



DIRECIONAL

Earning Release
Conference Call– 1Q18
May 2018

Ricardo Ribeiro

Vice President

Operational Highlights

Carlos Wollenweber

CFO / IR Officer

Financial Highlights

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Vice President

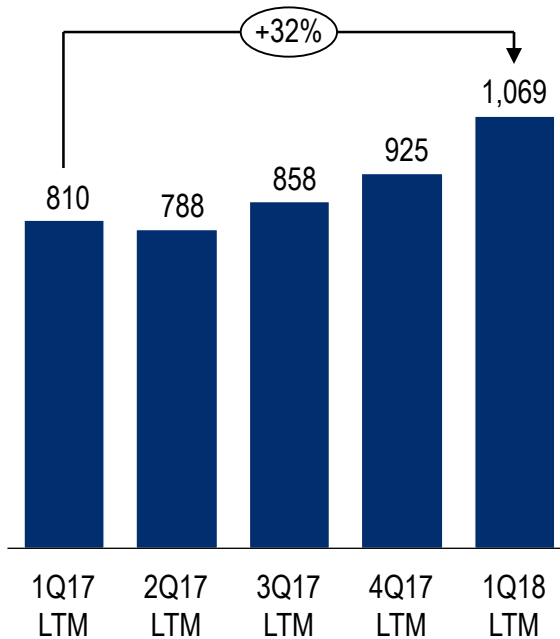
Operational Highlights

MCMV 2 and 3 Results Evolution

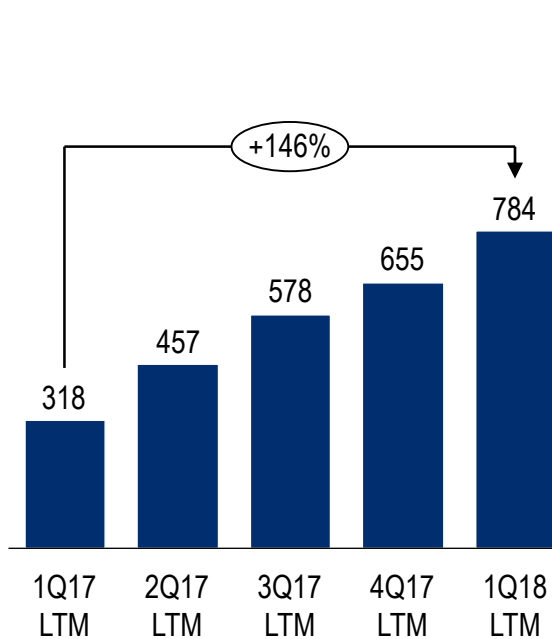


- Launches LTM reached R\$ 1 billion.
- Launches 1Q18LTM, reached a growth of 146% in relation to 1Q17.
- Launches in the MCMV 2 and 3 totaled R\$ 451 million net revenue in 1Q18LTM, a growth of 142% YoY.

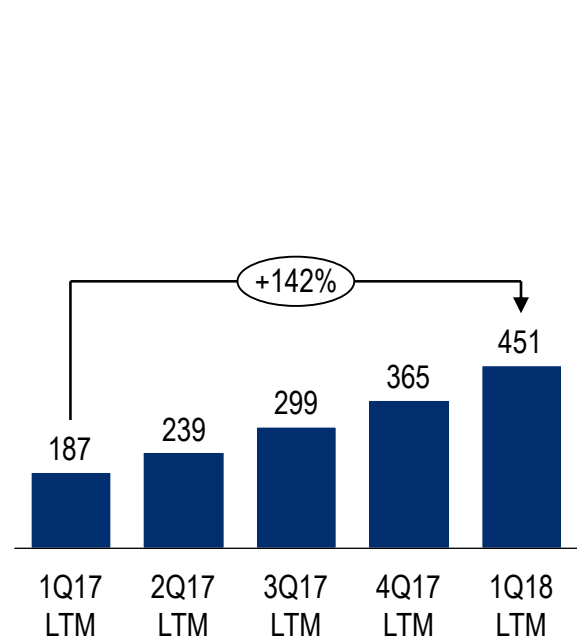
Launches (PSV 100% - R\$ million)



Sales (PSV 100% - R\$ million)



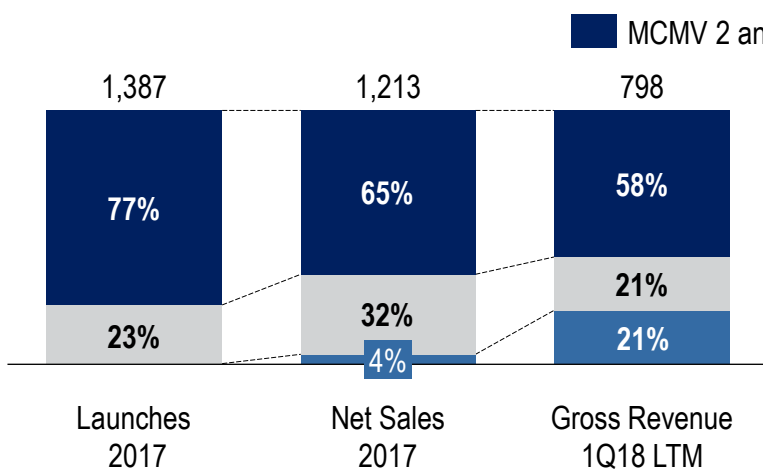
Net Revenue (R\$ million)



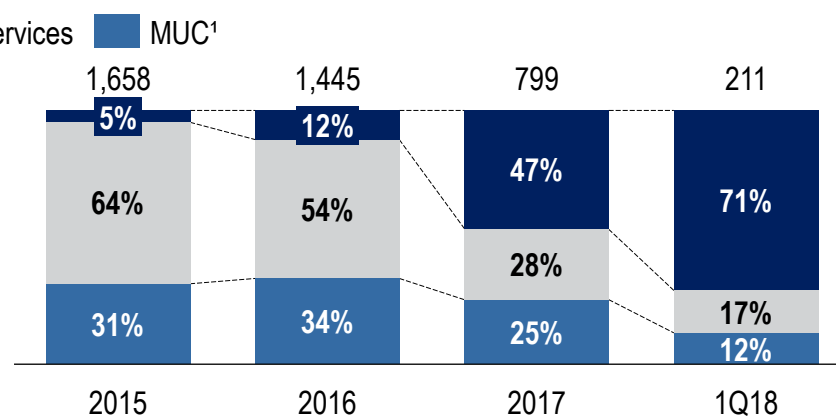
Financial Results – 1Q18



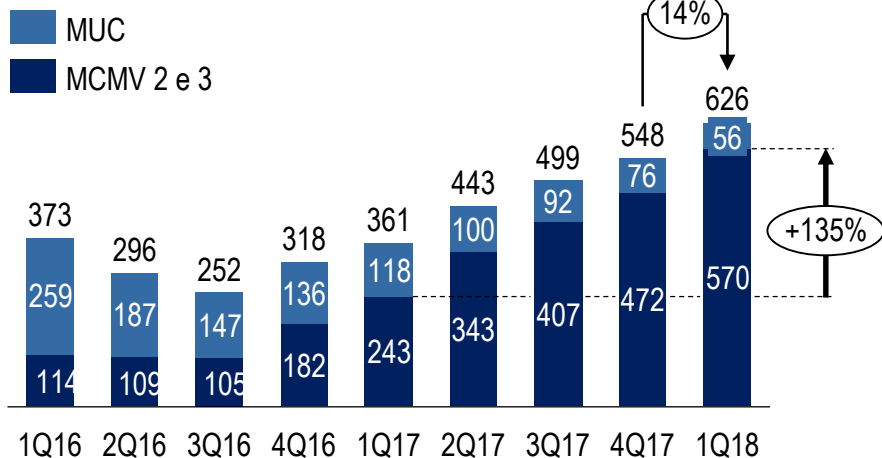
Participation by Economic Segment (% and R\$ million)



Gross Revenue Evolution by Economic Segmentation



Deferred revenue of the real estate sale segment (R\$ million)



Margin by Segment – 1Q18 (% and R\$ million)

Result 1Q18 (R\$ million)	MCMV 2 and 3	MUC	MCMV Level 1	Total
Net Revenue	146	15	31	192
Gross Profit Adjusted¹	51	1	5	58
Margin Gross Profit Adjusted¹	35%	9%	18%	30%
Gross Profit	50	-5	5	51
Margin Gross Profit	34%	-32%	18%	26%

1- Ajuste excluindo juros capitalizados de financiamento à produção.

1Q18 Results Evolution



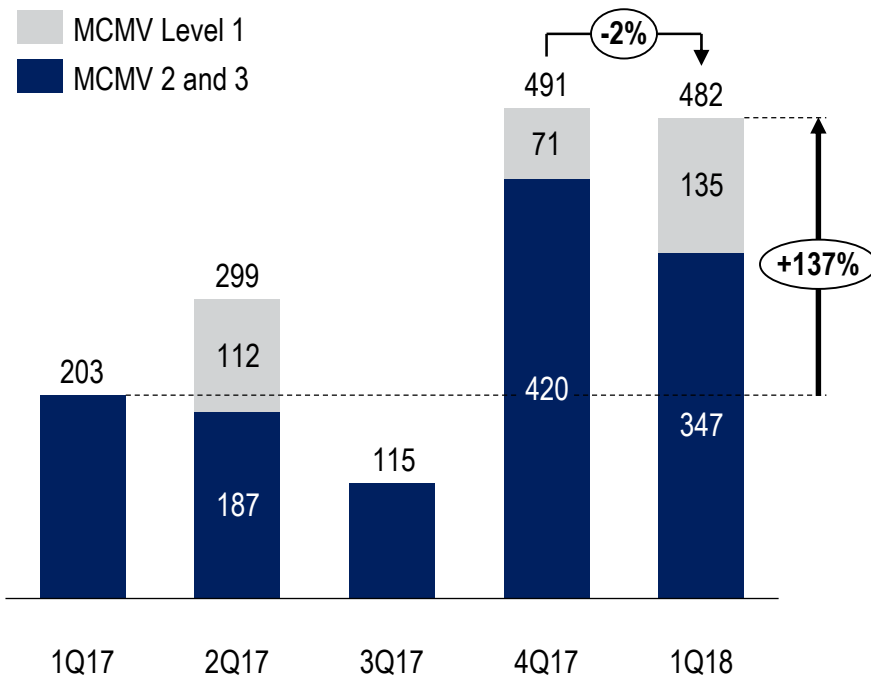
CONSOLIDATED STATEMENT OF INCOME (R\$'000)	1Q18 (a)	4Q17 (b)	Δ % (a/b)
Operating net revenue	192	170	13%
Gross Profit	58	-5	n/a
Adjusted Gross Margin¹	30,3%	-3,0%	33,3 p.p.
General and Administrative Expenses	-24	-24	0,6%
<i>% Gross Revenues</i>	<i>11,6%</i>	<i>12,6%</i>	<i>-1,0 p.p.</i>
Selling expenses	-20	-22	-9,9%
<i>% Gross Sales</i>	<i>-5,7%</i>	<i>-6,5%</i>	<i>0,8 p.p.</i>
Financial results	-4	4	n/a
Net Income for the period	-8	-62	-86,9%
Net Margin	-4,2%	-36,5%	32,3 p.p.

1 - Adjustment excluding capitalized interest on financing for construction

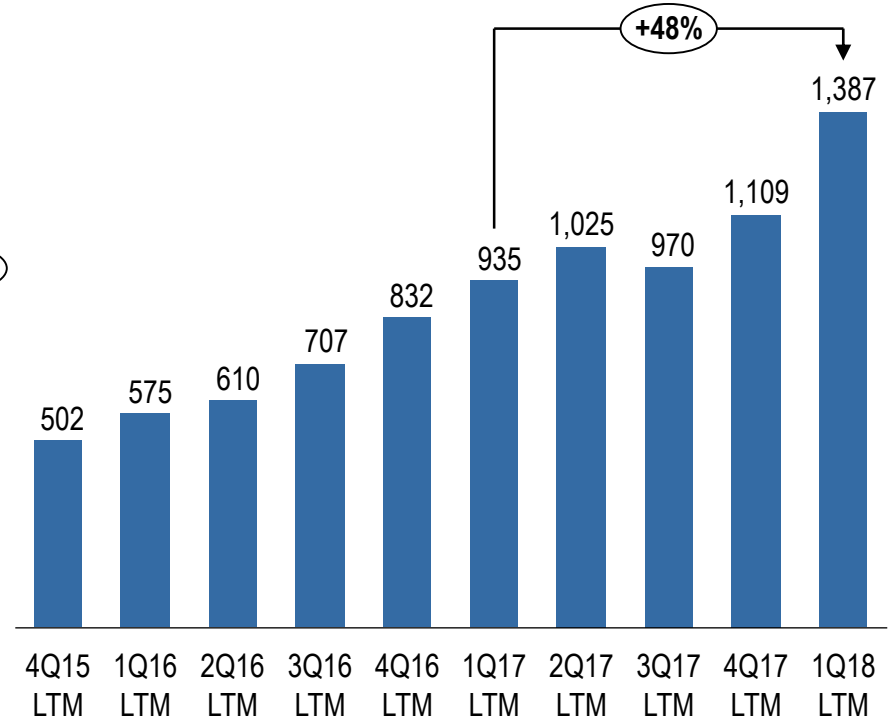
Launches

- In 1Q18, launches reached PSV of R\$ 482 million, a growth of 137% in relation to 1Q17;
- In 1Q18LTM, the launches totaled R\$ 1.4 billion, a growth of 48% YoY.

Launches (PSV 100% - R\$ million)



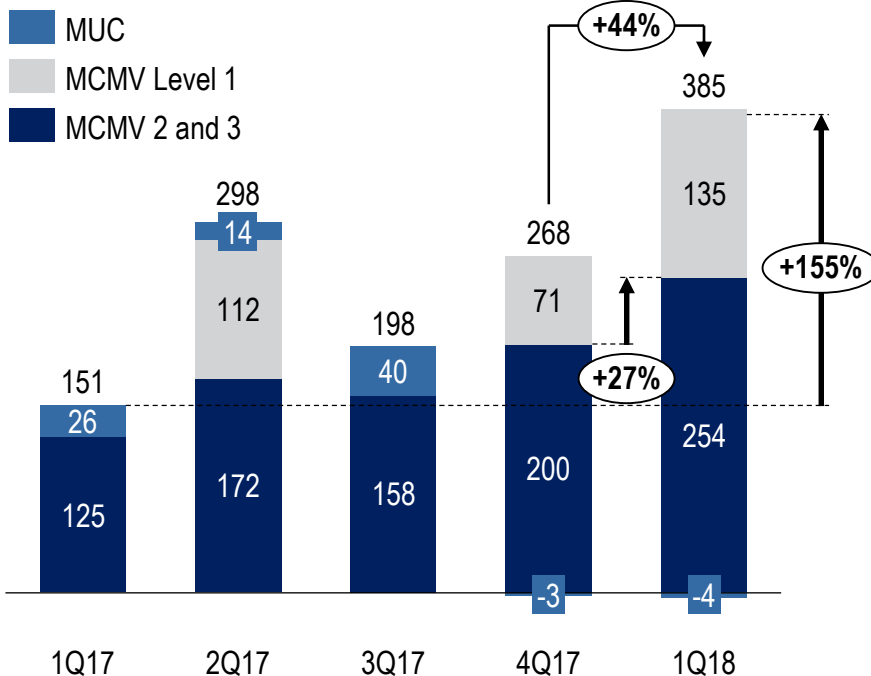
Consolidated Launches (PSV 100% - R\$ million)



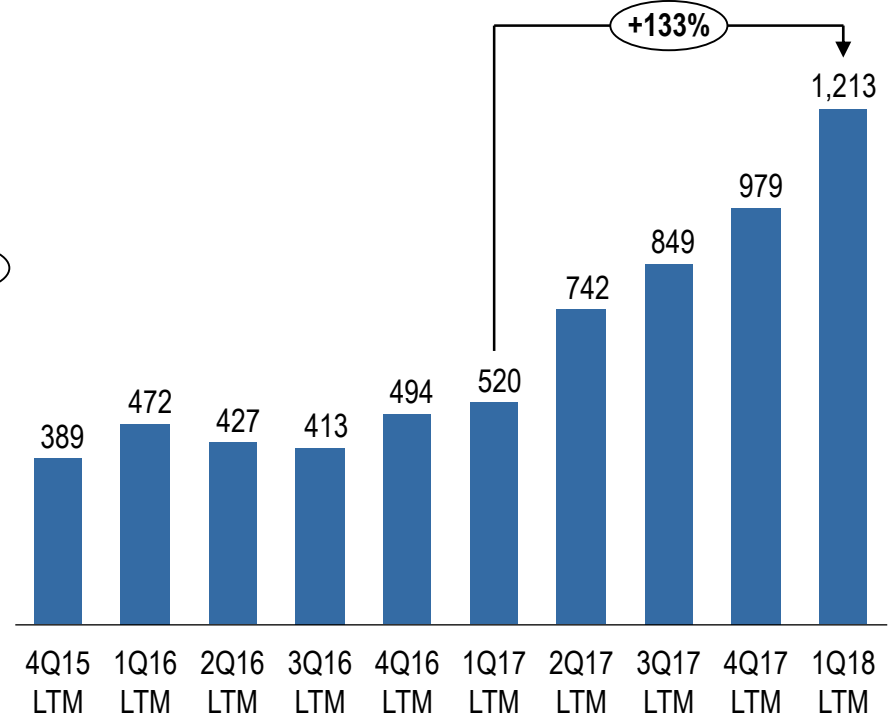
Sales Evolution

- In 1Q18, net sales totaled a PSV of R\$ 385 million, a growth of 155% in relation to 1Q17 and 44% YoY ; Worth Highlighting that MCMV 2 and 3 segment reached 27% growth QoQ.
- In the LTM period, sales totaled R\$ 1.2 billion, a growth of 133% in relation to 1Q17.

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



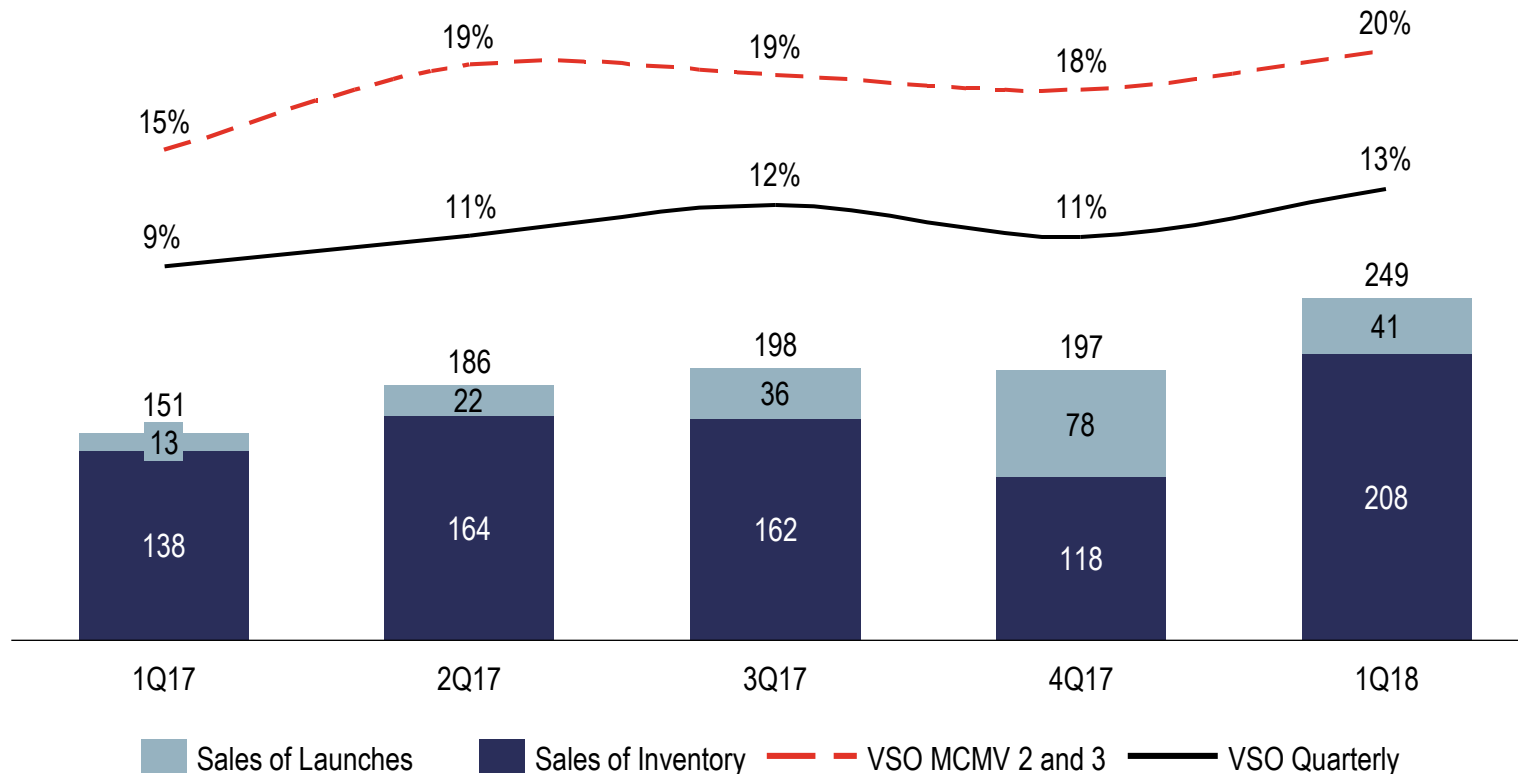
Net Sales (PSV 100% - R\$ million)



Sales Over Supply (VSO)

- Sales velocity measured by the VSO (Sales over Supply)¹ ratio, reached 13% in 1Q18.
- **Highlight for VSO of the segment MCMV 2 and 3 that reached index of 20% in the quarter.**

VSO (PSV 100% - R\$ million)



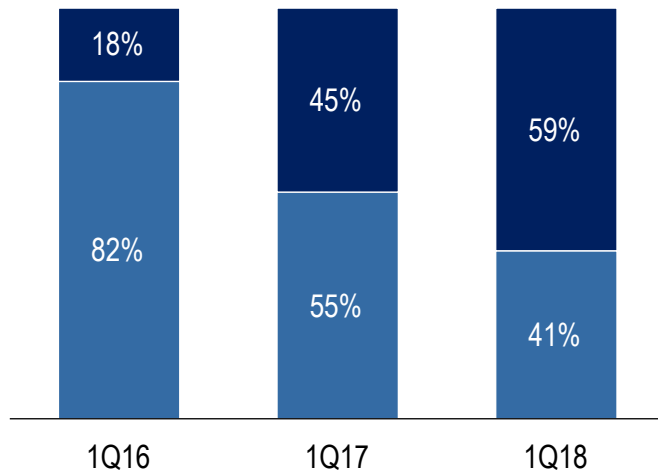
1 - VSO: Net Sales for the Period / (Initial Inventory + Launches for the Period).

Inventories

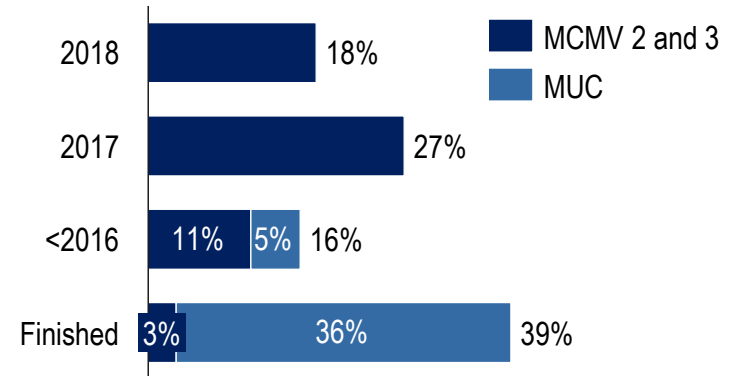
- Inventory of 7,495 units, totaling R\$ 1.7 billion (R\$ 1.5 billion % Direcional).
- The MCMV 2 and 3 segment represents 59% of the total PSV in 1Q18.

Inventory Evolution(% PSV - 100%)

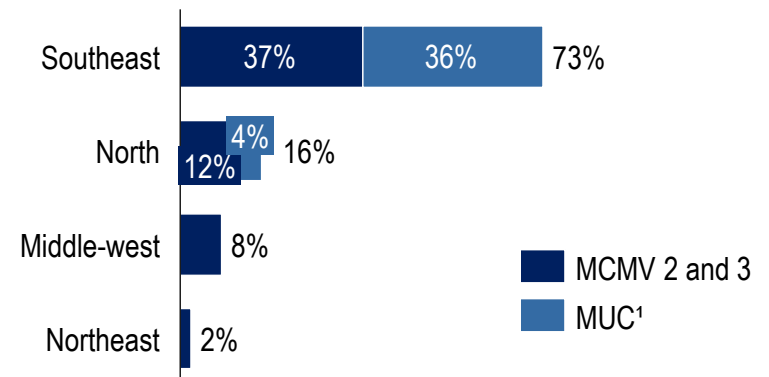
- MCMV 2 and 3
- MUC¹



Inventory by period of launching (% PSV - 100%)



Inventory by region (% PSV - 100%)



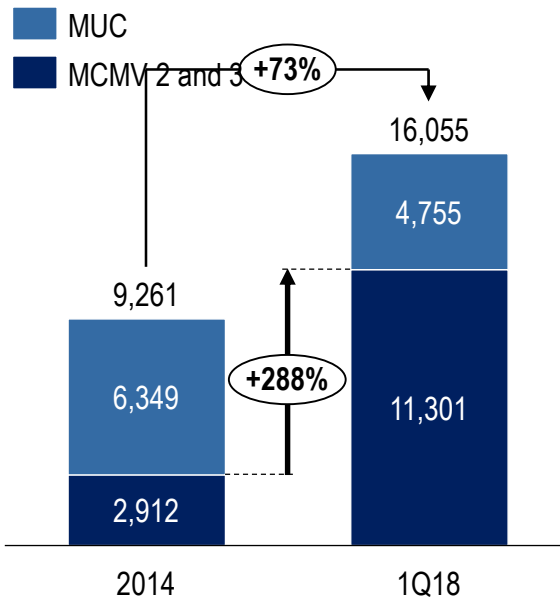
1 -MUC: Comprises projects of the middle-income, upper-middle income and commercial segments

Land Bank – MCMV 2 and 3

- The Company's land bank at the end of the 1Q18 had a development potential of 93,600 units and a PSV of R\$ 16 billion.
- The land bank of the MCMV 2 and 3 segment totaled R\$ 11.3 billion A GROWTH OF 288%.

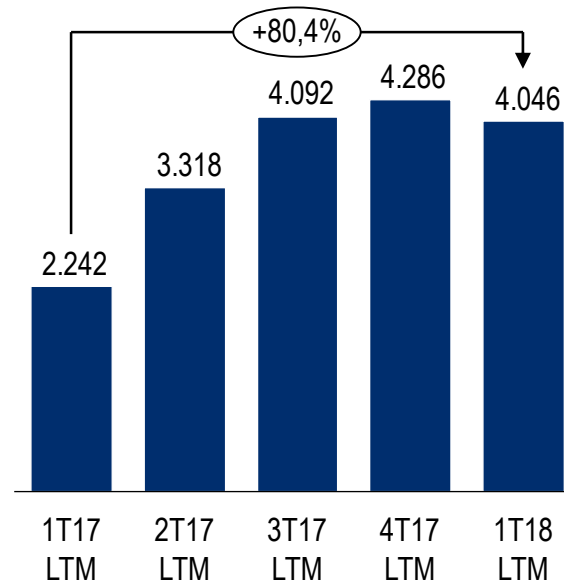
Land Bank Evolution

(PSV 100% R\$Million)



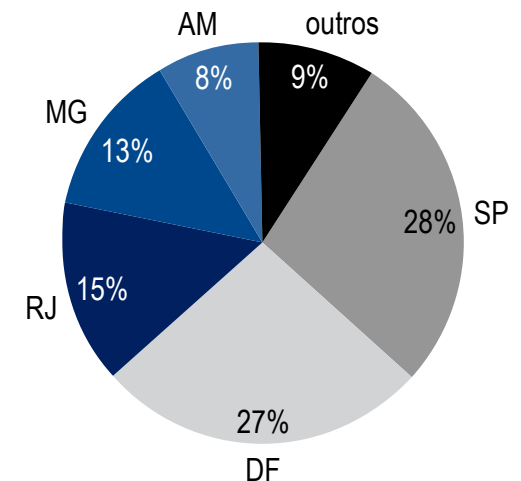
Land Bank Aquisition MCMV 2 and 3

(PSV 100% Billion)



Land Bank MCMV 2 and 3

(%Total)



Carlos Wollenweber

CFO / IR Officer

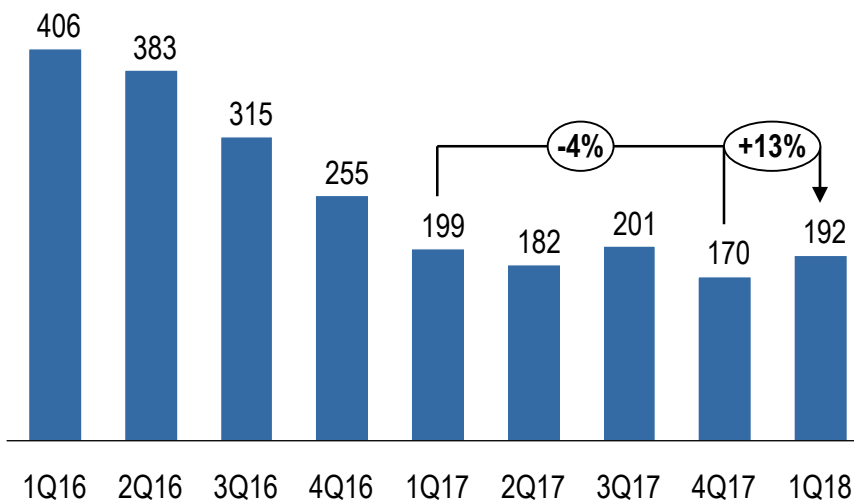
Financial Highlights

Revenue and Gross Profit

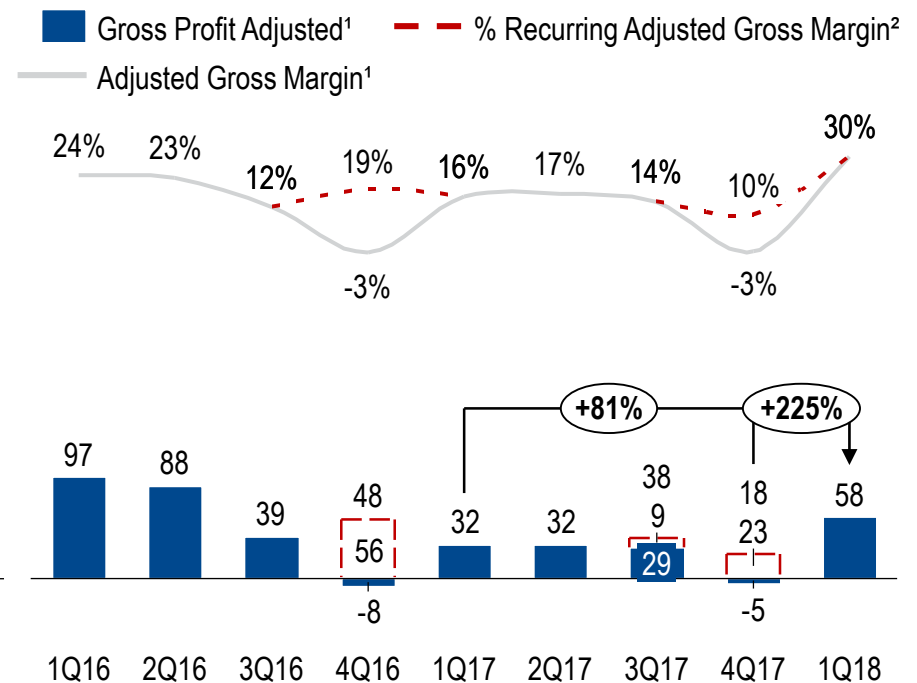


- Net revenue reached R\$ 192 million in 1Q18.
- Gross profit reached R\$ 58 million, best volume since the 2Q16.
- Gross margin reached 30.3%, a growth of 14 p.p YoY.

Net Revenue (R\$ milhões)



Adjusted¹ Gross Profit (R\$ million)



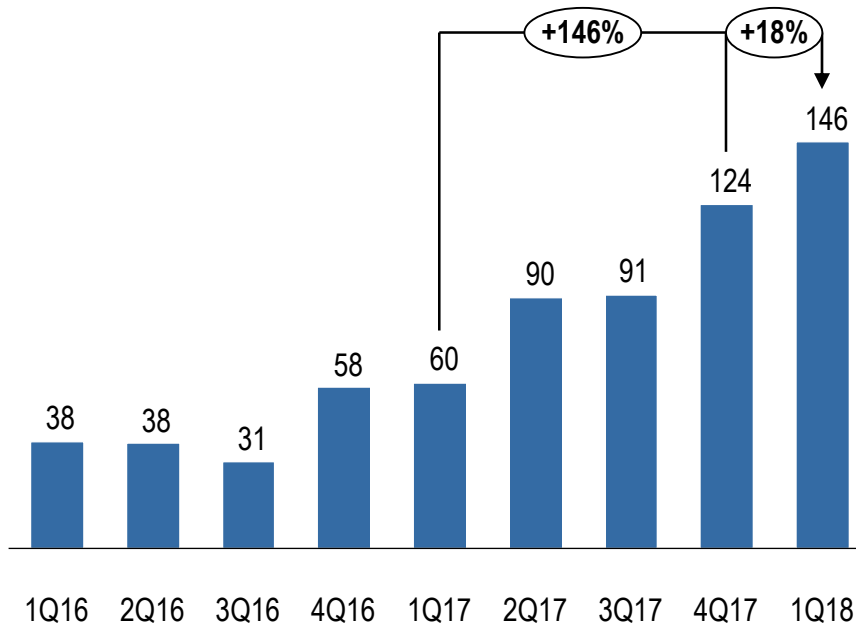
1 - Adjustment excluding capitalized interest on financing for construction. 2- Adjustment excluding non-recurring impact.

Financial Results - MCMV 2 and 3

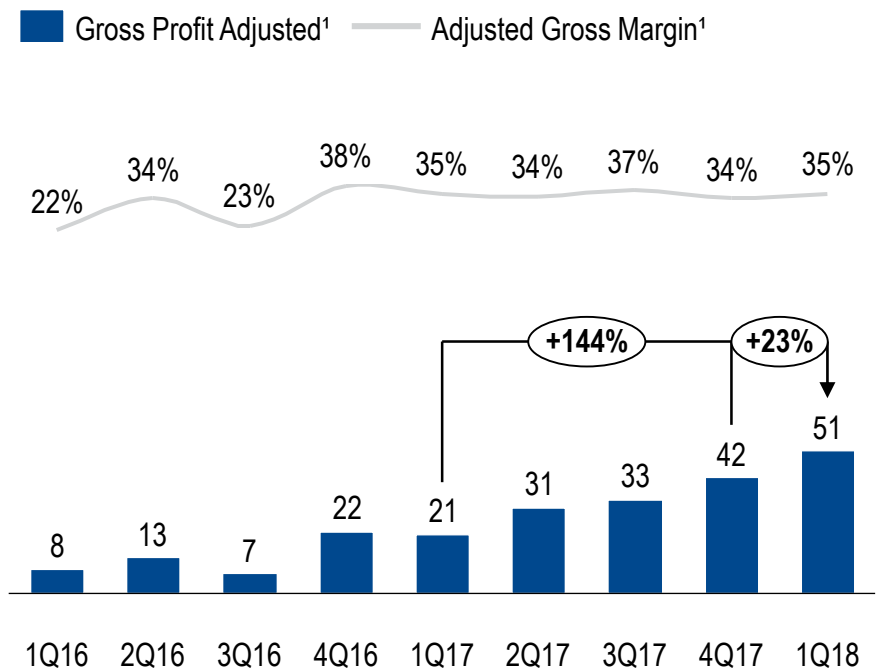


- Net Revenue of the MCMV 2 and 3 segment reached R\$ 146 million in 1Q18, +146% YoY and +18% QoQ.
- Adjusted Gross Profit of the MCMV 2 and 3 segment reached R\$ 51 million, growth of 144% YoY and 23% QoQ.
- MCMV 2 and 3 Projects achieved adjusted gross margin¹ of 35% in 2018.

Net Revenue - MCMV 2 and 3 (R\$ million)



Adjusted¹ Gross Profit- MCMV 2 and 3 (R\$ million)

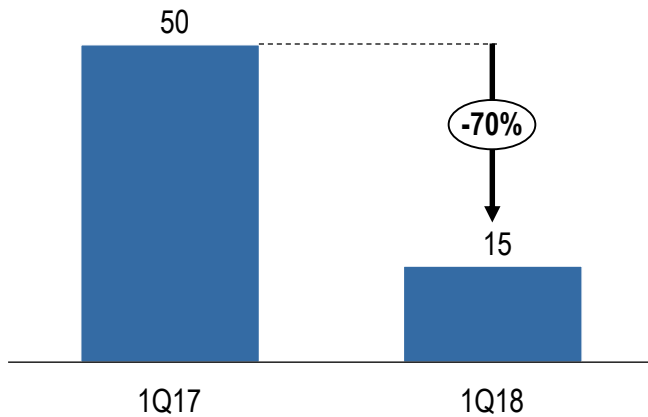


1 - Ajuste excluindo os juros capitalizados de financiamento à produção.

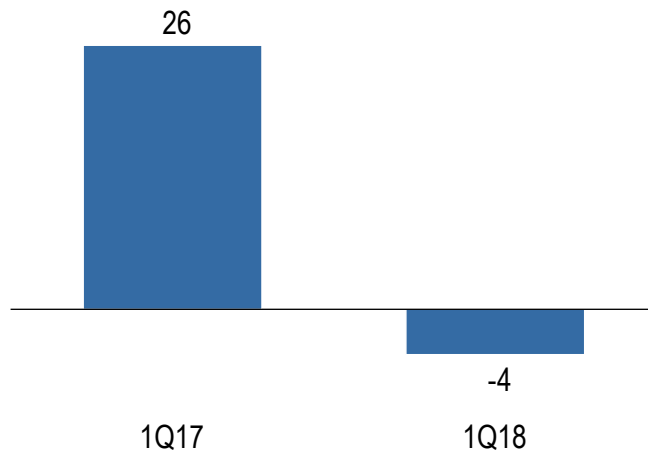
Financial Results - MUC



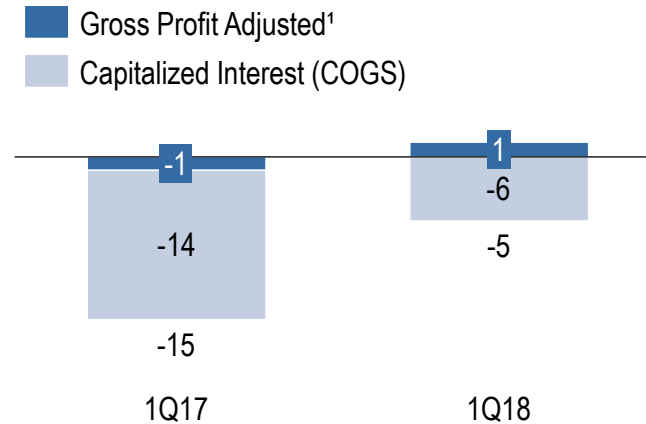
Net Revenue – MUC¹ (R\$ million)



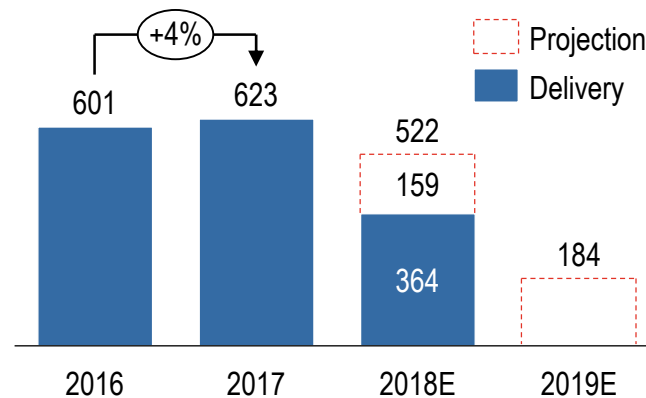
Net Sales - MUC (PSV 100% - R\$ million)



Gross Profit Adjusted^{1 2} - MUC (R\$ million)



Delivery Schedule – MUC (PSV 100% - R\$ million)



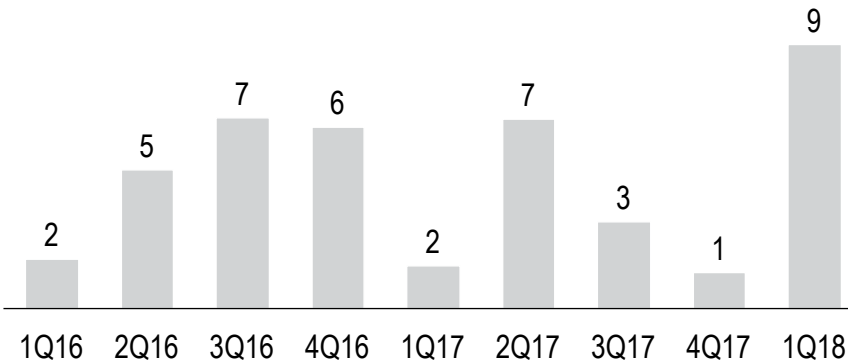
1 -MUC: Comprises projects of the middle-income, upper-middle income and commercial segments

Financial Results - MCMV Level 1



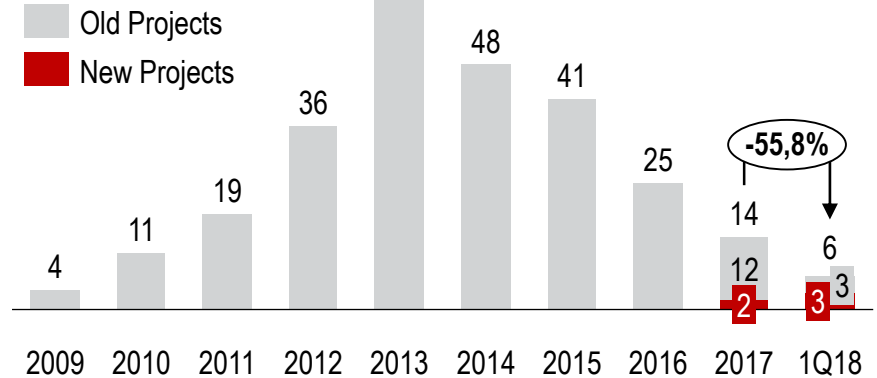
Finished Units "Habite-se" – MCMV Level 1

(Unidades '000)

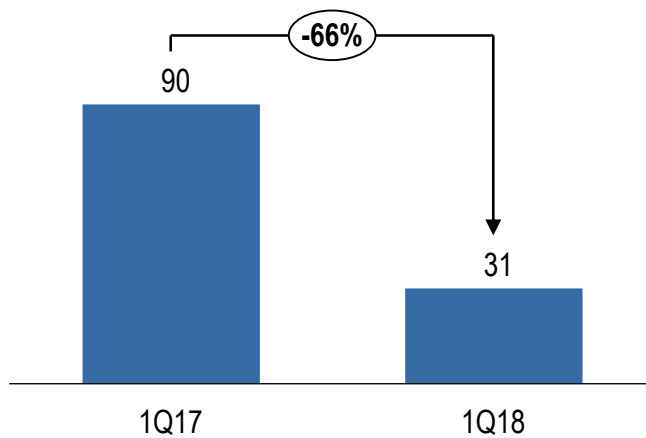


Units Under Construction - MCMV Level 1 (Thousand)

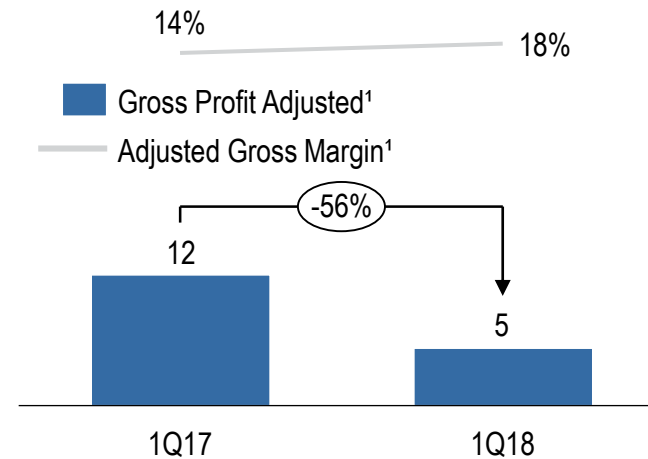
(Unidades '000)



Net Revenue – MCMV Level 1 (R\$ million)



Gross Profit – MCMV Level 1 (R\$ million)



Revenue and Gross Profit by Segment

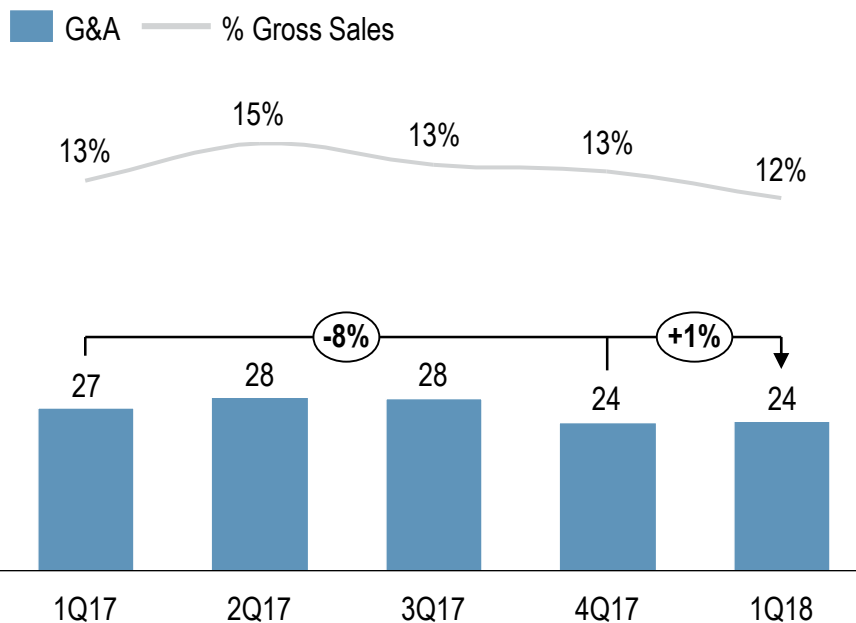


Results (R\$ million)	MCMV 2 and 3	MUC	Services Revenues	Consolidated
Operating net revenue	146	15	31	192
COGS	-95	-14	-25	-134
Gross Profit	51	1	5	58
Gross Margin	35,1%	9,5%	17,7%	30,3%
(-) Capitalized interest	-1	-6	0	-8
Adjusted¹ Gross Profit	50	-5	5	51
Adjusted¹ Gross Margin	34,1%	-31,6%	17,7%	26,3%
General and Administrative Expenses				-24
Selling expenses				-20
Others				-6
Operating income (expenses)				1
Financial results				-4
Income before Income and social contribution taxes				-4
Income and social contribution taxes				-5
Net Income for the period				-8

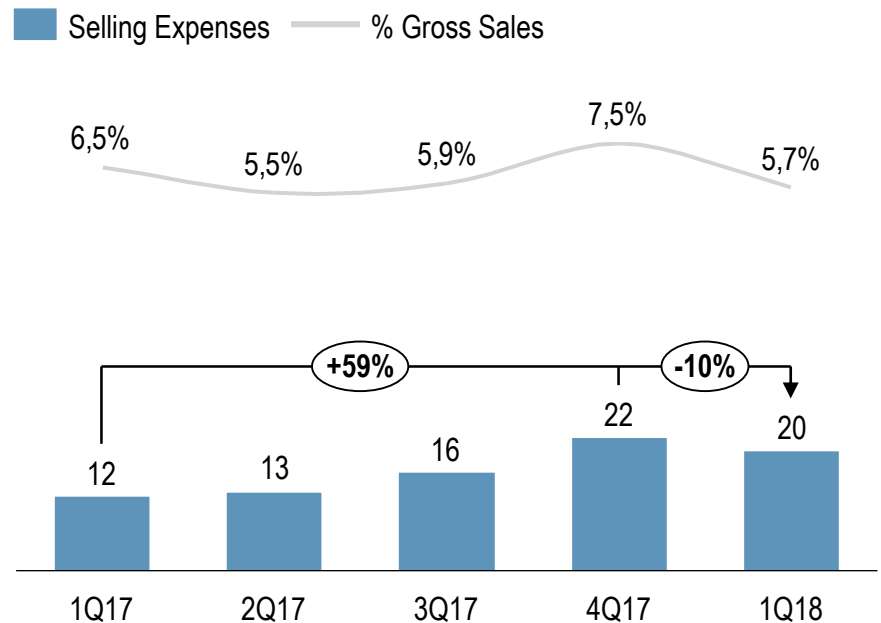
Expenses

- Administrative expenses represent 12% of the gross revenue.
- Sales Expenses totaled R\$ 20 million, a growth of 59% YoY, mainly due to the growth of launches and sales.

G&A Expenses (R\$ million)



Selling Expenses (R\$ million)

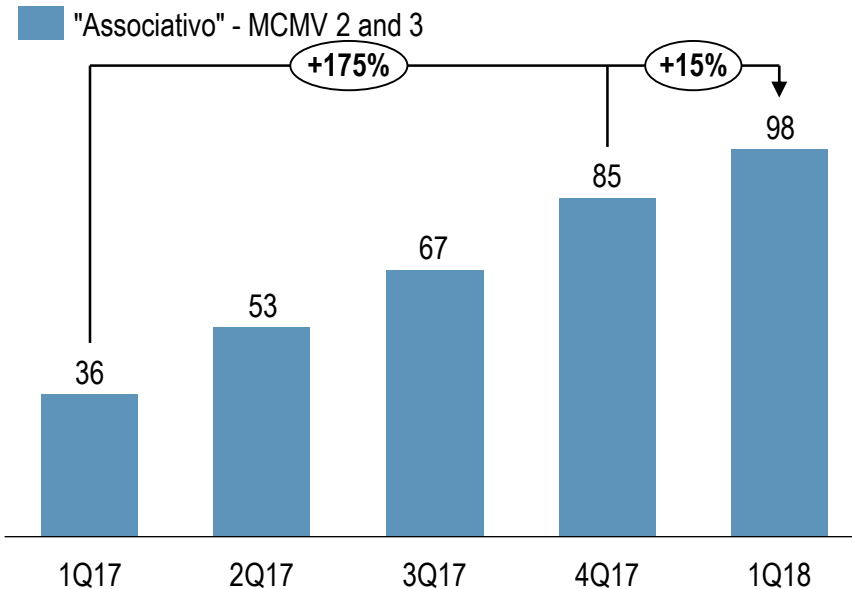


Mortgage Transfers

- The “Associativo” (MCMV 2 and 3) model reached R\$ 98 million, a growth of 175% YoY.

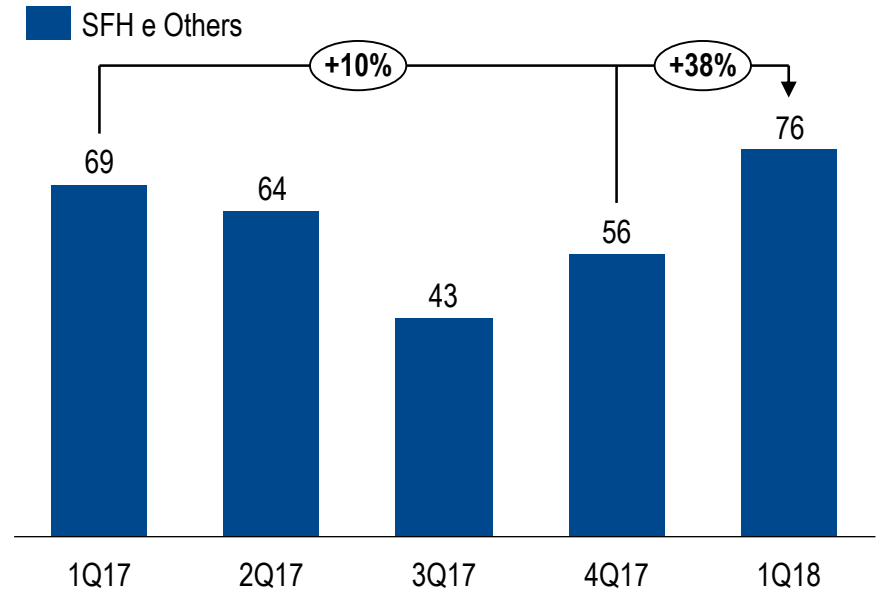
Mortgage Transfers - “Associativo”

(R\$ million)



Mortgage Transfers - SFH and Others

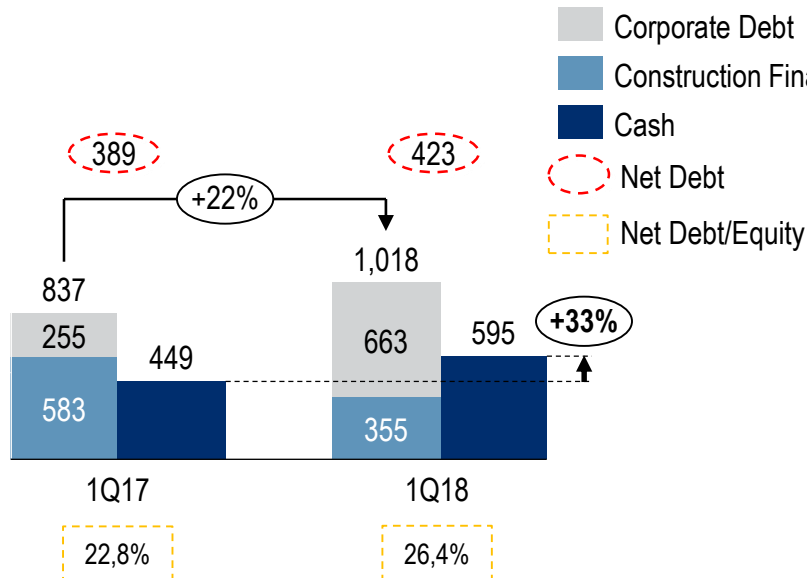
(R\$ million)



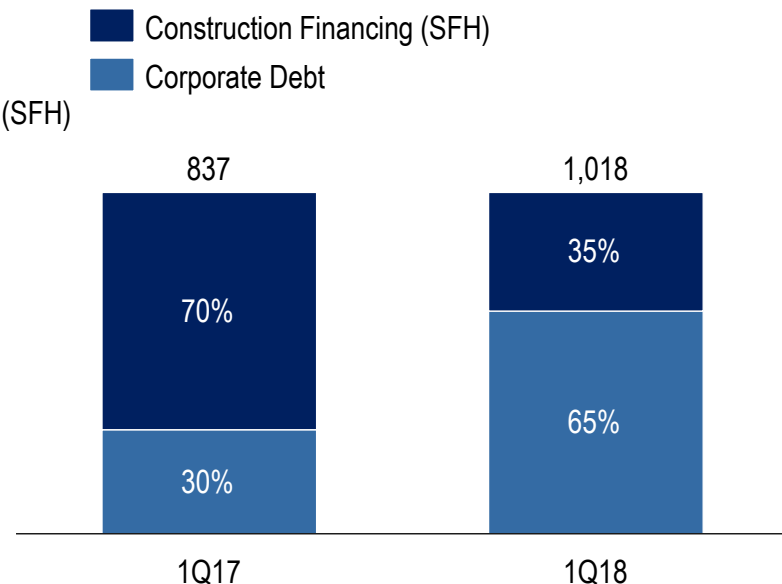
Capital Structure

- **Solid capital structure**, with a net debt over equity ratio of 26.4%, representing one of the lowest gearing ratios of the industry.
- Change in the profile of indebtedness, reduction of production financing and increase in corporate financing, with impact on the reduction of the financial cost and extension of the debt profile.

Capital Structure (R\$ million)



Participation by Debt (% Total and R\$ million)



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.

Carlos Wollenweber
CFO | IR Officer
IR Team

www.direcional.com.br/ri
ri@direcional.com.br

(55 31) 3431-5509 (55 31) 3431-5510 (55 31) 3431-5511



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