

PT GoTo Gojek Tokopedia 4Q24 & FY24 Earnings Call Transcript

Corporate Participants

Patrick Walujo *PT GoTo Gojek Tokopedia Tbk - President Director, Group CEO*

Thomas Husted *PT GoTo Gojek Tokopedia Tbk - Vice President Director, President, Financial Technology*

Simon Ho *PT GoTo Gojek Tokopedia Tbk - Group CFO*

Hans Patuwo *PT GoTo Gojek Tokopedia Tbk - Group COO*

Catherine Hindra Sutjahyo *PT GoTo Gojek Tokopedia Tbk - President, On-Demand Services*

Joel Ellis *PT GoTo Gojek Tokopedia Tbk - Head of Investor Relations*

Conference Call Participants

Ryan Davis *Citi*

Ari Jahja *Macquarie*

Adrian Joezer *Mandiri Sekuritas*

Pang Vittayaamnuaykoon *Goldman Sachs*

Presentation

Joel Ellis *PT GoTo Gojek Tokopedia Tbk - Head of Investor Relations*

Hello, everyone. This is Joel Ellis, Head of Investor Relations. Welcome to the PT GoTo Gojek Tokopedia Tbk. fourth quarter and financial year 2024 earnings conference call. Please be advised that today's conference is being recorded. On today's call, Patrick Walujo, President Director and Group CEO, and Simon Ho, Group CFO, will deliver prepared remarks. Following the commentary, we will open up the call for questions and be joined by Thomas Husted, our Vice President Director and President of Financial Technology, Hans Patuwo, our Chief Operating Officer, and Catherine Hindra Sutjahyo, our President of On Demand Services.

We would like to highlight that the information presented today has been prepared solely based on unaudited, consolidated, selected financial information for the three month period ended December 31, 2024 and 2023. We have also submitted and published our consolidated audited financial statements as of and for the twelve months ended December 31, 2024.

As a reminder, today's discussion may contain forward looking statements about the company's future business and financial performance as well as certain non Indonesian Financial Accounting

Standard measures as complements to the Indonesian Financial Accounting Standard disclosures. Before you rely on these measurements and forward looking statements, please take note of our disclaimer and cautionary statements disclosed in our earnings presentation and press release. During the earnings call, we will review the results of our operations and earnings presentations, which can be found on our website. Our reporting currency is the Indonesian Rupiah, and we will denote the US dollar equivalent by applying an exchange rate of 16,162 Rupiah to one US dollar based on the middle rates published by Bank Indonesia as of the end of December 2024. We will refer to pro forma figures to facilitate like for like sequential and year on year comparisons of our performance following the closing of our announced agreement with TikTok and a deconsolidation of GoTo logistics. These pro forma figures assume that Tokopedia and GoTo Logistics were deconsolidated on January 1, 2023.

For more information and additional disclosures on our recent business and financial performance, please refer to our earnings press release and supplemental presentation, which can be found on our IR website. With that, I will turn the call over to Patrick.

Patrick Walujo *PT GoTo Gojek Tokopedia Tbk - President Director, CEO*

Thank you, Joel. Hello everyone and thank you for joining us today as we share our Q4 and full year 2024 results. Throughout 2024, we remain focused on finding fresh and effective ways to win the intense battle for the Indonesian consumer. As a result, GoTo delivered its strongest year ever in 2024, reaching all time highs for GTV, revenue, adjusted EBITDA and margins, with consistent quarter on quarter improvement across each of these key metrics.

Our Fintech business also continued on its record breaking run. We expanded our loan book to a new high, while also closing the year with the highest number of monthly transacting users and GoPay app transactions we have ever seen. This progress meant we surpassed our target to achieve group level adjusted EBITDA break even for the year, posting 386 billion Rupiah or 24 million US Dollars. At the same time, our Fintech segment became adjusted EBITDA positive in the fourth quarter as per our guidance.

Our ecosystem strategy and our culture of continual innovation are at the foundation of our performance. By innovating both operationally and at the product level, we are able to deliver

more targeted and personalized services that match customer needs. This approach enhances customer experience, strengthens merchant partnerships and boosts revenue. For example, in ODS, we deepened our penetration of both Food Express delivery and higher value mobility services, empowering users to choose what matters most to them, time or cost.

At the same time, GoPay in its first full year as a standalone app gained millions of users, while BNPL and lending integration boosted mass market reach. Each service strengthens our ecosystem, creating synergy that fosters multi product adoption and deeper user engagement while improving user acquisition efficiency. This ecosystem synergy has driven increased usage of our services, with monthly transacting users up 16% over the course of the year and 22% year on year in Q4 alone. This in turn has supercharged our top line, with Group Core GTV hitting an all time high of 79 trillion Rupiah or 4.9 billion US Dollars, growing 66% year on year in Q4 and 58% over the full year. Gross revenue also hit all time highs, reaching 5 trillion Rupiah or 307 million US Dollars, an increase of 28% year on year in Q4 and 30% over the full year.

We are innovating across the business to lower unit costs and boost efficiency in areas like delivery, incentives, and cloud computing, while our large language model, Sahabat AI, is poised to deliver a significant cost advantage across many enterprise use cases. Disciplined cost management has driven down recurring cash fixed cost as a percentage of GTV and revenue year on year in 2024. Taken together, these measures bolster operating leverage and reinforce our path to sustained profitability.

I will now move on to our business units starting with Fintech. In 2024, our Fintech business transitioned from a driver of ecosystem growth to a driver of both growth and profitability. Notably, the success of lending initiatives propelled the segment to positive adjusted EBITDA in Q4, a full year ahead of previous guidance. This success was due to two key innovations, the standalone GoPay app as well as the expansion of our consumer loan offerings.

Turning first to the GoPay app. Since launch, the app has proven to be a powerful tool for user acquisition and deeper customer engagement, driving a 35% year on year increase in the number of monthly transacting users across the Fintech business to 20.2 million as of the fourth quarter. Ultimately, the standalone GoPay app serves as both a front door for new customers and a growth catalyst for our ecosystem of financial products. By launching a lighter, standalone GoPay app tailored to a border user base, we significantly expanded our audience. As a result,

average monthly transactions per user climbed by 18% year on year in Q4 as customers increasingly use GoPay as their primary digital financial tool.

Moving on to consumer loans. Our loan book expanded by 172% year on year in Q4, driven in large part by the growth of users across our ecosystem. This loan book growth has been driven prudently as our ecosystem data, which provides deep insight into our users, allows us to price risk effectively and maintain stable delinquency rates even as our lending portfolio continues to scale each quarter. Another advantage that we have is low acquisition cost for new borrowers, as these users are already part of our ecosystem. This significantly reduces our marketing spend compared to those typically required by non ecosystem lenders. The result is a lending business that not only grows quickly, but does so with strong margins and manageable risk. The structural advantage has contributed significantly to our Fintech business' profitability, and we will continue to drive the responsible growth of our loan book over the course of 2025.

Moving now to On Demand Services. In Q4, our On Demand Services strengthened market leadership, achieving robust top line gains in both transport and food delivery. The strong performance produced a record breaking quarter of adjusted EBITDA, which reads 267 billion Rupiah, or 17 million US Dollars, underscoring our ability to balance both growth and profitability. We successfully optimized incentive spending in 2024, driving a 28% year on year increase in ODS contribution margin to 3.4 trillion Rupiah or 209 million US Dollars, an improvement of 61 basis points year on year as a percentage of GTV. As margins sequentially improved in the fourth quarter, we ended the year with real momentum, fuelled by operational excellence across our ODS business.

A key driver of our success has been ongoing product innovation and the optimization of our product mix. We continue to refine our offerings, so customers can choose to save time or save money, including expanding premium services in both food delivery and mobility. Express food delivery orders for example, contributed 28% of total food GTV in the fourth quarter, just one year after launch. We have optimized the Gojek app to deliver more targeted services across our user base. These improvements ensure that we are providing the right service to the right user at the right time. And as a result, we are seeing more users than ever engaging with a wider variety of our products.

In addition to revenue growth from premium offerings, our margin expansion has been driven by several product innovations. I will highlight three of them here. Firstly, our Special Delivery Fleet program assigns driver partners to operate exclusively within high demand areas, leveraging advanced data analytics, algorithms and order batching to channel a higher volume of orders their way. This approach reduces delivery costs, which is passed on to consumers, boosts driver partner's income and improves our profitability.

Secondly, our advertising business is becoming a more significant driver of profitability. In 2024, advertising revenue rose 92% year on year, transforming what was once an early stage offering into a significant revenue stream. This momentum carried through to the fourth quarter, as the advertising business' share of Food GMV grows from 1.1 to 1.6% within just 12 months. These gains reflect our deliberate investments in ad relevance, self-serve tools and merchant partnerships. We expect the advertising segment to continue growing faster than our already solid food GMV trajectory, and our expectation is to move the business significantly closer to global benchmarks over the next three years.

Thirdly, merchant funded promotions have been significantly enhanced through our ongoing product innovations, enabling more detailed targeting and segmentation so merchants can reach the right customers. This creates real value for merchants while also delivering more relevant offers to users, elevating the overall customer experience. As a result, we have seen rising merchant participation and willingness to invest in promotions, with merchants' total spend increasing by 190% year on year in 2024. We are working especially hard to improve the return on investments for merchants, increasing their propensity to participate in funding promotion. This strategy leads to a reduction of our own incentive spending, while maintaining strong returns for merchants.

At the group level, technology remains central to our ability to scale and enhance our business. In line with this focus, AI will increasingly shape our ecosystem, enhancing user interactions, helping merchants to operate more efficiently and redefining how people experience our services. At the heart of this evolution is Sahabat AI, an open source large language model developed primarily in Bahasa Indonesia, along with other local languages to address local needs. Launched in November 2024 through a partnership with Indosat, NVIDIA, AI Singapore and multiple Indonesian institutions, including Compass Gramedia and the University of Indonesia. Sahabat AI has demonstrated very strong results in numerous benchmark tests for Indonesian

language-specific tasks, showing high accuracy when reading and interpreting local text compared with global AI models. We plan to leverage Sahabat AI for a range of applications. Currently, we are experimenting with chatbots and optical character recognition or OCR, for merchant menus, both aim at enhancing customer experience and simplifying merchant onboarding. Ultimately, we see developing our own AI capabilities as a strategic advantage, reducing costs, improving user experiences and fostering local tech talent over the long term.

Our transition to Alibaba Cloud and Tencent Cloud announced in September 2024, exemplifies how we are refining our technology infrastructure to reduce costs and enhance data sovereignty. The migration is on track and set for completion within Q3, and we'll reduce our cloud expenses by more than 50% compared to pre-migration levels, with the financial impact beginning to be realized in Q4 2025.

Looking ahead, our team remains focused on key growth drivers that will strengthen our top line and drive margins while maintaining our market-leading position in Indonesia. There is significant headroom for margin improvement, and we anticipate an upward trajectory over the course of 2025. In Fintech, our GoPay app will continue to fuel expansion by bringing millions of new users into our ecosystem, while our lending book is set to exceed 8 trillion Rupiah or 495 million US Dollars, by the end of the year. By leveraging risk ecosystem data and prudently deploying risk based pricing, we will scale our lending portfolio while maintaining strong risk adjusted returns, driving further EBITDA growth. In On Demand Services, we are driving top line growth and margin improvement by targeting high-spending segments and optimizing incentive spending. Meanwhile, we have enhanced margins on our affordable products. We serve as a funnel for new users who can later transition to higher-value offerings across our ecosystem. By optimizing our product mix, while managing promotional costs more effectively, we have positioned ourselves for sustained revenue and earnings growth as we move into 2025.

In summary, 2024 was a landmark year for GoTo, during which we demonstrated the strength of our integrated ecosystem and our commitment to operational excellence. Our strategy is working. As a result, we are today providing ambitious new profitability guidance for 2025 as we expect adjusted EBITDA to be in the range of 1.4 to 1.6 Trillion rupiah, or 87 to 99 million US Dollars for the full year. Thank you for joining us today. I will now hand over to Simon, who will provide a review of our financial performance.

Simon Ho PT GoTo Gojek Tokopedia Tbk - Group CFO

Thank you, Patrick. It's a pleasure to speak with everyone today, and thank you all for joining our call. We ended 2024 on a high note with robust revenue growth, disciplined cost management and our first full year of positive adjusted EBITDA. In Q4, group gross revenue grew by 28% year on year, contributing to a 30% increase for the full year. Meanwhile, we reduced recurring cash fixed costs by 3% year on year, demonstrating our commitment to efficiency. As a result, group adjusted EBITDA reached 386 billion Rupiah or 24 million US Dollars for the full year. And in Q4, it surged 348% year on year to 399 billion Rupiah or 25 million US Dollars. This strong financial foundation places us on solid footing to continue executing our strategies in 2025. We maintain a strong cash balance. As of December 31st, 2024, we had 21 trillion Rupiah or 1.3 billion US Dollars in cash, cash equivalents and short term time deposits.

Returning value to our shareholders remains a top priority, and as of the end of February 2025, we have repurchased around 23.6 billion shares amounting to approximately 1.5 trillion Rupiah or 91 million US Dollars. Additionally, we completed the cancellation of treasury shares in November, as expected, reducing the number of Series A shares in circulation by approximately 10.3 billion shares. In e-commerce, our service fee revenue in the fourth quarter from Tokopedia was 204 billion Rupiah or 13 million US Dollars. Excluding VAT, the net total amount was 183 billion Rupiah or 11 million US Dollars. This brings the total service fee revenue for the year to 622 billion Rupiah or 38 million US Dollars excluding VAT.

Looking ahead, leveraging the foundation established in 2024, we are well positioned to drive top line growth while maintaining disciplined cost management to further accelerate profitability throughout 2025. Finally, before we open the call to questions, I'd like to address the Indonesian government's guidance regarding holiday bonuses for driver-partners. As a homegrown Indonesian technology company, GoTo recognizes that driver partners are the foundation of its business and their well-being is directly tied to the sustainability of the company. GoTo generates significant income for driver-partners, amounting to a total average of 1.5 trillion rupiah per month. While the Indonesian government acknowledges that driver-partners are not employees, GoTo fully supports its guidance to provide an additional holiday bonus during Hari Raya to driver-partners who are productive and high-performing. The company will manage the additional

costs within its existing plans. With that, we would now like to open the call to your questions. Joel, please go ahead.

Q&A Segment

Joel Ellis *PT GoTo Gojek Tokopedia Tbk - Head of Investor Relations*

Thank you, Simon. For those analysts who wish to ask questions, please use the raise hand function on Zoom. When you are called, you may unmute yourself to ask your question. First question is from Ryan Davis at Citi. Ryan, please go ahead.

Ryan Davis *Citi*

Thank you, Joel. Thank you GoTo management, Patrick, Simon, and also the team for the briefing. And also congratulations for the good performance. I'd like to ask several questions. For the first one, I think, would you be able to walk us through the competition landscape, especially in On Demand Services. The second question would be quite interesting to understand how the company would be able to provide any target for the e-commerce service fee growth in 2025. I think, third, I think you have actually provided a full year 2025 guidance of group adjusted EBITDA 1.4 to 1.6 trillion. Would you mind to elaborate what is the outlook for the Fintech and also the On Demand Services segment, especially in terms of growth and also profitability? Checking if you will be able to provide medium term guidance on EBITDA margin if possible. And also lastly, there remains some concern, I guess, across asset quality on the banks that have been coming down in the past few months. Are you actually worried about the quality of the loan book itself? Thank you.

Patrick Walujo *PT GoTo Gojek Tokopedia Tbk - President Director, CEO*

Thank you. It's a long list of questions. Can we just first take stock of all the questions? Joel, can you? To make sure that we can address all the questions.

Joel Ellis PT GoTo Gojek Tokopedia Tbk - Head of Investor Relations

Sure thing. So first, we have a competitive landscape in On Demand Services. Second, e-commerce; so our target around the ecommerce segment. Three, regarding our guidance through 1.4 to 1.6 trillion and profitability? And then likewise, around the asset quality for our Fintech business as well.

Patrick Walujo PT GoTo Gojek Tokopedia Tbk - President Director, CEO

Okay, maybe I'll let Catherine, the President of our On Demand Services to answer questions regarding competition.

Catherine Hindra Sutjahyo PT GoTo Gojek Tokopedia Tbk - President, On-Demand Services

Thanks, Pat. Hi, Ryan. Good to meet you again. Thank you for the question. So let me address this one. As you know, we recognize that this is a highly competitive space. But as Pat mentioned earlier in the remarks, right, we are confident in our market position. We in 2024, not only maintained, but actually strengthened our market leadership as well. So this is where we believe we will continue to strengthen as well going forward. I would like to highlight here basically how we see this is the power of our ecosystem. This is in GoTo, right; It's not just about the ODS services where of course, we will remain committed to maintaining our portfolio strategy between our premium, regular, as well as the affordable product strategy. But also this is coupled with our robust Fintech arm, as you see earlier, right, by us combining this On Demand Services products with our most prevalent e-wallets, GoPay is one of Indonesia most prevalent wallets, as well as integrated lending services, this is where we bring the flywheel. This is where the synergy really added value to our users through this combination of the elements in our ecosystem.

So as mentioned, we continue to strengthen our market leadership in the three core ODS verticals. This is our two wheeler, our four wheeler transport, as well as our food delivery. This leadership actually underpins our ability - as Pat mentioned as well - in balancing growth and profitability. As you see in the last few quarters, we continuously show how we manage to balance these two well. So going forward, how we are seeing we will continue to establish this leadership is by a few key initiatives. It was mentioned briefly as well, if I may summarize a little

bit; a lot of the innovation on our products, on our technology, is hinging on that. Number one, for example, is our special delivery fleet. This is our innovation in logistic cost saving. This will not only enable our customer to be able to enjoy affordable pricing, but also to maintain, if not boost our driver-partner productivity and earning. That's number one. This is of course, using our system and technology.

Second one is our advertising business. Similarly, we are using our data, we are using our ML technology and stuff, how we are growing this business. As you see, it is now growing faster than the underlying GMV and becoming a very significant revenue driver. Third one is our merchant funded promo. We know we have to continue to improve our margin. So one of the balancing acts we have been successfully doing is basically by inviting our merchants to do merchant funded promotion as well. Of course doing this, we have to make sure that they're having a good ROI as well. And as you see in our results, actually merchant participation on this MFP, we call it, as well as their retention for them to keep coming back and doing more and more of this, proves that our product has shown good results for them.

Last but not least, we understand incentives remain to be one of our big cost items, so we'll continue to optimize this leveraging technology. We invest a lot on our data and our kind of recommendation engine and optimization engine as well to continue work on this one. So yeah, this is a competitive kind of landscape. But having said that, through my answer, I hope you can say that we are very well positioned. We are very confident that we will continuously commit to our sustainable and profitable goals.

Patrick Walujo *PT GoTo Gojek Tokopedia Tbk - President Director, CEO*

Thank you, Catherine. I will then ask Simon to address the questions about e-commerce and also the guidance for profitability this year.

Simon Ho *PT GoTo Gojek Tokopedia Tbk - Group CFO*

Thank you. Thank you. So on the e-commerce front, I just wanted to first of all remind everyone that our 25% stake in Tokopedia means that we don't actively manage that business on a day to day basis. During the course of 2024, you'll see that we received a service fee of around 39

million US Dollars. And this is over the 11 month period which is after the Tokopedia transaction. Looking into 2025, we would expect that the combined Tokopedia and TikTok Shop business to grow and also improve its market share and at the same time improve profitability. I think those are currently the expectations for that business.

Now moving onto your next question, which is about the 2025 guidance. Just providing a bit more color below the group adjusted EBITDA target of 1.4 to 1.6 trillion Rupiah, and what that may look like in terms of some of our expectations between the ODS business and the Fintech business. So starting off with ODS first. Our expectation or our thinking currently is that the overall market for the ODS business will likely grow in the sort of low, mid teens range in Indonesia. Now I have to caveat that the global macro is looking a little bit uncertain right now. So I think we need to obviously, you know, take this into account. And within that, we are aiming to match or exceed these market growth rates overall. So we will look to continue to strengthen our market leadership across each of the on demand verticals in 2025. And also, at the same time, we will, as Catherine just highlighted, we will aim to improve margins. And some of those levers, initiatives obviously we've discussed, including logistics costs, advertising revenues, merchant funded promotions, and also optimizing our incentives into 2025. And if I look at the adjusted EBITDA for ODS, our thinking right now is we are gonna aim for at least 1.1 trillion Rupiah in 2025. That is the adjusted EBITDA for the ODS business.

And now if I may turn to the Fintech side of the business. Some of the expectations we are looking for here on the consumer payment side, GoPay, we will look to continue to onboard millions of new users and expand our overall Fintech ecosystem. As in the loan book, we've covered earlier, our guidance on loan book remains intact from what we gave in the last quarter, which is going to be more than 8 trillion Rupiah by the end of 2025 compared to the 5.2 trillion at the end of 2024. Our delinquency rates currently remain stable, and I'll let Tom address that in the next question. And overall, for the Fintech business, we're expecting adjusted EBITDA in 2025 of at least 300 billion Rupiah. And I hope that helps to give more color in terms of the two main business segments that we are expecting in 2025.

Patrick Walujo *PT GoTo Gojek Tokopedia Tbk - President Director, CEO*

Thank you, Simon. Tom, would you be able to answer the question on asset quality?

Thomas Husted *PT GoTo Gojek Tokopedia Tbk - Vice President Director, President, Financial Technology*

Happy to do that. Hi, Ryan. Thanks for the question. It's an especially good one right now given the market dynamic that we're in. But as a team, I can assure you that we are closely following the macroeconomic trends in Indonesia and globally, as well as the asset quality of our competitors and the big banks.

Fortunately, our situation's been a little bit different. In Q4, we were able to grow a loan book by 20%. And at the same time, we did not see any material deterioration in credit quality. And we've been thinking about this quite a bit. And I think there's a number of factors that are really working in our favor. First, we have a different ecosystem, and we think it provides a very unique dataset, especially for the consumer lending business. And I wanna highlight the success of the GoPay app in 2024, which was really the first year that it was fully launched and scaled significantly, and launched a bunch of new products on that. So now you have multiple products on the GoPay app, and that makes our dataset even better.

Secondly, on our risk model, it's dynamic and we can adjust it relatively quickly to market changes. And on top of that, we're constantly running lending experiments to validate the risk model output and making adjustments based on those experiments.

Thirdly, and I think this is another thing that sets us apart from maybe some of the other lenders, not our competitors, but some of the more traditional lenders. Our loan book has a fairly short duration than what you typically see, especially in banks. The average life of the portfolio, and this would be excluding the vehicle financing, we typically see around three months of an average life. And this is important because we can make quick changes if we see some worrisome credit signals in the future. And the way I think about is if we were to significantly tighten our credit standards in the light of say, you know, some really negative signals coming out, then the immediate impact would be, one to our loan growth, but the loan quality would probably be okay as the runoff on the portfolio is very fast, again due to this short duration.

So it's been an interesting journey, and I think this lending business has really made a fundamental change to GTF in 2024. A lot of work. And finally, I wanna say that on the lending business, this remains highly profitable even in this market today, and the team is highly focused

on execution of this business in 2025. And as Simon alluded to, you know, we're guiding to a loan book of more than 8 trillion versus the 5.2 that we close 2024 at. Thank you, Ryan.

Ryan Davis Citi

Yeah, thank you so much GoTo team. All the best.

Patrick Walujo PT GoTo Gojek Tokopedia Tbk - President Director, CEO

Thank you Ryan.

Joel Ellis PT GoTo Gojek Tokopedia Tbk - Head of Investor Relations

Thank you, Ryan. The second question is going to be from Ari Jahja from Macquarie. Ari, please unmute yourself and go ahead to ask your question.

Ari Jahja Macquarie

Thank you, Joel. Hi Patrick, Simon and GoTo team. Well done for a record breaking quarter. Thanks for taking my questions. And first on the merger news flow. What are your thoughts on the recent media reports regarding the possible corporate actions involving Grab? And then second set of questions is on the On Demand Services. How do you see the growth outlook for mobility as compared to food delivery this year? And can you also please share updates on how the subscription services have contributed to growth? I'll stop here, thank you.

Patrick Walujo PT GoTo Gojek Tokopedia Tbk - President Director, CEO

Thank you, Ari. In regard to your questions about recent media reports, we are aware of recurring media speculation about this potential M&A discussion. I would like to refer analysts and investors to the disclosure that we made on the Indonesian Stock Exchange in February this year, when we were asked by the Indonesian Stock Exchange about the rumors, and nothing has changed since then. We continue to focus on our business execution. The market still has a lot of

potential. We strive to continue to strengthen our market leadership in Indonesia, grow our Fintech business to become the most popular financial solution in Indonesia. And we're also focusing to improve our profitability. It's a lot of work. We are confident in our ability to deliver, and we will continue to stay focused on that. We cannot comment further on market rumors and speculation, right. And then the next question about On Demand Services subscription service, I'll have Catherine address that.

Catherine Hindra Sutjahyo *PT GoTo Gojek Tokopedia Tbk - President, On-Demand Services*

Thanks Pat. Hi Ari, thank you for the question. So I'll address one by one. The first one, your question on the growth of mobility and deliveries. I think Simon mentioned it earlier that we remain committed this year for a mid teens growth. This is continuing our last year's growth as well. As I mentioned, our goal is to further strengthen our market leadership. So this is across the board of all of our key products. This is namely that two wheel, four wheel transport as well as the deliveries.

I would like to highlight here maybe to your question, how do we see this. So we're going even deeper this year, more granular and how we're seeing the pocket of the potential growth. I think Patrick mentioned a little bit earlier about focusing on the customer segment, the higher spending customer segment. As you see, our premium products have a great kind of a track record trajectory of growth. At the same time, we're also continuing to build the lever, right, to also acquire new users still as well. So yeah, to sum it up, we remain growing in the mid to high teens rate for both our products.

On your question about subscriptions, thank you for asking this question. This is definitely one of the highlights of 2024 in terms of the product that we launched and managed to grow in 2024. Gojek Plus subscribers rose 70% in the past six months. If you remember, sometime last year, we expanded the subscription product we had from originally when we launched it only to cover food products, now is to all of the product portfolio in Gojek, right. So this is reflecting a very strong kind of the quality of our users as well.

What is really interesting about the subscription is basically, the subscriber -- the users who subscribing to Gojek Plus, they generate around three times higher GTV than a non subscriber.

And we spent a lot of time last year continuously improving the profitability of these users as well, right. So because basically we're deepening the wallet share of these users by encouraging them to do more frequent kinds of usage, we cross-poly between different products. Some user previously only used transport maybe, but because of the Gojek Plus, they started trying out Food or the other way around. And this is basically improving our wallet share of the users and thus improve their margin as well in our portfolio, in our ecosystem.

Another one that is really interesting here that we would like to highlight is that subscription also proves to be a really good tool for us to improve retention of these users. As mentioned earlier, this is a very competitive landscape here, having effective retention tools is very important. This is what so far Gojek Plus has been successful in helping us to do. So yeah, I think going forward, we will continue to focus on furthering the subscribers growth. We believe there is still room in that, at the same time, further harnessing the profitability of transactions of this user segment. And we are also currently gonna be expanding the Gojek Plus products partnership with other offerings as well. I believe I answered both of your questions.

Patrick Walujo *PT GoTo Gojek Tokopedia Tbk - President Director, CEO*

Thank you, Cath.

Ari Jahja *Macquarie*

Thanks and all the best for the GoTo team.

Joel Ellis *PT GoTo Gojek Tokopedia Tbk - Head of Investor Relations*

Thanks very much, Ari. Our third question will come from Adrian Joezer at Mandiri Sekuritas. Adrian, please unmute yourself and go ahead.

Adrian Joezer Mandiri Sekuritas

Thanks, Joel, for the opportunity to ask questions. And congratulations, Patrick and Simon and the GoTo team for the great results. So three questions from myself. The first one is, I think you did mention a bit of the guidance for ODS, right? So just wondering, what's gonna be the medium term target for the EBITDA margin? Because I think when I look into the Q4, you have actually reached about 1.6% EBITDA margin. But I'm, if I actually take a look into your guidance for 2025, which is low to mid teens. And if we assume 12 to 15% and with, you know, 1.1 trillion EBITDA, that means you're assuming a flat margin of 1.5 to 1.6% for this year. So that's a question on the margin. And the second one is actually, I think you did touch a lot on the premium offerings and the trend. So my question is with regards to the mass market and affordable products, can you actually provide some updates? And the last question is actually just a bit of color on the loan book that is being channeled to Bank Jago. And going forward, how should we actually see the contribution to your loan bookings through Jago? Thank you.

Patrick Walujo PT GoTo Gojek Tokopedia Tbk - President Director, CEO

Thank you, Adrian. I'll have Simon address your question about EBITDA margin in the medium term for ODS and then I'll ask Cath to talk about our mass market or affordable strategy. And Tom will be answering your question about our cooperation with Bank Jago. Simon?

Simon Ho PT GoTo Gojek Tokopedia Tbk - Group CFO

Yeah, thank you, Adrian. I mean, you make a very good observation there. I would say that, you know, we did obviously stress that those are sort of our minimum goals and targets. So hopefully, I think as the year progresses, we will continue to execute on those drivers that we've been highlighting, and we would obviously continue to see some expansion, continued expansion in the adjusted EBITDA margin for the ODS business. Look, I think we don't provide, haven't provided any long term targets. But I think directionally, what we're trying to achieve, I hope it's very clear. We have seen obvious margin improvements for several consecutive quarters right now, and we're also expecting directionally continued improvement over the course of 2025. So you know, we do hope that as we continue to innovate on our products, achieve operating efficiencies and some of these strategic initiatives continue to take hold, that we will continue to

expand our margins in the ODS business in both the mobility and the delivery side. I hope that helps to give a bit more color to your question.

Catherine Hindra Sutjahyo PT GoTo Gojek Tokopedia Tbk - President, On-Demand Services

Yes, thank you. I'll answer your question on the mass market affordable strategy. Thank you for asking this question. You're right. So I think I hinted at it previously, we still believe that, we do believe and the result has shown as well to prove our strategy of this, the effectiveness of what we call the portfolio approach, right.

As you know, we talk about premium products, we talk about regular products, we talk about the mass market slash affordable products. Again, the way we see it is not just talking about the user segment, but also the use cases. I think I mentioned last time that we truly believe that, for example, during lunchtime, I just want to save money, I will go for a more affordable product. But when on weekends I want to splurge, I will go for the premium product. And as you see, both of these products have continued to grow in our portfolio. Pat mentioned about the Food Express, for example, which is now contributing to 28% of our Food businesses. Similarly, our affordable product in transport also continues to grow. One thing that we are being very mindful here as well, this is our test to continue balancing between growth as well as profitability. So very happy to share here as well, including our mass market affordable products that actually the margin improvement quarter on quarter has been there as well. This is being done by us using our technology to do better targeting, better kind of segmenting of this product to the customer as well as the use cases that we are targeting today. One thing I also would like to highlight here, the one is really interesting is we believe this portfolio strategy is actually playing to the ecosystem synergy. What do I mean by that, right? About 70% of the users who are using affordable service, this has basically become an entry point for them. The moment they start using our services, they start upsell, cross sell using all other products. This is where deepening again, I mentioned about the wallet share, deepening their wallet share and thus improving the user level profitability as well. So again, we're seeing this different product portfolio complementing each other. We are focusing on how we can better target them. So overall, it's becoming a better engine of growth as well as profitability there.

Patrick Walujo *PT GoTo Gojek Tokopedia Tbk - President Director, CEO*

Thank you, Cath. Tom, would you like to give an update of our working relationship with Bank Jago?

Thomas Husted *PT GoTo Gojek Tokopedia Tbk - Vice President Director, President, Financial Technology*

Yeah, sure. Happy to do that. Hi, Adrian. It's good to hear your voice again. And thanks for the question. In regards to Jago, I think, you know, I think it's important to be honest. I think all sides acknowledge that we had a relatively slow start to our partnership. However, I think we're really gaining momentum now. And to be clear, Jago remains our primary bank partner. And there are really two reasons for that. First, I mean, as you know, we own 21% of the bank and have held that position for some time. And secondly, what people have not seen in the background is that we spend a lot of time and effort doing deep product integrations with the bank and probably the most important one is the loan channeling systems that we have at Jago. And when I step back and kind of think about 2024 and the journey we took in 2024, it's clear that it was really a breakout year for the GoTo lending business. And frankly, along with that, it was a test of the Jago channeling systems. So just to throw some numbers out, right. Last year, we grew the lending book by 2.7x. And in aggregate, more than 70% of those loans were channeled to Jago. Very few hiccups, smooth, and we've worked quite well with the team over there. So at this point, my observation is that everything is working well. I expect the relationship to be ongoing and to be positive, and we continue to expect a channel majority of the loans to Jago going forward even as we kind of enter into this, you know, 2025 growth season. Hope that answers the question Adrian, thank you.

Adrian Joezer *Mandiri Sekuritas*

Thanks, everyone.

Patrick Walujo *PT GoTo Gojek Tokopedia Tbk - President Director, CEO*

Thank you, Adrian.

Joel Ellis *PT GoTo Gojek Tokopedia Tbk - Head of Investor Relations*

Thanks very much, Adrian. For our final question, we will open up the line for Pang Vit of Goldman Sachs. Pang, please unmute yourself and go ahead.

Pang Vittayaamnuaykoon *Goldman Sachs*

Hi, thank you very much for the opportunities, and good evening, Patrick, Simon and the management team, and thank you, Joel, as well. Two questions from my side. Number one, just wanted to go back to the questions around the macros, right. I think not just on the loans perspective, but just wanted to ask you around the latest trend that you see in terms of consumer spending and everything. I think that's been a growing concern overall from investors looking into Indonesia across segments that there might be some weakening in the spending. So if there's anything you could share around that would be helpful. That's question number one. Question number two, going back to the question on the on demand segment, I think one thing that we're just trying to understand is how the market share shift was in last quarter. I think if we're looking at your quarter on quarter growth last quarter, it seems to come in at low single digit versus your competitor that seems to deliver it in high single digit. So I'm wondering whether there's anything that you see in particular that could explain the difference here.

Patrick Walujo *PT GoTo Gojek Tokopedia Tbk - President Director, CEO*

Okay. Thank you Pang. Good to hear your voice. On the macro, I think we're all watching this very carefully at this moment. We acknowledge that the global macros seem to be causing concern, something that we have to closely monitor. I think what I can say is that based on our 2025 early results, the business performance has met our expectation, adjusted to seasonality and all that. This is, again, this is something that we are monitoring closely. And our business plan on our guidance, we believe is quite well thought of considering all these macro risks. And yeah, we are ready to react quickly if there are reasons for us to be concerned.

And then the second question is about market share. We believe that we remain market leaders in On Demand Services across our different products, and that is the most important thing. We balance our growth with profitability and fluctuation 1% or 2%, it's something that we monitor. But again, it's about balancing between growth and profitability. So I think that's all I can say at this moment.

Pang Vittayaamnuykoon *Goldman Sachs*

Thank you. Perhaps can I actually just ask one quick follow up, right? You mention earlier in the opening remarks around Ramadan bonus. Just wondering whether there's any further color you can provide in terms of how this may impact the margin trend coming into this first quarter.

Patrick Walujo *PT GoTo Gojek Tokopedia Tbk - President Director, CEO*

I think what Simon mentioned reflects the whole information we have so far. And you know, as Simon mentioned, the holiday bonus is designed for our most productive and best-performing driver-partners in the ecosystem. And so far, we believe that the impact is within all the guidance we have provided. And until further notice, I think that's all that we can share at this moment.

Pang Vittayaamnuykoon *Goldman Sachs*

Thank you very much.

Joel Ellis *PT GoTo Gojek Tokopedia Tbk - Head of Investor Relations*

Thank you very much, Pang. And thank you everyone for participating in the call. With that, we will call the session to a close. Have a good evening.

About GoTo Group:

GoTo is the largest digital ecosystem in Indonesia. GoTo's mission is to 'empower progress' by offering technology infrastructure and solutions that help everyone to access and thrive in the digital economy. The GoTo ecosystem provides a wide range of services including mobility, food delivery, groceries and logistics, as well as payments, financial services, and technology solutions for merchants. The ecosystem also provides e-commerce services through Tokopedia and banking services through its partnership with Bank Jago.

For more information, please see www.gotocompany.com.

Contacts:**Media**

GoTo Group: corporate.affairs@gotocompany.com

Investors/analysts

GoTo Group: ir@gotocompany.com

Piacente Financial Communications: goto@thepiacentegroup.com