

Construtora Tenda S.A.

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Notice to the Market

1Q19 PREVIEW OF OPERATIONAL RESULTS

R\$910.1 million in acquisitions and R\$385.6 million in launches led to a landbank of \$9.42 billion in PSV. Net pre-sales totaled R\$406.9 million, with a 27.5% SoS

FOR IMMEDIATE RELEASE – São Paulo, April 11, 2019 – Construtora Tenda S.A. (“Company”, “Tenda”), a leading Brazilian homebuilder and real estate developer focused on low-income residential projects operating within the 1.5 and 2 ranges of the “Minha Casa, Minha Vida” (“MCMV”) federal government housing program, today announced a preview of its operational results (launches, gross sales, cancellations, net pre-sales, transferred units, delivered units, construction sites and landbank) for the first quarter of 2019. These results are preliminary, subject to audit review.

DESTAQUES

- **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

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%	-	-	-	-	-
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.

Launches ¹	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

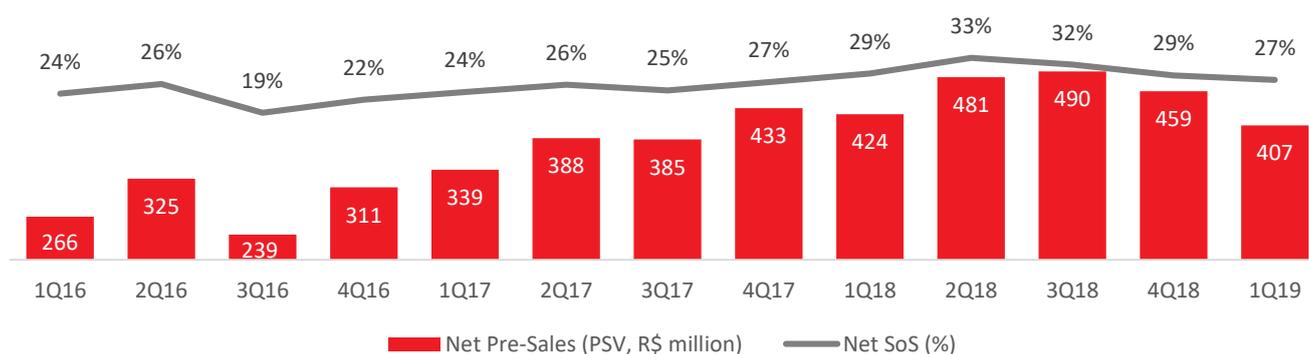
Net pre-sales totaled R\$406.9 million in 1Q19, positively impacted by lower cancellations over gross sales – 8.1% in the quarter, below 2018 levels (between 8.9% and 10.0%). Net Sales over Supply (“Net SoS”) reached 27.5% in 1Q19, down 1.1 p.p. QoQ and down 1.6 p.p. YoY as the share of units sold under 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 44 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% ↑

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.

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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.