

# Wira Global Solusi Tbk (WGSJ IJ)

## Venture Builder with Profitable Business Model

As a Venture Builder company that lists its shares on the Indonesia Stock Exchange, WGSJ captures the potential opportunities of the digital economy growth forecasted until 2025. The Company's pipeline focuses on start-ups that enrich the technology and financial ecosystem, which will encourage the company's revenue and profit, as well as start-ups that can increase fair value.

### Creates a Market Ecosystem

WGSJ with its strategic partners take advantage of digital transformation development, and are ready to release startups and create a market ecosystem both in technology and finance. WGSJ's technology ecosystem includes: Talents, Infrastructure, Machine Learning, Enterprise Solution, Customer Experience, Cyber Security, and Internet of Things (IoT). In financial ecosystem: Venture Capital, Private Equity, P2P Lending, and Crowdfunding. Meanwhile, the Company's ecosystem includes: Smooets, Emveep, AppsChef, and Techpolitan, as well as Mythologic Studio which will contribute to the WGSJ ecosystem. Currently, WGSJ is observing the increase in the fair value of startups such as Whizliz and Tweakmove.

### Digital Transformation Drives Upward Trend

WGSJ takes advantage of the significant growth of digital transformation in Indonesia. Based on the latest research, Google revised up Indonesia's digital economy Gross Merchandise Value (GMV) in 2025 from USD 124 billion to USD 146 billion. Along with the business model implemented by the company, there are opportunities leaps to above pre-pandemic level to occur. This performance has the potential to facilitate the exit strategy scheme that WGSJ will carry out in the future, with its Venture Builder scheme.

### Venture Builder Vs. Venture Capital

Venture Builder WGSJ has a software programmer base, focusing directly on the technological barriers faced by most startups in Indonesia, so they have less risk than Venture Capital companies. In addition, the startup profiles that are targeted by WGSJ are Small Medium Enterprise (SME), next-gen owner from family business, and experts, who already have business income or at least a business network.

### WGSJ Ways to Capture Value

WGSJ will have an additional captive revenue stream from the startup subsidiaries, where startups that record profits can provide dividend income. Meanwhile, startup subsidiaries that already have high valuations will be subjected to a fair value adjustment and then offered through Initial Public Offerings, Venture Capital, or large e-commerce companies. As of June 2021, WGSJ recorded a net operating income of IDR 10.56 billion. This figure grew significantly, compared to the same period the previous year, as the programming services business contributed around IDR 9.18 billion. Previously, the Company did not record revenue from this segment.

### Wira Global Solusi Tbk | Summary

	2020/12E	2021/12F	2022/12F	2023/12F
Revenue	13,991	18,026	21,686	26,088
<i>Revenue growth</i>	11.8%	28.8%	20.3%	20.3%
EBITDA	2,386	3,875	5,597	7,021
Net profit	2,068	3,742	4,165	5,274
EPS (IDR)	2.0	3.6	4.0	5.1
<i>EPS growth</i>	55.1%	81.0%	11.3%	26.6%
BVPS (IDR)	5.5	48.9	58.8	70.8
EBITDA margin	17.1%	21.5%	25.8%	26.9%
NPM	14.8%	20.8%	19.2%	20.2%
ROE	36.2%	49.9%	47.3%	47.3%
ROA	31.8%	43.9%	41.6%	41.6%
ROIC	32.0%	23.0%	47.1%	47.5%
P/E	70.6	70.6	70.6	70.6
P/BV	25.6x	5.2x	4.8x	5.0x
EV/EBITDA	59.3x	58.2x	44.2x	45.1x
DPS (IDR)	-	-	-	-
<i>Dividend yield</i>	-	-	-	-

Unit: IDR Mn, %, x

Source: Company Data, NHKS Research

Please consider the rating criteria & important disclaimer

Initiation Report | Feb. 7, 2022

## Not Rated

### Target Price (IDR)

Consensus Price (IDR)	N/A
TP to Consensus Price vs. Last Price	N/A

### Shares data

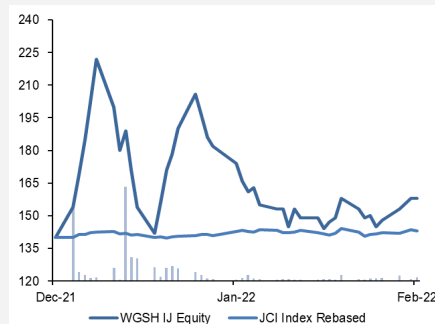
Last Price (IDR)	157
Price Date as of	Feb 4, 2022
52 wk Range (Hi/Lo)	244 / 139
Free Float (%)	20.0
Outstanding sh.(mn)	1,043
Market Cap (IDR bn)	164
Market Cap (USD mn)	11
Avg. Trd Vol - 3M (mn)	N/A
Avg. Trd Val - 3M (bn)	N/A
Foreign Ownership	N/A

### Technology

#### Software & IT Services

Bloomberg	WGSJ IJ
Reuters	WGSJ.JK

### Share Price Performance



	YTD	1M	3M	12M
Abs. Ret.	-13.2%	-9.2%	12.9%	12.9%
Rel. Ret.	-14.7%	-9.5%	10.6%	10.6%

### Arief Machrus

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## Summary of Financials

INCOME STATEMENT					PROFITABILITY & STABILITY				
(IDR Mn)	2020/12E	2021/12F	2022/12F	2023/12F		2020/12E	2021/12F	2022/12F	2023/12F
<b>Revenues</b>	<b>13,991</b>	<b>18,026</b>	<b>21,686</b>	<b>26,088</b>	ROE	36.2%	7.3%	6.8%	7.1%
<i>Growth</i>	11.8%	28.8%	20.3%	20.3%	ROA	31.8%	7.2%	6.6%	7.0%
COGS	8,070	10,566	11,775	13,879	ROIC	32.8%	7.2%	6.6%	6.2%
<b>Gross Profit</b>	<b>5,921</b>	<b>7,460</b>	<b>9,910</b>	<b>12,209</b>	Cash Dividend (IDR bn)	-	-	-	-
<i>Gross Margin</i>	42.3%	41.4%	45.7%	46.8%	Dividend Yield	-	-	-	-
Operating Expenses	3,747	4,462	5,368	6,458	Payout Ratio	-	-	-	-
<b>EBIT</b>	<b>2,174</b>	<b>2,998</b>	<b>4,542</b>	<b>5,751</b>	DER	13.7%	2.4%	2.4%	2.4%
<i>EBIT Margin</i>	15.5%	16.6%	20.9%	22.0%	Net Gearing	10.5%	1.6%	1.6%	1.6%
Depreciation	212	877	1,055	1,269	LT Debt to Equity	10.5%	1.6%	1.6%	1.6%
<b>EBITDA</b>	<b>2,386</b>	<b>3,875</b>	<b>5,597</b>	<b>7,021</b>	Capitalization Ratio	12.0%	2.4%	2.4%	2.4%
<i>EBITDA Margin</i>	17.1%	21.5%	25.8%	26.9%	Equity Ratio	88.0%	97.6%	97.6%	97.6%
Interest Expenses	-	-	-	-	Debt Ratio	12.0%	2.4%	2.4%	2.4%
<b>EBT</b>	<b>2,143</b>	<b>4,081</b>	<b>4,542</b>	<b>5,751</b>	Financial Leverage	113.7%	102.4%	102.4%	102.4%
Income Tax	75	339	377	478	Current Ratio	2994%	9586%	9586%	9586%
Minority Interest	-	-	-	-	Par Value (IDR)	20	20	20	20
<b>Net Profit</b>	<b>2,068</b>	<b>3,742</b>	<b>4,165</b>	<b>5,274</b>	Total Shares (Mn)	1,043	1,043	1,043	1,043
<i>Growth</i>	55.1%	81.0%	11.3%	26.6%	Share Price (IDR)	140	253	282	357
<i>Net Profit Margin</i>	14.8%	20.8%	19.2%	20.2%	Market Cap (IDR Bn)	146.0	264.2	294.1	372.4

BALANCE SHEET					VALUATION INDEX				
(IDR Mn)	2020/12E	2021/12F	2022/12F	2023/12F		2020/12E	2021/12F	2022/12F	2023/12F
Cash	5,211	39,498	47,517	57,163	Price/Earnings	70.6	70.6	70.6	70.6
Receivables	149	695	836	1,005	Price/Book Value	25.6x	5.2x	4.8x	5.0x
Inventories	-	-	-	-	Price/Sales	10.4x	14.7x	13.6x	14.3x
<b>Total Current Assets</b>	<b>5,360</b>	<b>40,193</b>	<b>48,352</b>	<b>58,168</b>	PE/EPS Growth	1.3x	0.9x	6.2x	2.7x
Net Fixed Assets	794	3,372	4,057	4,881	EV/EBITDA	59.3x	58.2x	44.2x	45.1x
Other Non Current Assets	340	8,677	10,439	12,558	EV/EBIT	65.0x	75.2x	54.5x	55.0x
<b>Total Assets</b>	<b>6,493</b>	<b>52,243</b>	<b>62,848</b>	<b>75,606</b>	EV (IDR bn)	141,411	225,538	247,553	316,386
Payables	179	419	504	607	Sales CAGR (3-Yr)	-	-	-	23.1%
ST Bank Loan	-	-	-	-	EPS CAGR (3-Yr)	-	-	-	36.6%
LT Debt	601	809	973	1,170	Basic EPS (IDR)	2.0	3.6	4.0	5.1
<b>Total Liabilities</b>	<b>780</b>	<b>1,228</b>	<b>1,477</b>	<b>1,777</b>	Diluted EPS (IDR)	-	-	-	-
Capital Stock + APIC	525	43,170	43,170	43,170	BVPS (IDR)	5.5	48.9	58.8	70.8
Retained Earnings	130	7,845	9,437	11,353	Sales PS (IDR)	13.4	17.3	20.8	25.0
<b>Shareholders' Equity</b>	<b>5,713</b>	<b>51,015</b>	<b>61,371</b>	<b>73,829</b>	DPS (IDR)	-	-	-	-

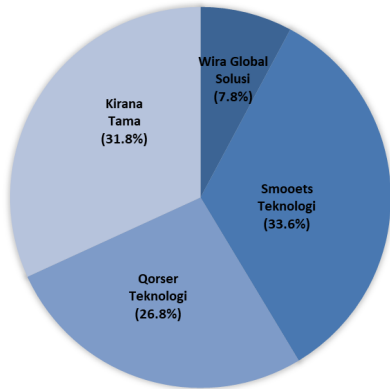
  

CASH FLOW STATEMENT					TOP OWNERSHIP			
(IDR Mn)	2020/12E	2021/12F	2022/12F	2023/12F	By Geography	% Shareholders	%	
Operating Cash Flow	2,940	3,303	3,974	4,781	Indonesia	100.0	PT Walden Global Serv.	36.3
Investing Cash Flow	(647)	(2,036)	(2,450)	(2,947)	Others	0.0	PT Wynfield Global Vent.	16.4
Financing Cash Flow	(1,345)	33,021	39,724	47,788			PT Silicon Valley Conn.	15.3
<b>Net Changes in Cash</b>	<b>948</b>	<b>34,288</b>	<b>41,248</b>	<b>49,622</b>			Others	32.1

Source: Company Data, NHKS Research

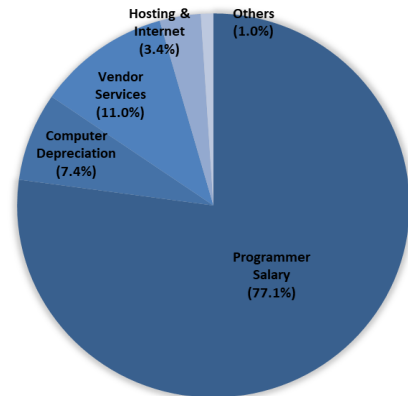
## Key Charts

### 2021F Revenue Breakdown



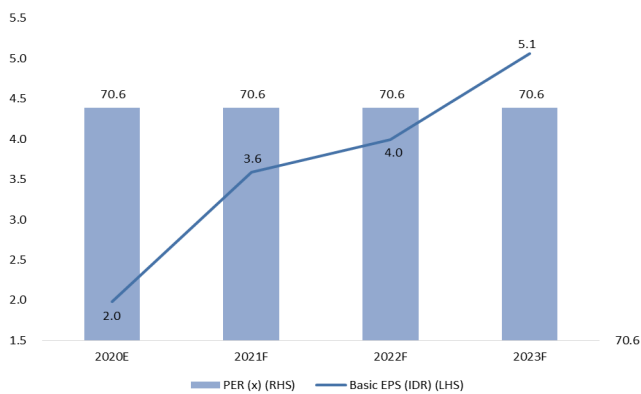
Source: Company Data, NHKS Research

### 2021F Cost of Revenue Breakdown



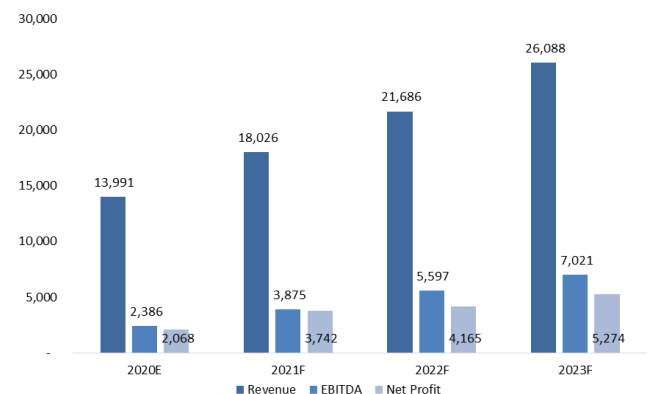
Source: Company Data, NHKS Research

### EPS Vs. PER



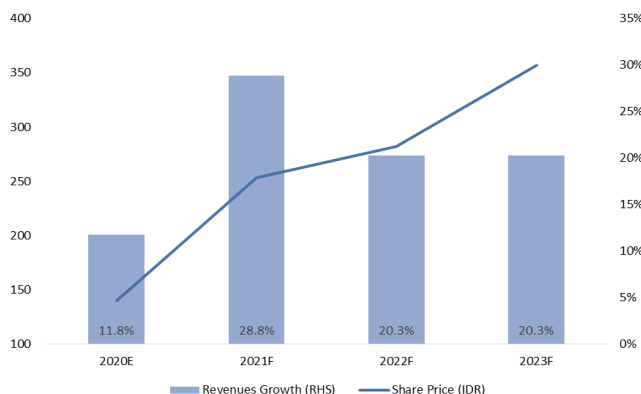
Source: Company Data, NHKS Research

### Revenue / EBITDA / Net Profit



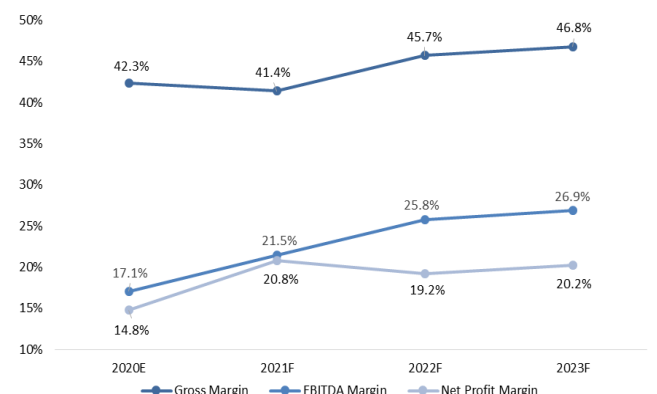
Source: Company Data, NHKS Research

### Share Price Vs. Revenues Growth



Source: Company Data, NHKS Research

### Margin Ratio



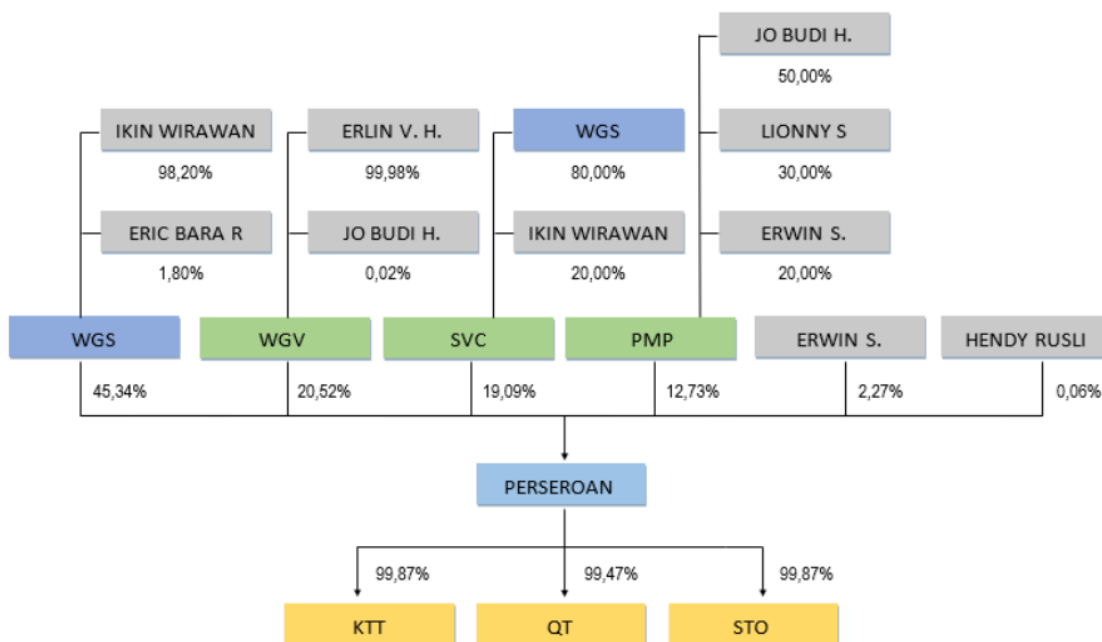
Source: Company Data, NHKS Research

## Company Profile

### Wira Global Solusi at A Glance

PT Wira Global Solusi, Tbk (WGS) is a Software and Information Technology Services company that started operations in 2016. WGS, which later expanded to become one of the Venture Builder companies in Indonesia, takes a partnership approach to anticipate risks and increase profitability. In addition to being an ecosystem, WGS also serves companies, digital agencies, family businesses, Small Medium Enterprises (SMEs), as well as technology startups. The three WGS subsidiaries are: PT Kirana Tama Teknologi, PT Smooets Teknologi Outsourcing, and PT Qorser Teknologi. PT Kirana Tama Teknologi or Emveep is a subsidiary which provides services for the tech startup segment, located in Indonesia. Emveep has handled a number of global start-ups, from start-up development, technology maintenance, to application launch. Previously, Emveep has collaborated with a number of clients such as: Julo, Reebonz, Whill, SehatQ, MedicTrust, KoinWorks, TICMI, and GoPlay.

### Company Structure and Share Ownership



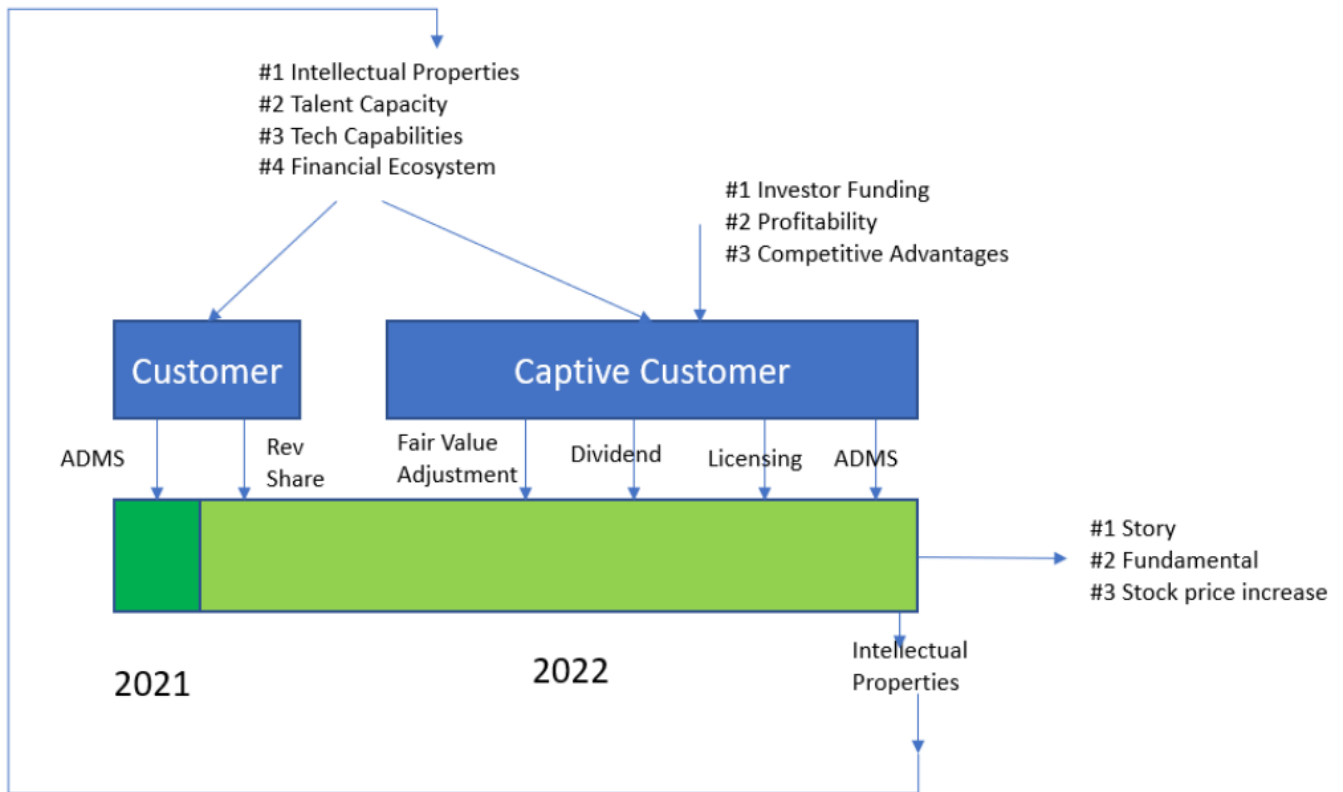
Source: Company Prospectus, NHKS Research

Meanwhile, Smooets is a subsidiary that focuses on web applications and mobile web, having previously offered PHP development services since 2008. Meanwhile, the last subsidiary is PT Qorser Teknologi, a company that focuses on mobile app and microservices developers. Qorser or better known as AppsChef CX, is also a Build to Suit Microservices ecosystem that can also expand the functionality of client applications in the future. Through its three subsidiaries, WGS owns up to 99% stake in a number of different startups, such as: Emveep, Pagii, Appschef, and Sandbox. For the record, WGS is a subsidiary of PT. Walden Global Services, which is also a Software and Information Technology Services company, and was previously established in 2009. WGS's head office is in BSD City, while PT. Walden Global Services is in Bandung.

Ownership	Number of Shares	Percentage (%)
PT Walden Global Services	378,094,999	45.33
PT Wynfield Global Ventures	171,100,000	20.52
PT Silicon Valley Connection	159,180,000	19.09
PT Pusaka Mas Persada	106,162,501	12.73
Erwin Senjaya Hartanto	18,937,500	2.27
Hendy Rusli	525,000	0.06

Source: Company Prospectus, NHKS Research

## Business Model



Source: Company Presentation, NHKS Research

## Organic Growth

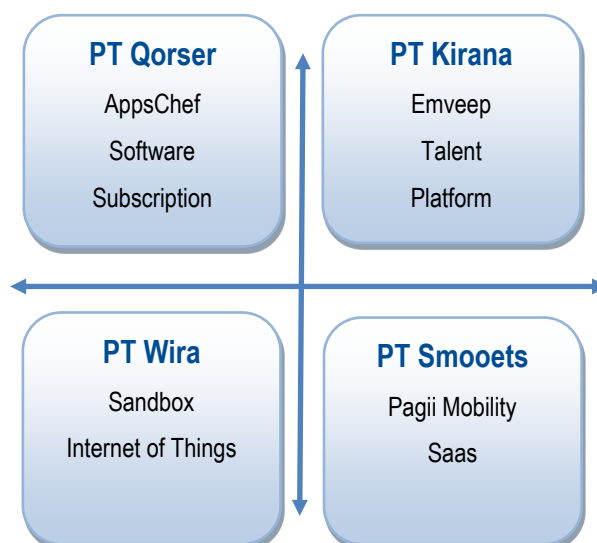
— Part of raised funds is 100% for Operating Expense

### Deploy partnership and capture GMV:

- **Factories:** D2C social commerce for Digital Native Brands
- **Malls:** Virtual Malls
- **F&B Players:** Cloud Kitchen
- Service Providers platform + related product offerings
- **Distributors:** B2B Commerce

### Internet of Things for:

- F&B
- Retail
- Office



### Talent platform to recapture the startup funds:

- Programmers
- Digital marketers
- Design/ Animation/ Video

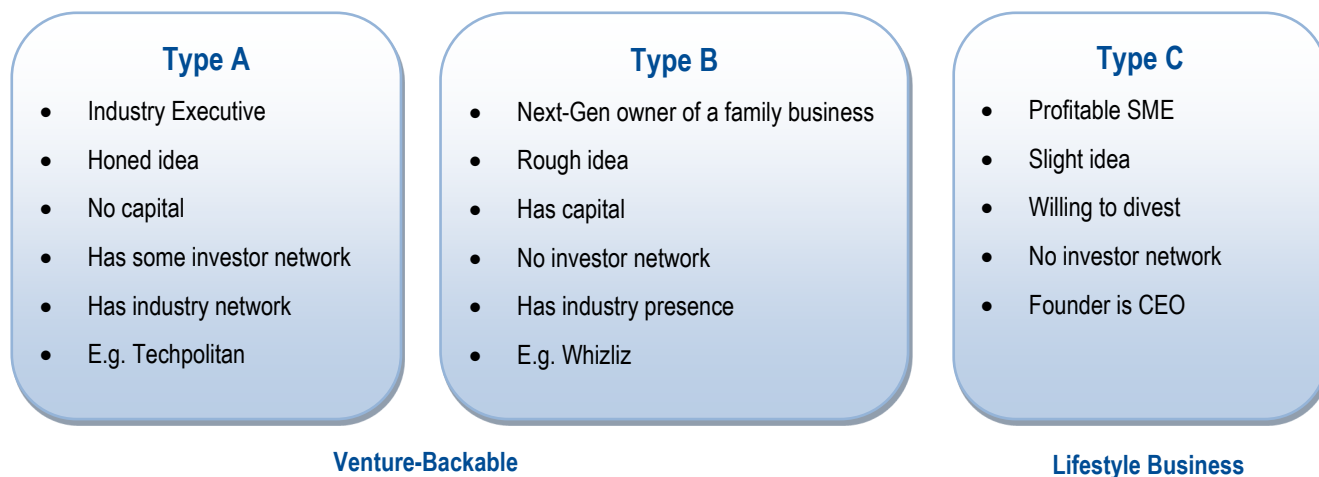
### Software as a service for work settings:

- Attendance
- Payroll

Source: Company Presentation, NHKS Research

## Inorganic Growth

### — Partner Criteria



Source: Company Presentation, NHKS Research

## Partner Type A

### — Industry Executives

Step 1	Step 2	Step 3
<ul style="list-style-type: none"> <li>• Ideation</li> <li>• Mockup</li> <li>• Website</li> <li>• Forecast</li> <li>• Biz Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Secure an operating partner</li> <li>• Secure angel round (IDR 2.5 Bn) at the same time as set up entity (25% WGSB, 50% Partner, 25% Angel)</li> <li>• WGSB invoice and get paid for software and services</li> </ul>	<ul style="list-style-type: none"> <li>• Secure VC/PE funding</li> <li>• Minimum funding USD 1 Mn out of USD 5 Mn post-money valuation (20% dilution)</li> <li>• WGSB invoice for continuous agile development &amp; managed services (ADMS)</li> <li>• Enjoy fair value positive adjustment</li> </ul>
<p><b>Pipeline:</b> Telelegal, Influencer Financing</p>		

Source: Company Presentation, NHKS Research

## Partner Type B

### — Next-Gen Family Business

Step 1	Step 2	Step 3
<ul style="list-style-type: none"> <li>Ideation</li> <li>Website</li> <li>Forecast</li> <li>Biz Plan</li> </ul>	<ul style="list-style-type: none"> <li>Develop software Minimum Viable Product (MVP) for presentation purposes</li> <li>Secure partner which also becomes initial investor (25% WGSB, 75% Partner)</li> <li>Cashflow: Investment from WGSB returns as Startup entity purchases software perpetual license Distributors: B2B Commerce</li> </ul>	<ul style="list-style-type: none"> <li>Secure VC/PE funding</li> <li>Minimum funding USD 1 Mn out of USD 5 Mn post-money valuation (20% dilution).</li> <li>WGSB invoice for continuous Agile Development &amp; Managed Services (ADMS)</li> <li>Enjoy fair value positive adjustment</li> </ul>

Pipeline: F&B Entrepreneur Ecosystem

Source: Company Presentation, NHKS Research

## Partner Type C

### — Profitable SMEs

Step 1	Step 2	Step 3
<ul style="list-style-type: none"> <li>Ideation</li> <li>Website</li> <li>Forecast</li> <li>Biz Plan</li> </ul>	<ul style="list-style-type: none"> <li>Develop software Minimum Viable Product (MVP)</li> <li>Initially, work with partner under Revenue Share Model</li> </ul>	<ul style="list-style-type: none"> <li>Secure VC/PE funding at minimum post-money valuation USD 5 Mn</li> <li>WGSB invoice to convert Revenue Share Model to Perpetual software license. Payables converted to shares (20% WGSB, 20% Investor, 60% Partner).</li> <li>Enjoy fair value positive adjustment.</li> </ul>

Pipeline: Coffee Export, Edge Computing

Source: Company Presentation, NHKS Research

## Management Background

### Board of Commissioner

#### Ikin Wirawan

President Commissioner

Ikin Wirawan, aged 38 and an Indonesian citizen, has served as the Company's President Commissioner since 2016. He earned a Bachelor's degree majoring in Electrical Engineering and Computer Science at the University of California, United States of America in 2004.

#### Work Experiences

2016-Present : President Commissioner, PT. Wira Global Solusi, Tbk  
2015-Present : Commissioner, PT. Walden Global Services  
2009-2015 : Director, PT. Walden Global Services  
2006-2009 : Director, CV. Kirana Tama  
2004-2006 : Web Programmer, Sparkart LLC, Inc

#### Erwin Senjaya Hartanto

Commissioner

Erwin Senjaya Hartanto, 30 years old and an Indonesian citizen, has served as the Company's Commissioner Perseroan since 2016. He earned a Diploma majoring in Banking & Science at the Monash College Singapore in 2011. He also achieved a Bachelor's degree in Banking & Science at the University of Monash Melbourne, Australia in 2012.

#### Work Experiences

2021-Present : Commissioner, PT. Sinar Pusaka Lestari  
2020-Present : Commissioner, PT. Pusaka Inti Graha  
2019-Present : Commissioner, PT. Pusaka Agro Pacific  
2016-Present : Commissioner, PT. Wira Global Solusi, Tbk  
2016-Present : Commissioner, PT. Dago Inti Graha  
2013-Present : Founder & President Director , PT. Pusaka Mas Persada

#### M. Fidelis Tedja Surya

Independent Commissioner

M. Fidelis Tedja Surya, aged 63 and an Indonesian citizen, took office as the Company's Commissioner Perseroan in 2021. He previously earned a Bachelor's degree in Civil Engineering at the University of London Imperial College in 1984.

#### Work Experiences

2021-Present : Independent Commissioner of the Company  
2019-Present : Commissioner, PT. Trans Hybrid Communication  
2012-2014 : Senior Advisor, PT. Indosat, Tbk  
2008-Present : President Director , PT. Primedia Armoekadata Internet  
2008-Present : Commissioner, PT. Lintas Media Danawa  
2009-2019 : President Director, PT. Trans Hybrid Communication  
1994-2000 : IT Consultant  
1992-1994 : Project Officer, PT. Maharani Propertindo  
1985-1992 : Director, PT. Surya Mahkota Industri



## Management Background

### Board of Director

#### Edwin

President Director

Edwin, aged 34 and an Indonesian citizen, has served as the Company's President Director since 2021. He earned a Bachelor's degree majoring in Marketing Management at the Maranatha University, Bandung in 2010.

#### Work Experiences

2021-Present : President Director of the Company  
2021-Present : Director, PT. Tri Stuba Amiga  
2020-Present : Director, PT. T-Files Indonesia  
2015-2018 : PT. Percepatan Digital Nusantara  
2014-Present : Director, PT. Pramana Mitra Gemilang  
2013-2014 : Relationship Manager, PT. Bank Maybank Indonesia  
2012-2013 : Relationship Manager, PT. Bank CIMB Niaga

#### Hendy Rusli

Director

Hendy Rusli, aged 35 and an Indonesian citizen, took office as the Company's Director since 2017. He earned a Bachelor's degree majoring in Painting at the Maranatha Christian University, Bandung, in 2009.

#### Work Experiences

2017-Present : Director of the Company  
2016-2017 : VP of Marketing, PT. Walden Global Services  
2015-2016 : Manager Hellomedia  
2014-2015 : Marketing Officer, PT. Walden Global Services  
2012-2014 : Owner Bon Appetit Catering

#### Pingadi Limajaya

Director

Pingadi Limajaya, aged 31 and an Indonesian citizen, has served as the Company's Director since 2021. He obtained his Bachelor's degree in Informatics Engineering at the Harapan Bangsa Institute of Technology in 2012.

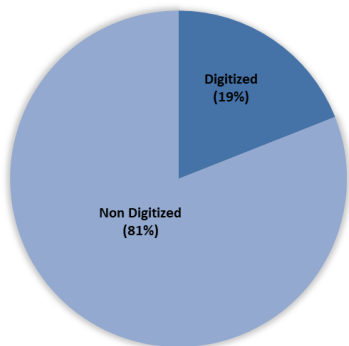
#### Work Experiences

2021-Present : Director of the Company  
2016-Present : VP of Pre-sales, PT. Walden Global Services  
2015-2015 : Technical Pre-Sales, PT. Walden Global Services  
2013-2015 : Lead Developer, PT. Walden Global Services  
2012-2013 : Developer, PT. Walden Global Services

## Industry Outlook

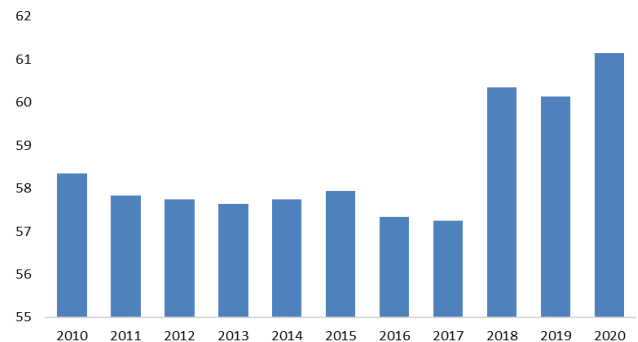
The Covid-19 pandemic has changed aspects of how to work, shop, and study, making many companies have to digitize their business. All sizes of business, ranging from large, medium, Small and Medium Enterprises (SMEs) or family companies must begin to carry out digital transformation. PT Wira Global Solusi Tbk (WGSB) as a company that provides information technology services and products, takes this positive opportunity. The high value of investment to transform from a conventional business to a digital business, makes it more challenging for most SMEs to adapt. Family companies or SMEs have difficulty competing with competitors in this digitalization segment. In fact, if we look at the top down analysis, the SME segment has a large contribution at more than 60% of the national Gross Domestic Product (GDP). SMEs have strategic opportunities, especially SMEs that are profitable, after they are supported by the provision of incentives by the government, such as from taxation to banking access. In addition to serving information technology products for SMEs, the Company has also begun to switch to a Venture Builder business model.

### SME Digitized Portion



Source: Company Presentation, NHKS Research

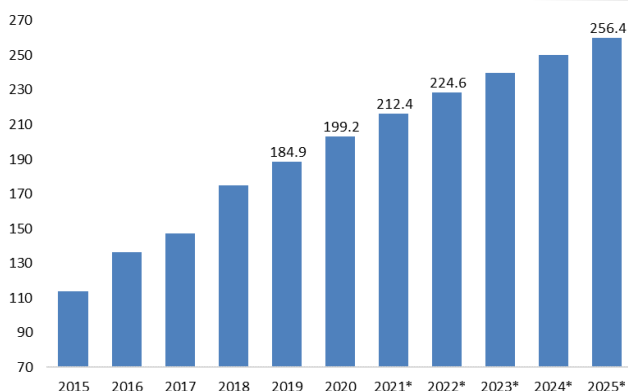
### SME Contribution to GDP (%)



Source: Company Presentation, NHKS Research

From the Company's perspective, the Venture Builder business has less risk than venture capital. Venture builders focus more on experienced human resources when compared to fundraising by venture capital. The venture builder will also handle administrative matters. To take advantage of this market, besides being a vendor providing products and services, WGSB also functions as a partner and can form a startup company. Therefore, WGSB's target market is large companies that already have experiences in the industry, family companies that have been passed on to the next generation, and SME companies that have made profit. In terms of capacity, WGSB is still relatively small. Until the 1H21 period, the Company recorded total assets of IDR 23.75 billion. Meanwhile, total liabilities and equity were IDR 2.32 billion and IDR 21.43 billion, respectively. However, with this capacity, it makes WGSB move more flexibly and quickly adapt to a number of fields, such as Food and Beverage (F&B). WGSB is also able to reach the latest technology such as Metaverse, supported by comprehensive HR, and support the WGSB group as a whole.

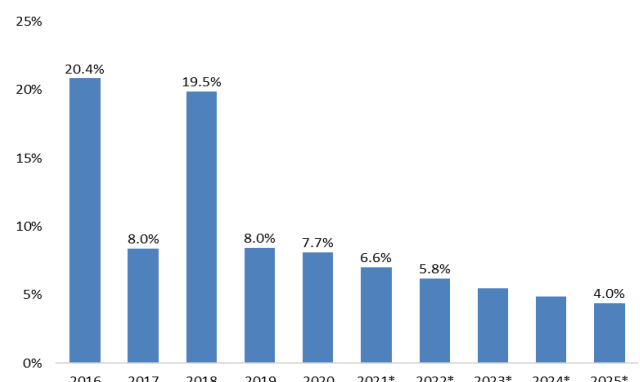
### Number of Internet Users (in Mn)



Source: statista.com, NHKS Research

\*Forecast

### Internet Users Growth



Source: statista.com, NHKS Research

\*Forecast

### NH Korindo Sekuritas Indonesia (NHKSI) Stock Ratings

1. Based on a stock's forecasted absolute return over a period of 12 months from the date of publication.
2. Rating system based on a stock's potential upside from the date of publication
  - Buy : Greater than +15%
  - Overweight : +5% to 15%
  - Hold : -5% to +5%
  - Underweight : -5% to -15%
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