

EARNINGS RELEASE

PT GLOBAL DIGITAL NIAGA TBK 2024 Third Quarter Results Performance

30th October 2024 | Jakarta, Indonesia

PT Global Digital Niaga Tbk (the “Company”; IDX: BELI), a pioneer and leading omnichannel commerce and lifestyle ecosystem in Indonesia focusing on serving digitally connected retail and institutions consumers, today announced its third quarter earnings results for the year 2024.

KEY HIGHLIGHTS

- Consolidated Net Revenues grew by 16% and 6% y.o.y in 3Q24 and 9M24, respectively, with significant 43% q.o.q improvement in 1P Retail segment, while other segments maintained strong double-digit y.o.y growth trajectory.
- Take Rate continued to expand from 4.8% in 9M23 to 6.7% in 9M24 and reached as high as 7.0% in 3Q24. This resulted in 43% y.o.y growth in Gross Profit Before Discount (“GPBD”) in 9M24. Consolidated Gross Margin also continued to improve from 15.1% in 9M23 to 19.3% in 9M24, an improvement of 420-bps y.o.y.
- Better cost structure reflected by the lower consolidated Operating Expenses as percentage of TPV from 8.0% in 9M23 to 7.4% in 9M24, resulted in an improved performance of consolidated EBITDA as percentage of TPV by 160-bps y.o.y, from -4.4% in 9M23 to -2.8% in 9M24.
- The construction of the new warehouse in Marunda has been completed as at the end of September 2024 and already begins its operation in stages starting in October 2024 to fulfil customer’s orders.
- Successfully maintained and transitioned to ISO 27001:2022 certification, a significant milestone which reflects the Company’s commitment to information security.
- With the additional of 7 consumer electronic stores throughout the third quarter of 2024, the Company operated a total of 192 consumer electronics stores, as well as 62 premium supermarkets outlets and 31 home and living experience centers as at the end of September 2024.
- In October, completed Rp2.25 tn capital raising through the implementation of Capital Increase Without Pre-emptive Rights (“PMTHMETD”) by issuing 4,900,240,527 new shares or 3.98% of issued and paid-up capital of the Company at the exercise price of Rp460 per share.

MANAGEMENT STATEMENT(S)

Kusumo Martanto – CEO & Co-Founder

“Despite muted growth and soft demand we experienced in the beginning of the year, we successfully managed to record decent performance growth for the last nine months, supported by our relentless efforts in margin expansion, cost leadership and omnichannel synergy within ecosystem. This was reflected by 35% y.o.y growth of our consolidated Gross Profit and 34% y.o.y reduction of our consolidated EBITDA loss.

The continuation of innovation strategy become key in our journey to provide convenience and better serve our customers’ needs, including the utilization of Artificial Intelligence (AI) to improve our products visibility in the market, while an improved recommendation engine has resulted in click-through-rate (CTR) uplift by more than double. In addition, our Blibli Affiliate program which we launched in July to scale new users by leveraging affiliates audience pool has gained positive traction over the past months.

We also have reached another milestone by successfully completed the construction of our new warehouse in Marunda. With the uses of numerous technologies and automation systems in place such as Warehouse Management System (WMS), Artificial Intelligence, Pick-to-Light, and Conveyor System, we believe this new warehouse will optimize our overall fulfillment operations and capabilities in the future, including for our Fulfillment at Speed (FAS) and Fulfilled by Blibli (FBB) services.

In addition, our unwavering commitment to information security and dedication to safeguard both our customers' data and the Company's sensitive information has been marked with the accomplishment in maintaining ISO 27001:2013 and transitioning to ISO 27001:2022 certification, a globally recognized standard for Information Security Management Systems. This outstanding achievement is a testament of our collective efforts to ensure the Company is better equipped to protect information assets in rapidly changing environment.

Our ongoing commitment in developing physical presence nationwide has also been bolstered with the additional of 7 new consumer electronics physical stores across the country throughout last quarter. With the supports of dozens premium supermarket outlets as well as home & living experience centers, affirming us as the leading omnichannel commerce and lifestyle ecosystem in Indonesia."

Ronald Winardi – CFO

"Opening growth tap on the back of higher and more sustainable Take Rate, our 3Q24 consolidated Net Revenue growth accelerated to +16% y.o.y from +1% y.o.y in 1H24 period. 1P Retail segment started to buck the trend with +43% q.o.q with a much higher Take Rate. Brick by brick, the foundation starts to be ready to shoulder more growth."

KEY OPERATIONAL HIGHLIGHTS

Selected Segmental Metrics [Rp bn, unless stated otherwise]	3Q24	3Q23	y.o.y (%)	9M24	9M23	y.o.y (%)
Total Processing Value ⁽¹⁾						
- 1P Retail	1,545	1,746	(11)	3,872	6,242	(38)
- 3P Retail	13,902	12,141	15	39,585	37,948	4
- Institutions	2,892	2,793	4	8,209	6,945	18
- Physical Stores	1,600	1,165	37	4,601	3,493	32
Total TPV	19,939	17,845	12	56,267	54,628	3
Net Revenues						
- 1P Retail	1,184	1,503	(21)	3,148	5,429	(42)
- 3P Retail	323	279	16	959	846	13
- Institutions	1,392	889	57	4,036	2,110	91
- Physical Stores	1,380	1,016	36	3,989	3,077	30
Total Net Revenues	4,279	3,687	16	12,132	11,462	6
Gross Profit Before Discount ⁽²⁾						
- 1P Retail	288	124	131	549	408	35
- 3P Retail	639	478	34	1,773	1,435	24
- Institutions	168	33	410	558	117	377
- Physical Stores	310	227	37	879	674	30
Total GPBD	1,405	862	63	3,759	2,634	43
Take Rate ⁽³⁾ (%)	7.0	4.8		6.7	4.8	
Average Order Value ⁽⁴⁾ (Rp)	1,741,331	1,512,589	15	1,677,789	1,566,659	7
Transacting Users ⁽⁵⁾ (mn user)	2.0	2.0	0	3.9	3.9	0
Number of Institutions ⁽⁶⁾ (client)	66,886	82,905	(19)	119,380	137,917	(13)

Source: Company's Information

(1) Total Processing Value ("TPV") is total value of paid and delivered purchases for products and services during the relevant period

(2) Gross Profit Before Discount ("GPBD") is gross profit earned from direct sales after adding back discount and subsidies during the relevant period

(3) Take Rate is defined as GPBD divided by TPV during the relevant period

(4) Average Order Value ("AOV") is TPV on Blibli and tiket.com platforms divided by the total number of orders for paid purchases facilitated by these platforms, each for the relevant period

(5) Transacting Users is the number of unique users that have completed at least one paid transaction on Blibli and/or tiket.com platforms during the relevant period

(6) Institution Clients includes both from public and private sectors

SEGMENTAL OVERVIEW

Below is an overview from each of the Company's business segments during the third quarter of 2024 (3Q24) compared to the third quarter of 2023 (3Q23) period, and the first nine months of 2024 (9M24) compared to the first nine months of 2023 (9M23) period.

1P Retail

1P Retail segment undertakes the Company's business through its B2C online commerce platform for first-party (1P) products and services from various categories.

As Take Rate improved, the Company is more sanguine about growth in 3Q24 period. Net Revenue for this segment improved by 43% q.o.q coupled with significant margin expansion. GPBD for this segment recorded a strong increase by 131% y.o.y from Rp124 bn in 3Q23 to Rp288 bn in 3Q24, and by 35% y.o.y from Rp408 bn in 9M23 to Rp549 bn in 9M24.

The construction of the Company's new warehouse in Marunda, West Java, has been completed as at the end of September 2024 and has started its operational in stages in October 2024 for both inbound and outbound activities for multiple local and international brands as well as fulfilling customer's orders. With the smart logistics and supply chain management supported by numerous technologies and automation systems in place, Marunda warehouse is ready to upscale the Company's logistic and fulfilment capabilities, including for the Fulfillment at Speed ("FAS") and Fulfilled by Blibli ("FBB") services.

3P Retail

3P Retail segment predominantly records the Company's platform fees generated from sales of products and services of various categories from third-party (3P) sellers through its online commerce and online travel agent ("OTA") platforms.

GPBD for this segment grew healthily by 34% y.o.y from Rp478 bn in 3Q23 to Rp639 bn in 3Q24, and by 24% from Rp1,435 bn in 9M23 to Rp1,773 bn in 9M24. The improved GPBD performance was mainly driven by robust travel demand in the OTA business, especially on the accommodation products category which provides higher margin. Overall Net Revenues for this segment grew by 16% y.o.y to Rp323 bn in 3Q24 and by 13% y.o.y to Rp959 bn in 9M24.

As at the end of September 2024, the Company's OTA platform – tiket.com, had a vast product assortment offering, including 119 airline partners covering 225 countries, regions, and territories, more than 3.6 million accommodation listings, including 2.2 million alternative accommodations, as well as provided tickets for more than 77,700 activities and attractions and 4,000 events across Indonesia.

Institutions

Institutions segment includes the Company's business through its B2B and B2G platforms for 1P and 3P products and services serving private and public-sector institutions across Indonesia.

GPBD for this segment continued to record significant growth by 410% y.o.y from Rp33 bn in 3Q23 to Rp168 bn in 3Q24, and by 377% y.o.y from Rp117 bn in 9M23 to Rp558 bn in 9M24. The improved GPBD performance was mainly contributed from higher sales volume of smartphone product category to institution clients. Throughout the period, this segment also managed to improve further the quality of its clients, reflected by higher spending per institutional client by 37% y.o.y to Rp68.8 mn per client in 9M24. This resulted in higher TPV and Net Revenues during the period by 18% and 91% y.o.y, respectively.

As at the end of September 2024, the Company's Institutional segment has managed to serve and fulfill orders from more than 119,000 institutional clients. The monetization rate for this segment has also improved, reflected by higher Net Revenues as percentage of TPV from 30% in 9M23 to 49% in 9M24, reflecting continuous trust from the institution clients towards the Company's platforms to fulfil their corporate needs.

Physical Stores

Physical Stores segment records the Company's business in physical consumer electronics stores collaborating with leading global consumer electronics brand principals, as well as premium grocery supermarkets chain operated by 70.6%-owned Subsidiary, PT Supra Boga Lestari Tbk ("Ranch Market"; IDX: RANC). The Company also owns home and living experience centers network operated by wholly owned Subsidiary, PT Dekoruma Inovasi Lestari ("Dekoruma") as part of its omnichannel strategy for home & living products category.

GPBD for this segment grew strongly by 37% y.o.y from Rp227 bn in 3Q23 to Rp310 bn in 3Q24, and by 30% y.o.y from Rp674 bn in 9M23 to Rp879 bn in 9M24. The improved GPBD performance was mainly driven by the increase in TPV and Net Revenues during the period as the Company continued to enjoy good run of sales volume growth for its smartphone and other IoT's accessories aligned with the Company's continuous expansion of its consumer electronic stores network nationwide.

With the additional of 7 new consumer electronics stores during the third quarter, the Company operated a total of 192 consumer electronics stores as at the end of September 2024, which consists of 103 monobrand stores (including 73 Samsung Stores and 17 hello stores (the Company's authorized retail stores for Apple), along with the other global leading brand stores), and 89 multibrand stores. In addition, the Company also managed 62 premium supermarket outlets operated by Ranch Market and 31 home and living experience centers operated by Dekoruma, to expand consumer omnichannel touchpoints nationwide.

CONSOLIDATED FINANCIAL PERFORMANCES

Selected Financial Results [Rp bn, unless stated otherwise]	3Q24	3Q23	y.o.y (%)	9M24	9M23	y.o.y (%)
Net revenues	4,279	3,687	16	12,132	11,462	6
Gross profit	794	542	46	2,340	1,733	35
Operating expenses	(1,448)	(1,457)	(1)	(4,160)	(4,365)	(5)
Loss from operations	(586)	(876)	(33)	(1,741)	(2,583)	(33)
EBITDA⁽¹⁾	(528)	(817)	(35)	(1,576)	(2,403)	(34)
Gross margin (%)	18.5	14.7		19.3	15.1	
EBITDA to TPV (%)	(2.6)	(4.6)		(2.8)	(4.4)	

Selected Financial Position [Rp bn, unless stated otherwise]	As of 30th Sep 2024	As of 31st Dec 2023	y.o.y (%)
Cash and cash equivalents	1,487	1,895	(22)
Inventories, net	2,339	1,676	40
Investments ⁽²⁾	1,355	1,487	(9)
Fixed assets, net	1,632	1,607	2
Total assets	15,362	12,841	20
Short-term bank loans	3,967	1,514	162
Total liabilities	8,385	4,999	68
Total equity	6,977	7,842	(11)

The financial results for the periods ended 30th September 2024 and 2023 as well as the financial position as of 30th September 2024 have been prepared in accordance with Indonesian Financial Accounting Standards and are unaudited. The financial position as of 31st December 2023 have been prepared in accordance with Indonesian Financial Accounting Standards and audited in accordance with the auditing standards established by the Indonesian Institute of Certified Public Accountants.

(1) EBITDA refers to earnings before interest, tax, depreciation of fixed assets and amortization of intangible assets, and excludes non-recurring items, during the relevant period

(2) Investments refers to the Company's investments balance in the form of shares, fund, convertible loan, and associate entities

MANAGEMENT DISCUSSION & ANALYSIS

Below are brief descriptions of the Company's consolidated financial performances during the third quarter of 2024 (3Q24) compared to the third quarter of 2023 (3Q23) period, and the first nine months of 2024 (9M24) compared to the first nine months of 2023 (9M23) period.

Revenue & Profitability

Consolidated Net Revenues recorded 6% y.o.y increase from Rp11,462 bn in 9M23 to Rp12,132 bn in 9M24, with the growth of 16% y.o.y to Rp4,279 bn in 3Q24. This was mainly driven by strong performance in the consumer electronics category on the back of higher smartphone sales volume, higher contribution from OTA business, as well as growing home & living business. Furthermore, the Company also managed to improve its consolidated Gross Margin from 15.1% in 9M23 to 19.3% in 9M24, an improvement of 420-bps y.o.y, which was contributed by the Gross Margin expansion in all the business segments.

Throughout the period, the Company has successfully managed to further improve its operational excellence which resulted in better cost structure, reflected from lower consolidated Operating Expenses as percentage of TPV from 8.0% in 9M23 to 7.4% in 9M24, mainly supported by the lower advertising & marketing expenses as percentage of TPV in 9M24 at 0.9%, and lower general and administrative expenses as percentage of TPV in 9M24 at 4.8%. With the improvement of consolidated Gross Margin and overall better cost structure, the Company continued to improve its loss performance, reflected by the improved consolidated EBITDA as percentage of TPV from -4.4% in 9M23 to -2.8% in 9M24, an improvement of 160-bps y.o.y.

Sustained Operating Cash Flows

Net cash used in operating activities was Rp2,389 bn in 9M24, improved from Rp2,903 bn in 9M23. Meanwhile, the increase of net cash used in investing activities was mainly driven by the completion of purchase transaction of Dekoruma in the second quarter 2024. The margin improvement along with reduced operating expenses contributed to a sustained operating cash flow, leading to the Company's cash and cash equivalents position to Rp1,487 bn as of 30th September 2024.

CORPORATE ACTION(S)

Based on the Information Disclosure published by the Company on October 24th, 2024, the Company has successfully executed a Capital Increase Without Pre-emptive Rights ("PMTHMETD") by issuing a total of 4,900,240,527 new shares, representing 3.98% of the Company's issued and paid-up capital at the exercise price of Rp460 per share. The investor who purchased the new shares is PT Lingkarmulia Indah ("LMI"), which is an affiliated party. After the implementation of PMTHMETD, the Company's issued and paid-up capital has increased to Rp32,027,684,285,750.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

As a pioneer in integrated omnichannel commerce and lifestyle ecosystem, the Company strengthens its commitment to sustainability by launching "Blibli Tiket Action", a comprehensive program advancing ESG-focused initiatives. This program engages all stakeholders to drive transformative change and achieve meaningful impact through sustainable practices aligned with the program's mission.

Until end of September 2024, Blibli Tiket Action has carried out several initiatives, including:

- Introduced a trade-in program for damaged electronic devices, encouraging customers to embrace a more eco-conscious lifestyle;
- Organized the "Blibli Cup", an annual sport competition that brought together multiple stakeholders within Indonesia technology players to foster collaboration and strengthen ecosystem resilience;
- In collaboration with Ecoxyztem and Modena, successfully brought together hundreds of companies, including associations and foundations, for a networking session aimed at advancing sustainability. This event featured inspiring discussions designed to drive impactful change and served as part of the road to Langkah Membumi Festival event, which will take place on early November 2024 at Senayan Park, Jakarta; and
- Successfully achieved ISO/IEC 27701:2019 certification for the Privacy Information Management System, a significant milestone in the Company's ongoing commitment in maintaining the highest privacy and data protection standards.

BUSINESS PROSPECTS

The Company is confident with Indonesia's structural growth prospect with growing population and disposable income that underpin the rising needs of assurance and services to discerning middle class consumers. In medium term, with improving overall economic condition and rising consumer disposable income, coupled with stable exchange rate, controlled inflation, and lower interest rate, the Company believes its business model is well placed to capitalize the opportunity and looking to close 2024 with solid growth performances in both its business and financial aspects.

- End -

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About the Company

Founded in 2010, PT Global Digital Niaga Tbk (the "Company") is a pioneer and leading omnichannel commerce and lifestyle ecosystem in Indonesia, focusing on serving digitally connected retail and institutional consumers. The Company's commerce platform – Blibli, integrates online shopping and transacting experience through its e-commerce and offline services by operating hundreds of consumer electronics physical stores of leading global brand partners. In addition, Blibli also collaborates with more than thousands of stores adopting the Company's omnichannel features, namely Blibli Instore and Click & Collect, supported by strong supply chain infrastructure, including warehouses and logistics networks developed nationwide by providing first-party (1P) last-mile delivery capabilities – BES Paket, and cooperating with numerous third-party (3P) logistics partners. Blibli is ranked first in the B2C Omnichannel 1P consumer electronics and fresh products categories by Frost & Sullivan and has world-class 24/7 customer service.

In 2017, the Company acquired PT Global Tiket Network (provider of online travel agent (OTA) platform – tiket.com) to expand its offerings to travel, accommodations, and lifestyle experiences. Further in 2021, the Company's omnichannel ecosystem added fresh products and groceries offering through the acquisition of PT Supra Boga Lestari Tbk (Ranch Market) – a company operating dozens of premium supermarket outlets under the brands such as Ranch Market and Farmers Market. In 2024, the Company acquired PT Dekoruma Inovasi Lestari (Dekoruma) – a leading of O2O retail furniture, interior design, and property brokerage company in Indonesia, to broaden the Company's scope of the home and living products category.

The Company has created a unified omnichannel ecosystem – Blibli Tiket, to support the synergy between Blibli, tiket.com, and Ranch Market, in providing seamless and value-added shopping experience for customers through a more complete, wholesome, and integrated offering in every customer's touch point. Blibli Tiket ecosystem owns a unified loyalty program called Blibli Tiket Rewards, offering various integrated loyalty programs to all customers in the ecosystem, including e-commerce and OTA platforms, as well as physical consumer electronics stores and supermarket outlets.

The Company's shares are traded on the Indonesia Stock Exchange (IDX) with ticker code "BELI".

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