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Quarterly Private Equity Update

Southeast Asia

Q3 2024

While the private equity (PE) deal volume in Southeast Asia (SEA) witnessed a dip in the third quarter of 2024 (Q3 2024), deal value increased by 8% quarter-on-quarter. The average deal size improved from US\$375m in Q2 2024 to US\$434m in Q3 2024.

In Q3 2024, SEA saw a total of 20 deals deploying over US\$6b in capital. The real estate sector accounted for about 40% of PE deal value in SEA, primarily driven by Warburg Pincus' acquisition of a portfolio of business parks and specialist facilities in Singapore for US\$1.2b. The SEA region, especially Singapore, continues to attract investor attention in real estate, particularly with the anticipation of lower interest rates. Given Singapore's higher occupancy rates, stable rents and steady valuations within commercial real estate, a narrowing bid-ask spread could lead to significant transactions potentially revitalizing the market.

Other sectors, specifically health care and infrastructure, constituted about 18% and 16% of the total PE deal value, respectively.

Energy transition driving investor interest

In addition to the digital infrastructure sector, which is a major focus for PE, the SEA region is attracting catalytic investments to address financing gaps to achieve the goal of clean energy transition and carbon neutrality by 2025. PE firms are playing a pivotal role in mobilizing capital in renewable energy generation, energy efficiency and electrical grid businesses, among others.

PE investments in renewable energy constituted 10% of capital deployed in Q3 2024. Key transactions include:

- Actis, a UK-based PE firm, invested US\$600m and acquired 40% equity stake in Philippines' Terra Solar project.
- Cyan Renewables, a Singapore-based operator of wind farms, received undisclosed amount of development capital from Alberta Investment Management in August 2024.

Q3 2024: Numbers in focus

US\$6.1b

capital deployed across
20 deals

US\$4.1b

in PE-backed exits
across nine deals

Fed cuts expected to drive IPO interest

While Q3 2024 saw an increase of 2.6 times in exit value compared with Q2 2024, the PE-backed IPO market in the region remained muted. However, the US Federal Reserve's 50-basis-point rate cut in late September 2024 is seen to have the potential to benefit the SEA and Asia-Pacific IPO markets by improving investment sentiments, lowering borrowing costs and enhancing equity valuations. This can help to counter some of the prevailing headwinds blowing through the region recently.

PE deals accounted for some 11% of overall M&A deal volume in SEA during Q3 2024, compared with 16% in Q2 2024.

In terms of fundraising, there were two SEA-based PE funds closed in the last quarter. A Singapore-based asset manager closed its second flagship PE fund at US\$100m. For interim closes, Creador, a Malaysia-based PE firm, secured a US\$700m first close for its sixth flagship fund.

Investments from family offices expected

An increased number of family offices are making substantial investments in private markets, which can impact PE activity. According to Preqin, family offices account for a third of SEA-based limited partners in 2024, up from 20% in 2020. Singapore has been attracting family offices through favorable policies such as the variable capital company structure, which caters to single family offices.



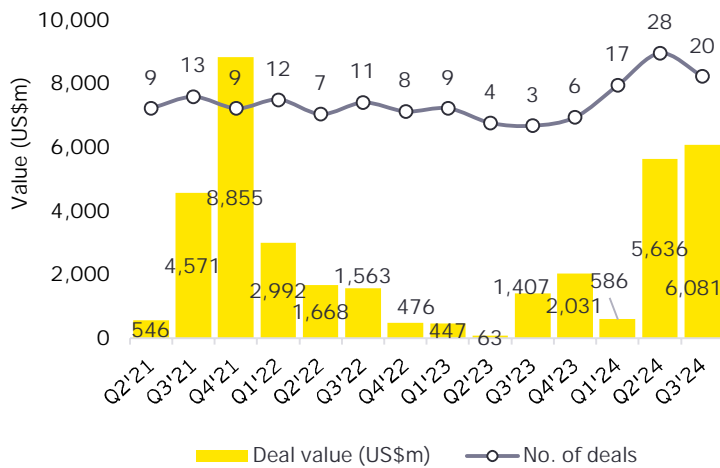
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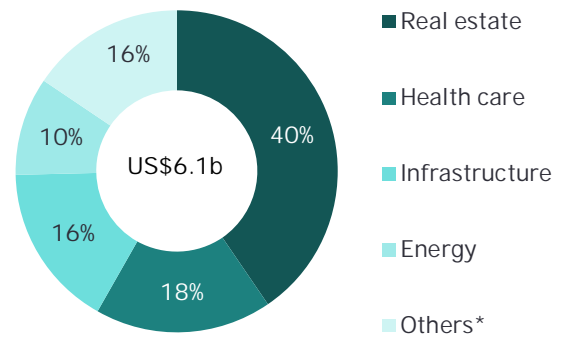
Data used in this report is sourced from Dealogic and Pitchbook.

Deals include both announced and closed PE deals; analysis does not include venture capital activity.

PE investments in SEA

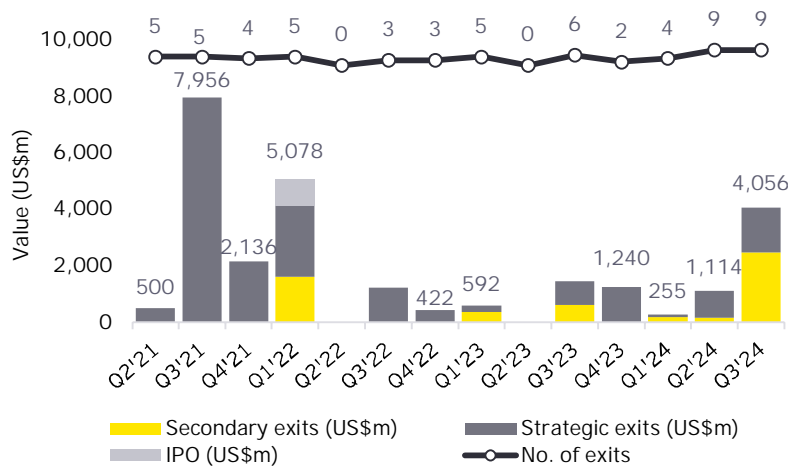


Breakdown of PE investment value by sectors in Q3 2024



Others* include business services, consumer, industrials, technology and financial services.

PE-backed exits in SEA



Looking ahead, it is anticipated that SEA's PE activity will close on a positive note for 2024. This expected upsurge is likely to be propelled by a lower-interest rate environment and increased investment commitments from family offices in the region.

Top PE investments in Q3 2024 (US\$m)

Target (HQ)	Sector	Investor	Deal value
Portfolio of property assets (business parks and specialist facilities) (Singapore)	Real estate	Warburg Pincus	1,229.4
PropertyGuru (Singapore)	Real estate	BPEA EQT	1,147.8
PT Siloam International Hospitals (Indonesia)	Health care	Sight Investment (investment vehicle managed by CVC Capital Partners)	1,048.0

Top PE-backed exits in Q3 2024 (US\$m)

Target (HQ)	Sector	PE seller	Exit value
PropertyGuru (Singapore)	Real estate	KKR, TPG Capital	1,147.8
Island Hospital Sdn Bhd (Malaysia)	Health care	Affinity Equity Partners	966.0

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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 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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