



Not Rated

Stock Data

Offer Price	: IDR316-346
Share Outstanding	: 52.0 bn
Free Float	: 4.35%
Mkt Capitalization at IPO	: 376.6-413.7 (IDR tn)

Major Shareholders

MVS Stakeholders	: 6.02%
• Andre Soelistyo	: 0.83%
• Kevin Bryan Aluwi	: 0.75%
• William Tanuwijaya	: 1.75%
• Melissa Siska Juminto	: 1.38%
• PT Saham Anak Bangsa	: 2.25%
Garibaldi Thohir	: 0.09%
Goto Peopleverse Fund	: 8.94%
SVF GT Subco (Singapore) Pte. Ltd.	: 8.62%
Taobao China Holding Limited.	: 8.76%
Others (Ownership less than 5%).	: 62.36%
Public	: 4.35%
Treasury stock	: 0.86%

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PT GoTo Gojek Tokopedia Tbk (GOTO IJ)

Technology Sector

The Long-Awaited IPO

GoTo, Indonesia's Most Valuable Startup

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. The GoTo ecosystem consists of on-demand transportation services, e-commerce, food and grocery delivery, logistics and fulfillment, as well as financial and payment services through the Gojek, Tokopedia, and GoTo Financial platforms. Onwards, GoTo's pipeline will also include GoTransit, Electric Vehicle (EV) bikes, GoShuttle, GoCorp. AdTech platform and more robust tools, thus making GoTo's business to be appealing for investors.

The Beginning of Something Great

- GoTo prepares for IPO by issuing 52 bn of A shares which equivalent to 4.35% of the company's issued and fully paid capital. Compared to series B shares, series A shares have the same rights, except for voting rights with the ratio of voting rights of series B Shares to series A Shares is set to be 30:1. This dual-class voting structure concentrates voting rights on Series B shareholders (founders) which may limit the ability of Series A shareholders to influence the Issuer's corporate action decisions.
- GoTo sets potential final share price of IDR338 per share at IPO thus potential fund raised will be equivalent to IDR17.57 tn implying the market cap at IDR404.05 tn. The proceeds raised from the IPO will be used for working capital for the company and its subsidiaries with the allocation of the proceeds to be: 1) 30% for Gojek; 2) 30% for Tokopedia; 3) 25% for PT Dompot Anak Bangsa (GoPay); 4) 5% for PT Multifinance Anak Bangsa (part of GoFinance); 5) 5% for Velox Digital Singapore Ltd.; 6) 5% for Go Viet Ltd.
- Moreover, GoTo plans to list 10% of its total shares to foreign stock exchanges by the end of 2023, namely New York Stock Exchange (NYSE), National Association of Securities Dealers Automated Quotations (NASDAQ), Hong Kong Stock Exchange (HKSE), Singapore Stock Exchange (SGX), or London Stock Exchange (LSE). The company plans to increase its capital to a maximum of 119.5 billion series A shares in order for the listed shares to be diluted. This listing of foreign exchanges is hoped by GoTo to be able to access wider consumer base.

Assessing the Success of the IPO

GoTo weight to JCI is expected at 4%, the 5th largest after BBCA, BBRI, TLKM and BMRI under 30% free float-adjusted market cap calculation. Given the large market cap, GoTo will also drag up sectoral index weight particularly for IDXTECHNO. Under this circumstance, GoTo's listing on domestic equity market will likely to impact on asset allocation strategy and portfolio fund flow both from domestic and foreign investors. It is also worth noting that unlike BUKA's IPO, GoTo's green shoe option scheme, is expected to maintain share price after listing and not fall below the IPO's price for at least in a 30 days period. We believe this would be a positive catalyst for the share price in a short-term period, while in the long run, it has different backdrop story as investors are focusing on turnaround story as well as prospect and valuation.

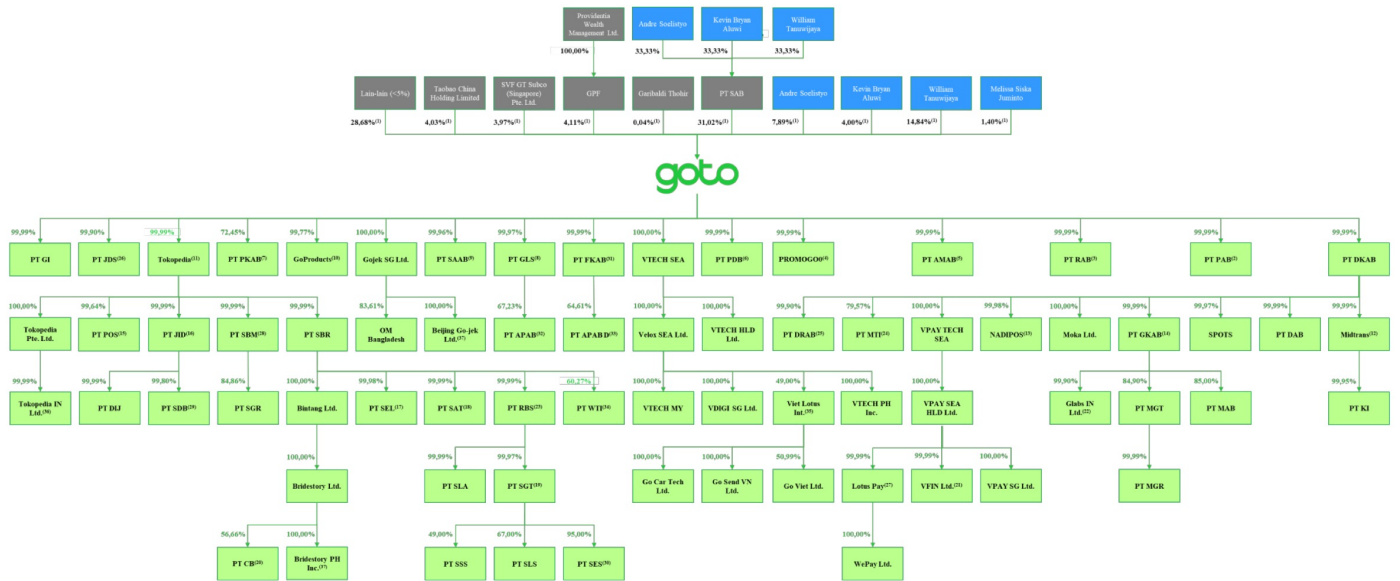
Challenging Momentum of the Dual Listing Plan

GoTo's dual listing plan faces challenges from volatile market condition. The Fed aggressive move to raise interest rate has sparked the riskier asset sell off including tech stocks and digital assets such as cryptocurrencies. Albeit the already priced in Fed's move in Mar-22 and in FY22, Nasdaq Composite is still down -11.19% year to date. In addition, the top 10 biggest tech-stock IPO (either through direct listing or SPAC) disappointing performance brings another challenge. The top-10 biggest tech IPOs have raised nearly USD42 bn in combination since 2021. However, those stocks were down more than half of its value since the debut. We understand that loss booking earnings as well as stretched valuation characteristics make them more likely to become the long duration asset which we believe to be more sensitive to interest rate hike. Therefore, this may justify sell off and share price drop as investors try to shorten their portfolio duration during the tightening cycle.

Waiting for the Turnaround Story

- We do believe that GoTo business focus mainly on 3 segments which are 1) on demand services, 2) e-commerce and 3) fintech open up possibilities for huge monetization. After consolidating Tokopedia as the e-commerce arm, GoTo GTV grew +34.9% YoY in 9M21 to IDR324.9 tn. E-commerce segment as the largest contributor which accounted for 51.6% total GTV rose +48.7% YoY followed by Fintech segment contributing to 43.7% total GTV which recorded a growth of +76.6% YoY. GoTo's gross revenue increased +38.5% YoY to IDR11.8tn in 9M21 on the back of significantly higher e-commerce transaction.
- For GoTo, ecosystem integration and monetization as well as operational efficiency is the key strategy to focus on in building turnaround story towards profitability. Note that in 7M21, GoTo's SG&A was 2.78x from its revenue. The nature of industry tight competition in e-commerce, on demand service as well as in fintech also trigger higher budget for marketing & selling expense as well as investment in talent to bring innovation and strengthening position in the market as competitors have become more aggressive in building their digital ecosystem.
- In terms of valuation, GoTo is offered at 18.4x-20.2x P/S FY22E on the back of 30% 5-years CAGR, a more premium compared to global peers having mean and median P/S in 4.3x and 3.3x. Meanwhile based on the conservative rising of GTV, GoTo is offered at the mean level ~0.7x P/GTV, compared to the global peers at 0.6x-0.8x P/GTV in FY22E.

Exhibit 01. Structure of GoTo's Ownership



Source : Company

Exhibit 02. Ecosystem of GoTo

#1 Financial Technology

goto financial

E-Wallet, P2P, Multifinance, Banking (Jago), E-Money, Payment Gateway

#1 On-Demand Services

gojek

±2.5 million driver-partners



#1 E-Commerce

tokopedia

±12 million merchants
> 550 million products

Source : Company

Exhibit 03. GoTo's Board of Commissionaires

Garibaldi Thohir	William Tanuwijaya	Wishnutama Kusubandio	Caesar Sengupta	Robert Holmes Swan	Dirk Van den Berghe
President Commissioner	Commissioner & Co-Founder	Commissioner	Commissioner	Independent Commissioner	Independent Commissioner

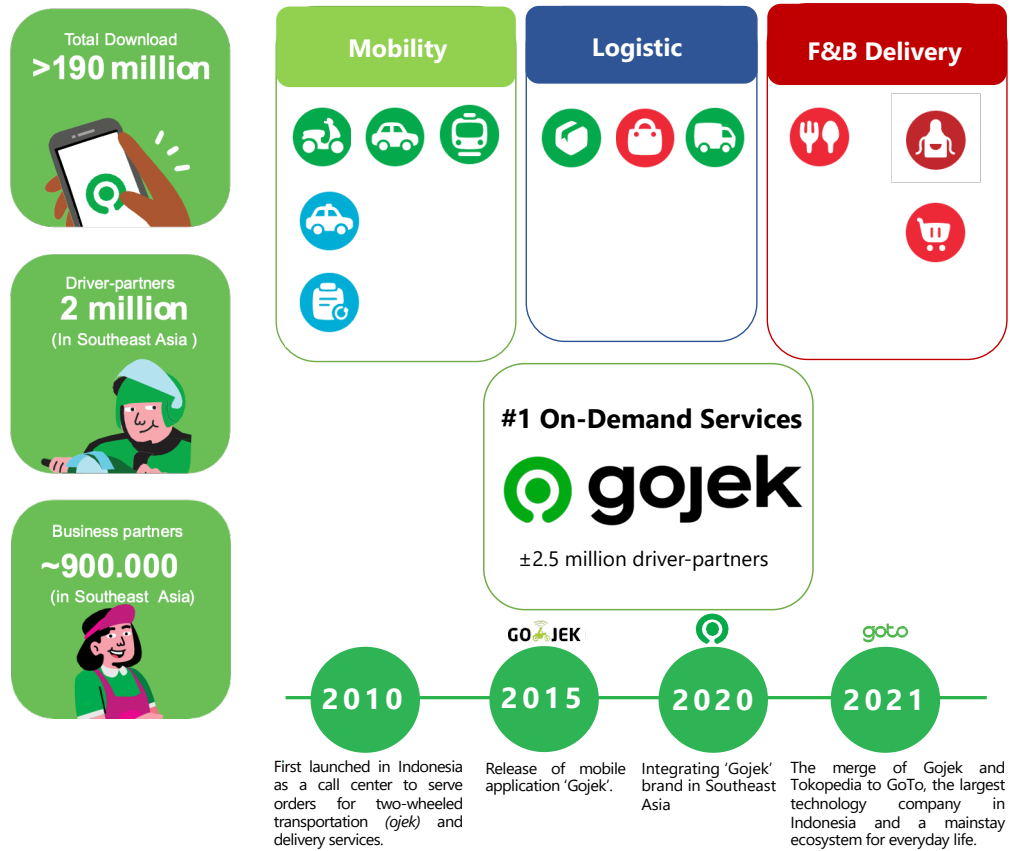
Source : Company

Exhibit 04. GoTo's Board of Directors

Andre Soelistyo	Kevin Bryan Aluwi	Wei-Jye Jacky Lo	
President Director CEO/Co-Founder	Director & Co-Founder	Director/Chief Financial Officer	
Melissa Siska Juminto	Hans Patuwo	Anthony Wijaya	Catherine Hindra Sutjahyo
Director/Chief of Human Resources Officer	Director/Head of Payments and Financial Services	Director/Head of Marketplace	Director/Head of Food and Indonesia Sales & Ops

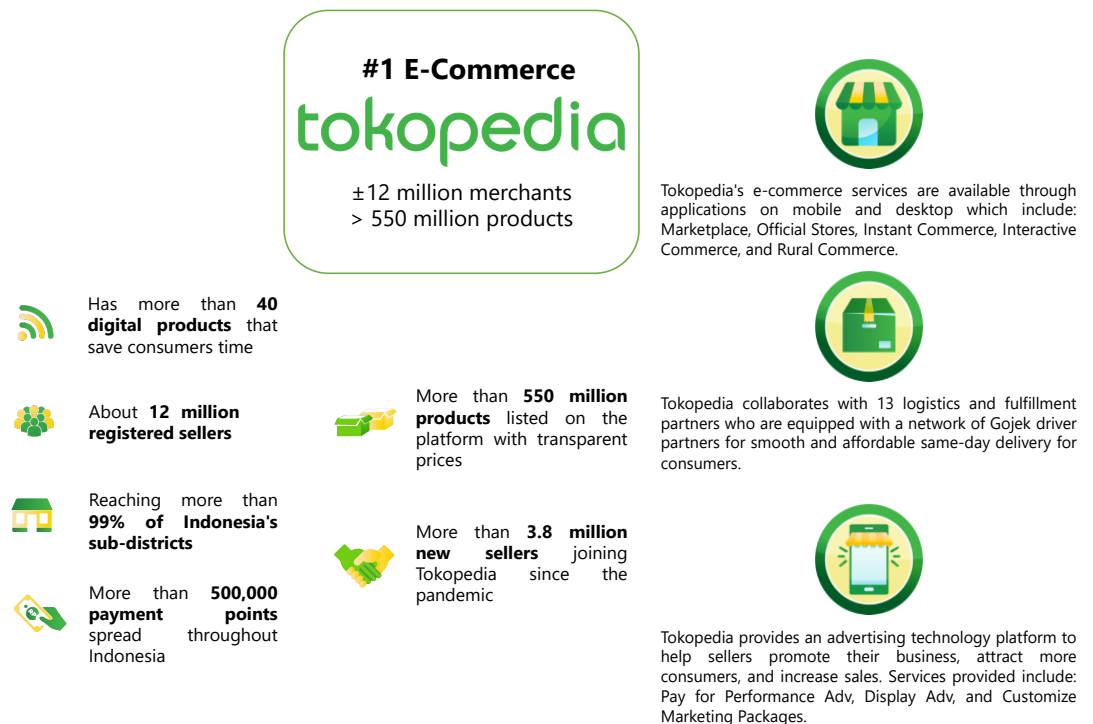
Source : Company

Exhibit 05. Gojek's Services



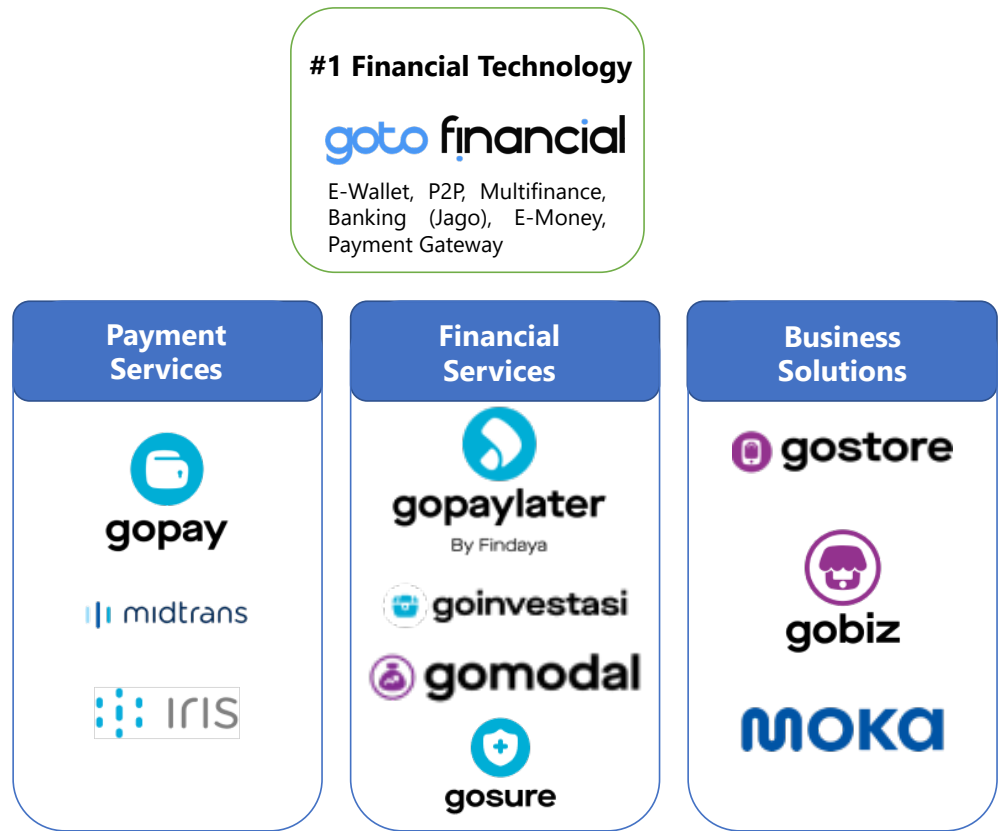
Source : Company

Exhibit 06. Tokopedia's Services



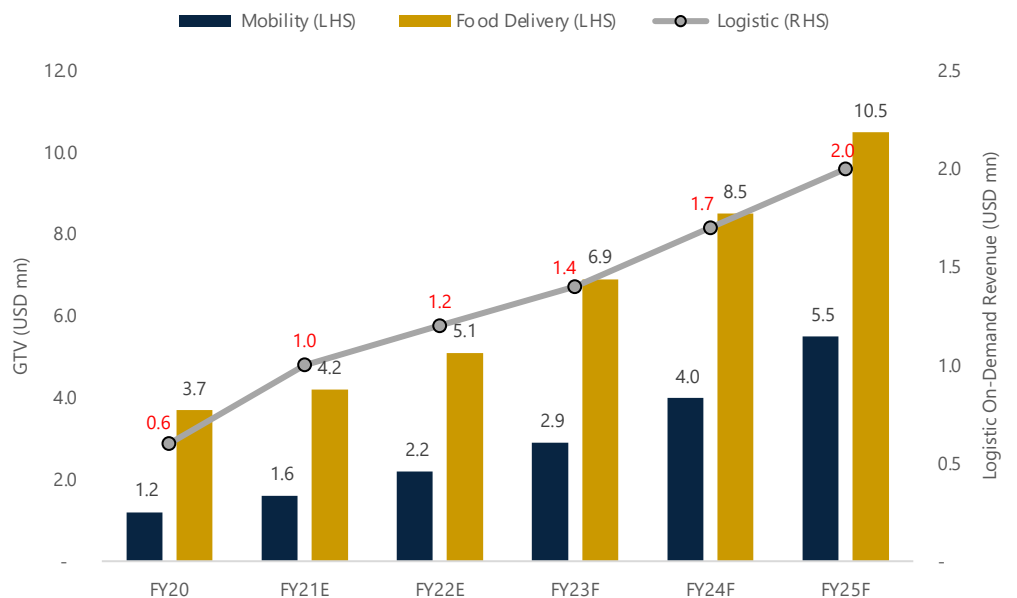
Source : Company

Exhibit 07. GoTo Financial's Services



Source : Company

Exhibit 08. Market Size of GoTo's On Demand Services



Sources : MNCS, Bloomberg

The CAGR FY21-FY25F of GoTo's mobility service GTV is 36.7%, and its food delivery service GTV is 23.2%, while its logistic service revenue is 29.8%.

Exhibit 09. Big Tech IPO Performance

Startup	IPO Date	Money Raised (USD bn)	Valuation at IPO (USD bn)	Investors	Sector	Scheme	Performance since IPO (%)
Rivian	Nov 10, 2021	11.9	66.5	Amazon, Ford Motor	Electric Vehicle	Direct Listing	-54.73
Coupang	Mar 11, 2021	4.6	60	Softbank, Sequoia Capital	E-Commerce	Direct Listing	-60.93
Lucid Motor	Jul 25, 2021	4.6	24	Saudi Arabia's Public Investment Fund, Venrock	Electric Vehicle	SPAC	159.56
Grab	Dec 2, 2021	4.5	40	Signite Partner, Emtek Group	Ride Hailing & Delivery	SPAC	-65.52
Didi	Jun 30, 2021	4.4	73	Toyota Motor, Softbank	Ride Hailing	Direct Listing	-71.07
Nubank	Dec 9, 2021	2.6	41	Goldman Sachs, DST Global	Digital Bank Platform	Direct Listing	-23.91
Aurora	Nov 4, 2021	2.5	14	Uber, Index Venture, Sequoia Capital, Greylock	Self Driving Car	SPAC	-46.1
SoFi	Jun 1, 2021	2.4	8.7	Silver Lake, Qatar Investment Authority	Fintech	SPAC	-5.82
ironSource	Jun 29, 2021	2.3	11.1	Thoma Bravo, Access Industry, CVC Capital Partners	Software Publisher	Direct Listing	-54.76
Bumble	Feb 11, 2021	2.2	8.2	Greycroft, Accel	Dating App	Direct Listing	-58.83

Sources : MNCS, Bloomberg

Exhibit 10. GoTo Financial Metric

Metrics	9M21	9M20	%YoY	
GTV		324.9	240.9	35%
On Demand Services		34.5	29.9	16%
E-commerce		167.7	112.8	49%
Fintech		142.0	80.4	77%
Others		-	31.6	
Gross Revenue		11.8	8.5	39%
On Demand Services		7.0	5.5	28%
E-commerce		4.4	2.3	90%
Fintech		0.8	0.9	-7%
Others		0.3	0.7	-64%
Adj & Elimination	-	0.7	0.9	-24%
#Orders (in Million)		1,524	1,379	11%
LTM ATU		55	64	-14%

Sources : MNCS, Bloomberg

Exhibit 11. Projected Financial Performance of E-Commerce and Tech Companies

Company	Type	Market Cap (USD bn)	GTV (USD bn)		Price/GTV (x)		ROE FY22E (%)	Gross Margin FY22E (%)	EBITDA Margin FY22E (%)	Price/Sales (x)		
			FY21	FY22E	FY21	FY22E				FY21	FY22E	FY23F
JD.Com Inc	E-commerce	93.18	511.21	620.46	0.18	0.15	5.63	13.99	2.03	0.63	0.52	0.44
Amazon.com, Inc.	E-commerce	1,719.80	-	716.64	-	2.40	17.48	42.67	15.02	3.66	3.18	2.71
Alibaba Group Holding Ltd - ADR	E-commerce	312.00	1,199.33	1,286.27	-	-	10.51	37.35	0.18	2.94	2.32	2.03
eBay Inc	E-commerce	34.53	87.37	80.04	-	-	22.21	73.37	35.43	3.31	3.32	3.17
Pinduoduo Inc - ADR	E-commerce	54.73	-	-	0.26	0.24	11.73	64.91	6.08	3.76	3.04	2.43
Vipshop Holdings Ltd - ADR	E-commerce	6.25	29.69	31.26	0.40	0.43	14.38	19.94	5.89	0.34	0.34	0.32
Mercadolibre Inc	E-commerce	61.77	28.35	34.83	-	-	21.79	42.00	9.14	8.74	6.4	4.81
Coupang Inc	E-commerce	31.16	-	-	0.21	0.20	-60.76	19.60	(2.40)	1.69	1.35	1.1
Overstock.com Inc	E-commerce	2.05	-	-	2.18	1.77	14.33	22.53	5.50	0.74	0.53	0.64
Etsy Inc	E-commerce	17.60	13.49	15.25	-	-	56.87	71.54	28.43	7.56	6.33	5.25
Sea Ltd	E-commerce	64.92	62.50	93.37	0.51	0.39	-46.72	35.29	(12.08)	6.52	4.81	3.54
Allegro Eu.	E-commerce	8.43	-	-	-	-	11.99	-	32.38	6.08	5.16	3.85
Rakuten Group Inc	E-commerce	12.59	-	-	1.30	1.15	-15.99	80.20	4.12	0.82	0.79	0.7
Momo.com	E-commerce	6.15	-	-	1.04	0.70	39.9	10.04	5.58	1.94	1.6	1.28
Zalando SE (Germany)	E-commerce	14.60	16.97	18.66	-	-	10.45	41.97	6.05	1.19	1.12	0.95
PT Bukalapak Tbk.	E-commerce	2.53	-	-	-	-	-	88.87	(45.98)	18.32	11.88	-
Uber Technologies, Inc.	On-demand mobility	72.69	-	-	-	-	-6.89	49.83	4.82	3.89	2.49	2.01
Grab Holdings Inc.	On-demand mobility	14.63	-	-	0.67	0.51	-21.47	(20.74)	(67.68)	19.07	9.67	5.26
Lyft Inc	On-demand mobility	14.00	-	-	0.86	0.78	-25.36	58.08	5.21	4.36	3.27	2.61
Meituan Class B	Food Delivery	124.89	186.34	243.88	-	-	-9.96	26.60	(1.14)	4.5	3.47	2.65
Doordash	Food Delivery	43.05	41.94	49.54	-	-	-	53.48	1.00	8.81	7.29	5.90
Shopify Inc	Software	88.72	175.36	228.96	1.03	0.87	1.64	51.55	9.47	19.24	14.68	11.1
PayPal	Wallets	141.18	-	-	-	-	-	50.88	18.65	5.56	4.80	4.01
Block Inc	Payment Gateway	85.18	-	-	-	-	-	32.02	3.84	4.82	4.48	3.63
Global Payments Inc	Payment Gateway	39.59	-	-	-	-	-	69.10	31.63	4.64	4.69	4.29
Mean					0.78	0.80				5.73	4.30	3.11
Median					0.67	0.60				4.36	3.32	2.68

Sources : MNCS, Bloomberg

*GMV Not Disclosed by the Company

MNC Research Industry Ratings Guidance

OVERWEIGHT: Stock's total return is estimated to be above the average total return of our industry coverage universe over next 6-12 months

NEUTRAL: Stock's total return is estimated to be in line with the average total return of our industry coverage universe over next 6-12 months

UNDERWEIGHT: Stock's total return is estimated to be below the average total return of our industry coverage universe over next 6-12 months

MNC Research Investment Ratings Guidance

BUY : Share price may exceed 10% over the next 12 months

HOLD : Share price may fall within the range of +/- 10% of the next 12 months

SELL : Share price may fall by more than 10% over the next 12 months

Not Rated : Stock is not within regular research coverage

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