Gafisa S.A.
Form 6-K
May 11, 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 May, 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, May 10th, 2018 – Gafisa S.A. (B3: GFSA3; NYSE: GFA), one of Brazil's leading homebuilders, reports today its financial results for the first quarter ended March 31st, 2018.

GAFISA ANNOUNCES 1Q18 RESULTS

Conference Call

May 11, 2018

9:30 a.m. Brasília time

In Portuguese

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

Code: Gafisa

8:30 a.m. US EST

In English

(simultaneous translation from Portuguese)

+1 516 300-1066 (USA)

Code: Gafisa

Webcast: www.gafisa.com.br/ri

Despite the uncertainties that remain on Brazil's economic landscape, with direct and relevant impacts on the real estate segment, particularly for the mid and mid-high income residential segment, the first quarter of 2018 consolidated the inflection point on the gradual improvement process of Gafisa's operational and financial performance, which has been signaled on previous quarters. It's important to mention that this inflection, although more notable and distinct, is still gradual and linear.

We launched one project in March, the Upside Pinheiros (São Paulo/SP), with PSV of R$139 million, reaching an impressive SoS of 77.5%. Such performance, coupled with consistent results on the sales of the inventory of existing units, resulted in gross sales of R$293.5 million in 1Q18, 35% higher year over year and 25% higher quarter over quarter.

Another highlight in the quarter was a significant decrease of cancellations, which dropped to R$57.7 million, what we believe should reflect a new level for the upcoming quarters. As a result of these factors, net pre-sales totaled R$236 million, nearly twice the SoS of 14.4% in 4Q17 and 37.5% in the last 12 months.

Regarding financial performance, net revenue grew by 30% quarter over quarter and 56% year over year, bolstered by inventory sales growth, especially of the more recent projects (2016 and 2017), which have higher work evolution, and are, accordingly, more representative on revenues, as informed on previous quarters.

Sales of more recent projects, with better margins, also contributed to adjusted gross profit reach R$59 million, with an adjusted gross margin of 27.7%, reverting recent negative results. Gross profits considering capitalized interests totaled R$23 million, and gross margin reached 10.7%.

The sensible strategy adopted in recent launches resulted in the balance of R$231 million of Backlog Results (REF) in the quarter, with 37.0% margin to be recognized, 2.2. p.p. higher quarter over quarter, signaling positive prospects for revenue and gross margin.

Replay:

+55 (11) 3127-4999

Portuguese: 91219068

English: 23970693

With our philosophy of austerity and ongoing push to increase efficiency, general and administrative expenses totaled R$19 million, 23% lower quarter over quarter and 32% year over year. Selling expenses came to R$24 million, stable quarter over quarter and 27% higher year over year, reflecting the increase in the number of launches in the period.

Recurring adjusted EBITDA totaled R$3.2 million in 1Q18, which compares to negative R$92.4 million in 4Q17 and negative R$47.3 million in the 1Q17,

Shares

GFSA3 – B3 (formerly BM&FBovespa)

GFA – NYSE

Total outstanding shares: 44,757,914[1]

Average Daily Traded Volume (1Q18):

R$18.9 million

[1] including 938,044 treasury shares

reflecting the already mentioned improved margins and demonstrating, once again, the results recovery process.

Net financial expenses of R$20 million also showed positive evolution in comparison to the net expenses of R$24 million in 4Q17 and of R$29 million in 1Q17, with the reductions due to the lower Company's indebtedness.

Thus, Gafisa’s net loss came to R$55.9 million in 1Q18, versus a net loss of R$463 million in 4Q17 and R$49 million in 1Q17.

Another highlight of the period was the conclusion of the capital increase process, which totaled R$251 million, and resulted in the postponement of R$456.3 million in corporate debts for 2020 and 2021, substantially reducing the pressure on short-term obligations over cash flow. The successful conclusion of this process enhanced the Company's position to operate in this new cycle of the real estate market.

Following the execution of the Company's strategy to adjust its capital structure, gross debt totaled R$983 million at the end of 1Q18, 11.0% lower quarter over quarter. Net debt, was reduced by 19% quarter over quarter and totaled R$778.5 million. Leverage, as measured by the ratio of net debt to shareholders' equity, fell from 126.1% at the end of 2017 to 81.6% at the end of 1Q18. Excluding project finance, the net debt to shareholders' equity ratio was 9.6%.

Regarding liquidity and cash management, the operating cash flow was negative at R$32 million, due to the reduced number of deliveries in the last periods and accordingly, lower transfer volume. Net cash generation came negative at R$71.9 million.

Even in a scenario still characterized by economic and political uncertainties and as we have signaled in the previous quarters, the evolution on the Company’s operational and financial performance leads us to believe that we are experiencing a gradual and linear inflection of the results. This inflection is a consequence of the strategy adopted over the previous periods, including, but not limited to: assertiveness in launches, deleveraging, focus on inventory sales, and operational and administrative efficiency. We are confident that this positive trend should be confirmed throughout the year, with the increased participation of the more recent projects in Gafisa’s results combined with the recovery of the Brazilian real estate market.

Sandro Gamba

CEO

OPERATIONAL RESULTS

Table 1 - Operational Performance (R$ 000)

138,715	90,113	53.9%	-	-
293,460	216,988	35.2%	235,611	24.6%
(57,702)	(95,407)	-39.5%	(118,214)	-51.2%
235,757	121,851	93.5%	117,398	100.8%
14.4%	*7.4%*	*7.0 pp*	*6.7%*	*7.7 pp*
-	41,171	-	265,058	-

Launches

In 1Q18 Gafisa launched the Upside Pinheiros in the City of São Paulo/SP. Although this project was launched at the end of the quarter, it reached a valuable SoS of 77.5% in the period, validating Gafisa’s decision-making process and its careful analysis of the launch process.

Table 2 - Launches (R$ 000)

São Paulo/SP	1Q18	138,715
		138,715

Net Pre-Sales

In 1Q18, gross sales totaled R$293.5 million, 35.2% and 24.6% higher than in 4Q17 and 1Q17, respectively, reflecting not only a good performance of launch sales in the quarter, as previously mentioned, but also a consistent performance of inventory gross sales, which grew by 24.6% year over year and 51.1% quarter over quarter.

Cancellations significantly decreased in 1Q18, 39.5% and 51.2% from 4Q17 and 1Q17, respectively, reflecting lower volume of deliveries in the quarter and a more favorable scenario, which should represent a new level for the upcoming quarters.

As a result of gross sales performance and cancellations in 1Q18, net pre-sales grew by 93.5% and 100.8% from 4Q17 and 1Q17, respectively, and totaled R$235.8 million in the period.

The project launched this quarter accounted for 45.4% of net pre-sales in the period. Out of the R$128.7 million net pre-sales of remaining inventories (launched in 2017 or before) in 1Q18, 69.6% were projects launched until the end of 2015, improving our inventory profile.

Sales over Supply (SoS)

A good performance of launches drove quarterly SoS, which increased from 7.3% in 4Q17 to 14.4% in 1Q18. Gafisa’s efficient business strategy can be seen in SoS LTM, which grew from 32.0% in 4Q17 to 37.5% in 1Q18.

Inventory (Property for Sale)

The inventory at market value reached R$1,396.7 million at the end of 1Q18, 8.8% lower than in 4Q17. Compared to 1Q17, inventory decreased 14.6%, clearly representing the strategy of focusing on the sale of inventories with a reduced number of launches.

Table 3 - Inventory at Market Value 1Q18 x 4Q17 (R$ 000)

1,212,940	138,715	48,709	(269,845)	(24,877)	1,105,642	-8,8%
257,314	-	7,466	(18,998)	(13,741)	232,040	-9,8%
61,335	-	1,527	(4,616)	777	59,023	-3,8%
1,531,588	**138,715**	**57,702**	**(293,460)**	**(37,840)**	**1,396,706**	**-8,8%**

[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 more recent projects and finished units. The inventory of finished units totaled R$446.0 million in 1Q18 (31.9% of total).

The projects inventory located outside of strategic markets, of R$59.0 million, accounts for 4.2% of the total inventory, of which 56.4% are finished units.

Of the total completed inventory, 62.7% are commercial projects. This proportion is due to lower sales speed in this segment, where liquidity still is significantly lower.

Table 4 – Inventory at Market Value – Financial Progress – POC - (R$ 000)

94,248	141,996	410,894	245,936	212,569	1,105,642
-	-	5,707	26,215	200,118	232,040
-	-	25,723	-	33,300	59,023
94,248	**141,996**	**442,323**	**272,151**	**445,988**	**1,396,706**

Delivered Projects and Transfer

No deliveries occurred in 1Q18. On March 31st, Gafisa managed the construction of 20 projects, **all of which** are on schedule according to the Company's business plan.

Over the past few years, the Company has been taking steps to improve the performance of its receivables/transfer process, aiming to maximize the return rates on capital employed. Currently, the Company's directive is to conclude the sales process of 90% of eligible units in a 90-day period after the delivery of the project. In accordance with this policy, PSV transfers in 1Q18 totaled R$59.0 million, 21.2% lower than in 4Q17 and 42.0% lower than in 1Q17, due to a reduced number of deliveries in 1Q18 compared to previous periods.

Table 5 – Transfer

	58,998	74,824	-21.2%	101,744	-42.0%
	-	1	-	3	-
	-	293	-	610	-
	-	41,171	-	265,058	-

[1] PSV transfers refers to the potential sales value of the units transferred to financial institutions;

[2] PSV = Potential sales value of delivered units.

Landbank

The Company’s landbank, with a PSV of R$3.9 billion, represents 36 potential projects/phases or nearly 7.3 thousand units. Approximately 55% of land was acquired through swaps. In 1Q18, the Company acquired 1 new land area in São Paulo, with potential PSV of R$114.1 million with the cancellation of 1 land area in Rio de Janeiro.

Table 6 - Landbank (R$ 000)

2,466,636	52.2%	45.4%	6.8%	5,371	6,037
1,420,604	60.4%	60.4%	0.0%	2,010	2.065
3,887,240	55.7%	51.8%	3.9%	7,381	8,102

Note: The swap percentage is measured compared to the historical cost of land acquisition.

Potential units are net of swaps and refer to the Gafisa’s and/or its partners’ participation in the project.

Table 7 – Changes in the Landbank (1Q18 x 4Q17 - R$ 000)

2,520,511	114,076	138,715	-	(29,235)	2,466,636
1,774.833	-	-	354,755	526	1,420,604
4,295,344	114,076	138,715	354,755	(28,709)	3,887,240

FINANCIAL RESULTS

Revenue

Net revenues totaled R$213.4 million in 1Q18, up 29.6% from 4Q17 and 56.3% from 1Q17, mainly reflecting the net pre-sales growth of projects launched in 2016 and 2017, which evolved more in its constructions process and, therefore, increased in importance in revenues.

Table 8 – Revenue Recognition (R$ 000)

Net Pre-Sales	% Sales	Revenue	% Revenue	Net Pre-Sales	% Sales	Revenue