

Private equity group Advent takes control of Walmart Brazil

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A Walmart store in Chicago, Illinois: Walmart is selling off a majority stake in its Brazil stores to a private equity group, Advent International.

Walmart announced Monday plans to hand over control of its Brazilian arm to private equity group Advent International.

Walmart gave no price for the transaction, in which Advent takes an 80 percent stake in Walmart Brazil and leaves Walmart with 20 percent.

But the Arkansas-based mega retailer said it would take a \$4.5 billion charge on the deal in the second quarter, much of that related to cumulative foreign exchange losses.

Walmart's Brazilian operation started up 22 years ago and employs 55,000 people in 438 stores.

In 2017, Walmart reported Brazil revenues of 25 billion reals, about \$7 billion.

Advent, with \$42 billion in assets around the world, has been in Brazil for 21 years and has a portfolio of 30 companies in diverse sectors.

"We believe that with our local market knowledge and retail expertise we can position the company to generate significant results and reach new levels of success in Brazil," said Patrice Etlin, a Managing Partner at Advent International in Brazil.

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