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# Latin America and the Caribbean

## An EMIS M&A Report 2016

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# STARTUP VENTURE FINANCING

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## Notes & Disclaimer

# Latin America Overview

2016 ends with 1,456 M&A deals for a total of USD 100.8bn

- Latin American M&A picked up pace in the last quarter of 2016 with 386 deals - the highest quarterly amount during the year but still slightly less than in the last quarter of 2015. Overall for the year the announced deals were 1,456.
- Argentina and Chile were the chief contributors for the increased deal flow in Q4 with 40 and 52 deals, respectively. In Argentina, deal activity remained flat y/y in the last quarter, while in Chile the number of deals rose by 27%.
- M&A activity in Brazil, Mexico and Colombia remained mostly unchanged on a quarterly base in the last three months of 2016 but annual drops were reported in all countries.
- In Peru (104 deals in 2016, 10 less y/y), a couple of larger deals albeit for small stakes happened in Q4 - notably the additional acquisition of 5.6% in local retailer Falabella by its Chilean parent, and the purchase of 1.6% in gas operator TgP by Spanish sector player Enagas. There was also a string of smaller mining deals, as the sector saw a particularly strong deal flow during 2016.
- Throughout the year Venezuela was plagued by worsening political and economic conditions, and M&A suffered. In 2016, there were only 12 deals (25% decline y/y). What is more, half of those deals were not purely domestic but involved cross-regional assets. In Venezuela alone, the top

sector was oil & gas, which saw two transactions, the more notable of which was Russian oil major Rosneft's purchase of 23% in PetroMonagas for USD 500mn.

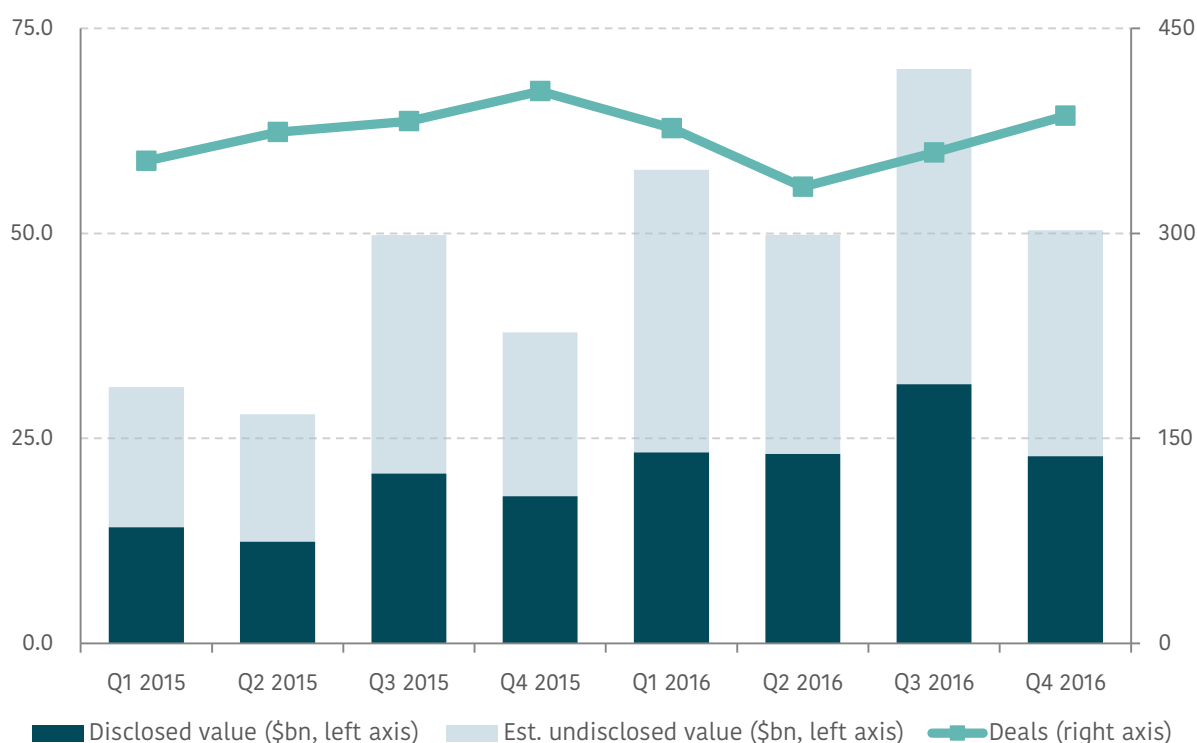
- M&A in Central America and the Caribbean was largely unchanged from last year, with a total of 129 deals in 2016 (4 deals less y/y). The largest transaction was Liberty Global's purchase of regionally-focused counterpart Cable & Wireless Communications for USD 4bn (excl. debt).



# Latin America Overview (cont'd)

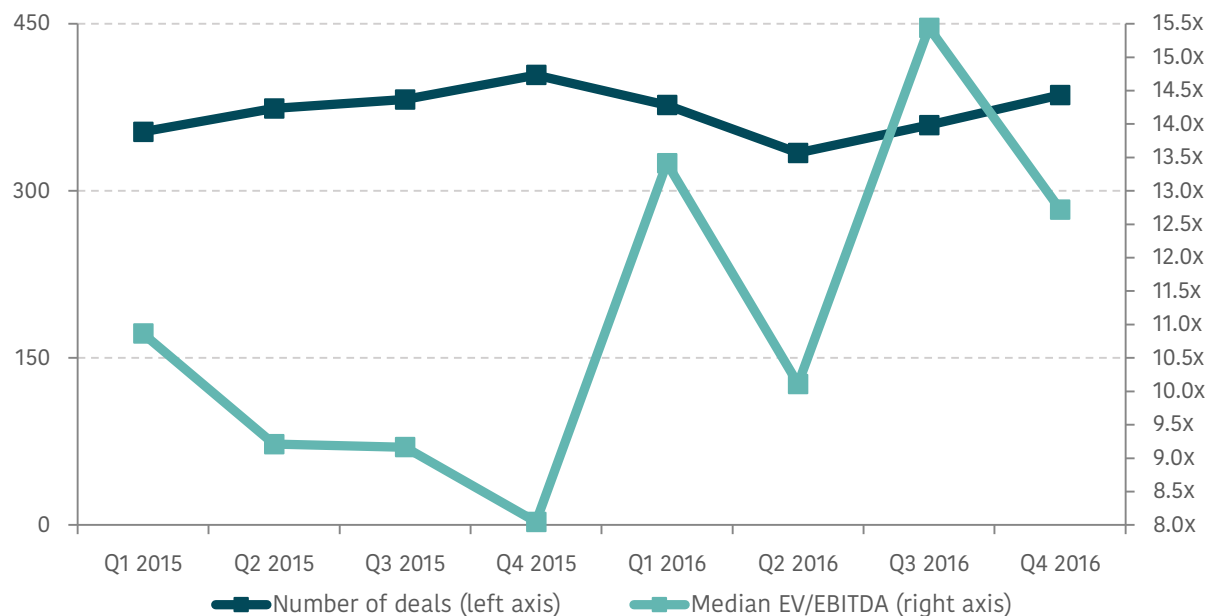
## Deal value surges 55% y/y

- › A flurry of expensive transaction in the oil & gas, telecoms and energy sectors contributed to a 55% y/y increase in the total value of deals in Latin America, which reached USD 100.8bn in 2016 – the highest value in two years.
- › In Q4 alone, the deal value was USD 22.8bn and larger deals included the sale of the fertiliser business of Vale in Brazil and Peru for USD 2.5bn, and Total's purchase of oil blocks and thermal plants in Brazil for USD 2.2bn.
- › Deal flow for the whole year stood at 1,456 transactions in total, down by 4% from last year's numbers. The mining sector was the most active with 110 deals - twice more y/y.
- › After a jump in the third quarter, the median value of deals fell to USD 24mn, in line with a decline in the median EV/EBITDA multiple to 12.7x. Still, both indicators have been on an upward trend over the last two years.
- › The Netherlands overtook USA as the top investor by value in the region mostly due to Shell's acquisition of the Brazilian assets of BG Group, but USA remained first by number of transactions.

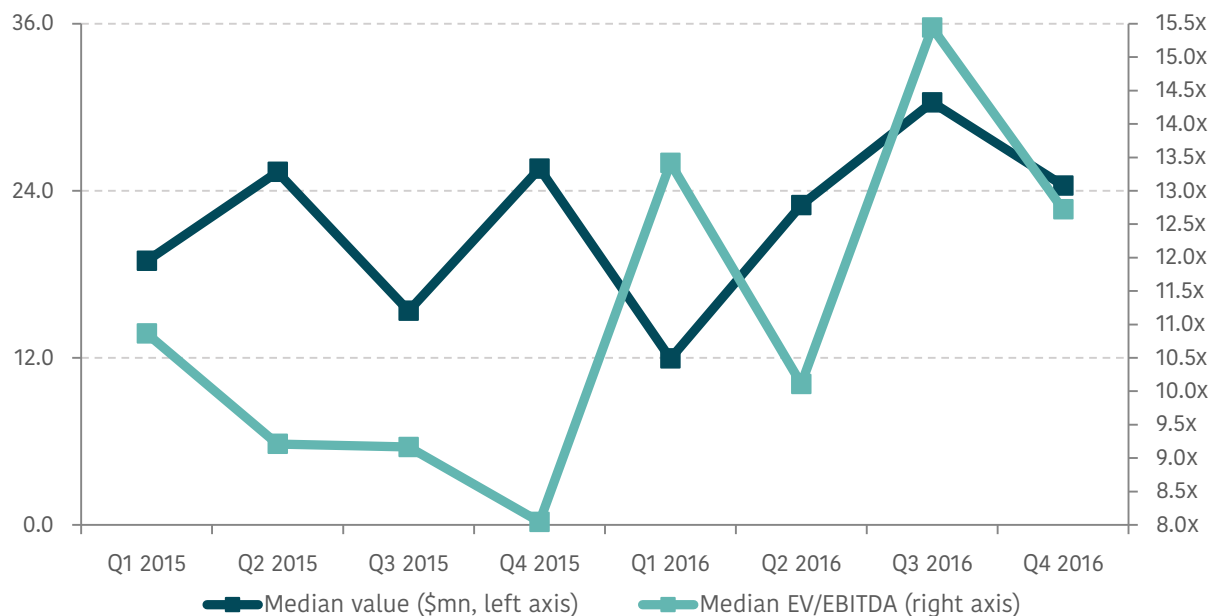


# Valuation

## Deals vs xEBITDA



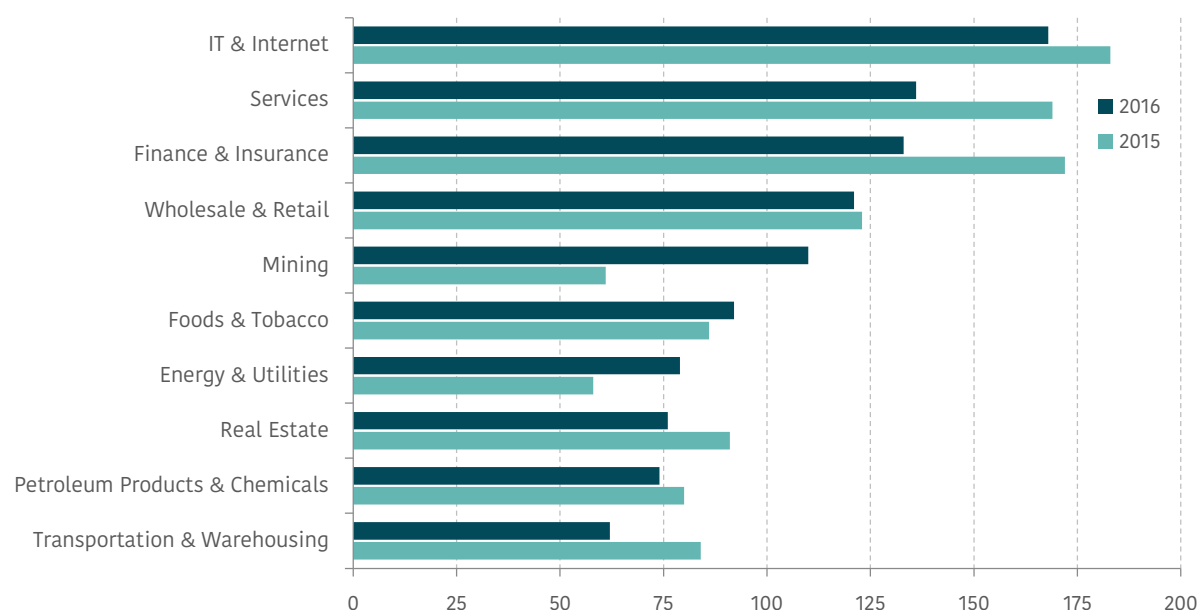
## Value vs xEBITDA



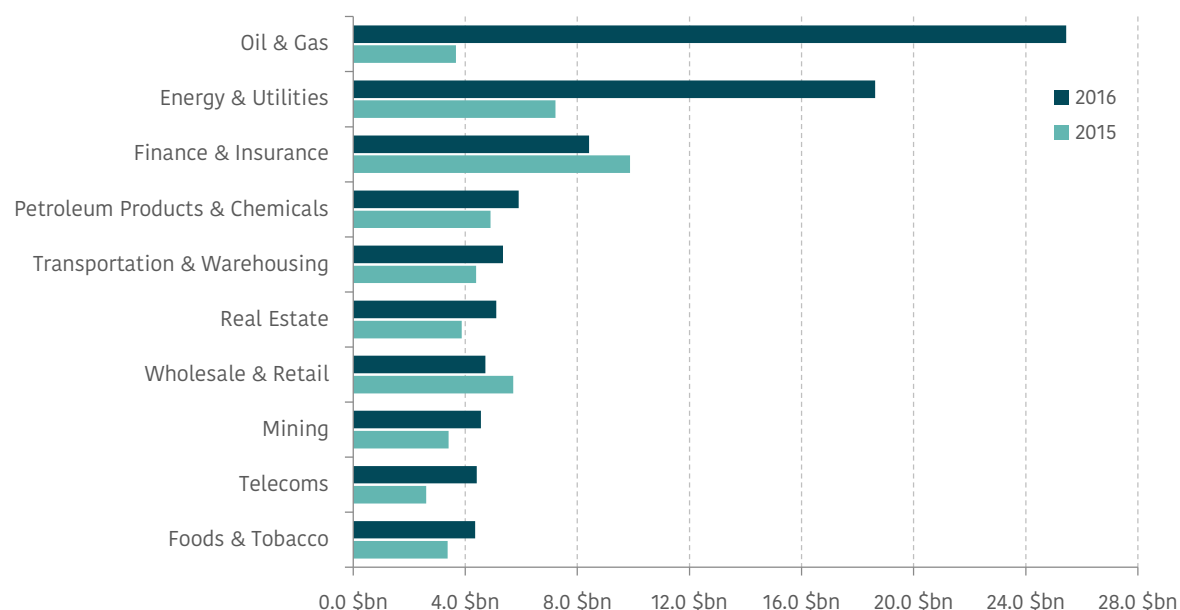


# Deals by Sector

## Volume of Deals y/y

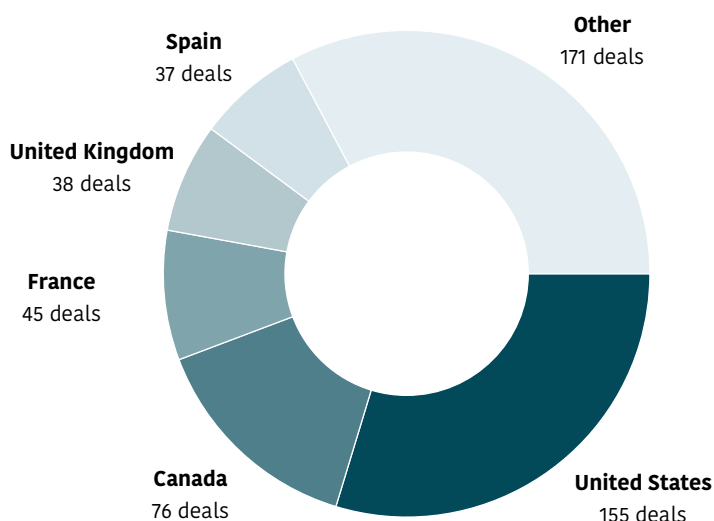


## Value of Deals y/y

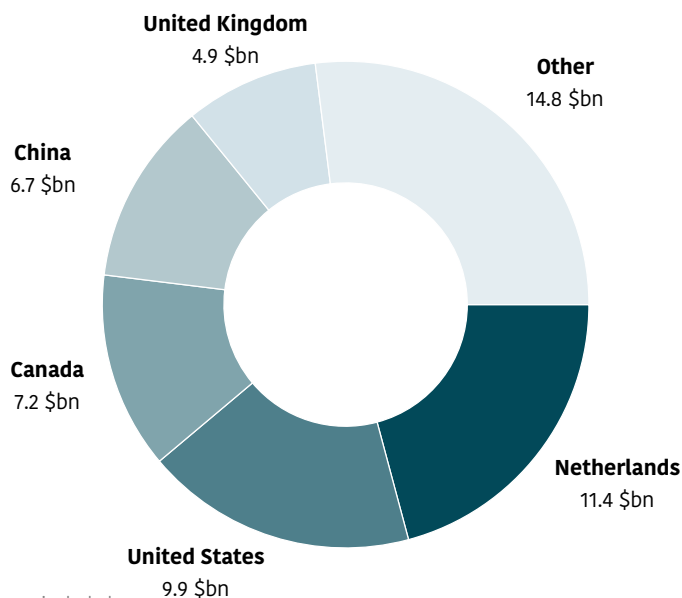


# Deals by Foreign Investor

## Volume by Foreign Investor \*



## Value by Foreign Investor \*



\* Only deals with a single investor are included.

# Top 20 M&A Deals

Anglo-Dutch oil major Shell's purchase of the Brazilian assets of BG Group for an estimated USD 11bn ranked as the largest deal in 2016

	Target	Country of Target	Industry	Deal Type	Buyer	Country of Buyer	Deal Value (USD mn)
1.	BG Group Plc (Brazilian assets)	Global / Brazil	Oil & Gas	Tender offer (100%)	Royal Dutch Shell Plc	Netherlands	11,190.0 (EMIS est.)
2.	Nova Transportadora do Sudeste SA (NTS)	Brazil	Oil & Gas	Acquisition (90%)	Brookfield Asset Management; British Columbia Investment Management; GIC Pte Ltd; State Power Investment	Canada; Singapore; China	5,194.0 (Official)
3.	Cable & Wireless Communications Plc	Central America & the Caribbean	Telecoms	Acquisition (100%)	Liberty Global Plc	United Kingdom	4,026.7 (EMIS est.)
4.	Cetip SA - Mercados Organizados	Brazil	Finance & Insurance	Acquisition (100%)	BM&FBovespa SA	Brazil	3,215.0 (Official)
5.	BM-S-8 oil block in Santos basin	Brazil	Oil & Gas	Acquisition (66%)	Statoil ASA	Norway	2,500.0 (Official)
6.	Fertilizers business units of Vale SA in Brazil, Peru and Canada	Brazil; Peru; Canada	Petroleum Products & Chemicals	Acquisition (100%)	The Mosaic Co	United States	2,500.0 (Official)
7.	BM-S-11 and BM-S-9 oil blocks; Romulo de Almeida and Celso Furtado TPPs	Brazil	Oil & Gas	Minority stake (n.a. %)	Total SA	France	2,200.0 (Official)
8.	Estacio Participacoes SA	Brazil	Education	Acquisition (100%)	Kroton Educacional SA	Brazil	1,962.8 (Official)
9.	Isagen SA ESP	Colombia	Energy & Utilities	Privatisation (56.7%)	Brookfield Asset Management Inc	Canada	1,949.0 (Official)
10.	CPFL Energia SA	Brazil	Energy & Utilities	Acquisition (11.3%) *	State Grid Corporation of China	China	1,867.6 (Official)

Note: The deals for CPFL Energia (Brazil) and Isagen (Colombia) involve different sellers and transaction stages.

\* Following the deal, the buyer will own a majority stake in CPFL Energia.

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# Top 20 M&A Deals (cont'd)

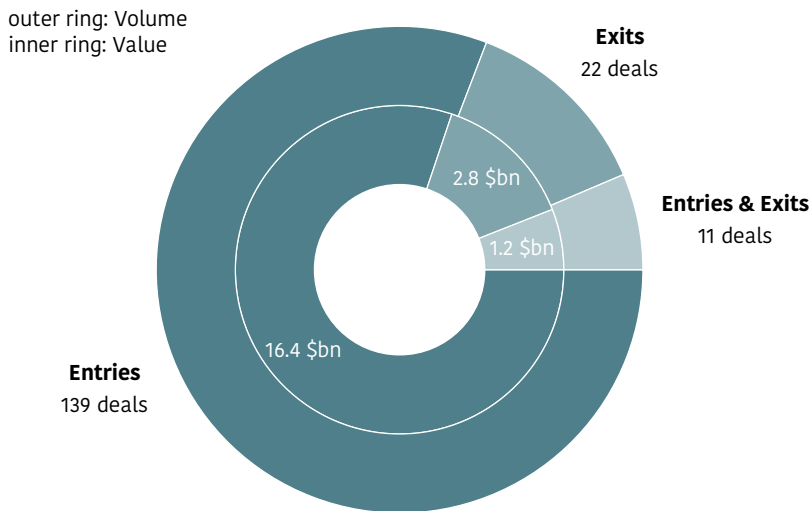
Brazil had 13 transactions on the top deals list, all of which above USD 1bn in value

	Target	Country of Target	Industry	Deal Type	Buyer	Country of Buyer	Deal Value (USD mn)
11.	CPFL Energia SA	Brazil	Energy & Utilities	Minority stake (23%)	State Grid Corporation of China	China	1,800.0 (Official)
12.	Niobium and Phosphates businesses of Anglo American Plc	Brazil	Mining	Acquisition (100%)	China Molybdenum Co	China	1,700.0 (Official)
13.	Linea Amarilla SAC; PEX Peru SAC	Peru	Transportation & Warehousing	Acquisition (100%)	Vinci SA	France	1,607.2 (Official)
14.	CPFL Energia SA	Brazil	Energy & Utilities	Minority stake (19.3%)	State Grid Corporation of China	China	1,484.8 (EMIS est.)
15.	Servicos e Tecnologia de Pagamentos SA	Brazil	IT & Internet	Acquisition (100%)	FleetCor Technologies	United States	1,300.0 (Official)
16.	Vonpar SA	Brazil	Foods & Tobacco	Acquisition (100%)	Spal Industria Brasileira de Bebidas; Coca-Cola FEMSA	Brazil; Mexico	1,092.1 (Official)
17.	Autopista Arco Norte SA de CV	Mexico	Transportation & Warehousing	Minority stake (49%)	Canada Pension Plan Investment Board (CPPIB); Ontario Teachers' Pension Plan (OTPP)	Canada	1,061.6 (Official)
18.	Sociedad Concesionaria Autopista Central SA	Chile	Construction	Acquisition (50%)	Abertis Infraestructuras SA	Spain	1,035.4 (Official)
19.	Isagen SA ESP	Colombia	Energy & Utilities	Tender offer (26.3%)	Brookfield Asset Management Inc	Canada	976.0 (Official)
20.	Suburbia	Mexico	Wholesale & Retail	Acquisition (100%)	El Puerto de Liverpool SAB de CV	Mexico	951.2 (Official)

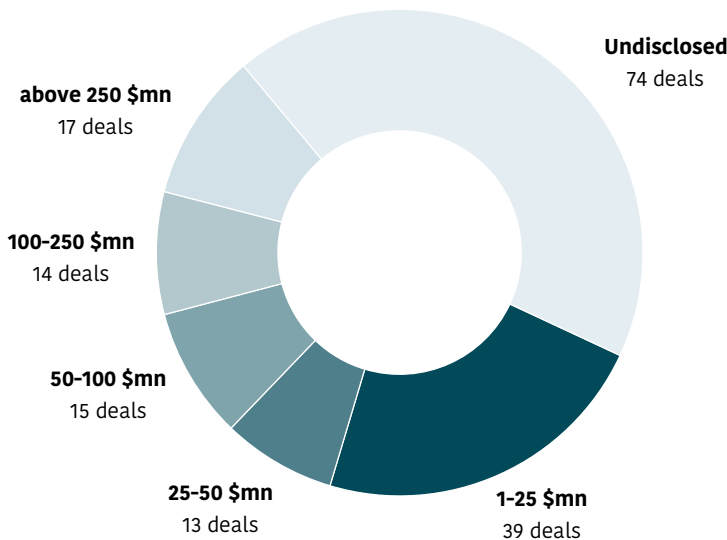
Note: The deals for CPFL Energia (Brazil) and Isagen (Colombia) involve different sellers and transaction stages.

# Private Equity Deals

## Volume and Value



## Volume by Deal Size



# Top 10 Private Equity Deals

The acquisition of Brazil's natural gas transporter NTS by a consortium led by Canadian asset manager Brookfield was the largest PE deal in 2016

	Target	Country of Target	Industry	Deal Type	Buyer	Country of Buyer	Deal Value (USD mn)
1.	Nova Transportadora do Sudeste SA (NTS)	Brazil	Oil & Gas	Acquisition (90%)	Brookfield Asset Management; British Columbia Investment Management; GIC Pte Ltd; State Power Investment	Canada; Singapore; China	5,194.0 (Official)
2.	Isagen SA ESP	Colombia	Energy & Utilities	Privatization (56.7%)	Brookfield Asset Management Inc	Canada	1,949.0 (Official)
3.	Isagen SA ESP	Colombia	Energy & Utilities	Tender offer (26.3%)	Brookfield Asset Management Inc	Canada	976.0 (Official)
4.	Mantiqueira Transmissora de Energia SA	Brazil	Energy & Utilities	Acquisition (49%)	FIP Brasil Energia	Brazil	920.0 (Official)
5.	Ventika I and Ventika II wind farms	Mexico	Energy & Utilities	Acquisition (100%)	Infraestructura Energetica Nova (IENova)	Mexico	900.0 (Official)
6.	Assets of Duke Energy in South and Central America	Argentina; Chile; Ecuador; El Salvador; Guatemala; Peru	Energy & Utilities	Acquisition (100%)	I Squared Capital	United States	850.0 (Market est.)
7.	Odebrecht Ambiental SA	Brazil	Energy & Utilities	Acquisition (70%)	Brookfield Asset Management Inc	Canada	768.0 (Official)
8.	Isagen SA ESP	Colombia	Energy & Utilities	Tender offer (16%)	Brookfield Asset Management Inc	Canada	600.1 (Official)
9.	Large risk insurance portfolio of Bradesco Seguros SA	Brazil	Finance & Insurance	Acquisition (100%)	Swiss Re Ltd	Switzerland	572.8 (Official)
10.	Abertis Autopistas Chile	Chile	Transportation & Warehousing	Minority stake (20%)	Abu Dhabi Investment Authority	UAE	554.3 (Official)

Note 1: The table includes both private equity entries and exits.

Note 2: The deals for Isagen (Colombia) involve different sellers and transaction stages.

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# Top IPOs

The IPO of Brazilian medical diagnostic company Alliar was the single new listing in Q4

	Issuer	Country of Issuer	Industry	Stake	Deal Value (USD mn)
1.	Grupo Supervielle SA	Argentina	Finance & Insurance	40.3%	322.6 (Official)
2.	Centro de Imagem Diagnosticos SA (Alliar)	Brazil	Hospitals & Healthcare	17.2%	216.0 (Official)
3.	Servicios Corporativos Javer SAB de CV	Mexico	Real Estate	34.0%	100.5 (Official)
4.	Viviendas Integrales SAPI de CV (VINTE)	Mexico	Real Estate	24.5%	62.8 (Official)
5.	Frontier Digital Ventures Ltd (FDV)	Kuala Lumpur; Central America & the Caribbean	IT & Internet	27.8%	22.9 (Official)
6.	Havanna Holding SA	Argentina	Foods & Tobacco	9.1%	11.4 (Official)
7.	Portland JSX Ltd	Saint Lucia; Jamaica	Finance & Insurance	39.6%	9.9 (Official)
8.	IronRock Insurance Co Ltd	Jamaica	Finance & Insurance	49.1%	2.6 (Official)
9.	Key Insurance Co Ltd	Jamaica	Finance & Insurance	28.0%	2.0 (Official)

# LeagueBoard

## Latin America and the Caribbean, FY 2016

### Financial Advisors: Value

	Advisor	Deal Value (USD mn)	Number of Deals
1.	Banco Bradesco BBI	19,518.3	29
2.	Banco Itau-BBA SA	7,161.1	13
3.	BTG Pactual SA	6,202.9	21
4.	Morgan Stanley & Co LLC	5,088.3	4
5.	JPMorgan Chase & Co	5,032.2	6
6.	Credit Suisse	4,667.4	8
7.	BNP Paribas	3,673.6	11
8.	Bank of America Merrill Lynch	3,525.4	5
9.	Banco Santander	3,315.2	10
10.	Citigroup	2,951.2	10

### Financial Advisors: Volume \*

	Advisor	Number of Deals	Deal Value (USD mn)
1.	Banco Bradesco BBI	29	19,518.3
2.	BTG Pactual SA	21	6,202.9
3.	Banco Itau-BBA SA	13	7,161.1
4=	BNP Paribas	11	3,673.6
4=	Cypress Associates	11	49.8
5=	Banco Santander	10	3,315.2
5=	Citigroup	10	2,951.2
5=	Lazard Ltd	10	2,799.0
6.	Credit Suisse	8	4,667.4
7.	JPMorgan Chase & Co	6	5,032.2

\* Only advisors on more than five deals are included.

# LeagueBoard (cont'd)

## Latin America and the Caribbean, FY 2016

### Legal Advisors: Value

	Advisor	Deal Value (USD mn)	Number of Deals
1.	Pinheiro Neto Advogados	14,220.4	48
2.	Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados	13,871.8	32
3.	Souza, Cescon, Barrieu & Flesch Advogados	7,369.6	46
4.	Torys LLP	6,255.6	2
5.	Hogan Lovells LLP	5,732.0	5
6.	Philippi Prietocarrizosa Ferrero DU & Uría	5,640.4	22
7.	Machado, Meyer, Sendacz e Opice Advogados	4,849.2	40
8.	Demarest Advogados	4,794.6	24
9.	TozziniFreire Advogados	4,751.7	19
10.	Skadden, Arps, Slate, Meagher & Flom LLP	3,668.4	8

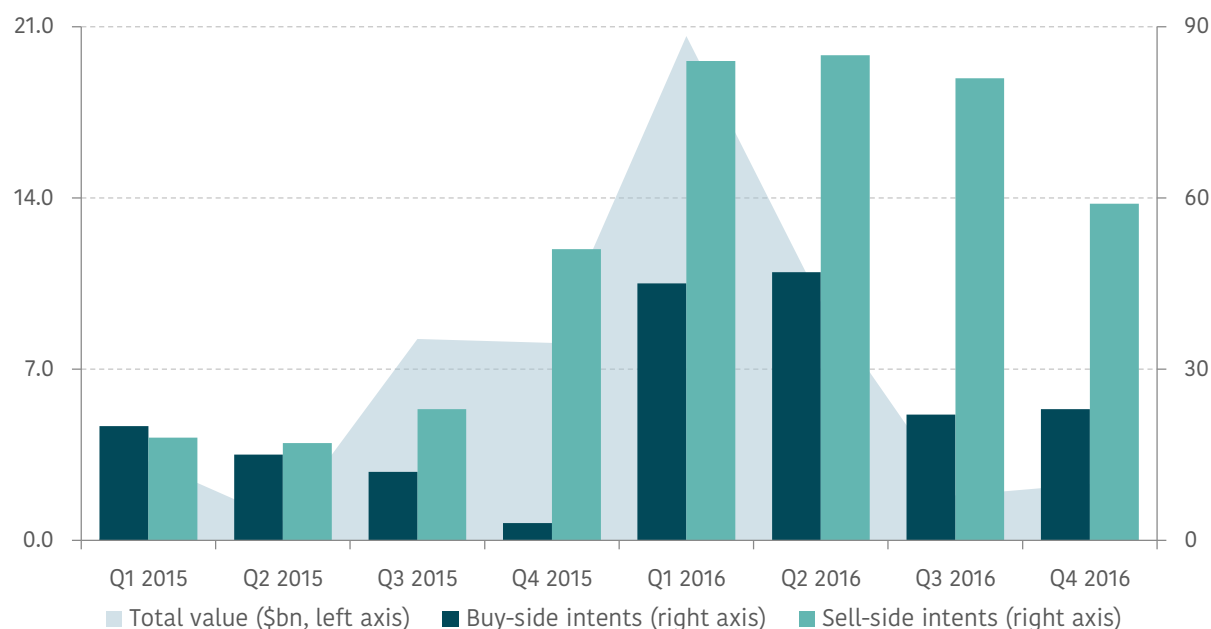
### Legal Advisors: Volume

	Advisor	Number of Deals	Deal Value (USD mn)
1.	Pinheiro Neto Advogados	48	14,220.4
2.	Souza, Cescon, Barrieu & Flesch Advogados	46	7,369.6
3.	Machado, Meyer, Sendacz e Opice Advogados	40	4,849.2
4.	Mattos Filho, Veiga Filho, Marrey Jr. e Quiroga Advogados	32	13,871.8
5.	Veirano Advogados	28	2,889.6
6.	Demarest Advogados	24	4,794.6
7.	Philippi Prietocarrizosa Ferrero DU & Uría	22	5,640.4
8.	Stocche Forbes Padis Filizzola Clapis Advogados	21	1,138.6
9.	Azevedo Sette Advogados	20	258.0
10.	TozziniFreire Advogados	19	4,751.7



# DealMonitor

## Volume and Value of New Intents



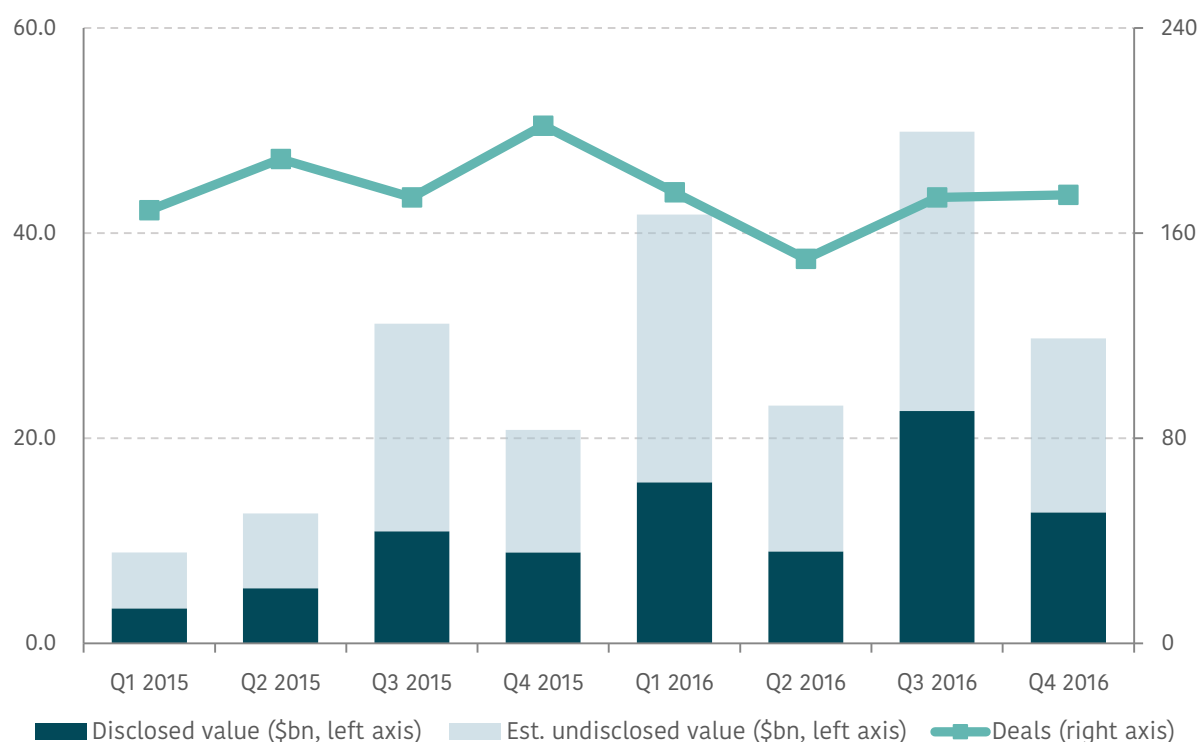
## Hottest New Intents

Deal Side and Stake	Target	Country of Target	Industry	Seller/Buyer	Country of Seller/Buyer	Probability	Est. Value (USD mn)
Sell-side (45%)	Alianca Geracao de Energia SA	Brazil	Energy & Utilities	Companhia Energetica de Minas Gerais - Cemig	Brazil	Moderate	590.6
Sell-side (majority)	Camino Rojo gold and silver project	Mexico	Mining	Goldcorp Inc	Canada	Moderate	200.0
Sell-side (minority)	Somos Educacao SA	Brazil	Education; Media & Publishing	Tarpon Investimentos SA	Brazil	Moderate	145.6
Sell-side (14.05%)	Alupar Investimento SA	Brazil	Energy & Utilities	Caixa Economica Federal (CEF)	Brazil	Moderate	139.0
Buy-side (majority)	Software developers	Brazil	IT & Internet	Linx SA	Brazil	High	n.a

# Brazil

## Stable expectations for the leading sectors

- › Throughout 2016, Brazil has been largely beset by bribery and corruption scandals, which took their toll on the country's investment attractiveness - deal flow declined by 8% to a total of 675 transactions. The aggregate value of deals surged more than twice to USD 60.1bn but many of the larger transactions involved sales of state-owned energy and oil assets for the purpose of replenishing the country's budget.
- › Following August's impeachment of president Dilma Rousseff, the appointment of Michel Temer was at first met with optimism by foreign investors, and some large deals (Nova Transportadora do Sudeste and the BM-S-8 oil block) were agreed. However, Mr. Temer is currently himself subject to corruption investigations, and if political instability continues, inbound M&A will likely suffer.
- › Deal expectations for 2017 are that traditionally strong sectors such as energy, infrastructure, telecoms and natural resources will remain stable. In addition, an increasing number of foreign investors are expected to be eyeing the Brazilian tech scene.
- › Several large IPOs are in the pipeline for next year, including insurance company Caixa Seguridade Participacoes, car rental services provider Unidas, distance education provider Uninter, and retailer Carrefour Brazil.



# Brazil (cont'd)

## Top 10 Deals 2016

	Target	Industry	Deal Type	Buyer	Country of Buyer	Deal Value (USD mn)
1.	BG Group Plc (Brazilian assets)	Oil & Gas	Tender offer (100%)	Royal Dutch Shell Plc	Netherlands	11,190.0 (EMIS est.)
2.	Nova Transportadora do Sudeste SA (NTS)	Oil & Gas	Acquisition (90%)	Brookfield Asset Management; British Columbia Investment Management; GIC Pte Ltd; State Power Investment	Canada; Singapore; China	5,194.0 (Official)
3.	Cetip SA - Mercados Organizados	Finance & Insurance	Acquisition (100%)	BM&FBovespa SA	Brazil	3,215.0 (Official)
4.	BM-S-8 oil block in Santos basin	Oil & Gas	Acquisition (66%)	Statoil ASA	Norway	2,500.0 (Official)
5.	Fertilizers business units of Vale SA in Brazil, Peru and Canada *	Petroleum Products & Chemicals	Acquisition (100%)	The Mosaic Co	United States	2,500.0 (Official)
6.	BM-S-11 and BM-S-9 oil blocks; Romulo de Almeida and Celso Furtado TPPs	Oil & Gas	Minority stake (n.a. %)	Total SA	France	2,200.0 (Official)
7.	Estacio Participacoes SA	Education	Acquisition (100%)	Kroton Educacional SA	Brazil	1,962.8 (Official)
8.	CPFL Energia SA	Energy & Utilities	Acquisition (11.3%) **	State Grid Corporation of China	China	1,867.6 (Official)
9.	CPFL Energia SA	Energy & Utilities	Minority stake (23%)	State Grid Corporation of China	China	1,800.0 (Official)
10.	Niobium and Phosphates businesses of Anglo American	Mining	Acquisition (100%)	China Molybdenum Co	China	1,700.0 (Official)

Note: The deals for CPFL Energia involve different sellers and transaction stages.

\* The deal for Vale involves assets mainly in Brazil.

\*\* Following the deal, the buyer will own a majority stake in CPFL Energia.

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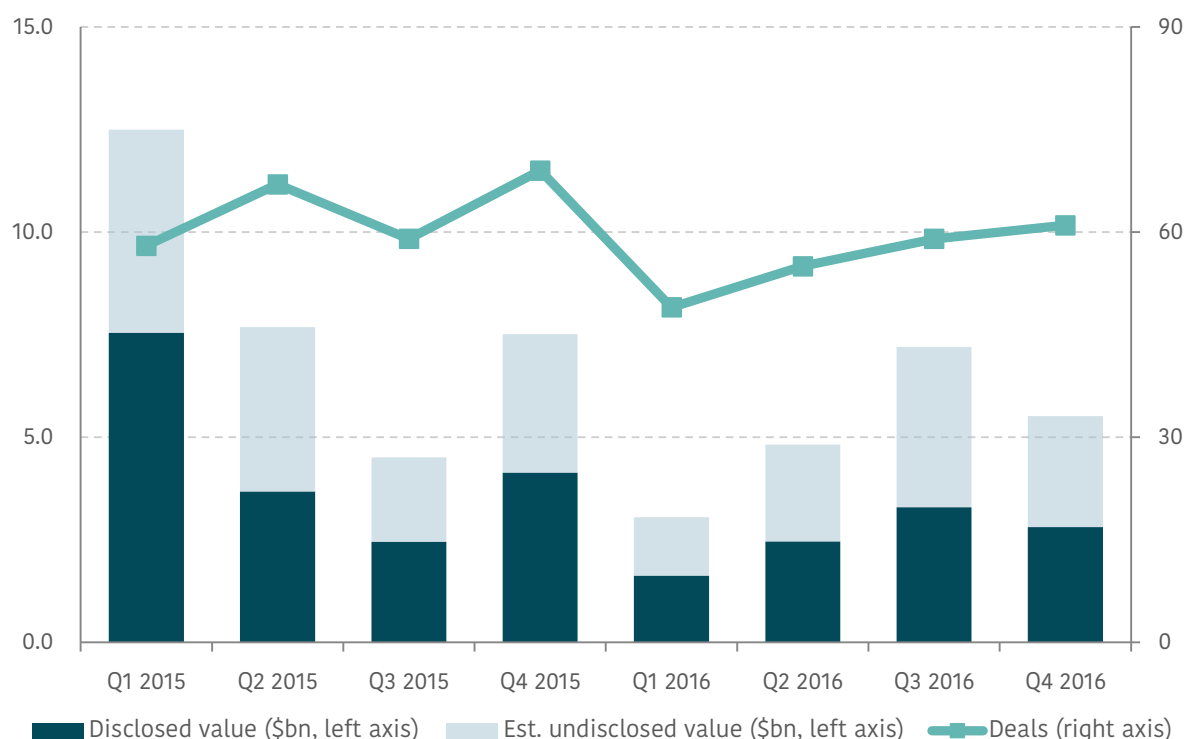
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# Mexico

## Uncertain outlook

- › Mexico registered 224 M&A transactions in 2016 (11% down y/y) for a total sum of USD 10.2bn (43% slump y/y) – the lowest numbers over the past five years.
- › Half of the top 10 deals were with local buyers, and not surprisingly the bigger inbound transactions mainly involved US and Canadian investors.
- › The domestic M&A market entered a state of shock following the US presidential elections, as the peso lost over 10% against the dollar and companies like Jose Cuervo, Grupo Axo and Fibra Resort postponed their IPOs. What is more, the political shift in the US might spell even further troubles for the Mexican M&A scene, since the US has traditionally been its largest foreign investor.
- › It is hard to predict what 2017 holds for Mexican dealmakers but one thing is certain - Donald Trump's foreign policy will be key. The latter, coupled with Latin America's weakening economic growth overall, could in fact determine M&A across the whole region in 2017.



# Mexico (cont'd)

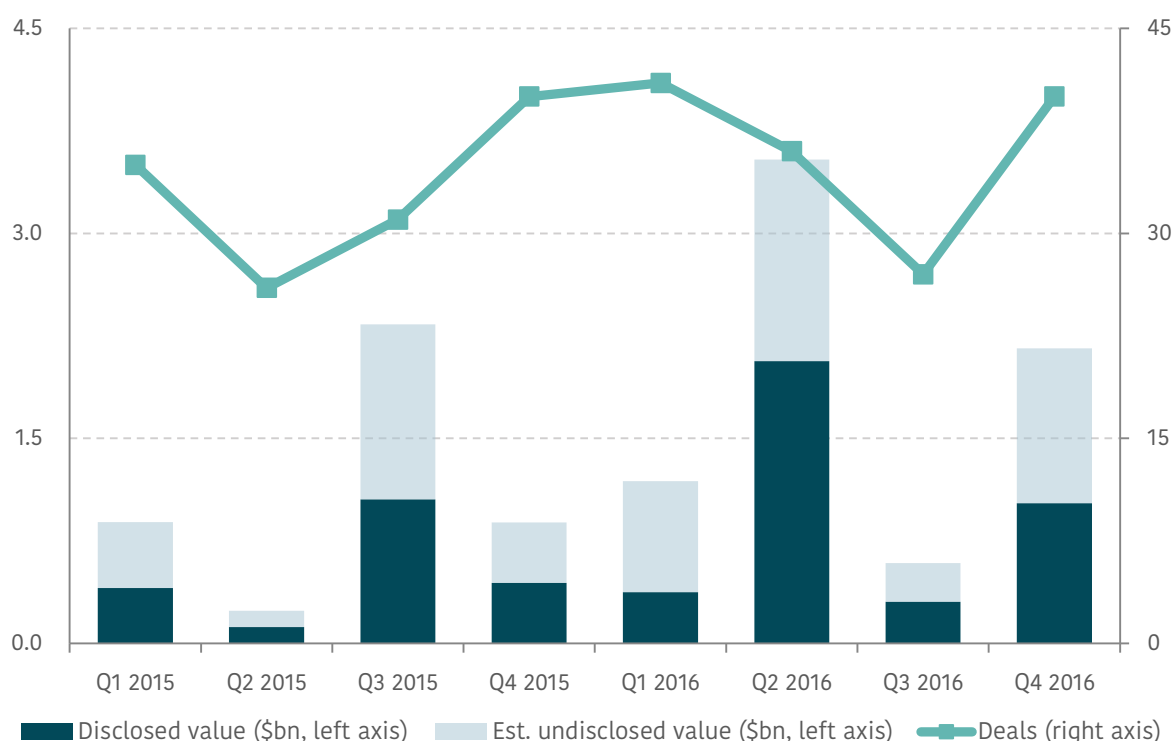
## Top 10 Deals 2016

	Target	Industry	Deal Type	Buyer	Country of Buyer	Deal Value (USD mn)
1.	Autopista Arco Norte SA de CV	Transportation & Warehousing	Minority stake (49%)	Canada Pension Plan Investment Board (CPPIB); Ontario Teachers' Pension Plan (OTPP)	Canada	1,061.6 (Official)
2.	Suburbia	Wholesale & Retail	Acquisition (100%)	El Puerto de Liverpool SAB de CV	Mexico	951.2 (Official)
3.	Ventika I and Ventika II wind farms	Energy & Utilities	Acquisition (100%)	Infraestructura Energetica Nova (IENova)	Mexico	900.0 (Official)
4.	Portfolio of 18 properties in the Bajio region	Real Estate	Acquisition (100%)	Fibra Uno Administracion (FUNO)	Mexico	773.5 (Official)
5.	Grupo Fertinal SA de CV	Petroleum Products & Chemicals	Acquisition (100%)	Petroleos Mexicanos (PEMEX)	Mexico	625.0 (Market est.)
6.	Brewery of Grupo Modelo in Obregon	Foods & Tobacco	Acquisition (100%)	Constellation Brands Inc	United States	600.0 (Official)
7.	Organizacion de Proyectos de Infraestructura (OPI)	Transportation & Warehousing	Minority stake (24%)	IFM Investors Pty Ltd	Australia	447.3 (Official)
8.	Arca Continental SAB de CV	Foods & Tobacco	Capital Increase (3.9%)	Lindley family	Peru	400.0 (Official)
9.	Portfolio of industrial properties (FRIMAX portfolio)	Real Estate	Acquisition (100%)	Fibra Uno Administracion (FUNO)	Mexico	342.0 (Official)
10.	Aeroenlaces Nacionales SA de CV (VivaAerobus)	Transportation & Warehousing	Minority stake (49%)	Inversionistas en Autotransportes Mexicanos SA de CV (IAMSA)	Mexico	250.0 (Market est.)

# Argentina

## Mining to lead the way

- › Argentina concluded the year on a strong note with 40 deals for USD 1bn in Q4. Overall for 2016, there were 144 transactions worth a total of USD 3.8bn – increases of 9% and 90% y/y, respectively.
- › Some of the biggest deals happened in the last quarter, including the sale of broadcaster Telefe for USD 345mn, the disposal of 23% in Petrobras's local subsidiary for USD 304mn, and the USD 133mn investment in Oil Combustible by Swiss oil products wholesaler Gunvor.
- › During the year the mining sector was a key focus for domestic policy-makers but positives will likely be seen later on. Instead, in 2016 it was oil & gas that generated the largest amount of M&A value with USD 1.4bn worth of deals. Meanwhile, the IT sector had the most transactions overall – 20.
- › Despite the unfavorable economic conditions, the domestic IPO scene featured the first IPO of an Argentinean company in two years – the double listing of financial holding company Grupo Supervielle in New York and Buenos Aires, which raised USD 320mn. It was quickly followed by another flotation, albeit for a much smaller amount – biscuits maker Havanna sold 9% of its capital for USD 11mn on the Buenos Aires bourse.
- › Overall, the 2017 outlook is positive for mining M&A but not so much for other sectors.





# Argentina (cont'd)

## Top 10 Deals 2016

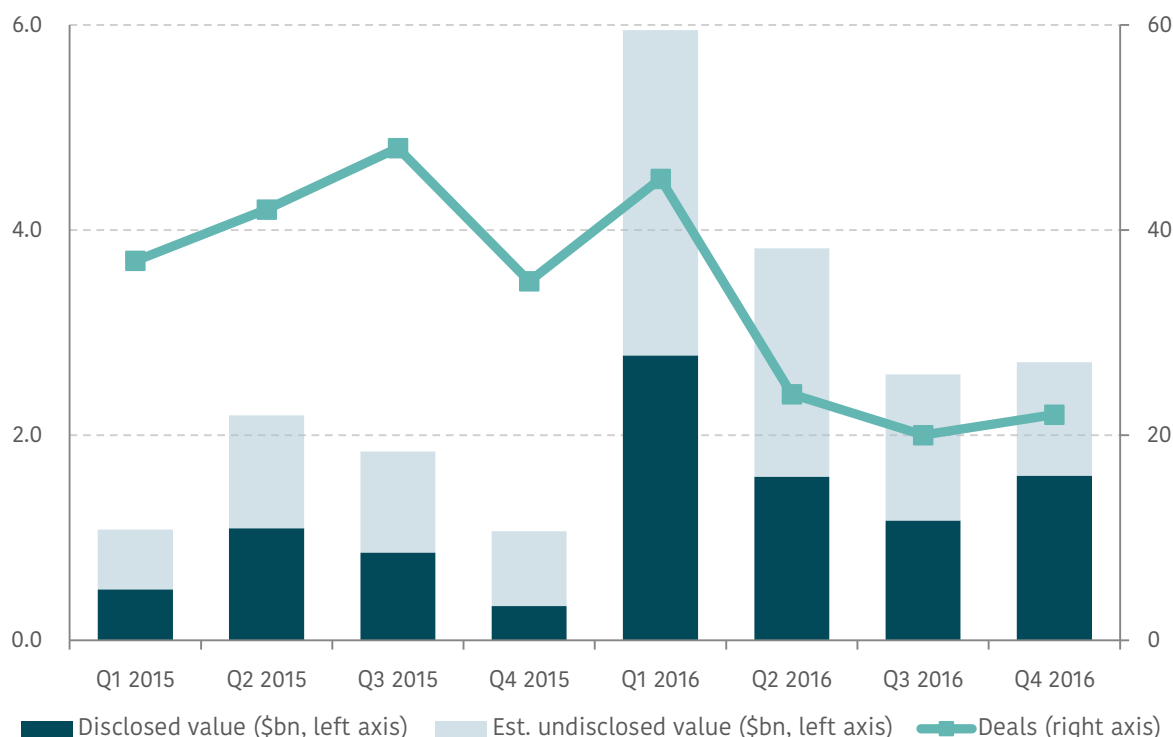
	Target	Industry	Deal Type	Buyer	Country of Buyer	Deal Value (USD mn)
1.	Petrobras Argentina SA (PASA)	Oil & Gas	Acquisition (67.2%)	Pampa Energia SA	Argentina	897.0 (Official)
2.	Television Federal SA (Telefe)	Media & Publishing	Acquisition (100%)	Viacom Inc	United States	345.0 (Official)
3.	Petrobras Argentina SA (PASA)	Oil & Gas	Tender offer (23.2%)	Pampa Energia SA	Argentina	304.3 (Official)
4.	Transportadora de Gas del Sur SA (TGS)	Oil & Gas	Minority stake (25.5%)	Wertheim Group; Sielecki family	Argentina; Spain	241.0 (Official)
5.	EDEN; EDES; EDESA	Energy & Utilities	Acquisition (n.a. %)	Desarrolladora Energetica SA	Argentina	220.0 (Market est.)
6.	Petroken Petroquímica Ensenada SA (PESA)	Petroleum Products & Chemicals	Acquisition (100%)	Grupo Inversor Petroquímica SL	Spain	184.0 (Official)
7.	Allus Global BPO Center	Services	Acquisition (100%)	Grupo Konectanet SL (Konecta)	Spain	140.0 (Official)
8.	Rio Neuquen and Aguada de la Arena gas blocks	Energy & Utilities	Acquisition (n.a. %)	YPF SA	Argentina	140.0 (Official)
9.	Trixco SA; Skyonline Argentina SA; Netizen SA; Infotel SA; Callbi SA	Telecoms	Acquisition (100%)	Grupo Clarin SA (via Nextel and Cablevision)	Argentina	138.2 (Official)
10.	Oil Combustibles SA	Wholesale & Retail	Minority Stake (n.a. %)	Gunvor Group	Switzerland	132.5 (Market est.)

Note: The deals for Petrobras Argentina involve different sellers and transaction stages.

# Colombia

## Hopes and risks ahead

- › The aggregate value of M&A in 2016 soared to USD 7.1bn (154% up y/y) – the highest since 2012. The increase was largely thanks to three transactions through which Canadian asset manager Brookfield acquired utility company Isagen for a combined sum of USD 3.5bn.
- › However, deal count fell sharply by 31% y/y to just 111 transactions, equaling 2013 numbers.
- › Deals for utility and oil & gas companies defined the domestic M&A scene to a large extent, and contributed to nearly two-thirds of the total deal value in Colombia. Yet, smaller IT deals outnumbered those in the former two sectors combined, topping the sector rankings by activity with 17 transactions.
- › Late in the year Colombia reached a new peace agreement with the FARC rebels after a shocking upset in October when voters narrowly rejected the previous arrangement. The long-awaited treaty will be key for the future attractiveness of domestic M&A but serious currency and inflation issues in neighbouring Venezuela could spell risks from abroad.



# Colombia (cont'd)

## Top 10 Deals 2016

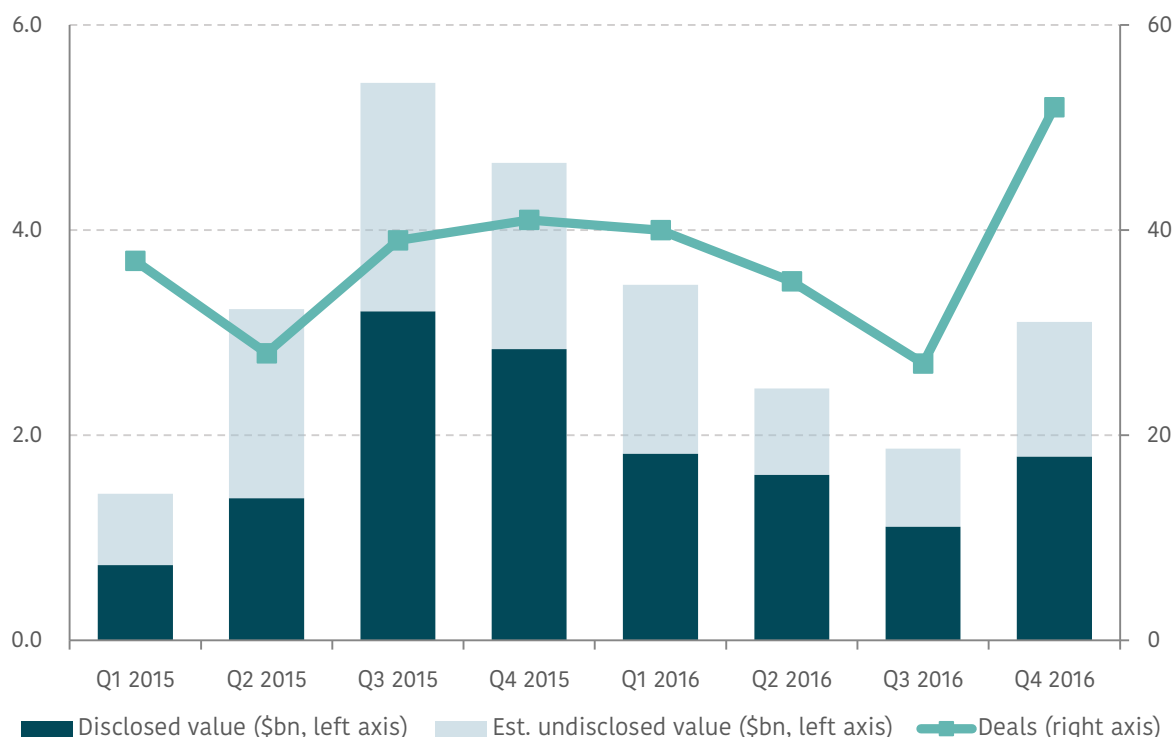
	Target	Industry	Deal Type	Buyer	Country of Buyer	Deal Value (USD mn)
1.	Isagen SA ESP	Energy & Utilities	Privatisation (56.7%)	Brookfield Asset Management	Canada	1,949.0 (Official)
2.	Isagen SA ESP	Energy & Utilities	Tender offer (26.3%)	Brookfield Asset Management	Canada	976.0 (Official)
3.	Isagen SA ESP	Energy & Utilities	Tender offer (16%)	Brookfield Asset Management	Canada	600.1 (Official)
4.	SURA Asset Management SA	Finance & Insurance	Minority stake (7.3%)	Grupo de Inversiones Suramericana SA	Colombia	538.0 (Official)
5.	PetroLatina Energy Ltd	Oil & Gas	Acquisition (100%)	Gran Tierra Energy Inc	Canada	525.0 (Official)
6.	Pacific Exploration and Production Corp	Oil & Gas	DIP financing (41.8%)	The Catalyst Capital Group; undisclosed investor(s)	United States	450.0 (EMIS est.)
7.	Grupo Odinsa SA	Construction	Tender offer (43.8%)	Grupo Argos SA	Colombia	272.2 (Official)
8.	Viva Malls	Real Estate	Minority stake (49%)	Bancolombia SA	Colombia	255.5 (Official)
9.	Sociedad Concesionaria Operadora Aeroportuaria Internacional SA (Opain)	Transportation & Warehousing	Acquisition (30%)	Grupo Argos SA	Colombia	154.1 (Official)
10.	Cifin SA	Services	Acquisition (71%)	TransUnion LLC	United States	127.0 (Official)

Note: The deals for Isagen involve different sellers and transaction stages.

# Chile

## Cheaper copper, domestic instability to spell asset sales in 2017

- › Despite a somewhat stronger final three months, the number of transactions and the combined deal value of M&A in Chile have been decreasing for several quarters in a row, as the country's economy remains largely dependent on copper.
- › In light of the commodity's lower prices in 2016, the aggregate value of deals during the year fell further by 23% to USD 6.3bn – the lowest in five years.
- › However, deal flow increased slightly to 154 deals – nine more than in the previous year.
- › The continued weakness in copper prices could push state-owned miner Codelco to sell assets in 2017. What is more, protests against the country's private pension system could also lead to more asset disposals.
- › Nevertheless, several local companies made significant acquisitions during 2016 and they could continue with more purchases in 2017. Industrial conglomerate Empresas Copec was on a buying spree for a second year in a row, making acquisitions worth over USD 1.3bn in total in the USA and across Latin America.



# Chile (cont'd)

## Top 10 Deals 2016

	Target	Industry	Deal Type	Buyer	Country of Buyer	Deal Value (USD mn)
1.	Sociedad Concesionaria Autopista Central SA	Construction	Acquisition (50%)	Abertis Infraestructuras SA	Spain	1,035.4 (Official)
2.	10 Espacio Urbano shopping centres	Real Estate	Acquisition (100%)	Inversiones Confuturo SA; Inversiones La Construccion	Chile	646.0 (Official)
3.	Abertis Autopistas Chile	Transportation & Warehousing	Minority stake (20%)	Abu Dhabi Investment Authority	UAE	554.3 (Official)
4.	Petrobras Chile Distribucion Ltda	Wholesale & Retail	Acquisition (100%)	Southern Cross Group	Argentina	470.0 (Official)
5.	Gas Natural Chile SA (GN Chile)	Energy & Utilities	Tender offer (37.9%)	Gas Natural SDG SA	Spain	344.3 (Official)
6.	Gasco SA	Energy & Utilities	Tender offer (71.9%)	Perez Cruz family	Chile	313.6 (Official)
7.	Car distribution business of Empresas Indumotora	Wholesale & Retail	Acquisition (100%)	Inchcape PLC	United Kingdom	289.3 (Official)
8.	Cemento Polpaico SA	Miscellaneous Manufacturing	Acquisition (54.3%)	Inversiones Caburga Ltda	Chile	238.0 (Official)
9.	Sociedad Quimica y Minera de Chile SA (SQM)	Petroleum Products & Chemicals	Minority stake (2.1%)	Tianqi Lithium Industries Inc	China	209.6 (Official)
10.	GNL Quintero SA	Oil & Gas	Minority stake (20%)	Enagas SA	Spain	197.0 (Official)

This document covers the transactions recorded in the EMIS DealWatch database subject to the following criteria:

- *Geography of Target:* Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, Venezuela and Central America & the Caribbean.

Included are also transactions where the main production assets of the target company are located in emerging markets even if the company domicile is a developed market.

- *Deal Status:* Announced or Closed
- *Market:* only M&A transaction are included; IPO deals are listed separately
- *Excluded Deal Types:* Restructuring within a holding (no change in ownership), joint ventures, IPOs, SPOs, buy-backs of shares
- *Deal Size:* USD 1 million and above. In cases where not clearly indicated, it is assumed that the reported deal value does not include debt.
- *Announcement Date:* 01 Jan 2016 – 31 Dec 2016

If the deal value is not reported or estimated, it is considered as zero in calculations. Top deals are selected by announced or estimated deal values.

Undisclosed deal value estimates are based on the total value of all deals and the percentage of deals with disclosed value.

For large deals that involve targets operating in more than one country, the deal value is broken down and allocated across all countries involved, whenever possible. The allocation is usually done based on each country's contributions to the total revenues of the target company.

LeagueBoard data is based on EMIS DealWatch intelligence and information provided to us by deal financial and legal advisors. The information is to the best of our knowledge and EMIS DealWatch should not be liable for any omissions or inaccuracies. In the LeagueBoard we have taken into consideration only the deals subject to the criteria described above.

Data collection for the period was closed on 30 Jan 2017.

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