

CONSTRUCTION INDUSTRY SURVEY

ECONOMIC INDICATORS **CNI**



Construction activity retracts, but entrepreneurs remain optimistic

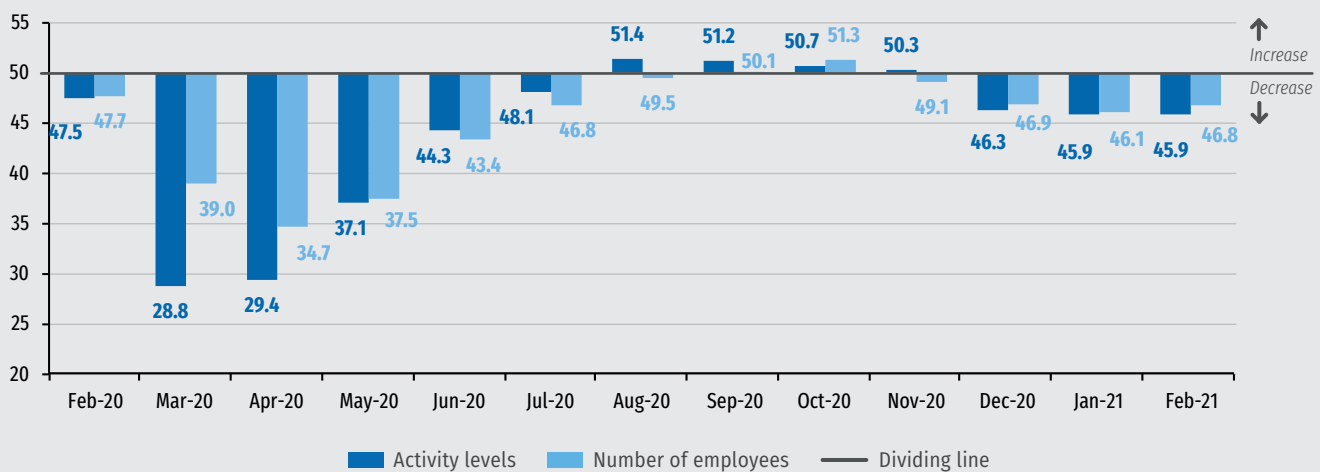
The activity levels and the number of employees dropped again in February in relation to January.

This indicates that the construction industry is weaker compared to January, but some positive elements

show the industry's consistency. Business confidence declined, remaining below the historical average, but still above the dividing line which separates confidence from lack of confidence. Similarly, the intention to invest also declined, but remains above the historical average. Despite the weakening, operating capacity utilization recorded its highest level since 2014, when comparing to the same month of previous years.

Indices of activity and number of employees

Indices (0-100 points)*



*Figures above 50 points indicate an increase in activity or employment levels. Figures below 50 points indicate a decline in activity and employment levels. The further away from 50 points, the greater and more widespread the change.

PERFORMANCE OF THE CONSTRUCTION INDUSTRY IN FEBRUARY 2021

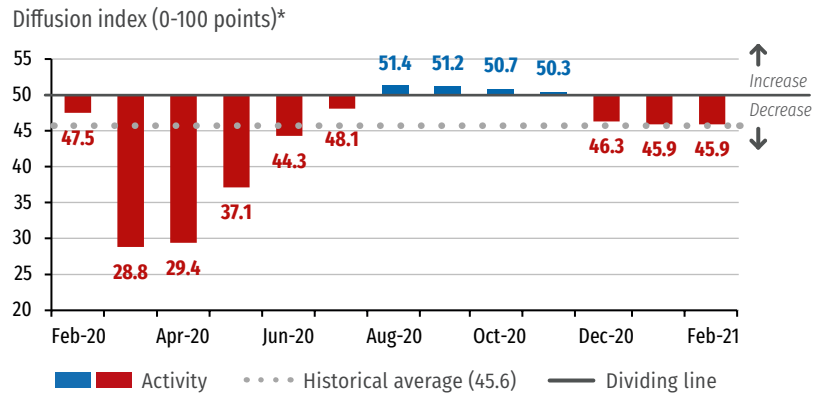
Activity and employment levels reinforce the trend of more moderate activity

The activity and employment levels dropped again in February, remaining below the 50-point dividing line and thus indicating a decline in relation to January. The indices have been relatively stable below the 50-point dividing line for three months, consolidating a lower activity level.

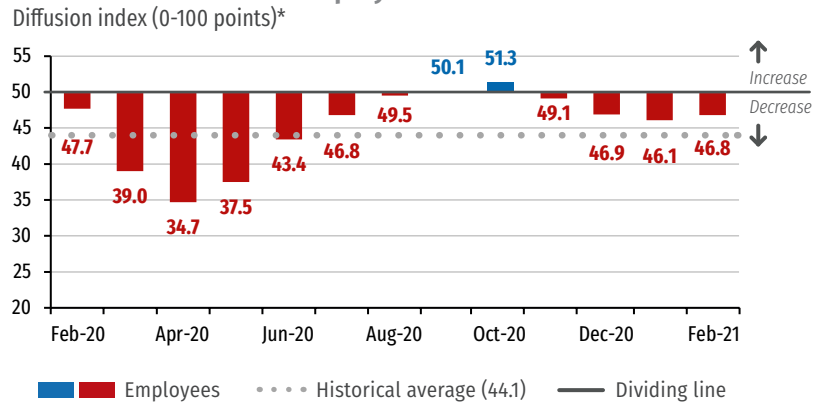
The index measuring activity levels stood at 45.9 points in February 2021, while the index recorded in February 2020 was 47.5 points, that is, 1.6 points higher than the current period. Therefore, the drop in activity levels from January to February was greater than in 2020.

The index measuring the number of employees hit 46.8 points in February 2021, below the 50-point dividing line. When compared to January, the index rose by 0.7 points, indicating that retraction has slowed down. When comparing with February 2020, when it stood at 47.7 points, it was 0.9 points closer to the 50-point dividing line.

Evolution of activity levels



Evolution of number of employees levels

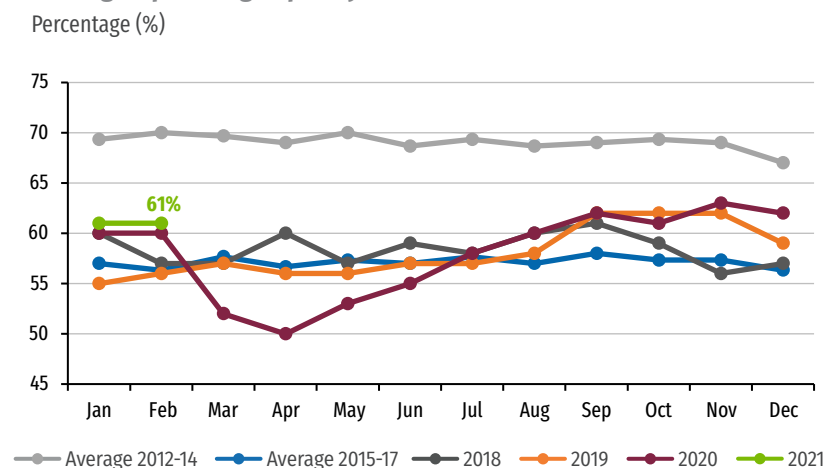


*Figures above 50 points indicate an increase in activity levels or number of employees. Figures below 50 points indicate a decline in activity and employment levels. The further away from 50 points, the greater and more widespread the change.

Activity stabilizes at the beginning of the year

Operating Capacity Utilization stabilized at 61%, the same level recorded in January and 1 percentage point higher than February 2020. This is the highest operating capacity utilization for February since 2014, when it reached 69%.

Average operating capacity utilization



CONSTRUCTION BUSINESS CONFIDENCE INDEX IN MARCH 2021

Business confidence is shaken by new scenario of uncertainty

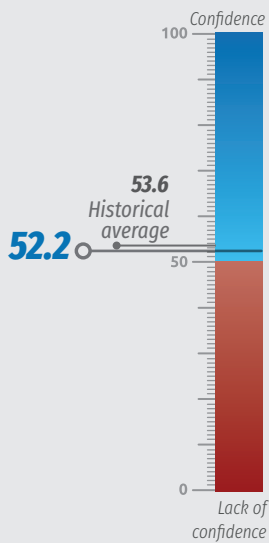
The Construction Business Confidence Index (ICEI-Construction) edged down by 5.5 points from February to March 2021, hitting 52.2 points. Although still above the 50-point dividing line, the index is below its historical average of 53.6 points.

In addition to the concern with shortages and the price of inputs and raw materials, the evolution of the pandemic at the beginning of the year and the measures to restrict circulation associated with it

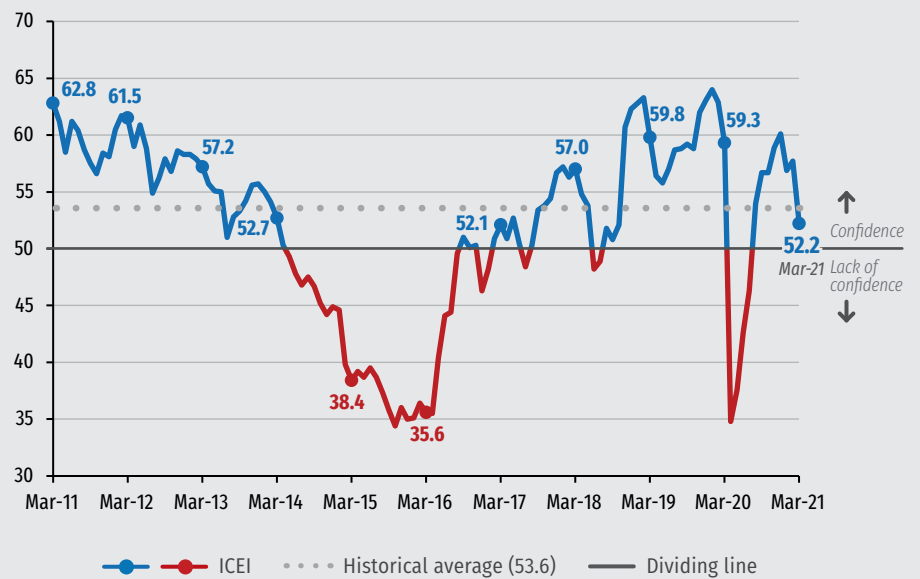
increased the concerns of entrepreneurs, negatively impacting expectations. The greatest change was in the index measuring the expectations about the Brazilian economy, which fell 7.9 points in relation to February and 8.8 points in relation to March.

The assessment of current conditions also worsened, strongly affected by the assessment of the Brazilian economy, whose index dropped by 8.8 points in relation to February and 15.5 points in relation to March 2020. The current conditions index, which stood at 49.6 points in February, hit 43.8 points in March, close to the levels recorded between August and September 2020.

ICEI Construction
Index (0-100 points)*



Historical average
Index (0-100 points)*



*Figures above 50 points indicate business confidence, and the further above 50 points, the greater and more widespread the confidence. Figures below 50 points indicate lack of business confidence, and the further below 50 points, the greater and more widespread the lack of confidence.

CONSTRUCTION INDUSTRY'S EXPECTATIONS IN MARCH 2021

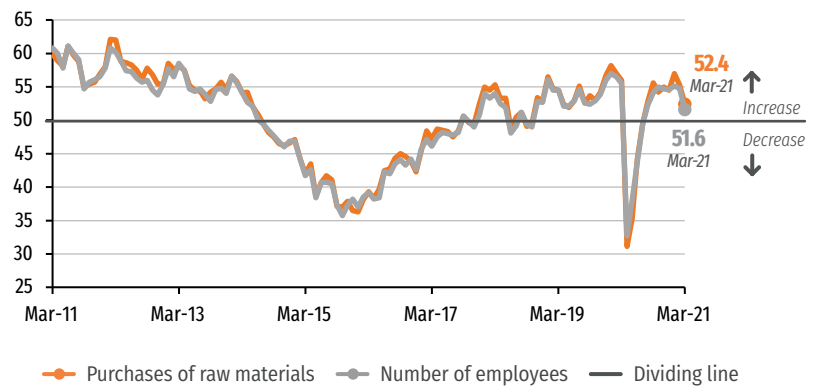
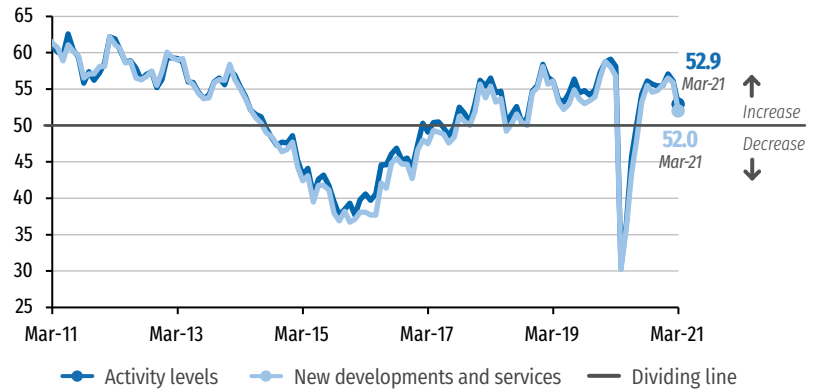
Expectations dropped, but optimism remains

Expectations worsened in general, both in comparison with February and March 2020. Despite the negative assessment of the current conditions, expectations remain above the 50-point dividing line, showing that entrepreneurs remain optimistic.

The index measuring the expected activity level for the next six months experienced the largest drop, of 5.2 points in relation to March 2020, and of 3.2 points between February and March 2021. The expectation index that recorded the largest drop between February and March was that of expected new developments and services, which was 55.9 points and edged down to 52.0 points, a drop of 3.9 points. This index also dropped sharply in relation to March 2020, by 4.8 points.

Expectation indices

Indices (0-100 points)*



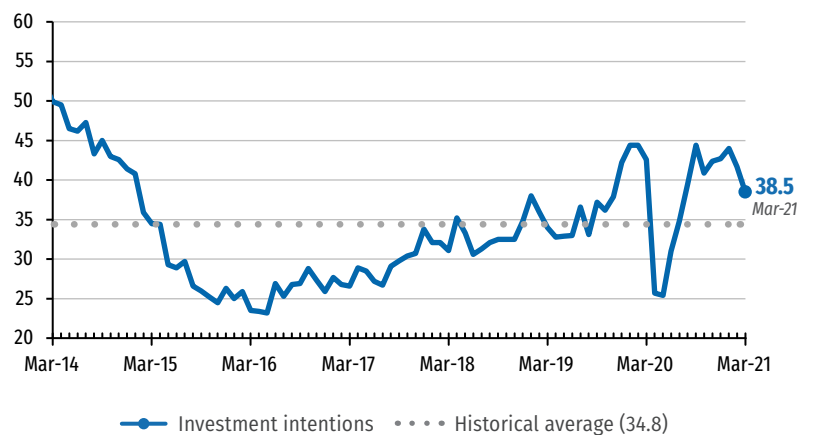
* Figures above 50 points indicate an expected growth. Figures below 50 points indicate an expected decline. The further away from 50 points, the greater and more widespread the expected change.

Intention to invest dropped again in March

The index measuring the construction industry's intention to invest recorded a new drop of 3.2 points in March, larger than the drop recorded between January and February. Nevertheless, this behavior is normal for the month of March and the index is still higher than the historical average of 34.8 points.

Investment intentions

Index (0-100 points)*



* The higher the index, the more industry is likely to invest.

RESULTS BY COMPANY SIZE

Construction industry performance

	OPERATING CAPACITY UTILIZATION (%) ¹			ACTIVITY LEVEL INDEX ²			ACTUAL-USUAL ACTIVITY LEVEL INDEX ³			NUMBER OF EMPLOYEES INDEX ⁴		
	Feb-20	Jan-21	Feb-21	Feb-20	Jan-21	Feb-21	Feb-20	Jan-21	Feb-21	Feb-20	Jan-21	Feb-21
CONSTRUCTION	60	61	61	47.5	45.9	45.9	40.5	40.6	39.8	47.7	46.1	46.8
SMALL	54	55	54	46.0	41.8	41.0	40.0	40.0	38.7	44.9	43.3	44.3
MEDIUM	55	60	60	45.9	47.4	45.6	38.2	41.3	39.7	45.2	48.7	46.6
LARGE	65	64	64	49.0	46.6	47.8	42.0	40.5	40.2	50.2	45.6	47.8

Expectations of construction industry

	EXPECTATIONS INDEXES ⁴												INVESTMENT INTENTIONS INDEX ⁵		
	ACTIVITY LEVEL			NEW DEVELOPMENTS AND SERVICES			PURCHASES OF INPUTS AND RAW MATERIALS			NUMBER OF EMPLOYEES					
	Mar-20	Feb-21	Mar-21	Mar-20	Feb-21	Mar-21	Mar-20	Feb-21	Mar-21	Mar-20	Feb-21	Mar-21	Mar-20	Feb-21	Mar-21
CONSTRUCTION	58.1	56.1	52.9	56.8	55.9	52.0	56.0	55.3	52.4	55.5	54.8	51.6	42.6	41.7	38.5
SMALL	57.3	56.6	52.8	55.0	55.8	51.1	54.5	53.5	50.9	53.9	54.6	50.5	38.8	40.4	37.4
MEDIUM	55.2	57.2	52.7	53.7	56.7	50.4	54.0	56.0	51.8	53.9	55.9	51.1	38.2	44.0	40.1
LARGE	60.0	55.2	53.0	59.3	55.5	53.3	57.6	55.5	53.3	57.0	54.2	52.2	46.5	40.9	38.0

Construction Business Confidence Index (ICEI - Construction) and its components

	ICEI - CONSTRUCTION ⁶			CURRENT CONDITIONS ⁷			EXPECTATIONS ⁸		
	Mar-20	Feb-21	Mar-21	Mar-20	Feb-21	Mar-21	Mar-20	Feb-21	Mar-21
CONSTRUCTION	59.3	57.7	52.2	53.5	49.6	43.8	62.2	61.8	56.4
SMALL	58.5	56.4	51.1	51.2	49.1	42.3	62.2	60.1	55.5
MEDIUM	58.3	59.5	51.6	51.8	50.4	43.6	61.6	64.1	55.6
LARGE	60.1	57.3	52.9	55.3	49.4	44.4	62.5	61.2	57.2

1 - The indicator varies in the 0%-100% interval. Series started in January 2012.

2 - The indicator varies in the 0-100 interval. Figures above 50 points indicate growth.

3 - The indicator varies in the 0-100 interval. Figures above 50 points indicate higher-than-usual activity levels.

4 - The indicator varies in the 0-100 interval. Figures above 50 points indicate positive expectations.

5 - The indicator varies in the 0-100 interval. The higher the index, the greater the willingness to invest.

6 - The ICEI varies in the 0-100 interval. Figures above 50 points indicate business confidence.

7 - The indicator varies in the 0-100 interval. Figures above 50 points values indicate a better situation as compared to the last six months.

8 - The indicator varies in the 0-100 interval. Figures above 50 points indicate optimistic expectations for the next six months.



Technical specifications

Sample profile

415 enterprises, including 141 small, 182 medium and 92 large companies.

Data collection period

March, 1-11, 2021.

Document closed by March 24, 2021.

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