



General Water SA

LGT Impact Ventures (LGT IV) is pleased to announce its next equity investment¹ in Brazil: General Water SA. General Water (GW) operates as a full scope solutions provider of on-site water and sanitation systems especially catered to small and mid-size corporates and municipalities in São Paulo.

Why LGT IV supports General Water

In Brazil, urban population growth, pollution and rainfall reduction trends are putting pressure on water resources. In São Paulo, Brazil's largest metropole, the population has on average access to less than 146 m³ of water per inhabitant per year, an amount barely sufficient to cover basic needs. In 2014 and 2015, São Paulo's population experienced a long and severe water shortage showing how fragile and vulnerable to climate freshwater supply in the region is. According to the World Health Organization not only São Paulo, but also most of the major Brazilian urban areas, suffer from either "water scarcity" or a "water stress"² situation, being particularly exposed to the risk of water shortages. Increasing resources are required to provide sufficient, accessible, reliable and quality water supply. Over the next 15 years, it is estimated that around USD 100 billion in investments³ are needed to secure water demand in Brazil and sanitation concessionaries alone are not up to the challenge.

GW's model and positive social impact

By offering on-site alternative water supply, treatment and recycling solutions, GW has the potential to generate positive impact for both the environment and society at large by:

- Improving industrial and commercial water-cycles efficiency, with water savings of up to 80% reducing the need for fresh drinkable water
- Treating waste and sewage, discharging only clean water, consequently contributing to the preservation of water resources
- Increasing the fresh water volume available to local populations, reducing overall vulnerability against water scarcity.

LGT IV's engagement

LGT IV provided an equity investment of approx. USD 21M to enable GW to scale up its operations and accelerate its expansion into new segments and regions.

Quotes

"For a long time, General Water has been looking for the right partner to participate in its growth strategy and it has finally found it in LGT Impact Ventures. We are confident that LGT IV, as a strategic investor, will contribute to GW's further development and will help management to bring GW to the next level", says Reinaldo Fischer, Co-Founder of General Water.

"We value the impressive track record of General Water in delivering complex water solutions in very difficult environments. GW can count on solid engineering know-how and top operational excellence that derives from its highly experienced founders, solid technical team and a committed organization. We look forward to working closely with the management in the next stage of GW's growth", says Marcos Pereira, Partner at LGT IV.

¹ The investment was made through one of LGT IV's funding vehicles.

² According to the World Health Organization, regions with less than 1,000m³/inhabitant/year and below are deemed under "water stress" and below 1,700m³/inhabitant/year under are considered under "water scarcity".

³ Brazilian National Sanitation Plan (Plansab).

"Since the beginning of our investment process, we realized that there is a strong alignment of value and culture between GW and LGT. We believe that, united in the same vision, we will now work together to address a large and unmet need for water solutions across Brazil", says Pedro Teixeira, Partner at LGT IV.



About LGT Impact Ventures

LGT Impact Ventures (LGT IV) is a private equity impact investor targeting both attractive financial returns and measurable, positive societal impact. LGT IV invests growth capital in purpose-driven companies with scalable business models which provide underserved people with access to affordable products, services and livelihood opportunities. Headquartered in Zurich with local teams in Latin America, Africa, India, Southeast Asia, China, and the UK, LGT IV focuses on sectors in growth markets such as education, health, agriculture, energy, financial inclusion and Information and Communication Technology. LGT IV is the impact investing arm of LGT – the world's largest privately owned Private Banking and Asset Management group with USD 149.7 billion of assets under management as of March 2017.

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