

An aerial photograph of a modern cable-stayed bridge with two tall, white, A-shaped pylons. The bridge spans a wide river, and the city skyline is visible in the background under a clear blue sky. The bridge's cables are illuminated by the warm light of the setting sun. A dark blue horizontal band is overlaid across the middle of the image, containing the title text.

Brazil Transactions Insights – Summer 2021

Q Overview

Brazil is experiencing a strong recovery after the economic turmoil caused by COVID-19. The country has not experienced long term lockdowns or social restrictions and, based on a more active roll out of the vaccines and recent GDP growth figures (1Q21 GDP growth was 1%), the country expects a 5.5% 2021 GDP growth.

After a GDP contraction of 4.5% in 2020, one of the lowest declines in Latin America, 2021 growth is driven by internal demand, a strong government emergency aid program (+10% of GDP) and favorable global cycle (volume and price) for commodities.

Brazilian federal government remains committed to a series of important structural reforms, including the simplification of the over-complex domestic tax environment and the administrative reform, aimed to reduce public spending. The privatization program remains one of the main priorities in the government's agenda for the coming months, pointing to relevant opportunities for long-term investments in infrastructure and the foundation of the country's sustained growth.

With domestic interest rates at historical low levels, there is an ongoing, positive revolution underway in the Brazilian capital markets, driven by a strong shift in traditionally low-risk investments to the real economy. Both IPO and M&A volumes in 2021 are already at record levels.

B R A Z I L B Y T H E N U M B E R S



From January to May 2021, **25 Initial Public Offerings (IPOs) and 13 Follow-ons** were registered at B3, Brazil's stock exchange. Over 100 IPOs are expected for 2021.

IPOs and Follow-ons raised **+BRL 65.5 billion (bn) (USD 12.1 bn)** until May 2021.

As of May 2021, Brazilian stock exchange companies had a **total market capitalization of over USD 1.1 trillion.**

3.74 million is the number of individual investors in Brazil's capital markets, a 17% increase over 2020.

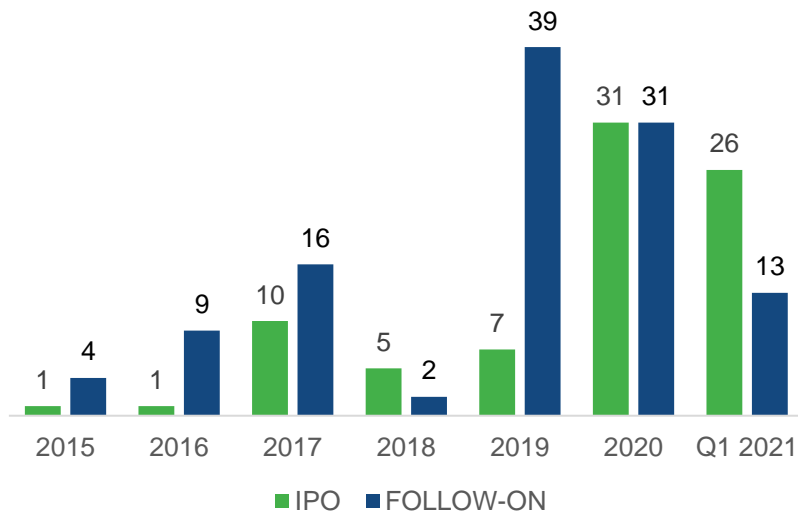
33.5% of Brazilians received at least one COVID-19 vaccine dose. Represents 10.45% above the global vaccination average (as of June 27, 2021)

Equities Activity .ooo

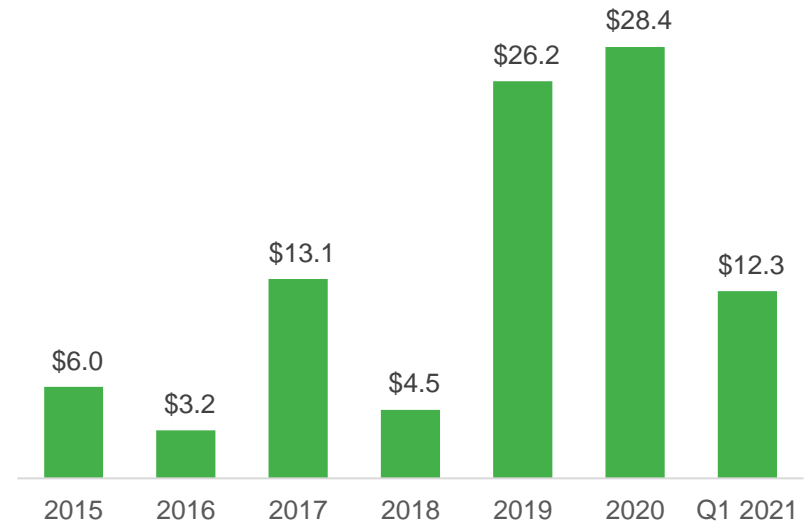
Despite the severe negative effects of the COVID-19 pandemic, Brazil had a record-breaking volume of public offerings in 2020 compared to the last nine years, reaching BRL 117.9 bn, behind 2010 only. Internal favorable factors, such as basic interest rates low levels (an unparalleled event in the country's history contributed to investors looking for assets with higher returns), the potential of internal consumption (in part backed by government emergency aids from the pandemic) and favorable expectation for structural reforms, are among the key drivers of both local and foreign investors' appetite.

Another record-breaking volume of stock offerings is expected for 2021, with an estimate of +100 companies going public(*), significantly surpassing 2020 (31 IPOs) and previous years. In the first five months of 2021, 26 companies went public, and, through May 31st, another 36 companies have already filed for IPO.

Number of Public Offerings (Brazilian companies)



Public Offerings Funds Raised (USD bn)



Source: Company press releases, B3 (Bovespa) and S&P Global Market Intelligence as of May 31, 2021
 The IPOs don't include Brazilian Depository Receipts
 (*) XP Investimentos

Equities Activity

Through May 2021, 25 Brazilian companies carried out IPOs in the Brazilian stock exchange (B3), and one of them, Vinci Partners (financial services), went public at Nasdaq. Furthermore, 13 companies did follow-on offerings, adding USD 5.4 bn in offer volume for the period (out of USD 12.3 bn counting the IPOs). The largest IPOs in terms of gross proceeds were CSN Mineração (mining), Caixa Seguridade (insurance) and Modalmais (logistics). Also noteworthy are financial sponsor-backed IPOs such and GetNinjas, PetroRecôncavo, Grupo GPS, Eletromídia, Westwing and Espaçolaser.

2021 IPOs

IPO Date	Company Name	Ticker	Incorporation	Industry Group	Gross Proceeds	Offer Price	Offer Price vs. Marketed Range	As of 5/31/2021		
								Stock Price	Market Capitalization (USD mn)	Price to LTM Earnings Multiple
5/17/2021	GetNinjas	BOVESPA:NINJ3	Brazil	Retailing	\$91.7	\$3.80	Within	\$3.80	\$191.0	NM
5/5/2021	PetroRecôncavo	BOVESPA:RECV3	Brazil	Energy	\$190.9	\$2.73	Within	\$3.06	\$728.1	27.5x
5/4/2021	Infracommerce	BOVESPA:IFCM3	Brazil	Media and Entertainment	\$161.0	\$2.94	Within	\$3.04	\$723.1	NM
4/30/2021	Modalmais	BOVESPA:MODL3	Brazil	Diversified Financials	\$567.5	\$3.70	Within	\$2,39	\$1.352.9	110.6x
4/29/2021	Caixa Seguridade	BOVESPA:CXSE3	Brazil	Insurance	\$799.6	\$1.79	Within	\$2,34	\$8.220.5	28.6x
4/29/2021	Boa Safra	BOVESPA:SOJA3	Brazil	Food, Beverage and Tobacco	\$73.5	\$1.82	Within	\$2,96	\$346.4	21.8x
4/26/2021	Grupo GPS	BOVESPA:GGPS3	Brazil	Commercial and Professional Services	\$393.8	\$2.18	Within	\$3,18	\$2.119.7	35.1x
4/19/2021	Blau Farmacêutica	BOVESPA:BLAU3	Brazil	Pharmaceuticals, Biotechnology and Life Sciences	\$196.3	\$7.15	Within	\$9,13	\$1.637.1	28.1x

Equities Activity

2021 IPOs

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4/16/2021	Hospital Mater Dei	BOVESPA:MATD3	Brazil	Health Care Equipment and Services	\$247.2	\$3.10	Within	\$3.11	\$1,105.9	58.3x
4/12/2021	Allied Tecnologia	BOVESPA:ALLD3	Brazil	Retailing	\$33.8	\$3.18	Within	\$3.52	\$320.0	12.0x
2/18/2021	CSN Mineração	BOVESPA:CMIN3	Brazil	Materials	\$915.5	\$1.58	Within	\$1.79	\$9,983.6	9.5x
2/17/2021	Orizon	BOVESPA:ORVR3	Brazil	Commercial and Professional Services	\$89.9	\$4.09	Within	\$4.59	\$328.1	NM
2/17/2021	Eletromídia	BOVESPA:ELMD3	Brazil	Media and Entertainment	\$140.0	\$3.32	Within	\$3.75	\$517.5	NM
2/12/2021	OceanPact	BOVESPA:OPCT3	Brazil	Commercial and Professional Services	\$198.8	\$2.08	Within	\$1.51	\$299.4	NM
2/11/2021	Cruzeiro do Sul	BOVESPA:CSED3	Brazil	Consumer Services	\$229.7	\$2.58	Within	\$2.66	\$1,016.5	NM
2/10/2021	Bemobi Tech	BOVESPA:BMOB3	Brazil	Media and Entertainment	\$232.9	\$4.13	Within	\$4.43	\$402.4	57.4x
2/10/2021	Westwing	BOVESPA:WEST3	Brazil	Retailing	\$159.3	\$2.41	Within	\$1.81	\$198.2	NM
2/8/2021	Jalles Machado	BOVESPA:JALL3	Brazil	Food, Beverage and Tobacco	\$128.7	\$1.53	Within	\$1.68	\$495.4	23.7x
2/8/2021	Focus On	BOVESPA:POWE3	Brazil	Utilities	\$144.0	\$3.39	Within	\$2.76	\$247.7	177.3x

Source: CVM, company press releases and S&P Global Market Intelligence as of May 31, 2021

Equities Activity

2021 IPOs

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2/5/2021	Mosaico	BOVESPA:MOSI3	Brazil	Media and Entertainment	\$225.5	\$3.70	Within	\$3.76	\$476.2	64.0x
2/5/2021	Mobly	BOVESPA:MBLY3	Brazil	Retailing	\$173.2	\$25.15	Within	\$3.34	\$355.4	NM
2/4/2021	Intelbras	BOVESPA:INTB3	Brazil	Technology Hardware and Equipment	\$242.1	\$2.94	Within	\$5.40	\$1,769.3	29.1x
2/1/2021	Espaçolaser	BOVESPA:ESPA3	Brazil	Consumer Services	\$486.6	\$3.30	Within	\$3.65	\$891.7	34.3x
1/29/2021	Vamos Locação	BOVESPA:VAMO3	Brazil	Transportation	\$240.4	\$4.75	Within	\$10.08	\$2,276.2	52.9x
1/27/2021	Vinci Partners	NasdaqGS:VINP	Cayman Islands	Diversified Financials	\$249.7	\$18.00	Within	\$14.48	\$824.1	7.0x
1/21/2021	HBR Realty	BOVESPA:HBRE3	Brazil	Real Estate	\$151.0	\$3.56	Within	\$3.07	\$316.9	NM

Equities Activity: What Lies Ahead in 2021 .o

Equities' activity is expected to reach a new historical high in terms of offerings in 2021. Based on market estimates, companies offering memoranda and investment banks, IPOs and Follow-ons may reach in 2021 +USD 35 bn (+BRL 170).

Company Name	Classification	Industry Sector	Business Description
Raízen S.A.	IPO	Energy	Engages in producing and trading of sugar, ethanol, and pallets
ClearSale S.A.	IPO	Application Software	Develops fraud detection and chargeback solutions for e-commerce platforms
Oncoclínicas Do Brasil Serviços Médicos S.A.	IPO	Health Care Services	Provides medical services focused on clinical oncology and radiotherapy in Latin America
Trocafone S.A.	IPO	Internet and Direct Marketing Retail	Owns and operates an e-commerce site for buying and selling used electronics, particularly smartphones
Tópico Locações De Galpões E Equipamentos Para Indústrias S.A.	IPO	Construction and Engineering	Engages in the sale, installation, and rental of temporary or permanent modular storage sheds, tents, and roofs
Brisanet Participações S.A.	IPO	Alternative Carriers	Offers broadband, fixed telephony, cable TV, and mobile telephony services in Brazil
Conasa Infraestrutura S.A.	IPO	Environmental and Facilities Services	Engages in basic sanitation, services, energy and public lighting, and highways construction businesses in Brazil
Desktop - Sigmanet Comunicação Multimídia S.A.	IPO	Integrated telecommunication Services	Provides internet and telephony connectivity services in Brazil
TC Traders Club S.A.	IPO	Education and Technology	Education, information and intelligence platform for investors
Smartfit Escola De Ginástica E Dança S.A.	IPO	Gym Network	Operates a network of Smart Fit gyms in Latin America
Invest Tech Participações E Investimentos S.A.	IPO	Private Equity	A private equity and venture capital firm, invests in technology-based companies in Brazil
Companhia Brasileira De Alumínio	IPO	Aluminum	Produces and sells aluminum products in Brazil
CSN Cimentos S.A.	IPO	Construction Materials	Manufactures and markets cement in Brazil
Multilaser Industrial S.A.	IPO	Technology Hardware	Engages in the development, manufacture, and marketing of electronic products and computer supplies in Brazil
Unifique Telecomunicações S.A.	IPO	Alternative Carriers	Provides fixed broadband services
Armazém Locação, Logística E Serviços S.A.	IPO	Leasing	Engages in renting and leasing equipment in Brazil
Hortigil Hortifruti S.A.	IPO	Food Retail	Engages in the retail sale of horticulture, fruit, and food products
CDF Assistência E Suporte Digital S.A.	IPO	IT Consulting and Other Services	Provides technological support services in Brazil

Source: CVM and S&P Global Market Intelligence as of May 31, 2021

Definition: B2B: Business-to-business

(*) : In IPO process but under review / interrupted.

Equities Activity: What Lies Ahead in 2021 o.

Company Name	Classification	Industry Sector	Business Description
Ubook Editora S.A.*	IPO	Movies and Entertainment	Offers subscription service for access to audiobooks, audio book summaries, series, documentaries, podcasts, news, and music
Athena Saúde Brasil S.A.*	IPO	Managed Health Care	A vertical health care company, provides health and dental care plans
Rio Energy Participações S.A.	IPO	Renewable Electricity	Engages in the development, construction, and operation of renewable energy projects in Brazil
Bionexo S.A.*	IPO	Health Care Technology	Provides cloud-based digital solutions for hospitals in Brazil, Argentina, Colombia, and Mexico
Rio Branco Alimentos S.A.	IPO	Packaged Foods and Meats	Produces and markets food products under the Pif Paf brand in Brazil and internationally
Kora Saúde Participações S.A.*	IPO	Health Care Facilities	Owens and operates a network of hospitals in Brazil
São Salvador Alimentos Participações S.A.	IPO	Packaged Foods and Meats	Provides broiler chicken worldwide
Livotech da Bahia Indústria E Comércio S.A.*	IPO	Technology Distributors	Distributes technology products in Brazil
Laboratório Teuto Brasileiro S.A.	IPO	Pharmaceuticals	Develops, manufactures, and commercializes pharmaceutical products in Brazil
Três Tentos Agroindustrial S.A.*	IPO	Agricultural Products	Engages in the production, processing, commercialization, and exporting of agricultural products in Brazil and internationally
Entalpia Participações S.A.	IPO	Electrical Components and Equipaments	Develops and sells LED lighting and energy storage products in Brazil
Hospital Care Caledonia S.A.*	IPO	Health Care Facilities	Provides various healthcare services in Brazil
Nova Harmonia S.A.	IPO	Real Estate	Engages in the real estate development business
LG Informática S.A.*	IPO	Application Software	Engages in the development and commercialization of software that assists in the human resources management of small, medium, and large companies in Brazil
Nadir Figueiredo S.A.	IPO	Housewares and Specialties	Provides products and services for use in homes, restaurants, and bars worldwide
Guararapes Painéis S.A.*	IPO	Forest Products	Manufactures veneer, plywood, and engineered wood products in Brazil
Igua Saneamento S.A.*	IPO	Water Utilities	Engages in the operation and management of water and sanitary sewage systems for residential, commercial, industrial, and public sectors in Brazil
Cortel Holding S.A.*	IPO	Specialized Consumer Services	Provides cremation services

Source: CVM and S&P Global Market Intelligence as of May 31, 2021

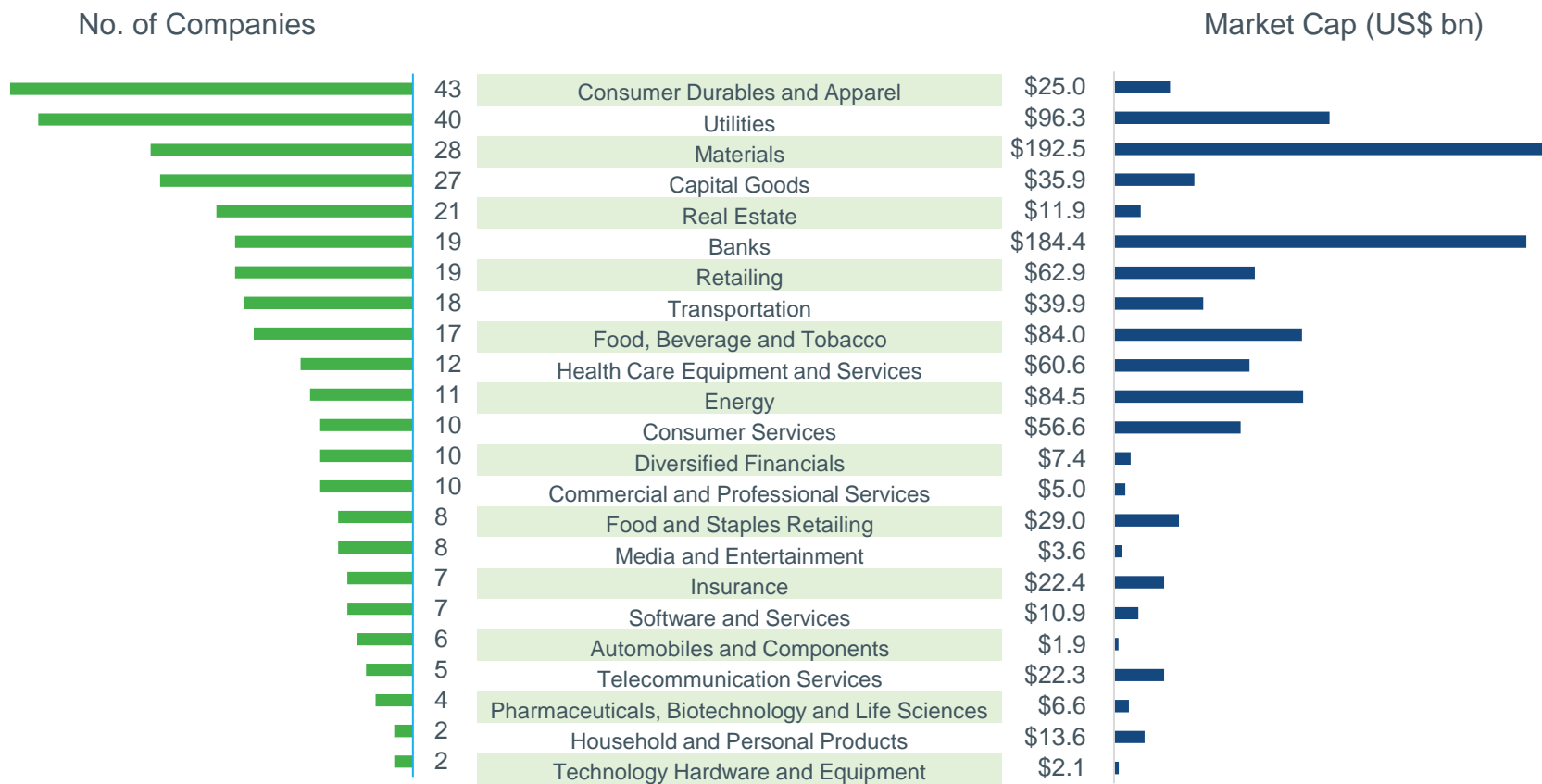
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Listed Brazilian Companies

As of May 31, 2021, there were 334 Brazilian companies listed on the major Brazilian stock exchange (B3). With recent new listings, the exchange experienced a considerable sector diversification. The consumer durables and apparel sector accounts for the highest number of companies (43 listed companies) and 2.4% of the total market capitalization. Materials (28 listed companies) account for 18.1% of the total market capitalization followed by banks (19 listed companies), accounting for 17.3%.

Summary of Listed Companies



Brazil B3: Top 10 Companies by Market Capitalization

Company Name	Incorporation	Industry Group	Business Description	Market Capitalization (USD mn)	% of 52-Week High	Price to LTM Earnings Multiple
Vale S.A. (BOVESPA:VALE3)	Brazil	Materials	Produces and sells iron ore and iron ore pellets for use as raw materials in steelmaking in Brazil and internationally	\$111,987.5	95%	8.2x
Petróleo Brasileiro S.A. - Petrobras (BOVESPA:PETR4)	Brazil	Energy	Operates in the oil, natural gas and energy industries	\$66,338.4	85%	14.4x
Ambev S.A. (BOVESPA:ABEV3)	Brazil	Food, Beverage and Tobacco	Produces, distributes, and sells beer, draft beer, carbonated soft drinks (CSD), other non-alcoholic beverages, malt, and food products in the Americas.	\$53,715.6	100%	44.9x
Itaú Unibanco Holding S.A. (BOVESPA:ITUB4)	Brazil	Banks	Provides a range of financial products and services to individuals and corporate clients in Brazil and internationally	\$52,134.5	88%	11.2x
Banco Bradesco (Brasil) S.A. (BOVESPA:BBDC4)	Brazil	Banks	Provides banking and financial products and services to individuals, enterprises, corporations and institutions	\$45,586.4	99%	15.3x
Banco BTG Pactual S.A. (BOVESPA:BPAC3)	Brazil	Diversified Financials	Provides financial products and services in Brazil and internationally.	\$32,816.3	83%	36.3x
Banco Santander (Brasil) S.A. (BOVESPA:SANB4)	Brazil	Banks	Provides banking products and services in Brazil and internationally	\$29,249.9	86%	11.2x
WEG S.A. (BOVESPA:WEGE3)	Brazil	Capital Goods	Engages in the production and trade of capital goods in Brazil and internationally	\$27,247.9	73%	75.4x
Rede D'Or São Luiz S.A. (BOVESPA:RDOR3)	Brazil	Health Care Equipment and Services	Operates a network of hospitals in Brazil.	\$25,938.3	92%	NM
Magazine Luiza S.A. (BOVESPA:MGLU3)	Brazil	Retailing	Engages in the retail sale of consumer goods	\$24,717.2	71%	NM

U.S.- Listed Brazilian Companies

Of the 94 Brazilian-listed companies on major U.S. exchanges as of May 31, 2021, approximately three-fifths of them trade over-the-counter (OTC), nearly one-third on the NYSE and eight companies on Nasdaq. There is large diversification in terms of sectors for U.S.-listed Brazilian companies, with the banking sector accounting for 19.8% of the total market capitalization. Most of the companies are incorporated in Brazil, highlighting that Brazilian companies are frequently targeting the U.S. market.

Summary of Listed Companies

Industry Sector	No. of Companies	Total Market Cap (US\$ mn)	Exchange	No. of Companies	Total Market Cap (US\$ mn)
Utilities	11	\$63,883	Nasdaq	8	50,585
Food, Beverage and Tobacco	9	\$80,429	NYSE	33	643,773
Materials	10	\$167,473	OTC	53	270,138
Capital Goods	5	\$30,982	Total	94	964,496
Energy	6	\$148,199			
Consumer Services	6	\$8,304			
Consumer Durables and Apparel	4	\$2,112			
Transportation	5	\$23,473			
Banks	5	\$190,729			
Software and Services	4	\$39,951			
Real Estate	3	\$3,599			
Retailing	6	\$55,072			
Telecommunication Services	5	\$23,239			
Health Care Equipment and Services	1	\$10,336	Incorporation	No. of Companies	Total Market Cap (US\$ mn)
Diversified Financials	5	\$65,942	Cayman Islands	11	\$66,746
Commercial and Professional Services	2	\$153	Brazil	80	\$897,660
Insurance	1	\$8,884	Nevada	1	\$37
Pharmaceuticals, Biotechnology and Life Sciences	1	\$4,367	Marshall Islands	1	\$4
Food and Staples Retailing	4	\$23,878	United Kingdom	1	\$50
Household and Personal Products	1	\$13,492	Total	94	\$964,496
Total	94	\$964,496			

IBOVESPA Index

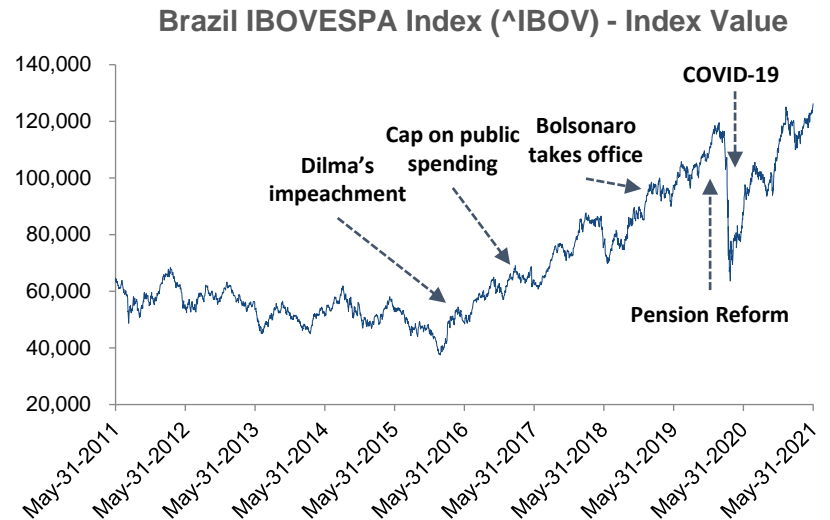
Since 2016, the Brazilian stock market almost doubled its value. This is a direct result of considerable improvements in the management of fiscal and monetary policies, including the Fiscal Responsibility Act (December 2016), controlled inflation, and improved awareness regarding public spending. During the first year of Bolsonaro's mandate (2019), the IBOVESPA index accumulated, in local currency, one of the highest returns among the world's main indexes.

Internal factors, including the lowest historical basic interest rate, the privatization program and the approval of the pension reform were strong factors influencing this performance in 2020. At the beginning of 2020, the IBOVESPA reached a high mark of 119,527 points, but with COVID-19, the index slipped to 63,569 in March 2020. With real interest rates close to zero and an inside a scenario of high liquidity of capital both domestically and globally, the IBOVESPA was pushed back to levels close to 100,000 points in September 2020.

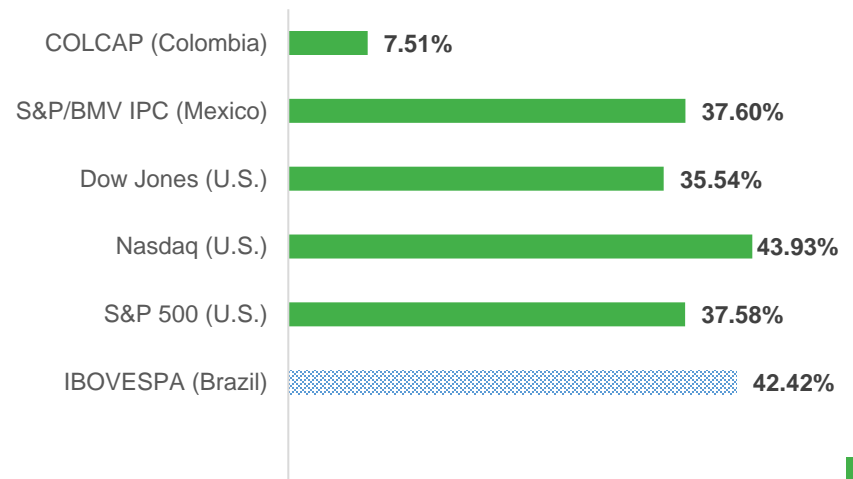
Appreciation of the Brazilian stock market remain strong in 2021, with high expectations for the economic recovery. The positive trend is supported by interest rates still at historically low levels, government emergency aid (some 10% of the GDP), the advance of vaccination programs and the agenda for structural reforms, which led the IBOVESPA to reach an all-time high mark in early June.

In this context, IBOVESPA had one of the best performance among the main indexes, with a 42.42% return in the LTM. Furthermore, the number of individual investors in Brazil's stock exchange jumped from about 3,200,000 in 2020 to 3,738,203 in May 2021.

Main Brazilian Index (IBOVESPA)



Index Returns in Local Currency LTM



Government's Agenda



In order to strengthen the Brazilian economy in the long term, as well as to accelerate the recovery after the impacts of COVID-19, Brazil's government continues to pursue a structural reform agenda, to manage the country's fiscal deficit and achieve economic recovery and sustained growth. In this sense, measures such as the intensification of the privatization program and market-oriented legislative reforms are under implementation. Positive effects are expected in terms of productivity, judicial stability, free trade, increase in national competitiveness and social impacts, essential for the country to maintain its position among the biggest economies in the world and improve its Doing Business Index (measured by the World Bank).

Actions	Considerations
Tax Reform	The complexity of the Brazilian tax system has produced significant costs nationwide. The government estimates that under the proposed reform, taxation costs may be reduced by 13% of Brazil's GDP (considering 2018 data). Current situation: Phase 2 (private individual tax, legal entity tax and investments tax) presented to Congress and is under consideration of a special committee. The Tax Reform is divided into 4 phases.
Privatization Program	Paulo Guedes, the Economy Minister, advocates free-market policies, pivoting away from state interventionism. From January 2019 to April 2021 the Federal Government disinvested up to BRL 200 bn from companies that it has direct or indirect participation in. In addition, in June 2021 the Senate and the Lower House approved the provisional measure that authorize the privatization of Eletrobras, the biggest energy company in Latin America.
New Gas Law	In April 2021, the New Gas Law was enacted, which plays a very important role in the regulation of this sector in Brazil. Thus, the gas market in Brazil is expected to become more competitive and attractive to investors, which, in addition to promoting competition among players, will mainly contribute to reduce the final price of gas for the consumer and promote social wellness.
New Public Bid Law	In April 2021, the "New Public Bid Law" was sanctioned, which is extremely important for the modernization of public tenders and contracts in Brazil, thus bringing more transparency to the business environment with the Federal Government.
Bankruptcy Law	With the aim of improving the results of judicial reorganizations in Brazil, in January 2021 the New Bankruptcy Law came into effect. The new law will make a relevant contribution to the recovery of the economy after the impacts of COVID-19, as it will help companies in the process of financial recovery, saving jobs and maintaining domestic income.

Government's Agenda



There is a constant and considerable movement towards privatization, stronger control over government spending and fiscal austerity. A bold privatization program, Programa de Parceria de Investimentos (PPI), foresees the sale of government-owned companies in various infrastructure-related sectors such as ports, airports, telecom, energy, roads, railroads, finance and water/sewage, oil and gas and mining. The focus is to ensure that Brazil doesn't lag behind in infrastructure and has predictable regulatory milestones. PPI already struck a series of extremely successful auctions and bidding processes since its inception in 2016. In 2021, the PPI expects, through the auction of 33 assets, USD 9.4 bn in investments and USD 5.18 bn in concession fees/bonus. The increasing maturity of the Brazilian capital markets is also contributing to boost infrastructure investments, from both equity and debt angles. In addition, policies like the new basic sanitation law (passed in 2020) which has the objective to universalize and improve the services of basic sanitation in Brazil (dominated by state-owned companies) contribute to programs such as PPI.

PPI by the numbers



428
Qualified Projects

16
Public Policies

BRL 790.3 bn
(USD 153.2 bn)
Investments

233
Concluded Projects and Auctions/Bids

BRL 170.5 bn
(USD 33 bn)
Concession Bonuses
("Outorgas")

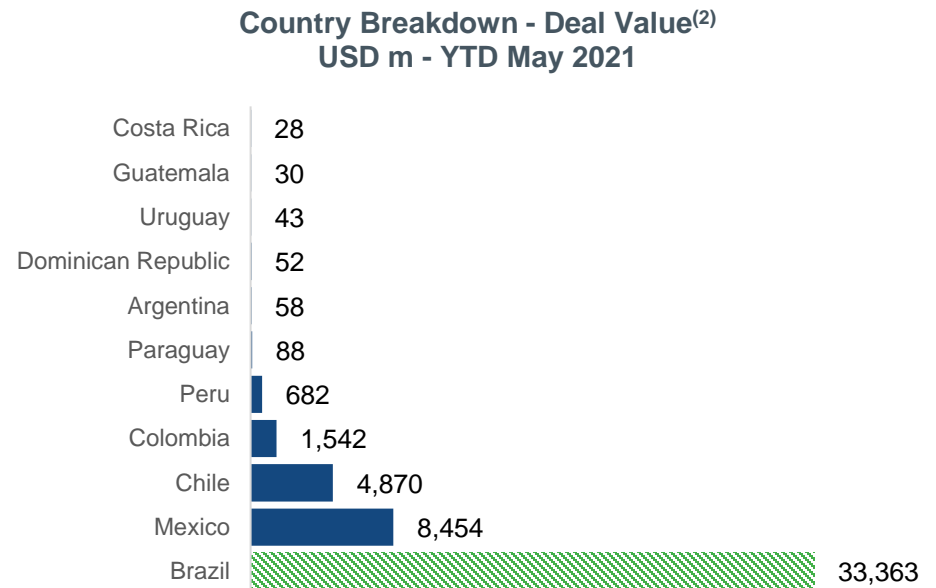
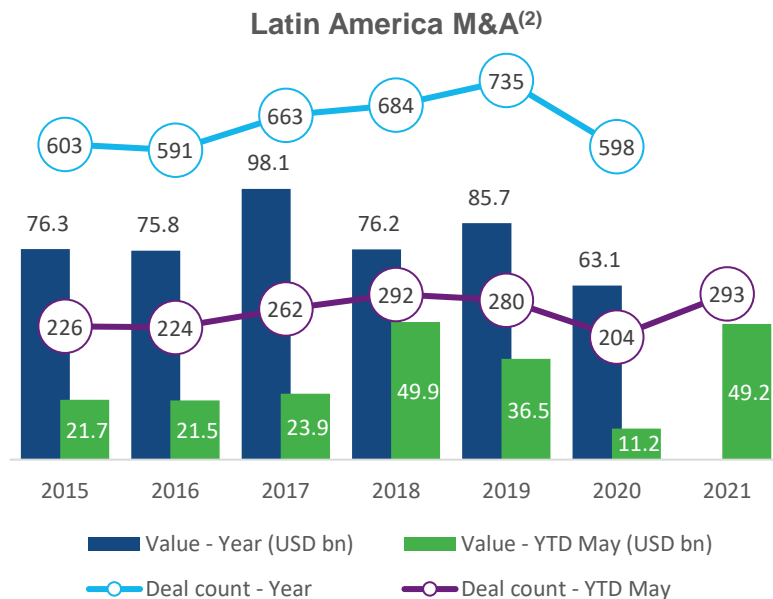


- Energy
- Airports
- Ports
- Roads/ Railroads
- Telecom
- Finance
- Oil and Gas
- Water/Sewage
- Health
- Defense and Security
- Tourism/National Parks
- Mining
- Global Strategic and Financial Investors

M&A Activity

January to May 2021 M&A activity in Latin America increased by 43.6% when compared to the same period in 2020, reaching 293 deals. Brazil leads the activity volume and value, followed by Mexico and Chile. It is a 71.8% increase in transaction volume, with 213 deals and a 307.5% increase in value, reaching USD 33.4 bn, according to Acuris Mergermarket database. This increase is due to the high liquidity provided by the central banks and a low interest rate scenario and, moreover, driven by improving domestic macroeconomic scenario and opportunistic movements from players less affected by the pandemic (with a stronger cash position or good access to funding).

Based on wider criteria, incorporating all transactions announced in Brazil from January until May 2021, the country accounted for 693 deals⁽¹⁾ with multisector opportunities.



Sources: (1) Transaction Track Record. (2) Acuris Mergermarket

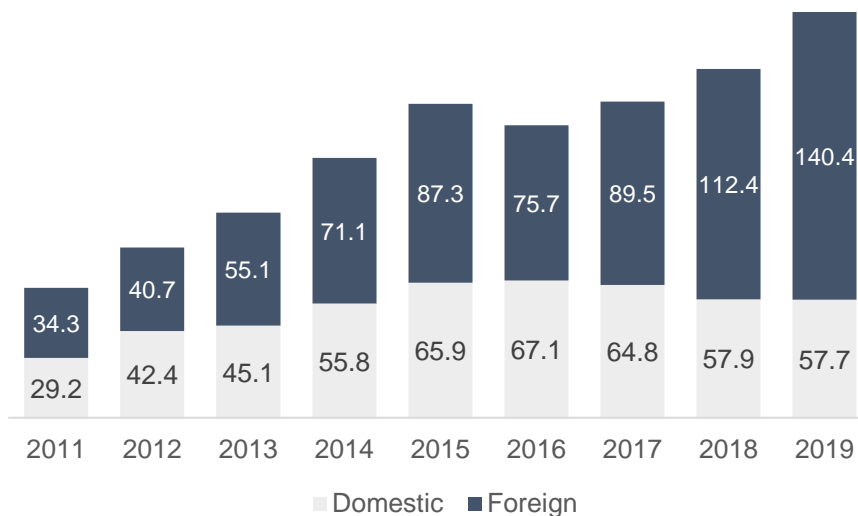
Definition: SELIC is the weighted average interest rate of the overnight interbank operations—collateralized by federal government securities

PE/VC Activity

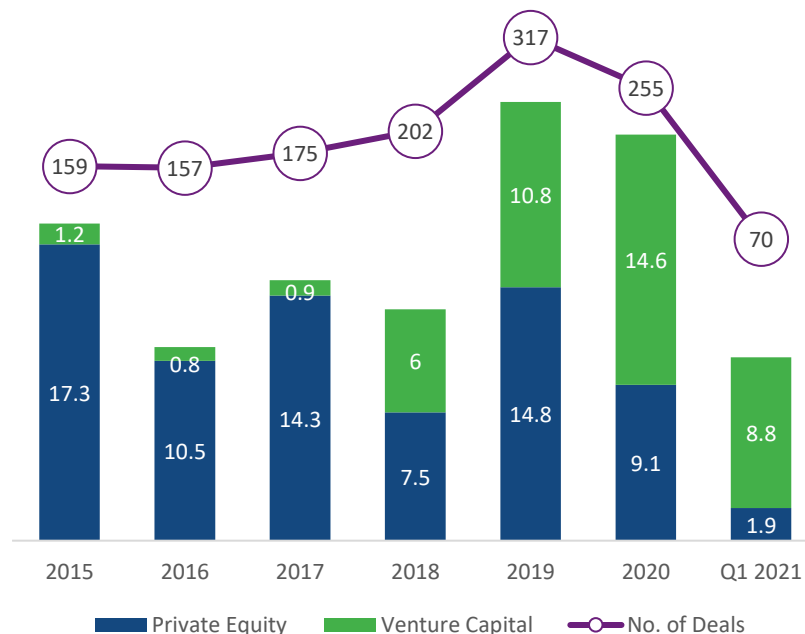
Brazil's deal activity is typically boosted by financial sponsors, including a composition of Venture Capital, Private Equity, Family Offices and, more recently, Corporate Venture Capital investors. In Q1 2022 Venture capital funds were involved in 63 investments (BRL 8.8 bn), with a growth of 54% compared to the same period in 2020. In the same period (Q1 2021) private equity was involved in seven transactions (BRL 1.9 bn).

Private Capital

Committed Capital and Origin (BRL bn)



Investments and No. of Deals per year (BRL bn)



Financial Sponsors Selected Transactions



In June 2021, Nubank, the largest digital bank in the world, based in Brazil, received a USD 750 M investment from a group of 10 investors, among them Berkshire Hathaway (USD 500 M investment).



In June 2021, EBANX – a Brazil-based company that offers local payment methods to international merchants – raised USD 400 M with Advent International.

Advent International



Agea Saneamento has received a USD 614.5 M investment from GIC Private Limited, Itaúsa and Equipav in May 2021. Agea is a Brazil-based water treatment company.



QuintoAndar – a Brazil-based online marketplace for rental properties – received a Series E investment round led by Ribbit Capital in May 2021. The total investment amount was of USD 300 M.



In March 2021, Loggi, a Brazil-based logistics unicorn, has received a USD 212 M capital injection from its Series F investment by a group of 8 investors (led by CapSur Capital).



In March 2021, Loft – an online real estate sales platform – received a USD 425 M capital injection from a group of 17 investors, having D1 Capital as leader. This Series D round increased Loft's enterprise value to USD 2.2 bn.



In March 2021, Iguá Saneamento – a Brazil-based water and sewage company which operates 18 concessions in Brazil – has received a USD 214.6 M investment from Canada Pension Investment Board (CPPI).



Hotmart – a Brazilian content distribution platform for digital products – received in March 2021 a USD 130 M investment led by TCV and Alkeon Capital Management. In addition, 4 more financial sponsors participated in the deal.

Strategic Buyers Selected Transactions



In February 2021, Bain Capital, a private equity fund, agreed to sell NotreDame (GNDI3) Intermédica to Hapvida (HAPV3) for a consideration of USD 9.9 bn (equity value). The deal is subject to regulatory approval.



In March 2021, Advent International and Walmart agreed to sell Grupo Big to Grupo Carrefour Brasil (CRFB3) for a consideration of USD 1.3 bn (enterprise value). The deal is subject to certain conditions.



In April 2021, B2W (BTOW3) and Lojas Americanas (LAME4) announced a merger, resulting in a new company named Americanas, with gross merchandise value of USD 8 bn. The deal is subject to certain conditions.



In February 2021, Raízen acquired Biosev (BSEV3), a Brazil-based sugar-energy company, from Louis Dreyfus for a consideration of USD 2.7 bn (enterprise value). The deal is subject to certain conditions.



In April 2021, BTG Pactual (BPAC11), acquired 49.19% of Banco Pan (BPAN4) for a consideration of USD 650 M. The transaction will enable BTG Pactual grow in the banking retail sector. The deal is subject to certain conditions.



In April 2021, Grupo Soma (SOMA3), a Brazil-based company which offers women's clothing and accessories, acquired Cia Hering (HGTX3), a Brazil-based textile and retail company for a consideration of USD 892 M. The deal is subject to certain conditions.



In March 2021, Sony Music Entertainment Inc. acquired Som Livre, a Brazil-based recording company from Globo Comunicações e Participações S.A., for a consideration of USD 252.5 M. The deal is subject to certain conditions.



In June 2021, Bertelsmann SE & Co., a private multinational conglomerate, acquired 24.7% of Afya Limited., a Brazil-based educational services company for a consideration of USD 608.7 M. The seller was Crescera Capital.



Brazil by the Numbers

	2015	2016	2017	2018	2019	2020	2021P	2022P
Inflation IPCA (%) Median	10.7	6.3	2.9	3.7	4.3	4.5	5.6	3.6
Exchange Rate EOP (BRL/USD)	3.96	3.26	3.31	3.88	4.03	5.19	4.75	5.10
Nominal Interest Rate SELIC (%) EOP	14.25	13.75	7.00	6.50	4.50	2.00	6.00	6.00
Nominal GDP (USD bn)	1,800	1,798	2,063	1,916	1,877	1,443	1,661	1,882
Real GDP Growth (% – Market prices)	(3.5)	(3.3)	1.3	1.8	1.4	(4.1)	5.5	1.8
Trade Balance (USD bn)	14	40	56	47	35	50	77	72
Direct Investments (% GDP)	3.6	4.1	3.3	4.1	3.9	2.4	3.0	3.2
International Reserves (USD bn)	369	372	382	387	367	356	356	356
Gross Public Debt (% GDP)	65.5	69.9	73.7	75.3	74.3	88.8	81.9	81.6
Primary Result (% GDP)	(1.9)	(2.5)	(1.7)	(1.5)	(0.8)	(9.4)	(2.0)	(1.0)
Unemployment – IBGE % EOP	9.6	12.7	12.4	12.2	11.5	14.6	12.1	12.1

Definition:
 BRL: Brazil Real (currency unit)
 EOP: End-of-period
 IBGE: Brazilian Institute of Geography and Statistics
 IPCA : Brazilian inflation index

SELIC: Sistema Especial de Liquidação e Custódia (Brazilian basic interest rate)

Middle-Market M&A Ranking

Top Ranked U.S. Middle-Market M&A Advisor

Firm	No. of Deals	Rank
Houlihan Lokey	1,505	1
Piper Sandler & Co	1,023	2
Stifel/KBW	788	3
Raymond James Financial Inc	747	4
Duff & Phelps	598	5
Jefferies LLC	575	6
Lincoln International	567	7
William Blair & Co	531	8
Goldman Sachs & Co	530	9
Moelis & Co	511	10

Source: Thomson Financial Securities Data (U.S. deals \$10M < \$150M, including deals without a disclosed value). Full years 2011 through 2020.

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- Strong dedicated global M&A practice with significant experience advising on cross-border transactions and negotiating with financial and strategic investors
- A team of 80+ professionals in Brazil, with 120+ in Latin America and offices in Brazil, Argentina, Colombia and Mexico
- Local industry expertise in the following sectors: consumer, food, restaurants and retail; energy and mining; healthcare and life sciences; education; logistics and distribution; industrials; agribusiness, media and entertainment; and technology and telecom
- Local professionals leverage a global team of nearly 5,000 professionals in 30 countries
- Independent and free of conflicts of interest

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