

Construtora Tenda S.A.

Corporate Taxpayer's Registry (CNPJ/MF) No. 71.476.527/0001-35

Corporate Registry Identification Number (NIRE) 35.300.348.206

Notice to the Market

1Q19 EARNINGS RELEASE

Net income increased 37.2% YoY and earnings per share grew by 56.0% YoY in 1Q19, leading to a 17.8% ROE in the last 12 months. Gross margin reached 35.8% in another positive quarter in terms of cash generation, which totaled R\$37.9 million

FOR IMMEDIATE RELEASE – São Paulo, May 9, 2019 – Construtora Tenda S.A. (“Company”, “Tenda”), a leading Brazilian homebuilder and real estate developer focused on low-income residential projects operating within the brackets 1.5 and 2 of the “Minha Casa, Minha Vida” (“MCMV”) federal government housing program, today reports its operating and financial results for the first quarter of 2019.

HIGHLIGHTS

- **Net income** of R\$49.8 million in 1Q19, up 37.2% YoY, and
- **Earnings per share (ex-Treasury)** up 56.0% YoY and 9.5% QoQ
- **ROE** of 17.8% in the last twelve months, up 6.9 pp above profitability recorded in 1Q18
- **Cash generation** totaled R\$ 37.9 million in 1Q19 and capital structure remained unlevered, with a ratio of net debt to shareholders' equity of -24.9%.
- **Landbank** up 37,0% YoY, totalling R\$9.42 billion in PSV
- **10 projects launched** resulted in PSV 44,8% higher YoY, but 27.3% lower QoQ
- **Net pre-sales** of R\$406.9 million in 1Q19, with net SoS of 27.5%
- Stable **PSV transferred** QoQ (-0.6%), but down 16.6% YoY
- 1,536 units were **delivered** in 1Q19, up 9.4% year-on-year

CONFERENCE CALL AND WEBCAST

Friday, May 10, 2019

10h00 a.m. (NY)

11h00 a.m. (BRT)

Dial in:

International: +1-516-300-1066

Brazil: +55-11-3127-4971

Code: Tenda

Webcast: [Click here](#)

MESSAGE FROM THE MANAGEMENT

In the first quarter of 2019, Tenda showed resilience in the face of a challenging scenario for the low-income housing business. In addition to restrictive new rules for the bracket 1.5 of the Minha Casa, Minha Vida (“MCMV”) program, which was an important decision to reduce the pressure over FGTS (its main source of funding), the beginning of the year was also marked by bottlenecks which had a negative impact on launches, sales and sales transfers.

New phases added to the process of contracting projects with banks impacted the volume of launches in the beginning of the year, requiring the Company to adapt to this new reality without losing sight of one of its business model pillars, which is to guarantee that projects will be financed before launching them. Changes in the credit granting systems for potential participants of MCMV imposed more difficulties on the sales process. Sales transfers were also lower than expected for 1Q19 due to delayed availability of resources for MCMV.

In this turbulent environment, Tenda made efforts to ensure agility in adapting to the new scenario: it adopted a new “launch and sales” strategy capable of minimizing the impact of lower units to the bracket 1.5 of the MCMV program in the sales mix. This sales force migration to the new format of the program was successfully completed in 1Q19, taking the Company to a new level of SoS, which fell to 27.5% in the quarter, below 2018’s levels. In 1Q19, the share of units focused on the bracket 1.5 accounted for only 25.6% of total net pre-sales (in contrast to 55.6% in 2018).

Tenda’s operating performance in 1Q19 enabled cash generation and net income growth. The adjusted gross margin was 35.8%, close to the upper limit of the guidance for the year. In addition, operating expenses (SG&A and others) fell in 1Q19 compared to both 4Q18 and 1Q18, leading to a cash generation of R\$37.9 million and a net income of R\$49.8 million in the quarter. Earnings per share (ex-Treasury) grew by 56.0% YoY and 9.5% QoQ. Also, ROE in the last 12 months reached 17.8% in the first quarter of 2019.

Regarding the Company’s capital structure, the ratio between net debt and shareholders’ equity remains close to -25%, which has allowed us to promote capital distribution initiatives. In the last twelve months, R\$193.8 million were used in two share buyback programs. In April, the Company started its third share buyback program. Also in April, the Annual General Meeting approved the payment of R\$13.3 million in dividends, which added up to the R\$25.0 million distributed at the end of 2018 also as mandatory minimum dividend. These initiatives to distribute capital to shareholders aim to help Tenda achieve the long-term goal of keeping the leverage ratio between -10% and 10%.

In order to combine greater capital distribution efforts with a conservative capital structure and a strong cash position, Tenda has successfully completed, in early April, the issuance of local notes (*debêntures*) totaling R\$150 million, reinforcing its presence in debt capital markets, gradually reducing the average cost and increasing the average duration of the Company's debt.

Tenda has also improved its presence in stock markets. In January 2019, Tenda entered IBRX100, the index composed of the 100 most traded shares in B3, and has reinforced initiatives to guarantee liquidity to its stock. In March, the Company promoted a stock split, aiming to provide wider access to the shares by cutting its unit price by half.

Business environment still poses challenges to the Company in 2Q19. In addition to the more restrictive environment for the credit approval for MCMV potential customers and the increase in construction costs, there are still uncertainties about the availability of both FGTS and Federal Budget resources for the full year of 2019. In this scenario, Tenda has focused its efforts on three main workfronts: (i) to pursue operational excellence – proven by cash generation even in more troubled quarters –, (ii) to maintain a conservative capital structure with low leverage, and (iii) to operate in metropolitan areas, where housing deficit is disproportionate and entry barriers are greater. As a result, the Company remains focused on its objective of seeking the greatest return to shareholders in this sector.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

Operational and Financial Highlights	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Operational Highlights (R\$ million, PSV)								
Launches	385.6	530.6	(27.3%) ↓	266.3	44.8% ↑	385.6	266.3	44.8% ↑
Net Pre-Sales	406.9	459.5	(11.4%) ↓	424.2	(4.1%) ↓	406.9	424.2	(4.1%) ↓
Sales over Supply (SoS) (%)	27.5%	28.6%	(1.1 p.p.) ↓	29.1%	(1.6 p.p.) ↓	27.5%	29.1%	(1.6 p.p.) ↓
PSV Transferred	344.7	346.8	(0.6%) ↓	413.1	(16.6%) ↓	344.7	413.1	(16.6%) ↓
Units Delivered (#)	1,536	2,488	(38.3%) ↓	1,404	9.4% ↑	1,536	1,404	9.4% ↑
Landbank	9,418.1	8,893.6	5.9% ↑	6,872.0	37.0% ↑	9,418.1	6,872.0	37.0% ↑
Landbank - Acquisitions / Adjustments	910.1	1,580.8	(42.4%) ↓	443.4	105.3% ↑	910.1	443.4	105.3% ↑
Financial Highlights (R\$ million)								
Net Revenue	409.3	454.6	(10.0%) ↓	366.1	11.8% ↑	409.3	366.1	11.8% ↑
Adjusted Gross Profit ¹	146.4	170.2	(14.0%) ↓	128.9	13.5% ↑	146.4	128.9	13.5% ↑
Adjusted Gross Margin ¹ (%)	35.8%	37.4%	(1.7 p.p.) ↓	35.2%	0.5 p.p. ↑	35.8%	35.2%	0.5 p.p. ↑
Adjusted EBITDA ²	69.9	69.5	0.5% ↑	58.3	19.9% ↑	69.9	58.3	19.9% ↑
Adjusted EBITDA Margin ² (%)	17.1%	15.3%	1.8 p.p. ↑	15.9%	1.2 p.p. ↑	17.1%	15.9%	1.2 p.p. ↑
Net Financial Result	0.3	0.9	(70.1%) ↓	3.2	(91.8%) ↓	0.3	3.2	(91.8%) ↓
Net Income (Loss) ³	49.8	48.0	3.6% ↑	36.3	37.2% ↑	49.8	36.3	37.2% ↑
Backlog Revenues	531.5	546.7	(2.8%) ↓	422.8	25.7% ↑	531.5	422.8	25.7% ↑
Backlog Results ⁴	225.1	238.3	(5.5%) ↓	188.9	19.1% ↑	225.1	188.9	19.1% ↑
Backlog Margin ⁴ (%)	42.4%	43.6%	(1.2 p.p.) ↓	44.7%	(2.3 p.p.) ↓	42.4%	44.7%	(2.3 p.p.) ↓
Cash and Cash Equivalents ⁵	854.5	855.6	(0.1%) ↓	660.4	29.4% ↑	854.5	660.4	29.4% ↑
Net Debt	(299.4)	(313.1)	4.4% ↑	(282.6)	(6.0%) ↓	(299.4)	(282.6)	(6.0%) ↓
Shareholders' Equity + Minority Shareholders	1,201.0	1,203.8	(0.2%) ↓	1,209.8	(0.7%) ↓	1,201.0	1,209.8	(0.7%) ↓
Net Debt / (SE + Minority) (%)	(24.9%)	(26.0%)	1.1 p.p. ↑	(23.4%)	(1.6 p.p.) ↓	(24.9%)	(23.4%)	(1.6 p.p.) ↓
Cash Generation ⁶	0.0	0.0	0.0% ↑	0.0	0.0% ↑	37.9	55.0	(31.1%) ↓
Operating Cash Generation ⁷	0.0	0.0	0.0% ↑	0.0	0.0% ↑	36.1	56.0	(35.6%) ↓
Net Income (Loss) (LTM)	213.8	200.3	6.7% ↑	124.0	72.4% ↑	213.8	124.0	72.4% ↑
NOPAT ⁸ (LTM)	235.2	217.5	8.1% ↑	150.7	56.1% ↑	235.2	150.7	56.1% ↑
Capital Employed ⁹	901.6	890.7	1.2% ↑	927.4	(2.8%) ↓	901.6	927.4	(2.8%) ↓
ROE ¹⁰ (LTM)	17.8%	17.0%	0.8 p.p. ↑	10.9%	6.9 p.p. ↑	17.8%	10.9%	6.9 p.p. ↑
ROCE ¹¹ (LTM)	25.7%	23.8%	1.9 p.p. ↑	14.9%	10.8 p.p. ↑	25.7%	14.9%	10.8 p.p. ↑
Earnings per share (R\$/share) (ex-Treasury) ¹²	0.52	0.48	9.5% ↑	0.33	56.0% ↑	0.52	0.33	56.0% ↑

1. Adjusted by capitalized interests.

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

3. Adjusted by minority shareholders.

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

5. Cash and cash equivalents and securities.

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

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

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

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

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

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

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

GUIDANCE

Aiming at generating useful comparative information and providing predictability to the market on our figures, Tenda opted to disclose guidance for 2019 based on scenarios identified with defined variables and assumptions.

- In 2019, the Company estimates that the **Adjusted Gross Margin**, which is the ratio of consolidated gross profit for the year less financial charges, as stated in Note 12 to the financial statements and consolidated net revenue for the year, will range between 34.0% and 36.0%
- In 2019, the Company estimates that the **Net Pre-Sales**, defined as the product of gross sales for the year (in R\$ million) minus cancellations for the year (in R\$ million), adjusting all amounts to Tenda's equity interest, will range between R\$1,950.0 million and R\$2,150.0 million.

Guidance 2019	Minimum	Maximum	1T19	2T19	3T19	4T19	2019
Adjusted Gross Margin (%)	34.0%	36.0%	35.8%	-	-	-	35.8%
Net Pre-Sales (R\$ million)	1,950.0	2,150.0	406.9	-	-	-	406.9

LAUNCHES

In 1Q19, Tenda launched 10 projects, totaling R\$385.6 million in PSV, up 44.8% YoY due to the number and the average size of the projects launched. PSV launched was 27.3% lower QoQ as a consequence of an adaptation of the Company to new project financing processes. It should be emphasized that, as stated as one of the Company's business model pillars, projects must be launched only when its financing is fully arranged with the financial institution. Changes in project financing processes have already been assimilated and should be normalized throughout the year.

5 of the 10 projects were launched in the metropolitan areas of São Paulo and Rio de Janeiro, accounting for 61% of the PSV launched in the quarter.

Launches¹	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Number of Launches	10	12	(16.7%) ↓	8	25.0% ↑	10	8	25.0% ↑
PSV (R\$ million)	385.6	530.6	(27.3%) ↓	266.3	44.8% ↑	385.6	266.3	44.8% ↑
Number of units	2,631	3,572	(26.3%) ↓	1,852	42.1% ↑	2,631	1,852	42.1% ↑
Average price per unit (R\$ thousand)	146.6	148.5	(1.3%) ↓	143.8	1.9% ↑	146.6	143.8	1.9% ↑
Average size of launches (in units)	263	298	(11.6%) ↓	232	13.7% ↑	263	232	13.7% ↑

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\$443.0 million in 1Q19, down 6.0% YoY, mainly due to a lower average price per unit sold. Compared to 4Q18, gross sales were down 12.2% QoQ due to a lower number of units sold and also by a lower average price per unit sold. Gross Sales over Supply (“Gross SoS”) reached 29.9% in 1Q19, down 1.5 p.p. QoQ and down 2.5 p.p. YoY as the share of units sold under the bracket 1.5 of the Minha Casa, Minha Vida (“MCMV”) program decreased.

Gross Sales	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
PSV (R\$ million)	443.0	504.3	(12.2%) ↓	471.2	(6.0%) ↓	443.0	471.2	(6.0%) ↓
Number of units	3,345	3,685	(9.2%) ↓	3,393	(1.4%) ↓	3,345	3,393	(1.4%) ↓
Average price per unit (R\$ thousand)	132.4	136.9	(3.2%) ↓	138.9	(4.6%) ↓	132.4	138.9	(4.6%) ↓
Gross SoS	29.9%	31.4%	(1.5 p.p.) ↓	32.4%	(2.5 p.p.) ↓	29.9%	32.4%	(2.5 p.p.) ↓

CANCELLATIONS AND NET PRE-SALES

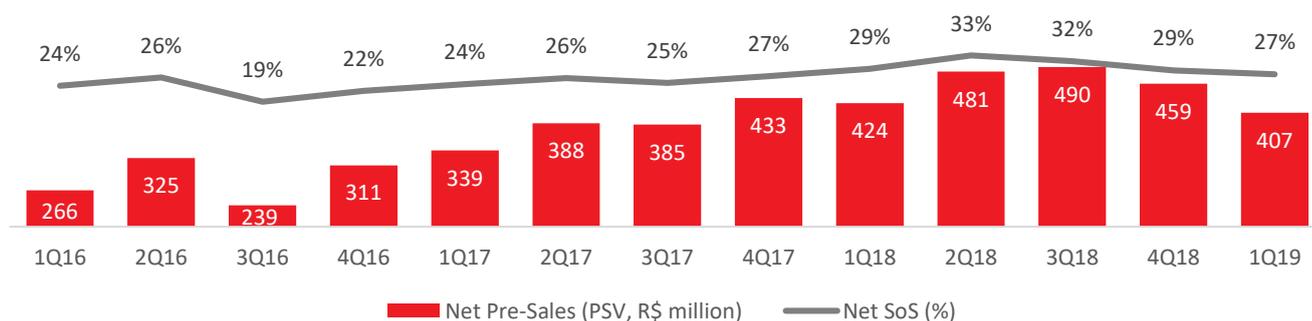
Net pre-sales totaled R\$406.9 million in 1Q19, positively impacted by lower cancellations over gross sales – 8.1% in the quarter, below 2018 levels (between 8.9% and 10.0%). Net Sales over Supply (“Net SoS”) reached 27.5% in 1Q19, down 1.1 p.p. QoQ and down 1.6 p.p. YoY as the share of units sold under the bracket 1.5 of the Minha Casa, Minha Vida (“MCMV”) program decreased.

(PSV, R\$ million)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Gross Sales	443.0	504.3	(12.2%) ↓	471.2	(6.0%) ↓	443.0	471.2	(6.0%) ↓
Cancellations	36.0	44.9	(19.7%) ↓	47.0	(23.4%) ↓	36.0	47.0	(23.4%) ↓
Net Pre-Sales	406.9	459.5	(11.4%) ↓	424.2	(4.1%) ↓	406.9	424.2	(4.1%) ↓
% Launches ¹	4.4%	66.2%	(61.8 p.p.) ↓	8.2%	(3.8 p.p.) ↓	4.4%	8.2%	(3.8 p.p.) ↓
% Inventory	95.6%	33.8%	61.8 p.p. ↑	91.8%	3.8 p.p. ↑	95.6%	91.8%	3.8 p.p. ↑
Cancellations / Gross Sales	8.1%	8.9%	(0.8 p.p.) ↓	10.0%	(1.9 p.p.) ↓	8.1%	10.0%	(1.9 p.p.) ↓
Net SoS	27.5%	28.6%	(1.1 p.p.) ↓	29.1%	(1.6 p.p.) ↓	27.5%	29.1%	(1.6 p.p.) ↓

(in units)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Gross Units Sold	3,345	3,685	(9.2%) ↓	3,393	(1.4%) ↓	3,345	3,393	(1.4%) ↓
Cancelled Units	276	338	(18.3%) ↓	341	(19.1%) ↓	276	341	(19.1%) ↓
Net Units Sold	3,069	3,347	(8.3%) ↓	3,052	0.6% ↑	3,069	3,052	0.6% ↑
Cancellations / Gross Sales	8.3%	9.2%	(0.9 p.p.) ↓	10.1%	(1.8 p.p.) ↓	8.3%	10.1%	(1.8 p.p.) ↓

1. Current year launches.

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



UNITS TRANSFERRED, DELIVERED, AND CONSTRUCTION SITES

Transferred PSV totaled R\$344.7 million in 1Q19, stable QoQ (-0.6%), but down 16.6% YoY. In the beginning of 2019, the transfer of clients to banks was impacted by delays in the provision of funds to the MCMV program and by changes in banks' credit systems in order to reflect the new rules of the program regarding financing and subsidies, approved in the end of 2018. Transfers were normalized in March.

1,536 units were delivered in 1Q19, up 9.4% YoY. The Company ended the quarter with 46 construction sites.

Transfers, Deliveries and Construction Sites	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
PSV Transferred (in R\$ million)	344.7	346.8	(0.6%) ↓	413.1	(16.6%) ↓	344.7	413.1	(16.6%) ↓
Transferred Units	2,924	2,808	4.1% ↑	3,255	(10.2%) ↓	2,924	3,255	(10.2%) ↓
Delivered Units	1,536	2,488	(38.3%) ↓	1,404	9.4% ↑	1,536	1,404	9.4% ↑
Construction Sites	46	44	4.5% ↑	41	12.2% ↑	46	41	12.2% ↑

INVENTORY AT MARKET VALUE

Tenda ended 1Q19 with R\$1.07 billion in inventory at market value, 6.1% lower than the previous quarter. Finished inventory units ended 1Q19 with a 50.8% YoY decrease, totaling R\$58.1 million (5.4% of the total inventory). Inventory turnover is 7.0 months, similar to 2018 (when it ranged between 6.7 and 7.0 months).

Inventory at Market Value	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
PSV (R\$ million)	1,075.0	1,144.5	(6.1%) ↓	1,031.2	4.2% ↑	1,075.0	1,031.2	4.2% ↑
Number of Units	7,503	8,000	(6.2%) ↓	7,027.0	6.8% ↑	7,503	7,027.0	6.8% ↑
Average price per unit (R\$ thousand)	143.3	143.1	0.2% ↑	146.7	(2.4%) ↓	143.3	146.7	(2.4%) ↓

Status of Construction	1Q19	Not Initiated	Up to 30% built	30% to 70% built	More than 70% built	Finished units
PSV (R\$ million)	1,075.0	389.3	227.9	320.0	79.8	58.1

LANDBANK

In 1Q19, Tenda increased its landbank to R\$9.42 billion in PSV, up 37.0% YoY and up 5.9% QoQ. 25 phases/projects were acquired, accounting for R\$910,1 million in potential PSV.

All projects of the landbank are feasible within the MCMV bracket 2, and, in some cases, could be adapted to the MCMV bracket 1.5.

Landbank ¹	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Number of projects	268	253	5.9% ↑	208	28.8% ↑	268	208	28.8% ↑
PSV (R\$ million)	9,418.1	8,893.6	5.9% ↑	6,872.0	37.0% ↑	9,418.1	6,872.0	37.0% ↑
Acquisitions / Adjustments (R\$ million)	910.1	1,580.8	(42.4%) ↓	443.4	105.3% ↑	910.1	443.4	105.3% ↑
Number of units	64,084	60,124	6.6% ↑	47,219	35.7% ↑	64,084	47,219	35.7% ↑
Average price per unit (R\$ thousands)	147.0	147.9	(0.6%) ↓	145.5	1.0% ↑	147.0	145.5	1.0% ↑
% Swap Total	25.2%	24.2%	1.0 p.p. ↑	28.8%	(3.6 p.p.) ↓	25.2%	28.8%	(3.6 p.p.) ↓
% Swap Units	10.9%	11.1%	(0.2 p.p.) ↓	17.8%	(6.9 p.p.) ↓	10.9%	17.8%	(6.9 p.p.) ↓
% Swap Financial	14.3%	13.0%	1.3 p.p. ↑	11.0%	3.3 p.p. ↑	14.3%	11.0%	3.3 p.p. ↑

1. Tenda holds 100% equity interest of its landbank.

CURRENT BUSINESS MODEL UPDATE

Current Business Model Update	2013	2014	2015	2016	2017	2018	2019
Number of Projects	7	14	30	40	45	49	10
Units launched	2,460	4,315	7,711	9,579	11,768	13,636	2,631
Total PSV (R\$ 000)	313.9	613.3	1,088.9	1,315.0	1,695.2	1,912.7	385.6
Units Sold	2,450	4,257	7,619	9,275	11,409	9,231	128
% Sold	99.6%	98.7%	98.8%	96.8%	96.9%	67.7%	4.9%
Avg SoS (Month)	8.6%	6.5%	8.3%	11.3%	12.8%	13.7%	7.4%
Units transferred	2,450	4,252	7,612	9,225	11,262	7,655	0
% Units transferred	99.6%	98.5%	98.7%	96.3%	95.7%	56.1%	0.0%
% Construction	100.0%	100.0%	100.0%	98.6%	96.4%	56.6%	0.0%

LEGACY UPDATE

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

Legacy Update	2011	2012	2013	2014	2015	2016	2017	2018	2019
Operational									
Inventory at Market Value	1,171.5	826.7	478.7	365.1	226.2	154.9	132.1	58.2	47.9
Gross Sales	249.0	1,091.9	874.4	508.0	228.3	143.1	58.7	75.3	13.6
Cancellations	468	1,166	583	414	121	90	44	17	3
Net Sales	(218.8)	(74.3)	291.4	93.9	107.5	53.1	14.8	57.9	10.8
Cancellations / Gross Sales	187.9%	106.8%	66.7%	81.5%	52.9%	62.9%	74.7%	23.1%	20.5%
Sales over Supply (SoS)	(23.0%)	(9.9%)	37.8%	20.5%	32.2%	25.5%	10.1%	49.9%	18.4%
Gross SoS	702.9	1,182.6	900.3	459.9	214.6	145.2	108.7	55.9	1.8
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	445.7	249.3	211.4	123.7	120.6
Accounts Receivable ¹	1,465.9	1,233.5	623.3	317.8	232.0	117.0	47.6	31.6	41.7
AR Clients	1,465.9	1,233.5	623.3	306.4	223.7	97.7	19.9	12.4	20.3
AR Landbank Sold	ND ²	ND ²	ND ²	11.4	8.3	19.2	27.6	19.2	21.4
Inventory ²	1,051.0	856.2	529.1	437.2	213.7	132.3	163.9	92.1	78.9
Inventory	1,023.8	730.8	421.3	332.7	213.7	132.3	163.9	55.7	43.3
Landbank for Sale	27.2	125.4	107.8	104.5	0.0	0.0	0.0	36.4	35.6
Other Operating Revenues and Expenses	(60.3)	(47.8)	(24.8)	(62.2)	(52.6)	(36.7)	(98.5)	(81.5)	(11.9)
Litigation Expenses	(15.2)	(17.5)	(18.1)	(51.2)	(27.3)	(21.2)	(51.8)	(53.9)	(8.1)
Other	(45.2)	(30.3)	(6.7)	(11.0)	(25.3)	(15.5)	(46.7)	(27.6)	(3.9)
Net Revenue	439.3	1,069.1	722.5	273.8	168.3	(52.2)	7.2	76.5	13.5
Gross Profit	(281.9)	130.4	27.0	(3.1)	(29.2)	(87.0)	(70.5)	(32.5)	(6.3)
Gross Margin	(64.2%)	12.2%	3.7%	(1.1%)	(17.4%)	NA ²	(979.8%)	(42.6%)	(46.5%)

1. Managerial information

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

NET OPERATING REVENUE

Net operating revenue totaled R\$409.3 million in 1Q19, an increase of 11.8% YoY, but a decrease of 10.0% over the previous quarter. The provision for cancellations increased due to some cases in which units had been sold in 2018 under former MCMV rules and not transferred to banks until 1Q19. It is expected that a portion of this provision is reversed throughout 2Q19 as the Company completes renegotiations with its clients.

(R\$ million)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Gross Operating Revenues	428.7	468.4	(8.5%) ↓	376.8	13.8% ↑	428.7	376.8	13.8% ↑
Reversal (constitution) of estimated losses on doubtful accounts	(0.1)	(11.0)	(99.0%) ↓	(2.9)	(96.2%) ↓	(0.1)	(2.9)	(96.2%) ↓
Provision for cancellations	(9.7)	4.8	(301.1%) ↓	0.9	(1,241.5%) ↓	(9.7)	0.9	(1,241.5%) ↓
Taxes on sales of properties and services	(9.5)	(7.5)	26.9% ↑	(8.6)	11.2% ↑	(9.5)	(8.6)	11.2% ↑
Net Operating Revenue	409.3	454.6	(10.0%) ↓	366.1	11.8% ↑	409.3	366.1	11.8% ↑

GROSS PROFIT

Adjusted gross profit totaled R\$146.4 million in 1Q19, up 13.5% YoY, resulting in an adjusted gross margin of 35.8%, close to the upper limit of the guidance reported by the Company for the year (between 34.0% and 36.0%).

(R\$ million)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Net Revenue	409.3	454.6	(10.0%) ↓	366.1	11.8% ↑	409.3	366.1	11.8% ↑
Gross Profit	140.5	163.3	(14.0%) ↓	123.7	13.6% ↑	140.5	123.7	13.6% ↑
Gross Margin	34.3%	35.9%	(1.6 p.p.) ↓	33.8%	0.5 p.p. ↑	34.3%	33.8%	0.5 p.p. ↑
(-) Financial Costs	5.8	6.9	(15.5%) ↓	5.3	11.0% ↑	5.8	5.3	11.0% ↑
Adjusted Gross Profit¹	146.4	170.2	(14.0%) ↓	128.9	13.5% ↑	146.4	128.9	13.5% ↑
Adjusted Gross Margin	35.8%	37.4%	(1.7 p.p.) ↓	35.2%	0.5 p.p. ↑	35.8%	35.2%	0.5 p.p. ↑

1. Adjusted by capitalized interest rates.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

In 1Q19, selling expenses totaled R\$32.8 million (+3.4% YoY), which accounted for 7.4% of gross sales, up 0.7 pp YoY mainly due to the drop in gross sales and the lower share of sales in the bracket 1.5 of the MCMV. General and administrative expenses (“G&A”) accounted for 7.1% of net operating revenue in 1Q19, a decrease of 2.2 pp YoY. In 1Q18, a revision of the number of shares to be vested in the stock option plan resulted in a one-off increase in G&A.

(R\$ million)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Selling Expenses	(32.8)	(38.6)	(15.1%) ↓	(31.7)	3.4% ↑	(32.8)	(31.7)	3.4% ↑
General & Admin Expenses	(29.1)	(35.0)	(16.9%) ↓	(34.0)	(14.5%) ↓	(29.1)	(34.0)	(14.5%) ↓
Total SG&A Expenses	(61.9)	(73.6)	(16.0%) ↓	(65.7)	(5.9%) ↓	(61.9)	(65.7)	(5.9%) ↓
Gross Sales	443.0	504.3	(12.2%) ↓	471.2	(6.0%) ↓	443.0	471.2	(6.0%) ↓
Launches	385.6	530.6	(27.3%) ↓	266.3	44.8% ↑	385.6	266.3	44.8% ↑
Selling Expenses / Gross Sales	7.4%	7.7%	(0.3 p.p.) ↓	6.7%	0.7 p.p. ↑	7.4%	6.7%	0.7 p.p. ↑
G&A Expenses / Launches	7.5%	6.6%	0.9 p.p. ↑	12.8%	(5.2 p.p.) ↓	7.5%	12.8%	(5.2 p.p.) ↓
G&A Expenses / Net Operating Revenue	7.1%	7.7%	(0.6 p.p.) ↓	9.3%	(2.2 p.p.) ↓	7.1%	9.3%	(2.2 p.p.) ↓

OTHER OPERATIONAL REVENUES (EXPENSES)

Other operating revenues and expenses totaled R\$15.9 million in expenses in 1T19, up 7.5% YoY but down 50.5% QoQ. In 4Q18, litigation expenses increased mainly due to provisions related to two tax claims that had taxable events referring to years prior to the current business model.

(R\$ million)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Other Operating Revenues and Expenses	(15.9)	(32.2)	(50.5%) ↓	(14.8)	7.5% ↑	(15.9)	(14.8)	7.5% ↑
Litigation Expenses	(12.4)	(21.4)	(42.4%) ↓	(10.3)	20.3% ↑	(12.4)	(10.3)	20.3% ↑
Others	(3.6)	(10.8)	(66.7%) ↓	(4.6)	(21.4%) ↓	(3.6)	(4.6)	(21.4%) ↓
Equity Income	(1.2)	(0.2)	531.0% ↑	0.1	1,579.8% ↑	(1.2)	0.1	1,579.8% ↑

ADJUSTED EBITDA

In 1Q19, the Company's adjusted EBITDA totaled R\$69.9 million, an increase of 19.9% YoY.

(R\$ million)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Net Income	49.8	48.0	3.6% ↑	36.3	37.2% ↑	49.8	36.3	37.2% ↑
(+) Financial result	(0.3)	(0.9)	70.1% ↑	(3.2)	91.8% ↑	(0.3)	(3.2)	91.8% ↑
(+) Income taxes and social contribution	6.5	7.0	(6.3%) ↓	6.6	(1.2%) ↓	6.5	6.6	(1.2%) ↓
(+) Depreciation and amortization	4.7	3.5	35.3% ↑	3.4	38.5% ↑	4.7	3.4	38.5% ↑
(+) Capitalized interests	5.8	6.9	(15.5%) ↓	5.3	11.0% ↑	5.8	5.3	11.0% ↑
(+) Expenses with Stock Option Plan	2.5	5.3	(52.5%) ↓	9.8	(74.2%) ↓	2.5	9.8	(74.2%) ↓
(+) Minority Shareholders	0.8	(0.3)	404.6% ↑	0.1	518.8% ↑	0.8	0.1	518.8% ↑
Adjusted EBITDA¹	69.9	69.5	0.5% ↑	58.3	19.9% ↑	69.9	58.3	19.9% ↑
Net Revenue	409.3	454.6	(10.0%) ↓	366.1	11.8% ↑	409.3	366.1	11.8% ↑
Adjusted EBITDA Margin¹	17.1%	15.3%	1.8 p.p. ↑	15.9%	1.2 p.p. ↑	17.1%	15.9%	1.2 p.p. ↑

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

FINANCIAL RESULTS

In 1Q19, Tenda posted a financial result of R\$0.3 million.

(R\$ million)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Financial Income	12.1	12.7	(5.3%) ↓	9.6	25.0% ↑	12.1	9.6	25.0% ↑
Financial Expenses	(11.8)	(11.9)	(0.6%) ↓	(6.5)	82.1% ↑	(11.8)	(6.5)	82.1% ↑
Financial Results	0.3	0.9	(70.1%) ↓	3.2	(91.8%) ↓	0.3	3.2	(91.8%) ↓

NET INCOME

In 1Q19, Tenda recorded a net income of R\$49.8 million, up 37.2% YoY mainly due to the increase in net operating revenues and the reduction in operating expenses (G&A and others). The increase of 3.6% QoQ can also be explained mainly by the reduction in operating expenses (SG&A and others).

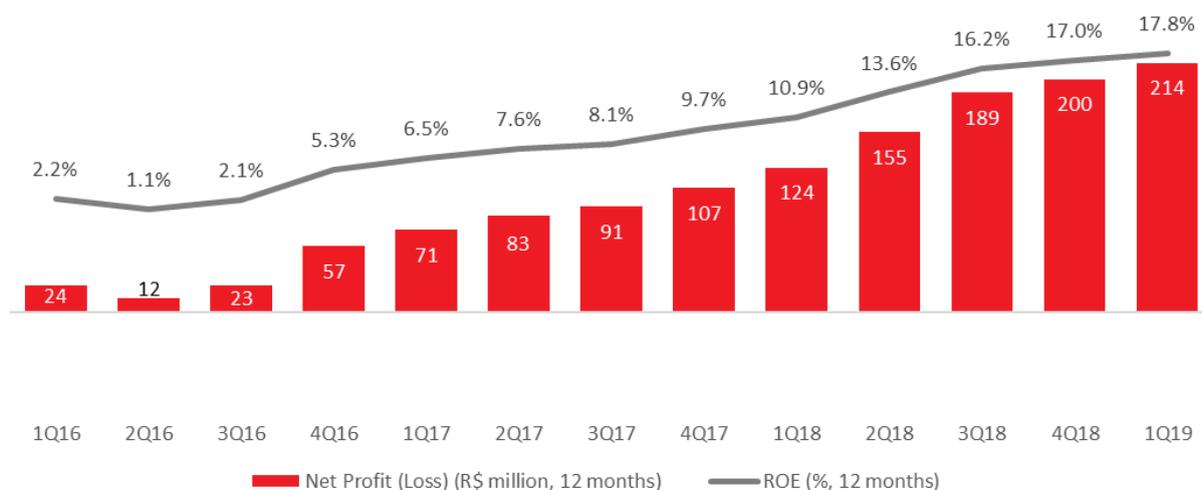
Earnings per share (ex-Treasury) grew by 56.0% YoY and 9.5% QoQ. Also, ROE in the last 12 months reached 17.8% in the first quarter of 2019.

(R\$ million)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Net Income after Income Tax and Social Contribution	50.5	47.7	5.9% ↑	36.4	38.9% ↑	50.5	36.4	38.9% ↑
(-) Minority shareholders	(0.8)	0.3	(404.6%) ↓	(0.1)	(518.8%) ↓	(0.8)	(0.1)	(518.8%) ↓
Net Income	49.8	48.0	3.6% ↑	36.3	37.2% ↑	49.8	36.3	37.2% ↑
Net Margin	12.2%	10.6%	1.6 p.p. ↑	9.9%	2.2 p.p. ↑	12.2%	9.9%	2.2 p.p. ↑
Earnings per share (R\$/share) ¹	0.48	0.46	3.6% ↑	0.33	42.4% ↑	0.48	0.33	42.4% ↑
Earnings per share (R\$/share) (ex-Treasury) ²	0.52	0.48	9.5% ↑	0.33	56.0% ↑	0.52	0.33	56.0% ↑

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 42.4%, down 1.2 p.p. QoQ and down 2.3 p.p. YoY.

(R\$ million)	March 19	December 18	QoQ (%)	March 18	YoY (%)
Backlog Revenues	531.5	546.7	(2.8%) ↓	422.8	25.7% ↑
Backlog Costs (of Units Sold)	(306.4)	(308.4)	(0.7%) ↓	(233.9)	31.0% ↑
Backlog Results¹	225.1	238.3	(5.5%) ↓	188.9	19.1% ↑
Backlog Margin	42.4%	43.6%	(1.2 p.p.) ↓	44.7%	(2.3 p.p.) ↓

1. Comprises the projects restricted by precedent condition.

CASH AND CASH EQUIVALENTS, AND FINANCIAL INVESTMENTS

(R\$ million)	March 19	December 18	QoQ (%)	March 18	YoY (%)
Cash & Cash Equivalents	67.5	34.3	96.7% ↑	45.1	49.6% ↑
Short-term Investments	787.1	821.3	(4.2%) ↓	615.3	27.9% ↑
Total Cash Position	854.5	855.6	(0.1%) ↓	660.4	29.4% ↑

ACCOUNTS RECEIVABLE FROM DEVELOPMENTS AND SERVICES RENDERED

(R\$ million)	March 19	December 18	QoQ (%)	March 18	YoY (%)
Until 2019 ¹	415.2	470.8	(11.8%) ↓	496.8	(16.4%) ↓
2020	185.7	98.3	88.9% ↑	26.6	597.0% ↑
2021	32.6	28.3	15.4% ↑	20.1	61.9% ↑
2022	21.0	19.0	10.2% ↑	11.8	77.3% ↑
2023	10.1	8.7	16.4% ↑	4.3	135.0% ↑
2024 and beyond	7.4	6.1	20.9% ↑	0.0	0.0% ↑
Total Accounts Receivable	672.1	631.3	6.5% ↑	559.7	20.1% ↑
(-) Present value adjustment	(8.3)	(10.0)	17.0% ↑	(9.6)	14.0% ↑
(-) Provision for doubtful accounts	(130.6)	(130.5)	(0.1%) ↓	(102.0)	(28.1%) ↓
(-) Provision for cancellations	(24.9)	(15.1)	(64.3%) ↓	(20.8)	(19.3%) ↓
Accounts Receivable	508.3	475.7	6.9% ↑	427.3	19.0% ↑
Days of Accounts Receivable	108	103	4.2% ↑	111	(3.5%) ↓

1. Overdue and falling due.

Accounts Receivable Tenda ¹ (R\$ million)	March 19	December 18	QoQ (%)	March 18	YoY (%)
Before delivery to buyer (Pro-Soluto)	38.6	39.5	(2.1%) ↓	29.4	31.6% ↑
After delivery to buyer (TCD)	176.4	176.6	(0.1%) ↓	161.0	9.6% ↑
Tenda Receivables	215.1	216.1	(0.5%) ↓	190.4	13.0% ↑
Total accounts receivable	508.3	475.7	6.9% ↑	427.3	19.0% ↑
Backlog Revenues	531.5	546.7	(2.8%) ↓	422.8	25.7% ↑
Tenda Receivables / (Total accounts receivable + Backlog Revenues)	20.7%	21.1%	(0.5 p.p.) ↓	22.4%	(1.7 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 1Q19 with a gross debt of R\$555.1 million, duration of 28.2 months and weighted average cost of debt of 7.7% per year. The Company's gross debt is lower than the cash position, cash equivalents and financial investments, which totaled R\$854.5 million at the end of 1Q19.

Debt Maturity Schedule (R\$ million)	Total
2019	5.4
2020	30.5
2021	392.1
2022	76.9
2023	50.2
2024 onwards	0.0
Total Debt	555.1
Duration (in months)	28.2

Debt Breakdown (R\$ million)	Maturity	Charges (APY)	Balance Due March 19	Balance Due December 18
Total			555.1	541.2
CRI	until 01/2021	CDI + 0.90%	295.0	278.9
Debenture	until 09/2023	CDI + 1.75%	146.6	149.6
SFH	until 12/2022	TR + 8.3% to 9.5%	112.7	110.8
CCB	until 06/2019	Based on INCC-DI	0.9	1.9

Weighted Average Cost of Debt (R\$ million)	Balance Due March 19	Balance Due / Total Debt	Average Cost (APY)
CDI	441.5	79.5%	CDI + 0.96%
TR	112.7	20.3%	TR + 8.3%
INCC	0.9	0.2%	INCC + 0%
Total	555.1	100%	7.8%

RATING

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

NET DEBT

Tenda has a negative net debt to shareholders' equity ratio of 24.9%, thus being one of the most deleveraged companies in its sector. In early April, the Company issued R\$150 million in local notes (*debêntures*), reinforcing its presence in debt capital markets, gradually reducing the average cost and increasing the average duration of the Company's debt.

(R\$ million)	March 19	December 18	QoQ (%)	March 18	YoY (%)
Gross Debt	555.1	542.5	2.3% ↑	377.8	46.9% ↑
(-) Cash and cash equivalents and financial investments	(854.5)	(855.6)	(0.1%) ↓	(660.4)	29.4% ↑
Net Debt	(299.4)	(313.1)	4.4% ↑	(282.6)	(6.0%) ↓
Shareholders' Equity + Minority Shareholders	1,201.0	1,203.8	(0.2%) ↓	1,209.8	(0.7%) ↓
Net Debt/ (Shareholders' Equity + Minority Shareholders)	(24.9%)	(26.0%)	1.1 p.p. ↑	(23.4%)	(1.6 p.p.) ↓
Adjusted EBITDA (Last 12 months)	295.0	282.7	4.4% ↑	196.1	50.5% ↑

CASH GENERATION AND CAPITAL DISTRIBUTION

To aim Tenda in its long-term goal of keeping the leverage ratio closer to 0%, preserving a conservative capital structure, several capital distribution initiatives were triggered. In the last twelve months, R\$193.8 million were used in two share buyback programs. In April, the Company started its third share buyback program. Also in April, the Annual General Meeting approved the payment of R\$13.3 million in dividends, which added up to the R\$25.0 million distributed at the end of 2018 also as mandatory minimum dividend.

(R\$ million)	1T19	4T18	QoQ (%)	1T18	YoY (%)
Stock buyback	51.5	29.1	77.3% ↑	0.0	-
Dividends paid	0.0	25.0	(100.0%) ↓	0.0	-
Capital Distribution	51.5	54.1	(4.7%) ↓	0.0	-
(R\$ million, last 12 months)	1T19	4T18	QoQ (%)	1T18	YoY (%)
Stock buyback	193.8	142.3	36.2% ↑	0.0	-
Dividends paid	25.0	25.0	0.0% ↑	0.0	-
Capital Distribution	218.8	167.2	30.8% ↑	0.0	-

In 1Q19, cash generation totaled R\$37.9 million, down 37.8% QoQ.

(R\$ million)	March 19	December 18	QoQ (%)	March 18	YoY (%)
Change in Available Cash	(1.1)	8.1	(113.0%) ↓	162.7	-
(-) Change in Gross Debt	12.6	1.3	880.4% ↑	107.7	-
(-) Capital Distribution	51.5	54.1	(4.7%) ↓	0.0	-
Cash Generation¹	37.9	60.9	(37.8%) ↓	55.0	(31.1%) ↓
Operational Cash Generation ²	36.1	66.8	(46.0%) ↓	56.0	(35.6%) ↓

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 Stock 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)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Net Revenue	409.3	454.6	(10.0%) ↓	366.1	11.8% ↑	409.3	366.1	11.8% ↑
Operating Costs	(268.8)	(291.3)	(7.7%) ↓	(242.4)	10.9% ↑	(268.8)	(242.4)	10.9% ↑
Gross Profit	140.5	163.3	(14.0%) ↓	123.7	13.6% ↑	140.5	123.7	13.6% ↑
Gross Margin	34.3%	35.9%	(1.6 p.p.) ↓	33.8%	0.5 p.p. ↑	34.3%	33.8%	0.5 p.p. ↑
Operating Expenses	(83.7)	(109.5)	(23.5%) ↓	(83.8)	(0.1%) ↓	(83.7)	(83.8)	(0.1%) ↓
Selling Expenses	(32.8)	(38.6)	(15.1%) ↓	(31.7)	3.4% ↑	(32.8)	(31.7)	3.4% ↑
General and Administrative Expenses	(29.1)	(35.0)	(16.9%) ↓	(34.0)	(14.5%) ↓	(29.1)	(34.0)	(14.5%) ↓
Other Operating Revenue/Expenses	(15.9)	(32.2)	(50.5%) ↓	(14.8)	7.5% ↑	(15.9)	(14.8)	7.5% ↑
Depreciation and Amortization	(4.7)	(3.5)	35.3% ↑	(3.4)	38.5% ↑	(4.7)	(3.4)	38.5% ↑
Equity Income	(1.2)	(0.2)	(531.0%) ↓	0.1	(1,579.8%) ↓	(1.2)	0.1	(1,579.8%) ↓
Operational Result	56.8	53.8	5.5% ↑	39.8	42.6% ↑	56.8	39.8	42.6% ↑
Financial Income	12.1	12.7	(5.3%) ↓	9.6	25.0% ↑	12.1	9.6	25.0% ↑
Financial Expenses	(11.8)	(11.9)	(0.6%) ↓	(6.5)	82.1% ↑	(11.8)	(6.5)	82.1% ↑
Net Income Before Taxes on Income	57.1	54.7	4.3% ↑	43.0	32.7% ↑	57.1	43.0	32.7% ↑
Deferred Income Taxes	0.0	(0.8)	100.2% ↑	(0.8)	100.3% ↑	0.0	(0.8)	100.3% ↑
Current Income Taxes	(6.5)	(6.1)	6.3% ↑	(5.8)	11.9% ↑	(6.5)	(5.8)	11.9% ↑
Net Income After Taxes on Income	50.5	47.7	5.9% ↑	36.4	38.9% ↑	50.5	36.4	38.9% ↑
(-) Minority Shareholders	(0.8)	0.3	(404.6%) ↓	(0.1)	(518.8%) ↓	(0.8)	(0.1)	(518.8%) ↓
Net Income	49.8	48.0	3.6% ↑	36.3	37.2% ↑	49.8	36.3	37.2% ↑

BALANCE SHEET

(R\$ million)	March 19	December 18	QoQ (%)	March 18	YoY (%)
Current Assets	1,877.3	1,787.9	5.0% ↑	1,631.3	15.1% ↑
Cash and cash equivalents	67.5	34.3	96.7% ↑	45.1	49.6% ↑
Short term investments	787.1	821.3	(4.2%) ↓	615.3	27.9% ↑
Receivables from clients	357.3	317.5	12.5% ↑	297.3	20.2% ↑
Properties for sale	630.6	570.8	10.5% ↑	621.5	1.5% ↑
Other accounts receivable	35.0	44.0	(20.5%) ↓	52.1	(32.8%) ↓
Non-Current Assets	737.9	728.7	1.3% ↑	551.3	33.9% ↑
Receivables from clients	151.1	158.2	(4.5%) ↓	130.0	16.2% ↑
Properties for sale	526.9	516.0	2.1% ↑	362.5	45.4% ↑
Other	60.0	54.5	9.9% ↑	58.8	2.0% ↑
Intangible, Property and Equipment	94.0	65.1	44.4% ↑	61.5	52.8% ↑
Investments	38.1	39.4	(3.1%) ↓	65.5	(41.8%) ↓
Total Assets	2,747.4	2,621.0	4.8% ↑	2,309.6	19.0% ↑
Current Liabilities	516.3	453.6	13.8% ↑	414.6	24.5% ↑
Loans and financing	7.6	6.7	13.2% ↑	14.2	(46.3%) ↓
Debentures	0.7	3.3	(80.2%) ↓	0.0	0.0% ↑
Obligations for purchase of land and advances from customers	284.9	258.2	10.3% ↑	213.3	33.6% ↑
Material and service suppliers	46.4	21.4	116.2% ↑	28.7	61.7% ↑
Taxes and contributions	27.2	27.0	0.9% ↑	28.0	(3.0%) ↓
Other	149.5	136.9	9.2% ↑	130.4	14.7% ↑
Non-current liabilities	1,030.1	963.7	6.9% ↑	685.1	50.3% ↑
Loans and financing	105.9	98.0	8.0% ↑	96.8	9.4% ↑
Debentures	440.9	434.4	1.5% ↑	266.8	65.2% ↑
Obligations (land purchases) and advances from customers	389.0	361.3	7.7% ↑	230.0	69.2% ↑
Deferred taxes	8.0	7.8	2.0% ↑	6.7	19.5% ↑
Provision for contingencies	33.7	32.7	3.0% ↑	29.9	12.7% ↑
Other creditors	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Other	52.6	29.5	78.7% ↑	55.0	(4.3%) ↓
Shareholders' Equity	1,201.0	1,203.8	(0.2%) ↓	1,209.8	(0.7%) ↓
Shareholders' Equity	1,200.0	1,197.7	0.2% ↑	1,204.7	(0.4%) ↓
Minority Shareholders	1.0	6.1	(83.4%) ↓	5.2	(80.5%) ↓
Total Liabilities and Shareholders' Equity	2,747.4	2,621.0	4.8% ↑	2,309.6	19.0% ↑

CASH FLOW STATEMENT

(R\$ million)	1Q19	4Q18	QoQ (%)	1Q18	YoY (%)	3M19	3M18	YoY (%)
Cash from (used in) operating activities	48.9	71.2	(31.3%) ↓	56.6	(13.6%) ↓	48.9	56.6	(13.6%) ↓
Net Income (loss) before taxes	57.1	54.7	4.3% ↑	43.0	32.7% ↑	57.1	43.0	32.7% ↑
Depreciation and amortization	7.0	5.6	26.6% ↑	5.1	37.6% ↑	7.0	5.1	37.6% ↑
Provision (reversal) for doubtful accounts and cancellations	5.7	19.1	(70.2%) ↓	5.2	9.6% ↑	5.7	5.2	9.6% ↑
Present value adjustment	(1.7)	(1.9)	11.7% ↑	(1.2)	(36.1%) ↓	(1.7)	(1.2)	(36.1%) ↓
Impairment	(2.3)	0.4	(693.2%) ↓	(2.1)	(6.8%) ↓	(2.3)	(2.1)	(6.8%) ↓
Equity income	1.2	0.2	531.0% ↑	(0.1)	1,579.8% ↑	1.2	(0.1)	1,579.8% ↑
Provision for contingencies	5.6	15.0	(62.3%) ↓	(3.2)	276.1% ↑	5.6	(3.2)	276.1% ↑
Unrealized interest and charges, net	2.2	3.5	(36.7%) ↓	(1.7)	231.9% ↑	2.2	(1.7)	231.9% ↑
Warranty provision	0.3	(0.4)	169.7% ↑	9.8	(96.9%) ↓	0.3	9.8	(96.9%) ↓
Profit sharing provision	3.3	6.8	(52.0%) ↓	5.0	(34.2%) ↓	3.3	5.0	(34.2%) ↓
Stock option plan expenses	2.5	5.3	(52.5%) ↓	9.8	(74.2%) ↓	2.5	9.8	(74.2%) ↓
Disposal of fixed asset	0.0	0.1	(100.0%) ↓	0.0	(100.0%) ↓	0.0	0.0	(100.0%) ↓
Other provisions	(0.6)	1.7	(136.2%) ↓	0.4	(263.5%) ↓	(0.6)	0.4	(263.5%) ↓
Other operating revenue/expenses	0.0	0.0	0.0% ↑	0.0	0.0% ↑	0.0	0.0	0.0% ↑
Deferred income tax and social contribution	0.1	0.0	0.0% ↑	(0.1)	203.8% ↑	0.1	(0.1)	203.8% ↑
Clients	(40.8)	(17.4)	(134.4%) ↓	(31.3)	(30.2%) ↓	(40.8)	(31.3)	(30.2%) ↓
Properties for sale	(64.7)	(108.5)	40.4% ↑	18.6	(447.8%) ↓	(64.7)	18.6	(447.8%) ↓
Other accounts receivable	(1.0)	10.0	(109.5%) ↓	1.7	(156.1%) ↓	(1.0)	1.7	(156.1%) ↓
Suppliers	24.9	(18.8)	232.4% ↑	5.9	321.2% ↑	24.9	5.9	321.2% ↑
Taxes and contributions	(0.0)	(1.3)	99.7% ↑	0.5	(100.8%) ↓	(0.0)	0.5	(100.8%) ↓
Salaries, payroll charges and bonus provision	1.8	(6.6)	127.8% ↑	1.2	47.8% ↑	1.8	1.2	47.8% ↑
Obligations for purchase of real properties	54.9	120.9	(54.6%) ↓	(6.0)	1,008.6% ↑	54.9	(6.0)	1,008.6% ↑
Other accounts payable	(1.5)	(11.2)	86.5% ↑	(0.2)	(794.1%) ↓	(1.5)	(0.2)	(794.1%) ↓
Current account operations	1.1	0.4	220.0% ↑	1.3	(11.1%) ↓	1.1	1.3	(11.1%) ↓
Taxes paid	(6.3)	(6.2)	(1.3%) ↓	(4.9)	(29.5%) ↓	(6.3)	(4.9)	(29.5%) ↓
Cash from (used in) investment activities	34.9	(8.1)	531.8% ↑	(154.3)	122.6% ↑	34.9	(154.3)	122.6% ↑
Purchase of property and equipment	(9.4)	(6.7)	(39.7%) ↓	(3.2)	(197.1%) ↓	(9.4)	(3.2)	(197.1%) ↓
Investments in marketable securities and restricted credits	(168.2)	(229.0)	26.5% ↑	(354.7)	52.6% ↑	(168.2)	(354.7)	52.6% ↑
Redemption of securities, sureties and credits	212.5	227.6	(6.7%) ↓	203.6	4.3% ↑	212.5	203.6	4.3% ↑
Cash from (used in) financing activities	(50.6)	(64.4)	21.6% ↑	103.4	(148.9%) ↓	(50.6)	103.4	(148.9%) ↓
Stock Buyback	(51.5)	(29.1)	(77.3%) ↓	0.0	0.0% ↑	(51.5)	0.0	0.0% ↑
Capital Increase	0.0	0.0	0.0% ↑	0.0	0.0% ↑	0.0	0.0	0.0% ↑
Capital Reserve Increase	1.6	0.1	1,541.4% ↑	0.1	2,289.7% ↑	1.6	0.1	2,289.7% ↑
Dividends Paid	0.0	(25.0)	100.0% ↑	0.0	0.0% ↑	0.0	0.0	0.0% ↑
Loans and financing increase	68.2	93.6	(27.2%) ↓	209.8	(67.5%) ↓	68.2	209.8	(67.5%) ↓
Amortization of loans and financing	(67.5)	(103.9)	35.0% ↑	(106.3)	36.5% ↑	(67.5)	(106.3)	36.5% ↑
Loans and financing increase	(1.1)	0.0	0.0% ↑	0.0	0.0% ↑	(1.1)	0.0	0.0% ↑
Loan operations	(0.2)	(0.2)	(3.6%) ↓	(0.1)	(60.0%) ↓	(0.2)	(0.1)	(60.0%) ↓
Net increase (decrease) in cash and cash equivalents	33.2	(1.4)	2,537.0% ↑	5.7	479.8% ↑	33.2	5.7	479.8% ↑
At the beginning of the period	34.3	35.6	(3.8%) ↓	39.4	(12.9%) ↓	34.3	39.4	(12.9%) ↓
At the end of the period	67.5	34.3	96.7% ↑	45.1	49.6% ↑	67.5	45.1	49.6% ↑

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About Tenda

Construtora Tenda S.A. (B3:TEND3) is Brazil's second largest homebuilder focused on low-income residential projects listed at the Novo Mercado, B3's highest corporate governance level. The Company concentrates its activities in eight metropolitan regions of Brazil, uniquely operating within the brackets 1.5 and 2 of the "Minha Casa, Minha Vida" ("MCMV") federal government housing program. With a sustainable growth strategy, excellence in execution and strong business model, Tenda has been able to deliver solid cash generation and growing profits, sustaining its vision of offering to investors the highest returns in the low-income segment.