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Deloitte Southeast Asia divestiture survey report 2026

Five themes defining a new era of strategic
divestitures in Southeast Asia

Executive summary

Southeast Asia is entering a new era of strategy-led divestitures, mirroring themes from Deloitte's Global Corporate Divestiture Survey while reflecting the region's unique mix of ownership structures, diverse regulatory environments, and growth ambitions. Corporates, state-linked entities, and family conglomerates across Southeast Asia are beginning to treat divestitures and carve-outs as core portfolio tools used to sharpen strategic focus, unlock value, fund growth, and accelerate transformation rather than as one-off, reactive asset sales. At the same time, uneven preparation, complex regulatory pathways, and volatile external conditions mean that value outcomes remain highly variable, creating a clear divide between divestiture "outperformers" and everyone else.

Five themes will likely define the divestiture agenda in Southeast Asia over the next 12–24 months.

First, divestitures are becoming strategy-led portfolio moves, not opportunistic disposals.

Regional and multinational companies are reshaping Southeast Asian footprints, trimming subscale or non-core businesses, and reallocating capital toward technology, scale positions, and advantaged supply chains. Leadership teams are re-examining portfolios through the lens of geopolitical risk, shifting trade patterns, and new tariff and industrial policies, asking where they truly need to own assets versus where partners can carry capital and execution risk. In this environment, divestitures are used to exit markets, products, or capabilities that no longer align with long-term competitive positioning, while freeing resources to build regional platforms, resilient production networks, and data- and artificial intelligence (AI)-enabled business models. Across markets and sectors, divestitures are increasingly tied to capital allocation, strategic focus, and the need to navigate a more fragmented and uncertain global landscape.

Second, preparation quality is emerging as a critical value and timing accelerator.

Leading sellers in Southeast Asia are starting to "engineer divestitures" in line with global best practice: establishing clean, stand-alone financials, designing separation blueprints early, and planning for Transition Services Agreements (TSAs) and stranded cost removal upfront. However, many organisations, particularly first-time sellers, mid-market family groups, and some State-owned enterprises (SOEs), still approach divestitures tactically, with limited business-unit level data and late attention to functional separation. The result can be prolonged diligence, heavier TSA dependence, value erosion and greater execution risk, meaning sellers should conduct separation planning well before the sales process, to mitigate against this adversity.

Third, external market conditions remain the main swing factor in realised valuations. Even well-prepared assets can struggle if launched into thin buyer pools, risk-off sentiment, or constrained financing environments. While Southeast Asia has seen stabilising deal activity and robust interest in technology, health care, infrastructure, and strategically important resources, Initial Public Offering (IPO) markets remain muted and capital is becoming more selective, particularly as trade tensions, tariff regimes, and geopolitical flashpoints

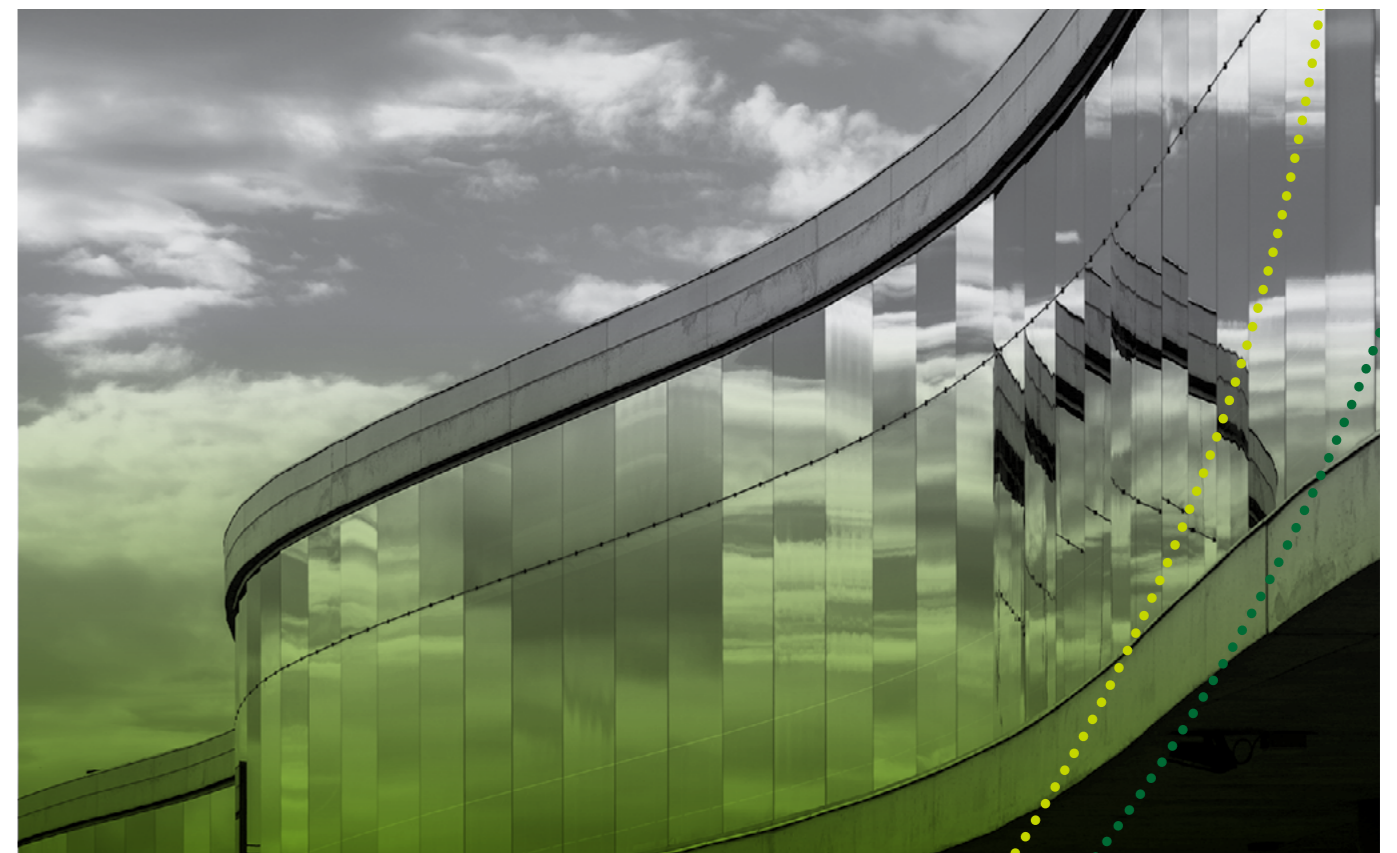
reshape investor risk appetite. This reinforces the need for flexible pathways such as dual-track sale/joint venture (JV) options, minority recaps, or staged exits, and for boards to treat external conditions as a design parameter, not an afterthought, linking go/no-go decisions to clear signals on rates, sector rotations, and capital availability as much as to internal readiness.

Fourth, execution certainty and regulatory navigation are differentiators. Multi-layer approvals, foreign ownership limits, public interest tests, and politically sensitive assets make execution risk more acute in Southeast Asia than in many developed markets. Sellers frequently prioritise buyers who bring regulatory credibility, financing certainty, and integration capability over those offering marginally higher valuations. This dynamic is especially visible in energy, infrastructure, and financial services, where the ability to secure approvals, manage stakeholders, and protect

continuity of service often determines deal success.

Finally, building institutional "divestiture muscle" is becoming essential. Southeast Asian companies that treat divestitures as repeatable processes (supported by portfolio offices, cross-functional playbooks, and technology-enabled tools for diligence, financial modelling, and program management) will be better placed to run multi-year portfolio programs. As private equity and infrastructure investors continue to target corporate carve-outs and complex assets in the region, the bar for professionalism, speed, and value-creation clarity will only rise.

For Southeast Asia's leaders, the opportunity is to move from episodic, defensive selling to intentional, data-driven separations that unlock capital for growth, support energy transition and digitalisation, and position organisations to compete at regional scale.



Reframing divestitures in Southeast Asia

Divestitures in Southeast Asia are often still seen as a last resort: a response to pressure, a sign of weakness, or a purely financial clean-up exercise. That view is increasingly outdated. As competition intensifies, capital becomes more selective, and technology and sustainability reshape business models, divestitures are evolving into a modern, proactive tool for growth and renewal. The question for boards and owners is no longer “Should we sell?” but “Which businesses do we want to own for the next decade?” and “Which could create more value in someone else’s hands?”

A modernised approach to divestitures in Southeast Asia starts with strategy, not distress. Leading corporates, Government-linked companies and family groups are using structured portfolio reviews to distinguish true core from “heritage” businesses, assessing each unit against strategic fit, capital efficiency, and future competitiveness. Assets that no longer align, because they are subscale, capital-intensive, or structurally challenged, are candidates for sale, spin-off, or partnership, with proceeds redeployed into digital, energy transition, and regionally scalable platforms. Divestitures become a way to trade out of yesterday’s economics and into tomorrow’s opportunities.

This approach also reframes divestitures as collaborative, not adversarial. Rather than negotiating around a perceived “problem asset”, sellers position the business as a stand-alone platform with its own growth story that is backed by clean financials, a clear separation blueprint, and a forward-looking value creation plan. In a region where private equity, sovereign wealth funds, and infrastructure investors are actively seeking operating platforms, a well-prepared carve-out can attract partners who bring capital, technology, and operating expertise, while offering sellers options to retain a stake or form long-term alliances.

Finally, a modern divestiture mindset recognises that reputation, people, and stakeholders matter as much as price. Southeast Asia’s markets are tightly networked; how an organisation exits can influence how it is perceived by regulators, investors, employees, and potential future partners. Treating divestitures as engineered, transparent, and well-governed events where employees are supported, regulators are engaged early, and counterparties are respected, builds credibility and trust. For Southeast Asian leaders, reframing divestitures in this way turns them from episodic “fixes” into a disciplined, repeatable mechanism for shaping stronger, more focused, and more future-ready businesses.

Divestiture outcomes begin to diverge long before deals close, driven by design choices and misaligned expectations

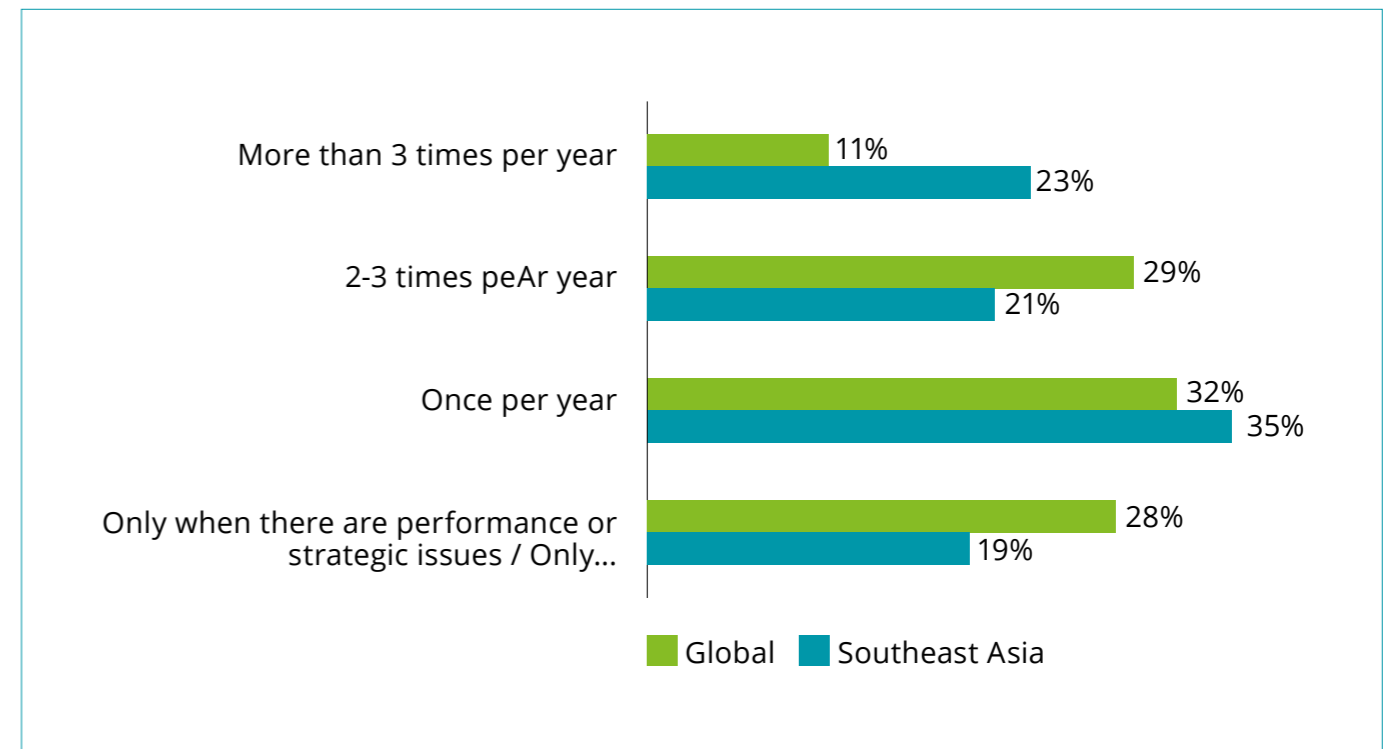
Traditional divestitures	Transformational divestitures
Triggered by pressure or inbound interest	Anchored in proactive portfolio strategy
Perimeter defined loosely to preserve flexibility	Perimeter intentionally designed
Readiness and separation addressed reactively	Readiness and separation designed upfront
TSAs used to defer complexity	Complexity reduced before signing
Value realised primarily at close	Value protected through close and beyond

1. Strategy lens – Using exits to reshape where to play

Globally, leading companies are recasting divestitures as a core element of their growth and transformation agenda, not a clean-up tool at the margins. In line with Deloitte’s [Growth Transformer’s Playbook](#), they treat exits as part of an always-on portfolio management discipline, using them to rebalance where they play and how they win, and to fund bold bets on technology, digital, and sustainability. Divestitures sit alongside acquisitions, partnerships, and collaborations as interconnected moves in a broader Transformational Mergers and Acquisitions (M&A) journey and are designed to reshape portfolios and operating models at the pace of disruption. Rather than reacting to short-term underperformance, outperformers divest businesses that no longer fit the future strategy and redeploy capital into platforms, capabilities, and ecosystems that support long-term value creation².

While global portfolio review activity has slowed compared to 2024¹, Southeast Asian companies appear to be moving in the opposite direction, demonstrating greater rigor in portfolio discipline. Southeast Asian sellers review potential divestiture candidates more frequently than the global average, with 23% evaluating businesses more than three times per year versus 11% globally. This higher cadence should, in principle, support better perimeter design and earlier readiness work, but only if companies translate activity into preparation, not just discussion.

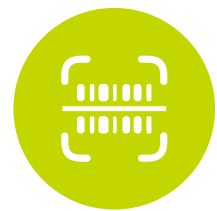
Divestiture portfolio reviews



Source: Deloitte 2026 Global Divestiture Survey

Sector strategies

Southeast Asia's divestiture agenda is playing out differently across sectors, shaped by capital intensity, regulation, and evolving business models. Across industries, leading sellers treat geopolitical, macroeconomic, and regulatory disruption as a constant, using disciplined, repeatable divestiture playbooks to systematically refresh portfolios rather than reacting episodically to shocks.



Technology, Media and Telecommunications (TMT):

In TMT, the strategic divestiture agenda is about separating infrastructure and services to unlock value and fund

innovation. Operators and digital groups are selling or spinning off capital-intensive, non-core infrastructure such as towers, passive networks, and legacy data assets. They are also carving out high-growth digital businesses (e.g., fintech, cloud, platforms) into standalone vehicles that can attract external capital. Divestiture proceeds are reinvested into cloud, AI, cybersecurity, 5G, and software-led services, while joint ventures with infrastructure and private equity investors help shoulder large capex requirements.



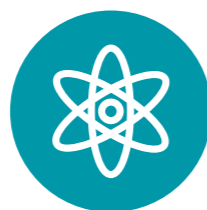
Financial Services: In financial services, divestitures are tightly linked to capital efficiency, risk management, and regulatory change. Banks and insurers are rationalising regional footprints,

exiting non-core subsidiaries, and reshaping product portfolios to focus on core banking, payments, and wealth management. Partial exits and partnerships in payments, digital platforms, and bancassurance allow institutions to bring in specialist capabilities while managing capital and control. Strategic themes include freeing up capital for technology modernisation, complying with evolving prudential rules, and sharpening focus on segments where institutions can achieve true scale.



Consumer: In consumer (including automotive), divestitures are driven by the need to simplify portfolios and release capital for growth. Companies are exiting non-core

brands, asset-heavy retail formats, and subscale country operations to fund omni-channel capability, EV, and new mobility platforms. The focus is on shifting from broad, legacy footprints to higher-margin, brand-led and digital-enabled businesses that can scale regionally. Divestitures are also used to reduce complexity in supply chains and store networks, improving agility and resilience.



Energy, Resources and Industrials:

In energy, resources, and industrials, divestitures are central to the energy transition and portfolio upgrading. Companies

are exiting mature fossil fuel assets, legacy generation, and low-margin industrial operations to redirect capital toward renewables, energy storage, grid infrastructure, and higher-value services. Asset recycling enables firms to de-risk balance sheets, meet transition commitments, and fund decarbonisation pathways. At the same time, divestitures are used to focus on core technologies and priority value chains, often accompanied by partnerships with infrastructure and transition-focused investors.



Life Sciences and Health Care:

Life sciences and health care divestitures are shaped by demographic demand, cost pressures, and the shift to higher-acuity and digital care

models. Hospital and diagnostics groups are reweighting portfolios toward urban, specialty, and premium assets, while divesting non-core or underperforming facilities. Global pharma and medtech players are reassessing Southeast Asian manufacturing and distribution footprints, considering carve-outs or local partnerships where utilisation is low or strategic fit has diminished. Proceeds are typically redeployed into growth corridors, digital health platforms, and capabilities that support integrated, data-driven care.



Government and Public Services:

In government and public services, divestiture-like strategies focus on asset recycling and partnering rather than full privatisation

alone. Governments are concessioning or partially divesting transport, utilities, and social infrastructure assets to unlock capital and crowd in private investment. Public-private partnerships and recycling programmes free fiscal space for new infrastructure, resilience, and social priorities. Strategic themes include improving service quality, leveraging private sector expertise, and aligning asset monetisation with long-term policy and environmental, social and governance (ESG) objectives, while carefully managing affordability and public interest.



2. Readiness lens – how preparation turns into value

Preparation as a direct accelerator of both deal value and time-to-close.

Seller performance is improving but remains uneven. By end-2025, only around half of sellers met expectations on both timing and proceeds. Leading organisations increasingly treat divestitures as “engineered events,” investing early in separation design, financial and tax readiness, and stranded cost mitigation, rather than starting preparation at market soundings. They arrive in the market with clean carve-out financials, robust stand-alone business plans, and clearly scoped TSAs, which shortens diligence, builds buyer confidence, and protects value.

Top factors impacting divestiture proceeds in Southeast Asia

Positive impact	Negative impact
Favourable market conditions	Limited buyer pool composition
Tailored sale process	Deteriorating market conditions
Competitive bidding process	Weak performance of divested business
Demonstrated value creation potential	Available tax benefits
Deal preparation quality	Executorial gaps in deal preparation

Source: Deloitte 2026 Global Divestiture Survey

In Southeast Asia, preparation quality is a decisive but inconsistent differentiator. Sophisticated regional and multinational sellers with regional headquarters are already applying global best practices: stand-alone profit and loss (P&Ls), separation blueprints, TSA strategies, and Day-1/Day-100 roadmaps built for multi-country footprints. By contrast, first-time or infrequent sellers, particularly mid-market family groups and some SOEs, often underestimate the demands of carve-outs across Southeast Asia, with patchy business-unit level data, late attention to IT and shared-service disentanglement, and overstretched internal teams juggling “run the business” and transaction workloads. This is borne out in what Southeast Asian respondents say they would change next time. One-third (33%) cited preparing carve-out financials earlier or undertaking more extensive pre-sale diligence as a top “do differently” priority, versus 19% globally. That gap, while directional rather than statistically significant, points to carve-out financial credibility as a specific pain point and a clear lever for improving both speed and price outcomes. [Reference: Survey data]

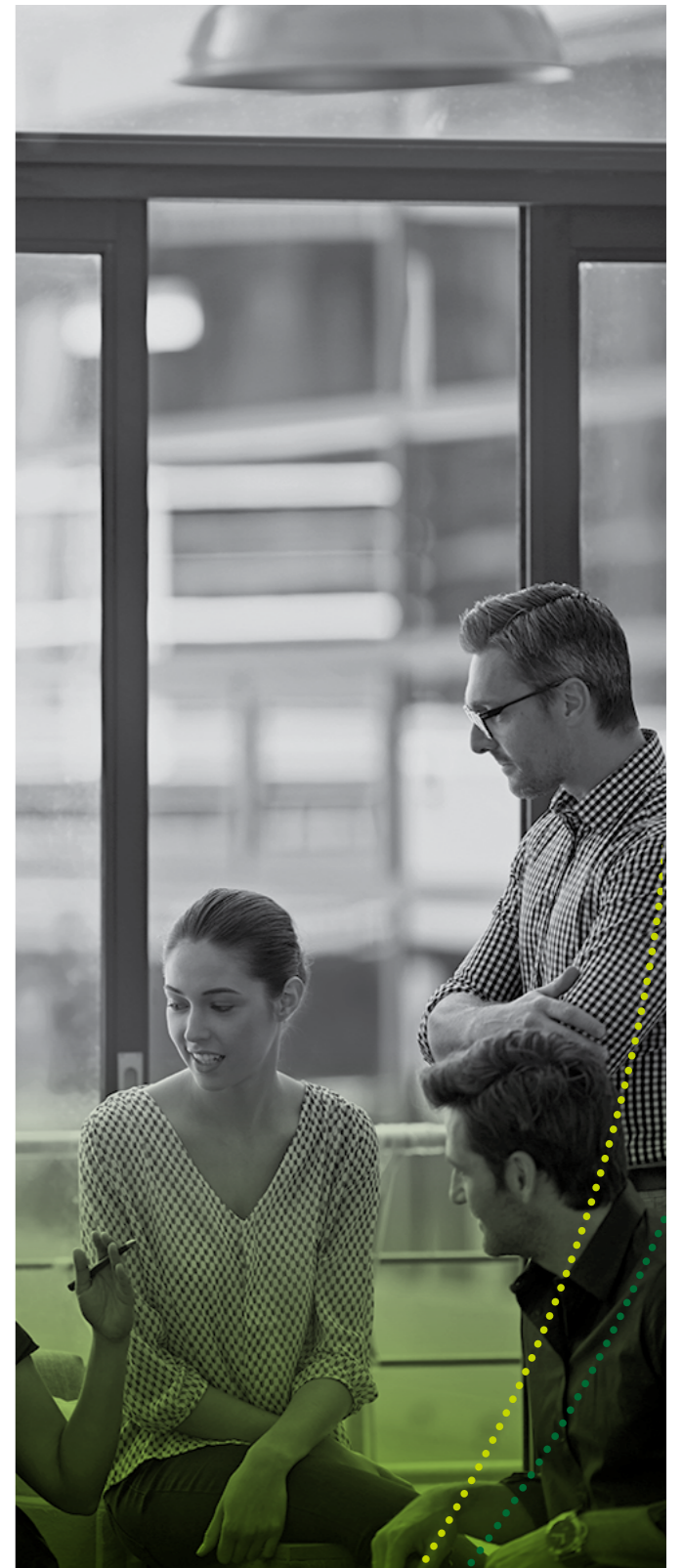
In this context, “engineered divestitures” in Southeast Asia should be framed as both a capability gap and an opportunity, beginning with an always-ready carve-out financials pack for each likely divestiture candidate (e.g., robust quality of earnings-ready data, consistent KPIs, and a clearly defined stranded-cost baseline) because in a region where market sentiment cannot be controlled, this level of readiness is often the difference between a discounted, delayed sale and a timely, value-accretive exit.

Expanding the buyer universe to maximise value

A well-engineered divestiture is not only about internal readiness but also about how the asset is taken to market. In Southeast Asia, tailored sale processes are among the most important drivers of proceeds, while constrained or poorly targeted buyer pools can materially depress outcomes. Leading sellers are therefore becoming more deliberate in how they define and access the “right” buyers to maximise competitive tension and pricing certainty.

Sellers should consider expanding beyond traditional trade acquirers and actively incorporating financial sponsors where relevant. Private equity participation can be a critical lever in strengthening both competition and valuation, particularly in situations where strategic buyer pools are limited or selective. Regional and global funds remain active, especially for carve-outs and platform investments, but are operating with greater discipline on pricing and deal quality. Deloitte Asia Pacific’s [2026 Asia Pacific Private Equity Almanac](#) notes that sponsors have “adjusted quickly, leaning into mid-market deals, defensive sectors, and deeper operational value creation” in a more uncertain environment.

For sellers, this reinforces the need to design processes that explicitly accommodate sponsor requirements. A credible equity story, clean and decision-ready carve-out financials, and a well-articulated separation and TSA framework are now baseline expectations, not differentiators. When done well, this enables sponsors to underwrite value with confidence, broadens the effective buyer universe, and converts strong preparation into competitive tension and certainty-adjusted pricing.



3. Market lens – when external conditions help or hurt

External conditions as a design parameter, not an excuse.

While preparation sets the baseline for any successful divestiture, external forces including market conditions, financing availability, bidder appetite, and regulatory processes often determine where valuations actually land. Boards are increasingly alert to the reality that macro timing, sector sentiment, and sponsor dry powder can be as important as internal readiness when deciding when and how to launch a deal.

Market sentiment	Thematic and sector rotation	Depth and price of capital
Signals when to lean in or hold back on capital and risk, so companies can calibrate timing of investments, portfolio reshaping, and balance sheet moves to the macro and policy cycle.	Shows where investors will reward or punish capital deployment, so companies can pivot strategy toward in-favour themes, reshape narratives, and actively prune exposures that are sliding out of favour.	Defines the real constraints and options on the table, so companies can architect financing and transaction structures around the most competitive pools of capital, rather than forcing deals into shut or expensive markets.

Southeast Asia’s divestment landscape from 2023 to 2025 reflected a confluence of balance sheet discipline, policy recalibration, and strategic portfolio reshaping, as regional corporates, sponsors, and state-linked entities repositioned for resilience in a higher-rate, more regulated environment. Looking ahead to 2026 and beyond, divestment momentum is expected to remain

steady, supported by capital recycling, evolving industrial policies, and deepening cross-border integration. Structural shifts such as digital and energy transition, manufacturing realignment, and governance reforms across key markets are likely to further redefine ownership structures, funding dynamics, and collaborative investment models across the region.

Geography	Key drivers of recent divestment activity (2023–2025)	Likely drivers of future divestment activity (2026+)
Indonesia	<ul style="list-style-type: none"> Policy driven divestments (domestic ownership rules, export bans, EV value chain regulation) Portfolio simplification by conglomerates and investment firms Balance sheet repair and capital recycling from mature infrastructure assets 	<ul style="list-style-type: none"> Ongoing industrial policy and credit risk prompting asset sales Regulatory adjustments driving capital reallocation Downstream and green industrialisation sustaining ER&I rotations Continued infrastructure recycling and partnerships for asset light growth

Geography	Key drivers of recent divestment activity (2023–2025)	Likely drivers of future divestment activity (2026+)
Malaysia	<ul style="list-style-type: none"> Deleveraging and capital recycling by corporates and government-linked companies Exit from non core or under performing assets to realign around core mandates State and strategic realignments to strengthen control and capital efficiency 	<ul style="list-style-type: none"> China plus one manufacturing expansion driving portfolio reshaping Public investment programmes (GEAR uP2, state initiatives) prompting further asset recycling Green technology and high value manufacturing focus reinforcing core rotations
Philippines	<ul style="list-style-type: none"> Family conglomerate portfolio rationalisation and non core exits Capital recycling via partial sell downs and partnerships in infrastructure, energy, and digital assets Strategic rebalancing in critical infrastructure with sovereign involvement 	<ul style="list-style-type: none"> Policy led renewables and infrastructure growth sustaining deal flow FDI friendly reforms widening investor base Continued conglomerate restructuring toward focused, specialist partnerships
Singapore	<ul style="list-style-type: none"> Capital recycling and portfolio optimisation for higher growth and digital assets Liquidity creation via stake sales amid selective IPOs Balance sheet deleveraging in high rate environment Decarbonisation and energy transition prompting exits from carbon intensive assets 	<ul style="list-style-type: none"> Continued portfolio reshaping to unlock value and strengthen cash flow Expansion of take privates supported by EQDP funding Rotations in data centres and digital infrastructure Cross border industrial and logistics optimisation driven by Johor–Singapore SEZ and supply chain shifts
Thailand	<ul style="list-style-type: none"> ESG alignment and exits from carbon intensive assets Balance sheet optimisation and simplification of group portfolios Governance and group restructuring through delistings and ownership consolidation 	<ul style="list-style-type: none"> FDI inflows into high value manufacturing and digital sectors spurring JVs and carve outs Continued ESG driven portfolio rotation and sustainability focus
Vietnam	<ul style="list-style-type: none"> Capital recycling and balance sheet repair under tighter capital discipline Portfolio simplification and refocus on core growth platforms Sponsor exits and ownership transitions to strategic or long duration owners 	<ul style="list-style-type: none"> Maturing sponsor held assets across key sectors (education, health care, consumer, tech) Founder succession and governance upgrades in mid market businesses State divestment under Decree 57/2026 and equitisation reforms under Decree 239/2025

In this context, external conditions should be treated as a design parameter, not an excuse. Sellers in Southeast Asia need clear “go/no-go” triggers linked to rate moves, sector sentiment, and sponsor activity, rather than relying solely on internal milestone dates. Well-prepared assets can still miss value targets if they are launched into thin or risk-off buyer pools, which makes flexible pathways, such as dual-track sale/JV options, minority recaps, or staged exits, an important part of the toolkit.

The survey indicates that realised proceeds and timelines for Southeast Asian sellers sit broadly in line with global outcomes: a similar mix of deals finishing above or below value expectations, and no statistically significant difference in time-to-close. The right conclusion is not that the region is structurally better or worse, but that upside remains mainly within management’s control through preparation quality, process design, and buyer de-risking, rather than driven by regional luck.

For companies receiving a net high-value than expected the following factors had the most impact

Southeast Asia		Global	
Favourable market conditions	63%	Demonstrated value creation potential	55%
Competitive bidding process	53%	Strong recent performance	53%
Tailored sale process	53%	Separation plan clarity	49%
Demonstrated value creation potential	47%	Quality of financial and tax information	49%
Deal preparation quality	42%	Deal preparation quality	48%

Source: Deloitte 2026 Global Divestiture Survey

For companies achieving higher-than-expected valuations, both Southeast Asia and global respondents attributed success to strong deal preparation and clear value articulation, but the emphasis differed slightly between the two groups. In Southeast Asia, outcomes were most strongly influenced by favourable market conditions (63%), competitive bidding (53%), and tailored sale processes (53%), signalling the importance of timing, local investor engagement, and bespoke execution in often relationship-driven markets.

Globally, higher valuations were more closely associated with demonstrated value creation potential (55%), robust preparation quality (53%), and clarity of separation planning (49%), reflecting more mature sell-side processes and investor confidence built through transparency and diligence. In essence, Southeast Asia results highlight market dynamics and buyer competition as key enablers of value, while global findings underscore preparedness and performance credibility as dominant factors behind premium outcomes.

4. Execution lens – what buyers now pay for

De-risking execution upfront to unlock full deal value.

In any market, success hinges on execution discipline: designing credible stand-alone entities, managing TSAs effectively, and exiting stranded costs quickly so leadership can refocus on the remaining business. In Southeast Asia, regulatory, political, and stakeholder dynamics raise the stakes even further. Multi-layer approvals across competition authorities, sector regulators, foreign investment boards, and, where SOEs or sensitive assets are involved, line ministries or state agencies can materially extend timelines and reshape deal structures. Foreign ownership caps and public interest tests in financial services, telecoms, energy, and infrastructure narrow the buyer universe and require creative structuring. Strong family or state influence on governance, combined with consensus-oriented decision-making, can also lengthen decision cycles and demands careful stakeholder choreography from announcement through close.

Consequently, Southeast Asian sellers often price in a premium for certainty of closing, prioritising buyers with proven regulatory track records, financing clarity, and integration capabilities over those offering only marginally higher valuations. In practice, this means execution at speed and with minimal disruption is frequently more valuable than maximising the headline price. Survey feedback reinforces this focus on de-risking execution: when asked what they would do differently next time, one of the strongest signals from Southeast Asian sellers was the need to prepare carve-out financials earlier and undertake more extensive pre-sale diligence, with around one-third selecting this versus roughly one-fifth globally.

In Southeast Asia, the credibility of your separation and regulatory plan now sits at the

Survey data shows that Southeast Asian sellers are more focused on sell-side activity, with significantly lower exposure to buy-side acquisitions and mergers than global peers. Only 9% of Southeast Asian respondents completed a buy-side acquisition and 3% a buy-side merger in the last 12–18 months, compared with 26% and 18% globally. This “sell-side pure play” profile heightens the need to systematically anticipate buyer concerns and diligence focus areas. For many Southeast Asian corporates, lower buy-side experience means less built-in “buyer empathy”. To unlock the full strategic potential of divestitures as part of a broader Transformational M&A journey, sellers will need to institutionalise asymmetric diligence: explicitly mapping what sophisticated buyers will test hardest, and pre-answering those questions with evidence, not narrative. [Source: survey data]

heart of value. Executives that design regulatory, tax and operational disentanglement and credible carve-out financials, into the deal from day one are the ones that minimise execution risk, widen the serious buyer pool, and close the gap between “headline” and achieved value. In this environment, de-risking execution up front is no longer optional; it is the price of admission for achieving full value on exit.

Continuing challenges post-close

Post-close, Southeast Asian divestitures often face a second wave of challenges that can erode value if not anticipated early.

For sellers, that pressure shows up in heavy TSA reliance and difficult exits, talent retention and morale issues in the remaining organisation, ongoing finance/tax/legal complexity, interim operating models while assets and people are in transit and dis-synergies or stranded costs that linger in the retained business. For buyers, it often centres on dis-synergies or missed value-creation plans, tax and legal complexity across markets, TSA management and exit strategy, interim operating models, and retaining and motivating key talent in the acquired business.

Post-close challenges show strong parallels between Southeast Asia and global experiences, though with important differences in emphasis. Both groups identified tax and legal entity complexities and dis-synergies or stranded costs as top concerns, reflecting the universal challenge of clean separation and financial disentanglement.

In Southeast Asia, respondents placed greater weight on talent retention, morale, and post-close execution readiness, highlighting the people and operational complexities that often accompany regional carve-outs and cross-border transitions. Globally, the focus shifted toward TSAs and financial reporting continuity, indicating a more structured but process-heavy approach to post-deal integration.

Top 5 continuing post-close challenges

Southeast Asia	Global
Tax and legal entity complexities	Tax and legal entity complexities
Talent retention and morale	Transition Services Agreements (TSAs)
Dis-synergies or stranded costs	Dis-synergies or stranded costs
Accounting and financial reporting	Talent retention and morale
Transition Services Agreements (TSAs)	Accounting and financial reporting

Source: Deloitte 2026 Global Divestiture Survey

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5. Capability lens – who will pull ahead in the next cycle

Building divestiture muscle and technology-enabled execution as a repeatable advantage

Outperformers treat divestitures as an institutional muscle: they embed repeatable processes, cross-functional playbooks, and leadership alignment, and increasingly use data and technology to design and execute separations. Rather than mobilising fresh teams and tools each time, they run divestitures through an established operating system that links strategy, perimeter design, separation planning, and post-close value protection.

The Growth Transformers Playbook highlights that the same organisations who outperform on transformational M&A also build “always-on” portfolio and deal capabilities, with clear ownership, standard governance, and tight linkage between strategy and execution. Shaping up for selling up reaches a similar conclusion on divestitures, articulating that it always pays to be a prepared seller, with material value being attributed to having a ready, clear, and robust

value story that can withstand investor scrutiny, supported by credible standalone plans and track record⁴.

For many Southeast Asian companies, divestitures still tend to be episodic, triggered by distress, succession, or regulatory pressure, but leading groups are starting to industrialise their approach:

- Creating central portfolio and M&A offices that orchestrate both acquisitions and divestitures across the region.
- Standardising playbooks, templates, and governance from portfolio review and perimeter definition through TSA design and stranded-cost removal, with clear roles for finance, tax, HR, IT, legal, and operations.
- Deploying data and AI-enabled tools for diligence, financial separation modelling, scenario planning, and program management to shorten timelines and improve confidence.

When asked what respondents would do differently in their next divestiture

Southeast Asia	Global
Maintain better control over the process	Maintain better control over the process
Prepare carve-out financials earlier	Prepare management more extensively
Prepare management more extensively	Reduce operational complexity
Reduce operational complexity	Further minimize stranded costs
Expand the number of potential bidders	Offer a more comprehensive diligence

Source: Deloitte 2026 Global Divestiture Survey

Respondents across both Southeast Asia and global markets highlighted similar lessons for future divestitures, with a shared emphasis on maintaining stronger control over the process and improving overall execution discipline. However, Southeast Asia respondents placed comparatively greater focus on early preparation and readiness, particularly the need to prepare carve-out financials earlier and to better equip management teams for the demands of separation planning and buyer engagement.

Global respondents, by contrast, showed relatively more attention to process optimisation and value maximisation, citing goals such as reducing operational complexity, minimising stranded costs, expanding the bidder universe, and providing more comprehensive diligence materials. This suggests that while global sellers are prioritising efficiency and competitive tension, Southeast Asia sellers remain more focused on building internal preparedness and deal-execution capability to deliver smoother divestiture outcomes.

Southeast Asian leaders that build this divestiture muscle and embed technology across strategy, scenario modelling, diligence, and execution will be able to run multi-year portfolio programmes, not just ad-hoc disposals. They will

Three priority moves for Southeast Asian sellers who want to institutionalise divestiture muscle:

- **Turn higher portfolio review cadence into an advantage by building an “always-on divestiture package” for likely candidates (clean carve-out financials, separation blueprint, KPI set).**
- **Compensate for lower buy-side experience by running pre-launch reverse-diligence sprints focused on Day-1 viability, TSA exitability, and supply-chain continuity.**
- **Compete on certainty-adjusted price by taking execution risk off the table through robust QoE, detailed separation plans, and clear tax/regulatory structures, so buyers pay for the asset, not the uncertainty.**

move faster from decision to execution, tell more credible value stories, and manage execution risk more systematically, positioning themselves to pull ahead in the region’s next cycle of M&A-driven transformation.



Turning insights into action: Five priorities for Southeast Asia

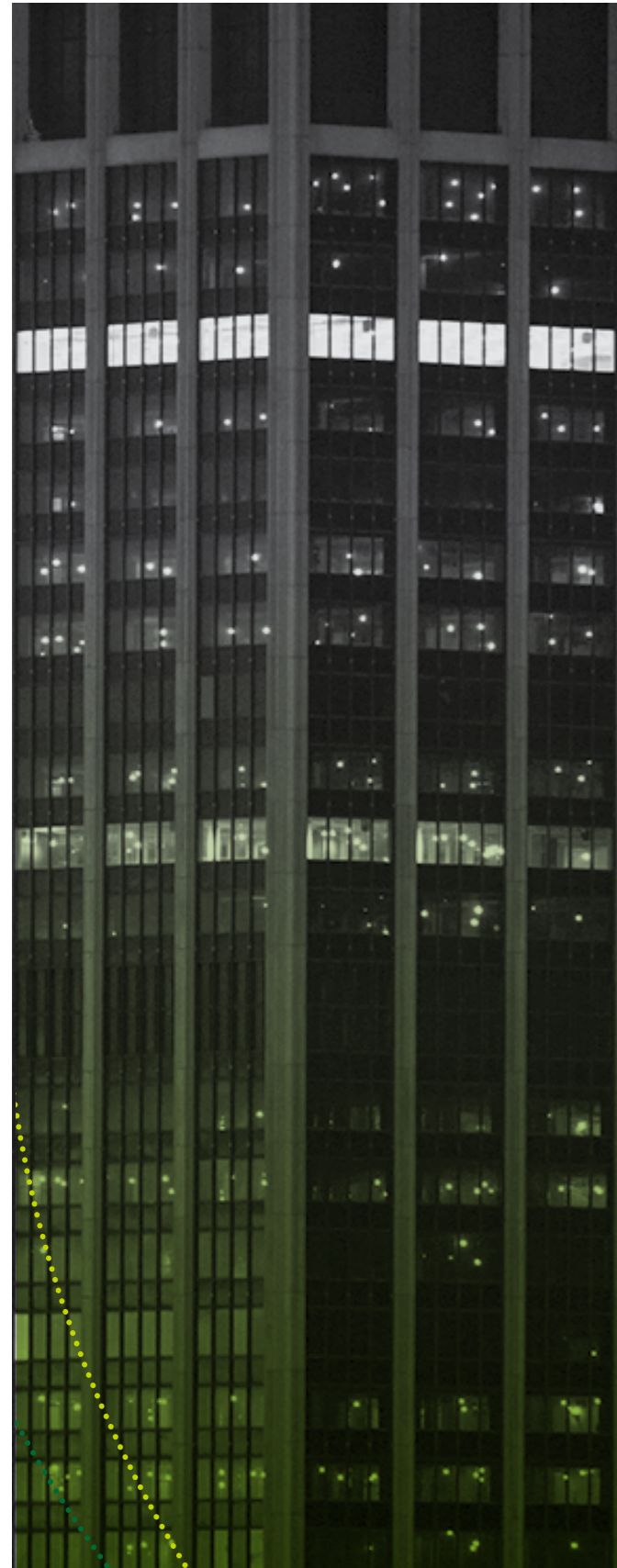
Leaders in Southeast Asia are at an inflection point: divestitures can no longer be treated as reactive, episodic events if organisations want to keep pace with the region’s growth, digitalisation, and energy transition agendas. The next 12–24 months will likely distinguish those who build intentional divestiture capabilities from those who continue to transact deal-by-deal. Turning insight into action requires a shift in how boards, CFOs, and corporate development teams frame, design, and execute divestitures across their Southeast Asian portfolios.

First, make divestitures a core pillar of portfolio strategy. Start with a structured, region-wide portfolio review that looks across businesses, markets, and sectors through three lenses: strategic fit, return on capital, and future competitiveness. Identify assets that are non-core, subscale, structurally challenged, or better owned by partners with different capabilities. In Southeast Asia, this often means asking hard questions about legacy industrials, asset-heavy consumer platforms, and fossil-fuel exposures, while ring-fencing the capital needed for digital infrastructure, renewables, and scalable regional businesses. Boards should set explicit capital reallocation targets, how much capital they intend to release and where it will be redeployed, to signal that divestitures are part of a multi-year growth plan rather than a sign of retreat.

Second, treat divestitures as engineered events, not rushed auctions. For any asset that may be sold within the next 18–24 months, initiate pre-work now: build stand-alone P&Ls, clean up legal entity structures, clarify tax positions, and map customer, supplier, and people dependencies across regional markets. Design the target perimeter and separation blueprint early,

including Day-1 and Day-100 priorities, TSA scope, and stranded-cost removal levers. In practice, this means giving finance, tax, HR, IT, and operations clear mandates and timelines well before advisors are mandated or buyers are approached. A disciplined “divestiture readiness” checklist and governance cadence can help ensure that preparation moves in lockstep with strategic decisions.

Third, be deliberate about timing, process design, and buyer engagement. Build a view of external conditions, such as sector sentiment, sponsor dry powder, financing costs, and regulatory climate, alongside internal readiness milestones. Define explicit go/no-go thresholds and be prepared to flex the route to market: bilateral versus competitive processes, full sale versus JV or minority recap, and whether to carve out a business regionally or by country. In a region of concentrated ownership and relationship-driven markets, early, confidential soundings with a short list of likely buyers (strategic, PE, sovereign, and infrastructure investors) can help test appetite and refine the value story before a formal process is launched.



Fourth, design for regulatory approval and execution certainty from day one.

Map regulatory requirements early across competition, foreign investment, and sector regulators, and identify potential sensitivities such as critical infrastructure, financial stability, or employment impacts. Use this to shape deal perimeter, structure, and buyer universe, rather than treating approvals as a post-signing hurdle. Internally, set up an integrated execution office for significant divestitures to coordinate separation workstreams, TSA design, cutover planning, and stakeholder communication. In family and state-linked contexts, invest time in aligning key decision-makers on objectives, narrative, and non-negotiables to avoid late-stage surprises.

Fifth, institutionalise divestiture capability and harness technology. Move beyond ad-hoc teams by establishing a central portfolio and M&A function that owns the divestiture playbook, maintains a pipeline view, and captures lessons learned from each transaction. Standardise templates for separation planning, financial modelling, TSA design, and synergy and stranded-cost tracking. Leverage data and AI tools to accelerate diligence, scenario modelling, and program management, particularly for multi-country carve-outs and complex shared-service environments. Finally, embed divestitures into leadership KPIs and capital allocation discussions so that exits are considered with the same rigor and frequency as acquisitions.

Conclusion

Divestitures in Southeast Asia are no longer a side note to the growth narrative; they are becoming one of the clearest tests of strategic conviction. The question for boards and owners is shifting from “What can we sell?” to “What are we willing to stop owning so we can truly focus on core businesses that define our future?” In a region being reshaped by AI, decarbonisation, demographic shifts, and intensifying regional competition, holding on to legacy portfolios by default is increasingly hard to justify.

The emerging evidence is that Southeast Asian companies already have elements of the right muscle: higher portfolio review cadence, a growing pipeline of carve-outs and asset rotations, and a sophisticated sponsor and infrastructure investor ecosystem. But cadence without readiness, and ambition without execution discipline, will not close

the value gap. The real differentiator will be those organisations that institutionalise divestitures as a repeatable capability, building always-on separation blueprints, credible carve-out financials, and technology-enabled execution engines.

Ultimately, divestitures are about choice: choosing where to deploy scarce capital, leadership attention, and risk appetite. Over the next 12–24 months, the winners in Southeast Asia will likely be the companies that move first and most decisively, using strategic exits to recycle capital into digital, sustainable, and regionally scalable businesses, while competitors remain locked into yesterday’s configurations. In this context, inaction is itself a high-risk strategy. The bolder path is to treat portfolio shape as a living decision, and divestitures as a primary tool for designing the next chapter of growth.



Thinking about divesting? We should talk.

Thinking about divesting? We should talk.

Whether you are in the process of a divestiture now, have recently closed one, or are contemplating portfolio rebalancing actions, it is always a good time to reach out for a discussion. Exchanging perspectives on how to be a prepared seller, how to plan and complete your next carve-out acquisition, or how to protect value and promote buyer value creation when you were just acquired may be the key to making your next divestiture intentional and transformative rather than opportunistic.

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Appendix

Geography spotlights

Indonesia: Divestitures supporting capital recycling and downstream growth



Divestment activity in Indonesia has become an important lever for capital recycling and strategic repositioning, as resource-driven conglomerates and state-linked entities reshape portfolios in response to industrial policy, balance sheet pressures, and evolving regulatory requirements.

Recent divestiture activity

During 2023–2025, divestment activity fluctuated as companies responded to regulatory changes, policy uncertainty, and macro headwinds, while seeking to reduce risk, improve balance sheets, and fortify strategic positions. More than 65% of deal volumes were in Energy, Resources & Industrials (c.42%) and Consumer (c.26%), reflecting Indonesia’s resource base and large domestic consumption. Over 2023–YTD 2026, the top 10 transactions represented around 45% of total divestment value (c.US\$29.6B), with Consumer accounting for ~50% of this value and TMT ~30%, highlighting the significance of a small number of large, strategic portfolio moves.

Core sectors for divestitures

Divestitures are concentrated in three main areas:

- **Energy, Resources & Industrials:** Regulatory measures, including a mandatory 51% domestic ownership requirement for mining companies and the ban on unprocessed nickel exports, have catalysed divestments and stake sales in mining and downstream metals. Stakes have been sold to state-owned or domestic investors

and to fund investments in refining and processing capacity for battery-grade nickel.

- **Consumer and TMT:** Portfolio reshaping by large corporate and investment firms includes stake sales in consumer platforms, digital businesses, as well as spin-offs and mergers in telecom and broadband to sharpen strategic focus and improve competitiveness.
- **Infrastructure:** Toll road and transport platform divestments are being used to unlock capital and deleverage balance sheets. Owners have sold stakes in major toll road concessions and related infrastructure assets to recycle capital for new projects and reduce debt.
- **Financial Services:** Regulatory measures increasing minimum core capital requirements for banks to at least IDR 3 trillion by December 2023, alongside phased equity hikes for insurers and reinsurers mandated by regulation in December 2026 and 2028, have triggered a wave of consolidation and divestitures as undercapitalized entities offload stakes or exit the market to meet mandatory liquidity thresholds.

Key drivers of divestments

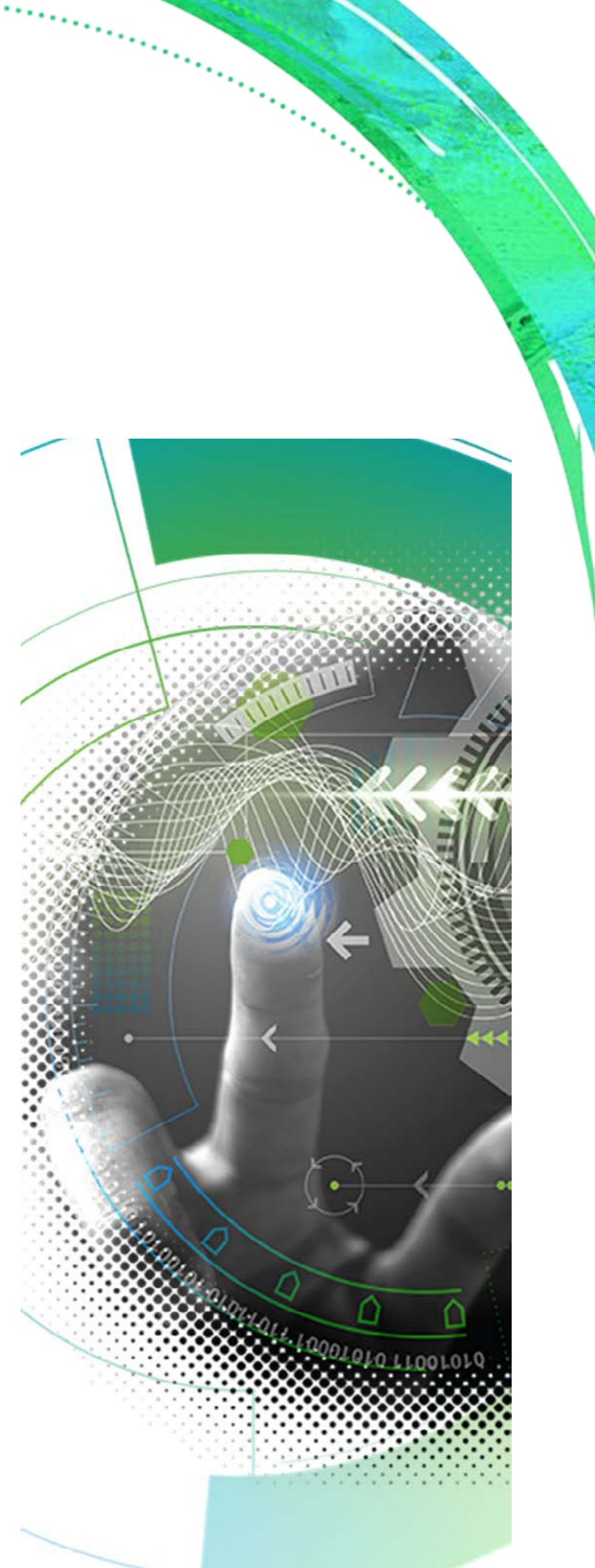
- **Regulatory and industrial policy:** Domestic ownership rules and export bans in mining, along with policies aimed at strengthening the EV battery and downstream metals value chain, are forcing stake sales and portfolio

adjustments. In addition, rising minimum capital requirements in the financial services sector are further accelerating consolidation and divestment activities.

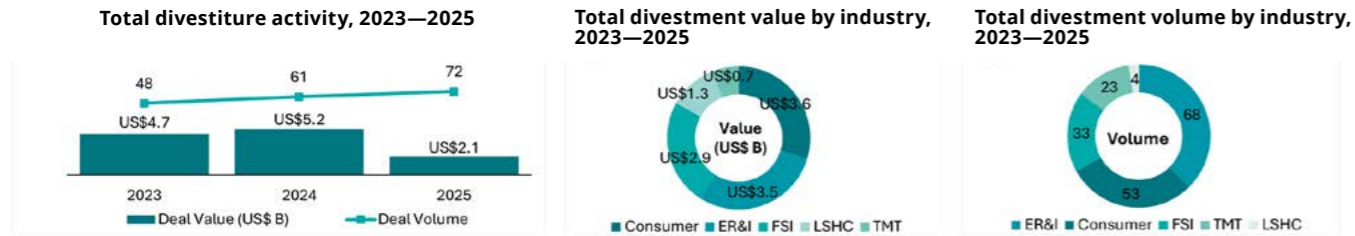
- **Portfolio focus and competitiveness:** Corporates and investment firms are exiting non-core or lower-return businesses (including selected consumer, health care, and TMT holdings) to concentrate on core business and scalable platforms.
- **Balance sheet and capital recycling:** Infrastructure and diversified groups are monetising mature assets to deleverage, fund capex, and redeploy capital into downstream processing, green projects, and digital infrastructure.

Outlook and future drivers

- **Policy and credit risk:** Outlook downgrades by major rating agencies and policy uncertainty may trigger more distress-driven divestments, as foreign investors exit a volatile environment and domestic groups sell non-core assets to protect core businesses.
- **Regulatory outlook:** Potential future regulatory adjustments may further drive divestment activity, prompting capital reallocation and portfolio optimisation.
- **Downstream and green industrialisation:** Continued emphasis on downstream metals, EV supply chains, and green industrial projects will sustain asset rotations in mining, energy, and industrials.
- **Ongoing infrastructure recycling:** Toll roads, logistics corridors, and digital infrastructure are likely to remain active divestiture arenas as owners seek asset-light models and partnerships to support Indonesia’s long-term infrastructure build-out.



Malaysia: From restructuring to portfolio-driven divestitures



Divestment activity in Malaysia is shifting from one-off restructuring to more deliberate, portfolio-driven decisions as government-linked companies and financial institutions realign around core mandates, capital efficiency, and a renewed push into green technologies, high-value manufacturing, and services.

Recent divestiture activity

During 2023–2025, divestments increased as companies monetised assets, sharpened focus on core competencies, and state entities acquired stakes in strategic businesses. More than 65% of deal volume came from Energy, Resources & Industrials (~38%) and Consumer (~28%), followed by Financial Services (~18%), reflecting Malaysia’s industrial base and domestic demand. Over 2023–YTD 2026, the top 10 deals accounted for ~55% of total divestment value (c.US\$12.9B). Financial Services contributed ~30% of this value, with ER&I, Consumer, and TMT each around 20%, underlining the importance of a handful of sizeable, strategic portfolio actions.

Core sectors for divestitures

• **Energy, Resources & Industrials:** Corporates have monetised non-core, stalled, or capital-intensive assets, such as upstream stakes and industrial facilities, to reduce debt and rebalance exposure, while state entities acquire positions in critical energy and industrial platforms.

- **Financial Services:** Banks and insurers have been active in stake sales and ownership reshuffles, including state-linked acquisitions in key financial institutions to support regional development and secure strategic control.
- **Consumer and Industrial Services:** Groups have exited non-core health care and consumer adjacencies to concentrate on core industrial equipment, automotive, and services businesses, often using proceeds to scale in priority segments.

Key drivers of current divestments

- **Balance sheet repair and capital recycling:** Companies are divesting non-core, under-performing, or stalled assets to deleverage, optimise balance sheets, and redeploy capital into higher-growth and strategically important areas.
- **Sharpening around core businesses:** Conglomerates are exiting side-lines (e.g., health care JVs) to double down on core industrial and automotive capabilities and improve management focus.
- **Control and strategic alignment:** Strategic players are buying out founders, JV partners, and minorities to secure full operational control of key assets, while state governments are taking stakes to anchor regional development and protect strategic infrastructure and financial institutions.

Outlook and future drivers

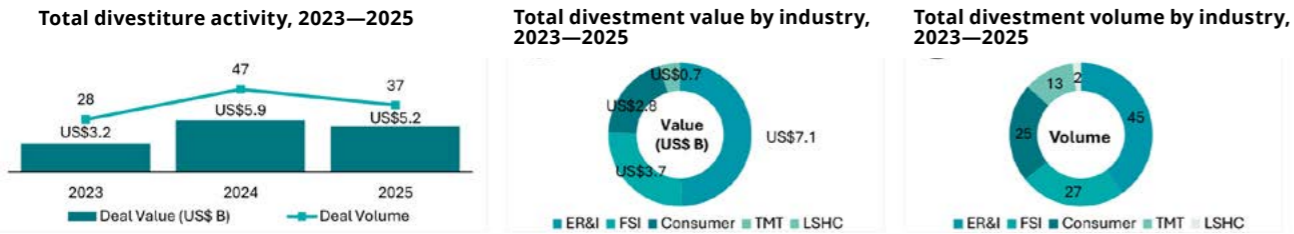
- **China-plus-one and supply-chain localisation:** Foreign companies are expected to scale operations in Malaysia as part of China-plus-one strategies, particularly in semiconductors and technology, creating further scope for industrial and real-estate portfolio reshaping.
- **Public investment and incentive programmes:** Investments channelled through national programmes such as GEAR-uP2 and state-level initiatives will likely drive fresh capital into high-growth sectors, prompting additional asset recycling and strategic stake changes.

Ongoing focus on green and high-value sectors

Continued emphasis on green technologies, advanced manufacturing, and services exports will reinforce energy and industrial portfolio rotations, as owners divest legacy positions and reinvest in future-proof platforms.



Philippines: Family conglomerate portfolio rationalisation and capital recycling



Divestitures in the Philippines are increasingly being used by family-controlled conglomerates as a strategic lever to reshape portfolios around infrastructure, digital platforms, and consumer growth. Underlying much of this activity is a focus on core competencies, redeploying capital and scaling flagship platforms. This strategic repositioning covers monetising non-core assets, de-risking large capex programmes, and bringing in specialist partners across verticals.

Recent divestiture activity

During 2023–2025, divestment activity peaked in 2024, supported by pro-investment reforms and strong renewables/infrastructure momentum, before easing slightly in 2025 amid global uncertainty. Companies used divestments to secure strategic partners, monetise mature assets, and optimise portfolios. Volumes were led by Energy, Resources & Industrials (~39%), followed by Financial Services (~25%) and Consumer (~22%), reflecting the centrality of power, infrastructure, and consumer platforms. Over 2023–YTD 2026, the top 10 deals accounted for over 60% of total divestment value, with ER&I contributing around 60% and FSI ~30%, underlining the outsized role of large energy and infrastructure transactions.

Core sectors for divestitures

- **Energy, Resources & Industrials:** Power and renewables have been at the heart of

divestiture activity, with major groups selling stakes in LNG terminals, power plants, and solar platforms to raise capital, share risk, and bring in technical and operational expertise.

- **Infrastructure and real estate:** Infrastructure owners and developers have monetised assets, such as transport concessions and commercial properties, to recycle capital, including REIT and asset-light structures for recurring income and balance sheet optimisation.
- **Consumer and Financial Services:** Multinational and regional players have exited non-core or sub-scale Philippine businesses, while local groups and investors have sold stakes to attract strategic redevelopment partners or rebalance portfolios.

Key drivers of current divestments

- **Portfolio concentration and focus:** Corporates are exiting non-core or sub-scale operations to concentrate capital and management bandwidth on core verticals, in line with an increasingly deliberate and focused approach to value creation.
- **Capital recycling and partnership:** Conglomerates are selling down or spinning off assets in power, transport, telecom towers, and real estate to fund new infrastructure, digital initiatives, and higher-return opportunities, often alongside specialist strategic or financial partners.

- **Sovereignty and critical infrastructure:** Sovereignty, security, and oversight considerations are prompting stake rebalancing in critical infrastructure assets, with sovereign capital taking positions in key networks.

Outlook and future drivers

- **Policy-led renewables and infrastructure growth:** The government's 2028 development plan and focus on renewable energy are expected to sustain divestiture and partnership activity in power, grid, and related infrastructure as capital needs scale.
- **FDI-friendly reforms:** Measures to increase foreign direct investment, including steps toward greater foreign control in select sectors, should broaden the buyer universe and enable more flexible deal structures.
- **Ongoing conglomerate portfolio reshaping:** As family groups continue to professionalise and benchmark against regional peers, further spin-offs, asset sales, and joint ventures are likely, particularly where capital intensity is high and specialist partners can accelerate value creation.



Singapore: Divestitures driving portfolio focus and capital recycling



Divestment activity in Singapore has witnessed strong growth driven by heightened focus on high-growth businesses, balance sheet optimisation, and capital recycling across major industries. As Southeast Asia’s primary M&A and capital hub, Singapore continues to anchor headquarters-led portfolio decisions, with divestitures used strategically to exit non-core or mature assets and redeploy capital into digital infrastructure, technology, and cross-border growth platforms.

Recent divestiture activity

During 2023–2025, divestment activity increased steadily as companies sought to rationalise portfolios, enhance focus on core businesses, and strengthen profitability and cash flows. Deal volumes were led by Consumer (27%), followed by Energy, Resources & Industrials and Financial Services (26% each), and Technology, Media & Telecommunications (17%). The top 10 deals during 2023–YTD 2026 accounted for more than 50% of total deal value, with ER&I and TMT representing 60% of these large transactions, followed by Consumer and FSI at 20% each. This concentration underscores the strategic nature of Singapore’s divestiture market, where portfolio decisions are often made at regional

headquarters level and involve significant capital redeployment.

Core sectors for divestitures

- **Consumer:** Deals are driven by capital recycling and portfolio simplification, as groups exit mature or non-core brands and formats to reduce leverage and fund higher-growth, asset-light and omni-channel plays.
- **Financial Services:** Divestments are motivated by capital optimisation and regulatory efficiency, with banks and holdings selling stakes in insurance and speciality finance to strengthen balance sheets and concentrate on core banking, wealth, and payments.
- **Energy, Resources & Industrials:** Drivers include decarbonisation, balance sheet relief, and reduced capital intensity, prompting sales of mature energy, chemicals, and fuel retail assets to fund cleaner energy and higher-value industrial businesses.
- **Technology, Media & Telecommunications (TMT):** Large data centre and digital infrastructure transactions are led by the need to scale rapidly while sharing capex and risk, with incumbents selling controlling or significant stakes to specialist sponsors to recycle capital into growth.

Key drivers of divestments

- **Liquidity and exit considerations:** With IPO exits more selective, businesses are using divestitures, partial stake sales, and sponsor-to-sponsor routes to generate liquidity and recycle capital.
- **Capital recycling and portfolio optimisation:** Companies, particularly investment firms and conglomerates, are exiting mature or non-core businesses to unlock value and redeploy capital into higher-growth platforms and regional expansion.
- **Balance sheet deleveraging:** Corporates are divesting low-profitability and capital-intensive operations to reduce debt, improve cash flows, and strengthen financial resilience in a higher-rate environment.
- **Decarbonisation and energy transition:** A heightened focus on sustainability is driving exits from fossil fuel and high-carbon assets, with proceeds redirected into renewables, energy storage, and lower-emission business models.

Outlook and future drivers

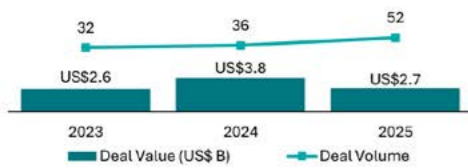
- **Continued focus on unlocking value and cash flow enhancement:** Momentum is expected to continue in 2026 as companies pursue strategic portfolio reshaping to strengthen market positions and improve

returns on capital.

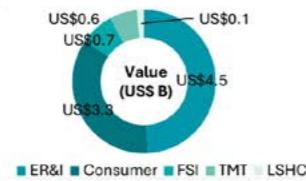
- **Growth in take-privates and public-to-private transactions:** Increased funding under the Monetary Authority of Singapore’s Equity Market Development Programme (EQDP) is expected to support greater investor participation, liquidity, and selective privatisations of mid-cap listed companies.
- **Data centre and digital infrastructure rotations:** Ongoing regional demand for data centres, cloud infrastructure, and digital platforms will drive further carve-outs, recapitalisations, and joint ventures as corporates seek specialist partners and capital to scale.
- **Enhanced equity market participation:** The Monetary Authority of Singapore’s expanded Equity Market Development Programme (EQDP) funding is expected to increase investor participation and liquidity, supporting take-privates, recapitalisations, and partial exits from SGX-listed mid-caps.
- **Cross-border manufacturing and logistics optimisation:** The Johor–Singapore Special Economic Zone and broader “China+1” supply-chain shifts are likely to drive divestments of older industrial and logistics assets as companies pivot toward higher-specification, regionally integrated platforms.

Thailand: ESG-aligned portfolio reshaping by diversified groups

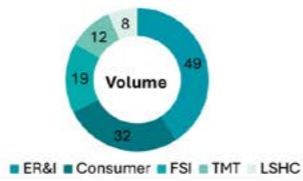
Total divestiture activity, 2023–2025



Total divestment value by industry, 2023–2025



Total divestment volume by industry, 2023–2025



Divestment activity in Thailand is increasingly being used as a strategic lever by large, diversified groups and energy-industrial champions to rebalance portfolios for regional growth, ESG alignment, and more asset-light business models.

Recent divestiture activity

During 2023–2025, divestment activity increased as conglomerates sold non-core assets, recycled capital, and consolidated control in priority businesses. More than 65% of deal volume came from Energy, Resources & Industrials (~41%) and Consumer (~27%), followed by Financial Services (~16%), underscoring Thailand’s industrial and consumer base. Over 2023–YTD 2026, the top 10 deals represented about 76% of total divestment value (c.US\$12.4B), with ER&I and Consumer contributing ~80% (roughly 40% each), and TMT about 20%, indicating that a relatively small number of large, strategic transactions dominate value.

Core sectors for divestitures

- **Energy, Resources & Industrials (ER&I):** Capital-intensive, cyclical businesses are monetising infrastructure holdings and minority stakes to free up cash flow, reduce debt, and strengthen balance sheets. This includes exits from cement, terminals, and other industrial assets.

- **Consumer:** Consumer and beverage groups are streamlining portfolios, divesting loss-making or non-core units and, in some cases, launching tender offers to simplify listed structures and gain operational flexibility.
- **TMT and logistics:** International and regional players are spinning off or selling Thai operations that are no longer core to their geographic or strategic focus, particularly in **telecoms and express logistics**.

Key drivers of current divestments

- **ESG and capital efficiency:** Groups are exiting older, carbon-intensive or lower-growth industrial assets to improve ESG profiles and redeploy capital into renewables, higher-value manufacturing, logistics, and digital services.
- **Balance sheet and portfolio simplification:** Sales of infrastructure holdings and minority stakes are being used to deleverage, lower interest expense, and concentrate ownership in core platforms.
- **Group governance and listing structure:** Controlling shareholders are initiating buyouts and delistings of public subsidiaries to reduce regulatory burden, streamline governance, and achieve “single listed entity” structures.

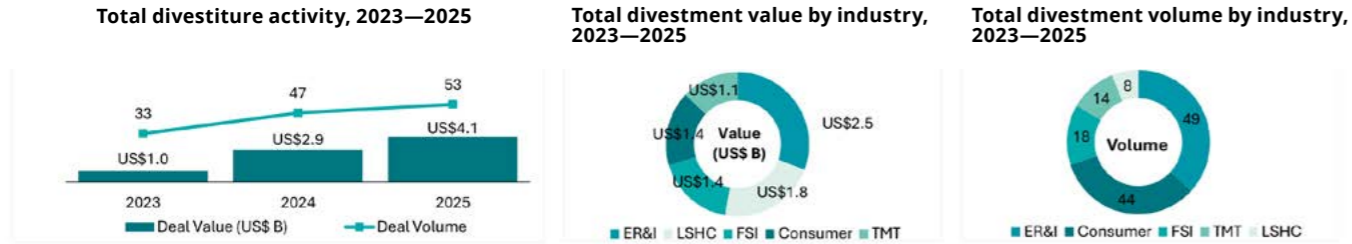
Outlook and future drivers

- **Shift to asset-light models:** Capital-intensive companies are expected to continue monetising hard assets (plants, infrastructure, logistics) and pivot toward asset-light, service and platform-oriented models.
- **FDI and high-value sectors:** Robust foreign direct investment into high value-added manufacturing, digital services, and innovative technology will likely spur further joint ventures, carve-outs, and selective exits as Thai groups partner with global investors.

Ongoing ESG and policy focus: Evolving ESG expectations and regulatory shifts will continue to encourage exits from legacy assets and portfolio reshaping toward more sustainable, resilient businesses.



Vietnam: Reviving Divestment Momentum Driven by Privatisation, Capital Discipline, and Portfolio Focus



DVietnam has emerged as a supply-chain relocation winner, with M&A and divestiture activity reviving despite broader Southeast Asia moderation. The divestment market regained momentum in 2025 but remained selective and mid-market-led, as sellers used disposals to recycle capital, strengthen balance sheets, and sharpen focus on core growth platforms. Activity is increasingly shaped by disciplined capital allocation, state-led restructuring, and targeted exits from assets that no longer align with long-term priorities.

Recent divestiture activity

During 2023–2025, divestment activity grew as companies recycled capital into higher-growth opportunities, strengthened balance sheets, and optimised portfolios. Volumes were led by Energy, Resources & Industrials (~38%), followed by Consumer (~33%) and Financial Services (~14%), reflecting Vietnam’s manufacturing and consumption story. Over 2023–YTD 2026, the top 10 deals accounted for more than 65% of total divestment value, with ER&I contributing ~50% and Consumer ~30%, signalling a market where a relatively small number of sizeable, strategic transactions drive overall value.

Core sectors for divestitures

- **Energy, Resources & Industrials:** Corporates are carving out or selling stakes in industrial

and manufacturing assets to fund expansion, technology upgrades, and new capacity aligned with Vietnam’s role as a production hub and export platform.

- **Consumer:** Portfolio reshaping in branded FMCG, automotive, and consumer platforms includes stake sales and exits by regional and global investors looking to recycle capital or rebalance exposure.
- **Financial Services:** Bank and NPL restructuring and selective exits from consumer finance and specialist lending platforms reflect a focus on capital efficiency and core market prioritisation.

Key drivers of current divestments

- **Capital recycling and balance sheet repair:** Corporates are monetising mature or capital intensive assets to strengthen liquidity, deleverage, and reinvest in higher growth segments under tighter capital discipline.
- **Portfolio simplification:** Multinational and regional groups are refocusing on core businesses and higher priority growth platforms, reducing exposure to non core markets or holdings in Vietnam.
- **Sponsor exits and ownership transitions:** Financial sponsors are realising investments through sales to strategic or long duration owners, particularly across health care, consumer, and financial services.

Outlook and future drivers

- **Maturing sponsor held assets:** Private equity portfolios in education, health care, consumer, financial services, and technology enabled sectors are reaching maturity, driving secondary exits and strategic sales.
- **Founder succession and governance needs:** Mid market family businesses are pursuing liquidity events or strategic partnerships to address succession planning and strengthen governance.
- **State divestment and SOE reform:** Selective stake sales under Decree 57/2026 and improved process clarity from Decree 239/2025 are expected to spur activity, though execution risks persist amid slower equitisation.



About the survey

In October 2025, Deloitte and Potloc surveyed 1,500 executives to assess expectations for divestiture activity over the next 12 to 18 months, alongside recent transaction experience. Respondents represented private and public companies, as well as private equity funds and their portfolio companies, all with revenues exceeding \$500 million (with 75% above \$1 billion), and held Senior Director-level positions or above across industries including TMT, consumer, energy, resources and industrials, financial services, and life sciences and health care.

The Southeast Asia perspective includes insights from 57 regional entities (within the global sample), spanning Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam, and reflecting the same respondent profile and characteristics. These findings were further supplemented by interviews with Deloitte Southeast Asia M&A leaders to provide additional regional context.

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