

## 2Q20 Operational Preview

**Tenda resumes launches with PSV of R\$ 630.2 million (3.8x more than in 1Q20), but remains below 2019 in the year (-18.6% YoY). Record gross sales performance in 2Q20 (R\$ 689.2 million) certifies the resilient demand for affordable housing in Brazil**

**São Paulo, July 16, 2020** – Construtora Tenda S.A. (“Company”, “Tenda”), one of the main homebuilders and developers focused on affordable housing in Brazil, today announces a preview of its operational results (launches, gross sales, cancellations, net pre-sales, transferred units, delivered units, construction sites and landbank) for the 2<sup>nd</sup> quarter of 2020. We emphasize that these operating results are preliminary, still subject to audit review.

### HIGHLIGHTS

- 14 projects **launched** in 2Q20, with a PSV of R\$ 630.2 million (+6.4% YoY, -280.6% QoQ)
  - 18 projects launched year to date, with a total PSV of R\$ 795.8 million (-18.6% YoY)
- **Gross sales** of R\$ 689.2 million in 2Q20 (+28.4% YoY and +27.4 QoQ), with gross SoS of 36.3% (+4.0 p.p. YoY, +5.0 p.p. QoQ). **Record-high quarter in gross sales**
- **Net pre-sales** of R\$ 576.4 million in 2Q20 (+20.1% YoY, +31.1% QoQ), with net SoS of 30.4% (+1.5 p.p. YoY, +4.9 p.p. QoQ)
- **PSV transferred** of R\$ 516.5 million in 2Q20 (+10.8% YoY, +35.1% QoQ)
- **Landbank** reached R\$ 10.69 billion in PSV in 2Q20 (+12.5% YoY)

### COVID-19

- **Launching process** remains slower than pre-Covid due to social isolation, imposing difficulties in all metropolitan regions
- **Sales at record-high levels** even with closed closed during 2Q20, signaling demand resilience and efficiency of both online and third-party sales channels.
  - Currently, only a few stores were reopened, in the states of SP, RJ, PE, CE and GO. All stores have adapted to new health and safety protocols and have not generated material results yet
- **Part of the construction works was impacted throughout 2Q20** due to official decrees in some states, occasional interruptions in some operations and absenteeism
  - At the beginning of 2Q20, there was a standstill by decree in works located in the states of RS, PE, CE and GO, where 20 of the 74 works in progress are located (27.0% of the total)
  - Currently, only two projects are not operating by official decree, both in Porto Alegre (RS)
- **Mortgage transfers were normalized throughout the quarter.** CEF adapted procedures to maintain the transfer level, despite the operational difficulties imposed by social isolation

## LAUNCHES

In 2Q20, Tenda launched 14 projects, totaling R\$ 630.2 million in PSV, up 6.4% YoY and 280.6% QoQ. In 1S20, however, the launch of R\$ 795.8 million in PSV is 18.6% below 1S19.

The gradual resumption of approvals (municipalities and states offices) and registries (notary offices) in Brazil contributed to the increase in the number of launches in the quarter. However, the process to launch a project remains slower than pre-Covid.

There were launches in 6 out of 9 metropolitan areas where Tenda operates, with 4 projects in RJ (24.9% of the total PSV launched in 2Q20), 3 in BA (23.5% of the total) and 2 in SP (22.2% of the total).

On the one hand, more vertical projects (10 or more floors) in BA and SP led to an increase of 7.9% YoY in the average number of units launched per project. The average number of units per project launched in BA and SP in 2Q20 was 394 units/project vs. 286 units/project in other regions.

On the other hand, the lower share of SP in PSV launched in 2Q20 (22.2% of PSV launched in 2Q20 vs. 66.8% in 1Q20 and 59.7% in 2Q19) explains the reduction in the average price per unit launched.

Launches	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)	1S20	1S19	YoY (%)
Number of Launches	14	4	250.0% ↑	13	7.7% ↑	18	23	(21.7%) ↓
<b>PSV (R\$ million)</b>	<b>630.2</b>	<b>165.6</b>	<b>280.6% ↑</b>	<b>592.3</b>	<b>6.4% ↑</b>	<b>795.8</b>	<b>977.9</b>	<b>(18.6%) ↓</b>
Number of units	4,540	1,119	305.7% ↑	4,072	11.5% ↑	5,659	6,703	(15.6%) ↓
Average price per unit (R\$ thousand)	138.8	148.0	(6.2%) ↓	145.4	(4.6%) ↓	140.6	145.9	(3.6%) ↓
Average size of launches (in units)	324	280	15.9% ↑	313	3.5% ↑	314	291	7.9% ↑

## GROSS SALES

Gross sales totaled R\$ 689.2 million in 2Q20, up 28.4% YoY and 27.4% QoQ. **This was Tenda's best quarter ever in terms of gross sales.** The strong sales growth in the quarter led to a gross SoS of 36.3%, +4.0 p.p. YoY and +5.0 p.p. QoQ.

There was an increase of 4.7% YoY and 0.8% QoQ in the national selling price due to the higher share of SP in the sales mix (38.7% of gross PSV sold in 2Q20 vs. 38.1% in 1Q20 and 33.2% in 2Q19). However, the average regional sales prices in 2Q20 suffered a slight decrease due to discounts granted in the upfront payment.

Gross Sales	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)	1S20	1S19	YoY (%)
<b>PSV (R\$ million)</b>	<b>689.2</b>	<b>540.9</b>	<b>27.4% ↑</b>	<b>536.9</b>	<b>28.4% ↑</b>	<b>1,230.0</b>	<b>979.9</b>	<b>25.5% ↑</b>
Number of units	4,946	3,912	26.4% ↑	4,036	22.5% ↑	8,858	7,381	20.0% ↑
Average price per unit (R\$ 000's)	139.3	138.3	0.8% ↑	133.0	4.7% ↑	138.9	132.8	4.6% ↑
<b>Gross SoS</b>	<b>36.3%</b>	<b>31.3%</b>	<b>5.0 p.p. ↑</b>	<b>32.3%</b>	<b>4.0 p.p. ↑</b>	<b>52.7%</b>	<b>47.3%</b>	<b>5.4 p.p. ↑</b>

Gross Sales (PSV, R\$ million) and Gross SoS (%)



## DISTRATOS E VENDAS LÍQUIDAS

Net pre-sales totaled R\$ 576.4 million in 2Q20, up 20.1% YoY and 31.1% QoQ, resulting in net SoS of 30.4% in 2Q20, up 1.5 p.p. YoY and 4.9 p.p. QoQ.

The level of cancellations on gross sales (16.4% in 2Q20) remained well above the average of the last two years (average of 9.2% between 2018 and 2019). As in 1Q20, the high rate of cancellations is directly related to sales not transferred in periods when there was a deadlock regarding the allocation of resources for the MCMV program (deadlocks occurred in 3Q19 and 1Q20). Despite those high levels of cancellations in the year to date, there is still a backlog of transfers regarding this year's sales.

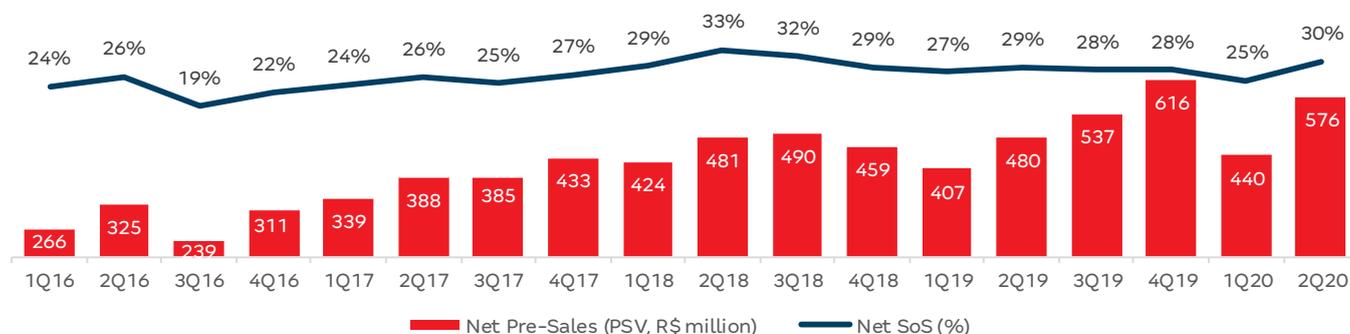
(PSV, R\$ million)	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)	1S20	1S19	YoY (%)
<b>Gross Sales</b>	<b>689.2</b>	<b>540.9</b>	<b>27.4% ↑</b>	<b>536.9</b>	<b>28.4% ↑</b>	<b>1,230.0</b>	<b>979.9</b>	<b>25.5% ↑</b>
<b>Cancellations</b>	<b>112.8</b>	<b>101.2</b>	<b>11.5% ↑</b>	<b>57.0</b>	<b>97.9% ↑</b>	<b>214.0</b>	<b>93.0</b>	<b>130.0% ↑</b>
<b>Net Pre-Sales</b>	<b>576.4</b>	<b>439.7</b>	<b>31.1% ↑</b>	<b>479.9</b>	<b>20.1% ↑</b>	<b>1,016.1</b>	<b>886.8</b>	<b>14.6% ↑</b>
% Launches <sup>1</sup>	30.7%	2.9%	27.8 p.p. ↑	28.0%	2.7 p.p. ↑	18.7%	17.2%	1.5 p.p. ↑
% Inventory	69.3%	97.1%	(27.8 p.p.) ↓	72.0%	(2.7 p.p.) ↓	81.3%	82.8%	(1.5 p.p.) ↓
<b>Cancellations / Gross Sales</b>	<b>16.4%</b>	<b>18.7%</b>	<b>(2.3 p.p.) ↓</b>	<b>10.6%</b>	<b>5.8 p.p. ↑</b>	<b>17.4%</b>	<b>9.5%</b>	<b>7.9 p.p. ↑</b>
<b>Net SoS</b>	<b>30.4%</b>	<b>25.5%</b>	<b>4.9 p.p. ↑</b>	<b>28.9%</b>	<b>1.5 p.p. ↑</b>	<b>43.5%</b>	<b>42.8%</b>	<b>0.7 p.p. ↑</b>

(in units)	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)	1S20	1S19	YoY (%)
Gross Units Sold	4,946	3,912	26.4% ↑	4,036	22.5% ↑	8,858	7,381	20.0% ↑
Cancelled Units	817	742	10.1% ↑	427	91.3% ↑	1,559	703	121.8% ↑
<b>Net Units Sold</b>	<b>4,129</b>	<b>3,170</b>	<b>30.3% ↑</b>	<b>3,609</b>	<b>14.4% ↑</b>	<b>7,299</b>	<b>6,678</b>	<b>9.3% ↑</b>
<b>Cancellations / Gross Sales</b>	<b>16.5%</b>	<b>19.0%</b>	<b>(2.5 p.p.) ↓</b>	<b>10.6%</b>	<b>5.9 p.p. ↑</b>	<b>17.6%</b>	<b>9.5%</b>	<b>8.1 p.p. ↑</b>

<sup>1</sup>Current year launches

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



## UNITS TRANSFERRED, DELIVERED, AND CONSTRUCTION SITES

PSV transferred totaled R\$ 516.5 million in 2Q20, up 10.8% YoY and 35.1% QoQ. The positive performance is related to the normalization of mortgage transfers throughout the quarter, as CEF adapted several procedures to overcome the operational challenges imposed by social isolation.

In 2Q20, 2,499 units were delivered. At the end of the quarter, 74 construction sites are in progress.

Transfers, Deliveries and Construction Sites	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)	1S20	1S19	YoY (%)
<b>PSV Transferred (in R\$ million)</b>	<b>516.5</b>	<b>382.2</b>	<b>35.1% ↑</b>	<b>466.0</b>	<b>10.8% ↑</b>	<b>898.7</b>	<b>810.6</b>	<b>10.9% ↑</b>
Transferred Units	4,157	3,127	32.9% ↑	3,944	5.4% ↑	7,284	6,868	6.1% ↑
<b>Delivered Units</b>	<b>2,499</b>	<b>1,856</b>	<b>34.6% ↑</b>	<b>3,236</b>	<b>(22.8%) ↓</b>	<b>4,355</b>	<b>4,772</b>	<b>(8.7%) ↓</b>
<b>Construction Sites</b>	<b>74</b>	<b>67</b>	<b>10.4% ↑</b>	<b>54</b>	<b>37.0% ↑</b>	<b>74</b>	<b>54</b>	<b>37.0% ↑</b>

## LANDBANK

In 2Q20, landbank reached R\$ 10.69 billion in PSV, up 12.5% YoY and 1.3% QoQ. After a 1Q20 with few acquisitions, 8 new projects representing R\$ 764.0 million in PSV are now part of the Company's landbank, acquired in a post-Covid scenario in which the Company became more restrictive when negotiating land, avoiding short-term payment flows.

Landbank	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)	1S20	1S19	YoY (%)
Number of projects	285	291	(2.1%) ↓	270	5.6% ↑	285	270	5.6% ↑
<b>PSV (R\$ million)</b>	<b>10,690.5</b>	<b>10,556.7</b>	<b>1.3% ↑</b>	<b>9,499.3</b>	<b>12.5% ↑</b>	<b>10,690.5</b>	<b>9,499.3</b>	<b>12.5% ↑</b>
Acquisitions/Adjustments (R\$ million)	764.0	102.9	642.1% ↑	673.5	13.4% ↑	866.9	1,583.6	(45.3%) ↓
Number of units	72,167	71,625	0.8% ↑	64,846	11.3% ↑	72,167	64,846	11.3% ↑
Average price per unit (R\$ thousands)	148.1	147.4	0.5% ↑	146.5	1.1% ↑	148.1	146.5	1.1% ↑
% Swap Total	34.8%	33.9%	0.9 p.p. ↑	26.2%	8.6 p.p. ↑	34.8%	26.2%	8.6 p.p. ↑
% Swap Units	8.5%	8.2%	0.3 p.p. ↑	11.7%	(3.2 p.p.) ↓	8.5%	11.7%	(3.2 p.p.) ↓
% Swap Financial	26.3%	25.8%	0.5 p.p. ↑	14.4%	11.9 p.p. ↑	26.3%	14.4%	11.9 p.p. ↑

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## **ABOUT TENDA**

Tenda (B3: TEND3), one of the main homebuilders in Brazil, is listed under Novo Mercado, B3's highest corporate governance level. With a focus on affordable housing, it concentrates its activities in nine metropolitan areas of Brazil, with projects aimed within the brackets 1.5 and 2 of the "Minha Casa, Minha Vida" ("MCMV").