



DIRECCIONAL

Earning Release
Conferece Call 1Q19
May, 13th 2019

Agenda



Ricardo Ribeiro

CEO

Operational Highlights

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Financial Highlights

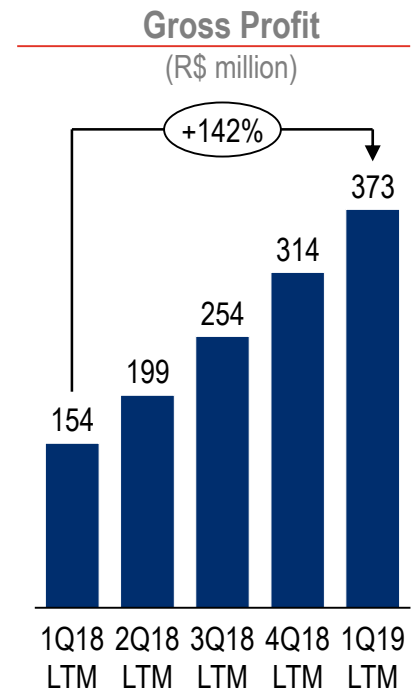
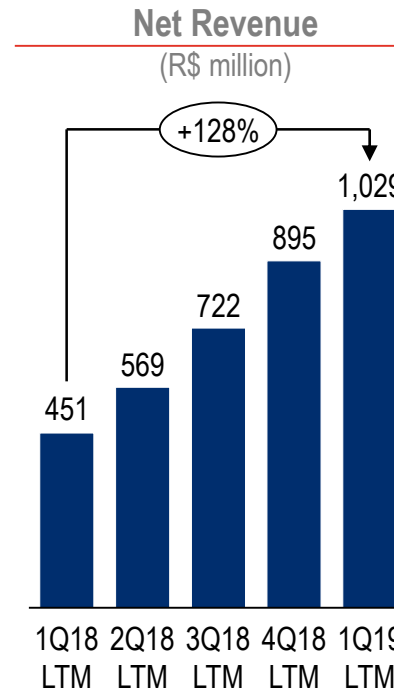
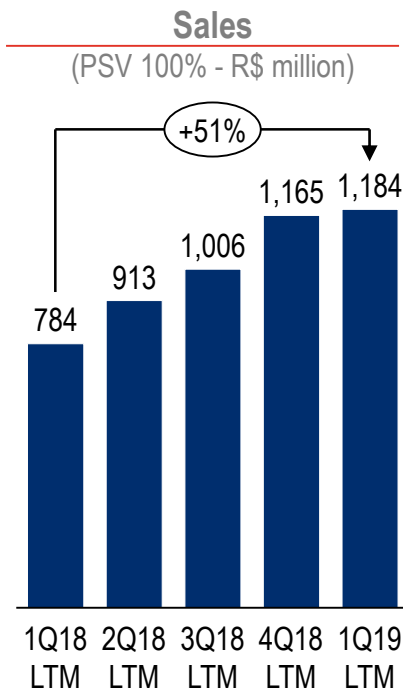
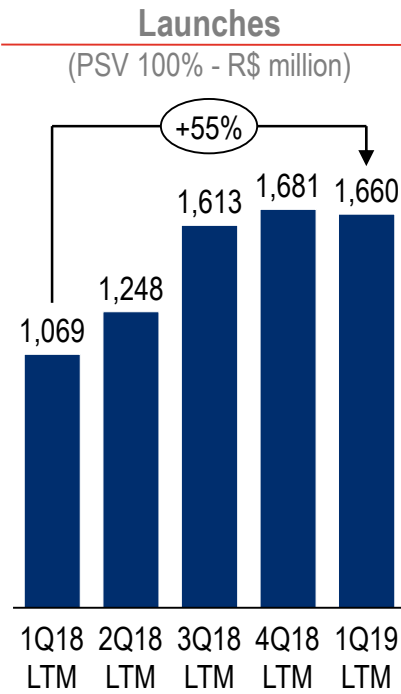
Ricardo Ribeiro

CEO

Operational Highlights

MCMV 2 and 3 Record

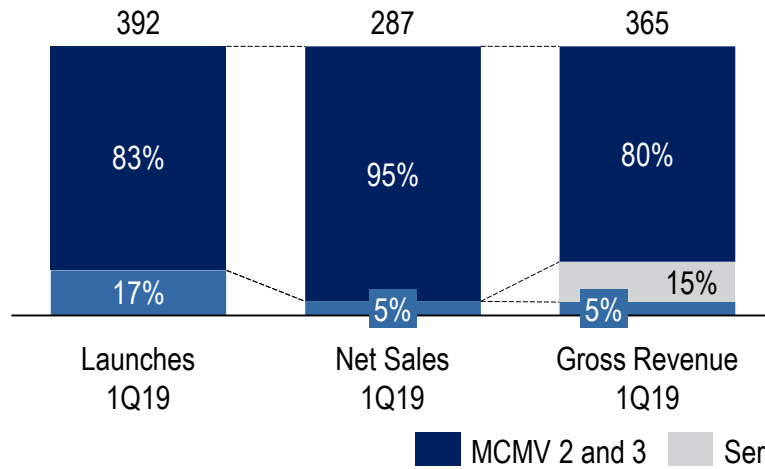
- In the last 12 months (LTM), Direcional reached R\$ 1.7 billion in volume of launches.
- The sales volume of 1Q19(LTM) grown 51% compared to 1Q18(LTM), totalizing R\$ 1.2 billion.
- The MCMV 2 and 3 net income reached R\$ 1.0 billion in 1Q19(LTM), a growth of 128% compared to 1Q18(LTM)



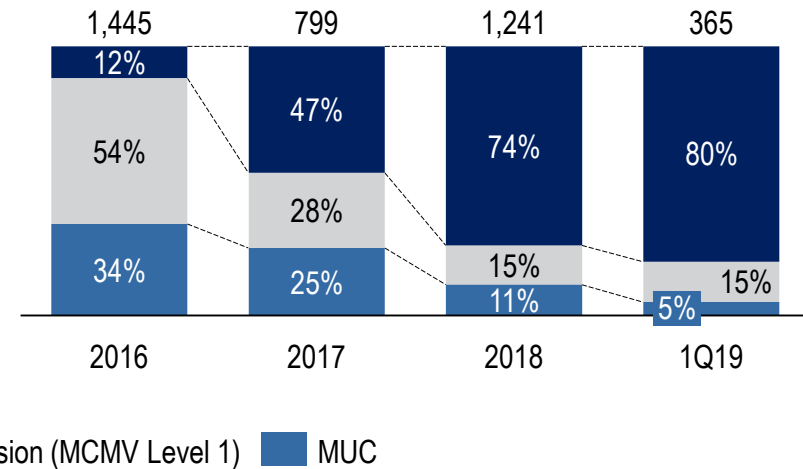
Highlights



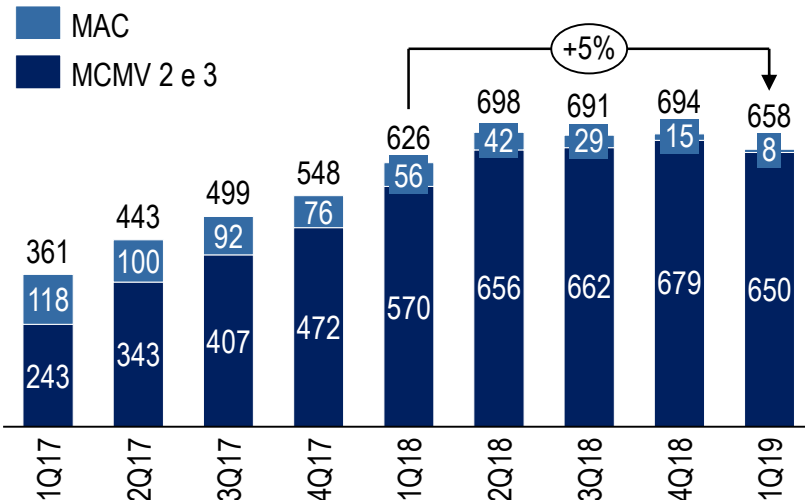
Share per Segment (% and R\$ million)



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



Deferred Revenue (R\$ million)



Gross Margin per Segment – 1Q19 (% e R\$ million)

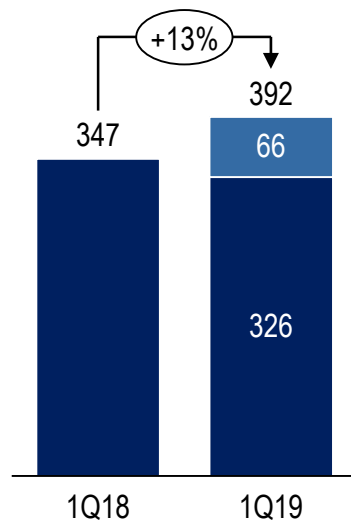
1Q19 Results (R\$ Million)	MCMV2 and 3	MUC	Service Provision	Consolidated
Net Income	280	16	53	349
Adjusted Gross Profit	111	2	3	116
Adjusted Gross Margin ¹	40%	14%	5%	33%

1- Ajuste excluindo juros capitalizados de financiamento à produção.

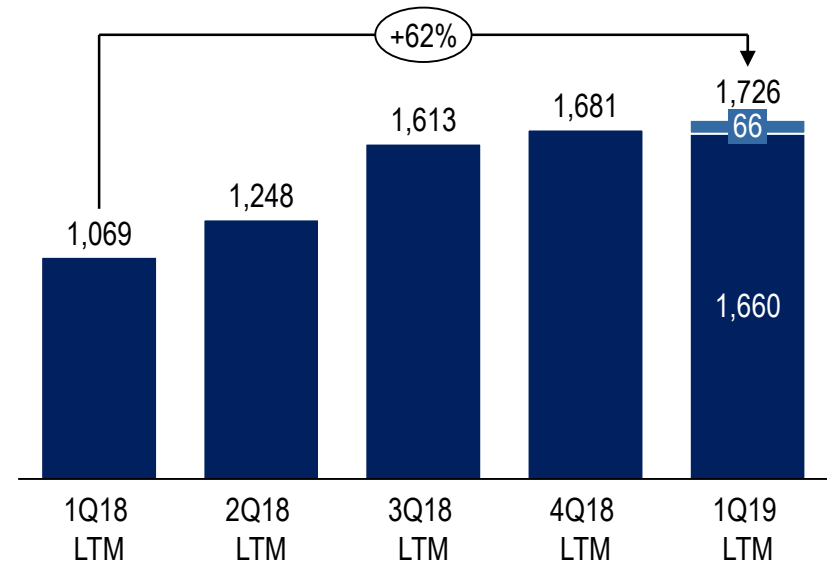
Launches

- In 1Q19, launches reached R\$ 392 million, +13% compared to 1Q18 (launches ex. MCMV Level 1)
- In the last 12 months launches reached R\$ 1.7 billion, growth of 62% compared to 1Q18 LTM (ex. MCMV Level 1).

Launches - Ex. MCMV Level 1 (PSV 100% - R\$ million)



Consolidated Launches – Ex. MCMV Level 1 (PSV 100% - R\$ million)



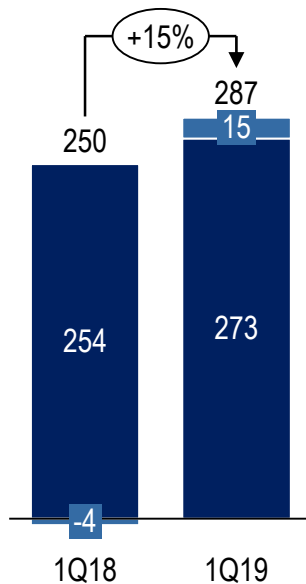
■ MUC ■ MCMV 2 and 3

Net Sales

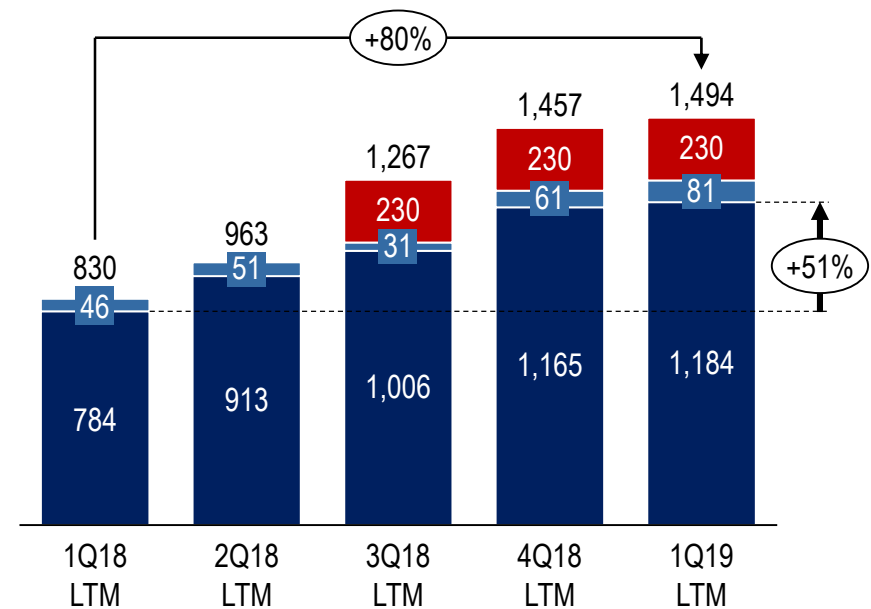


- In 1Q19, net sales reached R\$ 287 milhões, growth of 15% compared to the same period of previous year.
- In the last 12 months, net sales totalized R\$ 1.5 billion, growth of 80% compared to 1Q18 LTM. In the same period, MCMV 2 and 3 net sales grew 51%.

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



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

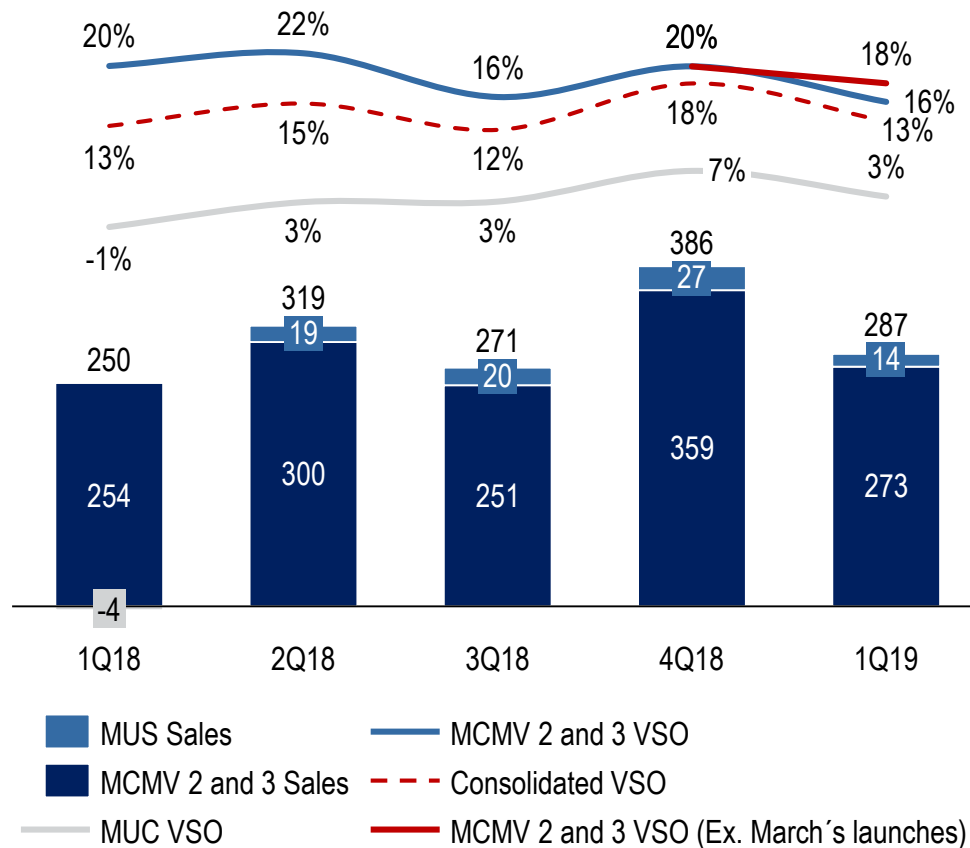


■ Inventory Sold to REIT
 ■ MUC
 ■ MCMV 2 and 3

Speed of Sales



- MCMV 2 and 3 VSO reached 16% in 1Q19, excluding the launches of March/19, since the launches were concentrated at the end of the month, the index reached 18%.

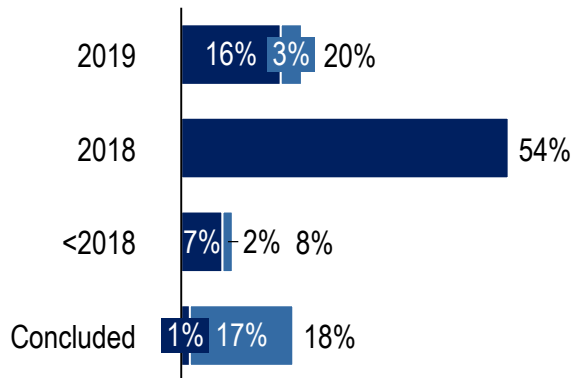


Inventory

- Direcional ended 1Q19 with 9,418 units in inventory, a PSV of R\$ 1.9 billion.
- MCMV 2 and represented 78% of the inventory in terms of PSV.

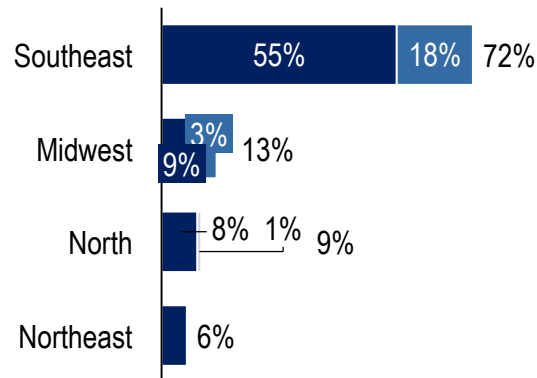
Inventory per year of launch

(%PSV - 100%)



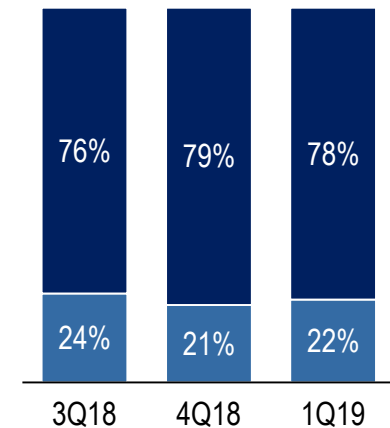
Geographical Segmentation

(% PSV - 100%)



Inventory per Segment

(PSV 100% - R\$ million)



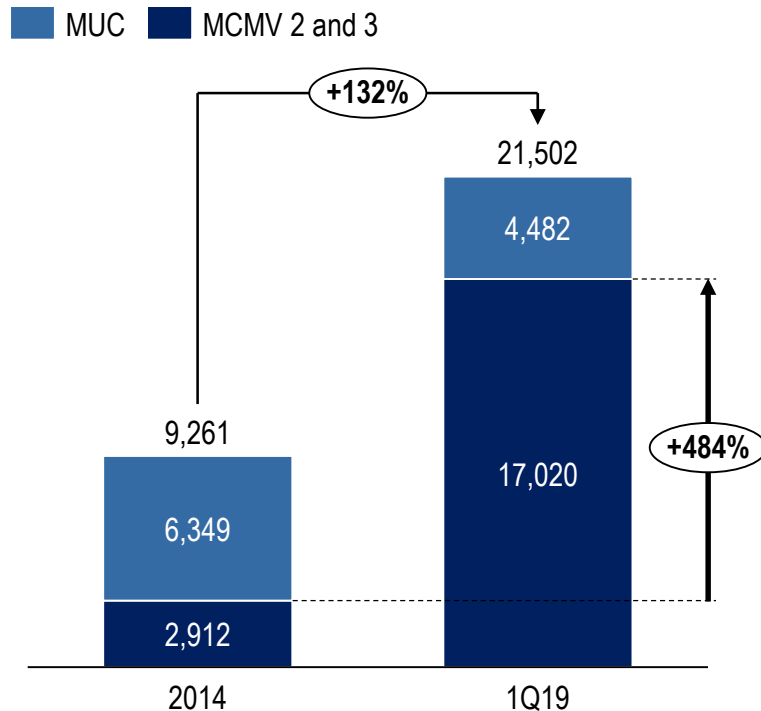
■ MCMV 2 and 3 ■ MUC

Landbank

- At the end of 1Q19, landbank totalized a PSV of R\$ 21.5 billion, or 126k units.
- Since 2014, when Direcional started to focus on MCMV 2 and 3, the landbank in this segment growth 484%, reaching R\$ 17 billion in the end of 1Q19.

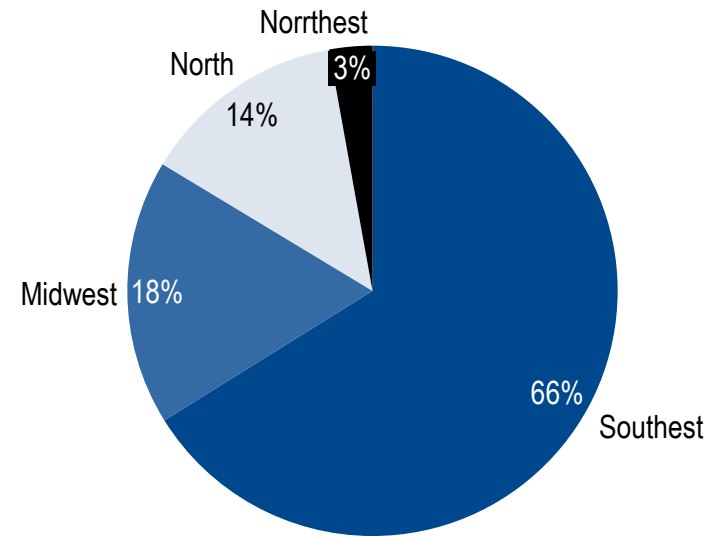
Landbank

(PSV 100% - R\$ million)



Landbank Geographical Segmentation

(%PSV - 100%)



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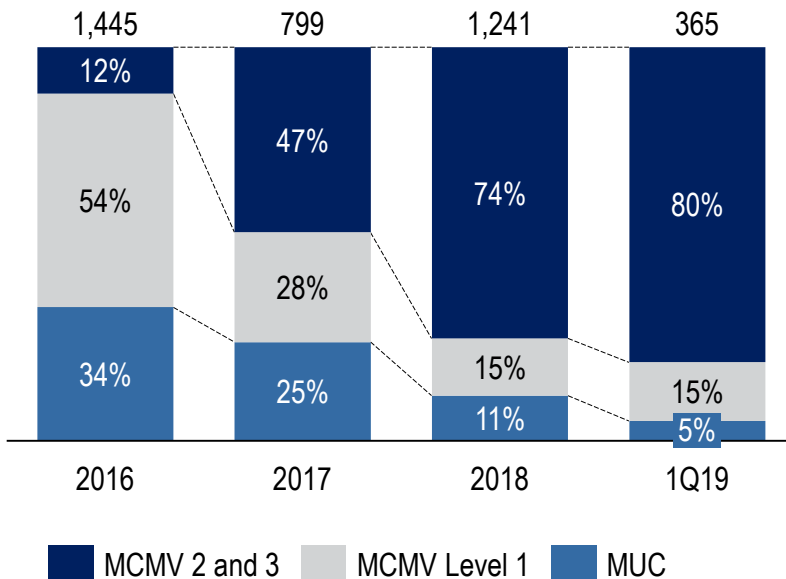
Financial Highlights

Financial Results

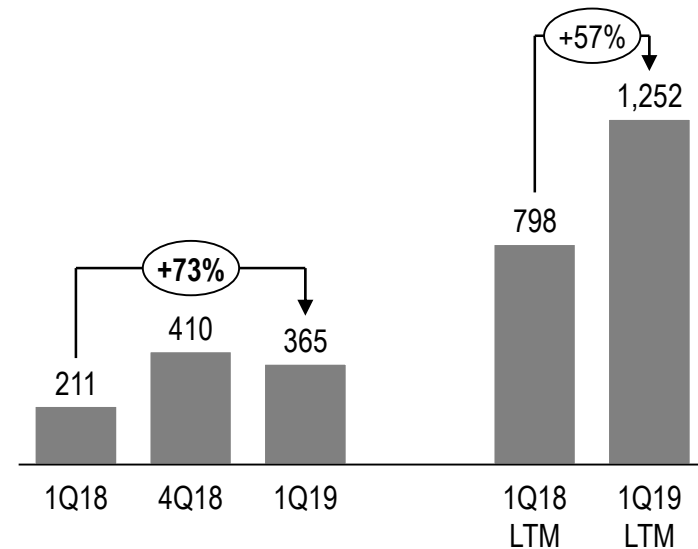


- In 1Q19 gross revenue totalized R\$ 365 million, increased of 121% compared to 1Q18.
- In the last 12 months, gross revenue reached R\$ 1.3 billion, a growth of 57% compared to 1Q18 LTM.
- The MCMV gross revenue reached 80% share of the consolidated.

Gross Revenue per Segment (% e R\$ Million)



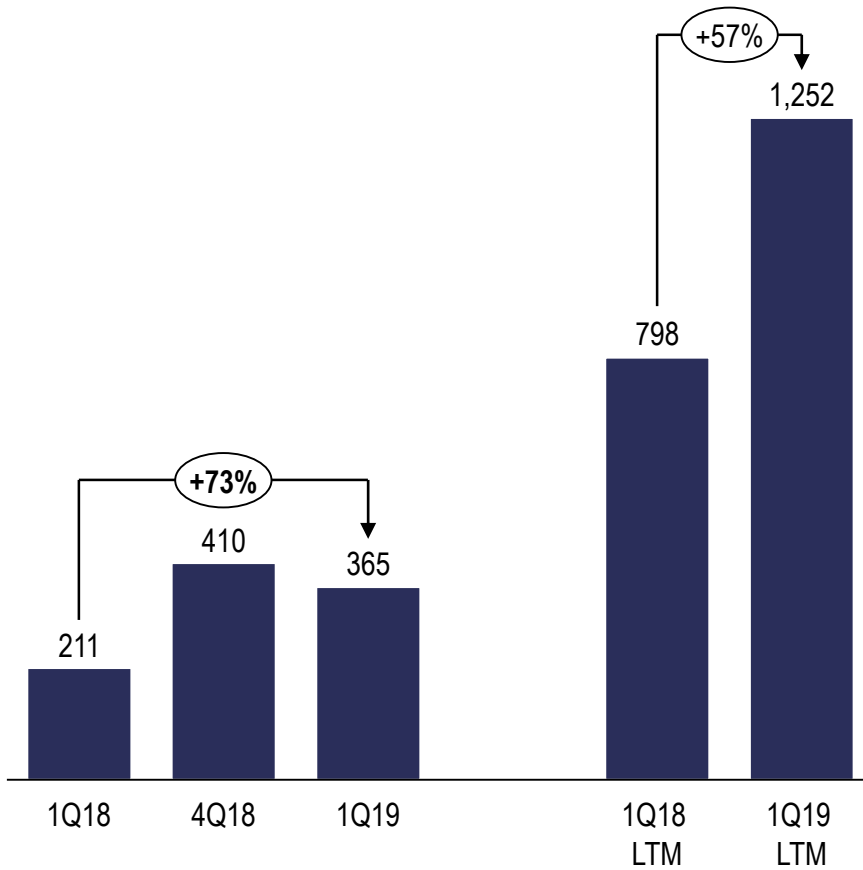
Consolidated Gross Revenue (R\$ Million)



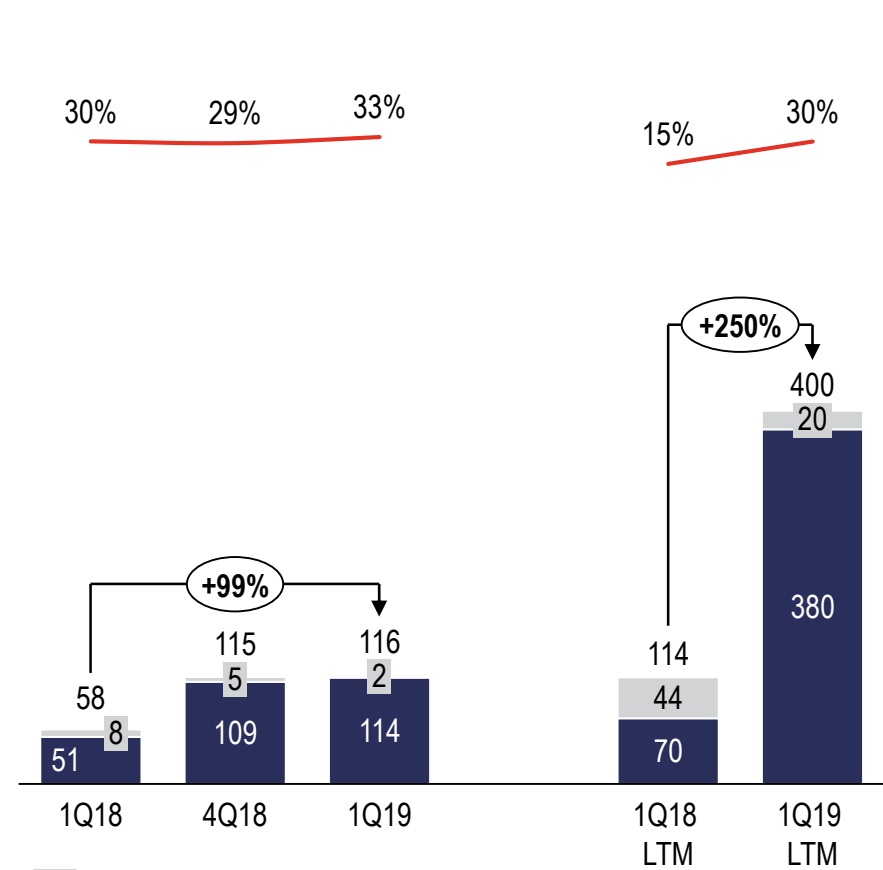
Financial Results



Consolidated Gross Revenue (R\$ Million)



Consolidated Gross Profit (R\$ million)

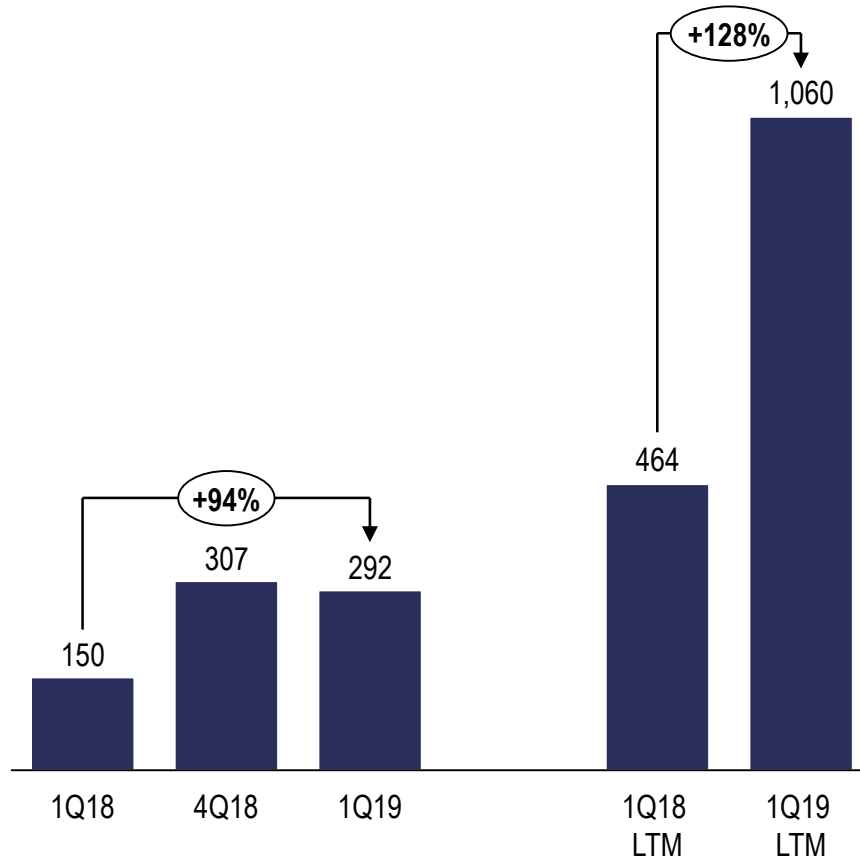


- Interest capitalized in costs
- Gross Profit
- Adjusted Gross Margin

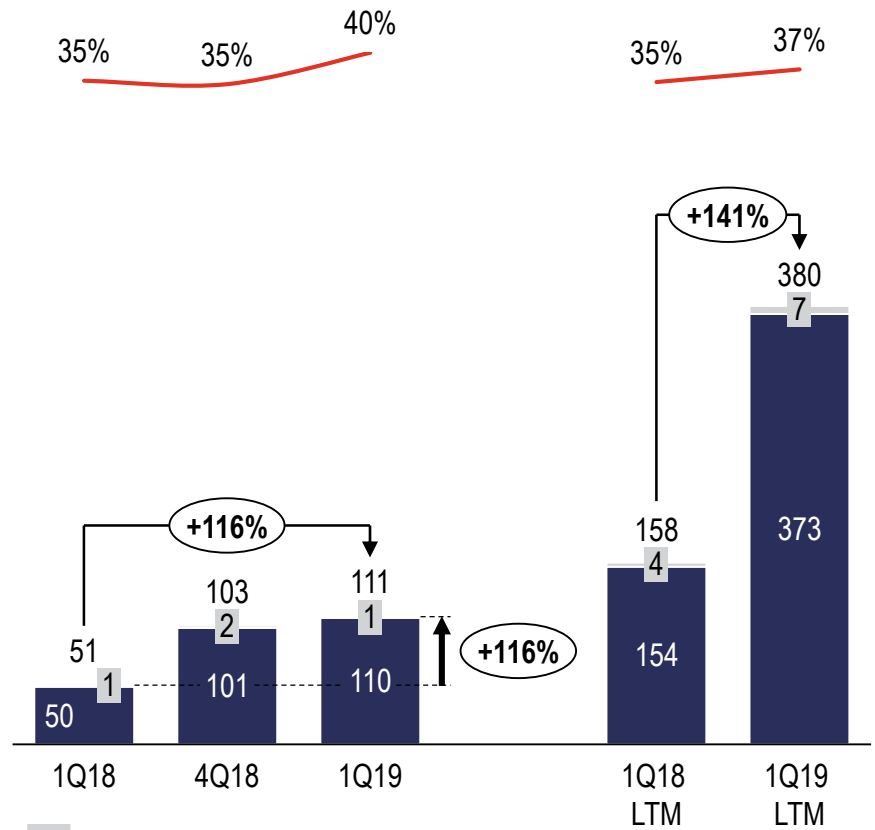
MCMV 2 and 3 Results



MCMV 2 and 3 Gross Revenue (R\$ million)



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

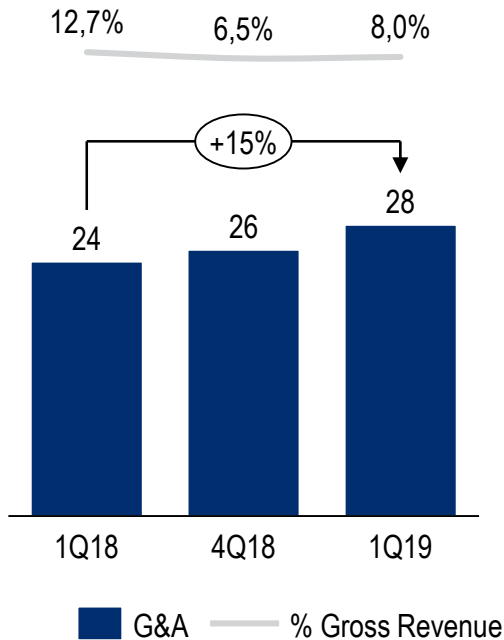


- Interest capitalized in costs
- Gross Profit
- Adjusted Gross Margin

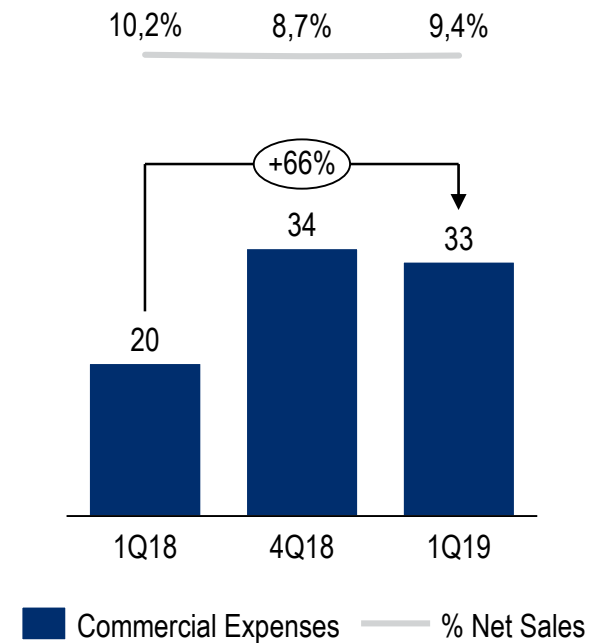
Expenses

- Dilution of 4.7 p.p. in G&A expenses compared to 1Q18.
- Increase in Commercial Expenses following the growth in gross sales.

G&A (R\$ million)



Commercial Expenses (R\$ million)



Results Performance - 1Q19



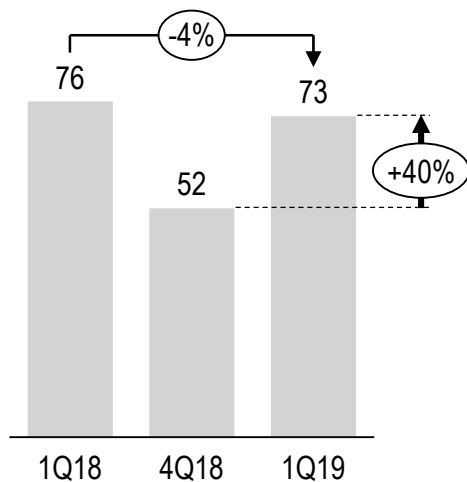
- **Gross margin reached 33%**, representing gross profit of R\$ 114 million.
- Dilution of SG&A expenses in 6 p.p, compared to 1Q18.
- Net profit of R\$ 20 million in 1Q19.

Income Statement - Consolidated	4Q18 (a)	3Q18 (a)	Δ % (a/b)
Net Revenue	349	192	82%
Gross Profit	114	58	96%
% Gross Margin	33%	30%	3 p.p
SG&A	(61)	(44)	38%
% SG&A (Net Revenue)	17%	23%	6 p.p
Adjusted Net	20	(8)	N/A
Net Margin	6%	-4%	N/A
Cash Generation	(18)	(13)	N/A
Adjusted Cash Generation	15	(13)	

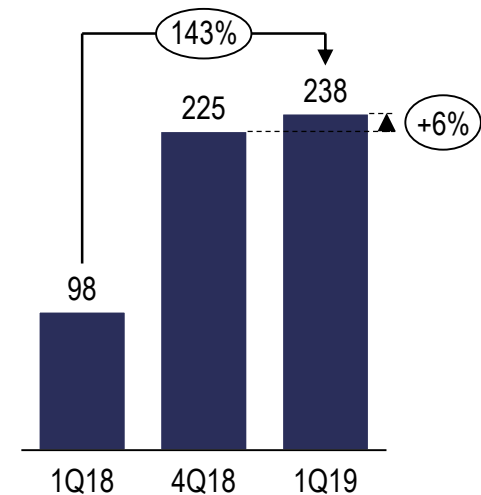
Transfers

- In 1Q19, transfers reached R\$ 311 million.
- Transfers in MCMV totaled R\$ 238 million in 1Q19, +143% compared to 1Q18.

SFH and Others Transfers (R\$ Million)



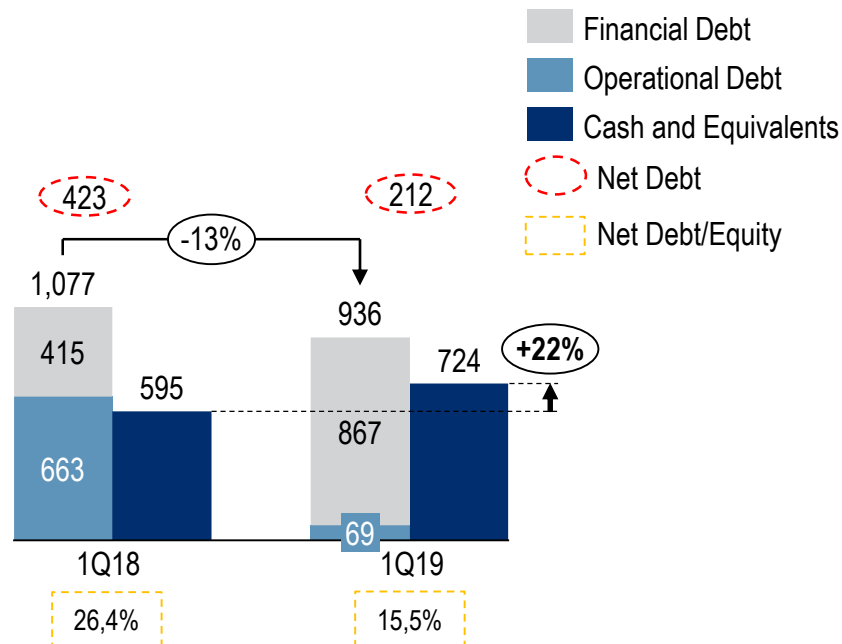
MCMV (R\$ million)



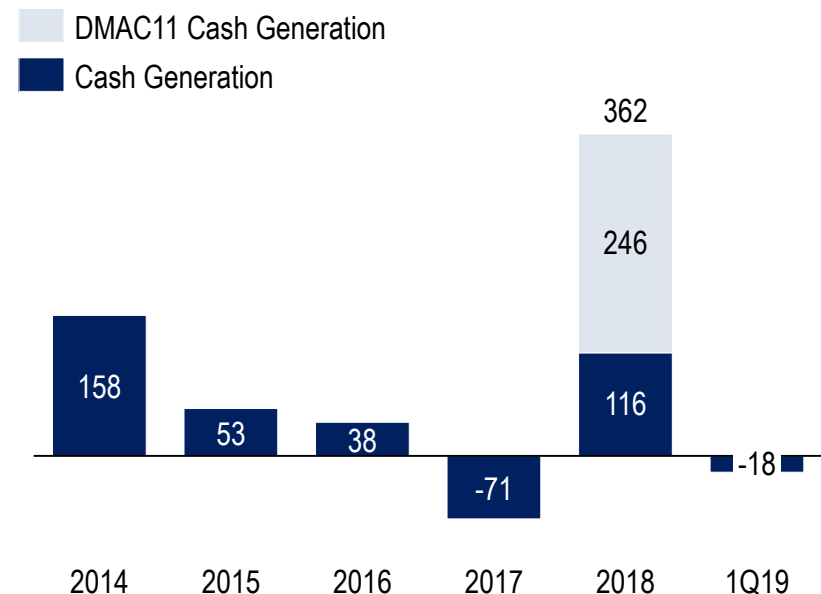
Capital Structure

- Reduction in leverage of 11 p.p. compared to 1Q18.
- Direcional made the distribution of dividends of R\$ 146 million in the period.

Capital Structure (R\$ million)



Cash Generation (Cash Burn)¹ (R\$ million)



1 – Cash Generation (Cash Burn): variation of net debt for payment of dividends and repurchase of shares

2 – Adjusted for receivables delays in Level 1 (R\$ 25 million) and by cash subscription in SPVs with partners that we have consolidated by Equity Investees (R\$ 8 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.

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