQ (%)	June 18	YoY (%)
Gross Debt	756.3	555.1	36.3% ↑	383.8	97.1% ↑
(-) Cash and cash equivalents and financial investments	(1,045.9)	(854.5)	22.4% ↑	(656.8)	59.2% ↑
Net Debt	(289.6)	(299.4)	3.3% ↑	(273.0)	(6.1%) ↓
Shareholders' Equity + Minority Shareholders	1,252.4	1,201.0	4.3% ↑	1,190.4	5.2% ↑
Net Debt/ (Shareholders' Equity + Minority Shareholders)	(23.1%)	(24.9%)	1.8 p.p. ↑	(22.9%)	(0.2 p.p.) ↓
Adjusted EBITDA (Last 12 months)	327.0	295.0	10.9% ↑	233.6	40.0% ↑

CASH GENERATION AND CAPITAL DISTRIBUTION

To assist with the long-term goal of keeping the Company's leverage closer to 0% while maintaining a conservative but more balanced capital structure, several capital distribution initiatives have been promoted. In 2Q19, Tenda distributed R\$36.0 million to shareholders – R\$25.1 million in dividends referring to prior earnings and R\$ 10.9 million in stock buybacks. 2Q19 capital distribution decreased 31.0% QoQ and 51.4% YoY. In the last 12 months, Tenda distributed R\$181.6 million to shareholders, equivalent to a payout of 77%.

In parallel to the stock buyback program, the Company must deliberate quarterly, with the Board, the anticipation of the minimum mandatory dividends.

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)
Stock buyback	10.9	51.5	(78.8%) ↓	73.2	(85.1%) ↓
Dividends paid	25.1	0.0	-	0.0	-
Capital Distribution	36.0	51.5	(30.1%) ↓	73.2	(50.8%) ↓
(R\$ million, last 12 months)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)
Stock buyback	131.5	193.8	(32.2%) ↓	73.2	79.5% ↑
Dividends paid	50.1	25.0	100.4% ↑	0.0	0.0% ↑
Capital Distribution	181.6	218.8	(17.0%) ↓	73.2	147.9% ↑

In 2Q19, cash generation totaled R\$26.2 million, down 30.9% QoQ and 58.9% YoY.

(R\$ million)	June 19	March 19	QoQ (%)	June 18	YoY (%)
Change in Available Cash	191.4	(1.1)	18,263.3% ↑	(3.6)	5,486.6% ↑
(-) Change in Gross Debt	201.3	12.6	1,500.1% ↑	6.0	3,267.9% ↑
(-) Capital Distribution	36.0	51.5	(30.1%) ↓	73.2	(50.8%) ↓
Cash Generation¹	26.2	37.9	(30.9%) ↓	63.7	(58.9%) ↓
Operational Cash Generation ²	32.6	36.1	(9.7%) ↓	67.4	(51.7%) ↓

1. Cash Generation is obtained through the difference between the variation of Available Cash and the variation of Gross Debt, adjusted to the amounts of Share Buyback and Dividends Paid
 2. Operating Cash Generation is a result of the company's managerial calculation which neither reflects nor is compared with the figures reported in the financial statements.

INCOME STATEMENT

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Net Revenue	489.1	409.3	19.5% ↑	399.1	22.6% ↑	898.4	765.1	17.4% ↑
Operating Costs	(322.7)	(268.8)	20.0% ↑	(255.2)	26.4% ↑	(591.5)	(497.6)	18.9% ↑
Gross Profit	166.4	140.5	18.4% ↑	143.8	15.7% ↑	307.0	267.5	14.7% ↑
Gross Margin	34.0%	34.3%	(0.3 p.p.) ↓	36.0%	(2.0 p.p.) ↓	34.2%	35.0%	(0.8 p.p.) ↓
Operating Expenses	(86.7)	(83.7)	3.5% ↑	(89.0)	(2.6%) ↓	(170.4)	(172.9)	(1.4%) ↓
Selling Expenses	(37.5)	(32.8)	14.4% ↑	(35.7)	5.0% ↑	(70.3)	(67.4)	4.2% ↑
General and Administrative Expenses	(30.6)	(29.1)	5.2% ↑	(26.5)	15.5% ↑	(59.7)	(60.5)	(1.4%) ↓
Other Operating Revenue/Expenses	(13.5)	(15.9)	(15.2%) ↓	(20.8)	(35.1%) ↓	(29.4)	(35.7)	(17.4%) ↓
Depreciation and Amortization	(4.9)	(4.7)	3.5% ↑	(6.4)	(24.5%) ↓	(9.5)	(9.8)	(2.8%) ↓
Equity Income	(0.2)	(1.2)	81.9% ↑	0.5	(149.7%) ↓	(1.5)	0.5	(373.4%) ↓
Operational Result	79.8	56.8	40.4% ↑	54.8	45.5% ↑	136.6	94.7	44.3% ↑
Financial Income	15.2	12.1	26.5% ↑	10.9	40.1% ↑	27.3	20.5	33.0% ↑
Financial Expenses	(12.9)	(11.8)	9.0% ↑	(7.4)	72.9% ↑	(24.7)	(13.9)	77.2% ↑
Net Income Before Taxes on Income	82.1	57.1	43.9% ↑	58.3	41.0% ↑	139.2	101.3	37.5% ↑
Deferred Income Taxes	(1.7)	0.0	(85,100.0%) ↓	(0.7)	(153.4%) ↓	(1.7)	(1.4)	(17.5%) ↓
Current Income Taxes	(7.5)	(6.5)	15.7% ↑	(5.6)	33.7% ↑	(14.1)	(11.5)	22.7% ↑
Net Income After Taxes on Income	72.9	50.5	44.2% ↑	52.0	40.3% ↑	123.4	88.3	39.7% ↑
(-) Minority Shareholders	0.1	(0.8)	108.5% ↑	(0.4)	118.3% ↑	(0.7)	(0.5)	(46.8%) ↓
Net Income	73.0	49.8	46.6% ↑	51.6	41.4% ↑	122.7	87.9	39.7% ↑

BALANCE SHEET

(R\$ million)	June 19	March 19	QoQ (%)	June 18	YoY (%)
Current Assets	2,158.3	1,877.3	15.0% ↑	1,680.1	28.5% ↑
Cash and cash equivalents	69.5	67.5	3.0% ↑	33.3	108.8% ↑
Short term investments	976.4	787.1	24.1% ↑	623.6	56.6% ↑
Receivables from clients	380.1	357.3	6.4% ↑	306.5	24.0% ↑
Properties for sale	685.9	630.6	8.8% ↑	666.8	2.9% ↑
Other accounts receivable	46.4	35.0	32.7% ↑	50.0	(7.2%) ↓
Non-Current Assets	711.5	737.9	(3.6%) ↓	503.6	41.3% ↑
Receivables from clients	149.4	151.1	(1.1%) ↓	122.7	21.8% ↑
Properties for sale	496.3	526.9	(5.8%) ↓	321.8	54.2% ↑
Other	65.8	60.0	9.7% ↑	59.1	11.3% ↑
Intangible, Property and Equipment	97.8	94.0	4.1% ↑	61.4	59.3% ↑
Investments	37.9	38.1	(0.5%) ↓	66.0	(42.5%) ↓
Total Assets	3,005.6	2,747.4	9.4% ↑	2,311.1	30.1% ↑
Current Liabilities	539.6	516.3	4.5% ↑	429.8	25.6% ↑
Loans and financing	7.8	7.6	2.3% ↑	8.3	(5.6%) ↓
Debentures	18.4	0.7	2,680.7% ↑	0.0	0.0% ↑
Obligations for purchase of land and advances from customers	310.9	284.9	9.1% ↑	237.4	30.9% ↑
Material and service suppliers	48.3	46.4	4.2% ↑	29.7	62.7% ↑
Taxes and contributions	27.4	27.2	0.7% ↑	27.8	(1.3%) ↓
Other	126.8	149.5	(15.2%) ↓	126.6	0.1% ↑
Non-current liabilities	1,213.6	1,030.1	17.8% ↑	690.9	75.6% ↑
Loans and financing	147.8	105.9	39.6% ↑	102.8	43.8% ↑
Debentures	582.3	440.9	32.1% ↑	272.7	113.5% ↑
Obligations (land purchases) and advances from customers	390.8	389.0	0.5% ↑	225.8	73.1% ↑
Deferred taxes	9.7	8.0	21.2% ↑	7.4	31.4% ↑
Provision for contingencies	29.8	33.7	(11.4%) ↓	30.6	(2.4%) ↓
Other creditors	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Other	53.2	52.6	1.1% ↑	51.6	3.0% ↑
Shareholders' Equity	1,252.4	1,201.0	4.3% ↑	1,190.4	5.2% ↑
Shareholders' Equity	1,251.4	1,200.0	4.3% ↑	1,184.8	5.6% ↑
Minority Shareholders	0.9	1.0	(6.6%) ↓	5.5	(83.0%) ↓
Total Liabilities and Shareholders' Equity	3,005.6	2,747.4	9.4% ↑	2,311.1	30.1% ↑

CASH FLOW STATEMENT

(R\$ million)	2Q19	1Q19	QoQ (%)	2Q18	YoY (%)	1S19	1S18	YoY (%)
Cash from (used in) operating activities	42.4	48.9	(13.3%) ↓	73.8	(42.6%) ↓	91.3	130.4	(30.0%) ↓
Net Income (loss) before taxes	82.1	57.1	43.9% ↑	58.3	41.0% ↑	139.2	101.3	37.5% ↑
Depreciation and amortization	7.5	7.0	7.3% ↑	8.3	(8.9%) ↓	14.6	13.4	8.8% ↑
Provision (reversal) for doubtful accounts and cancellations	(6.2)	5.7	(208.7%) ↓	9.9	(162.3%) ↓	(0.5)	15.1	(103.3%) ↓
Present value adjustment	0.0	(1.7)	100.6% ↑	1.4	(99.3%) ↓	(1.7)	0.1	(1,270.8%) ↓
Impairment	(0.3)	(2.3)	85.1% ↑	(2.0)	83.3% ↑	(2.6)	(4.2)	37.3% ↑
Equity income	0.2	1.2	(81.9%) ↓	(0.5)	149.7% ↑	1.5	(0.5)	373.4% ↑
Provision for contingencies	(8.1)	5.6	(243.6%) ↓	1.4	(675.7%) ↓	(2.5)	(1.8)	(37.1%) ↓
Unrealized interest and charges, net	4.2	2.2	90.4% ↑	2.8	51.5% ↑	6.4	1.1	482.2% ↑
Warranty provision	1.1	0.3	246.4% ↑	(5.4)	119.6% ↑	1.4	4.4	(69.1%) ↓
Profit sharing provision	5.7	3.3	75.9% ↑	5.6	2.0% ↑	9.0	10.6	(14.9%) ↓
Stock option plan expenses	0.7	2.5	(70.9%) ↓	0.9	(14.8%) ↓	3.3	10.6	(69.4%) ↓
Other provisions	(0.1)	(0.6)	89.2% ↑	0.9	(107.8%) ↓	(0.7)	1.3	(155.3%) ↓
Deferred income tax and social contribution	(0.3)	0.1	(518.5%) ↓	1.7	(120.3%) ↓	(0.3)	1.6	(116.2%) ↓
Clients	(17.7)	(40.8)	56.6% ↑	(16.1)	(10.1%) ↓	(58.5)	(47.4)	(23.4%) ↓
Properties for sale	(24.5)	(64.7)	62.1% ↑	(5.2)	(369.0%) ↓	(89.2)	13.4	(767.5%) ↓
Other accounts receivable	(16.8)	(1.0)	(1,673.6%) ↓	1.9	(975.3%) ↓	(17.8)	3.6	(591.8%) ↓
Suppliers	1.9	24.9	(92.2%) ↓	1.0	89.7% ↑	26.9	6.9	287.1% ↑
Taxes and contributions	0.4	(0.0)	9,725.0% ↑	11.3	(96.6%) ↓	0.4	11.8	(96.8%) ↓
Salaries, payroll charges and bonus provision	(11.8)	1.8	(743.3%) ↓	(12.4)	4.1% ↑	(10.0)	(11.1)	9.9% ↑
Obligations for purchase of real properties	30.6	54.9	(44.2%) ↓	25.6	19.7% ↑	85.5	19.5	337.4% ↑
Other accounts payable	1.5	(1.5)	196.8% ↑	2.5	(41.5%) ↓	(0.0)	2.3	(102.1%) ↓
Current account operations	0.0	1.1	(99.9%) ↓	0.6	(99.8%) ↓	1.1	1.9	(40.1%) ↓
Taxes paid	(7.6)	(6.3)	(20.8%) ↓	(18.6)	59.0% ↑	(14.0)	(23.5)	40.6% ↑
Cash from (used in) investment activities	(191.6)	34.9	(649.6%) ↓	(11.1)	(1,627.6%) ↓	(156.7)	(165.3)	5.2% ↑
Purchase of property and equipment	(11.4)	(9.4)	(21.4%) ↓	(8.2)	(39.0%) ↓	(20.8)	(11.4)	(83.0%) ↓
Investments in marketable securities and restricted credits	(827.4)	(168.2)	(391.8%) ↓	(305.9)	(170.5%) ↓	(995.7)	(660.6)	(50.7%) ↓
Redemption of securities, sureties and credits	647.3	212.5	204.6% ↑	303.0	113.6% ↑	859.8	506.7	69.7% ↑
Cash from (used in) financing activities	151.2	(50.6)	399.1% ↑	(74.6)	302.8% ↑	100.7	28.9	248.8% ↑
Stock Buyback	(10.9)	(51.5)	78.8% ↑	(73.2)	85.1% ↑	(62.5)	(73.2)	14.7% ↑
Capital Reserve Increase	0.4	1.6	(72.4%) ↓	1.0	(56.1%) ↓	2.1	1.1	90.4% ↑
Dividends Paid	(25.1)	0.0	0.0% ↑	0.0	0.0% ↑	(25.1)	0.0	0.0% ↑
Loans and financing increase	290.8	68.2	326.7% ↑	106.9	172.1% ↑	359.0	316.7	13.4% ↑
Amortization of loans and financing	(102.7)	(67.5)	(52.1%) ↓	(109.0)	5.8% ↑	(170.3)	(215.3)	20.9% ↑
Loans and financing increase	(0.9)	(1.1)	18.0% ↑	0.0	0.0% ↑	(1.9)	0.0	0.0% ↑
Loan operations	(0.4)	(0.2)	(114.0%) ↓	(0.2)	(126.5%) ↓	(0.6)	(0.3)	(100.0%) ↓
Net increase (decrease) in cash and cash equivalents	2.1	33.2	(93.8%) ↓	(11.8)	117.4% ↑	35.2	(6.1)	678.1% ↑
At the beginning of the period	67.5	34.3	96.7% ↑	45.1	49.6% ↑	34.3	39.4	(12.9%) ↓
At the end of the period	69.5	67.5	3.0% ↑	33.3	108.8% ↑	69.5	33.3	108.8% ↑

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About Tenda

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.