EZTEC

Construindo qualidade de vida



Webcast 4Q16

March 2017

Management Presentation

Participants	Résumés
Marcos Ernesto Zarzur *CEO and Chief Commercial Officer*	▪ Initiated activities in EZTEC in1986 ▪ Commercial Officer since 2007 ▪ Founder of TEC Vendas
Silvio Ernesto Zarzur COO and Executive *Vice President*	▪ Founding partner of EZTEC and Officer since 1980 ▪ Civil engineer graduated from Mackenzie
A. Emílio C. Fugazza *Chief Financial and Investor Relations Officer*	▪ Founding partner and CEO of *Grupo Analisy's*, a company acquired by EZTEC in 2007 ▪ Civil engineer graduated from the Federal University of São Carlos

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2016 Highlights

- **Operational:**
  - **Launches** reached **R$205 million** with 3 projects in 2016;
  - In October, stake acquisitions of **20%** of projects ***Royale Prestige, Tresor e Merit*** and **45%** of project ***Brasiliano ,*** adding a PSV of **R$ 26 million**
  - **Contracted Sales** reached **R$76 million** in 2016;
  - **Land Bank** position reached **R$5.7 billion** by the end of 4Q16;
- **Financials:**
  - **Net Cash** of **R$210 million**, having generated **R$200 million** in 2016, plus **Performed Receivables** of **R$389 million,** part of it adjusted by the IGP-DI index + 10 to 12% p.a..
  - **Gross Profit** reached **R$270 million**;
    - **Gross Margin** reached **47%**;
  - **Net Income** reached **R$230 million** ;
    - **Net Margin** reached **40%**;
  - **ROE** of **8,5%** in 2016;

Launches 2016



Le Premier Moema
(Inhambu)
Location: São Paulo/SP
Segment: Residential
Standard: High-End
EZTEC's PSV: R$51.8 million
% Sold: 50%

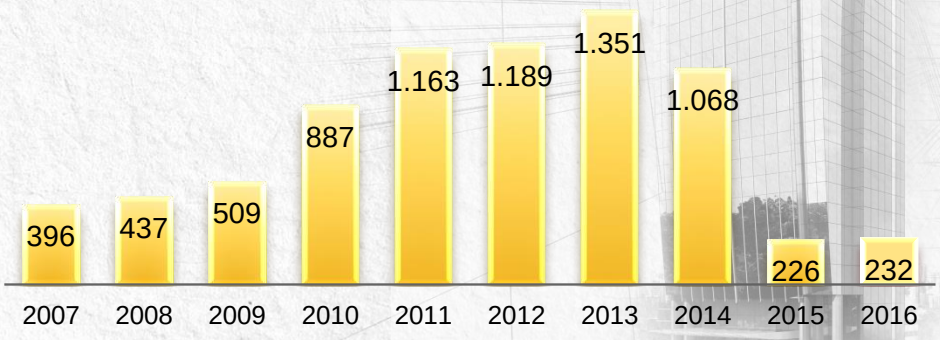


Splendor Brooklin
(Avenida Morumbi)
Location: São Paulo/SP
Segment: Residential
Standard: High-End
EZTEC's PSV: R$91.5 million
% Sold: 43%



Up Home Vila Mascote
(Santa Catarina)
Location: São Paulo/SP
Segment: Residencial
Standard: Middle High-End
EZTEC's PSV R$61.3 million
% Sold: 23%

Cumulative Launched PSV
% EZTEC (R$ million)

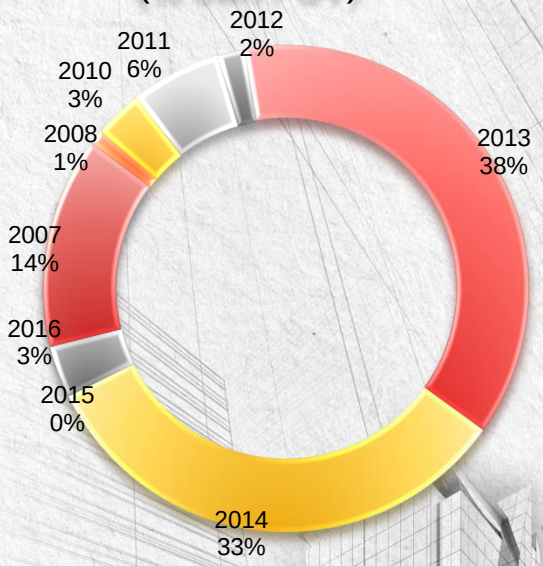


** Dados Gerenciais. Data base: 09 de novembro de 2016*

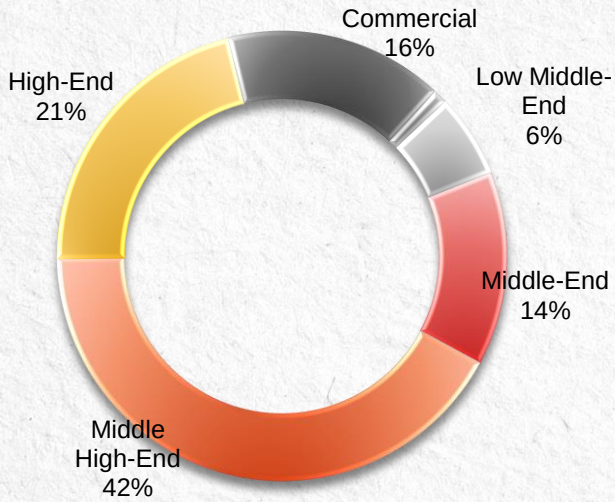
Land Bank Breakdown

- Land Bank represented own PSV of **R$5.7 billion** by the end of the 4Q16;
- Acquisition cost of **R$763 MN**, corresponding to 13.4% of PSV (including costs with expanding construction potential);
- Company has acquired 3 pieces of land with a PSV of **R$200 MN**;
- Company has sold a part of a land for R$ 29 MN, reporting profit of **R$ 10 MN**.

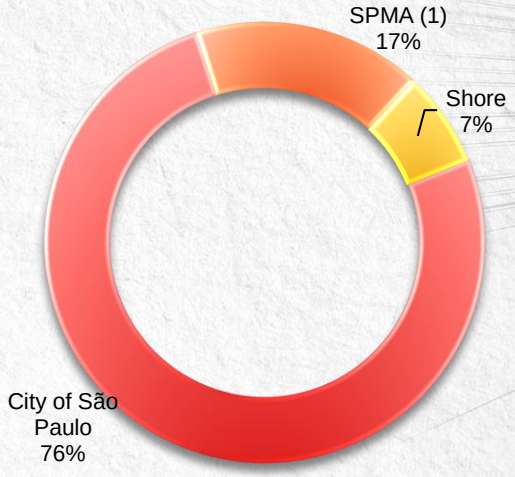
Land Bank by Acquisition Period
(% own PSV)



Land Bank by Segment
(% own PSV)

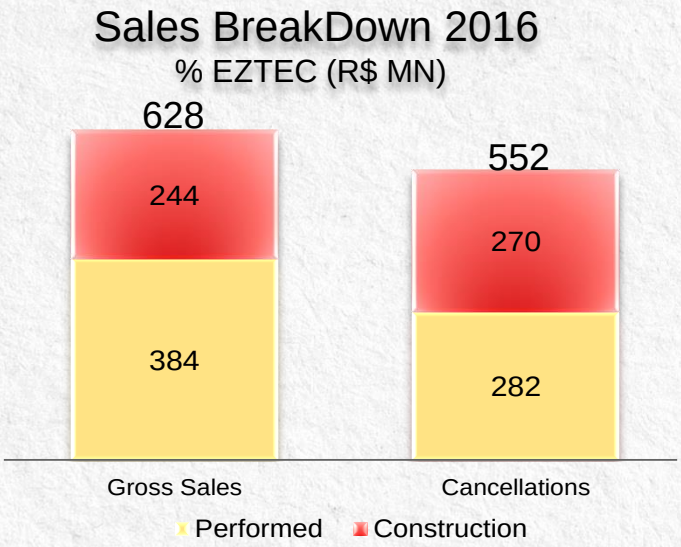


Land Bank by Region
(% own PSV)

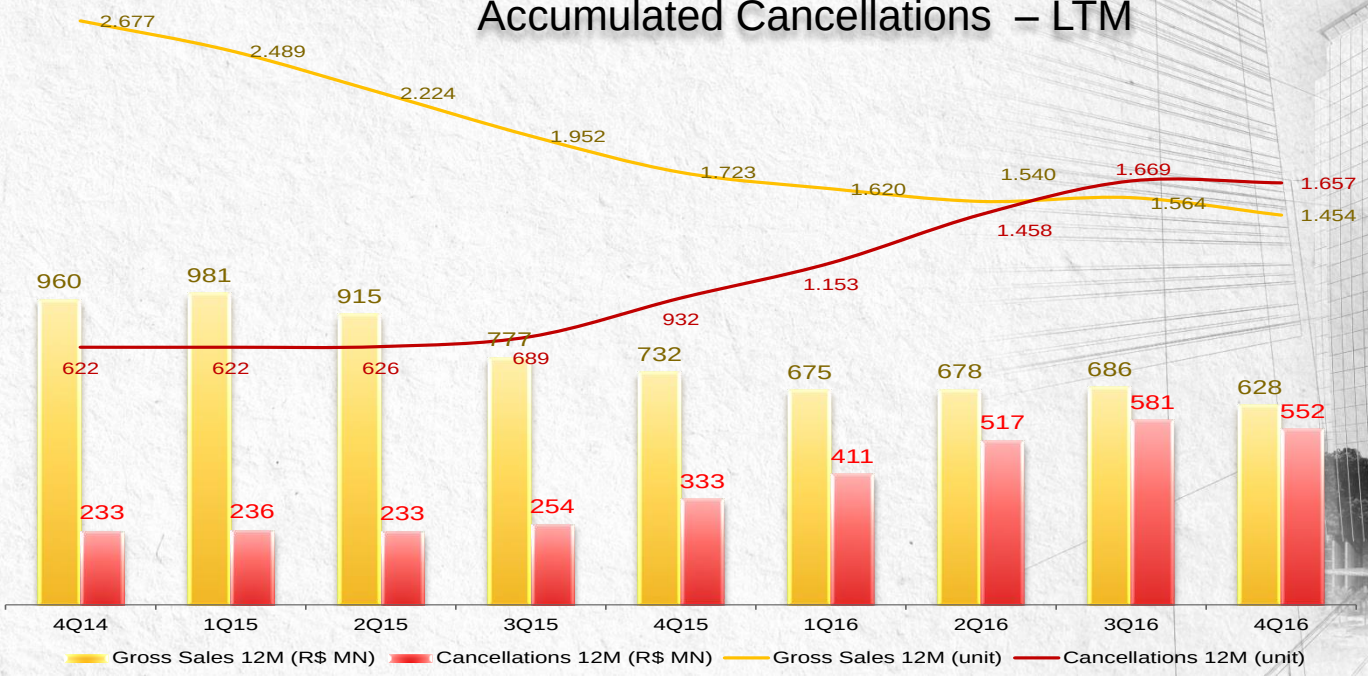


(1) Excludes the Municipality of São Paulo, i.e., corresponds to the other 38 municipalities of the São Paulo Metropolitan Area (SPMA).

Contracted Sales in 2016

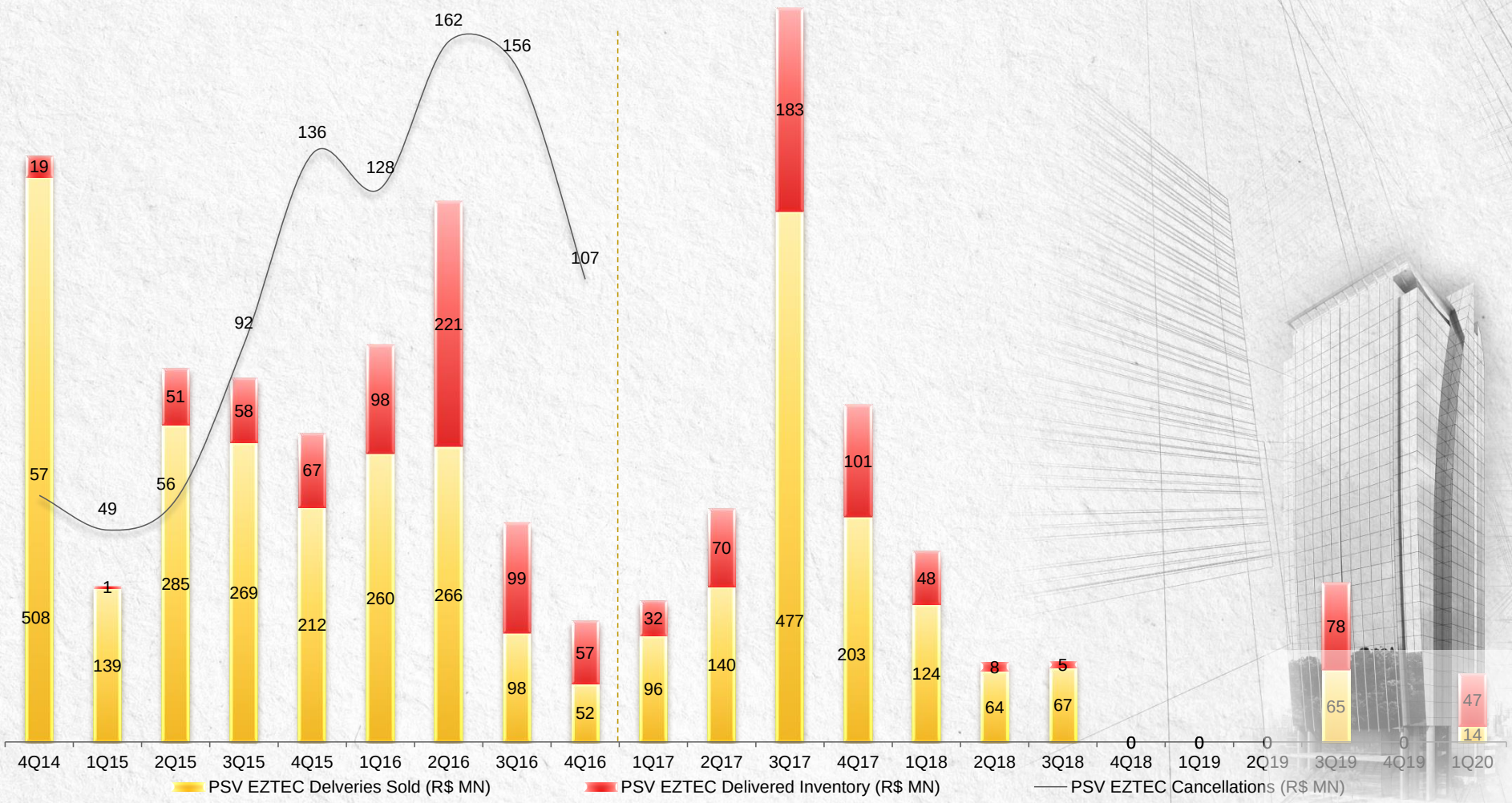


- 61% of the sales refers to delivered units;
- Contracted Sales of R$ 76 MN;
- Inventory market value of R$1,336 million by the end of 2016 (55% from concluded units).



Cancellations x Deliveries

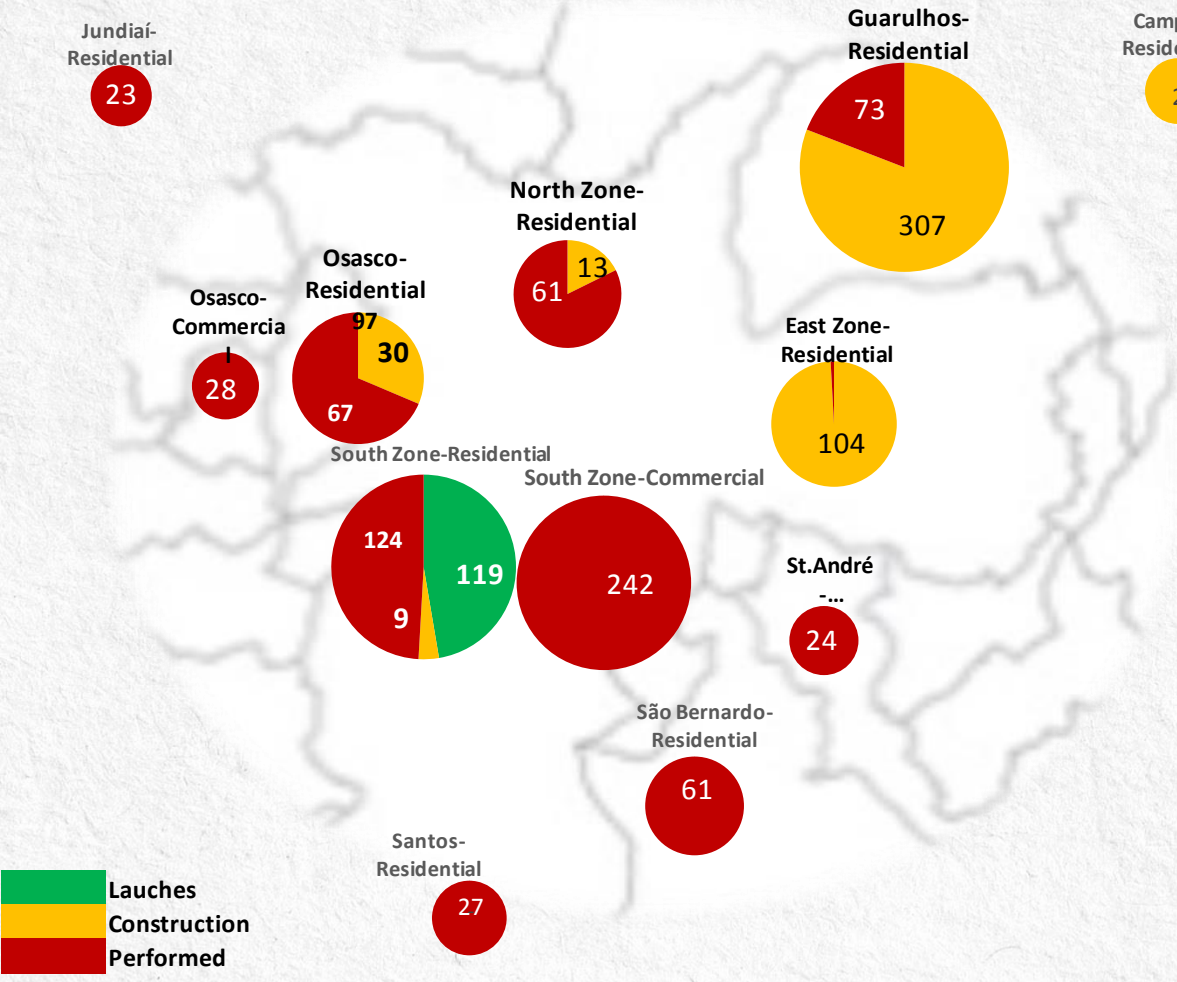
- Greater volume of cancellations due to the deliveries of products launched between 2011 and 2013;
- BIG deliveries until 2017



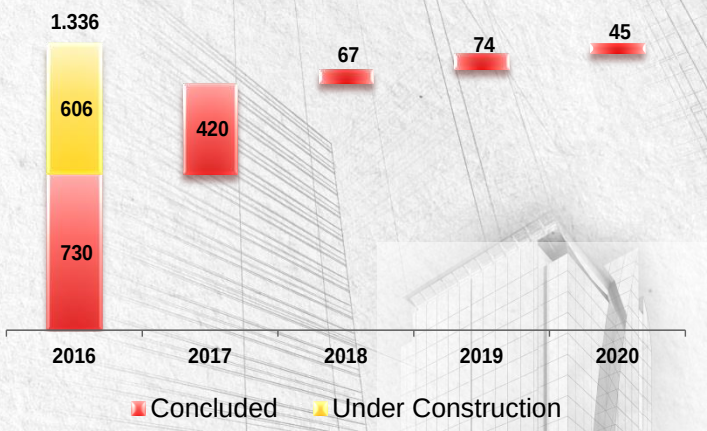
INVENTORY

- 42% of Inventory= RMSP
- Residentials in São Paulo city represent 32% of the Inventory, of which 14% are performed.

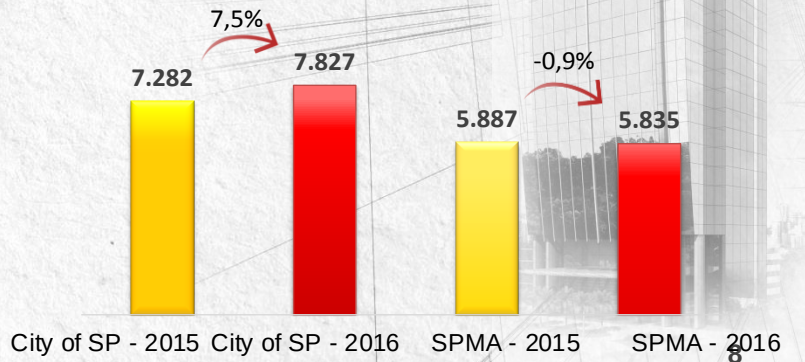
INVENTORY % EZTEC – R$ MM – RMSP MAP



Inventory by conclusion (R$ MN)

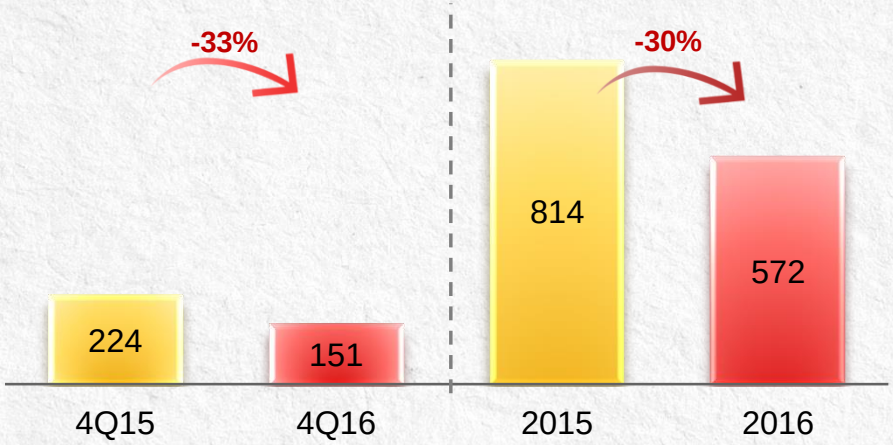


Average Price Variation EZTEC - (R$ / sq.m.) City of SP x SPMA

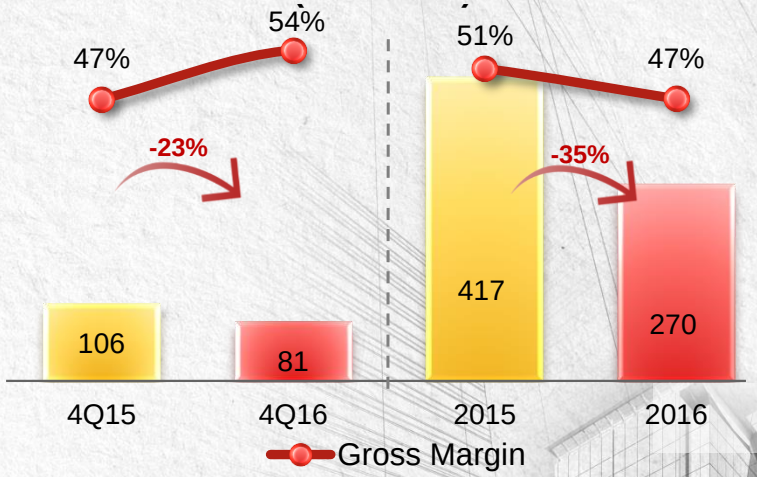


Financial Performance I

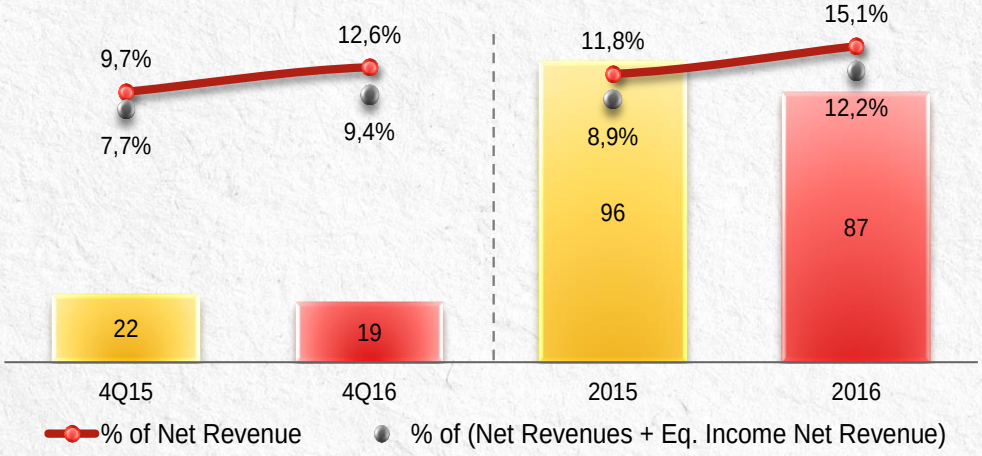
Net Revenue (R$ million)



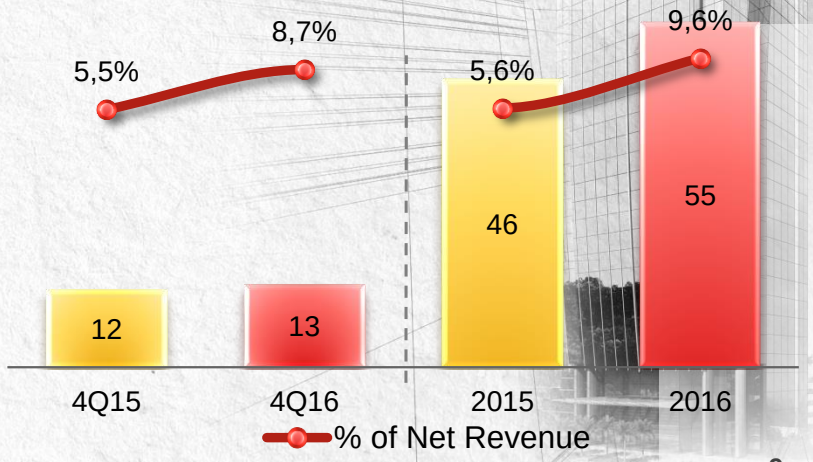
Gross Income (R$ million) and Gross Margin (%)



G&A (R$ '000), as Net Revenue (%), as Net Revenue + Eq. Income (%)



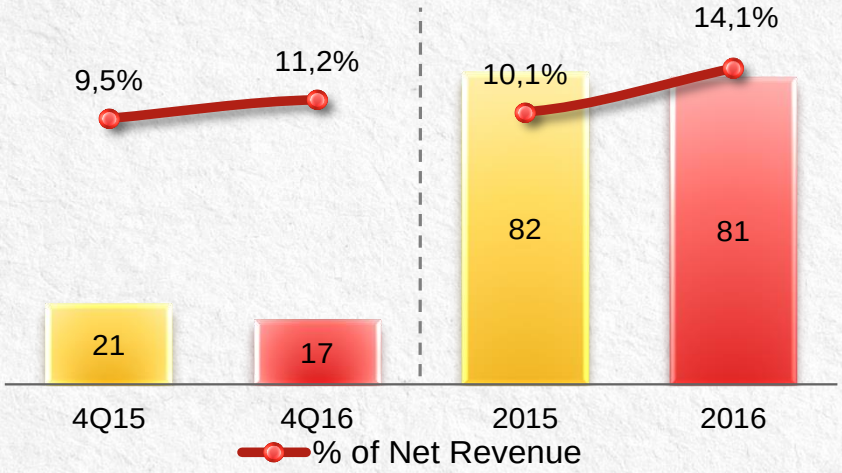
Selling Expenses (R$ '000) Net Revenue(%)



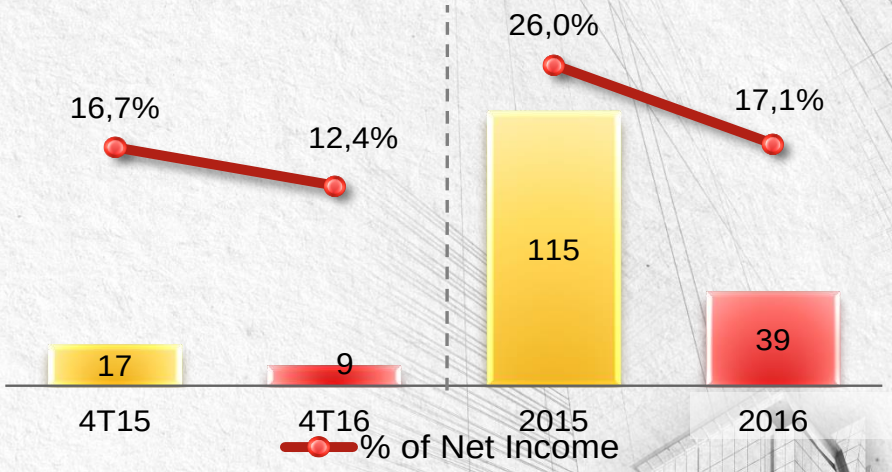
*Includes G&A for all projects, including projects not consolidated

Financial Performance II

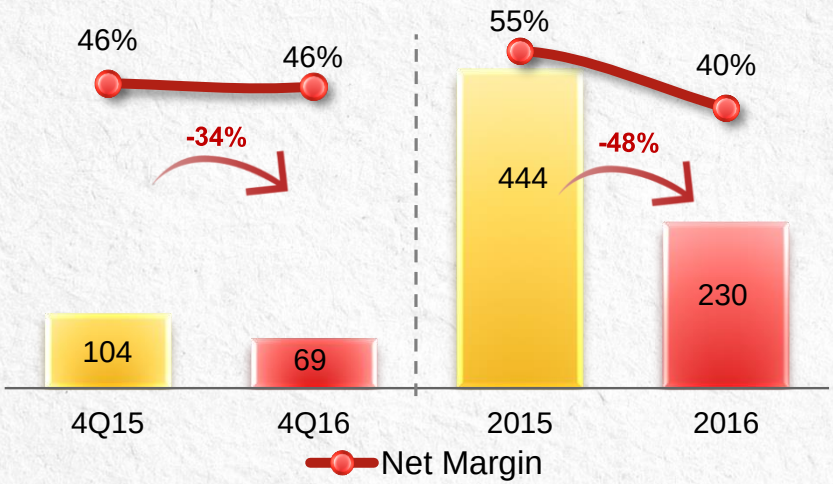
Financial Results (R$ million) and Net Revenue (%)



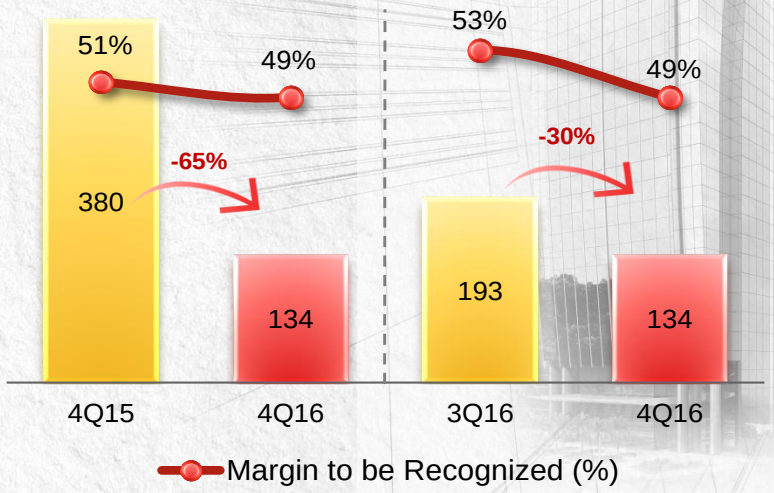
Equity Income (R$ million) and Net Income (%)



Net Income (R$ million) and Net Margin (%)

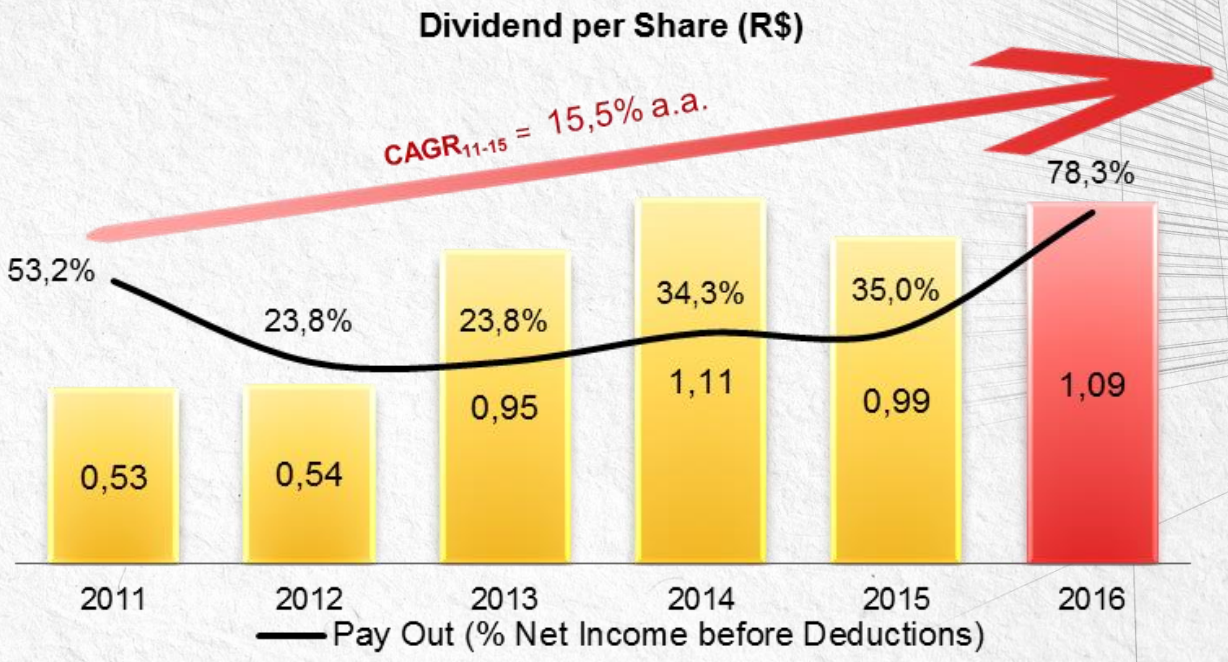


Results to be Recognized (R$ million) and Margin (%)



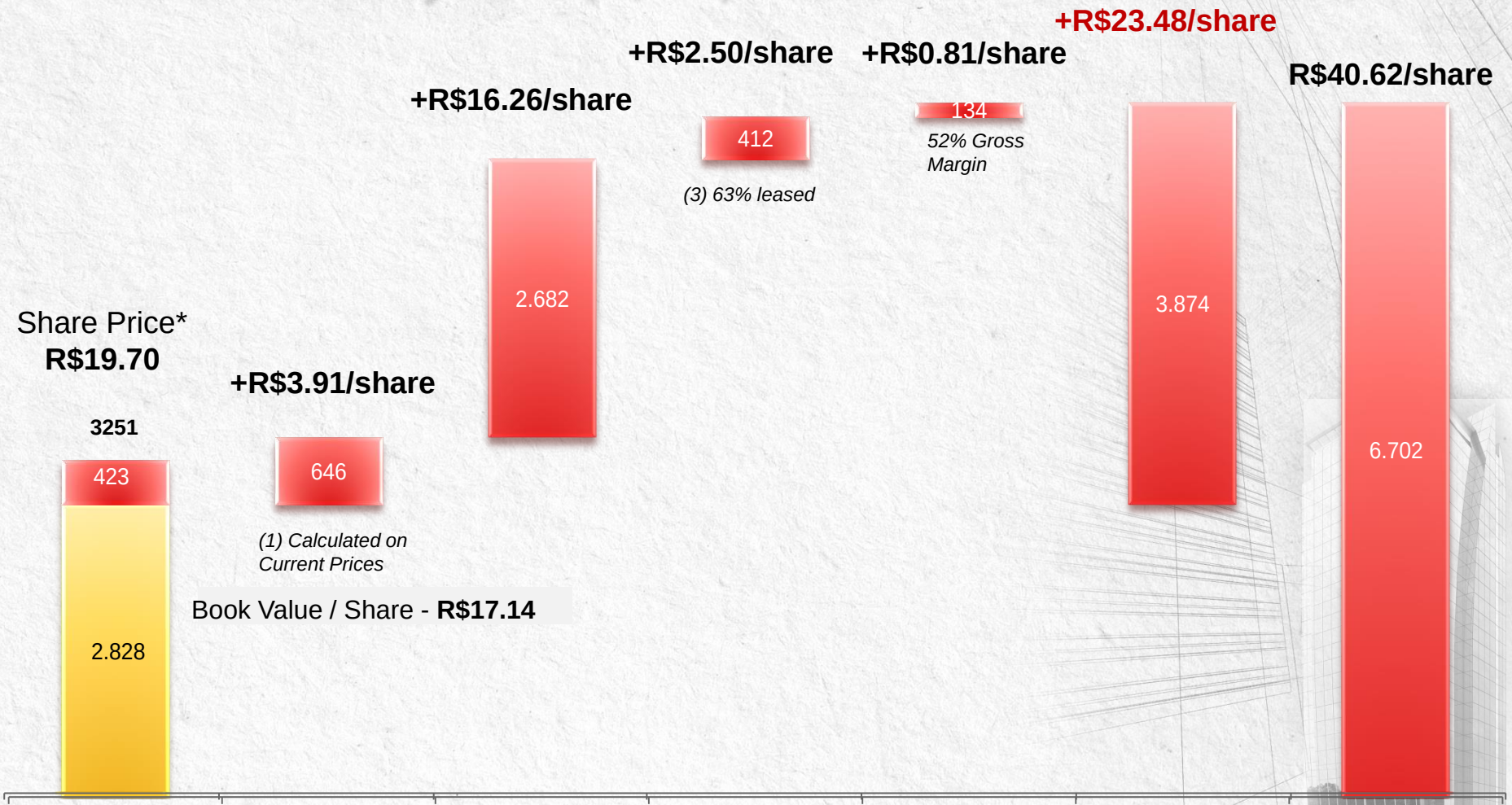
Dividends proposal - 2016

Dividends	2016	2015	2014	2013	2012	2011
Net Income	230.213	444.011	474.324	585.987	336.166	328.967
Statutory Reserve (in '000)	(11.511)	(22.201)	(23.716)	(29.299)	(16.808)	(16.448)
Proposed Dividends (R$ '000)	54.676	105.453	112.652	139.172	79.839	78.130
Additional Dividends (R$ '000)	125.538	50.000	50.000	-	-	-
Total Dividends (R$ '000)	**180.214**	**155.453**	**162.652**	**139.172**	**79.839**	**78.130**
Number of Shares Excluding Treasury (in thousands)	165.002	157.058	146.724	146.724	146.724	146.724
Dividend per Share (R$)	**1,09219**	**0,98978**	**1,10856**	**0,94853**	**0,54415**	**0,53249**
Pay Out (% Net Income before Deductions)	**78,3%**	**35,0%**	**34,3%**	**23,8%**	**23,8%**	**23,8%**



Potential Value for EZTEC

Value Added by Market (R$ MN) x Assets´ Potential Additional Result



Market Value (% EZ): **R$1.3 bi**

PSV Landbank (%EZ): **R$5.7 bi**

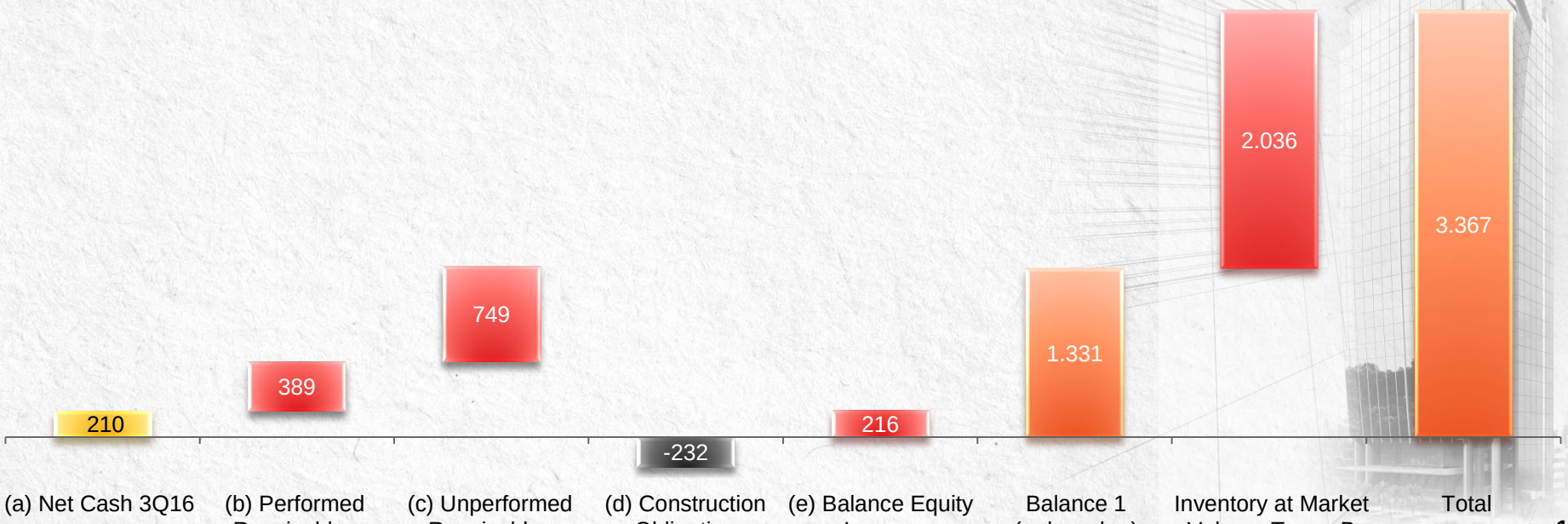
Market Value: **R$700 MN**

** Closing Price of march 20th 2016*

*** Potential Results is not considered guidance*

Potential Cash Generation

- (a) Net Cash: **R$210 MN (**Cash: **R$564 MN –** Debt: **R$354 MN)**
- (b) Performed Receivables: **R$389 MN**
- (c) Unperformed Receivables: **R$749 MN**
- (d) Construction Obligation*:* **(R$232 MN)**
- (e) Balance Equity Income (Net Debt + Receivables – Construction): **R$216 MN**
- Inventory at Market Value: **R$1.336 MN +** Tower B: **R$700 MN**



EZ TEC

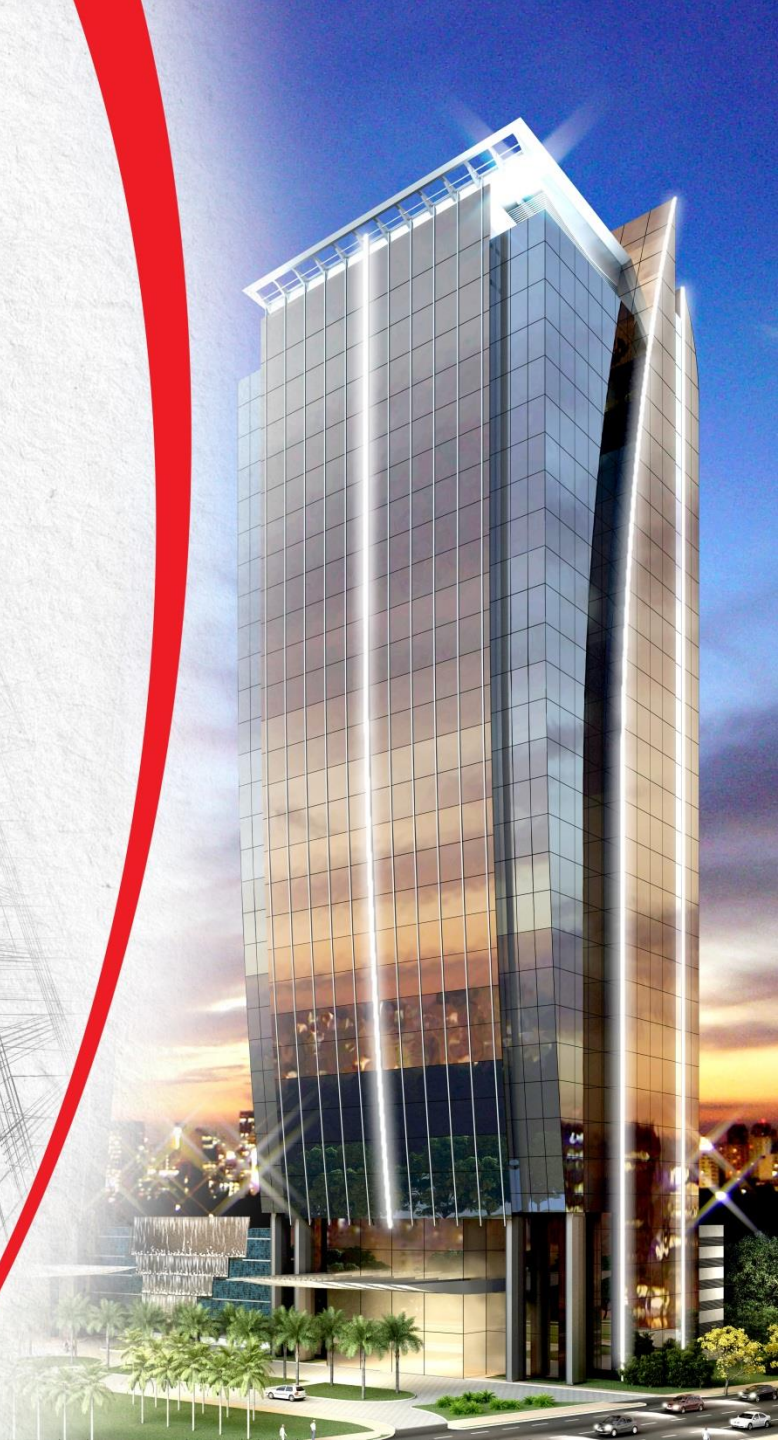
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