REGIONAL INSIGHTS

2026 Mexico PE Value Creation Index Findings

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Execution Strengths, Structural Gaps

Mexico's private equity market presents a picture of genuine execution strength alongside persistent structural gaps. Across the 2026 PE Value Creation Index, PE firms operating in Mexico (Local & International) appear to **outperform global peers on M&A speed and business case delivery, lead in AI adoption and generate above-average returns from efficiency levers** — these findings are drawn from a limited sample and should be interpreted directionally. Yet, value creation planning remains reactive and bespoke — reactive planning is approximately four times more common among Mexico respondents than globally — and the sector's most reliable levers continue to be deprioritized for 2026. At the same time, commercial lever deployment struggles to convert high frequency into results, particularly in customer health and churn prevention. Closing the gap between Mexico PE's execution capabilities and its planning discipline represents a defining opportunity for the sector.

THE VALUE OF TIME

"The data from Mexico-based firms reveals a private equity sector with high potential but a structural gap in how value creation is planned. When 44% of funds address value creation deal by deal and reactive planning is four times more common than elsewhere in the world, the cost is not just one of efficiency — it is of value left uncaptured. Taking the time at the start of each investment to systematically map opportunities, prioritize the right levers and build a structured plan is not a luxury; it is precisely what separates those who meet their business case from those who fall short of expectations."

Jorge Lacayo
Senior Managing Director,
Business Transformation, Mexico

1. Value Creation Planning is Unstandardized and Reactive

Data from the 2026 PE Value Creation Index suggests that PE firms operating in Mexico tend to rely on bespoke, deal-by-deal approaches at roughly **twice the global rate — 44% vs. 24%**. Reactive planning in response to problems appears approximately **four times more common among Mexico respondents than globally (16% vs. 4%)**. Only 20% of Mexican PE respondents indicate they initiate value creation planning during diligence, compared with 40% globally, pointing to the critical sign-to-close window as an underutilized execution opportunity.

This pattern creates a compounding cost. Without a structured value creation plan at close, operating partners must improvise in the post-close period — the same window where disciplined firms are already executing against a predefined playbook. Global high performers are **2.3x more likely to run highly standardized playbooks**, and that discipline shows up consistently across every lever they deploy.

44%

Bespoke / deal-by-deal

vs. 24% globally — nearly 2x the rate

16%

Reactive planning

vs. 4% globally — 4x more common

20%

Plan during diligence

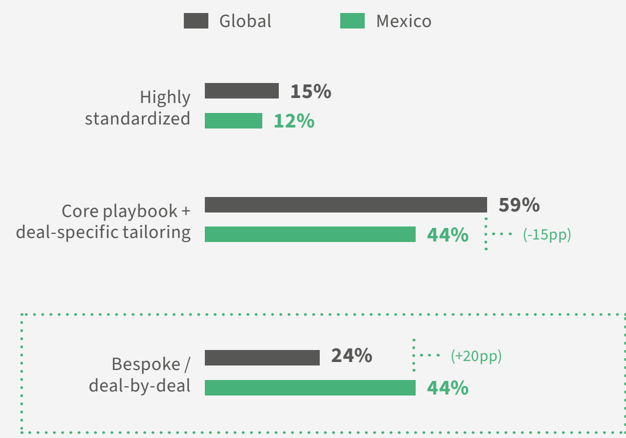
vs. 40% globally — half the rate

Value Creation Playbooks

Among Mexico respondents, playbook standardization and planning timing trail global peers, with reactive execution approximately four times more likely.

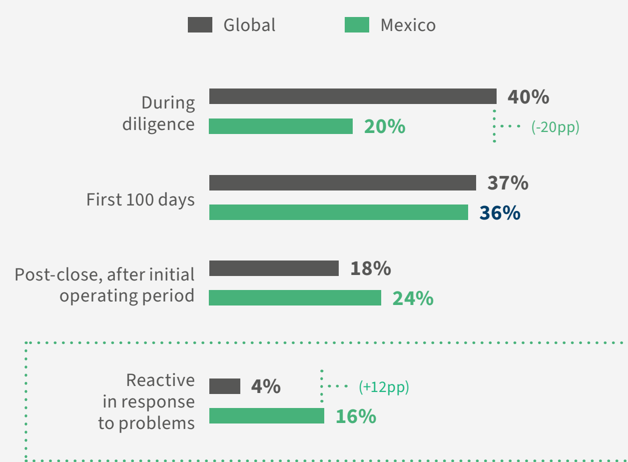
Mexico respondents rely on bespoke, deal-by-deal approaches at roughly twice the global rate, trailing peers in structured playbook adoption.

Value creation approach in portfolio companies (% of respondents)



Mexico respondents indicate they initiate value creation planning later than global peers, with reactive approaches approximately four times more common.

Timing of value creation plan (% of respondents)



2. Customer Health is Mexico's Critical Commercial Execution Gap

Among survey respondents, Mexico applies commercial levers — pricing optimization, sales force effectiveness, product and market expansion, and customer health — at frequencies comparable to high performers, and **leads global peers on time-to-value across all four**. This represents a genuine strength in the data: Mexico respondents are not underdeploying commercial levers.

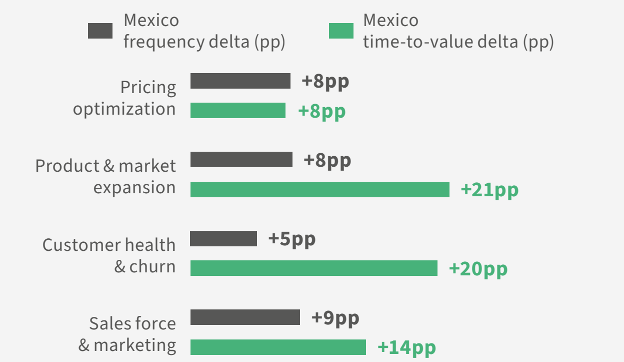
However, a critical execution gap emerges in customer health and churn prevention. Despite deploying this lever at the same rate as high performers (**76% frequency**), Mexican PE firms in the sample report **0% business case outperformance** for this lever — compared with **18% for high performers** and 11% globally. This is the widest execution gap of any lever in the Mexico dataset, suggesting that while the lever is recognized and applied regularly, the respondent group has not yet developed the execution methodologies to convert that deployment into results.

Commercial Levers

Among respondents, Mexico applies commercial levers at rates comparable to high performers, yet customer health appears to fail to convert frequency into business case results.

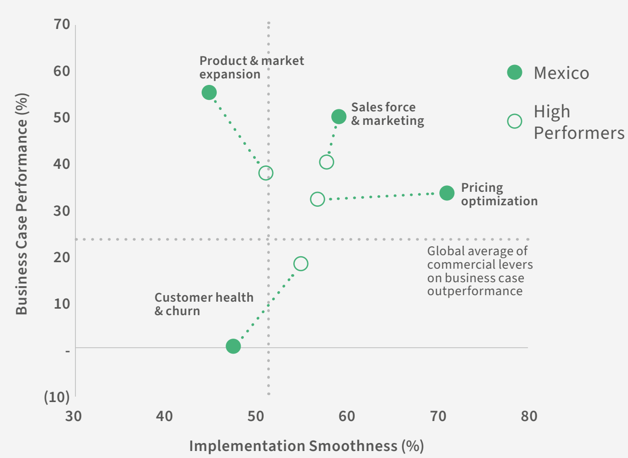
Mexico respondents outperform global averages on adoption and speed across all commercial levers.

Gap vs. global average (percentage points, Mexico minus global)



Customer health stands alone below the global and high performer threshold among Mexico respondents.

Mexico vs. global and high performers — implementation smoothness vs. business case outperformance (%)



3. Efficiency Levers Consistently Deliver Yet Remain Chronically Underprioritized

Among Mexico respondents, efficiency levers generate strong, above-average returns, yet appear to be **systematically deprioritized**. Cash conversion and working capital optimization lead Mexico respondents on both time-to-value and business case outperformance. Despite this, implementation is smooth only half of the time, and Mexico is the **only respondent group assigning zero planning priority** to this lever for 2026. Cost structure optimization **shows a similar pattern**: it ranks third on value generated across all levers among respondents but falls to eighth on usage priority — a gap of five positions between proven performance and forward intention, with implementation being smooth less than half the time.

Deprioritizing and under-executing these levers is particularly consequential given their speed advantages. Latin America respondents report the fastest cash conversion time-to-value of any region, with **91% seeing results within 12 months** vs. 82% globally. The data suggests the sector may be consistently leaving its most reliable early-margin headroom unrealized, deferring its fastest, highest-return levers in favor of levers that have yet to demonstrate similar performance among this respondent group.

0%

Cash conversion 2026 priority
The only group assigning zero priority

#8

Cost optimization usage rank
vs. #3 on value generated — a 5-position gap

91%

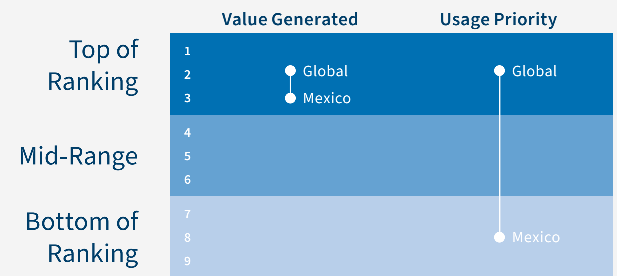
Time-to-value within 12 months
LATAM leads all regions on cash conversion speed

Cost Optimization

Mexico respondents report strong value from cost structure optimization but consistently assign it among the lowest usage and planning priorities.

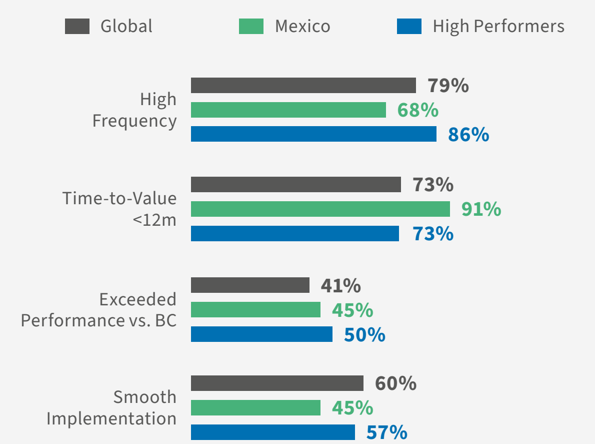
Among Mexico respondents, cost structure optimization ranks third on value generated but eighth on usage priority.

Lever usage priority and value creation for PE (ordinal ranking)



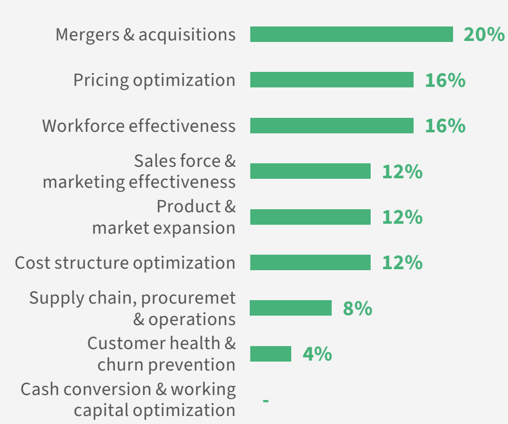
Mexico respondents lead on time-to-value for cost optimization yet trail peers on implementation smoothness.

Perspective on cost structure optimization (% of respondents)



Mexico respondents rank cost optimization among their lowest priorities for 2026, despite above-average results.

Value creation levers for 2026, in priority order (% of respondents)



FINDING VALUE

"In an environment where every basis point of return matters, it is striking that working capital optimization — one of the fastest-impact levers with a proven track record of returns — encounters implementation difficulty more than half the time, even when regularly applied. Working capital contains value that already exists within the operation, but diagnosing it at the start of an investment is only the starting point: that value reverses, and can even drain cash, the moment discipline relaxes. The challenge, then, is to build the mechanisms that sustain that discipline over time. Funds that institutionalize it not only improve their liquidity on a one-time basis: they consistently free up the resources that enable them to activate other value creation levers with greater financial strength."

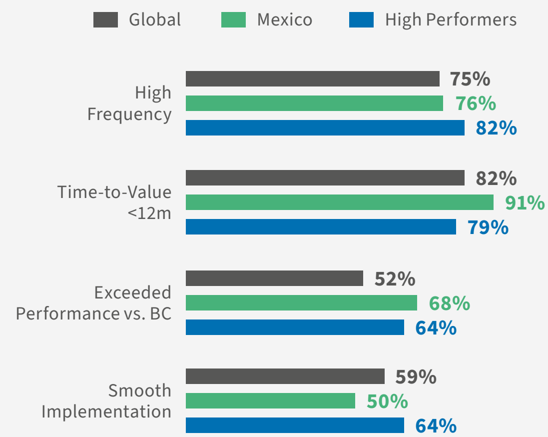
Vicente González
Senior Managing Director,
Corporate Finance, Mexico

Cash Conversion & WC Optimization

Mexico leads all peers on time-to-value and business case performance yet is the only group assigning it zero priority for 2026.

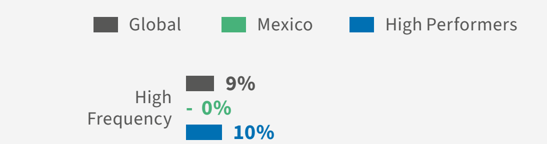
Mexico respondents lead all peers on time-to-value and business case results yet report the lowest implementation smoothness of any respondent group.

Perspective on cash conversion and WC optimization (% of respondents)



Mexico respondents are the only group assigning zero priority to this lever for 2026, against 9% globally and 10% among high performers.

Perspective on cash conversion and WC optimization (% of respondents)



4. M&A Outperforms on Results and Speed Yet Trails High Performers on Implementation

Among survey respondents, Mexico emerges as an **M&A outperformer**. Mexican PE respondents exceed global peers on M&A business case results by 10 percentage points and deliver value at nearly double the global speed — **48% reporting results within 12 months** vs. 25% globally, outpacing even high performers at 32%.

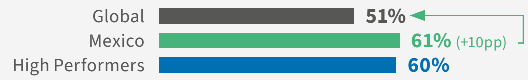
The hypothesis behind this outperformance points to the institutionalization gap prevalent in Mexico's mid-size and mid-cap targets. In markets where governance, KPIs and operational best practices are less established, the introduction of structured management can unlock value faster and more visibly. Yet that same institutionalization gap creates implementation friction: Mexico **trails high performers on implementation smoothness by 11 percentage points**, as acquiring firms encounter less-developed processes that make integration structurally harder, even as returns arrive faster. The gap that creates the opportunity also creates friction.

M&A

Mexico outperforms global peers on M&A business case results and speed-to-value but trails high performers on implementation smoothness.

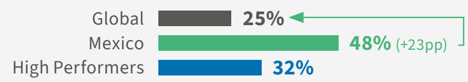
Mexico respondents outperform on M&A business case at a higher rate than global peers.

Exceeded business case (% of respondents)



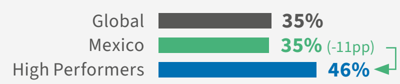
Mexico respondents deliver M&A value at almost double the global rate, outpacing high performers.

Time-to-value <12m (% of respondents)



Mexico respondents match global implementation smoothness but trail high performers.

Implementation smoothness (% of respondents)



+10pp

vs. global on business case results

61% exceeded business case vs. 51% globally

48%

Time-to-value within 12 months

vs. 25% globally — nearly 2x the rate

-11pp

vs. high performers on smoothness

Mexico trails high performers on implementation ease

5. AI Adoption Leads Globally Yet Execution and Outcomes Trail High Performers

Finally, among Mexico respondents, AI is identified as the #1 disruptor in private equity — cited by 56% of respondents compared with 38% globally, the highest awareness level of any region. Mexico respondents also report faster time-to-value from AI, with 72% seeing measurable impact within 12 months vs. 66% globally. These are meaningful leading indicators of AI engagement within this respondent group.

However, execution quality lags significantly. Only 17% of Mexican PE respondents report smooth AI implementation compared with 31% globally, and business case outperformance from AI stands at 11% — trailing high performers by eight percentage points. The picture is consistent with a broader adoption curve: Mexico respondents appear to be deploying AI aggressively and reaching results quickly, but have not yet built the governance, data infrastructure and organizational alignment needed to convert that deployment into differentiated, scalable outcomes.

The 3.8x gap between high performer AI outperformance (19%) and the broader population (5%) globally shows what becomes possible when AI deployment is backed by deliberate strategic direction.

56%

Cite AI as #1 PE disruptor

vs. 38% globally — highest of any region

17%

Smooth implementation

vs. 31% globally — 14pp gap

-8pp

vs. high performers on business case outperformance

11% Mexico vs. 19% high performers

AI

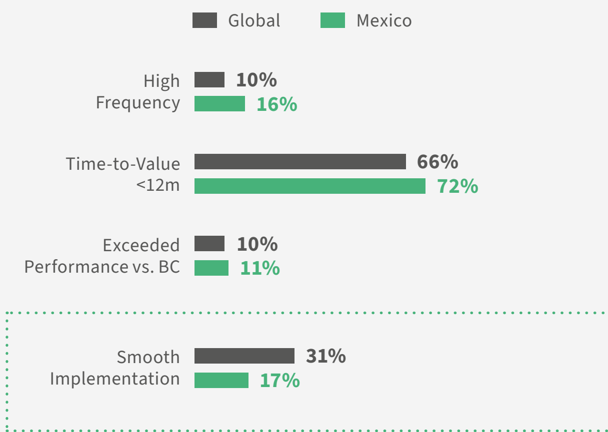
Among Mexico respondents, AI adoption and speed-to-value lead global peers, yet execution appears to struggle and outcomes lag top performers where it counts most.

Among Mexico respondents, AI is cited as the #1 disruptor of PE, well above the global average.

AI as a top disruptor for PE (% of respondents)

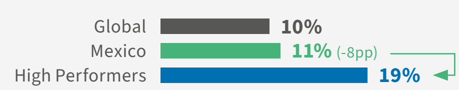
Mexico respondents report higher AI usage and faster results, but implementation appears significantly harder.

Perspective on AI (% of respondents)



Mexico respondents still fall short of what global top performers achieve with AI.

AI performance vs. business case (% of respondents)



Looking Ahead

The firms that will pull ahead in Mexico's PE market are those that close the gap between execution capability and planning discipline. That means institutionalizing value creation planning from diligence, unlocking the full potential of proven efficiency levers before chasing harder-to-execute growth plays, building execution methodologies for commercial levers beyond frequency of deployment and ensuring AI is embedded in operational outcomes rather than positioned as a standalone initiative. The foundation is strong — the opportunity is in the system that sustains it.

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Mexico findings are based on a sample of 25 firms. Results are directional and should be interpreted with appropriate caution given the sample size.

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