

ENTREPRENEURS
BACKING
ENTREPRENEURS

Monk's Hill Ventures

The Emergence of Entrepreneurship Ecosystems Across Southeast Asia: Views of a Venture Capitalist Part 4 of 4

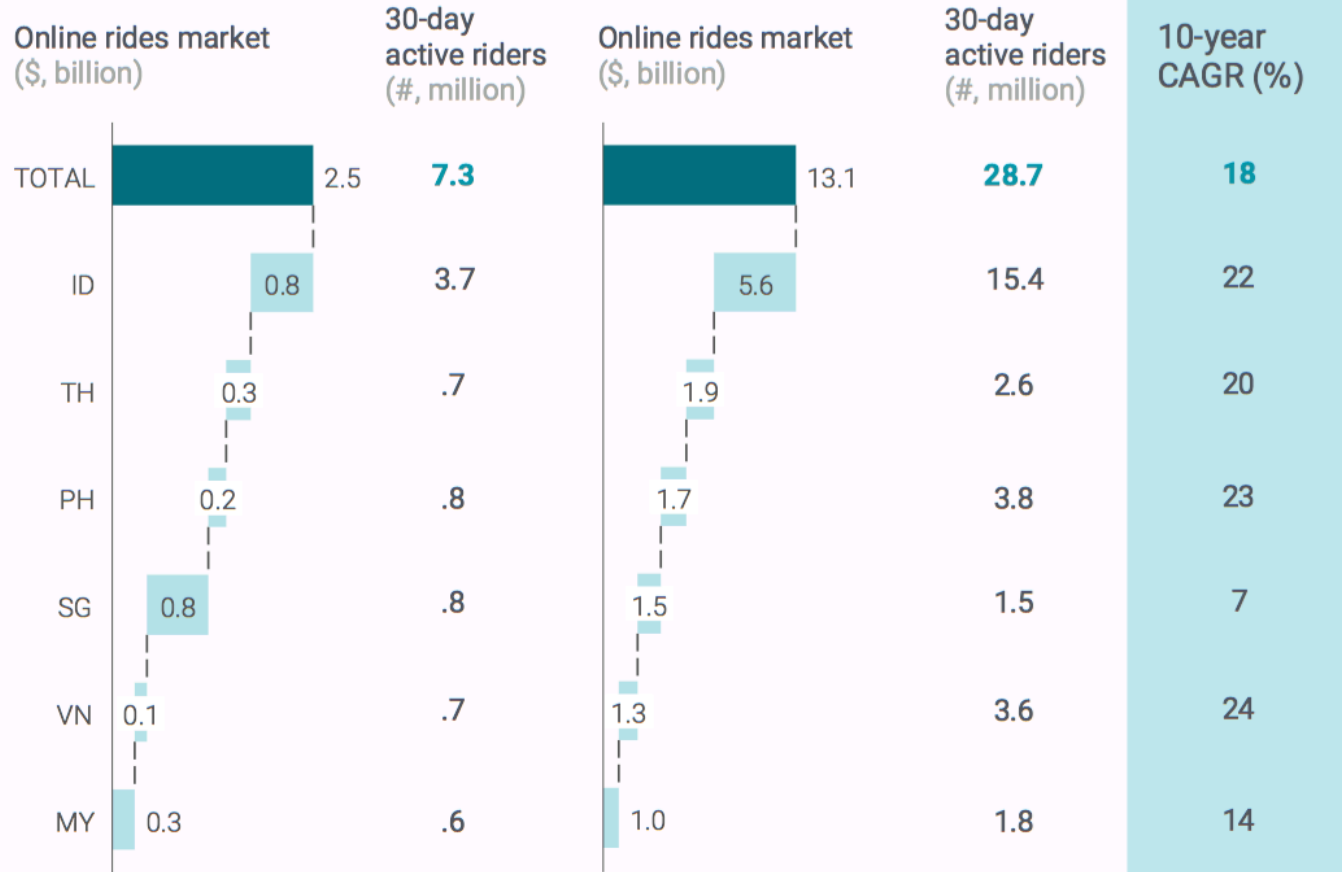
Peng T. Ong



2B Online rides expected to 5x by 2025, reaching ~\$13 billion and making up 15% of the total travel market

2015

2025



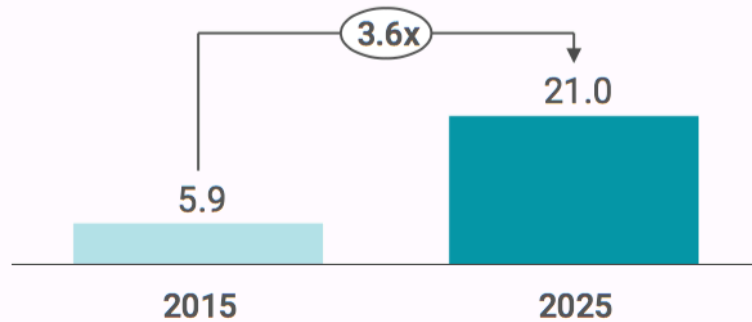
- **28.7 million active riders each month** (4x over 2015)
- **All SEA markets to exceed \$1 billion by 2025**; Indonesia expected to become largest market due to population size, growing at 22% CAGR
- **Thailand and Philippines to become ~\$2 billion market**, growing at 20% and 23% respectively, over the next 10 years
- **Singapore will continue to have highest fare per trip** (~3x of SEA average)

3A

3.6x increase in revenue per mobile gamer will drive growth of mobile segment from 53% to 75% of total GMV

Revenue per mobile gamer is expected to 3.6x between 2015 and 2025...

Mobile revenue per gamer (\$)



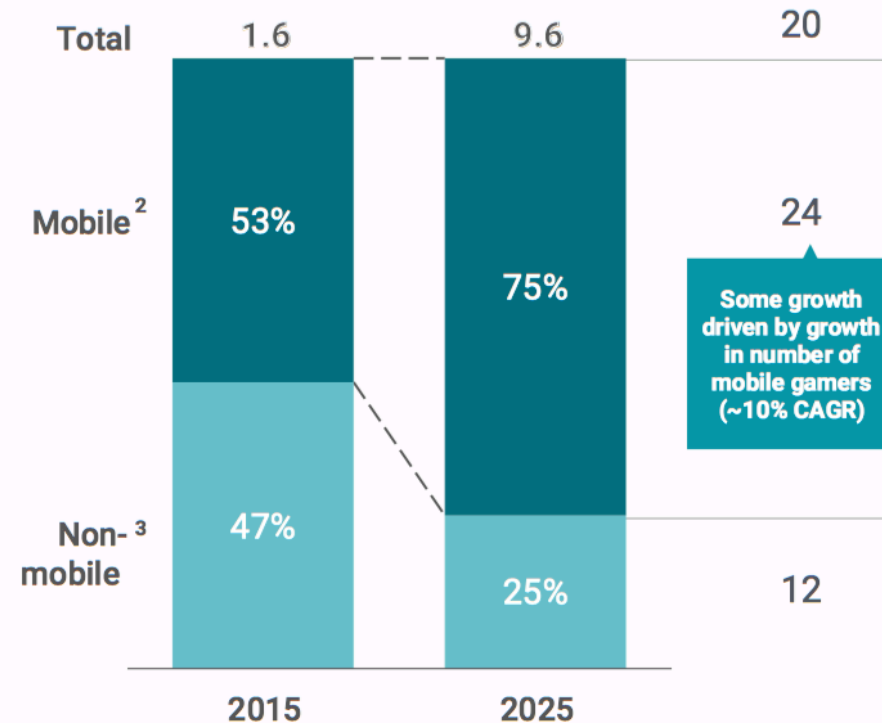
3 main drivers in growth of RPU:

1. **Greater engagement** due to improvement in quality of mobile games
2. **Growth in GDP / capita**; all SEA countries except VN will break the ~\$3k barrier
3. **Prominence and growth of messenger platforms** in SEA, which have a 2-3x higher LTV than regular gamers

...resulting in 24% CAGR (vs 12% CAGR for non-mobile gaming revenue)

SEA¹ Online gaming revenue by segment (% of total)

10-year CAGR (%)



1 defined as PH, TH, VN, ID, MY, and SG

2 includes smartphone, tablet, and handheld games

3 Includes TV/console games, casual web games, PC/MMO games

3B

The online ads market is expected to increase by 5x, reaching ~\$10 billion by 2025 (17% CAGR)

2015

2025

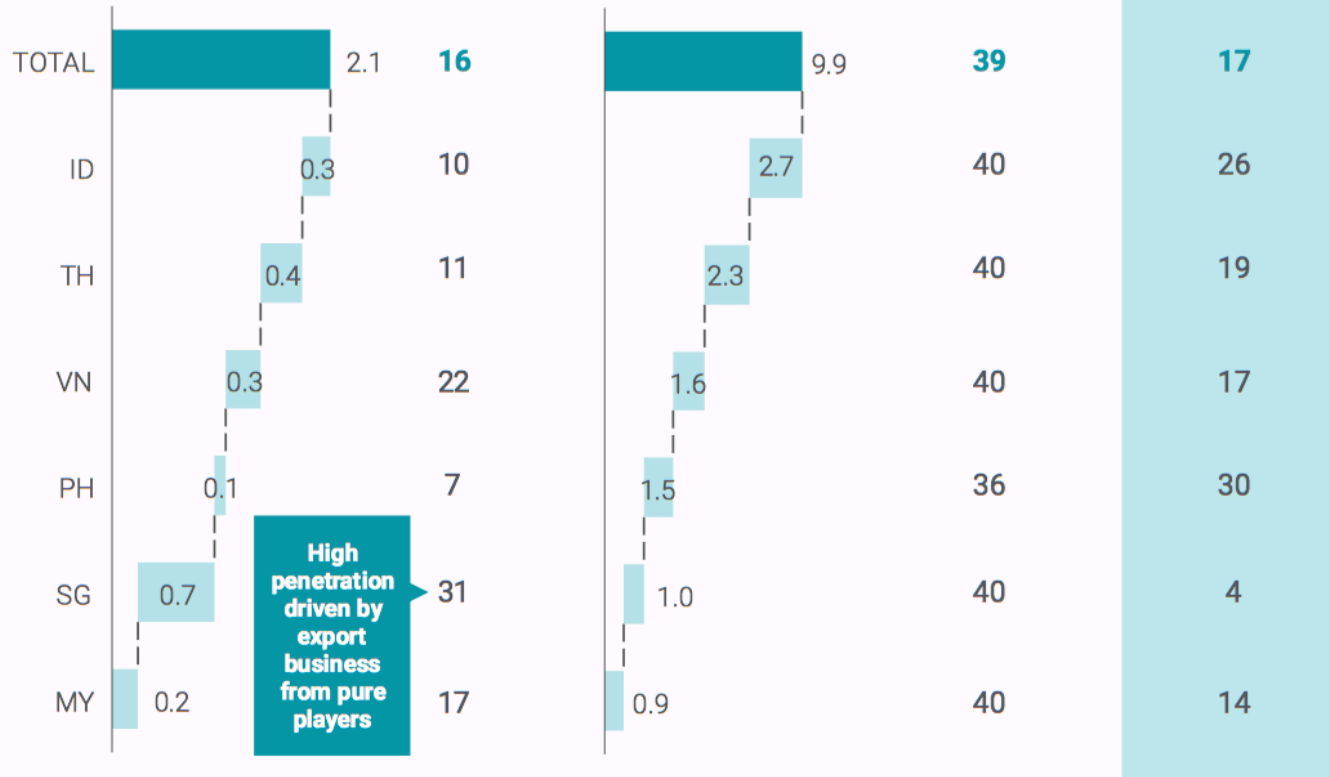
Online ad market (\$, billion)

Digital as % of total AdEx¹

Online ad market (\$, billion)

Digital as % of total AdEx¹

10-year CAGR (%)

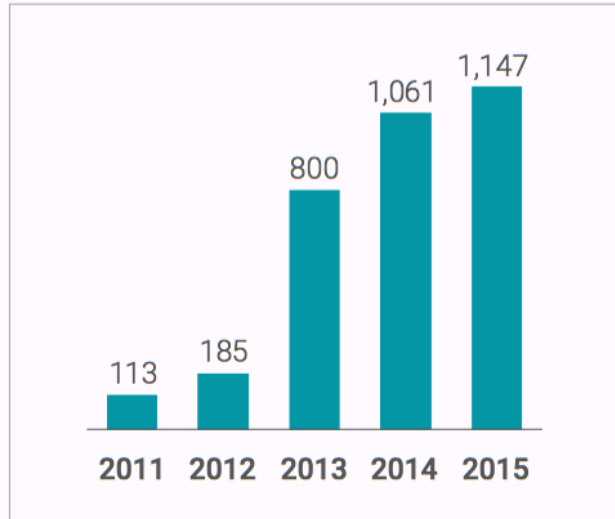


- All SEA markets ~\$1B+ by 2025, with Indonesia and Thailand >50% of total market due to large population size and media consumption behavior (e.g., Thailand has highest YouTube watch time in the world)
- Digital penetration to reach ~39% of total ad spend (vs 16% in 2015) as media spend by channel aligns more closely with consumer time spent by channel

¹ includes ad spends via agency and direct spend with platform providers; based on billing country

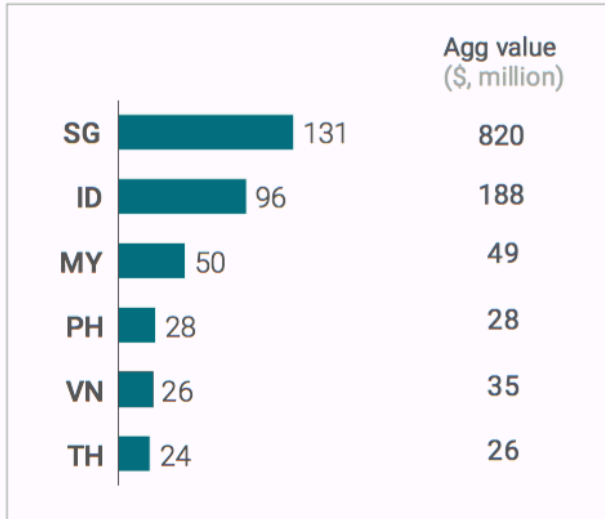
1 Deal flow growing but activity is concentrated to SG and ID with majority of funding going to few prominent startups

DEAL FLOW (\$, million; 2015)



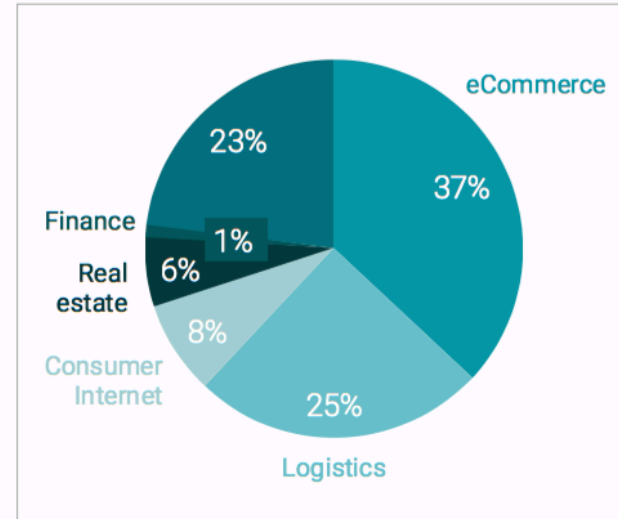
- Deal flow in SEA lags that of India, US, and China, despite seeing 127% CAGR from 2010 to 2015
- 5 startups making up 65% of total investments; including Grabtaxi and PropertyGuru

DEALS BY COUNTRY (#; 2015)



- SG most active country w/ ~37% of deal quantity and 72% of deal value
- SG activity driven by Grabtaxi and PropertyGuru (~350m and ~\$130m investment respectively)

FUNDING BY SECTOR (%; 2010-2015)

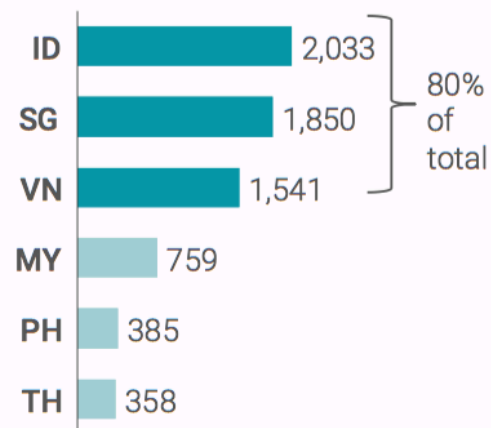


- eCommerce and Logistic verticals contribute 61.4% of total investments from 2010 to 2015 because of large investments into Grab and Lazada

2

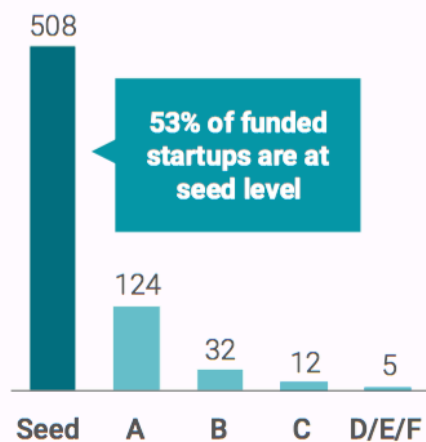
SEA startups are currently concentrated in SG, ID, and VN; focus mostly on eCommerce

STARTUPS BY COUNTRY (#)



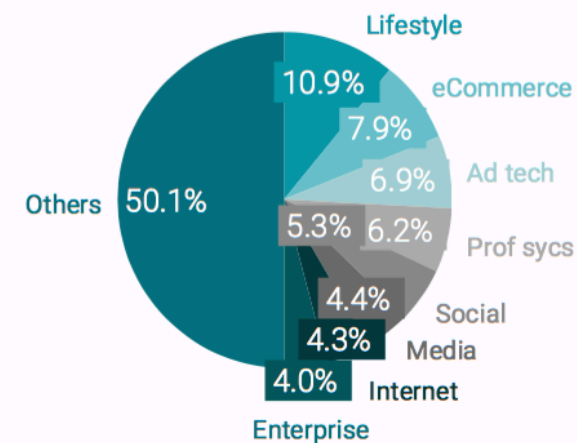
- **Total of 7k startups in region w/ ~80% in ID, SG, VN**
- **4 startups with >\$1billion valuation** (Garena; GrabTaxi; Lazada; Razer)

STARTUPS BY STAGES (#)



- **~681 startups¹** have received some type of equity funding
- **Type of funding is concentrated at seed level** (exponential drop-off from seed to Series D/E/F)

STARTUPS BY SECTOR (#)



- **Highly fragmented split**, with long-tail sectors making up 50% of total
- **Lifestyle and eCommerce** are sectors with the most startups at 18.8%

1 27% CAGR in # of online transactions will be driven by growth in internet penetration, consumer sentiment and product availability

