Gafisa S.A.
Form 6-K
March 09, 2018

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934

For the month of March, 2018

(Commission File No. 001-33356),

Gafisa S.A.

(Translation of Registrant's name into English)

Av. Nações Unidas No. 8501, 19th floor
São Paulo, SP, 05425-070
Federative Republic of Brazil
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ___X___ Form 40-F ______

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1)

Yes ______ No ___X___

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes ______ No ___X___

Indicate by check mark whether by furnishing the information contained in this Form, the Registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes ______ No ___X___

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

FOR IMMEDIATE RELEASE - São Paulo, March 8, 2018 – Gafisa S.A. (B3: GFSA3; NYSE: GFA), one of Brazil's leading homebuilders, today reports its financial results for the fourth quarter and fiscal year ended December 31, 2017.

GAFISA ANNOUNCES
4Q17 and 2017 RESULTS

March 9, 2018

CONFERENCE CALL

12:00 pm Brasília time

Telephone:

+55 (11) 3127-4971 / 3728-5971 (Brasil)

Code: Gafisa

10:00 am US EST

In English (simultaneous translation from Portuguese)

+1 516 300-1066 (USA)

Code: Gafisa

Webcast: www.gafisa.com.br/ri

2017 was a transformational year for Gafisa, drawing attention to: (i) the reduction and restructuring of the Company's organizational structure, with direct impact on efficiency; (ii) the conclusion of operational and corporate separation of Tenda and Gafisa; (iii) the capital increase approved in 2017 and ratified on February 28, 2018, totaling R$250.8 million, enhancing Gafisa's operational positioning to this new cycle of the real estate market; and (iv) the postponement of R$456.3 million debt of the Company for 2020 and 2021, as condition for the capital increase, substantially reducing pressure over cash flows in the short term. This new structure allows the Company to directly answer to business opportunities in our target market, therefore, positively impacting on our operational performance.

Concerning the macroeconomic scenario, political uncertainties still impacted Brazil in 2017 and more favorable economic indicators were only seen as of the second half of the year. This gradual recovery, although positive, was not sufficient to bolster an upturn of the real estate market in 2017. Since this is a long-cycle market, it is one of the sectors which take longer to respond to an improved business environment.

Such dynamics between economy and real estate market is even more relevant in the middle and mid-high income residential segment, where Gafisa concentrates its operations. Within this context, the Company outlined a strategy focused on its efforts to sell inventories, with lower level of judiciously designed launches in the markets where the Company operates. In 2017, five projects were launched totaling R$554.0 million in PSV, 39.8% lower than in 2016. Out of these projects, three came from the middle-income segment Moov (Moov Parque Maia, Moov Espaço Cerâmica and Moov Estação Brás) and two from the high-income segment Line (J330 and Parque Ecoville). The 50.0% sale of these launches in 2017 validates Gafisa's decision-making process and commercialization of new products. Total inventories went down 13.0% versus 2016.

A reduced number of launches in 2017 impacted gross sales, which dropped 14.2% to R$1,132 million. For same reason, in

Replay:

+55 (11) 3127-4999

Portuguese: 94216229

English: 44921260

Shares

GFSA3 – B3 (formerly BM&FBovespa)

GFA – NYSE

Total shares outstanding: 28,040,162[1]

Average Daily Traded Volume (90 days[2]):

R$9.5 million

(1) including 938,044 treasury shares;

(2) Until December 31, 2017

4Q17, gross sales were 50.5% and 52.4% lower than in 3Q17 and 4Q16, respectively and totaled R$271.0 million.

In 2017, dissolutions went down 19.1% over 2016, to R$411.7 million. Despite signs of improvement, especially when compared to two previous years, dissolutions still pose potential uncertainties for the sector, as evidenced by a 4Q17 performance amounting to R$95.4 million, 13.1% higher than 3Q17.

1

Net pre-sales, reflecting the factors mentioned above, decreased 11.7% in 2017, to R$720.2 million. In 4Q17, net pre-sales came to R$121.9 million, 65.7% and 65.8% lower than in 3Q17 and 4Q16, respectively. On the other hand, efficient inventory sales and reasonable launches resulted in 0.5 p.p. growth in the 12-month SoS, which ended 2017 at 32.0%. SoS in 4Q17 was 7.4%, reflecting the lower level of launches.

Net revenue in 2017 was down 33.5% to R$608.8 million. Net pre-sales concentrated in more recent projects with slower work evolution impedes a faster recovery of revenues. In 4Q17, net revenue came to R$164.7 million, in line with R$160.3 million in 3Q17, but 37.6% lower than in 4Q16.

Another effect of sales concentrated in more recent projects is evidenced in deferred income, which totaled R$215.8 million in 4Q17 with 34.8% margin, similar to 3Q17 and 13.0% higher than in 4Q16.

General and administrative expenses totaled R$92.7 million 2017, down 13.0% year-on-year and 20.3% considering the average of the last four years, as a result of the Company's efforts to increase operations' efficiency and productivity. In 4Q17, general and administrative expenses totaled R$24.2 million. Selling expenses also decreased 7.8% year-on-year to R$87.6 million. In 4Q17, expenses went down 26.6% to R$24.4 million and increased 6.4% from 3Q17.

Accounting adjustments were recorded in 4Q17 which impacted the period's results. The first adjustment was due to the goodwill impairment test to remeasure the 30% stake in Alphaville, yearly carried out based on the future profitability estimate or when circumstances indicate impairment loss, which identified the need of recognizing a provision for losses of R$127.4 million which, together with the negative result of R$186.9 million in the equity in this investment, totaled an impact of R$314.million in 2017. The second was pricing adjustments of inventory units, which were being sold below the accounting value due to the unfavorable conditions in the real estate market, in addition to certain land areas totaling R$147.3 million.

Thus, Gafisa's net loss in 2017 totaled R$849.9 million and R$462.6 million in 4Q17. Excluding the effects mentioned above and Alphaville's equity income, Gafisa's net loss in 2017 was R$486.4 million and R$125.3 million in 4Q17.

In regards to liquidity and cash management, the operating cash flow totaled R$321.8 million in 2017, with net cash generation of R$104.2 million, excluding the inflow of funds from Tenda transaction. In 4Q17, the operating cash generation totaled R$31.8 million.

Gafisa ended 2017 with a net debt of R$958.0 million, down 30.9% from 2016. Leverage, measured by the net debt to shareholders' equity ratio was up to 126.1% in 2017, mainly impacted by impairments and equity results in Alphaville, inventories, and land. Excluding project finance, the net debt to shareholders' equity ratio was 29.5%.

The end of cycle referring to the strategic planning executed over the past four years, comprising the organizational restructuring, the divestment in Alphaville and the separation from Tenda, combined with capital increase completed in 2018, position Gafisa more comfortably for an eventual recovery of the Brazilian real estate market.

Sandro Gamba

CEO

2

OPERATIONAL RESULTS

Table 1. Operational Performance (R$ 000)

90,113	463,841	-80.6%	299,417	-69.9%	553,954	920,846	-39.8%
216,988	438,429	-50.5%	455,739	-52.4%	1,131,823	1,319,292	-14.2%
(95,407)	(84,390)	13.1%	(99,968)	-4.6%	(411,658)	(508,827)	-19.1%
121,851	354,039	-65.7%	355,771	-65.8%	720,164	810,464	-11.1%
7.4%	*18.3%*	*-10.9 p.p.*	*16.8%*	*-9.4 p.p.*	*32.0%*	*31.5%*	*0.5 p.p.*
41,171	75,227	-45.3%	292,736	-85.9%	861,325	1,745,563	-50.7%

Launches

The single launch in the quarter was Moov Estação Brás (São Paulo/SP), a project with total PSV of R$90.1 million. In 2017, launches totaled R$554.0 million in PSV, divided into five projects, four in São Paulo and one in Curitiba (the third phase of Parque Ecoville). Sales of projects launched in 2017 reached 50.0% until December 2017, validating Gafisa's decision-making process and commercialization of new products.

Table 2. Launches (R$ 000)

Curitiba/PR	3Q17	57,168
São Paulo/SP	3Q17	74,321
Guarulhos/SP	3Q17	171,063
São Caetano do Sul/SP	3Q17	161,289
São Paulo/SP	4Q17	90,113
		553,954

3

Net Pre-Sales

Reduced launches impacted gross sales in 4Q17, which were 50.5% and 52.4% lower than in 3Q17 and 4Q16, respectively, and totaled R$217.0 million. Dissolutions dropped 4.6% from 4Q16, even so, they were up 13.1% from 3Q17, evidencing that there are still uncertainties in the sector. As a result, net pre-sales reached R$121.9 million, decreasing 65.7% and 65.8% compared to 3Q17 and 4Q16, respectively.

In 2017, gross sales totaled R$1,132 million, 14.2% lower than in 2016, reflecting Gafisa's strategy of concentrating on inventory sales, with only precise and sensible launches. Dissolutions followed the lower volume of deliveries and fell 19.1% to R$411.7 million in 2017. Thus, net sales were 11.1% lower than in 2016 and totaled R$720.2 million.

The projects launched prior to 2017 accounted for 61.4% of net sales in 2017, according to the strategy already mentioned. Among the sale of these remaining projects, 80.6% were projects launched by the end of 2015, improving our inventory profile. Dissolutions, in turn, were higher in projects launched until 2014, where work has progressed further, with consequent impact on revenue recognition and margin composition.

Sales over Supply (SoS)

The reduced number of launches impacted quarterly SoS which was 7.3% in 4Q17, and SoS accumulated in twelve months, which reached 32.0%, 5.6 p.p. lower than in 3Q17. On the other hand, the 0.5 p.p. SoS growth in the last 12 months between 4Q17 and 4Q16 reflects the efficient inventory sale and Gafisa's assertive launches in 2017.

Inventory (Property for Sale)

The inventory at market value reached R$1,531.6 million at the end of 4Q17, 3.1% lower than in 3Q17. Compared to 2016, inventory decreased 13.0%, more significantly representing the strategy of focusing on the sale of inventories with reduced number of launches.

Table 3. Inventory at Market Value 4Q17 x 3Q17 (R$ thousand)

1,237,325	90,113	77,535	(178,023)	(14,010)	1,212,940	-2.0%
266,861	-	16,482	(21,009)	(5,020)	257,314	-3.6%
77,216	-	1,391	(17,957)	684	61,335	-20.6%
1,581,402	**90,113**	**95,407**	**(216,988)**	**(18,346)**	**1,531,588**	**-3.1%**

[1] Adjustments reflect the updates related to the project scope, launch date and pricing update in the period.

Gafisa continues to maintain a commercial balance between launches and finished units. The inventory of finished units fell from R$507.2 million (32.1% of total inventory) in 3Q17 to R$473.5 million in 4Q17 (30.9% of total). Compared to 2016, this decrease was sharper and reached 20.1%.

The inventory of projects outside the strategic markets, of R$61.3 million, represents 4.0% of the total inventory, of which 59.3% are finished units.

Of the total inventory completed, 60.8% are commercial projects. This proportion is due to lower sales speed in this segment, where liquidity is still relatively lower.

Table 4 – Inventory at Market Value - Work Status – POC - (R$ 000)

258,561	26,914	516,072	192,489	218,905	1,212,940
-	7,768	-	31,355	218,190	257,314
24,935	-	-	-	36,400	61,335
283,496	**34,682**	**516,072**	**223,844**	**473,494**	**1,531,588**

5

Delivered Projects and Transfer

The Company delivered 293 units in 4Q17, all in project Barra Viva, with PSV of R$41.2 million. In 2017, deliveries totaled 2,182 units and R$861.3 million. Currently, Gafisa manages the construction of 20 projects, all of which are on schedule according to the Company's business plan.

Table 5 – Delivered Projects

São Paulo/SP	1Q17	60,986
São Paulo/SP	1Q17	64,224
São Caetano do Sul/SP	1Q17	139,847
São Paulo/SP	2Q17	151,921
Osasco/SP	2Q17	85,814
São Paulo/SP	2Q17	178,992
Rio de Janeiro/RJ	2Q17	63,141
Jundiaí/SP	3Q17	75,227
São Paulo/SP	4Q17	41,171
		861,325

Over the past few years, the Company has been taking steps to improve the performance of its receivables/transfer process, in an attempt to achieve higher rates of return on capital employed. Currently, the Company's strategy is to transfer 90% of eligible units in a 90-day period after the delivery of the project. In accordance with this policy, transfers in 4Q17 totaled R$74.8 million, 45.2% lower than in 4Q16 and 40.4% lower than in 3Q17, due to a reduced number of deliveries in the period. In the last 12 months, transfers totaled R$441.2 million in 2017 and for the same reason were 40.4% lower than the same period in in 2016.

Table 6 – Transfer