

Shopee - Q3 2022 Financial Report

Metric	Value
Revenue	\$32,343,435.00
Growth Rate	22.7%
Profit Margin	17.4%

****Shopee - Q3 2022 Financial Report**** ****Executive Summary:**** Shopee reports mixed performance for Q3 2022, reflecting a challenging macroeconomic environment and increased competitive pressures across Southeast Asia and Latin America. While revenue growth continued, profitability remains a key focus. We are actively managing costs and optimizing operational efficiency to navigate the current climate and drive sustainable growth. ****Revenue & Growth Metrics:**** Total revenue for Q3 2022 reached \$2.1 billion, representing a 32% year-over-year increase. Marketplace revenue, driven by transaction fees, advertising, and value-added services, accounted for \$1.6 billion of this total. Gross orders processed on the platform reached 1.9 billion, a 26% increase year-over-year. However, growth rates have slowed compared to previous quarters, reflecting increased competition and a cautious consumer spending environment. Average Order Value (AOV) saw a slight decrease, standing at approximately \$11.05. ****Key Business Highlights:**** Despite headwinds, Shopee achieved several key milestones. We continued to strengthen our leadership position in Southeast Asia, focusing on enhanced user engagement through targeted promotions and improved platform features. Our Shopee Mall segment witnessed strong performance, contributing significantly to overall revenue. Expansion of ShopeePay acceptance across offline merchants in key markets continued, promoting greater integration with the broader retail landscape. We also made progress in streamlining logistics operations, aiming for reduced delivery times and enhanced cost efficiency. ****Market Conditions & Competitive Landscape:**** The e-commerce sector in Southeast Asia and Latin America is becoming increasingly competitive. Rising inflation and supply chain disruptions are impacting consumer spending. Players like Lazada and Tokopedia are intensifying their efforts to capture market share. To navigate this competitive landscape, Shopee is focusing on differentiation through value-added services, strategic partnerships, and superior user experience. ****Forward-Looking Statements & Guidance:**** Looking ahead, we anticipate continued macroeconomic uncertainties and competitive pressures. Our primary focus is on achieving sustainable profitability through disciplined cost management, increased operational efficiency, and enhanced monetization strategies. We expect revenue growth in Q4 2022 to be moderately lower than in Q3, reflecting seasonal trends and the prevailing economic climate. While we remain optimistic about the long-term potential of e-commerce in our target markets, we are adopting a cautious approach to growth in the near term, prioritizing profitability and financial stability. We will continue to monitor market conditions closely and adjust our strategies accordingly.