



29 March 2023



COVER STORY

**FUND FINANCE: FILLING
ASIA'S SVB VOID**

Silicon Valley Bank's collapse has prompted Asia-based GPs to seek new lender relationships. Smaller managers may find the process challenging.

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GP PROFILE

AUSTRALIA'S SQUARE PEG CAPITAL



Square Peg Capital came of age at the same time as the Australian and Southeast Asian VC ecosystems, straddling the two with a foothold in Israel. The idea was to think big, not get big. It's doing both.

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DEAL FOCUS

CHINA SAAS GETS SPECIFIC

Investors are gradually returning to China's software-as-a-service space with an appetite for industry specialists rather than generalists. The CDH Investments-led Series B for 1Data is a case in point.

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KREDIVO CUTS THROUGH GROWTH-STAGE GLOOM



Indonesian consumer credit operator Kredivo has punctuated the VC doldrums with an ecosystem-encouraging pre-IPO round. Investors point to low customer acquisition costs as key to the success.

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By the Numbers

AVCJ RESEARCH

A TOUCH OF TOSHIBA

Toshiba Corporation, as a consequence of its strategic missteps and questionable governance, is responsible for Asia's two largest PE buyouts. Assuming the [Japan Industrial Partners-led tender offer](#) for Toshiba proceeds, it will sit alongside [Toshiba Memory Corporation](#) – a Bain Capital led carve-out in 2018 – at the top of the list.

Both deals are worth JPY 2trn (USD 15.1bn), but the yen has depreciated in value since 2018, so Toshiba will occupy second place. Some of the deals listed below, including Toshiba Memory – are sized smaller than their enterprise value because AVCJ Research subtracts any rollover equity. Hence Toshiba is at the summit.

Each of the top 12 was announced less than six years ago. However, only four were announced in 2020 or later, which means most predate the acme of Asia's private equity boom. Three of the region's four USD 10bn-plus infrastructure and utilities deals – listed separately – were transacted during this period. Australia is inevitably the dominant geography in that space.

For private equity, Japan is well-represented, given the rise of carve-outs as an investment theme. Privatisations of US-listed Chinese companies – executed with a view to re-listing in Hong Kong or Shanghai – also feature, but alongside more idiosyncratic China plays like the Tsinghua Unigroup semiconductor restructuring and Belle International's succession-driven Hong Kong privatisation.

It seems unlikely there will be further additions to this list in the coming months as economic uncertainty, higher financing costs, and expectations of a deeper correction in valuations are preventing deal groundwork from turning into deal announcements.

A total of USD 36.3bn has been deployed in the first quarter of 2023 – down from USD 53.9bn in the final three months of 2022 – and Toshiba accounts for nearly half of that. It is one of only eight investments of USD 500m or more. contribute to the stream of liquidity emanating from one of Asia's more reliable markets.

Asia's largest private equity buyouts

Investee	Date	USD m	Market	Sector
Toshiba Corporation*	Mar-23	15,104	Japan	Manufacturing
Toshiba Memory Corporation**	Sep-17	14,712	Japan	Technology
Tsinghua Unigroup*	Dec-21	9,410	China	Technology
58.com**	Jun-20	8,700	China	Technology
Hitachi Metals	Apr-21	7,574	Japan	Manufacturing
Qihoo 360 Technology**	Jun-15	7,140	China	Technology
Crown Resorts	Feb-22	6,507	Australia	Leisure & entertainment
Homeplus	Sep-15	6,451	South Korea	Retail
GE Capital - Australia & New Zealand consumer lending business	Mar-15	6,277	Australia	Financial services
Hitachi Transport Systems	Apr-22	6,060	Japan	Transportation & distribution
Belle International Holdings**	Apr-17	5,829	China	Retail
Global Logistic Properties**	Jul-17	5,527	Singapore	Transportation & distribution
USD 10bn-plus deals in infrastructure and utilities...				
Investee	Date	USD m	Market	Sector

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Sydney Airport Holdings	Jul-21	21,579	Australia	Infrastructure
AusNet Services	Sep-21	13,393	Australia	Utilities
Ausgrid	Oct-16	12,315	Australia	Utilities
Origin Energy*	Nov-22	11,753	Australia	Utilities

* Pending close

** Total does not include rollover/re-investment by existing shareholders

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

DEALS

- [BPEA EQT seeks financing for Vistra, Tricor merger](#)
- [Polaris picks up Japan advertising, recruitment assets](#)
- [China's JD Industrials completes \\$300m Series B](#)
- [TII, Premji to acquire India medical devices player](#)
- [Asia-Europe investor AGIC supports Danish electronics buyout](#)
- [TPG completes exit from India's Campus Activewear](#)
- [China pool cleaning robot start-up gets \\$29m angel round](#)
- [Accenture buys India's VC-backed Flutura](#)
- [Longreach buys Japan healthcare SaaS player](#)
- [Altos, Mirae Asset re-up Korea's Kream in \\$39m round](#)

OTHER

- [Asia GPs must get smarter on target selection, costs - Bain & Co](#)
- [HKEX relaxes rules for IPOs by pre-profit tech companies](#)
- [Affinity recruits Australia head, re-hires executive from Quadrant](#)
- [Global PE sees fundraising, performance contraction - McKinsey](#)
- [Asian institutional players target higher private markets allocations](#)

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](#)



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