

# TTR DealMaker Q&A with DLA Piper Partner Matías Zegers



## [Matías Zegers](#) – [DLA Piper Chile](#)

Matias focuses his practice on corporate and securities law, mainly corporate governance, mergers and acquisitions, capital markets, project finance and venture capital matters. Matias has previous experience at other firms in the US and in Chile.

**TTR – How would you describe the current situation of M&A market in Latin America, now we are over the worst part in terms of paralysis of economic activity?**

M.Z. – Improving. Obviously was impacted by Covid-19, in the sense that a significant number of deals were in a stand-by mode in March-April with only the deals that were in a later stage moving forward. However, since then the activity and interest has grown up, mainly because targets are cheaper now creating an increased pool of opportunities and also because companies, after the initial shock have restarted their “normal” operations.

**TTR – How would you describe the measures taken by the Chilean Government and, in general, in Latin America, for the situation of business instability caused by the health crisis? Do you think additional measures are necessary?**

M.Z. – As a trial/error effort. I think that nobody was able to predict this pandemic and its effects in any country or region. There have been efforts more focalized in health aspects and others in the economic aspects and to be able to balance both have proved to be challenging to say the least. In the case of Chile, I believe that most of these efforts have been positive not necessarily to counterbalance the negative effects but to avoid deepening such negative effects.

**TTR – In terms of company restructurings, what is the current situation and what are the prospects for the following months in Chile and the region?**

M.Z. – There have been several cases of large companies entering into reorganization proceedings within the insolvency framework, either locally or abroad, such as in the cases of Latam Airlines (Chapter 11) or Enjoy and others taking the opportunity to restructure its liabilities because of better financial conditions. We believe that, depending on for how long this pandemic remains, more companies will start restructuring proceedings although a significant number have taken the appropriate measures during H1 of this year,

**TTR – What type of companies has been more affected by COVID-19 in Chile and LatAm?**

M.Z. – Those heavily reliant in their cash Flow to operate instead of having a strong balance sheet and those in industries more cyclical such as hospitality, airlines, tourism in general. In other industries the results have been mixed with some having really good results.

**TTR – Regarding DLA Piper Chile’s advice on the acquisition of Cornershop in Latin America by Uber, how will you assess the evolution of Venture Capital transactions, both in Chile and Latin America despite the current uncertain environment?**

M.Z. – Growing. The tech sector in general has been a highlight during the pandemic, as a significant number of them have seen an extraordinary demand for their products and services in multiple verticals, gaining traction and therefore having higher valuations and attracting investment not only from VC firms but also from CVC and family offices. In fact, many of them have taken the opportunity to raise money to be sure that have enough runway to keep growing in these trouble waters.

**TTR – Regarding the M&A sector, do you think the health crisis has generated business opportunities? Which sectors do you think are more interesting for financially strong investors?**

M.Z. – Absolutely yes. There are more companies that are for sale as the effects of the pandemic remains and will remain for a while, specially if such transaction creates a cash-out opportunity in the case of family-controlled companies. Has also created opportunities in case of multinational companies that are becoming more focused in their core business. Investors that have more appetite for risk are looking for opportunities in the sectors more heavily affected by the crisis, like Hospitality and transportation.