



Reassessing Cyrela's Hidden Treasures: CYRE and MDNE Our Top Picks; Upgrading TRIS3 to OP

- We are introducing new YE24 TPs for all the mid/high-income Brazilian homebuilders segment stocks under our coverage, and we upgrade Trisul to OP from N.
- Our top picks are Cyrela and Moura Dubeux. CYRE3 combines (i) robust launches since 2021, leading to a solid revenue backlog (16% 23-25 EPS CAGR); (ii) stock liquidity for the top-down macro trade (historical correlation shows that a 100bps drop in LT rates could take CYRE's P/BV to 1.6x. from 1.3x currently); (iii) a P/BV at 1.3x not yet reflecting the market value of its listed subsidiaries or the fair value of its unlisted business units (Figures 6-9).
- In this report, we present an exercise incorporating the value of its subsidiaries to Cyrela's BV. **Adjusting Cyrela's BV to the market value of its listed subsidiaries (CURY, PLPL and LAVV), we see CYRE3 P/BV at 1.1x**, which we already see as attractive. **If we add Vivaz and CashMe at fair value (Figures 6-9), we see CYRE3 trading at 0.9x P/BV.**
- MDNE3 is our favorite low-liquidity stock, on the back of: (i) solid and sustained earnings momentum (35% EPS CAGR 23-25); (ii) a solid balance sheet (still net cash in 2Q23); (iii) operations in a far less competitive environment in the Northeast of Brazil; and, finally, (iv) cheap valuation (0.7x P/BV and 4.3x P/E), with an undeserved discount to peers (at 7.6x P/E).
- We upgrade TRIS3 to OP from N after recent results and SoS recovery (which we expect to help cash generation and reduce leverage in 2024). We see room for Trisul to revamp launches already in 2023 and reaccelerate earnings in 2024, combining Trisul's shorter-than-peers construction cycle (~20-22 months, vs. peers ~30) and an improved outlook for sales of inventory in advanced stage of construction. Under our new estimates, we see attractive valuation of 5.5x PE24 with 68% 23-25 EPS CAGR.

We see positive momentum for the mid/high-income segment, combining: 1) a positive mood from investors ahead of the monetary easing cycle (stocks have a high correlation with long-term rates, but investment flows should respond to lower SELIC); 2) sequential signs that the 2023-24 peak of deliveries should be concluded smoothly from a balance sheet perspective (even considering margins below 2020-21 expectations); 3) significant relief in construction costs; and 4) positive changes in SP's master plan, which should increase the offer of land for the following years, potentially enabling better margins in the next vintage of launches.

Reassessing Cyrela's hidden treasures: core mid/high business trades at 0.9x P/BV. CYRE3 currently trades at 1.3x P/BV, but Cyrela's BV consolidates Cury at book value (a significant discount to CURY3 at 4.9x P/BV), while PLPL and LAVV were booked at the IPO value (stocks are +16% and -8% vs their value in Cyrela's book, respectively). The difference sums up to R\$1.2bn, a 16% addition to Cyrela's book value. **Adjusting Cyrela's BV to the market value of its listed subsidiaries, we see CYRE3 P/BV at 1.1x.** We also updated our valuation exercise on Cyrela's non-listed subsidiaries Vivaz (Minha Casa Minha Vida business unit) and CashMe (asset-backed fintech) - Figures 6-9. **Assuming Vivaz at fair value, CYRE3 trades at 0.9x P/BV.**

CYRE's stake in listed subsidiaries up R\$1.1bn YTD (23% of CYRE3 mkt cap gain YTD). CYRE3 is up 94% YTD, which means a R\$4.8bn addition to Cyrela's market cap. The YTD stellar performance of its stakes in CURY3 (+48%, or +R\$0.4bn), LAVV3 (+92%, +R\$0.5bn) and PLPL3 (+183%, +R\$0.8bn) adds up to R\$1.1bn (or 23% of CYRE3's total market cap gains - Figure 10), which helps to support CYRE3 recent performance.

Upgrading TRIS to OP (from N): time to look to the next cycle. We are upgrading TRIS3 to Outperform, from Neutral, with a new YE24 TP of R\$11.00 (from R\$7.00). Our upgrade follows recent results and SoS recovery, which we expect to help cash generation and significantly reduce leverage in 2024 (to 35% D/E, down from 47% in YE23). We see room for Trisul to revamp launches already in 2023, helped by its R\$1bn PSV landbank in the MCMV segment, now eligible under the program's new rules. We are confident that the company should be

Ticker	Rating	FX	Last Px	TP	Upside
CYRE3 BZ	OP	BRL	24.9	31.00	24%
EVEN3 BZ	OP	BRL	7.9	10.00	26%
EZTC3 BZ	N	BRL	22.9	27.00	18%
HBOR3 BZ	N	BRL	4.2	5.00	19%
JHSF3 BZ	OP	BRL	5.6	10.00	77%
LAVV3 BZ	OP	BRL	8.8	11.00	26%
MTRE3 BZ	OP	BRL	7.4	10.00	35%
MDNE3 BZ	OP	BRL	11.2	16.00	42%
TCSA3 BZ	N	BRL	3.9	5.00	30%
TRIS3 BZ	OP	BRL	6.4	11.00	72%

Ticker	Mkt Cap \$mn	3M ADTV US\$mn	P/E 2023E	P/BV 2023E
CYRE3 BZ	9,954	128.4	11.9	1.3
EVEN3 BZ	1,643	6.7	8.2	0.8
EZTC3 BZ	5,198	46.5	9.7	1.1
HBOR3 BZ	564	2.4	26.7	0.4
JHSF3 BZ	3,870	16.0	8.3	0.8
LAVV3 BZ	1,742	4.1	11.0	1.4
MTRE3 BZ	783	4.1	9.2	0.8
MDNE3 BZ	954	3.1	5.2	0.7
TCSA3 BZ	283	0.4	31.1	0.5
TRIS3 BZ	1,192	5.7	13.7	0.9

Bruno Mendonca

bruno.mendonca@bradescobbi.com.br
+55 (11) 98685-9681

Pedro Lobato

pedro.l.fernandes@bradescobbi.com.br
+55 (11) 98640-0156

Herman Lee

herman.lee@bradescobbi.com.br
+55 (11) 98218-0772

able to reaccelerate earnings already in 2024 (15% ROE 24e), combining 1) Trisul's shorter-than-peers construction cycle (~20-22 months, vs peers ~30 months, which allows revenue recognition of launches to happen relatively fast) and 2) an improved outlook for sales of inventory in advanced stage of construction, which is immediately reflected in earnings and cash generation. Under our new estimates, we see attractive valuation of 5.5x PE24 with 68% 23-25 EPS CAGR.

CYRE vs. EZTC: after stellar +20pp performance, we are closing our long CYRE short EZTC trade. As we said in our [BBI Weekly Build Up #22](#), we opened the trade Long CYRE-Short EZTC back in Nov. 22 (our previous mid-high income revision), when we saw two very different stories on the micro side, with Cyrela at cruise speed and Eztec still struggling to improve asset turnover and with a margin downtrend. After a ~20pp spread over the time frame, we now see CYRE trading at 1.3x, a 17% premium in P/BV to EZTC's 1.1x, and we see this premium as justifiable. We do not expect this relative valuation to return to the historical 6% discount in the short-medium term, and still prefer Cyrela, but we think that the relative upside is not as clear as it was before the rally. Eztec should also benefit from lower interest rates, in addition to the eligibility of the mid-income segment arm Fit Casa to the Minha Casa Minha Vida program new rules, which should boost the company's 2H23 launches and help the stock's narrative in the short term, in addition to providing gradual improvement its asset turnover for the medium-to-long term.

Table of Contents

BBI Real Estate Coverage.....	4
Cyrela's Hidden Treasures.....	5
New vs. Old Estimates.....	7
Key Figures.....	8
Cyrela (OP; YE24 TP of R\$31.00).....	8
Even (OP; YE24 TP of R\$10.00).....	8
EzTec (N; YE25 TP of R\$27.00).....	8
Helbor (N; YE24 TP of R\$5.00).....	8
JHSF (OP; YE24 TP of R\$10.00).....	9
Moura Dubeux (OP; YE24 TP of R\$16.00).....	9
Tecnisa (N; YE24 TP of R\$5.00).....	9
Trisul (OP; YE24 TP of R\$11.00).....	9
Sector Overview.....	10

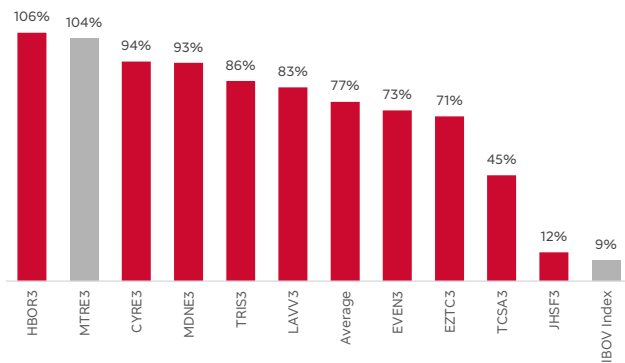
BBI Real Estate Coverage

Figure 1 - BZ homebuilding comp table

Company	Ticker	Rating	TP	Price	Upside	ADTV (3M)	Market Cap	P/E		P/BV	ROE	ND/Equity	Div. Yield	EPS CAGR	
			YE23	R\$	%	R\$m	R\$m	2023	2024	2023	2023	2024	2023	2023	'23-25
Homebuilders															
Low-Income Segment					24%	52	4,065	18.6x	8.3x	2.8x	23%	34%	30%	2%	61%
Cury	CURY3	OP	22.0	17.5	26%	29	5,067	10.5x	8.1x	4.9x	65%	72%	-21%	5%	22%
Direcional	DIRR3	OP	27.0	22.1	22%	47	3,823	11.2x	7.5x	2.0x	21%	26%	-12%	2%	26%
MRV	MRVE3	OP	20.0	13.9	44%	143	7,823	42.4x	9.0x	1.1x	3%	12%	64%	0%	178%
Plano & Plano	PLPL3	OP	13.0	11.3	15%	9	2,236	10.2x	7.9x	3.6x	42%	38%	47%	1%	17%
Tenda	TEND3	N	15.0	13.2	14%	35	1,376	n.a.	9.1x	2.3x	-18%	23%	70%	0%	n.a.
Mid/High-Income Segment					29%	24	2,871	13.1x	7.7x	0.9x	8%	12%	21%	1%	56%
Cyrela	CYRE3	OP	31.0	24.9	34%	129	9,954	11.8x	10.6x	1.3x	12%	12%	9%	2%	16%
Even	EVEN3	OP	10.0	7.9	26%	7	1,643	9.7x	10.5x	0.8x	9%	8%	13%	2%	17%
EzTec	EZTC3	N	27.0	22.9	18%	46	5,198	16.9x	11.9x	1.1x	7%	9%	-7%	0%	35%
Helbor	HBOR3	N	5.0	4.2	19%	2	564	26.7x	6.4x	0.4x	1%	6%	72%	2%	161%
JHSF	JHSF3	OP	10.0	5.6	77%	16	3,870	12.7x	7.3x	0.8x	6%	10%	26%	3%	74%
Lavvi	LAVV3	OP	11.0	8.7	26%	4	1,706	11.0x	8.0x	1.4x	13%	17%	-9%	3%	44%
Mitre	MTR3	OP	10.0	7.4	25%	4	783	9.2x	4.5x	0.8x	8%	16%	27%	0%	54%
Moura Dubeux	MDNE3	OP	16.0	11.2	42%	3	954	6.3x	4.3x	0.7x	12%	16%	7%	0%	35%
Tecnisa	TCSA3	N	5.0	3.9	20%	0	283	21.3x	4.5x	0.5x	2%	10%	102%	0%	211%
Trisul	TRIS3	OP	11.0	6.4	42%	6	1,164	13.3x	5.5x	0.9x	7%	15%	47%	1%	68%

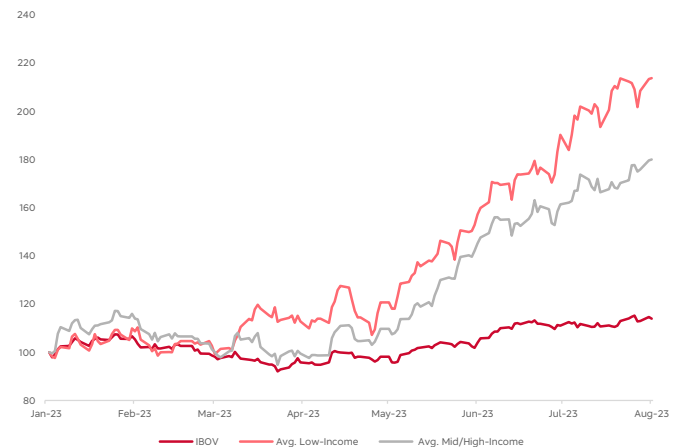
Source: Bloomberg, Bradesco BBI

Figure 2 - Mid-High-income homebuilders' stock performance YTD



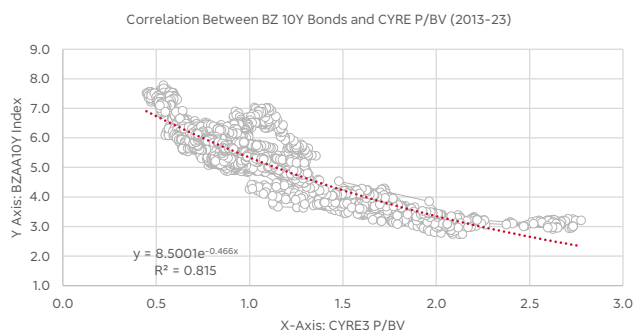
Source: Bloomberg, Bradesco BBI

Figure 3 - Mid/High-Income HBs vs. Low-Income HBs vs. IBOV Performance (YTD)



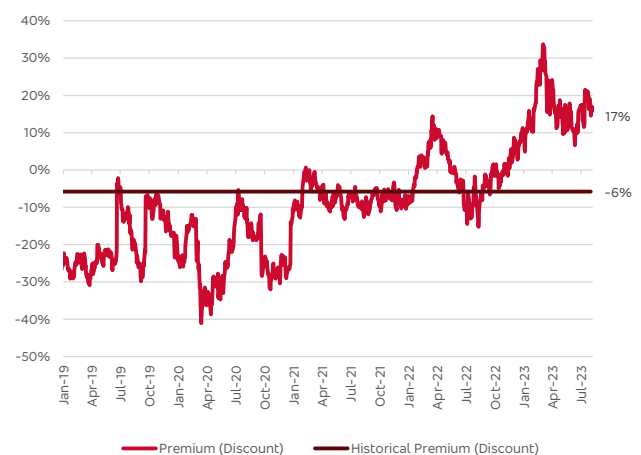
Source: Bloomberg, Bradesco BBI

Figure 4 - Correlation Between CYRE3's P/BV and BZ 10-Year Bonds (2013-23)



Source: Bloomberg, Bradesco BBI

Figure 5 - CYRE vs. EZTC historical P/BV premium (discount)



Source: Bloomberg, Bradesco BBI

Cyrela's Hidden Treasures

Here we present an exercise incorporating the value of Cyrela's subsidiaries to its book value. On Cyrela's balance sheet, Cury is recorded at book value, while CURY3 stock currently trades at 4.9x P/BV. PLPL and LAVV, on the other hand, were initially booked at the IPO price, and stocks are currently +16% and -8% vs their value in Cyrela's book, respectively. The difference between the market value and the value on Cyrela's balance sheet adds up to R\$1.1bn (Figure 10), which would lead to additional 16% in Cyrela's book value.

Adjusting Cyrela's BV to the market value of its listed subsidiaries (CURY, PLPL and LAVV), we see CYRE3 P/BV at 1.1x (vs. 1.3x before the adjustment).

Figure 6 - Cyrela's BV adjusted by subsidiaries market cap

	Price	mkt cap (R\$ '000)	Cyrela Stake	Mkt cap @ stake	BV 1Q23 (as in CYRE's BS)	P/BV
Cyrela	24.90	9,954	-	9,954	7,488	1.3x
Cury	17.48	5,102	22%	1,111	166	
Plano & Plano	11.28	2,304	34%	790	688	
Lavvi	8.73	1,742	28%	494	534	
Cyrela's fair P/BV adjusted by subsidiaries market cap¹					8,691	1.1x

Source: Bloomberg, Companies, Bradesco BBI

We are also updating our fair value estimates for Vivaz (Cyrela's low-income business unit - Figure 8) and CashMe (Figure 9).

If we add Vivaz' and CashMe' at fair value to Cyrela's book, we see CYRE3 trading at 0.9x P/BV (including listed subsidiaries at market cap) - Figure 7.

Figure 7 - Cyrela's P/BV analysis adjusted by subsidiaries mkt cap, Vivaz and CashMe fair values

	Price	mkt cap (R\$ '000)	BV 1Q23 (as in CYRE's BS)	P/BV
Cyrela	24.90	9,954	7,488	1.3x
CashMe (BBle)		1,225	721	
Cyrela ex-CashMe ^{1 2}		8,729	6,766	1.3x
Vivaz (BBle)		1,632	616	
Cury (%CYRE)		1,111	166	
Plano & Plano (%CYRE)		790	688	
Lavvi (%CYRE)		494	534	
Cyrela's fair P/BV adj. By subsidiaries mkt cap, Vivaz and CashMe		4,702	4,959	0.9x

Source: Bloomberg, Company, Bradesco BBI

Figure 8 - Vivaz valuation (BBle)

Vivaz key figures (R\$m)	2019	2020	2021	2022	1Q23
book value	465	499	700	652	616
NOPLAT	118	84	118	207	47
Net earnings (BBle)	111	76	106	197	44
ROE (annualized, BBle)	24%	16%	20%	29%	28%
Vivaz stable ROE (BBle)		25%			
Fair P/BV		2.6			
Vivaz fair equity value		1,632			

Source: Cyrela, Bradesco BBI

Figure 9 - CashMe valuation (BBle)

CashMe (FY2025+perp)		
Assets (R\$mn)	5,000	(A)
Lending rate (IPCA+)	13.0%	(B)
Senior quotes (% of assets)	85%	(C)
Senior quotes (R\$mn)	4,250	(D)=(A)x(C)
Funding cost (IPCA+)	7.0%	(E)
CashMe gross spread	6.0%	(F)=(B)-(E)
Senior quotes gross results (R\$mn)	255	(G)=(D)x(F)
Subordinated quotes (% of assets)	15%	(H)
Subordinated quotes (R\$mn)	750	(I) = (H)x(A)
IPCA inflation (a.a.)	4.0%	(J)
Subordinated quotes gross results (R\$mn)	128	(K)=(I) x [(B)+(J)]
Net Interest Margin (R\$mn)	383	(L)=(G)x(K)
Net Interest Margin, -bad debt and -operating costs	51.0%	(M)=(L)/(I)
Operating costs (3% of assets)	-150	(N)
Bad debt (0.8% of assets)	-40	(O)
Taxes (34%)	-65	(P)
CashMe net earnings	127	(Q)=(L)+(N)+(O)+(P)
ROE	17%	(R)=(Q)/(I)
Ke	11.9%	(S)
g	4.0%	(T)
Fair P/BV	1.6	(U)=((R)-(T))/((S)-(T))
Fair equity value (CashMe)	1,225	(V)=(I)x(U)
EV/Sales*	3.2	(X)=(V)/(L)

Source: Cyrela, Bradesco BBI

Figure 10 - Cyrela's subsidiaries mkt cap change

	Mkt Cap Jan-23	Cyrela's stake	Mkt Cap Jan-23*	Cur Mkt Cap*	Change (R\$mn)*	Change %	As % of Cyrela's change
Cyrela	5,137	na	5,137	9,954	4,817	94%	
Cury	3,453	22%	752	1,111	359	48%	7%
Plano e Plano	813	34%	279	790	511	183%	11%
Lavvi	906	28%	257	494	237	92%	5%
Total					1,108		23%

(*) @ Cyrela's stake

Source: Bloomberg, Bradesco BBI

New vs. Old Estimates

Figure 11 - Mid/High-Income HBs New vs. Old Estimates

Mid/High-Income		Cyrela	Even	EzTec	Helbor	JHSF	Lavvi	Mitre	Moura Dubeux	Tecnisa	Trisul
Rating	NEW OLD	OP OP	OP OP	N N	N N	OP OP	OP OP	OP OP	OP OP	N N	OP N
Target Price	NEW	31.00	10.00	27.00	5.00	10.00	11.00	10.00	16.00	5.00	11.00
Current Price		24.90	7.93	22.90	4.21	5.64	8.73	7.40	11.24	3.85	6.39
Upside	NEW	24%	26%	18%	21%	42%	26%	35%	42%	30%	72%
Trading Multiples											
P/BV											
2023E		1.3x	0.8x	1.1x	0.4x	0.8x	1.4x	0.7x	0.7x	0.5x	0.9x
2024E		1.3x	0.8x	1.1x	0.4x	0.8x	1.3x	0.6x	0.6x	0.4x	0.8x
ROE											
2024E		12.3%	7.7%	9.2%	5.9%	10.4%	17.2%	8.3%	15.8%	10.0%	14.9%
23-25 avg.		12.7%	9.2%	9.3%	5.5%	11.3%	18.0%	13.5%	15.0%	9.9%	12.5%
P/E											
2023E		11.8x	9.7x	16.4x	25.7x	13.1x	10.5x	8.6x	6.1x	21.3x	13.5x
2024E		10.6x	10.5x	11.6x	6.2x	7.5x	7.7x	4.2x	4.2x	4.5x	5.6x
2025E		8.8x	7.0x	9.0x	3.8x	4.4x	5.1x	3.6x	3.4x	2.2x	4.8x
23-25 EPS CAGR		16.1%	17.4%	34.9%	160.8%	73.6%	44.3%	54.0%	34.8%	210.6%	68.2%
ND/Equity YE23		8.7%	13.3%	-7.0%	71.9%	25.7%	-8.9%	27.5%	7.2%	102.3%	47.0%
Dividend Yield											
2023E		1.9%	2.3%	0.1%	2.2%	2.4%	3.0%	0.0%	0.0%	0.0%	1.4%
2024E		4.3%	2.6%	1.7%	0.0%	4.0%	5.7%	3.0%	0.0%	0.0%	2.2%
Key Figures											
Launches											
2023E		7,001	1,810	1,486	692	1,500	1,974	1,697	1,862	818	988
New vs. Old (%)		4%	25%	-25%	-23%	36%	0%	0%	4%	10%	-17%
2024E		7,437	1,952	1,919	811	700	2,515	1,653	1,960	745	1,335
New vs. Old (%)		7%	29%	-10%	-14%	-31%	0%	0%	5%	0%	0%
2025E		7,824	2,058	1,988	945	1,082	2,467	1,702	2,059	745	1,562
New vs. Old (%)		9%	29%	-11%	-2%	7%	0%	0%	6%	0%	0%
Net Revenue											
2023E		5,713	2,413	1,243	952	1,838	925	1,198	1,192	621	1,125
New vs. Old (%)		0%	-8%	12%	-11%	-23%	0%	0%	-5%	-4%	19%
BBle vs. Cons. (%)		-2%	-1%	5%	-13%	-9%	1%	16%	-1%	1%	11%
2024E		6,268	2,333	1,508	1,212	2,330	1,411	1,540	1,504	620	1,498
New vs. Old (%)		3%	-4%	-2%	3%	1%	0%	0%	-4%	0%	66%
BBle vs. Cons. (%)		0%	-2%	2%	-5%	-5%	6%	11%	-2%	-6%	31%
2025E		6,691	2,456	1,594	1,195	2,909	1,857	1,656	1,683	449	1,367
New vs. Old (%)		7%	7%	30%	-11%	18%	0%	0%	-2%	-2%	6%
BBle vs. Cons. (%)		0%	0%	-6%	-18%	18%	6%	6%	-2%	-34%	-4%
Gross Margin											
2023E		31%	25%	35%	27%	55%	32%	24%	34%	20%	26%
New vs. Old (%)		-2.9pp	-0.9pp	-4.0pp	-0.6pp	-8.7pp	0.0pp	0.0pp	-0.6pp	-18.2pp	-5.7pp
BBle vs. Cons. (%)		-1.1pp	-0.7pp	0.0pp	-3.6pp	-8.7pp	0.1pp	-1.9pp	-0.6pp	-13.8pp	-3.8pp
2024E		31%	28%	38%	32%	55%	32%	27%	35%	21%	30%
New vs. Old (%)		-2.6pp	-1.0pp	-6.0pp	1.6pp	-8.5pp	0.0pp	0.0pp	0.8pp	-16.7pp	-1.7pp
BBle vs. Cons. (%)		-1.5pp	-0.8pp	-0.9pp	-0.3pp	-8.5pp	-0.7pp	-2.2pp	0.8pp	-13.5pp	-1.9pp
2025E		32%	30%	39%	33%	58%	32%	29%	35%	26%	32%
New vs. Old (%)		-1.8pp	-1.0pp	0.2pp	1.7pp	-6.4pp	0.0pp	0.0pp	1.4pp	-12.7pp	0.7pp
BBle vs. Cons. (%)		-1.1pp	-1.3pp	0.7pp	0.2pp	-6.4pp	-0.8pp	-1.7pp	1.4pp	-9.1pp	0.2pp
Net Income											
2023E		843	169	308	21	304	155	85	152	13	87
New vs. Old (%)		-6%	-6%	-22%	-73%	-61%	0%	0%	-19%	47%	-20%
BBle vs. Cons. (%)		-1%	-7%	4%	-53%	-42%	-2%	-6%	-14%	-38%	-23%
2024E		940	157	436	88	532	212	172	223	63	212
New vs. Old (%)		-8%	-20%	-27%	-21%	-29%	0%	0%	-18%	-23%	113%
BBle vs. Cons. (%)		-5%	-24%	2%	-11%	-28%	-9%	2%	-8%	-27%	27%
2025E		1,136	233	561	143	915	324	201	277	129	247
New vs. Old (%)		4%	10%	35%	-18%	-1%	0%	0%	5%	-1%	31%
BBle vs. Cons. (%)		-5%	-16%	-2%	-12%	-1%	-3%	-2%	5%	51%	6%

Source: Company, Bloomberg and Bradesco BBI

Key Figures

Cyrela (OP; YE24 TP of R\$31.00)

CYRE3	2022A	2023E	2024E	2025E
Operational				
Launches (%co.)	6,500	7,001	7,437	7,824
Contracted Sales (%co.)	6,123	6,709	7,021	7,430
Financials				
Net Revenues	5,412	5,713	6,268	6,691
Gross Profit	1,734	1,752	1,947	2,144
Gross Margin	32.0%	30.7%	31.1%	32.0%
Net Earnings	808	843	940	1,136
Net Margin	14.9%	14.7%	15.0%	17.0%
EPS	2.10	2.19	2.45	2.96
FCF	113	(277)	273	547
FCF Yield	1.1%	-2.8%	2.7%	5.5%
Dividends	25	192	429	611
Dividend Yield	0.3%	1.9%	4.3%	6.1%
Payout	3.1%	22.8%	45.6%	53.8%
Leverage				
Net Debt	239	708	864	927
Net Debt / Equity	3%	9%	10%	11%
Growth (YoY)				
Launches (%co.)	3%	8%	6%	5%
Contracted Sales (%co.)	25%	10%	5%	6%
Net Revenues	13%	6%	10%	7%
Net Earnings	-12%	4%	12%	21%
EPS	-12%	4%	12%	21%
Returns & Multiples				
ROE	12.1%	11.5%	12.3%	14.3%
P/E	12.3x	11.8x	10.6x	8.8x
P/BV	1.4x	1.3x	1.3x	1.2x

Source: Bloomberg, Company, Bradesco BBI

Even (OP; YE24 TP of R\$10.00)

EVEN3	2022A	2023E	2024E	2025E
Operational				
Launches (%co.)	1,104	1,810	1,952	2,058
Contracted Sales (%co.)	1,305	1,677	2,067	2,151
Financials				
Net Revenues	2,318	2,413	2,333	2,456
Gross Profit	522	595	650	725
Gross Margin	22.5%	24.6%	27.9%	29.5%
Net Earnings	104	169	157	233
Net Margin	4.5%	7.0%	6.7%	9.5%
EPS	0.50	0.82	0.76	1.13
FCF	(918)	(49)	364	(47)
FCF Yield	-55.2%	-2.9%	21.8%	-2.8%
Dividends	-	37	43	78
Dividend Yield	0.0%	2.3%	2.6%	4.8%
Payout	0.0%	21.9%	27.4%	33.6%
Leverage				
Net Debt	290	376	56	181
Net Debt / Equity	11%	13%	2%	6%
Growth (YoY)				
Launches (%co.)	-54%	64%	8%	5%
Contracted Sales (%co.)	-20%	28%	23%	4%
Net Revenues	2%	4%	-3%	5%
Net Earnings	-55%	62%	-7%	49%
EPS	-55%	62%	-7%	49%
Returns & Multiples				
ROE	5.7%	8.7%	7.7%	11.1%
P/E	15.7x	9.7x	10.5x	7.0x
P/BV	0.9x	0.8x	0.8x	0.8x

Source: Bloomberg, Company, Bradesco BBI

EzTec (N; YE25 TP of R\$27.00)

EZTC3	2022A	2023E	2024E	2025E
Operational				
Launches (%co.)	1,783	1,486	1,919	1,988
Contracted Sales (%co.)	1,435	1,468	1,777	1,754
Financials				
Net Revenues	1,121	1,243	1,508	1,594
Gross Profit	388	430	567	624
Gross Margin	34.6%	34.6%	37.6%	39.2%
Net Earnings	325	308	436	561
Net Margin	29.0%	24.8%	28.9%	35.2%
EPS	1.43	1.36	1.92	2.47
FCF	(520)	94	1,427	164
FCF Yield	-10.1%	1.8%	27.6%	3.2%
Dividends	102	7	85	436
Dividend Yield	2.0%	0.1%	1.7%	8.4%
Payout	31.5%	2.4%	19.6%	77.8%
Leverage				
Net Debt	(246)	(333)	(1,674)	(1,402)
Net Debt / Equity	-5%	-7%	-35%	-29%
Growth (YoY)				
Launches (%co.)	45%	-17%	29%	4%
Contracted Sales (%co.)	12%	2%	21%	-1%
Net Revenues	17%	11%	21%	6%
Net Earnings	-25%	-5%	42%	29%
EPS	-25%	-5%	42%	29%
Returns & Multiples				
ROE	7.4%	6.7%	9.2%	11.9%
P/E	15.9x	16.8x	11.9x	9.2x
P/BV	1.2x	1.1x	1.1x	1.1x

Source: Bloomberg, Company, Bradesco BBI

Helbor (N; YE24 TP of R\$5.00)

HBOR3	2022A	2023E	2024E	2025E
Operational				
Launches (%co.)	964	692	811	945
Contracted Sales (%co.)	785	817	835	878
Financials				
Net Revenues	906	952	1,212	1,195
Gross Profit	253	262	385	395
Gross Margin (%)	27.9%	27.5%	31.8%	33.0%
Net Earnings	(38)	21	88	143
Net Margin (%)	-4.2%	2.2%	7.2%	12.0%
EPS	(0.28)	0.16	0.65	1.07
FCF	(538)	(94)	159	340
FCF Yield (%)	-95.7%	-16.8%	28.2%	60.5%
Dividends	24	12	-	-
Dividend Yield (%)	4.3%	2.2%	0.0%	0.0%
Payout (%)	-63.0%	57.5%	0.0%	0.0%
Leverage				
Net Debt	1,480	1,587	1,428	1,088
Net Debt / Equity	70%	72%	64%	47%
Growth (YoY)				
Launches (%co.)	11%	-28%	17%	17%
Contracted Sales (%co.)	-12%	4%	2%	5%
Net Revenues	-4%	5%	27%	-1%
Net Earnings	n.a.	n.a.	315%	64%
EPS	n.a.	n.a.	315%	64%
Returns & Multiples				
ROE	-2.8%	1.5%	5.9%	9.2%
P/E	-14.8x	26.7x	6.4x	3.9x
P/BV	0.4x	0.4x	0.4x	0.4x

Source: Bloomberg, Company, Bradesco BBI

JHSF (OP; YE24 TP of R\$10.00)

JHSF3	2022A	2023E	2024E	2025E
Operational				
Launches (%co.)	1,711	1,500	700	1,082
Contracted Sales (%co.)	1,532	1,391	1,048	1,356
Financials				
Net Revenues	1,902	1,838	2,330	2,909
Gross Profit	1,135	1,012	1,278	1,691
Gross Margin (%)	59.7%	55.1%	54.9%	58.1%
Net Earnings	632	304	532	915
Net Margin (%)	33.2%	16.5%	22.8%	31.4%
EPS	0.95	0.46	0.80	1.38
FCF	(927)	867	567	822
FCF Yield (%)	-24.0%	22.4%	14.6%	21.2%
Dividends	109	98	159	426
Dividend Yield (%)	2.8%	2.5%	4.1%	11.0%
Payout (%)	17.3%	32.1%	29.9%	46.5%
Leverage				
Net Debt	2,136	1,366	959	562
Net Debt / Equity	41%	26%	18%	10%
Growth (YoY)				
Launches (%co.)	-22%	-12%	-53%	55%
Contracted Sales (%co.)	-12%	-9%	-25%	29%
Net Revenues	-5%	-3%	27%	25%
Net Earnings	-34%	-52%	75%	72%
EPS	-34%	-52%	75%	72%
Returns & Multiples				
ROE	13.5%	6.1%	10.4%	17.4%
P/E	6.1x	12.7x	7.3x	4.2x
P/BV	0.8x	0.8x	0.8x	0.7x

Source: Bloomberg, Company, Bradesco BBI

Moura Dubeux (OP; YE24 TP of R\$16.00)

MDNE3	2022A	2023E	2024E	2025E
Operational				
Launches (%co.)	1,866	1,862	1,960	2,059
Contracted Sales (%co.)	1,437	1,566	1,874	1,961
Financials				
Net Revenues	800	1,192	1,504	1,683
Gross Profit	266	407	529	595
Gross Margin (%)	33.3%	34.2%	35.2%	35.3%
Net Earnings	104	152	223	277
Net Margin (%)	13.0%	12.8%	14.8%	16.5%
EPS	1.23	1.80	2.63	3.26
FCF	69	(225)	(27)	319
FCF Yield (%)	7.2%	-23.5%	-2.8%	33.5%
Dividends	-	-	-	56
Dividend Yield (%)	0.0%	0.0%	0.0%	5.9%
Payout (%)	0.0%	0.0%	0.0%	20.2%
Leverage				
Net Debt	(129)	96	123	(141)
Net Debt / Equity	-11%	7%	8%	-8%
Growth (YoY)				
Launches (%co.)	55%	0%	5%	5%
Contracted Sales (%co.)	5%	9%	20%	5%
Net Revenues	29%	49%	26%	12%
Net Earnings	25%	46%	47%	24%
EPS	25%	46%	47%	24%
Returns & Multiples				
ROE	9.2%	12.1%	15.8%	17.2%
P/E	9.2x	6.3x	4.3x	3.4x
P/BV	0.8x	0.7x	0.6x	0.6x

Source: Bloomberg, Company, Bradesco BBI

Tecnisa (N; YE24 TP of R\$5.00)

TCSA3	2022A	2023E	2024E	2025E
Operational				
Launches (%co.)	778	818	745	745
Contracted Sales (%co.)	556	528	752	750
Financials				
Net Revenues	206	621	620	449
Gross Profit	20	127	130	118
Gross Margin (%)	9.5%	20.4%	21.0%	26.2%
Net Earnings	(7)	13	63	129
Net Margin (%)	-3.5%	2.1%	10.2%	28.7%
EPS	(0.01)	0.02	0.09	0.17
FCF	(58)	(207)	219	75
FCF Yield (%)	-20.4%	-73.2%	77.3%	26.3%
Dividends	-	-	-	-
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%
Payout (%)	0.0%	0.0%	0.0%	0.0%
Leverage				
Net Debt	443	651	432	357
Net Debt / Equity	71%	102%	62%	43%
Growth (YoY)				
Launches (%co.)	-8%	5%	-9%	0%
Contracted Sales (%co.)	93%	-5%	42%	0%
Net Revenues	46%	201%	0%	-28%
Net Earnings	-96%	n.a.	376%	103%
EPS	-96%	n.a.	376%	103%
Returns & Multiples				
ROE	-1.2%	2.2%	10.0%	17.5%
P/E	-39.0x	21.3x	4.5x	2.2x
P/BV	0.5x	0.5x	0.4x	0.4x

Source: Bloomberg, Company, Bradesco BBI

Trisul (OP; YE24 TP of R\$11.00)

TRIS3	2022A	2023E	2024E	2025E
Operational				
Launches (%co.)	1,000	988	1,335	1,562
Contracted Sales (%co.)	675	1,035	1,481	1,468
Financials				
Net Revenues	760	1,125	1,498	1,367
Gross Profit	225	293	451	444
Gross Margin (%)	29.6%	26.0%	30.1%	32.5%
Net Earnings	68	87	212	247
Net Margin (%)	8.9%	7.8%	14.1%	18.1%
EPS	0.37	0.48	1.16	1.36
FCF	(310)	(42)	127	207
FCF Yield (%)	-26.6%	-3.6%	10.9%	17.8%
Dividends	29	16	26	53
Dividend Yield (%)	2.5%	1.4%	2.2%	4.5%
Payout (%)	42.2%	18.5%	12.1%	21.4%
Leverage				
Net Debt	594	652	551	397
Net Debt / Equity	45%	47%	35%	24%
Growth (YoY)				
Launches (%co.)	-41%	-1%	35%	17%
Contracted Sales (%co.)	-10%	53%	43%	-1%
Net Revenues	-2%	48%	33%	-9%
Net Earnings	-44%	28%	143%	17%
EPS	-44%	28%	143%	17%
Returns & Multiples				
ROE	5.5%	6.7%	14.9%	15.8%
P/E	17.1x	13.3x	5.5x	4.7x
P/BV	0.9x	0.9x	0.8x	0.7x

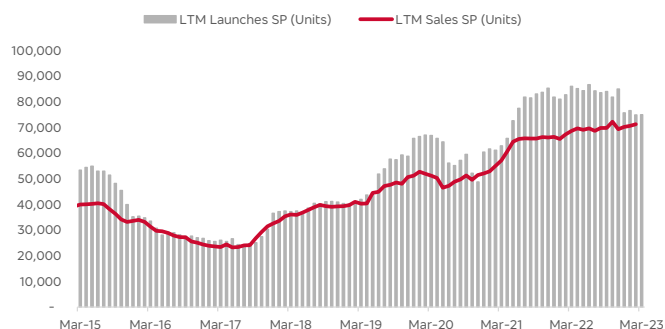
Source: Bloomberg, Company, Bradesco BBI

Sector Overview

Supply: the mid/high-income segment should maintain a conservative approach to launches in 2H23, but cost inflation no longer an issue

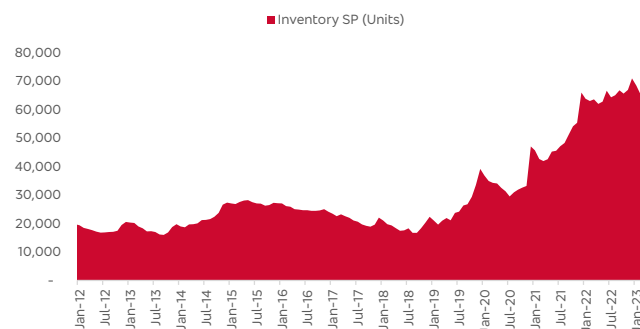
We expect mid/high-income players to continue being selective in launches in 2H23 given the current turbulent macro scenario, and especially in light of the peak of deliveries in 2H23-2024. Therefore, we see companies that have a better balance sheet as having an edge, as there might be less competition in launches next year, when the new cycle should begin. On the flip side, a normalized INCC (construction cost inflation) should be a relief for companies' margins, and costs should no longer be a large overhang for the companies' operations.

Figure 12 - LTM Launches and Sales in SP (Units)



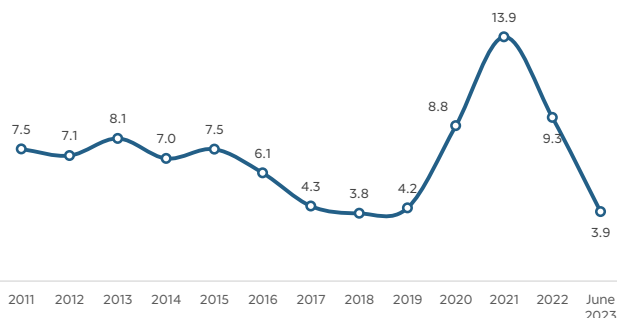
Source: Secovi, Bradesco BBI

Figure 13 - SP Inventory



Source: Secovi, Bradesco BBI

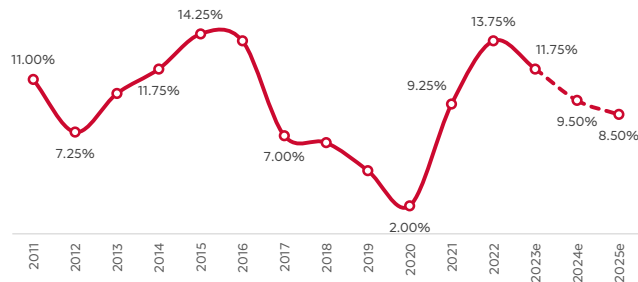
Figure 14 - INCC 12-Month Variation (%)



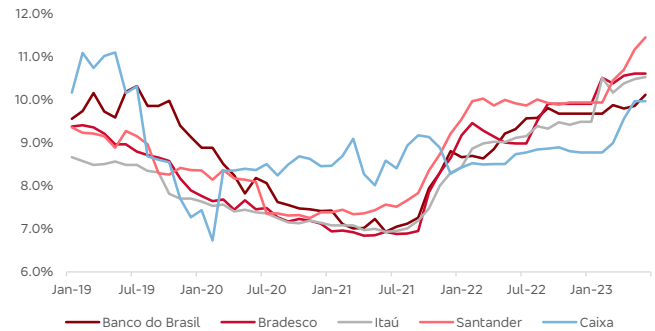
Source: Sinduscon, Bradesco BBI

Credit: challenging SBPE scenario, but far from 2015-16 levels, and should slowly improve with rate cuts

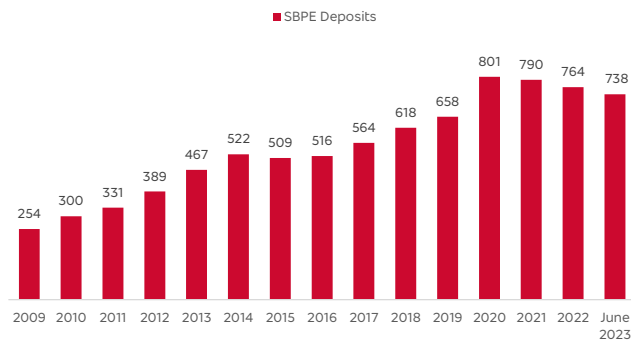
A sequentially higher Selic rate led to R\$55bn in net outflows from savings accounts YTD through June (Figure 18), putting extra pressure on funding costs for the SBPE (savings accounts) system. This forced banks to keep mortgage rates in the double digits in 1H23 (Figure 16), although we do not see a concerning situation yet. Nevertheless, the likely reduction in Selic rate that should continue in 2H23 (-50bps cut in August already) should bring relief to some pressure to net outflows in SBPE, thus improving mortgage conditions. In our view, the mortgage market's stability will be particularly important as we approach 2024 in order to support the peak of projects being delivered next year, and we believe this is the first time that sector will finish a cycle smoothly from a balance sheet perspective (after 2012's budget overruns and 2015-16 credit scarcity/cancellations crisis).

Figure 15 - Historical and Forecast SELIC

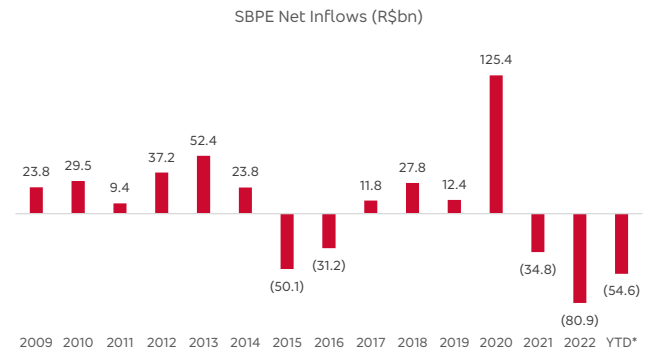
Source: Bacen, Bradesco BBI

Figure 16 - Market Mortgage Rates in Brazil's Main Financial Institutions

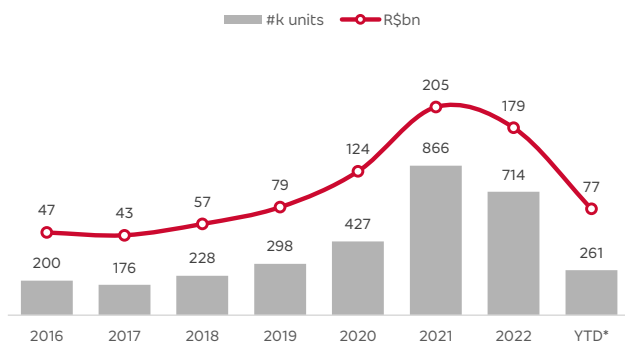
Source: Bacen, Bradesco BBI

Figure 17 - SBPE Deposits (R\$bn)

Source: Abecip, Bradesco BBI

Figure 18 - SBPE Net Inflows (R\$bn)

Source: Abecip, Bradesco BBI. *YTD until June, 2023

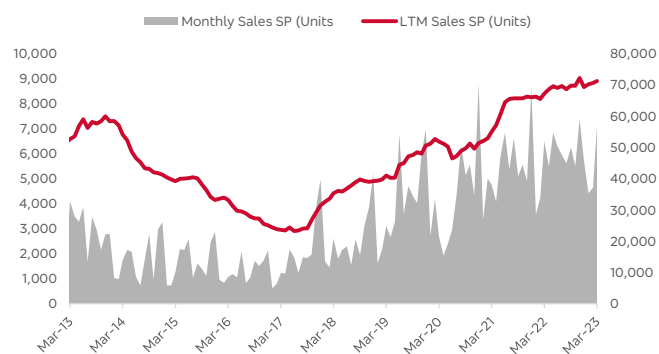
Figure 19 - Units and Amount Financed Through the SBPE System (Savings Accounts)

Source: Abecip, Bradesco BBI. * YTD until June, 2023

Demand: remains resilient in the mid/high-income segment

The first semester of 2023 showed better-than-expected demand. Sales speed remained surprisingly healthy, even amid concerns about the macro scenario, although at the expense of additional sales efforts (reduced prices). Furthermore, as interest rates have most likely peaked, a drop in the Selic rate should help improve affordability and consumer confidence, which should continue boosting demand in 2H23 onwards.

Figure 20 - Sales in São Paulo



Source: Secovi, Bradesco BBI

Figure 21 - Consumer Confidence Index (ICC)



Source: FecomercioSP, Bradesco BBI

Analyst Certification

Bruno Mendonca was responsible for the preparation and content of this report hereby certifies, pursuant to SEC Regulation AC and applicable laws and regulations of other jurisdictions, that:

(i) the views expressed herein accurately and exclusively reflect their personal views and opinions about the bradescobbi, bradescobbi and its or their securities;

(ii) no part of their compensation was, is, or will be paid directly or indirectly, related to the specific recommendation or views expressed by that analyst in this report; and pursuant to Brazilian securities exchange commission (Comissão de Valores Mobiliários – CVM) Resolution N° 20:

(iii) the recommendations indicated in this report solely and exclusively reflect their personal opinions, and were prepared independently and autonomously, including in relation to Bradesco Corretora and its affiliates;

(iv) their compensation is based on the profitability of Bradesco Corretora and its affiliates, which includes investment banking revenues;

Important Disclosures

Company-Specific Disclosures

- Ágora, Bradesco Corretora, Bradesco BBI and Bradesco Group companies have relevant financial and commercial interests in relation to all subject companies or the subject securities;
- Bradesco BBI participated as coordinator in the public offering of equity and/or debt securities and/or provided any other type of service for the following companies within the past 12 months mentioned in this report: JHSF
- Ágora and/or Bradesco Corretora participated in the public offering of equity and/or debentures for the following companies within the past 12 months: JHSF;

US - Company-Specific Regulatory Disclosures

- Bradesco Corretora and/or its affiliates have received compensation for investment banking services from the subject company(ies) in the twelve months preceding the date of publication of the research report and/or expects to receive or intends to seek compensation for investment banking services from the subject company(ies) in the three months following the date of this report.
- Bradesco Corretora and/or its affiliates have managed or co-managed a public or Rule 144A offering of JHSF securities in the twelve months preceding the date of this report

Bradesco Corretora research ratings distribution

Rating	Definition	Coverage ¹	BR ²
OUTPERFORM	Expected to outperform the analyst coverage list	48.6%	19.2%
NEUTRAL	Expected to perform in the range of the analyst coverage list	43.0%	10.9%
UNDERPERFORM	Expected to underperform the analyst coverage list	8.4%	5.6%

(1) Percentage of companies under coverage globally within this rating category.
As of Jun-23 Bradesco Corretora had 246 companies under coverage globally.

(2) Percentage of companies within this rating category for which
[investment banking] services were provided within the past 12 months

Bradesco Corretora ratings

Bradesco Corretora ratings are constantly revised and any temporary inconsistencies between the upside potential that gave rise to any such rating and the upside potential in connection with the target price are at all times deliberate. The official rating shall prevail.

Any differences between the rating and the target price may occur especially due to the analyst's expectations to the effect that any short/medium term factors that cannot be priced-in yet might lead to inconsistencies between Bradesco Corretora valuation and the stock behavior. The factors Bradesco Corretora considered include, but are not limited to: Any expectations in connection with quarterly results, market conditions, ownership issues and any expectations involving mergers and acquisitions. The ratings reflect only the analyst's expectation on the future performance of the relevant stock. An "Outperform" rating does not necessarily represent that the analyst approves of the company and its management whilst an "Underperform" rating does not necessarily means that the analyst has a negative view on the company. Within Bradesco Corretora coverage universe there are sound companies, with good fundamentals as per the market consensus, and fair priced stock, and would not be Bradesco Corretora investment pick.

Additional Disclosures

With the exception of investment company funds, Bradesco Corretora's internal policy prohibits ownership of securities in their respective area of coverage to analysts as well as to the associates reporting to the analysts. Analysts are paid in part based on the profitability of Bradesco Corretora and its affiliates, which includes investment banking revenues. Bradesco Corretora's policy prohibits its analysts and associates reporting to the analysts from serving as an officer or director, advisory board member or employee of any company in the analysts' area of coverage.

The following disclosures are required under or based on the laws of the jurisdiction indicated, except to the extent already made above with respect to United States laws and regulations. Brazil: This report is distributed in Brazil by Bradesco Corretora. Any investor in Brazil who receives this report and wishes to conduct transactions with stocks analyzed herein should contact and request execution of orders through Bradesco Corretora at (55 11) 3556-3001.

United Kingdom and European Economic Area: In the United Kingdom and elsewhere in the European Economic Area, this report may be made or communicated by Bradesco Securities UK Limited ("Bradesco UK"). Bradesco UK is authorized and regulated by the Financial Services Authority and its registered office is at: 20-22 Bedford Row, London, WC1R 4JS. This report is for distribution only to persons who:

- are persons that are eligible counterparties and professional clients of Bradesco UK;
- have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order");

- are persons falling within Article 49 (2) (a) to (d) ("high net worth companies, unincorporated associations etc") of the Financial Promotion Order;
- are outside the United Kingdom, or
- are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons").

This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. No public offer of any securities to which this report relates is being made by Bradesco UK or Bradesco Corretora in the United Kingdom or elsewhere in the European Economic Area.

United States: If not mentioned above on "Bradesco Securities Representative" disclosure, the research members that have prepared and reviewed this research report are not associated persons of Bradesco Securities. They are not registered or qualified as research analysts with FINRA and are not subject to the rules of the FINRA, including FINRA Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account. Such analysts have the obligation to be in compliance with similar Brazilian legislation and internal policies.

Any U.S. person wishing to effect transactions in securities discussed in this report must do so through Bradesco Securities, Inc., a U.S. broker-dealer.

Hong Kong: In Hong Kong, this report may be distributed by Bradesco Securities Hong Kong Limited ("Bradesco HK"). Bradesco HK is licensed by the Securities and Future Commission ("SFC") to carry on Type 1 and Type 4 regulated activities as defined in the Securities and Future Ordinance (Cap. 571 of the Laws of Hong Kong) ("SFO") in Hong Kong, subject to conditions published on the website of the SFC from time to time. Except for Bradesco HK, none of its affiliates, including Bradesco Corretora, carry out or is licensed/authorized to carry out any regulated activities as defined in the SFO in Hong Kong and each of these affiliates is prohibited from carrying on any regulated activities, including but not limited to dealing in securities and advising in securities (as defined in the SFO), in Hong Kong. This report is directed to you by Bradesco HK based on your interest and preference in the relevant underlying securities that you have previously communicated to Bradesco HK. You agree that this report is not intended for the promotion of any services or products of any of Bradesco HK's affiliates in Bradesco group, including those of Bradesco Corretora. All Hong Kong recipients of this report wishing to effect transactions in securities discussed should contact and place orders through Bradesco HK at (852) 22518716 or (852) 22518718. This report is intended for distribution only to non-Hong Kong residents or professional investors as defined in the SFO. It is provided solely for informational purposes and do not constitute an offer to buy or sell or a solicitation of an offer to buy or sell any security, product, service or investment to the public within the meaning of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) or to professional investors within the meaning of the SFO. It has not been reviewed by the SFC or any regulatory authority in Hong Kong.

Other Countries: This report, and the securities discussed herein, may not be eligible for distribution or sale in all countries or to certain categories of investors. In general, this report may be distributed only to professional and institutional investors.

Price target and rating history

Price target, rating history chart(s), valuation/method used to determine price target, and our policy for managing conflicts of interest in connection with investment research are available upon request. You may obtain this information by contacting your representative or by sending an email to bradescocorretora@infobradesco.com.br.

General Disclosures

- 1) This report has been prepared solely by Bradesco Corretora and is being provided exclusively for informational purposes. The information, opinions, estimates and projections constitute the judgment of the author as of the current date and are subject to modifications without prior notice. Bradesco Corretora has no obligation to update, modify or amend this report and inform the reader accordingly, except when terminating coverage of the issuer of the securities discussed in this report.
- 2) This report, including the estimates and calculations of Bradesco Corretora, is based on publicly available information that it consider reliable, but it do not represent it is accurate or complete, and should not be relied upon as such.
- 3) This report is not an offer or a solicitation for the purchase or sale of any financial instrument. It is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any securities, other investment or investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not be realized.
- 4) Investors should note that income from securities or other investments, if any, referred to in this report may fluctuate and that price or value of such securities and investments may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. Bradesco Corretora and its affiliates do not accept responsibility for any direct or indirect loss arising due to use of this report. Investors should consider whether any advice or recommendation in this research is suitable for their particular circumstances and, if appropriate, seek professional advice, including tax advice. Exchange rate movements could have adverse effects on the value or price of, or income derived from, certain investments.
- 5) Bradesco Corretora's and its affiliates' salespeople, traders and other professionals may provide oral or written market commentary or trading strategies to their clients and their proprietary trading desks that reflect opinions that are contrary

to the opinion expressed in this report. Such market commentary or trading strategies reflect the different time frames, assumptions, views and analytical methods of the persons who prepared them, and Bradesco Corretora and its affiliates are under no obligation to ensure that such market commentary or trading strategies are brought to the attention of any recipient of this report.

6) From time to time, Bradesco Corretora or its affiliates and officers, directors and employees, not including its analysts may, to the extent permitted by law, hold long or short positions, or otherwise be interested in transactions in assets directly or indirectly related to this report.

7) Non-US research analysts who have prepared this report are not registered or qualified as research analysts with FINRA but instead have satisfied the registration and qualification requirements or other research-related standards of a non-US jurisdiction.

Any additional information may be obtained by contacting your representative or by sending an email to bradescocorretora@infobradesco.com.br

No portion of this document may be (i) copied, photocopied or duplicated in any form, or by any means, or (ii) redistributed without prior consent from Bradesco Corretora.