

**SAMPLE PAGES**

**Not for Distribution**

LAVCA Industry Data & Analysis  
Update on Latin American Private Equity & Venture Capital



## ABOUT THE DATA

**2020 LAVCA Industry Data & Analysis** summarizes the results of the Association for Private Capital Investment in Latin America's (LAVCA's) twelfth annual survey of fund management firms active in Latin America and the Caribbean. The survey was conducted in December 2019 and January/February 2020. It also includes secondary data on fundraising and investments drawn from available sources.

Over 400 firms participated in the eleventh annual survey, including 100 private equity firms investing through global emerging market funds, 100 private equity firms investing deals in local Latin American markets. Approximately 10% of the respondents were firms headquartered in Brazil, followed by Mexico at 7% and 6% respectively). This year, 79% of transactions were completed through primary sources. Also, 91% of the deals provided financial details of the transactions (or a range of the investment size). Responses were carefully compared against a range of indices and data sources.

LAVCA Industry Data represents the most comprehensive and up-to-date source of regional industry data on private equity and venture capital investments in Latin America. It has been designed to assist investors, analysts, and other stakeholders in their research and decision-making.

### DISCLAIMER

The information contained in this publication has been gathered from sources believed to be reliable and from secondary sources that were checked whenever possible, but its accuracy and completeness are not guaranteed. LAVCA shall not be responsible for any inaccuracy unintentionally included in this publication. Readers should consult and rely solely on their own advisers regarding all pertinent information, legal, and accounting issues.

The information, formats, themes and presentations contained in this publication may not be reproduced, published, shared or stored in any form, including electronically, without express written permission of LAVCA.

© 2020 by the Association for Private Capital Investment in Latin America (LAVCA). All rights reserved.

## ACCESSING LAVCA DATA IN EXCEL

Users can access to download a specific Excel file with the following links:

Five-Year Fundraising Totals for Latin America PE/VC (1993-2019)

2019 PE/VC Fundraising by Country/Region

2019 Geographic Focus of Funds Raised

Fundraising Concentration by Sector (2018-2019)

Investment Totals in Latin America VC (1993-2019)

2019 Investments by Transaction Size

PE/VC Investments by Country (2018-2019)

PE/VC Investments by Stage (2018-2019)

PE/VC Investments by Sector (2018-2019)

Exits

Exits by Country (2018-2019)

Exits by Sector (2018-2019)

Venture Capital

VC Fundraising by Country (2018-2019)

VC Investments by Country (2018-2019)

VC Investments by Sector (2018-2019)

2018-2019 Investments by Stage, Sector, and Exits by Sector for:

Argentina

Brazil

Chile

Colombia

Mexico

Peru

Other Countries

**SAMPLE PAGES**  
**Not for Distribution**



MARKET ANALYSIS

Brazil accounted once again for the largest share of PE/VC deployed in the region, receiving 58% of all capital invested in Latin America. The country marked a record for investment in 2019, capturing US\$6.1b, as compared to US\$3.6b in 2018 and US\$4.1b in 2017. PE/VC investment in Brazil was strengthened by investor confidence underpinned by pension reform and regulatory changes.

Brazilian PE investments concentrated in consumer/retail, information technology, and consumer services. In information technology, SoftBank acquired shares worth US\$344m in online lender Banco Inter, and Singapore fund GIC and General Atlantic made an undisclosed investment in online education platform Hotmart.

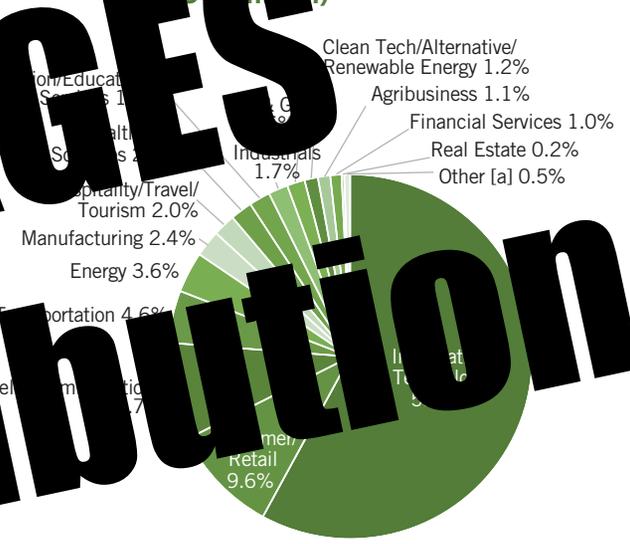
Other notable deals in 2019 included Brookfield Asset Management and Digital Realty's acquisition of data center operator Ascenty for an enterprise value of US\$1.8b, Patria Inversiones' joint venture with Shell and Mitsubishi Hitachi Power Systems to build and operate thermal power plant Marlim Azul for US\$700m, and H.I.G. Capital's acquisition of glassware manufacturer Nadir Figueiredo for US\$224m.

It is worth noting that favorable regulatory changes meant to foster competition in the

2019 Investments by Sector (# of Deals)



2019 Investments by Sector (US\$m)



Not included: Business Services, Chemicals, Logistics & Distribution, Mining, Other Services, Security, Timber, Waste Management, Water, or those transactions that did not report any classification. Also, it includes some amounts that are not disclosed due to confidentiality issues.

payment services chain bolstered investment in companies providing financial services to Brazilian consumers and small and medium-sized enterprises. In fact, Brazilian fintechs captured US\$1.9b in 2019 —nearly 20% of all capital deployed—making it the largest single business segment for PE/VC investment in the country.

Mexico captured PE/VC investment totaling US\$1.1b committed across 115 deals. The consumer/retail sector received US\$200m across six deals including L Catterton's investment in restaurant holding company Grupo MYT and Alta Growth Capital and Nexxus Capital's investment in Grupo Turistore, a retail chain holding company. Mexico also continued to develop its renewable energy assets, with BlackRock's investment in the Aguascalientes Solar Power Plant.

Argentina received US\$1b across 34 deals, a strong showing for the market based on

historical data. In the information technology sector, Advent International took a 51% stake in established payments company Prisma Medios de Pago in a deal that valued the company at US\$1.42b. In oil & gas, Southern Cross Group and Riverstone invested US\$160m to create shale excavation company Aleph which will be tasked with exploring the Vaca Muerta shale gas deposit. In the consumer/retail sector, L Catterton completed two investments in wine producers Susana Balbo Wines and Bodega Luigi Bosca.

*Argentina received US\$1b across 34 deals, a strong showing for the market based on historical data.*

Investments in the Andean Region generated US\$2b across 102 deals. A US\$1b investment round in Colombian delivery startup Rappi led by SoftBank positioned

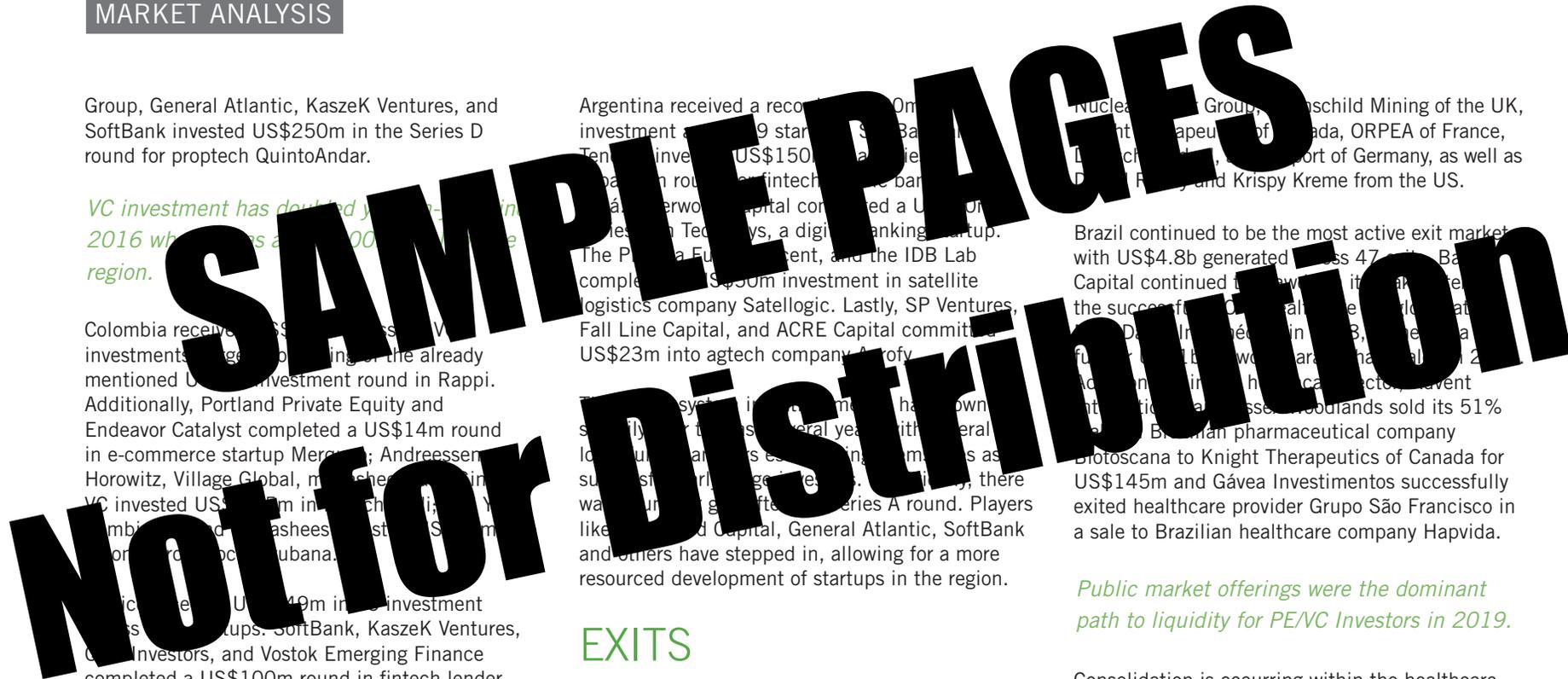


Group, General Atlantic, Kaszek Ventures, and SoftBank invested US\$250m in the Series D round for proptech QuintoAndar.

*VC investment has declined year-over-year in 2016 which was a 100% decline in the region.*

Colombia received US\$100m in VC investments including the already mentioned US\$100m investment round in Rappi. Additionally, Portland Private Equity and Endeavor Catalyst completed a US\$14m round in e-commerce startup Mercado; Andreessen Horowitz, Village Global, and others joined in VC invested US\$10m in fintech lender Konfio. Mexico, which remains a largely cash-based economy, has seen a number of thriving fintechs take root, offering banking, lending, and payment services to Mexico's underbanked population.

Argentina received a record US\$10m investment in 2019 started by SoftBank. Tenet invested US\$150m in a fintech company in a round led by fintech investor Bancro. Brazil continued to be the most active exit market with US\$4.8b generated through 47 exits. Brazil's public market offerings were the dominant path to liquidity for PE/VC investors in 2019. Consolidation is occurring within the healthcare and life sciences sector in Brazil largely through strategic sales and mergers and acquisitions. Brazilian healthcare providers are actively seeking opportunities to expand their coverage and offerings in response to middle class demand. Other notable exits include the IPO of Brazilian Asset Manager XP Investimentos, which raised over US\$2b on the NASDAQ. General Atlantic divested shares garnering US\$354m as part of the listing. Elsewhere in the financial services sector, both Principia Capital and Victoria Capital separately sold their stakes in student loan provider Pravalor to Itaú Unibanco.



### EXITS



exits in Latin America totaled US\$6.5b across 82 partial or full divestments, representing the best year since 2011 and the second-best year overall in LAVCA statistics. Share sales, follow on share offerings, and IPOs accounted for US\$2.7b in proceeds generated from 14 divestments, making public market operations the dominant path to liquidity in 2019.

Strategic sales generated US\$2.6b through 39 acquisitions by both regional and international buyers. International purchasers participating in strategic acquisitions included the China General

Investment Group, Maschild Mining of the UK, and others. SoftBank invested US\$250m in the Series D round for proptech QuintoAndar.

Brazil continued to be the most active exit market with US\$4.8b generated through 47 exits. Brazil's public market offerings were the dominant path to liquidity for PE/VC investors in 2019. Consolidation is occurring within the healthcare and life sciences sector in Brazil largely through strategic sales and mergers and acquisitions. Brazilian healthcare providers are actively seeking opportunities to expand their coverage and offerings in response to middle class demand. Other notable exits include the IPO of Brazilian Asset Manager XP Investimentos, which raised over US\$2b on the NASDAQ. General Atlantic divested shares garnering US\$354m as part of the listing. Elsewhere in the financial services sector, both Principia Capital and Victoria Capital separately sold their stakes in student loan provider Pravalor to Itaú Unibanco.

*Public market offerings were the dominant path to liquidity for PE/VC Investors in 2019.*

Consolidation is occurring within the healthcare and life sciences sector in Brazil largely through strategic sales and mergers and acquisitions. Brazilian healthcare providers are actively seeking opportunities to expand their coverage and offerings in response to middle class demand.

Other notable exits include the IPO of Brazilian Asset Manager XP Investimentos, which raised over US\$2b on the NASDAQ. General Atlantic divested shares garnering US\$354m as part of the listing. Elsewhere in the financial services sector, both Principia Capital and Victoria Capital separately sold their stakes in student loan provider Pravalor to Itaú Unibanco.