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**EZTEC S.A.**

ON (Bovespa: EZTC3)

Closing Price: R\$ 39,30

# shares: 227,000,000

Market Cap: R\$ 8,921 MN

Date: 10/15/2019

# Preliminary Operational Results

# 3Q 19

**EZTEC**

Construindo qualidade de vida

## Net sales reach all time high of R\$1.02 billion in first 9 months of 2019

Net sales exceed by 7% the R\$949 million of PSV launched in that same period

São Paulo, October 15<sup>th</sup>, 2019 - EZTEC SA (BOVESPA: EZTC3; Bloomberg: EZTC3: BZ), announces its preliminary operating results for the third quarter of 2019 (3Q19). Note that the results presented here have managerial nature and are subject to revision following the external audit. The complete and audited results for 3Q19 are scheduled to be disclosed on November 15<sup>th</sup>, 2019, after market closure.

## Launches

In the third quarter of 2019, the Company launched R\$242 million in EZTEC's PSV, totaling R\$949 million for the year – 47% of the upper border for the revised guidance of launches. EZTEC has launched two new projects during this period. In chronological order, [i] Haute Ibirapuera in the South Zone of São Paulo, a high standard project in Coronel Lisboa street nearby Dr. Diogo de Faria street; and [ii] the first tower of Reserva JB, the last phase from the mid-end mega-compound Jardins do Brazil, in Osasco.



### Reserva JB (Osasco)

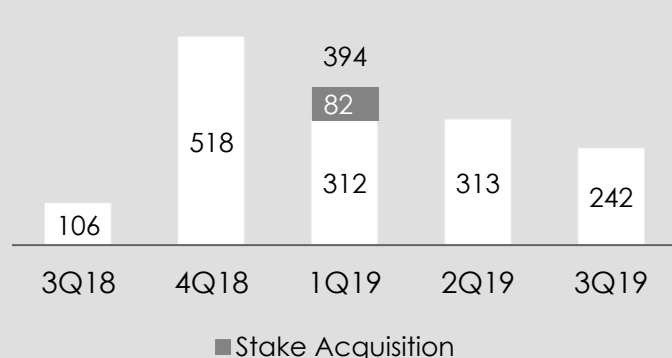
**Location:** Osasco/SP  
**Launch:** September/19  
**Segment:** Residential  
**Standard:** Mid-end  
**EZTEC's PSV:** R\$121.1 MN  
**Area sold:** 30%  
**Units sold:** 93/330



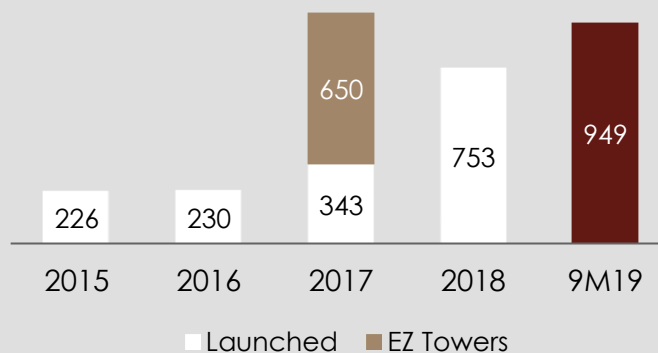
### Haute Ibirapuera (Vila Clementino)

**Location:** São Paulo/SP  
**Launch:** Agosto/19  
**Standard:** Residential  
**Segment:** Alto  
**EZTEC's PSV:** R\$120.4 MN  
**Area Sold:** 44%  
**Units Sold:** 25/58

Launched PSV  
% EZTEC (R\$ MN)



Cumulative Launched PSV  
% EZTEC (R\$ MN)



## Launching Guidance



By the end of 2018, EZTEC committed to a Launching Guidance of R\$1 billion to R\$1,5 billion in PSV for 2019. Yet, that *guidance* was revised and a new expected range was set between **R\$1,5 billion and R\$2,0 billion** for that same period. As of 9M19, the Company has already R\$949 MN in PSV.

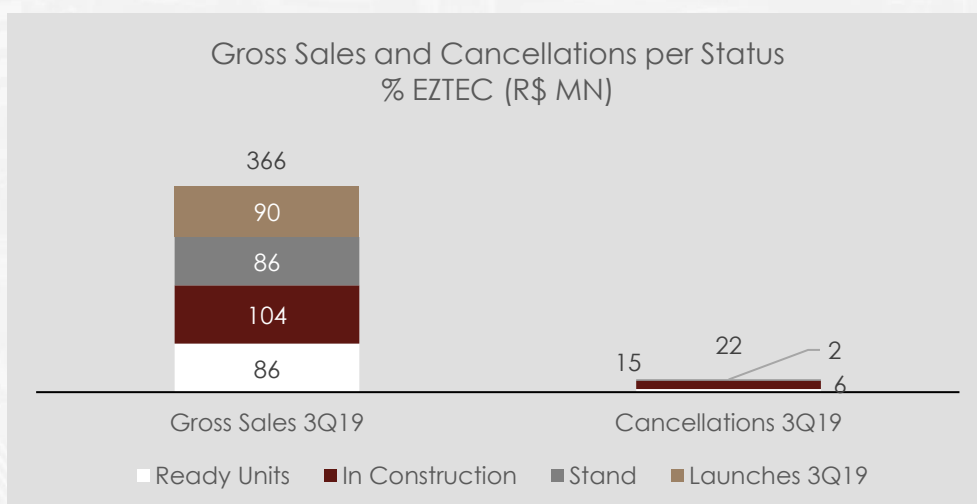
As a subsequent event, the Company has launched, already in 4Q19, the EZ Parque da Cidade, with a PSV of **R\$576.4 MN**. This is the greatest and most relevant residential launch of the year, accounting for 29% of the PSV projected at the top of 2019's guidance. With this project, the company has already fulfilled the bottom border of that guidance, with **R\$1,525 MN** of PSV in accumulated launches year to date.

EZ Parque da Cidade consists of a pair of residential towers amid the broader Parque da Cidade complex, at the Av. Chucri Zaidan's urban development axis, in the South Zone of São Paulo. By the date of this document, **34% of the 244** units of EZ Parque da Cidade have already been sold.

## Salles and Cancellations

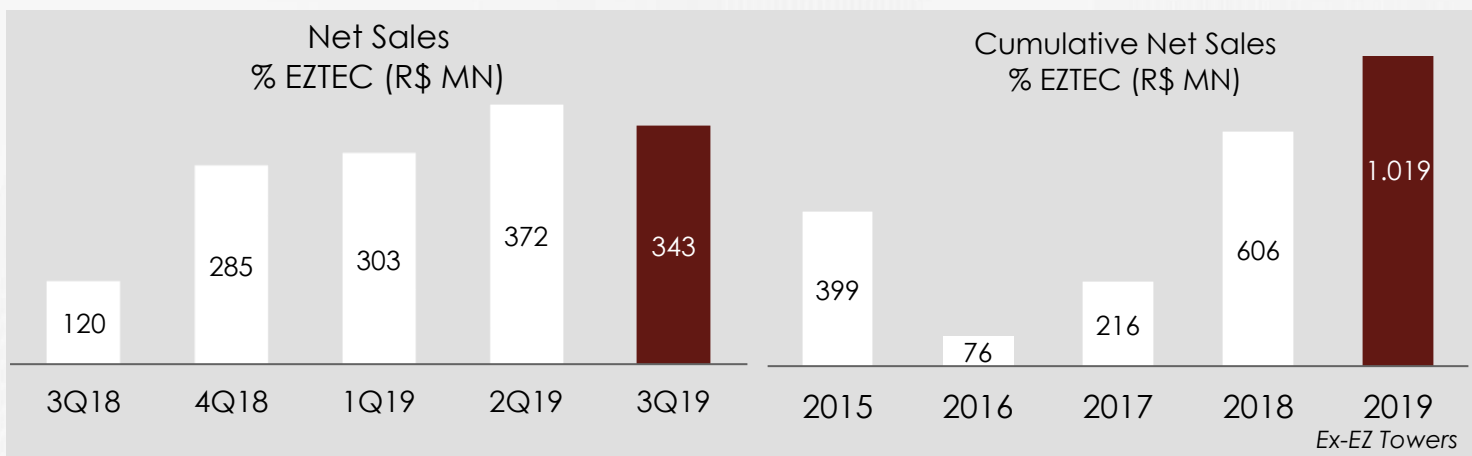
In the third quarter of 2019, the Company has performed **R\$343.2 MN** in net sales – broken down in **R\$365.7 million** in gross sales and **\$22.5 million** in cancellations. The net figure implies a 7.8% reduction vis a vis 2Q19, on the back of a smaller number of projects launched in the quarter. Even so, to the extent that the Company accumulated projects launched ever since the beginning of the cycle, from 4Q18 on, it counts with a growing sales contribution coming from past launches, captured in the *Stand* and *in Construction* categories. In other words, although the Company has launched a relatively low volume in 3Q19 – while focusing its efforts in preparing for EZ Parque da Cidade –, it benefited from a continued performance from projects like Pátrio Ibirapuera, Z.Pinheiros, Fit Casa Rio Bonito, Fit Casa Brás, among others (listed on their order of importance).

In regards to the ready inventory sales, the greatest volume sold was in the Cidade Maia mega-compound, in Guarulhos, which accounted for as much as one third of the quarter's ready inventory sales. Over the course of 4Q19, Cidade Maia has had net sales of 60 units, thus repeating the all time high mark reported in 2Q19, even while the underlying base of inventory available has continuously shrunk. This feat reaffirms the upward Sales Over Supply trajectory in Cidade Maia, a project that still concentrates the largest volume of ready inventory units in the Company.

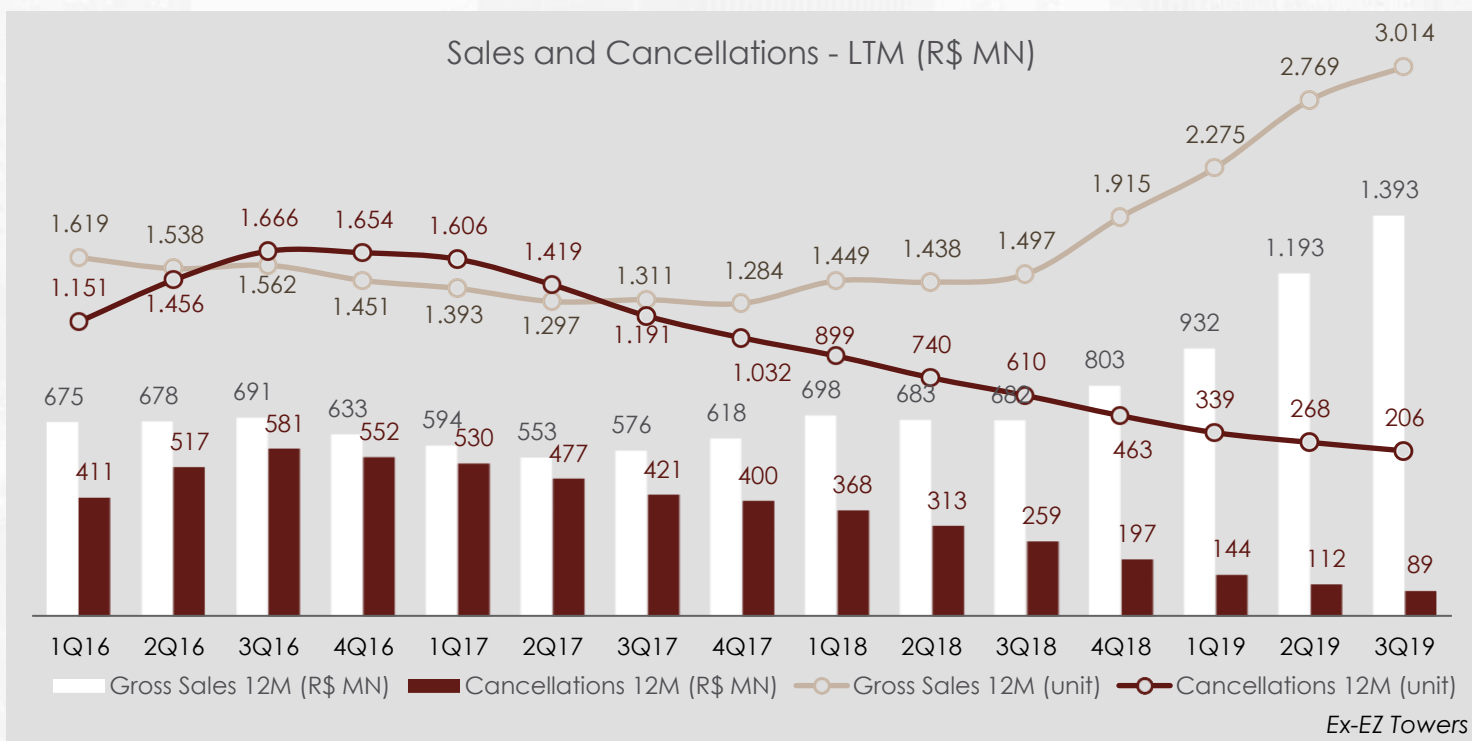


It's worth noting that the former 'launches' category status was subdivided into 'Launches 2Q19' and 'Stand'. This segmentation is based on the assumptions below (accompanied by examples of the quarter's commercial highlights):

- Launches 3Q19: projects launched in the quarter;  
(Haute Ibirapuera and Reserva JB)
- Stand: projects launched in prior quarters but whose construction is yet to be started;  
(Pátrio Ibirapuera, Artis Jardim Prudência, Vivid Perdizes, etc.)
- In construction: projects whose construction has started;  
(Z .Pinheiros, Fit casa Rio Bonito, Fit Casa Brás, Verace Brooklin, etc.)
- Ready units: completed projects with proper housing permit issued.  
(Cidade Maia, Jardins do Brasil, EZ Mark, etc.)



Guided by the transparency and continuity, the graph below discloses gross sales and cancellation figures, accumulated over 12 months, where one can observe **cancellations at a contained level, against escalating gross sales, allowing for an increasing spread in net sales:**

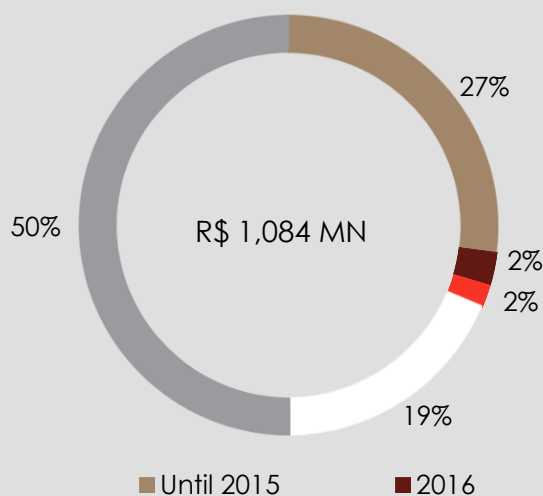


Segue abaixo o cálculo VSO (Vendas Sobre Oferta), ex-EZ Towers, ponderado pela participação da EZTEC, índice que reflete a liquidez dos produtos originados:

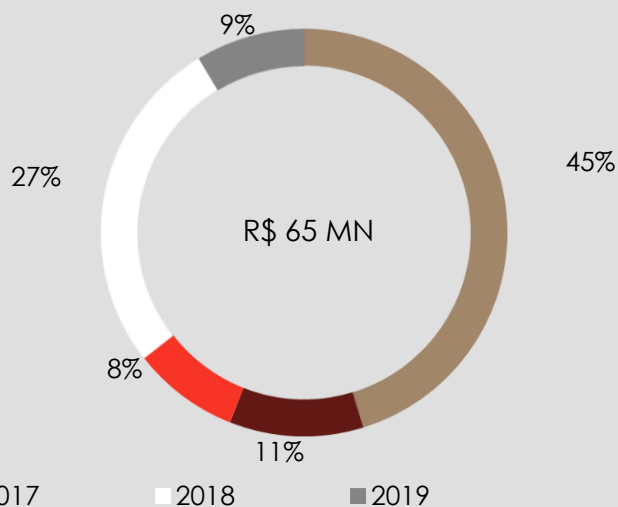
SALES OVER SUPPLY	3Q19	3Q18	9M19	9M18
+ Initial Inventory (m <sup>2</sup> )	193.141	183.708	202.834	197.868
+ Launches in the period (m <sup>2</sup> )	30.095	15.222	107.444	25.124
<b>= Inventory + Launches (m<sup>2</sup>)</b>	<b>223.236</b>	<b>198.930</b>	<b>310.278</b>	<b>222.992</b>
- Net Sales in the period (m <sup>2</sup> )	40.069	19.091	127.110	43.153
Gross Sales in the period (m <sup>2</sup> )	43.074	26.225	136.439	71.096
Cancellations in the period (m <sup>2</sup> )	-3.005	-7.134	-9.329	-27.943
<b>= Final Inventory (m<sup>2</sup>)</b>	<b>183.167</b>	<b>179.839</b>	<b>183.168</b>	<b>179.839</b>
Net Sales Over Supply (%)	17,9%	9,6%	41,0%	19,4%
Gross Sales Over Supply (%)	19,3%	13,2%	44,0%	31,9%

## Managerial Figures (9M19)

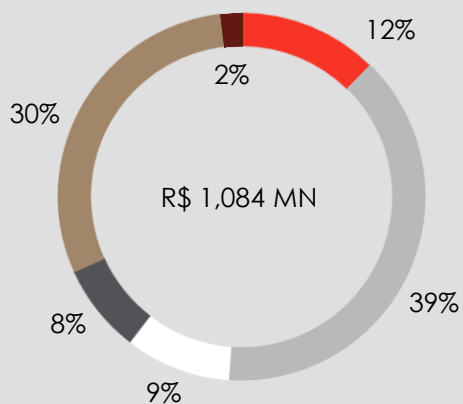
Gross Sales by Year of Launch  
(% of EZTEC's PSV)



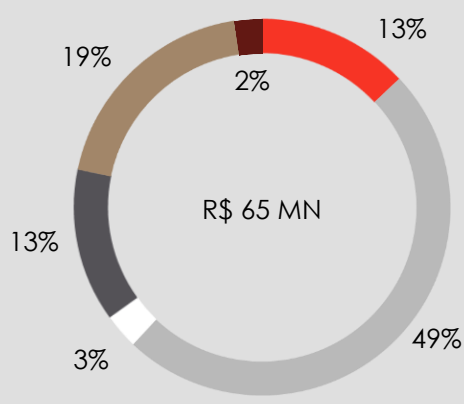
Cancellations by Year of Launch  
(% of EZTEC's PSV)



Gross Sales by Standard  
(% of EZTEC's PSV)



Cancellations by Standard  
(% of EZTEC's PSV)

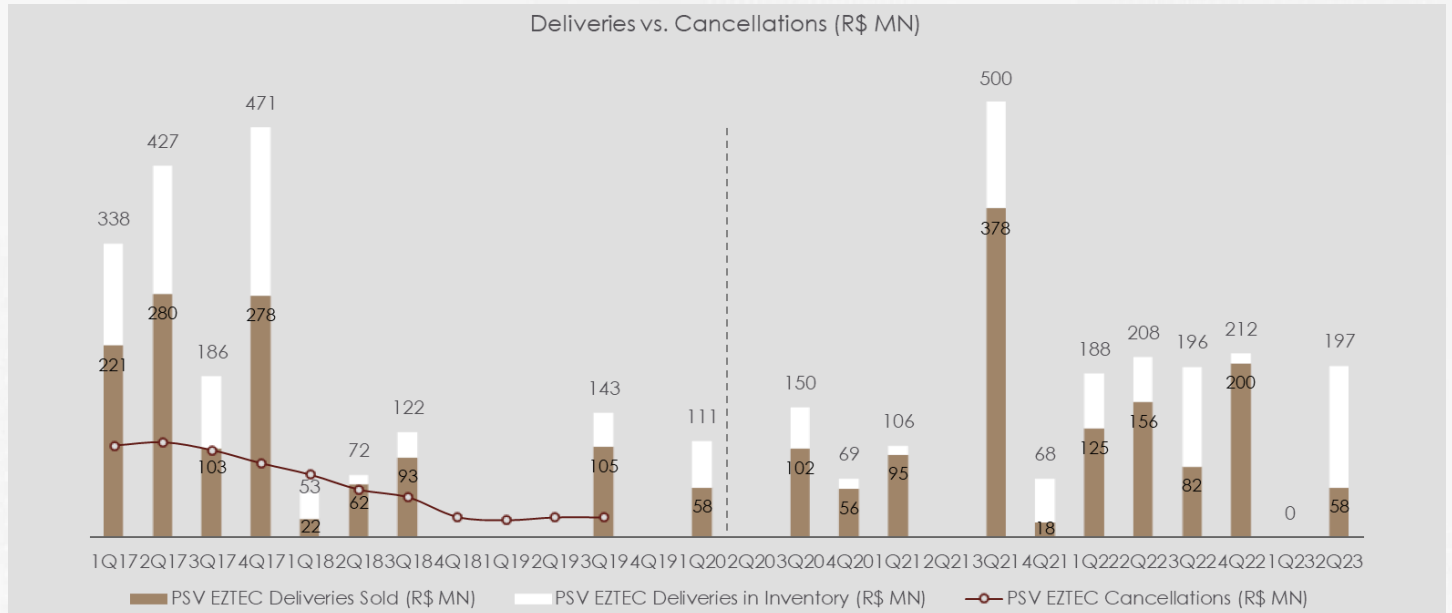


■ Low-End ■ Middle-End ■ Smart Living ■ Middle High-End ■ High-End ■ Commercial ■ Corporate

# Deliveries

In the third quarter of 2019, EZTEC carried out the delivery of two projects: Le Premier Moema and Splendor Brooklin, which consists of 38 and 42 units respectively (with the first with a launched PSV of R\$ 103,7 million weighted by the 50% share that EZTEC owns and the second with R\$ 91.5 million). By the end of the quarter, Le premier Moema was 84.2% sold and Splendor Brooklin 66.7%.

The graph below exhibits the Company's schedule of deliveries. In it, the delivery date for a given project is determined by the acquisition of Construction Certificate (Habite-se), or, for the projects still in construction, by the delivery date foreseen contractually. It is worth pointing out that the sold/in inventory breakdown is based on the percentage sold of a given project at the quarter in which it is delivered:





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