



# Southeast Asia Quarterly Members Meeting

21 September 2023

PwC Office

# Agenda

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- **Intro and welcome:** Steve Okun, Senior Advisor, Southeast Asia
- **GPCA global update:** Cate Ambrose, CEO
- **Climate training preview:** Steve Okun, Senior Advisor, Southeast Asia
- **Update on GPCA's research findings:** Jeff Schlapinski, Managing Director for Research, and Yao Hwee Heng, Senior Research Analyst
  - Mid-Year 2023 *Industry Data & Analysis*
  - Upcoming healthcare report release
- **Roundtable discussion: Global Investors Private Markets Insights**
  - Moderated by Cate Ambrose, CEO
- **Closing:** Brian Lim, Asia Council Chair and Board of Directors
- **Singapura Sundown Reception**
  - Transport to CE LA VI at Marina Bay Sands

# About GPCA

The Global Private Capital Association, which was founded as the Emerging Markets Private Equity Association (EMPEA) in 2004, is a non-profit, independent membership organization representing private capital investors—inclusive of private equity, growth equity, venture capital, private credit and real assets strategies—who manage more than USD2t in assets across **Asia, Latin America, Africa, Central & Eastern Europe** and the **Middle East**.

## Global Fund Managers



## Institutional & Direct Investors



## Regional/Country Fund Managers



## Development Finance Institutions



# GPCA Offerings + Content

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GPC Analytics is a proprietary data platform with fundraising, investment and exit activity.



GPCA maintains a curriculum of live & virtual practitioner-led investor trainings for PE and VC GPs, as well as institutional investors.



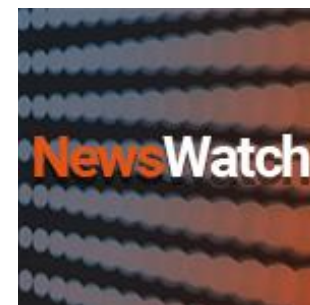
The program recognizes investments with extraordinary outcomes in environmental sustainability, social impact, gender/diversity & innovation.



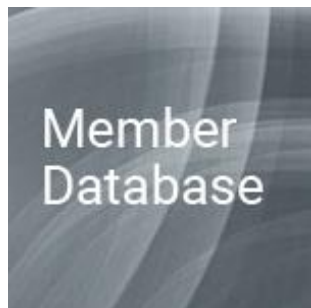
GPCA members receive regional and country Data Insights, sector- and strategy-specific reports & investor surveys.



GPCA hosts regular live and virtual investor meetings to connect a global community of private capital investors.



NewsWatch is a weekly round-up of key private capital transactions across asset classes in global markets.



Search profiles of 300+ GPs, LPs & other industry stakeholders. Profiles include description, HQ, contacts, AUM & geographic focus.



Detailed portfolio company cases from fund managers across Asia, Latin America, Africa, CEE and the Middle East.



The Global Tech Brief is a bi-weekly review of tech transactions and innovations with cross-border applications.

## Upcoming programming

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### GPCA Investors Meeting

9 November 2023  
The Bloomsbury, London

Register here: [GPCA Investors Meeting](#)



# GPC CONFERENCE

Global Private Capital Association in Partnership with IFC

SAVE THE DATE

25-27 March 2024  
New York City

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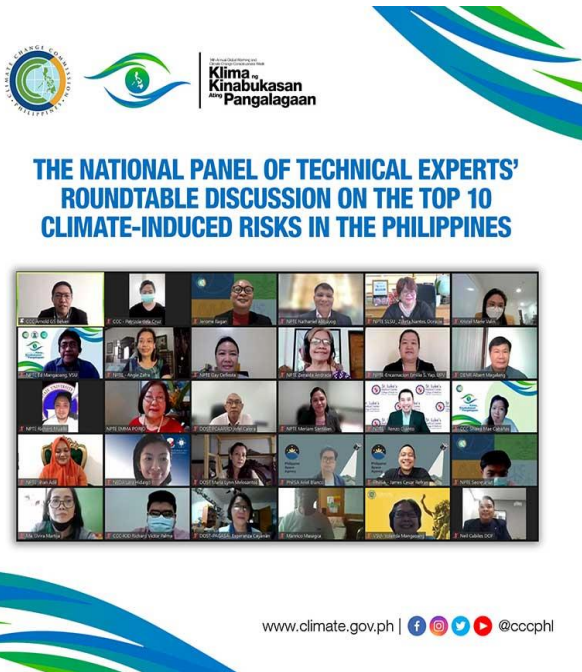
# Climate Training Preview

The Climate Crisis: What GPs Need to Know

In collaboration with FMO – Netherlands Development  
Finance Company

# Climate Crisis' Impact in SE Asia – Philippines Snapshot

12,600 fatalities and \$10b loss in the last decade despite only accounting for 0.3% of global emissions



1. Sea level rise
2. Coastal erosion
3. Flooding
4. Increase in frequency & severity of tropical cyclones
5. Extreme drought
6. Rising urban heat index
7. Extreme rainfall
8. Climate influenced diseases
9. Wind patterns
10. Biodiversity loss

*The Philippines will be one of the most negatively impacted countries in the world from the climate crisis:  
This will impact nearly every company that operates in the Philippines.*

Source: <https://www.pna.gov.ph/articles/1164164>.



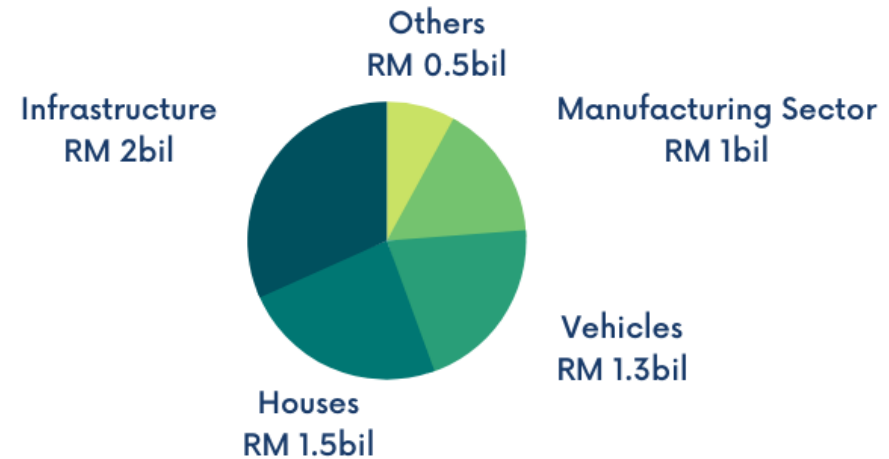
# Climate Crisis' Impact in SE Asia – Malaysia Snapshot



Flooding alone caused an estimated loss of RM5.3 to RM6.5bn, according to Statistics Department (DOSM)



The recent flood has caused an estimated loss of between RM5.3 billion and RM6.5 billion



Damaged caused to other sectors out of the total losses

Source: DOSM.



# AGENDA and OBJECTIVES

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## **I. Climate Change Risks and Opportunities**

Physical, transition and liability climate risks coming from Climate Change (TCFD)

## **II. Decarbonization and Net Zero**

Climate-related information GPs are expected to diligence, manage, and report on, specifically related to emissions, how to gather such data, and what it means to move toward “Net Zero”

## **III. Case Studies in Southeast Asia**

Physical and transition risks are already impacting SE Asia -- adaptation and resilience

## **IV. Governance and Reporting:**

This segment will discuss the various aspects of governance, implementing climate risk into the investment process from thesis through exit

# TCFD: Climate Risk Management Approach

## Risk Management

TCFD recommends that firms assess and disclose both physical and transition risks of climate change.



## PHYSICAL RISKS

- **Acute** – Event-driven exposures, including the increased severity of extreme weather events (cyclones, hurricanes, floods, etc.)
- **Chronic** – Shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea-level rise or chronic heat waves

## TRANSITION RISKS

- **Policy and Legal** – Evolution of regulations and potential litigation or legal risk
- **Technology** – Technological improvements or innovations that support the transition to a lower-carbon, energy-efficient economic system
- **Market** – Effects of climate change on supply and demand
- **Reputation** – Changing customer or community perceptions related to climate considerations

## The UN Principles for Responsible Investment identified the following priority actions for Private Equity GPs relating to TCFD's Risk Management recommendations:

- Conduct materiality analysis on current portfolio holdings to identify climate risk exposure and define key climate performance indicators for each portfolio holding
- Fully integrate climate risk into investment processes
- Conduct annual review of portfolio holdings to assess progress towards climate objectives

Source: [TCFD for Private Equity General Partners](#), UN PRI, 2020.

# Transition Risks: Carbon Reduction Expected

## Malaysia At Risk Of Losing RM291.56 Billion In Revenue If Local Suppliers Miss Out On Green Transition

### Key Concerns

1. Many customers have already embarked on the net zero targets
2. SMEs/ Suppliers will be left out of the supply chain if they don't align with this
3. Green transition is an expensive and high-cost journey for MSME & SME which hinders transition

### Study from Standard Chartered (Surveyed 400 MNCs in 2021)

Expect to **exclude over a third (35%)** of their current suppliers as they make the transition away from carbon

**78%** of respondents will remove suppliers that endanger their carbon transition plan by 2025

**57%** are willing to replace emerging market suppliers with ones in developed markets that are less reliant on fossil fuels

Source: [Malaysia At Risk Of Losing RM291.56 Billion In Revenue If Local Suppliers Miss Out On Green Transition | BusinessToday](#).

# Transition Opportunities: Adapting to Persistent Floods



**The Indonesia government aims to have 2 million electric motorbikes by 2025**

- Travel as far as 100 kilometers if the three batteries are full.
- Distribution spreading Indonesia.
- Opportunities for expansion across South and SE Asia.



# Registration Open to All GPCA Members

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GPCA will host the training session and cocktail reception on:

**2 November 2023**

**09:00-15:30: Training at the Four Seasons Hotel**

**16:00-18:00: Networking Reception at the Four Seasons**

*In collaboration with FMO – Netherlands Development Finance Company*

Register here: [GPCA Climate Training 2023](#)

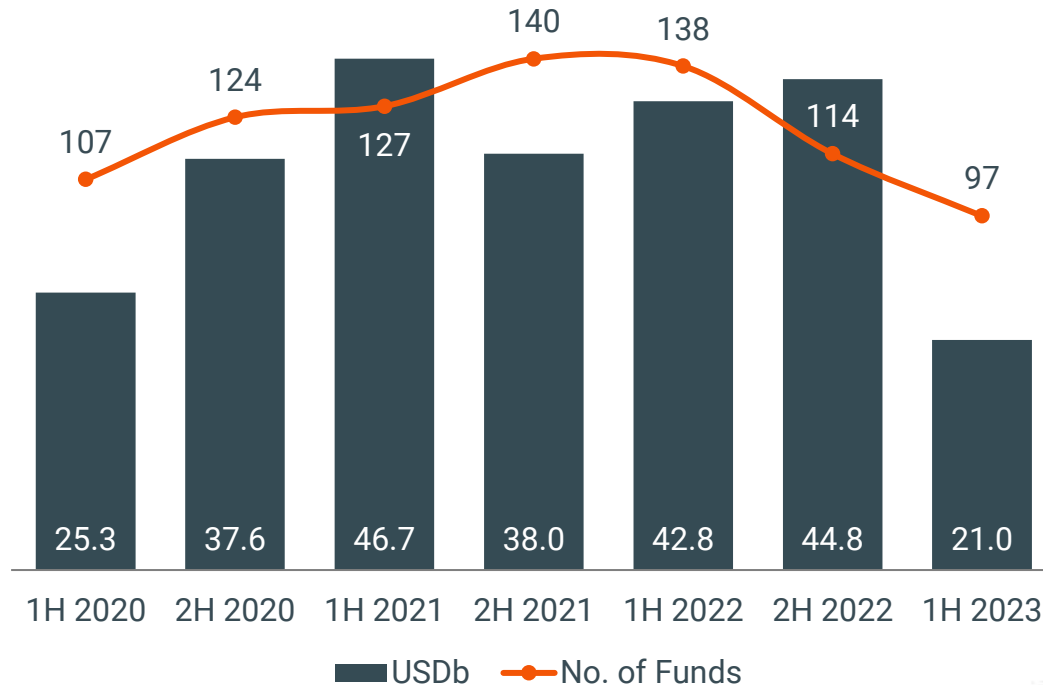
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# GPCA's Mid-Year Industry Data & Analysis



# India has picked up; China and pan-Asia fundraising has decelerated

Asia-Pacific Private Capital Fundraising, 2020-1H 2023  
(USDb, No. of Funds)



Asia-Pacific Private Capital Fundraising by Geographic Focus, 2021-1H 2023 (USDb)

	1H 2021	2H 2021	2021	1H 2022	2H 2022	2022	1H 2023	YoY Change	Change from 2H 2022
China	23.8	14.1	37.9	17.3	18.1	35.4	9.4	-45%	-48%
India	1.1	5.0	6.1	6.9	4.0	11.0	6.5	-7%	61%
Southeast Asia	1.2	1.6	2.7	3.3	1.9	5.2	1.0	-70%	-46%
Asia-Regional	20.5	15.6	36.1	15.2	20.7	35.9	4.1	-73%	-80%
Asia-Pacific	46.7	38.0	84.7	42.8	44.8	87.6	21.0	-51%	-53%



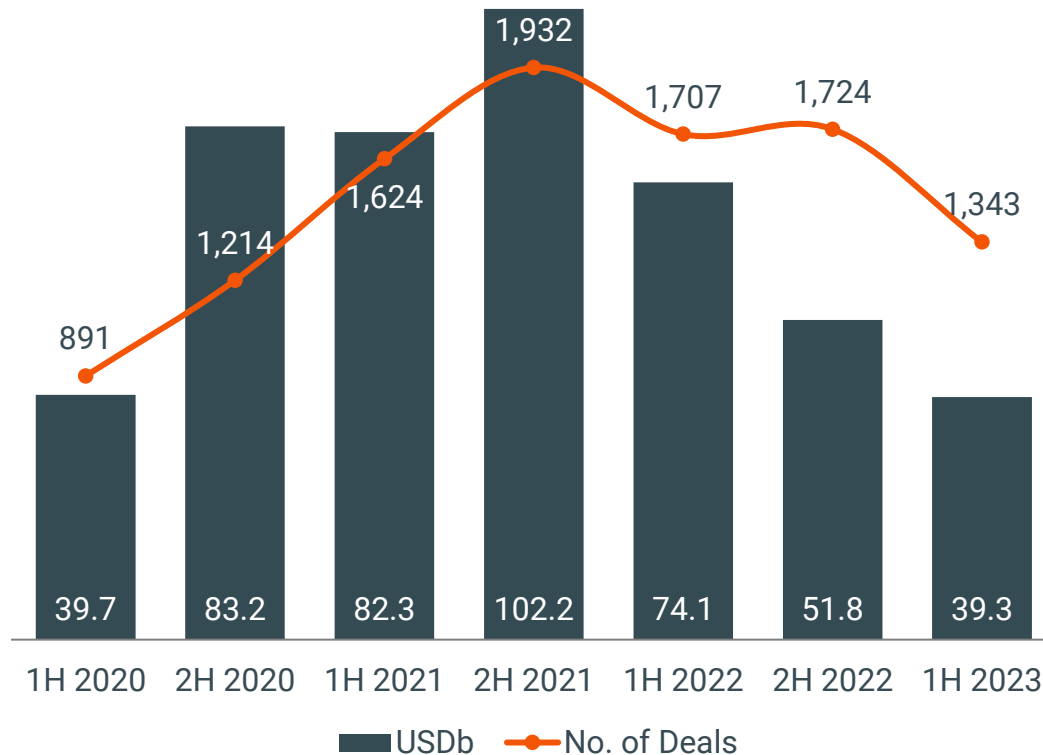
MULTIPLES



Note: GPCA's Asia-Pacific regional totals exclude funds dedicated to or predominately investing in Japan, South Korea, Australia and New Zealand.  
Source: GPCA. Data as of 30 June 2023.

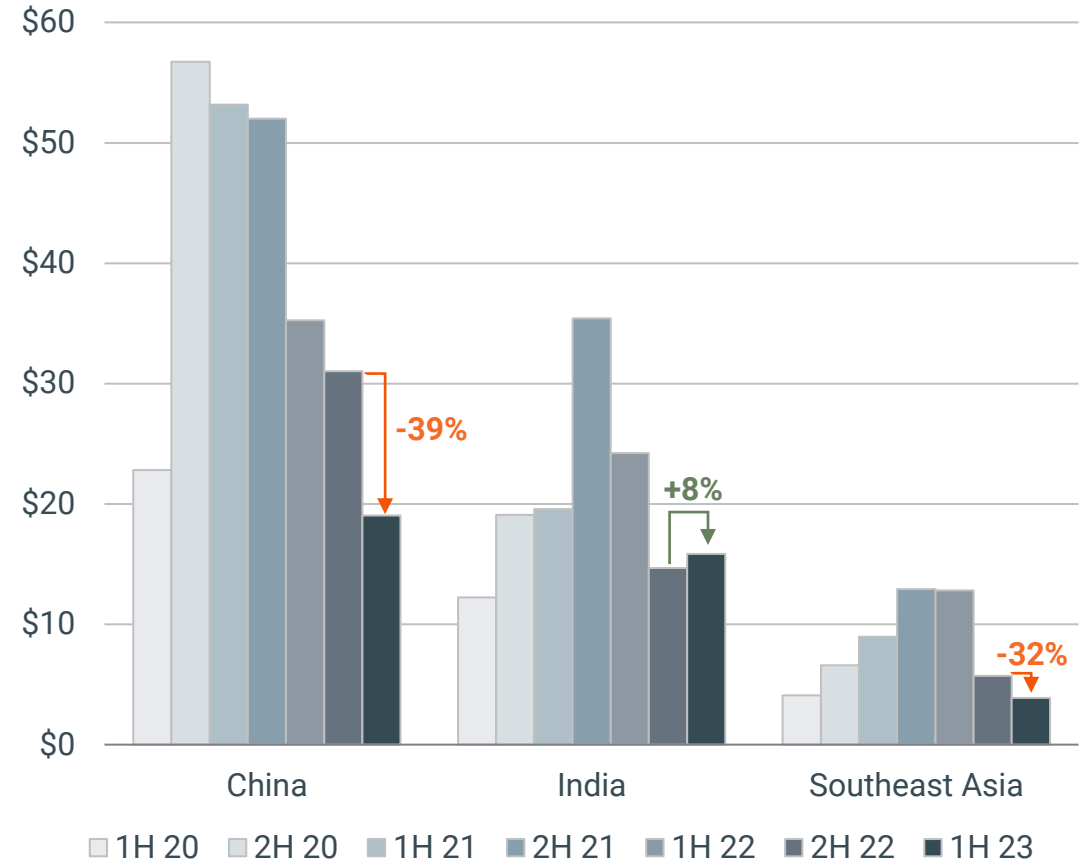
# India is leading the investment recovery for Asian private capital markets

Asia-Pacific Private Capital Investment, 2020-1H 2023  
(USDb, No. of Deals)



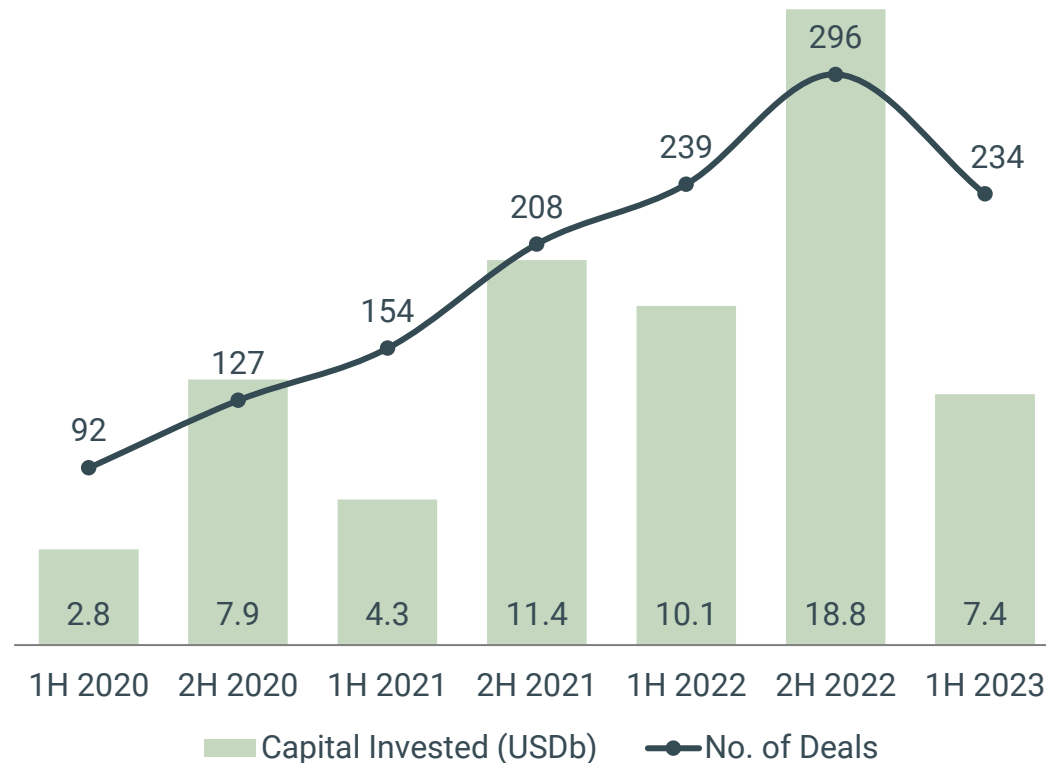
Note: GPCA's Asia-Pacific regional totals exclude Japan, South Korea, Australia and New Zealand.  
Source: GPCA. Data as of 30 June 2023.

Asia-Pacific Private Capital Investment by Geography, 2020- 1H 2023  
(USDb)



# Investors deployed USD7.4b in climate deals in GPCA's markets in 1H 2023

Climate and Sustainability-Linked Private Capital Investment Across GPC Markets, 1H 2020-1H 2023 (USDb, No. of Deals)



Note: 'GPC Markets' includes Africa, Asia, Central & Eastern Europe (CEE), Latin America and the Middle East. Investments include renewable energy, electric vehicles, cleantech and other companies with a specific climate or environmental mandate.

Source: GPCA. Data as of 30 June 2023.

Sample of Climate and Sustainability Deals in GPC Markets, 1H 2023



**Avaada Ventures** | India

Infrastructure Growth ~USD 1.07b | Apr 2023

Investor(s): Brookfield Asset Management

Renewable power platform



**Huasun** | China

VC Early-Stage Series B ~USD 295m | Jan 2023

Investor(s): Dayone Capital, GLP Capital Partners & Others

Solar tech developer



**M-Kopa** | Kenya

Venture Debt + VC Late-Stage ~USD255m | May 2023

Investor(s): BII, IFC, FMO, Lightrock & Others

Financing platform for off-grid solar customers



**Green Li-ion** | Singapore

VC Early-Stage Series B ~USD20.5m | Mar 2023

Investor(s): TRIREC, Banpu & Others

Developer of battery recycling technologies

# PE, private credit and infrastructure deals picked up; VC dampened

Asia-Pacific Investment by Asset Class, 1H 2021-1H 2023 (USDb)

	1H 2021	2H 2021	2021	1H 2022	2H 2022	2022	1H 2023	YoY Change	Change from 2H 2022
PE	31.2	30.7	61.9	26.2	14.5	40.7	15.3	-42%	6%
VC	48.0	70.0	118.0	43.5	30.3	73.7	16.5	-62%	-46%
Private Credit	1.0	0.5	1.5	1.3	1.9	3.2	1.8	35%	-9%
Infrastructure	2.1	1.0	3.1	3.1	5.1	8.2	5.8	86%	14%
Total	82.3	102.2	184.5	74.1	51.8	125.9	39.3	-47%	-24%

Notable Investment Deals in Asia-Pacific, 1H 2023



## COFCO Fortune | China

PE Growth ~USD 3.1b | Feb 2023

Investor(s): Affirma Capital, Temasek and others  
Agri & Grain Business Arm of COFCO Group



## Vedanta | India

Private Credit ~USD850m | May 2023

Investor(s): J.P. Morgan and Oaktree Capital  
Mining Company



## CARE Hospitals | India

PE Secondary Buyout ~USD560m | May 2023

Investor(s): Blackstone Group  
Healthcare Provider



## AIMS Data Centre | Malaysia

Infrastructure Buyout ~USD457m | Apr 2023

Investor(s): DigitalBridge  
Data Centre Operator

Note: GPCA's Asia-Pacific regional totals exclude Japan, South Korea, Australia and New Zealand.

Source: GPCA. Data as of 30 June 2023.

# China and India exits grew YoY supported by local public market activity

Asia-Pacific Private Capital Exits by Geography, 2021-1H 2023 (USDb)

	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	YoY Change
Asia-Pacific*	52.8	49.8	29.8	29.5	25.7	-14%
China	35.7	18.1	8.7	16.9	14.6	68%
India	15.2	21.2	6.6	11.0	10.0	52%
Southeast Asia	1.7	9.5	13.9	1.3	0.6	-95%
Other	0.3	0.9	0.6	0.3	0.5	-17%

\*Asia-Pacific regional totals exclude Japan, South Korea, Australia and New Zealand.

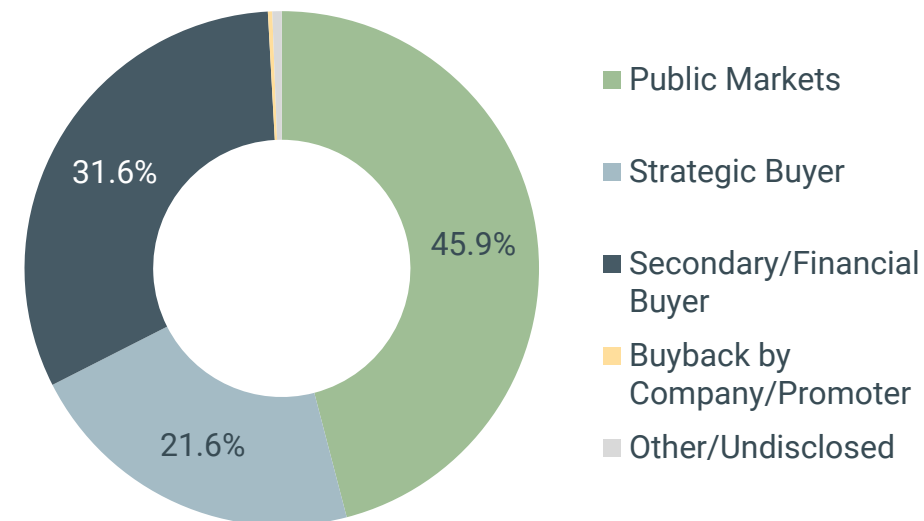


**Mankind Pharma** | India | Pharmaceuticals  
IPO ~USD529m | May 2023  
Investor(s): Capital Group, ChrysCapital & Other



**Manipal Health Enterprises** | India | Healthcare Provider  
Sale to Other Financial Investor ~USD2b | Apr 2023  
Investor(s): National Investment & Infrastructure Fund & TPG

India Exits by Deal Types, 2H 2022-1H 2023 (% of Capital Invested)

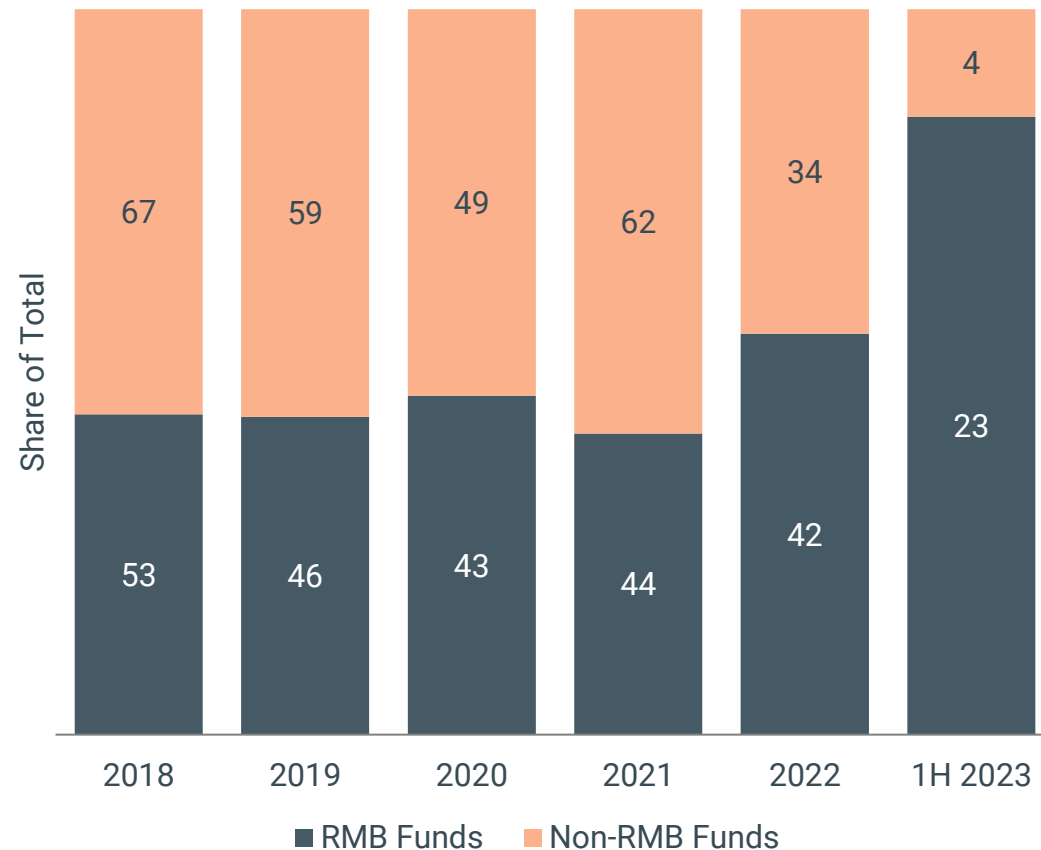


**Spring Energy** | India | Renewable Power  
Strategic Sale ~USD1.55b | Aug 2022  
Investor(s): Actis

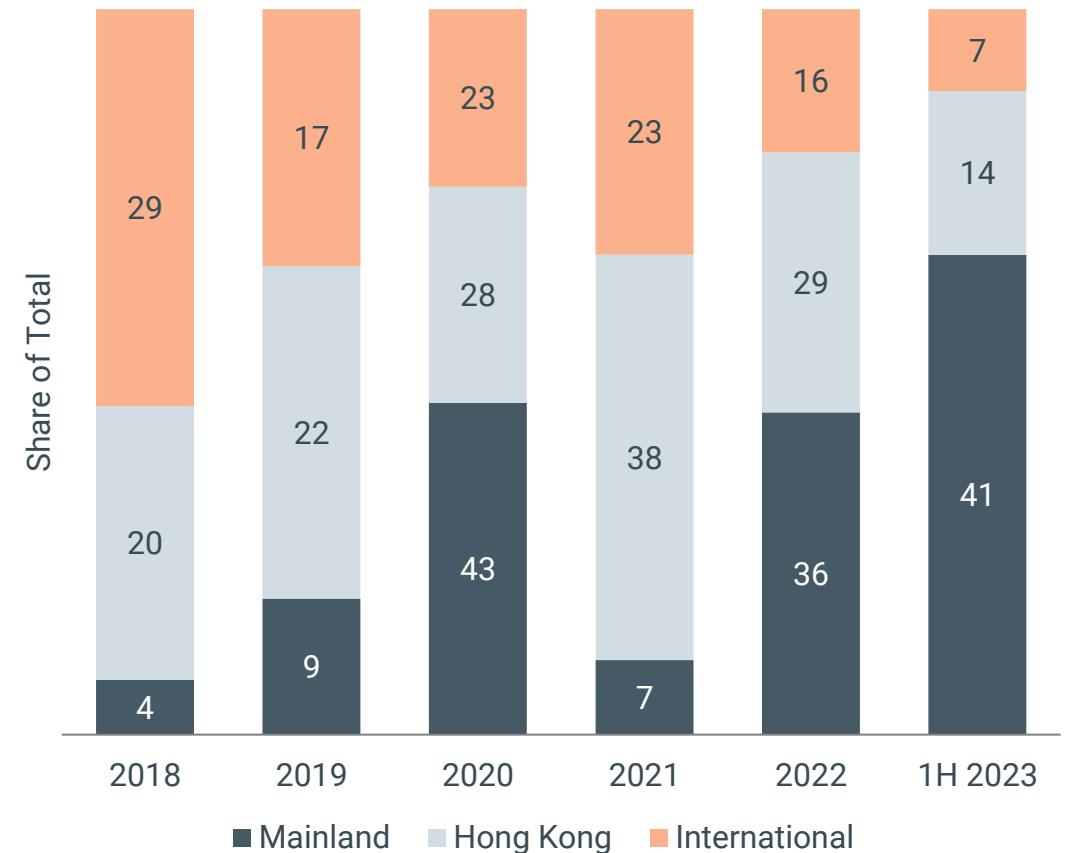
Note: Exit totals reflect total aggregate deal value, including all private capital-backed IPOs and listings, and are not limited to disclosed distributions to private capital investors.  
Source: GPCA. Data as of 30 June 2023.

# Localization: Fundraising and IPOs are concentrated in Mainland China

China Private Capital Fundraising, 2018-1H 2023 (No. of Funds)



China Private Capital-Backed IPOs by Listing Destination, 2018-1H 2023 (No. of IPOs)



Source: GPCA. Data as of 30 June 2023. IPO dataset includes all IPOs and direct listings for Chinese companies that had private capital investors at the time of the IPO/listing.

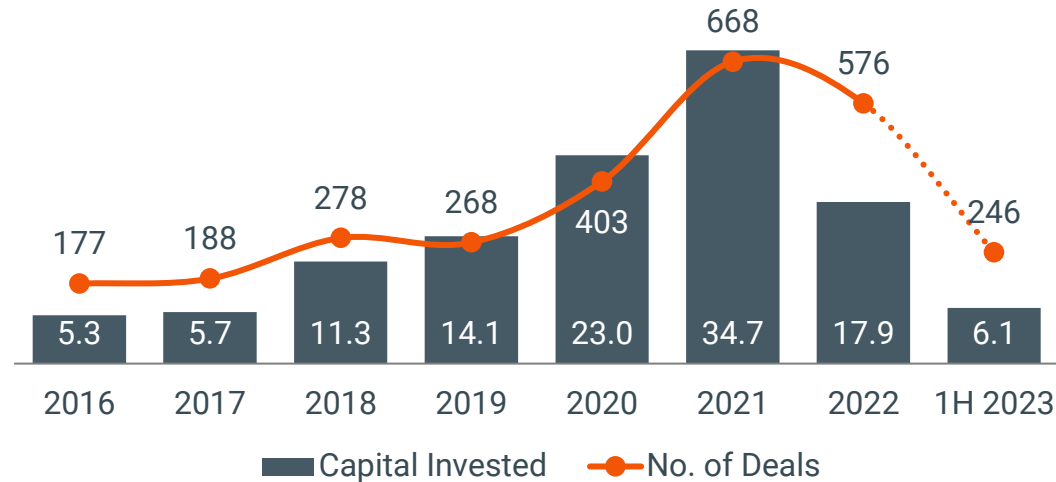


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# Report Preview: Healthcare Opportunities in Asia

# Rising incomes are driving long-term opportunity in Asian healthcare

Asia\* Private Capital Investment in Healthcare, 2016-1H 2023 (USDb)



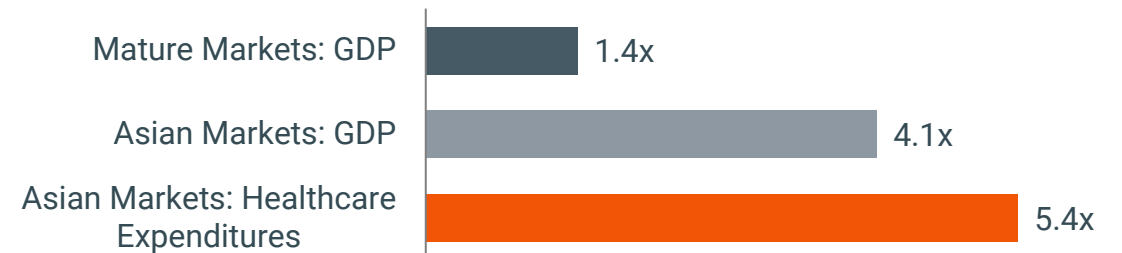
## Key takeaways:

- Healthcare expenditures in Asia outpacing GDP growth
- Delivery fragmented and underdeveloped in key markets; growth of specialty care
- India moving up the pharma value chain
- Healthtech startups navigating a new environment
- Unprecedented growth in biotech investment across China
- Growing share of capital in China's medical device sector

Private Capital Investment in Healthcare by Geography (USDb)

	2016	2017	2018	2019	2020	2021	2022	1H 2023
China	3.0	4.0	9.0	11.0	18.9	28.4	13.1	4.2
India	0.9	1.4	1.6	1.7	2.4	4.9	3.6	1.5
Southeast Asia	1.4	0.2	0.3	1.5	1.5	1.3	1.2	0.5
Asia* Total	5.3	5.7	11.3	14.1	23.0	34.7	17.9	6.1

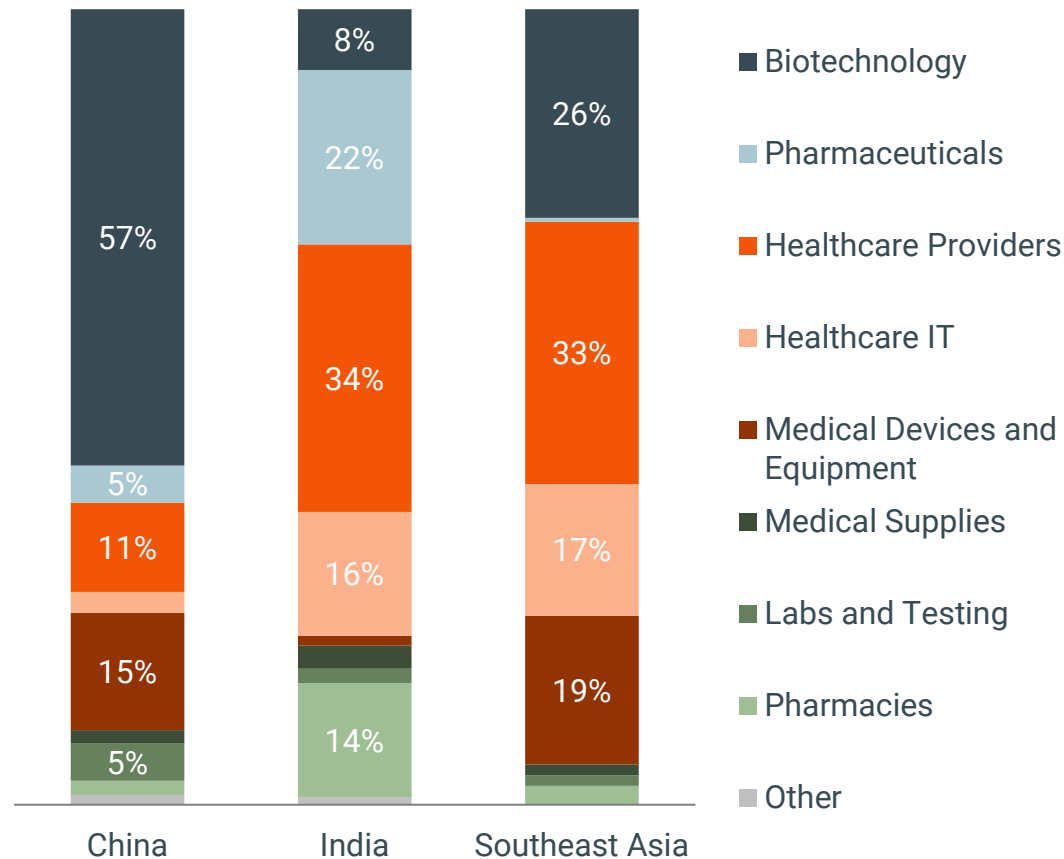
Growth in Asia Healthcare Expenditures vs. GDP, 2000-2020



\* Unless otherwise specified, 'Asia' private capital totals in this report exclude Japan, South Korea, Australia and New Zealand. Source: GPCA (data as of 30 June 2023), World Bank, World Health Organization.

# Activity across the region reflects local needs and level of development

Asia Private Capital Investment in Healthcare by Geography and Segment, 2021-1H 2023 (% of Total Capital Invested)



Source: GPCA. Data as of 30 June 2023.

## Mapping the Opportunity Across Healthcare Segments

**Biotech:** Developers of novel medical therapies and treatments

**Pharma:** Manufacturers of drugs

**Healthcare Providers:** Hospitals, clinics and medical practices, including online medical consultation platforms

**Healthcare IT:** Software management solutions for backend services related to admin, operations, medical records and data

**Medical Devices and Equipment:** Machines, implants and instruments used for diagnosing, monitoring or treating

**Medical Supplies:** Medical consumables

**Labs and Testing:** Companies offering diagnostic and testing services

**Pharmacies:** Retail distributors of pharmaceuticals and other medical products

**Other:** Companies not classified elsewhere

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# Roundtable Discussion: Global Investors Private Markets Insights

# Roundtable Discussion

## Global Investors Private Markets Insights



**Edward J. Grefenstette**

CIO,  
The Dietrich Foundation



**Sharon Liang**

Head of Southeast Asia,  
Siguler Guff



**Craig Thorburn**

Director, Office of the Chief,  
Investment Officer,  
Future Fund



**Sudhir Variyar**

Managing Director and Deputy CEO,  
Multiples Alternate Asset Management



**Cate Ambrose**

CEO,  
Global Private Capital Association



**Srini Nagarajan**

Managing Director & Head of Asia,  
British International Investment

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**Closing Remarks:**  
**Brian Lim, GPCA Asia Council Chair and Board Member**



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# Singapura Sundown Reception at CE LA VI: Buses Downstairs

## GPCA in Singapore

GPCA's Asia headquarters was established in Singapore in 2021 to represent leading fund and institutional investors based in Southeast Asia and to build bridges among investors across global markets with Singapore as a key nexus.

Felicia Chia, Asia Director

Jia Xin Ong, Marketing & Membership Manager

Yao Hwee Heng, Senior Research Analyst

Steve Okun, Senior Advisor

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