

Southeast Asia reached new investment and exit records in 2021, fueled by a booming venture landscape and big-ticket listings

Despite rolling COVID-19 travel restrictions across much of Southeast Asia, private capital investment and exit activity reached new records in 2021. General partners (GPs) were quick to double down on fast-growing, tech-enabled platforms across e-commerce, logistics and payments while also embracing emerging opportunities related to blockchain solutions and electronic gaming. Record levels of venture capital (VC) activity continued to fuel Southeast Asia's rapidly evolving tech ecosystem.

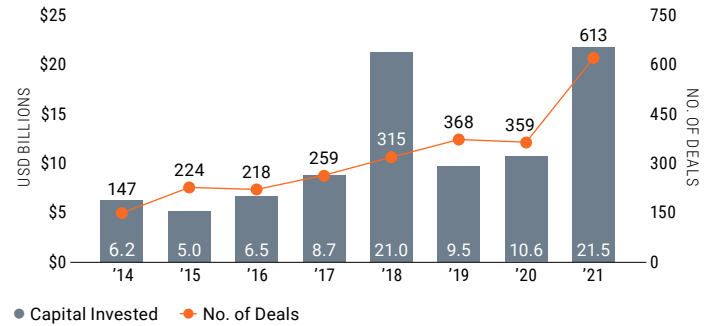
Coming off an already strong year in 2020, investments in Southeast Asia more than doubled to a record USD21.5b in 2021. Investors closed a total of 613 transactions, dwarfing the 359 deals that closed in 2020. Indonesia attracted 41% of capital, aided by delivery platform J&T Express's USD4.3b in financing. Singapore accounted for 34% of capital led by a USD640m investment in Trax, a retail computer vision and analytics provider. This marks the first time since 2015 that Indonesia has surpassed Singapore in private capital deal value.

Capital invested in private equity (PE) transactions increased 86% year over year, as investors targeted sectors like logistics, payments and health-care. The rise of Southeast Asia's digital economy was also evident in the infrastructure space. DigitalBridge Group's newly launched telecommunications platform EdgePoint Infrastructure deployed over USD1b in deals with Centratama Telekomunikasi, Indosat and Asiaspace.

Several high-profile public market listings pushed Southeast Asia's aggregate exit value to an all-time high of USD11.1b. Public market transactions accounted for nearly 84% of the aggregate exit value, bolstered by eight public market listings, which included the highly anticipated debuts of Grab and Bukalapak. Grab closed the world's largest SPAC merger at a USD40b valuation with Altimeter Growth Corp. while Bukalapak became Indonesia's first listed unicorn and the largest private capital-backed local listing on record. Although these listings were a symbolic milestone for Southeast Asia's venture ecosystem, both companies have seen their share prices fall amidst a global selloff in tech stocks. Despite market volatility, listing momentum has continued into 2022 with PropertyGuru's recent NYSE debut following its SPAC merger and GoTo's scheduled listing on the Indonesia Stock Exchange in April. Beyond the tech space, CVC Capital Partners completed a USD455m strategic sale of Malaysia-based Munchy's to Universal Robina and a partial exit of Thai micro-finance company Ngern Tid Lor. The latter's IPO raised more than USD1.2b.

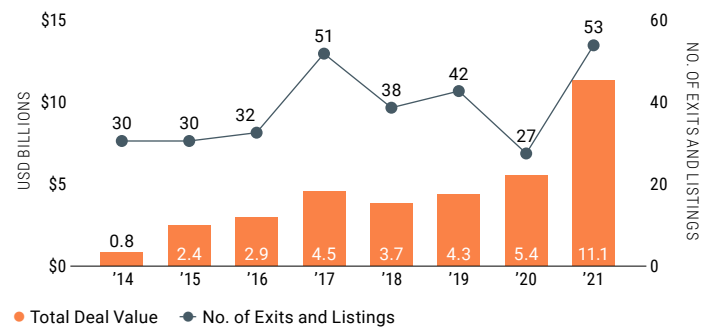
Fundraising for Southeast Asia-dedicated funds rebounded to USD2.9b in 2021, led by experienced VCs launching larger successor funds. Early-stage funds attracted the bulk of venture fundraising with nearly USD1.4b raised, highlighting strong investor interest in startups emerging across the region. Alpha JWC (USD433m), AC Ventures (USD205m), Openspace Ventures (USD200m) and Intudo Ventures (USD115m) all closed their third early-stage funds dedicated to the region. PE fundraising fell slightly to USD1b led by final closes from Northstar Equity Partners V (USD590m) and Asia Partners I (USD384m).

Southeast Asia Private Capital Investment, 2014-2021



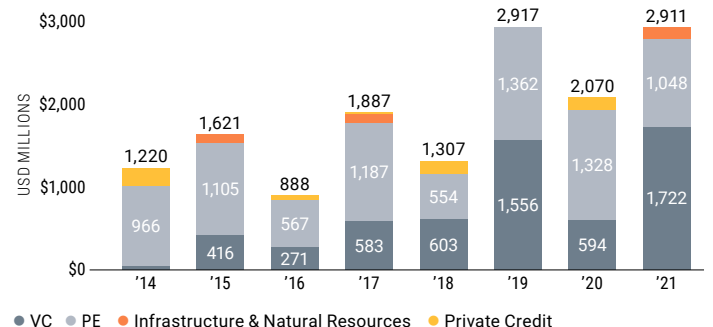
Note: The 2018 total includes a USD12.1b investment in Global Logistics Properties and a USD2b first tranche of Grab's Series H.

Southeast Asia Exits and Private Capital-Backed Listings, 2014-2021



Note: Exit totals include total aggregate deal value and are not limited to disclosed distributions to private capital investors.

Southeast Asia Fundraising by Asset Class, 2014-2021

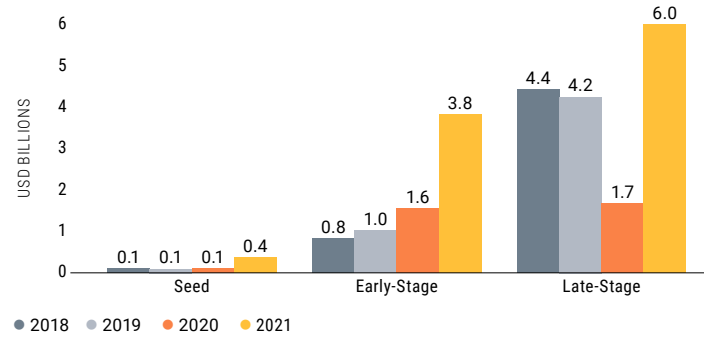


VC investments more than tripled to a record USD10.3b in 2021, bolstered by Southeast Asia’s rapidly growing digital economy

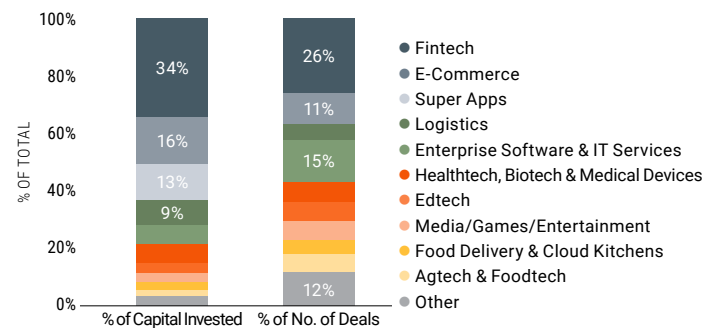
After a muted year in 2020 with fewer late-stage rounds closing, Southeast Asian VC fund managers deployed capital at a record pace in 2021, closing a total of 527 transactions. Fintech and e-commerce startups attracted 51% of capital, led by digital lending platform Advanced Intelligence Group’s USD400m Series D and online used car marketplace Carro’s USD360m Series C. A growing number of edtech companies also received funding throughout the year to mitigate learning disruptions arising from COVID-19 lockdowns. Edtech funding increased more than 7x compared to 2020 led by LingoAce (USD160m) and Ruangguru (USD55m). Southeast Asia’s young population and increasing demand for skilled workers will be important tailwinds for the continued growth of edtech startups.

While GPs doubled down on startups that proved their resiliency during the pandemic, they also targeted nascent areas like cryptocurrency exchanges and blockchain gaming. Southeast Asia has emerged as one of the fastest-growing regions for cryptocurrency adoption, aided by Singapore’s supportive regulatory environment. This is evident in the fintech space where crypto exchanges and analytics platforms amassed USD411m across 23 deals, led by Singapore-based startups Matrixport (USD100m) and Nansen (USD87m). Crypto-based play-to-earn games have also gained popularity. Vietnam-based Sky Mavis, the developer behind Axie Infinity, saw its valuation rise to nearly USD3b in its USD152m Series B round, driving investment in play-to-earn games to USD209m in 2021. See GPCA’s 2022 Southeast Asia Startup Directory for more information on unicorns and women-led startups.

Southeast Asia VC Investment by Stage, 2018-2021

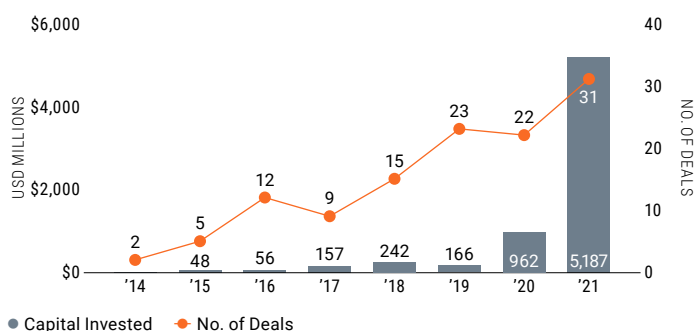


Southeast Asia Venture Capital by Tech Vertical, 2021



As next-day delivery for online shopping in Southeast Asia evolves from a convenience to an expectation, delivery companies bridging the region’s diverse geographies are a key focus for investors.

Southeast Asia Investment in Logistics and Delivery Services, 2014-2021



Southeast Asian logistics and delivery companies attracted nearly USD5.2b in 2021, led by USD4.3b for J&T Express across multiple rounds

With Southeast Asia’s internet economy projected to double from USD170b in 2021 to more than USD360b in 2025, investors are prioritizing logistics and delivery companies that serve as the backbone to this evolving digital ecosystem. J&T Express’s valuation climbed to USD20b after it raised USD4.3b from Boyu Capital, Hillhouse Capital and Sequoia Capital China in the two largest private capital rounds ever recorded in Indonesia, according to GPCA Research. As a result, J&T has aggressively expanded into China, Latin America and the Middle East through new distribution centers in the UAE, Saudi Arabia and Mexico.

Singapore-based Ninja Van and Thailand-based Flash Express achieved unicorn status in 2021, with Indonesia-based delivery company SiCepat not far behind. SiCepat has adopted a different plan for growth, using its funding to launch new services like warehousing and fulfillment, middle-mile logistics and online distribution while remaining focused on the domestic market. Founded in 2014 as a last-mile delivery startup for online merchants, SiCepat has since evolved into an end-to-end logistics platform. First-mile delivery and fulfillment platform Shipper also closed a USD63m Series B led by DST Global Partners and Sequoia Capital India.

While delivery networks have attracted the bulk of capital, startups alleviating other pain points in the supply chain have also emerged. B2B freight marketplaces that connect shippers with carriers have proliferated, with startups like EcoTruck, Kargo Technologies, Waresix and Logisly all closing rounds since 2020.

Nearly USD1.4b was deployed in digital lending as competition intensifies between fintech startups and traditional lenders

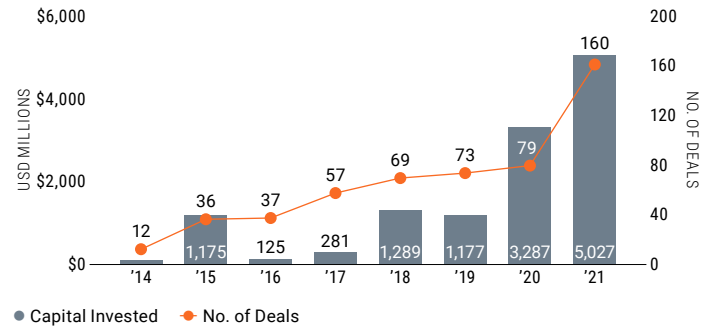
Bolstered by improving internet penetration rates and a surge in e-commerce, PE and VC investors each deployed USD1b in the payments space. Both early-stage and growth investors are targeting startups meeting growing demand for digital wallets, payment processing services, POS systems and money transfer services. Growth investors Warburg Pincus and General Atlantic led rounds for Mynt (USD475m) and VNPAY (USD250m), while three new unicorns were minted: MoMo (USD300m), Xendit (USD215m) and Nium (USD200m).

The digital lending space is heating up as competition intensifies across Southeast Asia between fintech startups and traditional lenders. Buy now, pay later (BNPL) platforms offering financing alternatives to credit cards are rapidly expanding across the region. Advanced Intelligence Group, which operates three core business lines including BNPL platform Atome Financial, closed a USD400m Series D led by Warburg Pincus and SoftBank, solidifying its unicorn status. Victory Park Capital provided a second USD100m debt facility to FinAccel, the parent company of Indonesia-based BNPL provider Kredivo, and agreed to take it public via a SPAC merger at a USD2.5b valuation. Other BNPL platforms like Fundiin, Pace and Plentina also closed rounds in 2021. Leading a string of technology companies that invested in small Indonesian banks, FinAccel bought a stake in Bank Bisnis with the aim of transforming it into a digital bank. A number of other tech companies have made similar investments, including: Gojek in Bank Artos (now Bank Jago), Sea Group in Bank Kesejahteraan Ekonomi (Seabank Indonesia), Akulaku in Bank Yudha Bhakti (Bank Neo Commerce), Grab in Bank Fama and Funding Societies in Bank Index.

The growth of earned wage access (EWA) and education lending are two smaller but interesting niches that have gained traction in the digital lending space to promote financial inclusion and upend predatory lending practices. EWA startups like GajiGes, Gimo, Nano and Wagely allow employees to access their wages ahead of regularly scheduled paydays to help alleviate financial burdens they may be under. Meanwhile, Indonesia-based ErudiFi and Pintek provide affordable financial options to low-income students making higher education more attainable.

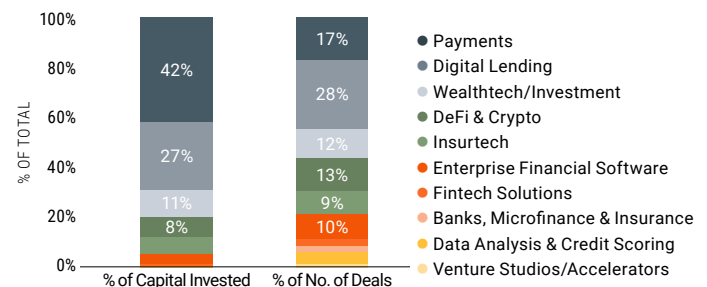
Wealthtech and public market investment platforms attracted USD533m, mirroring broader trends of financial democratization seen around the world. COVID-19 ushered in an era of increased retail investor participation that helped Indonesia-based Ajaib raise USD243m last year, reaching unicorn status just two and a half years after its launch. Robo-advisors such as Bibit (USD95m), Endowus (USD48m) and Stashaway (USD25m) also had a successful year. This interest in digitally enabled investment services has also facilitated the adoption of crypto exchanges like AscendEX and Zipmex across the region.

Southeast Asia Investment in Financial Services, 2014-2021

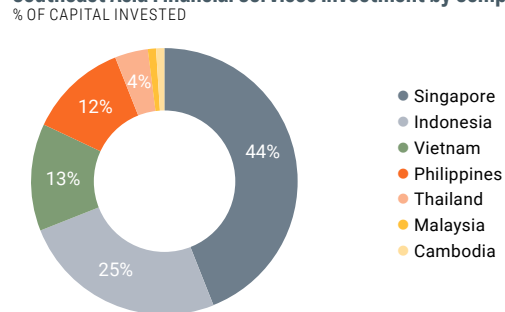


Note: Includes investments from all asset classes.

Southeast Asia Financial Services Investment by Focus Area, 2021



Southeast Asia Financial Services Investment by Company HQ, 2021



Note: Includes all asset classes.

Private capital investors deployed a record **USD5b** into Southeast Asia financial services in 2021, led by a more than **5x year-over-year growth** in VC investment in the sector.

Largest Southeast Asia Funds Achieving a Close, 2021

FUND MANAGER(S)	FUND	FUND TYPE	GEOGRAPHIC FOCUS	FUND CURRENCY	CAPITAL RAISED TO DATE (USDM)
The Northstar Group	Northstar Equity Partners V	Growth	Southeast Asia	USD	590.0
Alpha JWC Ventures	Alpha JWC Ventures III	Early-Stage	Indonesia	USD	433.0
Asia Partners	Asia Partners I	Growth	Southeast Asia	USD	384.0
Tower Capital Asia	Tower Capital PE Fund I*	Buyout	Singapore; Southeast Asia	USD	250.0
Jungle Ventures	Jungle Ventures IV*	Early-Stage	Southeast Asia	USD	225.0
AC Ventures	ACV III	Early-Stage	Indonesia	USD	205.0
Openspace Ventures	Openspace Ventures III	Early-Stage	Southeast Asia	USD	200.0

*Fundraising as of December 31, 2021.

Most Active VC Dealmakers in Southeast Asia, 2021

East Ventures	AC Ventures
Sequoia Capital	500 Global
SOSV	Insignia Ventures Partners

Most Active PE Dealmakers in Southeast Asia, 2021

Mekong Capital	General Atlantic
KKR	Bow Wave Capital Management
Dymon Asia Capital	Advantage Partners

Largest Investments in Southeast Asia, 2021

INVESTOR(S)	COMPANY	COUNTRY	SECTOR	INVESTMENT TYPE	DEAL VALUE (USDM)	INVESTMENT DATE
Boyu Capital, Hillhouse Capital Group, Sequoia Capital, Susquehanna International Group, Tencent Holdings	J&T Express	Indonesia	Logistics & Delivery Services	Growth	2,500.0	Nov-21
Boyu Capital, Hillhouse Capital Group, Sequoia Capital	J&T Express	Indonesia	Logistics & Delivery Services	Growth	1,800.0	Apr-21
Abu Dhabi Investment Authority, Avanda Investment Management, Fidelity International, Google, Permodalan Nasional, Primavera Capital Group, SeaTown Holdings International, Temasek, Tencent Holdings, Ward Ferry	GoTo	Indonesia	Consumer Digital Services	Late-Stage	1,300.0	Nov-21
Digital Bridge	EdgePoint Infrastructure	Southeast Asia	Telecommunications Services	Bolt-On	750.0	Mar-21
BlackRock, Ontario Municipal Employees Retirement System (OMERS), SoftBank Group, Sony	Trax	Singapore	Software	Growth	640.0	Apr-21
Alibaba Group, B Capital Group, GeoPost, Monk's Hill Ventures	Ninja Van	Singapore	Logistics & Delivery Services	Late-Stage	578.0	Sep-21
EDB Investments, Gaorong Capital, SoftBank Group, The Northstar Group, Vision Plus Capital, Warburg Pincus	Advanced Intelligence Group	Singapore	Software	Late-Stage	400.0	Sep-21
Alibaba Group, Baring Private Equity Asia	The CrownX	Vietnam	Food Retailers & Wholesalers	Growth	400.0	Jun-21

Notable Exits and IPOs in Southeast Asia, 2021

COMPANY	COUNTRY	SECTOR	INVESTOR(S)	EXIT DATE	EXIT AND RETURN DETAIL
Grab	Singapore	Travel, Leisure & Mobility	500 Global, Booking Holdings, Coatue Management, DiDi Chuxing, Emtek Group, Experian, Finch Capital, GGV Capital, Hillhouse Capital Group, Honda Motor Company, Hyundai Motor Company, Invesco Private Capital, K3 Venture Partners, Lightspeed Venture Partners, Microsoft, SoftBank Group, Tiger Global Management, Toyota Motor, Uber, Vertex Ventures, Vulcan Capital, Yamaha Motor and others	Dec-21	SPAC merger with Nasdaq-listed Altimeter Growth Corp. at a valuation of USD40b; the listing included a USD4b PIPE led by Altimeter Capital with BlackRock, Fidelity, T. Rowe Price, Nuveen and others
Munchy Group	Malaysia	Food & Beverage	CVC Capital Partners	Dec-21	Strategic sale of 100% stake to Universal Robina for MYR1.9b (USD455m)
Solusi Tunas Pratama	Indonesia	Telecommunications Services	Southern Capital Group, The Carlyle Group	Oct-21	Block trade to Djarum Group via IDR16.7t (USD1.2b) buyout for 94% stake
Bukalapak	Indonesia	General & Specialty Retail	500 Global, BonAngels, Emtek Group, Endeavor Catalyst, Genting Ventures, GIC, Microsoft, Mirae Asset Global Investments	Aug-21	Public offering on IDX raised IDR21.9t (USD1.5b); no private capital backers sold shares
EQuest Education Group	Vietnam	Education	TAEL Partners	May-21	Partial exit via secondary sale to KKR Global Impact for reported USD100m
Ngern Tid Lor	Thailand	Non-Bank Lending & Specialty Finance	CVC Capital Partners	May-21	Public offering on SET raised THB38.1b (USD1.2b), providing a partial exit to CVC Capital Partners for THB17.1b (USD557m)



Methodology

GPCA's reporting covers activity by long-term, private direct investment funds that are backed by institutional investors – along with their co-investors – across the following asset classes: private equity, venture capital, private credit, infrastructure and natural resources. For more information on research methodology, please refer to the Data Methodology webpage or contact research@GPCCapital.org.



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