AVCJ Weekly Digest

15 June 2022

COVER STORY

ASIA CRYPTO: SOMETHING FOR EVERYONE?

Traditional VCs are becoming more active in the blockchain and web3 space, despite structural and philosophical obstacles to participation.

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GP PROFILE

CHINA'S FUTURE CAPITAL

Chinese venture capital firm Future Capital bases its investments on strong networks and research as well as a fondness for founders who are not afraid to confound accepted wisdom.
Read more

DEAL FOCUS

VCs BACK STEPPINGSTONES TO IMMORTALITY

Japan's Alt is quicky commercialising a suite of learning voice recognition products as part of a plan to capture individuals' personalities and values in a process it calls digital cloning.
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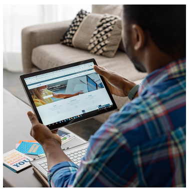
DEAL FOCUS

HAHN FINDS RICH PICKINGS IN SK GROUP



Hahn & Company's USD 1.3bn acquisition of an industrial materials unit from SKC is its fifth deal involving SK Group in four years. Being a good custodian is regarded as key to securing repeat business.
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DEAL FOCUS

SINGAPORE BIOTECH START-UP GENERATES US BUZZ

Singapore's Tessa Therapeutics has developed a cancer drug that appears to be twice as effective as other treatments in its class. It has raised USD 126m with eyes on a near-term US IPO.
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By the Numbers

AVCJ RESEARCH

BEAUTY PARADE

India-focused beauty e-commerce platform Purplle has closed three funding rounds in the past 15 months, with its valuation rising from USD 330m to USD 630m to USD 1.1bn. The most recent round, announced last week, saw Korea's Parmark Ventures came in as a new investor, while there were re-ups from the likes of Premji Invest, Blume Ventures, and Kedaara Capital.

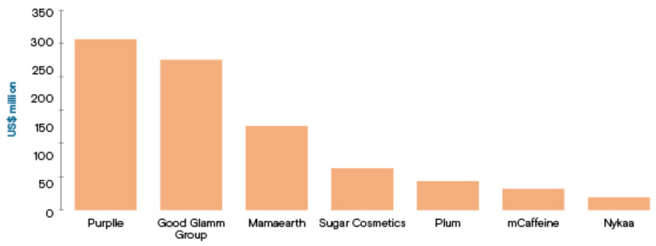
It underlines the fundamental appeal of the segment within the direct-to-consumer (D2C) space, where marketplaces are leveraging their data and product knowledge to develop private label brands that resonate with locals. Establishing offline distribution and expanding product portfolios by acquiring smaller brands are consistent themes.

Seven leading players have raised nearly USD 900m between them since the start of 2020, according to AVCJ Research. Purplle and My Glamm Group account for more than half, with smaller contributions from Mamaearth, Sugar Cosmetics, Plum, mCaffeine, and Nykaa. The latter relied sparingly on external funding until not long before its INR 53.5bn (USD 719m) domestic IPO last November.

To some, rapid fundraising by market leaders has served to push up customer acquisition costs, making beauty and personal care less attractive. Venturi Partners, an India and Southeast Asia specialist consumer investor, has scoured the D2C space for opportunities and found little compelling. D2C still accounts for a small portion of e-commerce, which is in turn responsible for less than 10% of overall retail activity.

"D2C doesn't change the fundamentals of any product or service – customers come back if they see real value," Nicholas Cator, a managing partner at Venturi, told AVCJ last month. "But at some stage, these companies will have to go offline and that involves a different mindset: working with retailers, going through modern trade and general trade, being on the shelf. That's how you get to the next stage of growth."

PE investment in select India beauty e-commerce platforms, 2020 onwards



Source: AVCJ Research

All of the trends featured here were sourced from AVCJ's proprietary database, AVCJ Research, featuring comprehensive information on private equity deals, fundraises and exits.

Read more on AVCJ Research

The rest of the week

FUNDS

- Korea's Hahn & Co targets $3.25b for Fund IV
- Bain raises $2b for Asia special situations fund
- Monad targets up to $150m for second China software fund
- DCP hits $2.5b first close on second China fund
- Silicon Valley-based Scale Asia Ventures raises $30m fund
- India's Anicut Capital hits first close on VC fund

DEALS

- New Zealand deep-tech VC Pacific Channel seeks co-investors
- India edtech start-up gets unicorn status on Series A
- SPAC backed by Vision Knight founder makes Hong Kong debut
- Malaysia's IHH Healthcare sells education arm to Rise Fund
- Sequoia China leads $210m Series A for Envision Digital
- India payments player Kissht closes $80m Series E
- China's Insilico Medicine gets $60m Series D
- Circle buys VC-backed Taiwan crypto infrastructure platform
- China autonomous driving player Minieye raises $120m
- Japan's Luca Science secures $30m Series B
- Med-Fine leads Series A for China's Degron Therapeutics

For your calendar

UPCOMING EVENTS

- **20 June 2022** - Infralogic Investors Forum - Australia
- **21-22 June 2022** - AVCJ Australia & New Zealand Forum
- **23 June 2022** - Mergermarket M&A Forum - Australia
- **25 July 2022** - Infralogic Investors Forum - Asia Pacific
- **26-27 July 2022** - AVCJ Southeast Asia Forum
- **28 July 2022** - Mergermarket M&A Forum - Southeast Asia
- **7 September 2022** - AVCJ Korea Forum
- **13 September 2022** - Infralogic Investors Forum - Japan
- **14-15 September 2022** - AVCJ Japan Forum
- **25-26 October 2022** - AVCJ China Forum
- **27 October 2022** - Mergermarket M&A Forum - China
- **15-17 November 2022** - AVCJ Private Equity & Venture Forum

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