



Post-Covid19 era

Opportunities in Latin America

September 2020

Huge Market Opportunity in Latin America and the Caribbean (LAC)



\$6T

\$6 TRILLION ECONOMY

High-potential, developing economy with 658 million people



68%

444 MILLION INTERNET USERS

Higher internet penetration than Asia (68% in Latam vs 52% in Asia)



66%

435 MILLION MOBILE PHONE USERS

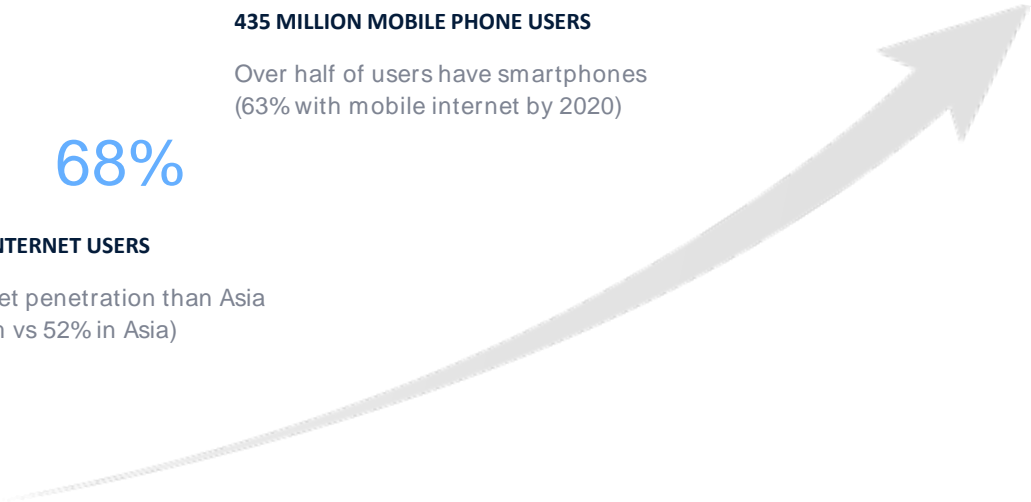
Over half of users have smartphones (63% with mobile internet by 2020)



57%

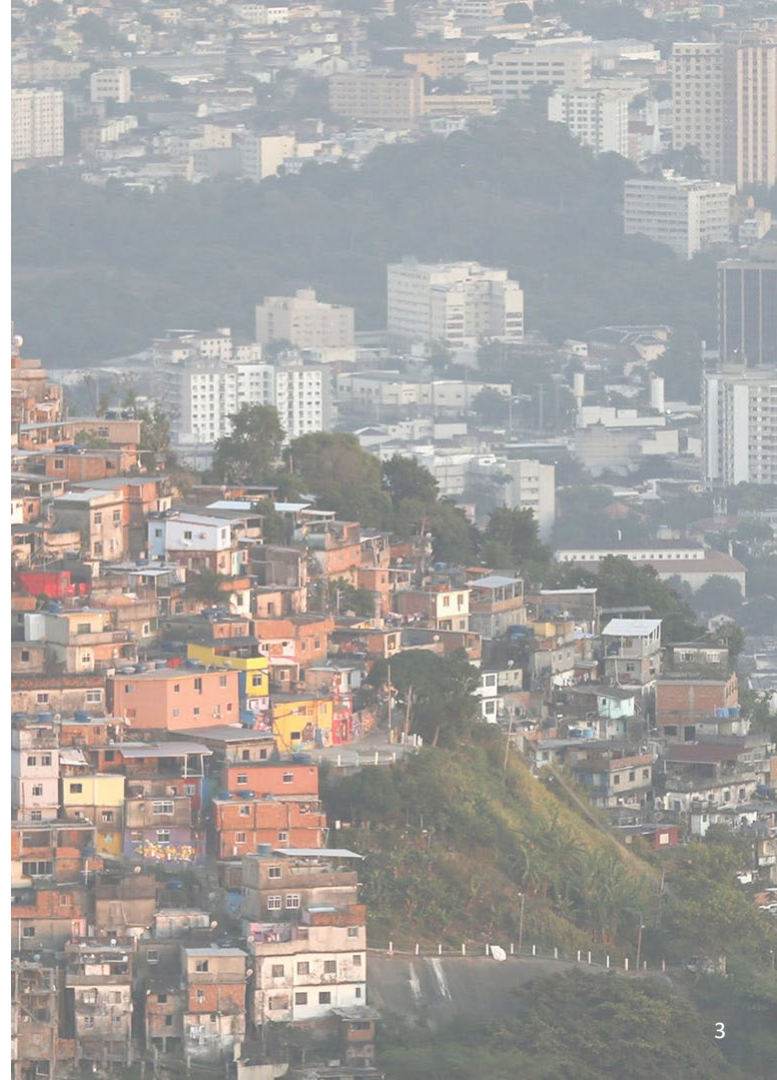
377 MILLION FACEBOOK USERS

% of users second only to North America (57% in Latam vs 72% in North America)



Covid-19 in LAC

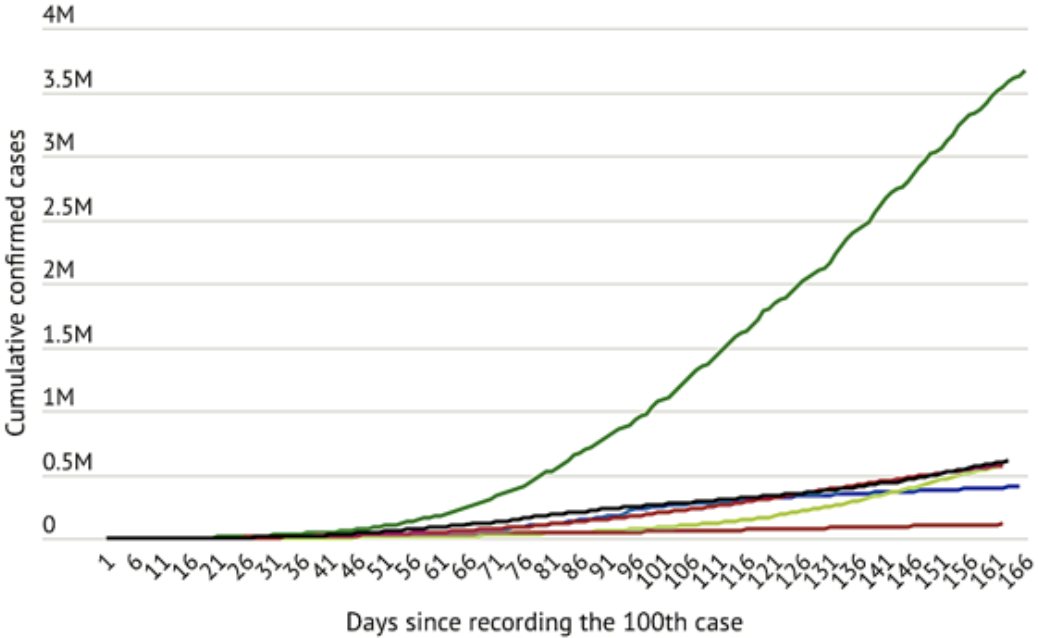
- LAC is the **most unequal** region in the world
- Urbanization exposed the population in **vulnerable conditions** to COVID-19
- The pandemic erupted in a **complex economic, social, and political** scenario



LAC has become the region with the highest number of confirmed cases globally

Covid-19 Confirmed Cases

Selected Countries in LAC



Brazil is the second highest in confirmed cases in the world with **3.7 million**

Mexico, Chile, Colombia and Peru are in the **top 10 countries** with the most confirmed cases

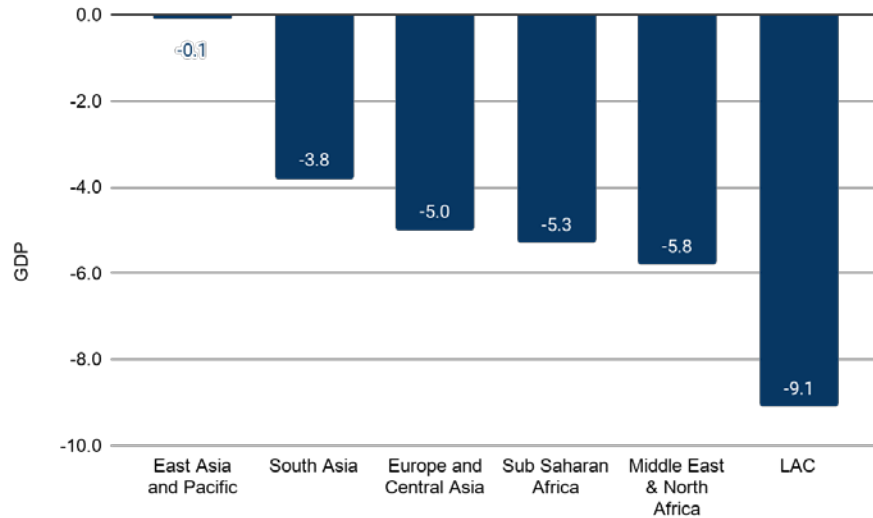
● Brazil ● Chile ● Colombia ● Ecuador ● Mexico ● Peru

LAC will see a GDP contraction of 9.1% this year

Prior to the pandemic the predicted GDP growth was of 1.8%

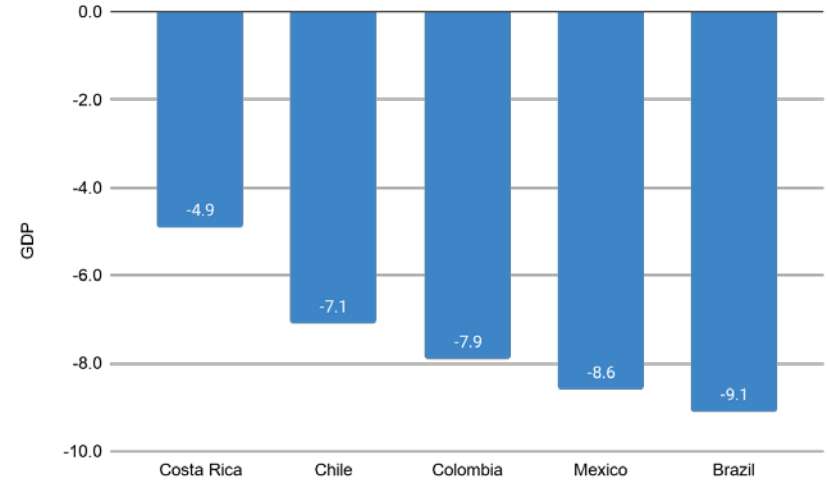
Per capita GDP growth in 2020

by region in (%)

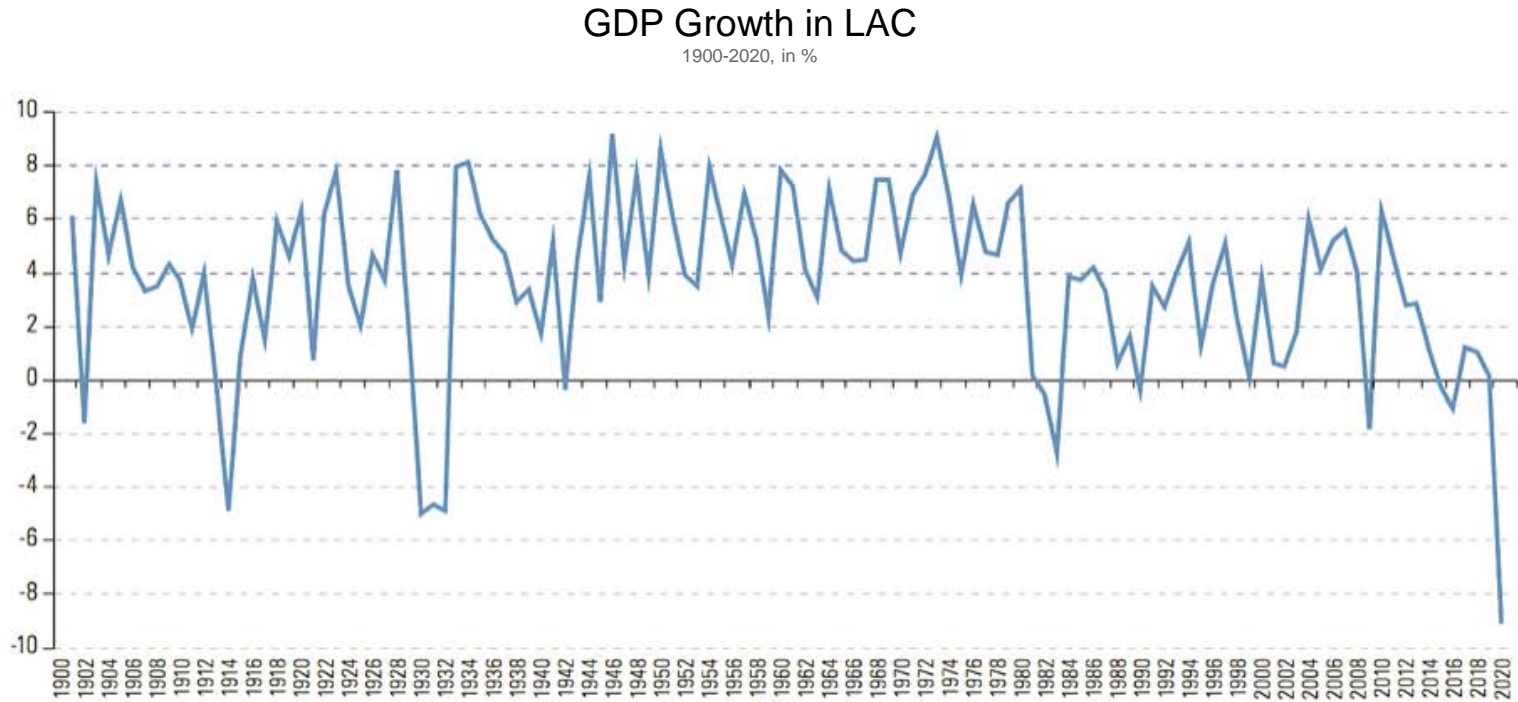


Per capita GDP growth in LAC in 2020

Selected countries in (%)



COVID-19 will result in the worst recession in the region in a century



Lockdowns have increased digital adoption, which is driving entirely new patterns of consumption

Consumer Trends



Search for value

An increase in price sensibility causes more economically conscious choices in the price ladder

97% of consumers indicate **price & value** as a key purchase criteria



Digitalization

Accelerated adaptation to the online channel
A homogeneous experience between channels can become the new normality

90% did an online purchase or payment...
76% for the first time



Home consumption

Adaptation towards household goods and services consumption
Flexibility in work areas

13% growth in grocery spending

New opportunities are arising from the pandemic

Emerging behaviors



Health and security

Out-of-home behavior is still affected by health preoccupations
Concentrated focus on health and wellness

40% of consumers expect to spend more on **household care**



Polarization of preferences

Income disparity and risk perception will generate behavior and divergent preferences



Social responsibility

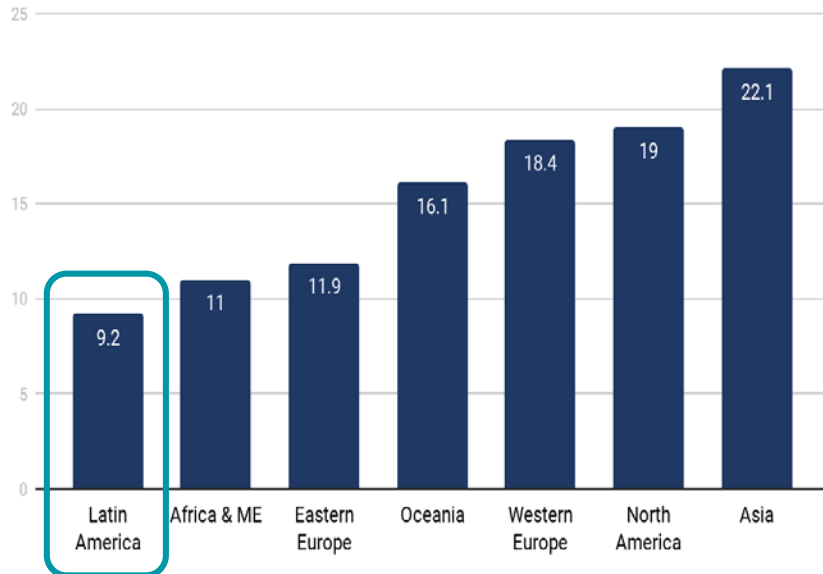
Greater relevance for social responsibility and support to local communities

The pandemic has also accelerated the already ongoing e-commerce adoption in the region

LAC has the lowest e-commerce penetration, but also has the fastest growing e-commerce market in the world

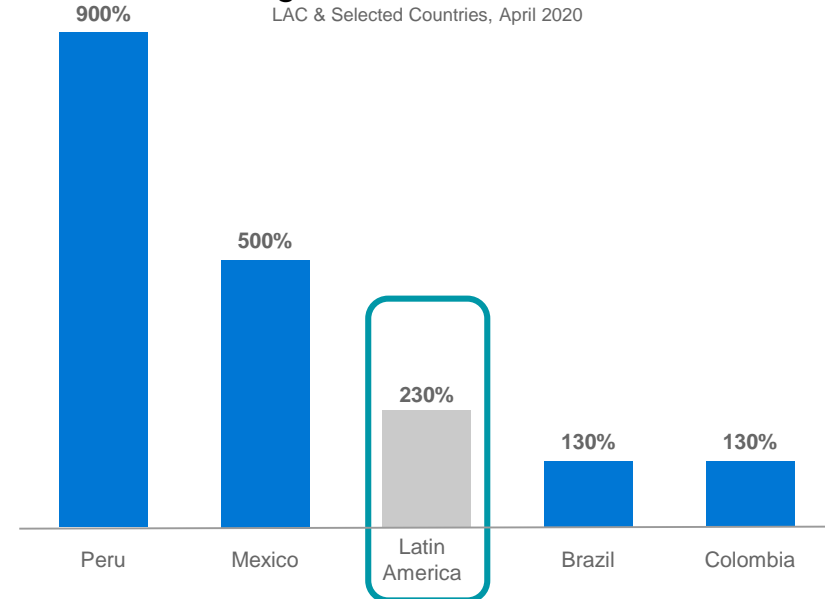
Average Number of Online Orders Per Capita

Per Region 2019



Change in e-commerce revenue during the COVID-19 in LAC

LAC & Selected Countries, April 2020



Potential technology trends that could transform LAC's greater challenges into opportunities

Korean industries that have a high potential for disruption in LAC



Korean Fit



Healthcare



Microelectronics



Semiconductors



Manufacturing



Automobile
Software



Chemicals



High-Performance
Materials



Cosmetics

Industries with high potential for cross-border innovation



Cross innovation



Gaming



Entertainment



Fintech



Blockchain



Cybersecurity



Biotech



Logistics



AI & IoT

LAC-Korea Cross Border Fund

- LnS VC (Korea) and Dalus Capital (LAC) are building a cross-border **fund**
- The fund will invest in startups in Korea looking for business opportunities in LAC
- We will look for startups in Series A stage, with initial investments around **USD\$1.5M**
- Startups will benefit from **soft-landing support**, increasing success rates in their expansion efforts
- We plan to start investing in **Q2 2020**



L&S VENTURE CAPITAL

Are you a Korean startup
interested in doing business
in Latin America?

Contact us



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