

Sea Ltd: Smaller-than-expected losses helped by drastic cost cuts

DIGITAL ENGAGEMENT TEAM

16 NOVEMBER 2022

**TRADING MATTERS SERIES:
STOCK HIGHLIGHT**

Features a single stock and zooms in on its performance in the market

KEY METRICS	
Current Price	62.31
Latest Dividend	N/A
Dividend Ex-Date	N/A
Indicated Dividend Yield	N/A
14 Day RSI	63.10
Analysts 12M Target Price	95.93

**REFINITIV STOCKREPORTS+
AVERAGE SCORE**

2/10
As of 15 Nov 2022

Refer to page 3 for indicator components

Sea Ltd (SE US) Price Chart



Any red lines drawn on the price charts are trendlines, which are visual representations of support & resistance levels. They are drawn by connecting a series of prices together to help indicate the data's best fit or the presence of any trend over a time frame, and are for illustration purposes only.

As of 15 Nov 2022 closing

KEY MARKET EVENTS

- 23 Nov**
SG CPI Release (Oct)
- 24 Nov**
US Thanksgiving Holiday
- 30 Nov**
China PMI Release (Nov)
- 02 Dec**
US Unemployment Rate (Nov)
- 15 Dec**
US Fed Interest Rate Decision

S&P 500 Index Price Chart



As of 15 Nov 2022 closing

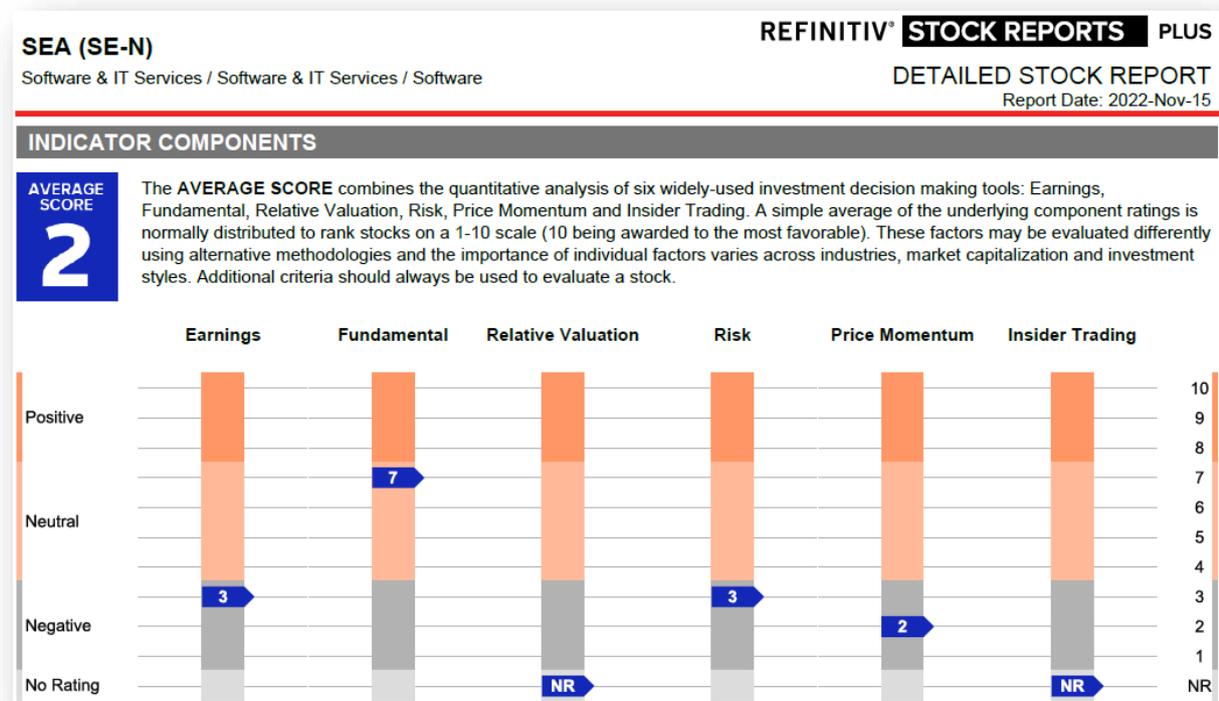
Headline News & Information

- Sea Limited offers information technology services. The Company provides online personal computer and mobile digital content, e-commerce, and payment platforms. Sea serves customers worldwide (Bloomberg)
- Singapore's Sea slashed 7,000 jobs in six months to curb losses (15 Nov 2022, Bloomberg)
 - Sea Ltd. has cut about 7,000 jobs, or roughly 10% of its workforce, in the past six months as it fights to stem ballooning losses and win back investors
 - Among the latest reductions is about 100 positions at Sea's e-commerce arm Shopee. The newest cuts are a part of several waves of layoffs since June
 - The gaming and online-retail giant has lost almost 90% of its value since a peak last year on questions about its money-making prospects in an era of rising interest rates and intensifying competition. The company has slashed jobs, shuttered its e-commerce operations in some European and Latin American markets and said it would reduce expenses to cope
- Singapore's Sea posts US\$9 billion surge after cost cutting push (16 Nov 2022, Bloomberg)
 - Sea Ltd. shares jumped 36% in its biggest-ever single-day jump after the gaming and e-commerce company posted a smaller-than-expected quarterly loss, helped by drastic cost cuts
 - Sea's adjusted loss before interest, taxes, depreciation and amortization widened to US\$357.7 million from US\$165.5 million a year ago. Analysts had estimated US\$457.4 million on average. The net loss stood at about US\$569 million, little changed from a year earlier. Sales at Shopee climbed 32% to US\$1.9 billion

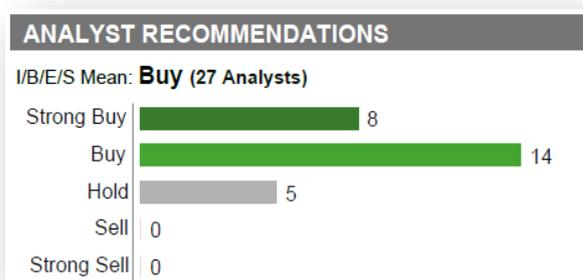
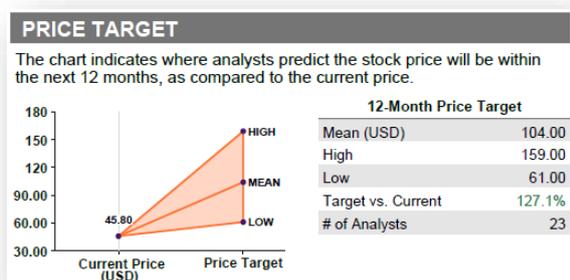
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
<ul style="list-style-type: none"> • Shares rose 32% in the past 5 days and are up 22% in the past 30 days 	<ul style="list-style-type: none"> • 70.00 (Aug 2022) • 83.45 (200 Day MA) • 90.00 (Aug 2022) 	<ul style="list-style-type: none"> • 54.00 (May 2022) • 40.60 (Nov 2022) • 35.60 (Mar 2020)

Fundamental Viewpoint

An Extract from STOCKREPORTS+



Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 15 Nov 2022

US Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS													Currency in USD	
Average Score	Ticker	PRICE MOMENTUM				VALUATION			FUNDAMENTAL		ANALYSTS			
		Price (2022-11-14)	1-Mo Return	3-Mo Return	1-Yr Return	Market Cap	Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean	# of Analysts	
9	SNPS	330.68	19.1%	-14.2%	-4.7%	50.7B	50.2	35.6	--	20.9%	18.6%	Buy	16	
7	CDNS	167.93	13.9%	-11.1%	-7.4%	45.8B	59.1	38.9	--	22.9%	18.0%	Buy	15	
6	ZM	84.35	16.7%	-23.0%	-66.9%	22.2B	26.1	24.8	--	23.1%	-11.3%	Hold	33	
5	TTD	47.76	-5.6%	-35.9%	-52.4%	21.7B	170.6	49.5	--	2.4%	24.0%	Buy	25	
1	TEAM	134.96	-28.6%	-52.4%	-69.7%	21.1B	--	92.9	--	-21.9%	--	Buy	25	
2	SE	45.80	-10.3%	-48.4%	-86.6%	20.3B	--	--	--	-23.0%	--	Buy	26	
1	RBLX	35.60	0.11%	-30.4%	-66.9%	20.2B	--	--	--	-25.1%	--	Hold	27	
3	PLTR	8.10	7.6%	-18.3%	-64.5%	16.6B	--	54.0	--	-30.6%	27.4%	Hold	16	
5	SPLK	84.08	19.7%	-26.8%	-49.9%	13.9B	--	61.3	--	-32.8%	--	Buy	42	
2	TYL	320.35	1.4%	-21.7%	-41.8%	13.5B	72.4	42.4	--	10.3%	7.2%	Buy	19	
2	BILL	123.11	4.0%	-21.9%	-63.2%	13.2B	--	197.3	--	-44.0%	--	Buy	23	
3.9	Average	125.70	3.5%	-27.6%	-52.2%	23.6B	75.7	66.3	--	-8.9%	14.0%	Buy	24.3	

PEER COMPANIES			
BILL	Bill.com Holdings Inc	SPLK	Splunk Inc
CDNS	Cadence Design Systems Inc	TEAM	Atlassian Corp
PLTR	Palantir Technologies Inc	TTD	Trade Desk Inc
RBLX	Roblox Corp	TYL	Tyler Technologies Inc
SNPS	Synopsys Inc	ZM	Zoom Video Communications Inc

Source: REFINITIV STOCKREPORTS+, extracted 15 Nov 2022

Global Peer Analysis (Bloomberg)

Ticker	Name	Mkt Cap (USD) (Millions)	Last Px	P/E	P/E 5Yr Avg	P/B	P/B 5Yr Avg	Indicated Yield (%)
	Average	128,708	1190.37	54.51	76.95	7.30	21.40	1.39
SE US	SEA LTD-ADR	35,002	62.31	N/A		6.57	12.33	N/A
	RAKUTEN GROUP							
4755 JP	INC	8,071	708.00	N/A		1.69	1.90	N/A
AMZN US	AMAZON.COM INC	1,009,352	98.94	99.36	87.63	7.34	11.02	N/A
	ALIBABA GROUP							
BABA US	HOLDING-SP ADR	209,950	79.30	12.41	20.94	1.54	2.58	N/A
MELI US	MERCADOLIBRE INC	51,335	1,020.68	184.14	356.61	31.47	160.67	N/A
NTES US	NETEASE INC-ADR	47,027	71.60	18.54	30.56	3.29	4.54	2.01
EBAY US	EBAY INC	25,516	47.02	14.78	14.55	5.27	4.24	1.87
	KONAMI GROUP							
9766 JP	CORP	6,743	6,550	18.61	18.55	2.38	2.67	1.89
ALE PW	ALLEGRO.EU SA	6,084	26.60	43.45		2.57		N/A
9697 JP	CAPCOM CO LTD	8,240	4,310	34.57	22.81	6.11	4.61	1.07
	BEIJING UNITED							
603613 CH	INFORMATION-A	8,469	119.66	64.71	63.95	12.05	9.40	0.10

Source: Bloomberg, extracted 15 Nov 2022 closing

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