



**“How can our insight
help you identify and
evaluate your next
deal opportunity?”**

PE Roundup -May'18

■ ■ ■
The better the question. The better the answer.
The better the world works.



EY
Building a better
working world

Key Trends - Investments

- ▶ May 2018 recorded US\$3.2 billion in deal value, a 7% decline compared to US\$3.4 billion recorded in May 2017. However when compared to April 2018, there is a 34% increase in deal value, also, it is only the third time in past 12 months that deal value has crossed US\$3.0 billion mark. In volume terms, deals declined by 5% in May 2018 to 53 deals as compared to 56 in May 2017.
- ▶ Large deals continue to dominate the deal landscape. There were ten deals of value greater than US\$100 million accounting for almost 85% of aggregate deal value (US\$2,746 million) in May 2018 compared to five (US\$ 2,675 million) in May 2017. Three of the deals of value greater than US\$100 million were in the Real Estate asset class. The largest deals in May include Temasek's US\$761 million investment in Larsen & Toubro's Electrical & Automation business for 35% stake and Partners group and Kedaara's buyout of Vishal Mega Mart for US\$734 million.
- ▶ In terms of stage of investments, Expansion/Growth investments continued to lead in terms of value of investments, with 15 deals worth US\$1303 million while startups ranked at the top in number of deals (25 deals).
- ▶ From a sector point of view, Industrial Products & Retail and Consumer Products sectors posted record levels of investments worth US\$945 million and US\$851 million respectively, mainly on account of the two large deals mentioned earlier. In fact, the Larsen & Toubro deal and the Vishal Mega Mart deal are the largest PE/VC deals ever in the respective sectors. Financial services, with 14 deals, was the top sector in terms of deal volume.
- ▶ Infrastructure and Real Estate sectors recorded just US\$440 million in investments across 4 deals with GIC's US\$150 million investment in Godrej Properties Limited being the largest deal for the month.

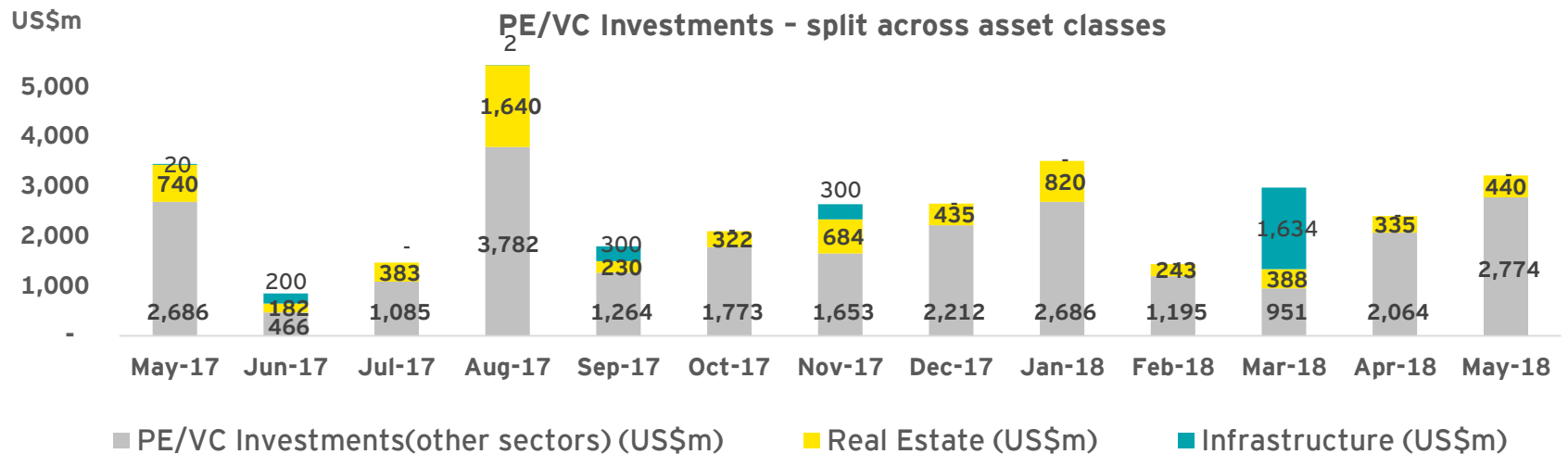
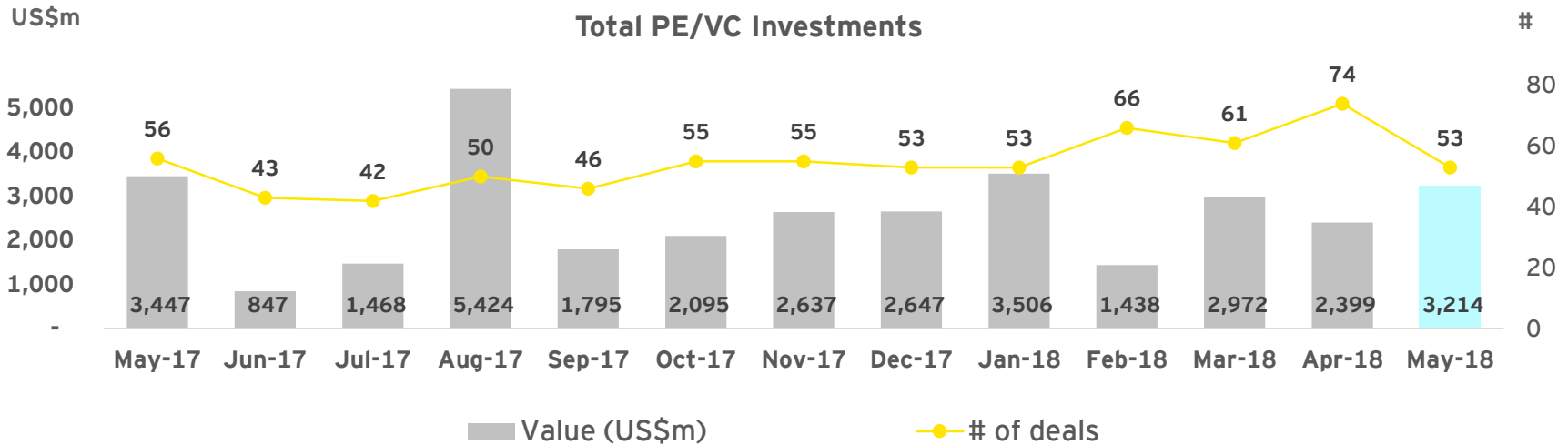
Key Trends - Exits

- ▶ May 2018 recorded US\$1.6 billion in exits and was the second consecutive month with more than US\$1 billion recorded in exits in 2018. The month recorded 18% increase in terms of value compared to May 2017. In terms of volume, exits declined by 25% compared to the same period last year.
- ▶ Volatility in the markets continued to impact open market deal activity with May 2018 recording just four deals compared to 12 deals in May 2017. Secondary exits lead the exits activity both in terms of value and volume with US\$1.1 billion recorded across six deals, accounting for 69% of all exits during the month. Three out of the top five deals in May 2018 were secondary transactions. There were two PE backed IPOs in May 2018, that of Indostar Capital and E2E Networks, the first PE backed SME IPO.
- ▶ From a sector perspective, Retail and Consumer Products saw highest value of exits during the month with more than US\$769 million recorded across two exits (*transaction value available for only one deal*). The largest exit in May 2018 saw TPG selling its investment in Vishal Mega Mart to the Partners Group & Kedaara for close to US\$769 million, which was also the largest PE/VC exit in the Retail and Consumer Products sector in India.

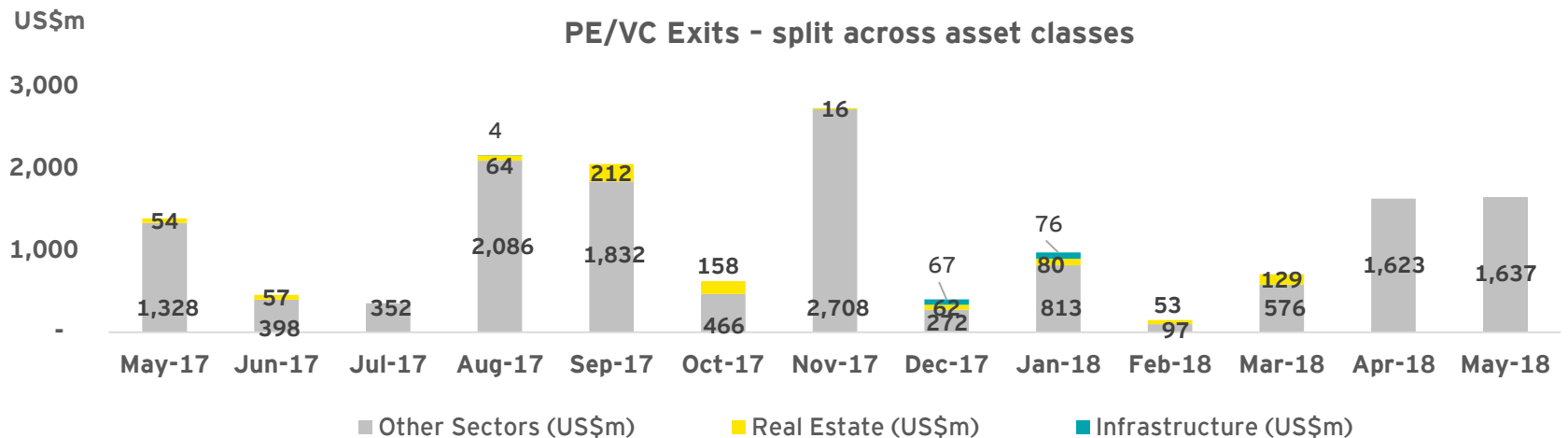
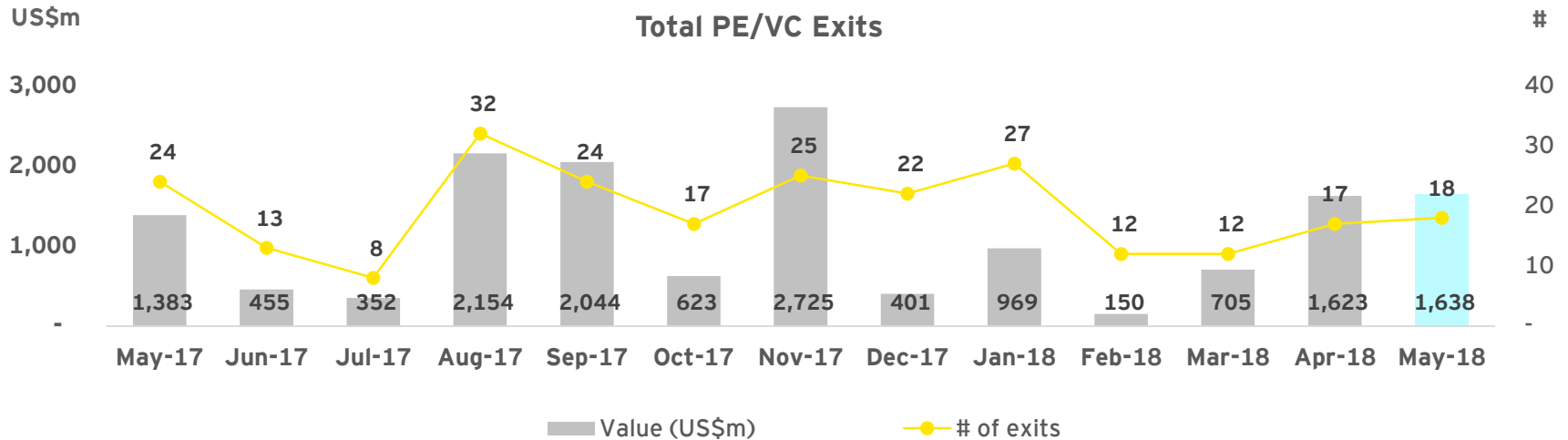
Fund Raise

- ▶ May 2018 witnessed four fund raises worth US\$368 million. There were US\$600 million worth fund raise plans announced in May 2018. The largest fund raise plan announcement of US\$300 million was made by Cerestra Advisors for investments into education infrastructure.

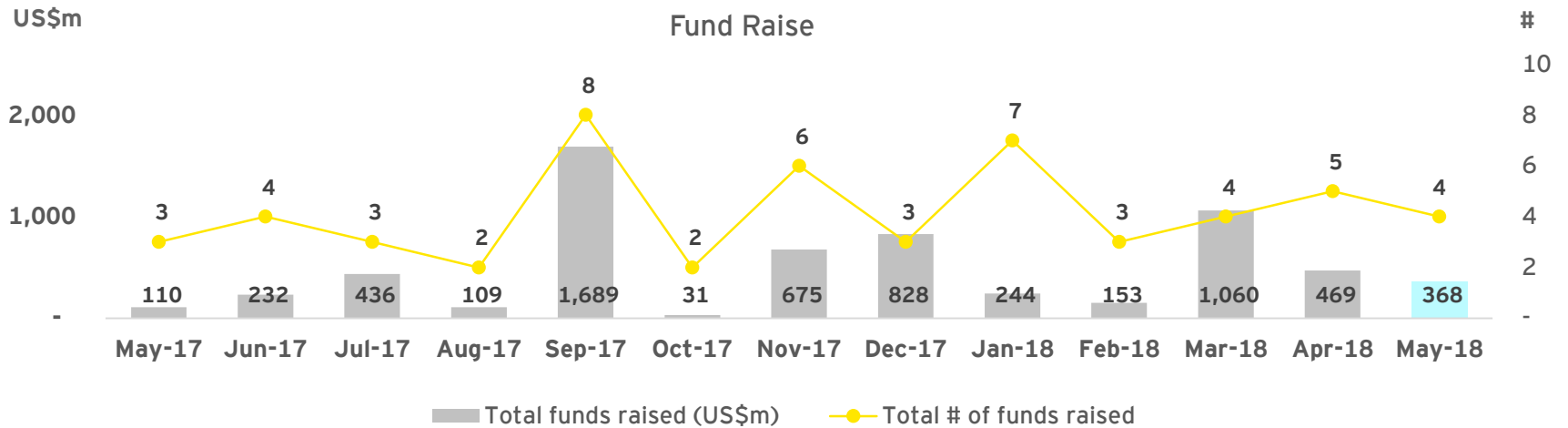
PE/VC monthly headline trends - Investments



PE/VC monthly headline trends - Exits

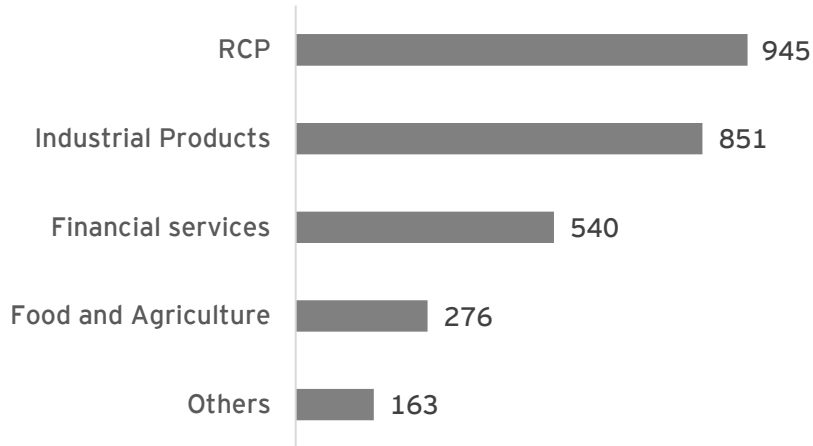


PE/VC monthly headline trends - Fund Raise

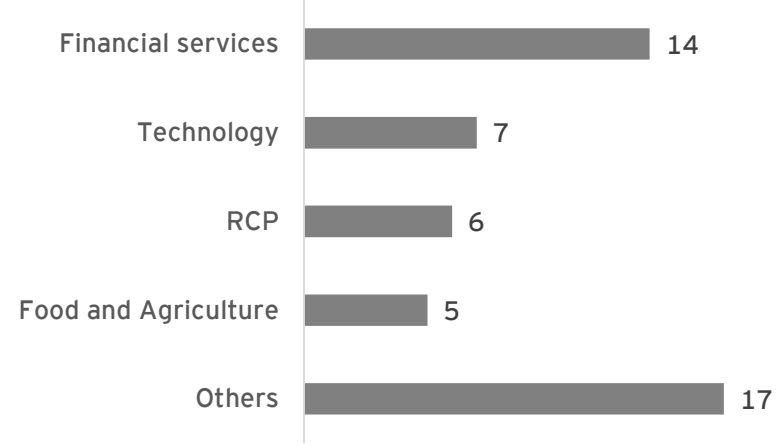


PE Investments - excluding Infrastructure and Real Estate

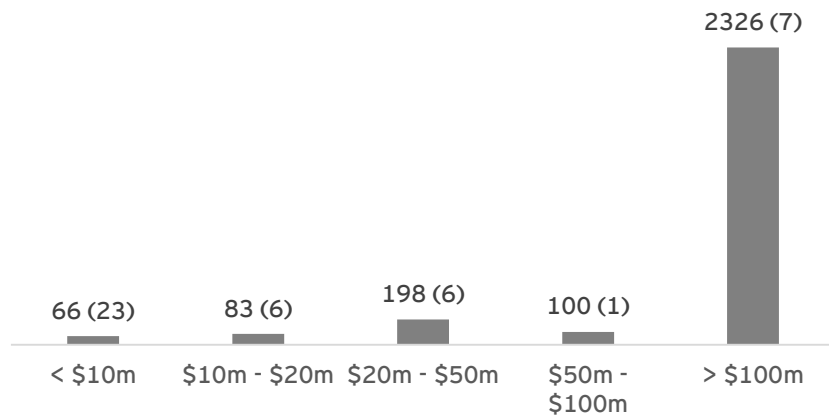
Top Sectors by Value US\$m



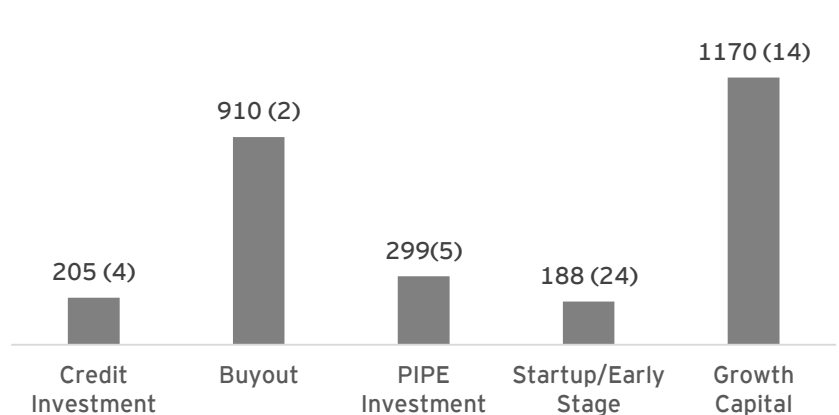
Top Sectors by Volume



Deal Value US\$m (Volume)

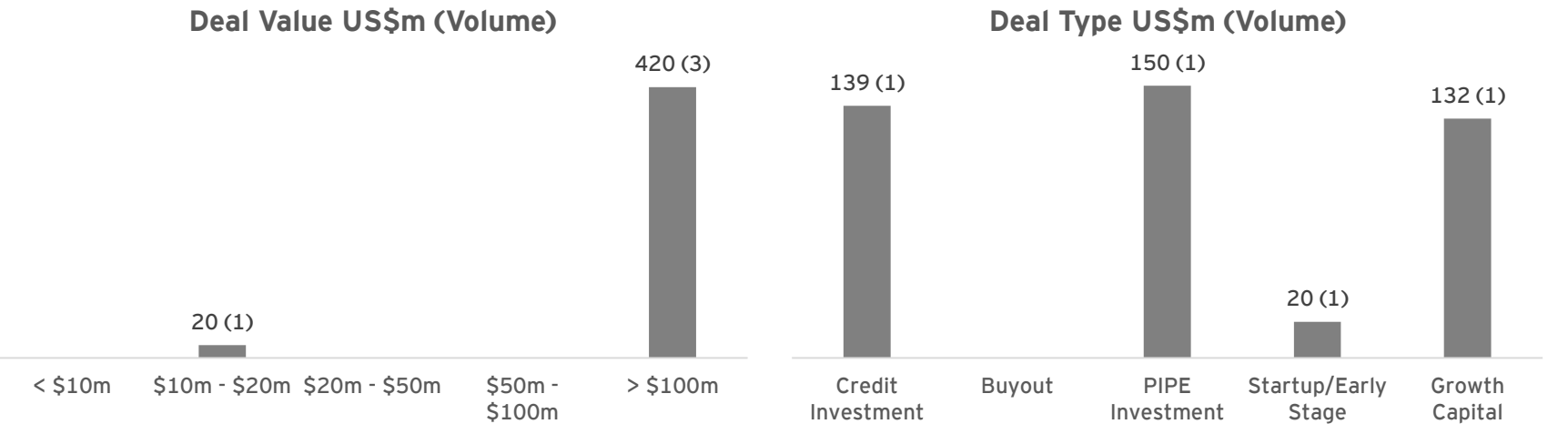


Deal Type US\$m (Volume)



RCP - Retail & Consumer Products

Real Estate Investments - US\$440 million over 4 deals



Top PE Investments

Top PE Investments excluding Infrastructure and Real Estate in May 2018

Company	PE Investor	Sector	Stage	US\$m	Stake (%)
Larsen & Toubro's Electrical & Automation business	Temasek	Diversified Industrial Products	Expansion/ Growth Capital	761	35
Vishal Mega Mart	Partners, Kedaara	Retail and Consumer Products	Buyout	734	100
PolicyBazaar	SoftBank, Others	Financial Services	Expansion/ Growth Capital	200	NA
Sintex Plastics Technology Ltd	KKR	Diversified Industrial Products	Credit Investment	184	NA
Capital Foods Pvt. Ltd.	General Atlantic	Food and Agriculture	Buyout	177	~80

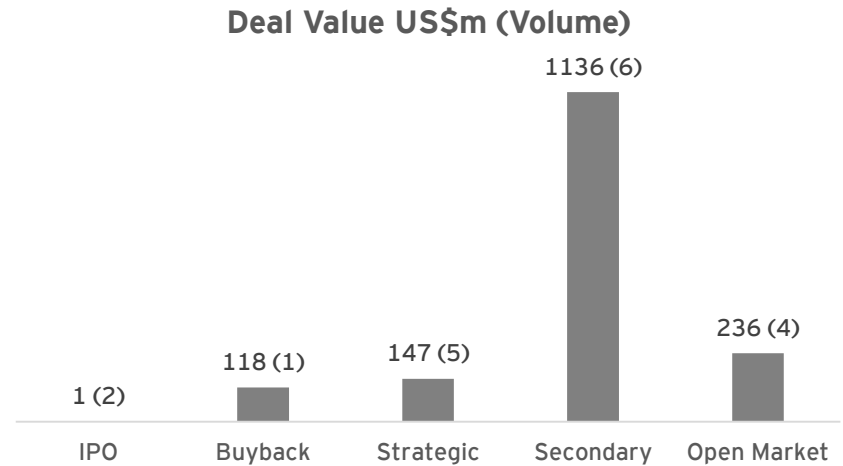
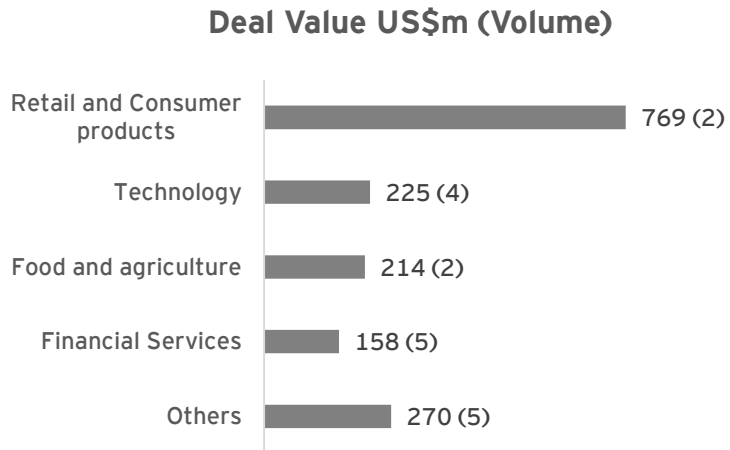
Top Infrastructure and Real Estate Investments

Top Infrastructure and Real Estate Investments in May 2018

Company	PE Investor	Sector	Stage	US\$m	Stake (%)
Godrej Properties Ltd.	GIC	Real Estate	PIPE Investment	150	6
Aurum Platz Pvt. Ltd., Co-Developer Entities	Ascendas	Real Estate	Credit Investment	138	NA
One Indiabulls Park (India Bulls)	Blackstone	Real Estate	Expansion/ Growth Capital	132	NA

Exits - US\$ 1,638 Million over 18 Deals

Exits in May



Exits - Top Exits

Top Exits in May 2018

Company	Sector	Sellers	Buyer	Exit Type	US\$m	Stake (%)
Vishal Mega Mart Pvt. Ltd.	Retail and Consumer Products	TPG Capital , Airplaza Retail	Partners Group AG, Kedaara	Secondary	769	NA
MphasiS Ltd	Technology	Blackstone, via Marble II Pte Ltd,		Open Market	218	8
Capital Foods Pvt. Ltd.	Food and Agriculture	The Invus Group, LLC	General Atlantic	Secondary	177	80
PNB Housing Finance Ltd.	Financial Services	Carlyle	General Atlantic	Secondary	153	5
Kiran Energy Solar	Power & Utilities	Argonaut Ventures, New Silk Route and Bessemer Venture	Hinduja National Power	Strategic	147	80

Fund Raise

Top Fund Raise/Announcements in May 2018

Status	Fund	US\$m	Strategy	Remark
Raised	Edelweiss Alternative Asset Advisors	293	Infrastructure	
Raised	The Indian Angel Network	33	Sector agnostic	
Raised	Inventus Capital	25	Sector agnostic	

About EY's Private Equity Services Practice

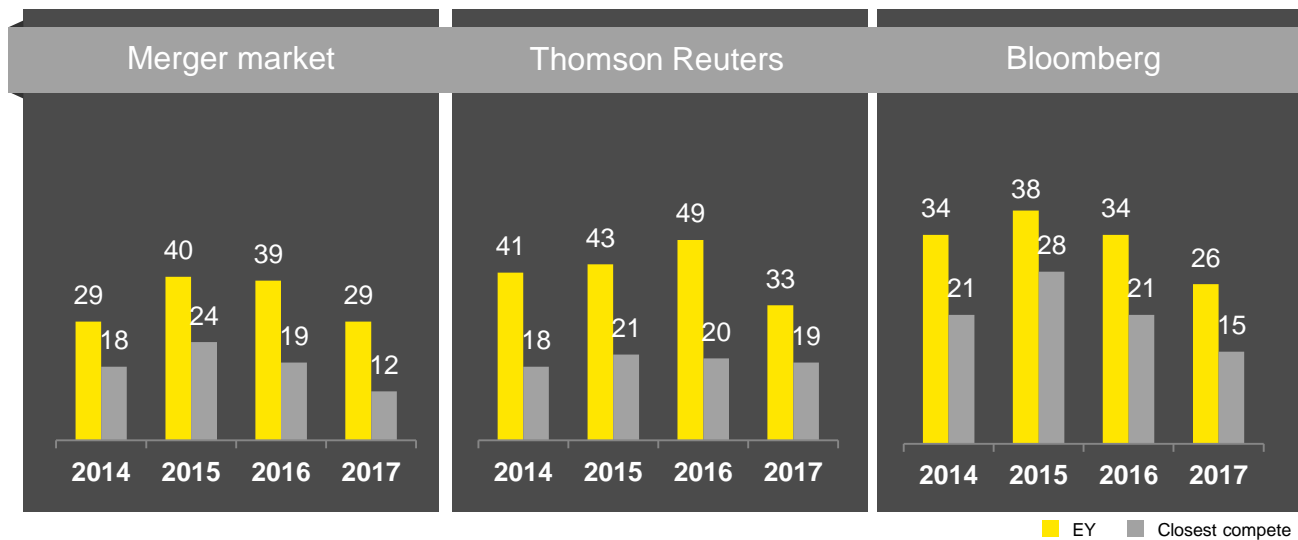
EY has been working with the private equity industry for more than 25 years, with approximately 25,000 seasoned professionals worldwide dedicated to the industry and its business issues. EY serves 74% of the top 300 PE firms included in the Global PEI 300 firms list. Private equity firms, portfolio companies and investment funds face complex challenges. They are under pressure to deploy capital amid geopolitical uncertainty, increased competition, higher valuations and rising stakeholder expectations. Successful deals depend on the ability to move faster, drive rapid and strategic growth and create greater value throughout the transaction life cycle. EY taps its global network to help source deal opportunities and combines deep sector insights with the proven, innovative strategies that have guided the world's fastest growing companies.

In India, EY is among the leading providers of advisory, tax, transactions and assurance services. The organization is also the number one professional services brand* in India, which is a testimony to our relentless commitment to deliver exceptional client service and create a better working world. EY has 16 offices spread across 10 cities in India. Worldwide, our 247,570 people across 150+ countries and 700+ cities are united by our shared values and their unwavering commitment to quality.

- ▶ EY's India Private Equity Services Practice has been among the top advisors for private equity deals over the past ten years. EY has been awarded the "Most Active Transaction Advisor" award by Venture Intelligence for 2009-2013 and also the "Investment Bank of the Year, Private Equity" award by VC Circle in 2012 and 2017.
- ▶ EY's India Private Equity Services Practice provides value to PE funds and their portfolio companies through its deep sector and service expertise. EY India is organized around key industry verticals in a matrix structure that enables us to offer an unparalleled blend of industry expertise and functional skills. We actively track about 15 sectors with sector leads driving our penetration in each of those sectors.

About EY's Private Equity Services Practice (cont'd..)

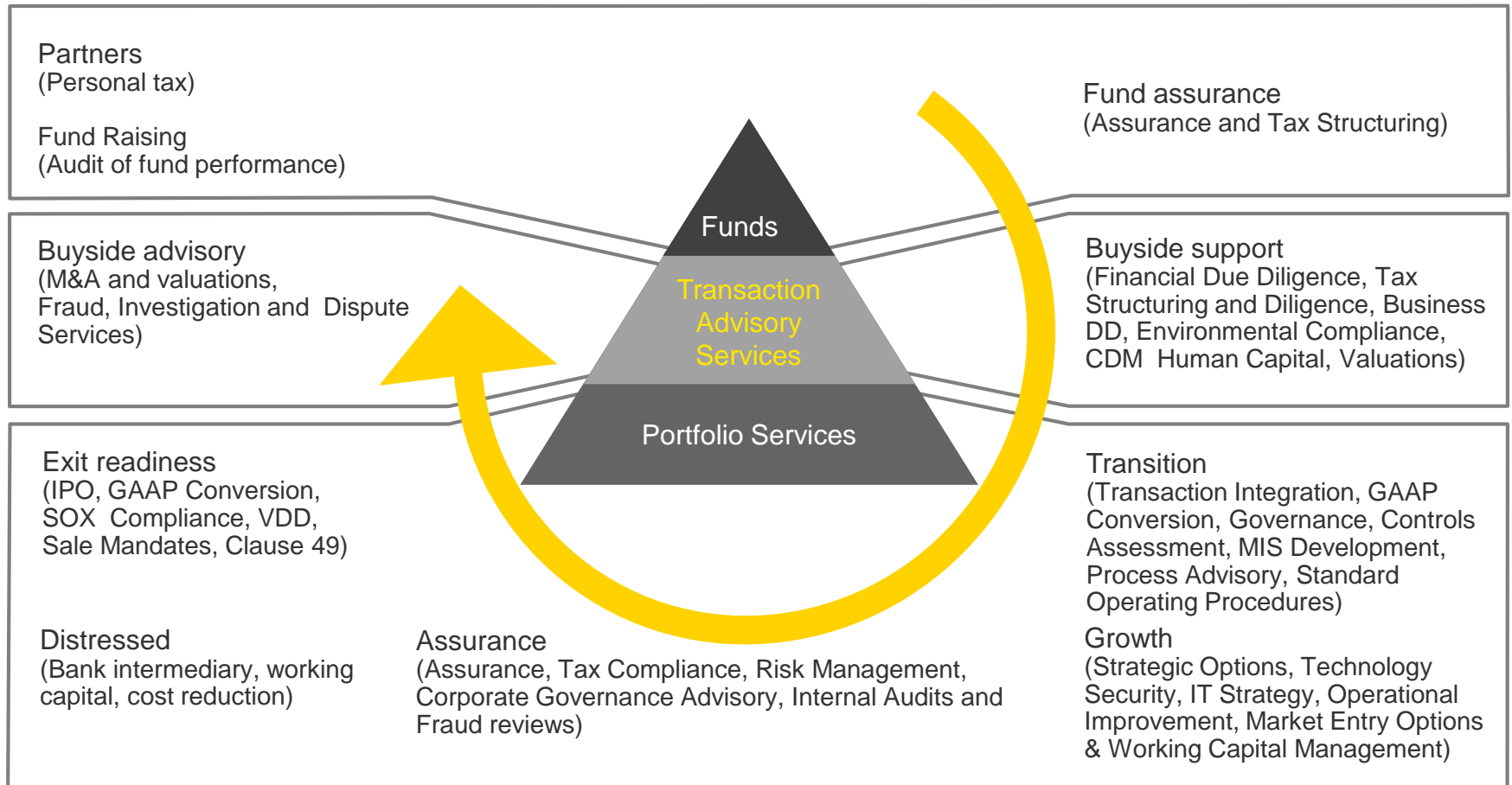
EY has been ranked as #1 Financial Advisor for over a decade across Mergermarket, Thomson Reuters and Bloomberg**. Our position as the foremost M&A advisor in the Indian mid-market enables us to create a robust deal origination pipeline for our PE/VC clients, acting as the tip of the spear of what is India's dominant PE Services practice.



- ▶ # 1 advisor on deal count in Financial advisory league tables across databases
- ▶ Consistently maintaining a significant lead from closest compete
- ▶ Adjudged as the Investment Bank of the Year at the VC Circle Awards 2017

EY services for Private Equity

We offer an array of services to Private Equity funds and their portfolio/investee companies through our various service lines.



Delivering issues-based solutions to the entire PE enterprise

Solutions

EY has established six distinct solutions reflecting the holistic set of challenges that PE firms face across all levels of the organization – the management company, the funds, and their portfolio companies.



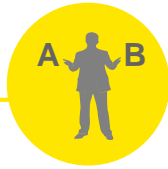
Operating model and automation

Alternative asset managers need to drive efficiency through multi-year target operating models and infrastructure strategies to remain competitive. These align with strategic growth plans by leveraging vendor and service provider activities. EY defines and monitors data analytics and key performance indicators to annually assess data governance and risk against these target models.



Global compliance and reporting

Large asset managers have hundreds of non-US legal entities in multiple countries, and continually create new ones – all with different compliance obligations. Many are outsourced and require local knowledge. EY gathers the data, leverages local EY teams familiar with accounting and tax laws, performs data analytics to identify trends, risks and opportunities and monitors filing requirements.



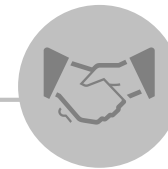
Deal origination

The intense competition for a limited number of deals raises stakes to win for private equity firms. A proprietary investment approach, driven by sector insights, enables firms to confidently place winning bids that generate appropriate returns. EY's global origination team turns opportunities into actionable strategies. Our proprietary knowledge and advanced analytics help develop strategic capital options to help firms achieve success.



Integrated due diligence

Private equity firms conduct diligence on assets across strategic, financial, tax, operational and HR issues. Firms historically used issue-based advisors, managing different parties and consolidating findings at the end of the process. Employing EY's integrated diligence approach at the early stages of a transaction provides more effective, comprehensive diligence on an asset, giving firms a distinct competitive advantage.



Value creation

Private-equity firms face increasing pressure to attract fresh capital. This requires generating greater investment returns and demonstrating a consistent track record in creating value in their portfolio. EY's value creation solution addresses these challenges across all five stages of the deal life cycle, including deal origination, diligence, inception, optimization and exit strategy.



Exit readiness and IPO

Private equity firms must plan exits rigorously in order to successfully monetize their investment during the exit process in today's challenging environment. Executives must identify key short- and long-term priorities prior to undertaking an IPO or alternative transaction. EY can advise deal teams and portfolio companies on exit alternatives, assess exit readiness, prepare a business for exit/IPO and create a value story for targeted buyers.

Focused advisory solutions for private equity backed portfolio companies

Growth Navigator - Achieving your growth ambitions

Having a broader perspective on the drivers of growth in your business and finding innovative ways to accelerate and sustain that growth can give you a competitive advantage. That's why we've developed EY Growth Navigator™, an interactive experience that uses the EY 7 Drivers of Growth to help you and your leadership team assess your business's current and aspirational position, and create a strategic road map to help you get there.

Route to Market (RTM) – Deliver a successful strategy for your business

EY identifies focused opportunities for optimizing cost and growth after full assessment; designs new RTM, including different approaches for different segments (customers, regions, seasonal demand); identifies the optimal concessionaires' model taking into account different distribution approaches; and supports the implementation of the RTM by providing IT specs and additional services (e.g., stock management options).

Performance improvement

Depending on objectives and business context, EY helps the client develop a combination of short-term and long-term strategies to reduce costs, optimize process and bring in efficiency and effectiveness across all layers of business to deliver positive impact on EBITDA by ensuring optimal utilization of both tangible and intangible resources.

Focused advisory solutions for private equity backed portfolio companies (cont'd..)

Cyber security

EY assists internal teams to build cyber awareness and conduct company-wide training, as well as training of board of directors. EY supports in building regulations and compliance requirements with audit and readiness services. EY helps transform the security program and integrate information security and IT risk across the enterprise as well as help implement globalized data protection strategies to protect information that matters, with consideration of regulatory and industry compliance.

Analytics - Generate insights to make smarter, faster decisions

EY helps clients build data and information strategies using various analytics tools to deal with big data to address various areas of business, ranging from opportunity sizing and feasibility, operations and customer modelling, executive decision making, merger acquisition and valuation. EY helps across the capability value chain ranging from strategy, implementation, hosting and running the analytics functions.

IPO readiness – The first step in the IPO value journey

EY's IPO readiness service is the first step in what we describe as the "IPO value journey" and is designed to guide the client through a successful transformation from private to public status. Achieving readiness will ensure a strong debut in the capital markets. Getting IPO readiness right means implementing change throughout the business, organization and the corporate culture. As a public company, the client will be subject to increased filing requirements, transparency, compliance, scrutiny by investors and analysts, and overall accountability for delivering on promises. Successful businesses start to prepare typically 12 to 24 months before the IPO — in many cases with an IPO readiness assessment.

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About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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