Insights from LAVCA’s 2018 Startup Directory & LAVCA VC Investment Data
1H2018 was a record-breaking semester for VC investment in Latin American startups.

1H2017: US$476m across 90 deals.
Market Breakdown of Startup Investment (2017-1H2018)

**Brazil**
- 201 startup investments
- US$1.4b invested
- Brazil leads the region across all stages of VC investment, capturing 73% of VC Investment dollars

**Argentina**
- 27 startup investments
- US$110m invested
- Mexico is the 2nd most active market by #deals; 55 deals were Series A+, indicating a maturing market

**Colombia**
- 23 startup investments
- US$188m invested

**Peru**
- 8 startup investments
- US$12m invested

**Chile**
- 44 startup investments
- US$35m invested

**Mexico**
- 82 startup investments
- US$154m invested

Mexico is the 2nd most active market by #deals; 55 deals were Series A+, indicating a maturing market.
Sector Spotlight

Fintech is the #1 sector of VC investment by dollars and #deals in Latin America, with US$540m invested across 94 deals in the last 18 months:

✓ Argentina: 30% of VC deals
✓ Brazil: 22% of VC deals
✓ Chile: 18% of VC deals
✓ Colombia: 17% of VC deals
✓ Mexico: 29% of VC deals
✓ Peru: 63% of VC deals

Marketplaces are the #2 sector of investment by dollars with US$304m invested across 27 deals in the last 18 months:

✓ The majority of investment dollars for marketplaces in this period went to Rappi, Colombia’s first unicorn, with 2 rounds from DST Global, Delivery Hero, Andreessen Horowitz, Sequoia Capital & others
✓ Notable rounds in marketplaces: Afluenta, Aliada, Apli, InstaCarro, Trocafone & Netshoes

The Logistics & Distribution and Transportation sectors continue to capture late stage investments with US$398m combined across 12 deals in the last 18 months:

✓ SoftBank made its second investment in Latin America in Loggi (US$100m), after investing in rideshare startup 99 in 2017
Sectors to Watch

In 2016, LAVCA flagged agtech, edtech, and healthtech as sectors to watch. Investment in these sectors more than doubled in 2017.

AGTECH = US$57m invested in the last 18 months
Agrosmart, BovControl, S4, Tbit, Aegro, Agrofy, Grão Direto

BIOTECH/HEALTHTECH = US$16m invested in the last 18 months
Dr. Consulta*, 1Doc3, eDoc Saude, Nimblr, Clinica SIM

EDTECH = US$67m invested in the last 18 months
Digital House*, Kinedu, Me Salva!, Descomplica

*Top 10 Investment Deal for 2017 (by transaction size)
Highlighted Startup Transactions (2017-2018YTD)

Transportation/Logistics
- KaszeK
- Qualcomm Ventures
- SoftBank
- PORANGA INVESTIMENTOS
- Loggi
- Cisco
- Goldman Sachs
- CX CargoX
- Blackstone
- Agility
- HUDDIN STRUCTURED CAPITAL MANAGEMENT
- UPS Strategic Enterprise Fund
- Tekton
- FJ Labs
- Qualcomm Ventures
- IFC
- Porang
- Riverwood Capital
- Qualcomm Ventures
- SoftBank
- TIGER GLOBAL
- EXIT
- Strategic Sale (Didi Chuxing)
- 99

Proptech
- Andreessen Horowitz
- Thrive Capital
- Loft

Edtech
- Amadeus Capital Partners
- Social Capital
- Valor
- InVUS
- Endeavor Catalyst
- Rise
- Digital House
- Descomplica
- Kinedu
- Omidyar Network
- StartX
- BECURUS
- Promotoras Social Mexico
- SYMOPHONIA
- StartUp
- DILA Capital
- IGNIA
- KaszeK
- Coding School
- Greenlight Capital

Agtech
- AgFunder
- TPG
- Solinftec
- Bunge
- spventures
- agrofy
- Syngenta Ventures
- Endeavor
- Syngenta
- Monashers
- Riverwood Capital
- Qualcomm Ventures
- TPG
- Theventure.city
- 10000 C
- 10000 C
- lof
- Thrive Capital
- Andreessen Horowitz
- Monashers
- Mountain Nazca
- Mite

Healthtech
- Qualcomm Ventures
- Monashers
- Mountain Nazca
- Theventure.city
- 10000 C
- HI
Brazil-born rideshare giant 99 was acquired by Didi Chuxing in Jan. 2018 at a valuation over US$1b

Brazilian payments company PagSeguro raised US$2.7b in a NYSE IPO in Jan 2018

Brazilian fintech Nubank raised over US$400m in 2018 at valuations of US$2b+ and US$4b+

Colombian last-mile delivery service Rappi raised US$385m+ over two rounds in 2018, the latter at a unicorn valuation

Brazilian learning systems provider Arco Educação IPO’ed on the Nasdaq in Oct. 2018 and was valued at over US$1b by the end of the first day

Digital Reality and Brookfield Infrastructure acquired a controlling stake in Brazilian data center/IT provider Ascenty at a valuation over US$1.8b

Brazilian fintech startup Stone Pagamentos IPO’d on the Nasdaq in Oct. 2018 and was valued at US$8.7b by the end of the first day
Mega Transactions* (2017-2018YTD)

Colombian last-mile delivery startup Rappi raised US$185m and then US$220m from Delivery Hero, DST Global, Sequoia Capital, Andreessen Horowitz, monashees, and others

Brazilian fintech Nubank raised US$150m and then US$180m from DST Global, Tencent and others

Movile raised a fresh US$124m round of financing for iFood, led by Naspers, with participation from Innova Capital, after raising US$135m in 2017

Yellow, a Brazilian dockless bike-sharing and e-scooter service, launched with a US$63m Series A from GGV Capital, monashees, Grishin Robotics and others

Brazilian trucking platform CargoX raised US$60m from The Blackstone Group and Hudson Structured Capital Management

Brazilian fintech Creditas raised a US$55m Series C from Vostok Emerging Finance, Amadeus Capital Partners, Santander InnoVentures and others

Goldman Sachs led a US$34m investment in Ualá, an Argentine mobile banking app, with participation from monashees, Ribbit Capital, Jefferies Group, Cohen’s Point72 Ventures, and Soros’ family office.

Brazil’s two largest real estate portals, Viva Real and Globo-owned Zap, merged in 2017

Walmart acquired Mexican delivery startup Cornershop for US$225m in its first known acquisition in LatAm

Argentinian online travel agency Despegar, IPO’d on the NYSE

Brazilian e-commerce company Netshoes IPO’d on the NYSE

*Not all transactions included in LAVCA industry data
Big Tech

Latin America is Airbnb’s top growth market globally (Bloomberg 2017)

Amazon launched its first-ever debit card, Amazon Rechargeable, in Mexico (Reuters 2018)

Amazon also launched Echo and Alexa in Mexico, its first LatAm market (VentureBeat 2018)

Didi Chuxing chose Mexico as its first expansion market outside of China (Reuters 2017)

Facebook chose Colombia as its first global market to test out its new dating feature (TechCrunch 2018)

Facebook is building a 1,553-mile subsea cable to boost internet speeds in Argentina (VentureBeat 2018)

Google is investing US$140m to expand its data center in Chile, which runs 100% on solar power from the Atacama region (Reuters 2018)

Google chose Mexico as the first destination to launch Google Wifi in Latin America (Engadget 2018)

Visa made its inaugural investments in the region with a US$12.5m round in Latin American fintech YellowPepper, and a strategic minority investment in Conductor, a leading digital payments processing technology platform in Brazil

Salesforce Ventures made its inaugural investment in Latin America in RunaHR, a Mexican payroll automation platform, in a seed round that included Y Combinator, the founder of Gmail, CTO of Dropbox & others

Netflix is booming outside of America, with LatAm as a top growth market (Bloomberg 2017)

The second-most streamed series on Netflix globally for 2017 was a Brazilian series called 3% (Exame)

Mexico had the most members watching every single day of any country in 2017 (Forbes)

Chinese rideshare unicorn Ofo chose Mexico as its first international market (Reuters 2018)

Postmates chose Mexico as its first international expansion market in 2017

Spotify’s user growth in Latin America was second only to North America in 2017, according to Billboard

Uber launched its first digital wallet in Brazil (ZDNet 2018)

WeWork is expanding aggressively in Latin America (Bloomberg 2017)

Monsanto Growth Ventures made its inaugural Brazil investment in Grão Direto, a grain marketplace that primarily transacts via mobile and WhatsApp

MercadoLibre and Globant launched local CVC funds and made inaugural investments
With Facebook’s support, LAVCA is conducting the first-ever survey of Latin American startups, the results of which will be shared globally to help put Latin American tech innovation on the map.