

GoTo Gojek Tokopedia

BUY (unchanged)

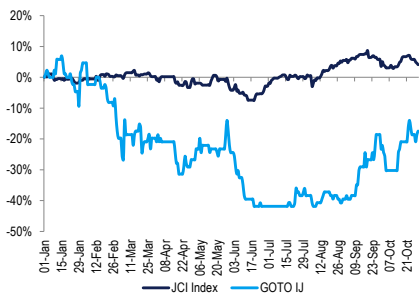
Company Update | Consumer Discretionary | GOTO IJ | 30 October 2024

Stock Data

Target price	Rp105
Prior TP	Rp105
Current price	Rp71
Upside/downside	+48%
Shares outstanding (mn)	1,150,838
Market cap (Rp bn)	85,300
Free float	67%
Avg. 6m daily T/O (Rp bn)	216

Price Performance

	3M	6M	12M
Absolute	29.1%	12.7%	18.3%
Relative to JCI	24.6%	8.1%	6.2%
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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3Q24 result: strong GTV growth improvement with positive adj. EBITDA

- GOTO reported Rp137bn positive group adj. EBITDA in 3Q24, an improvement vs. Rp48bn group adj. EBITDA loss in 2Q24.
- The result was in-line with guidance and better than our expectation as fintech +ve adj. EBITDA shall come faster in 4Q24F (vs. end FY25F).
- Strong ODS GTV growth in 3Q24 (+21% yoy/+7% qoq) along with improved adj. EBITDA profitability underpins our Buy rating.

3Q24 pro-forma review: on track to achieve adj. EBITDA breakeven

GOTO reported Rp137bn group adj. EBITDA in 3Q24, an improvement vs. Rp48bn loss in 2Q24, which we think is in-line with market expectation and management guidance of achieving adj. EBITDA breakeven on FY basis in FY24. GTV grew by +13%/+37% qoq/yoy driven by growth in ODS and fintech business, while net revenue stood at Rp3.9tr (+7% qoq/+8% yoy), owing to higher GTV growth and take-rate improvement particularly in Fintech business (Fig. 2). In 3Q24, net e-commerce service fee from Shop Tokopedia stood at Rp172bn (+10% qoq), in-line with guidance of US\$40mn p.a. Overall Adj. EBITDA as % TPV also improved for both ODS and fintech, which led to positive group adj. EBITDA achievement in 3Q24.

Segmental: ODS and fintech adj. EBITDA margin improved

On segmental basis, ODS gross revenue grew by +22% yoy or +8% qoq to Rp3.6tr, thanks to higher GTV and slightly higher take-rate on qoq and yoy basis (Fig. 2). ODS' adj. EBITDA improved to Rp156bn (+73% qoq) as its CM also improved to 0.9% of GTV (vs. 0.6% in 2Q24). Fintech gross revenue grew by +30% qoq/+128% yoy, as gross take rate improved by +10/+30bps qoq/yoy, respectively. Nonetheless, fintech adj. EBITDA remained at negative territory at Rp65bn loss in 3Q24, although has continuously improved on qoq basis. Consumer loan outstanding loan grew by +24% qoq to Rp4.3tr in 3Q24.

Maintain Buy rating with an unchanged TP of Rp105/share

We fine-tuned our adj. EBITDA FY24F forecast by Rp59bn to Rp119bn in FY24F (Fig. 3) as the 3Q24 adj. EBITDA of Rp137bn was better than our initial expectation, while our FY25F/26F adj. EBITDA forecast remain unchanged. Hence, our SOTP-based TP of Rp105/share remain unchanged. As a result, we re-iterate our Buy rating on GOTO. Downside risks include intensifying competition from Grab and other on-demand services players, and lower than expected GTV growth.

Financial Summary (Rp bn)	2022A	2023A	2024F	2025F	2026F
Gross revenue	22,927	24,260	19,267	19,785	22,416
Net revenue	11,349	14,785	15,713	14,803	16,995
Contribution margin	(8,218)	na	na	na	na
Adj. EBITDA	(27,417)	(3,670)	119	554	2,608
Net profit	(39,571)	(90,396)	(4,422)	(2,054)	288
ROE	-32%	-253%	-13%	-6%	1%
EV/S - net revenue (x)	5.8	4.5	4.2	4.5	3.9
P/S - net revenue (x)	7.0	5.4	5.1	5.4	4.7

Source: Company, Indo Premier

Share price closing as of: 30 October 2024

Fig. 1: 3Q24 financial summary (pro-forma basis)

GOTO 9M24 results (Rp bn)	9M24	9M23	% yoy	3Q24	3Q23	% yoy	2Q24	% qoq	IPS FY24F	% of IPS	Cons FY24F	% of cons
GTV (pro-forma)	402,880	444,224	-9%	137,363	151,494	-9%	121,581	13%	498,283	81%	506,238	80%
Gross revenues	14,416	17,791	-19%	4,703	5,976	-21%	4,268	10%	18,529	78%	18,365	78%
Net revenues	11,663	10,511	11%	3,925	3,627	8%	3,658	7%	13,801	85%	14,520	80%
Cost of revenues	(5,513)	(3,776)	46%	(1,807)	(1,201)	50%	(1,844)	-2%				
Gross profit	6,149	6,735	-9%	2,118	2,426	-13%	1,814	17%				
S&M costs ex non-variables	(2,183)	(4,820)		(736)	(1,525)		(724)					
Opex	(6,018)	(10,714)	-44%	(1,707)	(3,592)	-52%	(1,875)	-9%				
EBIT	(2,051)	(8,800)	-77%	(324)	(2,690)	-88%	(785)	-59%	(4,204)	49%	(3,648)	56%
Depreciation & amortization	606	2,038	-70%	120	658	-82%	147	-18%				
EBITDA	(1,445)	(6,762)	-79%	(204)	(2,032)	-90%	(639)	-68%				
Finance income	553	464	19%	185	154	20%	180	3%				
Finance costs	(369)	(243)	52%	(127)	(77)	64%	(113)	13%				
Share of net income (losses) of JV	(2,448)	(198)	1137%	(1,016)	(13)	7876%	(1,065)	-5%				
Other operating income (expenses)	(286)	(1,097)	-74%	(422)	209	-302%	(155)	173%				
Profit before tax	(4,602)	(9,874)	-53%	(1,704)	(2,417)	-30%	(1,938)	-12%				
Income tax benefits (expenses)	62	275	-77%	11	31	-65%	29	-64%				
Tax rate (%)	1%	3%		1%	1%		2%					
Minorities	226	50	350%	80	(0)	na	71	12%				
Net profit	(4,313)	(9,549)	-55%	(1,614)	(2,387)	-32%	(1,838)	-12%	(3,347)	129%	(4,157)	104%
Net margin (%)	-37%	-91%		-41%	-66%		-50%					
Core profit	(4,031)	(8,482)	-52%	(1,194)	(2,594)	-54%	(1,685)	-29%				
Adjusted EBITDA (reported)	(72)	(3,747)		137	(942)		(70)	-296%	60	-120%		
Adjusted EBITDA (pro-forma)	(13)	(2,342)		137	(559)	-125%	(48)	-385%				

Source: Bloomberg, Company data, Indo Premier

Fig. 2: Segmental gross take-rate, promotion, and net take-rate (%)

GOTO 3Q24 pro-forma	3Q24	2Q24	% qoq	3Q23	% yoy
GTV	137,363	121,451	13%	99,996	37%
Gross revenues	4,703	4,268	10%	3,504	34%
Net revenues	3,926	3,518	12%	1,905	106%
Contribution margin	1,506	1,211	24%	842	79%
Adjusted EBITDA	137	(48)	-385%	(559)	-125%
Gross take rate - (%)	3.4%	3.5%	-3%	3.5%	-2%
Net take-rate - (%)	2.9%	2.9%	-1%	1.9%	50%
On-demand services (Rp bn)					
GTV	16,608	15,482	7%	13,764	21%
Gross revenue	3,660	3,380	8%	3,012	22%
CM	838	775	8%	675	24%
Adj. EBITDA	156	90	73%	(48)	-425%
Gross take-rate (%)	22.0%	21.8%	1%	21.9%	1%
Adj. EBITDA as % TPV	0.9%	0.6%	62%	-0.3%	-369%
Fintech (Rp bn)					
Core GTV	64,607	56,199	15%	35,524	82%
GTV	130,597	115,340	13%	94,512	38%
Gross revenue	1,024	788	30%	450	128%
CM	503	295	71%	77	553%
Adj. EBITDA	(65)	(168)	-61%	(388)	-83%
Gross take-rate (%)	0.78%	0.68%	15%	0.48%	65%
Adj. EBITDA as % TPV	-0.05%	-0.1%	-66%	-0.4%	-88%
Lending revenue	565	na	na	90	na
Outstanding loan	4,341	3,500	24%	1,449	na

Source: Company data, Indo Premier

Fig. 3: Old vs new forecast

GOTO Rp bn	New			Old			Change (%)		
	2024F	2025F	2026F	2024F	2025F	2026F	2024F	2025F	2026F
Gross transaction value (GTV)	522,532	562,361	634,720	498,283	562,361	634,720	5%	0%	0%
Gross Revenues	19,267	19,785	22,416	18,529	19,785	22,416	4%	0%	0%
Net Revenues	15,713	14,803	16,995	13,801	14,803	16,995	14%	0%	0%
EBIT	(2,028)	(2,970)	(808)	(4,204)	(2,970)	(808)	-52%	0%	0%
EBITDA	(1,278)	(1,657)	534	(2,867)	(1,657)	534	-55%	0%	0%
Adjusted EBITDA	119	554	2,608	60	554	2,608	98%	0%	0%
NPAT	(4,422)	(2,054)	288	(3,347)	(2,054)	288	32%	0%	0%
%oy									
Revenues	6%	-6%	15%	-7%	7%	15%			
Operating profit	-80%	46%	-73%	-59%	-29%	-73%			
EBITDA	-83%	30%	-132%	-62%	-42%	-132%			
NPAT	-95%	-54%	-114%	-96%	-39%	-114%			
Operating margin	-12.9%	-20.1%	-4.8%	-30.5%	-20.1%	-4.8%	-58%	0%	0%
EBITDA margin	-8.1%	-11.2%	3.1%	-20.8%	-11.2%	3.1%	-61%	0%	0%
NPAT margin	-28.1%	-13.9%	1.7%	-24.3%	-13.9%	1.7%	16%	0%	0%

Source: Bloomberg, Company data, Indo Premier

Fig. 4: 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	5.7	5.4	4.7	4.8	4.5	3.9	992.9	107.1	21.8
SE US	Sea Ltd	N/A	N/A	2.1	1.9	1.7	2.3	2.1	1.8	29.1	17.0	12.4
GRAB US	Grab Holdings Ltd	N/A	N/A	5.0	4.3	3.8	3.5	3.0	2.6	53.3	19.7	13.0

Source: Bloomberg, Company, Indo Premier

Share price closing as of: 30 Oct 2024

Income Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Gross revenue	22,927	24,260	19,267	19,785	22,416
Promotions	(11,578)	(9,475)	(3,554)	(4,982)	(5,421)
Net revenue	11,349	14,785	15,713	14,803	16,995
Operating expenses	(41,679)	(25,064)	(17,741)	(17,773)	(17,803)
Adjusted EBITDA	(27,417)	(3,670)	119	554	2,608
Net interest	385	266	429	377	400
Others	(10,600)	(80,622)	(3,448)	(148)	0
Pre-tax income	(37,632)	(84,025)	(2,901)	783	3,008
Income tax	136	116	6	3	(0)
Minority interest	837	123	6	3	(0)
Net income	(39,571)	(90,396)	(4,422)	(2,054)	288
Balance Sheet (Rp bn)	2022A	2023A	2024F	2025F	2026F
Cash & equivalent	29,009	25,144	24,158	24,320	26,815
Receivable	2,461	3,319	3,291	3,332	3,424
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	32,603	32,807	35,393
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	52,216	51,691	53,357
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	3,710	3,710	3,710
Other LT liab.	3,229	2,586	2,748	2,748	2,748
Total liabilities	16,493	18,377	18,143	18,143	18,143
Equity	243,402	246,859	248,559	250,089	251,466
Retained earnings	(118,481)	(208,929)	(212,276)	(214,330)	(214,042)
Minority interest	(2,198)	(2,210)	(2,210)	(2,210)	(2,210)
Total SHE + minority int.	122,723	35,720	34,073	33,549	35,214
Total liabilities & equity	139,217	54,097	52,216	51,691	53,357

Source: Company, Indo Premier

Cash Flow Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Pre-tax income (netted off SBC)	(40,545)	(90,634)	(1,656)	(530)	1,666
Depr. & amortization	2,913	2,671	1,337	1,313	1,342
Changes in working capital	802	(2,301)	(207)	(42)	(91)
Others	401	(703)	9	5	(1)
Cash flow from operating	(36,429)	(90,967)	(517)	747	2,916
Capital expenditure	196	2,799	(469)	(585)	(421)
Others	10,761	79,018	0	0	0
Cash flow from investing	10,957	81,816	(469)	(585)	(421)
Loans	60	1,894	0	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	0	0	0
Changes in cash	(2,142)	(3,865)	(986)	162	2,495

Key Ratios	2022A	2023A	2024F	2025F	2026F
Gross margin	49.5%	60.9%	74.5%	74.8%	75.8%
Operating margin	-120%	-15%	0%	3%	12%
Pre-tax margin	-164%	-346%	2%	4%	13%
Net margin	-173%	-373%	-18%	-10%	1%
ROA	-28%	-167%	-6%	-4%	1%
ROE	-32%	-253%	-10%	-6%	1%
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%	10.9%	11.1%	10.5%
Interest coverage ratio (x)	na	na	na	na	na
Net gearing	-22.4%	-61.2%	-60.0%	-61.4%	-65.6%

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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