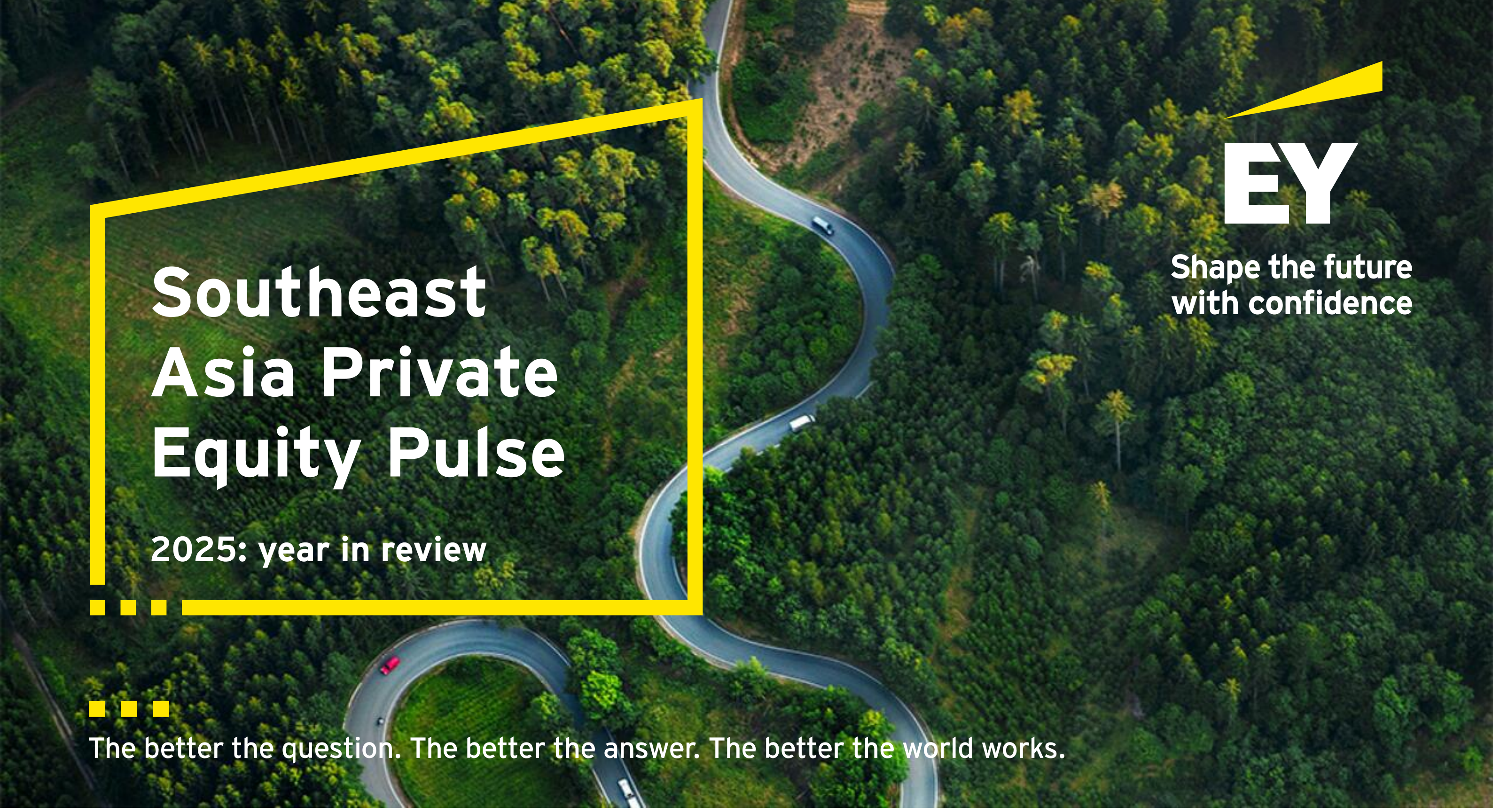

Southeast Asia Private Equity Pulse

2025: year in review

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Private equity (PE) deal value in Southeast Asia (SEA) moderated sharply in 2025, reflecting a more cautious investment environment. Total PE deal value declined 43% year on year (yoy), while deal volumes fell a more modest 12%, indicating sustained deal flow but less megadeals.

While the year began with a robust Q1, geopolitical volatility, specifically concerns surrounding US tariffs, triggered a cautious Q2. Q3 emerged as the most active deployment period, signaling a pivot toward larger, more selective transactions as valuations stabilized and financing conditions improved. Total capital deployment reached US$9.1b across 59 deals. The market saw only four megadeals (above US$1b) in 2025, compared with eight in the previous year. Average deal size dipped from US$356m in 2024 to US$267m in 2025, reflecting a more disciplined, mid-market focus among general partners (GPs).

Investment activity was concentrated in defensive and future-ready sectors:

- Infrastructure and energy: remained the primary drivers, collectively accounting for 53% of total deal value
- Real estate: sustained interest, contributing 11% to the annual value
- Key themes: digital infrastructure, health care and environmental, social, and governance (ESG)-centric sectors (clean energy and waste management) are gaining momentum as key secular growth drivers

2025: numbers in focus

US$9.1b	US$4.4b
Capital deployed across 59 deals	in PE-backed exits across 33 deals

Singapore continues to be the regional anchor, accounting for over 74% of total PE deal value, underscoring its role as a safe haven for capital during periods of regional uncertainty.

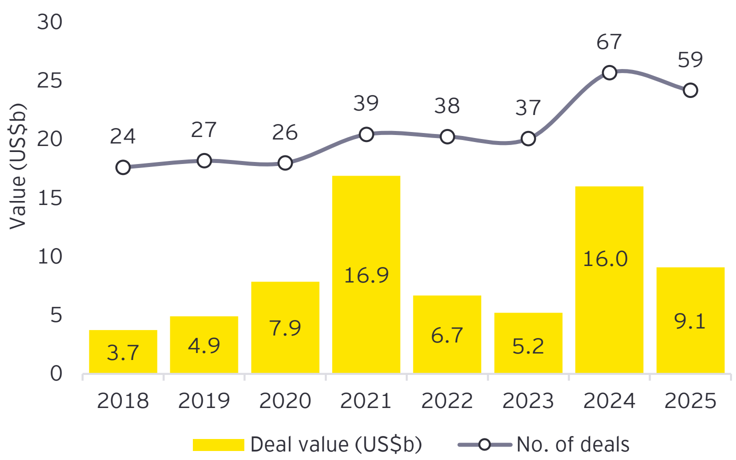
Despite a modest increase in exit activity, from 28 deals in 2024 to 33 in 2025, realized exit proceeds declined by 47% to US$4.4b.The exit overhang suggests that GPs are holding onto assets longer as assets remaining in the portfolio need more work to secure good returns.

In this environment, priority for sponsors has shifted from aggressive deployment to operational value creation. Sponsors are recognizing the need to design and implement value creation plans that drive real operating improvements and ensure exit readiness.

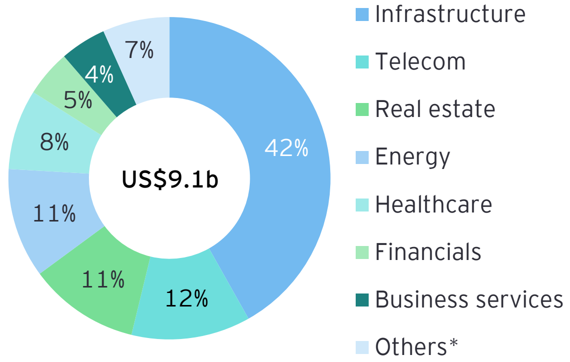
Luke Pais
EY-Parthenon Asean Private Equity Leader

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.

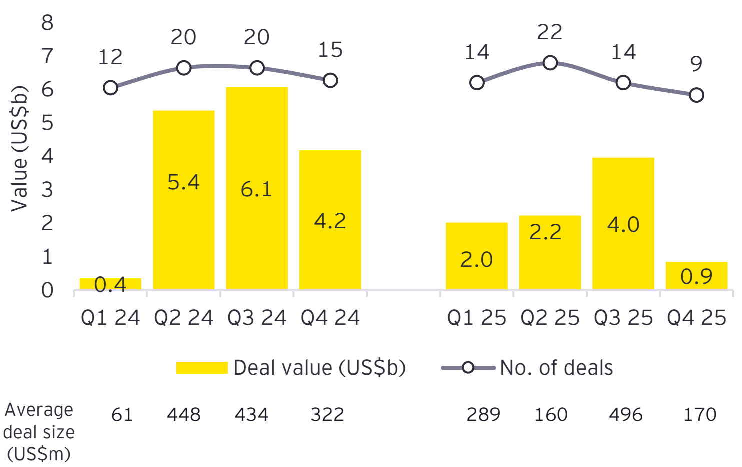
PE investments in SEA



Breakdown of PE investment value by sectors in 2025



Quarter-on-quarter SEA PE investments



> “
> The SEA PE landscape is characterized by a focus on resilience amid global economic uncertainty. The market is transitioning to value creation-led PE, with sponsors prioritizing operational improvement, downside protection and exit readiness.

Top PE investments in 2025 (US$m)

Target (HQ)	Sector	Investor	Deal value
GLP (Singapore)	Infrastructure	Abu Dhabi Investment Authority (ADIA)	1,500.0
Princeton Digital Group (Singapore)	Infrastructure	Stonepeak Infrastructure Partners	1,300.0
Yinson Production Offshore (Singapore)	Energy	ADIA, British Columbia Investment Management	1,000.0
True Internet Data Center	Infrastructure	Global Infrastructure Partners	1,000.0
Avery Lodge (Singapore)	Real estate	Bain Capital	556.3

Top PE-backed exits in 2025 (US$m)

Target (HQ)	Sector	PE seller	Exit value
Apex Logistics (Singapore)	Industrials	Partners Group	996.0
Avery Lodge (Singapore)	Real estate	Blackstone Group	556.3
Digital Halo (Singapore)	Infrastructure	Arch Capital Management	400.0
Amara Holdings (Singapore)	Real estate	Dymon Asia Private Equity	398.3

Note:
Average deal size is calculated using the number of deals with disclosed deal value.
Others* include technology, consumer, industrials and media.

Exit momentum improves as deal volume recovers

While exit volumes increased by 18% in 2025, aggregate exit value declined by 47% yoy, reflecting a skew toward smaller, lower-value realizations. This divergence was further accentuated by undisclosed transaction values for some large exits, which suppressed reported value metrics.

As a region comprising mostly developing markets, SEA investment activity is concentrated in growth stage companies and minority positions. These characteristics sometimes make exits, and the generation of distributed paid in capital (DPI), more challenging.

Strategic sales dominated exit activity in 2025, accounting for 58% of total exit value, as sponsors prioritized portfolio rebalancing over public market exits. The IPO market remained largely subdued, with four PE-backed listing during the year.

PE exits in SEA

Fundraising momentum builds in SEA

SEA recorded ten PE fund closes in 2025, raising a cumulative US$4.6b,up 97% yoy, and accounting for 14% of total Asia-Pacific PE fundraising. The largest close was Axiom Asia's seventh fund at US$1.2b, targeting investments across the broader Asia-Pacific region.

Across the broader Asia-Pacific's region, total PE fundraising reached US$33.5b, with SEA remaining a strategically important allocation market. Investors increasingly favored pan-Asia-Pacific strategies to diversify country-specific growth, regulatory and exit risks.

Top five SEA PE funds closed in 2025 (US$m)

(Includes only closed funds based in SEA)

Fund name	Fund manager	Fund size
Axiom Asia VII	Axion Asia	1,280.0
Quadria Capital Fund III	Quadria Capital	1,070.0
ABC Impact Fund II	ABC Impact	600.0
Olympus Clean Energy Fund	Olympus Capital Asia	500.0
Dana Iklim+	Kumpulan Wang Persaraan	474.7

SEA private infrastructure investing accelerates

According to Asian Development Bank (ADB)[1], developing Asia requires ~US$1.7t annually in infrastructure investment, vs. current levels of ~US$880b, leaving a substantial financing gap. Greater private sector participation across equity, long-tenor debt, and hybrid structures will be critical, alongside public capital, multilateral financing and policy de-risking mechanisms.

Private capital deployment in SEA is already scaling, validating both opportunity depth and improving risk-return dynamics. Recent examples include Brookfield's entry into SEA renewables via Alba Renewables (~1.8GW), Stonepeak's US$1.3b investment in Princeton Digital Group and GIP's US$1b commitment to Thai data centers with CP Group and True IDC.

Key sectoral focus areas in the region include:

- **Digital infrastructure:** Data centers, fiber networks, and telecom towers are among the fastest-growing segments, supported by cloud adoption, AI workloads and rising data consumption
- **Renewable energy:** Solar, wind and energy transition assets remain a core priority, driven by decarbonization targets and energy security needs
- **Adjacencies:** Power transmission, EV charging and water or waste infrastructure are emerging as secondary themes

Data centers: a structural growth opportunity in Asia

Asia-Pacific data center capacity is expected to double to ~24GW by 2030, with SEA markets (Indonesia, Malaysia, Thailand and the Philippines) driving incremental growth alongside Japan and South Korea.

To access this growth, global and regional sponsors are already increasingly using carve-outs, sale-leasebacks, and joint ventures, as telecoms and conglomerates divest noncore assets to refocus on core operations. Transactions such as PDG's acquisition of Yahoo's Singapore data centers and the Equinix-Astra JV in Indonesia illustrate how investors combine capital and operating expertise with local partners to scale standalone data center platforms efficiently across the region.

Looking ahead, private infrastructure investment in SEA is expected to accelerate, supported by sustained capital inflows, maturing regulatory regimes, and continued public-private collaboration. Digital infrastructure and renewables are likely to remain the primary beneficiaries, with increasing convergence between compute growth and clean power solutions.

Note:

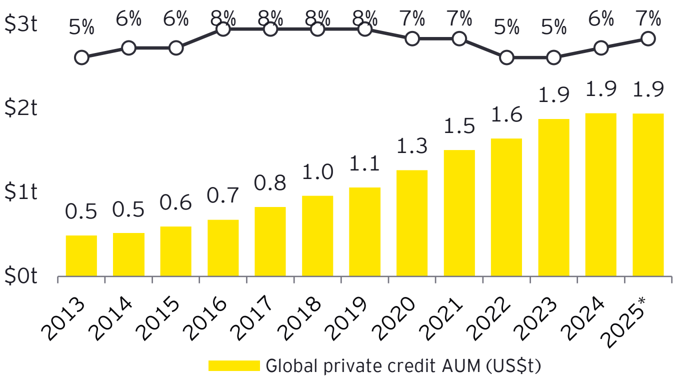
[1] Meeting Asia's Infrastructure Needs, Asian Development Bank Report.

[2] Global Data Center Market Comparison Report 2025, Cushman & Wakefield.

SEA private credit is relatively a smaller market but with robust growth opportunity

Private credit in Asia-Pacific remains small compared with the US and Europe, despite contributing over a third of global GDP. It accounts for just 6% to 7% of assets under management (AUM), with PE outweighing private credit by over 30x in the region. Similarly, the competitive landscape in ASEAN private credit remains relatively nascent compared with developed markets.

Asia-Pacific's contribution to global private credit AUM, US$t



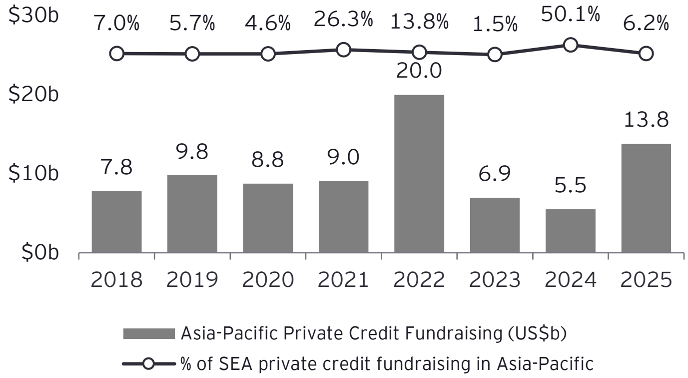
Rapid economic growth, a deepening startup ecosystem, and large-scale infrastructure and energy transition programs in the region are driving complex financing needs that exceed bank balance-sheet capacity. As banks retrench from mid-market and project-linked lending amid tighter capital and risk constraints, a meaningful funding shortfall is emerging, positioning alternative credit as a critical pillar of the region's evolving financial ecosystem.

Opportunity is concentrated across three structural themes in the region:

- **Urbanization and consumption:** Over 55% of Asia's population will live in cities by 2030, boosting demand for housing, goods and services.
- **Infrastructure and digital growth:** Over US$42t in infrastructure investment needed by 2040, implying approximately US$417b (10% funding) private credit opportunity.
- **Private credit expansion:** Banks retreating from mid-market and small and medium-sized enterprises (SME) lending fuels demand for alternative financing.

Investor appetite is already responding. Recent fundraises including the December 2025 second close of SeaTown Holdings International's Private Credit Fund III at over US$900m (backed by Temasek's Seviora Holdings), underscore growing institutional conviction in SEA's private credit as a scalable, long-term allocation. In parallel, global managers are deepening regional capabilities. KKR closed a US$2.5b second Asia-Pacific private credit fund, significantly expanding its presence in the region's private debt market. In July 2025, Apollo Global Management secured a mandate to manage Singapore's US$1b Private Credit Growth Fund, a government-led initiative designed to provide non-dilutive financing to high-growth local enterprises.

Asia-Pacific private credit fundraising, US$b
(Includes only closed funds based in Asia-Pacific)



Looking ahead, the private credit market is set for significant growth in 2026, fueled by structural demand from mid-market corporates and financial sponsors facing tighter bank lending conditions.

SEA economies are witnessing strong domestic demand and digital economy expansion, creating diverse lending opportunities in sectors such as fintech, logistics, renewable energy and health care. Local pension funds and insurers are increasingly investing in alternative credit to enhance yields, while cross-border institutional capital is targeting unitranche, mezzanine and structured credit solutions tailored to regional risk profiles.

Regulatory reforms in capital markets and enhancements in credit infrastructure such as expanded credit bureaus and stronger insolvency regimes, are expected to reduce information asymmetries, lower transaction costs, and support scalable private credit strategies in 2026.

"

Differentiated value across private credit can be generated through bespoke financing structures, strategic partnerships with regional sponsors and digital underwriting tools that improve credit assessment. Overall, private credit in SEA offers compelling diversification benefits with attractive spreads above traditional fixed income, particularly for tranches addressing under-served segments of the capital stack.

Note:
2025* data as of 03/31/2025

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

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Southeast Asia Quarterly Private Equity Pulse

This quarterly pulse looks at the private equity deal activity across Southeast Asia and provides analysis and insights on market trends and developments.

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