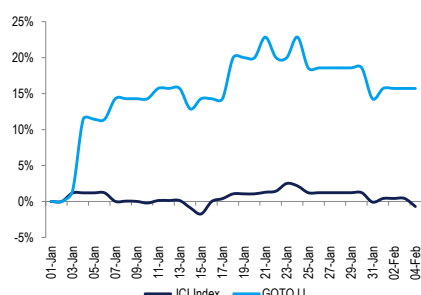


## Stock Data

Target price	Rp110
Prior TP	Rp110
Current price	Rp87
Upside/downside	+26%
Shares outstanding (mn)	1,140,573
Market cap (Rp bn)	103,630
Free float	67%
Avg. 6m daily T/O (Rp bn)	312

## Price Performance

	3M	6M	12M
Absolute	33.8%	70.6%	3.6%
Relative to JCI	39.3%	70.4%	5.3%
52w low/high (Rp)			50-87



## 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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## Quick comments on Grab & GoTo potential merger

- Bloomberg reported that Grab is weighing a takeover at >US\$7bn valuation or >Rp100/share, at least a +14% premium vs. last price.
- US\$7bn valuation tag implied an acquisition at FY25F 6x EV/Sales or 76x EV/EBITDA with an all-stock acquisition being considered.
- No details were confirmed yet by the company, but we think such merger would be beneficial for both Grab & GoTo. Maintain Buy rating.

### Overview of potential Grab-GoTo mergers

Bloomberg reported that Grab (GRAB US) is considering to acquire GoTo at a valuation of over US\$7bn or more than Rp100/share. One of the potential scenario being discussed is an all-stock purchase with a timeline of within FY25F. Should the deal valued at US\$7bn valuation, this would imply GOTO valuation of FY25F 6x EV/Sales and 76x EV/EBITDA, however it is also said that the deal is set to be valued at more than US\$7bn or Rp100/share. Based on this information, this meant that Grab is set to take over all of GoTo's business lines/segments, including on-demand services (ODS), financial technology (Fintech), and 25% in Shop Tokopedia (e-commerce).

### Mandatory tender offer (MTO) potentially triggered, albeit no details yet

It is yet to be known on how much stake would Grab takeover, but should the deal materialized for Grab to obtain majority stake in GoTo – done via the acquisition of Series-B multiple-voting shares, this might trigger a mandatory tender offer (MTO) considering there's a potential change in the controlling shareholder. There are no details yet regarding this, but we put a higher likelihood for majority stake acquisition, hence the occurrence of MTO.

### Why would Grab do this deal?

We think the deal makes sense from Grab's perspective as Indonesia are among the market that Grab operates in, but didn't have significant market-leadership as opposed to other markets such as Singapore, Malaysia, and the Philippines (Fig. 2). By consolidating the market in Indonesia via this acquisition, this would've enabled Grab to earn market-leadership in Indonesia (c.98% market-share in on-demand & c.90% market-share in food-delivery), and could eventually improve its group EBITDA profitability by lowering customer incentives/discounts in Indonesia. Note that there was a chatter of Grab acquiring Foodpanda in early-2024, which we think is based on similar reasoning of obtaining market-leadership.

### Maintain Buy rating with a TP of Rp110/share

We maintain our Buy rating and Rp110/share SOTP-based TP as potential acquisition by Grab would act as a positive tailwind to GoTo's share price, considering the acquisition shall be done at a premium vs. current market price, a +14% premium vs. latest closing price, at the very least. Downside risks include cancellation of the deal, breach of anti-trust policy and lower than expected Adj. EBITDA profitability.

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: 4 February 2025

**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
<b>Total Enterprise Value</b>				<b>106.5</b>
(+) Net Cash (Debt), As of End FY25F				21.5
(-) Minority Interest As of End FY25F				0.1
<b>Equity Value</b>				<b>127.9</b>
<b>Target Price (Rp/share)</b>		<b>110</b>		

Source: Bloomberg, Company data, Indo Premier

**Fig. 2: Food delivery market-share across Southeast Asia**

Market share (%)	Indonesia	Thailand	Singapore	Vietnam	Malaysia	Philippines
Grab	50%	47%	63%	47%	65%	61%
Shopee Food	12%	6%		45%	5%	
Gojek (GoTo)	38%			Closed down		
Foodpanda		8%	28%		30%	39%
Others		36%	9%	5%		
Market size (US\$ bn)	4.6	3.7	2.5	1.4	2.4	2.5

Source: Bloomberg, Company data, Momentum Works, Indo Premier

**Fig. 3: 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	6.6	6.2	5.3	5.4	5.0	4.0	269.5	63.5	20.1
SE US	Sea Ltd	N/A	N/A	4.2	3.5	3.0	4.0	3.3	2.9	34.5	23.2	16.9
GRAB US	Grab Holdings Ltd	N/A	N/A	6.5	5.2	4.5	4.7	3.7	3.2	41.5	28.6	17.3
UBER US	Uber Technologies Inc	N/A	N/A	3.2	2.8	2.4	3.4	2.9	2.5	22.4	17.1	13.3

Source: Bloomberg, Company, Indo Premier

Share price closing as of: 4 Feb 2025

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)
<b>Net revenue</b>	<b>11,349</b>	<b>14,785</b>	<b>15,713</b>	<b>16,544</b>	<b>19,554</b>
Operating expenses	(41,679)	(25,064)	(17,685)	(17,894)	(18,401)
<b>Adjusted EBITDA</b>	<b>(27,417)</b>	<b>(3,670)</b>	<b>313</b>	<b>1,306</b>	<b>3,908</b>
Net interest	385	266	497	446	469
Others	(10,600)	(80,622)	(3,448)	(148)	0
<b>Pre-tax income</b>	<b>(37,632)</b>	<b>(84,025)</b>	<b>(2,637)</b>	<b>1,604</b>	<b>4,377</b>
Income tax	136	116	5	1	(3)
Minority interest	837	123	6	1	(3)
<b>Net income</b>	<b>(39,571)</b>	<b>(90,396)</b>	<b>(4,297)</b>	<b>(424)</b>	<b>2,313</b>

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
<b>Total current assets</b>	<b>34,180</b>	<b>33,617</b>	<b>30,592</b>	<b>32,096</b>	<b>36,529</b>
Fixed assets	1,457	1,039	974	1,072	981
Other non-current assets	103,579	19,441	18,639	17,812	16,982
<b>Total non-current assets</b>	<b>105,036</b>	<b>20,480</b>	<b>19,612</b>	<b>18,884</b>	<b>17,964</b>
<b>Total assets</b>	<b>139,217</b>	<b>54,097</b>	<b>50,204</b>	<b>50,980</b>	<b>54,493</b>

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
<b>Total current liab.</b>	<b>12,162</b>	<b>12,823</b>	<b>11,685</b>	<b>11,685</b>	<b>11,685</b>
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
<b>Total liabilities</b>	<b>16,493</b>	<b>18,377</b>	<b>17,281</b>	<b>17,281</b>	<b>17,281</b>

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)
<b>Total SHE + minority int.</b>	<b>122,723</b>	<b>35,720</b>	<b>32,923</b>	<b>33,699</b>	<b>37,212</b>
<b>Total liabilities &amp; equity</b>	<b>139,217</b>	<b>54,097</b>	<b>50,204</b>	<b>50,980</b>	<b>54,493</b>

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)
<b>Cash flow from operating</b>	<b>(36,429)</b>	<b>(90,967)</b>	<b>(2,334)</b>	<b>1,571</b>	<b>4,246</b>
Capital expenditure	196	2,799	118	(101)	62
Others	10,761	79,018	0	0	0
<b>Cash flow from investing</b>	<b>10,957</b>	<b>81,816</b>	<b>118</b>	<b>(101)</b>	<b>62</b>
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
<b>Cash flow from financing</b>	<b>23,330</b>	<b>5,286</b>	<b>(861)</b>	<b>0</b>	<b>0</b>
<b>Changes in cash</b>	<b>(2,142)</b>	<b>(3,865)</b>	<b>(3,077)</b>	<b>1,470</b>	<b>4,308</b>

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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