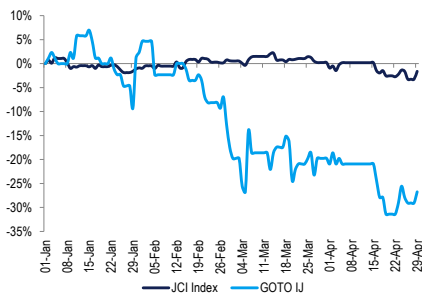


Stock Data

Target price	Rp105
Prior TP	Rp105
Current price	Rp63
Upside/downside	+67%
Shares outstanding (mn)	1,150,838
Market cap (Rp bn)	75,689
Free float	66%
Avg. 6m daily T/O (Rp bn)	247

Price Performance

	3M	6M	12M
Absolute	-23.2%	12.5%	-39.4%
Relative to JCI	-23.4%	6.6%	-42.9%
52w low/high (Rp)			56-147



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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1Q24 results: adj. EBITDA loss was expected on seasonality

- GOTO reported Rp102bn adj. EBITDA loss on pro-forma basis in 1Q24, still on-track with management guidance of FY24F breakeven.
- However, we think the result was in-line as GOTO is on track to achieve adj. EBITDA breakeven in FY24F as 1Q is a seasonally soft quarter.
- Stable ODS GTV (vs. overall Indonesia GTV growth of +3% yoy) and on-track adj. EBITDA profitability underpin our Buy rating.

1Q24 pro-forma review: adj. EBITDA loss was well expected

On pro-forma basis, 1Q24 overall GTV, gross revenue, and net revenue stood at Rp116.5tr (+20% yoy), Rp4.2tr (+18% yoy), and Rp3.1tr (+63% yoy), respectively, while group adj. EBITDA loss stood at Rp102bn in 1Q24, still on-track with its guidance of FY24F adj. EBITDA breakeven as 1Q is a seasonally soft quarter, similar to historical precedents. Group gross take-rate in 1Q24 was flat yoy but group net take-rate expanded by 70bps yoy, respectively, thanks to efficiency in incentives and S&M expenses (Fig. 1). In addition, service fee from Shop|Tokopedia was on track with management guidance of US\$40mn per annum as the achievement in Feb-24 & Mar-24 reached Rp110bn.

Segmental: ODS take-rate improved by +260bps yoy

On segmental basis, on-demand services (ODS)'s GTV was flattish on qoq/yoy basis at Rp14tr. While it was flattish yoy, note that last years' 1Q GTV was a high-base as incentives haven't been rationalized. ODS' gross take-rate expanded to 24.1% (+260bps yoy), resulting in gross-revenue increase of +12% yoy, while CM and adj. EBITDA grew to Rp815bn (+56% yoy) and Rp166bn (from Rp246bn loss), respectively. Fintech GTV grew by +7% qoq/+21% yoy to Rp111tr with core GTV (excl. merchant payment) grew by +40% yoy. Fintech's gross and net take-rate both slightly expanded by c.15bps on qoq and yoy basis, partly due to higher outstanding loans (+43% qoq/3x yoy) of Rp2.7tr as of 1Q24.

Maintain Buy rating with an unchanged TP of Rp105/share

We fine-tuned our FY24F/25F forecast as we incorporate 1Q24 result into our forecast in addition to carving-out e-commerce/GTL business from GOTO financial statement (Fig. 5); as well as introducing our FY26F forecast. We maintain our Buy rating and kept our SOTP-based TP of Rp105/share unchanged as the lower adj. EBITDA forecast vs. our initial expectation was solely due to eliminating Tokopedia & GoTo Logistics business from GOTO with no impact to our SOTP (Fig. 6). Re-rating catalysts include: 1) better than expected top-line growth for on-demand services (ODS) – we estimated c.+13% yoy growth in FY24F and growing profitability, and 2) share buyback, subject to approval in upcoming AGMS.

Financial Summary (Rp bn)	2022A	2023A	2024F	2025F	2026F
Gross revenue	22,927	24,260	18,529	19,785	22,416
Net revenue	11,349	14,785	13,801	14,803	16,995
Contribution margin	na	na	na	na	na
Adj. EBITDA	(27,417)	(3,670)	60	554	2,608
Net profit	(39,571)	(90,396)	(3,347)	(2,054)	288
ROE	-32%	-253%	-10%	-6%	1%
EV/S - net revenue (x)	5.8	4.5	4.8	4.5	3.9
P/S - net revenue (x)	7.0	5.4	5.7	5.4	4.7

Source: Company, Indo Premier

Share price closing as of: 29 April 2024

Fig. 1: 1Q24 result summary (non-pro-forma basis)

GOTO 1Q24 results	1Q24	1Q23	% yoy	4Q23	% qoq	IPS FY24F	% of IPS	Cons FY24F	% of cons
Gross transaction value (GTV)	134,792	148,734	-9%	163,020	-17%	654,034	21%	568,164	24%
Gross revenues	5,304	5,981	-11%	6,470	-18%	27,246	19%	24,557	22%
Net revenues	4,079	3,332	22%	4,275	-5%	18,468	22%	13,779	30%
Cost of revenues	(1,862)	(1,353)	38%	(1,317)	41%				
Gross profit	2,217	1,979	12%	2,957	-25%				
S&M costs ex non-variables	(723)	(1,629)		(1,611)					
Opex	(2,436)	(4,396)	-45%	(2,826)	-14%				
EBIT	(942)	(4,045)	-77%	(1,479)	-36%	(5,476)	17%	(4,377)	22%
Depreciation & amortization	340	706	-52%	634	-46%				
EBITDA	(602)	(3,339)	-82%	(846)	-29%				
Finance income	188	163	15%	171	9%				
Finance costs	(129)	(76)	70%	(126)	3%				
Share of net income (losses) of	(367)	(72)	412%	(14)	2537%				
Other operating income (expense)	291	(105)	-376%	(79,313)	-100%				
Profit before tax	(960)	(4,135)	-77%	(80,760)	-99%	961	-100%	na	na
Income tax benefits (expenses)	23	236	-90%	(160)	-114%				
Tax rate (%)	2%	6%		0%					
Minorities	75	37	105%	73	3%				
Net profit	(862)	(3,862)	-78%	(80,847)	-99%	(4,937)	17%	(4,117)	21%
Net margin (%)	-21%	-116%		-1891%					
Core profit	(1,146)	(3,763)	-70%	(1,378)	-17%				
Adjusted EBITDA	(139)	(1,597)	-91%	77	-279%	149	-93%	(1,495)	9%

Source: Bloomberg, Company data, Indo Premier

Fig. 2: 1Q24 result summary (pro-forma basis)

GOTO 1Q24 pro-forma	1Q24	1Q23	% yoy
Gross transaction value (GTV)	116,506	97,013	20%
Gross revenues	4,165	3,523	18%
Net revenues	3,078	1,886	63%
Cost of revenues	(1,356)	(406)	234%
Gross profit	2,217	1,979	12%
S&M costs ex non-variables	(558)	(694)	-20%
Adjusted EBITDA	(102)	(898)	-89%
Gross take rate - (%)	3.6%	3.6%	-2%
Net take-rate - (%)	2.6%	1.9%	36%

Source: Company data, Indo Premier

Fig. 3: Segmental gross take-rate, promotion, and net take-rate (%)

GOTO per segment	1Q23	1Q24	bps +/- (yoy)
On-Demand Services			
Gross take rate (%)	21.4%	24.1%	261
Promotion as % GTV	-11.3%	-7.5%	379
Net take rate (%)	10.2%	16.6%	640
Financial Services			
Gross take rate (%)	0.5%	0.6%	14
Promotion as % GTV	0.0%	0.0%	2
Net take rate (%)	0.4%	0.6%	15

Source: Company data, Indo Premier

Fig. 4: GoTo SOTP-calculation

Segment	Basis	Value (Rp tr)	Per Share (Rp/Share)	% SOTP
On-Demand Services + Logistics	FY24F EV/Sales	44.1	37	35%
Combined entity (Tiktok & Tokopedia)	EV/GMV multiples + DCF	31.6	26	25%
Financial Services	FY24F EV/Sales	19.3	16	15%
Core Enterprise Value		95.0	79	
(+) Bank Jago (21.4% stake)	Indo Premier TP	10.4	9	8%
Total Enterprise Value		105.3	88	
(+) Net Cash (Debt), As of End FY24F		19.8	16	16%
(-) Minority Interest As of End FY24F		0.1	0	0%
Equity Value		125.0	104	
Target Price (Rp/share)		105		

Source: Bloomberg, Company data, Indo Premier

Fig. 5: Old vs New forecast

Key assumptions (Rp bn)	New			Old			Change (%)		
	2024F	2025F	2026F	2024F	2025F	2026F	2024F	2025F	2026F
GTV	498,283	562,361	634,720	654,034	738,768	na	-24%	-24%	na
ODS	61,621	69,016	77,298	58,806	65,863	na	5%	5%	na
GoTo Financial	448,092	506,344	572,169	407,510	460,486	na	10%	10%	na
Gross revenue	18,529	19,785	22,416	27,246	31,675	na	-32%	-38%	na
ODS	14,974	16,909	19,170	14,266	14,556	na	5%	16%	na
GoTo Financial	2,689	3,038	3,433	2,119	2,763	na	27%	10%	na
Take-rate	3.7%	3.5%	3.5%	4.2%	4.3%	na	-11%	-18%	na
ODS	24.3%	24.5%	24.8%	22.1%	22.1%	na	10%	11%	na
GoTo Financial	0.6%	0.6%	0.6%	0.5%	0.6%	na	20%	0%	na
Promotion to customers	(4,728)	(4,982)	(5,421)	(8,777)	(8,396)	na	-46%	-41%	na
Net revenue	13,801	14,803	16,995	18,469	23,280	na	-25%	-36%	na
Adj. EBITDA	60	554	2,608	149	5,063	na	-60%	-89%	na

Source: Bloomberg, Company data, Indo Premier

Key takeaways from 1Q24 earnings call:

- There was an accounting adjustment on ODS segment by switching certain delivery business from an agency model to principal model (delivery fee is recorded as gross revenue, while cost of delivery from driver recorded as cost of revenue). Other fees such as toll and tips was also included in GTV calculation. The adjustment was meant for like-for-like comparison with GOTO's regional and international peers (i.e. Grab).
- Indonesia's ODS GTV grew by +3% yoy in 1Q24, driven by product innovation. In addition, there were no incentives rationalization during Jan and Feb-23, which meant despite relatively flattish yoy growth, the growth was relatively robust as GOTO did not need to burn money significantly to obtain similar amount of GTV.
- Partnership between GOTO and Comfort Del Gro (CDG) has been live, with the aim to mutually grow the business in Singapore market.

- On lending, GOTO expect 2Q24F loan outstanding growth to decelerate, albeit still growing vs. 1Q24 level (+43% qoq) due to Lebaran seasonality.

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	5.7	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: 29 Apr 2024

Income Statement (Rp bn)	2022A	2023A	2024F	2025F	2026F
Gross revenue	22,927	24,260	18,529	19,785	22,416
Promotions	(11,578)	(9,475)	(4,728)	(4,982)	(5,421)
Net revenue	11,349	14,785	13,801	14,803	16,995
Operating expenses	(41,679)	(25,064)	(18,005)	(17,773)	(17,803)
Adjusted EBITDA	(27,417)	(3,670)	60	554	2,608
Net interest	385	266	429	377	400
Others	(10,600)	(80,622)	(194)	(148)	0
Pre-tax income	(37,632)	(84,025)	294	783	3,008
Income tax	136	116	4	3	(0)
Minority interest	837	123	5	3	(0)
Net income	(39,571)	(90,396)	(3,347)	(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

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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