Australian Government

INVESTING IN WOMEN
SMART ECONOMICS
AN INITIATIVE OF THE AUSTRALIAN GOVERNMENT

SAGANA

EXECUTIVE SUMMARY

Moving Money into Women-Led Businesses in Southeast Asia

Southeast Asia's women-led economy is large, underfinanced, and investable today. Across 38.8 million women-led businesses (WLBs)[1], two undercapitalized segments stand out:

2,300+ **Venture Capital (VC)-backed or VC-backable "Growth Engines"[2] in large, scalable markets**.

12.8 million **"Cash Generators"[3] with steady revenues and repayment capacity**.

INVESTOR INSIGHT
Capital concentration is widening financing gaps, creating a timely opportunity for fundamentals-focused investors to back strong WLBs and achieve competitive returns.

Reframing the Investability of Women-Led Businesses

Capital is under-allocated, not unavailable. WLBs in Southeast Asia receive disproportionately less funding even when performance is strong.

Many WLBs demonstrate capital-efficient execution, predictable unit economics, and strong paths to cash generation.[5]

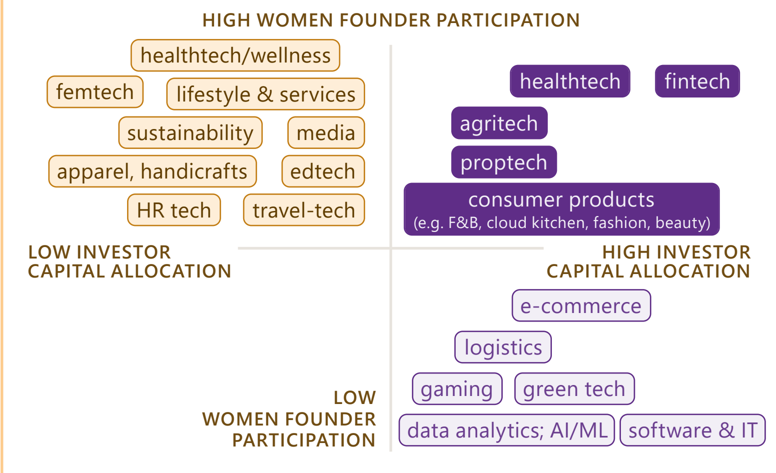
WLBs often operate in stable, cashflow-generative sectors with predictable demand and long-term innovation potential, but have steady, rather than hyper, growth profiles.

The real constraint is capital fit. Many WLBs fall between traditional boxes; too grounded for venture-style growth assumptions, yet underserved by collateral-heavy bank debt.

Returns come from matching instrument to trajectory. Equity can back scalable Growth Engines, while cashflow-aligned debt can finance resilient Cash Generators.

WLBs in Southeast Asia are under-capitalized relative to their performance leading to a missed opportunity for smart investors.

Female founder participation vs investor capital allocation matrix



Source: Sagana analysis derived from: DealstreetAsia funding reports (2020-2025).

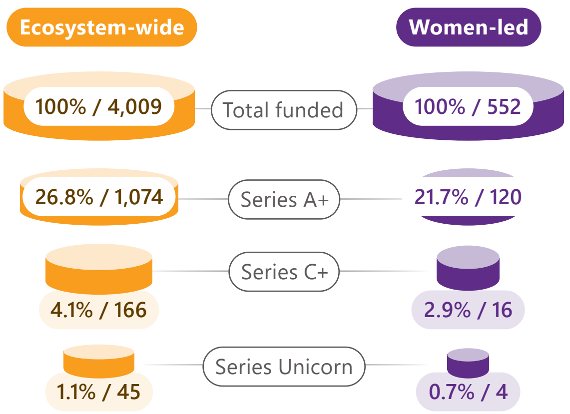
The gender financing gap is a critical capital misallocation driven by model mismatch, not weak fundamentals.

Unlocking Equity for Women-Led Growth Engines

Women-led Growth Engines in Southeast Asia are delivering capital-efficient growth in underinvested sectors as equity capital tightens.

Comparison WLBs graduating across financing stages[6]

Funding funnel (%) / # of companies

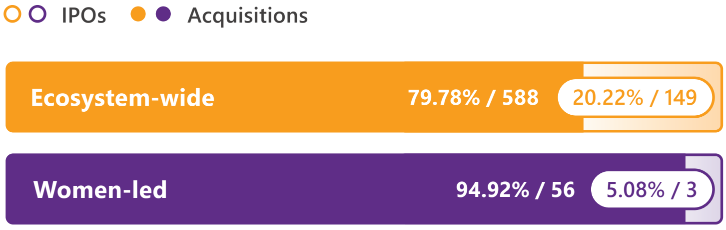


Source: Tracxn. Women Founders in SEA Tech – 2024 (2024).

Limited growth capital is narrowing the pipeline of women-led companies entering venture pathways. However, a credible pipeline of businesses in resilient sectors — healthcare, education, consumer goods — offers compelling return potential.[7]

Smaller rounds and longer gaps reflect constrained capital access and capital discipline — not weaker performance. Many women-led Growth Engines generate more revenue per dollar invested, than their counterparts.[8]

Number of Exits in Southeast Asia by Type

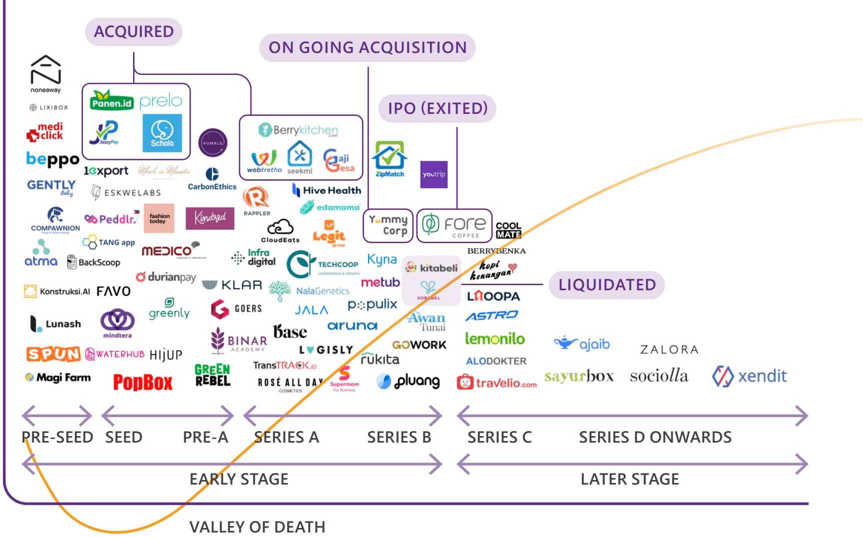


Source: Sagana analysis of Tracxn 2024 gender-tagged exit dataset; Tracxn. Women Founders in SEA Tech – 2024.

These dynamics can create valuation discounts for investors, but evidence suggests gaps can close as performance is demonstrated — creating a time-bound entry opportunity for investors.[9]

Exit options in Southeast Asia are limited for all businesses; with WLBs more likely to exit earlier and through acquisitions.[10] In markets with limited exit optionality, the earlier liquidity of WLBs can be an advantage.

Capital is not aligned with where WLBs are progressing. This is an opportunity for investors.



INVESTOR INSIGHT

The issue isn't a lack of opportunity — it's misallocated capital. Correcting for model mismatch reveals an opportunity to back investable, high-quality businesses.

Source: Tracxn 'Women Founders in SEA Tech – 2024" & Tracxn SEA Tech Annual Funding Report – 2024 (2024). Based on primary research. Data gathered from Tech in Asia, Crunchbase, Preqin, and independent research efforts. Based on Preqin VC database 2016-2025, filtered by exits and target company country: Indonesia, Philippines, and Vietnam.

Improved Access to Debt Financing for Women-Led Cash Generators

Women-led Cash Generators represent a large, commercially attractive credit opportunity that remains structurally underserved.

Source: Indonesia Impact Alliance, July 2024.

USD 0 – 18K
MFIs/Cooperatives
Target mostly microbusinesses with small loans.

$0 – $35K
Govt, loan programs.

Funding gap for ‘Missing Middle’ businesses*

USD 0 — **RANGE OF CAPITAL DEPLOYED** — **>USD 10M**

USD 0 – 140K
Fintech and P2P lenders: May require collateral but more tailored than banks.

USD 100K – 3M

USD 3M – Above
Private credit funds and venture debt

USD 0 – 700K
Rural banks: Mostly requires collateral.

USD 5M – Above
DFIs and MDBs.

$0 – $3M
Commercial banks: Collateral required.

A large but underserved credit market: An estimated **12.8 million WLBs**[11] generate steady revenues and require **USD 100K – 3M**[12] in growth capital, yet remain stuck in the region’s “missing middle.”

WLBs often outperform on credit performance. Across markets, they show lower NPLs and loss rates, including up to **4.5× lower loan-loss**[13] probability in Vietnam, yet remain underserved by fit-for-purpose debt markets.

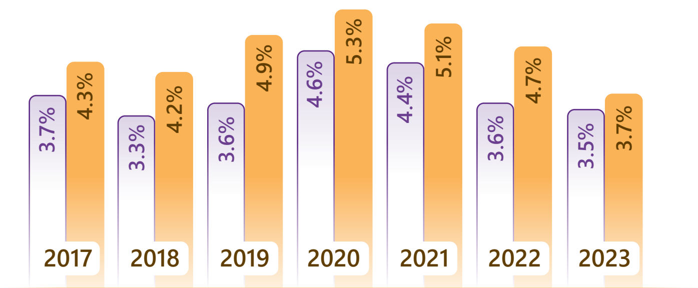
The debt gap reflects product misalignment — not weak credit quality. Many WLBs are viable, cashflow-positive borrowers, but are excluded by collateral-heavy lending models that do not fit asset-light sectors.[14]

INVESTOR INSIGHT

For lenders, women-led Cash Generators represent a scalable, risk-disciplined opportunity. Cashflow underwriting, tailored repayment structures, repeat-borrower facilities, and selective risk-sharing can unlock significant volume in this underpenetrated segment.

Global Non-Performing Loan (NPL) Ratios: Women-Owned vs Total SME Portfolios (2017-2023)

○ Women-Owned SME ● Total SMEs



Source: IFC Banking on Women ‘Lower Non-performing Loans (NPLs) for Women and Women-owned Businesses’ December 2024.

80% of the credit market in Asia is dominated by traditional bank lending.[15]

USD 139B financing gap for women-led SMEs in Southeast Asia.[16]

Key Takeaways

WLBs in Southeast Asia are a large, commercially viable segment spanning both high-growth ventures and cash-generating firms. Yet misalignment between business models, financial instruments, and investor expectations continues to hold back their full potential.

Investing in Cash Generators offers a disciplined credit strategy aligned with risk, returns, and market realities.

Investors can access a pipeline of capital-efficient, women-led Growth Engines across Southeast Asia.

ENDNOTES

1. Sagana analysis; data sourced from ADB dataset (2025), UNDP (2025), UN Women & UN ESCAP (2023), ASEAN, ESCAP (2022), and Lao National Enterprise Database, Ministry of Industry and Commerce Registration System (2025).
2. Women-led startup according to Tracxn is defined as startup with at least 1 woman (co-)founder. Tracxn. Women Founders in SEA Tech – 2024.
3. Sagana analysis; data sourced from ADB dataset (2025), Schaper, Michael (2020), UNDP (2025), UN Women & UN ESCAP (2023), ASEAN & ESCAP (2022), and Lao National Enterprise Database, Ministry of Industry and Commerce Registration System (2025).
4. DealstreetAsia funding reports, 2020-2025.
5. DealstreetAsia Women Founders in SE Asia: 2024 Funding Review (2025); SEA and Global Average data taken from Insignia Business Review How to Thrive with Southeast Asia's Long Funding Cycles (July 2025).
6. Tracxn 'Women Founders in SEA Tech – 2024" & Tracxn 'SEA Tech Annual Funding Report – 2024". DealstreetAsia 'Women Founders in SE Asia: 2024 Funding Review', 2025. Preqin exit VC database 2016-2025, filtered for Country: Indonesia, Philippines, Vietnam.
7. Tracxn. Women Founders in SEA Tech – 2024 (2024).
8. Sagana analysis of Tracxn 2024 gender-tagged exit dataset; Tracxn. Women Founders in SEA Tech – 2024 (2024).
9. Zhang, Qian; Chen. Sirui; International Journal of Entrepreneurial Behavior & Research. Double standards in roadshows: the impact of investors' dynamic gender-based bias on the financing performance of women entrepreneurs (2025).
10. Sagana analysis of Tracxn 2024 gender-tagged exit dataset; Sagana analysis of Preqin VC exit database 2016 – 2025 for Country: Indonesia, Philippines, Vietnam.
11. Sagana analysis; data sourced from ADB dataset (2025), Schaper, Michael (2020), UNDP (2025), UN Women & UN ESCAP (2023), ASEAN & ESCAP (2022), and Lao National Enterprise Database, Ministry of Industry and Commerce Registration System (2025).
12. IIA. Landscape Report. (July 2024).
13. USAID 'Women Owned Businesses in Indonesia: A Golden Opportunity for Local Financial Institutions' (March 2016).
14. IFC Banking on Women 'Lower Non-performing Loans (NPLs) for Women and Women-owned Businesses' (December 2024)13 ADB Southeast Asia Working Paper Series 'Financial Access of Women-Owned Small and Medium-Sized Enterprises In Viet Nam' (December 2022); IFC.
15. IQEQ, 'Private Debt in Asia' June 2024.
16. SME Finance Forum, 'MSME Finance Gap', 2025.

Ready to move from insight to implementation?

Check out the full opportunity brief or our tailored playbooks provide step-by-step guidance for family offices and fund managers to align capital structures, incentives, and deployment strategies with high-potential women-led businesses.

Moving Money into Women-Led Businesses in Southeast Asia maps the trends, challenges, and opportunities shaping growth-stage investment into women-founded businesses in the region. The brief specifically examines the structural dynamics influencing growth-stage financing — a critical but often under-analyzed segment of the funding landscape — and offers a new perspective on investing by highlighting near-term opportunities to address systemic gaps in growth capital as efforts to strengthen the broader financial ecosystem continue.

Scan to download the opportunity brief and investor playbooks.

This publication has been funded by the Australian Government through the Investing in Women initiative.
The views expressed in this publication are the author's alone and are not necessarily the views of the Australian Government.

investinginwomen.asia   Investing in Women   communications@iwa.asia