

Sea Limited Full Fiscal Year 2023 Report Overview

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Goals and Objectives of the Research

Research Objective: To study Sea Limited publicly available financial information, determine the company's development strategy, and compile an overview of its Annual Financial Reports.

Research Tasks:

- Find the company's comprehensive financial and corporate information;
- Analyze the gathered information;
- Draw 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.

Document Markup

- FY - Financial Year;
- SEA - Sea Limited;
- 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 Annual Report Period is from January 1, to December 31, 2023;
 - The specified financial year coincides with the calendar year.

Conclusions

General Information

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

*Note: The Cayman Islands are a British Overseas Territory.¹

¹ [GOV.UK](https://gov.uk), [Cayman Islands](#)

Members of the Board and Managers

Board of Directors ^{2 3}		
Name	Title	Since
Forrest Li	Chairman	2009
Gang Ye	Director	2010
Tony Hou	Director	2018
David Heng Chen Seng	Director	2017
Khoon Hua Kuok	Director	2017
David Ma	Director	2023

Executive Team ⁴		
Name	Title	Since
Forrest Li	Chief Executive Officer	2009
Gang Ye	Chief Operating Officer	2017
Tony Hou	Chief Financial Officer	2013
Chris Zhimin Feng	President	2022
Terry Feng Zhao	President of Garena	2018
YanJun Wang	Chief Corporate Officer	2019
David Jingye Chen	Chief Product Officer of Shopee	2019

² [SEA Consolidated Foreign Private Issuer Annual Report 2023, p.114-115](#)

³ [SEA Web, Corporate Governance](#)

⁴ [SEA web, Our Leadership](#)

Employees⁵

Parameter	Number of Employees
Number of Employees as of Dec 31, 2021	≈ 67,300
Number of Employees as of Dec 31, 2022	≈ 63,800
Number of Employees as of Dec 31, 2023	≈ 62,700

Shareholders

Shareholders Structure

Ownership Breakdown as of May 28, 2024 ⁶		
Owner Type	Number of Shares	Ownership Percentage, %
Institutions	310,298,080	54.03
Public Companies	104,264,743	18.15
Individual Insiders	88,708,143	15.45
General Public	57,633,715	10.03
Private Companies	13,338,137	2.32
State or Government	97,189	0.02
Total Shares	574,340,007	100.00

Total Shares Outstanding - 572,340,007 (as of December 31, 2023).⁷

Total Shares Outstanding - 574,340,007 (as of March 31, 2024).⁸

⁵ [SEA Consolidated Foreign Private Issuer Annual Report 2023, p.121](#)

⁶ [SimplyWall, SEA Ownership](#)

⁷ [SEA Consolidated Foreign Private Issuer Annual Report 2023, p.F-19](#)

⁸ [SEA Consolidated Foreign Private Issuer Annual Report 2023, p.121](#)

Shareholders Equities

Top 10 Shareholders as of May 28, 2024 ⁹				
Name	Number of Shares	Current Value ¹⁰ , mill USD	Last Reported Holding Date	Ownership Percentage, %
Tencent Holdings Limited	104,264,743	7,500	Sep 5, 2022	18.15
Xiaodong Li	48,223,372	3,500	Mar 31, 2024	8.40
Baillie Gifford & Co.	34,119,448	2,500	Mar 31, 2024	5.94
FMR LLC	31,969,012	2,300	Mar 31, 2024	5.57
Gang Ye	27,434,564	2,000	Mar 31, 2024	4.78
BlackRock, Inc	15,838,317	1,100	Mar 31, 2024	2.76
Norges Bank Investment Management	15,807,868	1,100	Dec 31, 2023	2.75
Tiger Global Management, LLC	14,996,068	1,100	Mar 31, 2024	2.61
T. Rowe Price Group, Inc.	10,507,037	760	Mar 31, 2024	1.83
Kerry Group Limited	10,408,127	750	Mar 31, 2024	1.81
Total Top 10	313,568,556	22,610	-	54.60

⁹ [SimplyWall, SEA Top Shareholders](#)

¹⁰ As of May 27, 2024

Mergers, Acquisitions, and Subsidiaries

Mergers and Acquisitions for 2013-2023

Mergers and Acquisitions		
Name	Date	Price, mill USD
82% of Foody Corporation	Jul, 2017	≈ 64
Phoenix Labs	Jan, 2020	150
Bank BKE	Feb, 2021	-
PT. Asuransi Mega Pratama	Sep 15, 2022	-

The list of subsidiary companies of SEA is available through the link in the application [Exhibit 8.1](#).

Note: This section may not fully represent all the company's transactions, but, within the scope of this current report, presents the maximum amount of information available via open sources.

Company Strategy¹¹

“Sea Limited is a leading global consumer internet company founded in Singapore in 2009. Its mission is to better the lives of consumers and small businesses with technology. Sea operates three core businesses across digital entertainment, e-commerce, as well as digital financial services, known as Garena, Shopee and SeaMoney, respectively. Garena is a leading global online games developer and publisher. Shopee is the largest pan-regional e-commerce platform in Southeast Asia and Taiwan and has a significant presence in Latin America. SeaMoney is a leading digital financial services provider in Southeast Asia and is growing its presence in Brazil.”

SEA's Values:

- **“We Serve.** Our customers are the sole arbiter of the value of our products and services. We strive to meet unmet needs and serve the underserved;
- **We Adapt.** Rapid change is the only constant in the digital age of ours. We embrace change, celebrate it, and always strive to be a thought leader that influences it;
- **We Run.** We are in a constant race to success while grappling with rapidly shifting forces. We move faster, better, and with more urgency each day;
- **We Commit.** Our work is our commitment. We commit to our values, institution, customers, and partners. We commit to each other. Above all, we commit to doing the best we can and being the best we are;
- **We Stay.** Humble We have traveled a long way from our humble beginning and yet, we never lose our humility in our continual quest for greater heights.”

¹¹ In this chapter, quotes are used from the [SEA Web, Investor Relations](#) and [SEA Web, Our Values](#)

Divisions^{12 13 14 15 16}

SEA divides its business into 3 divisions:

SeaMoney - a consumer internet company. SeaMoney's offerings include mobile wallet services, payment processing, credit offerings, and related digital financial services and products. These are available in seven markets across Southeast Asia and Taiwan.

SeaMoney products and services:

- **Payments** - "Enabling consumers and merchants through seamless digital payments, empowering businesses on their digitalization journey" (ShopeePay, Shopee Partner);
- **Financing** - "Providing consumers, entrepreneurs, and businesses with more flexibility and freedom to achieve their aspirations" (SPayLater, SPinjam, DanaCepat, SPinjam Untuk Penjual);
- **Digital Banking** - "Bringing accessible digital banking services to our customers to transact, save and achieve their financial aspirations" (MariBank, SeaBank).

Shopee - online shopping platform that is available in 11 markets across Southeast Asia, Taiwan, and South America.

Garena - digital entertainment company. It divides its activities into 3 categories:

- **Esports** - advocating and organizing Esports events in Greater Southeast Asia;
- **Games** - Garena is an operator of games in Greater Southeast Asia. Through the Garena platform users can access mobile and PC online games;
- **Community** - via the Garena Platform users connect with their fellow gamers, get news and updates around the gaming community.

¹² [Sea Web](#)

¹³ In this chapter, quotes are used from the [SeaMoney Web](#)

¹⁴ [SeaMoney Web](#)

¹⁵ [Shopee Web](#)

¹⁶ [Garena Web](#)

Games

Genres of Games

Main game genres:¹⁷

- Sandbox
- Real-time strategy (RTS)
- Shooter:
 - FPS
 - TPS
- Multiplayer online battle arena (MOBA)
- Role-playing:
 - RPG
 - ARPG
 - CRPG
 - MMORPG
 - TRPG
 - Roguelike
 - Roguelite
- Simulation and sports
- Puzzler and party game
- Action-adventure
- Survival and horror
- Platformer

Note: This gaming genre structure, in our view, is the most comprehensive and flexible when specifying the genre of a particular game.

¹⁷ [Hp, Video Game Genres](#)

Famous Games¹⁸

Garena	
Name	Genre
Call of Duty Mobile	Shooter
Arena of Valor	MOBA
Undawn	Role-playing
Black Clover M: Rise Of The Wizard King	Role-playing
Free Fire	Shooter
Speed Drifters	Simulation and sports

Note: This section may not fully represent all the company's games, but, within the scope of this current report, presents the maximum amount of information available via open sources.

TBA Games

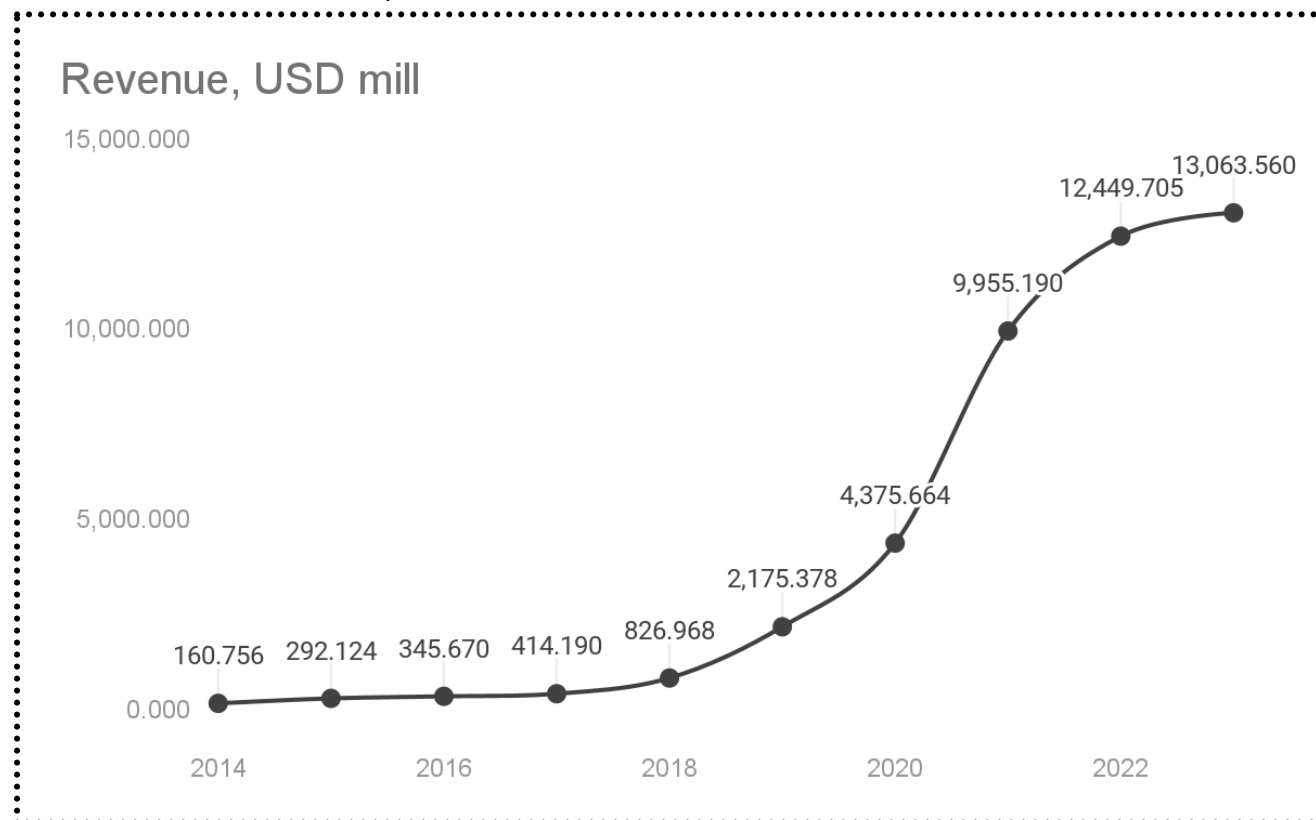
Garena does not have any TBA games.

¹⁸ [Garena Web](#)

Financial Statements for 2023 Fiscal Year Revenue Retrospective

Revenue Retrospective

Sea Limited Revenue Retrospective for 2014-2023^{19 20 21}



¹⁹ [SEA Consolidated Foreign Private Issuer Annual Report 2023, p.F-11](#)

²⁰ [SEA Consolidated Foreign Private Issuer Annual Report 2020, p.F-11](#)

²¹ [SEA Consolidated Foreign Private Issuer Annual Report 2017, p.4](#)

Sales per Business

Net Revenue Structure²²

(In million, except Percentages)

Parameter	2023, USD	YoY, %	2022, USD	YoY, %	2021, USD
E-commerce	7,885.185	27.435	6,187.620	51.96	4,071.856
Digital Financial Services	1,759.422	43.98	1,221.996	160.14	469.747
Digital Entertainment	2,172.009	-43.98	3,877.163	-10.25	4,320.013
Other Services	125.769	134.83	53.557	132.71	23.014
Sales of goods	1,121.175	1.06	1,109.369	3.63	1,070.560
Total Consolidated Revenue	13,063.560	4.93	12,449.705	25.06	9,955.190

Net Revenue Structure 2023 Percentages

Parameter	Percentage, %
E-commerce	60.36
Digital Financial Services	13.47
Digital Entertainment	16.63
Other Services	0.96
Sales of goods	8.58

²² [SEA Consolidated Foreign Private Issuer Annual Report 2023, p.94](#)

Sales per Region

Sales by Region from External Customers²³

(In million, except Percentages)

Parameter	2023, USD	YoY, %	2022, USD	YoY, %	2021, USD
Southeast Asia	9,179.527	10.31	8,321.249	31.73	6,316.782
Latin America	2,193.758	7.33	2,043.918	10.43	1,850.861
Rest of Asia	1,496.433	-13.36	1,727.187	23.87	1,394.342
Rest of the world	193.842	-45.76	357.351	-9.12	393.205
Total Consolidated Revenue	13,063.560	4.93	12,449.705	25.06	9,955.190

Sales by Region 2023 Percentages

Parameter	Percentage, %
Southeast Asia	70.27
Latin America	16.79
Rest of Asia	11.46
Rest of the world	1.48

Dividend Information²⁴

The company does not pay dividends.

²³ [SEA Consolidated Foreign Private Issuer Annual Report 2023, p.94](#)

²⁴ [SEA Consolidated Foreign Private Issuer Annual Report 2023, p.126](#)

Balance Sheet^{25 26}

(In million, except Percentages)

Parameter	at Dec 31, 2023, USD	YoY, %	at Dec 31, 2022, USD	YoY, %	at Dec 31, 2021, USD
Assets					
Total Current Assets	11,773.934	-7.20	12,688.012	-16.17	15,135.397
Total Non-Current Assets	7,109.298	64.77	4,314.784	19.17	3,620.628
Total Assets	18,883.232	11.06	17,002.796	-9.35	18,756.025
Liabilities					
Total Current Liabilities	8,168.941	17.78	6,935.692	-3.35	7,176.436
Total Non-Current Liabilities	4,016.706	-5.63	4,256.280	2.43	4,155.180
Total Liabilities	12,185.647	8.88	11,191.972	-1.23	11,331.616
Total Equity	6,697.585	15.26	5,810.824	-21.73	7,424.409

²⁵ [SEA Consolidated Foreign Private Issuer Annual Report 2023, p.F-7 - F-10](#)

²⁶ [SEA Consolidated Foreign Private Issuer Annual Report 2021, p.F-7 - F-10](#)

Income Statement^{27 28}

(In million, except EPS data and Percentages)

Parameter	2023, USD	YoY, %	2022, USD	YoY, %	2021, USD
Revenue	13,063.560	4.93	12,449.705	25.06	9,955.190
Gross Profit	5,833.647	12.50	5,185.277	33.10	3,895.735
Total Operating Expense	(5,608.869)	-15.94	(6,672.785)	21.79	(5,478.795)
Operating Income	224.778	-	(1,487.508)	-6.04	(1,583.060)
Net Income	162.682	-	(1,657.772)	-18.86	(2,043.030)
EPS Basic	0.27 USD	-	(2.96) USD	-22.92	(3.84) USD
EPS Diluted	0.25 USD	-	(2.96) USD	-22.92	(3.84) USD

Cashflow Statement²⁹

(In million, except Percentages)

Parameter	2023, USD	YoY, %	2022, USD	YoY, %	2021, USD
Cash flows from operating activities	2,079.688	-	(1,055.692)	-	208.649
Cash flows from investing activities	(5,804.462)	138.98	(2,428.809)	-35.53	(3,767.273)
Cash flows from financing activities	366.011	-8.56	400.256	-94.59	7,401.589

²⁷ [SEA Consolidated Foreign Private Issuer Annual Report 2023, p.F-11](#)

²⁸ [SEA Consolidated Foreign Private Issuer Annual Report 2023, p.F-12](#)

²⁹ [SEA Consolidated Foreign Private Issuer Annual Report 2023, p.F-14 - F-15](#)

Criticism

In November 2022, the company faced criticism for laying off employees. The company dismissed 7,000 employees, which accounted for 10% of its workforce.³⁰

In August 2023, SEA suffered its biggest daily drop since the company went public in 2017, when it dived almost 29% on the NYSE. Chief operating officer Gang Ye lost around 565 million USD from the share decline, leaving his net worth at 1,800 million USD.³¹

In November 2023, SEA faced challenges. CEO Forrest Li's August pledge to boost spending led to a surge in Q3 sales and marketing costs to 918 million USD, pushing the company back to a quarterly loss after three profitable periods. This caused a 22% drop in its New York-listed shares. Despite previous warnings about the need for higher investments to combat rivals like Alibaba's Lazada and ByteDance's TikTok, investors were surprised. SEA had cut costs and jobs to regain profitability. With shares down 90% from their 2021 peak, Li plans to continue prioritizing market share growth, supported by an 8,000 million USD cash reserve.³²

³⁰ [Times of India, Southeast Asia's biggest internet company Sea Ltd cuts 7,000 jobs](#)

³¹ [Forbes, Billionaire Duo Behind Singapore's Sea Lose \\$1.6 Billion In Biggest Share Price Drop After Earnings Miss](#)

³² [Reuters, Fierce e-commerce war leaves Sea in stormy waters](#)

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 a global 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.

Depository Shares of SEA trade on the NYSE under the ticker symbol SE. As of December 31, 2023, the total shares outstanding were 572,340,007. The company does not pay dividends.

In Q4FY23, Garena collaborated with Lamborghini to allow players to drive their cars in Free Fire. The company announced a collaboration with JKT48, an idol group from Jakarta, as its Indonesian brand ambassador. In 2023, Free Fire became the most downloaded mobile game globally according to Sensor Tower.³³

Net revenue for FY23 was 13,063.560 million USD, a 4.93% increase from 12,449.705 million USD in FY22, which was a 25.06% increase from 9,955.190 million USD in FY21.

Net Revenue Structure by Business in FY23: 60.36% from E-commerce at 7,885.185 million USD, 16.63% from Digital Entertainment at 2,172.009 million USD, 13.47% from Digital Financial Services at 1,759.422 million USD, 8.58 % from Sales of goods at 1,121.175 million USD, and 0.96% from Other Services at 125.769 million USD.

Sales per Region in FY23 were distributed as follows: 70.27% from Southeast Asia, totaling 9,179.527 million USD; 16.79% from Latin America, totaling 2,193.758 million USD; 11.46% from The Rest of Asia, totaling 1,496.433 million USD; and 1.48% from The Rest of the world, totaling 193.842 million USD of the total revenue.

On December 31, 2023, Total Equity amounted to 6,697.585 million USD, an increase of 15.26% compared to December 31, 2022, which was 5,810.824 million USD. Total Current Assets on December 31, 2023 amount to 11,773.934 million USD, which is more than Total Current Liabilities at 8,168.941 million USD by 3,604.993 million USD.

In FY23, the company did not make any acquisitions or divestitures.

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

³³ [SEA Q4 and FY23 Earnings Prepared Remarks, p.3](#)

Sources List

- [Sea Limited Web](#)
- [Wikipedia](#)
- [SEC.gov](#)
- [NYSE](#)
- [NASDAQ](#)
- [Linkedin](#)
- [MarketScreener](#)
- [Simply Wall St](#)
- [Hp](#)
- [Garena Web](#)
- [Shopee Web](#)
- [SeaMoney Web](#)
- [SEA Q4 and FY23 Earnings Prepared Remarks](#)
- [SEA Consolidated Foreign Private Issuer Annual Report 2023](#)
- [SEA Consolidated Foreign Private Issuer Annual Report 2021](#)
- [SEA Consolidated Foreign Private Issuer Annual Report 2020](#)
- [SEA Consolidated Foreign Private Issuer Annual Report 2017](#)
- [Forbes](#)
- [Times of India](#)
- [Reuters](#)

META



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