

## 3Q20 Earnings Release

**Tenda records R\$70.5 million in net income in 3Q20 (9.1% YoY). Operating cash generation of R\$111.5 million in the quarter and R\$122.3 million in 9M20.**

São Paulo, November 05, 2020 -Construtora Tenda S.A. (“Company”, “Tenda”), a leading Brazilian homebuilder and real estate developer focused on affordable housing, announces today its results for the third quarter of 2020.

### HIGHLIGHTS

#### FINANCIALS

- **Net income** of R\$70.5 million, +75.0% QoQ and +9.1% YoY, driven by:
  - Record sales volume and resumption of progress in construction sites after 2Q20 interruptions improved operating income
  - Negative net financial result due to higher spreads on new debts
  - 9M20 net income impacted in R\$6.1 million related to offsite construction initiatives
- **Adjusted gross margin** at 33.0%, +0,8 p.p. QoQ and -1.8 p.p. YoY
  - Backlog margin dropped by 0.8 p.p. QoQ due to construction material inflation
- **Operating cash generation** of R\$111.5 million in 3Q20 (and R\$122.3 million in 9M20).
  - Impact of R\$ 0.2 million in offsite construction expenses in 9M20.
- **Net debt/equity** at -16.9%: deleveraging reinforced by cash generation in the quarter

#### OPERATIONS

- **17 projects launched** in 3Q20 with a PSV of R\$ 984.2 million (+29.3% YoY and +56.2% QoQ), **record-high quarter in launches in Tenda's history**
  - PSV of R\$1.78 billion year to date, a growth of +2.3% YoY.
- **Gross sales** of R\$ 836.1 million in 3Q20 (+41.7% YoY and +21.3 QoQ), with gross SoS of 36.3% (+5.0 p.p. YoY and flat QoQ), **record-high quarter in gross sales in Tenda's history**
  - **Net pre-sales** of R\$ 742.1 million in 3Q20 (+38.2% YoY and +28.7% QoQ), with net SoS of 32.3% (+4.3 p.p. YoY and +1.9 p.p. QoQ), also **record-high quarter in net-presales in Tenda's history**
  - Cancellations at 11.2% on gross sales in 3Q20 indicates normalization of historical rates
- **PSV transferred** of R\$ 626.2 million in 3Q20 (+125.8% YoY and +21.2% QoQ)
- **Landbank** reached R\$ 10.80 billion in PSV in 3Q20 (+9.5% YoY)

### COVID-19

- **Launching process** showed signs of improvement in all regions in the quarter
- **Sales at record-high levels**, signaling demand resilience and efficiency of both online and third-party sales channels.
- **Construction sites were normalized throughout 3Q20.**
- **Mortgage transfers were normalized throughout the quarter.**

## MESSAGE FROM THE MANAGEMENT

The third quarter of 2020 marks the resumption of good operating and financial performance of the company after two quarters of more adverse effects caused by the Covid-19 pandemic. Tenda posted a record operating performance in launches, sales and mortgage transfers and recorded an expressive growth in profitability and cash generation when compared to previous quarters. Such a performance attests the resilience of the affordable housing market in Brazil.

From the operational viewpoint, there were launches in 8 out of the 9 metropolitan areas where we operate and had no further bottlenecks in the legalization processes as found in the beginning of the pandemic, allowing our stores to offer a good range of products.

With this, quarterly sales recorded favorable results, positively influenced by a reduction in the percentage of cancellations, which start to resume to a curve close to historical levels driven by the fact that backlog of mortgage transfers is being successfully addressed. It is worth noting that the record sales performance took place organically, with no need to reduce prices or increase selling expenses. This achievement was only possible due to the major digital transformation we have been bringing about across the entire sales process, both for our own stores and as to the relationship with sales partner companies, to capture efficiency even in a complex scenario imposed by social distancing.

The positive financial result reflects precisely this operational improvement. We reached record levels of net operating income as a result of sales and construction sites resuming their regular activities. In addition, the gross margin showed stable results in this third quarter in spite of the cost pressures imposed by higher prices of construction materials, favored by charging payments in full. The net income had a 9.1% increase YoY, even in a scenario with financial expenses in 2020 being higher than those of 2019, driven by a higher debt spread and the reduction in the national interest rate (Selic).

It is worth observing that the backlog margin fell from 37.1% to 36.3%. This reduction was a result of the construction material cost pressure, whose effects we have already accounted for in all construction sites at the company. The maintenance of this cost increase tends to put pressure on the gross margin, since the low payment capacity of our customers restricts our ability to increase prices

Tenda, reinforces its focus in the industrialization of civil construction as a means to continue increasing productivity and generating long-term competitive edge. Thus, in addition to our off-site construction in wood-frame initiative, we announce the initiative of we are also investing in industrialization projects within the technology of aluminum mode, through our Distribution and Transformation Center (DTC).

In parallel, we have been making headway in the offsite project, with an ever stronger conviction that it is a major growth platform for Tenda in the years to come. The pilot projects we have been implementing so far confirm our initial thesis of product quality and production efficiency and, as we have recently announced, 2021 will be a relevant year to expand these tests to validate our business model. In this front, we have the pleasure to announce that Marcelo Willer is joining us as a minority investor for this specific project. Marcelo is the former CEO of Alphaville Urbanismo and highly knowledgeable of the business of real estate development and urbanism. Marcelo has been working closely with us in the project since its creation and we have recently established a partnership which ratifies his commitment and optimism in relation to the initiative to become the largest 'reconstruct' in Brazil. We are glad to officially welcome Marcelo aboard!

Tenda points out that it remains focused on long-term value generation seeking to build competitive differentials through civil construction industrialization, aiming to be the company which consistently delivers the highest return to its shareholders.

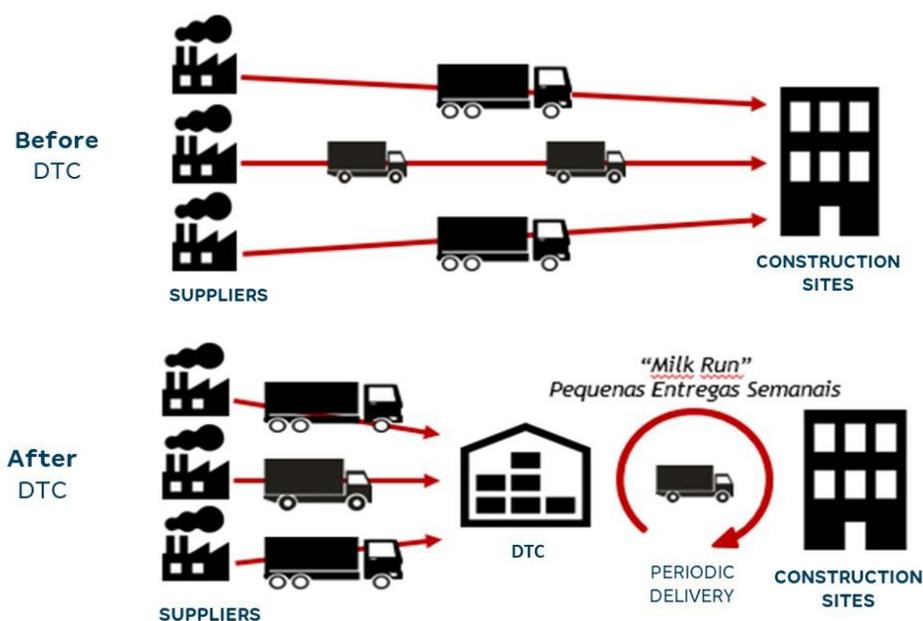
## Offsite Project

After assembling the first houses produced at the company's innovation center, we observed a gradual increase in investment in this project. Up to the present, R\$20.1 million was spent, out of which R\$ 5.8 million already exceeded what was entered as expenses in the Income Statement, thus adversely affecting the profit for the period. The only assets in the project are the machines, leading to a Balance Sheet that is lighter in the long term both for the project and for Tenda.

Off-Site (R\$ milhões)	3Q20	9M20	From the start of Project
Income Statement			
<b>Gross Profit</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
G&A	-5.7	-5.8	-5.8
Others	-0.2	-0.2	-0.2
Net profit	-5.8	-6.1	-6.1
Cash Flow			
	-7.8	-18.1	-20.1

## Distribution and Transformation Center (DTC)

In the second half of 2019, the Company developed the initiative with the purpose of reducing the logistics-related complexity in construction sites and lowering the costs associated with material processing. In a new model of construction sites in São Paulo, a Distribution and Transformation Center was designed with minimal inventory for the construction sites and with the reduction of waste and costs by means of in-house production of hydraulic and electrical kits. DTC is an important step towards industrializing the company's Core Business.



## ESG

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

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

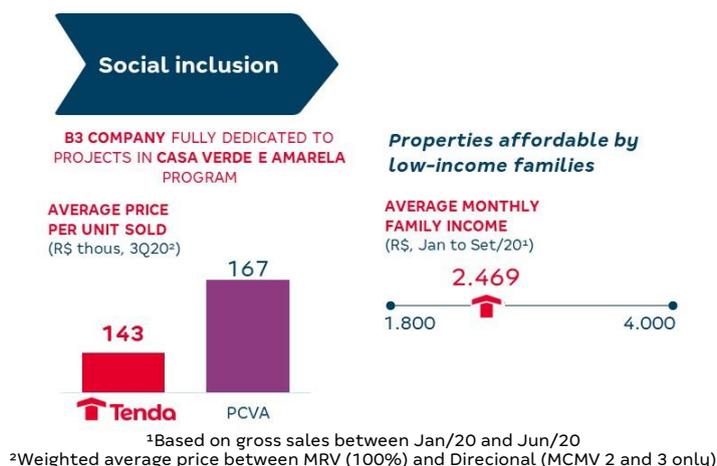
### Social Inclusion

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

At Tenda, a company in B3 entirely dedicated to building affordable residential units, all the projects fall into brackets 1.5 and 2 of the Minha Casa, Minha Vida program. The Company offers apartments with prices 14% lower than the average charged by the main competitors (according to sales information for 3Q20), providing families which never had this alternative with access to their own properties. Between January and September 2020, Tenda reached families with an average monthly family income of R\$ 2,468, which is closer to the floor value than to the ceiling value of MCMV bracket 2 (range of monthly family income between R\$ 1,800 and R\$ 4,000).

Indicators	3Q20	2Q20	3Q19
Average sales price - Tenda (R\$/UH)	143	139	141
Average sales price - MCMV <sup>1</sup> (R\$/UH)	167	169	164
<b>% Average sales price - (Tenda/MCMV)</b>	<b>86%</b>	<b>82%</b>	<b>86%</b>

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



### Respect for customers and employees

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

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

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

Indicators	3Q20	2Q20	3Q19
On-schedule deliveries (%) <sup>1</sup>	100%	100%	100%
Number of direct employees <sup>2</sup>	3,682	3,532	3,158
Number of indirect employees	1,900	1,921	1,771
Total employees	5,582	5,453	4,929
<b>% direct employees/total</b>	<b>66%</b>	<b>65%</b>	<b>64%</b>

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



## Commitment to Ethics and Governance

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

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

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



<sup>3</sup>Based on answers to Tenda's CVM (Brazilian Securities Exchange Commission) form 586  
<sup>4</sup>According to the management proposal approved at the Annual Shareholders' Meeting for the year 2020

For more ESG-related information, contact Tenda's IR team at [ri@tenda.com](mailto:ri@tenda.com)

## OPERATIONAL AND FINANCIAL HIGHLIGHTS

	3Q20	2Q20	Q/Q (%)	3Q19	Y/Y (%)	9M20	9M19	Y/Y (%)
<b>Operational Highlights (R\$ million, PSV)</b>								
Launches	984,2	630,2	56,2% ↑	761,4	29,3% ↑	1.780,0	1.739,3	2,3% ↑
Net Pre-Sales	742,1	576,4	28,7% ↑	536,9	38,2% ↑	1.758,2	1.423,7	23,5% ↑
Sales over Supply (SoS) (%)	32,3%	30,4%	1,9 p.p. ↑	28,0%	4,3 p.p. ↑	53,0%	50,8%	2,2 p.p. ↑
PSV transferred	626,2	516,5	21,2% ↑	277,3	125,8% ↑	1.524,9	1.088,0	40,2% ↑
Units Delivered (#)	2.163	2.499	(13,4%) ↓	3.844	(43,7%) ↓	6.518	8.616	(24,4%) ↓
Landbank	10.802,8	10.690,5	1,1% ↑	9.869,7	9,5% ↑	10.802,8	9.869,7	9,5% ↑
Landbank - Acquisitions/Adjustments	1.096,5	764,0	43,5% ↑	1.131,7	(3,1%) ↓	1.963,4	2.715,4	(27,7%) ↓
<b>Financial Highlights (R\$ millions)</b>								
Net Revenue	654,5	526,1	24,4% ↑	508,5	28,7% ↑	1.596,4	1.407,0	13,5% ↑
Adjusted Gross Profit <sup>1</sup>	216,3	169,8	27,4% ↑	177,3	22,0% ↑	518,2	500,0	3,6% ↑
Adjusted Gross Margin <sup>1</sup> (%)	33,0%	32,3%	0,8 p.p. ↑	34,9%	(1,8 p.p.) ↓	32,5%	35,5%	(3,1 p.p.) ↓
Adjusted EBITDA <sup>2</sup>	105,6	72,3	46,0% ↑	88,4	19,4% ↑	219,8	253,5	(13,3%) ↓
Adjusted EBITDA Margin <sup>2</sup> (%)	16,1%	13,7%	2,4 p.p. ↑	17,4%	(1,3 p.p.) ↓	13,8%	18,0%	(4,2 p.p.) ↓
Net Financial Result	(6,7)	(6,3)	(6,8%) ↓	2,1	(414,2%) ↓	(16,0)	4,8	(434,1%) ↓
Net Income (Loss) <sup>3</sup>	70,5	40,3	75,0% ↑	64,6	9,1% ↑	128,4	187,4	(31,5%) ↓
Backlog Revenues	745,3	687,0	8,5% ↑	582,7	27,9% ↑	745,3	582,7	27,9% ↑
Backlog Results	270,4	255,1	6,0% ↑	225,5	19,9% ↑	270,4	225,5	19,9% ↑
Backlog Margin (%)	36,3%	37,1%	(0,8 p.p.) ↓	38,7%	(2,4 p.p.) ↓	36,3%	38,7%	(2,4 p.p.) ↓
Cash and Cash Equivalents <sup>4</sup>	1.402,8	1.534,9	(8,6%) ↓	976,3	43,7% ↑	1.402,8	976,3	43,7% ↑
Net Debt	(250,7)	(187,7)	(33,6%) ↓	(231,5)	(8,3%) ↓	(250,7)	(231,5)	(8,3%) ↓
Shareholders' Equity + Minority Shareholders	1.480,5	1.408,1	5,1% ↑	1.304,4	13,5% ↑	1.480,5	1.304,4	13,5% ↑
Net Debt / (SE + Minority) (%)	(16,9%)	(13,3%)	(3,6 p.p.) ↓	(17,7%)	0,8 p.p. ↑	(16,9%)	(17,7%)	0,8 p.p. ↑
Cash Generation <sup>5</sup>	81,1	55,9	45,1% ↑	(40,8)	298,7% ↑	68,8	23,3	195,0% ↑
Operating Cash Generation <sup>6</sup>	111,5	71,0	57,0% ↑	(34,5)	423,4% ↑	122,3	34,2	258,0% ↑
Net Income (Loss) <sup>3</sup> (LTM)	204,6	198,7	2,9% ↑	235,4	(13,1%) ↓	134,1	235,4	(43,0%) ↓
NOPAT <sup>7</sup> (LTM)	247,0	236,2	4,6% ↑	262,2	(5,8%) ↓	247,0	262,2	(5,8%) ↓
Capital Employed <sup>8</sup>	1.220,4	1.220,4	0,0% ↑	1.072,9	13,7% ↑	1.220,4	1.072,9	13,7% ↑
ROE <sup>9</sup> (LTM)	15,1%	14,9%	0,1 p.p. ↑	18,7%	(3,6 p.p.) ↓	15,1%	18,7%	(3,6 p.p.) ↓
ROIC <sup>10</sup> (LTM)	21,5%	21,6%	(0,1 p.p.) ↓	26,4%	(4,9 p.p.) ↓	21,5%	26,4%	(4,9 p.p.) ↓
ROE (LTM) ex off-site	15,5%	14,9%	0,5 p.p. ↑	18,7%	(3,2 p.p.) ↓	15,5%	18,7%	(3,2 p.p.) ↓
ROIC (LTM) ex off-site	22,1%	21,6%	0,4 p.p. ↑	26,4%	(4,4 p.p.) ↓	22,1%	26,4%	(4,4 p.p.) ↓
Earnings Per Share <sup>11</sup> (LTM) (R\$/shares (ex-Treasury))	2,08	2,04	1,8% ↑	2,24	(7,4%) ↓	2,09	2,42	(13,4%) ↓

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 comprises the sum of the 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.

## OPERATIONAL RESULTS

### LAUNCHES

In 3Q20, Tenda launched 17 projects, totaling R\$ 984.2 million in PSV, up 29.3% YoY and +56.2% QoQ. In the first nine months of 2020, R\$1.78 billion in PSV is up 2.3% when compared to the same period of 2019. **This is the best quarter in launches in Tenda's history.**

There were launches in 8 out of 9 metropolitan areas where Tenda operates, with 7 projects in SP (49.7% of the total PSV launched in 3Q20).

The increase in the average price per unit launched was driven by the higher share of São Paulo in PSV launched in 3Q20.

Launches	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)	9M20	9M19	YoY (%)
Number of Launches	17	14	21.4% ↑	18	(5.6%) ↓	35	41	(14.6%) ↓
<b>PSV (R\$ million)</b>	<b>984.2</b>	<b>630.2</b>	<b>56.2% ↑</b>	<b>761.4</b>	<b>29.3% ↑</b>	<b>1,780.0</b>	<b>1,739.3</b>	<b>2.3% ↑</b>
Number of units	6,325	4,540	39.3% ↑	5,219	21.2% ↑	11,984	11,922	0.5% ↑
Average price per unit (R\$ thousand)	155.6	138.8	12.1% ↑	145.9	6.7% ↑	148.5	145.9	1.8% ↑
Average size of launches (in units)	372	324	14.7% ↑	290	28.3% ↑	342	291	17.8% ↑

### GROSS SALES

Gross sales amounted to R\$836.1 million in 3Q20, + 41.7% and +21.3 QoQ. **This is a record-high quarter in gross sales in Tenda's history.** The strong sales growth in the quarter led to the maintenance of a gross SoS of 36.3%.

There was an increase of 1.2% YoY and 2.4% QoQ in the national selling price due to the higher share or vertical projects of SP and BA in the sales mix, since their prices are higher than the average.

Gross Sales	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)	9M20	9M19	YoY (%)
<b>PSV (R\$ million)</b>	<b>836.1</b>	<b>689.3</b>	<b>21.3% ↑</b>	<b>590.2</b>	<b>41.7% ↑</b>	<b>2,066.2</b>	<b>1,570.0</b>	<b>31.6% ↑</b>
Number of units	5,860	4,947	18.5% ↑	4,185	40.0% ↑	14,719	11,566	27.3% ↑
Average price per unit (R\$ thousand)	142.7	139.3	2.4% ↑	141.0	1.2% ↑	140.4	135.7	3.4% ↑
<b>Gross SoS</b>	<b>36.3%</b>	<b>36.3%</b>	<b>0.0 p.p.</b>	<b>30.8%</b>	<b>5.5 p.p. ↑</b>	<b>62.3%</b>	<b>56.0%</b>	<b>6.3 p.p. ↑</b>

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



## CANCELLATIONS AND NET PRE-SALES

Net pre-sales totaled R\$ 836.1 million in 3Q20, up 38.2% YoY and 28.7% QoQ, resulting in net SoS of 32.3% in 3Q20, up 4.3 p.p. YoY and 1.9 p.p. QoQ.

The level of cancellations on gross sales (11.2% in 3Q20) recorded a drop in the quarter. The remaining backlog of the period of instability in 3Q19 and 1Q20 has been reduced and the normalization to the Company's historical periods is likely to occur in the next quarters.

(PSV, R\$ million)	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)	9M20	9M19	YoY (%)
<b>Gross Sales</b>	<b>836.1</b>	<b>689.3</b>	<b>21.3% ↑</b>	<b>590.2</b>	<b>41.7% ↑</b>	<b>2,066.2</b>	<b>1,570.0</b>	<b>31.6% ↑</b>
<b>Cancellations</b>	<b>94.0</b>	<b>112.8</b>	<b>(16.7%) ↓</b>	<b>53.3</b>	<b>76.3% ↑</b>	<b>308.0</b>	<b>146.3</b>	<b>110.5% ↑</b>
<b>Net Pre-Sales</b>	<b>742.1</b>	<b>576.4</b>	<b>28.7% ↑</b>	<b>536.9</b>	<b>38.2% ↑</b>	<b>1,758.2</b>	<b>1,423.7</b>	<b>23.5% ↑</b>
% Launches <sup>1</sup>	54.4%	30.7%	23.7 p.p. ↑	71.9%	(17.5 p.p.) ↓	33.8%	37.8%	(4.0 p.p.) ↓
% Inventory	45.6%	69.3%	(23.7 p.p.) ↓	28.1%	17.5 p.p. ↑	66.2%	62.2%	4.0 p.p. ↑
<b>Cancellations / Gross Sales</b>	<b>11.2%</b>	<b>16.4%</b>	<b>(5.2 p.p.) ↓</b>	<b>9.0%</b>	<b>4.3 p.p. ↑</b>	<b>14.9%</b>	<b>9.3%</b>	<b>5.6 p.p. ↑</b>
<b>Sales over Supply (SoS)</b>	<b>32.3%</b>	<b>30.4%</b>	<b>1.9 p.p. ↑</b>	<b>28.0%</b>	<b>4.3 p.p. ↑</b>	<b>53.0%</b>	<b>50.8%</b>	<b>4.3 p.p. ↑</b>

(in units)	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)	9M20	9M19	YoY (%)
Gross Units Sold	5,860	4,947	18.5% ↑	4,185	40.0% ↑	14,719	11,566	27.3% ↑
Canceled Units	681	817	(16.6%) ↓	404	68.6% ↑	2,240	1,107	102.3% ↑
<b>Net Units Sold</b>	<b>5,179</b>	<b>4,130</b>	<b>25.4% ↑</b>	<b>3,781</b>	<b>37.0% ↑</b>	<b>12,479</b>	<b>10,459</b>	<b>19.3% ↑</b>
<b>Cancellations / Gross Sales</b>	<b>11.6%</b>	<b>16.5%</b>	<b>(4.9 p.p.) ↓</b>	<b>9.7%</b>	<b>1.9 p.p. ↑</b>	<b>15.2%</b>	<b>9.6%</b>	<b>5.6 p.p. ↑</b>

<sup>1</sup>Current year launches

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



## UNITS TRANSFERRED, DELIVERED AND CONSTRUCTION SITES

The transferred PSV totaled R\$ 626.2 million in 3Q20, +125.8% YoY and +21.2% QoQ, representing the Company's **best quarter in terms of transfers**. The good performance is related to the normalization of mortgage transfers during the quarter, as CEF adapted several procedures to overcome the operational challenges seen at the beginning of the pandemic.

In 3Q20, 2,163 units were delivered. At the end of the quarter, 82 construction sites are in progress.

Transfers, Deliveries and Construction Sites	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)	9M20	9M19	YoY (%)
<b>PSV Transferred (in R\$ million)</b>	<b>626.2</b>	<b>516.5</b>	<b>21.2% ↑</b>	<b>277.3</b>	<b>125.8% ↑</b>	<b>1,524.9</b>	<b>1,088.0</b>	<b>40.2% ↑</b>
Transferred Units	5,085	4,157	22.3% ↑	2,312	119.9% ↑	12,369	9,180	34.7% ↑
<b>Delivered Units</b>	<b>2,163</b>	<b>2,499</b>	<b>(13.4%) ↓</b>	<b>3,844</b>	<b>(43.7%) ↓</b>	<b>6,518</b>	<b>8,616</b>	<b>(24.4%) ↓</b>
<b>Construction Sites</b>	<b>82</b>	<b>74</b>	<b>10.8% ↑</b>	<b>57</b>	<b>43.9% ↑</b>	<b>82</b>	<b>57</b>	<b>43.9% ↑</b>

## INVENTORY AT MARKET VALUE

The inventory at market value in the 3Q20 totaled R\$ 1.56 billion in PSV, up 12.9% YoY and 18.1% QoQ. The finished inventory totaled R\$ 43.2 million and represents only 2.8% of the total. Inventory turnover (given by inventory at market value divided by net sales of LTM) is at 7.9 months, below the average level of 2019 (8.2 months).

Inventory at Market Value	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)	9M20	9M19	YoY (%)
<b>PSV (R\$ million)</b>	<b>1,558.8</b>	<b>1,320.1</b>	<b>18.1% ↑</b>	<b>1,381.1</b>	<b>12.9% ↑</b>	<b>1,558.8</b>	<b>1,381.1</b>	<b>12.9% ↑</b>
Number of Units	10,416	9,289	12.1% ↑	9,391.0	10.9% ↑	10,416	9,391.0	10.9% ↑
Average price per unit (R\$ thousand)	149.7	142.1	5.3% ↑	147.1	1.8% ↑	149.7	147.1	1.8% ↑

Status of Construction	2Q20	0% to 30% built	30% to 70% built	More than 70% built	Finished units
<b>PSV (R\$ million)</b>	<b>1,558.8</b>	<b>780.9</b>	<b>659.4</b>	<b>75.3</b>	<b>43.2</b>

## LANDBANK

In 3Q20, the land bank reached R \$ 10.80 billion in PSV, up 9.5% YoY and 1.1% QoQ.

Landbank	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)	9M20	9M19	YoY (%)
Number of projects	291	285	2.1% ↑	278	4.7% ↑	291	278	4.7% ↑
<b>PSV (R\$ million)</b>	<b>10,802.8</b>	<b>10,690.5</b>	<b>1.1% ↑</b>	<b>9,869.7</b>	<b>9.5% ↑</b>	<b>10,802.8</b>	<b>9,869.7</b>	<b>9.5% ↑</b>
Acquisitions/Adjustments (R\$ million)	1,096.5	764.0	43.5% ↑	1,131.7	(3.1%) ↓	1,963.4	2,715.4	(27.7%) ↓
Number of units	73,266	72,167	1.5% ↑	67,527	8.5% ↑	73,266	67,527	8.5% ↑
Average price per unit (R\$ thousand)	147.4	148.1	(0.5%) ↓	146.2	0.9% ↑	147.4	146.2	0.9% ↑
% Swap Total	37.9%	34.8%	3.1 p.p. ↑	30.2%	7.7 p.p. ↑	37.9%	30.2%	7.7 p.p. ↑
% Swap Units	8.8%	8.5%	0.3 p.p. ↑	9.1%	(0.3 p.p.) ↓	8.8%	9.1%	(0.3 p.p.) ↓
% Swap Financial	29.2%	26.3%	2.9 p.p. ↑	21.1%	8.1 p.p. ↑	29.2%	21.1%	8.1 p.p. ↑

## FINANCIAL RESULTS

### NET OPERATIONAL REVENUE

Net operating revenue totaled R\$ 654.5 million in 3Q20, an increase of 28.7% YoY and 24.4% QoQ, it is worth noting that in this quarter we had a reclassification of R\$ 39 million between the provisions for cancellations and provision for estimated losses on doubtful accounts, so discounting this effect we would see a positive result of allowance for loan losses of R\$ 7.4 million while in the provision for cancellations we would have a reversal of R\$ 7.9 millions.

(For more information, see [TENDA RECEIVABLES](#)).

(R\$ million)	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)	9M20	9M19	YoY (%)
Gross Operating Revenue	651,7	548,6	18,8% ↑	515,8	26,3% ↑	1.652,2	1.438,8	14,8% ↑
Provision for estimated losses on doubtful accounts	(31,9)	1,6	(2.136,2%) ↓	2,0	(1.737,5%) ↓	(43,2)	8,2	(623,6%) ↓
Provision for cancellations	47,3	(13,8)	442,2% ↑	0,6	7.749,7% ↑	17,2	(12,1)	242,6% ↑
Tax on sales of properties and services	(12,5)	(10,3)	22,2% ↑	(9,8)	27,3% ↑	(29,8)	(28,0)	6,1% ↑
<b>Net Operating Revenue</b>	<b>654,5</b>	<b>526,1</b>	<b>24,4% ↑</b>	<b>508,5</b>	<b>28,7% ↑</b>	<b>1.596,4</b>	<b>1.407,0</b>	<b>13,5% ↑</b>

### GROSS PROFIT

Gross profit totaled R\$ 211.3 million in 3Q20, +25.7% YoY and +30.6% QoQ, resulting in a gross margin of 32.3%, +1.5 p.p. QoQ, but 0.8 p.p. lower than the gross margin in 3Q19. In this quarter, the gross margin was positively influenced due to the settlement of the entire balance of financing production with CEF due to the high spread of this debt (TR + 8.30%).

Adjusted for capitalized interest, gross profit reached R\$ 216.3 million in the quarter. Adjusted gross margin rose from 32.3% to 33.0% between quarters, despite the impact of higher costs, due to the one-off reversal of PDD and cancellations. It should be noted that the backlog margin (REF margin) fell 0.8 p.p. between the second and third quarters of 2020 due to the worsening of construction material costs.

(R\$ million)	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)	9M20	9M19	YoY (%)
Net Revenue	654.5	526.1	24.4% ↑	508.5	28.7% ↑	1,596.4	1,407.0	13.5% ↑
<b>Gross Profit</b>	<b>211.3</b>	<b>161.7</b>	<b>30.6% ↑</b>	<b>168.0</b>	<b>25.7% ↑</b>	<b>500.9</b>	<b>475.0</b>	<b>5.4% ↑</b>
Gross Margin	32.3%	30.7%	1.5 p.p. ↑	33.0%	(0.8 p.p.) ↓	31.4%	33.8%	(2.4 p.p.) ↓
(-) Financial Costs	5.0	8.0	(38.0%) ↓	9.2	(46.0%) ↓	17.3	25.0	(30.8%) ↓
<b>Adjusted Gross Profit<sup>1</sup></b>	<b>216.3</b>	<b>169.8</b>	<b>27.4% ↑</b>	<b>177.3</b>	<b>22.0% ↑</b>	<b>518.2</b>	<b>500.0</b>	<b>3.6% ↑</b>
Adjusted Gross Margin	33.0%	32.3%	0.8 p.p. ↑	34.9%	(1.8 p.p.) ↓	32.5%	35.5%	(3.1 p.p.) ↓

### SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

#### Selling expenses

In 3Q20, selling expenses totaled R\$ 55.6 million, + 19.0% YoY and 24.5% QoQ, representing 6.7% of gross sales. The indicator remained resilient at historical levels even with record sales due to the good performance of online sales.

(R\$ million)	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)	9M20	9M19	YoY (%)
<b>Selling Expenses</b>	<b>(55.6)</b>	<b>(44.7)</b>	<b>24.5% ↑</b>	<b>(46.8)</b>	<b>19.0% ↑</b>	<b>(148.4)</b>	<b>(117.1)</b>	<b>26.8% ↑</b>
<b>% Gross Sales</b>	<b>6.7%</b>	<b>6.5%</b>	<b>0.2 p.p. ↑</b>	<b>7.9%</b>	<b>(1.3 p.p.) ↓</b>	<b>7.2%</b>	<b>7.5%</b>	<b>(0.3 p.p.) ↓</b>

### General and Administrative Expenses (G&A)

In 3Q20, G&A expenses totaled R\$ 45.8 million, +47.0% YoY and +13.2% QoQ. The G&A of 3Q20 ex off-site was R\$ 40.3 million and accumulated R\$ 110.6 in 9M20.

(R\$ million)	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)	9M20	9M19	YoY (%)
<b>General and Administrative Expenses (G&amp;A)</b>	<b>(45.8)</b>	<b>(40.5)</b>	<b>13.2% ↑</b>	<b>(31.2)</b>	<b>47.0% ↑</b>	<b>(116.2)</b>	<b>(90.8)</b>	<b>27.9% ↑</b>
<b>% Net Operating Revenue</b>	<b>7.0%</b>	<b>7.7%</b>	<b>(0.7 p.p.) ↓</b>	<b>6.1%</b>	<b>0.9 p.p. ↑</b>	<b>7.3%</b>	<b>6.5%</b>	<b>0.8 p.p. ↑</b>

### OTHER OPERATIONAL REVENUES (EXPENSES)

Other operating revenues and expenses totaled R\$ 15.1 million in 3Q20, +15.8% YoY and -5.3% QoQ. The indicator remains flat in the comparison between 9M20 and 9M19, representing 2.9% of net operating revenue in the periods.

(R\$ million)	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)	9M20	9M19	YoY (%)
<b>Other Operating Revenues (Expenses)</b>	<b>(15.1)</b>	<b>(16.0)</b>	<b>(5.3%) ↓</b>	<b>(13.1)</b>	<b>15.8% ↑</b>	<b>(46.4)</b>	<b>(42.5)</b>	<b>9.0% ↑</b>
Litigation Expenses	(12.2)	(9.3)	30.7% ↑	(5.9)	105.9% ↑	(32.4)	(23.4)	38.5% ↑
Others	(3.0)	(6.7)	(55.4%) ↓	(7.2)	(58.4%) ↓	(14.0)	(19.1)	(27.0%) ↓
<b>% Net Operating Revenue</b>	<b>2.3%</b>	<b>3.0%</b>	<b>-0.7 p.p. ↓</b>	<b>2.6%</b>	<b>-0.3 p.p. ↑</b>	<b>2.9%</b>	<b>3.0%</b>	<b>-0.1 p.p.</b>
<b>Equity Income</b>	<b>(0.1)</b>	<b>(0.2)</b>	<b>(46.3%) ↓</b>	<b>(0.3)</b>	<b>(74.0%) ↓</b>	<b>(0.1)</b>	<b>(1.8)</b>	<b>(95.0%) ↓</b>

### ADJUSTED EBITDA

In 3Q20, Tenda's adjusted EBITDA totaled R\$ 105.6 million, 19.4% YoY and 46.0% QoQ.

(R\$ million)	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)	9M20	9M19	YoY (%)
Net Income	70.5	40.3	75.0% ↑	64.6	9.1% ↑	128.4	187.4	(31.5%) ↓
(+) Financial result	6.7	6.3	6.8% ↑	(2.1)	414.2% ↑	16.0	(4.8)	434.1% ↑
(+) Income taxes and social contribution	11.0	9.7	13.3% ↑	8.9	23.2% ↑	28.9	24.7	16.9% ↑
(+) Depreciation and amortization	5.8	4.3	35.7% ↑	5.2	13.3% ↑	16.3	14.7	10.7% ↑
(+) Capitalized interests	5.0	8.0	(38.0%) ↓	9.2	(46.0%) ↓	17.3	25.0	(30.8%) ↓
(+) Expenses with Stock Option Plan	6.0	3.9	56.1% ↑	2.5	142.2% ↑	12.7	5.7	121.6% ↑
(+) Minority Shareholders	0.5	(0.2)	352.8% ↑	0.1	436.3% ↑	0.3	0.8	(62.5%) ↓
<b>Adjusted EBITDA<sup>1</sup></b>	<b>105.6</b>	<b>72.3</b>	<b>46.0% ↑</b>	<b>88.4</b>	<b>19.4% ↑</b>	<b>219.8</b>	<b>253.5</b>	<b>(13.3%) ↓</b>
Net Revenue	654.5	526.1	24.4% ↑	508.5	28.7% ↑	1,596.4	1,407.0	13.5% ↑
<b>Adjusted EBITDA Margin<sup>1</sup></b>	<b>16.1%</b>	<b>13.7%</b>	<b>2.4 p.p. ↑</b>	<b>17.4%</b>	<b>(1.3 p.p.) ↓</b>	<b>13.8%</b>	<b>18.0%</b>	<b>(4.2 p.p.) ↓</b>

## FINANCIAL RESULTS

In 3Q20, Tenda recorded a negative financial result of R\$ 6.7 million. Lower net cash position and lower national interest rate (Selic) resulted in insufficient financial income from investments (at a 100% CDI benchmark) to meet the cost of debt, which increased with the raising of additional debt amid the pandemic.

(R\$ million)	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)	9M20	9M19	YoY (%)
Financial Income	6.1	10.3	(41.0%) ↓	17.2	(64.8%) ↓	25.6	44.5	(42.5%) ↓
Financial Expenses	(12.8)	(16.6)	(22.8%) ↓	(15.1)	(15.1%) ↓	(41.6)	(39.7)	4.7% ↑
<b>Financial Results</b>	<b>(6.7)</b>	<b>(6.3)</b>	<b>(6.8%) ↓</b>	<b>2.1</b>	<b>(414.2%) ↓</b>	<b>(16.0)</b>	<b>4.8</b>	<b>(434.1%) ↓</b>

## NET INCOME

In 3Q20, Tenda posted net income of R\$ 70.5 million, up 9.9% YoY and 75.0% QoQ. Net income for the quarter *ex off-site* was R\$ 76.3 million and R\$ 134.4 million in 9M20.

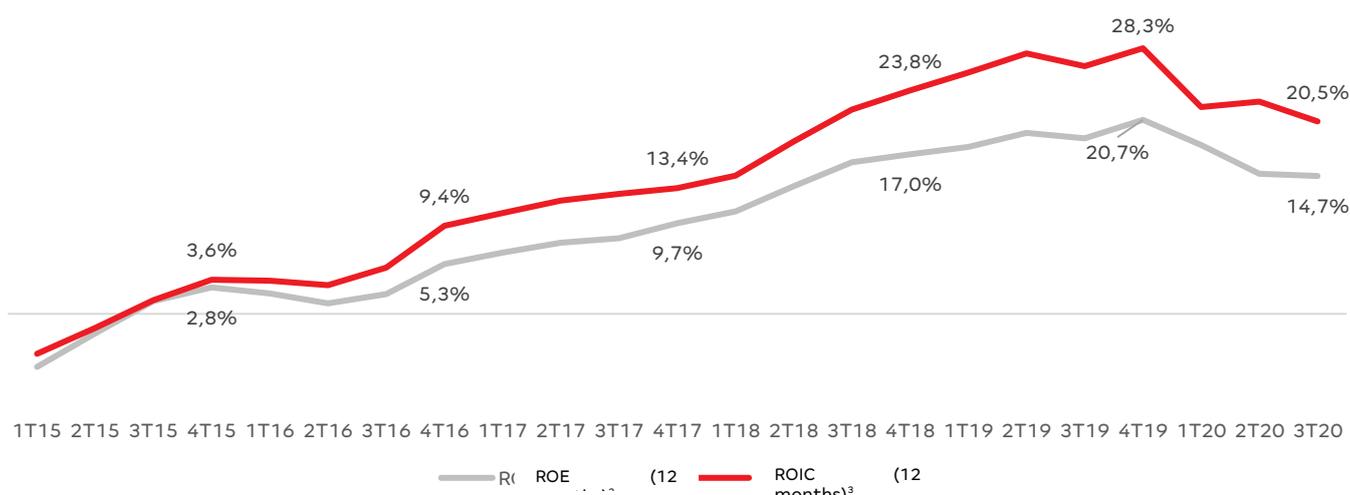
Earnings per share ex-treasury were R\$ 2.08, a decrease of 7.4% YoY.

(R\$ million)	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)	9M20	9M19	YoY (%)
Net Income after Income Tax and Social Contribution	71.0	40.1	77.1% ↑	64.7	9.7% ↑	128.7	188.2	(31.6%) ↓
(-) Minority Shareholders	(0.5)	0.2	(352.8%) ↓	(0.1)	(436.3%) ↓	(0.3)	(0.8)	62.5% ↑
<b>Net Income</b>	<b>70.5</b>	<b>40.3</b>	<b>75.0% ↑</b>	<b>64.6</b>	<b>9.1% ↑</b>	<b>128.4</b>	<b>187.4</b>	<b>(31.5%) ↓</b>
Net Margin	10.8%	7.7%	3.1 p.p. ↑	12.7%	(1.9 p.p.) ↓	8.0%	13.3%	(5.3 p.p.) ↓
Earnings per Share (12 months) (R\$/share)	1.96	1.90	2.9% ↑	2.25	(13.0%) ↓	1.96	2.26	(13.1%) ↓
Earnings per Share (12 months) (R\$/share) (ex-Treasury)	2.08	2.04	1.8% ↑	2.24	(7.4%) ↓	2.09	2.42	(13.4%) ↓

1. Earnings per share considers all issued shares (adjusted for stock splits).

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

## ROE (% , 12 months) and ROIC (% , 12 months)



## BACKLOG RESULTS

Backlog margin at 36.3% in 3Q20, down 2.4 p.p. YoY and 0.8 p.p. QoQ. The reduction reflects the increase in the cost of construction materials that tend to impact the gross margin for the next quarters.

(R\$ million)	September 20	June 20	QoQ (%)	September 19	YoY (%)
Backlog Revenues	745.3	687.0	8.5% ↑	582.7	27.9% ↑
Backlog Costs (of Units Sold)	(474.9)	(431.9)	9.9% ↑	(357.2)	32.9% ↑
<b>Backlog Results</b>	<b>270.4</b>	<b>255.1</b>	<b>6.0% ↑</b>	<b>225.5</b>	<b>19.9% ↑</b>
Backlog Margin	36.3%	37.1%	(0.8 p.p.) ↓	38.7%	(2.4 p.p.) ↓

## CASH AND CASH EQUIVALENTS

(R\$ million)	September 20	June 20	QoQ (%)	September 19	YoY (%)
Cash & Cash Equivalents	25.1	26.1	(3.6%) ↓	58.9	(57.3%) ↓
Short-term Investments	1,377.7	1,508.8	(8.7%) ↓	917.4	50.2% ↑
<b>Total Cash Position</b>	<b>1,402.8</b>	<b>1,534.9</b>	<b>(8.6%) ↓</b>	<b>976.3</b>	<b>43.7% ↑</b>

## ACCOUNTS RECEIVABLE

The Company totaled R\$ 797.9 million in accounts receivable in 3Q20, up 27.7% YoY and 7.7% QoQ due to the record sales.

(R\$ million)	September 20	June 20	QoQ (%)	September 19	YoY (%)
2020	748.3	707.8	5.7% ↑	648.1	15.5% ↑
2021	110.6	109.2	1.3% ↑	76.7	44.3% ↑
2022	55.4	56.5	(1.9%) ↓	27.0	105.3% ↑
2023	33.5	34.9	(4.2%) ↓	15.5	116.2% ↑
2024 and beyond	44.4	44.0	1.0% ↑	13.5	229.2% ↑
<b>Total Accounts Receivable</b>	<b>992.3</b>	<b>952.4</b>	<b>4.2% ↑</b>	<b>780.8</b>	<b>27.1% ↑</b>
(-) Present value adjustment	(4.5)	(6.1)	26.2% ↑	(6.5)	30.9% ↑
(-) Provision for doubtful accounts	(122.0)	(129.4)	5.7% ↑	(122.2)	0.2% ↑
(-) Provision for cancellations	(67.9)	(75.8)	10.4% ↑	(27.2)	(149.5%) ↓
<b>Accounts Receivable</b>	<b>797.9</b>	<b>741.2</b>	<b>7.7% ↑</b>	<b>624.8</b>	<b>27.7% ↑</b>
Days of Accounts Receivable	146	138	5.7% ↑	126	16.2% ↑

1. Overdue and falling due

## TENDA RECEIVABLES

Tenda's receivables portfolio (on and off balance, Tenda risk) net of provision increased 15.8% QoQ and 44.2% YoY, in line with the growth in sales.

Several initiatives in Collection led to an improvement in non-payment indicators - net receivables after delivery relative to defaulting customers remained at 15.1% of the total. In addition to reinforcing initiatives to reduce installments and new forms of negotiation with customers, given the uncertainty caused by Covid-19, the Company also opened new digital collection channels, with a positive impact on the behavior of the Tenda Receivables portfolio.

Improvement in default indicators led to a reduction in the allowances over after-delivery total receivables ratio, which went from 28.7% in 2Q20 to 24.7% in 3Q20.



Receivables Tenda <sup>1</sup> (R\$ million)	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)
<b>Gross Receivables</b>	<b>489.3</b>	<b>443.3</b>	<b>10.4% ↑</b>	<b>357.4</b>	<b>36.9% ↑</b>
Installments Before Delivery	70.8	61.7	14.9% ↑	40.9	73.1% ↑
Installments After Delivery	418.5	381.6	9.7% ↑	316.5	32.2% ↑
<b>Net Receivables</b>	<b>385.1</b>	<b>333.1</b>	<b>15.6% ↑</b>	<b>259.0</b>	<b>48.7% ↑</b>
Installments Before Delivery	70.2	61.0	15.0% ↑	40.6	73.0% ↑
Installments After Delivery	314.9	272.1	15.8% ↑	218.4	44.2% ↑

Receivables Tenda <sup>1</sup> (aging, after delivery)	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)
<b>Net Receivables Tenda (R\$ million)</b>	<b>314.9</b>	<b>272.1</b>	<b>15.8% ↑</b>	<b>218.4</b>	<b>44.2% ↑</b>
Not Delivered <sup>2</sup>	133.6	100.6	32.8% ↑	63.6	110.2% ↑
Delivered - Current	133.5	130.2	2.5% ↑	116.1	15.0% ↑
Delivered - <90d Overdue	34.0	29.1	16.7% ↑	27.9	21.8% ↑
Delivered - >90d Overdue	13.9	12.1	14.3% ↑	10.9	27.7% ↑
<b>% of Allowances over Total Receivables Tenda</b>	<b>24.7%</b>	<b>28.7%</b>	<b>(4.0 p.p.) ↓</b>	<b>31.0%</b>	<b>(6.3 p.p.) ↓</b>
Not Delivered <sup>2</sup>	13.4%	16.9%	(3.5 p.p.) ↓	17.3%	(3.9 p.p.) ↓
Delivered - Current	1.0%	1.8%	(0.7 p.p.) ↓	1.6%	(0.5 p.p.) ↓
Delivered - <90d Overdue	10.1%	17.2%	(7.1 p.p.) ↓	15.7%	(5.6 p.p.) ↓
Delivered - >90d Overdue	84.9%	86.9%	(2.1 p.p.) ↓	87.8%	(2.9 p.p.) ↓

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

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

## INDEBTEDNESS

In 3Q20, the Company's total debt fell to R\$ 1,153 billion due to the settlement of the entire balance of financing to production with CEF due to the high spread of this debt.

With a duration of 16.9 months and a nominal average cost of 4.6% YoY, the total debt in 2Q20 was composed mainly of corporate debt (86.8% of the total), linked to CDI with an average spread of CDI + 1.91%.

Debt Maturity Schedule (R\$ million)	3Q20	Bank Debt	Corporate Debt	Project Finance (SFH)
2020	1.9	1.5	0.4	0.0
2021	591.9	173.8	418.1	0.0
2022	219.0	119.0	100.0	0.0
2023	210.8	35.8	175.0	0.0
2024	129.2	4.2	125.0	0.0
2025 onwards	0.0	0.0	0.0	0.0
<b>Total Debt</b>	<b>1,152.9</b>	<b>334.3</b>	<b>818.5</b>	<b>0.0</b>

Debt Breakdown (R\$ million)	Maturity	Charges (APY)	Balance Due September 20	Balance Due June 20
<b>Total Debt</b>			<b>1,152.9</b>	<b>1,348.3</b>
<b>Bank Debt</b>	until 03/2024	CDI + 2.93% and 4.25%	<b>334.3</b>	<b>352.8</b>
<b>Corporate Debt</b>			<b>818.5</b>	<b>817.0</b>
CRI Tenda	until 01/2021	CDI + 0.90%	318.1	314.8
DEB TEND14	until 09/2023	CDI + 1.75%	150.3	152.2
DEB TEND15	until 03/2024	CDI + 1.40%	149.7	151.3
DEB TEND16	until 12/2024	CDI + 1.30%	200.5	198.6
<b>SFH</b>	<b>until 12/2023</b>	<b>TR + 8.30%</b>	<b>0.0</b>	<b>178.5</b>

Weighted Average Cost of Debt (R\$ million)	Balance Due September 20	Balance Due / Total Debt	Average Cost (APY)
CDI	1,152.8	100.0%	CDI + 1.9%
TR	0.0	0.0%	TR + 8.3%
<b>Total</b>	<b>1,152.9</b>	<b>100%</b>	<b>4.1%</b>

## RATING

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

## NET DEBT

Tenda has a net cash to equity ratio of 16.9%, keeping it as one of the most unleveraged companies in the sector.

(R\$ million)	September 20	June 20	QoQ (%)	September 19	YoY (%)
<b>Gross Debt</b>	<b>1,152.1</b>	<b>1,347.2</b>	<b>(14.5%) ↓</b>	<b>744.8</b>	<b>54.7% ↑</b>
(-) Cash and cash equivalents and financial investments	(1,402.8)	(1,534.9)	(8.6%) ↓	(976.3)	43.7% ↑
<b>Net Debt</b>	<b>(250.7)</b>	<b>(187.7)</b>	<b>(33.6%) ↓</b>	<b>(231.5)</b>	<b>(8.3%) ↓</b>
Shareholders' Equity + Minority Shareholders (SE+MS)	1,480.5	1,408.1	5.1% ↑	1,304.4	13.5% ↑
Net Debt / Equity (SE+MS)	(16.9%)	(13.3%)	(3.6 p.p.) ↓	(17.7%)	0.8 p.p. ↑
Adjusted EBITDA (12 months)	326.6	315.3	3.6% ↑	332.0	(1.6%) ↓

## CASH GENERATION AND CAPITAL DISTRIBUTION

Tenda ended 3Q20 with a cash generation of R\$ 81.1 million and operating cash generation of R\$ 111.5 million. The normalization of transfers allowed positive operating generation in the third quarter of 2020.

The Company did not repurchase shares, but distributed R\$ 18.1 million in dividends in 3Q20.

(R\$ million)	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)
Stock buyback	0.0	0.0	0.0% ↑	0.0	(100.0%) ↓
Dividends paid	18.1	0.0	-	17.3	4.4% ↑
<b>Capital Distribution</b>	<b>18.1</b>	<b>0.0</b>	<b>-</b>	<b>17.3</b>	<b>4.4% ↑</b>

(R\$ million, last 12 months)	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)
Stock buyback	0.0	10.9	(100.0%) ↓	131.5	(100.0%) ↓
Dividends paid	32.7	57.8	(43.4%) ↓	50.,1	(34.7%) ↓
<b>Capital Distribution</b>	<b>32.7</b>	<b>68.7</b>	<b>(52.4%) ↓</b>	<b>181.6</b>	<b>(82.0%) ↓</b>

(R\$ million)	September 20	June 20	QoQ (%)	September 19	YoY (%)
Change in Available Cash	(132.1)	474.2	4,968.8% ↑	(69.6)	147.7% ↑
(-) Change in Gross Debt	(195.1)	418.3	615.4% ↑	(11.5)	107.8% ↑
(+) Capital Distribution	18.1	0.0	64,475.0% ↑	17.3	4.4% ↑
<b>Cash Generation<sup>1</sup></b>	<b>73.9</b>	<b>(68.2)</b>	<b>208.5% ↑</b>	<b>7.5</b>	<b>887.3% ↑</b>
<b>Operating Cash Generation<sup>2</sup></b>	<b>111.5</b>	<b>71.0</b>	<b>217.9% ↑</b>	<b>(34.5)</b>	<b>118.1% ↑</b>

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

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

## INCOME STATEMENT

(R\$ million)	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)	9M20	9M19	YoY (%)
Net Revenue	654.5	526.1	24.4% ↑	508.5	28.7% ↑	1,596.4	1,407.0	13.5% ↑
Operating Costs	(443.2)	(364.4)	21.6% ↑	(340.5)	30.2% ↑	(1,095.6)	(932.0)	17.6% ↑
<b>Gross Profit</b>	<b>211.3</b>	<b>161.7</b>	<b>30.6% ↑</b>	<b>168.0</b>	<b>25.7% ↑</b>	<b>500.9</b>	<b>475.0</b>	<b>5.4% ↑</b>
Gross Margin	32.3%	30.7%	1.5 p.p. ↑	33.0%	(0.8 p.p.) ↓	31.4%	33.8%	(2.4 p.p.) ↓
Operating Expenses	(122.6)	(105.6)	16.0% ↑	(96.5)	27.0% ↑	(327.3)	(266.9)	22.6% ↑
Selling Expenses	(55.6)	(44.7)	24.5% ↑	(46.8)	19.0% ↑	(148.4)	(117.1)	26.8% ↑
G&A Expenses Gerais e Administrativas	(45.8)	(40.5)	13.2% ↑	(31.2)	47.0% ↑	(116.2)	(90.8)	27.9% ↑
Other Operating Revenue/Expenses Operacionais	(15.1)	(16.0)	(5.3%) ↓	(13.1)	15.8% ↑	(46.4)	(42.5)	9.0% ↑
Depreciation and amortization	(5.8)	(4.3)	35.7% ↑	(5.2)	13.3% ↑	(16.3)	(14.7)	10.7% ↑
Equity Income	(0.1)	(0.2)	46.3% ↑	(0.3)	74.0% ↑	(0.1)	(1.8)	95.0% ↑
<b>Operational Result</b>	<b>88.7</b>	<b>56.1</b>	<b>58.2% ↑</b>	<b>71.5</b>	<b>24.0% ↑</b>	<b>173.5</b>	<b>208.1</b>	<b>(16.6%) ↓</b>
Financial Income	6.1	10.3	(41.0%) ↓	17.2	(64.8%) ↓	25.6	44.5	(42.5%) ↓
Financial Expenses	(12.8)	(16.6)	(22.8%) ↓	(15.1)	(15.1%) ↓	(41.6)	(39.7)	4.7% ↑
<b>Net Income Before Taxes on Income</b>	<b>82.0</b>	<b>49.8</b>	<b>64.7% ↑</b>	<b>73.7</b>	<b>11.3% ↑</b>	<b>157.6</b>	<b>212.9</b>	<b>(26.0%) ↓</b>
Deferred Income Taxes	0.6	(1.5)	141.2% ↑	(1.6)	139.3% ↑	(2.2)	(3.3)	33.1% ↑
Income taxes and social contribution	(11.6%)	(8.2)	41.3% ↑	(7.4)	57.6% ↑	(26.7)	(21.4)	24.5% ↑
<b>Net Income After Taxes on Income</b>	<b>71.0</b>	<b>40.1</b>	<b>77.1% ↑</b>	<b>64.7</b>	<b>9.7% ↑</b>	<b>128.7</b>	<b>188.2</b>	<b>(31.6%) ↓</b>
(-) Minority Shareholders	(0.5)	0.2	(352.8%) ↓	(0.1)	(436.3%) ↓	(0.3)	(0.8)	62.5% ↑
<b>Net Income</b>	<b>70.5</b>	<b>40.3</b>	<b>75.0% ↑</b>	<b>64.6</b>	<b>9.1% ↑</b>	<b>128.4</b>	<b>187.4</b>	<b>(31.5%) ↓</b>

## BALANCE SHEET

(R\$ million)	September 20	June 20	QoQ (%)	September 19	YoY (%)
<b>Current Assets</b>	<b>3,053.2</b>	<b>3,086.9</b>	<b>(1.1%) ↓</b>	<b>2,123.0</b>	<b>43.8% ↑</b>
Cash and cash equivalents	25.1	26.1	(3.6%) ↓	58.9	(57.3%) ↓
Short term investments	1,377.7	1,508.8	(8.7%) ↓	917.4	50.2% ↑
Receivables from clients	539.9	578.1	(6.6%) ↓	449.7	20.1% ↑
Properties for sale	1,015.5	880.3	15.3% ↑	648.9	56.5% ↑
Other accounts receivable	95.0	93.6	1.6% ↑	48.1	97.8% ↑
<b>Non-Current Assets</b>	<b>906.6</b>	<b>906.9</b>	<b>(0.0%) ↓</b>	<b>905.5</b>	<b>0.1% ↑</b>
Receivables from clients	258.0	163.0	58.3% ↑	175.1	47.3% ↑
Properties for sale	580.9	679.3	(14.5%) ↓	660.6	(12.1%) ↓
Other	67.7	64.5	5.0% ↑	69.8	(2.9%) ↓
<b>Intangible, Property and Equipment</b>	<b>107.1</b>	<b>102.0</b>	<b>5.0% ↑</b>	<b>98.9</b>	<b>8.3% ↑</b>
<b>Investments</b>	<b>42.5</b>	<b>42.5</b>	<b>(0.1%) ↓</b>	<b>37.6</b>	<b>13.1% ↑</b>
<b>Total Assets</b>	<b>4,109.4</b>	<b>4,138.3</b>	<b>(0.7%) ↓</b>	<b>3,164.9</b>	<b>29.8% ↑</b>
<b>Current Liabilities</b>	<b>1,043.5</b>	<b>1,051.1</b>	<b>(0.7%) ↓</b>	<b>554.7</b>	<b>88.1% ↑</b>
Loans and financing	108.4	197.0	(45.0%) ↓	10.5	936.5% ↑
Debentures	370.1	318.8	16.1% ↑	1.2	31,861.5% ↑
Land obligations and customers' advances	267.9	263.7	1.6% ↑	321.5	(16.7%) ↓
Material and service suppliers	84.9	53.8	57.8% ↑	59.9	41.7% ↑
Taxes and contributions	29.3	62.2	(52.9%) ↓	28.7	2.0% ↑
Other	182.8	155.5	17.5% ↑	132.9	37.5% ↑
<b>Non-current Liabilities</b>	<b>1,584.9</b>	<b>1,679.2</b>	<b>(5.6%) ↓</b>	<b>1,305.9</b>	<b>21.4% ↑</b>
Loans and financing	225.2	333.1	(32.4%) ↓	132.6	69.8% ↑
Debentures	448.4	498.3	(10.0%) ↓	600.6	(25.3%) ↓
Land obligations and customers' advances	824.8	757.7	8.9% ↑	486.3	69.6% ↑
Deferred taxes	13.5	14.3	(5.7%) ↓	11.3	19.9% ↑
Provision for contingencies	27.6	29.3	(5.8%) ↓	27.0	2.2% ↑
Other creditors	0.0	0.0	0.0% ↑	0.0	0.0% ↑
Other	45.4	46.5	(2.4%) ↓	48.1	(5.6%) ↓
<b>Total Shareholders' Equity</b>	<b>1,480.5</b>	<b>1,408.1</b>	<b>5.1% ↑</b>	<b>1,304.4</b>	<b>13.5% ↑</b>
Shareholders' Equity	1,479.1	1,407.1	5.1% ↑	1,303.3	13.5% ↑
Minority Shareholders	1.4	0.9	53.9% ↑	1.0	34.7% ↑
<b>Total Liabilities and Shareholders' Equity</b>	<b>4,109.4</b>	<b>4,138.3</b>	<b>(0.7%) ↓</b>	<b>3,164.9</b>	<b>29.8% ↑</b>

## CASH FLOW STATEMENT

(R\$ million)	3Q20	2Q20	QoQ (%)	3Q19	YoY (%)	9M20	9M19	YoY (%)
<b>Cash from (used in) operating activities</b>	<b>94.2</b>	<b>90.7</b>	<b>3.9% ↑</b>	<b>(22.4)</b>	<b>520.8% ↑</b>	<b>142.6</b>	<b>68.9</b>	<b>107.1% ↑</b>
Net Income (loss) before taxes	82.0	49.8	64.7% ↑	73.7	11.3% ↑	157.6	212.9	(26.0%) ↓
Depreciation and amortization	9.6	7.9	22.0% ↑	8.1	18.5% ↑	26.8	22.7	18.3% ↑
Provision(reversal) doubtful accounts and cancellations	(6.3)	11.9	(152.9%) ↓	3.1	(303.0%) ↓	26.5	2.6	916.5% ↑
Present value adjustment	(1.6)	0.0	(6,737.5%) ↓	(1.8)	11.6% ↑	(2.9)	(3.5)	16.7% ↑
Impairment	(2.6)	(0.2)	(954.1%) ↓	(0.3)	(761.8%) ↓	(3.1)	(2.9)	(5.8%) ↓
Equity Income	0.1	0.2	(46.3%) ↓	0.3	(74.0%) ↓	0.1	1.8	(95.0%) ↓
Provision for contingencies	(3.7)	0.1	(2,783.3%) ↓	(5.9)	37.5% ↑	(0.7)	(8.4)	91.8% ↑
Unrealized interest and charges, net	9.5	15.1	(36.9%) ↓	5.9	62.2% ↑	34.2	12.2	179.2% ↑
Warranty provision	1.6	0.7	117.1% ↑	0.7	122.9% ↑	2.7	2.1	32.0% ↑
Warranty provisionProfit sharing provision	1.9	8.4	(78.0%) ↓	4.2	(55.9%) ↓	13.3	13.2	1.1% ↑
Stock option plan expenses	6.0	3.9	56.1% ↑	2.5	142.2% ↑	12.7	5.7	121.6% ↑
Write-off of fixed assets and net intangible assets	(3.2)	0,0	0,0% ↑	0,0	0,0% ↑	(3,2)	0,0	0,0% ↑
Other provisions	(0.7)	(1.8)	61.3% ↑	(0.4)	(71.0%) ↓	(0.9)	(1.1)	17.6% ↑
Leasing	(4.5)	4.5	(200.0%) ↓	0.0	0.0% ↑	0.0	0.0	0.0% ↑
Deferred taxes	(1.3)	0.9	(257.6%) ↓	1.3	(205.3%) ↓	1.8	1.0	81.7% ↑
Clients	(39.8)	(62.1)	35.9% ↑	(91.0)	56.2% ↑	(195.8)	(149.5)	(31.0%) ↓
Properties for sale	(31.5)	(44.5)	29.2% ↑	(153.7)	79.5% ↑	(72.5)	(242.9)	70.2% ↑
Other accounts receivable	(4.6)	0.0	(27,135.3%) ↓	(3.8)	(22.0%) ↓	(16.2)	(21.6)	25.1% ↑
Suppliers	31.1	(9.7)	422.1% ↑	11.6	167.5% ↑	46.0	38.5	19.6% ↑
Taxes and contributions	(10,3)	9,0	(213,4%) ↓	0,4	(2.829,8%) ↓	(2,6)	0,8	(446,0%) ↓
Salaries, payroll charges and bonus provision	9,8	(0,5)	2.218,9% ↑	6,4	53,0% ↑	11,2	(3,6)	410,0% ↑
Obligations for purchase of real properties	65.5	86.2	(24.1%) ↓	127.1	(48.5%) ↓	126.5	212.6	(40.5%) ↓
Other accounts payable	5.9	10.5	(43.8%) ↓	(3.0)	298.3% ↑	7.0	(3.0)	332.6% ↑
Current account operations	0.4	0.1	144.2% ↑	(0.2)	295.1% ↑	0.6	0.9	(35.6%) ↓
Taxes paid	(18.9)	0.1	(21,604.5%) ↓	(7.7)	(146.6%) ↓	(26.7)	(21.6)	(23.3%) ↓
<b>Cash from (used in) investment activities</b>	<b>126.7</b>	<b>(491.6)</b>	<b>125.8% ↑</b>	<b>58.4</b>	<b>116.9% ↑</b>	<b>(382.6)</b>	<b>(98.3)</b>	<b>(289.4%) ↓</b>
Purchase of property and equipment	(7.0)	(10.7)	34.5% ↑	(12.1)	42.2% ↑	(32.5)	(32.9)	1.3% ↑
Investments in marketable securities, net	133.7	(480.9)	127.8% ↑	70.5	89.6% ↑	(350.2)	(65.4)	(435.5%) ↓
<b>Cash from (used in) financing activities</b>	<b>(216.2)</b>	<b>392.7</b>	<b>(155.0%) ↓</b>	<b>(46.7)</b>	<b>(363.4%) ↓</b>	<b>222.6</b>	<b>54.0</b>	<b>312.1% ↑</b>
Stock Buyback	0.0	0.0	0.0% ↑	(0.0)	100.0% ↑	0.0	(62.5)	100.0% ↑
Capital Reserve Increase	9.1	(7.2)	227.1% ↑	2.1	337.5% ↑	1.1	4.2	(73.8%) ↓
Dividends Paid	(18.1)	(0.0)	(64,475.0%) ↓	(17.3)	(4.4%) ↓	(18.1)	(42.4)	57.3% ↑
Loans and financing increase	57.8	489.2	(88.2%) ↓	132.4	(56.3%) ↓	647.9	491.4	31.9% ↑
Amortization of loans and financing	(263.9)	(88.1)	(199.5%) ↓	(161.1)	(63.8%) ↓	(405.2)	(331.4)	(22.3%) ↓
Lease payments	(0.9)	(0.9)	2.1% ↑	(0.9)	(0.1%) ↓	(2.8)	(2.9)	3.7% ↑
Loan operations	(0.2)	(0.1)	(44.8%) ↓	(1.8)	88.4% ↑	(0.4)	(2.4)	82.8% ↑
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>8.0</b>	<b>(8.2)</b>	<b>198.1% ↑</b>	<b>(10.6)</b>	<b>175.5% ↑</b>	<b>(14.3)</b>	<b>24.6</b>	<b>(158.0%) ↓</b>
<b>At the beginning of the period</b>	<b>26.1</b>	<b>34.2</b>	<b>(23.8%) ↓</b>	<b>69.5</b>	<b>(62.5%) ↓</b>	<b>48.4</b>	<b>34.3</b>	<b>41.0% ↑</b>
<b>At the end of the period</b>	<b>25.1</b>	<b>26.1</b>	<b>(3.6%) ↓</b>	<b>58.9</b>	<b>(57.3%) ↓</b>	<b>25.1</b>	<b>58.9</b>	<b>(57.3%) ↓</b>

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## **ABOUT TENDA**

Tenda (B3: TEND3), one of the main homebuilders in Brazil, is listed under Novo Mercado, B3's highest corporate governance level. With a focus on affordable housing, it concentrates its activities in nine metropolitan areas of Brazil, with projects aimed within the brackets 1.5 and 2 of the "Minha Casa, Minha Vida" ("MCMV") federal government housing program.