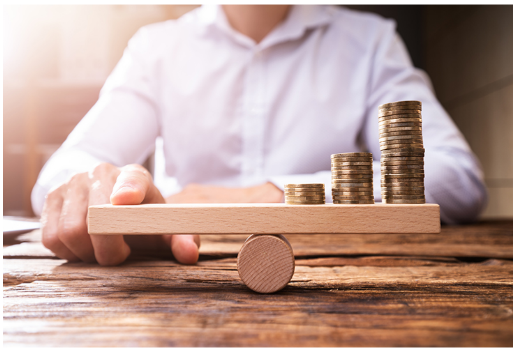
AVCJ Weekly Digest
by Mergermarket

## 26 July 2023



COVER STORY

### ASIA DEAL FINANCING: A SELECTIVE MARKET

Buyout activity is weak but leverage is available for the right kind of target – in Japan, Korea, Australia, and beyond – with a suitably customised structure .

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Q&A

### LINC LIU OF SPARKEDGE CAPITAL

Linc Liu, founding partner and chairman of SparkEdge Capital, a sector specialist formerly known as Ori-mind Capital, discusses new energy investment opportunities in China.
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DEAL FOCUS

### GLOW CHOOSES B2B SUPPLIER FOR DEBUT DEAL

Australia’s Glow Capital Partners took its time finding a maiden investment that ticked all the boxes of its consumer and brands strategy. This involved edging slightly down the supply chain.
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FUND FOCUS

## EURAZEO'S CLIMATE THESIS RESONATES WITH LPs

Eurazeo shattered the target for its second smart city fund thanks to an agenda that dovetails with LP interest in decarbonisation. Nine Asian LPs backed the fund and 40% of the corpus will be deployed in the region.
Read more

DEAL FOCUS

## EXFINITY SEIZES RARE INDIA ROBOTICS OPPORTUNITY

India’s Exfinity Ventures stepped out of its comfort zone with Ati Motors. Now it’s helping the industrial robotics supplier go global with autonomous forklift-style machines that can roll in and out of buildings.
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## By the Numbers

AVCJ RESEARCH

## FASHION STATMENTS

Three years ago, The Carlyle Group exited Golden Goose with a 3x return. The sneaker brand was European, but Asia accounted for about one-third of revenue. Five of Golden Goose's 100 stores were special labs where craftsmen customised footwear to order. Three of those five labs were in Asia: Tokyo, Seoul, and Hong Kong.

High-end streetwear has gained traction as a discrete investment theme in North Asia. Two years ago, CVC Capital Partners bought cult Japanese t-shirt brand A Bathing Ape. Most recently, KKR led a USD 190m Series C for Musinsa, a Korean online fashion platform that rose to prominence as a marketplace for sneakers.

It is Musinsa's fourth funding round, following commitments from the likes of Sequoia Capital and IMM Investment, according to AVCJ Research. Rival platform Kream has also closed four rounds, winning support from Altos Ventures, Mirae Asset Capital, SoftBank Ventures Asia, Naver Corp, Axiom Asia, and Samsung Securities.

Over in Japan, SoftBank Vision Fund 2 led a Series D for Soda, operator of sneaker reselling platform Snkr Dunk. SoftBank Ventures Asia was among the start-up's earlier investors, alongside Basepartners, Jafco Group, Altos, and Kream.

These investments tap into the cultural zeitgeist of local markets. The phenomenon arguably most visible in Korea where K-wave has evolved to encompass food, fashion, and various other cultural exports, as well as the ubiquitous TV dramas and popstars.

Both Kream and Musinsa grasp that their scope extends well beyond sneakers. Musinsa stocks local and foreign designer brands – plus its in-house offering – and has launched online communities, a brand incubator, a direct-to-consumer brand operator, and an offline multicultural lounge that facilitates face-to-face engagement with customers and allows space for pop-up stores.

KKR described the company as an anchor of Korea's creator economy for fashion.

**PE investment in Korean and Japanese fashion marketplaces**

| | | | |
|---|---|---|---|
| **MUSINSA** | | | |
| | Nov-19 | 173 | Sequoia Capital |
| | Mar-21 | 114 | IMM Investment; Sequoia Capital |
| | Jun-22 | | Xquared |
| | Jul-23 | 158 | KKR; Wellington Management |
| **SODA** | | | |
| | Jan-21 | 24 | Basepartners; Colopl Next; SoftBank Ventures Asia; The Guild |
| | Jul-21 | 56 | Altos Ventures; Jafco; Kream; SoftBank Ventures Asia |
| | Dec-21 | | SoftBank Vision Fund 2 |
| **KREAM** | | | |
| | Mar-21 | 18 | Altos Ventures; SoftBank Ventures Asia |
| | Oct-21 | 84 | Altos Ventures; Mirae Asset Capital; SoftBank Ventures Asia |
| | Nov-22 | 120 | Altos Ventures; Mirae Asset Capital; Naver Corp |
| | Mar-23 | 39 | Altos Ventures; Axiom Asia; Mirae Asset Capital; Samsung Securities |

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.

Read more on AVCJ Research

## The rest of the week

### FUNDS

- Mirae Asset PE arm seeks $200m for Fund II
- Japan's Angel Bridge closes third fund on $72m
- Japanese power producer Jera launches $300m VC unit
- Asia fundraising frustrates in first half of 2023

### DEALS

- Bain acquires India's Adani Capital
- Boyu joins $600m round for EV unit of China's Geely
- Strategic co-investors commit to JIP's mega Toshiba buyout
- Korean investors pump $150m into fuel cell maker HyAxiom
- Aspirant exits Japanese fish retailer to local strategic
- Australia's Five V buys security alarm connectivity business
- Asia-based football investment platform backs England's Charlton Athletic
- Australia's Silicon Quantum Computing raises $34m
- Visa backs $72m Series C for Singapore's Thunes
- China autonomous driving player HoloMatic raises $42m
- Australia's Silicon Quantum Computing raises $34m
- Indonesia's Maka Motors raises $37.5m seed round

### OTHER

- Warburg Pincus picks SE Asia head for global leadership role
- Glenwood takes legal action over disputed Korea transaction
- China’s Qiming appoints Qualcomm investor as venture 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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