

APRIL 2021 DEAL OF THE MONTH

CLAIRFIELD  
INTERNATIONAL

# CLAIRFIELD ADVISES BRAZILIAN PUBLIC COMPANY LOCAWEB (BVMF: LWSA3) ON FOUR ACQUISITIONS

**locaweb**

acquired



**locaweb**

acquired



**locaweb**

acquired



**locaweb**

acquired



## locaweb

Locaweb is a Brazilian pioneer and leader in IT hosted services. The company serves users ranging from individuals to large corporations through three business verticals:

- Internet, which offers hosting services, domain registration, reseller hosting, solutions for e-mail outsourcing and e-commerce.
- Data center, which offers cloud computing solutions, dedicated servers and secure room, besides specialized IT outsourcing services.
- Communication, focused on offering VoIP telephony through virtual PABX services and a virtual call center.

Locaweb was founded in 1998 and had a successful IPO in 2020. Following its debut on the stock market, company shares soared over 600%.

The company has approximately 900 employees. In 2020 Locaweb reported sales of BRL 488 million (USD 86 million).



ConnectPlug is a SaaS platform with complete point-of-sale and management systems. With a wide presence in the foodservice segment, the platform offers tools such as integration of orders, self-service platforms and solutions for digital menus and commands that are fully integrated with kitchen management systems.



Credisfera is a fintech with a long history in the Brazilian credit market and an extremely sophisticated platform for offering credit to SMEs.



DooCa Commerce is a virtual store platform focused on SMEs that helps merchants to create, set up and manage their virtual stores and sell online.



Samurai is a digital agency specialized in e-commerce with a focus on the Shopify ecosystem, the largest multichannel e-commerce platform in the world. The company develops solutions for customized marketplaces and apps to integrate platforms already consolidated in e-commerce, adapting the platform to the specific needs of the Brazilian public.

## Transaction rationale

As a pioneer in cloud-based services, Locaweb was a clear winner in the pandemic as companies moved to cloud-based service offerings. The company was cash-rich following a buoyant performance on the stock market.

More about company strategy: maximize customer base, expand range of services, and diversify portfolio.

The four acquisitions this year offer diverse benefits to Locaweb. With the acquisition of ConnectPlug, Locaweb, which already has the most complete ecosystem of technology solutions for SMEs and strong presence in the market for foodservice, strengthens its portfolio and enters the important market of technology solutions for the physical trade, and continues to consolidate itself as the best option to digitize companies in Brazil, expanding the possibilities of cross-sell. Thus, Locaweb reaches a new market and expands the ability of the group to offer omnichannel solutions. ConnectPlug allows the retailer to enjoy all the features that a SaaS system delivers, with a vast capacity to issue invoices from all over Brazil, intelligence reports for the business and the possibility to work offline for cases of more remote internet access.

Locaweb's strategy in acquiring this Credisfera was to offer an integrated solution bringing together Credisfera's technological capacity and credit intelligence, with the huge customer base that uses the Locaweb platforms to sell and receive online.

With the acquisition of Dooqa, Locaweb, which already has a prominent role and leadership in the segment, consolidates itself in this market that presented a strong acceleration in 2020. The plans for the acquisition and capture of synergies include Dooqa in the Company's robust commerce ecosystem, offering to all Dooqa's customer base payment solutions, integrations with more than 30 marketplaces and Store-in-Store, logistics solutions, recurring payment APIs and the entire digital marketing portfolio from its current subsidiaries.

Samurai reinforces the group's strategy to serve medium and large ecommerce, adding strengths with Locaweb and improving the ability to meet complex and customized projects.

## Clairfield role

The relationship with Clairfield International in Brazil (Ártica) began in October, 2019, when Locaweb was preparing to launch its IPO. In a few months, Ártica helped Locaweb to build a strong pipeline of potential acquisitions and ensure the IPO investors that the company was well prepared to quickly execute its acquisition strategy.

In February 2020, Locaweb successfully launched its IPO and raised USD 130 million to invest in acquisitions.

In the following 12 months, Ártica executed an extensive market screening, analyzed hundreds of potential targets, negotiated dozens of potential deals, and was the exclusive financial advisor in nine successful acquisitions that transformed Locaweb into the largest ecosystem of e-commerce solutions for small and medium retailers in Latin América.

Due to the success of Locaweb's acquisition strategy, the company launched a follow-on in February 2021 and raised USD 435 million to continue growing organically.

The most recent events and future plans for the next chapters of this story are still confidential, but we can say it is not over yet...

Deal team: Ivan Barboza, Gustavo Castro, Arthur Valentini, Alessandro Pereira, Lincoln Shiroma, Gabriel de Paula

## Selected Clairfield International transactions

<p>FINLAND</p>  <p>acquired</p> 	<p>SPAIN</p>  <p>sold</p>  <p>to a shareholder of the group</p>	<p>POLAND</p>  <p>acquired</p> 	<p>US</p>  <p>was sold to</p> 
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<p>DENMARK/US</p>  <p>was sold to</p> <p>FULL IN PARTNERS</p>	<p>UK</p>  <p>merged into</p> 	<p>FINLAND/FRANCE</p>  <p>was sold to</p> 	<p>FINLAND</p> <p>Confirma Software</p> <p>acquired</p>   <p>Computer Program Unit</p>
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<p>MONACO/US</p>  <p>USD 155m in Series D funding</p> 	<p>NORWAY/GERMANY</p>  <p>acquired</p> 	<p>SWEDEN/NETHERLANDS/CANADA</p>  <p>sold</p>  <p>to</p> 	<p>ISRAEL/BELGIUM</p>  <p>acquired</p> 
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## Number 1 in international rankings

Company	Rank
Clairfield International	1
Banco BTG Pactual SA	2
Ernst & Young LLP	2
Banco Safra SA	4
Lazard	4
LKC Capital	4
Morgan Stanley	4
Oaklins	4
RGS Partners	4
Rothschild & Co	4
XP Investimentos	4

## REFINITIV

Clairfield International is ranked as the top financial advisor for midmarket technology deals in Latin America by Refinitiv (2021 YTD).

## Previous Locaweb transactions advised by Clairfield Brazil

<p>BRAZIL</p>  <p>acquired</p> 	<p>BRAZIL</p>  <p>acquired</p> 	<p>BRAZIL</p>  <p>acquired</p> 	<p>BRAZIL</p>  <p>acquired</p> 
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300+  
TEAM MEMBERS

25  
COUNTRY TEAMS  
ACROSS THE WORLD

80%  
OF OUR MANDATES  
ARE INTERNATIONAL

30%  
DEALS CLOSED WITH  
INTERNATIONAL BUYERS

6  
SECTOR TEAMS OF SPECIALIZED  
EXPERTISE BACKED BY 70  
INDUSTRY ADVISORS

Clairfield International was founded in 2005 by four European M&A boutiques and has since expanded to encompass all major economies worldwide with the addition of knowledgeable partners in key markets.

Our strengths are our entrepreneurial spirit, local expertise, industry know-how, and close bonds among all team members spanning the globe.



Top 10  
IN EUROPEAN  
MIDMARKET RANKINGS

Top 20  
IN WORLDWIDE  
MIDMARKET RANKINGS

600+  
DEALS CLOSED  
IN THE LAST 5 YEARS

EUR 20 billion  
CUMULATIVE DEAL VALUE  
IN THE LAST 5 YEARS

Contact: **Luiz Penno**  
Clairfield Brazil  
lpenno@clairfield.com  
Rua Joaquim Floriano, 1.120, 9º andar, Itaim Bibi, São Paulo  
+55 11 3707-1890

CLAIRFIELD INTERNATIONAL SA:  
11 Rue du Conseil-Général  
1205 Geneva, Switzerland  
Tel: +41 22 518 0242  
info@clairfield.com

[www.clairfield.com](http://www.clairfield.com)