AVCJ Weekly Digest

12 July 2023

COVER STORY

FRONTIER FUNDRAISING: ROADS LESS TRAVELLED

GPs in frontier markets are increasingly dependent on multilateral development banks. It's not a major problem now, but it could become one in a long downturn.

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PORTFOLIO

TRUE NORTH AND INTEGRACE

True North has spent five years transforming Integrace from a low-margin drug portfolio into a broader, better-performing platform with digital capabilities. The M&A story isn't finished yet.
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DEAL FOCUS

NATIONAL TEAM DRIVES HITHIUM TOWARDS CHINA IPO

Government and state-owned investors accounted for most, but not all, of Xiamen Hithium Energy Storage Technology's USD 622m Series C, underlining where China's strategic priorities lie.
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DEAL FOCUS

AEROFUGIA WINS SUPPORT FOR EVTOL TILT

China’s Tsinghua Holdings Capital regards eVTOL as the best way to leverage electrification of the skies. Aerofugia became a preferred target by virtue of its Geely ties and commitment to tilt-rotor technology.
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DEAL FOCUS

COPE MOVES FAST WITH MALAYSIA PET FOOD PLAY

Recognising a local champion in a pandemic-proof category, COPE Private Equity flipped a significant minority stake in Malaysian petfood maker Pet World in just over two years.
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By the Numbers

AVCJ RESEARCH

SPACE COWBOYS?

Space Pioneer hailed the successful maiden voyage of Tianlong II in April as the first time a privately-owned, liquid-fuelled rocket had reached orbit on a debut flight from China. Last week, Boyu Capital led a Series C for the company amounting to several hundred million renminbi.

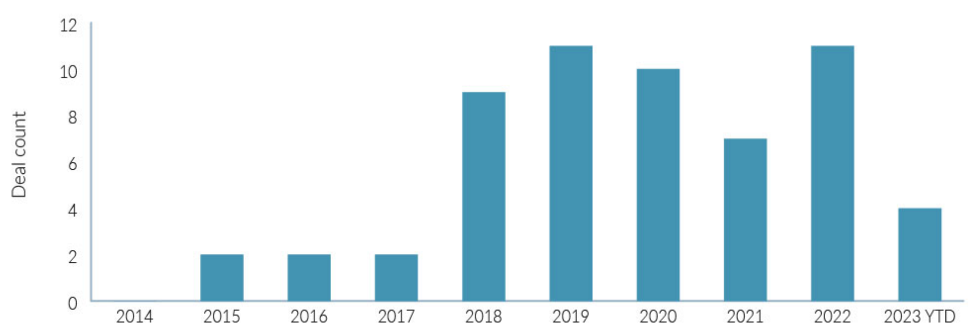
There were four PE and VC investments into Chinese space technology companies – working under a somewhat restrictive definition of rocket developers and satellite builders – in the first half of 2023, according to AVCJ Research. Space Pioneer makes five, which suggests full-year deal count could exceed the seven posted in 2021, if not the record-equalling 11 in 2022.

Prior to 2015, there were barely any investments at all. Activity only really took off in 2018, partly on the coattails of pioneers like LandSpace, OneSpace, and I-Space. They remain the industry's best-funded start-ups. Of the 78 Chinese commercial space companies tracked by the US-based Institute for Defense Analyses as of year-end 2018, four in five were less than three years old.

Intensifying US-China technology competition has given the industry extra edge (although no access to foreign capital). Satellite internet was classified as new infrastructure in 2020, opening the door to greater policy support. China wants the private sector to catch up with the likes of US-based SpaceX, which plans to launch as many as 42,000 satellites into near-earth orbit.

By industry standards, Space Pioneer is relatively mature with CNY 3bn (USD 416m) raised to date across multiple funding rounds. It is one of five companies for which AVCJ Research has captured at least five funding rounds – and these players account for more than half of the investments received by the industry. China space tech has a long tail of sparsely backed, barely proven start-ups.

PE investment in Chinese space technology start-ups



Source: AVCJ Research

All of the trends featured here were sourced from AVCJ's proprietary database, AVCJ Research, featuring comprehensive information on private equity deals, fundraises and exits.

exits.

Read more on AVCJ Research

The rest of the week

FUNDS

- Carlyle seeks up to $2.8bn for Japan fund
- Vertex China closes Fund V on $390m
- China's Principle Capital hits second close on dual-currency fund
- 500 Global backs debut fund from Singapore's First Move
- China’s FutureX closes Fund II on $150m

DEALS

- Indonesia's eFishery closes $200m Series D
- Paine Schwartz pursues take-private of Australia's Costa
- Tower Capital buys payments unit from Singapore's DBS
- Australia climate investor Wollemi Capital raises $147m
- Japan's Telexistence gets $170m Series B
- PE-backed Lu Daopei Medical files for Hong Kong IPO
- Multiples leads $145m round for India's Veritas Finance
- Japan procurement marketplace secures $89m Series C
- China red envelope marketing start-up raises $28m

OTHER

- Japan's JST builds $451m alternatives portfolio in debut year
- Japanese GPs maintain strong investment pace - AVCJ Forum
- Healthcare specialist CBC adds managing director
- Japan VC draws global attention - AVCJ Forum
- Antler appoints Indonesia-based partner

For your calendar

UPCOMING EVENTS

- **5-6 September 2023** - AVCJ China Forum
- **13 November 2023** - AVCJ Diversity & Inclusion Forum
- **13 November 2023** - AVCJ ESG Forum
- **14-16 November 2023** - 36th AVCJ Private Equity & Venture Forum
- **6 December 2023** - Mergermarket M&A Forum - Hong Kong

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