



# Earnings Release

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**4Q20**

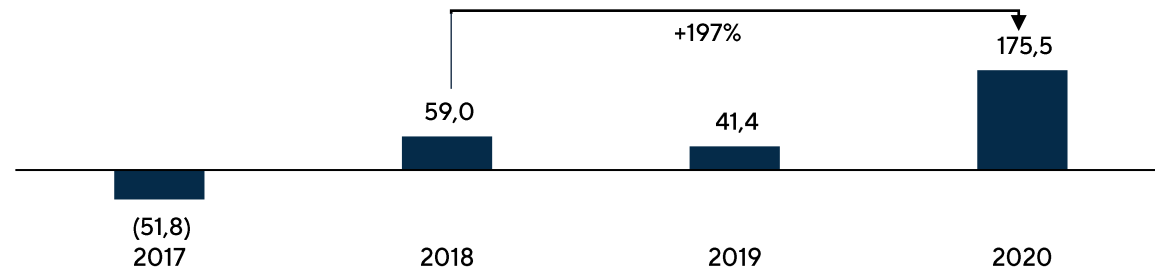
March 19, 2021

# 2020 HIGHLIGHTS



## Historical Cash Generation

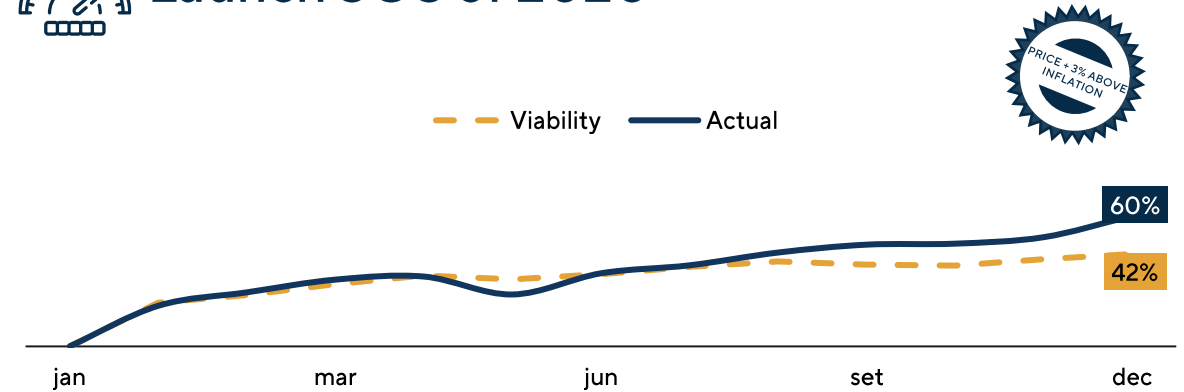
(R\$ '000, ex IPO's effect)



Solid cash position: **R\$701,5 mm** in 4Q20



## Launch SOS of 2020



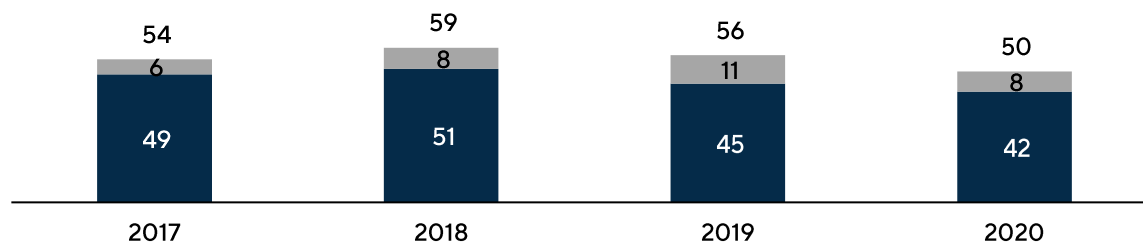
**R\$500,4 mm** launched in 2020 e **R\$700 mm** in projects already approved



## Consistency of Net Income

(R\$ '000)

■ Net Income (R\$ '000) ■ MPAR<sup>1</sup> participation (R\$ '000)

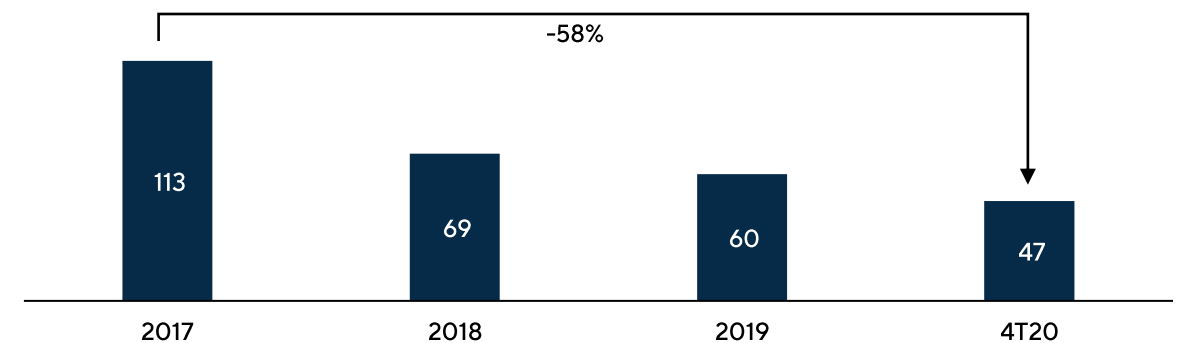


**92 days** of civil works stopped by the pandemic, with **net profit of R\$50 mm**



## Lower level of residential finished inventory

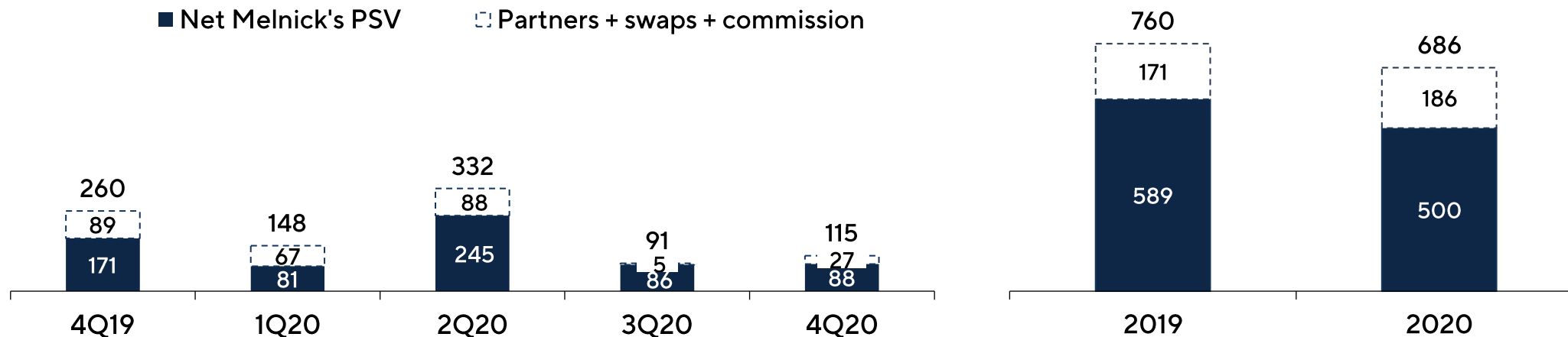
(R\$ '000)



Achievement of a **healthy level of residential finished inventory**

<sup>(1)</sup> Considering the profit from the direct stake held by MPAR of 15% in the Company's SPEs, due to the corporate reorganization of July 10, 2020).

Projects	Business	Gross PSV <sup>(1)</sup> (R\$ '000)	Melnick's PSV <sup>(3)</sup> (R\$ '000)	Unit <sup>(4)</sup>	Segment
<b>1<sup>st</sup> quarter</b>		<b>147,915</b>	<b>81,349</b>	<b>498</b>	
Sunset	LOT	78,152	31,633	345	Lot development
Go 24	R. E.	69,763	49,716	153	Residencial
<b>2<sup>nd</sup> quarter</b>		<b>332,458</b>	<b>244,583</b>	<b>322</b>	
Carlos Gomes Square - Fase 1	R. E.	290,563	204,751	82	Comercial
Open Canoas Centro - Fase 2	OPEN	41,895	39,832	240	Open
<b>3<sup>rd</sup> quarter</b>		<b>90,689</b>	<b>86,155</b>	<b>179</b>	
Carlos Gomes Square - Fase 2	R. E.	90,689	86,155	179	Residencial
<b>4<sup>th</sup> quarter</b>		<b>115,170</b>	<b>88,339</b>	<b>184</b>	
Supreme Altos do Central Park	R. E.	115,170	88,339	184	Residencial
<b>Total</b>		<b>686,232</b>	<b>500,425</b>	<b>1,183</b>	



(1) PSV gross of swaps and commission. (2) PSV net of swaps and commission. (3) Net PSV represented by the Company's current share in the projects, considering the corporate reorganization on July 10, 2020. (4) Net of swaps.





**R\$ 31,6mm Melnick's PSV**

**38% Gross Margin (ex interest)**

**81% sold in 4Q20**

**35% Net NPV Margin**



**GO** 24

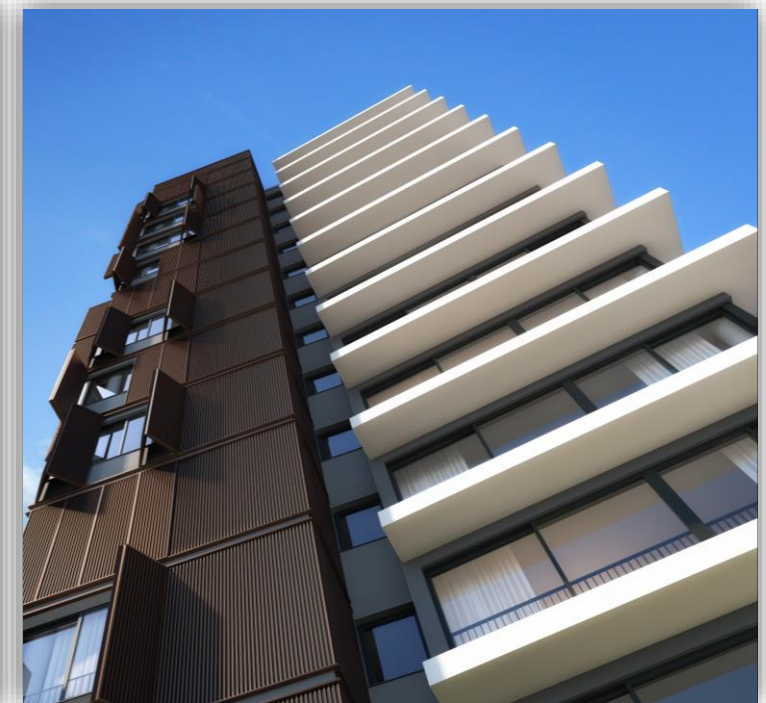


**R\$ 49,7mm Melnick's PSV**

**31% Gross Margin (ex interest)**

**85% sold in 4Q20**

**23% Net NPV Margin**





# LAUNCHES

**CARLOS  
GOMES  
SQUARE.**



**R\$ 290,9mm Melnick's PSV**

**23% Gross Margin (ex interest)**

**72% sold in 4Q20**

**24% Net NPV Margin**



**SUPREME**  
ALTOS  
CENTRALPARQUE



**R\$ 88,3mm Melnick's PSV**

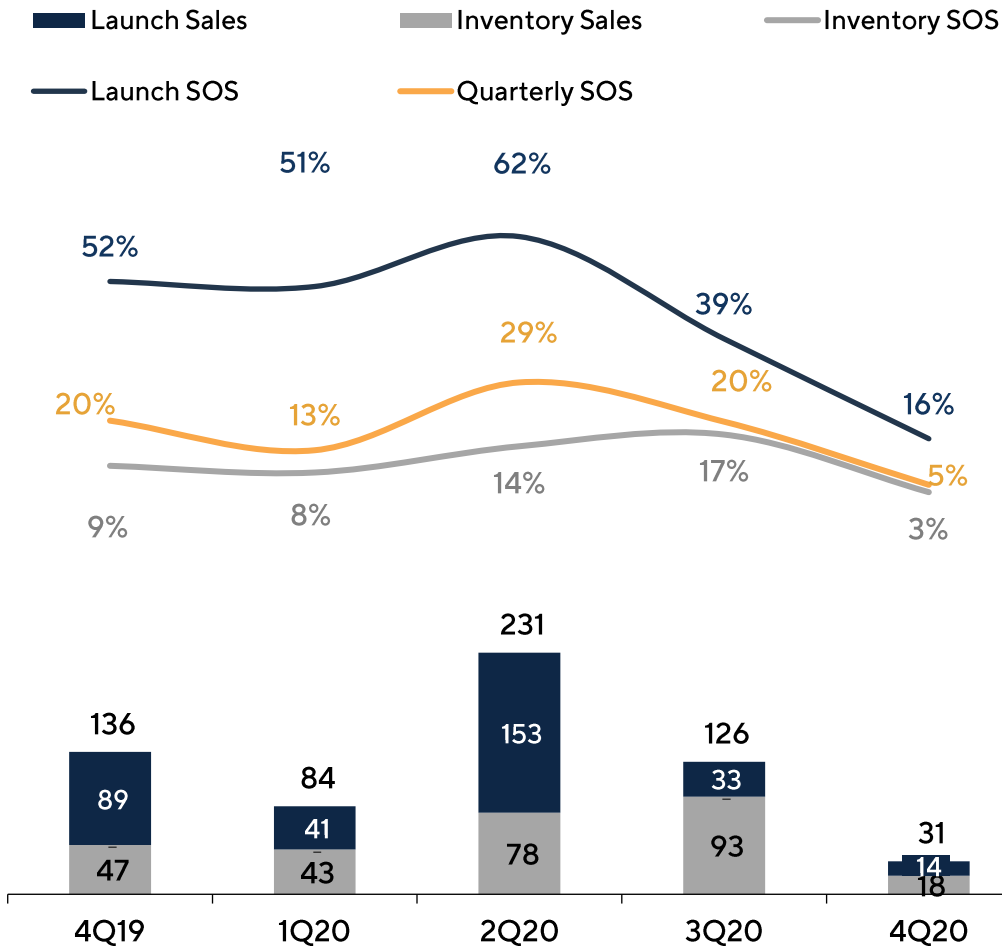
**33% Gross Margin (ex interest)**

**16% sold in 4Q20**

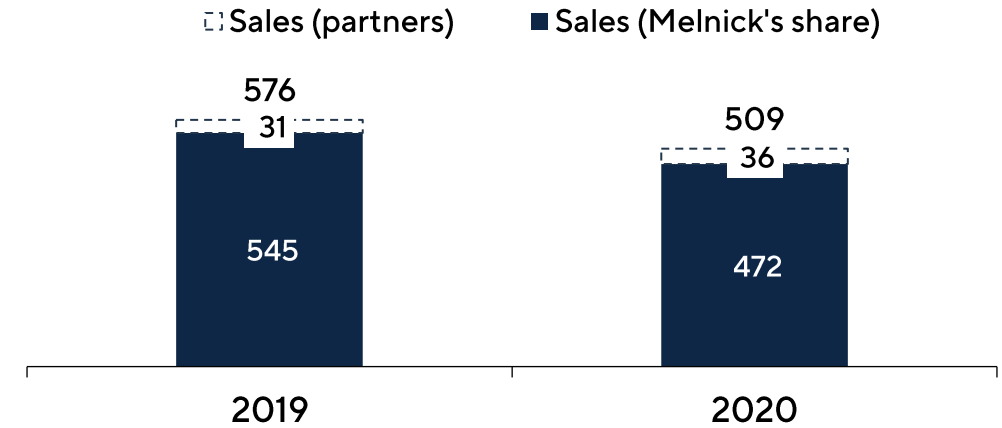
**19% Net NPV Margin**



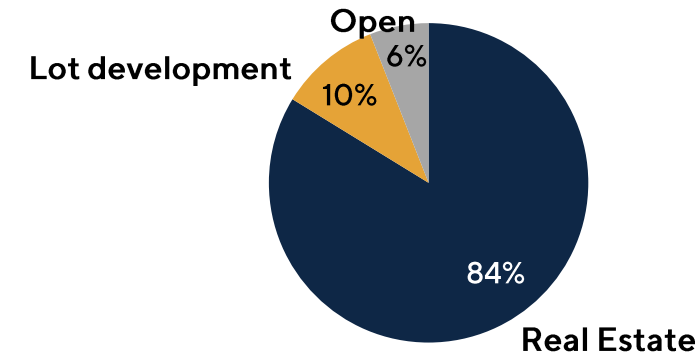
Opening per quarter (Melnick's share – R\$'000):



Total sales in the year: (R\$'000):



Distribution by bussiness (% Melnick):

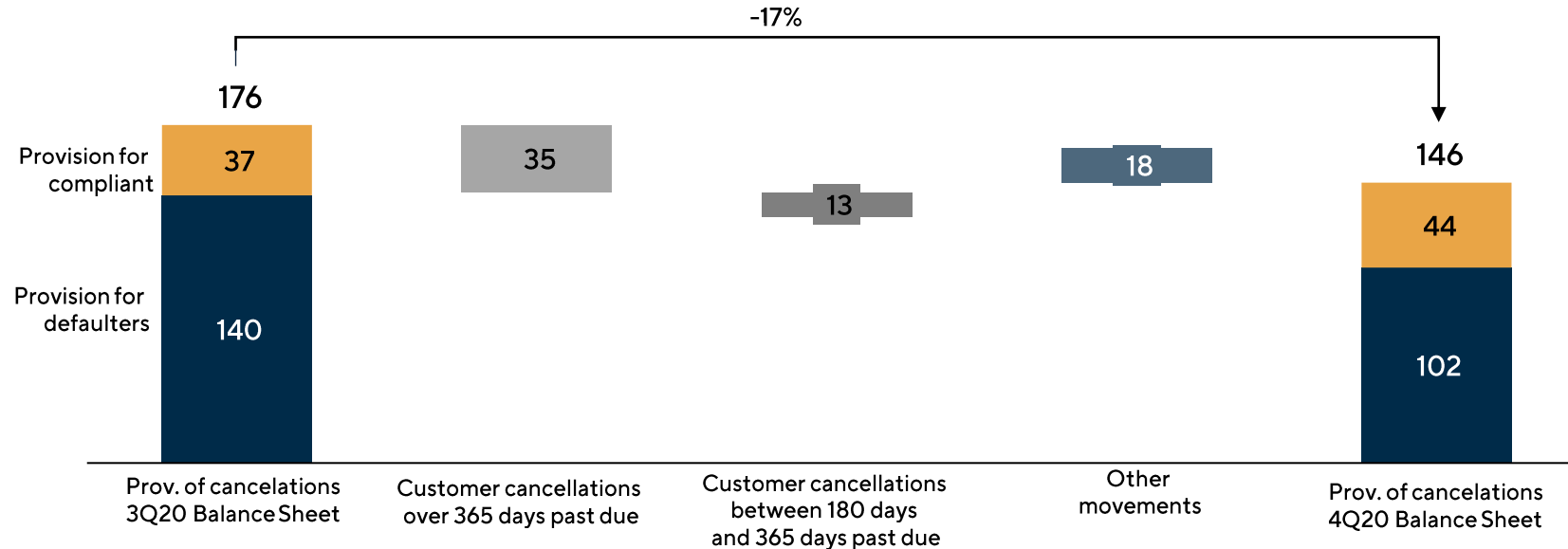


# CANCELATION AND GROSS SALES

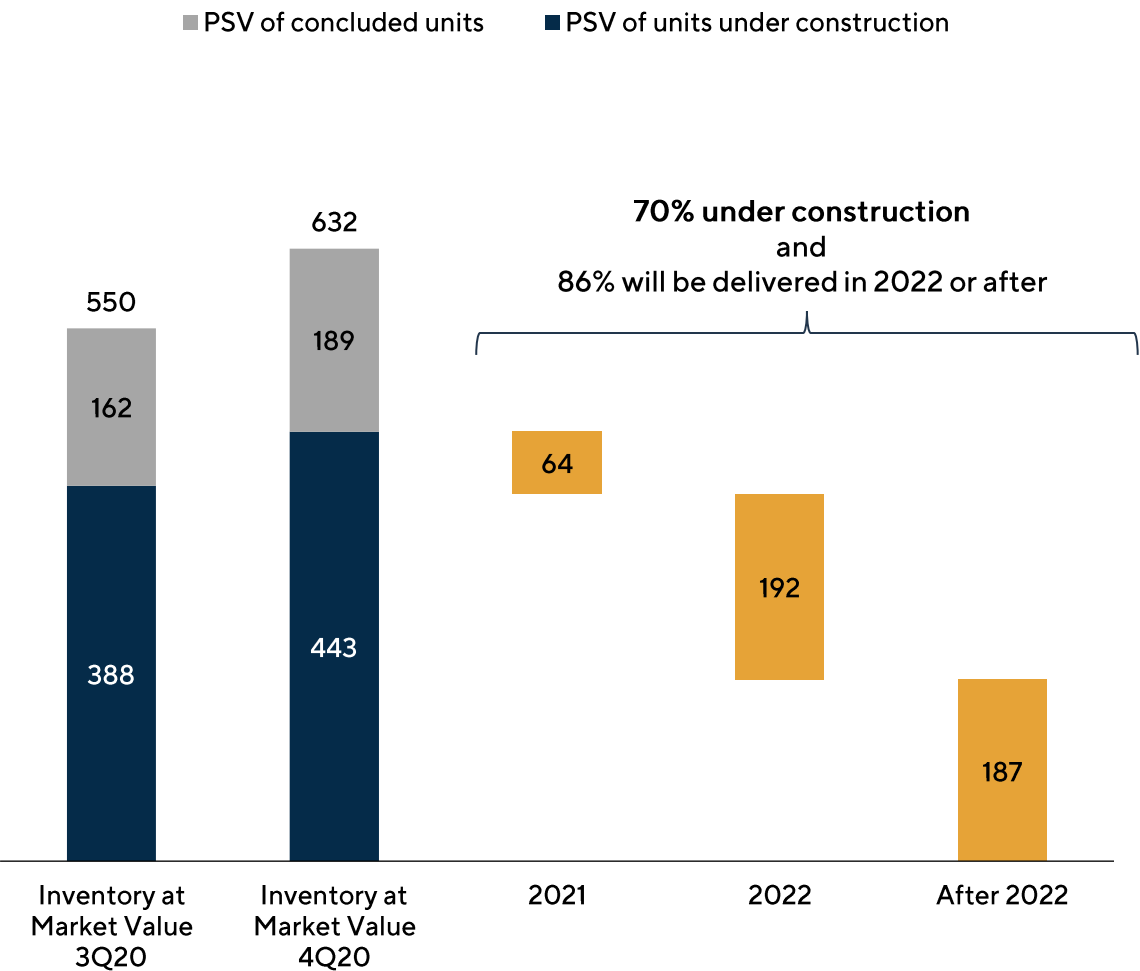
Cancellation (R\$ '000, Melnick's share)	4Q19	1Q20	2Q20	3Q20	4Q20
Net Sales	136	72	231	127	31
Cancellation	22	31	26	28	52
Gross Sales	158	103	257	154	83
Inventory	69	74	104	121	69
Launches	89	41	153	33	14
Cancellation / Gross Sales	14%	27%	10%	18%	62%

Increase due to  
the operation of  
defaulters'  
cancellations

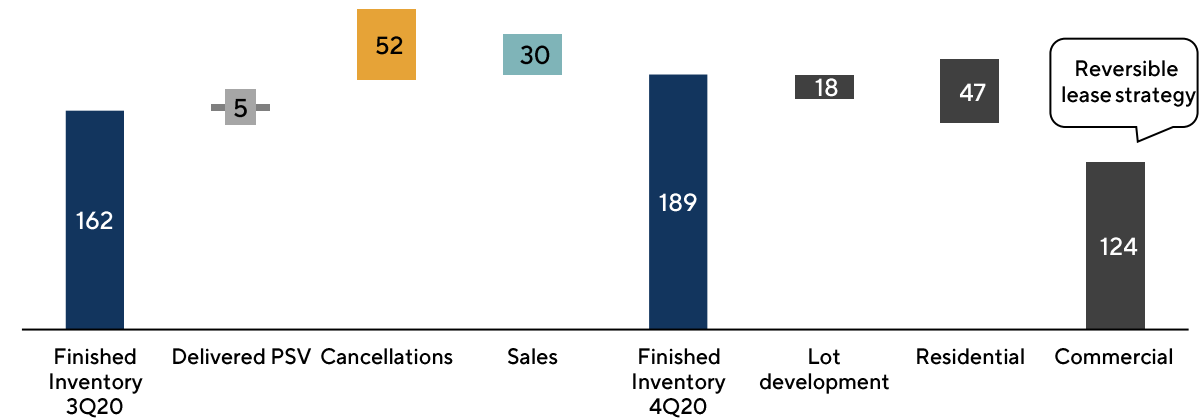
## Breakdown Provision of Cancellations (PSV R\$'000):



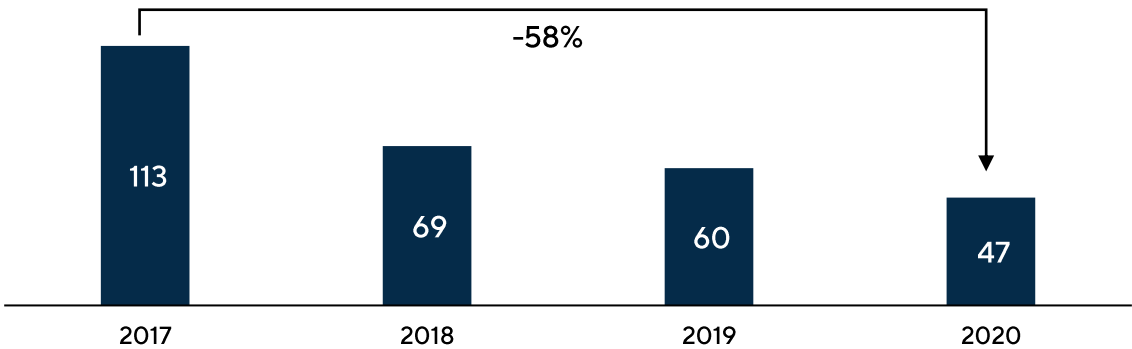
Opening by year of completion (Melnick's share– R\$ '000):



Finished inventory (Melnick's share– R\$ '000):



Residential Finished Evolution (Melnick's share– R\$ '000):



<sup>(1)</sup> Considering that 100% of the cancellations are from finished units.



The Land Bank approved by the Company's Internal Committee ended 4Q20 with **R\$3,7 bilions** in potencial PSV.

Quarterly acquisitions (Melnick's share – R\$'000):

GINÁSIO DA  
BRIGADA



Residencial



PSV: R\$ 199



Area: 10.555 (sq.m.)



CARLOS GOMES  
X  
ANITA



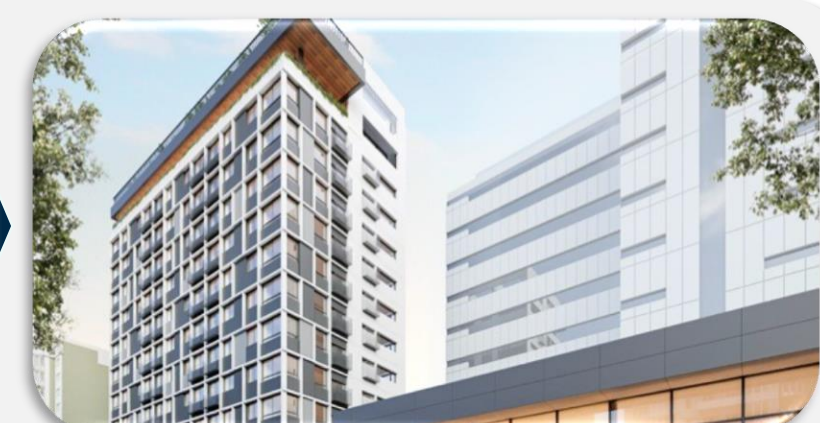
Residencial



PSV: R\$ 51

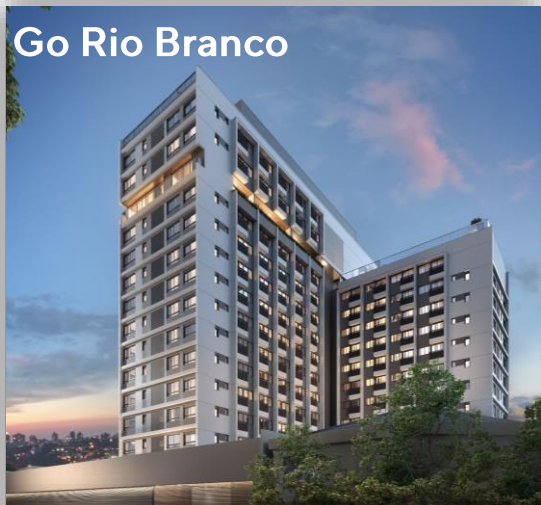


Area: 1.611 (sq.m.)





# APPROVED LAND BANK



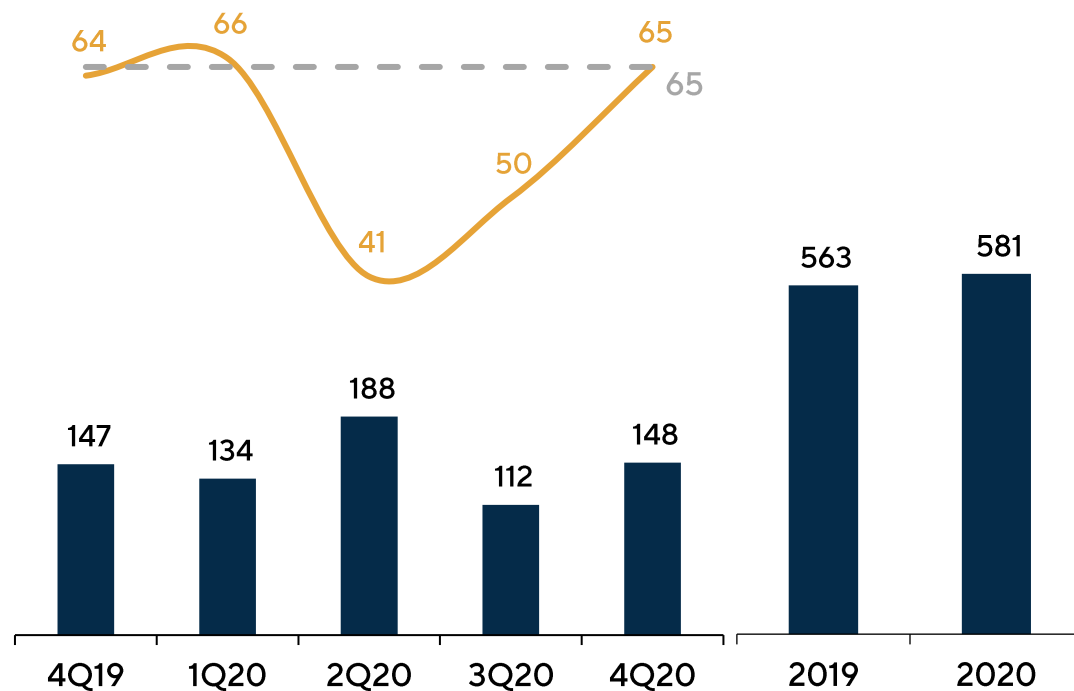
R\$1.2 billion in  
approved projects

Total of **R\$ 857.2 mm** for land bank projects and **R\$ 390.6 mm** for optional projects<sup>1</sup> are approved.

(1) Projects not approved by the Company's Internal Land Purchasing Committee. They are optional land and in pre-deed, whose resolutive clause of the land was linked to the approval of the project by the city and market conditions.

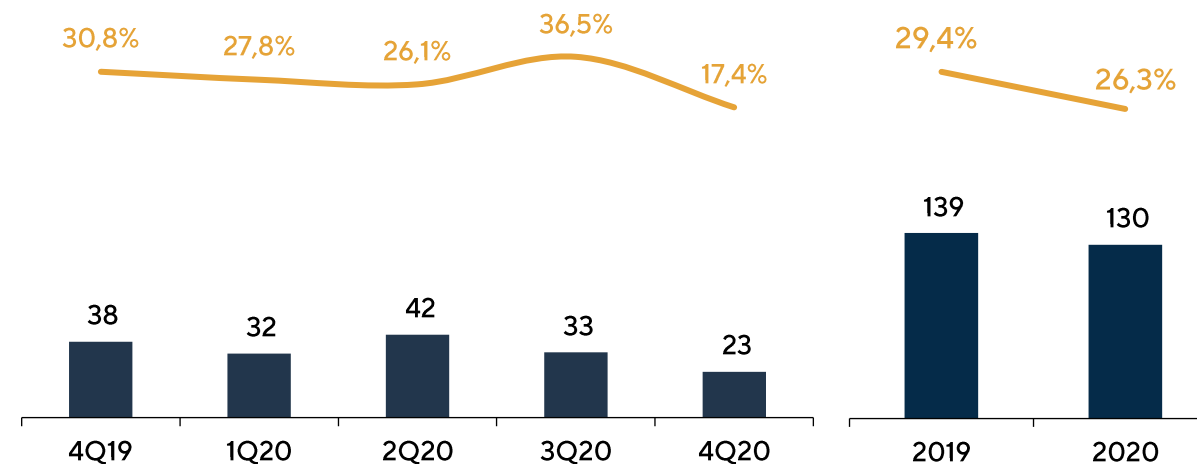
## Evolution of Net Revenue:

■ Net Revenue (R\$ '000)  
— POC Progress  
— Average of POC progress



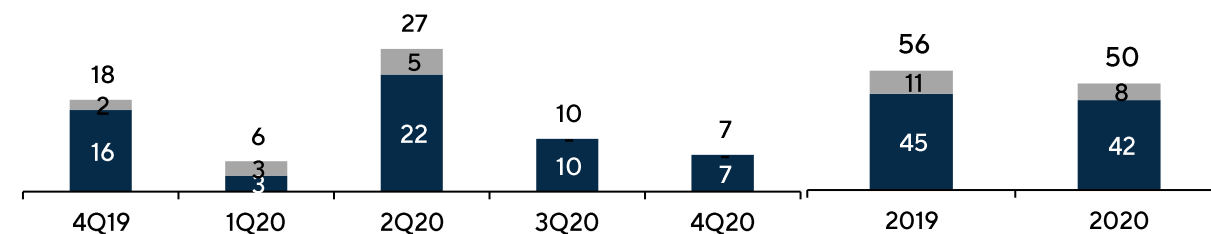
## Evolution of Gross Profit and Gross Margin:

■ Gross Profit (R\$ million) — Gross Margin (ex-financing)



## Evolution of Net Income:

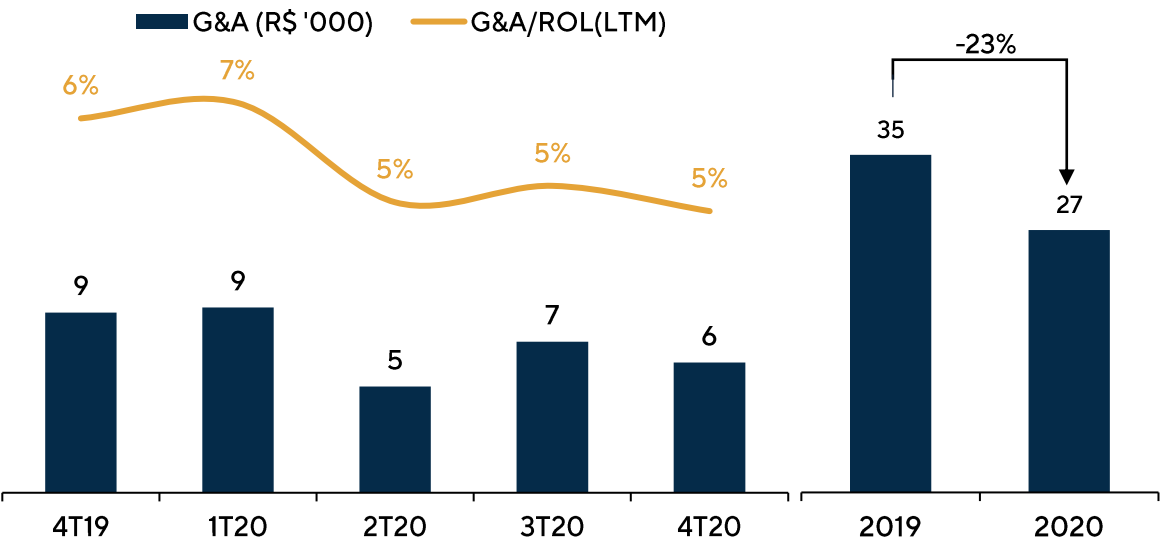
■ Net Income (R\$ '000) ■ MPAR<sup>1</sup> participation (R\$ '000)



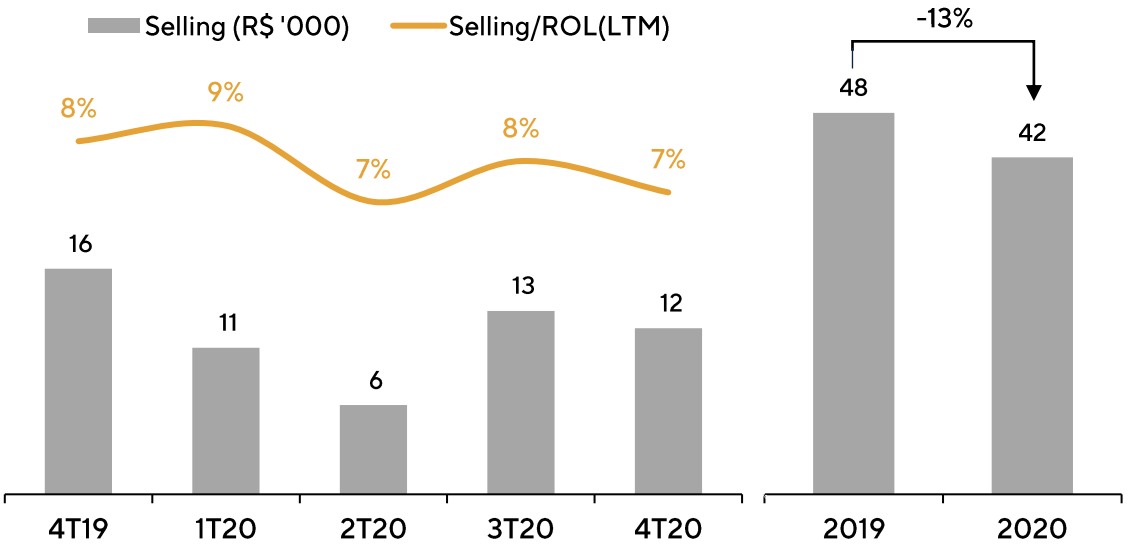
<sup>(1)</sup>Considering the profit from the direct stake held by MPAR of 15% in the Company's SPEs, due to the corporate reorganization of July 10, 2020).



Evolution of General and Administrative Expenses:



Evolution of Selling Expenses:



# 4Q20 DELIVERY

**GO 1092**

**Melnick's PSV: R\$28,3 mm**

**85% sold in 4Q20**

**33% of Gross Margin  
(ex interest)**

**22% of Net NPV Margin**



# CAPITAL STRUCTURE AND CASH GENERATION

## Leverage:

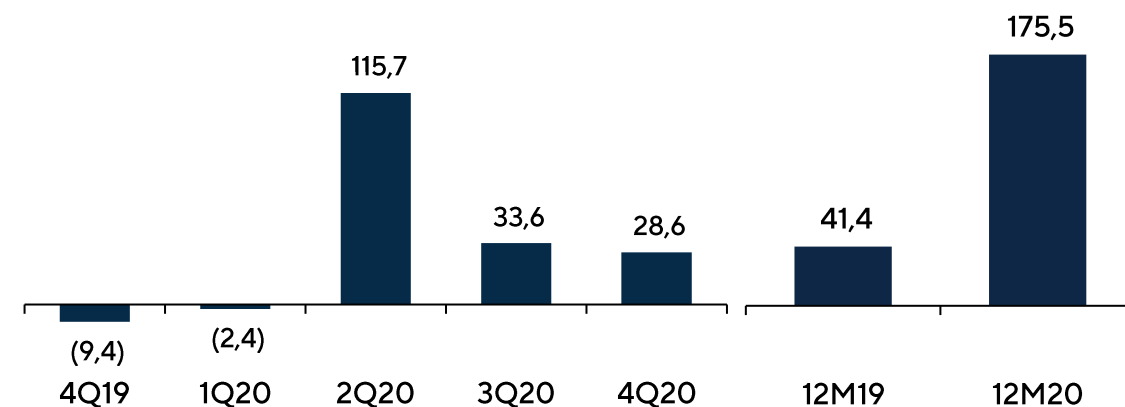
	12/31/2020 (R\$ '000)	
Financing to production - SFH	72.7	84%
Financing to production - CRI	6.5	16%
<b>Gross Debt</b>	<b>79.2</b>	<b>100%</b>
Cash	(701.5)	
<b>Net Debt</b>	<b>(622.3)</b>	
Shareholders' Equity	1,198.7	
<b>Net debt /Shareholders' equity</b>	<b>-51.9%</b>	

Cash position of **R\$ 701.5 mm** in 4Q20.

During the quarter, we paid **R\$ 140 mm** in production debts with an average interest rate of **9% p.a.**

## Cash generation/cash burn:

Cash Generation/Burn (R\$ '000)	4Q19	1Q20	2Q20	3Q20	4Q20
Initial net debt	115.8	119.6	104.3	(14,7)	(595.4)
Final net debt	119.6	104.3	(14.7)	(595,4)	(622.3)
Net debt variation	3.8	(15.3)	(119.1)	(580,7)	(26.9)
Dividends and capital contributions	5.6	17.7	(2.4)	(34.1)	-
Incorporation of MEIC <sup>1</sup>	-	-	6.4	-	-
IPO's funds	-	-	(0.7)	581.2	(1.7)
<b>Cash burn</b>	<b>9.4</b>	<b>2.4</b>	<b>(115.7)</b>	<b>(33.6)</b>	<b>(28.6)</b>



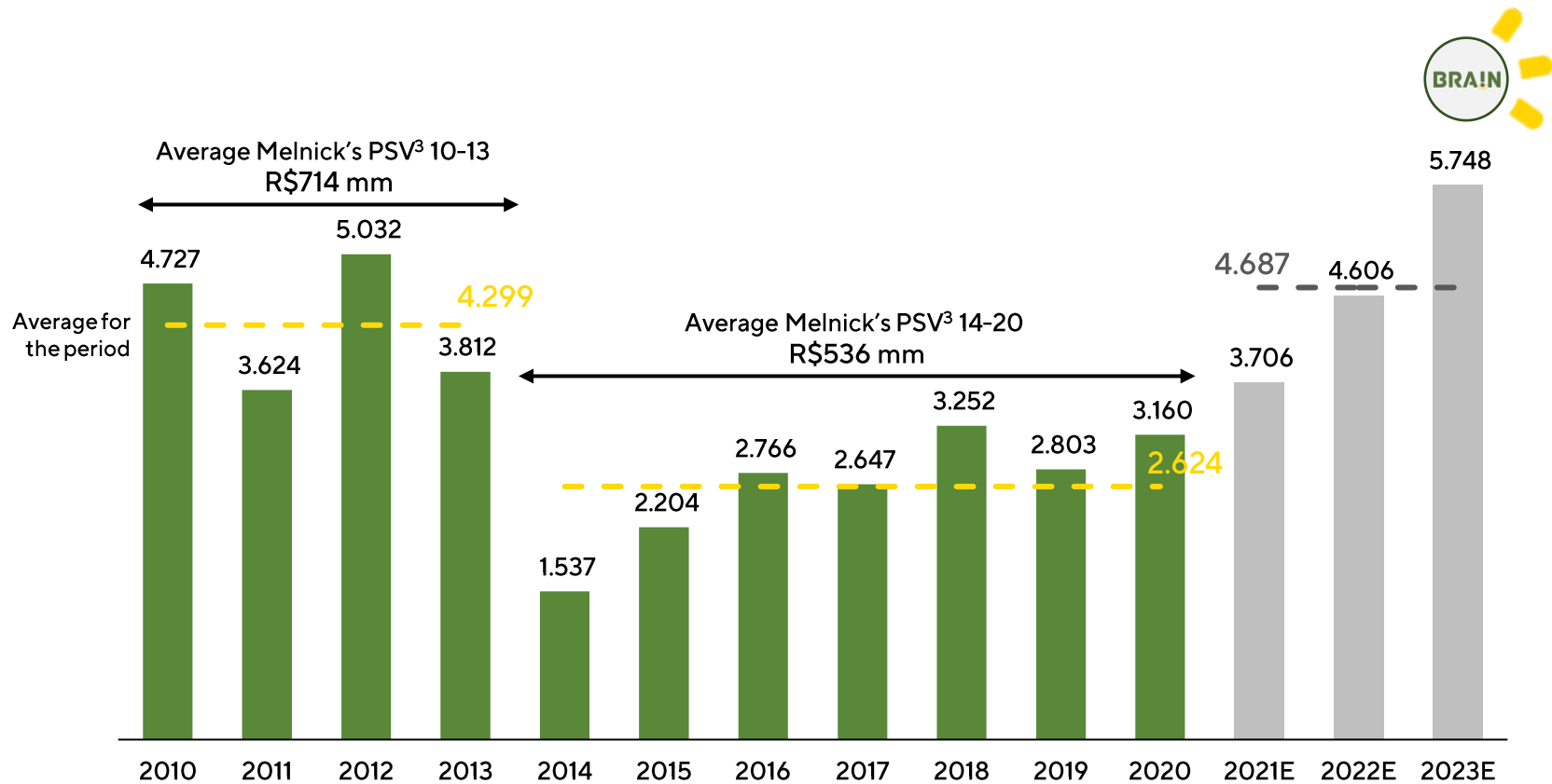
Cash generation of **R\$ 175.5mm** in last the 12 months

<sup>(1)</sup> On 06/30/2020 the Company incorporated the cash balances of Melnick Even Incorporações e Construções S.A.



# MELNICK IS READY FOR THE NEXT CYCLE

Historical and Expected PSV of launches in POA +MR <sup>1,23</sup> (R\$ '000)



KEY FINANCIAL INDICATORS BY MELNICK	
ROAE <sup>4</sup> 10-20	20%
PSV Launched <sup>3</sup> 10-20	R\$ 6,6 bi
Lucro Líquido <sup>4</sup> médio no período de crise 15-20	R\$ 72 mm
Cash position <sup>4</sup>	R\$ 701.5 mm
Market Share <sup>2</sup> POA+MR in 2020	20%
PSV Launched in POA in relation to PSV Launched in SP <sup>3</sup> 10-20	13%
Stock level in Dec/20 POA+MR (- 10% compared to 2019)	5.5bi

**MELK**  
**B3 LISTED NM**

<sup>(1)</sup> Historical PSV adjusted by the INCC for the period. RM refers to the metropolitan region of Porto Alegre; <sup>(2)</sup> Market projection carried out by Consultoria Brain. <sup>(3)</sup> Methodology using the database of sinducon / rs between the years 2008 and 2018, based on the volume of units launched between 2008 and 2013 and the average ticket launched between 2014 and 2018. Sources: Company Information, Siduscon and Brain Consulting

# THANK YOU!

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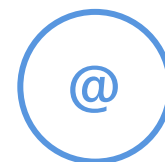
[ri.melnick.com.br](https://ri.melnick.com.br)



Vinicius Mastrorosa – CFO and IRO  
Maria Luiza – Controller and RI Manager



+55 (51) 3016-9083



[ri@melnick.com.br](mailto:ri@melnick.com.br)

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