

Deal Drivers: APAC FY 2022

A spotlight on mergers and acquisitions trends in 2022

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Foreword: APAC's dynamism keeps M&A ticking along

M&A in Asia Pacific (APAC) declined in 2022, mirroring the post-boom comedown and relative dearth of megadeals witnessed across the globe. Unique to the region was China's staunch zero-COVID policy, which involved mass lockdowns in major cities that inevitably hampered deal activity. However, Beijing made a decisive U-turn in December that holds promise for the near-term outlook. Following widespread protests, the government relaxed COVID-related restrictions. This led to a surge in infections, but suggests China may soon be able to return to pre-pandemic life as natural immunity develops across the population.

In another positive sign, Asia's largest economy seems to be getting its simmering real estate debt crisis under control. Bonds issued by China's heavily-indebted property developers rallied by around 50% from their record lows in November, responding to actions taken by authorities to support the struggling sector.

The reopening of the Chinese economy is being hotly anticipated as a much-needed spur to growth and will surely deliver more deal activity.

Dynamic scope

China and India are reaching an important inflection point. It is expected that India will finally rise to become the most populous country in the world in 2023 as the Chinese population begins to plateau and by 2050 will be 8% smaller than it is today.

The Chinese government's ambitions to transition to a more autonomous economy driven by domestic consumption is a sign of its maturity. India is at a different stage in its development and has bright prospects, both in the immediate and longer terms. A large and fast-growing economy, huge consumer market, skilled and educated workers, improved business, tax and regulatory environment, and rapid growth sectors such as technology, e-commerce, healthcare, and renewable energy make it one of the most compelling M&A markets in the world.

APAC is an impressively dynamic regional economy and the relative strength of deal activity through the weaker H2 2022 holds promise for 2023.



Outlook: APAC heat chart

China's vast industrials & chemicals (I&C) sector is where much of the action in APAC's M&A market is expected to unfold in early 2023. The country's sector generated 446 news items, our heat chart shows, drawing on Mergermarket's intelligence tool to break down the distribution of "companies for sale" stories reported over the past six months.

This equates to 26% of all China deal stories over this period and 14% of APAC's total deal reportage across sectors. This helps put the I&C industry in the lead across the region with a sum of 603 stories (20% of the APAC total) compared with 496 (16%) for the telecoms, media & technology (TMT) sector.

However, outside of China, I&C is expected to be relatively quiet, with a higher number of TMT acquisitions on the horizon. China, APAC's largest deal market, leads with 223 of these but Southeast Asia is anticipated to deliver a sizable share (85, 17% of all TMT stories in APAC). Growing ecosystems of talent in destinations like the Vietnamese capital Ho Chi Minh City are seeing hotspots in the subregion increasingly vie with Singapore for the status as APAC's Silicon Valley.

Heat chart based on potential companies for sale

	Greater China	Southeast Asia	South Korea	Japan	India	Australia & New Zealand	TOTAL
Industrials & chemicals	446	33	31	26	41	26	603
TMT	223	85	40	18	62	68	496
Financial services	168	53	14	10	48	37	330
Consumer	117	45	15	8	60	55	300
Business services	193	24	6	6	28	34	291
Energy, mining & utilities	156	48	7	9	19	36	275
Pharma, medical & biotech	112	50	8	6	34	36	246
Real estate	127	19	2	2	1	8	159
Construction	101	8	3		6	6	124
Leisure	44	19	13	10	5	22	113
Transportation	35	15	5	1	22	10	88
Agriculture	23	12		1	4	16	56
Defense	3		1		1		5
TOTAL	1,748	411	145	97	331	354	3,086



Note: The Intelligence Heat Charts are based on 'companies for sale' tracked by Mergermarket in the respective regions between July 01, 2022 and December 31, 2022. Opportunities are captured according to the dominant geography and sector of the potential target company.

All sectors



Summary: A solid second half buoys full-year figures

The downtrend in deals that many anticipated toward the end of 2022 never materialized. Undoubtedly last year undershot the preceding 12 months, a record year for global M&A, but APAC deal volume barely fell in 2022.

There were 6,030 transactions in total, down only 4% year-on-year. Value was far softer, showing a decline of 28% to US\$868bn, but this was still a solid performance by historical standards. And performance held steady between Q3 and Q4, volume inching down just 3% and value in the last three months of the year matching that of the previous quarter.

This was an impressive display considering the disruptions that were ongoing in China during this time. For context, deal count in the Americas continued to fall in the final months of the year, while in EMEA value tracked down. This makes APAC's M&A market something of a positive outlier.

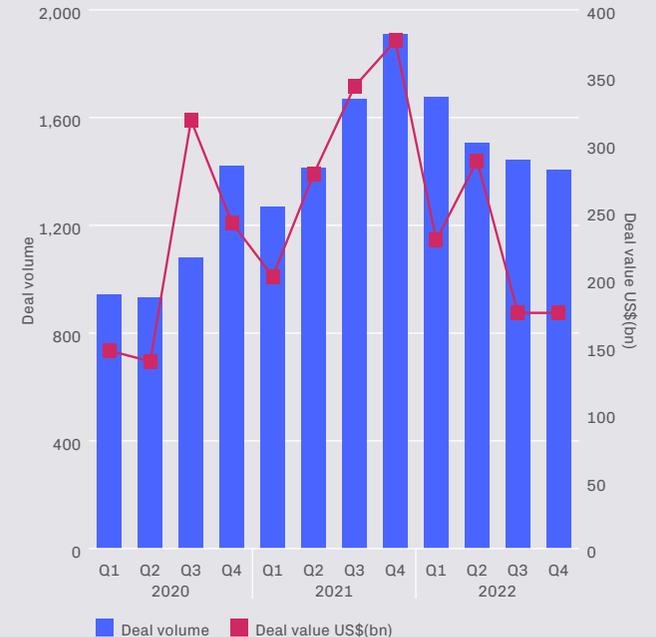
Reopen for business

APAC has long been a dependable growth driver. Even with the International Monetary Fund once again revising its economic forecast for the region down in October, this still came to 4% for 2022 and this rate is expected to rise in 2023 to 4.3%.

There have also been pockets of exceptional growth that provide some guidance on what to expect. In the Philippines, Q4 GDP was up by 7.2%, the highest rate since the mid-70s, after the country lifted its COVID restrictions toward the end of the year.

While it's difficult to make direct, like-for-like comparisons, this could be a preview for what plays out in China in H1 2023. Certainly huge growth was unlocked in the West once pandemic measures were eased. Many are hoping for a repeat to kickstart the global economy.

All sectors M&A activity, 2020-2022



Source: Mergermarket



TMT volume holds

A fall of only 1% in TMT M&A volume brought the sector's total deal count to 1,389 and saw it maintain its leading position. Behind this, I&C started out at a lower point and saw the biggest relative tumble in volume among the key, larger sectors, by 11% to 1,028. The less weighty transportation industry did see a larger year-on-year decline, of 14%, although industrials stayed in second place overall.

The biggest takeaway though is that TMT fell from grace amid the rout in megadeal activity. No other large industry had a bigger decline measured by value, with TMT M&A cratering by 53% in 2022 to US\$145.2bn (though, again, a smaller M&A sector, specifically leisure, did suffer a bigger drop, of 72%). This took TMT from a clear frontrunner in 2021 to a close third position last year, just behind financial services and I&C. The US\$7.6bn takeover of Changxin Jidian Storage Technology by a consortium comprising the state-owned National Integrated Circuit Industry Investment Fund alongside municipally-backed investor Beijing Yizhuang Investment Holdings and Innotron Memory was the biggest deal in the sector and the only TMT transaction to feature on APAC's top-10 list.

Similar acquisitions are likely to follow in the wake of the US CHIPS and Science Act, which provides federal funding for semiconductor manufacturers that do not invest in China. This decoupling should spur further domestic investment by Chinese entities to bolster the country's own capabilities.

All sectors top sectors by value | 2022

	US\$(m)
Financial services	152,904
Industrials & chemicals	145,195
TMT	145,066
Energy, mining & utilities	132,752
Transportation	66,162

All sectors top sectors by volume | 2022

	Deal count
TMT	1,389
Industrials & chemicals	1,028
Business services	635
Consumer	512
Energy, mining & utilities	497

All sectors top bidders by value | 2022

	US\$(m)
China	326,422
India	119,607
USA	93,786
Australia	56,126
Japan	53,007

All sectors top bidders by volume | 2022

	Deal count
China	1,990
Japan	844
Australia	573
South Korea	494
USA	490

Megadeals depleted

Financial services overtook both TMT and I&C with US\$152.9bn in recorded aggregate deal value, a year-on-year increase of 45%. This was made possible by the massive US\$61bn takeover of mortgage provider Housing Development Finance Corporation by India's largest private lender, HDFC Bank. The deal is the largest to have taken place in India—without it, financial services would be relegated to fifth position. It was also one of the quietest sectors. Even with a 3% year-on-year increase in deal volume, the financial services tally came to 474 deals, just over a third of the number of TMT transactions announced in APAC in 2022.

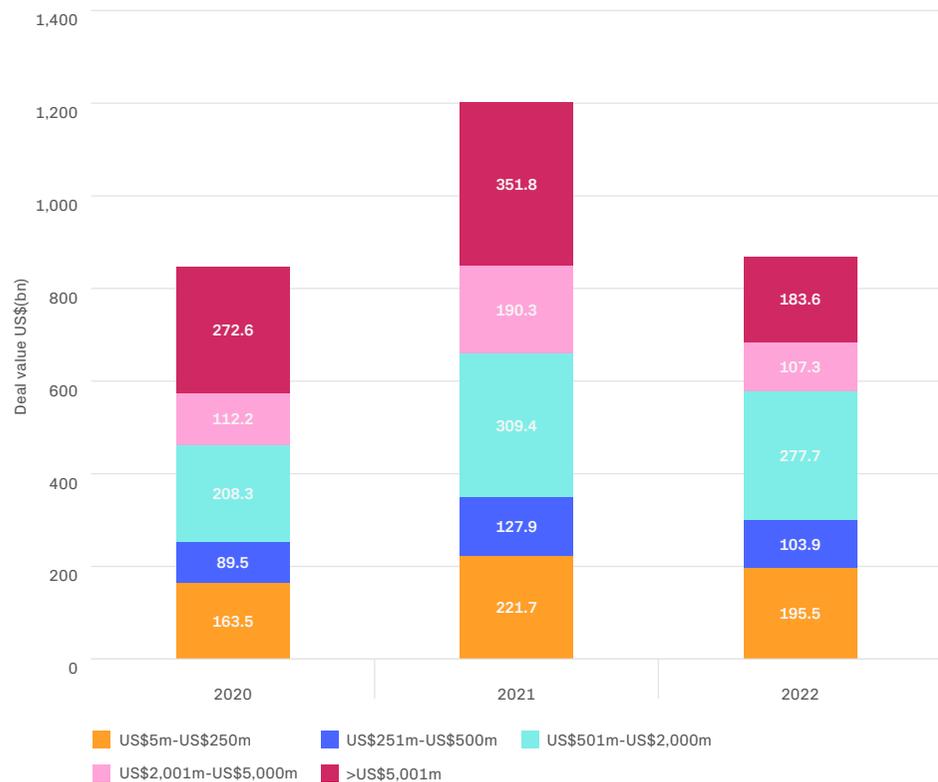
Eight of the 10 largest APAC deals of the year were announced in H1. If there is one story that defines the region's M&A market, it is that megadeals were all but off the table in H2. Only two Australian deals made it into the top league in H2: Brookfield Asset Management and MidOcean Energy Holdings' buy of Origin Energy for US\$11.6bn, and BHP Group's US\$6.9bn acquisition of mining company OZ Minerals.

Across APAC there was a 48% decline in the total value of US\$5bn-plus deals in 2022 and a 44% fall in US\$2bn-US\$5bn transactions. All in all, the mid-cap segment has been carrying the market. But if China roars back to life in the coming months, this could soon change.

All sectors top 10 announced deals, 2022

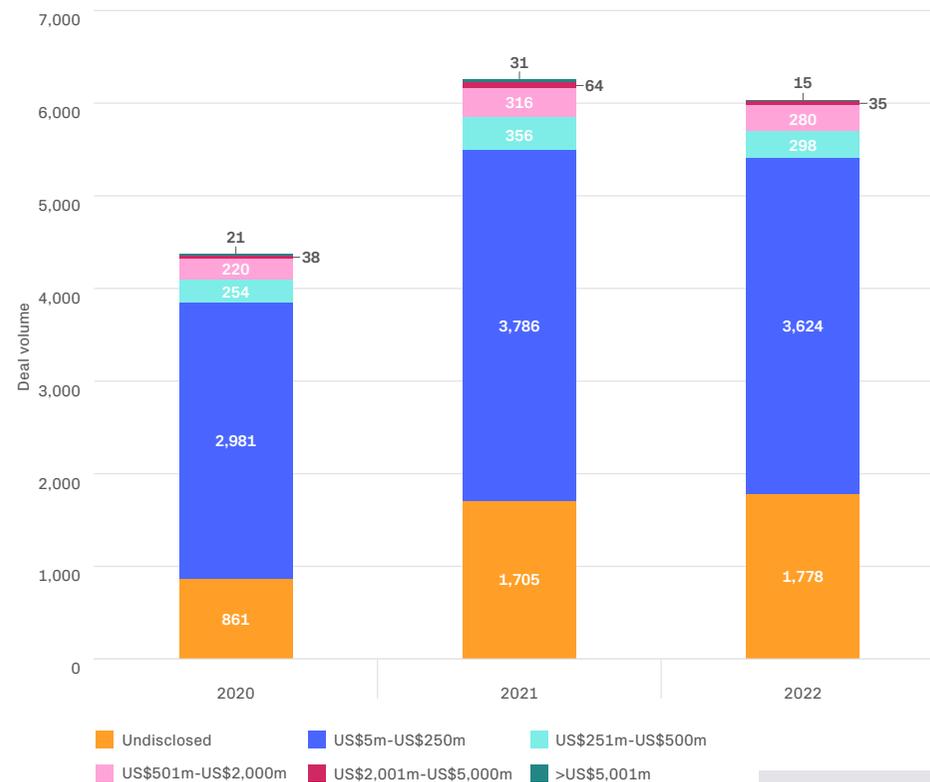
	Announced date	Bidder company	Target company	Target dominant sector	Vendor company	Deal value (US\$m)
1	04-Apr-22	HDFC Bank Ltd.	Housing Development Finance Corporation Ltd. (100% Stake)	Financial services		60,953
2	25-Mar-22	Jiangxi State-owned Capital Operation Holding Group Co., Ltd.	Jiangxi Provincial Communications Investment Group Co., Ltd. (90% Stake)	Transportation	Department of Transportation of Jiangxi Province	18,910
3	25-Mar-22	Jiangxi State-owned Capital Operation Holding Group Co., Ltd.	Jiangxi Copper Corporation (90% Stake)	Energy, mining & utilities	Jiangxi State-owned Assets Supervision and Administration Commission	14,733
4	15-Jun-22	BP Plc	Asian Renewable Energy Hub (40.5% Stake)	Energy, mining & utilities	Macquarie Group Limited; InterContinental Energy; CWP Global	12,150
5	10-Nov-22	Brookfield Asset Management Inc.; MidOcean Energy Holdings Pty. Ltd.	Origin Energy Limited (100% Stake)	Energy, mining & utilities		11,571
6	15-May-22	Adani Enterprises Ltd.	Ambuja Cements Limited (88.99% Stake)	Construction	LafargeHolcim Ltd.	8,788
7	01-May-22	National Integrated Circuit Industry Investment Fund Co., Ltd.; Beijing Yizhuang Investment Holdings Co., Ltd.; Innotron Memory Co., Ltd.	Changxin Jidian (Beijing) Storage Technology Co., Ltd.	TMT		7,565
8	16-Mar-22	EQT Holdings B.V.	Baring Private Equity Asia Group Ltd. (100% Stake)	Financial services		7,406
9	26-May-22	China Avionics Systems Co., Ltd.	AVIC Electromechanical Systems Co., Ltd. (100% Stake)	Industrials & chemicals		7,267
10	07-Aug-22	BHP Group Limited	OZ Minerals Limited (100% Stake)	Energy, mining & utilities		6,900

All sectors M&A value split by deal size



Source: Mergermarket

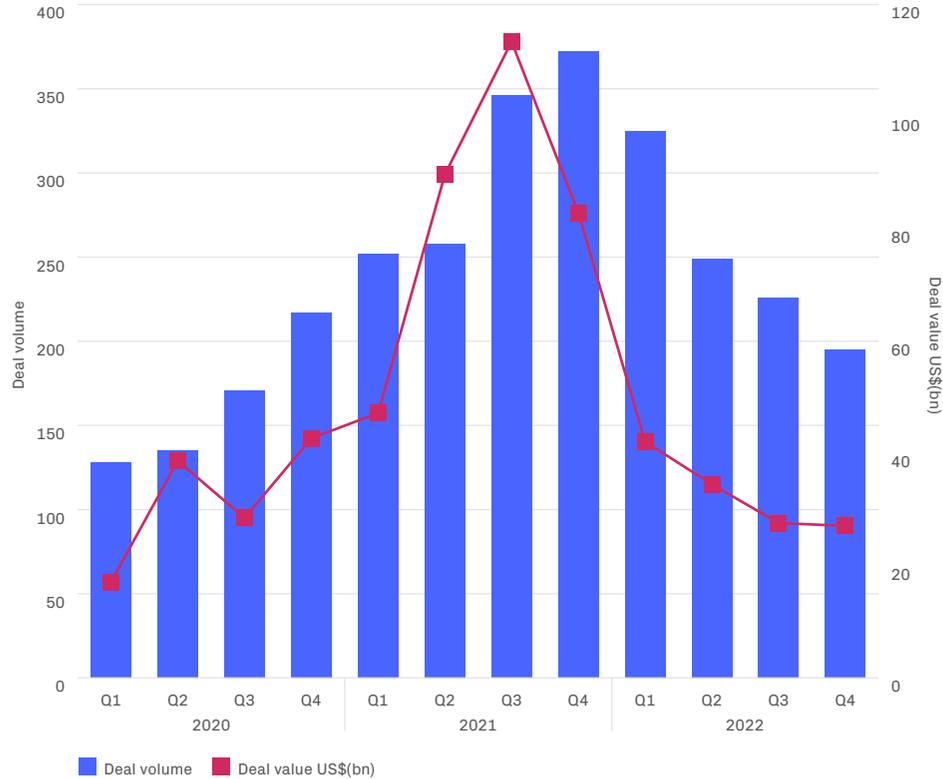
All sectors M&A volume split by deal size



Source: Mergermarket

All sectors PE buyouts

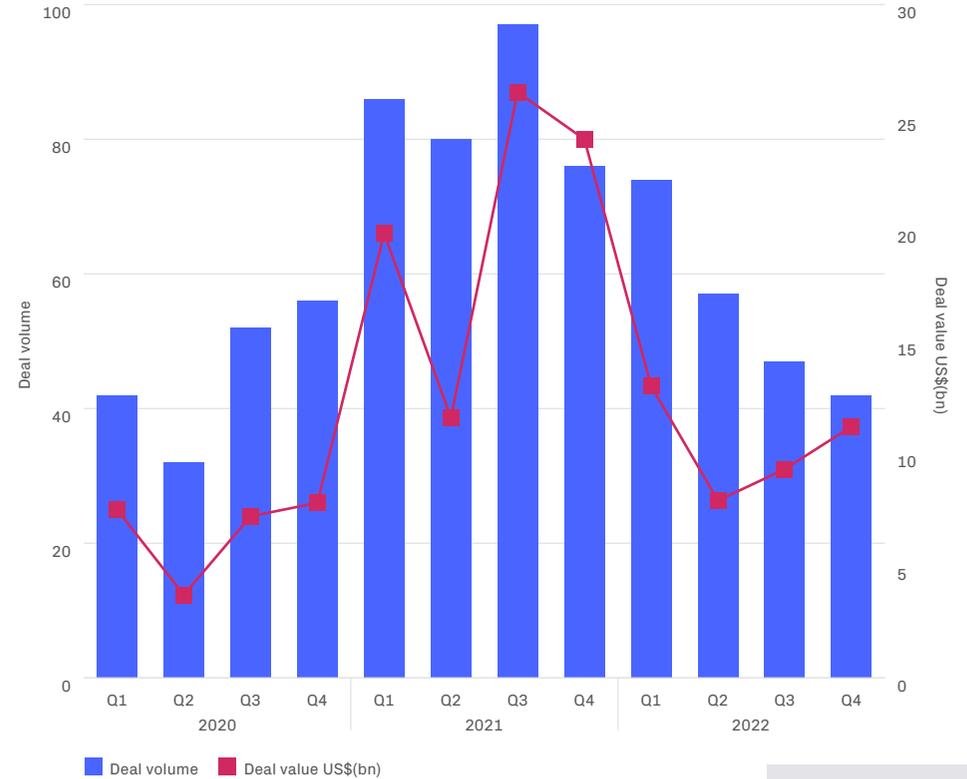
Based on announced buyouts, excluding those that lapsed or were withdrawn, where the dominant location of the target is in APAC.



Source: Mergermarket

All sectors PE exits

Based on announced exits, excluding those that lapsed or were withdrawn, where the dominant location of the target is in APAC.



Source: Mergermarket

All sectors league tables

Financial advisors by value

2022	2021	Company name	Value (US\$m)	Deal count
1	2	Morgan Stanley	132,775	80
2	4	JPMorgan	124,007	44
3	1	Goldman Sachs & Co	119,590	58
4	3	Citi	119,078	36
5	8	CITIC Securities Co	97,669	51
6	6	China International Capital	96,675	80
7	10	Bank of America	91,725	38
8	23	Credit Suisse	88,459	39
9	25	Nomura Holdings	86,436	77
10	19	HSBC	79,608	17

Financial advisors by volume

2022	2021	Company name	Value (US\$m)	Deal count
1	1	PwC	26,058	174
2	4	Deloitte	31,626	160
3	2	KPMG	24,227	129
4	3	EY	19,889	99
5	5	Morgan Stanley	132,775	80
6	6	China International Capital	96,675	80
7	10	Nomura Holdings	86,436	77
8	7	Goldman Sachs & Co	119,590	58
9	14	UBS Investment Bank	55,848	53
10	29	Houlihan Lokey	5,514	53

Legal advisors by value

2022	2021	Company name	Value (US\$m)	Deal count
1	17	AZB & Partners	116,575	141
2	27	Freshfields Bruckhaus Deringer	79,812	31
3	4	Sullivan & Cromwell	71,259	17
4	151	S&R Associates	70,653	21
5	31	Cravath, Swaine & Moore	69,501	4
6	403	Argus Partners	62,189	12
7	186	Wadia Ghandy & Co	61,104	4
8	-	Singhi & Co	60,953	1
9	16	Shardul Amarchand Mangaldas & Co	38,679	146
10	22	Nishimura & Asahi	38,585	121

Legal advisors by volume

2022	2021	Company name	Value (US\$m)	Deal count
1	2	Shardul Amarchand Mangaldas & Co	38,679	146
2	1	AZB & Partners	116,575	141
3	4	Nishimura & Asahi	38,585	121
4	6	Mori Hamada & Matsumoto	36,327	110
5	7	Fangda Partners	23,347	103
6	9	Khaitan & Co	18,945	102
7	5	Cyril Amarchand Mangaldas	36,818	100
8	8	Kim & Chang	27,484	97
9	17	Corrs Chambers Westgarth	6,065	90
10	15	DLA Piper	9,834	88

All sectors league tables—mid-market

Financial advisors by value—mid-market (US\$5m-US\$250m)

2022	2021	Company name	Value (US\$m)	Deal count
1	1	PwC	6,619	107
2	2	KPMG	5,110	76
3	4	Deloitte	4,500	58
4	5	China International Capital	3,955	28
5	12	Nomura Holdings	3,700	32
6	3	EY	3,248	50
7	15	Morgan Stanley	2,946	21
8	6	CITIC Securities Co	2,712	23
9	19	Daiwa Securities Group / DC Advisory	2,364	24
10	18	Mizuho Financial Group	2,187	19

Financial advisors by volume—mid-market (US\$5m-US\$250m)

2022	2021	Company name	Value (US\$m)	Deal count
1	1	PwC	6,619	107
2	2	KPMG	5,110	76
3	4	Deloitte	4,500	58
4	3	EY	3,248	50
5	8	Nomura Holdings	3,700	32
6	7	China International Capital	3,955	28
7	15	Daiwa Securities Group / DC Advisory	2,364	24
8	6	CITIC Securities Co	2,712	23
9	12	Morgan Stanley	2,946	21
10	9	Mizuho Financial Group	2,187	19

Legal advisors by value—mid-market (US\$5m-US\$250m)

2022	2021	Company name	Value (US\$m)	Deal count
1	1	AZB & Partners	7,866	80
2	2	Shardul Amarchand Mangaldas & Co	6,614	79
3	3	Cyril Amarchand Mangaldas	5,957	57
4	5	Khaitan & Co	5,272	61
5	4	Kim & Chang	5,130	66
6	9	Nishimura & Asahi	4,140	53
7	7	Fangda Partners	3,910	52
8	6	Lee & Ko	3,046	54
9	27	Trilegal	2,935	37
10	12	DLA Piper	2,841	38

Legal advisors by volume—mid-market (US\$5m-US\$250m)

2022	2021	Company name	Value (US\$m)	Deal count
1	1	AZB & Partners	7,866	80
2	2	Shardul Amarchand Mangaldas & Co	6,614	79
3	3	Kim & Chang	5,130	66
4	4	Khaitan & Co	5,272	61
5	6	Cyril Amarchand Mangaldas	5,957	57
6	5	Lee & Ko	3,046	54
7	7	Nishimura & Asahi	4,140	53
8	8	Fangda Partners	3,910	52
9	18	Shin & Kim	2,814	45
10	17	IndusLaw	2,065	45

All sectors league tables—PR advisors

PR advisors by value

2022	2021	Company name	Value (US\$m)	Deal count
1	14	FGS Global	31,298	30
2	7	Domestique Consulting	24,906	22
3	12	GRACosway	21,138	12
4	20	Kekst CNC (Publicis)	17,494	38
5	4	SEC Newgate S.p.A.	12,924	10
6	5	Brunswick Group	10,447	12
7	6	Morrow Sodali Global	8,081	12
8	13	Citadel Magnus	7,646	24
9	98	Powerscourt	6,708	2
10	17	H/Advisors Maitland	6,660	6

PR advisors by volume

2022	2021	Company name	Value (US\$m)	Deal count
1	4	Kekst CNC (Publicis)	17,494	38
2	-	Ever Bloom Communications Consultant Group	6,267	33
3	14	FGS Global	31,298	30
4	5	Citadel Magnus	7,646	24
5	13	Domestique Consulting	24,906	22
6	2	FTI Consulting Group	1,578	13
7	12	GRACosway	21,138	12
8	8	Brunswick Group	10,447	12
9	32	Morrow Sodali Global	8,081	12
10	7	SEC Newgate S.p.A.	12,924	10

PR advisors by value—mid-market (US\$5m-US\$250m)

2022	2021	Company name	Value (US\$m)	Deal count
1	-	Ever Bloom Communications Consultant Group	1,084	19
2	42	Domestique Consulting	894	8
3	-	FGS Global	873	6
4	4	FTI Consulting Group	834	10
5	5	Citadel Magnus	693	12
6	3	Kekst CNC (Publicis)	553	6
7	11	Citigate Dewe Rogerson	500	6
8	-	Morrow Sodali Global	421	4
9	-	Chapter One Advisors	371	2
10	6	Adfactors PR	256	2

PR advisors by volume—mid-market (US\$5m-US\$250m)

2022	2021	Company name	Value (US\$m)	Deal count
1	-	Ever Bloom Communications Consultant Group	1,084	19
2	1	Citadel Magnus	693	12
3	3	FTI Consulting Group	834	10
4	22	Domestique Consulting	894	8
5	-	FGS Global	873	6
6	2	Kekst CNC (Publicis)	553	6
7	12	Citigate Dewe Rogerson	500	6
8	-	Morrow Sodali Global	421	4
9	80	NWR Communications	102	4
10	-	Chapter One Advisors	371	2

All sectors league tables—PE advisors

PE advisors by value

2022	2021	Company name	Value (US\$m)	Deal count
1	7	KKR & Co	28,479	40
2	-	EIG Global Energy Partners	13,721	2
3	20	Bain Capital, LP.	7,770	15
4	-	EQT Holdings BV	7,406	1
5	12	Carlyle Group	6,432	16
6	22	Baring Private Equity Asia	6,351	11
7	34	TPG Capital LP	6,272	11
8	642	Qianhai Ark Assets Management Co	5,076	4
9	117	PICC Capital Investment Management Co	4,956	3
10	273	Yunfeng Fund	4,837	3

PE advisors by value—mid-market (US\$5m-US\$250m)

2022	2021	Company name	Value (US\$m)	Deal count
1	1	Sequoia Capital	3,045	37
2	4	Tiger Global Management	2,222	34
3	3	Hillhouse Capital Management	1,797	16
4	12	Sequoia Capital China	1,550	16
5	6	KKR & Co	1,472	12
6	5	Alpha Wave Global	1,352	14
7	2	Temasek Holdings Pte.	1,207	10
8	18	Warburg Pincus	1,031	9
9	77	General Atlantic Service Company	926	6
10	21	IDG Capital	826	6

PE advisors by volume

2022	2021	Company name	Value (US\$m)	Deal count
1	1	Sequoia Capital	3,445	45
2	4	KKR & Co	28,479	40
3	5	Tiger Global Management	3,396	39
4	2	Hillhouse Capital Management	3,295	24
5	59	Legend Capital Management Co	1,133	24
6	8	Sequoia Capital China	1,909	23
7	21	Accel	1,072	20
8	16	CICC Capital	2,533	17
9	13	Carlyle Group	6,432	16
10	6	Warburg Pincus	2,607	16

PE advisors by volume—mid-market (US\$5m-US\$250m)

2022	2021	Company name	Value (US\$m)	Deal count
1	1	Sequoia Capital	3,045	37
2	3	Tiger Global Management	2,222	34
3	4	Hillhouse Capital Management	1,797	16
4	15	Sequoia Capital China	1,550	16
5	5	Alpha Wave Global	1,352	14
6	10	Accel	372	14
7	61	Legend Capital Management Co	733	13
8	8	KKR & Co	1,472	12
9	18	Blume Venture Advisors Pvt	432	11
10	29	Elevation Capital	281	11

A photograph of two women in a clothing store. The woman on the right, wearing a white short-sleeved button-down shirt and dark pants, is smiling broadly and handing a green paper shopping bag to the woman on the left. The woman on the left is wearing a white sleeveless top and is looking towards the first woman. The background shows a retail environment with clothing racks and shelves. There are decorative orange and yellow bars overlaid on the image. The word 'Consumer' is written in bold black text on a yellow rectangular background on the left side.

Consumer

Japanese and Chinese buyers buttress a weaker market

The APAC consumer market is one of the most dynamic and diverse in the world, with a wide range of cultures, income levels, and consumer preferences. Some of the key trends in the region include a growing middle class, increasing urbanization, and the rise of e-commerce.

In China, for example, the middle class is estimated to have grown to more than 45% of the total population, or around 630m people, driving consumption of luxury goods, automobiles, and electronics. Urbanization is proliferating in countries like China, India, and Indonesia, where a growing number of people are moving to cities in search of better economic opportunities, increasing disposable incomes.

Consumer deals were modestly sized in 2022, reflecting slowing demand and rising prices. There was not a single megadeal (US\$5bn-plus) and only two valued above US\$2bn. Overall, consumer M&A value fell by 29% to US\$43.2bn even with volume rising by 2% on the year to 512 transactions.

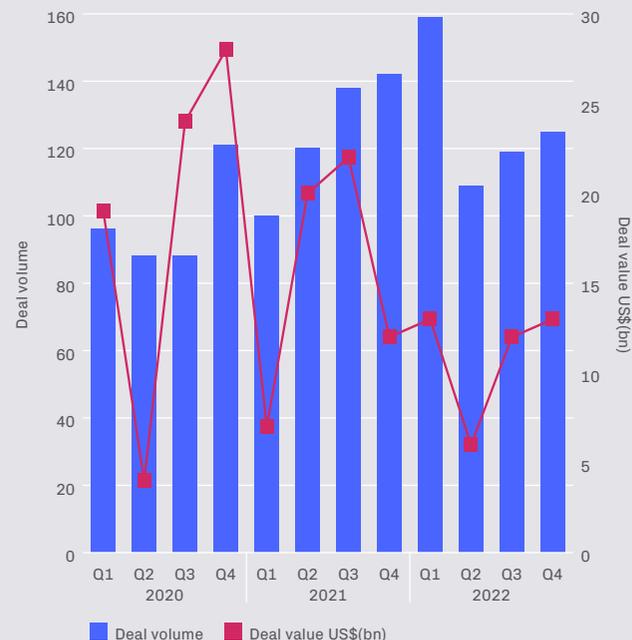
Strategic diversification

Japanese bidders were out in force, representing 23% of consumer M&A volume, and the three largest deals involved targets based in Japan. Olympus sold its microscope unit Evident to private equity firm Bain Capital for US\$3.1bn. The manufacturer is repositioning itself away from the declining camera market toward healthcare.

The only other transaction valued above US\$2bn was the acquisition of Japanese mail-order cosmetics and health company DHC by financial services group ORIX for US\$2.1bn. ORIX is highly diversified, providing leasing, lending, rentals, life insurance, real estate financing, and investment banking services. In any other country such a disparate-seeming tie-up would be unusual, but they are quite common in Japan. The practice known as keiretsu, where unlike companies have interlocking business relationships, is largely used to protect themselves from hostile takeovers, but also has a secondary benefit of ensuring a stable source of capital and business partners to diversify risks.

The third largest consumer deal came when Japan's Seven & i Holdings, which operates 7-Eleven convenience stores and the Speedway gas station chain in the US, sold its Sogo & Seibu department store arm to US private equity firm Fortress for US\$1.8bn. Electronics retailer Yodobashi Holdings is reported to be partnering with Fortress to set up outlets within Sogo & Seibu's stores to boost its sales reach.

Consumer M&A activity, 2020-2022



Source: Mergermarket



In high spirits

With US\$12bn to their name, Chinese bidders claimed more consumer M&A value than those from any other country. China Resources Beer bought a 55.2% stake in liquor maker Guizhou Jinsha Jiaojiu Winery Industry for around US\$1.7bn as part of a diversification effort.

China Resources owns the country's top-selling beer brand, Snow Beer, and is augmenting its core portfolio. Guizhou is best known for making baijiu, a traditional drink so popular in China that it is the most consumed spirit in the world.

According to Statista, revenue in the Chinese alcoholic drinks market will reach US\$341.5bn in 2023 and will grow by more than 4.7% per year through to 2025, with spirits accounting for nearly half of all sales. Other strong drinks such as whiskey and brandy are becoming more popular in China but do not match baijiu consumption. This is not the first baijiu manufacturer that China Resources has bought recently, the company having acquired a 40% stake in Shandong Jingzhi Baijiu last year for around US\$190m.

Consumer top bidders by value | 2022

	US\$(m)
China	12,026
Japan	7,324
USA	6,016
South Korea	3,070
United Kingdom	2,368

Consumer top bidders by volume | 2022

	Deal count
Japan	118
China	107
South Korea	60
India	57
Australia	40

Domestic consumption

Growth rates in APAC are broadly expected to be higher than in the traditional advanced economies in both the Americas and EMEA. This ought to lend a great deal of support to domestic demand and provide a backstop for M&A activity in the consumer space. There is a caveat, though, in the fact that many Asian economies are reliant on selling their wares to imports-centric economies in the West.

If trade meaningfully slows, this could lead to job losses and reduced consumer spending. However, China should pick up some, if not most, of the slack here as its COVID situation normalizes and the country's real estate sector becomes more stable, fueling growth in the region's largest and world's second biggest economy.

Consumer top 10 announced deals, 2022

	Announced date	Bidder company	Target company	Target dominant country	Vendor company	Deal value (US\$m)
1	29-Aug-22	Bain Capital, L.P.	Evident Corp (100% Stake)	Japan	Olympus Corporation	3,079
2	11-Nov-22	ORIX Corporation	DHC Corp (100% Stake)	Japan		2,130
3	11-Nov-22	Fortress Investment Group LLC	Sogo & Seibu Co., Ltd. (100% Stake)	Japan	Seven & i Holdings Co., Ltd.	1,775
4	25-Oct-22	China Resources Beer (Holdings) Company Limited; China Resources Wine Holdings Ltd.	Guizhou Jinsha Jiaojiu Winery Industry Co., Ltd. (55.19% Stake)	China	Hubei Yihua Group Co., Ltd.	1,684
5	14-Mar-22	Changjiang Growth Capital Investment Co., Ltd.	Beijing Bingli Information Tech Co., Ltd.	China		1,572
6	19-Jul-22	Uni-President Enterprises Corporation	PresiCarre Corporation (60% Stake)	Taiwan (China)	Carrefour S.A.	1,225
7	04-Feb-22	Hinode Co., Ltd. (Aichi)	AT-Group Co., Ltd. (88.11% Stake)	Japan	Mitsubishi UFJ Financial Group, Inc.	1,197
8	30-Jun-22	Costco Wholesale Corporation	Costco Taiwan (45% Stake)	Taiwan (China)		1,050
9	18-Jul-22	John Swire & Sons Ltd.; Swire Pacific Limited	Coca-Cola Indochina Pte. Ltd. (100% Stake); CC Cambodia Holdings Pte. Ltd. (100% Stake)	Vietnam	The Coca-Cola Company	1,015
10	16-Feb-22	Beijing Plateau Investment Fund Management Co., Ltd.	China Resources Kirin Beverages (Greater China) Co., Ltd. (40% Stake)	China	Kirin Holdings Company, Ltd.	1,001

Consumer league tables

Financial advisors by value

2022	2021	Company name	Value (US\$m)	Deal count
1	10	Morgan Stanley	8,822	11
2	15	Goldman Sachs & Co	5,074	7
3	19	PwC	3,968	20
4	1	UBS Investment Bank	3,638	5
5	21	Deloitte	3,447	22
6	14	Nomura Holdings	2,482	7
7	17	HSBC	2,169	4
8	16	KPMG	2,099	16
9	88	Houlihan Lokey	1,829	6
10	20	CITIC Securities Co	1,684	1

Legal advisors by value

2022	2021	Company name	Value (US\$m)	Deal count
1	54	Nishimura & Asahi	7,170	16
2	100	TMI Associates	4,536	6
3	64	Khaitan & Co	3,726	10
4	72	Clayton Utz	3,382	3
5	84	Morgan Lewis & Bockius	3,079	2
6=	46	Ropes & Gray	3,079	1
6=	-	Torys	3,079	1
8	5	Clifford Chance	2,529	9
9	30	Fangda Partners	2,221	12
10	74	Han Kun Law Offices	1,928	6

Financial advisors by volume

2022	2021	Company name	Value (US\$m)	Deal count
1	4	Deloitte	3,447	22
2	2	PwC	3,968	20
3	1	KPMG	2,099	16
4	3	EY	1,367	14
5	10	Morgan Stanley	8,822	11
6	19	Goldman Sachs & Co	5,074	7
7	5	Nomura Holdings	2,482	7
8	47	Houlihan Lokey	1,829	6
9	6	Sumitomo Mitsui Financial Group	418	6
10	9	UBS Investment Bank	3,638	5

Legal advisors by volume

2022	2021	Company name	Value (US\$m)	Deal count
1	48	Cyril Amarchand Mangaldas	1,643	17
2	10	Nishimura & Asahi	7,170	16
3	17	Shardul Amarchand Mangaldas & Co	1,085	13
4	15	Fangda Partners	2,221	12
5	56	HWL Ebsworth Lawyers	331	12
6	9	Kim & Chang	1,096	11
7	19	Khaitan & Co	3,726	10
8	5	Mori Hamada & Matsumoto	107	10
9	24	Clifford Chance	2,529	9
10	8	Lee & Ko	722	9

A large offshore oil rig is illuminated at sunset, with its complex structure of pipes, ladders, and platforms visible against a blue and orange sky. The rig is supported by a network of steel legs in the ocean. A yellow banner is overlaid on the left side of the image, and a grey square is in the top right corner.

Energy, mining & utilities

Green ambitions and loaded balance sheets keep deals coming

The energy transition in APAC is not as advanced as elsewhere in the world, but it is running at a faster clip. Much of the region's growth over the past two decades has been fueled by coal. Efforts are being made to change this, but progress is patchy—it is estimated that fewer than a quarter of APAC governments have a firm net-zero commitment.

But major state-driven initiatives from China, India, and Australia are having an impact. The need for major energy groups to fast-track their renewables exposure and decarbonize assets is the single biggest driver of M&A activity in the space.

Across the wider energy, mining & utilities (EMU) sector, deal value was down by 26% to US\$133bn, while volume declined by 9% to 497 transactions.

EMU M&A activity,
2020-2022



Source: Mergermarket

Material benefits

It was a mining rather than energy buy that ranked top among the year's largest deals, with Jiangxi Copper passing from the Jiangxi State-owned Assets Supervision and Administration Commission to Jiangxi State-owned Capital Operation Holding Group for US\$14.7bn. Copper has strong fundamentals as it plays a central role in the electrification of economies via the production of electric vehicles and clean energy. After falling by around 25% between June-July 2022, copper prices have been on a steady uptrend back since.

Some are expecting China's anticipated recovery and a supply deficit to push prices even higher. As China's largest copper producer, with 340,000 tons of the metal yielded annually from its mines, Jiangxi stands to benefit greatly. In a similar deal BHP Group, the world's biggest mining company, offered US\$6.9bn for Australian copper producer OZ Minerals as part of efforts to increase its exposure to raw materials that are critical to electrification.

Global green hub

Australia was a hotbed of EMU activity and its largest deal was a major energy-transition play. BP paid US\$12.2bn for a 40.5% stake and operatorship of Asian Renewable Energy Hub in Pilbara, Western Australia, which the oil supermajor believes could become one of the world's largest renewables and green hydrogen energy hubs.

The project is developing onshore wind and solar power to deliver a planned generating capacity of up to 26GW, equating to around 90TW hours per year, or a third of all electricity generated in Australia, though these ambitions do pose some challenges. Murray Auchincloss, BP's CFO, has cited securing electrolyzer capacity and customers as the biggest obstacles standing in the way of the project's success, which will take some years to become fully operational.

Also in Australia, Canada's Brookfield Asset Management and US private equity firm MidOcean Energy offered US\$11.6bn for Origin Energy. Due diligence has been extended, the exclusivity period expiring twice as Brookfield and MidOcean scrutinized the company's books. The biggest issue is the passing of new laws on December 15, 2022, aimed at lowering domestic gas prices, significantly transforming the market. This may cause the bid to be revised down or even terminated altogether as gas companies review their supply contracts and implement new procedures to comply with the regulations. This illustrates the impact state intervention can have on the M&A market as governments walk the fine line between protecting their electorates and promoting economies.



EMU top bidders by value | 2022

	US\$(m)
China	55,526
Australia	18,636
United Kingdom	14,024
Canada	12,358
USA	3,926

EMU top bidders by volume | 2022

	Deal count
China	216
Australia	71
Japan	30
India	26
South Korea	20
USA	20

EMU top 10 announced deals, 2022

	Announced date	Bidder company	Target company	Target dominant country	Vendor company	Deal value (US\$m)
1	25-Mar-22	Jiangxi State-owned Capital Operation Holding Group Co., Ltd.	Jiangxi Copper Corporation (90% Stake)	China	Jiangxi State-owned Assets Supervision and Administration Commission	14,733
2	15-Jun-22	BP Plc	Asian Renewable Energy Hub (40.5% Stake)	Australia	Macquarie Group Limited; InterContinental Energy; CWP Global	12,150
3	10-Nov-22	Brookfield Asset Management Inc.; MidOcean Energy Holdings Pty. Ltd.	Origin Energy Limited (100% Stake)	Australia		11,571
4	07-Aug-22	BHP Group Limited	OZ Minerals Limited (100% Stake)	Australia		6,900
5	28-Oct-22	Shaanxi Coal Industry Company Limited	Shaanxi Binchang Mining Group Co., Ltd. (99.56% Stake); Shaanxi Coal and Chemical Industry Group Shennan Mining Co., Ltd. (100% Stake)	China	Shaanxi Coal and Chemical Industry Group Co., Ltd.	4,797
6	07-Dec-22	Squadron Energy Pty. Ltd.	CWP Renewables (100% Stake)	Australia	Partners Group Holding AG	2,682
7	07-Oct-22	Treasure Global Investments Ltd.; Mach Energy Hongkong Ltd.	Bumi Resources Tbk, PT (58.17% Stake)	Indonesia		2,646
8	07-Oct-22	MidOcean Energy Holdings Pty. Ltd.	Tokyo Gas Co., Ltd. (Gorgon LNG, Ichthys LNG, Pluto LNG and Queensland Curtis LNG) (100% Stake)	Australia	Tokyo Gas Co., Ltd.	2,150
9	20-May-22	Seroja Investments Limited	Open-pit nickel mines in the North Konawe region of Sulawesi, Indonesia (75% Stake)	Indonesia	Nickel Global Group Ltd.	1,979
10	05-Dec-22	Shandong Gold Mining Co., Ltd.	Yintai Gold Co., Ltd. (20.93% Stake)	China	China Yintai Holding Co., Ltd.	1,867

Best intentions

Natural gas is seen as a stepping stone in the energy transition as it is a cleaner fossil fuel than either coal or oil, emitting less carbon dioxide when burned. It is also a reliable and flexible energy source, making it especially useful to balance the variability of renewable energy sources such as onshore or offshore wind and solar power. With this in mind, transactions such as Brookfield and MidOcean's play for Origin Energy are likely to continue to drive activity.

As many of the largest EMU deals in APAC last year show, there is typically always some transition angle to M&A in the sector, in one form or another. That is not going to change any time soon. Governments and companies are still a long way off from achieving their green- and sustainability-minded goals.

EMU league tables

Financial advisors by value

2022	2021	Company name	Value (US\$m)	Deal count
1	16	Macquarie Group	24,232	13
2	2	Barclays	23,084	6
3	6	Citi	20,653	6
4	9	China International Capital	19,921	9
5	5	JPMorgan	18,689	9
6	19	UBS Investment Bank	14,598	5
7	27	Jarden	11,914	2
8	13	Grant Samuel	7,759	4
9	-	Greenhill & Co	7,127	2
10	10	Flagstaff Partners	6,900	1

Legal advisors by value

2022	2021	Company name	Value (US\$m)	Deal count
1	9	White & Case	16,070	8
2	34	Norton Rose Fulbright	15,596	10
3	4	Allens	13,672	13
4	1	Herbert Smith Freehills	12,755	12
5	3	King & Wood Mallesons	10,817	15
6	31	Gilbert + Tobin	8,161	9
7	16	Clifford Chance	4,391	5
8	14	AZB & Partners	4,315	6
9	8	Cyril Amarchand Mangaldas	3,059	8
10	71	Squire Patton Boggs	3,032	5

Financial advisors by volume

2022	2021	Company name	Value (US\$m)	Deal count
1	6	Macquarie Group	24,232	13
2	11	PwC	2,273	13
3	20	RBC Capital Markets	2,978	10
4	1	China International Capital	19,921	9
5	7	JPMorgan	18,689	9
6	2	CITIC Securities Co	3,993	8
7	4	Bank of America	6,195	7
8	13	Barclays	23,084	6
9	14	Citi	20,653	6
10	15	Deloitte	206	6

Legal advisors by volume

2022	2021	Company name	Value (US\$m)	Deal count
1	4	Ashurst	2,484	18
2	3	King & Wood Mallesons	10,817	15
3	2	Allens	13,672	13
4	1	Herbert Smith Freehills	12,755	12
5	17	Norton Rose Fulbright	15,596	10
6	24	Trilegal	2,921	10
7	36	Corrs Chambers Westgarth	2,035	10
8	20	Jingtian & Gongcheng	1,602	10
9	16	Baker McKenzie	952	10
10	15	Gilbert + Tobin	8,161	9



Financial services

Large, traditional lenders continue to define deal activity

Fintech is growing rapidly in the APAC region, where the space is less mature than in North America and Europe. While trailing North America in its rate of expansion, it is still growing by around 30% per year in APAC, with China's market outpacing those of other nations and India and Southeast Asia also possessing incredible potential.

However, for all that mounting fintech strength, it was traditional lenders that made up the bulk of deals in APAC's financial services industry in 2022, the best performing sector year-on-year by any measure.

There were 474 transactions, a 3% increase in volume from 2021. More striking was the 45% surge in M&A value to US\$153bn, largely a consequence of HDFC Bank's mega-takeover of mortgage provider Housing Development Finance Corporation. This was the largest deal in APAC across all sectors by a factor of three and was more than eight times the size of the next biggest financial services deal.

Lending boom

Nine of the 10 largest APAC financial services transactions came in H1. In the second largest, Sweden's EQT Partners took over Hong Kong-headquartered Baring Private Equity Asia for US\$7.4bn. This was not a typical buyout in that EQT has not added Baring as a portfolio company to any of its funds, but has subsumed the firm to expand its presence in Asia. It's a major win for the firm's founder, Jean Salata, who set up Baring in the late 1990s when private equity was scarcely heard of in the region. Now known as BPEA EQT, the firm collected US\$11.2bn for its latest fund, the largest ever raised by an Asia-based private equity fund manager.

In China, Zhongyuan Bank, the largest commercial lender in Henan province, invested US\$4.5bn in a triple merger that targeted Bank of Luoyang, Bank of Pingdingshan, and Bank of Jiaozuo China Travel Services. The Chinese government is encouraging banks to increase lending, particularly to small and medium-sized enterprises in key sectors such as agriculture and new-energy vehicles. However, banks are hesitant to do so as they believe China's slowing economy has reduced the number of creditworthy borrowers. To circumvent this, lenders have been buying up low-risk financial instruments to meet state-mandated quotas.

Financial services M&A activity, 2020-2022



Source: Mergermarket



Finding a new home

One of the biggest stories in APAC's financial services M&A market has been the restructuring of Citi, which has been winding down its international retail banking business in 13 markets to concentrate on global wealth management and retail lending in the US.

America's fourth largest bank sold its four Southeast Asian franchises in Indonesia, Malaysia, Thailand, and Vietnam to Singapore's United Overseas Bank for US\$3.7bn, as well as its Taiwanese operations to DBS Group for US\$3.4bn.

Citi leaned heavily into a global expansion initiative in the early 2000s that did not pan out as planned. The retail arms have been weighing heavily on financial performance and the proceeds from the sales are expected to be reinvested in other parts of the business. The move is the mirror image of rival HSBC's decision to retrench in the opposite direction, selling its US retail banking business after four decades to focus on Asia.

FS top bidders by value | 2022

	US\$(m)
India	66,299
China	35,554
Singapore	9,771
Sweden	8,698
Australia	7,477

FS top bidders by volume | 2022

	Deal count
China	138
Japan	52
Australia	51
South Korea	41
USA	39

Digital transformation

Digitalization continues to be a top priority for banks and will be a strong motivator for M&A going forward, and the same forces driving consumer M&A, including the growing middle class and generally wealthier populations, will likewise compel innovation and competition across the banking space. But the restructuring of large international players could also still deliver sizable deal flow.

For one, a beleaguered Credit Suisse has singled out Asia as a critical growth market as it seeks to jettison investment banking assets worth many billions over the next three years. The Zurich giant made a modestly sized agreement to buy out its Chinese joint venture partner Founder Securities for US\$160m last year. This realignment to higher margin businesses could still be a major source of deals for some time yet.

Financial services top 10 announced deals, 2022

	Announced date	Bidder company	Target company	Target dominant country	Vendor company	Deal value (US\$m)
1	04-Apr-22	HDFC Bank Ltd.	Housing Development Finance Corporation Ltd. (100% Stake)	India		60,953
2	16-Mar-22	EQT Holdings BV	Baring Private Equity Asia Group Ltd (100% Stake)	Hong Kong (China)		7,406
3	26-Jan-22	Zhongyuan Bank Co., Ltd.	Bank of Luoyang (100% Stake); Bank of Pingdingshan Co., Ltd. (100% Stake); Bank of Jiaozuo China Travel Services Co., Ltd. (100% Stake)	China		4,501
4	13-Jan-22	United Overseas Bank Limited	Citi (Indonesia – consumer business) (100% Stake); Citi (Malaysia – consumer business) (100% Stake); Citi (Thailand – consumer business) (100% Stake); Citi (Vietnam – consumer business) (100% Stake)	Indonesia	Citigroup Inc.	3,652
5	28-Jan-22	DBS Group Holdings Limited; DBS Bank (Taiwan) Ltd.	Citigroup Inc. (consumer banking business in Taiwan) (100% Stake)	Taiwan (China)	Citigroup Inc.	3,363
6	18-Jul-22	Australia and New Zealand Banking Group Limited	SunCorp-Metway Ltd (100% Stake)	Australia	Suncorp Group Limited	3,342
7	16-Jun-22	China Chengtong Holdings Group Company Limited	New Times Securities Co., Ltd. (98.24% Stake)	China		1,958
8	04-Apr-22	Perpetual Limited	Pendal Group Ltd (100% Stake)	Australia		1,885
9	01-Mar-22	Hangzhou Urban Construction and Investment Group	Bank of Hangzhou Co., Ltd. (10% Stake)	China	Commonwealth Bank of Australia	1,799
10	09-Jun-22	Hunan Caixin Financial Holding Group Co., Ltd.; Central Huijin Investment Ltd.	Bank of Hunan Corp Ltd (40.53% Stake)	China	China Huarong Asset Management Co., Ltd.	1,791

Financial services league tables

Financial advisors by value

2022	2021	Company name	Value (US\$m)	Deal count
1	1	Goldman Sachs & Co	85,148	19
2	3	Citi	77,446	8
3	2	Morgan Stanley	77,052	14
4	9	JPMorgan	69,516	5
5	35	Credit Suisse	67,987	8
6	13	HSBC	67,852	3
7	7	CITIC Securities Co	65,577	7
8	6	Bank of America	64,377	7
9	21	Nomura Holdings	63,780	15
10	14	JM Financial	61,811	3

Financial advisors by volume

2022	2021	Company name	Value (US\$m)	Deal count
1	1	Goldman Sachs & Co	85,148	19
2	14	Nomura Holdings	63,780	15
3	3	Morgan Stanley	77,052	14
4	2	PwC	4,464	13
5	10	Deloitte	3,756	11
6	5	KPMG	2,017	9
7	4	EY	1,923	9
8	6	Citi	77,446	8
9	19	Credit Suisse	67,987	8
10	15	CITIC Securities Co	65,577	7

Legal advisors by value

2022	2021	Company name	Value (US\$m)	Deal count
1	6	AZB & Partners	72,984	23
2	-	Cravath, Swaine & Moore	67,653	2
3	40	Freshfields Bruckhaus Deringer	62,064	5
4	4	Sullivan & Cromwell	61,452	3
5	60	Wadia Ghandy & Co	61,065	2
6	112	S&R Associates	60,978	3
7=	124	Argus Partners	60,953	1
7=	-	Singhi & Co	60,953	1
9	3	Clifford Chance	18,301	5
10	47	Shardul Amarchand Mangaldas & Co	12,136	20

Legal advisors by volume

2022	2021	Company name	Value (US\$m)	Deal count
1	2	AZB & Partners	72,984	23
2	11	Shardul Amarchand Mangaldas & Co	12,136	20
3	17	Corrs Chambers Westgarth	289	13
4	1	King & Wood Mallesons	8,949	12
5	7	Nishimura & Asahi	2,565	12
6	6	Cyril Amarchand Mangaldas	3,933	10
7	25	Allen & Overy	5,773	9
8	12	MinterEllison	2,404	9
9	14	Ashurst	3,834	8
10	22	Khaitan & Co	3,211	8

Industrials & chemicals



Sustainability looms large in Asia's industrial sector

The I&C sector performed well in 2022, particularly on the value side. There was US\$145.2bn worth of deals, a 1% annual increase, while volume edged down by 11% to 1,028 transactions. China Avionics' US\$7.3bn merger with AVIC Electromechanical Systems, two state-owned defense contractors, was the largest deal of H1 and held this position through the end of the year. US President Joe Biden in 2021 expanded on an existing executive order signed by Donald Trump banning US investors from acquiring shares in 31 Chinese companies. The follow-up brought this number to 59 companies with alleged ties to China's military efforts.

This has left defense businesses rushing to rebuild their shareholder bases, including through private placements of new shares. Beijing has been taking steps to mitigate the impact on these companies, providing state funding and encouraging mergers like the Avionics-AVIC tie-up.

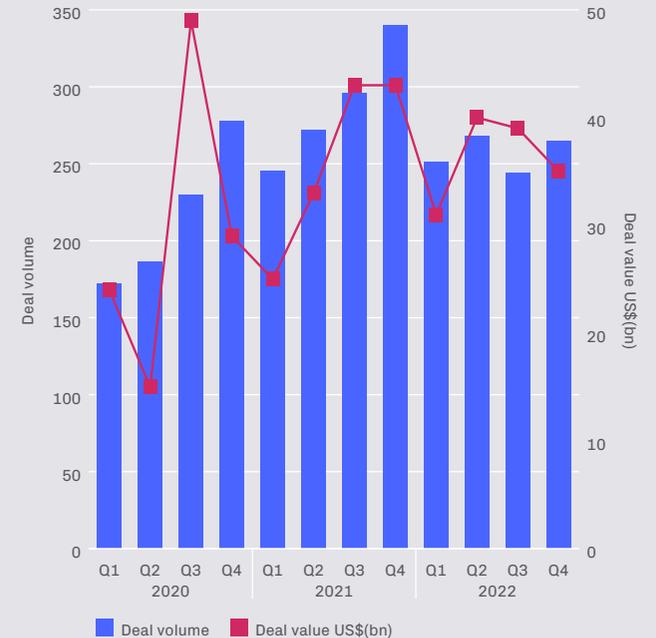
Hot commodities

Electric-vehicle makers are in high demand at the moment, so much so that seemingly incongruous companies are getting in on the action. In the second largest I&C deal of 2022, Nasdaq-listed educational services provider China Liberal Education bought Chinese electric-vehicle manufacturer Aiways Holdings for US\$5.5bn.

Aiways is one of a number of second-tier electric automakers including Leapmotor and WM Motor that hope to follow in the footsteps of the likes of Xpeng, Li Auto, and Nio in raising cash on public markets in the coming months.

Aiway is expanding globally. In addition to opening close to 200 stores in 120 cities across China, the EV maker's U5 model has been exported to Germany, France, Belgium, and other countries, and in November the firm signed a strategic cooperation agreement with Phoenix Electric Vehicle, an automotive company headquartered in Bangkok, for the procurement of 150,000 vehicles.

I&C M&A activity, 2020-2022



Source: Mergermarket

I&C top bidders by value | 2022

	US\$(m)
China	78,472
South Korea	15,738
USA	14,404
Japan	10,263
Hong Kong (China)	4,598

I&C top bidders by volume | 2022

	Deal count
China	506
Japan	132
South Korea	111
India	64
USA	42
Australia	42

Global manufacturing

US private equity firm KKR was chosen as the preferred party in the court-led restructuring of Japanese auto-parts supplier Marelli Holdings in an arrangement valued at US\$5.3bn, the third-largest I&C APAC deal of 2022. The business ran into trouble amid falling car sales and was forced to restructure, which has now put it on an even footing following a capital injection from KKR. MBK Partners and other investors purchased US\$1.3bn worth of Marelli's distressed debt from KKR in December. Marelli is expected to turn a profit again in 2023 and has been actively looking to collaborate with automakers and tech companies as it regionalizes its manufacturing strategy.

While a South Korean company was the target in only one of the 10 largest I&C deals of the year, bidders from the country were active. For context, Chinese acquirers made 506 transactions worth US\$78.5bn, or 49% of volume and 54% of value. Japan came second in volume terms with 132 deals, though South Korean bidders were not far behind with 111. What's more, Korean investors were responsible for US\$15.7bn in aggregate value, second only to China and just ahead of US bidders.

The top Korean deal was an intranational transaction. Lotte Chemical bought major domestic battery material maker Iljin Materials Co for just under US\$1.9bn, in a step toward competing on the global stage in the global electric-vehicle industry. Iljin is the second-largest copper foil producer in South Korea and accounted for 13% of the world market last year, behind compatriot SK Nexilis' 22% market share.



I&C top 10 announced deals, 2022

	Announced date	Bidder company	Target company	Target dominant country	Vendor company	Deal value (US\$m)
1	26-May-22	China Avionics Systems Co., Ltd.	AVIC Electromechanical Systems Co., Ltd. (100% Stake)	China		7,267
2	16-Sep-22	China Liberal Education Holdings Limited	Aichi Automobile Co., Ltd. (100% Stake)	China		5,500
3	31-May-22	KKR & Co., Inc.	Marelli Holdings Co., Ltd. (100% Stake)	Japan		5,327
4	29-Jul-22	China Petroleum & Chemical Corporation	INEOS Styrolution High-tech Materials (Ningbo) Co., Ltd. (50% Stake)	China	INEOS Styrolution APAC Pte. Ltd.	5,191
5	21-Dec-22	Nippon Steel Corporation	Nippon Steel Trading Co., Ltd. (45.53% Stake)	Japan		4,416
6	30-Sep-22	Luoyang Guohong Investment Holding Group Co., Ltd.	Sichuan Contemporary Ampere Technology Ltd.	China		3,758
7	27-Apr-22	SembCorp Marine Limited	Keppel Offshore & Marine Limited	Singapore	Keppel Corporation Limited	3,205
8	20-Oct-22	Shenzhen Capital Group Co., Ltd.; CITIC Goldstone Fund Management Co., Ltd.; China Structural Reform Fund Corporation Limited; PICC Capital Equity Investment Co., Ltd.; Guangzhou Industrial Investment & Capital Operation Holding Group Ltd.	GAC Aion New Energy Auto Co., Ltd. (17.72% Stake)	China		2,532
9	30-Mar-22	Existing Shareholders	China Conch Environment Protection Holdings Limited (100% Stake)	Hong Kong (China)	China Conch Venture Holdings Limited	2,281
10	11-Oct-22	Lotte Chemical Corporation; Lotte Battery Materials USA Co.	Iljin Materials Co., Ltd. (53.3% Stake)	South Korea		1,884

Inflation cools

Some signs of economic weakness became more visible as the year drew to a close. Manufacturers in the countries comprising the Association of Southeast Asia Nations continued to face a slowdown, with December's purchasing managers' index data declining to 50.3 from 50.7 a month prior, due to a decline in new orders. Anything below 50 is considered recessionary territory. Slowing global demand is affecting factories in Southeast Asia, the fastest-growing subregion of APAC.

However, some comfort can be found in the fact that inflation has been moderating, cooling input costs for manufacturers. This may not make for the brightest outlook overall, but this will be of little concern for buyers with their eye on must-have assets in countries rich with potential that align with their corporate or investment strategies.

I&C league tables

Financial advisors by value

2022	2021	Company name	Value (US\$m)	Deal count
1	7	Deloitte	43,208	36
2	2	CITIC Securities Co	13,540	14
3	3	China International Capital	13,094	22
4	1	Morgan Stanley	11,204	14
5	25	UBS Investment Bank	10,238	7
6	11	JPMorgan	9,891	5
7	18	Nomura Holdings	9,118	22
8	-	GF Securities	8,882	2
9	19	Mizuho Financial Group	8,694	15
10	16	Credit Suisse	7,584	7

Legal advisors by value

2022	2021	Company name	Value (US\$m)	Deal count
1	5	Mori Hamada & Matsumoto	12,497	23
2	66	JunHe	10,991	4
3	4	Nishimura & Asahi	9,146	18
4	2	Kim & Chang	8,146	21
5	28	Wilson Sonsini Goodrich & Rosati	7,238	3
6	6	Lee & Ko	5,929	18
7	-	Hunter Taubman Fischer & Li	5,500	1
8	33	Simpson Thacher & Bartlett	5,462	2
9	120	Rajah & Tann	5,255	6
10	-	Han Kun Law Offices	5,099	10

Financial advisors by volume

2022	2021	Company name	Value (US\$m)	Deal count
1	1	PwC	3,495	41
2	3	Deloitte	43,208	36
3	2	KPMG	5,192	35
4	11	China International Capital	13,094	22
5	7	Nomura Holdings	9,118	22
6	6	EY	2,895	22
7	5	Mizuho Financial Group	8,694	15
8	4	CITIC Securities Co	13,540	14
9	8	Morgan Stanley	11,204	14
10	9	Sumitomo Mitsui Financial Group	3,036	13

Legal advisors by volume

2022	2021	Company name	Value (US\$m)	Deal count
1	3	Mori Hamada & Matsumoto	12,497	23
2	1	Kim & Chang	8,146	21
3	9	Fangda Partners	3,182	19
4	2	Nishimura & Asahi	9,146	18
5	5	Lee & Ko	5,929	18
6	7	Shin & Kim	5,077	17
7	13	Khaitan & Co	1,989	17
8	4	Anderson Mori & Tomotsune	2,781	13
9	15	AZB & Partners	2,617	12
10	50	DLA Piper	864	12

Pharma, medical & biotech



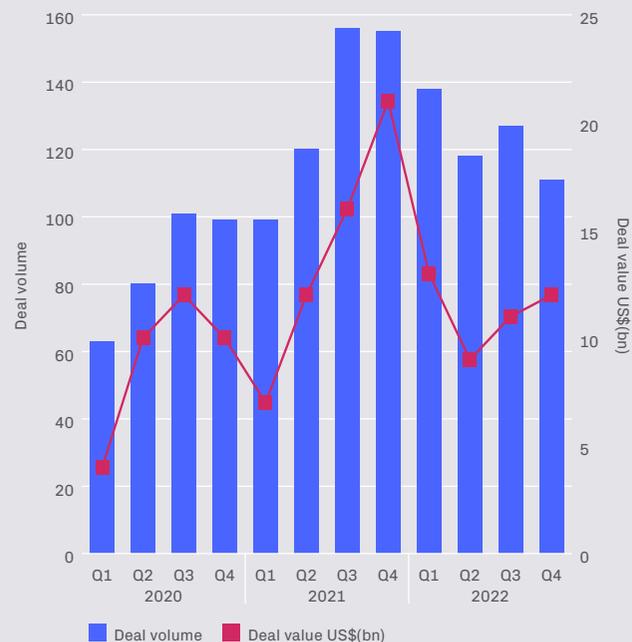
Financial sponsors are betting big on healthcare

The pharma, medical & biotech (PMB) sector in APAC has a number of compelling fundamentals. The pharma and biotech industries see strong support from governments in the region.

As part of its 10-year “Made in China” national strategic plan to become a global leader in a number of high-tech industries, the Chinese government has doubled down on its backing of biopharma, investing vast sums to stimulate innovation, including funding for academic research and support for startups. The aim is to serve the huge unmet healthcare needs in the country and compete globally by supporting the development of next-generation products.

Tax incentives and public research and development funding are common across APAC, which has both the largest population of any region in the world and the fastest rates of absolute growth. This means there is huge and rising demand for healthcare services in the region.

PMB M&A activity, 2020-2022



Source: Mergermarket

Strong fundamentals

The unwavering need for services and drugs served as a dealmaking floor for the sector in 2022. PMB transaction volume was down 7% to 494 transactions, slightly underperforming the average, but the 20% decline in value to US\$45.5bn was above the cross-sector mean.

These transactions fell on the smaller side. No PMB deals feature in overall top-10 across sectors. KKR’s US\$13bn bid for Ramsay Health Care, Australia’s largest private hospital operator, would have been one of the largest in the region, but the deal was rescinded in September. Instead the largest transaction, Samsung Biologics’ acquisition of US-based partner Biogen’s 49.99% stake in their biosimilars joint venture, Samsung Bioepis, was valued at just US\$2.3bn.

KKR may not have secured Ramsay, but it was highly active in the healthcare space. The firm was responsible for the year’s second largest acquisition with a 47.5% stake purchase of Manipal Health Enterprises, India’s second largest hospital chain, for US\$2.1bn. Manipal has been on a consolidation spree ahead of a planned IPO. The company acquired Columbia Asia for around US\$260m in 2021, adding 11 hospitals and 1,300 beds and was pursuing AMRI Hospitals last year, though was outbid by Max Healthcare in December.

PMB top bidders by value | 2022

	US\$(m)
China	11,841
USA	10,777
South Korea	5,719
India	3,346
Hong Kong (China)	3,255

PMB top bidders by volume | 2022

	Deal count
China	182
Australia	61
India	48
Japan	47
USA	42

Indian ascent

Coincidentally, KKR sold its remaining 26.8% stake in Max Healthcare to a consortium including BNP Paribas and Singapore sovereign wealth fund GIC for US\$1.2bn in the single largest block deal ever by a private equity firm in India.

It is no wonder that KKR returned for another chance at Manipal, the firm having reportedly made close to 5x its investment on Max in less than three years, its biggest return in India to date.

Government initiatives to expand access to healthcare are a major tailwind, the National Health Policy 2017 aiming to increase public health expenditure to 2.5% of GDP by 2025. Further propellants include demographic pressures, rising incomes, better health awareness, increasing lifestyle diseases, and improved access to insurance, which will help drive the Indian healthcare market to an estimated US\$638bn by 2025, more than seven times larger than its US\$86bn size in 2016.



Private equity powers through

Financial sponsors were highly active on both the buy- and sell-sides last year. All four of the private equity buyouts that featured among the top 10 PMB transactions were secondary, with one fund selling to another. This included the third biggest deal, in which Asian-focused fund manager MBK Partners acquired South Korean 3D dental scanner Medit Corp for US\$2bn from Unison Capital, which held the portfolio company for as long as 13 years. Minho Chang, Medit's founder and Korea University mechanical engineering professor, and other shareholders reinvested the sale proceeds from their combined 30% stake into the deal. Medit Corp is the third-largest scanning company of its kind in the world and makes it possible for dental prostheses to be manufactured in a day, a process that would previously take over a week.

Private equity investment into PMB companies fell by only 18% to US\$17.8bn last year even with a 26% drop in volume to 129 transactions. Sponsors know from previous down-cycles that health-related assets have proven to perform amid tougher macro conditions. In APAC, the demographic groundswell makes for an even more compelling investment thesis and should make healthcare assets prime targets for sponsor-led deals in 2023.

PMB top 10 announced deals, 2022

	Announced date	Bidder company	Target company	Target dominant country	Vendor company	Deal value (US\$m)
1	27-Jan-22	Samsung Group (conglomerate record); Samsung Biologics Co., Ltd.	Samsung Bioepis Co., Ltd. (49.99% Stake)	South Korea	Biogen Inc.	2,300
2	12-Oct-22	KKR & Co. Inc.	Manipal Health Enterprises Pvt. Ltd. (47.5% Stake)	India	TPG Capital L.P.; Temasek Holdings Pte. Ltd.; National Investment and Infrastructure Fund Limited	2,100
3	29-Dec-22	MBK Partners Inc.	Medit Corp. (99.5% Stake)	South Korea	Unison Capital, Inc.	1,975
4	09-Aug-22	ByteDance Ltd.	Amcare Medical Management Co., Ltd. (100% Stake)	China		1,500
5	26-Jul-22	TPG Capital L.P.	iNova Pharmaceuticals (Australia) Pty. Ltd. (100% Stake)	Australia	Carlyle Group Inc; Pacific Equity Partners Pty. Ltd.	1,390
6	22-Mar-22	AustralianSuper Pty. Ltd.; Healthcare of Ontario Pension Plan	Greencross Ltd (45% Stake)	Australia	TPG Capital L.P.	1,169
7	26-Dec-22	Advent International Corporation	Suven Pharmaceuticals Limited (76.1% Stake)	India	Jasti Property & Equity Holdings Pvt. Ltd.	1,160
8	16-Aug-22	BNP Paribas S.A.; GIC Private Limited; Capital Group; Monetary Authority of Singapore; WF Asian Reconnaissance Fund; WF Asian Smaller Companies Fund LTD; Smaller Cap World Fund Inc.	Max Healthcare Institute Limited (26.83% Stake)	India	KKR & Co., Inc.	1,157
9	18-Apr-22	Perfect Day, Inc.	Sterling Biotech Limited (100% Stake)	India		1,104
10	12-Jan-22	Genzyme Corporation; Sanofi S.A.	ABL Bio Inc (rights to develop and commercialize ABL301) (100% Stake)	South Korea	ABL Bio Inc.	1,060

PMB league tables

Financial advisors by value

2022	2021	Company name	Value (US\$m)	Deal count
1	13	Citi	4,864	4
2	-	Credit Suisse	2,764	4
3	26	Moelis & Company	2,322	2
4	3	Jefferies	2,223	6
5	12	Deloitte	2,179	15
6	4	Morgan Stanley	2,111	6
7	1	China International Capital	2,109	5
8	7	JPMorgan	1,715	4
9	25	EY	1,596	9
10	28	RBC Capital Markets	1,463	4

Legal advisors by value

2022	2021	Company name	Value (US\$m)	Deal count
1	14	Kim & Chang	6,859	7
2	26	AZB & Partners	4,168	16
3	5	Gilbert + Tobin	4,155	9
4	18	White & Case	4,005	4
5	2	Ropes & Gray	3,312	4
6	36	Simpson Thacher & Bartlett	3,087	3
7	63	Cyril Amarchand Mangaldas	2,563	6
8	35	Linklaters	2,485	3
9	3	Latham & Watkins	2,450	3
10	24	Lee & Ko	2,320	2

Financial advisors by volume

2022	2021	Company name	Value (US\$m)	Deal count
1	2	Deloitte	2,179	15
2	3	PwC	1,126	11
3	1	CEC Capital	588	10
4	5	EY	1,596	9
5	14	Nomura Holdings	1,174	7
6	4	KPMG	165	7
7	15	Jefferies	2,223	6
8	7	Morgan Stanley	2,111	6
9	20	Haoyue Capital	878	6
10	9	China International Capital	2,109	5

Legal advisors by volume

2022	2021	Company name	Value (US\$m)	Deal count
1	8	AZB & Partners	4,168	16
2	1	Fangda Partners	781	16
3	28	Khaitan & Co	1,375	15
4	7	King & Wood Mallesons	2,284	10
5	2	Gilbert + Tobin	4,155	9
6	10	Nishimura & Asahi	1,223	9
7	9	Herbert Smith Freehills	583	9
8	3	Shardul Amarchand Mangaldas & Co	2,255	8
9	20	Jingtian & Gongcheng	1,052	8
10	29	Kim & Chang	6,859	7

Real estate



Consolidation and opportunistic REIT mergers generate strong tailwinds

There was a marked pullback from real estate buyers from certain countries in 2022. M&A value from US acquirers nearly halved versus the previous year, and was down by as much as 81% for Singaporean investors. China, however, did not budge. Even with deal volume from these parties nudging down by 7%, value matched the previous year. China's real estate sector racked up headlines through 2022 after Evergrande Group, the country's largest developer, defaulted on its debts in late 2021, the highest-profile casualty in the industry.

However, the situation appears to have stabilized somewhat since regulators stepped in, calling on financial institutions to extend more support to property developers, with bailout funds being launched and special loans issued to complete unfinished homes.

For its part, Evergrande's chairman Hui Ka Yan has pledged to ensure project delivery and debt payment, and the company has put forward two restructuring options to creditors.

Secure consolidation

The largest real estate deal in China was relatively small, coming in at US\$1.8bn, and saw state-backed China Resources Land buy out four developers based in Shenzhen, Wuhan, and Nanjing, namely Huayucheng Property Management, Huayuhan Real Estate Development, Huayujiang Real Estate Development, and Huayuyuan Real Estate Development. China Resources secured US\$3.6bn in credit lines at the start of 2022 for acquisitions, as several state-owned enterprises in the sector also sold bonds to blaze a dealmaking trail.

This was followed by China Power Construction Group's purchase of numerous minority stakes, in PowerChina Real Estate, Beijing Feiyue Linkong Technology Industry Development, and Tianjin Haifu Real Estate Development for US\$1.6bn. It is almost certain that there will be continued consolidation in China over the coming months, stronger players taking over weaker performers with some nudging from the government.

Real estate M&A activity, 2020-2022



Source: Mergermarket



Diverse portfolios

Overall there was a 3% decline in APAC real estate deal volume in 2022 and a substantial 46% drop in aggregate value. And though Singaporean bidders were less abundant than in the preceding year, the biggest transaction nonetheless involved two real estate investment trusts (REITs) from the city state.

Cuscaden Peak Investments, which is linked to state investor Temasek, bought a 61.7% stake in SPH REIT alongside property tycoon Ong Beng Seng's Hotel Properties, topping a rival offer from Keppel Group. Seller Singapore Press Holdings in 2021 restructured and divested its loss-making media business, leaving it primarily as a property business. With the deal, Cuscaden now has a new portfolio of residential and commercial properties in Singapore and Australia including shopping malls, student accommodation, and nursing homes.

Japanese bidders were active, maintaining their levels of capital investment at US\$3.5bn and sharply increasing their number of transactions to 29, a 38% year-on-year rise. Of the top 10 deals, three involved Japanese assets bought by domestic parties. This included the second largest of the year, with KKR and 76 Co.'s US\$1.9bn acquisition of REIT manager MC-UBSR, a joint venture formed in 2000 by Mitsubishi Corporation and UBS Asset Management. KKR has said it intends to up its exposure to Japan to take advantage of low company valuations and the beaten-down yen.

Real estate top bidders by value | 2022

	US\$(m)
China	21,690
Singapore	3,913
Japan	3,539
USA	2,156
Australia	1,827

Real estate top bidders by volume | 2022

	Deal count
China	170
Japan	29
Australia	14
Vietnam	8
Hong Kong (China)	8

Real estate top 10 announced deals, 2022

	Announced date	Bidder company	Target company	Target dominant country	Vendor company	Deal value (US\$m)
1	28-Apr-22	Cuscaden Peak Pte. Ltd.	SPH REIT (61.68% Stake)	Singapore		2,024
2	17-Mar-22	KKR & Co. Inc.; 76 Co., Ltd.	Mitsubishi Corp. – UBS Realty Inc. (100% Stake)	Japan	UBS AG; Mitsubishi Corporation	1,906
3	29-Dec-22	China Resources National Corp; China Resources Land Holding Limited	Huayujiang (Wuhan) Real Estate Development Co., Ltd. (100% Stake); Huayuhan (Wuhan) Real Estate Development Co., Ltd. (100% Stake); Huayuyuan (Nanjing) Real Estate Development Co., Ltd. (60% Stake); Huayucheng (Shenzhen) Property Management Co., Ltd. (100% Stake)	China	China Fortune Land Development Co., Ltd.	1,781
4	07-Jan-22	China Power Construction Group Co., Ltd.	PowerChina Real Estate Co., Ltd. (41.66% Stake); Beijing Feiyue Linkong Technology Industry Development Co., Ltd. (41.66% Stake); Tianjin Haifu Real Estate Development Co., Ltd. (41.66% Stake)	China	Power Construction Corporation of China, Ltd.	1,614
5	22-Nov-22	Mori Trust Sogo REIT, Inc.	Mori Trust Hotel REIT, Inc. (100% Stake)	Japan		1,281
6	31-Jan-22	PGGM N.V.; Charter Hall Limited	Irongate Funds Management Limited (100% Stake)	Australia	360 Capital Group Ltd.	1,193
7	10-Jun-22	China Jinmao Holdings Group Limited	China VAST Industrial Urban Development Company Limited (34.18% Stake)	China	Profit East Ltd	1,006
8	24-Apr-22	Chengdu Hi-tech Investment Group Co., Ltd.; Chengdu Media Group; Chengdu High New Jicui Technology Co., Ltd.; Chengdu Jinjaing Investment Development Group Co., Ltd.	Chengdu Financial City Investment & Development Co., Ltd.	China		998
9	25-Mar-22	JTOWER Inc.	NTT DOCOMO (6,002 telecommunication towers) (100% Stake)	Japan	Nippon Telegraph and Telephone Corporation	881
10	24-Nov-22	Tang Dynasty Treasure Pte. Ltd.	Chip Eng Seng Corporation Ltd. (63.11% Stake)	Singapore		833

Policy drivers

The MC-UBSR deal was followed in Japan by a US\$1.3bn trust merger between Mori Trust Sogo REIT and Mori Trust Hotel REIT, bringing under one roof a combined portfolio of offices and hotels. Such REIT combos have been one of the most prominent features of real estate M&A over the past year across the world. These trusts have traded on average discounts of around 10% to net asset value, with even wider gaps seen among office and hotel assets. This should persist through 2023.

Further fillips can be seen in certain Asian markets' policy rates. The People's Bank of China cut the nation's interest rate to a record low of 3.65% in August 2022, while Japan kept its rate at -0.1%. To be sure, this is to offset growth headwinds, but cheaper borrowing rates certainly will not hurt the real estate sector.

Real estate league tables

Financial advisors by value

2022	2021	Company name	Value (US\$m)	Deal count
1	28	China International Capital	6,146	7
2	14	Sumitomo Mitsui Financial Group	3,587	3
3	3	Morgan Stanley	3,217	3
4	15	UBS Investment Bank	2,706	2
5	11	CITIC Securities Co	2,158	5
6	4	Deloitte	2,074	3
7	56	Oaklins	2,024	1
8	31	Mizuho Financial Group	1,281	1
9	12	Macquarie Group	1,193	2
10=	-	Barclays	1,193	1
10=	2	JPMorgan	1,193	1

Legal advisors by value

2022	2021	Company name	Value (US\$m)	Deal count
1	10	Mori Hamada & Matsumoto	3,846	7
2	14	Nishimura & Asahi	3,692	8
3	-	Simpson Thacher & Bartlett	2,968	2
4	21	Anderson Mori & Tomotsune	2,306	3
5	3	Nagashima Ohno & Tsunematsu	1,906	1
6	5	Allens	1,560	2
7	1	WongPartnership	1,315	3
8=	-	Cliffe Dekker Hofmeyr	1,193	1
8=	35	King & Wood Mallesons	1,193	1
10	6	Latham & Watkins	1,137	4

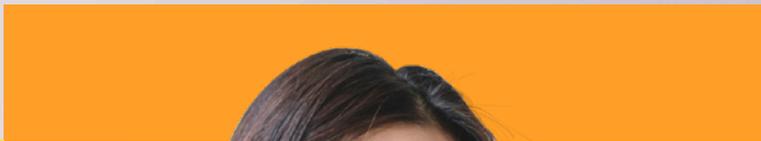
Financial advisors by volume

2022	2021	Company name	Value (US\$m)	Deal count
1	7	China International Capital	6,146	7
2	2	CITIC Securities Co	2,158	5
3	13	Sumitomo Mitsui Financial Group	3,587	3
4	1	Morgan Stanley	3,217	3
5	5	Deloitte	2,074	3
6	-	Rainbow Capital (HK)	1,166	3
7	19	Nomura Holdings	30	3
8	20	UBS Investment Bank	2,706	2
9	9	Macquarie Group	1,193	2
10	-	Credit Suisse	650	2

Legal advisors by volume

2022	2021	Company name	Value (US\$m)	Deal count
1	1	Nishimura & Asahi	3,692	8
2	5	Mori Hamada & Matsumoto	3,846	7
3	4	Latham & Watkins	1,137	4
4	59	AllBright Law Offices	678	4
5	46	Trilegal	340	4
6	20	Anderson Mori & Tomotsune	2,306	3
7	2	WongPartnership	1,315	3
8	9	Jingtian & Gongcheng	1,137	3
9	-	DLA Piper	1,104	3
10	16	Fangda Partners	564	3

Telecoms, media & technology



Value slumps amid tech rout **but volume keeps TMT in the lead**

No other major sector suffered a bigger annual fall in deal value in 2022 than TMT, declining by 53%. And yet, with US\$145.1bn, TMT still almost exactly matched second-place I&C and did not trail far behind first-place financial services.

Meanwhile, deal volume was down by only 1% to 1,389 transactions, ensuring once again that TMT was the most active sector in APAC. The most resilience was seen across sub-US\$250m deals, while megadeals were almost non-existent.

This preference for the lower end of the market came amid a pronounced sell-off in tech stocks that has clearly weighed on the sector across regions, particularly among pre-profit growth companies. However, tech can only remain submerged for so long.

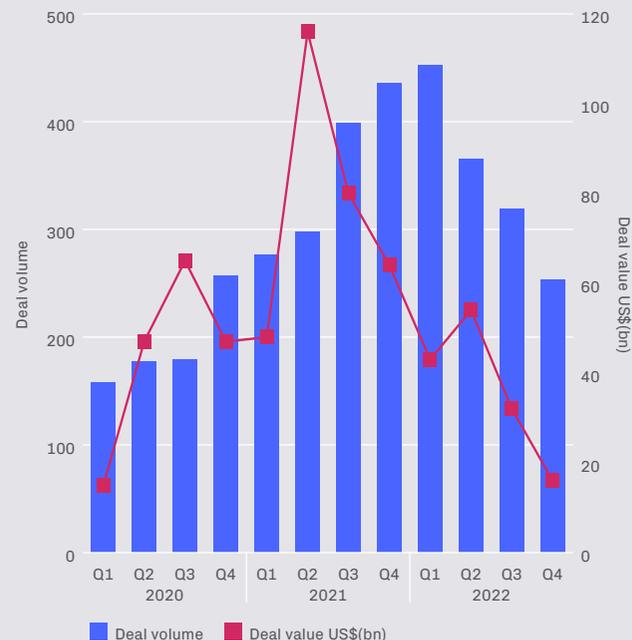
Spurring innovation

China's most recent five-year plan aims to boost its technology industry, with the country focusing on several key areas in order to become a global leader. The current policy spans 2021-25 and was published by Beijing in late 2020.

It focuses on innovation and entrepreneurship, aiming to promote the integration of advanced technologies and foster a strong tech industry, including the development of artificial intelligence, quantum information, biotechnology, and new energy, among other strategic emerging industries.

In addition, it seeks to improve digital infrastructure and strengthen cybersecurity and data governance, as well as promote the widespread use of digital technologies, as part of a broader effort to transform itself from a manufacturing powerhouse into a technology torchbearer. The country has been investing heavily in research and development in recent years and has set its sights on becoming a world leader in cutting-edge technology.

TMT M&A activity, 2020-2022



Source: Mergermarket

TMT top bidders by value | 2022

	US\$(m)
China	40,270
USA	29,868
India	17,932
Japan	11,232
Australia	10,367

TMT top bidders by volume | 2022

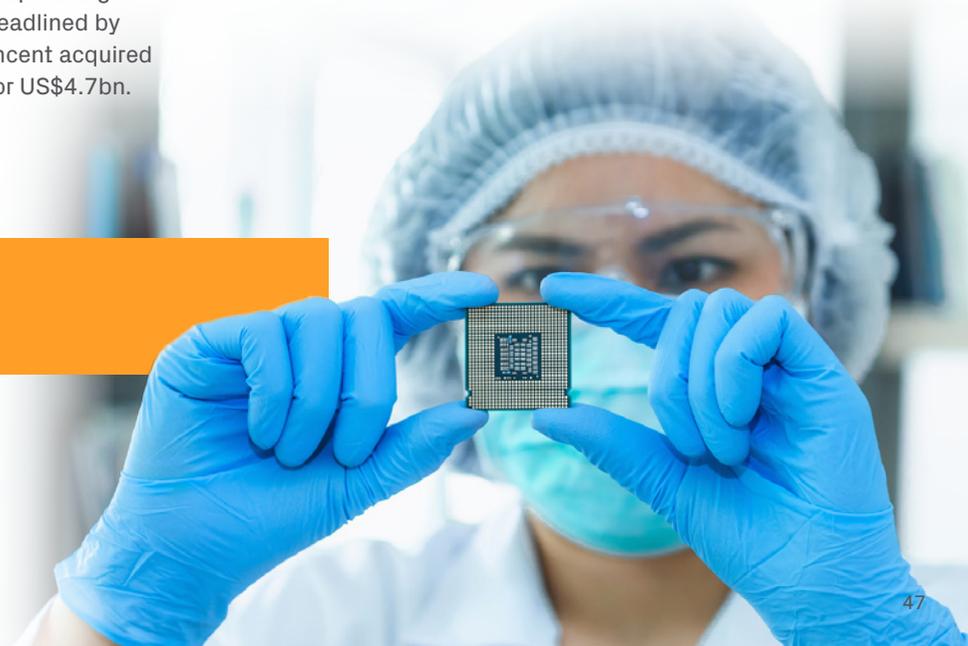
	Deal count
China	289
USA	226
Japan	220
India	146
South Korea	139

Chasing chips

A further catalyst for investment will be the US CHIPS & Science Act, which withholds federal funding from US semiconductor manufacturers investing in China. In breaking investment ties between the world's two largest economies, the legislation, signed into law on August 9, 2022, should see increased domestic outlays into critical chip production.

The law was already being discussed before a consortium comprising the state-owned National Integrated Circuit Industry Investment Fund, Beijing Yizhuang Investment, and Innotron Memory announced their acquisition of Changxin Jidian Storage Technology for US\$7.6bn in May 2022. Changxin Jidian's niche is in dynamic RAM chips, and the deal is just one of many steps in the Chinese government's efforts toward ensuring the self-sufficiency of its national chipmaking value chain. In a related play, a consortium headlined by e-commerce and tech giants Alibaba and Tencent acquired the aforementioned circuit-maker Innotron for US\$4.7bn.

Two Indian deals made it into the TMT sector's top 10, including the third spot. The government threw its publicly-owned telecoms group Bharat Sanchar Nigam Limited (BSNL) a US\$4.2bn lifeline as private player Reliance Jio superseded it as the country's top fixed-line provider in 2022. Under the deal, Bharat Broadband Network (BBN) will be merged with BSNL. BBN was set up to deliver high-speed broadband connectivity to rural areas, including laying a vast network of optical fiber cable to India's 250,000 village councils. The project is being implemented by the Department of Telecommunications, in partnership with state governments and the private sector.



TMT top 10 announced deals, 2022

	Announced date	Bidder company	Target company	Target dominant country	Vendor company	Deal value (US\$m)
1	01-May-22	National Integrated Circuit Industry Investment Fund Co., Ltd.; Beijing Yizhuang Investment Holdings Co., Ltd.; Innotron Memory Co., Ltd.	Changxin Jidian (Beijing) Storage Technology Co., Ltd.	China		7,565
2	18-Feb-22	Alibaba Group Holding Co., Ltd.; Tencent Holdings Ltd.; Shenzhen Investment Holdings Co., Ltd.; Hexie Health Insurance Co., Ltd.; Xinjiang TCL Venture Capital; PICC Capital Investment Management Co., Ltd.; Qianhai Ark Assets Management Co., Ltd.; Shanghai Jianxin Equity Investment Management Co., Ltd.; Yunfeng Fund; Hefei Changxin IC Co., Ltd.	Innotron Memory Co., Ltd.	China		4,737
3	27-Jul-22	Government of India	Bharat Sanchar Nigam Ltd.	India		4,176
4	05-May-22	MaxLinear, Inc.	Silicon Motion Technology Corporation (100% Stake)	Taiwan (China)		3,970
5	26-May-22	Crescent Cove Acquisition Corp.	Zhejiang ECARX Technology Co., Ltd. (100% Stake)	China		3,587
6	06-May-22	Larsen & Toubro Infotech Ltd	MindTree Limited (54.84% Stake)	India	Larsen & Toubro Limited	3,231
7	12-May-22	Nippon Telegraph and Telephone Corporation	Nippon Telegraph and Telephone Corporation (2.62% Stake)	Japan	Government of Japan	2,810
8	01-Apr-22	AustralianSuper Pty. Ltd.; Australian Tower Network	Turri Finance Pty. Ltd. (100% Stake)	Australia	UBS AG; Macquarie Group Limited; Abu Dhabi Investment Authority; UniSuper Limited	2,683
9	24-Mar-22	Commonwealth Superannuation Corporation; HRL Morrison & Co (Australia) Pty. Ltd.; Brookfield Infrastructure Group (Australia) Pty. Ltd.	Uniti Group Limited (100% Stake)	Australia		2,664
10	31-Aug-22	FAW Equity Investment (Tianjin) Co., Ltd.	Huada Semiconductor Co., Ltd. (41.93% Stake)	China		2,345

Consistent demand

The other Indian transaction to make it in the top 10 leaderboard was the US\$3.2bn amalgamation of Mindtree and Larsen & Toubro Infotech, two software units controlled by Mumbai-based engineering conglomerate Larsen & Toubro. The mega-merger has created a combined entity named LTIMindtree with more than US\$3.5bn in revenue.

Despite concerns about a potential recession, L&T Infotech's COO Nachiket Deshpande said he expects demand for IT services to remain strong over the next three to five years, spurred by demand for digital and cloud services since the pandemic. As a scaled-up business, the company expects to be able to compete for bigger contracts.

In many ways, the creation of LTIMindtree sums up the enduring demand for software and other tech-related services. Discounting the short-term effects of decelerative central banking policy on the performance of global tech stocks, the world and Asia are only becoming more digitalized. The direction of the ICE Asia Tech 30 Index, which has rallied sharply from a low at the end of October, could be a bellwether for what's to come over the next year. To be sure, tech is here to stay.

TMT league tables

Financial advisors by value

2022	2021	Company name	Value (US\$m)	Deal count
1	1	Morgan Stanley	14,341	17
2	3	Goldman Sachs & Co	13,947	11
3	5	UBS Investment Bank	12,373	17
4	9	China International Capital	11,425	14
5	24	Barclays	7,907	7
6	4	Citi	6,955	6
7	12	Bank of America	6,637	9
8	11	KPMG	6,379	31
9	18	EY	6,367	17
10	76	Rothschild & Co	5,901	7

Financial advisors by volume

2022	2021	Company name	Value (US\$m)	Deal count
1	2	PwC	4,662	32
2	1	KPMG	6,379	31
3	8	Deloitte	3,040	24
4	5	Morgan Stanley	14,341	17
5	10	UBS Investment Bank	12,373	17
6	3	EY	6,367	17
7	11	Daiwa Securities Group / DC Advisory	1,533	17
8	6	China International Capital	11,425	14
9	7	Aventus Capital Pvt	2,752	12
10	13	China Renaissance Holdings	787	12

Legal advisors by value

2022	2021	Company name	Value (US\$m)	Deal count
1	24	AZB & Partners	15,589	52
2	20	Fangda Partners	12,995	38
3	19	Shardul Amarchand Mangaldas & Co	12,699	54
4	55	Jingtian & Gongcheng	12,380	11
5	35	Allens	9,238	11
6	23	Cyril Amarchand Mangaldas	8,518	29
7	1	Sullivan & Cromwell	7,984	7
8	8	Latham & Watkins	7,951	12
9	82	Kirkland & Ellis	7,500	20
10	58	Orrick Herrington & Sutcliffe	7,296	8

Legal advisors by volume

2022	2021	Company name	Value (US\$m)	Deal count
1	2	Shardul Amarchand Mangaldas & Co	12,699	54
2	1	AZB & Partners	15,589	52
3	5	Fangda Partners	12,995	38
4	8	Mori Hamada & Matsumoto	5,405	33
5	6	DLA Piper	4,521	31
6	9	IndusLaw	3,064	31
7	3	Cyril Amarchand Mangaldas	8,518	29
8	4	Khaitan & Co	4,738	28
9	10	Nishimura & Asahi	2,331	26
10	7	Kim & Chang	4,554	25

About this report

Produced in partnership with Mergermarket

Editor: Julian Frazer



For a full version of the Mergermarket M&A deal database inclusion and league table criteria, go to: www.mergermarket.com/pdf/deal_criteria.pdf

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