

FREDERICKS MICHAEL & CO.

MERGERS | ACQUISITIONS | DIVESTITURES

Cross-Border M&A  
Mexico  
2023 Edition

FREDERICKS  
MICHAEL & CO.

Member of SIPC and FINRA

## Global Reach in Mergers and Acquisitions...



- ✓ A global investment bank providing clients with discerning and unbiased advice
- ✓ Founded in 1984 – over 40 years of experience
- ✓ Extensive global operations with a proven track record in over 25 countries
- ✓ Broad expertise and capabilities focused on: **Mergers & Acquisitions** (buy-side/sell-side), **Joint Ventures**, **Capital Raising Solutions**
- ✓ Professional team comprised of **veteran advisors** with many decades of relevant industry experience

**40+**

Years of Experience

**30**

Professionals

**25+**

Countries Covered

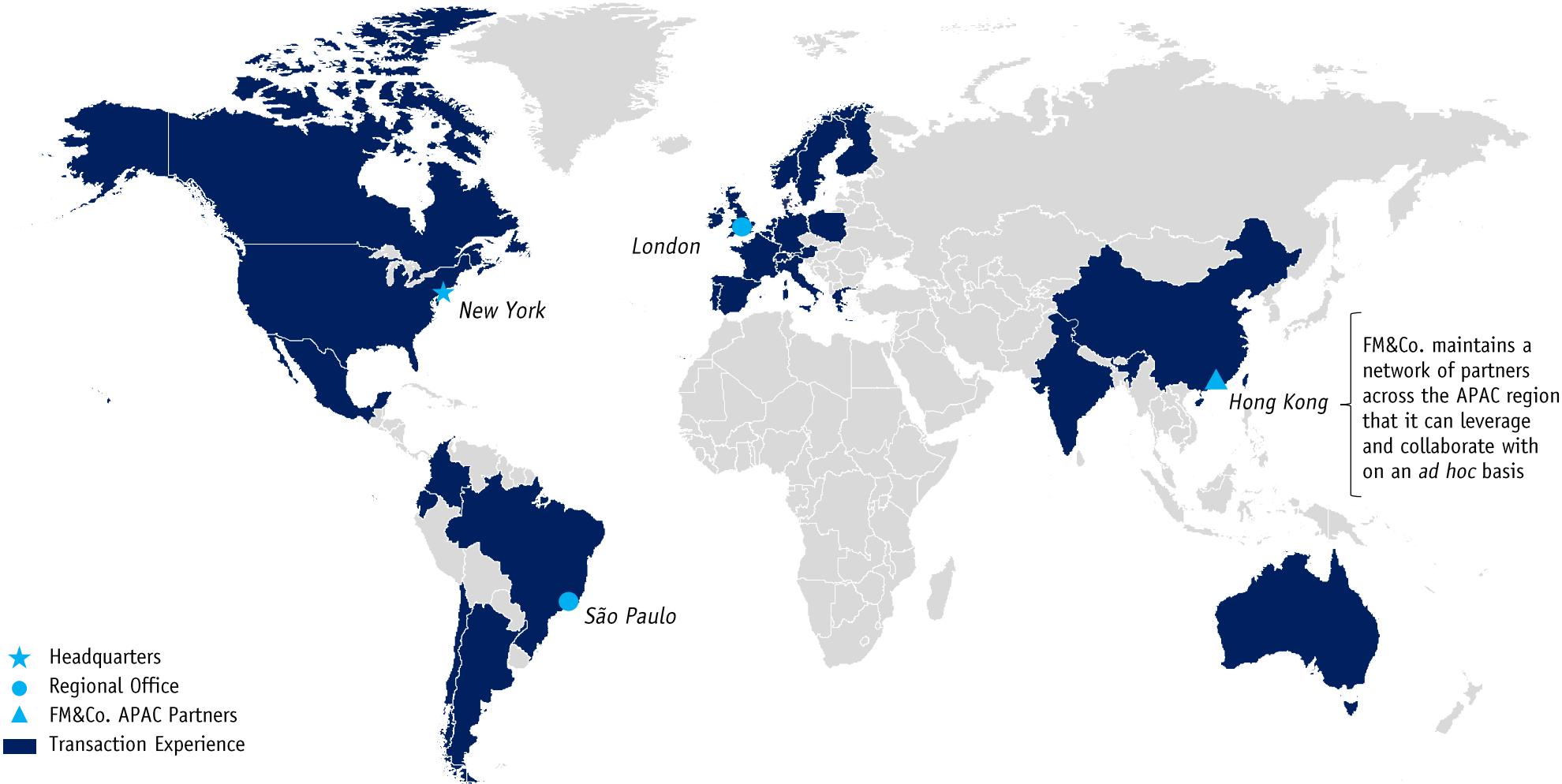
**8+**

Languages Spoken

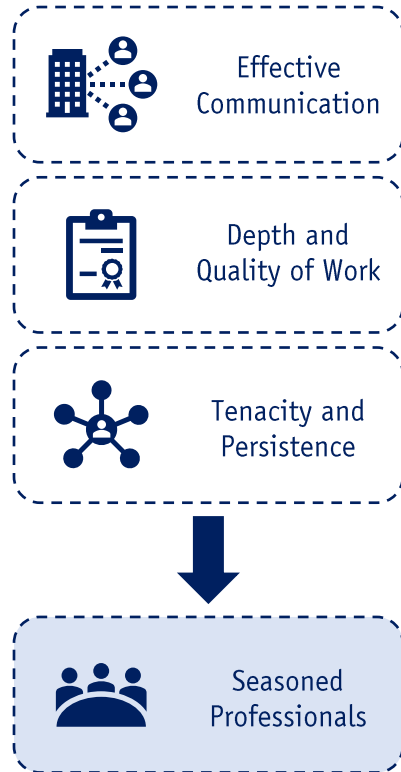


# Introduction to Fredericks Michael & Co. > Global Reach and Industry-Wide Expertise

... with Global Expertise Coupled with Local Knowledge in the Major Markets...



## ...Providing Independent, Comprehensive, Cross-Border Advice...



FM&Co. has decades of experience on effective communication between buyer and seller coming from different geographic backgrounds

From our initial research and approach of targets to the negotiations and execution of due diligence and definitive agreements, FM&Co. is steadfast in the quality and depth of our work effort

It is through persistence and tenacity that we reach our clients' objectives. Pushing just one step further can often unlock unexpected opportunities

FM&Co's team of seasoned M&A professionals take on a holistic and tireless approach to the process regardless of the size of the targets or the complexity of the transactions. FM&Co. becomes involved in assignments where it can bring clear and value-added experience and credentials to bear.

**FM&Co. provides a bespoke approach, tailoring the engagement process to best suit client needs**

## ...and Focused on Unlocking and Executing Complex Transactions

### Buy-Side

- Providing access to global industry knowledge and participants
- Execution of exhaustive search & screen analyses and target approaches
- Initiating unique one-on-one transactions, avoiding auctions (> 80%)
- Remaining involved in all details of transaction through closing
- Providing senior access to companies
- Structuring complex transactions

### Sell-Side

- Sale of non-core and underperforming assets
- Sale of family businesses with generational challenges
- Targeting international as well as local, strategic, and financial buyers
- Exhaustive effort to maximize price
- Solutions oriented to ensure transaction closing
- Remaining involved in all details of transaction through closing

### Trusted and Differentiated Advisory Services

### Capital Raises

- Advising on capital raises for corporate growth
- Exhaustive effort to maximize success
- Solutions oriented to ensure transaction closing
- Accessing international investors with specific industry and/or geographic interests
- Involved in all details of closing

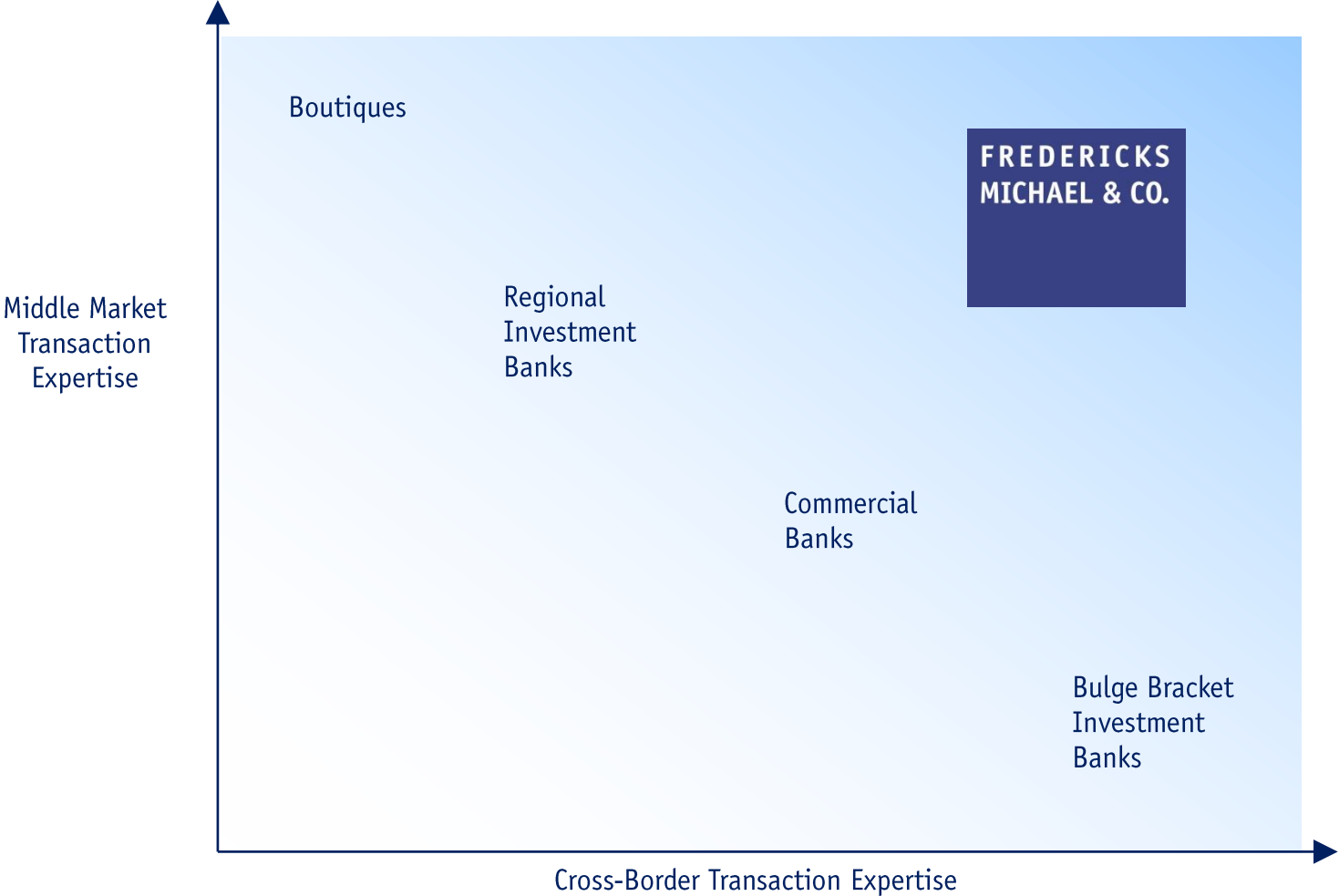
### Joint Ventures

- Initiating unique transactions that create value through corporate partnerships
- Unlocking value without immediate sale of the business
- Providing entry to new geographic markets with the experience of local partners
- Structuring of shareholder agreements with appropriate exit options



# Introduction to Fredericks Michael & Co. > Positioning

FM&Co. has a unique focus on cross-border, middle market transactions



# Cross-Border M&A Activity Related to Mexico

## FM&Co. Experience



**Volume:** FM&Co. has advised on over 80 engagements involving Latin American companies – primarily in cross-border transactions

**Key Relationships:** AEn, Alfa, Bachoco, Copamex, Femsas, Gondi, ICA, Lala, Proeza, Sigma Alimentos, others

**Number of Transactions:** In 2023, there were 205 M&A transactions in Mexico. Of these, 161 transactions were inbound, totaling US\$ 11.0 billion - a decrease from the previous year in both number (40 fewer transactions) and value (US\$7 billion less). There 44 outbound transactions represented US\$ 2.1 billion – 5 more outbound transactions than in 2022, but their cumulative value decreased from US\$ 2.8 billion

### Inbound Transaction Activity – Most Active Sectors (2023):

- **Real Estate** (16.1% of total), including Fibra Prologis' acquisitions in Mexico (~ US\$ 230.0 million)
- **Industrial** (14.2% of total), including Kloeckner's US\$ 340.0 million acquisition of Natl. Material
- **Financial Services** (13.0% of total), including Visa acquisition of PROSA

### Outbound Transaction Activity – Most Active Sectors (2023):

- **Industrial** (20.5% of total), including Grupo Lamosa's US\$ 452.5 million acquisition of Baldocer
- **Financial Services** (10.2% of total), including Estela's acquisitions of Digiflow and DBNet Corp.
- **Consumer** (7.6% of total), including Grupo Bimbo's five transactions – one for US\$216.6 million

- **Economic Growth:** Mexico's annual growth is ~3.0-4.0% annually, enhancing its investment climate
- **Key M&A Sectors for 2024:** Fintech, healthcare, energy, automotive
- **Nearshoring and U.S.-Mexico Trade:** Crucial for growth, with foreign investment in Mexico projected to hit US\$60.0 billion by 2027
- **Political Impact:** 2024 elections in the U.S. and Mexico could influence investment trends
- **Challenges:** Inflation, local risk perception
- **M&A Outlook:** Gradual recovery expected, with an increase in transaction numbers and values

FM&Co. has over 40 years of experience advising Mexican and US corporations on cross-border transactions



## Mexico Macroeconomic Indicators

- **Population:** ~ 129 million (2023) – 10th most populous country in the world
- **GDP:** GDP also increased 3.5% in Q2 2023 compared to Q2 2022
- **Inflation Rate:** 7.9% in 2022, 4.3% in November 2023; expected to average 5.5% in 2023, 3.8% in 2024, and 3.1% by 2025
- **Unemployment Rate:** Decreased from 4.5% in 2020 to 3.0% in 2023
- **Public Debt:** 48.3% of GDP in 2022, rose to 50.9% in September 2023
- **Foreign Direct Investment:** US\$ 32.9 billion between January and September 2023 – a 30.0% increase compared to the same period in 2022

## Overview of Recent Cross-Border M&A



## Mexico Outlook




Source: S&P Capital IQ, Mergermarket, INEGI, FocusEconomics

# Fredericks Michael & Co. > Select Clients & Relationships in Mexico



FM&Co. has over three decades of experience advising leading Mexican Corporations on M&A transactions





**Bachoco**<sup>®</sup>


*Contigo todos los días*

Mexico

**Industrias Bachoco, S.A.B. de C.V.**

a leading North America multiprotein producer based in Mexico

has acquired




**GRANJAS RYC**<sup>®</sup>

*Vida Saludable*

Mexico

**RYC Alimentos, S.A. de C.V.**

*The undersigned initiated this transaction acted as exclusive financial advisor to Industrias Bachoco, S.A.B. de C.V.*



**FREDERICKS  
MICHAEL & CO.**



## FM&Co.'s Role In This Engagement

**Client:** Industrias Bachoco S.A.B. de C.V. (“Bachoco”) (Celaya, Mexico)

**Client Objective:** Bachoco wanted to continue its path to become the leading multi-protein company in Mexico as well as in the Americas by growing in the non-poultry protein segment in Mexico

**FM&Co. Assistance:** FM&Co. initiated this transaction and acted as financial advisor to Bachoco in the acquisition process of the target including target research, valuation, contact, and negotiation of terms and conditions of the agreement. A total number of 75 companies were identified, of which 10 were approached

**Deal Synopsis:** Bachoco, the leading producer and distributor of poultry products in Mexico; acquired 100% of the equity of RYC Alimentos, a leading manufacturer and distributor of pork, meat and chicken value-added products sold through the traditional and modern channels, as well as through its own network of retail stores located throughout Central and Eastern Mexico. The value of RYC’s Shareholder Equity is approximately US\$ 61mn, with revenues of approximately US\$ 150mn





Monterrey, Mexico  
**Sigma Alimentos, S.A. de C.V.**

The food division of



**Alfa, S.A.B. de C.V.**  
Mexico's leading industrial group

Acquired



A branded processed meat business from



**Butterball, LLC.**  
The largest producer of turkey in the US

*The undersigned acted as exclusive financial advisor to Sigma Alimentos, S.A. de C.V.*



## FM&Co.'s Role In This Engagement


**Client:** Sigma Alimentos, S.A. de C.V. ("Sigma") (Monterrey, Mexico)

**Client Objective:** Sigma Alimentos wanted to continue growing in the refrigerated cold cuts market in Mexico and in the US Hispanic market. In addition, the Company wanted to consolidate its leading position in the Northwest of Mexico

**FM&Co. Assistance:** FM&Co. initiated this transaction and acted as financial advisor to Sigma Alimentos in the acquisition process of the target including target research, valuation, contact, and negotiation of terms and conditions of the agreement. A total number of 87 companies were identified, of which 15 were approached


**Deal Synopsis:** Sigma Alimentos, the leading producer and distributor of refrigerated foods in Mexico; and subsidiary of ALFA, acquired the trademark "Longmont" from U.S. Butterball, LLC, the company's largest producer of turkey products in the US. The transaction terms were not disclosed





GRUPO GONDI  
Mexico City, Mexico  
**Gondi, S. de R.L de C.V.**  
a leading producer of paper and  
packaging products in Mexico

and




**WestRock**  
Atlanta, USA

**WestRock**

have formed the preeminent paper and packaging  
group in Mexico

*The undersigned acted as exclusive financial advisor  
to Gondi, S. R.L. de C.V.*



## FM&Co.'s Role In This Engagement

**Client:** Gondi, S. de R.L de C.V. (“Gondi”) (Mexico City, Mexico)

**Client Objective:** Gondi sought to enhance its capabilities across Mexico through an alliance with a leading industrial partner with state-of-the-art technology in packaging options in paper, corrugated, folding cartons, and preprint

**FM&Co. Assistance:** The Gondi and WestRock joint venture was identified, structured and negotiated by FM&Co.

**Deal Synopsis:** FM&Co. served as exclusive financial advisor to Gondi in relation to the formation of the joint venture with WestRock. WestRock operates three facilities in Mexico that produce corrugated packaging and will contribute these facilities, located in Mexicali, Monterrey and Querétaro, as well as cash to the JV in exchange for an equity participation in the combined entity, which will operate as Grupo Gondi. The transaction terms were not disclosed



Zug, Switzerland  
**Holcim, Ltd.**  
(SWX:HOLN)

A leading global building materials company

has acquired



Cuautitlán, Mexico  
**Protección Anticorrosiva de Cuautitlán, S.A. de C.V.**

A leading weatherproofing and construction materials manufacturer and distributor

*The undersigned initiated this transaction acted as exclusive financial advisor to Protección Anticorrosiva de Cuautitlán, S.A. de C.V. and its*




## FM&Co.'s Role In This Engagement

**Client:** Protección Anticorrosiva de Cuautitlán, S.A. de C.V. (“PASA”) (Cuautitlán, Mexico)

**Client Objective:** PASA wanted to strategically expand its presence in Mexico, the second largest market in Latin America, through its acquisition by Holcim. This move aimed to leverage PASA's local geographic reach and Holcim's global portfolio to accelerate growth and enhance their collective presence in the Mexican market

**FM&Co. Assistance:** Fredericks Michael & Co. initiated this transaction and acted as exclusive financial advisor to PASA on a multi-step engagement process which included managing a targeted, competitive-bid process, coordinating the due diligence process, transaction structuring, and assistance in obtaining regulatory approvals and in negotiations through closing of the transaction

**Deal Synopsis:** Holcim, Ltd., a Switzerland-based global leader in innovative and sustainable building solutions, acquired Protección Anticorrosiva de Cuautitlán, S.A. de C.V., a leading manufacturer and distributor of construction waterproofing products in Mexico. The transaction terms were not disclosed



Mexico


**Citrofrut, S.A.P.I. de C.V.**

A leading agribusiness company in the Americas,

Subsidiary of Grupo Proeza, S.A.P.I. de C.V.

has sold its Brazilian tropical fruits division


to



Brazil

**Gold X Alimentos, Ltda.**

*The undersigned acted as exclusive financial advisor to Citrofrut, S.A.P.I. de C.V.*



## FM&Co.'s Role In This Engagement

**Client:** Citrofrut, S.A.P.I. de C.V. ("Citrofrut") (Mexico)

**Client Objective:** Citrofrut wanted to divest its tropical fruits business in Brazil in order to focus more of its management's time on its citrus-related activities

**FM&Co. Assistance:** Fredericks Michael & Co. initiated this transaction and acted as exclusive financial advisor to Citrofrut on a multi-step engagement process which included managing a targeted, competitive-bid process, coordinating the due diligence process, transaction structuring, and assistance in obtaining regulatory approvals and in negotiations through closing of the transaction

**Deal Synopsis:** Citrofrut, S.A.P.I. de C.V., a Mexico-based A leading agribusiness company in the Americas, has sold its Brazilian tropical fruits division to Gold X Alimentos Ltda., a leading Brazil-based agricultural technology company that develops natural ingredients made from sugarcane



# Select Mexican Transactions

## Advisor to Sigma



the food division of



Mexico's leading industrial group

acquired



a branded processed meat business

from



the largest producer of turkey in the US



## Advisor to Bachoco



a leading North American multiprotein producer

has acquired



Puebla, Mexico

a producer, processor and distributor of beef, pork, and chicken



## Advisor to Santander



Madrid, Spain

through its consumer lending unit



Europe's leading consumer and auto loans company

acquired 85% of



Mexico City, Mexico

a leading consumer loan company



## Advisor to Derivados Forestales



a chemical and forests products company

has sold its ownership interests in **Paneles Ponderosa, S.A. de C.V.**

Mexico's leading manufacturer of particleboard and **Soquimex, S.A. de C.V.**

an affiliated chemical manufacturer to



Mexico's leading integrated wood products, containerboard and packaging company.



## Advisor to Grupo Gondi



Mexico City, Mexico

and



Atlanta, US

have formed the preeminent paper and packaging group in Mexico



## Advisor to ICA



Mexico City, Mexico (BMV and NYSE: ICA)

Mexico's leading infrastructure and construction company

has acquired



Maryland, US

a leading contractor for heavy highway, concrete frames, site development and commercial building projects



## Advisor to SAICA



a private Spanish company whose owners include the shareholders of



Zaragoza, Spain

Spain's leading manufacturer of corrugating medium has sold its majority interest in

**UNIPAK, S.A. de C.V.**  
Chapultepec, Mexico

an integrated manufacturer of linerboard, corrugating medium and corrugated board/boxes to

a private Mexican investor group



## Advisor to Copamex



Monterrey, Mexico

has sold its industrial sacks operations to



Vienna, Austria

the world's leading manufacturer of industrial sacks and a subsidiary of



Vienna, Austria





**Blake Davies**  
Chief Executive Officer

Mr. Davies is responsible for the firm's activities in Southern Europe and North America. He has two decades of experience advising companies in numerous industries including Food & Beverage, Consumer Products, Paper & Packaging, and Specialty Chemicals, among others.

Prior to joining Fredericks Michael, Mr. Davies worked at Nomura Securities and The Colgate Palmolive Company.

He holds an MBA from the American Graduate School of International Management (Thunderbird) and a BA in Finance from Stetson University. Mr. Davies is a shareholder in Fredericks Michael and is Chairman of the Board of Directors. He is fluent in Spanish and regularly advises clients on matters related to Spain and Latin America.



**Enrique Gaitan Maumejean**  
Managing Director, Americas

Mr. Gaitan advises Fredericks Michael's clients throughout Latin America, the U.S. and Southern Europe.

Prior to joining the firm, Mr. Gaitan was Chief Financial Officer at Marhnos, one of Mexico's most relevant Construction and Development Firms. Prior to Marhnos, Mr. Gaitan was an Associate at Dadoo & Asociados, a Mexico M&A Boutique, where he led several Cross-Border projects in industries including Food & Beverage, Consumer Goods, Financial Services, Health, Retailing and Construction Materials, among others. He also has experience serving on the Board of companies in Mexico and is a member of the Finance Executives Institute of Mexico (IMEF).

Mr. Gaitan holds an MBA from Stanford University and a BS in Mechanic-Electric Engineering from Universidad Nacional Autonoma de Mexico. He is a dual US/Mexico national.



**Mauricio Gojman**  
Executive Director

Mr. Gojman has over 20 years of experience in Investment Banking and Private Equity activities across Mexico, Latin America and the Caribbean.

Mr. Gojman has led several successful M&A projects in Paper & Packaging, Consumer Goods, Food and Beverages, Oil & Gas, Financial Services, and Industrials.

Prior to joining FM&Co., Mr. Gojman worked at Blue Equity, BroadSpan Capital and JPMorgan Chase. Mr. Gojman holds an MBA with High Distinction from the Harvard Business School and a BA/MA in International Economics and Finance from Brandeis University.

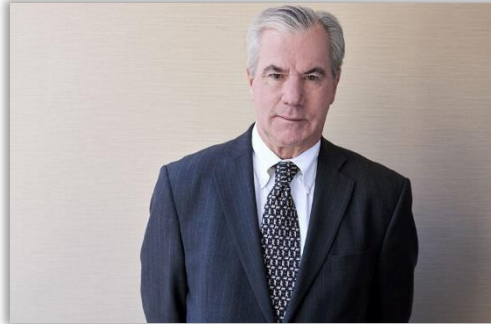
Mr. Gojman is both a US and Mexican national with language fluency in English, Spanish, and Portuguese.



**George P. Caraberis**

Board Member & Senior Managing Director

Mr. Caraberis joined Fredericks Michael in 1986 and is a significant shareholder, member of the Board of Directors and Chief Operating Officer. He is responsible for the firm's activities in Northern Europe. Mr. Caraberis has over three decades of experience advising multinational corporations, financial sponsors, and private and family-owned companies on mergers, acquisitions, divestitures, joint ventures and similar transactions. While advising companies primarily headquartered in the Nordic Region, he has also advised companies in Germany on transactions throughout Europe, the United States and Asia across numerous industrial sectors. In addition to his client advisory responsibilities, he is active in the firm's day to day operations. Mr. Caraberis is a Board member and past President of the Finnish American Chamber of Commerce and was named Knight, First Class, of the Order of the White Rose of Finland by the President of the Republic of Finland.



**Carey M. Hall**

Board Member & Senior Managing Director

Mr. Hall joined Fredericks Michael in 1999 following more than two decades at leading Wall Street investment banks where he was responsible for their corporate finance activities throughout the Americas. He is a significant shareholder and member of the Fredericks Michael board of directors and oversees the firm's activities in the Americas. He has 40 years of experience advising leading multinational corporations, private and/or family-owned enterprises and government entities on all continents – with particular emphasis in the Americas and Europe – as concerns financial strategy and initiatives related to institutional development and capitalization activities. These activities include mergers, acquisitions, divestitures, joint ventures and public or private capital raising of both debt and equity across multiple industries. Mr. Hall is bi-national, being a citizen of both the United States and Brazil, is fluent in multiple languages and enjoys board membership of both for and non-profit organizations.



**Massimo Brambilla**

Managing Director - Europe

Mr. Brambilla joined Fredericks Michael in 2007. He primarily advises Italian clients on their international transactions as well as foreign multinational clients on transactions related to the Italian market. He has extensive experience working on cross-border mergers, acquisitions, divestitures, privatizations and private placement transactions in industries including food, energy, utility, consumer goods, luxury goods, and business services. Mr. Brambilla is an Italian national and speaks English and Italian.







**Marcos Alonso Doerfler**  
Managing Director - Europe

Mr. Alonso, a Managing Director at FM&Co., advises Fredericks Michael clients throughout Southern Europe and has significant M&A experience in the United States, Europe, Asia and Latin America.

Prior to joining Fredericks Michael & Co. Mr. Alonso was Head of Corporate Development at Grupo Derivados Forestales, a leading manufacturer of specialty chemicals based in Barcelona, Spain. He also worked as an auditor at the Barcelona office of KPMG.

Mr. Alonso holds an MBA and BS in Business Administration from the ESADE Business School. He is a Spanish national and speaks Catalan, Spanish, German, and French.



**Alexander Robarts**  
Managing Director, Global Consumer

Mr. Robarts has over 25 years of experience in global food, beverage, and consumer goods, holding leadership positions on equity capital markets and institutional equity research teams at Citigroup, Santander, Safra and Merrill Lynch. He was ranked for 14 years in the Institutional Investor's annual research poll for consumer goods based on his C-level management relationships and his published thematic, industry, and stock reports.

He primarily advises companies in the US on their cross-border merger, acquisition, divestiture, and joint venture strategies, and has a subregional focus on Latin America. Mr. Robarts holds a Master's degree in International Business from Columbia University and is a US national. He has lived and/or worked in Brazil, Colombia, France and Spain, and speaks English, French, Portuguese and Spanish.



**Lassi Hämäläinen**  
Vice President

Mr. Hämäläinen joined Fredericks Michael & Co. in 2018 and services its clients in Northern Europe and the U.S. Mr. Hämäläinen has over 10 years' experience in advising clients in Finland and the Nordic countries in the areas of mergers, acquisitions, divestitures, capital market transactions, as well as financial advisory projects in a wide range of industry sectors including industrials, materials, consumer/retail, healthcare, and accommodation.

Mr. Hämäläinen has a Master's degree in Finance from Aalto University, Helsinki, Finland and is a Finnish national. He currently resides in New York City.

Over 100 years of collective experience in Food & Beverage, Consumer Products, Paper & Packaging, Specialty Chemicals, and M&A globally



**FREDERICKS  
MICHAEL & CO.**

New York

430 Park Avenue  
New York, NY 10022  
United States

London

67 Grosvenor Street  
London W1K 3JN  
United Kingdom

São Paulo

Av. Nove de Julho, 5617  
Cidade de São Paulo, SP  
Brazil

[www.fm-co.com](http://www.fm-co.com)