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Asia Pacific Private Equity 2025 Almanac

Deloitte Private Equity

A greater return on ideas

Contents

Foreword

Welcome to the second Deloitte Asia Pacific Private Equity Almanac. Building on the success of our first edition last year and responding to valuable market feedback, this almanac dives deep into 2024's defining themes and offers some forward-looking insights for 2025, including exploring whether and how trends from more-established western markets may manifest in Asia Pacific.

Asia Pacific's private equity (PE) landscape is evolving and maturing rapidly, shaped by shifting macroeconomic forces, emerging market dynamics and changing perceptions within individual countries. In fact, PE is playing an increasingly important role in the region, and with interest rates stabilising and record stockpiles of dry powder, 2025 looks set to see this role growing still further and deal activity accelerating. Momentum was building at the end of 2024 and around the region there is a clear and very welcome sense of optimism for the coming year.

It is important, however, to avoid viewing Asia Pacific as a homogenous bloc. In reality, it is an amalgam of countries and groups of countries moving at different speeds and, in some cases, in different directions. Now more than ever, understanding of this rapidly shifting and often opaque picture demands expert analysis, local insight and cross-border collaboration. Our analysis is led by the Asia Pacific Deloitte Private Equity Origination team, who have set out to provide the kinds of nuanced and contextualised insights that are only achievable by having connections to every part of the market and, critically, local presence and knowledge. We are excited to work with all of the major players in PE across the region – both in continuing to invest and recycle capital in Asia Pacific and in supporting operational transformation to create additional value in their thousands of portfolio companies.

We hope you find this almanac informative and thought-provoking and encourage you to reach out to us, either to discuss our thoughts and findings or for a deeper dive into the topics and themes that most concern your business.

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Asia Pacific's private equity landscape is evolving and maturing rapidly, shaped by shifting macroeconomic forces, emerging market dynamics and changing perceptions within individual countries.

Executive summary
2024: a year of rerouting, realignment and recovery

2024 was a year when the statistics told a different story from the sentiment felt within the PE market in Asia Pacific. By many metrics, it was a good year and by at least one, total buyout investments, it was among the best on record. But, strangely, it did not feel that way, possibly because many had expected it to be even better. Instead, it felt more like a year of recovery, realignment and waiting.

With pandemic recovery finally in the rearview mirror and momentous elections around the world also behind us, a welcome sort of calm has emerged for the PE markets globally and for Asia Pacific in particular. However, it is safe to say that the combination of geopolitical shocks we have seen, and the long tail of the pandemic mean that we are in a very different world to the one we left in 2020 – a new normal perhaps. And as the year ended, there were clear signs that both momentum and optimism were building. Whatever else it may bring, 2025 will be a busy year in the Asia Pacific PE world.

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Valuations and interest rates coming back into balance

With PE exits valuations in Asia Pacific down to a decade low, following the peak of 2022, investors may be much more willing to deal. While that may not please holders of existing portfolios, it may serve to unlock capital held back in anticipation of better value and even encourage some General Partners (GPs) to accept lower returns in order to free up capacity to build a new book. At the same time, falling interest rates and a growing sense of where they may stabilise may also be giving GPs greater confidence to deal.

Big deals and bolt-ons in the absence of deal flow

Just like the previous year, 2024 saw a comparative dearth of the sponsor-to-sponsor trade sales and formal sale processes that are the standard fare for PE houses. In the absence of such deals, PEs responded by either going very big – the proportion of deals above US$1B grew by a third – or going to the other extreme in the form of small bolt-ons to existing holdings. Bolt-ons also shaped the platform approach to investing, where PEs create a large portfolio company through many, relatively low-cost bolt-ons, that is being embraced by a wider number of GPs as they pivot from growth-oriented investments to value.

Geographic realignment to suit the new normal

Surprisingly, China and Australia commanded the largest share of PE investments in 2024. However, their position was largely attributable to a small number of megadeals and to portfolio management trades. Behind this headline statistic, much of GPs' focus remained on India and Japan, which were and are widely perceived to be 'hot' markets. India, consistently strong in recent years and likely the fastest-growing economy in the region in 2025, has become especially attractive to investors. And Japan, for a variety of reasons, seems more accessible and more welcoming to overseas investors than ever before. China, by contrast, has lost some of its lustre for western investors, partly as a result of its slowing growth and partly as their response to geopolitical concerns. This has led western funds to look elsewhere in Asia Pacific for both growth and stability. Conversely, it has led some China-based funds extending their interests and presence in Europe and the US.

At the same time, some sovereign wealth funds, notably from the Middle East, began to ramp up their Asia Pacific operations, including filling the gap left in China by western funds responding to Limited Partners (LP) pressure to refocus. Amid this geographic rebalancing, PE portfolio companies and corporates alike pursued a strategy of geo splits – paring off parts of their portfolio companies along geographical lines to better suit the needs of the business and interests of potential buyers.

No exit, yet, except to corporates

Two marquee deals put a misleading gloss on an otherwise unspectacular year for exits, with many funds electing to sit tight on their investments. In the absence of a push for GPs to sell and deliver returns in order to attract new LP commitments, and lacking the high valuations that might pull them into a sale, many simply held on. The exception was exits to corporates, which were up. Notably, many of these corporate buyers were cross-border shoppers, further reflecting the shifting geographic landscape of dealmaking in 2024.

A big year ahead?

Deal flow and the positive sentiment that it creates are unquestionably building, with corporate confidence fuelling a potential virtuous spiral in M&A. The Asia Pacific PE market is both maturing and morphing, with convergence into fewer, larger Asia Pacific funds and a corresponding expansion of fund operations in the region. A transition from growth-oriented investment to operation-oriented buyouts is also apparent and will drive GPs to expand their in-house operational capabilities. At the same time, with smaller and mid-cap funds closing, we expect to see the emergence of 'zombie' funds, where managers with reduced incentive to exit and begin fundraising again, choose to hold on to assets beyond their expected life span in the hope of higher valuations. Overall, 2025 looks set to be a year of growth, albeit one that may have to contend with shocks and volatility originating outside the region.

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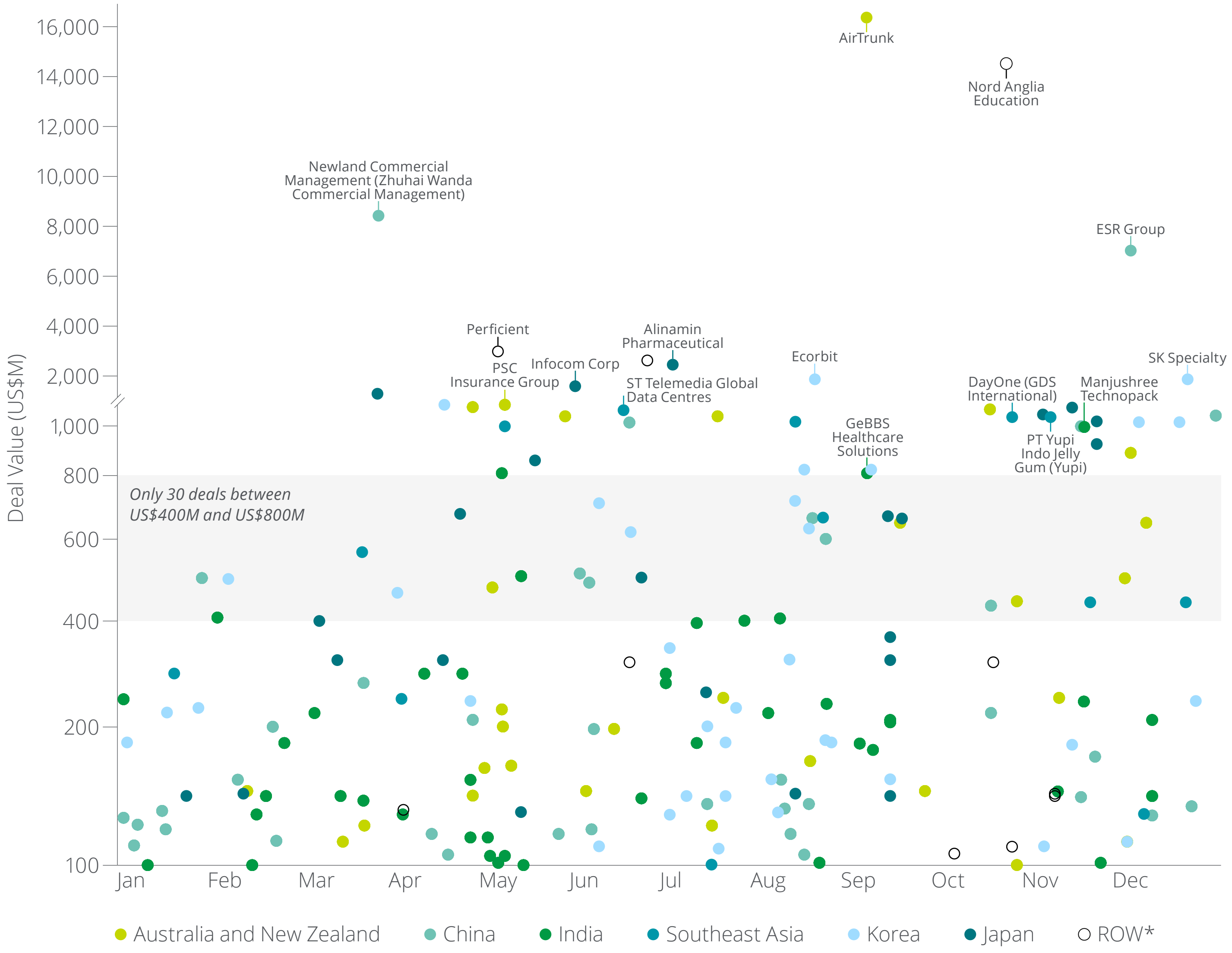
Market insights
On your marks, get set…

2024 PE buyout deal distribution (deal value US$100M+)



Source: Deloitte analysis, Preqin, Pitchbook, Mergermarket
*Note: ROW represents non-Asia Pacific investments made by Asia Pacific PE funds

Buyout deal activity increased in 2024, with significant momentum growing as the year progressed, though with mid-size deals scarce there was a concentration of deal value at the top and bottom end of the scale.

A clearer view emerging

Market participants held their breath through much of 2024 looking and hoping for a degree of certainty in a distinctly unsettled and changing market.

In 2024, the investing world was both expecting and hoping for a recovery, having endured an extended period of volatility and uncertainty. It did not materialise. Instead, many countries had to battle with inflation following years of COVID-19-induced economic stimuli, while elections in major economies such as India and the US shook up the political landscape. However, as the year drew to a close, a clearer and, arguably, calmer picture was beginning to emerge. Interest rates were trending downwards in the US, with the world's largest economy seeming to have pulled off the soft landing that has previously been so elusive. Election results, both across Asia Pacific and the wider world, provided a degree of clarity about the direction of geopolitics, if not clarity on policy. And, it seems safe to say, the world solidly emerged from pandemic recovery, though this does not mean that pre-COVID conditions have returned: whatever the new normal is, it is not the same as the past.

With these changed conditions and greater sense of certainty, the question is if the PE market in Asia Pacific is ready for take-off in 2025? We think it is, but to answer that question more fully, we need to take a much closer look at what happened within the PE markets in 2024 and explore how that activity can be understood thematically.

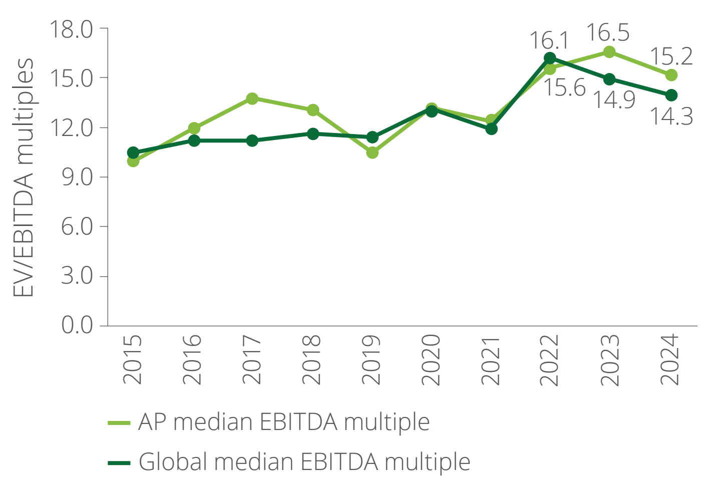
Grip of "negative jaws" relaxing

In finance, revenue growth with margin growth is called the "positive jaws" effect, where profit grows faster than revenue. From a valuation perspective, PE transactions have suffered something of a "negative jaws" effect in recent years, with high interest rates and high valuation expectations reducing deal activity in Asia Pacific. However, this effect is showing signs of abatement.

When it comes to valuations there is an almost inevitable bias towards larger or public deals because the data is more likely to be available and clear. By contrast, data in smaller private transactions is often either unreported or, where it is available, the metrics behind it are opaque at best. For example, did they use forward or trailing EBITDA? What pro forma adjustments were made? However, notwithstanding the opacity, analysis of private transaction valuations, on an aggregate level, can provide a useful indicator of the broader market momentum.

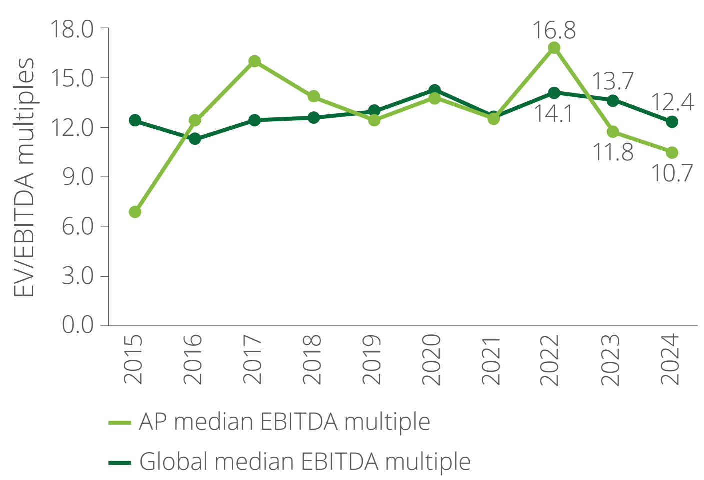
According to Mergermarket, in 2024, PE exit EV/EBITDA multiples trended downwards both globally and in Asia Pacific. Median valuations in Asia Pacific pulled back to a decade low of 10.7x, as compared to the high of over 16.8x in 2022. While lower valuations may hurt returns on existing portfolios, they also represent a value buy for new investments. So, if more opportunities were to come to market at reasonable valuation levels, this could start to fuel a virtuous circle where GPs become more willing to accept lower returns in order to focus on building a new book of low-entry-valuation investments.

PE entry multiples



Source: Mergermarket as of 20 December 2024

PE exit multiples



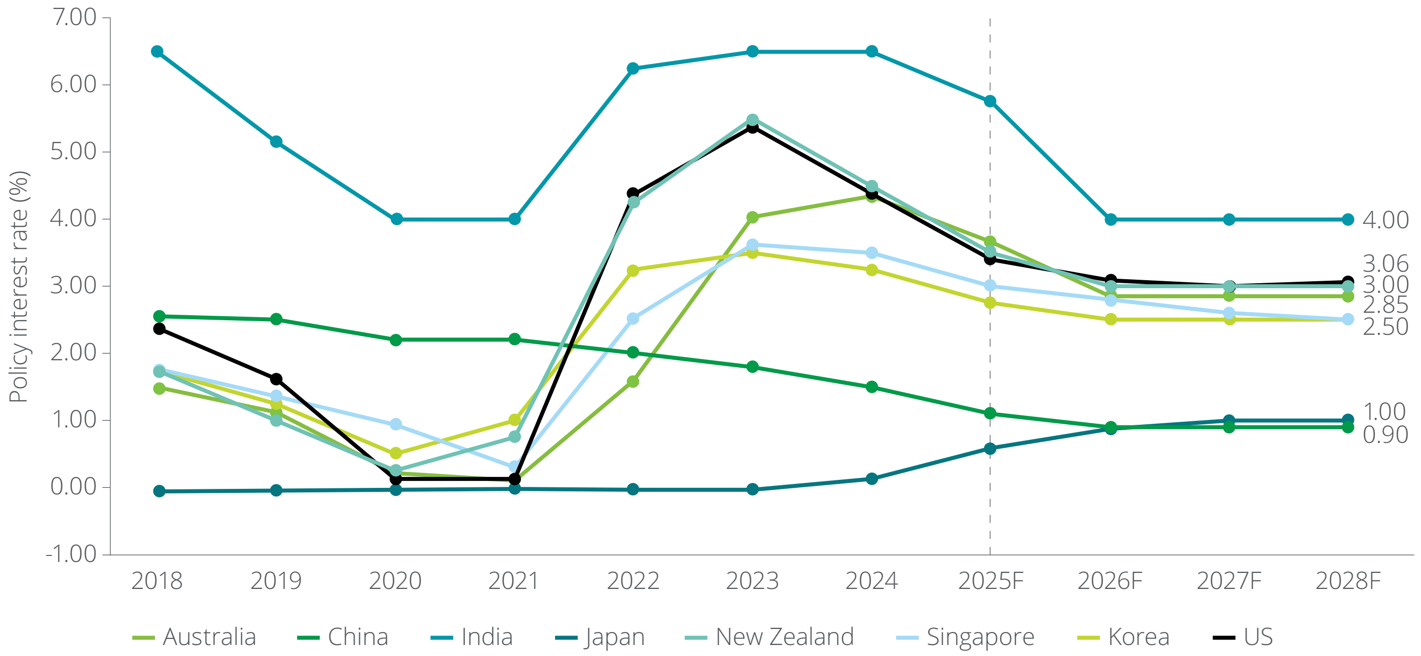
Source: Mergermarket as of 20 December 2024

On the other side of the equation, most major economies have emerged from their battles with inflation, for now at least, and interest rates are coming back down.

In 2024, the high cost of borrowing meant that many GPs around the world were hesitant to transact. There was a general sense that interest rates would peak soon and then begin to fall – the only question was when and how much. As things turned out, it was late in the year. The US Federal Reserve made its first rate cut in September, and two additional cuts followed in the fourth quarter.

In Asia Pacific, China, Korea, and New Zealand all lowered rates in the back end of 2024. With lower rates come reduced borrowing costs, which can serve to lubricate the gears for the leveraged buyout market. Perhaps more importantly, rates beginning their descent have provided some certainty about the near-term rates outlook; forecasts clearly show lower rates in 2025, though not as low as during the COVID-19 pandemic or the lower "normal" rates that preceded it. Better visibility of where rates might settle long-term should give GPs further confidence to transact.

Policy interest rates and forecasts

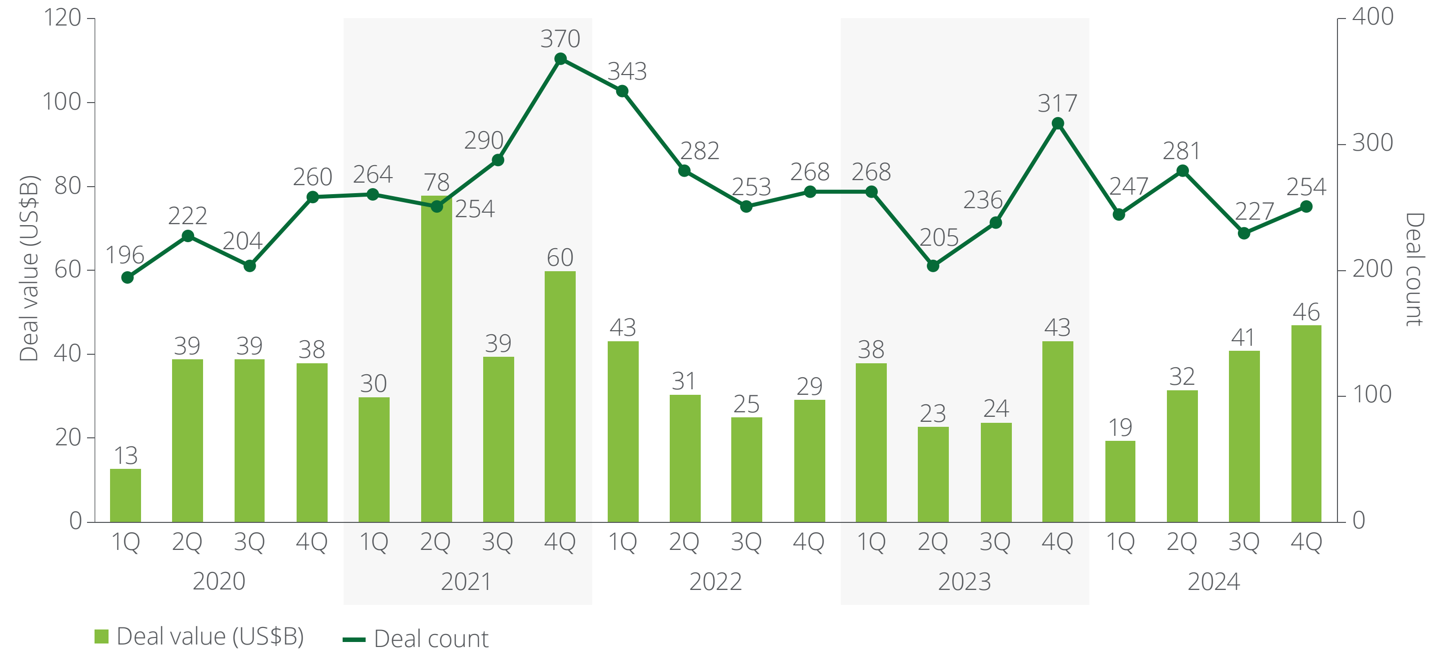


Source: EIU as of Dec 20, 2024

Momentum building… and with it, optimism

PE investment activity increased throughout 2024, ending with a total US$138B of investments, up 8.1% from 2023. Each of Q2, 3 and 4 was bigger than its preceding quarter, and all were up year-on-year over 2023. Deal count, by contrast, was more erratic and did not reach the levels seen in 2021 and 2022. However, the big takeaway is that capital was deployed, and, with a clearer view of the future, there is a growing sense of optimism among GPs and the broader market for a very active 2025.

Asia Pacific buyout deal value and count by quarter



Source: Deloitte analysis, Preqin, Pitchbook, Mergermarket

The large and the small, but not the medium

Since 2023 and throughout 2024, we have seen a relative lack of sponsor-to-sponsor trades and formal sale processes. Without their bread-and-butter mid-size deals, GPs were pushed to two extremes of deal size – very large or very small – with not much in between.

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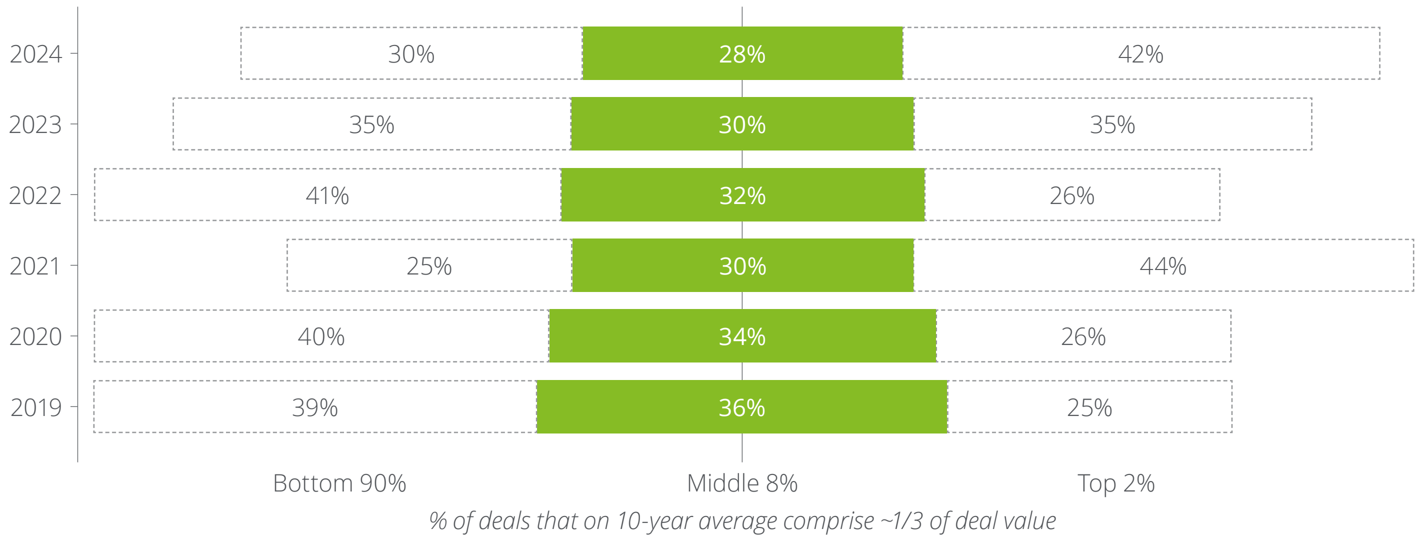
Distribution of PE buyout investments by size cohorts



Source: Deloitte analysis, Preqin, Pitchbook, Mergermarket

> A useful way of understanding the size split of deal activity is to divide all deals into three cohorts (top, middle, and bottom) that typically account for one third of deal value each. Over the last 10 years, on average, the first third of total deal value has been delivered by a cohort of just ~2% of deals. The next third has been contributed by ~8%, and the final third by the remaining ~90% – the small deals and bolt-ons. In 2024, the top cohort (top ~2% of deals) accounted for 42% of total deal value, and the bottom cohort (smallest 90% of deals) accounted for 30% of total deal value. This left just 28% of overall deal value coming from the middle segment.

Small bolt-on transactions, were attractive because they can help increase value of portfolio companies by building scale at comparatively attractive valuations. At the same time, they are often viewed by investment committees as safer plays – bolt-on investments require smaller equity cheques and do not introduce new risks to the portfolio beyond those vetted when the portfolio asset was originally acquired.

Many bolt-on transactions go unreported, as portfolio companies may not, and are often not required to, publicise their acquisitions. But even among the reported data, there has been a clear increase in bolt-on activity since 2021; a trend that has continued through to today. For the past four years, bolt-ons represented between 27.0-31.5% of reported PE deal count in Asia Pacific. This is double the level seen in the mid-2010s, and bolt-ons continued to account for a high proportion of deal activity during the peak M&A years of 2021 and 2022, as well as the more muted years of 2023 and 2024.

The increased prominence of bolt-ons at the lower end of the deal-size spectrum is, in part, a reflection of the growth of a platform approach to investing – itself a response to the challenges of making bigger moves in an uncertain environment. This platform approach, which is not uncommon in a lower-growth environment, sees funds shifting their focus towards making an anchor investment – a large, platform acquisition – and then building its value through comparatively low-cost bolt-ons. These are typically acquisitions up or down the value chain or acquisitions of businesses with a similar or complementary positioning, possibly in a different geography. While platform plays work across all industries, one sector where this strategy has been particularly attractive is business and corporate services. Hillhouse's acquisition of InCorp Global in February 2024 was just the latest of a string of PE investments in this space. In September 2024, Hillhouse announced the formation of Ascentium, a corporate services platform consisting of – at the time of formation – InCorp and four other acquisitions.

While bolt-ons are relatively low-cost and low-risk, multi-billion-dollar buyout funds, of which Preqin reported more than 100 in Asia Pacific, simply cannot deploy enough capital through bolt-ons alone and must look for bigger deals. These large deals, particularly corporate carve-outs and take-privates, require significantly more time and resources to progress than sponsor-backed sales. However, while this might usually be an obstacle, the relative absence of medium-sized, sponsor-backed sale processes meant that the larger funds had both the bandwidth and the incentive to go hunting for the next big deal. The top cohort of major deals contributed 42% of deal value in 2024. This has been surpassed only once in the past five years, in 2021, though it is worth remembering that the Grab de-SPAC deal in Singapore contributed to nearly half of the top cohort deal value that year. In 2024, large deals were more widespread: there were 30 deals over US$1B, in line with totals for 2022 (29 deals) and 2023 (27 deals). However, 2024 recorded a lower deal volume, so, as a percentage of total deal numbers, US$1B+ transactions were substantially up, representing 6.8% of total disclosed deal volume in 2024, up from the 5.6% in 2023 – a proportional increase of nearly one third.

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Location, location, location

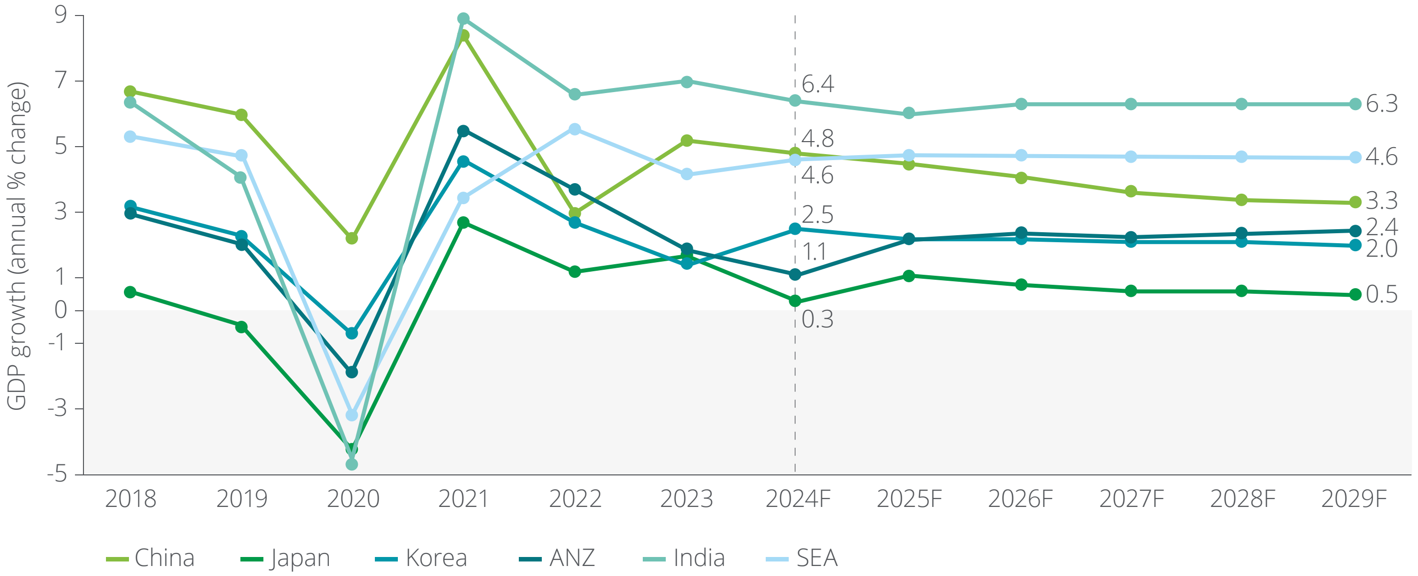
The significant shifts in investment team locations and geographic focus that we noted last year became an important theme in Asia Pacific PE in 2024, as location became a key consideration in an increasingly complex and fluid dealmaking environment.

The growing importance of geographical positioning was shaped by many factors:

- Geopolitics and concerns over potential tariffs, leading to responses such as China + 1 and near-shoring strategies
- Changing growth profiles in Asia Pacific markets
- For some investors, a reformed allocation strategy in which risk appetite favoured exposure to more-developed markets.

Interestingly, it appears that LP concerns, rather than those of the investment professionals, were the driving force behind many of these geographic investment decisions. In some instances, deal teams saw attractive values and opportunities, but the ultimate decision to deploy capital was out of their hands, i.e. the decision to invest was detached from the perceived value of the investment opportunity. At times this was overt, with LPs or investment committees stating a desire for reduced exposure in certain regions. But in other cases, it was imposed by the GPs themselves, as they tried to reposition their funds to better attract a limited pool of LP money into new fundraisings.

GDP growth rates and forecasts



Ranking	2018	2019	2020	2021	2022	2023	2024F	2025F	2026F	2027F	2028F	2029F
China	1	1	1	2	4	2	2	3	3	3	3	3
Japan	6	6	5	6	6	5	6	6	6	6	6	6
Korea	4	4	2	4	5	6	4	4	5	5	5	5
ANZ	5	5	3	3	3	4	5	5	4	4	4	4
India	2	3	6	1	1	1	1	1	1	1	1	1
SEA	3	2	4	5	2	3	3	2	2	2	2	2

Source: IMF as of 13 Jan, 2025

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Adjusting to a new normal

While the threat to cross-border deals posed by geopolitical and regulatory changes may have become more obvious and acute in the current environment, the reality is that this has always been present and is not a surprise for GPs in Asia Pacific. What was not so easily priced in, perhaps, was the dramatic shift in investor appetite for different Asia Pacific economies coming out of COVID-19. The noise around post-pandemic growth subsided through 2023 and 2024, leaving a clearer picture of the new normal for consensus growth rates across the region.

This new normal of economic growth has several distinct characteristics as compared to the old status quo. The most notable change was the reversal of positions between the two most-populous economies: China and India. India's dramatic recovery in 2021 was followed by three more years of growth that was well above pre-COVID-19 levels. Looking forward, the Economist Intelligence Unit (EIU) suggests that India will be the fastest-growing economy in Asia Pacific, which has attracted increased attention from investors. In the same period, China experienced one year of higher growth, followed by a drop that put it below both Southeast Asia and Australia and New Zealand (ANZ) in 2022. Despite improved growth in 2023, China experienced a moderate fall in growth rates in 2024, and it looks likely to track gradually converges with the developed-market growth rates more commonly seen in the US and Europe.

The other new normal among the largest economies in Asia Pacific is a strong investor focus on Japan, increasingly regarded as a key player in Asia Pacific's M&A landscape, as was highlighted by Deloitte Asia Pacific CEO David Hill in an interview with Nikkei Asia in October 2024. In Japan, PE is in the vanguard of a wave of interest in a country that is increasingly receptive to overseas investment. Ultimately, the Japan story for investors is not so much about growth as it is about stability, deal opportunities and the sense that Japan is far more open for international business than it has ever been. During the pandemic, Japan had relatively lower economic volatility vs. other Asia Pacific markets with a 4.2% GDP decline in 2020 followed by 2.7% growth in 2021 – an overall swing of ~7%, which is one of the lowest compared to other economies in the Asia Pacific region.

Since then, its GDP growth has remained elevated compared to historical levels. These conditions are supported by ample, cheap financing, and a backlog of opportunities ripe for private ownership and management. An aging population, combined with a robust small and medium-enterprise economy offers opportunities for family-business succession. Large, sprawling corporations that are becoming more receptive to outside control or carve-outs, offer opportunities to restructure and better manage businesses of significant scale.

Meanwhile, updates in corporate-governance standards, capital-efficiency guidance from the Tokyo Stock Exchange (TSE) and the growing presence of activist investors have continued to fuel public-to-private (P2P) transactions. Despite its relatively slower growth, Japan is solidifying its position as a favoured market for PE investment going forward.

What was not so easily priced in, perhaps, was the dramatic shift in investor appetite for different Asia Pacific economies coming out of COVID-19.

Exploring new geos

As a result of the new normals of growth discussed above, GPs spent much of 2024 exploring new geographies, with capital moving in many different directions.

Go West

Perhaps the most discussed trend over the past several years is the relative pull-back from investments in China. This trend, largely driven by western LPs, resulted in USD-funds decreasing exposure in China due to a perceived increase in regulatory "stroke-of-pen" risk, heightened geopolitical concerns, and slowing growth. For better or worse, USD-funds managed by global GPs and regional GPs tend to have a similar LP base and, as a result, both types of funds were impacted. Global funds leaned into other Asia Pacific markets, building out new offices or leveraging existing ones to deploy more capital. China-based funds, on the other hand, diversified and rebranded by opening offices in Europe or the US and building teams to better support more outbound investment. Sometimes these investments had a China angle – though what constitutes a China angle is increasingly subjective. They are also rapidly hiring and re-training their investment teams to embrace a more-western buyout style as opposed to the growth-oriented investments in the past.

Go East

Conversely, some global investors, particularly Middle Eastern sovereign wealth funds, started to ramp up both their operations and investments in Asia Pacific, including China, perhaps seeking to capitalise on the pull-back from China and broader Asia Pacific investments of their peers. For example:

- Qatar Investment Authority (QIA) announced it would be bolstering its presence in Australia and Korea and doubling its team in Japan. It also participated in two large Chinese 2024 PE exits: invested in Trustar's US$1B continuation fund to extend ownership of McDonald's China, and brought a 10% stake in China's second-largest mutual fund company, China Asset Management Co (ChinaAMC), from Primavera Capital for US$490M.
- Public Investment Fund (PIF) signed multiple Memoranda of Understanding (MoU) with numerous Asia Pacific government bodies and banks, including six MoUs worth a total of US$50B with six Chinese banks encouraging two-way capital flows, and a joint US$1B fund with the Hong Kong Monetary Authority to invest in Hong Kong companies that have the potential to expand to Saudi Arabia.
- Mubadala actively sought private equity partners to expand its allocation to Asia Pacific and said it was under-invested in Asia Pacific. It established an office in Beijing in September 2023, and continued to grow its presence in China by signing new agreements with government agencies. Mubadala has also signed a US$1B private credit partnership with Goldman Sachs to invest in Asia Pacific and made cornerstone investment in PAG's Asia Pacific renewable energy platform, PAG REN I, which primarily invests in solar-power infrastructure in Japan.
- Abu Dhabi Investment Authority (ADIA) and Mubadala joining PAG, CITIC Capital and Ares to invest in Dalian Wanda Commercial Management via Newland Commercial Management (together a 60% stake) in March 2024. ADIA, in what may be seen as a show of confidence in Chinese GPs, also offered to buy secondary stakes in PAG-managed private equity funds from any LPs looking to exit and realise liquidity.

Expand intra-Asia

While China and Australia topped the charts in Asia Pacific for PE investments in 2024, investment levels remained relatively flat as funds continued to refocus their attention on India and Japan and away from China. At the same time, GPs became more vocal about their interest in these geographies. In April, Reuters reported that Blackstone would "invest at least US$2B a year in India in the next five years" and EQT said that the "bar is high" for investments in China and pointed to Australia, India, and Japan as interesting opportunities.[1,2] Advent International, a global fund long-present in India and China, is making similar moves with ambitions to open offices in Australia and Japan and has made hiring decisions. Meanwhile Warburg Pincus hired a Head of Japan and announced plans to establish a Japan office. Other global PE firms with an existing presence continued to grow their workforces. Chinese GPs matched this trend, with Hillhouse hiring a senior industry veteran to lead its efforts in Japan.

Shifting interest across Asia Pacific's major economies

	Investor sentiment		
	China	India	Japan
+	• Valuation gap narrowing • Increased sovereign wealth fund investment • Fiscal support from government including new supportive M&A policies and government funds' investments in strategic emerging sectors	• World's fifth-largest economy, and the fastest-growing major economy in 2024 • Supportive demographics: growing wealth and expanding working population • Transformational shift in the manufacturing sector • Regulations reform continue to progress to be business friendly	• Major updates in corporate governance standards for listed companies • Growing presence and acceptance of activist investors and take-private deals • Corporate carve-out and succession issues continue to be source of deal opportunities • Substantial and affordable deal financing options
?	• Transition to consumption-led economy • Aging population	• The IPO market is deepening, driving significant PE exits • Valuations coming down but still high	• Low but stable growth rate
−	• Concerns about exit paths • Slowing growth • Geopolitical exposure	• Ease of doing business • Infrastructure	• Challenging demographics • Investment team constraints limit ability to transact

1. Reuters – Blackstone to invest $2B a year in India (https://www.reuters.com/world/india/blackstone-invest-2-bln-year-india-2024-04-03/)
2. Financial Times – 'Bar is high' for China deals, says EQT's Asia private equity chair (https://www.ft.com/content/07801182-587d-4f8d-b20f-a93dac69d6a0)

Cross-border corporates

Not only were GPs and LPs exploring new geographies in 2024, but many corporates that bought private equity portfolio companies were also foreign, in-bound buyers.

In Australia, four of the top 10 private equity exits were sold to foreign corporates: Experian Plc, an Irish credit-reporting-services company, acquired Illion, a credit bureau in Australia and New Zealand, from Macquarie and Archer Capital for AU$820M (~US$540M); Qatar Airways acquired 25% stake in Virgin Australia from Bain for AU$750M (~US$490M); Autodesk, a US-listed software company acquired Payapps, an Australian cloud-based payment claim platform from IFM Investors and Primorus Investments for ~US$390M; and Thule Group AB, a Swedish outdoor and transport-product manufacturer acquired Quad Lock, an Australian phone-mount manufacturer, from Quadrant for AU$500M (~US$330M).

In Southeast Asia, two of the top 10 private equity exits went to foreign corporates: the acquisition of Eu Yan Sang, a traditional Chinese medicine seller and clinic operator in Singapore, Hong Kong SAR and Malaysia by a Japanese consortium consisting of Mitsui & Co and ROHTO Pharmaceutical for SG$687M (~US$510M) from Tower Capital Asia and Temasek; and the acquisition of GHL Systems Berhad, a Malaysian financial software provider, by Japan's NTT Data Group for MYR724M (~US$155M).

North Asia also experienced this trend of cross-border corporate purchases of private equity portfolio companies. Indonesia's paper company, Asia Pulp & Paper, acquired the Korean hygiene products company Monalisa and Ssangyong C&B from Morgan Stanley PE for KRW400B (~US$300M). In Japan, Taiwan's printed circuit board (PCB) manufacturer Global Brands Manufacture acquired PCB producer Lincstech Co. from Polaris for JPY39.7B (~US$260M).

Geo splits

During the course of 2024, geo splits emerged as a tactic for managing portfolios, both for PEs and also for corporates seeking to rationalise their portfolios and, increasingly, doing so through sales and other forms of exit to PEs.

In 2024, Deloitte conducted a survey of 250 executives representing private or public companies across Asia Pacific, most with revenues in excess of US$1B.[3] The survey found that 60% of businesses had completed at least three divestitures in the previous 36 months, and 79% of executives were expecting to make two or more divestments in the succeeding 18 months. Many of these divestments involved splitting or grouping businesses along regional lines. When this was done, PE was often brought in as a partner or acquirer for the divestment.

GDS, the HK-listed data-centre provider, took multiple rounds of investments from PEs to support the growth of DayOne (formerly known as GDS International), its SEA and Japan operations. Elsewhere in the data-centre sector, Global Switch, which was pursued by a number of PEs during a pulled sale process in 2022, relaunched a sale of its Australia business alone in 2024, ultimately accepting HMC Capital's offer of AU$2.1B (US$1.4B) in October. Meanwhile, a host of rumoured Chinese carve-outs by multinational corporations were reported, including Starbucks, Cargill, and Decathlon.

GPs, facing slower exit markets, also used geo splits as a tactic for managing their portfolios, repackaging businesses in alignment with potential investors' appetites, or exploring a partial sale and, eventually, preparing for a full exit. Even if the exit was delayed and split into multiple stages, GPs saw geo splits as a way to maximise returns. For example, CVC sold its minority stake in Road King Express, in which it invested HKD2B (~US$260M) in 2018 for a 25% stake. The sale came after Road King Express's sale of its China toll-road business to China Merchants Expressway Network & Technology Holdings in November 2023.

3. Deloitte – Rebalancing your Portfolio to Fuel Growth (https://www.deloitte.com/global/en/offices/apac/perspectives/portfolio-rebalancing.html)

There are also numerous examples of attempted sales or the rekindling of pulled sales where geo splits were contemplated or offered as an option. For instance, before Hillhouse sealed the deal to acquire Education in Motion, the Singapore based international academic institution that owns Dulwich College's international schools across Asia Pacific, there were reports that seller CPE had tried to sell Dulwich's schools in Korea and Singapore to a global PE fund.

In a year when LPs paid particular attention to geographic exposure in their portfolio management and asset allocation, GPs responded by becoming more vocal and transparent about their investment intentions, including a degree of chest thumping designed to appease both investor and public opinion. For example, even while courting an acquisition of a Korean asset, a regional PE suitor made public declarations about not selling the company to a Chinese buyer if its takeover bid were to succeed. Similarly, GPs were ready to bid for corporate carve-outs and, at times, to proclaim their interest in such deals publicly, such as when GIC publicly stated that it would seek to buy stakes in multinational corporates' China businesses if they chose to exit the country.

These kinds of public announcements on future plans prior to making an investment, and especially of self-imposed limitations on exit strategies, used to be very rare. However, it seems the pressures in the region are either forcing or encouraging GPs to be more vocal when it comes to their investment preferences and ownership visions.

GPs, facing slower exit markets, also used geo splits as a tactic for managing their portfolios, repackaging businesses in alignment with potential investors' appetites…

No rush for the exits

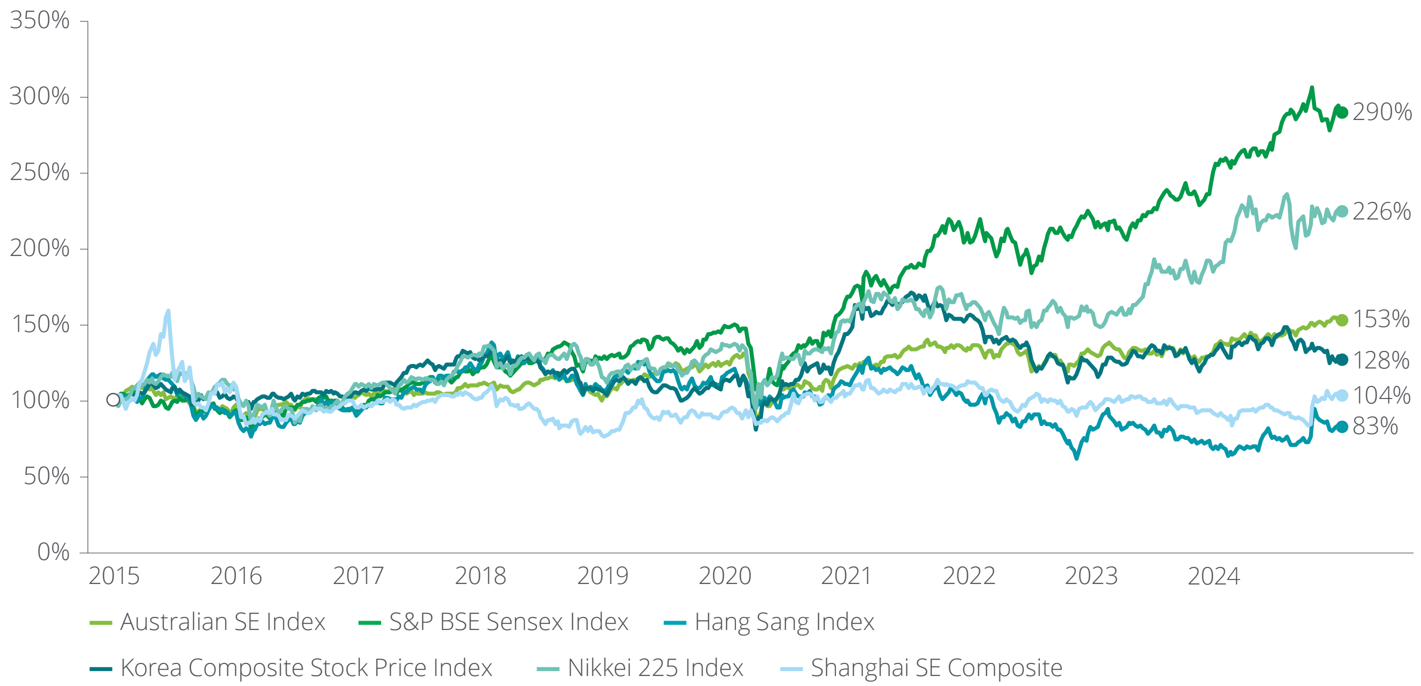
Despite years of backlog, PE portfolio sales remained low in 2024. The headline value of sales, US$96.4B, looks high at first glance, but nearly one third of it (US$30.6B) came from just two exits: AirTrunk (Macquarie Asset Management and PSP Investments) and Nord Anglia (EQT and CPP Investments). As the year progressed, both valuation expectations and financing costs softened, contributing to growing investment momentum into year end. However, increased investments were not matched by a flurry of portfolio sales.

Less pushing...

Across the board, stock markets performed well in 2024. The S&P 500 posted 23.3% growth after delivering similar growth in 2023 – the best two-year run since 1997-1998.

In Asia Pacific, five of the six major indices were up in 2024. With LP public portfolios rebounding, there was less talk about the denominator effect, where GPs were overweight in private investments due to low public valuations. LPs still care about DPI, but it seems that GPs were given more breathing room in 2024 to maximise value on exit. So, the "push" factor of LPs seeking liquidity was less prominent. In something of a twist, LPs' move towards concentrating investments into fewer, large funds may also be reducing the "push" for fund managers to exit investments. A strong motivator for selling down a portfolio is to demonstrate realised returns when GPs are raising new funds. By showing returns and returning capital to LPs, a GP will hope to increase the likelihood those same LPs will reinvest into the new fund. But, if GPs think LP capital will only flow to the biggest funds, they may be motivated to hold onto existing portfolios for longer while positioning for the next fundraising.

Major Asia Pacific stock index performance



Source: Refinitiv as of 20 Dec, 2024

And not much pulling...

Strong public markets also impacted the "pull" side of exits, making vendors think twice about timing. Generally speaking, IPOs are not the preferred path of exit for a fund. Preparing for an IPO takes significant investment in time and money for an often-unpredictable outcome. The market window for launching an IPO might not materialise, or investors might not support the valuation being sought. And, when the prospective deal goes public, lock-up periods and trading volumes can limit when and for what price a PE owner can sell. But even if an IPO is not the planned exit, public equity markets can impact PE sales. In markets such as India and Japan, GPs closely watched equity market valuations as a benchmark for their exits. As the markets rallied in 2024, high equity prices fostered unrealistic and ultimately unattainable valuation expectations for M&A sales. With a high public valuation comp, sellers did not feel a strong pull to launch – or complete – their sale processes at lower transaction comp levels.

In markets such as India and Japan, GPs closely watched equity market valuations as a benchmark for their exits.

Buying time

GPs continued to use creative strategies to mitigate the possibility of failed processes. For those with assets they wished to retain, we saw more portfolio management trades – restructuring of investments (e.g. Wanda), selling between GP funds (e.g. Nord Anglia), or continuation funds (e.g. McDonald's China). These transactions have increased in scale as the Asia Pacific market continues to mature. For instance, we saw ChrysCapital close a US$700M continuation fund, the largest in India, to maintain its stake in the National Stock Exchange of India (NSE) which ChrysCapital's Fund VI invested in 2016. Similarly, CPP Investments backed Indian private equity firm Multiples Alternative Asset Management's US$300M continuation fund.

In other cases, we saw a shift in exit strategy. In the past, a "dual-track" process, where both a sale and an IPO are pursued concurrently, was a common way to maintain flexibility and increase competitive tension in a sale process. However, despite the return of some IPO markets, this remains a difficult exit for PE portfolio companies.

Today, the more common "dual track" process is a refinancing exercise and preparation for sale run in parallel. If the interest from buyers fails to meet the seller's expectation, the refinancing alleviates any exit pressure due to debt facilities maturing and allows a postponement of the planned exit. For many planned sale processes in 2024, refinancings were the way that sellers secured additional time to delay their exit until the market dynamics become more favourable.

Finally, as predicted in last year's Almanac, we saw many partial or minority-stake sales where the vendor retained a large stake. Notable examples include Virgin Australia/ Bain (25% stake sold to Qatar Airlines) and NephroPlus/ Investcorp in India (minority sold to Quadria Capital).

Exits to corporates

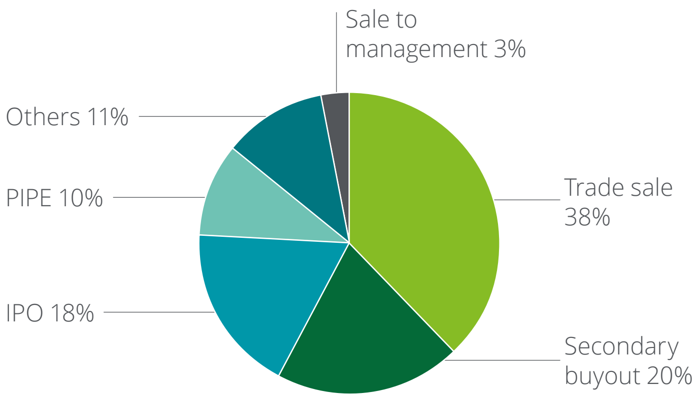
While the exit market has struggled for several years, one relative bright spot for PE exits in 2024 was corporate buyers. As predicted last year, corporate buyers with strong balance sheets capitalised on the opportunity to acquire PE assets while deal competition was relatively low. The prospect of potential synergies helped to mute the impact of higher financing costs, while the longer exit timeframe in slow-moving processes afforded corporates more time to complete diligence and devise integration and synergy plans. Trade sales, i.e. sales to corporate buyers, made up 45%, by deal count, of PE exits in 2024 as compared to the trailing five-year average of 38%. In fact, two of the top 10 Asia Pacific private equity exits in 2024 were executed by corporate buyers.

Anecdotally, it seems that sellers preferred high-conviction strategic buyers, deeming them to be more likely to complete a deal than financial buyers like PE funds, and many rumoured processes that failed to launch were pulled on the back of limited strategic interest. Bankers would test the market extensively ahead of launching to identify interested parties, but without several credible strategic buyers, vendors typically opted to continue holding rather than running a sale process that relied solely on PE buyers.

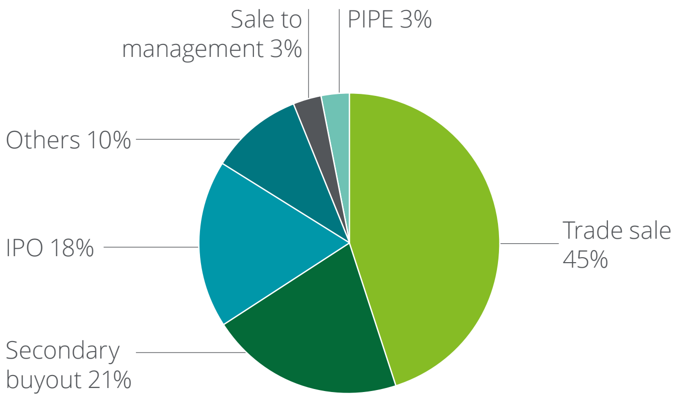
In addition to the cross-border corporate buyer examples previously listed, PEs also found local corporate buyers as a source for exits. Some interesting examples include Nexus Point's sale of Burger King Taiwan to Ensure Global for NTD1.4B (~US$40M); as well as DCP's sale of Sun Valley Foods (formerly known as Cargill's China poultry business) to Fujian Sunner for CNY1.13B (~US$155M).

As predicted last year, corporate buyers with strong balance sheets capitalised on the opportunity to acquire PE assets while deal competition was relatively low.

PE exit deal count by type



Average (2019-2023)



2024

Source: Deloitte analysis

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Trying again and again...

Watching re-runs

The last few years have seen many portfolio exits suffer from false starts. Insufficient interest, unrealistic valuation expectations, and/or a lack of clean operational track record, i.e. without significant pro forma adjustments, have prevented vendors from completing a sale. The difficult market in 2024 was no exception. In fact, many of the opportunities seen in market were re-runs finding their way back on to the sale block after one or more previous sale attempts. Of the 1,734 significant Asia Pacific buyout opportunities tracked by Deloitte in 2024, 338 or 19.5% were pulled or went dormant for more than six months post-launch. There were 30+ relaunched processes, with a significant proportion still in market as of February 2025, but approximately a third of these again appeared to be pulled or went dormant for more than six months post-relaunch. For many of these deals, the only differences to the previous sale attempt were changes to the macro environment or a roll-off of earnings adjustments. Buyers, were not impressed, seeing this as insufficient change to merit renewed consideration or to revise bids submitted last time around. First impressions still count and, without fundamental changes to the business – significant acquisitions, divestments or substantial new investment – sellers found it difficult to get buyers to see past the views they had formed when the original sale was attempted.

Playing it safe to repeat success

The concept of re-runs however is not bad per se, nor were exits the only place they were seen in the market. Just as first impressions can become fixed with regards to assets coming back to sale, so can perceptions of investments that have gone well. In a cautious investment environment, many deal teams sought to stick with familiar and previously successful themes and companies, placing what they regarded as "safe bets" in the eyes of the investment committee. As well as seeking to replicate successful past investments, this also manifested in continuing ownership of a satisfactorily performing asset.

As we have seen, GPs also tried to buy time with certain assets and extend their investment horizon. Most notably, EQT re-invested into Nord Anglia, the international school business, in a US$14.5B deal. Baring PE Asia / EQT's relationship with Nord Anglia can be traced all the way back to 2008 when Baring PE Asia took it private for ~US$360M. A more traditional way of continuing ownership of a quality asset is a continuation fund, something that is becoming more common in Asia Pacific. Trustar increased its holdings of McDonald's China by buying CITIC Group's stake in the business before placing it into a continuation vehicle, extending ownership for years to come. Meanwhile, other GPs have focused on ways of repeating past successes: hiring former portfolio executives to build new, similar companies; investing in a similar asset in multiple geographies; or making investments into portfolio company suppliers where the GP feels they have an edge in understanding the business dynamics.

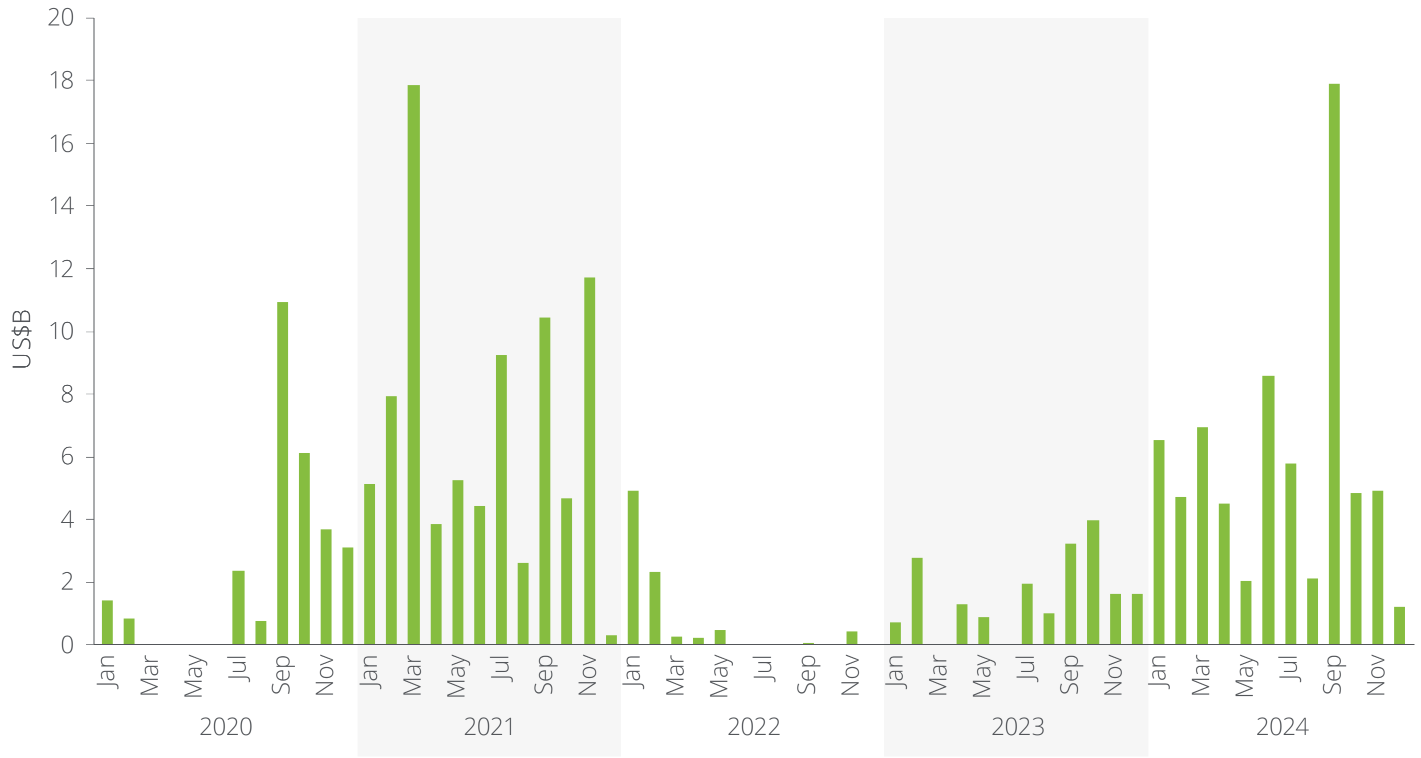
As goes the West…

Western PE markets have a longer history than those in Asia Pacific. They have greater depth and scale and tend to be more transparent with more market information and deal tracking available. They also operate in a more mature manner, with more specialised professionals working across the deal execution lifecycle, from financing to operations. For this reason, what happens in the western markets, particularly the US, can serve as a useful indicator of where Asia Pacific might be heading, allowing us to gain insights before local data is yet available and to observe market features and behaviours that are less apparent in the Asia Pacific market. It therefore makes good sense for Asia Pacific market-watchers to track PE activity globally with an eye to those trends that might be coming east or are already here but are harder to track with limited data available. Here are some developments in western markets that may also be relevant in Asia Pacific already, or in the coming years:

Dividend recaps go big

The lack of deal activity and soft IPO markets led GPs to explore new means of obtaining liquidity, including net-asset-value financing – additional leverage on investment portfolios – to provide disbursements to LPs. However, LPs quickly pushed back on these opaque sources of incremental leverage. Where GPs did find greater sources of financing was through a more-traditional route: the dividend recap market. In fact, 2024 turned out to be one of the largest-ever years for dividend recap, including the biggest ever: the US$6.97B recap of Belron International, a UK windscreen company owned by Dieteren. Lenders, starved of new deals to finance, supported these trades to keep capital at work, though they would have preferred new deal financings in which GPs were putting in their own capital as equity.

Monthly dividend recap sponsored institutional loan volume



Source: Pitchbook. Global Interactive Leveraged Loan Volume Report (17 Jan, 2025)

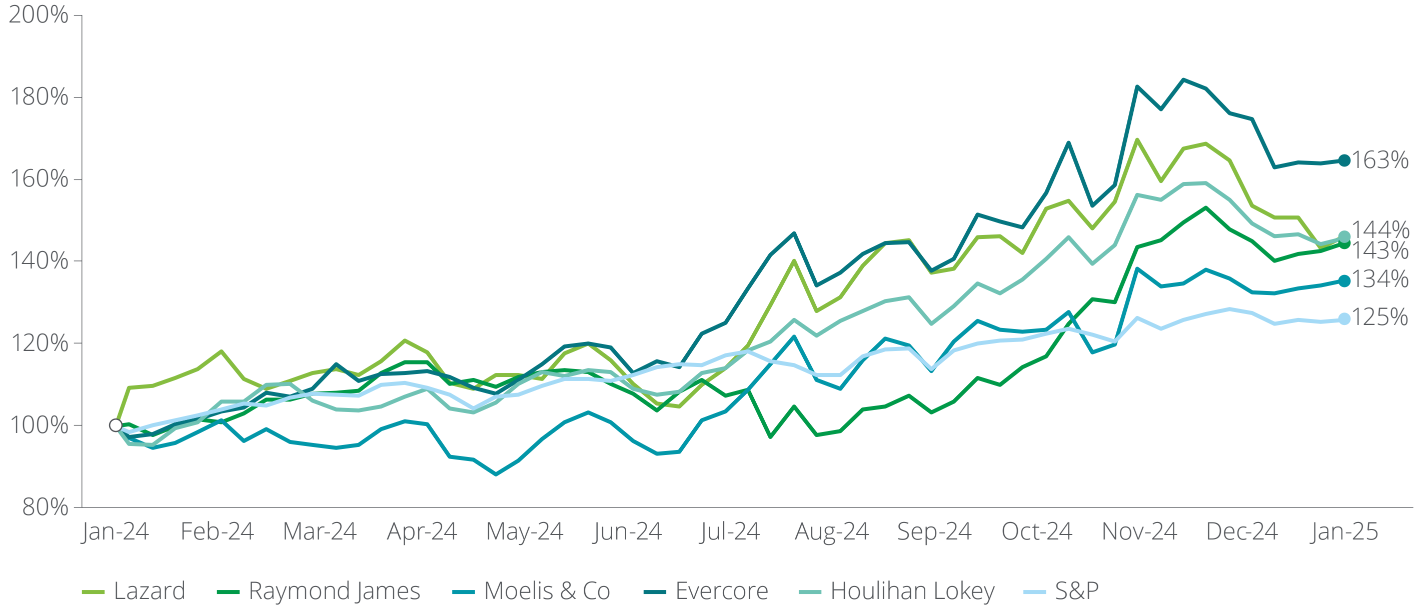
Have/will lenders in Asia Pacific accept dividend refinancings as readily as the CLO-driven debt investors in the west?

Biggest dividend recapitalisations globally, PE-backed borrowers

Issuer	Size (US$B)	Date	Sponsor	Issuer domicile
Belron International Ltd	6.97	Sep 2024	Dieteren	United Kingdom
Verisure AB	6.35	Jan 2021	Hellman & Friedman	Sweden
Staples Inc	5.30	Mar 2019	Sycamore Partners	United States
Radiate Holdco	4.59	Sep 2020	Texas Pacific Group	United States
Pilot Travel Centers LLC	4.45	Sep 2014	CVC	United States
Focus Financial Partners LLC	4.35	Sep 2024	Clayton, Dubilier & Rice	United States
McAfee LLC	4.26	Sep 2017	Texas Pacific Group	United States
Genesee & Wyoming Inc	4.03	Mar 2024	Brookfield Infrastructure Partners	United States
Pharmaceutical Product Development Inc	4.00	Jul 2015	Carlyle Group	United States
Asurion LLC	3.98	Jun 2018	Madison Dearborn Partners	United States

Source: PitchBook | LCD • Data through 24 Sep, 2024
Note: Size ranking is based on total amount of loans and bonds raised in US and European markets per transaction.

Stock price performance of select boutique investment banks



Source: Refinitiv as of 13 Jan, 2025

Exits on the horizon

Continuation funds have allowed GPs to extend exit timelines or to return capital to LPs without force-selling assets in a less favourable exit environment. In 2024, 96 exits were announced or completed in North America and Europe by way of a continuation fund process. This is a 12.9% increase from the 85 transactions tracked for 2023. However, there is now optimism that exits via traditional M&A sales may increase.

Sentiment on the overall market is now very positive, particularly for the US. Deloitte's CFO Survey showed a surge of confidence in Q4 2024 with 72% of CFOs believing the North American economy will improve over the next year, and about half already rating the region's current economy as good.[4] This confidence also extends to an expectation of increased M&A activity. One clear indicator is the market performance of boutique investment banks, which provide strong exposure to M&A fee activity. Valuations for boutique investment banks, those focused primarily on advisory work, saw a steep increase over 2H 2024, indicating investor expectations for increased M&A activity, and fees, in the year to come.

Aside from trade sales, PEs are also preparing for a stronger year for IPO exits in 2025. After back-to-back years of 20%+ growth in the US stock market, and with potential tax and regulatory support from a new Trump administration, there is significant optimism for IPOs in 2025. There were 16 IPO exits for US$40.6B in 2024, compared with 14 for US$8.3B the year before. Although this is still far below the pre-pandemic averages of 47 IPOs for US$44.1B annually, the bounce is a welcome improvement from the previous two years of an essentially closed IPO market.

Will optimism around the US economy trickle into Asia Pacific markets, or will geopolitical concerns over tariffs and trade wars dampen sentiment in the region?

4. Deloitte – North American CFO Signals (https://www2.deloitte.com/us/en/insights/topics/strategy/4q-2024-cfo-signals-survey.html)

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Private credit financing

Large institutions in the US have made big moves to position for the rise in private credit. In December, BlackRock fulfilled its commitment to make a sizeable investment into private credit, signing a US$12B deal to acquire HPS Investment Partners. Meanwhile, Goldman Sachs merged its financial sponsors investment banking group with the global financing group and a financing team focused on collateralised loans, including those from private credit, into a new unit. The creation of this combined group indicates the strong role the firm sees for private equity clients, both in traditional leveraged finance and in private lending.

Can more-fragmented markets in Asia Pacific with unique financing sources provide the same level of deal flow to support a deep pool of private credit?

Private credit assets under management[5]

Source: Preqin

The rise of the retail investor

Blackstone raised US$1.3B for Blackstone Private Equity Strategies fund (BXPE), its first retail investor fund with an evergreen investment horizon. This follows similar moves from many other global funds, such as Apollo and KKR, to source new capital from retail investors. In a market where fundraising from traditional LPs has been difficult, retail investors are increasingly seen as a very large pool of untapped capital for fund managers to target.

Will High-net-worth (HNW) funding support Asian funds? Will HNW investors hail from Asia Pacific or abroad, and how might this change the LP-GP dynamics?

5. Exclude funds denominated in renminbi

Looking forward

Strong but turbulent market

A year of growth amidst exogenous shocks

The macro backdrop has improved significantly, setting up 2025 to be the best year for deal activity since the frenzied market of 2021. And like 2021 – a year of dealmaking in the midst of a global pandemic – 2025 will not be a straightforward year for M&A. While activity will be up, exogenous shocks throughout the year will cause turbulence. That is not new in itself – shocks are, by definition, unexpected – but recent events and a new US President remind us to expect the unexpected. Tariffs, late-night tweets or political missteps, "one-off" climate events, and shifting regional conflicts will temporarily shift market dynamics and cause last-minute changes to M&A deals. However, despite these moments of volatility, overall activity will continue its strong ascent.

A virtuous spiral of M&A

Corporate confidence will fuel optimism and drive dealmaking

Corporate buyers might be first to embrace more M&A in 2025. They have the benefit of acquisition synergies and, in the absence of strong PE bids in 2024, have been afforded more time to scrutinise and complete deals. Increased M&A volumes, even if predominately corporate-driven, will lift PE investor sentiment and lead to more PE transactions. If more portfolio companies come to the market at acceptable valuations, this could drive further deal activity. GPs, seeing more investment opportunities, may feel renewed pressure to turn over their existing portfolios to make room for new acquisitions. Rising deal volume will also provide more examples of current market valuations, which in turn may provide a permission structure for them to adjust their valuation expectation and complete sales. These factors could quickly play off each other, leading to a rapid acceleration in dealmaking activity and, in particular, drive a rebound in the mid-cap secondary buyouts that was relatively suppressed in 2023 and 2024.

Expanding operation teams

Value creation focus to drive in-house operations capabilities

The transition from growth-oriented investment to operations-oriented buyouts in Asia Pacific is well underway. As investment teams shift their mindset, they are also facing a shift in the skillset needed to make and manage investments. Over the course of 2025, GPs are likely to build-out their in-house capabilities, taking on more specialised operational professionals to assess and roll-out value creation plans. Areas on which they are likely to focus will include finance and operational efficiency, cost optimisation, digital and cloud adoption, and regulatory non-financial disclosures. This recalibration of talent will come both from external hires and the re-purposing of existing staff away from their previous investment roles – advisory firms and executive trainers can look forward to a busy year. Similarly, in 2025 and looking further ahead, GPs will utilise an expanding set of repeat executives; people who have previous experience managing portfolio companies for that GP. This is commonplace in more mature markets that have relied less on new, founder-led companies.

Convergence and scale

Regional funds go global while global funds go local

PE funds in the region will begin to look more similar. LP commitments, which have become more concentrated, are leading to fewer, larger Asia Pacific funds – both from global and regional GPs. The need for local expertise across Asia Pacific markets is driving global funds to expand their geographic coverage, either from existing offices or through an expanded regional presence and hiring. At the same time, local and regional funds are seeking diversification across geographies, including a strong focus on ex-Asia Pacific opportunities. As a result, global funds will continue to look more local, and regional funds more global.

Similar trends will continue to shape investment structures. While large funds require large-cap deals to quickly deploy capital, the supply of such deals in Asia Pacific can be limited. Large-cap global PE investors will push into smaller opportunities or adopt a more flexible stance on control vs. minority deals to ensure that they can deploy capital. A recent example in the US is PE investment into the National Football League (NFL), the last major professional sport franchise in the US to open up for PE investment. Current rules limit ownership at 10% and require a six-year holding period, effectively making it a passive, long-term investment for PE funds. Similar concessions will need to be adopted in Asia Pacific to maximise the number of deal opportunities available to global GP funds. Conversely, growth-oriented Asia Pacific funds will likely transact more buyouts this year than in the past, as they seek to transition into a more-traditional buyout investment environment.

Zombie funds

Some small and mid-cap funds will enter a state of suspension

Lower fundraising prospects and the consolidation of funds will also mean more small and mid-cap funds will close down in the coming years, and we will see the emergence of so-called "zombie funds" – funds that continue for a prolonged period with little to no activity. For a fund manager with little hope of raising new commitments, there is a perverse incentive to retain portfolio assets as long as possible. While managers who are fundraising have incentive to return capital to LPs and demonstrate strong dividend payments, this is less important for a fund that is closing down. For a manager overseeing its last fund, current investments are the last chance for a large carry interest payment and continued management fees. In this scenario, patient ownership while waiting for the absolute best valuation would be a rational strategy. However, not all zombie funds are intentionally so. For many funds, particularly growth investors with less control over exit timing, both the GP and LP may share a desire to exit remaining portfolio assets but be stranded in a market that simply does not support an exit, or at least, not at the valuations they seek. As the portfolio shrinks, it may pass through the agreed fund life without fully exiting investments, becoming a zombie fund of circumstance rather than choice. Either way, 2025 will see an increasing number of zombies in the market, looking for an exit and tying up capital from other, more productive investments.

Market statistics
Buyout investments

PE investments – overall trends

Buyout investments

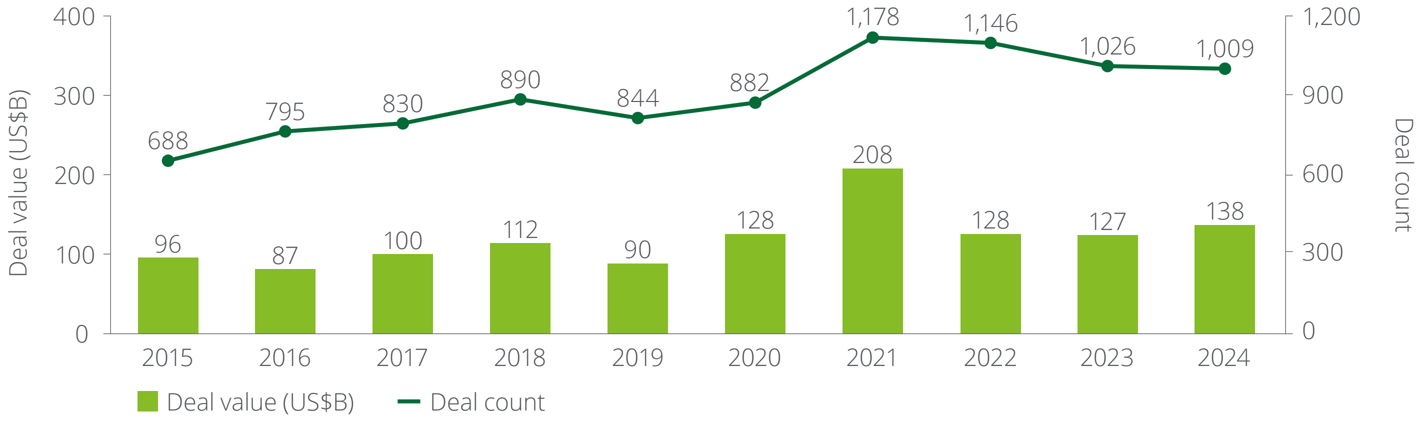
In 2024, Asia Pacific PE buyout investment finished the year with US$138B of total deal value, up 8.1% from last year's US$127B. This made 2024 the second-best year for PE-buyout dealmaking over the past decade, bettered only by the 2021 peak.

From a deal count perspective, the buyout market announced 1,009 deals in 2024, a slight decline compared to 2023. Although the recent trend of declining deal counts has continued, the rate of decline has fallen, and deal counts remain above their pre-2021 levels.

Venture capital investments

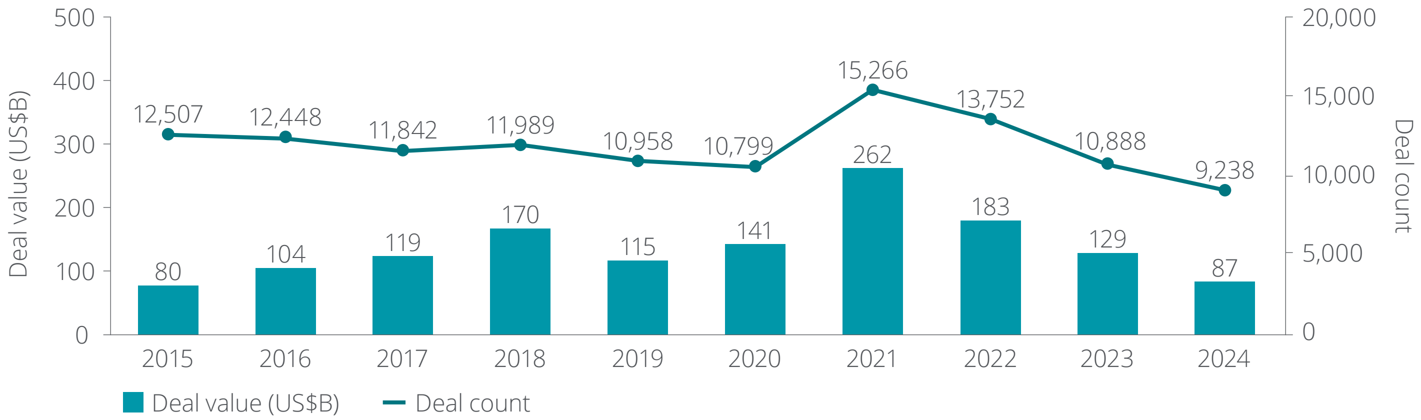
Venture capital continued to face challenges throughout 2024, ending the year with a total deal value of US$87B across 9,238 deals, a 32% and 15% decrease YoY, respectively. This extends the downward trend that has been ongoing for four consecutive years since 2021. In contrast to the buyout market, the 2024 venture capital market experienced its second-worst year over the past decade by deal value and the worst year by deal count.

Buyout investments (2015-2024)



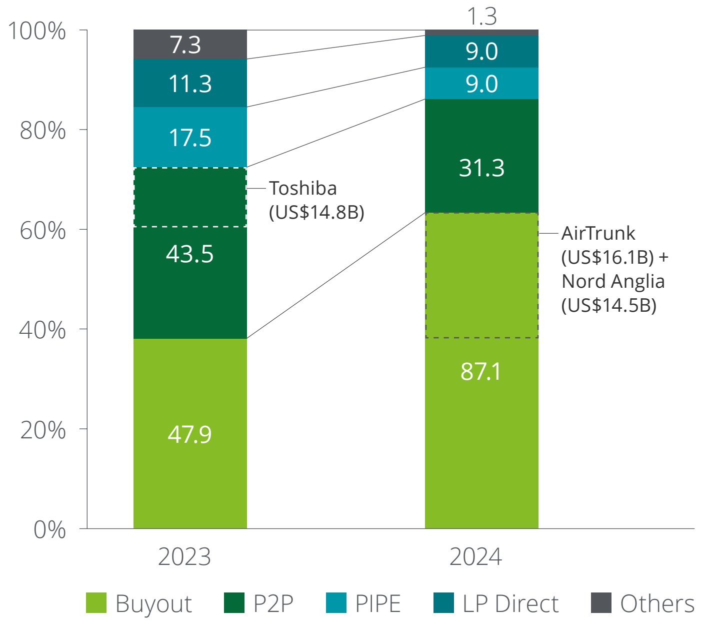
Source: Deloitte analysis
Note: Includes Asia Pacific investments and non-Asia Pacific investments by Asia Pacific PE funds; excludes private debt, real estate and infrastructure deals

Venture investments (2015-2024)



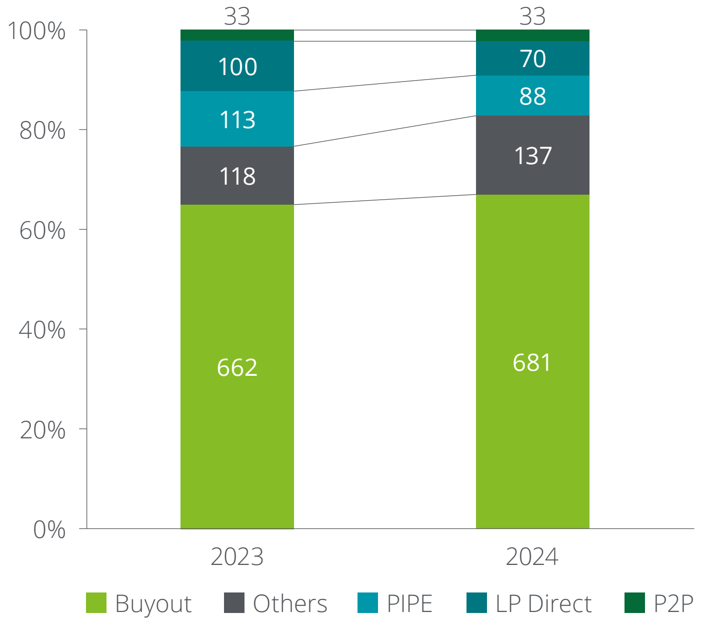
Source: Deloitte analysis
Note: Includes Asia Pacific investments; excludes private debt, real estate and infrastructure deals

Buyout investments deal value by deal type (US$B)



Source: Deloitte analysis

Buyout investments deal count by deal type



Source: Deloitte analysis

In terms of buyout deal types, M&A buyouts remain predominant among PE transactions in 2024, with an 82% increase in deal value YoY; even after taking out the two largest US$10B+ mega buyout deals this year (AirTrunk and Nord Anglia Education), total buyout deal value was still up 18% YoY.

P2P transactions maintained their share, particularly in the large-cap space. Out of the 30 deals with deal value exceeding US$1B in 2024, ~37% were P2P transactions, in line with 2023's level. However, this level is significantly higher than in previous years i.e. from 2018-2022, P2P transactions on average accounted for only ~14% of deals over US$1B in deal value.

PE investors are doing more minority/growth investments and other structured investments. Deal count for "others" (primarily minority growth, Pre-IPO, and JV investments) rose 16% YoY to 137 deals in 2024. India is the leading country in this category, accounting for 25% of the Asia Pacific total. Notable deals include Mubadala's investment in Manipal Health Enterprises' pre-IPO round (INR37.5B, or US$444M) and TA Associates' growth investment in Vastu Housing Finance (INR33.4B, or US$396M).

PE investments – geography trends

Australia and New Zealand emerged as the top region by deal value totalling US$30.2B. Over half of the deal value was contributed by the US$16.1B AirTrunk deal, which was the largest deal in Asia Pacific in 2024. Excluding AirTrunk, the region's total deal value would be US$14.1B, slightly higher than last year and ranking Australia and New Zealand as #4 by deal value. From a deal count perspective, the region saw a 10% decline YoY to 168 deals.

A total of US$28.4B was invested by PEs in China in 2024, ranking it second in Asia Pacific. The market recorded 159 deals, on a par with the 161 deals in 2023. However, US$18.8B of China's deal value came from its top five deals – many of which were portfolio management-related transactions rather than new deals.

Japan remained the most active market in terms of deal count in 2024. However, by deal value, it fell to fourth place from top last year. The decline is largely due to a lack of the mega deals, like those completed in 2023, such as Toshiba (JPY2T, or US$14.8B) and JSR (JPY900B, or US$6.7B). Several mega-deals were being negotiated at the end of 2024, so this dip in transaction values is likely to correct itself in 2025 if those deals are completed.

The Korean market remained solid in 2024, with deal value totalling US$18.6B, ranking third in the Asia Pacific market. Although the deal count saw a decrease to 103 in 2024, down from 122 in 2023, Korea's dealmaking momentum picked up in the second half of 2024, totalling US$12.9B in deal value, marking a 68% increase over the same period in 2023.

The India buyout market slowed, with deal activity scaled back 30% from US$18.3B in 2023 to US$12.8B in 2024. Deal count also decreased by 26% to 132 deals in 2024. The slowdown in buyout dealmaking isn't necessarily a negative indicator, as GPs remain bullish on the region, but it could represent a correction from overwhelming growth of recent years.

Asia Pacific funds accelerated their pace of investment outside of Asia Pacific. There were 82 non-Asia Pacific investments made by Asia Pacific funds in 2024, marking a 21% YoY increase. Additionally, deal sizes for these non-Asia Pacific investments are increasing, with the average deal size rising to US$274M in 2024, up from US$109M in 2023. As a result of their size, three of the Asia Pacific top 10 deals in 2024 were non-Asia Pacific investments.

Buyout investment by deal count

	2024 (rank)		2023 (rank)
Japan	293 (#1)	—	220 (#1)
Australia and New Zealand	168 (#2)	—	186 (#2)
China	159 (#3)	▲	161 (#4)
India	132 (#4)	▼	178 (#3)
Korea	103 (#5)	—	122 (#5)
Southeast Asia	69 (#6)	—	87 (#6)
Others (Central Asia, ROW*)	85		72

Source: Deloitte analysis
*Note: ROW represents non-Asia Pacific investments made by Asia Pacific PE funds

Buyout investment by deal value (US$B)

	2024 (rank)		2023 (rank)
Australia and New Zealand	30.2 (#1)	▲	12.1 (#5)
China	28.4 (#2)	—	30.4 (#2)
Korea	18.6 (#3)	▲	14.7 (#4)
Japan	15.9 (#4)	▼	39.3 (#1)
India	12.8 (#5)	▼	18.3 (#3)
Southeast Asia	9.4 (#6)	—	5.2 (#6)
Others (Central Asia, ROW*)	22.5		7.5

Source: Deloitte analysis
*Note: ROW represents non-Asia Pacific investments made by Asia Pacific PE funds

Buyout sector heatmap by deal count (2024)

	Japan	Australia and New Zealand	China	India	Korea	Southeast Asia	Others (Central Asia, ROW*)	**Total deal count**	**Total deal value (US$B)**
Consumer	82	33	25	23	23	21	16	223	27.9
TMT	52	56	33	18	26	12	23	220	40.6
Industrials	49	10	44	20	18	7	7	155	10.4
Healthcare	20	11	16	27	13	8	13	108	16.3
Business Services	43	25	8	8	10	6	8	108	8.9
Energy, Utilities, Infra. & Real Estate	34	7	21	6	5	1	8	82	14.0
Financial Services	4	18	10	29	5	9	8	83	16.1
Transport & Logistics	9	8	2	1	3	5	2	30	3.6
Total deal count	293	168	159	132	103	69	85	1,009	-
Total deal value (US$B)	15.9	30.2	28.4	12.8	18.6	9.4	22.5	-	137.8

Cold — Hot

Source: Deloitte analysis
*Note: ROW represents non-Asia Pacific investments made by Asia Pacific PE funds

PE investments – sector trends

Consumer, TMT, and industrial sectors were the primary focus of PEs in 2024, with consumer leading the sector activity at 223 deals, followed by TMT with 220 deals and industrials with 155 deals.

Consumer deal activity rebounded strongly in 2024, with deal value increasing 41% YoY to US$27.9B and deal count rising by 12% YoY to 223 deals. The year's robust momentum brought the consumer sector back to its five-year average levels (2019-2023) for both deal value and deal count. Japan announced 82 deals in the consumer sector, accounting for 37% of Asia Pacific total and a record high of the past decade. Consumer products (59 deals) and F&B (56 deals) continued to be the most popular subsectors, making up for more than half of the consumer deals in Asia Pacific. Education (30 deals) and hospitality and leisure (47 deals) segments saw significant growth in 2024, up 44% and 28% respectively, compared to five-year average levels.

With 220 deals announced, totalling US$40.6B, TMT was the second-busiest sector in 2024. Japan, Australia and New Zealand accounted for almost 50% of TMT deals in Asia Pacific, perhaps reflecting a preference for mature, stable economies for this sector. The TMT sector also made up a large portion of big deals – in 2024, out of the 30 deals with US$1B+ deal value, nine of them were TMT. Within the TMT sector, PEs particularly favoured investment into the data centre space, including Blackstone and CPP Investments' buyout of AirTrunk, HMC Capital's buyout of Global Switch Australia Data Centres, KKR and SingTel's investment into ST Telemedia Global Data Centres.

With 155 deals announced in 2024, marking an 18% increase YoY, the industrials sector secured the third-place ranking. However, the deal value tells a different story, having fallen 71% YoY to US$10.4B, which is significantly below the five-year average of US$19.7B. There were only two industrial deals with deal value of US$1B+.

Top 10 PE buyout investments in 2024

#	Target company	Location	Deal date	Deal type	Investors	Sellers	Industry	Deal size (US$B)
1	AirTrunk	Australia	Sep 2024	Buyout	Blackstone, CPP Investments	Macquarie, PSP Investments	Telecomms & Media	16.1
2	Nord Anglia Education	UK	Oct 2024	Buyout	EQT (via BPEA Private Equity Fund VIII), CPP Investments, Neuberger Berman	EQT (via BPEA Private Equity Fund VI), CPP Investments	Education	14.5
3	Newland Commercial Management (Zhuhai Wanda Commercial Management)	China	Mar 2024	Buyout	PAG, CITIC Capital, Ares Management, ADIA, Mubadala Investment Company	Dalian Wanda Commercial Management	Infrastructure & Real Estate	8.3
4	ESR Group	Hong Kong SAR	Dec 2024	P2P	Starwood Capital Group, Warburg Pincus, SSW Partners, Sixth Street Partners, and others	–	Financial Services	7.1
5	Perficient	US	May 2024	P2P	EQT (via Asia fund)	–	Software	3.0
6	Keywords Studios	Ireland	Jun 2024	P2P	EQT (via Asia fund), CPP Investments, Temasek	–	Software	2.6
7	Alinamin Pharmaceutical	Japan	Jul 2024	Buyout	MBK, Blackstone	Blackstone	Pharma	2.3
8	Ecorbit	Korea	Aug 2024	Buyout	IMM Consortium (IMM Private Equity, IMM Investment)	KKR, TY Holdings	Business Services	2.0
9	SK Specialty	Korea	Dec 2024	Buyout	Hahn & Company	SK Group	Energy & Utilities	2.0
10	Infocom Corp	Japan	Jun 2024	P2P	Blackstone	–	Telecomms & Media	1.9

Transaction related to investment or partial exit of existing portfolio company

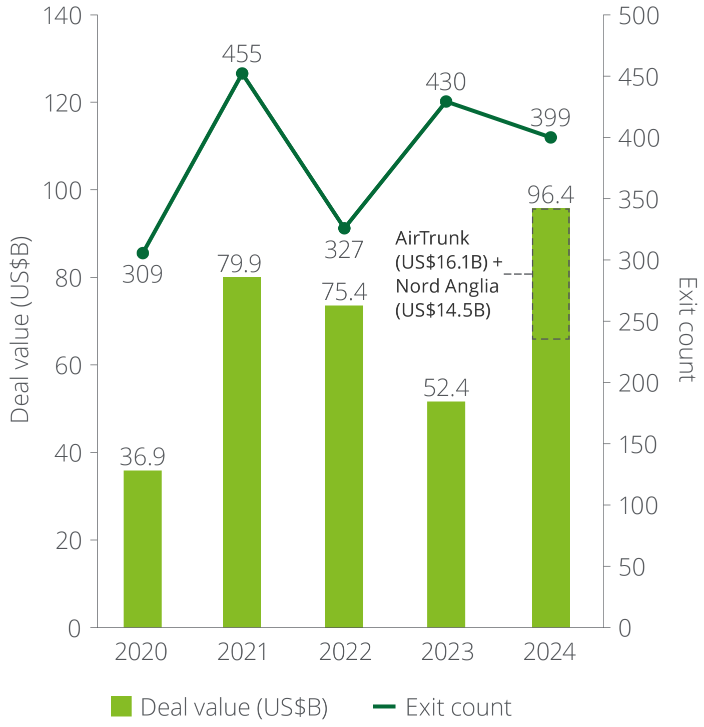
Source: Deloitte analysis

Buyout exits

In 2024, Asia Pacific PE market announced 399 exits totalling US$96.4B. Although the total number of deals was slightly lower than in 2023, the deal value increased by 84% YoY. After excluding two mega deals, AirTrunk (US$16.1B) and Nord Anglia (US$14.5B), exited deal value in 2024 was still up by 26% YoY, indicating improvements in the exit market.

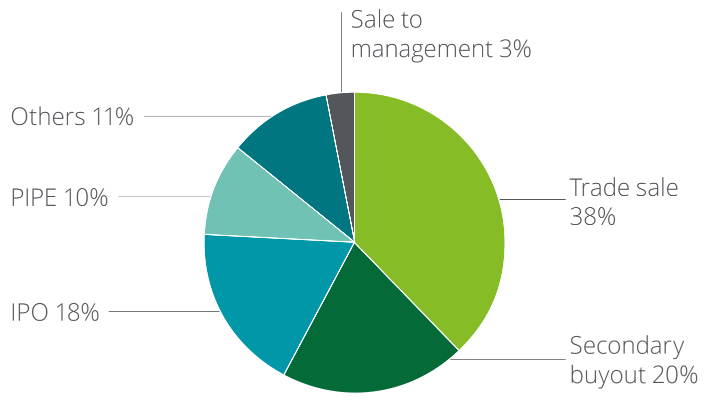
Trade sales (sales to corporate buyers) was the most common exit path in 2024, accounting for 45% of total deal counts. Secondary buyouts maintained their share in terms of deal count, and made up seven of the top 10 exits in 2024. Notably, only one of the top 10 exits was an IPO.

Buyout exits[6]

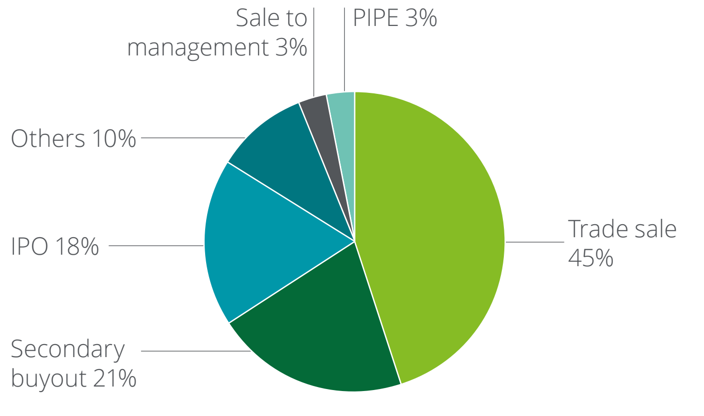


Source: Deloitte analysis

PE exit deal count by type



Average (2019-2023)



2024

Source: Deloitte analysis

6. Includes Asia Pacific exits by PE funds and non-Asia Pacific exits by Asia Pacific PE funds; excludes private debt, real estate and infrastructure deals

Top 10 PE buyout exits in 2024

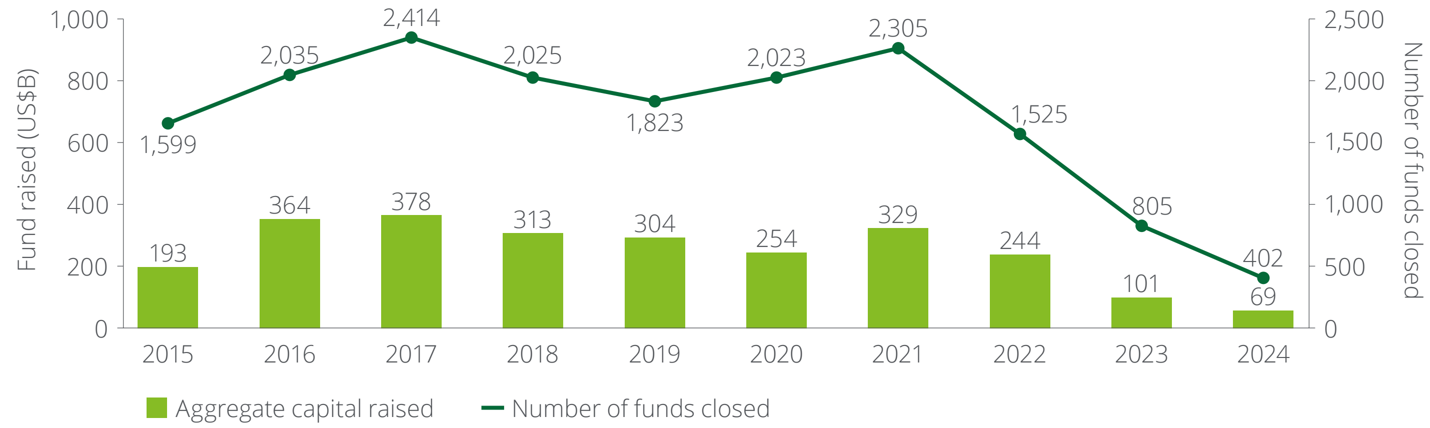
#	Target company	Location	Deal date	Deal type	Sellers	Investory	Industry	Deal size (US$B)
1	AirTrunk	Australia	Sep 2024	Secondary buyout	Macquarie Asset Management, PSP Investments	Blackstone, CPP Investments	Telecomms & Media	$16.1
2	Nord Anglia Education	UK	Oct 2024	Secondary buyout	EQT (via BPEA Private Equity Fund VI), CPP Investments	EQT (via BPEA Private Equity Fund VIII), CPP Investments, Neuberger Berman	Education	$14.5
3	Hangzhou Yingde Gases (Airpower Technologies)	China	Nov 2024	Secondary buyout	PAG	Hangzhou State-owned Capital Investment Management	Chemicals, Plastics & Rubber	$6.8
4	Midea Group	China	Sep 2024	IPO	Hillhouse, Guotai Junan Securities, Xiaomi Technology, Zurich Fund	–	Consumer Products	$4.0
5	Alinamin Pharmaceutical	Japan	Jul 2024	Secondary buyout	Blackstone	MBK, Blackstone	Phrama	$2.3
6	Aster DM Quality Care	India	Nov 2024	Reverse Merger	Blackstone, TPG	Aster DM Healthcare	Healthcare Providers	$2.0
7	Ecorbit	Korea	Aug 2024	Secondary buyout	KKR, TY Holdings	IMM Consortium (IMM Private Equity, IMM Investment)	Business Services	$2.0
8	Bharat Serums and Vaccines	India	Jul 2024	Trade Sale	Advent International	Mankind Pharma	Biotech	$1.6
9	Geo-Young	Korea	Apr 2024	Secondary buyout	Blackstone	MBK	Pharma	$1.4
10	PropertyGuru	Singapore	Aug 2024	Secondary buyout	KKR, TPG, REA Group, Naya Captial, Akaris Global Partners	EQT	Software	$1.1

Transaction related to investment or partial exit of existing portfolio company

Source: Deloitte analysis

Dry powder and fundraising

Asia Pacific PE fund raised[7]

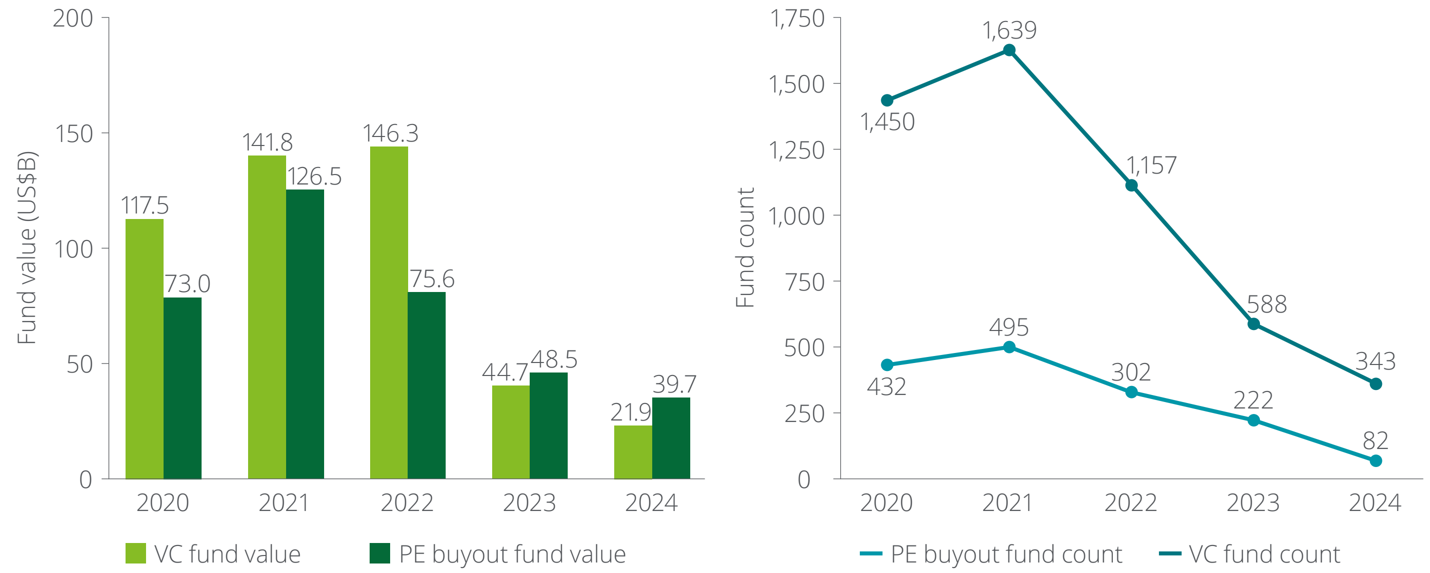


Source: Preqin, Deloitte analysis

With a total of US$69B raised across 402 closed funds in 2024, it was another slow year for Asia Pacific private equity fundraising. Both aggregate capital raised, and the number of funds closed hit their lowest levels over the past decade, and were less than one third of the average of the five years prior.

Looking at the past decade's buyout investment data, a notable shift emerged in 2023 and 2024, where deployment in Asia Pacific actually surpassed Asia Pacific-mandated capital raised – a rare phenomenon given that fundraising usually outpaces deployment in a growing market. However, this may not be an accurate measure of fund flows as many global funds raised outside Asia Pacific actively invest in the region i.e. globally mandated funds instead of Asia Pacific mandated.

Asia Pacific PE buyout and venture capital funds closed[8]



Source: Preqin, Deloitte analysis

7. Includes venture capital, buyout, PIPE, special situations, and other PE strategies. To avoid double counting, fund of funds and secondaries are excluded.
8. Includes Asia Pacific PE funds with buyout, growth, and balanced strategies

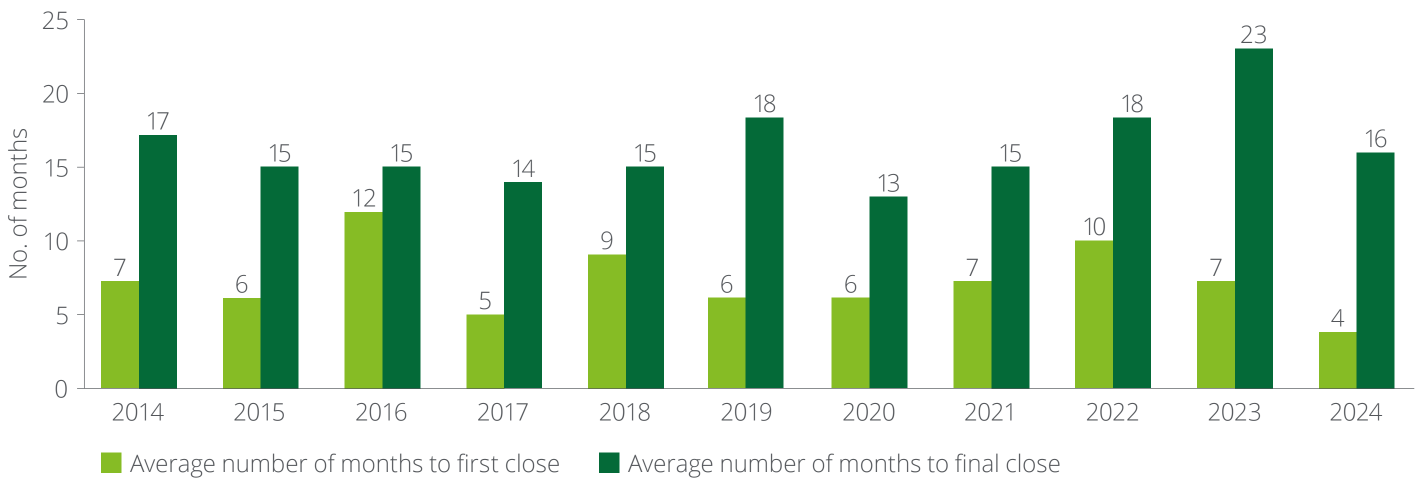
It was a challenging fundraising environment both for PE buyout funds and VC funds, the latter of which were down 52% and 42% YoY in terms of closed-fund dollar commitments and number of funds closed, respectively. PE buyout funds, while faring better, were still down 18% on the dollar amount of commitments raised. The fundraising continued to consolidate across both categories, as the number of closed funds substantially decreased.

Top 10 Asia Pacific PE buyout funds closed in 2024

#	Fund	Vintage	Close date	Fund size (US$M)	Fund currency
1	CVC Captial	2022	Feb 2024	$6,800	USD
2	TPG Asia VIII	2022	May 2024	$5,300	USD
3	PAG Asia IV	2022	Jun 2024	$4,000	USD
4	Hahn & Company Blind Fund IV	2023	Jul 2024	$3,406	KRW
5	Carlyle Japan Partners V	2023	May 2024	$2,764	JPY
6	Kedaara Capital IV	2024	Apr 2024	$1,730	USD
7	IMM RoseGold V	2022	Feb 2024	$1,700	KRW
8	INTEGRAL V	2023	May 2024	$1,607	JPY
9	Baring Private Equity Asia EQT Mid-Market Growth Fund	2022	May 2024	$1,600	USD
10	Hidden Hill Fund II PE Fund	2022	Jan 2024	$1,123	CNY

Source: Preqin, Deloitte analysis

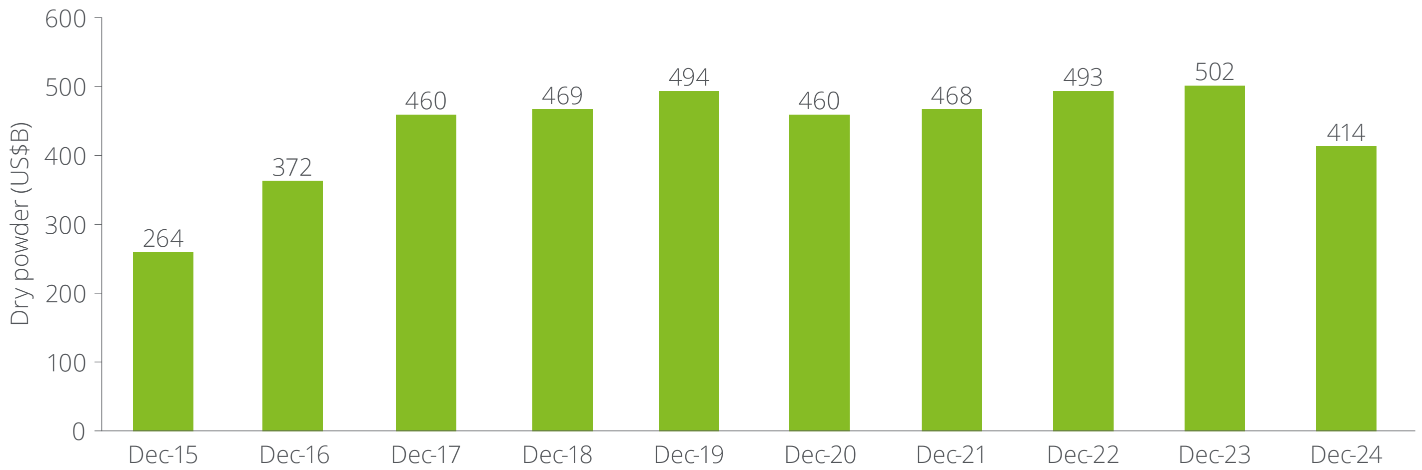
Asia Pacific PE buyout fundraising time spend (number of months)



Source: Preqin, Deloitte analysis

Investors continue to favour established managers, while smaller, less-experienced managers often struggle to attract commitments. In fact, ~75% of commitments to PE buyout funds closed in 2024 came from just 10 large funds of over US$1B in size. This could help to explain why the average PE buyout funds' fundraising time fell to 16 months in 2024, having peaked at 23 months in 2023. Survivorship bias, where funds that closed in 2024 were established managers while less-experienced, smaller-fund managers were simply unable to close funds in 2024, could be another factor in the relatively sharp reduction in average time to closing in 2024. There was also a growing focus on local currency funds, with JPY funds taking the spotlight from RMB funds. Five of the top 10 funds closed in 2024 were non-USD denominated funds, including two JPY funds. Notably, Carlyle closed a JPY430B (~US$2.8B) fund in May 2024 – the largest Japan buyout fund to date. Meanwhile, there was a clear shift away from RMB funds, as evidenced by the fact that only two RMB buyout funds were closed in 2024, compared to 20 in 2023, and 58 in 2022.

Asia Pacific PE dry powder[9]



Source: Preqin, Deloitte analysis

Asia Pacific PE dry powder decreased to US$414B at the end of 2024, down ~17.5% YoY. On the other hand, total PE AUM hit over US$2.8T for the same period, pushed to a historic high, while dry powder's share of AUM hit a historic low at ~15%. The decrease in dry powder relative to asset under management in 2024 can be attributed to a slowdown in fundraising and a lack of exit options.

The decrease in dry powder in 2024 can be attributed to slowdown in fundraising in combination with continued deployment as existing funds age.

9. Includes venture capital, buyout, PIPE, turnaround, and other PE strategies. To avoid double counting, fund of funds and secondaries are excluded.

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Appendix
Top deals by geography

Australia and New Zealand top 10 PE investments and exits in 2024

#	Target company	Deal date	Deal type	Investors	Sellers	Industry	Deal size
1	AirTrunk	Sep 2024	Secondary buyout	+ Blackstone, − CPP Investments	Macquarie Asset Management, PSP Investments	Telecomms & Media	AU$24B (US$16.1B)
2	PSC Insurance Group	May 2024	P2P	+ The Ardonagh Group (backed by ADIA, HPS Investment Partners, and MDP)	–	Financial Services	AU$2.3B (US$1.5B)
3	Perpetual's Corporate Trust and Wealth Management Unit*	Apr 2024	Buyout	+ KKR	Perpetual	Financial Services	AU$2.2B (US$1.4B)
4	Global Switch (Australia Data Centers)	Oct 2024	Buyout	+ HMC Capital	Global Switch	Telecomms & Media	AU$2.1B (US$1.4B)
5	Arvida Group	Jul 2024	P2P	+ Stonepeak	–	Healthcare Providers	US$1.3B
6	APM Human Services International	May 2024	P2P	+ MDP, Quadrant	–	Business Services	AU$2.4B (US$1.2B)
7	SG Fleet Group	Dec 2024	P2P	+ Pacific Equity Partners	Super Group	Transport & Logistics	AU$1.9B (US$1.2B)
8	Waste Services Group	Dec 2024	Secondary buyout	+ Carlyle Group, − Livingbridge	Livingbridge	Business Services	AU$1.0B (US$663M)
9	Lumus Imaging	Sep 2024	Buyout	+ Affinity	Healius	Healthcare Providers	AU$965M (US$636M)
10	illion Australia	Apr 2024	Trade sale	− Macquarie, Archer Capital	Experian Plc	Software	AU$820M (US$539M)

+ Investment − Exit

Source: Deloitte analysis
*Note: Pending deal negotiations between KKR and Perpetual due to tax treatment concerns

China top 10 PE investments and exits in 2024

#	Target company	Deal date	Deal type		Investors	Sellers	Industry	Deal size
1	Newland Commercial Management (Zhuhai Wanda Commercial Management)	Mar 2024	Buyout	+	PAG, CITIC Capital, Ares, ADIA, Mubadala Investment Company	Dalian Wanda Commercial Management	Infrastructure & Real Estate	US$8.3B
2	ESR Group	Dec 2024	P2P	+	Starwood Capital, Warburg Pincus, SSW Partners, Sixth Street Partners, and others	–	Financial Services	HK$55.2B (US$7.1B)
3	Hangzhou Yingde Gases (Airpower Technologies)	Nov 2024	Secondary buyout	–	Hangzhou State-owned Capital Investment Management	PAG	Chemicals, Plastics & Rubber	US$6.8B
4	Midea Group	Sep 2024	IPO	–	–	Hillhouse, Guotai Junan Securities, Xiaomi Technology, Zurich Fund	Consumer Products	HK$3.1B (US$4.0B)
5	Sun Art Retail	Dec 2024	P2P	+	DCP Capital	Alibaba	Retail / Wholesale	HK$10.4B (US$1.3B)
6	SciClone Pharmaceuticals	Jun 2024	P2P	+	GL Capital	–	Biotech	US$1.1B
7	McDonald's China	Nov 2024	Secondary buyout	+ –	Trustar, QIA, China Investment Corp, and others	Trustar	Hospitality & Leisure	US$1.0B
8	APT Medical	Jan 2024	Others	–	Mindray Technology	Firstred Capital, Qiming Venture Partners, and others	Medical Devices	US$927M
9	Horizon Robotics	Oct 2024	IPO	–	–	EQT, Hillhouse, Blackstone, 5Y Capital, CICC Capital, CMBC Capital, and others	Hardware	HK$5.4B (US$692M)
10	UCB China	Aug 2024	Buyout	+	CBC Group, Mubadala Investment Company	UCB	Healthcare Providers	US$680M

+ Investment – Exit

Source: Deloitte analysis

Asia Pacific Private Equity 2025 Almanac | Appendix

Japan top 10 PE investments and exits in 2024

#	Target company	Deal date	Deal type		Investors	Sellers	Industry	Deal size
1	Alinamin Pharmaceutical	Jul 2024	Secondary buyout	+ –	MBK, Blackstone	Blackstone	Pharma	JPY350B (US$2.3B)
2	Infocom Corp	Jun 2024	P2P	+	Blackstone	–	Telecomms & Media	JPY276B (US$1.9B)
3	Panasonic Automotive Systems	Mar 2024	Buyout	+	Apollo	Panasonic	Automotives	JPY240B (US$1.6B)
4	Fuji Soft*	Nov 2024	PIPE	+	KKR	3D Investment Partners, Farallon Capital Management	Software	JPY195B (US$1.3B)
5	Samty	Nov 2024	P2P	+	Hillhouse	–	Business Services	JPY169B (US$1.1B)
6	T-Gaia	Nov 2024	P2P	+	Bain	–	Retail / Wholesale	JPY140B (US$941M)
7	KFC Holdings Japan	May 2024	P2P	+	Carlyle	Mitsubishi Corporation	Hospitality & Leisure	JPY130B (US$874M)
8	Tokiwa Corporation	Jun 2024	Trade sale	–	Nihon Kolmar Holdings	Carlyle	Consumer Products	US$800M
9	Rigaku Holdings	Oct 2024	IPO	–	–	Carlyle	Medical Devices	JPY112B (US$755M)
10	Kioxia Holdings	Dec 2024	IPO	–	–	Bain, Toshiba Corporation	Hardware	JPY105B (US$694M)

+ Investment – Exit

Source: Deloitte analysis
*Note: KKR acquired ~34% stake in Fuji Soft as the first step before take-private; as of January 2025, KKR is still bidding for the majority stake

Korea top 10 PE investments and exits in 2024

#	Target company	Deal date	Deal type		Investors	Sellers	Industry	Deal size
1	Ecorbit	Aug 2024	Secondary buyout	+ –	IMM Consortium (IMM PE, IMM Investment)	KKR, TY Holdings	Business Services	KRW2.7T (US$2.0B)
2	SK Specialty	Dec 2024	Buyout	+	Hahn & Company	SK Group	Energy & Utilities	KRW2.7T (US$2.0B)
3	Geo-Young	Apr 2024	Secondary buyout	+ –	MBK	Blackstone	Pharma	KRW2.0T (US$1.4B)
4	Lotte Rental	Dec 2024	Buyout	+	Affinity	Hotel Lotte Co, Hotel Lotte Busan	Transport & Logistics	KRW1.6T (US$1.2B)
5	Korea Zinc	Dec 2024	PIPE	+	MBK	–	Energy & Utilities	KRW1.5T (US$1.1B)
6	SSG.COM	Jun 2024	Trade sale	–	Shinsegae, E-mart Inc.	Affinity, BRV Capital	Software	KRW1.2T (US$867M)
7	TmaxData	Aug 2024	Buyout	+	STIC Investments, Cactus PE	–	Software	KRW1.1T (US$819M)
8	Samsung SDI's Polarizer Business	Sep 2024	Buyout	+	Hengmei Optoelectronics, Nuoyan Capital	Samsung SDI	Chemicals, Plastics & Rubber	KRW1.1T (US$812M)
9	KJ Environment	Aug 2024	Buyout	+ –	EQT	Genesis PE	Business Services	KRW1.0T (US$724M)
10	Jeisys Medical	Jun 2024	P2P	+	ARCHIMED	–	Medical Devices	KRW990B (US$717M)

+ Investment – Exit

Source: Deloitte analysis

India top 10 PE investments and exits in 2024

#	Target company	Deal date	Deal type		Investors	Sellers	Industry	Deal size
1	Aster DM Quality Care	Nov 2024	Reverse merger	–	Aster DM Healthcare	Blackstone, TPG	Healthcare Providers	INR169.8B (US$2.0B)
2	Bharat Serums and Vaccines	Jul 2024	Trade sale	–	Mankind Pharma	Advent International	Biotech	INR136.3B (US$1.6B)
3	Manjushree Technopack	Nov 2024	Secondary buyout	+ –	PAG	Advent International	Chemicals, Plastics & Rubber	INR84.0B (US$1.0B)
4	Vishal Mega Mart	Mar 2024	IPO	–	–	Kedaara Capital, Partners Group	Software	US$945M
5	GeBBS Healthcare Solutions	Sep 2024	Secondary buyout	+ –	EQT	ChrysCapital	Business Services	US$850M
6	Healthium Medtech	May 2024	Secondary buyout	+ –	KKR	Apax Partners	Medical Devices	INR70.0B (US$830M)
7	Mphasis Corporation	Jun 2024	Others	–	Morgan Stanley, Société Générale, Kotak Mutual Fund	Blackstone	Hardware	INR67.4B (US$811M)
8	Capital Foods	Jan 2024	Trade sale	–	Tata Consumer Products	General Atlantic, Artal Asia	F&B	INR51.0B (US$604M)
9	Shriram Housing Finance	May 2024	Secondary buyout	+ –	Warburg Pincus	Shriram Finance Limited, Valiant Capita	Financial Services	INR46.3B (US$558M)
10	International Gemological Institute	Aug 2024	IPO	–	–	Blackstone	Consumer Services	US$499M

+ Investment – Exit

Source: Deloitte analysis

Southeast Asia top 10 PE investments and exits in 2024

#	Target company	Country	Deal date	Deal type		Investors	Sellers	Industry	Deal size
1	ST Telemedia Global Data Centres	Singapore	Jun 2024	Others	+	KKR, SingTel	ST Telemedia	Telecomms & Media	SG$1.75B (US$1.3B)
2	PT Yupi Indo Jelly Gum (Yupi)	Indonesia	Nov 2024	Buyout	+	Affinity	–	F&B	US$1.2B
3	DayOne (GDS International)	Singapore	Oct 2024	Others	+	Coatue Management, The Baupost Group	–	Telecomms & Media	US$1.2B
4	PropertyGuru	Singapore	Aug 2024	P2P, Secondary buyout	+ –	EQT	KKR, TPG, REA Group, Naya Capital, Akaris Global Partners	Software	US$1.1B
5	PT Siloam International Hospitals	Indonesia	May 2024	Buyout	+	Sight Investment Company (backed by CVC)	Lippo Group	Healthcare Providers	IDR16.7T (US$1.1B)
6	Fullerton Healthcare	Singapore	Apr 2024	Trade sale	–	Far East Drug	RRJ Capital, Ping An Capital	Healthcare Providers	US$1.0B
7	Island Hospital	Malaysia	Sep 2024	Trade sale	–	IHH Healthcare Berhad	Affinity	Healthcare Providers	MYR3.9B (US$838M)
8	Silverlake Axis	Malaysia	Aug 2024	P2P	+	Ikhlas Capital, Goh Peng Ooi (private individual)	–	Software	SG$606M (US$674M)
9	DayOne (GDS International)	Singapore	Mar 2024	Buyout	+	Hillhouse, Tekne Capital, Princeville Capital, Boyu Capital, Rava Partners	GDS Holdings	Telecomms & Media	US$450M (US$587M)
10	Eu Yan Sang	Singapore	Apr 2024	Trade sale	–	ROHTO Pharmaceutical, Mitsui & Co.	Tower Capital, Temasek	Retail / Wholesale	SG$687M (US$511M)

+ Investment – Exit

Source: Deloitte analysis

Our approach

Private Equity, by its very nature, can be an opaque arena, certainly when compared to other spheres of investment, and establishing a single, verifiable source of truth poses real challenges: different players provide information – when they provide it at all – in different formats and using different metrics.

The Deloitte Asia Pacific Private Equity Almanac attempts to overcome many of the shortcomings of this incomplete data to provide the most insightful view possible of the buyout market. It reflects commentary and market insights based on our close coverage of the market throughout the year. Trends and statistics are checked against and supported by Deloitte's proprietary database of portfolio holdings for PE funds in Asia.

The scope of the Almanac is limited to buyout PE funds and their transactions (i.e. traditional buyout funds, focused on control deals), and as such, transactions deemed to be made by venture, growth, infrastructure, or real estate funds have not been included. Its geographic coverage spans PE activity across the entire Asia Pacific region: China, India, Japan, Korea, Australia and New Zealand and Southeast Asia; and deals done in the rest of world by Asia Pacific-based PE funds.

Our aim has been to provide what we believe is as rigorous and complete a view as is possible on the Asia Pacific buyout market – a market that is notoriously difficult to track in a holistic and accurate manner. With the Deloitte Asia Pacific Private Equity Almanac, we are providing a valuable tool for industry participants to better understand the market as a whole – qualitatively and quantitatively – and make better-informed decisions.

Glossary

Bolt-on	An acquisition performed by a PE-owned portfolio company
Buyout	Investment in a majority or significant minority of a company, often with the intention to gain a controlling interest, with the goal of creating value by improving the operations of the company
China +1	A business strategy that involves diversifying supply chain and manufacturing activities outside of China
Continuation fund	A fund that buys out existing LPs, enabling a sponsor to continue to own an asset and maximise its value, sometimes involving new investors, while providing liquidity to previous investors
De-SPAC	The public listing of a company via an acquisition by a special purpose acquisition company (SPAC), a publicly traded blank check company
Denominator effect	When the value of one part of portfolio decreases drastically and pulls down the overall value of the portfolio, inflating the relative proportion represented by other parts of the portfolio
Divestiture	The sale of subsidiary business interests or investments
Dividend recapitalisation (dividend recap)	A way for companies to raise money by issuing debt and use the cash to pay shareholders a special dividend
DPI	Distributed to paid-in capital measures the total capital that a PE fund has returned to its investors, calculated as the cumulative value of all investor distributions as a multiple of all the capital paid into the fund up to that time
Dry powder	The amount of capital that has been committed to a private capital fund that has yet been allocated by the GP for investment
F&B	Food and beverage
Fund of funds	A fund of funds is a fund that invests its capital into other funds rather than into companies
General partner (GP)	General partner is responsible for management and investment decisions of the partnership, overseeing capital raised from Limited Partners
High-net-worth (HNW)	Investors, typically individuals, that holds liquid net asset of a minimum of US$1M
IPO	Initial public offering is the listing of private company shares on a stock exchange to be made available to the public
Limited partner (LP)	Limited partner is an investor, typically institutions, high-net-worth individuals and sophisticated investors that invest capital to a fund to be managed by a general partner (GP)
LP direct	An investment or acquisition made into a single, specific asset by a limited partner (typically an institutional investor)
Merger	Combination of two PE portfolio companies into one

PIPE	Private investment in public equity is an investment made in a public company directly from the public company, via a private placement
Pro forma adjustment	Adjustment to financials made to display what the impact of changes on financials on a hypothetical basis i.e. 'what-if'
Public-to-private (P2P)	A listed company is acquired by a private equity firm and is de-listed from the stock exchange
Retail investor	Individuals who invest their personal funds, as opposed to institutional investors like pension funds or insurance companies
Secondary buyout	A PE-backed company is sold to another PE fund
Stroke-of-pen risk	The risk of sudden regulatory change via the stroke of a pen, potentially upsetting business operations and returns
TMT	Technology, Media and Telecommunications
YoY	Comparison of one period's results with that of the preceding year
Zombie fund	Funds that hold assets beyond their intended holding period, particularly assets that are underperforming