



TOP50 B2B Marketplaces Emerging Markets

AT A GLANCE



TOP50 B2B Marketplaces

Emerging Markets, ex China



US\$ 7.1B Funding in 2021

72 deals



Hotspots

India, Indonesia, Kenya



Five Distinct Sector Models

From generalist to specialized verticals



Embedded Finance

Revenue driver with largest potential

A HOTSPOT OF GROWTH AND INVESTMENT

Among the pandemic winners, B2B Marketplaces across the world, and especially in Emerging Markets, became a hotspot of growth and investment in the past year. Given the much larger underlying trade flows in B2B, these marketplaces have the potential to overtake their B2C equivalents, as the B2B space catches up with B2C in terms of digitalization. Fact & Factors forecasts the B2B E-Commerce market to reach a value of US\$ 18.6T by the year 2026, with a CAGR of 18.7%.

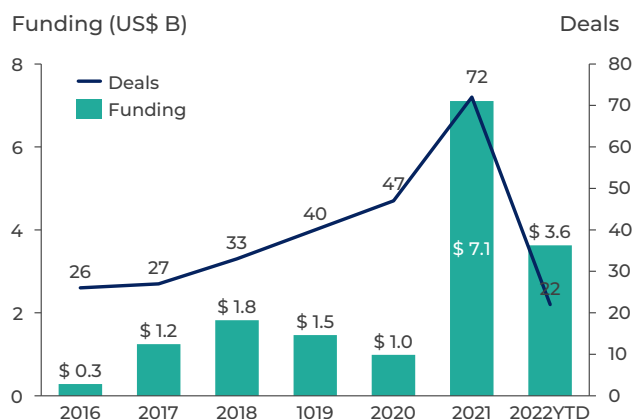
Initiated in China, with Alibaba and many others already 7+ years ago, Emerging Markets led the charge for the development of B2B Marketplaces. However, it is only more recently that the trend came to Emerging Markets beyond China.

Against this background, KoreFusion created the global TOP50 of B2B Marketplaces in Emerging Markets, excluding China. We developed a comprehensive global database of B2B Marketplaces over the past year. From this database, we selected the largest and best funded players headquartered in Emerging Markets, or largely active in Emerging Markets. Our selection evaluates marketplaces based on their total funding, mostly from venture capital funds, the number of (app) users, and the number of employees.

Gross Merchandise Volume (GMV) figures are rarely published and could therefore not serve to identify the top players. However, we believe that by leveraging app data on the number of active users and installed base, we use an indicator that reflects well the success of the marketplace to attract and retain buyers.

The segment attracted substantial amounts of funding, especially in 2021. The largest deals were the GoTo and Bukalapak IPOs, raising over US\$ 1B each for their B2B marketplace offers and beyond. The largest pure B2B marketplace deal was Udaan's US\$ 595M raise in 2019. 2021 saw 21 deals over US\$ 100M. Asia dominated fund-raising over the last years.

FIGURE 1 – FUNDING FOR TOP50 B2B MARKETPLACES



Source: Pitchbook



KOREFUSION

2

A VARIETY OF REGIONAL AND SECTOR MODELS

India is the most developed market for B2B Marketplaces worldwide, with a large number of established players, both serving Mom & Pop shops ("Kiranans") but also larger buyers. ASEAN is the second hotspot, with Indonesia leading the charge, and Vietnam catching up. EMEA (incl. Pakistan) is a

differentiated region, with a lot of activity in Pakistan, following India's example, and specific models, bringing producers and informal retailers together, in Western and Eastern Africa. LatAm is unique, given marketplaces funded directly by large FMCG players, such as ABInBev, Unilever, and Coca-Cola.

FIGURE 2 – TOP50 B2B MARKETPLACES BY REGION/COUNTRY

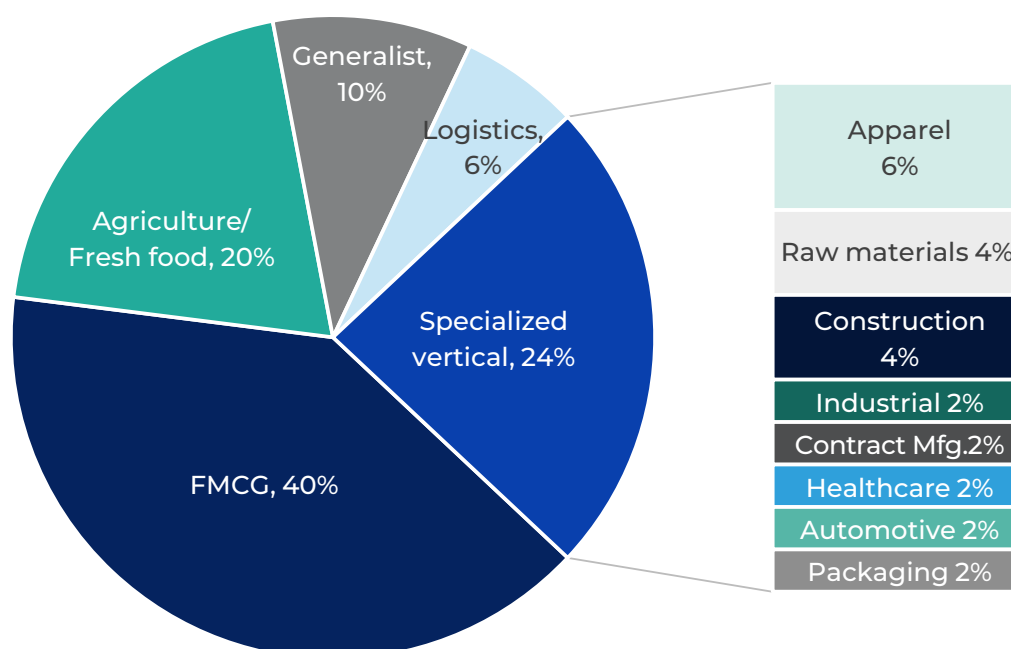


Source: Pitchbook, Data.ai, KoreFusion analysis

We distinguish five different sector models for B2B Marketplaces, also reflecting target clients:

1. Marketplaces serving primarily Mom & Pop shops, focused on FMCG and related products sold by these shops (40%).
2. Agriculture and fresh food marketplaces that help farmers to bring their produce to market, serving retailers and F&B establishments (20%).
3. Generalist, multi-industry marketplaces, built on the model of Alibaba (10%).
4. Service marketplaces (only logistics in this case, 6%).
5. Vertical marketplaces serving specific industries (24%).

FIGURE 3 – TOP 50 B2B MARKETPLACES BY SECTOR



Source: KoreFusion analysis

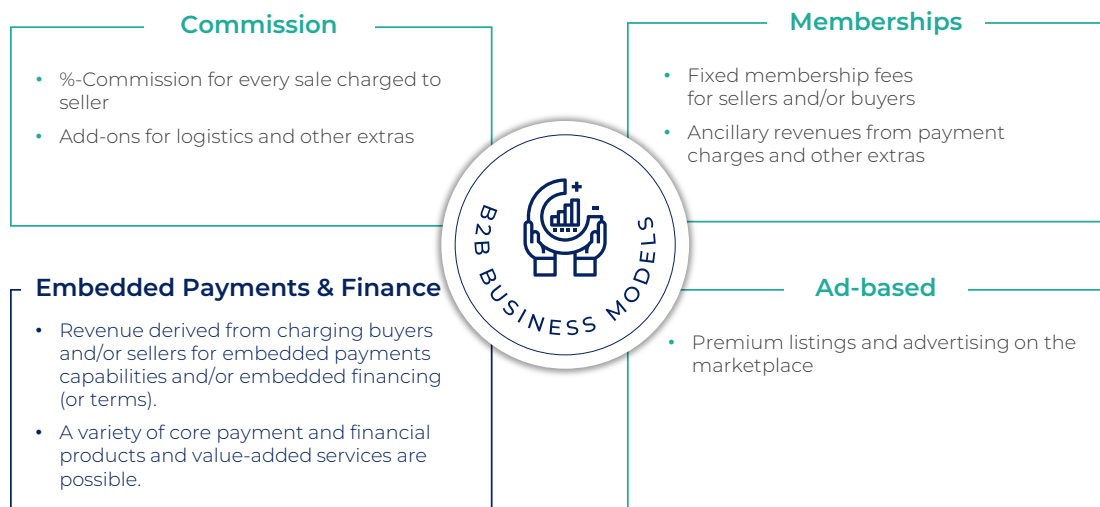
SEEKING VALUE THROUGH FOUR BUSINESS MODELS

The most common business model evolves around charging sellers a percentage-commission on each transaction, and is largely used by the Mom & Pop marketplaces in the FMCG space.

Generalist or specialized industry marketplaces often earn money from fixed membership fees, sometimes tiered.

More prevalent among B2C marketplaces is a model based on advertising on the platform, charged to the sellers. Many B2B marketplaces are working to generate more revenues from Embedded Finance, such as payments and lending.

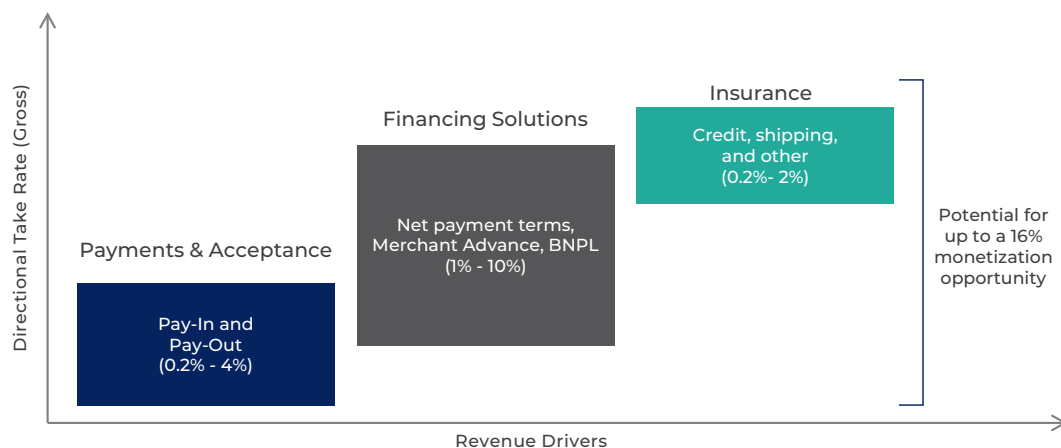
FIGURE 4 – B2B MARKETPLACE BUSINESS MODELS



Embedded Finance offers large revenue potential for B2B Marketplaces that most players are just beginning to tap. With the full breadth of products, from payments and lending to insurance, a gross take rate of up to 16% can be achieved. Shopify illustrates

the potential of a fully developed Embedded Finance model, earning 70% of its overall revenues from Merchant Solutions (Embedded Finance and logistics).

FIGURE 5 – EMBEDDED FINANCE REVENUE POTENTIAL



HOW KOREFUSION CAN HELP

KoreFusion strongly believes that Embedded Payments & Finance is the next horizon for B2B Marketplaces and looks forward to sharing our expertise and experience to help them further monetize their growing platforms. This evolution will require a comprehensive understanding of your competitive landscape, the development of nuanced value propositions to support your pricing schemes, an understanding of B2B pricing elasticity and layering core products with value-added services, the trends impacting the Procure-to-Pay ecosystem, and advancements in business credit underwriting technologies. KoreFusion can help navigate the

complexities of these interrelated ecosystems and unlock the monetization potential of B2B platforms.

We work with B2B Marketplaces globally, as well as the ecosystem around them, including payments providers, credit platforms, and investors. We help them with their product, pricing, go-to-market, and M&A strategies.

Please reach out to us at
martin.wallraff@korefusion.com or
yogesh.oka@korefusion.com for more information or questions.

FIGURE 6 – TOP50 B2B MARKETPLACES LIST (EMERGING MARKETS EX CHINA)

HQ Country	Company name	Sector	Website
India	IndiaMART	Generalist	indiamart.com
India	OfBusiness	Raw materials	ofbusiness.com
India	Udaan	FMCG	udaan.com
India	Zetwerk	Custom-manufacturing	zetwerk.com
India	ElasticRun	Logistics	elastic.run
India	Ninjacart	Agriculture/ Fresh food	ninjacart.in
India	Infra.Market	Construction	infra.market
India	ShopKirana	FMCG	shopkirana.com
India	Waycool	Agriculture/ Fresh food	waycool.in
India	Bizongo	Apparel	bizongo.com
India	DeHaat	Agriculture/ Fresh food	agrevolution.in
India	Medikabazaar	Healthcare	medikabazaar.com
India	Jumbotail	FMCG	jumbotail.com
India	Porter	Logistics	porter.in
India	Captain Fresh	Agriculture/ Fresh food	captainfresh.in
India	Power2SME	Raw materials	power2sme.com
India	Fashinza	Apparel	fashinza.com
India	Gomechanic	Automotive	gomechanic.in
India	Bijinis	Apparel	bijinis.com
Indonesia	Mitra Tokopedia (GoTo)	FMCG	mitra.tokopedia.com
Indonesia	Mitra Bukalapak	Generalist	mitra.bukalapak.com
Vietnam	Vinshop	FMCG	vinshop.vn
Singapore	Moglix	Industrial	moglix.com
Singapore	Zilingo Trade	Generalist	zilingotrade.com
Indonesia	Ula	FMCG	ula.app
Indonesia	Gudangada	FMCG	gudangada.com
Philippines	GrowSari	FMCG	growsari.com
Indonesia	TaniHub	Agriculture/ Fresh food	tanihub.com
Indonesia	Aruna	Agriculture/ Fresh food	aruna.id
Indonesia	Warung Pintar	FMCG	warungpintar.co.id
South Africa	Bidfood (Bidcorp)	Agriculture/ Fresh food	bidfood.com.au
Poland	Packhelp	Packaging	packhelp.com
Kenya	Wasoko	FMCG	wasoko.com
Nigeria	TradeDepot	FMCG	tradedepot.co
Saudi Arabia	Sary	FMCG	sary.com
Pakistan	Bazaar	Generalist	bazaar-tech.com
Kenya	Twiga	Agriculture/ Fresh food	twiga.com
Saudi Arabia	Tradekey	Generalist	tradekey.com
Egypt	MaxAB	FMCG	maxab.io
Pakistan	Dastgyr	FMCG	dastgyr.com
Saudi Arabia	Retailo	FMCG	retailo.co
Pakistan	Tajir App	FMCG	tajir.app
Brazil	Compra Agora (Unilever)	FMCG	compra-agora.com
Colombia	Wabi2b (Coca-Cola)	FMCG	wabi2b.com
Mexico	Bees (ABinBev)	FMCG	mybees.mx
Brazil	CargoX	Logistics	cargox.com.br
Colombia	Tul	Construction	tul.com.co
Colombia	Frubana	Agriculture/ Fresh food	frubana.com
Colombia	Chiper	FMCG	chiper.co
Argentina	Agrofy	Agriculture/ Fresh food	agrofy.com.ar

AUTHORS

Martin Wallraff
Yogesh Oka

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice in any jurisdiction worldwide. Please refer to your advisors for specific advice. The opinions of third parties set out in this publication are not necessarily the opinions of the global KoreFusion organization or its member firms. Moreover, this material should be viewed in the context of the time they were expressed.

For more information on KoreFusion's payments and Fintech research, please contact:



information@korefusion.com

Follow KoreFusion on LinkedIn for additional insights and content:



www.linkedin.com/company/korefusion

Spring 2022

© 2022 KoreFusion LLC

© 2022 KoreFusion Pte. Ltd.

All Rights Reserved

Silicon Valley • New York • Mexico City
São Paulo • Singapore • Mumbai

www.korefusion.com



KOREFUSION



KOREFUSION
CAPITAL



KOREFUSION

KoreFusion's B2B Experience

KoreFusion has led over 50 recent global engagements in the B2B sector, working with leading platforms, payment networks, financial infrastructure providers, supply chain systems, lenders, clearinghouses, regulators, and ERPs / intelligent business platforms worldwide to address their greatest challenges around B2B product and go-to-market strategy, payments, lending, and M&A.

About KoreFusion

KoreFusion uniquely combines strategy consulting and M&A advisory services exclusively for the international Fintech, payments, and financial services industries.

About KoreFusion Capital

KoreFusion Capital is a specialized boutique investment bank exclusively focused on meeting the unique private placement and M&A transaction needs of Fintech, payments and financial services companies. It is the sister company of the globally recognized Fintech strategy consulting firm, KoreFusion LLC.

Our Areas Of Expertise

- Faster / Real-Time Payments
- Push & Account-to-Account Payments
- B2B & Commercial Payments
- P2P & P2M Payments
- Credit, Debit, Prepaid & Commercial Cards
- Merchant Acquiring & Payment Processing
- Money Transfer & Remittances
- Supply Chain Digitization & Finance
- Consumer & Commercial Lending
- POS & Omnichannel Solutions
- Mobile & Emerging Payments
- e-Wallets & Closed Loop Ecosystems
- Cobrand & Loyalty