

Uruguayan Payments Company dLocal Valued at \$1.2 Billion in General Atlantic-Led Deal

The \$200 million investment makes dLocal one of the best funded venture-backed technology companies in Latin America

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September 15, 2020
[Wall Street Journal](#)



Payments company dLocal Group Ltd. became one of Latin America's best funded venture-backed companies through a new deal that valued the business at \$1.2 billion.

Montevideo, Uruguay-based dLocal, which helps international companies process payments in emerging markets, raised \$200 million in a growth-equity financing round led by General Atlantic, with Lee Fixel's firm Addition participating.

Latin America is suffering from the [worst economic contraction on record](#), according to the International Monetary Fund. Many countries in the region saw steep drops in the value of their currencies, which reduced the buying power of local consumers.

“There are less available dollars, but [consumers] are spending more of those online,” said dLocal’s founder and Chief Executive Sebastián Kanovich.

Demand for online services, whether streaming music and video or online shopping, has remained robust. Research firm eMarketer Inc., for example, said it believes e-commerce sales in Latin America will rise 19.4% to \$83.63 billion this year. The research firm revised its estimates of such sales upward because of the coronavirus pandemic.



Sebastian Kanovich, founder and chief executive of Uruguay-based payments company dLocal.

Photo: dLocal Group Ltd.

“In the real world and nondigital world, the contraction is very real. In the digital world, it’s not. That’s why we were unfazed,” said Martín Escobari, co-president, managing director and head of Latin America for General Atlantic. General Atlantic was an early investor in [now-public](#) payments company Adyen NV, which is a dLocal competitor.

dLocal enables global corporations to accept local payments for online services from customers and send payments to their local workforce in emerging markets through a variety of methods, including as cash and bank transfers. The company charges a fee, similar to a credit-card fee, for each transaction. Latin America is the company’s biggest market.

Founded in 2016, dLocal expects to generate \$150 million in revenue this year, up from more than \$60 million in 2019, according to Mr. Kanovich. The company is profitable and raised no outside funding before this deal, he added. DLocal's clients include Amazon.com Inc., Didi Chuxing Technology Co., NikeInc., Shopify Inc. and Spotify Technology SA .

DLocal is available in more than 20 countries throughout Latin America, Asia and Africa. The company has six offices world-wide, including in Tel Aviv, where Mr. Kanovich, a native of Uruguay, is based.

The U.S.-China trade dispute is one factor that is pushing more global corporations to seek growth in emerging markets, which has helped dLocal gain new customers, Mr. Kanovich said. "You'll see Chinese companies moving into Africa and Latin America," Mr. Kanovich said.

The investment into dLocal vaults the company into the ranks of the best funded technology startups in Latin America. Only [Brazilian digital bank](#) Nubank and [delivery company](#) Rappi Inc., based in Colombia, have raised more venture capital in the region, according to an August report from data provider CB Insights.