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**EZTEC S.A.**

ON (Bovespa: EZTC3)

Closing Price: R\$ 29.72

# shares: 227,000,000

Market Cap: R\$ 6,746 MN

Date: 04/17/2020

# Preliminary Operational Results

# 1Q20



Construindo qualidade de vida

## EZTEC has launches of R\$564 million and net sales of R\$455 million in 1Q20

In the last-18-month aggregate figures, launches reached R\$3.0 billion and net sales R\$2.3 billion

São Paulo, April 17<sup>th</sup>, 2020 - EZTEC SA (BOVESPA: EZTC3; Bloomberg: EZTC3: BZ), announces its preliminary operating results for the first quarter of 2020 (1Q20). Note that the results presented here have managerial nature and are subject to revision following the external audit. The complete and audited results for 1Q20 are scheduled to be disclosed on May 14<sup>th</sup>, 2020, after market closure.

## Launches

In the first quarter of the year the Company launched a PSV of **R\$564 million**, which had already accounted for a fourth of the guidance for launches in the year (as measured by its midpoint). Naturally, the guidance was discontinued as a result of the force majeure nature of the Covid-19 pandemic. For the purpose of the quarter's publications, the Company also withdraws the Vero Ipiranga launch (with a PSV of R\$51.2 million), as it evaluates the possibility of relaunching it later on.

Even so, the quarter's performance is 46% greater than that of 1Q19, given the contribution of the noteworthy Air Brooklin Residences project (with a PSV of R\$365 million), which had already had half of its units sold within the first week of sales. The projects launched in 1Q20 belong to largely successful harvest of launches that, in practice, initiated in October of 2018 and, ever since, accumulated R\$3.0 billion of projects launched.

In chronological order, the quarter's launches were [i] Fit Casa Alto Ipiranga, the third MCMV project to be constructed and administered by EZTEC, [ii] Air Brooklin Residences, with 29m<sup>2</sup> to 81m<sup>2</sup> large apartments with a strong appeal to investors, and [iii] Z.Ibirapuera, also with compact apartments, but that was on its way to being launched at the exact week when the WHO announced the beginning of the pandemic.



**Fit Casa Alto do Ipiranga**

**Location:** São Paulo/SP  
**Segment:** Residential  
**Standard:** MCMV  
**EZTEC' PSV:** R\$ 80.9 MN  
**Units sold:** 92/370  
**% m<sup>2</sup> sold:** 25%



**Air Brooklin Residences**

**Location:** São Paulo/SP  
**Segment:** Residential  
**Standard:** Smart-living  
**EZTEC's PSV:** R\$ 364.6 MN  
**Units sold:** 398/663  
**% m<sup>2</sup> sold:** 56%

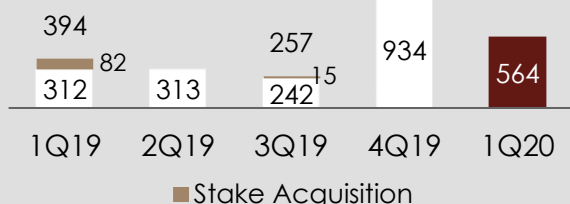


**Z.Ibirapuera**

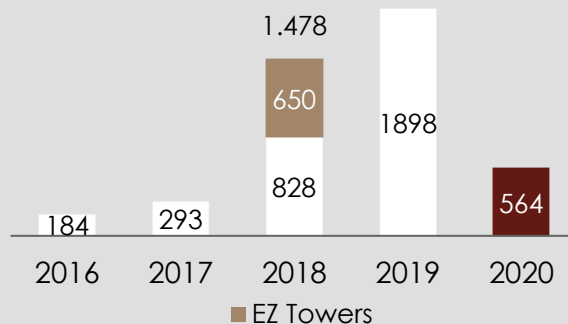
**Location:** São Paulo/SP  
**Segment:** Residential  
**Standard:** Smart-living  
**EZTEC's PSV:** R\$ 118.6 MN  
**Units sold:** 19/172  
**% m<sup>2</sup> sold:** 9%



Launched PSV  
% EZTEC (R\$ MN)



Cumulative Launched PSV  
% EZTEC (R\$ MN)

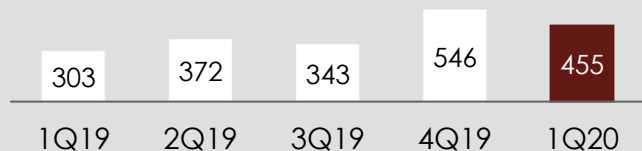


## Salles and Cancellations

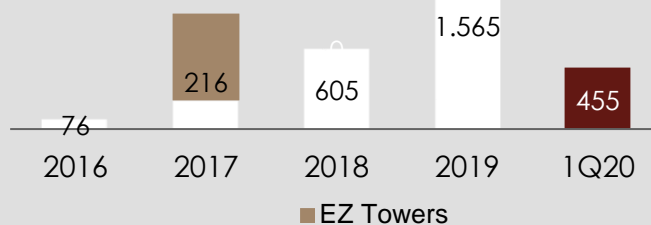
In the fourth quarter of 2019, the Company has performed **R\$455.2 MN** in net sales – broken down into **R\$475.5 million** in gross sales and **\$19.2 million** in cancellations. The net figure implies an 50% increase vis a vis 1Q19, propelled by the year's most significant project, Air Brooklin Residences. In its turn, EZ Parque da Cidade continued to contribute significantly, with more than R\$50 million sold in the quarter, enjoying a strong commercial momentum from its launch in October of 2019. Other projects that had been launched in previous quarters also continued to show breath – captured in the *Stand* and *In Construction* lines – are Reserva JB (with more than R\$40 million sold), Haute Ibirapuera (with approximately R\$25 million sold), and Le Jardin Ibirapuera (with more than R\$10 million sold).

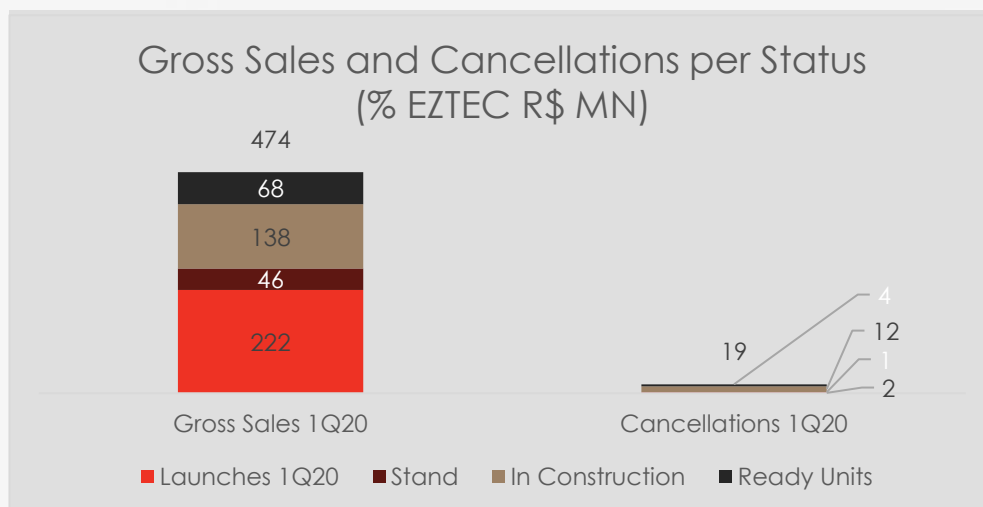
In regards to ready inventory, the slight contraction in sales reflect the exhaustion of available ready inventory. Yet, it also reflects the interruption in the pace of sales that ensued from the second half of March, where sales stands were suspended.

Net Sales  
% EZTEC (R\$ MN)



Cumulative Net Sales  
% EZTEC (R\$ MN)

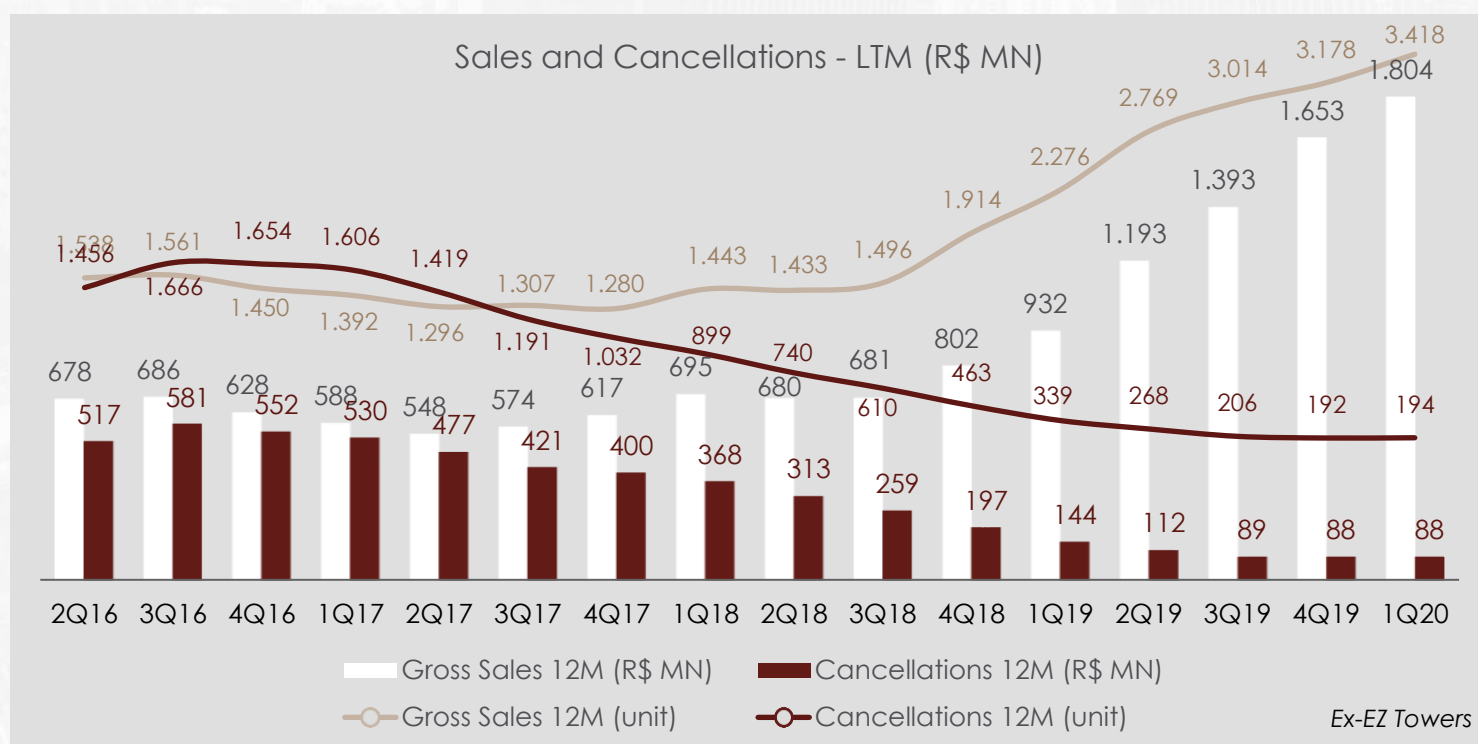




It's worth noting that the former 'launches' category status was subdivided into *Launches 1Q20* and *Stand*. This segmentation is based on the assumptions below (accompanied by examples of the quarter's commercial highlights):

- Launches 1Q20: projects launched in the quarter;  
(Air Brooklin Residences, Fit Casa Alto Ipiranga, and Z.Ibirapuera)
- Stand: projects launched in prior quarters but whose construction is yet to be started;  
(Haute Ibirapuera, PIN Internacional, and, through the month of January, Reserva JB)
- In construction: projects whose construction has started;  
(EZ Parque da Cidade, Reserva JB, Le Jardin Ibirapuera, Fit Casa Brás, Vertiz Tautapé, etc.)
- Ready units: completed projects with proper housing permit issued.  
(Cidade Maia, Jardins do Brasil, Parque Ventura, San Felipe, etc.)

Guided by the transparency and continuity, the graph below discloses gross sales and cancellation figures, accumulated over 12 months, where one can observe **cancellations at a contained level, against escalating gross sales, allowing for an increasing spread in net sales**:

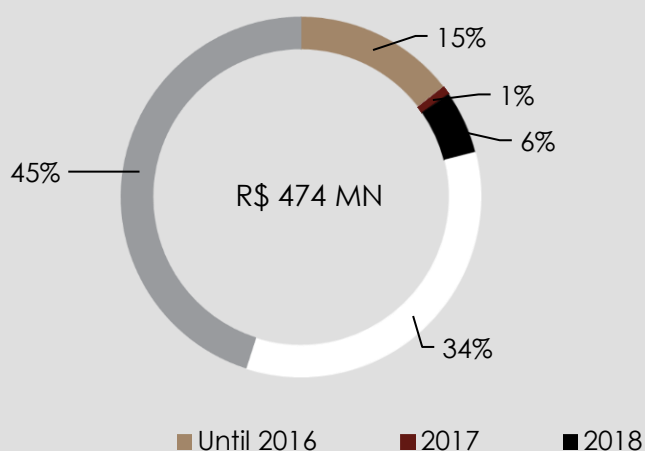


The following chart shows the sales over supply calculations, weighted by EZTEC's participation, highlighting the liquidity of the projects originated by the Company:

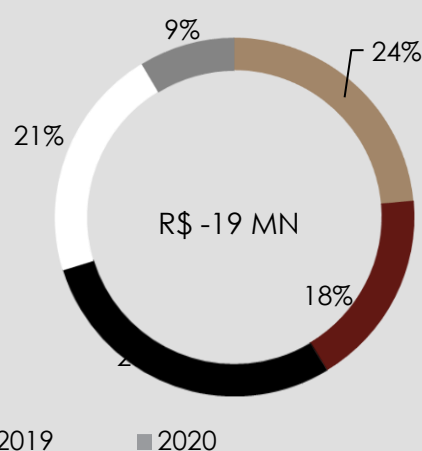
SALES OVER SUPPLY	1Q20	1Q19
+ Initial Inventory (m²)	222.201	202.822
+ Launches in the period (m²)	47.137	52.990
Launches in the period (m²)	47.136	42.631
Stake Acquisitions (m²)	0	10.360
<b>= Inventory + Launches (m²)</b>	<b>269.338</b>	<b>255.813</b>
- Net Sales in the period (m²)	49.703	42.991
Gross Sales in the period (m²)	52.336	46.149
Cancellations in the period (m²)	-2.633	-3.158
<b>= Final Inventory (m²)</b>	<b>219.634</b>	<b>212.822</b>
Net Sales Over Supply (%)	18,5%	16,8%
Gross Sales Over Supply (%)	19,4%	18,0%

## Managerial Figures (1Q20)

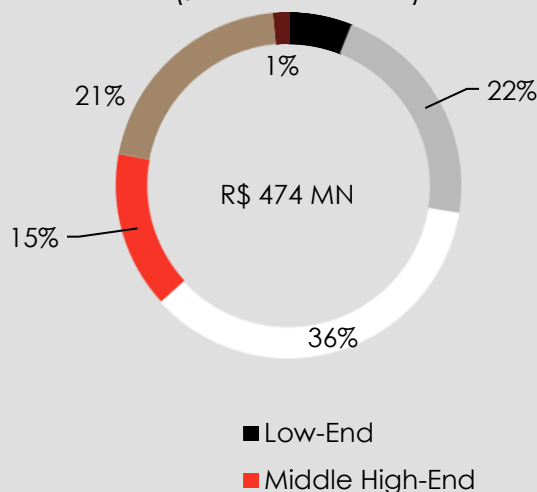
Gross Sales by Year of Launch  
(% of EZTEC's PSV)



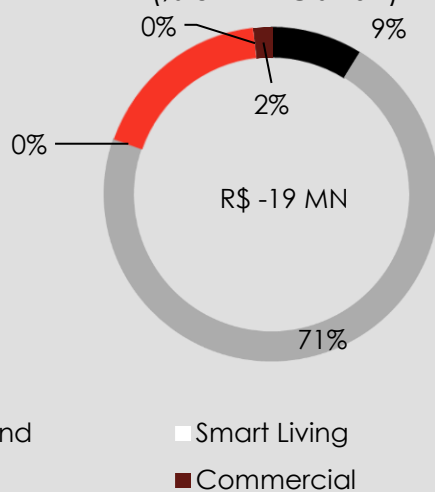
Cancellations by Year of Launch  
(% of EZTEC's PSV)



Gross Sales by Standard  
(% of EZTEC's PSV)



Cancellations by Standard  
(% of EZTEC's PSV)





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