

2Q20 Earnings Release

Tenda records R\$40.3 million in net income in 2Q20 (-44.8% YoY), with impacts from Covid-19. Operating cash generation of R\$71.0 million reverses 1Q20's consumption and reinforces deleveraging

São Paulo, August 06, 2020 – Construtora Tenda S.A. ("Company", "Tenda"), a leading Brazilian homebuilder and real estate developer, announces today its results for the second quarter of 2020.

HIGHLIGHTS

FINANCIALS

- **Net income** of R\$40.3 million, +128,9% QoQ and -44.8% YoY, due to:
 - Slower progress in several construction sites due to work interruption related to Covid-19
 - SG&A impacted by extraordinary initiatives to digitize sales and operations
 - Negative net financial result due to higher spreads on new debts
- **Adjusted gross margin** at 32.3%, +0,5 p.p. QoQ and -3.8 p.p. YoY
 - Improvement in default indicators allowed a slight reversal of allowance for loan losses
 - With productivity losses and price reductions, backlog margins dropped by 1.3 p.p. QoQ
- **Operating cash generation** of R\$71.0 million in 2Q20 (and R\$ 10.8 million YTD)
- **Net debt/equity** at -13,3%: deleveraging reinforced by cash generation in the quarter

OPERATIONS

- 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.
- **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

MESSAGE FROM THE MANAGEMENT

In 2Q20, amid the Covid-19 pandemic, Tenda released the best quarter in gross sales in its history, attesting the resilient demand for affordable housing despite another economic slowdown. The strong operating performance led to higher financial results than in the previous quarter, but still below expectations and hit by the context of the pandemic.

The interruption of construction works in the states of RS, PE, CE and GO throughout 2Q20 led to slower progress in several projects when compared to periods of stability, leading to revenue growth below potential. Productivity losses, of around 15% of its potential, was the worst event related to Covid-19 impacting financials negatively. As a result, net revenue totaled R\$526.1 million, only +7.6% YoY.

Efforts to digitize the sales process and sub-optimal costs in operating physical stores increased sales expenses to 7.5% of gross sales in 1H20 (vs. 7.2% in 1H19). G&A expenses also grew relative to net operating revenue (to 7.5% in 1H20 from 6.6% in 1H19), mainly due to one-off expenses with infrastructure and technology to enable the Company to operate remotely during the pandemic.

Initiatives taken at the beginning of the pandemic aimed at preserving liquidity had a positive effect on cash generation in 2Q20. Operating cash generation totaled R\$71.0 million vs. a consumption of R\$ 60.2 million in 1Q20, which allowed the Company to strengthen its net cash position, expressed in a net debt over equity ratio of -13.3%. On the other hand, greater indebtedness at a higher cost than pre-pandemic levels and lower national interest rates (Selic) led to a negative net financial result of R\$ 6.3 million (vs. -R\$ 3.0 million in 1Q20 and +R\$ 2.4 million in 2Q19).

On the positive side, the improvement in default indicators led to a slight reversal of allowance for loan losses in the quarter. Such event was decisive to maintain the Company's gross margin at a level similar to that of 1Q20. As a result, the adjusted gross margin rose from 31.8% to 32.3% between quarters despite factors such as the loss of productivity in construction works interrupted due to events related to Covid-19 and the slight reduction in regional average prices.

Thus, Tenda delivered R\$40.3 million in net income in 2Q20, reaching R\$57.9 million in the year to date, less than half of the result for the same period last year. In the last twelve months, the Company delivered ROE and ROIC of 14.9% and 21.6%, respectively.

Outlook

In the short term, the Company's net income is still likely to be impacted by adversities arising from Covid-19. Price discounts and productivity losses at the height of the pandemic should still be reflected in the Company's results until the delivery of the impacted units. Selling expenses should still remain at sub-optimal levels due to the low frequency of customers in physical stores. In addition, financial expenses should remain high as a result of liquidity preservation initiatives.

In the macroeconomic scenario, the unemployment rate can deteriorate in the coming months as emergency measures related to Covid-19 vanishes. In addition, attempts to expand emergency withdrawals in FGTS may damage the main funding for affordable housing in Brazil.

Despite the adverse effects of the pandemic on Tenda's short-term results, the main uncertainties are dissipating, which supports the maintenance of the long-term strategy. The Company was able to resume a reasonable level of launches in 2Q20 (although below expectations), sell at record-high levels and has also shown client default indicators under control.

Tenda enters the second half of the year aware of the short-term operational challenges, engaged in investing in long-term projects and aware that the post-pandemic economic situation may bring new complexities; thus, the Company will continue to work dynamically to preserve value and ensure the sustainability of the business.

STRATEGIC INITIATIVES

Tenda maintains its long-term plans unchanged and continues to rely on a set of value generation goals: to achieve the growth potential of the current business model, to enable a business model based on offsite construction and to face digital transformation as a business imperative.

The development of offsite construction in Tenda, one of the main projects of the Company's growth platform, is now entering an important test stage: based on a first prototype of the product designed to serve small and medium-sized cities in the country, several aspects will be evaluated: manufacturing, assembly, logistics, and others. Tests results will be decisive for the assessment of the Company's next steps on this front.

In 2Q20, the Company disbursed R\$6.1 million in strategic initiatives, of which R\$3.9 million related to offsite construction.

Strategic Challenges (R\$ thousands)	2Q20			2020 YTD		
	Personnel	Others	TOTAL	Personnel	Others	TOTAL
1 Onsite: P&D to support current business model growth	136.0	-	136.0	546.6	-	546.6
2 Offsite construction investments	1,945.8	2,004.5	3,950.3	2,754.8	9,542.1	12,296.9
3 Digital and Corporate Development	983.2	1,059.8	2,043.0	1,215.4	1,831.2	3,046.6
Total	3,065.0	3,064.3	6,129.3	4,516.8	11,373.3	15,890.1

Your next achievement

In early July, Tenda repositioned its brand in order to seek closer proximity to customers and emphasize the importance of home ownership. With a new visual identity, Tenda now also adopts the slogan "Your next achievement" ("sua próxima conquista"). To find out more, [access](#) a report from Meio&Mensagem (in Portuguese) and [watch](#) the institutional video for launching the new brand.

"Since our business is to build, we built a new brand"




Tenda
sua próxima conquista

ESG

As of this quarter the company started to provide new information related to customers, suppliers, the environment, employees, and governance in its market reports.

In this press release the company presents a starting point with the main elements of ESG impact based on the material topics proposed by the SASB (Sustainability Accounting Standards Board) and S&P SAM CSA (Corporate Sustainability Assessment) for the sector, in addition to other material aspects associated with Tenda's performance in the affordable housing segment.

Tenda's main elements with ESG impact can be grouped together into three pillars:

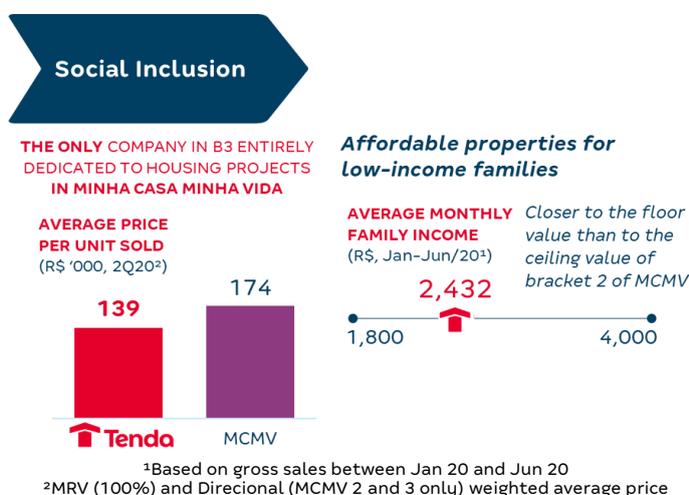
Social inclusion

Products available to low-income families through projects that contribute to enhanced well-being, sanitation, and infrastructure of communities

At Tenda, the only company in B3 entirely dedicated to building affordable residential units, all the projects fall into brackets 1.5 and 2 of the Minha Casa, Minha Vida (MCMV) program. The Company offers apartments with prices 20% lower than the average charged by the main competitors (according to sales information for 2Q20), providing families which never had this alternative with access to their own properties. Between January and June 2020, Tenda reached families with an average monthly family income of R\$ 2,432, which is closer to the floor value than to the ceiling value of MCMV bracket 2 (monthly family income ranging between R\$ 1,800 and R\$ 4,000).

Indicators	2Q20	1Q20	2Q19
Average sales price - Tenda (R\$/HU)	139	138	133
Average sales price - MCMV ¹ (R\$/HU)	174	162	162
%Average sales price - (Tenda/MCMV)	80%	85%	82%

¹Weighted average price between MRV (100%) and Direcional (MCMV 2 and 3 only)



Respect for customers and employees

Quality products, delivered on-schedule and made safely by directly hired professionals and with growth opportunities

All projects launched since 2013, the year that marks the beginning of the current business model, were delivered in compliance to the contractual term, one of the main commitments assumed by Management with its customers. The Company has turned its efforts towards customer satisfaction and, in 2020, the Net Promoting Score (NPS), one of the main global metrics of satisfaction, became part of the goals of its main officers.

At Tenda, most of the employees involved in the construction of the buildings are employed directly by the Company, and not outsourced, as is usually the practice in the sector. In addition to enabling the implementation of the industrial approach to construction, which is Tenda's main competitive differential, the initiative brings more security and stability to employees. Tenda adopts strict

occupational health and safety practices, continuously monitoring risks and indicators.

Indicators	2Q20	1Q20	2Q19
On-schedule deliveries (%) ¹	100%	100%	100%
Number of direct employees ²	3.532	3.498	3.020
Number of indirect employees	1.921	1.816	1.518
Total employees	5.453	5.314	4.538
% direct employees/total	65%	66%	67%

¹ Projects launched since 2013, the starting point of the current business model
² Employees directly hired by the Company

Respect for clients and employees

Quality products, delivered on-schedule

100% OF PROJECTS LAUNCHED AFTER 2013 WERE DELIVERED ON-SCHEDULE

Most employees directed hired

5.453 EMPLOYEES

...of which **65%** ARE EMPLOYED DIRECTLY BY TENDA

~100% of the building structure activities employ internal workforce 

SAFETY FIRST:
INDUSTRIAL STANDARDS TO ASSESS RISKS

Commitment to ethics and governance

Rigor and responsible performance in all stages of the feasibility of the projects, with management in line with the best corporate practices

Ethical behavior is part of Tenda's culture and is at the heart of the Company's decisions, from the prospecting and legalization processes for future projects to the best practices towards employees and suppliers. The company maintains an Ethics Committee coordinated by the CEO, codes of ethics and conduct for employees and suppliers, and independent reporting channels.

A Novo Mercado company, B3's highest Corporate Governance level, Tenda meets 90% of the best practices established by Brazilian Institute of Corporate Governance (IBGC) under the Brazilian Governance Code. All Board Members are independent, and all directors are statutory officers, with 37% of their total compensation linked to long-term incentives.

Commitment to ethics and governance

Culture focused on an ethical conduct

- ✓ **Ethics Committee** coordinated by the CEO
- ✓ **Ethics Code** for the employees and suppliers
- ✓ **Preliminary Assessment** of suppliers
- ✓ **Independent Reporting Hotline**

Best-in-class governance standards

90% COMPLIANT TO IBGC'S BEST PRACTICES³

- ✓ **A Novo Mercado Company**
- ✓ **All board members are independent**
- ✓ **All directors are statutory officers**, with 37% of compensation linked to long term incentives⁴

³Based on answers to Tenda's CVM (Brazilian Securities Exchange Commission) form 586

⁴According to the management proposal approved at the AGM for the year 2020

For more ESG-related information, contact Tenda's IR team at ri@tenda.com

OPERATIONAL AND FINANCIAL HIGHLIGHTS

	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)	1S20	1S19	YoY (%)
Operational Highlights (R\$ million, PSV)								
Launches	630.2	165.6	280.6% ↑	592.3	6.4% ↑	795.8	977.9	(18.6%) ↓
Net Pre-Sales	576.4	439.7	31.1% ↑	479.9	20.1% ↑	1,016.1	886.8	14.6% ↑
Sales over Supply (SoS) (%)	30.4%	25.5%	4.9 p.p. ↑	28.9%	1.5 p.p. ↑	43.5%	42.8%	0.7 p.p. ↑
PSV Transferred	516.5	382.2	35.1% ↑	466.0	10.8% ↑	898.7	810.6	10.9% ↑
Units Delivered (#)	2,499	1,856	34.6% ↑	3,236	(22.8%) ↓	4,355	4,772	(8.7%) ↓
Landbank	10,690.5	10,556.7	1.3% ↑	9,499.3	12.5% ↑	10,690.5	9,499.3	12.5% ↑
Landbank - Acquisitions / Adjustments	764.0	102.9	642.1% ↑	673.5	13.4% ↑	866.9	1,583.6	(45.3%) ↓
Financial Highlights (R\$ million)								
Net Revenue	526.1	415.8	26.5% ↑	489.1	7.6% ↑	941.9	898.4	4.8% ↑
Adjusted Gross Profit ¹	169.8	132.1	28.5% ↑	176.4	(3.7%) ↓	301.9	322.7	(6.4%) ↓
Adjusted Gross Margin ¹ (%)	32.3%	31.8%	0.5 p.p. ↑	36.1%	(3.8 p.p.) ↓	32.1%	35.9%	(3.9 p.p.) ↓
Adjusted EBITDA ²	72.3	42.0	72.4% ↑	95.3	(24.1%) ↓	114.3	165.1	(30.8%) ↓
Adjusted EBITDA Margin ² (%)	13.7%	10.1%	3.7 p.p. ↑	19.5%	(5.7 p.p.) ↓	12.1%	18.4%	(6.2 p.p.) ↓
Net Financial Result	(6.3)	(3.0)	(113.8%) ↓	2.4	(364.6%) ↓	(9.3)	2.6	(450.3%) ↓
Net Income (Loss) ³	40.3	17.6	128.9% ↑	73.0	(44.8%) ↓	57.9	122.7	(52.8%) ↓
Backlog Revenues	687.0	638.5	7.6% ↑	528.6	30.0% ↑	687.0	528.6	30.0% ↑
Backlog Results	255.1	245.3	4.0% ↑	200.2	27.4% ↑	255.1	200.2	27.4% ↑
Backlog Margin (%)	37.1%	38.4%	(1.3 p.p.) ↓	37.9%	(0.8 p.p.) ↓	37.1%	37.9%	(0.8 p.p.) ↓
Cash and Cash Equivalents ⁴	1,534.9	1,060.7	44.7% ↑	1,045.9	46.7% ↑	1,534.9	1,045.9	46.7% ↑
Net Debt	(187.7)	(131.8)	(42.4%) ↓	(289.6)	35.2% ↑	(187.7)	(289.6)	35.2% ↑
Shareholders' Equity + Minority Shareholders	1,408.1	1,371.1	2.7% ↑	1,252.4	12.4% ↑	1,408.1	1,252.4	12.4% ↑
Net Debt / (SE + Minority) (%)	(13.3%)	(9.6%)	(3.7 p.p.) ↓	(23.1%)	9.8 p.p. ↑	(13.3%)	(23.1%)	9.8 p.p. ↑
Cash Generation ⁵	55.9	(68.2)	181.9% ↑	26.2	113.3% ↑	(12.3)	64.1	(119.2%) ↓
Operating Cash Generation ⁶	71.0	(60.2)	217.9% ↑	32.6	118.1% ↑	10.8	68.6	(84.3%) ↓
Net Income (Loss) (LTM)	198.7	231.4	(14.1%) ↓	235.1	(15.5%) ↓	198.7	235.1	(15.5%) ↓
NOPAT ⁷ (LTM)	236.2	257.9	(8.4%) ↓	260.9	(9.5%) ↓	236.2	260.9	(9.5%) ↓
Capital Employed ⁸	1,220.4	1,239.3	(1.5%) ↓	962.8	26.8% ↑	1,220.4	962.8	26.8% ↑
ROE ⁹ (LTM)	14.9%	18.0%	(3.1 p.p.) ↓	19.3%	(4.4 p.p.) ↓	14.9%	19.3%	(4.4 p.p.) ↓
ROIC ¹⁰ (LTM)	21.6%	24.1%	(2.5 p.p.) ↓	27.8%	(6.1 p.p.) ↓	21.6%	27.8%	(6.1 p.p.) ↓
Earnings Per Share ¹¹ (LTM) (R\$/shares (ex-Treasury))	2.04	2.38	(14.4%) ↓	2.43	(16.2%) ↓	2.04	2.37	(13.9%) ↓

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, Dividends Capital Reduction and non-operating effects.

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. 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.

10. ROIC 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.

11. 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.

OPERATIONAL RESULTS

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%) ↓
PSV (R\$ million)	630.2	165.6	280.6% ↑	592.3	6.4% ↑	795.8	977.9	(18.6%) ↓
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% ↑

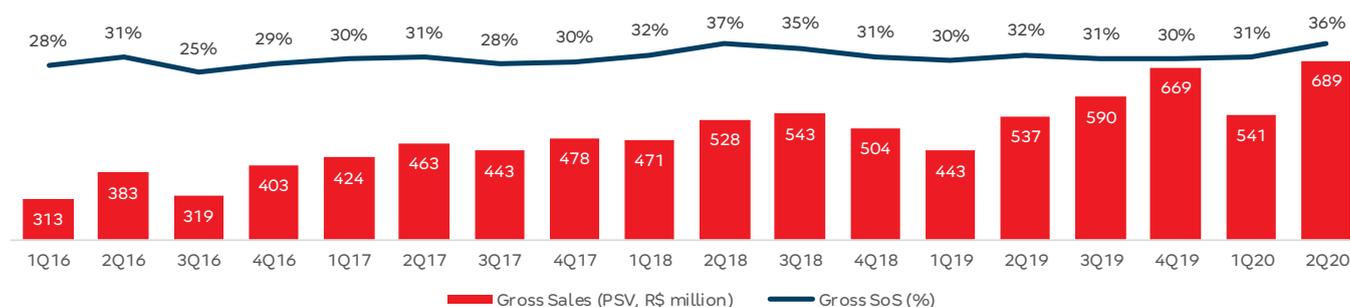
GROSS SALES

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 (%)
PSV (R\$ million)	689.2	540.9	27.4% ↑	536.9	28.4% ↑	1,230.0	979.9	25.5% ↑
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% ↑
Gross SoS	36.3%	31.3%	5.0 p.p. ↑	32.3%	4.0 p.p. ↑	52.7%	47.3%	5.4 p.p. ↑

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



CANCELLATION AND NET PRE-SALES

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.

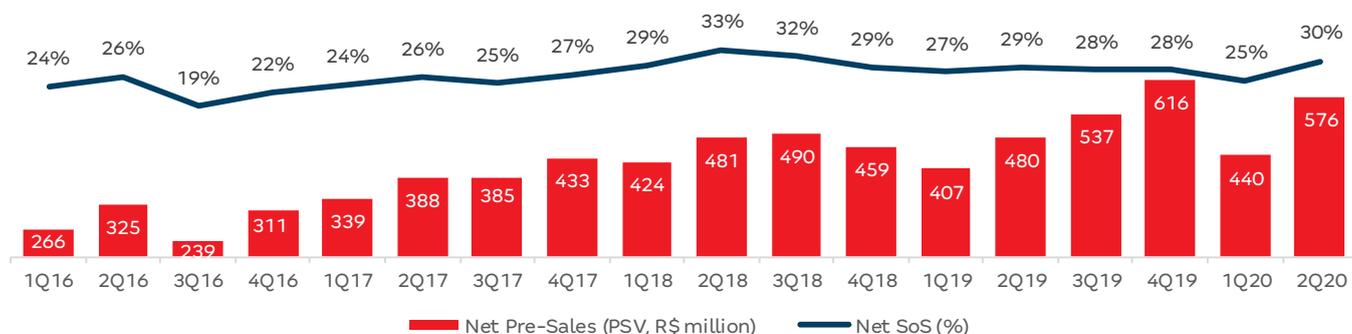
The level of cancellations on gross sales (16.4% in 2Q20) remained well above the average of the last two years (average of 9.2% between 2018 and 2019). As in 1Q20, the high rate of cancellations is directly related to sales not transferred in periods when there was a deadlock regarding the allocation 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 (%)
Gross Sales	689.2	540.9	27.4% ↑	536.9	28.4% ↑	1,230.0	979.9	25.5% ↑
Cancellations	112.8	101.2	11.5% ↑	57.0	97.9% ↑	214.0	93.0	130.0% ↑
Net Pre-Sales	576.4	439.7	31.1% ↑	479.9	20.1% ↑	1,016.1	886.8	14.6% ↑
% Launches ¹	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.) ↓
Cancellations / Gross Sales	16.4%	18.7%	(2.3 p.p.) ↓	10.6%	5.8 p.p. ↑	17.4%	9.5%	7.9 p.p. ↑
Net SoS	30.4%	25.5%	4.9 p.p. ↑	28.9%	1.5 p.p. ↑	43.5%	42.8%	0.7 p.p. ↑

(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% ↑
Net Units Sold	4,129	3,170	30.3% ↑	3,609	14.4% ↑	7,299	6,678	9.3% ↑
Cancellations / Gross Sales	16.5%	19.0%	(2.5 p.p.) ↓	10.6%	5.9 p.p. ↑	17.6%	9.5%	8.1 p.p. ↑

¹Current 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 (%)
PSV Transferred (in R\$ million)	516.5	382.2	35.1% ↑	466.0	10.8% ↑	898.7	810.6	10.9% ↑
Transferred Units	4,157	3,127	32.9% ↑	3,944	5.4% ↑	7,284	6,868	6.1% ↑
Delivered Units	2,499	1,856	34.6% ↑	3,236	(22.8%) ↓	4,355	4,772	(8.7%) ↓
Construction Sites	74	67	10.4% ↑	54	37.0% ↑	74	54	37.0% ↑

INVENTORY AT MARKET VALUE

The inventory at market value in the 1Q20 totaled R\$ 1.29 billion in PSV, up 19.8% YoY and down 18.6% QoQ. Finished inventory totaled R\$ 51.5 million and represents only 4.0% of the total. Inventory turnover (given by the inventory at market value divided by net pre sales of LTM) is 7.5 months, below the average level of 2019 (8.2 months).

Inventory at Market Value	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)	1S20	1S19	YoY (%)
PSV (R\$ million)	1,320.1	1,287.7	2.5% ↑	1,183.4	11.6% ↑	1,320.1	1,183.4	11.6% ↑
Number of Units	9,289	8,903	4.3% ↑	7,998.0	16.1% ↑	9,289	7,998.0	16.1% ↑
Average price per unit (R\$ thousand)	142.1	144.6	(1.7%) ↓	148.0	(4.0%) ↓	142.1	148.0	(4.0%) ↓

Status of Construction	2Q20	0% to 30% built	30% to 70% built	More than 70% built	Finished units
PSV (R\$ million)	1,320.1	645.2	493.8	128.9	52.2

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% ↑
PSV (R\$ million)	10,690.5	10,556.7	1.3% ↑	9,499.3	12.5% ↑	10,690.5	9,499.3	12.5% ↑
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. ↑

FINANCIAL RESULTS

NET OPERATIONAL REVENUE

Net operating revenue totaled R\$ 526.1 million in 2Q20, an increase of 7.6% YoY and 26.5% QoQ, due to the growth in net sales and the slight reversal to estimated losses on doubtful accounts, which indicates stability in default indicators after the worsening of the situation in March. (For more information, see [TENDA RECEIVABLES](#)). The provision for cancellations remains at higher levels than in 2019 and mainly reflects sales made in early 2020, but not yet transferred.

(R\$ million)	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)	1S20	1S19	YoY (%)
Gross Operating Revenues	548.6	451.8	21.4% ↑	494.3	11.0% ↑	1,000.4	923.0	8.4% ↑
Provision for estimated losses on doubtful accounts	1.6	(12.8)	112.3% ↑	6.4	(75.5%) ↓	(11.2)	6.3	(278.3%) ↓
Provision for cancellations	(13.8)	(16.2)	14.9% ↑	(3.0)	(367.9%) ↓	(30.0)	(12.7)	(137.0%) ↓
Taxes on sales of properties and services	(10.3)	(7.0)	47.0% ↑	(8.7)	18.5% ↑	(17.2)	(18.2)	(5.3%) ↓
Net Operating Revenue	526.1	415.8	26.5% ↑	489.1	7.6% ↑	941.9	898.4	4.8% ↑

GROSS PROFIT

Gross profit totaled R\$ 161.7 million in 2Q20, -2.8% YoY and +26.5% QoQ, resulting in a gross margin of 30.7%, flat with the previous quarter, but 3.3 p.p. less than the gross margin in 2Q19.

Adjusted for capitalized interest, gross profit reached R\$ 169.8 million in the quarter. Adjusted gross margin rose from 31.8% to 32.3% between quarters despite factors such as the loss of productivity in construction sites interrupted due to events related to Covid-19 and the slight reduction in average regional prices. It is worth noting that the backlog margin fell 1.3 p.p. between 1Q20 and 2Q20.

(R\$ million)	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)	1S20	1S19	YoY (%)
Net Revenue	526.1	415.8	26.5% ↑	489.1	7.6% ↑	941.9	898.4	4.8% ↑
Gross Profit	161.7	127.9	26.5% ↑	166.4	(2.8%) ↓	289.6	307.0	(5.7%) ↓
Gross Margin	30.7%	30.7%	(0.0 p.p.) ↓	34.0%	(3.3 p.p.) ↓	30.7%	34.2%	(3.4 p.p.) ↓
(-) Financial Costs	8.0	4.3	89.1% ↑	9.9	(18.9%) ↓	12.3	15.8	(21.9%) ↓
Adjusted Gross Profit¹	169.8	132.1	28.5% ↑	176.4	(3.7%) ↓	301.9	322.7	(6.4%) ↓
Adjusted Gross Margin	32.3%	31.8%	0.5 p.p. ↑	36.1%	(3.8 p.p.) ↓	32.1%	35.9%	(3.9 p.p.) ↓

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

Selling expenses

In 2Q20, selling expenses totaled R\$ 44.7 million, +19.2% YoY and -7.0% QoQ, equivalent to 6.5% of gross sales (an indicator that reached 8.9% in 1Q20). In the year to date, marketing expenses represented 2.7% of gross PSV sold (vs. 2.6% in 1H19) and brokerage expenses represented 4.7% of gross PSV (vs. 4.4 % in 1H19).

(R\$ million)	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)	1S20	1S19	YoY (%)
Selling Expenses	(44.7)	(48.1)	(7.0%) ↓	(37.5)	19.2% ↑	(92.8)	(70.3)	32.0% ↑
Selling Expenses / Gross Sales	6.5%	8.9%	(2.4 p.p.) ↓	7.0%	(0.5 p.p.) ↓	7.5%	7.2%	0.4 p.p. ↑

General and Administrative Expenses (G&A)

In 2Q20, G&A expenses totaled R\$ 40.5 million, +32.3% YoY and +35.6% QoQ. Despite lower expenses with salaries, travel and rentals when compared to the previous quarter, there was an increase in expenses with services (mainly related to exceptional expenses with infrastructure and technology to allow the Company's operation in the midst of the pandemic) and increased profit sharing provisions (in 1Q20, there was a lower provision due to the effective payment related to the 2019 results below what was being provisioned; the provision of R\$ 8.5 million in 2Q20 results in an average provision of R\$ 5.7 million per quarter in the year so far, closer to the recurring level).

(R\$ million)	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)	1S20	1S19	YoY (%)
General & Admin Expenses	(40.5)	(29.9)	35.6% ↑	(30.6)	32.3% ↑	(70.3)	(59.7)	17.9% ↑
G&A Expenses / Net Operating Revenue	7.7%	7.2%	0.5 p.p. ↑	6.3%	1.4 p.p. ↑	7.5%	6.6%	0.8 p.p. ↑

OTHER OPERATIONAL REVENUES (EXPENSES)

Other operating revenues and expenses totaled R\$ 16.0 million no 2Q20, + 18.4% YoY and + 5.0% QoQ. The indicator remains flat in the comparison between 1H20 and 1H19, representing 3.3% of net operating revenue in the periods.

(R\$ million)	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)	1S20	1S19	YoY (%)
Other Operating Revenues (Expenses)	(16.0)	(15.2)	5.0% ↑	(13.5)	18.4% ↑	(31.2)	(29.4)	6.0% ↑
Litigation Expenses	(9.3)	(11.0)	(15.1%) ↓	(5.2)	80.6% ↑	(20.3)	(17.5)	15.7% ↑
Others	(6.7)	(4.3)	56.4% ↑	(8.4)	(20.0%) ↓	(11.0)	(11.9)	(8.1%) ↓
% Net Operating Revenue	3.0%	3.7%	0.7 p.p.	2.8%	0.2 p.p.	3.3%	3.3%	0.0 p.p.
Equity Income	(0.2)	0.2	201.9% ↑	(0.2)	(27.1%) ↓	(0.0)	(1.5)	(99.8%) ↓

ADJUSTED EBITDA

In 2Q20, the Tenda's adjusted EBITDA totaled R\$ 72.3 million, -24.1% YoY and +72.4% QoQ.

(R\$ million)	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)	1S20	1S19	YoY (%)
Net Income	40.3	17.6	128.9% ↑	73.0	(44.8%) ↓	57.9	122.7	(52.8%) ↓
(+) Financial result	6.3	3.0	113.8% ↑	(2.4)	364.6% ↑	9.3	(2.6)	450.3% ↑
(+) Income taxes and social contribution	9.7	8.2	18.9% ↑	9.2	5.0% ↑	17.9	15.8	13.3% ↑
(+) Depreciation and amortization	4.3	6.1	(29.8%) ↓	4.9	(11.3%) ↓	10.4	9.5	9.4% ↑
(+) Capitalized interests	8.0	4.3	89.1% ↑	9.9	(18.9%) ↓	12.3	15.8	(21.9%) ↓
(+) Expenses with Stock Option Plan	3.9	2.9	35.4% ↑	0.7	425.7% ↑	6.7	3.3	105.9% ↑
(+) Minority Shareholders	(0.2)	0.0	(1,854.5%) ↓	(0.1)	(188.1%) ↓	(0.2)	0.7	(125.1%) ↓
Adjusted EBITDA¹	72.3	42.0	72.4% ↑	95.3	(24.1%) ↓	114.3	165.1	(30.8%) ↓
Net Revenue	526.1	415.8	26.5% ↑	489.1	7.6% ↑	941.9	898.4	4.8% ↑
Adjusted EBITDA Margin¹	13.7%	10.1%	3.7 p.p. ↑	19.5%	(5.7 p.p.) ↓	12.1%	18.4%	(6.2 p.p.) ↓

FINANCIAL RESULTS

In 2Q20, Tenda recorded a negative financial result of R\$ 6.3 million. Lower net cash position and lower national interest rate (Selic) resulted in financial income from investments (at a 100% CDI benchmark) insufficient to meet the cost of debt (86.8% of gross debt is linked to CDI, with an average spread of CDI + 1.91%, vs. CDI + 1.35% by the end of 1Q20).

(R\$ million)	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)	1S20	1S19	YoY (%)
Financial Income	10.3	9.3	10.8% ↑	15.2	(32.7%) ↓	19.5	27.3	(28.5%) ↓
Financial Expenses	(16.6)	(12.2)	35.7% ↑	(12.9)	28.8% ↑	(28.8)	(24.7)	16.7% ↑
Financial Results	(6.3)	(3.0)	(113.8%) ↓	2.4	(364.6%) ↓	(9.3)	2.6	(450.3%) ↓

NET INCOME

In 2Q20, Tenda posted net income of R\$ 40.3 million, down 44.8% YoY and up 128.9% QoQ. Lower gross margin, increase in selling, general and administrative expenses (SG&A) and worsening of the net financial result are the three main factors that explain the drop in net profit compared to 2Q19.

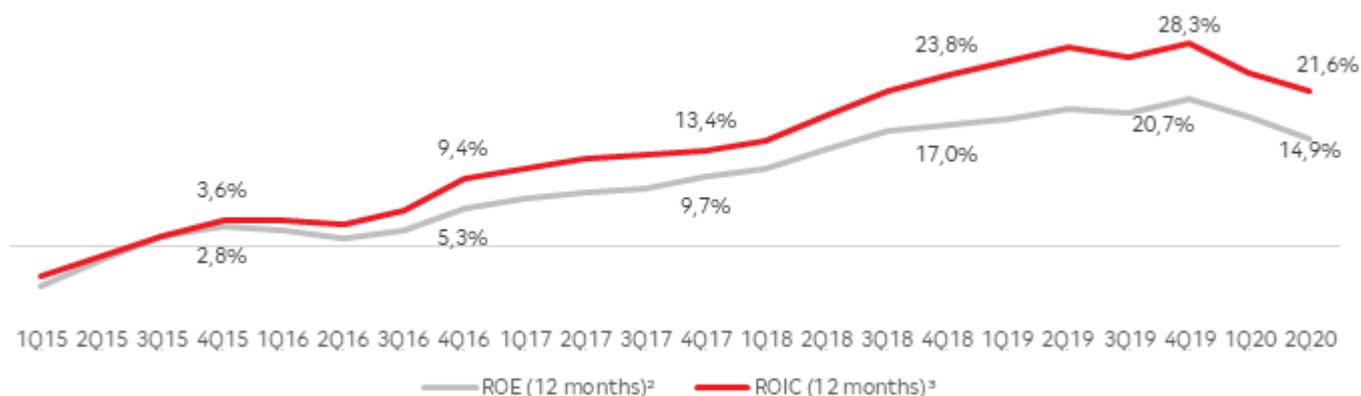
Earnings per share ex-treasury were R\$ 2.04, an increase of 16.2% YoY.

(R\$ million)	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)	1S20	1S19	YoY (%)
Net Income after Income Tax and Social Contribution	40.1	17.6	127.7% ↑	72.9	(45.0%) ↓	57.7	123.4	(53.3%) ↓
(-) Minority shareholders	0.2	(0.0)	1,854.5% ↑	0.1	188.1% ↑	0.2	(0.7)	125.1% ↑
Net Income	40.3	17.6	128.9% ↑	73.0	(44.8%) ↓	57.9	122.7	(52.8%) ↓
Net Margin	7.7%	4.2%	3.4 p.p. ↑	14.9%	(7.3 p.p.) ↓	6.1%	13.7%	(7.5 p.p.) ↓
Earnings per Share (12 months) (R\$/share)	1.90	2.22	(14.1%) ↓	2.25	(15.5%) ↓	1.90	2.23	(14.6%) ↓
Earnings per Share (12 months) (R\$/share) (ex-Treasury)	2.04	2.38	(14.4%) ↓	2.43	(16.2%) ↓	2.04	2.37	(13.9%) ↓

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

ROE (% , LTM) and ROIC (% , LTM)



BACKLOG RESULTS

Backlog margin at 37.1% in 2Q20, down 0.8 p.p. YoY and 1.3 p.p. QoQ. The reduction reflects the loss of productivity in construction sites interrupted due to events related to Covid-19 and the slight reduction in average regional prices in the quarter.

(R\$ million)	June 20	March 20	QoQ (%)	June 19	YoY (%)
Backlog Revenues	687.0	638.5	7.6% ↑	528.6	30.0% ↑
Backlog Costs (of Units Sold)	(431.9)	(393.2)	9.9% ↑	(328.4)	31.5% ↑
Backlog Results	255.1	245.3	4.0% ↑	200.2	27.4% ↑
Backlog Margin	37.1%	38.4%	(1.3 p.p.) ↓	37.9%	(0.8 p.p.) ↓

CASH AND CASH EQUIVALENTS

(R\$ million)	June 20	March 20	QoQ (%)	June 19	YoY (%)
Cash & Cash Equivalents	26.1	34.2	(23.8%) ↓	69.5	(62.5%) ↓
Short-term Investments	1,508.8	1,026.5	47.0% ↑	976.4	54.5% ↑
Total Cash Position	1,534.9	1,060.7	44.7% ↑	1,045.9	46.7% ↑

ACCOUNTS RECEIVABLE

The Company totaled R\$ 741.2 million in accounts receivable in 2Q20, up 40.0% YoY and 7.2% QoQ.

(R\$ million)	June 20	March 20	QoQ (%)	June 19	YoY (%)
2020	707.8	621.4	13.9% ↑	608.8	16.3% ↑
2021	109.2	140.6	(22.3%) ↓	36.6	198.5% ↑
2022	56.5	52.8	6.9% ↑	23.1	144.4% ↑
2023	34.9	33.6	4.1% ↑	12.0	191.4% ↑
2024 and beyond	44.0	42.0	4.7% ↑	9.3	373.7% ↑
Total Accounts Receivable	952.4	890.3	7.0% ↑	689.8	38.1% ↑
(-) Present value adjustment	(6.1)	(6.1)	(0.4%) ↓	(8.3)	26.7% ↑
(-) Provision for doubtful accounts	(129.4)	(131.0)	1.2% ↑	(124.2)	(4.2%) ↓
(-) Provision for cancellations	(75.8)	(62.0)	(22.3%) ↓	(27.8)	(172.5%) ↓
Accounts Receivable	741.2	691.3	7.2% ↑	529.5	40.0% ↑
Days of Accounts Receivable	136	129	5.2% ↑	107	27.4% ↑

1. Overdue and falling due

TENDA RECEIVABLES

Tenda's Net Receivables (on and off balance receivables with installment payments directly to the Company, since the bank loan does not absorb 100% of the property value) grew +13.6% QoQ and 33.4% YoY, in line with sales growth.

Several initiatives in Collection led to an improvement in non-payment indicators: net receivables after delivery fell from 19.8% to 15.1% of the total. In addition to reinforcing initiatives to reduce installments and new ways of negotiating with customers due to the uncertainty caused by Covid-19, the Company also opened new digital collection channels, with a positive impact on the behavior of the Tenda Receivables portfolio.

Improvement in default indicators led to a reduction in the allowances over after-delivery total receivables ratio, which went from 30.9% in 1Q20 to 28.7% in 2Q20.

Receivables Tenda ¹ (R\$ million)	2T20	1T20	T/T (%)	2T19	A/A (%)
Gross Receivables	443.3	405.3	9.4% ↑	348.1	27.3% ↑
Installments Before Delivery	61.7	44.3	39.1% ↑	48.4	27.5% ↑
Installments After Delivery	381.6	360.9	5.7% ↑	299.8	27.3% ↑
Net Receivables (Gross Receivables - Allowances)	333.1	293.2	13.6% ↑	249.7	33.4% ↑
Installments Before Delivery	61.0	43.8	39.3% ↑	47.9	27.4% ↑
Installments After Delivery	272.1	249.4	9.1% ↑	201.8	34.8% ↑

Receivables Tenda ¹ (aging, after delivery)	2T20	1T20	T/T (%)	2T19	A/A (%)
Net Receivables Tenda (R\$ million)	272.1	249.4	9.1% ↑	201.8	34.8% ↑
Not Delivered ²	100.6	86.8	15.9% ↑	57.1	76.1% ↑
Delivered - Current	130.2	113.1	15.1% ↑	111.3	16.9% ↑
Delivered - <90d Overdue	29.1	35.9	(18.8%) ↓	28.1	3.8% ↑
Delivered - >90d Overdue	12.1	13.6	(10.9%) ↓	5.3	128.0% ↑
% of Allowances over Total Receivables Tenda	28.7%	30.9%	(2.2 p.p.) ↓	32.7%	(4.0 p.p.) ↓
Not Delivered ²	16.9%	19.7%	(2.8 p.p.) ↓	18.7%	(1.8 p.p.) ↓
Delivered - Current	1.8%	2.0%	(0.3 p.p.) ↓	2.7%	(0.9 p.p.) ↓
Delivered - <90d Overdue	17.2%	18.7%	(1.5 p.p.) ↓	16.8%	0.4 p.p. ↑
Delivered - >90d Overdue	86.9%	85.4%	1.5 p.p. ↑	93.5%	(6.5 p.p.) ↓

1. On and off balance receivables with installment payments directly to the Company, since the bank loan does not absorb 100% of the property value.

2. Projects not delivered have installments payment before and after delivery. The allowances over total receivable Tenda are just installments payment after delivery.

INDEBTEDNESS

In 2Q20, the Company's total debt rose to R\$ 1,348 billion after obtaining R\$ 250.0 million in bank financing from banks Itaú, BTG Pactual and ABC Brasil in order to strengthen the Company's gross cash position amidst the uncertainties arising of the Covid-19 pandemic.

With a duration of 22.0 months and a nominal average cost of 4.6% YoY, the total debt in 2Q20 was composed mainly of corporate debt (86.8% of the total), linked to CDI with with an average spread CDI + 1.91%.

Debt Maturity Schedule (R\$ million)	2Q20	Bank Debt	Corporate Debt	Project Finance (SFH)
2020	12.6	2.0	2.2	8.4
2021	689.5	249.9	414.8	24.7
2022	249.4	70.0	100.0	79.4
2023	265.4	26.7	175.0	63.7
2024	131.5	4.2	125.0	2.3
2025 onwards	0.0	0.0	0.0	0.0
Total Debt	1,348.3	352.8	817.0	178.5

Debt Breakdown (R\$ million)	Maturity	Charges (APY)	Balance Due June 20	Balance Due March 20
Total Debt			1,348.3	928.9
Bank Debt	until 03/2024	CDI + 2.93% & 3.90%	352.8	50.0
Corporate Debt			817.0	812.0
CRI Tenda	until 01/2021	CDI + 0.90%	314.8	310.6
DEB TEND14	until 09/2023	CDI + 1.75%	152.2	150.6
DEB TEND15	until 03/2024	CDI + 1.40%	151.3	149.7
DEB TEND16	until 12/2024	CDI + 1,30%	198.6	201.1
SFH	until 12/2023	TR + 8.30%	178.5	66.9

Weighted Average Cost of Debt (R\$ million)	Balance Due June 20	Balance Due / Total Debt	Average Cost (APY)
CDI	1,169.8	86.8%	CDI + 1.91%
TR	178.5	13.2%	TR + 8.3%
Total	1,348.3	100%	4.6%

RATING

Standard & Poor's ("S&P") maintains Tenda's corporate credit rating at brAA+ with a stable outlook.

NET DEBT

Tenda has a net cash to equity ratio of 13.3%, keeping it as one of the most unleveraged companies in the sector.

(R\$ million)	June 20	March 20	QoQ (%)	June 19	YoY (%)
Gross Debt	1,347.2	928.9	45.0% ↑	756.3	78.1% ↑
(-) Cash and cash equivalents and financial investments	(1,534.9)	(1,060.7)	44.7% ↑	(1,045.9)	46.7% ↑
Net Debt	(187.7)	(131.8)	(42.4%) ↓	(289.6)	35.2% ↑
Shareholders' Equity + Minority Shareholders (SE+MS)	1,408.1	1,371.1	2.7% ↑	1,252.4	12.4% ↑
Net Debt / Equity (SE+MS)	(13.3%)	(9.6%)	(3.7 p.p.) ↓	(23.1%)	9.8 p.p. ↑
Adjusted EBITDA (Last 12 months)	315.3	331.4	(4.9%) ↓	327.0	(3.6%) ↓

CASH GENERATION AND CAPITAL DISTRIBUTION

Tenda ended 1Q20 with a cash consumption of R\$ 68.2 million. Intermittance of mortgage transfers led to cash consumption of R\$ 68.2 million in the quarter. The Company didn't buyback shares nor distribute capital in 1Q20.

(R\$ million)	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)
Stock buyback	0.0	0.0	0.0% ↑	10.9	(100.0%) ↓
Dividends paid	0.0	0.0	0.0% ↑	25.1	(99.9%) ↓
Capital Distribution	0.0	0.0	0.0% ↑	36.0	(99.9%) ↓

(R\$ million, last 12 months)	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)
Stock buyback	0.0	10.9	(100.0%) ↓	131.5	(100.0%) ↓
Dividends paid	32.7	57.8	(43.4%) ↓	50.1	(34.7%) ↓
Capital Distribution	32.7	68.7	(52.4%) ↓	181.6	(82.0%) ↓

(R\$ million)	June 20	March 20	QoQ (%)	June 19	YoY (%)
Change in Available Cash	474.2	(9.7)	-	191.4	147.7% ↑
(-) Change in Gross Debt	418.3	58.5	615.4% ↑	201.3	107.8% ↑
(-) Capital Distribution	0.0	0.0	0.0% ↑	36.0	(99.9%) ↓
Cash Generation¹	55.9	(68.2)	181.9% ↑	26.2	113.3% ↑
Operational Cash Generation²	71.0	(60.2)	217.9% ↑	32.6	118.1% ↑

1. Cash Generation is obtained through the difference between the change in Available Cash and the change in 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)	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)	1S20	1S19	YoY (%)
Net Revenue	526.1	415.8	26.5% ↑	489.1	7.6% ↑	941.9	898.4	4.8% ↑
Operating Costs	(364.4)	(288.0)	26.5% ↑	(322.7)	12.9% ↑	(652.3)	(591.5)	10.3% ↑
Gross Profit	161.7	127.9	26.5% ↑	166.4	(2.8%) ↓	289.6	307.0	(5.7%) ↓
Gross Margin	30.7%	30.7%	(0.0 p.p.) ↓	34.0%	(3.3 p.p.) ↓	30.7%	34.2%	(3.4 p.p.) ↓
Operating Expenses	(105.6)	(99.1)	6.6% ↑	(86.7)	21.9% ↑	(204.8)	(170.4)	20.2% ↑
Selling Expenses	(44.7)	(48.1)	(7.0%) ↓	(37.5)	19.2% ↑	(92.8)	(70.3)	32.0% ↑
G&A Expenses	(40.5)	(29.9)	35.6% ↑	(30.6)	32.3% ↑	(70.3)	(59.7)	17.9% ↑
Other Operating Revenue/Expenses	(16.0)	(15.2)	5.0% ↑	(13.5)	18.4% ↑	(31.2)	(29.4)	6.0% ↑
Depreciation and Amortization	(4.3)	(6.1)	(29.8%) ↓	(4.9)	(11.3%) ↓	(10.4)	(9.5)	9.4% ↑
Equity Income	(0.2)	0.2	(201.9%) ↓	(0.2)	27.1% ↑	(0.0)	(1.5)	99.8% ↑
Operational Result	56.1	28.7	95.3% ↑	79.8	(29.7%) ↓	84.8	136.6	(37.9%) ↓
Financial Income	10.3	9.3	10.8% ↑	15.2	(32.7%) ↓	19.5	27.3	(28.5%) ↓
Financial Expenses	(16.6)	(12.2)	35.7% ↑	(12.9)	28.8% ↑	(28.8)	(24.7)	16.7% ↑
Net Income Before Taxes on Income	49.8	25.8	93.2% ↑	82.1	(39.4%) ↓	75.6	139.2	(45.7%) ↓
Deferred Income Taxes	(1.5)	(1.3)	(14.2%) ↓	(1.7)	12.4% ↑	(2.8)	(1.7)	(64.5%) ↓
Current Income Taxes	(8.2)	(6.9)	19.8% ↑	(7.5)	8.9% ↑	(15.1)	(14.1)	7.2% ↑
Net Income After Taxes on Income	40.1	17.6	127.7% ↑	72.9	(45.0%) ↓	57.7	123.4	(53.3%) ↓
(-) Minority Shareholders	0.2	(0.0)	1,854.5% ↑	0.1	188.1% ↑	0.2	(0.7)	125.1% ↑
Net Income	40.3	17.6	128.9% ↑	73.0	(44.8%) ↓	57.9	122.7	(52.8%) ↓

BALANCE SHEET

(R\$ million)	June 20	March 20	QoQ (%)	June 19	YoY (%)
Current Assets	3,086.9	2,675.9	15.4% ↑	2,158.3	43.0% ↑
Cash and cash equivalents	26.1	34.2	(23.8%) ↓	69.5	(62.5%) ↓
Short term investments	1,508.8	1,026.5	47.0% ↑	976.4	54.5% ↑
Receivables from clients	578.1	549.8	5.1% ↑	380.1	52.1% ↑
Properties for sale	880.3	980.0	(10.2%) ↓	685.9	28.4% ↑
Other accounts receivable	93.6	85.4	9.6% ↑	46.4	101.6% ↑
Non-Current Assets	906.9	745.9	21.6% ↑	711.5	27.5% ↑
Receivables from clients	163.0	141.5	15.2% ↑	149.4	9.1% ↑
Properties for sale	679.3	532.2	27.6% ↑	496.3	36.9% ↑
Other	64.5	72.3	(10.7%) ↓	65.8	(1.9%) ↓
Intangible, Property and Equipment	102.0	105.1	(3.0%) ↓	97.8	4.2% ↑
Investments	42.5	42.7	(0.4%) ↓	37.9	12.1% ↑
Total Assets	4,138.3	3,569.7	15.9% ↑	3,005.6	37.7% ↑
Current Liabilities	1,051.1	914.4	14.9% ↑	539.6	94.8% ↑
Loans and financing	197.0	8.2	2,317.7% ↑	7.8	2,422.9% ↑
Debentures	318.8	313.8	1.6% ↑	18.4	1,629.1% ↑
Land obligations and customers' advances	263.7	339.6	(22.3%) ↓	310.9	(15.2%) ↓
Material and service suppliers	53.8	63.5	(15.2%) ↓	48.3	11.5% ↑
Taxes and contributions	62.2	30.3	105.3% ↑	27.4	127.0% ↑
Other	155.5	159.1	(2.2%) ↓	126.8	22.6% ↑
Non-current Liabilities	1,679.2	1,284.1	30.8% ↑	1,213.6	38.4% ↑
Loans and financing	333.1	108.8	206.2% ↑	147.8	125.4% ↑
Debentures	498.3	498.1	0.0% ↑	582.3	(14.4%) ↓
Land obligations and customers' advances	757.7	593.1	27.7% ↑	390.8	93.9% ↑
Deferred taxes	14.3	12.8	11.6% ↑	9.7	47.8% ↑
Provision for contingencies	29.3	30.0	(2.4%) ↓	29.8	(1.7%) ↓
Other creditors	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Other	46.5	41.2	12.9% ↑	53.2	(12.5%) ↓
Shareholders' Equity	1,408.1	1,371.1	2.7% ↑	1,252.4	12.4% ↑
Shareholders' Equity	1,407.1	1,370.2	2.7% ↑	1,251.4	12.4% ↑
Minority Shareholders	0.9	0.9	1.5% ↑	0.9	(4.0%) ↓
Total Liabilities and Shareholders' Equity	4,138.3	3,569.7	15.9% ↑	3,005.6	37.7% ↑

CASH FLOW STATEMENT

(R\$ million)	2Q20	1Q20	QoQ (%)	2Q19	YoY (%)	1S20	1S19	YoY (%)
Cash from (used in) operating activities	90.7	(42.3)	314.3% ↑	42.4	113.9% ↑	48.4	91.3	(47.0%) ↓
Net Income (loss) before taxes	49.8	25.8	93.2% ↑	82.1	(39.4%) ↓	75.6	139.2	(45.7%) ↓
Depreciation and amortization	7.9	9.3	(15.3%) ↓	7.5	4.7% ↑	17.2	14.6	18.2% ↑
Provision(reversal) doubtful accounts and cancellations	11.9	20.9	(43.0%) ↓	(6.2)	292.6% ↑	32.8	(0.5)	6,728.3% ↑
Present value adjustment	0.0	(1.3)	101.8% ↑	0.0	140.0% ↑	(1.3)	(1.7)	22.2% ↑
Impairment	(0.2)	(0.3)	18.2% ↑	(0.3)	29.0% ↑	(0.5)	(2.6)	79.5% ↑
Equity income	0.2	(0.2)	201.9% ↑	0.2	(27.1%) ↓	0.0	1.5	(99.8%) ↓
Provision for contingencies	0.1	2.9	(95.2%) ↓	(8.1)	101.7% ↑	3.0	(2.5)	222.4% ↑
Unrealized interest and charges, net	15.1	9.6	57.5% ↑	4.2	261.0% ↑	24.6	6.4	286.9% ↑
Warranty provision	0.7	0.4	77.7% ↑	1.1	(30.5%) ↓	1.1	1.4	(15.7%) ↓
Profit sharing provision	8.4	3.0	177.6% ↑	5.7	47.2% ↑	11.5	9.0	27.7% ↑
Stock option plan expenses	3.9	2.9	35.4% ↑	0.7	425.7% ↑	6.7	3.3	105.9% ↑
Other provisions	(1.8)	1.6	(213.7%) ↓	(0.1)	(2,526.5%) ↓	(0.2)	(0.7)	69.1% ↑
Leasing	4.5	0.0	0.0% ↑	0.0	0.0% ↑	4.5	0.0	0.0% ↑
Deferred income tax and social contribution	0.9	2.3	(63.6%) ↓	(0.3)	351.3% ↑	3.2	(0.3)	1,336.8% ↑
Clients	(62.1)	(93.8)	33.8% ↑	(17.7)	(250.7%) ↓	(156.0)	(58.5)	(166.6%) ↓
Properties for sale	(44.5)	3.5	(1,364.2%) ↓	(24.5)	(81.3%) ↓	(41.0)	(89.2)	54.1% ↑
Other accounts receivable	0.0	(11.6)	100.1% ↑	(16.8)	100.1% ↑	(11.6)	(17.8)	35.1% ↑
Suppliers	(9.7)	24.6	(139.3%) ↓	1.9	(597.5%) ↓	14.9	26.9	(44.5%) ↓
Taxes and contributions	9.0	(1.4)	744.9% ↑	0.4	2,250.1% ↑	7.6	0.4	1,906.6% ↑
Salaries, payroll charges and bonus provision	(0.5)	1.9	(124.2%) ↓	(11.8)	96.1% ↑	1.4	(10.0)	114.4% ↑
Obligations for purchase of real properties	86.2	(25.3)	441.5% ↑	30.6	181.6% ↑	61.0	85.5	(28.7%) ↓
Other accounts payable	10.5	(9.4)	212.1% ↑	1.5	616.9% ↑	1.1	(0.0)	2,454.2% ↑
Current account operations	0.1	0.1	51.5% ↑	0.0	- ↑	0.2	1.1	(78.2%) ↓
Taxes paid	0.1	(7.8)	101.1% ↑	(7.6)	101.2% ↑	(7.8)	(14.0)	44.5% ↑
Cash from (used in) investment activities	(491.6)	(17.8)	(2,658.4%) ↓	(191.6)	(156.6%) ↓	(509.4)	(156.7)	(225.1%) ↓
Purchase of property and equipment	(10.7)	(14.8)	28.0% ↑	(11.4)	6.5% ↑	(25.5)	(20.8)	(22.5%) ↓
Investments in marketable securities, net	(480.9)	(3.0)	- ↓	(180.2)	(166.9%) ↓	(483.9)	(135.9)	(256.0%) ↓
Cash from (used in) financing activities	392.7	46.0	753.1% ↑	151.2	159.7% ↑	438.7	100.7	335.9% ↑
Stock Buyback	0.0	0.0	0.0% ↑	(10.9)	100.0% ↑	0.0	(62.5)	100.0% ↑
Capital Reserve Increase	(7.2)	(0.9)	(734.3%) ↓	0.4	(1,705.4%) ↓	(8.1)	2.1	(488.5%) ↓
Dividends Paid	(0.0)	0.0	0.0% ↑	(25.1)	99.9% ↑	(0.0)	(25.1)	99.9% ↑
Loans and financing increase	489.2	101.0	384.6% ↑	290.8	68.2% ↑	590.1	359.0	64.4% ↑
Amortization of loans and financing	(88.1)	(53.1)	(66.0%) ↓	(102.7)	14.2% ↑	(141.2)	(170.3)	17.0% ↑
Loans and financing increase	(0.9)	(0.9)	(5.6%) ↓	(0.9)	(7.8%) ↓	(1.8)	(1.9)	5.5% ↑
Loan operations	(0.1)	(0.1)	(123.1%) ↓	(0.4)	66.1% ↑	(0.2)	(0.6)	66.6% ↑
Net increase (decrease) in cash and cash equivalents	(8.2)	(14.1)	42.2% ↑	2.1	(497.8%) ↓	(22.3)	35.2	(163.3%) ↓
At the beginning of the period	34.2	48.4	(29.2%) ↓	67.5	(49.2%) ↓	48.4	34.3	41.0% ↑
At the end of the period	26.1	34.2	(23.8%) ↓	69.5	(62.5%) ↓	26.1	69.5	(62.5%) ↓

INVESTOR RELATIONS

Renan Barbosa Sanches

CFO and Investor Relations Officer

Luiz Felipe Fustaino

Investor Relations and Treasury Manager

Bruno Souza

Investor Relations Sr. Analyst

Investor Relations

Phone: +55 (11) 3111-9909

E-mail: ri@tenda.com

Website: ir.tenda.com

MEDIA RELATIONS

Máquina Cohn & Wolfe

Isabela Kalil

Phone: +55 11 3147 7382

E-mail: tenda@maquinacohnwolfe.com

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") federal government housing program.