

# Preliminary Operational Results



# 1Q21

## Earnings Release

May 13<sup>th</sup>, 2021

## Conference Call

in English and Portuguese

May 14<sup>th</sup>, 2021

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## EZTEC S.A.

ON (B3: EZTC3)

Closing Price: R\$ 33.2

# shares: 227,000,000

Market Cap: R\$ 7,536MN

Date: 04/22/2021

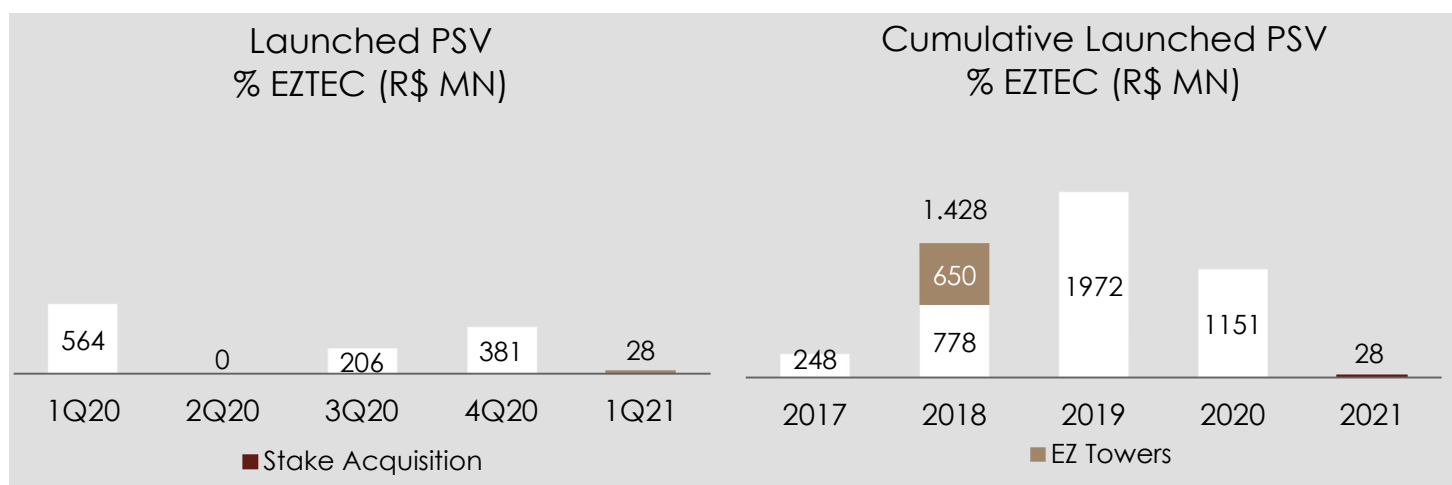


## EZTEC presents gross sales of R\$259 million in 1Q21

Demand remains resilient despite restricted mobility

São Paulo, April 22<sup>nd</sup>, 2021 - EZTEC S.A. (BOVESPA: EZTC3; Bloomberg: EZTC3:BZ), announces the preview of the operating results for the first quarter of 2021 (1Q21). The results presented here are managerial and are subject to external audit review. The 1Q21 results are scheduled to be released on May 13<sup>th</sup>, 2021, after the close of the market.

### Launches



In March 2021 EZTEC carried out its single launch of the quarter: the ID Paraíso project, attached to the Signature by Ott tower. Considering that the red phase of the pandemic in São Paulo forced sales stands shut, the Company chose to launch ID Paraíso entirely remotely. This decision is justified by the underlying demand for units through the course of the pandemic, and also because of the project's special appeal to investors, who are more easily accessible through digital means. By the time of this publishing, as a subsequent event, the project counts with 91 out of its 231 units sold.

#### 1Q21 Launches



**ID Paraíso**  
**Location:** Av. Fernando Ferrentini, Aclimação /SP  
**Segmentation:** Residential  
**Standard:** Smart Living  
**EZTEC's PSV:** R\$28.1 MN  
**% sold area:** 40%\*  
**Units sold:** 91\*/231

\*Update data on April 19th

## 2021 Launches

The Company started 2021 having launched the following project:

Project	Actual% EZ	Launch Quarter	Conclusion Expectation	Region	Standard	# Units Launch	Total PSV 100% (R\$ MN)	PSV EZTEC (R\$ MN)
ID Paraíso	50,00%	1Q20	May/24	South Zone	Smart-Living	231	56.2	28.1
<b>Total 1Q21</b>						<b>231</b>	<b>56.2</b>	<b>28.1</b>
<b>Total 2021</b>						<b>231</b>	<b>56.2</b>	<b>28.1</b>

## Launching Guidance

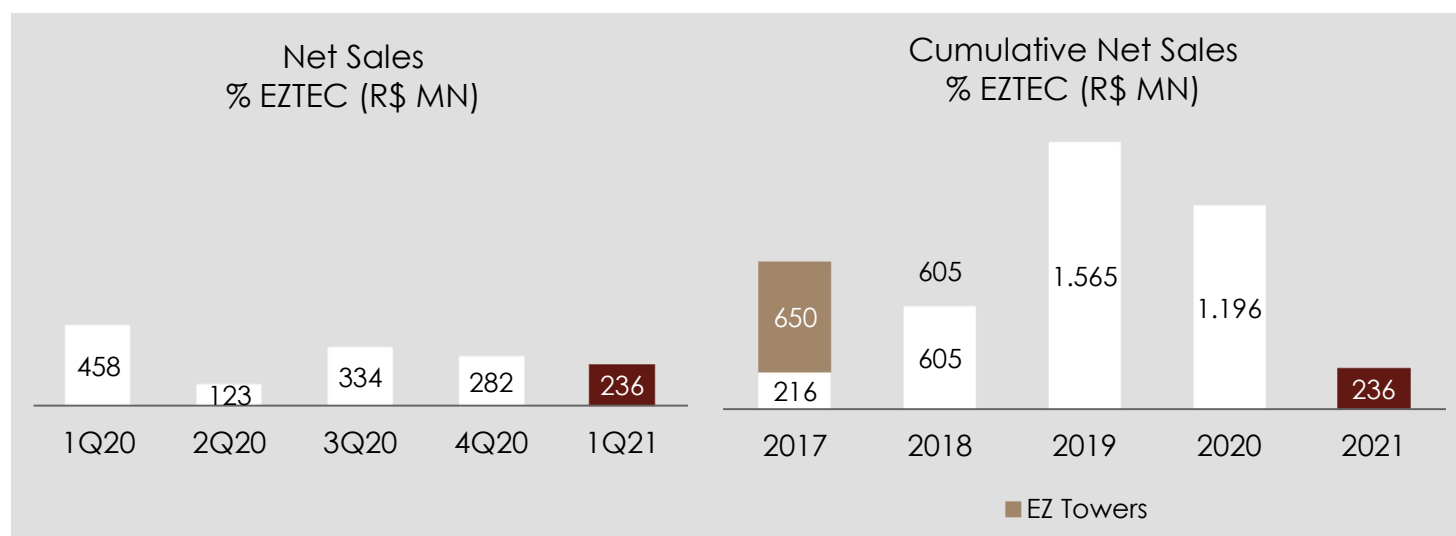
By the beginning of 4Q20 EZTEC emitted a Material Fact announcing the guidance for launches for the two-year term of 2020-2021, with the expectations of launching R\$4 billion to R\$4.5 billion, considering exclusively residential launches. Through the first 5 quarters of the period the Company launched R\$1.2 billion, and that same guidance implies an expectation of R\$2.8 billion to R\$3.3 billion for the following 3 quarters in 2021.

As a subsequent event, already in 2Q21, the Company launched the Dream View Vila Prudente, a mid-income project with a PSV of R\$ 252 million, in the East Zone of São Paulo. Even though sales first started in a remote fashion, in a commercial effort targeting exclusive clients (avant-première), the project has its own physical sales stand and should be relaunched soon at a traditional physical fashion.

On April 18<sup>th</sup>, São Paulo's sanitary control efforts were eased down from a red phase to a transition phase, whereby sale stands have resumed their present activities, allowing the Company to proceed with its launches. With that goal, EZTEC already counts with the all due licenses from the City Hall for a launch in St. Barão de Monte Santo (PSV of R\$164 million), as well as with fully-built sale stands for Arkadio (R\$423 million, in Av. Santo Arcadio) and for Alta Vista Residence Resort (R\$165 million, at St. Laguna).

## Sales and Cancellations

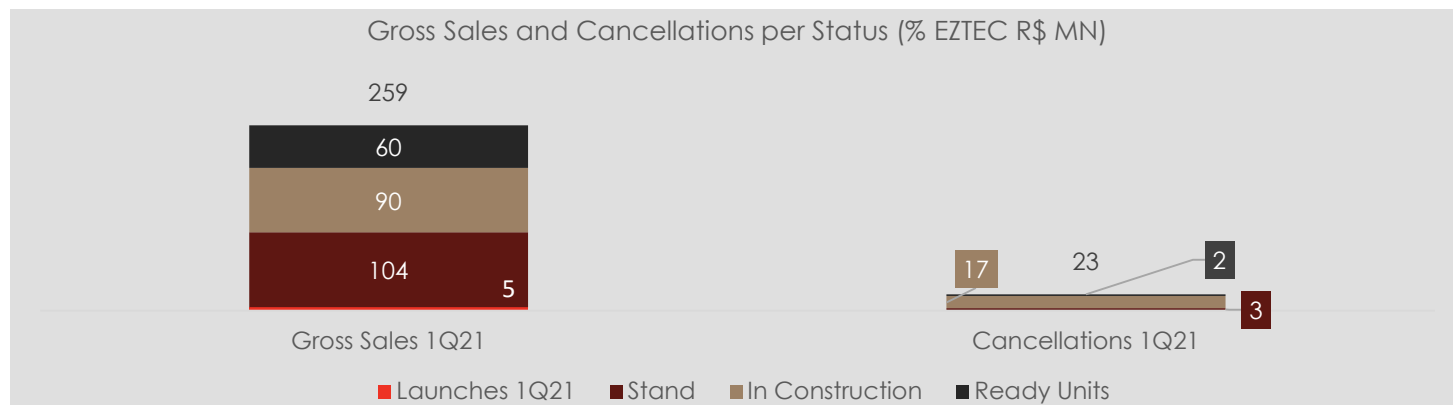
Net sales in 1Q21 were R\$236.1 million, decomposed in R\$258.7 million of gross sales and cancellations of R\$22.6 million.



Since the beginning of March, on the 3<sup>rd</sup>, up to the end of 1Q21, the State of São Paulo had been under the red phase of sanitary controls, forcing sale stands shut. Despite the fact that EZTEC offers the full path for virtual sales, the quarter's performance was still impacted negatively (16% below 4Q20). That's largely attributable to clients postponing their investment decision, with no structural harm to demand. Such circumstantial impact is more visibly felt amid ready units (31% below 4Q20), as clients prefer to await a physical visit to their prospected unit before committing to the purchase, given that condominiums have blocked brokers' access through the red phase. The pent-up demand in the city of São Paulo has been reinforced by the low pace of launches that the sector

has put forth through 2021 so far. That has contributed for improvements on the Company's sales performance since the last week of March and up to the date of this publishing, despite the deteriorating sanitary conditions.

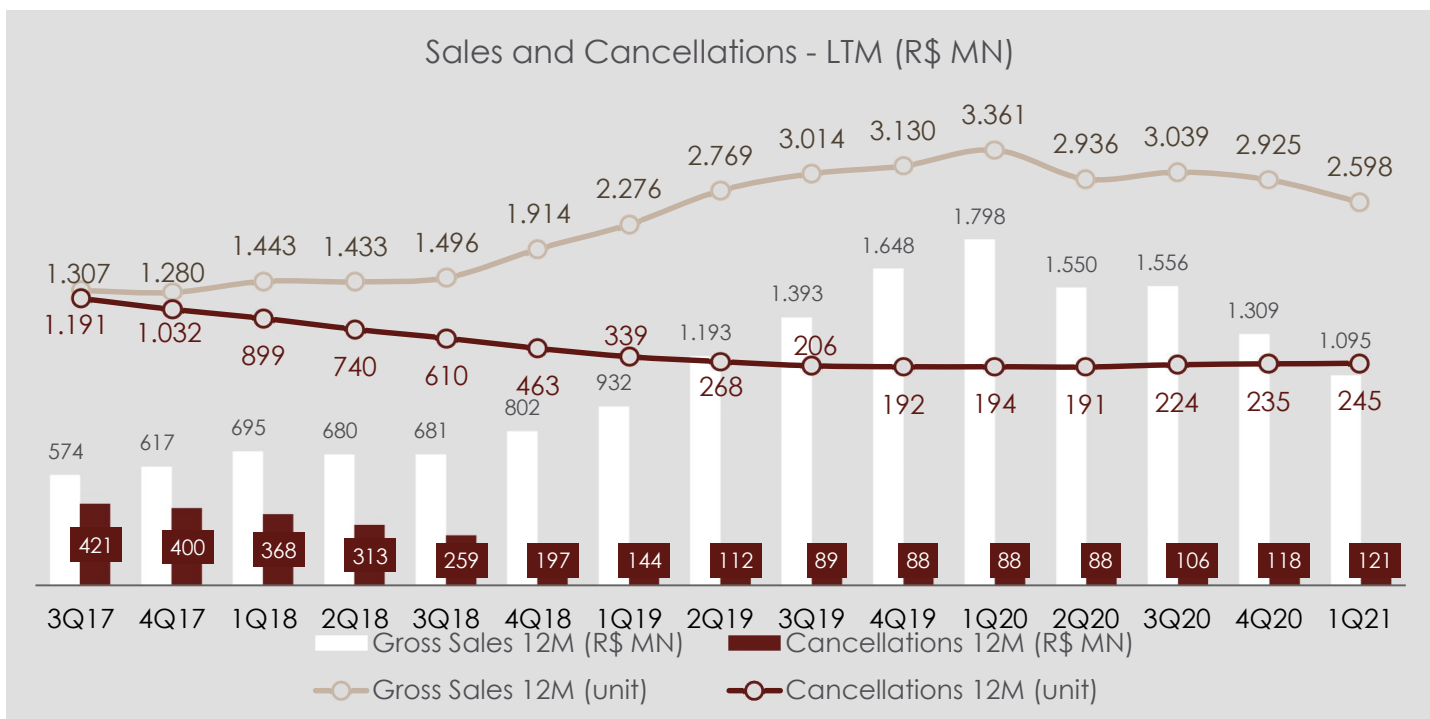
In regards to the R\$22.6 million cancelled in the quarter (39% below 4Q20 and 48% below 3Q20), it is worth highlighting that 44% of cancellations actually refer to downgrades, upgrades, and transfers. In other words, the act of cancelling a sale was tied to a purchase of a different unit, or even to the transferring of the amount paid to a different unit already being financed, such that there was both a sale and a cancellation registered simultaneously. With that said, the volume of cancellations reflect the proactive effort of the Company's credit recovery team to retain clients in a mutually advantageous way



It's worth noting that the former 'launches' category status was subdivided into Launches 1Q21 and Stand. This segmentation is based on the assumptions below (accompanied by examples of the quarter's commercial highlights):

- **Launches 1Q21:** launched in the quarter;  
(*ID Paraíso*)
- **Stand:** projects launched in prior quarters but whose construction is yet to be started, or that was started in the quarter;  
(*Eredità Parque da Mooca, Signature by Ott, Fit Casa Estação José Bonifácio, Pin, Meu Mundo Estação Mooca, Gran Maia Giardino, and Gran Maia Piazza*)
- **In Construction:** projects whose construction has started;  
(*EZ Parque da Cidade, Jardins do Brasil – Reserva JB, Fit Casa Brás, Air Brooklin, Diogo Ibirapuera, Fit Casa Alto do Ipiranga, etc*)
- **Ready units:** completed projects with proper housing permit issued.  
(*Cidade Maia, In Design Liberdade, Up Home Vila Mascote, Centro Empresarial Jardins do Brasil, Clima São Francisco, Jardins do Brasil residencial, Splendor Brooklin, etc.*)

Guided by the transparency and continuity, the graph below discloses gross sales and cancellation figures, accumulated over 12 months:



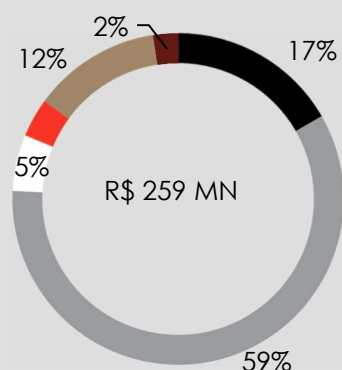
The following chart shows the sales oversupply calculations, weighted by EZTEC's participation, highlighting the liquidity of the projects originated by the Company:

Sales over Supply (SoS)	1Q21	1Q20
+ Initial Inventory (m <sup>2</sup> )	215,774	223,250
+ Launches in the period (m <sup>2</sup> )	0*	47,137
Launches in the period (m <sup>2</sup> )	0*	48,012
Stake Acquisitions (m <sup>2</sup> )	0	-875
<b>= Inventory + Launches (m<sup>2</sup>)</b>	<b>215,774</b>	<b>270,387</b>
- Net Sales in the period (m <sup>2</sup> )	27,963	49,512
Gross Sales in the period (m <sup>2</sup> )	31,016	52,145
Cancellations in the period (m <sup>2</sup> )	-3,054	-2,633
<b>= Final Inventory (m<sup>2</sup>)</b>	<b>187,811</b>	<b>220,875</b>
<i>Net Sales Over Supply (%)</i>	<i>13.0%</i>	<i>18.3%</i>
<i>Gross Sales Over Supply (%)</i>	<i>14.4%</i>	<i>19.3%</i>

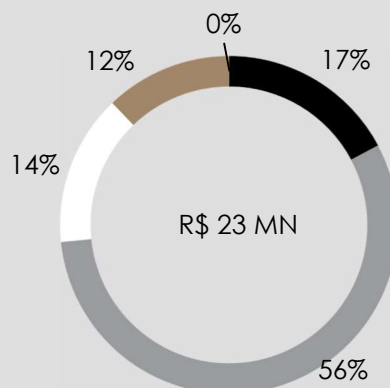
\*For this calculation, the area of ID Paraíso had already been accounted for upon the launch of Signature by Ott (4Q20), with no impact to 1Q21 SoS.

# Managerial Data (1Q21)

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

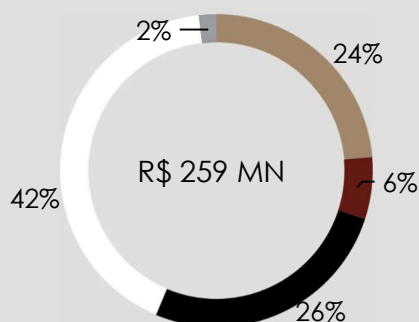


Cancellations by Standard  
(% of EZTEC's PSV)

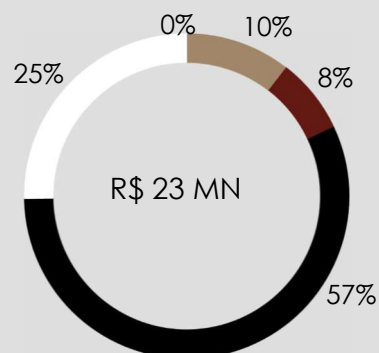


■ Low-End ■ Middle-End ■ Smart Living ■ Middle High-End ■ High-End ■ Commercial

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



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



■ Until 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021



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