



# Earnings Presentation

4Q20 Conference Call

March 16th, 2021



# **DIRECCIONAL**

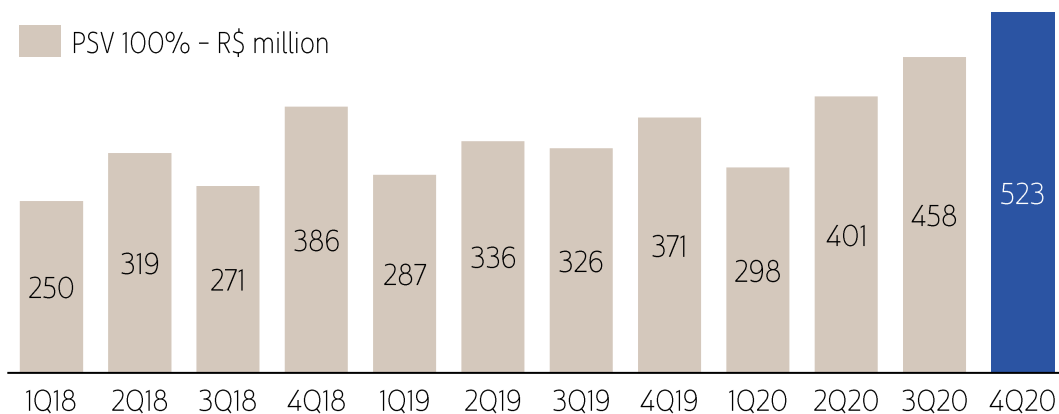
## **Operating Highlights**

**Ricardo Ribeiro**

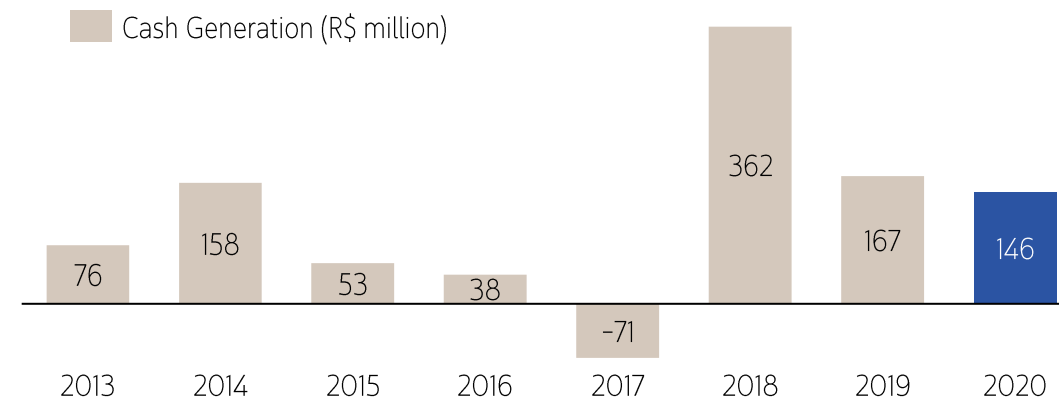
**CEO**



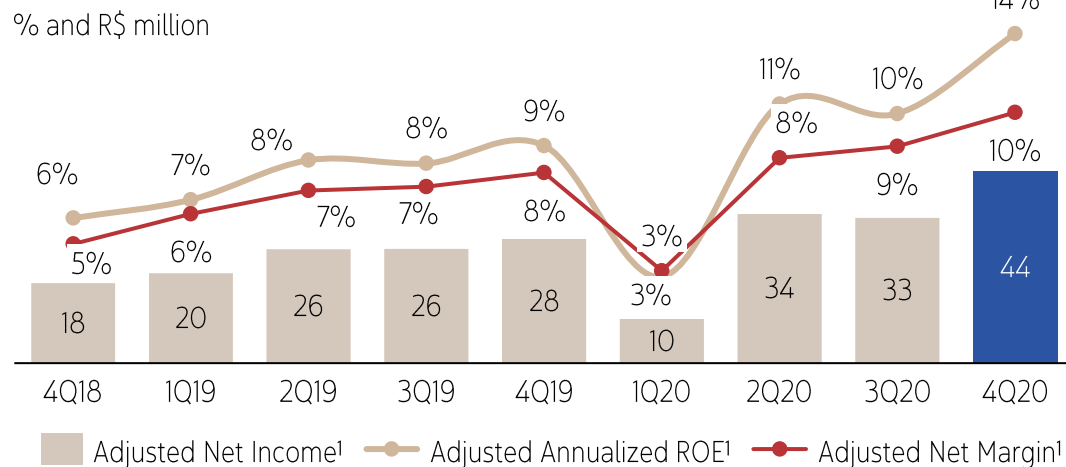
## Record of Net Sales for the third consecutive quarter



## Cash Generation of BRL 146 million in 2020



## Adjusted Annualized ROE<sup>1</sup> of 14%

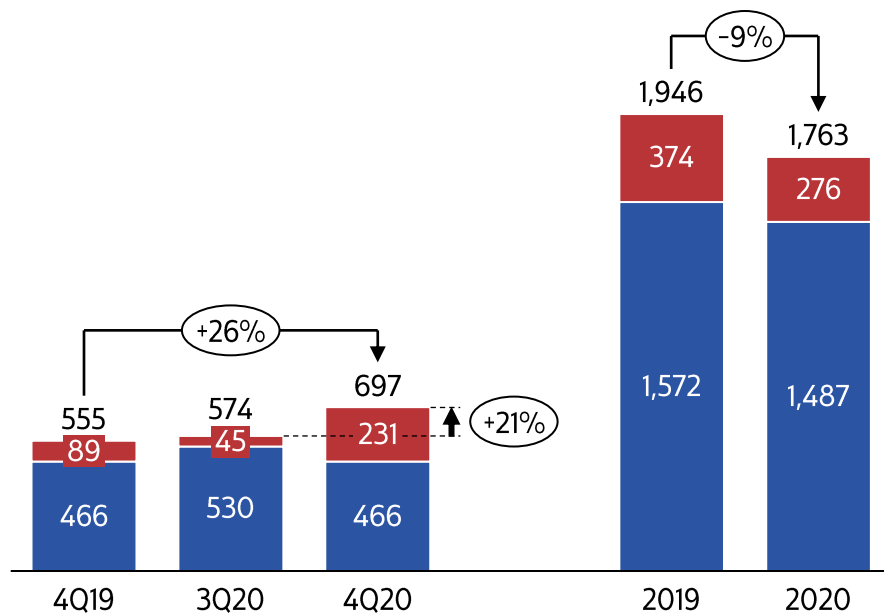


## Other highlights

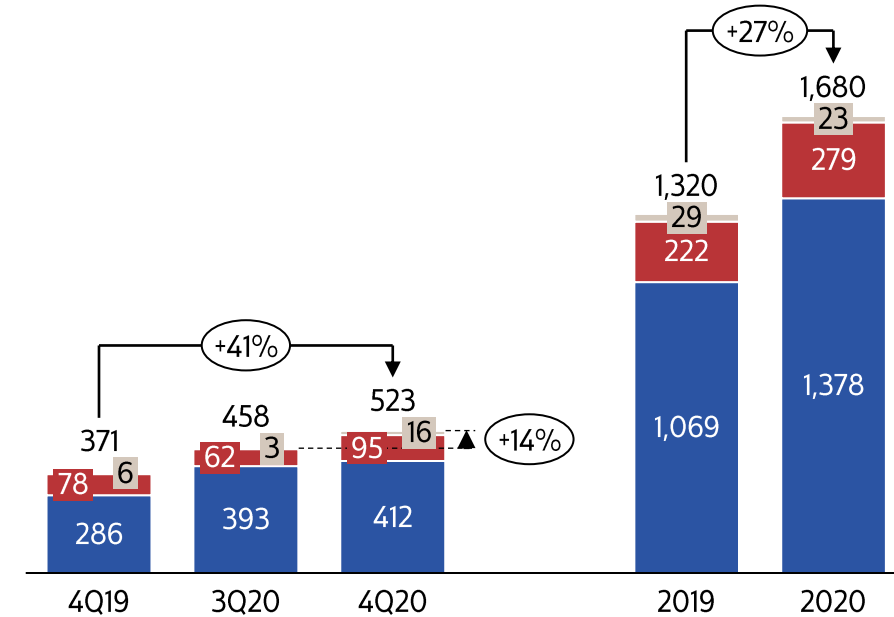
- In 4Q20, Cash Generation reached BRL 63 million.
- Payment of dividends of BRL 120 million, BRL 0.81 per share.
- Share buyback program: by the end of 2020, BRL 21 million in stock repurchased.
- As of the Earnings Release date: BRL 37 million in stock repurchased.

<sup>1</sup> Adjustment excluding non-recurring expenses in the amount of R\$ 3 million with Riva canceled IPO in 4Q20, and R\$ 7.5 million in 2020.

Launches  
(PSV 100% - R\$ million)



Net Sales (Development)  
(PSV 100% - R\$ million)

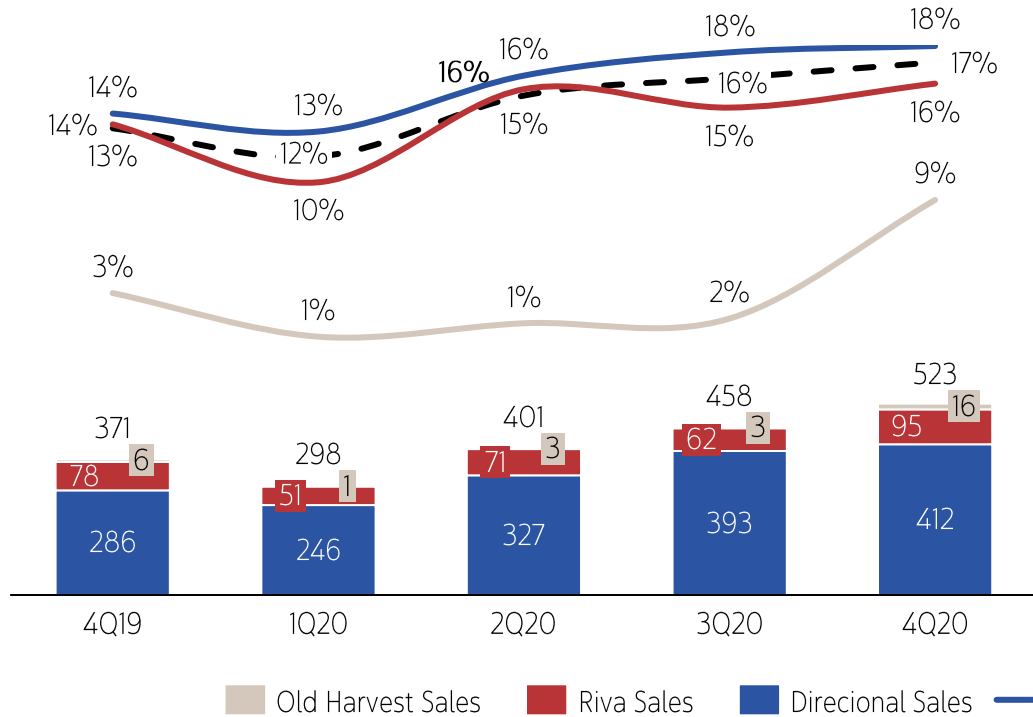


Old Harvest Riva Direcional

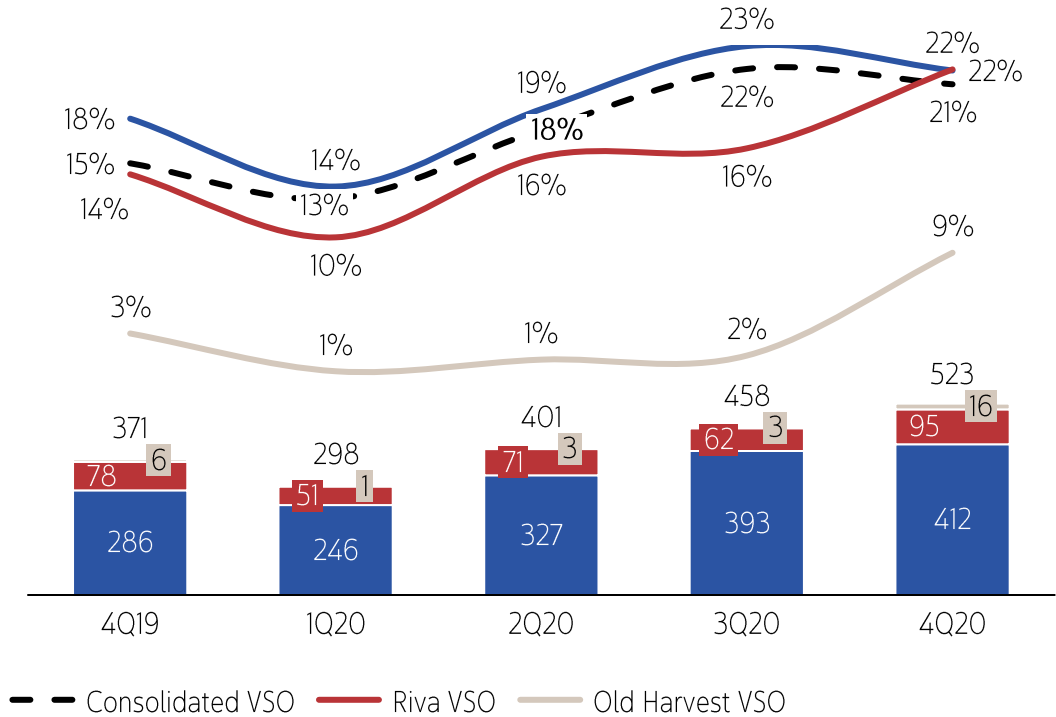
- 4Q20: the best quarter in Launches in Company's history, totaling BRL 697 million.
- A record of Net Sales for the third consecutive quarter: BRL 523 million in 4Q20.
- Acceleration of Riva operation in 4Q20: Launches + 417% and Net Sales + 52% over 3Q20.

# Net Sales Speed (VSO)

Net Sales and VSO  
(PSV 100% - R\$ million)

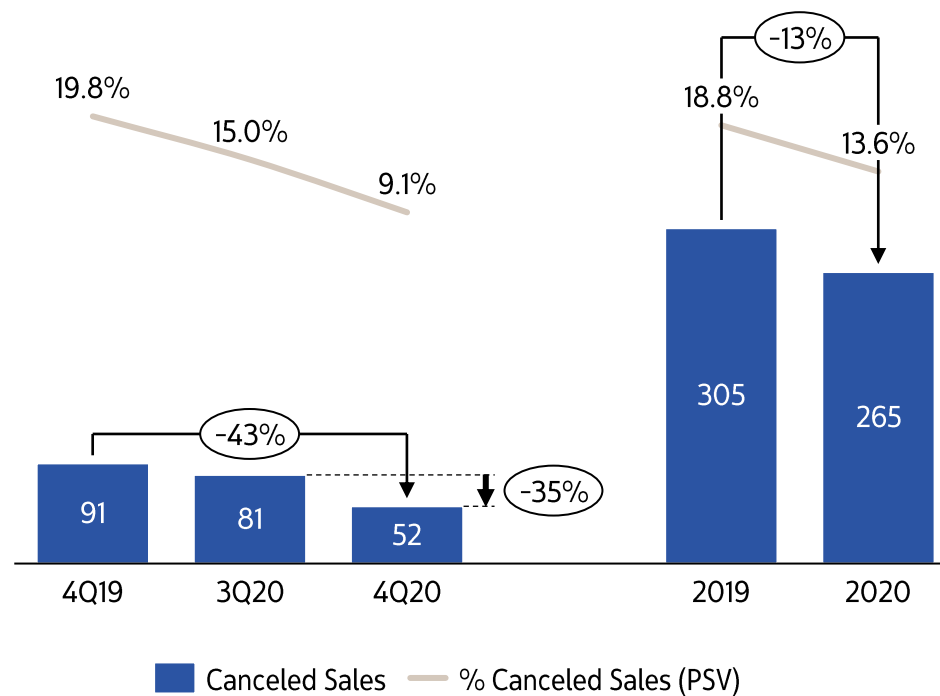


Net Sales and Inventory VSO  
(PSV 100% - R\$ million)



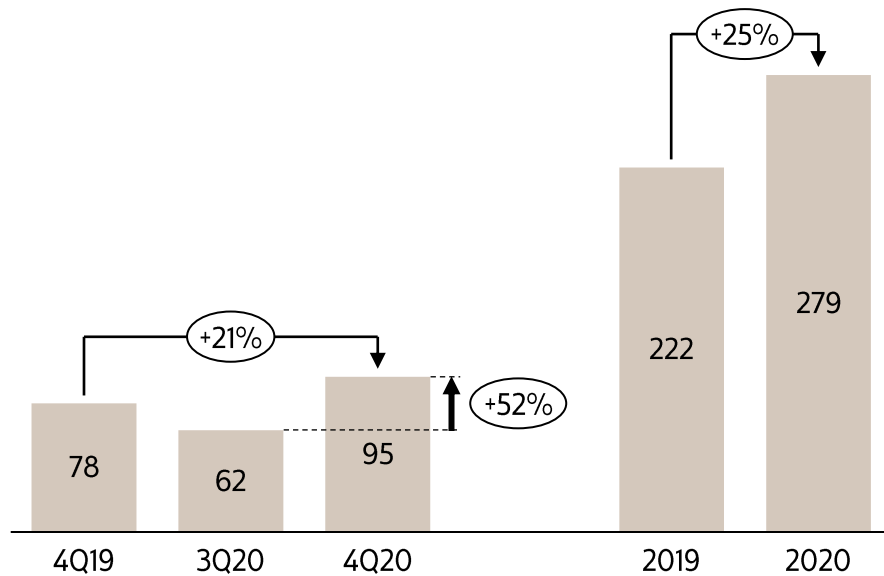
- Consolidated VSO of 17% in 4Q20. Excluding Old Harvest projects, VSO from Direcional projects reached 18%.
- Inventory VSO in 4Q20 reached 21% (Consolidated) and 22% (Direcional excluding Old Harvest).
- Riva's Inventory VSO reached 22% in 4Q20, + 6 p.p. in comparison with 3Q20.

Canceled Sales  
(PSV 100% - R\$ million and %)

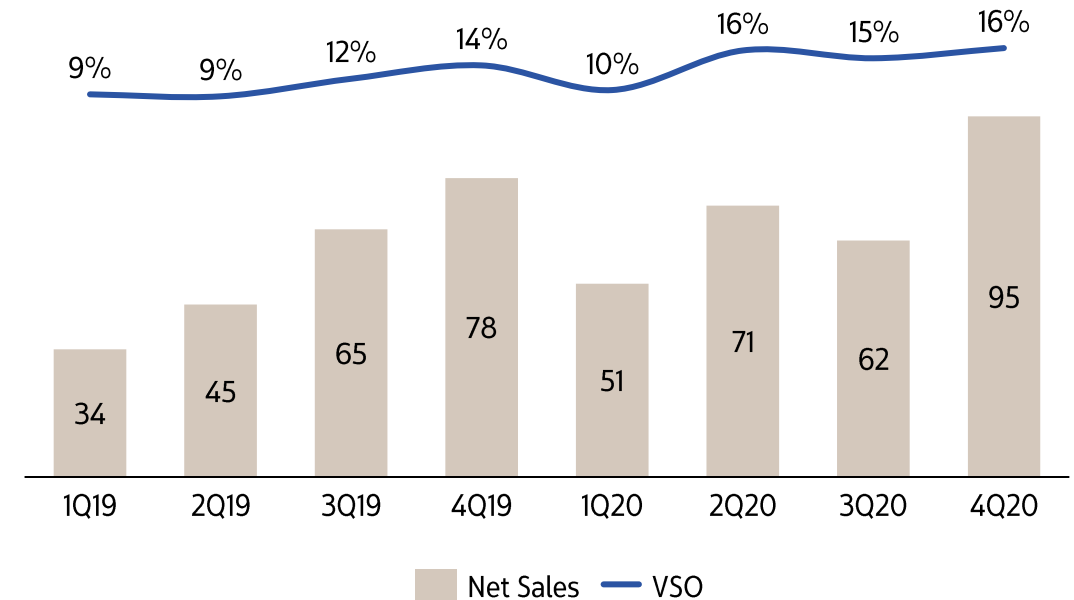


- In 4Q20, Canceled Sales represented 9.1% of Gross Sales contracted, a reduction of 6 p.p. over 3Q20 and 11 p.p. over 4Q19.
- In 2020, Canceled Sales represented 13.6% of Gross Sales, a reduction of 5 p.p. when compared to 2019.

Evolution of Net Sales  
(PSV 100% - R\$ million)



Evolution of Net Sales and VSO  
(PSV 100% - R\$ million)



- In 4Q20, Net Sales grew 52% over 3Q20 and 21% over 4Q19.
- Net Sales reached BRL 279 million in 2020, + 25% in comparison with 2019.
- VSO reached 16% in 4Q20.

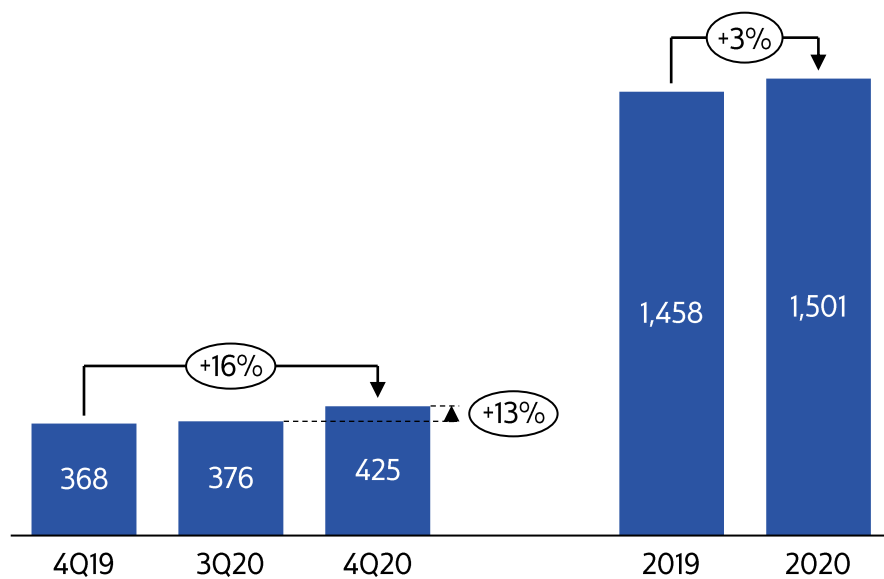


## **Financial Highlights**

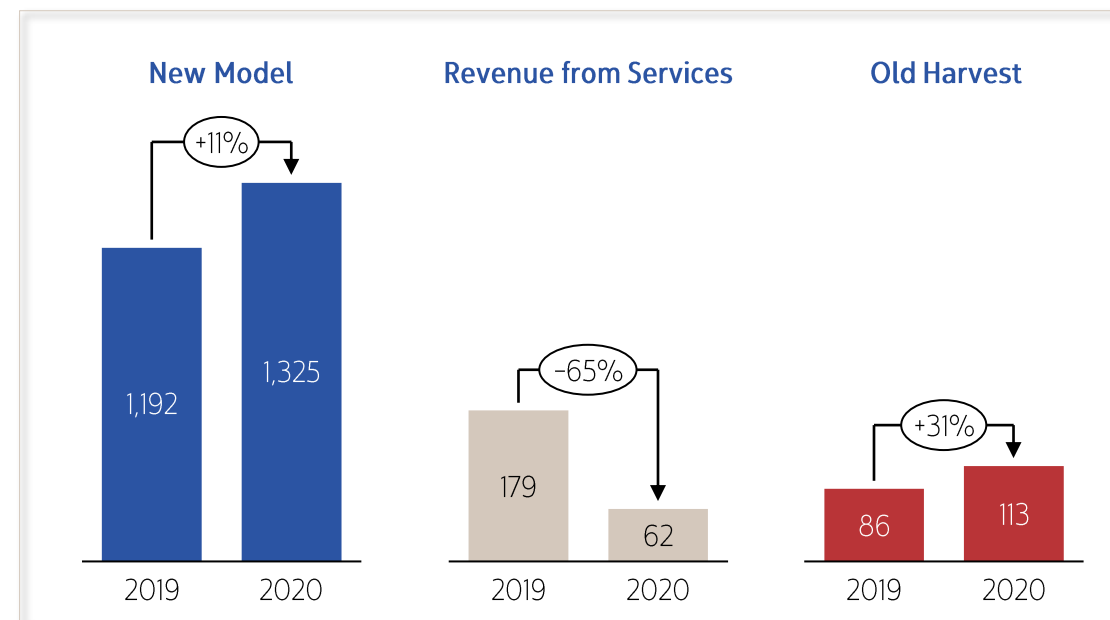
**Henrique Paim**

**CFO**

Net Revenue  
(R\$ million)

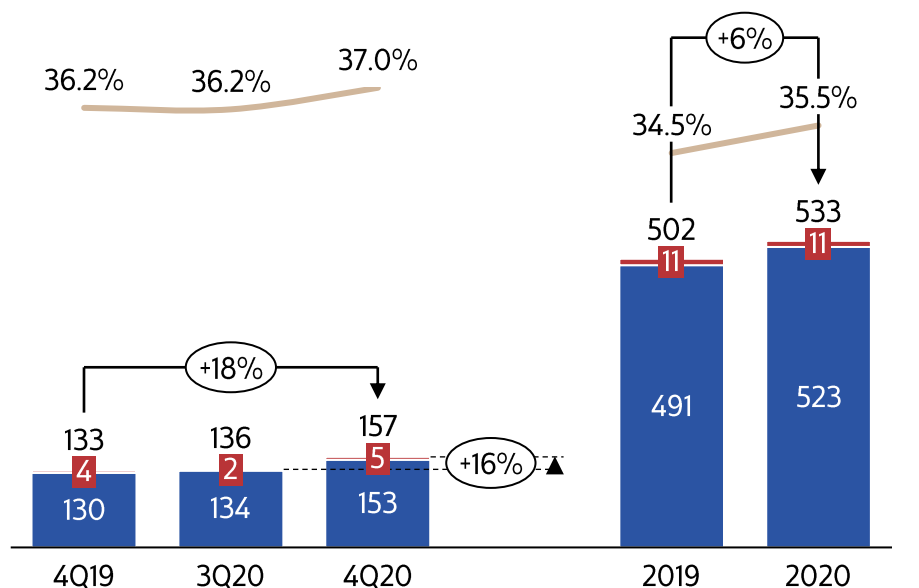


Net Revenue per Segment  
(R\$ million)



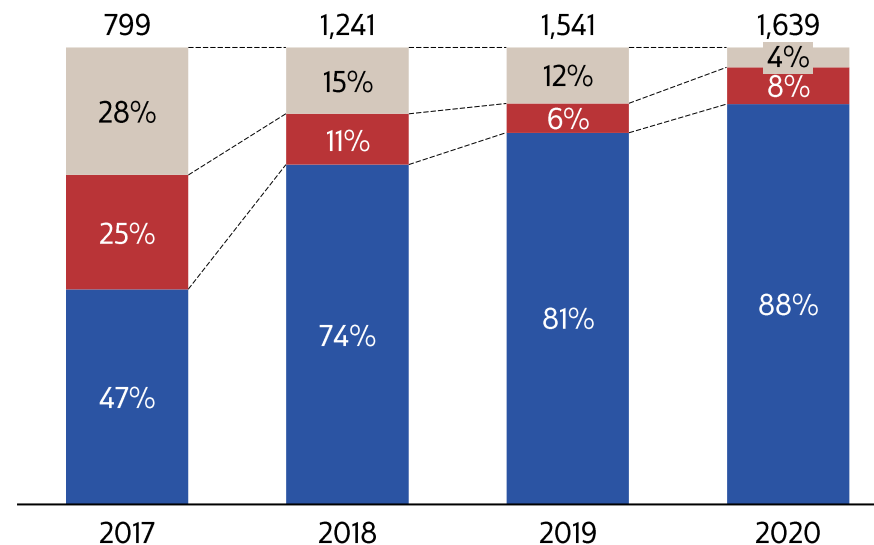
- In 4T20, Net Revenue grew 13% over 3Q20 and 16% over 4Q19.
- In 2020, Net Revenue from New Model segment grew 11% when compared to 2019.
- Net Revenue from Services (MCMV Level 1) reduced 65% in 2020 (as expected), while Net Revenue from Old Harvest segment grew 31%.

Adjusted Gross Profit<sup>1</sup>  
(R\$ million and %)



Interest Capitalized in Cost Gross Profit Adjusted Gross Margin<sup>1</sup>

Evolution of Gross Revenue per Segment  
(% and R\$ million)

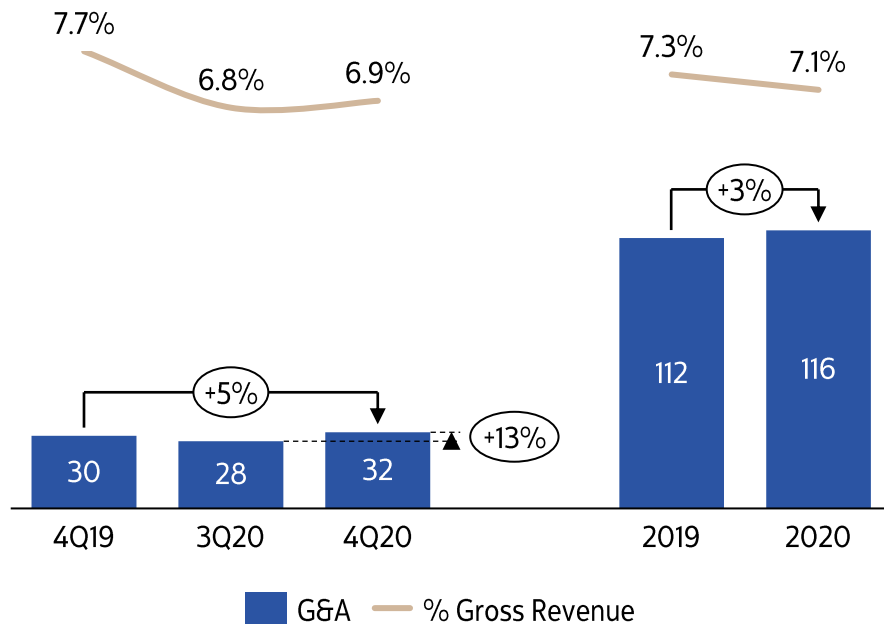


Services Old Harvest New Model

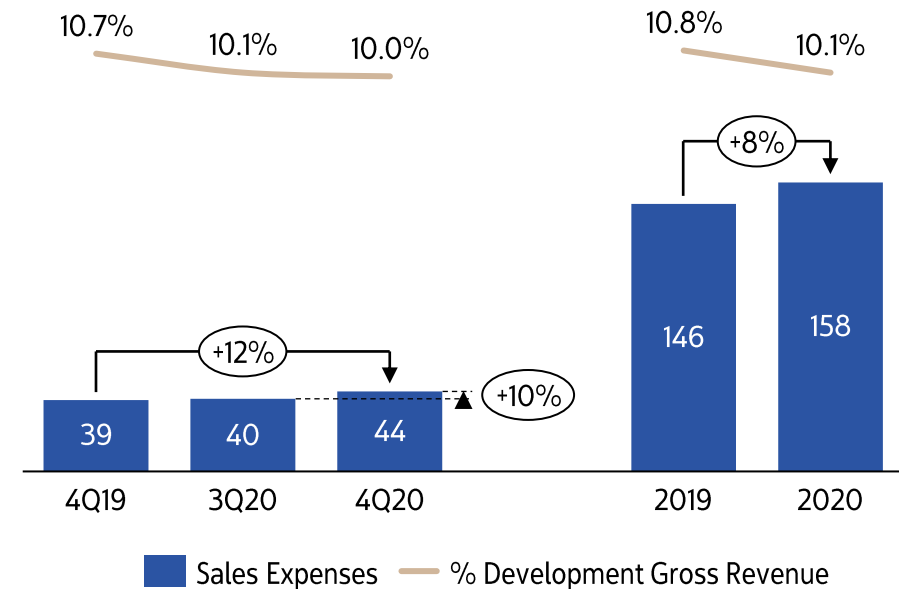
- Adjusted Gross Profit<sup>1</sup> reached BRL 157 million in 4Q20, the best since 2Q15.
- Adjusted Gross Margin<sup>1</sup> of 37.0% in 4Q20 and 35.5% in 2020.
- Projects developed under the New Model segment represented 88% of total Gross Revenue in 2020.

<sup>1</sup> Adjustment excluding capitalized interest for financing of production.

G&A  
(R\$ million and %)

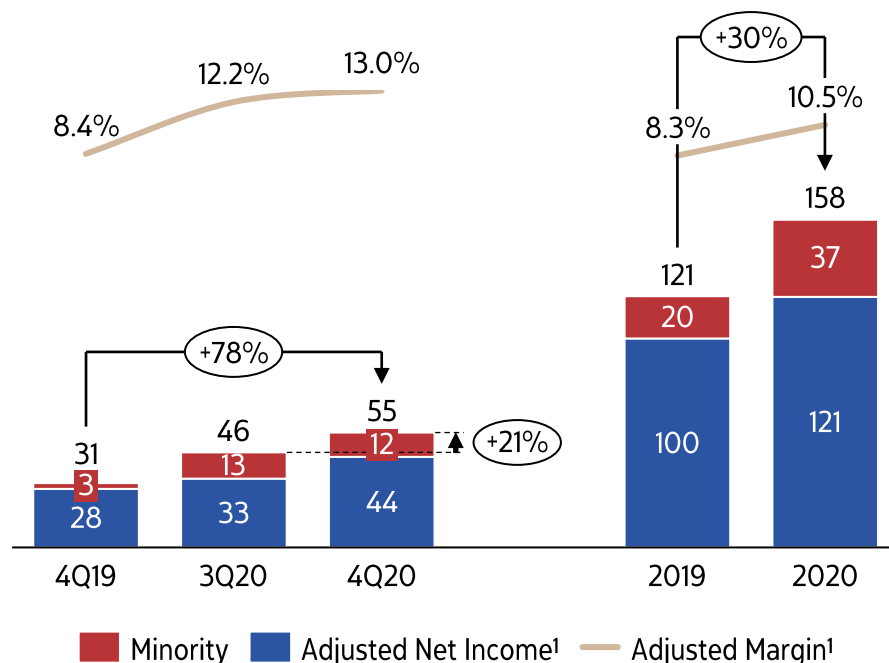


Sales Expenses  
(R\$ million and %)

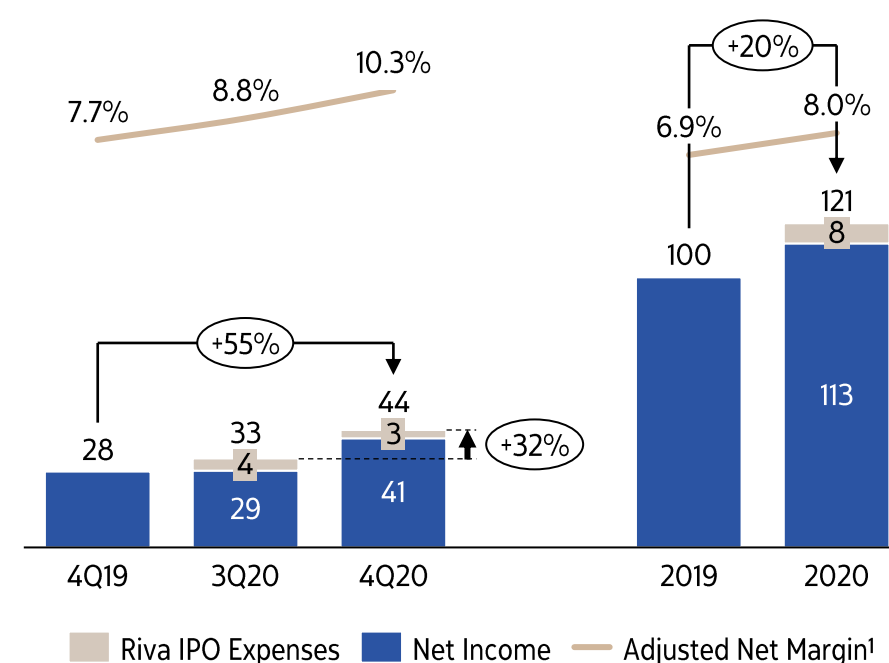


- In 2020, G&A Expenses grew 3% over 2019, however, representativeness on Gross Revenue went down to 7.1%.
- Sales Expenses grew 8% over 2019, less than the growth of Development Gross Revenue in the same period (+ 16%).
- In 2020: dilution of Sales Expenses to 10.1% of Development Gross Revenue.

Net Profit Before Minority Interest<sup>1</sup>  
(R\$ million and %)



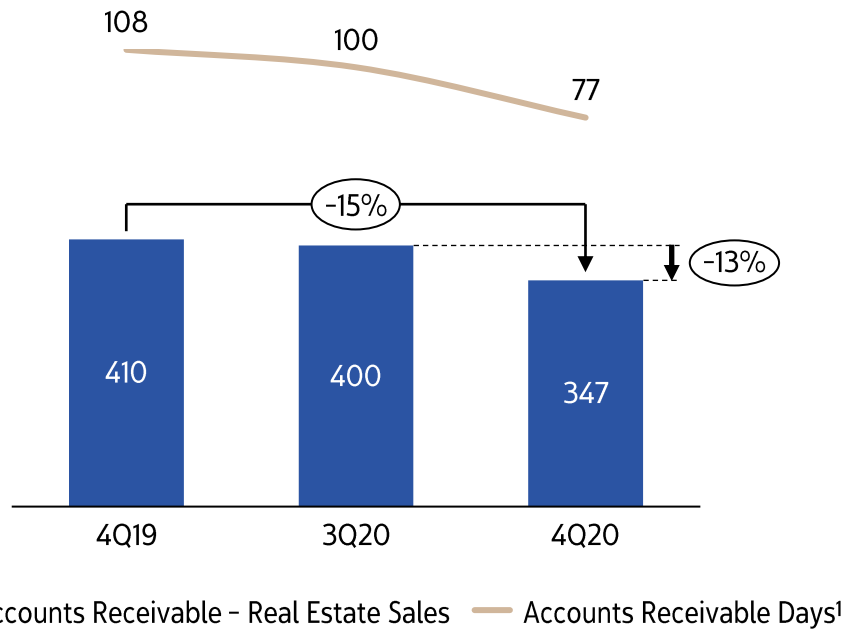
Adjusted Net Income<sup>1</sup>  
(R\$ million and %)



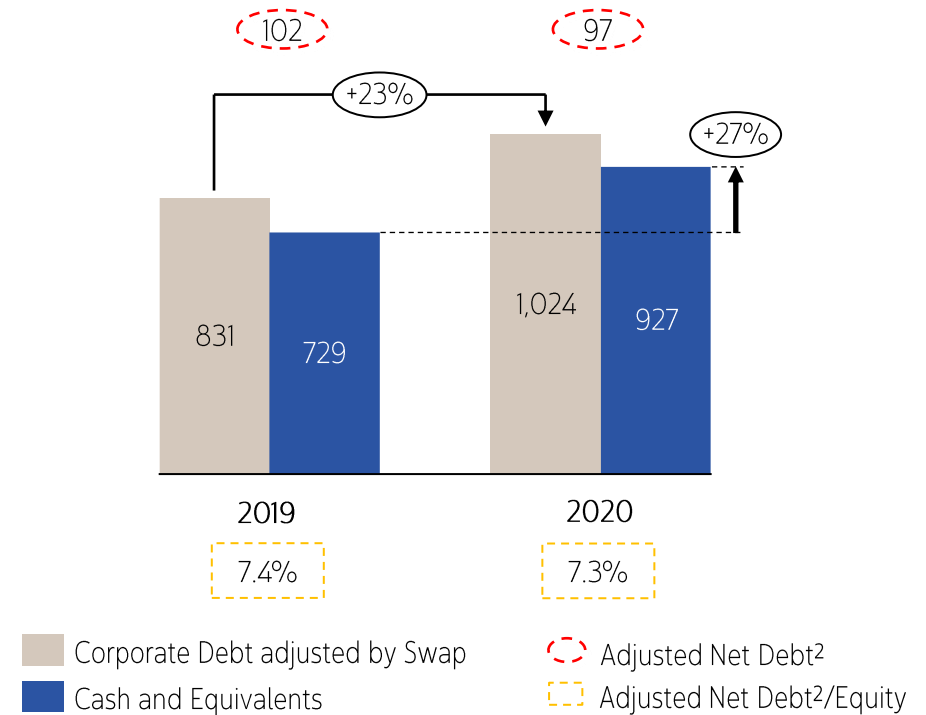
- Adjusted Net Income before Minority Interest<sup>1</sup> reached BRL 55 million in 4Q20 and BRL 158 million in 2020.
- Adjusted Net Income<sup>1</sup> reached BRL 44 million in 4Q20, with an Adjusted Net Margin<sup>1</sup> of 10.3%, + 1.5 p.p. over 3Q20 and + 2.6 p.p. over 4Q19.
- In 2020, Adjusted Net Profit<sup>1</sup> reached BRL 121 million, with an Adjusted Net Margin<sup>1</sup> of 8.0%, + 1.1 p.p. in comparison with 2019.

<sup>1</sup> Adjustment excluding non-recurring expenses in the amount of R\$ 3 million with Riva canceled IPO in 4Q20, and R\$ 7.5 million in 2020.

Accounts Receivable – Real Estate Sales  
(R\$ million and Days)



Capital Structure  
(R\$ million)



- Accounts Receivable Days<sup>1</sup> reached 77 days in the end of 4Q20.
- Leverage ratio (Adjusted Net Debt<sup>2</sup> / Equity) ended 2020 at 7.3%.

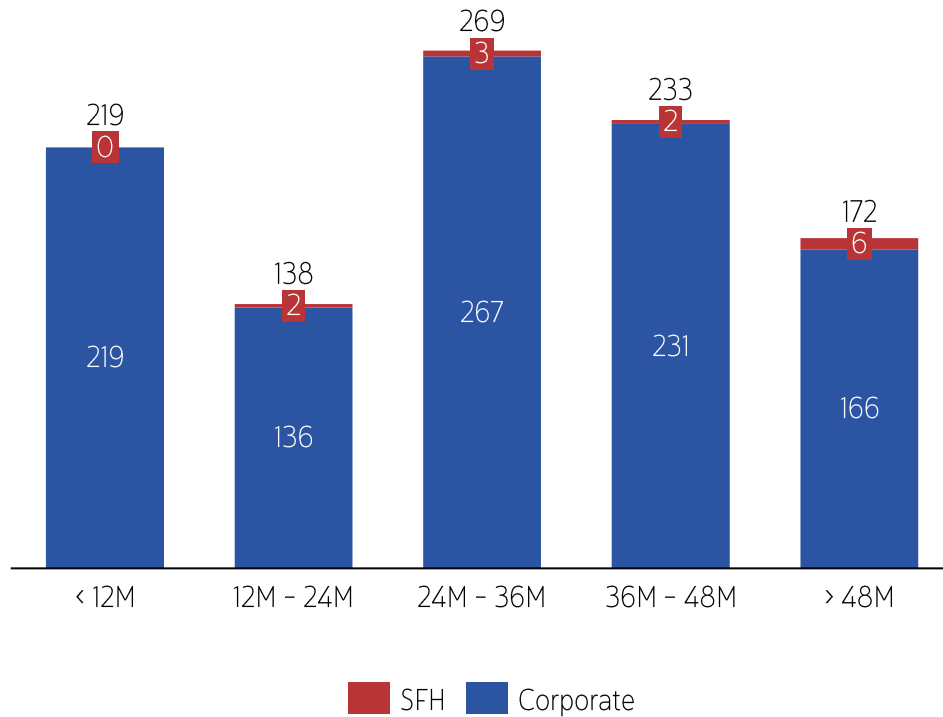
**S&P Global**  
Ratings

- S&P rated Direcional with brAA+ with positive outlook.

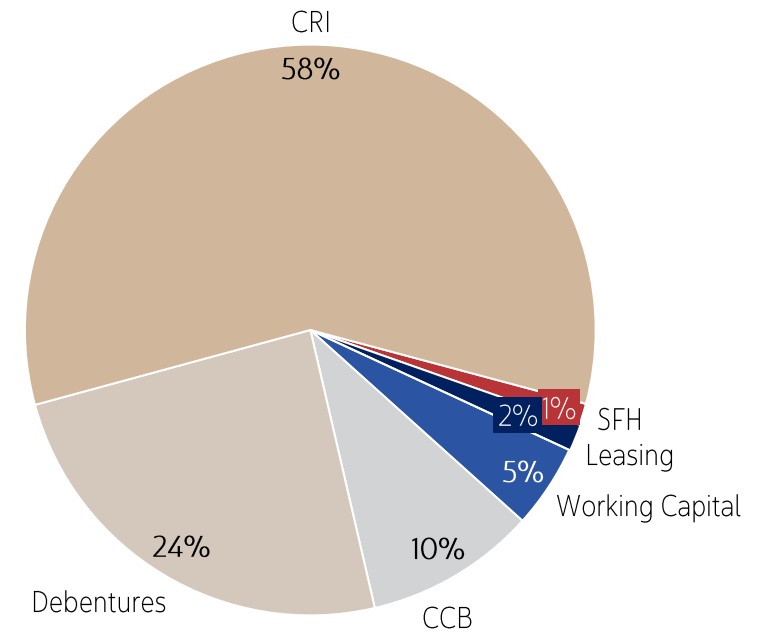
<sup>1</sup> Calculated as Accounts Receivable from Real Estate Sales over Net Revenue from Real Estate Sales in the quarter, multiplied by 90 (number of days in one quarter).

<sup>2</sup> Adjusted by the balance of interest swap operation agreements.

Debt Amortization Schedule  
(R\$ million)



Loans and Financing  
(% of Debt)



- At the end of 3Q20, the weighted average maturity of debt was 36 months.

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