



ALVAREZ & MARSAL
SOUTHEAST ASIA & AUSTRALIA

2025 ASEAN DEAL FLOW ANALYSIS & KEY TRENDS

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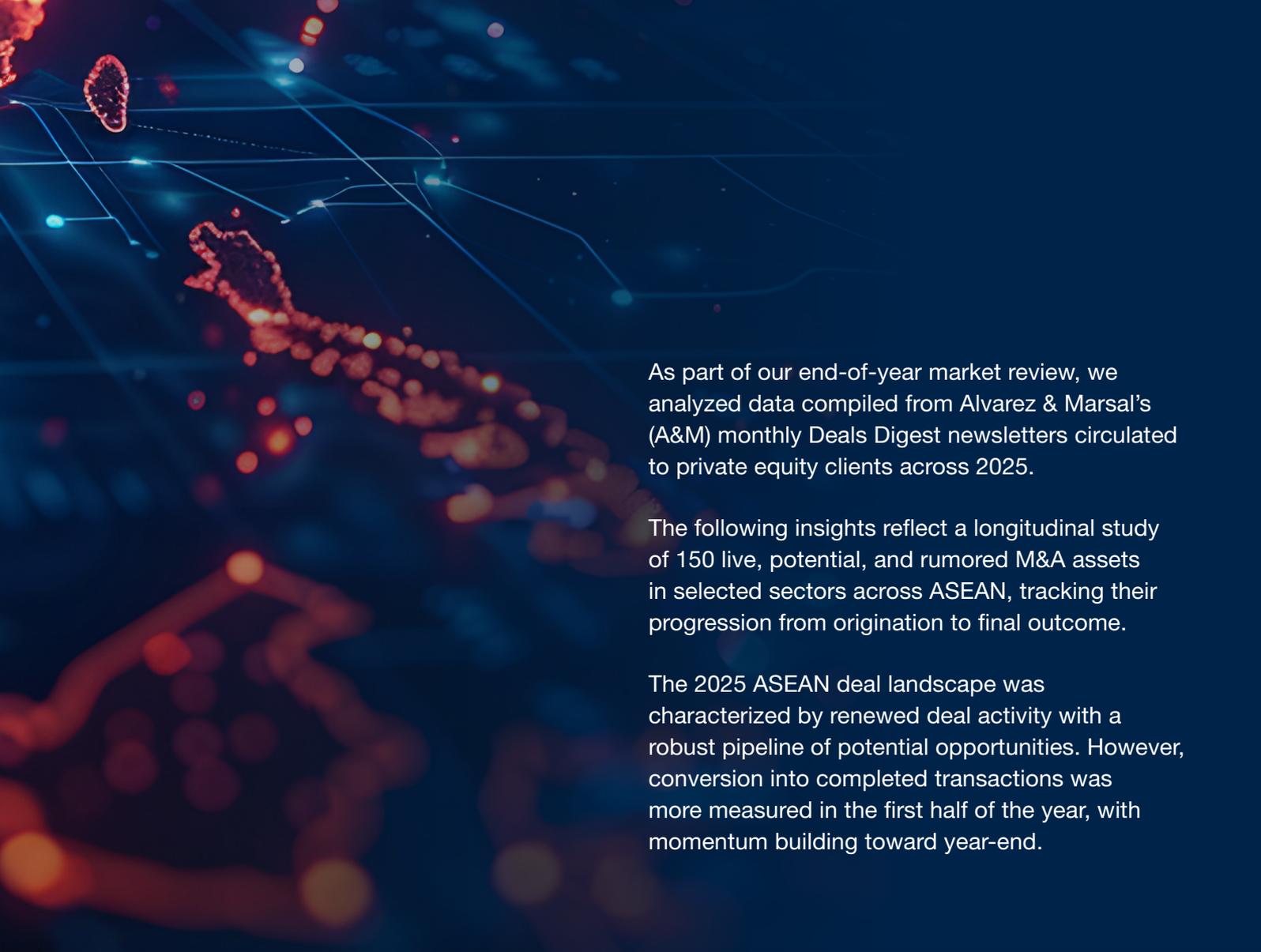


Foreword

The Association of Southeast Asian Nations (ASEAN) saw renewed deal activity in 2025, but execution, not origination, defined outcomes. Of the **150+ M&A opportunities** tracked across the region, only **12% closed**, while **65% remained active** and **23% stalled or dropped**, underscoring the growing gap between deal flow and deal completion.

This whitepaper draws on Alvarez & Marsal's 2025 Monthly Deals Digest Newsletter analysis to examine where transactions progress, where they break down, and why. **Telecom and digital infrastructure, healthcare, and industrials** led closures, while the **consumer sector lagged with an approximate 5% closure rate**. Private equity buyers continued to anchor transaction activity, accounting for c.60% of deal closures. Meaningful corporate participation (c.40%) reflects sustained strategic demand and is a constructive signal for future PE exit optionality.

The findings reinforce a central theme from our **ASEAN Value Creation Report**: with only **12% of PE investments made between 2015 and 2021 exited**, extended holding periods have become the norm. In this environment, value creation, operational readiness, and exit preparedness are no longer post-close considerations, they are prerequisites for getting deals done.



As part of our end-of-year market review, we analyzed data compiled from Alvarez & Marsal's (A&M) monthly Deals Digest newsletters circulated to private equity clients across 2025.

The following insights reflect a longitudinal study of 150 live, potential, and rumored M&A assets in selected sectors across ASEAN, tracking their progression from origination to final outcome.

The 2025 ASEAN deal landscape was characterized by renewed deal activity with a robust pipeline of potential opportunities. However, conversion into completed transactions was more measured in the first half of the year, with momentum building toward year-end.

Four key takeaways on the current market dynamics, sector performance, and prevailing transaction structures:



Market Liquidity and Deal Velocity: High Inventory, Selective Conversion

Analysis of tracked assets shows that approximately 12% of deals have been successfully 'transacted' while 65% of deals remain classified as 'active'. And 23% of processes have been 'stalled', 'dropped', or have an 'unknown status'. Deal activity remains measured as valuation expectations reset and financing costs stabilize, creating a more selective but improving exit environment.



Sector Divergence: Resilience in Healthcare, Digital Infra & Industrials vs. Headwinds in Consumer

The top three sectors by closure rates in 2025 were telecom & digital infrastructure, healthcare, and industrials, while consumer materially underperformed, reflecting a clear shift toward defensible, cash-generative businesses with stronger earnings visibility and scalable long-term growth profiles.



Telecom & Digital Infrastructure: The sector recorded the highest number of closures, driven by data centre transactions alongside continued deal activity in tower and fibre infrastructure. Buyer appetite was led by infrastructure funds, pension capital, and strategic telecom operators, reflecting strong demand for long-duration, asset-backed platforms.



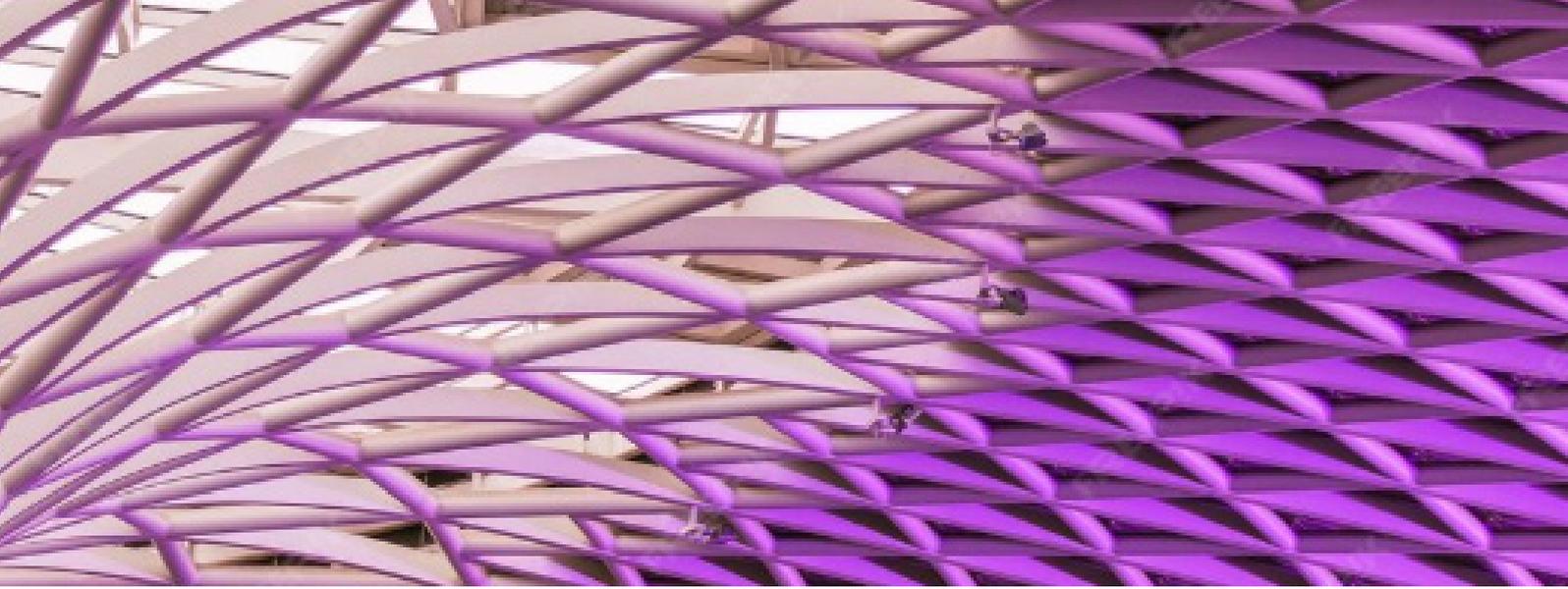
Healthcare: Six deals closed across hospitals, pharmaceuticals, and pharmacy retail, with a meaningful share of activity concentrated in Vietnam. Notably, half of the completed transactions were control deals, highlighting sustained investor conviction in healthcare's structural demand drivers and supportive regulatory tailwinds.



Industrials & B2B Services: The sector recorded five successful closures, reinforcing market preference for companies with tangible asset bases, mission-critical positioning, and defensible operating models. These deals also reflected continued focus on businesses supported by stable EBITDA profiles and valuation frameworks anchored in earnings multiples.



Consumer: Consumer was the clear laggard in 2025, with only two of thirty-seven deals launched prior to Q4 2025 closing, implying a closure rate of ~5%, the lowest across all sectors. This divergence was driven by persistent valuation gaps, greater sensitivity to discretionary demand, and increased scrutiny on growth durability and margin resilience.



Transaction Structures: Momentum in Corporate Carve-outs and Sponsor-to-Sponsor transactions

Two specific transaction typologies have dominated successful closures in 2025, namely, corporate carve-outs and sponsor-to-sponsor transactions.



Corporate Carve-outs: These transactions involve multinational corporations rationalizing portfolios by divesting non-core assets. Unlike financial sponsors, who may defer exits to await improved pricing, corporate sellers often operate on strategic restructuring timelines. This dynamic makes them a reliable source of high-quality assets. The **Edotco** towers in Malaysia and **Esso fuel retail** transaction in Singapore serve as key examples.

Currently, these deals continue to be driven by strategic buyers in ASEAN. An interesting structure linked to corporate carve-outs is the Esso fuel retail acquisition by Chandra Asri Pacific, funded through KKR's private credit arm.



Sponsor-to-sponsor transactions: This category is typically driven by the need for liquidity. Transactions such as the Royale Cold Storage sale to I Squared Capital and Quadria's acquisition of Tam Tri underscore the trend of financial sponsors transacting with one another to crystallize returns and generate essential liquidity.



Buyer Universe Evolution: The Prominence of Strategic and Infrastructure Capital

Private equity (PE) buyers remained the key source of deal activity contributing to 60% of deal closures. Key buyer for PE secondary exits also remained PE funds, with five out of six PE secondary sales to other PEs.

Within PE investments, infra funds and infrastructure funds and sovereign wealth funds (SWFs) have been active in 2025, leveraging lower costs of capital and longer investment horizons to complete transactions despite market volatility. Recent closed deals illustrate this trend clearly: Loscam's stake sale to Mubadala, the majority acquisition of Royale Cold Storage by I Squared Capital, and Edotco's Myanmar tower divestment.



2026 Outlook

We remain optimistic on deal activity into 2026, supported by strengthening momentum in the final quarter of 2025 and a growing pipeline of high-quality assets in active processes.

As we identified in our ASEAN Value Creation Report in November, only 12% of PE investments made between 2015 and 2021 have been exited, meaning many assets are being held well beyond their typical 4-6 year holding period. Enhancing value and achieving exits for this cohort of investments remain the top priority and will continue to be a defining feature of the market in coming years. This is also an area we are actively engaging with private equity sponsors, especially in consumer, business services and industrial sectors.

How A&M can help

With our operational and action-oriented approach, A&M has been assisting management teams to unlock value and kickstart performance for the last 40 years. Our experts work with clients across due diligence, sign-to-close, and post-close value creation. We focus on topline growth, operational and service excellence, and working capital and cash initiatives to accelerate performance and deliver value. We also have deep experience in running exit readiness programmes and positioning businesses for sale based on a sound operating plan.





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