

An aerial photograph of a modern cable-stayed bridge with two tall, white, A-shaped pylons. The bridge spans a wide river, and its reflection is visible in the water. The surrounding city features numerous high-rise buildings, some of which are illuminated by the warm light of the setting sun. The sky is a clear, deep blue.

DUFF & PHELPS

Protect, Restore and Maximize Value

Brazil Transactions Insights — Fall 2020

Q Overview

Despite the adverse effects of the COVID-19 pandemic (with an expected GDP contraction of 4.5% in 2020) and a certain level of uncertainty in the political arena, the Brazilian economy is showing signs of a strong recovery in Q3 2020, driven by internal demand and fast-maturing capital markets.

The 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 sustained growth.

With domestic interest rates at an all-time low of 2% p.a., 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. IPO volume in 2020 at record levels and the massive increase in individual investors in the local stock exchange are signs of this new scenario.

As in the rest of the world, Brazil's challenging time with the economic downturn reflected in M&A activities during the H1 2020. The country is seeing a V-shape recovery in M&A activity and record number of operations is expected in 2020.

Q3 2020 BY THE NUMBERS

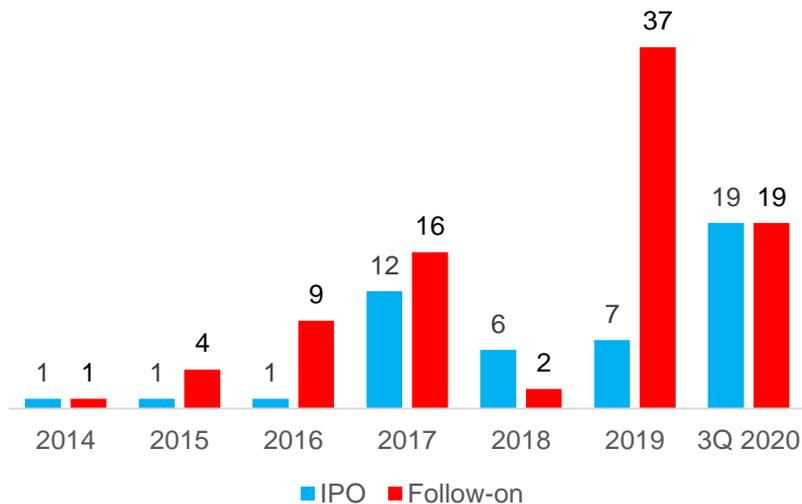


Equities Activity .oo

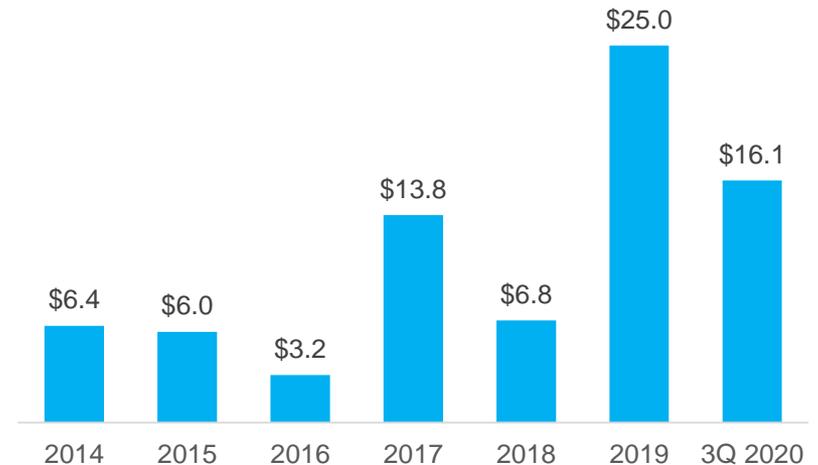
Companies' access to capital markets is deeply related to economic perspectives. President Bolsonaro's election, supported by the Economy Minister Paulo Guedes, aligned a liberal and market-driven economy and likely fostered companies' confidence to access capital markets and fund growth (and financial sponsors divestments) projects in 2019.

Despite the severe negative effects of the COVID-19 pandemic, which hit the country by the end of Q1 2020, Brazil has already registered 18 IPOs and 19 Follow-ons in 2020. Internal favorable factors, such as prime interest rates close to zero (an unparalleled event in the country's history) and internal consumption, are among the key drivers of local investors' appetite.

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 September 30, 2020

Equities Activity

2020 started as a promising year for IPOs. COVID-19 and uncertainty hit Q1 and Q2 operations, but they quickly resumed and recovered (in a V-shape format). Main sectors driving this movement are construction/real estate, retail and infrastructure. PE-backed companies accounted for 45% of IPOs in 2020.

2020 IPOs

IPO Date	Company Name	Ticker	Incorporation	Industry Sector	Gross Proceeds	Offer Price	Offer Price vs. Marketed Range	As of 9/30/2020		
								Stock Price	Market Capitalization (USD mn)	Price to LTM Earnings Multiple
10/13/2020	Grupo Mateus	BOVESPA:GMAT3	Brazil	Food Retail	\$832.2	\$1.62	Within	NA	NA	0.0x
10/7/2020	Sequoia Log	BOVESPA:SEQL3	Brazil	Air Freight/Logistics	\$154.4	\$2.2	Below	NA	NA	0.0x
9/29/2020	Boa Vista	BOVESPA: BOAS3	Brazil	Research and Consulting Services	\$333.5	\$2.16	Within	\$2.5	\$1,142.7	90.4x
9/28/2020	Melnick	BOVESPA: MELK3	Brazil	Real Estate Development	\$171.7	NA	NA	\$1.46	\$303.5	22.9x
9/25/2020	Hidrovias do Brasil	BOVESPA: HBSA3	Brazil	Infrastructure/Logistics	\$544.3	\$1.36	Within	\$1.29	\$981.3	NM
9/21/2020	Cury	BOVESPA: CURY3	Brazil	Homebuilding	\$160.6	\$1.77	Below	\$1.92	\$561.1	37.5x
9/18/2020	Vitru Educação	NasdaqGS: VTRU	Cayman Islands	Education Services	\$96.0	\$16.0	Below	\$12.98	\$299.3	NM
9/17/2020	Plano&Plano	BOVESPA: PLPL3	Brazil	Homebuilding	\$114.7	\$1.8	Below	\$1.65	\$336.3	0.0x
9/11/2020	Petz	BOVESPA: PETZ3	Brazil	Specialty Stores	\$424.5	\$2.6	Within	\$2.55	\$949.0	118.6x

Equities Activity oo•

2020 IPOs

IPO Date	Company Name	Ticker	Incorporation	Industry Sector	Gross Proceeds	Offer Price	Offer Price vs. Marketed Range	As of 9/30/2020		
								Stock Price	Market Capitalization (USD mn)	Price to LTM Earnings Multiple
9/2/2020	Farmácias Pague Menos	BOVESPA: PGMN3	Brazil	Drug Retail	NA	\$1.55	Below	\$1.64	\$726.7	95.3
9/2/2020	Lawvi	BOVESPA: LAVV3	Brazil	Homebuilding	\$216.4	\$1.77	Below	\$1.42	\$305.6	28.5x
8/10/2020	d1000 varejo farma	BOVESPA: DVMF3	Brazil	Drug Retail	\$74.6	\$3.17	Within	\$2.02	\$119.0	16.8x
8/10/2020	Lojas Quero-Quero	BOVESPA: LJQQ3	Brazil	Home Improvement Retail	\$346.3	\$2.26	Within	\$2.48	\$465.1	0.0x
7/31/2020	Grupo de moda Soma	BOVESPA:SOMA3	Brazil	Apparel, Accessories and Luxury Goods	\$314.1	\$1.92	Within	\$1.74	\$821.1	NM
7/13/2020	Ambipar	BOVESPA: AMBP3	Brazil	Environmental and Facilities Services	\$211.8	\$4.64	Within	\$5.22	\$589.0	66.6x
5/15/2020	Estapar	BOVESPA: ALPK3	Brazil	Environmental and Facilities Services	\$53.0	\$1.78	Within	\$1.75	\$339.0	NM
2/17/2020	Priner	BOVESPA: PRNR3	Brazil	Diversified Support Services	\$54.2	\$2.31	Within	\$1.55	\$59.9	NM
2/13/2020	Moura Dubeux	BOVESPA: MDNE3	Brazil	Real Estate Development	\$255.6	\$4.4	Within	\$1.74	\$148.0	NM
2/6/2020	Locaweb	BOVESPA: LWSA3	Brazil	Internet Services / Infrastructure	\$312.5	\$4.07	Within	\$10.61	\$1,335.5	NM
2/5/2020	Mitre Realty	BOVESPA: MTRE3	Brazil	Real Estate Development	\$283.0	\$4.55	NA	\$2.35	\$248.9	79.6x

Equities Activity: What Lies Ahead in 2020 .o

Equities' activity is expected to reach historical highs in terms of offerings in 2020. Based on market estimates, companies offering memoranda and investment banks, IPOs and Follow-ons may reach close to BRL 120 bn (USD 24 bn) by the end of the year, with more than 40 operations expected for Q4 2020. The real estate and retail sectors remain in the spotlight.

Company Name	Classification	Industry Sector	Business Description
Cruzeiro do Sul Educacional S.A.	IPO	Education Services	Operates as an educational institution that offers early childhood, elementary, middle and technical education
W2W E-Commerce de Vinhos S.A.*	IPO	Internet and Direct Marketing Retail	Operates a web store for wines in Latin America
Housi S.A.*	IPO	Interactive Media and Services	100% digital platform for renting housing properties by subscription
Açu Petróleo S.A.	IPO	Marine	Provides transportation services for liquid and gaseous cargo
Meliuz S.A.	IPO	Advertising	Operates a cashback program in Brazil
Granbio Investimentos S.A.	IPO	Oil and Gas Refining and Marketing	Engages in the production of biofuel from sugarcane residues
Grupo MPR Participações S.A.	IPO	Household Products	Produces and sells alcohol-based cleaning products and related consumer goods
Enjoei.com.br Atividades de Internet S.A.	IPO	Internet and Direct Marketing Retail	Operates a marketplace platform for the purchase and sale of products
3R Óleo e Gás S.A.	IPO	Oil and Gas	Is a holding company that consolidates investments in oil and gas industries
Urba Desenvolvimento Urbano S.A.	IPO	Real Estate Development	Engages in the subdivision, development and sale of real estate properties
Lojas Le Biscuit S.A.	IPO	General Merchandise Stores	Engages in the retail of diversified products
Farmácia e Drograria Nissei S.A.	IPO	Drug Retail	Engages in the retail trade of medicines, perfumes, personal hygiene and beauty products, cosmetics, dermo-cosmetics and food products
Banco Votorantim S.A.	IPO	Diversified Banks	Provides wholesale banking, consumer financing and wealth management services
HBR Realty Empreendimentos Imobiliários S.A.	IPO	Real Estate Operating Companies	Develops, leases and manages commercial real estate properties
Aeris Ind. E Com. De Equip. para Ger. De Eng. S.A.	IPO	Heavy Electrical Equipment	Operates as a wind blades manufacturer in Brazil
Emccamp Residencial S.A.	IPO	Homebuilding	Engages in the development and construction of residential and condominium buildings
Mosaico Negócios de Internet S.A.	IPO	Advertising	Engages in the placement of advertising through its website and third parties and related services
CFL Inc Par S.A.	IPO	Real Estate Development	Operates as a real estate developer in Brazil

Source: Bloomberg Brazil, Valor Econômico, CVM, Bain & Company and S&P Global Market Intelligence as of September 30, 2019

Definition: B2B: Business-to-business

(*): In IPO process but under review/ canceled in October 2020.

(**) Track & Field Co S.A. completed its IPO in October 26th 2020.

Equities Activity: What Lies Ahead in 2020 o..

Company Name	Classification	Industry Sector	Business Description
Havan S.A.*	IPO	Department Stores	Owns and operates departmental stores
BRZ Empreendimentos e Construções S.A.	IPO	Construction and Engineering	Operates as a construction company in Brazil
Triple Play Brasil Participações S.A.*	IPO	Alternative Carriers	Provides internet broadband, pay television and telephony services in Brazil
EZ Inc Incorporações Comerciais S.A.	IPO	Real Estate Development	Engages in the commercial real estate development business
Elfa Medicamentos S.A.*	IPO	Health Care Distributors	Distributes and sells medicines and other health-related items in Brazil
Alphaville S.A.	IPO	Homebuilding	Engages in the development and urbanization of residential real estate projects
Yuny Incorporadora Holding S.A.	IPO	Homebuilding	Operates as a real estate development company in Brazil
Patrimar Incorporadora Holding S.A.*	IPO	Homebuilding	Engages in the development, construction and sale of residential and commercial buildings
Kallas Incorporações e Construções S.A.	IPO	Construction and Engineering	Engages in the development, construction and sale of commercial and residential properties and land for public and private customers in Brazil
Companhia Sulamericana de Distribuição*	IPO	Food Retail	Operates a chain of supermarkets in São Paulo, Brazil
Nortis Incorporadora e Construtora S.A.	IPO	Construction and Engineering	Provides engineering and construction management services
2W Energia S.A.*	IPO	Electric Utilities	Engages in the commercialization and sale of electricity in Brazil
Companhia de Gás de Minas Gerais – GASMIG	IPO	Gas Utilities	Distributes natural gas in the state of Minas Gerais, Brazil
Prima Foods S.A.	IPO	Packaged Foods and Meats	Manufactures meat products
One Innovation Empreendimentos e Participações S.A.*	IPO	Real Estate Development	Engages in investing in, developing and constructing real estate properties
Pacaembu Construtora S.A.*	IPO	Real Estate Development	Engages in civil construction activities in Brazil
Almeida Junior Shopping Centers S.A.	IPO	Real Estate Operating Companies	Invests in and operates a chain of shopping malls in Brazil
Canopus Holding S.A.	IPO	Homebuilding	Engages in the development, construction and sale of residential and commercial real estate properties
Allied Tecnologia S.A.*	IPO	Technology Distributors	Operates as a technology company that provides retail, digital, service and distribution solutions in Brazil
Track & Field Co S.A.**	IPO	Apparel, Accessories and Luxury Goods	Develops and sells active and healthy lifestyle products for women, men and children in Brazil

Source: *Bloomberg Brazil*, *Valor Econômico*, CVM, Bain & Company and *S&P Global Market Intelligence* as of September 30, 2019

Definition: B2B: Business-to-business

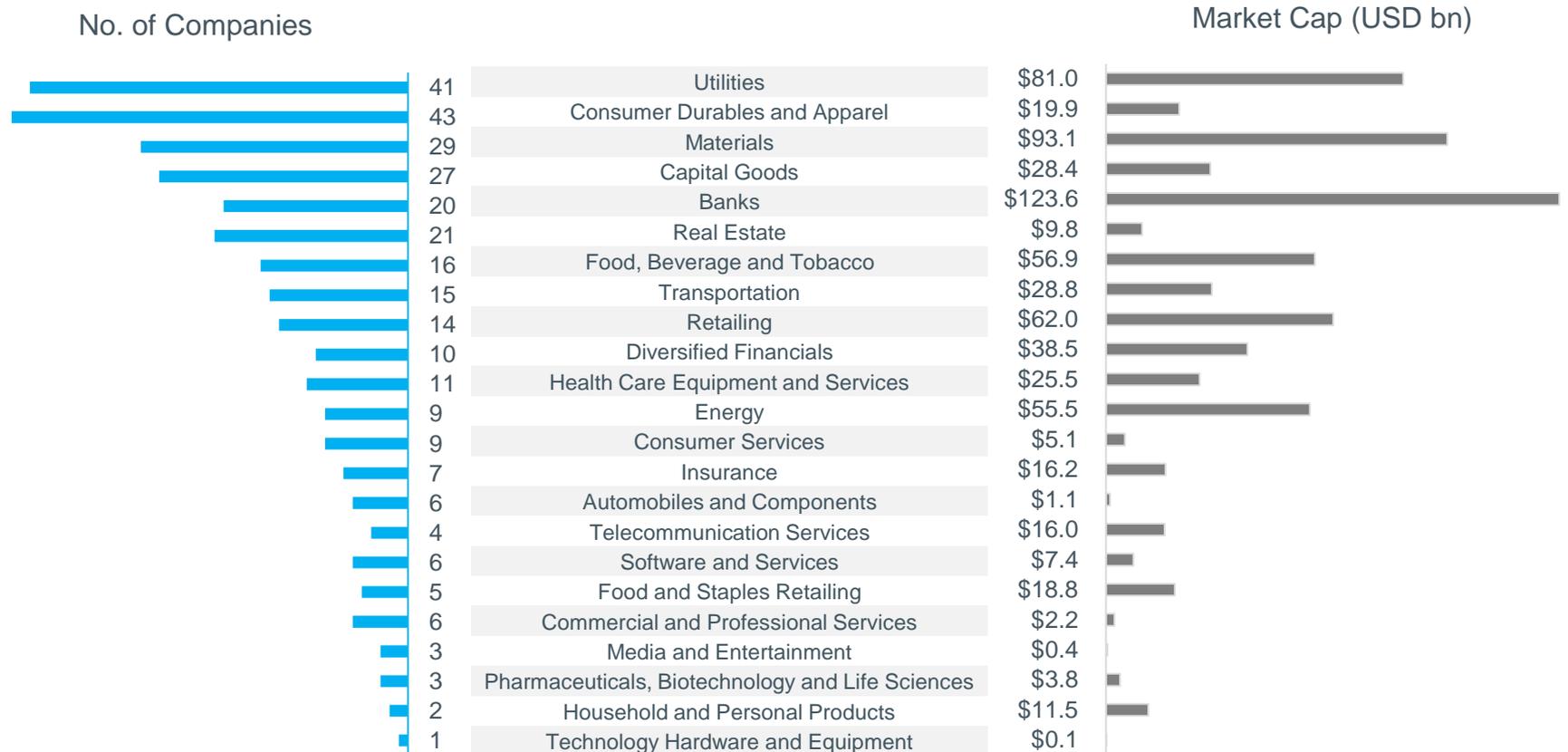
(*): The company was in IPO process but canceled in October 2020.

(**): Track & Field Co S.A. did its IPO in October 26, 2020.

Listed Brazilian Companies

After the recent new listings, there is considerable sector diversification among the 300 Brazilian companies listed on the major Brazilian stock exchange (B3) as of September 30, 2020. The utilities sector accounts for the highest number of companies (41 listed companies) and approximately 11% of the total market capitalization. Banks (20 listed companies) account for 18% of the total market capitalization followed by materials (29 listed companies), accounting for 13%.

Summary of Listed Companies



Brazil B3: Top 10 Companies by Market Capitalization

Company Name	Incorporation	Industry Sector	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	\$55,377.0	93%	27.7x
Petróleo Brasileiro S.A. - Petrobras (BOVESPA:PETR4)	Brazil	Energy	Operates in the oil, natural gas and energy industries	\$45,560.5	59%	0.0x
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	\$38,122.9	65%	0.0x
AMBEV S.A. (BOVESPA:ABEV3)	Brazil	Food and Beverage	Through its subsidiaries, it produces, distributes and sells beer, draft beer, carbonated soft drinks (CSD), other nonalcoholic beverages, malt and food in the Americas	\$34,981.1	64%	36x
Banco Bradesco (Brasil) S.A. (BOVESPA:BBDC4)	Brazil	Banks	Provides banking and financial products and services to individuals, enterprises, corporations and institutions	\$29,430.0	56%	0.0x
Magazine Luiza S.A. (BOVESPA:MGLU3)	Brazil	General Merchandise Stores	Engages in the retail sale of consumer goods	\$25,693.0	93%	NM
WEG S.A. (BOVESPA:WEGE3)	Brazil	Electrical Components and Equipment	Engages in the production and trade of capital goods in Brazil and internationally	\$24,444.1	93%	106.4x
B3 S.A. - Brasil, Bolsa, Balcão (BOVESPA:B3SA3)	Brazil	Financial Exchanges and Data	A financial market infrastructure company providing trading services in an exchange and Over-The-Counter (OTC) environment	\$20,081.4	79%	42.6x
Banco Santander (Brasil) S.A. (BOVESPA:SANB4)	Brazil	Banks	Provides banking products and services in Brazil and internationally	\$18,555.0	45%	0.0x
Banco do Brasil S.A. (BOVESPA:BBAS3)	Brazil	Banks	Provides banking products and services for individuals, companies and public sectors in Brazil and internationally	\$15,046.6	55%	9.5x

U.S.-Listed Brazilian Companies

Of the 89 Brazilian-listed companies on major U.S. exchanges as of September 30, 2020 (a 29% increase over 2019), approximately three-fifths of them trade over-the-counter (OTC), nearly one-third on the NYSE and five companies on the Nasdaq. There is large diversification in terms of sectors for U.S.-listed Brazilian companies, with the banking sector accounting for 22% 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

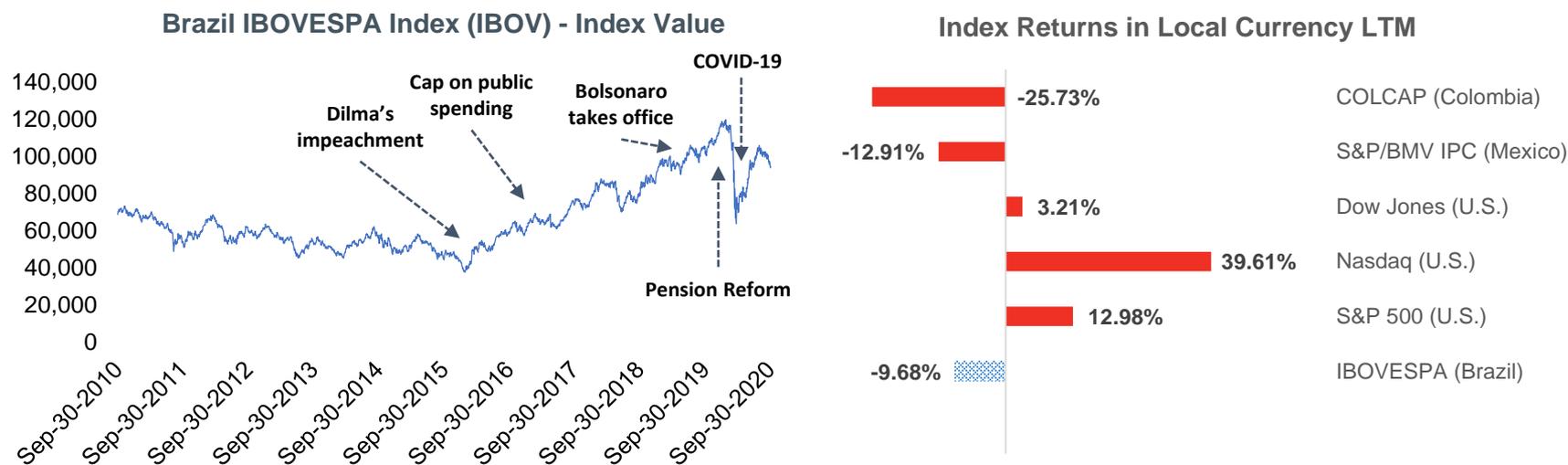
Industry Sector	No. of Companies	Total Market Cap (US\$ mn)	Exchange	No. of Companies	Total Market Cap (US\$ mn)
Utilities	13	\$51,328	Nasdaq	5	29,464
Food, Beverage and Tobacco	8	\$52,526	NYSE	31	407,921
Materials	10	\$84,717	OTC	53	162,525
Capital Goods	5	\$26,412	Total	89	599,910
Energy	5	\$98,658			
Consumer Services	7	\$11,375			
Consumer Durables and Apparel	4	\$1,942			
Transportation	5	\$18,561			
Banks	5	\$130,543			
Software and Services	4	\$18,080			
Real Estate	4	\$3,844			
Retailing	3	\$19,487			
Telecommunication Services	4	\$16,867	Incorporation	No. of Companies	Total Market Cap (US\$ mn)
Health Care Equipment and Services	3	\$8,779	Cayman Islands	8	\$41,833
Diversified Financials	2	\$23,090	Brazil	76	\$554,529
Commercial and Professional Services	2	\$109	Nevada	1	\$1
Insurance	1	\$8,625	Bermuda	2	\$3,517
Pharmaceuticals, Biotechnology and Life Sciences	1	\$3,360	Marshall Islands	1	\$6
Food and Staples Retailing	2	\$10,200	United Kingdom	1	\$25
Household and Personal Products	1	\$11,406	Total	89	\$599,910
Total	89	\$599,910			

IBOVESPA Index

Since the impeachment of President Dilma Rousseff (August 2016), the Brazilian stock market almost doubled its value, as 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 prime rate, a strong privatization program and the approval of social security reform were strong factors influencing this performance.

At the beginning of 2020, the IBOVESPA reached an all-time high mark of 119,527 points, but with the COVID-19, the index slipped to 63,569 in March 2020. However, with real interest local rates close to zero and 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. The number of individual investors in Brazil's stock exchange jumped from about 800,000 in 2018 to 3,065,775 until September 2020, driven by the migration of investments from traditional fixed income to riskier, higher-yield assets in the real economy.

Main Brazilian Index (IBOVESPA)



Government's Agenda



Despite COVID-19, Brazil's government continues to pursue a structural reform agenda, as it is fundamental to manage the country's fiscal deficit and achieve economic recovery and sustained growth. In this sense, measures such as tax reform, the intensification of the privatization program and consolidation of international agreements may produce positive effects in terms of productivity, judicial stability, free trade, increase in national competitiveness and notable social impacts. These may be 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
Central Bank Independence	In April 2019, the government announced a law project intended to formally make the Brazilian Central Bank (Central Bank) independent. This project will allow the Central Bank to implement monetary policies without third-party interference. Current situation: ready to be voted by the Lower House.
EU - Mercosur	President Bolsonaro and his team have effectively pursued trade liberalization agreements. After the relaunch of negotiations in 2016, the EU-Mercosur Association Agreement, one of the largest in history, was announced in June 2019. The Brazilian government projects an additional USD100 bn a year in exports for 15 years and a massive increase in investments of over USD113 bn for the same period.
Administrative Reform	The administrative reform aims to bring greater efficiency and reduce government spending in public services. Current situation: under Congress appreciation
Privatization Program	Paulo Guedes, the Economy Minister, advocates free-market policies, pivoting away from state interventionism. The government privatization program expects to privatize up to 15 companies in Q4 2020, from a current total of over 300 companies that have the state as a direct or indirect partner.
Tax Reform	The complexity of the Brazilian tax system has produced significant costs nationwide. A proposed unification of the tax system (value added tax or VAT) is being discussed and will likely be submitted for approval in 2020. 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 1 presented to Congress and is under consideration of a special committee.
Bankruptcy Law	In August 2020, the Lower House approved the bankruptcy law reform. The main goals of the reform is to supplement the legal security for creditors, make improvements in the business environment and also increase the productivity of the private sector of the Brazilian economy. Current Situation: approved by the Lower House and to be approved by the Senators House.

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. From January to September 2020, the PPI has delivered USD 2.55 bn investments and USD 943 million in concession fee/bonuses, including projects and concessions in segment such as highway, railway, ports, street lighting, and water and sewage supply. The increasing maturity of the Brazilian capital markets is also contributing to boost infrastructure investments, from both equity and debt angles.

PPI by the numbers



339
Qualified Projects

BRL 711.9 bn
(USD 142.4 bn)
Investments

184
Concluded Projects and
Auctions/Bids

BRL 141,8 bn
(USD 28.4 bn)
Concession Bonuses
("Outorgas")



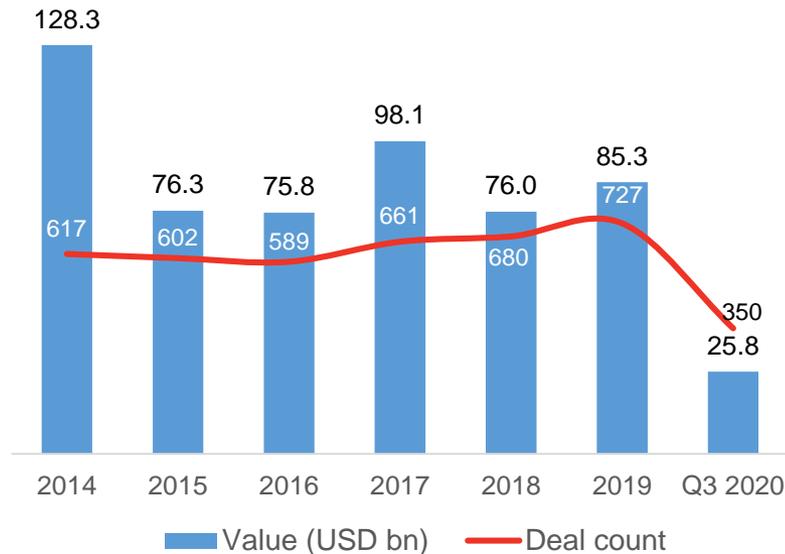
- Energy
- Airports
- Ports
- Roads/ Railroads
- Telecom
- Finance
- Oil and Gas
- Water/Sewage
- Health
- Defense and Security
- Tourism/National Parks
- Mining
- Global Strategic and
Financial Investors

M&A Activity

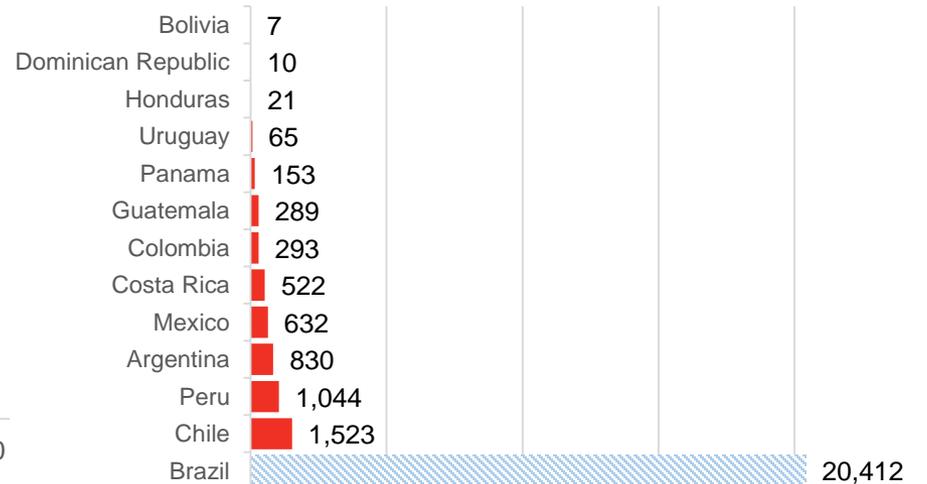
M&A activity in Latin America declined due to the impact of the COVID-19 pandemic, slowing down significantly during the first half of 2020. Nevertheless, Brazil fared better than its neighboring countries and is already showing signs a strong recovery in the second half of 2020, driven by improving domestic macroeconomic scenario and opportunistic movements from players less affected by the pandemic (a stronger cash position or good access to funding). Therefore, Brazil-based targets accounted for 222 deals announced until Q3 2020, which resulted in a USD 20.2 bn transactions volume (a 38% decline compared to the same period in 2019), according to *Acuris Mergermarket* data.

Based on a wider criteria, incorporating all transactions announced in Brazil until September 2020, the country accounted 948 deals⁽¹⁾ with multisector opportunities, already surpassing the 2019 volume for the same period.

Latin America M&A⁽²⁾



Country Breakdown — Deal Value⁽²⁾
USD mn — Q3 2020



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

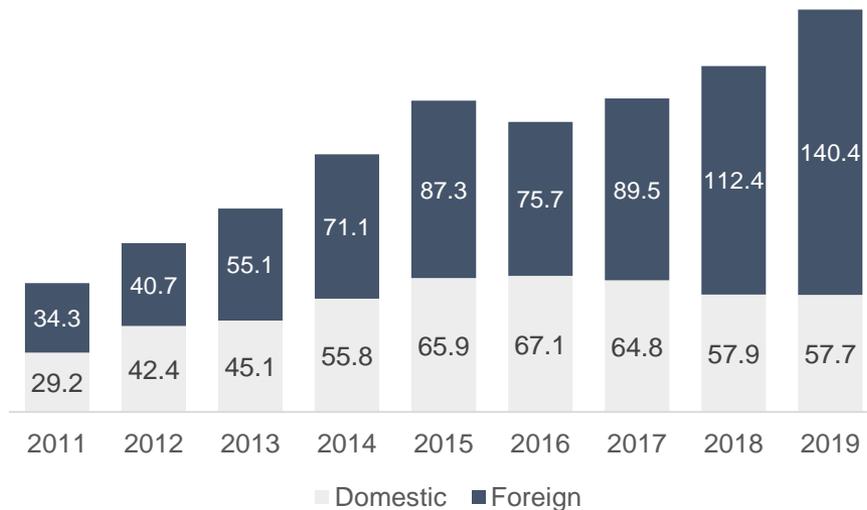
Definition: SELIC is the weighted average interest rate of the overnight interbank operations—collateralized by federal government securities

PE/VC Activity

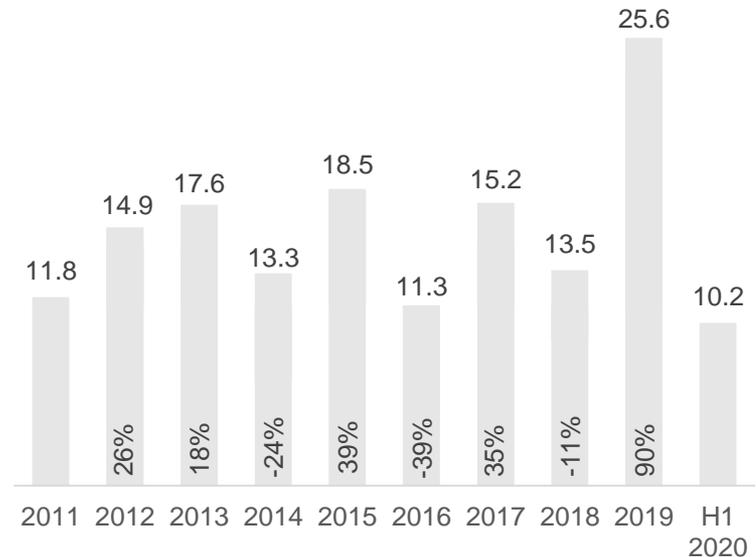
Brazil's deal activity is typically boosted by financial sponsors, including a composition of VC, PE, family offices and, more recently, corporate venture capital players. PE funds were involved in 67 transactions (BRL 4.4bn) in Brazil up to the third quarter of 2020. Compared to the same period in 2019, this represents a drop of 8%. In addition, VC achieved the number of 248 investments (BRL 12.8 bn), with a growth of 17%.¹

Private Capital

Committed Capital and Origin (BRL bn)²



Investments per year (BRL bn) and change YoY (%)²



Selected Transactions — 2020



In September 2020, Localiza, a vehicle rental services company, acquired Unidas for a consideration of USD 2.16 bn (equity value). The deal value of the transaction is USD 2.8 bn.*



In September 2020, Ser Educacional, a Brazil-based provider of educational services, acquired RIDUL from Laureate Education for a consideration of USD



In August 2020, StoneCo, one of the biggest financial technology institutions in Brazil, made a bidding offer to acquire Linx, a management software solutions company, for a consideration of USD 1.1 bn (equity value).*



In September 2020, Vivo, Claro and Tim acquired the mobile business of Oi, for a consideration of USD 3.11 bn. The deal is subject to certain conditions.



In March 2020, OLX acquired ZAP, a Brazil-based company that operates an online real estate website, for a consideration of USD 648.23 mn.



In July 2020, Eneva submitted a USD 1.44 bn offer to acquire AES Tiete from BNDES Participações. Eneva is a listed Brazilian company that operates electricity generation plants.



In July 2020, ASTM through its subsidiary IGLI, acquired 41.62% of Ecorodovias, a Brazilian company that provides highway concessions, from Primav, for a consideration of USD 612.6 mn.



In February 2020, Carrefour Brazilian operation acquired 30 stores and 14 gas stations from Makro, a Brazilian chain of retail stores, for a consideration of USD 454m.



Brazil by the Numbers

	2014	2015	2016	2017	2018	2019*	2020P	2021P
Inflation IPCA (%) Median	6.4	10.7	6.3	2.9	3.7	4.3	2.5	2.8
Exchange Rate EOP (BRL/USD)	2.66	3.96	3.26	3.31	3.88	4.03	5.25	4.5
Nominal Interest Rate SELIC (%) EOP	11.75	14.25	13.75	7.00	6.50	4.50	2.0	3.0
Nominal GDP (USD bn)	2,455	1,800	1,798	2,063	1,884	1,839	1,427	1,662
Real GDP Growth (% – Market prices)	0.5	(3.5)	(3.3)	1.3	1.3	1.1	(4.5)	3.5
Trade Balance (USD bn) – EOP	(4.0)	20.0	48.0	67.0	58.0	47.0	65.0	75.0
Direct Investments (% GDP)	3.6	3.6	4.1	3.3	4.1	4.0	3.9	3.9
International Reserves (USD bn)	374.0	369.0	372.0	382.0	387.0	367.0	357.0	357.0
Gross Public Debt (% GDP)	56.3	65.5	69.9	73.7	76.5	75.8	92.5	88.9
Primary Result (% GDP)	(0.60)	(1.90)	(2.50)	(1.7)	(1.60)	(0.9)	(11.7)	(2.5)
Unemployment – IBGE % EOP	7.1	9.6	12.7	12.5	12.2	11.6	16.6	16.2

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	1,363	1
Stifel/KBW	816	2
Raymond James Financial Inc	712	3
Duff & Phelps	604	4
Piper Jaffray Cos	602	5
Jefferies LLC	564	6
Goldman Sachs & Co	544	7
Lincoln International	532	8
Lazard	529	9
William Blair & Co	515	10

Source: Thomson Financial Securities Data (U.S. deals \$15M < \$170M, including deals without a disclosed value). Full years 2010 through 2019

Duff & Phelps Differentiators

- 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 4,000 professionals in 25 countries
- Independent and free of conflicts of interest

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