

Technology (Neutral/Maintain)

2Q24 & 1H24 Results: Better than anticipated

Report summary

Tech results are better than anticipated for this 1H24

Technology results for 1H24 are surprising to say the least. Although we are expecting a weaker result for 2Q24 due to the seasonality factor kicking in, we see that GOTO and BUKA are beating our estimate for the 2Q24 performance.

Live Commerce may be the next trend going forward

Live commerce in Indonesia is booming, with 83.7% of Indonesians accessing it. E-commerce, a major part of the digital economy, contributes 75.6% of the USD82bn GMV. Popular platforms include Shopee Live and TikTok Shop. Factors like lower prices, free shipping, and shopping convenience drive high consumer interest. We foresee that this may be the next trend going forward in 2H24 to FY25 following China's success.

Case Study: Live Commerce success in China

Since the rise of social commerce platforms in China, livestream shopping has become integral to Chinese consumers, leading to high retail sales and a GMV of 3.5tr yuan in 2022. Unlike Western markets, 57% of Chinese live-commerce users have used the format for over three years. China has the highest share of frequent attendees, with 87% participating monthly, compared to 43% in the US, 52% in Europe, and 64% in Latin America. We will discuss strategies that China implement in order to successfully integrate live commerce into a giant industry.

GOTO: Excellent result for 2Q24, strategic focus on mass market consumers is paying off

In 2Q24, Group core GTV reached IDR63.2tr (+54% YoY) and Group GTV was IDR121.5tr (+26% YoY). Gross revenue increased to IDR4.3tr (+39% YoY), and net revenue was IDR3.5tr (+115% YoY). Adjusted EBITDA loss reduced by 95% YoY to IDR48bn, nearing breakeven. Net loss was IDR954bn (-63% YoY). Monthly transacting users increased by 20% YoY due to the mass market strategy and cost reductions, marking the eighth consecutive quarter of improved adjusted EBITDA. The company remains on track for growth and profitability.

BUKA: Returned back to negative adjusted EBITDA for 2Q24 despite overall revenue improving

In 2Q24, BUKA's TPV remained flat at IDR41.2tr, with O2O contributing IDR21.0tr (+3.9% QoQ, +13.8% YoY) and marketplace TPV at IDR20.2tr (-6.4% QoQ, -10.8% YoY). Net revenue for 2Q24 was IDR1.24tr (+6.4% QoQ, +5.9% YoY). For 1H24, TPV grew to IDR83.0tr (+1.8% YoY) and net revenue to IDR2.41tr (+10.6% YoY). BUKA's CM improved to IDR286bn (+25.4% YoY). Adjusted EBITDA for 2Q24 was -IDR41bn but improved to -IDR26bn for 1H24. Core earnings increased to IDR306bn (+324% YoY) for 1H24. The O2O segment exceeded expectations during Lebaran, while the marketplace saw a boost from the gaming division.

Maintaining a Neutral Rating for the Sector

Overall, despite seeing major improvement in terms of performance by both GOTO and BUKA, we believe that more positive sentiment towards the tech sector is needed in order to drive share price. The potential for lower interest rates in the 2H24 should be one of the main catalysts for improvement in tech sentiment. Hence, in the meantime, we maintain our rating of neutral for the sector until further changes. We place a BUY recommendation for both GOTO and BUKA with a maintained TP of IDR80/share and IDR160/share respectively given their performance still remains in line with our current forecast.

Key investment metrics

Company	Ticker	Market cap * (IDRbn)	Rating	Last price* (IDR)	Target price (IDR)	Upside (%)	P/BV (x)		P/E Adjusted (x)		ROE (%)	
							2024F	2025F	2024F	2025F	2024F	2025F
GoTo Gojek Tokopedia	GOTO IJ	63,675	Buy	53	80	50.9	1.65	1.62	-	-	-8.36	-4.23
PT Bukalapak.com	BUKA IJ	12,167	Buy	118	160	35.6	0.48	0.46	26.76	23.64	2.18	2.77

Note: Data as of August 2, 2024

Source: Company data, Mirae Asset Sekuritas Indonesia Research

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Sector at a glance

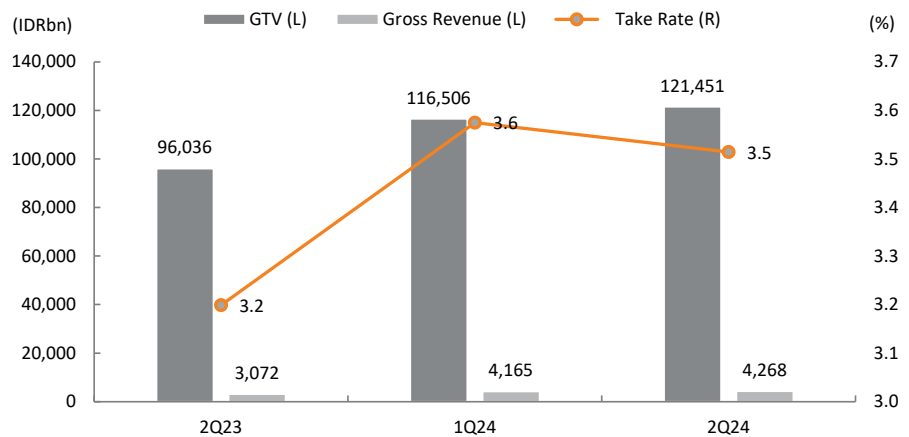
Technology results are better than anticipated

The technology stocks' results for 1H24 were surprisingly better than expected, outperforming estimates. Despite anticipating a softer 2Q24 due to seasonality factors, particularly for GOTO, the results were strong. BUKA, which was expected to perform poorly due to its customer base in tier 2 cities and beyond, also delivered resilient results.

For GOTO, 2Q24 Group GTV increased to IDR121.5tr (+4.3% QoQ), with gross revenue rising to IDR4.3tr (+38.9% YoY, +3.2% QoQ) and a take rate of 3.5%. Net revenue reached IDR3.5tr (+13.7% QoQ). In comparison, 2Q23 saw Group GTV at IDR143.7tr (-3.2% QoQ), gross revenue at IDR5.8tr (-2.5% QoQ), and net revenue at IDR3.6tr (-6.6% QoQ).

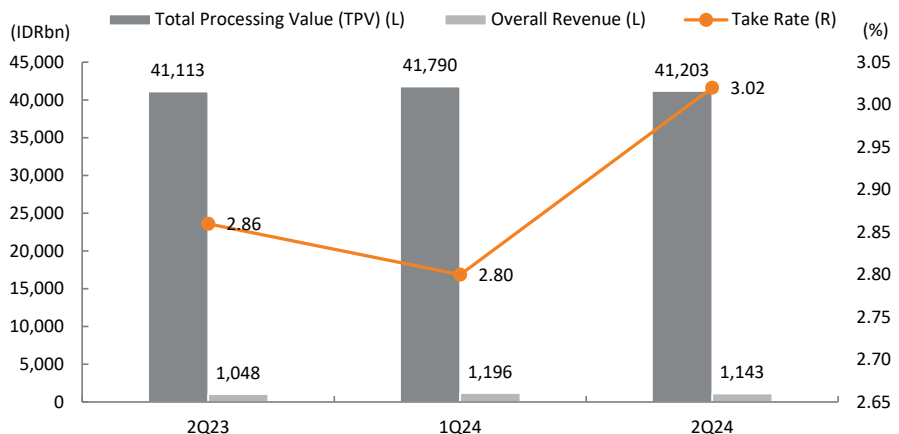
BUKA remained resilient, with O2O TPV at IDR21.0tr (+4% QoQ) and O2O revenue at IDR571tr (+6% QoQ). Overall, Indonesian tech companies are showing resilience despite weakened purchasing power.

Figure 1. GOTO GTV, Gross Revenue & Take Rate



Source: Mirae Asset Sekuritas Indonesia Research

Figure 2. BUKA TPV, Net Revenue & Take Rate



Source: Mirae Asset Sekuritas Indonesia Research

Live Commerce trend is here to stay and could get bigger in 2H24-2025

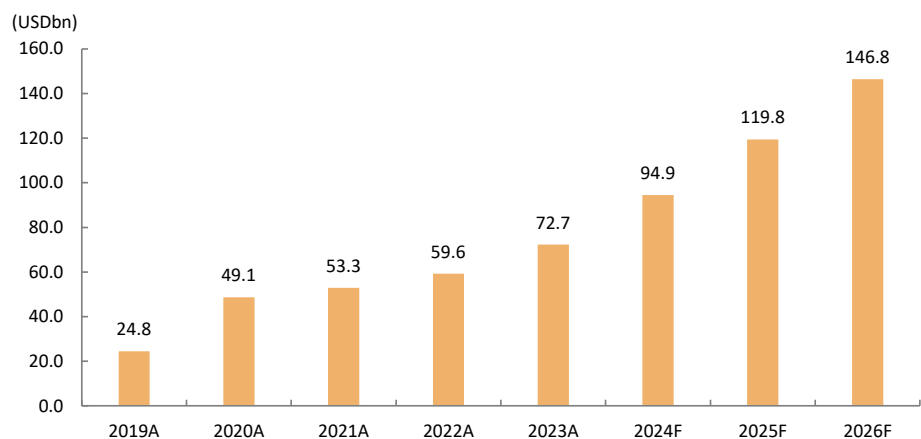
Live shopping has revolutionized buying and selling in Indonesia, with 233.73mn active internet users embracing this trend. E-commerce combined with video live-streaming offers an interactive shopping experience, similar to in-store interactions but from home. This trend grew significantly during the pandemic, with 78% of consumers aware of live-stream shopping, 71% accessing it, and 56% making purchases through it. Indonesia, with over 270mn people and growing connectivity, is rapidly embracing live commerce, expected to boost its digital economy and expand local business opportunities.

In 2022, Indonesia saw 500,000 MSMEs switching to e-commerce, totaling 2.8mn online businesses. Tokopedia pioneered live streaming in 2019, significantly increasing product viewership and shop visits on its platform Tokopedia Play. A survey by Populix shows Shopee Live and TikTok Shop as primary competitors, with Shopee Live leading due to promotions, cashback, free shipping, and a diverse product range.

Shopee Live captures 56% of transaction volume and 54% of value over six months, benefiting local brands like BHUMI and Geoff Max. TikTok Shop appeals to young shoppers through social engagement and impulsive buying, especially for fashion and cosmetics, benefiting from influencer collaborations. Other players in Indonesia's live shopping market include Lazada, Blibli, Bukalapak, and Bhinneka. E-commerce is the largest contributor to Indonesia's digital economy, with transactions reaching IDR476.3tr in 2022 and a projected GMV of USD62bn in 2023, making up 75.6% of the digital economy. The number of e-commerce users is expected to grow from 178.94mn in 2022 to 244.67mn by 2027.

We see that Indonesia is currently at a similar trajectory in terms of live commerce popularity compared to during the early days of live commerce in China. We do believe that the next trend going forward would be social/live commerce as Indonesia's internet penetration rate steadily increases.

Figure 3. E-Commerce revenue development in Indonesia



Source: Google, Bain & Temasek e-Conomy report, Mirae Asset Sekuritas Indonesia Research

Case Study: Live Commerce Success in China

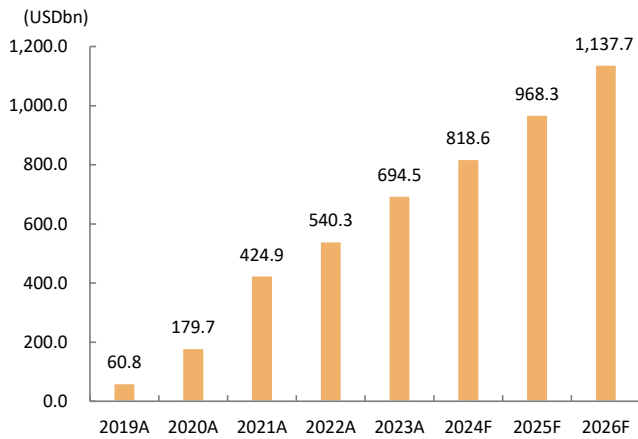
Live commerce is doing well in China

Live commerce in China is a huge success. They manage to took off during the pandemic period when zero covid policy was enforced to restrict and prevent spread of the disease. We decided to conduct a case study to look at the Live commerce landscape in China, finding out what makes them work in China and what are some things that other countries specifically in this case Indonesia can do in order to achieve the same success in China.

Live commerce, which emerged in 2016 with Alibaba’s Taobao Live, is most mature in China. In China, 57% of live-commerce users have used the format for over three years, compared to just 5-7% in Europe, Latin America, and the US. Only 2% of Chinese users were new to live commerce in the past year, versus 78% in the US, 82% in Europe, and 83% in Latin America. Additionally, 87% of Chinese users attend live-shopping events monthly, compared to 43% in the US, 52% in Europe, and 64% in Latin America.

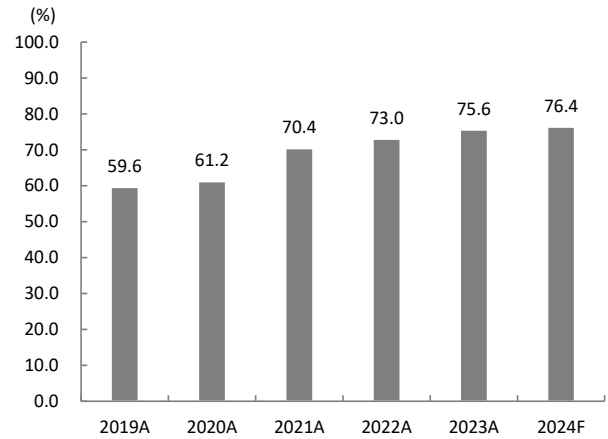
According to CGTN, 99.6% of Chinese internet users browse via their phones, making live shopping ideal for this behavior. According to CGTN, 99.6% of Chinese internet users browse via their phones, making live shopping ideal. Live commerce in China generated a market GMV of USD540.3bn in 2022, with growth expected to reach USD1.1tr by 2026.

Figure 4. GMV of Livestreaming Commerce in China



Source: Mirae Asset Sekuritas Indonesia Research

Figure 5. Internet Adoption Rate in China



Source: Mirae Asset Sekuritas Indonesia Research

Why did China's Live Commerce Thrive?

We identified that there are 3 key reasons as to why China was able to become a live commerce powerhouse. These are wide variety of product and service pool offerings, leveraging streamers and creating an ecosystem for all parts of live commerce production team.

Wide Variety of Product Offerings

The first reason is the wide variety of product and service pool offerings. The redefined product category in live commerce extends beyond specific commodities to include emotional support, brand image, and unique services. Major retail-focused platforms like Taobao and JD.com, along with content-centered players like Kuaishou, Douyin, and Bilibili, are driving growth. Live commerce now covers diverse sectors such as medical beauty (27.5% market share), professional training (17.7%), and home appliances (7.8%). Companies like NIO and China Galaxy Securities use live sessions to enhance brand image and customer engagement, promoting long-term development through expertise, trustworthiness, and quality service.

Leveraging Streamers

Secondly, streamers are crucial for Chinese live commerce, using the "one-to-many" selling mode to influence brand-customer interactions and convert traffic into GMV. China's advanced KOL culture, supported by professional MCNs, sets it apart from other markets like Thailand, which are still cultivating local streamers. Top streamers like Austin Li, known for selling 15,000 lipsticks in 5 minutes and generating RMB21.5bn GMV in one show, enhance personal brand influence through innovative campaigns. Streamers like DaZui Mei and Dong Yuhui use unique content marketing to attract millions of views and followers. Platforms like Taobao and Douyin see significant GMV growth due to streamers, with new streamers achieving a 345% GMV increase and daily average sales on Douyin rising by 156%. The involvement of KOLs, KOCs, and celebrities continues to transform and innovate live commerce.

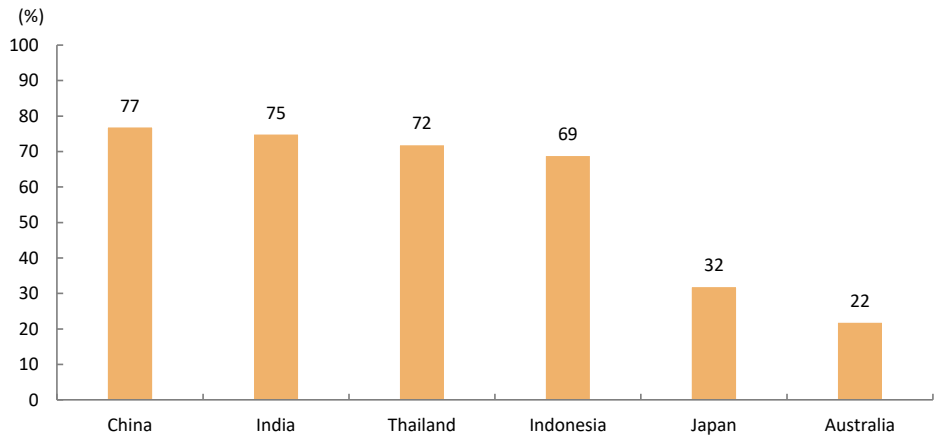
Developing services to support and help live commerce production

Chinese live commerce success is driven by a mature industrial chain based on technological advancement and supported by the recent 14th Five-Year Plan. The digital economy grew by 9.7% annually to RMB39.2tr by 2020, expanding live commerce with segmented services. China's live commerce offers a large product and service pool, supported by an upgraded live infrastructure with Cloud services and CDNs, tailored live products via SaaS applications, and specific business campaigns designed by professional companies. Platforms like Weizan, a WeChat-focused PaaS service, help companies set up and manage live channels, attract traffic, and analyze customer data using AI and smart CRM tools. This integrated system creates a robust live commerce ecosystem valued at RMB29bn, with a 43.1% annual increase.

Conclusion

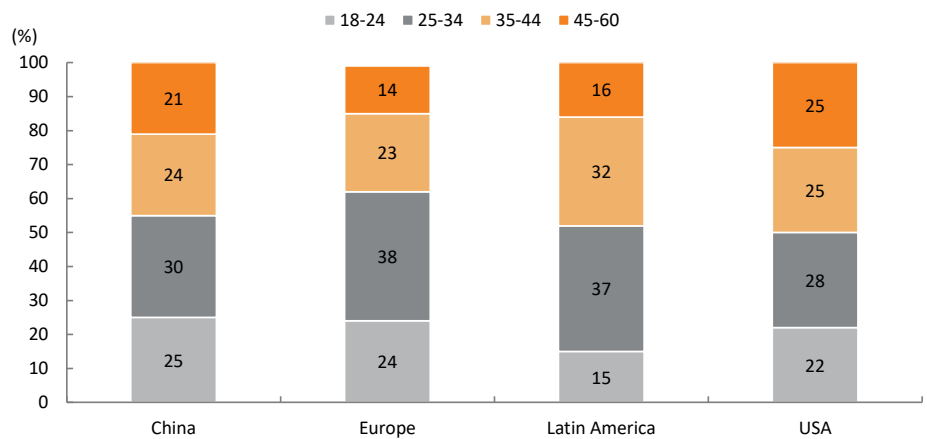
Indonesia has the potential to replicate China's success with live commerce. With similar internet penetration rates, e-commerce, social media usage, and spending patterns, Indonesia is well-positioned to adopt the strategies that fueled China's growth. By leveraging these similarities, Indonesia could significantly expand its live commerce market, making it the next major player in this sector.

Figure 6. Share of Livestream Commerce Shoppers in Asia Pacific Region



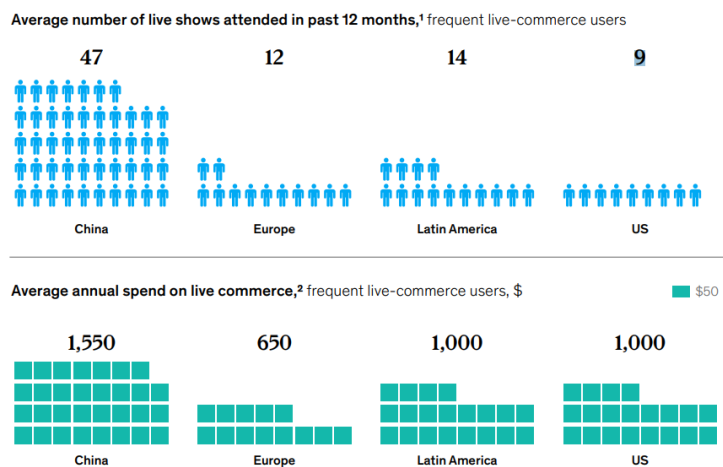
Source: Mirae Asset Sekuritas Indonesia Research

Figure 7. Age breakdown of live commerce users



Source: Mirae Asset Sekuritas Indonesia Research

Figure 8. China's frequent live commerce users watch and spend the most



Source: Mirae Asset Sekuritas Indonesia Research, McKinsey & Company

GOTO IJ · Technology

GoTo Gojek Tokopedia

Better than anticipated 1H24 result

(Maintain)

Buy

Target price

IDR80

Upside

50.9%

Current price (8/2/24)

IDR53

JCI Index	7,308	Market cap (IDRbn)	63,675	Shares outstanding (bn)	1,151	Free Float (%)	67.5
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Report summary

1H24 result was better than anticipated

GOTO Group's 2Q24 GTV increased to IDR121.5tr (+26.5% YoY) with gross revenue of IDR4.3tr (+38.9% YoY) and net revenue of IDR3.5tr (+115% YoY). 1H24 GTV reached IDR238.0tr (+23.3% YoY), gross revenue IDR8.4tr (+27.9% YoY), and net revenue IDR6.6tr (+87.4% YoY). Contribution margin improved to IDR2.4tr (+93.4% YoY), driven by fintech growth. Group adjusted EBITDA improved to -IDR48bn for 2Q24 and -IDR150bn for 1H24, marking the eighth consecutive quarter of growth.

Company Update: GOTO share buyback program and cancellation of pre-ipo

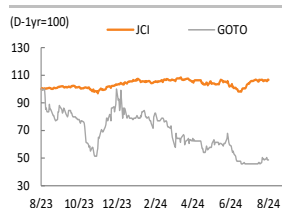
GOTO approved a share buyback program on June 2024 up to USD200mn over 12 months. As of June 30th 2024, GOTO have bought back about 3.8bn shares, totaling USD12mn or approximately IDR198.4bn. GOTO also plans to cancel over 10bn series A shares fro pre-ipo buybacks and IPO-related greenshoe program.

Maintain a BUY recommendation with TP of IDR80/share

Despite the better than anticipated result for GOTO, result still remain in line with our current forecast. Hence, we decided to maintain our BUY recommendation with target price of IDR80/share. Nevertheless, we remain optimistic in GOTO's prospect going forward as 1) The partnership with TikTok should further accelerate growth, 2) GTF's product integration to Shop|Tokopedia entity, and 3) approval of share buyback initiative in upcoming RUPS.

Key data

Price performance



(%)	1M	6M	12M
Absolute	6.0	-41.1	-51.4
Relative	4.5	-42.1	-57.3

Earnings and valuation metrics

(IDRbn)	2022A	2023A	2024E	2025E	2026E
Gross Transaction Value	613,400	606,547	680,012	742,979	799,161
Gross Revenue	22,900	24,260	19,014	22,275	26,411
Net Revenue	11,349	14,785	10,516	13,731	18,020
EBIT	-30,330	-10,279	-10,988	-5,997	-790
EBITDA	-33,243	-12,951	-13,526	-8,509	-3,353
Net Profit	-39,571	-90,396	-9,374	-4,830	475
Total Equity	122,723	35,720	25,684	20,174	19,953
Cash & Cash Equivalent	29,009	25,144	18,682	11,822	10,774

Notes: NP is attributable to owners of the parent

Source: Company data, Mirae Asset Sekuritas Indonesia Research estimates

Financial Results Earnings Overview

A good set of 2Q24 results

Surprisingly better than anticipated 2Q24 results

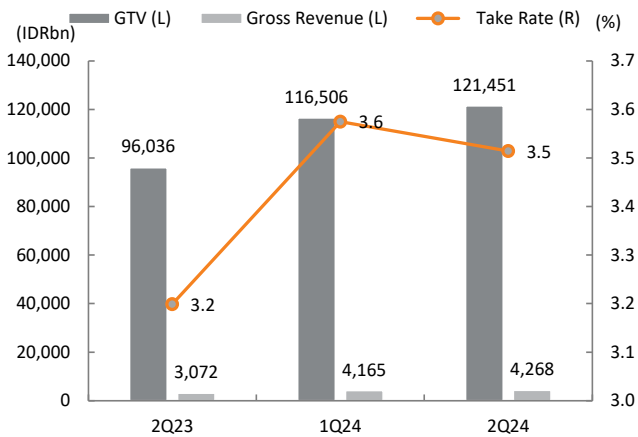
2Q24 Gross Transaction Value (GTV) reached IDR121.5tr, increase of 26% YoY. Group's core GTV, which excludes merchant payment gateway also recorded a good result at IDR63.2tr, an increase of 54% YoY. GoTo's **Overall take rate** remained stable at 3.5%, up by 32 basis points YoY. This allowed them to post a **group's gross revenue** of IDR4.3tr for 2Q24, an increase of 39% YoY. **Group's net revenue** reached IDR3.5tr, an increase of 115% YoY. Performance was driven by user growth, BNPL in e-commerce and accelerated integration and payments adoption associated with TikTok.

Total cost of revenue increased substantially reaching -IDR1.7tr (+381% YoY). **Sales and Marketing expenses** decreased to -IDR575bn in 2Q24 (-23% YoY) from previously -IDR750bn in 2Q23. **Group Adjusted EBITDA** came back to -IDR48bn from previously -IDR885bn in 4Q23. This was mainly due to improvement in loss before income tax increasing from -IDR2.5tr in 2Q23 to -IDR971bn in 2Q24 from relentless focus on cost reduction. **Recurring cash fixed costs** declined by 5% YoY to IDR1.3tr. **Reported recurring cash corporate costs**, allocated to each business segment where they can be directly attributed, decreased by 44% YoY to IDR201bn.

- **On Demand Services (ODS)** segment cemented its market leadership in Indonesia, with GTV and completed orders growing by 18% and 24% YoY, reaching all-time highs. **ODS GTV** grew 14% YoY to IDR15.5tr, and gross revenue increased by 17% YoY to IDR3.4tr. **Recurring cash fixed costs** decreased by 14% YoY to IDR624bn. The launch of an affordable two-wheel ride product and improvements to the affordable food delivery service drove profitable growth. Gojek PLUS expanded to include all On-Demand Services, doubling the number of subscribers who spend three times more in GTV compared to non-subscribers. **Adjusted EBITDA** for On-Demand Services increased by IDR254bn YoY to IDR90bn, marking the third consecutive quarter of positive adjusted EBITDA. The Company's market share in Singapore increased by three percentage points in Q2, supported by its partnership with ComfortDelGro. GoTo will continue investing in On-Demand Services to expand its user base and deepen wallet share within the GoTo ecosystem.
- GoTo's **Financial Technology** business continued its growth momentum in the second quarter, with **core GTV** growing by 65% YoY to IDR56.2tr. GoPay app downloads surpassed 30mn, and **outstanding loans** increased approximately 3.5x YoY in 2Q24. **Gross revenue** for Financial Technology rose 97% YoY to IDR788bn, driven by consumer loans and GoPay app adoption. **Recurring cash fixed costs** decreased by 7% YoY to IDR437bn, primarily due to IT infrastructure cost reduction. **Adjusted EBITDA** loss for Financial Technology narrowed by 67% YoY to IDR168bn. Outstanding loans from consumer lending, including BNPL and cash loans, grew to IDR3.5tr with a stable NPL ratio. GoTo enhanced its partnership with TikTok by providing GoPay Later on TikTok's Shop Tokopedia. The GoPay app has been downloaded over 30mn times as of June 30, 2024, with declining cost per install. The business remains on track to become adjusted EBITDA positive by the end of 2025, subject to stable macroeconomic conditions.

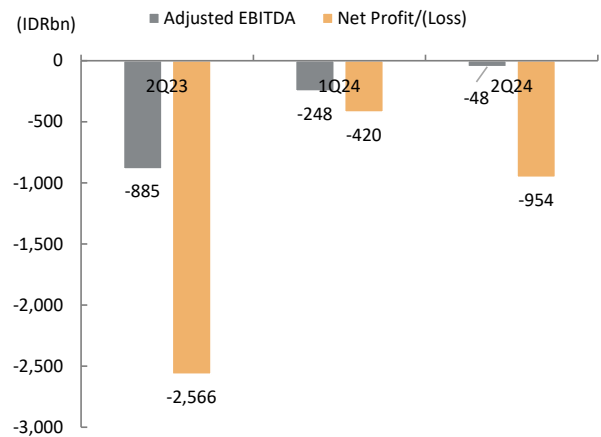
Contribution margin managed to improve as well from IDR494bn in 2Q23 to IDR1.2tr in 2Q24, an increase of 145% YoY. The Group reported a **net loss** of IDR954bn for 2Q24, a 63% YoY reduction, driven by revenue improvements and fixed cost efficiencies. GoTo's strategic partnership with TikTok generated a quarterly **e-commerce service fee** from Tokopedia of IDR171bn (net IDR157bn excluding VAT). In 1Q24, GoTo divested its delivery and fulfillment businesses under GoTo Logistics, deconsolidated from financial reporting in May 2024. This divestment did not affect GoSend, the consumer-to-consumer delivery service within the On-Demand Services segment on the Gojek app.

Figure 9. Group GTV, Revenue & Take Rate



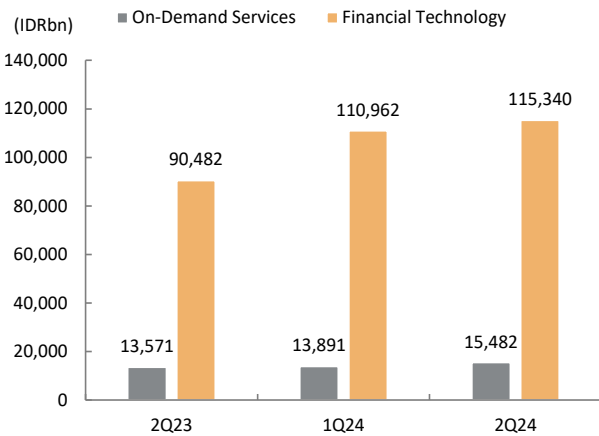
Source: Mirae Asset Sekuritas Indonesia Research

Figure 10. Adjusted EBITDA & Net Profit/(Loss)



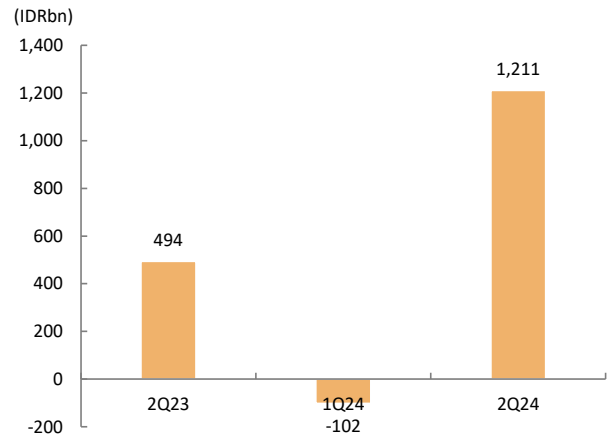
Source: Mirae Asset Sekuritas Indonesia Research

Figure 11. Segmental GTV



Source: Mirae Asset Sekuritas Indonesia Research

Figure 12. Contribution Margin (in IDRbn)



Source: Mirae Asset Sekuritas Indonesia Research

Pro forma 1H24 result is also promising

Cumulatively, GOTO 1H24 was overall relatively good. Pro Forma **Overall TPV** from IDR193.0tr in 1H23 to IDR238.0tr in 1H24 (+23% YoY). **Gross Revenue** increased to IDR8.4tr in 1H24 from IDR6.6tr in 1H23 (+28% YoY). The **overall take rate** also managed to increase to 3.5% in 1H24. Due to a reduction in incentive given to customers from IDR3.1tr in 1H23 to just IDR1.8tr in 1H24, **Group Net Revenue** managed to increase substantially from IDR3.5tr in 1H23 to IDR6.6tr in 1H24 (+87% YoY).

Cost of revenue for GOTO 1H24 managed to decrease substantially to IDR3.1tr in 1H24 (+302% YoY). **Sales and marketing expenses** reached -IDR1.1tr (-21% YoY). **Non variable expenses** also declined to IDR3.7tr (-23% YoY). **Group Adjusted EBITDA** came back to -IDR150bn in 1H24 from previously -IDR1.8tr in 1H23.

- The **On Demand Services (ODS)** GTV increased by 7% YoY to IDR 29.4tr. **Gross revenue** increased by 15% YoY to IDR5.9tr driven by expansion of value added services. In terms of **Contribution Margin**, it managed to increase to IDR1.6tr in 1H24 (+39% YoY) from previously IDR1.2tr in 1H23. **Adjusted EBITDA** also improved from -IDR410bn in 1H23 to IDR256bn in 1H24.
- The core GTV for **Financial Technology** surged by 52% YoY to IDR104.6tr, while the overall GTV increased by 24% YoY to IDR226.3tr. Gross revenues in this segment rose by 77% YoY to IDR1.5tr in 1H24 from previously IDR823bn in 1H23, primarily driven by the expansion in lending and consumer payments. **Contribution margin** increase substantially to IDR486bn in 1H24 (+3,140% YoY) from previously IDR15bn in 1H23. **Adjusted EBITDA** improved to -IDR416bn in 1H24 from previously -IDR1.0tr in 1H23.

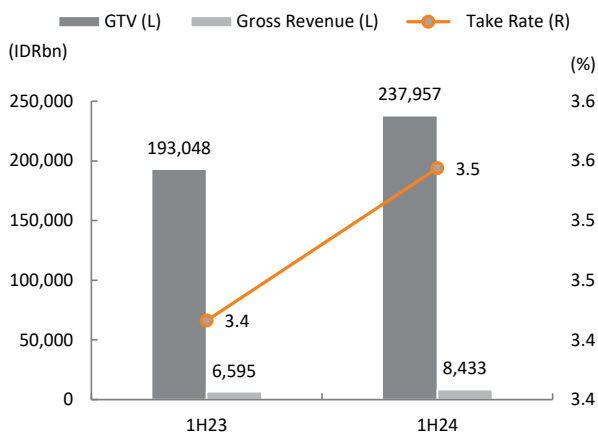
Overall Contribution margin managed to improve as well from IDR1.2tr in 1H23 to IDR2.4tr in 1H24, an increase of 93% YoY. **Adjusted EBITDA** for the group also improved to -IDR150bn in 1H24 (+92% YoY) from previously at -IDR1.8tr in 1H23. This resulted in improvement in **loss for the period** to be at -IDR1.4tr in 1H24 (+75% YoY) from previously -IDR5.4tr in 1H23.

Table 1. GOTO Financial Highlight

In IDRbn	2Q23	1Q24	2Q24	YoY (%)	QoQ (%)	1H23	1H24	YoY (%)	Consensus FY24E	Run Rate (%)	MASI FY24E	Run Rate (%)
GTV	96,036	116,506	121,451	26.5	4.2	193,048	237,957	23.3	498,283	47.8	448,052	53.1
On-Demand Services	13,571	13,891	15,482	14.1	11.5	27,505	29,373	6.8				
Financial Technology	90,482	110,962	115,340	27.5	3.9	182,003	226,302	24.3				
Elimination	-8,017	-8,347	-9,371	16.9	12.3	-16,460	-17,718	-				
Gross Revenue	3,072	4,165	4,268	38.9	2.5	6,595	8,433	27.9	22,640	37.2	18,040	46.7
Take Rate (%)	3.2	3.6	3.5	9.9	-1.7	3.4	3.5	-				
On-Demand Services	2,880	3,342	3,380	17.4	1.1	5,868	6,722	14.6				
Financial Technology	399	424	788	97.5	85.8	823	1,454	76.7				
Incentive to Customer	-207	399	100	-148.3	-74.9	96	-257	-				
Net Revenue	1,633	3,078	3,518	115.4	14.3	3,519	6,596	87.4	13,827	47.7	12,440	53.0
As a % of GTV	1.7	2.6	2.9	70.4	9.6	1.8	2.8	-				
Contribution Margin	494	-102	1,211	145.1	1,287.3	1,220	2,359	93.4				
Adjusted EBITDA	-885	-248	-48	-94.6	80.6	-1,783	-150	91.6				
Net Profit/(Loss)	-2,566	-420	-954	-62.8	127.1	-5,392	-1,374	74.5				

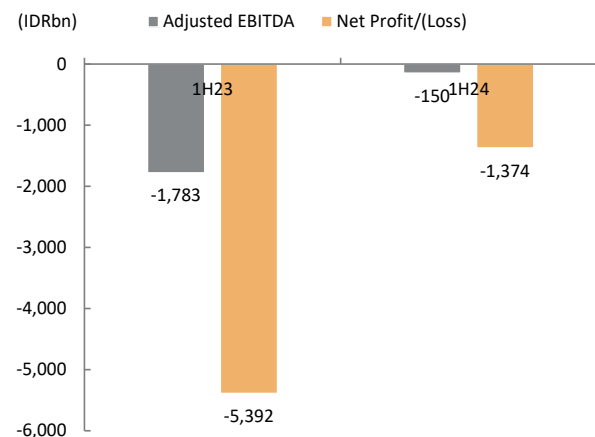
Source: Mirae Asset Sekuritas Indonesia Research

Figure 13. Group GTV, Revenue & Take Rate



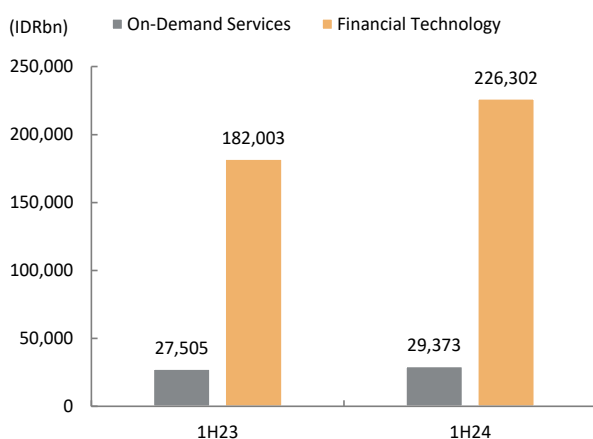
Source: Mirae Asset Sekuritas Indonesia Research

Figure 14. Adjusted EBITDA & Net Profit/(Loss)



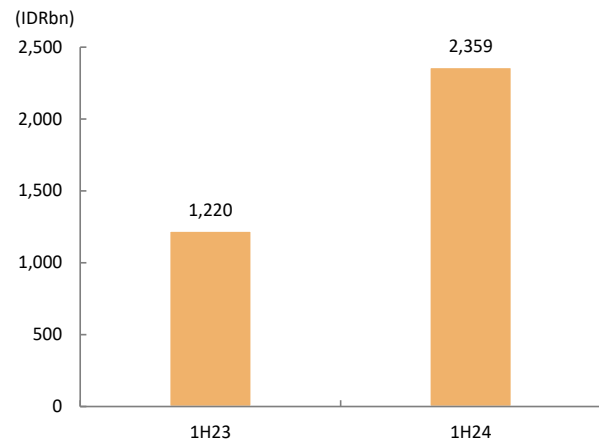
Source: Mirae Asset Sekuritas Indonesia Research

Figure 15. Segmental GTV



Source: Mirae Asset Sekuritas Indonesia Research

Figure 16. Contribution Margin (in IDRbn)



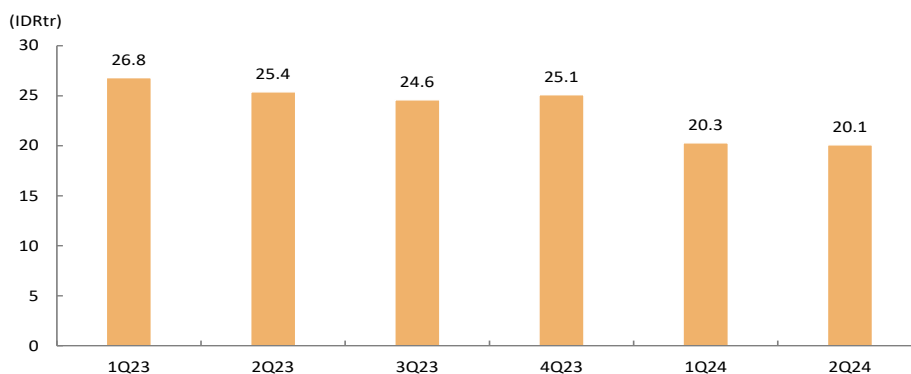
Source: Mirae Asset Sekuritas Indonesia Research

Company Update

Approval of Share Buyback of up to USD200mn

GOTO has received shareholder approval for a share buyback plan, decided during the Annual General Meeting (RUPST) and Extraordinary General Meeting (RUPSLB). The buyback will amount to a maximum of USD200mn or IDR3.2tr. Despite the buyback, GOTO has reported losses, with a loss of IDR90.5tr in 2023, largely due to a goodwill reversal of IDR78.8tr required by accounting standards. The loss is also influenced by the Tokopedia and TikTok transaction, resulting in GOTO losing control over Tokopedia from February 1, 2024. In 1Q24, GOTO reported a net loss of IDR862bn, a 78% reduction compared to the same period the previous year. Cash and cash equivalents stood at IDR20.31tr at the end of March, down by nearly 20% from IDR25.14tr at the end of 2023.

Figure 17. GOTO's cash reserve from 2023



Source: Company, Mirae Asset Sekuritas Indonesia Research

Seeking approval for the cancellation of treasury shares

GOTO is seeking approval for the cancellation of treasury shares at the upcoming Extraordinary General Meeting of Shareholders (EGMS) on August 30 to prop up its share value. According to a statement on Wednesday, GOTO plans to cancel 10,264,665,616 Series A shares acquired in 2021 and 2022 through pre-IPO buybacks and an IPO-related greenshoe program. This move aims to add value to shareholders by reducing the number of shares in circulation while ensuring compliance with relevant laws and regulations.

The Series A shares represent 8% of GoTo's treasury shares, totaling 127,063,873,734 shares, or 0.85% of GoTo's 1,201,409,662,836 total shares as of March-end 2024. The cancellation will not impact GoTo's ongoing share buyback initiatives approved by shareholders in June 2024. This strategic action is expected to increase the per-share value for existing shareholders, reflecting the company's commitment to optimizing its capital structure and boosting investor confidence.

GoTo had IDR23tr (USD1.4bn) in cash, cash equivalents, and short-term time deposits as of March 31, 2024, a nearly 16% drop from IDR27.4tr in the same period a year earlier. On Wednesday, GoTo shares dropped 1.82% to IDR54 apiece. However, the shares rallied a day earlier, reaching IDR55 apiece, the highest level since June 10, 2024.

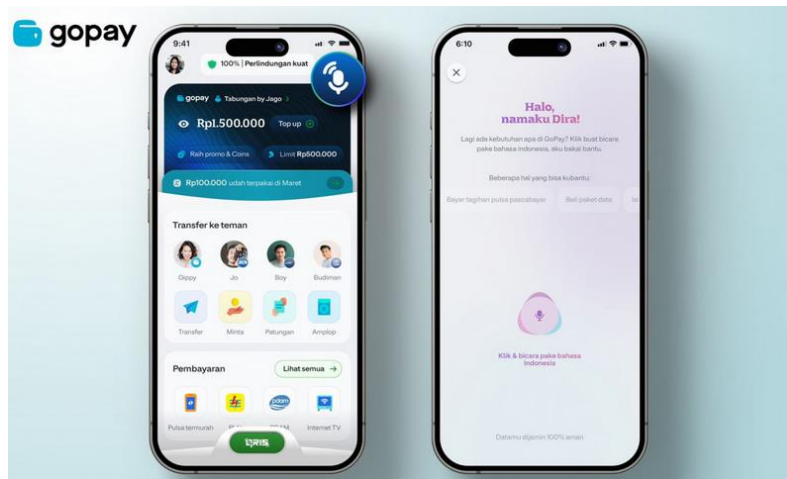
GOTO: Leveraging AI to elevate user experience

GoTo has introduced "Dira by GoTo AI," an AI-based voice assistant in Bahasa Indonesia, to enhance user experience. Dira, the first of its kind in Indonesia's financial technology industry, is initially available to select users on the GoPay app and will be rolled out further, including to the Gojek app.

Dira, standing for Dikte Suara (voice dictation), allows users to navigate and use GoPay features more easily, completing transactions with fewer steps. It simplifies accessing the GoPay app's features, helping users save time and reducing the need for manual searches.

Designed for simplicity and accessibility, Dira makes AI benefits widely available without significantly increasing the app's size, making it usable on all mobile phones, including those with limited capacity. Users can access Dira by tapping the microphone icon in the GoPay app and giving voice commands for various transactions, such as bill payments, money transfers, and PIN changes. Security measures like PIN and biometric verification are required for transaction completion.

Figure 18. GOTO Dira AI



Source: Mirae Asset Sekuritas Indonesia Research, GOTO

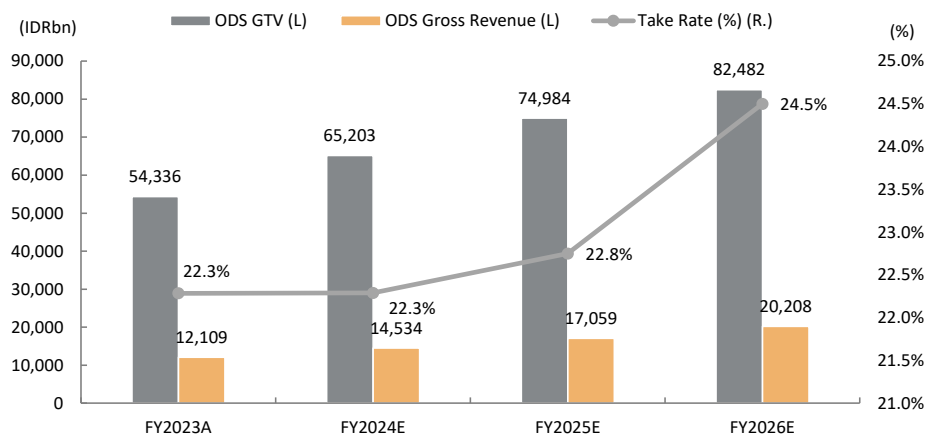
Outlook, Valuation and Recommendation

On Demand Services

GTV should improve as purchasing power slowly recovers

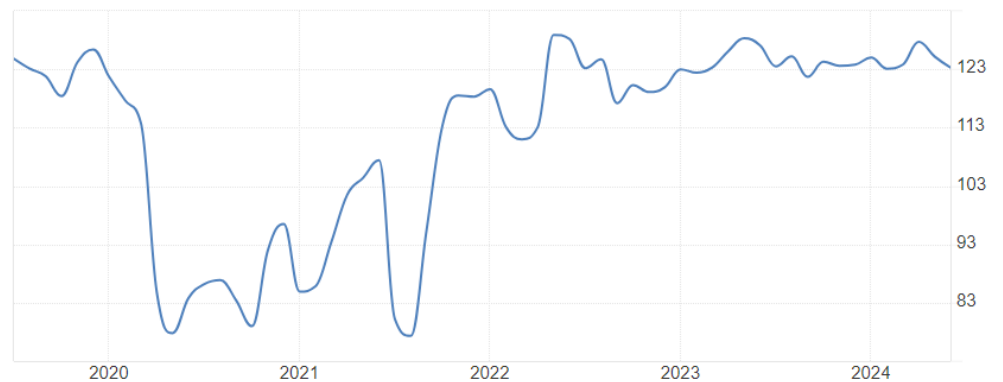
Looking ahead to 2H24, we anticipate that GoTo could further increase its ODS GTV by expanding its user base with affordable products and ongoing improvements to its offerings. Additionally, the company plans to deepen its wallet share through an enhanced product mix and subscriptions, and to bolster its value-added services, such as its advertising business, which should contribute to overall growth. We also see that with the completion of the Shop|Tokopedia entity and potential partnership between ODS services with the Shop|Tokopedia entity to provide express delivery services could be a potential contribution to GOTO's ODS segment. The potential recovery of purchasing power would also be a catalyst to boost ODS segment further in 2H24.

Figure 19. ODS GTV Forecast



Source: Mirae Asset Sekuritas Indonesia Research

Figure 20. Indonesia Consumer Confidence Index

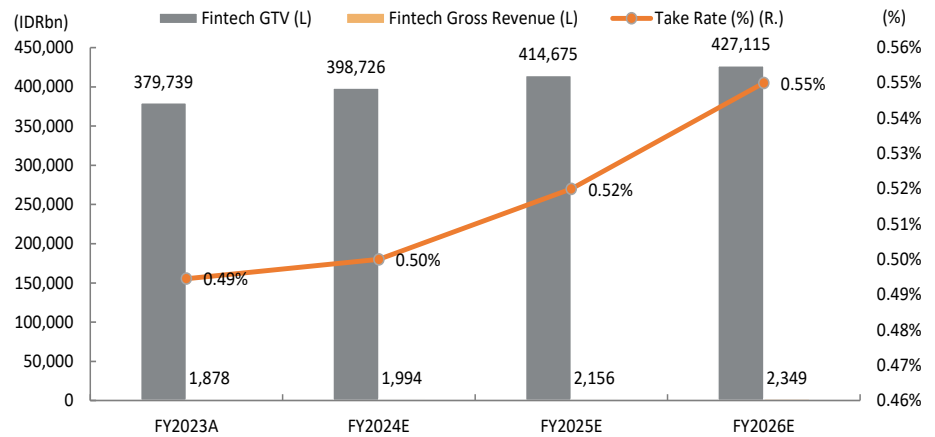


Source: Mirae Asset Sekuritas Indonesia Research, Trading Economics

Fintech : Integration of GoPayLater to TikTok Shop Ecosystem

GoTo's Financial Technology division is intensifying its investments in the Fintech sector, particularly in speeding up the integration of its products with TikTok and Tokopedia. The company has simplified the process for users to link their GoPay accounts with Shop|Tokopedia and is collaboratively developing a Buy Now, Pay Later (BNPL) product with TikTok. They aim to launch this BNPL product on the Shop|Tokopedia platform within the next few months. Management sees the segment to be on track to becoming Adjusted EBITDA positive by the end of 2025, given macroeconomic condition recovery.

Figure 21. Fintech GTV Forecast

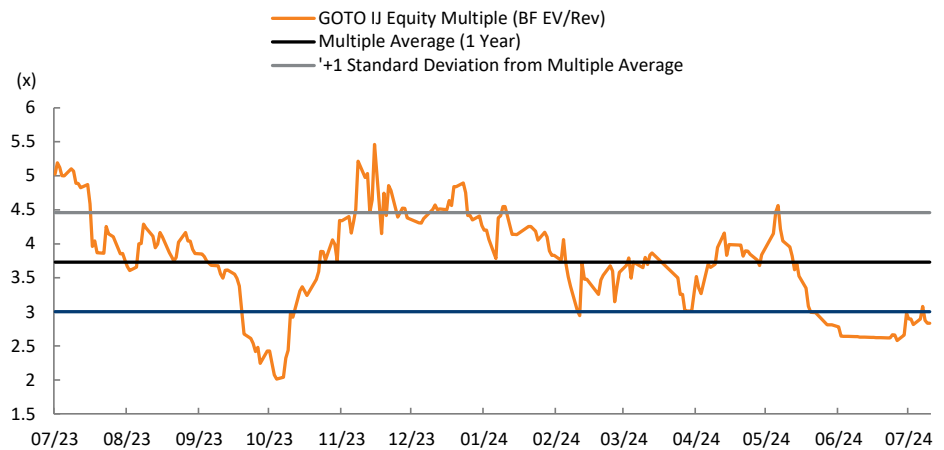


Source: Mirae Asset Sekuritas Indonesia Research

Maintain BUY recommendation with TP of IDR80/share

Despite the better than anticipated result for GOTO, result still remain in line with our current forecast. Hence, we decided to maintain our BUY recommendation with target price of IDR80/share. We value GOTO using a SOTP methodology where ODS and Fintech is valued using 25E EV/Revenue of similar peers, E-Commerce is valued from the service fee received from the Shop|Tokopedia entity and the stake in ARTO is valued from GOTO's initial investment.

Nevertheless, we remain optimistic in GOTO's prospect going forward as 1) The partnership with TikTok should further accelerate growth, 2) GTF's product integration to Shop|Tokopedia entity, and 3) continuation of share buyback initiative to maximize shareholder value. Downside risks includes: 1) Losing market share in international markets, 2) Intense competition, 3) Interest rate remains elevated, 4) Slow recovery of purchasing power

Figure 22. GOTO 1 year EV/Revenue

Source: Mirae Asset Sekuritas Indonesia Research

Table 2. GOTO SOTP Valuation

SOTP Valuation				(IDRbn)
Segments	Methodology	Multiple(x)	Value	Adjusted Value
On Demand	25E EV/Revenue	4.4x	14,534	63,949
E-Commerce	25E E-Commerce Service Fee	-	1,165	1,165
Fintech	25E EV/Revenue	6.5x	1,994	12,959
Stake in ARTO	Initial Investment	-	-	3,370
Total Enterprise Value				81,442
Cash & C.E	-	-	-	18,682
Total Debt (IBD)	-	-	-	1,536
Minority Interest	-	-	-	(2,266)
Total Equity Value				96,322
Shares Outstanding				1,201
TARGET PRICE				80

Source: Company data, Mirae Asset Sekuritas Indonesia Research

GoTo Gojek Tokopedia (GOTO IJ)

Income statement (summarized)

(IDRbn)	2022A	2023A	2024F	2025F
Revenue	11,349	14,785	10,516	13,731
Cost of revenue	-5,480	-5,093	-4,871	-4,384
S&M Expense	-14,088	-6,431	-5,145	-4,630
G&A Expense	-12,706	-5,647	-4,518	-4,066
D&A Expenses	-2,913	-2,671	-2,538	-2,512
Other Expenses	-6,492	-5,222	-4,433	-4,136
EBIT	-30,330	-10,279	-10,988	-5,997
Finance income	618	636	731	841
Finance costs	-233	-369	-399	-431
Other Finance Income & Cost	-10,600	-80,622	1,089	624
Profit before income tax	-40,545	-90,635	-9,567	-4,963
Income tax expenses	136	116	98	84
Non-controlling interest	-837	-123	-95	-49
Net profit/(loss)	-41,246	-90,642	-9,563	-4,928

Margin (%)	2022A	2023A	2024F	2025F
Operating Profit Margin	-267.2%	-69.5%	-104.5%	-43.7%
EBT Margin	-357.2%	-613.0%	-91.0%	-36.1%
EBITDA Margin	-292.9%	-87.6%	-128.6%	-62.0%
Net profit	-363.4%	-613.1%	-90.9%	-35.9%

Growth (%)	2022A	2023A	2024F	2025F
Revenue	-	30.3%	-28.9%	30.6%
EBIT	-	66.1%	-6.9%	45.4%
EBITDA	-	392.9%	187.6%	228.6%
Net profit	-	-119.8%	89.4%	48.5%

Cash flow statement (summarized)

(IDRbn)	2022A	2023A	2024F	2025F
Cash Flows from Op. Activities	-17,206	-4,325	-6,874	-2,824
Net profit	-40,408	-90,519	-9,469	-4,879
Change in working capital	1,100	-61	57	-457
Others	22,102	86,255	2,538	2,512
Cash Flows from Inv. Activities	1,134	-1,472	2,592	-4,099
Capex	-510	-419	-21	-21
Others	1,645	-1,053	2,613	-4,078
Cash Flows from Fin. Activities	13,374	1,733	-2,680	-437
Change in Non-Current Liabilities	13,589	3,445	-2,112	194
Change in Equity	-245	1,224	-568	-631
Dividend	-	-	-	-
Others	30	-2,936	-	-
Increase (decrease) in cash	-2,698	-4,065	-6,962	-7,360
Beginning balance	31,151	29,009	25,144	18,682
Change in Forex	556	-100	500	500
Ending balance	29,009	25,144	18,682	11,822

Source: Company data, Mirae Asset Sekuritas Indonesia Research estimates

Balance sheet (summarized)

(IDRbn)	2022A	2023A	2024F	2025F
Current assets				
Cash & equivalents	29,009	25,144	18,682	11,822
Receivables	2,461	2,814	864	1,129
Inventories	71	71	72	73
Others	2,639	5,588	3,558	3,784
Total current assets	34,180	33,617	23,177	16,807
Non-current assets				
Fixed assets	1,457	1,039	1,059	1,081
Intangible Assets	10,236	8,036	8,438	8,860
Investment in JV & Associates	4,152	3,480	3,654	3,837
Goodwill	82,833	4,066	4,431	4,830
Others	6,358	3,859	3,927	4,124
Total non-current assets	105,036	20,480	21,511	22,732
Total assets	139,217	54,097	44,687	39,539
Current liabilities				
ST bank loans and CM	-	300	307	315
Account payables	6,951	6,839	8,837	8,107
Other current liabilities	5,212	5,683	6,360	7,135
Total current liabilities	12,162	12,823	15,505	15,557
Non-current liabilities				
LT debts & Other Current Maturities	1,826	3,433	1,229	1,326
Liabilities for employee benefits	236	206	202	198
Other Non-Current Liabilities	2,269	1,916	2,011	2,112
Total non-current liabilities	4,331	5,555	3,442	3,636
Total liabilities	16,493	18,377	18,948	19,194
Shareholders' equity				
Shareholder Equity	122,723	35,720	25,684	20,174
Total liabilities and equity	139,217	54,097	44,631	39,367

BUKA IJ · Technology

PT Bukalapak.com

Decent result for 2Q24 & 1H24, O2O results surprises

(Maintain)

Buy

Target price

IDR160

Upside

35.6%

Current price (8/2/24)

IDR118

JCI Index	7,308	Market cap (IDRbn)	12,167	Shares outstanding (mn)	103,109	Free Float (%)	53.4
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Report summary

2Q24 & 1H24 result was decent, O2O is main key driver to performance

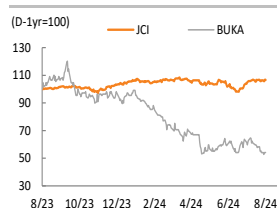
In 2Q24, BUKA's total TPV remained flat at IDR41.2tr (-1.4% QoQ, +0.2% YoY), with O2O segment contributing IDR21.0tr (+3.9% QoQ, +13.8% YoY) and marketplace TPV dropping to IDR20.2tr (-6.4% QoQ, -10.8% YoY). Cumulative 1H24 TPV grew to IDR83.0tr (+1.8% YoY). Net revenue for 2Q24 increased to IDR1.24tr (+6.4% QoQ, +5.9% YoY) driven by marketplace revenue of IDR708bn (+26.4% QoQ, +3.5% YoY) and O2O revenue of IDR571bn (-10.8% QoQ, +9.6% YoY). For 1H24, net revenue grew to IDR2.41tr (+10.6% YoY) with a take rate of 2.91%, driven by marketplace revenue at IDR1.27tr (+5.6% YoY) and O2O revenue at IDR1.21tr (+16.9% YoY). BUKA's CM improved significantly to IDR162bn (+30.6% QoQ, +30.6% YoY), reaching IDR286bn (+25.4% YoY) for 1H24. Adjusted EBITDA turned negative at -IDR41bn for 2Q24 after a positive IDR15bn in 1Q24, but cumulatively improved to -IDR26bn (+92.2% YoY) for 1H24, on track for positive adjusted EBITDA for FY24. Core earnings improved significantly to IDR306bn (+324.0% YoY) in 1H24, though 2Q24 core earnings were lower at IDR120bn compared to 1Q24 due to seasonality factors.

Maintain BUY recommendation with TP of IDR160/share

Given the results, we maintain our BUY recommendation with similar TP of IDR160/share given our forecast and run rate are still relatively in line with actual. Potential catalysts for BUKA's share price include robust growth in tier 2 cities' O2O businesses, creation of successful specialty verticals like Itemku, and a possible share buyback given its current market cap is less than total cash equivalents. Risks include fewer rate cuts due to inflation and failure to develop high-potential verticals.

Key data

Price performance



(%)	1M	6M	12M
Absolute	-9.2	-36.2	-48.2
Relative	-10.8	-37.2	-54.2

Earnings and valuation metrics

	2021A	2022A	2023A	2024F	2025F
Total Processing Value (IDRbn)	122,619	153,739	164,380	175,200	192,720
Net Revenue (IDRbn)	1,869	3,618	4,438	4,983	5,605
Gross Profit (IDRbn)	1,428	1,058	1,051	956	1,093
EBIT (IDRbn)	-1,709	1,760	-2,129	-673	-584
EBITDA (IDRbn)	-1,629	1,799	-2,084	-622	-524
Net Profit (IDRbn)	-1,676	1,984	-1,365	-231	-110
Enterprise Value (IDRbn)	21,679	5,662	2,868	-3,421	3,114
EV/Revenue	11.6	1.6	0.6	-0.7	0.6

Notes: NP is attributable to owners of the parent

Source: Company data, Mirae Asset Sekuritas Indonesia Research estimates

Financial Results Overview

A decent set of 2Q24 results

Good set of results in general, O2O performance was surprising

2Q24 Total Processing Value (TPV) reached IDR41.2tr flat YoY growth. **Overall take rate** managed to increase at 3.0% (+16bps YoY, +22bps QoQ) allowing them to post a **net revenue** of IDR1.2tr for 2Q24, an increase of 6% YoY and 6% QoQ despite TPV remain relatively flat. Majority of net revenue are dominated by outside tier 1 regions of up to 73%. Net revenue main contributor remains the marketplace revenue growing to IDR708bn (+4% YoY, +26% QoQ). We attribute the marketplace revenue growth from gaming segment specifically Itemku.

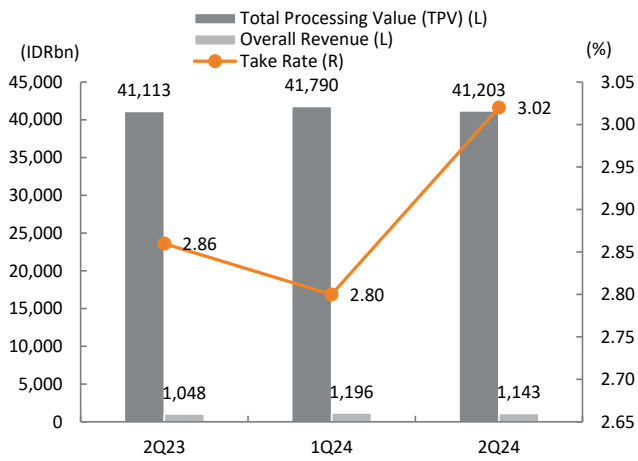
- The **marketplace segment** TPV weakened to IDR20.2tr (-6% QoQ and -11% YoY) mainly due to seasonality factor kicking in during the 2Q24 period. In terms of take rate, marketplace take rate is at 3.50% (+91bps QoQ and +48bps YoY). This in turn yielded a marketplace revenue of IDR708bn (+26% QoQ and +4% YoY).
- The **O2O segment's** TPV managed to perform surprisingly well reaching IDR21.0tr (+4% QoQ and +14% YoY). Surprisingly, the take rate for O2O decreased a good amount to 2.72% (-45bps QoQ and -11bps YoY). Thus, this in turn limits O2O's revenue on a QoQ basis but improvement in YoY basis to IDR571bn (-11% QoQ and +9% YoY). The improvement in O2O was mainly driven by an improvement in BUKA's product mix and a broader range of service offerings to Mitras.

Overall contribution margin (CM) managed to improve from IDR124bn in 2Q23 to IDR162bn in 2Q24 (+30% QoQ and +31% YoY). As a % of TPV, overall CM increased from 0.30% in 2Q23 to 0.39% in 2Q24 (+9bps QoQ and +9bps YoY). The majority of the contribution comes from the marketplace contribution margin at 0.77% in 2Q24 (+20bps QoQ, +7bps YoY). O2O Segment contributed 0.13% (+0bps QoQ, +18bps YoY). **General & Administrative** expenses decreased to IDR-292bn in 2Q24 (-41% QoQ, -3% YoY) in efforts to optimize cost and streamline their operations.

Adjusted EBITDA for 2Q24 managed to book -IDR41bn (-372% QoQ and +67% YoY) slightly below our expectation of returning back to negative adjusted EBITDA. Given the bad Adjusted EBITDA result, management during the analyst call decided to remove their 2024 target for Adjusted EBITDA. We anticipate that they will be missing their initial 2024 adjusted EBITDA target of better than IDR200bn. However, we will not be revising our adjusted EBITDA target for the 2024 simply due to our already conservative target for Adjusted EBITDA in 2024.

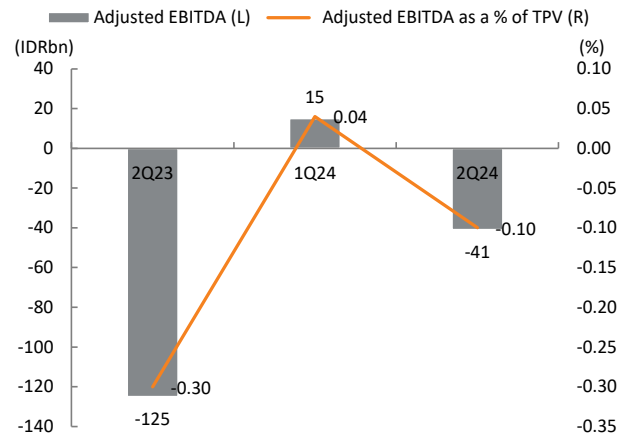
As a result, **Net Profit/(Loss)** worsens to -IDR708bn in 2Q24. However, this number is mainly due to the losses due to investments that is recorded on Marked-To-Market method. Looking at the **Core earnings**, which is calculated as reported Net Income excluding Gain/Loss on investment and Forex, Goodwill and non recurring items managed to improve on YoY basis to IDR120bn (-35% QoQ, +724% YoY).

Figure 23. TPV, Revenue & Take Rate



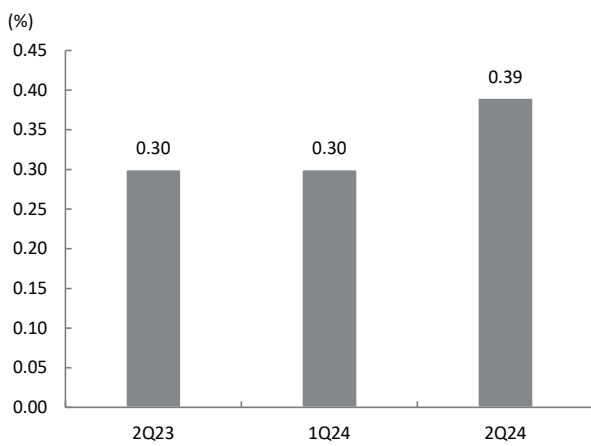
Source: Mirae Asset Sekuritas Indonesia Research

Figure 24. Adjusted EBITDA



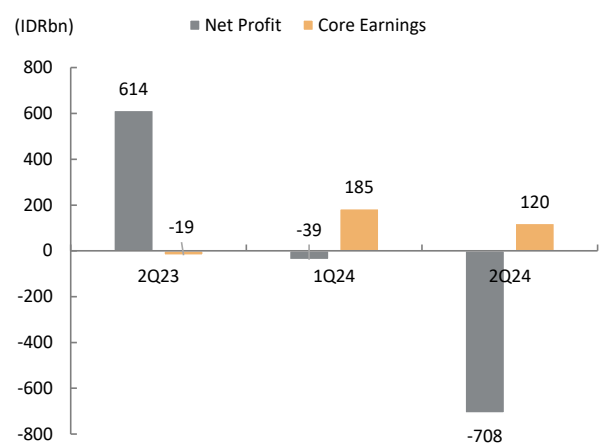
Source: Mirae Asset Sekuritas Indonesia Research

Figure 25. Contribution Margin as a % of TPV



Source: Mirae Asset Sekuritas Indonesia Research

Figure 26. Net Profit & Core Earnings



Source: Mirae Asset Sekuritas Indonesia Research

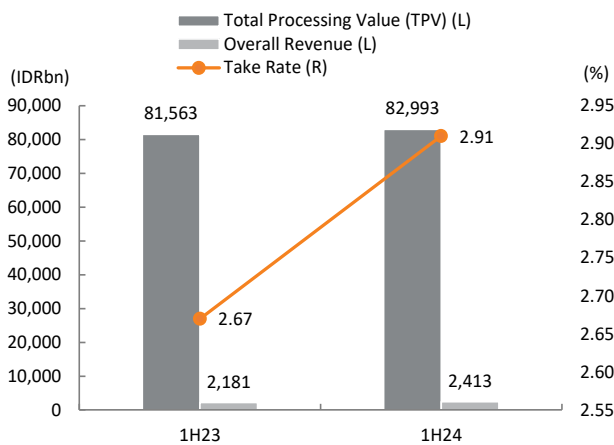
1H24 results looks better than 2Q24

Cumulatively, BUKA 1H24 was much better than 2Q24 results. **Overall TPV** from IDR81.6tr in 1H23 to IDR83.0tr in 1H24 (+2% YoY). Improvement in TPV was mainly driven by growth in O2O segment increasing to IDR41.2tr (+11% YoY) while marketplace TPV shrunk to IDR41.8tr (-6% YoY). **The overall take rate** also managed to increase +23bps YoY to 2.91%. This was mainly driven by the rapid increase in take rate from marketplace from 2.71% in 1H23 to 3.03% in 1H24 while O2O take rate for 1H24 is at 2.94%, 15bps higher. Hence, **net revenue** managed to also increase to IDR2.41tr in 1H24 (+11% YoY) with marketplace revenue contribution to IDR1.3tr (+6% YoY) and O2O revenue contribution at IDR1.2tr (+17% YoY).

- The **marketplace segment** TPV decreased to IDR41.8tr (-6% YoY). This decrease is mainly attributed to the seasonality factor. In terms of take rate, marketplace take rate is at 3.03% (+33bps YoY). This in turn yielded a marketplace revenue of IDR1.3tr (+6% YoY) due to good performance from the gaming segment.
- The **O2O segment's** TPV managed to surprisingly perform relatively well reaching IDR41.2tr (+11% YoY). The take rate for O2O also managed to increase to 2.94% (+15bps YoY). Thus, this in turn allowed O2O's revenue to increase to IDR1.2tr (+17% YoY).

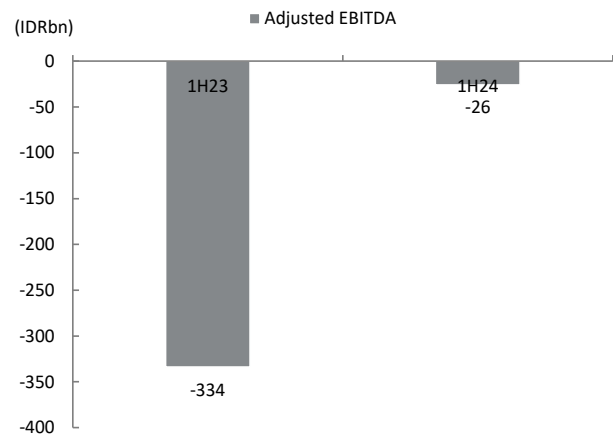
BUKA's **adjusted EBITDA** experienced an improvement to -IDR26bn in 1H24 (+92% YoY) from previous -IDR334bn in 1H23. **Contribution margin** improved as well from IDR228bn in 1H23 to IDR286bn in 1H24 (+26% YoY). This allowed 1H24 **net profit/(loss)** to decrease from -IDR394tr in 1H23 to -IDR748bn in 1H24 (-90% YoY). This enormous decrease is mainly attributed to loss on investments of about -IDR1.32tr in 1H24 from previous -IDR120bn in 1H23. However, if we take a look at **core earnings**, it managed to turnaround from -IDR136bn in 1H23 to positive IDR306bn in 1H24 (+324% YoY).

Figure 27. TPV, Revenue & Take Rate



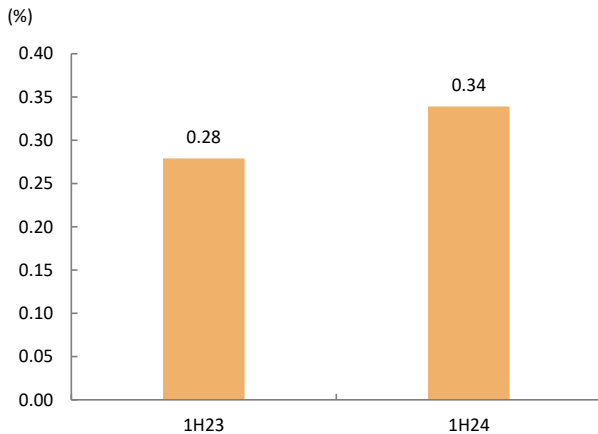
Source: Mirae Asset Sekuritas Indonesia Research

Figure 28. Adjusted EBITDA



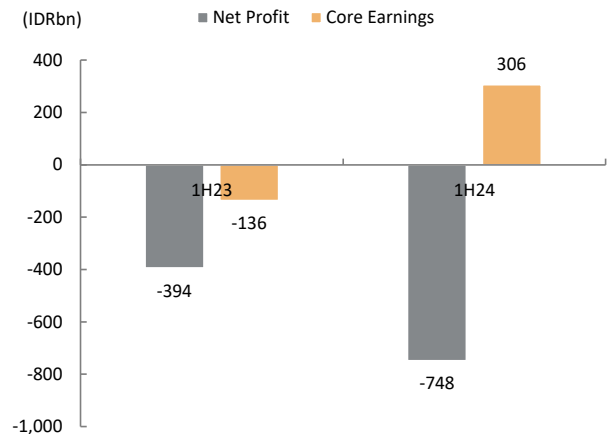
Source: Mirae Asset Sekuritas Indonesia Research

Figure 29. Contribution Margin as a % of TPV



Source: Mirae Asset Sekuritas Indonesia Research

Figure 30. Net Profit & Core Earnings



Source: Mirae Asset Sekuritas Indonesia Research

Table 3. BUKA's 2Q24/1H24 key financial highlight

in IDR bn	2Q23	3Q23	4Q23	1Q24	2Q24	YoY	QoQ	1H23	1H24	YoY
Total Processing Value (TPV)	41,113	41,060	41,757	41,790	41,203	0%	2%	81,563	82,993	7%
O2O	18,447	19,619	20,728	20,195	20,984	-8%	-2%	37,193	41,179	8%
Marketplace	22,666	21,442	21,028	21,595	20,219	9%	6%	44,370	41,814	5%
Take Rate	2.86%	2.82%	2.63%	2.80%	3.02%	16bps	22bps	2.67%	2.91%	35bps
O2O	2.83%	2.86%	2.88%	3.17%	2.72%	-11bps	-45bps	2.79%	2.94	73bps
Marketplace	3.02%	2.96%	2.59%	2.59%	3.50%	48bps	91bps	2.71%	3.03%	15bps
Overall Revenue	1,048	1,032	1,205	1,196	1,143	6%	6%	2,181	2,413	23%
O2O	522	561	597	640	571	9%	-11%	1,036	1,211	11%
Marketplace	685	635	545	559	708	4%	26%	1,201	1,268	11%
Contribution Margin as % of TPV	0.30%	0.44%	0.29%	0.30%	0.39%	9bps	9bps	0.28%	0.34%	30bps
O2O	-0.05%	-0.02%	0.04%	0.13%	0.13%	18bps	0bps	-0.08%	0.13%	35bps
Marketplace	0.70%	1.03%	0.69%	0.57%	0.77%	7bps	20bps	0.69%	0.67%	29bps
EBITDA	490	-580	-806	-270	-928	-289%	-244%	-670	-1,198	-79%
EBITDA as a % of TPV	1.19%	-1.41%	-1.93%	-0.65%	-2.25%	-345bps	-161bps	-0.82%	-1.44%	-62bps
Adjusted EBITDA	-125	-95	-46	15	-41	67%	-372%	-334	-26	92%
Adjusted EBITDA as a % of TPV	-0.30%	-0.23%	-0.11%	0.04%	-0.10%	20bps	-13bps	-0.41%	-0.03%	38bps
Net Profit	614	-390	-593	-39	-708	-215%	-1700%	-394	-748	-90%
Net Profit as a % of TPV	1.49%	-0.95%	-1.42%	-0.09%	-1.72%	-321bps	-163bps	-0.48%	-0.90%	-42bps
Core Earnings	-19	63	116	185	120	724%	-35%	-136	306	324%
Core Earnings as a % of TPV	-0.05%	0.15%	0.28%	0.44%	0.29%	34bps	-15bps	-0.17%	0.37%	54bps

Source: Company data, Mirae Asset Sekuritas Indonesia Research

Outlook, Valuation and Recommendation

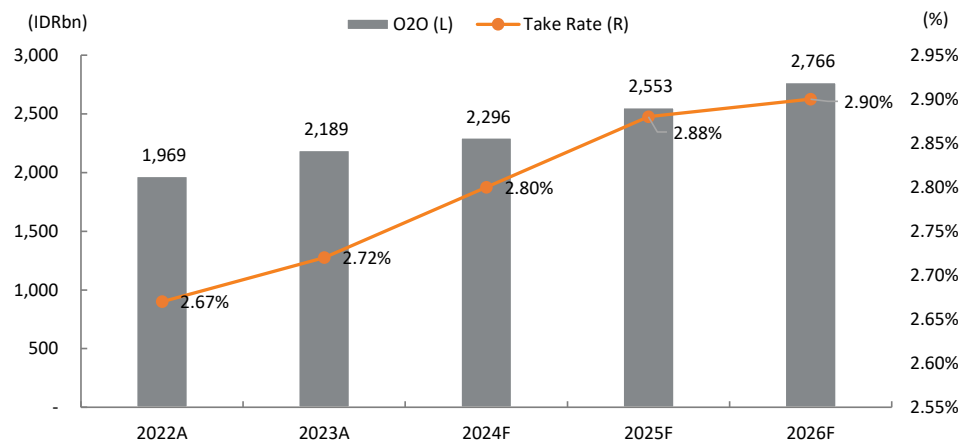
O2O: Better growth supported by recovery of purchasing power

We expect the O2O segment to continue growing in 2H24. Despite solid growth in 2Q24, there is room for further expansion, especially with a potential rate cut in late 3Q24 and early 4Q24. The O2O segment, heavily reliant on purchasing power, should benefit significantly from this recovery, as 73% of current O2O TPV comes from Tier 2 cities and beyond.

Marketplace : Introduction of more specialty verticals

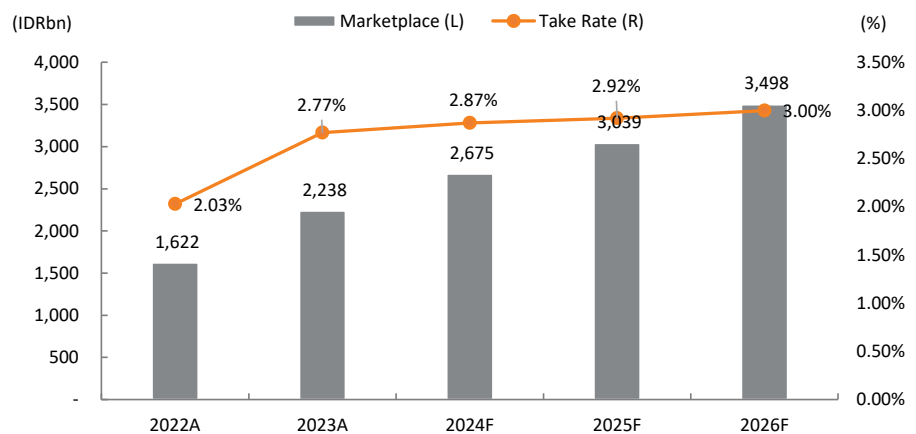
Despite limited growth in the O2O sector, BUKA's marketplace segment, especially in specialty verticals, presents a potential bright spot due to its high take rate (greater than 10%), which could lead to significant revenue generation despite a flat total payment volume (TPV) forecast. BUKA's management highlighted the strong performance of Itemku, noting its QoQ revenue increase, which represented over 20% of the group's revenue. They anticipate that this double-digit growth will persist into 2024, though at a decelerated rate compared to previous years, owing to the high base effect.

Figure 31. O2O revenue forecast



Source: Mirae Asset Sekuritas Indonesia Research

Figure 32. Marketplace revenue forecast



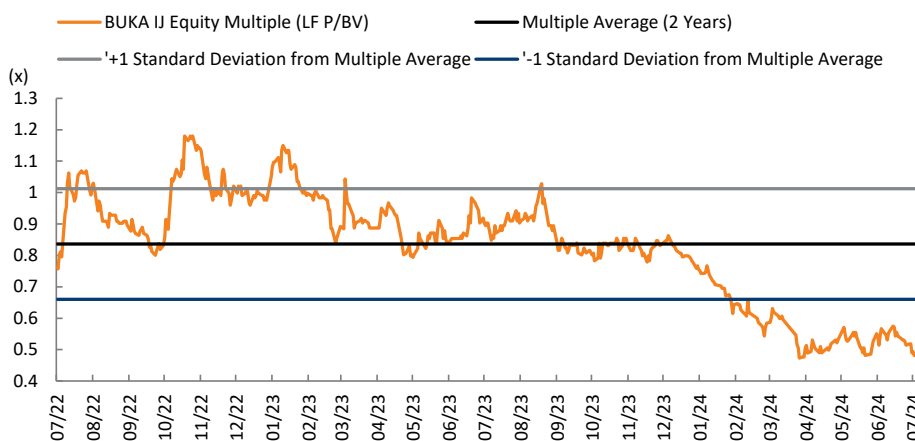
Source: Mirae Asset Sekuritas Indonesia Research

Maintain BUY Recommendation with TP IDR160/share

We maintain BUKA with a BUY recommendation and a target price (TP) of IDR160. Our TP is derived using SOTP methodology. We value the O2O and marketplace business segment using 10 years DCF methodology with WACC of 15.8% and terminal growth rate of 2.5%. We then value BUKA's acquisition of AlloFresh and Allobank similar to their initial investment in the company.

Nevertheless, we see some potential catalyst that could bring the share price higher if 1) O2O businesses in tier 2 cities grew robustly, 2) successfully creating other potential specialty verticals with huge upside similar to Itemku, and 3) possibility of a share buyback scheme given that current market cap is less than BUKA's total cash & cash equivalent. Downside risk to our call includes: 1) reduction of rate cuts due to soaring inflation and 2) inability for BUKA to create high potential specialty verticals.

Figure 29. BUKA's 2 Year Forward P/BV Band



Source: Mirae Asset Sekuritas Indonesia Research, Bloomberg

Table 4. 10 years DCF methodology

DCF	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
EBIT	-2,129	-673	-584	-471	-425	-70	461	1,208	2,540	3,934
Less : Tax	35	-36	-18	3	13	68	147	251	438	630
Plus : D&A	39	45	52	59	68	79	90	104	120	138
Less : CapEx	-6	4	5	7	9	11	13	17	21	1,050
Less : Net Working Capital	746	1,079	751	592	465	-158	-190	-238	-268	-318
Unlevered FCF	-2,865	-1,676	-1,270	-1,014	-844	88	582	1,282	2,469	2,710
Present Value of FCF	6,415	(2,474)	(1,250)	(817)	(563)	(405)	36	208	396	659
PV of Terminal Value										5,266
Enterprise Value										1,681
+ Cash	13,041.3									
- Debt	313.6									
Equity Value										14,408
Shares (In Bio)										103.10
Implied Share Price										140
Rounded Share Price										140

SOTP valuation of BUKA

Segment	Ownership (%)	Methodology	Equity Value	Value Per Share	Adj Valuation
O2O & Marketplace	100%	10 Yrs DCF	14,408	139.75	140
AlloFresh	35%	Initial Invest	778	7.54	8
AlloBank	11%	Initial Invest	1,194	12	12
Share Price					160

Source: Company data, Mirae Asset Sekuritas Indonesia Research

PT Bukalapak.Com (BUKA IJ)

Income statement (summarized)

(IDRbn)	2022	2023	2024F	2025F
Revenue	3,618	4,438	4,983	5,605
Cost of revenue	2,560	3,388	4,027	4,512
Gross profit	1,058	1,051	956	1,093
Opex	-3,572	-1,867	-1,953	-2,041
EBIT	-2,514	-816	-997	-948
Other income (expenses)	338	-83	324	364
Finance income	541	823	399	448
Finance costs	-7	-5	-37	-42
Profit before income tax	2,270	-1,343	-280	-141
Income tax expenses	-293	-35	36	18
Non-controlling interest	-6	-12	-12	-13
Net profit	1,984	-1,365	-231	-110

Margin (%)	2022	2023	2024F	2025F
Gross profit	29.3%	23.7%	19.2%	19.5%
EBIT	48.6%	-48.0%	-13.5%	-10.4%
EBITDA	49.7%	-47.0%	-12.5%	-9.3%
Net profit	54.8%	-30.8%	-4.6%	-2.0%

Growth (%)	2022	2023	2024F	2025F
Revenue	93.6%	22.7%	12.3%	12.5%
Gross profit	-25.9%	-0.7%	-9.0%	14.4%
EBIT	51.1%	-67.5%	22.2%	-5.0%
Net profit	-218.4%	-168.8%	-83.0%	-52.4%

Cash flow statement (summarized)

(IDRbn)	2022	2023	2024F	2025F
Cash Flows from Op. Activities	-552	785	893	692
Net profit	1,984	-1,365	-231	-110
Depreciation & Amortization	80	39	45	52
Change in working capital	-4,880	746	1,079	751
Others	2,265	1,365	-	-
Cash Flows from Inv. Activities	-6,008	-635	-1,757	-698
Capex	-12	6	-4	-5
Others	-5,996	-641	-1,752	-692
Cash Flows from Fin. Activities	-2,010	-1,187	-1,230	6
Change in Non-Current Liabilities	-13	-21	64	15
Change in Equity	3,003	-1,166	-1,293	-8
Dividend	-	-	-	-
Others	-4,999	-	-	-
Increase (decrease) in cash	-8,570	-1,037	-2,094	1
Beginning balance	24,700	16,256	15,180	13,041
Ending balance	16,256	15,180	13,041	12,990

Balance sheet (summarized)

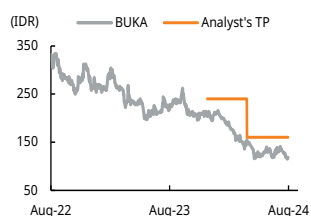
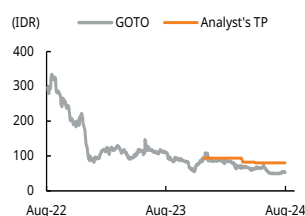
(IDRbn)	2022	2023	2024F	2025F
Current assets				
Cash & equivalents	16,256	15,180	13,041	12,990
Receivables	316	305	277	293
Inventories	71	106	133	166
Others	5,362	4,498	3,605	2,904
Total current assets	22,005	20,089	17,056	16,353
Non-current assets				
Fixed assets	23	17	22	27
Right of use assets - net	47	34	106	98
Intangible assets - net	41	211	1,065	1,020
Others	5,291	5,774	6,832	7,687
Total non-current assets	5,401	6,036	8,024	8,832
Total assets	27,406	26,125	25,080	25,185
Current liabilities				
ST bank loans and CM	228	115	314	353
Account payables	271	262	426	477
Other current liabilities	311	338	160	168
Total current liabilities	809	714	900	998
Non-current liabilities				
LT debts & Other Current Maturities	46	12	110	124
Liabilities for employee benefits	45	54	25	26
Other Non-Current Liabilities	-	-	-	-
Total non-current liabilities	91	67	134	149
Total liabilities	900	781	1,034	1,147
Shareholders' equity				
Shareholder Equity	11	24	26	17
Total liabilities and equity	27,406	26,125	25,080	25,185

Appendix 1

Important disclosures and disclaimers

Two-year rating and TP history

Company	Date	Rating	TP (IDR)	Company	Date	Rating	TP (IDR)
GoTo Gojek Tokopedia (GOTO IJ)	8/5/2024	Buy	80	Bukalapak.com (BUKA IJ)	8/5/2024	Buy	160
	7/19/2024	Buy	80		7/19/2024	Buy	160
	5/2/2024	Buy	80		3/28/2024	Hold	160
	3/25/2024	Buy	82		11/27/2023	Trading Buy	240
	12/11/2023	Hold	94		5/17/2023	Trading Buy	240
	11/27/2023	Hold	94		4/26/2023	Trading Buy	268
	5/17/2023	Trading Buy	135				
	4/26/2023	Trading Buy	112				



Stock ratings

Buy	Expected 12-month performance: +20% or greater
Trading Buy	Expected 12-month performance: +10% to +20%
Hold	Expected 12-month performance: -10% to +10%
Sell	Expected 12-month performance: -10% or worse

Sector ratings

Overweight	Expected to outperform the market over 12 months
Neutral	Expected to perform in line with the market over 12 months
Underweight	Expected to underperform the market over 12 months

Rating and TP history: Share price (—), TP (—), Not Rated (■), Buy (▲), Trading Buy (■), Hold (●), Sell (◆)

* Our investment rating is a guide to the expected return of the stock over the next 12 months.

* Outside of the official ratings of PT Mirae Asset Sekuritas Indonesia, analysts may call trading opportunities should technical or short-term material developments arise.

* The TP was determined by the research analyst through valuation methods discussed in this report, in part based on estimates of future earnings.

* TP achievement may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

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