

GoTo Gojek Tokopedia

BUY (unchanged)

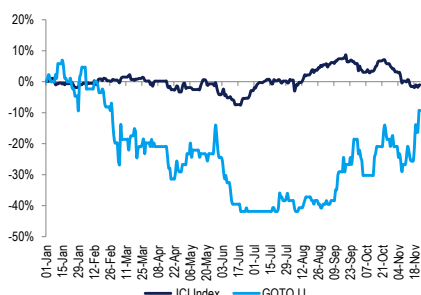
Company Update | Consumer Discretionary | GOTO IJ | 2 December 2024

Stock Data

Target price	Rp110
Prior TP	Rp105
Current price	Rp71
Upside/downside	+55%
Shares outstanding (mn)	1,140,573
Market cap (Rp bn)	84,571
Free float	67%
Avg. 6m daily T/O (Rp bn)	277

Price Performance

	3M	6M	12M
Absolute	39.2%	6.0%	-26.8%
Relative to JCI	44.8%	3.6%	-28.5%
52w low/high (Rp)			50-109



Major Shareholders

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

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Improving adj. EBITDA & easing share price overhang shall lead to re-rating

- We expect its adj. EBITDA to grow to Rp1.2-1.5tr in FY25F (from only 119bn in FY24F) primarily driven by ODS and GTF.
- Despite relatively intense competitive landscape in ODS, GOTO has achieved sufficient scale to start on monetization.
- Ample buyback funds and strong commitment from its major shareholders shall remove ST overhang. Maintain Buy.

We expect its adj. EBITDA to improve to Rp1.2-1.5tr in FY25F

We expect its adj. EBITDA to improve to Rp1.2-1.5tr in FY25F (vs. Rp119bn Adj. EBITDA in FY24F), mainly driven by GTV growth in ODS (+12% yoy in FY25F as per our estimates) and expansion of ODS adj. EBITDA margin to 1.1% of GTV (+20bps yoy), along with better Fintech profitability amid loan growth pick-up of Rp8.5tr by end of FY25F (vs. Rp4.3tr in 9M24). However, we conservatively expect e-commerce service fee from Shop Tokopedia to remain relatively flat in FY25F at c.US\$40mn p.a. (~Rp600bn) considering soft purchasing power environment, based on our channel check with sellers.

Buyback funds & clarity on MVS shall support valuation re-rating

Furthermore, remaining buyback funds shall be able to mitigate incremental sellers that were selling GOTO shares incl. pre-IPO shareholders, while commitment from Alibaba to not sell GOTO shares in the next 5 years has removed another share price overhang, leading to share price rallying by +40% from bottom (Rp50/share). In addition, further clarity on MVS shall pave clearer path for M&A, if any.

Achieving economic moat sets foundation for future growth

We think GOTO has been able to achieve its economic moat for ODS as adj. EBITDA continuously improved on qoq basis (ODS segment Adj. EBITDA at 0.9% of GTV) despite our channel-check indicating that Grab & Shopee Food has been maintaining its aggressive stance YTD. Intensifying competitive landscape was more apparent in food delivery, reflected in Grab's higher incentives as % of GMV (Fig. 2) on yoy basis. GOTO is currently fine-tuning its affordable version of food-delivery via GoFood Pas, on top of existing features (i.e. Ekonomis/Express) that competes with Grab's Saver/Premium program, that has been the source of growth driver for Grab.

Maintain Buy rating with higher TP of Rp110/share

We upgraded our FY25F/26F Adj. EBITDA forecast to Rp1.3tr/Rp3.9tr (Fig. 3), which translates into FY25F/26F EV to Adj. EBITDA of 49x/15x for GOTO business, respectively vs. peers valuation of 25x EV/EBITDA (Fig. 4). Hence, we lift our TP to Rp110/share to reflect our Adj. EBITDA upgrade & switching our valuation method using EV/EBITDA vs. P/S previously.

Financial Summary (Rp bn)	2022A	2023A	2024F	2025F	2026F
Gross revenue	22,927	24,260	19,267	20,034	23,281
Net revenue	11,349	14,785	15,713	16,544	19,554
Adj. EBITDA	(27,417)	(3,670)	313	1,306	3,908
Net profit	(39,571)	(90,396)	(4,297)	(424)	2,313
EV/Adj. EBITDA (x)	(2.1)	(17.2)	209.0	49.0	15.3
P/S - net revenue (x)	7.4	5.7	5.4	5.1	4.3

Source: Company, Indo Premier

Share price closing as of: 2 December 2024

Valuation methodology

We employ EV/EBITDA valuation vs. SOTP based on P/S previously to fully-reflect EBITDA contribution across business segments (i.e. ODS, Fintech) along with e-commerce service fee from Shop Tokopedia that is only recorded on EBITDA level. We benchmarked our EV/EBITDA multiples target from several ODS players that has achieved Adj. EBITDA profitability in earlier-stages (i.e. Uber EV/EBITDA in FY24F & Grab's EV/EBITDA in FY25F), which was around c.25x EV/EBITDA (Fig. 1). Hence, in our SOTP, we value GOTO's business at 25x FY26F EV/EBITDA, which was currently on par with Grab's EV/EBITDA valuation in FY25F and Uber in FY24F, while adding the value of GOTO's net-cash (~Rp20tr) & ownership in Bank Jago (ARTO IJ) to arrive at our SOTP-based TP of Rp110/share.

Fig. 1: Valuation methodology

Segment	Basis	Multiple (x)	Base value (FY24F)	Value (Rp tr)
GoTo's combined businesses	FY26F EV to Adj. EBITDA (x)	25.0	3,908	97.7
(+) Bank Jago (21.4% stake)	Indo Premier TP	N/A	N/A	8.7
Total Enterprise Value				106.5
(+) Net Cash (Debt), As of End FY25F				21.5
(-) Minority Interest As of End FY25F				0.1
Equity Value				127.9
Target Price (Rp/share)		110		

Source: Bloomberg, Company data, Indo Premier

Fig. 2: Grab 3Q24 financial summary

Grab Holdings - US\$ m	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	QoQ %	YoY %
Mobility (ride-hailing)									
GMV	1,219	1,320	1,407	1,474	1,547	1,584	1,694	6.9%	20.4%
Gross revenue	286	315	334	346	362	375	400	6.7%	19.8%
Net revenue	194	208	232	237	247	247	271	9.7%	16.8%
Segment adjusted EBITDA	97	114	127	128	138	129	149	15.5%	17.3%
Gross take-rate (%)	23.5%	23.9%	23.7%	23.5%	23.4%	23.7%	23.6%	0.2%	-0.2%
Net take-rate (%)	15.9%	15.8%	16.5%	16.1%	16.0%	15.6%	16.0%	-0.4%	-0.2%
Incentives as % GMV	7.6%	8.1%	7.2%	7.4%	7.4%	8.1%	7.6%	0.6%	-0.1%
Adjusted EBITDA as % GMV	8.0%	8.6%	9.0%	8.7%	8.9%	8.1%	8.8%	-0.8%	-0.5%
Deliveries (food, groceries)									
GMV	2,381	2,619	2,656	2,709	2,695	2,850	2,965	4.0%	11.6%
Gross revenue	567	607	590	626	647	677	709	4.8%	20.2%
Net revenue	294	320	335	362	350	356	380	6.7%	13.4%
Segment adjusted EBITDA	-19	10	34	56	42	42	55	31.0%	61.8%
Gross take-rate (%)	23.8%	23.2%	22.2%	23.1%	24.0%	23.8%	23.9%	-0.2%	0.6%
Net take-rate (%)	12.3%	12.2%	12.6%	13.4%	13.0%	12.5%	12.8%	-0.5%	0.3%
Incentives as % GMV	11.5%	10.9%	9.6%	9.7%	11.0%	11.3%	11.1%	0.3%	0.3%
Adjusted EBITDA as % GMV	-0.8%	0.4%	1.3%	2.1%	1.6%	1.5%	1.9%	-0.1%	1.1%

Source: Bloomberg, Company data, Indo Premier

Fig. 3: Old vs New forecast

GOTO Rp bn	New			Old			Consensus			IPS vs Consensus		
	2024F	2025F	2026F	2024F	2025F	2026F	2024F	2025F	2026F	2024F	2025F	2026F
GTV	522,532	614,825	676,143	522,532	562,361	634,720	568,164	623,575	725,997	92%	99%	93%
Gross Revenues	19,267	20,034	23,281	19,267	19,785	22,416	24,557	26,643	31,805	78%	75%	73%
Net Revenues	15,713	16,544	19,554	15,713	14,803	16,995	13,779	16,296	20,403	114%	102%	96%
EBIT	(1,971)	(1,350)	1,153	(2,028)	(2,970)	(808)	(4,377)	(1,823)	692	45%	74%	167%
EBITDA	(1,221)	(521)	2,011	(1,278)	(1,657)	534	(1,495)	1,814	3,351	82%	-29%	60%
Adjusted EBITDA	119	1,306	3,908	119	554	2,608	na	na	na	na	na	na
NPAT	(4,297)	(424)	2,313	(4,422)	(2,054)	288	(4,117)	(1,623)	1,314	104%	26%	176%
%yoy												
Revenues	6%	5%	18%	-7%	7%	15%	-7%	18%	25%			
Operating profit	-81%	-32%	-185%	-59%	-29%	-73%	-57%	-58%	-138%			
EBITDA	-84%	-57%	-486%	-62%	-42%	-132%	-80%	-221%	85%			
NPAT	-95%	-90%	-645%	-96%	-39%	-114%	-95%	-61%	-181%			
Operating margin	-12.5%	-8.2%	5.9%	-30.5%	-20.1%	-4.8%	-31.8%	-11.2%	3.4%			
EBITDA margin	-7.8%	-3.1%	10.3%	-20.8%	-11.2%	3.1%	-10.8%	11.1%	16.4%			
NPAT margin	-27.3%	-2.6%	11.8%	-24.3%	-13.9%	1.7%	-29.9%	-10.0%	6.4%			

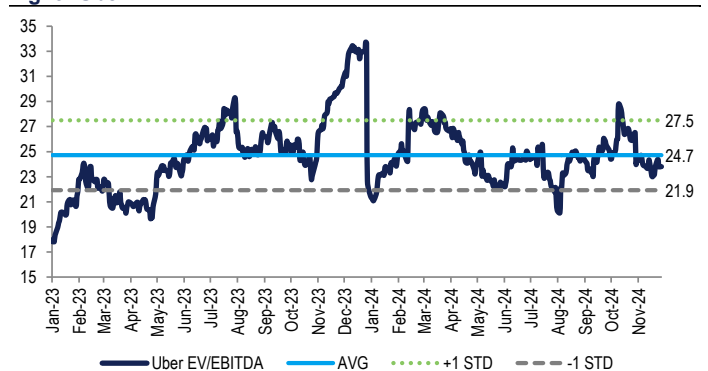
Source: Bloomberg, Company data, Indo Premier

Fig. 4: Grab EV/EBITDA



Source: Bloomberg, Indo Premier

Fig. 5: Uber EV/EBITDA



Source: Bloomberg, Indo Premier

Fig. 6: Regional peers EV/GMV and EV/Sales

Ticker	Company	Rating	Target price (Rp/share)	P/S			EV/Sales			EV/EBITDA		
				24F	25F	26F	24F	25F	26F	24F	25F	26F
GOTO IJ	GoTo Gojek Tokopedia	Buy	105	5.4	5.1	4.3	4.2	3.9	3.1	209.0	49.0	15.3
SE US	Sea Ltd	N/A	N/A	4.0	3.3	2.9	3.8	3.2	2.7	31.9	22.2	15.9
GRAB US	Grab Holdings Ltd	N/A	N/A	7.5	6.1	5.2	5.6	4.5	3.9	49.8	33.0	20.2
UBER US	Uber Technologies Inc	N/A	N/A	3.4	3.0	2.6	3.6	3.1	2.7	23.8	18.0	14.1

Source: Bloomberg, Company, Indo Premier

Share price closing as of: 29 Apr 2024

Income Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Gross revenue	22,927	24,260	19,267	20,034	23,281
Promotions	(11,578)	(9,475)	(3,554)	(3,491)	(3,727)
Net revenue	11,349	14,785	15,713	16,544	19,554
Operating expenses	(41,679)	(25,064)	(17,685)	(17,894)	(18,401)
Adjusted EBITDA	(27,417)	(3,670)	313	1,306	3,908
Net interest	385	266	497	446	469
Others	(10,600)	(80,622)	(3,448)	(148)	0
Pre-tax income	(37,632)	(84,025)	(2,637)	1,604	4,377
Income tax	136	116	5	1	(3)
Minority interest	837	123	6	1	(3)
Net income	(39,571)	(90,396)	(4,297)	(424)	2,313

Balance Sheet (Rp bn)	2022A	2023A	2024F	2025F	2026F
Cash & equivalent	29,009	25,144	22,067	23,537	27,845
Receivable	2,461	3,319	3,370	3,405	3,530
Inventory	71	71	71	71	71
Other current assets	2,639	5,083	5,083	5,083	5,083
Total current assets	34,180	33,617	30,592	32,096	36,529
Fixed assets	1,457	1,039	974	1,072	981
Other non-current assets	103,579	19,441	18,639	17,812	16,982
Total non-current assets	105,036	20,480	19,612	18,884	17,964
Total assets	139,217	54,097	50,204	50,980	54,493

ST loans	413	300	0	0	0
Payable	1,232	1,341	1,341	1,341	1,341
Other payables	10,517	11,181	10,344	10,344	10,344
Total current liab.	12,162	12,823	11,685	11,685	11,685
Long term loans	1,102	2,969	2,848	2,848	2,848
Other LT liab.	3,229	2,586	2,748	2,748	2,748
Total liabilities	16,493	18,377	17,281	17,281	17,281

Equity	243,402	246,859	248,359	249,559	250,759
Retained earnings	(118,481)	(208,929)	(213,226)	(213,650)	(211,337)
Minority interest	(2,198)	(2,210)	(2,210)	(2,210)	(2,210)
Total SHE + minority int.	122,723	35,720	32,923	33,699	37,212
Total liabilities & equity	139,217	54,097	50,204	50,980	54,493

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Pre-tax income (netted off SBC)	(40,545)	(90,634)	(2,808)	775	3,519
Depr. & amortization	2,913	2,671	750	829	858
Changes in working capital	802	(2,301)	(287)	(35)	(125)
Others	401	(703)	11	1	(6)
Cash flow from operating	(36,429)	(90,967)	(2,334)	1,571	4,246
Capital expenditure	196	2,799	118	(101)	62
Others	10,761	79,018	0	0	0
Cash flow from investing	10,957	81,816	118	(101)	62
Loans	60	1,894	(861)	0	0
Equity	23,270	3,392	0	0	0
Dividends	0	0	0	0	0
Others	0	0	0	0	0
Cash flow from financing	23,330	5,286	(861)	0	0
Changes in cash	(2,142)	(3,865)	(3,077)	1,470	4,308

Key Ratios	2022A	2023A	2024F	2025F	2026F
Gross margin	49.5%	60.9%	81.6%	82.6%	84.0%
Operating margin	-120%	-15%	2%	7%	17%
Pre-tax margin	-164%	-346%	-14%	8%	19%
Net margin	-173%	-373%	-22%	-2%	10%
ROA	-28%	-167%	-9%	-1%	4%
ROE	-32%	-253%	-13%	-1%	6%
Acct. receivables TO (days)	18.0	15.0	15.0	15.0	15.0
Inventory TO (days)	3.5	5.0	5.0	5.0	5.0
Payable TO (days)	69.0	91.0	91.0	91.0	91.0
Debt to equity	1.2%	9.2%	8.7%	8.5%	7.7%
Interest coverage ratio (x)	N/A	N/A	N/A	N/A	N/A
Net gearing	-22.4%	-61.2%	-58.4%	-61.4%	-67.2%

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

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