



Tenda Presentation



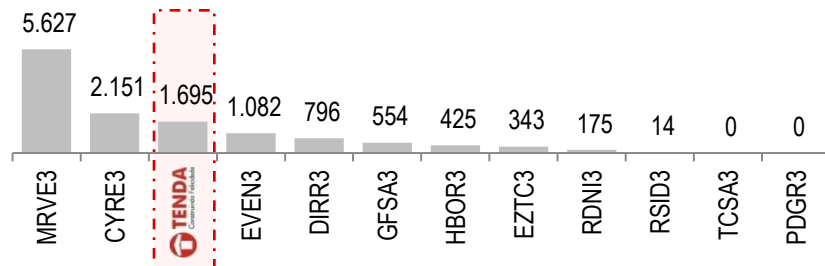
Tenda at a Glance



Tenda is a leading Brazilian low income real estate company focused on MCMV Range 1,5 - 2¹

One of the Largest Homebuilders by Launches

Launches, R\$ million, LTM (Dec-17)

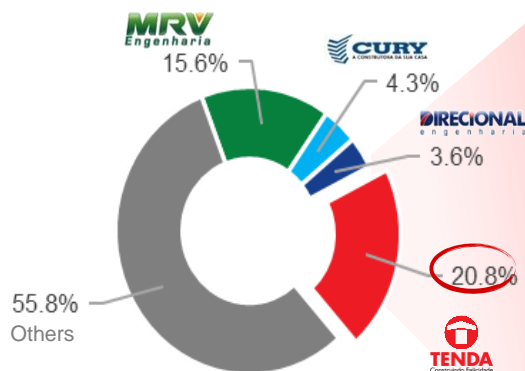


Focused on 7 Metropolitan Areas

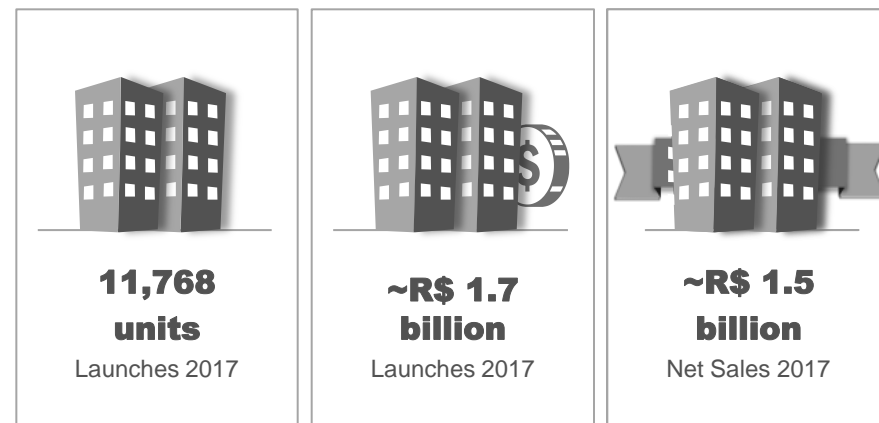
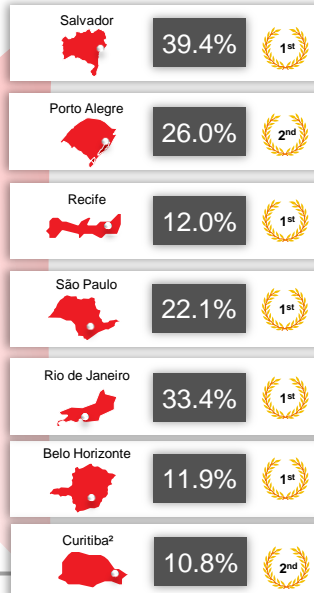


Leadership in MCMV Range 1.5 & 2 – 7 Metro Areas

Market share – MCMV Range 2 (%), as of 2016



Market Share in Metro Areas



Source: Companies

Note: (1) Subsidized housing accounts for over 80% of the federal government housing policy; (2) First launch on 4Q17

Successful Turn-around and Sustainable Business Model Driven by Dedicated Management Team



Tenda's Business Model Provides a Competitive Edge in Low Income Housing



Business Model Philosophy



		Legacy (2007 – 2011)	Business model (2013 – current)
Focused strategy	Geography	National presence	Focus on 7 metro areas
	MCMV Range	Widespread focus (MCMV Ranges 2 and 3, SFH)	Exclusive focus on MCMV Range 1.5 - 2
	Product	Various types of floor plans	One standard product (ground + 4 floors / 2 rooms / unique floor plan)
Operational pillars	Construction method	Structural masonry + aluminum molds	Aluminum molds
	Project Finance	After launch	Before launch
	Sales transfer	After sale	Integrated with sale process
	Sales structure	Outsourced + Own stores / internal salesforce	Own stores / internal sales force (commission tied to transfer of sale)

Highly standardized projects: virtually identical products offered in all 7 metro areas

Aluminum Molds



Typical Apartment: ~40m² with two bedrooms



Residential Building Main Aspects

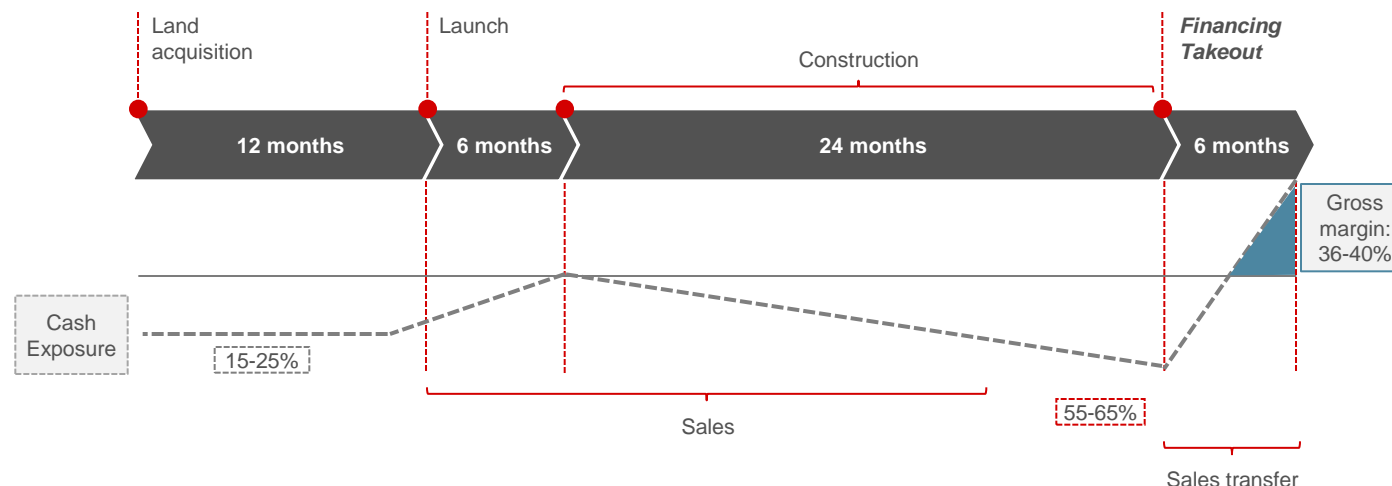


New Business Model Allows for a Shorter Cash Cycle, Which Enables Increased IRR and Low Cash Exposure



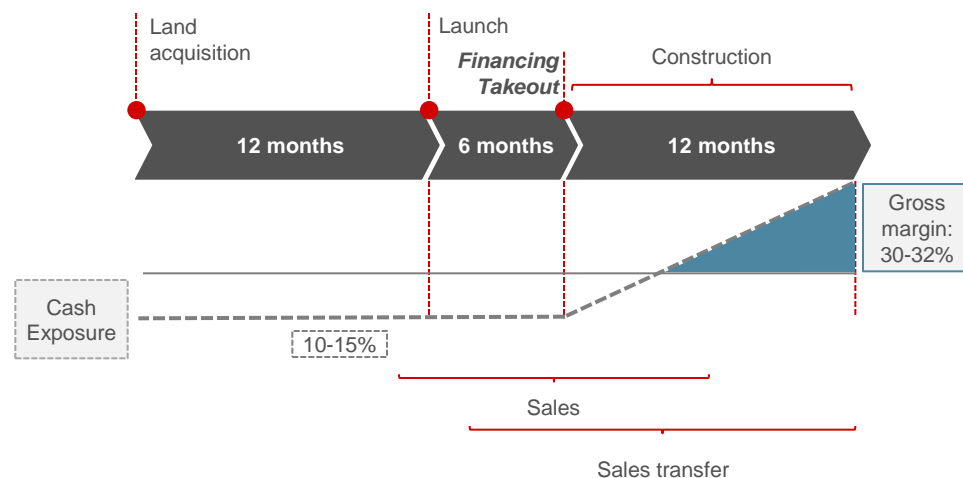
Tenda benefits from the immediate transfer of clients' credits to bank, through the “associative credit”, and short construction period, accelerating cash inflow

Traditional homebuilding cycle



Medium / high income real estate companies	
Gross margin	36-40% ¹
Contribution margin	30-32% ¹
IRR	23-25% ¹
Cash exposure	55-65% ¹

Tenda MCMV Range 2



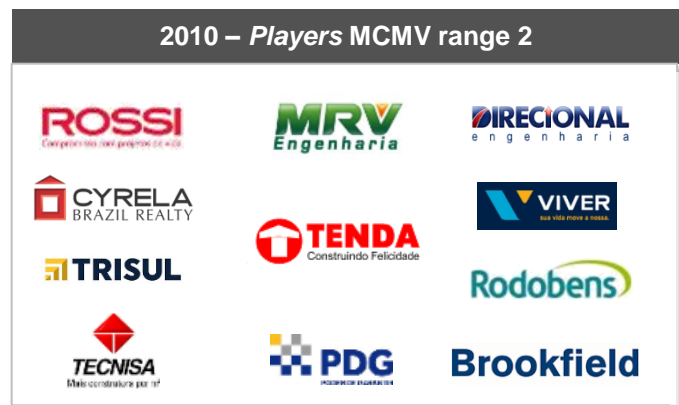
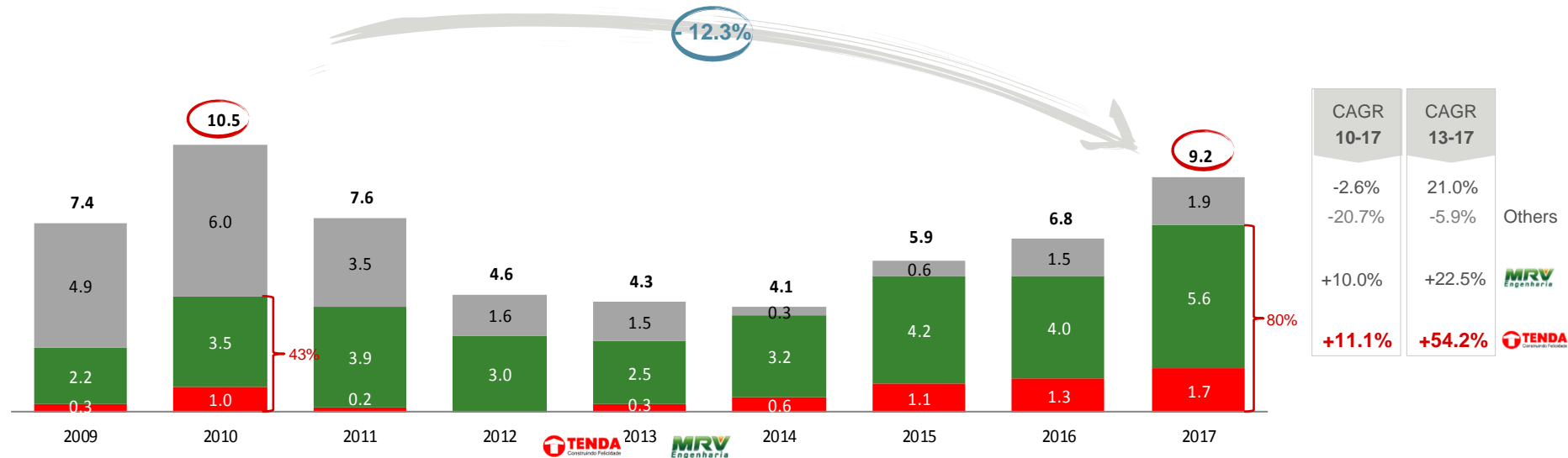
MCMV 2 cycle results in lower cash exposure, solid margins and higher IRR

MCMV Range 2 companies	
Gross margin	30-32% ¹
Contribution margin	22-25% ¹
IRR	40-60% ¹
Cash exposure	10-15% ¹

Execution Excellence Increases Barriers to Entry

High barriers to entry led to the concentration of key players in the MCMV Range 1.5 & 2 segments

Launches MCMV Range 1.5 & 2 – Public Companies (R\$ billion)



High Barriers to Entry

Excellence in managing sales and accounts receivable

Low-cost construction





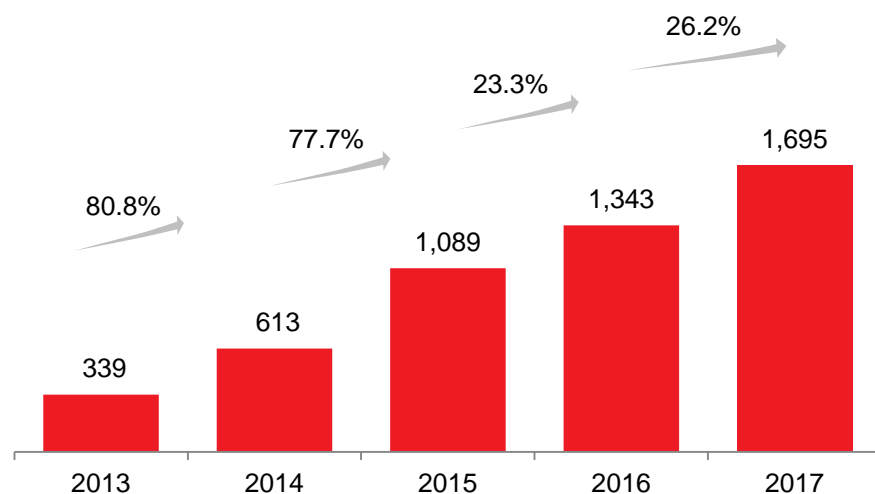
Operational Results



Growing launches in recent years making Tenda one of the leaderships in low income real estate market

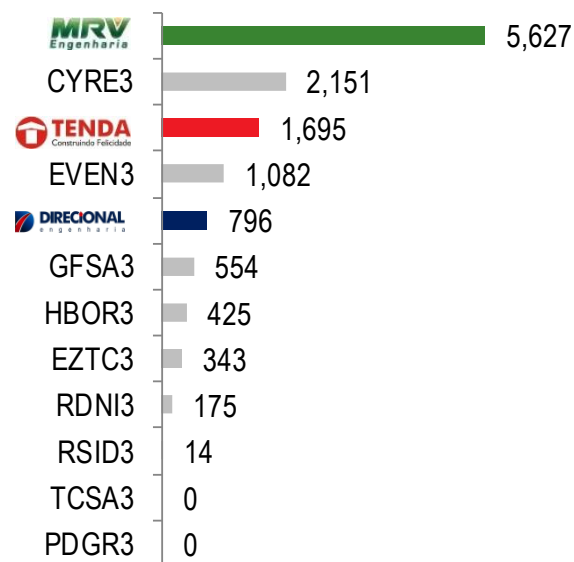
New Launches

R\$ Million



Peers Launches

R\$ Million, LTM¹



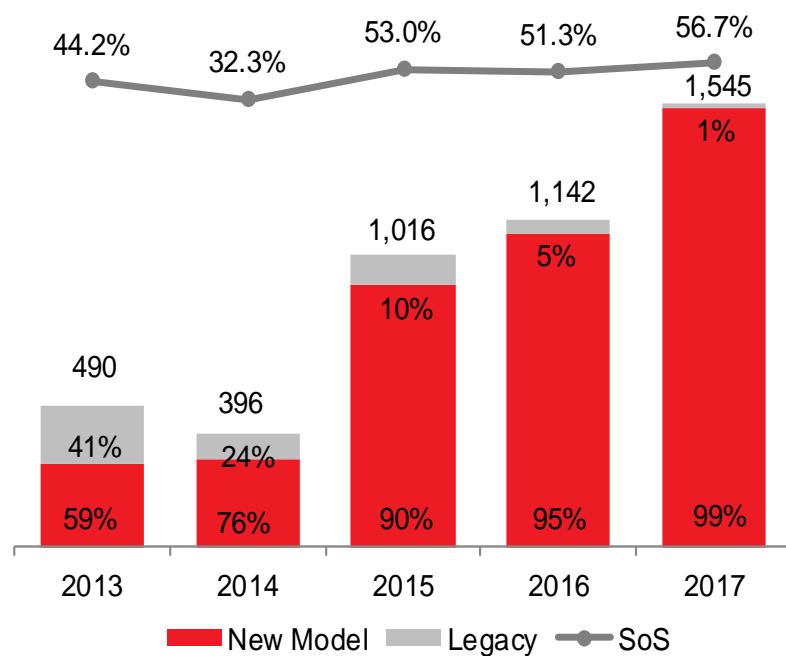
Operational Results



Strong SoS results from focus in MCVM Range 1.5 & 2 on metropolitan areas

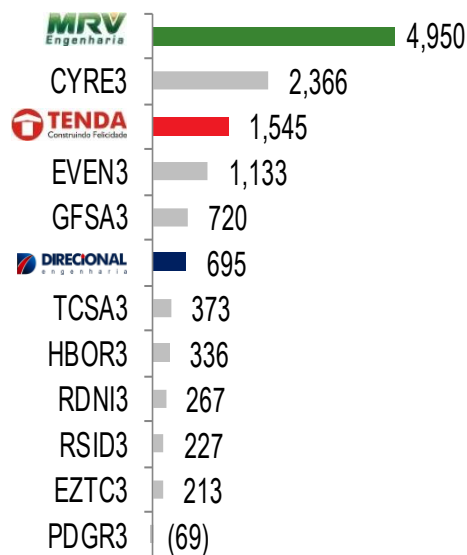
Net Sales and Net Sales Over Supply (SoS)

R\$ Million, %



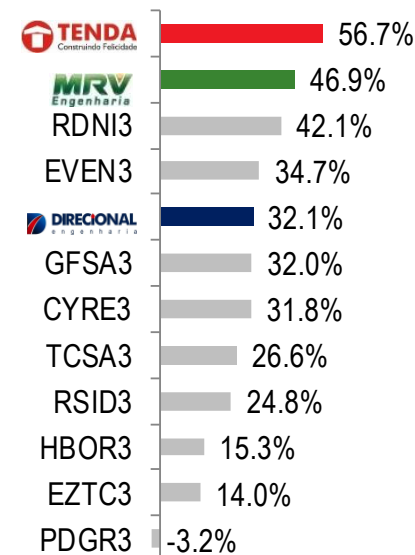
Peers - Net Sales

R\$ Million, LTM¹



Peers - SoS

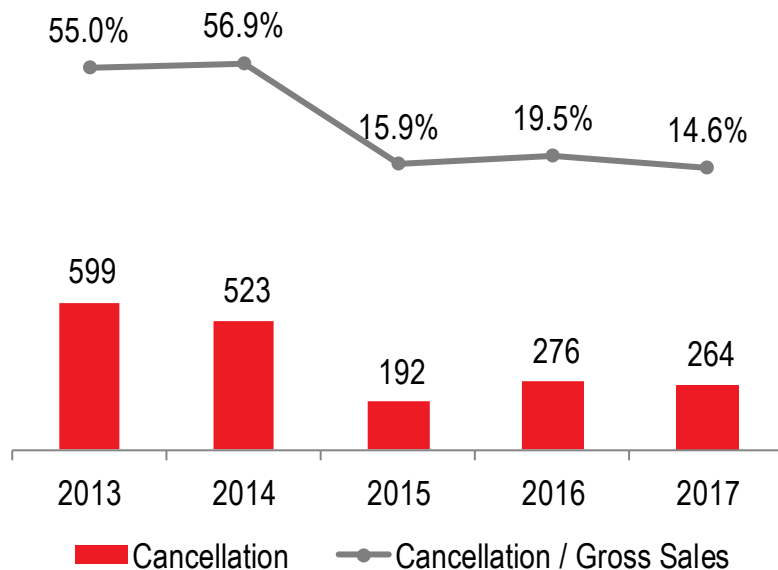
%, LTM¹



Quick sales transfer since 2012 explain the low % of cancellations

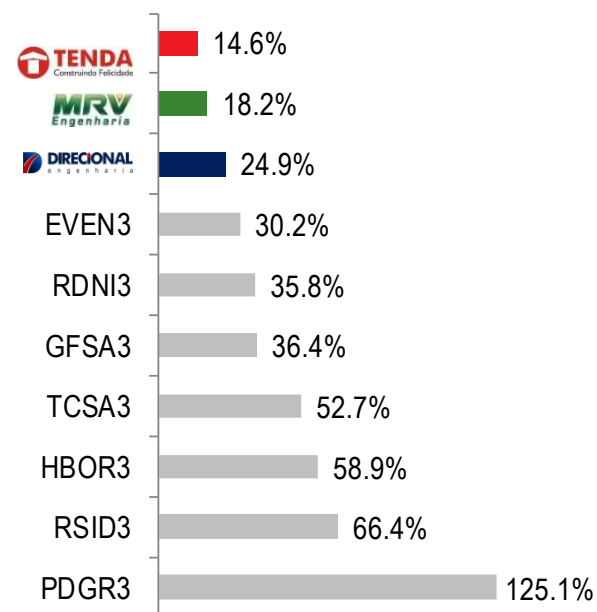
Cancellations and Cancellations Over Gross Sales

R\$ Million, %



Peers – Cancellations Over Gross Sales

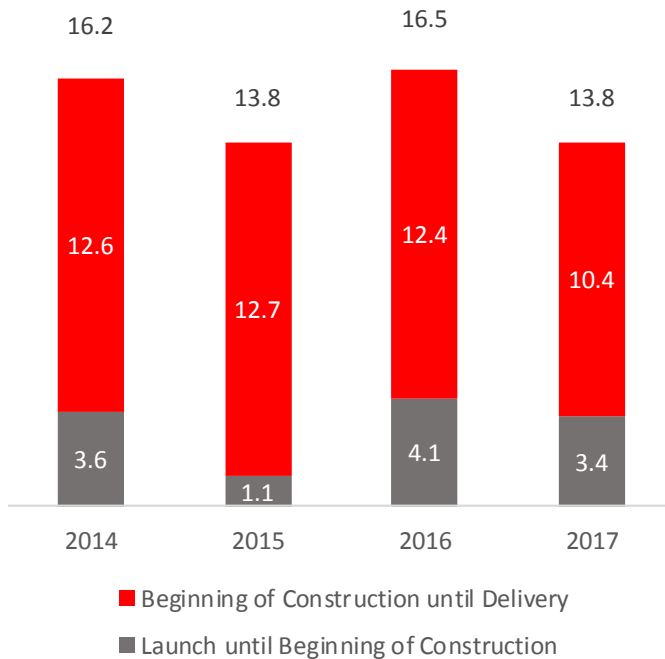
%, LTM¹



Permanent improving of Tenda construction process allowing the maintenance from nominal cost in last years

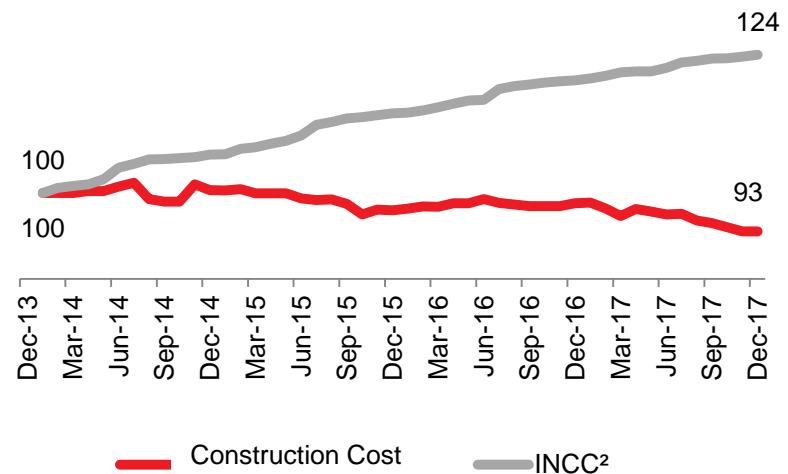
Average time from Launch until Construction Delivery

Month



Construction Cost Evolution

100 basis index





Financial Results



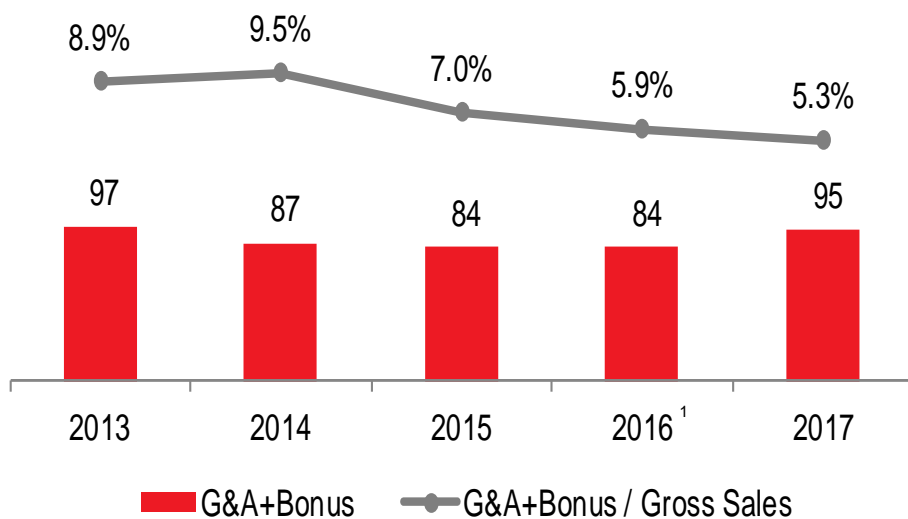
Financial Results



Lowest G&A cost among listed companies in the real estate market

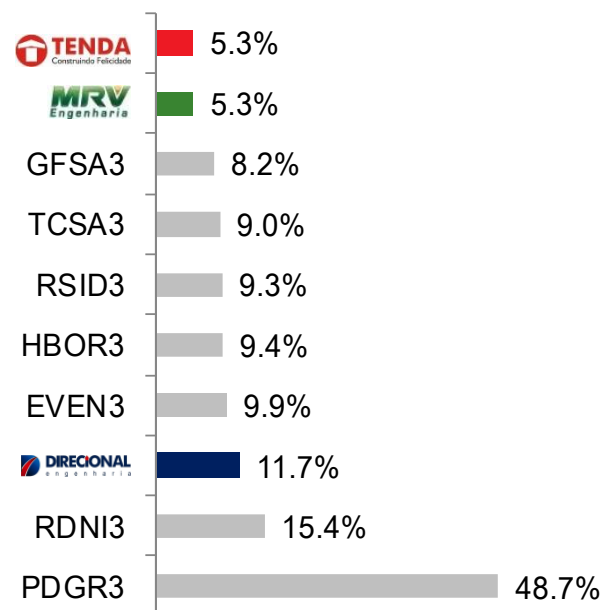
G&A Expenses and G&A Expenses Over Gross Sales

R\$ Million, %



Peers –G&A Expenses Over Gross Sales

%, LTM¹



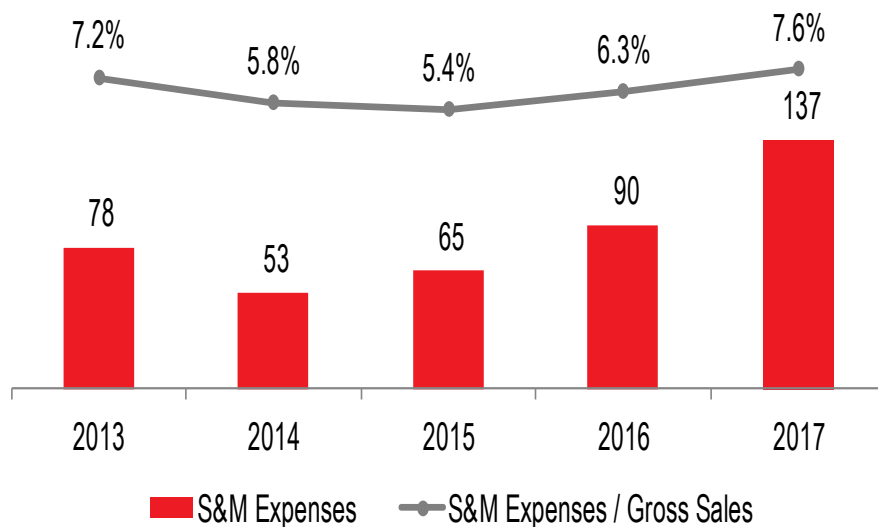
Financial Results



Selling expenses are increasing to face the higher level of conditioning by banks and the more restrictive parameters of MCMV3

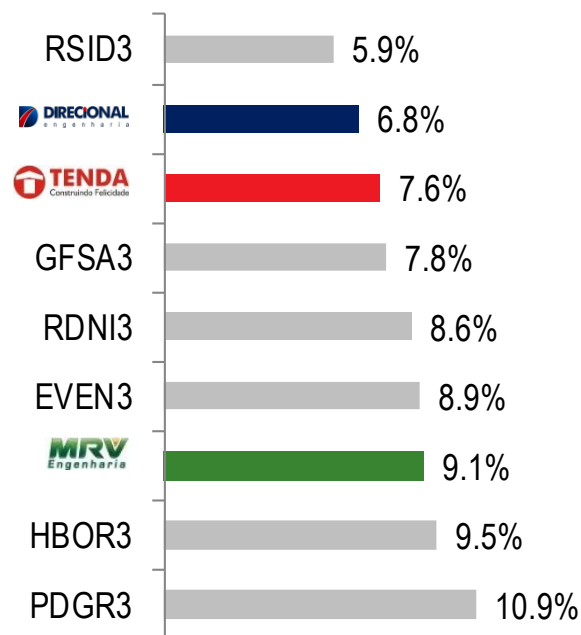
S&M and S&M Over Gross Sales

Million, %



Peers S&M Over Gross Sales

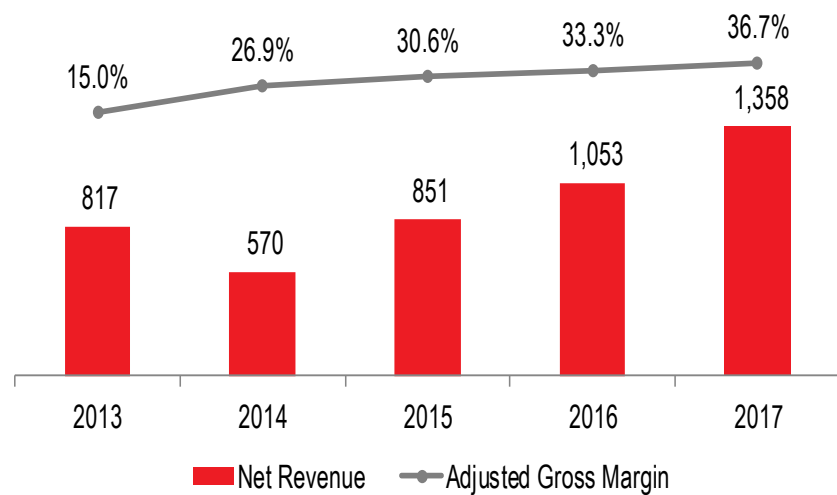
%, LTM¹



Maintenance from Adjusted Gross Margin above 30%

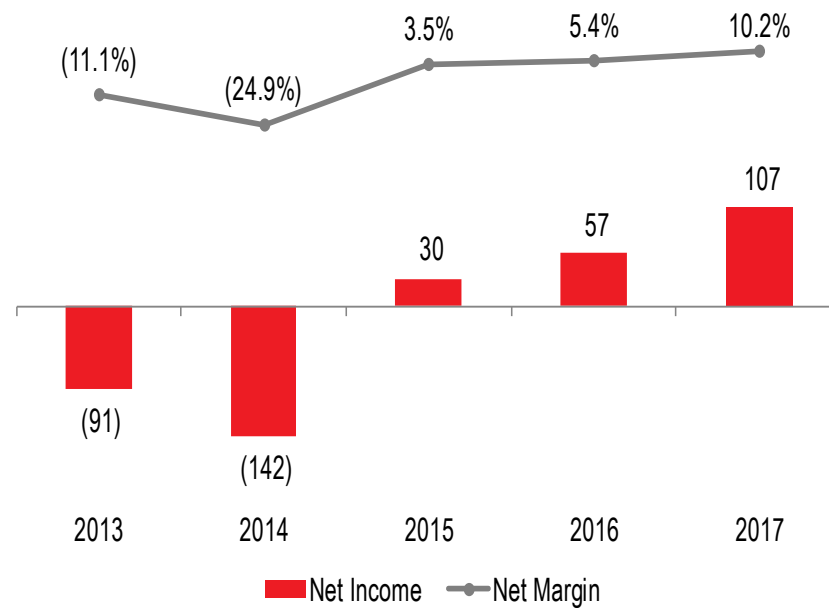
Net Revenues and Adjusted Gross Margin¹

R\$ Million, %



Net Income and Net Margin

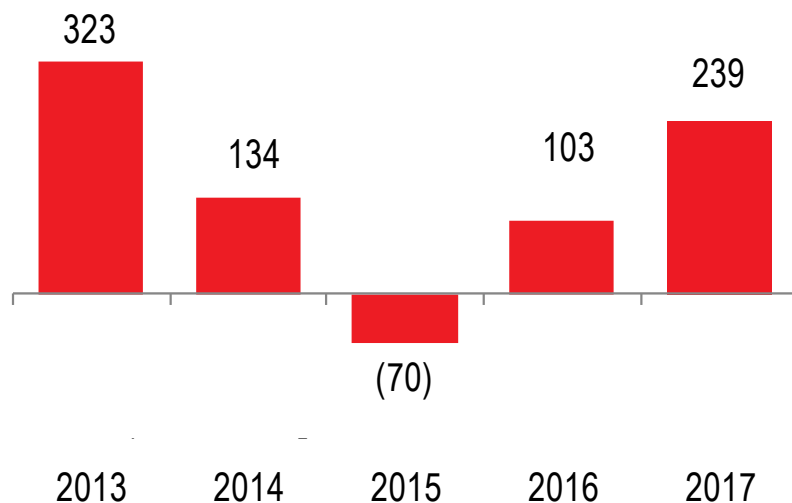
R\$ Million, %



Operating Cash Flow increasing despite Company expansion

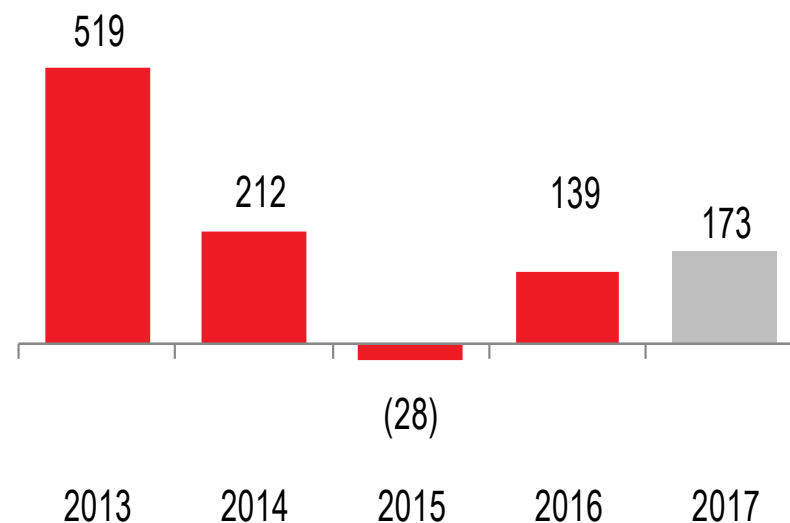
Cash Generation (Burn)

R\$ Million



Operating Cash Flow

R\$ Million



Tenda has an unlevered balanced when compared to others listed companies in the Market, due to its continuous cash generation

Net Debt / Net Equity

R\$ Milion

(in R\$ million)	December 17	September 17	QoQ (%)	December 16	YoY (%)
Gross Debt	270.2	130.7	106.7% ↑	135.0	100.1% ↑
(-) Cash and cash equivalents and financial investments	(497.7)	(387.5)	28.5% ↑	(223.5)	122.7% ↑
Net Debt	(227.6)	(256.8)	11.4% ↑	(88.5)	(157.1%) ↓
(+) Capital Reduction	0.0	103.9	(100.0%) ↓	100.0	(100.0%) ↓
Adjusted Net Debt¹	(227.6)	(152.9)	(48.9%) ↓	11.5	(2,077.6%) ↓
Shareholders' Equity + Minority Shareholders	1,163.7	1,126.8	3.3% ↑	1,075.6	8.2% ↑
Net Debt/ (Shareholders' Equity + Minority Shareholders)	(19.6%)	(22.8%)	3.2 p.p. ↑	(8.2%)	(11.3 p.p.) ↓
Adjusted Net Debt/ (Shareholders' Equity + Minority Shareholders)	(19.6%)	(13.6%)	(6.0 p.p.) ↓	1.1%	(20.6 p.p.) ↓
Adjusted EBITDA (Last 12 months)	169.5	158.4	7.0% ↑	130.2	30.2% ↑
Adjusted Net Debt/Adjusted EBITDA (last 12 months)	(134.2%)	(96.5%)	(37.7 p.p.) ↓	8.8%	(143.1 p.p.) ↓

1) Net debt adjusted by payment obligations from the capital reduction on December 14, 2016. This amount was recorded in the balance sheet under other liabilities.



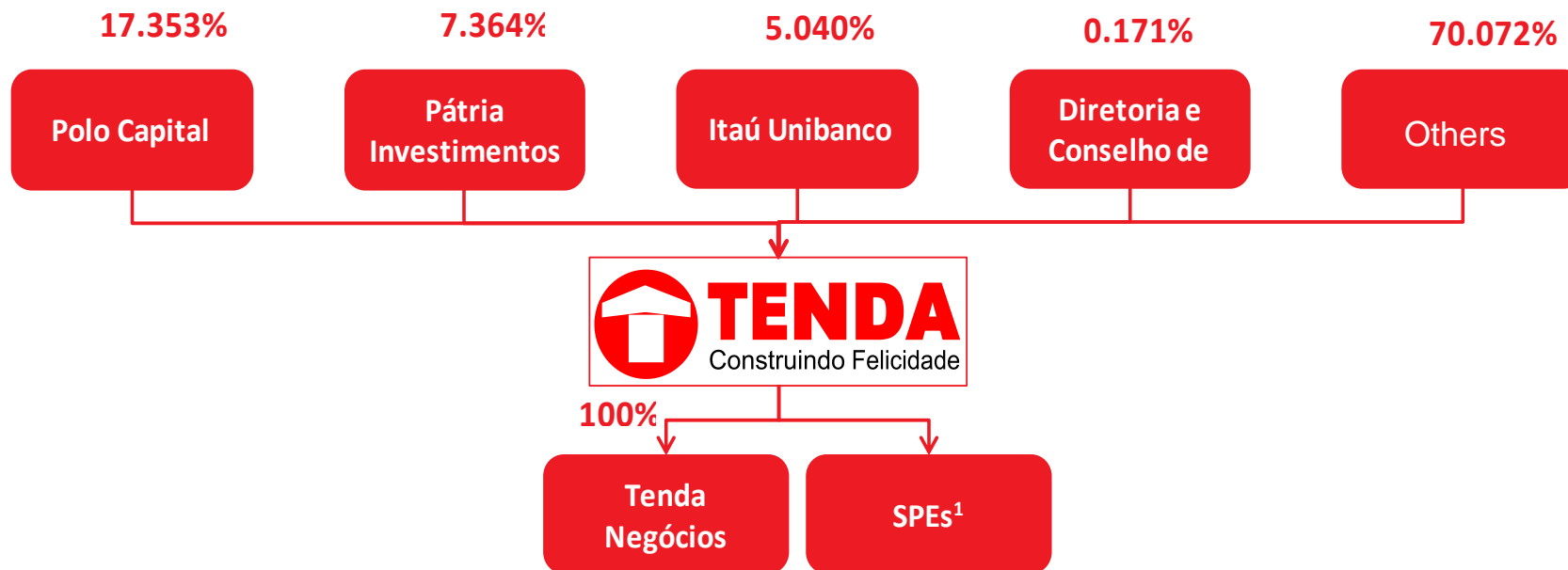
Shareholders



Shareholders



Tenda has been listed in B3 since May-17, currently trading in Novo Mercado, B3 highest level of Corporate Governance



Note (1): Construtora Tenda S.A. owns equity interest in 83 special purpose entities (SPes)

THANK YOU

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