



# Private Equity News Australia

Australia

Private Equity News

Weekly Report

Date

22 November 2019

## Australian Highlights

- Australia's technology industry saw a 30% increase in overall deal activity (PE, VC & M&A) during Q3 2019, compared to the last four-quarter average, with a total of 91 deals worth \$1.15bn. VC lead the industry accounting for 52.7% of all deals.<sup>2</sup>
- Although North America remains the region targeted by the most PE investors (45%) in the year ahead, Asia-Pacific is not far behind at 34%.<sup>3</sup>
- The health and retail sectors were active in the PE space with several deals announced in recent weeks.

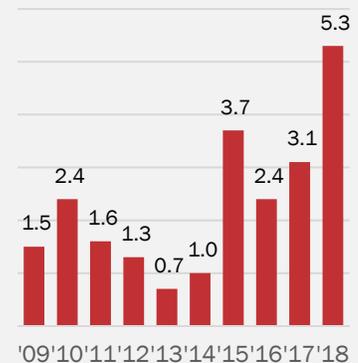
## USA Highlights

- Congressional Hearing.** The US House of Representatives' financial services committee discussed the PE industry's effects on US workers and businesses and debated ways to reform its practices.<sup>4</sup>
- The largest ever buyout fund (Blackstone) and tech-focused buyout fund (Vista Equity Partners) closed in Q3, raising more than USD40Bn between them.<sup>5</sup>
- North America continues to dominate the VC market in Q3 2019 with 1,652 funds and 50% (\$379bn) of total global capital targeted is focused on the region.<sup>3</sup>

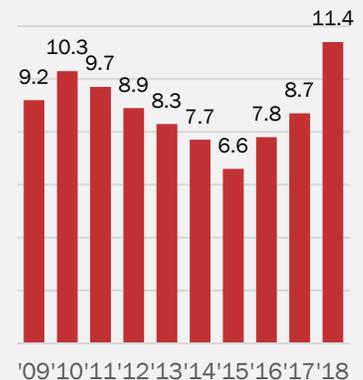
## Asia Highlights

- ESG.** Environmental, social and governance principles have become integral to the investment strategy of many Asian PE firms, with a 15% increase in fund managers who have signed the United Nations' Principles of Responsible Investment from 2018 to 2019.<sup>6</sup>
- Asia-focused PE funds have rebounded from a fundraising lull in the first half of 2019; 59 funds secured \$40bn in Q3 2019, surpassing the \$38bn raised collectively in Q1 and Q2 2019.<sup>3</sup>
- Asia comes 2<sup>nd</sup> to North America in the VC market with 1,165 funds focused on Asia seeking a total of \$159bn in Q3 2019.<sup>3</sup>

## AU PE Fundraising (\$B'n)<sup>1</sup>



## AU PE & VC Dry Powder (\$B'n)<sup>1</sup>



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## Australian Private Equity News

- **Bauer Media.** Mercury Capital is reported in talks to buy Bauer Media's AU and NZ publishing business reportedly with a \$150 million offer. <sup>7</sup>
- **illion.** The UniSuper/Macquarie pairing split up and is reportedly no longer bidding for illion. PE giant Blackstone also dropped out of the auction. The Carlyle Group, PacificEquity Partners and Bain Capital are speculated to remain interested. <sup>7</sup>
- **Esencia Healthcare.** It was reported that PE firms are being courted for Esencia Healthcare, who has 1.5% of the overall industry. <sup>7</sup>
- **Greenlit Brands.** Homewares retailer Greenlit Brands sold its general merchandise business (which includes Harris Scarfe and Best & Less) to PE firm Allegro Funds. <sup>7</sup>
- **Westpac Banking Corp.** Westpac is reported to be in late stage talks with investors to sell part of its equipment and asset finance business with a valuation estimated between \$600-700 million. <sup>7</sup>
- **Retail Zoo.** It was reported that Bain Capital is considering a Retail Zoo (Boost Juice, Betty's Burgers, Salsa's Fresh Mex and CIBO Espresso owner) dividend recap, eyeing about a \$50 million dividend. <sup>7</sup>
- **Owens-Illinois.** It was reported that Visy Industries, Kohlberg Kravis Roberts, The Carlyle Group, BGH Capital and Blackstone, Pacific Equity Partners, TPG Capital, Bain Capital and Brookfield are all interested in acquiring Owens-Illinois. <sup>8</sup>
- **AMP NZ.** PE firms TA Associates and The Carlyle Group are reported to be in the running to buy AMP's NZ wealth business which is expected to sell between \$NZ450-600 million. <sup>8</sup>
- **NAB's MLC.** National Australia Bank plans to divest its wealth management division MLC in the 2020 calendar year through a demerger or a trade sale. <sup>8</sup>
- **ExxonMobil.** The Carlyle Group and a number of Asian parties are expected to bid for ExxonMobil's Australian refinery and downstream oil assets, with price expectations of \$1 billion. <sup>8</sup>
- **ABC Tissue.** PE Firms Blackstone, Kohlberg Kravis Roberts, The Carlyle Group, TPG Capital, BGH Capital are reported to be contending for toilet paper and tissue maker ABC Tissue. <sup>8</sup>
- **EziBuy.** Fashion chain owner Noni B bought a 50.1% stake in NZ online retailer EziBuy from PE firm Alceon Group. <sup>8</sup>
- **Downer.** PE firm Apollo Global Management is reported as one of the groups in talks to buy Downer's mining services business. <sup>8</sup>
- **Abano Healthcare.** BGH Capital has agreed to buy NZ dental care provider Abano Healthcare for NZ\$300 million. <sup>8</sup>

*"Private equity bidders accounted for more bids by number and percentage of deal activity" in 2018 and 2019 then in any year this decade. <sup>1</sup>*

*"Private equity is the epitome of capitalism" <sup>4</sup>*

*"The drive and pressure from Asian investors to incorporate ESG factors into investment analysis is increasing and PE sponsors are responding" <sup>6</sup>*



## US Private Equity News

- **Tech Data.** It was reported that PE firm Apollo Global Management will buy U.S. IT equipment distributor Tech Data in a deal valued at \$5.4 billion.<sup>9</sup>
- **MagicLab.** PE firm Blackstone Group Inc is reportedly taking a majority stake in MagicLab, the parent company of dating app "Bumble" and "Badoo", at about a \$3 billion valuation.<sup>9</sup>
- **Bruin Sports.** Bruin Sports Capital, sports investment and management company, has raised \$600 million from PE Firms CVC Capital Partners and the Jordan Company.<sup>9</sup>

## Asian Private Equity News

- **MBK Partners.** PE firm MBK Partners is targeting up to \$6 billion for its fifth buyout fund which will focus on industries such as consumer, tech and financial services in South Korea, China and Japan.<sup>10</sup>
- **Jungle Ventures.** Singapore-based VC firm Jungle Ventures is searching for computer technology and software start-ups in Indonesia, after concluding its third fund gathering collecting \$240 million.<sup>11</sup>
- **Lumenis.** Baring Private Equity Asia is reportedly set to buy medtech company Lumenis, valued at over \$1 billion, to expand its medical and aesthetics businesses globally.<sup>12</sup>

"US Cumulative Private Equity fundraising value has almost eclipsed 2018's full-year figures with nearly \$200 billion raised through 3Q 2019"<sup>5</sup>

"M&A deals in Asia Pacific have significantly expanded from approximately 10% of total deal volume globally in 1996 to 20-25% in 2017"<sup>13</sup>

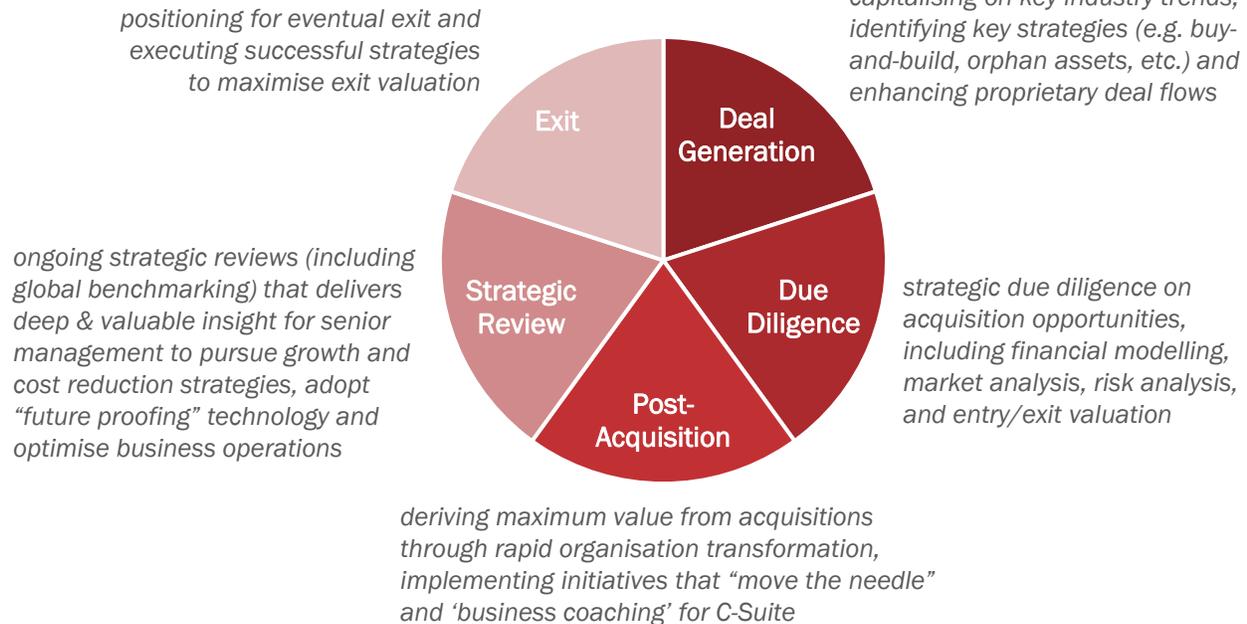
### Sources:

- (1) Statista
- (2) GlobalData
- (3) Preqin
- (4) Private Equity News
- (5) Pitchbook
- (6) The Asset ESG Forum
- (7) The Australian Financial Review
- (8) The Australian
- (9) The New York Times
- (10) Reuters
- (11) The Jakarta Post
- (12) MedTech Dive
- (13) Caixin



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