

GoTo Gojek Tokopedia

BUY (unchanged)

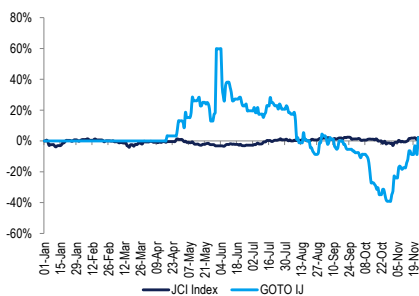
Company Update | Consumer Discretionary | GOTO IJ | 23 November 2023

Stock Data

Target price	Rp125
Prior TP	Rp125
Current price	Rp94
Upside/downside	+33%
Shares outstanding (mn)	1,150,838
Market cap (Rp bn)	112,933
Free float	64%
Avg. 6m daily T/O (Rp bn)	313

Price Performance

	3M	6M	12M
Absolute	9.3%	-17.5%	-50.8%
Relative to JCI	8.1%	-21.4%	-50.1%
52w low/high (Rp)			56-191



Major Shareholders

Taobao China Holding Ltd	8.84%
SVF GT Subco (Singapore) Pte Ltd	7.73%
Goto Peopleverse Fund	5.92%

Ryan Winipta

PT Indo Premier Sekuritas
ryan.winipta@ipc.co.id
+62 21 5088 7168 ext, 718

Reggie Parengkuan

PT Indo Premier Sekuritas
reggie.parengkuan@ipc.co.id
+62 21 5088 7168 ext, 714

Positive tailwind from potential JV with Tiktok & peak interest-rate

- Competition remains intense with Grab continuing to increase promotions in 4Q23F while Shopee is doubling-down on their live-shopping.
- Potential JV between Tiktok (TTS) and Tokopedia is a positive. Prior to ban, TTS was on track to achieve US\$5bn GMV in FY23F (c.100% yoy)
- MnA, peak interest rate narrative, light positioning has led to a share price rally from Rp56/sh to Rp94/sh (+68%). Maintain Buy.

Competition from Grab & Shopee remain intense, but priced-in

Our check suggests that Grab continued increasing their incentives spending in 4Q23F and has lowered GrabFood's platform fee in Tier-2 and Tier-3 cities. However, we think overall competition may not get incrementally worse as Grab is aiming to achieve positive free cash flow by FY24F and GAAP profitability by FY25F. Shopee, on the other hand, has recently increased their C2C and B2C merchant commission rate in Indonesia by 70-200bps, effective in Dec-23 and Jan-24. While the move came as a surprise, given Sea Ltd's intention to investing into growth, we expect Shopee to continue its aggressive stance in the near-term by re-allocating the revenue from commission rate increase into incentives (i.e. free delivery, etc), particularly on their Shopee Live platform. We have factored in the intense competition landscape in ODS and e-comm, by lowering our FY23F net revenue by 1%. We think intense competition is already priced-in by as Grab & Shopee has been boosting their promotion spending since 2Q23 up until now.

Potential JV between Tiktok Shop (TTS) and Tokopedia (Toko) is +ve

Bloomberg reported that TTS is set to form a JV with Toko. While nothing is official for now, we think there is a scenario for GoTo to agree on the JV structure and we expect the burn to be borne entirely (or majority) by TTS, otherwise the deal will be counterintuitive for GOTO. The JV structure in our view is also positive as: 1) Toko's GMV/revenue is still being consolidated to GOTO and 2) minimal valuation impact vs. if the deal is directly in Tokopedia. Additionally, GoTo may able to integrate their logistic, payment and BNPL into the JV – the latter shall greatly benefit ARTO as TTS currently has no financial partner.

Maintain Buy rating; positive tailwind set to continue

We maintain our Buy rating with an unchanged Rp125/sh target price, implying 7.3x FY24F EV/net-sales. Re-rating catalysts include the official formation of JV/partnership with TTS, higher GTV growth expectation, and easing competition landscape. Local and foreign funds position has remain light, prompting potential incremental buying from both sides.

Financial Summary (Rp bn)	2021A*	2022A	2023F	2024F	2025F
Gross revenue	15,184	22,927	24,726	28,835	35,034
Net revenue	4,536	11,349	14,809	20,134	26,275
Contribution margin	(8,171)	(8,218)	2,199	8,312	13,313
Adj. EBITDA	(19,968)	(27,417)	(4,262)	720	4,828
Net profit	(21,391)	(39,571)	(11,307)	(3,803)	1,325
ROE	-27%	-30%	-9%	-3%	1%
EV/S - net revenue (x)	21.7	8.7	6.6	4.9	3.7
P/S - net revenue (x)	24.5	9.8	7.5	5.5	4.2

Source: Company, Indo Premier
*2021A is non-pro-forma basis

Share price closing as of: 23 November 2023

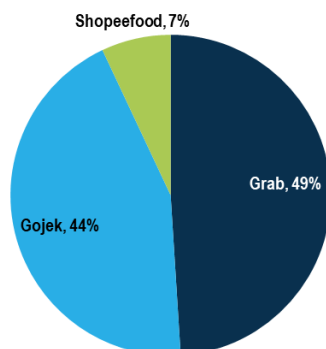
On-demand services (ODS): Finding the economic moat

Our observation indicates that incentives-spending remain necessary given the current competition landscape (i.e. Grab) for on-demand services – ride-hailing & food-delivery in Indonesia – in order to sustainably grow GTV/GMV in the long-run. As such, to avoid inefficient incentives spending, both Grab and GoTo are now pivoting into similar strategy by introducing their own affordable programs to cater for middle and lower-end income demographics customers by launching: 1) Premium & saver program (Grab) & Mode Hemat (Gojek) for food-delivery, 2) GoRide Nego and Grab Bisa Nego – feature to negotiate fare for 2W ride-hailing, and 3) Subscription program (i.e. Grab Unlimited & GoFood Plus) & introduction of GoPay Coins and GoTo Passport to sustainably retain customers within the platform/ecosystem.

We think such strategy would be successful in the long-run as through these features, the total addressable market (TAM) for ride-hailing and food delivery could sustainably grow through achieving efficiency and larger-scale without any aggressive incentives/promotion spending. Our checks with InDrive drivers have also indicated that negotiation model is more popular to cost-conscious customers in Tier-2 and Tier-3 cities in Indonesia compared to Tier-1 cities, which would enable higher TAM in the long-run.

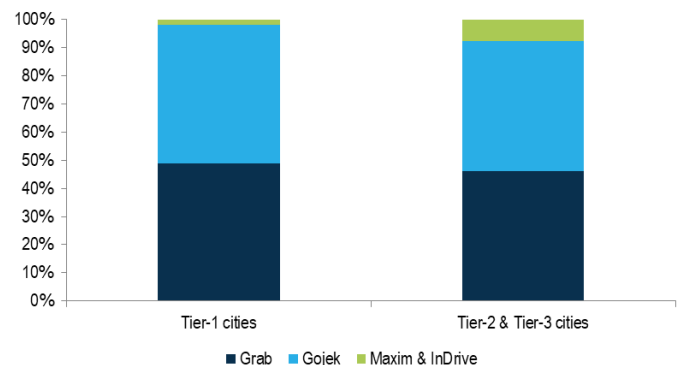
In summary, we think profitability could be achieved by growing the TAM in a sustainable manner while finding the economic moat, which we have continuously seen throughout past quarters (for example, penetration for Hemat products have achieved c.10% of orders). But given the duopoly between Grab & Gojek (Fig. 1 & 2), this would essentially boil down into the aggressiveness of incentives spending between the two. Fortunately, in the latest earnings call, Grab has re-iterated its focus on achieving positive free cash flow by FY24F and GAAP profitability by FY25F.

Fig. 1: Food-delivery market-share in Indonesia (2022)



Source: Momentum Works, Indo Premier

Fig. 2: Ride-hailing market-share in Indonesia

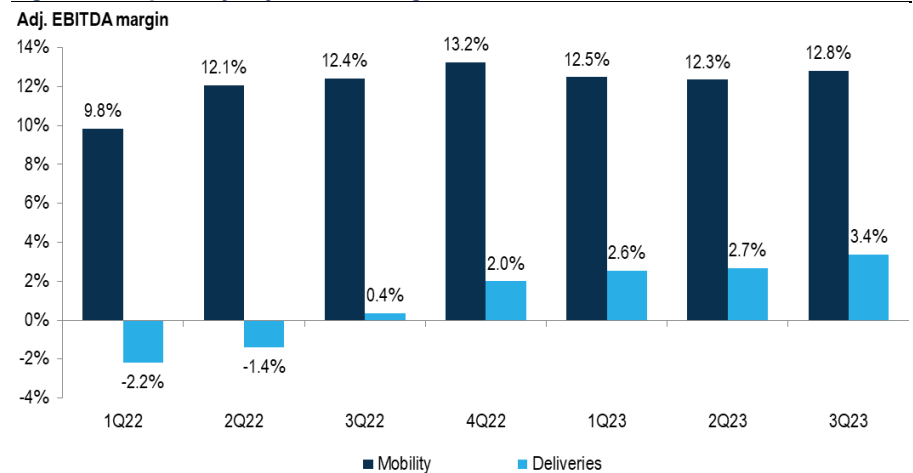


Source: Measurable.ai, Indo Premier estimates

One of the biggest near-term upside risks for GoTo's ride-hailing would be Meituan entering Southeast Asia market by acquiring Delivery Hero's Food Panda – second biggest food-delivery platform (after Grab) in Malaysia, Singapore, and Philippines, having 38%, 31%, and 40% market share, respectively. In the scenario of Meituan entering these markets, there is a potential scenario that Meituan are likely to restructure the business and the platform of Food Panda, in addition to potential aggression in giving out promotions and incentives in order to gain market-share, shifting Grab's focus to ex-Indo market first, positive for the competition landscape in Indonesia. However, the long-term risks would be for Meituan to enter Indonesia as well sometime in the future.

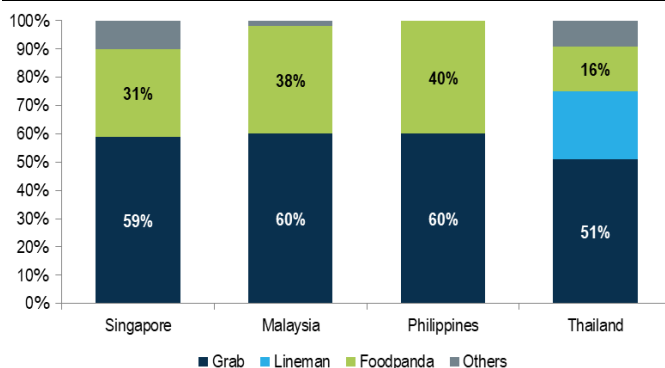
Despite the narrative on Grab trying to maximize profitability, both deliveries and mobility segment is already sitting comfortably within company's sustainable Adjusted EBITDA margin of 3% and 12% (Fig. 3), which may mean that Grab has an ample room to boost incentives and promotions to customers. In fact, our channel check has indicated that Grab's has recently lowered their platform fee in Tier-2 and Tier-3 cities (Fig. 4), while at the same time, offering higher promotions in the form of cashbacks in Tier-1 cities on qoq basis.

Fig. 3: Grab quarterly Adj. EBITDA margin



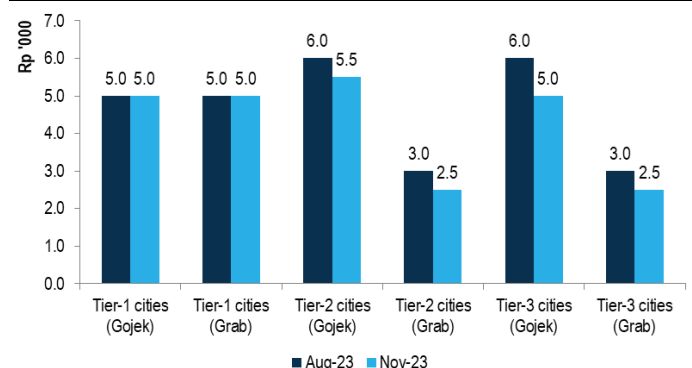
Source: Company data, Indo Premier

Fig. 4: Food-delivery market share in Southeast Asia (SEA), 2022



Source: Momentum Works, Indo Premier

Fig. 5: Food-delivery platform fee



Source: Gojek, Grab, Indo Premier

Going forward, we expect competition in ODS to remain relatively intense, albeit it may not get incrementally worse especially with Grab's aim to achieve positive free cash flow by FY24F and GAAP profitability by FY25F. Thus, we are still expecting low-to-mid single-digit GTV growth qoq in 4Q23F, in-line with GoTo's management target and Grab's indicative statement on sequential GMV growth in their Group level GMV on quarterly basis.

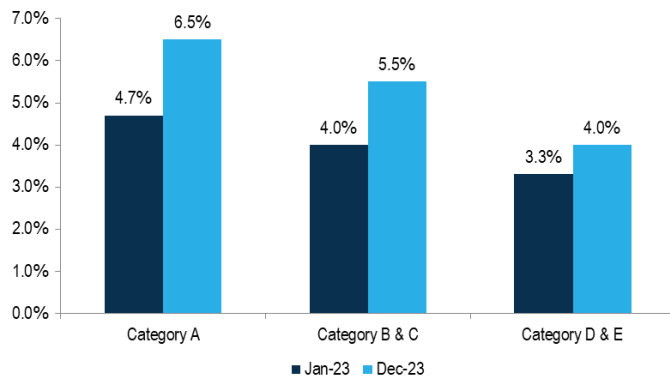
E-commerce: dissecting Shopee's commission rate increase

Shopee Indonesia has just recently increased their merchant commission rate by 70-200bps (Fig. 6 & 7), depending on product categories effective Dec 1st, 2023 for Non-Star/Star/Star+ seller. Additionally, Shopee Indonesia have also increased B2C (Shopee Mall) commission rate by up to 170bps, effective Jan-24.

We think the increase in merchants commission rate came as a surprise, especially with SE's management intention to boost GMV growth and

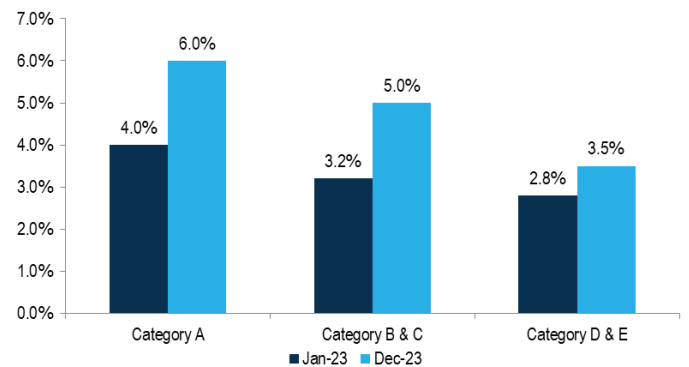
grabbing market-share in SEA e-commerce market, which has positively affecting its GMV growth on qoq and yoy basis (+11% qoq and +5% yoy in 3Q23). However, if we dissected its reported financial figure, robust GMV growth was also followed by S&M expenses doubling on quarterly basis to US\$862mn in 3Q23 (Fig. 8), meaning that the GMV growth was mainly driven by higher promotion spending. So far, Shopee plans to continue investing throughout 4Q23F in order to maintain the GMV growth momentum during 4Q festive season. We expect Shopee to continue its aggressive stance in the near-term by re-allocating the additional revenue from higher commission rate as a means to boost consumer incentives.

Fig. 6: Star/Star+ seller merchant commission rate



Source: Momentum Works, Indo Premier

Fig. 7: Non-Star seller merchant commission rate



Source: Gojek, Grab, Indo Premier

Fig. 8: Sea Ltd's 3Q23 result summary

Sea Limited (US\$ mn)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23
Gross Merchandise Value (GMV)	17,400	19,000	19,100	18,018	17,300	18,076	20,100
% QoQ growth	-4%	9%	1%	-6%	-4%	4%	11%
% YoY growth	38%	26%	14%	-1%	-1%	-5%	5%
Gross Orders (mn)	1,884	1,984	1,969	1,728	1,725	1,780	2,200
% QoQ growth	-4%	5%	-1%	-12%	0%	3%	24%
% YoY growth	71%	42%	19%	-12%	-8%	-10%	12%
Average order value (AOV) - US\$	9.2	9.6	9.7	10.4	10.0	10.2	9.1
% QoQ growth	0%	4%	1%	7%	-4%	1%	-10%
% YoY growth	-19%	-11%	-4%	13%	9%	6%	-6%
E-Commerce Revenue	1,516	1,749	1,920	2,102	2,067	2,111	2,232
% QoQ growth	-5%	15%	10%	9%	-2%	2%	6%
% YoY growth	64%	51%	32%	32%	36%	21%	16%
S&M Expense - E-commerce	699.5	674.1	575.4	379.4	338.2	432.0	861.5
% QoQ growth	-17%	-4%	-15%	-34%	-11%	28%	99%
% YoY growth	55%	4%	-16%	-55%	-52%	-36%	50%
Adjusted EBITDA for e-commerce	(743)	(648)	(496)	196	208	150	(346)
% QoQ growth	-15%	-13%	-24%	na	6%	-28%	-330%
% YoY growth	80%	12%	-28%	na	na	na	na
Net Take Rate (%)	8.7%	9.2%	10.1%	11.7%	11.9%	11.7%	11.1%
S&M Expense per GMV	4.0%	3.5%	3.0%	2.1%	2.0%	2.4%	4.3%

Source: Company data, Indo Premier

Aside from additional savings/income-stream generated by rising merchants' commission rate, Shopee has also continued to lower its cost to serve with platform logistic costs declining by 17% yoy in 3Q23. As a result, savings from these two initiatives could be re-allocated to customers in order to boost GMV growth.

So far, Shopee's promotion in the form of free delivery is mostly targeted towards customer participating on its live-streaming platform (Shopee Live already accounts for c.10% gross-orders in SEA) as Shopee is giving free-delivery vouchers without minimum spending and limited terms & condition (i.e. no Shopee-related payment requirement) for customers purchase within Shopee Live (Fig. 9). For free-delivery outside of Shopee Live, customers must made their payment via SeaBank (Shopee's affiliated banks) with Rp120k (~US\$8) minimum order value, which according to our checks with sellers, has resulted in low amount of orders, somewhat forcing the sellers to subscribe into Gratis Ongkir Xtra (4% charge per transaction, coupled with low minimum order value of Rp30k).

Fig. 9: Free delivery program

Platform/Program	Voucher amount per week (x)	Minimum Order (Rp)	Terms & conditions
Shopee Live	4	0	N/A
Gratis Ongkir (Non Shopee Live)	1	0	SeaBank only
	2	30,000	N/A
	3	300,000	Bank Transfer or Credit Card
Gratis Ongkir XTRA (Non Shopee Live)	1	30,000	Fashion & Beauty

Source: Company data, Indo Premier

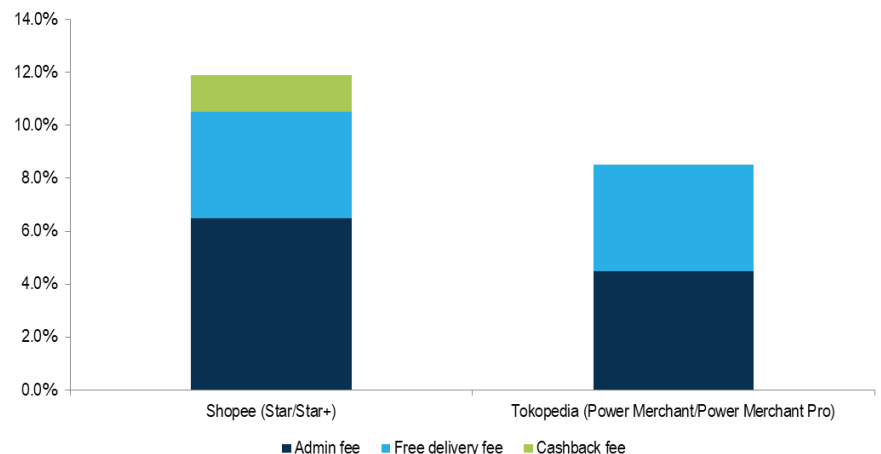
Impact to Tokopedia – With the recent commission rate increase from Shopee, we think there are two scenarios that Tokopedia could pursue:

1st scenario: Tokopedia to increase its merchant commission rate, similar to the historical precedents (Fig. 10). If we assume similar rate of increase of around 70-200bps, we think Tokopedia's gross take rate could improve by at least 30-40bps, not as big as the headline increase, subject to product mix and other value-added services such as advertising that also contributed to the take-rate. On Adjusted EBITDA basis, this would enable additional Rp180bn-240bn positive contribution into quarterly Adj. EBITDA. There is also a possibility of an increase but with a lower magnitude of an increase vs. Shopee to maintain the balance between GTV growth and monetization.

2nd scenario: Tokopedia to maintain their merchant commission rate at this level, while continuing to attract sellers via co-funding program. However, our channel-check suggests that majority of sellers in Shopee, especially those that are specialized in certain top categories in Shopee, such as Fashion & Beauty, are unlikely to fully migrate to Tokopedia amid 70-200bps commission rate increase from Shopee, even with Tokopedia much lower commission rate.

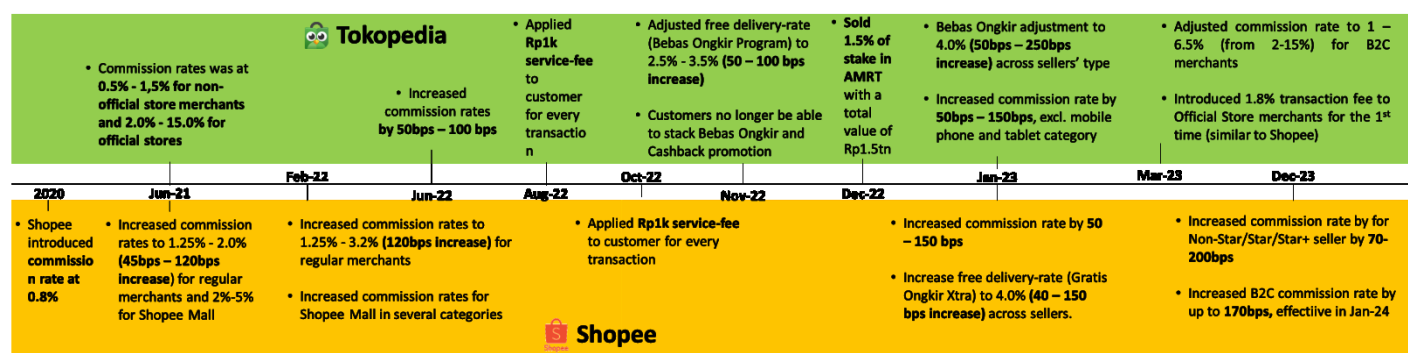
For now, GoTo is monitoring the latest development on other e-commerce players along with GTV data-point for the rest of Nov-23 and Dec-23 in order to make a decision for commission rate increase.

Fig. 10: Shopee vs Tokopedia commission rate, effective Dec-23



Source: Company data, Indo Premier; Free delivery fee is optional

Fig. 11: Tokopedia and Shopee monetization timeline



*Depending on categories

**Gratis Ongkir is already included within the commission rate as a bonus feature for Tokopedia's official stores

Source: Company data, Indo Premier

What's next for Tiktok Shop? JV with Tokopedia is on the cards

Bloomberg reported that Tiktok Shop is planning to form a joint-venture with Tokopedia, and build a separate app for Tiktok live-streaming platform. While nothing is confirmed for now, we think it does make sense for Tiktok Shop to partner with Tokopedia, given Tokopedia's position as a local-partner (rather than Lazada, for example), which are likely to garner government support and approval.

At the same time, Tokopedia, that does not have the expertise in live-stream shopping, could tap into Tiktok Shop's brand and infrastructure, with the synergies from Tokopedia side to integrate their payment and lending offering into Tiktok Shop. Prior to the ban, Tiktok Shop doesn't have a strong payment and financial infrastructure (i.e. escrow account), and was relying on 3rd party e-wallets without any exclusivity.

This would also enable Tokopedia to gain exposure to categories that historically it doesn't have a strong footing on, such as fashion & beauty, personal care products, that works extremely well in live-stream shopping, as opposed to Tokopedia's top categories such as FMCG, home & living, mom & baby, etc. Based on our channel check, live-stream shopping works for categories that:

- **Requires user-engagement;** opinion from social-influencers or KOLs (key opinion leaders) on certain categories such as personal

care and beauty products would boost customers' purchase intention (Fig. 14).

- **Has a low average order value (AOV):** Based on our channel-checks, the sweet-spot AOV for products sold at Tiktok Shop was around Rp50-100k (US\$3-7), lower than Shopee's regional average of US\$9-10/item and Tokopedia's US\$25-30 AOV.
- **Generates a high-margin and is not a commoditized products:** fashion and beauty related products has a relatively higher commission rate and margin, which justifies the commission for KOLs (up to 10%). Fashion-related products is also not a commoditized products as it has brand loyalty, which make comparison across products much more difficult for customers. As such live-streaming model may not work for low-margin high-AOV products such as electronics, which customers could easily compared at least by looking at the market condition in Indonesia now.

Fig. 12: Tiktok Shop's top 5 selling viral products globally in 1H23

Best selling viral products globally by GMV in H1 2023



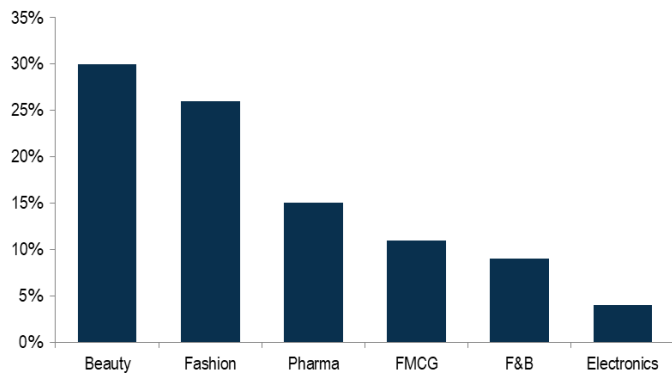
Source: Momentum Works, Indo Premier

In the event of joint-venture (JV) formation between Tokopedia and Tiktok Shop, we think the pivotal questions would be on how beneficial is JV structure for both GoTo and Tiktok Shop, and whether there is any potential cannibalization that could affect Tokopedia's existing e-commerce operations. Below are our opinions:

#1 – Cannibalization impact is limited, based on our checks

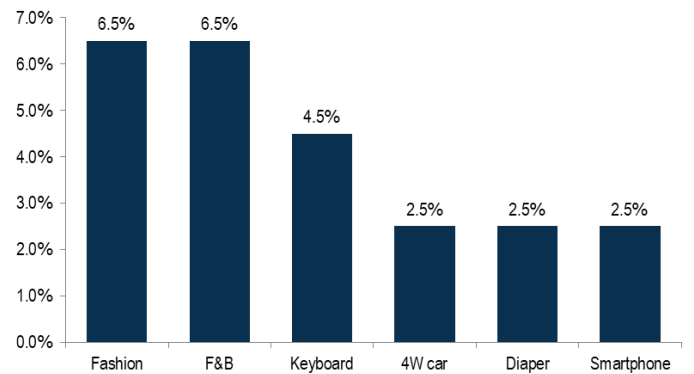
Our channel-check with a brand-aggregator (i.e. diversified categories, but mostly fashion-related) has indicated that their online sales were unable to recover (down by up to 70-80% vs. pre-Tiktok Shop ban) even after migrating into Shopee Live, indicating that the e-commerce total addressable market (TAM) has actually shrunk after the TTS ban in Oct-23. Post TTS ban, the spill-over effect to Tokopedia is also limited, based on our discussion with the company.

Fig. 13: Live-shopping penetration per categories in China (2021)



Source: Bloomberg, Indo Premier

Fig. 14: Commission rate comparison across categories

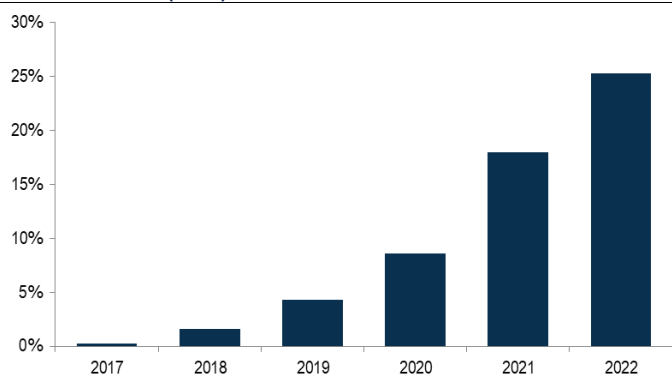


Source: Shopee Indonesia, Indo Premier

#2 – How beneficial is JV structure and separate app for GoTo/Tokopedia & Tiktok Shop?

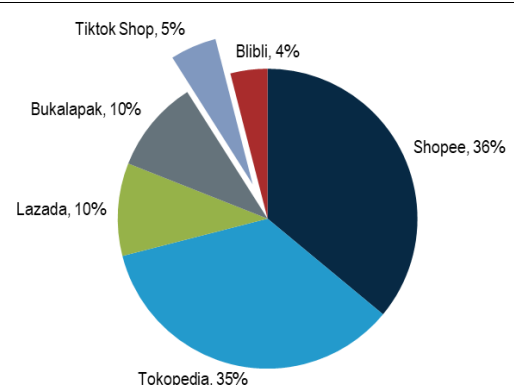
It depends, but in general we think it is likely to be positive as separate entity would likely meant that Tokopedia are unlikely to incur any significant cash burn in order for Tiktok Shop to grab back the lost market-share from Shopee Live and Lazada Live, to some extent. However, in that particular scenario, Tokopedia may not have a full control over the strategic decision & is likely to have a minority stake within the JV.

Fig. 15: China live-stream shopping penetration, as % of e-commerce GMV (2021)



Source: Statista, Indo Premier

Fig. 16: Indonesia e-commerce GMV (2022)



Source: Momentum Works, Indo Premier

Impact – Should Tokopedia gain an access to partner (through JV or non-JV) with Tiktok Shop, this would enable Tokopedia to tap into Tiktok Shop's live-stream shopping, which if we benchmarked China is set to account for c.20-25% of overall e-commerce GMV (Fig. 15), and prior to the ban, Tiktok Shop itself is on track to double its GMV in Indonesia to US\$5bn, according to Cube Asia, from US\$2.5bn GMV in 2022 (Fig. 16). As of latest, however, by benchmarking Shopee's result in 3Q23, c.10% of gross orders are

coming from live-streaming shopping, albeit with a lower AOV of US\$5, as per our estimates. Meaning that live-stream shopping could roughly accounts for c.5-8% of Indonesia e-commerce GMV.

Valuation & Recommendation

We fine-tuned our FY23F/24F/25F revenue & Adj. EBITDA forecast by -2%/-6%/-10% and -1%/0%/+5%, respectively, as we are taking into account potentially lower GTV growth in our forecast period vs our previous expectation (Fig. 17), given the current competition landscape on both on-demand services (ODS) and e-commerce. We maintain our Buy rating on GoTo with an unchanged Rp125/share target price, implying a valuation of 7.3x FY24F EV/Net Sales.

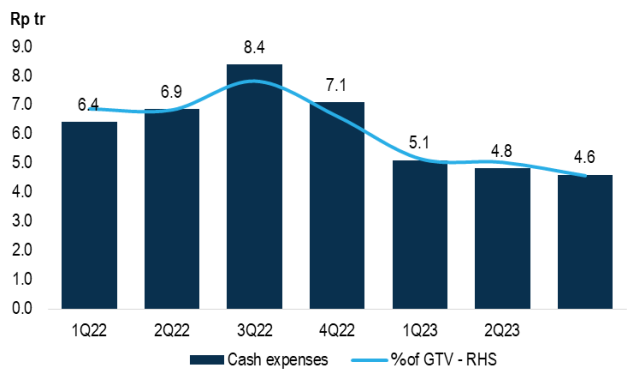
Potential re-rating catalysts include the official formation of the joint-venture and/or commercial partnership with Tiktok Shop, better than expected GTV growth expectation, and easing competition landscape from ODS. We continue to like GoTo as local funds are still holding an underweight position vs JCI weighting (Fig. 20) in addition to supportive macro-economic environment with peaking interest rate.

Fig. 17: Key assumption changes

Key assumptions (Rp bn)	New			Old			Change (%)		
	2023F	2024F	2025F	2023F	2024F	2025F	2023F	2024F	2025F
GTV	601,058	654,034	738,768	631,939	704,437	808,284	-5%	-7%	-9%
ODS	54,450	58,806	65,863	64,512	73,613	90,720	-16%	-20%	-27%
E-commerce	248,655	273,520	309,078	267,638	294,402	338,562	-7%	-7%	-9%
GoTo Financial	373,862	407,510	460,486	374,789	420,955	467,914	0%	-3%	-2%
Gross revenue	24,245	27,246	31,675	24,726	28,835	35,034	-2%	-6%	-10%
ODS	12,004	12,996	14,556	13,225	15,459	19,051	-9%	-16%	-24%
E-commerce	9,068	10,257	12,487	9,903	11,187	13,204	-8%	-8%	-5%
GoTo Financial	1,750	2,119	2,763	2,998	3,789	4,679	-42%	-44%	-41%
Take-rate	4.0%	4.2%	4.3%	3.9%	4.1%	4.3%	3%	2%	0%
ODS	22.0%	22.1%	22.1%	20.5%	21.0%	21.0%	8%	5%	5%
E-commerce	3.6%	3.8%	4.0%	3.7%	3.8%	3.9%	-1%	-1%	4%
GoTo Financial	0.5%	0.5%	0.6%	0.8%	0.9%	1.0%	-41%	-42%	-40%
Promotion to customers	(9,582)	(8,777)	(8,396)	(9,917)	(8,701)	(8,759)	-3%	1%	-4%
Net revenue	14,663	18,469	23,280	14,809	20,134	26,275	-1%	-8%	-11%
Adj. EBITDA	(4,239)	721	5,063	(4,262)	720	4,828	-1%	0%	5%

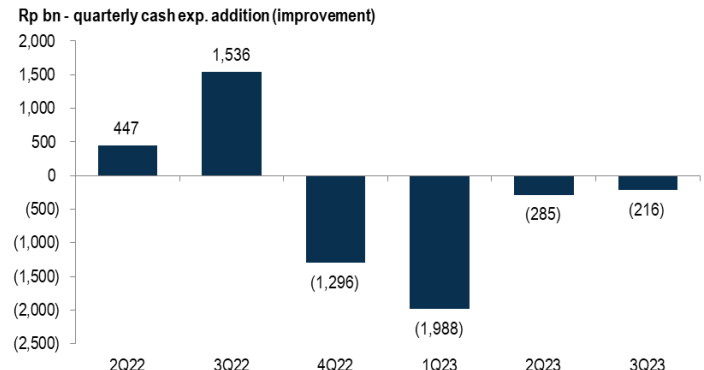
Source: Company data, Indo Premier

Fig. 18: GoTo's quarterly cash expenses & as % of GTV



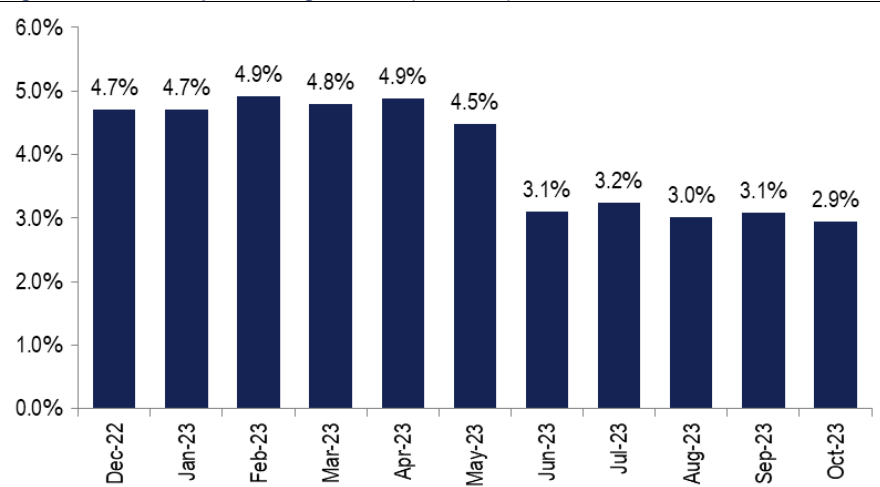
Source: Statista, Indo Premier

Fig. 19: GoTo's quarterly cash expenses improvement



Source: Shopee Indonesia, Indo Premier

Fig. 20: Local fund positioning in GoTo (free-float)



Source: KSEI, Indo Premier

Fig. 21: Peers comparison table

Ticker	Company	Rating	Target price (Rp/share)	P/S			EV/Sales			EV/EBITDA		
				23F	24F	25F	23F	24F	25F	23F	24F	25F
GOTO IJ	GoTo Gojek Tokopedia	Buy	125	7.5	5.5	4.2	6.6	4.9	3.7	N/A	124.5	17.6
SE US	Sea Ltd	N/A	N/A	1.7	1.5	1.3	1.5	1.6	1.4	18.6	14.7	9.3
GRAB US	Grab Holdings Ltd	N/A	N/A	5.2	4.4	3.7	3.2	3.6	3.0	N/A	35.5	14.8

Source: Bloomberg, Company, Indo Premier

Share price closing as of: 23 November 2023

Income Statement (Rp bn)	2021A*	2022A	2023F	2024F	2025F
Gross revenue		22,927	24,245	27,246	31,675
Promotions		(11,578)	(9,582)	(8,777)	(8,396)
Net revenue		11,349	14,663	18,468	23,280
Operating expenses		(41,679)	(25,306)	(23,994)	(24,094)
Adjusted EBITDA		(27,417)	(4,239)	721	5,063
Net interest		385	341	536	573
Others		(10,600)	(1,296)	(296)	(250)
Pre-tax income		(37,632)	(5,193)	961	5,386
Income tax		136	661	301	28
Minority interest		837	104	48	4
Net income		(39,571)	(10,832)	(4,937)	(458)

Balance Sheet (Rp bn)	2021A*	2022A	2023F	2024F	2025F
Cash & equivalent	31,151	29,009	24,056	24,633	28,988
Receivable	2,937	2,461	3,525	3,821	4,195
Inventory	34	71	74	74	74
Other current assets	1,941	2,639	2,282	2,282	2,282
Total current assets	36,064	34,180	29,937	30,810	35,539
Fixed assets	1,470	1,457	1,362	1,263	1,352
Other non-current assets	117,603	103,579	99,555	97,354	95,145
Total non-current assets	119,073	105,036	100,917	98,616	96,497
Total assets	155,137	139,217	130,854	129,426	132,036
ST loans	1,410	413	200	200	0
Payable	867	1,232	1,345	1,345	1,345
Other payables	10,017	10,517	10,180	10,077	10,077
Total current liab.	12,294	12,162	11,725	11,622	11,422
Long term loans	22	1,102	1,196	1,196	1,196
Other LT liab.	3,797	3,229	3,290	3,290	3,290
Total liabilities	16,113	16,493	16,212	16,109	15,909
Equity	219,446	243,402	246,152	249,764	253,032
Retained earnings	(79,129)	(118,481)	(129,312)	(134,249)	(134,707)
Minority interest	(1,292)	(2,198)	(2,198)	(2,198)	(2,198)
Total SHE + minority int.	139,024	122,723	114,642	113,317	116,127
Total liabilities & equity	155,137	139,217	130,854	129,426	132,036

Source: Company, Indo Premier

*2021A is non-pro-forma basis

Cash Flow Statement (Rp bn)	2021A*	2022A	2023F	2024F	2025F
Pre-tax income (netted off SBC)	(22,211)	(40,545)	(7,846)	(1,674)	2,778
Depr. & amortization	2,417	2,913	2,653	2,635	2,609
Changes in working capital	5,210	802	(317)	(399)	(374)
Others	3,731	401	83	349	32
Cash flow from operating	(10,854)	(36,429)	(5,428)	911	5,045
Capital expenditure	(18,798)	196	1,297	(334)	(490)
Others	(93,352)	10,761	417	0	0
Cash flow from investing	(112,150)	10,957	1,713	(334)	(490)
Loans	(781)	60	(239)	0	(200)
Equity	139,616	23,270	(1,000)	0	0
Dividends	0	0	0	0	0
Others	0	0	0	0	0
Cash flow from financing	138,835	23,330	(1,239)	0	(200)
Changes in cash	15,832	(2,142)	(4,953)	576	4,355

Key Ratios	2021A*	2022A	2023F	2024F	2025F
Gross margin		49.5%	60.5%	67.8%	73.5%
Operating margin		-120%	-17%	3%	16%
Pre-tax margin		-164%	-21%	4%	17%
Net margin		-173%	-45%	-18%	-1%
ROA		-28%	-8%	-4%	0%
ROE		-32%	-9%	-4%	0%
Acct. receivables TO (days)	31.0	18.0	28.0	28.0	28.0
Inventory TO (days)	3.7	3.5	3.5	3.5	3.5
Payable TO (days)	71.9	69.0	69.0	69.0	69.0
Debt to equity	1.0%	1.2%	1.2%	1.2%	1.0%
Interest coverage ratio (x)	NA	NA	NA	NA	NA
Net gearing	-21.4%	-22.4%	-19.8%	-20.5%	-23.9%

Source: Company, Indo Premier
*2021A is non-pro-forma basis

INVESTMENT RATINGS

BUY	: Expected total return of 10% or more within a 12-month period
HOLD	: Expected total return between -10% and 10% within a 12-month period
SELL	: Expected total return of -10% or worse within a 12-month period

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

DISCLAIMERS

This research is based on information obtained from sources believed to be reliable, but we do not make any representation or warranty nor accept any responsibility or liability as to its accuracy, completeness or correctness. Opinions expressed are subject to change without notice. This document is prepared for general circulation. Any recommendations contained in this document do not have any regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is not and should not be construed as an offer or a solicitation of an offer to purchase or subscribe or sell any securities. PT Indo Premier Sekuritas or its affiliates may seek or will seek investment banking or other business relationships with the companies in this report.