



Building a better working world

Quarterly Private Equity Update

Southeast Asia

Q2 2024

Private equity (PE) activity in Southeast Asia (SEA) showed good momentum in the second quarter of 2024 (Q2 2024) compared with the previous quarter (Q1 2024). Deal value and volume witnessed an increase of over 10 times and 1.6 times respectively.

In Q2 2024, SEA saw a total of 28 deals, deploying over US\$5.6b. The infrastructure sector accounted for more than 78% of PE investments by value in SEA, primarily driven by Global Infrastructure Partners' announced conditional acquisition of Malaysia Airports Holding for US\$3.1b. Real estate and technology sectors constituted 12% and 4% of PE deal value, respectively.

Singapore and Malaysia contributed to the majority of deals, representing some 92% of the total PE deal value and about 57% in PE deal volume in Q2 2024.

As well, the quarter saw an uptick in the exit activity, with nine PE-backed exits, up by 300% in terms of exit value, compared with Q1 2024.

PE secondaries are expected to become a popular exit route in SEA, as investors increasingly explore liquidity options, including general partner (GP)-led secondaries, platforms and continuation funds.

SEA witnessed two PE fund closes during Q2 2024 raising a cumulative capital of US\$5.4b. In the largest fundraising, TPG closed its eighth Asia Fund (TPG Asia Fund VIII) at US\$5.3b, 15% greater than the size of its predecessor Asia Fund VII.

As well, PE deals accounted for 16% of overall M&A deal volume in SEA in Q2 2024, compared with 9% in Q1 2024.

Q2 2024: numbers in focus

US\$5.6b

Capital deployed across 28 deals

US\$1.1b

in PE-backed exits across 9 deals

Asian private credit poised for growth

Despite its small size, the Asian private credit looks poised for growth, driven by a growing need for alternative funding. Corporates are increasingly looking to private credit for liquidity solutions. Acquisition financing by PE sponsors and infrastructure financing solutions are other key areas of private credit deployment.

As of September 2023, Asia-Pacific private credit assets under management stands at US\$80.4b, up 10% from September 2022.

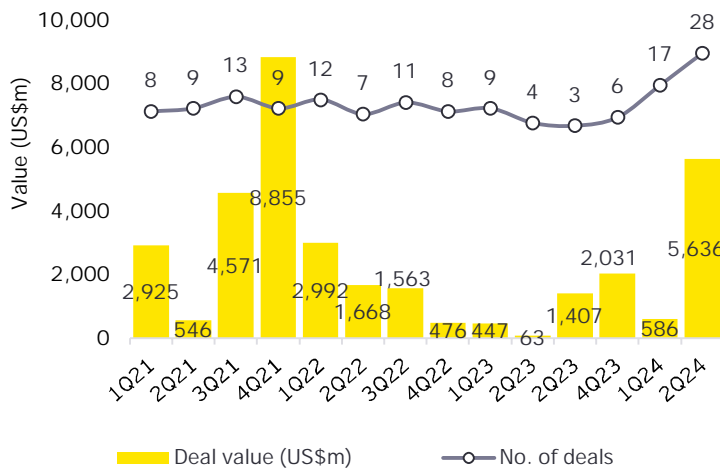
Some notable upcoming private credit developments in SEA include:

- Malaysia government-linked PE company Ekuiti Nasional plans to launch its maiden private credit fund worth US\$170m in the second half of 2024.
- Tikehau Capital and SEA's brokerage UOB-Kay Hian launched a new private credit strategy in February 2024 and will be contributing US\$50m each to provide financing to mid-sized corporates across Asia-Pacific.

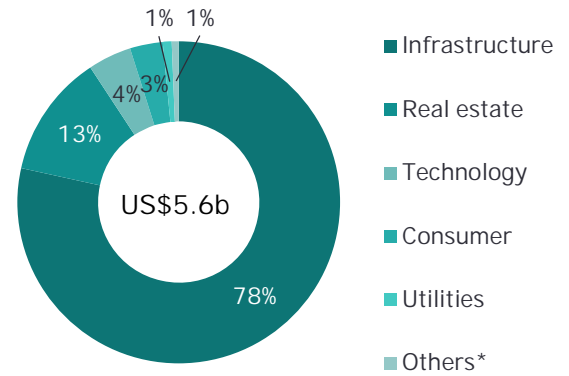


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PE investments in SEA

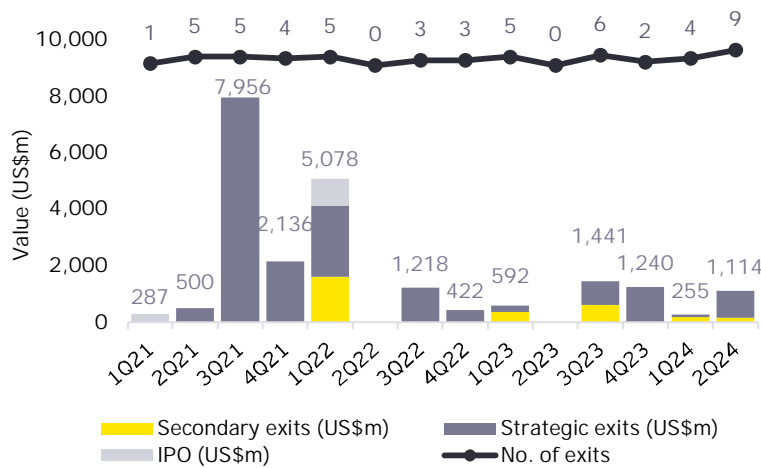


Breakdown of PE investment value by sectors in Q2 2024



* Include business services, materials, industrials and health care sectors

PE-backed exits in SEA



As expected, PE activity in SEA continues to gain momentum. New investments as well as exit activity will continue to build up in the months ahead and we expect deal activity to be more broad based. Moderation in interest rates should further strengthen deal activity.

Top PE investments in Q2 2024 (US\$m)

| Target (HQ) | Sector | Investor | Deal value |
|--|----------------|--|------------|
| Malaysia Airports Holdings Bhd (Malaysia) | Infrastructure | Global Infrastructure Partners, ADIA, Khazanah Nasional Berhad, Employees Provident Fund | 3,114.0 |
| ST Telemedia Global Data Centres (Singapore) | Infrastructure | KKR, Singtel | 1,300.0 |
| Mapletree Anson (Singapore) | Real estate | PAG | 573.4 |

Top PE-backed exits in Q2 2024 (US\$m)

| Target (HQ) | Sector | PE seller | Exit value |
|--|-------------|--------------------------------------|------------|
| Eu Yan Sang International Ltd. (Singapore) | Health care | Temasek Holdings, Tower Capital Asia | 514.7 |
| PT Industri Jamu dan Farmasi Sido Muncul Tbk (Indonesia) | Consumer | Affinity Equity Partners (HK) Ltd | 233.0 |
| GHL Systems Bhd (Malaysia) | Technology | Actis, Apis Partners | 154.0 |

Note:
Data used in this report is sourced from Dealogic and Pitchbook.
Deals include both announced and closed PE deals; analysis does not include venture capital activity.

Contact us to explore these trends and discuss the implications for you.



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Southeast Asia Quarterly
Private Equity Update
This quarterly update looks at the private equity deal activity across Southeast Asia and provides analysis and insights on market trends and developments.

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