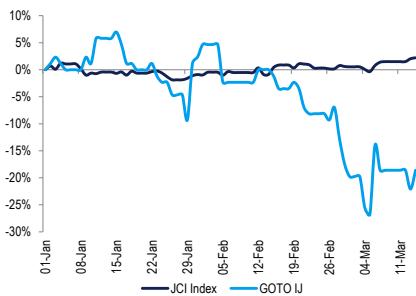


Stock Data

Target price	Rp105
Prior TP	Rp125
Current price	Rp70
Upside/downside	+50%
Shares outstanding (mn)	1,201,410
Market cap (Rp bn)	84,099
Free float	66%
Avg. 6m daily T/O (Rp bn)	273

Price Performance

	3M	6M	12M
Absolute	-21.3%	-19.5%	-42.1%
Relative to JCI	-26.4%	-26.7%	-54.3%
52w low/high (Rp)	56-147		



Major Shareholders

Taobao China Holding Ltd	7.4%
SVF GT Subco (Singapore) Pte Ltd	7.6%
Goto Peopelverse Fund	5.3%

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Concern on Series-B shares lock-up is overblown; reiterate Buy with lower TP

- GOTO's series-B shares (MVS) lock-up period is set to end on 30 March 2024, two years after OJK's effective registration statement.
- Transfer of multi-voting series-B shares are heavily-regulated, as per the prevailing regulations, reducing the likelihood for such an event.
- As such, we think the concern on series-B shares sale by founders (Fig. 1) is overdone. Re-iterate Buy with lower TP of Rp105/share.

Lock-up period of series-B shares set to expire on 30 March 2024

GOTO series-B shares (multi-voting shares/MVS) lock-up period is set to expire two-years after OJK's effective date of IPO registration statement on 30 March 2024. Concern on potential series-B shares sale by the founders (Fig. 1) were initially raised during incidental public expose in early Mar-24, but we think such of a concern is overblown. Under the prevailing regulations (POJK No. 22/2021), the transfer of series-B shares are relatively complicated and are heavily-regulated as the transfer or sale of series-B shares 1) have to be submitted to OJK at least two days before the actual transaction and one-day prior to the public, 2) offered at least to another MVS holders first, 3) only the existing MVS holders are allowed to own additional series-B shares, otherwise, the potential new holders of MVS must be announced in AGM first, before the transaction occurs, and 4) MVS shares would be automatically converted to ordinary shares if the transfer or sale of MVS is sold to non-eligible MVS holders (i.e. not in accordance to the regulations as stated above).

Founders are likely to sell their ordinary shares first prior to their MVS

We think MVS holders (i.e. founders) are unlikely to sell their MVS, and thus, the lock-up expiry of the Series-B shares won't create any incremental negative or additional selling pressure to GOTO shares, as these founders are much likelier in selling their ordinary Series-A (ordinary) shares first, prior to their MVS, given the simplicity in the sale process. Hence, the concern on the lock-up expiry of MVS is overblown.

Re-iterate Buy rating with a lower TP of Rp105/share

We re-iterate our Buy rating on GOTO with a lower TP of Rp105/share (previously Rp125/share) as we fine-tuned our SOTP valuation post Tokopedia and Tiktok Shop (TTS) deal in Dec-23, valuing the combined entity of Tokopedia and Tiktok Shop at US\$6.3bn valuation or equivalent to US\$1.57bn on ownership-adjusted basis (GOTO owns 25% stake on the combined entity) in addition to DCF-based valuation from management fee from the combined entity (Fig. 4). Re-rating catalysts: 1) consolidation or M&A in on-demand services (ODS), and 2) share buyback. Downside risks are incremental selling from strategic shareholders (i.e. Alibaba/Softbank).

Financial Summary (Rp bn)	2021A*	2022A	2023F	2024F	2025F
Gross revenue	15,184	22,927	24,245	27,246	31,675
Net revenue	4,536	11,349	14,663	18,469	23,280
Contribution margin	(8,171)	(8,218)	na	na	na
Adj. EBITDA	(19,968)	(27,417)	(4,239)	721	5,063
Net profit	(21,391)	(39,571)	(10,832)	(4,937)	(458)
ROE	-27%	-32%	-9%	-4%	0%
EV/S - net revenue (x)	15.4	6.2	4.8	3.8	3.0
P/S - net revenue (x)	18.3	7.3	5.7	4.5	3.6

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

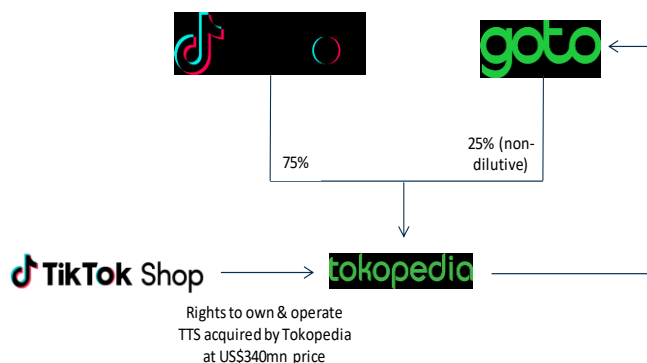
Share price closing as of: 14 March 2024

Fig. 1: GOTO shares ownership (Series-A and Series-B)

Name	Series of share	Number of shares	Shares ownership	Voting rights
Andre Soelistyo	A	2,617,530,184	0.22%	0.10%
	B	6,734,025,100	0.56%	7.60%
Kevin Bryan Aluw i	A	1,400,000,000	0.12%	0.05%
	B	3,272,789,432	0.27%	3.69%
William Tanuw ijaya	A	7,296,224,541	0.61%	0.27%
	B	12,588,634,432	1.05%	14.21%
Melissa Siska Juminto	A	3,993,358,227	0.33%	0.15%
	B	1,087,292,195	0.09%	1.23%
PT Saham Anak Bangsa	B	26,888,988,841	2.24%	30.35%
Taobao China Holding	A	88,531,124,993	7.37%	3.33%
SVF GT Subco	A	91,102,207,128	7.58%	3.43%
Goto Peopleverse	A	63,441,057,813	5.28%	2.39%
Garibaldi Thohir	A	1,054,287,487	0.09%	0.04%
Wei-Jye Jacky Lo	A	652,554,166	0.05%	0.02%
Hans Patuw o	A	574,829,533	0.05%	0.02%
Catherine Hindra	A	493,717,692	0.04%	0.02%
Sugito Walujo	A	267,250,000	0.02%	0.01%
Pablo Malay	A	247,851,117	0.02%	0.01%
Agus D.W. Martow ardojo	A	169,585,462	0.01%	0.01%
Treasury shares		10,264,665,616	0.85%	0.00%
Public - Scripless		875,872,789,130	72.91%	32.96%
Public - Scrip		2,858,899,747	0.24%	0.11%
Total		1,201,409,662,836	100.00%	100.00%

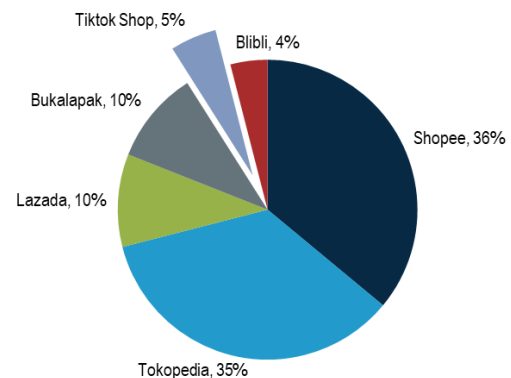
Source: Bloomberg, Company, Indo Premier; As per Feb-24

Fig. 2: Tokopedia-TTS post-transaction structure



Source: Company data, Indo Premier

Fig. 3: E-commerce market share in Indonesia



Source: Momentum Works, Indo Premier estimates

We think Toko-TTS implied valuation of US\$2bn is mispriced ([report](#)) as the combined entity would become the market leader and held c.45-50% of e-commerce market share in Indonesia (Fig. 2). In addition, the amount of GMV and burn-rate per annum for this new entity would at least reached US\$20bn and US\$2.5bn in FY24F, respectively; both are much higher than US\$2bn valuation tag on Toko-TTS new entity.

Hence, we think there are several alternatives that can be used to value this new entity, but we think the most appropriate way is to apply 0.25x EV/GMV target multiples, based on PDD (high-GMV growth of 17% CAGR in FY23F-25F vs. <5% for China-based peers) to est. US\$25bn combined Toko-TTS GMV in FY24F, translating into US\$6.3bn valuation of Toko-TTS. Other alternatives such as EV/Sales and EV/User could also be applied, but are less justifiable in our view, as TTS is set to

restart their growth and boost burn-rate after the ban (i.e. lower net sales due to incentives), while for EV/user, TikTok as a social media were not included into the new entity held by GoTo.

In addition, to take into account the value of management fee (% of Tokopedia-TTS GMV) that will be received by GOTO, we employ DCF-based valuation over the next ten-years, assuming 10.5% discount rate and 10-year growth CAGR of 7.4% of the combined entity core GMV, yielding additional Rp6/share additional value to our SOTP.

Fig. 4: GoTo sum of the parts (SOTP) valuation

Segment	Basis	Value (Rp tr)	Per Share (Rp/Share)	% SOTP
On-Demand Services + Logistics	FY24F EV/Sales	46.2	38	37%
Combined entity (TikTok & Tokopedia)	EV/GMV multiples + DCF	31.6	26	25%
Financial Services	FY24F EV/Sales	15.1	13	12%
Core Enterprise Value		92.9	77	
(+) Bank Jago (21.4% stake)	Indo Premier TP	10.4	9	8%
Total Enterprise Value		103.2	86	
(+) Net Cash (Debt), As of End FY23F		22.4	19	18%
(-) Minority Interest As of End FY23F		0.1	0	0%
Equity Value		125.6	105	
Target Price (Rp/share)		105		

Source: Bloomberg, Company, Indo Premier

Fig. 5: Regional peers EV/GMV and EV/Sales

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	100	5.3	4.9	4.2	3.6	3.4	2.9	N/A	N/A	29.2
SE US	Sea Ltd	N/A	N/A	2.5	2.2	2.0	2.4	2.1	1.9	29.3	27.1	15.6
GRAB US	Grab Holdings Ltd	N/A	N/A	5.3	4.5	3.8	3.6	3.1	2.6	N/A	45.3	16.6

Source: Bloomberg, Company, Indo Premier

Share price closing as of: 13 December 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)	N/A	N/A	N/A	N/A	N/A
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.

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