



zephyr

Zephyr Quarterly M&A Report
Latin America, Q3 2015

The following report details mergers and acquisitions activity in Latin America in Q3 2015 using data from the Zephyr database.

It focuses on deal activity by target company.

Click [here](#) to access the raw data in an Excel spreadsheet.

M&A volume and value down quarter-on-quarter

The value of mergers and acquisitions (M&A) targeting companies based in Latin America, including tax havens, in the third quarter of 2015 declined on Q2, again driven by lower volume and a decline in private equity investment levels.

All in all some 609 deals worth a combined USD 68,198 million were announced between July and the end of September, down 29 per cent in terms of value on the second quarter of this year. The result was also disappointing when compared to the USD 81,357 million signed off in the same period of 2014.

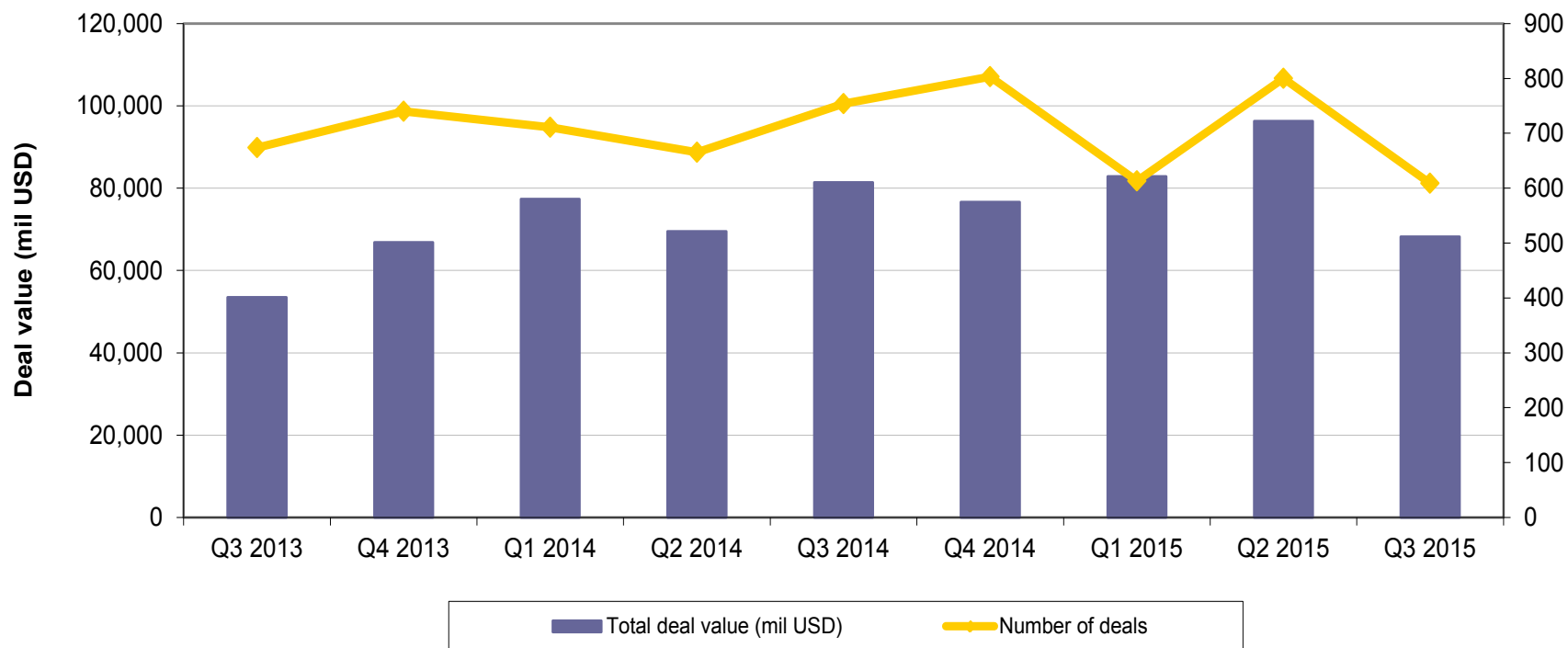
Volume fell by 24 per cent from 800 deals to 609 quarter-on-quarter, marking the region's lowest result since the first quarter of 2013. Here too the result was down on the corresponding timeframe in 2014 (Q3 2014: 754).

In spite of the disappointing showing, the results are broadly in line with the overall global situation so Latin America corresponds with what is being witnessed across other regions.

Latin America deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
Q3 2015	609	68,198
Q2 2015	800	96,282
Q1 2015	613	82,830
Q4 2014	803	76,649
Q3 2014	754	81,357
Q2 2014	665	69,507
Q1 2014	711	77,307
Q4 2013	740	66,797
Q3 2013	674	53,485

Latin America deals by volume and value



There are several countries in Latin America that are commonly known as “tax havens” due to their lenient regulations which make them desirable hubs to conduct business.

Understanding that the figures in these countries are likely skewed due to their appealing regulatory environments, the table on this page only includes data from the following tax haven countries: Bahamas, Bermuda, British Virgin Islands, Cayman Islands.

Tax haven deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
Q3 2015	367	41,404
Q2 2015	469	74,376
Q1 2015	290	58,191
Q4 2014	392	36,141
Q3 2014	403	31,849
Q2 2014	399	27,823
Q1 2014	417	39,284
Q4 2013	404	36,620
Q3 2013	373	24,320

Brazilian transaction is top deal of Q3

A USD 5,142 million acquisition of Brazilian bank HSBC Bank Brasil by domestic peer Banco Bradesco was the most valuable deal announced in the third quarter of 2015. This was followed by a USD 3,300 million purchase of Cayman Islands-headquartered Wuxi PharmaTech (Cayman) by New Wuxi Life Science, a unit formed by the company's founders and private equity investors.

There were two deals worth USD 3,000 million announced in Q3, which targeted Columbian Natural Resources and Xiaoju Kuaizhi.

In all some 21 transactions were valued at more than USD 1,000, suggesting that low deal volumes, rather than a lack of high value transactions, account for the decline quarter-on-quarter and year-on-year.

Cayman Islands top by volume and value

The Cayman Islands was the most valuable country in Q3 2015, leading the way by both volume and value over the three months.

Companies based in the country were targeted in 188 transactions worth an aggregate USD 22,389 million, although in-keeping with the overall result for the region and globally, both these figures are down on the 251 deals worth USD 40,827 million announced in Q2.

Bermuda placed second by value with USD 11,467 million, followed by Brazil in third with USD 10,791 million, although 48 per cent of this is attributable to the USD 5,142 million purchase of HSBC Bank Brasil. The same two countries placed second and third by volume, with 102 and 101 deals, respectively.

Volume declined in all of the top seven countries, while by value a number of countries actually improved quarter-on-quarter, such as Brazil (Q2 2015: USD 8,492 million; Q3 2015: USD 10,791 million), Columbia (Q2 2015: USD 187 million; Q3 2015: USD 5,648 million) and Chile (Q2 2015: USD 1,457 million; Q3 2015: USD 3,602 million).

PE value drops at slower rate

Private equity and venture capital (PE and VC) investment targeting Latin American companies declined in Q3, albeit at a slower rate than M&A. In all some USD 10,377 million was invested in the third quarter of this year, compared to USD 11,464 million in Q2. Although a decrease in value was recorded, the result is still better than any other quarterly period since Q1 2014 and is the third highest quarterly result since the beginning of 2012.

Volume also declined quarter-on-quarter; the 37 deals signed off is down from 74 in Q2 and 56 in Q3 2014. In fact, it is the lowest quarterly showing since the beginning of 2012. This again suggests the decline in volume is to blame for the drop in overall value for Q3 2015.

A number of high value transactions involving PE companies resulted in the respectable value performance despite the significant decline in volume, including the aforementioned Wuxi PharmaTech and Xiaoju Kuaizhi transactions, as well as Beijing Tongchuangjiuding's USD 1,379 million purchase of Bermuda-headquartered Ageas Asia Holdings, which was announced in August and is expected to close during the first half of 2016.

Top 20 deals by value

	Deal value (mil USD)	Deal type	Target	Target country	Acquiror	Acquiror country	Announced date
1.	5,142	Acquisition 100%	HSBC Bank Brasil SA	BR	Banco Bradesco SA	BR	03/08/2015
2.	3,300	IBO 96%	Wuxi PharmaTech (Cayman) Inc.	KY	New WuXi Life Science Ltd	KY	14/08/2015
3.	3,000	Acquisition 100%	Colombian Natural Resources SAS	CO	Murray Energy Corporation	US	13/08/2015
4.	3,000	Minority stake	Xiaoju Kuaizhi Inc.	KY	Investors; Temasek Holdings Pte Ltd; Tencent Holdings Ltd; Coatue Management LLC; China Investment Corporation; Alibaba Group Holding Ltd; Capital International Private Equity Fund VI LP; Ping An Ventures I	SG; KY; US; CN; KY; US; CN	08/07/2015
5.	2,489	Acquisition 100%	Cenit Transporte y Logistica de Hidrocarburos SAS' 5 gas stations	CO	Terpel Centro SA	CO	10/07/2015
6.	2,255	Capital increase 1%	Alibaba Group Holding Ltd	KY	Suning Commerce Group Co., Ltd's undisclosed subsidiary		10/08/2015
7.	2,200	Acquisition 100%	Sirius International Insurance Group Ltd	BM	CM International Holdings Ltd		27/07/2015
8.	1,954	Acquisition 100%	Gem Alliance Ltd	KY	Wincon Investment Co., Ltd	KY	20/08/2015
9.	1,829	Acquisition 50% and 100%	Segisor SA; Libertad SA	AR	Almacenes Exito SA	CO	29/07/2015
10.	1,681	Capital Increase 94%	Quam Ltd	BM	Investors; CMBC International Holdings Ltd; United Energy International Trading Ltd	CN; VG	30/08/2015
11.	1,495	Acquisition 50%	Gasoductos de Chihuahua S de RL de CV	MX	Infraestructura Energetica Nova SA de CV	MX	31/07/2015
12.	1,454	Acquisition 100%	Artway Development Ltd	VG	Gome Electrical Appliances Holding Ltd	BM	26/07/2015
13.	1,425	Acquisition 100%	Frontline 2012 Ltd	BM	Frontline Ltd	BM	01/07/2015
14.	1,379	IBO 100%	Ageas Asia Holdings Ltd	BM	Beijing Tongchuangjiuding Investment Management Co., Ltd	CN	30/08/2015
15.	1,374	Acquisition 81%	Keystone Lodging Holdings Ltd	KY	Shanghai Jin Jiang International Hotels Development Co., Ltd	CN	18/09/2015
16.	1,200	Capital Increase	Uber China	KY	Investors; China Life Insurance Co., Ltd; China CITIC Bank Corporation Ltd; Baidu Inc.	CN; CN; KY	28/08/2015
17.	1,134	Minority stake 15%	Axalta Coating Systems Ltd	BM			13/07/2015
18.	1,104	Minority stake 36%	Mineracoes Brasileiras Reunidas SA	BR	Fundo de Investimento em Participacoes Multisetorial Plus	BR	30/07/2015
19.	1,100	Acquisition 100%	Citigroup Inc.'s consumer business in Costa Rica; Citigroup Inc.'s consumer business in Panama	CR; PA	The Bank of Nova Scotia	CA	14/07/2015
20.	1,037	Acquisition 100%	Brixworth International Ltd	VG	Capital Gainer Ltd	VG	24/07/2015

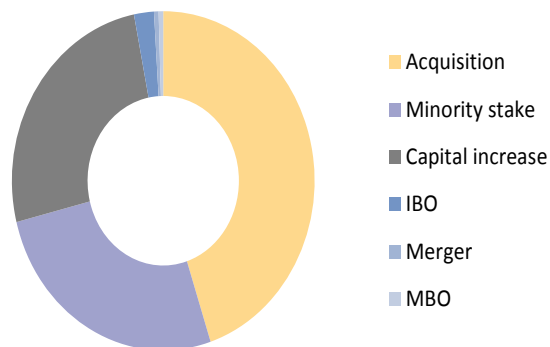
Target country by volume - Latin America deals

Target country	Q3 2014	Q2 2015	Q3 2015
Cayman Islands	177	251	188
Bermuda	95	124	102
Brazil	163	155	101
British Virgin Islands	129	93	76
Mexico	61	50	36
Chile	25	50	28
Colombia	16	22	17
Peru	16	14	16
Argentina	28	13	9
Panama	12	4	8
Costa Rica	4	5	5
Ecuador	3	1	3
Barbados	0	3	3
Guatemala	0	0	3
Belize	2	1	3
Uruguay	4	4	3
Dominican Republic	4	2	2
Bolivia	3	0	2
Cuba	0	0	1
Paraguay	0	1	1
Bahamas	1	1	1
Venezuela	3	2	1

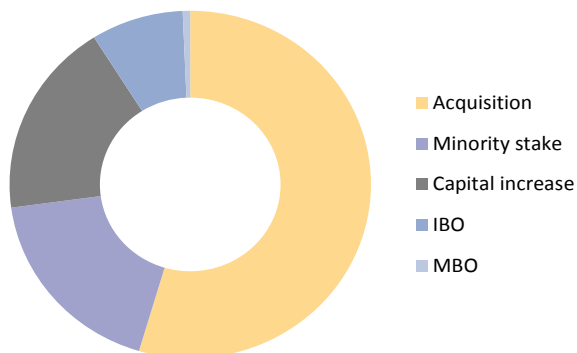
Target country by value - Latin America deals

Target country	Q3 2014 (mil USD)	Q2 2015 (mil USD)	Q3 2015 (mil USD)
Cayman Islands	13,133	40,827	22,389
Bermuda	7,334	19,130	11,467
Brazil	19,676	8,492	10,791
British Virgin Islands	11,282	17,020	6,622
Colombia	1,907	187	5,648
Chile	11,818	1,457	3,602
Argentina	228	82	2,082
Mexico	8,438	10,707	2,068
Peru	1,071	284	1,202
Panama	4,638	137	1,180
Costa Rica	810	300	1,120
Bahamas	101	0	925
Barbados	0	743	169
Guatemala	0	0	7
Bolivia	125	0	6
Belize	242	8	6
Paraguay	0	10	1

Deal types by volume in Q3 2015



Deal types by value in Q3 2015



Deal types by volume

Deal type	Q3 2014	Q2 2015	Q3 2015
Acquisition	340	282	275
Minority stake	216	231	160
Capital increase	187	273	158
IBO	11	10	13
Merger	2	1	3
MBO	0	2	3

Deal types by value

Deal type	Q3 2014 (mil USD)	Q2 2015 (mil USD)	Q3 2015 (mil USD)
Acquisition	50,464	48,754	37,770
Minority stake	23,150	18,809	12,652
Capital increase	17,199	25,980	12,595
IBO	1,050	1,885	5,721
MBO	0	854	463

Target sector by volume - Latin America deals

Target sector	Q3 2014	Q2 2015	Q3 2015
Other services	294	268	188
Machinery, equipment, furniture, recycling	57	80	66
Banks	53	54	47
Wholesale & retail trade	52	44	44
Construction	20	44	42
Primary sector	56	35	42
Chemicals, rubber, plastics	35	59	36
Food, beverages, tobacco	27	24	28
Publishing, printing	25	41	23
Metals & metal products	24	25	16
Transport	24	32	16
Gas, water, electricity	27	27	15
Textiles, wearing apparel, leather	5	12	14
Hotels & restaurants	15	15	11
Education, health	14	19	10
Insurance companies	7	15	6
Wood, cork, paper	11	7	2
Post and telecommunications	1	1	1
Public administration and defence	1	0	0

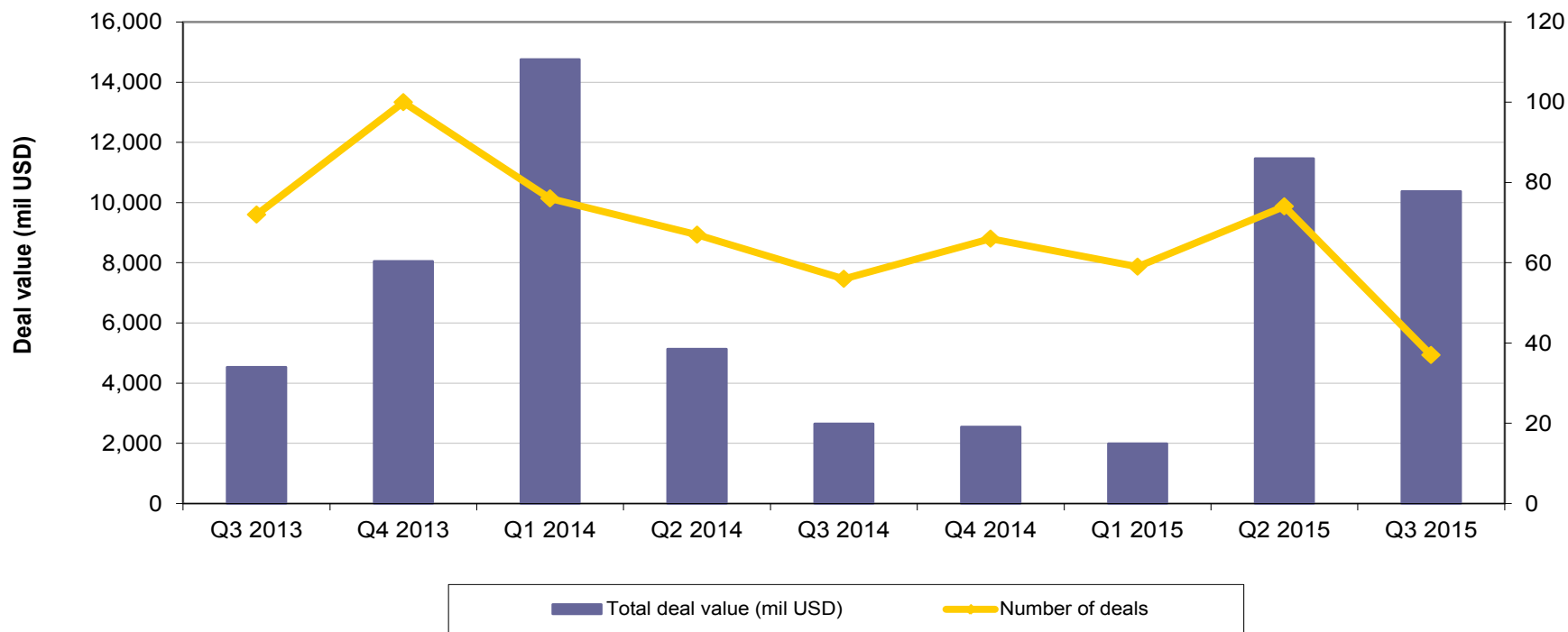
Target sectors by value - Latin America deals

Target sector	Q3 2014 (mil USD)	Q2 2015 (mil USD)	Q3 2015 (mil USD)
Other services	21,419	35,598	16,569
Banks	8,616	16,809	9,101
Wholesale & retail trade	4,672	12,103	8,621
Publishing, printing	2,927	4,380	5,421
Primary sector	3,257	1,997	4,029
Construction	4,259	8,144	3,917
Insurance companies	894	9,233	3,806
Transport	6,824	3,005	3,418
Chemicals, rubber, plastics	2,764	4,742	2,611
Metals & metal products	3,624	989	2,440
Food, beverages, tobacco	2,685	1,527	2,187
Machinery, equipment, furniture, recycling	1,941	3,290	1,941
Hotels & restaurants	166	294	1,840
Gas, water, electricity	13,874	4,420	1,325
Textiles, wearing apparel, leather	1,150	382	766
Education, health	918	2,538	369
Wood, cork, paper	980	427	32
Post and telecommunications	0	0	0
Public administration and defence	0	0	0

Latin America private equity deals by volume and value

Announced date	No of deals	Total deal value (mil USD)
Q3 2015	37	10,377
Q2 2015	74	11,464
Q1 2015	59	1,989
Q4 2014	66	2,547
Q3 2014	56	2,654
Q2 2014	67	5,134
Q1 2014	76	14,762
Q4 2013	100	8,050
Q3 2013	72	4,533

Latin America private equity deals by volume and value



Top 20 private equity deals by value

	Deal value (mil USD)	Deal type	Target	Target country	General Partner/Fund Manager	Announced date
1.	3,300	IBO 96%	Wuxi PharmaTech (Cayman) Inc.	KY	Temasek Holdings Pte Ltd; Ally Bridge Group; Hillhouse Capital Management Ltd; Boyu Capital Management Ltd	14/08/2015
2.	3,000	Minority stake	Xiaoju Kuaizhi Inc.	KY	Temasek Holdings Pte Ltd; Tencent Holdings Ltd; Coatue Management LLC; China Investment Corporation; Alibaba Group Holding Ltd; Capital International Inc.; Ping An Dingchuang Equity Investment Management (Shanghai) Co., Ltd	08/07/2015
3.	1,379	IBO 100%	Ageas Asia Holdings Ltd	BM	Beijing Tongchuangjiuding Investment Management Co., Ltd	30/08/2015
4.	925	IBO 100%	Steiner Leisure Ltd	BS	Catterton Partners Corporation	21/08/2015
5.	550	Minority stake	UCAR Technology Inc.	KY	CAR Inc.; Warburg Pincus LLC; Beijing Legend Capital Management Co., Ltd	17/09/2015
6.	500	Minority stake	Anglo American Norte SA	CL	Orion Mine Finance Group	24/08/2015
7.	250	Minority stake 20%	UCAR Technology Inc.	KY	CAR Inc.; Warburg Pincus LLC; Beijing Legend Capital Management Co., Ltd; Deqing Investments Ltd	01/07/2015
8.	200	Minority stake 32%	Qufenqi Inc.	KY	Koram Games Ltd; BlueRun Ventures LP; Zhejiang Ant Small and Micro Financial Services Group Co., Ltd; Source Code Capital	07/08/2015
9.	92	Minority stake 13%	Fleury SA	BR	Advent International Corporation	21/09/2015
10.	40	IBO majority stake %	Onest Colombia SAS	CO	Linzor Capital Partners	23/09/2015
11.	36	IBO 55%	Daiwa Associate Holdings Ltd	BM	Asia-IO Holdings Ltd	09/08/2015
12.	33	IBO 34%	Daiwa Associate Holdings Ltd	BM	Asia-IO Holdings Ltd; Asia-IO Holdings Ltd; Huatai Principal Investment I Ltd	09/08/2015
13.	24	Minority stake	Restaurante Madero Ltda	BR	Hemisferio Sul Investimentos SA	27/08/2015
14.	20	Minority stake	Establishment Labs SA	CR	JW Asset Management LLC; Crown Predator Holdings	16/09/2015
15.	8	IBO 80%	IB Cafe Ltda ME	BR	Innova Capital LLC; Peninsula Participacoes SA; Ocean	26/08/2015
16.	7	Minority stake	GuiaBolso Financas Pessoais SA	BR	Omidyar Network Services LLC; QED Investors LLC; Kaszek Ventures; Ribbit Capital; e.Bricks Digital; Valor Capital Group LLC	20/08/2015
17.	5	Minority stake	Taximo	CO		03/09/2015
18.	4	Minority stake	Bright Exchange Inc.	MX	First Round Capital LLC; Felicis Ventures	04/08/2015
19.	3	Minority stake	IGUANAFIX S de RL de CV	MX	Riverwood Capital LLC	29/09/2015
20.	0	Minority stake	Pipefy Marketing e Tecnologia Ltda	BR		23/07/2015

Target country by volume - Latin America private equity deals

Target country	Q3 2014	Q2 2015	Q3 2015
Brazil	21	31	11
Mexico	10	10	7
Cayman Islands	4	9	5
Bermuda	1	2	4
Colombia	4	5	3
Peru	0	6	2
Chile	7	7	2
Bahamas	1	0	1
Costa Rica	0	0	1
Ecuador	0	0	1

Target country by value - Latin America private equity deals

Target country	Q3 2014 (mil USD)	Q2 2015 (mil USD)	Q3 2015 (mil USD)
Cayman Islands	344	7,287	7,300
Bermuda	0	1,836	1,448
Bahamas	101	0	925
Chile	1	12	500
Brazil	176	1,686	132
Colombia	66	1	45
Costa Rica	0	0	20
Mexico	1,134	587	7

Target sectors by volume - Latin America private equity deals

Target sector	Q3 2014	Q2 2015	Q3 2015
Other services	33	34	15
Publishing, printing	6	12	6
Machinery, equipment, furniture, recycling	0	2	5
Hotels & restaurants	0	0	2
Education, health	1	5	2
Transport	2	2	1
Primary sector	1	0	1
Insurance companies	1	1	1
Banks	2	1	1
Post and telecommunications	1	1	1
Metals & metal products	1	0	1
Construction	0	5	1
Textiles, wearing apparel, leather	0	1	0
Food, beverages, tobacco	1	0	0
Wood, cork, paper	0	0	0
Wholesale & retail trade	4	4	0
Gas, water, electricity	1	1	0
Chemicals, rubber, plastics	1	5	0

Target sectors by value - Latin America private equity deals

Target sector	Q3 2014 (mil USD)	Q2 2015 (mil USD)	Q3 2015 (mil USD)
Other services	1,248	6,273	4,528
Publishing, printing	156	1,401	3,800
Insurance companies	0	1,500	1,379
Metals & metal products	10	0	500
Machinery, equipment, furniture, recycling	0	0	89
Banks	155	52	40
Hotels & restaurants	0	0	33
Transport	132	566	5
Construction	0	285	4
Education, health	750	1,153	0
Post and telecommunications	0	0	0
Wood, cork, paper	0	0	0
Textiles, wearing apparel, leather	0	0	0
Food, beverages, tobacco	2	0	0
Chemicals, rubber, plastics	0	98	0
Wholesale & retail trade	104	125	0
Primary sector	88	0	0
Gas, water, electricity	0	12	0

Notes to editors

Activity is based on the activity of the target company

Deal status is announced within the time period

The sector breakdown uses targets' activities as defined to be 'Major Sectors' by Zephyr

The date range is 01/07/2015 - 30/09/2015 inclusive

The Latin America and Caribbean region covers target companies in Anguilla (AI), Antigua and Barbuda (AG), Argentina (AR), Aruba (AW), Bahamas (BS), Barbados (BB), Belize (BZ), Bermuda (BM), Bolivia (BO), Brazil (BR), British Virgin Islands (VG), Cayman Islands (KY), Chile (CL), Colombia (CO), Costa Rica (CR), Cuba (CU), Curacao (CW), Dominica (DM), Dominican Republic (DO), Ecuador (EC), El Salvador (SV), Grenada (GD), Guatemala (GT), Guyana (GY), Haiti (HT), Honduras (HN), Jamaica (JM), Mexico (MX), Nicaragua (NI), Panama (PA), Paraguay (PY), Peru (PE), Saint Kitts and Nevis (KN), Saint Lucia (LC), Saint Vincent and the Grenadines (VC), Sint Maarten (SX), Suriname (SR), Trinidad and Tobago (TT), Uruguay (UY), Venezuela (VE)