AVCJ Weekly Digest

22 March 2023

COVER STORY

SOUTHEAST ASIA VC: DROUGHT SURVIVORS

As weaker sentiment for technology risk cools VC markets globally, Southeast Asia is lagging in limbo. GPs remain bullish but continue to hold their fire.

Read more

Q&A

PIERRE-ANTOINE DE SELANCY OF 17CAPITAL

17Capital is a credit provider to the private equity industry, lending against fee streams at the GP level and the fund level. Pierre-Antoine de Selancy, the firm's managing partner, assesses the market.
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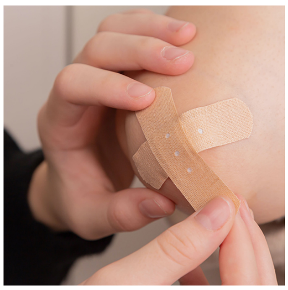
DEAL FOCUS

GL CAPITAL PLOTS CAREFUL CHINA CARVE-OUT

GL Capital worked quietly but industriously to secure a leveraged buyout of Chinese contract manufacturer Foryou Medical Devices – even using renminbi financing to avoid US dollar interest rate exposure.
Read more



DEAL FOCUS

WORLDLINK REACHES INTO NEPAL'S HINTERLANDS

British International Investment and Dolma Fund Management are supporting WorldLink's rollout of internet services in Nepal, having been impressed how the company handled COVID-19.
Read more

DEAL FOCUS

INDIA'S IIFL PLANS HOSPITAL EXPANSION

India's IIFL Asset Management is taking its private equity business deeper into healthcare with Kauvery Hospitals. The plan is to double patient capacity and IPO within three years.
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By the Numbers

AVCJ RESEARCH

JAPAN'S LIQUIDITY STREAM

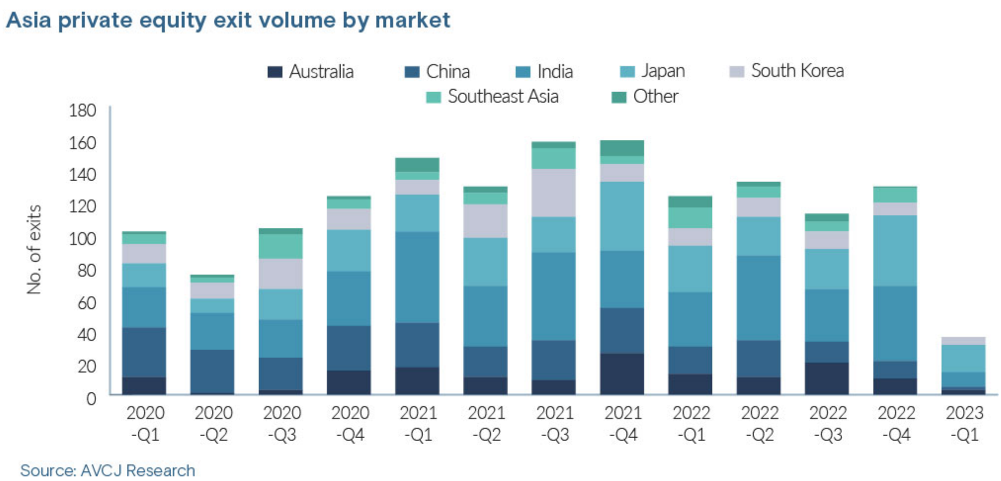
When examining Asia PE exits by market, following the money can be frustrating. Region-wide, the picture is reasonably clear: deal-making slumped when COVID-19 hit, rebounded in the second half of 2021, then lingered around pre-pandemic levels before weakening in the second half of 2022. Market-by-market, the picture is cloudy.

Australia is responsible for much of the exit deal value in the past two years, yet during this period its quarterly totals have ranged from USD 1.7bn to USD 15.8bn, according to AVCJ Research. Similar peaks and troughs are visible in other jurisdictions. Exits for the first quarter of 2023 to date have been abysmal, apart from in Korea where one transaction makes up 75% of the regional total.

In terms of exits by volume – where a minority exit from a tiny start-up counts for the same as a blockbuster trade sale – there is a bit more consistency. The China contribution has fallen; the India contribution has risen; Korea and Southeast Asia are, admittedly, all over the place; and Japan appears to be a true outperformer.

The number of exits region-wide neared 160 in each of the third quarter and fourth quarter of 2021. It then moderated to a quarterly average of 125 in 2022 and fell off a cliff in early 2023. Japan closed out last year with 44 exits in the final three months, more than it achieved during the same period in 2021. Fewer than 40 deals have been announced this year, but Japan still accounts for 17 of them.

Many of these transactions are small and valuations often don't get disclosed. Aspirant Group recently announced its third exit in three weeks – selling offshore drilling business Japan Drilling to a local strategic – but none of the three came with deal values. Regardless of size, they still contribute to the stream of liquidity emanating from one of Asia's more reliable markets.



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

- Lighthouse hits $200m first close on fourth India fund
- Malaysia's Khazanah launches start-up programme
- India's Rockstud targets $37m for sophomore angel fund
- Heritas hits $20m first close on Asia impact fund

DEALS

- CVC invests $155m in Indonesia gas company
- Australia's Potentia wins majority shareholder approval for Nitro bid
- ADIA invests $500m in India's Lenskart
- China UAV player United Aircraft raises $290m
- Singapore electronics marketplace Reebelo extends Series A to $50m
- China chatbot maker Xiao-I trades down after US IPO
- India's HealthPlix raises $22m Series C
- China energy storage player Weview raises $87m
- DEG leads round for Indonesian mRNA vaccine developer
- China cell therapy developer Neowise raises $29m
- China generative AI player LangBoat gets pre-Series A

OTHER

- Asia PE compensation set for downward adjustment in 2023
- Australian HNWIs want more PE exposure, but obstacles remain - AVCJ Forum
- Partners Group hires Greater China fundraisers
- GPs double down on value creation to maintain returns - AVCJ Forum

For your calendar

UPCOMING EVENTS

- **25 April 2023** - Mergermarket M&A Forum - Southeast Asia
- **26-27 April 2023** - AVCJ Southeast Asia Forum
- **26 April 2023** - Mergermarket Private Equity Forum - New York
- **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

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