

STR/VE Public Research

presented at  SaaS Insider

“Surfing the SaaS Waves in India”

2020

Part 1

Macro

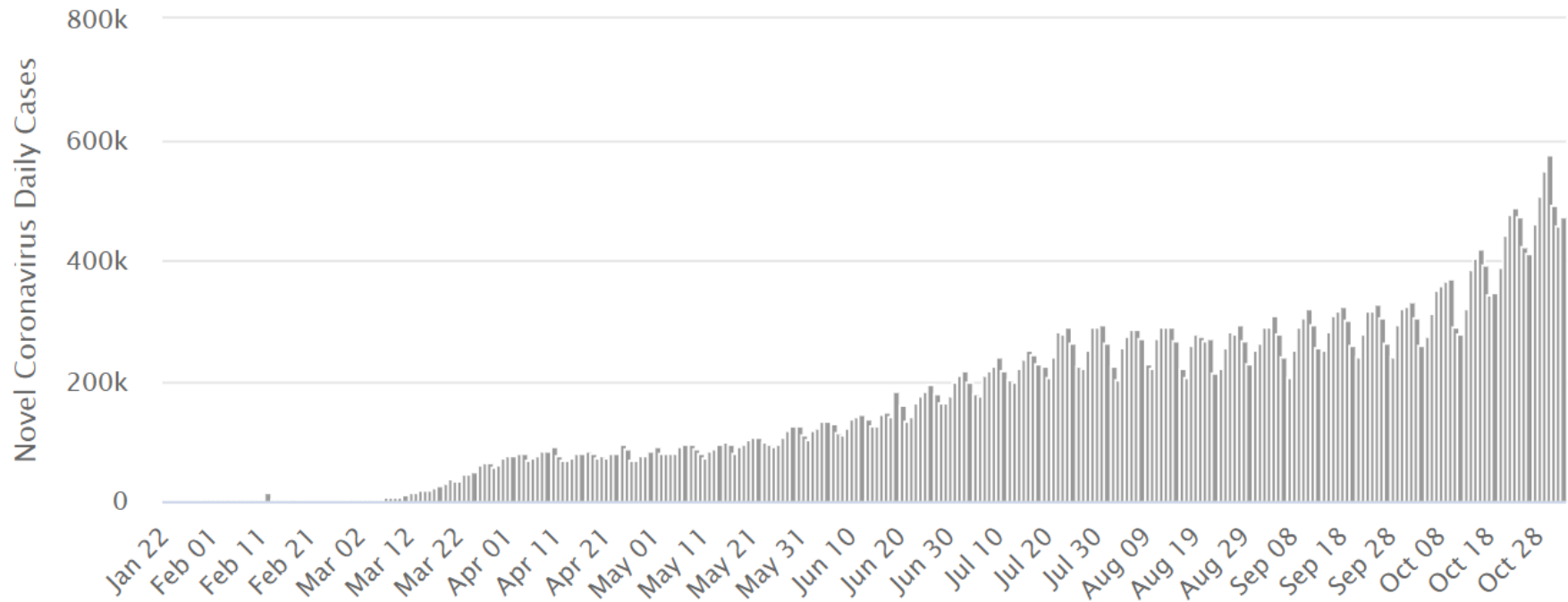
Environment

Unprecedented Times

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COVID pandemic continues at full pace, wave after wave

Daily New Cases (Worldwide)



Public Cloud Companies

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But Cloud seems to be COVID-immune and doesn't seem to be stopping

BVP Nasdaq Emerging Cloud Index



+\$110B
Market Cap (YTD)



+\$62B
Market Cap (YTD)

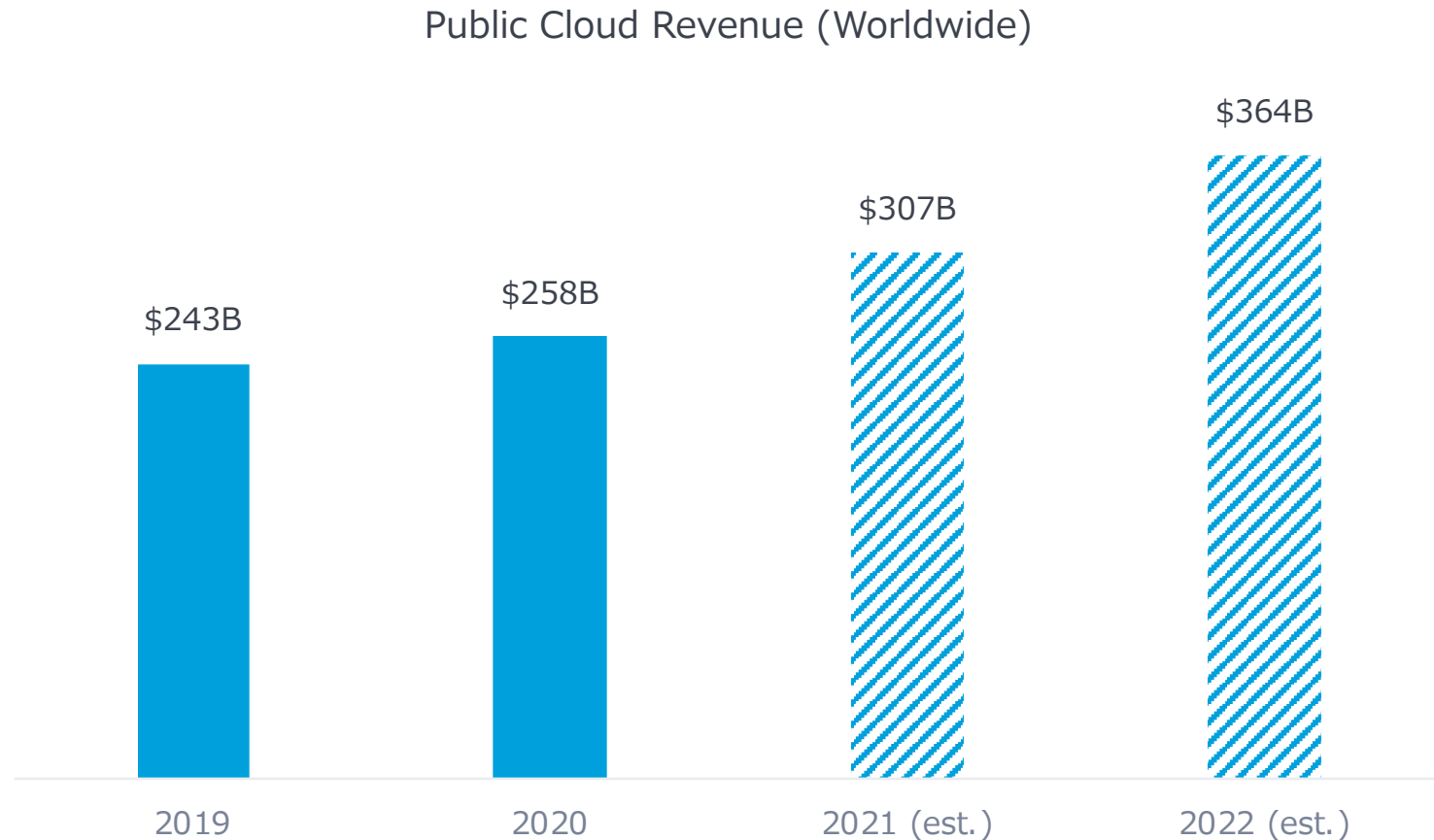
DocuSign

+\$24B
Market Cap (YTD)

Public Cloud Companies

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Because public cloud revenue continues to grow, and expected to grow further beyond COVID

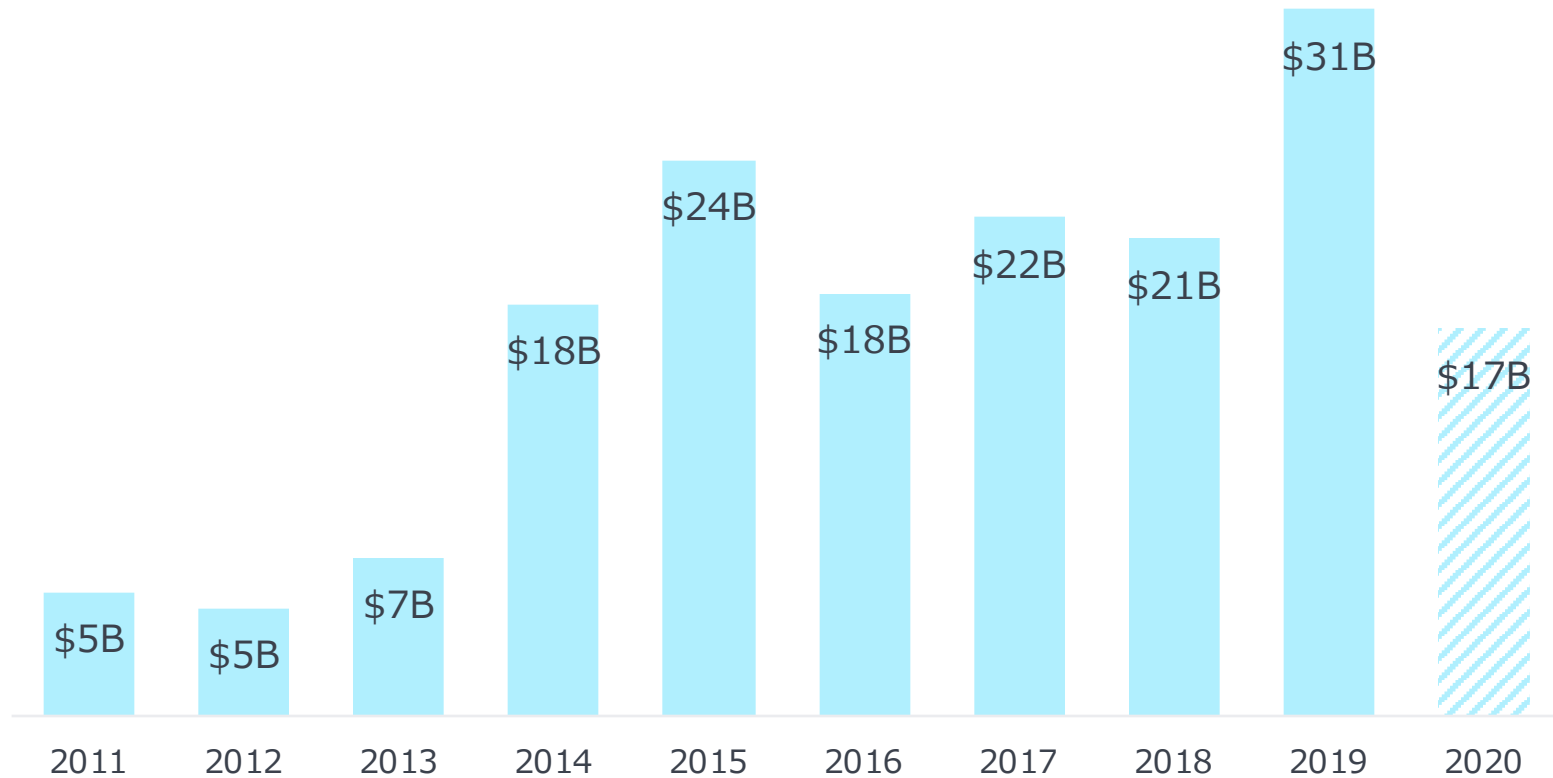


Private SaaS Market

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Private markets are not different, with consistent funding of SaaS companies

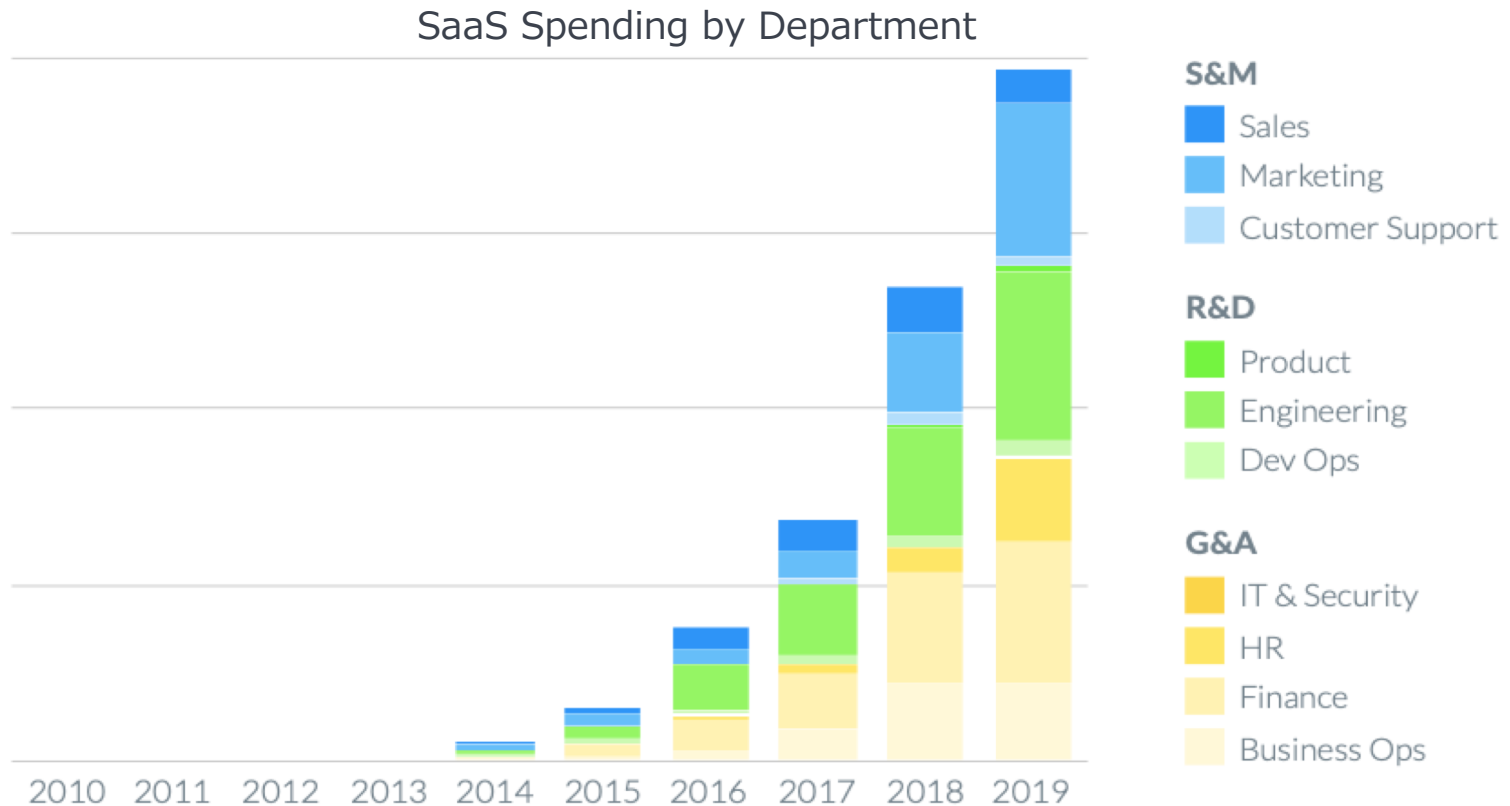
SaaS Companies Venture Capital Raised (\$B)



SaaS Spending pre-COVID

STR/VE

All this because overall SaaS spend per Company has been growing 50%+ per year



130% NDR

DocuSign

120% NDR



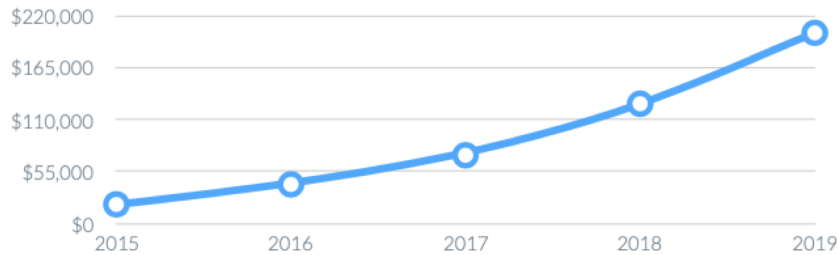
130% NDR

SaaS Spending pre COVID

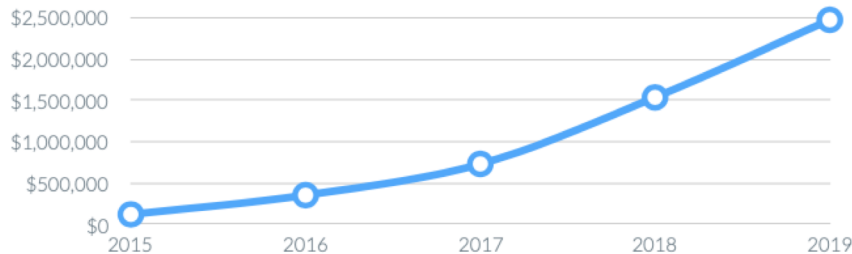
STRIVE

Mid-market Companies outpace others while churning 50% of SaaS stack every year

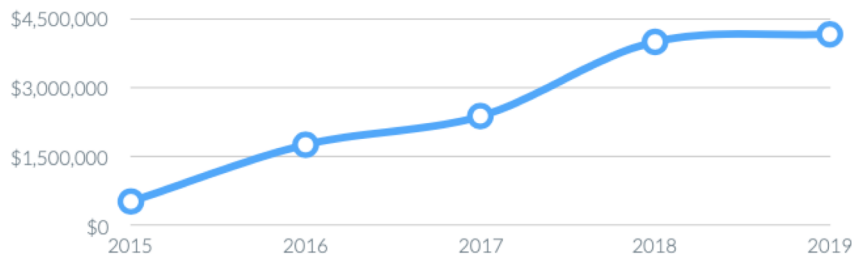
Small Business: 5 Year Average SaaS Spend



Mid-Market: 5 Year Average SaaS Spend



Enterprise: 5 Year Average SaaS Spend



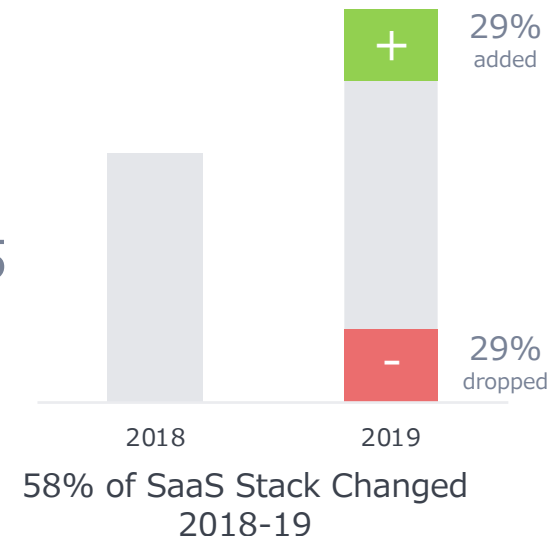
Mid-Market Companies
(101-1000 Employees)

———— Avg Spend ————

\$2.47M
SaaS spend
per year

\$8,580
Spend per
Employee

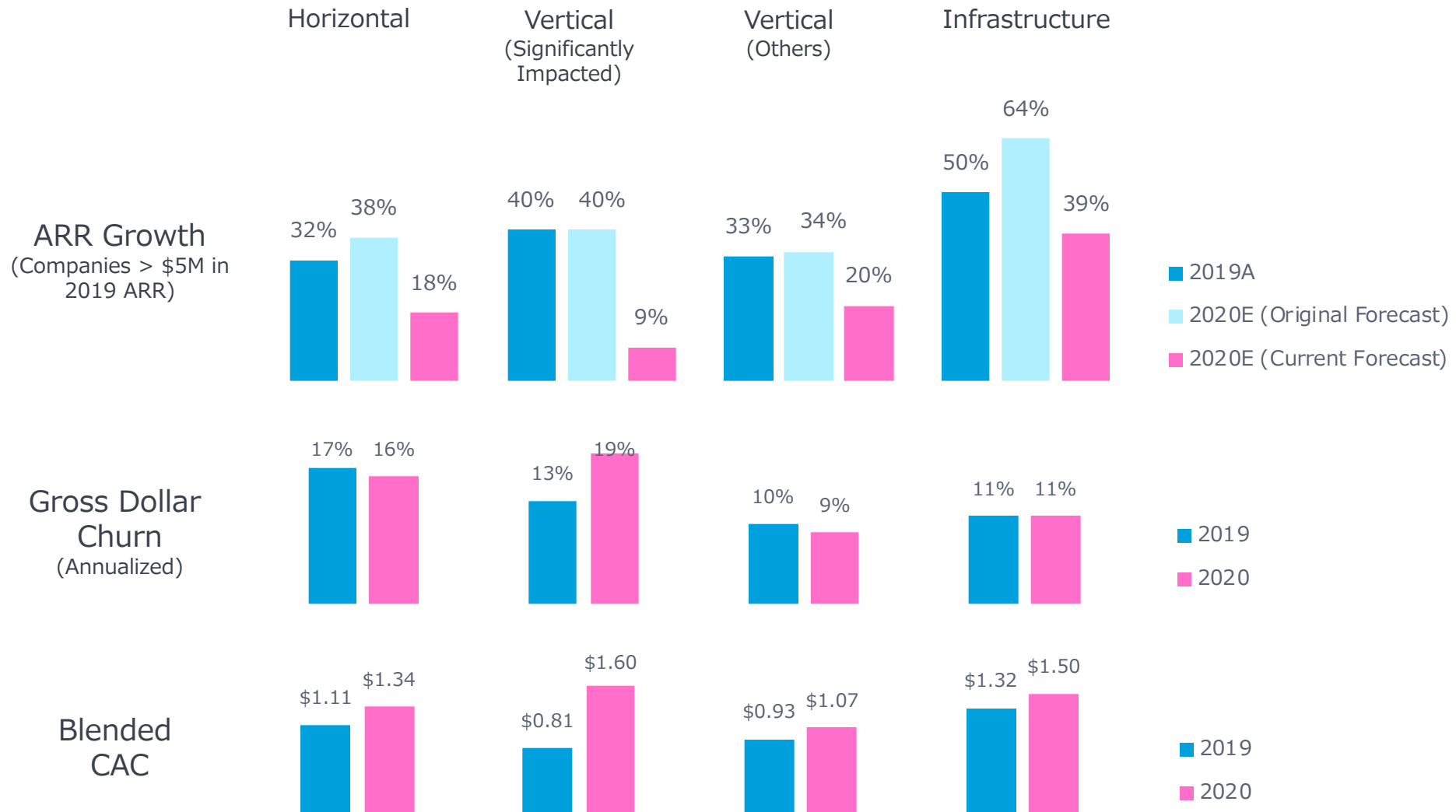
185
Apps



SaaS Revenue post COVID

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Post-COVID, Vertical SaaS most deeply impacted, but still expects growth



Part 2

India SaaS Ecosystem

Number of SaaS Companies by ARR

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More than 1000 SaaS vendors in India, of which 150+ have more than \$1M ARR

100 – 500M ARR
~ 6 Unicorns



50 – 100M ARR
~4 Companies



10 – 50M ARR
~30 Companies



1 – 10M ARR
~122 Companies



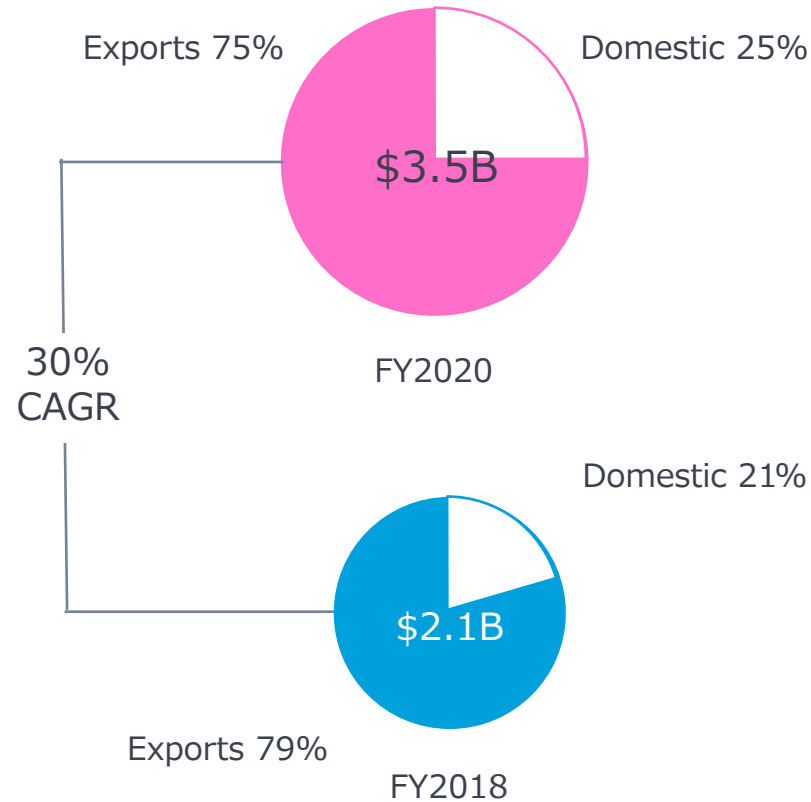
<1M ARR
700+ Companies



Estimated SaaS Revenue

STR/VE

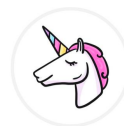
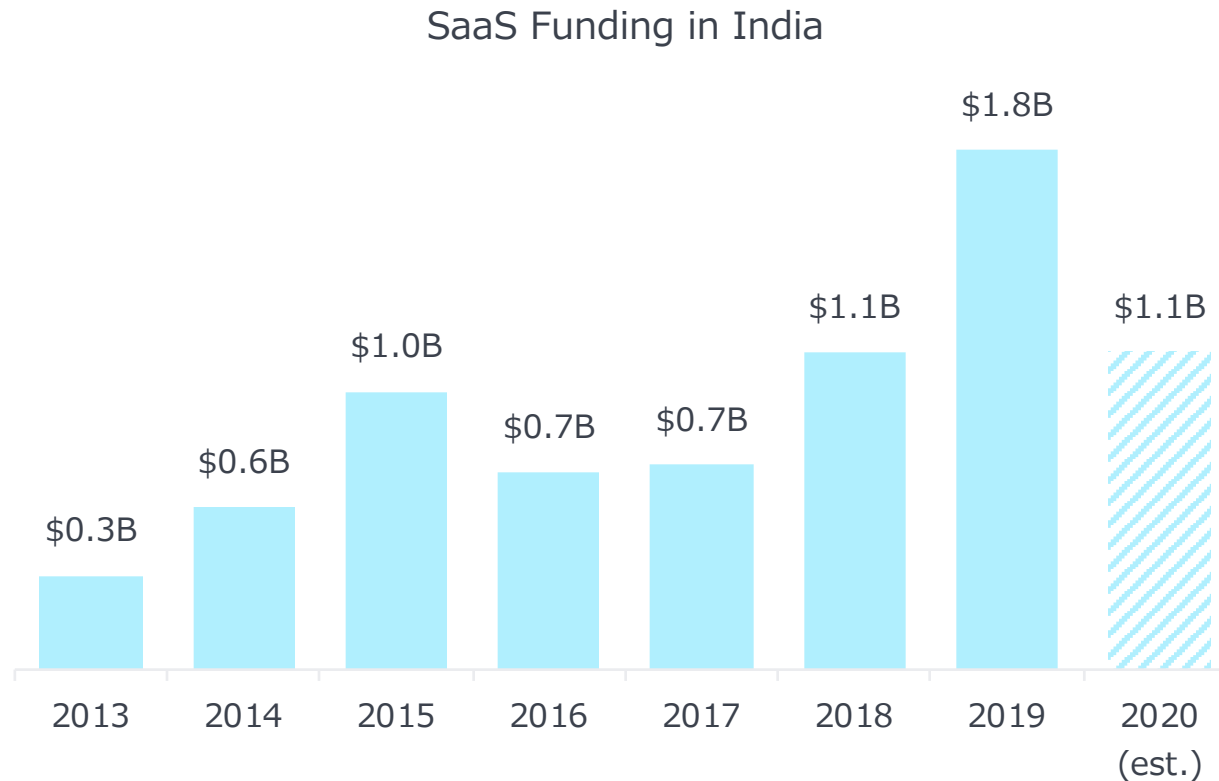
With revenues growing 30%+ yearly and global sales accounting for bulk of the revenues



India SaaS Private Market Funding

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As a result, VC interest in SaaS has increased throughout the decade



Unicorn Stable

 freshworks

 druva

 icertis

 POSTMAN

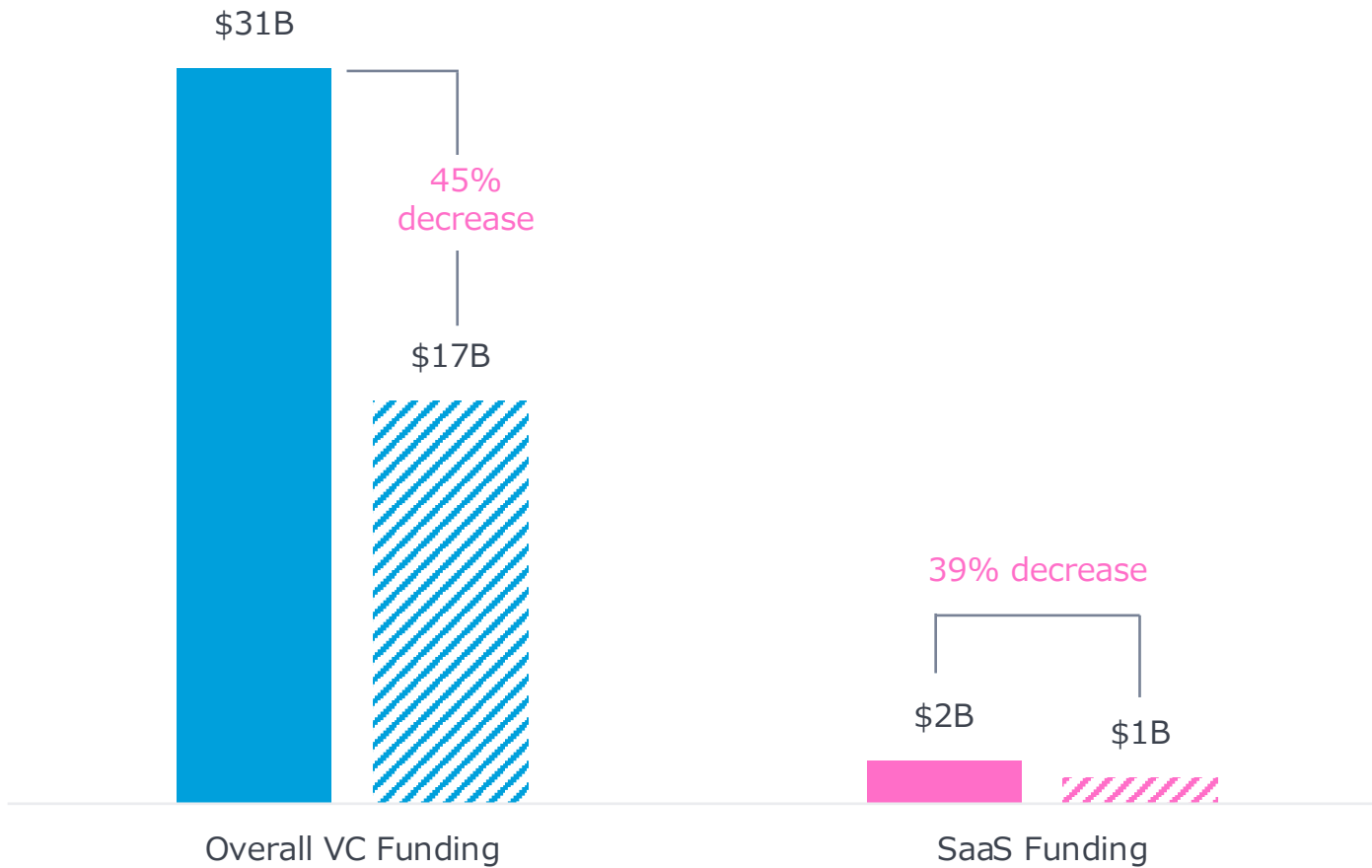
 Pine Labs

 Razorpay

Slowdown post COVID

STR/VE

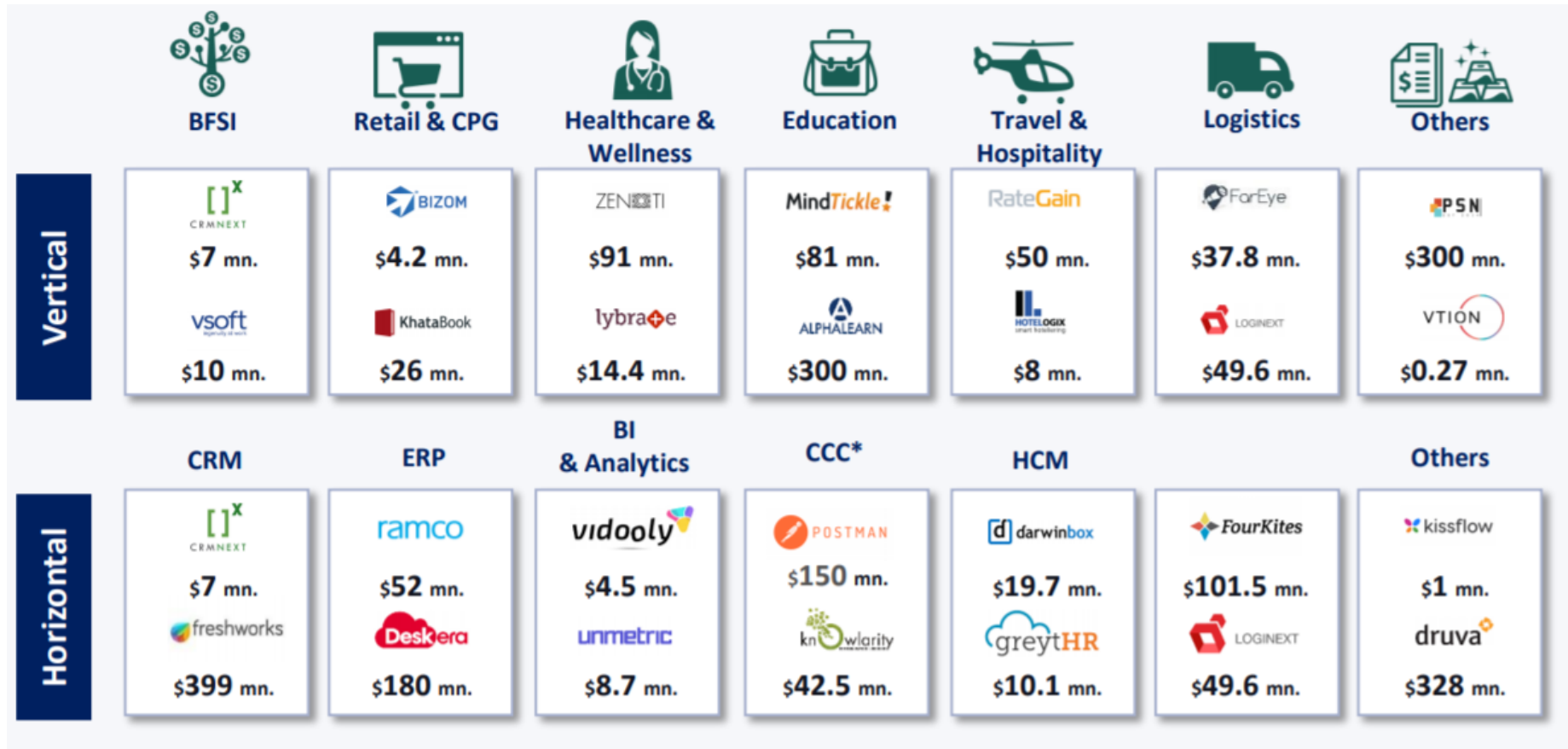
With funding interest doing better than the overall funding markets



Horizontal vs Vertical SaaS Funding

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More interest shown by VCs in horizontal plays over vertical plays

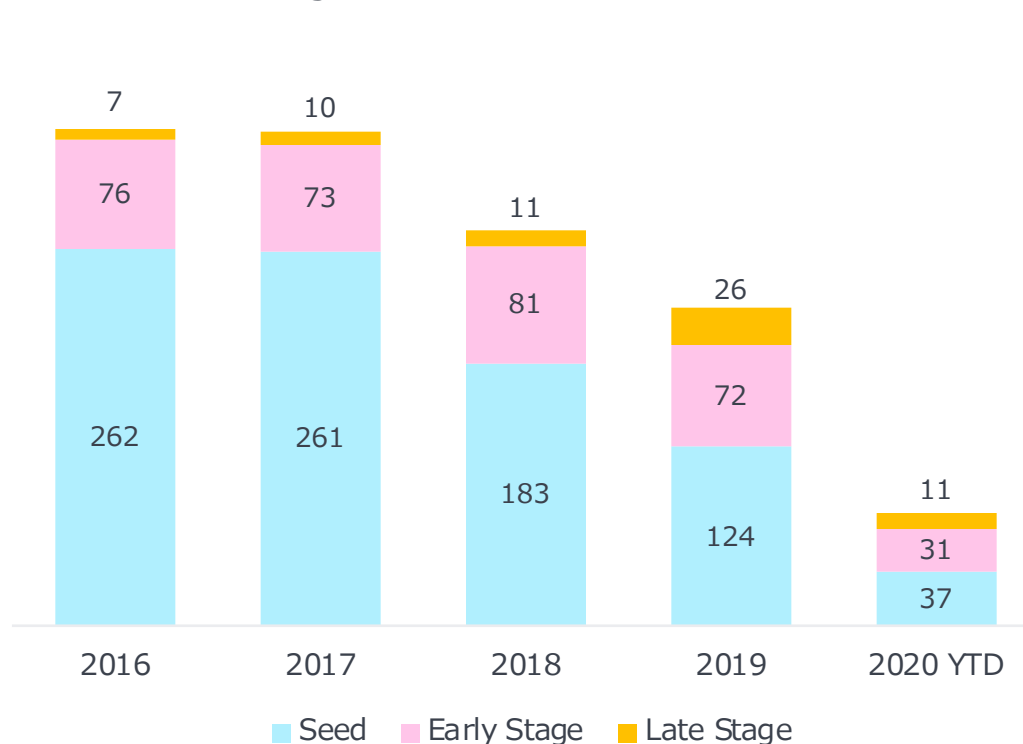


Early Stage Funding

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But a cause for concern as early stage funding declines in number and \$ value

Stage-wise Number of Rounds



Average Deal Size (\$M)



Part 3











Evolving India SaaS

Evolution 1: Talent

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India ranks #3 globally on Github and will soon overtake China

Github Accounts

 United States	651,017	<div></div>
 China	183,805	<div></div>
 India	168,328	<div></div>
 United Kingdom	109,460	<div></div>
 Germany	94,359	<div></div>
 Brazil	80,903	<div></div>
 Canada	77,318	<div></div>
 France	66,367	<div></div>
 Russia	58,767	<div></div>
 Australia	41,790	<div></div>



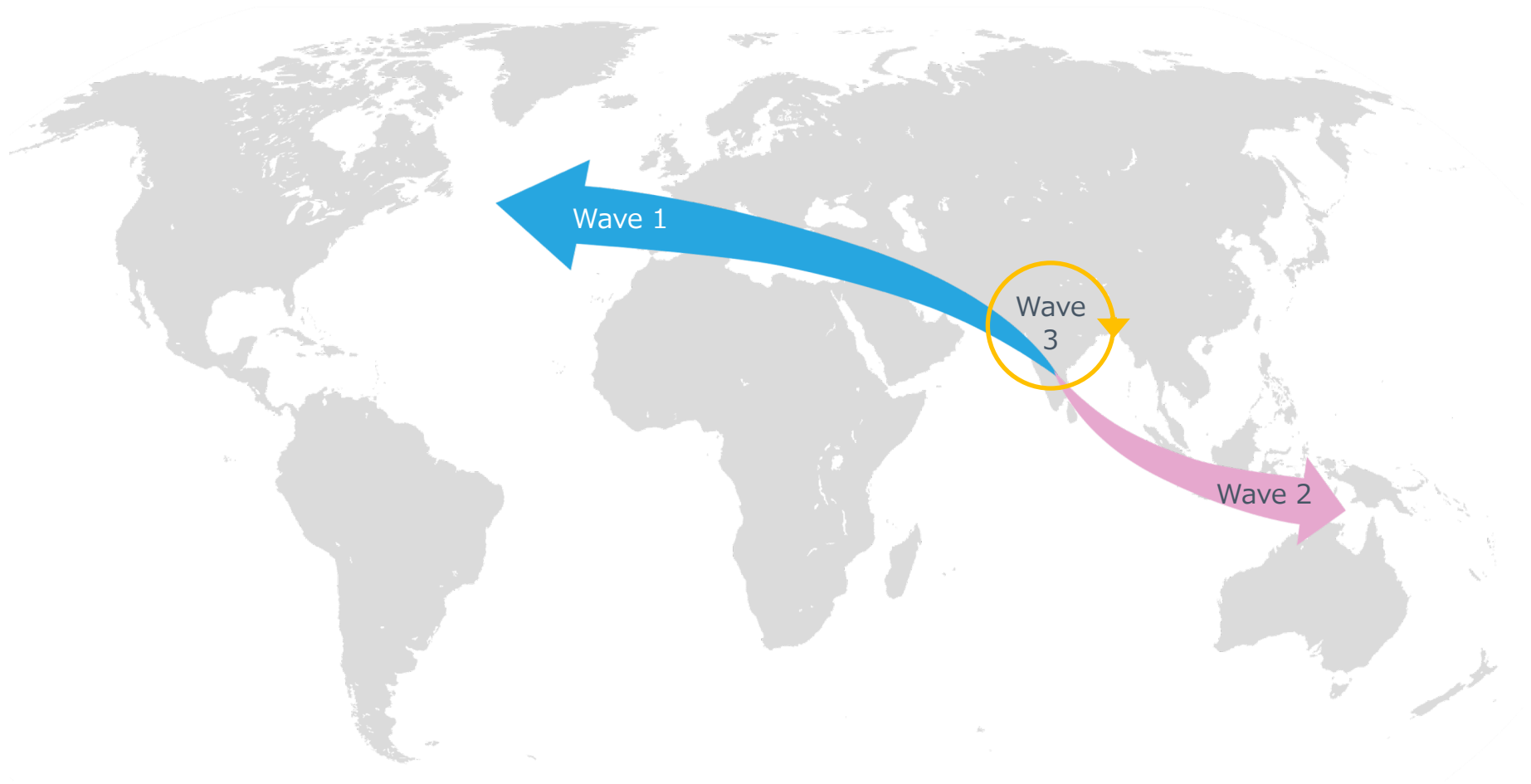
Announcing GitHub India – Feb, 2020

“Our community in India is thriving, with the third-largest number of active developers on GitHub and 22 percent growth over the past year, adding to an already significant base. To better serve those developers and enterprise customers, we’re thrilled to bring GitHub closer by establishing a new GitHub subsidiary in India.”

Evolution 2: Markets

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As markets grow, APAC region is coming into focus for Indian startups after US and EU



Growth of Regional SaaS

STRIVE

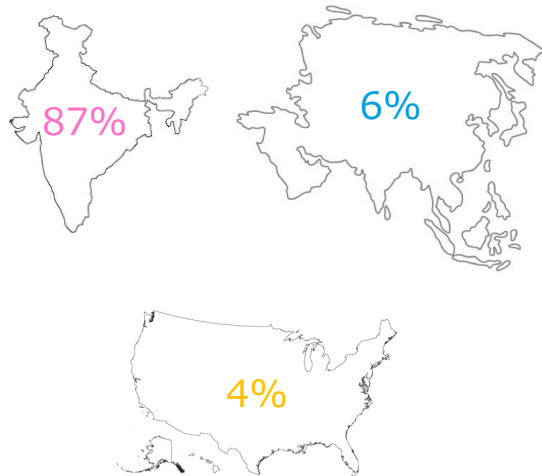
Startups are finding it easier to mature their products in APAC before moving on to tackle US

moengage

Customer Engagement Platform

\$42M raised

India, Indonesia, UAE, US

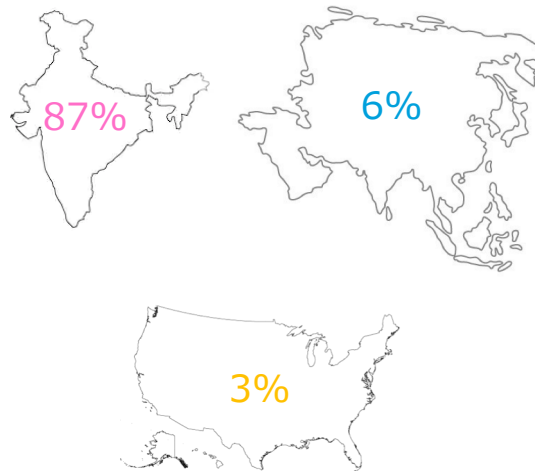


LOCUS

Logistics Management Platform

\$33M raised

India, Indonesia, ANZ, US

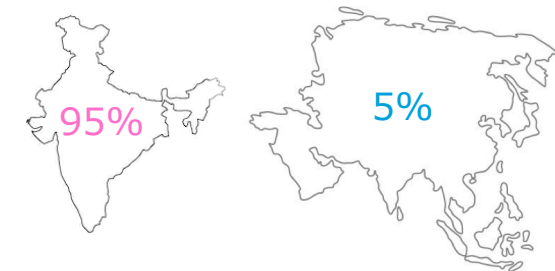


darwinbox

HR Management Platform

\$20M raised

India, Indonesia, Singapore



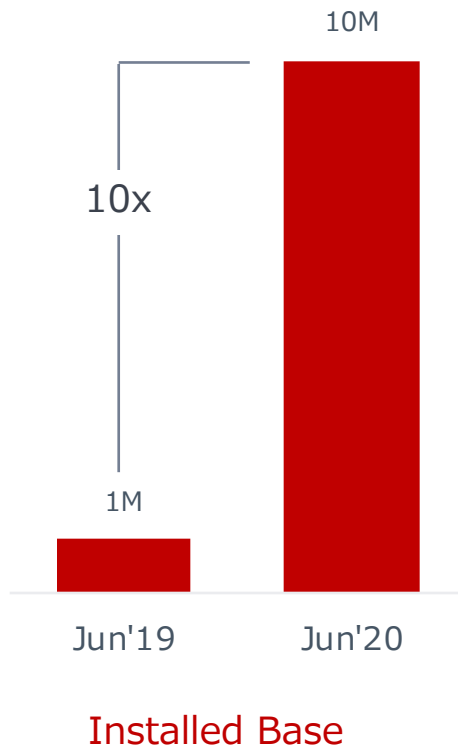
Growth of Bharat SaaS

STR/VE

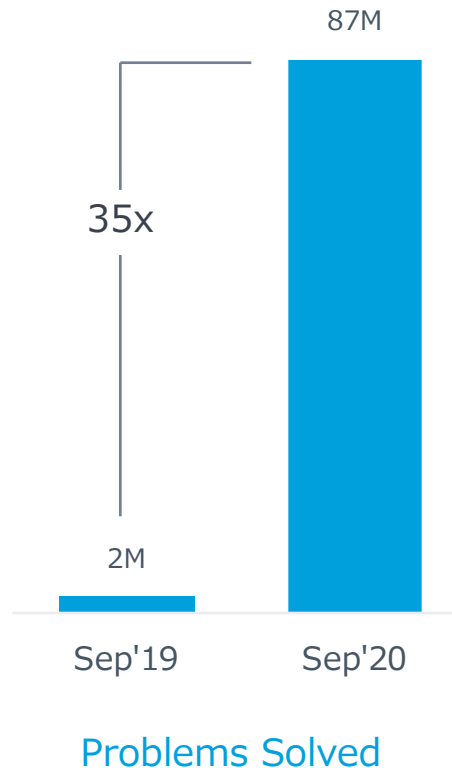
And a new wave of startups are emerging to target the local SMBs in India



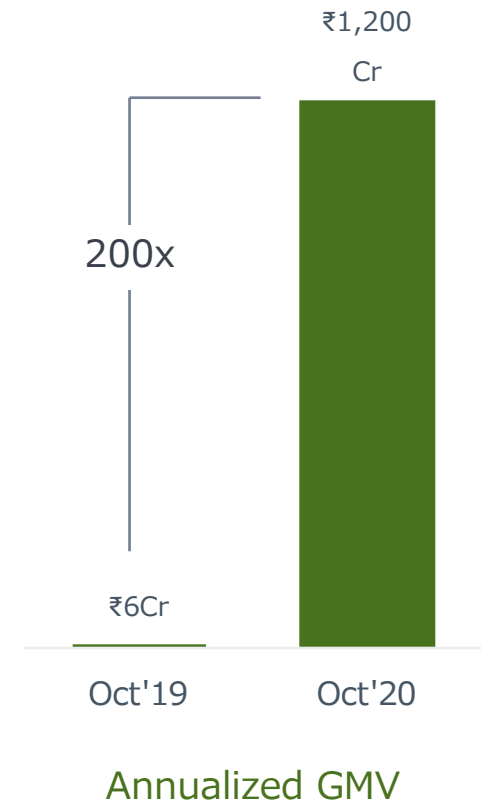
Vertical: Retail



Vertical: Education



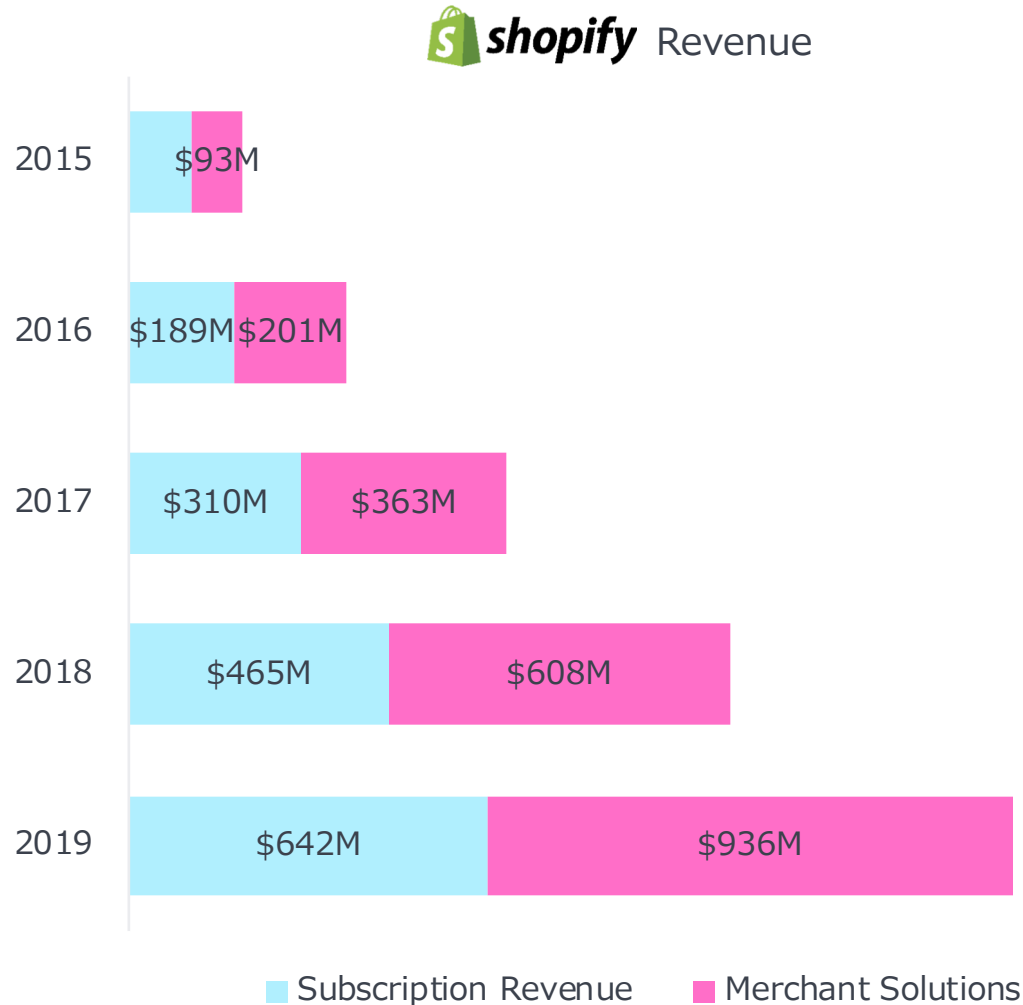
Vertical: Agriculture



Growth of Bharat SaaS

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With business model resembling that of Shopify rather than pure Subscription



Growth of Global SaaS

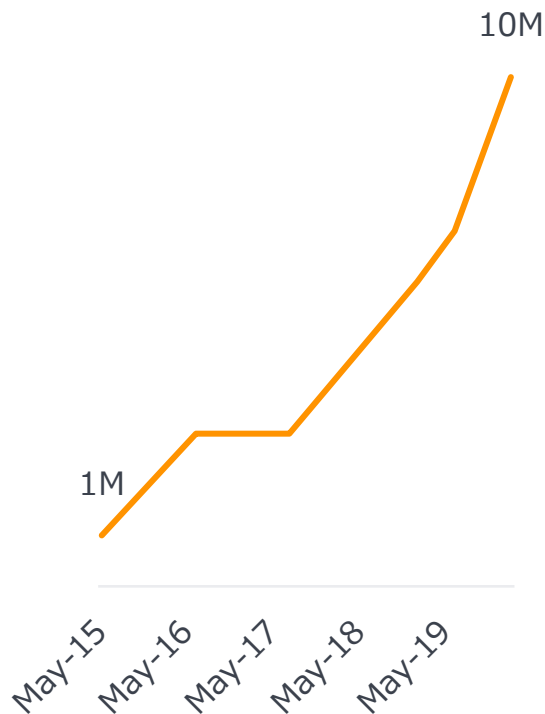
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While some categories such as Dev Infra are seeing global category creation from India



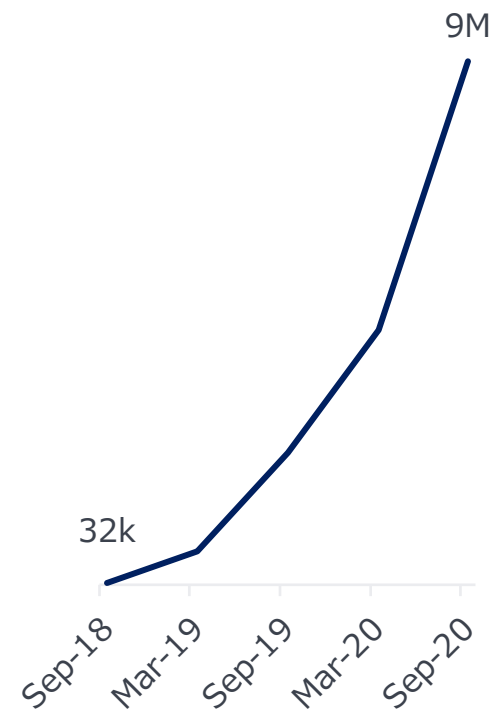
API Management Platform

Developers



GraphQL API engine

Docker Pulls



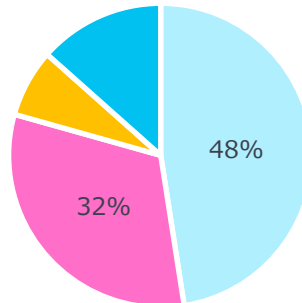
Evolution 3: GTM


STRIVE

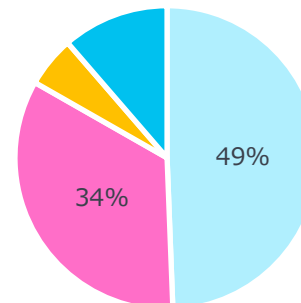
As the SaaS market matures, companies are evolving their GTM from Inside-Sales led to Product-led to Community-led

Sales-led
Growth

 **freshworks**
3507 employees

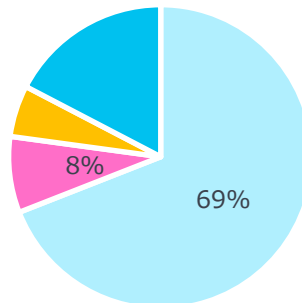


 **BrowserStack**
573 employees

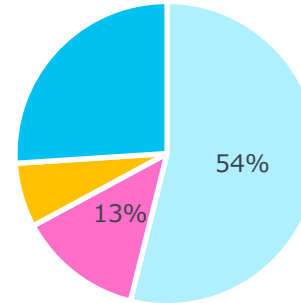


Product-led
Growth

 **zoho**
8718 employees

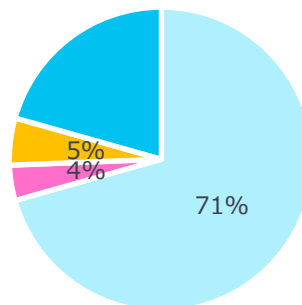


Wingify
219 employees

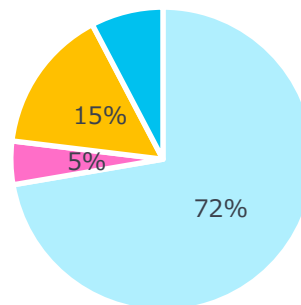


Community-led
Growth

 **POSTMAN**
320 employees



 **HASURA**
65 employees



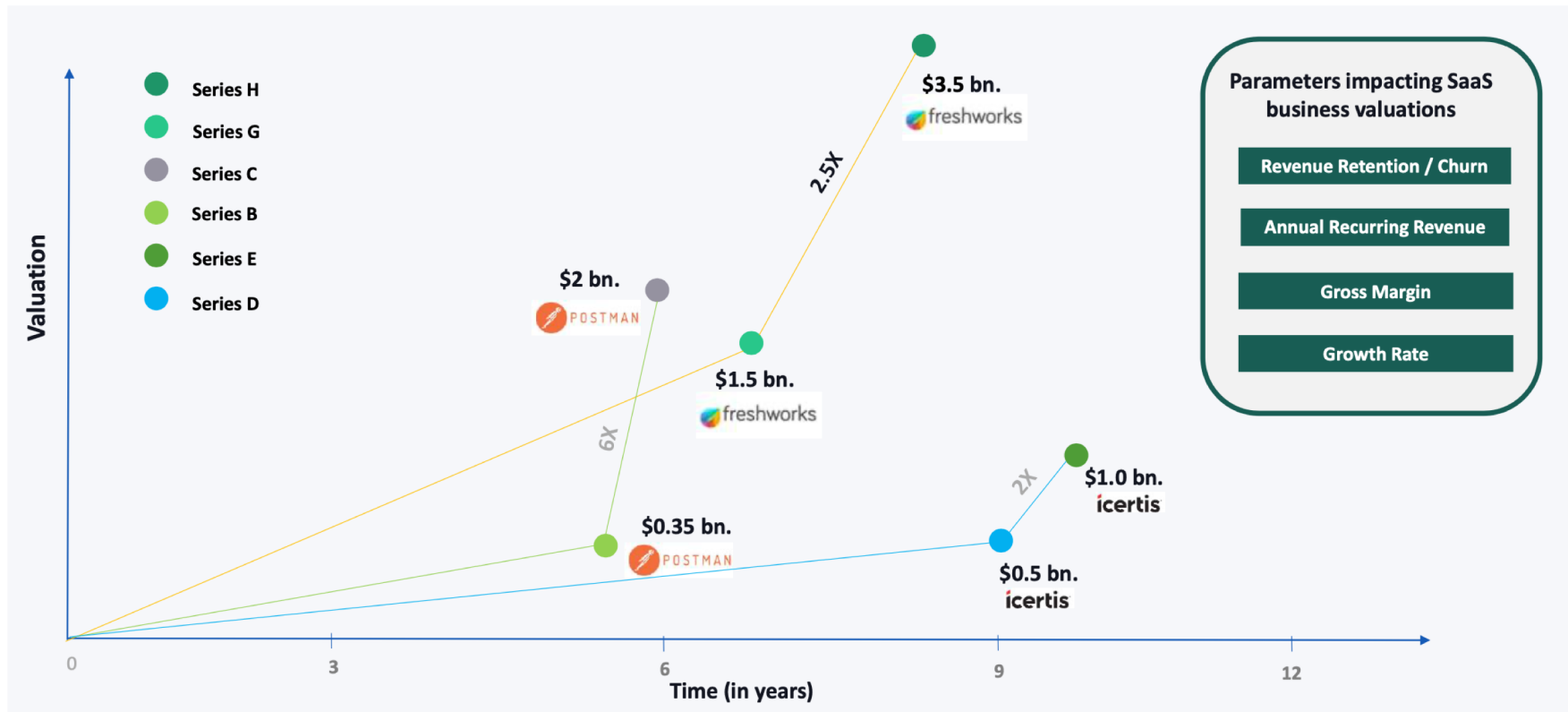
■ R&D ■ Sales ■ Marketing ■ Others

Product-led and Community-led Growth

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Leading to faster growth than their older and slower peers

Valuation of SaaS companies



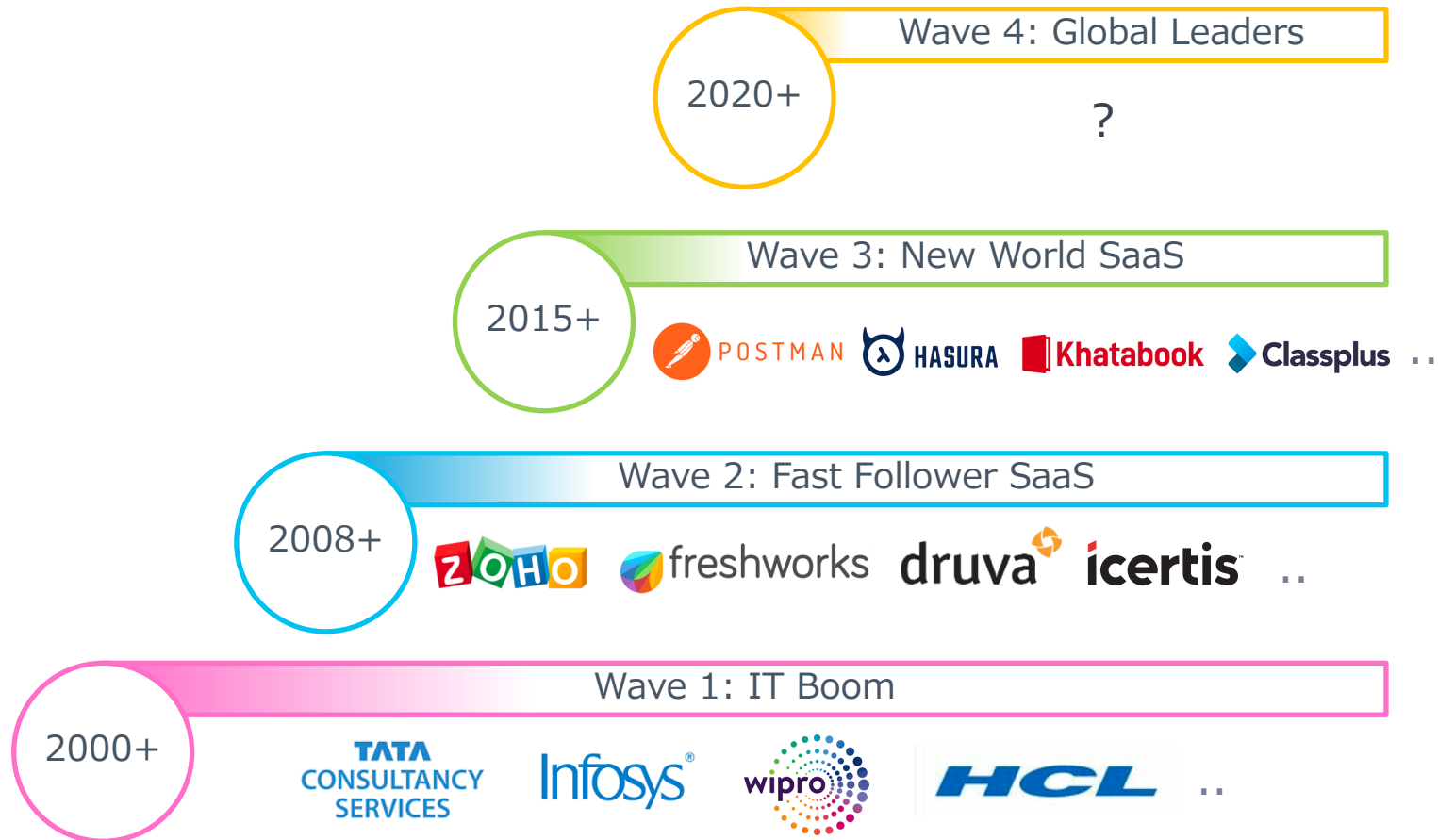
Part 4

Closing Thoughts

SaaS Ecosystem Maturity

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Waves of Indian Software Industry leading to Global leadership



SaaS Ecosystem – Work Ahead

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If India has to become a SaaS leader globally, we need to work on 3 core areas

1. Early-stage Ecosystem

2. Talent Development

3. Global Corridors

1. Early-stage Ecosystem

- More early-stage focus on SaaS



1/: Surge 03 applications close in 5 days! And we continue to be blown away with the companies we are getting to meet every day, across enterprise and consumer tech. Esp. exciting to see some really interesting SaaS startups in the mix. (THREAD)

6:09 PM · Jan 11, 2020 · Twitter for iPhone

- Alternative Financing

crunchbase news

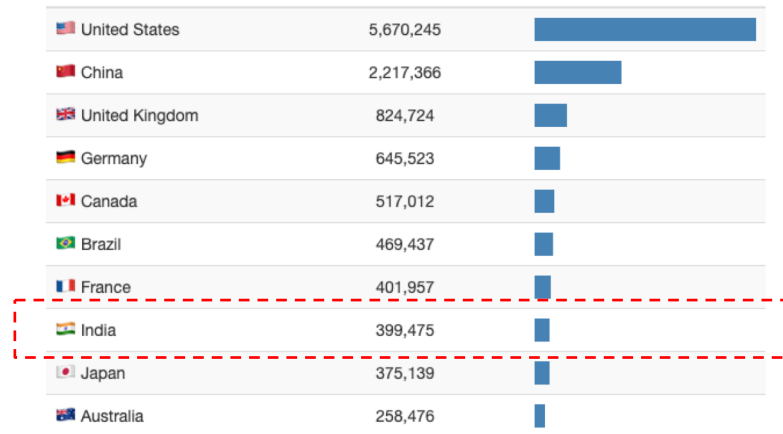


Pipe Brings In \$60M Seed Extension To Power SaaS Financing Platform

Christine Hall June 24, 2020

2. Talent Development

- Dev Influence and Contribution



- Marketing and Tech Specialization

LinkedIn Top 15 Emerging Jobs (India)

#1	Blockchain Developer	#6	Growth Manager	#11	Cybersecurity Specialist
#2	AI Specialist	#7	SRE	#12	Python Developer
#3	Javascript Developer	#8	Customer Success	#13	Digital Marketing
#4	RPA Consultant	#9	Full Stack Engineer	#14	Front-end Engineer
#5	Back-end Developer	#10	Robotics Engineer	#15	Lead-Gen Specialist

3. Global Corridors

- India US corridor



- India APAC corridor



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“Let’s Build”