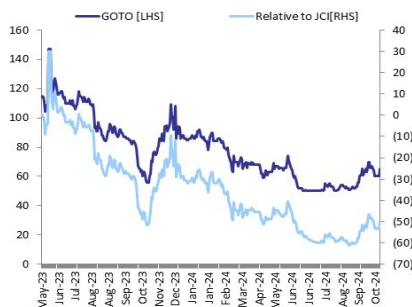


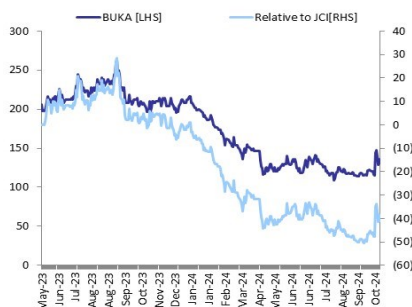
Overweight

(Maintained)

GOTO relative to JCI Index



BUKA relative to JCI Index



Source: Bloomberg

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Technology

3Q24 Preview: GOTO Poised for EBITDA Growth; Temu facing an uphill battle to enter Indonesia

- GOTO poised for 3Q24 EBITDA growth driven by resilient ODS, loan balance expansion, improving CM and stable recurring costs.
- Temu's model may face regulatory scrutiny before it partners with BUKA and may experience an uphill battle as late entrant in the market.
- Maintain sector OW, we prefer GOTO, TP: Rp90, implies 5.6x P/S and 6.8x EV/S, as it forms potentially one of the best alliances in the market.

GOTO poised for strong 3Q24 EBITDA +ve with ODS and loan growth

GOTO's 3Q24 performance is poised for growth, with GTV expected to rise <5% qoq, ODS seeing double-digit growth, and fintech growing <4% qoq. ODS take rate should remain resilient, and loan balances could rise 20%+ qoq, with fintech take rate improving by 10-15 bps. Stable variable costs should drive high mid-teen CM growth, positioning GOTO for positive 3Q24 EBITDA and strong recovery from 1H24 losses amid flat recurring costs.

Blibli to continue strengthening its fundamentals

We expect Blibli to optimize TPV and improve its take-rate and GP margin. Its physical stores expansion and Dekoruma acquisition should drive TPV growth. With stable OPEX, Blibli is positioned for EBITDA loss reduction in 3Q24.

Limited visibility in BUKA's model; a Temu partnership will boost its outlook

While BUKA optimizes TPV for better take rates, we have limited visibility in BUKA's EBITDA after it abandoned its FY24 guidance; hence, we only expect slight EBITDA loss improvements. News suggests that Temu is targeting BUKA for acquisition to enter Indonesia, though it faces government resistance. Temu's strategy usually results in price undercutting by 20-30%, which pressures local manufacturers. However, Temu's platform could stimulate investments in logistics where costs can be as high as 25% of end-product price and drive local SMEs' digital adoption through enhanced consumer feedback. Negotiations between the government and Temu may focus on safeguarding SMEs and promoting the local value chain, in our view.

Temu to face an uphill battle as a late entrant in a competitive market

Temu would be a late entrant in Indonesia's established market and would need to comply with local regulations, TKDN, and promote local goods like its peers. Temu would use its war chest to drive aggressive promotions to gain traction, but also would enhance its logistics, cut out middlemen, and empower local suppliers. These initiatives would take time to implement. In the meantime, we expect TikTok to focus on driving synergies with GOTO, boosting GTV with enhanced marketing, last-mile delivery for local life services, and paylater solutions, thereby solidifying their market presence.

Maintain Sector OW with rerating opportunities; GOTO remains our top pick

The Indonesian market continues to attract foreign players due to its significant growth upsides. As we noted in our [2024 Sector Outlook](#), we expect the government to prioritize partnerships with local players. We prefer GOTO, maintaining a Buy rating with a DCF-based TP: Rp90, implying 5.6x P/S and 6.8x EV/S. GOTO trades at a premium compared to peers like SEA and GRAB, its strong alliance with TikTok in Indonesia—the largest ASEAN market—positions it to capitalize on growth opportunities. The key downside risk remains ineffective government policies.

Company	Ticker	Rec	Target Price	Market Cap.	P/E (x)		P/BV (x)		ROE (%)
			(Rp)	(RpBn)	2024F	2025F	2024F	2025F	2025F
GoTo	GOTO IJ	BUY	90	76,712.0	n/m	n/m	2.0	2.3	(7.9)
Bukalapak	BUKA IJ	BUY	340	13,501.1	n/m	n/m	0.5	0.5	(2.6)
Blibli	BELI IJ	BUY	520	53,313.6	n/m	n/m	13.1	19.4	(38.6)

3Q24 Preview: GOTO Poised for EBITDA Growth

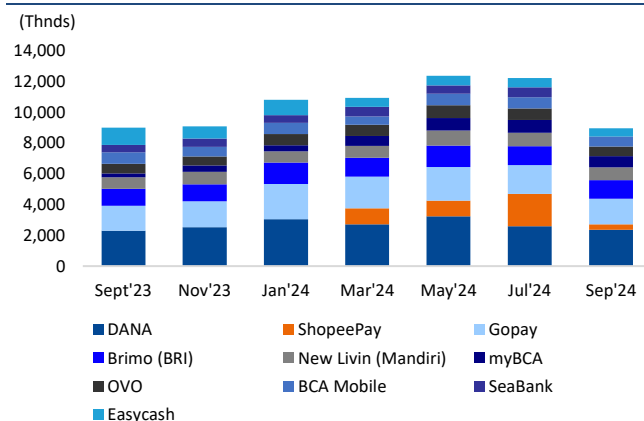
3Q24 Financial Preview

Exhibit 1. 3Q24 Preview for Tech companies

Company	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24E	Δ QoQ	Δ YoY	9M23	9M24E	Δ YoY
GTV/TPV (Rp bn)												
GOTO	148,620	143,739	151,250	163,020	134,792	121,581	123,708	1.7%	-18.2%	443,527	380,081	-14.3%
GOTO (Pro-forma)	97,013	96,035	-	-	116,506	121,451	127,465	5.0%	n/a	n/a	365,422	n/a
Bukalapak.com	40,450	41,113	41,060	41,757	41,790	41,203	41,203	0.0%	0.3%	122,623	124,196	1.3%
Blibli	17,916	18,868	17,845	17,518	17,973	18,356	18,396	0.2%	3.1%	54,624	54,725	0.2%
take rate %												
GOTO	4.0%	4.1%	4.0%	4.0%	3.9%	3.6%	3.7%	0.1%	-0.2%	4.0%	3.8%	-0.2%
GOTO (Pro-forma)	3.6%	3.2%	-	-	3.6%	3.5%	3.7%	0.2%	n/a	n/a	3.6%	n/a
Bukalapak.com	2.5%	2.9%	2.8%	2.6%	2.8%	3.0%	3.2%	0.1%	0.3%	2.7%	3.0%	0.3%
Blibli	4.9%	4.8%	4.8%	6.0%	6.3%	6.7%	6.8%	0.2%	2.0%	4.8%	6.6%	1.8%
Gross Revenue (Rp bn)												
GOTO	5,981	5,833	5,976	6,470	5,304	4,409	4,750	7.7%	-20.5%	17,791	14,463	-18.7%
GOTO (Pro-forma)	3,523	3,072	-	-	4,165	4,268	4,750	11.3%	n/a	n/a	13,183	n/a
Bukalapak.com	1,006	1,175	1,158	1,099	1,169	1,244	1,305	4.9%	12.7%	3,339	3,718	11.3%
Blibli	4,124	4,234	4,007	3,639	4,308	4,352	4,465	2.6%	11.5%	12,364	13,125	6.2%
Contribution margin (Rp bn)												
GOTO	636	1,044	1,135	1,618	1,477	1,223	1,387	13.4%	22.2%	2,816	4,087	45.2%
GOTO (Pro-forma)	726	494	-	-	1,148	1,211	1,387	14.6%	n/a	n/a	3,746	n/a
Bukalapak.com	104	124	182	122	124	162	174	7.6%	-4.6%	410	460	12.2%
Blibli	8	103	(16)	31	289	347	364	4.9%	n/m	95	1,000	948.5%
Adjusted EBITDA (Rp bn)												
GOTO	(1,597)	(1,208)	(942)	77	(139)	(70)	95	n/m	n/m	(3,747)	(114)	n/m
GOTO (Pro-forma)	(898)	(885)	-	-	(102)	(48)	95	n/m	n/a	n/a	(55)	n/m
Bukalapak.com	(209)	(125)	(95)	(46)	15	(41)	(20)	52.0%	79.3%	(429)	(46)	89.4%
Blibli	(817)	(770)	(817)	(946)	(571)	(477)	(461)	3.4%	43.6%	(2,404)	(1,509)	37.2%

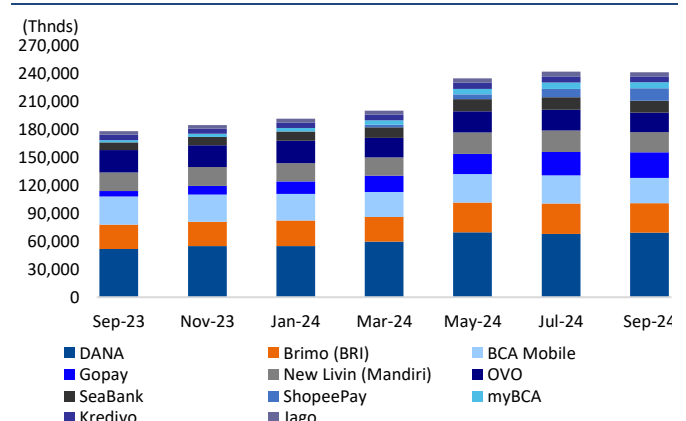
Source: Company, BRIDS Estimates

Exhibit 2. FinTech Downloads in Indonesia

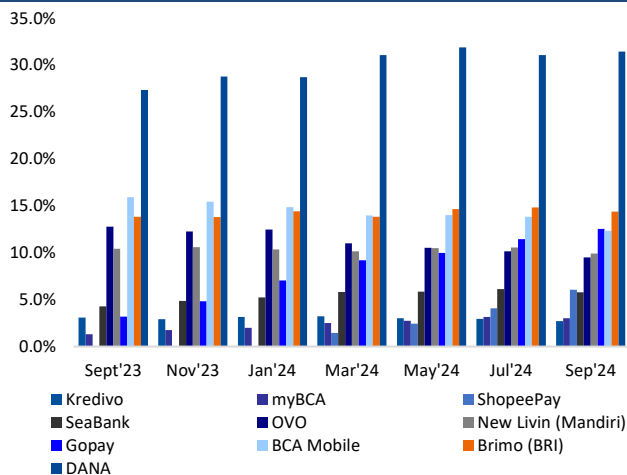


Source: DATA.AI

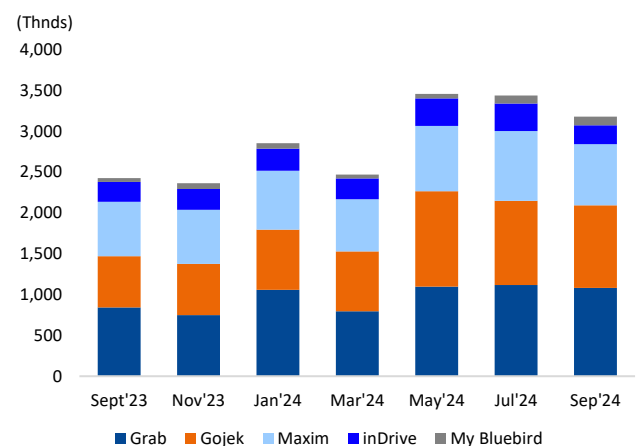
Exhibit 3. FinTech Active Users in Indonesia



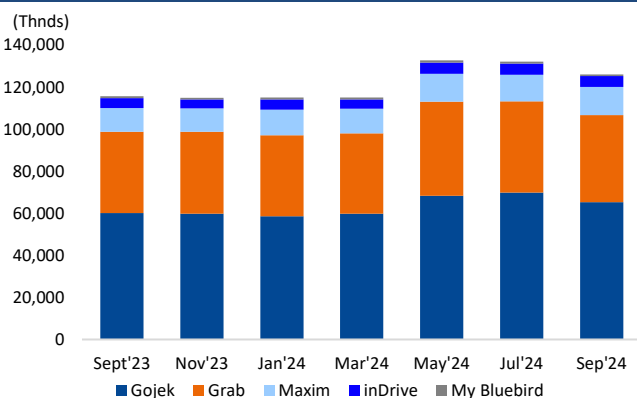
Source: DATA.AI

Exhibit 4. FinTech Usage Penetration in Indonesia


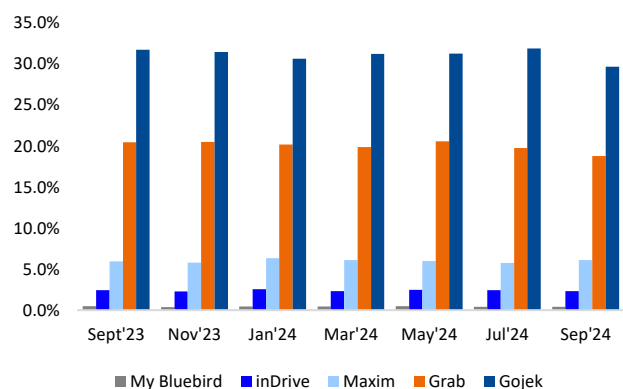
Source: DATA.AI

Exhibit 5. Ride Hailers Downloads in Indonesia


Source: DATA.AI

Exhibit 6. Ride Hailers Active Users in Indonesia


Source: DATA.AI

Exhibit 7. Ride Hailers Usage Penetration in Indonesia


Source: DATA.AI

Temu to face an uphill battle to enter Indonesia

Introduction to Temu

Who is TEMU?

TEMU is an e-commerce platform owned by Chinese company PDD Holdings and was launched in the United States in Sept22. Within two years, Temu expanded its operations to 78 countries, offering a diverse range of products, including clothing, craft supplies, power tools, electronics, and household items. The platform is widely recognized for its steep discounts, primarily on small everyday household goods and novelty products.

PDD Holdings, a publicly traded company, is owned by a diverse range of shareholders, including both individual and institutional investors. As of June 2024, the shareholder structure of TEMU was: 34.17% owned by institutions and 34.17% float held by institutions. The largest institutional shareholders include Baillie Gifford and Company (2.53%), Blackrock Inc. (2.1%), and Vanguard Group Inc. (2.03%), among others.

TEMU's effective direct-to-consumer approach eliminates middlemen

TEMU's business model connects consumers directly with manufacturers and brand owners, eliminating intermediaries to reduce costs and offer competitive prices. The platform curate's trendy, low-cost items aimed at a younger audience, enhancing the shopping experience through affordability and gamification, which fosters customer loyalty.

While the platform faces challenges with slower shipping times—ranging from 6 to 22 days due to direct shipping from China—its strong engagement with price-conscious consumers mitigates this drawback. Additionally, TEMU capitalizes on social media platforms like Instagram, Facebook, and TikTok to effectively promote its brand and products, further solidifying its market position.

TEMU's expansion into Brazil, Japan, and South Korea highlights its rapid rise as a top shopping app

TEMU's global expansion (i.e. into Brazil, Japan, and South Korea) highlights its effective market penetration strategies and rapid growth in competitive environments. After launching in Brazil in Jun24, it quickly became the top shopping app, surpassing local giants like Mercado Libre and Amazon. The launch coincided with Brazil's approval of a 20% tax on imported goods over US\$50, a decision TEMU awaited before entering the market. Despite challenges, such as delays in U.S. customs, TEMU is focused on overcoming obstacles, backed by Pinduoduo's core management.

In Japan, the platform surpassed a million downloads in just 35 days, offering unique products at competitive prices that resonate with local consumer preferences. Similarly, in South Korea, TEMU's appeal is bolstered by fast shipping services and its commitment to affordable shopping. However, concerns from local customers in both markets have led to inspections of TEMU's operations, particularly regarding its promotional tactics, such as providing free products that may require referrals or favors from shoppers.

In Southeast Asia, TEMU made a debut in the Philippines in Aug23, targeting the country due to its remarkable e-commerce growth rate of 24.1%, the highest globally, and its large youthful population of approximately 114mn, with around 60% under the age of 30. However, despite this potential, the Philippines contributes only 0.3% to TEMU's global traffic, translating to about 1.3mn visits from a total of 446mn monthly global visits, which is comparable to that of a large independent merchant's website. Following the Philippines, TEMU was launched in Malaysia in Sept23, but it took nearly a year to expand to Thailand.

TEMU faces major challenges in Southeast Asia and global markets amidst growing presence

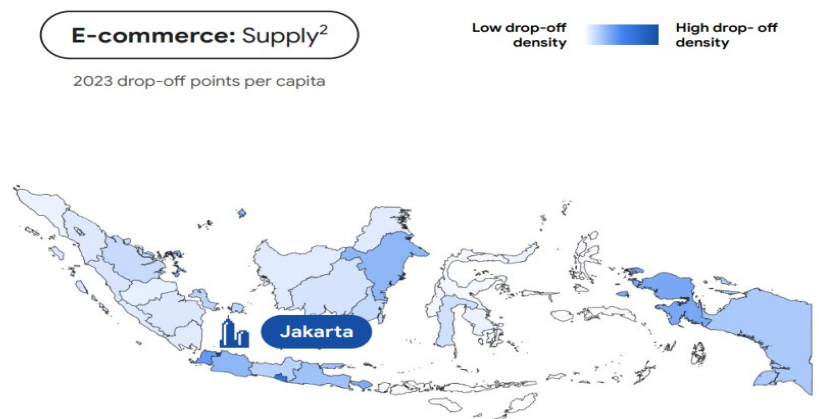
Despite its growing presence, TEMU faces several challenges in Southeast Asia and other regions.

- In Southeast Asia, it encounters intense competition from established platforms like Shopee, Lazada, and TikTok Shop, which diminishes its price advantage. The region's diverse economic conditions require tailored operational strategies, while discrepancies in logistics infrastructure add further complications. Payment methods and consumer preferences also pose challenges, with low credit card usage and the prevalence of cash-on-delivery

(COD) transactions—17% in Vietnam, 14% in the Philippines, and 11% in Indonesia. Additionally, TEMU's low-cost strategy may attract heightened regulatory scrutiny as regional governments seek to protect local industries.

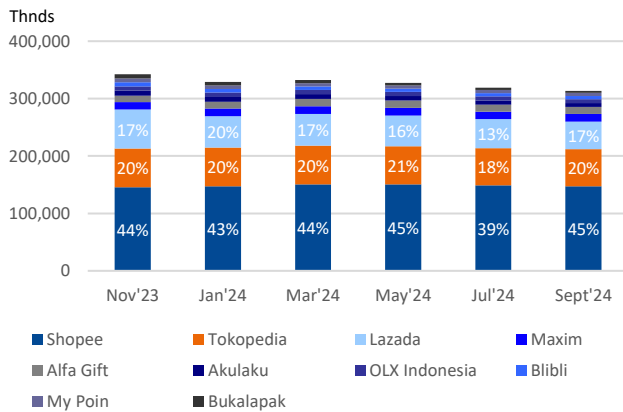
- In other countries, such as the US, the Biden administration is proposing new regulations targeting Chinese e-commerce platforms like TEMU and Shein. These changes aim to tighten tax exemptions for imports under US\$800, promote US-made textile purchases, and enforce laws against illegal imports linked to forced labor. Furthermore, TEMU must navigate data security regulations, including compliance with the GDPR in Europe, to safeguard customer data and avoid penalties in new markets.

Exhibit 8. High Logistics Costs May Result in Uneven Distribution of Supply



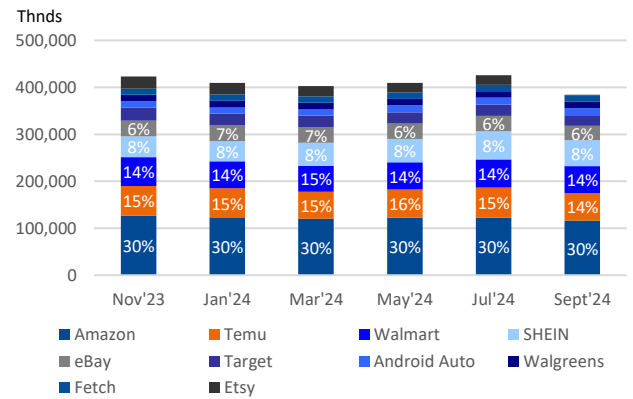
Source: GTBc

Exhibit 9. Indonesia's Top 10 E-commerce Active Users



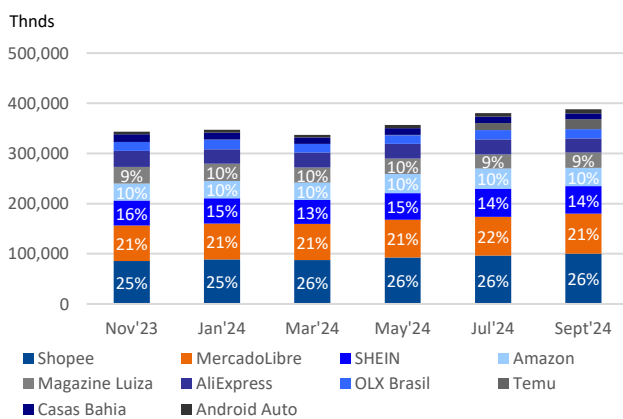
Source: DATA.AI

Exhibit 10. US' Top 10 E-commerce Active Users



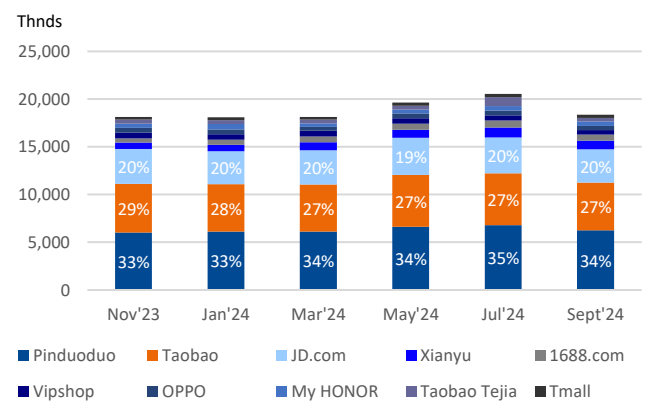
Source: DATA.AI

Exhibit 11. Brazil's Top 10 E-commerce Active Users



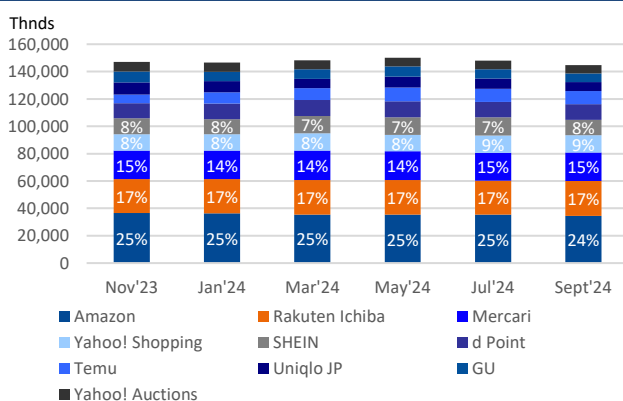
Source: DATA.AI

Exhibit 12. China's Top 10 E-commerce Active Users



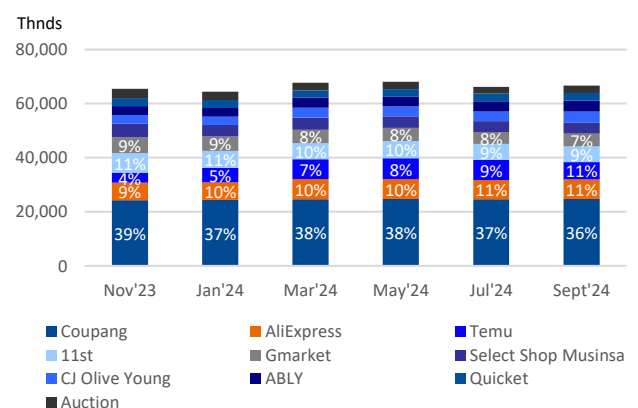
Source: DATA.AI

Exhibit 13. Japan's Top 10 E-commerce Active Users



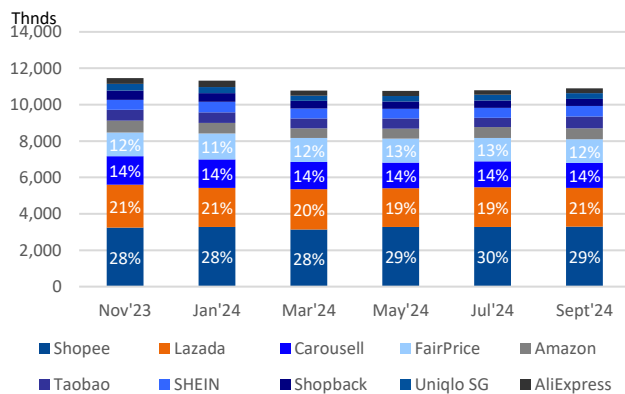
Source: DATA.AI

Exhibit 14. South Korea's Top 10 E-commerce Active Users



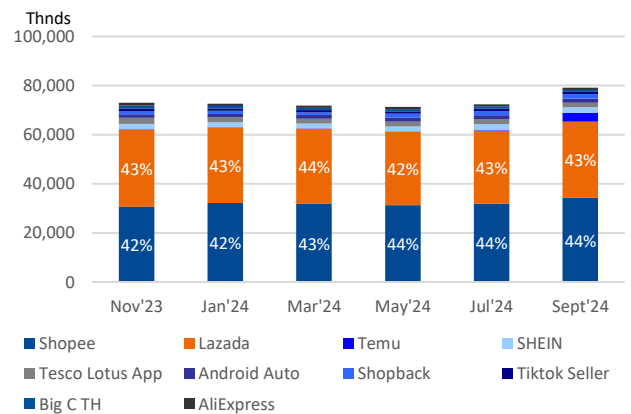
Source: DATA.AI

Exhibit 15. Singapore's Top 10 E-commerce Active Users



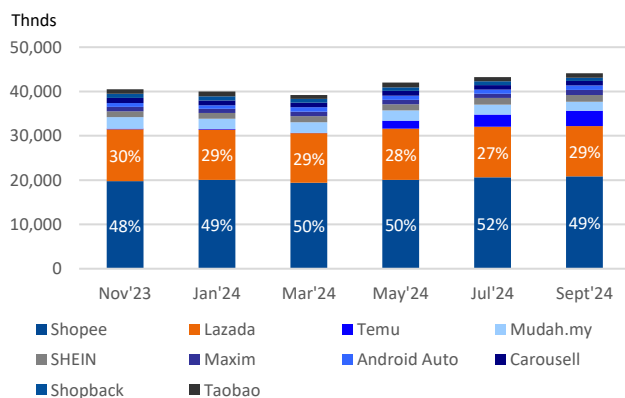
Source: DATA.AI

Exhibit 16. Thailand's Top 10 E-commerce Active Users



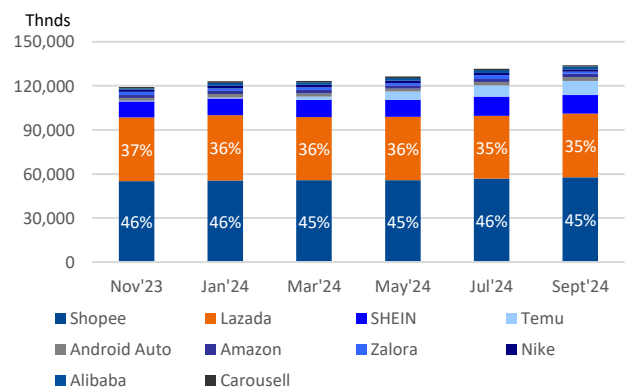
Source: DATA.AI

Exhibit 17. Malaysia's Top 10 E-commerce Active Users



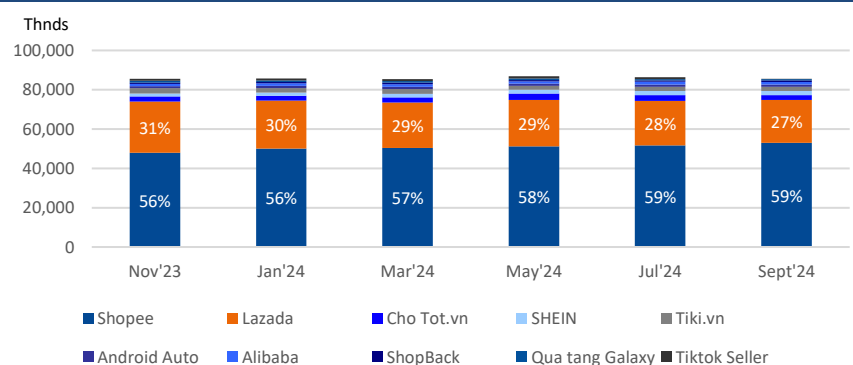
Source: DATA.AI

Exhibit 18. Philippines' Top 10 E-commerce Active Users





























































































Source: DATA.AI

Exhibit 19. Vietnam's Top 10 E-commerce Active Users



Source: DATA.AI

Exhibit 20. Top 10 E-commerce Download Rank in Sep24 in Each Country

United States		Brazil		China	
1	 Temu	1	 Temu	1	 SHEIN
2	 SHEIN	2	 MercadoLibre	2	 Alibaba.com
3	 Amazon	3	 Shopee	3	 Taobao
4	 Walmart	4	 SHEIN	4	 Shopee
5	 Alibaba.com	5	 Magazine Luiza	5	 eBay
6	 AliExpress	6	 Amazon	6	 Meesho
7	 Fetch	7	 Casas Bahia	7	 AliExpress
8	 eBay	8	 Méliuz	8	 Flipkart
9	 Shop	9	 OLX Brasil	9	 MercadoLibre
10	 OfferUp	10	 O Boticário	10	 Lazada
Japan		South Korea		Thailand	
1	 Temu	1	 Temu	1	 Temu
2	 SHEIN	2	 Coupang	2	 Shopee
3	 マツキヨココカラ公式アプリ	3	 AliExpress	3	 Lazada
4	 ENEOS サービスステーションアプリ	4	 올리브영	4	 TikTok Seller
5	 Rakuten Ichiba	5	 KREAM	5	 SHEIN
6	 Mercari	6	 SELECT SHOP MUSINSA	6	 ShopBack
7	 Amazon	7	 Nike	7	 Tesco Lotus App
8	 Yahoo! Shopping	8	 4910 - 남성 브랜드, 스트리트 패션 쇼핑	8	 Big C TH
9	 PayPay Flea Market	9	 Zig Zag	9	 Alibaba.com
10	 YAMADA	10	 Hey Dealer	10	 Thissshop
Malaysia		Indonesia		Singapore	
1	 Temu	1	 Shopee	1	 Taobao
2	 Shopee	2	 Tokopedia	2	 Amazon
3	 SHEIN	3	 Lazada	3	 Lazada
4	 Lazada	4	 maxim	4	 SHEIN
5	 TikTok Seller	5	 Akulaku	5	 Temu
6	 maxim	6	 Alfa Gift	6	 FairPrice
7	 eco-shop MY	7	 TikTok Seller	7	 ShopBack
8	 atome MY	8	 MyPain	8	 Etsy
9	 Alibaba.com	9	 Alibaba.com	9	 ZALORA
10	 Mudah.my	10	 UNIQLO ID	10	 AliExpress

Source: Data.AI

Exhibit 21. Peers multiples' valuation table

Technology Peers	P/B (x)		P/GP (x)		EV/Sales (x)		P/Sales (x)	
	2024F	2025F	2024F	2025F	2024F	2025F	2024F	2025F
ECOMMERCE based ECOSYSTEMS								
Amazon.com Inc.	7.3	5.6	6.4	5.6	3.2	2.9	3.1	2.8
SEA Limited	7.7	6.2	8.3	6.8	3.5	3.0	3.6	3.1
MercadoLibre	21.7	14.0	11.1	8.8	5.1	4.1	5.2	4.2
Blibli	9.6	9.6	16.7	10.2	2.4	2.0	2.4	2.1
JD.com	2.0	1.8	2.9	2.7	0.3	0.3	0.4	0.4
Alibaba Group Holding Ltd	1.9	1.8	5.4	4.9	1.5	1.4	2.0	1.9
Coupang	10.8	8.4	5.3	4.5	1.5	1.3	1.5	1.3
Allegro.EU SA	3.5	3.0	3.9	3.1	3.5	3.1	3.3	2.9
ETSY Inc	(21.0)	23.5	2.8	2.7	2.5	2.4	2.0	1.9
Bukalapak.com	0.5	0.5	10.2	8.2	(0.3)	(0.2)	2.7	2.4
Shopify	10.9	9.1	24.3	20.1	12.0	9.9	12.4	10.3
Pinduoduo	4.53	3.07	5.5	4.3	2.8	2.2	3.5	2.7
Vipshop	1.40	1.21	2.5	2.4	0.4	0.4	0.6	0.6
FSN e-Commerce	38.2	38.2	20.0	15.7	8.7	6.9	8.6	6.8
Rategain Travel	5.6	5.1	14.8	12.3	8.3	7.0	8.8	7.5
Median	5.6	5.6	6.4	5.6	2.8	2.4	3.1	2.7
Weighted average	7.2	5.6	7.0	6.0	3.3	2.9	3.4	3.0
FINTECH								
PB Fintech	13.2	11.9	37.3	34.8	22.2	16.5	22.5	16.7
Kakao Pay	1.7	1.7	4.4	3.8	2.4	2.1	4.4	3.8
VISA Inc	13.9	12.9	21.4	19.3	15.7	14.2	15.7	14.3
Paypal	4.0	3.4	5.8	5.5	2.5	2.3	2.6	2.4
PAYTM	3.6	3.8	6.2	8.9	3.7	5.1	4.4	6.1
Affirm	5.6	5.0	15.6	11.2	7.0	5.2	6.5	4.9
Kakao Pay	1.7	1.7	4.4	3.8	2.4	2.1	4.4	3.8
Median	4.0	3.8	6.2	8.9	3.7	5.1	4.4	4.9
Simple Weighted average	12.3	11.4	19.3	17.5	13.8	12.5	13.9	12.5
RIDE HAILING LOGISTICS								
LYFT Inc -A	7.7	5.6	2.3	2.1	0.8	0.7	1.0	0.9
Doordash	8.1	6.8	11.8	9.8	5.3	4.5	5.8	4.9
Delivery Hero	26.9	25.4	10.3	9.0	3.6	3.2	3.3	2.9
Zomato	12.1	11.3	29.4	19.8	19.2	12.1	20.3	12.9
Just Eat Takeaway	0.5	0.5	1.1	1.0	0.7	0.6	0.5	0.5
Deliveroo PLC	5.3	4.8	3.1	2.8	1.0	0.9	1.2	1.1
Meituan	5.6	4.5	7.9	6.6	2.8	2.4	3.0	2.6
UBER	12.4	9.1	10.5	8.8	4.3	3.7	4.2	3.6
GOTO Gojek Tokopedia	2.1	2.1	8.6	6.9	4.0	3.3	5.3	4.5
GRAB	2.2	2.1	12.8	10.0	3.7	3.2	5.2	4.5
Median	6.7	5.2	9.4	7.9	3.7	3.2	3.7	3.3
Simple Weighted average	10.5	8.6	10.9	8.8	4.7	3.8	4.9	3.9

Source: Bloomberg, BRIDS

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INVESTMENT RATING

BUY	Expected total return of 10% or more within a 12-month period
HOLD	Expected total return between -10% and 10% within a 12-month period
SELL	Expected total return of -10% or worse within a 12-month period

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