

Brazil Equity Strategy



Warm Up: Back to the (Cyclical) Future; Increasing OW in Domestic Stocks. Updating Portfolio

- **Key message.** We are increasing our exposure to domestic stocks in our portfolio (12pp above benchmark), due to improved economic trends (our Macro team recently revised their 2024 GDP growth forecast to 2% from 1.8%); leading to faster EPS growth for 2024 (domestics to grow 22% YoY). Our Ten Thematic Top Picks (**Brazil Buy List**) in Five Themes we like are: i) **Equatorial** and ii) **Sabesp** (Bond Proxies With Double-Digit Real IRRs), iii) **Localiza** and iv) **Arezzo** - *new addition* (Quality Cyclical); v) **GPS** and vi) **Hypera** (Reinvestment Opportunity Leaders - Secular Calls), vii) **Banco do Brasil** and viii) **Randon** (Agri is Pop – Direct and Indirect Beneficiaries of Agribusiness); ix) **Suzano** and x) **PRIO** (FX Hedges and Commodities With Attractive Valuation). We are shifting Consumer Discretionary to Overweight, aligned with our Investment Clock analysis. We are also OW the following domestic sectors: Transportation, Utilities, Real Estate and Banks. Our Brazil Buy-list (10 stocks portfolio) reached 5.7% performance since our initiation, outperforming Ibovespa's returns of 1.9% (excess return of 380bps). Pages 13-22 we present a complete explanation of our Brazil Buy List Top Picks.
- **Portfolio Profile: Expecting the Sun After Clouds.** With a beta 1.0x, we take a barbell-shaped approach to themes, focusing on bond proxies together with quality domestic names. Our portfolio favors a combination of attractive valuation (10x P/E & 1x PEG Ratio), higher EPS growth (24%) and quality (ROE at 20%). **Portfolio Changes:** Including Arezzo (New addition to Brazil Buy List) and Rumo, removing 3tentos and B3.
- **4Q23 Earnings tracker** - 124 companies - 93% market cap reported, 63% delivering YoY EPS growth, 47% beating estimates, and 23% missing; 4Q23 Calendar (38 covered companies are to report in the next week) and Consensus Estimates.
- **Nine recurring Warm-Up studies.** Country Guide (World 6% premium, Brazil 21% discount); Periodic Table of Returns (Brazil): Debentures Index Lead YTD & (EM); Our Must-Read Research Pieces; Valuation Monitor; Earnings Estimates Revision Monitor; Factor Performance; Economic Agenda; Commodities/FX Heatmap and Weekly Stock Performance.

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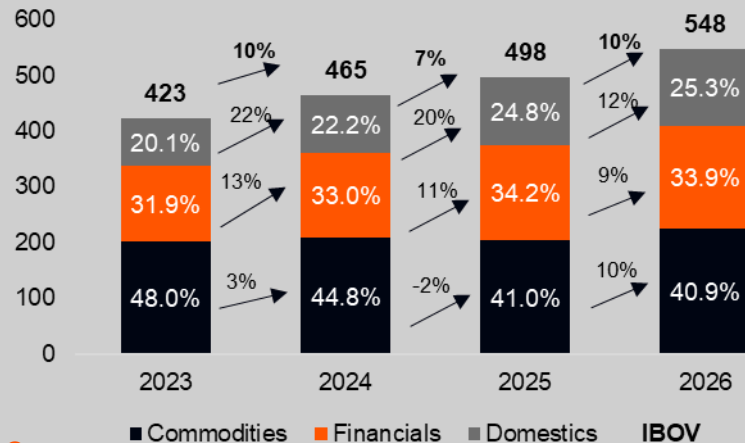
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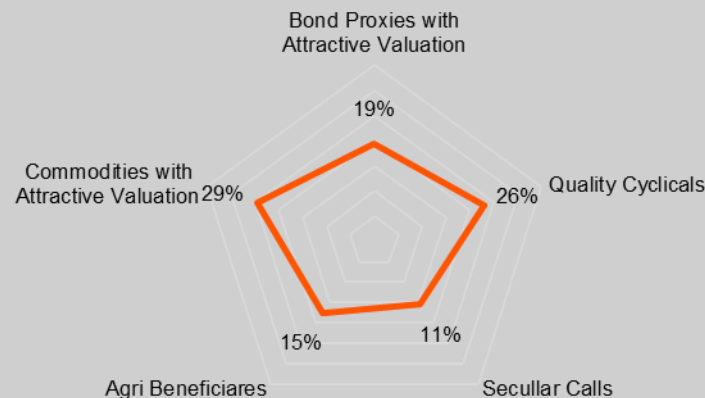
Warm Up: Back to the (Cyclical) Future; Increasing OW in Domestic Stocks. Updating Portfolio

- **Key message.** We are increasing our exposure to domestic stocks in our portfolio, due to improved economic trends (our Macro team recently revised their 2024 GDP growth forecast to 2% from 1.8%); leading to faster EPS growth for 2024 (domestics to grow 22% YoY. Our Ten Thematic Top Picks (Brazil Buy List) in Five Themes we like are: i) Equatorial and ii) Sabesp (Bond Proxies With Double-Digit Real IRRs), iii) Localiza and iv) Arezzo - **new addition** (Quality Cyclical); v) GPS and vi) Hypera (Reinvestment Opportunity Leaders - Secular Calls), vii) Banco do Brasil and viii) Randon (Agri is Pop – Direct and Indirect Beneficiaries of Agribusiness); ix) Suzano and x) PRIO (FX Hedges and Commodities With Attractive Valuation). Our Brazil Buy-list (10 stocks portfolio) reached 5.7% performance since our initiation, outperforming Ibovespa's returns of 1.9% (excess return of 380bps).
- **Time to Increase Domestics.** We are increasing our exposure to domestic companies in our portfolio (12pp above benchmark), due to improving economic trends (see our recent macro team scenario review [here](#) – with an upward revision on 2024 GDP Growth forecast to 2% from 1.8%), with improved outlook for credit, robust job market and controlled expected inflation. Despite higher interest rates curves following latest Copom communication, our Macro team forecasts the end of the easing cycle at 9.25%, creating a favorable environment for domestic companies, which should deliver 22% EPS growth in 2024, and are trading at attractive valuations (our Four-Factor Analysis of Brazilian Sectors versus EM Suggest Attractiveness for Financials & Consumer [here](#)). **We are shifting Consumer Discretionary to Overweight**, aligned with our Investment Clock analysis (published in our [LatAm initiation report](#)), which points out to increasing Equity Exposure to Cyclical Growth in a controlled inflation and positive GDP growth scenario. The Consumer sector had underperformed recently due to increased taxation risk under MP 1185, which seems factored into recent consensus estimates. We are also OW the following domestic sectors: Transportation, Utilities, Real Estate and Banks.
- **Portfolio Changes: Including Arezzo (New addition to Brazil Buy List) and Rumo, removing 3tentos and B3.** We choose to include Arezzo in our portfolio as a top pick in the Quality Cyclical Theme, given the potential growth and synergies opportunities from the merger with Soma (the combined entity can become a key & liquid way to play the consumer discretionary sector in Brazil). Arezzo also screens well in our Competitive Advantage (Proven Moat) List [here](#). It replaces Vivara, which remains in the broad portfolio with reduced weight. We are also changing our exposure in the Agribusiness space to Rumo over 3tentos due to the attractive valuation of the former, after recent underperformance. We are also removing B3 from our portfolio, as per recent negative earnings trend. Our broad portfolio also includes **Rumo (new)**, Nubank, Lojas Renner, Vivara, Vibra (Restricted), Petrobras, Allos, Direcional, Vale, Suzano, Totvs, Santos Brasil, CPFL, and Eletrobras. **Portfolio Profile: Expecting the Sun After Clouds.** With a beta 1.0x, we take a barbell-shaped approach to themes, focusing on bond proxies together with quality domestic names. Our portfolio favors a combination of attractive valuation (10x P/E & 1x PEG Ratio), higher EPS growth (24%) and quality (ROE at 20%). **We also include Arezzo (replacing Vivara) on Our LatAm Recommended Portfolios.**
- **Nine recurring Warm-Up studies.** Country Guide (World 6% premium, Brazil 21% discount); Periodic Table of Returns (Brazil): Debentures Index Lead YTD & (EM); Our Must-Read Research Pieces; Valuation Monitor; Earnings Estimates Revision Monitor; Factor Performance; Economic Agenda; Commodities/FX Heatmap and Weekly Stock Performance.

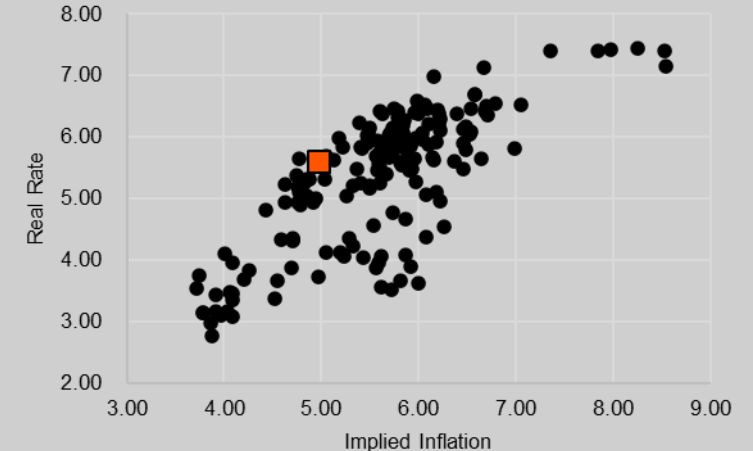
IBOV Earnings* Evolution and Growth by Category



Portfolio Profile: Themes We Like



Real Rates and Implied Inflation – Assymetry Looks Favorable for Lower Real Rates



Warm Up: Back to the (Cyclical) Future; Increasing OW in Domestic Stocks. Updating Portfolio

Portfolio Managers Book: Our Thesis and Key Conclusions

- Top Five Themes / Theses in Our Portfolio (Page 4)
- Macro is Slightly Supportive for Domestic equities. GDP Upward Revision & Rates Reduction Trend (Page 5)
- Four-Factor Analysis of Brazilian Sectors versus EM Suggest Attractiveness for Financials & Consumer (Page 6)
- Fishing on the Proven Moats Lake: Consistent and Positive Return Over Cost of Capital Companies (Page 7)
- Recommended Brazil Portfolio – Our Allocation by Sector and Theme / Portfolio Changes (Page 8)
- Recommended Brazil Portfolio – Factor Heatmap (Page 9)
- Recommended Brazil Portfolio – Weighting by Profile (Page 10)
- Recommended Brazil Portfolio – Proprietary Earnings Momentum Score (Page 11)
- Portfolio Performance Tracker (Page 12)

Brazil Buy List

- Equatorial: A Best-in-Class Utility Posting Double-Digit Growth (Page 13)
- Sabesp: Privatization Could Unlock Massive Value (Page 14)
- Arezzo: Exposed to Cycle Rebound and a Wide of Cross Sell Opportunities, Backed by Strong Execution – *New Addition* (Page 15)
- Localiza: A High-Quality Play at an Attractive Valuation (Page 16)
- GPS: It's All About Execution (Page 17)
- Hypera: A Growing, Cash-Generating Pharma Player (Page 18)
- Banco do Brasil: An Extremely Discounted Valuation With Superior Profitability (Page 19)
- Randon: Best Player for Riding a Turning Point in the Brazilian Truck Market (Page 20)
- Suzano: A Best-in-Class Hardwood Pulp Producer (Page 21)
- PRIO: The Best-in-Class Independent Oil Producer (Page 22)
- Additional Portfolio New Stock: Rumo: A Smart Way to Play the Brazilian Agribusiness Secular Trend (Page 23)

Earnings Tracker 4Q23

- Earnings Reported So Far By Sector, Diffusion vs Estimates, Reaction and YoY Growth (Page 24)
- Companies Scheduled to Report in the Coming Weeks & Consensus Estimates (Page 25)
- Price and Earnings Momentum – Stock Performance Following Results and Earnings Revisions (Page 26)

Nine Recurring Warm-Up studies

- Country Guide (World 6% premium, Brazil 21% discount) (Page 30)
- Our Must-Read Research Pieces (Page 31)
- Periodic Table of Returns (Brazil): Debentures Index Lead YTD; (EM) (Page 32)
- Valuation Monitor (new) (Page 34)
- Earnings Estimate Revision Monitor (Page 35)
- Factor Performance: World, United States, LatAm, Brazil and EM (Page 36)
- Economic Agenda for LatAm and Main U.S. Indicators (Page 38)
- Commodities and FX Heatmap (Page 39)
- Weekly Stock Performance (Page 40)

Top Five Themes / Theses in Our Portfolio

Infrastructure & Bond Proxies With Double-Digit Real IRRs



We like sectors with above-historical-average IRR spreads vs. public bonds; among these, we prefer Transportation and Utilities (average real IRR of >10%, vs. NTN-B near 6%).

Sectors Represented: Utilities, Transportation, Income Properties

Quality Cyclical



Cyclical companies that offer appealing asymmetries compared with historical multiples and that stand to benefit from an improving domestic macro scenario. Alongside, they have attractive ROEs

Sectors Represented: Banks, Transportation, Consumer, Homebuilders

Reinvestment Opportunity Leaders - Secular Calls



Quality-at-a-reasonable-price (QARP) companies with positive ROIC spreads over WACC (value creation) that offer the prospect of sector market-share gains.

Sectors Represented: Services, Tech, Healthcare, Financials

Agri is Pop – Agribusiness Beneficiaries



Agribusiness represents ~25% of Brazilian GDP and almost half of the country's export balance, yet it is still underrepresented in the stock market, presenting an opportunity. We look for both direct and indirect beneficiaries of agribusiness.

Sectors Represented: Agribusiness, Transportation, Capital Goods

FX Hedges and Commodities – Attractive Valuation



Recovering demand and (in some cases) still-tight supply have supported commodity prices recently. Brazil is among the lowest-cash-cost commodity producers.

Sectors Represented: Pulp & Paper, Oil and Mining & Steel

Top Picks



- **Equatorial:** With a solid track record in capital allocation and good earnings momentum, EQTL has an implied real IRR of 10.9%.
- **Sabesp:** attractive risk/reward (implied real IRR of 11.9% and EV/RAB of 0.9x) and potential future catalysts (possible privatization).

Additional Theme Stocks: CPFL, Santos Brasil, Allos, Eletrobras

Top Picks



- **Localiza:** trading close to 15x P/E for 2024, compared with its historical average of 20x. >50% EPS growth in 2024.
- **Arezzo:** value unlock potential from the merger with Grupo Soma, leveraged by ARZZ's track record in M&A integration and strong execution capabilities.

Additional Theme Stocks: BTG, Lojas Renner, Vivara, Direcional, Vibra

Top Picks



- **GPS:** A true compound-growth story with controlled execution risk (~20% 3-year EPS CAGR) at reasonable valuation (14x P/E 2025)
- **Hypera:** a leader in the Brazil pharma segment trading at a P/E of 11x

Additional Theme Stocks: Nubank and Totvs

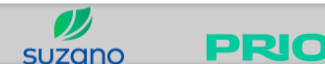
Top Picks



- **Banco do Brasil:** 4.4x P/E with ~10% DY & 9% EPS YoY
- **Randon:** auto-parts & trailer business to benefit from a ~15% increase in the truck industry (+12% 2024 EBITDA).

Additional Theme Stocks: Rumo

Top Picks



- **Suzano:** global benchmark in pulp production costs and scale, nearing the deleveraging path cycle.
- **PRIO:** largest independent oil producer: ~15% FCF Yield with growth

Additional Theme Stocks: Petrobras, Vale

Portfolio Background

- A quality portfolio with an equilibrium between value and growth: 40% portfolio weight in value stocks. Broad portfolio has 24 stocks.
- 47% weight in “competitive advantage” stocks (stocks with ROE above Ke and market share stability).
- 29% weight in commodity-related companies.
- **Brazil Buy List (10 stocks):** Equatorial, Sabesp, Localiza, Arezzo (new), GPS, Hypera, Banco do Brasil, Randon, Suzano and PRIO.

Macro is Slightly Supportive for Domestic equities. GDP Upward Revision & Rates Reduction Trend

- Our macro team has raised our GDP growth estimates to 2.0% from 1.8% for both 2024 and 2025, incorporating the improved outlook for credit, which has been confirmed by the latest data. Consumption will continue to be the main driver of the economy, even if it slows down, but the recovery of investment is important for balanced growth. See [report](#) for more details
- The good performance of consumption is explained by income growth, but looking ahead credit should once again have a positive effect. New loans are improving, after a year of contraction.
- Resilient job market should keep unemployment at low levels.
- In a comparative analysis, Brazil stands out positively: Brazilian gross debt surprised downward in 2023 and is below pre-pandemic levels.
- S&P increased Brazil's rating to 'BB' (from 'BB-') attributing the revision to the tax reform and the reform agenda since 2016.
- Strong global dollar (US outperformance) and narrowing interest rate differential put pressure on the BRL.
- But there are structural mitigating factors: increased production and exports of commodities lead the trade balance to another level.

Brazil Macro – Key Forecasts

	2019	2020	2021	2022	2023	2024	2025
Economic activity							
GDP (%)	1.2	-3.3	4.8	3.0	2.9	2.0	2.0
Unemployment rate (%) – Dec.	11.7	14.8	11.7	8.5	7.9	7.8	7.8
Inflation							
IPCA (%)	4.3	4.5	10.1	5.8	4.6	3.6	3.5
IGP-M (%)	7.3	23.1	17.8	5.5	-3.2	2.8	2.9
Monetary Policy							
Selic rate (% eop)	4.50	2.00	9.25	13.75	11.75	9.25	9.25
Selic rate (% avg)	5.96	2.81	4.81	12.63	13.25	10.1	9.25
Public accounts							
Primary result (% GDP)	-0.8	-9.2	0.7	1.2	-2.3	-0.7	-0.9
Gross debt (% GDP)	74.4	86.9	77.3	71.7	74.3	77.1	80.2
External sector							
BRL/USD (eop)	4.03	5.19	5.57	5.28	4.85	4.90	5.10
BRL/EUR (eop)	4.52	6.34	6.30	5.65	5.34	5.29	5.51
Current Account (% GDP)	-3.6	-1.9	-2.8	-2.5	-1.3	-0.6	-0.9
Trade balance (USD bi.)	35	50	61	62	99	85	70

Despite the GDP stability in 2H23, the GDP ex-agriculture has advanced

		Agri GDP	GDP ex-Agri	GDP
QoQ/sa	1T22	-5.4%	1.3%	0.9%
	2T22	-2.6%	1.5%	1.3%
	3T22	3.5%	0.7%	0.9%
	4T22	1.8%	0.1%	0.2%
	1T23	20.9%	0.1%	1.3%
	2T23	-6.4%	1.2%	0.8%
	3T23	-5.6%	0.4%	0.0%
	4T23	-5.3%	0.3%	0.0%
Full year	2022	-1.1%	3.0%	3.0%
	2023	15.1%	2.0%	2.9%
	2024	-0.4%	2.0%	2.0%
	2025	3.5%	1.8%	2.0%

Consumption will continue to be the main driver of the economy, even if it slows down, but the recovery of investment is important for balanced growth

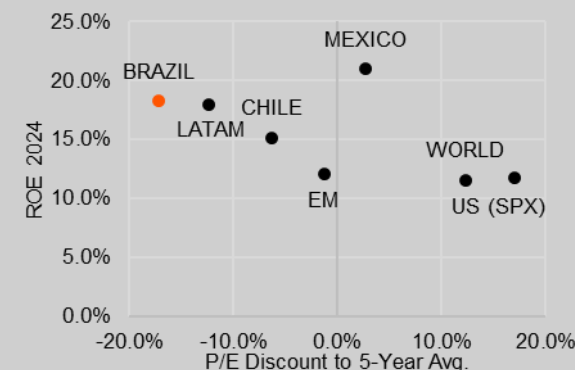
Supply-side					Demand-side				
Weights:	6%	23%	58%		63%	18%	19%	20%	19%
	Agriculture	Industry	Services	GDP	Household consumption	Government	Investment	Exports	Imports
2019	0.4%	-0.7%	1.5%	1.2%	2.6%	-0.5%	4.0%	-2.6%	1.3%
2020	4.2%	-3.0%	-3.7%	-3.3%	-4.6%	-3.7%	-1.8%	-2.3%	-9.5%
2021	0.0%	5.0%	4.8%	4.8%	3.0%	4.2%	12.9%	4.4%	13.8%
2022	-1.1%	1.5%	4.3%	3.0%	4.1%	2.1%	1.1%	5.7%	1.0%
2023	15.1%	1.6%	2.4%	2.9%	3.1%	1.7%	-3.0%	9.1%	-1.2%
2024F	-0.4%	1.8%	2.3%	2.0%	2.8%	2.2%	1.8%	2.5%	4.2%
2025F	3.5%	0.8%	2.3%	2.0%	2.4%	1.5%	1.9%	-0.3%	2.1%

Four-Factor Analysis of Brazilian Sectors versus EM Suggest Attractiveness for Financials & Consumer

- We revisit our main investment factors in Brazilian equities (valuation, earnings momentum, quality, and price momentum) using 12 indicators in the 4-factor categories, though a sectorial perspective/comparative framework. We analyzed eight out of the eleven GICS sectors in Brazil (representing more than 95% of the Brazilian equity index) to better assess their relevance, contribution to broad-index trends, and positioning compared to peers in the LatAm region and the EM/Global equities universe.
- **Brazil financials** are trading at the highest discount compared to local peers, while EM trades almost in line and developed markets are trading with a premium with historical average, and at the lowest multiples in absolute terms. Earnings momentum is positive for growth, with consensus figures suggesting an above twenty percent increase in EPS in 2024 and still double-digit growth in 2025, being the highest in both years compared to peers/regions analyzed, but revisions and acceleration are lagging peers. Lastly, quality is also a positive point for Brazilian financials, as they have the highest 5-year average, the second-best ROE figures for 2024 and 2025, along with an increasing ROE between those years.
- **Consumer discretionary** also stands out in earnings momentum, with positive revisions in the last four weeks (some downside to sector EPS revisions may be a risk), strong growth expected in the 2024, and even a with deceleration in 2025 figures, it should still grow high teens. For consumer discretionary, we see P/E multiples in line with the EM average, but trading at a higher discount.

Financials

Country/Region	Financials											
	Valuation			Earnings Momentum				Quality			Price Momentum	
	P/E 12m Forward	P/E Forward 5-Year Average	P/E Discount to 5-Year Avg.	Earnings Revisions (4W)	EPS Growth 2024	EPS Growth 2025	EPS Acceleration	ROE 2024	ROE 2025	ROE 5-Year Avg.	Perf. Year-to-Date	Perf. Last Month
BRAZIL	7.7x	9.3x	-17.2%	-1.5%	23.2%	12.3%	-11.0%	18.2%	19.1%	17.3%	-10.0%	-1.1%
MEXICO	8.8x	8.5x	2.6%	1.9%	12.7%	5.3%	-7.5%	21.0%	20.6%	16.2%	4.2%	-3.5%
CHILE	9.9x	10.5x	-6.3%	1.6%	-3.9%	11.3%	15.2%	15.2%	15.8%	14.3%	-1.7%	4.4%
EM	7.9x	8.0x	-1.3%	-0.6%	16.1%	8.6%	-7.5%	12.1%	12.1%	11.9%	1.9%	-0.6%
LATAM	8.1x	9.2x	-12.4%	0.0%	15.7%	10.3%	-5.4%	18.0%	18.5%	15.8%	-4.4%	-0.9%
WORLD	13.2x	11.8x	12.3%	0.0%	9.5%	6.7%	-2.8%	11.6%	11.5%	9.8%	8.7%	3.9%
US (SPX)	15.9x	13.6x	17.0%	0.2%	11.8%	8.2%	-3.6%	11.8%	11.8%	10.5%	10.1%	3.4%



Consumer Discretionary

Country/Region	Consumer Discretionary											
	Valuation				Earnings Momentum			Quality			Price Momentum	
	P/E 12m Forward	P/E Forward 5-Year Average	P/E Discount to 5-Year Avg.	Earnings Revisions (4W)	EPS Growth 2024	EPS Growth 2025	EPS Acceleration	ROE 2024	ROE 2025	ROE 5-Year Avg.	Perf. Year-to-Date	Perf. Last Month
BRAZIL	13.0x	28.3x	-54.1%	0.7%	46.9%	19.5%	-27.4%	18.5%	12.8%	10.7%	-3.1%	-2.9%
CHILE	22.9x	17.6x	30.1%	3.5%	n.a.	44.4%		4.1%	5.7%	8.5%	1.1%	13.7%
EM	12.4x	19.5x	-36.5%	0.7%	40.8%	20.1%	-20.7%	12.0%	13.2%	10.7%	-1.0%	-0.7%
LATAM	14.2x	26.2x	-45.7%	1.6%	91.8%	18.8%	-72.9%	10.3%	11.5%	10.0%	-2.1%	-0.2%
WORLD	20.6x	21.5x	-4.4%	0.8%	23.1%	12.1%	-11.0%	17.3%	17.3%	15.5%	6.1%	1.5%
US (SPX)	24.5x	25.6x	-4.3%	-0.9%	29.1%	14.2%	-14.9%	29.5%	27.8%	27.9%	4.0%	0.6%



Fishing on the Proven Moats Lake: Consistent and Positive Return Over Cost of Capital Companies

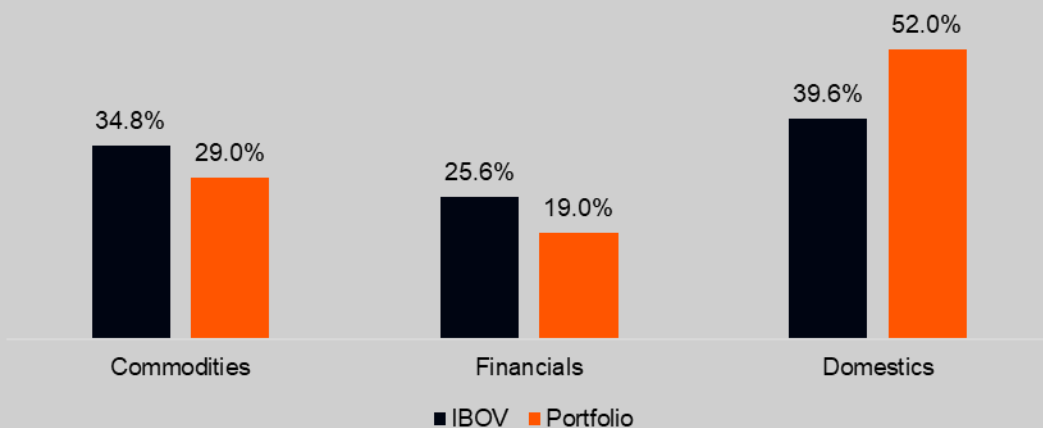
- Brazil has a significant number of competitive advantage stocks. In this [report](#), we evaluate our Brazil coverage and identify 36 companies (23% of the eligible universe) that meet our screening criteria for “economic moats”. Our approach focuses on: i) the ability to generate ROIC above WACC over a cycle (ROE for financials); and ii) market share stability.
- Our first screening/category is meant to identify the best proven competitive advantage companies, which have consistently delivered return over cost of capital in the past cycle. Our main criteria was to analyze the last five years, and select stocks with above 60% positive diffusion in ROIC/ROE Spread, as well as delivered it in 2023.
- Looking at the sector breakdown, we can highlight several names in the Consumer & Retail space, most of them exposed to higher-income consumers (Vivara, Track & Field, Soma, and Arezzo), six names in the financials sector (Banco do Brasil, BTG, B3, BBSEG, Caixa Seg and BR Partners), and four names in the utilities sector. **We added Arezzo to our Brazil Buy List, replacing Vivara as a Top Pick in Quality Cyclicals.**
- It is worth noting that the utilities sector in Brazil is highly regulated, with high infrastructural costs and fairly predictable cash flow, especially in the transmission segment. That said, we believe that the real rate of return is a better metric than return on equity for analyzing the sector, since the former takes into consideration the duration of the companies' expected cash flow. For instance, if a transmission company that already operates some transmission lines decides not to invest anymore, it may have a high current return on equity. However, the lack of future cash flows would be reflected in a low real rate of return. Moreover, given the nature of the sector of predictable cash flows and high initial investments, we compare the company's real IRR to the Brazilian Treasury Bonds. We currently see EQTL3 trading at a real rate of return of 10.9%, vs. 5.7% for Brazilian Treasury Bonds.

ROIC/ROE Spread														Returns				Valuation			Earnings Revisions		
Company	Ticker	Sector	Moat Class	2018	2019	2020	2021	2022	2023	2024	2025	2026	Next Three Years Avg.	Marginal ROIC (2024-2023)	Last Five Years Positives	2 Year Trend (Avg. 2024E-25E - Avg. 2022-23)	ROIC 2023	ROE 2023/LTM	P/E 12m Forward	Discount to 5-Year Average	PEG Ratio	EPS Revisions 2024 (3M)	EBITDA Revisions 2024 (3M)
TENTOS AGRINDUSTF	TTEN3	Agribusiness	Proven Moats	23%	15%	27%	7%	9%	8%	9%	9%	9%	9%	1%	5	1%	20%	19%	9.0x	23%	n.a.	-26.2%	-12.0%
IA FERTILIZANTES E BK	VITT3	Agribusiness	Proven Moats	n.a.	7%	11%	3%	9%	5%	12%	13%	14%	13%	7%	5	5%	16%	18%	6.2x	-36%	1.29	-10.0%	-12.9%
BANCO DO BRASIL S.A	BBAS3	Banks	Proven Moats	-2%	4%	-2%	2%	4%	5%	5%	3%	2%	3%	0%	4	0%	n.a.	21%	4.2x	-17%	1.46	0.6%	n.a.
CO BTG PACTUAL SA-I	BPAC11	Banks	Proven Moats	n.a.	n.a.	5%	7%	5%	8%	9%	9%	9%	9%	1%	4	2%	n.a.	22%	11.0x	-11%	0.97	3.0%	n.a.
WEG SA	WEGE3	Capital Goods	Proven Moats	3%	9%	13%	7%	9%	24%	15%	15%	16%	15%	-10%	5	-2%	38%	36%	30.7x	-20%	2.73	-3.8%	-1.3%
ZZO INDUSTRIA E COME	ARZZ3	Consumer & Retail	Proven Moats	19%	15%	-3%	10%	8%	5%	6%	8%	9%	7%	1%	4	0%	17%	14%	13.8x	-40%	0.77	-13.2%	-2.1%
GRUPO MATEUS SA	GMAT3	Consumer & Retail	Proven Moats	7%	9%	15%	4%	5%	6%	7%	8%	8%	8%	1%	5	2%	17%	15%	12.2x	0%	0.45	-10.7%	0.9%
RAIA DROGASIL SA	RADL3	Consumer & Retail	Proven Moats	3%	5%	3%	7%	8%	9%	9%	10%	11%	10%	0%	5	1%	21%	19%	31.5x	-20%	1.13	-11.1%	-2.3%
RUPO DE MODA SOMA S	SOMA3	Consumer & Retail	Proven Moats	22%	37%	-16%	13%	8%	12%	12%	14%	16%	14%	0%	4	3%	24%	4%	14.1x	-31%	0.52	-17.1%	0.7%
TRACK & FIELD CO S.A	TFCO4	Consumer & Retail	Proven Moats	25%	45%	16%	33%	26%	27%	28%	28%	26%	27%	1%	5	1%	39%	31%	13.2x	-28%	0.67	2.3%	-3.8%
VARA PARTICIPACOES :	VIVA3	Consumer & Retail	Proven Moats	33%	29%	6%	15%	11%	9%	8%	10%	11%	10%	-1%	5	-1%	22%	22%	11.4x	-41%	0.63	-0.7%	1.6%
AMBEV SA	ABEV3	Food & Beverage	Proven Moats	23%	17%	13%	14%	14%	11%	8%	8%	9%	8%	-3%	5	-5%	24%	18%	13.3x	-30%	1.77	-6.9%	-3.9%
ODONTOPREV S.A.	ODPV3	Healthcare	Proven Moats	19%	19%	28%	24%	24%	28%	9%	11%	14%	11%	-19%	5	-16%	39%	41%	13.2x	-29%	3.34	2.9%	2.1%
CONSTRUTORA E INCOI	CURY3	Homebuilders	Proven Moats	46%	65%	34%	43%	33%	39%	41%	39%	37%	39%	2%	5	4%	53%	50%	9.2x	33%	0.67	-0.9%	1.0%
O & PLANO DESENVOLV	PLPL3	Homebuilders	Proven Moats	n.a.	n.a.	103%	37%	19%	36%	31%	30%	29%	30%	-5%	4	3%	51%	50%	7.4x	30%	0.54	13.2%	6.0%
IA-BRASIL BOLSA BALI	B3SA3	Non-Bank Financials	Proven Moats	-5%	-1%	5%	7%	6%	6%	8%	11%	15%	11%	2%	4	4%	n.a.	20%	13.6x	-30%	1.37	-2.8%	-3.3%
EGURIDADE PARTICIPA	BBSE3	Non-Bank Financials	Proven Moats	31%	76%	53%	43%	61%	66%	52%	54%	59%	55%	-15%	5	-11%	n.a.	80%	8.0x	-28%	1.94	0.4%	-0.8%
A SEGURIDADE PARTICI	CXSE3	Non-Bank Financials	Proven Moats	15%	21%	17%	6%	11%	15%	18%	22%	24%	22%	3%	5	7%	n.a.	30%	12.1x	40%	1.56	1.1%	0.0%
LBAS SA INDUSTRIA C	INTB3	TMT	Proven Moats	9%	20%	41%	3%	5%	6%	8%	9%	12%	10%	2%	5	3%	20%	23%	11.4x	-32%	0.65	-4.7%	2.6%
TOTVS SA	TOTS3	TMT	Proven Moats	-2%	24%	16%	-4%	0%	10%	15%	22%	28%	21%	5%	4	13%	25%	16%	22.9x	-30%	1.07	-5.8%	-2.9%
CPFL ENERGIA SA	CFEF3	Utilities	Proven Moats	n.a.	11%	15%	18%	17%	17%	21%	19%	19%	20%	4%	5	3%	n.a.	29%	8.4x	-14%	3.37	1.8%	1.0%
ATORIAL ENERGIA SA -	EQTL3	Utilities	Proven Moats	n.a.	20%	17%	16%	1%	5%	3%	2%	3%	3%	-2%	5	0%	n.a.	17%	11.1x	-22%	0.69	1.7%	3.6%
NEOENERGIA SA	NEOE3	Utilities	Proven Moats	n.a.	0%	2%	5%	-2%	1%	1%	2%	1%	1%	0%	4	2%	n.a.	13%	7.3x	-12%	0.51	-2.3%	-2.2%
DVISORY PARTNERS PA	BRBI11	Banks	Proven Moats	n.a.	n.a.	n.a.	12%	3%	4%	6%	9%	9%	8%	2%	3	4%	n.a.	20%	9.0x	-7%	0.51	5.6%	n.a.
GRUPO SBF SA	SBFG3	Consumer & Retail	Proven Moats	75%	45%	-16%	35%	0%	3%	3%	5%	5%	4%	0%	3	2%	16%	8%	10.2x	-57%	0.49	0.7%	-7.0%
PARTICIPACOES E EMFR	GGPS3	Transportation	Proven Moats	n.a.	5%	7%	-7%	-2%	5%	2%	4%	6%	4%	-3%	3	1%	19%	23%	16.6x	-8%	0.70	-4.9%	-2.2%
LOCALIZA RENT A CAR	RENT3	Transportation	Proven Moats	-1%	1%	0%	-5%	-9%	0%	1%	2%	2%	2%	1%	3	6%	11%	7%	14.5x	-42%	0.86	-7.6%	-1.9%
VGIE BRASIL ENERGIA S	EGIE3	Utilities	Proven Moats	n.a.	n.a.	n.a.	9%	20%	22%	19%	14%	20%	18%	-4%	3	-5%	n.a.	34%	9.1x	-17%	2.77	-0.1%	-2.9%
Avg.				18%	21%	16%	13%	11%	14%	13%	14%	15%	14%	-1%	4.4	1%	26%	25%	12.7x	-17%	1.24	-3.4%	-1.7%

Recommended Brazil Portfolio – Our Allocation by Sector and Theme / Portfolio Changes

- Expecting the Sun After Clouds: a barbell-shaped approach to themes, including bond proxies, together with domestic cyclical names (focusing on quality).
- Category-wise, we are overweight in Domestics, in detriment underweight of Commodities (Steel & Mining), Financials (Non-Bank) and Food & Beverage.
- Our main overweight sectors are Transportation, Consumer & Retail, Utilities, Real Estate, Oil & Gas, Pulp & Paper, Agribusiness, and Banks.
- Our main underweight sectors are Non-Bank Financials, Steel & Mining, and Food & Beverage.
- **Portfolio Changes:** Including Arezzo (New addition to Brazil Buy List) and Rumo, removing 3tentos and B3.

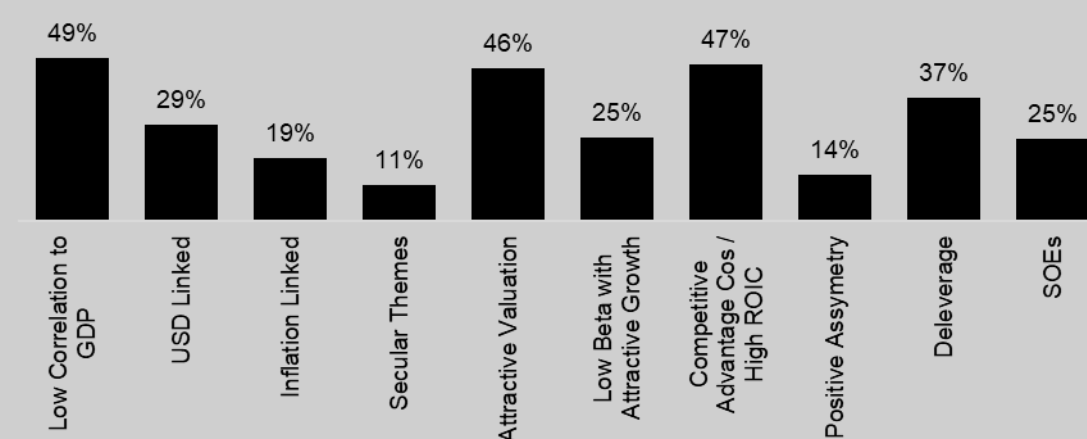
Category Exposure vs. IBOV



Sector Allocation Over Benchmark

Sector	IBOV	Portfolio	Allocation vs IBOV
Agribusiness	1.8%	3.0%	1.2%
Banks	18.2%	19.0%	0.8%
Capital Goods	3.6%	3.0%	-0.6%
Consumer & Retail	5.2%	9.0%	3.8%
Education	0.5%	0.0%	-0.5%
Food & Beverage	5.4%	0.0%	-5.4%
Healthcare	3.0%	3.0%	0.0%
Homebuilders	0.5%	3.0%	2.5%
Malls & Properties	1.2%	2.0%	0.8%
Non-Bank Financials	7.4%	0.0%	-7.4%
Oil & Gas	18.2%	20.0%	1.8%
Pulp & Paper	2.8%	4.0%	1.2%
Steel & Mining	14.3%	8.0%	-6.3%
TMT	2.6%	2.0%	-0.6%
Transportation	3.1%	9.0%	5.9%
Utilities	12.3%	15.0%	2.7%

Portfolio Weight by Theme



Recommended Brazil Portfolio – Factor Heatmap

- Our portfolio features an interesting combination of valuation, growth and quality. It has a total return potential of 30%, including dividends.
- Value: Our portfolio is trading at a forward P/E of 10x, offering a 24% discount to its historical PEG ratio of 1x, and it has an attractive dividend yield of 6%.
- Growth: Our portfolio's 2024E EPS growth is materially above the Ibovespa's (24% vs.10%) after the last-three-month positive EPS revision of 1%.
- Quality: Our portfolio's ROE is expected to reach 20%, vs. the Ibovespa's 17%.

Ticker	Sector	Weight in Portfolio	Weight (IBOV)	Allocation vs IBOV	Beta	Upside	Market Cap (BRL bn)	ADTV 3m (BRL mn)	12m	YTD	P/E	Diff vs 5y Avg.	P/B	Diff vs 5y Avg.	EV/EBITDA	Diff vs 5y Avg.	EPS Growth 2024	EPS 2024 3M Revision	EBITDA Growth 2024	EBITDA 2024 3M Revision	ROE 24E	FCF Yield 2024	Dividend Yield 2024	PEG Ratio
RAIL3	Agribusiness	3%	1%	2%	0.99	37%	40.6	236.2	15%	-5%	17.7x	-44.4%	2.5x	-13.7%	7.4x	-24.9%	162%	6%	29%	2%	13%	-2%	1%	2.31
BBAS3	Banks	9%	4%	5%	1.10	17%	158.8	515.0	60%	2%	4.2x	-16.7%	0.9x	8.9%	n.a.	n.a.	7%	1%	n.a.	n.a.	21%	n.a.	10%	1.46
BPAC11	Banks	7%	2%	5%	1.27	17%	140.7	269.6	88%	-2%	11.0x	-11.2%	2.8x	11.7%	n.a.	n.a.	21%	3%	n.a.	n.a.	23%	n.a.	3%	0.97
NU	Banks	3%	0%	3%	1.13	6%	291.7	328.4	173%	46%	28.1x	-85.7%	9.1x	48.1%	n.a.	n.a.	63%	4%	n.a.	n.a.	25%	n.a.	0%	0.94
ARZZ3	Consumer & Retail	4%	0%	4%	1.03	65%	6.7	144.7	-9%	-6%	13.8x	-40.3%	2.3x	-54.6%	7.3x	-47.5%	12%	-13%	18%	-2%	14%	5%	3%	0.77
LREN3	Consumer & Retail	3%	1%	2%	1.24	28%	15.1	232.3	-13%	-9%	13.2x	-41.3%	1.5x	-68.6%	6.7x	-44.5%	11%	-9%	26%	-3%	11%	4%	4%	0.65
VIVA3	Consumer & Retail	2%	0%	2%	1.07	56%	5.9	108.2	16%	-27%	11.4x	-41.0%	3.1x	-34.0%	7.9x	-42.8%	23%	-1%	22%	2%	21%	3%	1%	0.63
HYPE3	Healthcare	3%	1%	2%	0.74	23%	21.6	94.3	-12%	-4%	11.2x	-19.9%	1.9x	-18.1%	9.1x	-22.0%	10%	-5%	8%	-3%	15%	6%	4%	0.75
VBRR3	Oil & Gas	3%	1%	2%	1.13	13%	28.9	198.5	69%	9%	11.0x	-15.4%	1.8x	-21.9%	6.8x	-15.2%	9%	11%	6%	7%	19%	10%	6%	1.44
PETR4	Oil & Gas	12%	12%	0%	1.00	5%	476.3	1,587.0	86%	-3%	3.8x	-39.3%	1.2x	12.6%	2.6x	-22.0%	2%	15%	-3%	-2%	26%	19%	16%	n.a.
PRI03	Oil & Gas	5%	2%	3%	1.00	24%	41.7	419.7	41%	1%	5.6x	-25.9%	2.8x	1.5%	3.3x	-22.3%	30%	-13%	27%	-11%	36%	13%	3%	0.28
ALOS3	Malls & Properties	2%	1%	1%	1.08	20%	13.8	95.5	43%	-9%	15.5x	-8.3%	1.0x	-6.2%	8.6x	-35.7%	-63%	-5%	2%	-3%	8%	14%	4%	0.43
DIRR3	Homebuilders	3%	0%	3%	0.98	24%	4.3	37.7	62%	11%	7.6x	-15.7%	2.2x	39.6%	5.9x	-7.8%	61%	7%	48%	4%	25%	-1%	4%	0.64
SUZB3	Pulp & Paper	4%	2%	2%	0.43	1%	81.1	233.5	41%	12%	11.9x	-32.7%	1.8x	-77.9%	6.7x	1.4%	-50%	-1%	7%	1%	13%	2%	2%	0.22
VLE3	Steel & Mining	8%	12%	-4%	0.92	39%	270.6	1,809.3	-18%	-18%	5.1x	-11.5%	1.4x	-26.6%	3.5x	-1.9%	7%	1%	3%	3%	24%	12%	9%	n.a.
TOTS3	TMT	2%	1%	1%	1.12	25%	18.8	108.3	13%	-9%	22.9x	-29.6%	3.9x	-20.4%	12.6x	-31.5%	11%	-6%	19%	-3%	14%	5%	1%	1.07
GGPS3	Transportation	3%	0%	3%	1.03	9%	12.9	32.3	56%	2%	16.6x	-7.9%	4.3x	-4.1%	8.8x	-7.5%	23%	-5%	18%	-2%	24%	-3%	2%	0.70
RENT3	Transportation	4%	2%	2%	1.18	32%	56.6	398.4	-1%	-17%	14.5x	-42.5%	2.2x	-57.3%	7.1x	-49.4%	74%	-8%	21%	-2%	13%	-9%	2%	0.86
STBP3	Transportation	2%	0%	2%	1.09	-6%	11.5	48.0	73%	42%	17.1x	-5.1%	5.2x	74.4%	8.5x	-19.4%	50%	21%	40%	13%	28%	3%	7%	2.12
RAPT4	Capital Goods	3%	0%	3%	0.88	32%	3.9	21.3	64%	-2%	7.1x	-33.5%	1.5x	-13.0%	4.4x	-23.0%	27%	-3%	6%	-2%	16%	14%	6%	0.47
CPFE3	Utilities	2%	0%	2%	0.72	15%	39.9	68.5	24%	-10%	8.4x	-14.5%	2.1x	-12.2%	5.8x	-12.6%	-7%	2%	-3%	1%	28%	9%	9%	3.37
ELET3	Utilities	3%	5%	-2%	0.96	42%	98.3	269.5	33%	-1%	9.5x	11.0%	0.8x	8.5%	6.0x	-1.7%	70%	-2%	12%	-1%	9%	11%	4%	0.92
EQTL3	Utilities	6%	2%	4%	0.78	26%	38.3	240.0	29%	-6%	11.1x	-22.0%	1.9x	-14.8%	7.3x	-18.9%	55%	2%	7%	4%	14%	3%	2%	0.69
SBSP3	Utilities	4%	1%	3%	0.93	50%	54.9	211.2	63%	7%	12.3x	15.4%	1.8x	31.5%	6.8x	11.0%	30%	1%	21%	1%	14%	5%	2%	1.50
		100%			1.00	23.9%			45%	-1%	10.2x	-24.1%	2.2x	-7.4%	4.8x	-15.6%	23.7%	1.0%	10.6%	-0.1%	20.1%	6.1%	5.7%	1.01

Recommended Brazil Portfolio – Weighting by Profile

- We like to look at individual stocks' exposure to certain macro and stock-picking themes.
- Our portfolio currently has a 47% weight in competitive advantage (Moat) stocks (see our full report on competitive advantages screening in Brazilian Equities [here](#))
- It has an 19% weight in inflation-protected names, and 29% is linked to FX.
- We also have a 25% weight in SOEs, which are trading at historical lows.

Ticker	Sector	Weight in Portfolio	Weight (IBOV)	OW/UW	Low Correlation to GDP	USD Linked	Inflation Linked	Secular Themes	Attractive Valuation	Low Beta with Attractive Growth	Competitive Advantage Cos / High ROIC	Positive Assymetry	Deleverage	SOEs
RAIL3	Agribusiness	3.0%	1.3%	1.7%	✓					✓			✓	
BBAS3	Banks	9.0%	3.8%	5.2%							✓			✓
BPAC11	Banks	7.0%	2.0%	5.1%							✓			
NU	Banks	3.0%	0.0%	3.0%				✓	✓		✓			
ARZZ3	Consumer & Retail	4.0%	0.2%	3.8%					✓		✓		✓	
LREN3	Consumer & Retail	3.0%	0.7%	2.3%					✓			✓	✓	
VIVA3	Consumer & Retail	2.0%	0.0%	2.0%					✓		✓	✓	✓	
HYPE3	Healthcare	3.0%	0.7%	2.3%				✓		✓		✓	✓	
VBBR3	Oil & Gas	3.0%	1.3%	1.7%										
PETR4	Oil & Gas	11.8%	11.8%	0.0%	✓	✓			✓					✓
PRIO3	Oil & Gas	5.2%	1.8%	3.4%	✓	✓			✓				✓	
ALOS3	Malls & Properties	2.0%	0.6%	1.4%			✓							
DIRR3	Homebuilders	3.0%	0.0%	3.0%						✓	✓		✓	
SUZB3	Pulp & Paper	4.0%	1.9%	2.1%	✓	✓			✓					
VALE3	Steel & Mining	8.0%	11.7%	-3.7%	✓	✓								
TOTS3	TMT	2.0%	0.7%	1.3%	✓		✓	✓			✓	✓		
GGPS3	Transportation	3.0%	0.0%	3.0%				✓			✓			
RENT3	Transportation	4.0%	2.1%	1.9%					✓		✓	✓		
STBP3	Transportation	2.0%	0.0%	2.0%							✓		✓	
RAPT4	Capital Goods	3.0%	0.0%	3.0%					✓	✓			✓	
CPFE3	Utilities	2.0%	0.3%	1.7%	✓		✓				✓			
ELET3	Utilities	3.0%	4.6%	-1.6%	✓		✓			✓			✓	
EQTL3	Utilities	6.0%	1.7%	4.3%	✓		✓		✓	✓	✓		✓	
SBSP3	Utilities	4.0%	1.2%	2.8%	✓		✓			✓				✓
Portfolio					49%	29%	19%	11%	46%	25%	47%	14%	37%	25%

Recommended Brazil Portfolio – Proprietary Earnings Momentum Score

Proprietary Earnings Momentum Score : Growth, Acceleration and Revisions

Stock	Sector	Earnings Score	Growth Score	Acceleration Score	Revisions Score
STBP3	Transportation	23	7	7	9
EQTL3	Utilities	21	8	7	6
DIRR3	Homebuilders	19	8	6	5
PRI03	Oil & Gas	18	8	9	1
ELET3	Utilities	18	6	9	3
VBBR3	Oil & Gas	18	4	6	8
NU	Banks	17	9	6	2
ARZZ3	Consumer Goods & Retail	17	7	7	3
RENT3	Transportation	17	8	6	3
SBSP3	Utilities	17	6	6	5
VIVA3	Consumer Goods & Retail	16	8	7	1
RAIL3	Agribusiness	16	10	4	2
TOTS3	TMT	15	8	6	1
RAPT4	Capital Goods	14	7	6	1
SUZB3	Pulp & Paper	14	5	3	6
BPAC11	Banks	13	7	6	0
GGPS3	Transportation	12	8	3	1
BBAS3	Banks	12	5	3	5
LREN3	Consumer Goods & Retail	11	5	5	1
HYPE3	Healthcare	11	6	4	1
ALOS3	Malls & Properties	11	2	8	1
VALE3	Steel & Mining	9	3	6	0
CPFE3	Utilities	9	1	5	3
PETR4	Oil & Gas	6	0	2	4

■ **Our Proprietary Earnings Momentum Score is based on three earnings dimensions:**

■ **Growth.** This score composition is based on an above-inflation (5%) growth threshold. Stocks increase their score if their EPS, EBITDA and sales growth surpass this threshold for each year analyzed (2023-25).

■ **Revisions.** Here, we analyze two time periods: a one-month and a three-month window, to see whether sell-side consensus has been revising estimates up or down for the first window, and if it had revised more than 5% in the latter.

■ **Acceleration.** For this component, we use shorter-term data, analyzing if companies have accelerated their growth based on their LTM figures on the past earnings season (3Q23), the next (4Q23), and full year 2024.

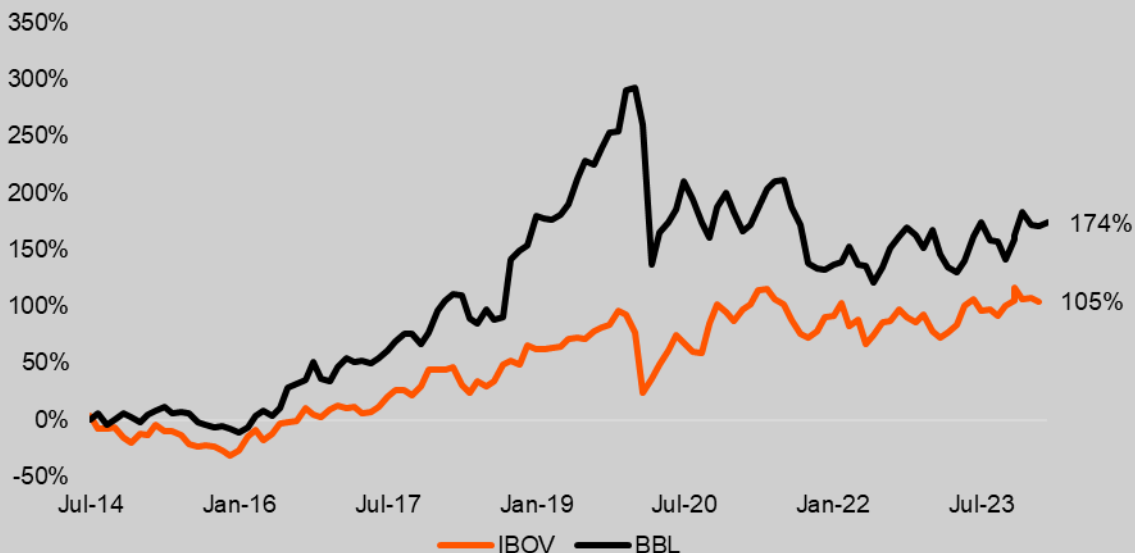
■ **Equilibrium is important.** Our consolidated score can be useful in identifying sectors/stock earnings momentum and its intensity by each component, but we would prefer to have a more even distribution among the three components. We believe it can be a useful screening tool, but we also take in consideration other factors, such as valuation, quality, and price momentum, to make our investment decisions.

■ **Santos Brasil, Equatorial, and Direcional are the top ranked stocks in our proprietary Earnings Momentum Score**, while Petrobras (Neutral), CPFL, and Vale (underweight) ranked the worst.

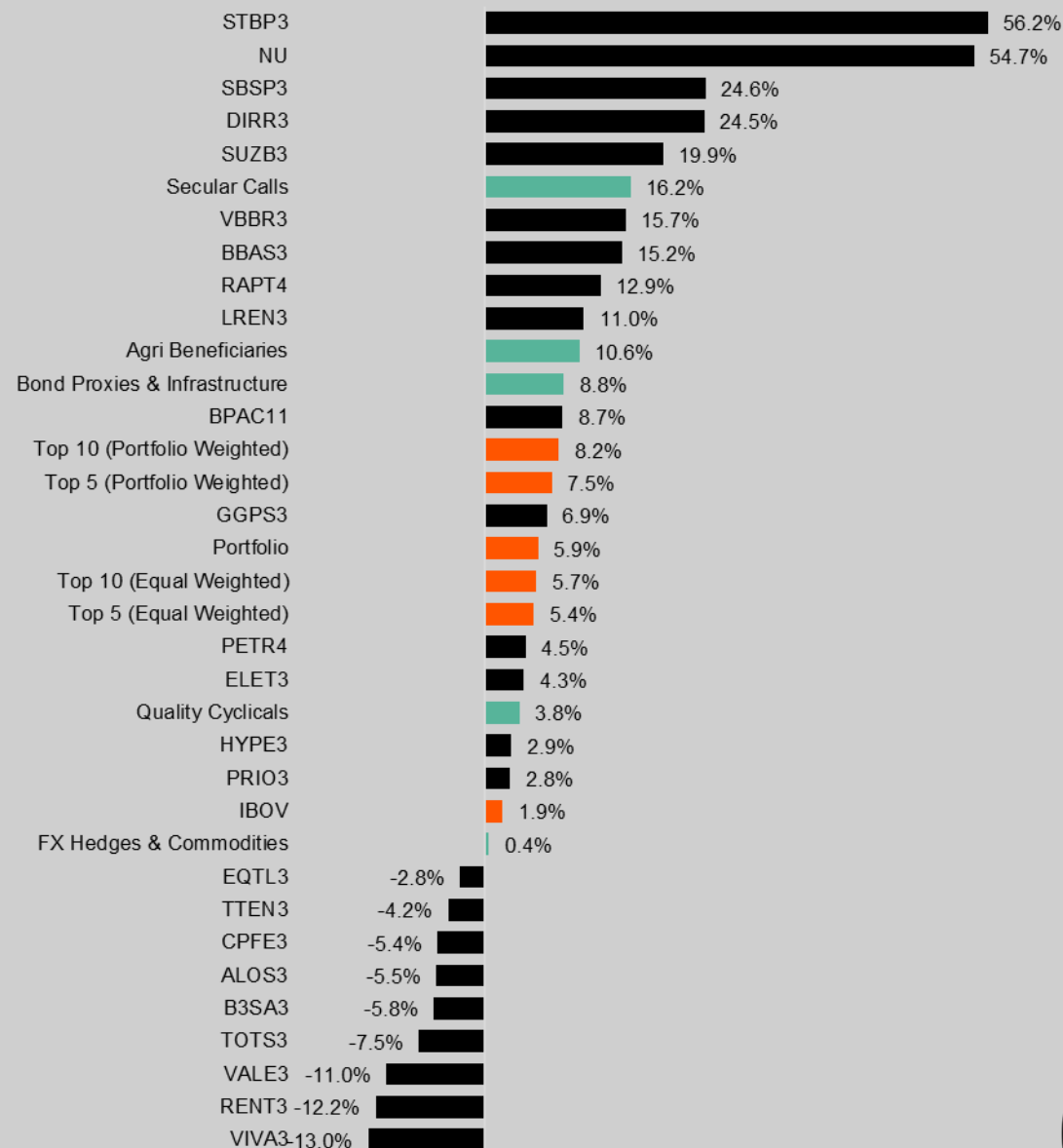
Portfolio Performance Tracker

- Our **Brazil Buy-list (10 stocks portfolio)** reached 5.7% performance since our initiation report back in November-23, outperforming Ibovespa's returns of 1.9% (excess return of 380 bps). Since inception, Brazil Buy List reached 174%, versus Ibovespa 105%.
- The **positive highlights among our top picks** were: Sabesp, Suzano, Banco do Brasil, Randon and GPS. Out of 10 stocks, 7 outperformed Ibovespa in the period. The negative highlights were: Localiza (remained in our Brazil Buy-List) and Vivara.
- Our **Brazil Recommended portfolio** (with 24 stocks) reached 5.9% performance since our initiation report, outperforming Ibovespa's returns of 1.9% (excess return of 400 bps). 15 stocks outperformed Ibovespa in the period. The main positive highlights were: Santos Brasil, Nubank and Sabesp.
- Among our **5 preferred themes**, the best performance came from our Secular Calls, followed by Agri Beneficiaries and Bond Proxies. Our quality cyclicals picks outperformed the Ibovespa as well. The only theme that underperformed was FX Hedges & Commodities with Attractive Valuation.

Brazil Buy List Performance Since Inception



Portfolio ,Themes and Stocks Performance Since Initiation (Nov-23)



Equatorial: A Best-in-Class Utility Posting Double-Digit Growth (EQTL3 – Target Price: BRL 42)

Investment Thesis

- A solid track record in capital allocation and good earnings momentum.
- The latest preliminary asset base figures for the recently acquired CELG and for CEPISA came in higher than we expected, with net RAB of BRL 9.4 billion, compared with our estimate of BRL 8.7 billion. These figures highlight the company's strong execution of its disco concessions.
- Equatorial is well diversified and has exposure to the generation, transmission and distribution segments as well as the sanitation sector. The distribution segment represents 78% of the company's projected EBITDA in 2024, while transmission and generation represent 19%.

Company Background

- Equatorial Energia is the third largest energy distribution group in Brazil by number of customers. Founded in 1999, the company has advanced the consolidation of the energy distribution sector in Brazil and currently operates seven distribution concessions in the states of Maranhão, Pará, Piauí, Alagoas, Rio Grande do Sul, Amapá and Goiás, serving approximately 10 million customers in these regions.
- The company also operates in the transmission and generation sectors. More recently, Equatorial entered the sanitation sector when it began to operate CSA, Amapá's state sanitation company.

Outlook 2024, Valuation & Earnings Comments

- We expect the company to deliver double-digit EBITDA growth in 2024, given its recent tariff resets and the integration of CELG. We foresee lower capex disbursement than in previous years, which will accelerate its deleveraging going forward.
- Equatorial is trading at an implied EV/RAB of 1.77, while at our target price the discos' valuation would be close to 2x. We see the name trading at an implied real IRR of 10.9%.
- That said, we expect a 2-year (2023-25) EBITDA CAGR of 13%. We see room for upward consensus revisions.

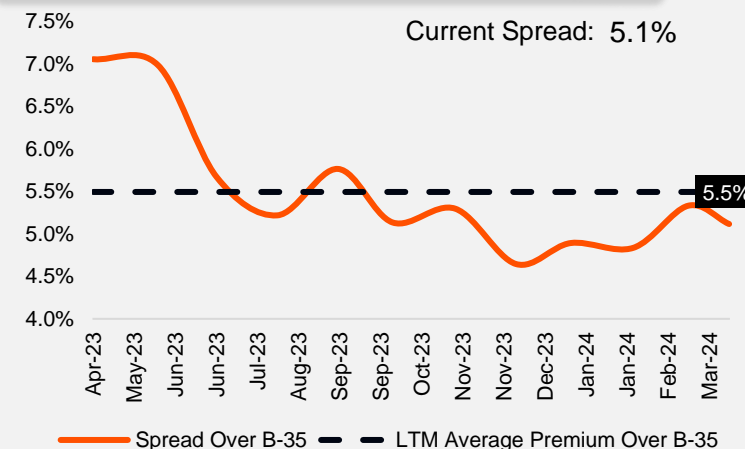
Key Indicators & Factors (Consensus)

	2023E	2024E	2025E
EV/EBITDA	7.9x	7.5x	6.8x
Implied EV/RAB	2.2x	1.8x	1.7x
FCF Yield	-3.8%	2.8%	8.9%
Dividend Yield	1.4%	2.1%	2.9%
Net Debt EBITDA	3.7x	3.6x	3.3x
EPS Growth	22.2%	55.0%	26.6%
Earnings Revisions 3M	6.2%	1.7%	1.6%
EBITDA Growth	42.8%	7.2%	10.4%
EBITDA Revisions 3M	6.2%	3.6%	3.0%

Key Themes to Monitor and Risks

- Disco concession renewal process. The publication of Technical Note 19/2023 by the Ministry of Mines and Energy was a major de-risking event, as it corroborated our view that the disco concession renewal process is unlikely to be onerous. The main risk to our thesis is the disco concession renewal process.
- Inorganic growth. Distribution M&As and sanitation auctions in the North and Northeast regions in 2024. Equatorial is also analyzing being a strategic investor in Sabesp's privatization offering. It seems that government of SP is making a concerted effort to attract a strategic investor, given the massive challenge in universalizing the service.

Historical IRR Spread Over Brazilian Treasury



Sabesp: Privatization Could Unlock Massive Value (SBSP3 – Target Price: BRL 120.3)

Investment Thesis

- We see an attractive risk/reward proposition for Sabesp and potential catalysts ahead. We believe the new regulatory framework proposed in the public consultation process for the new concession contract can lead to substantial gains for the company, since Sabesp will be allowed to keep 100% of the gains during the first cycle (from the privatization until December 2030). Moreover, the new regulatory model also proposes an annual recognition of the regulatory asset base; and a new calculation methodology for regulatory opex.
- Following the opening of the public consultation process (see [report](#)), our Utilities Team published an update (see [report](#)) on Sabesp raising estimates for the company.

Company Background

- Sabesp is a mixed-capital company (the São Paulo state government retains 50.3% of the company's total capital) that was founded in 1973 and is currently responsible for supplying water and collecting and treating sewage in the state of São Paulo. It is one of the world's largest sanitation companies in terms of population served. It supplies water to over 28 million people and provides sewage collection services to over 25 million people.
- Sabesp is responsible for around 30% of the investments in basic sanitation in Brazil. Between 2023 and 2027, it plans to deploy over BRL 26 billion in capex, focusing on expanding water availability and sewage collection.

Outlook 2024, Valuation & Earnings Comments

- We expect the company to deliver double-digit EBITDA growth in 2024.
- Sabesp is trading at an implied EV/RAB of 0.9x, while our target price implies an EV/RAB of 1.24x
- That said, we expect a 6-year (2024-30) EBITDA CAGR of 15%. We see room for upward consensus revisions.

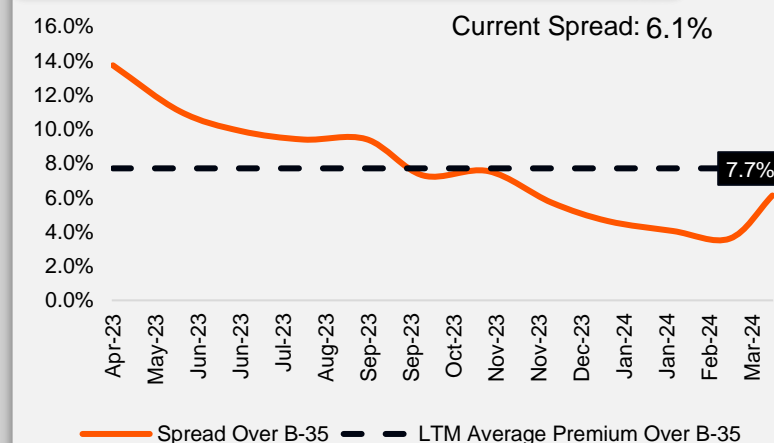
Key Indicators & Factors (Consensus)

	2023E	2024E	2025E
EV/EBITDA	8.4x	6.9x	6.4x
Implied EV/RAB	1.0x	0.9x	0.8x
FCF Yield	3.2%	4.8%	3.1%
Dividend Yield	1.5%	1.8%	2.1%
Net Debt EBITDA	1.9x	1.6x	1.6x
EPS Growth	2.5%	30.4%	11.0%
Earnings Revisions 3M	0.5%	0.7%	-2.6%
EBITDA Growth	17.2%	21.4%	10.8%
EBITDA Revisions 3M	-0.6%	0.9%	1.7%

Key Themes to Monitor and Risks

- i) Conclusion of the public consultation process that discusses the new terms of the concession contract and the new regulation, with the publication of the final documents expected to happen by the end of March/beginning of April;
- ii) Signing of the new concession contract with the municipalities, expected to be concluded by May/June;
- iii) Definition of the strategic investor and more details regarding future governance, which is the biggest uncertainty in the case.

Historical IRR Spread Over Brazilian Treasury



Arezzo: Exposed to Cycle Rebound and a Wide of Cross Sell Opportunities, Backed by Strong Execution (ARZZ, OP, BRL 100/share)

Investment Thesis

- Our constructive view on the investment story is chiefly driven by the value unlock potential from the merger with Grupo Soma, announced in February (still pending CADE approval) and leveraged by ARZZ's track record in M&A integration and strong execution capabilities.
- The main catalysts for the stock are related to the synergies recognition in the combined company (we expect more details on this topic in 2H24). We highlight: i) cross-selling opportunities arising from the sale of footwear and handbags in Soma's brands (incl. Hering); ii) the potential for improving returns in Hering; and iii) increased fiscal efficiency in the combined company.
- The merger will notably increase the liquidity and awareness of the stock in our retail coverage; we see room for new marginal buyers (especially international investors) for the name at favorable valuation levels (without pricing in synergies).

Company Background

- Arezzo is a leading company in the women's footwear, handbags, and accessories segment, where it operates multiple brands, including Schutz, Anacapri, Arezzo and Alexandre Birman, reporting a market share of ~35% in the market of AB classes. In 2020, it entered the apparel segment through its acquisition of the male apparel brand Reserva, which represented ~30 % of its business in 4Q23 (AR&CO participation over total revenues).
- Additionally, the company is waiting for approval from CADE for the conclusion of the merger with Grupo Soma, an apparel house of brands that has exposure to both high- and medium-income target clientele in Brazil. Grupo Soma manages ten brands, the main ones being Farm, Animale and Hering.
- The combined entity is the largest house of brands in the space, with 34 brands and BRL 10 billion in net revenues (2023E).

Outlook 2024, Valuation & Earnings Comments

- Top-down trends seem to be improving for the retail space, on the combination of: i) interest rates decline; iii) inflation under control; iii) a healthy job market; iv) the rebound of credit ([click here](#)). With a gradual improvement in families leverage, we expect non-discretionary categories (such as apparel), to benefit in 2024. A company with 34 apparel and footwear brands (with some brands being more resilient and others more exposed to the cycle rebound) is definitely well positioned for such demand rebound.
- ARZZ standalone has been reporting uneventful results; all eyes are on the roll-out of the integration process with Soma Group, and the upside potential arising from synergies recognition. To us, cross-sell opportunities are what we like the most about the deal. We feel that by 2H24, news on this topic are likely to boost stock performance – which is now trading at appealing ~12x P/E 2025 (without considering potential synergies from the deal).

Key Themes to Monitor and Risks

- Developments on the integration process with Soma Group (CADE approval expected by April as mentioned in company's 4Q23 call).
- Synergies recognition potential, with a focus on the incremental revenues stemming from the combination of both companies.
- This integration is likely to be softer, when compared to other cases in retail (as BUs will continue to have a high degree of independency). Still, execution risk is still embedded in the integration process. After all, both companies have different cultures and different mindsets.

Key Indicators & Factors (Consensus)

	2023E	2024E	2025E
P/E	16.2x	14.5x	12.0x
EV/EBITDA	9.2x	7.7x	6.4x
FCF Yield	2.3%	4.6%	6.2%
Dividend Yield	3.1%	2.7%	3.2%
Net Debt EBITDA	0.6x	0.4x	0.3x
EPS Growth	-7.9%	12.1%	21.1%
Earnings Revisions 3M	-1.5%	-13.2%	-14.3%
EBITDA Growth	17.5%	17.6%	20.0%
EBITDA Revisions 3M	0.3%	-2.1%	-0.5%

P/E 12-month Forward (Consensus)



Localiza: A High-Quality Play at an Attractive Valuation (RENT3 – Target Price: BRL 70)



Investment Thesis

- Investors are overly concerned about depreciation, an issue which has been putting pressure on earnings estimates for 2024. That said, estimates were already revised downward and we believe there is limited downside to the stock at current price, providing for a favorable asymmetry on the medium-term. Short-term may remain volatile.
- Demand elasticity to price has been proving lower than expected, which should allow the company to partially offset depreciation with higher tariffs.
- Localiza remains a high-quality name with a solid track record and exposure to an underpenetrated segment that has plenty of growth opportunities ahead.

Outlook 2024, Valuation & Earnings Comments

- We see the stock trading at 15.5x P/E for 2024, which compares with an over-20x historical average.
- Earnings CAGR for 2023-26 is likely to be around 44% as the company clears out rapidly depreciating cars from its fleet and non-recurring negative expenses tied to the Unidas incorporation fade away.
- Localiza's historical ROE and ROIC levels suggest substantial earnings power, which we expect to yield a 12x P/E.

Key Indicators & Factors (Consensus)

	2023E	2024E	2025E
P/E	26.9x	15.5x	11.8x
EV/EBITDA	8.2x	7.3x	6.5x
FCF Yield	-5.2%	-8.7%	11.2%
Dividend Yield	2.0%	2.0%	2.7%
Net Debt EBITDA	2.9x	2.9x	2.8x
EPS Growth	-15.4%	74.2%	31.2%
Earnings Revisions 3M	-1.2%	-7.6%	-5.2%
EBITDA Growth	59.7%	21.0%	17.4%
EBITDA Revisions 3M	-1.2%	-1.9%	-0.8%

Company Background

- Localiza is one of the largest car rental companies in the world. It operates in three segments:
 - i) the Rent a Car division, which offers short-term rental contracts, mostly for retail clients but also for corporates, ride-hailing-app drivers and insurance replacements;
 - ii) the Fleet Management division, which offers car rental services under long-term contracts for both corporate and retail customers; and
 - iii) the Seminovos division, which sells the company's used car fleet through own stores across Brazil and also on wholesale channels.

Key Themes to Monitor and Risks

- New vehicles and Seminovos pricing and its impact on Localiza's depreciation trend.
- Aggressive price behavior from Chinese OEMs.
- Additional discounts on new car prices to boost OEM sales.
- Potential Seminovos bottlenecks given the large volumes to be sold in the coming quarters/years.
- Competitive scenario in the rental businesses, especially the rent-a-car segment.

P/E 12-month Forward (Consensus)



GPS: It's All About Execution (GGPS3 – Target Price: BRL 21)

Investment Thesis

- While the company is the largest labor-outsourcing service provider in Brazil, its market share remains a low ~5%, suggesting that there is plenty of room for growth ahead.
- The company's growth potential through M&As combined with its clockwise profitability provides a high level of confidence for us to take GPS a solid compounding stock, one of the few in the local market.
- With lower interest rates, new acquisitions will likely be facilitated, which shall support the company's thesis.

Company Background

- Founded in 1962, Grupo GPS is the leading labor-outsourcing service provider in Brazil. The company offers integrated facilities management, security, maintenance, industrial services and indoor logistics to a diversified customer base.
- With a national footprint, Grupo GPS has a successful track record of improving results, driven by a combination of organic and inorganic growth, taking advantage of its competitive strengths.

Outlook 2024, Valuation & Earnings Comments

- We expect the company's M&A strategy, a key piece of its growth assumptions, to result in ~30% YoY top-line growth in 2024. The M&A-driven acceleration should result in a ~1-pp lower EBITDA margin in 2024, compared with 2023.
- Under our assumptions, GPS is trading at ~14x P/E for 2025, an attractive level given the stock's forecasted 2024-26 CAGR of 20% and ROE beyond 20%.

Key Indicators & Factors (Consensus)

	2023E	2024E	2025E
P/E	21.9x	17.8x	13.5x
EV/EBITDA	10.6x	9.3x	7.5x
FCF Yield	3.7%	-2.7%	n.a.
Dividend Yield	1.8%	1.6%	1.5%
Net Debt EBITDA	0.5x	0.7x	0.4x
EPS Growth	29.6%	23.2%	31.3%
Earnings Revisions 3M	-1.0%	-4.9%	-3.8%
EBITDA Growth	29.2%	17.6%	21.4%
EBITDA Revisions 3M	-1.1%	-2.2%	-1.3%

Key Themes to Monitor and Risks

- New M&A announcements.
- Gradual impact on margins coming from M&A consolidation.
- Competitors' aggressiveness in new bids.
- Potential downward earning revision from the sell-side.

P/E 12-month Forward (Consensus)



Hypera: A Growing, Cash-Generating Pharma Player (HYPE3 – Target Price: BRL 40)

Investment Thesis

- Hypera is one of the leaders in the pharmaceutical segment in Brazil. This is a defensive sector with enduring trends that are expected to drive continued growth in the future.
- The company has top-notch execution and a diversified portfolio of brands that guarantee it a leadership position in important product categories as well as bargaining power within the healthcare chain.
- Its capital structure is optimized to deliver a combination of strong cash flow generation and healthy financial leverage, which allows Hypera to continue making investments that support its growth.

Company Background

- Hypera is one of the largest pharmaceutical companies in Brazil. It has a broad and diversified portfolio of products in many categories, including OTC, generics, Rx, and dermo, and it holds a leadership position in the market. Headquartered in São Paulo, the company has more than 3,400 employees and a long history as a publicly listed name.
- Hypera owns top-of-mind brands such as Buscopan, Benegrip, Neosaldina, Engov, Dramin and Rinosoro. In addition to the retail segment, it has also entered the non-retail sector, where it sells products to service providers such as hospitals.

Outlook 2024, Valuation & Earnings Comments

- We expect the company to benefit from a softer comparison base for top-line growth in 2024, with a better scenario for prices after the medicine deflation see in 2023. We forecast an 8% YoY increase in net revenue in 2024.
- We anticipate free cash flow to form to be around 55% of EBITDA with better working capital prospects that should help in cash flow generation in 2024.
- Hypera is trading at a P/E of 11.8x for 2024 (when maintaining all the tax shields), which implies in a considerable discount relative to other companies under our coverage and to its own historical multiples.

Key Themes to Monitor and Risks

- Growth. In 2023, Hypera's top line suffered as a result of a deceleration in medicine prices, a tough competitive pricing strategy and a milder flu season. However, we expect normalization in 2024 to lead to a top-line rebound.
- Working capital. In 2023, the company's inventory level was higher than usual, with few signs of improvement. Although we expect this to normalize, working capital dynamics should be monitored.
- Tax benefits. Hypera enjoys government subsidies that could be under discussion throughout this and next year.
- Main risks to our thesis: i) competition; ii) working capital dynamics; and iii) debate on fiscal benefits.

Key Indicators & Factors (Consensus)

	2023E	2024E	2025E
P/E	12.8x	11.6x	9.9x
EV/EBITDA	10.2x	9.4x	8.3x
FCF Yield	1.6%	5.6%	9.2%
Dividend Yield	3.5%	3.6%	4.6%
Net Debt EBITDA	2.6x	2.4x	2.0x
EPS Growth	-1.2%	10.4%	17.1%
Earnings Revisions 3M	-1.9%	-4.9%	-1.5%
EBITDA Growth	8.0%	8.2%	10.4%
EBITDA Revisions 3M	-2.1%	-3.0%	-4.0%

P/E 12-month Forward (Consensus)



Banco do Brasil: An Extremely Discounted Valuation With Superior Profitability (BBAS3 – Target Price: BRL 65)



Investment Thesis

- Earnings growth at discounted valuations. The bank has a solid track record of execution and profitability, with favorable earnings momentum ahead and an extremely discounted valuation.
- Resilience. The bank's exposure to the flourishing agribusiness sector, and to public employees in retail, are likely to sustain its loan book growth with limited NPL volatility. High capital ratios and profits from insurance provide dividend visibility.
- Thematic. BB has relatively less exposure to the three main regulatory concerns currently putting pressure on the sector: CARF disputes, the end of the IoC and the revolving credit card cap.

Company Background

- Banco do Brasil is Brazil's oldest bank, founded in 1808, and the nation's second largest by total assets. The bank currently has a credit portfolio of approximately BRL 1.1 trillion, which is roughly equally divided among agribusiness, individual, and corporate loans. BB is a key player in agribusiness credit, enjoying more than a 50% market share. It is also the largest player in payroll loans (~20% market share) and the largest bank in asset management (~25% market share).
- With close to 4,000 branches, Banco do Brasil serves a diverse clientele, including individuals, businesses, and government entities. It is a state-owned enterprise, as the federal government controls 50% of the total shares.

Outlook 2024, Valuation & Earnings Comments

- Our estimates are above consensus. We are calling for another round of double-digit earnings growth next year, to BRL 39 billion, and a 21% ROE. Among the large banks, BB is likely to deliver the highest loan book growth in 2024 (12% YoY), with at least similar growth in NII (post-cost of risk) and further efficiency gains.
- Deep value. BB is trading at 4.5x P/E and 0.9 P/BV, despite the ~21% ROEs we are forecasting for FY24. The name today offers a 9% dividend yield, with room for a higher payout. Based on our target price of BRL 65/share, we see the name re-rating to 0.95x P/BV, which is still discounted considering both its FY24 and medium-term profitability levels.

Key Themes to Monitor and Risks

- Unfriendly policy interference.
- Competition in key credit lines, especially payroll loans.
- Regulatory themes (i.e., the end of IoC and caps on credit lines).
- Client spreads widening going into FY24.
- Cost-of-risk declines in FY24.
- Banco Patagonia Earnings Headwinds

Key Indicators & Factors (Consensus)

	2023E	2024E	2025E
P/E	4.5x	4.2x	4.1x
ROE	21.2%	20.9%	19.5%
FCF Yield	0.0%	0.0%	0.0%
Dividend Yield	8.6%	10.1%	10.5%
EPS Growth	14.0%	6.8%	3.1%
Earnings Revisions 3M	-0.9%	0.6%	3.2%

P/E 12-month Forward (Consensus)



Randon: Best Player for Riding a Turning Point in the Brazilian Truck Market (RAPT4 – Target Price: BRL 16.5)

RANDON

Investment Thesis

- The shift to Euro 6 engines last year contributed to truck production and sales dropping by 20% and 40%, respectively, in 2023, and industry players are expecting a strong rebound in 2024. This is corroborated by the pattern seen in previous major transitions.
- Randon has been looking to become less cyclical and more resilient, which could improve investors' perception of the case.
- The company's listed subsidiary, Fras-le, will likely continue to post strong results.

Outlook 2024, Valuation & Earnings Comments

- We expect Randon's auto-parts and trailer businesses to benefit from a ~15% improvement in sales and production in the truck industry, leading to ~10% better EBITDA for 2024. However, we acknowledge that we adopt more conservative assumptions than other players in the truck industry.
- Randon's is trading at an attractive P/E of 9x, which looks especially appealing when considering the multiple without Fras-le, at 6x.
- Results are expected to improve considerably from 2Q24 onwards, with the company's guidance suggesting some upside to our estimates.

Key Indicators & Factors (Consensus)

	2023E	2024E	2025E
P/E	9.4x	7.4x	6.2x
EV/EBITDA	5.0x	4.5x	4.0x
FCF Yield	10.4%	13.5%	14.9%
Dividend Yield	4.7%	6.4%	9.7%
Net Debt EBITDA	1.8x	1.5x	1.4x
EPS Growth	-9.2%	26.6%	19.7%
Earnings Revisions 3M	-4.1%	-2.9%	-1.6%
EBITDA Growth	7.6%	5.5%	11.7%
EBITDA Revisions 3M	2.3%	-2.1%	-0.5%

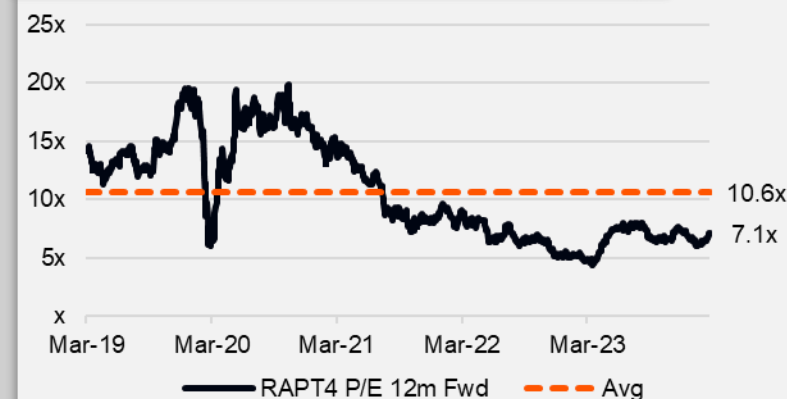
Company Background

- Randon is the leading supplier of truck trailers in the Brazilian market, and the same business division also includes railcar manufacturing. In addition, Randon manufactures auto parts for both light vehicles and heavy vehicles, which are either supplied to OEMs or sold on the aftermarket. In the latter segment, Randon is the controlling shareholder of Fras-le (also listed on B3), Brazil's leading aftermarket auto-parts supplier.
- Randon's operations also include financial and digital services and innovative initiatives, which account for a smaller portion of total revenue.

Key Themes to Monitor and Risks

- The monthly vehicle sales and vehicle production data compiled by Anfavea and Fenabrave.
- Commodity price trends, as volatility in prices could put unexpected pressure on margins.
- Potential M&As for both Randon and its subsidiary Fras-le.

P/E 12-month Forward (Consensus)



Suzano: A Best-in-Class Hardwood Pulp Producer

(SUZB3 – Target Price: BRL 63)



Investment Thesis

- Suzano is a best-in-class global hardwood pulp producer that is well positioned in a sector with strong long-term demand fundamentals (e.g., population growth/aging, ESG trends).
- We prefer Suzano over Klabin, as the former will benefit more from a stronger-than-expected pulp market in the short term. Additionally, Suzano's Cerrado project will start up in 1H24, and we believe that investors have yet to incorporate it into the company's valuation.
- We also see Suzano trading at attractive implicit pulp price and FX rates. That said, we note the limited FCF yield forecasted for 2024, given the capex disbursements for Cerrado.

Company Background

- Suzano operates mainly in the pulp business (~90% of total EBITDA), and the company is the world's largest and most efficient hardwood pulp producer. Suzano is also an important player in the paper industry (largest tissue producer in Brazil), although paper contributes less to its results (~10% of consolidated EBITDA).
- Suzano is a growth company, as it reinvests most of its FCF into expansion projects. Of note, the company plans to deliver the Cerrado project (expected to be the most efficient hardwood pulp mill in the world) in June 2024, and it has announced new expansions in the tissue and fluff segments.

Outlook 2024, Valuation & Earnings Comments

- For 1H24, we expect a better supply-demand dynamics in Europe and China, which allows pulp producers to increase prices across the regions. For 2H24, we estimate a less favorable supply-demand momentum, on the heels of concerns with overall paper demand in China, recovery in Europe and the new pulp volumes of Cerrado (which is expected to bring 700ktons of additional hardwood market pulp).
- We expect Suzano to post EBITDA of BRL 20.8 billion in 2024 (+5% YoY), mainly helped by the start-up of the Cerrado project and higher average pulp prices.

Key Indicators & Factors (Consensus)

	2023E	2024E	2025E
P/E	6.3x	12.6x	9.8x
EV/EBITDA	7.4x	7.0x	5.7x
FCF Yield	-1.6%	1.6%	10.0%
Dividend Yield	1.7%	1.7%	1.9%
Net Debt EBITDA	3.1x	2.9x	2.3x
EPS Growth	-40.2%	-50.2%	29.0%
Earnings Revisions 3M	12.2%	-1.0%	4.1%
EBITDA Growth	-33.7%	7.0%	18.7%
EBITDA Revisions 3M	0.0%	1.1%	2.0%

Key Themes to Monitor and Risks

- Supply: ramp-up pace of the new projects (MAPA, UPM and Cerrado) in 2024, as well as potential supply reductions driven by fires, drought, economically-oriented decisions, etc.
- Demand: evolution of macroeconomic factors linked to consumption trends (interest rates, inflation, household disposable income, etc.) in Europe and China.
- Price: new price-hike announcements and the pace of their implementation in the subsequent months.
- Costs: evolution of pulp production costs (woodchips, natural gas, logistics, etc.).

EV/EBITDA 12-month Forward (Consensus)



PRIO: The Best-in-Class Independent Oil Producer

(PRIO3 –Target Price: BRL 58)



Investment Thesis

- PRIO is the largest independent oil producer in Brazil in terms of daily production and has a clear business model that focuses on offshore oil fields in the Campos Basin.
- The company offers a combination of consistent opex and capex efficiency gains, solid organic growth prospects, financial capacity and strategic pursuit of M&As.
- In 2023, PRIO has reported strong results due to higher-than-expected oil production from certain wells and lower-than-expected drilling times and costs. We believe that PRIO could continue to report positive news driven by its revitalization campaigns at Albacora Leste and Wahoo, which could trigger another upward re-rating of the stock.

Company Background

- Portfolio of fields: i) Polvo, ii) Tubarão Martelo, iii) Frade, iv) Wahoo, and v) Albacora Leste.
- In 2021, the tieback between the Polvo and Tubarão Martelo fields was finalized, reducing the lifting cost of the fields and becoming a hallmark of PRIO's business model.
- Over the course of 2022 and 2023, PRIO has focused on its Frade revitalization campaign, which has resulted in higher-than-expected oil production. This year, the company incorporated Albacora Leste and is increasing the FPSO's topside operational efficiency to ramp up production. It is also focusing on developing Wahoo, with first oil expected in 2Q24 though a tieback with the Frade field, which is likely to be delayed if Ibama strike extend until early April.

Outlook 2024, Valuation & Earnings Comments

- With a favorable oil price environment and a production ramp-up, we expect PRIO to generate solid cash flow as it dilutes costs (record-high lifting costs are also expected to continue next year).
- Considering the promising cash generation for 2024 (15% FCF yield), we believe that the company could generate solid returns for investors through either buybacks or dividends, in the event that there are no good M&A prospects.
- We see PRIO trading at an EV/EBITDA of 3.2x.

Key Indicators & Factors (Consensus)

	2023E	2024E	2025E
P/E	7.6x	5.9x	4.6x
EV/EBITDA	4.6x	3.6x	2.6x
FCF Yield	-5.5%	13.2%	23.7%
Dividend Yield	0.0%	3.2%	10.7%
Net Debt EBITDA	0.1x	0.0x	-0.2x
EPS Growth	59.8%	29.6%	27.0%
Earnings Revisions 3M	-5.2%	-13.3%	-8.8%
EBITDA Growth	74.5%	27.1%	24.1%
EBITDA Revisions 3M	-2.6%	-10.6%	-4.6%

Key Themes to Monitor and Risks

- Organic growth: production ramp-up in Albacora Leste and the first oil at Wahoo field (2Q24 or potentially September if delayed).
- Inorganic growth: major oil companies divesting from offshore oil fields, especially in the Campos basin, as a result of commitments to the global energy transition.
- Shareholder remuneration: buyback pace (10% of outstanding shares) and/or dividend (less likely) announcements if there are no good M&A targets.
- Main risks to our thesis: i) prolonged strike at Ibama delaying the company's plan (Albacora Leste & Wahoo); ii) regulatory risks, such as a potential new export tax on crude oil; and iii) capacity limitations at the FPSOs.

EV/EBITDA 12-month Forward (Consensus)



Rumo: A Smart Way to Play the Brazilian Agribusiness Secular Trend

(RAIL3 – Target Price: BRL 30)

Investment Thesis

- Brazil is the #1 soybean producer in the world and #3 corn producer, with almost two thirds of the country's grain's exports directed to China. In the past two decades, Brazil has tripled its soybean harvest and quadrupled corn production, but there is still ample room for growth.
- To transport these increasingly larger volumes and reduce the country's dependence on truck transportation, heavy investment in railways is needed. Rumo is the largest and most efficient railway operator in the country and should directly benefit from this trend.

Company Background

- Rumo is the largest railway operator in Brazil, with over 13 thousand kilometers of railway spread out across eight Brazilian states through five concessions. The company operates in the main Brazilian export corridors, reaching key ports such as Santos and Paranaguá.
- With approximately 1,200 locomotives and 33,000 railcars, the company transported over 67 million tons of cargo in 2022 (or ~75 billion RTKs), out of which 75% was agricultural cargo and 13% was industrial. The company also owns several transshipment terminals.

Outlook 2024, Valuation & Earnings Comments

- In 2024, the company should benefit from another year of strong freight prices (we forecast +13% YoY for consolidated yield, and recognize there might be some upside here), with quotations on the rise given the still tight supply market even in spite of the crop failure forecasted.
- Valuation-wise, we currently see the stock trading at 6.9x EV/EBITDA 2024, below our estimated fair multiple of 8.0x. Out target price of BRL 30.00 considers 50% of the NPV of the Lucas do Rio Verde Project, or BRL ~3.50 per share (i.e., the full project adds ~BRL 7.00 per share).

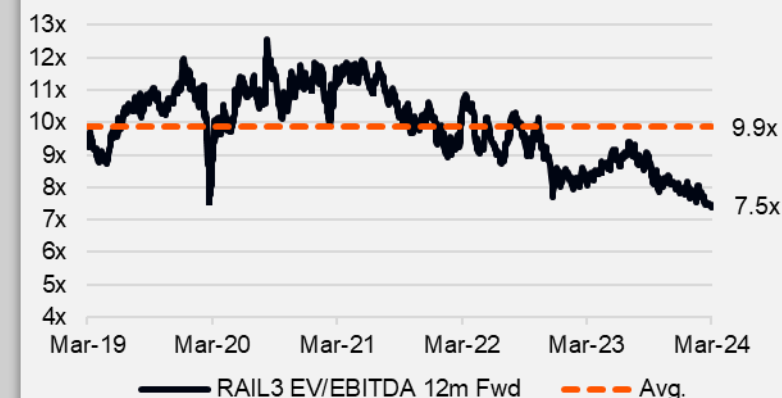
Key Indicators & Factors (Consensus)

	2023E	2024E	2025E
P/E	48.6x	18.6x	15.3x
EV/EBITDA	9.6x	7.5x	6.9x
FCF Yield	4.4%	-1.9%	1.7%
Dividend Yield	0.3%	1.3%	2.3%
Net Debt EBITDA	2.4x	1.9x	1.9x
EPS Growth	154.2%	161.8%	21.1%
Earnings Revisions 3M	-0.4%	5.8%	8.0%
EBITDA Growth	22.6%	28.9%	11.5%
EBITDA Revisions 3M	-0.2%	2.5%	0.2%

Key Themes to Monitor and Risks

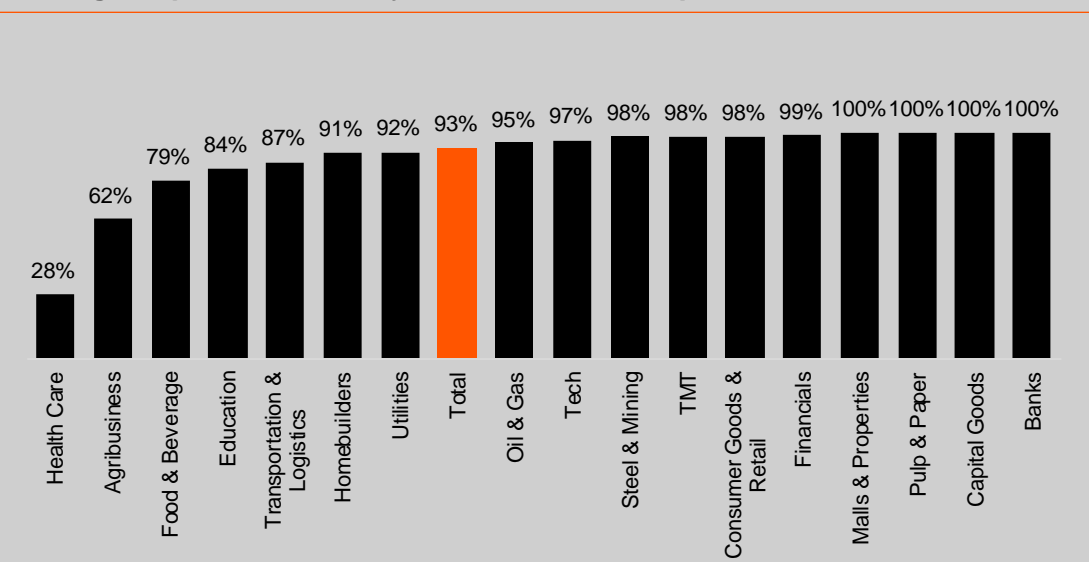
- With the drop in global grains prices, both farmers' and trading groups' margins have been pressured. In this context, increasing freight prices may be more challenging.
- Though Rumo usually passes through diesel prices in its contracts, lower fuel quotes tend to benefit the Northern Arch, given its higher exposure to truck transportation.
- Rumo is in the middle of a heavy investment cycle due to the LRV project; should capex exceed expectations, this might hurt cash flow generation in coming years.

EV/EBITDA 12-month Forward (Consensus)



Earnings Tracker 4Q23

Earnings Reported So Far By Sector – Market Cap Based



Sector Diffusion – Actual Figures vs. Itaú Estimates* (Net Income)

Sector	Total	# of Companies				Market Cap	
		Beat	In-Line	Miss	Beat	In-Line	Miss
Agribusiness	7	42.9%	28.6%	28.6%	58.8%	17.5%	23.7%
Banks	10	30.0%	40.0%	30.0%	2.8%	35.8%	61.4%
Capital Goods	6	50.0%	0.0%	50.0%	94.4%	0.0%	5.6%
Consumer Goods & Retail	21	61.9%	23.8%	14.3%	23.7%	74.8%	1.5%
Education	5	60.0%	20.0%	20.0%	70.6%	19.3%	10.1%
Financials	6	33.3%	66.7%	0.0%	19.8%	80.2%	0.0%
Food & Beverage	3	66.7%	33.3%	0.0%	17.3%	82.7%	0.0%
Health Care	6	0.0%	66.7%	33.3%	0.0%	26.0%	74.0%
Homebuilders	12	41.7%	33.3%	25.0%	32.8%	43.1%	24.1%
Malls & Properties	6	50.0%	50.0%	0.0%	61.1%	38.9%	0.0%
Oil & Gas	4	50.0%	25.0%	25.0%	6.2%	1.4%	92.4%
Pulp & Paper	2	100.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Steel & Mining	6	0.0%	33.3%	66.7%	0.0%	4.0%	96.0%
Tech	5	20.0%	60.0%	20.0%	22.1%	17.1%	60.8%
TMT	5	80.0%	20.0%	0.0%	98.7%	1.3%	0.0%
Transportation & Logistics	7	71.4%	14.3%	14.3%	36.0%	9.1%	54.8%
Utilities	13	53.8%	15.4%	30.8%	36.9%	16.4%	46.7%
24 Coverage	124	46.8%	30.6%	22.6%	24.7%	32.6%	42.7%

Sector Diffusion – Itaú BBA Analyst Reaction*

Sector	Total	# of Companies			Market Cap		
		Positive	Neutral	Negative	Positive	Neutral	Negative
Agribusiness	7	28.6%	42.9%	28.6%	57.2%	32.9%	9.9%
Banks	10	60.0%	20.0%	20.0%	71.0%	0.8%	28.1%
Capital Goods	6	50.0%	33.3%	16.7%	93.3%	4.6%	2.1%
Consumer Goods & Retail	21	33.3%	42.9%	23.8%	12.9%	85.1%	2.0%
Education	5	20.0%	80.0%	0.0%	39.5%	60.5%	0.0%
Financials	6	0.0%	83.3%	16.7%	0.0%	72.1%	27.9%
Food & Beverage	3	66.7%	33.3%	0.0%	17.3%	82.7%	0.0%
Health Care	6	0.0%	83.3%	16.7%	0.0%	46.4%	53.6%
Homebuilders	12	33.3%	58.3%	8.3%	56.2%	42.4%	1.4%
Malls & Properties	6	50.0%	50.0%	0.0%	88.9%	11.1%	0.0%
Oil & Gas	4	25.0%	75.0%	0.0%	6.0%	94.0%	0.0%
Pulp & Paper	2	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%
Steel & Mining	6	66.7%	16.7%	16.7%	89.4%	0.7%	9.8%
Tech	5	0.0%	80.0%	20.0%	0.0%	39.2%	60.8%
TMT	5	80.0%	20.0%	0.0%	98.9%	1.1%	0.0%
Transportation & Logistics	7	57.1%	14.3%	28.6%	23.5%	54.8%	21.7%
Utilities	13	23.1%	76.9%	0.0%	27.7%	72.3%	0.0%
Coverage	124	35.5%	50.8%	13.7%	41.3%	47.8%	10.9%

Sector Diffusion – YoY Growth

Sector	# of Companies			Market Cap		
	Revenue	EBITDA	Net Income	Revenue	EBITDA	Net Income
Agribusiness	71.4%	42.9%	28.6%	82.5%	72.6%	57.2%
Banks	87.5%	n.a.	75.0%	81.5%	n.a.	79.4%
Capital Goods	66.7%	60.0%	66.7%	95.4%	96.9%	96.9%
Consumer Goods & Retail	90.0%	68.4%	50.0%	78.1%	67.2%	34.8%
Education	100.0%	66.7%	25.0%	100.0%	70.9%	43.9%
Financials	60.0%	40.0%	80.0%	47.2%	35.7%	69.2%
Food & Beverage	33.3%	100.0%	66.7%	5.7%	100.0%	17.3%
Health Care	50.0%	66.7%	50.0%	27.5%	29.0%	23.6%
Homebuilders	90.9%	72.7%	90.9%	97.1%	73.2%	97.1%
Malls & Properties	66.7%	83.3%	100.0%	92.6%	94.4%	100.0%
Oil & Gas	25.0%	50.0%	25.0%	0.2%	6.2%	6.0%
Pulp & Paper	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Steel & Mining	50.0%	66.7%	50.0%	86.1%	89.4%	17.0%
Tech	80.0%	60.0%	40.0%	77.9%	35.4%	26.0%
TMT	100.0%	80.0%	100.0%	100.0%	98.7%	100.0%
Transportation & Logistics	100.0%	100.0%	71.4%	100.0%	100.0%	87.5%
Utilities	75.0%	75.0%	83.3%	73.7%	80.1%	94.4%
Coverage	75.2%	68.2%	63.2%	59.5%	64.5%	52.7%

Source: Itaú BBA, Bloomberg. *Considers Itaú analyst reaction in an earnings review report, which is usually published after the results are released but before the following trading day starts. ** Definitions: a beat is a result 5% above our estimate; a miss is a result 5% below our estimate; in line is between those two thresholds.

Earnings Agenda 4Q23

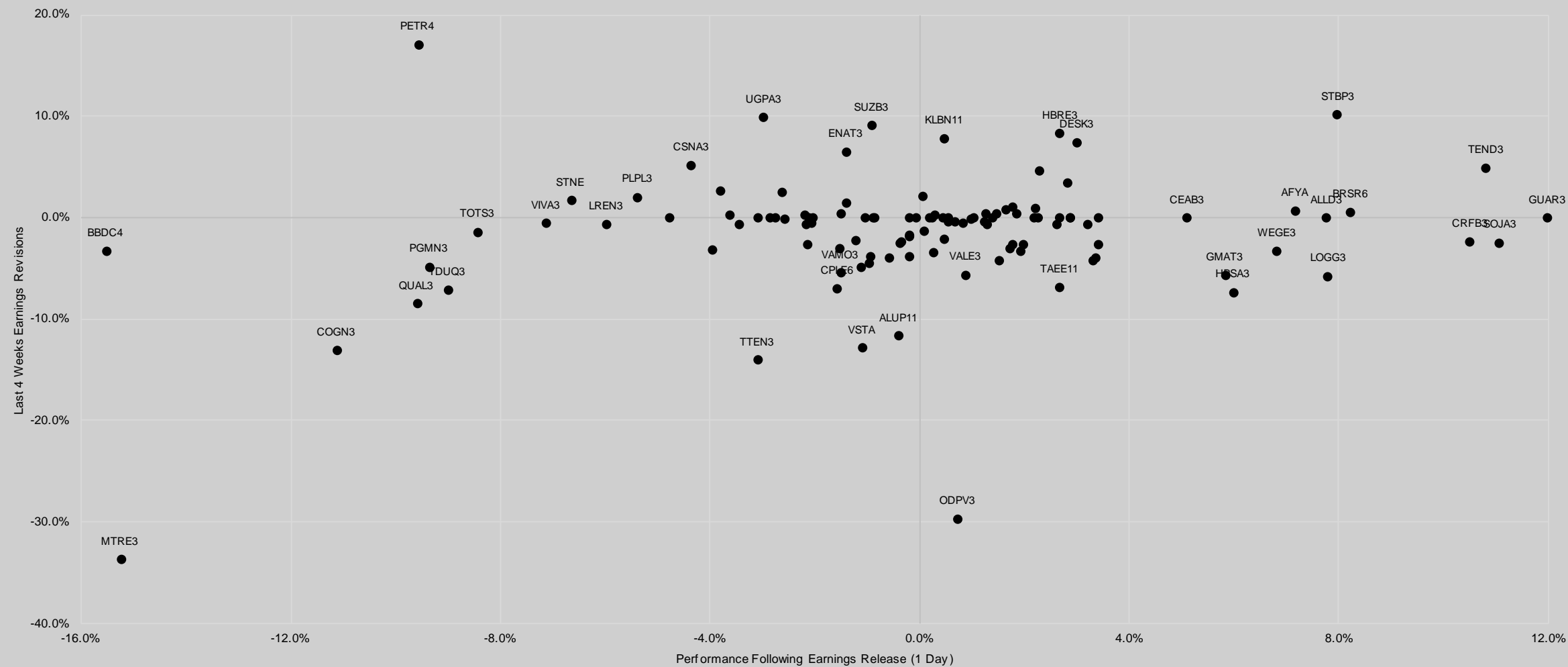
Companies Scheduled to Report in the Coming Weeks – Bloomberg Consensus Estimates (BRL in Millions)

Sector	Ticker	Mkt Cap	Release Date	Revenue	EBITDA	Net Income
Food & Beverage	BEEF3	4.3	25-Mar	7337	764	175
Health Care	VVEO3	2.2	25-Mar	2904	207	57
Consumer Goods & Retail	BHIA3	0.6	25-Mar	7849	114	-568
Consumer Goods & Retail	SOMA3	5.6	25-Mar	1457	237	100
Homebuilders	JHSF3	2.9	25-Mar	410	145	51
Utilities	EQTL3	38.3	25-Mar	9305	2637	738
TMT	ELMD3	2.4	25-Mar	316	140	70
Consumer Goods & Retail	MBLY3	0.3	25-Mar	151	-6	-20
Utilities	LIGT3	1.9	25-Mar	3407	n.a.	459
Education	SEER3	0.8	25-Mar	477	90	11
Education	ANIM3	2.0	25-Mar	885	242	-64
Tech	CLSA3	0.9	25-Mar	138	-21	-13
Transportation & Logistics	MOVJ3	3.1	25-Mar	2572	887	-50
Consumer Goods & Retail	CVCB3	1.7	26-Mar	363	92	-27
Transportation & Logistics	ARML3	4.6	26-Mar	386	189	57
Food & Beverage	JBSS3	51.1	26-Mar	92292	5409	997
Consumer Goods & Retail	MEAL3	0.6	26-Mar	576	94	-3
Health Care	RDOR3	60.4	26-Mar	12149	1560	541
Transportation & Logistics	SIMH3	6.8	26-Mar	8289	2190	-11
Agribusiness	RAIL3	40.6	27-Mar	2572	1208	127

Sector	Ticker	Mkt Cap	Release Date	Revenue	EBITDA	Net Income
Oil & Gas	CSAN3	30.8	27-Mar	36697	3768	572
Health Care	DASA3	5.4	27-Mar	3600	567	-181
Financials	WIZC3	1.0	27-Mar	229	146	39
Homebuilders	TCSA3	0.2	27-Mar	n.a.	n.a.	n.a.
Food & Beverage	MRFG3	9.0	27-Mar	35246	1930	-64
Homebuilders	LPSB3	0.3	27-Mar	43	8	5
Consumer Goods & Retail	MLAS3	1.8	27-Mar	968	-60	-68
Health Care	HAPV3	29.3	27-Mar	7038	899	204
Health Care	ONCO3	5.1	27-Mar	1459	284	53
Steel & Mining	BRAP4	7.9	27-Mar	862	857	871
Transportation & Logistics	GOLL4	0.7	28-Mar	4994	1293	83
Homebuilders	HBOR3	0.4	28-Mar	352	86	12
Tech	SEQL3	0.2	28-Mar	n.a.	n.a.	n.a.
Transportation & Logistics	AZUL4	4.9	28-Mar	4911	1527	35
Health Care	MA TD3	2.4	28-Mar	559	127	31
Financials	DOTZ3	0.1	28-Mar	39	n.a.	n.a.
Education	CSED3	1.7	28-Mar	588	142	10
Financials	IRBR3	3.2	28-Mar	1568	n.a.	60

4Q23 Earnings Season

Price Momentum and Earnings Momentum – Stock Performance Following Results and Earnings Revisions



Earnings Tracker 4Q23

Earnings Released So Far This Season – Estimates, Reaction and Growth

Sector	Ticker	Mkt Cap (BRL Mn)	Itaú Analyst Reaction	Net Income	EBITDA	Sales	Beat on Itaú Estimates ? (EPS)	Beat on Itaú Estimates ? (EBITDA)	Beat on Itaú Estimates ? (Sales)	EPS Growth YoY	EBITDA Growth YoY	Sales Growth YoY	EPS Growth YoY	EBITDA Growth YoY	Sales Growth YoY	EPS Growth QoQ	EBITDA Growth QoQ	Sales Growth QoQ
Banks	SANB11	105.4	Negative	2,783		14,025	Miss	n.a.	In Line	-26.7%	n.a.	-1.3%	Contraction	n.a.	Contraction	Contraction	n.a.	Contraction
Banks	BPAN4	11.9	Positive	225		2,261	In Line	n.a.	Beat	-13.5%	n.a.	1.2%	Contraction	n.a.	Expansion	Contraction	n.a.	Expansion
Banks	BRB11	1.7	Neutral	44		123	In Line	n.a.	In Line	27.6%	n.a.	12.9%	Expansion	n.a.	Expansion	Expansion	n.a.	Expansion
Financials	CIEL3	13.9	Neutral	472	1,056	2,732	In Line	Miss	In Line	46.7%	9.2%	0.6%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Banks	BPAC11	140.7	Positive	2,765		5,747	In Line	n.a.	In Line	65.9%	n.a.	22.7%	Expansion	n.a.	Expansion	Expansion	n.a.	Expansion
Financials	BBSE3	64.7	Neutral	1,966			In Line	n.a.	n.a.	7.1%	1.0%	118.2%	Expansion	Expansion	Expansion	Contraction	Contraction	Expansion
Malls & Properties	LOGG3	2.3	Neutral	15	41	54	Beat	Miss	Miss	65.9%	-35.5%	-37.0%	Expansion	Contraction	Contraction	Expansion	Contraction	Contraction
TMT	TIMS3	44.2	Positive	854	3,144	6,149	Beat	In Line	In Line	101.1%	21.1%	7.7%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Banks	ABCB4	5.7	Neutral	211		664	Beat	n.a.	In Line	17.3%	n.a.	11.1%	Expansion	n.a.	Expansion	Expansion	n.a.	Contraction
Utilities	NEOE3	25.0	Neutral	826	2,876	12,499	Beat	In Line	Miss	4.0%	-2.4%	0.1%	Expansion	Contraction	Expansion	Contraction	Contraction	Expansion
Pulp & Paper	KLBN11	27.2	Neutral	381	1,630	4,320	Beat	In Line	In Line	-21.7%	-28.1%	-11.5%	Contraction	Contraction	Contraction	Expansion	Contraction	Expansion
Tech	TOTS3	18.8	Negative	189	253	1,202	Miss	In Line	In Line	-20.3%	-2.7%	18.6%	Contraction	Contraction	Expansion	Contraction	Contraction	Expansion
Banks	BBDC4	140.9	Negative	4,247		16,070	Miss	n.a.	In Line	18.5%	n.a.	0.1%	Expansion	n.a.	Expansion	Contraction	n.a.	Contraction
Utilities	AURE3	12.0	Neutral	114	498	608	Miss	In Line	Beat	-95.6%	-46.9%	14.7%	Contraction	Contraction	Expansion	Expansion	Expansion	Expansion
Malls & Properties	MULT3	15.7	Positive	350	465	611	Beat	Miss	In Line	26.6%	13.0%	13.1%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Banks	BBAS3	158.8	Positive	9,105		24,907	In Line	n.a.	In Line	1.5%	n.a.	11.3%	Expansion	n.a.	Expansion	Expansion	n.a.	Contraction
Agribusiness	SMT03	10.1	Neutral	442	680	1,600	Miss	In Line	In Line	-32.6%	2.2%	22.4%	Contraction	Expansion	Expansion	Contraction	Contraction	Expansion
Agribusiness	RAIZ4	35.3	Positive	58	3,705	54,087	Beat	Beat	Beat	936.3%	152.7%	2.8%	Expansion	Expansion	Expansion	Expansion	Expansion	Contraction
Steel & Mining	USIM5	12.3	Positive	-86	80	6,336	n.a.	Beat	Beat	n.a.	n.a.	-11.5%	Expansion	Expansion	Contraction	Expansion	Expansion	Expansion
Banks	BRSR6	5.6	Positive	240		1,591	Beat	n.a.	Miss	38.6%	n.a.	3.5%	Expansion	n.a.	Expansion	Expansion	n.a.	Contraction
Consumer Goods & Retail	CRFB3	28.5	Neutral	214	1,679	27,952	Beat	Beat	In Line	n.a.	-62.2%	-0.8%	Contraction	Contraction	Contraction	Contraction	Contraction	Expansion
Malls & Properties	IGT11	7.2	Positive	156	241	342	Beat	Beat	In Line	28.3%	38.7%	7.8%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Utilities	TRPL4	18.9	Neutral	693	984	1,084	Beat	In Line	In Line	88.3%	57.5%	37.0%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Steel & Mining	GGBR4	36.7	Negative	884	2,000	14,240	Miss	In Line	In Line	-53.6%	-47.3%	-18.1%	Contraction	Contraction	Contraction	Contraction	Contraction	Contraction
TMT	VIT3	85.5	Positive	1,400	5,633	13,413	Beat	In Line	In Line	42.1%	9.9%	6.9%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Agribusiness	TTEN3	5.4	Negative	191	283	2,940	Miss	Miss	In Line	-22.8%	-41.6%	40.5%	Contraction	Contraction	Expansion	Contraction	Contraction	Expansion
Capital Goods	WEGE3	166.8	Positive	1,272	1,690	8,120	Beat	Beat	Beat	46.2%	17.3%	7.3%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Consumer Goods & Retail	ASAB3	19.4	Positive	290	1,415	18,653	In Line	In Line	In Line	-26.8%	23.6%	15.5%	Contraction	Expansion	Expansion	Expansion	Expansion	Expansion
Steel & Mining	VALE3	270.6	Positive	4,050	6,300	13,033	Miss	Beat	In Line	-38.7%	25.8%	2.8%	Contraction	Expansion	Expansion	Contraction	Expansion	Expansion
Financials	CXSE3	48.5	Neutral	913		2,382	In Line	n.a.	In Line	5.7%	-34.8%	-24.2%	Expansion	Contraction	Contraction	Expansion	Expansion	Expansion
Financials	B3SA3	67.8	Negative	1,081		2,244	In Line	n.a.	In Line	-8.8%	-8.8%	-2.8%	Contraction	Contraction	Contraction	Contraction	Contraction	Contraction
Food & Beverage	MDIA3	13.6	Positive	255	427	2,702	Beat	In Line	In Line	2099.0%	273.9%	0.2%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Food & Beverage	BRFS3	27.4	Positive	245	1,788	14,504	Beat	Beat	In Line	n.a.	237.3%	-2.3%	Expansion	Expansion	Contraction	Expansion	Expansion	Expansion
Capital Goods	POMO4	8.1	Positive	153	267	1,690	Beat	Beat	Beat	7.5%	43.2%	14.6%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Utilities	EGIE3	32.9	Neutral	886	1,543	2,707	Miss	In Line	In Line	6.5%	4.2%	-12.6%	Expansion	Expansion	Contraction	Expansion	Expansion	Expansion
Health Care	ODPV3	7.0	Neutral	120	164	556	In Line	Miss	In Line	n.a.	n.a.	n.a.	Contraction	Contraction	Contraction	Contraction	Expansion	Contraction
Tech	INTB3	6.9	Neutral	126	152	1,071	Beat	Miss	Beat	14.5%	18.9%	-4.5%	Expansion	Expansion	Contraction	Expansion	Expansion	Expansion
Pulp & Paper	SUZB3	81.1	Neutral	3,669	4,320	9,869	Beat	In Line	Beat	-39.6%	-34.3%	-27.8%	Contraction	Contraction	Contraction	Expansion	Expansion	Expansion
Oil & Gas	UGPA3	31.0	Positive	518	1,516	32,784	Beat	Beat	In Line	33.6%	15.8%	-7.1%	Expansion	Expansion	Contraction	Expansion	Expansion	Expansion
Food & Beverage	ABEV3	195.5	Neutral	4,641	7,455	21,647	In Line	In Line	Miss	-11.7%	2.4%	-11.9%	Contraction	Expansion	Contraction	Expansion	Expansion	Contraction
Utilities	CPLE6	28.6	Neutral	573	1,401	4,695	Beat	In Line	Beat	41.5%	83.9%	-16.4%	Expansion	Expansion	Contraction	Expansion	Expansion	Expansion
Homebuilders	MRVE3	4.3	Positive	21	494	1,991	n.a.	Miss	In Line	n.a.	-73.0%	16.8%	Expansion	Contraction	Expansion	Expansion	Contraction	Contraction
Malls & Properties	HBRE3	0.7	Neutral				n.a.	n.a.	n.a.	109.7%	104.5%	-38.3%	Expansion	Expansion	Contraction	Expansion	Expansion	Contraction
Consumer Goods & Retail	PGMN3	1.5	Negative	49	137	3,037	Beat	Miss	In Line	-99.4%	-19.4%	7.9%	Contraction	Contraction	Expansion	Expansion	Expansion	Contraction
Consumer Goods & Retail	RADL3	46.7	Neutral	262	642	9,603	Beat	In Line	In Line	-8.6%	5.6%	13.9%	Contraction	Expansion	Expansion	Contraction	Contraction	Expansion
Utilities	ALUP11	9.5	Neutral	153	636	803	In Line	In Line	In Line	-26.4%	14.0%	19.9%	Contraction	Expansion	Expansion	Expansion	Expansion	Expansion
Transportation & Logistics	GGPS3	12.9	Negative	167	358	3,076	Beat	Miss	Miss	23.8%	8.0%	15.3%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Consumer Goods & Retail	LJQQ3	1.2	Neutral	1	22	738	Beat	Beat	In Line	1585.6%	n.a.	6.3%	Expansion	Contraction	Expansion	Expansion	Expansion	Expansion
Steel & Mining	CSNA3	21.0	Positive	1,131	3,480	11,641	Miss	In Line	In Line	3318.1%	33.6%	7.9%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Steel & Mining	CMIN3	30.1	Positive	1,513	2,500	5,414	Miss	Beat	Miss	55.9%	44.7%	38.6%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion

Earnings Tracker 4Q23

Earnings Released So Far This Season – Estimates, Reaction and Growth

Sector	Ticker	Mkt Cap (BRL Mn)	Itaú Analyst Reaction	Net Income	EBITDA	Sales	Beat on Itaú Estimates ? (EPS)	Beat on Itaú Estimates ? (EBITDA)	Beat on Itaú Estimates ? (Sales)	EPS Growth YoY	EBITDA Growth YoY	Sales Growth YoY	EPS Growth YoY	EBITDA Growth YoY	Sales Growth YoY	EPS Growth QoQ	EBITDA Growth QoQ	Sales Growth QoQ
Agribusiness	SLCE3	8.8	Neutral	-126	694	1,914	n.a.	In Line	In Line	n.a.	-84.8%	-21.8%	Contraction	Contraction	Contraction	Contraction	Contraction	Contraction
Consumer Goods & Retail	GMAT3	18.0	Positive	315	455	7,497	Beat	In Line	In Line	25.3%	27.2%	24.4%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Oil & Gas	OPCT3	1.2	Neutral	17	109	470	Beat	In Line	In Line	-28.7%	25.3%	28.2%	Contraction	Expansion	Expansion	Expansion	Expansion	Expansion
Consumer Goods & Retail	GUAR3	3.9	Positive	168	423	2,122	Beat	Beat	In Line	124.7%	35.8%	5.4%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Utilities	TAE11	12.4	Neutral	272	500	605	Beat	In Line	In Line	2011.2%	166.9%	156.0%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Consumer Goods & Retail	ARZZ3	6.7	Neutral	128	222	1,429	In Line	In Line	In Line	13.8%	9.1%	8.6%	Expansion	Expansion	Expansion	Expansion	Contraction	Expansion
Oil & Gas	PETR4	476.3	Neutral	7,246	15,070	26,188	Mss	In Line	In Line	-28.4%	-23.7%	-15.3%	Contraction	Contraction	Contraction	Expansion	Contraction	Expansion
Health Care	FLRY3	8.2	Neutral	88	382	1,720	Mss	In Line	In Line	162.6%	61.5%	52.9%	Expansion	Expansion	Expansion	Contraction	Contraction	Contraction
Consumer Goods & Retail	PETZ3	2.3	Negative	3	55	976	Beat	Beat	In Line	-92.3%	-6.7%	4.1%	Contraction	Contraction	Expansion	Contraction	Contraction	Expansion
Steel & Mining	CBAV3	2.7	Neutral	-232	110	1,880	n.a.	Mss	In Line	n.a.	n.a.	-2.7%	Contraction	Contraction	Contraction	Contraction	Contraction	Expansion
Consumer Goods & Retail	TFOC4	1.9	Neutral	43	52	223	Mss	Mss	In Line	1.7%	12.2%	19.8%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Consumer Goods & Retail	ZAMP3	1.0	Negative	89	213	1,106	Mss	Mss	In Line	41.3%	7.8%	2.1%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Consumer Goods & Retail	MGLU3	13.1	Positive	37	729	10,668	Beat	In Line	In Line	n.a.	n.a.	n.a.	Contraction	Contraction	Contraction	Contraction	Contraction	Expansion
Transportation & Logistics	RENT3	56.6	Neutral	765	2,832	8,061	Mss	In Line	In Line	58.5%	40.0%	34.4%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Capital Goods	TGMA3	1.9	Positive	58	85	448	Mss	Mss	In Line	-10.0%	-5.2%	10.8%	Contraction	Contraction	Expansion	Contraction	Contraction	Expansion
Homebuilders	DIRR3	4.3	Neutral	102	220	630	Mss	In Line	In Line	29.6%	-42.4%	18.9%	Expansion	Contraction	Expansion	Expansion	Contraction	Expansion
Homebuilders	CURY3	5.9	Positive	141	301	798	Beat	In Line	In Line	74.7%	44.5%	39.8%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Capital Goods	RAPT4	3.9	Negative	13	274	2,648	Beat	In Line	In Line	-38.1%	-10.0%	-10.2%	Contraction	Contraction	Contraction	Contraction	Contraction	Contraction
Utilities	ENG11	25.1	Positive	472	1,881	7,512	Beat	In Line	Mss	65.9%	26.4%	21.2%	Expansion	Expansion	Expansion	Expansion	Contraction	Expansion
Health Care	HYPE3	21.6	Negative	342	659	1,990	Mss	Mss	Mss	-28.2%	-21.2%	-12.9%	Contraction	Contraction	Contraction	Contraction	Contraction	Contraction
Transportation & Logistics	ECOR3	6.0	Positive	73	881	1,323	Beat	Beat	Beat	8.4%	27.0%	39.2%	Expansion	Expansion	Expansion	Contraction	Contraction	Expansion
Malls & Properties	SCAR3	1.5	Neutral	47	106	318	n.a.	n.a.	n.a.	n.a.	373.8%	352.2%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Homebuilders	MDNE3	1.1	Neutral	47	106	318	Mss	In Line	Mss	n.a.	n.a.	n.a.	Contraction	Contraction	Contraction	Contraction	Contraction	Contraction
Utilities	ELET3	98.3	Neutral	2,134	5,817	9,440	Mss	Mss	Beat	n.a.	10.2%	10.1%	Expansion	Expansion	Expansion	Contraction	Contraction	Expansion
Consumer Goods & Retail	LREN3	15.1	Neutral	493	730	3,814	In Line	Mss	In Line	9.4%	-0.4%	6.4%	Expansion	Contraction	Expansion	Expansion	Expansion	Expansion
Homebuilders	MTR3	0.5	Negative	10	64	250	In Line	Mss	Beat	31.0%	37.3%	5.8%	Expansion	Expansion	Expansion	Expansion	Contraction	Expansion
Consumer Goods & Retail	PNVL3	1.8	Neutral	30	67	1,312	Beat	In Line	In Line	284.7%	n.a.	12.6%	Expansion	Contraction	Expansion	Expansion	Contraction	Expansion
Homebuilders	TEND3	1.5	Neutral	-3	200	786	n.a.	Mss	In Line	n.a.	n.a.	19.6%	Expansion	Expansion	Expansion	Expansion	Expansion	Contraction
Consumer Goods & Retail	SMFT3	15.6	Positive	97	324	1,138	Beat	In Line	In Line	1184.2%	37.0%	32.6%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Education	YDUQ3	5.7	Neutral	4	345	1,223	Beat	In Line	In Line	n.a.	-11.6%	11.6%	Contraction	Contraction	Expansion	Contraction	Contraction	Contraction
Homebuilders	EZTC3	3.6	Neutral	101	151	415	Mss	Mss	Mss	162.8%	175.9%	8.7%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Homebuilders	PLFL3	2.6	Neutral	77	189	545	Beat	Beat	Beat	43.8%	52.0%	46.6%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Homebuilders	TRIS3	1.0	Neutral	23	59	253	Beat	Beat	Beat	63.0%	32.0%	38.9%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Tech	BMOB3	1.2	Neutral	47	106	318	n.a.	n.a.	n.a.	81.2%	-3.2%	0.1%	Expansion	Contraction	Expansion	Expansion	Contraction	Expansion
Homebuilders	CYRE3	9.7	Positive	252	505	1,549	In Line	Beat	Beat	19.3%	18.3%	24.8%	Expansion	Expansion	Expansion	Contraction	Contraction	Expansion
Consumer Goods & Retail	SFBG3	3.2	Positive	107	303	2,158	Beat	In Line	In Line	-9.6%	9.7%	7.4%	Contraction	Expansion	Expansion	Expansion	Expansion	Expansion
Health Care	BLAU3	2.2	Neutral	32	51	364	In Line	Beat	Beat	-70.9%	144.8%	5.7%	Contraction	Expansion	Expansion	Contraction	Expansion	Expansion
Tech	IFCM3	0.6	Neutral	-61	43	332	n.a.	Beat	Mss	n.a.	57.1%	2.6%	Contraction	Expansion	Expansion	Contraction	Contraction	Contraction
TMT	DESK3	1.8	Positive	173	217	791	n.a.	n.a.	n.a.	95.0%	-14.5%	33.0%	Expansion	Contraction	Expansion	Contraction	Expansion	Expansion
Consumer Goods & Retail	VIVA3	5.9	Negative	173	217	791	Mss	Mss	In Line	-8.6%	6.8%	20.8%	Contraction	Expansion	Expansion	Expansion	Expansion	Expansion
Health Care	QUAL3	0.6	Neutral	-2	131	405	n.a.	In Line	In Line	n.a.	57.6%	-8.5%	Expansion	Expansion	Contraction	Contraction	Expansion	Contraction
Malls & Properties	ALOS3	13.8	Positive	449	670	904	In Line	Mss	Mss	n.a.	213.8%	300.4%	Expansion	Expansion	Expansion	Expansion	Contraction	Expansion
Tech	LWSA3	3.5	Neutral	22	15	351	n.a.	Beat	In Line	n.a.	37.7%	14.7%	Contraction	Expansion	Expansion	Contraction	Expansion	Expansion
TMT	FIQE3	1.5	Neutral	32	112	227	Beat	In Line	In Line	48.6%	22.3%	22.2%	Expansion	Expansion	Expansion	Expansion	Contraction	Expansion
Transportation & Logistics	STBP3	11.5	Positive	116	320	628	Beat	Beat	Beat	82.9%	81.2%	42.3%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Capital Goods	TUPY3	3.9	Neutral	172	287	2,976	Mss	Mss	Mss	194.4%	29.5%	1.2%	Expansion	Expansion	Expansion	Expansion	Contraction	Contraction
Education	COGN3	4.6	Neutral	73	532	1,849	n.a.	In Line	In Line	n.a.	68.6%	7.8%	Contraction	Expansion	Expansion	Contraction	Expansion	Expansion
Agribusiness	HBSA3	2.7	Neutral	-119	1	444	n.a.	Beat	Mss	n.a.	-96.0%	-18.8%	Contraction	Contraction	Contraction	Contraction	Contraction	Contraction
Utilities	SBSF3	54.9	Positive	1,198	2,368	5,081	In Line	Beat	Beat	84.7%	69.5%	22.5%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Consumer Goods & Retail	ALLD3	0.8	Negative	30	69	1,779	Beat	Beat	Mss	198.1%	24.0%	4.9%	Expansion	Expansion	Expansion	Expansion	Expansion	Contraction

Earnings Tracker 4Q23

Earnings Released So Far This Season – Estimates, Reaction and Growth

Sector	Ticker	Mkt Cap (BRL Mn)	Itaú Analyst Reaction	Net Income	EBITDA	Sales	Beat on Itaú Estimates ? (EPS)	Beat on Itaú Estimates ? (EBITDA)	Beat on Itaú Estimates ? (Sales)	EPS Growth YoY	EBITDA Growth YoY	Sales Growth YoY	EPS Growth YoY	EBITDA Growth YoY	Sales Growth YoY	EPS Growth QoQ	EBITDA Growth QoQ	Sales Growth QoQ
Homebuilders	EVEN3	1.7	Neutral	45	154	572	Beat	Beat	Beat	38271.8%	3870.4%	89.3%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Utilities	CPFE3	39.9	Neutral	1,522	3,277		Mss	In Line	n.a.	11.9%	-17.7%	-1.8%	Expansion	Contraction	Contraction	Expansion	Contraction	Expansion
Utilities	CMIG4	28.5	Positive	1,673	1,902	9,165	Beat	Beat	In Line	34.1%	22.1%	2.1%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Consumer Goods & Retail	ESPA3	0.4	Neutral	-5	41	265	n.a.	Beat	In Line	n.a.	10.9%	4.8%	Contraction	Expansion	Expansion	Contraction	Contraction	Expansion
Agribusiness	SOJA3	2.1	Positive	89	107	752	Beat	Beat	Beat	175.9%	20.2%	21.9%	Expansion	Expansion	Expansion	Expansion	Contraction	Contraction
Transportation & Logistics	VAMO3	9.4	Negative				n.a.	n.a.	n.a.	-23.1%	16.6%	4.4%	Contraction	Expansion	Expansion	Expansion	Contraction	Contraction
Health Care	KRSA3	0.7	Neutral	-26	132	566	n.a.	In Line	In Line	n.a.	26.8%	5.0%	Expansion	Expansion	Expansion	Expansion	Expansion	Contraction
Transportation & Logistics	JSLG3	3.5	Positive	61	411	2,010	Beat	In Line	Beat	-22.4%	38.0%	30.0%	Contraction	Expansion	Expansion	Expansion	Expansion	Expansion
Oil & Gas	ENAT3	7.2	Neutral	70	297	436	In Line	Mss	In Line	-62.9%	-21.8%	-35.1%	Contraction	Contraction	Contraction	Expansion	Expansion	Expansion
Consumer Goods & Retail	CEAB3	2.8	Positive	126	438	2,085	Beat	Beat	Beat	-20.7%	11.2%	17.7%	Contraction	Expansion	Expansion	Expansion	Expansion	Expansion
Capital Goods	FRAS3	4.9	Neutral	57	131	859	Mss	Mss	Mss	150.5%	n.a.	-0.7%	Expansion	Contraction	Contraction	Contraction	Contraction	Contraction
Agribusiness	VITT3	1.0	Negative	35	54	244	Beat	Mss	In Line	-18.6%	-27.4%	5.7%	Contraction	Contraction	Expansion	Contraction	Contraction	Contraction
Education	AFYA	9.4	Positive	140	271	659	Beat	Beat	Beat	47.0%	23.0%	25.0%	Expansion	Expansion	Expansion	Expansion	Contraction	Expansion
Financials	STNE	25.2	Neutral	476	601	3,446	Beat	Beat	Mss	665.0%	-10.1%	20.1%	Expansion	Contraction	Expansion	Expansion	Expansion	Expansion
Transportation & Logistics	MILS3	3.2	Positive	65	181	373	Beat	In Line	In Line	69.9%	37.8%	12.3%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
TMT	BRIT3	1.9	Positive	44	154	326	Beat	In Line	In Line	105.4%	21.3%	17.2%	Expansion	Expansion	Expansion	Expansion	Expansion	Expansion
Education	VSTA	1.7	Neutral	62	231	551	Beat	In Line	In Line	-21.1%	n.a.	9.7%	Contraction	Contraction	Expansion	Expansion	Contraction	Expansion

Country Guide

TICKER	INDEX	PRICE			PRICE/EARNINGS				EV/EBITDA		PRICE TO BOOK		EPS GROWTH			EPS ACC	EARNINGS REVISION	ROE		PEG	
		SCORE	YTD CHANG E	1M CHANG E	Fwd	Diff vs. 5Y Avg	2023	2024	Fwd	Diff vs. 5Y Avg	Fwd	Diff vs. 5Y Avg	2023	2024	2025			EPS CAGR 22-24E	3M		5Y Historical Avg
MXWD Equity	MSCI ACWI	5.9	6.3%	2.9%	17.7x	5.5%	18.1x	16.2x	11.8x	10%	2.7x	14%	5.2%	11.6%	9.1%	10.3%	4.1%	10.2%	12.3%	14.7%	1.6
MXWO Index	MSCI WORLD	6.0	6.7%	2.8%	18.7x	6.1%	19.0x	17.2x	12.3x	9%	3.0x	16%	3.5%	10.9%	8.1%	9.5%	5.3%	9.8%	12.5%	15.2%	1.7
SPX Index	S&P 500 INDEX	4.6	7.3%	1.8%	20.8x	8.1%	21.3x	18.9x	13.7x	9%	4.1x	14%	7.8%	12.7%	8.3%	10.5%	4.1%	12.1%	16.3%	18.6%	1.7
CCMP Index	NASDAQ COMPOSITE	4.4	6.5%	0.5%	28.0x	2.5%	29.5x	23.3x	16.8x	6%	5.2x	5%	15.8%	26.4%	13.6%	19.9%	-1.7%	41.2%	14.1%	17.5%	1.1
MXWOU Index	MSCI WORLD x USA	6.3	4.1%	4.2%	14.6x	0.2%	14.8x	13.8x	9.3x	5%	1.8x	11%	-3.3%	7.6%	7.3%	7.4%	7.7%	5.0%	9.6%	11.8%	1.9
MXEU Index	MSCI EUROPE	6.3	5.8%	3.7%	14.1x	-1.6%	14.3x	13.2x	10.0x	14%	1.9x	10%	-3.0%	7.8%	7.4%	7.6%	13.4%	4.6%	10.1%	13.2%	1.8
MXJP Index	MSCI JAPAN	8.0	13.4%	2.3%	16.4x	8.4%	16.6x	15.5x	6.7x	-20%	1.5x	17%	0.1%	7.5%	11.4%	9.4%	-2.0%	8.5%	8.2%	8.8%	2.2
MXEF Index	MSCI EM	5.4	2.4%	4.1%	12.1x	-2.4%	14.7x	12.5x	9.0x	14%	1.5x	-1%	1.5%	18.2%	15.5%	16.9%	16.7%	-2.5%	11.4%	11.4%	0.8
MXLA Index	MSCI EM LATIN AMERICA	4.4	-5.5%	-0.9%	9.0x	-15.0%	9.1x	8.5x	5.3x	-8%	1.5x	-8%	5.0%	6.7%	7.9%	7.3%	6.0%	3.9%	16.2%	16.4%	1.4
IBOV Index	BRAZIL IBOVESPA INDEX	4.0	-5.6%	-0.9%	7.9x	-21.5%	8.0x	7.5x	4.8x	-7%	1.3x	-22%	14.9%	6.8%	8.7%	7.8%	15.7%	5.4%	16.1%	16.3%	1.2
EM Latam																					
MXBR Index	MSCI BRAZIL	6.4	-8.8%	-2.2%	7.6x	-21.9%	7.7x	7.4x	4.6x	-7%	1.3x	-22%	3.4%	4.4%	6.7%	5.6%	2.1%	1.0%	18.1%	17.1%	1.7
MXMX Index	MSCI MEXICO	8.5	-2.0%	-0.8%	12.9x	-2.7%	13.2x	11.9x	6.5x	-1%	2.0x	10%	14.0%	11.4%	8.0%	9.7%	6.9%	10.9%	14.0%	15.8%	1.2
MXCL Index	MSCI CHILE	5.9	-3.7%	8.1%	10.5x	-10.3%	10.8x	9.3x	5.8x	-15%	1.2x	12%	-5.1%	16.7%	24.1%	20.3%	45.4%	11.5%	12.5%	13.1%	0.7
MXCO Index	MSCI COLOMBIA	6.2	4.8%	3.3%	5.9x	-30.3%	6.1x	5.5x	n.a.	n.a.	0.8x	-26%	-8.0%	11.2%	8.3%	9.7%	16.6%	8.7%	11.6%	13.3%	0.5
MXPE Index	MSCI PERU	7.6	13.9%	8.3%	13.3x	8.9%	13.7x	11.7x	n.a.	n.a.	2.0x	26%	22.0%	16.5%	3.7%	9.9%	40.4%	21.3%	11.8%	15.8%	0.8
Other Regions																					
MXEF Index	MSCI EM	7.9	2.4%	4.1%	12.1x	-2.4%	14.7x	12.5x	9.0x	14%	1.5x	-1%	1.5%	18.2%	15.5%	16.9%	16.7%	-2.5%	11.4%	11.4%	0.8
MXCN Index	MSCI CHINA	7.5	-0.1%	6.8%	9.2x	-22.5%	10.9x	9.5x	11.6x	11%	1.1x	-27%	0.8%	15.1%	14.6%	14.8%	14.3%	-4.9%	10.9%	10.4%	0.7
MXKR Index	MSCI KOREA	10.1	3.0%	5.1%	11.1x	1.3%	11.7x	9.3x	6.9x	25%	1.0x	3%	78.0%	26.2%	12.9%	19.3%	-36.2%	24.7%	7.6%	9.6%	0.4
MXZA Index	MSCI SOUTH AFRICA	6.3	-5.6%	0.5%	9.3x	-11.8%	13.5x	9.6x	n.a.	n.a.	1.4x	-16%	-20.9%	40.0%	18.2%	28.6%	52.1%	-2.4%	14.0%	13.0%	0.3
MXSA Index	MSCI Saudi Arabia	10.6	4.0%	0.0%	17.7x	1.8%	18.1x	15.9x	n.a.	n.a.	2.2x	4%	18.9%	13.8%	9.5%	11.6%	-7.6%	12.8%	10.7%	13.1%	1.3
MXID Index	MSCI INDONESIA	8.1	4.2%	0.2%	14.0x	-4.4%	15.4x	14.2x	n.a.	n.a.	2.1x	-1%	12.6%	8.1%	9.6%	8.8%	-4.5%	-0.7%	14.4%	15.0%	1.9
MXMY Index	MSCI MALAYSIA	10.4	4.6%	0.8%	13.7x	-6.6%	13.9x	13.1x	n.a.	n.a.	1.3x	-6%	12.7%	5.8%	3.0%	4.4%	-0.9%	7.3%	8.7%	9.8%	2.4
TAMSCI Index	MSCI TAIWAN	7.4	13.3%	7.4%	17.5x	16.7%	18.2x	15.1x	9.7x	16%	2.5x	17%	19.3%	20.7%	16.5%	18.6%	1.3%	19.9%	14.4%	14.6%	0.9
MXIN Index	MSCI INDIA	9.7	4.5%	0.5%	22.3x	8.9%	23.0x	20.0x	14.2x	19%	3.5x	15%	20.7%	14.6%	1.8%	8.0%	-18.2%	15.1%	12.6%	15.8%	1.6
MXTH Index	MSCI THAILAND	9.1	-1.2%	1.6%	16.7x	-3.3%	17.1x	15.0x	7.9x	-17%	1.6x	-8%	11.7%	14.4%	7.5%	10.9%	-2.8%	8.4%	9.5%	10.0%	1.2

Our Must-Read Research Pieces From Recent Weeks

Stock/Sector	Key Highlights	Report Link	Our Strategy Take
Petrobras	<ul style="list-style-type: none"> Thematic Report & Company Update. Main Messages: Over the past few days, we have engaged in discussions with dozens of investors (both local and foreign) regarding the decision by Petrobras's board to not pay extraordinary dividends. While some investors believe that the board may eventually be convinced to pay at least part of the extraordinary dividends throughout the year, it remains unclear what might change the board's mind and trigger a review of the decision. We therefore believe that most investors are likely to use the ordinary dividend yield to assess the attractiveness of the stock's carry going forward. As such, we invite investors to return to the fundamentals to get a clearer view of the company's potential cash generation in the coming years. We are also updating our estimates for the company, raising our YE24 target price to BRL 43.0/PETR4 (USD 17.6 PBR/A), from BRL 38.0/PETR4, and maintaining our market perform recommendation on the stock. 	Itaú BBA on Petrobras: The Production Debate	We hold an overweight in the Energy/Oil & Gas space, being overweight in PRIO and Neutral on Petrobras compared to IBOV.
Banco do Brasil	<ul style="list-style-type: none"> Company update. Main Messages: We reiterate the positive view on Banco do Brasil and suggest recent weakness as an entry point. Strong results throughout 2024 (including already in 1Q24) should alleviate concerns that the name is past peak earnings on NII, or that agro will hurt. BB is executing credit volume growth above peers with sustained profitability, working well for all stakeholders. Its +20% ROEs do not come from high client spreads, today the lowest in a decade. Its earnings power is coming from superior credit quality, funding, efficiency, and overall NII – all hard to change by the swipe of a pen. We expect better NII and lower cost of risk to drive double-digit EPS growth in 2024E and a ~10% dividend yield, and 4x P/E'24 or 0.8x P/B; the best value proposition in our coverage. 	Itaú BBA on Banco do Brasil: The Movie Continues; Reiterate OP	We hold an Overweight in Banks in our portfolio, with Banco do Brasil as one of our core positions and a thematic top pick in "Agri Beneficiaries".
Sabesp	<ul style="list-style-type: none"> Company Update. Main Message. We are raising our estimates for Sabesp and setting a new target price of BRL 120.3/share (vs. BRL 83.6/share previously), after incorporating the new regulatory framework proposed in the public consultation process for the new concession contract. Our target price implies an EV/RAB multiple of 1.24x (vs. the current multiple of 0.87x) EV/RAB and represents almost 58% upside potential to the current stock price. We see room for substantial efficiency gains ahead, but the magnitude and speed of the changes will depend on the company's future governance. 	Itaú BBA on Sabesp: Still Attractive Risk-Reward Balance; Raising Estimates and TP	Sabesp is one of the top picks of our portfolio, reflecting our preference and overweight positioning in the Bond Proxies theme/Utilities sector.
Strategy Latest Highlighted Reports	<ul style="list-style-type: none"> Itaú BBA on Brazil Equity Strategy: The Best Castles Have Wide Moats: Competitive Advantage Screening in Brazilian Equities - Ten Moat Stocks to Highlight Itaú BBA on Brazil Equity Strategy: Warm-Up: Four-Factor Analysis of Brazilian Sectors versus EM – Four Stocks to Highlight Itaú BBA on Brazil Equity Strategy: Market Data Monitor – Foreigners Reach BRL 24.2 billion of Outflows in Brazil's Cash Equity Market Itaú BBA on Latam Equity Strategy: Back to the Cyclical Future – Attractive Valuation in a Monetary Easing Cycle Itaú BBA on Brazil Equity Strategy: Warm Up: Itaú BBA Investment Manager Survey – Seven Key Takeaways – Utilities Are the Locals' Consensus Pick, While Foreigners Prefer Large Banks. Itaú BBA on Brazil Equity Strategy: Book Club - Where Theory Meets Practice: Holiday 65th Book Special Edition Itaú BBA on Brazil Equity Strategy: Between Valuation Hope and Macro Reality 		

Periodic Table of Returns (Brazil)

Periodic Table of Returns

2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD
USD BRL	IBOV	SMLL	USD BRL	SMLL	USD BRL	Debentures Index	Debentures Index	IBOV	Debentures Index
49.1%	38.9%	49.3%	17.1%	58.2%	29.0%	7.6%	14.6%	22.3%	3.6%
Hegde Fund Index	IFIX	IBOV	IBOV	IFIX	IMA B	USD BRL	Hegde Fund Index	SMLL	USD BRL
17.5%	32.3%	26.9%	15.0%	36.0%	6.4%	7.3%	13.7%	17.1%	2.9%
Debentures Index	SMLL	IFIX	IMA B	IBOV	Hegde Fund Index	CDI	CDI	IMA B	IFIX
14.1%	31.7%	19.4%	13.1%	31.6%	5.5%	4.4%	12.4%	16.1%	2.5%
CDI	IMA B	IMA B	SMLL	IMA B	IBOV	Hegde Fund Index	IMA B	IFIX	CDI
13.2%	24.8%	12.8%	8.1%	23.0%	2.9%	2.0%	6.4%	15.5%	2.5%
IMA B	Hegde Fund Index	Hegde Fund Index	Debentures Index	Hegde Fund Index	CDI	IMA B	IBOV	CDI	Hegde Fund Index
8.9%	15.9%	12.4%	7.4%	11.1%	2.8%	-1.3%	4.7%	13.0%	0.1%
IFIX	Debentures Index	Debentures Index	Hegde Fund Index	CDI	Debentures Index	IFIX	IFIX	Debentures Index	IMA B
5.4%	15.8%	11.6%	7.1%	6.0%	2.1%	-2.3%	2.2%	12.7%	-0.1%
IBOV	CDI	CDI	CDI	Debentures Index	SMLL	IBOV	USD BRL	Hegde Fund Index	SMLL
-13.3%	14.0%	10.0%	6.4%	5.6%	-0.7%	-11.9%	-5.3%	9.3%	-4.9%
SMLL	USD BRL	USD BRL	IFIX	USD BRL	IFIX	SMLL	SMLL	USD BRL	IBOV
-22.4%	-18.0%	1.8%	5.6%	4.0%	-10.2%	-16.2%	-15.1%	-8.0%	-5.3%

Periodic Table of Returns (EM)

2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD
ARGENTINA	BRAZIL	ARGENTINA	SAUDI ARABIA	TAIWAN	KOREA	SAUDI ARABIA	ARGENTINA	ARGENTINA	PERU
-1.2%	61.3%	72.3%	15.1%	28.3%	34.0%	34.4%	32.2%	61.5%	18.2%
KOREA	PERU	CHINA	INDIA	COLOMBIA	TAIWAN	INDIA	CHILE	MEXICO	TAIWAN
-1.8%	53.8%	52.3%	-0.2%	25.9%	28.6%	27.3%	15.1%	36.2%	16.6%
SOUTH AFRICA	LATAM	CHILE	PERU	BRAZIL	CHINA	TAIWAN	INDONESIA	PERU	ARGENTINA
-2.6%	27.9%	39.8%	-0.3%	22.1%	26.7%	21.6%	10.4%	30.2%	15.0%
INDIA	COLOMBIA	EM	BRAZIL	CHINA	INDIA	ARGENTINA	THAILAND	TAIWAN	COLOMBIA
-3.0%	23.9%	34.3%	-3.9%	20.4%	16.8%	20.9%	6.3%	26.7%	9.7%
MALAYSIA	THAILAND	PERU	INDONESIA	EM	EM	MEXICO	PERU	LATAM	KOREA
-4.7%	22.4%	33.5%	-5.9%	15.4%	15.8%	19.5%	5.6%	25.1%	5.2%
SAUDI ARABIA	CHILE	KOREA	MALAYSIA	KOREA	ARGENTINA	EM EX CHINA	BRAZIL	KOREA	SAUDI ARABIA
-9.9%	13.2%	29.0%	-7.0%	14.4%	12.3%	10.0%	1.7%	23.9%	4.8%
CHINA	TAIWAN	INDIA	THAILAND	LATAM	SOUTH AFRICA	SOUTH AFRICA	INDIA	BRAZIL	MALAYSIA
-10.1%	12.7%	28.7%	-8.0%	13.7%	-1.0%	9.6%	1.6%	23.4%	4.4%
TAIWAN	INDONESIA	INDONESIA	TAIWAN	INDIA	MALAYSIA	THAILAND	LATAM	INDIA	INDIA
-11.0%	12.2%	22.8%	-8.9%	8.5%	-1.7%	7.1%	-0.1%	20.3%	4.2%
INDONESIA	KOREA	BRAZIL	LATAM	MEXICO	SAUDI ARABIA	INDONESIA	SOUTH AFRICA	EM EX CHINA	INDONESIA
-12.0%	10.2%	21.0%	-9.3%	8.0%	-2.3%	1.5%	-1.1%	20.0%	4.2%
MEXICO	SAUDI ARABIA	LATAM	COLOMBIA	SOUTH AFRICA	MEXICO	KOREA	MALAYSIA	SAUDI ARABIA	EM EX CHINA
-16.0%	8.7%	20.8%	-13.9%	4.4%	-4.0%	-1.6%	-4.3%	7.5%	4.0%
EM	EM	SOUTH AFRICA	SOUTH AFRICA	SAUDI ARABIA	CHILE	EM	MEXICO	EM	EM
-17.0%	8.6%	20.5%	-14.6%	3.5%	-8.3%	-4.6%	-5.2%	7.0%	2.4%
THAILAND	ARGENTINA	THAILAND	EM	INDONESIA	INDONESIA	MALAYSIA	SAUDI ARABIA	SOUTH AFRICA	CHINA
-18.5%	3.9%	19.1%	-16.6%	3.0%	-9.5%	-7.3%	-7.1%	5.7%	-0.3%
CHILE	SOUTH AFRICA	TAIWAN	MEXICO	PERU	PERU	LATAM	COLOMBIA	COLOMBIA	MEXICO
-18.9%	1.6%	14.3%	-17.4%	1.1%	-9.5%	-13.1%	-12.7%	2.3%	-1.3%
PERU	INDIA	COLOMBIA	KOREA	THAILAND	THAILAND	COLOMBIA	EM EX CHINA	INDONESIA	THAILAND
-32.5%	-0.3%	13.8%	-19.3%	-1.9%	-13.9%	-15.4%	-19.3%	2.2%	-2.1%
LATAM	CHINA	MEXICO	CHINA	MALAYSIA	LATAM	CHILE	EM	CHILE	LATAM
-32.9%	-1.4%	13.6%	-20.3%	-6.1%	-16.0%	-19.0%	-22.4%	-1.2%	-5.0%
BRAZIL	MALAYSIA	MALAYSIA	CHILE	CHILE	BRAZIL	PERU	CHINA	MALAYSIA	CHILE
-43.4%	-2.5%	9.2%	-21.0%	-18.6%	-20.9%	-21.7%	-23.5%	-3.2%	-6.3%
COLOMBIA	MEXICO	SAUDI ARABIA	ARGENTINA	ARGENTINA	COLOMBIA	CHINA	TAIWAN	CHINA	SOUTH AFRICA
-43.9%	-10.7%	4.3%	-51.7%	-22.6%	-22.9%	-22.4%	-24.7%	-13.2%	-7.2%
						BRAZIL	KOREA	THAILAND	BRAZIL
						-23.5%	-26.4%	-13.8%	-8.5%

P/E 12 Months Forward (Consensus)

Low est P/E 12m Forw ard	
PETR4	3.8x
JHSF3	3.9x
RRRP3	4.1x
BBAS3	4.2x
BEEF3	4.7x
BRSR6	4.8x
RECV3	4.8x
SIMH3	4.9x
VALE3	5.1x
ENAT3	5.3x
PRIO3	5.6x
ABCB4	5.8x
TUPY3	6.4x
ITSA4	6.6x
CMIG4	6.8x

P/E Forward Discount (Consensus)

Highest P/E Forw ard Discount (5Y)	
MGLU3	-79.9%
USIM5	-74.9%
SMFT3	-72.8%
JHSF3	-67.1%
STNE	-66.3%
NTCO3	-64.1%
AZUL4	-63.4%
VTEX	-62.8%
SBFG3	-57.1%
ARML3	-54.6%
PAGS	-54.4%
DASA3	-53.9%
ECOR3	-53.8%
LWSA3	-53.1%
VAMO3	-50.6%

EV/EBITDA 12 Months Forward (Consensus)

Low est EV/EBITDA 12m Forw ard	
ENAT3	2.0x
PETR4	2.6x
RECV3	2.7x
SMT03	3.3x
PRIO3	3.3x
RRRP3	3.4x
VALE3	3.5x
PAGS	3.6x
STNE	3.9x
TUPY3	3.9x
GGBR4	4.0x
RAIZ4	4.0x
CIEL3	4.1x
VIVT3	4.2x
TIMS3	4.3x

EV/EBITDA Forward Discount (Consensus)

Highest EV/EBITDA Forw ard Discount (5Y)	
LWSA3	-65.3%
HAPV3	-55.6%
SBFG3	-50.0%
ARZZ3	-47.5%
NU	-47.2%
SOMA3	-46.3%
ALPA4	-45.9%
LREN3	-44.5%
VIVA3	-42.8%
FLRY3	-41.3%
AZUL4	-39.9%
RDOR3	-38.8%
NTCO3	-38.4%
VAMO3	-36.4%
COGN3	-36.3%

P/B (Consensus)

Low est P/B	
BRSR6	0.6x
JHSF3	0.6x
HAPV3	0.6x
CBAV3	0.6x
MRVE3	0.6x
DASA3	0.7x
SOMA3	0.7x
IRBR3	0.8x
EZTC3	0.8x
GGBR4	0.8x
NEOE3	0.8x
ELET3	0.8x
BBDC4	0.9x
BBAS3	0.9x
ALOS3	1.0x

P/B Discount (Consensus)

Highest P/B Discount (5Y)	
MGLU3	-86.5%
HAPV3	-85.1%
ECOR3	-84.0%
DASA3	-82.8%
SUZB3	-77.9%
LWSA3	-77.1%
SMFT3	-76.7%
MELI	-76.6%
MRFG3	-75.8%
IRBR3	-71.2%
SOMA3	-69.9%
LREN3	-68.6%
NTCO3	-66.8%
PAGS	-66.0%
ALPA4	-65.0%

FCF/EV 2024 (Consensus)

Highest FCF/EV (2024)	
PLPL3	34.9%
JSLG3	23.5%
PAGS	22.7%
MGLU3	15.1%
TIMS3	14.7%
ENAT3	14.2%
PETR4	13.2%
PRIO3	12.0%
MRFG3	10.9%
RECV3	10.6%
MDIA3	10.5%
SRNA3	10.2%
TUPY3	9.9%
CURY3	9.5%
ALOS3	9.3%

Dividend Yield 2024 (Consensus)

Highest Dividend Yield (2024)	
PETR4	15.9%
BBSE3	10.5%
BBAS3	10.1%
CMIN3	9.9%
BRSR6	9.2%
CPFE3	8.9%
VALE3	8.9%
TAE11	8.6%
RECV3	8.4%
TRPL4	8.1%
PAX	7.8%
ITUB4	7.7%
CURY3	7.3%
JHSF3	7.2%
CIEL3	7.1%

Earnings Estimate Revision Monitor

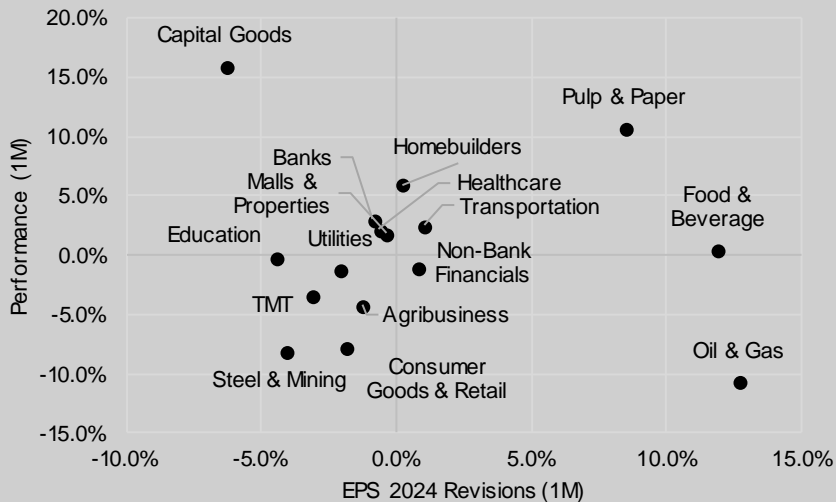
EPS Estimate Revisions* – Last 4 Weeks

Highest Revisions In the Last 4 Weeks (Net Income 2024)		Low est Revisions In the Last 4 Weeks (Net Income 2024)	
BRFS3	138.6%	ODPV3	-29.6%
AZUL4	18.2%	TTEN3	-14.0%
PETRA	17.1%	COGN3	-13.0%
SRNA3	11.1%	ALUP11	-11.6%
STBP3	10.2%	ENEV3	-7.3%
UGPA3	9.9%	YDUQ3	-7.0%
SUZB3	9.1%	CPL6	-6.9%
KLBN11	7.9%	TAEE11	-6.8%
MRFG3	6.6%	PRI03	-6.6%
ENAT3	6.5%	AESB3	-6.3%
CSNA3	5.2%	GMAT3	-5.6%
PAGS	5.2%	VALE3	-5.6%
CBAV3	4.7%	VAMO3	-5.4%
JBSS3	4.4%	RECV3	-5.2%
MGLU3	3.4%	USIM5	-4.8%

EBITDA Estimate Revisions* – Last 4 Weeks

Highest Revisions In the Last 4 Weeks (EBITDA 2024)		Low est Revisions In the Last 4 Weeks (EBITDA 2024)	
BRFS3	10.9%	AURE3	-5.9%
RRRP3	7.5%	TTEN3	-5.7%
STBP3	6.3%	PRI03	-4.7%
POMO4	6.1%	RECV3	-4.0%
ECOR3	5.9%	ALUP11	-3.3%
ENAT3	5.3%	TUPY3	-3.1%
UGPA3	4.1%	CBAV3	-3.0%
INTB3	3.3%	EGIE3	-3.0%
CAML3	2.6%	NTCO3	-3.0%
CCRO3	1.7%	CYRE3	-2.4%
SUZB3	1.6%	PLPL3	-2.3%
AFYA	1.4%	VAMO3	-2.3%
RAIZ4	1.4%	ABEV3	-2.1%
TAEE11	1.4%	NEOE3	-2.1%
RDOR3	1.2%	EZTC3	-2.0%

Performance vs. Earnings Estimate Revisions (One Month)



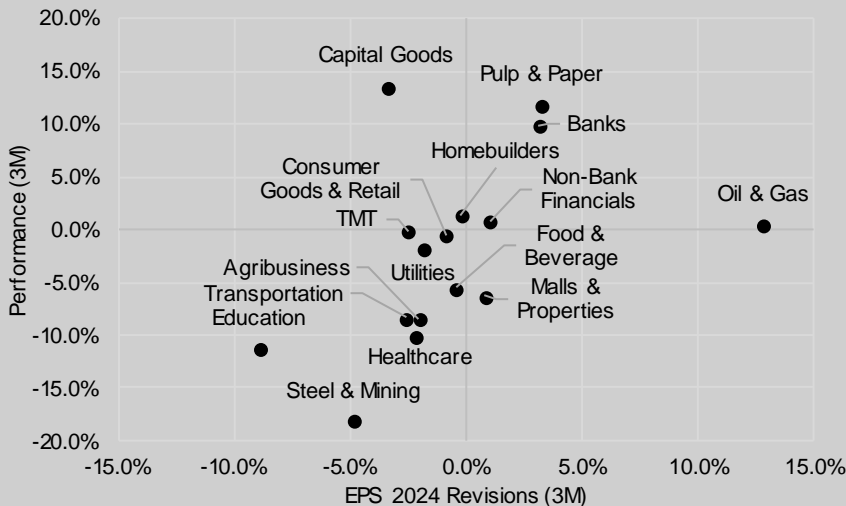
EPS Estimate Revisions* – Last 3 Months

Highest Revisions In the Last 3 Months (Net Income 2024)		Low est Revisions In the Last 3 Months (Net Income 2024)	
POMO4	31.1%	VTEX	-68.9%
AZUL4	29.2%	SRNA3	-49.0%
ENEV3	27.5%	MRVE3	-46.6%
UGPA3	24.1%	DASA3	-41.4%
CAML3	23.8%	COGN3	-33.2%
STBP3	21.0%	BRKM5	-32.7%
PETRA	15.1%	RRRP3	-28.6%
PLPL3	13.2%	TTEN3	-26.2%
ENG11	11.1%	MGLU3	-23.1%
VBBR3	11.0%	SIMH3	-23.0%
STNE	10.9%	LWSA3	-22.3%
CMIN3	8.1%	BPAN4	-21.2%
CYRE3	7.6%	GGBR4	-20.3%
INTR	7.2%	ASAI3	-20.2%
SMT03	7.1%	BBDC4	-18.9%

EBITDA Estimate Revisions* – Last 3 Months

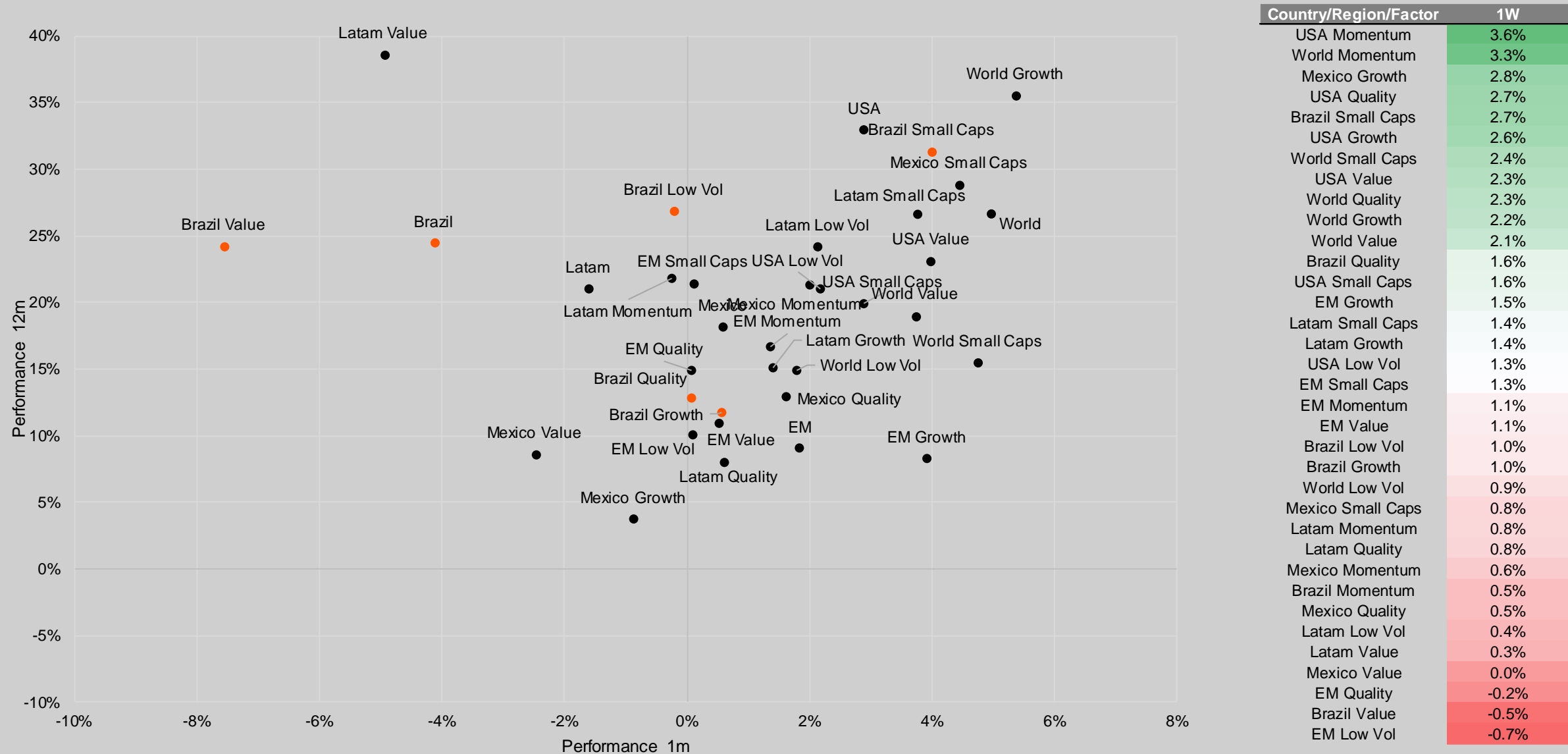
Highest Revisions In the Last 3 Months (EBITDA 2024)		Low est Revisions In the Last 3 Months (EBITDA 2024)	
ENAT3	28.2%	JHSF3	-22.7%
POMO4	18.4%	EZTC3	-20.4%
UGPA3	14.3%	MRVE3	-16.4%
STBP3	12.7%	NTCO3	-14.3%
CYRE3	9.7%	RECV3	-13.8%
BRFS3	9.3%	GGBR4	-13.3%
ECOR3	8.3%	TTEN3	-12.0%
CMIN3	7.2%	PRI03	-10.6%
VBBR3	6.8%	CBAV3	-10.5%
PLPL3	6.0%	CSAN3	-9.9%
SRNA3	5.4%	RRRP3	-9.0%
EQTL3	3.6%	AURE3	-8.4%
DIRR3	3.6%	VTEX	-8.2%
RAIZ4	3.4%	CRFB3	-7.8%
CAML3	3.2%	SBFG3	-7.0%

Performance vs. Earnings Estimate Revisions (Three Months)



Factor Performance

Factors: World, United States, LatAm, Brazil and EM



Factor Performance

Factors: World, United States, LatAm, Brazil and EM

Small Caps					
Country/Region	1W	1M	6M	1YR	YTD
Brazil Small Caps	2.7%	4.0%	8.2%	31.3%	-3.4%
World Small Caps	2.4%	4.7%	14.7%	15.5%	3.1%
USA Small Caps	1.6%	2.9%	16.6%	20.0%	2.2%
Latam Small Caps	1.4%	3.8%	9.1%	26.7%	-2.1%
EM Small Caps	1.3%	0.1%	9.8%	21.5%	1.4%
Mexico Small Caps	0.8%	4.4%	15.8%	28.9%	3.8%

Momentum					
Country/Region	1W	1M	6M	1YR	YTD
USA Momentum	3.6%	5.1%	35.9%	42.8%	20.9%
World Momentum	3.3%	5.5%	34.2%	41.2%	20.6%
EM Momentum	1.1%	1.4%	8.1%	16.7%	6.7%
Latam Momentum	0.8%	-0.2%	9.0%	21.8%	-3.8%
Mexico Momentum	0.6%	2.0%	16.7%	21.3%	-1.4%
Brazil Momentum	0.5%	-2.4%	9.4%	40.6%	-2.2%

Value					
Country/Region	1W	1M	6M	1YR	YTD
USA Value	2.3%	4.0%	16.7%	23.1%	7.7%
World Value	2.1%	3.7%	13.6%	19.0%	6.0%
EM Value	1.1%	0.5%	8.1%	11.0%	1.5%
Latam Value	0.3%	-4.9%	11.0%	38.6%	-5.1%
Mexico Value	0.0%	-2.5%	10.9%	8.6%	-0.1%
Brazil Value	-0.5%	-7.5%	6.2%	24.2%	-7.3%










Quality					
Country/Region	1W	1M	6M	1YR	YTD
USA Quality	2.7%	2.8%	26.8%	45.5%	13.6%
World Quality	2.3%	2.9%	25.9%	40.1%	12.3%
Brazil Quality	1.6%	0.1%	3.5%	12.8%	-9.0%
Latam Quality	0.8%	0.6%	4.6%	8.0%	-6.6%
Mexico Quality	0.5%	1.6%	13.5%	12.9%	-2.0%
EM Quality	-0.2%	0.1%	11.5%	14.9%	0.5%











Growth					
Country/Region	1W	1M	6M	1YR	YTD
Mexico Growth	2.8%	-0.9%	8.8%	3.7%	-4.5%
USA Growth	2.6%	2.4%	27.5%	46.8%	12.3%
World Growth	2.2%	5.4%	24.6%	35.5%	10.7%
EM Growth	1.5%	3.9%	10.4%	8.3%	3.2%
Latam Growth	1.4%	1.4%	7.2%	15.1%	-4.9%
Brazil Growth	1.0%	0.6%	6.1%	11.7%	-4.5%


















Low Vol					
Country/Region	1W	1M	6M	1YR	YTD
USA Low Vol	1.3%	2.2%	13.1%	21.0%	6.8%
Brazil Low Vol	1.0%	-0.2%	7.1%	26.9%	-5.8%
World Low Vol	0.9%	1.8%	9.9%	14.9%	5.1%
Latam Low Vol	0.4%	2.1%	12.3%	24.2%	-2.2%
EM Low Vol	-0.7%	0.1%	8.2%	10.1%	2.5%















Economic Agenda





Economic Agenda for LatAm and Main U.S. Indicators

25-Mar			
Data	Country	Time	Bloomberg Est.
FGV Construction Costs MoM		8:00 AM	--
FGV CPI IPC-S		8:00 AM	--
Central Bank Weekly Economist Survey		8:25 AM	--
Current Account Balance		8:30 AM	--
Foreign Direct Investment		8:30 AM	--
Trade Balance Weekly		3:00 PM	--
Current Account Balance		4:00 PM	--
Central Govt Budget Balance		--	--
Federal Debt Total		--	--

26-Mar			
Data	Country	Time	Bloomberg Est.
FIPE CPI - Weekly		5:00 AM	--
Central Bank Meeting Minutes		8:00 AM	0.00%
Total Outstanding Loans		8:30 AM	--
Personal Loan Default Rate		8:30 AM	--
Outstanding Loans MoM		8:30 AM	--
IBGE Inflation IPCA-15 MoM		9:00 AM	--
IBGE Inflation IPCA-15 YoY		9:00 AM	--
International Reserves Weekly		12:00 PM	--
Economic Activity Index YoY		4:00 PM	--
Economic Activity Index MoM		4:00 PM	--

27-Mar			
Data	Country	Time	Bloomberg Est.
FGV Inflation IGPM YoY		8:00 AM	--
FGV Inflation IGPM MoM		8:00 AM	-0.40%
Primary Budget Balance		8:30 AM	--
Nominal Budget Balance		8:30 AM	--
Net Debt % GDP		8:30 AM	--
Central Bank Traders Survey		8:30 AM	0.00%
Unemployment Rate NSA		9:00 AM	--
Trade Balance		9:00 AM	--
Imports		9:00 AM	--
Exports		9:00 AM	--
Net Outstanding Loans		12:00 PM	--
Urban Unemployment Rate		12:00 PM	12.30%
National Unemployment Rate		12:00 PM	--
Wages MoM		4:00 PM	--
Mexican Public Balance		--	--
Formal Job Creation Total		--	--
Consumer Confidence Index		--	--

28-Mar			
Data	Country	Time	Bloomberg Est.
Central Bank Quarterly Inflation Report		8:00 AM	0.00%
National Unemployment Rate		9:00 AM	--
Unemployment Rate		9:00 AM	--
Retail Sales YoY		9:00 AM	--
Commercial Activity YoY		9:00 AM	--
Industrial Production YoY		9:00 AM	--
Manufacturing Production YoY		9:00 AM	--
Copper Production Total		9:00 AM	--
GDP Annualized QoQ		9:30 AM	3.20%
Personal Consumption		9:30 AM	--
GDP Price Index		9:30 AM	1.60%
Initial Jobless Claims		9:30 AM	--
Continuing Claims		9:30 AM	--
MINI Chicago PMI		10:45 AM	46

29-Mar			
Data	Country	Time	Bloomberg Est.
PCE Deflator MoM		9:30 AM	0.40%
PCE Deflator YoY		9:30 AM	2.50%
PCE Core Deflator MoM		9:30 AM	0.30%
PCE Core Deflator YoY		9:30 AM	2.80%

Commodities and FX Heatmap

Commodity Price* and FX Heatmap

Commodity	Last Price	1 Week	1 Month	6 Months	1 Year	Year-to-Date
Iron Ore	109.10	8.9%	-9.1%	-13.1%	-17.3%	-22.3%
Wheat	556.25	5.3%	-4.6%	-4.0%	-16.2%	-11.4%
Pulp (Net BHKP China)	681.67	4.4%	4.3%	22.9%	-4.9%	4.3%
Aluminum	2,272.09	3.0%	3.5%	4.0%	1.8%	-3.4%
Corn	439.50	0.6%	8.3%	-7.9%	-30.6%	-6.7%
Commodities Index (CRB)	534.97	0.6%	1.7%	-3.0%	-1.7%	4.8%
Gold	2,165.61	0.5%	7.0%	12.5%	9.9%	5.0%
Oil	85.63	0.3%	2.3%	-8.2%	11.7%	11.2%
Soybean	1,192.00	-0.5%	3.9%	-8.0%	-17.7%	-7.8%
Sugar	21.85	-1.2%	-4.3%	-19.0%	3.4%	6.2%
Silver	24.66	-2.1%	8.2%	4.5%	8.8%	2.4%
Cotton	91.53	-2.6%	-2.8%	8.9%	16.9%	13.0%
Copper	399.00	-3.0%	2.4%	8.9%	-1.9%	2.6%

Latam FX vs US Dollar		1 Week	1 Month	6 Months	1 Year	Year-to-Date
Brazilian Real	5.00	0.0%	-0.7%	-1.2%	4.8%	-2.8%
Mexican Peso	16.75	-0.2%	2.1%	2.7%	11.1%	1.3%
Colombian Peso	3,894.44	-0.3%	0.9%	2.2%	22.4%	-1.0%
Peruvian Sol	3.70	-0.5%	2.3%	1.2%	1.8%	0.0%
Argentine Peso	854.77	-0.5%	-1.9%	-59.1%	-76.0%	-5.4%
Chilean Peso	982.88	-4.1%	-0.4%	-9.1%	-17.6%	-10.6%

Weekly Stock Performance

IBOV

Company	Ticker	1W	1M	6M	1YR	YTD
Ibovespa	IBOV	0.2%	-2.5%	9.5%	26.7%	-5.3%
BRASKEM	BRKM5	25.7%	32.5%	32.6%	56.0%	24.9%
EMBRAER	EMBR3	14.6%	46.5%	90.0%	65.3%	49.0%
PETZ	PETZ3	14.4%	28.6%	-1.0%	-21.3%	25.1%
CARREFOUR	CRFB3	9.0%	5.3%	47.7%	17.3%	8.5%
CEMIG	CMIG4	8.0%	5.0%	-4.2%	18.3%	7.6%
KLABIN	KLBN11	5.0%	11.7%	1.8%	36.0%	10.1%
SABESP	SBSP3	5.0%	-0.6%	30.9%	61.9%	6.5%
REDE DOR	RDOR3	4.7%	3.3%	-0.1%	24.2%	-8.2%
WEG	WEGE3	4.6%	12.0%	14.9%	0.6%	7.7%
AZUL	AZUL4	4.2%	17.0%	-2.3%	14.5%	-12.2%
CASAS BAHIA	BHIA3	-8.1%	-24.0%	-60.0%	-86.3%	-40.2%
MRV	MRVE3	-6.6%	0.0%	-27.9%	2.7%	-31.4%
MARFRIG	MRFG3	-4.1%	9.4%	36.6%	43.8%	-0.8%
CVC BRASIL	CVCB3	-3.8%	0.0%	44.2%	3.5%	-6.9%
EZTEC	EZTC3	-3.4%	0.7%	-18.6%	25.7%	-12.4%
BRASIL	BBAS3	-3.3%	-4.6%	18.7%	47.3%	0.0%
ITAUSA	ITSA4	-2.9%	-3.7%	20.6%	38.1%	-0.2%
P.ACUCAR	PCAR3	-2.9%	-24.4%	-15.0%	-28.5%	-25.9%
YDUQS	YDUQ3	-2.9%	-6.5%	-3.7%	158.6%	-17.1%
BB SEGURIDADE	BBSE3	-2.8%	-3.1%	1.9%	-0.2%	-3.9%
MATERIALS	IMAT	3.9%	2.1%	5.4%	13.4%	-5.2%
INDUSTRIAL	INDX	2.3%	7.6%	14.6%	23.1%	2.8%
DIVIDENDS	IDIV	1.4%	-2.2%	9.2%	29.9%	-4.3%
UTILITIES	BZUTIL	1.3%	-0.9%	8.7%	33.1%	-3.1%
VALUE	IVBX2	1.0%	1.4%	11.8%	29.1%	-1.5%
SMAL CAPS	SMLL	0.9%	1.4%	6.1%	23.7%	-4.9%
AGRO	IAGROV	0.3%	0.6%	3.6%	2.7%	-0.2%
MIDLARGE CAPS	MLCX	0.2%	-2.9%	9.8%	26.6%	-5.1%
RETAIL	ICON	0.1%	1.9%	4.9%	14.7%	-7.1%
FINANCIALS	IFNCBV	-1.7%	-2.0%	15.4%	36.8%	-5.6%
REAL ESTATE	IMOB	-1.8%	2.2%	8.8%	40.6%	-6.9%

LatAm

Company	Ticker	1W	1M	6M	1YR	YTD
LatAm	MXLA	0.8%	-1.6%	8.1%	21.1%	-5.0%
Brazil	MXBR	1.2%	-4.1%	5.0%	24.5%	-8.5%
Mexico	MXMX	0.8%	0.6%	12.2%	18.2%	-1.3%
Argentina	MXAR	9.8%	16.9%	45.0%	91.1%	15.0%
Colombia	MXCO	3.3%	6.6%	20.7%	42.7%	9.7%
Chile	MXCL	-2.8%	5.1%	-0.1%	-7.8%	-6.3%
Peru	MXPE	1.3%	12.1%	43.3%	51.2%	18.2%
BANCOLOMBIA	CIB	10.7%	5.4%	9.7%	6.7%	5.7%
ATACADAO CARREFOUR	CRFB3	9.0%	5.3%	47.7%	17.3%	8.5%
CEMIG	CMIG4	8.0%	5.0%	-4.2%	18.3%	7.6%
BANCOLOMBIA	CIB	7.6%	6.6%	26.7%	50.1%	13.0%
GRUPO BIMBO	BMBOY	7.4%	8.8%	-6.6%	-0.2%	-9.8%
TELEvisa	TV	5.3%	-6.6%	6.1%	-25.2%	2.6%
KLABIN	KLBN11	5.0%	11.7%	1.8%	36.0%	10.1%
SABESP	SBSP3	5.0%	-0.6%	30.9%	61.9%	6.5%
REDE DOR	RDOR3	4.7%	3.3%	-0.1%	24.2%	-8.2%
WEG	WEGE3	4.6%	12.0%	0.14889	0.6%	7.7%
BANCO DE CHILE	BCH	-9.1%	-6.4%	6.0%	16.0%	-7.8%
ENEL CHILE	ENIC	-6.1%	0.7%	-4.9%	29.1%	-9.6%
SOCIEDAD QUIMICA Y MINERA DE CHILE	SQM	-4.7%	11.2%	-15.5%	-40.8%	-20.3%
SANTANDER	BSAC	-4.0%	1.5%	6.4%	13.9%	-0.5%
ARCA CONTINENTAL	AC	-3.4%	-1.1%	-10.2%	-11.8%	-8.1%
BANCO DO BRASIL	BBAS3	-3.3%	-4.6%	18.7%	47.3%	0.0%
GRUPO CARSO	GCARSOA1	-3.2%	-1.5%	6.6%	71.8%	-23.3%
ITAUSA	ITSA4	-2.9%	-3.7%	20.6%	38.1%	-0.2%
ITAUSA	ITSA4	-2.9%	-3.7%	20.6%	38.1%	-0.2%
BB SEGURIDADE	BBSE3	-2.8%	-3.1%	1.9%	-0.2%	-3.9%

Weekly Stock Performance

EM

Country	1W	1M	6M	1YR	YTD
ARGENTINA	9.8%	16.9%	45.0%	91.1%	15.0%
KOREA	4.3%	5.4%	13.0%	18.8%	5.2%
COLOMBIA	3.3%	6.6%	20.7%	42.7%	9.7%
TAIWAN	2.9%	8.8%	28.9%	29.6%	16.6%
EM EX CHINA	1.6%	2.3%	16.2%	23.2%	4.0%
EM	1.3%	1.8%	8.7%	9.0%	2.4%
PERU	1.3%	12.1%	43.3%	51.2%	18.2%
BRAZIL	1.2%	-4.1%	5.0%	24.5%	-8.5%
LATAM	0.8%	-1.6%	8.1%	21.1%	-5.0%
MEXICO	0.8%	0.6%	12.2%	18.2%	-1.3%
CHINA	0.8%	1.5%	-6.1%	-13.9%	-0.3%
SAUDI ARABIA	0.8%	-0.3%	15.3%	16.1%	4.8%
INDIA	0.3%	-1.2%	16.4%	36.2%	4.2%
THAILAND	0.0%	-1.3%	-7.7%	-11.2%	-2.1%
INDONESIA	0.0%	0.0%	3.6%	7.0%	4.2%
MALAYSIA	-0.6%	-1.1%	4.6%	7.2%	4.4%
SOUTH AFRICA	-1.7%	-1.3%	-0.9%	-1.6%	-7.2%
CHILE	-2.8%	5.1%	-0.1%	-7.8%	-6.3%

DM

Index	Ticker	1W	1M	6M	1YR	YTD
Developed Markets	VEA INDEX	-1.5%	0.4%	5.0%	10.5%	-1.5%
MSCI Japan ETF	EWJ INDEX	3.2%	4.2%	16.2%	26.6%	12.0%
S&P 500	IVV INDEX	2.1%	2.7%	20.6%	32.5%	9.7%
MSCI ACWI ETF	ACWI INDEX	1.8%	2.8%	17.6%	25.2%	7.8%
MSCI United Kingdom ETF	EWU INDEX	1.4%	3.1%	5.9%	7.7%	2.6%
Russell 2000	IWM INDEX	1.3%	2.8%	16.1%	19.5%	2.2%
MSCI Australia ETF	EWA INDEX	1.0%	1.7%	12.1%	9.6%	-0.3%
MSCI Italy ETF	EWI INDEX	0.4%	5.5%	20.5%	27.0%	10.2%
MSCI Germany ETF	EWG INDEX	0.4%	3.6%	17.1%	14.1%	5.4%
MSCI Canada ETF	EWX INDEX	0.2%	2.6%	11.4%	15.6%	3.1%
NASDAQ	NQSE INDEX	-0.6%	4.1%	28.7%	18.3%	2.8%
MSCI France ETF	EWQ INDEX	-1.1%	2.3%	14.1%	12.7%	4.9%

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