

BPEA EQT, Blackstone, PEP claim top prizes at AVCJ Awards



Staff Writer

15 November 2022

Baring Private Equity Asia – now BPEA EQT – retained the large-cap firm of the year prize at the 2022 AVCJ Private Equity & Venture Capital Awards as it, Pacific Equity Partners (PEP), and The Blackstone Group claimed two victories apiece.

A total of 16 prizes were presented for fundraising, investments, exits, responsible investment, and value creation. Qiming Venture Partners, Potentia Capital, Nexus Point Capital, Advantage Partners, Five V Capital, Quadrant Private Equity, and L Catterton were among the other winners. Teh Kok Peng, one of the architects of GIC's PE programme, won the AVCJ Special Achievement Award.

BPEA EQT is the first manager to claim successive firm of the year prizes at the AVCJ Awards. It follows the merger of Baring Asia and EQT – announced in March and closed in October – which is regarded as a landmark transaction for the industry. BPEA EQT also

closed its eighth Asia fund on USD 11.2bn in mid-September, for which it received the large-cap fundraising award.

Other activities from the past 12 months include sizeable exits from Hexaware Technology, HCP Packaging, and Interplex – the latter coming on the back of a significant turnaround effort – and acquisitions of Tricor Group and Ginko International.

Receiving the award, Jean Eric Salata, CEO of BPEA EQT, recalled his formative years in the industry in the mid-1990s when he was “naïve enough to think you could raise a first-time fund as a 30-year-old kid with no track record and no team.” He noted that, since then, Asian private equity has graduated from a cottage industry into an institutionalised asset class.

“When I started the business, no one wanted to invest in Asian private equity. It had a very chequered history of poor returns; there were some good years, some bad years, it was very inconsistent,” Salata said. “When some of the global firms came in – Blackstone, KKR, Permira, Bain Capital – we had to up our game and invest in our business and that was really healthy for all of us.”

PEP secured the Firm of the Year – Mid Cap prize on the back of a string of exits. Two of them came from the manager’s debut secured assets fund, which operates at the nexus of PE and infrastructure.

And one of those exits – smart meter business Intellihub – triumphed in the large-cap exit category. PEP built out and de-risked the business and then generated a 5.2x gross multiple by selling 50% to Brookfield Asset Management at an enterprise valuation of AUD 3.2bn (USD 2.3bn) and transferring the other 50% into a single asset continuation fund.

“It’s our 25th year in business at PEP and it’s been our biggest year yet,” said Shannon Wolfers, a managing director at the firm. “We started out with eight mature portfolio companies and sold seven of them for an average return of 3.9x and a 60% IRR. We reloaded the portfolio and bought five businesses at more than AUD 2bn of EV [enterprise value].”

PEP’s victories rounded off a strong showing for Australian private equity firms. Brown added that he hoped LPs in the room would recognise that the market can generate attractive investments and – in jest – that he hoped GPs would recognise the market is very competitive and “there’s no room for any more players.”

One of Blackstone’s two awards was for an Australia-based deal: the AUD 11.3bn acquisition of resort and casino operator Crown Resorts, in which it demonstrated both patience – the transaction took more than a year to reach completion – and a willingness to engage in a challenging turnaround in the wake of COVID-19 lockdowns and serious governance issues.

“In my 20 years in the industry, this is probably the most complicated deal I’ve ever done,” said Alan Miyasaki, a senior managing director in the firm’s real estate group and head of real

estate acquisitions in Asia. “Over the last few years, the company seems to have lost its way and this is a great opportunity to turn it around and bring it back to its greatness.”

Blackstone was one of two recipients of the Operational Value Add Award for its work on Sona Comstar, an India-based automotive systems and components manufacturer that was transformed into a key supplier to the electric vehicle segment. The other prize went to L Catterton for Owndays, a Japanese eyewear brand that underwent an aggressive – and successful – regional expansion.

The Operational Value Add Award and Responsible Investment Award are not decided through a combination of judges’ recommendations and public vote – as is the case with other categories – but based on recommendations from separate specialist judging panels. Affinity Equity Partners prevailed in the responsible investment category for Indonesia’s Sido Muncul.

Meanwhile, the AVCJ Special Achievement Award is given at the discretion of the AVCJ editorial board with industry input. This year’s recipient was Teh Kok Peng, who is credited as one of the architects of GIC’s private equity programme.

“I got into the business in 1990, mainly investing in the US and Europe. The private equity industry didn’t really take off in Asia until after the Asian financial crisis. Only after that the big names started coming from the US and Europe, and now it’s totally global,” Teh said.

“We are probably at the end of an era and moving into another era of inflation, interest rates, and political conflict. I think the next 20-30 years will look quite different.”

Early-stage investors from China were recognised in the venture capital fundraise and small-cap deal categories. Qiming Venture Partners triumphed in the former, having closed its eighth US dollar-denominated fund at USD 2.5bn, while Future Capital, CDH Investments, and Temasek Holdings secured the latter for Well-Link Technologies, a real-time cloud rendering solutions provider.

Mid-cap deal plaudits went to Nexus Point Capital for Honour Line Shipping, a Hong Kong-headquartered freight forwarder, and Japan’s Advantage Capital won small-cap exit for CosmoLife, a supplier of filtered drinking water that generated a 12x return. Finally, the IPO of the Year prize was awarded to GoTo, an Indonesia-based super app, for its IDR 15.8trn (USD 1.1bn) domestic offering.

GoTo received multiple rounds of private funding, before and after it was formed through the merger of Gojek and Tokopedia. Openspace Ventures – then known as NSI Ventures – was the sole institutional investor in Gojek’s Series A in 2014, and Shane Chesson, one of the firm’s co-founders, accepted the award alongside George Aluwi, head of investor relations at GoTo.

“It was a very difficult time to do an exit, but GoTo’s on the Indonesia exchange was a benchmark deal, completed in tough market conditions,” said Chesson. “Even though the price has fallen, relatively speaking the company is holding the line because of its great fundamentals and great management team.”

The winners in full:

- **Fundraising of the Year – Venture Capital:** Qiming Venture Partners VIII (Qiming Venture Partners)
- **Fundraising of the Year – Mid Cap:** Potentia Capital Fund II (Potentia Capital)
- **Fundraising of the Year – Large Cap:** The Baring Asia Private Equity Fund VIII (Baring Private Equity Asia)
- **Deal of the Year – Small Cap:** Well-Link Technologies (Temasek Holdings, CDH Investments, Future Capital)
- **Deal of the Year – Mid Cap:** Honour Lane Shipping (Nexus Point Capital)
- **Deal of the Year – Large Cap:** Crown Resorts (The Blackstone Group)
- **Exit of the Year – IPO:** GoTo (ADIA, Alibaba Group, Astra International, BlackRock, Capital Group, DST Global, Facebook, Fidelity International, Google, JD Group, KKR, Northstar Group, Openspace Ventures, Primavera Capital Group, Sequoia Capital India, SoftBank Vision Fund, Temasek Holdings, Tencent Holdings, Ward Ferry, Warburg Pincus)
- **Exit of the Year – Small Cap:** CosmoLife (Advantage Partners)
- **Exit of the Year – Mid Cap:** Probe CX (Five V Capital, Quadrant Private Equity)
- **Exit of the Year – Large Cap:** Intellihub (Pacific Equity Partners)
- **Responsible Investment:** Sido Muncul (Affinity Equity Partners)
- **Operational Value-add:** Owndays (L Catterton) & Sona Comstar (The Blackstone Group)
- **Firm of the Year – Mid Cap:** Pacific Equity Partners
- **Firm of the Year – Large Cap:** Baring Private Equity Asia
- **AVCJ Special Achievement Award:** Teh Kok Peng

Many thanks to the judges...

Main categories: Adams Street Partners, Allianz Capital Partners, AlInvest Partners, Asia Alternatives, Azimuth Asset Consulting, Capital Dynamics, Future Fund, HarbourVest Partners, HQ Capital, IFC, LGT Capital Partners, Morgan Stanley Alt Investment Partners, Pantheon, Portfolio Advisors

Operational Value Add Award: AlixPartners, Alvarez & Marsal, Anchor Strategic Partners, Bain & Company, KPMG, PwC

Responsible Investment Award: Asia Impact Investment Exchange, Asian Development Bank, Control Risks, GPCA, IFC, LGT Capital Partners