# Brookfield Asset Management explores sale of minority stake in Ascenty to fund expansion



Global investment firm Brookfield Asset Management is in the process of retaining an investment bank to advise on the prospective sale of a minority stake in Ascenty, one of the largest data centre operators in Latin America. This move is designed to further fund Ascenty's expansion, particularly in Brazil, where robust demand for cloud computing and artificial intelligence is expected to soar in the coming years.

According to sources acquainted with the matter, Brookfield, which operates Ascenty in partnership with Digital Realty, is considering engaging local banks such as Itau BBA and Bradesco BBI for the advisory role. The discussions were initiated in 2024, with the aim of completing the hiring process promptly and the sale by the end of 2025.

Brazil is positioning itself as a global hub for data centres, driven by an anticipated influx of over $10 billion into the sector over the next decade, as projected by Banco Santander and Brazil's Mines and Energy Ministry. With fewer than 200 facilities, the country ranks among the top 15 global markets and is expected to see annual revenue growth of 7.1% from 2024 to 2028, surpassing the global average of 6.6% during the same period.

Ascenty, founded in 2010 by Chris Torto and investment firm Great Hill Partners, currently owns 34 data centres, with operations in Brazil, Mexico, Chile, and Colombia. These centres are interconnected via a dedicated fibre-optic network that spans 5,000 kilometres (3,106.9 miles). The valuation of Ascenty poses a challenge, as it is not publicly traded; Brookfield and Digital Realty collectively own 98% of the firm, with CEO Chris Torto retaining the remaining 2%.

In an interview, Marcos Siqueira, COO and head of sales at Ascenty, commented on Brazil's advantageous landscape, saying, “In Brazil, there is available land and good connectivity with the entire globe.” However, neither Brookfield nor the engaged banks have provided comments regarding the ongoing negotiations.

As Brazil’s data centre sector grows, several other companies are active in the market, including Tecto Data Centers, a division of digital infrastructure provider V.tal; cybersecurity firm Grupo FS; global infrastructure firm Equinix; and ODATA, which was acquired by Aligned Data Centers in 2023.

Currently, Brazil’s data centres account for less than 2% of the global market, which is primarily dominated by the U.S. and Europe. Nevertheless, with increasing energy constraints affecting many competitive regions, including the U.S., Europe, and India, Brazil continues to expand its renewable energy capabilities, enhancing its attractiveness to investment in data centres.

According to forecasts from Brazil’s Energy Research Company (EPE), the energy load from data centres is predicted to rise to 2.5 gigawatts (GW) by 2037, significantly higher than the current installed capacity of 671 megawatts (MW). The potential for growth remains substantial, with estimates suggesting that demand for data centre connections to Brazil's electrical grid could reach upwards of 9 GW by 2035, equal to nearly the entire energy load of the Northeast region of Brazil.

Thiago Prado, president of EPE, expressed that accurately estimating actual demand is critical to avoid cost overruns and underutilised capacity. He stated, “If there is expansion without load, the transmission usage tariff will increase without a corresponding increase in capacity contracting, distributing costs to other users. Conversely, if we are overly conservative, there will be a lack of space, which will inhibit investments from this new segment in the country."

This continued development in Brazil’s data centre landscape highlights the interplay between investment needs, energy capacity, and market demand, presenting both opportunities and challenges for stakeholders in the industry.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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