

Seale & Associates

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**MERGERS &
ACQUISITIONS
MEXICO**

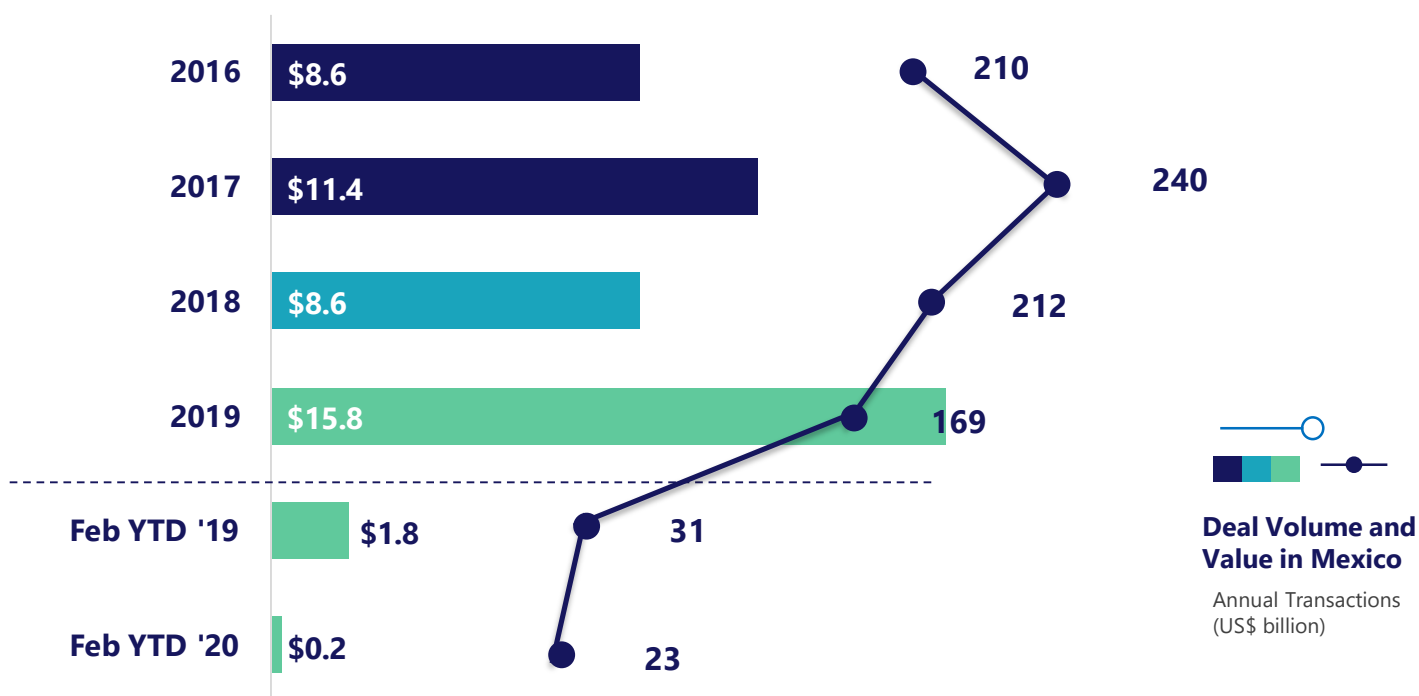
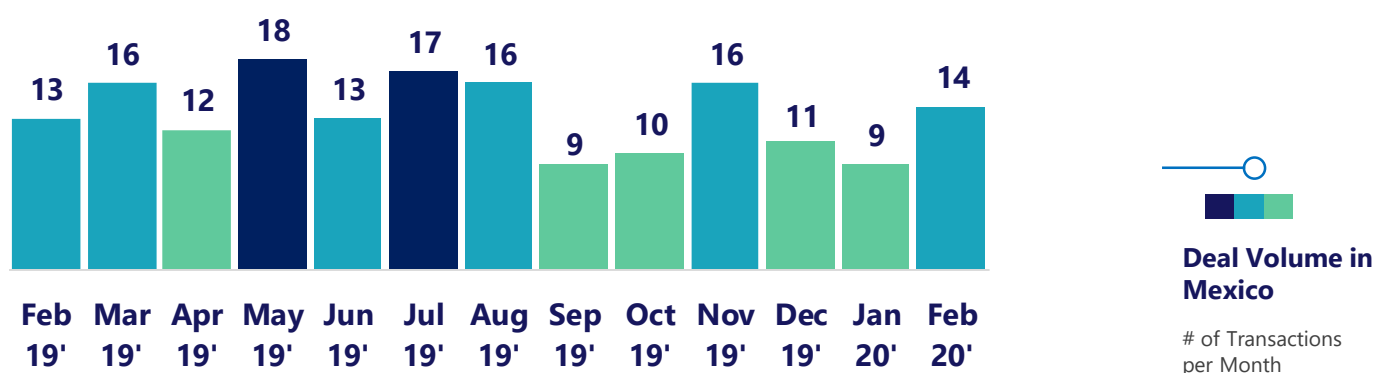
FEBRUARY
2020

MONTHLY ISSUE

SUMMARY OF MERGERS & ACQUISITIONS IN MEXICO

In February 2020, **14 transactions** were announced in Mexico with a reported value of **US\$95.0 million**, representing a **55.5%** increase in volume and a **31.8%** decrease in reported value against **January 2020**.

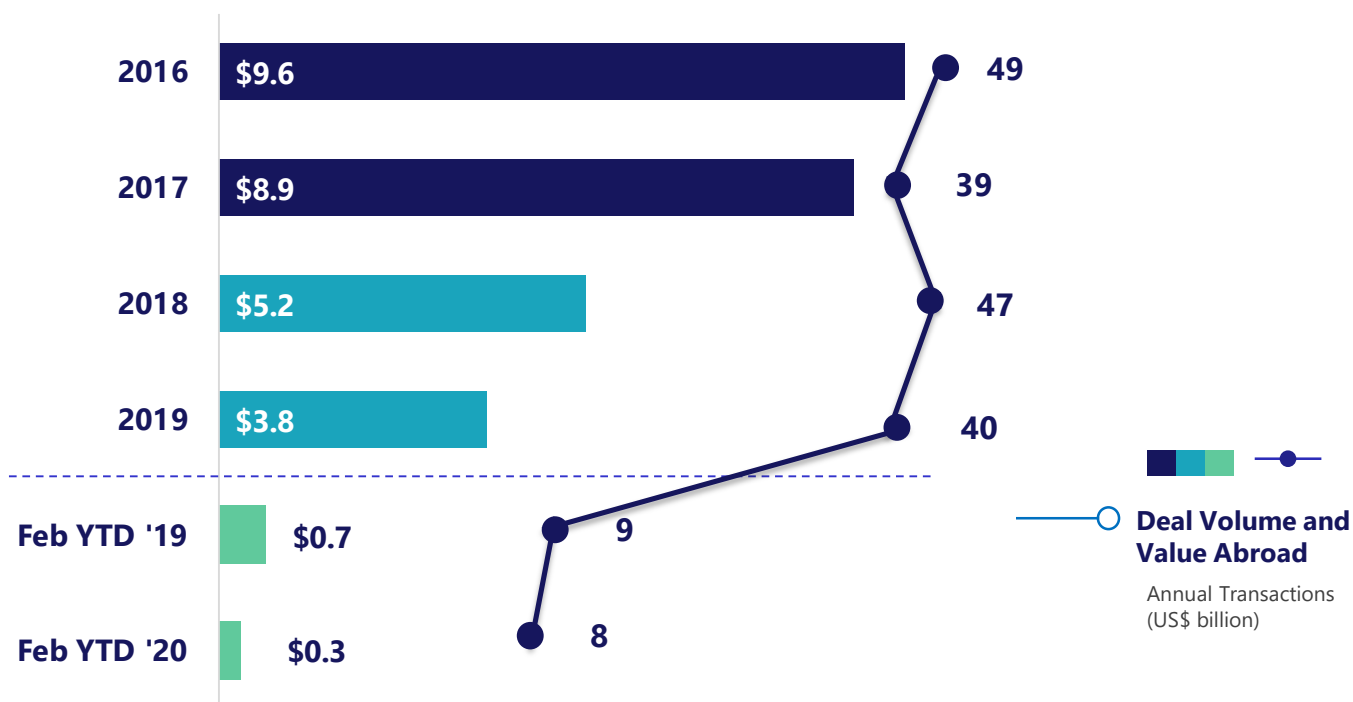
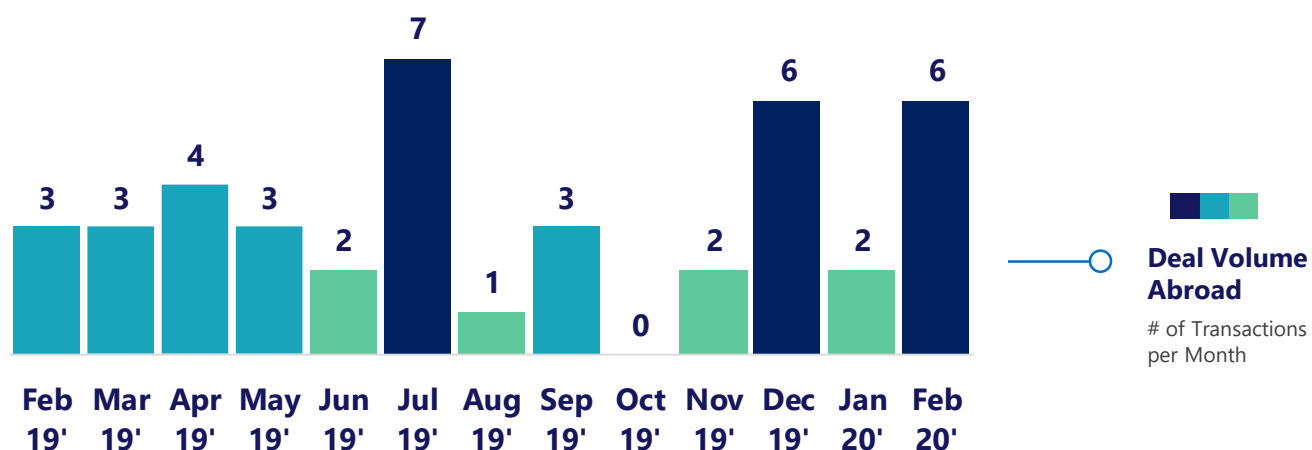
Compared to **February 2019**, YTD volume of transactions and their reported value decreased by **29.0%** and **88.8%**, respectively.



SUMMARY OF MERGERS & ACQUISITIONS BY MEXICAN COMPANIES ABROAD

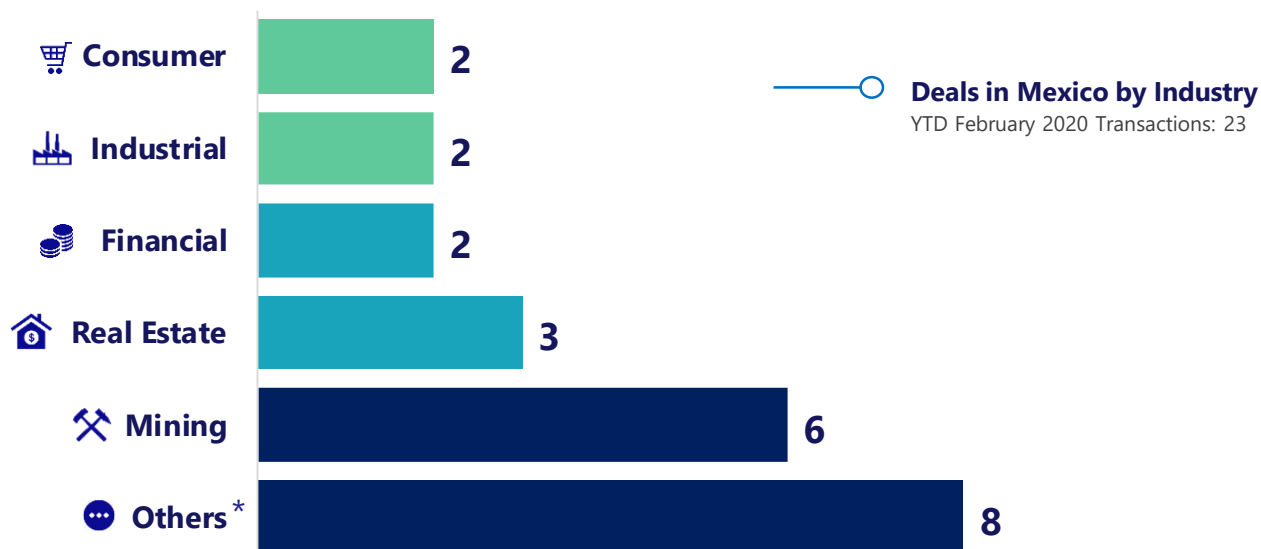
In February 2020, **6 transactions outside of Mexico** with a reported value of **US\$257.5 million**, representing an increase in volume of **4 transactions** and **US\$190.0 million** in value against **January 2020**.

Compared to February **2019**, YTD volume of transactions decreased by **1** and in reported value by **55.0%**.



SUMMARY OF MERGERS & ACQUISITIONS BY INDUSTRY

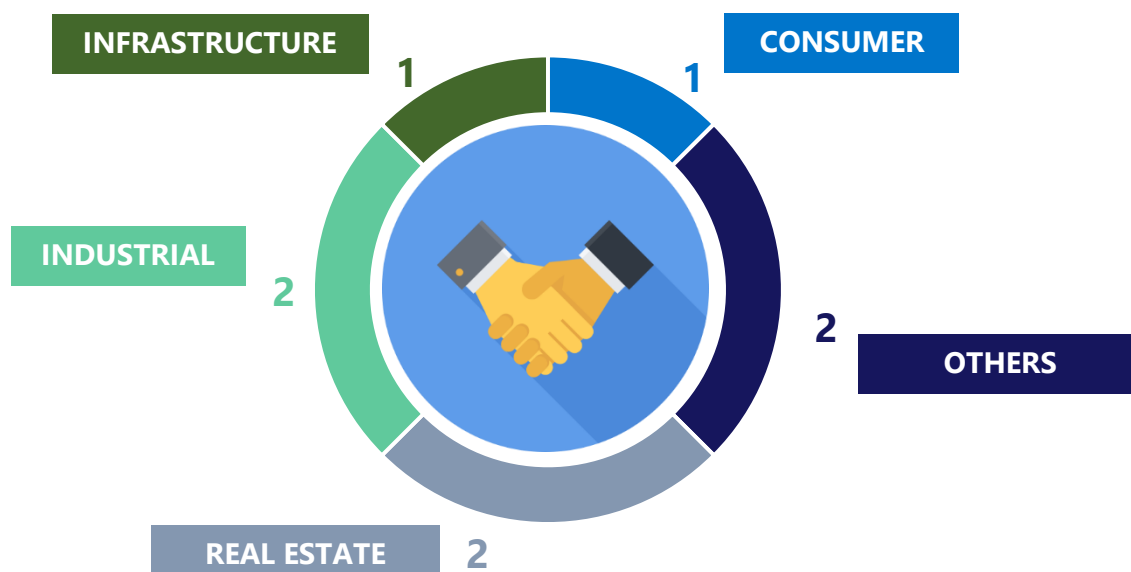
The **Mining** sector leads M&A activity with 6 announced transactions, representing **26.0%** of the total announced transactions. Meanwhile, 8 transactions have been reported abroad, led by **Real Estate** and **Industrial** activity, with a total of 2 transactions each.



*Energy, Infrastructure, Oil & Gas, Health and others

Representative International Acquisitions by Mexican Companies








YTD February 2020 Transactions: 8



REPRESENTATIVE TRANSACTIONS IN MEXICO

Transaction Summary	Target	Buyer
In February, 24 th , Banco Santander México, S.A. , Multibank institution in Mexico, announced the acquisition of Elavon Merchant Services México S. de R.L. , a payment processing solutions company US\$83.6 million		
In February 20 th , GoGold Resources Inc. , a Canadian miner specialized in gold and silver, announced the acquisition of 5 new concessions in Los Ricos District , with a 49.0% stake for US\$0.2 million	MINERAL CONCESSIONS IN LOS RICOS	
In February 20 th , , Grupo Axo , retail stores operator in Latin America, announced the acquisition of C&A México S. de R.L. , a clothes distributor in Mexico, for an undisclosed amount. The transaction includes C&A's 79 points of sale in Mexico and positions Axo's portfolio just under 5,000 stores		
In February 10 th , Apple 3 Group S.A. de C.V. a Mexican publicity company, was acquired by Quad/Graphics, Inc. , an American marketing solutions company, for an undisclosed amount. The transaction Will strengthen its all-in-one marketing solutions strategy		
In February 4 th , OHL SA , a Spanish Infrastructure and construction developer, agreed to acquire Caabsa Group's construction business, a real estate Mexican operator, for an undisclosed amount		

REPRESENTATIVE TRANSACTIONS OF MEXICAN COMPANIES ABROAD

Transaction Summary	Target	Buyer
In February 5 th , Carso Energy S.A. de C.V. , a Mexican company part of Grupo Carso, acquired Ideal Panamá , a Panama-based company dedicated to infrastructure developing for US\$152.6 million		
In February 5 th , Grupo Lamosa , a Mexican ceramic and coatings producer, announced the acquisition of Eurocerámica SA , a Colombian company dedicated to structural clay products, for US\$38.7 million		
In February 26 th , Vista Oil & Gas , a Mexican oil & gas exploration company, announced the acquisition of Aleph Midstream S.A. , an Argentinian midstream services company, for US\$37.5 million		
In February 10 th , Compañía Minera Autlán S.A.B. de C.V. , a Mexican Steel manufacturer, acquired a 50.0% stake in a Portable Energy Cogeneration unit of manganese located in Spain for US\$26.3 million	PORTABLE ENERGY COGENERATION UNIT	

DEAL OF THE MONTH

The transaction gives **Carso Energy** two hidroelectric plants in Panama, with a combined capacity of **145MW**

The transaction was valued at **US\$152.6 billion**

BUYER



CARSO ENERGY ACQUIRES IDEAL PANAMÁ

TARGET



Carso Energy, as a subsidiary of **Grupo Carso**, specialized in oil & gas, and alternative energy investments

IDEAL Panamá is a Panama-based company dedicated to infrastructure and human capital development



FOUNDED IN 1980



FOUNDED IN 2005



SALES OF US\$5.3 BILLION



ESTIMATED SALES OF US\$268.7 MILLION



OPERATES IN OVER 10 COUNTRIES



+1,267.5KM OF CONCESSIONED HIGHWAYS

REPRESENTATIVE MEXICO ENGAGEMENTS

 <i>has acquired</i>  KFC Costa Rica <i>from</i> 	 ARCACONTINENTAL <i>has acquired</i> 	 ARCACONTINENTAL <i>has acquired</i> 	 <i>has merged with</i>  <i>a business of</i> 	 FOQUE <small>GRUPO FOMENTO QUERETANO</small> <i>merged its beverage division with</i>  	 <i>merged its beverage division with</i>  
 caffenio <i>has partnered with</i>  <i>a subsidiary of</i> 	 caffenio <i>has partnered with</i> 	 Ragasa <i>Acquisition Advisory Services</i>	 Fonterra <i>Acquisition Advisory Services</i>	 TORREY <i>has been acquired by</i> 	 CORPORACION ECG <i>Corporate Finance Advisory Services</i>
 GRUPO INDUSTRIAL SALTILLO <i>has formed a partnership in the casting tools business between</i>  DITENSA <i>and</i>  IPL <small>technologies</small>	 AMERICAN STANDARD COMPANIES <i>sold</i>  <i>to</i>  GRUPO INDUSTRIAL SALTILLO	 CEMEX <i>has carved out and sold its concrete pumping assets in Mexico</i> <i>to</i> 	 CEMEX <i>has formed a partnership to market and develop oil storage and distribution in Mexico with</i> 	 FEMSA <i>sold</i>  QUIMIPRODUCTOS <i>to</i> 	 NAMCE <small>North American Ceramics</small> <i>has been acquired by</i> 
 SI CELUB LUBRI <i>has been acquired by</i> 	 COSMOCEL <i>has sold Cosmotel Química to</i>  ICL Performance Products IP <i>a business unit of</i> 	 FORTACERO <i>Corporate Finance Advisory Services</i>	 Pinturas Berel <i>Corporate Finance Advisory Services</i>	 <i>has acquired</i>    <i>dealers of</i> 	 INVERSA <i>Holding company of</i>  sanfer <i>acquired a majority stake in</i> 
 GBM <i>has been acquired by</i> 	 INMAGUSA Grupo Galaz, S.A de C.V. <i>has been acquired by</i> 	 DLG <i>has acquired</i> <i>workshop and store in Mexico City from</i> 	 Discovery Americas <i>has partnered with</i> 	 AlEn <i>Acquisition Advisory Services</i>	 <i>has sold its sanitaryware business</i>  ST. THOMAS CREATIONS <small>SAFARIWAYS THAT WORK BEAUTIFULLY</small> <i>and</i>  VITROMEX <i>to</i> 

Seale & Associates

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Since 1999, **Seale & Associates** has been the trusted advisor to highly respected public and private companies from around the world, with a track record of success in a diverse range of industries. Seale is an elite boutique global investment banking firm with extensive experience in mergers and acquisitions (M&A), corporate finance advisory, and enterprise level strategy consulting. Our experienced team of professionals are committed to serving clients with excellence and integrity, while offering innovative ideas and solutions to address complex dealings.

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Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry.

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APPENDIX









DEALS IN MEXICO IN FEBRUARY 2020

Target			Buyer		Financial Information			
Name	Industry	Description	Name	Country	Size (\$USDMM)	% Acquired	EV / EBITDA	EV / Revenue
Naranjillo Property in Mexico		Real Estate Operating Companies	Metalurgica Reyna, S.A. De C.V.	MEX	-	100.0%	-	-
Elavon Merchant Services Mexico, S. de R.L. de C.V.		Financial	Banco Santander México, S.A., Grupo Financiero Santander México	MEX	\$86.0	100.0%	-	-
5 New Concessions in Los Ricos District		Silver	GoGold Resources Inc.	CAN	-	49.0%	-	-
Strategic Lithium Property in Mexico		Commodity Chemicals	Asia Metals Inc.	USA	-	100.0%	-	-
C&A Mexico S. de R.L.		Apparel Retail	Grupo Axo, S.A.P.I. de C.V.	MEX	-	100.0%	-	-
Fiesta Americana Hermosillo Hotel		Hotels, Resorts and Cruise Lines	Unknown buyer	-	-	100.0%	-	-
La Trini Property Located in Jalisco, Mexico		Silver	Arm's length buyer	-	-	49.0%	-	-
Atmosfera Verde SA De CV		Environmental and Facilities Services	Direct Pack, Inc.	USA	-	100.0%	-	-
Apple 3 Group S.A. De C.V.		Advertising	Quad/Graphics, Inc.	USA	-	100.0%	-	-
Laboratorios Dr. Moreira		Health Care Services	Grupo Diagnóstico Aries	MEX	-	100.0%	-	-
Construction Business of Caabsa Infraestructuras		Construction and Engineering	Obrascón Huarte Lain, S.A.	ESP	-	100.0%	-	-
An Additional Concession in Los Ricos project		Gold	GoGold Resources Inc.	CAN	-	100.0%	-	-
Footwear Product Line in Mexico of Henkel AG & Co. KGaA		Footwear	Worthen Industries, Inc.	USA	-	100.0%	-	-
Gastronómica Algodón Suave, S.A. de C.V.		Restaurants	Grupo Herdez, S.A.B. de C.V.	MEX	\$10.1	100.0%	-	-



DEALS ABROAD IN FEBRUARY 2020

Target				Buyer	Financial Information			
Name	Country	Industry	Description	Name	Size (\$USDM)	% Acquired	EV / EBITDA	EV / Revenue
Aleph Midstream S.A.	ARG		Oil and Gas Storage and Transportation	Vista Oil & Gas, S.A.B. de C.V.	\$37.5	NR	-	-
Holiday Inn Express El Paso-Central	USA		Hotels, Resorts and Cruise Lines	Landstar Hotels	-	NR	-	-
Manganese Dioxide Unit/Portable Energy Cogeneration	ESP		Commodity Chemicals	Compañía Minera Autlán, S.A.B. de C.V.	\$28.7	0.0%	-	-
Nike operations in Argentina, Chile and Uruguay	CHL		Distributors	Grupo Axa, S.A.P.I. de C.V.	-	NR	-	-
Ideal Panamá, S.A.	PAN		Human Resource and Employment Services	Carso Energy, S.A. de C.V.	\$152.6	100.0%	-	-
Euroceramica S.A.	COL		Construction Materials	Grupo Lamosa, S.A.B. de C.V.	\$38.7	100.0%	-	-

NR: Not Revealed

