

**sea**  
connecting the dots

**Presented by - Purple Team 09**

# Gaming Trivia!



# Team Purple 09



Harkirat Kaur



Grace Zhou



Jagan



Ashima Dogra

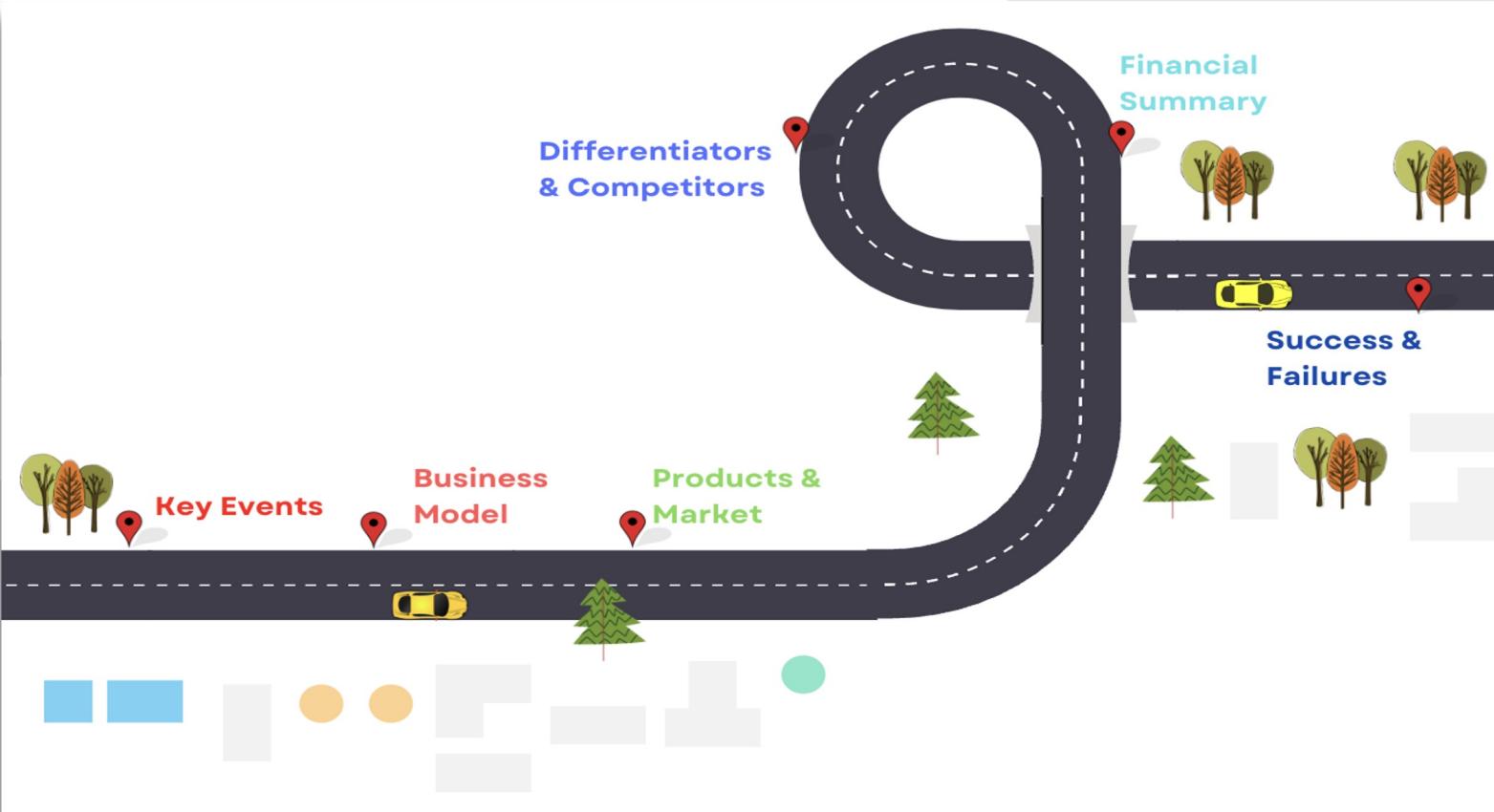


Saswati Prusty



Weiming Luo

# Precap

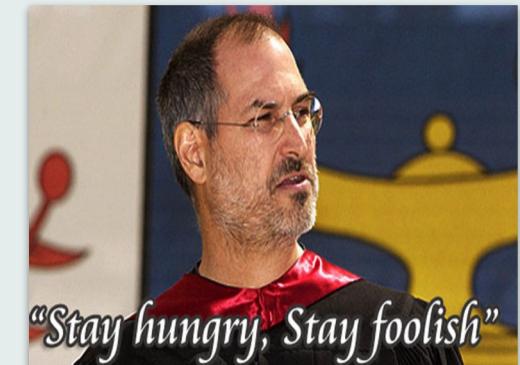


# Garena/Sea Limited - The Beginning

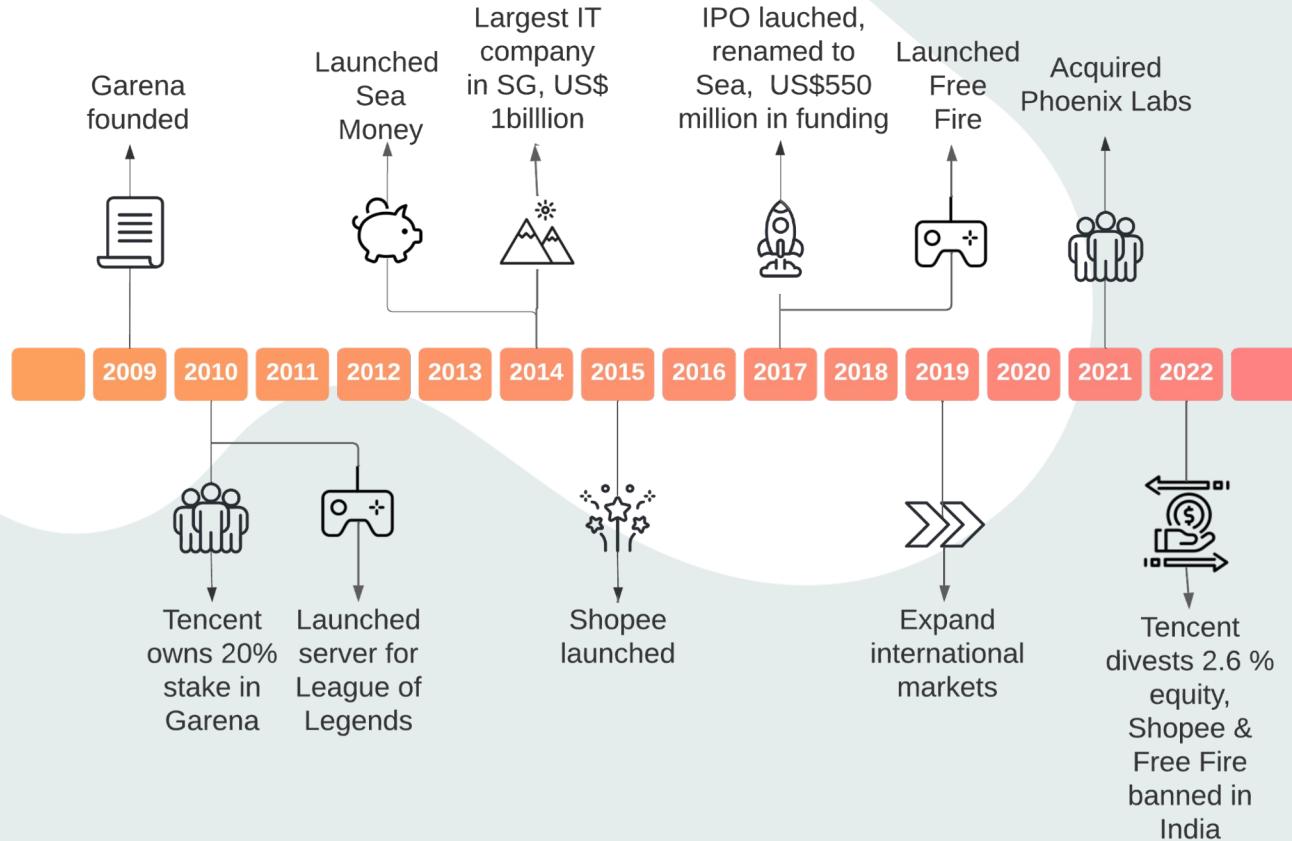
- Worked with Motorola - HR
- Inspired to begin entrepreneurship journey - Li and Chen launched GGgame, single player gaming platform
- Garena (originally a game publishing company) launched - 2009
- CEO of Sea Limited, Board of directors - Singapore Economic Development Board, Independent non-executive director - Shangri-La Asia Limited.
- Board of trustees - National University of Singapore, Advisory council - Stanford University's Graduate School of Business.



Founder, Forrest Li



# Timeline of Key Events



# Core Values

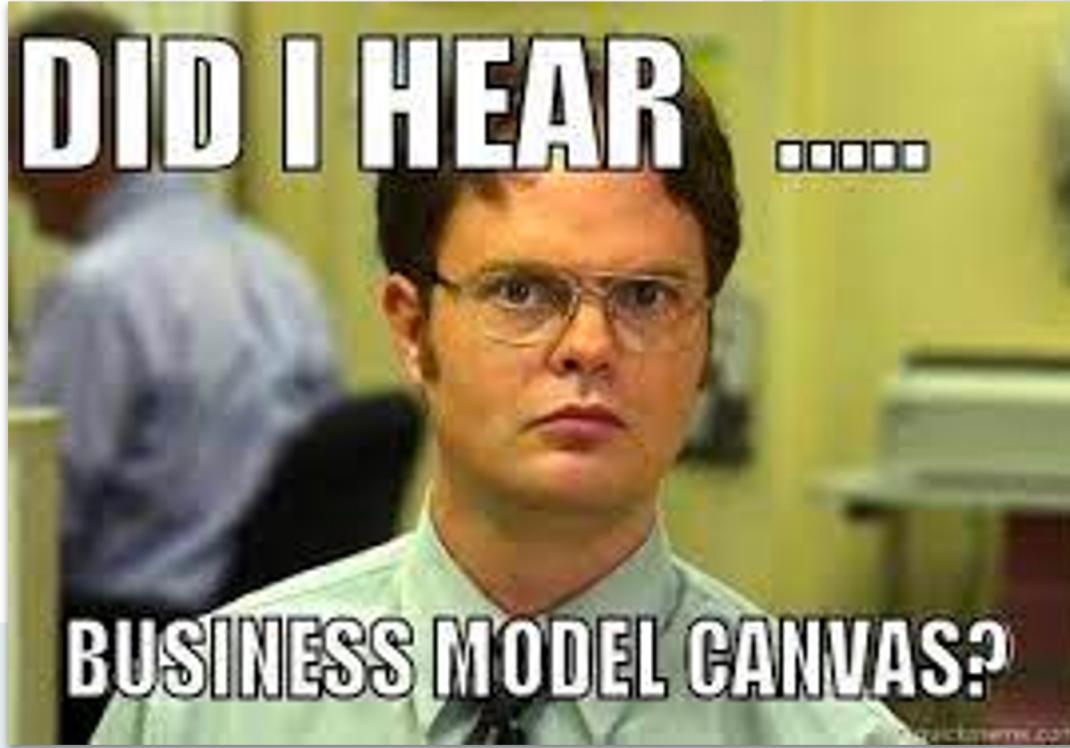
*Our **PEOPLE** define us*

*Our **Products and Services**  
differentiate us*

*Our **Institution** will  
outlast us*

**Serve**  
**Run**  
**Adapt**  
**Stay**  
**Commit**  
**Humble**

WE



**BUSINESS MODEL**

JAN  
2021

## MOBILE CONNECTIONS vs. TOTAL POPULATION

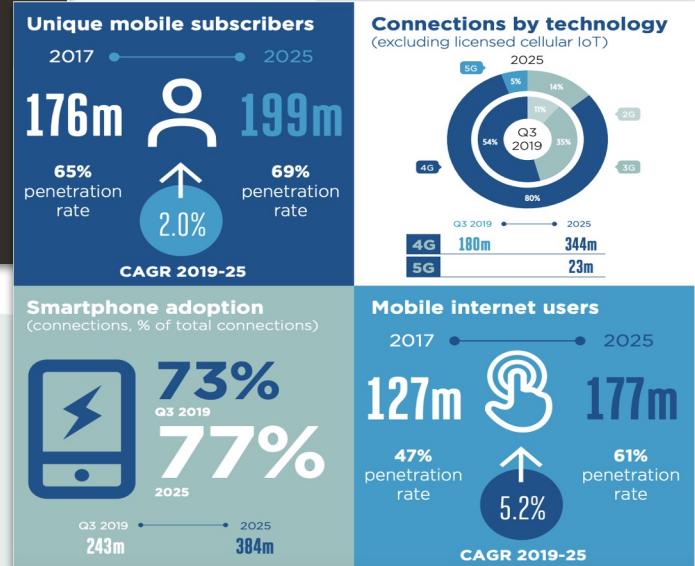
THE NUMBER OF MOBILE CONNECTIONS IN EACH REGION COMPARED TO TOTAL POPULATION



### Market Landscape

- SE Asia is ~9% of the World's Population
- Close to 900 million mobile connections
- # of Mobile Connections > Total Population

### Indonesia Mobile Market





Digital  
Entertainment

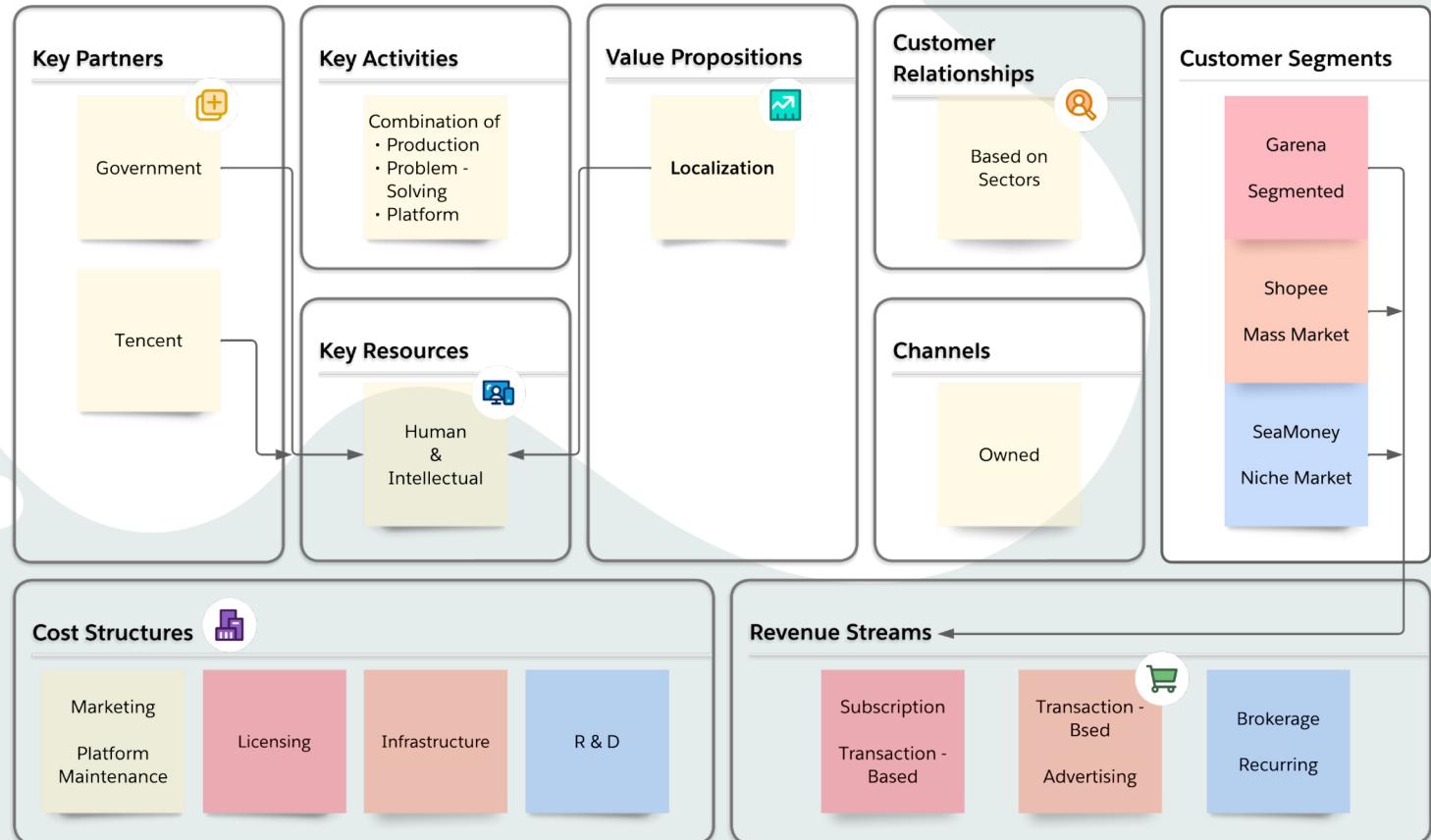


E-Commerce



Digital  
Financial  
Services

# Sea Limited Business Model





PRODUCTS & MARKET (TTM)

A wide-angle photograph of a massive crowd at night, filling a stadium or arena. The scene is dimly lit, with thousands of people holding up small, bright lights from their mobile phones, tablets, or cameras, creating a pattern of stars across the dark sky. The foreground shows the dark silhouettes of the audience members' heads and shoulders.

AN AUDIENCE OF 300 MILLION PEOPLE

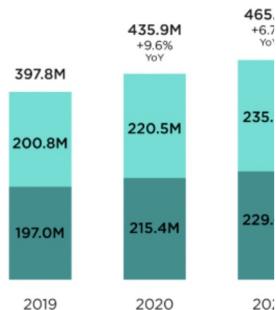
# eSPORTS MARKET



## Esports Audience Growth

Global | For 2019, 2020, 2021, and 2024

- Occasional Viewers
- Esports Enthusiasts



Due to rounding, Esports Enthusiasts and Occasional Viewers are rounded to the nearest million.

©Newzoo | Global Esports and Live Streaming Report 2020

Source: [Newzoo](#)

## ASEAN-6 digital population 2019



### Indonesia

Population	268.2 M
Internet users	150.0 M
Social media users	150.0 M
Mobile subscriptions	355.5 M
Mobile social users	130.0 M



### Thailand

Population	69.24 M
Internet users	57.00 M
Social media users	51.00 M
Mobile subscriptions	92.33 M
Mobile social users	49.00 M



### Malaysia

Population	32.25 M
Internet users	25.28 M
Social media users	25.00 M
Mobile subscriptions	40.24 M
Mobile social users	24.00 M



### Singapore

Population	5.83 M
Internet users	4.92 M
Social media users	4.60 M
Mobile subscriptions	8.37 M
Mobile social users	4.20 M



### Philippines

Population	107.3 M
Internet users	76.0 M
Social media users	76.0 M
Mobile subscriptions	124.2 M
Mobile social users	72.0 M



### Vietnam

Population	96.96 M
Internet users	64.00 M
Social media users	62.00 M
Mobile subscriptions	143.30 M
Mobile social users	58.00 M

Source: We Are Social, Hootsuite Jan 2019

ASEAN <sup>up</sup> Empowering business in Southeast Asia - [aseanup.com](http://aseanup.com)

## ESPORTS MARKET REVENUE WORLDWIDE

1.08bn USD

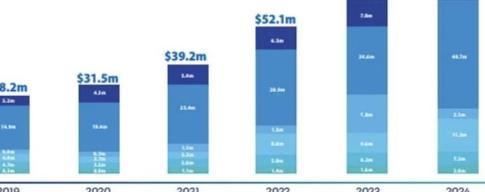
## LEADING REGION BASED ON ESPORTS REVENUES

China

## MEDIA RIGHTS - THE SECOND HIGHEST GROSSING SEGMENT OF GLOBAL ESPORTS

207.8m USD

## Southeast Asia Esports Revenue



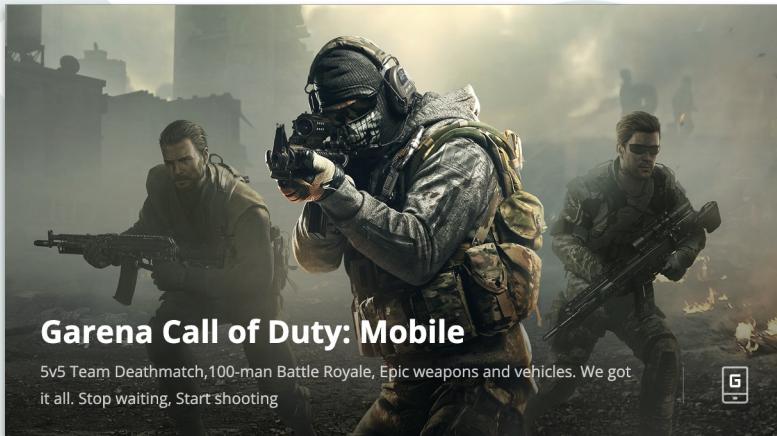
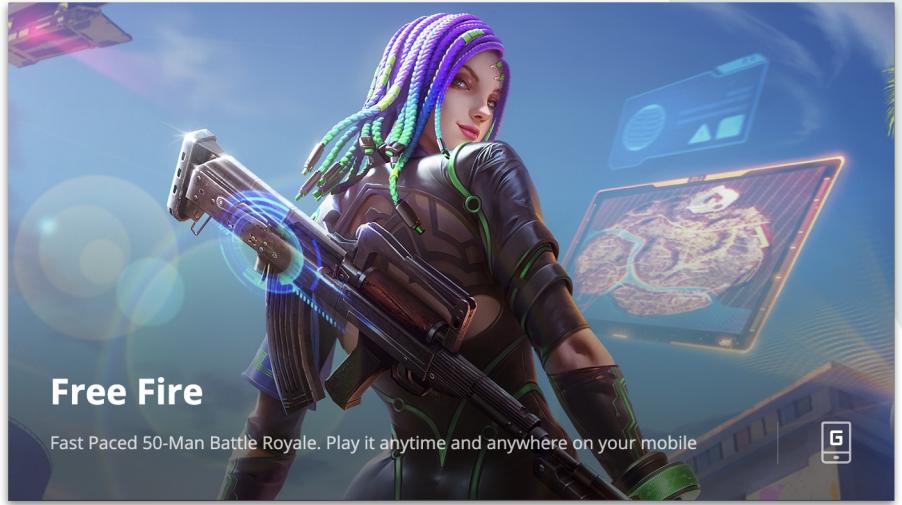
+20.8% CAGR  
2019-2024



17m 8.1m 6.7m 4.3m 4.1m 0.7m



Esports revenue of Southeast Asia (image via Newzoo)





## Mobile E-Commerce is up and Poised for Further Growth

Estimated mobile e-commerce sales worldwide



Includes products or services purchased via mobile devices (including tablets) regardless of the method of payment or fulfilment; excludes travel and event tickets

As of January 2018

Source: eMarketer



← shopee

Top Accounts Audio Tags Places

Shop products From njtoys77 and others

DUAL SENSOR  
Japon Lovers Phone Case - Metal Side

NEW CO SHOPEE LIVE  
Rp 155.000 - 250.000

Sale

( Hanya Di Shopee )  
Powerbank Mofit M19 10000...  
haryaninha  
\$71,300 \$115,000

\$138,000 \$239,000

Explore

Achei na Shopee

Expectation VS Reality Shopee

Shopee Knight (LoL) by F. Petrichor

Sort & filter

Home Search Camera Bag Profile

← shopee

Top Accounts Audio Tags Places

NEW CO SHOPEE LIVE  
Rp 155.000 - 250.000

Sale

( Hanya Di Shopee )  
Powerbank Mofit M19 10000...  
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10000mAh Built-In Cable  
MOFIT 18 L 1M 1 REPLACEMENT FRESH CABLE BARU

Sale

( Hanya Di Shopee )  
Powerbank Moft M19 10000...  
ripal17  
\$71,300 \$115,000

10000mAh Built-In Cable  
MOFIT 18 L 1M 1 REPLACEMENT FRESH CABLE BARU

Sale

( Hanya Di Shopee )  
Powerbank Moft M19 10000...  
boobies.id  
\$71,300 \$115,000

10000mAh Built-In Cable  
MOFIT 18 L 1M 1 REPLACEMENT FRESH CABLE BARU

Sale

( Hanya Di Shopee )  
Powerbank Moft M19 10000...  
Ji Shopee  
\$71,300 \$115,000

Sort & filter

Home Search Camera Bag Profile

← mercado libre

Top Accounts Audio Tags Places

UN VINTO SABE MEJOR CUANDO LO COMPARTES

mercadolibre

Jessica González Esquivel

SE BUSCA

Personalista de ATENCIÓN AL CLÍNICO para empresa al SERVICIO de MERCADO LIBRE

Postulante en www.revistaempleo.com

CAMILA

Home Search Camera Bag Profile



# Sea Money Products & Services



## Financing

Providing consumers, entrepreneurs, and businesses with more flexibility and freedom to achieve their aspirations.



SPayLater



SPinjam



DanaCepat



SPinjam Untuk Penjual

## Payments

Enabling consumers and merchants through seamless digital payments; empowering businesses on their digitalization journey.



ShopeePay



Shopee Partner

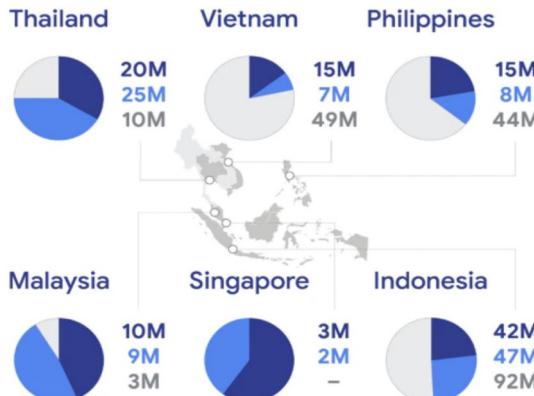
## Digital Banking

Bringing accessible digital banking services to our customers to transact, save and achieve their financial aspirations.

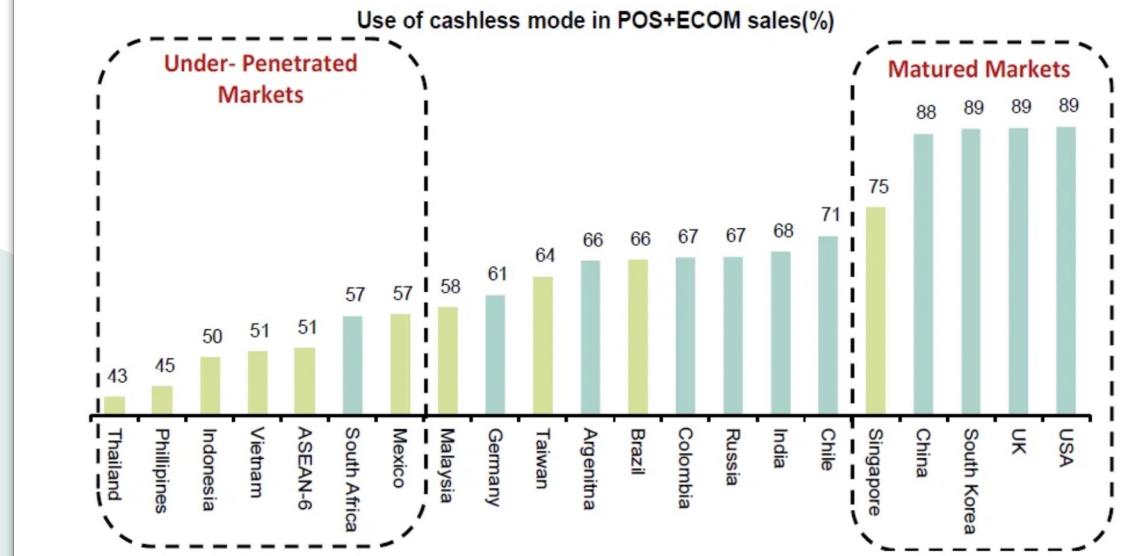


SeaBank

### SEA adult population



### Use of cashless mode in POS+ECOM sales(%)







FINANCIALS

# IPO and Stock Performance



# Financials Summary

**2021**

Total Revenue: \$10 B (YOY: + 128%)

Gross profit: \$3.9 B (YOY: + 189%)

Adjusted EBITDA: \$(593.6) M

**2022 Q1**

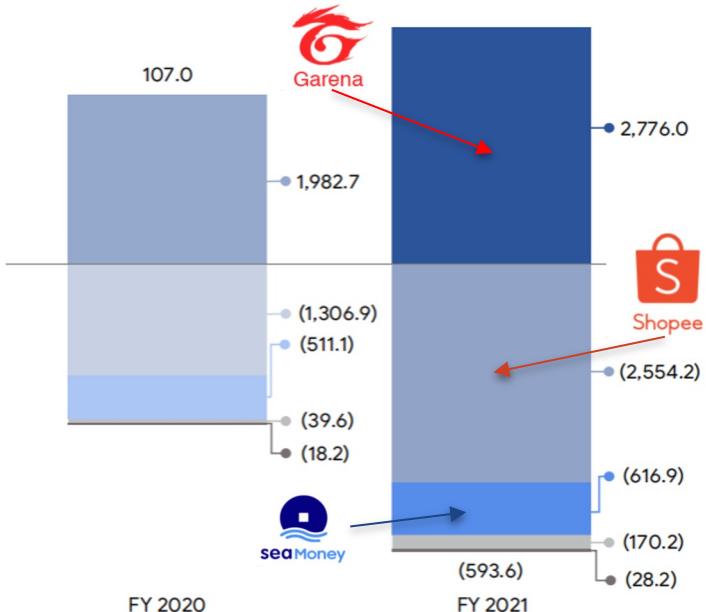
Total Revenue : \$2.9 B(YOY: +64.4%)

Gross profit: \$1.2 B (YOY: + 81.3%)

Adjusted EBITDA: \$(509.9) M



## Non-GAAP EBITDA

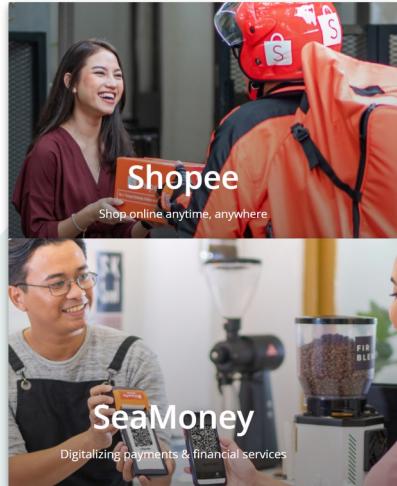


# Why Sea Limited Stock Slid 80%?

Slow growth in Garena



Unprofitable Shopee and SeaMoney



Tencent's big divestment



Lack of confidence in tech stocks



# Looking into 2022



**\$2.9 - \$3.1** Billion  
Digital Entertainment Bookings



**\$8.9 - \$9.1** Billion  
E-commerce GAAP revenue



75.7%  
YoY growth at midpoint



**\$1.1 - \$1.3** Billion  
Digital Financial Services  
GAAP revenue



155.4%  
YoY growth at midpoint

Management:  
Shopee and  
SeaMoney will  
earn money by the  
end of 2023!

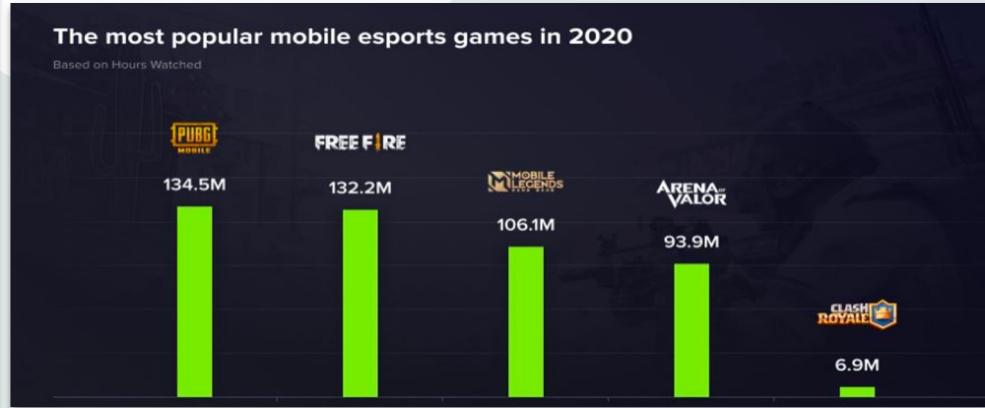
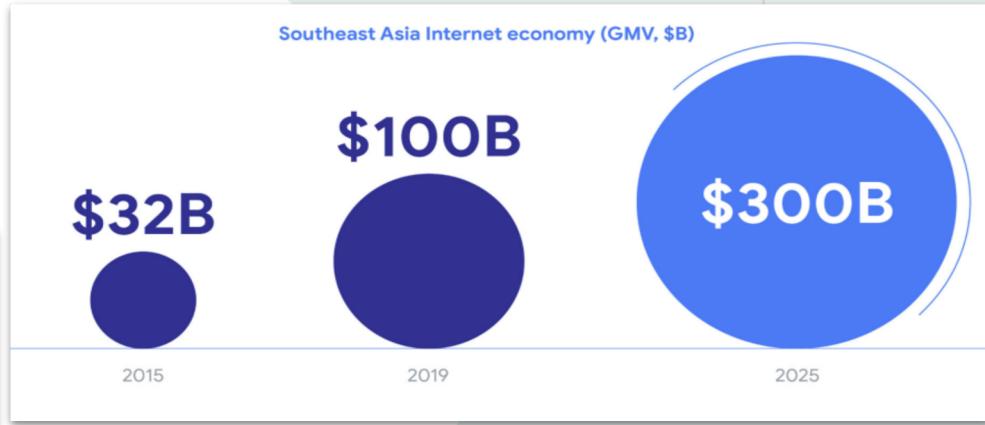
**BRACE YOURSELF**



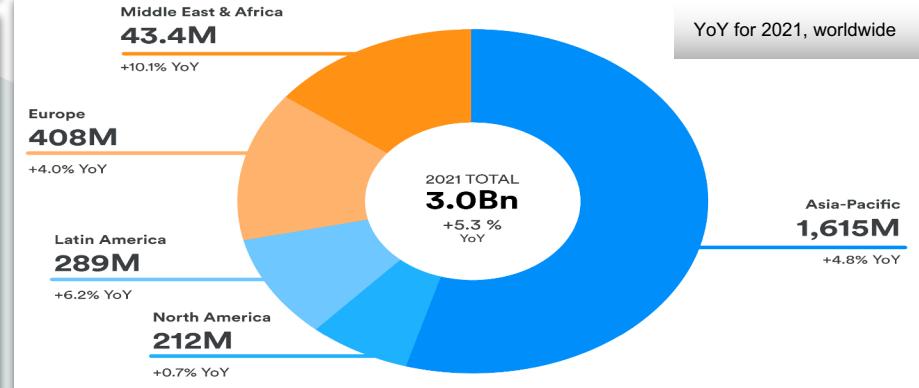
**DIFFERENTIATORS & COMPETITORS**

# Competitive advantage of Sea Limited

- A long growing, market opportunity
- Garena's staying power is a huge advantage
- Shopee is positioned well for growth
- Sea Money is a promising emerging opportunity



# Growing global presence



# Sea Limited vs. Competitors

Brand	Logistics		Payments	
	No effective Infrastructure compared to Amazon, MELI	👎	Started investing in 2019, materially behind GrabPay, GoPay(GoJek), OVO Payment	👎
	Heavily Investing in Infrastructure. Shipping costs about half of SEA	👍	LazadaPay has been limited adoption in a highly competitive market	👎
	Warehouse/logistics/infrastructure battle with Amazon across Latin America	👍	Mercado Pago (MELI's Fintech arm) is the dominant #1 player in Brazil	👍
	First to offer free 2 day shipping. Recent investments in groceries	👍	Amazon Pay has seen relatively limited adoption	👎



Jul 18, 2022

## Shopee raises RM2.9 million to support underserved families in Malaysia

Shopee partnered with more than 40 NGOs across the last two years to provide essential supplies to over 3,000 families during the pandemic.

# Contributing To Community

## #ShopeeGivesBack



May 19, 2022

## Shopee launches five seller education centers for MSMEs in Indonesia

The centers will provide digital business training as well as marketing facilities for local MSMEs in Yogyakarta, Medan, Samarinda, Malang and Makassar.



Jul 6, 2022

## Shopee survey highlights development of the digital economy in Brazil

A survey conducted by Shopee found that sales through its app are the main source of income for over 300,000 local sellers. The company also onboarded 430,000 merchants who were entirely new to digital commerce over the last two years.



Jun 9, 2022

## Shopee partners with the Surakarta City Government to showcase local MSMEs in Paris

The 'Java in Paris' initiative will showcase products by Indonesian MSMEs at Le BHV Marais, one of the biggest department stores in France. Visitors to Le BHV Marais can also experience workshops, music performances, and UNESCO photograph exhibitions representative of Indonesian culture as part of the program.



Apr 26, 2022

## Shopee organizes virtual forum on driving greater digital inclusivity in Malaysia

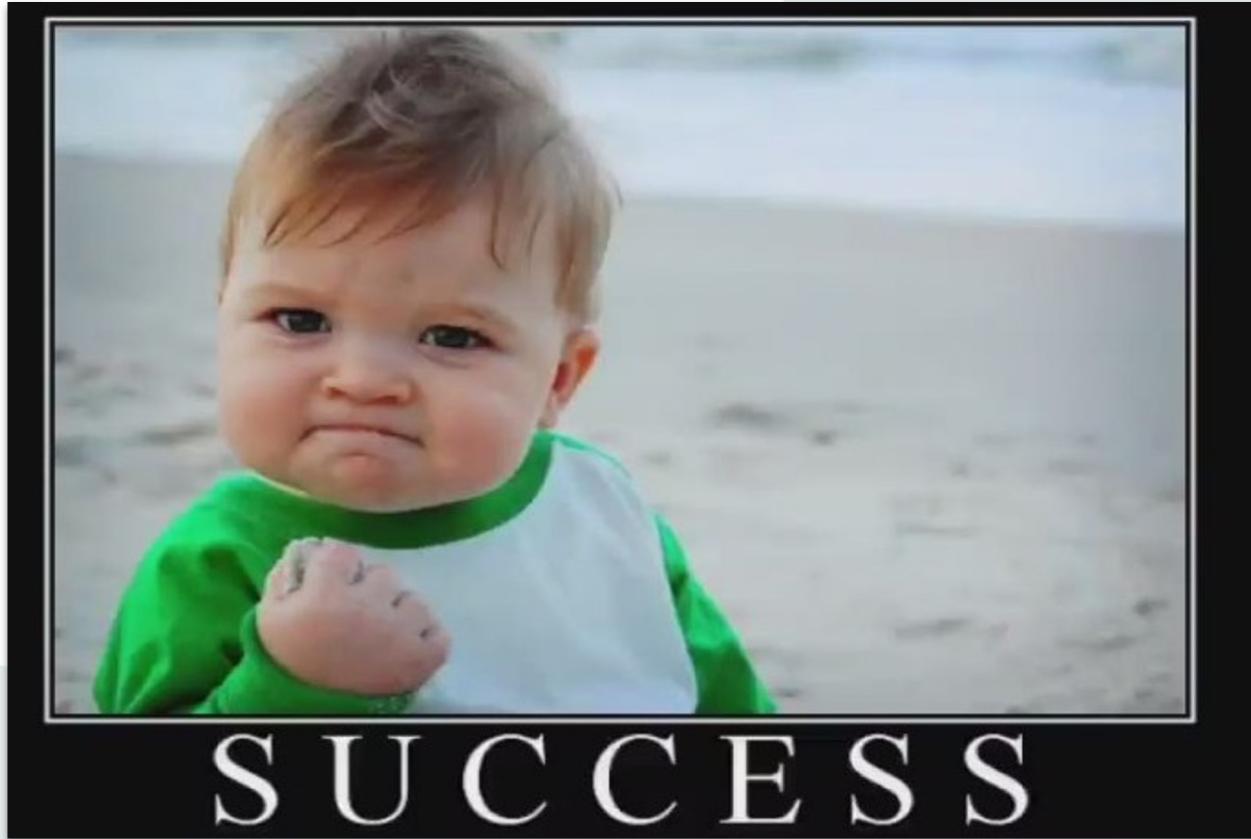
Speakers featured on the #RayaBersamaShopee forum highlighted the role of e-commerce in supporting underserved communities. Shopee also shared insights from its marketplace survey of local sellers in Malaysia.



Apr 20, 2022

## Garena partners with YCAB Foundation and artist Alok to support the development of digital talent in Indonesia

The Guru Digital program, which aims to upskill teachers and students with relevant digital and soft skills, has successfully impacted over 1,200 teachers and 120,000 students across the country.



**SUCCESES & SETBACKS**

# “ SEA of Endless Opportunities ”

## Extended Focus into MSMEs across South East Asia's Geography

Shopee offered to digitize over 100,000 MSMEs in Malaysia.

Local customers are very loyal towards their MSMEs due to their cultural roots and affordable pricing compared to MNCs.



**MSMEs ACHIEVE ONLINE SUCCESS WITH SHOPEE**

4.4

ABUBOT PH  
[SHOPEE.PH/ABUBOT\\_PH](https://SHOPEE.PH/ABUBOT_PH)

RANDA SHOES  
[SHOPEE.PH/RANDASHOESOFFICIAL](https://SHOPEE.PH/RANDASHOESOFFICIAL)



**PENJANA MSME E-commerce Campaign**

**penjana** Pelan Jana Semula Ekonomi Negera  **MDEC**  Shopee

**38,000\*** local MSMEs  
(vs targeted 30,000)

**26%** KPI overachieved

Average uplift in daily sales recorded by MSMEs after joining the campaign

\*Results as of 31 Aug

# Entry level games for target audience

Low-Quality games to cater users with entry-level phones.

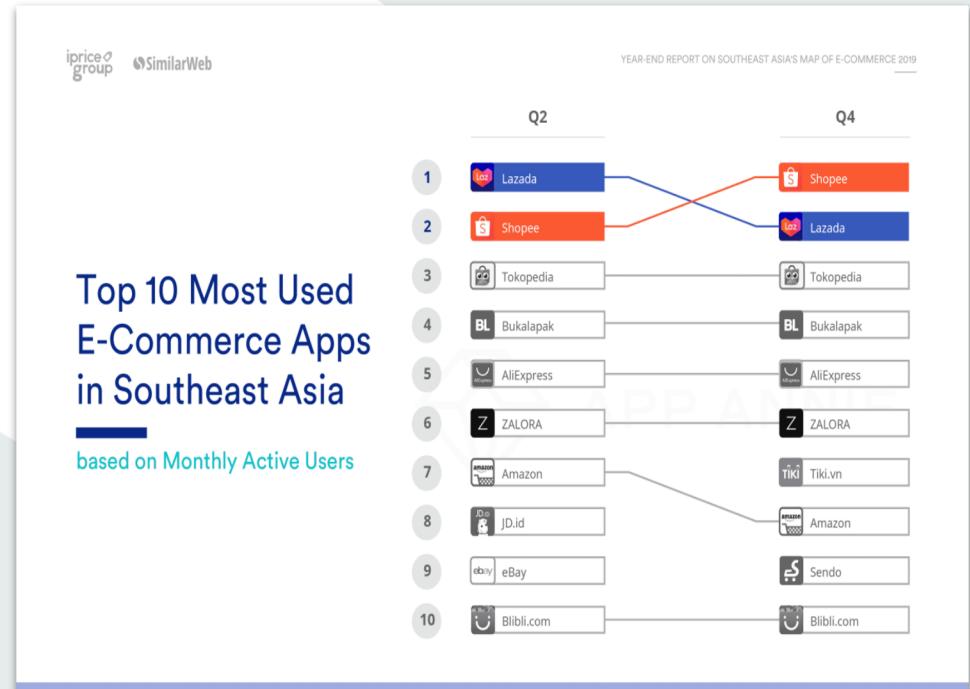
Garena's Focus on this customer profile and constraints skyrocketed the the games popularity.



# Shopee Taking Over as Market Leader in SEA

## *What is the Success Mantra?*

- Access to MSME type of products
- Ability to purchase knock-off products
- Excessive Cult-like Marketing with viral/catchy songs and dances.



\*\*Shopee took over Lazada as market leader at the end of 2019



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THAILAND



# Sea : A victim of its own Success

Messy and Unpleasant UI/Ux of Shopee

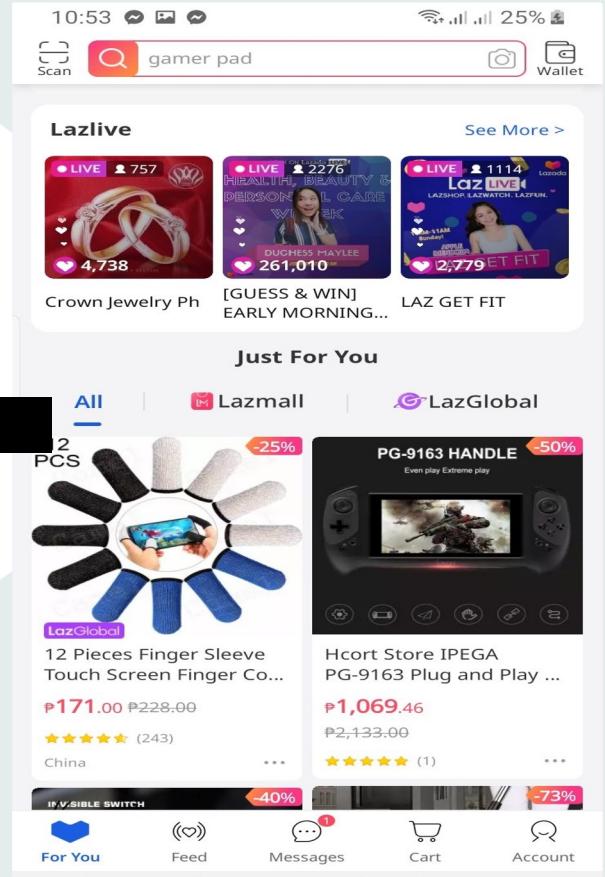
User Reviews of Shopee:

" Shopee's UI is so bad, it makes me want to throw my phone to whomever designed it. "

"Good design is invisible, bad design is whatever the hell shopee is"

-Maynard Si, a guy who got 4.0 in his HCI class

7:58 PM · Jun 6, 2020 · Twitter for Android



## Sea Limited's Exit from Indian & European markets

### Garena Free Fire Ban: Not Just India, Why Free Fire May Get Banned In Other Countries Too

#### Sea to Shut Shopee India Unit After Political Headwinds

- The Singapore-based company will cease operations from Tuesday
- Sea's e-commerce arm had faced an uncertain future in India

#### Difficulty penetrating in LATAM

- Limited payment methods
- Lack of proper logistics
- Insufficient Custom Clearance

#### Sea's Shopee Exits France Just Months After Europe Foray





**QUICK "RECAP"**

# SWOT Analysis

Strengths	Weaknesses	Opportunity	Threat
<ul style="list-style-type: none"><li>Sea in 3 markets (Southeast Asia) - Gaming, Fintech, E-commerce</li><li>Popularity of Garena Games</li><li>Shopee accounts for 57% of Southeast Asian E-commerce</li><li>Enjoys strong advantages in local markets</li></ul>	<ul style="list-style-type: none"><li>Continues to remain unprofitable as a whole</li><li>Gross profit very highly depends solely on the gaming platform</li></ul>	<ul style="list-style-type: none"><li>Growing E-commerce worldwide is expected to benefit business</li><li>Buy Now-Pay Later gaining traction</li><li>Expand business in European, LATAM</li><li>Synergies across all platforms</li></ul>	<ul style="list-style-type: none"><li>Stiff competition with other E-commerce giants like Mercado Libre, Lazada, Amazon, Tokopedia</li><li>Lawsuits against Garena - disruption</li><li>Recent losses and Tencent divestiture</li></ul>

# Q&A

## Frequently Asked Questions about Sea

**When was Sea founded?**

Sea was founded in 2009

**Who is Sea's CEO?**

Sea's CEO is Forrest Li

**How much revenue does Sea generate?**

Sea generates \$8.3B in revenue

**How much funding does Sea have?**

Sea has historically raised \$2.3B in funding

**Where is Sea's headquarters?**

Sea's headquarters is in Queenstown Central Singapore, SG

**How many employees does Sea have?**

Sea has 33,800 employees

**What sector does Sea operate in?**

Sea is in E-commerce, SaaS, IT Services

**Who are Sea's competitors?**

Sea's top competitors are Lazada, Qoo10, Allied Wallet

**Who has Sea invested in?**

Sea's has invested in companies such as Wecash