



FINANCIAL
OPPORTUNITIES FORUM



Mr. Rajeev Thakkar

CIO & Director - PPFAS Mutual Fund

PPFAS Mutual Fund



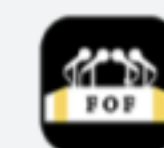
Today's topic:

Blitzscaling Season 2: The Softbank protocol

Upcoming FOFs:

- 16th January, 2025 | Thursday
- 20th February, 2025 | Thursday
- 13th March, 2025 | Thursday

All archives available at



ppfasfof.com

Blitzscaling Season2: The Softbank Protocol

(Been watching too much of OTT content!)

No Stock Tips



Valuing Newly Listed (Loss Making) Unicorns



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CIO Rajeev Thakkar speaks about how to make sense of the valuations of newly listed, loss making companies.

Download the presentation file here (description box): ...more

REID HOFFMAN

COFOUNDER OF LINKEDIN, PARTNER AT GREYLOCK PARTNERS,
AND COAUTHOR OF THE NEW YORK TIMES BESTSELLERS
THE START-UP OF YOU AND THE ALLIANCE

CHRIS YEH

COAUTHOR OF THE NEW YORK TIMES
BESTSELLER THE ALLIANCE

BLITZSCALING

THE LIGHTNING-FAST PATH
TO BUILDING MASSIVELY
VALUABLE COMPANIES

FOREWORD BY **BILL GATES**

Recap

- CAC
- LTV
- Operating leverage
- TAM (adjacencies, new geographies, complete new areas)
- Platforms, network effects, survival of the FATTEST / winner takes all



GRAND
FORTUNES
AND
LOST
ILLUSIONS
INSIDE THE
TECH
BUBBLE

THE MONEY TRAP

'A riveting page-turner about the world
of technology and dealmaking'

JONATHAN SAFRAN FOER
AUTHOR OF EXTREMELY LOUD AND INCREDIBLY CLOSE

ALOK SAMAN

FORMER PRESIDENT & CFO OF SOFTBANK GROUP INTERNATIONAL



MARKETS

SoftBank's Rajeev Misra Used Campaign of Sabotage to Hobble Internal Rivals

The man atop the world's biggest tech fund paid an intermediary to smear them, people familiar with the matter say; a Misra spokesman said he did not orchestrate the effort



AIMING HIGH

**MASAYOSHI SON,
SOFTBANK GROUP,
AND DISRUPTING
SILICON VALLEY**

'IMPRESSIVE AND INSPIRING'
- *Financial Times*

ATSUO INOUE

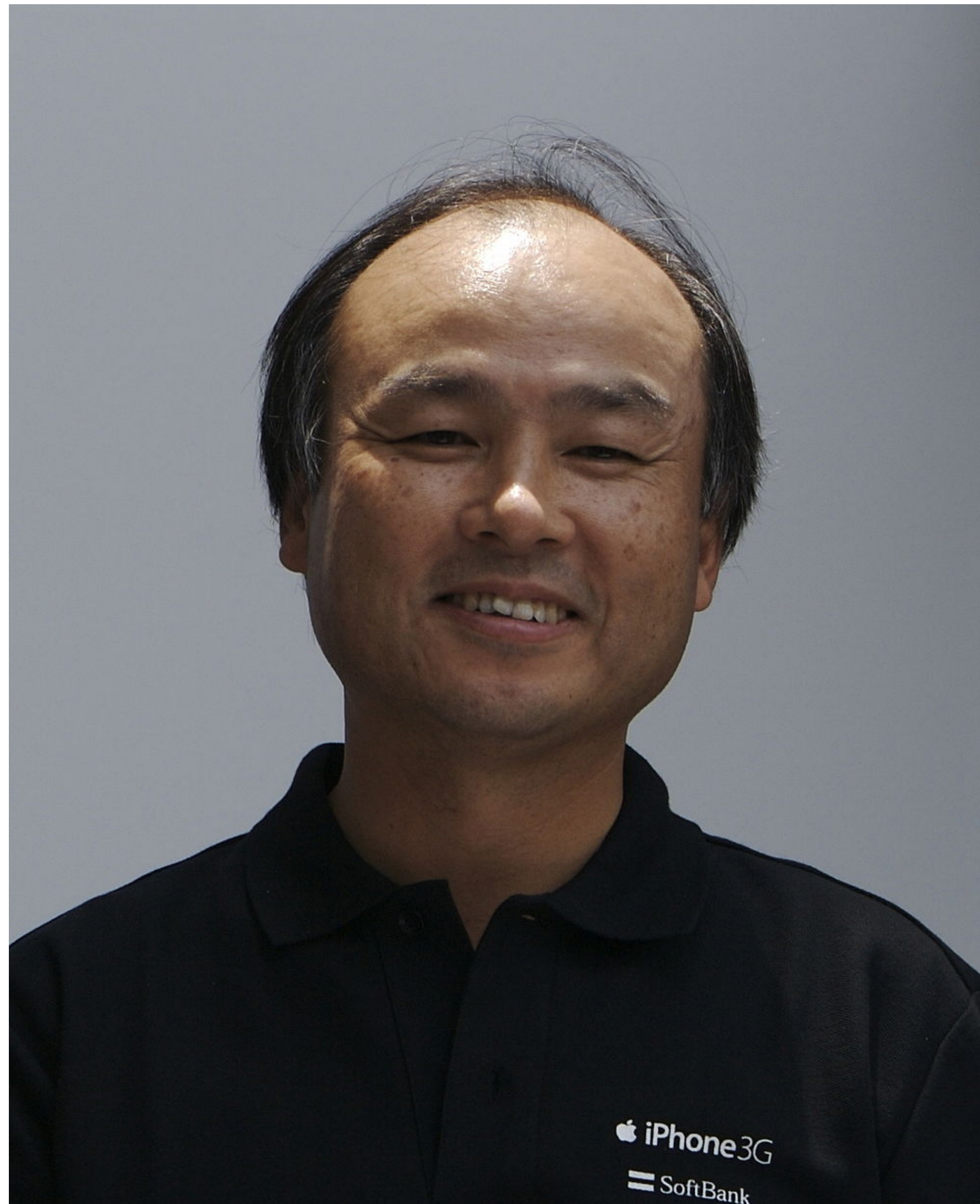
L I O N E L B A R B E R



GAMBLING MAN

The wild ride of Japan's
Masayoshi Son

Allen Lane



Source: Masaru Kamakura - Wikipedia



WeWork: Or the Making and Breaking of a \$47 Billion Unicorn - Official Trailer



Dogwoof
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WeWork Fiasco

- Valued at ~ \$ 47 billion at peak (January 2019)
- Approx \$ 16 billion investment by Softbank
- Egregious behaviour by the founder Adam Neumann
- Company goes into bankruptcy

Masayoshi Son

- Korean immigrant parents - tough childhood
- Studies at University of California- Berkeley
- Sold a business he founded while still a student for \$ 1.7 million, made another \$ 1.5 million in business
- Briefly the richest person in the world
- Bullish on AI for long - Singularity
- Interested in Amazon, Facebook, acquiring Nvidia!, ARM + Nvidia merger
- Invested in Bytedance / Tiktok





Masayoshi San

- The business operator
- The visionary / The futurist / The crazy guy
- The venture capitalist
- The monopolist
- The price manipulator
- Time machine management
- The fund raiser

Softbank

- Started as a software distributor
- Publisher of tech magazines
- Mid to late 90s
 - JV with Yahoo! for Yahoo! Japan \$ 100 million to \$ 30 billion
 - Investment in Alibaba \$ 200 million to \$ 60 billion
- Buys Vodafone Japan - renames to Softbank Mobile

“In a battle between the crazy guy and the smart guy, the crazy guy always wins”

**Steve Jobs, iPhone, Vodafone and
craziness**

May 28



**A LOOK AT
SOFTBANK VISION
FUND I**

The fund raise

- “44% IRR in Tech Investing” - Yahoo Japan & Alibaba
- \$ 100 billion Vision Fund (including leverage !!!)
- 45 minutes - 45 billion dollars
- \$ 100 billion - \$ 1 trillion
- Saudi crown prince, Prime Minister of India, President Elect of the US

Comparison (from 7GC.co)

Exhibit 6: Vision Fund Benchmarking Against Peer Funds

Fund	 SoftBank	SEQUOIA 	INSIGHT
	Vision Fund	Growth Fund III	Fund X
Fund Close	May, 2017	September, 2018	July, 2018
Fund Number	2	52	17
Fund Size	\$100.00 Bn	\$8.00 Bn	\$6.30 Bn
Deals	130	12	95
% Deployed	80.0%	18.8%	100.0%
Avg. Deals per Month	3.5	0.6	4.2
Avg. Check Size per Deal	\$0.62 Bn	\$0.13 Bn	\$0.07 Bn
Fund-Specific Partners	24	7	21
Effective Management Fee	0.66%	1.00%	1.00% (est.)
Avg. Management Fee per Partner	\$ 27.50 M	\$ 11.43 M	\$ 3.00 M

Source: Pitchbook, Fund Websites

Softbank India Investments

- Flipkart
- Zomato
- Policybazaar
- PhonePe
- Lenskart
- Swiggy
- FirstCry
- Ola
- Ola Electric
- OfBusiness
- PayTM
- OYO
- Blinkit
- Cars24
- Juspay
- InMobi
- Meesho
- Delhivery
- Unacademy
- Snapdeal
- [housing.com](https://www.housing.com)

Interesting investment # OLA

- Valuation does not matter - \$ 250 million or \$ 500 million
 - Facebook miss
- Taxiforsure sells out (Uber sells out in China)

Interesting investment # OYO

OYO back story

- Ritesh Agarwal - Theil fellowship college dropout
- Uber for budget hotel rooms
- \$ 100 million invested by Softbank, business going on

OYO

- Extra money - unsolicited \$ 500 million offered - \$ 250 million invested
- Another \$ 1 billion invested
- Extra target markets (Malaysia, China, Indonesia, US, US, Europe, Middle East) (H/ T Mina Isaac)
- OYO Townhouse, OYO Life, OYO Workspaces, OYO Wizard, OYO OS (H/T Mina Isaac)
- Leveraged (shady?) buyback + funding (\$ 2 billion buyback by RA Hospitality Holdings)
- Valuation ~~₹~~yo ~~₹~~yo Nothing to \$ 10 billion to \$ 2.4 billion
- IPO?

OYO - Sequoia - Doug Leone

Interesting investment # PayTM

Nikesh rejects, Son San accepts

Interesting investment # ARM

ARM

- Acquired for \$ 32 billion in 2016
- Softbank marketcap falls by \$ 10 billion ~ valuation premium
- Attempted merger / sale to Nvidia
- Vision fund to Softbank deal 25% stake, values the company at \$ 64 billion
- Current market cap \$ 148 billion

Interesting investment # Uber

The Softbank Protocol

Thank you