



# Second Quarter 2025 Results

August 2025

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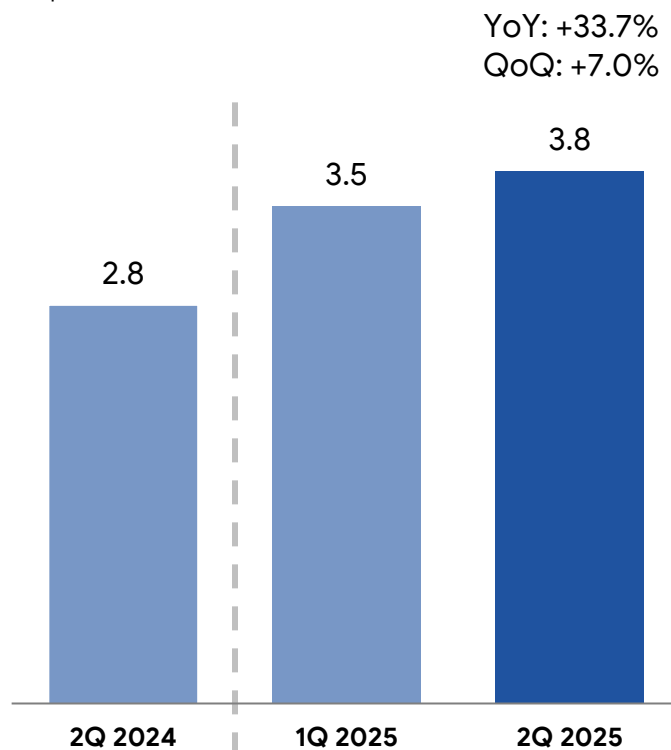
# Second Quarter 2025 Results Overview

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# Strong & Healthy Growth Across All Businesses

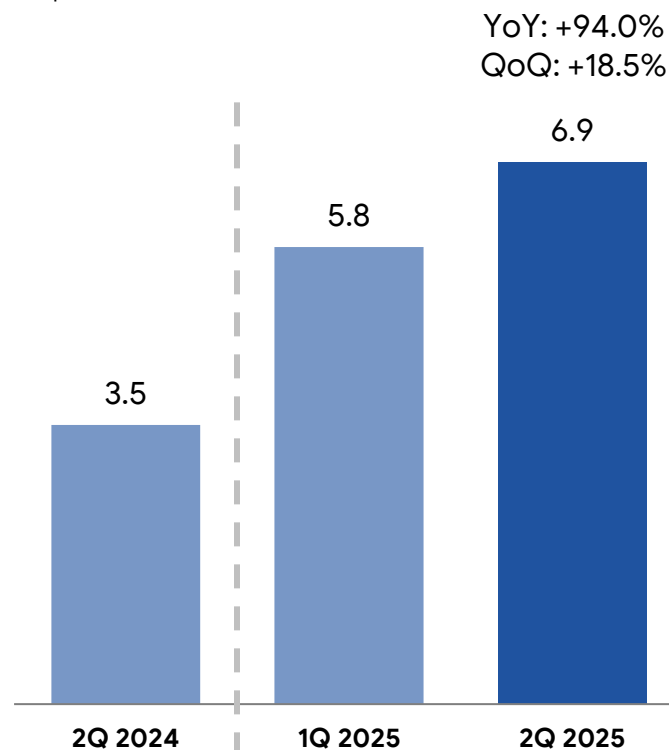
## E-commerce GAAP Revenue

US\$ Billions



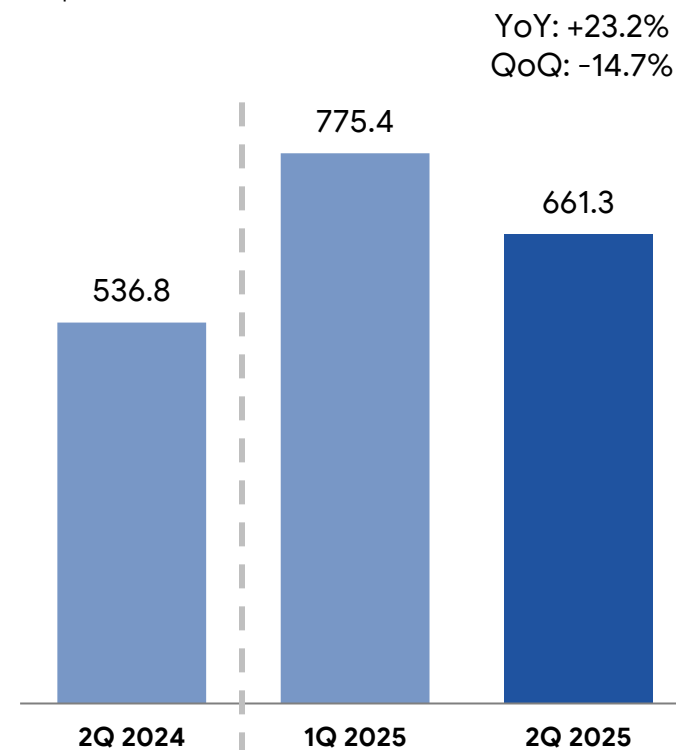
## Digital Financial Services Loans Principal Outstanding<sup>1</sup>

US\$ Billions



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

US\$ Millions



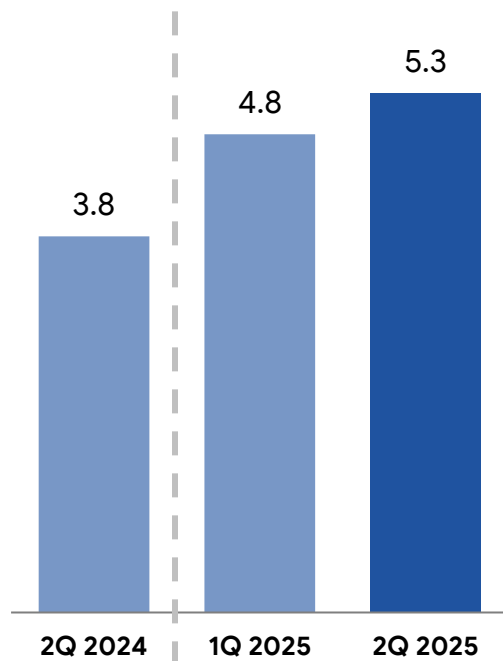
Note: Financial figures are unaudited.

1. 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.
2. 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.

# 2Q 2025 Financial Performance

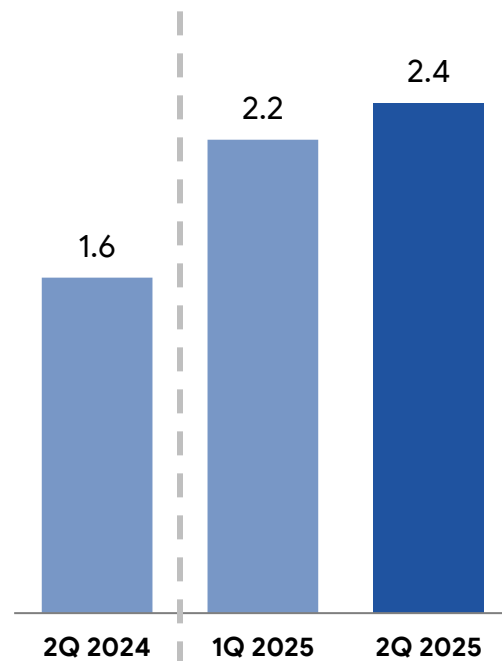
## GAAP Revenue

US\$ Billions



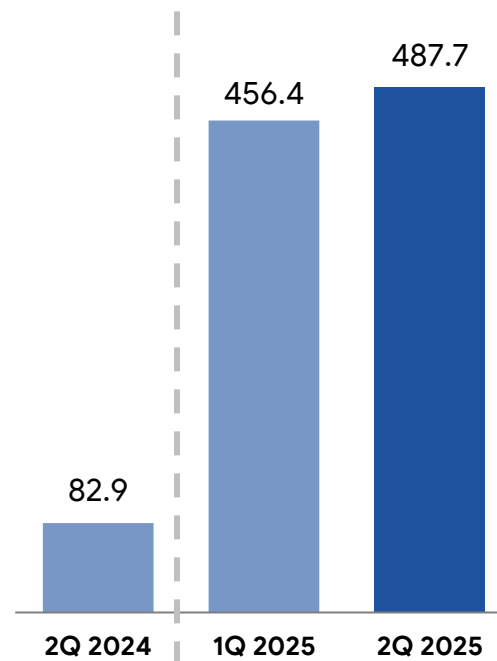
## Gross Profit

US\$ Billions



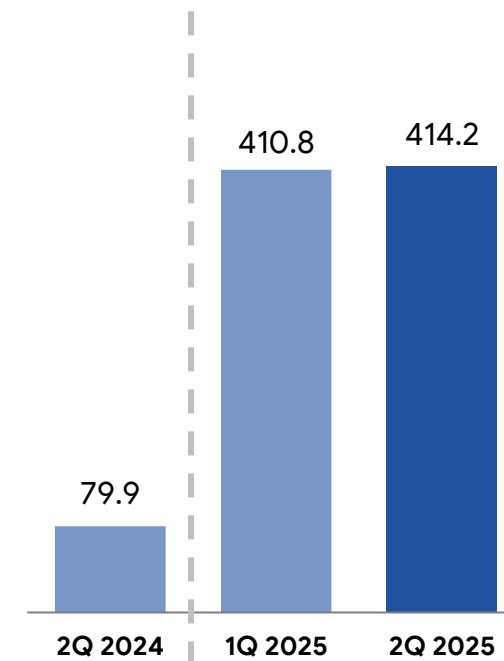
## Operating Income

US\$ Millions



## Net Income

US\$ Millions

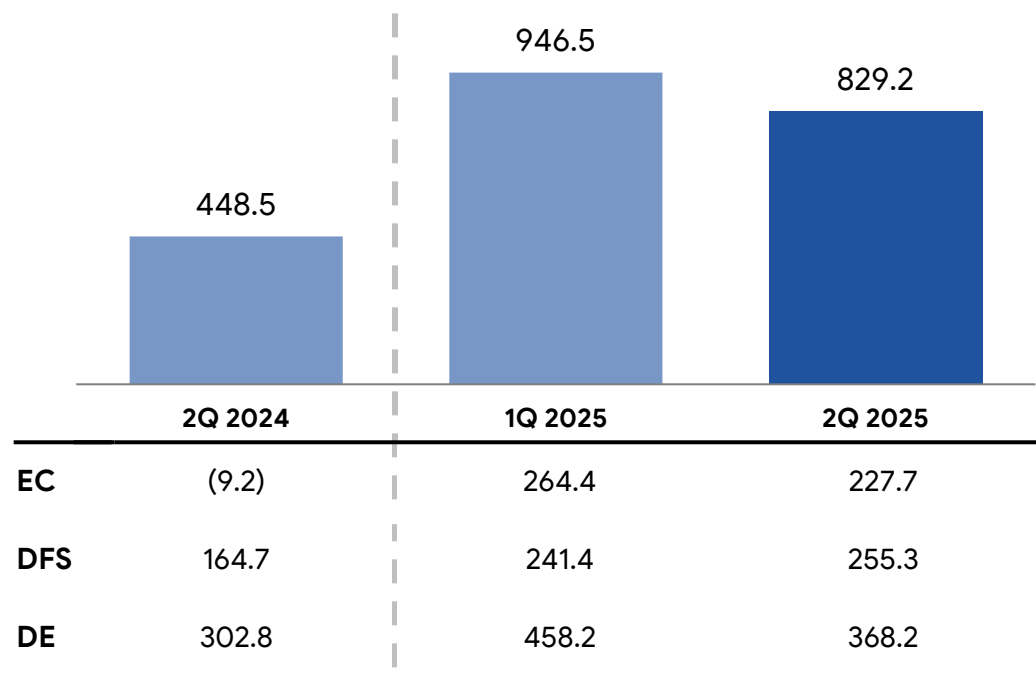


Note: Financial figures are unaudited.

# 2Q 2025 Profitability and Gross Cash Position

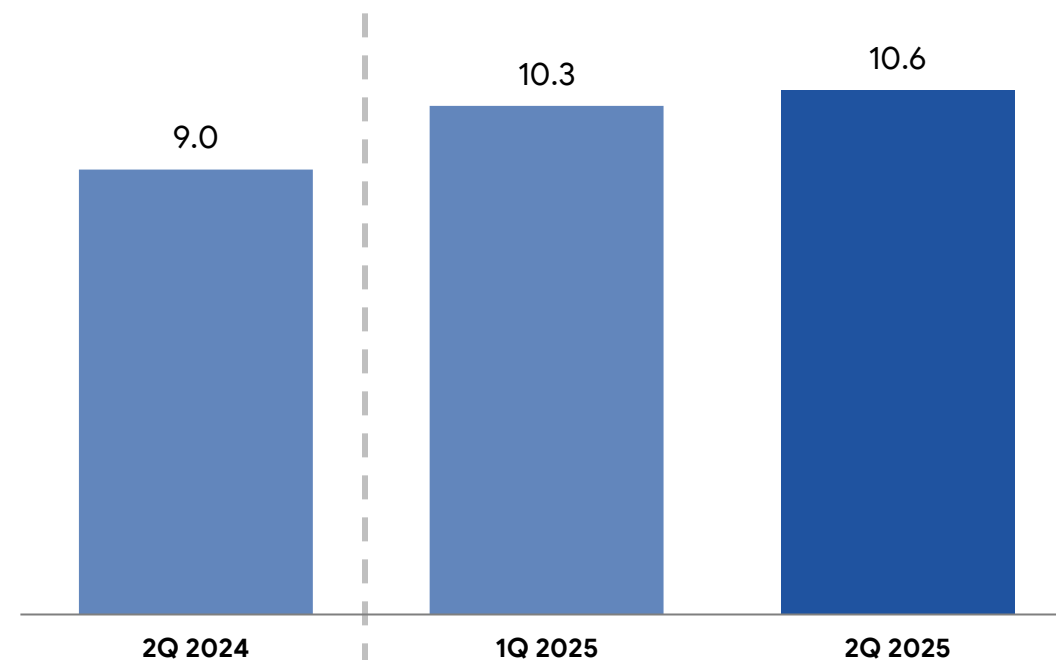
## Adjusted EBITDA

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.

# 2Q 2025 Segmental Breakdown

| US\$ Millions           | E-commerce | Digital Financial Services | Digital Entertainment | Other Services | Unallocated Expenses <sup>1</sup> | Consolidated |
|-------------------------|------------|----------------------------|-----------------------|----------------|-----------------------------------|--------------|
| Revenue                 | 3,771.1    | 882.8                      | 559.1                 | 46.5           | -                                 | 5,259.5      |
| Operating income/(loss) | 154.9      | 243.1                      | 275.5                 | (15.7)         | (170.0)                           | 487.7        |
| Adjusted EBITDA         | 227.7      | 255.3                      | 368.2                 | (13.8)         | (8.1)                             | 829.2        |

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.



# Second Quarter 2025 Business Highlights

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# Sustaining Strong Growth And Market Leadership

## Strong growth & improving profitability

- 2Q 2025 was another record-breaking quarter across gross order volume, GMV, and revenue
- Sustained increase in active buyers & purchase frequency, reinforcing our leadership in all our markets
- Improved profitability YoY across Asia and Brazil
- **Brazil:** Continued to deliver exceptional growth while maintaining positive adjusted EBITDA. Average monthly active buyers grew > 30% YoY in 2Q 2025
- **Shopee's GMV grew 25% YoY in 1H 2025, and we expect this growth momentum to carry into 3Q 2025**

## Improving monetization effectiveness

- Monetization improved largely driven by advertising revenue growth
- Ad take rate improved by almost 70bps YoY in 2Q 2025
- Number of sellers using our ad products rose by around 20%, and ad-paying sellers' average quarterly ad-spend grew by > 40% YoY
- Tech enhancements drove an 8% YoY uplift in Shopee purchase conversion rates

## Progress made on key operational priorities

### Price competitiveness:

- Reinforced our price-competitive value proposition with the launch of “Cheaper, Faster at Shopee” campaign slogan

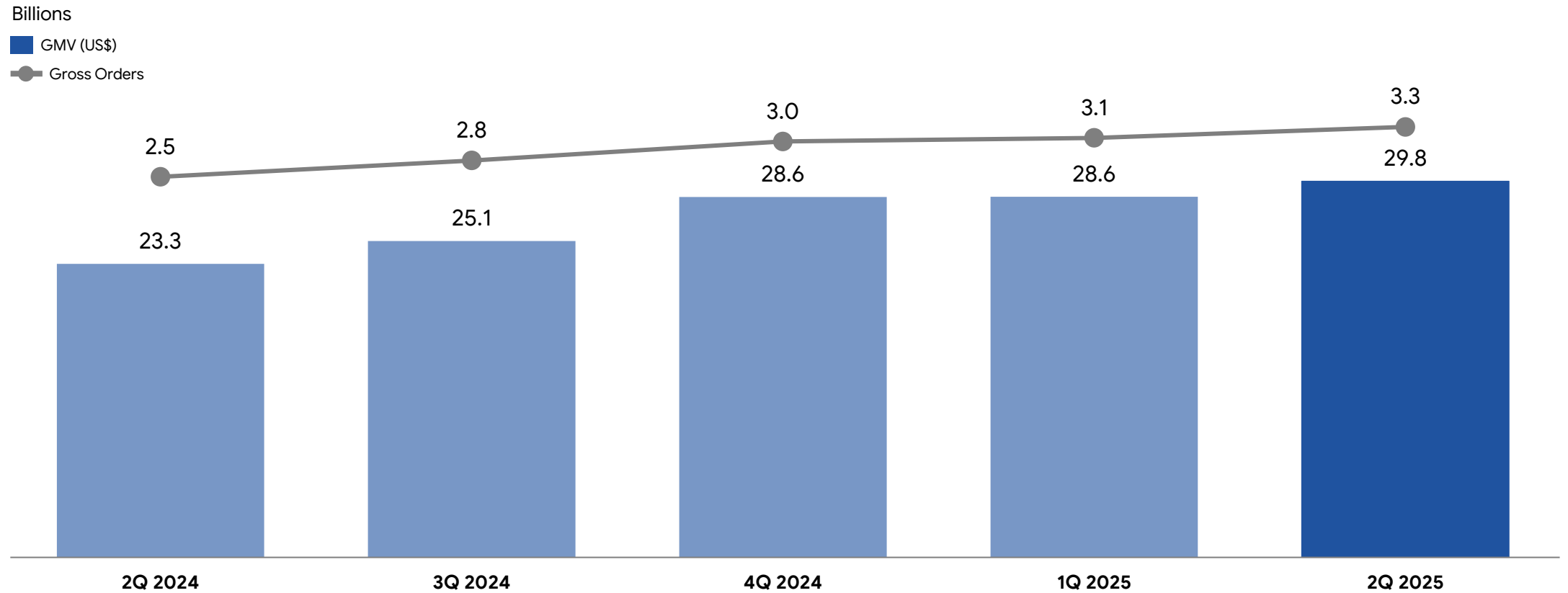
### Improving service quality:

- Continued YoY improvements in logistics cost and delivery speed across Asia and Brazil in 2Q 2025
- New initiatives such as “instant delivery” and the VIP membership program continue to enhance buyer loyalty and address specific customer needs

### Thriving content ecosystem:

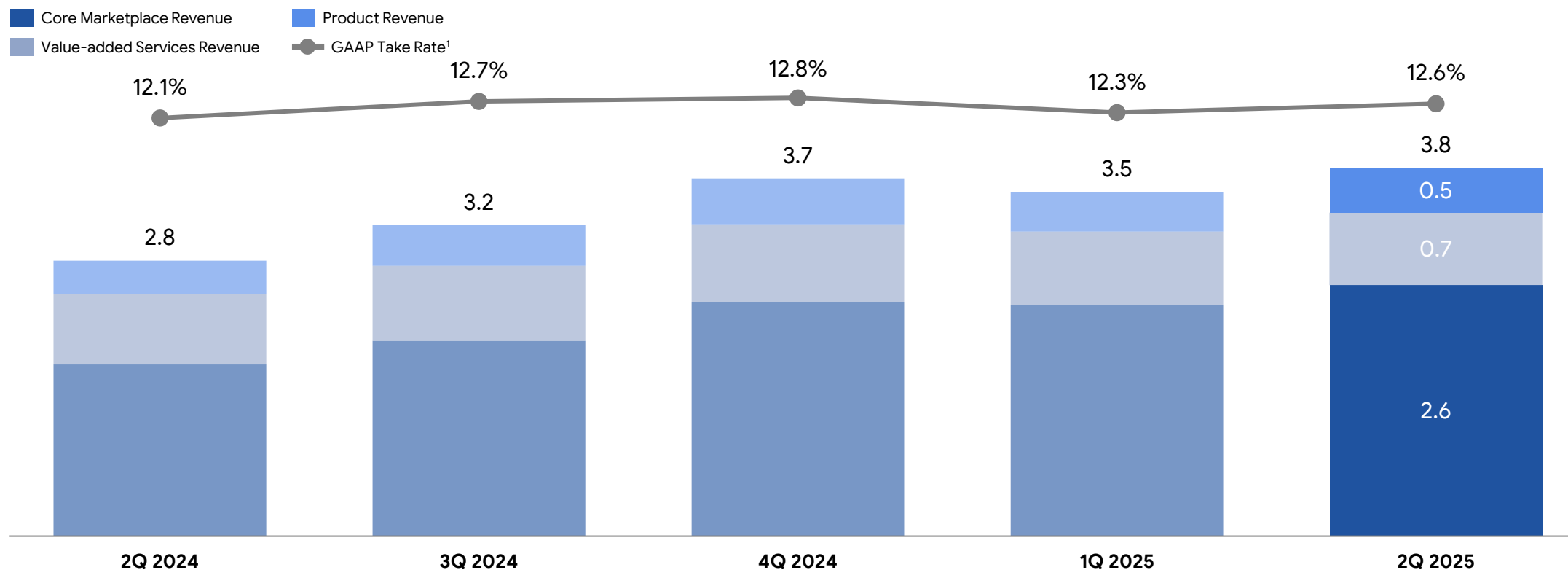
- Content-driven orders accounted for > 20% of physical goods order volume in 2Q 2025

## GMV and Gross Orders



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

US\$ Billions



Note: Financial figures are unaudited.

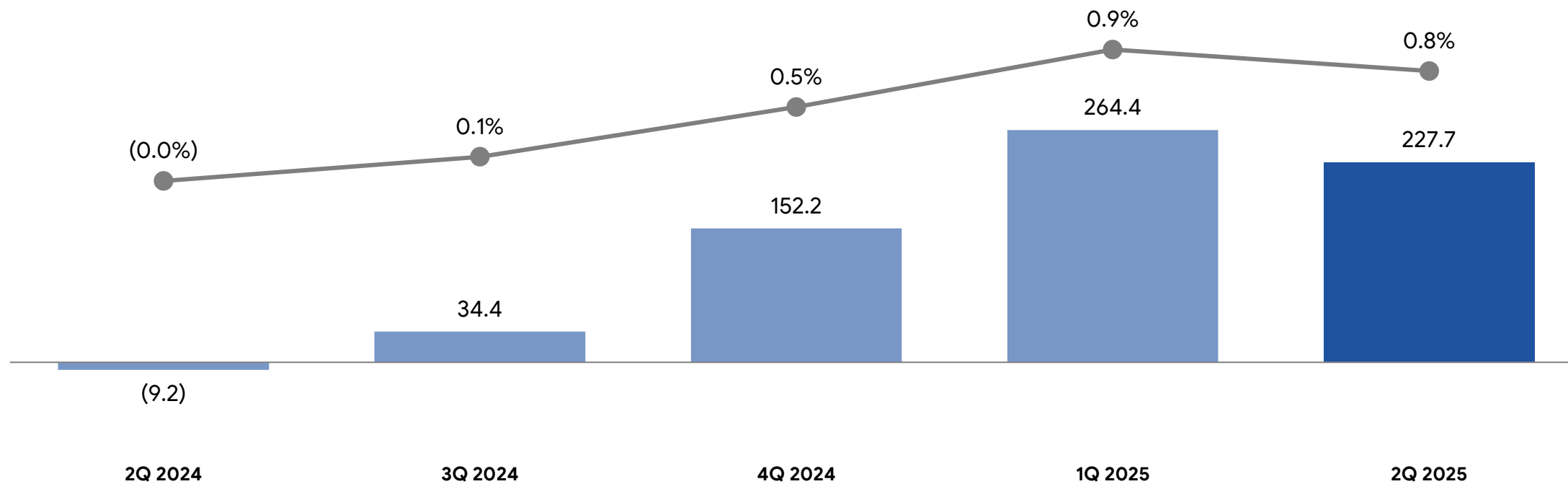
1. GAAP revenue as a percentage of GMV.

## 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 > 90% YoY in 2Q 2025 to \$6.9 billion
- We added > 4 million first-time borrowers in 2Q 2025, bringing consumer and SME loans active users<sup>1</sup> to > 30 million for the first time, representing > 45% YoY growth
- NPL90+ ratio<sup>2</sup> remained stable at 1.0% in 2Q 2025
- Malaysia's loan book surpassed \$1 billion as of the end of June – our third market after Indonesia and Thailand to reach this significant milestone
- **We remain confident of achieving guidance of loan book size growing meaningfully faster than Shopee's GMV annual growth rate in 2025**

## Driving on and off-Shopee growth

### On-Shopee loans delivered solid growth

- On-Shopee SPayLater GMV penetration now in the mid-teens on a market blended basis
- Achieved record-high monthly numbers for first-time SPayLater borrowers in June
- Capturing more prime users with stronger repayment capacity and higher lifetime value

### Off-Shopee loans<sup>3</sup> growing healthily

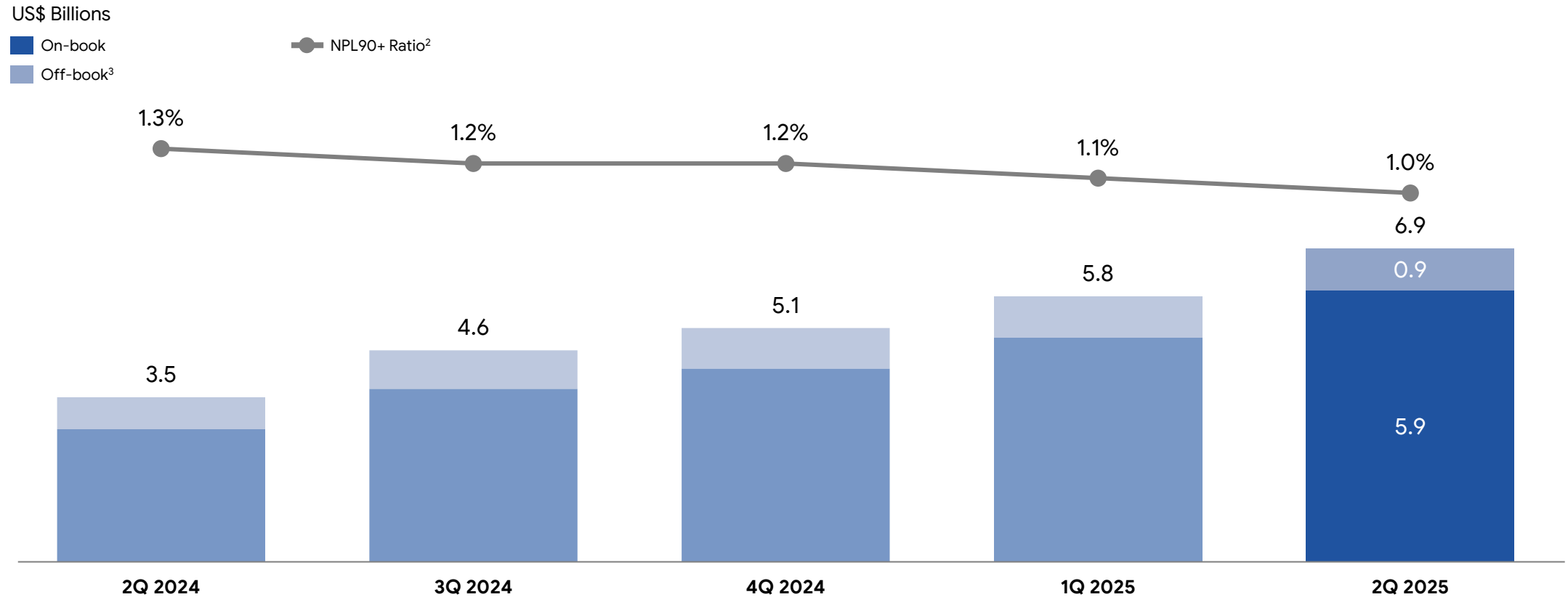
- In Malaysia, Off-Shopee SPayLater portfolio grew > 40% QoQ and accounted for > 20% of the market's SPayLater portfolio as of the end of June
- Personal cash loans outstanding almost doubled YoY as of the end of June

1. Users with loans outstanding as of 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>

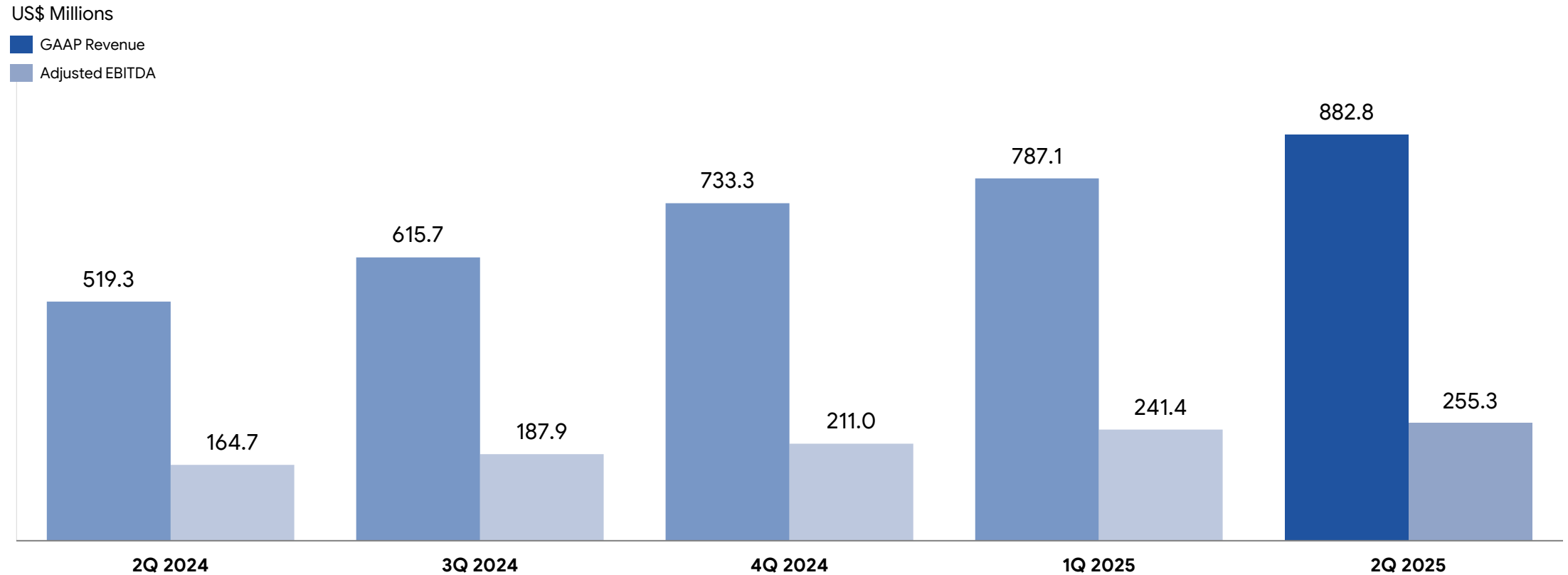


1. Consumer and SME loans principal outstanding.

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



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**

**Continued strong growth momentum into 2Q 2025:**

- Bookings were up 23% and adjusted EBITDA was up 22%, YoY
- Multiple key titles delivered double-digit YoY growth in the second quarter, including Free Fire, Arena of Valor, EA Sports FC Online, and Call of Duty: Mobile
- Free Fire sustained its massive global user base of > 100 million average DAU

**We are raising our full-year guidance for Garena, and expect bookings to grow more than 30% YoY in 2025**

**Continuing to delight users with new content**

- Celebrated Free Fire's 8th anniversary with the launch of our new map Solara, which has already become our best-performing new map
- Solara blends enjoyable nostalgia with exciting innovation, including features such as:
  - Iconic train from Free Fire's earliest maps that used to be a central part of the game experience
  - New full-map slide rail feature, allowing players to move rapidly across map
- Introduced a new camera mode that lets players capture their gameplay, boosting social sharing and engagement - expanding Free Fire's visibility
- We extended our anniversary celebrations into July with two high-impact IP collaborations: Netflix's Squid Game and NARUTO SHIPPUDEN Chapter 2

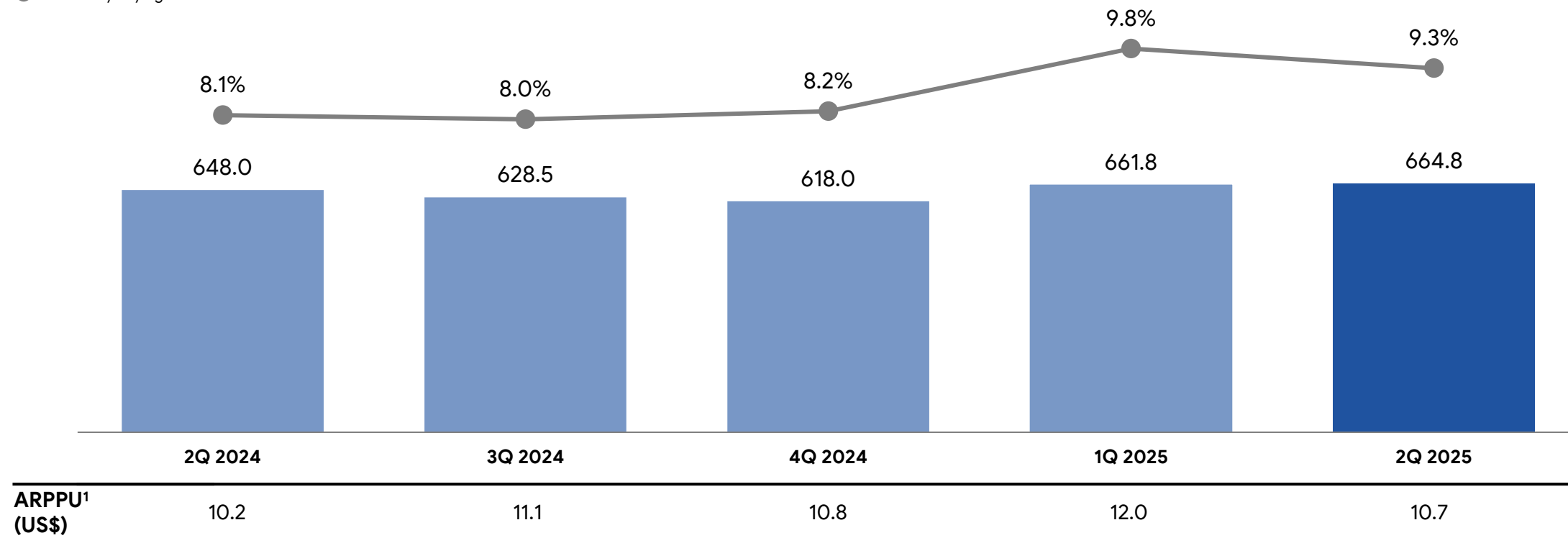


## Quarterly Active Users, Quarterly Paying User Ratio and ARPPU<sup>1</sup>

Millions

■ Quarterly Active Users

● Quarterly Paying User Ratio

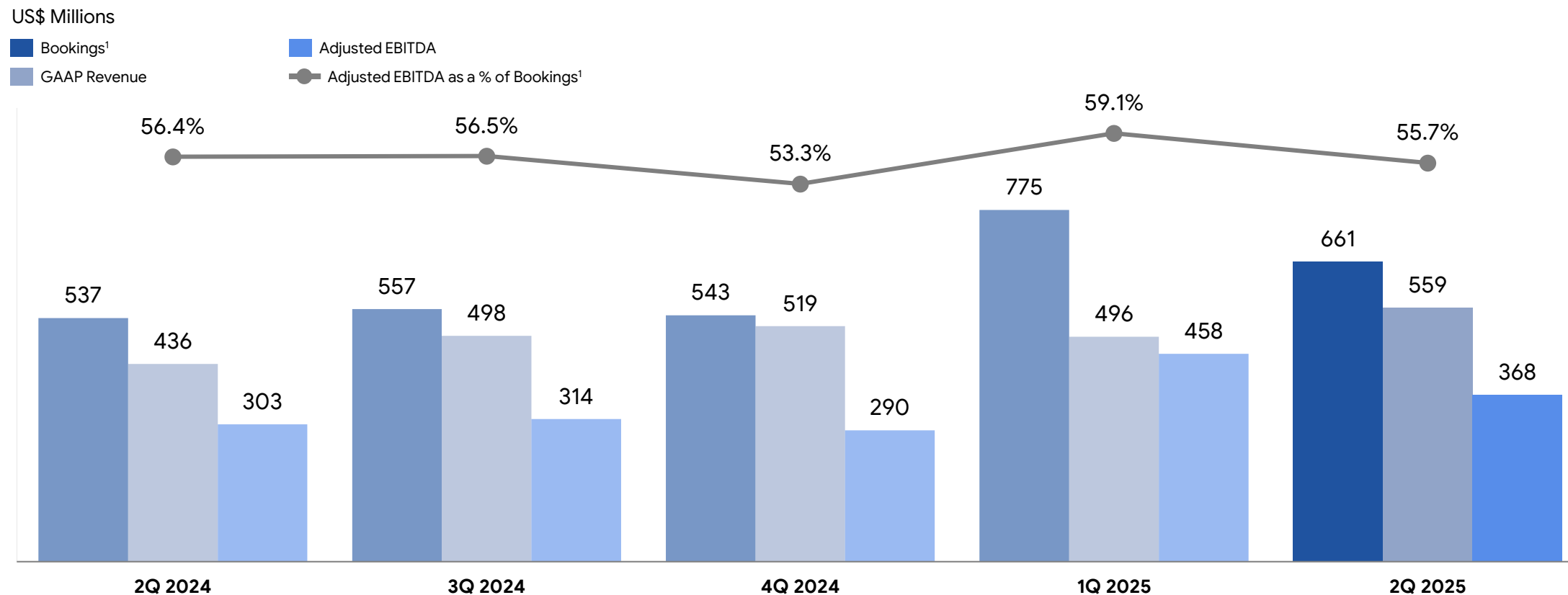


1. Average bookings per quarterly paying user.



# 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   | 2Q 2024        | 2Q 2025        |
|--|----------------|----------------|
| <b>E-commerce</b>  |                |                |
| Operating income / (loss)                                    | (84,762)       | 154,851        |
| Depreciation and amortization                                | 75,582         | 72,843         |
| <b>E-commerce Adjusted EBITDA</b>                            | <b>(9,180)</b> | <b>227,694</b> |
| <b>Digital Financial Services</b>                            |                |                |
| Operating income / (loss)                                    | 151,261        | 243,115        |
| Depreciation and amortization                                | 13,417         | 12,148         |
| <b>Digital Financial Services Adjusted EBITDA</b>            | <b>164,678</b> | <b>255,263</b> |
| <b>Digital Entertainment</b>                                 |                |                |
| Operating income / (loss)                                    | 210,078        | 275,465        |
| Net effect of changes in deferred revenue & its related cost | 86,546         | 88,344         |
| Depreciation and amortization                                | 6,176          | 4,381          |
| <b>Digital Entertainment Adjusted EBITDA</b>                 | <b>302,800</b> | <b>368,190</b> |

# GAAP Operating Income and Non-GAAP EBITDA Reconciliation

| US\$ Thousands   | 2Q 2024        | 2Q 2025         |
|--|----------------|-----------------|
| Other Services   |                |                 |
| Operating income / (loss)                                    | (9,003)        | (15,683)        |
| Depreciation and amortization                                | 3,045          | 1,917           |
| <b>Other Services Adjusted EBITDA</b>                        | <b>(5,958)</b> | <b>(13,766)</b> |
| Group  |                |                 |
| Operating income / (loss)                                    | 82,894         | 487,719         |
| Net effect of changes in deferred revenue & its related cost | 86,546         | 88,344          |
| Depreciation and amortization                                | 98,220         | 91,289          |
| Share-based compensation                                     | 180,813        | 161,892         |
| <b>Total Adjusted EBITDA</b>                                 | <b>448,473</b> | <b>829,244</b>  |