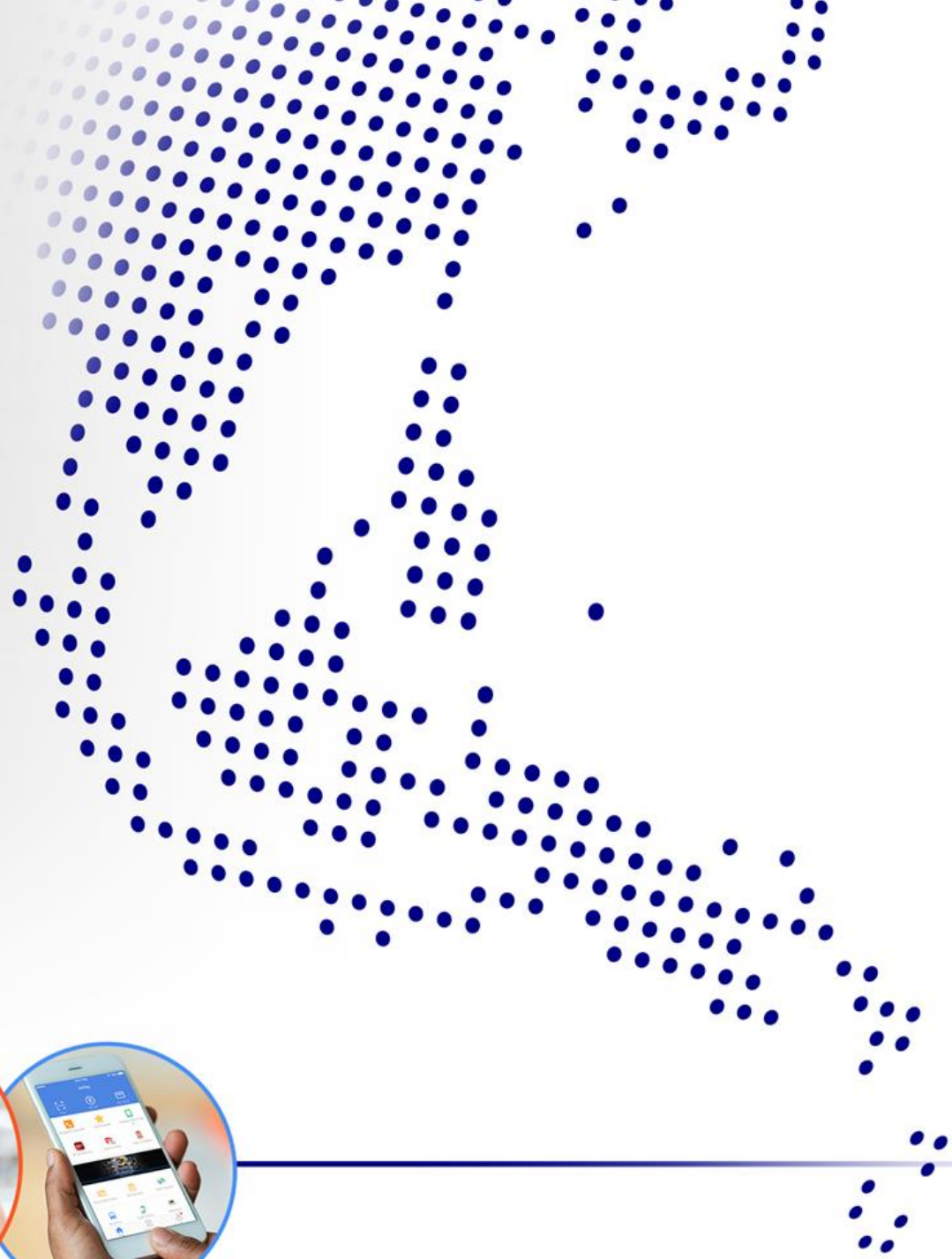




**sea**

connecting the dots



## Third Quarter 2018 Results

November 21, 2018 (Singapore / Hong Kong Time)

November 20, 2018 (U.S. Eastern Time)



# Disclaimer

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This presentation by Sea Limited (“Sea”) contains forward-looking statements. These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as “will,” “expects,” “anticipates,” “future,” “intends,” “plans,” “believes,” “estimates,” “confident,” “guidance,” and similar statements. Among other things, statements that are not historical facts, including statements about Sea’s beliefs and expectations, the business, financial and market outlook and projections from its management, as well as Sea’s strategic and operational plans, contain forward-looking statements. Sea may also make written or oral forward-looking statements in its periodic reports to the U.S. Securities and Exchange Commission (the “SEC”), in its annual report to shareholders, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Forward-looking statements involve inherent risks and uncertainties. A number of factors could cause actual results to differ materially from those contained in any forward-looking statement, including but not limited to the following: Sea’s goals and strategies; its future business development, financial condition, financial results, and results of operations; the growth in, and market size of, the digital entertainment, e-commerce and digital financial services industries in the region, including segments within those industries; changes in its revenue, costs or expenditures; its ability to continue to source, develop and offer new and attractive online games and to offer other engaging digital entertainment content; the growth of its digital entertainment, e-commerce and digital financial services platforms; the growth in its user base, level of user engagement, and monetization; its ability to continue to develop new technologies and/or upgrade its existing technologies; growth and trends of its markets and competition in its industries; government policies and regulations relating to its industries; and general economic and business conditions in the region. Further information regarding these and other risks is included in Sea’s filings with the SEC. All information provided in this presentation is as of the date hereof, and Sea undertakes no obligation to update any forward-looking statement, except as required under applicable law.

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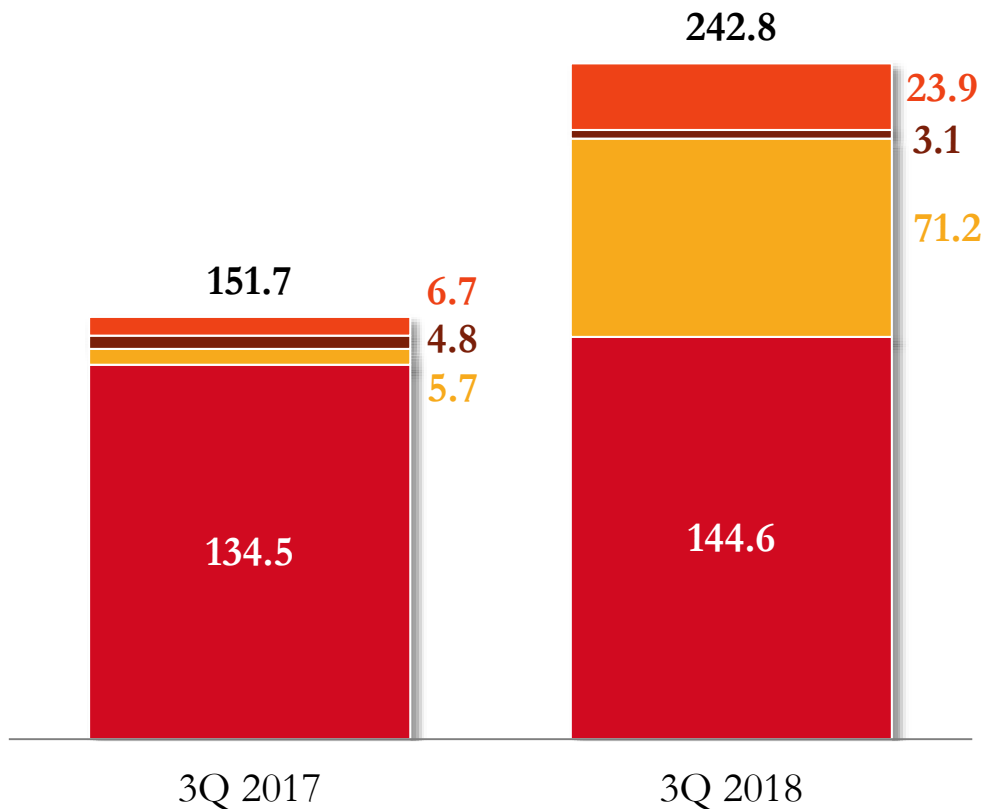
This presentation does not contain all relevant information relating to Sea or its securities, particularly with respect to the risks and special considerations involved with an investment in the securities of Sea. Nothing contained in this presentation shall be relied upon as a promise or representation as to the past or future performance of Sea.

# Strong Performance in 3Q Builds on Sustained Growth Momentum

## 60% YoY Growth in Total Adjusted Revenue<sup>1</sup>

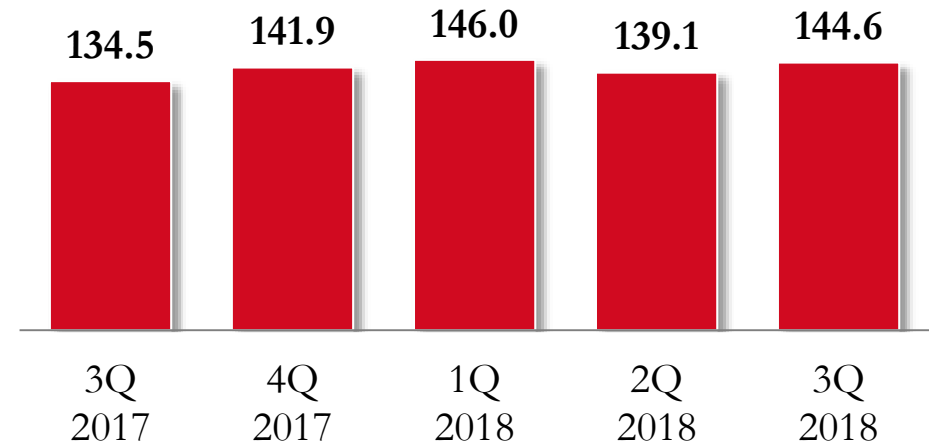
US\$ Millions

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



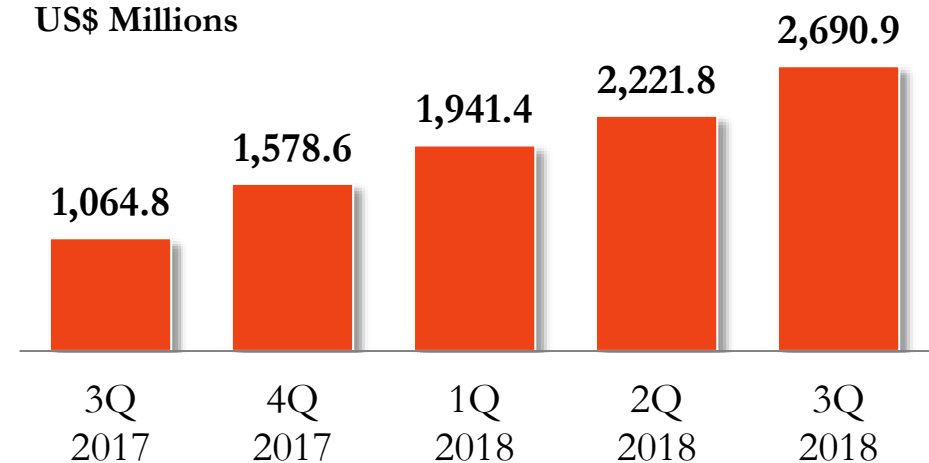
## 7% YoY Growth in DE Adjusted Revenue<sup>2</sup>

US\$ Millions



## 153% 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 6.

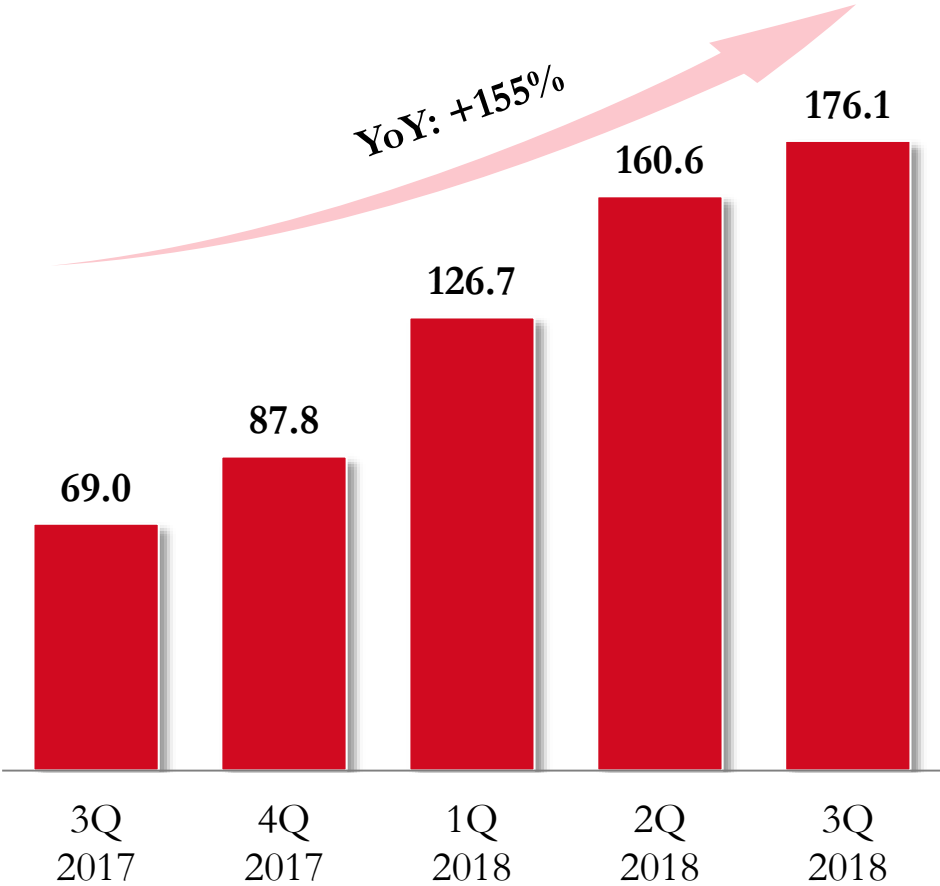
2. Digital entertainment revenue plus change in digital entertainment deferred revenue.

# Digital Entertainment: Robust Growth of Free Fire Continues



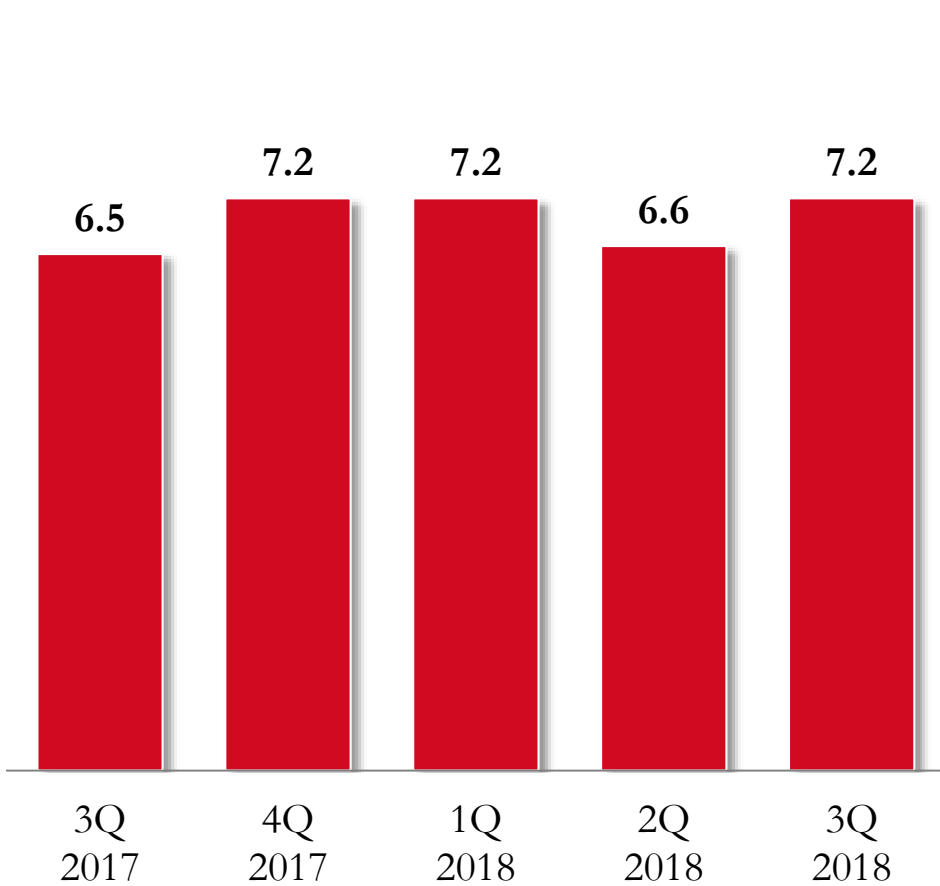
**Garena**  
Quarterly Active Users

Millions



**Garena**  
Quarterly Paying Users

Millions

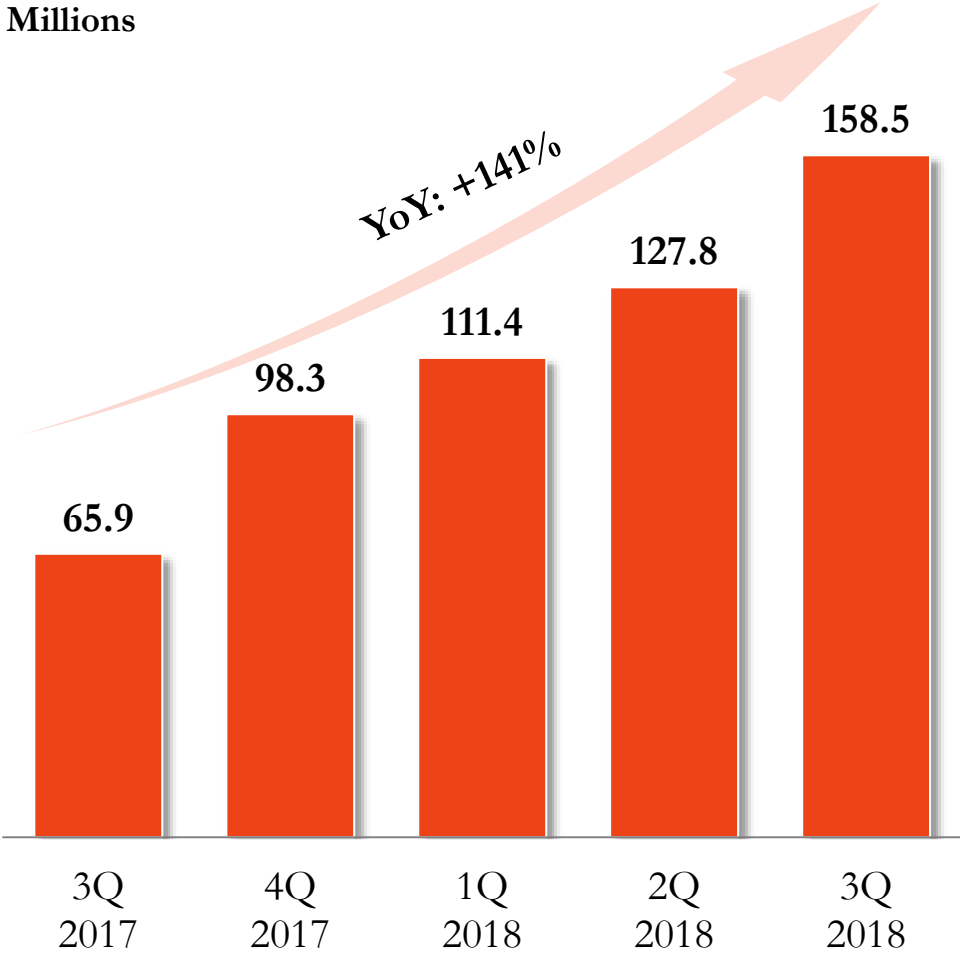


# E-commerce: Extending Our Leading Position Across the Region



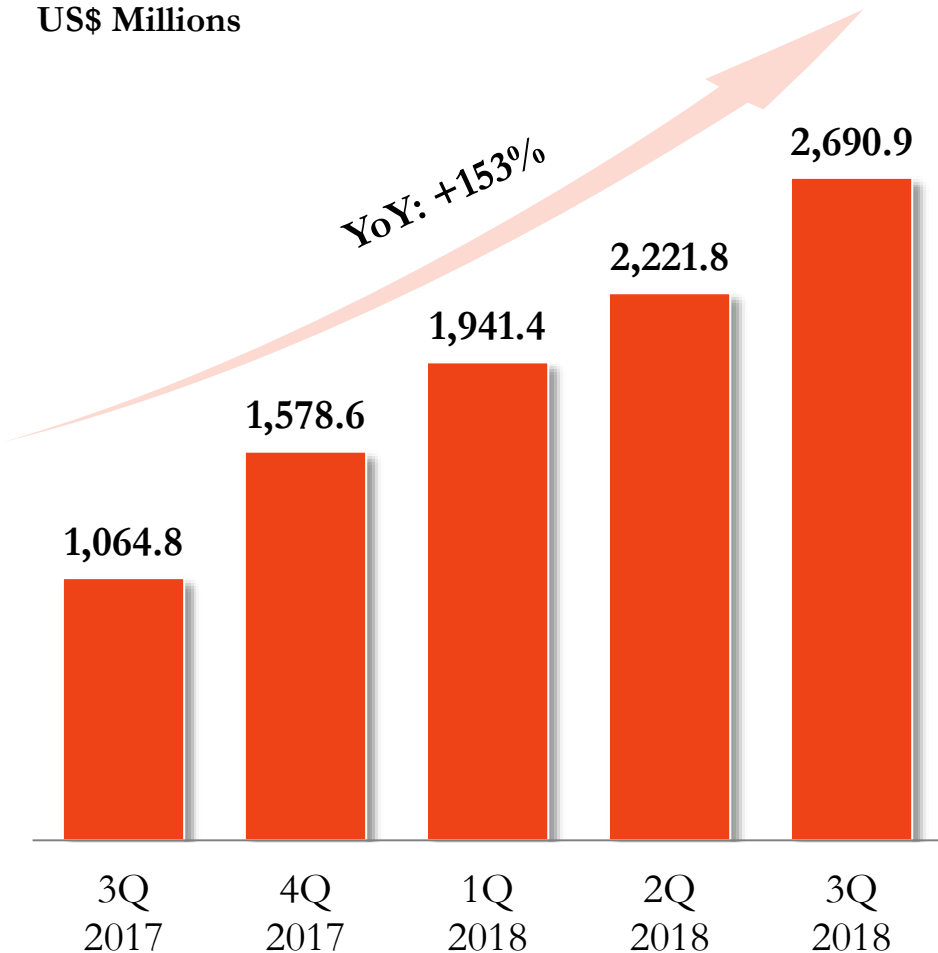
**Shopee**  
Gross Orders

Millions



**Shopee**  
GMV

US\$ Millions

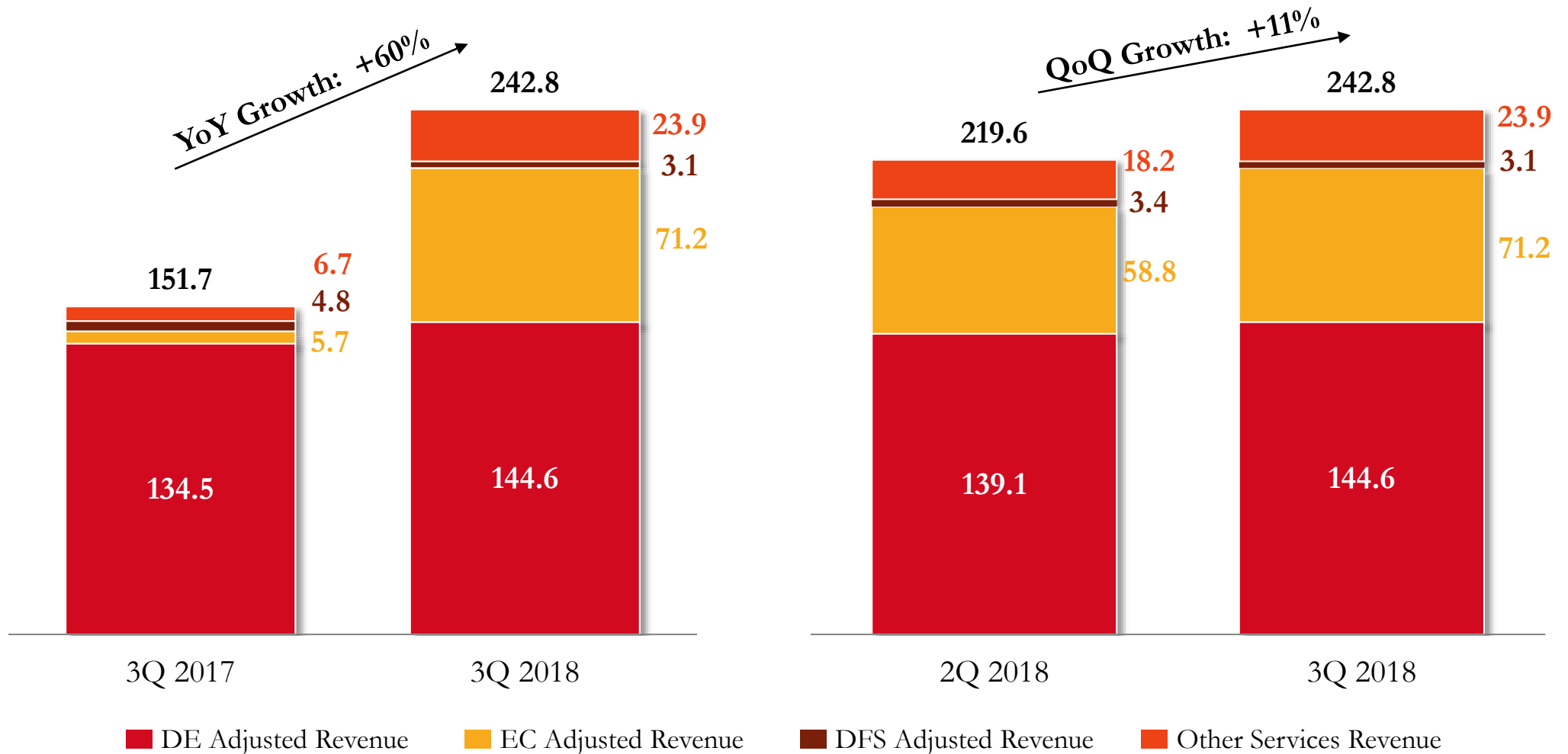


# Non-GAAP Revenue

## Total Adjusted Revenue

US\$ Millions

US\$ Millions



Note: Financial figures are unaudited.

## Reconciliation between GAAP and non-GAAP Revenue

US\$ Thousands	3Q 2017	3Q 2018
<b>Digital Entertainment</b>		
<i>Revenue</i>	79,799	112,250
<i>Change in deferred revenue</i>	54,749	32,038
<b>Digital Entertainment Adjusted Revenue</b>	<b>134,548</b>	<b>144,558</b>
<b>E-commerce</b>		
<i>Revenue</i>	2,786 <sup>1</sup>	65,919 <sup>1</sup>
<i>Sales incentives net-off</i>	2,883	5,314
<b>E-commerce Adjusted Revenue</b>	<b>5,669<sup>2</sup></b>	<b>71,233<sup>2</sup></b>
<b>Digital Financial Services</b>		
<i>Revenue</i>	4,792	2,548
<i>Sales incentives net-off</i>	-	565
<b>Digital Financial Services Adjusted Revenue</b>	<b>4,792</b>	<b>3,113</b>
<b>Total</b>		
<i>Revenue</i>	94,094	204,921
<i>Change in deferred revenue</i>	54,749	32,038
<i>Sales incentives net-off</i>	2,883	5,879
<b>Total Adjusted Revenue</b>	<b>151,726</b>	<b>242,838</b>

Note: Financial figures are unaudited.

1. For 3Q18, revenue of \$65,919 included marketplace revenue of \$45,147 and product revenue of \$20,772, net of sales incentives. For 3Q17, revenue of \$2,786 was entirely marketplace revenue.

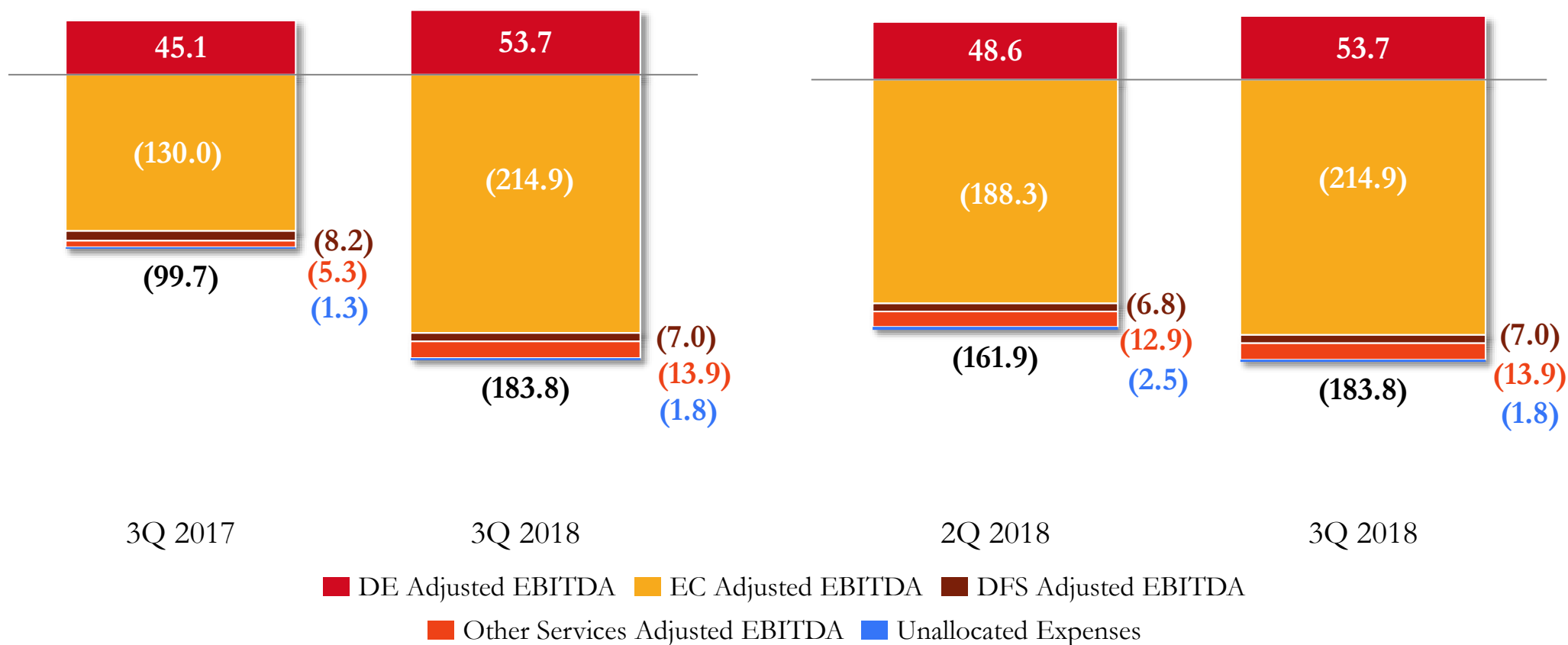
2. For 3Q18, adjusted revenue of \$71,233 included marketplace revenue of \$50,303 and product revenue of \$20,930. For 3Q17, adjusted revenue of \$5,669 was entirely marketplace revenue.

# Non-GAAP EBITDA

## Total Adjusted EBITDA

US\$ Millions

US\$ Millions



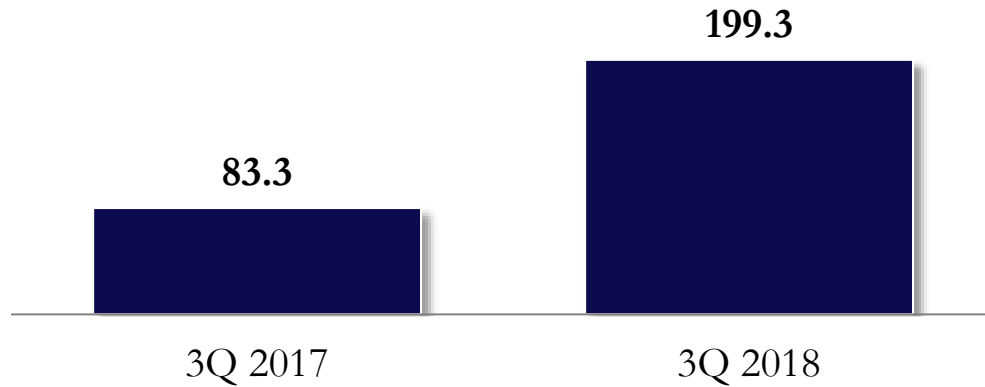
Note: Financial figures are unaudited. Please refer to the appendix for details on reconciliation between GAAP and non-GAAP figures.



# Cost and Expense Trends

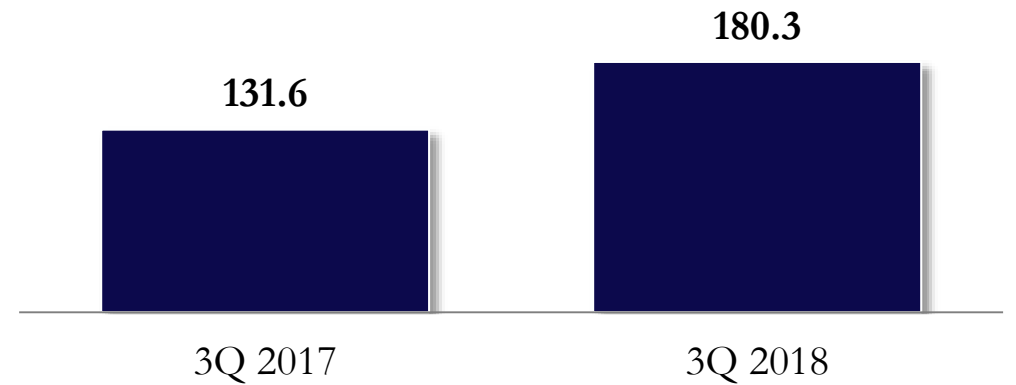
## Cost of Revenue

US\$ Millions



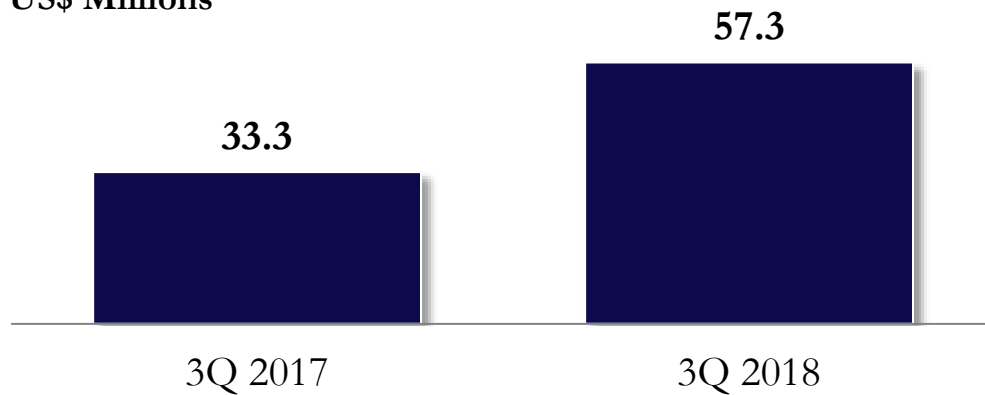
## Sales & Marketing

US\$ Millions



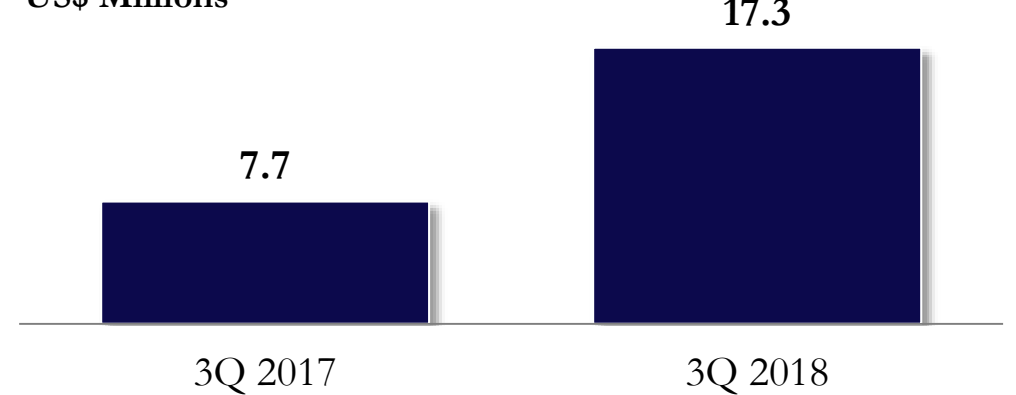
## General & Administrative Expenses

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



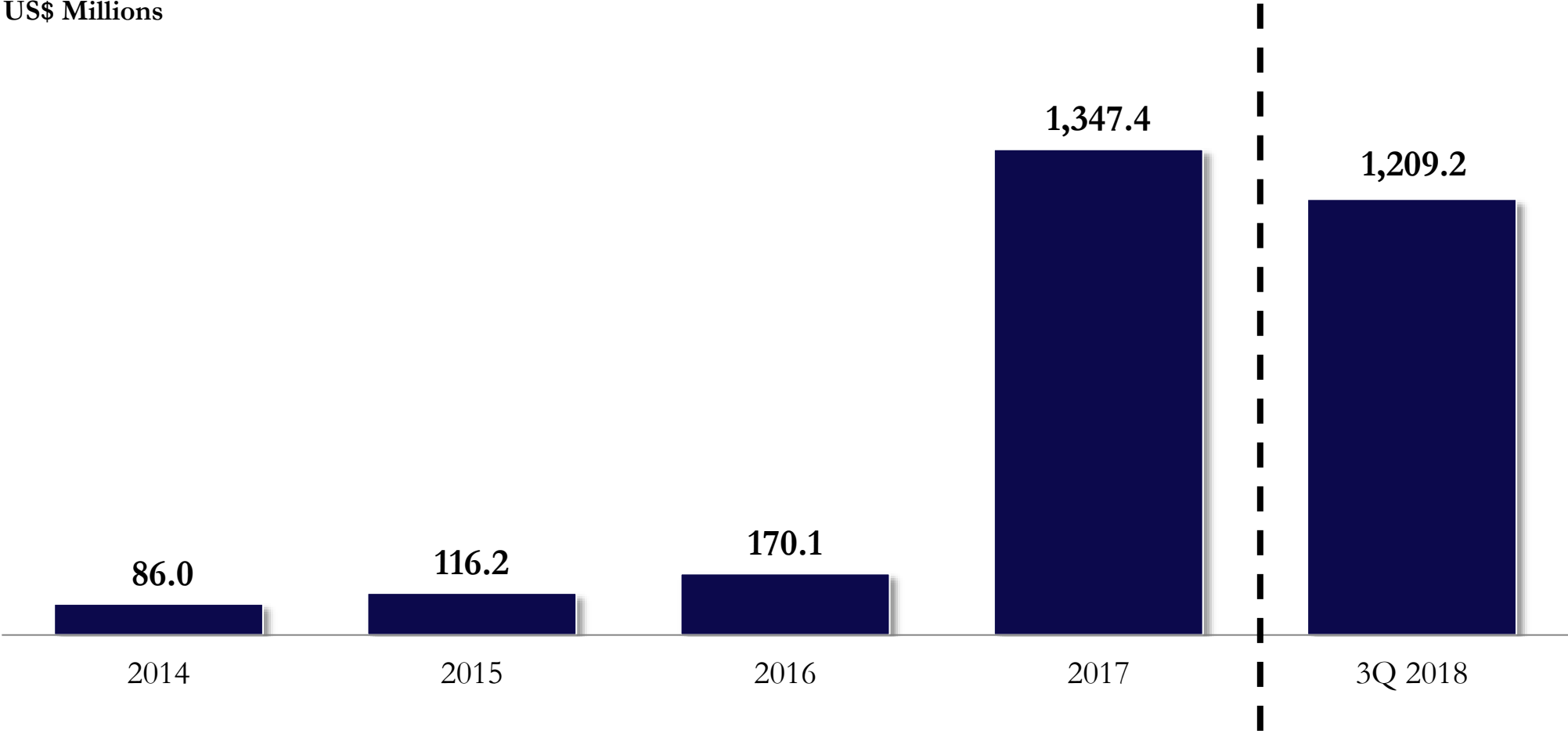
Note: Financial figures are unaudited. Please refer to the appendix for details on reconciliation between GAAP and non-GAAP figures.

1. Excludes share-based compensation and fair value change for convertible debts.

# Cash and Cash Equivalents

## Cash and Cash Equivalents

US\$ Millions



Note: Financial figure for 3Q 2018 is unaudited.

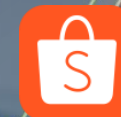
# Updated Guidance

## FY2018 Guidance

Total Adjusted Revenue	US\$930 million to US\$970 million (Previous: US\$780 million to US\$820 million)
Digital Entertainment Adjusted Revenue	US\$600 million to US\$620 million (Previous: Not applicable)
E-commerce GMV	US\$9.2 billion to US\$9.7 billion (Previous: US\$8.2 billion to US\$8.7 billion)



Garena



Shopee



AirPay

# APPENDIX

## Reconciliation between GAAP and non-GAAP EBITDA

US\$ Thousands	3Q 2017	3Q 2018
<b>Digital Entertainment</b>		
<i>Operating income / (loss)</i>	(6,874)	19,403
<i>Net effect of change in deferred revenue &amp; related cost</i>	44,873	26,192
<i>Depreciation and amortization</i>	7,084	8,129
<b>Digital Entertainment Adjusted EBITDA</b>	<b>45,083</b>	<b>53,724</b>
<b>E-commerce</b>		
<i>Operating income / (loss)</i>	(132,292)	(223,787)
<i>Depreciation and amortization</i>	2,328	8,926
<b>E-commerce Adjusted EBITDA</b>	<b>(129,964)</b>	<b>(214,861)</b>
<b>Digital Financial Services</b>		
<i>Operating income / (loss)</i>	(8,561)	(7,387)
<i>Depreciation and amortization</i>	363	386
<b>Digital Financial Services Adjusted EBITDA</b>	<b>(8,198)</b>	<b>(7,001)</b>

Note: Financial figures are unaudited.

## Reconciliation between GAAP and non-GAAP EBITDA

US\$ Thousands	3Q 2017	3Q 2018
<b>Other Services</b>		
<i>Operating income / (loss)</i>	(6,015)	(16,186)
<i>Depreciation and amortization</i>	688	2,336
<b>Other Services Adjusted EBITDA</b>	<b>(5,327)</b>	<b>(13,850)</b>
<b>Unallocated Expenses</b>		
<i>Operating income / (loss)</i>	(6,974)	(18,243)
<i>Share-based compensation</i>	5,698	16,479
<b>Unallocated Expenses Adjusted EBITDA</b>	<b>(1,276)</b>	<b>(1,764)</b>
<b>Total</b>		
<i>Operating income / (loss)</i>	(160,716)	(246,200)
<i>Net effect of change in deferred revenue &amp; related cost</i>	44,873	26,192
<i>Depreciation and amortization</i>	10,463	19,777
<i>Share-based compensation</i>	5,698	16,479
<b>Total Adjusted EBITDA</b>	<b>(99,682)</b>	<b>(183,752)</b>

Note: Financial figures are unaudited.

## Reconciliation between GAAP and non-GAAP Net Loss

US\$ Thousands	3Q 2017	3Q 2018
<b>Total</b>		
<i>Net loss</i>	(132,831)	(218,019)
<i>Share-based compensation</i>	5,698	16,479
<i>Fair value change for convertible debts</i>	-	(36,028)
<b>Adjusted Net Loss</b>	<b>(127,133)</b>	<b>(237,568)</b>

Note: Financial figures are unaudited.