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**Y**ou already had extensive experience in the financial sector working in international banks.

**What led you to start a business?**

The idea of founding the company did not arise from a specific "spark" but was something I matured over time, patiently developing. Before starting the firm, I worked for 18 years in international banks, gaining a lot of experience. I traveled across the region and the world, interacting with various players in the financial and business sectors, diligently fulfilling my responsibilities with the banks. Over time, one begins to see what aspects of finance they enjoy the most. In my case, I worked in corporate finance (*corporate & investment banking*), gaining experiences in these processes, as well as in the capital market (*wealth management*). My DNA was always more aligned with corporate finance. Throughout those years, I observed all the agents involved in M&A processes (Note: M&A stands for mergers and acquisitions), as engaging in this requires connections with investors and companies. I had witnessed how M&A was done in markets where it is more common — the U.S., Europe, Brazil, Argentina — so I was familiar with the practices. I saw that there might be a gap in Uruguay. On the other hand, I believe that one must have an entrepreneurial spirit, which doesn't necessarily mean creating a company; it can also involve entrepreneurial endeavors within a company or in social and family contexts.

This combination of factors led me to desire having my own company.

**The mergers and acquisitions field is a niche within finance. What opportunity did you see in the local market**

# «URUGUAY HAS GREAT PRESTIGE»



## DANIEL BOUTMY

FOUNDING PARTNER OF CDI GLOBAL LATIN AMERICA

After 18 years of experience working in international banks, in 2014, he decided to embark on his own consultancy specializing in mergers and acquisitions (M&A). Boutmy (Montevideo, 47 years old) highlights the specialization in this area of finance as a differentiator for his

company, as well as his alliance with CDI Global, a multinational in the industry with 50 years of global market presence. Uruguay has sectors that offer good investment opportunities, such as technology, agribusiness, and retail, among others, attracting investors of all profiles,

according to Boutmy. In his opinion, the conditions are in place to take the country "to the next level." He holds an MBA (IEEM) and specialized in M&A at The Wharton School (USA). He is married and has five children.

**to provide that service as a business?**

I analyzed the market and was convinced that in Uruguay and the region, there was fertile ground to work in this area in a specialized and professional manner. Certainly, there are colleagues in Uruguay who do the work very well, but they are not numerous, and especially there are not many who focus solely on mergers and acquisitions. I remember that initially, when I talked to colleagues, friends, and contacts, they would ask me if

I was sure about dedicating myself to this, questioning whether there was a market and expressing concerns about the frequency of M&A transactions in the year. However, these questions motivated me even more. While the inquiries were reasonable, I believe they often focused on very large transactions, which, indeed, do not occur every day, although we have successfully closed some in recent times. Beyond these larger deals, there are also smaller yet very interesting transactions that can be profitable for our business. In Uruguay, the majority of companies are family-owned, and for various reasons, it can be a good decision to sell the company, either entirely or partially. There are excellent companies, outstanding entrepreneurs, and

**«The differential is the expertise and focus; we do M&A, no another thing»**

**«The better organized is the process, sale It is more likely»**

innovators here, making the landscape and opportunities significant.

**How do you approach a company's M&A process?**

Our focus is on mergers and acquisitions in a formal process. This has its science, its methodology, there are different steps that must be followed to do it right. The valuation report is the first thing we provide to our client to understand where we stand technically; that is very important. Once we are aligned with the client on the technical valuation range, we then look at the price. Because price is different from value. They can coincide but are not necessarily the same. Price is

**BUSINESS FIGURES**

**6**

**It is the number of people who** They make up the company team in Uruguay. Furthermore, they have the CDI Global representation for the Argentine markets, Chile and Paraguay

**14**

**It is the number of months in** average duration of a process sale of a company in Uruguay, according to experience of Boutmy in this kind of transactions.

**CAREER NOTES**

**2014**

After 18 years working in international banks, Boutmy decides to put his expertise and start your own business fusions and acquisitions.

**2015**

That year he associated his company with CDI Global, multinational originating from the Netherlands that specializes in mergers and acquisitions at the level global.

**2017**

CDI Global appoints its local subsidiary as exclusive representatives for Uruguay, Argentina, Chile and Paraguay, which is why they are now called CDI Global Latin America.

**2023**

CDI Global celebrates 50 years of experience in the mergers and acquisitions. Throughout this time has closed more than 3,000 transactions in the world.

what the market or the buyer and seller agree upon based on different aspects (technical, timing, market-related). Value is a technical reference based on an academic method that must be carefully executed, working on different aspects and sensitivities. That's why we need to be very aligned and work as a team with our client, because based on this preliminary step, their decision to move to the second phase is made. From this report, if validated by the client, we then work on the following steps and materials to prepare the case and then seek investors to present it to them. Our *advisory* focus is more financial, leading the M&A process. In addition, we provide advisory services or only company valuations. We also handle debt restructurings. It may happen that a client comes and says their idea is to sell the company, but we then see that it is not yet ready for that. So, we propose a series of steps before putting it up for sale with the goal of generating more value. In that context, sometimes we have to perform debt restructuring, which can also be a business line *per se*. We also advise on *leverage buy out* (LBO) processes, which involve structuring financing for the purchase of the company. In this regard, we coordinate with local or international banks to finance part of the amount to be invested in the company. We also act in *management buyouts* (MBO), where the management of the company buys the company's shares.

**What sets the firm apart from other players providing M&A services?**

here are very good colleagues who offer these services and understand the processes, but our differentiator is the *expertise* and focus; we are known for doing M&A,

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and nothing else. An added value we bring is our nearly 10 years of experience in Uruguay, where we have advised on very important processes.

On the other hand, we represent an international group like CDI Global, which enables us to reach strategic investors worldwide and also provides us with excellent process practices. We have a highly skilled team in Uruguay. In 2017, Martin Arocena joined the company as a partner, a close friend with 15 years of experience as a CFO (*chief financial officer*) in the *software* sector. His addition brought greater dynamism to business development in recent years. Last year, Martin Etcheverry also joined as a partner, who has been working with us since 2018 as an analyst and now leads the analyst team.

Currently, we are three partners forming a team of six people in Montevideo, plus a *fronting* team in Argentina, Chile, and Paraguay. Good things are achieved with good teams. That's why we also enjoy training young professionals in this field. It's a great school for them because it's a specialty that is still not widely covered in undergraduate programs. It's a very dynamic and demanding discipline that requires both hard and soft skills in a process that spans several months.



FOTOS: ESTEFANIA LEAL

«There are different types of investors, and in Uruguay, we have them all»

What timelines are we talking about?

The timeframe for a transaction is variable, but in our experience, it averages around 14 months. It depends on various factors, such as how well-planned the process is and how well-organized and professional the management is.

Negotiations between the buyer and seller don't always reach a successful conclusion; many fall through even when

everything seemed agreed upon. According to your experience, what are the causes that lead to this outcome?

There can be several reasons, some structural and others circumstantial. Some may arise because contingencies emerge during the *due diligence* process that makes the continuity of negotiations unfeasible. Another reason is that market factors affecting the baseline valuation may emerge, leading to complications in price negotiations, among other causes. Therefore, the better planned and organized the sales process is, the higher the likelihood of success, and these situations can be mitigated and anticipated.

Since 2015, your firm has been part of CDI Global, a

multinational specializing in mergers and acquisitions. What advantages does this alliance represent for your company?

The great asset is the global reach. CDI Global celebrates its 50th anniversary in 2023 — it was founded in the Netherlands in 1973 — and has since closed over 3,000 business transactions worldwide. More than just a network, it is an international organization focused on *cross-border* mergers and acquisitions targeting *middle markets*, transactions ranging from \$10 million to \$1 billion. Hence, it does not compete with major investment banks. We are present in 30 countries, with around 50 partners, a *board*, and an international *management committee* with six members, of which I have the honor of being a part, where we work on strategic lines.

We have partners worldwide with significant experience in the business world, *expertise* in various sectors, and, above all, many years of experience in advising on the sale of companies, generating a clear added value of «*local expertise* and global reach.» One of CDI Global's great strengths is its presence on all five continents. For example, for a partner in France, Australia, India, Vietnam, South Africa, or the United States, if their investor client hires them to grow through acquisitions and one of their target markets is South America,

investment funds, where *leverage* is generally used for asset purchases. In this context, a reversal of this scenario is expected for the year 2024, with a shift in the trend and the beginning of a decline in interest rates.



they immediately contact us in Uruguay because we are the regional *hub* and have representation for Argentina, Chile, and Paraguay. This is an incredible value but also a great responsibility, as we need to be capable and have the necessary structure to provide support to our international partner so that they can offer the best service to their client.

In what transactions have you participated at the local level?

In recent times, we have advised various shareholders in the sale processes of their companies. Some that have been publicly disclosed include the sale of the largest franchisee of the Subway chain in Uruguay to the Vierci Group from Paraguay, the sale of the majority shares of Doña Coca and Porto Ltda to the investor IBF Negocios, the sale of Datalogic to Vesta Software, as well as the sale of the BPU Frigorífico to the Japanese group Nippon Ham a few years ago, among other transactions.

What profiles of investors attract local companies?

Depending on the type of opportunity, it's the type of investor.

Investment funds, for example, seek opportunities with amounts starting around \$15 million and significant growth potential. Strategic investors do not have this condition; instead, they look for opportunities with synergies in the investment strategy (such as vertical integration or geographical expansion, etc.). There are also groups of individual investors who form an investment pool, and *family offices* seeking liquidity in financial assets or assets in the real economy.

«We have to push to take the country to the next level»

There are different types of investors, and in Uruguay, they cover the entire spectrum.

Technology is one of the sectors where there are more purchases and mergers of Uruguayan companies. What other industries stand out locally?

It's true that we have seen several transactions in technology, and it is a sector that will continue to be active in mergers and acquisitions, even in 2024. The best gauge is the inquiries from investors, and this occurs in industries such as technology, food, *retail*, forestry, and energy. I believe that when there is a great business, especially with significant growth potential, the investor is found.

What is the perception of foreign companies regarding the business climate in Uruguay?

Currently, we are in discussions with various investors interested in doing business in Uruguay across different sectors. This is an attractive country for investment within Latin America for several reasons: apart from the well-known strengths such as robust institutions, political and economic stability, and low corruption levels, it has enviable natural resources. We produce food for 30 million people but have the capacity to reach 50 million. Therefore, there are opportunities to acquire companies here with the potential for export, for example. On the other hand

there are also very interesting opportunities in sectors such as renewable energy, food, technology, and agribusiness with a focus on the local market. I believe there is a high quality of entrepreneurs and businesspeople who have created incredible businesses, and this generates excellent opportunities for the world of mergers and acquisitions.

We travel extensively abroad, promoting Uruguay, seeking and convincing investors to invest in the country in the long term, and what we see is that Uruguay has a great reputation for its seriousness, where long-term investment is feasible, and this is crucial for M&A transactions. We have a great country, and collectively, we need to push to take it to the next level. We have the resources, opportunities, and skilled people to do it. It depends on us.

What areas for improvement do you see?

Uruguay's reputation is not free. Being *investment grade* is not a gift. A great deal of work has been done over the years on various fronts by different administrations to achieve this, and it's a significant asset that needs careful attention. Undoubtedly, there is work to be done. Companies are strong or valuable because of their ability to generate cash flows. To achieve this, they must have good margins, and to do so, they must strive to be as competitive as possible. In this regard, efforts should be made to find mechanisms to make companies more efficient and competitive (reduce tariff barriers, lower taxes, expand markets). Among entrepreneurs, the government, and all stakeholders, we must take Uruguay to the next level. I am convinced that we have everything to do it; it's about wanting to do it. We must think big, or we will stay where we are.