



Seale & Associates

FOREIGN DIRECT
INVESTMENTS

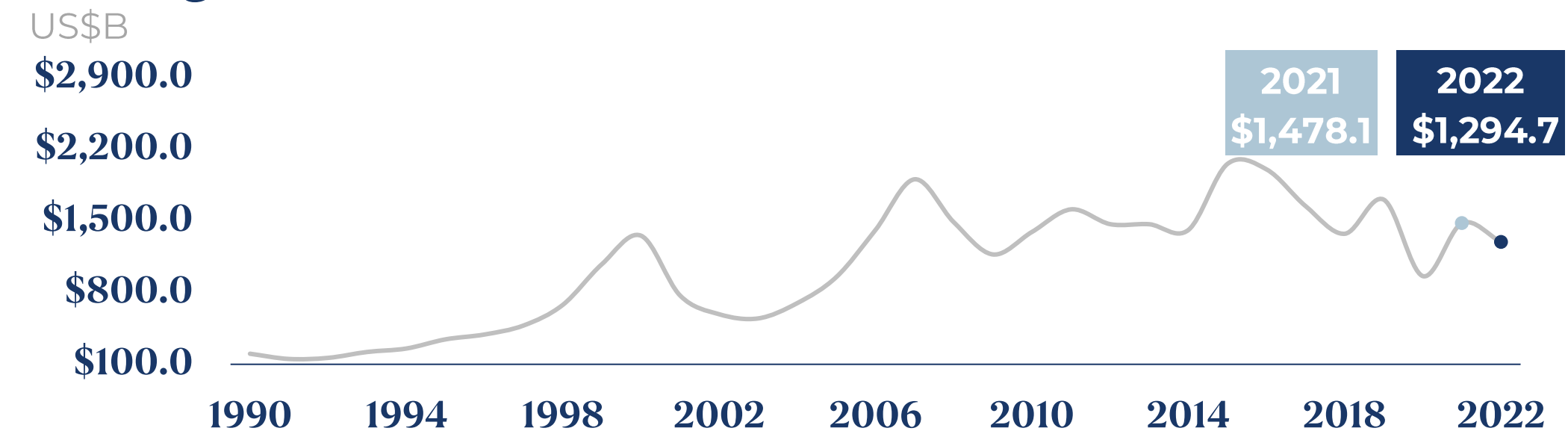
Mexico 2023

Foreign Direct Investment Worldwide

- Global foreign direct investment (FDI) fell by 12.4% in 2022 to US\$1.3T due to overlapping global crises: the war in Ukraine, high food and energy prices, and soaring public debt.
- Developed economies experienced a significant decline in FDI by 36.7% to US\$378.0B, while developing countries saw a 4.0% increase, albeit unevenly distributed.
- Tighter financing conditions, rising interest rates, and uncertainty in capital markets have had a significant impact on international project finance and cross-border mergers and acquisitions (M&A).
- Industries facing supply chain challenges, such as electronics, semiconductors, automotive, and machinery, witnessed a surge in investment projects, while digital economy sectors experienced slower investment growth.
- Investment in renewable energy generation, including solar and wind, grew by 8.0% in 2022, compared to the 50.0% growth recorded in 2021. Notably, battery manufacturing projects tripled to over US\$100.0B.
- Major oil companies are gradually divesting fossil fuel assets, selling at a rate of about US\$15.0B per year to unlisted private equity firms and smaller operators with lower disclosure requirements.
- Responsible asset management necessitates the exploration of new dealmaking models.

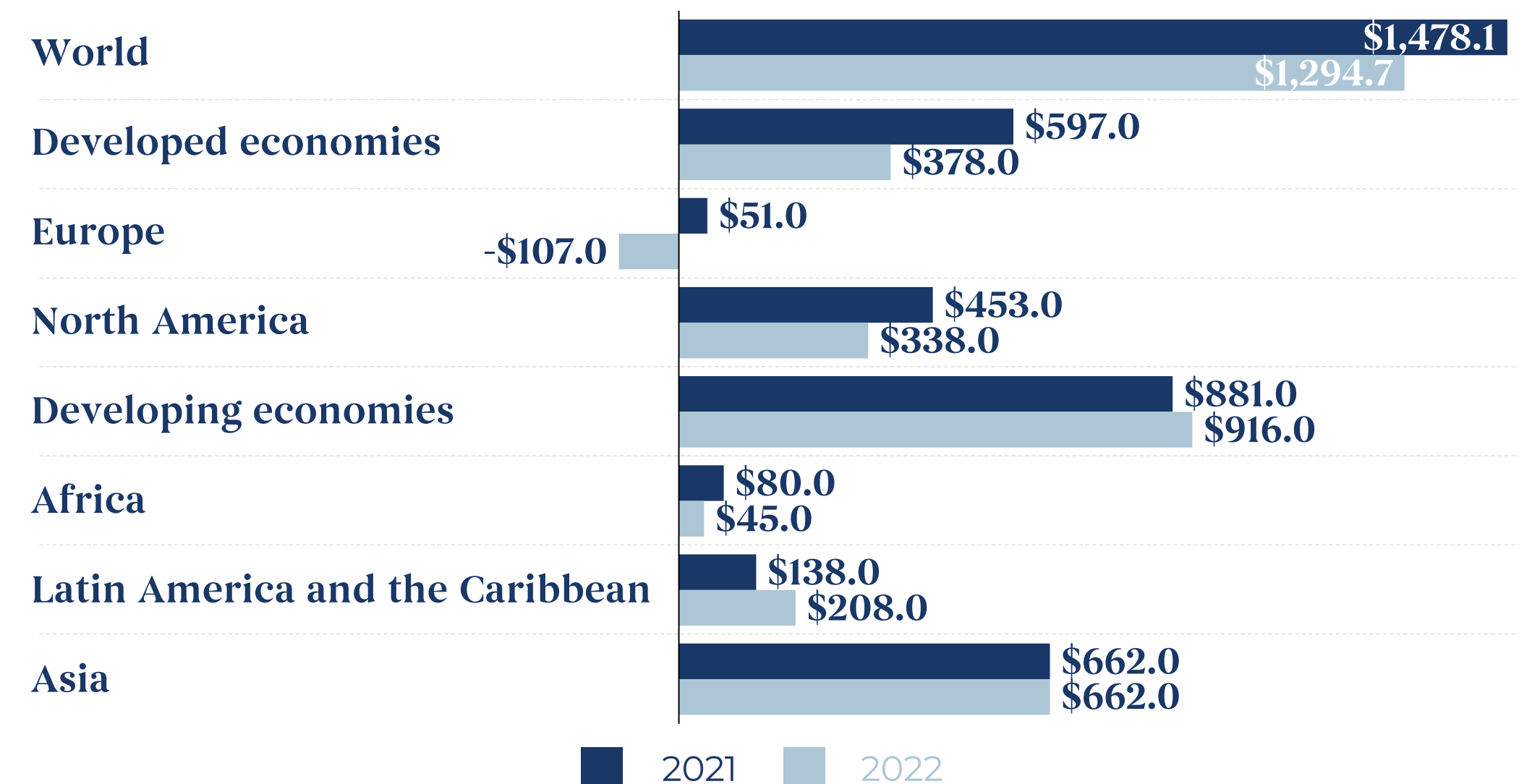
Source: UNCTAD World Investment Report 2023

Foreign Direct Investment from 1990 to 2022



Global Foreign Direct Investment Fell by 12.4% in 2022

By subregion, US\$B

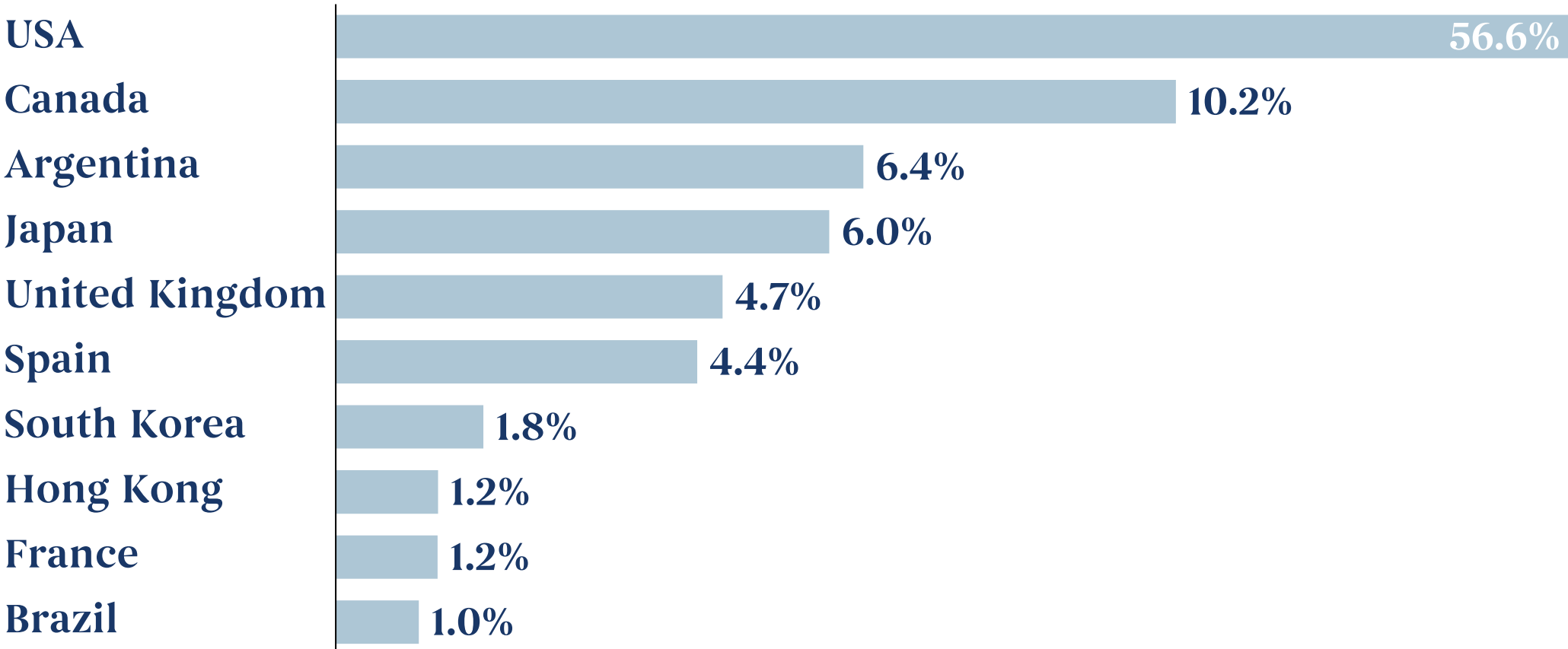


Foreign Direct Investment in Mexico

- Mexico is the world's eleventh-largest recipient of foreign direct investment and was the second-largest recipient in Central America in 2022.
- **FDI inflows to Mexico experienced a significant 16.2% increase in 2022, reaching US\$36.2B.**
- Mexico solidified its position as the leading destination for greenfield investments, witnessing substantial growth with over 27 projects.
- The United States, Canada, Argentina, Japan, and the United Kingdom were the main sources of foreign investment in Mexico during 2022.
- Major sectors attracting foreign investment include manufacturing (particularly the automotive sector), financial and insurance services, transport, retail and wholesale trade, mining and quarrying, and communications.
- Mexico's membership in USMCA, OECD, G20, and the Pacific Alliance contributes to its attractiveness for FDI.
- Mexico's strategic location, large domestic market, diverse natural resources, relatively well-qualified workforce, and diversified economy are additional factors attracting FDI.
- The regions that received the highest amount of FDI in Mexico were Mexico City, Nuevo León, State of Mexico, Jalisco, and Baja California.
- In 2022 Mexico launched a business center to help investors explore investment opportunities within the country.

Source: UNCTAD World Investment Report 2023, Secretaría de Economía 2023

A Look at the Top 10 Contributors During 2022



Global Foreign Direct Investment During 2022

By state, US\$B

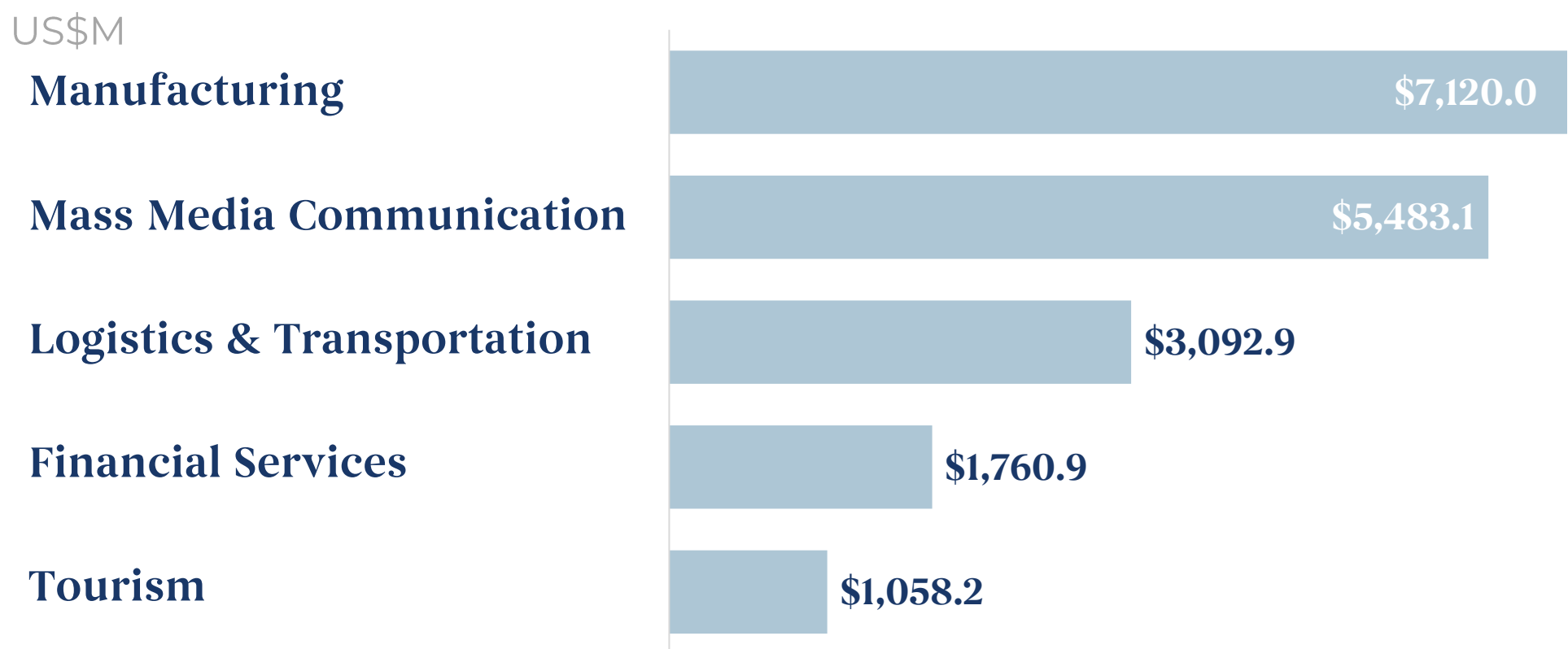


Disclaimer: The information used for the charts in this slide was provided by the Secretaría de Economía which includes confidential investments and transactions.

Foreign Direct Investment from the US to Mexico

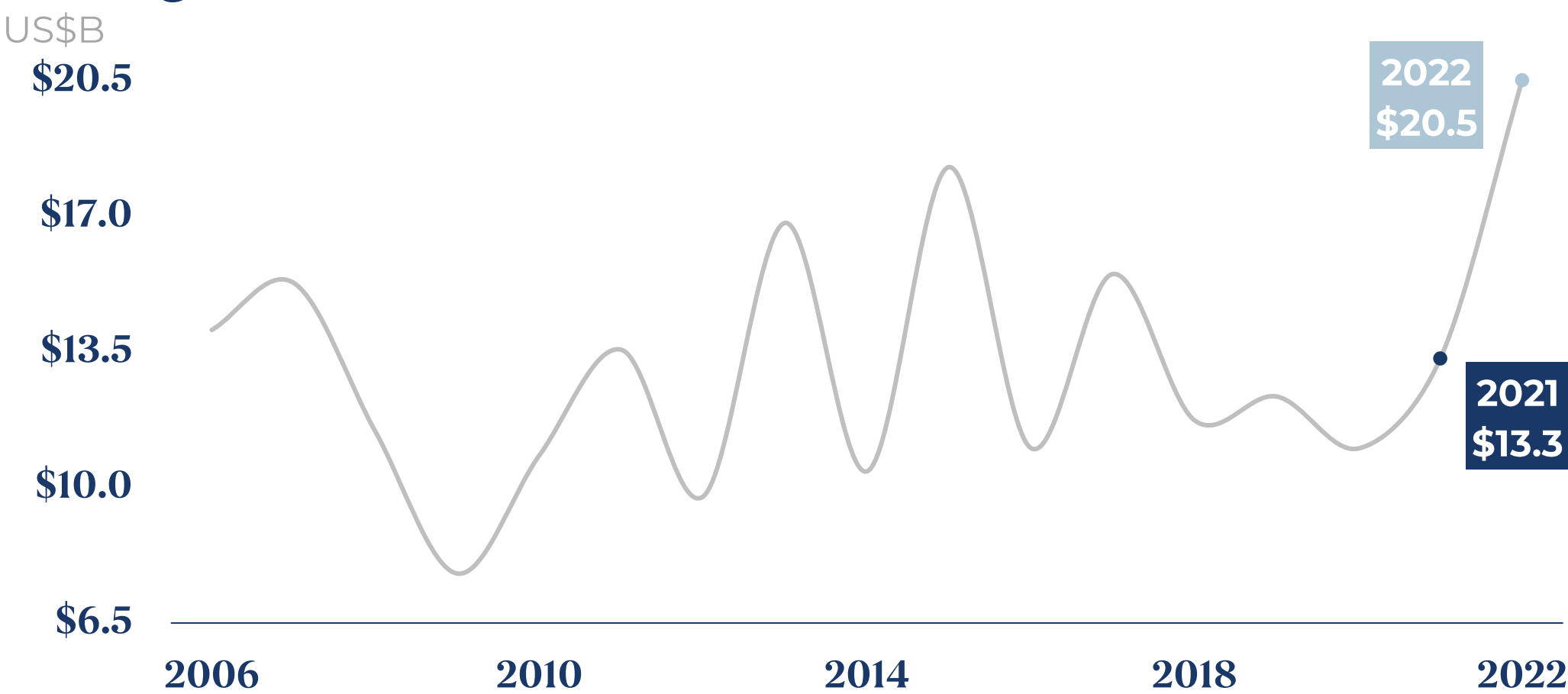
- **FDI from the United States to Mexico reached a record high of US\$20.5B in 2022.**
- The increase in FDI was driven by several factors, including the strong economic performance of both countries and the Trade Agreement.
- The USMCA, which went into effect in July 2020, is expected to further boost FDI between the two countries.
- The agreement provides for increased investment protections and simplified customs procedures.
- It also includes provisions that are designed to promote the development of the manufacturing sectors, specifically the automotive industry in Mexico.
- Televisa merger with Univision led to a peak in FDI in the Mass Media Communications sector.

Top 5 Sectors Attracting FDI in 2022



Source: UNCTAD World Investment Report 2023, Secretaría de Economía 2023

Foreign Direct Investment from 1990 to 2022



Foreign Direct Investment by State During 2022



Disclaimer: The information used for the charts in this slide was provided by the Secretaría de Economía which includes confidential investments and transactions.

Top Investments from the US During 2022

Target			Buyer/Investor		Seller	Financial Data	
Name	Description	Industry	Name	Country	Name	Size (US\$M)	% Acquired
 GRUPO Televisa	Operates as a multimedia mass media and entertainment company	Media and Entertainment	 UNIVISION COMMUNICATIONS INC.	USA	-	\$4,800.0	ND
 GRUPO GONDI	Produces paper, corrugated cardboard boxes and solid fiber containers	Containers & Packaging	 WestRock	USA	-	\$1,574.4	67.7%
 Grupo AEROMEXICO	Provides commercial aviation services for passengers and cargo	Logistics & Transportation	APOLLO	USA	-	\$1,500.0	22.4%
 Ricolino	Produces confectionery products	Food and Beverages	 Mondelēz International	USA	 GRUPO BIMBO ALIMENTAMOS UN MUNDO MEJOR	\$1,300.0	100.0%
 VITROMEX MI ESPACIO, MI MUNDO	Manufactures ceramic products, offering wall and floor tiles and sanitary ware	Building Products	 MOHAWK INDUSTRIES, INC.	USA	 GIS	\$293.0	100.0%
 Justo	Owens and operates an online supermarket chain	Consumer Discretionary Distribution & Retail	Multiple Investors ¹	Multiple	-	\$152.0	ND
 CLARA	Provides financial business management solutions	Financials	Goldman Sachs	USA	-	\$150.0	ND
 stori	Provides digital financial services	Financials	Multiple Investors ²	Multiple	-	\$150.0	ND
 nowports	Manages an automated digital freight forwarder	Logistics & Transportation	Multiple Investors ³	Multiple	-	\$150.0	ND
 99 minutos.com	Provides last-mile delivery services for ecommerce stores	Logistics & Transportation	 OAK HC/FT	USA	-	\$82.0	ND

Source: Capital IQ, Merger Market, TTR, Press Releases




ND: Not Disclosed

1: Investors from the US: Foundation Capital, General Atlantic, Quiet Capital, Tarsadia Capital

2: Investors from the US: General Catalyst, GGV Capital, Goodwater Capital, Lightspeed Ventures

3: Investors from the US: Base10 Partners, Broadhaven Capital Partners, Foundation Capital, SBLA Advisers, SoftBank Latin America Fund, Soma Capital, Tiger Global

Top Investments from the US During H1 2023

Target			Buyer/Investor		Seller	Financial Data	
Name	Description	Industry	Name	Country	Name	Size (US\$M)	% Acquired
Tesla Manufacturing Plant Mexico	Manufactures electric vehicles	Industrials		USA	-	\$5,000.0	100.0%
	Brews and sells beers and cider	Food and Beverages	Bill Gates	USA		\$938.8	3.8%
Grupo SILMEX	Manufactures generic and private label pharmaceutical products	Pharmaceuticals		USA	-	\$750.0	100.0%
	Provides connectivity solutions with a fiber optic network	Telecommunication Services		USA		\$252.5	100.0%
	Manufactures and commercializes flat and non-flat steel products	Steel		USA	Grupo Acerero del Norte S.A. de C.V.	\$200.0	ND
Terrain in San Luis Potosí	Terrain in San Luis Potosí	Real Estate		USA	Gobierno del Estado de San Luis Potosí	\$112.0	100.0%
	Provides businesses with digital financial services	Financials	Multiple Investors ¹	Multiple	-	\$65.0	ND
	Provides financial business management solutions	Financials	Multiple Investors ²	Multiple	-	\$60.0	ND
Land, buildings and equipment of a facility	Land, buildings and equipment of a facility in Matamoros, Mexico	Real Estate	PLASKOLITE	USA		\$19.0	100.0%
Offshore labour supply operations	Offshore labour supply operations in the Gulf of Mexico	Industrials		USA		\$17.0	100.0%

Source: Capital IQ, Merger Market, TTR, Press Releases

ND: Not Disclosed

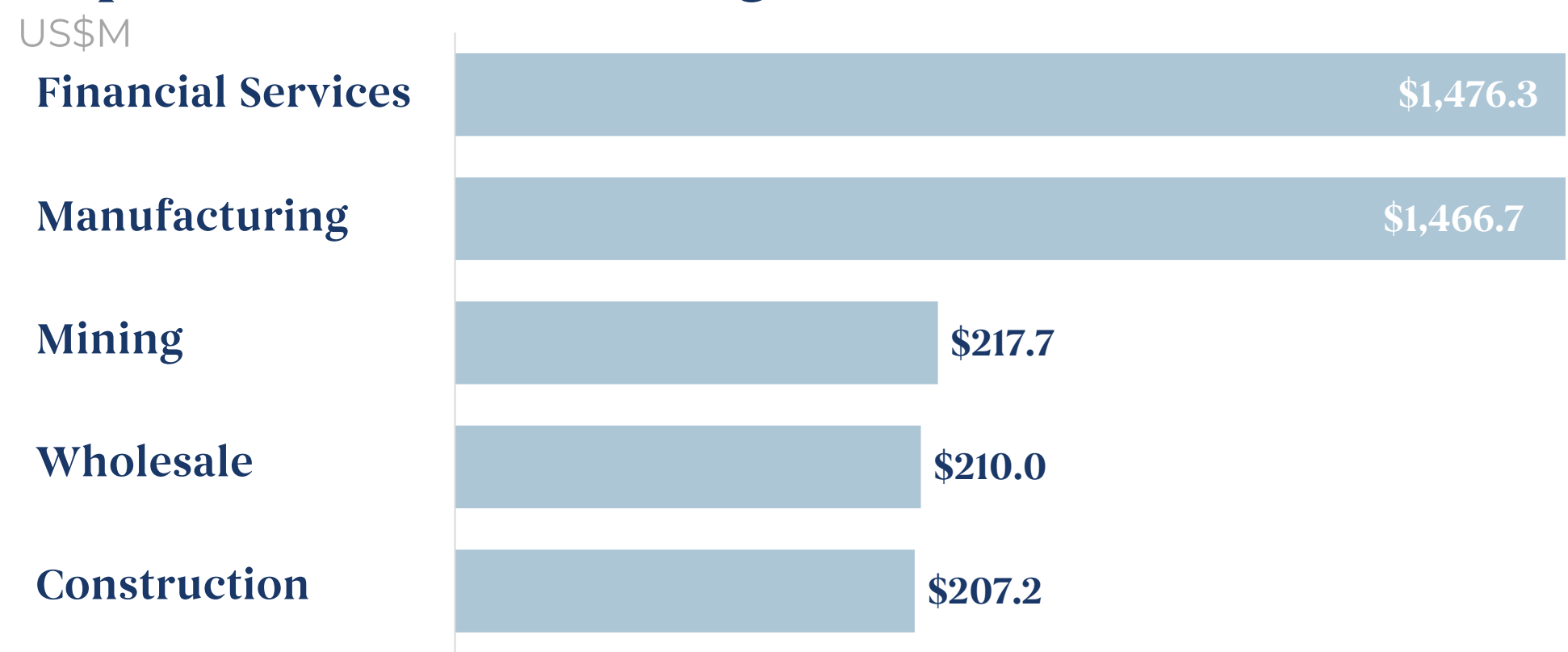
1: Investors from the US: Broom Ventures, FoundersX Ventures, Niya Partners, Pioneer Fund, Tribe Capital, True Capital

2: Investors from the US: aCrew Capital, Alter Global, Citi Ventures, Coatue, Commerce Ventures, Endeavor, Ethos Technologies, Fluent Ventures, General Catalyst, GGV Capital, Goanna Capital, Lago Capital

Foreign Direct Investment from Europe to Mexico

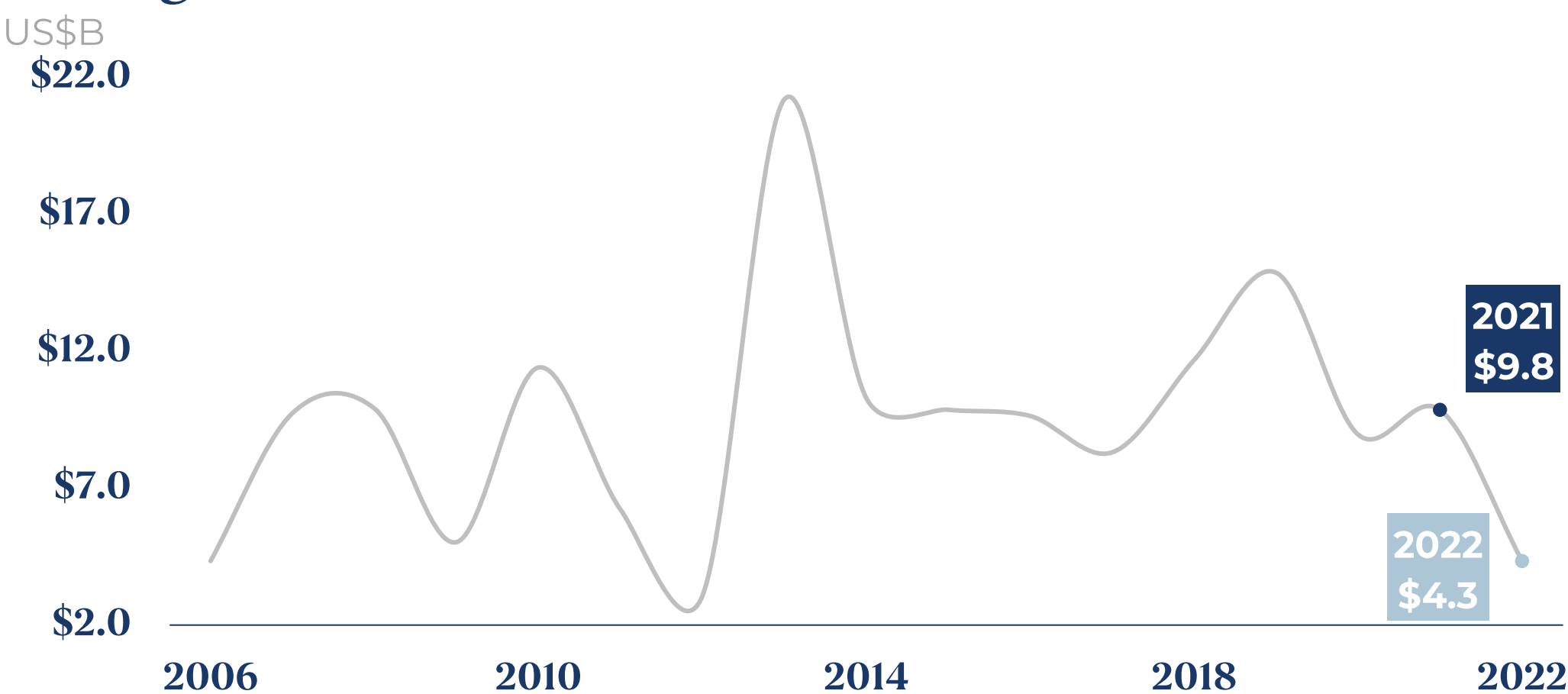
- FDI from Europe to Mexico reached US\$4.3B in 2022, a decrease of US\$5.5B from 2021, mainly driven by some factors, including the COVID-19 pandemic and the global economic slowdown.
- **Despite the decrease in 2022, there was a significant recovery in FDI from Europe to Mexico during Q1 2023, reaching a record of US\$8.3B during Q1 2023, which has led to a better year for FDI from Europe to Mexico in 2023.**
- FDI during 2022 was primarily driven by the financial services and manufacturing industries, with the financial services industry receiving \$1.5B in FDI and manufacturing receiving \$1.5B in FDI.
- Spain, France, and Italy were the top three contributors to FDI in Mexico in 2022.

Top 5 Sectors Attracting FDI in 2022



Source: UNCTAD World Investment Report 2023, Secretaría de Economía 2023

Foreign Direct Investment from 1990 to 2022








Foreign Direct Investment by State during 2022



Disclaimer: The information used for the charts in this slide was provided by the Secretaría de Economía which includes confidential investments and transactions.

Top Investments from Europe During 2022

Target			Buyer/Investor		Seller	Financial Data	
Name	Description	Industry	Name	Country	Name	Size (US\$M)	% Acquired
	Holds concessions to develop, operate, and maintain airports in Mexico	Logistics & Transportation		FRA	-	\$1,170.0	100.0%
	Manufactures and markets agricultural chemical products	Chemicals		POR	-	\$700.0	100.0%
Terminal Química Puerto México	Develops and operates an ethane import terminal project	Oil and Gas		NLD	-	\$400.0	50.0%
	Processes hot rolled, cold rolled, grain oriented, and non-oriented steel products	Steel		DEU	-	\$340.0	100.0%
	Operates as a distributor for automation and electrical industries	Industrial Automation		GBR	-	\$275.0	100.0%
	Owns and operates an online supermarket chain	Consumer Staples Distribution & Retail	Multiple Investors ¹	Multiple	-	\$152.0	ND
	Designs and develops a digital freight forwarder platform	Logistics & Transportation	Multiple Investors ²	Multiple	-	\$150.0	13.6%
	Offers digital credit cards to retail consumers	Financials	Multiple Investors	Multiple	-	\$90.0	ND
	Develops and manufactures high-quality enzymes for food and beverages	Biotechnology		IRL	-	\$70.4	100.0%
Hilton Guadalajara Midtown Hotel	Operates a hotel	Hotels, Restaurants & Leisure		ESP		\$59.0	100.0%

Source: Capital IQ, Merger Market, TTR, Press Releases

ND: Not Disclosed

1: Investors from Europe: Citius

2: Investors from Europe: MSM Global

Top Investments from Europe During H1 2023

Target			Buyer/Investor		Seller	Financial Data	
Name	Description	Industry	Name	Country	Name	Size (US\$M)	% Acquired
 CLARA	Provides financial business management solutions	Financials	Multiple Investors ¹	Multiple	-	\$60.0	ND
 CAMPOS BORQUEZ	Grows and distributes premium organic superfoods globally	Food and Beverages	 responsAbility	CHE	-	\$25.0	ND
 Quinio	Acquires and builds e-commerce brands	Financials	Multiple Investors	Multiple	-	\$20.0	ND
 beak	Develops and operates an application that enables users to consume books in audio format	IT	Multiple Investors	Multiple	-	\$13.0	ND
 Clivi	Operates a digital clinic intended to improve the treatment of diabetes	Healthcare	Multiple Investors	Multiple	-	\$10.0	ND
La Preciosa Silver Project	Comprises a development stage mineral property	Metals and Mining	 TRIDENT ROYALTIES PLC	GBR	 AVINO SILVER & GOLD MINES LTD.	\$8.0	ND
 vexi	Provides credit lending services	Financials	Multiple Investors ²	Multiple	-	\$8.0	ND
 pulppo	Manages a property technology platform	Real Estate	Multiple Investors ³	Multiple	-	\$5.0	ND
 ASA <small>Tecnología Impermeable</small>	Manufactures waterproofing, additives, and coatings	Building Products	 HOLCIM	CHE	-	ND	100.0%

Source: Capital IQ, Merger Market, TTR, Press Releases

ND: Not Disclosed

1: Investors from Europe: Bayhouse Capital, Citius, Picus Capital GmbH

2: Investors from Europe: Noa Capital Partners

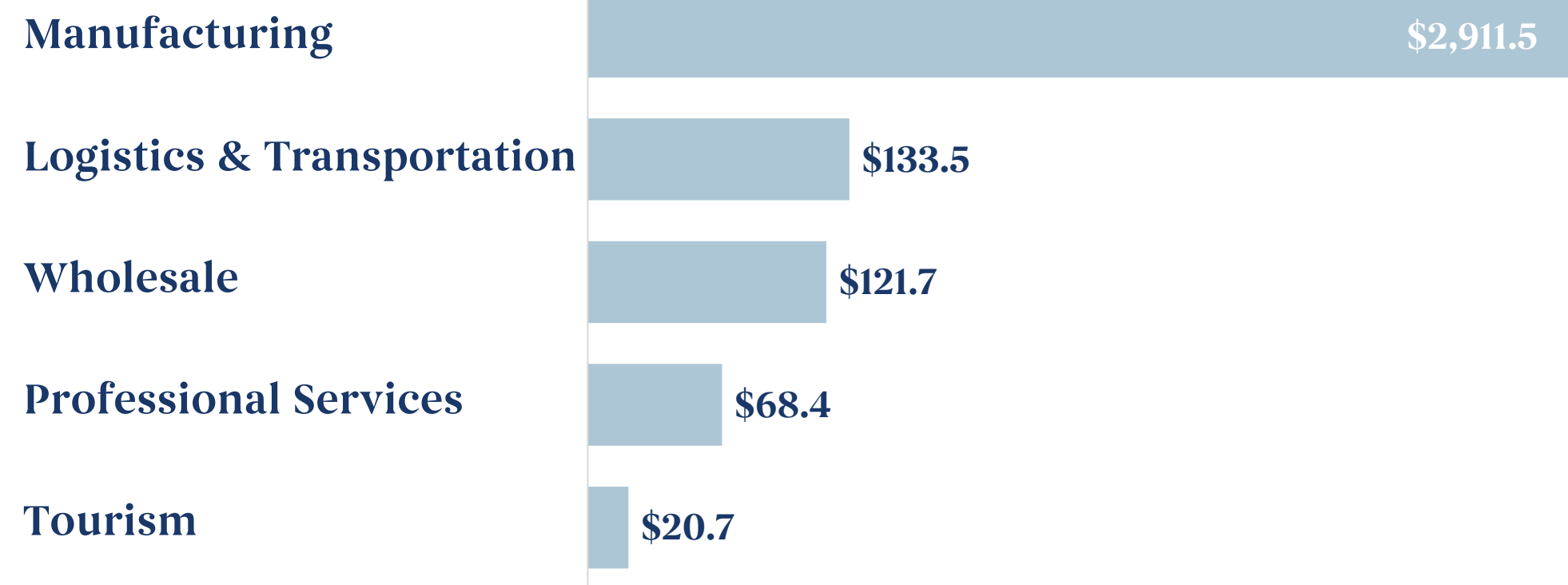
3: Investors from Europe: Boost Capital

Foreign Direct Investment from Asia to Mexico

- **Foreign direct investment (FDI) from Asia to Mexico reached a record high of US\$3.7B in 2022, representing an increase of 39.3% from 2021.**
- The increase in FDI was driven by several factors, including the global economic recovery and the increasing appetite for nearshoring.
- It is expected that nearshoring will continue to boost investment in Mexico.
- In 2022, investments in the manufacturing sector accounted for a significant portion of FDI from Asia to Mexico, totaling US\$2.9B or 89.7% of the total inflows.
- During 2022, Japan, South Korea, and Hong Kong emerged as the frontrunners in foreign direct investment in Mexico.
- Guanajuato, Mexico City, Nuevo León, Baja California, and Aguascalientes were the primary regions in Mexico that received FDI from Asia.

Top 5 Sectors Attracting FDI in 2022

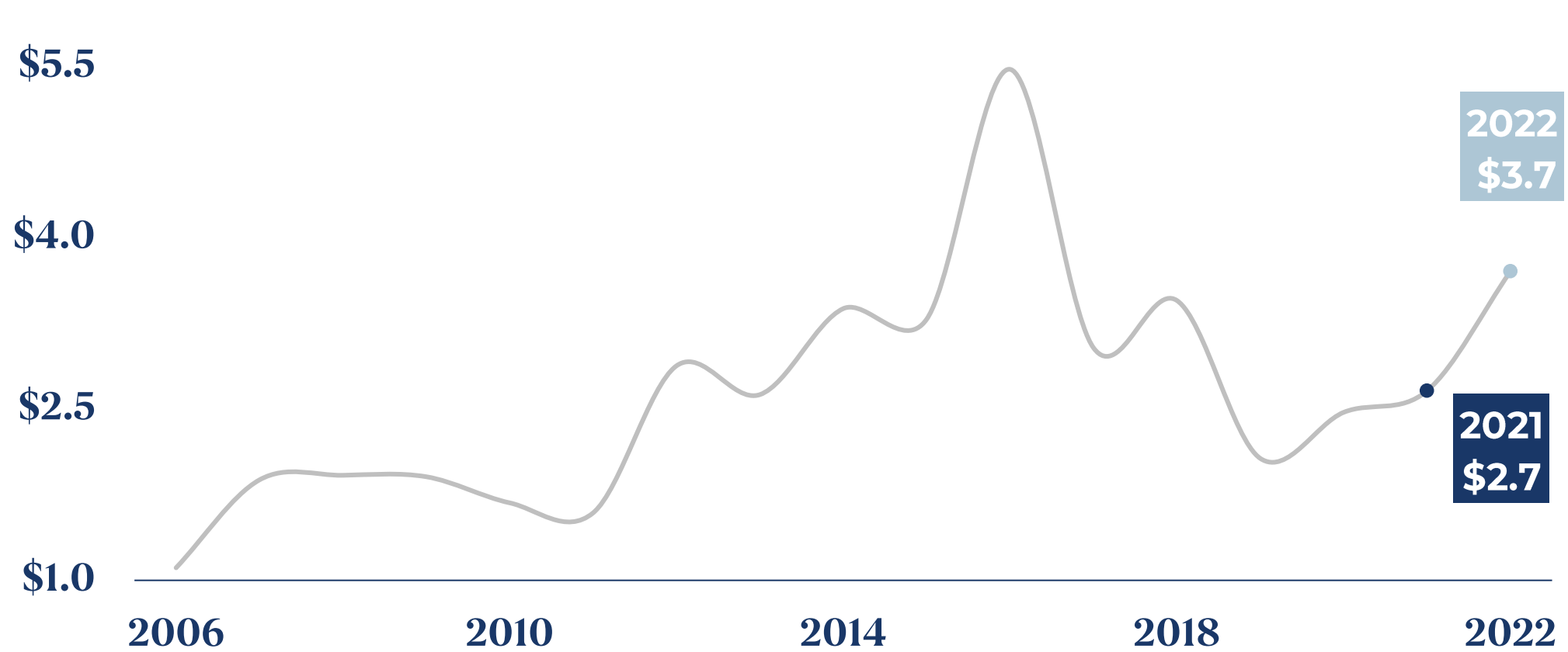
US\$M



Source: UNCTAD World Investment Report 2023, Secretaría de Economía 2023

Foreign Direct Investment from 1990 to 2022

US\$B












Foreign Direct Investment by State during 2022

By state, US\$B



Disclaimer: The information used for the charts in this slide was provided by the Secretaría de Economía which includes confidential investments and transactions.

Top Investments from Asia to Mexico During 2022

Target			Buyer/Investor		Seller	Financial Data	
Name	Description	Industry	Name	Country	Name	Size (US\$M)	% Acquired
PCE Technology de Juarez S.A. de C.V.	Manufactures computer hardware	Industrials	ECMMS Precision Singapore PTE. Ltd.	SGP	-	\$361.0	84.5%
 stori	Provides digital financial services	Financials	Multiple Investors ¹	Multiple	-	\$150.0	ND
 nowports	Manages an automated digital freight forwarder	Logistics & Transportation	Multiple Investors ²	Multiple	-	\$150.0	ND
	Manages a public transportation system	Logistics & Transportation		ARE	-	\$82.0	ND
 Mendel	Operates an expense management software	Financials	Multiple Investors	Multiple	-	\$60.0	ND
Norman Mexico Company Limited	Manufactures and distributes window coverings and related components	Building Products	 NienMade	TWN	-	\$30.0	ND
 arrenda ¹	Provides financing and payment technologies	Financials	Multiple Investors	Multiple	-	\$26.5	ND
 NDRAFTEA	Operates a fantasy sports league platform	Casinos and Gaming	Multiple Investors	Multiple	-	\$20.0	ND
 kolors	Provides comfortable and affordable intercity transportation	Logistics & Transportation	Multiple Investors	Multiple	-	\$20.0	ND
Pegatron Mexico, S.A. De C.V.	Manufactures electronic equipment, components, and accessories	IT	ASUS Investment Co., Ltd.	TWN	-	\$15.1	ND

Source: Capital IQ

ND: Not Disclosed

1: Investors from Asia: Bertelsmann Management, GIC Private Limited, Vision Plus Capital

2: Investors from Asia: Tencent

Top Investments from Asia During H1 2023

Target			Buyer/Investor		Seller	Financial Data	
Name	Description	Industry	Name	Country	Name	Size (US\$M)	% Acquired
 kapital	Provides businesses with digital financial services	Financials	Multiple Investors ¹	Multiple	-	\$65.0	ND
 CLARA	Provides financial business management solutions	Financials	Multiple Investors ²	Multiple	-	\$60.0	ND
Xinquan Mexico Automotive Trim, S. de R.L. de C.V.	Researches, designs, develops, manufactures, and sales automotive components	Automotive	 XINQUAN	CHN	-	\$50.0	ND
Galactic Holdings	Provides a platform to carry out transactions with cryptocurrencies	Financials	Multiple Investors	Multiple	-	\$10.0	ND
 vexi	Provides credit lending services	Financials	Multiple Investors ³	Multiple	-	\$8.0	13.6%
 Ridian	Designs and develops a blockchain investment platform	Financials	Multiple Investors	Multiple	-	\$6.2	51.0%
 pulppo	Manages a property technology platform	IT	Multiple Investors ⁴	Multiple	-	\$5.0	ND
 SCAPE	Provides massage and facial services at home through the use of an application	Consumer Discretionary	Multiple Investors	Multiple	-	\$1.3	ND

Source: Capital IQ

ND: Not Disclosed

1: Investors from Asia: MyAsiaVC

2: Investors from Asia: DST Global

3: Investors from Asia: Magma Partners

4: Investors from Asia: DAALVentures

FDI in Mexico: A Growing Opportunity

Mexico has emerged as a top destination for Foreign Direct Investment (FDI), with its strategic location, thriving manufacturing sector, and investor-friendly policies. The country's FDI has been on a remarkable upward trajectory, attracting global giants looking to diversify their supply chains. Over 400 American companies have already set their sights on relocating from Asia to Mexico, a testament to the nation's unrivaled potential. Mexico's commitment to economic reforms and infrastructure development creates a stable investment climate, ensuring high returns for visionary investors. Stable regulations, a prudent fiscal framework, and a healthy balance of payments boost investor confidence, driving capital inflows and a strong Mexican peso, which remains among the top-performing emerging market currencies this year.

The rising trend of FDI in Mexico is no mere coincidence; it reflects the country's rapid industrialization and young, skilled workforce. Mexico's geographical proximity to the United States and access to lucrative markets make it an ideal hub for export-oriented businesses. Furthermore, the country's membership in numerous free trade agreements grants investors preferential access to over 50 countries. With a proactive approach towards technology adoption and innovation, Mexico continues to attract investment across various industries.

Source: UNCTAD World Investment Report 2023, Secretaría de Economía 2023, Northern Trust: Mexico Is In A Good Position

Factors that Make Mexico a Great Place to Invest

**Strategic Location**

Mexico's proximity to Canada and the United States makes it an attractive destination for FDI

**Large and Growing Market**

Mexico's 120+ million population and booming middle class drive high demand for goods and services

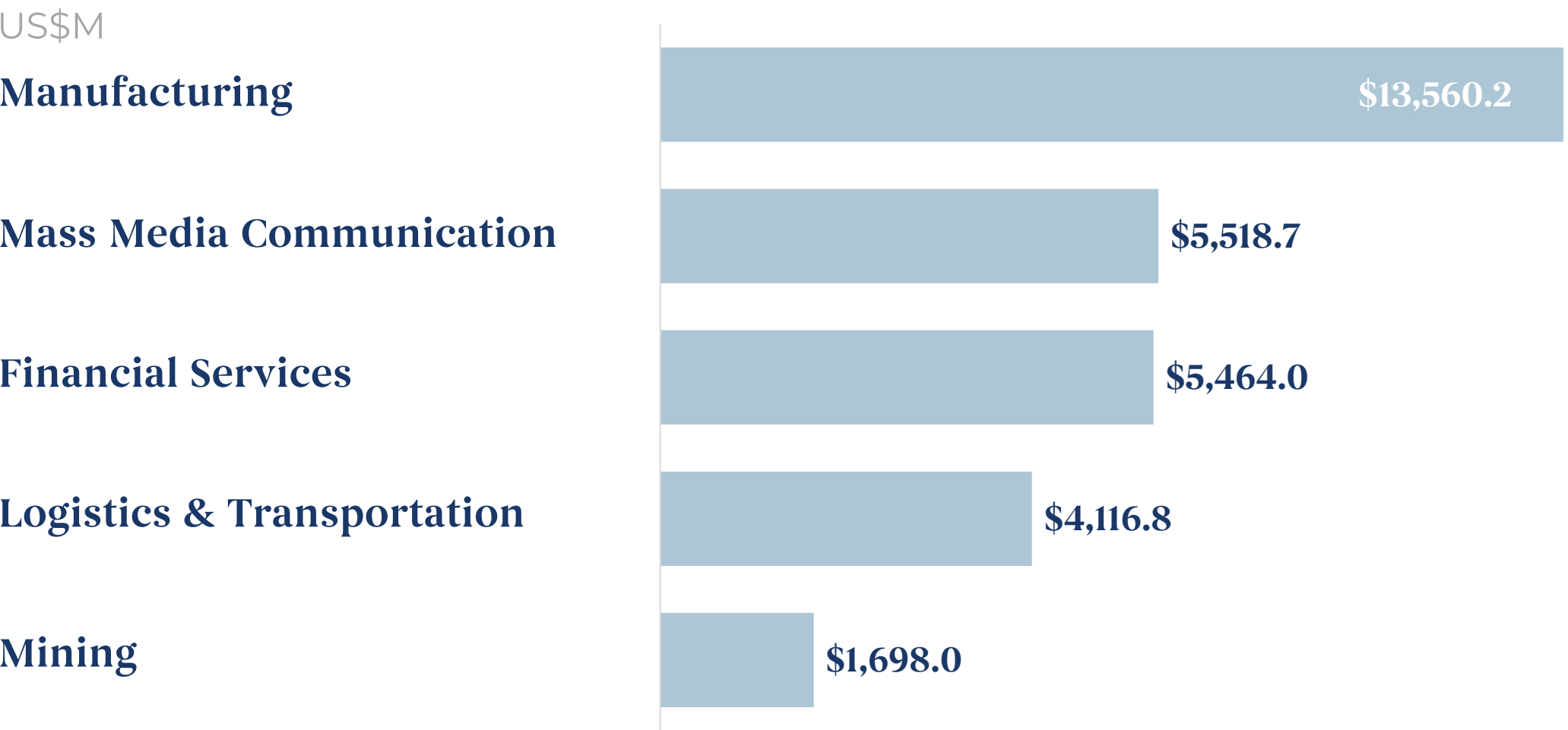
**Low Labor Costs**

Mexico has a low-cost workforce, which can save businesses money on labor costs

**Free Trade Agreements**

Mexico's free trade agreements provide businesses access to a large and growing consumer market

Top 5 Sectors Attracting FDI in 2022



Disclaimer: The information used for the charts in this slide was provided by the Secretaría de Economía which includes confidential investments and transactions.



Our New Office in Monterrey!

We are happy to announce the inauguration of our new office in Monterrey, Nuevo Leon. This is an exciting milestone for us as we expand our brand and presence in Latin America. Monterrey holds a special place for us at Seale & Associates, as it is where our journey into Mexico began and where some of our earliest partnerships are. It is also the city where we celebrated, alongside our biggest local champions and friends, our 20-year anniversary back in September of 2019.

Our stronghold in “la Sultana del Norte” also makes us uniquely qualified to help our clients take advantage of the many opportunities in the region that the nearshoring phenomenon offers. ([For more information on nearshoring see here an article written by our Managing Director, Carlos Hernandez.](#))

As we look ahead for more ways to collaborate and partner with businesses and companies in the area, we would like to thank all our clients, along with all our current and former colleagues, that have supported us since the beginning in 1999.

Representative Global Engagements

 <i>has acquired</i> 	 <i>has acquired</i> 	 <i>has sold</i>  <i>to</i> 	 <i>has sold</i> Triumph Air Repair & Triumph Engines businesses <i>to</i> 	 <i>has acquired</i>  <i>from</i> 	 <i>has partnered with</i>  <i>a company backed by</i>  	 <i>has acquired</i> 	 <i>has sold the North American guarding business of</i>  <i>to</i> 	 <i>has sold</i>  <i>to</i> 	 <i>has sold</i>  <i>to</i> 	 <i>a subsidiary of</i>  <i>has sold</i>  <i>to</i> 
 <i>has sold</i>  <i>to</i> Daives Baird Pty Ltd <i>a sister company of</i> 	 <i>has acquired</i> 	 <i>has sold</i>  <i>to</i> Code Flower Inc.	 <i>has sold its</i> GRACE Membranes Business  <i>a subsidiary of</i> 	 <i>has sold</i>  <i>and</i>  <i>to</i> 	 <i>has sold a controlling interest to</i> 	 <i>has been acquired by</i> 	 <i>has sold</i> SENSI CARE and ALOE VESTA <i>to</i> 	 <i>has sold their</i> Sanitaryware Manufacturing Plant <i>to</i> 	 <i>has acquired</i> Multiple snack companies   	 <i>has sold</i>  <i>to</i> 
 <i>has sold</i>  <i>to</i> 	 <i>has been acquired by</i> 	 <i>has sold</i> Oxbow Sulphur, Inc. <i>to</i> 	 <i>has been acquired by</i> 	 <i>has sold</i>  <i>to</i> KPAC Holdings, Inc. <i>A private investment group</i>	 <i>has acquired</i> 	 <i>has acquired</i> 	 <i>has acquired</i> 	 <i>has sold its</i> SYCAR Resins business <i>to</i> 	 <i>has sold</i> NEGRI BOSSI™ <i>to</i> Private Equity Partners	 <i>has been acquired by</i> 
 <i>has sold</i>  <i>to</i> 	 <i>has acquired</i>  KFC Costa Rica <i>from</i> 	 <i>has been acquired by</i> 	 <i>has sold</i>  <i>to</i> 	 <i>has sold the</i> Films Business of  <i>to</i> 	 <i>has been acquired by</i> 	 <i>has sold</i>  <i>to</i> 	 <i>Oxbow's Senior Subordinated debt issued by</i>  <i>was refinanced by</i> 	 <i>has sold</i>  <i>to</i> 	 <i>has acquired</i>  <i>from</i> THE MOORE COMPANY	 <i>sold its concrete pumping business to</i> 

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

Advisor to Leading Companies Worldwide

FEMSA

GIS

CEMEX

ARCA CONTINENTAL

Honeywell

LOCKHEED MARTIN

FOQUE
GRUPO FOMENTO QUERETANO

GRACE

United Technologies



AMERICAN STANDARD COMPANIES

Celanese

Standex



Hertz



ITT

CHEN

tyco

GRUPO TAMPICO

Contact



Headquarters

901 N. Glebe Road
5th Floor
Arlington, Virginia
+1 (703) 294 6770



Latin America Office

Av. Javier Barros Sierra 495
3rd Floor
Park Plaza III
Mexico City, Mexico



Monterrey Office

Av. Lázaro Cárdenas 2225
3rd Floor
San Pedro Garza García, N.L.

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

© Seale & Associates

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

Creative Solutions. Trusted Advice.

For over 25 years, Seale & Associates has served leading public and private companies from around the world and operating in a broad range of industries with a high level of quality, integrity and independence while presenting innovative ideas and trusted solutions to address their most complex dealings.

SERVICES AND SOLUTIONS

25

YEARS OF EXPERIENCE

\$50B+

TRANSACTIONS
GLOBALLY

Mergers & Acquisitions

Divestitures

Joint Ventures / Alliances

Recapitalizations

Due Diligence / Support

Expert Witness Testimony

Corporate Finance Advisory

Strategy Consulting

Trusted Advisor to Leading Companies Worldwide

We have worked repeatedly with many of the most well-known companies in the world...



...as well as with reputable funds, family-offices and privately held companies.





Seale & Associates

Creative Solutions. Trusted Advice.