



# DIRECCIONAL

4Q24 PRESENTATION



**DIRECCIONAL**

**Company's Overview**




1981-2007

- Direcional Engenharia founded in Belo Horizonte (State of Minas Gerais)
- Industrial projects for third parties as a construction company
- Important geographical expansion: Brasília, Rio de Janeiro and Campinas
- Development of projects focused on the low-income market and expansion into large-scale developments in the segment

2010 - 12

- Focus on MCMV *Faixa 1*
- Growth of 48% per year in launched PSV<sup>2</sup>
- Expansion to the State of Ceará
- Follow-on: BRL 229 million

2019 - 21

- Expansion to the State of Pernambuco
  - Establishment of Riva, a subsidiary focused on the middle-income market
- 
- Expansion to the State of Bahia
  - S&P brAAA rating, with stable outlook
  - Establishment of Direto, a subsidiary focused on solutions for the real estate credit market

DIRETO .

2024

- Net Sales record: BRL 6.3 billion (Direcional BRL 3.7 billion and Riva BRL 2.4 billion, with an additional BRL 271 million through the "Pode Entrar" Program)
- Adjusted Gross Margin<sup>5</sup> of 38.5% for the year
- Net Income of BRL 638 million, the highest level in the Company's history
- BRL 577 million of approved dividends in the period (payout ratio<sup>6</sup> of 90%)
- Maintained brAAA rating from S&P

2006 - 09

- Tarpon investment in the Company through private placement
- 
- Establishment of proprietary sales team
- 
- IPO: BRL 274 million
- 
- Launch of the *Minha Casa, Minha Vida* (MCMV)<sup>1</sup> program

2013 - 18

- Cash generation<sup>3</sup> of BRL 617 million between 2013 and 2018
- Focus on *Faixas 1.5, 2 and 3* of the MCMV program
- MUC<sup>4</sup> units inventory sold to FII DMAC11 REIT

2022 - 23

- Dividend distribution of BRL 255 million for the period
- Maintained brAAA rating from S&P
- Follow-on: BRL 429 million
- In 2023, Launches totaling BRL 4.9 billion
- Net Sales of BRL 4.0 billion achieved in 2023

(1) MCMV: "Minha Casa, Minha Vida" Program (current name of the Federal Government's popular housing incentive program); (2) PSV: Potential Sales Value: total value potentially obtained from selling all units of a given development at the practiced price; (3) Cash Generation: variation in net debt adjusted by payment of dividends, share buyback and the variation in the balance of interest rate swap contracts; (4) MUC: developments in the Middle-standard, Upper-middle-standard, and Commercial segments developed under a previous incorporation and construction model; (5) Adjustment excluding capitalized interest in cost and the effect of the "Pode Entrar" Program; (6) Dividends distributed in the period divided by Net Income for the period.



**Reference shareholders** actively engaged and with solid track-record in the sector



**Successful repositioning** and liability management processes



**Verticalized** business model with **streamlined** production process



**Strong geographic presence** in underpenetrated, high potential markets



**Expertise** in large construction sites



**Rigorous cost control** enabling high margins



More than **170,000 units** delivered throughout the country since 2009



More than **500 projects** launched since 2009



Net Sales: **BRL 6.3 billion** in 2024



Net Income of **BRL 638 million** in 2024, with a Net Margin of **19.1%**

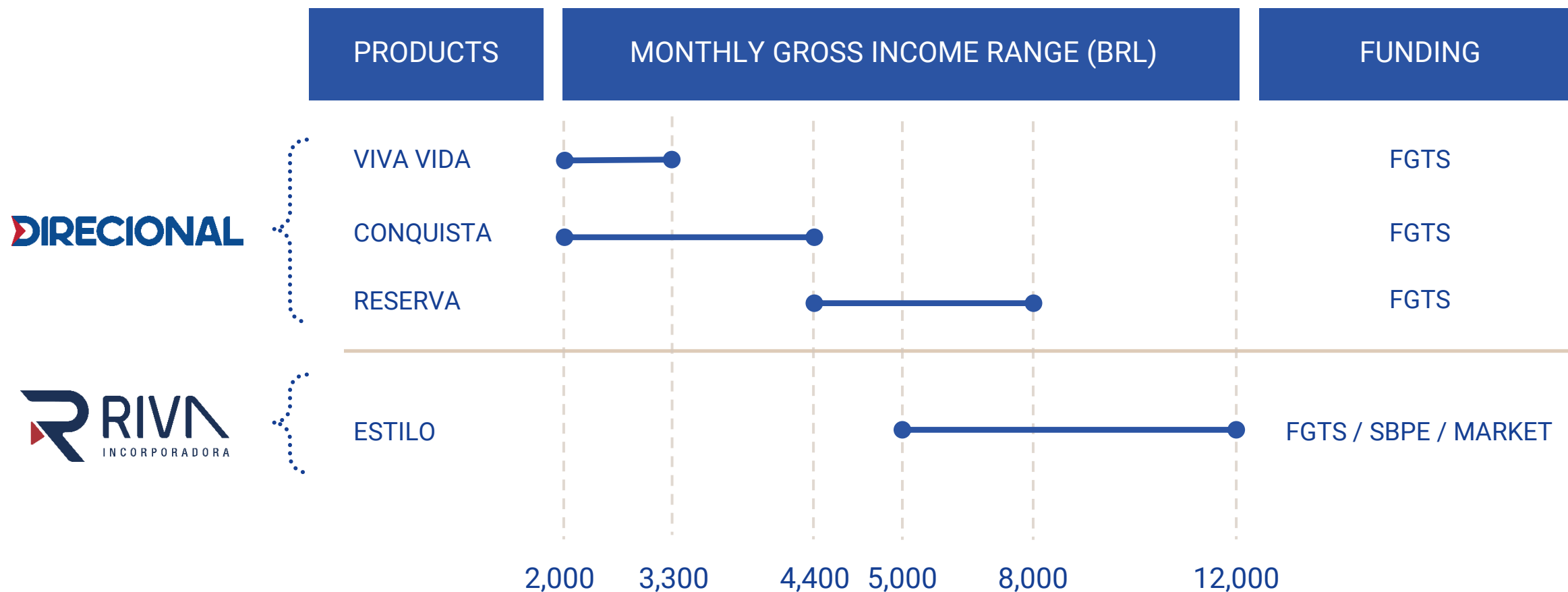


Conservative financial leverage profile: at the end of 2024, net cash position of **BRL 68 million**



Rating **brAAA** by S&P Global Ratings, with stable outlook

Direcional Group is a platform proficient in operating effectively within both the low-income and mid-income segments



The changes on MCMV were transformative for the industry, particularly benefiting the regions where Direcional has a strong presence

## MCMV in numbers

2025 budget: **BRL 127 billion**, the highest amount ever recorded

Goal to contract **2 million** housing units by 2026

Increase in the housing units' price cap to **BRL 350k** nationwide

Maximum financing term revised from **30 years to 35 years**

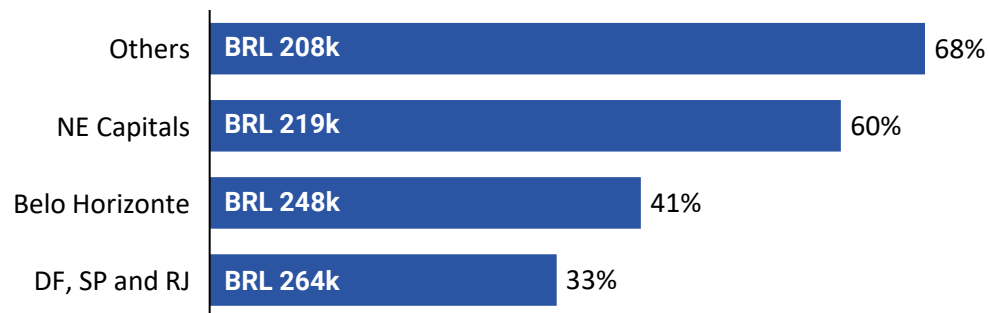
**Up to BRL 55k subsidy<sup>1</sup>** for MCMV beneficiaries, revised from BRL 47.5k (+16%)

**Tax rate of 1% (down from 4%)** for sales made to customers earning up to BRL 2,640

Group	Income		Interest Rate	
	Income Range (Before)	Income Range (After the Changes)	S, SE, CW Regions	N, NE Regions
<b>Faixa 1</b>	Up to BRL 2,400	Up to BRL <b>2,000</b>	4.25%	<b>4.00%</b> ↓
		Up to BRL <b>2,640</b> ↑	4.50%	<b>4.25%</b> ↓
<b>Faixa 2</b>	Up to BRL 3,000	Up to BRL <b>3,200</b> ↑	5.00%	<b>4.75%</b> ↓
		Up to BRL 3,700	Up to BRL <b>3,800</b> ↑	<b>5.50%</b>
<b>Faixa 3</b>	Up to BRL 4,400	Up to BRL <b>4,400</b>	<b>6.50%</b>	
		Up to BRL 8,000	Up to BRL <b>8,000</b>	<b>7.66%</b>

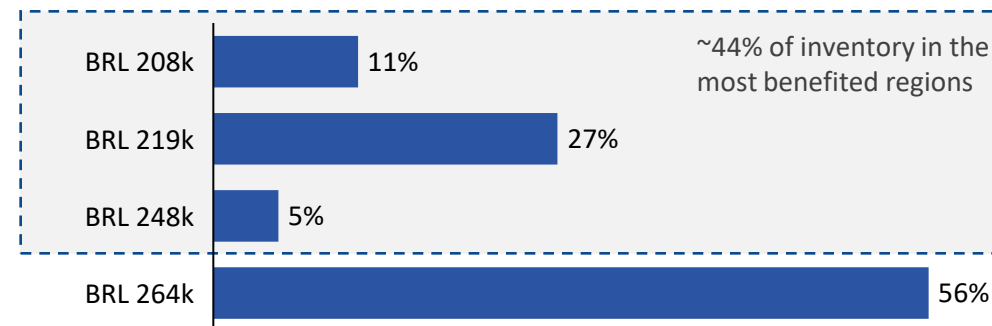
Unit price cap per region and the respective approved increase<sup>1</sup>

BRL and %



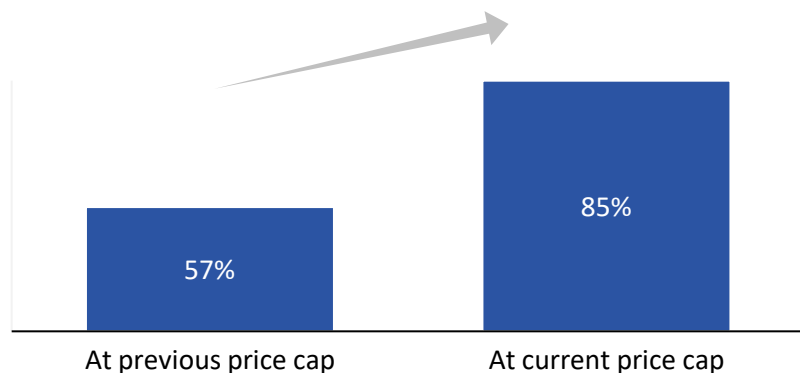
Inventory per region (4Q24)

% of units



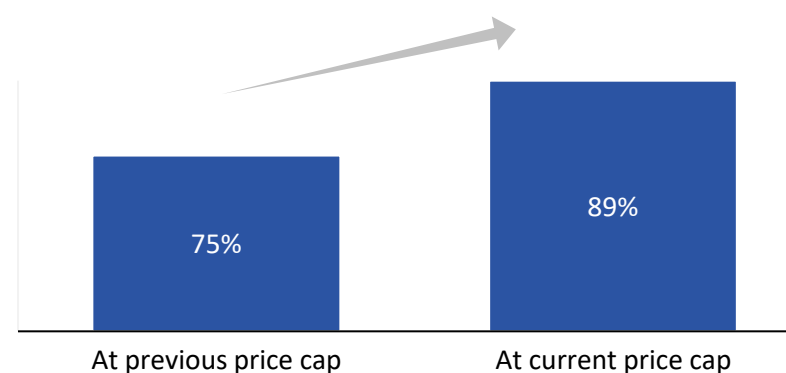
Total inventory eligible to MCMV

% of units



Landbank eligible to MCMV

% of units

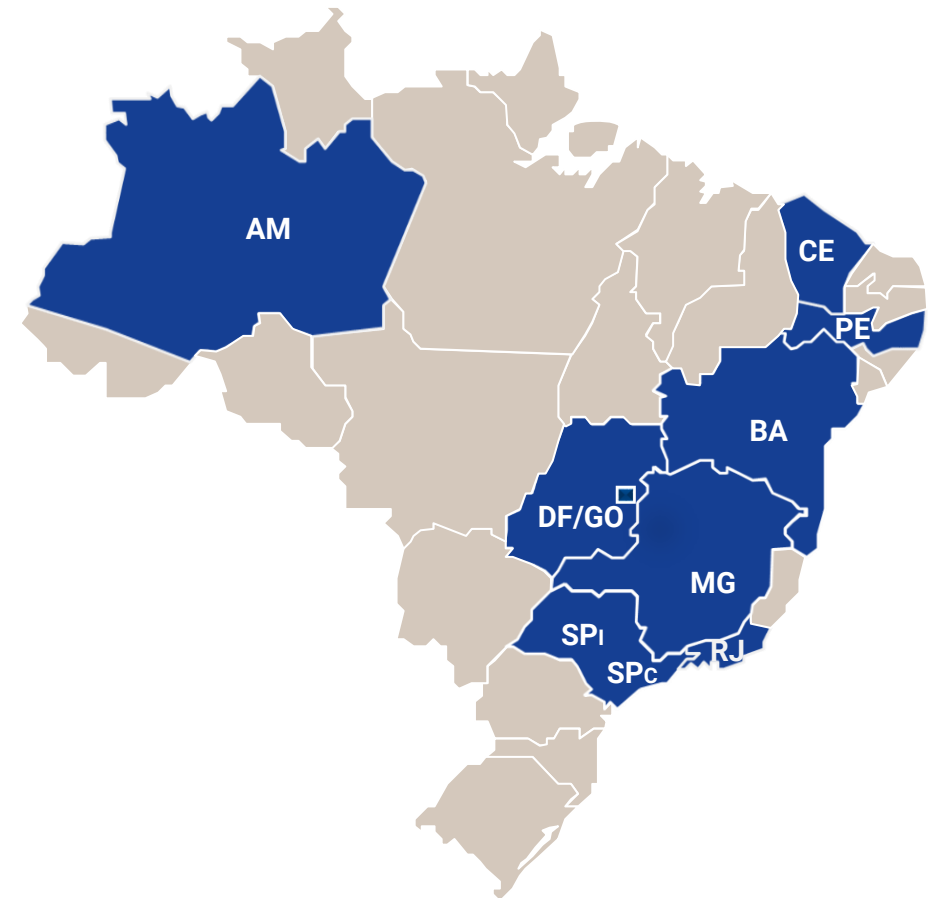


Source: Company. | Note: (1) The property value is now valid for the entire country, no longer restricted to the capitals Rio de Janeiro, Brasília and São Paulo.

Diversified geographic operation, with minimal reliance on highly competitive cities

- 4 leadership regions
- 9 large metropolitan regions  
(focus on strategic regions with favorable market and MCMV conditions)

STATE	PRESENCE BY COMPANY <sup>1</sup>	
AM		
BA		
CE		
DF/GO		
MG		
PE		
RJ		
SPC		
SPI		



(1) Direcional does not consider its geographic presence in the states where the land is being demobilized (ES, PA and RO).



## Land Purchase Committee

Land selection is essential to the success of the project. All prospected possibilities go through careful evaluation by the Land Purchase Committee, considering economic viability along with all technical, legal, and commercial aspects involved.



## Launch Committee

All potential launches are comprehensively discussed by the Launch Committee, which meticulously evaluates the economic and financial feasibility studies of each project before any approval.

PSV acquired in 2024 (100%)

**BRL 14.4 billion**

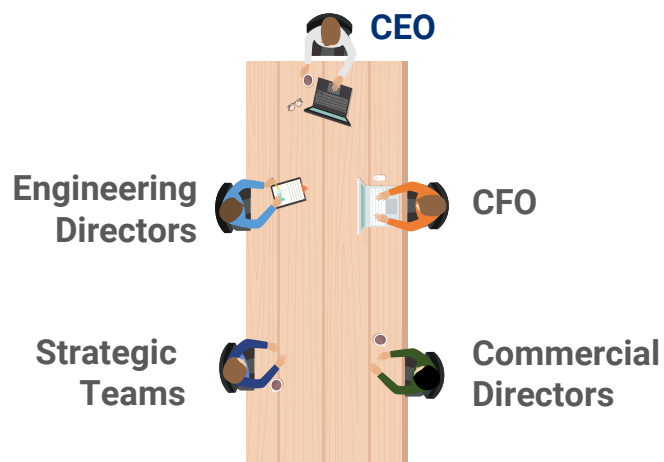
Development potential

**50.3 thousand units**

In 2024, we acquired

**80 land plots**

### Committee Members



PSV launched in 2024 (100%)

**BRL 5.8 billion**

Units launched

**18.1 thousand units**

In 2024, we launched

**57 projects**

## LOW-INCOME SEGMENT



Standardized projects

Low-rise buildings

Projects designed for greater efficiency in condominium costs

Located in developing regions with easy access

**DISTINCTIVE SALES PROCESS**

**DISTINCTIVE LAND ACQUISITION STRATEGY**

**CASH GENERATION PROFILE**

Product Highlights

Company and Sector Highlights

## MIDDLE-INCOME SEGMENT



Industrialized construction in the mid-income segment

High-rise buildings

Complete leisure facilities

Premium location

**MORE EXPERIENCED SALES TEAMS ARE REQUIRED FOR MIDDLE-INCOME CLIENTS**

**TARGETED AT FAMILIES WITH MONTHLY INCOME BETWEEN BRL 5,000 AND BRL 12,000**

**GROWTH PROFILE**

Business model focused on high asset turnover and low cash exposure translates into low risk

## LANDBANK ACQUISITION THROUGH SWAPS



**86% of total landbank costs paid through swaps**

**Lower cash exposure until launch**

**Landowner as a “revenue partner”, receiving according to the cash inflow of the project**

## SALES TEAM



**Exclusive sales team, segmented by product**

**Strategic partnerships with local brokers and proprietary sales stands**

**Own structure was responsible for more than 60% of total sales in 2024**

## CLIENTS FINANCING BEFORE THE CONSTRUCTION



**Clients financing during the sale of the project**

**Lower cash impact and absence of cancellation risk**

**Shorter and more efficient cash cycle**

## INDUSTRIALIZED CONSTRUCTION



**Industrialized process with aluminum molds and concrete walls**

**Construction of buildings with 40 apartments in 45 days using aluminum molds**

**Remarkable track record of high quality, cost control and on-time delivery**



## **Operating and Financial Highlights**

## 2024 Highlights



### Launches

BRL 5.8 billion  
(+18% vs. 2023)



### Net Sales

BRL 6.3 billion  
(+57% vs. 2023)



### Total Net Revenue<sup>1</sup>

BRL 4.5 billion  
(+40% vs. 2023)



### Gross Margin<sup>2</sup>

38.5%  
(+1.8 p.p. vs. 2023)



### Backlog Margin

43.9%  
(+1.4 p.p. vs. 2023)



### Net Income

BRL 638 million  
(+93% vs. 2023)



### Annualized ROE<sup>3</sup>

33%  
(+12.4 p.p. vs. 4Q23)

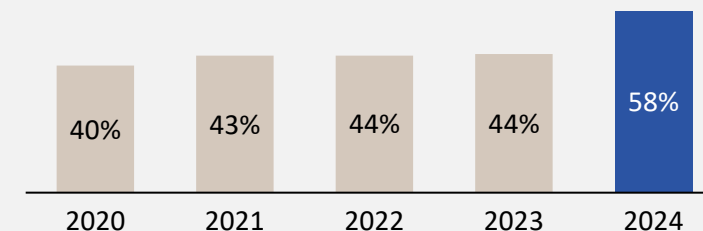


### Dividends

BRL 577 million  
(14.9% dividend yield<sup>4</sup>)

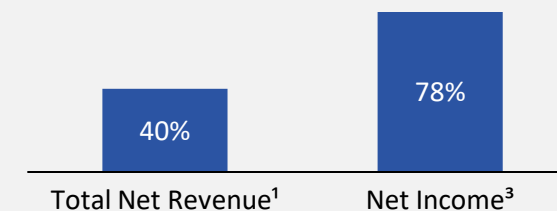
## Net Sales Speed Acceleration

(VSO Index - PSV 100%)

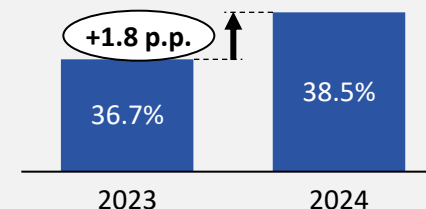


## Operating Leverage

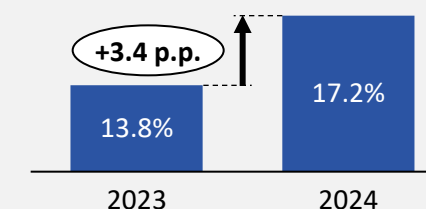
(Growth Rate: 2024 vs. 2023)



## Gross Margin<sup>2</sup>



## Net Margin<sup>3</sup>



1 - Adjustment including Revenue from non-consolidated SPVs (non-controlled SPVs or jointly controlled with partners).

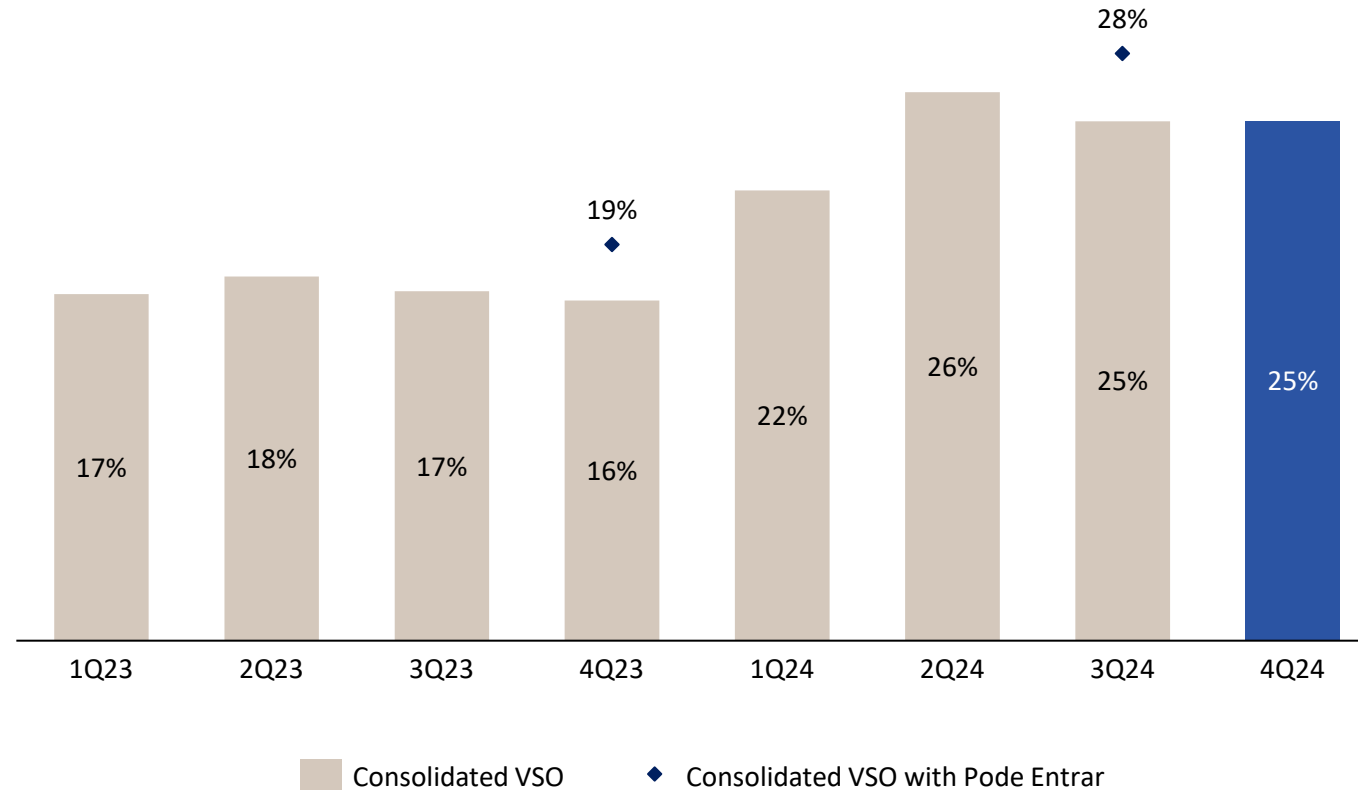
2 - Gross Margin: adjustment excluding capitalized interest and the effect of *Pode Entrar* program.

3 - Adjustment excluding equity swap result, non-recurring result allocated to "Other Operating Income and Expenses" and expenses with sales of receivables, as applicable.

4 - Dividend per share divided by the stock price at the beginning of the year.

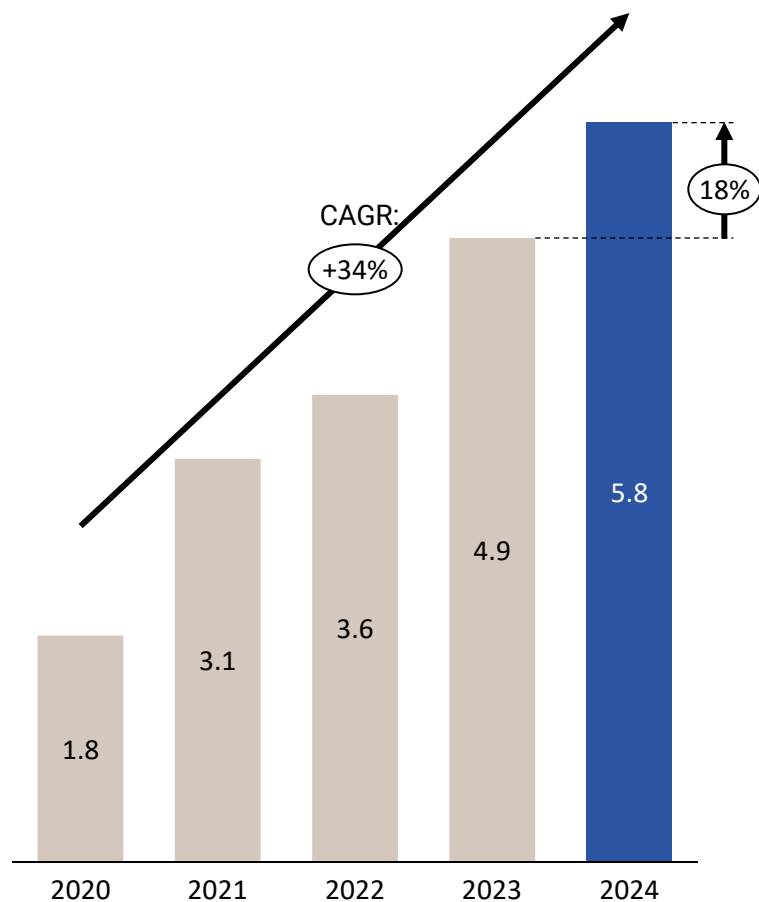
### Net Sales Speed (VSO index)

PSV 100%



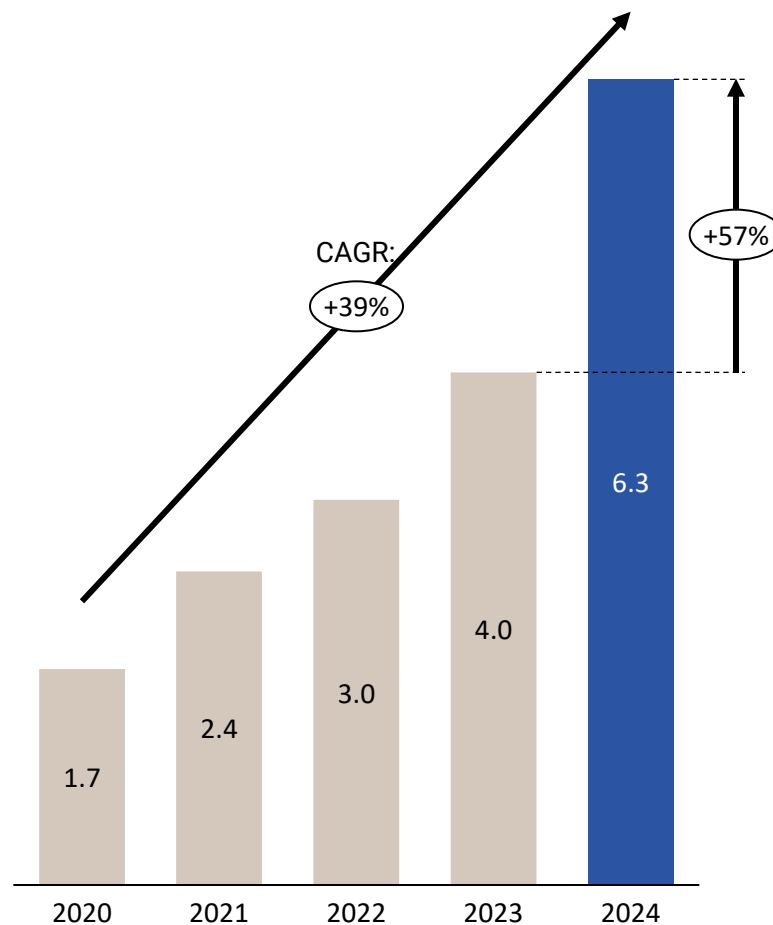
## Launches Track Record

PSV 100% - BRL billion



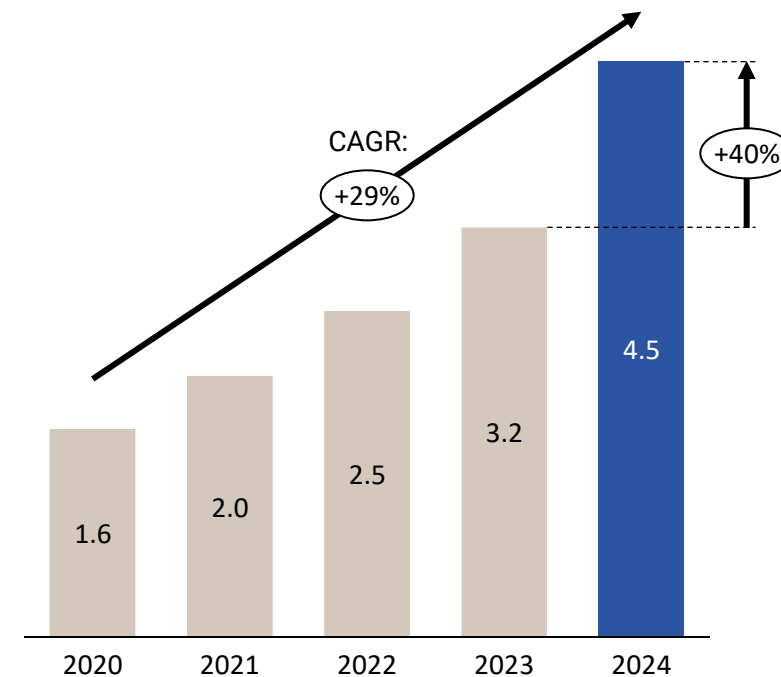
## Net Sales Track Record

PSV 100% - BRL billion



## Total Net Revenue<sup>1</sup> Track Record

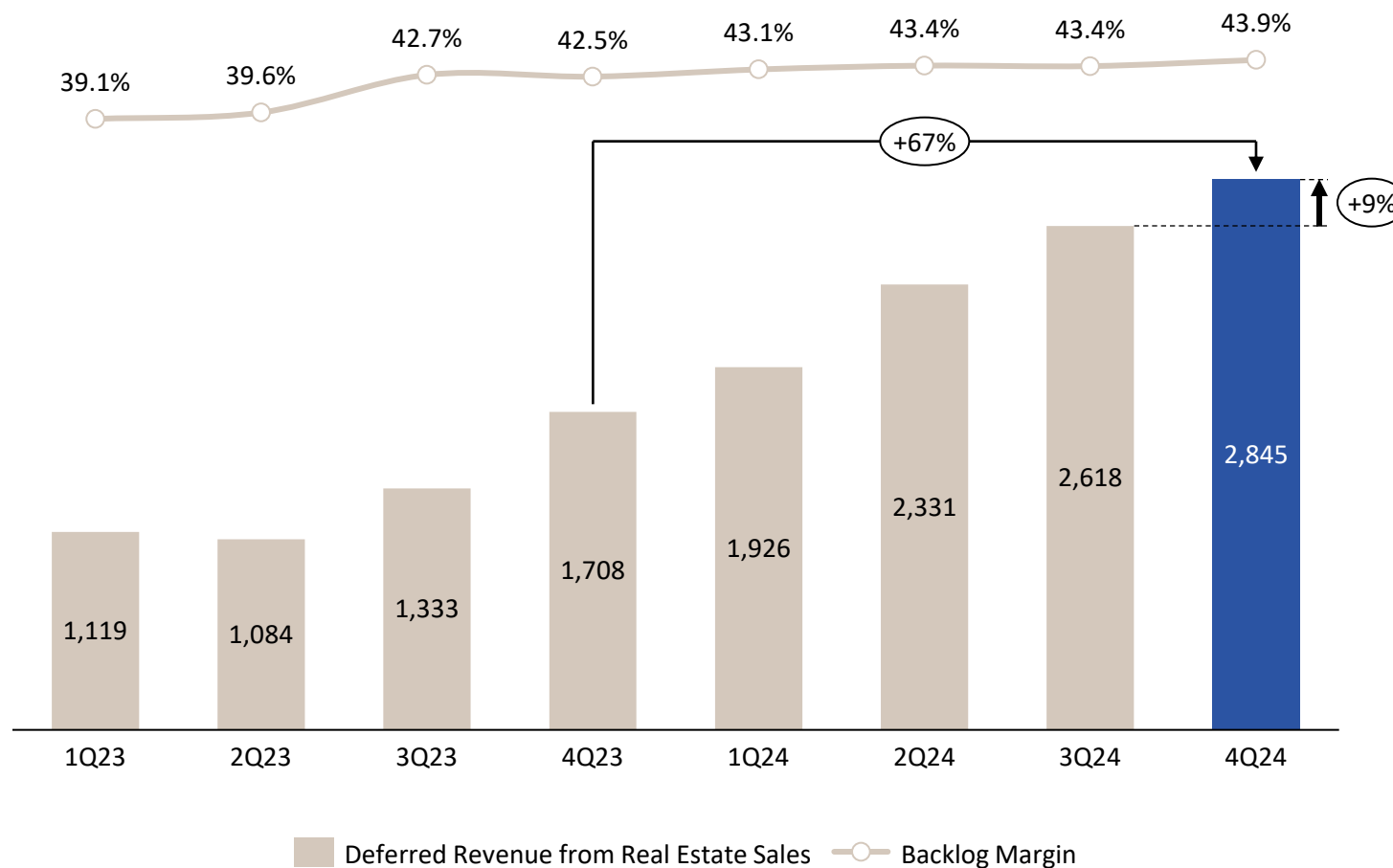
BRL billion



1 - Total Net Revenue: adjustment including Net Revenue from non-consolidated SPVs.

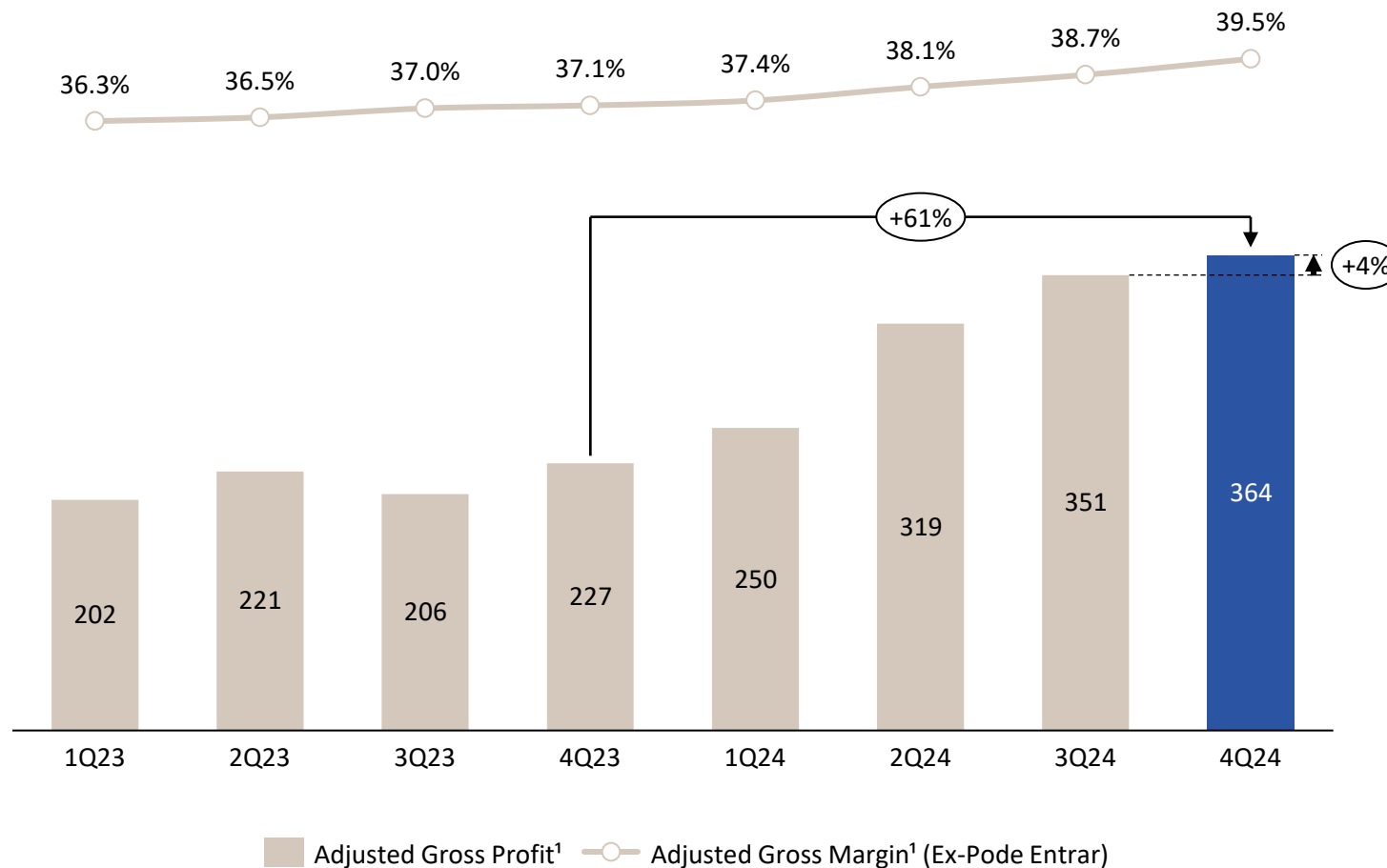
## Deferred Revenue from Real Estate Sales

BRL million and %



## Adjusted Gross Margin<sup>1</sup> Track Record

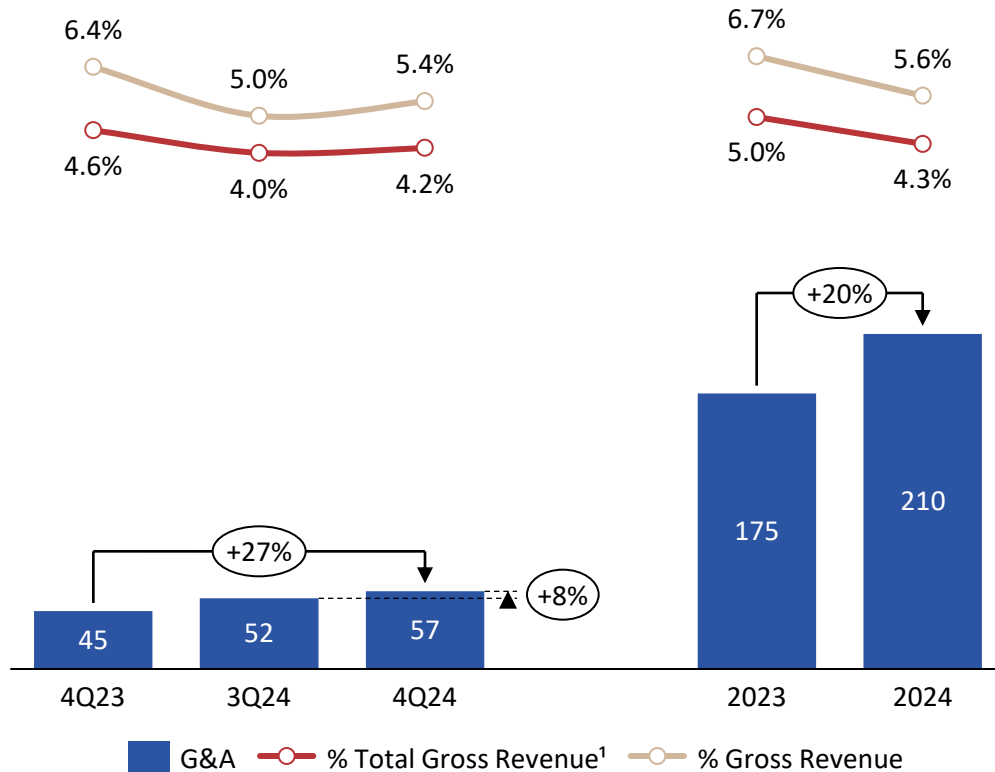
BRL million and %



1 - Gross Profit and Gross Margin: adjustment excluding capitalized interest and the effect of *Pode Entrar* program.

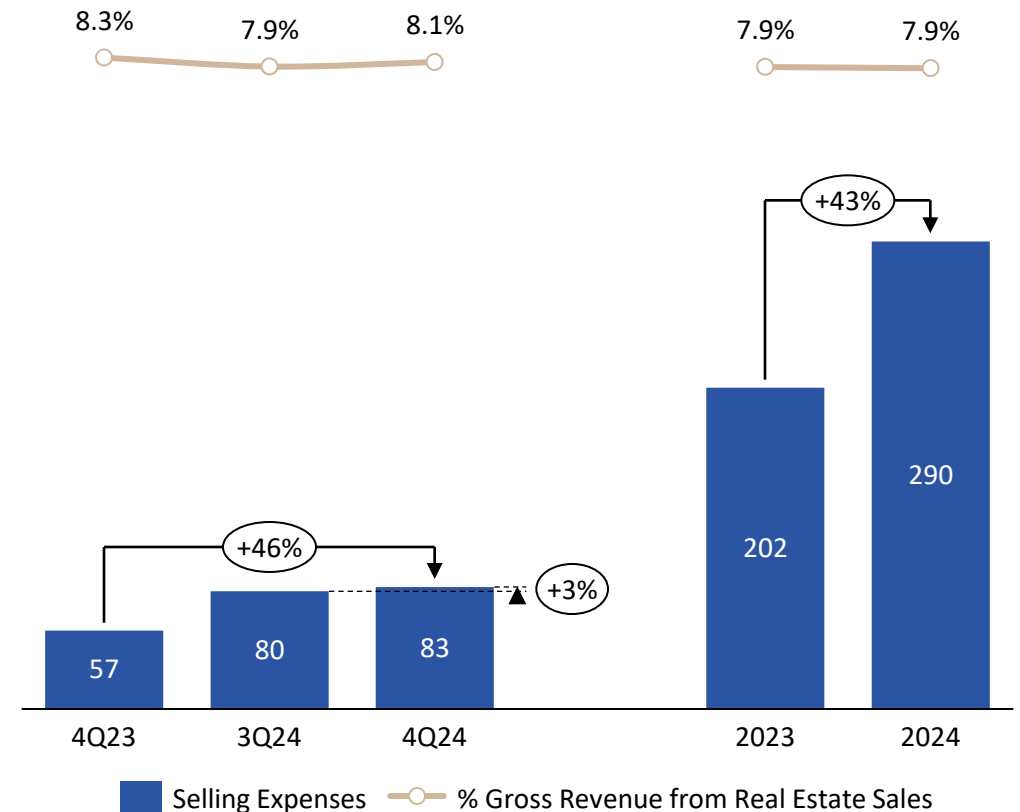
## G&A Expenses

BRL million and %



## Selling Expenses

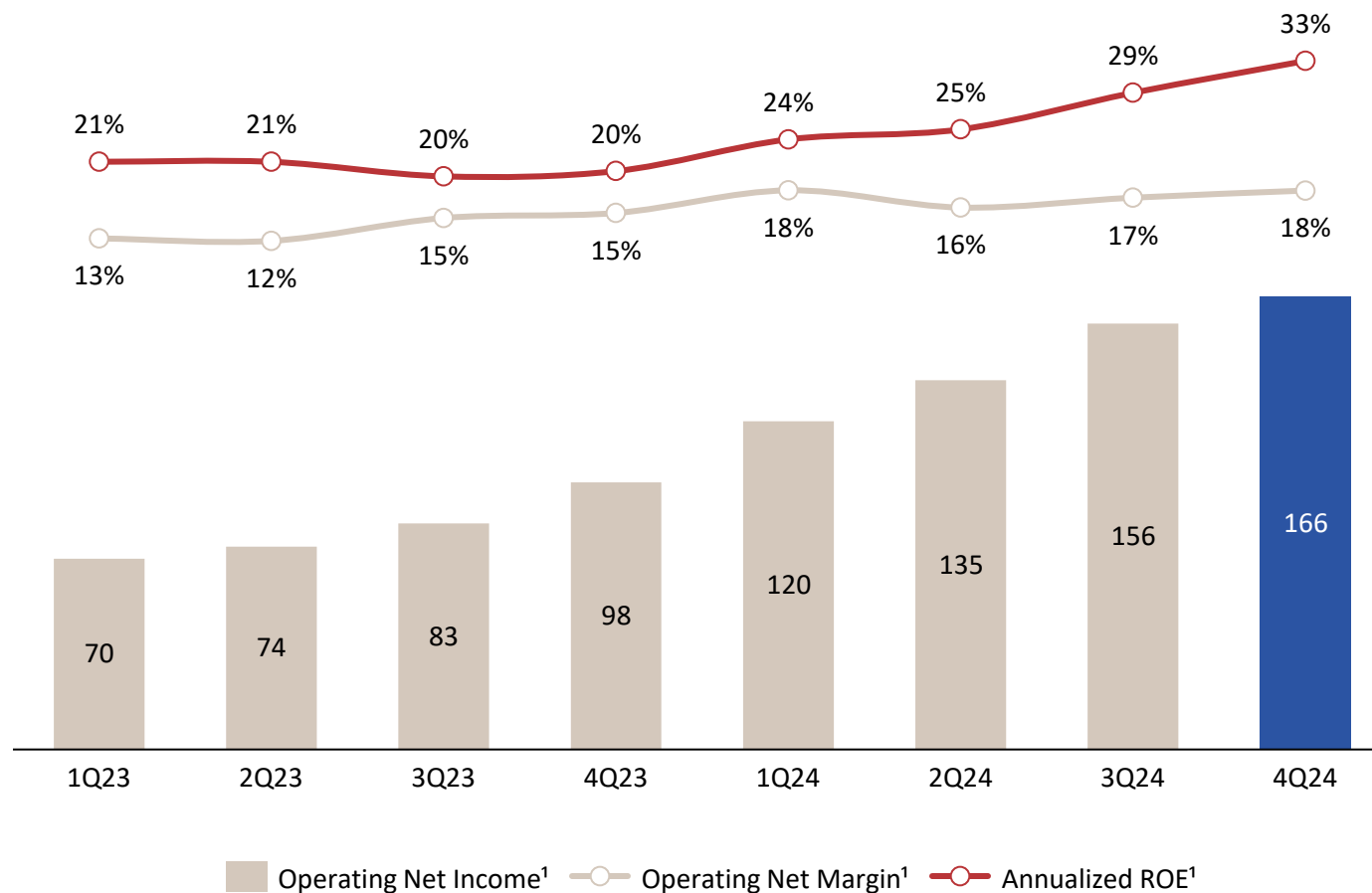
BRL million and %



1 - Total Gross Revenue: adjustment including Gross Revenue from non-consolidated SPVs.

## Operating Net Income<sup>1</sup> Track Record

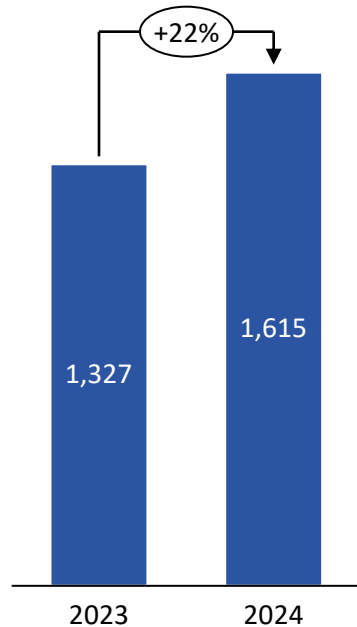
BRL million and %



1 - Operating Net Income: adjustment excluding equity swap result, non-recurring result allocated to "Other Operating Income and Expenses" and expenses with sales of receivables, as applicable.

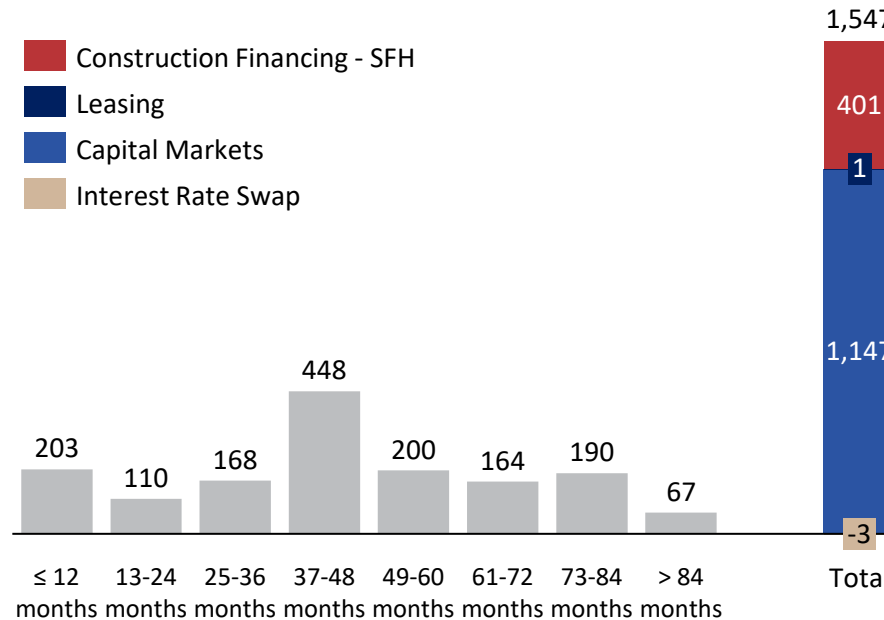
## Cash Position

BRL million



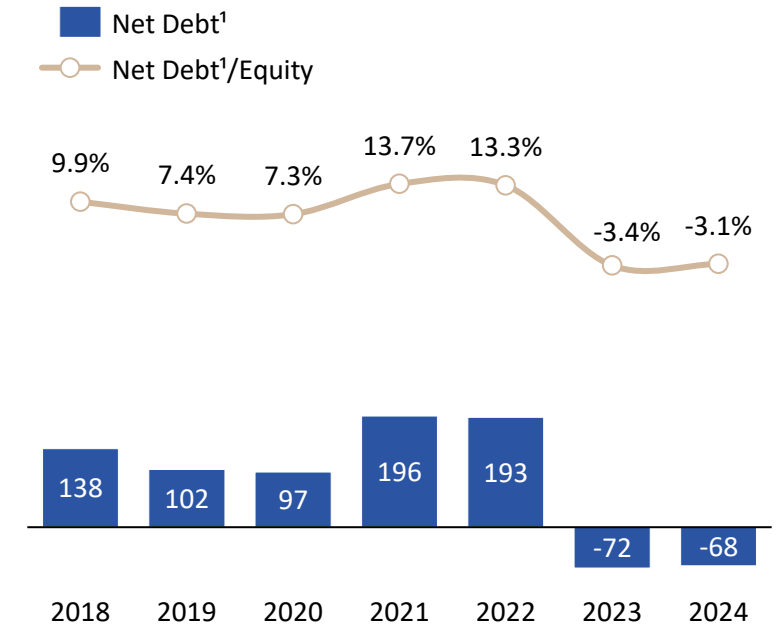
## Debt Amortization Schedule

BRL million



## Net Debt<sup>1</sup> and Leverage Ratio

BRL million and %

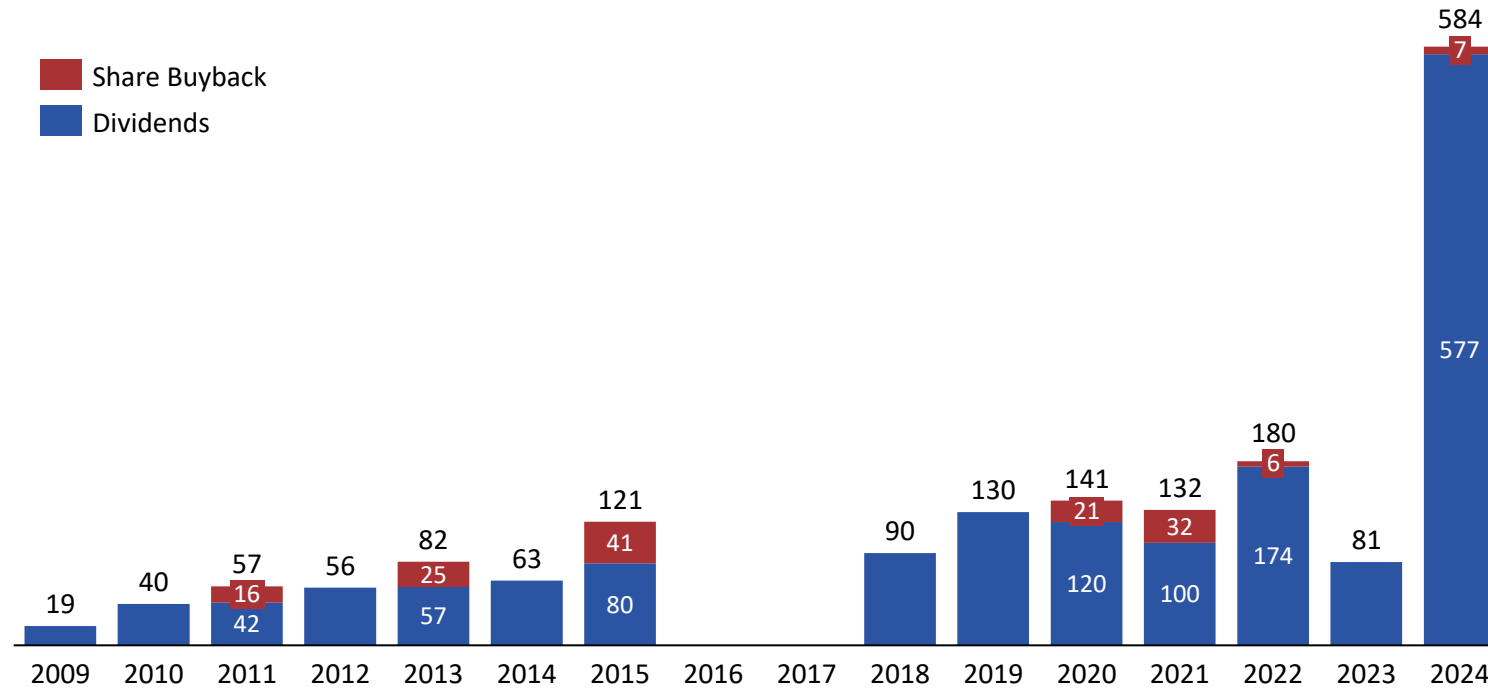


- At the end of 2024, weighted average maturity of debt of 51 months.
- Negative leverage ratio: Net Debt-to-Equity of -3.1% at the end of 2024 (net cash position: BRL 68 million).
- Subsequent event: BRL 370 million in new debt issuance (lengthening the weighted average maturity to 62 months).

**brAAA**  
S&P Global  
Ratings

1 - Net Debt (Net Cash): Loans and Financing Operations reduced by Cash and Cash Equivalents and Short-term Investments plus the balance of interest rate swap contracts.

Dividends and Share Buyback  
BRL million



- BRL 3.33 per share in dividends in 2024.
- Since the IPO, Direcional has returned BRL 1.8 billion to shareholders through dividend distributions and share buybacks.

This presentation contains certain forward-looking statements concerning the business prospects, projections of operating and financial results and growth potential of the Company, which are based on management's current expectations and estimates of the future performance of the Company. Although the Company believes such forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be achieved. Expectations and estimates that are based on the future prospects of the Company are highly dependent upon market behavior, Brazil's political and economic situation, existing and future regulations of the industry and international markets and, therefore, are subject to changes outside the Company's and management's control. The Company undertakes no obligation to update any information contained herein or to revise any forward-looking statement as a result of new information, future events or other information.

## IR Team

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**DIRR**  
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