Income Tax Reform & Extraordinary Dividends

Extraordinary dividend payments could be meaningful in Brazil

Scenarios point to R$ 42-85 bn of potential additional dividend announcements

The approval of the income tax reform by the Brazilian House of Representatives on October 1st introduced a compensatory measure of 10% withholding tax on monthly dividends above R$ 50,000 paid by companies to individuals in Brazil, alongside an amendment establishing that earnings accrued up to December 31st will remain exempt from this tax even if distributed as late as 2028. This combination created a strong incentive for Brazilian companies to bring forward dividend announcements before YE2025, and names such as Allos, Itaú, and Vale have already done so, totaling R$ 42.2 bn. In this report, we consider three scenarios to screen which companies have the capacity to bring forward dividend payments. Summing all of these, we estimate a range of R$ 42-85 bn of additional dividends to be announced in upcoming weeks/months. We believe this is likely to be a catalyst for these stocks and provide support to the market.

The new tax regime is creating incentives for companies to bring forward dividend payments. On October 1st, the Brazilian House of Representatives approved a personal income tax reform, which was subsequently signed into law by the President on November 26th. To ensure fiscal neutrality, the reform includes three offsetting measures, among them a 10% withholding tax on monthly dividends above R$ 50,000 paid by companies to individuals in Brazil.

On the other hand, an amendment established that earnings accrued up to December 31, 2025, will remain exempt from taxation even if distributed as late as 2028, creating an incentive for companies to bring forward dividend distributions ahead of the new regime. A proposal is currently being discussed in the Senate's Economic Affairs Committee (CAE) to extend the deadline for approving dividend distributions to April 30, 2026. However, it must still be approved by both the House and the Senate before moving on to presidential sanction.

Some companies have already anticipated dividend announcements, and discussions have intensified around additional names. Among the companies that have already announced distributions, notable examples include **Itaú**, **Vale**, **Allos**, **Marcopolo**, and **Azzas 2154**. Within our XP coverage, R$ 42.2 bn of dividend payments were announced so far. Market attention has also turned to potential announcements from other names.

Which companies could bring forward dividend announcements? We evaluated three scenarios to identify companies within our coverage that have the capacity to bring forward dividend payments at attractive levels, based on their total retained earnings and profit reserves (potential distribution). The three scenarios show that total retained earnings for those companies screened range from R$ 39-194 bn. We show the list of companies screened inside the report.

How much of this amount is likely to be paid out as dividends? Naturally, companies are unlikely to distribute their full reserves/retained earnings. Among the four companies that have already announced dividend payments so far, the announced amount relative to potential distribution have varied widely, ranging from 11% to 84%. Assuming our first scenario of a total distribution of R$ 170 bn, even partial-distribution outcomes would imply meaningful yields. Distributing 25% of the potential would translate into R$42 bn in dividends (6.8% yield), while distributing 50% of the potential would represent R$ 85 bn (13.5% yield).

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Income Tax Reform & Extraordinary Dividends

Income tax exemption bill is impacting dividend announcements

On October 1st, the Brazilian House of Representatives unanimously approved a personal income tax reform that establishes an exemption for monthly incomes of up to 5,000 BRL, as well as reduced rates for incomes of up to 7,350 BRL. The proposal was subsequently approved by the Senate on November 5th and signed into law by the President on November 26th.

To ensure fiscal neutrality, the bill introduces three offsetting measures: (i) a minimum tax on individuals earning above 50,000 BRL per month, applied progressively by income level and capped at 10%; (ii) a 10% withholding tax on monthly dividends exceeding R$ 50,000 paid by companies to individuals in Brazil; (iii) a 10% tax on profits and dividends remitted abroad, except in the following cases: foreign governments with reciprocal treatment, sovereign wealth funds, or foreign pension entities.

In addition, an amendment was approved stipulating that earnings accrued up to December 31, 2025, will remain exempt from withholding tax, even if the distribution takes place as late as 2028, reducing the risk of a dividend payment acceleration in 2025, but creating incentives for companies to bring forward announcements before YE2025. Also, a proposal is currently being discussed in the *Senate's Economic Affairs Committee (CAE)* to extend the deadline for approving dividend distributions to April 30, 2026. However, it must still be approved by both the House and the Senate before moving on to presidential sanction.

Following the approval of this amendment, several companies have already announced dividend distributions to take advantage of the exemption window, especially through extraordinary dividends. Notable examples include Itaú (5.6% yield), Vale (5.3% yield), Allos (13% dividend yield guidance for 2026), Marcopolo (11% yield), and Azzas 2154 (3% yield). Furthermore, the distributed amounts, when expressed as a percentage of the potential distribution (profit reserves + retained earnings), varied considerably, ranging from 4.9% to 84%. Market discussions have also intensified around potential announcements from other companies.

Given this backdrop, we present in this report (i) estimates for the dividend-paying capacity of the companies under our coverage and (ii) three scenarios with lists of companies under our XP coverage with potential to bring forward dividend announcements before YE2025.

Table 1: Brazilian companies that have already announced dividend payments ahead of the new tax regime

Ticker	Name	Sector	Announcement date	Amount (R$ mn)	Yield	Amount as a % of reserves and retained earnings	More information
VULC3	Vulcabras	Retail	30-Oct	590	10%	64%	Link
ALOS3	Allos	Income Properties	12-Nov	1,900	13%	84%	Link
POMO4	Marcopolo	Capital Goods	17-Nov	879	11%	36%	Link
AZZA3	Azzas 2154	Retail	17-Nov	180	3%	21%	Link
ITUB4	Itaú	Banks	27-Nov	23,400	5.6%	65%[1]	-
VALE3	Vale	Metals & Mining	27-Nov	15,300	5.3%	11.5%	Link

Source: XP Research. [1]as a % of excess capital.

Income Tax Reform & Extraordinary Dividends

Profit reserves and low leverage underscore room for higher dividends

To estimate the total dividend-distribution capacity of Brazilian companies, we aggregated profit reserves and retained earnings figures across our coverage. **This exercise yields a potential distribution** (if companies distribute all of their profit reserves and retained earnings) **of R$ 614.8 bn, equivalent to a yield of 22.1%.**

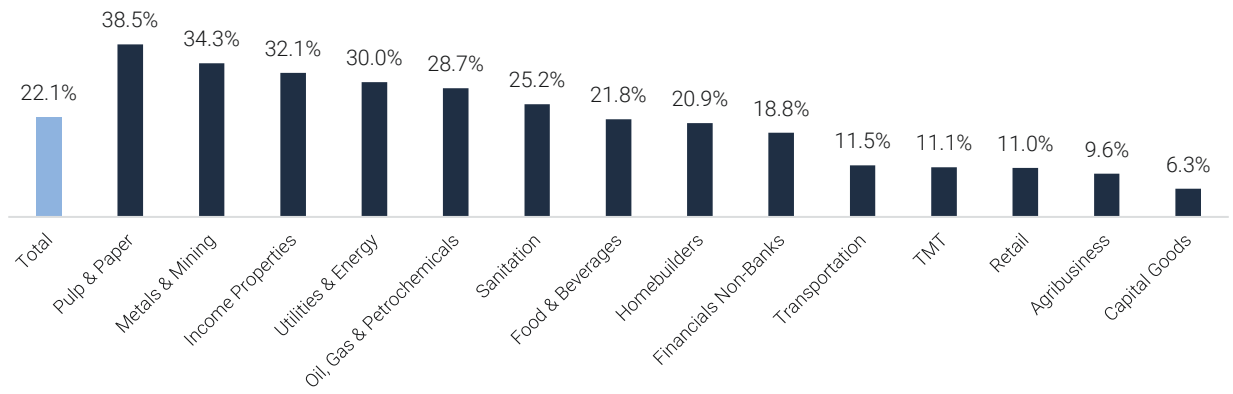
Looking on a sector-by-sector basis, **Commodities** and **Defensives** stand out, with potential yields of 27.3% and 29.0%, respectively.

Moreover, leverage indicators also support this picture. As we discussed in our latest XP-Ray, Brazilian corporates fundamentals remain solid, with healthy leverage levels even in a high-rate environment. Across our coverage universe, Net Debt/EBITDA stands at 2.2x, with sectors such as **Homebuilders**, **Capital Goods**, and **TMT** showing meaningful capacity to increase leverage if companies opt to bring forward dividend payments.

Table 2: Potential dividend distributions and yields by sector

Sector	Total for distribution (R$ mn)	Mkt. Cap (R$ mn)	Potential yield	ND/EBITDA 2025E
Total	*614,820*	*2,777,851*	*22.1%*	*2.2*
Agribusiness	3,146	32,721	9.6%	2.4
Capital Goods	16,776	267,021	6.3%	0.7
Finan. Non-Banks	24,714	131,613	18.8%	0.3
Food & Beverages	74,063	339,816	21.8%	1.5
Homebuilders	12,284	58,819	20.9%	0.8
Income Properties	12,720	39,644	32.1%	1.9
Metals & Mining	39,296	114,682	34.3%	2.1
Oil & Gas	160,973	561,420	28.7%	2.9
Pulp & Paper	32,003	83,220	38.5%	3.2
Retail	18,721	170,874	11.0%	0.8
Sanitation	32,624	129,684	25.2%	2.0
TMT	23,665	213,333	11.1%	0.7
Transportation	16,655	144,991	11.5%	3.1
Utilities & Energy	147,180	490,015	30.0%	3.0
Commodities	309,481	1,131,858	27.3%	2.3
Domestic Cyclicals	100,821	894,681	11.3%	1.7
Defensives	179,803	619,699	29.0%	2.8

Chart 1: Estimated potential dividend yield by sector



Source: Economatica, XP Research.

Income Tax Reform & Extraordinary Dividends

Screening for potential dividend payers across our coverage

We combined both bottom-up and top-down approaches to identify companies within our coverage that could bring forward dividend payments at attractive levels, resulting in 25 companies, as shown in Table 3. Our screening process applied the following criteria:

1. 2025E Net Debt/EBITDA below 2x;
2. 2025E payout ratio above 0;
3. A history of paying at least one dividend per year, on average, over the past five years;
4. A medium or high probability of bringing forward dividends payments, based on the assessment of our sector analysts;
5. Sufficient profit reserves and retained earnings to generate a potential dividend yield of at least 10%.

Table 3: Companies with high potential to bring forward dividend payments at attractive levels before YE2025

Ticker	Sector	Extraordinary dividend payment probability	Potential distribution (R$ mn)	Potential yield	ND/EBITDA 2025E	Payout ratio 2025E	Avg. ann. number of div. payments
USIM5	Metals & Mining	Medium	7,348	110.2%	0.4	4.3%	1.4
GGBR4	Metals & Mining	High	24,128	68.1%	0.9	27.4%	4.4
RECV3	Oil & Gas	Medium	1,643	53.5%	1.0	32.7%	1.6
EZTC3	Homebuilders	High	2,033	48.4%	-0.1	28.8%	3.2
CYRE3	Homebuilders	High	5,781	45.5%	0.4	22.0%	1.4
SOJA3	Agribusiness	Medium	506	43.9%	1.8	78.3%	1.4
GUAR3	Retail	High	2,305	42.4%	0.4	15.9%	1.8
RANI3	Pulp & Paper	Medium	697	36.0%	1.7	49.4%	5.0
UGPA3	Oil & Gas	Medium	8,426	35.0%	2.0	33.0%	2.0
IGTI11	Income Properties	Medium	1,395	34.8%	1.6	33.1%	1.4
ABEV3	Food & Beverages	Medium	58,647	27.4%	-0.8	87.1%	1.8
MILS3	Transportation	Medium	777	26.8%	1.4	70.5%	3.6
KEPL3	Capital Goods	Medium	421	26.0%	-0.4	92.5%	3.0
VITT3	Agribusiness	Medium	167	25.1%	0.4	25.0%	1.8
AXIA3	Utilities & Energy	Medium	32,787	23.2%	1.4	255.1%	1.6
EVEN3	Homebuilders	Medium	350	22.2%	1.8	50.0%	1.6
UNIP6	Oil & Gas	High	1,256	19.8%	0.8	204.3%	3.2
TIMS3	TMT	Medium	10,778	18.0%	0.9	107.1%	4.6
VIVA3	Retail	Medium	1,309	16.5%	0.0	9.1%	1.4
MELK3	Homebuilders	Medium	116	15.2%	-1.1	60.0%	2.8
LAVV3	Homebuilders	High	447	14.0%	0.5	40.0%	3.4
PNVL3	Retail	Medium	189	13.9%	0.5	21.8%	2.8
B3SA3	Finan. Non-Banks	Medium	7,815	10.8%	0.3	64.4%	4.8
DIRR3	Homebuilders	High	1,007	10.6%	0.3	149.1%	1.8
Total	-	-	*170,327*	*27.1%*	*0.5*	*89.9%*	*2.6*

Our screening exercise points to a potential distribution capacity of R$ 170.3 bn, which would translate into a potential dividend yield of 27.1%. Also, the companies in our list exhibit very comfortable leverage levels, with an aggregate 2025E Net Debt/EBITDA of just 0.5x.

Naturally, companies are unlikely to distribute their entire potential. Still, even partial-distribution scenarios would imply meaningful yields: distributing 25% of the potential amount would translate into an 6.8% yield, while 33% would result in an 8.9% yield, and 50% into a 13.5% yield.

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Evaluating alternative scenarios

By changing our screening criteria, we also assess **two alternative scenarios**. In the first, **loosening our filters expands the list to 35 companies**, as shown in Table 4, based on the following adjustments:

1. 2025E Net Debt/EBITDA below 2.5x;
2. 2025E payout ratio above 0;
3. A history of paying at least one dividend per year, on average, over the past five years;
4. A medium or high probability of bringing forward dividends payments, based on the assessment of our sector analysts;
5. Sufficient profit reserves and retained earnings to generate a potential dividend yield of at least 5%.

Even though this materially increases the number of eligible names, **the estimated potential distribution rises only modestly, from R$ 170.3 bn to R$ 194.1 bn.**

Table 4: 2nd scenario - Companies with high potential to bring fwd. dividend payments before YE2025

Ticker	Sector	Probability of bringing forward dividends	Potential distribution (R$ mn)	Potential yield	ND/EBITDA 2025E	Payout ratio 2025E	Avg. ann. number of div. payments
USIM5	Metals & Mining	Medium	7,348	110.2%	0.4	4.3%	1.4
JHSF3	Income Properties	Medium	4,411	91.2%	2.2	21.4%	6.2
GGBR4	Metals & Mining	High	24,128	68.1%	0.9	27.4%	4.4
MYPK3	Capital Goods	Medium	896	61.2%	2.3	30.8%	1.8
RECV3	Oil & Gas	Medium	1,643	53.5%	1.0	32.7%	1.6
EZTC3	Homebuilders	High	2,033	48.4%	-0.1	28.8%	3.2
CYRE3	Homebuilders	High	5,781	45.5%	0.4	22.0%	1.4
SOJA3	Agribusiness	Medium	506	43.9%	1.8	78.3%	1.4
GUAR3	Retail	High	2,305	42.4%	0.4	15.9%	1.8
RANI3	Pulp & Paper	Medium	697	36.0%	1.7	49.4%	5
UGPA3	Oil & Gas	Medium	8,426	35.0%	2.0	33.0%	2
IGTI11	Income Properties	Medium	1,395	34.8%	1.6	33.1%	1.4
ABEV3	Food & Beverages	Medium	58,647	27.4%	-0.8	87.1%	1.8
MILS3	Transportation	Medium	777	26.8%	1.4	70.5%	3.6
KEPL3	Capital Goods	Medium	421	26.0%	-0.4	92.5%	3
VITT3	Agribusiness	Medium	167	25.1%	0.4	25.0%	1.8
MULT3	Income Properties	Medium	3,555	24.6%	2.4	50.2%	3.4
AXIA3	Utilities & Energy	Medium	32,787	23.2%	1.4	255.1%	1.6
EVEN3	Homebuilders	Medium	350	22.2%	1.8	50.0%	1.6
UNIP6	Oil & Gas	High	1,256	19.8%	0.8	204.3%	3.2
TIMS3	TMT	Medium	10,778	18.0%	0.9	107.1%	4.6
VIVA3	Retail	Medium	1,309	16.5%	0.0	9.1%	1.4
MELK3	Homebuilders	Medium	116	15.2%	-1.1	60.0%	2.8
LAVV3	Homebuilders	High	447	14.0%	0.5	40.0%	3.4
PNVL3	Retail	Medium	189	13.9%	0.5	21.8%	2.8
B3SA3	Finan. Non-Banks	Medium	7,815	10.8%	0.3	64.4%	4.8
DIRR3	Homebuilders	High	1,007	10.6%	0.3	149.1%	1.8
TFCO4	Retail	Medium	246	9.5%	-0.1	42.7%	3.8
RENT3	Transportation	Medium	4,268	9.3%	2.5	49.1%	4.4
CMIN3	Metals & Mining	Medium	2,396	8.2%	1.5	90.0%	2.6
LREN3	Retail	High	1,232	8.2%	-0.6	56.5%	4.2
TOTS3	TMT	Medium	2,084	8.2%	-0.4	81.5%	2.6
SMFT3	Retail	Medium	1,129	7.7%	1.6	43.0%	1.4
RADL3	Retail	Medium	2,796	7.1%	0.9	41.6%	3.8
CURY3	Homebuilders	High	800	7.1%	-0.4	67.0%	2.2
Total	-	-	*194,141*	*23.5%*	*0.8*	*82.2%*	*2.8*

Source: Economatica, XP Research.

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Evaluating alternative scenarios

In the second alternative scenario, we narrow the screening to **only the companies for which our sector analysts assigned a high probability of bringing forward dividend payments**, without introducing any top-down criteria. This results in a more selective list of **9 names**, with a potential distribution of R$ 39.0 bn.

With the smaller set of companies, the **potential yield becomes more attractive**, at 37.3%. However, sector concentration is high, with the list composed of five Homebuilders names, and two Retail names. Companies also show healthy leverage figures across the board, with a 2025E Net Debt/EBITDA of 0.5.

Table 5: 3rd scenario - Companies with high potential to bring fwd. dividend payments before YE2025

Ticker	Name	Sector	Potential distribution (R$ mn)	Potential yield	Net Debt/EBITDA 2025E	Payout ratio 2025E	Avg. ann. number of div. payments
GGBR4	Gerdau	Metals & Mining	24,128	68.1%	0.93	27.4%	4.4
EZTC3	EZTec	Homebuilders	2,033	48.4%	-0.10	28.8%	3.2
CYRE3	Cyrela	Homebuilders	5,781	45.5%	0.40	22.0%	1.4
GUAR3	Guararapes	Retail	2,305	42.4%	0.39	15.9%	1.8
UNIP6	Unipar	Oil & Gas	1,256	19.8%	0.75	204.3%	3.2
LAVV3	Lavvi	Homebuilders	447	14.0%	0.55	40.0%	3.4
DIRR3	Direcional	Homebuilders	1,007	10.6%	0.32	149.1%	1.8
LREN3	Renner	Retail	1,232	8.2%	-0.61	56.5%	4.2
CURY3	Cury	Homebuilders	800	7.1%	-0.41	67.0%	2.2
Total	-	-	*38,989*	*37.3%*	*0.5*	*49.9%*	*2.8*

Income Tax Reform & Extraordinary Dividends

Banks: Assessing excess capital through CET1

As banks follow a dividend distribution framework that differs significantly from other sectors, we conduct a separate analysis for them. The most relevant metric to be considered is the **Common Equity Tier 1 (CET1)**, which is the ratio between the bank's **reference capital** to its **Risk-Weighted Assets (RWA)**. Our approach starts by comparing each bank's **current CET1** with our **target CET1**, which is the regulatory minimum of 11.0%, plus an additional 0.5% buffer.

From the target CET1, we can calculate a **target reference capital** level: the amount of capital the bank needs to operate with a CET1 equals to our target. We then compare this target reference capital with the bank's current reference capital to determine the **excess capital** available. This excess represents the portion of capital that could, in principle, be returned to shareholders without allowing the CET1 ratio to fall below the target level. Finally, we translate this into a potential distribution yield.

The main highlight within our coverage is Banco Inter (INBR32), with a potential yield of 12.7% Santander (SANB11) shows only a small potential yield, while Bradesco (BBDC4) and Banco do Brasil (BBAS3) do not exhibit excess capital under our framework. Our Financials team also expected Itaú to announce a complementary payout before YE2025, which happened on November 27th (see more details here).

Table 6: Potential dividend distribution for Banks

R$ mn	CET1	RWA	Reference capital	Target CET1	Target reference capital	Excess capital	Mkt cap.	Potential Yield
INBR32	17.5%	41,206	7,227	11.5%	4,739	2,488	19,602	12.7%
SANB11	11.7%	724,933	85,070	11.5%	83,367	1,703	123,520	1.4%
BBDC4	11.4%	1,067,379	121,616	11.5%	122,749	-	184,791	-
BBAS3	11.2%	1,321,763	147,477	11.5%	152,003	-	125,794	-

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Appendix: Potential distribution figures across our coverage

Table 7: Potential dividend distribution (part 1/3)

Ticker	Sector	Probability of bringing forward dividends	Potential Distribution (R$ mn)	Potential yield	ND/EBITDA 2025E	Payout ratio 2025E	Avg. ann. number of div. payments
AGRO3	Agribusiness	Medium	478	24.8%	3.1	107.4%	1.2
JALL3	Agribusiness	Low	816	94.7%	1.1	53.2%	1.0
RAIZ4	Agribusiness	Low	-4,167	-	2.6	0.0%	2.2
SLCE3	Agribusiness	Low	1,982	28.0%	1.6	51.4%	1.6
SMTO3	Agribusiness	Low	883	20.5%	2.8	0.0%	2.4
SOJA3	Agribusiness	Medium	506	43.9%	1.8	78.3%	1.4
TTEN3	Agribusiness	Low	2,481	34.4%	1.4	25.2%	0.8
VITT3	Agribusiness	Medium	167	25.1%	0.4	25.0%	1.8
EMBJ3	Capital Goods	Low	1,570	2.6%	0.5	26.3%	0.2
FRAS3	Capital Goods	Low	1,161	17.1%	1.4	44.1%	2.6
KEPL3	Capital Goods	Medium	421	26.0%	-0.4	92.5%	3.0
MYPK3	Capital Goods	Medium	896	61.2%	2.3	30.8%	1.8
POMO4	Capital Goods	High	2,457	35.0%	0.6	57.8%	3.0
RAPT4	Capital Goods	Low	1,405	66.4%	4.3	889.3%	2.4
TUPY3	Capital Goods	Low	783	51.8%	3.7	-	2.0
WEGE3	Capital Goods	Low	8,082	4.5%	-0.5	49.6%	5.6
B3SA3	Financials Non-Banks	Medium	7,815	10.8%	0.3	64.4%	4.8
CXSE3	Financials Non-Banks	Medium	4,419	9.2%	-	91.6%	2.2
PAGS	Financials Non-Banks	Medium	11,006	383.5%	-	55.4%	0.4
STNE	Financials Non-Banks	Medium	1,473	36.8%	-	13.5%	0.0
ABEV3	Food & Beverages	Medium	58,647	27.4%	-0.8	87.1%	1.8
BEEF3	Food & Beverages	Medium	922	14.8%	3.5	345.4%	1.6
CAML3	Food & Beverages	Low	1,385	72.5%	3.2	174.0%	4.2
JBSS32	Food & Beverages	Low	6,966	8.6%	2.5	40.7%	0.0
MBRF3	Food & Beverages	Medium	1,820	6.3%	3.7	33.4%	1.6
MDIA3	Food & Beverages	Low	4,322	50.1%	-0.1	43.0%	5.0
CURY3	Homebuilders	High	800	7.1%	-0.4	67.0%	2.2
CYRE3	Homebuilders	High	5,781	45.5%	0.4	22.0%	1.4
DIRR3	Homebuilders	High	1,007	10.6%	0.3	149.1%	1.8
EVEN3	Homebuilders	Medium	350	22.2%	1.8	50.0%	1.6
EZTC3	Homebuilders	High	2,033	48.4%	-0.1	28.8%	3.2
LAVV3	Homebuilders	High	447	14.0%	0.5	40.0%	3.4
MDNE3	Homebuilders	Medium	470	19.1%	0.7	29.0%	0.4
MELK3	Homebuilders	Medium	116	15.2%	-1.1	60.0%	2.8
MRVE3	Homebuilders	Low	-441	-	3.0	5.2%	1.2
PLPL3	Homebuilders	Low	816	26.5%	0.0	44.9%	1.0
TEND3	Homebuilders	Low	222	7.3%	1.0	25.0%	0.8
TRIS3	Homebuilders	Medium	683	44.0%	2.8	23.3%	1.0
ALOS3	Income Properties	Low	2,265	16.2%	1.5	67.3%	3.2
IGTI11	Income Properties	Medium	1,395	34.8%	1.6	33.1%	1.4
JHSF3	Income Properties	Medium	4,411	91.2%	2.2	21.4%	6.2
LOGG3	Income Properties	Low	1,095	52.4%	3.2	57.4%	1.4
MULT3	Income Properties	Medium	3,555	24.6%	2.4	50.2%	3.4
AURA33	Metals & Mining	Low	-2,709	-	1.0	209.1%	2.2
CBAV3	Metals & Mining	Low	314	9.1%	1.6	25.0%	0.6
CMIN3	Metals & Mining	Medium	2,396	8.2%	1.5	90.0%	2.6
CSNA3	Metals & Mining	Low	-282	-	4.0	20.9%	2.0
GGBR4	Metals & Mining	High	24,128	68.1%	0.9	27.4%	4.4
GOAU4	Metals & Mining	High	8,101	76.3%	-	-	4.4
USIM5	Metals & Mining	Medium	7,348	110.2%	0.4	4.3%	1.4
VALE3	Metals & Mining	High	132,518	47.3%	1.1	42.6%	2.8
BRAV3	Oil & Gas	Low	677	10.6%	1.1	0.0%	0.2
BRKM5	Oil & Gas	Low	-13,621	-	8.2	0.0%	0.4
CSAN3	Oil & Gas	Low	-3,919	-	-	-	1.0
PETR4	Oil & Gas	Low	155,293	36.2%	1.3	42.5%	3.8
PRIO3	Oil & Gas	Low	11	0.0%	2.8	1.0%	0.2
RECV3	Oil & Gas	Medium	1,643	53.5%	1.0	32.7%	1.6

Income Tax Reform & Extraordinary Dividends

Appendix: Potential distribution figures across our coverage

Table 7: Potential dividend distribution (part 2/3)

Ticker	Sector	Probability of bringing forward dividends	Potential Distribution (R$ mn)	Potential yield	ND/EBITDA 2025E	Payout ratio 2025E	Avg. ann. number of div. payments
UGPA3	Oil & Gas	Medium	8,426	35.0%	2.0	33.0%	2.0
UNIP6	Oil & Gas	High	1,256	19.8%	0.8	204.3%	3.2
VBBR3	Oil & Gas	Medium	11,207	37.7%	3.1	68.7%	3.0
KLBN11	Pulp & Paper	Medium	4,926	23.0%	3.8	128.9%	3.8
RANI3	Pulp & Paper	Medium	697	36.0%	1.7	49.4%	5.0
SUZB3	Pulp & Paper	Low	26,380	44.7%	3.0	25.0%	1.0
ALPA4	Retail	Medium	411	5.7%	0.7	8.1%	0.6
ASAI3	Retail	Low	4,237	33.5%	1.3	0.0%	1.4
AZZA3	Retail	High	864	15.0%	0.9	28.9%	2.2
BHIA3	Retail	Low	-5,768	-	1.6	0.0%	0.0
CEAB3	Retail	Medium	1,713	31.0%	0.2	14.0%	0.4
ENJU3	Retail	Low	-385	-	-9.4	0.0%	0.0
GMAT3	Retail	Medium	1,045	9.2%	0.5	0.0%	1.4
GUAR3	Retail	High	2,305	42.4%	0.4	15.9%	1.8
LREN3	Retail	High	1,232	8.2%	-0.6	56.5%	4.2
MGLU3	Retail	Low	616	8.1%	0.6	0.0%	0.6
NATU3	Retail	Low	4,224	40.1%	0.9	11.1%	0.6
PCAR3	Retail	Low	129	6.7%	1.8	0.0%	0.4
PETZ3	Retail	Medium	30	1.5%	-0.5	10.7%	2.2
PGMN3	Retail	Medium	471	14.4%	1.0	62.6%	0.6
PNVL3	Retail	Medium	189	13.9%	0.5	21.8%	2.8
RADL3	Retail	Medium	2,796	7.1%	0.9	41.6%	3.8
SBFG3	Retail	Medium	1,013	31.5%	0.2	0.0%	0.8
SMFT3	Retail	Medium	1,129	7.7%	1.6	43.0%	1.4
TFCO4	Retail	Medium	246	9.5%	-0.1	42.7%	3.8
VIVA3	Retail	Medium	1,309	16.5%	0.0	9.1%	1.4
VULC3	Retail	High	915	16.5%	-0.4	18.1%	4.8
CSMG3	Sanitation	Low	3,551	23.9%	2.1	25.0%	3.8
ORVR3	Sanitation	Low	-747	-	1.8	0.0%	0.0
SAPR11	Sanitation	Low	5,796	53.8%	2.3	50.6%	2.2
SBSP3	Sanitation	Low	24,024	25.0%	2.0	50.0%	1.0
BMOB3	TMT	Low	174	8.1%	-	0.0%	1.2
BRST3	TMT	Low	211	13.7%	2.2	8.8%	0.2
DESK3	TMT	Low	382	20.1%	2.3	0.0%	0.8
FIQE3	TMT	Medium	419	21.8%	0.7	0.0%	1.8
G2DI33	TMT	Low	91	49.0%	-	-	0.0
INTB3	TMT	Medium	1,183	27.5%	-0.6	0.0%	2.4
LWSA3	TMT	Medium	-284	-	-1.8	0.0%	0.8
POSI3	TMT	Low	529	92.4%	1.6	16.3%	1.0
TIMS3	TMT	Medium	10,778	18.0%	0.9	107.1%	4.6
TOTS3	TMT	Medium	2,084	8.2%	-0.4	81.5%	2.6
VIVT3	TMT	Low	8,099	7.3%	0.7	110.1%	6.8
AMOB3	Transportation	Low	214	47.3%	4.9	-	0.0
ARML3	Transportation	Low	221	15.8%	2.2	46.6%	2.8
ECOR3	Transportation	Low	2,092	29.7%	4.0	23.5%	0.8
HBSA3	Transportation	Low	-672	-	2.7	0.0%	0.0
JSLG3	Transportation	Medium	1,047	65.7%	2.9	58.2%	1.4
MILS3	Transportation	Medium	777	26.8%	1.4	70.5%	3.6
MOTV3	Transportation	Low	7,373	22.9%	3.3	50.0%	2.2
MOVI3	Transportation	Medium	726	19.7%	3.1	25.0%	2.4
PRNR3	Transportation	Low	33	3.8%	1.9	35.0%	1.0
RAIL3	Transportation	Low	571	2.0%	2.3	0.0%	0.8
RENT3	Transportation	Medium	4,268	9.3%	2.5	49.1%	4.4
SIMH3	Transportation	Low	-221	-	4.0	-	1.4
VAMO3	Transportation	Low	227	5.9%	3.4	82.9%	1.0
ALUP11	Utilities & Energy	Low	4,889	42.7%	4.5	72.3%	2.6
AURE3	Utilities & Energy	Low	-80	-	5.5	0.0%	1.0

Income Tax Reform & Extraordinary Dividends

Appendix: Potential distribution figures across our coverage

Table 7: Potential dividend distribution (part 3/3)

Ticker	Sector	Probability of bringing forward dividends	Potential Distribution (R$ mn)	Potential yield	ND/EBITDA 2025E	Payout ratio 2025E	Avg. ann. number of div. payments
AXIA3	Utilities & Energy	Medium	32,787	23.2%	1.4	255.1%	1.6
CMIG4	Utilities & Energy	Low	14,754	42.3%	1.9	49.9%	4.6
CPFE3	Utilities & Energy	Low	15,995	28.8%	2.3	102.4%	1.6
CPLE6	Utilities & Energy	Medium	11,015	26.9%	2.8	189.5%	2.2
EGIE3	Utilities & Energy	Low	7,571	21.4%	4.1	55.0%	3.4
ENGI11	Utilities & Energy	Low	8,129	31.0%	3.3	53.6%	2.0
EQTL3	Utilities & Energy	Low	13,724	27.9%	3.3	28.2%	1.2
ISAE4	Utilities & Energy	Low	17,224	88.7%	3.7	75.0%	2.4
LIGT3	Utilities & Energy	Low	-183	-	3.6	0.0%	0.4
NEOE3	Utilities & Energy	Low	17,412	44.5%	4.3	61.8%	3.0
TAEE11	Utilities & Energy	Low	3,942	26.5%	4.4	101.4%	3.6

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