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MERGERS & ACQUISITIONS MEXICO

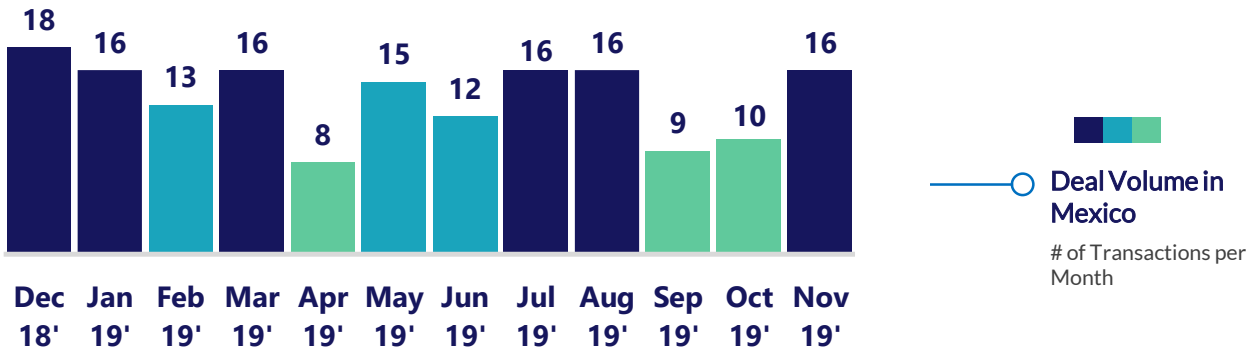
NOVEMBER

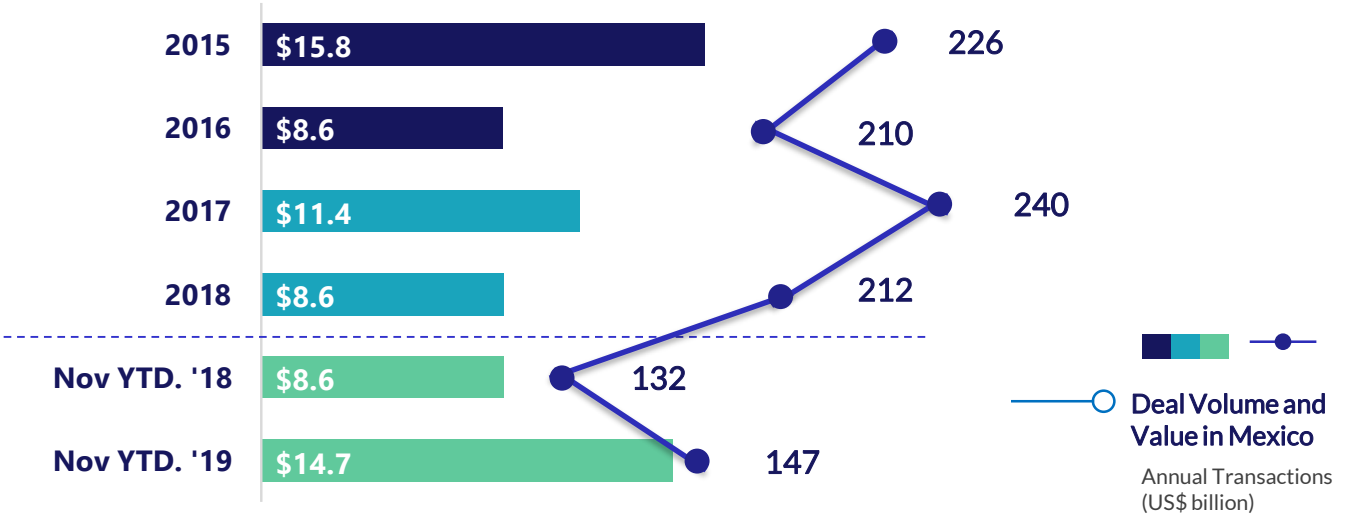
2019

MONTHLY ISSUE

SUMMARY OF MERGERS & ACQUISITIONS IN MEXICO

In November 2019, **16 transactions** were announced in Mexico, **increasing 11.1% against October** of the ongoing year. In this period, the **total reported deal value was US$3.4 billion**. On the other hand, **the volume and value of the announced transactions** accumulated to November 2019 **were 147 and US$14.7 billion** respectively, representing a decrease in volume of 25.7% and an increase in value of 75.5% compared to the same period last year.

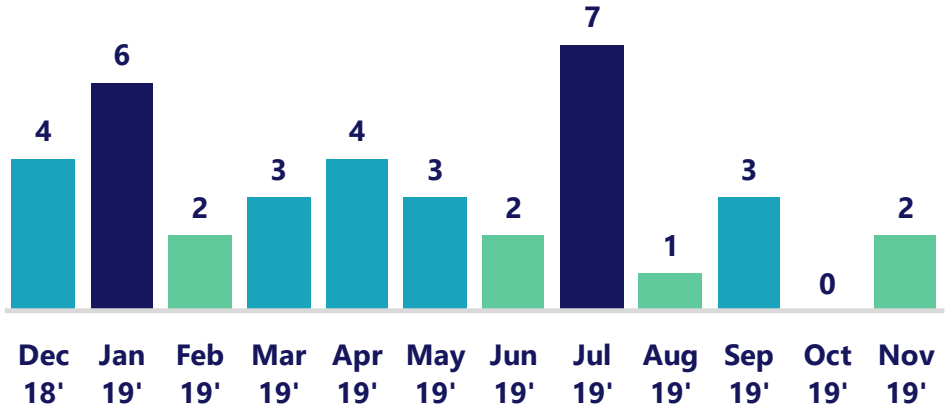




Sources: Capital IQ, Mergermarket

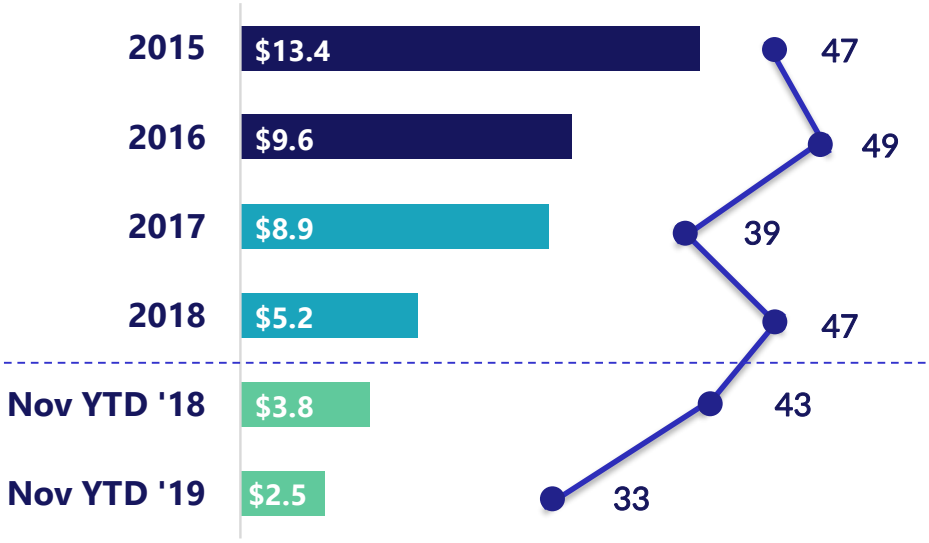
SUMMARY OF MERGERS & ACQUISITIONS BY MEXICAN COMPANIES ABROAD

In November 2019, **2 transactions** outside of Mexico were made, with no reported value in neither transaction. November YTD **volume of transactions is 33 with a combined value of US$2.5 billion**, representing a decrease in volume of 23.2% and an increase in value of 52.1% compared to the same period last year.



Deal Volume Abroad

# of Transactions per Month



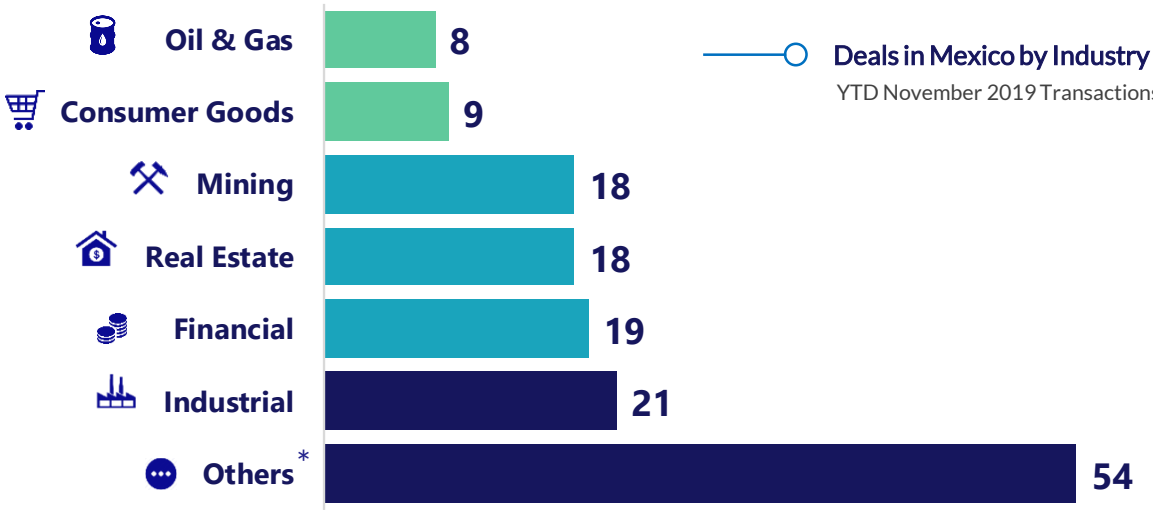
Deal Volume and Value Abroad

Annual Transactions (US$ billion)

Sources: Capital IQ, Mergermarket

SUMMARY OF MERGERS & ACQUISITIONS BY INDUSTRY

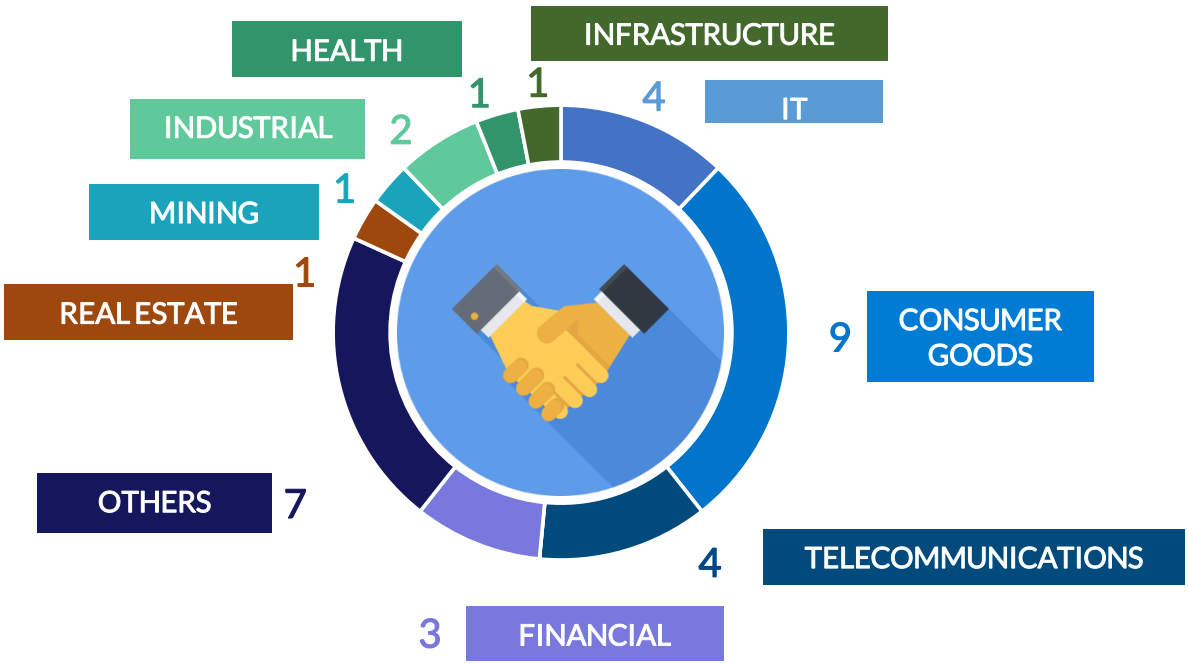
The industrial sector leads the M&A activity in Mexico so far with 21 announced transactions, **representing 14.2% out of the total amount**. Meanwhile, the consumer goods sector leads the accumulated acquisitions of Mexican companies abroad with **9 announced transactions**.



Deals in Mexico by Industry

YTD November 2019 Transactions: 144

*Energy, Infrastructure, Healthcare, IT and Others



Representative International Acquisitions by Mexican Companies

YTD November 2019 Transactions: 33

Sources: Capital IQ, Mergermarket

REPRESENTATIVE TRANSACTIONS IN MEXICO

Deal Summary	Target	Buyer
On November 21st, 2019, **The Canada Pension Plan Investment Board**, a Canadian Sovereign Wealth Fund, and the **Ontario Teachers' Pension Plan Board**, the largest single-profession pension plan in Canada, agreed to acquire a **40% stake in Impulsora de Desarrollo y el Empleo de América Latina**, a Mexican infrastructure developer, for **US$2.6 billion**	IDEAL IMPULSORA DEL DESARROLLO Y EL EMPLEO EN AMÉRICA LATINA	CPP INVESTMENT BOARD ONTARIO TEACHERS' PENSION PLAN
On November 14th, 2019, **Fibra UNO**, a Mexican REIT signed a binding agreement to acquire the **Titan Portfolio**, consisting in 74 industrial properties in Mexico, from **Finsa Construcciones** For **US$822.0 million**	74 Industrial Properties	fibramty
On November 27th, 2019, **Fibra Mty,** a Mexican REIT, announced the acquisition of the **Garibaldi Portfolio**, consisting in 4 industrial properties in Mexico, for **US$ 1.7 million**	Garibaldi Portfolio	FUNO
On November 26th, 2019, **Azure Minerals Limited**, an Australian mining exploration company, announced the acquisition of **Sara Alicia II**, gold and silver deposits in Mexico, for **US$0.8 million**	Sara Alicia II	AZURE MINERALS LIMITED

Sources: Capital IQ, Mergermarket, Expansión

REPRESENTATIVE TRANSACTIONS ABROAD

Deal Summary	Target	Buyer
On November 18th, 2019, **The Aztec Fund, Inc.**, a Mexican private equity fund, acquired **Lewisville office campus**, in Dallas with over 250 thousand square feet, for an undisclosed amount.	Lewisville office campus	The Aztec Fund
On November 15th, 2019, **Artha Capital**, a Mexican private equity fund, acquired Dallas-based **Telecom Corridor Office Campus**, which contains over 400 thousand square feet. Although the Total Transaction Value is not disclosed, MetLife Real Estate Lending provided more than **US$60.0 million.**	Telecom Corridor Office Campus	ARTHA CAPITAL

Sources: Capital IQ, Mergermarket

DEAL OF THE MONTH

Canada Pension Plan Investment Board, one of the largest Sovereign Wealth Funds in the world, alongside **Ontario Teachers' Pension Plan**, one of Canada's largest pension funds, agreed to acquire a 40% stake in **Impulsora de Desarrollo y el Empleo de América Latina.**

THE CANADA PENSION PLAN INVESTMENT BOARD AND ONTARIO TEACHERS' PENSION PLAN ANNOUNCED A 40% STAKE ACQUISITION IN IMPULSORA DE DESARROLLO Y EL EMPLEO DE AMÉRICA LATINA

BUYERS

CPP INVESTMENT BOARD

ONTARIO TEACHERS' PENSION PLAN

TARGET

IDEAL
IMPULSORA DEL DESARROLLO Y EL EMPLEO EN AMÉRICA LATINA

The transaction represents multiples of **26.2x EBITDA and 11.6x Revenue**

The transaction was valued at **US$2.6 billion**

CPP INVESTMENT BOARD

- **FOUNDED IN 1997**
- **HAS OVER US$301.2 BILLION AUM**
- **ONE OF THE BIGGEST SOVEREIGN WEALTH FUNDS IN THE WORLD**

ONTARIO TEACHERS' PENSION PLAN

- **FOUNDED IN 1917**
- **HAS OVER US$143.9 BILLION AUM**
- **EMPLOYES OVER 1200 PEOPLE**

IDEAL

- **FOUNDED IN 2005**
- **OPERATES OVER 1426KM OF HIGHWAYS IN MEXICO**
- **PRESENCE IN OVER 5 COUNTRIES WORLDWIDE**

Sources: Expansión, Press Release

DEALS IN MEXICO IN NOVEMBER 2019

Target			Buyer		Financial Information			
Name	Industry	Description	Name	Country	Size ($USDMM)	% Sought	VE / EBITDA	VE / Revenue
Perforaciones Estratégicas e Integrales Mexicana, S.A. de C.V. / OPEX Perforadora S.A. de C.V		Oil and gas offshore drilling contractor	Borr Drilling Limited	BMU	-	49.0%	-	-
Armour Secure Insurance S.A. de C.V.		Insurance and asset management services	Axa XL	BMU	-	100.0%	-	-
The "'Garibaldi" Industrial Portfolio		Four industrial properties	Fibra Mty, S.A.P.I. de C.V.	MEX	$1.7	100.0%	-	-
Sara Alicia II		Exploration of precious and base minerals	Azure Minerals Limited	MEX	$0.8	100.0%	-	-
Krispy Kreme Mexico, S. de R.I. de C.V.		Production, retail and wholesale of doughnuts	Krispy Kreme Doughnut Corporation	USA	-	NR	-	-
Impulsora del Desarrollo y el Empleo en América Latina, S.A.B. de C.V.		Infrastructure and engineering business	Canada Pension Plan Investment Board; Ontario Teachers' Pension Plan Board	CAN	$2,594.4	40.0%	26.2x	11.6x
Suanse Property in Sonora, Mexico of San Marco Resources Inc.		Mineral exploration company	NR	CAN	$0.1	100.0%	-	-
Three Solar Photovoltaic Projects in Mexico		49% stake in three solar photovoltaic projects	Korea Electric Power Corporation; Sprott Inc.	KOR	-	49.0%	-	-
Titan Portfolio		74 industrial properties	Fibra UNO	MEX	$822.0	100.0%	-	-
Certain Mexican Assets Acquired Via the Orchids of Cascades Inc.		Tissue and craft paper manufacturing assets	FÁBRICA DE PAPEL SAN FRANCISCO, S.A. DE C.V.	MEX	$14.4	100.0%	-	-
Grupo Tissue De Mexico		Manufacturing and distribution of tissue products for household and industrial use	NR	-	$5.1	NR	-	-
Two Solar Power Plants in Mexico		Two solar power plants	White River Renewables	MEX	-	100.0%	-	-
Pre-Processing Business of Glaston Oyj Abp		Flat glass grinding equipment manufacturing	Bavelloni Spa	ITA	-	100.0%	-	-
Corporación de Occidente S.A. de C.V.		Replacement tires design, manufacturing	Cooper Tire & Rubber Company	USA	-	42.0%	-	-

NR: Not Revealed

Mining | Real Estate | Others | Financial | Energy | Consumer Goods | Industrial | Infrastructure | Healthcare

Telecommunications | IT | Oil & Gas

Sources: Capital IQ, Mergermarket

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DEALS ABROAD IN NOVEMBER 2019

Target				Buyer	Financial Information			
Name	Country	Industry	Description	Name	Size ($USDM)	Sought %	VE / EBITDA	VE / Revenue
Lewisville office campus	MEX		The Lewisville office campus	The Aztec Fund, Inc.	-	**100.0%**	-	-
Telecom Corridor Office Campus	MEX		The Telecom Corridor office campus	Artha Capital, S. de R.L. de C.V.	-	**100.0%**	-	-

Mining · Real Estate · Others · Financial · Energy · Consumer Goods · Industrial · Infrastructure · Healthcare · Telecommunications · IT · Oil & Gas

Sources: Capital IQ, Mergermarket

REPRESENTATIVE MEXICO ENGAGEMENTS

intelectiva
has acquired
KFC Costa Rica
from
QSR

ARCACONTINENTAL
has acquired
WISE

ARCACONTINENTAL
has acquired
DEEP RIVER SNACKS

CHEN
has merged with
Sigma alimentos
a business of
alfa

FOQUE GRUPO FOMENTO QUERETANO
merged its beverage division with
Coca-Cola FEMSA

GRUPO TAMPICO
merged its beverage division with
Coca-Cola FEMSA

caffenio
has partnered with
OXXO
a subsidiary of
FEMSA

caffenio
has partnered with
Cafés Tomari

Ragasa
Acquisition Advisory Services

Fonterra
Acquisition Advisory Services

TORREY
has been acquired by
FEMSA

CORPORACION EG
Corporate Finance Advisory Services

GRUPO INDUSTRIAL SOLTILLO
has formed a partnership in the casting tools business between
DITOMSA
and
npl technologies

AMERICAN STANDARD COMPANIES
sold
Cal-O-Rex
to
GRUPO INDUSTRIAL SOLTILLO

CEMEX
has carved out and sold its concrete pumping assets in Mexico
to
PUMPING TEAM

CEMEX
has formed a partnership to market and develop oil storage and distribution in Mexico with
ZENITH ENERGY

FEMSA
sold
QUIMIPRODUCTOS
to
ECOLAB

grupo protexa
Corporate Finance Advisory Services

GRUPO SICELUB LUBRITECH
has been acquired by
COLFAX

COSMOCEL
has sold Cosmocel Química
to
ICL Performance Products LP
a business unit of
ICL

FORTACERO
Corporate Finance Advisory Services

Pinturas Berel
Corporate Finance Advisory Services

GRUPO TAMPICO
has acquired
VW SEAT HONDA
dealers of
GRUPO FRAL

INVEKRA
Holding company of
sanfer
acquired a majority stake in
Portugal 1864

GBM
has been acquired by
Arysta LifeScience

INMAGUSA
Grupo Galaz, S.A de C.V.
has been acquired by
IOCHPE - MAXION

DLG Grupo
has acquired
workshop and store in Mexico City from
GREENBRIER RAIL SERVICES

Discovery Americas
has partnered with
Anne Sullivan

ALEN
Acquisition Advisory Services

GRUPO INDUSTRIAL SOLTILLO
has sold
its sanitaryware business
ST. THOMAS CREATIONS
and
VITROMEX
to
Villeroy & Boch 1748

Washington, D.C. | Miami | Mexico City | Monterrey

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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.

ADVISOR TO LEADING COMPANIES WORLDWIDE

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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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