

Results Presentation

Conference Call – 3Q20

November 10th, 2020

The logo for DIRECIONAL, featuring a stylized 'D' icon followed by the word 'DIRECIONAL' in a bold, sans-serif font.

Agenda

Ricardo Ribeiro

CEO

Operating Highlights

Henrique Paim

CFO/IRO

Financial Highlights

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Operating Highlights

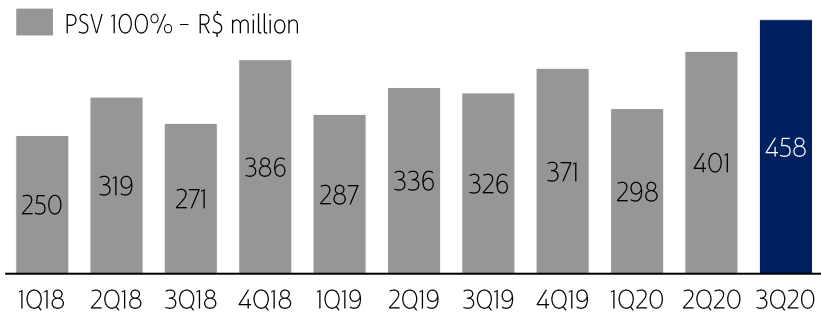
Henrique Paim

CFO/IRO

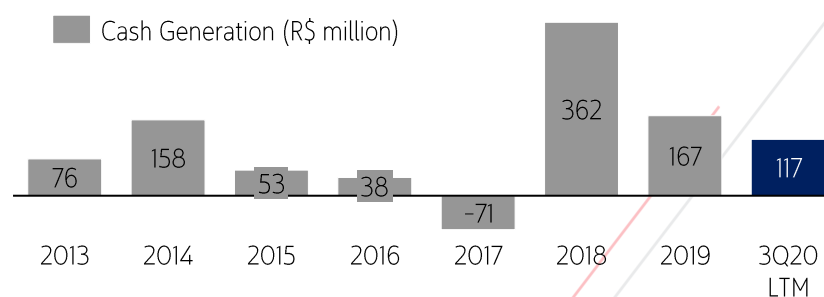
Financial Highlights

Highlights 3Q20 (1/2)

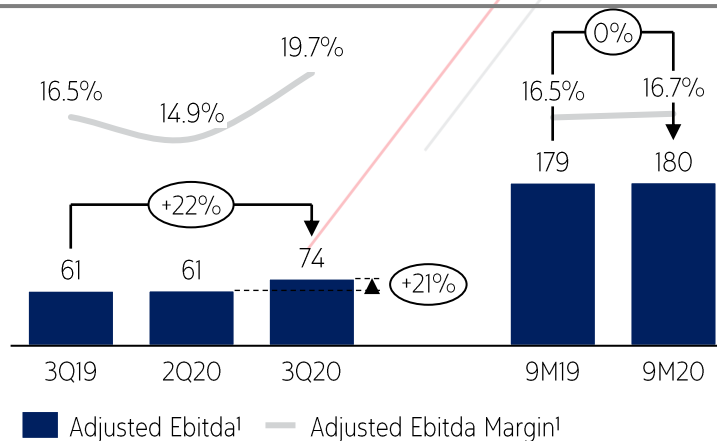
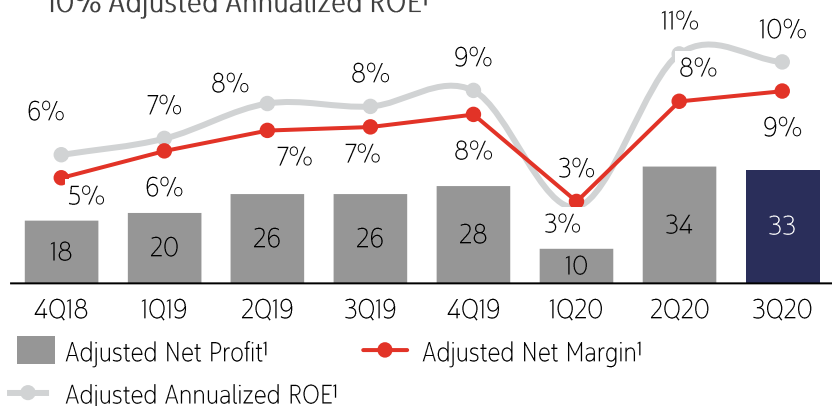
- ✓ Best quarter in Net Sales in history



- ✓ Cash Generation: R\$ 117 million in the last 12 months
- ✓ Payment of Dividends: R\$ 120 million and R\$ 0.81 per share



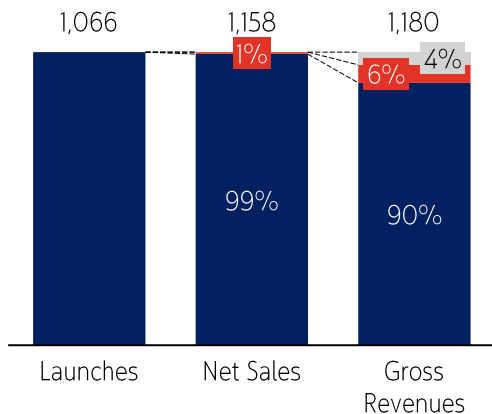
- ✓ 10% Adjusted Annualized ROE¹



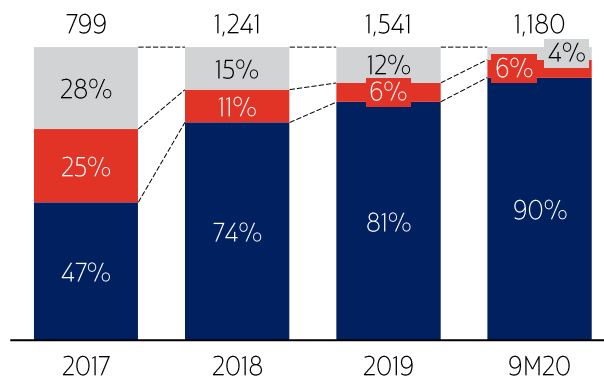
¹ Adjustment disregarding non-recurring expenses in 3Q20, in the amount of R\$ 4 million, with the Riva IPO.

Highlights 3Q20 (2/2)

Share per Segment 9M20
(% and R\$ million)

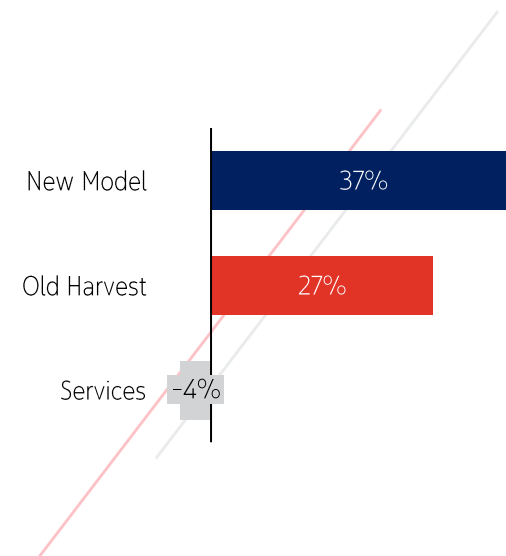


Evolution of Gross Revenue per Segment
(% an R\$ million)



Services Old Harvest New Model

Adjusted Gross Margin¹ per Segment 9M20

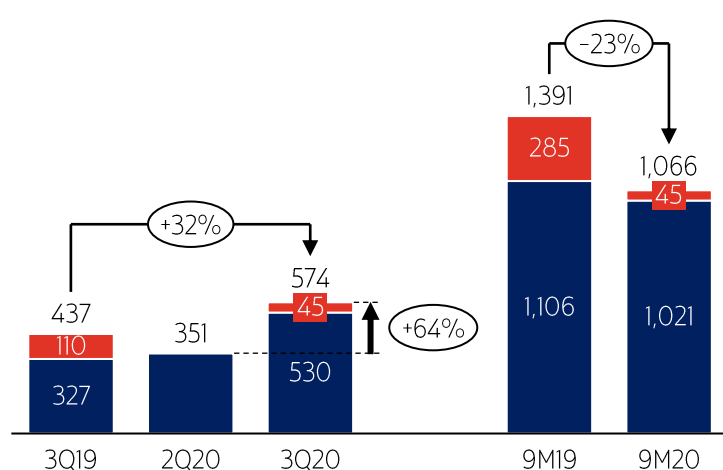


- Projects developed under the New Model segment represented 90% of total Gross Revenue.
- The increase of net sales in these projects led Adjusted Gross Margin¹ of the segment to reach 37% in 3Q20 and 9M20.

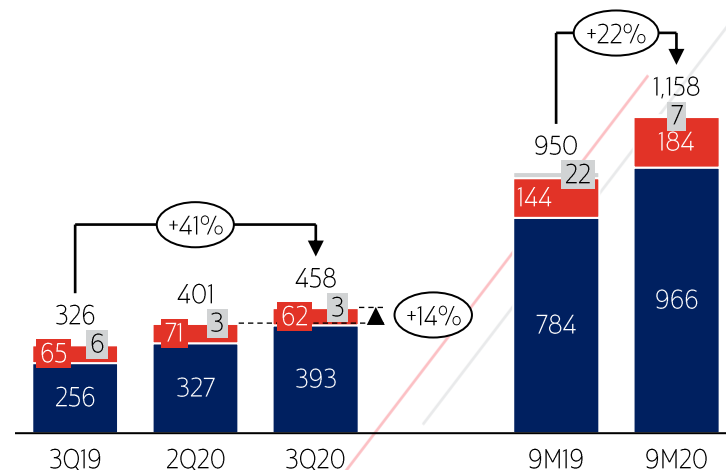
¹ Adjustment excluding capitalized interest for financing of production.

Launches and Net Sales

Launches
(PSV 100% - R\$ million)



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



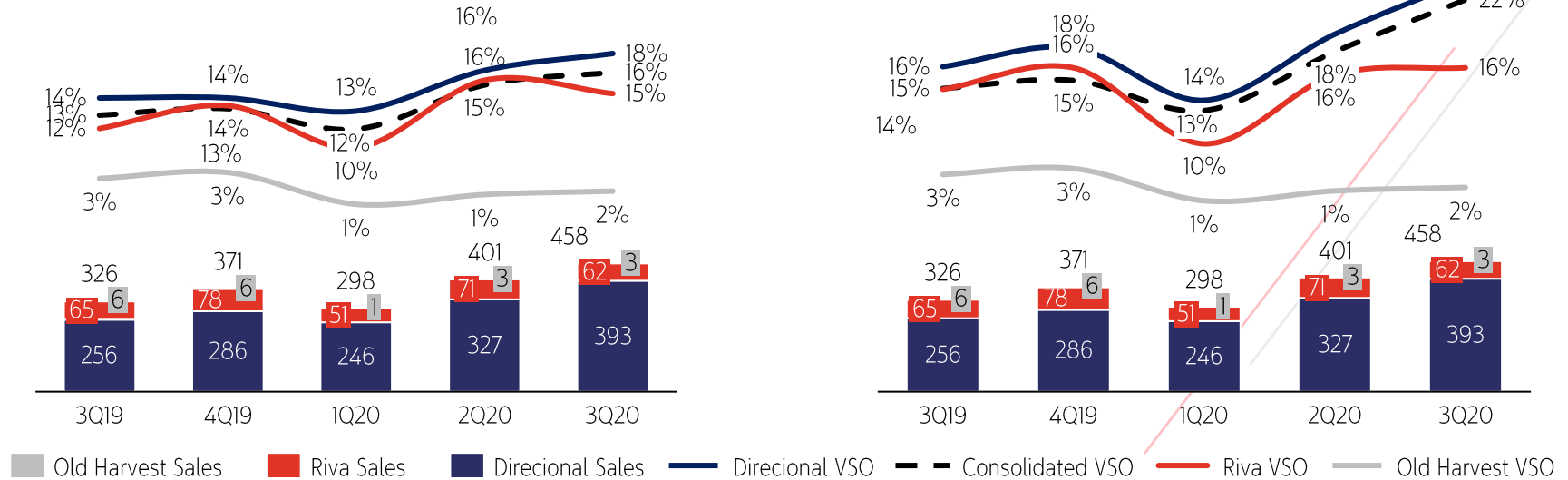
Old Harvest Riva Direcional

- In 3Q20, Launches reached R\$ 574 million, + 64% over 2T20 e + 32% over 3Q19.
- Net Sales achieved R\$ 458 million in 3Q20, exceeding 2Q20 as the best quarter in Company's history: + 14% QoQ and + 41% compared to 3T19.
- In 9M20, Net Sales totaled R\$ 1,2 billion, an increase of 22% from the year-ago period.

Speed of Sales (VSO)

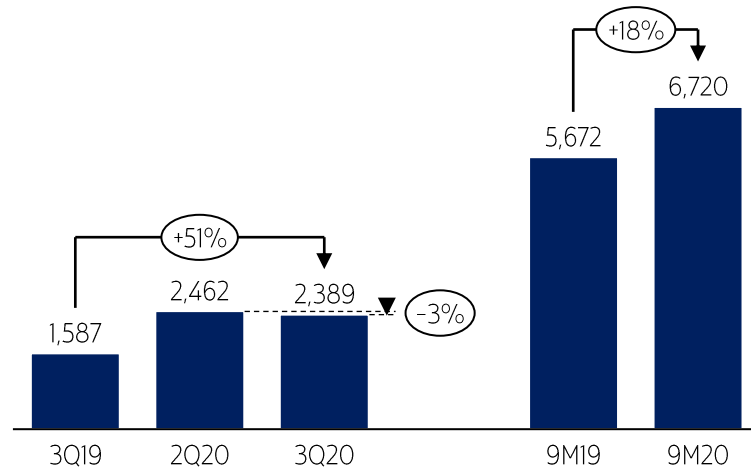
Net Sales and VSO
(PSV 100% - R\$ million)

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



- Consolidated VSO reached 16% in 3Q20. Excluding the projects from the Old Harvest segment, Direcional VSO achieved 18%.
- Disregarding the concentration of projects launched at the end of 3Q20, the Inventory VSO reached 22% (consolidated) and 23% in Direcional projects (ex-Old Harvest).

Transfers
(Transferred Units)

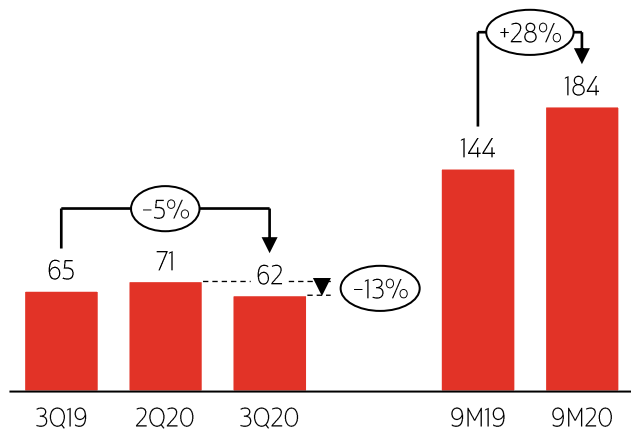


- 2,389 units transferred in 3Q20, - 3% compared to previous quarter and + 51% compared to 3Q19.
- In 9M20, Direcional transferred 6,720 units, an increase of 18% from the year-ago period.

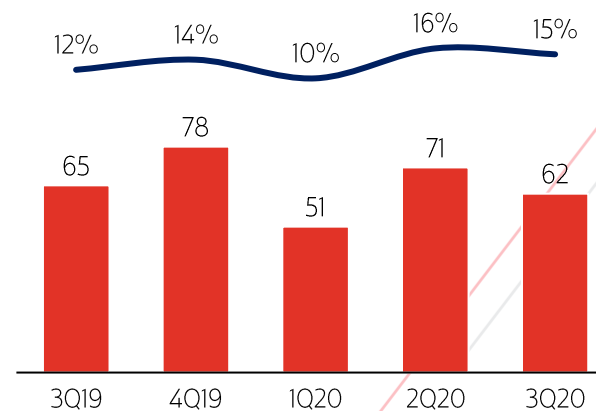
Riva – Operating Highlights



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



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



■ Net Sales — VSO

- Net Sales: R\$ 184 million in 9M20, 28% higher than the same period of 2019.
- VSO reached 15% in 3T20.

Agenda

Ricardo Ribeiro

CEO

Operating Highlights

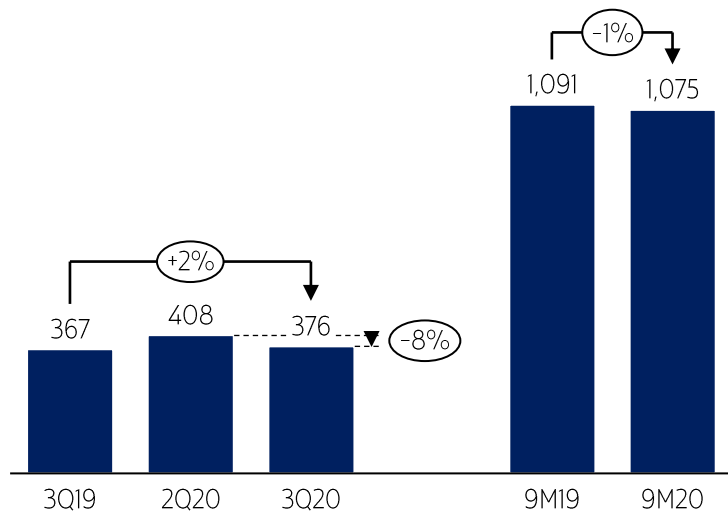
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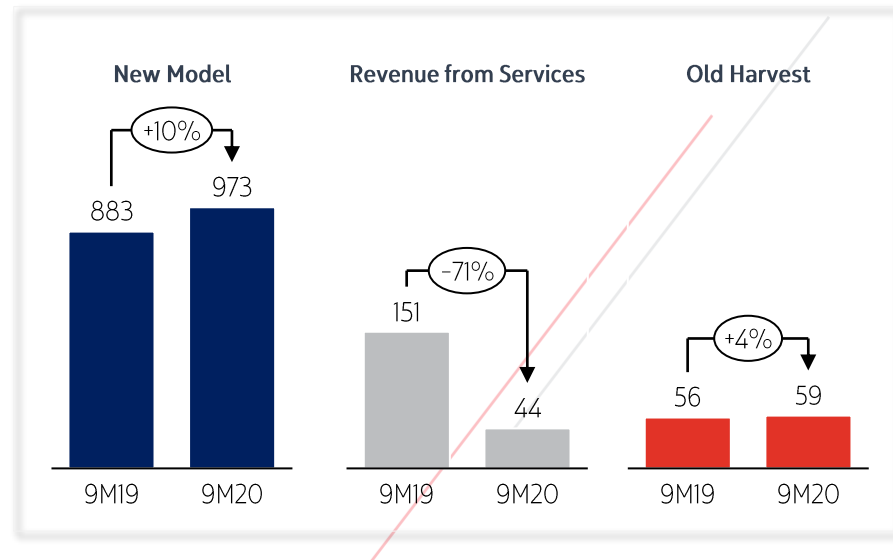
Financial Highlights

Net Revenue

Net Revenue
(R\$ million)



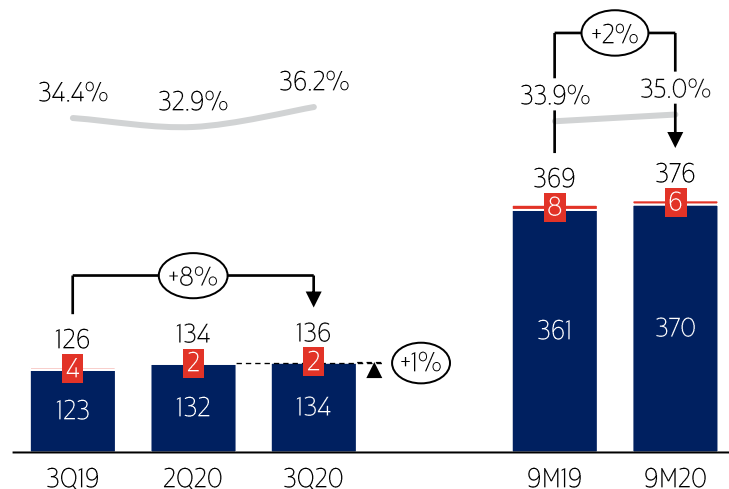
Net Revenue per Segment
(R\$ million)



- Net Revenue reached R\$ 376 million in 3Q20 and R\$ 1.1 billion in 9M20.
- In 9M20, Net Revenue from projects of the New Model segment grew 10% over 9M19.
- On the other hand, Net Revenue was impacted by the 71% reduction in Revenue from Services (MCMV Level 1).

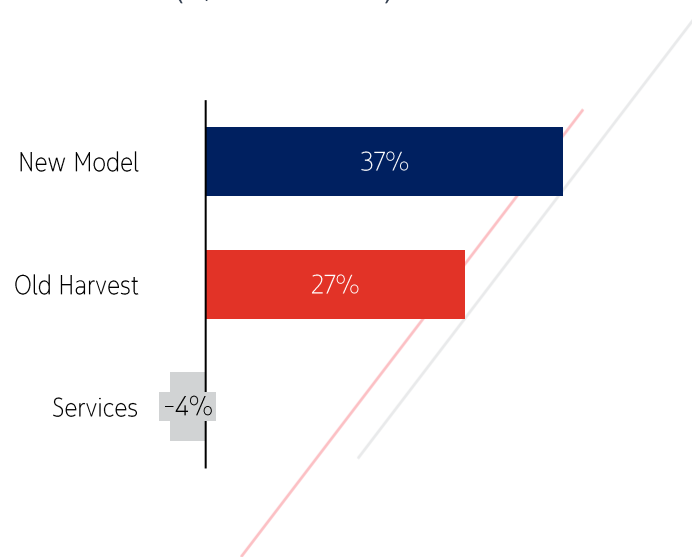
Gross Profit

Adjusted Gross Profit¹
(R\$ million and %)



■ Interest Capitalized in Cost — Adjusted Gross Margin¹
■ Gross Profit

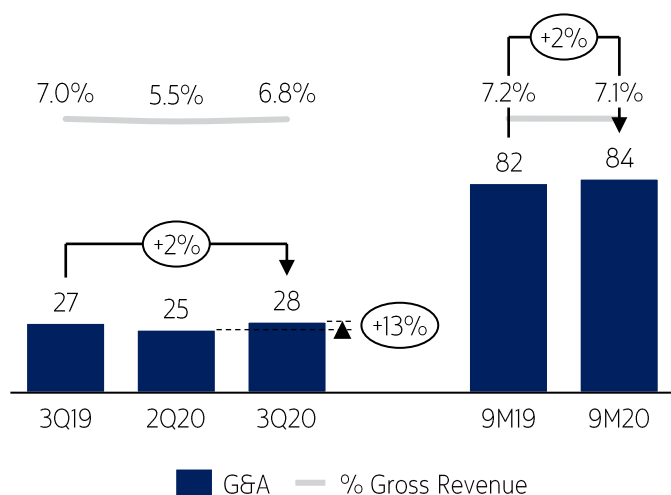
Adjusted Gross Margin¹ per Segment
(R\$ million and %)



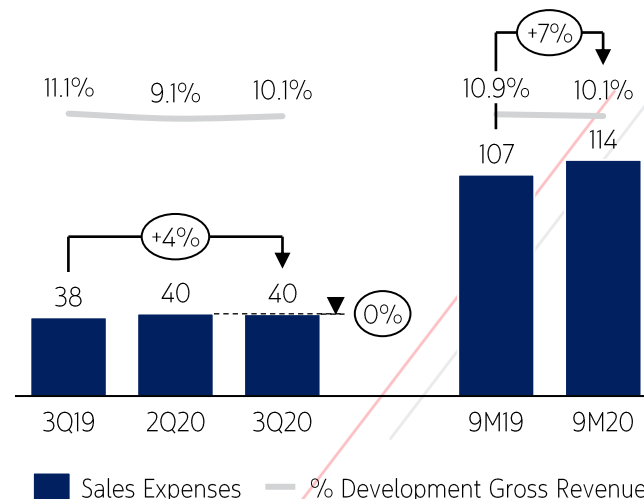
- Adjusted Gross Profit¹ of R\$ 136 million in 3Q20, the best since 2Q15.
- 37% Adjusted Gross Margin¹ in projects developed under the New Model segment.

¹ Adjustment excluding interest on production financing, capitalized on the cost.

G&A
(R\$ million and %)

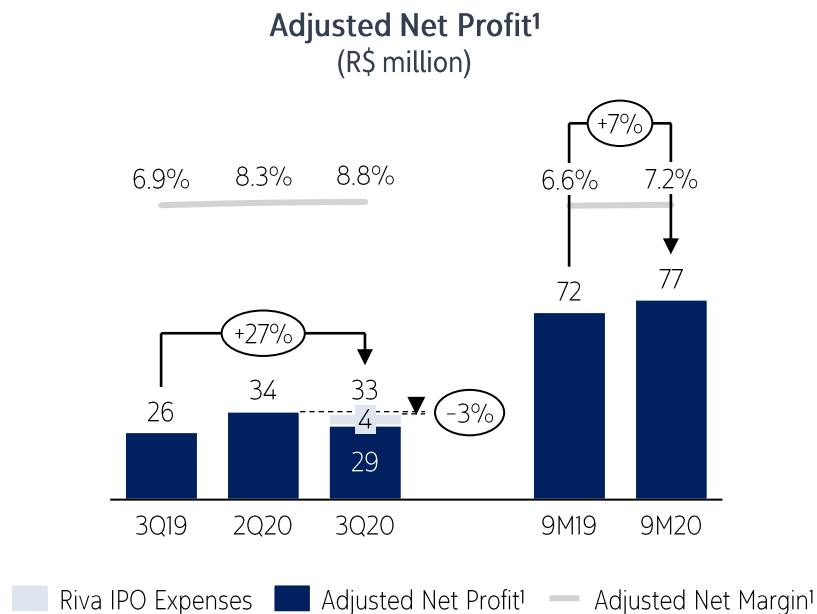


Sales Expenses
(R\$ million and %)



- 13% increase in G&A compared to 2Q20, due to the closing of some of the expenditure containment measures adopted during the COVID-19 pandemic.
- In 3Q20, Sales Expenses grew 4% over 3Q19, less than the growth of Development Gross Revenue in the same period (+ 15%).
- In 9M20: dilution of selling expenses to 10.1% of Development Gross Revenue.

Adjusted Net Profit¹

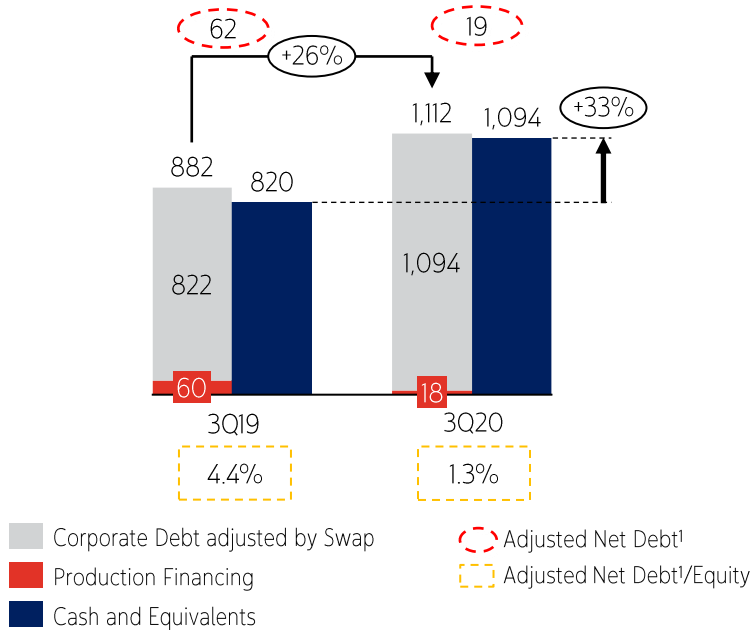


- In 3Q20: Adjusted Net Profit¹ of R\$ 33 million, - 3% over 2Q20 and + 27% over 3Q19, with 8.8% Adjusted Net Margin¹.
- In 9M20: Adjusted Net Profit¹ of R\$ 77 million.

¹ Adjustment disregarding non-recurring expenses in 3Q20, in the amount of R\$ 4 million, with the Riva IPO.

Financial Highlights

Capital Structure
(R\$ million)



✓ Issuance:

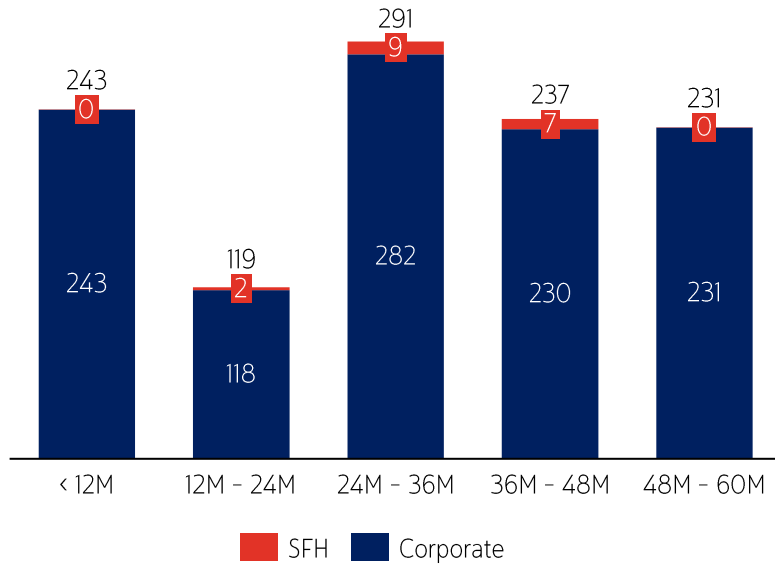
- 6th debenture issuance
- Total amount: R\$ 250 million
- Duration: 4 years
- S&P rating: brAA+ , with positive outlook

- Adjusted Net Debt¹ of R\$ 19 million in 3Q20.
- Leverage ratio reduction (Adjusted Net Debt¹/Equity): 1%.

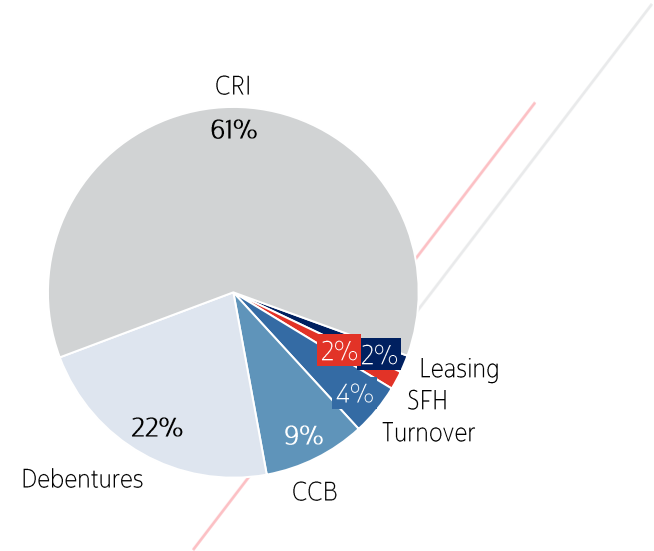
¹ Adjusted by balance of interest swap operation agreements.

Indebtedness

Debt Amortization Schedule
(R\$ million)



Loans and Financing
(% of Debt)



- At the end of 3Q20, the weighted average maturity of debt was 37 months.

Disclosure and Contacts

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.

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