
Grab tells staff it's 'in a position to acquire' as Gojek merger talk swirls

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Southeast Asia's Grab has told employees the ride-hailing and food delivery company is well placed to make acquisitions as it talked up its strengths after a report that it was close to a merger with rival Gojek.

For its part, Gojek's leadership in its own note to staff said it was "very well capitalised", had enough runway to grow its business for many years and had "no pressing reason" to do the sort of deal being referred to in the media.

The notes issued to their employees on Thursday come on the heels of a Bloomberg report that the two firms have made substantial progress in merger talks. The report said Grab CEO Anthony Tan would head the new entity, while Gojek executives would run the combined Indonesian business under the Gojek brand.

Large investors in the two companies have backed a merger in recent years, sources familiar with the matter have told Reuters.

Grab, Southeast Asia's most valuable start-up at over \$15 billion and backed by SoftBank Group, declined comment on Tan's note and the merger report. Gojek, worth about \$10 billion, also declined comment on its note and the possibility of a merger.

Singapore-based Grab and Jakarta-based Gojek have become one-stop shops for ride-hailing, food delivery, payments and insurance in Southeast Asia. The region, which has a population of 650 million, is expected to see its internet economy grow beyond \$100 billion this year.

"There is speculation again about a Gojek deal," Grab's Tan told employees in the note seen by Reuters. "Our business momentum is good, and as with any market consolidation rumours, we are the ones in a position to acquire," he said.

He said Grab had become profitable before overheads, and business had fully recovered to pre-pandemic levels.

In their note to staff, Gojek co-CEOs Kevin Aluwi and Andre Soelistyo emphasised that the firm was “the largest tech company in Indonesia with a strong presence in multiple markets”.

“Our investor list is the envy of every other pre-IPO company in the world, with Google, Tencent, Facebook, Paypal, and many others continuing to throw their weight behind us,” they said.

Even if a deal is agreed, analysts say any tie-up would likely run into opposition from competition watchdogs.

“The scale of their operations and dominance in the markets they operate in may come in the way for the planned merger as regulatory authorities are likely to have anti-competition concern,” said Aurojyoti Bose at analytics firm GlobalData.

(Reuters)