WELCOME TO THE DIGITAL ARCHIPELAGO OF INDONESIA

Happy 76th Independance Day, Indonesia!

This year marks one of the biggest milestones in Indonesia’s digital economy: Gojek and Tokopedia are merging and planning to go public, Bukalapak just IPO in IDX, while both Traveloka and Finaccel (Kredivo) are planning their IPO through SPAC vehicles.

We are at the most exciting intersection of digital landscape in SEA. What a time to be an Indonesian!

While there are tons of market research out there, we thought, what better way to celebrate our 76th independence day than to highlights some of the most exciting trends and statistics in our digital economy! So we compiled some of the best researches and data out there just for you.

This is our dedication to Indonesia. Our hopes and prayers that it will continue to be the beacon of SEA’s digital innovation. The new frontier.

Best Regards,
StartupIndonesia.co team.
PART I
MARKET OVERVIEW
Indonesia Economic Profile
Indonesia Internet Economy
SEA Internet Economy
Welcome to Indonesia. The world’s 4th most populous country. Declaring its independence in 1945, the country has grown to adopt digital technology at such a rapid pace in the 21st century. Becoming the highest internet users in SEA with 202 Million at a penetration rate of 73.7%. Moreover, the number is increasing 16% YoY.

Indonesia’s Economic Profile:

- **GDP per capita**: $4,100
- **Annual GDP growth**: 5.0%
- **Population <40 years old**: 60%
- **Internet users**: 202 million
- **Investment size**: $57.5 billion

Source: Badan Pusat Statistik, Badan Koordinasi Penanaman Modal, Statista, Data Reportal
Indonesia makes up **39%** of SEA internet users. That’s **more than 2x** the next big internet country - Philippines and more than Vietnam, Thailand, Malaysia, and Myanmar combined.

- **SEA’s population are migrating into the online space faster than ever before,** growing at **40M new internet users** in **2020** as compared to **100M** between 2015 and 2019
- That is **110,000 new internet users every single day** in 2020
- Indonesia is the main target for a lot of SEA startups as it has the highest number of internet users

Source: Statista, Google, Temasek, Bain, Statista
With an average internet economy growth rate of 49% a year, Indonesia is the fastest-growing internet economy in SEA.

E-commerce as the main role in driving economic growth (54% CAGR YoY, US $21B to US $32B)

Indonesia is expected to become the 5th largest economy in the world by 2024, with 2.9% of national GDP made up from digital economy.

Source: Statista, Google, Temasek, Bain & Company
THE SEA INTERNET ECONOMY REACHES US $100 BILLION GMV DURING COVID-19

The SEA internet economy indicating growth and will exceed US $300 billion GMV in 2025.

I. MARKET OVERVIEW - SEA INTERNET ECONOMY

1. SEA Internet Economy GMV (in billion USD)

2. Value of the SEA internet economy

Source: Google, Temasek, Bain & Company
400 M total users with 40 M new users and 70% of SEA’s population are online in 2020.

**Percentage of digital consumers out of total service consumers (SEA Aggregate)**

Population of digital consumer (million)

<table>
<thead>
<tr>
<th>Country</th>
<th>Population of Digital Consumers (Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>137</td>
</tr>
<tr>
<td>Philippines</td>
<td>57</td>
</tr>
<tr>
<td>Vietnam</td>
<td>49</td>
</tr>
<tr>
<td>Thailand</td>
<td>21</td>
</tr>
<tr>
<td>Malaysia</td>
<td>39</td>
</tr>
<tr>
<td>Singapore</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Google, Temasek, Bain & Company
**BELESSING IN DISGUISE.**

**HOW THE PANDEMIC BOOST DIGITAL ADOPTION IN INDONESIA**

**Significant increase in internet penetration during COVID-19**

The communication and information sector is growing rapidly and has a great resilience during the pandemic, with a **6.1% increase** in public spending on internet. However, Indonesia ranks only **57th out of 100 countries** in the Economist Intelligence Unit’s Internet index despite of increase in internet penetration rate.

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**Mobile connections (125.6% compared to total population)**

- 345.3 million
- +15.5%

**Internet users (73.7% compared to total population)**

- 202.6 million
- +6.3%

**Annual change (Jan 2020 to Jan 2021)**

- in number of internet users (+27 million)
- in number of social media users (+10 million)

Source: East Ventures, Data Reportal
Shift in consumer behaviour due to pandemic

Perceived helpfulness of internet (% of respondents)

Shift in buying behavior during lockdowns

94% of new digital service consumers intend to continue using the service until post-pandemic

Source: Google, Temasek, Bain & Company
# UNLOCKING INDONESIA’S INTERNET OPPORTUNITIES

## I. MARKET OVERVIEW - INDONESIA INTERNET ECONOMY

### Digital economy enabler

Although abundant in market size, Indonesia has a deficit of [9 million digital talents](#) - this require adequate pool of talent in STEM.

### Digital-savvy market opportunity

Around [185 million internet users](#) spread across the nation, making Indonesia as the 4th world’s largest number of internet users.

### Local MSMEs empowerment

Digital presences are emerging in MSMEs as the backbone of Indonesia’s economy, with estimation of [15 to 20 percent growth](#).

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*Source: Deloitte, Google, Temasek, Bain & Company*
PART II

INVESTMENT OVERVIEW

Unicorns in SEA

Southeast Asia Investment Landscape

Most Active Investors

Most Funded Verticals

Most Funded Startups
LAND OF MYTHICAL CREATURES. 🦄

Unicorn startups are born at an alarming rate in Southeast Asia, Indonesia is one of the most prolific unicorn breeders.

Source: DealStreetAsia
$19B INVESTED IN SEA IN THE PAST 18 MONTHS.

Indonesia captures 38.7% of total capital invested - the largest amount in sea.

Note: Data only includes investment from VC/CVC/PE/VD/Accelerator/Incubator. Exc. SEA Group and Lazada.

Source: Crunchbase
THE RACE FOR EARLY STAGE DEALS.
While median deal size has significantly increased, seed round financing is the fastest growing round

# of Deals per Stage per Country (2020)

Note: Data only includes investment from VC/CVC/PE/VD/Accelerator/Incubator/Angels

Median Deal Size

- **Seed**
  - 2016: $0.33M
  - 2020: $0.8M
  - Increase: 2.42x

- **Series A**
  - 2016: $2.5M
  - 2020: $6M
  - Increase: 2.4x

- **Series B**
  - 2016: $8M
  - 2020: $11M
  - Increase: 1.38x

Source: Crunchbase
MOST ACTIVE INVESTORS IN INDONESIA.

East Ventures takes the top spot of Indonesia’s most active investors in the last two years with AC Ventures & Alpha JWC tying up closely.

# Deals of Most Active Investors

<table>
<thead>
<tr>
<th># Deals</th>
<th>East Ventures</th>
<th>AC Ventures</th>
<th>Insignia Ventures</th>
<th>Golden Gate Ventures</th>
<th>MDI Ventures</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>52</td>
<td>19</td>
<td>17</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Surge</td>
<td>Skystar Capital</td>
<td>Intudo Ventures</td>
</tr>
<tr>
<td>16</td>
<td></td>
<td></td>
<td>15</td>
<td></td>
<td>14</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sequoia Capital</td>
<td>Y Combinator</td>
<td>PT Prasetia Dwidharma</td>
</tr>
<tr>
<td>16</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>13</td>
</tr>
</tbody>
</table>

Indonesian Investor Types

- Venture Capital: 80
- Private Equity (Companies): 24
- Corporate/Banks: 9
- Accelerator/Incubator: 7

Indonesian investors include more corporate, banks, and startup investing in startups with companies such as Sirclo, Grab, and Payfazz investing into startups.

Source: Techinasia
MOST FUNDED VERTICALS IN INDONESIA.

Fintech, E-commerce, and EdTech are three most invested verticals in Indonesia by quantity of funded startups in the past 18 months.
SEA - LIST OF MOST WELL-FUNDED STARTUPS.
4 OUT OF 8 COMES FROM INDONESIA

- Indonesian based startups dominates the list while Grab takes the #1 spot with additional help from Indonesian based Emtek Group ($375 million)
- Other recently funded Startups include Trax’s $640 million Series E, Bukalapak’s $400 million Venture Round, and J&T’s $2 billion PE Round)

Source: Techinasia, Crunchbase
### Indonesia - List of Most Well-Funded Startups

<table>
<thead>
<tr>
<th>Startup</th>
<th>Year Founded</th>
<th>Industry / Vertical</th>
<th>Date Last Funded</th>
<th>Last Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goto</td>
<td>2009-2010</td>
<td>Transportation / Ecommerce</td>
<td>May 2021</td>
<td>Telkomsel, Hillhouse Capital, UBS, Genting Capital, QIA, Victory Park Capital, MDI Ventures, Sequoia, FHP, Catterton</td>
</tr>
<tr>
<td>J&amp;T Express</td>
<td>2015</td>
<td>Logistics &amp; Shipping / Ecommerce</td>
<td>Apr 2021</td>
<td></td>
</tr>
<tr>
<td>Bukalapak</td>
<td>2012</td>
<td>Marketplace / Ecommerce</td>
<td>Apr 2020</td>
<td></td>
</tr>
<tr>
<td>Traveloka</td>
<td>2012</td>
<td>Travel / OTA</td>
<td>Jul 2020</td>
<td></td>
</tr>
<tr>
<td>FinAccel</td>
<td>2016</td>
<td>Finance / FinTech</td>
<td>Jun 2021</td>
<td></td>
</tr>
<tr>
<td>Tokopedia</td>
<td>2004</td>
<td>Transportation / Logistics &amp; Shipping</td>
<td>Mar 2021</td>
<td></td>
</tr>
<tr>
<td>Kedai Kenangan</td>
<td>2017</td>
<td></td>
<td>May 2020</td>
<td></td>
</tr>
<tr>
<td>Sociolla</td>
<td>2014</td>
<td>F&amp;B / Food Tech</td>
<td>May 2021</td>
<td></td>
</tr>
</tbody>
</table>

- The recent merger of Gojek and Tokopedia - into GoTo - effectively puts the new entity as the most well-funded startups in Indonesia.
- Other recently funded Startups (who were not included in SEA’s list) include FinAccel’s (Kredivo) $100 million Debt Financing and Sociolla’s $56 million Strategic Investment led by L Catterton.

Source: Techinasia, Crunchbase
AN ECOMMERCE BATTLEGROUND.
HOW THE COMPETITION LOOKS LIKE BETWEEN TOP ECOMMERCE PLAYERS IN INDONESIA.

GMV (in Billion US$)

<table>
<thead>
<tr>
<th>Platform</th>
<th>GMV 2020 (Billion US$)</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shopee</td>
<td>14.2</td>
<td>37%</td>
</tr>
<tr>
<td>Tokopedia</td>
<td>14</td>
<td>35%</td>
</tr>
<tr>
<td>Lazada</td>
<td>4.5</td>
<td>11%</td>
</tr>
<tr>
<td>Bukalapak</td>
<td>3</td>
<td>7%</td>
</tr>
</tbody>
</table>

$32B
Indonesia e-commerce GMV in 2020

$62B
SEA e-commerce market volume in 2020

88.1%
Indonesia internet users are using e-commerce

90.1%
Growth in GMV

Source: Statista, We Are Social, Momentum Works
**TWO WORLDS IN CONTRAST.**
**A DECLINE IN RETAIL SAW MAJOR ECOMMERCE UPLIFT**

<table>
<thead>
<tr>
<th>Country</th>
<th>Store-based Retail Sales Growth (percentage change in 2020)</th>
<th>Usage of E-commerce (Percentage change in 2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>-18.3</td>
<td>1.7</td>
</tr>
<tr>
<td>Malaysia</td>
<td>-9.6</td>
<td>1.9</td>
</tr>
<tr>
<td>Philippines</td>
<td>-9.8</td>
<td>2.0</td>
</tr>
<tr>
<td>Singapore</td>
<td>-17.8</td>
<td>1.6</td>
</tr>
<tr>
<td>Thailand</td>
<td>-10.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Vietnam</td>
<td>-0.3</td>
<td>1.4</td>
</tr>
</tbody>
</table>

- Covid-19 has attacked all aspects of the economy, especially retail.
- Indonesia was hit the hardest with **18.3% decline** in 2020. The country saw major retail brands highly impacted by COVID-19

- Limitations in mobility means more people will shift their spending online. Indonesia saw **2.1x increase** in Ecommerce usage during the Covid-19 pandemic

Source: e-conomy SEA 2020 Report, Euromonitor Passport Database, Bank Indonesia

**45.28%**
YoY growth in amount of transactions

**107.1%**
YoY growth in volume of transactions
A SHIFT TO ONLINE GROCERY. GLOBAL PANDEMIC DRIVES THE ADOPTION OF E-GROCERY

E-grocery has been heating up since pandemic with existing players experienced rapid growth

200,000+ monthly customers
300% growth in daily transaction volume

Its repeat buyers come back to make purchases 4x to 5x a month.

600% year on year growth in gross revenue in 2020

Incumbent B2C ecommerce are vying for space in online grocery business

Source: Kantar, Nielsen, L.E.K Analysis, Techinasia
ONLINE FOOD EMERGENCE.
With the pandemic limiting people’s mobility, online food delivery is the choice for many people

Source: Momentum Works, E27

**GRAB FOOD**
- $5.9 Billion in GMV
- 53% market share

**GOFOOD**
- $2 Billion in GMV
- 47% market share

**THE NEWCOMERS**

**CLOUD KITCHEN**
- Current growth is driven by the pandemic and ride hailing duo Grab and Gojek
- It has driven the emergence of cloud kitchens, with players like Hangry receiving backing from prominent investors Sequoia and Alpha JWC

**$3.7 Billion**
- Online food delivery market size in Indonesia

**3x increase**
- In transaction size, driven by pandemic

**31%**
- Indonesia contribution to SEA online food market
HOW OTA IS SURVIVING THE COVID-19 PANDEMIC
With travel ban and border restrictions, OTAs have to think creatively to survive

Source: e-Conomy SEA 2020, Bain Analysis, Techinasia

Indonesia online travel GMV has plunged by 68% to US$3 billion in 2020 from US$10 billion in 2019.

The number is estimated to soar by 36% to US$15 billion in 2025, following the recovery of post-pandemic.

How online travel startups are faring

- **traveloka**: Cleared up $95 million refund requests
- **OYO**: Over 60% drop in occupancy rate
- **RedDoorz**: Worked on a zero revenue assumption
- **airy**: Permanently shut down in May 2020

**Traveloka is set to break even soon**
Traveloka boosted new products (Eats and Online Xperience) during the pandemic

**RedDoorz posted record revenues in Q4’20**
Growth is due to more diverse revenue streams as well as the recovery of domestic travel in SEA

**Going Forward - IPO?**

- **tiket.com**: $2 billion through SPAC merger
- **traveloka**: $5 billion through SPAC merger

Virtual tours to 15 destinations in Indonesia

- Jakarta: 44%
- Bandung: 30%

More than 30% occupancy rate in KoolKost’s top 17 cities

**Covid-19 Test Booking**

- **KoolKost**: More than 30% occupancy rate in KoolKost’s top 17 cities
- Jakarta: 44%
- Bandung: 30%
FINTECH LANDSCAPE IN INDONESIA
In a mission to solve 83 million unbanked in Indonesia

Key Numbers
- 83 million of Unbanked Population in Indonesia
- $7 billion of total P2P loan disbursement per Mar’20
- 330 million total e-money instruments circulated per Mar’20
- $12 million total amount ECFs crowdsourced per Jan’21

Source: Indonesia Fintech Report 2020, Bank Indonesia, OJK, Kontan.co.id
FINTECH GROWTH THROUGH COVID-19
The increase of online transactions impacts fintech usage positively

COVID-19 Impact on each Fintech category

**P2P Lending**
NPLs have gone up by 0.71% in Apr’20; Marked it as the highest increase since November 2019.

**Payments**
15% increase in overall transactions in ecommerce, online education, and cash top-up transactions.

**Insurtech**
1. 3.8% negative growth in life insurance premium in the Q1’20; However, the general industry is growing with 39% CMGR.
2. The sales of policies have dropped by 35% since Jan’20.

Source: Bank Indonesia, MicroSave Consulting, OJK
Logistics startups are riding on the growth of ecommerce.

- **J&T** is a new unicorn from logistic space
- It has raised a total of $2.2 Billion in funding

### NEW UNICORN ON THE BLOCK

- **3.9 Million** Ecommerce delivery per day
- **65%** Handled by last-mile delivery
- **35% increase** In quantity of in-house logistics by ecommerce
- **14 Deals** In the last 18 months in Indonesia

Source: Techinasia, VIO
BEYOND CONTENTS & STUDENTS

The digital revolution of Indonesia’s education sector is serving the whole stakeholders.

Supported by:

- **50 millions** of K-12 students in Indonesia
- **3 millions** of college student in Indonesia
- **$240M** of Total Disclosed Fundraising in Indonesia

Source:Techinasia, Crunchbase
2019 Marks a landmark year for edtech funding. But the pandemic in 2020 has taken the sector to **new heights**

- 2019 saw RuangGuru and Zenius raising $150 Million & $20 Million respectively which explains the spike

- However, 2020 and 2021 saw drops in amount raised but quantity in seed round for edtech is rising.

- In a pandemic-hit Indonesia, edtech saw a major increase in usage with face-to-face education seemingly impossible

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Source: World Bank, Alpha JWC-Kearney Report, Crunchbase
THE EMERGENCE OF VC-BACKED D2C BRANDS.
IN THE PAST 3 YEARS, THERE IS A MAJOR INCREASE IN D2C BRANDS RECEIVING BACKINGS FROM VCs.

Number of Deals & VCs Backing D2C Brands

- CAGR of number of VCs is 63.86 %
- More than 50% of D2C investments is to food and beverage sector.

Source: Techinasia, Singapore ACRA, and Deloitte

INSPIRED BY LUCKIN COFFEE

Luckin Coffee’s meteoric rise in China in 2018 turned eyeballs and Indonesia took note. It sparked the investment of Kopi Kenangan by Alpha JWC and Fore Coffee by East Ventures.

Total Funding raised

- $124.5 Million
- $21.8 Million

Current Valuation

- $495.7 Million
- $90.1 Million

Notable investors

- Alpha JWC
- East Ventures
- Sequoia
- SMDV
<table>
<thead>
<tr>
<th>Category</th>
<th>Total Funding Raised</th>
<th>Notable Investors</th>
</tr>
</thead>
<tbody>
<tr>
<td>F&amp;B</td>
<td>$124.5 Million</td>
<td>Alpha JWC, Sequoia Capital</td>
</tr>
<tr>
<td>F&amp;B</td>
<td>$21.8 Million</td>
<td>East Ventures, SMDV, Insignia Ventures Partner</td>
</tr>
<tr>
<td>F&amp;B</td>
<td>$2 Million</td>
<td>Sembrani Nusantara (BRI Ventures)</td>
</tr>
<tr>
<td>F&amp;B</td>
<td>$2 Million</td>
<td>Alpha JWC Ventures</td>
</tr>
<tr>
<td>F&amp;B</td>
<td>$2.9 Million</td>
<td>Vertex Ventures, Kinesys Group,</td>
</tr>
<tr>
<td>F&amp;B</td>
<td>$5M</td>
<td>Alpha JWC Ventures</td>
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<tr>
<td>Health</td>
<td>Undisclosed</td>
<td>Alpha JWC Ventures</td>
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<tr>
<td>Health</td>
<td>Undisclosed</td>
<td>AC Ventures, Kopi Kenangan</td>
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<td>Beauty</td>
<td>Undisclosed</td>
<td>Gojek Xcelerate</td>
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<td>Beauty</td>
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<td>Gojek Xcelerate</td>
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<tr>
<td>Fashion</td>
<td>Undisclosed</td>
<td>Salt Ventures</td>
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LIST OF NOTABLE VC-BACKED D2C BRANDS. Dominated by f&b and beauty products

PART 1/2
<table>
<thead>
<tr>
<th>Category</th>
<th>Total Funding Raised</th>
<th>Notable Investors</th>
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</thead>
<tbody>
<tr>
<td>Fashion</td>
<td>Undisclosed</td>
<td>Bri Ventures, GDP Ventures</td>
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<td>Fashion</td>
<td>Undisclosed</td>
<td>Digitaraya</td>
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<tr>
<td>Fashion</td>
<td>Undisclosed</td>
<td>Alpha JWC Ventures, Kinesys Group</td>
</tr>
<tr>
<td>Fashion</td>
<td>$14 Million</td>
<td>Jungle Ventures, Monk Hill Ventures</td>
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<tr>
<td>Fashion</td>
<td>Undisclosed</td>
<td>Gojek Xcelerate</td>
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<td>Beauty</td>
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<td>Salt Ventures</td>
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<td>Beauty</td>
<td>Undisclosed</td>
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<tr>
<td>Health</td>
<td>$700 k</td>
<td>East Ventures</td>
</tr>
<tr>
<td>Health</td>
<td>Undisclosed</td>
<td>DSG Consumer partners</td>
</tr>
</tbody>
</table>

**LIST OF NOTABLE VC-BACKED D2C BRANDS.**
Dominated by f&b and beauty products

**PART 2/2**
NO STADIUM? NO PROBLEM.
WHILE COVID-19 AFFECTED SPORTING EVENTS ACROSS THE GLOBE, ESPORTS THRIVE IN A NON-PHYSICAL SPACE

Esports consumption before and after Covid-19 (%)

<table>
<thead>
<tr>
<th></th>
<th>Play</th>
<th>Watch gameplay streams</th>
<th>Follow esports news</th>
</tr>
</thead>
<tbody>
<tr>
<td>Once a year or less</td>
<td>50%</td>
<td>46%</td>
<td>45%</td>
</tr>
<tr>
<td>Once a week or less</td>
<td>28%</td>
<td>36%</td>
<td>38%</td>
</tr>
<tr>
<td>More than once a week</td>
<td>21%</td>
<td>18%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Most Played Esports Titles:

- **Mobile Legends**: 56.7%
- **PUBG Mobile**: 32.94%
- **Free Fire**: 25.49%
- **PUBG**: 23.33%

- Esports' revenue is forecasted to experience a 16% CAGR globally, with the highest CAGR happening at Indonesia at 24%.
- Indonesia’s Evos Esports secures $12m in series B funding in 2020

Source: McKinsey, Hybrid.co.id & Jakpat survey in January 2021
ESPORTS BLOSSOMING IN INDONESIA.
While still in its early stage, the industry keeps growing, forming a new market with a lucrative unit of economics.

Indonesia’s Number of Gamers: 52 million
Indonesia’s Esports Revenues: $1.74 billion
Indonesia’s Esports Revenues Growth: 32.7% YOY

Indonesia’s Most Popular Esports Team (Based on Social Media Following):

EVOS ESPORTS
AURA ESPORTS
REX REGUM QEON (RRQ)
BIGETRON (BTR)
ONIC ESPORTS

Indonesia’s Top Esports Highest Earnings:

Hansel Ferdinand (BnTeT) $171,683 Counter Strike
Made Bagus Prabaswara (Luxxy) $146,448 PUBG
Made Bagas Pramudita (Zuxxy) $146,448 PUBG
Muhammad Albi (Ryzen) $142,595.66 PUBG

Source: Daily Social, Esports Earnings, Newzoo, Suara Merdeka
PART IV

TRENDS & PREDICTIONS

BATTLE OF THE SUPER APPS

IPO OF INDONESIAN STARTUPS

MSMEs – THE NEXT BIG THING

DEBT FINANCING

SAAS MARKET

RETAIL INVESTORS
### THE GOLDEN COMPASS
HOW THE FORMATION OF GOTO MARKED A NEW ERA OF SUPERAPP COMPETITION

Grab, GoTo, and SEA Group Performance (2020)

<table>
<thead>
<tr>
<th>Ridesharing &amp; Food Delivery</th>
<th>Gojek, 2M+ registered driver partners with 900K merchant partners</th>
<th>Shopee, Launched ShopeeFood in April 2020 with 500 merchants curated</th>
</tr>
</thead>
<tbody>
<tr>
<td>9M+ partners with 600K small businesses joined</td>
<td>$goride, $gofood, $gomart, $gorall</td>
<td>$shopee</td>
</tr>
<tr>
<td>Streaming Entertainment</td>
<td>Gojek, 64x growth in GoGames, 10x growth in GoPlay, and 32x growth in GoTix</td>
<td>Garena, 610.6M active users with 73.1M paying users</td>
</tr>
<tr>
<td>Tokopedia, 100M+ monthly active users with 11M+ merchants</td>
<td>$gogames, $gonews, $gotix, $goplay, $goservice, $gofitness</td>
<td>Shopee, 120M+ monthly active users with US$12B GMV</td>
</tr>
<tr>
<td>Payments</td>
<td>Gojek, 4x growth in pay balance to other users, 2x growth in investment, 3x growth in GoPlay payment, and 2x growth in Halodoc payment</td>
<td>SeaMoney, &gt;US$7.8B in mobile wallet total payment volume</td>
</tr>
<tr>
<td>130M microinsurance transactions, digital payment partnership with OVO</td>
<td>$gopay, $gotagihan, $goinvestasi, $gogive, $gosure, $gopulsa</td>
<td></td>
</tr>
</tbody>
</table>

Financial Services Penetration in SEA

Key revenue drivers in SEA super apps:
- Ridesharing
- Food delivery
- Fintech
- Digital banking
- E-commerce

- Super app market is growing rapidly. It is currently worth ~$4 billion in revenue and expected to be $23 billion by 2025

Source: EDB Singapore, Emergent
BRINGING THE BATTLE TO SEA.
CHINESE TECH GIANTS ARE PLUGGING INTO SEA STARTUP INVESTMENTS

Alibaba and Tencent’s influence is boosting the startup growth in Southeast Asia. While Alibaba mainly focuses on e-commerce and financial services, Tencent has made a more diversified investment ranging from media entertainment to ride-hailing.
THE NEW AGE OF DIGITAL BANKING.
GOTO, GRAB, & SEA GROUP ARE EXPANDING THEIR FINANCIAL PRODUCTS.

1. Strategic investment from Gojek to Bank Jago (through Gopay)

2. Grab and Singtel consortium to set-up Singapore’s digital bank

3. Shopee acquired BKE Bank to establish digital banking in Indonesia

Source: Bank Jago, Grab, The Jakarta Post
IMPACT OF GOTO.
HOW GOTO MERGER DRIVES OTHER SEA GIANTS TO BUILD STRATEGIC ALLIANCES

1. Grab and Emtek (Elang Mahkota Teknologi) potential synergy

Scenario 1: Grab x Dana
- 600K+ small business (MSMEs) partners
- 33% merchants went online
- 70+ million users
- 250K+ registered MSMEs

Ride Hailing and E-wallet app

Scenario 2: Grab x Bukalapak
- 600K+ small business (MSMEs) partners
- 33% merchants went online
- 104.9 million users
- 6.9 million e-commerce members

Scenario 3: OVO x Dana
- 115+ million users
- 1.5+ million merchants with 950K+ MSMEs implemented QRIS

- 70+ million users
- 250K+ registered MSMEs

E-wallets

Source: KLY, Katadata
WHAT WILL HAPPEN TO OVO AFTER GOTO, GRAB-DANA SYNERGY?

This is an enormous opportunity for OVO to accelerate the equitable growth of financial inclusion by offering access to a variety of financial services as part of the OVO ecosystem.

3 Possible Scenarios that Might Happen to OVO

1. Grab acquires GoTo's shareholding in OVO.

   This is the most apparent situation, but it has the potential to generate intense rivalry amongst OVO, GoPay, ShopeePay, and Dana.

2. GoTo sells OVO shares to parties other than Grab.

   This scenario is technically possible, but there is a possibility that Grab has a preemptive right (HMETD) which gives them the opportunity to acquire at least a portion of Tokopedia's shares.

3. GoTo retains its ownership in OVO

   The least likely scenario is GoTo getting dispensation from Bank Indonesia (BI) and retaining its ownership in OVO.

Source: www.republika.co.id, KrAsia
IPO FRENZY. THE FIRST WAVE OF INDONESIA’S TECH UNICORN ARE ANNOUNCING IPOs IN 2021.

The valuation of Indonesian startups who are going public

Key Takeaways

**IMPACT**

- **Jago**: +609%
  - While Gojek's 22% acquisition of Bank Jago resulted in 609% increase in its stock price.

- **Emtek**: +352%
  - Bukalapak IPO's increased the growth of Emtek's stock price.

**BEHEMOTH MERGER**

- Total GTV $22 Billion
- 100 Million+ MAU
- 11 Million merchants.

1,000%

- Of Indonesia tech stock returns

4X pre-IPO

- Bukalapak was oversubscribed pre-IPO

2 SPAC

- Traveloka and Finaccel going public through SPAC Merger

Source: DealStreetAsia, Bloomberg, IDX
MSMEs BATTLE ROYALE. THE NEW CHAMPIONS OF INDONESIA’S TECH STARTUPS

MSMEs in Indonesia make up for:

- **99%** of existing business
- **97%** of total workforce
- **only 9%** have adopted technology

Digital Solutions in MSME Services

- Marketing
- Sales
- Logistics and Shipping
- Enablers
- Micro Finance
- Bookkeeping
- Supply Chain

Source: Badan Pusat Statistik, Alpha JWC-Kearney Report
MSMEs BATTLE ROYALE.
In the last 2 years, VCs are pouring almost $3B capital to lead the race.

Source: StartupIndonesia.co Internal Research, Techinasia
MSMEs BATTLE ROYALE.
The key to winning is in ecosystem building and product diversification

Existing Indonesian fintech startups are building their own ecosystem

PayFazz, Indonesia’s leading bank agents network player, are building an end-to-end financial supermarket for MSMEs through strategic investment.

Finaccel (Kredivo) is another one who’s ahead of the curve in building their own ecosystem of financial supermarket.

Traditional B2C start-ups are also expanding to adjacent SME services

Source: StartupIndonesia.co Internal Research, Alpha JWC-Kearney Report
THE RISE OF RETAIL INVESTORS. A NEW FORCE IN INDONESIA’S PANDEMIC-HIT STOCK MARKET

RETAIL INVESTOR GROWTH IN INDONESIA

Source: OJK, Jakarta Post, Gallup, Tech Crunch, Indonesia Stock Exchange

78% YoY Growth of mutual fund investors in Indonesia
92% Millennials Contribution of new investors in Indonesia

KEY PLAYERS

- Bibit recently raised their Series A, collecting USD 30 million from Sequoia Capital India and 500 Startups.
- Shortly after, Ajaib announced a USD 25 million round from Alpha JWC and Horizon Venture. Both claimed that millennials between the age of 25 to 35 make up most of their users.
INDONESIA IS STILL A NASCENT MARKET FOR SaaS PRODUCTS WITH 58.3% STARTUPS IN SEED STAGE

% of SaaS Startups per Category

<table>
<thead>
<tr>
<th>Category</th>
<th>% of Startups</th>
</tr>
</thead>
<tbody>
<tr>
<td>POS</td>
<td>27.8%</td>
</tr>
<tr>
<td>Management</td>
<td>15.3%</td>
</tr>
<tr>
<td>Software</td>
<td>13.9%</td>
</tr>
<tr>
<td>CRM</td>
<td>2.8%</td>
</tr>
<tr>
<td>ERP</td>
<td>2.8%</td>
</tr>
<tr>
<td>Others</td>
<td>22.7%</td>
</tr>
<tr>
<td>HRIS</td>
<td>16.7%</td>
</tr>
<tr>
<td>Chatbot</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

Investment Stage Distribution of SaaS Startups

- Indonesia’s SaaS market is dominated by POS and HRIS.
- While 22.7% of the market consists of retail and email marketing software

Source: Techinasia, Innovation Factory, Ravenry
Rapid growth of SaaS market

The market is expected to enjoy rapid growth at an annualised rate of **31.9%** in the following five years.

Indonesia software spending is estimated to grow by **33%** to reach USD 900M.

Despite its growth potential, challenges may arise as SaaS players grow their business in Indonesia, especially with:

1. Large number of customers that are not prioritizing technology adoption as shown with low GDP expenditure on IT.
2. Relatively expensive pricing of SaaS solutions compared to the country GDP per capita.
INCREASING TREND FOR VENTURE DEBT FINANCING
AN ALTERNATIVE FOR FOUNDERS TO FIND CAPITAL.

What is Debt Financing (Venture Debt)

- Alternative form of financing to equity financing.
- Practically a productive loan for startups
- A cheaper alternative to equity financing
- The Process:

  - Principal + Interest
  - Loan (2-4 years, Loan quantum up to 30%, Interest between 5-10%)

Reasons for Venture Debt

<table>
<thead>
<tr>
<th>Startups</th>
<th>Venture Lender</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not profitable</td>
<td>Looks for companies potential for future equity (has traction, goes through underwriting process)</td>
</tr>
<tr>
<td>Want to avoid “painful” dilution</td>
<td></td>
</tr>
<tr>
<td>Requires working capital</td>
<td></td>
</tr>
<tr>
<td>Extend cash runway to meet targets and execute projects</td>
<td>Can co-invest with other VCs</td>
</tr>
</tbody>
</table>

Depicts increase in shareholder value. Venture debt allows for Startups to be more efficient thus increasing value.
INCREASING TRENDS FOR VENTURE DEBT FINANCING
AN ALTERNATIVE FOR FOUNDERS TO FIND CAPITAL.

SEA EQUITY VS. DEBT FINANCING

GROWING SIGNS OF VENTURE DEBT IN SEA

$490M-980M
Addressable Venture Debt Market

18 MONTHS
of continued uptick prior to May 2021

31%
QoQ Debt Activity Deal Flow (Jan 2020-Mar 2021)

NOTABLE VENTURE DEBT DEALS

$2 billion Loan
(JP Morgan - Lead)

$100 million Loan
(Victory Park Capital - Lead)

$30 million Loan
(Northstar - Lead)

$200 million Loan
(SB Investment Holdings)

Source: PwC, dailysocial.id
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StartupIndonesia.co is a data company focused on startups in Indonesia. We are building the first online startup database in Indonesia, while connecting startups with investors. Our machine learning algorithm can predict the investability of an early stage company - providing a data driven approach when matchmaking stakeholders with relevant startups.

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- CONNECT WITH INVESTORS