

Equity Research Alert

Monitise Plc (MONI)

Market cap.	Change	Share price
£255.8m	0.39p (+1.1%)	36.12p

Monitise announces Indonesian JV and now in 3 of 4 most populated countries

Mobile money specialist Monitise has announced details of its latest venture, in Indonesia, partnering with major local conglomerate Astra Group and top-10 bank Permata and giving it access to the world's 4th most populated country. With Indonesia lined up for launch later this year (subject to regulatory clearance etc), Monitise now has a presence in three of the world's four most populous countries (India, US and Indonesia) and is working on the largest (China) through the Asia Pac/First Eastern JV, including an imminent Hong Kong launch.

Monitise has now announced details of its mobile banking, payments and e-commerce JV for Indonesia, where it will be partnering with PT Astra Graphia Information Technology (AGIT), a subsidiary of PT Astra International, a \$10bn, 145,000 employee conglomerate that is one of Indonesia's largest listed companies. Permata, a top 10 local bank, has signed an MoU to be the launch partner. The JV has been driven and developed by Monitise Asia Pacific, the venture between Monitise Group and First Eastern, so Monitise Group will have an approximate 25% stake in the new Indonesian venture.

Indonesia is interesting as it is the world's 4th most populated country, with 238m inhabitants, and at least 160m mobile subscribers, as well as a considerable unbanked population for whom the mobile phone could become their primary source of banking services (like m-pesa in Kenya). According to Monitise, Indonesia is also characterised by very high usage of mobile instant messaging, for which Monitise is developing applications to exploit this delivery channel.

After a strong recent run, Monitise shares have paused for breath at 36p, giving the company a £253m market value, against revenues for the year to June 2011 of £13.8m (and an expected doubling this year). Though highly rated, Monitise is one of the more advanced providers of mobile money services, as this latest venture shows establishing a presence across the globe. Mobile money is also a hot strategic focus, as shown by a recent \$1bn valuation for Square, a start up mobile credit card company, and eBay's recent \$240m acquisition of Zong.

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