

# Sea Limited Q2FY24 Report Overview

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## Goals and Objectives of the Research

Research Objective: To perform a comparative analysis of the Q2FY24 quarterly report and those of previous periods.

Research Tasks:

- Gather comprehensive financial and corporate information pertaining to the company for Q2FY24;
- Analyze the collected information;
- Conduct a comparative assessment of the report for the Q2FY24 with reports for previous quarters up to the Q2FY23;
- Formulate conclusions based on the analyzed data.

## Disclaimers

The information collected in this report reflects data from the company's public reports and is not questioned or verified via other sources. In other words, information from the company's public reports is taken and used as is.

If additional information from other sources is used or if the data used is reflective of the researcher's personal opinion, this will be labeled accordingly.

The provided public company quarterly reports are unaudited.

## Document Markup

- SEA - Sea Limited;
- FY - Financial Year;
- Q - Quarter;
- QoQ - Quarter-over-Quarter;
- This report uses the American number format: a period is used as the decimal separator, while commas separate thousands;
- Year-over-year (YoY) calculations of relative values were not performed in cases where last year's profit changed to a loss in the current year and vice versa within the scope of the current report;
- Sea Limited Quarterly report period is from April 1 to June 30, 2024.

# Conclusions

## General Information

Parameter	Sea Limited
Website	<a href="https://sea.com">sea.com</a>
Country (location)	<a href="#">Singapore</a>
Country (issuer)	<a href="#">Cayman Islands</a> *
Year of foundation	<a href="#">2009</a>
Founder	<a href="#">Forrest Li</a>
Sector	<a href="#">Consumer Discretionary</a>
Type	Public
Year of IPO	<a href="#">2017</a>
Stock market	<a href="#">NYSE</a>
Ticker	<a href="#">SE</a>
Previous Annual Report from Data40	-
Previous Quarterly Report from Data40	-

\*Note: The Cayman Islands is a British Overseas Territory.<sup>1</sup>

## About Company<sup>2</sup>

Sea Limited is a consumer internet company founded in Singapore in 2009. SEA operates three businesses: Garena, Shopee and SeaMoney. Garena is an online game developer and publisher. Shopee is the pan-regional e-commerce platform in Southeast Asia and Taiwan and has a presence in Latin America. SeaMoney is a digital financial services provider in Southeast Asia and is growing its presence in Brazil.

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<sup>1</sup> [GOV.UK, Cayman Islands](#)

<sup>2</sup> [SEA Consolidated Foreign Private Issuer Q2FY24 Report, p.8](#)

### Conference Call Information<sup>3</sup>

Sea Limited announced a conference call for consolidated results for Q2FY24 on Tuesday, August 13, 2024, at 7:30 a.m. U.S. ET. The Webcast is available via the [link](#).

### Public Quarterly Reports Calendar FY24-25<sup>4</sup>

Quarter	Period	Date
FY24		
Q1	Jan 1, 2024 to Mar 31, 2024	May 14, 2024
Q2	Apr 1, 2024 to Jun 30, 2024	Aug 12, 2024
Q3	Jul 1, 2024 to Sep 30, 2024	Nov 11, 2024 (Projected)
Q4 and FY24	Oct 1, 2024 to Dec 31, 2024	Mar 3, 2025 (Projected)
FY25		
Q1	Jan 1, 2025 to Mar 31, 2025	May 19, 2025 (Projected)
Q2	Apr 1, 2025 to Jun 30, 2025	Aug 18, 2025 (Projected)
Q3	Jul 1, 2025 to Sep 30, 2025	TBA
Q4 and FY25	Oct 1, 2025 to Dec 31, 2025	TBA

Follow the announcements of the release of new reports on the website [Data40.com](https://Data40.com) in the [Calendars by section of DATA40.com](#).

<sup>3</sup> [SEA Consolidated Foreign Private Issuer Q2FY24 Report, p.8](#)

<sup>4</sup> [MarketScreener, Sea Limited](#)

## Highlights and Metrics

### Q2FY24 Highlights<sup>5 6</sup>

- **Net Revenues** of 3,806.868 million USD increased by 1.94% compared to 3,734.329 million USD in Q1FY24 and increased by 22.97% compared to 3,095.660 million USD in Q2FY23;
- **Operating Income** of 82.894 million USD increased by 16.60% compared to 71.092 million USD in Q1FY24 and decreased by 70.79% compared to 283.813 million USD in Q2FY23;
- **Net (loss) Income** of 79.911 million USD, a decrease of 75.86% compared to 330.983 million USD in Q2FY23 and (23.000) million USD in Q1FY24;
- **Total Operating Expense** of (1,507.923) million USD increased by 1.70%, compared to (1,482.658) million USD in Q1FY24 and increased by 29.21% compared to (1,167.065) million USD in comparable prior-year period;
- **EPS Basic and Diluted** of 0.14 USD and 0.14 USD respectively.

### Acquisitions and Divestitures

In Q2FY24, the company did not make acquisitions and divestitures.

### Business Overview<sup>7 8</sup>

- Total sales and marketing expenses increased by 57.0% to 774.8 million USD in Q2FY24 from 493.6 million USD in Q2FY23;
- General and administrative expenses were 303.8 million USD, increased by 2.91%, as compared to 295.2 million USD in Q2FY23;
- Provision for credit losses increased by 9.4% to 167.4 million USD in Q2FY24 from 153.0 million USD in Q2FY23;
- Research and development expenses increased by 5.4% to 298.5 million USD in Q2FY24 from 283.3 million USD in Q2FY23;
- Net income tax expense was 60.6 million USD and 62.2 million USD in Q2FY24 and Q2FY23, respectively;
- Released the 7th anniversary Free Fire campaign;
- “In 2Q 2024, registered over 4 million first-time borrowers of our credit products, more than 2x compared to one year ago”;
- “In Indonesia, partnered with 1,000+ merchants on SPayLater loans for mobile phones – first player to provide instant credit approval for this category at scale”;
- “Improved onboarding features and ad algorithms, also launched Live Ads feature on Shopee Live. In 2Q 2024, sellers who pay for ads increased by more than 20% YoY. In Indonesia in June 2024, 1 in every 4 active streamers paid for Live Ads”.

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<sup>5</sup> [SEA Consolidated Foreign Private Issuer Q2FY24 Report, p.4](#)

<sup>6</sup> [SEA Consolidated Foreign Private Issuer Q1FY24 Report, p.12](#)

<sup>7</sup> [SEA Consolidated Foreign Private Issuer Q2FY24 Report, p.5-6](#)

<sup>8</sup> In this chapter, quotes are used from the [SEA Q2FY24 Presentation, p.8,12](#)

## Business Outlook<sup>9 10</sup>

“On Shopee’s 2024 outlook, he said «With the strong results delivered in the first half and our outlook for the rest of the year, we expect that Shopee will become adjusted EBITDA positive from the third quarter. We are also revising up our guidance for Shopee’s 2024 full year GMV growth to mid-20%»”.

“On digital entertainment, Mr. Li said, «Garena delivered a strong quarter, with more than 20% year-on-year growth in bookings, mainly contributed by Free Fire». On Free Fire, Mr. Li said, «I am very proud to share that, every single day throughout Q2, Free Fire had more than 100 million daily active players. This reinforces our conviction that Free Fire is an evergreen franchise»”.

“Expect that Shopee will become adjusted EBITDA positive from 3Q 2024”.

“Up next: Launching Need for Speed: Mobile in Taiwan, Hong Kong and Macau later this year in partnership with Tencent and Electronic Arts”.

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<sup>9</sup> In this chapter, quotes are used from the [SEA Consolidated Foreign Private Issuer Q2FY24 Report, p.1](#)

<sup>10</sup> In this chapter, quotes are used from the [SEA Q2FY24 Presentation, p.8,15](#)

## Stock Information

### About Shares<sup>11</sup>

Basic Weighted average shares - 571,968,378 (as of June 30, 2024).

Diluted Weighted average shares - 599,898,424 (as of June 30, 2024).

### TradingView Retrospective Q2FY24<sup>12</sup>



Date	Open Price, USD	Highest Price, USD	Lowest Price, USD	Close Price, USD
Apr 1, 2024	53.95	54.00	52.52	53.02
Jun 28, 2024	73.50	73.75	70.45	71.42

Q2FY24 Price MAX: 76.60 USD (June 24, 2024).

Q2FY24 Price MIN: 51.70 USD (April 16, 2024).

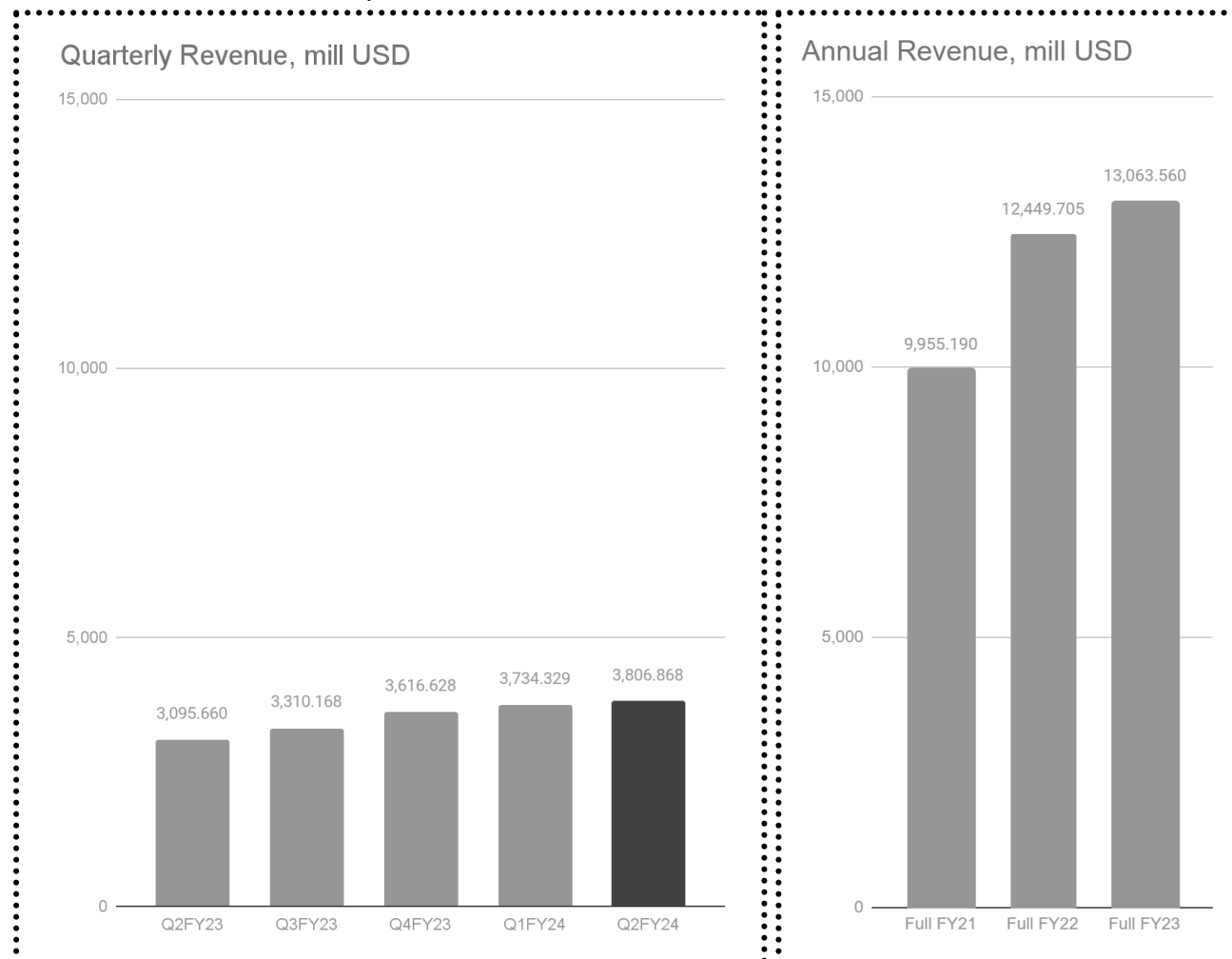
<sup>11</sup> [SEA Consolidated Foreign Private Issuer Q2FY24 Report, p.12](#)

<sup>12</sup> [TradingView, Sea Limited Chart](#)

## Financial Statements

### Revenue Retrospective

#### Sea Limited Revenue Retrospective<sup>13 14 15 16 17</sup>



<sup>13</sup> [SEA Consolidated Foreign Private Issuer Q2FY24 Report, p.4](#)

<sup>14</sup> [SEA Consolidated Foreign Private Issuer Q1FY24 Report, p.4](#)

<sup>15</sup> [SEA Consolidated Foreign Private Issuer Q4FY23 Report, p.4](#)

<sup>16</sup> [SEA Q3FY23 Press Release, p.3](#)

<sup>17</sup> [SEA Consolidated Foreign Private Issuer Annual Report 2023, p.F-11](#)



## Sales per Business

### Net Revenue Structure<sup>18 19 20 21</sup>

(In million, except Percentages)

Parameter	Q2FY24, USD	QoQ, %	Q1FY24, USD	QoQ, %	Q4FY23, USD	QoQ, %	Q3FY23, USD	QoQ, %	Q2FY23, USD	YoY, %
E-commerce	2,821.269	2.67	2,747.768	6.04	2,591.272	16.10	2,231.954	5.75	2,110.551	33.67
Digital Financial Services	519.338	4.00	499.364	5.71	472.389	5.86	446.249	4.28	427.940	21.36
Digital Entertainment	435.559	-4.92	458.119	-10.31	510.773	-13.74	592.153	11.85	529.397	-17.73
Other Services	30.702	5.58	29.078	-31.08	42.194	5.98	39.812	43.35	27.772	10.55
<b>Total Consolidated Revenue</b>	<b>3,806.868</b>	<b>1.94</b>	<b>3,734.329</b>	<b>3.25</b>	<b>3,616.628</b>	<b>9.26</b>	<b>3,310.168</b>	<b>6.93</b>	<b>3,095.660</b>	<b>22.97</b>

<sup>18</sup> [SEA Consolidated Foreign Private Issuer Q2FY24 Report, p.17](#)

<sup>19</sup> [SEA Consolidated Foreign Private Issuer Q1FY24 Report, p.17](#)

<sup>20</sup> [SEA Consolidated Foreign Private Issuer Q4FY23 Report, p.21](#)

<sup>21</sup> [SEA Q3FY23 Press Release, p.16](#)

### Net Revenue Structure Percentages

Parameter	Q2FY24, %	Q1FY24, %	Q4FY23, %	Q3FY23, %	Q2FY23, %
E-commerce	74.11	73.58	71.65	67.43	68.18
Digital Financial Services	13.64	13.37	13.06	13.48	13.82
Digital Entertainment	11.44	12.27	14.12	17.89	17.10
Other Services	0.81	0.78	1.17	1.20	0.90

### Dividend Information<sup>22</sup>

The company does not pay dividends.

<sup>22</sup> [SEA Consolidated Foreign Private Issuer Annual Report 2023, p.126](#)

## Balance Sheet<sup>23 24 25 26</sup>

(In million, except Percentages)

Parameter	at Jun 30, 2024, USD	QoQ, %	at Mar 31, 2024, USD	QoQ, %	at Dec 31, 2023, USD	QoQ, %	at Sep 30, 2023, USD	QoQ, %	at Jun 30, 2023, USD	YoY, %
Assets										
Total Current Assets	12,880.739	4.03	12,381.271	5.16	11,773.934	-1.67	11,973.956	4.34	11,475.827	12.24
Total Non-Current Assets	6,689.281	-0.36	6,713.769	-5.56	7,109.298	17.49	6,051.154	-2.03	6,176.489	8.30
Total Assets	19,570.020	2.49	19,095.040	1.12	18,883.232	4.76	18,025.110	2.11	17,652.316	10.86
Liabilities										
Total Current Liabilities	8,617.171	1.53	8,487.205	3.90	8,168.941	16.19	7,030.823	6.92	6,575.723	31.05
Total Non-Current Liabilities	3,986.572	3.85	3,838.933	-4.43	4,016.706	-9.05	4,416.243	-0.90	4,456.356	-10.54
Total Liabilities	12,603.743	2.25	12,326.138	1.15	12,185.647	6.45	11,447.066	3.76	11,032.079	14.25
<b>Total Equity</b>	<b>6,966.277</b>	<b>2.92</b>	<b>6,768.902</b>	<b>1.06</b>	<b>6,697.585</b>	<b>1.82</b>	<b>6,578.044</b>	<b>-0.64</b>	<b>6,620.237</b>	<b>5.23</b>

<sup>23</sup> [SEA Consolidated Foreign Private Issuer Q2FY24 Report, p.13-15](#)

<sup>24</sup> [SEA Consolidated Foreign Private Issuer Q1FY24 Report, p.13-15](#)

<sup>25</sup> [SEA Q3FY23 Press Release, p.12-14](#)

<sup>26</sup> [SEA Q2FY23 Press Release, p.13-15](#)

## Income Statement<sup>27 28 29 30</sup>

(In million, except EPS data and Percentages)

Parameter	Q2FY24, USD	QoQ, %	Q1FY24, USD	QoQ, %	Q4FY23, USD	QoQ, %	Q3FY23, USD	QoQ, %	Q2FY23, USD	YoY, %
Revenue	3,806.868	1.94	3,734.329	3.25	3,616.628	9.26	3,310.168	6.93	3,095.660	22.97
Gross Profit	1,584.817	2.00	1,553.750	-70.04	5,185.277	259.77	1,441.292	-0.66	1,450.878	9.23
Total Operating expenses	(1,507.923)	1.70	(1,482.658)	-6.24	(1,581.306)	0.78	(1,569.032)	34.44	(1,167.065)	29.21
Operating Income	82.894	16.60	71.092	-	(56.519)	-55.75	(127.740)	-	283.813	-70.79
Net Income	79.911	-	(23.000)	-79.39	(111.615)	-22.48	(143.978)	-	330.983	-75.86
EPS Basic	0.14 USD	-	(0.04) USD	-92.59	(0.54) USD	107.69	(0.26) USD	-	0.57	-75.44
EPS Diluted	0.14 USD	-	(0.04) USD	-92.59	(0.54) USD	107.69	(0.26) USD	-	0.54	-74.07

<sup>27</sup> [SEA Consolidated Foreign Private Issuer Q2FY24 Report, p.4](#)

<sup>28</sup> [SEA Consolidated Foreign Private Issuer Q1FY24 Report, p.12](#)

<sup>29</sup> [SEA Consolidated Foreign Private Issuer Q4FY23 Report, p.16](#)

<sup>30</sup> [SEA Q3FY23 Press Release, p.3](#)

## Cashflow Statement<sup>31 32 33 34</sup>

(In million, except Percentages)

Parameter	Q2FY24, USD	QoQ, %	Q1FY24, USD	QoQ, %	Q4FY23, USD	QoQ, %	Q3FY23, USD	QoQ, %	Q2FY23, USD	YoY, %
Cash flows from operating activities	617.868	31.88	468.494	68.02	278.833	-53.52	599.839	0.73	595.5	3.76
Cash flows from investing activities	(709.922)	-16.85	(853.786)	-18.57	(1,048.554)	18.04	(888.268)	-72.19	(3,193.9)	-77.77
Cash flows from financing activities	242.607	31.97	183.831	0.24	183.385	47.32	124.483	-	(1.1)	-

## News<sup>35</sup>

April 27, 2024 - [Sea Limited Files Annual Report on Form 20-F for Year Ended December 31, 2023.](#)

April 30, 2024 - [Sea Limited to Report First Quarter 2024 Results.](#)

May 14, 2024 - [Sea Limited Reports First Quarter 2024 Results.](#)

<sup>31</sup> [SEA Consolidated Foreign Private Issuer Q2FY24 Report, p.16](#)

<sup>32</sup> [SEA Consolidated Foreign Private Issuer Q1FY24 Report, p.16](#)

<sup>33</sup> [SEA Consolidated Foreign Private Issuer Q4FY23 Report, p.20](#)

<sup>34</sup> [SEA Q3FY23 Press Release, p.15](#)

<sup>35</sup> [Sea Ltd web, Investor Relations Newsroom](#)

# Analyst's Opinion

## Summary

Sea Limited is a consumer internet company founded in Singapore in 2009. SEA operates three businesses: Garena, Shopee and SeaMoney. Garena is an online game developer and publisher. Shopee is the pan-regional e-commerce platform in Southeast Asia and Taiwan and has a presence in Latin America. SeaMoney is a digital financial services provider in Southeast Asia and is growing its presence in Brazil.

Released the 7th anniversary Free Fire campaign. "In 2Q 2024, registered over 4 million first-time borrowers of our credit products, more than 2x compared to one year ago" and "In Indonesia, partnered with 1,000+ merchants on SPayLater loans for mobile phones – first player to provide instant credit approval for this category at scale".<sup>36</sup>

Sea Limited shares are traded on NYSE under the ticker symbol SE. As of June 30, 2024, the basic weighted average shares were 571,968,378 and diluted weighted average shares were 599,898,424. In Q2FY24, the company's shares traded within a range of 51.70 USD to 76.60 USD. The opening price on April 1, 2024, was 53.95 USD, and the closing price on June 28, 2024, stood at 71.42 USD. Sea Limited has never declared or paid cash dividends.

Total revenue in Q2FY24 amounted to 3,806.868 million USD, which is 1.94% higher than the Total revenue in Q1FY24, which was 3,734.329 million USD, and 22.97% higher than the Total revenue in Q2FY23, which was 3,095.660 million USD.

Sales per business segment in Q2FY24: E-commerce - 74.11% in 2,821.269 million USD, Digital Financial Services - 13.64% in 519.338 million USD, Digital Entertainment - 11.44% in 435.559 million USD, Other Services - 0.81% in 30.702 million USD.

Total Equity as of June 30, 2024, amounted to 6,966.277 million USD, which is 2.92% higher than the Total Equity as of March 31, 2024, which was 6,768.902 million USD, and 5.23% higher than the Total Equity as of June 30, 2023, which was 6,620.237 million USD.

Total Liabilities as of June 30, 2024, were 12,603.743 million USD, which is 2.25% higher than the 12,326.138 million USD as of March 31, 2024, and 14.25% higher than the 11,032.079 million USD as of June 30, 2023.

In Q2FY24, the company did not make acquisitions and divestitures.

Follow the announcements of the release of new reports on the website [Data40.com](https://Data40.com) in the [Calendars by section DATA40.com](#).

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<sup>36</sup> In this chapter, quotes are used from the [SEA Q2FY24 Presentation, p.12](#)

## Sources List

- [Sea Limited Web](#)
- [Wikipedia](#)
- [SEC.gov](#)
- [NYSE](#)
- [NASDAQ](#)
- [Linkedin](#)
- [MarketScreener](#)
- [Simply Wall St](#)
- [TradingView](#)
- [SEA Consolidated Foreign Private Issuer Q2FY24 Report](#)
- [SEA Consolidated Foreign Private Issuer Q1FY24 Report](#)
- [SEA Consolidated Foreign Private Issuer Q4FY23 Report](#)
- [SEA Q2FY24 Presentation](#)
- [SEA Q3FY23 Press Release](#)
- [SEA Q2FY23 Press Release](#)
- [SEA Consolidated Foreign Private Issuer Annual Report 2023](#)
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[Website: Data40.com](https://data40.com)

E-mail: [danila@data40.com](mailto:danila@data40.com)

Phone: +44 770-141-90-59

Address: 010000, Republic of Kazakhstan, Astana city, Yesil district, Dostyk street 20, office 1501

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