AVCJ Weekly Digest | 07 June 2023 [View in browser]

AVCJ Weekly Digest

07 June 2023

COVER STORY

JAPAN BUYOUTS: BUCKING THE TREND

Japan remains a hotspot despite muted buyout activity elsewhere in Asia. Take-private and sponsor-to-sponsor deals make for a more textured local market.

Read more

Q&A

JAFCO ASIA'S SHAHAN SUD

Singapore's Jafco Asia, a division of Japanese VC mainstay Jafco, hired Shahan Sud last year as its first in-country investment director for India. He explains a cross-border bridge long in the making.
Read more

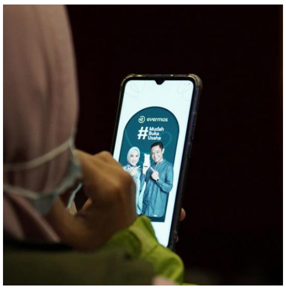
DEAL FOCUS

PROSPERITY7 SUPPORTS GRADUAL ASCENT TO L4

Saudi Aramco-owned Prosperity7 Ventures has made two investments in Hyperview this year, based on appreciation for the company's commercially oriented approach to autonomous driving.
Read more

DEAL FOCUS

EVERMOS EXTENDS IMPACT TO SOCIAL COMMERCE



Indonesia's Evermos has more than doubled its total funding as investors see promise in a social commerce model that prioritises cottage industries and underemployed women.
Read more

DEAL FOCUS

ATOMBERG BASKS IN CONSUMER BREAKTHROUGH

Home appliances manufacturer Atomberg defied the naysayers in building a hardware-focused consumer brand out of India. Its USD 86m Series C will support product and capacity expansion.
Read more

By the Numbers

AVCJ RESEARCH

RESTRUCTURING REVIVAL?

Distress situations have been delayed – arguably for years – across Asia by an accommodating policy environment. As the effects wear off, there is mounting real and anecdotal evidence of corporate strife, from start-ups folding to mature companies struggling with debt burdens.

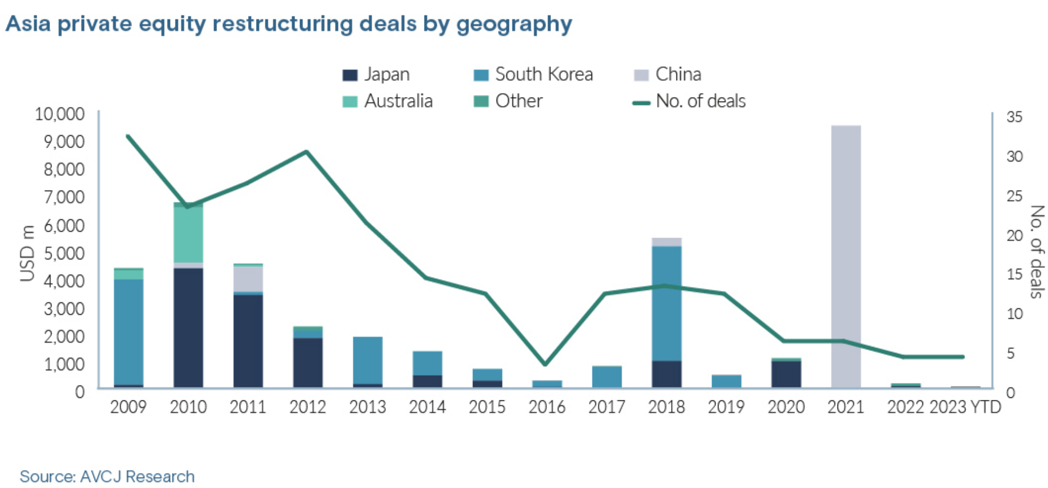
GenesisCare, an Australia-headquartered cancer care provider backed by private equity, recently filed for bankruptcy protection in the US – an apparent consequence of difficult market conditions and an aggressive US expansion plan. Investors in Real Pet Food, another Australian company, injected additional equity to appease lenders following a covenant breach. And NestAway, an Indian apartment rental start-up once valued at USD 220m was sold for a fraction of that sum.

Only GenesisCare is on the cusp of formal restructuring; the other two situations are essentially bailouts for companies that might otherwise have sunk further.

Restructuring deal flow involving private equity investors increased markedly in the post-global financial crisis years, with more than 130 transactions worth a combined USD 19.3bn announced between 2009 and 2013, according to AVCJ Research. Developed markets – with more reliable bankruptcy regimes and legal systems – like Korea, Japan, and Australia came to the fore.

During the subsequent five years, USD 8.1bn was put to work across about 50 deals. Nearly half of that USD 8.1bn came from a single deal – Hahn & Company's restructuring of SK Shipping in 2018. Much the same happened in 2021 when almost all the USD 9.4bn invested went into Chinese semiconductor giant Tsinghua Unigroup.

The coming months may see increased activity, but that won't necessarily capture the full extent of corporate weakness. There will be plenty of situations – indeed, special situations – where investors rescue companies before they toppled over the brink.



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

- Primavera closes fourth China fund on $4bn
- Quadrant scales up Australia growth equity fund to $397m
- Baidu launches $145m China AI fund
- HSBC commits $3bn to Greater China venture debt fund
- Kazakhstan investor backs TVM SE Asia healthcare fund
- Canadian pensions retreat from China

DEALS

- DCP agrees carve-out of Cargill's China poultry unit
- China’s first US-listed SaaS company forced to delist
- Praxis invests $170m in Korea's Beyond Music
- SAIC invests $382m in China solid-state battery player
- India satellite imaging player Pixxel gets $36m Series B
- China energy storage player Fox ESS raises $141m
- Australia's PE-backed Silk Laser set for take-private
- Singapore’s Capillary Technologies gets $45m Series D
- Little Red Book invests in PE-backed Chinese coffee chain

OTHER

- Investor caution, bid-ask spreads hold back China secondaries
- Canadian pensions retreat from China
- Singapore’s Temasek punishes staff for FTX investment

For your calendar

UPCOMING EVENTS

- **27-28 June 2023** - AVCJ Japan Forum
- **29 June 2023** - Mergermarket M&A Forum - Japan
- **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

Get in touch

subs@avcj.com

25th Floor, The Center
99 Queen's Road Central; Hong Kong SAR