

How can our insight enrich your next deal opportunity?

Learn how we give private equity deal teams the edge they need to thrive in the Transformative Age

The IVCA-EY monthly PE/VC roundup – May 2020



The better the question. The better the answer.
The better the world works.



Our thoughts

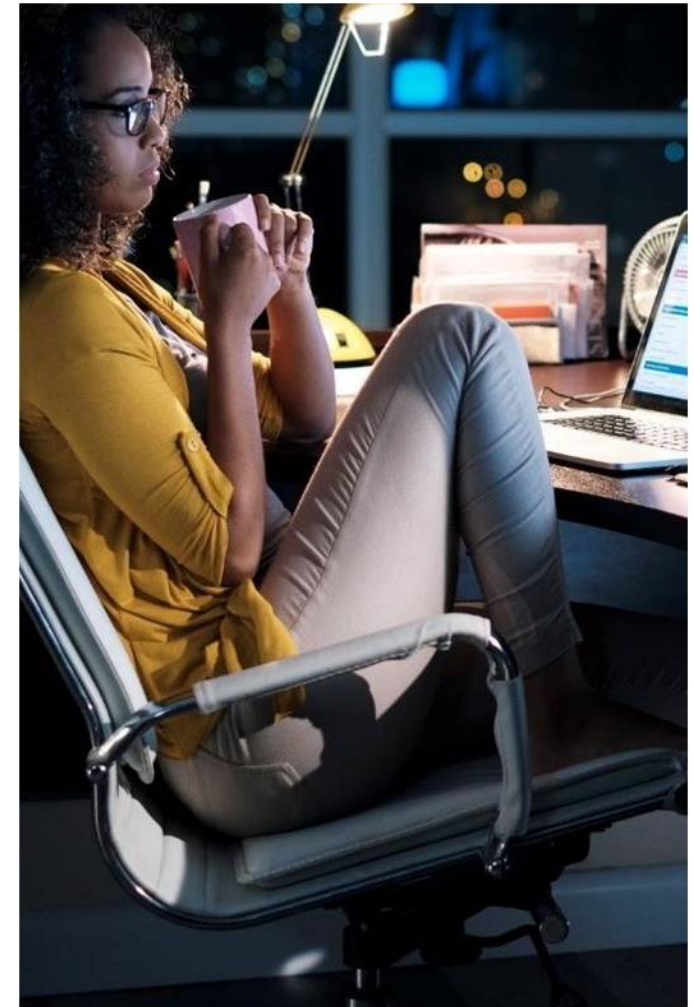
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The fundraising spree by Jio Platforms has pushed Indian PE/VC investment in May 2020 above US\$5 billion. Adjusting for these marquee deals, Indian PE/VC investment activity is on a downward trajectory. Nonetheless, these deals help highlight investor confidence in the India story.

As anticipated, the defensive sectors are witnessing renewed interest from investors. In May 2020, life sciences sector received the second highest amount of PE/VC investments of U\$354 million (after telecom). On the exits front, financial services sector recorded the highest value of exits as investors looked to book some profits in listed securities after the recent recovery in the equity indices.

With the government having laid down the roadmap for gradual withdrawal of the lockdown, economic activity is expected to start reviving. Though the pace of demand revival is still uncertain, the weeks following the lockdown withdrawal will provide directional clues for changes in consumer behavior, helping investors tweak valuation models and factor in assumptions for the new normal. The roll out of the stimulus announced by the government will also help.

Given that the curve of COVID cases is yet to flatten decisively in some zones that account for a large part of the country's economic activity, the virus will continue to remain a major headwind that both the government and private enterprises will need to tackle in the near future till such time a definitive cure is found.”



How does the right edge redefine private equity's boundaries?

Learn how our proprietary deal insights help
private equity deal teams thrive in the
Transformative Age

Monthly trend analysis – May 2020



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Building a better
working world

Key trends: monthly

Investments

- ▶ At US\$5.4 billion, May 2020 recorded a significant jump in PE/VC investments on the back of large investments in Jio Platforms by marquee global PE funds. Investments in May 2020 were 92% higher compared to May 2019 (US\$2.8 billion) and 5.8 times the value recorded in April 2020 (US\$935 million). However, 85% of the investments in May 2020 were due to the Jio Platforms PE deals aggregating US\$4.6 billion. If not for Jio Platforms, PE/VC investments would have recorded a fourth straight month of decline, recording just US\$791 million in investments, a 72% y-o-y decline and 15% lower than April 2020. In terms of volume, deals in May 2020 declined 28% y-o-y and 23% sequentially (58 deals in May 2020 vs. 80 deals in May 2019 vs. 75 deals in April 2020).
- ▶ May 2020 recorded five large deals (value greater than US\$100 million) worth US\$4.9 billion compared to three large deals worth US\$820 million last year. Four out of the five large deals in May 2020 involved investments in Jio Platforms. The largest PE deal announced in May 2020 saw KKR invest US\$1.5 billion in Jio Platforms.
- ▶ In May 2020, growth investments were the highest in value with US\$4.9 billion recorded across 12 deals, a 5.7 times increase y-o-y (US\$846 million in May 2019) followed by buyouts worth US\$283 million across three deals, 2.8 times y-o-y increase (US\$100 million in May 2019) and start-up investments worth US\$172 million, 71% y-o-y decline (US\$594 million in May 2019). Private investment in public equity (PIPE) deals worth US\$110 million across three deals were recorded in May 2020 compared to US\$62 million across two deals in May 2019.
- ▶ From a sector point of view, telecom sector (US\$4.6 billion across four deals) emerged as the top sector due to Jio Platforms, followed by life sciences sector (US\$354 million across four deals) which includes Carlyle's buyout of 74% stake in SeQuent Scientific Limited for US\$210 million and financial services (US\$309 million across 16 deals).

Key trends: monthly

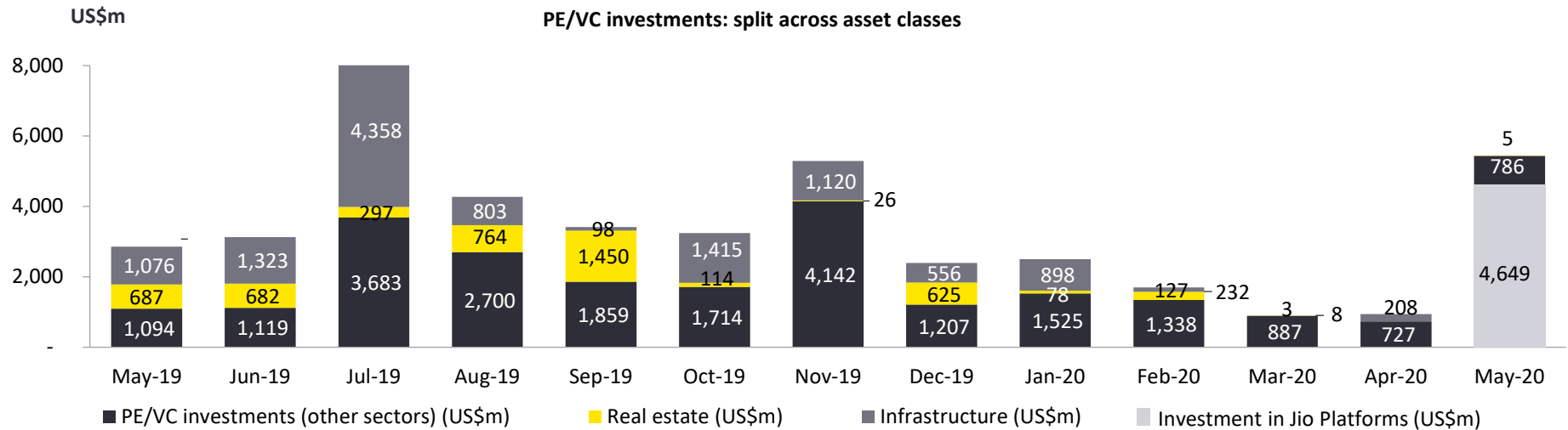
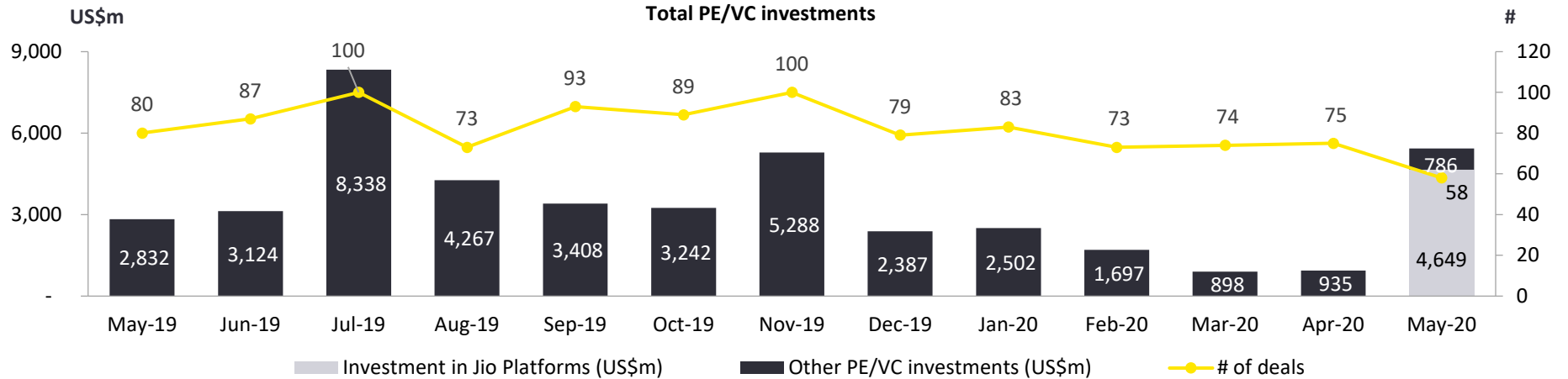
Exits

- ▶ May 2020 recorded 11 exits worth US\$286 million, a 24% y-o-y decline and 2.4 times the value recorded in the previous month.
- ▶ The largest exit in May 2020 saw Warburg Pincus sell its 8% stake in Laurus Labs for US\$50 million.
- ▶ In May 2020, open market exits were highest at US\$270 million across nine deals, accounting for 94% of all exits by value and 82% by volume.
- ▶ Financial services was the top sector in May 2020 with seven exits worth US\$188 million and accounting for 66% of all exits by value and 64% by volume. This includes GIC trimming its financial sector investments by US\$184 million by selling stakes in six listed entities including two banks, two non-banking Finance Companies (NBFCs), one housing finance company (HFC) and one life insurance company.

Fundraise

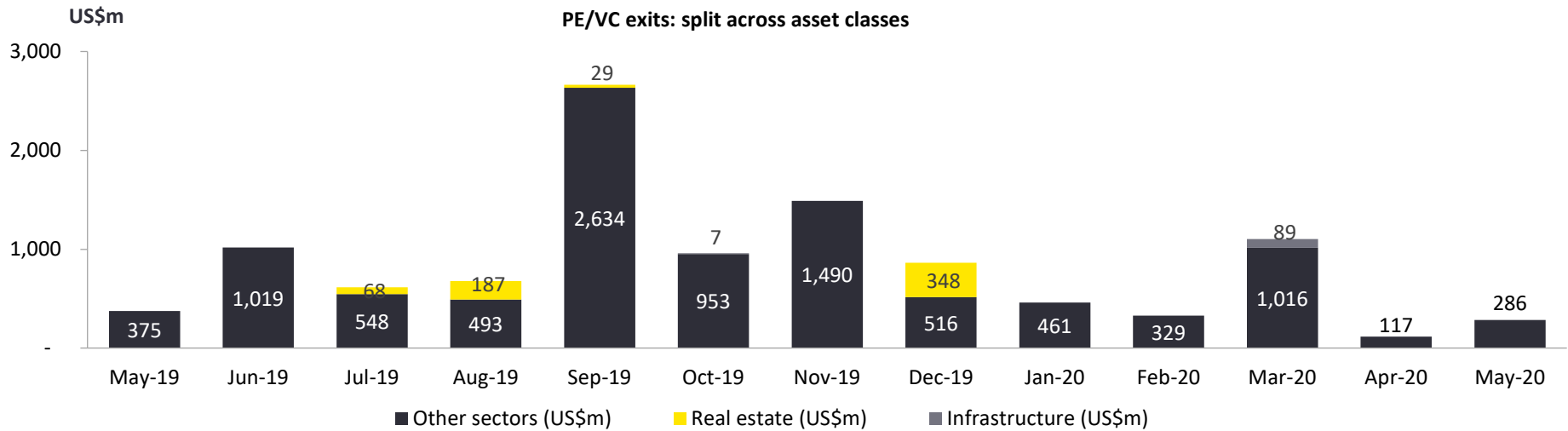
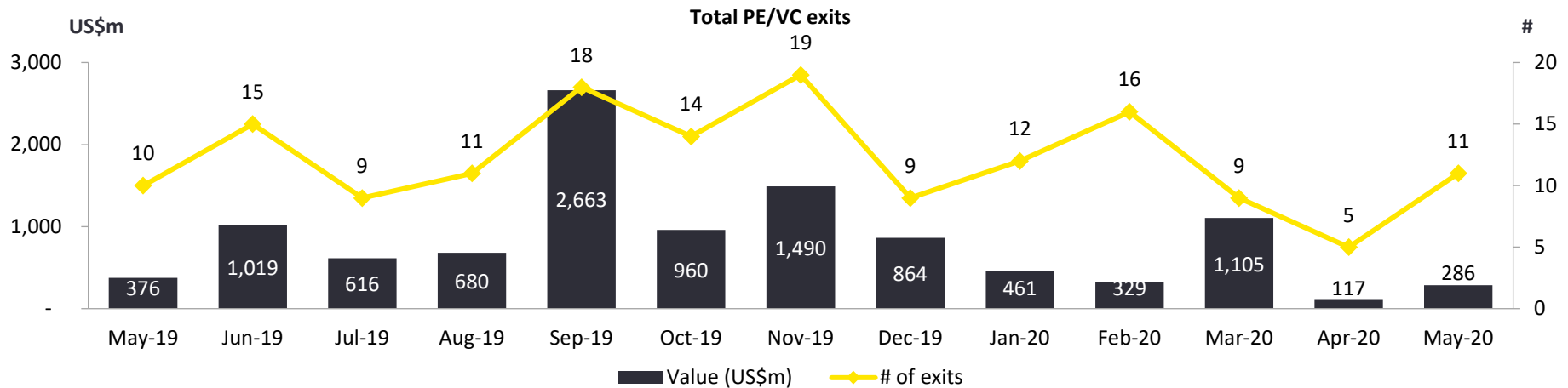
- ▶ After recording nil fundraises in April 2020, May 2020 recorded fundraise worth US\$50 million, which includes a US\$45 million top-up to its first fund by Iron Pillar. In the first five months of 2020 there have been only US\$1.5 billion worth of fundraises, 91% of which were raised in the first two months, compared to US\$4.6 billion raised in the same period last year.

PE/VC monthly headline trends: investments



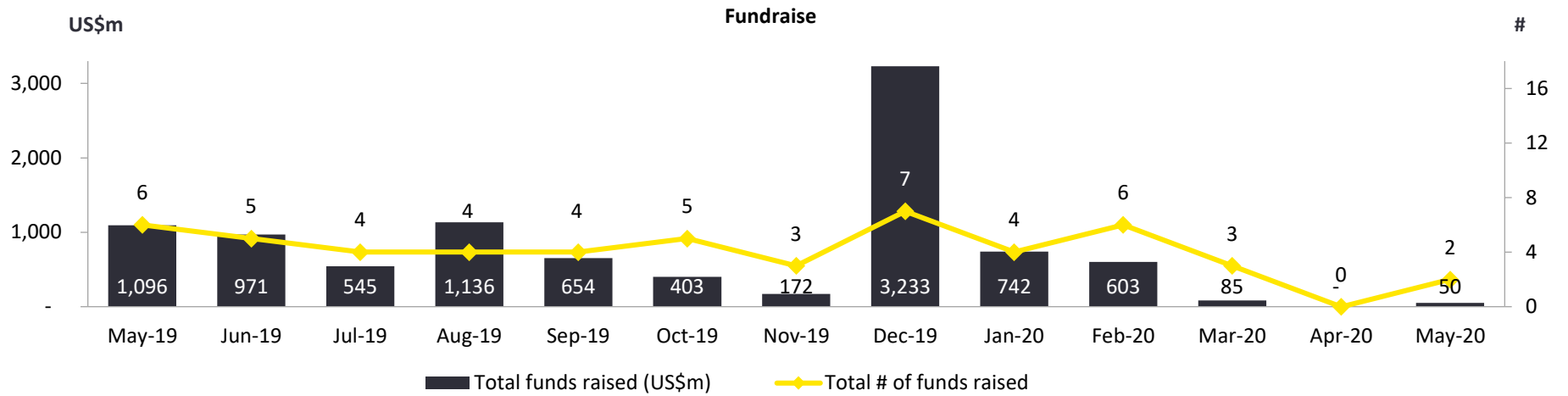
Note: Real estate includes deals across real estate (residential and commercial), hospitality and construction
 Infrastructure includes deals across roads, ports, railways, power and utilities, renewables and telecom infrastructure

PE/VC monthly headline trends: exits



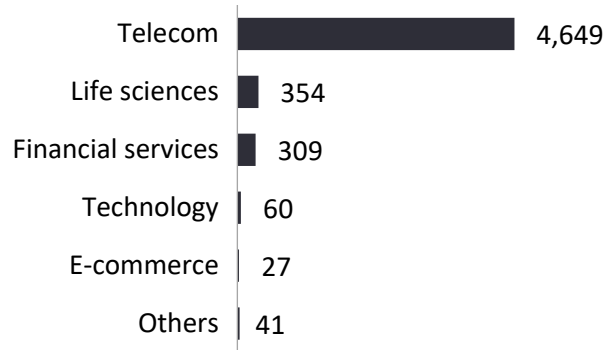
Note: Real estate includes deals across real estate (residential and commercial), hospitality and construction
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PE/VC monthly headline trends: fundraise

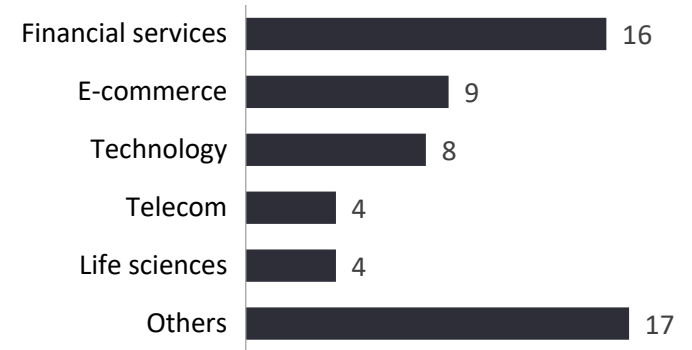


PE/VC investments: US\$5.4 billion over 57 deals (excluding infrastructure and real estate investments)

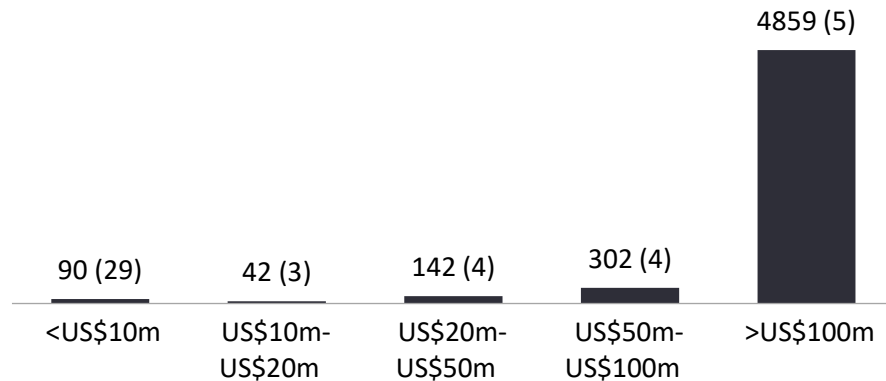
Top sectors by value US\$m



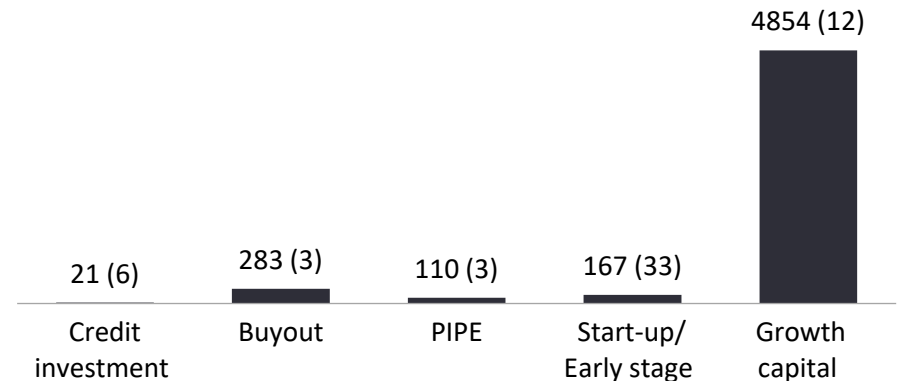
Top sectors by volume



Deal value US\$m (volume)



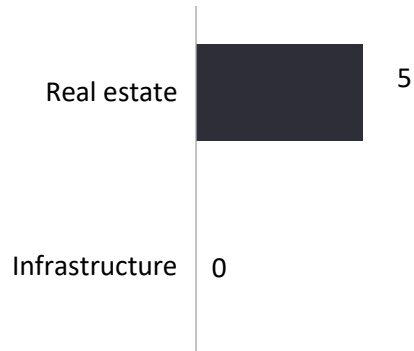
Deal type US\$m (volume)



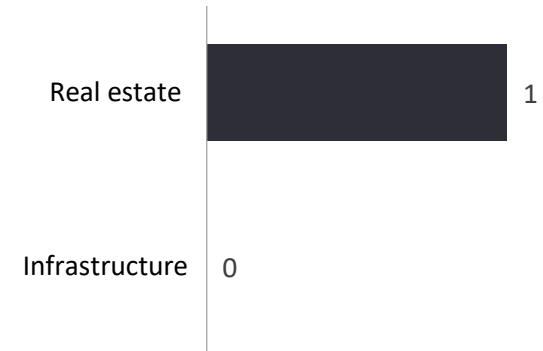
Note: Deal value was not disclosed on 12 out of 57 deals in May 2020
PIPE: private investment in public equity

Infrastructure and real estate investments: US\$5 million over one deal

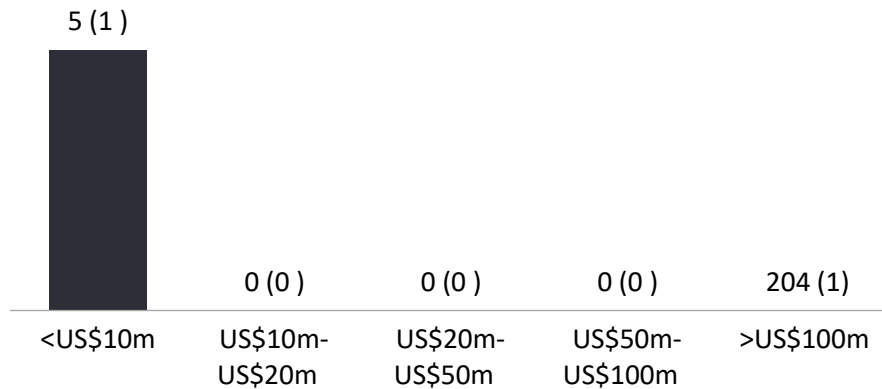
By value US\$m



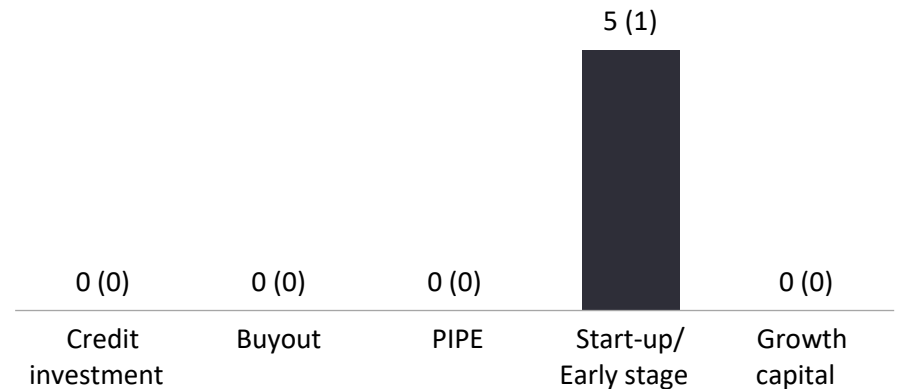
By volume



Deal value US\$m (volume)



Deal type US\$m (volume)



PIPE: private investment in public equity

Note: Real estate includes deals across real estate (residential and commercial), hospitality and construction

Infrastructure includes deals across roads, ports, railways, power and utilities, renewables and telecom infrastructure

Top PE/VC investments

Top PE/VC investments excluding infrastructure and real estate in May 2020

Company/project	PE investors	Sector	Stage	US\$m	Stake (%)
Jio Platforms	KKR	Telecom	Growth capital	1,512	2
Jio Platforms	Vista Equity Partners	Telecom	Growth capital	1,510	2
Jio Platforms	General Atlantic	Telecom	Growth capital	878	1
Jio Platforms	Silver Lake Management	Telecom	Growth capital	750	1
SeQuent Scientific Limited	Carlyle	Pharmaceuticals	Buyout	210	74
Hero FinCorp Limited	Apis Partners, ChrysCapital and Credit Suisse	Financial services	Growth capital	100	NA

Top infrastructure and real estate investments

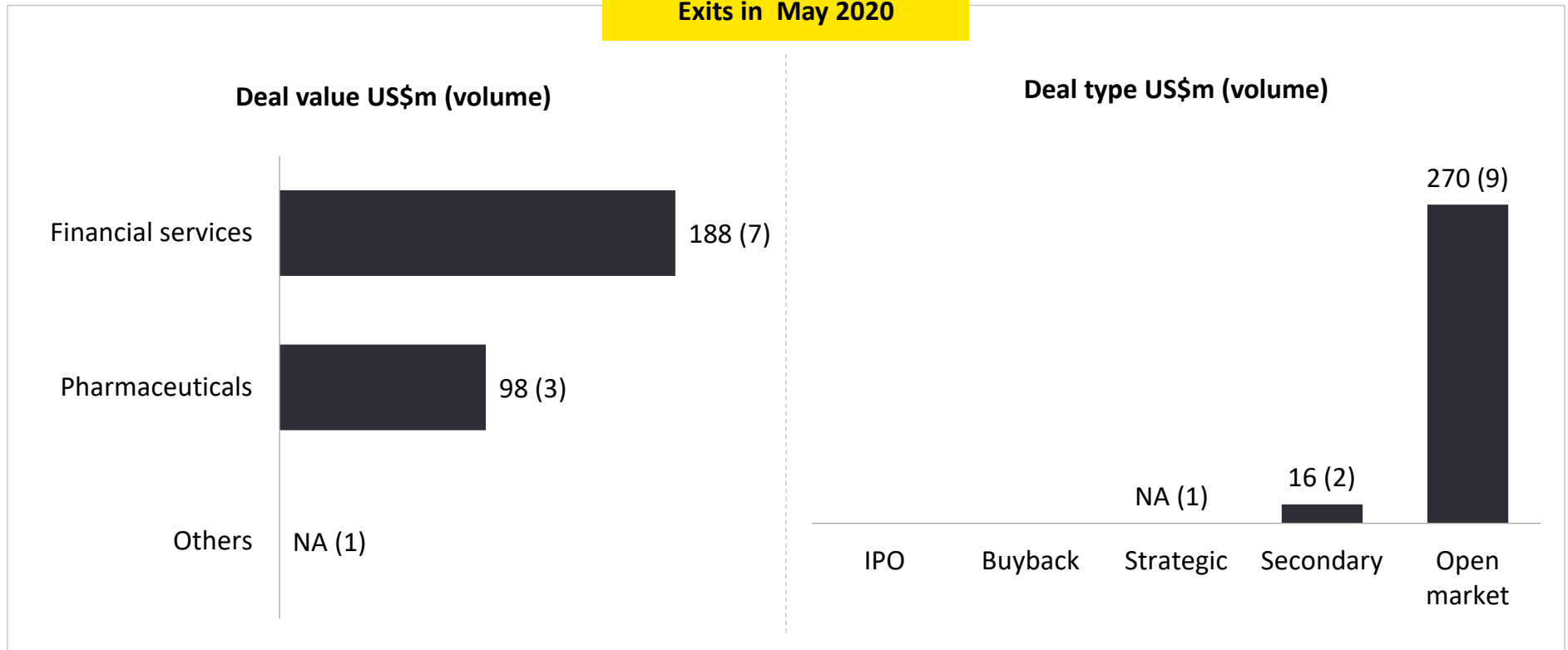
Top infrastructure and real estate investments in May 2020

Company/project	PE investors	Sector	Stage	US\$m	Stake (%)
Awfis Space Solutions Private Limited	ChrysCapital	Real estate	Start-up	5	NA

Note: Real estate includes deals across real estate (residential and commercial), hospitality and construction
Infrastructure includes deals across roads, ports, railways, power and utilities, renewables and telecom infrastructure

Exits: US\$286 million across 11 deals in May 2020

Exits in May 2020



Top exits

Top exits in May 2020

Company/project	Sector	Sellers	Buyer	Exit type	US\$m	Stake (%)
Laurus Labs Limited	Pharmaceuticals	Warburg Pincus	NA	Open market	50	8
Shriram Transport Finance Company Limited	Financial services	GIC	NA	Open market	43	NA
Bajaj Finance Limited	Financial services	GIC	NA	Open market	41	NA
Axis Bank Limited	Financial services	GIC	NA	Open market	35	NA
SBI Life Insurance Company Limited	Financial services	GIC	NA	Open market	32	NA

Fundraise

Top fundraises/announcements in May 2020

Status	Fund	US\$m	Strategy
Raised	Iron Pillar	45	Technology sector

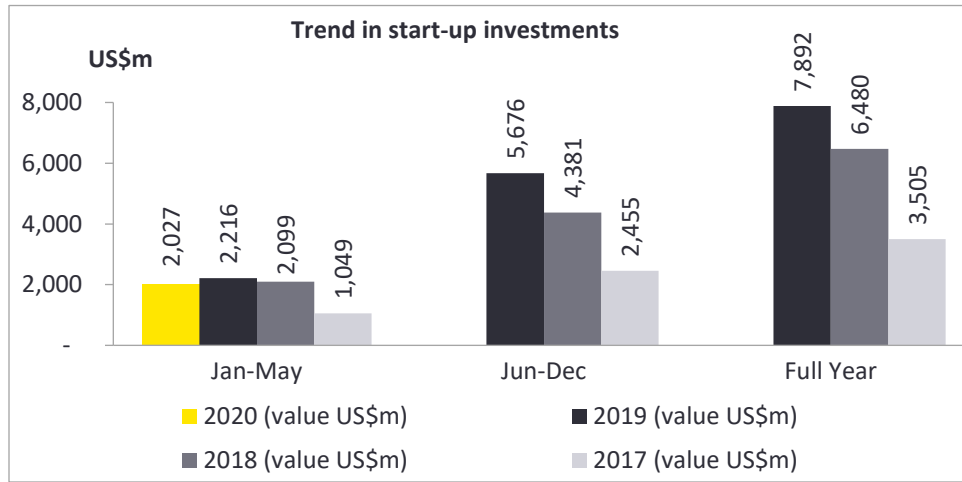


Spotlight

Start-up investments



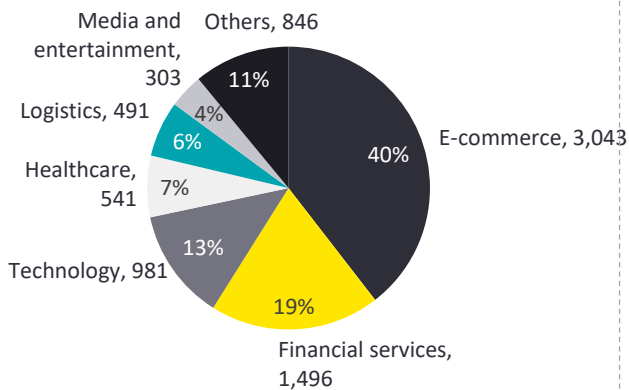
PE/VC annual headline trends: start-up investments



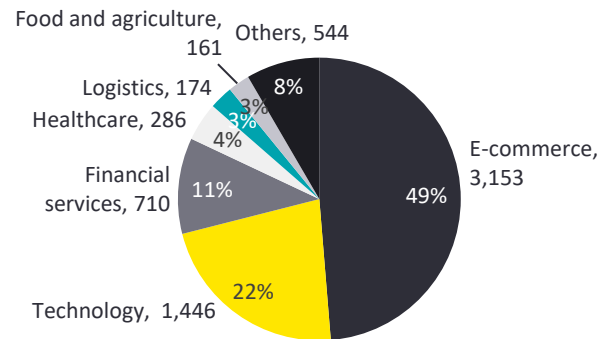
Number of deals by deal size

Deal size	2020 (Jan-May)	2019 (Jan-May)	2019	2018	2017
< US\$10m	133	131	330	225	186
US\$10m - US\$20m	17	30	69	40	26
US\$20m - US\$50m	20	14	38	32	18
US\$50m - US\$100m	5	6	21	6	4
> US\$100m	3	2	12	6	6
Total	229	240	607	377	311

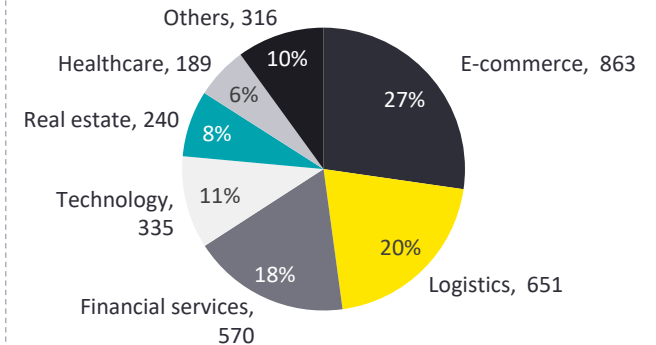
Top sectors in 2019 (US\$7,892 m)



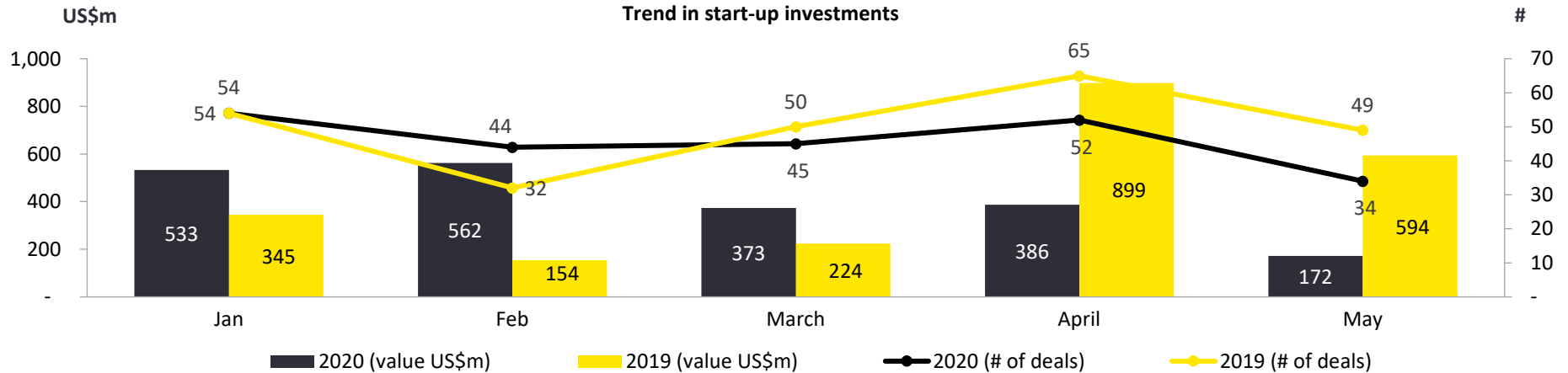
Top sectors in 2018 (US\$6,480 m)



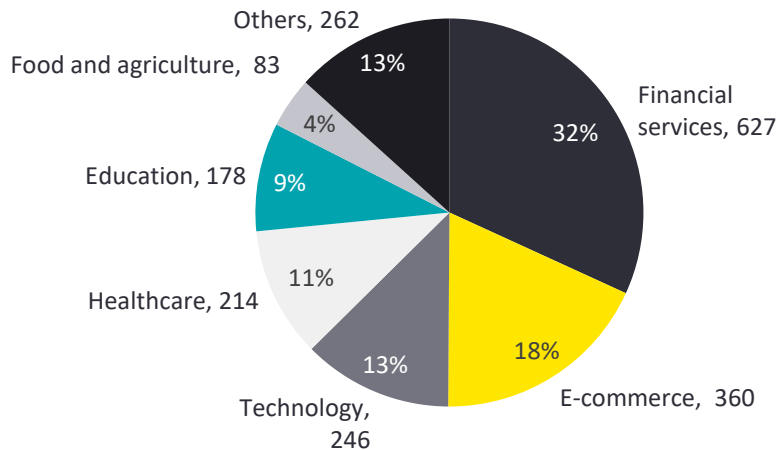
Top sectors in 2017 (US\$3,505 m)



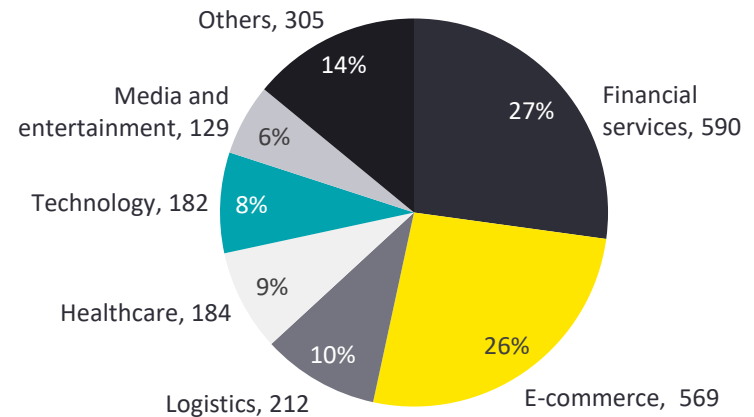
PE/VC monthly headline trends (Jan-May): start-up investments



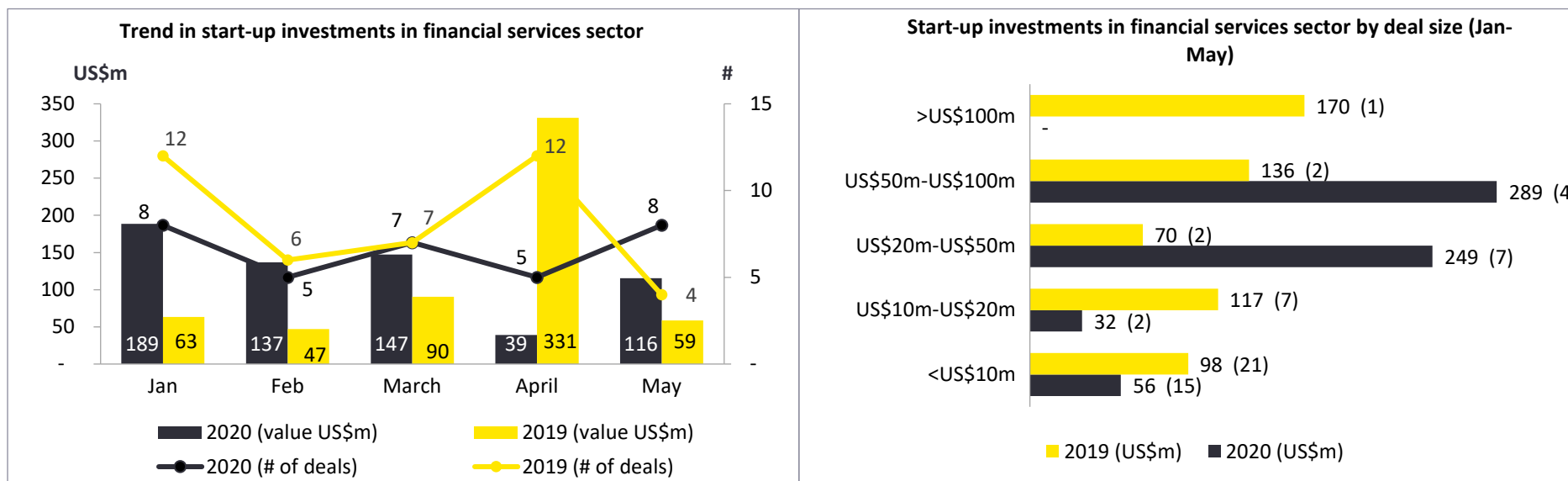
Top sectors in 2020 Jan-May (US\$2,027 m)



Top sectors in 2019 Jan-May (US\$2,216 m)



PE/VC start-up investments (Jan-May): financial services sector

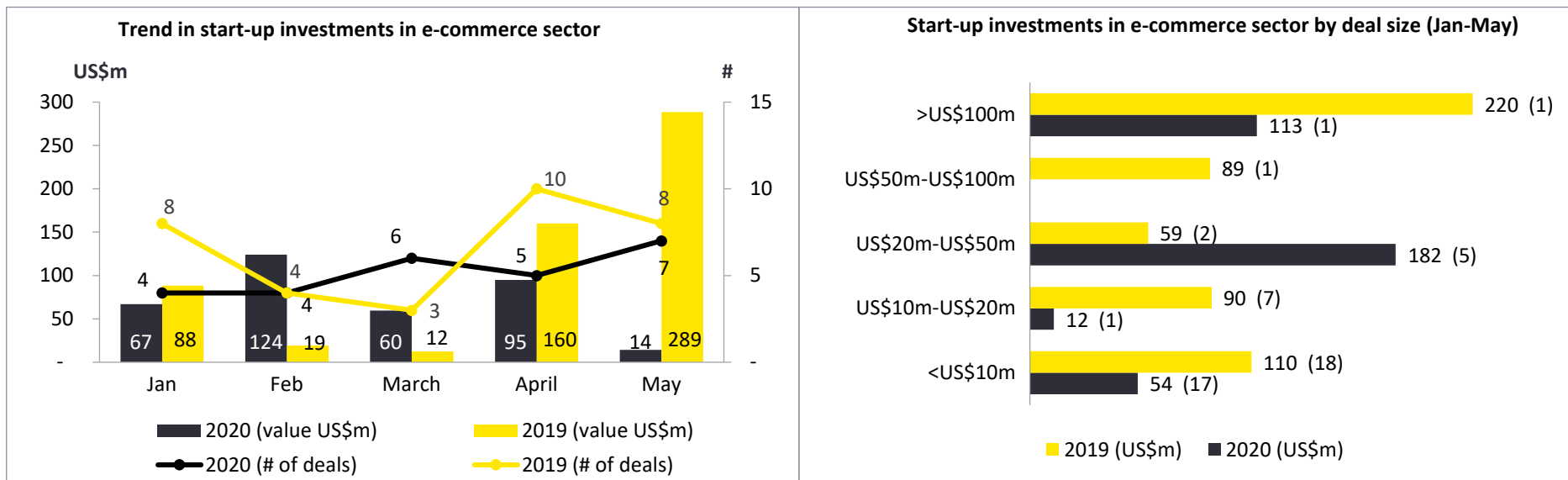


Note: values in brackets indicate number of deals

Top start-up deals in financial services sector in 2020

Company/project	PE investors	Date	US\$m	Stake (%)
Go Digit General Insurance Limited	TVS Capital, Faering Capital, A91	Jan-20	84	NA
Resilient Innovations Private Limited (BharatPe)	Amplo, Coatue Management, Steadview Capital, Ribbit Capital, Insight Venture	Feb-20	75	NA
MWYN Tech Private Limited (MoneyTap)	Megadelta Capital, Prime Venture Partners, RTP Global Advisors, Sequoia	Jan-20	70	NA
Khatabook Inc	GGV Capital, RTP Ventures, Tencent, B Capital Fund L.P., DST Global, Falcon Edge, Sequoia and others	May-20	60	NA
Vivriti Capital Private Limited	LGT Lightstone Aspada	Mar-20	50	NA

PE/VC start-up investments (Jan-May): e-commerce sector

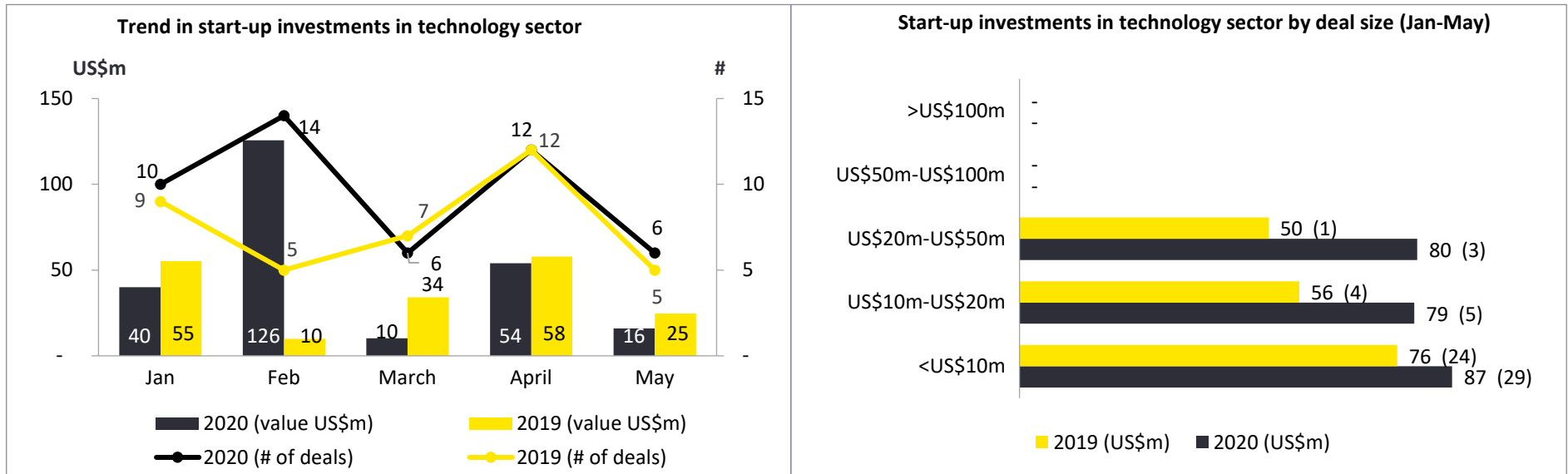


Note: values in brackets indicate number of deals

Top start-up deals in e-commerce sector in 2020

Company/project	PE investors	Date	US\$m	Stake (%)
Bundl Technologies Private Limited (Swiggy)	Naspers Ventures, Meituan-Dianping, Wellington Management Company	Feb-20	113	NA
Yellow Drive Technologies Private Limited (Spinny)	Accel India, Alteria Capital, General Catalyst Partners, SAIF and others	Mar-20	44	NA
Vogo Automotive Private Limited	LGT Lightstone Aspada	Jan-20	35	NA
Smartpaddle Technology Private Limited (Bizongo.com)	Schroder Adveq (Swiz Investor), others	Jan-20	30	NA
NoBroker Technologies Solutions Private Limited	General Atlantic	Apr-20	30	NA

PE/VC start-up investments (Jan-May): technology sector

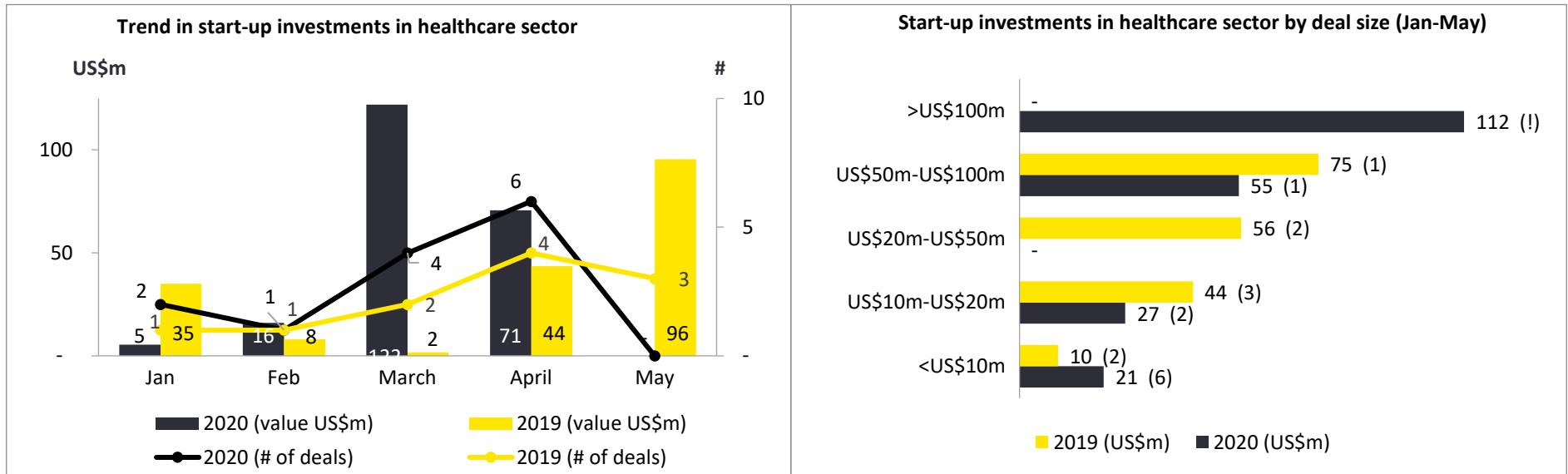


Note: values in brackets indicate number of deals

Top start-up deals in technology sector in 2020

Company/project	PE investors	Date	US\$m	Stake (%)
Quicko TechnoSoft Labs Private Limited	Eight Roads, Cisco Investments, F Prime Inc., Sequoia	Feb-20	32	NA
MoEngage India Private Limited	Matrix, Ventureast, Eight Roads, F Prime Inc.	Feb-20	25	NA
Leap India Food and Logistics Private Limited	Neev Fund, Danish SDG Investment Fund	Feb-20	23	NA
IMerit Technology Services Private Limited	Omidyar Network, CDC Group and others	Feb-20	20	NA
Bitonic Technology Labs Private Limited	Lightspeed	Apr-20	20	NA

PE/VC start-up investments (Jan-May): healthcare sector

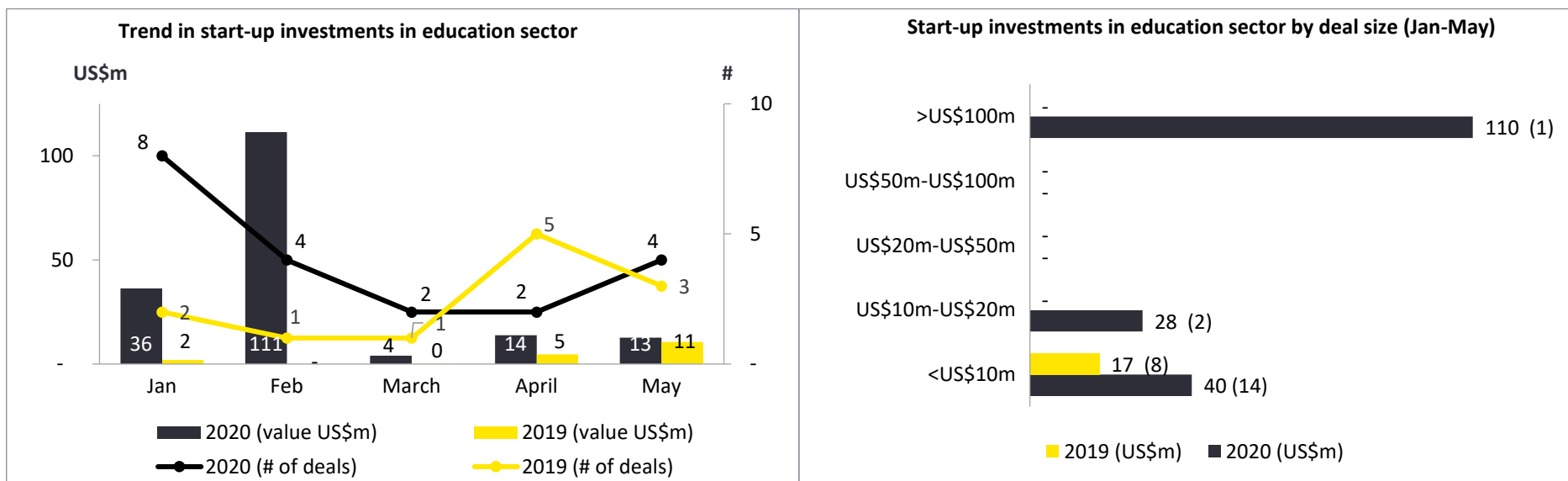


Note: values in brackets indicate number of deals

Top start-up deals in healthcare sector in 2020

Company/project	PE investors	Date	US\$m	Stake (%)
CureFit Healthcare Private Limited	Temasek, Accel, Epiq Capital, Chiratae Ventures and others	Mar-20	112	NA
MedGenome Labs Limited	Sequoia, Sofina SA, Leapfrog Investments	Apr-20	55	NA
Qure.ai Technologies Private Limited	MassMutual Ventures, Sequoia	Feb-20	16	NA
Tricog Health Services Private Limited	Blume Ventures, Inventus Capital and others	Mar-20	11	NA
Akna Medical Private Limited	LGT Lightstone Aspada	Apr-20	7	NA

PE/VC start-up investments (Jan-May): education sector

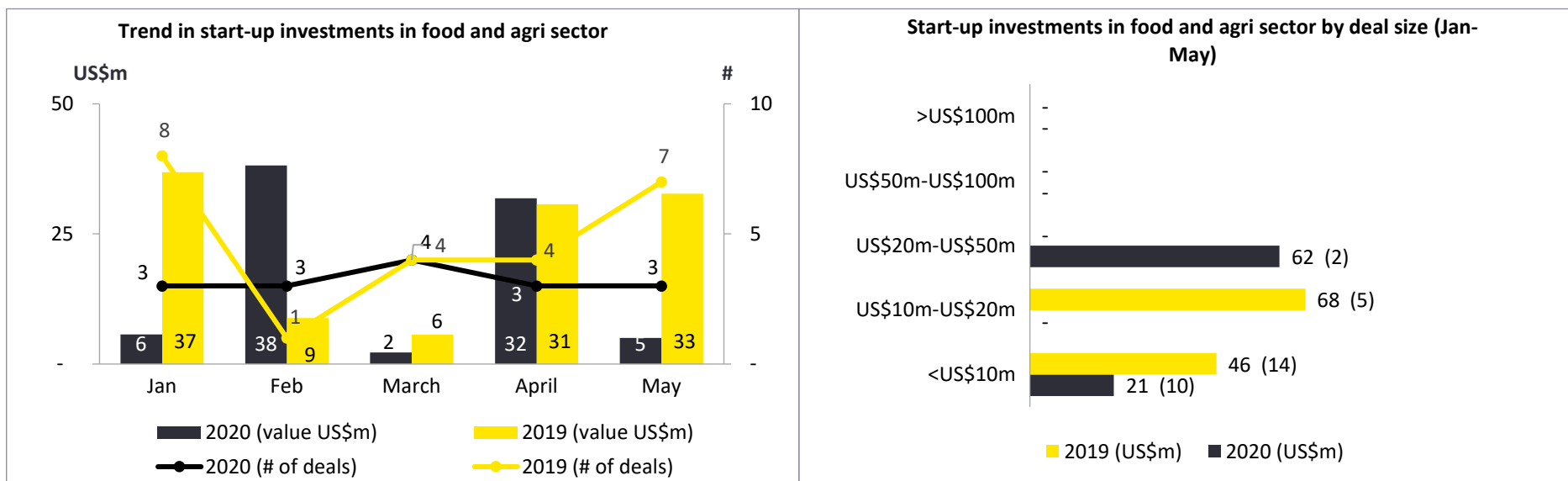


Note: values in brackets indicate number of deals

Top start-up deals in education sector in 2020

Company/project	PE investors	Date	US\$m	Stake (%)
Sorting Hat Technologies Private Limited (Unacademy)	Blume Ventures, Nexus Ventures, Sequoia, Steadview Capital, General Atlantic and others	Feb-20	110	NA
Class 21A Technologies Private Limited (Doubtnut.com)	India Impact Economy Innovation Fund, Sequoia, Tencent and others	Jan-20	15	NA
Vedantu Innovations Private Limited	Legend Capital, Omidyar Network	Apr-20	13	NA
Bunch Microtechnologies Private Limited (Classplus)	Strive III LLP, Blume Venture, Sequoia and others	May-20	10	NA
Testbook Edu Solutions Private Limited	Iron Pillara, Angellist, Matrix Partners and others	Jan-20	8	NA

PE/VC start-up investments (Jan-May): food and agri sector



Note: values in brackets indicate number of deals

Top start-up deals in food and agri sector in 2020

Company/project	PE investors	Date	US\$m	Stake (%)
Waycool Foods and Products Private Limited (Sunny Bee)	Aspada Fund, Netherlands Development Finance Co., Lightbox Ventures	Feb-20	32	NA
B9 Beverages Private Limited (Bira91)	Sixth Sense Ventures, Sofina SA, Sequoia	Apr-20	30	NA
Clover Ventures Private Limited	Mayfield, Accel, Omnivore Capital	Feb-20	6	NA
IDS Kisan Network Private Limited (kisannetwork.com)	FundersClub, Venture Highway, Y Combinator and others	Jan-20	3	NA
WoknStove Foodworks Private Limited (Samosa Singh)	She Capital, Equanimity Investments, Fireside Investment Advisory and others	Jan-20	3	NA

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An aerial photograph of a city skyline at sunset. The sun is low on the horizon, casting a golden glow over the buildings and the water. A suspension bridge is visible on the left, crossing a body of water. In the foreground, a multi-lane highway with traffic runs parallel to the water. To the right of the highway, there are trees with yellow autumn foliage and a baseball field. The sky is a mix of blue and orange.

About IVCA

IVCA

About IVCA

The Indian Private Equity & Venture Capital Association (IVCA), is the apex body promoting the Alternative Investment Funds (AIFs) in India and promotes stable, long-term capital flow (Private Equity (PE), Venture Capital (VC) and Angel Capital) in India.

With leading VC/ PE firms, institutional investors, banks, corporate advisers, accountants, lawyers and other service providers as members, it serves as a powerful platform for all stakeholders to interact with each other. Being the face of the Industry, it helps establish high standards of governance, ethics, business conduct and professional competence.

With a prime motive to support the ecosystem, it facilitates contact with policy makers, research institutions, universities, trade associations and other relevant organizations. Thus support entrepreneurial activity, innovation and job creation.

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