



Brazil Transactions Insights

2021 Year in Review

Overview

Despite the adverse effects of the COVID-19 pandemic and a level of uncertainty in the political arena, Brazil has witnessed a record-high volume of both Initial Public Offerings (IPOs) and Mergers and Acquisitions (M&A) activity in 2021, encompassing all sectors of the local economy.

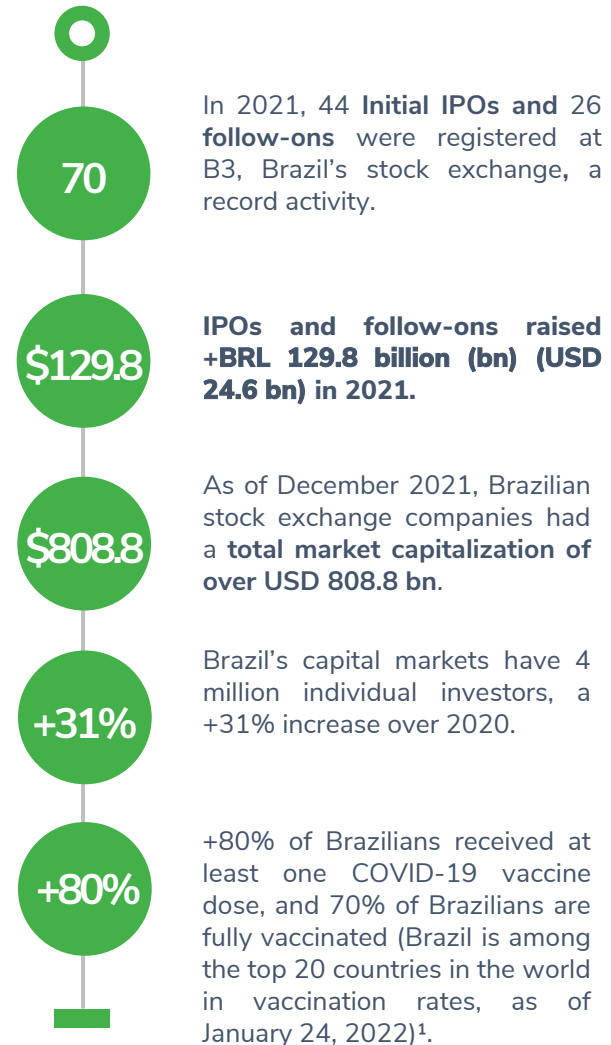
M&A activity continues to be driven by both domestic and foreign investors (strategic and financial ones), with a strong highlight on recent investments by venture capital funds.

With a Gross Domestic Product (GDP) growth of 4.5% in 2021 and an expected marginal growth for 2022, the macroeconomic outlook is hardly positive, especially considering the upcoming presidential elections. However, increasing internal demand, a strong government emergency aid program and favorable global cycle for commodities' prices will continue to provide tailwinds for economic growth.

The Brazilian federal government remains committed to a series of important structural reforms, including simplification of the complex domestic tax environment* and 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.

BRAZIL

BY THE NUMBERS



Year to Date (YTD) Figures refer to December 2021

Sources: Company press releases, B3 (Bovespa) and S&P Global Market Intelligence;

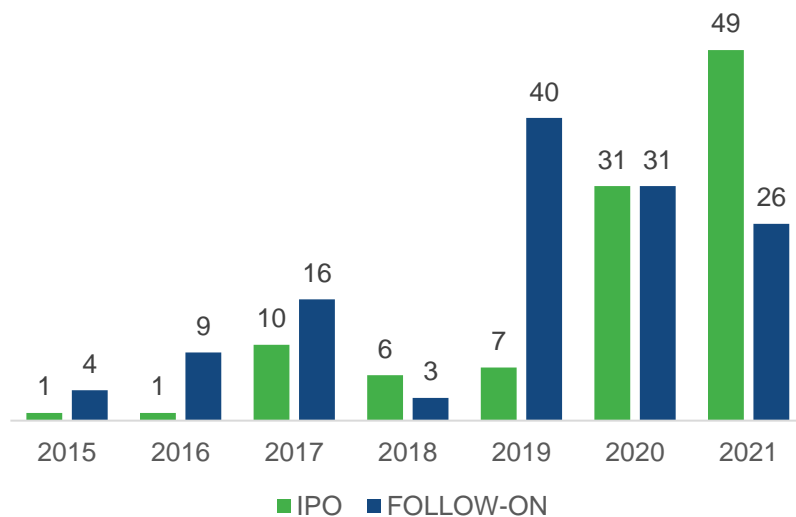
* On January 25th Brazil was formally invited to join Organization for Economic Co-operation and Development (OECD)

(1) Our World in Data

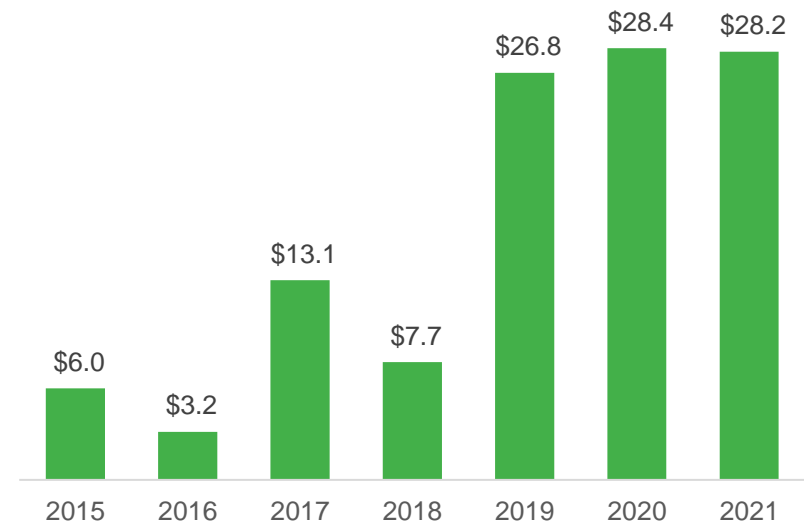
Equities Activity .ooooo

Brazil had a record-breaking volume of public offerings in 2021, with 70 operations (49 IPOs and 26 follow-on offers), totaling BRL 129.8 bn (equal to 2007 levels). Internal favorable factors, such as basic interest rates at relatively low levels, especially in the first two quarters (an unparalleled event in the country's history, which contributed to investors looking for assets with higher returns); the potential for internal consumption (in part backed by government emergency aids from the pandemic); dry powder in both local and foreign capital markets; and favorable expectations for structural reforms are among the key drivers of investors' appetites.

Number of Public Offerings (Brazilian companies)



Public Offerings Funds Raised (USD bn)



Sources: Company press releases, B3 (Bovespa) and S&P Global Market Intelligence as of December 31, 2021
 IPOs do not include Brazilian Depository Receipts (BDR)

Equities Activity ○●○○○○○

Until December 2021, 49 Brazilian companies carried out IPOs in the Brazilian stock exchange (B3), and five of them went public on U.S. stock exchanges (Nasdaq and NYSE). Furthermore, follow-on offerings reached 26 transactions, adding USD 12.4 bn in offer volume for the period (out of USD 28.1 bn counting the IPOs). The largest IPOs at B3 in terms of gross proceeds were Raízen (energy), CSN Mineração (mining), and Caixa Seguridade (insurance). Also noteworthy are financial sponsor-backed IPOs such GetNinjas, PetroRecôncavo, Grupo GPS, Eletromídia, Westwing, Espaçolaser, SmarFit and Agrogalaxy.

2021 IPOs

IPO Date	Company Name	Ticker	Incorporation	Industry Group	Gross Proceeds (USD mn)	Offer Price	Offer Price vs. Marketed Range	As of 12/31/2021		
								Stock Price	Market Capitalization (USD mn)	Price to LTM Earnings Multiple
12/8/2021	Nubank	NYSE:NU	Cayman Islands	Banks	\$2,541.7	\$9.0	Within	\$9.4	\$43,229.5	NM*
11/9/2021	CI&T	NYSE:CINT	Cayman Islands	Software and Services	\$195.7	\$15.0	Within	\$11.9	\$1,571.8	0.9x
8/30/2021	Grupo Vittia	BOVESPA:VITT3	Brazil	Materials	\$84.0	\$1.7	Within	\$2.6	\$370.2	24.9x
8/11/2021	Kora Saúde	BOVESPA:KRSA3	Brazil	Health Care Equipment and Services	\$147.9	\$1.4	Within	\$0.9	\$712.8	104.9x
8/6/2021	Oncoclínicas	BOVESPA:ONCO3	Brazil	Health Care Equipment and Services	\$689.3	\$3.8	Within	\$2.0	\$942.9	NM
8/6/2021	Viveo	BOVESPA:VVEO3	Brazil	Health Care Equipment and Services	\$359.3	\$3.8	Within	\$3.4	\$969.0	25.1x
8/3/2021	Raízen	BOVESPA:RAIZ4	Brazil	Energy	\$1,143.8	\$1.4	Within	\$1.2	\$11,984.4	33.7x
7/30/2021	ClearSale	BOVESPA:CLSA3	Brazil	Software and Services	\$264.3	\$4.9	Within	\$1.6	\$303.6	50.5x

Sources: Comissão de Valores Mobiliários (CVM), the Securities and Exchange Commission of Brazil; company press releases and S&P Global Market Intelligence as of December 31, 2021

*Not Meaningful (NM)

Equities Activity ○○●○○○

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7/29/2021	Brisanet	BOVESPA:BRIT3	Brazil	Telecom Services	\$247.5	\$2.8	Within	\$0.9	\$400.6	118.6x
7/28/2021	TC Traders Club	BOVESPA:TRAD3	Brazil	Diversified Financials	\$102.2	\$1.8	Within	\$1.1	\$302.3	NM
7/28/2021	Unifique	BOVESPA:FIQE3	Brazil	Telecommunications Services	\$158.4	\$1.7	Within	\$1.2	\$428.9	35.1x
7/23/2021	Multilaser	BOVESPA:MLAS3	Brazil	Technology Hardware and Equipment	\$369.7	\$2.1	Within	\$1.5	\$1,217.9	18.8x
7/22/2021	WDC Networks	BOVESPA:LVTC3	Brazil	Technology Hardware and Equipment	\$86.4	\$4.5	Within	\$3.1	\$197.7	13.5x
7/22/2021	AgroGalaxy	BOVESPA:AGXY3	Brazil	Capital Goods	\$67.2	\$2.6	Within	\$1.9	\$320.6	NM
7/21/2021	Zenvia	NasdaqCM:ZENV	Cayman Islands	Software and Services	\$150.0	\$13.0	Within	\$6.8	\$280.6	NM
7/20/2021	VTEX	NYSE:VTEX	Cayman Islands	Media and Entertainment	\$361.0	\$19.0	Within	\$10.7	\$2,038.0	NM
7/20/2021	Desktop	BOVESPA:DESK3	Brazil	Telecommunications Services	\$136.7	\$4.5	Within	\$3.3	\$286.3	82.6x
7/16/2021	Armac	BOVESPA:ARML3	Brazil	Capital Goods	\$267.4	\$3.3	Within	\$4.7	\$1,625.3	288.6x
7/13/2021	CBA	BOVESPA:CBAV3	Brazil	Materials	\$270.7	\$2.2	Within	\$2.5	\$1,461.9	33.3x

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

Equities Activity ○○○●○○

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7/12/2021	Smartfit	BOVESPA:SMFT3	Brazil	Consumer Services	\$442.4	\$4.4	Within	\$2.9	\$1,683.5	NM
7/12/2021	3tentos	BOVESPA:TTEN3	Brazil	Food, Beverage and Tobacco	\$258.7	\$2.4	Within	\$1.7	\$862.9	16.4x
6/18/2021	BR Partners	BOVESPA:BRBI11	Brazil	Diversified Financials	\$81.8	\$3.2	Within	\$2.6	\$817.0	35.8x
5/31/2021	Dotz	BOVESPA:DOTZ3	Brazil	Media and Entertainment	\$742.9	\$2.5	Within	\$0.5	\$63.5	NM
5/17/2021	GetNinjas	BOVESPA:NINJ3	Brazil	Retailing	\$91.5	\$3.8	Within	\$1.0	\$48.9	NM
5/4/2021	Infracommerce	BOVESPA:IFCM3	Brazil	Media and Entertainment	\$161.0	\$2.94	Within	\$3.1	\$776.6	NM
5/3/2021	Petroreconcavo	BOVESPA:RECV3	Brazil	Energy	\$191.3	\$2.7	Within	\$3.4	\$833.6	29.9x
4/28/2021	Caixa Seguridade	BOVESPA:CXSE3	Brazil	Insurance	\$925.1	\$1.8	Within	\$1.5	\$4,501.3	19.3x
4/28/2021	Banco Modal	BOVESPA:MODL3	Brazil	Diversified Financials	\$217.3	\$3.7	Within	\$0.7	\$466.6	31.3x
4/27/2021	Boa Safra Sementes	BOVESPA:SOJA3	Brazil	Food, Beverage and Tobacco	\$73.5	\$1.8	Within	\$2.8	\$333.4	12.9x
4/22/2021	Grupo GPS	BOVESPA:GGPS3	Brazil	Commercial and Professional Services	\$393.2	\$2.2	Within	\$2.8	\$1,901.2	0.5x

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

Equities Activity ○○○○○●

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4/15/2021	Blau Farmacêutica	BOVESPA:BLAU3	Brazil	Pharmaceuticals, Biotechnology and Life Sciences	\$234.2	\$7.1	Within	\$6.5	\$1,172.0	21.1x
4/14/2021	Hospital Mater Dei	BOVESPA:MATD3	Brazil	Health Care Equipment and Services	\$247.4	\$3.1	Within	\$2.4	\$860.3	28.7x
4/12/2021	Allied Tecnologia	BOVESPA:ALLD3	Brazil	Retailing	\$33.8	\$3.18	Within	\$3.05	\$284.1	NM
2/17/2021	CSN Mineração	BOVESPA:CMIN3	Brazil	Materials	\$841.1	\$1.6	Within	\$1.2	\$6,690.6	5.8x
2/12/2021	Eletromidia	BOVESPA:ELMD3	Brazil	Media and Entertainment	\$162.4	\$3.3	Within	\$1.8	\$249.7	NM
2/12/2021	Westwing	BOVESPA:WEST3	Brazil	Retailing	\$186.4	-	Within	\$0.6	\$69.2	NM
2/11/2021	Orizon Valorização de Resíduos	BOVESPA:ORVR3	Brazil	Commercial and Professional Services	\$103.0	\$4.1	Within	\$4.8	\$345.2	NM
2/10/2021	OceanPact	BOVESPA:OPCT3	Brazil	Commercial and Professional Services	\$227.4	\$2.1	Within	\$0.5	\$106.6	NM
2/9/2021	Cruzeiro do Sul Educacional	BOVESPA:CSED3	Brazil	Consumer Services	\$197.0	\$2.6	Within	\$1.4	\$527.7	46.1x
2/8/2021	Bemobi	BOVESPA:BMOB3	Brazil	Media and Entertainment	\$236.3	\$4.1	Within	\$2.7	\$242.9	19.4x
2/8/2021	Focus Energia	BOVESPA:POWE3	Brazil	Utilities	\$166.7	\$3.4	Within	\$1.9	\$170.7	19.8x

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

Equities Activity ○○○○○●

2021 IPOs

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								Stock Price	Market Capitalization (USD mn)	Price to LTM Earnings Multiple
2/5/2021	Mosaico	BOVESPA:MOSI3	Brazil	Media and Entertainment	\$201.5	\$3.7	Within	\$1.5	\$194.7	85.5x
2/4/2021	Jalles Machado	BOVESPA:JALL3	Brazil	Food, Beverage and Tobacco	\$118.4	\$1.5	Within	\$1.9	\$552.2	16.7x
2/4/2021	Mobly	BOVESPA:MBLY3	Brazil	Retailing	\$972.0	\$25.1	Within	\$0.9	\$93.3	NM
2/2/2021	Intelbras	BOVESPA:INTB3	Brazil	Technology Hardware and Equipment	\$211.6	\$2.9	Within	\$5.0	\$1,644.6	29.4x
1/29/2021	Vamos Locação	BOVESPA:VAMO3	Brazil	Transportation	\$216.7	\$4.8	Within	\$2.2	\$2,083.5	33.8x
1/28/2021	Multilaser	BOVESPA:ESPA3	Brazil	Consumer Services	\$404.3	\$3.3	Within	\$1.5	\$364.7	8.8x
1/27/2021	Vinci Partners	NasdaqGS:VINP	Cayman Islands	Diversified Financials	\$249.7	\$18.0	Within	\$10.7	\$605.2	21.5x
1/26/2021	HBR Realty	BOVESPA:HBRE3	Brazil	Real Estate	\$170.2	\$3.6	Within	\$1.6	\$163.0	NM

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

Equities Activity: What Lies Ahead in 2022

Political and macroeconomic environment will affect capital markets in 2022. Marginal growth prospects, an increase in basic interest rates, inflation, and uncertainty from the October presidential elections are the main reasons for the relatively low number of potential offers. As of January 2022, 20 IPOs are expected for 2022.

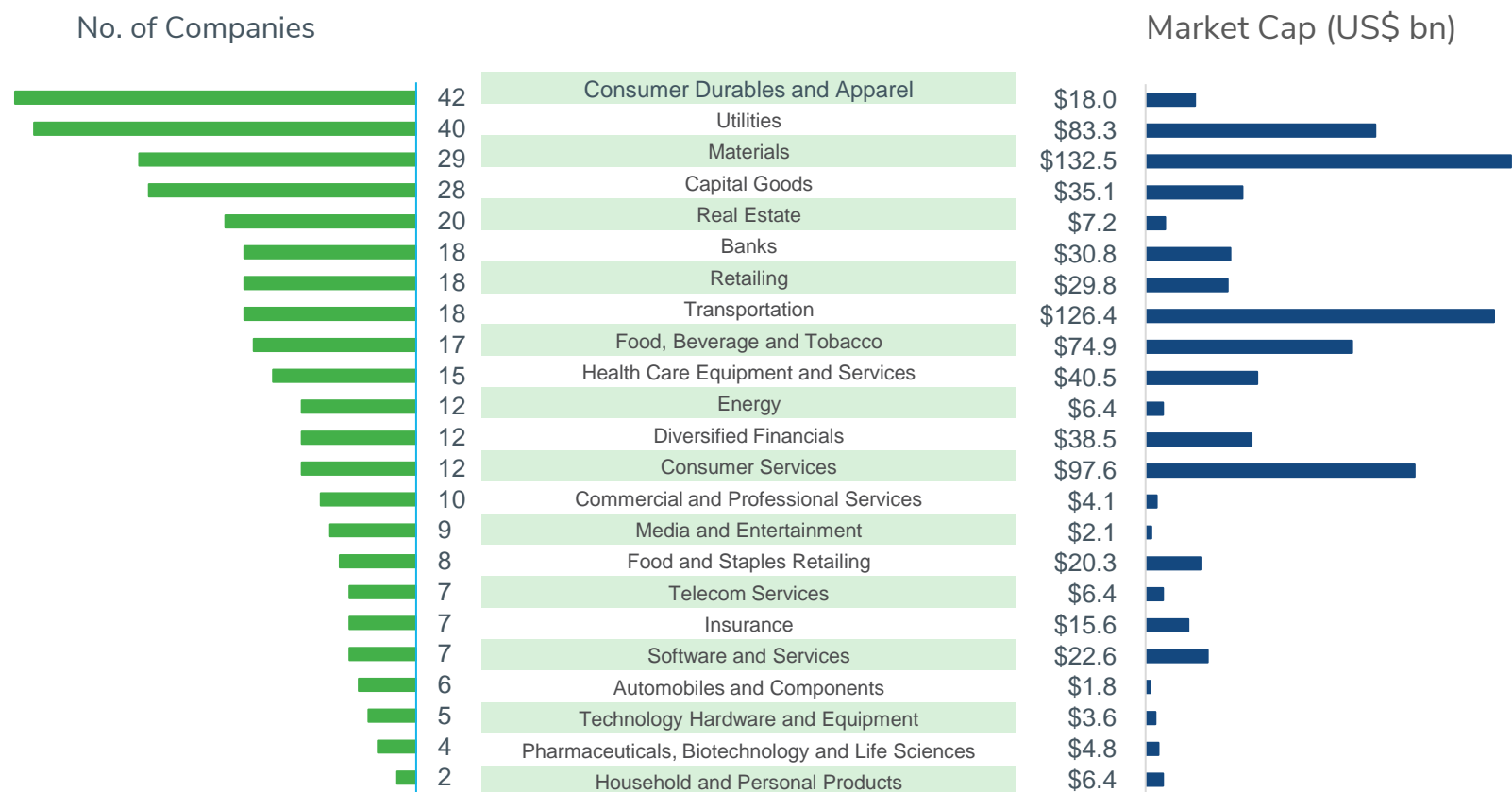
Company Name	Classification	Industry Sector	Business Description
CSN CIMENTOS S.A.	IPO	Materials	Manufactures and markets cement in Brazil
TROCAFONE S.A.	IPO	Retailing	Buys and sells used mobile phones and tablets Brazil
VIX LOGÍSTICA S.A.	IPO	Transportation	Operates as a logistics company in Brazil
ALTHAIA S.A. INDÚSTRIA FARMACÊUTICA	IPO	Pharmaceuticals, Biotechnology and Life Sciences	Manufactures generic drugs and over-the-counter medicines
BLUEFIT ACADEMIAS DE GINÁSTICA E PARTICIPAÇÕES S.A.	IPO	Consumer Services	Owns and operates a network of gyms in Brazil
MADERO INDÚSTRIA E COMÉRCIO S.A.	IPO	Consumer Services	Owns and operates a restaurant chain in Brazil
ISH TECH S.A.	IPO	Software and Services	Brazil-based IT company
CERRADINHO BIOENERGIA S.A.	IPO	Energy	Engages in the production of sugarcane ethanol through the milling and corn crushing
BMRV PARTICIPAÇÕES S.A.	IPO	Software and Services	Brazil-based digital solutions provider for the financial industry
JFL HOLDING S.A.	IPO	Real Estate	Brazil-based real estate company
DATORA PARTICIPAÇÕES E SERVIÇOS S/A	IPO	Telecommunications Services	Brazil-based telecommunications company
CAPTALYS COMPANHIA DE CRÉDITO	IPO	Diversified Financials	Business advisory and consultancy services
INTERPLAYERS SOLUÇÕES INTEGRADAS SA	IPO	Health Care Equipment and Services	Develops integration solutions for the health and wellness market
SBPAR PARTICIPAÇÕES S.A.	IPO	Commercial and Professional Services	Operates an online-offline auction site
HOLDING VERZANI & SANDRINI S.A.	IPO	Commercial and Professional Services	Provides building and asset management, safety, and parking services in Brazil
CIA RIOGRANDENSE DE SANEAMENTO	IPO	Utilities	Provides water and sewage services
TECIDOS E ARMARINHOS MIGUEL BARTOLOMEU S.A.	IPO	Retailing	Engages in the wholesale distribution of farm, auto, electronic, safety, construction, pet, and household merchandise
SELF IT ACADEMIAS HOLDING S.A.	IPO	Consumer Services	Offers equipment and fitness classes

Sources: CVM, Itaú BBA, and S&P Global Market Intelligence as of December 31, 2021

Listed Brazilian Companies

As of December 31, 2021, there were 346 Brazilian companies listed on B3. With recent new listings, the exchange experienced considerable sector diversification. The consumer durables and apparel sector accounts for the highest number of companies (42 listed companies), but only 2.2% of the total market capitalization. Utilities (40 listed companies, the second most representative sector in number of companies) account for 10.3% of the total market capitalization, followed by materials (29 listed companies), accounting for 16.4%.

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
Petróleo Brasileiro S.A. - Petrobras (BOVESPA:PETR4)	Brazil	Energy	Operates in the oil, natural gas and energy industries	\$69,611.2	89.6%	4.2x
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	\$68,448.7	64.7%	4.0x
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	\$43,561.8	77.6%	30.2x
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	\$35,117.9	61.0%	6.3x
Banco Bradesco (Brasil) S.A. (BOVESPA:BBDC4)	Brazil	Banks	Provides banking and financial products and services to individuals, enterprises, corporations and institutions	\$30,776.9	66.6%	7.4x
WEG S.A. (BOVESPA:WEGE3)	Brazil	Capital Goods	Engages in the production and trade of capital goods in Brazil and internationally	\$24,837.0	70.3%	62.1x
Banco BTG Pactual S.A. (BOVESPA:BPAC3)	Brazil	Diversified Financials	Provides financial products and services in Brazil and internationally	\$22,532.0	47.4%	20.2x
Banco Santander (Brasil) S.A. (BOVESPA:SANB4)	Brazil	Banks	Provides banking products and services in Brazil and internationally	\$20,187.7	63.8%	5.9x
JBS S.A. (BOVESPA:JBSS3)	Brazil	Food, Beverage and Tobacco	Processes and trades in animal protein worldwide	\$15,862.7	95.4%	5.4x
Rede D'Or São Luiz S.A. (BOVESPA:RDOR3)	Brazil	Health Care Equipment and Services	Operates a network of hospitals in Brazil.	\$15,862.3	58.0%	81.0x

Sources: S&P Global Market Intelligence and B3 as of December 31, 2021
 Definition: N/A: Not available

U.S.- Listed Brazilian Companies

Of the 94 Brazilian-listed companies on major U.S. exchanges as of December 31, 2021, approximately half of them trade over-the-counter (OTC), nearly one-third trade on the NYSE and eleven companies trade on Nasdaq. There is large diversification in terms of sectors for U.S.-listed Brazilian companies, with the banking sector accounting for 23.1% 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 (USD mn)	Exchange	No. of Companies	Total Market Cap (USD mn)
Utilities	11	\$52,616	Nasdaq	11	28,322
Materials	10	\$113,780	NYSE	34	546,967
Food, Beverage and Tobacco	9	\$70,589	OTC	49	182,018
Banks	6	\$174,864	Total	94	757,308
Software and Services	6	\$17,591			
Consumer Services	6	\$5,238			
Energy	6	\$153,673			
Diversified Financials	5	\$31,034			
Retailing	5	\$23,873			
Transportation	5	\$17,915			
Telecom Services	5	\$21,890			
Food and Staples Retailing	4	\$16,800			
Capital Goods	4	\$29,010			
Consumer Durables and Apparel	3	\$1,224			
Real Estate	2	\$1,450			
Commercial and Professional Services	2	\$124			
Media and Entertainment	1	\$2,038			
Insurance	1	\$7,436			
Pharmaceuticals, Biotechnology and Life Sciences	1	\$3,208			
Household and Personal Products	1	\$6,295			
Health Care Equipment and Services	1	\$6,661			
Total	94	\$757,308			

Incorporation	No. of Companies	Total Market Cap (USD mn)
Cayman Islands	16	\$83,299
Brazil	75	\$673,867
Nevada	1	\$24
Marshall Islands	1	\$6
United Kingdom	1	\$111
Total	94	\$757,308

Sources: CVM filings, company press releases and S&P Global Market Intelligence as of December 31, 2021

IBOVESPA Index

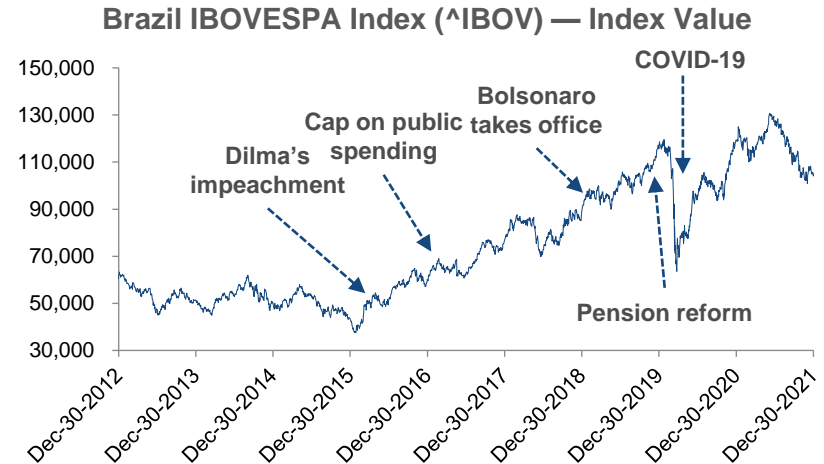
Since 2016, the Brazilian stock market almost doubled its value. This is a direct result of considerable improvements in the management of fiscal and monetary policies, including the Fiscal Responsibility Act (December 2016), controlled inflation, and improved awareness regarding public spending. During the first year of President Jair 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 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 of high liquidity of capital both domestically and globally, the IBOVESPA was pushed back to levels close to 120,000 points in December 2020.

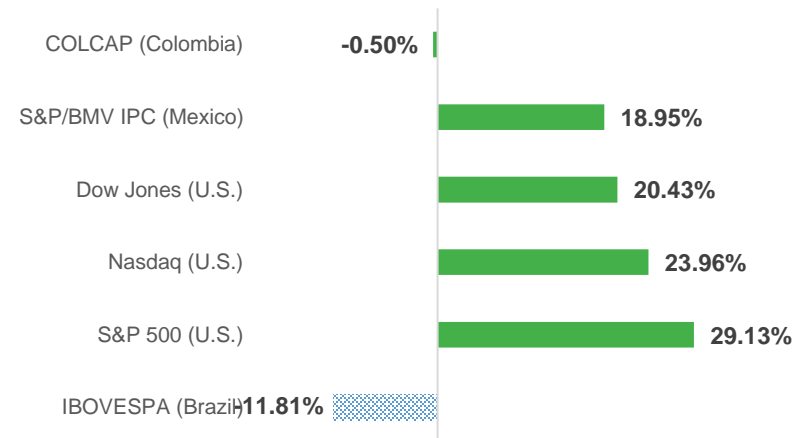
By the end of 2021 the Index dropped 11.81%, its worst performance since 2015 (when IBOVESPA fell by 13.31%), driven by poor performance in Q3 and Q4. Macro factors such as increasing interest rates and inflation, together with decreasing institutional stability and the fiscal scenario in Brazil, contributed to the devaluation of the index. External factors concerning U.S. monetary policy and the effects of the Omicron variant on the global economy's recovery also contributed to the index underperformance.

Sources: S&P Global Market Intelligence as of December 31, 2021

Main Brazilian Index (IBOVESPA)



Index Returns in Local Currency LTM



Brazil's Ministry of Economy Review

Expected Financial Impact of Reforms (BRL bn)

Tax Reform	(124.7)
Administrative Reform	(67.3)
Sanitation Legal Framework	(56.3)
Energy Industry Legal Framework	(42.8)
Business Environment Act	(20.1)
Telecom Legal Framework	(19.6)
Startups Legal Framework	(12.8)
Gas Act	(12.5)
Eletrobrás Privatization	(4.0)
Economic Freedom Act	(3.8)
Digital Government Strategy	(3.4)

Top 10 Sold Assets to Debt Reduction

# Sold Asset	BRL bn	Seller Institution
1 TAG	33.5	Petrobras
2 Petrobras	31.5	BNDESPAR e CAIXAPAR
3 Vale	24.5	BNDESPAR
4 BR Distribuidora	21.0	Petrobras
5 Debêntures de Vale	11.5	BNDESPAR (FND)
6 Tartaruga Verde	11.3	Petrobras
Refinery Landulpho		
7 Alves	8.8	Petrobras
8 Fibria	8.1	BNDESPAR
9 Suzano	6.9	BNDESPAR
10 IRB	5.7	BNDESPAR (FND) and CAIXAPAR

Total General Assets Sold: BRL 227 bn

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 is engaged with structural reforms to manage the country's fiscal deficit and achieve economic recovery and sustained growth.

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, 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 Deliveries - 2019/2021*

131

Concluded Projects and Auctions/Bids

BRL 970.6 bn

Investments and Concession Bonuses

PPI Expected Deliveries - 2022

153

Assets

BRL 389.3 bn

Investments

Total Investments – 2021/2022: BRL 1.2 trillion

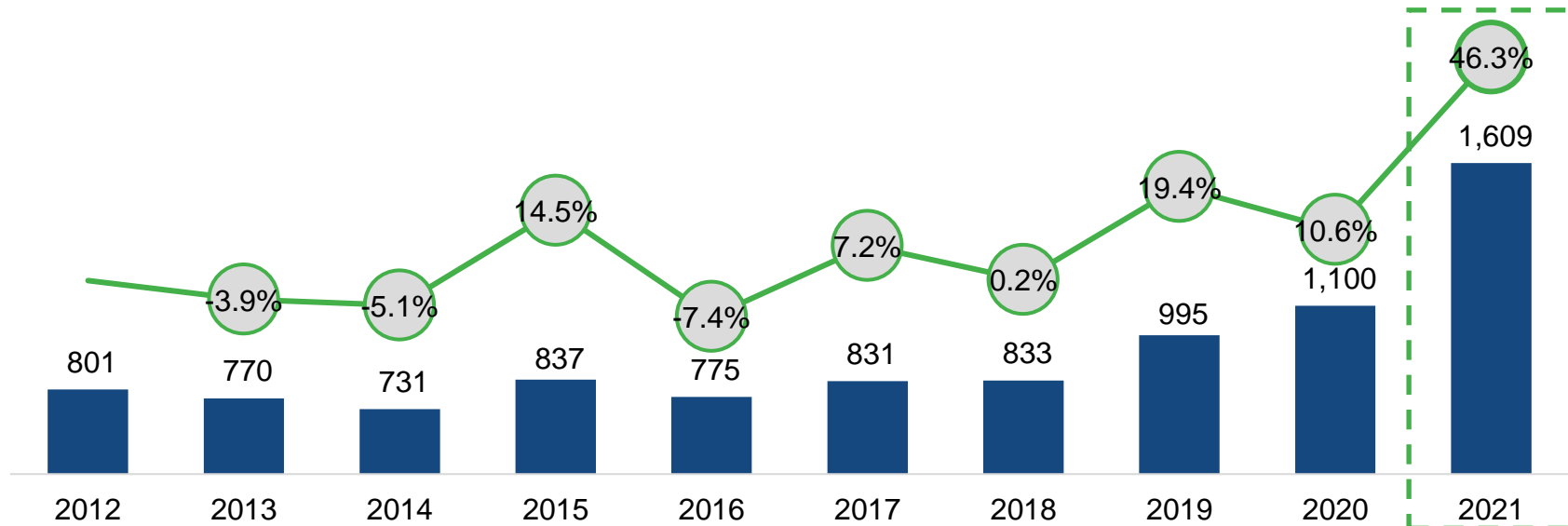
Sources: Ministry of Economy – Brazil, 2021

(*) Estimated investments considering auctions scheduled for December 2021

M&A Activity

M&A Activity in Brazil in 2021 reached a record volume, with 1,609 transactions (based on Kroll market research), representing a 46.3% increase comparing to 2020. The sectors with the highest representation are IT, health care and professional services. This increase is due to the high liquidity provided by the central banks and a low interest rate scenario and, moreover, is driven by an improve domestic macroeconomic scenario and opportunistic movements from players with a stronger cash position or good access to funding who are less affected by the pandemic. The deal volume, based on transactions, hit BRL 595.6 bn.¹

IPO and follow-on offers are predicted to decrease in 2022; M&A activity will benefit from this scenario and should remain strong, but with significant challenges from the political scenario.



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.



echoenergia

In October 2021, Equatorial Energia (EQTL3), acquired 100% of Schoenbergian Echoenergia from Actis LLP. Echoenergia is a local renewable energy company. The transaction represents an exit strategy for Actis LLP. The deal value, including net debt, is USD 1.72 bn. The deal is subject to certain conditions.



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



In July 2021, Magazine Luiza (MGLU3), acquired Kabum, a Brazil-based E-retailer of consumer electronics and technology goods, for a consideration of USD 530.1 mn. The deal is subject to certain conditions.



In December 2021, EBANX, a Brazil-based fintech, acquired Remessa Online, a local fintech focused on payment processing and digital remittance solutions for a consideration of USD 229 mn.

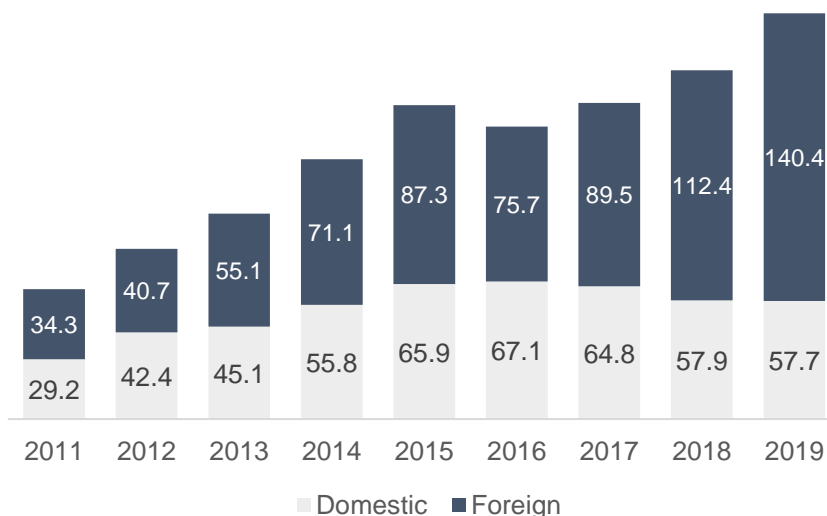


Private Equity and Venture Capital Activity

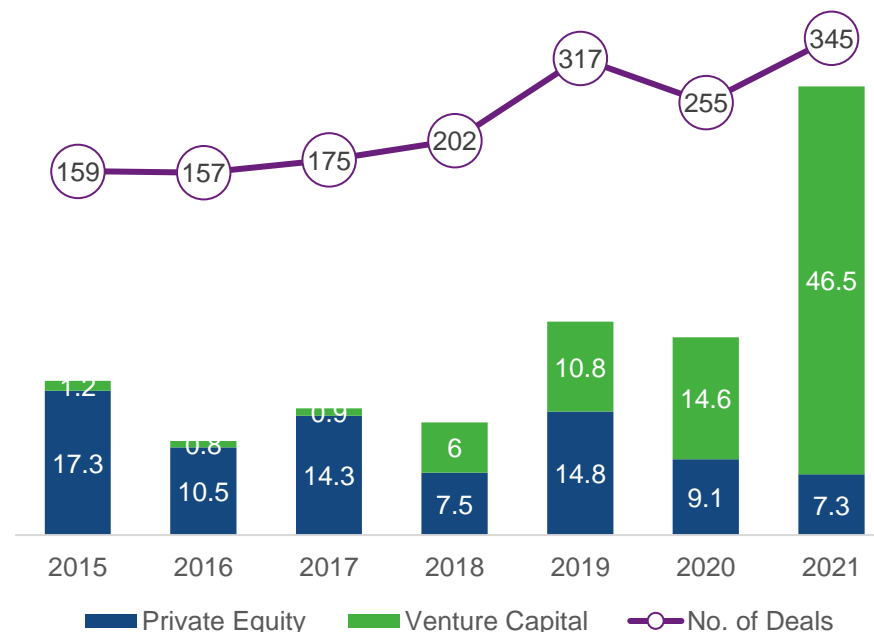
Brazil's deal activity is typically boosted by financial sponsors, including a composition of venture capital, private equity, family offices and, more recently, corporate venture capital investors. In 2021, among financial sponsors investments in Brazil, venture capital represented 86.4% of the volume invested, a bold indication that digital transformation is happening in Latin America as tech-based companies (including startups) are the main targets for VC investments. Private equity deals reached BRL 7.3 bn (13.6% of the total volume).

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 mn investment from a group of 10 investors, among them Berkshire Hathaway (USD 500 mn investment).



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



In June 2021, Mercado Bitcoin, a Brazil-based cryptocurrency broker, sold an undisclosed stake to Softbank for a consideration of USD 200 mn.



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 was USD 300 mn.



In March 2021, Loggi, a Brazil-based logistics unicorn, received a USD 212 mn 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 mn capital injection from a group of 17 investors, with D1 Capital as leader. This Series D round increased Loft's enterprise value to USD 2.2 bn.



In August 2021, Nuvemshop—a Brazil-based e-commerce solutions provider for small and medium-sized enterprises—has received a USD 500 mn Series E investment led by Insight Partners and Tiger Global Management.



Aldo Solar, a Brazil-based company that commercializes and distributes solar panels, was acquired by the private equity fund Brookfield for a consideration of USD 320 mn, in August 2021.

Sources: S&P Global Market Intelligence and Mergermarket
 Note: All trademarks, trade names, or logos referenced herein are the property of their respective owners.

Brazil by the Numbers

	2016	2017	2018	2019	2020	2021	2022P	2023 P
Inflation IPCA (%) Median	6.3	2.9	3.7	4.3	4.5	10.1	5.0	3.3
Exchange Rate EOP (BRL/USD)	3.26	3.31	3.88	4.03	5.19	5.57	5.50	5.75
Nominal Interest Rate SELIC (%) EOP	13.75	7.00	6.50	4.50	2.00	9.25	11.75	8.00
Nominal GDP (USD bn)	1,798	2,063	1,916	1,877	1,443	1,594*	1,659	1,762
Real GDP Growth (% – Market prices)	(3.3)	1.3	1.8	1.4	(4.1)	4.4*	-0.5	1.0
Trade Balance (USD bn)	40	56	47	35	50	61	58	67
Direct Investments (% GDP)	4.1	3.3	4.1	3.9	2.4	3.1*	3.6	3.7
International Reserves (USD bn)	372	382	387	367	356	362	362	362
Gross Public Debt (% GDP)	69.9	73.7	75.3	74.3	88.8	81.0*	84.0	87.1
Primary Result (% GDP)	(2.5)	(1.7)	(1.5)	(0.8)	(9.4)	0.3*	(0.8)	(1.1)
Unemployment – IBGE % EOP	12.7	12.4	12.2	11.5	14.6	12.0*	13.1	13.3

(*): Projected

Sources: Itaú BBA Projeção Macro as June 2021, IMF, Bloomberg and Bacen

Definition:

BRL: Brazilian 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)

Selected Kroll Brazil Corporate Finance Transactions



companies of

GRUPO J

have been acquired by

Ciruelo

Duff & Phelps served as exclusive financial advisor to Grupo JD

February, 2020



Corporate Finance team advised



in its financing and debt restructuring negotiations

May, 2020




Duff & Phelps act as the Judicial Administrator and Sell Side Advisor to the Thermal Management Division of Arlington Industries Group to Cartesian Capital Group.

Company revenues are +€150 million, with operations in Brazil, China, Germany, France, the UK and the US.



February 2021



A company of GRUPO J

has been acquired by



An investment of the controlling shareholders of Marfrig S.A.



September 2020



Duff & Phelps served as the exclusive financial advisor to Gualapack Brasil on the Acquisition of Teruel Embalagens.

Gualapack is the world leader in pre-made spouted pouches and a global player in the flexible packaging industry. Gualapack is headquartered in Italy, has manufacturing sites worldwide to attend clients in the food, pharma/ medicals, cosmetics/ beauty, homecare and industrial sectors.

With two factories and +50 years of operation, Teruel has a leading position in flexographic printing and packaging in Brazil. Innovation, ethics and sustainability are drivers of Teruel businesses.



September 2021



Trustee

Kroll and Duff & Phelps professionals are acting as Trustee in relation to Petrobrás refineries' disposal process. Team reports to Brazilian antitrust authorities (CADE) in a project expected to be executed until 2021




PETROBRAS

(Project in Process)

Duff & Phelps served as the lead financial advisor to Piemonte Holding on the Acquisition of Five Data Centers of Oi S.A. - Em Recuperação Judicial in Brazil. Operations are in São Paulo, Brasília, Curitiba and Porto Alegre, and attend large telco companies and financial institutions.



March, 2021




Project Stars

Duff & Phelps served as the financial advisor to Piemonte Holding on the Acquisition of Globo Comunicação e Participações S.A. Data Centers (Tier III) in Brazil.



July, 2021




Project Saturn

Duff & Phelps, A Kroll Business, served as the financial advisor to Piemonte Holding in their transaction with Goldman Sachs to expand its Data Centers operations in Brazil. Platform of this investment is the acquisition of Oi S.A. Data Centers, completed in March 2021 by Piemonte Holding.



July 2021




Kroll Corporate Finance team served as the exclusive financial advisor to Nitrosul Indústria e Comércio de Explosivos Ltda. in their transaction with Austin Powder Company.

The Companies are traditional manufacturers of explosives and initiation systems for industrial blasting operations.

Nitrosul was founded in 2004 and is a market leader in Brazil. Austin Powder is one of the oldest manufacturers of explosives in the world, serving today the American, European and Asian markets.



January 2022



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