

# Gojek Tokopedia Tbk (GOTO IJ)

## Sustaining Forward Momentum

A solid result recorded in 2Q24, as GOTO managed to lower its net loss, which shrank to -IDR 1.83 trillion from -IDR 3.29 trillion last year. It was supported by operating expenses, which fell by -40.8% to IDR 2.59 trillion. The company also posted growth in its net revenue of 3.01% YoY at IDR3.65 trillion from IDR 3.55 trillion in 2Q23 with a lower incentives.

### Growth in Group Operational Metrics

- In this quarter, the Group's gross transaction value (GTV) grew 20% YoY to reach IDR 121.58 trillion from IDR 96 trillion. Meanwhile, the Group's core GTV, which excludes merchant payment gateway, grew 54% YoY to reach IDR 63.2 trillion. Gross Revenue also grew 39% compared to the same period in the previous year (YoY) to reach IDR4.3 trillion. Group Adjusted EBITDA also improved by 95% YoY to reach -IDR 70 billion from -IDR 1,208 billion in the same quarter last year.
- E-commerce Service Fee** earned by the company has increased, which contributed to the group revenue of IDR 157.03 billion compared to IDR 109.63 billion last quarter/+43.29% QoQ.

### Surge in Fintech Segment

- The FinTech segment accelerated with GTV increasing by +27% YoY to Rp 115.3 trillion from Rp 90.48 trillion. Then Gross Revenue grew 97% YoY to Rp788 billion, and Take rate grew by 0.24% YoY while Revenue also rose +210.6% YoY to Rp 640 billion from Rp 206 billion. Adjusted EBITDA in this segment is in the process of heading to a positive level by reducing losses by 67% YoY to - IDR 168 billion from -IDR 508 billion.
- The growth in this segment was supported by the level of consumer lending (buy now pay later / BNPL products and cash loans) disbursed to GOTO customers. This resulted in total loan disbursements of Rp 3.5 trillion from Rp 2.7 trillion in the previous quarter. (3.5x YoY growth). As of June 2024, GOTO has also finally launched the BNPL product as an installment payment method for users who shop at Shop|Tokopedia on the TikTok platform.

### Adjusted EBITDA of ODS Segment Record Positive Results for Two Consecutive Quarters

- GTV recorded +15% YoY growth this quarter to IDR 15.5 trillion, revenue also grew 16.7% QoQ to IDR 2.6 trillion. Adjusted EBITDA experienced significant improvement as it grew to a positive level for the two quarters, to IDR 90 billion from -IDR164 billion in the same period last year.
- Growth is also supported by Gojek Plus which now has a wider user base (2x growth since January 2024) and now accounts for 20% of the ODS segment GMV. GoFood is also now integrated with the TikTok application. This cooperation between Gojek and TikTok makes it easier for platform users to utilize food delivery services without having to leave the application.

### Considerations, Outlook/Update from Q2

- The company's target to achieve positive Adjusted EBITDA overall by 2024 is a key consideration, as the company's Adjusted EBITDA has unfortunately been negative for the past 2 quarters. The company's Cash from Operating also deteriorated from -Rp 81.68 billion to -Rp 513.06 billion QoQ. According to Guidance Adjusted EBITD, the second semester of 2024 is expected to improve driven by the company's seasonal factors ahead of Q3 and Q4.
- The Shares Buyback Program has also been approved by the company, where the program has been implemented by purchasing US\$12 million of the maximum \$200 million by June 2024.

### Recommendation to Maintain Buy With Adjusted TP of IDR 77

- We continue to recommend Buy for GOTO with an adjustment to the target price to IDR 77/share. This TP implies an EV/Sales of 4.94x by 2024F.
- The risks of our recommendation include the risk of market fluctuations, the risk of intense competition in the company's business segments, then the risk of counterproductive domestic regulations and strategy execution errors in integration between ecosystems.

### PT Gojek Tokopedia Tbk. | Summary (IDR Bn)

in IDR bn	2022/12A	2023/12A	2024/12F	2025/12F
Group GTV	613,362	606,547	491,493	530,813
Gross Revenue	22,927	24,262	19,119	23,887
Net Revenue	11,349	14,785	15,092	22,370
EBITDA	(27,417)	(7,608)	(2,735)	(895)
Net profit	(39,571)	(90,396)	(3,550)	(1,365)
EPS (IDR)	-35	-75	-3.0	-1.2
GPM	51.7%	65.6%	51.7%	53.0%
ROE	-30.2%	-114.1%	-10.3%	-4.0%
ROA	-26.9%	-93.5%	-7.1%	-2.8%
P/BV	0.85	2.89	2.77	2.54
P/S	9.23	6.99	6.05	4.08
EV/Sales	6.86	5.40	4.94	3.25
EV/EBITDA	-2.84	-10.50	-27.27	-81.34

Source: Company Data, Bloomberg, NHKSI Research  
Please consider the rating criteria & important disclaimer

## BUY

Price Target (IDR)	77
Consensus Price (IDR)	83
TP to Consensus Price	-7.2%
Potential Upside	45.3%

### Shares data

Last Price (IDR)	53
Price Date as of	Aug 2, 2024
52 wk Range (Hi/Lo)	116/50
Free Float (%)	67.49
Outstanding sh.(mn)	1,201,409
Market Cap (IDR bn)	62,473
Market Cap (USD mn)	3,872
Avg. Trd Vol - 3M (mn)	3,114.60
Avg. Trd Val - 3M (bn)	178.82
Foreign Ownership (%)	73.54%

### Technology

#### Internet Media & Services

Bloomberg	GOTO IJ
Reuters	GOTO.JK

### Share Price Performance



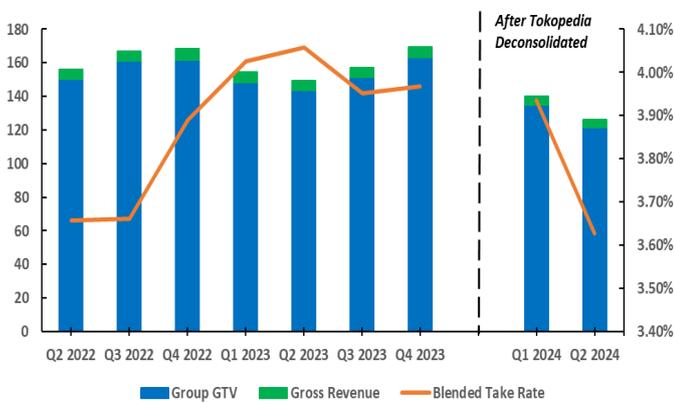
	YTD	1M	3M	12M
Abs. Ret.	-39.1%	6.0%	-15.9%	-51.4%
Rel. Ret.	-39.6%	4.6%	-16.0%	-57.0%

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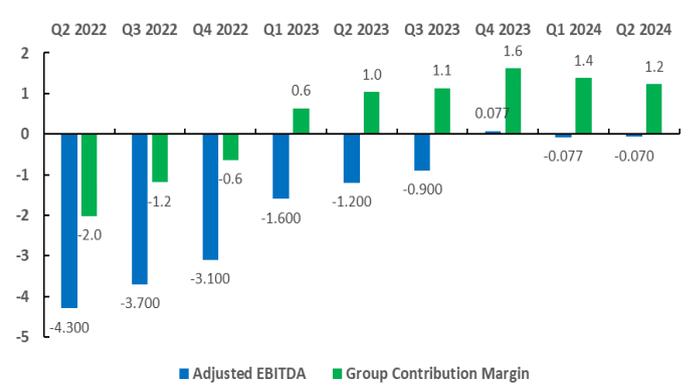
## Key Operating Metrics

GOTO's Group GTV as Reported (IDR Tn)



Source: Company Data, NHKSI Research

GOTO's Contribution Margin & Adjusted EBITDA (IDR Tn)



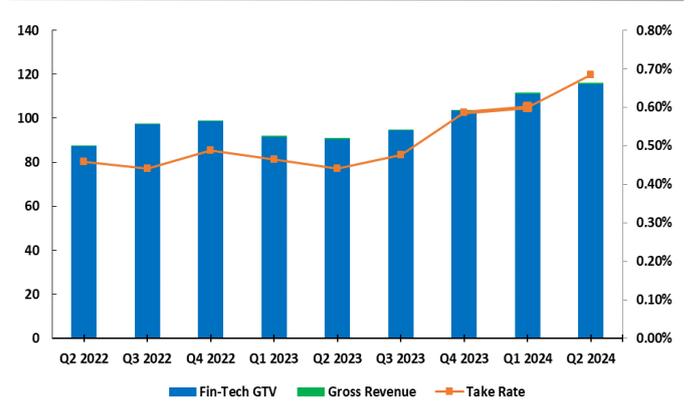
Source: Company Data, NHKSI Research

GOTO's On Demand Services GTV (IDR Tn)



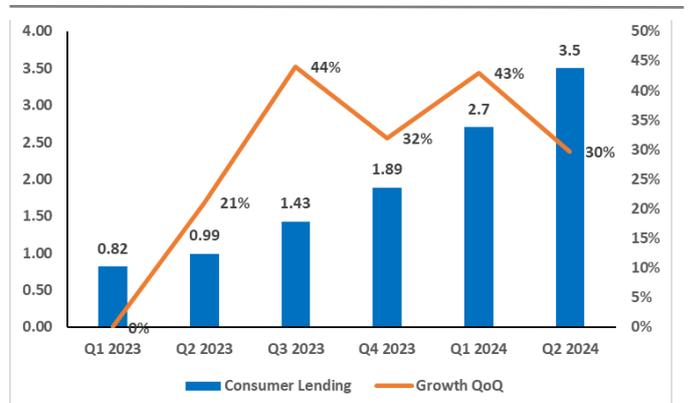
Source: Company Data, NHKSI Research

GOTO's Financial Technology GTV (IDR Tn)



Source: Company Data, NHKSI Research

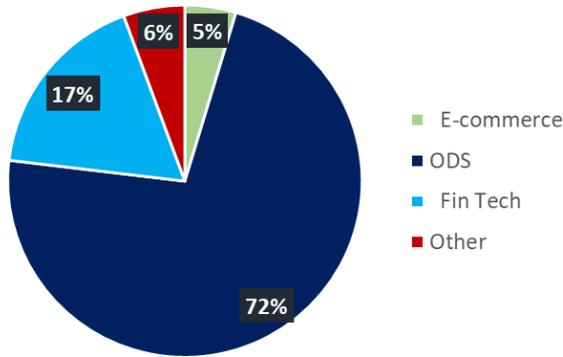
GOTO Financial Loan Growth (IDR Tn)



Source: Company Data, NHKSI Research

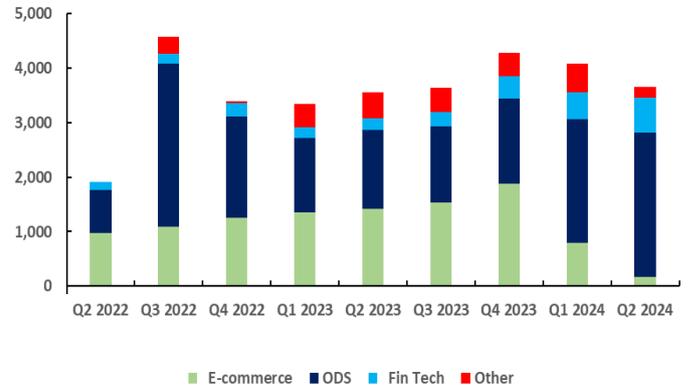
# Performance Highlights

## GOTO's Revenue Breakdown (Q2-24)



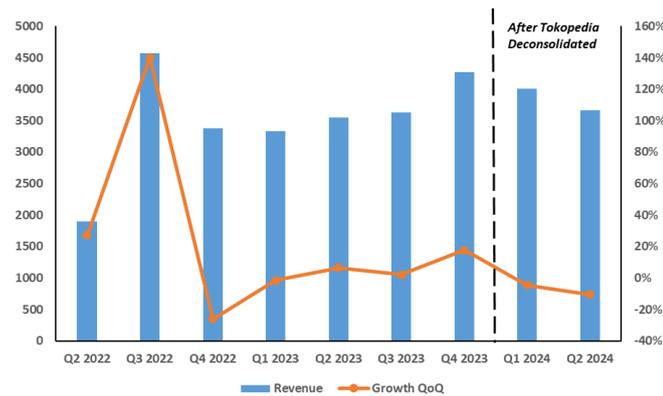
Source: Company Data, NHKSI Research

## GOTO's Revenue by Segment (IDR Bn)



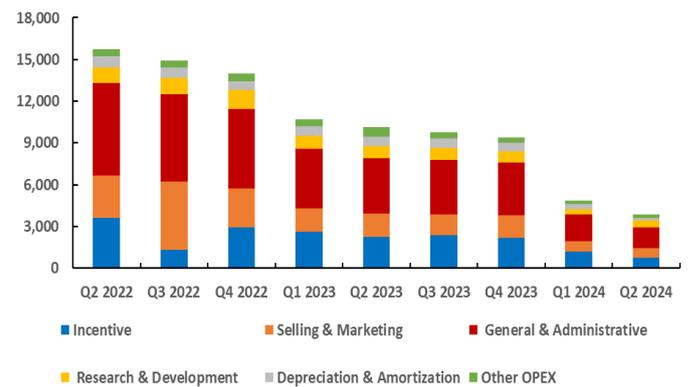
Source: Company Data, NHKSI Research

## GOTO's Revenue Growth (IDR Bn)



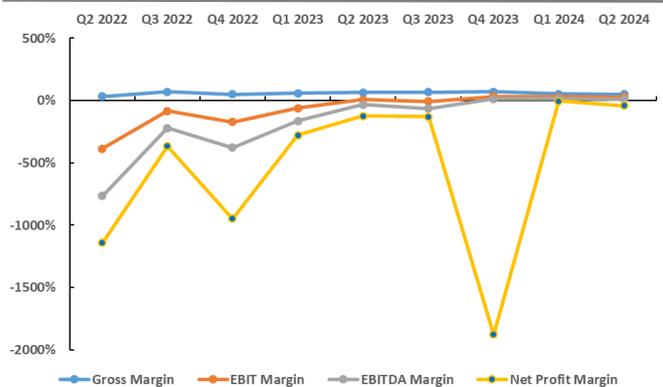
Source: Company Data, NHKSI Research

## GOTO's OPEX & Incentives (IDR Tn)



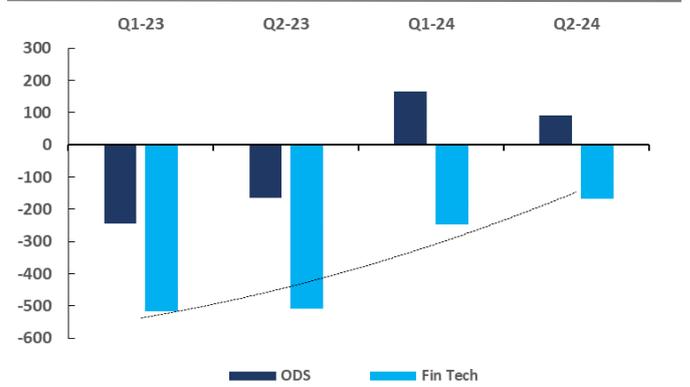
Source: Company Data, NHKSI Research

## GOTO's Margin Ratio



Source: Company Data, NHKSI Research

## GOTO's Segment Adjusted EBITDA YoY (IDR Bn)



Source: Company Data, NHKSI Research

## VS Peers (as of 2 August)

### E-Commerce Peers (in Bn)

Name	Ticker	Mkt Cap (USD)	EV/Sales T12M	P/S	Rev - 1 Yr Gr:Y (%)	ROE LF (%)
GOTO GOJEK TOKOPEDIA TBK PT	GOTO IJ	3,844	2	4	30.3	-22.2
BUKALAPAK.COM PT TBK	BUKA IJ	768	#N/A	3	22.7	-9.1
GLOBAL DIGITAL NIAGA TBK PT	BELI IJ	3,412	4	4	-3.6	-55.2
AMAZON.COM INC	AMZN US	1,915,548	3	3	11.8	17.5
ALIBABA GROUP HOLDING-SP ADR	BABA US	188,570	1	2	8.3	10.1
SEA LTD-ADR	SE US	36,658	2	3	4.9	12.4
SHOPIFY INC - CLASS A	SHOP CN	75,029	13	10	26.1	1.5
<b>Average</b>		<b>317,690</b>	<b>4.2</b>	<b>3.9</b>	<b>14.4</b>	<b>-6.4</b>

Source: Bloomberg, NHKSI Research

### Ride Hailing (ODS) Peers (in Bn)

Name	Ticker	Mkt Cap (USD)	EV/Sales T12M	P/S	Rev - 1 Yr Gr:Y (%)	ROE LF (%)
GOTO GOJEK TOKOPEDIA TBK PT	GOTO IJ	3,844	2.2	4	30.3	-22.2
LYFT INC-A	LYFT US	4,608	1.6	1	7.5	-73.2
UBER TECHNOLOGIES INC	UBER US	127,503	4.3	3	17.0	19.5
GRAB HOLDINGS LTD - CL A	GRAB US	12,783	3.4	5	64.6	-6.7
<b>Average</b>		<b>37,184</b>	<b>2.9</b>	<b>3.2</b>	<b>29.8</b>	<b>-20.6</b>

Source: Bloomberg, NHKSI Research

### Fin-Tech Peers (in Bn)

Name	Ticker	Mkt Cap (USD)	EV/Sales T12M	P/S	Rev - 1 Yr Gr:Y (%)	ROE LF (%)
GOTO GOJEK TOKOPEDIA TBK PT	GOTO IJ	3,844	2.17	3.56	30	-22
PAYPAL HOLDINGS INC	PYPL US	66,769	1.83	2.25	8	21
BLOCK INC	SQ US	36,961	2.18	1.57	25	0
TENCENT HOLDINGS LTD	700 HK	429,428	4.31	5.08	10	26
ONE 97 COMMUNICATIONS LTD	PAYTM IN	3,815	1.82	3.20	25	-13
<b>Average</b>		<b>108,163</b>	<b>2.5</b>	<b>3.1</b>	<b>19.6</b>	<b>2.2</b>

Source: Bloomberg, NHKSI Research

## Valuation & Recommendation (as of 2 August)

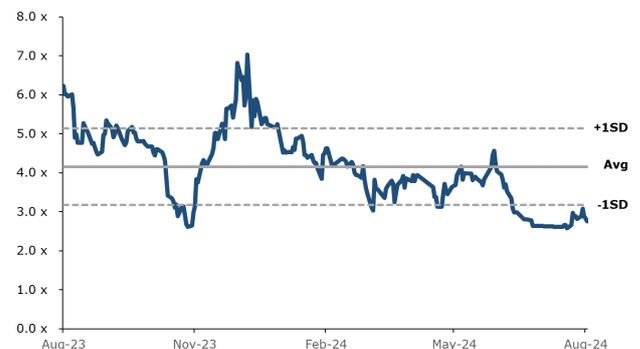
Valuation	Ownership	Target EV/sales(x)	FY Sales 24	EV
On Demand Service	100%	2.87	10,253	29,402
E-Commerce (TTS & TOPED)	25%	4.22	1,339	1,412
Fin-Tech	100%	2.46	2,528	6,226
ARTO (Mark to Market)	21.4%	-	-	37,550
<b>Total Enterprise Value</b>	<b>74,590</b>			
Debt	4,960			
Cash	22,494			
<b>Market Cap</b>	<b>92,124</b>			
Outstanding Shares (bn)	1,201			
<b>Target Price (IDR) (rounded)</b>	<b>77</b>			
<b>EV/Sales</b>	<b>4.94</b>			

We made a comparison (Relative Valuation) of GOTO against similar competitors in the same industry based on its segmentation. Including companies listed on the US stock exchange and in the ASIAN market, for the SOTP calculation.

Based on Blended Historical & Forward EV/Sales, GOTO is currently trading below its 1-year average, even below -1 Standard Deviation.

Based on the SOTP calculation, we recommend GOTO with a Rp 77/ share target, which implies 4.94x above its average. The recommendation is also based on the fact that we see many opportunities ahead, especially in ODS & GOTO Financial with its integration into Tokopedia's Shop, where the company's profitability and Cost Efficiency are also improving and GOTO as a proxy for Indonesia's digital economy with the largest weight.

### GOTO's Blended Forward EV/Sales | Last 1-Year



Source: Company Data, NHKSI Research, Bloomberg

## Summary of Financials

### INCOME STATEMENT

(IDR bn)	2022/12A	2023/12A	2024/12F	2025/12F
Group GTV	613,362	606,547	491,493	530,813
Gross Revenue	22,927	24,262	19,119	23,887
Sales	<b>11,349</b>	<b>14,785</b>	<b>15,092</b>	<b>22,370</b>
Growth		30.3%	2.1%	48.2%
COGS	5,480	5,093	7,283	10,514
Gross Profit	<b>5,869</b>	<b>9,692</b>	<b>7,809</b>	<b>11,856</b>
Gross Margin	51.7%	65.6%	51.7%	53.0%
Operating Expenses	34,185	18,047	10,392	12,975
EBIT	<b>(30,330)</b>	<b>(10,279)</b>	<b>(3,708)</b>	<b>(2,237)</b>
EBIT Margin	-267.2%	-69.5%	-24.6%	-10.0%
Depreciation	2,913	2,671	973	1,342
EBITDA	<b>(27,417)</b>	<b>(7,608)</b>	<b>(2,735)</b>	<b>(895)</b>
Interest Expenses	(193)	(358)	(477)	(100)
EBT	<b>(40,545)</b>	<b>(90,634)</b>	<b>(3,801)</b>	<b>(1,461)</b>
Income Tax	136	116	127	49
Minority Interest	837	123	123	47
Net Profit	<b>(39,571)</b>	<b>(90,396)</b>	<b>(3,550)</b>	<b>(1,365)</b>
Growth	85.0%	128.4%	96.1%	61.6%
Net Profit Margin	-348.7%	-611.4%	-23.5%	-6.1%

### PROFITABILITY & STABILITY

	2022/12A	2023/12A	2024/12F	2025/12F
ROE	-30.2%	-114.1%	-10.3%	-4.0%
ROA	-26.9%	-93.5%	-7.1%	-2.8%
Inventory Turnover	76.9x	71.3x	83.0x	182.5x
Receivable Turnover	18.1x	13.4x	12.4x	18.3x
Payable Turnover	0.5x	0.5x	0.4x	0.5x
DER	2.0%	12.1%	13.0%	9.0%
DAR	1.8%	8.0%	9.5%	6.1%
Current Ratio	2.81x	2.62x	2.86x	2.10x
Quick Ratio	2.80x	2.62x	2.85x	2.09x
Total Shares (bn)	1,151	1,201	1,201	1,201
Share Price (IDR)	91	86	77	77
Market Cap (IDR tn)	104.7	103.3	92.5	92.5

### BALANCE SHEET

(IDR bn)	2022/12A	2023/12A	2024/12F	2025/12F
Cash	29,275	27,758	20,580	21,703
Receivables	627	1,106	987	1,226
Inventories	71	71	47	58
Total Current Assets	<b>34,180</b>	<b>33,617</b>	<b>27,035</b>	<b>29,699</b>
Net Fixed Assets	1,457	1,039	325	514
Other Non Current Asset	103,579	19,441	17,919	22,370
Total Non Current Asset	105,036	20,480	18,243	22,884
Total Assets	<b>139,217</b>	<b>54,097</b>	<b>45,278</b>	<b>52,583</b>
Payables	10,881	11,151	7,492	12,824
ST Bank Loan	615	903	1,609	903
Total Current Liabilities	<b>12,162</b>	<b>12,823</b>	<b>9,461</b>	<b>14,174</b>
LT Debt	1,826	3,433	2,674	2,320
Total Liabilities	<b>16,493</b>	<b>18,377</b>	<b>12,270</b>	<b>16,697</b>
Capital Stock + APIC	244,864	251,005	257,193	262,242
Retained Earnings	(118,481)	(208,929)	(212,479)	(213,844)
Shareholders' Equity	<b>122,723</b>	<b>35,720</b>	<b>33,008</b>	<b>35,886</b>

### CASH FLOW STATEMENT

(IDR bn)	2022/12A	2023/12A	2024/12F	2025/12F
Operating Cash Flow	(17,170)	(4,300)	255	3,978
Investing Cash Flow	1,098	(1,498)	(6,509)	(200)
Financing Cash Flow	13,374	1,714	(1,451)	(2,983)
Net Changes in Cash	(2,142)	(4,084)	(7,178)	1,123

### VALUATION INDEX

	2022/12A	2023/12A	2024/12F	2025/12F
Price/Book Value	0.9x	2.9x	2.8x	2.6x
Price/Sales	9.2x	7.0x	6.1x	4.1x
Price/GTV	0.171x	0.170x	0.188x	0.174x
EV/Sales	6.9x	5.4x	4.94x	3.3x
EV/EBITDA	-2.8x	-10.5x	-27.3x	-82.7x
EV (IDR bn)	77,889	79,898	74,590	73,981
Basic EPS (IDR)	(35)	(75)	(3)	(1.2)
BVPS (IDR)	107	30	27	30
Sales/RPS	9.86	12.31	12.56	18.62

### TOP OWNERSHIP

Shareholders	%
ALIBABA GROUP HOLDING LTD	7.9
SVF GT SUBC PTE	7.7
GOTO PEOPLEVERSE FUND	6.3
REPUBLIC OF SINGAPORE	5.7
By Geography	%
Unknown	44.7
Hong Kong	18.4
Singapore	13.4
United States	13.6

Source: Company Data, NHKSI Research

**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%
  - Sell : Less than -15%

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