

# Southeast Asia Private Equity Pulse

Q1 2026

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Private equity (PE) dealmaking in Southeast Asia (SEA) began 2026 with strong momentum, driven by global investors executing megadeals in the region, particularly within the digital infrastructure space. Deal value surged 4.5x year-on-year (yoy), while deal volume increased 36% over the same period. SEA accounted for approximately 17% of total Asia-Pacific PE deal value in Q1 2026, up from just 4% in Q1 2025.

SEA recorded 19 deals deploying US\$9.2b in Q1 2026, notably the highest quarter on record over the last five years in terms of deal value. Three megadeals (above US\$1b) accounted for roughly 91% of total capital deployed during the quarter.

The infrastructure sector accounted for a dominant 77.1% of the total deal value in Q1 2026, followed by consumer (14.5%) and technology sectors (7.0%). The outsized share of the infrastructure sector was driven by two megadeals in the data center segment – Coatue Management’s investment in DayOne Data Centers and KKR’s acquisition of the remaining stake in ST Telemedia Global Data Centres.

Investor focus on digital infrastructure continues to intensify, supported by hyperscaler expansion, artificial intelligence (AI)-driven compute demand, data localization mandates and the significant opportunity to scale power and connectivity assets in SEA’s structurally underpenetrated markets.

Singapore remained the region’s primary hub for PE activity, accounting for roughly 68% of deal volume and 94% of total deal value in Q1 2026.

PE deals accounted for 33% of overall M&A deal value in SEA during Q1 2026, compared with 18% in Q1 2025.

## Q1 2026: numbers in focus

**US\$9.2b**  
capital deployed  
across 19 deals

**US\$1.7b**  
in PE-backed exits  
across six deals

The region recorded six exits during the quarter, generating US\$1.7b in realized proceeds. While exit volumes remained unchanged yoy, the aggregate exit value increased by 75%. This increase was largely driven by TPG’s divestment of its majority stake in XCL Education to KKR for US\$1.3b.

Fundraising in SEA remained muted in Q1 2026, reflecting a cautious limited partner (LP) approach in line with a sharp global slowdown driven by heightened geopolitical uncertainty linked to the Middle East conflict. Across the broader Asia-Pacific region, only six Asia-Pacific based funds closed in Q1 2026, raising US\$2.4b, compared with 28 Asia-Pacific-based funds raising US\$8.9b in Q1 2025.



**Luke Pais**  
EY-Parthenon Asean Private Equity Leader

**Note:**  
Average deal size is calculated using the number of deals with disclosed deal value.  
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.

## Impact of Middle East conflict on SEA PE activity

Uncertainty across global markets increased during the quarter following the escalation of conflict in the Middle East, which contributed to higher energy prices, renewed inflation concerns and tighter financial conditions. Against this backdrop, global PE activity softened significantly in Q1 2026.

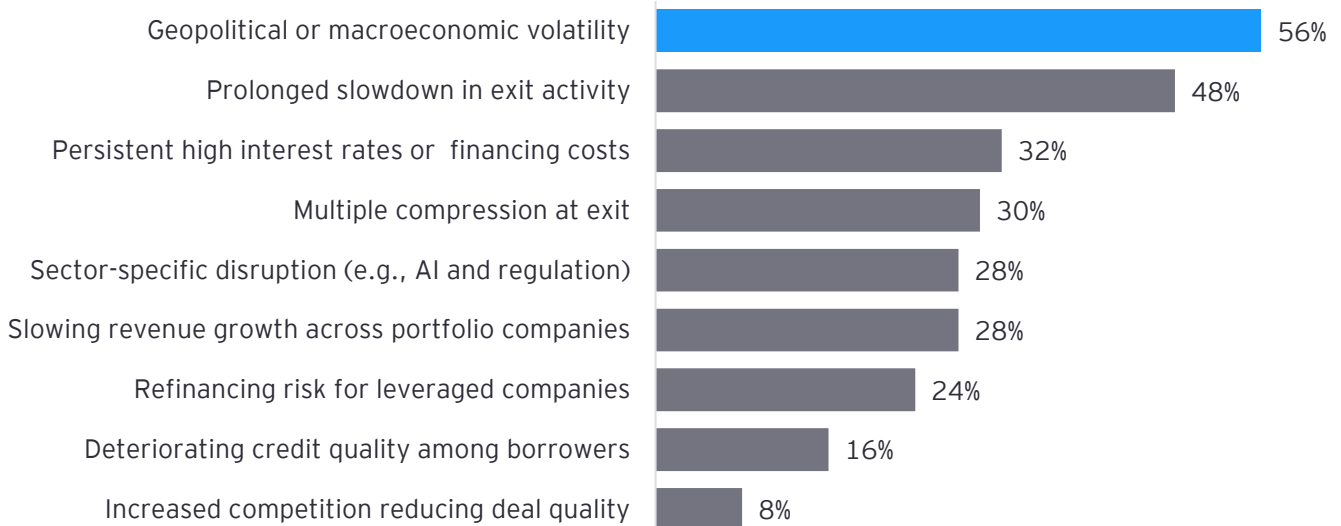
The *EY Global PE Pulse Survey* for Q1 2026 reveals that geopolitical and macroeconomic volatility remains the top concern for general partners (GPs), with 56% citing it as the greatest risk to portfolio performance over the next 12 to 24 months.

In SEA, while the impact of Middle East conflict has already weighed on fundraising sentiments, its broader impact on underlying deal activity is yet to be seen. Deal activity had been strong in Q1 2026, supported by structural growth drivers and continued participation from Asia-Pacific-based investors. While deal momentum had held up relatively well, near-term impacts are expected to be more visible in fundraising timelines, exit pacing and portfolio valuations.

Given the evolving geopolitical developments, there are several fund and portfolio imperatives that GPs should consider:

- **Reassessing exit strategies:** Consider whether sale processes and exit timelines need to be adjusted based on asset-level exposure to geopolitical volatility, valuation sensitivity and buyer risk appetite.
- **Portfolio resilience and risk management:** Measure the impact of higher energy costs, inflation and tighter financing conditions on portfolio performance, and ensure adequate liquidity, cost discipline and operational resilience.
- **Selective capital deployment:** Remain alert to opportunities arising from market dislocation, particularly in secondaries, structured equity and special situations, while maintaining disciplined underwriting and prudent capital deployment.

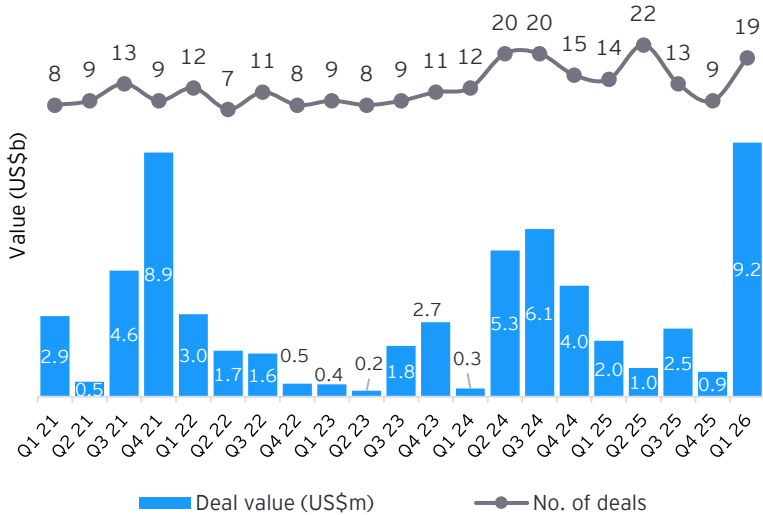
## Which factors represent the greatest risk to PE portfolio performance over the next 12 to 24 months?\*



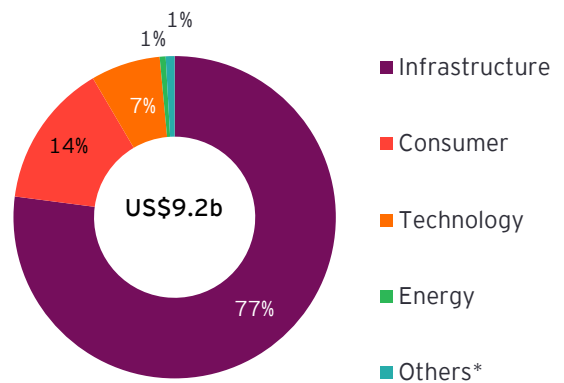
\*Source: EY PE Pulse Survey Q1 2026



## PE investments in SEA



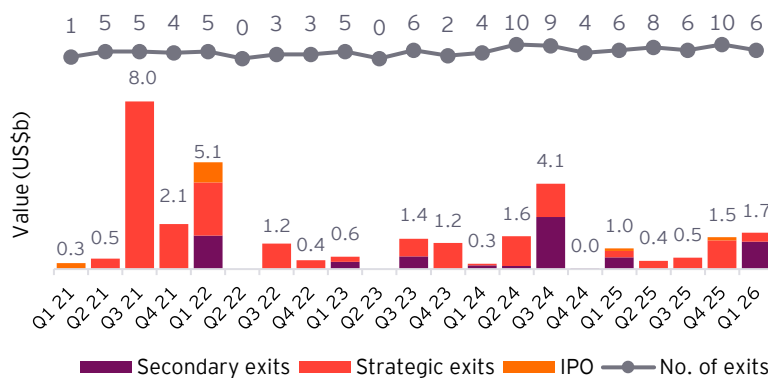
## Breakdown of PE investment value by sectors in Q1 2026



While geopolitical and macro uncertainties may temper fundraising momentum and delay exits in the near term, in 2026, SEA’s PE landscape underscores the importance of selective capital deployment and active value creation. Sponsors that can manage cost pressures and create operational resilience across portfolios will be best positioned to unlock liquidity and generate outsized returns as conditions normalize.

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## PE-backed exits in SEA



## Top PE investments in Q1 2026 (US\$m)

Target (HQ)	Sector	Investor	Deal value
ST Telemedia Global Data Centres (Singapore)	Infrastructure	KKR	5,100.0
DayOne Data Centers Limited (Singapore)	Infrastructure	Coatue Management Indonesia Investment Authority (INA)	2,000.0
XCL Education Holdings (Singapore)	Consumer	KKR	1,300.0
Tranglo Sdn. Bhd. (Malaysia)	Technology	NewMargin Capital	400.0

## Top PE-backed exits in Q1 2026 (US\$m)

Target (HQ)	Sector	PE seller	Exit value
XCL Education Holdings (Singapore)	Consumer	TPG Capital	1,300.0
Food Purveyor Sdn Bhd (Malaysia)	Consumer	Navis Capital Partners	421.0
Constellar (Singapore)	Business Services	Temasek Holdings	1.0
RAM SMAG Lifting Technologies (Singapore)	Industrials	Dymon Asia Private Equity	Undisclosed

**Note:**

\* include industrials and media.

Data used in this report is sourced from Dealogic and Pitchbook.

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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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