

Asian Private Equity and Venture Capital Review 2018

AVCJ private equity and
venture capital report

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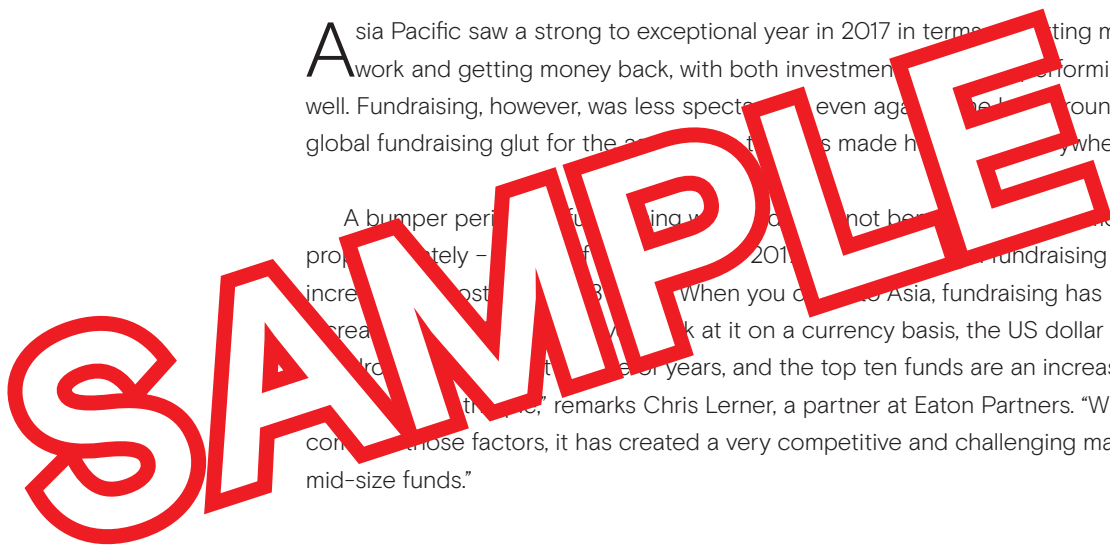
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Introduction

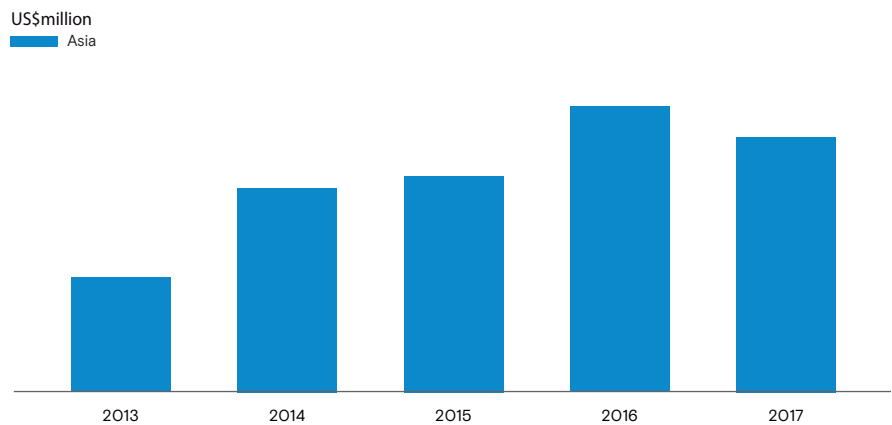
Delicious deals, capacity concerns

Asia Pacific saw a strong to exceptional year in 2017 in terms of getting money to work and getting money back, with both investment and exit performance performing very well. Fundraising, however, was less spectacular, even against the backdrop of a global fundraising glut for the second year. This was made harder by the fact that

A bumper period for fundraising was not necessarily the case globally. Fundraising has been increasing steadily – for example, in the US, fundraising has been up 31% in 2017. When you compare Asia, fundraising has been growing at a slower rate. If you look at it on a currency basis, the US dollar share of fundraising has been increasing for several years, and the top ten funds are an increasing share of the total,” remarks Chris Lerner, a partner at Eaton Partners. “When you combine those factors, it has created a very competitive and challenging market for mid-size funds.”



Asia - Total Funds Raised



Source: AVCJ Research

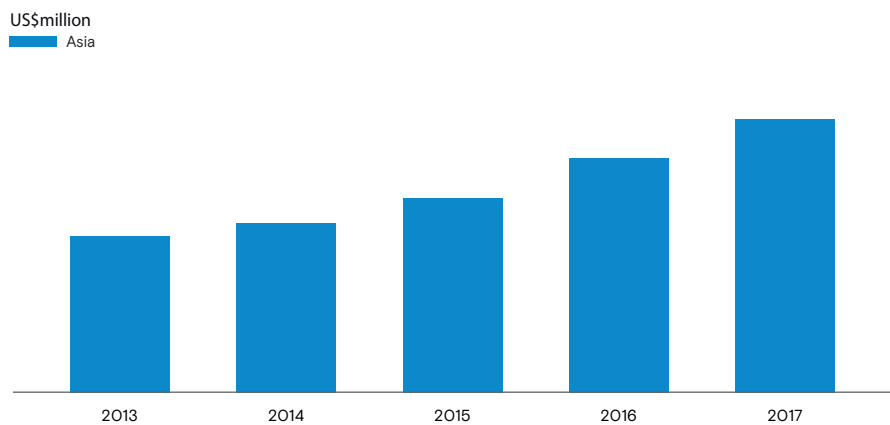
Assets under management and M&A

Fund pool flooding

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Private equity capital under management in Asia Pacific rose to \$94.9 billion in 2017, from just over \$78.8 billion in 2016. Singapore continued to lead the region, with \$44.0 billion, as in previous years, followed by Australia at \$14.5 billion. Korea, however, continued to gain momentum as a lynchpin in the equity market for the region, with over \$10 billion in new management. Its North Asian co-competitor, India, followed by India's \$66.2 billion. Australia in its turn remained almost unchanged at just over \$40.5 billion.

Asia - Total Capital Under Management



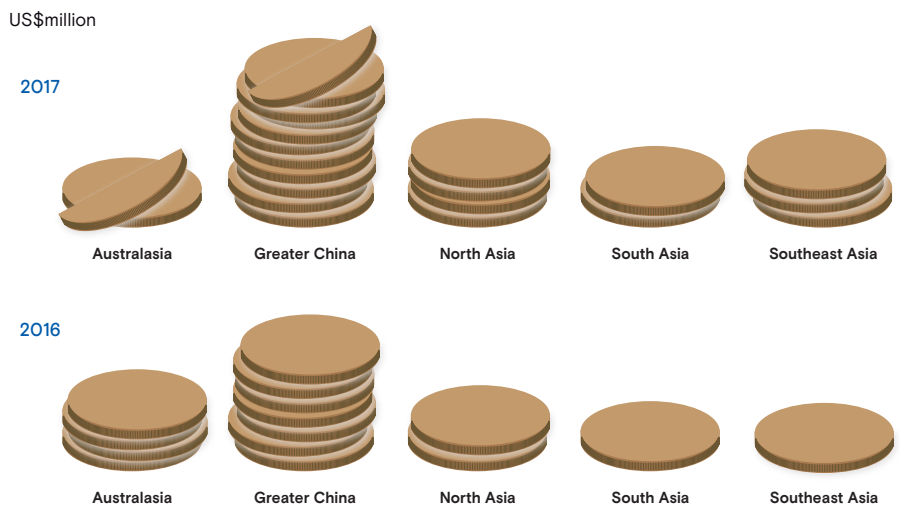
Source: AVCJ Research

Investments

Immense investments

Private equity investment in Asia Pacific stormed ahead in 2017, increasing almost 45% from just under \$145.2 billion in 2016 to almost \$210 billion committed. China, unsurprisingly, led the pack by value, with over \$90 billion invested, 57.3% up on 2016's just over \$62.8 billion. India, though, showed a less usual and far more striking increase, with the year's second highest investment total, at almost \$26 billion, up 9% from 2016's \$23.8 billion. The question mark is that the Indian market is still in the early stages of development. Third most lucrative investment destination for the year was Australia, at just over \$22.67 billion, some 2% up on 2016's \$22.2 billion. An even more striking jump up the 2017 value was Singapore, at just over \$21.3 billion invested, 407.1% higher than 2016's just over \$4.2 billion. Australia, meanwhile, showed a significant slide, at \$13 billion, 58.2% down on 2016's just over \$35.2 billion. Even so, this still put it ahead of South Korea, with just over \$13 billion invested, admittedly still 71.4% higher than 2016's almost \$7.6 billion total.

Total Private Equity Investments Made – Country Breakdown



Source: AVCJ Research