Latin American VC—Insights from LAVCA Data
Smart Capital Conference

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November 15, 2017
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Mission

- To spur regional economic growth by advancing venture capital and private equity investment through programs of research, networking, investor education, the promotion of best investment practices, and the advocacy of sound public policy.

Members

- LAVCA’s membership is comprised of over 180 firms which control assets in excess of US$65 billion, directed at capitalizing and growing Latin American businesses.

- Some of the best known global and regional VC/tech fund managers are members and partners of LAVCA:
Silicon Valley venture firms made their first investments in Brazil six years ago in 2011...

Total LatAm VC Deals: 954 Deals/ ~US$3.1b
In 2016, VC firms deployed **US$500m through 197** transactions in Latin America, representing an 8% increase in number of deals, and a 16% decrease in amount invested y-o-y.
In 2016, the Andean region (Colombia, Peru, and Chile) collected an aggregate US$67m via 29 VC transactions (15% of total deals) representing a significant year-on-year increase carried out by major global venture firms including Andreessen Horowitz (Facebook & Twitter) and Sequoia (Google, Instagram & WhatsApp).

In 2016, Colombia was the 4th most active market in terms of deal count as well as dollar amount invested.

Other countries: 5 Deals/ $1m
Total LatAm VC Deals: 197 Deals/ $500m
2016 LatAm VC Investments Sectors

Top Investment Sector for 2016: Information Technology (IT) represented 72% of all VC investment deals.

Key IT Sector Trends:

- In 2016, VC firms deployed **US$342m** in IT startups through **142** transactions.
- **Fintech** and **e-commerce** were the first and second most popular sectors by number of deals.
- “Other” includes Consumer/Retail, Security, Logistics & Distribution, among other sectors.
2016 VC Fintech Deals in Latin America

LatAm VC Fintech Deals
*(in US$ million, 2015-2016)*

**Key Trends:**
- In 2016, VC Fintech deal count increased 81% while value was up 31% from 2015.
- Syndicates of local investors participated in 63% of fintech deals.
- Syndicates of international and local VC investors participated in 26% of total number of deals.
Startups in Latin America received **US$477m in VC funding in 1H2017**, almost as much as was invested in all of 2016 (US$500m).

The entrance of major **global investors** into a string of recent early and expansion stage rounds in Latin America is contributing to **record investment dollars** pouring into the region.
Mid-Year data 2016 vs. 2017

For 1H2017, startups in LatAm received **more than double** the amount invested in 1H2016 ($216m).

Y-o-Y Comparison: VC Investments in Latin America *(in US$ million, 1H2016 - 1H2017)*

Key Trends:

- Although there was a **decrease in the number of startups invested**, a **record amount was invested** in the region in 1H2017.
- **Startups in Brazil** continued to receive the most funding, where USD$362M were invested in 1H2017, representing 76% of VC dollars invested.
Highlighted VC/Tech Deals 2016-2017YTD

**Mexico**
- Richmond Global Ventures
- CORE
- Angel Ventures
- ARISE Capital
- Auria Capital
- CRUNCHFUND
- Jaguar Ventures
- QUONA
- Kaszek Capital
- Creandum
- JSV
- ALLVP
- Endeavor Catalyst
- General Atlantic
- Series A
- kueski
- Series A
- konfio
- Cornershop
- Series B
- clip
- Series B
- Rappi
- Series A

**Brazil**
- SEQUOIA
- TIGER GLOBAL
- DST
- Ribbit Capital
- Founders Fund
- Redpoint
- QED Investors
- GuiaBolso
- Series D
- NuBank
- Series C
- InstaCarro.com
- Series A
- LUMIA Capital
- FJ Labs
- Neoway
- Series A

**Colombia**
- ANDREESSEN HOROWITZ
- MONASHEES
- Redpoint e.ventures
- Rappi
- Series A
- SEQUOIA
- Series A
- easyinvest
- Growth
- Advent International
- Global Private Equity
- THE CARLYLE GROUP
- Growth
- 99
LAVCA Data shows that due to larger, later stage investment rounds, Colombia is the #2 market for VC investment dollars, coming ahead of Mexico.

The total investment amount for Colombia between 2011 and 1H2017 is $161m across 53 deals.
Other Notable Colombian VC/Tech Deals 2017YTD

Colombian Deals
Led by local & global investors:

- Polymath Ventures
- Accel-KKR
- Accion Venture Lab
- Elevar Equity
- DGGF (Dutch Good Growth Fund)
- Velum Ventures
- Axon Partners Group
- Gray Matter
- Y Combinator
- Omidyar Network
- Rise Capital
- Odiseo & More
## LAVCA Scorecard – Colombia

**Overall Score**

<table>
<thead>
<tr>
<th>Category</th>
<th>2015</th>
<th>2017</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laws on PE/VC fund formation and operation</td>
<td>60</td>
<td>64</td>
<td>+4</td>
</tr>
<tr>
<td>Tax treatment of PE/VC funds &amp; investments</td>
<td>2</td>
<td>3</td>
<td>+1</td>
</tr>
<tr>
<td>Protection of minority shareholder rights</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Restrictions on local institutional investors investing in PE/VC</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Protection of intellectual property rights</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Bankruptcy procedures/creditors’ rights/partner liability</td>
<td>2</td>
<td>3</td>
<td>+1</td>
</tr>
<tr>
<td>Capital markets development and feasibility of exits</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Registration/reserve requirements on inward investments</td>
<td>3</td>
<td>3</td>
<td>0</td>
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<tr>
<td>Corporate governance requirements</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Strength of the judicial system</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Perceived corruption</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Quality of local accounting/use of international standards</td>
<td>2</td>
<td>3</td>
<td>+1</td>
</tr>
<tr>
<td>Entrepreneurship</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>
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