



GoTo Group Closer to Profitability with Adjusted EBITDA Improving by 67% as Company Delivers 2023 First Quarter Results

Key Highlights

- Adjusted EBITDA¹ improved by 67% year-on-year (YoY) and 49% quarter-on-quarter (QoQ) to Rp -1.6 trillion — the fifth consecutive quarter of QoQ improvement
- Group contribution margin² turned positive at 0.4% of GTV³, increasing 224 basis points (bps) YoY to Rp 636 billion, in line with guidance
- Gross revenue⁴ improved by 14% YoY to Rp 6.0 trillion
- Incentives and product marketing spend reduced by 39% YoY, or Rp 2.6 trillion

Jakarta, Indonesia, April 27, 2023 – PT GoTo Gojek Tokopedia Tbk (IDX: GOTO, “GoTo Group” or the “Company”), the largest digital ecosystem in Indonesia, today announced its first quarter 2023 financial results, reporting **Adjusted EBITDA¹** improvement of 67% YoY to Rp -1.6 trillion, driven by solid performances from the On-demand Services and E-Commerce segments.

Andre Soelistyo, GoTo Group CEO, said: “We continued to make considerable progress toward profitability in the first quarter of 2023, with Adjusted EBITDA¹ improving by 67% year-on-year and 49% quarter-on-quarter, meaning we are halfway towards becoming Adjusted EBITDA¹ positive within Q4. Our focus on high-quality, profitable consumers along with a disciplined approach to costs has significantly increased our efficiency and gives us a glimpse of what the future looks like for GoTo. As we continue to implement our strategy, slower GTV³ growth is expected in the near term, as we reduce low quality transactions on our ecosystem, although we will continue to focus on building the foundational product infrastructure that will drive sustainable growth for our Company over the longer term.”

In the first quarter of 2023, the Company continued to optimize monetization and reduce costs across the organization. **Gross revenue⁴** grew 14% YoY to Rp 6.0 trillion, while incentives and product marketing costs were reduced by Rp 2.6 trillion or 39% YoY. **Group contribution margin²** turned positive at 0.4% of GTV³, increasing 224 bps YoY to reach Rp 636 billion.

Jacky Lo, GoTo Group CFO, said: “Improved revenue growth and incentive rationalizations have made the Group contribution margin² positive in the first quarter - a key milestone for our company as we seek to drive profitability within the business units. The strict management of our fixed cost structure is also driving profitable outcomes, significantly reducing our OpEx base and reducing our cash burn. As we look ahead, maintaining cost discipline is central to our longer term strategy, as a lower cost base will provide us with additional flexibility to allocate capital for the acceleration of growth in the future.”

GoTo’s cash position and balance sheet remain solid. With Rp 26.8 trillion of cash and cash equivalents and a credit facility of approximately Rp 4.65 trillion, of which Rp 1.5 trillion had been utilized as of March 31, 2023, the Company remains confident that it will reach positive operating cash flow without any additional external funding.



Group Highlights

(In Billions of Indonesian Rupiah)	1Q 2023	1Q 2022	YoY % Change
Financial Metrics			
Gross Revenue ⁴	5,981	5,231	14%
Net Revenue	3,332	1,497	123%
Contribution Margin ²	636	(2,537)	n/a
Adjusted EBITDA ¹	(1,597)	(4,859)	67%
Net Loss	(3,899)	(6,614)	41%

1Q23 Group Adjusted EBITDA¹ was Rp -1.6 trillion, or -1.1% of GTV³, improving by 67% YoY and 49% QoQ.

The cost saving measures implemented in 4Q22 reduced recurring cash OpEx by around Rp 460 billion, or 17% QoQ. Personnel cost savings from measures announced in November 2022 were approximately Rp 210 billion, an improvement of 13% from the previous quarter. Incentives and product marketing spend were also reduced by 39% YoY, reflecting total savings of Rp 2.6 trillion.

GoTo Group maintained positive YoY gross revenue⁴ growth of 14% as a result of its strategy to deepen engagement among its high-quality user base by leveraging its portfolio of value-added and premium service products.

Group GTV³ for the quarter was Rp 149 trillion, a 6% YoY increase. Slower GTV³ and transaction growth is expected throughout the first half as the Company accelerates its plan to reach profitability while focusing on growing its high-quality user base.

During 1Q23, the number of profitable users remained stable and constituted more than 70% of total users. Those users transacted more, with GTV per profitable user growing QoQ, comprising more than 70% of the Group's overall GTV³ in the first quarter.

As a result of the Company's sharpened focus on monetization, the overall take rate for the Group increased by 29 bps YoY.

Net Loss was approximately Rp 3.9 trillion in 1Q23, narrowing by 41% YoY, driven mainly by higher revenues and reduced incentives and product marketing spend. Improvements in operating losses were partially offset by non-operating items such as normalization of forex and fair value adjustment of financial instruments.



On-demand Services

(In Billions of Indonesian Rupiah)	1Q 2023	1Q 2022	YoY % change
Operating Metrics			
GTV	13,738	14,417	(5)%
Financial Metrics			
Gross Revenue	2,988	2,669	12%
Contribution Margin	524	(720)	n/a
Adjusted EBITDA	(246)	(1,665)	85%

On-demand Services saw healthy gross revenue growth of 12% in the first quarter, led by optimized commissions and fees in Transport as well as targeted platform and delivery fees in Food. Economy products and premium services continued to grow, while engaging high-quality users.

- Adjusted EBITDA for On-demand Services improved by 85% YoY, to -1.8% of On-demand Services GTV.
- Incentives and product marketing expenses decreased by 30% YoY on a blended basis between Food and Transport, in line with the Company's focus on increasing its high-quality consumer base, which is more resilient and less motivated by incentives.
- 1Q23 take rate for On-demand Services improved by 324 bps YoY, driven by monetization improvements, including an increase in commission rate from 10% to 15% in Singapore.
- Monetization improvements and decreased costs drove contribution margin for On-demand Services further into positive territory for a second consecutive quarter, reaching 3.8% of GTV, up by 881 bps YoY.
- On Demand Services GTV declined to Rp 13.7 trillion - a decrease of 5% YoY - driven by heightened GTV for Food during the Omicron lockdown period last year, as well as the company's strategy to prioritize high quality, rather than incentive-driven usage.
- Further growth will be product-led as value-added services that offer additional appeal, flexibility and quality to consumers increase in scale.



E-commerce

(In Billions of Indonesian Rupiah)	1Q 2023	1Q 2022	YoY % change
Operating Metrics			
GTV	62,800	65,135	(4)%
Financial Metrics			
Gross Revenue	2,260	1,872	21%
Contribution Margin	178	(1,271)	n/a
Adjusted EBITDA	(523)	(2,054)	75%

In the E-commerce segment, the introduction of innovative features supported continued monetization growth during the quarter while sustaining Tokopedia's sizable market share. These included improved merchant app functions enabling meaningful competitive insights and marketing tools to drive sales. The implementation of dynamic ad slots in search also helped increase ad relevance, while providing a better user experience and adding more value for Tokopedia merchants.

- Adjusted EBITDA for E-commerce improved by 75% YoY, or -0.8% of E-commerce GTV.
- Take-rate for E-commerce improved by 72 bps YoY to reach 3.6% of GTV in 1Q23, mainly driven by sales of dynamic advertising offerings that increased ad relevance and by improved monetization from value-added merchant app capabilities.
- For the first time, E-commerce contribution margin turned positive for the full quarter in 1Q23, to 0.3% of GTV, up by 223 bps YoY.
- E-commerce GTV moderated to Rp 63 trillion, a decline of 3.6% YoY due in part to a challenging comparative as the rise of the Omicron variant in 1Q22 propelled E-commerce tailwinds. GTV was also impacted by the deprioritization of the non-core Mitra Tokopedia B2B marketplace offering. Excluding the impact from this business, Tokopedia GTV remained largely flat YoY.
- Over the coming quarters, the focus will be on increasing the penetration of GoPayLater products on Tokopedia to drive payment flexibility, via more targeted communications and promotions.
- Improved user experiences are also being brought about by the aggregated supply chain model of GoTo Logistics, which lowers costs for users and enables more hyper-local delivery outside of Greater Jakarta. The introduction of further technology that drives ad relevance and conversion rates will also support continued monetization growth.



Financial Technology

(In Billions of Indonesian Rupiah)	1Q 2023	1Q 2022	YoY % change
Operating Metrics			
GTV	91,521	77,450	18%
Financial Metrics			
Gross Revenue	424	338	25%
Contribution Margin	19	(349)	n/a
Adjusted EBITDA	(516)	(752)	31%

The Financial Technology business made strong progress toward profitability, while maintaining growth, as average spend per GoPay user continues to increase. Consumer lending sustained its growth momentum, with loans outstanding generated from GoTo's consumer lending business increasing by 40% QoQ to reach Rp 831 billion as of 1Q23, while maintaining the quality of the loan portfolio.

- Adjusted EBITDA for Financial Technology improved by 31% to reach -0.6% of Financial Technology GTV.
- In the first quarter, average spend per GoPay user increased by more than 30% YoY, in line with the focus on existing high quality users.
- Gross revenue for Financial Technology increased 25% YoY to Rp 424 billion in 1Q23 on a take rate that improved YoY to approximately 0.5%.
- Financial Technology achieved positive contribution margin of 0.02% of GTV, showing an improvement of 47 bps YoY. Fluctuations can be expected over future periods as the Company continues to invest in this space.
- Financial Technology GTV reached Rp 91.5 trillion in the first quarter, maintaining positive growth of 18% YoY.
- Consumer lending is expected to be the one of the primary growth drivers in Financial Technology, in turn fuelling consumer spending growth across the ecosystem. Outstanding loans generated from GoTo's consumer lending business grew by 40% QoQ to Rp 831 billion as of 1Q23. The company will continue to scale its loan book origination in 2023 while further scaling up its lending offerings in a prudent manner.



Logistics

(In Billions of Indonesian Rupiah)	1Q 2023	1Q 2022	YoY % change
Financial Metrics			
Gross Revenue	580	519	12%
Adjusted EBITDA	(156)	(249)	37%

As of 1Q23, GoTo has combined Tokopedia's fulfillment unit and Gojek's e-commerce same-day delivery unit under GoTo Logistics to make processes more efficient on a cross platform basis. The focus for GoTo Logistics is on realizing economies of scale to drive down costs while also improving speed and reliability of deliveries for buyers and merchants.

- Adjusted EBITDA was Rp -156 billion, an improvement of 37% YoY. This will act as a clear baseline from which the company will implement its logistics strategy as it recalibrates its operations in core geographic areas, while streamlining costs.
- 1Q23 gross revenue for GoTo Logistics was Rp 580 billion.
- Technology-driven improvements to batching and routing capabilities demonstrate that conventional next-day delivery services can be provided at around 30% lower cost, compared with similar services provided by third party logistics providers.
- Looking ahead, GoTo Logistics will focus on growing its last-mile delivery capability while creating long-term efficiency by making structural improvements to the fulfillment and delivery units.
- The fulfillment services business will focus on enhancing unit economics by improving assortment mix and inventory turnover rate while conventional next-day capabilities are expected to be scaled in a relatively asset-light manner, leveraging existing hub-and-spoke infrastructure.

Environmental, Social and Governance (ESG)

GoTo continues to invest in the operational shifts required to meet international and industry standards as it relates to ESG performance. The Company's annual Sustainability Report outlining its initiatives and progress in ESG for 2022 is now available alongside its 2022 Corporate Annual Report. Both can be viewed on the Company's website.

Sustainability Report: <https://www.gotocompany.com/en/our-commitments>

Corporate Annual Report: <https://www.gotocompany.com/en/investor-relations/announcement>



Outcomes from the Company's 1Q23 efforts include:

- Testing the first Electrum bike prototypes in Jakarta.
- The launch of GoTo's waste management campaign starting with its offices as part of the Company's Zero Waste to landfill efforts, in partnership with Rapel. Waste from GoTo's offices were repurposed into products for industrial cleaning and agricultural use.
- Publication of a report by the University of Indonesia's Institute for Economic and Social Research – Faculty of Economics and Business (LPEM FEB UI), which highlighted GoTo's positive impact on the Indonesian economy and livelihoods of those within its ecosystem: GoTo was estimated to have contributed up to 2.2% of Indonesia's GDP, while its ecosystem was positively associated with employment generation and poverty reduction.
- Being ranked as one of the top tech companies of all emerging markets for digital inclusion by the World Benchmarking Alliance⁵.

Company Outlook

By further prioritizing high-quality users, GoTo expects GTV³ growth to slow in 2Q23. The shift in its user base towards more profitable users along with the streamlining of costs and the driving of further efficiencies across the organization are expected to yield sustainable profitability over the long term, particularly as the Company focuses on re-accelerating growth over future quarters. Leveraging its unique ecosystem that spans a full range of consumer spending, GoTo expects to capture additional growth in a more cost effective manner across the expansive Indonesian market.

The Company currently expects:

- To achieve positive Group adjusted EBITDA¹ within the fourth quarter of 2023.
- Full year 2023 Group adjusted EBITDA¹ to be between Rp -5.3 and Rp -4.6 trillion.

The above outlook is based on current market conditions and reflects the Company's preliminary estimates, which are all subject to various uncertainties, including those related to cost inflation and the COVID-19 pandemic.

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About GoTo Group

PT GoTo Gojek Tokopedia Tbk (GoTo Group) 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 consists of On-demand Services (mobility, food delivery, and logistics), E-commerce (third party marketplaces + official stores, instant commerce, interactive commerce, and rural commerce), and Financial Technology (payments, financial services, and technology solutions for merchants) through the Gojek, Tokopedia, and GoTo Financial platforms.



Forward-Looking Statements

This document may contain forward-looking information or forward-looking statements (collectively, “forward-looking information”). All information contained in this document that is not clearly historical in nature or that necessarily depends on future or subsequent events is forward-looking information prepared as of the date of this document is based upon the opinions and estimates of management as well as the information available to management as of the date of this document. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate" and other similar words, expressions and phrases, including negative and grammatical variations thereof, or statements that certain events or conditions "may," or "will" happen, or by discussion of strategy.

Forward-looking information is based upon a number of current internal expectations, estimates, projections, assumptions and beliefs that, while considered reasonable by management, are inherently subject to significant business, economic, competitive and other uncertainties and contingencies. Forward-looking information is not a guarantee of future performance and involves known and unknown risks, uncertainties and other factors (including the risks and uncertainties in the Company's consolidated financial statements and Management's Discussion & Analysis available on the Company's website), that may cause actual results, performance or achievements to be materially different from the future results, performance or achievements expressed or implied by such forward-looking information. Any estimates, investment strategies or views expressed in this document are based upon current market conditions, and/or data and information provided by unaffiliated third parties, and are subject to change without notice. To the extent any information in this document was obtained from third party sources, the Company has not independently verified that information, and there is a risk that the assumptions made and conclusions drawn by the Company based on such information are not accurate. Except as required by law, the Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, events or otherwise. Readers are cautioned not to put undue reliance on this forward-looking information and should not be viewed, in and of itself, as any basis for making any investment decision.

Non-IFAS Financial Measures

GoTo Group uses the following non-Indonesian Financial Accounting Standards (IFAS) financial measures including gross revenue⁴, contribution margin² and adjusted EBITDA¹, to understand and evaluate GoTo Group's core operating performance. However, the definitions of GoTo Group's non-IFAS financial measures may be different from those used by other companies, and therefore, may not be comparable. Furthermore, these non-IFAS financial measures have certain limitations in that they do not include the impact of certain expenses that are reflected in GoTo Group's consolidated financial statements that are necessary to run GoTo Group's business. Thus, these non-IFAS financial measures should be considered in addition to, not as substitutes for, or in isolation from, measures prepared in accordance with IFAS.

These non-IFAS measurements are not intended to replace the presentation of GoTo Group's financial results in accordance with IFAS. Rather, GoTo Group believes that the presentation of Adjusted EBITDA¹ provides additional information to investors to facilitate the comparison of past and present results, excluding those items that GoTo Group does not believe are indicative of GoTo Group's ongoing operations due to their size and/ or nature. In addition, GoTo Group also presented the Contribution margin² that may provide additional information to investors in relation to the results excluding the non-variable expenses



and other income/ expenses. Contribution margin² and adjusted EBITDA¹ presented herein may not be comparable to similarly entitled measures presented by other companies, who may use and define this measure differently. Accordingly, you should not compare this non-IFAS measure to those presented by other companies.

Unaudited Consolidated Financial Information

GoTo Group furnished the result for the three months ended of March 31, 2023 and 2022. This information is extracted from the consolidated financial statements of the Company as of and for the three months ended March 31, 2023 (with consolidated financial information March 31, 2022 disclosed as comparative) that has been prepared by the Management in accordance with the Indonesian Financial Accounting Standards. The information pertaining to the consolidated financial information for the three months ended March 31, 2023 and 2022 that are in this document has not been audited, reviewed, examined, or applied any procedures. Accordingly, there are no opinions or any other form of assurance expressed with respect to the periods mentioned above.

Furthermore, in this document, GoTo group also furnished the result of the three months ended December 31, 2022. The information for the year ended December 31, 2022, has been extracted from the audited consolidated financial statements as of and for the year ended December 31, 2022.

The consolidated financial information for the three months ended December 31, 2022 have not been audited, reviewed, examined, or applied any procedures on. Accordingly, there are no opinions or any other form of assurance expressed with respect to any and all interim consolidated financial information for the three months ended December 31, 2022 presented in this document.

¹ GoTo Group calculates the adjusted EBITDA, a non-IFAS financial measure, beginning with loss before income tax and adjusting for (i) depreciation and amortization expenses; (ii) finance income; (iii) interest expenses; (iv) loss on impairment of assets of disposal group classified as held for sale; (v) (reversal)/loss on impairment of investment in associates; (vi) loss on impairment of goodwill; (vii) fair value adjustment of financial instruments; (viii) loss on impairment of intangible and fixed assets; (ix) share-based compensation cost (including for the Gotong Royong Program); (x) unrealized foreign exchange (gain)/loss from cash remeasurement; (xi) share of net losses in associates and joint ventures; (xii) (gain)/loss on divestment and dilution of investment in associates and joint ventures, net (xiii) dividend income; and (xiv) non-recurring items.

² GoTo Group calculates the contribution margin, a non-IFAS measure, beginning with net revenue and deducting total cost of revenues, a portion of sales and marketing expenses relating to the promotional excess and product marketing and others consists of mainly withholding taxes related to sales and marketing expense and other insignificant expenses.

³ GTV means gross transaction value, an operating measure representing.

a. the sum of the time value of the transactions from On-demand Services.

b. the sum of the value of the product and services recorded on our E-commerce Segment.

c. the sum of the total payments volume, or TPV processed through our platform of Financial Technology Services.

d. and excluding amounts from inter-Company transactions between entities within the Company that are eliminated upon consolidation.

⁴ Gross revenue represents the total Rupiah value attributable to GoTo Group from each transaction, without any adjustments for incentives paid to driver-partners and merchant partners or promotions to end-users, over the period of measurement. For a reconciliation of net revenue to gross revenue, please refer to the section "Non-IFAS Financial Reconciliation."

⁵ The World Benchmarking Alliance is one of the leading international rating and benchmarking organizations providing impartial screening of global companies' contributions to the UN's Sustainable Development Goals (SDGs). In Q1 2023, GoTo was independently assessed by the WBA for its contribution to accelerate digital inclusion in Indonesia and across the region. More information can be found [here](#).



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