

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

4Q19 & 2019 EARNINGS RELEASE

In a year of operating records, net income grew 31.6% YoY, reaching R\$ 263.5 million, resulting in a 20.7% ROE and an income per share of R\$ 2.71 (+ 36.3% YoY)

FOR IMMEDIATE RELEASE – São Paulo, March 19, 2020 – Construtora Tenda S.A. ("Company", "Tenda"), a leading Brazilian homebuilder and real estate developer, today reports its results for the fourth quarter and 2019.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- **Net revenue** of R\$ 1.95 billion in 2019, up to 16.0% YoY. In the 4Q19, net revenue of R\$ 543.1 million, +19.5% YoY
- **Net income** of R\$ 263.5 million in 2019, up to 31.6% YoY. In the 4Q19, net income of R\$ 76.2 million, +58.7% YoY
- **ROE** of 20.7% in 2019, up to 3.7 p.p. YoY. ROIC of 28.3% in 2019, up to 4.5 p.p. YoY
- **PSV launched** of R\$ 2.58 billion in 2019 (+34.6% YoY). Landbank of R\$ 10.62 billion in PSV in 2019 (+19.4% YoY)
- **Net pre-sales** of R\$ 2.04 billion (+10.0% YoY), with the quarterly SoS
- **Adjusted Gross Margin of 35.0% and net pre-sales of R\$ 2.04 billion in 2019**, midpoint of the guidance for the year

STRATEGIC HIGHLIGHTS

- **First Steps in Offsite Construction.** After announcing its intention to develop a new growth platform based on offsite construction, Tenda started 2020 with a dedicated team and a warehouse designed for technology and product pilots
- **Digital Transformation and Innovation to improve Customer Experience with 3 new products**, aimed at those who want to buy (potential customers), those who have already bought (current customers) and salesforce
- **Excellence in Corporate Governance.** Formal individual assessment policy of Directors, in line with the Brazilian Governance Code and adopted by only 37% of the companies listed in the Novo Mercado segment, according to KPMG. In addition, new policies further strengthen the governance of Tenda, a true Corporation with 93% free float

CONFERENCE CALL AND WEBCAST

Friday, March 20, 2020

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

Even in a challenging year for the low-income housing segment, **Tenda took another important leap in growth in 2019, maintaining increasing financial returns** and consolidating itself as the main company exclusively focused on projects aimed at the brackets 1.5 and 2 of the Minha Casa, Minha Vida (“MCMV”) program.

Three main challenges were imposed throughout 2019. First, customers noticed tighter access to credit at financial institutions that operate the MCMV program. Second, the Federal Government's decision to impose contingency for the Union's Budget led to increased periods without transfer in 2019 compared to previous years. Finally, the resumption of civil construction in 2019 has put pressure on construction costs throughout the year.

Despite all this, Tenda was able to keep growing. 17,894 housing units were launched in 2019, up 31.2% YoY, equivalent to a PSV of R\$ 2.58 billion (+34.6% YoY). **This impressive increase in launches was accompanied by a strong pace of sales**, expressed in a quarterly VSO of 28% (well above peers) even in a more restrictive credit year for customers.

Sophisticated management and digital transformation enabled Tenda to reach the center of the guidance provided for two key operational indicators even in adverse circumstances:

- Net sales totaled R\$ 2.04 billion in 2019 with an important push from three digital initiatives (targeting potential customers, current customers and salesforce), that allowed Tenda to accelerate the pace of sales in the second half, in a year that was also impacted by the end of the traditional Feirão da Caixa, that used to be a key lever of sales.
- Adjusted gross margin of 35.0% was achieved with the benefit of an improved performance in collections, an activity that was reformulated at Tenda with innovations that included investments in more robust systems, adjustments in the incentives of our collection partners, among others

As a result, Tenda delivered **net income of R\$ 263.5 million, up 31.6% YoY**, ending 2019 with 20.7% ROE (+3.7 p.p. YoY), 28.3% ROIC (+4.5 p.p. YoY) and net income of R\$ 2.71 per share (ex-Treasury), up 36.3% YoY. Despite the normalization of the mortgage transfer process by the end of September, Tenda recorded cash consumption of R\$ 16.1 million in 4Q19, ending the year with cash generation of R\$ 7.2 million. The main reasons for the cash consumption within the quarter were the remaining backlog of mortgages to be transferred since the 3Q19 and Tenda's strategic action to avoid price adjustments in 2020, accelerating activities in some of its construction sites in 4Q19. Those mortgages to be transferred could also increase the level of cancellations in the beginning of 2020.

Tenda reiterates its option for a conservative financial management. The Company maintains a net cash position (R\$ 200.0 million at the end of 2019), resulting in a net debt-to-equity ratio of -14.7%. This strategic decision is validated by the recurrence of events that negatively impact cash generation, such as delays in mortgage transfers within the MCMV program. In addition, with ambitious long-term objectives, the net cash position is even more important for Tenda.

Tenda's main value-generating levers were presented to the market close to the end of 2019:

- First, to **achieve the full growth potential of the current business model**, based on construction with aluminum molds in metropolitan regions, maintaining the growth pace at one new metropolitan region per year, introducing projects with taller buildings with elevator outside São Paulo, reaching leading position in all markets
- Second, to **enable a business model based on offsite construction**, leading the industrialization of civil construction in the country. The first steps have already started to be taken in 2020, with the formation of a team dedicated to the project and with the opening of a warehouse where the first offsite pilots will be conducted
- Third, to **face digital transformation as a business imperative**. In 2019, it was already possible to notice significant progress in the customer journey, but this is just beginning

Tenda will continue to pursue value generation for its shareholders, maintaining its commitment to financial responsibility and reaffirming its focus on operations in the low-income housing segment, that combines an important demand with a lack of supply in Brazil.

COVID-19

So far, there have been no impacts from Covid-19 (or “New Coronavirus”) on operational activities. The Company is monitoring the progress of the New Coronavirus and its social, political and economic impact, maintaining an active committee formed by leaders of the Company so that coordinated and agile decisions are taken, in line with the guidelines from the Brazilian Ministry of Health, local authorities and class entities. The Company has adopted recommended measures to mitigate the transmission of the virus in construction sites, stores and administrative offices (more frequent cleaning, flexible work schedule, adoption of home-office practices, etc.).

There is no way to certify which material effects may impact the Financial Statements, business continuity and/or the Company’s accounting estimates. Tenda’s production process is labor intensive and any measures that reduce the displacement of employees or that require quarantines can postpone construction schedules. Tenda’s sales process is mostly conducted in its own stores with pre-scheduled assistance, and Tenda has adopted and developed tools that allow several stages of the sales process to be carried out online, but eventual measures to contain Covid-19 may lead to stores being shutdown. Launches and deliveries may be compromised by local initiatives to suspend licensing terms.

Tenda’s conservative financial management, with a gross cash position of R\$ 1.07 billion, net cash position of R\$ 200.0 million and a net debt-to-equity ratio of -14.7%, brings safety for the Company in a time of uncertainty like what we live in the present moment.

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 **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, reached 35.0%, in the midpoint of the guidance for the year of 34.0% and 36.0%.
- In 2019, **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, totaled R\$ 2,039.6 million, close to the midpoint of the guidance (between R\$1,950.0 million and R\$2,150.0 million).

Guidance 2019	Minimum	Maximum	1Q19	2Q19	3Q19	4Q19	2019
Adjusted Gross Margin (%)	34.0%	36.0%	35.8%	36.1%	34.9%	33.4%	35.0%
Net Pre-Sales (R\$ million)	1,950.0	2,150.0	406.9	479.9	536.9	615.9	2,039.6

OPERATIONAL AND FINANCIAL HIGHLIGHTS

	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)	2019	2018	YoY (%)
Operational Highlights (R\$ million, PSV)								
Launches	835.8	761.4	9.8% ↑	530.6	57.5% ↑	2,575.1	1,912.7	34.6% ↑
Net Pre-Sales	615.9	536.9	14.7% ↑	459.5	34.0% ↑	2,039.6	1,854.8	10.0% ↑
Sales over Supply (SoS) (%)	28.0%	28.0%	0.0 p.p.	28.6%	(06pp)↓	56.3%	61.8%	(55pp)↓
PSV Transferred	553.1	277.3	99.4% ↑	346.8	59.5% ↑	1,641.1	1,648.3	(0.4%) ↓
Units Delivered (#)	1,752	3,844	(54.4%) ↓	2,488	(29.6%) ↓	10,368	10,244	1.2% ↑
Landbank	10,619.4	9,869.7	7.6% ↑	8,893.6	19.4% ↑	10,619.4	8,893.6	19.4% ↑
Landbank - Acquisitions / Adjustments	1,585.5	1,131.7	40.1% ↑	1,580.8	0.3% ↑	4,300.9	4,111.2	4.6% ↑
Financial Highlights (R\$ million)								
Net Revenue	543.1	508.5	6.8% ↑	454.6	19.5% ↑	1,950.1	1,681.3	16.0% ↑
Adjusted Gross Profit ¹	181.7	177.3	2.5% ↑	170.2	6.7% ↑	681.7	610.5	11.7% ↑
Adjusted Gross Margin ¹ (%)	33.4%	34.9%	(14pp)↓	37.4%	(40pp)↓	35.0%	36.3%	(14pp)↓
Adjusted EBITDA ²	99.9	88.4	13.0% ↑	69.5	43.7% ↑	353.5	278.8	26.8% ↑
Adjusted EBITDA Margin ² (%)	18.4%	17.4%	1.0 p.p. ↑	15.3%	3.1 p.p. ↑	18.1%	16.6%	1.5 p.p. ↑
Net Financial Result	4.0	2.1	87.3% ↑	0.9	363.6% ↑	8.8	8.5	3.5% ↑
Net Income (Loss) ³	76.2	64.6	17.9% ↑	48.0	58.7% ↑	263.5	200.3	31.6% ↑
Backlog Revenues	555.2	582.7	(4.7%) ↓	546.7	1.6% ↑	555.2	546.7	1.6% ↑
Backlog Results	217.7	225.5	(3.5%) ↓	238.3	(8.7%) ↓	217.7	238.3	(8.7%) ↓
Backlog Margin (%)	39.2%	38.7%	0.5 p.p. ↑	43.6%	(44pp)↓	39.2%	43.6%	(44pp)↓
Cash and Cash Equivalents ⁴	1,070.5	976.3	9.6% ↑	855.6	25.1% ↑	1,070.5	855.6	25.1% ↑
Net Debt	(200.0)	(231.5)	13.6% ↑	(313.1)	36.1% ↑	(200.0)	(313.1)	36.1% ↑
Shareholders' Equity + Minority Shareholders	1,351.7	1,304.4	3.6% ↑	1,203.8	12.3% ↑	1,351.7	1,203.8	12.3% ↑
Net Debt / (SE + Minority) (%)	(14.8%)	(17.7%)	3.0 p.p. ↑	(26.0%)	112pp↑	(14.8%)	(26.0%)	112pp↑
Cash Generation ⁵	(16.1)	(40.8)	60.5% ↑	60.9	(1265%)↓	7.2	252.8	(97.2%) ↓
Operating Cash Generation ⁶	(12.5)	(34.5)	63.6% ↑	66.8	(1188%)↓	21.6	264.6	(91.8%) ↓
Net Income (Loss) (LTM)	263.5	235.4	12.0% ↑	200.3	31.6% ↑	122.7	200.3	(38.7%) ↓
NOPAT ⁷ (LTM)	289.2	262.2	10.3% ↑	217.5	33.0% ↑	289.2	217.5	33.0% ↑
Capital Employed ⁸	1,151.7	1,072.9	7.3% ↑	890.7	29.3% ↑	1,151.7	890.7	29.3% ↑
ROE ⁹ (LTM)	20.7%	18.7%	2.0 p.p. ↑	17.0%	3.7 p.p. ↑	20.7%	17.0%	3.7 p.p. ↑
ROIC ¹⁰ (LTM)	28.3%	26.4%	1.9 p.p. ↑	23.8%	4.5 p.p. ↑	28.3%	23.8%	4.5 p.p. ↑
Earnings per share ¹¹ (12 months) (R\$/share) (ex-Treasury)	2.71	2.42	12.0% ↑	1.99	36.3% ↑	2.71	1.99	36.3% ↑

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. Cash and cash equivalents and securities.

5. 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

6. 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.

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

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

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.

OFFSITE CONSTRUCTION

During its Investor Day on December 10, 2019, Tenda announced its intention to build housing units in factories, outside the construction sites (“offsite construction”). The Company will focus on developing a business model to address demand for affordable housing in small and mid-size cities. The current business model is focused on building onsite using aluminum molds as a way to ensure greater cost competitiveness, but it makes sense only in key metro areas.

To make the offsite business model feasible and to lead the industrialization of construction in Brazil, Tenda must invest in the validation of concepts (products and construction technologies) throughout 2020 and 2021. Finding viable alternatives, it expects to start the scale-up of the proven models from 2022 on.

[\[For more details, click here to access all materials presented during Tenda Day 2019 >>\]](#)

FIRST STEPS



Equipe dedicada, atuando como uma *startup*



Galpão para início das atividades de validação dos conceitos *offsite*

In early 2020, Tenda dedicated a team to work on the validation of offsite construction concepts. With an exclusive workspace in São Paulo, the team that was dedicated to this challenge can work as a startup while remaining close to the Company's corporate headquarters. In addition, Tenda also has a warehouse where products and construction technologies will be tested to validate the new business model.

GOVERNANCE AND DIGITAL TRANSFORMATION



Improving the customer journey is one of Tenda's strategic focus. In 2019, three digital transformation initiatives improved the experience of customers who have already bought or are about to buy their Tenda

- **New app for those who want to buy**, allows them to simulate the purchase and schedule a visit
- **New app for those who have already purchased**, allows them to track the progress of their new home
- **New system for salespeople**, increases sales capillarity and simplifies the purchase process



True Corporation with a 93% free float, **Tenda aims for a position of excellence in Corporate Governance.** Throughout 2019, the Company formalized policies recommended by the Brazilian Code of Governance, such as the Policy for the Appointment of Board Members, the Remuneration of Board Members and the Evaluation of Board Members (which, according to KPMG, is only adopted 37% of Novo Mercado companies).

LAUNCHES

In 4Q19, Tenda launched 22 projects, totaling R\$ 835.8 million in PSV, up 57.5% YoY and 9.8% QoQ. The PSV launched in 2019 reached R\$ 2.58 billion, up 34.6% YoY. Average price per unit decreased due to a lower share of São Paulo metro area in the 4Q19 launches mix (25.6% of the total launches in 4Q19 versus 32.5% in 3Q19 and 55.0% in 4Q18) and to discounts granted in 2019 given the more restrictive scenario for sales within the MCMV.

In 2019, Tenda launched in São Paulo metro area the first projects with buildings with more than 10 floors (2 ou more elevators). Therefore, São Paulo grew 51.8% YoY in 2019, which is 35.7% of the Company's PSV launched in 2019 (versus 31.7% in 2018). The Rio de Janeiro metro area grew 46.3% YoY in 2019 and reached 24.0% of the total PSV launched in the year. The Salvador metro area, which represents 15.7% of the PSV launched by Tenda in 2019, was the first region outside São Paulo where Tenda launched projects with elevator (3 projects in 2019).

Launches ¹	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)	2019	2018	YoY (%)
Number of projects launched	22	18	22.2% ↑	12	83.3% ↑	63	49	28.6% ↑
PSV (R\$ million)	835.8	761.4	9.8% ↑	530.6	57.5% ↑	2,575.1	1,912.7	34.6% ↑
Number of units launched	5,972	5,219	14.4% ↑	3,572	67.2% ↑	17,894	13,636	31.2% ↑
Average price per unit (R\$ thousand)	140.0	145.9	(4.1%) ↓	148.5	(5.8%) ↓	143.9	140.3	2.6% ↑
Average size of projects launched (in units)	271	290	(6.4%) ↓	298	(8.8%) ↓	284	278	2.1% ↑

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\$ 669.4 million in 4Q19, up 32.7% YoY. In 2019, gross sales totaled R\$ 2.24 billion, 9.4% higher YoY. In the year, while the number of units sold was 10.2% higher YoY, the average price per unit dropped 0.7% YoY. The increase in São Paulo's participation in the gross sales mix (from 28.6% in 2018 to 35.4% in 2019) mitigated the impact of the average price per unit reduction by region, even in a more restrictive scenario for the MCMV program in the year. Gross Sales over Supply ("Gross SoS") reached 30.5% in 4Q19, 0.3 p.p. lower than 3Q19.

Gross Sales	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)	2019	2018	YoY (%)
PSV (R\$ million)	669.4	590.2	13.4% ↑	504.3	32.7% ↑	2,239.4	2,047.2	9.4% ↑
Number of units	4,831	4,185	15.4% ↑	3,685	31.1% ↑	16,397	14,881	10.2% ↑
Average price per unit (R\$ thousand)	138.6	141.0	(1.7%) ↓	136.9	1.2% ↑	136.6	137.6	(0.7%) ↓
Gross SoS	30.5%	30.8%	(0.3 p.p.) ↓	31.4%	(0.9 p.p.) ↓	61.8%	68.3%	(6.5 p.p.) ↓

CANCELLATIONS AND NET PRE-SALES

Net pre-sales totaled R\$ 615.9 million in 4Q19, up 14.7% QoQ and 34.0% YoY. In 2019, the Net pre-sales totaled R\$ 2.04 billion, near to the midpoint of the guidance for the year.

Net Sales over Supply (“Net SoS”) reached 28.0% in 4Q19, remaining stable QoQ even after a record-high 4Q19 in terms of launches. The quarterly Net SoS reached 28.1% in 2019, down 2.6 p.p. YoY. Lower SoS reflects a more restrictive environment for customer credit approval at financial institutions and a lower participation in the bracket 1.5 of the MCMV program (26.3% of net sales in 2019 versus 55.9% of net sales in 2018).

Cancellations to gross sales ratio reached 8.0% in 4Q19, down 1.0 p.p. QoQ. Despite the positive result, part of the pending mortgage transfers from 3Q19 has not been addressed yet, which may lead to an increase in cancellations in 1Q20. In 2019, the cancellations to gross sales ratio reached 8.9%, 0.5 p.p. lower YoY.

(PSV, R\$ million)	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)	2019	2018	YoY (%)
Gross Sales	669.4	590.2	13.4% ↑	504.3	32.7% ↑	2,239.4	2,047.2	9.4% ↑
Cancellations	53.5	53.3	0.4% ↑	44.9	19.2% ↑	199.8	192.4	3.9% ↑
Net Pre-Sales	615.9	536.9	14.7% ↑	459.5	34.0% ↑	2,039.6	1,854.8	10.0% ↑
% Launches ¹	83.3%	71.9%	11.4 p.p. ↑	66.2%	17.1 p.p. ↑	51.5%	46.2%	5.3 p.p. ↑
% Inventory	16.7%	28.1%	(11.4 p.p.) ↓	33.8%	(17.1 p.p.) ↓	48.5%	53.8%	(5.3 p.p.) ↓
Cancellations / Gross Sales	8.0%	9.0%	(1.0 p.p.) ↓	8.9%	(0.9 p.p.) ↓	8.9%	9.4%	(0.5 p.p.) ↓
Net SoS	28.0%	28.0%	0.0 p.p.	28.6%	(0.6 p.p.) ↓	56.3%	61.8%	(5.5 p.p.) ↓
(in units)	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)	2019	2018	YoY (%)
Gross Units Sold	4,831	4,185	15.4% ↑	3,685	31.1% ↑	16,397	14,881	10.2% ↑
Cancelled Units	383	404	(5.2%) ↓	338	13.3% ↑	1,490	1,415	5.3% ↑
Net Units Sold	4,448	3,781	17.6% ↑	3,347	32.9% ↑	14,907	13,466	10.7% ↑
Cancellations / Gross Sales	7.9%	9.7%	(1.8 p.p.) ↓	9.2%	(1.3 p.p.) ↓	9.1%	9.5%	(0.4 p.p.) ↓

1. Current year launches

UNITS TRANSFERRED, DELIVERED, AND CONSTRUCTION SITES

Transferred PSV totaled R\$ 553.1 million in 4Q19, up 99.4% QoQ and 59.5% YoY. However, in the 3Q19 mortgage transfers were curtailed for 9 weeks and in the 4Q18 mortgage transfers were negatively impacted due to resources reallocation from the FGTS budget between cities and by the scarcity of resources for the bracket 1.5 of the MCMV. Most of the transferred units come from recently launched projects (83.3% of net sales in 4Q19 are related to units launched in 2019), therefore with limited cash effect given a low construction progress. The impact of the interruption of transfers in 3Q19 was not fully addressed in 4Q19, as shown by the 0.4% drop in PSV transferred in 2019 compared to 2018.

On the other hand, Tenda ended 2019 with 67 projects in progress, +52.3% YoY (44 sites), higher than the +28.6% YoY increase in the number of launches. With the resumption of the Brazilian real estate sector in 2019 and the consequent increase in construction costs, Tenda started some construction sites earlier than usual as a strategy to mitigate the impact of possible price increases expected to remain present throughout 2020.

The combination of a greater progress in construction sites and a lower PSV transferred may have an adverse effect on cash generation.

Transfers, Deliveries and Construction Sites	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)	2019	2018	YoY (%)
PSV Transferred (in R\$ million)	553.1	277.3	99.4% ↑	346.8	59.5% ↑	1,641.1	1,648.3	(0.4%) ↓
Transferred Units	4,771	2,312	106.4% ↑	2,808	69.9% ↑	13,951	13,204	5.7% ↑
Delivered Units	1,752	3,844	(54.4%) ↓	2,488	(29.6%) ↓	10,368	10,244	1.2% ↑
Construction Sites	67	57	17.5% ↑	44	52.3% ↑	67	44	52.3% ↑

INVENTORY AT MARKET VALUE

Tenda ended 4Q19 with R\$1.58 billion in inventory at market value, 14.5% higher QoQ and 38.2 YoY. Finished inventory units ended 4Q19 with a 37.1% YoY decrease, totaling R\$45.4 million (2.9% of the total inventory, 1.6 p.p. less than 3Q19). Inventory turnover is 9.3 months, higher than 2018 (when it ranged between 6.7 and 7.6 months).

Inventory at Market Value	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)	2019	2018	YoY (%)
PSV (R\$ million)	1,581.6	1,381.1	14.5% ↑	1,144.5	38.2% ↑	1,581.6	1,144.5	38.2% ↑
Number of Units	10,963	9,391	16.7% ↑	8,000.0	37.0% ↑	10,963	8,000.0	37.0% ↑
Average price per unit (R\$ thousand)	144.3	147.1	(1.9%) ↓	143.1	0.8% ↑	144.3	143.1	0.8% ↑

Status of Construction	4Q19	0% to 30% built	30% to 70% built	More than 70% built	Finished units
PSV (R\$ million)	1,581.6	822.3	636.7	77.2	45.4

LANDBANK

In the end of 2019, landbank reached PSV of R\$ 10.62 billion, 19.4% higher YoY. In a strong year in launches, the landbank growth ensure stability for the Company's landbank policy (to keep landbank equivalent to 3 years of launches in each metro area). In the 4Q19, the acquisitions reached R\$ 1.59 billion, 40.1% higher QoQ.

Landbank ¹	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)	2019	2018	YoY (%)
Number of Projects	292	278	5.0% ↑	253	15.4% ↑	292	253	15.4% ↑
PSV (in R\$ million)	10,619.4	9,869.7	7.6% ↑	8,893.6	19.4% ↑	10,619.4	8,893.6	19.4% ↑
Acquisitions / Adjustments (in R\$ million)	1,585.5	1,131.7	40.1% ↑	1,580.8	0.3% ↑	4,300.9	4,111.2	4.6% ↑
Number of Units	72,159	67,527	6.9% ↑	60,124	20.0% ↑	72,159	60,124	20.0% ↑
Average price per unit (in R\$ thousands)	147.2	146.2	0.7% ↑	147.9	(0.5%) ↓	147.2	147.9	(0.5%) ↓
% Swap Total	34.6%	30.2%	4.4 p.p. ↑	24.2%	10.4 p.p. ↑	34.6%	24.2%	10.4 p.p. ↑
% Swap Units	8.4%	9.1%	(0.7 p.p.) ↓	11.1%	(2.7 p.p.) ↓	8.4%	11.1%	(2.7 p.p.) ↓
% Swap Financial	26.2%	21.1%	5.1 p.p. ↑	13.0%	13.2 p.p. ↑	26.2%	13.0%	13.2 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	52	64
Units launched	2,460	4,315	7,711	9,579	11,768	13,636	17,894
Total PSV (R\$ 000)	313.9	613.3	1,088.9	1,315.0	1,695.2	1,912.7	2,575.1
Units Sold	2,255	3,919	7,634	9,309	11,513	13,408	7,515
% Sold	91.7%	90.8%	99.0%	97.2%	97.8%	98.3%	42.0%
Avg SoS (Month)	8.6%	6.5%	8.3%	11.6%	13.1%	18.9%	10.0%
Units transferred	2,255	3,917	7,623	9,293	11,487	12,946	5,145
% Units transferred	91.7%	90.8%	98.9%	97.0%	97.6%	94.9%	28.8%
% Construction	100.0%	100.0%	100.0%	98.6%	99.8%	94.7%	39.1%

LEGACY UPDATE

Initiatives taken in 2019 regarding the Legacy brought a positive result and kept the capital employed¹ at similar levels when compared to 2018, with a relevant migration from inventories (units and land for sale) to accounts receivable.

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	37.7
Gross Sales	249.0	1,091.9	874.4	508.0	228.3	143.1	58.7	75.3	38.6
Cancellations	467.8	1,166.2	583.0	414.1	120.8	90.0	43.9	17.4	12.4
Net Sales	(218.8)	(74.3)	291.4	93.9	107.5	53.1	14.8	57.9	26.2
Cancellations / Gross Sales	187.9%	106.8%	66.7%	81.5%	52.9%	62.9%	74.7%	23.1%	32.1%
Sales over Supply (SoS)	(23.0%)	(9.9%)	37.8%	20.5%	32.2%	25.5%	10.1%	49.9%	41.1%
Gross SoS	702.9	1,182.6	900.3	459.9	214.6	145.2	108.7	55.9	28.7
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	124.8	123.7
Accounts Receivable ¹	1,465.9	1,233.5	623.3	317.8	232.0	117.0	47.6	31.6	75.3
AR Clients	1,465.9	1,233.5	623.3	306.4	223.7	97.7	19.9	12.4	37.2
AR Landbank Sold	ND ²	ND ²	ND ²	11.4	8.3	19.2	27.6	19.2	38.1
Inventory ²	1,051.0	856.2	529.1	437.2	315.2	207.5	163.9	93.2	48.4
Inventory	1,023.8	730.8	421.3	332.7	213.7	132.3	99.1	55.7	30.4
Landbank for Sale	27.2	125.4	107.8	104.5	101.5	75.2	64.8	37.5	18.1
Other Operating Revenues and Expenses	(60.3)	(47.8)	(24.8)	(62.2)	(52.6)	(36.7)	(98.5)	(81.5)	(41.4)
Litigation Expenses	(15.2)	(17.5)	(18.1)	(51.2)	(27.3)	(21.2)	(51.8)	(53.9)	(18.6)
Other	(45.2)	(30.3)	(6.7)	(11.0)	(25.3)	(15.5)	(46.7)	(27.6)	(22.8)
Net Revenue	439.3	1,069.1	722.5	273.8	168.3	(52.2)	7.2	76.5	74.7
Gross Profit	(281.9)	130.4	27.0	(3.1)	(29.2)	(87.0)	(70.5)	(32.5)	19.4
Gross Margin	(64.2%)	12.2%	3.7%	(1.1%)	(17.4%)	NA ²	(97.98%)	(42.6%)	26.0%

1. Managerial information

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

NET OPERATING REVENUE

Net operating revenue totaled R\$ 543.1 million in 4Q19, up 19.5% YoY and up 6.8% QoQ. In 2019, net operating revenue reached R4 1.95 billion, up 16% YoY. In 2019, 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, a non-recurring event that positively impacted our net operating revenue in the last three quarters. In 4Q19, provision for cancellations increased due to the impact of the interruption of mortgage transfers referring to 3Q19 net pre-sales (the Company provisions all pre-sales that were not transferred within 120 days).

(R\$ million)	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)	2019	2018	YoY (%)
Gross Operating Revenues	566.5	515.8	9.8% ↑	468.4	21.0% ↑	2,005.3	1,746.6	14.8% ↑
Reversal (constitution) of estimated losses on doubtful accounts	4.0	2.0	106.1% ↑	(11.0)	136.4% ↑	12.3	(31.5)	139.0% ↑
Provision for cancellations	(18.5)	0.6	-	4.8	(482.9%) ↓	(30.6)	6.6	(566.3%) ↓
Taxes on sales of properties and services	(8.9)	(9.8)	(10.0%) ↓	(7.5)	17.7% ↑	(36.9)	(40.4)	(8.7%) ↓
Net Operating Revenue	543.1	508.5	6.8% ↑	454.6	19.5% ↑	1,950.1	1,681.3	16.0% ↑

GROSS PROFIT

Gross profit totaled R\$ 173.1 million in 4Q19, totaling R\$ 648.1 million in 2019, up 10.6% YoY, resulting in a gross margin of 33.20%, 1.6 p.p. lower YoY. Adjusted by capitalized interest rates, gross profit totaled R\$ 181.7 million in the quarter, up 2.5% QoQ and 6.7% YoY. The adjusted gross margin of 33.4% was negatively impacted by the increase in provisions for cancellations, due to the backlog the remained from the 3Q19 interruption of mortgage transfers.

In the year, the adjusted gross profit reached R\$ 681.7 million, up 11.7% YoY, resulting in a 35.0% adjusted gross margin, in the midpoint of the guidance provided by the Company for 2019 (between 34.0% and 36.0%).

(R\$ million)	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)	2019	2018	YoY (%)
Net Revenue	543.1	508.5	6.8% ↑	454.6	19.5% ↑	1,950.1	1,681.3	16.0% ↑
Gross Profit	173.1	168.0	3.0% ↑	163.3	6.0% ↑	648.1	585.8	10.6% ↑
Gross Margin	31.9%	33.0%	(12pp) ↓	35.9%	(41pp) ↓	33.2%	34.8%	(1.6 p.p.) ↓
(-) Financial Costs	8.6	9.2	(6.9%) ↓	6.9	24.5% ↑	33.6	24.7	36.2% ↑
Adjusted Gross Profit¹	181.7	177.3	2.5% ↑	170.2	6.7% ↑	681.7	610.5	11.7% ↑
Adjusted Gross Margin	33.4%	34.9%	(14pp) ↓	37.4%	(40pp) ↓	35.0%	36.3%	(1.4 p.p.) ↓

1. Adjusted by capitalized interest rates.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

In 4Q19, selling expenses totaled R\$ 45.5 million, an increase of 17.7% YoY. Compared to the previous quarter, there was a decrease in selling expenses also due to the interruptions of transfers backlog of part of the 3Q19 sales (it is worth noting that, in the case of Tenda, the commission is paid on the transfer). In the year, selling expenses totaled R\$ 162.5 million, 11.9% higher than in the previous year, representing 7.3% of gross sales in the year, an increase of 0.2 p.p. YoY, due to additional sales efforts given the more restrictive credit scenario and the reduction of the 1.5 bracket in Tenda's sales mix (26.3% of net sales in 2019 versus 55.9% of net sales in 2018).

In 4Q19, general and administrative expenses ("G&A") totaled R\$ 26.3 million, a reduction of 15.7% QoQ and 24.9% YoY. The reduction in G&A is mainly due to the calibration of the short-term variable remuneration as the end of the year approached. Thus, G&A corresponded to 4.8% of net operating revenue in 4Q19 and 6.0% in 2019, down 2.9 p.p. YoY and 1.4 p.p. YoY, respectively.

(R\$ million)	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)	2019	2018	YoY (%)
Selling Expenses	(45.5)	(46.8)	(2.8%) ↓	(38.6)	17.7% ↑	(162.5)	(145.3)	11.9% ↑
General & Admin Expenses	(26.3)	(31.2)	(15.7%) ↓	(35.0)	(24.9%) ↓	(117.1)	(123.8)	(5.4%) ↓
Total SG&A Expenses	(71.8)	(78.0)	(8.0%) ↓	(73.6)	(2.5%) ↓	(279.6)	(269.1)	3.9% ↑
Gross Sales	669.4	590.2	13.4% ↑	504.3	32.7% ↑	2,239.4	2,047.2	9.4% ↑
Launches	835.8	761.4	9.8% ↑	530.6	57.5% ↑	2,575.1	1,912.7	34.6% ↑
Net Operating Revenue	543.1	508.5	6.8% ↑	454.6	19.5% ↑	1,950.1	1,681.3	16.0% ↑
Selling Expenses / Gross Sales	6.8%	7.9%	(1.1 p.p.) ↓	7.7%	(0.9 p.p.) ↓	7.3%	7.1%	0.2 p.p. ↑
G&A Expenses / Launches	3.1%	4.1%	(1.0 p.p.) ↓	6.6%	(3.5 p.p.) ↓	4.5%	6.5%	(1.9 p.p.) ↓
G&A Expenses / Net Operating Revenue	4.8%	6.1%	(1.3 p.p.) ↓	7.7%	(2.9 p.p.) ↓	6.0%	7.4%	(1.4 p.p.) ↓

OTHER OPERATIONAL REVENUES (EXPENSES)

Other operating revenues and expenses totaled R\$ 18.0 million in expenses in 4Q19 and finished 2019 in R\$ 60.5 million, down 44.2% YoY and 25.8% QoQ, respectively.

(R\$ million)	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)	2019	2018	YoY (%)
Other Operating Revenues and Expenses	(18.0)	(13.1)	37.4% ↑	(32.2)	(44.2%) ↓	(60.5)	(81.5)	(25.8%) ↓
Litigation Expenses	(16.4)	(5.9)	177.3% ↑	(21.4)	(23.6%) ↓	(39.8)	(53.9)	(26.2%) ↓
Others	(1.6)	(7.2)	(77.8%) ↓	(10.8)	(85.2%) ↓	(20.7)	(27.6)	(24.9%) ↓
Equity Income	5.0	(0.3)	-	(0.2)	-	3.2	0.6	(424.1%) ↓

ADJUSTED EBITDA

In 4Q19, the Company's adjusted EBITDA totaled R\$ 99.9 million, an increase of 43.7% YoY. In 2019, the adjusted EBITDA totaled R\$ 353.5 million, representing an increase of 26.8%, compared to 2018.

(R\$ million)	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)	2019	2018	YoY (%)
Net Income	76.2	64.6	17.9% ↑	48.0	58.7% ↑	263.5	200.3	31.6% ↑
(+) Financial result	(4.0)	(2.1)	(87.3%) ↓	(0.9)	(363.6%) ↓	(8.8)	(8.5)	(3.5%) ↓
(+) Income taxes and social contribution	10.4	8.9	16.7% ↑	7.0	49.6% ↑	35.1	26.5	32.4% ↑
(+) Depreciation and amortization	5.8	5.2	11.9% ↑	3.5	66.5% ↑	20.5	16.4	24.5% ↑
(+) Capitalized interests	8.6	9.2	(6.9%) ↓	6.9	24.5% ↑	33.6	24.7	36.2% ↑
(+) Expenses with Stock Option Plan	2.9	2.5	17.0% ↑	5.3	(45.3%) ↓	8.7	18.4	(52.9%) ↓
(+) Minority Shareholders	0.1	0.1	(41.8%) ↓	(0.3)	120.4% ↑	0.9	1.1	(17.6%) ↓
Adjusted EBITDA¹	99.9	88.4	13.0% ↑	69.5	43.7% ↑	353.5	278.8	26.8% ↑
Net Revenue	543.1	508.5	6.8% ↑	454.6	19.5% ↑	1,950.1	1,681.3	16.0% ↑
Adjusted EBITDA Margin¹	18.4%	17.4%	1.0 p.p. ↑	15.3%	3.1 p.p. ↑	18.1%	16.6%	1.5 p.p. ↑

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

FINANCIAL RESULTS

In 4Q19, Tenda posted a financial result of R\$4.0 million, totaled R\$ 8.8 million in the year, up 3.5% YoY. Despite lower interest rates in Brazil (Selic rate), the outlook for the Company's financial result is worsening in 2020, given that the profitability of financial investments has remained below 100% of the CDI and that corporate debt has approximately 150 bps of average premium in relation to the CDI.

(R\$ million)	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)	2019	2018	YoY (%)
Financial Income	16.7	17.2	(2.8%) ↓	12.7	31.5% ↑	61.2	42.9	42.8% ↑
Financial Expenses	(12.7)	(15.1)	(15.6%) ↓	(11.9)	7.2% ↑	(52.4)	(34.4)	52.5% ↑
Financial Results	4.0	2.1	87.3% ↑	0.9	363.6% ↑	8.8	8.5	3.5% ↑

NET INCOME

In 4Q19, Tenda posted net income of R\$ 76.2 million, an increase of 58.7% YoY. In 2019, thenet income totaled R\$ 263.5 million, up 31.6% YoY, due to the combination of 10.6% YoY growth in gross profit and the 25.8% YoY decrease in operating expenses.

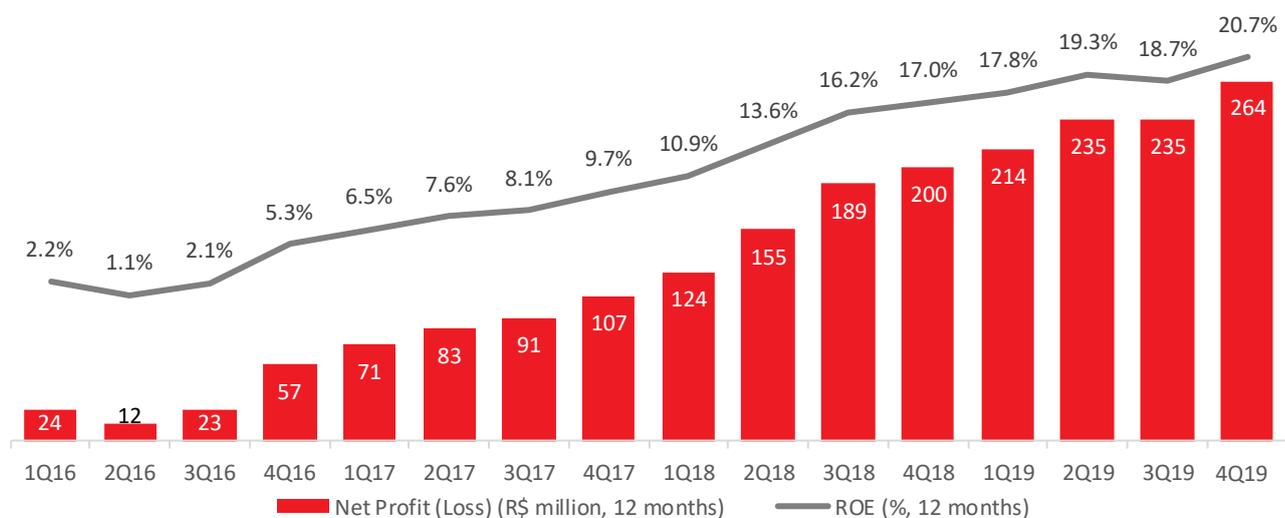
Earnings per share ex-Treasury in 2019 totaled R\$ 2.71, up 15.4% YoY.

(R\$ million)	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)	2019	2018	YoY (%)
Net Income after Income Tax and Social Contribution	76.2	64.7	17.8% ↑	47.7	59.7% ↑	264.4	201.3	31.3% ↑
(-) Minority shareholders	(0.1)	(0.1)	41.8% ↑	0.3	(120.4%) ↓	(0.9)	(1.1)	17.6% ↑
Net Income	76.2	64.6	17.9% ↑	48.0	58.7% ↑	263.5	200.3	31.6% ↑
Net Margin	14.0%	12.7%	1.3 p.p. ↑	10.6%	3.5 p.p. ↑	13.5%	11.9%	1.6 p.p. ↑
Earnings per share (R\$/share) ¹	2.53	2.26	12.0% ↑	1.92	31.6% ↑	2.53	1.92	31.6% ↑
Earnings per share (R\$/share) (ex-Treasury) ²	2.71	2.42	12.0% ↑	1.99	36.3% ↑	2.71	1.99	36.3% ↑

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.

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



BACKLOG RESULTS

Backlog margin at 39.2%, down 4.4 p.p. YoY. The reduction in the backlog margin compared to the previous year reflects the lower price scenario due to the more restrictive MCMV scenario this year and the increase in construction costs due to the resumption of the construction sector this year.

(R\$ million)	December 19	September 19	QoQ (%)	December 18	YoY (%)
Backlog Revenues	555.2	582.7	(4.7%) ↓	546.7	1.6% ↑
Backlog Costs (of Units Sold)	(337.6)	(357.2)	(5.5%) ↓	(308.4)	9.5% ↑
Backlog Results	217.7	225.5	(3.5%) ↓	238.3	(8.7%) ↓
Backlog Margin	39.2%	38.7%	0.5 p.p. ↑	43.6%	(4.4 p.p.) ↓

CASH AND CASH EQUIVALENTS, AND FINANCIAL INVESTMENTS

(R\$ million)	December 19	September 19	QoQ (%)	December 18	YoY (%)
Cash & Cash Equivalents	48.4	58.9	(17.9%) ↓	34.3	41.0% ↑
Short-term Investments	1,022.1	917.4	11.4% ↑	821.3	24.5% ↑
Total Cash Position	1,070.5	976.3	9.6% ↑	855.6	25.1% ↑

ACCOUNTS RECEIVABLE FROM DEVELOPMENTS AND SERVICES RENDERED

The Company totaled R\$ 625.1 million in accounts receivable in 2019, up 31.4% YoY.

The interruption of mortgage transfers within the brackets 1.5 and 2 of the MCMV in 3Q19 resulted in an increase in days of accounts receivable, which slightly decreased in 4Q19 - if, on the one hand, the resumption of transfers was favorable, on the other hand the backlog of non-transferred units in 3Q19 was not completely resolved by the year-end.

(R\$ million)	December 19	September 19	QoQ (%)	December 18	YoY (%)
Until 2019 ¹	81.1	182.2	(55.5%) ↓	470.8	(82.8%) ↓
2020	449.3	466.0	(3.6%) ↓	98.3	357.0% ↑
2021	155.6	76.7	103.0% ↑	28.3	450.7% ↑
2022	61.9	27.0	129.3% ↑	19.0	225.4% ↑
2023	22.5	15.5	45.3% ↑	8.7	158.6% ↑
2024 and beyond	26.0	13.5	93.0% ↑	6.1	324.5% ↑
Total Accounts Receivable	796.5	780.8	2.0% ↑	631.3	26.2% ↑
(-) Present value adjustment	(7.4)	(6.5)	(13.8%) ↓	(10.0)	26.0% ↑
(-) Provision for doubtful accounts	(118.2)	(122.2)	3.3% ↑	(130.5)	9.4% ↑
(-) Provision for cancellations	(45.7)	(27.2)	(68.1%) ↓	(15.1)	(202.3%) ↓
Accounts Receivable	625.1	624.8	0.0% ↑	475.7	31.4% ↑
Days of Accounts Receivable	117	123	(4.5%) ↓	103	13.3% ↑

1. Overdue and falling due.

Amounts of not transferred receivables net of provisions paid in installments directly to the Company ("Tenda Receivables") increased 35.3% YoY, as a consequence of the reduction of the 1.5 and 2 bracket in Tenda's sales mix in 2019 (26.3% of net sales in 2019 versus 55.9% of net sales in 2018).

Accounts Receivable Tenda ¹ (R\$ million)	December 19	September 19	QoQ (%)	December 18	YoY (%)
Before delivery to buyer (Pro-Soluto)	62.2	40.6	53.4% ↑	39.5	57.6% ↑
After delivery to buyer (TCD)	230.1	218.4	5.3% ↑	176.6	30.3% ↑
Tenda Receivables	292.3	259.0	12.9% ↑	216.1	35.3% ↑
Total accounts receivable	625.1	624.8	0.0% ↑	475.7	31.4% ↑
Backlog Revenues	555.2	582.7	(4.7%) ↓	546.7	1.6% ↑
Tenda Receivables / (Total accounts receivable + Backlog Revenues)	24.8%	21.4%	3.3 p.p. ↑	21.1%	3.6 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 2019 with a gross debt of R\$ 870.4 million, duration of 28.1 months and weighted average cost of debt of 5.9% per year. 93.1% of the Company's gross debt is indexed at CDI.

The Company's gross debt is lower than the cash position, cash equivalents and financial investments, which totaled R\$ 1.07 billion at the end of 2019. Despite lower interest rates in Brazil (Selic rate), the outlook for the Company's financial result is worsening in 2020, given that the profitability of financial investments has remained below 100% of the CDI and that corporate debt has approximately 150 bps of average premium in relation to the CDI.

Debt Maturity Schedule (R\$ million)	4Q19	Project Finance (SFH)	Corporate Debt
2020	14.1	8.5	5.6
2021	428.3	23.5	404.8
2022	122.7	22.7	100.0
2023	180.3	5.3	175.0
2024 onwards	125.0	0.0	125.0
Total Debt	870.4	60.0	810.4
Duration (in months)	29.1		

Debt Breakdown (R\$ million)	Maturity	Charges (APY)	Balance Due December 19	Balance Due September 19
Total			870.4	744.8
CRI	until 01/2021	CDI + 0.90%	306.4	301.1
Debenture	until 09/2023	CDI + 1.75%	153.5	150.8
Debenture	until 03/2024	CDI + 1.40%	152.3	149.8
Debenture	until 12/2024	CDI + 1,30	198.3	0.0
SFH	until 12/2023	TR + 8.3% to 9.5%	60.0	143.1

Weighted Average Cost of Debt (R\$ million)	Balance Due December 19	Balance Due / Total Debt	Average Cost (APY)
CDI	810.4	93.1%	CDI + 1.18%
TR	60.0	6.9%	TR + 8.3%
Total	870.4	100%	5.9%

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 14.7%, thus being one of the most deleveraged companies in its sector.

(R\$ million)	December 19	September 19	QoQ (%)	December 18	YoY (%)
Gross Debt	870.4	744.8	16.9% ↑	542.5	60.5% ↑
(-) Cash and cash equivalents and financial investments	(1,070.5)	(976.3)	9.6% ↑	(855.6)	25.1% ↑
Net Debt	(200.0)	(231.5)	13.6% ↑	(313.1)	36.1% ↑
Shareholders' Equity + Minority Shareholders	1,351.7	1,304.4	3.6% ↑	1,203.8	12.3% ↑
Net Debt/ (Shareholders' Equity + Minority Shareholders)	(14.8%)	(17.7%)	3.0 p.p. ↑	(26.0%)	11.2 p.p. ↑
Adjusted EBITDA (Last 12 months)	359.8	332.0	8.4% ↑	282.7	27.3% ↑

CASH GENERATION AND CAPITAL DISTRIBUTION

In 2019, Tenda totaled cash generation of R\$ 7.2 million in the year. Despite the resumption of transfers in 4Q19, the maintenance of part of the backlog formed in 3Q19 is the main reason for the cash consumption of R\$ 16.1 million in the quarter. In addition, Tenda acted strategically to avoid price adjustments in 2020 by accelerating activities in some of its projects in 4Q19, which also had a positive impact on the Company's net income in 4Q19.

In 4Q19, Tenda distributed R\$ 15.4 million to shareholders in dividends. Distribution in the quarter represents a drop of 11.3% QoQ and 71.6% YoY. In the year, Tenda distributed R\$ 120.2 million to shareholders, equivalent to a payout of 45.6%.

(R\$ million)	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)
Stock buyback	0.0	0.0	-	29.1	-
Dividends paid	15.4	17.3	(11.3%) ↓	25.0	(38.6%) ↓
Capital Distribution	15.4	17.3	(11.3%) ↓	54.1	(71.6%) ↓
(R\$ million, last 12 months)	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)
Stock buyback	62.5	142.3	(56.1%) ↓	73.2	(14.7%) ↓
Dividends paid	57.8	25.0	131.1% ↑	0.0	0.0% ↑
Capital Distribution	120.2	167.2	(28.1%) ↓	73.2	64.1% ↑

(R\$ million)	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)	2019	2018	YoY (%)
Change in Available Cash	94.1	(69.6)	235.2% ↑	8.1	1,061.3% ↑	214.9	357.8	(39.9%) ↓
(-) Change in Gross Debt	125.6	(11.5)	1,191.8% ↑	1.3	9,690.0% ↑	327.9	272.3	20.4% ↑
(-) Capital Distribution	15.4	17.3	(11.3%) ↓	54.1	(71.6%) ↓	120.2	167.2	(28.1%) ↓
Cash Generation¹	(16.1)	(40.8)	60.5% ↑	60.9	(126.5%) ↓	7.2	252.8	(97.2%) ↓
Operational Cash Generation ²	(12.5)	(34.5)	63.6% ↑	66.8	(1188%) ↓	21.6	264.6	(91.8%) ↓

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)	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)	2019	2018	YoY (%)
Net Revenue	543.1	508.5	6.8% ↑	454.6	19.5% ↑	1,950.1	1,681.3	16.0% ↑
Operating Costs	(370.1)	(340.5)	8.7% ↑	(291.3)	27.0% ↑	(1,302.0)	(1,095.4)	18.9% ↑
Gross Profit	173.1	168.0	3.0% ↑	163.3	6.0% ↑	648.1	585.8	10.6% ↑
Gross Margin	31.9%	33.0%	(1.2 p.p.) ↓	35.9%	(4.1 p.p.) ↓	33.2%	34.8%	(16pp) ↓
Operating Expenses	(90.4)	(96.5)	(6.3%) ↓	(109.5)	(17.4%) ↓	(357.3)	(366.5)	(2.5%) ↓
Selling Expenses	(45.5)	(46.8)	(2.8%) ↓	(38.6)	17.7% ↑	(162.5)	(145.3)	11.9% ↑
General and Administrative Expenses	(26.3)	(31.2)	(15.7%) ↓	(35.0)	(24.9%) ↓	(117.1)	(123.8)	(5.4%) ↓
Other Operating Revenue/Expenses	(18.0)	(13.1)	37.4% ↑	(32.2)	(44.2%) ↓	(60.5)	(81.5)	(25.8%) ↓
Depreciation and Amortization	(5.8)	(5.2)	11.9% ↑	(3.5)	66.5% ↑	(20.5)	(16.4)	24.5% ↑
Equity Income	5.0	(0.3)	1,592.6% ↑	(0.2)	2,660.9% ↑	3.2	0.6	424.1% ↑
Operational Result	82.6	71.5	15.5% ↑	53.8	53.5% ↑	290.7	219.4	32.5% ↑
Financial Income	16.7	17.2	(2.8%) ↓	12.7	31.5% ↑	61.2	42.9	42.8% ↑
Financial Expenses	(12.7)	(15.1)	(15.6%) ↓	(11.9)	7.2% ↑	(52.4)	(34.4)	52.5% ↑
Net Income Before Taxes on Income	86.7	73.7	17.6% ↑	54.7	58.4% ↑	299.5	227.9	31.5% ↑
Deferred Income Taxes	(0.6)	(1.6)	61.8% ↑	(0.8)	27.7% ↑	(3.9)	(1.9)	(105.2%) ↓
Current Income Taxes	(9.8)	(7.4)	33.3% ↑	(6.1)	60.0% ↑	(31.3)	(24.6)	26.9% ↑
Net Income After Taxes on Income	76.2	64.7	17.8% ↑	47.7	59.7% ↑	264.4	201.3	31.3% ↑
(-) Minority Shareholders	(0.1)	(0.1)	41.8% ↑	0.3	(120.4%) ↓	(0.9)	(1.1)	17.6% ↑
Net Income	76.2	64.6	17.9% ↑	48.0	58.7% ↑	263.5	200.3	31.6% ↑

BALANCE SHEET

(R\$ million)	December 19	September 19	QoQ (%)	December 18	YoY (%)
Current Assets	2,506.4	2,123.0	18.1% ↑	1,787.9	40.2% ↑
Cash and cash equivalents	48.4	58.9	(17.9%) ↓	34.3	41.0% ↑
Short term investments	1,022.1	917.4	11.4% ↑	821.3	24.5% ↑
Receivables from clients	406.6	449.7	(9.6%) ↓	317.5	28.1% ↑
Properties for sale	955.6	648.9	47.3% ↑	570.8	67.4% ↑
Other accounts receivable	73.7	48.1	53.4% ↑	44.0	67.5% ↑
Non-Current Assets	827.6	905.5	(8.6%) ↓	728.7	13.6% ↑
Receivables from clients	218.5	175.1	24.8% ↑	158.2	38.2% ↑
Properties for sale	537.0	660.6	(18.7%) ↓	516.0	4.1% ↑
Other	72.1	69.8	3.4% ↑	54.5	32.2% ↑
Intangible, Property and Equipment	101.9	98.9	3.0% ↑	65.1	56.5% ↑
Investments	42.6	37.6	13.3% ↑	39.4	8.2% ↑
Total Assets	3,478.5	3,164.9	9.9% ↑	2,621.0	32.7% ↑
Current Liabilities	579.0	554.7	4.4% ↑	453.6	27.6% ↑
Loans and financing	8.5	10.5	(18.6%) ↓	6.7	26.3% ↑
Debentures	5.6	1.2	383.4% ↑	3.3	67.4% ↑
Obligations for purchase of land and advances from customers	340.9	321.5	6.0% ↑	258.2	32.0% ↑
Material and service suppliers	38.9	59.9	(35.1%) ↓	21.4	81.5% ↑
Taxes and contributions	30.0	28.7	4.6% ↑	27.0	11.5% ↑
Other	155.0	132.9	16.6% ↑	136.9	13.3% ↑
Non-current liabilities	1,547.8	1,305.9	18.5% ↑	963.7	60.6% ↑
Loans and financing	51.5	132.6	(61.2%) ↓	98.0	(47.5%) ↓
Debentures	804.8	600.6	34.0% ↑	434.4	85.3% ↑
Obligations (land purchases) and advances from customers	602.4	486.3	23.9% ↑	361.3	66.7% ↑
Deferred taxes	11.8	11.3	4.8% ↑	7.8	50.6% ↑
Provision for contingencies	28.7	27.0	6.1% ↑	32.7	(12.3%) ↓
Other creditors	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Other	48.6	48.1	1.1% ↑	29.5	65.1% ↑
Shareholders' Equity	1,351.7	1,304.4	3.6% ↑	1,203.8	12.3% ↑
Shareholders' Equity	1,350.6	1,303.3	3.6% ↑	1,197.7	12.8% ↑
Minority Shareholders	1.1	1.0	5.1% ↑	6.1	(82.2%) ↓
Total Liabilities and Shareholders' Equity	3,478.5	3,164.9	9.9% ↑	2,621.0	32.7% ↑

CASH FLOW STATEMENT

(R\$ million)	4Q19	3Q19	QoQ (%)	4Q18	YoY (%)	2019	2018	YoY (%)
Cash from (used in) operating activities	(0.1)	(22.4)	99.7% ↑	71.2	(100.1%) ↓	68.8	283.4	(75.7%) ↓
Net Income (loss) before taxes	86.7	73.7	17.6% ↑	54.7	58.4% ↑	299.5	227.9	31.5% ↑
Depreciation and amortization	9.0	8.1	10.3% ↑	5.6	61.4% ↑	31.7	24.1	31.2% ↑
Provision (reversal) for doubtful accounts and cancellations	8.7	3.1	181.5% ↑	19.1	(54.3%) ↓	11.3	40.0	(71.7%) ↓
Present value adjustment	0.9	(1.8)	149.7% ↑	(1.9)	146.6% ↑	(2.6)	(0.9)	(189.3%) ↓
Impairment	(3.1)	(0.3)	(935.1%) ↓	0.4	(895.8%) ↓	(6.0)	(6.2)	3.3% ↑
Equity income	(5.0)	0.3	-	0.2	-	(3.2)	(0.6)	(424.1%) ↓
Provision for contingencies	3.5	(5.9)	159.0% ↑	15.0	(76.7%) ↓	(4.9)	2.4	(301.0%) ↓
Unrealized interest and charges, net	4.6	5.9	(22.1%) ↓	3.5	31.9% ↑	16.8	5.4	212.4% ↑
Warranty provision	4.4	0.7	515.1% ↑	(0.4)	1,106.0% ↑	6.5	2.3	185.4% ↑
Profit sharing provision	1.8	4.2	(56.9%) ↓	6.8	(73.3%) ↓	15.0	22.2	(32.4%) ↓
Stock option plan expenses	2.9	2.5	17.0% ↑	5.3	(45.3%) ↓	8.7	18.4	(52.9%) ↓
Other provisions	(0.5)	(0.4)	(33.2%) ↓	1.7	(131.0%) ↓	(1.6)	1.7	(198.6%) ↓
Deferred income tax and social contribution	(0.3)	1.3	(120.9%) ↓	0.0	0.0% ↑	0.8	4.3	(82.5%) ↓
Clients	(15.7)	(91.0)	82.8% ↑	(17.4)	9.8% ↑	(165.2)	(111.5)	(48.2%) ↓
Properties for sale	(179.5)	(153.7)	(16.8%) ↓	(108.5)	(65.4%) ↓	(422.4)	(122.8)	(244.1%) ↓
Other accounts receivable	(27.6)	(3.8)	(631.5%) ↓	10.0	(375.0%) ↓	(49.1)	6.1	(909.8%) ↓
Suppliers	(21.0)	11.6	(280.7%) ↓	(18.8)	(11.6%) ↓	17.5	(1.3)	1,444.4% ↑
Taxes and contributions	1.4	0.4	281.9% ↑	(1.3)	212.6% ↑	2.2	11.8	(81.4%) ↓
Salaries, payroll charges and bonus provision	(7.1)	6.4	(211.9%) ↓	(6.6)	(8.0%) ↓	(10.8)	(14.2)	24.0% ↑
Obligations for purchase of real properties	140.7	127.1	10.7% ↑	120.9	16.4% ↑	353.3	209.4	68.7% ↑
Other accounts payable	4.0	(3.0)	235.7% ↑	(11.2)	136.1% ↑	1.0	(2.8)	135.9% ↑
Current account operations	(0.2)	(0.2)	(4.9%) ↓	0.4	(155.1%) ↓	0.7	3.5	(78.6%) ↓
Taxes paid	(8.6)	(7.7)	(12.5%) ↓	(6.2)	(38.3%) ↓	(30.3)	(35.9)	15.6% ↑
Cash from (used in) investment activities	(110.9)	58.4	(289.8%) ↓	(8.1)	-	(209.2)	(362.2)	42.2% ↑
Purchase of property and equipment	(12.0)	(12.1)	1.1% ↑	(6.7)	(77.9%) ↓	(44.8)	(25.8)	(73.5%) ↓
Investments in marketable securities, net	(98.9)	70.5	(240.3%) ↓	(1.4)	(72123%) ↓	(164.3)	(336.3)	51.1% ↑
Cash from (used in) financing activities	100.4	(46.7)	315.2% ↑	(64.4)	255.8% ↑	154.4	73.6	109.7% ↑
Stock Buyback	0.3	(0.0)	27,000.0% ↑	(29.1)	100.9% ↑	(62.2)	(142.3)	56.3% ↑
Capital Reserve Increase	1.4	2.1	(34.2%) ↓	0.1	1,288.9% ↑	5.5	1.2	355.4% ↑
Dividends Paid	(15.4)	(17.3)	11.3% ↑	(25.0)	38.6% ↑	(57.8)	(25.0)	(131.1%) ↓
Loans and financing increase	202.1	132.4	52.6% ↑	93.6	115.9% ↑	693.5	676.1	2.6% ↑
Amortization of loans and financing	(86.6)	(161.1)	46.2% ↑	(103.9)	16.7% ↑	(418.0)	(435.8)	4.1% ↑
Loans and financing increase	(0.9)	(0.9)	0.8% ↑	0.0	0.0% ↑	(3.8)	0.0	0.0% ↑
Loan operations	(0.5)	(1.8)	74.0% ↑	(0.2)	(143.5%) ↓	(2.9)	(0.7)	(330.2%) ↓
Net increase (decrease) in cash and cash equivalents	(10.6)	(10.6)	0.5% ↑	(1.4)	(675.2%) ↓	14.1	(5.1)	376.3% ↑
At the beginning of the period	58.9	69.5	(15.3%) ↓	35.6	65.2% ↑	34.3	39.4	(12.9%) ↓
At the end of the period	48.4	58.9	(17.9%) ↓	34.3	41.0% ↑	48.4	34.3	41.0% ↑

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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 nine 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.