

Dealtracker

February 2024

Total - 154 deals
at USD **2.5 billion**

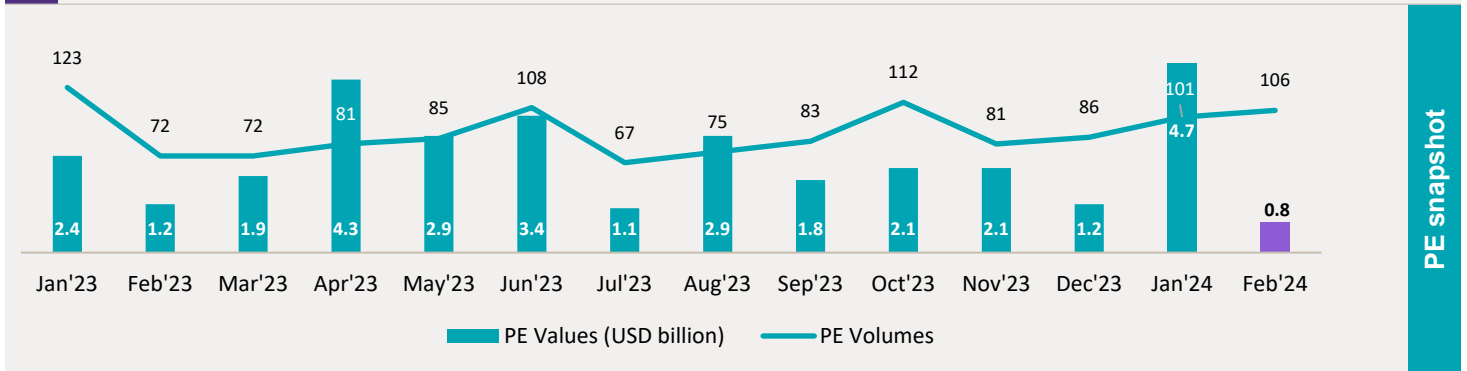
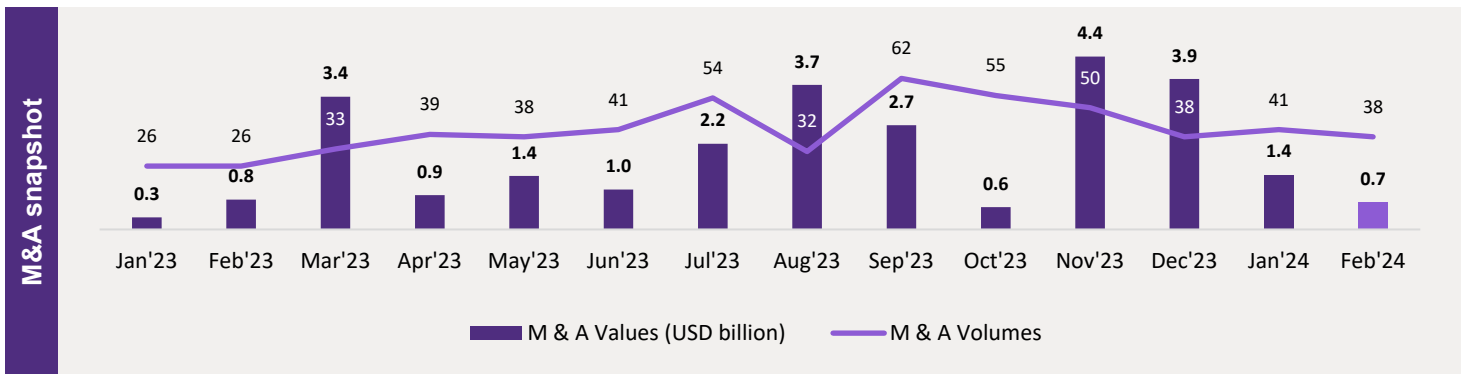
38 M&A deals at
USD **0.7 billion**

106 PE deals at
USD **0.8 billion**

8 IPOs raising
USD **0.6 billion**

2 QIPs raising
USD **0.4 billion**

Values ↓ by **65%**
and volumes ↓ by
3% Versus Jan'24



Deal flow consistent but lacked high-value deals

India Inc reported 144 deals totaling USD 1.4 billion, reflecting stable deal activity but a significant 77% decrease in values compared to January 2024. The overall M&A continued to be bearish, witnessing 38 deals valuing USD 670 million. While domestic activity continue to dominate, inbound deal activity witnessed one big-ticket transaction, which was the top deal of the month, valued at USD 145 million (Mizuho Bank’s investment in Credit saison India for a 15% stake).

PE activity continued upward trend, recording the third-highest monthly volumes in the past year, with 106 deals valued at USD 753 million. However, due to the absence of high-value deals it marked the lowest monthly values since August 2020.

Strategic and financial investors continue to showcase strong confidence in the Indian market, which is expected to revive in the upcoming months of 2024, supported by stabilised interest rates, averted recession, and overall economic recovery. Despite fundamental strength in the Indian economy, uncertainty in global factors and upcoming domestic may keep the deal market volatile in the short term.

Shanthi Vijetha

Partner

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Dealboard

Deal summary- 2024	Volume			Value (USD million)		
	Dec'23	Jan'24	Feb'24	Dec'23	Jan'24	Feb'24
Domestic	23	28	23	3,056	1,079	339
Inbound	6	6	9	233	120	217
Outbound	9	7	6	572	207	114
Total M&A	38 ↑ 8%	41 ↓ 7%	38	3,861 ↓ 64%	1,406 ↓ 52%	670
PE	86 ↑ 17%	101 ↑ 5%	106	1,173 ↑ 298%	4,669 ↓ 84%	753
Grand Total	124 ↑ 15%	142 ↑ 1%	144	5,034 ↑ 21%	6,075 ↓ 77%	1,423

Top 5 M&A deals of the month

Acquirer	Target	Sector	USD million	Deal type	% stake
Mizuho Bank Ltd	Kisetsu Saison Finance Pvt Ltd - Credit saison India	Banking and financial services	145	Minority stake	15%
Eris Lifesciences Ltd	Swiss Parenterals Ltd	Pharma, healthcare and biotech	77	Controlling stake	51%
Wipro Ltd	Aggne Global Inc and Aggne Global IT services	IT & ITES	66	Controlling Stake	60%
Gokaldas Exports Ltd	Matrix Design & Industries Pvt Ltd	Manufacturing	59	Acquisition	100%
Bajaj Finserv Health Ltd	Vidal Healthcare Services Pvt Ltd and its two units Vidal Health Insurance TPA Pvt Ltd and VH Medicare Pvt Ltd	Banking and financial services	39	Acquisition	100%

Top 5 PE deals of the month

Investor	Investee	Sector	USD million	% stake
Consortium of Investors	Capillary Technologies Pvt Ltd	IT & ITes	95	N.A.
Yamaha motor co, AI-Futtam Automotive, Lowercarbon capital, Toyota ventures and Maniv mobility	World of River Pvt. Ltd- River	Automotive	40	N.A.
Capitaland India Trust	Three industrial facilities of Chennai's onehub	Real estate	32	N.A.
Edelweiss Discovery Fund Series – I, Chiratae Growth Fund and Magnetic	Edunetwork Pvt Ltd- Rentomojo	Retail and consumer	25	N.A.
responsAbility Investments AG	Blu-Smart Mobility Pvt. Ltd	Automotive	25	N.A.

Notable trends

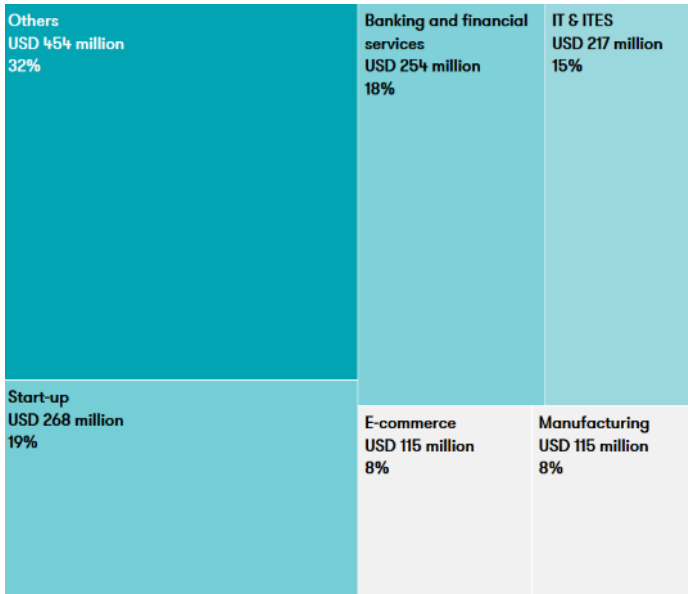
- February 2024 witnessed 144 deals valued at USD 1.4 billion, representing a 77% decline in values and a marginal increase in volumes. This decline in values was primarily due to the absence of major transactions, compounded by undisclosed deal values in M&A deals. Notably, there were no billion-dollar deals, and the number of high-value deals dropped significantly, with only one deal surpassing USD 100 million compared to six in January 2024.
- M&A activity witnessed a 7% decrease in volumes and a substantial 52% decline in values, mainly due to undisclosed deal values. The domestic and outbound deal activity saw a decline in both volumes and values compared to the previous month, while inbound values surged by 81% and volumes by 50%, indicating heightened interest from foreign investors from the USA, followed by Japan and Singapore.
- PE activity comprised 106 deals worth USD 0.8 billion, with smaller value deals (< USD 7 million) contributing to 58% of volumes but only 20% of values, resulting in an average deal size of USD 2.4 million. Although PE activity recorded the third-highest monthly deals in the past year, it marked the lowest monthly values since August 2020. The month witnessed only one deal over USD 50 million.
- Start-ups, IT & ITes, and E-commerce led deal-making, accounting for 56% of volumes, while start-ups, IT, and Banking and financial services contributed 52% of overall values.
- Deal of the month:** Mizuho Bank Ltd acquired a 15% stake in Kisetsu Saison Finance Pvt Ltd for an investment of USD 145 million, contributing to nearly 21% of the M&A deal activity.

Sector trends

Top sectors based on deal volumes



Top sectors based on deal value



Start-ups drove the deal activity, leading in both volumes and values

- Start-ups dominated the deal volumes and values with 37% and 19% of the total deal activity.
 - Consumer retail and enterprise application segments were the top segments contributing to 40% of the deal volumes
 - Travel, transport and logistics segment led the deal values accounting for nearly 30% of the activity.
- Followed by start-ups, the E-commerce witnessed major deal activity compared to the previous month with a rise of 89% in volumes and 9% decrease in values.
 - Retail, logistics and Fin Tech are the major segments contributing to 65% of the deal volumes and 61% of the deal values.
- The IT and ITeS sector saw a noticeable growth with both deal volumes and values increasing by 22% and 12% respectively, compared to the previous month. The IT solutions segment led the sector with investments valuing USD 173 million, which is nearly 78% of the sector values, while software development led the volumes with a 45% share.
- Pharma, healthcare and biotech sector experienced an upsurge in both volumes and values, with values more than doubling with a 2.7x incline and volumes increasing by 60% than the previous month. Pharma and biotech segment topped the sector's values by contributing an 82% share with just two deals.
- The Automotive sector experienced the second highest deal volumes since July 2023, with six deals valued at USD 102 million. Notably, majority of the deals were in the electric vehicles (EV) space valuing USD 69 million.

“Cleantech's strategic investments and transformative deals are catalysts in sculpting India's sustainable future, fostering innovation and environmental stewardship for generations to come.”

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Executive Director
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