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### Metodo Engenharia actively looking to sell USD 56m stake in the short term, CEO says [mergermarket](#)

#### Story

Metodo Engenharia, a private Brazilian-based engineering and construction company, is actively looking for an equity investor in the company, company CEO Hugo Marques da Rosa told this news service.

Metodo, which was listed until 2005, reported equivalent revenues of some BRL 500m (USD 281m) last year, he said. When taking into account Metodo's most recent acquisition of a 51% stake in Potential Engenharia for undisclosed amount, the total group equivalent revenues is expected to reach BRL 750m for 2009.

Rosa said Metodo is already engaged in talks with potential investors and it is in the process of hiring an advisor, potentially an investment bank or an investment boutique. "We should hire an advisor by the end of the month."

"We want a financial partner, not a strategic one; and it could be domestic or foreign, as long as it is already present in the Brazilian market," the executive said, explaining that Metodo wants to bring in not only the investment but also market knowledge and commitment to the business.

A potential deal would contemplate a non-controlling stake of Metodo to only one investor, Rosa said. The expectation is to get BRL 100m (USD 56.3m) injected into the company, to finance new projects, boost cash flow and raise money for acquisitions. "Of course, the final amount would depend on the terms of the negotiation," he noted.

The expectation is to close a deal before the end of the first half of this year, he stressed.

The investment will also pay for its acquisition of Potential Engenharia, which introduced Metodo into the oil and gas segment in Brazil. "Before we bought Potential we had zero leverage, and we want to make it even again," he said, adding that an investor could assume the debt in exchange for a stake.

After it receives the investment, Metodo will analyze acquisitions of companies that are complementary to the firm's businesses. "We have seen a wave of M&A in a range of sectors of the [Brazilian] economy, but it has not been seen in the engineering sector. We want to act as consolidator in this market," Rosa said. "Potential's acquisition took place inside this strategy."

However, at this point, the most important thing is to integrate Potential into Metodo, although both companies will continue to have separate operations and general managements. Rosa also stressed that Metodo could go public again in the long term depending on the market conditions and acceptance, but it is not the main focus at this time.

Metodo Engenharia was created 36 years ago and has as its core business to act in all segments of the construction chain of buildings, especially commercial ones.

by Sergio Spagnuolo in Sao Paulo

**Source** mergermarket

**Value** USD 56m (expected stake value)

**Target** [Metodo Engenharia SA](#) **DS**

**Bidder** [Metodo Engenharia SA](#) **DS**

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**SubSectors** Construction services  
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