



# First Quarter 2025 Results

May 2025

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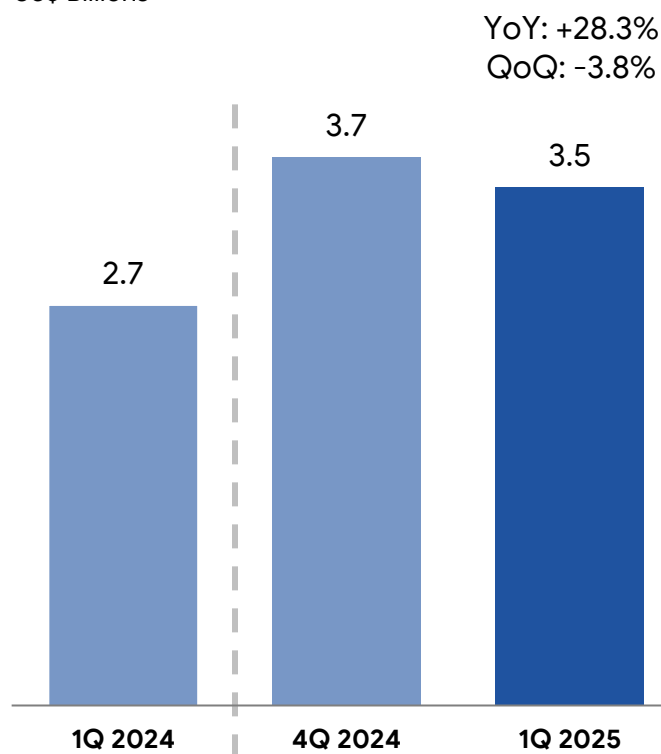
# First Quarter 2025 Results Overview

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# Strong Performance Across All Businesses

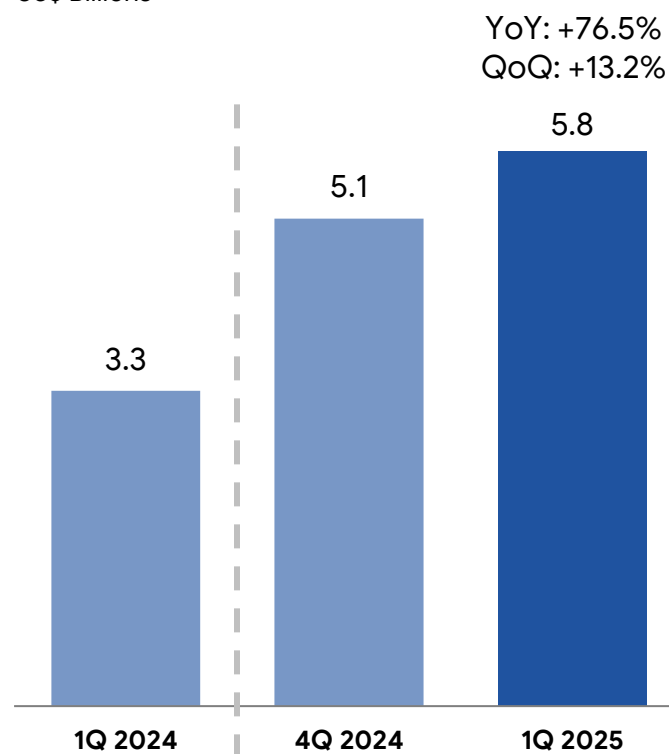
## E-commerce GAAP Revenue

US\$ Billions



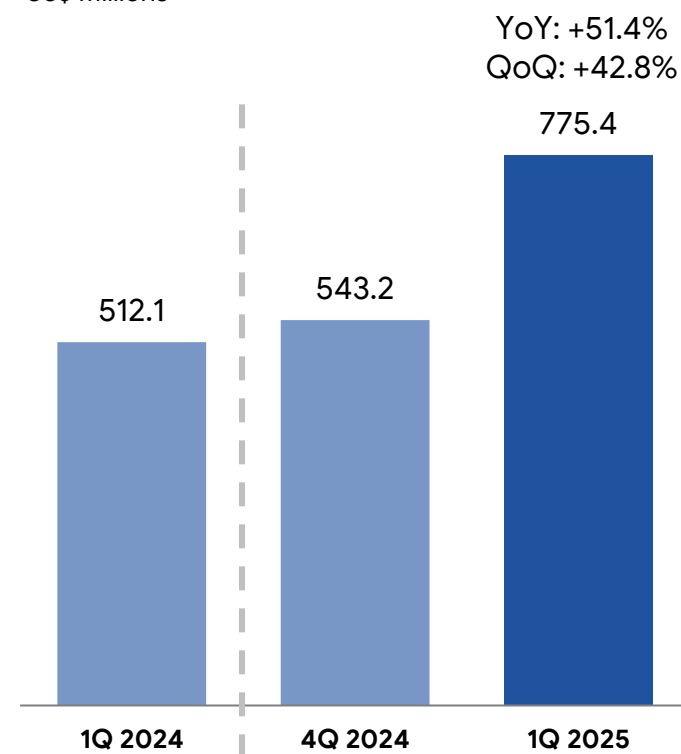
## Digital Financial Services Loans Principal Outstanding<sup>1</sup>

US\$ Billions



## Digital Entertainment Bookings<sup>2</sup>

US\$ Millions



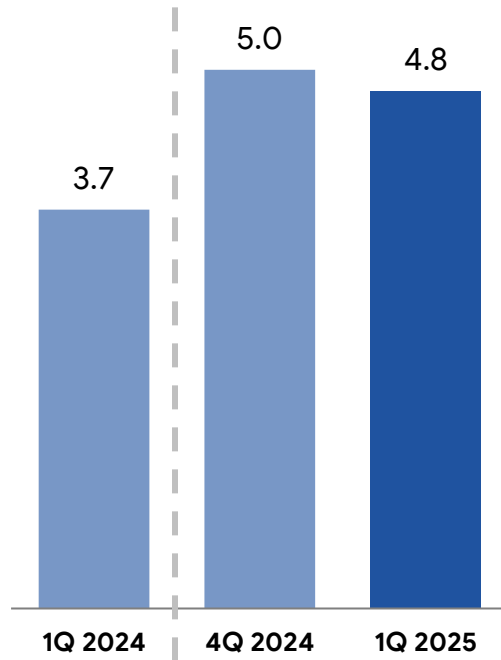
Note: Financial figures are unaudited.

- Consumer and SME loans principal outstanding including both on-book and off-book loans. Off-book loans principal outstanding mainly refers to channeling arrangements, which is lending by other financial institutions on our platform.
- GAAP revenue for the digital entertainment segment plus change in digital entertainment deferred revenue. This operating metric is used as an approximation of cash spent by our users in the applicable period that is attributable to our digital entertainment segment.

# 1Q 2025 Financial Performance

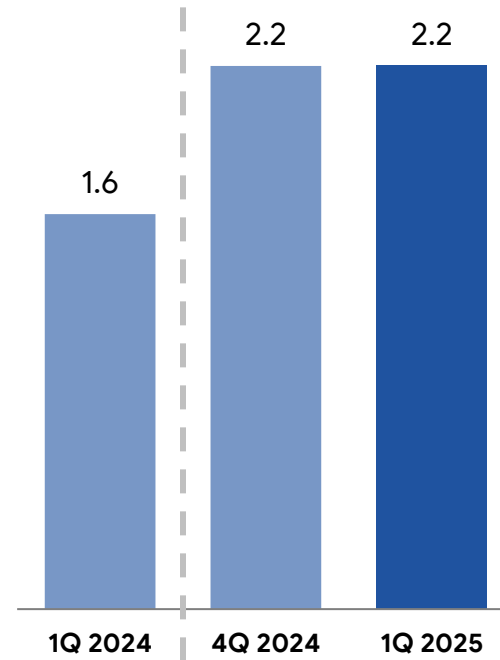
## GAAP Revenue

US\$ Billions



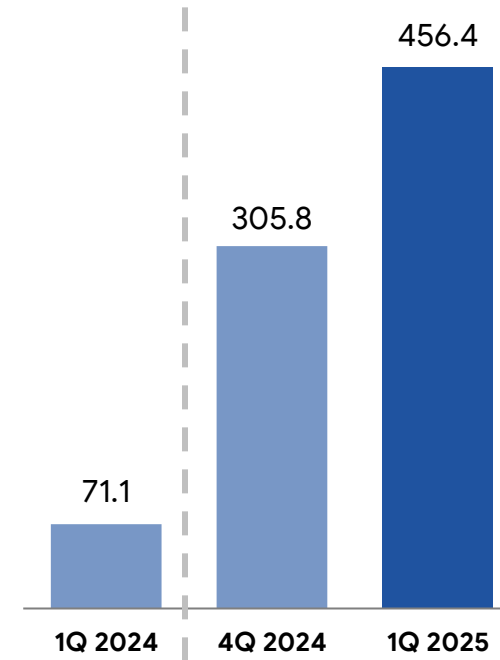
## Gross Profit

US\$ Billions



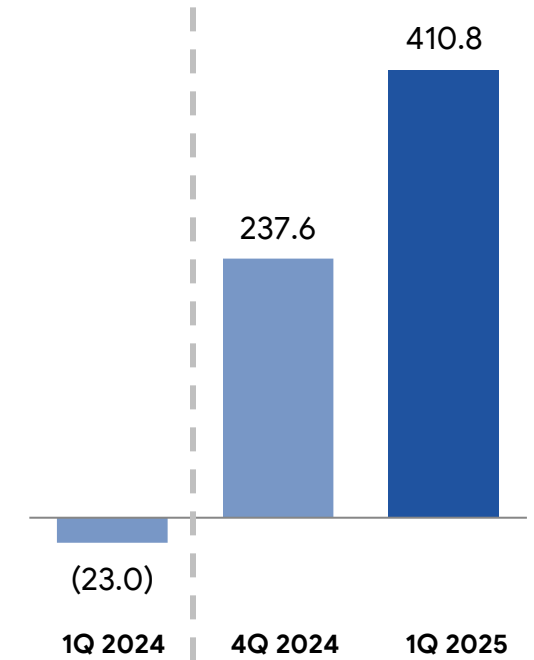
## Operating Income

US\$ Millions



## Net Income/(Loss)

US\$ Millions

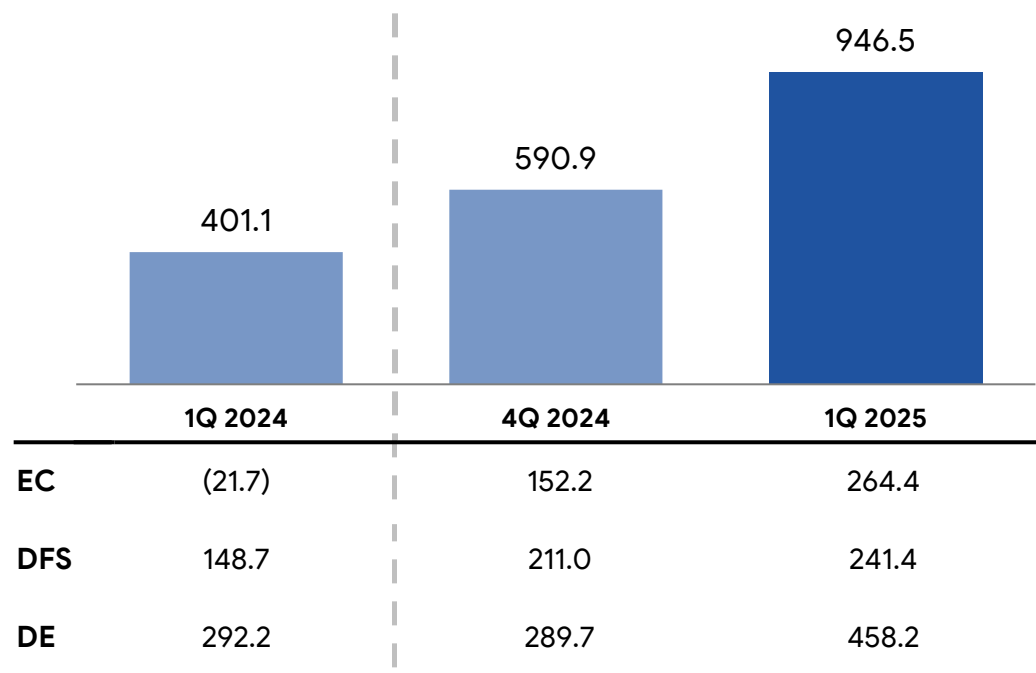


Note: Financial figures are unaudited.

# 1Q 2025 Profitability and Gross Cash Position

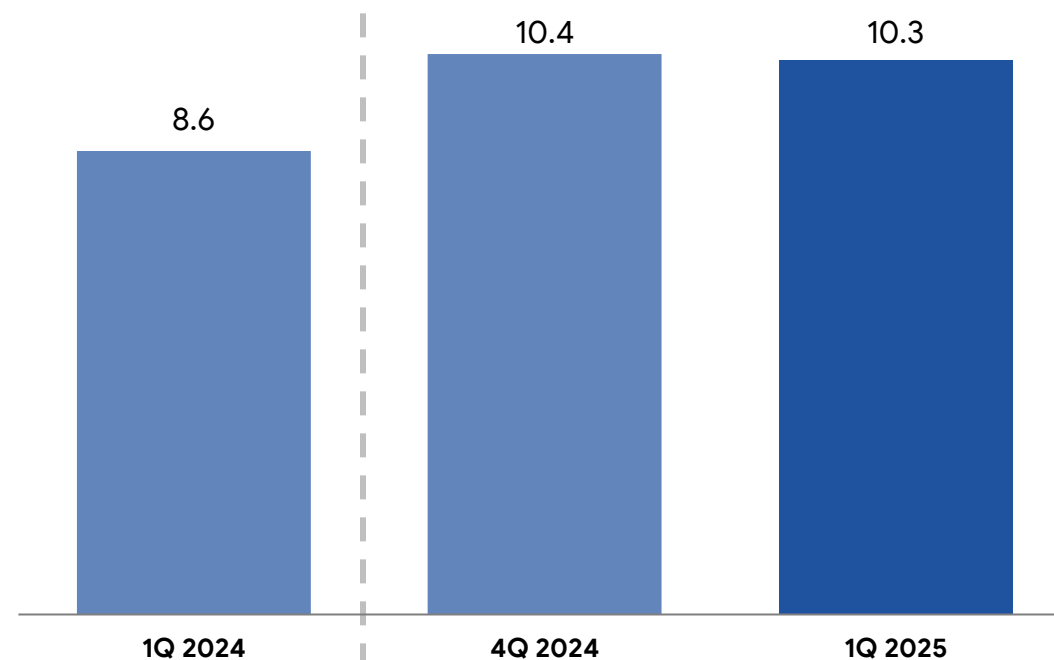
## Adjusted EBITDA

US\$ Millions



## Gross Cash Position<sup>1</sup>

US\$ Billions



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

1. Cash, cash equivalents, short-term and other treasury investments. Other treasury investments currently consist of group treasury related investments, such as available-for-sale sovereign bonds and corporate bonds, classified as part of long-term investments and securities purchased under agreements to resell relating to our banking operations.

# 1Q 2025 Segmental Breakdown

US\$ Millions	E-commerce	Digital Financial Services	Digital Entertainment	Other Services	Unallocated Expenses <sup>1</sup>	Consolidated
Revenue	3,524.2	787.1	495.6	34.2	-	4,841.1
Operating income/(loss)	195.0	228.6	220.0	(11.0)	(176.2)	456.4
Adjusted EBITDA	264.4	241.4	458.2	(9.1)	(8.4)	946.5

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

1. Unallocated expenses are mainly related to share-based compensation and general and corporate administrative costs such as professional fees and other miscellaneous items that are not allocated to segments. These expenses are excluded from segment results as they are not reviewed by the CODM as part of segment performance.



# First Quarter 2025 Business Highlights

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# Sustaining Strong Growth And Market Leadership

## Strong growth & improving profitability

- Sustained market leadership with improved profitability across both Asia and Brazil
- Delivered record-high GMV and gross order volume in 1Q 2025
- Average monthly active buyers on Shopee grew by > 15% YoY in 1Q 2025
- **Encouraging results in Brazil:** user base expansion outpaced market average while remaining adjusted EBITDA positive

**We remain confident of achieving full-year GMV guidance of around 20% with improving profitability**

## Improving monetization effectiveness

- Enhanced monetization driven especially by advertising
- Ad revenue grew > 50% YoY in 1Q 2025
- Number of sellers who spent on ad products and average ad spend increased by 22% YoY and 28% YoY respectively, in 1Q 2025
- Upgraded ad-tech product “GMV Max” has made it easier for sellers to launch campaigns, reach the right audience, and maximize returns

## Progress made on key operational priorities

### Price competitiveness:

- Ranked as best-in-market across Asia and Brazil for offering good product prices<sup>1</sup>

### Improving service quality:

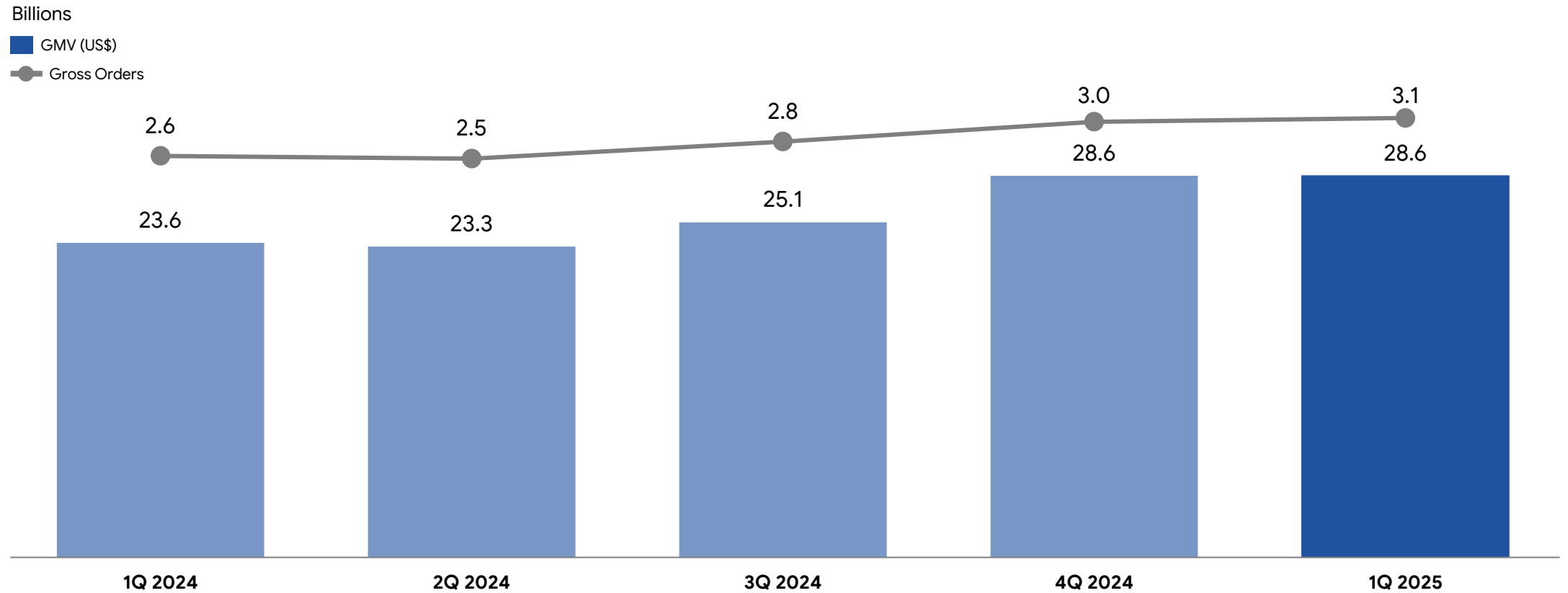
- Shopee’s overall logistics cost-per-order reduced by 6% YoY in Asia and 21% YoY in Brazil in 1Q 2025, while continuing to improve delivery times and expand network coverage

### Thriving content ecosystem:

- Content-driven orders accounted for ~20% of physical goods order volume in 1Q 2025
- > 4 million YouTube videos had Shopee product links embedded as of March

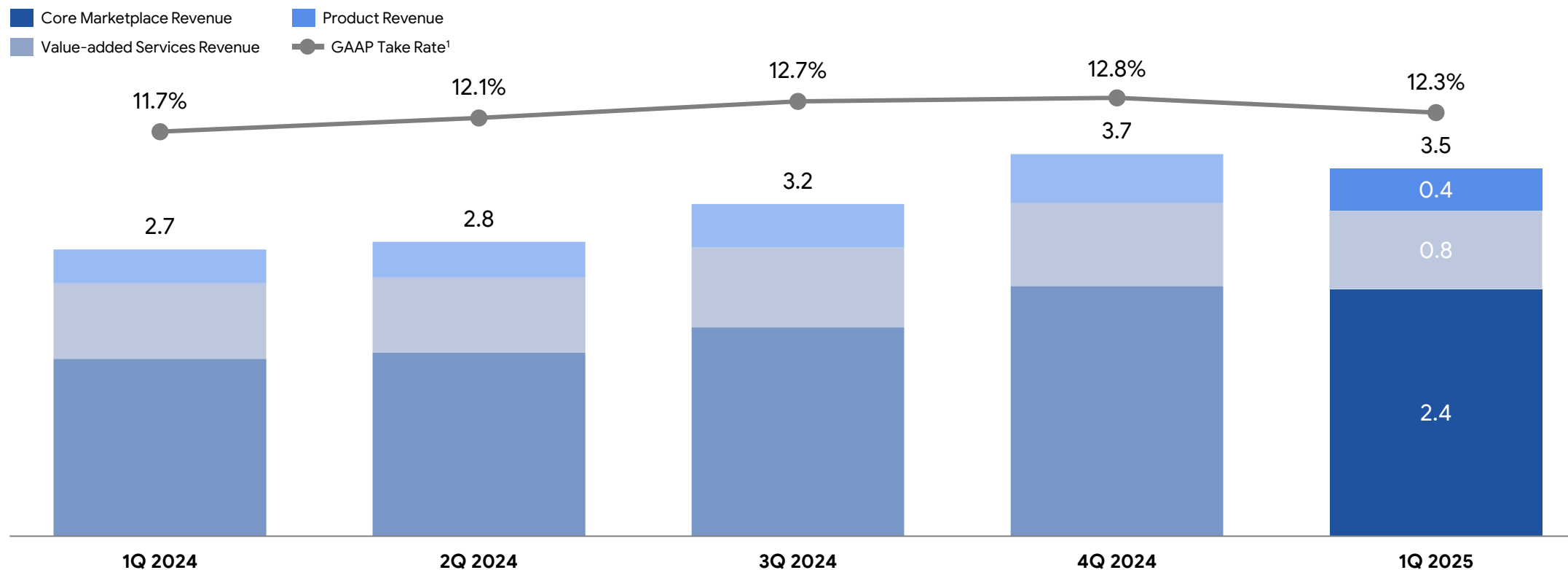
1. According to a recent survey conducted by Qualtrics.

## GMV and Gross Orders



## GAAP Revenue & Take Rate<sup>1</sup>

US\$ Billions



Note: Financial figures are unaudited.

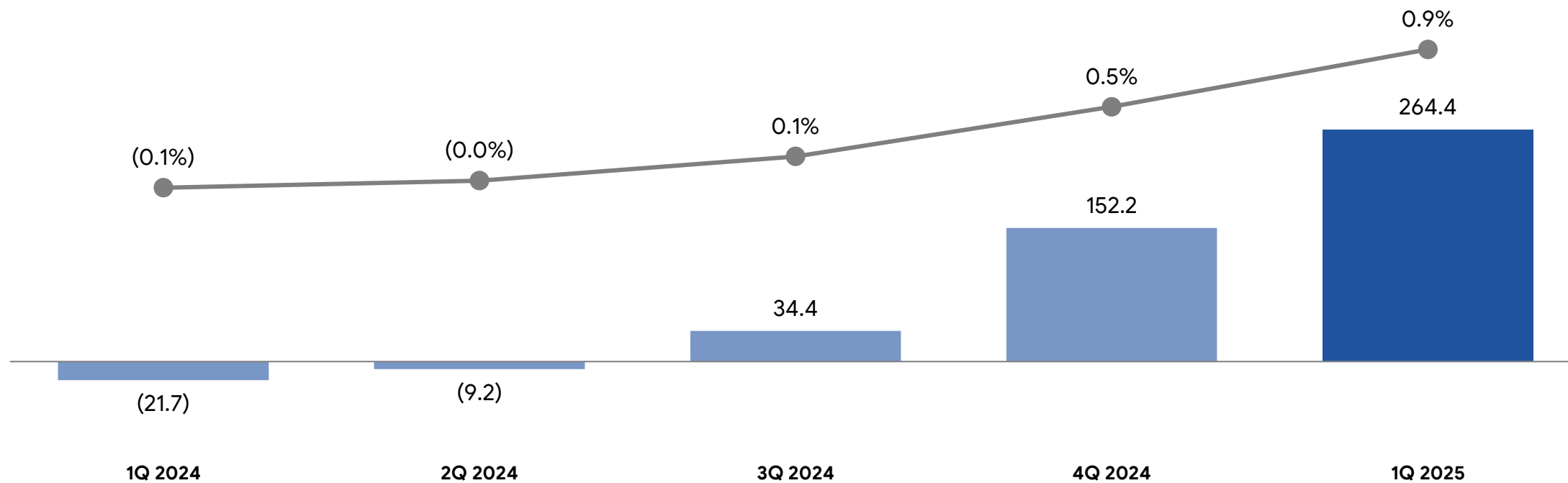
1. GAAP revenue as a percentage of GMV.

## Adjusted EBITDA

US\$ Millions

■ Adjusted EBITDA

● Adjusted EBITDA as % of GMV



# Scaling the Business while Maintaining Prudent Risk Management

## Robust growth while maintaining stable risk profile

- Loans principal outstanding grew > 75% YoY in 1Q 2025
- We added > 4 million first-time borrowers in 1Q 2025
- Consumer and SME loans active users<sup>1</sup> grew > 50% YoY, exceeding 28 million by 1Q 2025
- NPL90+ ratio<sup>2</sup> relatively stable at 1.1% in 1Q 2025
- Diversification across markets and user segments to maintain robust asset quality

**We remain confident of achieving guidance of loan book size to grow meaningfully faster than Shopee's GMV annual growth rate in 2025**

## Driving off-Shopee growth

- Steady expansion of off-Shopee loans<sup>3</sup>

### Malaysia

- Off-Shopee usage of SPayLater has grown meaningfully, now accounting for over 10% of the market's total loan book

### Indonesia

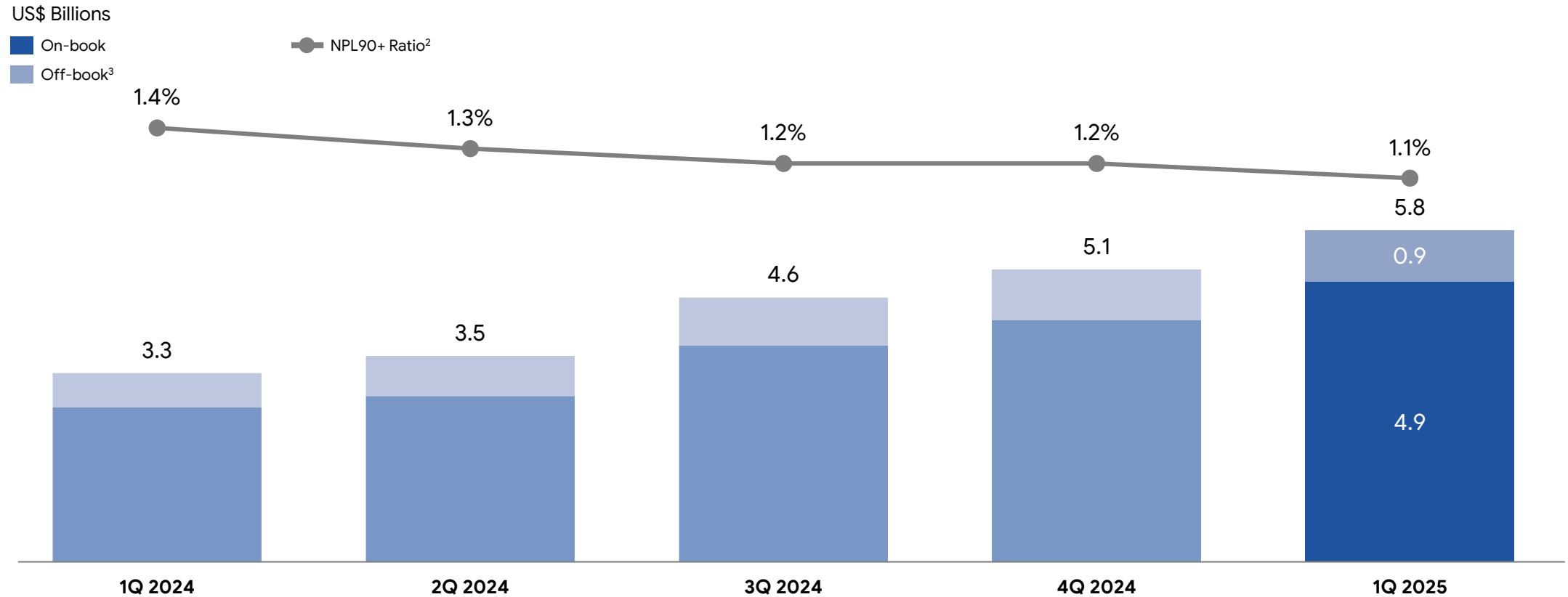
- ShopeePay app in Indonesia surpassed 30 million downloads as of March
- Standalone app to drive user engagement and lay a strong foundation for future cross-selling of financial products and services

1. Users with loans outstanding by the end of the quarter.

2. Non-performing loans past due by more than 90 days as a percentage of consumer and SME loans principal outstanding, which includes both on-book and off-book loans principal outstanding.

3. Include cash loans and off-Shopee SPayLater consumption loans.

## Loans Principal Outstanding<sup>1</sup> and NPL90+ Ratio<sup>2</sup>



1. Consumer and SME loans principal outstanding.

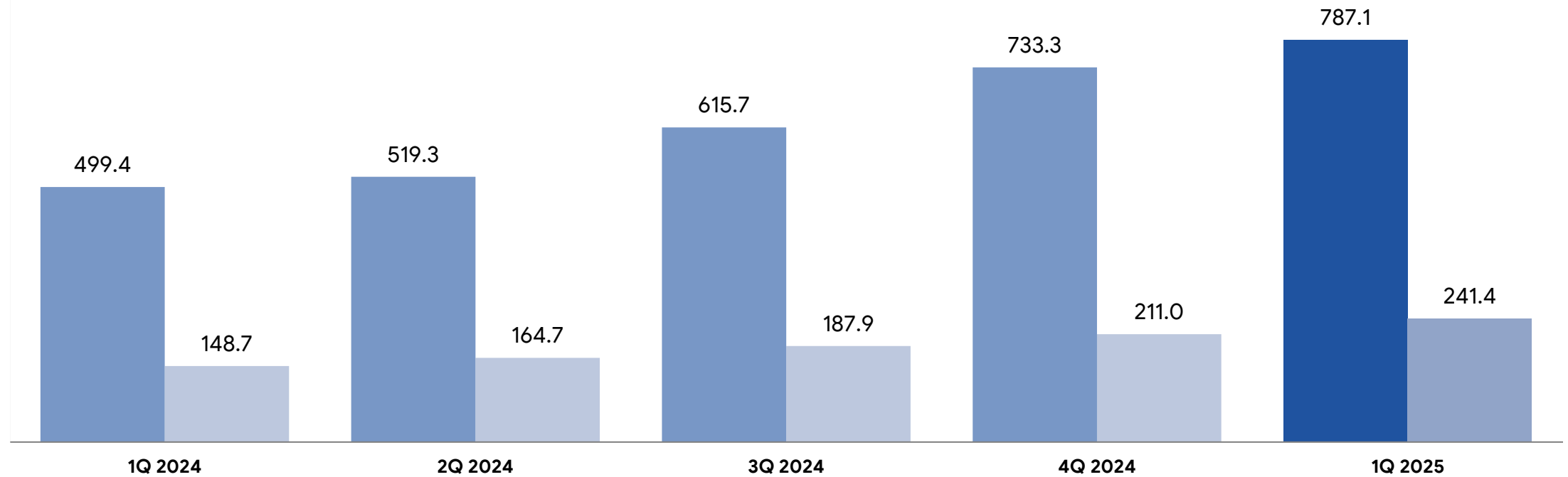
2. Non-performing loans past due by more than 90 days as a percentage of consumer and SME loans principal outstanding, which includes both on-book and off-book loans principal outstanding.

3. Off-book loans principal outstanding mainly refers to channeling arrangements, which is lending by other financial institutions on our platform.

## GAAP Revenue and Adjusted EBITDA

US\$ Millions

■ GAAP Revenue  
■ Adjusted EBITDA



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



# A Strong Quarter Driven by Free Fire

**Free Fire remains one of largest mobile games in the world, with high user engagement and acquisition**

## **Best quarterly performance since 2021:**

- Garena total bookings grew 51% YoY and adjusted EBITDA grew 57% YoY in 1Q 2025
- Free Fire's collaboration with NARUTO SHIPPUDEN was a resounding success, and average DAU in 1Q 2025 was close to peak quarterly average DAU during the pandemic
- Free Fire continues to be world's largest mobile game by average DAU and downloads<sup>1</sup>
- Arena of Valor, EA Sports FC Online and Call of Duty: Mobile also had a good start in 1Q 2025

**We remain confident of delivering our guidance of double-digit growth YoY for Garena's user base and bookings in 2025**

**Continuing to delight users with fresh localized content and new games**

## **Inspired by local trends and elements:**

- In Indonesia, Free Fire celebrated Ramadan by allowing players to contribute to real-world donations of clothing and food through in-game missions
- In Taiwan, Arena of Valor brought community spirit to life by organizing offline floaters for the culturally significant Mazu Pilgrimage and lighting blessing candles at templates on behalf of users during Lunar New Year
- Responses on social media have been overwhelmingly positive, strengthening user loyalty in an enduring way

## **Continue to grow our gaming portfolio:**

- Published Delta Force Mobile across Southeast Asia, MENA and Latin America in April, and it has seen good traction with over 10 million downloads
- Pre-registration for Free City has started and will launch in phases beginning in May

1. Based on Sensor Tower App Performance Insights.



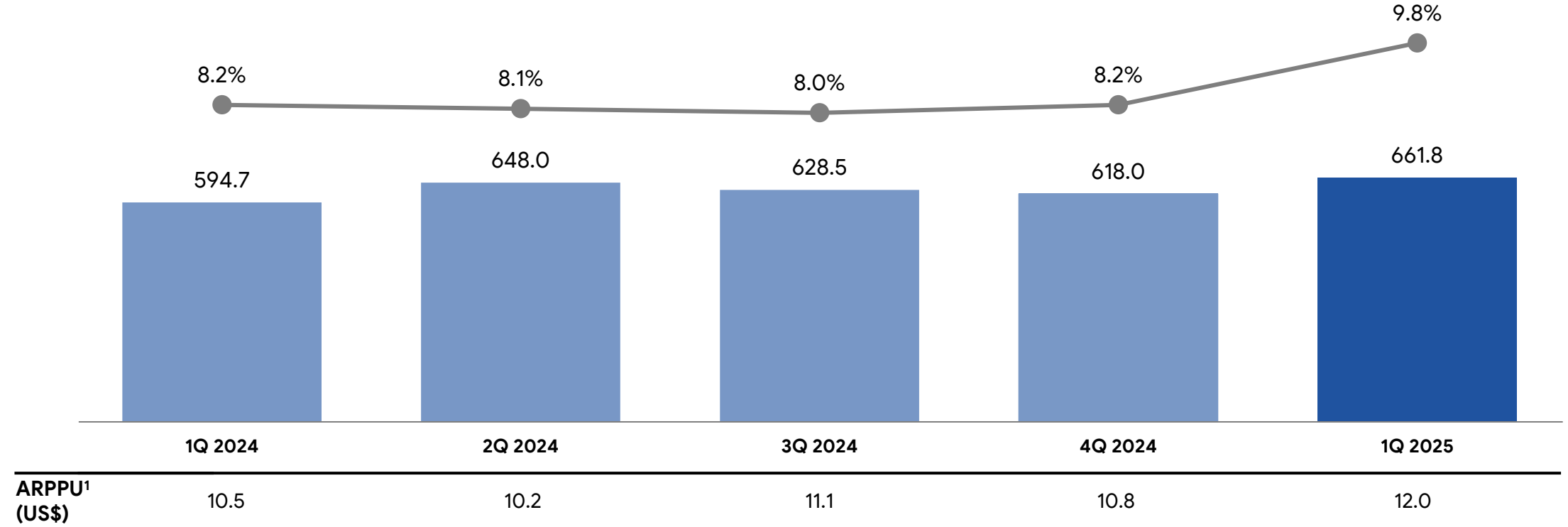


## Quarterly Active Users, Quarterly Paying User Ratio and ARPPU<sup>1</sup>

Millions

■ Quarterly Active Users

● Quarterly Paying User Ratio

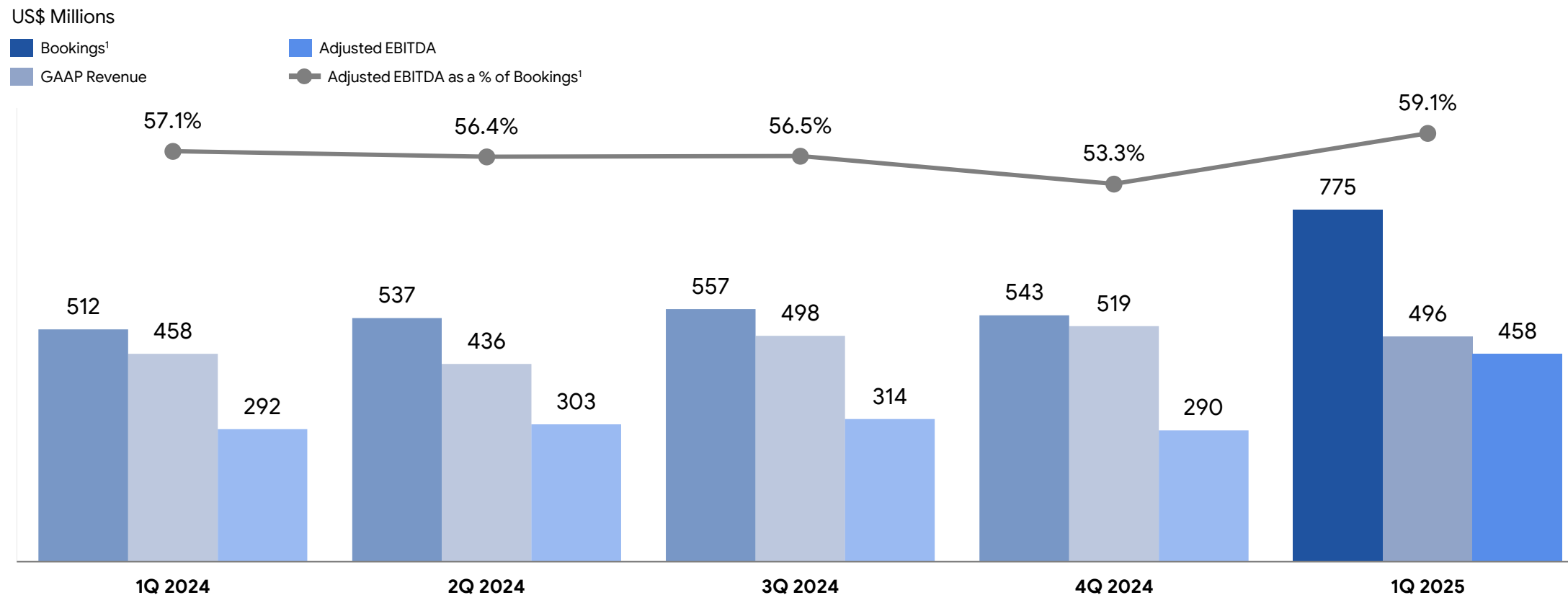


1. Average bookings per paying user.



# Digital Entertainment

## Bookings<sup>1</sup>, GAAP Revenue and Adjusted EBITDA



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1. GAAP revenue for the digital entertainment segment plus change in digital entertainment deferred revenue. This operating metric is used as an approximation of cash spent by our users in the applicable period that is attributable to our digital entertainment segment.



# Appendix

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# GAAP Operating Income and Non-GAAP EBITDA Reconciliation

US\$ Thousands	1Q 2024	1Q 2025
<b>E-commerce</b>		
Operating income / (loss)	(97,335)	195,002
Depreciation and amortization	75,635	69,415
<b>E-commerce Adjusted EBITDA</b>	<b>(21,700)</b>	<b>264,417</b>
<b>Digital Financial Services</b>		
Operating income / (loss)	134,443	228,612
Depreciation and amortization	14,215	12,827
<b>Digital Financial Services Adjusted EBITDA</b>	<b>148,658</b>	<b>241,439</b>
<b>Digital Entertainment</b>		
Operating income / (loss)	236,198	220,031
Net effect of changes in deferred revenue & its related cost	46,701	233,436
Depreciation and amortization	9,309	4,739
<b>Digital Entertainment Adjusted EBITDA</b>	<b>292,208</b>	<b>458,206</b>

# GAAP Operating Income and Non-GAAP EBITDA Reconciliation

US\$ Thousands	1Q 2024	1Q 2025
Other Services		
Operating income / (loss)	(13,787)	(11,006)
Depreciation and amortization	3,116	1,896
<b>Other Services Adjusted EBITDA</b>	<b>(10,671)</b>	<b>(9,110)</b>
Group		
Operating income / (loss)	71,092	456,404
Net effect of changes in deferred revenue & its related cost	46,701	233,436
Depreciation and amortization	102,275	88,877
Share-based compensation	181,081	167,792
<b>Total Adjusted EBITDA</b>	<b>401,149</b>	<b>946,509</b>