

Burger King Brasil

**BRL 2.3
Billion**
Net Revenues
for 2018

66%
Annual growth
since 2012

"Vinci was always very close during the construction of this expansion, through the structuring processes and governance that are vital for us to deliver the expected growth, while also providing support for capital allocation decisions."

Rafael Espírito Santo - COO, BKBrasil

Set up in 2011 as a joint venture with Burger King Corp., with the intention of becoming the Master Franchisee for this brand in Brazil, with exclusive rights to develop, operate and approve franchised BK stores in Brazil, Burger King had just over 100 outlets in Brazil. Despite its timid presence and limited penetration, the brand was familiar to Brazilian consumers, who appreciated its value. Here, Vinci detected an opportunity for rapid expansion, mainly through opening its own stores, underpinned by financial capital, structuring processes/governance and a management model. In addition to steering fund-raising processes and guiding capital allocation decisions, Vinci established an aggressive expansion plan with more than 800 stores in Brazil by 2019, far outstripping market growth rates.

COMPANY NEEDS

- Poor penetration for this brand, compared to its main competitors in Brazil, although familiar to Brazilian consumers
- Business model proven at the global and domestic levels
- Demographic aspects spurring out-of-home meals, including more women in the workplace and more people living alone
- Eating out still underdeveloped in Brazil, compared to more developed economies (as a percentage of total outlays on food)
- Opportunity for rapid growth through its own stores with good unit economics

VALUE CREATION THROUGH PE&VC

- Hiring and structuring a management team from scratch
- Implementing the management model, aligning long-term goals, compensation plan based on goals and merits, capital allocation processes, cost controls etc
- Sponsoring initiatives endowing company products with greater reach for target publics: coupons, dessert platform upgrade, kids' platform and others
- Structuring a sturdy store development process, ranging from site selection through to investment committees with final approval of all openings
- Heading up the process of raising more than BRL 2 billion in debt/equity, underwriting organic growth and franchise acquisitions; heading up the franchised store acquisition process

OUTCOMES

A greenfield project that began with no revenues and less than thirty employees, BK Brasil has become one of the leading names in the out-of-home meals sector in Brazil. Its 600 new stores added to the system allow the company to post an impressive BRL 2.3 billion in net revenues (45% p.a. growth since 2012) and BRL 288 million in EBITDA for 2018 (66% p.a. growth since 2012). By year-in 2018, BK Brasil had more than 16,000 employees (corporate + stores), confirming its ability to generate an impressive number of jobs at a difficult time for the Brazilian economy.



HEAD OFFICES
São Paulo

ADMINISTRATOR
Vinci Partners

INFO
www.burgerking.com.br
www.vincipartners.com

INVESTMENT
14.07.2011

AMOUNT INVESTED
BRL 319 million

MANNER OF ACQUISITION
100% Primary

STACK
INITIAL / MAXIMUM / CURRENT
75% / 75% / 8%

DIVESTMENT
December 18, 2017

MANNER OF DIVESTMENT
IPO
(Remaining stake ~8%)

PAYBACK
IRR: 23.8%
MOIC: 3.8