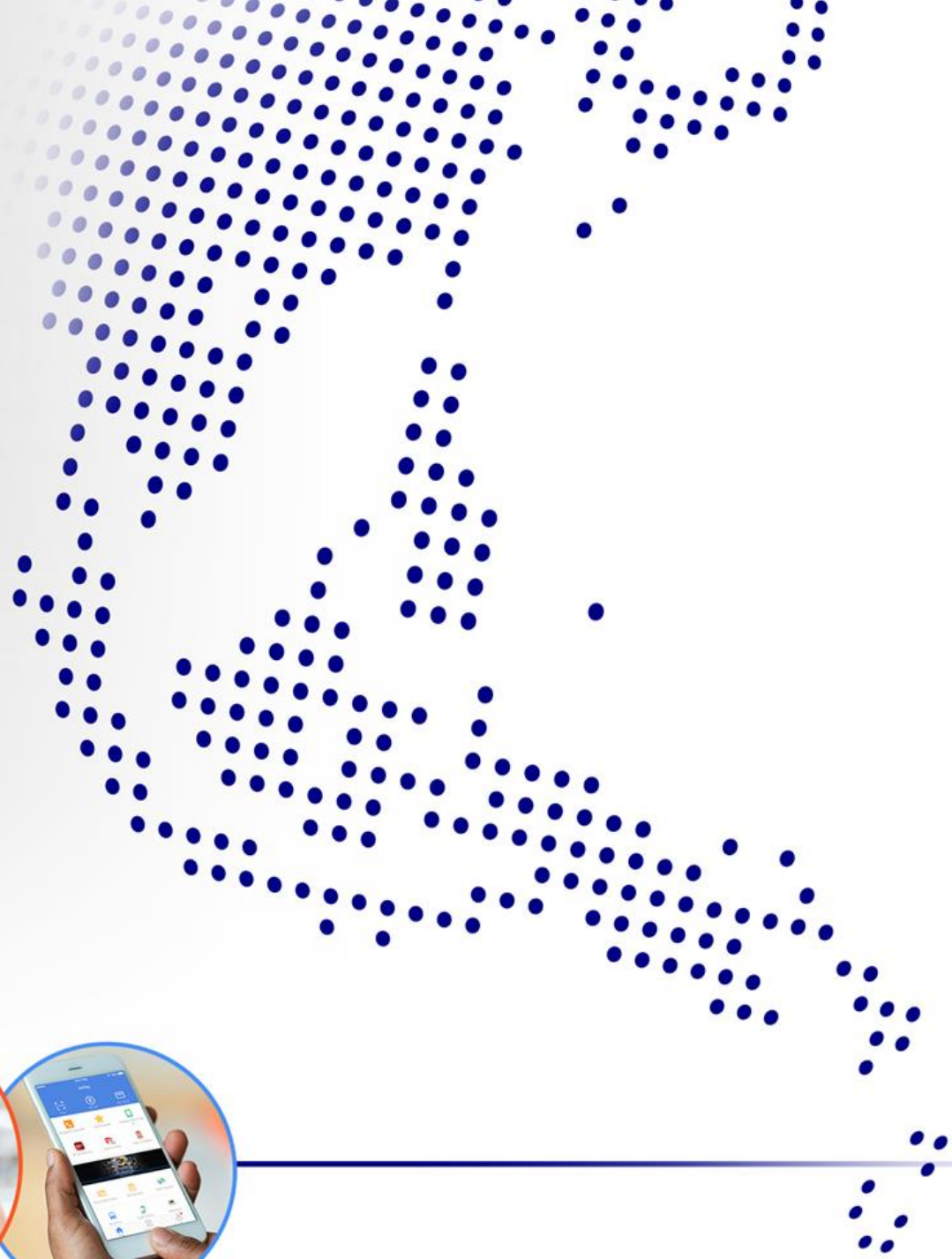




**sea**

connecting the dots



## First Quarter 2018 Results

May 15, 2018 (U.S. Eastern Time)

May 16, 2018 (Singapore / Hong Kong Time)



# Disclaimer

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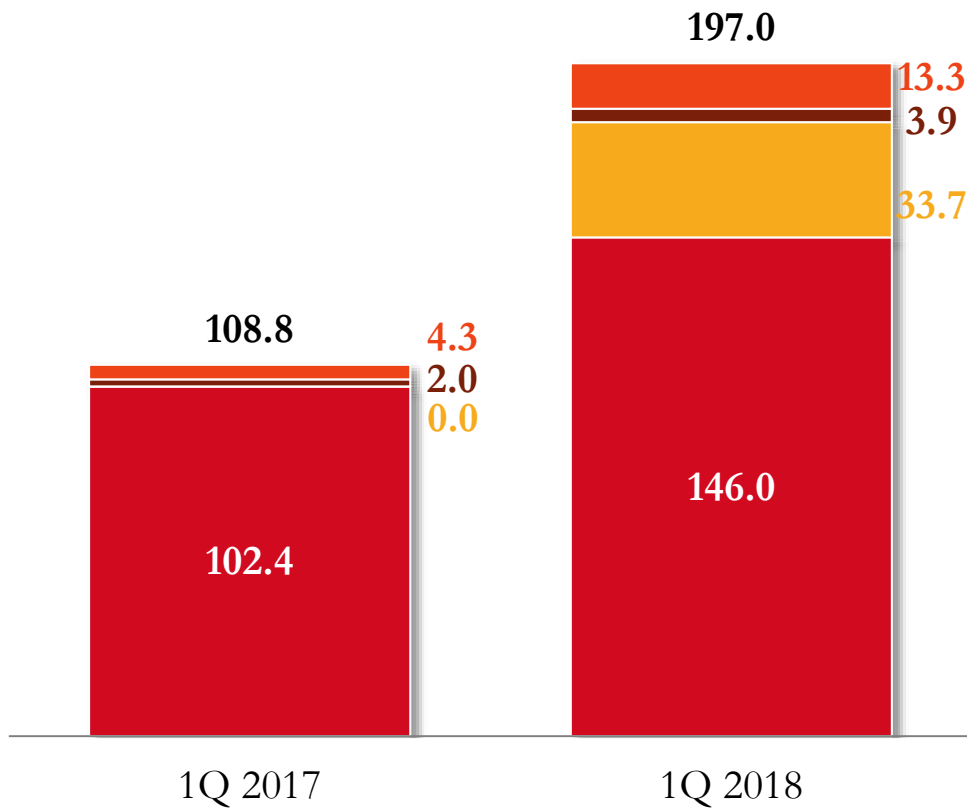
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# Expanding Leadership on Organic Growth

## 81% YoY Growth in Total Adjusted Revenue<sup>1</sup>

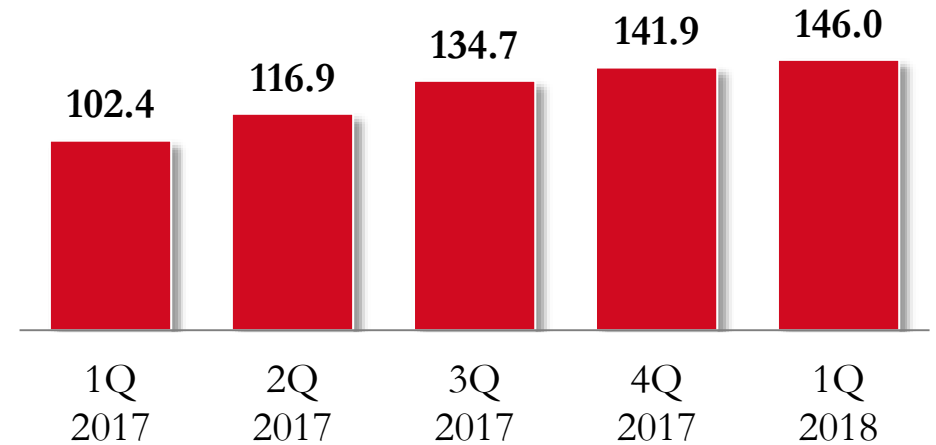
US\$ Millions

■ DE Adjusted Revenue    ■ EC Adjusted Revenue  
■ DFS Adjusted Revenue    ■ Other Services Revenue



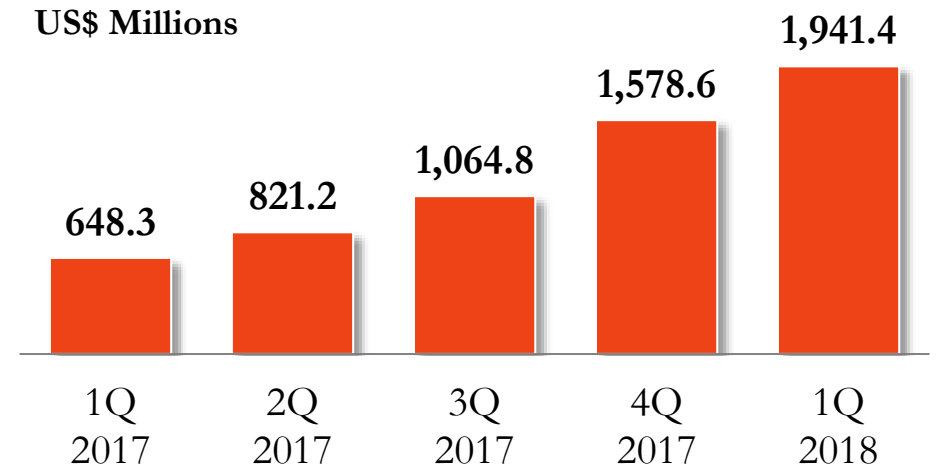
## 43% YoY Growth in DE Adjusted Revenue<sup>2</sup>

US\$ Millions



## 199% YoY Growth in E-commerce GMV

US\$ Millions



Note: Financial figures are unaudited

1. Sum of digital entertainment (“DE”) adjusted revenue, e-commerce (“EC”) adjusted revenue, digital financial services (“DFS”) adjusted revenue, and other services revenue. For details on reconciliation, please refer to slide 7.

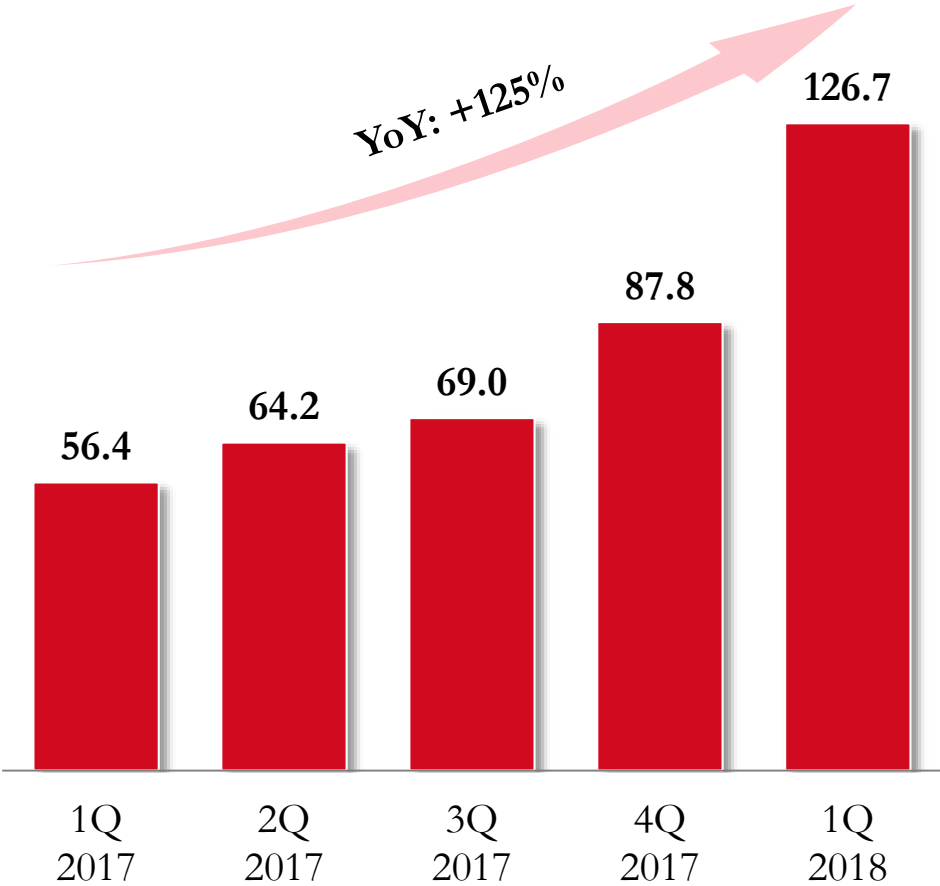
2. Digital entertainment revenue plus change in digital entertainment deferred revenue

# Digital Entertainment: Strong Growth + Solid Progress for Free Fire



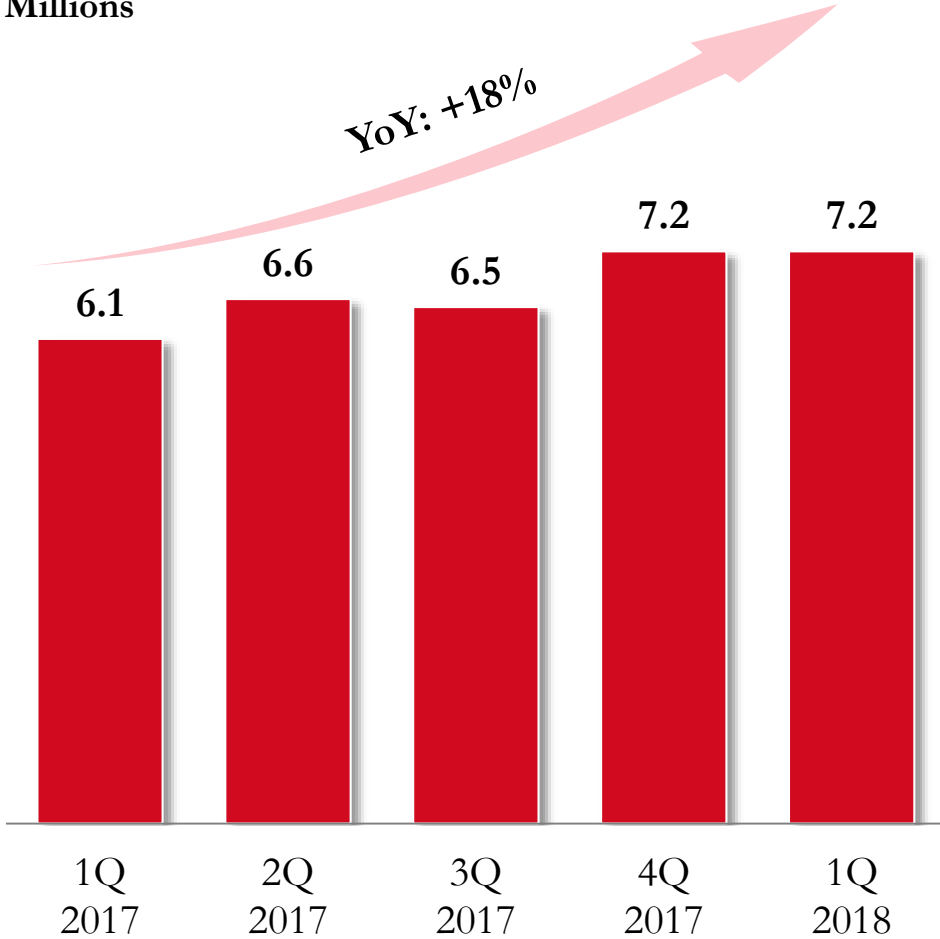
**Garena**  
Quarterly Active Users

Millions



**Garena**  
Quarterly Paying Users

Millions

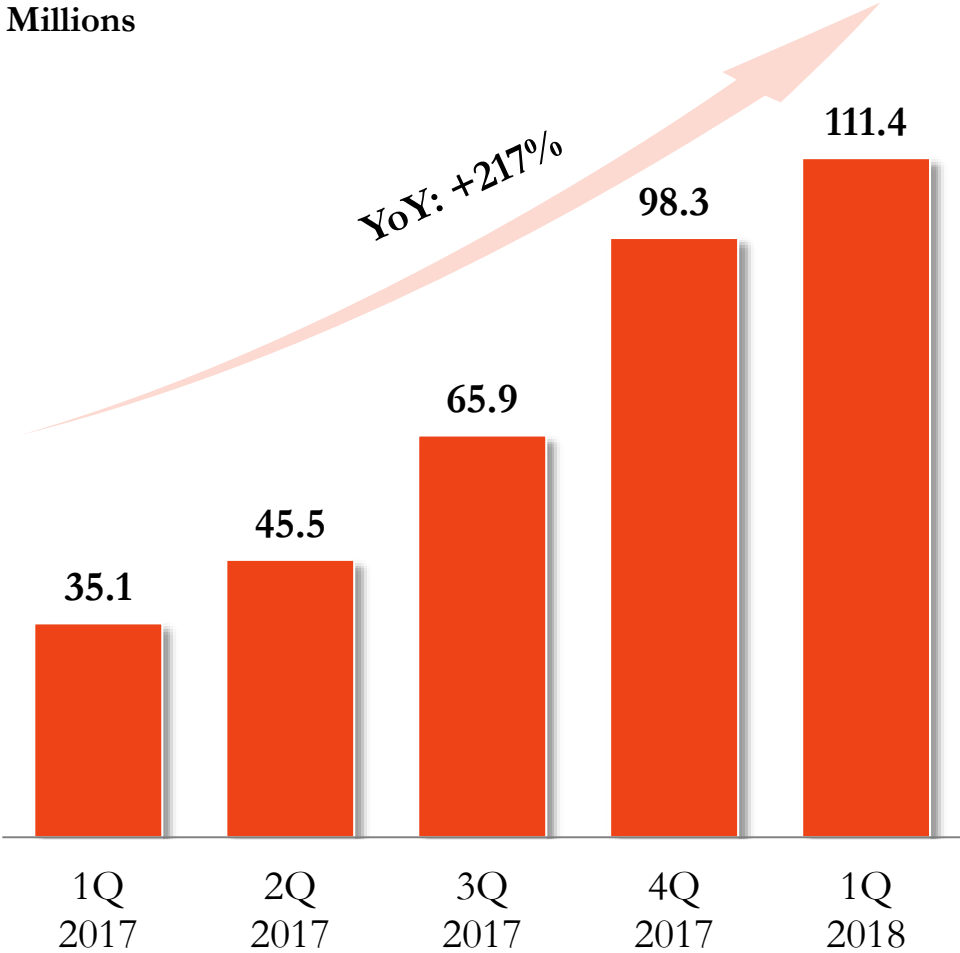


# E-commerce: Robust Growth Across All Markets

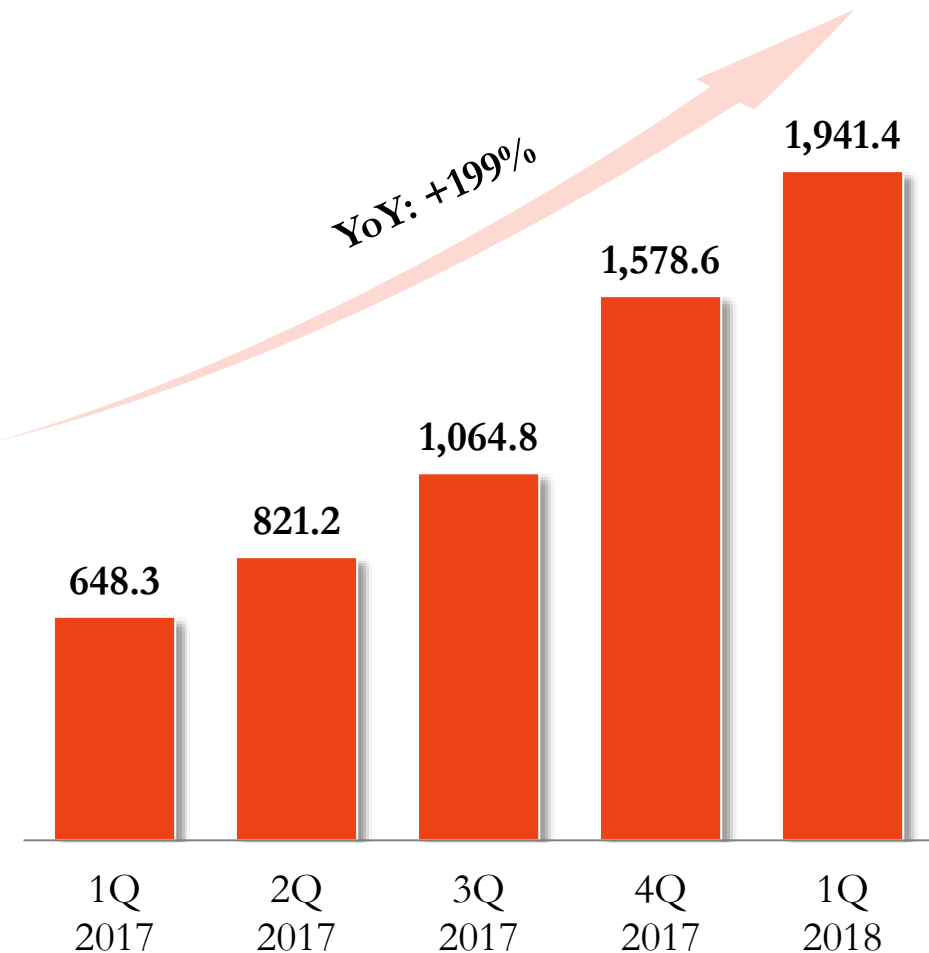


## Shopee Gross Orders

Millions



## Shopee GMV

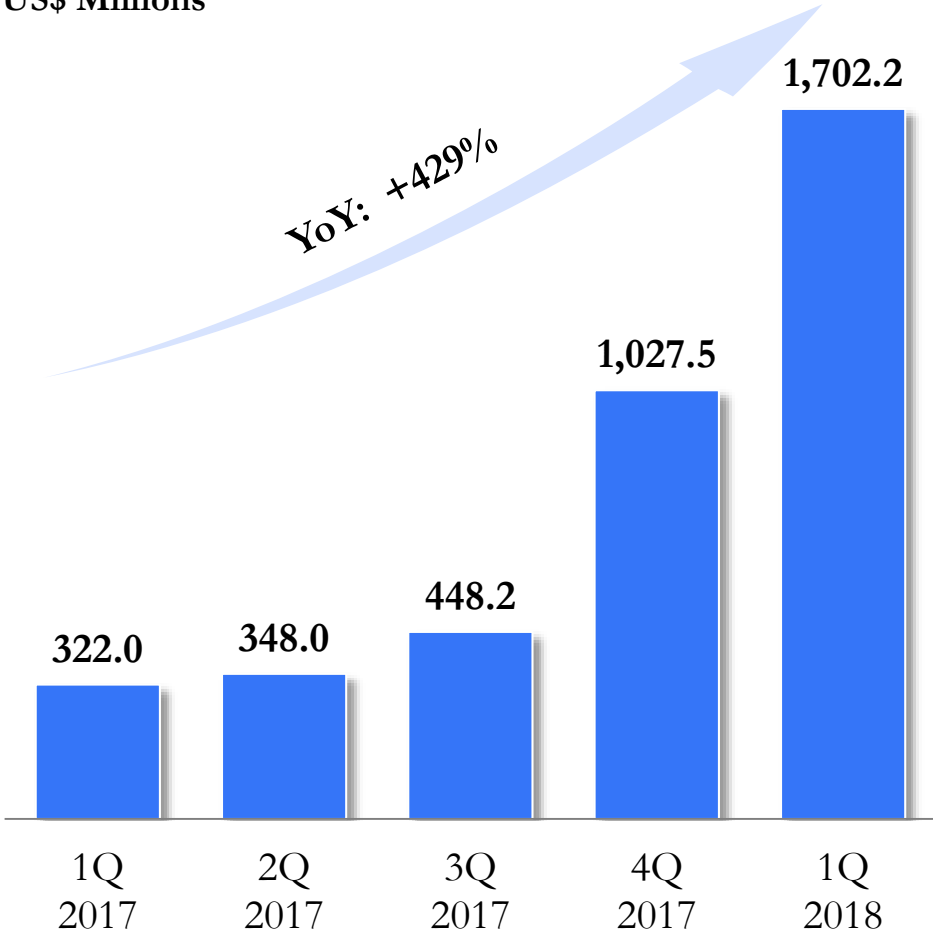


# Digital Financial Services: Further Strengthening of Payment Infrastructure

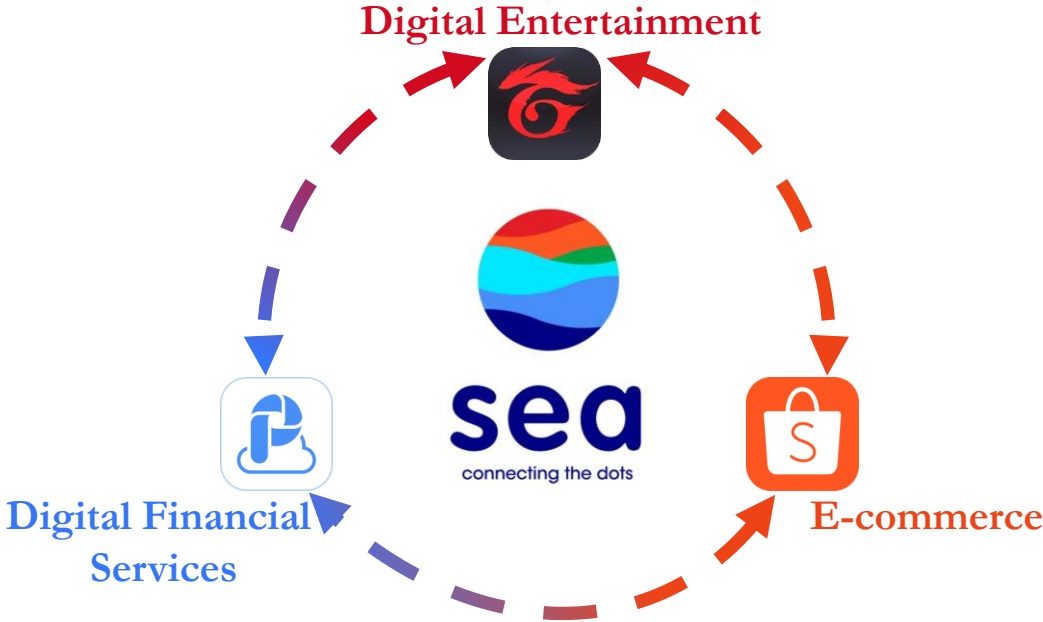


## AirPay Total Gross Transaction Value

US\$ Millions



## Growing Synergies Across Businesses

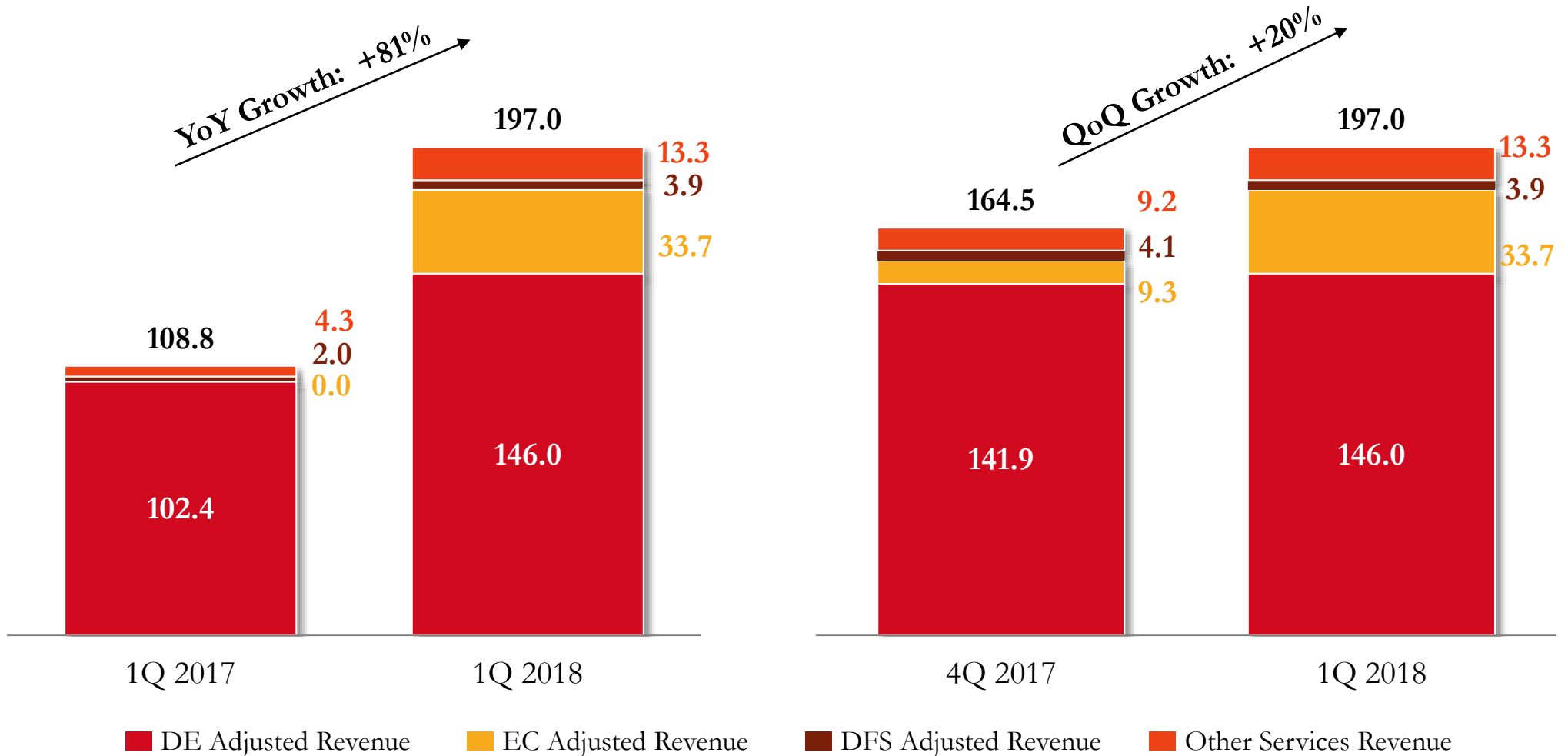


# Non-GAAP Revenue

## Total Adjusted Revenue

US\$ Millions

US\$ Millions



Note: Financial figures are unaudited

## Reconciliation between GAAP and non-GAAP Revenue

US\$ thousands	1Q 2017	1Q 2018
<b>Digital Entertainment</b>		
<i>Revenue</i>	87,586	110,658
<i>Change in deferred revenue</i>	14,810	35,372
<b>Digital Entertainment Adjusted Revenue</b>	<b>102,396</b>	<b>146,030</b>
<b>E-commerce</b>		
<i>Revenue</i>	34	27,344 <sup>1</sup>
<i>Sales incentives net-off</i>	-	6,400
<b>E-commerce Adjusted Revenue</b>	<b>34</b>	<b>33,744<sup>2</sup></b>
<b>Digital Financial Services</b>		
<i>Revenue</i>	2,034	3,700
<i>Sales incentives net-off</i>	-	223
<b>Digital Financial Services Adjusted Revenue</b>	<b>2,034</b>	<b>3,923</b>
<b>Total</b>		
<i>Revenue</i>	93,945	155,044
<i>Change in deferred revenue</i>	14,810	35,372
<i>Sales incentives net-off</i>	-	6,623
<b>Total Adjusted Revenue</b>	<b>108,755</b>	<b>197,039</b>

Note: Financial figures are unaudited

1. Revenue of \$27,344 includes marketplace revenue of \$15,644 and product revenue of \$11,700, net of sales incentives.

2. Adjusted revenue of \$33,744 includes marketplace revenue of \$22,044 and product revenue of \$11,700.

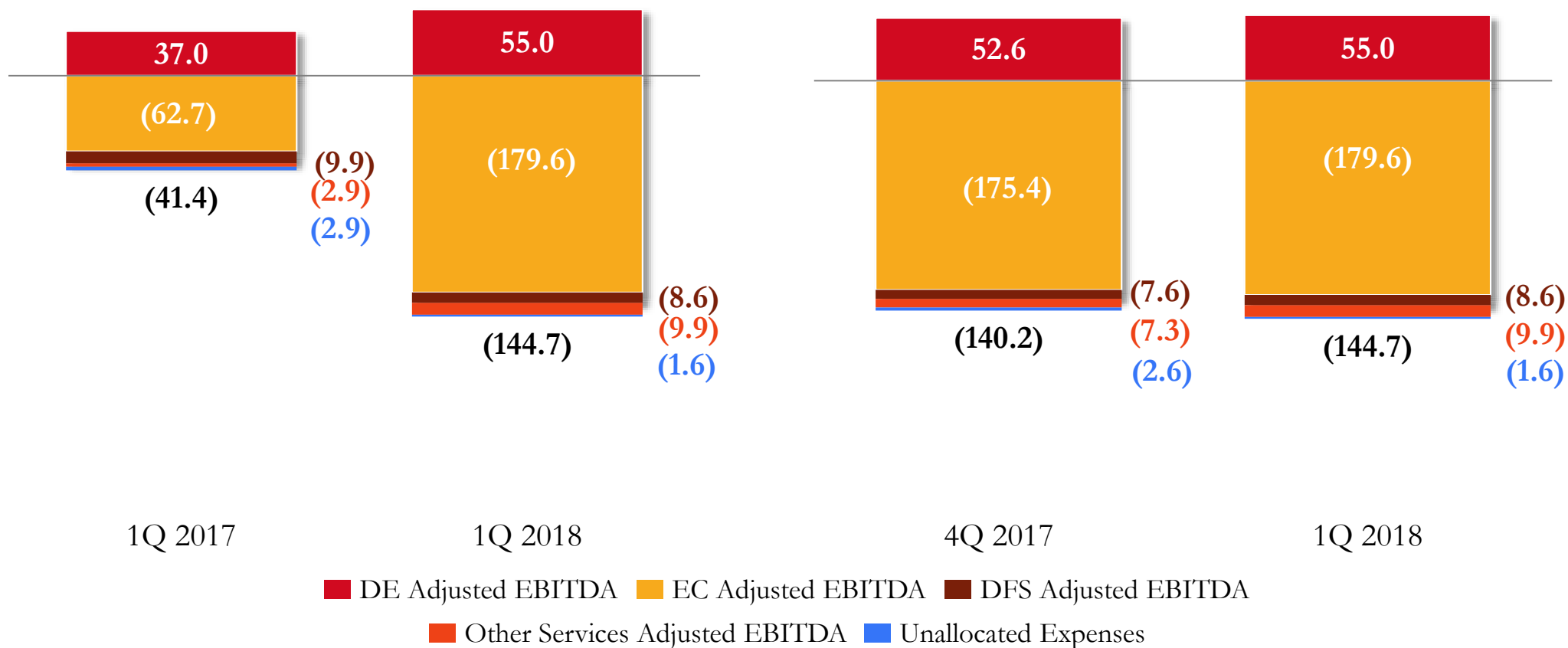


# Non-GAAP EBITDA

## Total Adjusted EBITDA

US\$ Millions

US\$ Millions

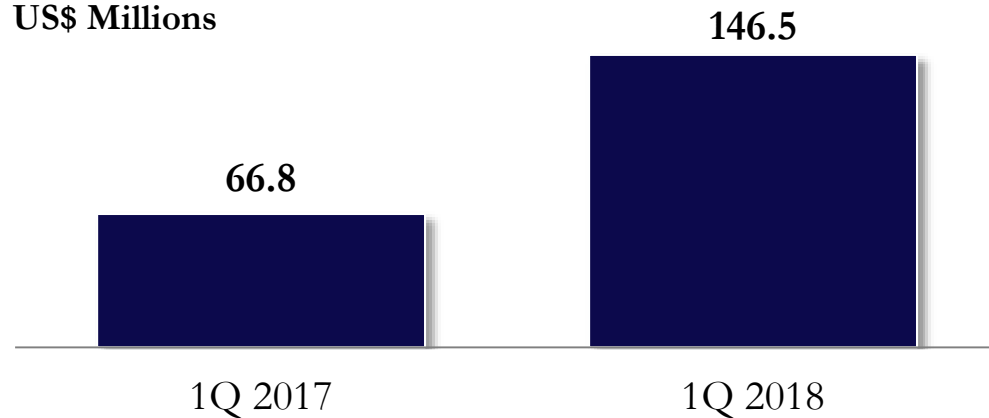


Note: Financial figures are unaudited. Please refer to the appendix for details on reconciliation between GAAP and non-GAAP figures.

# Cost and Expense Trends

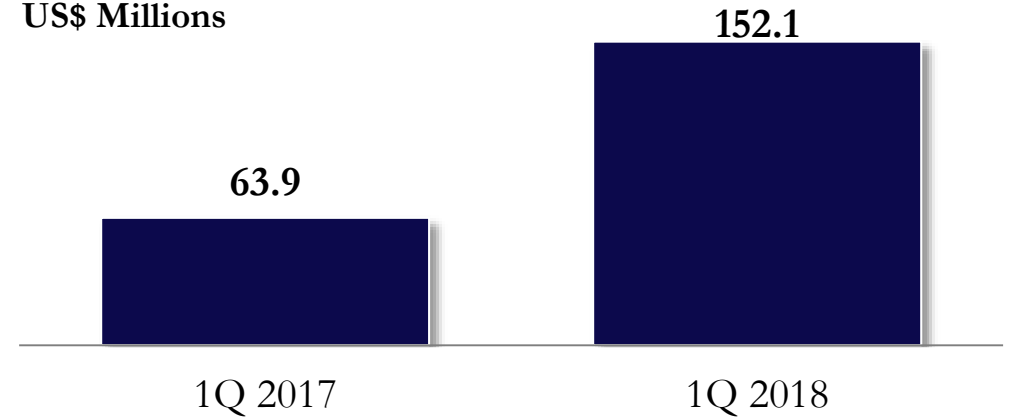
## Cost of Revenue

US\$ Millions



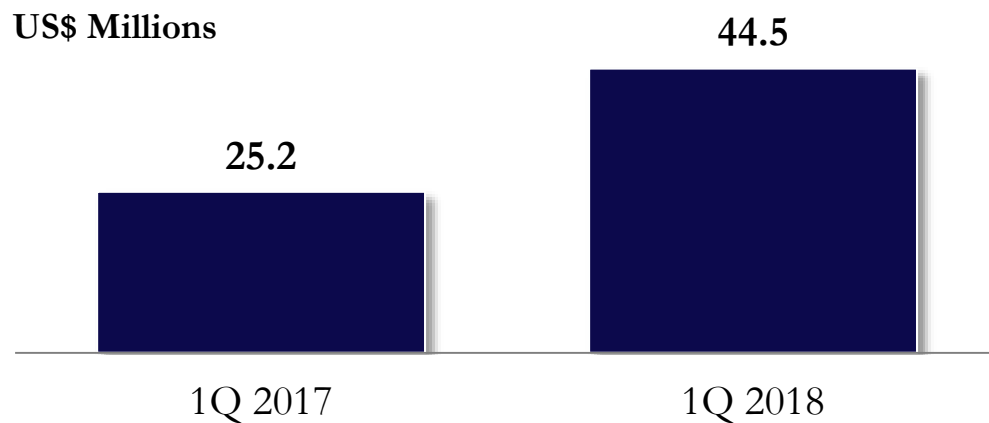
## Sales & Marketing

US\$ Millions



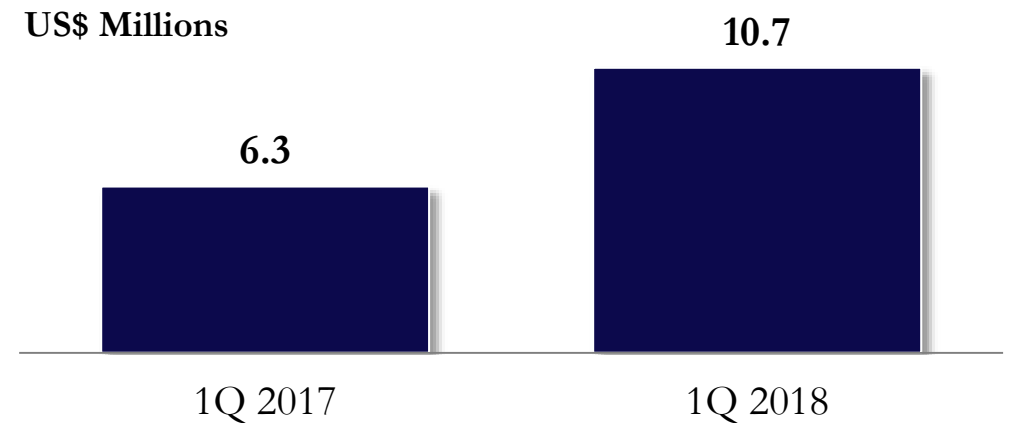
## General & Administrative Expenses

US\$ Millions



## R&D Expenses

US\$ Millions



# Net Loss and Adjusted Net Loss

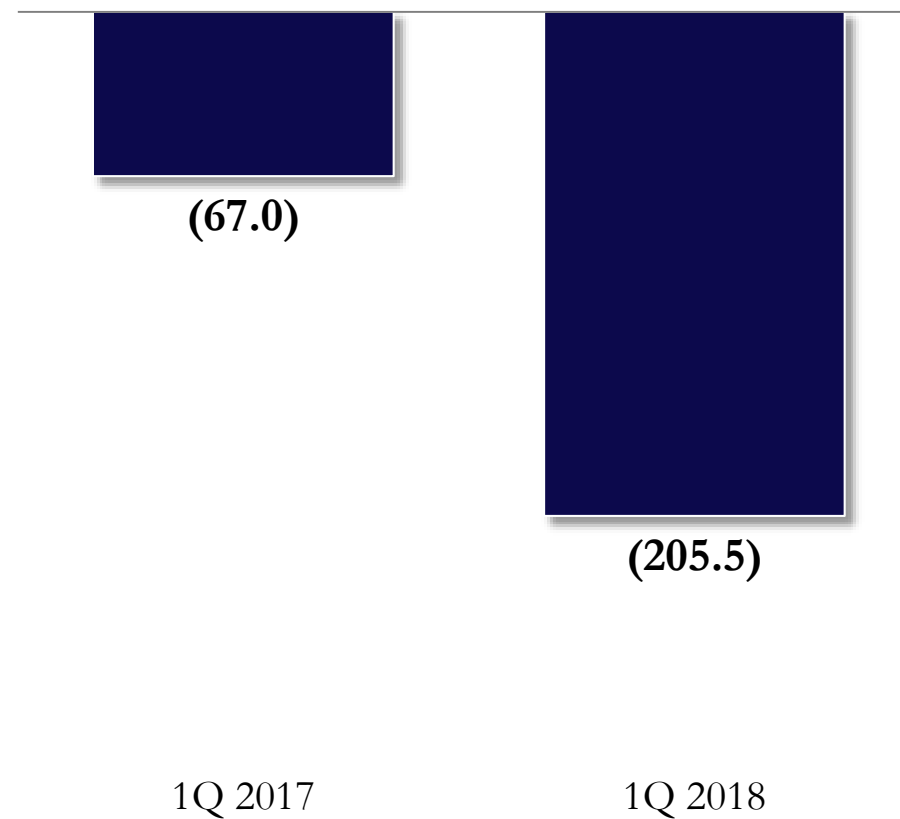
## Net Loss

US\$ Millions



## Adjusted Net Loss<sup>1</sup>

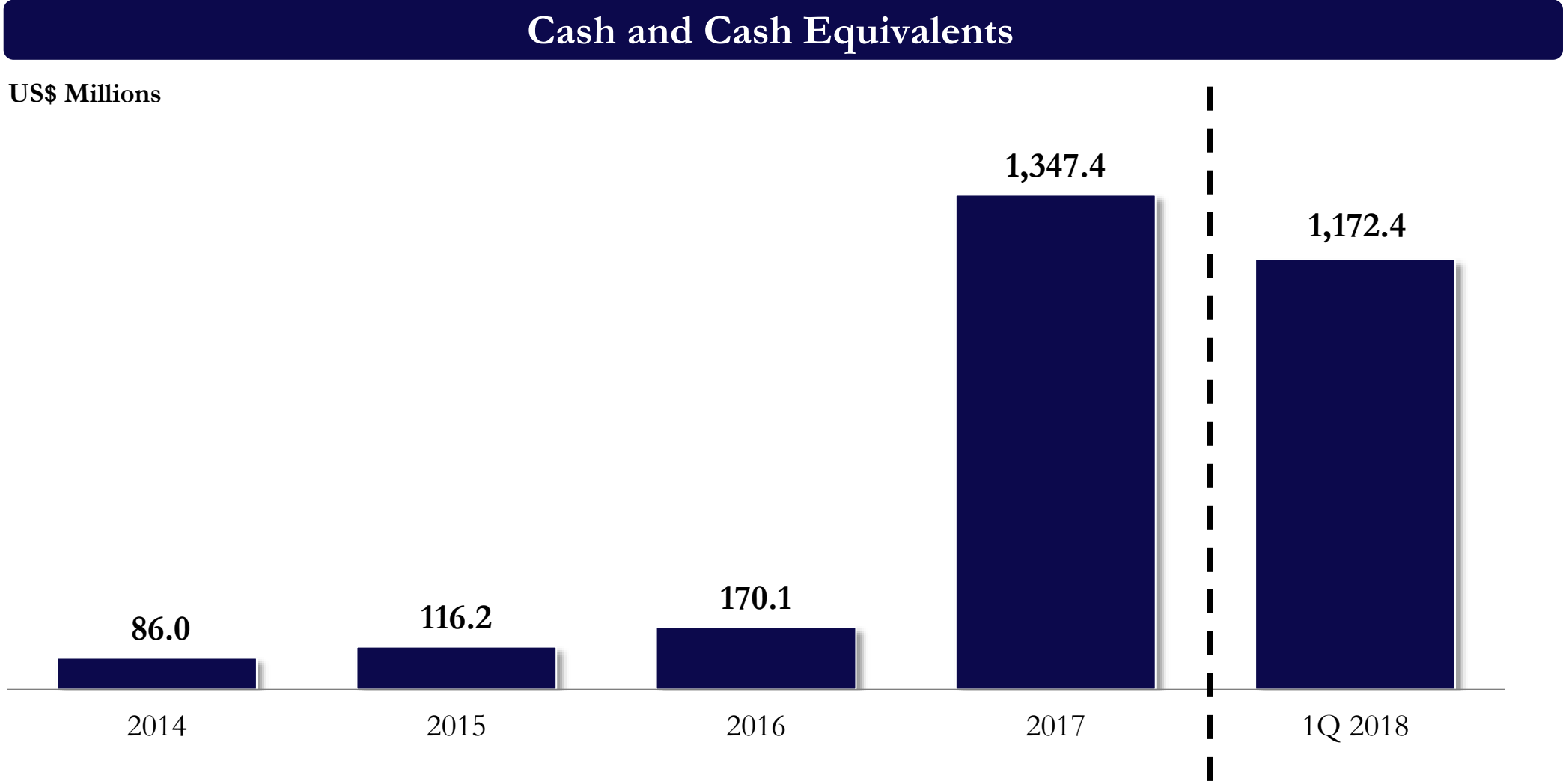
US\$ Millions



Note: Financial figures are unaudited. Please refer to the appendix for details on reconciliation between GAAP and non-GAAP figures.

1. Excludes share-based compensation

# Cash and Cash Equivalents



Note: Financial figure for 1Q 2018 is unaudited

## Updated Guidance

### Guidance

Total Adjusted Revenue

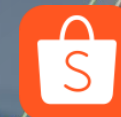
US\$780 million to US\$820 million  
(Previous: US\$730 million to US\$770 million)

E-commerce GMV

US\$8.2 billion to US\$8.7 billion  
(Previous: US\$7.5 billion to US\$8.0 billion)



Garena



Shopee



AirPay

# APPENDIX

## Reconciliation between GAAP and non-GAAP EBITDA

US\$ thousands	1Q 2017	1Q 2018
<b>Digital Entertainment</b>		
<i>Operating income / (loss)</i>	18,389	18,788
<i>Net effect of change in deferred revenue &amp; related cost</i>	11,745	28,195
<i>Depreciation and amortization</i>	6,872	8,021
<b>Digital Entertainment Adjusted EBITDA</b>	<b>37,006</b>	<b>55,004</b>
<b>E-commerce</b>		
<i>Operating income / (loss)</i>	(63,723)	(184,052)
<i>Depreciation and amortization</i>	1,054	4,403
<b>E-commerce Adjusted EBITDA</b>	<b>(62,669)</b>	<b>(179,649)</b>
<b>Digital Financial Services</b>		
<i>Operating income / (loss)</i>	(10,130)	(9,058)
<i>Depreciation and amortization</i>	226	488
<b>Digital Financial Services Adjusted EBITDA</b>	<b>(9,904)</b>	<b>(8,570)</b>

Note: Financial figures are unaudited

## Reconciliation between GAAP and non-GAAP EBITDA

US\$ thousands	1Q 2017	1Q 2018
<b>Other Services</b>		
<i>Operating income / (loss)</i>	(3,589)	(11,510)
<i>Depreciation and amortization</i>	666	1,642
<b>Other Services Adjusted EBITDA</b>	<b>(2,923)</b>	<b>(9,868)</b>
<b>Total</b>		
<i>Operating income / (loss)</i>	(68,003)	(198,094)
<i>Net effect of change in deferred revenue &amp; related cost</i>	11,745	28,195
<i>Depreciation and amortization</i>	8,818	14,554
<i>Share-based compensation</i>	6,113	10,671
<b>Total Adjusted EBITDA</b>	<b>(41,357)</b>	<b>(144,674)</b>

Note: Financial figures are unaudited



## Reconciliation between GAAP and non-GAAP Net Loss

US\$ thousands	1Q 2017	1Q 2018
<b>Total</b>		
<i>Net loss</i>	(73,076)	(216,169)
<i>Share-based compensation</i>	6,113	10,671
<b>Adjusted Net Loss</b>	<b>(66,963)</b>	<b>(205,498)</b>

Note: Financial figures are unaudited