

# Indonesia Investments

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## Gojek-Tokopedia Merger (Part II)

- Hugely Popular Tech Startup Companies Gojek and Tokopedia Officially Announce Their Merger (GoTo)
- GoTo Plans to Conduct an Initial Public Offering on the Indonesia Stock Exchange and Wall Street
- Expectations High as Gojek and Tokopedia Have Complementary Ecosystems
- GoTo Could Become the Second-Biggest Company on the IDX in Terms of Market Capitalization

**22 MAY 2021**

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**Van Der Schaar Investments B.V.  
CV Indonesia Investments**

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Update – 22 May 2021

## ‘One Step Closer to Gojek-Tokopedia (GoTo) Merger’



Cover Picture Is Copyright of PT Aplikasi Karya Anak Bangsa (Gojek)

# 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 will be discussed in more detail (and in an updated form) in the forthcoming report.

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# Mega-Merger in Indonesia: Gojek and Tokopedia Officially Announce the Establishment of a Holding

Although we already discussed the (then-looming) merger between Aplikasi Karya Anak Bangsa (Gojek) and Tokopedia in detail in our January 2021 report, we do feel it is justified to cover this topic once more – albeit slightly more succinct this time – since it is now official (announced on 17 May 2021) that both sides re to merge, thus creating a massive entity (named GoTo) with an impressive and unique ecosystem.

In fact, we may see GoTo conducting an initial public offering (IPO) on the Indonesia Stock Exchange (IDX) before the end of 2021. This, too, will be something massive considering GoTo could instantly become the second-biggest listed company on the IDX in terms of market capitalization (behind Bank Central Asia, or BCA).

Gojek, which is Indonesia's only homegrown Decacorn (a term that refers to a tech startup company that is valued above USD \$10 billion) and has evolved into a super-app over the past decade, is primarily known for ride-hailing services (motorcycles and cars), food deliveries, and its e-wallet (Gopay). While in the past it was common in a city like Jakarta to see an ocean of blue-colored cars (BlueBird taxicabs) on the busy city streets, today it is the green color of Gojek drivers' coats that is dominant (as well as the green color of rival Grab). Gojek has become a huge success as it offers innovative and efficient solutions to consumers, particularly related to transport,

food delivery, and payments. For instance, there's no more need to go out, in the heat or rain, to find a taxicab or motorcycle taxi (*ojek*). Instead, Gojek drivers now come to your location to pick you up. Moreover, because the price of the ride is determined in advance, you do not need to be concerned that the driver will deliberately take a detour so the meter (price) will rise as high as possible. A pre-determined price now means that it is also in the driver's interest to take the fastest route (thereby saving on fuel expenses and allowing him to get another customer as quickly as possible).

Gojek has been a major driving force behind the rapidly developing digital economy of Indonesia that is estimated to be worth (at least) USD \$125 billion by 2025.

#### Digital Economy Southeast Asia in Gross Merchandise Value:

Country	2020	2025 (Forecast)
Indonesia	USD \$44 billion	USD \$125 billion
Thailand	USD \$18 billion	USD \$53 billion
Vietnam	USD \$14 billion	USD \$52 billion
Malaysia	USD \$11 billion	USD \$30 billion
The Philippines	USD \$8 billion	USD \$28 billion
Singapore	USD \$9 billion	USD \$22 billion

Source: Bloomberg

## Biggest Indonesian Unicorns:

Company	Valuation	Industry
Gojek	USD \$10 billion	Transport, Logistics
J&T Express	USD \$7.8 billion	Transport, Logistics
Tokopedia	USD \$7.0 billion	E-commerce
Bukalapak	USD \$3.5 billion	E-commerce
Traveloka	USD \$3.0 billion	Travel
Ovo	USD \$2.9 billion	Fintech

Source: [www.cbinsights.com/research-unicorn-companies](http://www.cbinsights.com/research-unicorn-companies) (accessed on 20.05.2021)

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