



Indonesia Investments

IPO of GoTo Gojek Tokopedia

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- One of the Biggest IPOs in the History of Indonesia. Instantly Ranks Among Biggest Companies in Terms of Market Capitalization
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Update – 22 March 2022

**Mega-IPO on the Indonesia Stock
Exchange: GoTo Gojek Tokopedia**



Preface

In addition to our reports, Indonesia Investments sends updates on key economic, political or social developments to our subscribers to make sure that our subscribers do not miss out on vital information. The topics in these updates may be discussed in more detail (and in an updated form) in the forthcoming monthly report.

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- Initial Public Offering -

Mega-IPO on the Indonesia Stock Exchange: GoTo Gojek Tokopedia to Make Its Trading Debut

Over the past year, we released two stories on the merger of Gojek and Tokopedia, two Indonesian tech companies that have evolved into huge companies over the past decade (with Gojek having turned into a Decacorn and Tokopedia into a unicorn).

Both companies enjoy huge popularity across Indonesia as they offer efficient and affordable solutions to the consumer: Gojek in particular offers solutions related to transportation and logistics (most notably ride-hailing and food-delivery services), while Tokopedia is a popular e-commerce platform that allows consumers to search, compare, and buy products while sitting on a couch at home.

By joining forces – via a merger in May 2021 that gave birth to the holding company called ‘GoTo Gojek Tokopedia’ – both companies even became more efficient as they complement each other. Tokopedia’s ‘weakness’ used to be that it took quite some time and money to deliver online purchases to the consumer. Although long distance transportation remains costly and time-consuming, consumers must have noticed that – since the merger – delivery fees have fallen when buying an item on Tokopedia (via the Tokopedia app) using instant deliveries. Based on our experience, delivery

fees have fallen from around IDR 20,000 (approx. USD \$1.50) for relatively light and small packages over relatively short distances to IDR 5,000 (approx. USD \$0.35). We assume that this is the positive effect of having created a more efficient eco-system through the merger.

Meanwhile, for Gojek, the advantage of the merger is that it can surely enjoy higher demand for its transportation services. In Q3-2021, Tokopedia handled a total of 176.5 million transactions. Part of these transactions can be delivered by Gojek.

In our two stories about the GoTo merger we had already mentioned the ambition of the new entity to conduct an initial public offering (IPO) on the Indonesia Stock Exchange (IDX). Considering GoTo started the book building process on 15 March 2022, which is the process by which underwriters attempt to determine the prices at which the IPO will be offered, it is time to devote an update on this topic.



After all, we are not talking about a small company. On the contrary, GoTo is bound to rank among the top companies listed on the IDX in terms of market capitalization

after it makes its trading debut in Indonesia (scheduled for 7 April 2022). As GoTo plans to release 52 billion shares (which is equivalent to 4.35 percent of its enlarged capital) to the public in the price range of IDR 316–346 per piece, the company could raise up to IDR 17.99 trillion (approx. USD \$1.26 billion) through the move.

GoTo's market capitalization on the IDX could reach IDR 413.7 trillion (approx. USD \$29 billion) after its trading debut, which would make it the fourth-biggest company on the IDX.

Biggest Companies Listed on the IDX in Terms of Market Capitalization:

Company	Sector	Market Capitalization per 21 March 2022 (in IDR trillion)
Bank Central Asia	Banking	964
Bank Rakyat Indonesia	Banking	689
Telekomunikasi Indonesia	Telecommunication	451
<i>GoTo Gojek Tokopedia</i>	<i>Technology</i>	<i>414</i>
Bank Mandiri	Banking	353
Astra International	Miscellaneous/Automotive	267

Source: Indonesia Stock Exchange (IDX)

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