

SUMMARY OF INTERNATIONAL BONDS

Instrument	Currency	Coupon	Maturity	Original amount (USD m)	Amount Outstanding (USD m)	Price ⁽¹⁾	YTM (%) ⁽¹⁾	Z-Spread (bps) ⁽¹⁾	Rating M / S&P / F
2018 sr. unsecured	USD	4	30-Apr-2018	500	500	83.50	27.36	2,596	Caa2 / NR / B-

Source: Market data.

(1) Market data as of 26 June 2017.

ANDRADE GUTIERREZ ENGENHARIA: TIME TO PLEAD GUILTY TO THE MARKET

BACKLOG IS NOT WHAT IT LOOKS LIKE

As of 1Q17, Andrade Gutierrez Engenharia's (AGE) backlog amounted to BRL 17.9bn (USD 5.7bn). Many of its foreign projects funded by the BNDES Exim program stopped, due to the Brazilian government development bank not making disbursements, though it has released funds for a Ghanaian road project. Meanwhile, a shipyard in Venezuela has an uncertain future. Taking this into account, a more conservative measure of AGE's backlog, excluding four of the five BNDES Exim projects (two in Venezuela, one in Mozambique and one in the Dominican Republic), would be BRL 9.2bn. Adjusting the backlog for these BNDES Exim projects, we estimate AGE has about three years worth of projects outstanding.

Since 2014, the only meaningful additions to the backlog have been a BRL 3.3bn transmission project for Equatorial Energia in 4Q16 and BRL 903m in 1Q17. All additions have been in Brazil, with the exception of a refinery for Axion in Argentina.

REPAY OR REFINANCE?

The million-dollar question is how AGE will approach its April 2018 USD 500m bond maturity. We believe that a refinancing would obviously make more sense, as the necessary funds to repay the bond would probably lead AGE to sell many projects, and require a contribution from its parent company, Andrade Gutierrez SA. Currently, AGE and Andrade Gutierrez International (AGIT) only have USD 207m in liquid funds. They could raise another USD ≈22m-USD ≈25m through the sale of road concessions in Portugal, as well as another USD ≈100m from the sale of a water and sewage asset in Brazil. As a result, many more divestments would be needed.

AGE has BRL 1bn (USD ≈302m) in receivables from the state of Amazonas, which if collected, would significantly boost AGE's liquidity. However, we do not expect this to happen anytime soon. Alternatively, if AGE provisioned the BRL 1bn, ≈40% of the shareholders' equity would evaporate, but without an impact on AGE's liquidity position.

We propose a three-three-three tender offer (USD 3 incentive fee to participate, three-year maturity extension and 3pp increase in coupon with an exit yield of 12.7% as a possible refinancing option.

RECENT DEBTWIRE COVERAGE:

[Andrade Gutierrez adds USD 272m in new contracts to backlog in 1Q17 \(21-Jun-2017\)](#)

[Andrade Gutierrez still in need of LM option for 2018 bonds, despite strengthening backlog \(3-May-2017\)](#)

[Andrade Gutierrez water supply company to be acquired by Gezhouba Group for USD 200m \(31-Mar-2017\)](#)

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HISTORY

SHAREHOLDER

Founded in 1948, Andrade Gutierrez SA (AGSA) has become one of the largest companies in the engineering and heavy construction sector in Latin America, with projects across many countries and continents. Originally, Gabriel Donato de Andrade, Roberto Andrade and Flavio Gutierrez owned equal portions, which their descendants control nowadays. Not surprisingly, there are no independent board members in Andrade Gutierrez SA (See Table 1-Table 2).

AGSA, the parent company of both AGE (the guarantor of the 2018 notes) and AGIT (the issuer of the 2018 notes), is a privately-held company. AGE is 100%-owned by Andrade Gutierrez Investimentos em Engenharia SA (AGIE), of which AGSA is the ultimate owner.

LAVA JATO

AGE is one of the companies involved in the *Lava Jato* scandal, which began in March 2014 as a money-laundering investigation, only to extend to several of the largest companies in Brazil and most of its well-known politicians, including former Presidents Lula da Silva and Dilma Rousseff, and current President Michel Temer.

AGE was accused of paying bribes in exchange for being awarded contracts with public entities. On 5 May 2016, the company admitted the practice of committing

irregularities (both in Brazil and abroad), and pledged to pay BRL 1bn in fines over the course of 12 years (one installment per year, indexed to SELIC). Irregularities include all potential wrongdoings (specific unlawful practices are confidential), but could encompass bribing government officials to get contracts, and sweetening BNDES to finance projects abroad. AGE paid the first installment of the fine, and has deposited the money for the second in a separate account. AGIE or another entity of the same economic group will pay this fine. So far, AGE has upstreamed dividends to AGIE and AGIE for this purpose (upstreaming dividends bears no tax in Brazil).

In exchange for the guilty plea, AGE will continue to be included on the list of companies allowed to participate in public construction project auctions. The plea includes wrongdoing in Brazil, as well as in other countries.

BACKLOG

AGE had a backlog of BRL 17.9bn (USD 5.7bn) as of 1Q17, a decline of BRL 191m (1.1%) from BRL 18.1bn (USD 5.6bn) in 4Q16. This was the second quarter with the awarding of new projects since 1Q15, after which the backlog declined every single quarter until 4Q16.

Since 2014, contracts with government entities, both in Brazil and abroad, have represented, on average, 80%-85% of the backlog. The remaining contracts came from the private sector. In 1Q17, Latin America (ex-Brazil) accounted for 44.3% of the backlog—Venezuela with 36.5%, the

TABLE 1 : BOARD OF DIRECTORS

Name	Independent
Cláudio José de Castro Miserani	No
Claudio Gonçalves Mendonça Santos	No
João José de Araújo Pereira Pavel	No
Luiz Otávio Mourão	No
Paulo Roberto Reckziegel Guedes	No
Renato Torres de Faria	No
Ronnie Vaz Moreira	No
Saulo Alves Pereira Junior	No

Source: Company filings

TABLE 2 : MANAGEMENT

Name	Position
Ricardo Coutinho de Sena	CEO AGSA
Ronnie Vaz Moreira	CFO AGSA
Clorivaldo Bisinoto	CEO AGE
Gustavo Braga Mercher Coutinho	CEO AGE
Marcelo Marcante	CEO AGE

Source: Company filings

Dominican Republic with 4.7% and Argentina with 3.1%. Brazil represented 29.1% of the backlog, Africa had 23.2% (between Mozambique at 7.7%, Guinea Equatorial at 5.5%, Angola at 4.8% and Congo at 3.9%), and Lebanon represented the remainder (See Table 3).

TABLE 3 : BACKLOG PER REGION (BRL BN)

	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
Brazil	9.4	6.8	5.4	4.7	3.1	3.0	5.8	5.2
Latin America (ex-Brazil)	12.4	12.5	12.3	11.0	9.6	8.5	7.2	7.9
Argentina								0.6
Dominican Republic	1.1	1.2	1.5	1.3	1.1	0.8	0.9	0.8
Peru	0.4	0.4	0.3	0.3	0.2	0.0		
Venezuela	10.9	10.8	10.5	9.4	8.3	7.7	6.4	6.6
Portugal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Africa	6.3	7.3	6.5	5.6	4.6	4.5	4.4	4.2
Angola	2.2	2.4	1.8	1.6	1.1	1.0	0.9	0.9
Congo	0.7	0.9	0.8	0.7	0.7	0.7	0.7	0.7
Ghana	0.3	0.4	0.3	0.2	0.2	0.2	0.2	0.2
Guinea Equatorial	1.6	1.8	1.6	1.4	1.2	1.2	1.1	1.0
Mozambique	1.4	1.8	1.8	1.6	1.4	1.4	1.4	1.4
Other	0.2	0.2	0.1	0.1	0.0	0.1	0.1	0.1
Lebanon	0.7	0.9	0.9	0.8	0.7	0.7	0.7	0.6
Total	28.8	27.5	25.2	22.2	18.0	16.8	18.1	17.9

Source: Company filings. Debtwire's estimates.

The most worrisome aspect, in our view, is that 36.5% of the backlog (BRL 6.6bn), including the two largest outstanding projects, are with Venezuelan government entities. The largest one, the Siderurgica Nacional steel mill, has BRL 4bn in revenues remaining and is ≈60% built. Venezuela has already invested USD 1bn in it. The other project, the Astillero Nor-oriental shipyard, is in the very early stages and does not appear to have good prospects.

Additionally, AGE's fourth-largest contract (BRL 1.4bn) is with the government of Mozambique to build the DNA-Barragem Moamba Major reservoir. This project joined the backlog in 2012. The USD/MZN increased to the high-70s by September/October of last year from ≈46 at the end of 2015, and now trades in a range of between the high-50s and low-60s. The relevance of this, in our opinion, is that some contracts, including the ones with Venezuela, are not

only denominated in USD or EUR, but also partially in local currency.

Many projects are currently stopped because they are financed by the BNDES Exim program, and the bank is taking its time to release these funds. This program provides funding to foreign companies or governments in exchange for their projects being executed using Brazilian goods or services. In addition to Siderurgica Nacional, Astillero Nor-oriental and Barragem Moamba Major, the Proyecto Multiple Monte Grande in the Dominican Republic is also dependent on BNDES Exim and work on it has stopped (See Table 4).

Overall, work has stopped on AGE's four biggest projects (excluding the Equatorial Energia transmission lines), which account for BRL 8.8bn of the backlog. Recently, BNDES released funds to continue building the ECR project in Ghana, and the company expects that Proyecto Multiple Monte Grande in the Dominican Republic will be next up for evaluation (See Graph 1 - Graph 2).

The increase in backlog between 3Q16 and 4Q16 was due to a BRL 3.3bn contract with Equatorial Energia to build three transmission lines. These lines must be operational by February 2022, and will require some BRL 4bn in capex. Equatorial Energia is a Brazilian company mostly involved in the energy-generation business, and it is diversifying into the transmission business. As of 1Q17, Equatorial Energia had BRL 13.2bn in assets, BRL 4.1bn in equity and a net debt/EBITDA ratio of 1.8x. Though the transmission projects are significant relative to its size, Equatorial's leverage is very low for a utility.

During the period of 4Q16-1Q17, a BRL 433m downward readjustment of a Sao Paulo street project, as well as a BRL 155m negative fx effect were the main drivers of a decline in backlog. They offset the addition of BRL 903m through three new projects: the BRL 555m Axion Energia refinery in Argentina, a BRL 306m transportation project with CCR (a related party) in Brazil and a BRL 42m project with Votorantim.

In 4Q16 and 1Q17, AGE consumed BRL 866m (USD 263m) and BRL 453m (USD 143m) of its backlog, respectively, representing 5.2% and 2.6%, respectively, of backlog at the

TABLE 4 : BACKLOG (BRL BN)

Project	Country	Type of client	Final year	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
Siderurgica Nacional	Venezuela	Public	2021	7.6	7.7	7.3	6.3	5.5	5.3	3.9	4.2
Astillero Nor-oriental	Venezuela	Public	2022	3.2	3.2	3.2	3.1	2.8	2.3	2.5	2.5
'LTS-Lotes 14, 15 & 16	Brazil	Private	2021							1.8	1.8
DNA - Barragem Moamba Major	Mozambique	Public	2021	1.4	1.8	1.8	1.6	1.4	1.4	1.4	1.4
LTS - Lotes 8, 9 & 12	Brazil	Private	2021							1.3	1.3
Proyecto Multiple Monte Grande	Dominican Republic	Public	2020	1.1	1.2	1.5	1.3	1.1	0.9	0.9	0.8
Estrada Ebolowa-Sta. Maria	Guinea Equatorial	Public	2021	0.8	1.1	1.0	0.9	0.8	0.8	0.8	0.7
Janna Dam & Lake on Ibrahim River - Phase II	Lebanon	Public	2020	0.7	0.9	0.9	0.8	0.7	0.7	0.7	0.6
Refineria Axion	Argentina	Private	2019								0.6
Fornecimento de DMU's	Angola	Public	2020	0.5	0.6	0.7	0.6	0.5	0.6	0.6	0.5
Route Etoumbi/Mbomo	Congo	Public	2021	0.4	0.5	0.5	0.4	0.4	0.4	0.4	0.4
Duplicacao Rodonorte - Bloco 3	Brazil	Private	2020								0.3
LT - Lote 23	Brazil	Private	2021							0.3	0.3
UHE Belo Monte	Brazil	Private	2019	0.8	0.6	0.4	0.4	0.3	0.3	0.2	0.2
Entorno do Estadio Nacional de Brasilia	Brazil	Public	2019	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Eastern Corridor Road Lots 5 & 6	Ghana	Public	2017	0.3	0.4	0.3	0.2	0.2	0.2	0.2	0.2
Terminal Jardim Angela	Brazil	Public	2021	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
DNN - PPP Metro Salvador	Brazil	Private	2017	0.7	0.7	0.6	0.4	0.3	0.4	0.3	0.1
RN2 - Mikalou / Djiri	Congo	Public	2018	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Las Manzanas entre calles, Oyala Zona Sureste	Guinea Equatorial	Public	2018	0.6	0.6	0.4	0.3	0.3	0.3	0.2	0.1
Ruas e Avenidas da Cidade de Oyhala - Sudeste	Guinea Equatorial	Public	2019	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.1
Prolongamiento da Av. Roberto Marinho	Brazil	Public	2019	0.4	0.4	0.4	0.4	0.4	0.6	0.6	0.1
PPP Sistema Produtor Sao Lourenco	Brazil	Private	2018	1.0	0.9	0.8	0.6	0.5	0.3	0.3	0.1
Operacao e Manutencao da ute Maua - 600MW	Brazil	Public	2020			0.1	0.1	0.1	0.1	0.1	0.1
Pipeline LNG Soyo	Angola	Public	2017	0.2	0.2	0.3	0.2	0.2	0.2	0.1	0.1
Ravine Emeraude Definitiva	Congo	Public	2019		0.2	0.2	0.1	0.1	0.1	0.1	0.1
Others				8.3	6.1	4.3	3.7	1.8	1.4	1.2	0.9
Total				28.8	27.5	25.2	22.2	18.0	16.8	18.1	17.9

Source: Company filings. Debtwire's estimates.
BNDES EXIM Program

end of each period. At this pace, AGE's backlog would cover 5.2 years of operations based on LTM gross revenues.

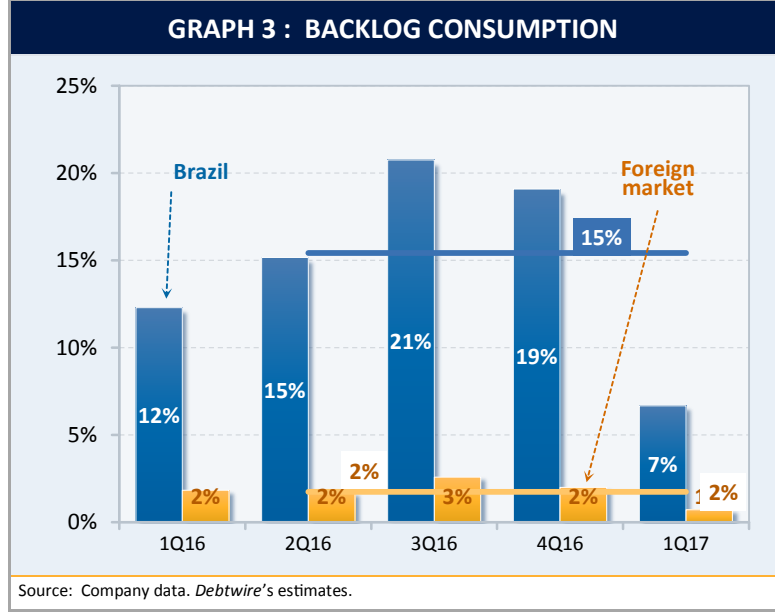
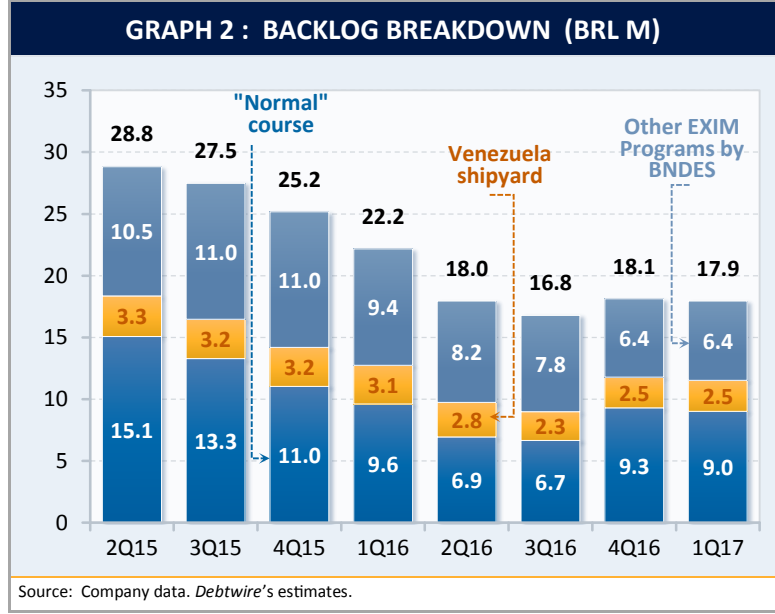
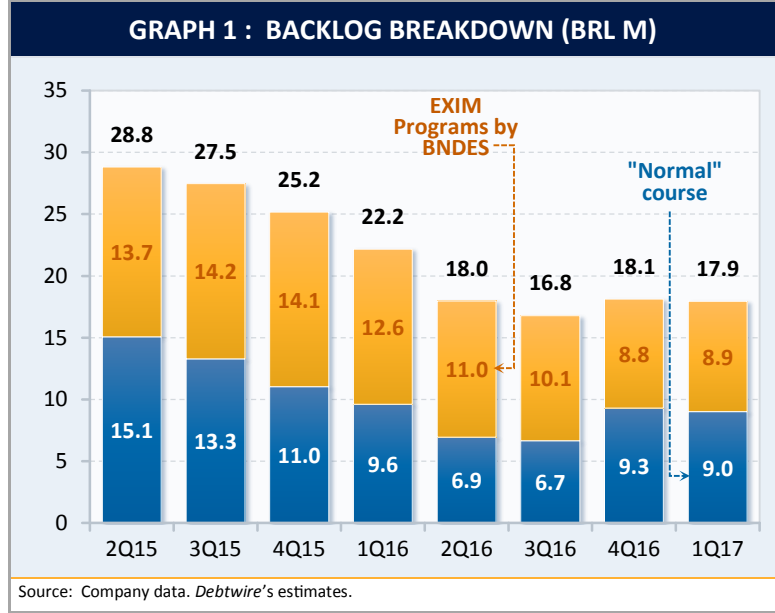
However, if we remove the four doubtful BNDES Exim-dependent projects, the yearly rate of consumption (backlog to LTM gross revenues) would increase to 43.1% (BRL 4.1bn / (BRL 18.1bn - BRL 8.7bn)) in 4Q16 and 37.8% (BRL 3.5bn / (BRL 17.9bn - BRL 8.8bn)) in 1Q17. That means that AGE currently has ≈three years of backlog. The decline of the portion of backlog represented by Siderurgica Nacional is not due to work progressing and AGE being paid, but the netting of advancements executed and not paid, as well as advancements for construction not yet done.

We examined the relationship between the income for a given period relative to the backlog at the end of the previous period, for both Brazil and the foreign markets. For Brazil, after the BRL 3.3bn in backlog incorporated in 1Q17, this represented 7% consumption of the backlog, a fall from 19% in 4Q16 and the average of 17% in 2016. At this rate, in ≈four years, the backlog in Brazil would be consumed. For the foreign market, this ratio is 1%, a decline from 2% in 4Q16 and the 2% average in 2016. This is further evidence that work on most of the foreign projects has stopped (See Graph 3).

FINANCIAL HIGHLIGHTS FOR 1Q17

Revenues for 1Q17 were BRL 453m (USD 143m), driven by BRL 385m (USD 122m) from local projects and BRL 87m (USD 27m) from foreign ones. This figure represented a decline from BRL 829m (USD 252m) in 4Q16—split between BRL 568m (USD 172m) from the domestic market and BRL 276m (USD 84m) from foreign projects. It is noteworthy that revenues from domestic projects during the last five quarters have been 2x-3x those for foreign projects, when the backlog in Brazil has been ≈20% of the total. This suggests more difficulties to regain credibility abroad than at home and the stoppage of key projects described above.

EBITDA was BRL -75m (USD -23m), a quarter-over-quarter plummet from BRL 601m (USD 182m) (See Graph 4-Graph



5). We must remember that in 4Q16, there were two extraordinary events: the repatriation of BRL 525m under an amnesty law, and the sale of a Peruvian water and sewage concession for USD 46m (BRL 152m). Law 13.254, which passed in Brazil in 2016, allowed individuals and corporate entities to repatriate undeclared funds. As a result, even with the accounting of these funds as income, it is money that AGE, in a sense, already had.

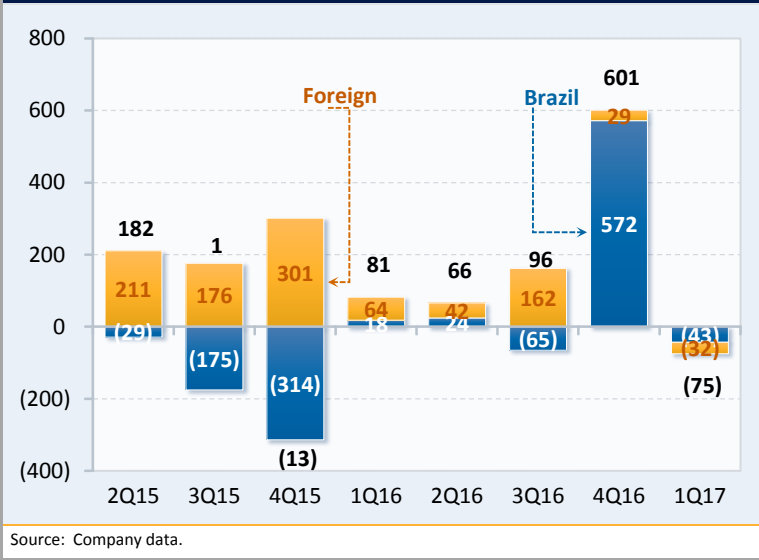
The company's EBITDA for Brazil was BRL -43m (USD -13m), falling QoQ from BRL 572m (USD 174m) and year-over-year from BRL 18m (USD 5m). Foreign EBITDA was BRL -32m (USD -10m), slipping from BRL 29m (USD 9m) QoQ and BRL 64m (USD 19m) YoY.

Though it is a little unorthodox, we include dividends to shareholders in order to compute free cash flow, in part due to the fact that AGIE will probably try to pay the fines

imposed in the leniency agreement with the dividends from AGE. As such, free cash flow for 1Q17 was BRL -233m (USD -73m), a QoQ decline from BRL 323m (USD 98m). AGE attributes this fall to the delay in receiving funds from projects in Ghana and Angola, which they received during 2Q17 (See Table 5). These amount to BRL ≈280m (USD ≈90m).

AGE originally had BRL 3bn in accounts receivable, BRL 1bn of which correspond to the state of Amazonas for past concluded projects. The state has not paid, and AGE presented a demand that was granted a final, unappealable and favorable decision. However, AGE has provisioned BRL 2bn and remains confident it can collect the other BRL 1bn with the argument that the state has been servicing similar liabilities, and that its liability has a priority to be paid. AGE's claim ranks fifth, and claims such

GRAPH 4 : EBITDA PER REGION (BRL M)



GRAPH 5 : ADJ. EBITDA (BRL M) AND ADJ. EBITDA MARGIN (%)

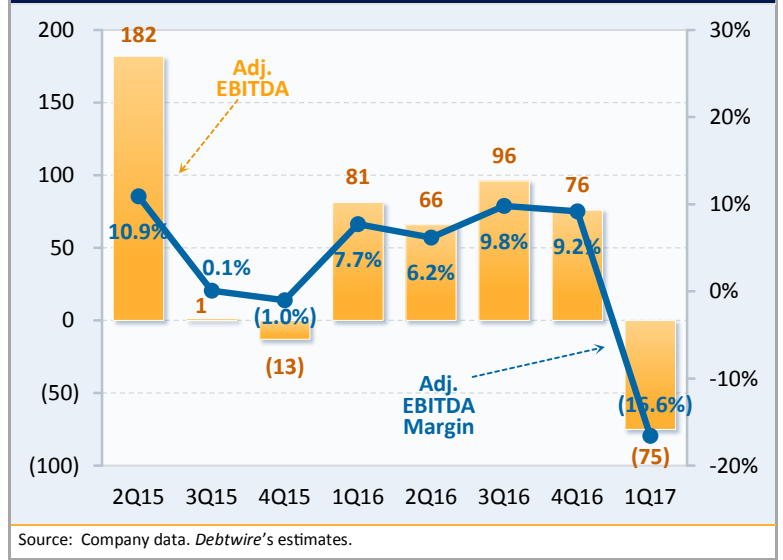


TABLE 5 : FREE CASH FLOW (BRL M)

	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
EBITDA	182	1	(13)	81	66	96	601	(75)
Capex	(35)	1	(89)	(12)	(10)	(11)	(3)	(4)
Δ working capital	2223	(73)	(461)	(350)	143	(282)	(165)	(128)
Taxes paid	109	(138)	(63)	(33)	32	44	(47)	(14)
Interest paid	(72)	(8)	(24)	(5)	(46)	(14)	(48)	(12)
Dividends paid	(152)	(116)				(188)	(15)	
Free cash flow	254	(333)	(650)	(319)	184	(355)	323	(233)

Source: Company filings. Debtwire's estimates.

as labor and pensioners rank senior to it. Additionally, the state of Amazonas is currently setting aside about BRL 300m per year to pay claims to suppliers, and as a result, it could take several years to pay AGE in full. If this doesn't happen and AGE is forced to recognize another provision, its leverage would not be impacted. The effect would be a reduction in accounts receivable and shareholders' equity.

INDEBTEDNESS: REFINANCE OR REPAYMENT?

The largest single source of indebtedness AGE has is the USD 500m bond maturing in April 2018, as the remaining USD 185m is working capital and small lease financings.

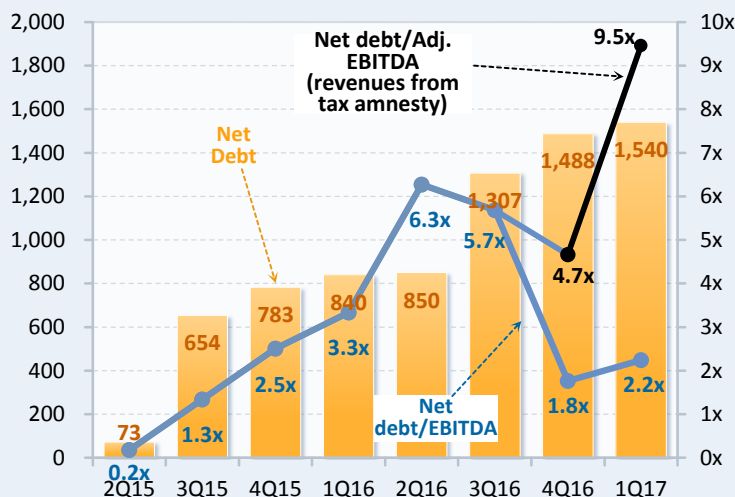
As of 1Q17, the company's gross and net debt, including AGIT, was BRL 2.2bn (USD 679m) and BRL 1.5bn (USD 473m), respectively. Its net debt/EBITDA was 2.3x.

REPAYMENT OPTION

As of 1Q17, AGE had BRL 651m (USD 200m) in cash, plus BRL 23m (USD 7m) at AGIT. Additionally, in 2Q17, it received BRL ≈280m (USD ≈90m) in funds from accounts receivable that AGE originally thought it would acquire in 1Q17. These include funds from projects in Ghana and Angola.

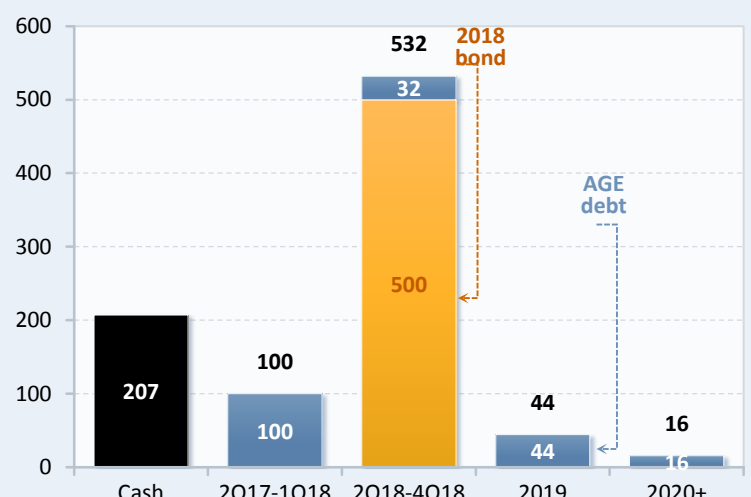
- An obvious alternative is to keep selling projects. In December 2016, AGE sold its 100% stake in Aguas de Bayovar, a Peruvian water and sewage concession, for USD 46m, and during 1Q17 it transferred Andrade Gutierrez Desenvolvimento Urbano, responsible for AGE's share of the Olympic Park project, among other small concessions, for BRL 291m to the real estate arm of AGSA. It is currently in talks to sell its participation (14%-19%) in Portuguese road concessions for EUR 20m-EUR 22m (USD ≈22m-USD ≈25m), and its stake (50%) in the Sistema Produtor Sao Lourenço water and sewage concession in Brazil for USD ≈100m. For the former, a sale agreement is already signed and pending approval from the financing agent, Caixa Economica Federal. AGE expects to receive news in the next two-three months.
- Another alternative would be downstreaming cash from AGSA, which comes from AG Participacoes. On 4 May, AG Participacoes announced the completion of a BRL 800m capital reduction, including BRL 157m in cash and BRL 643m through returning AGSA bonds that it holds. Additionally, it could sell portions of the subsidiaries of AG Participacoes, which holds a 6.7% stake in CEMIG, which at current market prices represents BRL 960m, and a 14.9% stake in CCR that is worth BRL 5.0bn.

GRAPH 6 : NET DEBT (BRL M) AND NET LEVERAGE



Source: Company data. Debtwire's estimates.

GRAPH 7 : AMORTIZATION SCHEDULE (USD M)



Source: Company data. Debtwire's estimates.

REFINANCING OPTION: THREE-THREE-THREE... IS IT HALFWAY TO HEAVEN OR HELL?

We think the best alternative implies some sort of refinancing, either for the entire USD 500m, or more likely, part of it. When AGE (AGIT) issued the 2018 notes back in 2013, conditions were significantly different than today. There must be a reflection of the difficulties it faces now, and will continue to face, to win back contracts in the price of the bonds. We favor a tender with a USD 3 incentive fee, a three-year maturity extension and a 300bps bump in the coupon yield. AGE is currently paying Caterpillar ≈7% in USD for a working capital line due 23 December 2019, while other working capital lines in USD went between 6M Libor+ 2.55% and 6M Libor+ 5.07%. This would imply an exit yield of 12.7%, or close to 1,545bps less than the one bonds are now trading.

We can draw a parallel to the 1H16 tender of Peru’s Camposol, in the sense that on paper, it seems like a liquidity problem (although in this case of AGE, there is the added problem of pleading guilty to bribing government officials), and as such, AGE needs to acknowledge it and act accordingly. It needs to do something that says “Yeah, we messed up, sorry, but it was an isolated case, and it does not represent the way we do business in general.” AGSA faces a morally hazardous situation, in which it has a lot to lose if it does not solve the situation in a harmonious way in favor of the bondholders.

CONCLUSION

Overall, we think AGE is in a complicated position because of moral hazards. It is clear the company has a liquidity problem, and it seems to be trying to raise enough cash to repurchase the bond, and then go to market and offer a refinancing at a not-too-expensive rate. The parent company, AGSA, has several other businesses, and some such as AG Participacoes are valuable. Thus, a default by AGE would definitely not set a good precedent for the group as a whole. The dilemma of whether to sell many assets to make the repurchase “threat” credible might come at the expense of selling those assets at a lower valuation, then refinancing the bond and sitting on a pile of cash (which can always be upstreamed or used to prepay the BRL 1bn fine).

We do not anticipate AGE will not come to the market before selling the road concession in Portugal, and the water and sewage asset in Brazil. The extra USD ≈130m added to the current USD 207m would, in our opinion, be sufficiently comforting for AGE to make an offer that would be widely accepted by bondholders. A successful refinancing would probably be an inflection point for AGE in its path toward regaining credibility, and trying to again be awarded projects outside of Brazil.

GRAPH 8 : 2018 BOND PRICE



Source: Company data. Debtwire’s estimates.

GRAPH 9 : 2018 BOND YTM (%)



Source: Company data. Debtwire’s estimates.

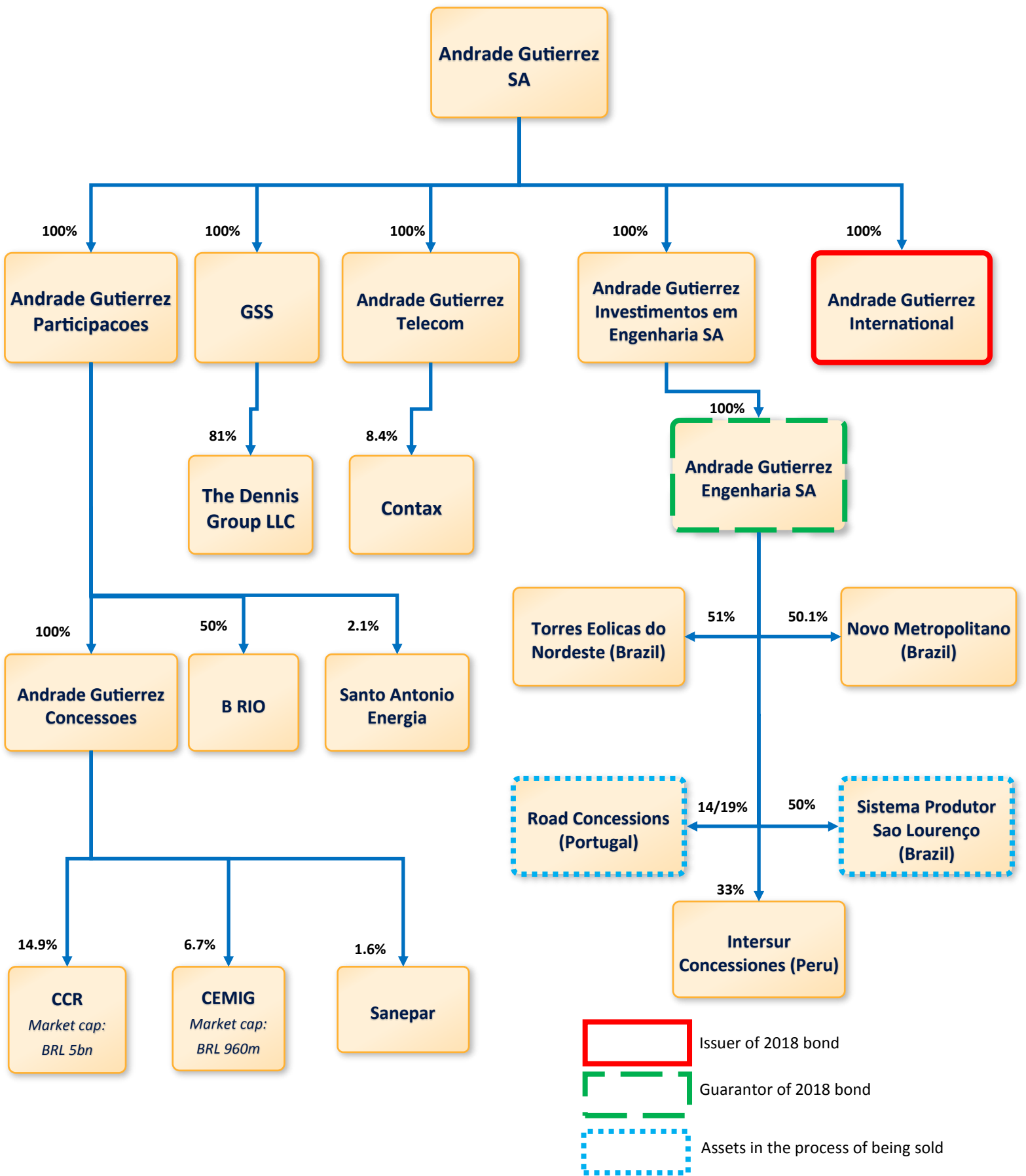


TABLE 6 : FINANCIAL INFORMATION (BRL M)

	FY 2015	FY 2016	LTM 1Q16	LTM 1Q17	Δ % (LTM 1Q16 - LTM 1Q17)	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	Δ % (1Q16-1Q17)
Net revenues	5,966	3,925	5,484	3,324	(39.4%)	1,665	1,480	1,285	1,053	1,062	980	829	453	(57.0%)
<i>Domestic</i>	3,194	2,585	3,194	2,306	(27.8%)	902	894	734	664	720	634	568	385	(42.0%)
<i>Foreign</i>	2,207	1,313	2,207	1,039	(52.9%)	702	530	615	360	292	385	276	87	(75.9%)
Cost of service rendered	(5,132)	(3,362)	(4,797)	(2,845)	(40.7%)	(1,425)	(1,330)	(1,096)	(946)	(939)	(733)	(744)	(429)	(54.7%)
SG&A	(739)	(536)	(706)	(550)	(22.1%)	(155)	(167)	(263)	(122)	(139)	(159)	(117)	(135)	11.3%
Equity stake in subsidiaries	40	73	96	54	(43.4%)	50	(27)	44	29	16	2	26	10	(64.1%)
Provisions	(139)	(158)	(135)	(177)	31.7%	(17)	7	(144)	19	(19)	(8)	(150)	(1)	
Other income (expense), net	15	746	12	747	5,939.4%	5	(25)	37	(5)	29	(1)	722	(4)	(24.9%)
Financial income (expense), net	485	(28)	510	(163)		115	272	36	87	(4)	(53)	(58)	(48)	
Income tax	28	(112)	75	(69)		(180)	2	260	(8)	12	(45)	(71)	36	
Net income	523	547	540	323	(40.2%)	60	213	160	107	20	(18)	439	(117)	
Total asset	11,574	8,892	10,862	8,590	(20.9%)	11,838	12,444	11,574	10,862	9,807	9,638	8,892	8,590	
Current assets	7,526	5,403	7,117	5,140	(27.8%)	8,367	8,989	7,526	7,117	6,213	6,171	5,403	5,140	
<i>Cash and cash equivalents</i>	1,349	412	1,179	264	(77.6%)	1,232	1,774	1,349	1,179	1,070	693	412	264	
<i>Investments</i>	546	405	602	387	(35.8%)	1,042	507	546	602	354	343	405	387	
<i>Trade receivables</i>	4,379	3,354	3,907	3,505	(10.3%)	4,870	5,403	4,379	3,907	3,496	3,635	3,354	3,505	
<i>Related parties</i>	54	275	274	51	(81.3%)	1	46	54	274	275	277	275	51	
Non-current assets	4,047	3,489	3,744	3,450	(7.8%)	3,471	3,455	4,047	3,744	3,595	3,466	3,489	3,450	
<i>Trade receivables</i>	1,414	1,326	1,459	1,320	(9.5%)	1,456	1,403	1,414	1,459	1,425	1,275	1,326	1,320	
<i>Related parties</i>	566	749	567	767	35.2%	186	192	566	567	703	743	749	767	
Total liabilities	9,016	6,491	11,686	6,377	(45.4%)	9,240	9,788	9,016	11,686	7,065	7,049	6,491	6,377	
Current liabilities	4,256	2,883	7,901	2,746	(65.2%)	4,320	4,324	4,256	7,901	3,783	3,525	2,883	2,746	
<i>Suppliers and subcontractors</i>	1,162	931	1,004	862	(14.1%)	1,277	1,298	1,162	1,004	849	915	931	862	
<i>Advance from customers</i>	1,720	796	1,546	815	(47.3%)	1,640	1,814	1,720	1,546	1,609	1,234	796	815	
<i>Related parties</i>	54	80	64	88	37.5%	48	34	54	64	62	129	80	88	
<i>Short-term debt</i>	582	383	633	315	(50.2%)	360	470	582	633	489	525	383	315	
Non-current liabilities	4,760	3,608	3,785	3,631	(4.1%)	4,920	5,464	4,760	3,785	3,281	3,525	3,608	3,631	
<i>Advance from customers</i>	2,003	1,188	1,473	1,222	(17.0%)	2,401	2,403	2,003	1,473	1,107	1,281	1,188	1,222	
<i>Related parties</i>	1,763	1,387	1,351	1,390	2.9%	1,398	1,787	1,763	1,351	1,284	1,329	1,387	1,390	
<i>Long-term debt</i>	195	304	237	288	21.4%	459	527	195	237	201	202	304	288	
Shareholders' equity	2,558	2,400	2,960	2,214	(25.2%)	2,604	2,655	2,558	2,960	2,743	2,704	2,400	2,214	
EBITDA	313	844	252	688	173.2%	182	1	(13)	81	66	96	601	(75)	
Free cash flow	(987)	(166)	(1,048)	(80)	(92.4%)	254	(333)	(650)	(319)	184	(355)	323	(233)	
Total debt (w/ AGIT)	2,743	2,327	2,679	2,214	(17.4%)	2,382	2,999	2,743	2,679	2,306	2,377	2,327	2,214	
Net debt (w/ AGIT)	783	1,488	840	1,540	83.3%	73	654	783	840	850	1,307	1,488	1,540	
Net debt (w/ AGIT) to EBITDA	2.5x	1.8x	3.3x	2.2x		0.2x	1.3x	2.5x	3.3x	6.3x	5.7x	1.8x	2.2x	
Backlog	25,160	18,136	22,162	17,945	(19.0%)	28,825	27,468	25,160	22,162	17,959	16,791	18,136	17,945	

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