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Deal Drivers: APAC Q1 2024

A spotlight on mergers and acquisitions trends in 2024

Mergermarket

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Foreword: Enviable growth, but M&A ebbs

In many ways, APAC is on a divergent path to the rest of the world. Its economic growth rates continue to far outpace those of other regions. The IMF has revised its forecast upward to 4.5% for 2024, from an earlier projection of 4.2%, driven by strong domestic demand and a supportive external environment.

The conditions around inflation are also very different to Europe and the US. For example, China is experiencing very low levels of inflation, with consumer prices having risen by only 0.1% year-on-year in March. This follows a slight rebound from a deflationary period, when in January the country saw its sharpest drop in consumer prices in more than 14 years, at minus 0.8%. And though much has been made of China's economic deceleration, it is still on track to record growth of 4.6% this year.

Indian bull market

India's economy, if not free of challenges, is going from strength to strength. GDP expansion is projected at around 6.5% for both 2024 and 2025, and in March the country's manufacturing sector achieved a notable high, with the Purchasing Managers' Index (PMI) reaching 59.1, the highest level since 2008. This surge reflects significant growth in new orders and job creation across the manufacturing industry. The services sector also recorded robust performance, with the Services PMI climbing to 61.2.

Overall, APAC is the most dynamic and robust regional economy in the world, and is posting readings that most other markets would envy. And yet, following one of the weakest years for M&A in 2023, Q1 2024 still proved sluggish. With the exception of China and Japan, dealmakers in APAC continue to hold out for looser credit conditions, which will only materialize when inflation is brought down around the region.

Outlook: APAC heat chart

Greater China is still the epicenter of potential action in APAC's M&A market, accounting for the lion's share of 'companies for sale' stories as recorded by Mergermarket. Home to 45% of the 1,627 deal reports across the region, China is ahead of every other market by a factor of more than three.

Split by sector, industrials & chemicals (I&C) leads the way with 334 companies for sale stories, or one in five of all potential deals reported on. Of these, 213 (64%) involve assets headquartered in China. The manufacturing sector in the country has started the year on a strong note, with foreign trade experiencing a strong rebound and exports growing by 5% year-on-year in Q1, the highest growth rate in the last six quarters. If this can sustain through the year, it will give acquirers in the I&C sector more confidence to act.

	Greater China	Southeast Asia	South Korea	Japan	India	Australia & New Zealand	TOTAL
Industrials & chemicals	213	18	41	13	25	24	334
TMT	117	45	22	20	34	29	267
Consumer	61	15	27	19	34	42	198
Pharma, medical & biotech	70	18	12	16	21	22	159
Energy, mining & utilities	58	21	3	2	15	41	140
Financial services	61	20	9	7	18	25	140
Business services	55	19	12	4	18	21	129
Leisure	17	9	11	6	13	18	74
Transportation	17	23	9	3	10	11	73
Construction	33	4	3		6	9	55
Real estate	29	6	1	1	1	1	39
Agriculture	6	4		1		8	19
TOTAL	737	202	150	92	195	251	1,627

Note: The Intelligence Heat Charts are based on 'companies for sale' tracked by Mergermarket in the respective regions between October 01, 2023 and March 31, 2024. Opportunities are captured according to the dominant geography and sector of the potential target company.

Digital developments

The telecoms, media & technology (TMT) sector, contributing 16% of APAC's companies for sale stories, is the next hottest spot, particularly in China and to a lesser extent Southeast Asia. In fact, of the 202 potential deal reports in Southeast Asia, nearly a quarter (45) pertain to TMT companies.

One of the key trends in the region has been the rapid expansion of 5G networks. Singapore has been a trailblazer in this domain, while the rest of Southeast Asia is expected to be 5G-dominant by 2028. The digital economy is another driving force, with e-commerce experiencing substantial growth—revenue reached US$28bn in 2023, a 22% year-on-year increase, according to a study published by consultants Bain & Company, Google, and Singapore's state-owned investor Temasek.

Southeast Asia a hotbed for M&A
in innovative TMT space

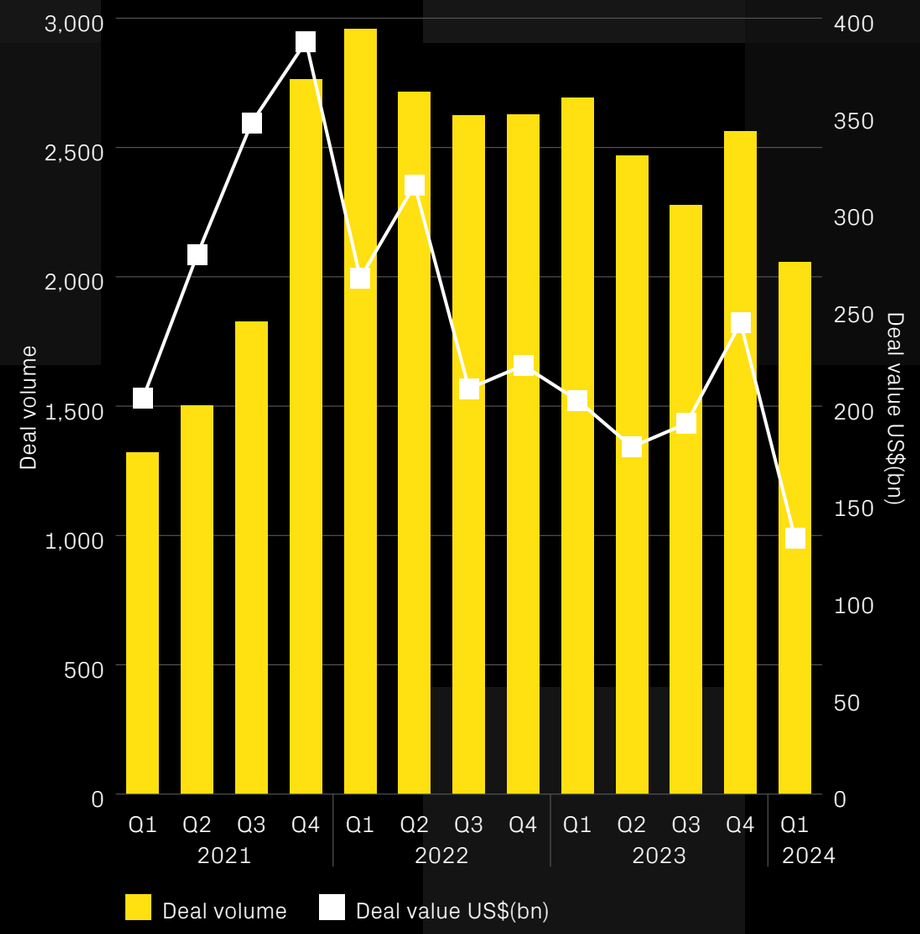
Commodity prices

Across the region, Australia & New Zealand is the next busiest after China in terms of expected deal activity, but is still a long way behind. The market lays claim to 251 companies for sale reports, or a 15.4% share of all prospective APAC deals. Of these, a third are expected to come in the consumer (42) and energy, mining & utilities (EMU) (41) sectors combined.

The two industries are being influenced by different dynamics. The cost-of-living crisis in Australia has seen households pare back non-essential expenditures to manage higher debt servicing costs, impacting overall consumer demand. On the other hand, the country's mining sector is experiencing major tailwinds, possibly due to expectations of a forthcoming commodities super-cycle.

This optimism is fueled by several factors, including rising global demand for minerals essential in technology and renewable energy, such as copper and lithium, and sustained demand for iron ore and coal. These conditions support high commodity prices and increased profitability for mining companies, making the sector a significant contributor to national economic growth during this period.

APAC M&A activity, 2021–Q1 2024



Source: Mergermarket

Summary: A false start for APAC dealmakers

The APAC M&A market in Q1 2024 saw a noticeable decline influenced by ongoing concerns in China's real estate sector and a shock stock market drawdown in March, which caused capital flight among international investors in the region's largest market.

M&A activity primarily featured smaller deals, with total transaction volume decreasing by 24% year-on-year to 2,056, with those worth US$132bn in aggregate, down 35% from Q1 2023. Even starker, in the first quarter of last year, cross-border deals in APAC accounted for a third of all transacted value. Twelve months later, and foreign bidders contributed just a fifth of M&A value this past quarter.

Although private equity (PE) firms faced constraints due to higher interest rates, a common challenge across all geographic markets, sponsored activity more or less reflected the broader trend. There were 509 APAC PE deals in Q1, marking a 25% decrease year-on-year, worth a combined US$29.6bn, representing a 38% decline.

Big in Japan

Japanese bidders were the most prodigious in Q1 with 777 transactions to their name, well ahead of Chinese buyers' 480 transactions and responsible for nearly five times the deal volume of Indian acquirers, who announced 167 deals. In aggregate deal value terms, however, Chinese bidders led the way with US$39bn invested, surpassing Japan's US$19.7bn and India's US$18.7bn.

Looking at sector deal flows, TMT led the market in volume terms with 584 transactions, despite a 21% decline year-on-year. I&C saw a steeper drop of 26% to 369 deals, while consumer bucked the trend with a marginal increase from 179 to 181 deals. TMT was also able to cling to the top spot in aggregate value terms with US$25bn, a 41% decline. Total real estate deal value surged by 38% to US$20.9bn, surpassing total I&C dealmaking, which plummeted 60% to US$17.7bn, one of the largest falls recorded across the key sectors.

APAC top sectors by value – Q1 2024	US$(m)
TMT	25,044
Real estate	20,869
Industrials & chemicals	17,713
Energy, mining & utilities	15,311
Consumer	12,630
APAC top sectors by volume – Q1 2024	**Deal count**
TMT	584
Industrials & chemicals	369
Business services	211
Consumer	181
Pharma, medical & biotech	157
APAC top bidders by value – Q1 2024	**US$(m)**
China	39,016
Japan	19,744
India	18,729
Hong Kong (China)	12,281
USA	8,383
APAC top bidders by volume – Q1 2024	**Deal count**
Japan	777
China	480
India	167
Australia	122
South Korea	110

Brick by brick

Investors have been making the most of China's hobbled real estate sector. A consortium led by PAG, including Trustar Capital, Ares Management, the Abu Dhabi Investment Authority (ADIA), and the Mubadala Investment Company, acquired a 60% stake in Newland Commercial Management for US$8.3bn, APAC's largest Q1 deal. Newland is a newly established holding entity of Zhuhai Wanda Commercial Management, which operates a network of 496 shopping malls across China.

Nearly half the size of this was the TMT sector's biggest transaction, in which India's Reliance Industries and The Walt Disney Company entered a significant joint venture (JV), merging Viacom18 and Star India into an US$8.5bn entertainment enterprise. The US$4.5bn sale by Disney of a 63.2% stake in Star India and the subsequent JV aims to create a formidable player across various platforms, including streaming and traditional broadcasting.

Disney strikes megadeal in India's burgeoning media market

APAC top 10 announced deals, Q1 2024

	Announced date	Bidder company	Target company	Sector	Vendor company	Deal value US$(m)
1	30-Mar-24	Abu Dhabi Investment Authority Ltd. – ADIA; Trustar Capital; PAG Asia Capital Ltd.; Ares Management Corp.; Mubadala Investment Co. (Mubadala) PJSC	Zhuhai Wanda Commercial Management Group Co. Ltd. (60% Stake)	Real estate		8,300
2	28-Feb-24	Reliance Industries Ltd.; Viacom18 Media (Pvt) Ltd. (Media Undertaking)	Star India (Pvt) Ltd. (Star India) (63.16% Stake)	TMT	Walt Disney Co.	4,528
3	06-Feb-24	KDDI Corp.	Lawson Inc. (47.89% Stake)	Consumer	Mitsubishi Corp.	3,327
4	21-Feb-24	China National Pharmaceutical Group Co. Ltd.; Sinopharm Common Wealth Co. Ltd.	China Traditional Chinese Medicine Holdings Co. Ltd. (100% Stake)	Pharma, medical & biotech		2,963
5	21-Feb-24	Compagnie de Saint-Gobain SA	CSR Ltd. (100% Stake)	Construction		2,917
6	25-Feb-24	Alcoa Corp.	Alumina Ltd. (100% Stake)	Industrials & chemicals	CITIC Resources Holdings Ltd.; Allan Gray Australia (Pty) Ltd.	2,483
7	04-Mar-24	Aboitiz Power Corp.; Meralco PowerGen Corp.	Power Station (1,278 MW Ilijan power plant, a 1,320 MW combined cycle power facility, and LNG import and regasification terminal) (67% Stake)	Energy, mining & utilities	San Miguel Global Power Holdings Corp.	2,200
8	15-Feb-24	ORIX Corp.	Santoku Senpaku Co. Ltd. (100% Stake)	Transportation		2,010
9	04-Jan-24	Data Infrastructure Trust	ATC Telecom Infrastructure (Pvt) Ltd. (100% Stake)	TMT	American Tower Corp.	1,980
10	30-Jan-24	AM Green Ammonia BV	AM Green Ammonia Holding BV	Industrials & chemicals		1,940

SPOTLIGHT:
Vietnam

Vietnam has been one of Southeast Asia's best performers, with its economy having expanded by 5.5% in 2023, surpassed only by the Philippines and Cambodia. This year has started auspiciously as well, with GDP expanding by 5.3%, the strongest first-quarter rate since the pandemic. The country continues to attract foreign investment, reflecting confidence in its bright economic prospects and government efforts to optimize the business environment.

One potential threat to investor confidence, however, is the state's intervention in the Saigon Joint Stock Commercial Bank (SCB), which faced a severe crisis when Vietnam's largest financial fraud came to light in October 2022. As of April 2024, cash injections totaling US$24bn have reportedly been made to stabilize SCB, the country's largest private bank and whose situation threatens the stability of the financial market. This is an ongoing situation that dealmakers would be wise to pay attention to.

Vietnam M&A activity, 2021–Q1 2024

Source: Mergermarket

Happy shoppers

Overall, Vietnamese assets were targets in 21 deals worth US$2.22bn in Q1. Despite the former figure representing a decline of almost a third year-on-year, the latter is in fact up slightly on Q1 2023's sum of US$2.19 billion.

With US$984m, the real estate sector was the biggest contributor to the Q1 2024 total, all thanks to one deal in which national conglomerate Vingroup sold a 41.5% stake in its retail unit Vincom Retail to an undisclosed acquirer. The strategic divestment is part of a broader shift in Vingroup's focus toward its electric vehicle unit, VinFast.

In volume terms, Vietnam's busiest sectors for M&A were construction, TMT, and I&C, each with three deal announcements. In the largest of these, Siam Commercial Bank and SCB X Public wholly bought out Home Credit Vietnam Finance Company for US$852m. The business has a substantial footprint in the country's consumer finance space and is benefitting from increasing appetites for credit, especially among Vietnam's young and underbanked population.

Vietnam top sectors by value – Q1 2024	US$(m)
Real estate	984
TMT	930
Consumer	227
Business services	19
Industrials & chemicals	18
Vietnam top sectors by volume – Q1 2024	**Deal count**
Construction	3
TMT	3
Industrials & chemicals	3
Business services	2
Pharma, medical & biotech	2
Consumer	2
Vietnam top sectors by volume also saw 2 deals from other	
Vietnam top bidders by value – Q1 2024	**US$(m)**
Vietnam	1,086
Thailand	1,073
Malaysia	15
Japan	15
China	11
Vietnam top bidders by volume – Q1 2024	**Deal count**
Vietnam	9
Japan	3
USA	2
Malaysia	2
Thailand	2

Vietnam top 10 announced deals, Q1 2024

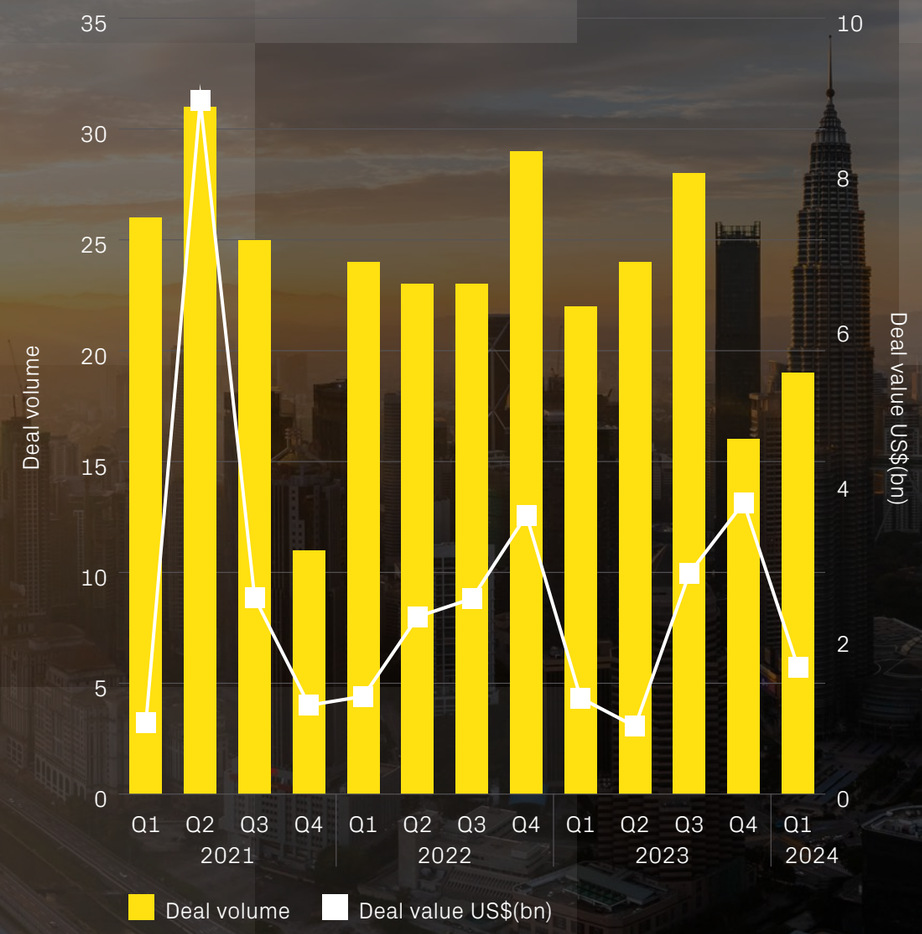
	Announced date	Bidder company	Target company	Sector	Vendor company	Deal value US$(m)
1	18-Mar-24	Undisclosed Acquirer	Vincom Retail JSC (41.5% Stake)	Real estate	Vingroup JSC	984
2	28-Feb-24	The Siam Commercial Bank PCL; SCB X Public Co. Ltd.	Home Credit Vietnam Finance Co. Ltd. (100% Stake)	TMT	PPF Group NV	852
3	09-Feb-24	Thainamthip Corp. Ltd.	Coca-Cola Beverages Viet Nam LLC (30% Stake)	Consumer	Swire Pacific Ltd.	221
4	20-Mar-24	Vietnam Posts and Telecommunications Group	Mobile Telephone Licence (3,700 – 3,800 MHz C2 5G Band Sprectrum Block) (100% Stake)	TMT	The Socialist Republic of Vietnam	79
5	19-Feb-24	Public Bank Berhad	RHB Securities Vietnam Co. Ltd. (100% Stake)	Financial services	RHB Bank Bhd	15
6	02-Feb-24	Zhongyan Technology Co. Ltd.	Compass Geotechnical Engineering Co. Ltd. (80.77% Stake)	Business services		11
7	12-Jan-24	Ultimate Aluminum Magnesium Technology Co. Ltd.	Krico Co. Ltd. (100% Stake)	Industrials & chemicals		10
8	04-Jan-24	Dat Phuong Joint Stock Company	Dat Phuong Glass JSC (73% Stake)	Construction		9
9	22-Mar-24	ELAN Corporation	TMC Vietnam Trading & Service JSC (51% Stake)	Business services	Nguyen Thi Thanh (Private Individual)	9
10	21-Feb-24	VS International Group Ltd.	VS Industry Vietnam Joint Stock Company (43.29% Stake)	Industrials & chemicals	B&E Holding Ltd.	9

SPOTLIGHT: Malaysia

Growth in Malaysia has been seesawing. Last year, the economy narrowly missed the government's target of 3.8%, coming in at 3.7%, far off the 22-year high of 8.7% logged in 2022. This was almost entirely a function of weaker external demand weighing on exports.

However, advance figures released by Malaysia's Statistics Department show that GDP was up 3.9% year-on-year in Q1 2024, and the central bank expects the economy to end this year up 4%-5% annualized. Notably, the manufacturing sector rebounded to 1.9% growth in Q1, from a 0.3% contraction the previous quarter. However, exports remain soft, falling by 0.8% in March following a similar decrease in February. Should trade pick up through the year, the Malaysian economy has every chance of achieving those official targets.

Malaysia M&A activity, 2021–Q1 2024



Source: Mergermarket

Fully liquid

Aggregate M&A value in Malaysia rose from US$1.2bn in Q1 2023 to almost US$1.6bn, and this despite volume slipping by 14% over the same period, from 22 deal announcements to just 19. More than half of that total value was due to one large transaction in the EMU sector, with French supermajor TotalEnergies paying US$903m for a 50% stake in SapuraOMV, a key upstream natural gas operator in Malaysia.

In the only other US$100m-plus deal, KLCC Property agreed to acquire the remaining 40% stake in Suria KLCC that it did not already control for US$412m, making it a fully-owned subsidiary. Suria KLCC owns a popular shopping hub located at the base of the Petronas Twin Towers in Kuala Lumpur.

Thanks to these two deals, the EMU and real estate sectors were Malaysia's largest contributors to M&A in value terms in Q1 2024. On the volume front, consumer led with five deal announcements, though these were smaller transactions. The largest, worth US$75m, saw Toyo Seikan Group acquire competitor Premier Centre Group, a contract manufacturer in the home and personal care sectors, from PE firm Advantage Partners.

Malaysia top sectors by value – Q1 2024	US$(m)
Energy, mining & utilities	903
Real estate	412
Consumer	119
Transportation	90
Other	48
Malaysia top sectors by volume – Q1 2024	**Deal count**
Consumer	5
Industrials & chemicals	3
Energy, mining & utilities	2
Transportation	2
Construction	2
Malaysia top bidders by value – Q1 2024	**US$(m)**
France	903
Malaysia	565
Singapore	90
Japan	75
Malaysia top bidders by volume – Q1 2024	**Deal count**
Malaysia	13
USA	2
Singapore	1
France	1
China	1
Japan	1

Malaysia top 10 announced deals, Q1 2024

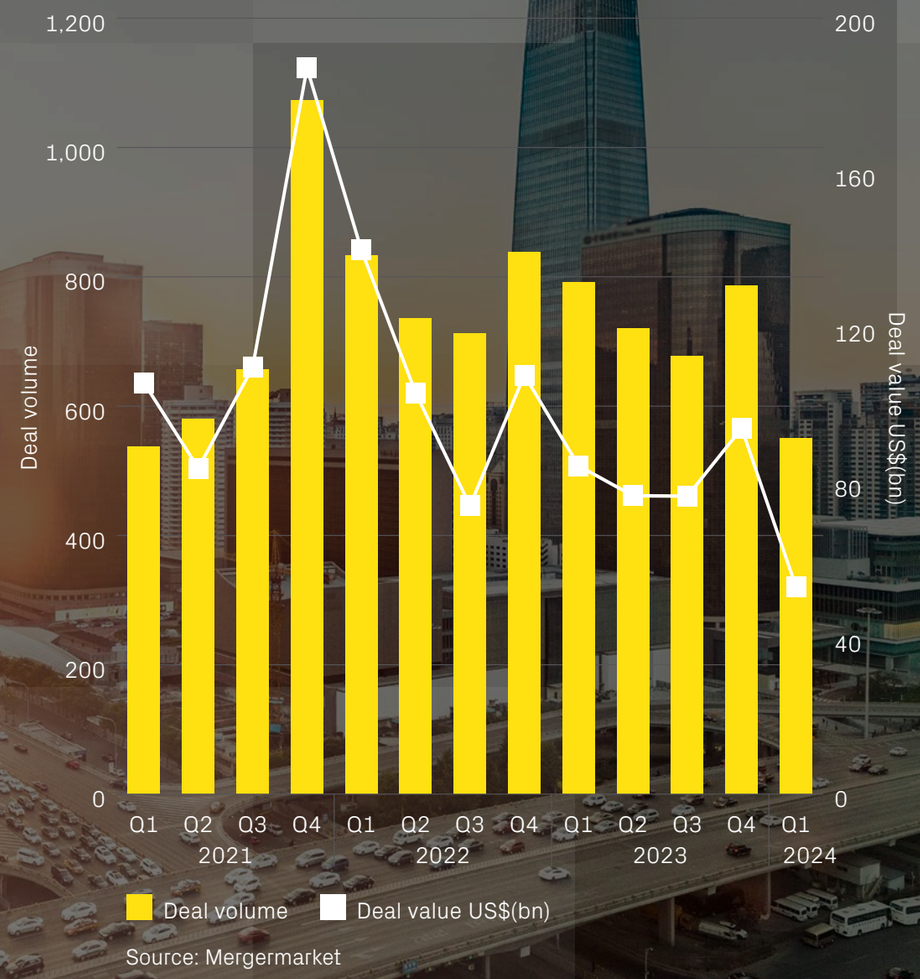
	Announced date	Bidder company	Target company	Sector	Vendor company	Deal value US$(m)
1	31-Jan-24	TotalEnergies SE	SapuraOMV Upstream Sdn Bhd (50% Stake)	Energy, mining & utilities	OMV AG	903
2	26-Jan-24	KLCC Property Holdings	Suria KLCC Sdn Bhd (40% Stake)	Real estate	Ocmador (Malaysia) City Retail Centre Sdn Bhd; Port Moresby Investments Ltd; Bold Peak Sdn Bhd	412
3	26-Mar-24	Liannex Corporation (S) (Pte) Ltd.	Icon Offshore Berhad (100% Stake)	Transportation	Hallmark Odyssey Sdn Bhd	90
4	29-Feb-24	Toyo Seikan Group Holdings Ltd.	Premier Centre Group Sdn Bhd (100% Stake)	Consumer	Advantage Partners LLP	75
5	08-Jan-24	JAG Capital Holdings Sdn Bhd	KUB Malaysia Bhd (49.38% Stake)	Other		48
6	17-Jan-24	Seow Gim Shen (Private Individual); Metaco Asset Holdings Sdn Bhd; Bemas Holdings Sdn Bhd	Rexit Berhad (100% Stake)	TMT	Rexit Venture Sdn Bhd; Global Hartabumi Sdn Bhd	31
7	05-Feb-24	Kuala Lumpur Kepong Bhd	KLK Sawit Nusantara Bhd (4.57% Stake)	Consumer		29
8	15-Jan-24	Econframe Berhad	ETA World Sdn Bhd (70% Stake)	Construction	ETA Industries Sdn Bhd	12
9	04-Mar-24	Ge-Shen Corporation Berhad	Local Assembly Sdn Bhd (40% Stake)	Consumer	Chai Voon Sun (Private Individual); Gurmakh Singh A/L Ajmer Singh (Private Individual); Wee Thian Song (Private Individual)	10
10	16-Jan-24	CWG Holdings Bhd	Unigenius Holding Sdn Bhd (100% Stake)	Industrials & chemicals	Boo Yin Kwan (Private Individual)	7

Greater China

The outlook for the Chinese economy has, of late, turned bearish. Although deflation encouragingly reversed in Q1, China's Consumer Price Index grew by just 0.1% in March—it now seems very unlikely to reach the government's annual target of 3%. The country wants to avoid a deflation trap that risks sapping domestic demand. The bruised real estate sector, which accounts for around a fifth of GDP, continues to be in a state of turmoil. China can, however, take some solace in having recorded annualized GDP growth of 5.3% in Q1, indicating that the economy has regained momentum.

China's M&A arena seemed to have stabilized in mid-2023, but Q1 2024 figures show further softening, compounded by the country's stock market moving rapidly risk-off in March. The impact was particularly severe on Hong Kong's Hang Seng Index, which saw a significant decline, nearing a 19-year low due to the deepening pessimism among global market participants.

Greater China M&A activity, 2021–Q1 2024



Source: Mergermarket

Decade-long low

The total number of deals in Greater China fell by 30.4% year-on-year to 551 transactions, and the aggregate value of these deals decreased by 36.9% to US$53.4bn, the lowest quarterly total in more than 10 years. The real estate sector led in deal value terms, accruing US$13bn, a 71% increase compared the same period in 2023. This was followed by the TMT and pharmaceutical, medical & biotech (PMB) sectors, which recorded increases of 30% and 53% in their deal values, rising to US$11.1bn and US$8.4bn, respectively.

In volume terms, China's immense I&C sector led with 132 deals, despite a decline of 39% from the same quarter last year. The TMT sector was second with 105 deals, down 29% year-on-year. In fact, of the main sectors tracked by Mergermarket, only China's transportation industry logged a year-on-year increase in deal volume, and then of only 11%.

Greater China top sectors by value – Q1 2024	US$(m)
Real estate	12,977
TMT	11,056
Pharma, medical & biotech	8,355
Industrials & chemicals	7,655
Energy, mining & utilities	5,302
Greater China top sectors by volume – Q1 2024	**Deal count**
Industrials & chemicals	132
TMT	105
Pharma, medical & biotech	64
Energy, mining & utilities	54
Business services	50
Greater China top bidders by value – Q1 2024	**US$(m)**
China	38,308
Hong Kong SAR	10,812
USA	1,256
Cayman Islands	1,102
Taiwan	859
Greater China top bidders by volume – Q1 2024	**Deal count**
China	471
Taiwan	24
Hong Kong SAR	20
USA	12
Singapore	5

Population aging bodes well for M&A outlook in Chinese PMB sector

Retail therapy

By far the biggest transaction in China was the US$8.3bn acquisition of Zhuhai Wanda Commercial Management by PAG, Trustar, ADIA, and the Mubadala Investment Company. This investment by a major shopping mall owner is a bet on the strong growth of the Chinese consumer space as the country shifts to an economy predicated more on domestic demand. Also contributing to the real estate's impressive Q1 M&A performance, Beijing Runzhi Business Operation Management bought a 49% stake in Beijing Shunhengyuantai Property for US$1.8bn, the quarter's third largest transaction in China.

Between these two sizable real estate deals, state-owned pharmaceutical group Sinopharm pursued a US$3bn acquisition of China Traditional Chinese Medicine Holdings, which will be taken private. It is well-established in the traditional medicine sector, which plays a substantial role in China's healthcare system, accounting for 30%-40% of the pharmaceutical market. Looking ahead, the country's aging population should make PMB a reliable contributor to long-term dealmaking as demand for healthcare provision builds.

Greater China top 10 announced deals, Q1 2024

	Announced date	Bidder company	Target company	Sector	Vendor company	Deal value US$(m)
1	30-Mar-24	Abu Dhabi Investment Authority Ltd-ADIA; Trustar Capital; PAG Asia Capital Ltd; Ares Management Corp.; Mubadala Investment Co. (Mubadala) PJSC	Zhuhai Wanda Commercial Management Group Co. Ltd. (60% Stake)	Real estate		8,300
2	21-Feb-24	China National Pharmaceutical Group Co. Ltd.; Sinopharm Common Wealth Co. Ltd.	China Traditional Chinese Medicine Holdings Co. Ltd. (100% Stake)	Pharma, medical & biotech		2,963
3	26-Jan-24	Beijing Runzhi Business Operation Management Co. Ltd.	Beijing Shunhengyuantai Property Co. Ltd. (49% Stake)	Real estate		1,754
4	27-Mar-24	Pan Shi Hong Kong Co. Ltd.	JCET Group Co. Ltd. (22.54% Stake)	TMT	China Integrated Circuit Industry Investment Fund Co. Ltd.; Siltech Semiconductor (Shanghai) Corp. Ltd.	1,617
5	09-Jan-24	Huada Semiconductor Co. Ltd.	GTA Semiconductor Co. Ltd. (39.95% Stake)	TMT		1,614
6	26-Jan-24	Shandong Gold Mining Co. Ltd.	Shandong Gold Geological Mine Exploration Co. Ltd. (the Xiling Gold Mine Exploration Right) (100% Stake)	Energy, mining & utilities	Shandong Gold Geological Mine Exploration Co. Ltd.	1,523
7	29-Mar-24	Founder H Fund Investment Co. Ltd.; Giga Device Semiconductor Inc; BOC Financial Asset Investment Co. Ltd.; CCB Financial Asset Investment Co. Ltd.; ABC Financial Asset Investment Co. Ltd.; Hefei Changxin IC Co. Ltd.; ICBC Capital Management Co. Ltd.; Zhongjiancai Anhui New Material Fund Management Co. Ltd.; Hefei Industry Investment Capital Management Co. Ltd.	Changxin Technology Group Co. Ltd. (7.16% Stake)	TMT		1,496
8	01-Mar-24	SAIC Motor Corp. Ltd.; Shanghai Lingang Economic Development (Group) Co. Ltd.; Contemporary Amperex Technology Co. Ltd.; Beijing Momenta Technology Co. Ltd.; ICBC Financial Asset Investment Co. Ltd.; Bank of Communications Financial Asset Investment Co. Ltd.; ABC Financial Asset Investment Co. Ltd.; Qingtao (Kunshan) Energy Development Co. Ltd.; Zhongyin Assets Management Co. Ltd.	IM Motors Technology Co. Ltd.	Industrials & chemicals		1,111
9	28-Mar-24	Silver Pegasus Investment Ltd.	SciClone Pharmaceuticals (Holdings) Ltd. (68.26% Stake)	Pharma, medical & biotech		1,081
10	26-Jan-24	Liaoning Financial Holding Group Co. Ltd.	Bank of Jinzhou Co. Ltd. (43.16% Stake)	Financial services		1,065

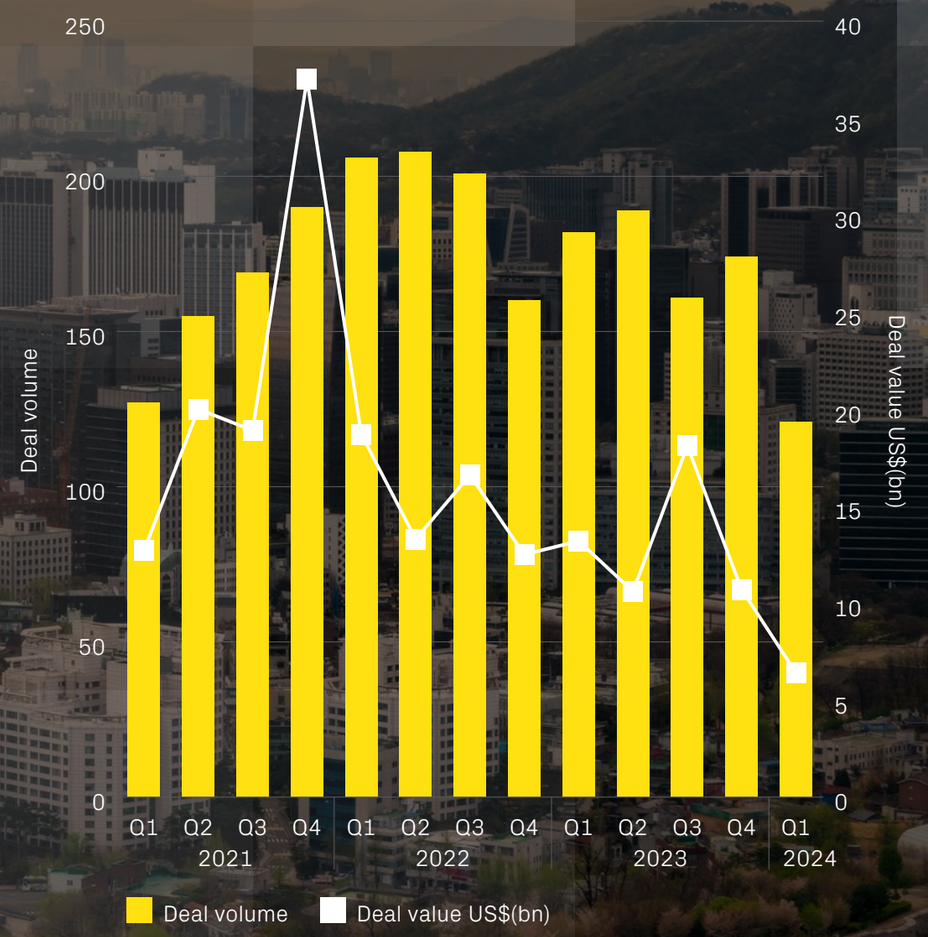
South Korea

South Korea's economic conditions are marked by a modest growth outlook amid challenges that range from domestic consumption to global uncertainties. The IMF has slightly raised its growth forecast for the country to 2.3% in 2024, a minor increase from previous estimates, due primarily to resilient export demands.

This is most notable in the semiconductor industry, which remains a strong contributor to South Korea's economic performance. Major domestic industry leaders such as Samsung and SK Hynix are pivotal players in the global supply chain. These companies are expanding their production capacities and improving their technological capabilities to meet the growing global demand for high-performance computing and data storage.

However, the country's M&A market has followed the broader APAC trend. In Q1, deal value more than halved year-on-year to US$6.4bn, while volume was down 34% to 121 deals, the lowest single-quarter readings in several years.

South Korea M&A activity, 2021–Q1 2024



Source: Mergermarket

Industrial inaction

South Korea's I&C sector, typically robust in deal volume terms, experienced a 31% year-on-year decline to 29 transaction announcements in Q1. These were worth US$857m in aggregate, a 73% shortfall on the corresponding quarter in 2023. This downturn reflects broader challenges within the sector, with the country's manufacturing PMI dipping below the all-important 50 threshold in March to 49.8 on the back of weaker demand. TMT suffered a similar fate, with deal count falling by 58% to 24 transactions, while aggregate value cratered by 86% to US$514m in one of the sharpest declines of any sector across APAC.

Conversely, financial services displayed some resilience, registering a 14% increase in volume with 16 deals compared to 14 in Q1 2023. The sector jumped into first place for total value with US$1.4bn transacted, up 6% year-on-year. This can be attributed to financial services' ongoing pursuit of digital transformation and the diversification of companies' service portfolios in areas such as insurance and stock brokerage via strategic partnerships and acquisitions.

South Korea top sectors by value – Q1 2024	US$(m)
Financial services	1,390
Pharma, medical & biotech	1,364
Industrials & chemicals	857
Consumer	780
Construction	516
South Korea top sectors by volume – Q1 2024	**Deal count**
Industrials & chemicals	29
TMT	24
Financial services	16
Pharma, medical & biotech	15
Consumer	11
South Korea top bidders by value – Q1 2024	**US$(m)**
South Korea	5,454
USA	639
Singapore	178
Thailand	61
Taiwan	27
South Korea top bidders by volume – Q1 2024	**Deal count**
South Korea	102
USA	7
France	2
Japan	2
Taiwan	2

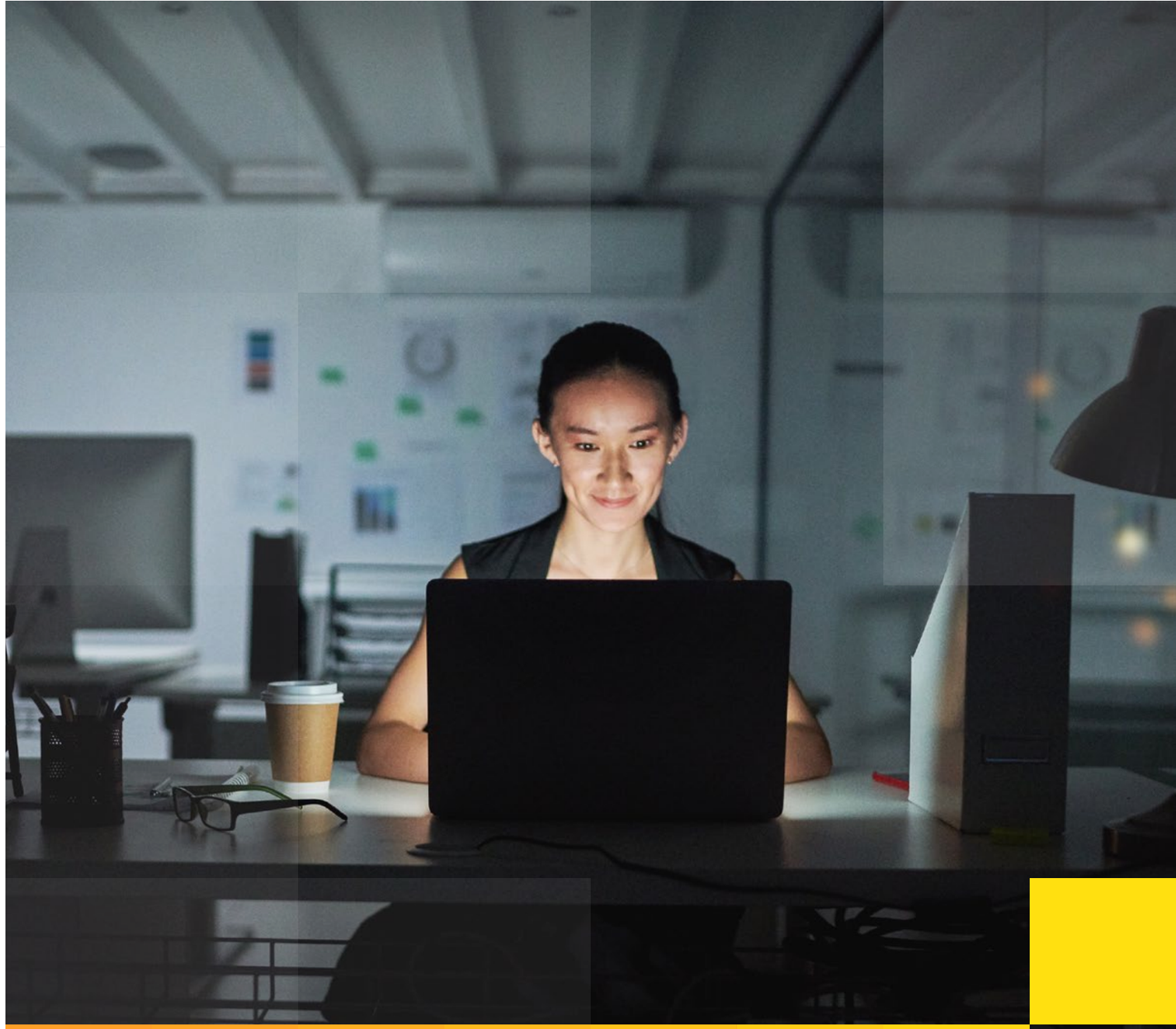
South Korea top bidders by volume also saw 2 deals each from the Netherlands and Singapore

Consumer facing

No megadeals emerged in Q1. Rather, the largest transaction announced, worth US$579m, saw Shinhan Financial, one of South Korea's largest banking groups, acquire a 22.6% stake in CJ Olive Young, a prominent health and beauty retailer. The minority investment may not seem an obvious choice, but CJ Olive Young is well-known for its extensive distribution network, which could provide Shinhan with valuable consumer insights and cross-selling opportunities.

In the PMB sector, Pan Orion acquired a 25.7% stake worth US$356m in LegoChem Biosciences, a company listed on the Kosdaq known for its advanced antibody-drug conjugate (ADC) technologies, a platform technology promising enhanced cancer treatment. LegoChem plans to use the investment to further its ADC research, aiming to become a leading developer in this area.

PE buyouts have been scarce in South Korea, and only just featured in the Q1 top-10, and then only in 10th place. Local sponsor IMM Private Equity paid US$225m for liquid cargo operator United Terminal Korea, giving Macquarie an exit.



Tepid market for big deals begets novel cross-industry excursions

South Korea top 10 announced deals, Q1 2024

	Announced date	Bidder company	Target company	Sector	Vendor company	Deal value US$(m)
1	29-Mar-24	Shinhan Financial Group Co. Ltd.; Shinhan Bank; CJ Olive Young Co. Ltd.	CJ Olive Young Co. Ltd. (22.56% Stake)	Consumer	Glenwood Private Equity	579
2	15-Jan-24	Pan Orion Corp. Ltd.; Orion Corp.	LegoChem Biosciences Inc. (21.95% Stake)	Pharma, medical & biotech		356
3	28-Feb-24	Gwangju Shinsegae Co. Ltd.	Kumho & Company Inc. (U-Square Terminal business in Gwangju) (100% Stake)	Transportation	Kumho & Company Incorporation	352
4	05-Feb-24	SsangYong C&E Co. Ltd.; Hahn & Company	SsangYong C&E Co. Ltd. (13.32% Stake)	Construction		344
5	06-Mar-24	Market Purchase	Shinhan Financial Group Co. Ltd. (1.81% Stake)	Financial services	EQT Partners Hong Kong Ltd.	312
6	19-Jan-24	Cynosure LLC	Lutronic Corp. (100% Stake)	Pharma, medical & biotech	Hahn & Company	262
7	16-Jan-24	Vision Sensing Acquisition Corp.	Mediforum Co. Ltd. (100% Stake)	Pharma, medical & biotech		250
8	20-Feb-24	Undisclosed Acquirer	Kendall Square Development Venture (21% Stake)	Financial services	Canada Pension Plan Investment Board	245
9	14-Feb-24	Undisclosed Acquirer	KB Financial Group Inc. (1.38% Stake)	Financial services	Carlyle Group Inc.	244
10	19-Jan-24	IMM Private Equity Co. Ltd.	United Terminal Korea Limited (100% Stake)	Industrials & chemicals	Macquarie Infrastructure & Real Assets Holdings (Pty) Ltd.	225

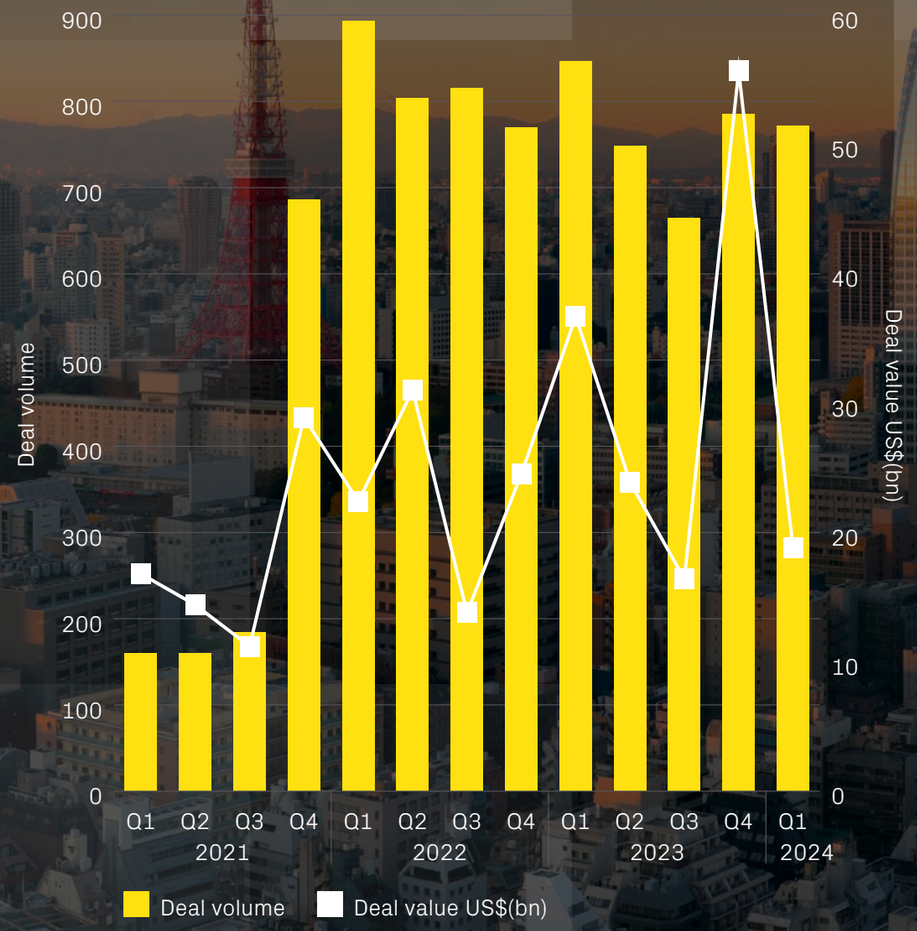
Japan

After decades of tepid sentiment, there is now a palpable sense of optimism surrounding Japan's economy. The country is celebrating the end of a nearly 20-year deflationary cycle, with subtle but steady gains suggesting a potential turnaround from years of declining prices that have hindered economic growth and investment.

While the stock market has been performing robustly, reaching its highest levels in decades, economic growth has been modest. In fact, Japan narrowly sidestepped a recession at the end of 2023. According to official figures, GDP grew at an annualized rate of 0.4% in the final quarter of last year, revising earlier estimates that suggested a contraction.

Demographic trends pose a lingering challenge. The country faces a shrinking population, which could impact long-term economic growth by constraining the labor pool and increasing the dependency ratio. This demographic decline is applying pressure on the government and businesses to innovate and adapt, ensuring sustainable economic growth to offset a contracting workforce.

Japan M&A activity, 2021–Q1 2024



Source: Mergermarket

Small deals take center stage

In Q1 2024, Japan's M&A market recorded a slight decline in activity compared to the same period last year. The total number of deals announced stood at 772, marking only a 9% decrease year-on-year. In terms of aggregate deal value, there was a far more significant drop, with the total plunging by 49% to US$18.8bn as smaller transactions took center stage.

The TMT sector remained the most active in deal volume terms with 306 transactions, yet this total did represent an 8% decline compared to the year prior. Conversely, the business services sector saw transaction volume rise by 9% year-on-year to 87 deal announcements, and the consumer industry recorded a major uptick of 37% to 78 transactions.

This helped the sector secure the top spot in deal value terms, with the total value of Japan's consumer deals reaching just under US$5bn in Q1, almost 25% greater than the second-place real estate industry.

Japan top sectors by value – Q1 2024	US$(m)
Consumer	4,893
Real estate	3,943
Transportation	2,819
Industrials & chemicals	2,725
TMT	2,544
Japan top sectors by volume – Q1 2024	**Deal count**
TMT	306
Industrials & chemicals	124
Business services	87
Consumer	78
Pharma, medical & biotech	38
Japan top bidders by value – Q1 2024	**US$(m)**
Japan	16,078
USA	2,189
France	305
Canada	152
Germany	40
Japan top bidders by volume – Q1 2024	**Deal count**
Japan	744
USA	12
United Kingdom	2
Vietnam	2
Germany	2
Singapore	2

Keiretsu model giving rise to **carve-out deals and strategic rationalization**

Sector convergence

The predominance of the consumer sector in the Japanese M&A arena in Q1 was almost entirely a function of the US$3.3bn purchase by KDDI Corp and Mitsubishi of a 47.9% stake in convenience store operator Lawson. A bold cross-sector play, the telecoms giant is looking to leverage Lawson's extensive reach and network of stores to promote its banking and mobile services.

Only two other US$1bn-plus deals were announced in Q1. ORIX agreed to a US$2bn takeover of Santoku Senpaku, one of Japan's largest shipowners. There besides, US asset manager Apollo Global paid US$1.6bn for Panasonic Automotive Systems, a subsidiary of Panasonic Holdings that focuses on automotive electronics such as integrated cockpit systems.

Japan's idiosyncratic keiretsu system of interlocking businesses makes it a prime destination for international PE funds that can help the country's corporates rationalize their structures and hone their strategic focus. This trend is only beginning to take shape and still has many years ahead of it.

Japan top 10 announced deals, Q1 2024

	Announced date	Bidder company	Target company	Sector	Vendor company	Deal value US$(m)
1	06-Feb-24	KDDI Corp.	Lawson Inc. (47.89% Stake)	Consumer	Mitsubishi Corp.	3,327
2	15-Feb-24	ORIX Corp.	Santoku Senpaku Co. Ltd. (100% Stake)	Transportation		2,010
3	29-Mar-24	Apollo Global Management Inc.	Panasonic Automotive Systems Corp. (100% Stake)	Industrials & chemicals	Panasonic Holdings Corp.	1,584
4	19-Mar-24	Undisclosed Acquirer	Garden City Shinagawa Gotenyama (100% Stake); Hommachi Garden City (100% Stake)	Real estate	Sekisui House Reit, Inc.	850
5	15-Feb-24	Industrial & Infrastructure Fund Investment Corp.	IIF Kitakyushu Logistics Center I (100% Stake); IIF Kitakyushu Logistics Center II (100% Stake); IIF Kitakyushu Logistics Center III (100% Stake); IIF Fukuoka Hisayama Logistics Center (100% Stake); IIF Tosu Logistics Center II (100% Stake); IIF Toyohashi Logistics Center (100% Stake); IIF Komaki Logistics Center (100% Stake); IIF Kasugai Logistics Center (100% Stake); and others	Real estate	Logisteed Ltd.	725
6	28-Feb-24	Aeon Co. Ltd.	Tsuruha Holdings Inc. (13.57% Stake)	Consumer	Oasis Management Co. Ltd.	675
7	21-Mar-24	AZ-COM Maruwa Holdings Inc.	Chilled & Frozen Logistics Holdings Co. Ltd. (99.89% Stake)	Transportation		545
8	06-Mar-24	NTT DoCoMo Inc.; Nippon Telegraph & Telephone Corp.	Orix Credit Corp. (66% Stake)	Financial services	ORIX Corp.	531
9	13-Mar-24	Brother Industries, Ltd.	Roland DG Corp. (100% Stake)	TMT		436
10	29-Jan-24	Japan Aviation Electronics Industry Ltd.	Japan Aviation Electronics Industry Ltd. (26.16% Stake)	TMT	NEC Corporation	422

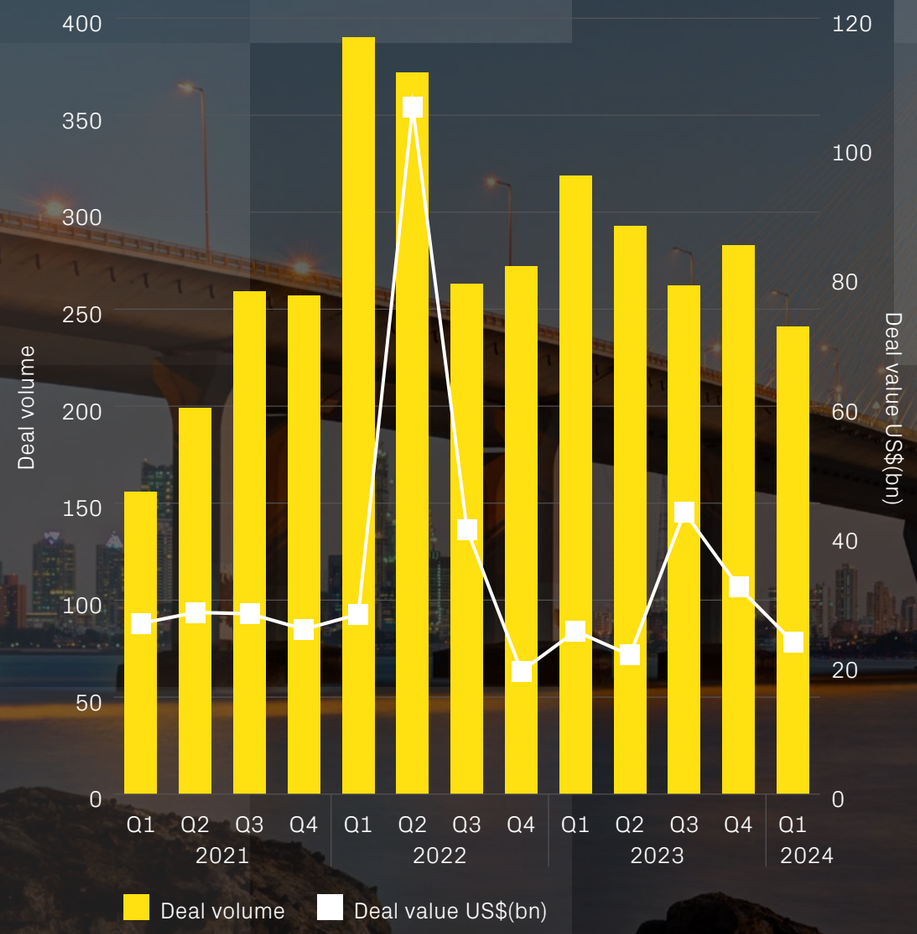
India

India's economy is poised for significant growth, potentially overtaking Japan as the world's fourth-largest economy by 2025, a year sooner than previously expected, according to the IMF. This growth trajectory might even see India rising to become the third largest economy by 2027, trailing only the US and China. This optimistic forecast is supported by the Reserve Bank of India's projection of 7% real GDP growth in the fiscal year 2024.

Mirroring China's economic strategy from over three decades ago, India is channeling extensive funds into infrastructure projects. This includes the development of roads, ports, airports, and railways to support its expanding economic base.

The burgeoning confidence in India's economic future is also mirrored in its financial markets, which have reached unprecedented highs. The total market valuation of companies listed on Indian stock exchanges recently surpassed the US$4tn mark, reflecting investor enthusiasm and confidence in India's economic potential.

India M&A activity, 2021–Q1 2024



Source: Mergermarket

Value resilience

India's M&A market in Q1 generated a total of 241 deal announcements. That figure represents a year-on-year decline of 24.5%. Despite the drop in deal count, the total value of transactions remained robust at US$23.5bn, a drop of only 6.8% from the same period the previous year.

The TMT industry was the most significant contributor to this strong value statistic, delivering US$7.9bn, more than doubling Q1 2023's output, despite experiencing a 29% year-on-year decline in the total number of TMT deals to 61. India's consumer sector, in second place overall, also recorded a remarkable year-on-year gain in value terms, generating just over US$4bn worth of deals in Q1, up 273% from the same period in 2023.

Notably, consumer was one of the few key sectors where transaction volume increased, rising by 22% to 28 deals. This placed it third in volume terms, trailing only I&C (40) and TMT (61).

India top sectors by value – Q1 2024	US$(m)
TMT	7,922
Consumer	4,022
Construction	3,429
Industrials & chemicals	2,953
Financial services	1,785
India top sectors by volume – Q1 2024	**Deal count**
TMT	61
Industrials & chemicals	40
Consumer	28
Business services	25
Construction	20
India top bidders by value – Q1 2024	**US$(m)**
India	18,028
Netherlands	2,759
Japan	953
USA	773
United Kingdom	236
India top bidders by volume – Q1 2024	**Deal count**
India	163
USA	23
Japan	11
United Kingdom	6
Singapore	6

Towers of power

Reshaping the media landscape and contributing more than half of the total deal value accrued in the TMT sector was the JV struck between Reliance Industries and Disney, which involved the latter selling a stake in Star India for US$4.5bn. On the telecoms side of TMT, Brookfield Asset Management's Data Infrastructure Trust bought out ATC Telecom Infrastructure for almost US$2bn, the asset manager's third major deal in India's telecoms space. The acquisition comes as India's 5G rollout advances and gives Brookfield access to ATC India's extensive network of approximately 78,000 sites.

AM Green Ammonia, through a collaboration with Gentari and an investment from Singaporean sovereign wealth fund GIC, established AM Green Ammonia Holdings in India's third largest deal. The strategic partnership, valued at US$1.9bn, focuses on the large-scale production of green ammonia. The company's first exports are targeted for late 2025, aiming to reach key markets in the OECD, including Germany, Japan, South Korea, and Singapore.

Big-ticket deals indicate India's powerhouse promise

India top 10 announced deals, Q1 2024

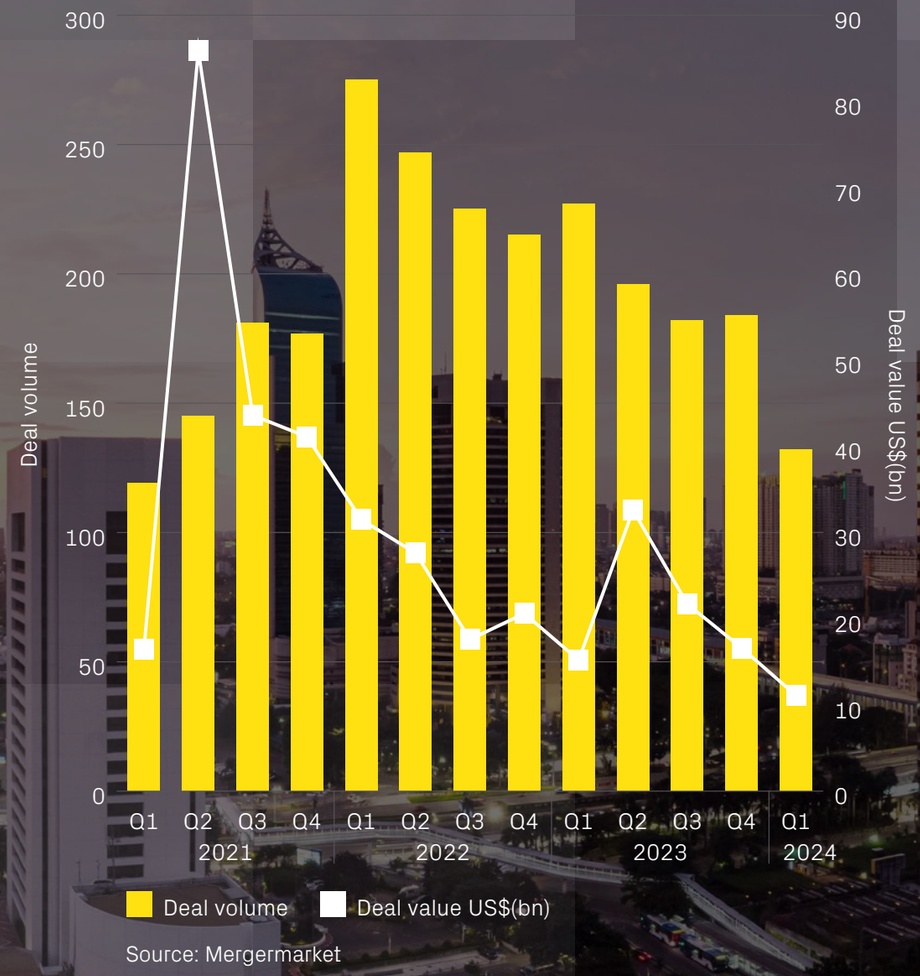
	Announced date	Bidder company	Target company	Sector	Vendor company	Deal value US$(m)
1	28-Feb-24	Reliance Industries Ltd; Viacom 18 Media (Pvt) Ltd. (Media Undertaking)	Star India (Pvt) Ltd. (Star India) (63.16% Stake)	TMT	Walt Disney Co.	4,528
2	04-Jan-24	Data Infrastructure Trust	ATC Telecom Infrastructure (Pvt) Ltd. (100% Stake)	TMT	American Tower Corp.	1,980
3	30-Jan-24	AM Green Ammonia BV	AM Green Ammonia Holding BV	Industrials & chemicals		1,940
4	23-Feb-24	Undisclosed Acquirer	Sukhbir Agro Energy Ltd.	Consumer		1,550
5	15-Jan-24	Highways Infrastructure Trust	PNC Bundelkhand Highways (Pvt) Ltd. (100% Stake); PNC Bareilly Nainital Highways (Pvt) Ltd. (100% Stake); PNC Gomti Highways (Pvt) Ltd. (100% Stake); PNC Khajuraho Highways (Pvt) Ltd. (100% Stake); PNC Bithur Kanpur Highways (Pvt) Ltd. (100% Stake); PNC Aligarh Highways (Pvt) Ltd. (100% Stake); PNC Meerut Haridwar Highways (Pvt) Ltd. (100% Stake); PNC Unnao Highways (Pvt) Ltd. (100% Stake); PNC Rajasthan Highways (Pvt) Ltd. (100% Stake); PNC Triveni Sangam Highways (Pvt) Ltd. (100% Stake); PNC Chitradurga Highways (Pvt) Ltd. (100% Stake); PNC Challakere (Karnataka) Highways (Pvt) Ltd. (100% Stake)	Construction	PNC Infratech Ltd.	1,090
6	28-Mar-24	Adani Enterprises Ltd.	Ambuja Cements Ltd (3.55% Stake)	Construction		1,066
7	29-Feb-24	Suven Pharmaceuticals Limited	Cohance Lifesciences Ltd (100% Stake)	Consumer		1,021
8	14-Mar-24	Cintra Infraestructuras SL; Ferrovial SE	IRB Infrastructure Trust (24% Stake)	Real estate	GIC (Pte) Ltd.	808
9	07-Mar-24	Sumitomo Mitsui Financial Group Inc.	SMFG India Credit Co. Ltd. (25.1% Stake)	Financial services	Temasek Holdings (Pte) Ltd.	700
10	21-Feb-24	Cube Highways & Infrastructure (Pte) Ltd.	Chenani Nashri Tunnelway Ltd (100% Stake)	Construction	IL&FS Transportation Network Limited	641

Southeast Asia

Southeast Asia's various economies are on the up and up, propelled by a mix of robust domestic demand, increasing foreign investment, and strategic economic reforms. Countries such as Vietnam and Indonesia are leading the pack, benefiting from manufacturing shifts and burgeoning tech industries. The region has become an attractive destination for supply-chain diversification, particularly as businesses seek alternatives to China amid geopolitical tensions and trade disruptions. Overseas investors are paying close attention to this trend and are optimistic about Southeast Asian economies' growth profiles.

This optimism, however, has not generated much M&A activity recently. Dealmaking decelerated in Q1, with volume slumping by 41.9% year-on-year to 132 transactions. The decline in aggregate value was less pronounced, dropping by 27.2% to US$11.1bn. Although this is the lowest quarterly reading in the post-pandemic period, the subregion still managed to outperform the broader APAC market on a relative, year-on-year basis.

Southeast Asia M&A activity, 2021–Q1 2024



Source: Mergermarket

Room to grow

Despite a 38% year-on-year decline, TMT still managed to lead in volume terms with 34 deals announced in Q1. However, those transactions were worth only US$1.7bn combined, moving TMT into third place in value terms. One hindrance is the lack of exit value that financial investors have realized in Southeast Asia. PitchBook data show that, since 2015, just three companies were responsible for 80% of dollars returned to VC funds, while PE funds have only seen US$79.3m back over that period. This speaks to how early Southeast Asia is in its maturation cycle.

The EMU and real estate sectors leapt into first and second place, respectively, for aggregate deal value despite volume trending down. EMU deals totaled US$3.4bn, up 261% year-on-year, while real estate posted US$2.2bn worth of transactions, up 39%, thanks largely to a small number of big deal announcements.

Southeast Asia top sectors by value – Q1 2024	US$(m)
Energy, mining & utilities	3,418
Real estate	2,169
TMT	1,672
Consumer	1,565
Business services	850
Southeast Asia top sectors by volume – Q1 2024	**Deal count**
TMT	34
Industrials & chemicals	16
Consumer	14
Business services	13
Construction	10
Energy, mining & utilities	10
Southeast Asia top bidders by value – Q1 2024	**US$(m)**
Philippines	2,770
Hong Kong SAR	1,384
Thailand	1,152
Vietnam	1,086
France	903
Southeast Asia top bidders by volume – Q1 2024	**Deal count**
Malaysia	18
Singapore	16
USA	13
Japan	12
Thailand	11

Upstart subregion outpacing APAC at large

Demand for data

Q1's largest deals were evenly split across the Philippines, Vietnam, Malaysia, Singapore, and Thailand. Leading the way was a US$2.2bn EMU deal involving Aboitiz Power and Meralco PowerGen in collaboration with San Miguel Global Power. The partnership will develop an integrated LNG facility in Batangas, contributing to the Philippines' goal of reducing greenhouse gas emissions by 70% by 2030.

Southeast Asia's next largest deals—the US$984m sale of a 41.5% stake in Vincom Retail, and TotalEnergies' US$903m acquisition of a 50% stake in SapuraOMV—are detailed in the Vietnam and Malaysia country Spotlight passages earlier in this report.

The only PE buyout in the subregion's top-10 deals was an example of an increasingly common occurrence. A band of institutional PE investors acquired a 43.9% stake in DigitalLand, a Singapore-based company managing international data center assets. Demand for cloud computing and the advent of commercialized artificial intelligence is set to put immense strain on data storage resources, making data centers appealing targets.

Southeast Asia top 10 announced deals, Q1 2024

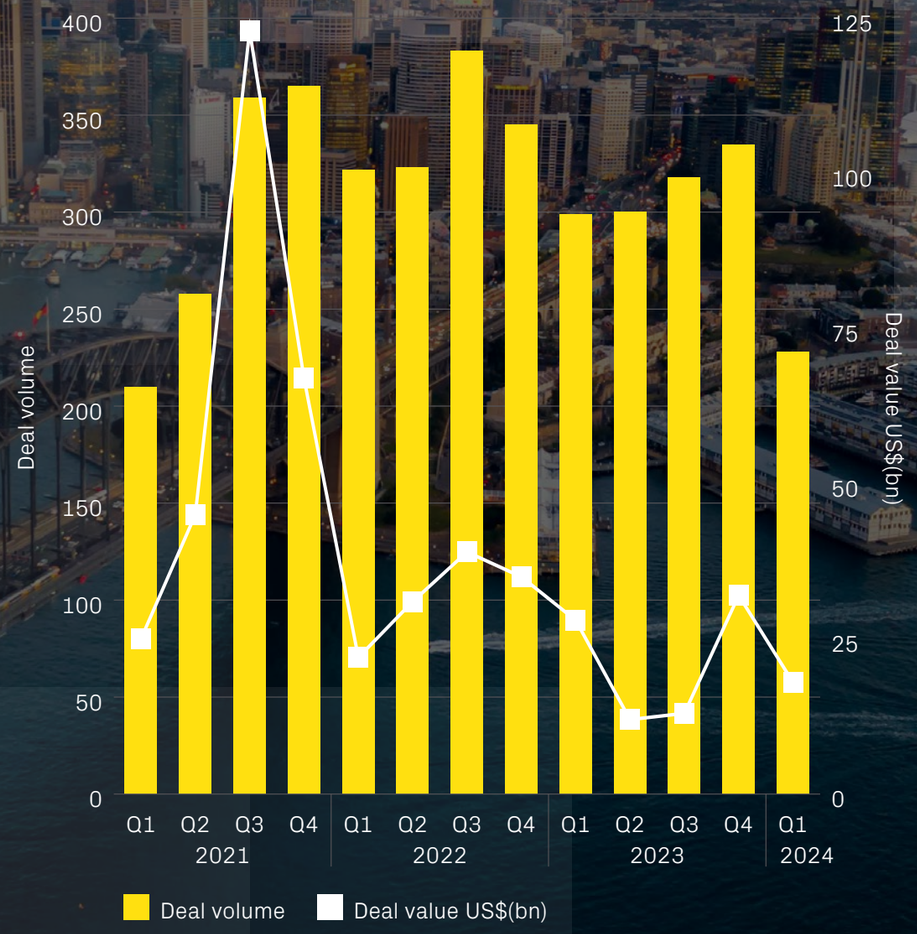
	Announced date	Bidder company	Target company	Sector	Vendor company	Deal value US$(m)
1	04-Mar-24	Aboitiz Power Corp.; Meralco PowerGen Corp.	Power Station (1,278 MW Ilijan power plant, a 1,320 MW combined cycle power facility, and LNG import and regasification terminal) (67% Stake)	Energy, mining & utilities	San Miguel Global Power Holdings Corp.	2,200
2	18-Mar-24	Undisclosed Acquirer	Vincom Retail JSC (41.5% Stake)	Real estate	Vingroup JSC	984
3	31-Jan-24	TotalEnergies SE	SapuraOMV Upstream Sdn Bhd (50% Stake)	Energy, mining & utilities	OMV AG	903
4	28-Feb-24	The Siam Commercial Bank PCL; SCB X Public Co. Ltd.	Home Credit Vietnam Finance Co. Ltd. (100% Stake)	TMT	PPF Group NV	852
5	26-Mar-24	Hillhouse Investment Management Ltd.; Tekne Capital Management LLC; Princeville Capital; Boyu Capital (China (PRC))	DigitalLand Holdings Ltd. (43.9% Stake)	Business services		587
6	09-Feb-24	Swire Pacific Ltd.	Thainamthip Corp. Ltd. (39% Stake)	Consumer	Coca-Cola Co.	575
7	12-Feb-24	AREIT, Inc.	Property Portfolio (Four commercial buildings located in Ayala Center Makati and Ayala Center Cebu, and a 276-hectare parcel of industrial land located in Zambales) (100% Stake)	Real estate	Ayala Land, Inc.	511
8	09-Feb-24	Swire Pacific Ltd.	Thainamthip Corp. Ltd. (18.5% Stake)	Consumer	ThaiNamthip Ltd.	431
9	26-Jan-24	KLCC Property Holdings	Suria KLCC Sdn Bhd (40% Stake)	Real estate	Ocmador (Malaysia) City Retail Centre Sdn Bhd; Port Moresby Investments Ltd.; Bold Peak Sdn Bhd	412
10	11-Mar-24	Sumitomo Mitsui Finance and Leasing Company, Limited; Kenedix Inc; SMFL Mirai Partners Co. Ltd.	Aravest (Pte) Ltd. (100% Stake)	Financial services	ESR Group Ltd.	267

Australia & New Zealand

Australia's economic growth slowed significantly in Q4 2023, with a lowly 0.2% increase in GDP, below the expected 0.3%. This slowdown brought annual growth down to 1.5%. High borrowing costs have dampened consumer demand, leading to a stagnation in household spending, with essential purchases being canceled out by waning discretionary budgets. These headwinds are shifting the focus from inflation to growth, suggesting potential upcoming cuts to interest rates by the Reserve Bank of Australia.

Meanwhile, New Zealand's economy experienced a contraction in the final quarter of last year, with GDP falling by 0.3% on a seasonally adjusted basis. Over 2023, the economy shrank by 0.6%, reflecting a broad decline across private consumption, public spending, fixed investment, and exports. A post-election surge in business confidence and rising consumer sentiment could, however, see New Zealand's situation improve over the course of 2024.

Australia & New Zealand M&A activity, 2021–Q1 2024



Source: Mergermarket

EMU soars

M&A activity in the subregion hit a three-year low in Q1, with the total number of deals dropping to 228, a 23.7% year-on-year decline. The overall value of these transactions also saw a considerable decline, falling 35.3% to US$18bn. Despite the downturn, certain pockets of M&A posted remarkable gains. The construction sector, for instance, saw an exponential increase in its aggregate transaction value, rising more than 20-fold year-on-year to US$4.3bn. The I&C sector also posted substantial growth, with its total deal value up by 350% to US$3.3bn.

Both, however, were surpassed by this market's immense EMU sector, which, despite experiencing a sharp 72% year-on-year decline, still led in value terms with US$5.3bn transacted. In deal volume terms, the TMT industry led with 51 transactions announced, followed by EMU with 32 deals, and the I&C sector with 27 transactions. Among these major industries, the latter was the only to post a year-on-year increase in deal volume, which was up 50%.

Australia & New Zealand top sectors by value – Q1 2024	US$(m)
Energy, mining & utilities	5,349
Construction	4,261
Industrials & chemicals	3,292
TMT	1,265
Transportation	1,089
Australia & New Zealand top sectors by volume – Q1 2024	**Deal count**
TMT	51
Energy, mining & utilities	32
Industrials & chemicals	27
Business services	26
Consumer	20
Australia & New Zealand top bidders by value – Q1 2024	**US$(m)**
Australia	5,730
USA	3,291
France	2,932
Singapore	2,813
Japan	2,107
Australia & New Zealand top bidders by volume – Q1 2024	**Deal count**
Australia	120
USA	30
New Zealand	21
United Kingdom	11
Singapore	9

Metal works

A massive buoy to dealmaking in the construction sector was the acquisition by French multinational Saint-Gobain of CSR, an Australian building products company, for a total enterprise value of US$2.9bn. The deal aligns with Saint-Gobain's strategy to expand its presence in the light and sustainable construction market, particularly in APAC where new building works far outpace the West.

The biggest industrial deal and second largest overall saw US aluminum producer Alcoa use a share swap to buy bauxite mining and alumina refining player Alumina for US$2.5bn, with the buyer seeking a secondary listing on the ASX to facilitate trading for Alumina shareholders.

Four of the eight largest deals in Australia came in the EMU sector, including the third largest across all industries. In a US$1.65bn transaction, Golden Energy and Resources and M Resources agreed to acquire Illawarra Metallurgical Coal from South32. This sale is part of South32's strategic reorientation toward commodities that are vital for the low-carbon transition, such as copper and zinc.

Australia's rich resources continue to deliver in a down market

Australia & New Zealand top 10 announced deals, Q1 2024

	Announced date	Bidder company	Target company	Sector	Vendor company	Deal value US$(m)
1	21-Feb-24	Compagnie de Saint-Gobain SA	CSR Ltd. (100% Stake)	Construction		2,917
2	25-Feb-24	Alcoa Corp.	Alumina Ltd. (100% Stake)	Industrials & chemicals	CITIC Resources Holdings Ltd.; Allan Gray Australia (Pty) Ltd.	2,483
3	29-Feb-24	Golden Energy & Resources Ltd; M Resources (Pty) Ltd.	Illawarra Metallurgical Coal (100% Stake)	Energy, mining & utilities	South32 Limited	1,650
4	23-Feb-24	JERA Co. Inc.	Oil & Gas Assets (Scarborough gas field development project) (15.1% Stake)	Energy, mining & utilities	Woodside Energy Group Ltd.	1,400
5	19-Feb-24	Seven Group Holdings Ltd.	Boral Ltd. (28.41% Stake)	Construction		1,240
6	05-Feb-24	Red 5 Ltd.	Silver Lake Resources Ltd. (100% Stake)	Energy, mining & utilities		751
7	25-Mar-24	Cyan Renewables (Pte) Ltd.	MMA Offshore Ltd. (100% Stake)	Transportation		670
8	04-Mar-24	Electric Power Development Co. Ltd.	Genex Power Ltd. (92.28% Stake)	Energy, mining & utilities		656
9	06-Feb-24	Trelleborg AB	Baron Rubber (Pty) Ltd. (100% Stake)	Industrials & chemicals		400
10	05-Feb-24	Keppel Infrastructure Fund Management (Pte) Ltd.; Andrew Cornwall (Private Individual)	Ventura Motors (Pty) Ltd. (100% Stake)	Transportation		390

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Editor: Julian Frazer

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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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