

Singapore

**ADD** (no change)

Consensus ratings\*: Buy 24 Hold 1 Sell 1

Current price:	US\$3.45
Target price:	US\$4.30
Previous target:	US\$4.30
Up/downside:	24.6%
CGSI / Consensus:	-3.0%
Reuters:	GRAB.O
Bloomberg:	GRAB US
Market cap:	US\$13,469m
Average daily turnover:	US\$56.71m
Current shares o/s:	3,949m
Free float:	96.4%

\*Source: Bloomberg

Key changes in this note

➤ No change.

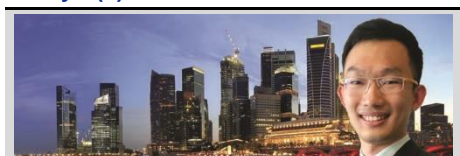


Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	15	10.2	1.5
Relative (%)	12.2	0.7	-22.8

Major shareholders	% held
Softbank Group	18.9
Uber Technologies	14.5
Didi Chuxing	7.6

Analyst(s)



**ONG Khang Chuen, CFA**

T (65) 6210 8685  
E khangchuen.ong@cgsi.com

**Kenneth TAN**

T (65) 6210 8678  
E kenneth.tan@cgsi.com

# Grab Holdings

## Strengthening foundation for future growth

- Grab's 4Q23 revenue and adj. EBITDA came in line; but GMV growth was softer vs. Bloomberg consensus on weaker Deliveries GMV growth.
- Positives: 1) growth of advertising business, 2) higher Deliveries mid-term margin guidance, 3) launch of US\$500m share repurchase programme.
- Negative: FY24F guidance appears conservative, in our view. Reiterate Add on Grab's strong execution and healthy competitive landscape in ASEAN.

### 4Q23: Revenue and adj. EBITDA in line; GMV a slight miss

As expected, Grab's 4Q23 revenue (US\$653m, +6% qoq/+30% yoy) and adj. EBITDA (US\$35m) came in-line with Bloomberg consensus, while GMV (US\$5.44bn, +2% qoq/+9% yoy) was slightly weaker due to softer performance in the Deliveries segment (page 2 for details). Grab reported its first quarter of GAAP profit at US\$35m in 4Q23, vs. our/Bloomberg consensus expected loss of US\$74m/\$64m, but we note this was driven by reversal of accounting accruals. FY23 GAAP net loss came in narrower than expected at 80%/82% of our/Bloomberg consensus forecasts. Given its strong net cash liquidity at US\$5.2bn (as at end-FY23F) and having recorded its first positive adj. FCF in 4Q23, Grab announced a US\$500m share repurchase programme and plans to repay its outstanding term loan of US\$497m (we estimate interest cost savings of US\$50m p.a.).

### FY24F: Strengthening the foundation for future growth

Grab aims to achieve sustainable and profitable growth in FY24F, while investing in tech initiatives to drive revenue acceleration beyond the year. Priorities include expanding the user base through tiered offerings and partnerships, and enhancing engagement via GrabUnlimited and cross-selling. Grab guides for FY24F revenue of US\$2.70bn-\$2.75bn (+14-17% yoy) and adj. EBITDA of US\$180m-\$200m, lower than Bloomberg consensus. We deem this to be conservative and keep our FY24F forecasts (revenue: US\$2.83bn, adj. EBITDA: US\$244m) unchanged. We see a good start to FY24F – despite weaker seasonality, Grab expects its on-demand GMV to remain sequentially stable in 1Q24F. We expect FY24F adj. EBITDA to be driven by reduced fintech losses, growing advertising revenues, and operating leverage from on-demand GMV growth. Positively, Grab raised its medium-term adj. EBITDA to GMV margin for the Deliveries segment by 100-200bp (from 3%+ previously).

### Reiterate Add

We reiterate our confidence in Grab's execution as it successfully balances ongoing market share growth with margin expansion, capitalising on the favourable competitive landscape in ASEAN. Our SOP-based TP remains at US\$4.30 with Grab's on-demand segments valued at 17.2x FY25F EV/EBITDA (in line with global peers' average). Re-rating catalysts include further reacceleration in food deliveries segment GMV growth, and stronger growth trajectory of Grab's high-margin advertising business. Downside risks include macro headwinds dampening demand for Grab's services, leading to weaker GMV, and intensifying competition leading to near-term margin squeeze.

Financial Summary	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Revenue (US\$m)	1,433	2,359	2,826	3,337	3,892
Operating EBITDA (US\$m)	(1,223)	(374)	53	246	464
Net Profit (US\$m)	(1,683)	(434)	(216)	26	277
Core EPADS (US\$)	(0.25)	(0.01)	0.03	0.09	0.15
Core EPS Growth	(64%)	(97%)		227%	70%
FD Core P/E (x)	NA	NA	124.0	38.0	22.3
Normalised EPADS (US\$)	(0.44)	(0.11)	(0.05)	0.01	0.07
DPADS (US\$)	-	-	-	-	-
Dividend Yield	0%	0%	0%	0%	0%
EV/EBITDA (x)	NA	NA	219.3	46.2	23.9
P/FCFE (x)	NA	10.3	120.5	36.1	28.9
Net Gearing	(8.8%)	(36.3%)	(42.0%)	(48.2%)	(53.7%)
P/BV (x)	1.99	2.08	2.29	2.31	2.25
ROE	(13.2%)	(0.4%)	1.8%	6.1%	10.3%
% Change In Core EPADS Estimates			0%	0%	
EPADS/Consensus EPADS (x)			(1.86)	1.38	1.01

SOURCES: CGSI RESEARCH, COMPANY REPORTS

## Strengthening foundation for future growth

**Figure 1: Quarterly financial and operating metrics**

Year End Dec 31											Prev.	
Net revenue (US\$ m)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	qoq%	yoy%	4Q23F	Var (%)
Deliveries	91	134	171	267	275	292	306	321	5%	20%	312	3%
Mobility	112	161	176	190	194	208	231	237	3%	25%	236	0%
Financial services	11	13	20	27	38	40	50	56	12%	107%	54	5%
Enterprise and new initiatives	14	14	15	17	18	27	28	39	39%	129%	33	19%
<b>Total net revenue</b>	<b>228</b>	<b>321</b>	<b>382</b>	<b>502</b>	<b>525</b>	<b>567</b>	<b>615</b>	<b>653</b>	<b>6%</b>	<b>30%</b>	<b>635</b>	<b>3%</b>
<b>Adjusted EBITDA (US\$ m)</b>												
Deliveries	(56)	(34)	9	46	60	69	88	96	9%	109%	92	4%
Mobility	82	125	135	152	152	163	180	182	1%	20%	185	-1%
Financial services	(102)	(115)	(104)	(94)	(70)	(75)	(68)	(81)	19%	-14%	(76)	6%
Enterprise and new initiatives	1	5	8	7	8	15	21	31	48%	343%	25	26%
<b>Total segment adjusted EBITDA</b>	<b>(75)</b>	<b>(19)</b>	<b>48</b>	<b>111</b>	<b>150</b>	<b>172</b>	<b>221</b>	<b>228</b>	<b>3%</b>	<b>105%</b>	<b>225</b>	<b>1%</b>
Regional corporate costs	(212)	(214)	(209)	(223)	(216)	(192)	(192)	(193)	1%	-13%	(189)	2%
<b>Total adjusted EBITDA</b>	<b>(287)</b>	<b>(233)</b>	<b>(161)</b>	<b>(112)</b>	<b>(66)</b>	<b>(20)</b>	<b>29</b>	<b>35</b>	<b>21%</b>	<b>-131%</b>	<b>36</b>	<b>-3%</b>
<b>Adjusted EBITDA to GMV ratio (%)</b>												
Deliveries	-2.2%	-1.4%	0.4%	2.0%	2.6%	2.7%	3.4%	3.6%	0.3% pts	1.7% pts	3.5%	0.1% pts
Mobility	9.8%	12.1%	12.4%	13.2%	12.5%	12.3%	12.8%	12.3%	-0.4% pts	-0.9% pts	12.5%	-0.2% pts
Financial services	-7.5%	-7.7%	-6.9%	-6.5%	-5.2%	-5.8%	-5.3%	-6.5%	-1.1% pts	0.0% pts	-6.1%	-0.4% pts
Enterprise and new initiatives	1.9%	9.6%	16.7%	15.2%	19.5%	30.0%	42.0%	48.4%	6.4% pts	33.2% pts	42.8%	5.7% pts
<b>Total adjusted EBITDA</b>	<b>-6.0%</b>	<b>-4.6%</b>	<b>-3.2%</b>	<b>-2.2%</b>	<b>-1.3%</b>	<b>-0.4%</b>	<b>0.5%</b>	<b>0.6%</b>	<b>0.1% pts</b>	<b>2.9% pts</b>	<b>0.7%</b>	<b>0.0% pts</b>
<b>GMV (US\$ m)</b>												
Deliveries	2,562	2,476	2,439	2,350	2,344	2,573	2,608	2,648	2%	13%	2,634	1%
Mobility	834	1,035	1,086	1,148	1,218	1,320	1,407	1,474	5%	28%	1,477	0%
Financial services	1,357	1,493	1,507	1,452	1,355	1,300	1,275	1,255	-2%	-14%	1,259	0%
Enterprise and new initiatives	52	52	48	46	41	50	50	64	28%	39%	58	11%
<b>Total GMV</b>	<b>4,805</b>	<b>5,056</b>	<b>5,080</b>	<b>4,996</b>	<b>4,958</b>	<b>5,243</b>	<b>5,340</b>	<b>5,441</b>	<b>2%</b>	<b>9%</b>	<b>5,428</b>	<b>0%</b>
<b>Reconciliation between Adjusted EBITDA and Operating Income (US\$ m)</b>												
Total adjusted EBITDA	(287)	(233)	(161)	(112)	(66)	(20)	29	35	21%	-131%	36	-3%
Depreciation and amortisation	(34)	(38)	(38)	(40)	(35)	(36)	(37)	(37)	0%	-8%	(38)	-2%
Stock-based compensation expenses	(121)	(111)	(90)	(90)	(103)	(65)	(70)	(66)	-6%	-27%	(71)	-7%
Impairment losses	(3)	-	-	(2)	-	(1)	-	-	#DIV/0!	-100%	-	#DIV/0!
Others*	-	(2)	(1)	(10)	-	(54)	(15)	22	-247%	-320%	(9)	-344%
<b>Operating income/(loss)</b>	<b>(445)</b>	<b>(384)</b>	<b>(290)</b>	<b>(254)</b>	<b>(204)</b>	<b>(176)</b>	<b>(93)</b>	<b>(46)</b>	<b>-51%</b>	<b>-82%</b>	<b>(82)</b>	<b>-44%</b>
<b>Reconciliation between GAAP PATMI and non-GAAP PATMI (US\$ m), based on CGS-CIMB definition</b>												
Reported (GAAP) net profit	(435)	(573)	(342)	(390)	(251)	(148)	(99)	11	-111%	-103%	(74)	-115%
- Attributable to NCI	(12)	(25)	(15)	(5)	(6)	(13)	(8)	(24)	200%	380%	(6)	299%
<b>- Attributable to owners</b>	<b>(423)</b>	<b>(547)</b>	<b>(327)</b>	<b>(386)</b>	<b>(244)</b>	<b>(135)</b>	<b>(91)</b>	<b>35</b>	<b>-138%</b>	<b>-109%</b>	<b>(68)</b>	<b>-151%</b>
Add back: Share-based comp	121	111	90	90	103	65	70	66	-6%	-27%	71	-7%
Add back: Exceptional items	(32)	175	44	140	39	63	28	(26)	-193%	-119%	8	-425%
<b>Non-GAAP net profit (to owners)</b>	<b>(334)</b>	<b>(261)</b>	<b>(193)</b>	<b>(156)</b>	<b>(102)</b>	<b>(7)</b>	<b>7</b>	<b>75</b>	<b>971%</b>	<b>-148%</b>	<b>11</b>	<b>601%</b>

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Figure 2: Results comparison

FYE Dec (S\$)	4Q23	4Q22	yoy % chg	3Q23	qoq % chg	FY23	FY22	yoy % chg	Prev FY23F
<b>Revenue</b>	<b>653</b>	<b>502</b>	<b>30</b>	<b>615</b>	<b>6</b>	<b>2,359</b>	<b>1,433</b>	<b>65</b>	<b>2,342</b>
Cost of revenue	(377)	(388)	(3)	(375)	1	(1,499)	(1,356)	11	(1,531)
<b>Gross profit</b>	<b>276</b>	<b>114</b>	<b>142</b>	<b>240</b>	<b>15</b>	<b>860</b>	<b>77</b>	<b>1,017</b>	<b>811</b>
GPM (%)	42.3%	22.7%	86	39.0%	8	36.5%	5.4%	578	34.6%
<b>Adjusted EBITDA</b>	<b>35</b>	<b>(112)</b>	<b>(131)</b>	<b>29</b>	<b>21</b>	<b>(22)</b>	<b>(793)</b>	<b>(97)</b>	<b>(21)</b>
Adjusted EBITDA margin (%)	5.4%	-22.3%	(124)	4.7%	14	-0.9%	-55.3%	(98)	-0.9%
<b>Operating profit</b>	<b>(46)</b>	<b>(254)</b>	<b>(82)</b>	<b>(93)</b>	<b>(51)</b>	<b>(519)</b>	<b>(1,373)</b>	<b>(62)</b>	<b>(555)</b>
Finance income	42	36	<i>n.m.</i>	54	(22)	198	107	85	119
Finance costs	12	(172)	(107)	(40)	(130)	(138)	(460)	(70)	(114)
Associates' contribution	(1)	(2)	(50)	(4)	(75)	(7)	(8)	(13)	(6)
<b>Profit before tax</b>	<b>7</b>	<b>(391)</b>	<b>(102)</b>	<b>(83)</b>	<b>(108)</b>	<b>(466)</b>	<b>(1,734)</b>	<b>(73)</b>	<b>(532)</b>
Income tax expense	4	1	<i>n.m.</i>	(16)	<i>n.m.</i>	(19)	(6)	217	(41)
Non-controlling interests	(24)	(5)	380	(8)	200	(51)	(57)	(11)	(33)
<b>Net profit</b>	<b>35</b>	<b>(386)</b>	<b>(109)</b>	<b>(91)</b>	<b>(138)</b>	<b>(434)</b>	<b>(1,683)</b>	<b>(74)</b>	<b>(539)</b>
<b>Core net profit</b>	<b>75</b>	<b>(156)</b>	<b>(148)</b>	<b>7</b>	<b>971</b>	<b>(27)</b>	<b>(944)</b>	<b>(97)</b>	<b>(92)</b>
<b>EPS (US\$)</b>	<b>0.00</b>	<b>(0.10)</b>	<b>(100)</b>	<b>(0.02)</b>	<b>(100)</b>	<b>(0.11)</b>	<b>(0.44)</b>	<b>(75)</b>	<b>(0.13)</b>
<b>Core EPS (US\$)</b>	<b>0.00</b>	<b>(0.01)</b>	<b>(100)</b>	<b>(0.02)</b>	<b>(100)</b>	<b>(0.01)</b>	<b>(0.25)</b>	<b>(97)</b>	<b>(0.02)</b>

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

## Analyst briefing takeaways

### Overall ▶

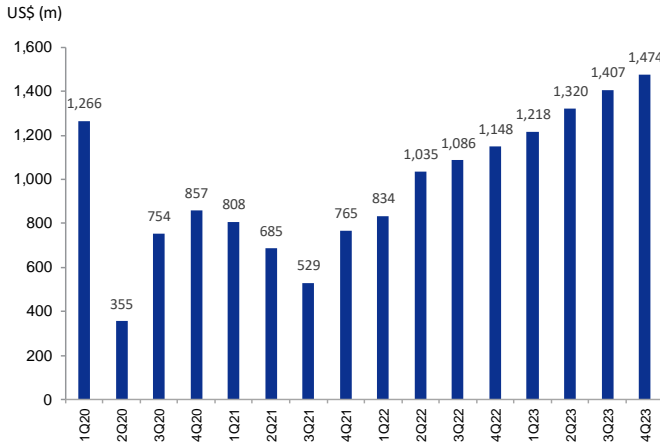
- 4Q23 total GMV increased to US\$5.4bn (+2% qoq, +9% yoy), with all segments recording growth except Financial Services. 4Q23 on-demand GMV rose strongly by 18% yoy.
- 4Q23 revenue rose to US\$653m (+6% qoq, +30% yoy), largely in line with both our forecast of US\$635m and Bloomberg consensus forecast of US\$639m.
- 4Q23 adjusted EBITDA of US\$35m (4Q22: US\$111m loss) was in line with our forecast of US\$36m and Bloomberg consensus of US\$37m.
- Grab recorded its first quarter of GAAP profitability (US\$35m net profit) in 4Q23, stronger than our forecast of US\$68m loss and Bloomberg consensus forecast of US\$59m loss. This was largely due to positive fair value changes in investments and reversal of an accounting accrual that was no longer required.
- For FY24F, Grab is guiding for revenue of US\$2.70bn-2.75bn (+14-17% yoy) and adjusted EBITDA of US\$180m-200m.
- Over the medium-term beyond 2024F, Grab intends to continue driving growth in on-demand GMV and accelerating revenue growth.
- Grab has authorised its first share repurchase programme of up to US\$500m. Grab also intends to fully repay the outstanding balance of its Term Loan B, which could save US\$50m in annual interest expenses.
- From 1Q24F onwards, Grab will reallocate advertising revenue/costs, cost of funds, and regional corporate costs to their respective core segments. Grab will also cease GMV reporting for the Financial Services segment.

### Mobility segment ▶

- 4Q23 GMV rose to US\$1.5bn (+5% qoq, +28% yoy), driven by strong mobility demand from both domestic users and travellers. 4Q23 revenue was up 26% yoy in tandem with strong GMV growth.
- 4Q23 adjusted EBITDA-to-GMV margin fell to 12.3% (-0.5% pts qoq, -0.9% pts yoy) but remains in line with Grab's steady state guidance of 12%+.
- The number of monthly transacting traveler users increased 67% yoy as Grab continued to capture strong ride-hailing demand from travelers.
- Driver supply continued to improve in 4Q23, with monthly active drivers up 11% yoy and the proportion of surge rides down 6% pts yoy.
- Management is optimistic of further recovery in traveler demand, as inbound traveler volumes across Grab's core markets are still at c.70% of 2019 levels, according to Grab.

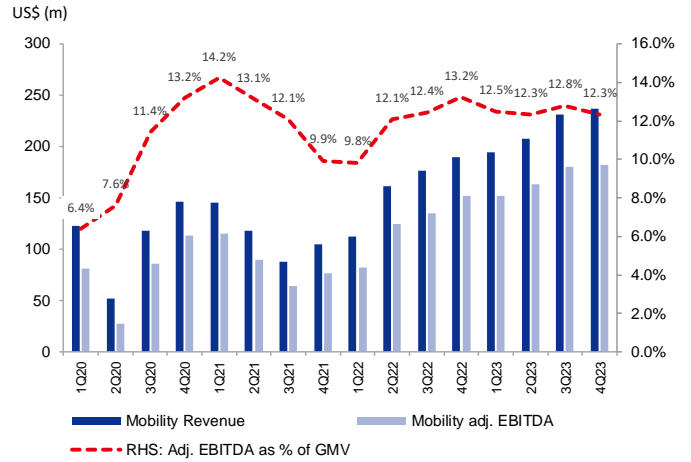
- Grab expects mobility demand growth to remain strong in 2024F, and guides for segment adjusted EBITDA-to-GMV margin of c.12%. While 1Q24F is a seasonally weak quarter for Grab (in view of festivities), the group still expects mobility demand to remain stable qoq.
- Grab intends to continue expanding into the premium segment via its GrabCar Premium service.

**Figure 3: Mobility segment GMV**



SOURCES: CGSI RESEARCH, COMPANY REPORTS

**Figure 4: Mobility segment financial metrics**

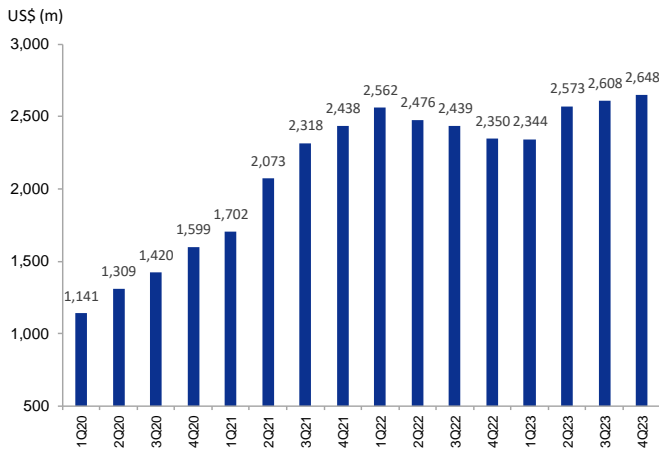


SOURCES: CGSI RESEARCH, COMPANY REPORTS

## Deliveries segment

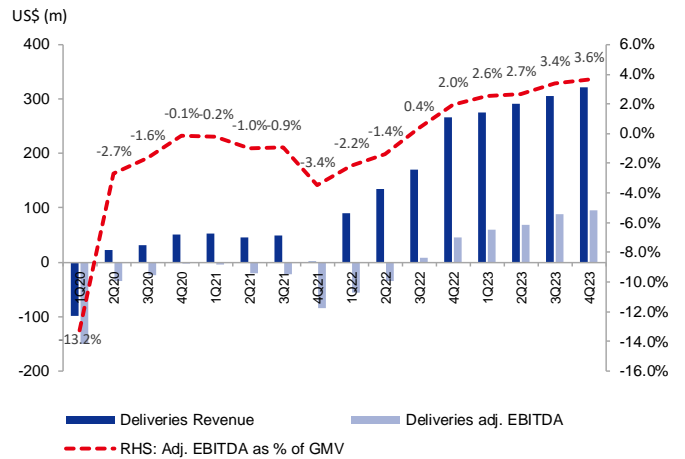
- 4Q23 GMV increased to US\$2.6bn (+2% qoq, +13% yoy) on the back of increased spend per user and increased adoption of affordable options. 4Q23 revenue rose to US\$321m (+5% qoq, +20% yoy), largely on GMV growth.
- 4Q23 segment adjusted EBITDA-to-GMV margin improved to 3.6% (+0.2% pts qoq, +1.6% pts yoy), driven by reduced cost to serve (helped by increased batching), and lower incentive spend.
- In 4Q23, Grab Unlimited formed c.33% of GMV, with higher spend and retention levels for subscribers compared to non-subscribers. In 2024F, Grab intends to drive increased up-selling and cross-selling opportunities as well as introduce more non-monetary exclusive benefits for loyal subscribers.
- Grab maintained its category leadership across all its core markets in 2023, and was adjusted EBITDA positive in all core markets.
- Grab guided for healthy segment revenue and EBITDA growth in 2024F, with segment margins expected at c.3+. Grab guided that it expects stable GMV in 1Q24F despite seasonal weakness, and a return to sequential growth from 2Q24F onwards.
- Over the medium-term, Grab sees room for its adjusted EBITDA-to-GMV margin in the Deliveries segment to grow by 100-200bp from its previous steady state guidance of 3%.

**Figure 5: Deliveries segment GMV**



SOURCES: CGSI RESEARCH, COMPANY REPORTS

**Figure 6: Deliveries segment financial metrics**



SOURCES: CGSI RESEARCH, COMPANY REPORTS

## Financial Services segment

- 4Q23 GMV declined to US\$1.3bn (-2% qoq, -14% yoy) as Grab continued to focus on driving on-platform transactions. 4Q23 revenue rose to US\$56m (+12% qoq, +102% yoy) on higher contribution from both payments and lending businesses.
- 4Q23 segment adjusted LBITDA widened qoq to US\$81m due to start-up costs related to the launch of GXBank in Malaysia, while GrabFin costs remained stable qoq.
- Loans disbursed in FY23 rose 57% yoy to US\$1.5bn, while total loans outstanding stood at US\$326m as at end-Dec 23.
- Grab launched GXBank Malaysia in Nov 23, the first Digibank to launch in Malaysia. Grab shared that over 100k depositors opened an account with the Digibank in the first two weeks following the launch, with c.79% of depositors being existing Grab users.
- Management believes segment losses peaked as at end-4Q23, and expects a sequential reduction in losses in the coming quarters due to 1) lower Digibank costs and 2) increased revenue contribution from its loan book.

## Enterprise and new initiatives segment

- 4Q23 segment revenue rose strongly to US\$39m (+39% qoq, +124% yoy) driven by growing advertising contribution. In 4Q23, monthly active advertisers were up 54% yoy, while average spend by monthly active advertisers was up 129% yoy.
- 4Q23 segment adjusted EBITDA margin reached a record high of 79.5% (+4.5% pts qoq, +38.3% pts yoy) on further penetration of the self-serve advertising platform.

## Valuation and recommendation

We reiterate our Add call on Grab as we expect it to further solidify its market leadership position for its on-demand offerings amid a benign competitive landscape, and expect Grab to execute on sustainable and profitable growth riding on sector tailwinds.

Our SOP-based TP is unchanged at US\$4.30. We attribute a 17.2x FY25F EV/EBITDA target multiple for Grab's on-demand services, which is in line with Uber and DoorDash, as all three players are market share leaders in their

respective key operating markets. We attribute a 3.7x FY25F EV/Sales target multiple for Grab’s financial services segment, which is the median of global fintech peers’ EV/Sales multiples.

Potential re-rating catalysts include the successful reacceleration in food deliveries segment GMV growth, and stronger growth trajectory of Grab’s high-margin advertising business. Downside risks include changes to the competitive landscape resulting from changes in ownership of key competitors, or regulatory changes related to protection for gig workers (potentially leading to near-term margin squeeze).

**Figure 7: Sum-of-parts (SOP) valuation**

Segment	Basis	Multiple (x)	Base value (US\$m)	Valuation (US\$m)	Per ADR (US\$)
Deliveries	FY25F EV/EBITDA	17.2	427	7,342	1.8
Mobility	FY25F EV/EBITDA	17.2	923	15,882	3.8
Enterprise & NI	FY25F EV/EBITDA	17.2	193	3,321	0.8
HQ costs	FY25F EV/EBITDA	17.2	(850)	(14,620)	(3.5)
Financial Services	FY25F EV/Sales	3.7	453	1,675	0.4
Net cash/(debt)	As of end-FY24F		4,316	4,316	1.0
<b>Total equity value</b>				<b>17,915</b>	
No. of shares outstanding (m)				4,130	
<b>Target price (US\$)</b>				<b>4.30</b>	








SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS



Figure 8: Peer comparison

Ticker	Company name	Recom.	Last Price (lcl curr)	Target Price (US\$ m)	Market Cap (US\$ m)	Enterprise value (US\$ m)	P/Revenue		P/Gross Profit		P/E	
							CY24F	CY25F	CY24F	CY25F	CY24F	CY25F
GRAB US	Grab Holdings Ltd	Add	3.45	4.30	13,469	9,491	4.8	4.0	11.0	9.2	na	52.3
UBER US	Uber Technologies Inc	NR	76.44	na	158,727	166,430	3.7	3.1	9.1	7.7	45.5	30.5
LYFT US	Lyft Inc	NR	16.13	na	6,449	5,805	1.3	1.1	3.0	2.6	36.7	24.7
3690 HK	Meituan	Add	77.00	276.00	63,567	53,866	1.4	1.2	3.9	3.2	15.4	10.4
DASH US	DoorDash Inc	NR	114.69	na	46,335	42,203	4.6	3.9	9.4	7.9	113.6	55.7
JET LN	Just Eat Takeaway.com	NR	1261.00	na	3,613	4,219	0.6	0.6	1.3	1.2	114.6	59.7
ROO LN	Deliveroo PLC	NR	115.60	na	2,375	1,318	0.9	0.8	2.4	2.1	na	281.3
DHER GR	Delivery Hero SE	NR	22.56	na	6,579	10,507	0.5	0.5	1.6	1.4	579.5	36.2
GOTO IJ	GoTo Gojek Tokopedia	NR	80.00	na	6,084	4,444	5.4	4.5	7.3	5.9	na	27.5
<b>Average</b>							<b>2.6</b>	<b>2.2</b>	<b>5.5</b>	<b>4.6</b>	<b>150.9</b>	<b>64.3</b>
<b>Median</b>							<b>1.4</b>	<b>1.2</b>	<b>3.9</b>	<b>3.2</b>	<b>79.5</b>	<b>36.2</b>
SE US	Sea Ltd	Hold	44.21	46.00	25,056	23,799	1.7	1.5	3.8	3.3	48.2	21.6
GOTO IJ	GoTo Gojek Tokopedia	NR	80.00	na	6,084	4,444	5.4	4.5	7.3	5.9	na	na
BUKA IJ	Bukalapak.com PT	NR	162.00	na	1,018	(487)	2.8	2.4	7.7	6.3	44.5	23.1
AMZN US	Amazon.com Inc	NR	168.59	na	1,751,209	1,818,985	2.7	2.4	5.7	5.0	34.0	27.1
EBAY US	eBay Inc	NR	43.80	na	22,732	26,230	2.2	2.1	3.1	3.0	10.1	9.5
ETSY US	Etsy Inc	NR	77.13	na	9,139	10,378	3.2	3.0	4.6	4.2	20.8	18.4
SHOP US	Shopify Inc	NR	75.59	na	100,920	97,062	11.8	9.9	23.2	19.3	69.5	51.6
9988 HK	Alibaba Group Holding Ltd	Add	72.90	121.00	194,710	118,854	1.4	1.3	3.8	3.5	8.4	7.3
9618 HK	JD.com Inc	Add	94.20	275.00	38,314	23,747	0.2	0.2	1.6	1.5	8.2	7.1
VIPS US	Vipshop Holdings Ltd	NR	16.52	na	8,951	6,709	0.5	0.5	2.4	2.3	6.9	6.4
PDD US	PDD Holdings Inc	Add	129.76	177.00	172,397	147,309	3.7	2.9	6.1	4.8	17.7	13.4
MELI US	MercadoLibre Inc	NR	1737.77	na	87,861	87,610	5.0	4.1	9.7	8.0	49.5	36.3
8454 TT	momo.com Inc	NR	437.00	na	3,283	3,195	0.9	0.8	9.0	0.9	26.9	24.5
ZAL GR	Zalando SE	NR	19.50	na	5,507	5,236	0.5	0.5	1.2	8.3	22.8	16.0
<b>Average</b>							<b>3.0</b>	<b>2.6</b>	<b>6.4</b>	<b>5.4</b>	<b>28.3</b>	<b>20.2</b>
<b>Median</b>							<b>2.5</b>	<b>2.3</b>	<b>5.1</b>	<b>4.5</b>	<b>22.8</b>	<b>18.4</b>
PYPL US	PayPal Holdings Inc	NR	57.48	na	61,604	57,780	1.9	1.8	4.5	4.2	11.2	10.4
377300 KS	Kakaopay Corp	NR	47150.00	na	4,750	3,866	8.6	7.3	8.6	7.3	182.3	90.3
PAGS US	PageSeguro Digital Ltd	NR	12.86	na	4,233	3,681	1.2	1.1	2.6	2.4	10.5	9.2
SQ US	Block Inc	NR	64.47	na	39,591	37,755	1.6	1.4	4.6	4.0	21.6	15.9
ADYEN NA	Adyen NV	NR	1446.40	na	49,336	40,376	22.7	18.3	25.4	20.6	52.7	42.0
STNE US	StoneCo Ltd	NR	16.23	na	5,100	4,904	1.9	1.7	2.5	2.3	12.2	10.5
AFRM US	Affirm Holdings Inc	NR	36.67	na	11,253	12,670	4.6	3.8	10.8	8.4	na	na
WLN FP	Worldline SA/France	NR	11.55	na	3,578	7,184	0.7	0.7	2.8	2.6	6.0	5.2
QTWO US	Q2 Holdings Inc	NR	41.84	na	2,472	2,694	3.6	3.2	6.6	5.7	32.6	24.2
GPN US	Global Payments Inc	NR	132.46	na	34,173	50,659	3.7	3.4	5.0	4.5	11.4	10.0
MA US	Mastercard Inc	NR	459.05	na	428,244	435,588	15.2	13.5	124.8	106.9	31.9	27.3
V US	Visa Inc	NR	276.76	na	570,400	566,534	15.5	14.0	21.7	18.8	27.1	24.0
WU US	Western Union Co/T	NR	12.91	na	4,525	5,761	1.1	1.1	2.8	2.7	7.6	7.3
<b>Average</b>							<b>6.3</b>	<b>5.5</b>	<b>17.1</b>	<b>14.6</b>	<b>33.9</b>	<b>23.0</b>
<b>Median</b>							<b>3.6</b>	<b>3.2</b>	<b>5.0</b>	<b>4.5</b>	<b>16.9</b>	<b>13.2</b>

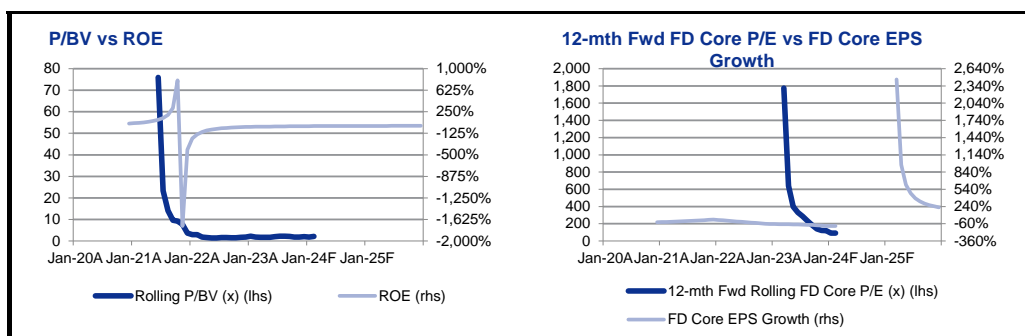
SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG  
Note: Estimates for Not Rated (NR) companies are based on Bloomberg consensus  
DATA AS AT 22 Feb 2024

 <b>Refinitiv ESG Scores</b>	
     	
<b>ESG in a nutshell</b>	
<p>We think Grab has shown a clear commitment to becoming a triple bottomline company. Grab creates a positive social impact by providing jobs to local communities, and financially empowers businesses and individuals via its financial products. The group remains committed to promoting environmental sustainability and set forth a 20-year decarbonisation roadmap in its 2021 ESG report. Grab has received several awards for its ESG efforts, a notable one being the MSCI ESG AA rating awarded on 13 Jun 2022. Should Grab continue to deliver on its sustainability efforts and raise its ESG profile further, we believe that it could enjoy greater interest from ESG-focused investors.</p>	
<p><b>Keep your eye on</b></p> <p>Grab announced three ESG-related goals in its FY21 ESG report: 1) doubling the number of marginalised individuals who earn incomes on its platform by 2025, 2) reaching 40% female leadership by 2030, and 3) achieving carbon neutrality by 2040.</p> <p>In its FY22 ESG report, Grab reiterated its intention to 1) build sustainable partner livelihoods, 2) ensure a safe and trusted platform and 3) mitigate environmental hazards.</p>	<p><b>Implications</b></p> <p>We like that Grab set long-term targets in its first ESG report since its IPO, reaffirming the group's commitment to ESG efforts. From a social lens, increasing the number of marginalised employees is strongly positive, as this improves their standard of living and empowers local communities. Likewise, greater female diversity and carbon neutrality are positive for the group's environmental and governance aspects.</p>
<p><b>ESG highlights</b></p> <p>On 13 Jun 2022, the group was awarded an MSCI ESG rating of AA, the second highest ESG rating attainable by an organisation. Grab was also ranked among the world's top 100 female-friendly organisations by Forbes in 2021.</p>	<p><b>Implications</b></p> <p>We like that Grab is being commended for its commitments in the sustainability space. As Grab was only listed fairly recently in Dec 2021, we believe that such ESG accolades are positive as they could further elevate the group's profile among ESG-focused investors.</p>
<p><b>Trends</b></p> <p>Grab reported a 30% yoy reduction in road accident rates in 2021, with overall road accidents per million rides declining from 1.292 in 2020 to 0.909 in 2021. In 2022, road accident rates rose slightly by 2% yoy to 0.930 road accidents per million rides.</p> <p>On the environmental front, Grab powers all its corporate offices with 100% renewable energy sources via the purchase of unbundled renewable energy certificates (RECs). At end-2021, renewable energy constituted 42.8% of the group's total energy consumption, up from 0% in 2020. This proportion declined to 11.4% in 2022.</p>	<p><b>Implications</b></p> <p>As Grab is a leading mobility and delivery service provider, we believe that safety is an imperative aspect for its management to focus on. Grab provides mandatory training on safe driving for its driver partners and provides in-app safety tools to help reduce the risk of road accidents. Continual improvement in safety metrics is a key indicator of management's emphasis on promoting road safety.</p> <p>We believe that Grab's pivot to renewable energy consumption underscores its commitment to promoting a greener future. This is further corroborated by the group's decarbonisation roadmap, outlining its strategies for reducing and neutralising its emissions over the next 20 years. While we have not factored its EGS efforts into our valuations just yet, we think that Grab's clear environmental commitment could garner greater interest from ESG-focused investors.</p>

SOURCES: CGSI RESEARCH, REFINITIV



## BY THE NUMBERS



### Profit & Loss

(US\$m)	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
<b>Total Net Revenues</b>	<b>1,433</b>	<b>2,359</b>	<b>2,826</b>	<b>3,337</b>	<b>3,892</b>
<b>Gross Profit</b>	<b>77</b>	<b>860</b>	<b>1,060</b>	<b>1,430</b>	<b>1,864</b>
<b>Operating EBITDA</b>	<b>(1,223)</b>	<b>(374)</b>	<b>53</b>	<b>246</b>	<b>464</b>
Depreciation And Amortisation	(150)	(145)	(297)	(241)	(158)
<b>Operating EBIT</b>	<b>(1,373)</b>	<b>(519)</b>	<b>(245)</b>	<b>5</b>	<b>306</b>
Financial Income/(Expense)	(353)	60	100	160	180
Pretax Income/(Loss) from Assoc.	(8)	(7)	0	0	0
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>(1,734)</b>	<b>(466)</b>	<b>(145)</b>	<b>165</b>	<b>486</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>(1,734)</b>	<b>(466)</b>	<b>(145)</b>	<b>165</b>	<b>486</b>
Taxation	(6)	(19)	(90)	(137)	(185)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>(1,740)</b>	<b>(485)</b>	<b>(235)</b>	<b>28</b>	<b>302</b>
Minority Interests	57	51	19	(2)	(24)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>(1,683)</b>	<b>(434)</b>	<b>(216)</b>	<b>26</b>	<b>277</b>
Recurring Net Profit	(944)	(27)	115	381	659
<b>Fully Diluted Recurring Net Profit</b>	<b>(944)</b>	<b>(27)</b>	<b>115</b>	<b>381</b>	<b>659</b>

### Cash Flow

(US\$m)	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
<b>EBITDA</b>	<b>(1,223)</b>	<b>(374)</b>	<b>53</b>	<b>246</b>	<b>464</b>
Cash Flow from Inv. & Assoc.	8	7	0	0	0
Change In Working Capital	84	(18)	(51)	56	2
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	819	654	(0)	0	(0)
Net Interest (Paid)/Received	(460)	(138)	0	0	0
Tax Paid	(26)	(45)	(90)	(137)	(185)
<b>Cashflow From Operations</b>	<b>(798)</b>	<b>86</b>	<b>(88)</b>	<b>165</b>	<b>281</b>
Capex	(58)	(71)	(132)	(139)	(146)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments	(106)	0	0	0	0
Other Investing Cashflow	(898)	1,942	339	375	373
<b>Cash Flow From Investing</b>	<b>(1,062)</b>	<b>1,871</b>	<b>206</b>	<b>236</b>	<b>227</b>
Debt Raised/(repaid)	(910)	(649)	0	0	0
Proceeds From Issue Of Shares	0	10	0	0	0
Shares Repurchased					
Dividends Paid					
Preferred Dividends					
Other Financing Cashflow	(212)	(131)	0	0	0
<b>Cash Flow From Financing</b>	<b>(1,122)</b>	<b>(770)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Cash Generated	(2,982)	1,187	118	400	509
<b>Free Cashflow To Equity</b>	<b>(2,770)</b>	<b>1,308</b>	<b>118</b>	<b>400</b>	<b>509</b>
<b>Free Cashflow To Firm</b>	<b>(1,400)</b>	<b>2,095</b>	<b>118</b>	<b>400</b>	<b>509</b>

SOURCES: CGSI RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(US\$m)	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Total Cash And Equivalents	1,952	3,138	3,410	3,810	4,319
Total Debtors	187	196	454	484	557
Inventories	48	49	5	6	6
Total Other Current Assets	3,501	2,385	2,147	1,932	1,739
<b>Total Current Assets</b>	<b>5,688</b>	<b>5,768</b>	<b>6,016</b>	<b>6,232</b>	<b>6,621</b>
Fixed Assets	492	512	450	448	436
Total Investments	1,849	1,290	1,290	1,290	1,290
Intangible Assets	904	916	659	559	559
Total Other Non-Current Assets	237	306	306	306	306
<b>Total Non-current Assets</b>	<b>3,482</b>	<b>3,024</b>	<b>2,705</b>	<b>2,603</b>	<b>2,591</b>
Short-term Debt	117	125	125	125	125
Current Portion of Long-Term Debt					
Total Creditors	930	925	1,088	1,176	1,250
Other Current Liabilities	50	428	428	428	428
<b>Total Current Liabilities</b>	<b>1,097</b>	<b>1,478</b>	<b>1,641</b>	<b>1,729</b>	<b>1,803</b>
Total Long-term Debt	1,248	668	668	668	668
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	168	178	178	178	178
<b>Total Non-current Liabilities</b>	<b>1,416</b>	<b>846</b>	<b>846</b>	<b>846</b>	<b>846</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>2,513</b>	<b>2,324</b>	<b>2,487</b>	<b>2,575</b>	<b>2,649</b>
Shareholders' Equity	6,603	6,449	6,233	6,259	6,536
Minority Interests	54	19	0	2	27
<b>Total Equity</b>	<b>6,657</b>	<b>6,468</b>	<b>6,233</b>	<b>6,261</b>	<b>6,563</b>

### Key Ratios

	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Revenue Growth	112%	65%	20%	18%	17%
Operating EBITDA Growth	1%	(69%)	N/A	367%	89%
Operating EBITDA Margin	(85.3%)	(15.9%)	1.9%	7.4%	11.9%
Net Cash Per ADS (US\$)	0.15	0.60	0.63	0.72	0.83
BVPADS (US\$)	1.73	1.66	1.51	1.49	1.54
Gross Interest Cover	(2.98)	(3.76)	N/A	N/A	N/A
Effective Tax Rate	0.0%	0.0%	0.0%	83.1%	38.0%
Net Dividend Payout Ratio	NA	NA	NA	NA	NA
Accounts Receivables Days	79.85	29.63	42.08	51.31	48.82
Inventory Days	7.00	11.81	5.63	1.06	1.07
Accounts Payables Days	239.2	225.8	208.7	216.7	218.3
ROIC (%)	(34.0%)	(12.3%)	(13.2%)	0.0%	8.9%
ROCE (%)	(13.9%)	(4.2%)	(2.0%)	2.3%	6.8%
Return On Average Assets	(13.6%)	(6.1%)	(4.5%)	0.0%	2.1%

### Key Drivers

	Dec-22A	Dec-23A	Dec-24F	Dec-25F	Dec-26F
Total GMV	19,937.0	20,983.0	23,665.3	27,201.0	31,258.4
Total adjusted EBITDA	(793.0)	(22.0)	244.5	532.1	874.2

SOURCES: CGSI RESEARCH, COMPANY REPORTS

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<b>Description:</b>	Excellent	Very Good	Good	N/A	N/A

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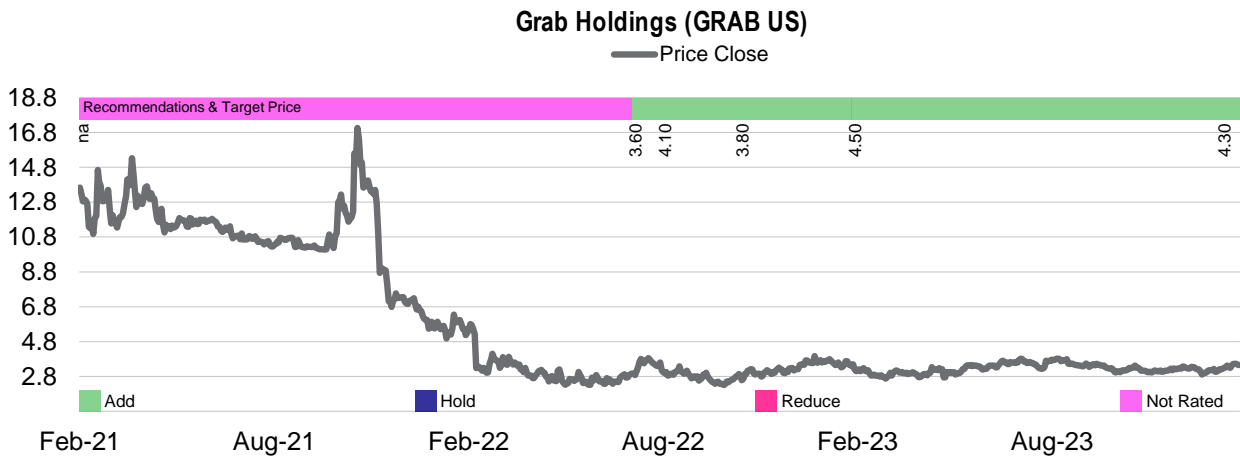
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2023		
636 companies under coverage for quarter ended on 31 December 2023		
	Rating Distribution (%)	Investment Banking clients (%)
Add	67.5%	1.3%
Hold	22.5%	0.0%
Reduce	10.1%	0.2%



Spitzer Chart for stock being researched ( 2 year data )



**Recommendation Framework**

**Stock Ratings**

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

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Definition:

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- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

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- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
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