

January 2019 – 15 November 2020

Restructuring Insights

Latin America

Debtwire Latin America

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General Introduction

With the roll-out of *Debtwire's Restructuring Data* to Latin America, this inaugural Restructuring Insights Report serves as a preview of the power, breadth and depth of the data that will be available to subscribers.

Debtwire's global team of legal, financial, credit and data professionals has long produced analysis and data reports on a variety of restructuring topics in jurisdictions across the globe. In a natural evolution of that data-driven approach, we have created a searchable platform that allows subscribers to craft bespoke answers to a wide variety of research questions and enhance business development efforts.

With the expansion to cover Latin America, the Restructuring Data platform adds to a stable of global situations that now includes in-court restructurings in North America (US Chapter 11s, Chapter 7s and Chapter 15s) and Asia-Pacific (NCLT processes in India), in addition to both in-court and out-of-court restructurings in both Europe and Latin America. In total, the Restructuring Data platform encompasses over 2,150 restructuring cases.

At launch, the database covers significant restructuring situations across Latin America, including a wealth of data related to Latin American restructuring and insolvency matters involving international bond issuers and select other important cases that are in local currencies.

As reflected in this report, each restructuring situation will include:

- Capital Structures;
- Involved Creditors (e.g. debt holders, admin agents and indenture trustees, bidders, group members, etc.);
- Restructuring documentation (e.g., plans, key court documents); and
- Retained Advisors and Relationships.

In this report, we apply the same lenses to the Latin American restructuring landscape from January 2019 through 15 November 2020, analyzing newly initiated restructuring and bankruptcy situations across the region.

Click [here](#) to explore the entire Restructuring Data platform (access required).

NOTE: *The Restructuring Database matches Debtwire Latin America's coverage universe, tracking distressed cases of international bond issuers and other significant corporates. In general, the issuers have funded debt obligations exceeding USD 150m, though we also tracked a number of situations with less funded debt, to provide a more full sense of the market. There are over 180 LatAm restructuring cases in the Restructuring Data platform.*

Case Analysis

Case Analysis: Trends & Takeaways

The Latin American restructuring marketplace has been a hotbed of activity over the past two years.

Over that time period, more than 60 new restructuring situations have commenced across the region. Slightly under half of all LatAm restructurings tracked over this time period are Brazilian in origin, and when you focus on the corporate sector and set aside governmental and quasi-sovereign debt restructurings, the percentage is vastly greater. In fact, over this time period, there have been over twice as many Brazilian corporate restructurings as the rest of the region combined. Moreover, five of the seven largest corporates over this time period to seek restructurings were Brazilian—**Odebrecht** is the largest—though **Digicel** and **LATAM Airlines** brought some diversity to the large corporate restructuring market, from Jamaica and Chile.

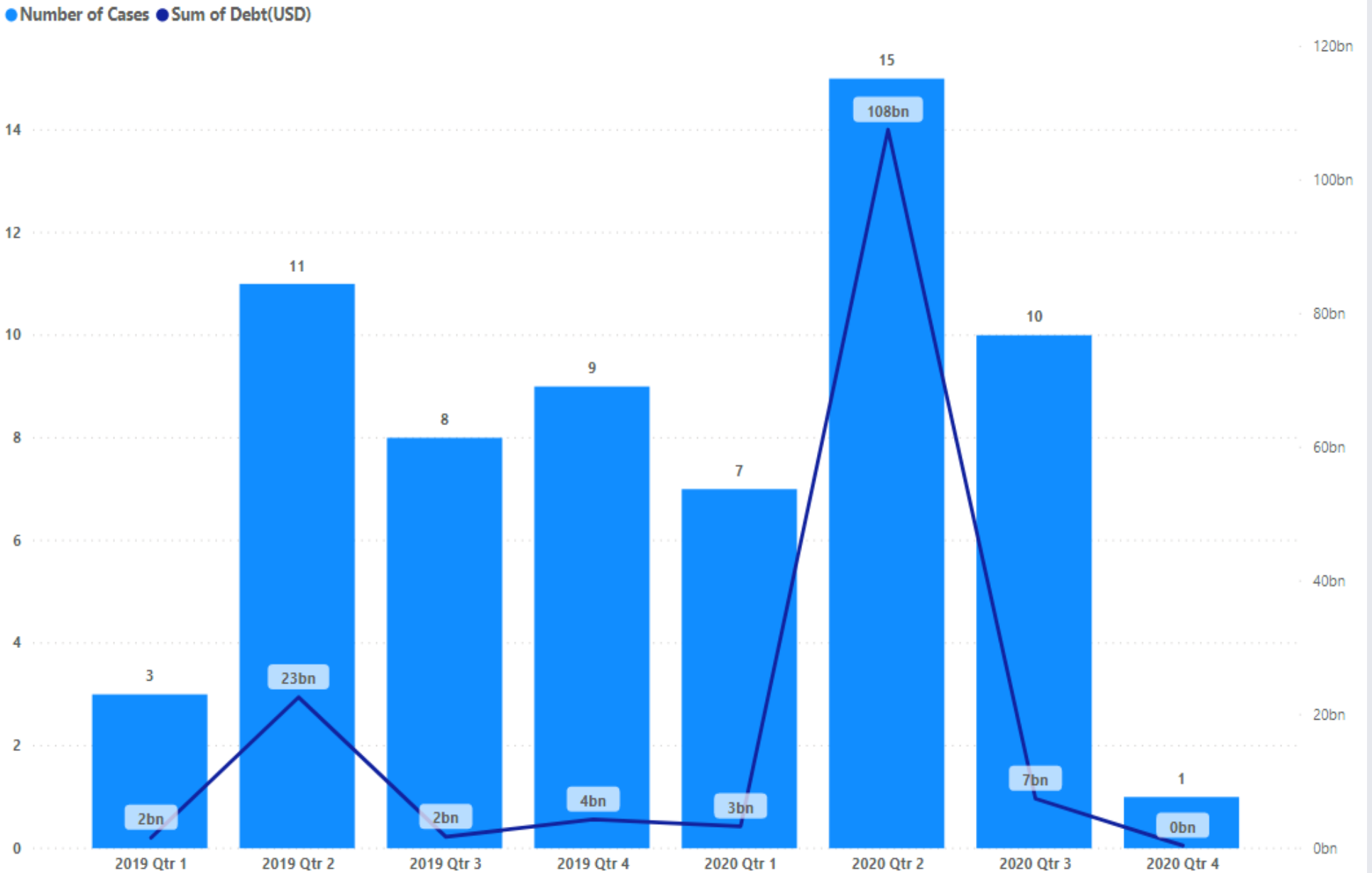
Nonetheless, while 2020 has brought much of the financial world to its knees, the impact on Latin American governments has been even more pronounced. This year, we have seen Argentina, Ecuador, Belize, Suriname and Barbados all undergo debt restructurings, while 11 Argentine provinces have also commenced restructuring processes of their own, from the Province of Buenos Aires tackling approximately USD 5.6bn of debt on the high end, to the Province of Tierra del Fuego looking to deal with USD 185m on the low end.

Looking at the data, we can say that 2Q20 saw a huge surge in restructurings, with 15 new situations (close to 20% of the total caseload), due largely to the COVID-19 pandemic. However, when focusing on the amount of debt the discrepancy is even greater, with more debt under restructuring in 2Q20 than the rest of the time period combined, and five times more than the next busiest quarter on a dollar basis.

Another main trendline that we have seen over this time period is a move in the sectors driving activity and the corresponding use of US Chapter 11 processes in lieu of domestic proceedings. We have seen seven LatAm-related Chapter 11 processes over this time period, including several large Latin American airlines—**Aeromexico** (Mexico), **Avianca Holdings** (Colombia), **LATAM Airlines** (Chile)—and a number of Mexico-related Chapter 11s, including **Maxcom** (for the second time in the 2010's), **Cinemex**, and the aborted **Grupo Famsa** pre-pack that led to a Concurso after issues with affiliate Banco Famsa arose.

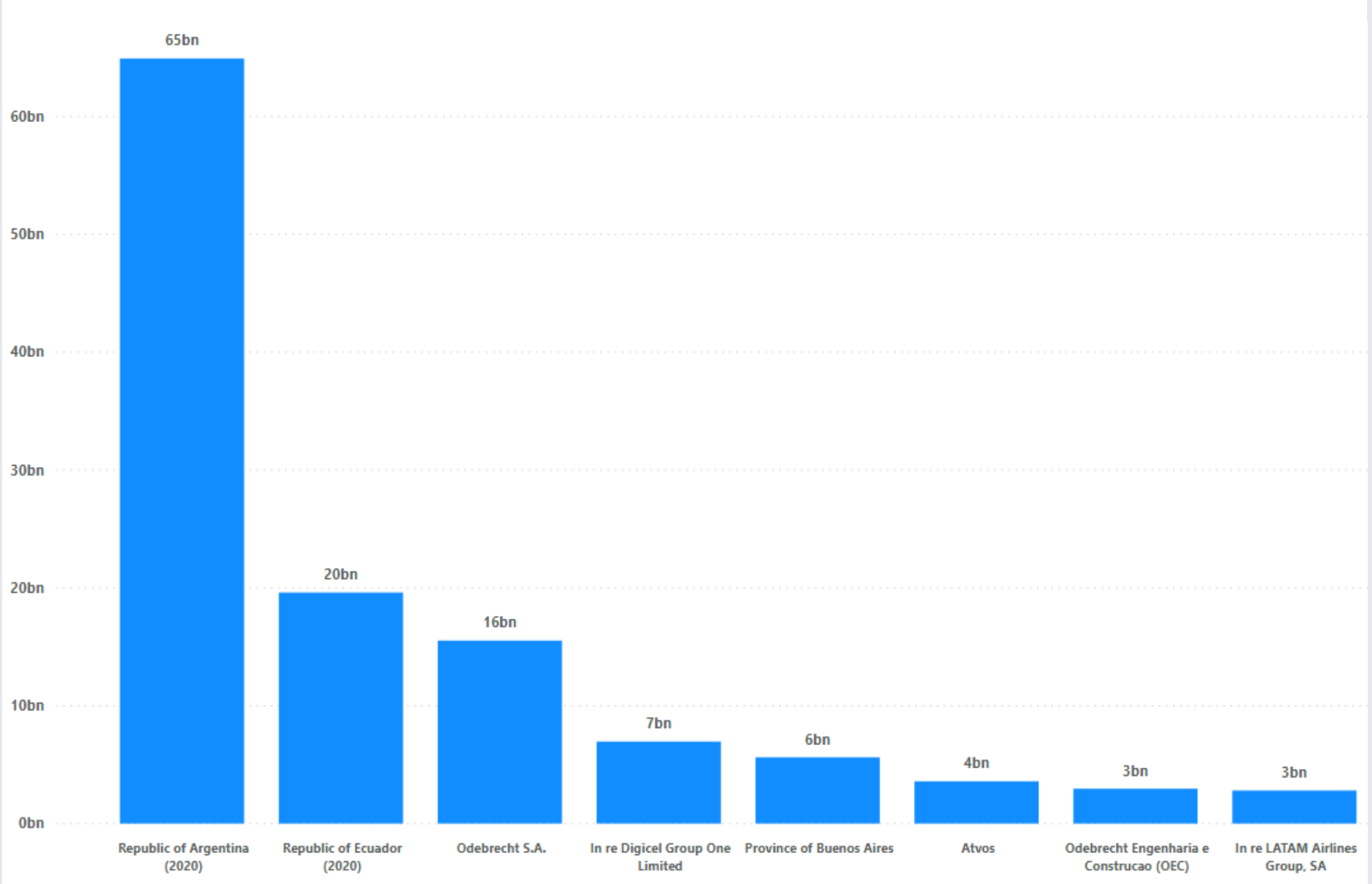
The sprawling nature of LatAm restructurings and the repeat nature of the business is abundantly clear when looking at the recent restructuring activity. The struggles of the **Odebrecht** and the **Queiroz Galvao** empires have led to a slew of new restructuring cases, and over the last two years more than a handful of companies restructured *again*: **Arendal**, **Automotores Gildemeister**, **Grupo USJ**, **IUSA**, **Maxcom**, and, of course, the **Republic of Argentina**.

LATIN AMERICAN RESTRUCTURING SITUATIONS

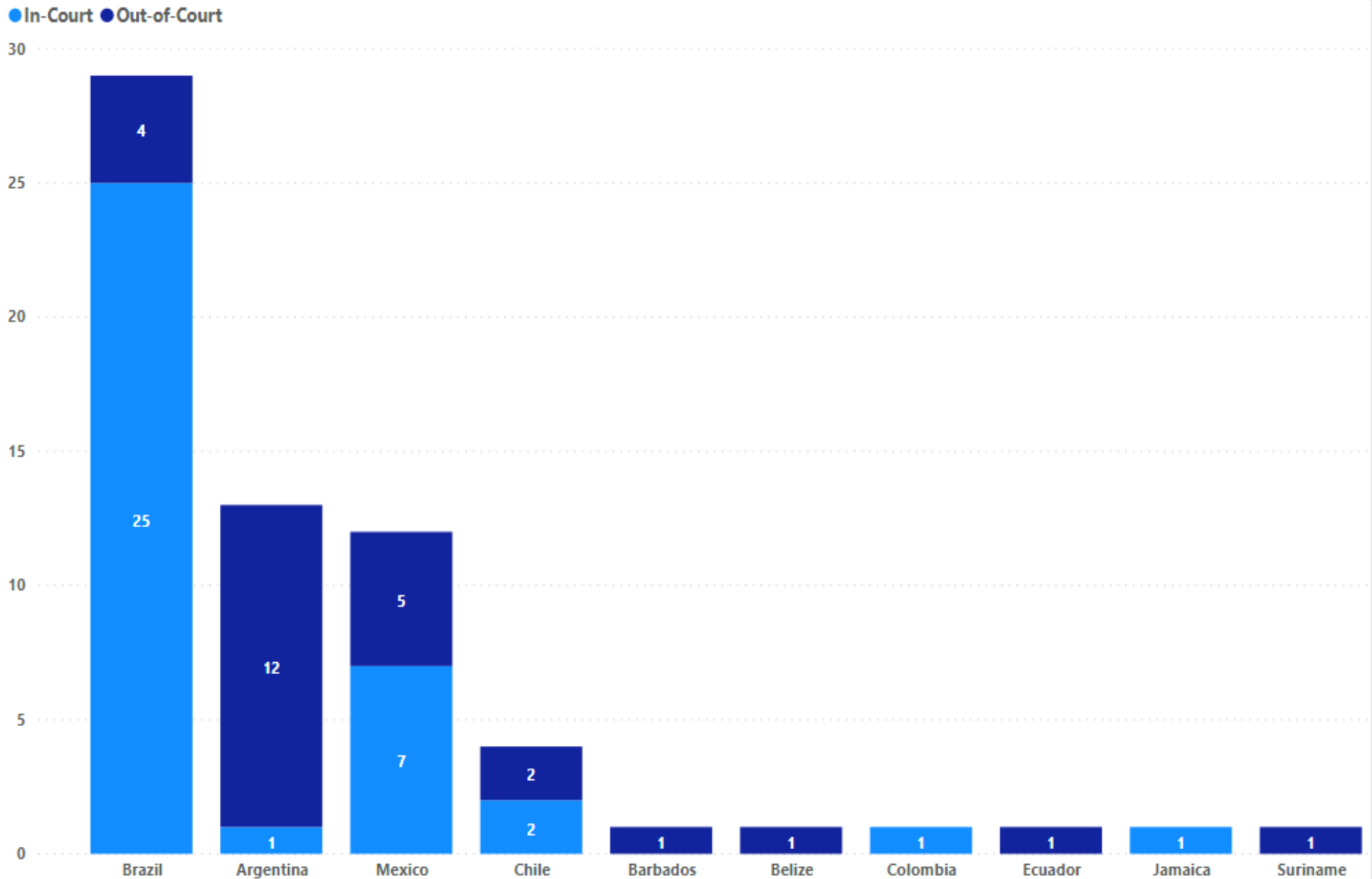


Note: We have converted the debt of all companies into USD based on recent exchange rates.
Source: Debtwire's Restructuring Database

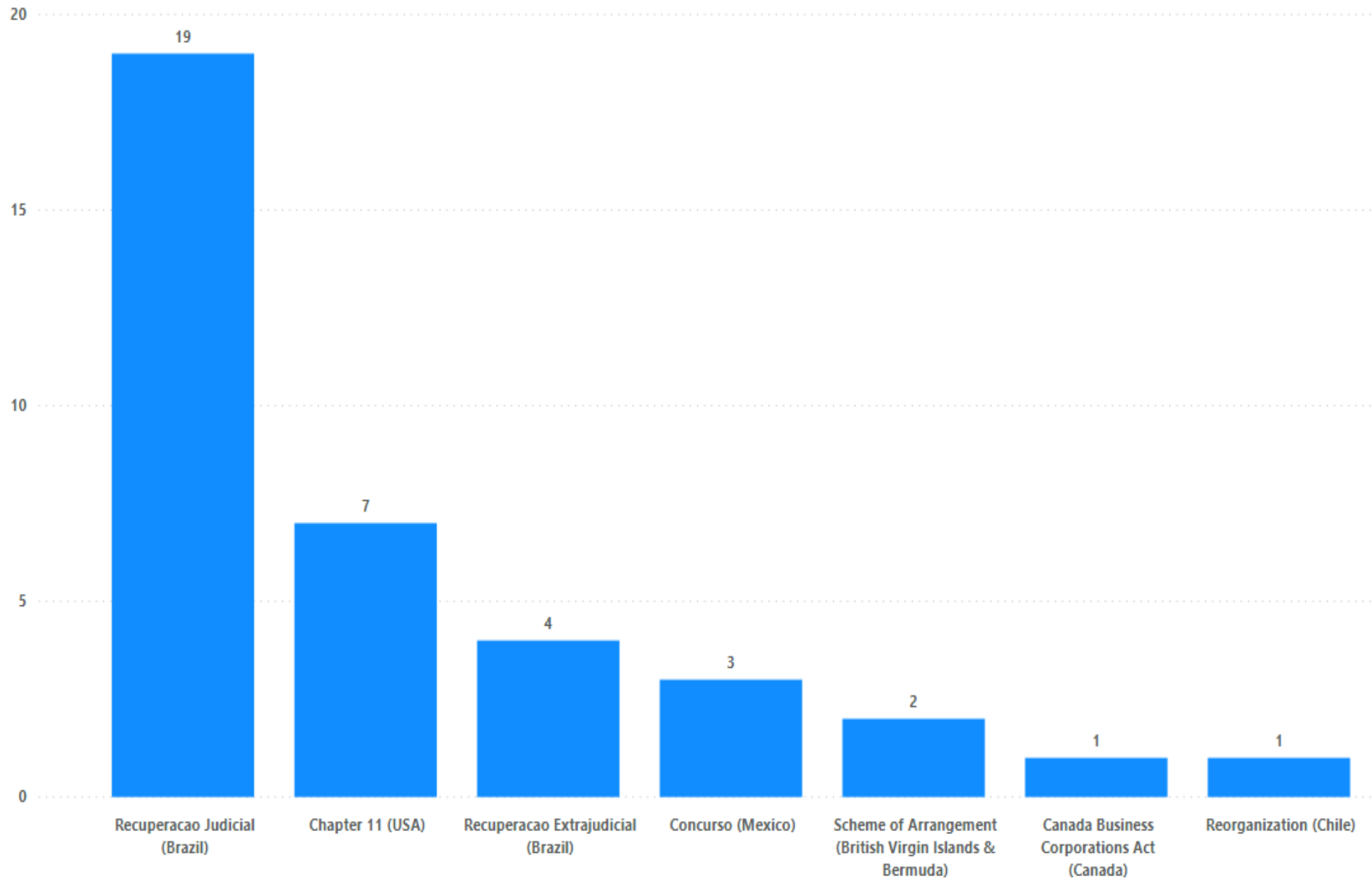
TOP LATIN AMERICAN CASES BY LIABILITIES



RESTRUCTURINGS BY JURISDICTIONS

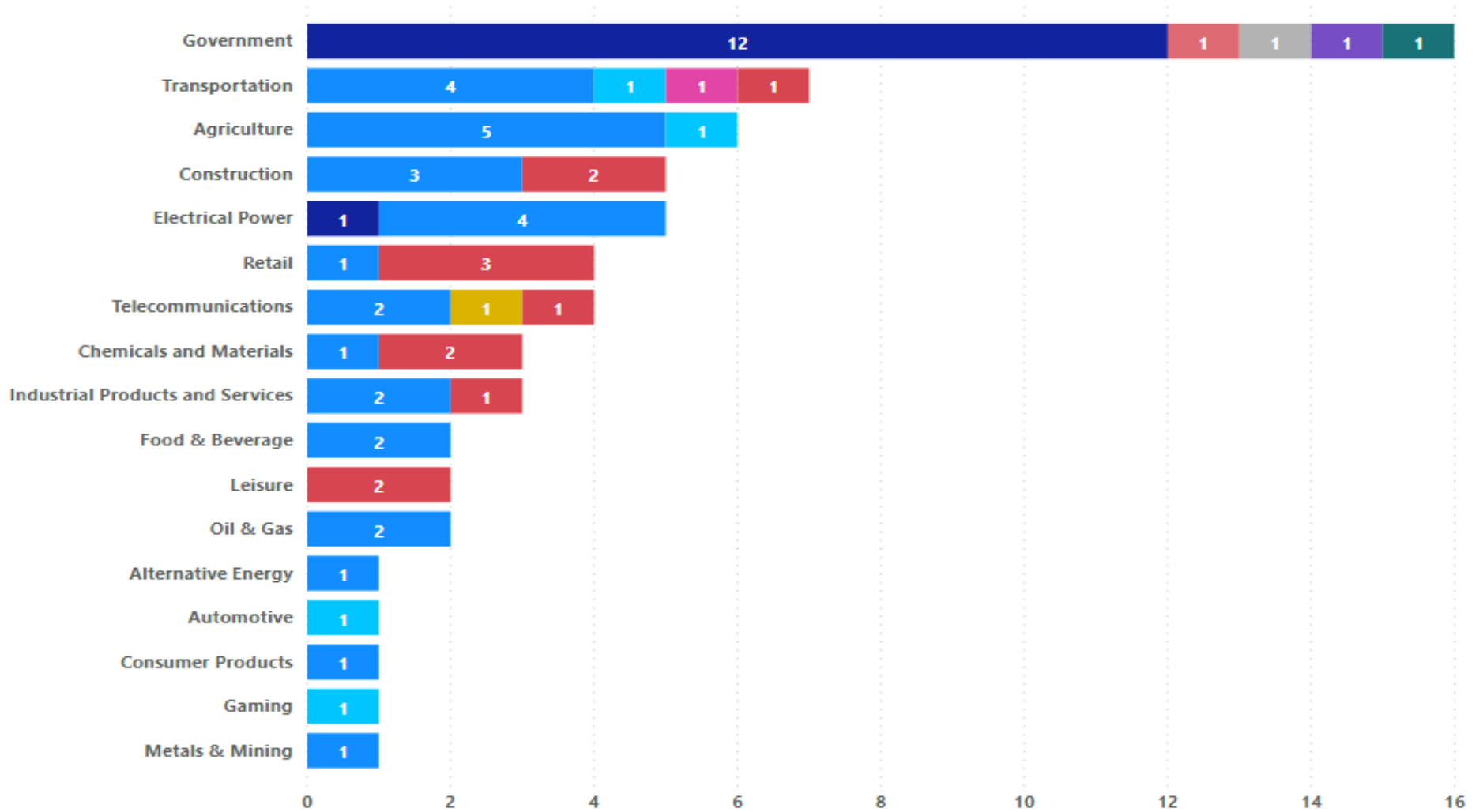


IN-COURT PROCEEDING TYPE



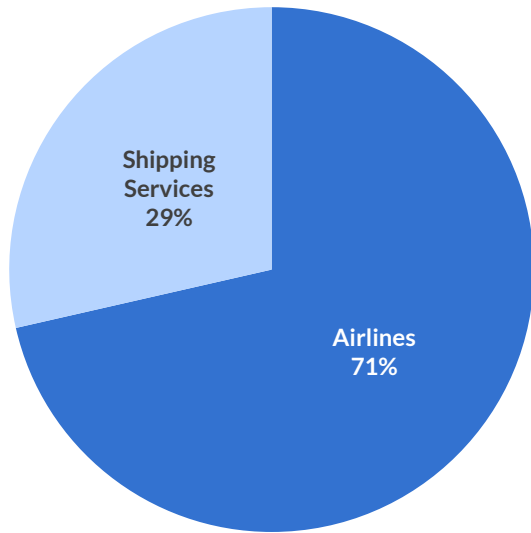
SECTOR

● Argentina ● Barbados ● Belize ● Brazil ● Chile ● Colombia ● Ecuador ● Jamaica ● Mexico ● Suriname

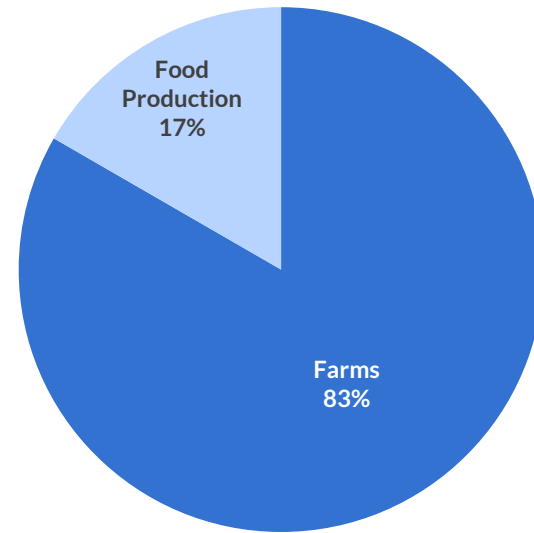


SUB-SECTOR BREAKDOWN

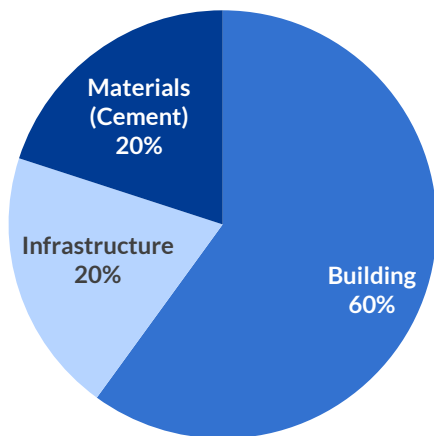
Transportation



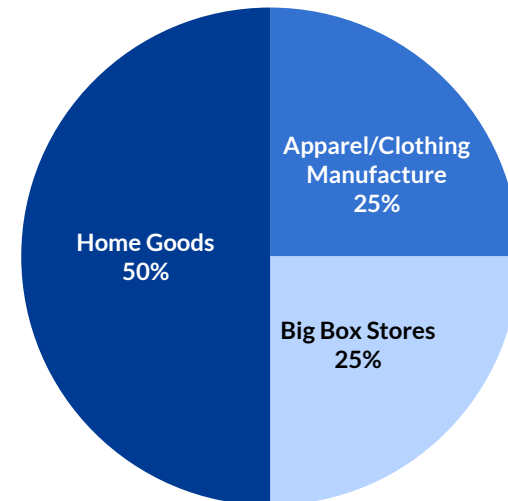
Agriculture



Construction & Homebuilding

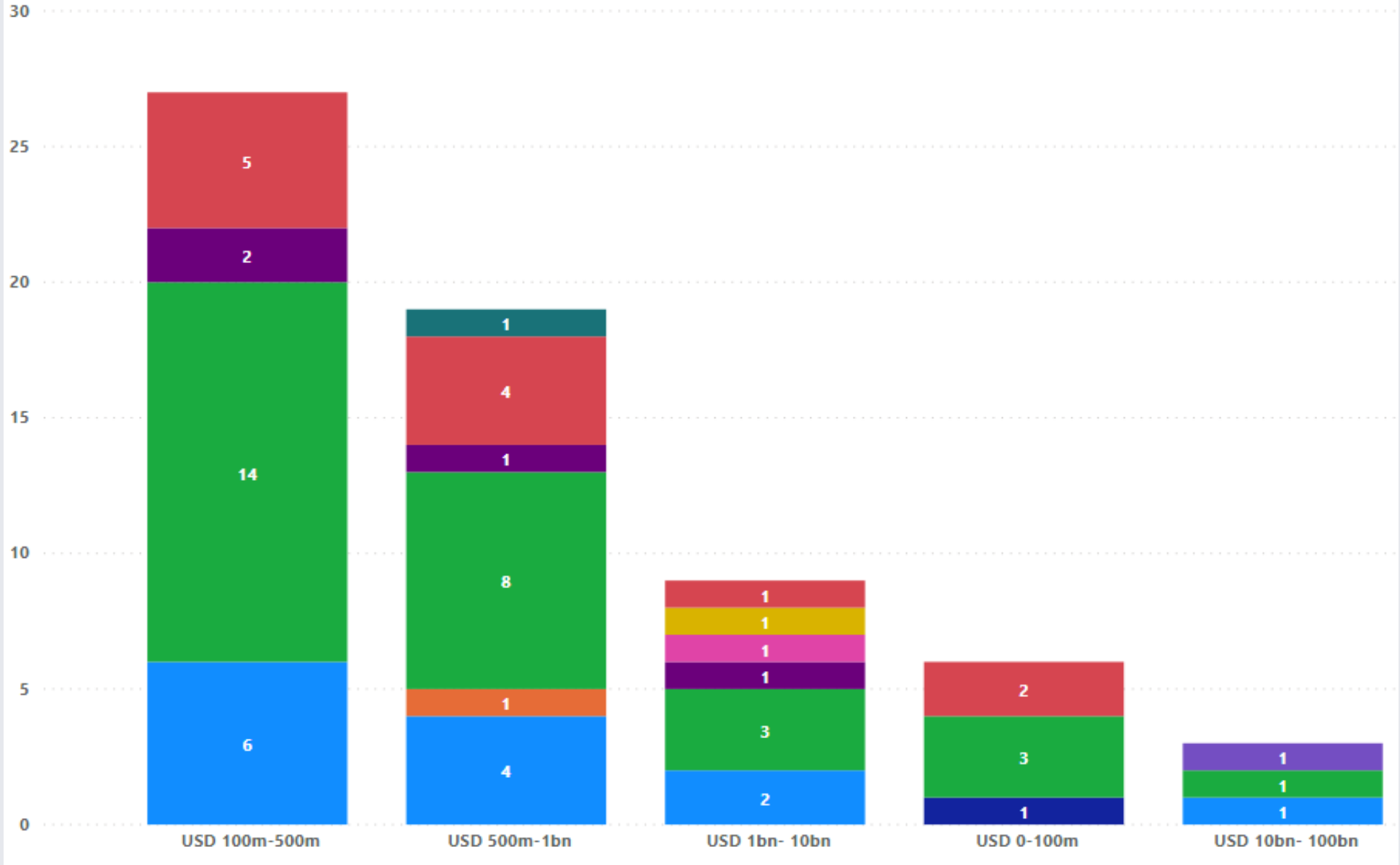


Retail

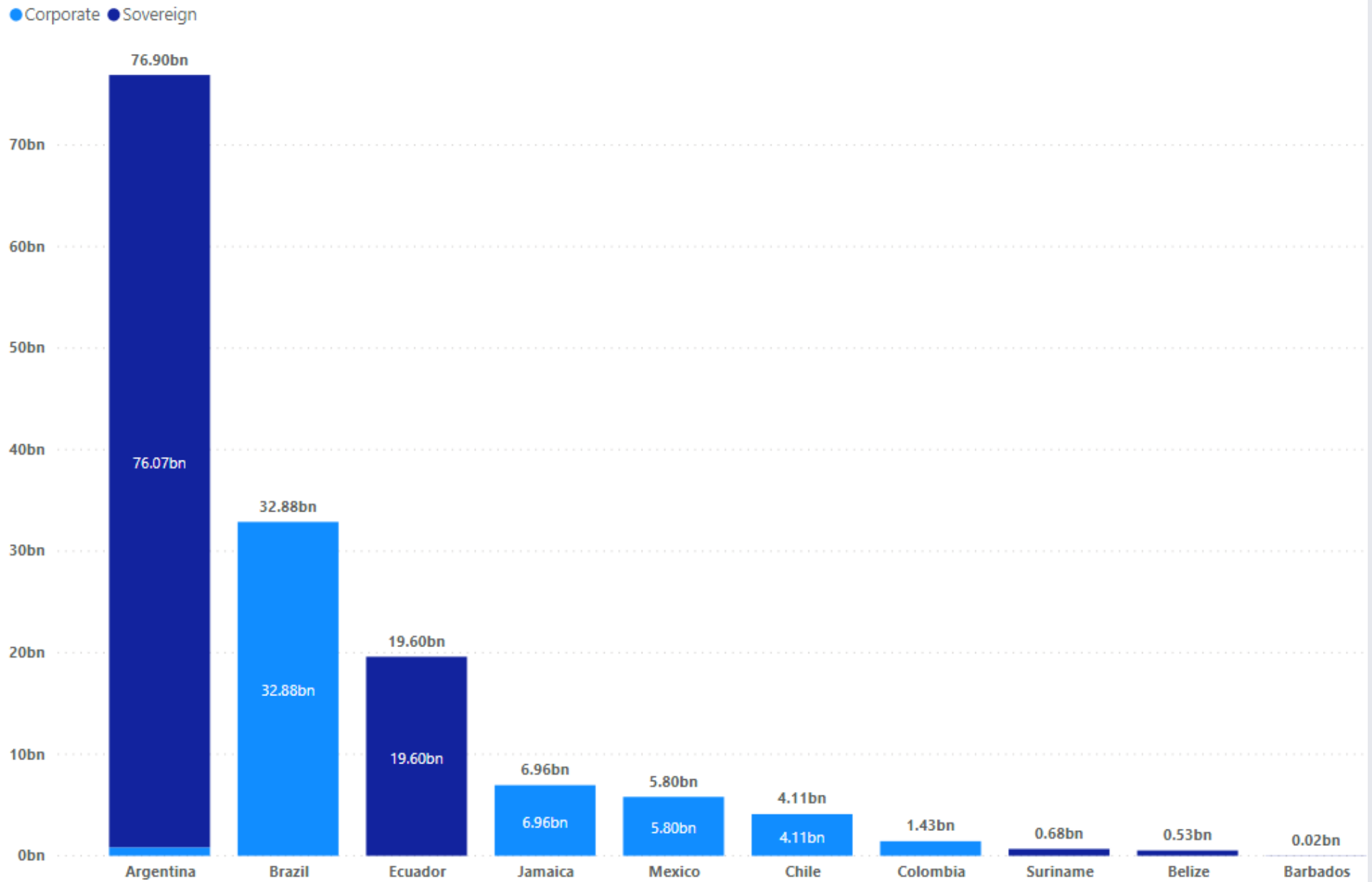


LATIN AMERICAN CASES BY LIABILITY SIZE

● Argentina ● Barbados ● Belize ● Brazil ● Chile ● Colombia ● Ecuador ● Jamaica ● Mexico ● Suriname



CORPORATE VS SOVEREIGN BY LIABILITIES (USD) AND JURISDICTIONS



Source: Debtwire's Restructuring Database. Note that for analysis purposes, we have grouped sovereign and quasi-sovereign restructurings together. So for example, the various Argentine province restructurings, as well as the debt restructurings at the country-level (i.e., Argentina, Ecuador, etc.), are categorized here as "Sovereign."

Advisor/Investor Analysis

Advisor/Investor Analysis: Trends & Takeaways for Latin American Restructurings

Active advisors, creditors and investors in the bankruptcy space—the parties strategically driving much of the bankruptcy process—are given prime placement in the Restructuring Data platform. The Restructuring Database tracks a wealth of advisory mandates and captures a wide variety of investor/creditor activity.*

MOST ACTIVE ADVISORS

On the advisory front, **TWK Advogados** has been the leading legal advisor since 2019, obtaining 14 mandates, slightly outpacing the field, with three international law firms trailing. TWK's dominance in the Brazilian marketplace led to its top spot, which could not be matched in number by the breadth of work international law firms had by operating across the region. **Cleary Gottlieb Steen & Hamilton**, **White & Case**, and **Paul Hastings** follow with 11, 10, and nine lead counsel hires, respectively. White & Case's work came mostly from Argentina (the Republic and various provinces) and Chapter 11 cases, while Cleary's hires were led by Mexican cases, followed by Brazilian situations and a handful of work from Chile and Argentina.

The Financial Advisor / Investment Banking leaders did not come close to the number of law firm hires, with five law firms obtaining more hires than any FA/IB. **FTI Consulting** and **Rothschild** are the leading financial advisors/investment bankers over this time period in Latin America—earning seven representations each. FTI was able to leverage its strong US restructuring practice to advise on five LatAm Chapter 11 situations, while Rothschild's work was more diversified across the region. **Alvarez & Marsal** (six cases), **Lazard Freres & Co.** (four cases), and **BroadSpan Capital** (four cases) are the other financial advisors that were most active over this time period.

MOST ACTIVE CREDITORS/INVESTORS

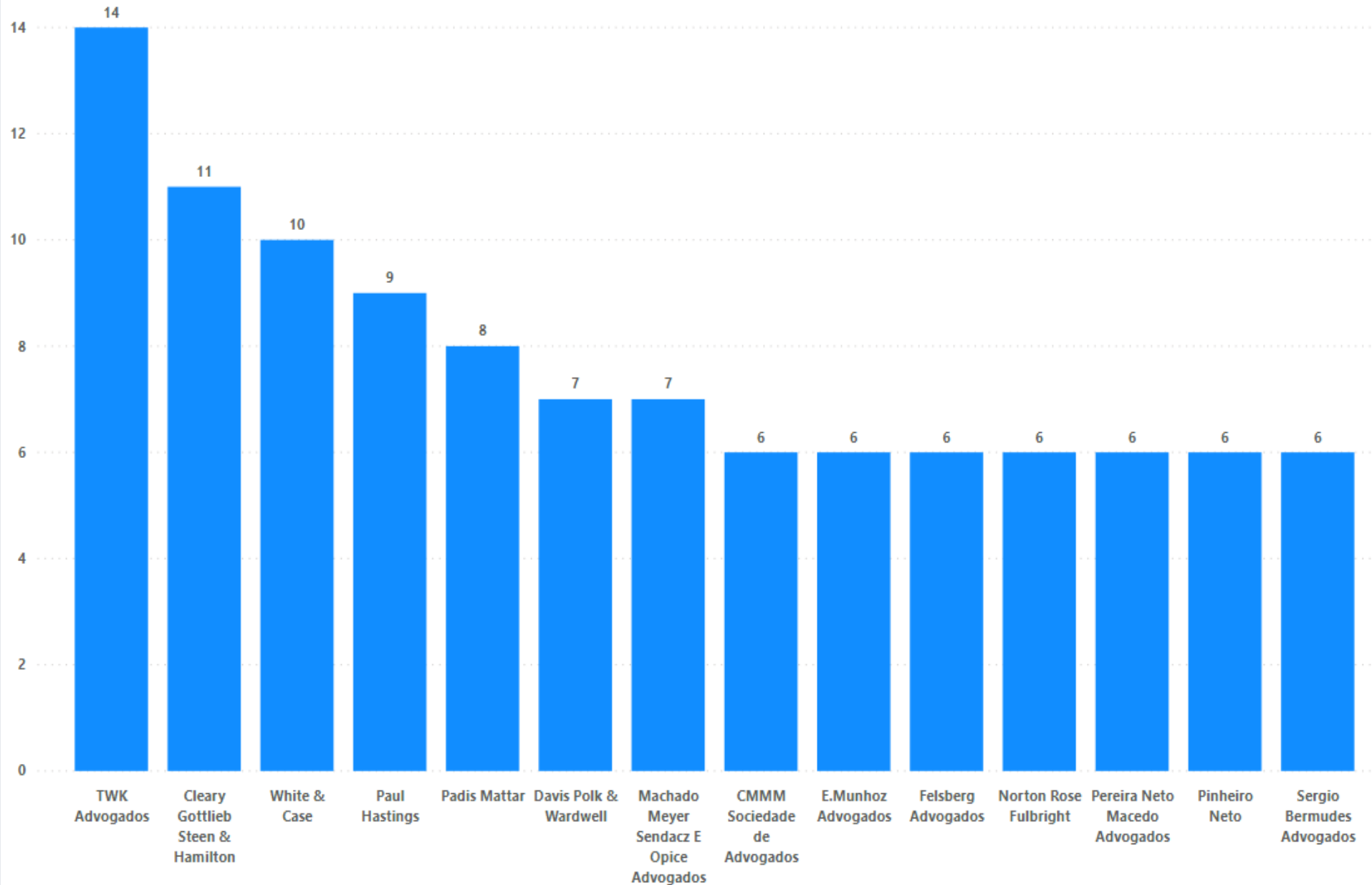
On the creditor side, **Banco Santander** and **BNY Mellon** were involved in the greatest number of situations over this time period (seventeen cases). **BNY Mellon** was the most active indenture trustee for the region, including serving on UCCs in **LATAM Airlines** and **Grupo Famsa**.

Banco Bradesco and **Banco do Brasil** were the other most active banks, involved in 14 and 13 cases, respectively. On the fund side, **Moneda Asset Management** was involved in the greatest number of distressed situations, followed by **Blackrock**.

NOTE: Creditor/Investor activity includes (a) administrative agents and indenture trustees for restructuring, DIP and emergence debt instruments; (b) official committee (UCC, Equity) and ad hoc group members; and (c) lenders, bondholders and equity holders.

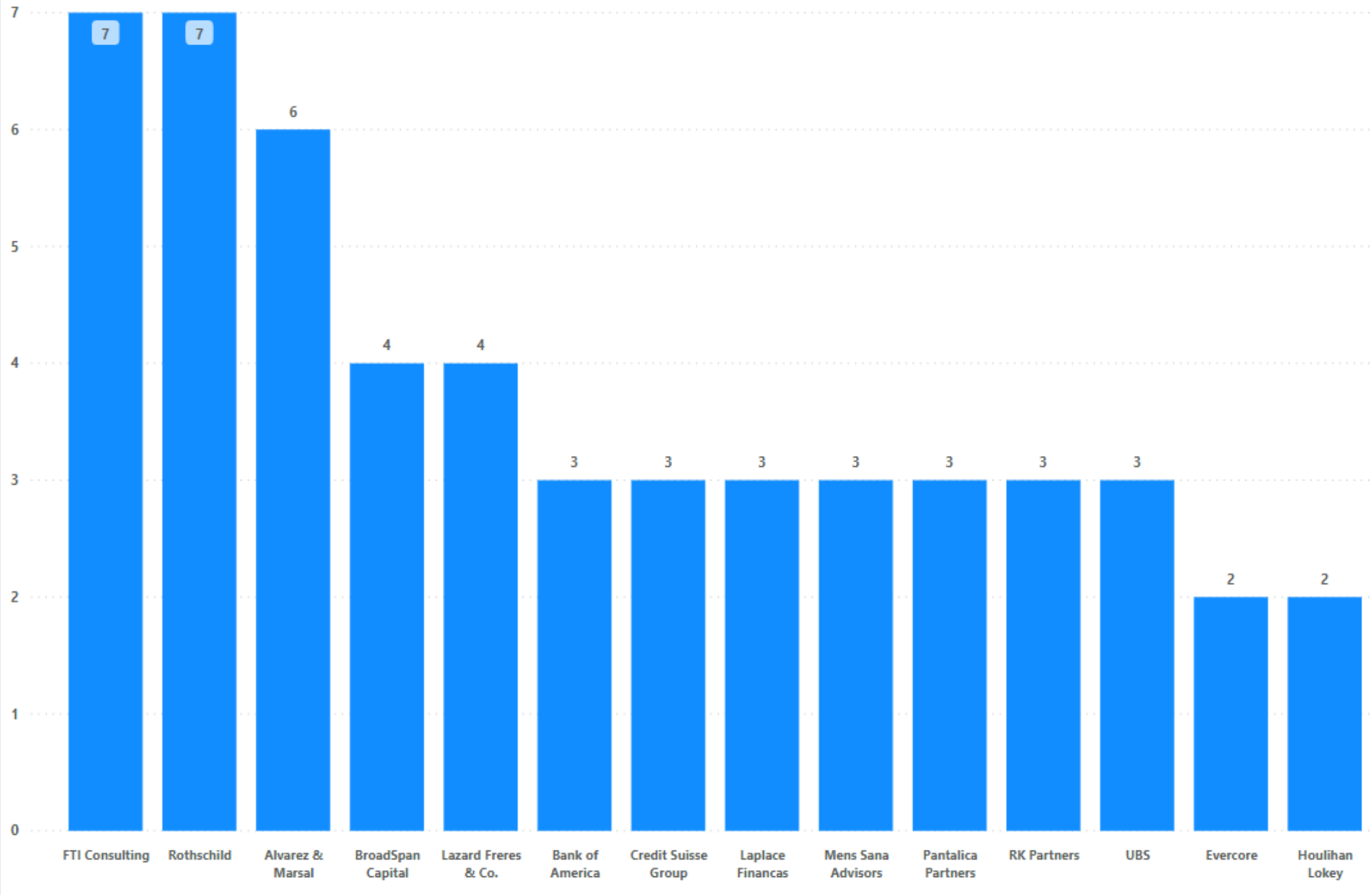
NOTE: We have treated individual cases separately for analysis, even if related to each other.

Most Active Latin America Advisors – Lead Counsel (1 Jan. 2019 – 15 Nov. 2020)



Source: Debtwire's Restructuring Database

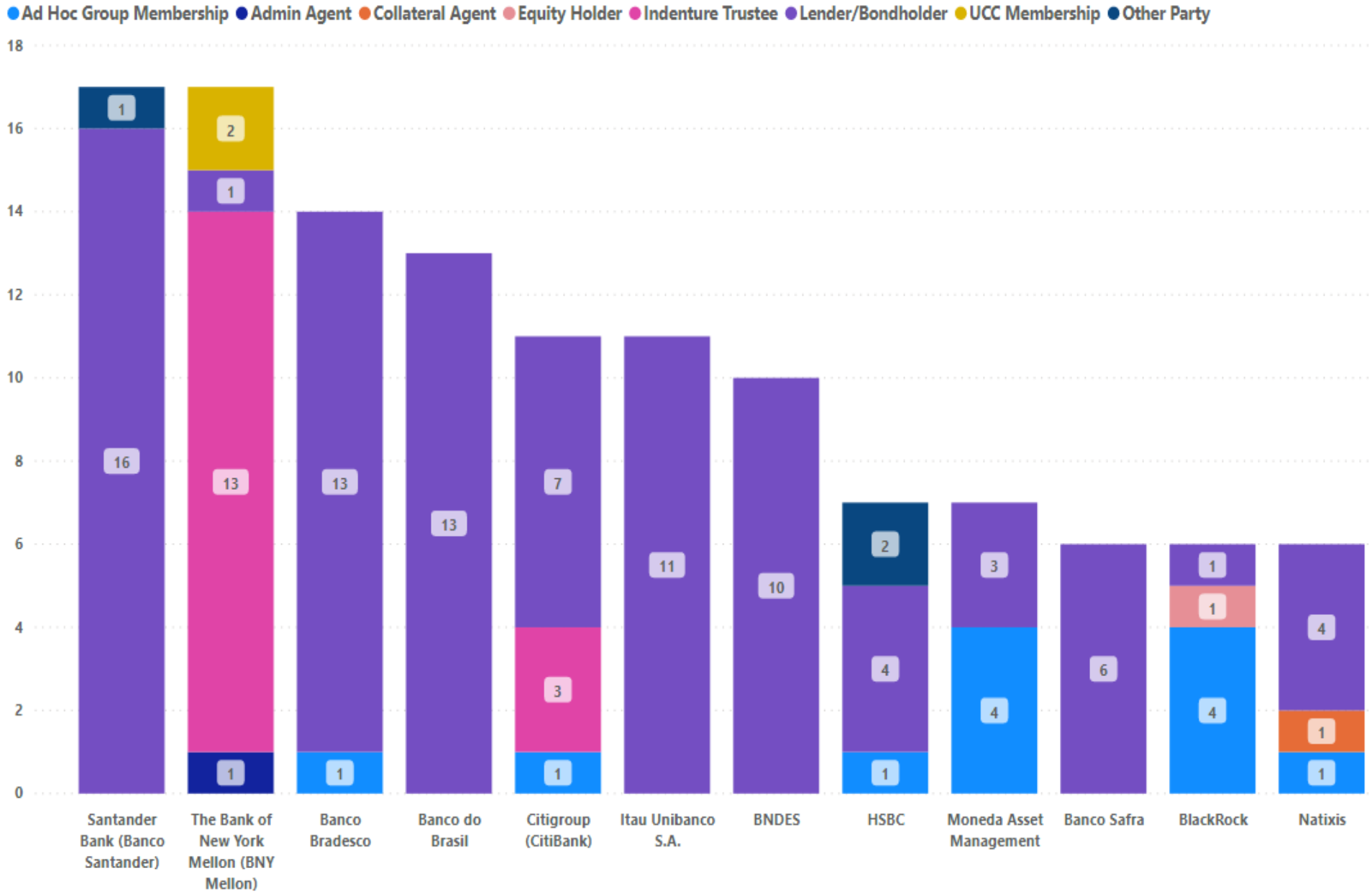
Most Active Advisors – Financial Advisor / Investment Banker



Source: Debtwire's Restructuring Database

NOTE: We have included FA/I-Banker mandates for comparison here, and did not include other types of work, such as Judicial Manager roles.

Most Active Latin America Creditors



Note: If a party was disclosed to be both an Admin Agent and Lender/Bondholder, we treated it as a Lender/Bondholder, and have similarly emphasized membership in both official and ad hoc groups.

Source: Debtwire's Restructuring Database

CREDITOR ACTIVITY

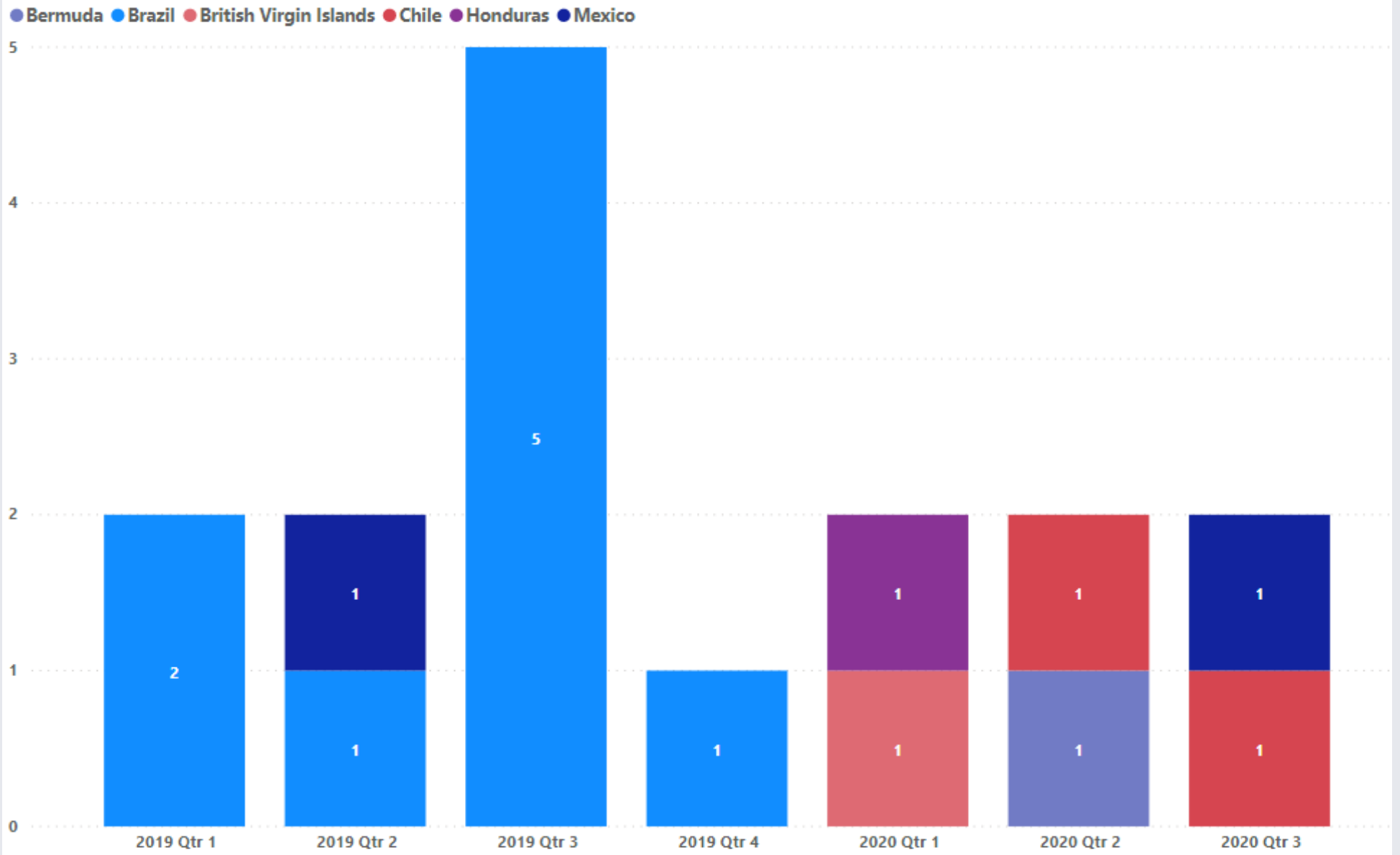
Creditor	# of Cases	Group Membership (Ad Hoc & UCC)	Most Active Sectors
Santander Bank (Banco Santander)	17	-	Agriculture, Transportation
The Bank of New York Mellon (BNY Mellon)	17	In re Grupo Aeromexico, S.A.B. de C.V. In re LATAM Airlines Group, SA	Construction, Transportation, Government
Banco Bradesco	14	Usina Santa Terezinha	Agriculture
Banco do Brasil	13	-	Agriculture
Citigroup (CitiBank)	11	Usina Santa Terezinha	Transportation
Itau Unibanco S.A.	11	-	Agriculture
BNDES	10	-	Agriculture, Transportation
Moneda Asset Management	7	In re Avianca Holdings, S.A. In re Grupo Aeromexico, S.A.B. de C.V. In re Maxcom USA Telecom, Inc. (2019 Chapter 11) In re Olinda Star Ltd.	Transportation
HSBC	7	In re LATAM Airlines Group, SA	Transportation, Government
Banco Safra	6	-	-
BlackRock	6	Odebrecht Engenharia e Construcao (OEC) Province of Buenos Aires Republic of Argentina (2020) Stoneway Capital Corporation	Government
Natixis	6	Usina Santa Terezinha	Transportation

Note: We have combined Banco Itau S.A and Itau Unibanco S.A.

Source: Debtwire's Restructuring Database

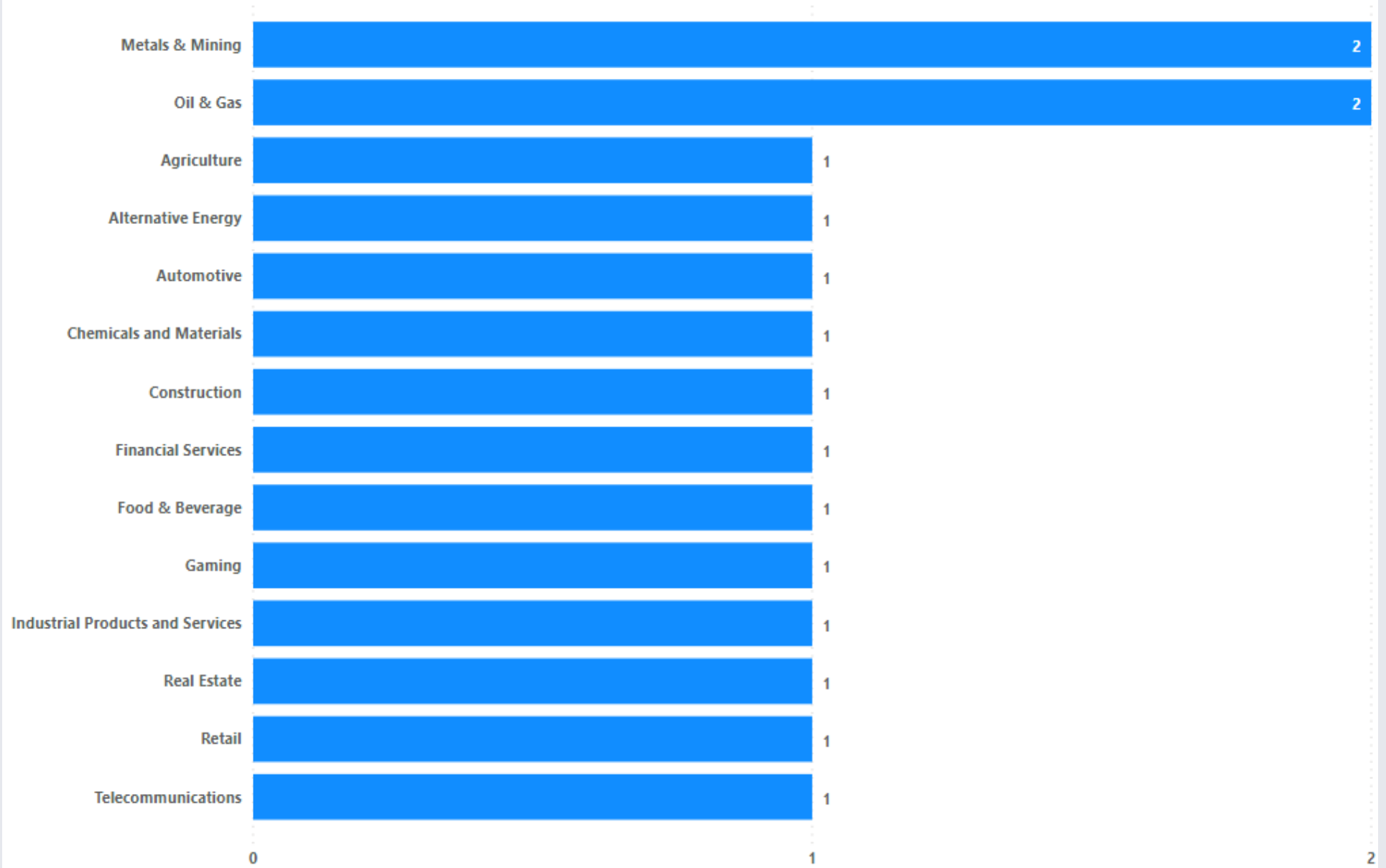
Chapter 15 Cases

CHAPTER 15 FILINGS BY LATIN AMERICAN DEBTORS



CHAPTER 15 FILINGS BY LATIN AMERICAN DEBTORS

Sector



CHAPTER 15 FILINGS BY LATIN AMERICAN DEBTORS

COURT BY JUDGE



Annex A: Latin American Restructuring Cases

CASES

Case Name	Commencement Date	Jurisdictions	Status	Proceeding Type	Sector
Fertilizantes Heringer SA	6 Feb 2019	Brazil	Pending	Recuperacao Judicial	Chemicals and Materials
M&G Mexico	12 Mar 2019	Mexico	Complete	Concurso	Chemicals and Materials
Grupo USJ (USJ Acucar e Alcool S.A.) (2019 Out-of-Court)	26 Mar 2019	Brazil	Complete	Out-of-Court	Food & Beverage
Avianca Brasil	5 Apr 2019	Brazil	Pending	Recuperacao Judicial	Transportation
Queiroz Galvao Energias Renovaveis	8 Apr 2019	Brazil	Pending	Recuperacao Extrajudicial	Electrical Power
Queiroz Galvao Energia	8 Apr 2019	Brazil	Pending	Recuperacao Extrajudicial	Electrical Power
Queiroz Galvao Energetica SA	8 Apr 2019	Brazil	Pending	Recuperacao Judicial	Electrical Power
Companhia Energetica Santa Clara	8 Apr 2019	Brazil	Pending	Recuperacao Judicial	Electrical Power
Terra Forte Exportacao e Importacao de Cafe Ltda.	9 Apr 2019	Brazil	Pending	Recuperacao Judicial	Agriculture
Usina Santa Terezinha	15 Apr 2019	Brazil	Pending	Recuperacao Judicial	Agriculture
Grupo Virgolino de Oliveira (GVO)	23 May 2019	Brazil	Pending	Out-of-Court	Agriculture
Atvos	29 May 2019	Brazil	Pending	Recuperacao Judicial	Agriculture
Grupo Libra	14 Jun 2019	Brazil	Pending	Recuperacao Judicial	Transportation
Odebrecht S.A.	17 Jun 2019	Brazil	Pending	Recuperacao Judicial	Construction
Arendal (2019 Out-of-Court Restructuring)	1 Jul 2019	Mexico	Complete	Out-of-Court	Construction
MMX Mineracao e Metalicos	1 Jul 2019	Brazil	Pending	Recuperacao Judicial	Metals & Mining
Abengoa Bioenergia Brasil	12 Aug 2019	Brazil	Pending	Recuperacao Judicial	Oil & Gas
Maxcom USA Telecom, Inc. (2019 Chapter 11)	19 Aug 2019	Mexico	Complete	Chapter 11	Telecommunications

CASES

Case Name	Commencement Date	Jurisdictions	Status	Proceeding Type	Sector
Grupo Abril	27 Aug 2019	Brazil	Pending	Recuperacao Judicial	Consumer Products
Octaedro Constructora	27 Aug 2019	Mexico	Pending	Concurso	Construction
Grupo Moreno	20 Sep 2019	Brazil	Pending	Recuperacao Judicial	Agriculture
Automotores Gildemeister (2019)	30 Sep 2019	Chile	Complete	Out-of-Court	Automotive
InterCement (2020 Bank Refi)	1 Oct 2019	Brazil	Complete	Out-of-Court	Construction
Enseada Industria Naval SA	4 Oct 2019	Brazil	Pending	Recuperacao Judicial	Industrial Products and Services
Grupo Renova	16 Oct 2019	Brazil	Pending	Recuperacao Judicial	Alternative Energy
Grupo Famsa (2019 Out-of-Court)	29 Oct 2019	Mexico	Complete	Out-of-Court	Retail
Concessionaria Rodovias do Tiete SA	11 Nov 2019	Brazil	Pending	Recuperacao Judicial	Transportation
Industrias Unidas (IUSA) (2019/2020 Out-of-Court)	22 Nov 2019	Mexico	Complete	Out-of-Court	Industrial Products and Services
Grupo USJ (USJ Acucar e Alcool S.A.)(2020 Out-of-Court)	4 Dec 2019	Brazil	Pending	Out-of-Court	Food & Beverage
Olinda Star Ltd.	13 Dec 2019	Brazil	Complete	Scheme of Arrangement	Oil & Gas
Seabras 1 USA LLC (Seaborn Networks)	22 Dec 2019	Brazil	Complete	Chapter 11	Telecommunications
Liq Corp SA	10 Jan 2020	Brazil	Pending	Recuperacao Extrajudicial	Telecommunications
Province of Chubut	15 Jan 2020	Argentina	Pending	Out-of-Court	Government
Government of Barbados (2020)	4 Feb 2020	Barbados	Complete	Out-of-Court	Government
Estaleiro Atlantico Sul	7 Feb 2020	Brazil	Pending	Recuperacao Judicial	Industrial Products and Services
Aeroportos Brasil Viracopos SA	13 Feb 2020	Brazil	Pending	Recuperacao Judicial	Transportation

CASES

Case Name	Commencement Date	Jurisdictions	Status	Proceeding Type	Sector
Stoneway Capital Corporation	14 Feb 2020	Argentina	Pending	Canada Business Corporations Act	Electrical Power
Grupo Idesa SA de CV	23 Mar 2020	Mexico	Complete	Out-of-Court	Chemicals and Materials
Republic of Ecuador (2020)	8 Apr 2020	Ecuador	Complete	Out-of-Court	Government
Republic of Argentina (2020)	21 Apr 2020	Argentina	Complete	Out-of-Court	Government
Province of Buenos Aires	24 Apr 2020	Argentina	Pending	Out-of-Court	Government
Enjoy SA	24 Apr 2020	Chile	Complete	Reorganization	Gaming
Cinemex Holdings USA, Inc.	25 Apr 2020	Mexico	Pending	Chapter 11	Leisure
Province of Neuquen	28 Apr 2020	Argentina	Pending	Out-of-Court	Government
Province of Cordoba	7 May 2020	Argentina	Pending	Out-of-Court	Government
Avianca Holdings, S.A.	10 May 2020	Colombia	Pending	Chapter 11	Transportation
Digicel Group One Limited	12 May 2020	Jamaica	Pending	Scheme of Arrangement	Telecommunications
Province of Mendoza	15 May 2020	Argentina	Pending	Out-of-Court	Government
LATAM Airlines Group, SA	26 May 2020	Chile	Pending	Chapter 11	Transportation
Government of Belize (2020)	17 Jun 2020	Belize	Complete	Out-of-Court	Government
Province of Tierra Del Fuego	22 Jun 2020	Argentina	Pending	Out-of-Court	Government
Grupo Famsa, S.A.B. de C.V. (Chapter 11)	26 Jun 2020	Mexico	Complete	Chapter 11	Retail
Grupo Aeromexico, S.A.B. de C.V.	30 Jun 2020	Mexico	Pending	Chapter 11	Transportation
Republic of Suriname	1 Jul 2020	Suriname	Pending	Out-of-Court	Government

CASES

Case Name	Commencement Date	Jurisdictions	Status	Proceeding Type	Sector
Province of Rio Negro	7 Jul 2020	Argentina	Pending	Out-of-Court	Government
Province of Salta	8 Jul 2020	Argentina	Pending	Out-of-Court	Government
Nova Austral S.A.	27 Jul 2020	Chile	Complete	Out-of-Court	Agriculture
Province of La Rioja	31 Jul 2020	Argentina	Pending	Out-of-Court	Government
Province of Chaco	31 Jul 2020	Argentina	Pending	Out-of-Court	Government
Province of Entre Rios	4 Aug 2020	Argentina	Pending	Out-of-Court	Government
Grupo Famsa (Concurso)	6 Aug 2020	Mexico	Pending	Concurso	Retail
Maquina de Vendas SA (2020 RJ)	10 Aug 2020	Brazil	Pending	Recuperacao Judicial	Retail
Odebrecht Engenharia e Construcao (OEC)	19 Aug 2020	Brazil	Complete	Recuperacao Extrajudicial	Construction
Grupo Posadas	11 Nov 2020	Mexico	Pending	Out-of-Court	Leisure

Annex B: Chapter 15 Recognition Cases

CASES

Case Name	Commencement Date	Chapter 15 Countries	Sector	Court	Judge Name
In re Marangoni Tread Latino America Industria e Comercio de Artefatos de Borracha Ltda	15 Feb 2019	Brazil	Automotive	Florida Southern	Laurel M. Isicoff
In re Smar Equipamentos Industrias Ltda.	28 Feb 2019	Brazil	Industrial Products and Services	Florida Southern	Robert A. Mark
In re Usina De Acucar Santa Terezinha Ltda.	18 Apr 2019	Brazil	Agriculture	New York Southern	Michael E. Wiles
In re M&G Mexico Holding, S.A. de C.V. (Mossi & Ghisolfi)	21 Apr 2019	Mexico	Chemicals and Materials	New York Southern	Michael E. Wiles
In re Porção Licenciamentos e Participações S.A. and Brasil Foodservice	2 Jul 2019	Brazil	Food & Beverage	New York Southern	Stuart M. Bernstein
In re Knijnik Participacoes S.A.	24 Jul 2019	Brazil	Real Estate	Florida Southern	Robert A. Mark
In re Schahin Holdings S.A. (Base)	26 Jul 2019	Brazil	Oil & Gas	Florida Southern	Robert A. Mark
In re São Fernando Açúcar e Álcool Ltda.	22 Aug 2019	Brazil	Alternative Energy	Florida Southern	A. Jay Cristol
In re Odebrecht S.A.	26 Aug 2019	Brazil	Construction	New York Southern	Stuart M. Bernstein
In re Brasagro Fertilizantes Mineraiis LTDA	15 Oct 2019	Brazil	Metals & Mining	Florida Southern	A. Jay Cristol
In re Banco Continental, S.A.	23 Jan 2020	Honduras	Financial Services	Florida Southern	Robert A. Mark
In re Olinda Star Ltd.	6 Mar 2020	British Virgin Islands	Oil & Gas	New York Southern	Martin Glenn
In re Digicel Group One Limited	15 May 2020	Bermuda	Telecommunications	New York Southern	Shelley C. Chapman
In re Enjoy SA	12 Jun 2020	Chile	Gaming	New York Southern	Martin Glenn
In re Grupo Famsa, S.A.B. de C.V. (Chapter 15)	6 Aug 2020	Mexico	Retail	New York Southern	Shelley C. Chapman
in re Minera Tres Valles S.p.A.	14 Aug 2020	Chile	Metals & Mining	New York Southern	James L. Garrity

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