

Quarterly Private Equity Update

Southeast Asia
Q3 2023

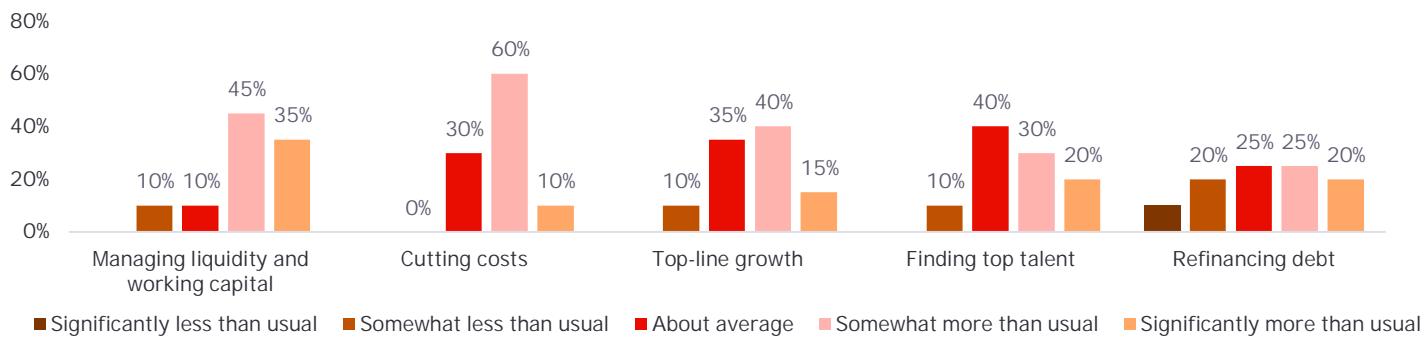
After a relatively quiet few quarters, the deal market is starting to find its footing. Corporates in Southeast Asia (SEA) continue to face headwinds, which is likely to spur M&A activity. Given the amount of dry powder in private equity (PE) hands, we expect PE activity to continue to gain momentum.

In Q3 2023, SEA saw a total of 18 deals deploying US\$1.8b. There were five PE-backed exits, valued at US\$1.3b. PE deal activity in Q3 2023 centered in the technology, consumer and infrastructure sectors, which together garnered approximately 40% of deal volume. In the upcoming period, we expect activity to be broader, with consumer, health care, education and business services being areas of focus.

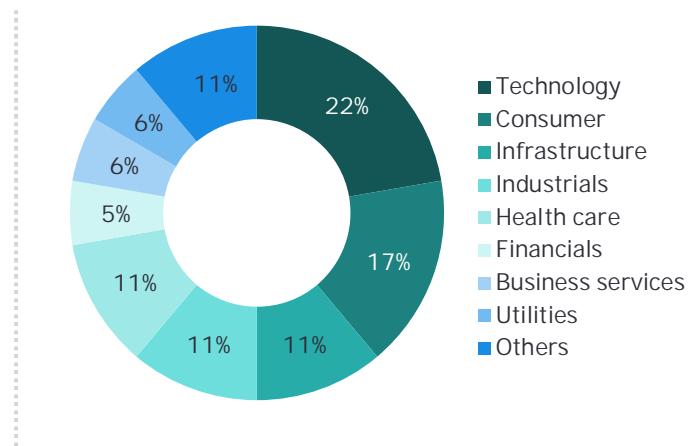
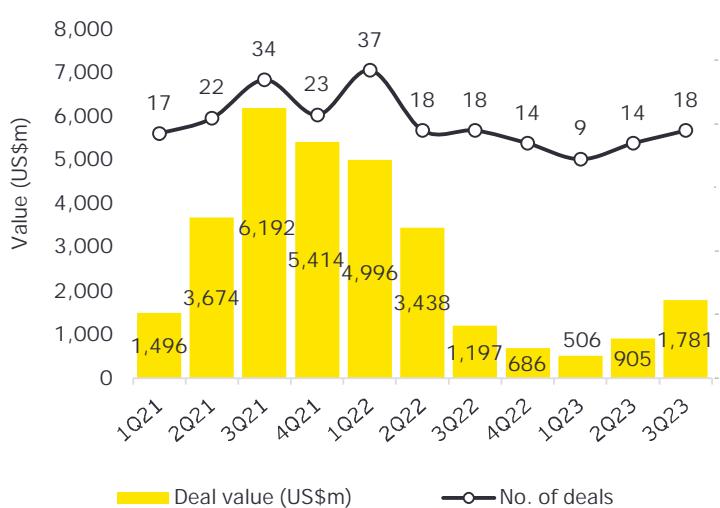
Some key themes that are expected to shape M&A activity in the period ahead include:

- The continued build-out of digital infrastructure across the region
- Realignment of the global supply chain as companies seek supply chain resilience, with SEA being a net beneficiary of investment in this regard
- Energy transition as countries accelerate their energy transition goals
- Conglomerates and multinationals reshaping their portfolio in the region
- PE portfolio exits

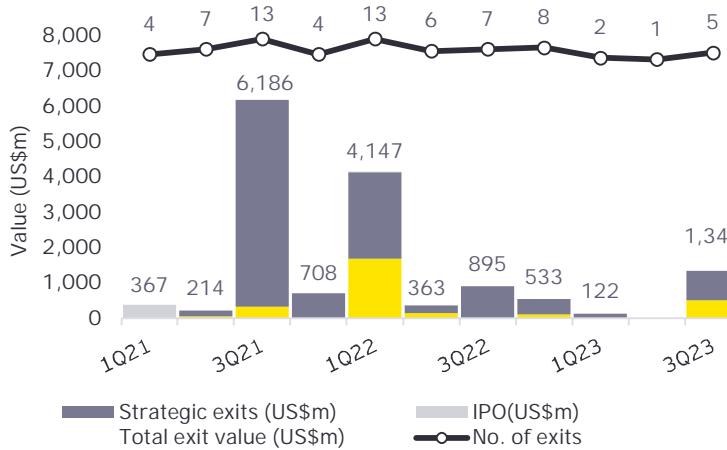
Where global PE firms are focused on currently



PE investments in SEA



PE-backed exits in SEA



Top PE investments in Q3 2023 (US\$m)

Target (HQ)	Sector	Investor	Deal value
SingTel regional data centre business (Singapore)	Infrastructure	KKR	807.0
QuEST Global Services (Singapore)	Business services	Carlyle	500.0
Yinson Holdings (Malaysia)	Infrastructure	RRJ Capital	300.0

Top PE-backed exits in Q3 2023 (US\$m)

Target (HQ)	Sector	PE seller	Exit value
QuEST Global Services (Singapore)	Business services	Advent; Bain Capital; GIC	500.0
MFS Technology (Singapore)	Technology	DCP Capital	460.0
Far East Medical (Vietnam)	Health care	Quadria Capital	381.0

Source: AVCJ, EY analysis

Note: Analysis includes all PE (exclude venture capital)

Private credit appears to be gaining popularity with new funds operating in the region. There is also a significant pipeline of exits and we expect 2024 to be an active exit year.

Key contacts

We would be happy to engage with you and your team to further unpack these solutions in the context of your organization.



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