

## BUY (Unchanged)

**Target Price (IDR)** 150 (from 150)  
**Potential Upside (%)** 36.4

### Price Comparison

Cons. Target Price (IDR)	155
SSI vs. Cons. (%)	96.8

### Stock Information

Last Price (IDR)	110
Shares Issued (Mn)	1,133,792
Market Cap. (IDR Bn)	130,280
52-Weeks High/Low (IDR)	442/81
3M Avg. Daily Value (IDR Bn)	435.6
Free Float (%)	60.7
<b>Shareholder Structure:</b>	
GOTO Peopleverse Fund (%)	6.85
Public (%)	63.29
Taobao China Holding Ltd (%)	8.84

### Stock Performance

(%)	YTD	1M	3M	12M
Absolute	20.9	(11.3)	14.6	N/A
JCI Return	(0.6)	(0.1)	(0.1)	(4.3)
Relative	21.5	(11.2)	14.7	N/A

### Stock Price & Volumes, 12M



### Company Background

GoTo Group is the largest digital ecosystem in Indonesia. GoTo's mission is to "drive progress" by offering technology infrastructure and solutions for everyone to access and thrive in the digital economy. GoTo's ecosystem offers on-demand transportation services, e-commerce, food delivery, logistics, as well as financial and payment services through Gojek, Tokopedia, and GoTo Financial.

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## Oasis or Mirage?

**Superb top line, discouraging bottom line.** GOTO posted a top line of IDR 3.4 trillion in 4Q22 (+199% yoy, -26% qoq) on the back of higher revenue from its on-demand services (IDR 1.9 trillion; +1,242% yoy, -39.7% qoq). GOTO also managed to book a higher GTV (IDR 161.9 trillion; +18% yoy, +1% qoq) with an overall net take rate of 2.09% (+127 bps) due to lower promotional expense spent by its on-demand services business. In addition, GOTO managed to improve its contribution margin (CM) to -IDR 1 trillion (vs. -IDR -5.2 trillion in 4Q21), supported by the drop in S&M expenses. On the flip side, GOTO's 4Q22 bottom line was considerably worse than our expectations (-IDR 19 trillion net loss), which was mainly caused by the impairment of goodwill from Tokopedia (approx. -IDR 11 trillion). Cumulatively, GOTO booked a revenue of IDR 11.3 trillion in FY22 (+511% yoy), with a net take rate of 1.85% (+73 bps), and a net loss of -IDR 39.6 trillion.

**Positive EBITDA in 4Q23: Oasis in sight or a mere mirage?** Management has set an adjusted EBITDA guidance of around -IDR 5.3 trillion for 2023. However, the highlight is that the company expects to book a positive EBITDA in 4Q23 with its new strategy (GOTO is now targeting high GTV users using machine learning to boost its take rate). We tried to put this to the test by doing a scenario analysis to see the impact of a +0.5% qoq take rate hike on GOTO's financial performance. Our study shows that with a +0.5% qoq take rate hike, GOTO will book a positive CM in 3Q23 (IDR 1.1 trillion) and a positive EBITDA in 2Q24 (IDR 1.3 trillion). Even though our analysis differs from management's guidance, we still believe GOTO is on the right track to achieve early profitability by leveraging machine learning to identify high GTV users, enabling them to reduce promotion and S&M expenses.

**2023 outlook.** We project GOTO to book a GTV of IDR 836 trillion (+36% yoy), gross revenue of IDR 31 trillion (+35% yoy), and net revenue of IDR 17.5 trillion (+54% yoy) in FY23F, implying gross and net take rates of 3.7% and 2.1%, respectively. In addition, we expect GOTO to book an improved CM (-IDR 2.1 trillion) and an EBITDA of -IDR 18.8 trillion. Lastly, we forecast GOTO to book a significantly lower net loss in FY23F (-IDR 20.5 trillion), supported by its new strategy.

**BUY, TP IDR 150.** We reiterate our BUY rating on GOTO with a SOTP-based TP of IDR 150, implying an FY23F EV/Sales of 9.25x. **Main Risk:** Lower-than-expected GTV and AOV, tech winter.

### Forecast and Valuations (@ IDR 110 per share)

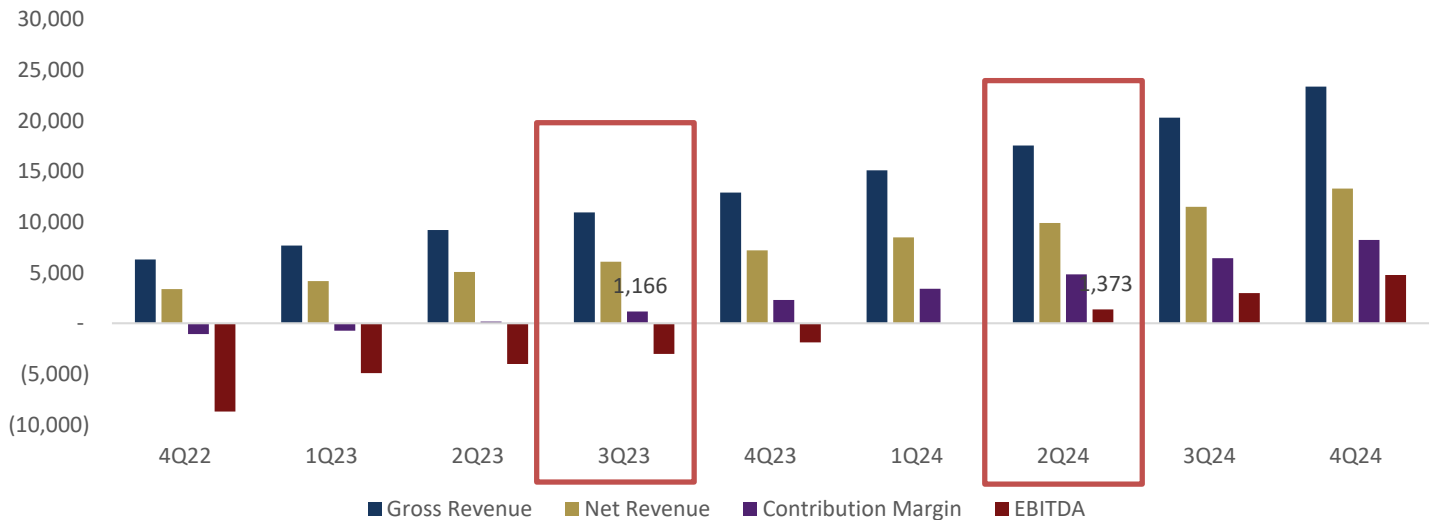
Y/E Dec	21A	22A	23F	24F	25F
Revenue (IDR Bn)	4,536	11,349	17,492	25,993	38,379
EBITDA (IDR Bn)	(21,623)	(27,784)	(18,832)	(8,103)	2,957
EV/GTV (x)	0.2	0.2	0.1	0.1	0.1
Net Profit (IDR Bn)	(21,391)	(39,571)	(20,585)	(10,501)	62
EPS (IDR)	(159)	(294)	(153)	(78)	0
EPS Growth (%)	na	na	na	na	na
P/Sales (x)	28.7	11.5	7.4	5.0	3.4
BVPS (IDR)	117	104	92	89	94
P/BV Ratio (x)	0.9	1.1	1.2	1.2	1.2
P/GTV (x)	0.3	0.2	0.2	0.1	0.1
EV/Sales	22.4	9.1	6.6	4.6	3.0
ROAE(%)	(27)	(30)	(18)	(10)	0
ROAA (%)	(23)	(27)	(15)	(8)	0
EV/EBITDA	(5)	(4)	(6)	(15)	39
Net Gearing (x)	-	-	-	-	-

Figure 1. 4Q22 Results

PT GoTo Gojek Tokopedia Tbk. (GOTO IJ)								
(IDR Bn)	4Q21	3Q22	4Q22	QoQ (%)	YoY (%)	12M21	12M22	YoY (%)
<b>GTV</b>	137,564	160,941	161,924	0.6	17.7	461,602	613,400	32.9
<b>Gross Revenue</b>	5,295	5,892	6,297	6.9	18.9	17,007	22,927	34.8
<b>Net Revenue</b>	1,130	4,569	3,380	(26.0)	199.1	5,156	11,349	120.1
<b>Contribution margin</b>	(5,205)	(1,738)	(1,061)	na	na	(9,992)	(8,218)	na
<b>EBITDA</b>	(2,665)	(6,189)	(8,712)	na	na	(16,208)	(27,784)	na
Gross Take Rate (%)	3.85	3.66	3.89	23 bps	4 bps	3.7	3.74	5 bps
Net Take Rate (%)	0.82	2.84	2.09	-75 bps	127 bps	1.1	1.85	73 bps
Contribution Margin (%)	(3.78)	(1.08)	(0.66)	na	na	(2.2)	(1.34)	na

Source: Company, SSI Research

Figure 2. Quarterly GTV, Revenue, and Contribution Margin Trend



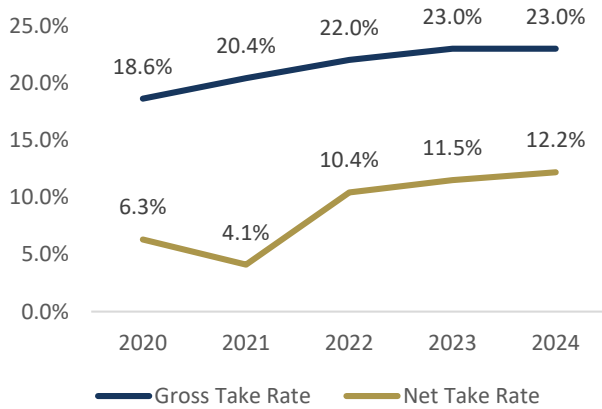
Source: Company, SSI Research

Figure 3. Valuation Method

Business	Method	Multiple (x)	2023 Sales (IDRbn)	Valuations (IDRbn)	Stake	Value to GOTO (IDRbn)
E-commerce	EV/Sales	3.8	7,865	30,232	100.00%	30,232
On-Demand	EV/Sales	11.1	8,147	90,714	100.00%	90,714
Fintech	EV/Sales	10.6	3,191	33,779	100.00%	33,779
ARTO	Enterprise Value			33,254	21.40%	7,116
<b>Enterprise Value</b>						<b>161,841</b>
(-) Debt						(2,298)
(+) Cash						17,084
(-) Minority Interest						(1,959)
<b>Equity Value</b>						<b>174,668</b>
Shares Outstanding						1,184
<b>Value per Share</b>						<b>150</b>

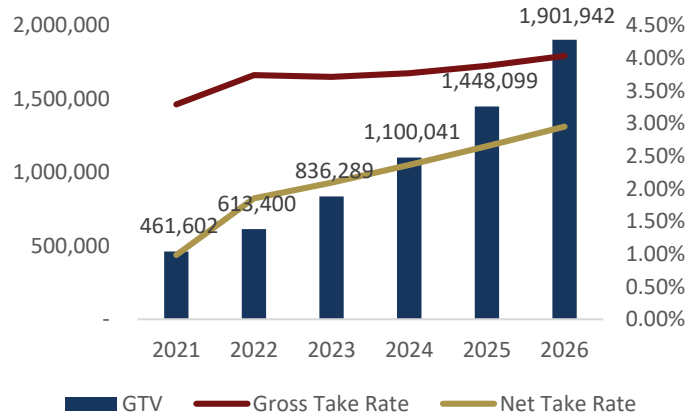
Source: SSI Research

**Figure 4. On-Demand Gross and Net Take Rate**



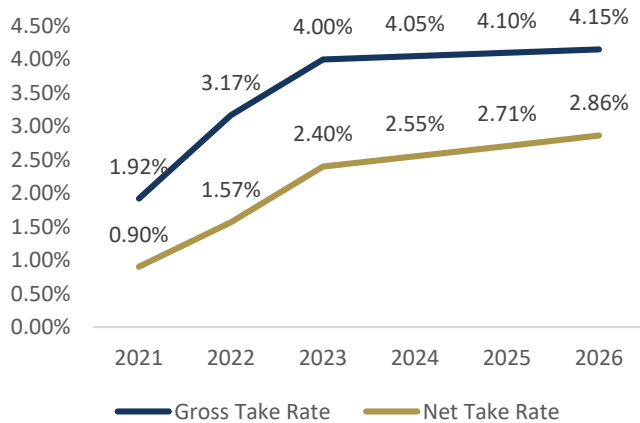
Source: Company, SSI Research

**Figure 5. GTV and Take Rates Growth**



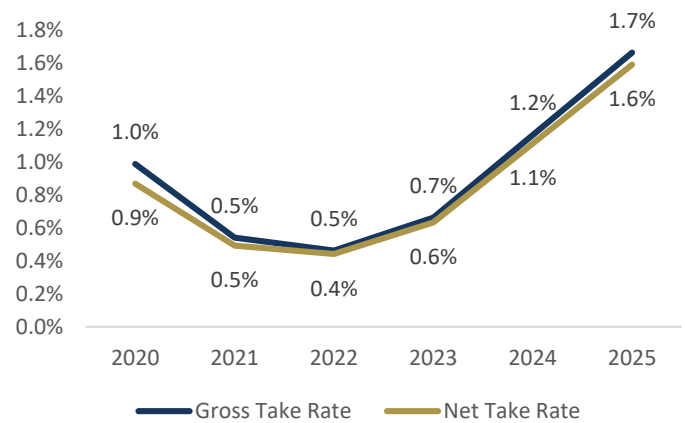
Source: Company, SSI Research

**Figure 6. E-commerce Gross and Net Take Rate**



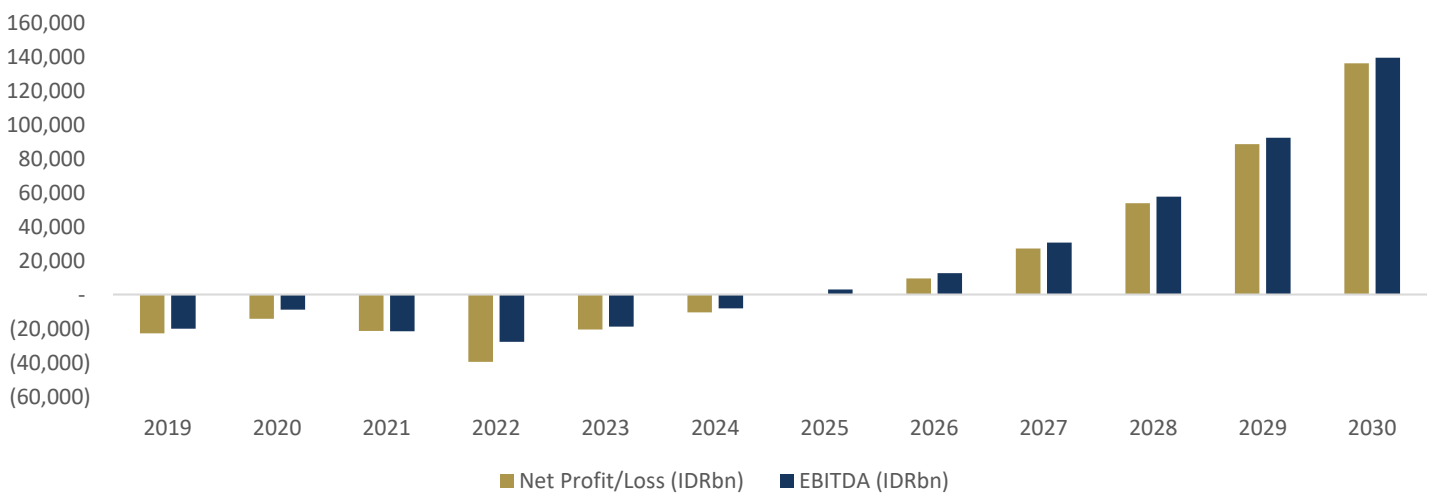
Source: Company, SSI Research

**Figure 7. Fintech Gross and Net Take Rates**



Source: Company, SSI Research

**Figure 7. Net Profit and EBITDA forecast**



Source: Company, SSI Research

## Key Financial Figures

Profit and Loss					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
<b>Revenues</b>	4,536	11,349	17,492	25,993	38,379
Cost of Revenues	(3,776)	(5,480)	(7,053)	(8,177)	(9,317)
<b>Gross Profit/Loss</b>	<b>760</b>	<b>5,869</b>	<b>10,439</b>	<b>17,815</b>	<b>29,062</b>
SGA Expense	(23,145)	(36,199)	(32,057)	(28,967)	(29,444)
<b>Operating Profit/Loss</b>	<b>(22,385)</b>	<b>(30,330)</b>	<b>(21,618)</b>	<b>(11,152)</b>	<b>(382)</b>
<b>EBITDA</b>	<b>(21,623)</b>	<b>(27,784)</b>	<b>(18,832)</b>	<b>(8,103)</b>	<b>2,957</b>
Finance Income	323	618	575	339	249
Finance Expenses	(264)	(233)	(219)	(204)	(188)
<b>Pre-tax Profit/Loss</b>	<b>(22,211)</b>	<b>(40,545)</b>	<b>(21,088)</b>	<b>(10,758)</b>	<b>63</b>
Income Tax	(218)	136	67	34	(0)
<b>Profit/Loss for Period</b>	<b>(22,429)</b>	<b>(40,408)</b>	<b>(21,020)</b>	<b>(10,724)</b>	<b>63</b>
Minority Interest	(1,038)	(837)	(436)	(222)	1
<b>Net Profit</b>	<b>(21,391)</b>	<b>(39,571)</b>	<b>(20,585)</b>	<b>(10,501)</b>	<b>62</b>

Balance Sheet					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
<b>Cash &amp; equivalents</b>	<b>31,151</b>	<b>29,009</b>	<b>17,084</b>	<b>12,571</b>	<b>17,434</b>
Receivables	2,937	2,461	3,861	5,664	8,255
Others	1,976	2,711	2,731	2,746	2,760
<b>Total Current Assets</b>	<b>36,064</b>	<b>34,180</b>	<b>23,676</b>	<b>20,981</b>	<b>28,450</b>
Net Fixed Asset	1,470	1,497	1,526	1,560	1,598
Other Non-Current Asset	117,603	103,540	102,619	101,616	100,522
<b>Total Assets</b>	<b>155,137</b>	<b>139,217</b>	<b>127,821</b>	<b>124,156</b>	<b>130,569</b>
ST. Bank loan	1,606	615	579	540	497
Payables	9,688	10,660	12,754	13,667	14,295
Other current Liabilities	1,000	887	887	887	887
<b>Total Current Liabilities</b>	<b>12,294</b>	<b>12,162</b>	<b>14,220</b>	<b>15,094</b>	<b>15,679</b>
LT. Debt	776	1,826	1,719	1,602	1,475
Other LT Liabilities	414	236	236	236	236
<b>Total Liabilities</b>	<b>16,113</b>	<b>16,493</b>	<b>18,444</b>	<b>19,201</b>	<b>19,659</b>
Minority Interest	(1,292)	(2,198)	(1,959)	(1,880)	(1,986)
<b>Total Equity</b>	<b>139,024</b>	<b>122,723</b>	<b>109,378</b>	<b>104,955</b>	<b>110,910</b>

Cash Flow					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
<b>Net Profit</b>	<b>(21,391)</b>	<b>(39,571)</b>	<b>(20,585)</b>	<b>(10,501)</b>	<b>62</b>
D&A	2,235	2,545	2,786	3,050	3,339
Changes in Working Capital	4,915	600	673	(905)	(1,978)
<b>Operating Cash Flow</b>	<b>(14,691)</b>	<b>(17,206)</b>	<b>(17,126)</b>	<b>(8,356)</b>	<b>1,423</b>
Capital Expenditure	(12,814)	(218)	(1,895)	(2,080)	(2,283)
Others	(78,437)	1,352	-	-	-
<b>Investing Cash Flow</b>	<b>(91,251)</b>	<b>1,134</b>	<b>(1,895)</b>	<b>(2,080)</b>	<b>(2,283)</b>
Net - Borrowing	(131)	60	(143)	(156)	(170)
Other Financing	121,662	13,315	7,239	6,079	5,893
<b>Financing Cash Flow</b>	<b>121,531</b>	<b>13,374</b>	<b>7,096</b>	<b>5,923</b>	<b>5,723</b>
<b>Net - Cash Flow</b>	<b>15,588</b>	<b>(2,698)</b>	<b>(11,925)</b>	<b>(4,513)</b>	<b>4,863</b>
Cash at beginning	15,319	31,151	29,009	17,084	12,571
Cash at ending	31,151	29,009	17,084	12,571	17,434

Key Ratios					
Y/E Dec (IDR Bn)	21A	22A	23F	24F	25F
Gross Profit Margin (%)	16.8	51.7	59.7	68.5	75.7
Operating Margin (%)	(493.5)	(267.2)	(123.6)	(42.9)	(1.0)
EBITDA Margin (%)	(476.7)	(244.8)	(107.7)	(31.2)	7.7
Pre-Tax Margin (%)	(489.7)	(357.2)	(120.6)	(41.4)	0.2
Net Profit Margin (%)	(471.6)	(348.7)	(117.7)	(40.4)	0.2
Debt to Equity (%)	-	-	-	-	-
Net Gearing (%)	-	-	-	-	-

Major Assumptions					
	21A	22A	23F	24F	25F
Blended GTV Growth	39.8%	32.9%	36.3%	31.5%	31.6%
Blended Gross Take Rate	3.3%	3.7%	3.7%	3.8%	3.9%
Blended Net Take Rate Rate	1.0%	1.9%	2.1%	2.4%	2.7%
E-commerce GTV Growth	46%	18%	20%	30%	33%
On-Demand GTV Growth	25%	22%	15%	14%	13%
Fintech Service GTV Growth	80%	68%	40%	35%	33%

## Peers Comparison

Company	Market Cap (mn)	EV(USD mn)	P/GMV		EV/GMV		EV/Sales		P/S		Sales Growth	
			2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
<b>On-demand</b>	<b>135,230</b>	<b>872,026</b>	<b>0.7</b>	<b>0.6</b>	<b>4.2</b>	<b>3.6</b>	<b>4.2</b>	<b>3.3</b>	<b>4.4</b>	<b>3.5</b>	<b>20%</b>	<b>32%</b>
<b>Mobility</b>												
Uber	50,578	57,949	0.6	0.5	0.69	0.57	1.8	1.6	1.6	1.4	72%	21%
Lyft	4,014	3,282	0.3	0.2	0.22	0.19	0.8	0.7	1.0	0.8	33%	25%
Grab	13,326	8,247	0.8	0.6	0.50	0.37	6.2	4.2	10.0	6.8	80%	104%
<b>Delivery</b>												
Meituan	145,685	959,154	0.7	0.6	4.61	3.95	4.4	3.5	4.6	3.7	16%	32%
Deliveroo	1,976	598	0.2	0.2	0.06	0.05	0.3	0.3	0.8	0.7	8%	22%
Delivery Hero	12,843	14,740	0.3	0.3	0.34	0.30	1.6	1.3	1.3	1.1	40%	37%
DoorDash	18,774	15,483	0.8	0.7	0.66	0.58	2.4	1.9	2.9	2.4	26%	24%
<b>E-commerce</b>	<b>172,878</b>	<b>136,386</b>	<b>0.5</b>	<b>0.4</b>	<b>0.5</b>	<b>0.4</b>	<b>1.9</b>	<b>1.7</b>	<b>2.2</b>	<b>1.9</b>	<b>12%</b>	<b>16%</b>
MercadoLibre	31,584	33,239	1.6	1.3	1.68	1.37	3.2	2.4	3.0	2.3	48%	30%
Sea	29,761	27,884	0.9	0.6	0.84	0.56	2.3	2.0	2.5	2.1	35%	32%
eBay	22,873	26,439	0.5	0.4	0.58	0.46	2.7	2.7	2.3	2.4	-7%	4%
Alibaba	243,520	188,807	0.2	0.2	0.16	0.16	1.5	1.3	1.9	1.7	5%	13%
Bukalapak	1,783	269	0.2	0.2	0.03	0.03	1.4	1.0	8.2	5.9	55%	49%
Global Digital Niag	3,539	3,772	0.2	0.2	0.58	0.46	5.3	3.6	5.0	3.4	n.a	n.a
<b>Fintech</b>	<b>54,956</b>	<b>56,947</b>	<b>1.2</b>	<b>1.0</b>	<b>1.1</b>	<b>0.9</b>	<b>5.3</b>	<b>4.1</b>	<b>5.5</b>	<b>4.2</b>	<b>7%</b>	<b>20%</b>
<b>Wallets</b>												
Pay pal	85,023	85,133	0.1	0.1	0.10	0.10	3.1	2.8	3.1	2.8	11%	16%
<b>Payment Gateway</b>												
Block	38,659	38,314	0.2	0.2	0.20	0.20	2.2	1.9	2.2	1.9	-2%	19%
Fiserv	64,271	85,570	0.9	0.8	1.18	1.02	5.1	4.8	3.8	3.6	2%	8%
Square	38,659	38,314	0.7	0.6	0.68	0.59	2.2	1.9	2.2	1.9	1%	15%
Nu Holding	16,648	13,442	0.8	0.7	0.61	0.53	3.3	2.3	4.1	2.8	119%	53%
Adyen	42,830	35,068	0.1	0.1	0.08	0.08	26.1	16.8	30.2	19.4	-79%	34%
StoneCo	2,645	14,845	0.1	0.1	0.56	0.56	1.5	1.3	1.5	1.2	97%	19%
<b>BNPL</b>												
Humm	63,362	47,577	6.6	5.8	4.98	4.33	0.5	0.5	0.7	0.6	6%	21%
Zip	1,833	1,725	0.3	0.2	0.26	0.23	1.9	1.8	2.0	2.0	58%	41%
Sezzle	60	55	0.0	0.0	0.02	0.02	0.4	0.4	0.5	0.4	46%	-100%
Affirm	2,640	2,436	0.8	0.5	0.74	0.46	1.5	1.1	1.6	1.2	54%	44%
<b>Enabler / SaaS</b>												
Shopify	38,728	35,085	0.5	0.4	0.45	0.36	6.4	5.3	7.0	5.8	26%	30%

Source: Company, SSI Research

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