

Singapore

ADD (no change)

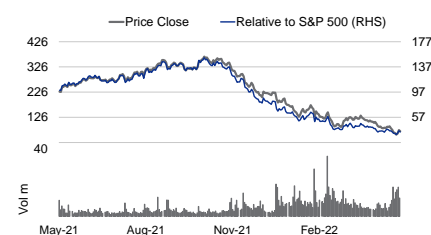
Consensus ratings*: Buy 34 Hold 3 Sell 1

Current price:	US\$70.33
Target price:	US\$150.0
Previous target:	US\$202.0
Up/downside:	113.3%
CGS-CIMB / Consensus:	-15.8%
Reuters:	SE.N
Bloomberg:	SE US
Market cap:	US\$39,366m
	US\$39,366m
Average daily turnover:	US\$897.4m
	US\$897.4m
Current shares o/s:	472.8m
Free float:	37.8%

*Source: Bloomberg

Key changes in this note

- FY22-24F revenue lowered by 0.3%-2.5%.
- Non-GAAP losses widened for FY22-24F.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-35.2	-50.3	-67.6
Relative (%)	-26.4	-39.6	-63.6

Major shareholders	% held
Forrest Li Xiaodong	25.4
Tencent	25.6
Gang Ye	6.7

Analyst(s)



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SEA Ltd

1Q22: Strong execution

- We remain positive on SE with 1Q results showing operating leverage gains for Shopee and SeaMoney while maintaining strong growth trends.
- Shopee continues to scale well in Brazil. E-commerce growth relatively intact (midpoint of revised FY22F guidance: 72% yoy) despite macro challenges.
- Garena saw weakness as expected, but early signs of stabilisation were seen towards end-1Q. DFS the bright spot as SE focuses on driving monetisation.

Solid set of 1Q results

SEA Ltd (SE) reported 1Q22 adjusted revenue of US\$2.6bn (-10% qoq, +24% yoy) and adj. LBITDA of US\$510m (1Q21: adj. EBITDA of S\$88m). Results were in line with our expectations but above Bloomberg consensus, with 1Q22 GAAP net loss of US\$580m coming in at 30%/20% of our/consensus loss forecasts.

E-commerce (Shopee) – On track to profitability in SEA + Taiwan

Shopee's GAAP revenue rose 64% yoy in 1Q22, aided by 39% yoy GMV growth and take-rate expansion of 1.5% pts yoy. GPM improved yoy due to faster growth of higher-margin transaction-based fees and advertising income. Unit economics further improve with Southeast Asia and Taiwan markets' EBITDA loss per order (excl. HQ costs) narrowing to 4cts (1Q21: 12cts), SE continues to expect EBITDA breakeven (excl. HQ costs) for these markets by this year. Brazil's loss per order also narrowed 45% yoy to US\$1.5 (while managing to grow order volumes at c.200% yoy), and Shopee Brazil was ranked the no.1 app in the shopping category by monthly active user (MAU) in Mar and Apr 2022 by data.ai. In view of macro uncertainties, Shopee widened its revenue guidance for FY22F to US\$8.5bn-9.1bn (from US\$8.9bn-9.1bn). Nevertheless, the midpoint of its guidance points to continued strong growth at +71.8% yoy.

Gaming (Garena) – Signs of stabilisation observed

Segment bookings fell to US\$0.8bn (1Q21: US\$1.1bn) due to post-Covid normalisation and impact of Free Fire India ban. Adj. EBITDA margin contracted due to higher spend to improve user engagement. SE saw early signs of monthly user trends for Free Fire stabilising towards the end of 1Q, though the long-term impact of the economy reopening on Free Fire gamers remains to be seen. SE plans to continue focusing on promoting the longevity of Free Fire game by introducing more diversified content and game modes.

Fintech (DFS, SeaMoney) – Driving monetisation

Segment GAAP revenue grew 360% yoy, while adjusted EBITDA loss narrowed on both a qoq and yoy basis as SE rolls out more financial products across markets. SE sees this as a high-quality revenue driver without significant need of investment to scale. SE has secured four digital banking licenses to date across the region (with Indo launch seeing strong traction), paving the way for it to tap into huge market potential from the unbanked population in Southeast Asia. Maintain Add. Our SOP-based TP is lowered to US\$150 as we lower target multiples across segments in view of rising interest rate environment.

Financial Summary	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (US\$m)	4,376	9,955	13,869	18,507	23,368
Operating EBITDA (US\$m)	(1,123)	(1,304)	(1,490)	(314)	671
Net Profit (US\$m)	(1,618)	(2,047)	(2,327)	(1,351)	(563)
Core EPADS (US\$)	(2.81)	(3.04)	(3.06)	(1.07)	0.48
Core EPS Growth	39.2%	6.4%	3.9%	(65.0%)	
FD Core P/E (x)	NA	NA	NA	NA	147.1
DPADS (US\$)	-	-	-	-	-
Dividend Yield	0%	0%	0%	0%	0%
EV/EBITDA (x)	NA	NA	NA	NA	51.08
P/FCFE (x)	74.3	180.9	NA	54.6	25.4
Net Gearing	(156%)	(110%)	(114%)	(126%)	(134%)
P/BV (x)	10.05	5.25	6.94	7.75	7.09
ROE	(58.4%)	(29.2%)	(26.1%)	(11.1%)	5.0%
% Change In Core EPADS Estimates			(28%)	(194%)	(59%)
CGS-CIMB/Consensus EPADS (x)			0.60	0.27	(0.36)

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 1: Quarterly financials and operating metrics
SEA Ltd - 4Q21 Results Preview

Year End Dec 31	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	QoQ %	YoY%	Prev.	Var (%)
Adjusted revenue (US\$ m)												1Q22F	
Digital Entertainment (Bookings)	512.4	716.2	944.7	1,013.0	1,113.8	1,180.1	1,220.7	1,081.7	826.2	-23.6%	-25.8%	763.0	8.3%
Ecommerce*	263.2	443.0	618.7	842.2	922.3	1,155.2	1,450.5	1,595.0	1,516.7	-4.9%	64.4%	1,625.2	-6.7%
Digital Financial Services	10.3	11.7	14.4	24.4	51.3	88.7	132.2	197.5	236.0	19.5%	359.9%	237.0	-0.5%
Others	71.7	43.4	10.1	6.6	8.7	12.4	6.9	14.5	12.0	-17.1%	37.6%	16.1	-25.5%
Total adjusted revenue	858	1,214	1,588	1,886	2,096	2,436	2,810	2,889	2,591	-10.3%	23.6%	2,641	-1.9%
Adjusted EBITDA (US\$ m)													
Digital Entertainment	298	436	585	664	717	741	715	603	431	-28.4%	-39.9%	420	2.8%
Ecommerce	(260)	(305)	(302)	(427)	(413)	(580)	(684)	(878)	(743)	-15.4%	79.9%	(702)	5.7%
Digital Financial Services	(102)	(110)	(149)	(171)	(153)	(155)	(159)	(150)	(125)	-16.6%	-18.4%	(135)	-7.4%
Others	(7)	(13)	(13)	(16)	(63)	(30)	(38)	(67)	(74)	9.5%	16.3%	(73)	0.7%
Total adjusted EBITDA	(70)	8	120	49	88	(24)	(165)	(492)	(510)	3.6%	-678.7%	(491)	3.9%
Operating metrics													
Digital Entertainment													
Quarterly active users (m)	402	500	572	611	649	725	729	654	616	-5.8%	-5.1%	458	34.5%
Quarterly paying users (m)	36	50	65	73	80	92	93	77	61	-20.5%	-23.1%	54	12.7%
Pay ratio (%)	8.9%	10.0%	11.4%	12.0%	12.3%	12.7%	12.8%	11.8%	10.0%	-15.5%	-18.9%	11.9%	-16.3%
ARPU (US\$)	1.3	1.4	1.7	1.7	1.7	1.6	1.7	1.7	1.3	-18.9%	-21.3%	1.7	-19.5%
ARPPU (US\$)	14.4	14.4	14.5	13.9	13.9	12.8	13.1	14.0	13.5	-4.0%	-3.0%	14.0	-3.9%
Ecommerce													
Gross Merchandise Value (US\$m)	6,200	8,035	9,300	11,998	12,600	15,065	16,800	18,200	17,400	-4.4%	38.1%	17,829	-2.4%
Gross orders (m)	430	616	742	1,033	1,100	1,401	1,655	1,964	1,884	-4.1%	71.3%	1,783	5.7%
Overall take rate (%)*	4.2%	5.5%	6.7%	7.0%	7.3%	7.7%	8.6%	8.8%	8.7%	-0.5%	19.1%	9.1%	-4.4%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Results comparison
Results forecasts (based on US GAAP results)

FYE Dec (US\$m)	1QFY22	1QFY21	yoy % chg	4QFY21	qoq % chg	FY22 Cum	FY21 Cum	yoy % chg	Prev. FY22F
Revenue	2,899.6	1,763.6	64.4%	3,222.1	-10.0%	14,060.7	9,955.2	41.2%	14,079.9
Operating costs	(1,668.1)	(993.8)	67.8%	(1,752.8)	-4.8%	(7,040.8)	(5,478.8)	28.5%	(6,837.8)
EBITDA	(408.4)	(291.5)	40.1%	(442.1)	-7.6%	(941.9)	(1,304.0)	-27.8%	(1,128.2)
EBITDA margin (%)	-14.1%	-16.5%	2.4%	-13.7%	-0.4%	-6.7%	-13.1%	6.4%	-8.0%
Depn & amort.	89.7	56.9	57.5%	83.5	7.3%	396.5	279.0	42.1%	388.1
EBIT	(498.0)	(348.4)	42.9%	(525.6)	-5.2%	(1,338.4)	(1,583.1)	-15.5%	(1,516.2)
Interest & invt inc	10.5	(1.9)	-642.5%	(8.0)	-231.9%	40.5	(7.4)	-646.4%	40.0
Associates' contrib	5.8	0.6	861.9%	2.4	141.1%	10.3	5.0	104.5%	6.0
SBC	(135.0)	(102.1)	32.3%	(132.8)	1.7%	(581.9)	(470.3)	23.7%	(587.3)
Pretax profit	(504.1)	(371.7)	35.6%	(513.1)	-1.7%	(1,434.5)	(1,715.2)	-16.4%	(1,636.2)
Tax	(81.8)	(51.0)	60.3%	(105.6)	-22.5%	(352.6)	(332.9)	5.9%	(323.3)
Tax rate (%)	16.2%	13.7%	2.5%	20.6%	-4.4%	24.6%	19.4%	5.2%	19.8%
Minority interests	(0.3)	0.6	-154.6%	1.3	-124.8%	1.9	3.7	-48.4%	3.0
Net profit	(579.8)	(422.7)	37.2%	(617.6)	-6.1%	(1,778.7)	(2,046.8)	-13.1%	(1,956.5)
Core net profit	(444.8)	(320.6)	38.7%	(484.8)	-8.3%	(1,196.8)	(1,576.4)	-24.1%	(1,369.2)
Core EPS (cts)	(0.8)	(0.6)	28.4%	(0.9)	-8.7%	(2.1)	(3.0)	-28.7%	(2.4)

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

E-commerce segment (Shopee) ➤

- 1Q22 e-commerce GAAP revenue rose 64% yoy to US\$1.5bn (vs. 1Q21: US\$0.9bn), driven by GMV growth of 39% yoy and take rate expansion of 1.5% pts yoy.
- GPM improved yoy due to faster growth of higher-margin transaction based fees and advertising income; GPM of other value-added service also expanded on a yoy basis.
- EBITDA losses for e-commerce narrowed on a qoq basis to US\$743m (though it continued to widen on a yoy basis). Unit economics further improved. By region, Southeast Asia + Taiwan saw EBITDA losses per order (excl. HQ costs) narrow to 4cts in 1Q22 (1Q21: 12cts), while Brazil's EBITDA losses per order also narrowed 45% yoy (while managing to grow order volumes at c.200% yoy). Overall E-commerce EBITDA loss per order widened slightly to US\$0.39 (vs. 1Q21: US\$0.38), mainly due to higher HQ costs (which contributed to almost half of EBITDA loss increase), which management attributed to higher R&D headcount.

- Shopee believes that its Southeast Asia + Taiwan operations are on track to reach EBITDA positive (excl. HQ costs) this year. If HQ costs are included, timeline to reach EBITDA positive will be by end-CY23.
- Shopee Mall continued to see good growth, accounting for 15% of GMV in 1Q22 (1Q21: 12%).
- External data continue to show Shopee's market leadership in the Southeast Asia and Taiwan region. Gross orders in Indonesia rose 77% yoy.
- In Brazil, data.ai stats showed Shopee climbed in ranking to no.1 in the Shopping category by MAU in Mar and Apr 2022.
- For FY22F, revenue guidance for Shopee saw the range widened to US\$8.5bn-9.1bn (from US\$8.9bn-9.1bn). Management cited macro concerns as the reason behind "a wider range of potential scenarios", but insists that the original forecasts are still attainable. The midpoint of its guidance remains strong at 71.8% yoy growth, still surpassing global peers, with Southeast Asia relatively resilient amidst current challenges (some markets are net commodity exporters, some are benefiting from shifts in the global supply chain, etc.).

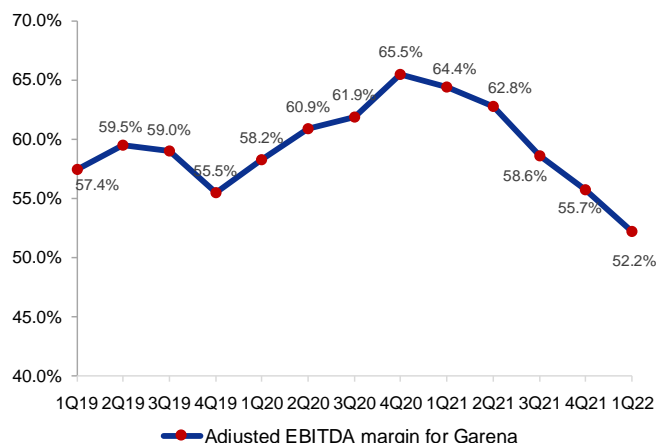
Gaming segment (Garena) ➤

- 1Q22 bookings came in at US\$0.8bn (-24% qoq, -26% yoy), due to post-Covid normalisation and impact of the Free Fire India ban. Adjusted EBITDA margin contracted to 52.2% due to higher spend to improve user engagement.
- SE saw early signs of monthly user trends stabilising towards the end of 1Q, though the long-term impact of the economy reopening on Free Fire remains to be seen.
- SE continues to focus on promoting longevity of the Free Fire game by introducing more diversified content and game modes. The recently introduced editor feature (Craftland) saw strong traction in 1Q22. Also, Free Fire's partnership with Korean band BTS resonated well with players.
- Free Fire remains a top game globally, ranking third by average MAU on Google Play in 1Q22.
- SEA intends to continue developing its pipeline of new games, with c.50% of its team of developers solely focusing on new game development. SEA will be launching its first massively multiplayer online role-playing game (Moonlight Blade) in Thailand over the next few months.

Digital financial services segment (SeaMoney) ➤

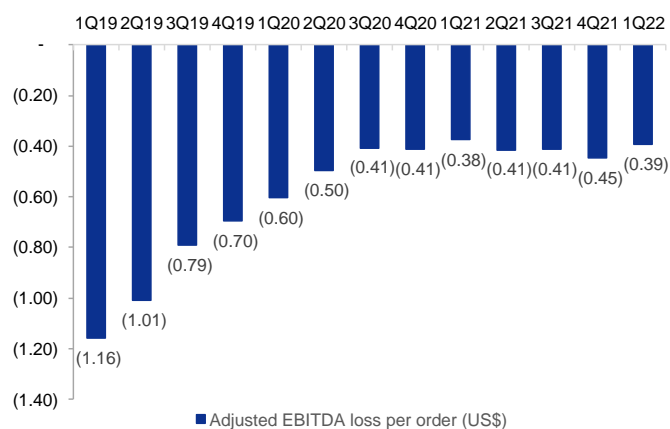
- 1Q22 digital financial services GAAP revenue grew to US\$236m (+19% qoq, +360% yoy). Adjusted EBITDA loss narrowed both on a qoq and yoy basis to US\$125m (vs. 1Q21: US\$153m).
- Operating stats remain strong, 1Q22 QAU's increased 78% yoy to 49m, while mobile wallet total payment volumes (TPV) increased 49% yoy to US\$5.1bn.
- Continues to be rolling out more financial products across markets. SE sees this as a high quality revenue driver without significant need of investment to scale. We believe that with scale and commercialisation, the DFS segment will be able to reach cash flow positive in the short- to medium-term (previously guided for FY23).
- It has secured four digital banking licences to date. Strong initial traction in Indonesia's rollout. Huge opportunity from the unbanked population to be captured.

Figure 3: Adjusted EBITDA margin for digital entertainment weakened further in 1Q22



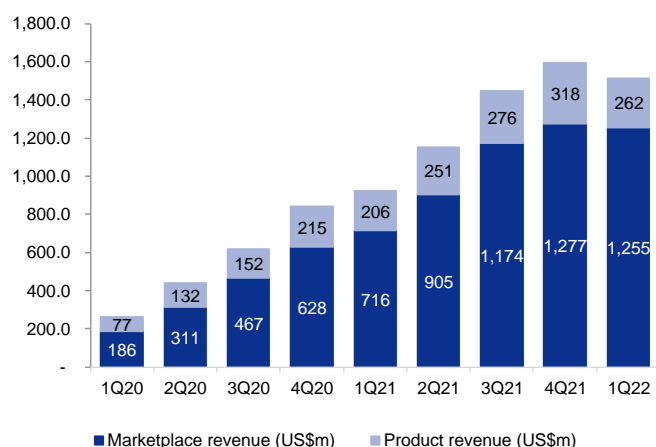
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 4: Shopee adjusted EBITDA loss per order improved in 1Q22



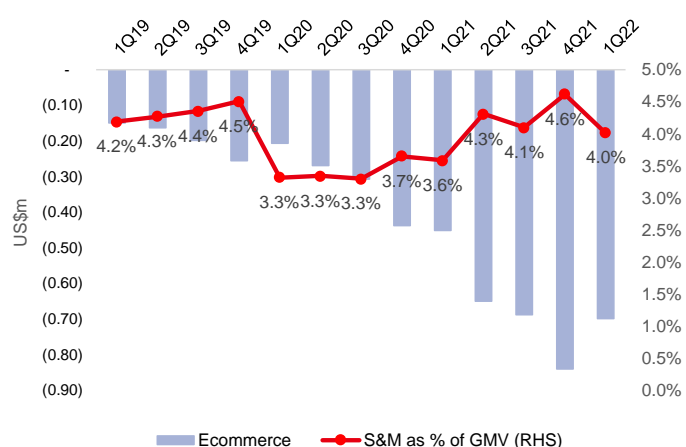
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 5: Shopee's marketplace and product revenue trends



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 6: S&M expense for e-commerce



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 7: Earnings revision

US\$m	New			Old			% Change		
	FY22F	FY23F	FY24F	FY22F	FY23F	FY24F	FY22F	FY23F	FY24F
Adjusted revenue	12,957	18,133	23,215	13,286	18,179	23,541	-2.5%	-0.3%	-1.4%
Gaming	3,083	3,302	3,643	3,085	3,369	3,617	-0.1%	-2.0%	0.7%
Ecommerce	8,592	12,681	16,345	8,903	12,680	16,734	-3.5%	0.0%	-2.3%
Digital Financial Services	1,227	2,073	3,130	1,225	2,037	3,076	0.2%	1.7%	1.7%
Others	56	77	97	72	93	114	-22.8%	-17.7%	-14.4%
Adjusted EBITDA	(1,607)	107	1,413	(1,173)	512	1,797	37.0%	-79.1%	-21.3%
Gaming	1,661	1,783	1,949	1,697	1,853	1,990	-2.1%	-3.7%	-2.0%
Ecommerce	(2,582)	(1,408)	(583)	(2,103)	(880)	(104)	22.8%	59.9%	459.3%
Digital Financial Services	(380)	(10)	240	(464)	(193)	127	-18.1%	-95.0%	89.6%
Others	(307)	(259)	(193)	(304)	(267)	(215)	0.9%	-3.0%	-10.3%
Reported GAAP net profit	(2,327)	(1,351)	(563)	(1,957)	(931)	(138)	18.9%	45.1%	306.5%
Adjusted net profit	(1,745)	(644)	297	(1,369)	(218)	728	27.5%	195.4%	-59.2%
EPS (US\$)	(4.1)	(2.3)	(0.9)	(3.4)	(1.5)	(0.2)	20.0%	46.3%	309.8%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

- Gaming:** We fine-tune our adjusted gaming revenue forecast, factoring in moderation in gaming activities post-Covid-19 and Free Fire's India woes. We lower our adjusted EBITDA forecasts for FY22-24F to account for 1) higher OpEx

as Garena looks to further strengthen engagement with its gamer base through initiatives including social media, influencers and e-sports events and 2) higher spend to drive growth for new games to be launched.

- 2) **E-commerce:** We slightly lowered our e-commerce revenue forecasts for FY22-24F as we factor in a slightly slower pace of GMV growth in view of macro challenges, including higher inflationary pressure and supply chain disruptions. We also factor in higher losses as we assume higher HQ costs for Shopee.
- 3) **Digital financial services:** With continued growth in the mobile wallet space, we believe Shopee could see a further ramp-up in revenue growth for its digital financial services. We also expect medium-term growth to be driven by contributions from Shopee's digital bank. We expect revenue to surge on a low base, and raise our DFS revenue assumptions slightly for FY22-24F. We also forecast narrowing DFS losses with SE guiding for DFS turning positive cash flow by FY23F.

Figure 8: SOP valuation

Segment	Basis	Multiple (x)	Base value (US\$m)	Valuation (US\$m)	Per ADR (US\$)	% of SOP	Notes:
Gaming - Garena	FY23F P/E (cash-adjusted)	8.0	1,363	10,907	18.1	12%	At discount to sector average given reliance on Free Fire
Ecommerce - Shopee	FY23F P/Sales	5.0	12,681	63,406	105.2	70%	-1 s.d. below average of close industry comps
Digital financial services - SeaMoney	FY23F P/TPV (Price to Total Payment Value)	0.2	65,650	9,848	16.3	11%	In line with industry mean
Net cash/(debt)	As of end FY22F		5,929	5,929	9.8		
Total equity value	SOP			90,090	150		
No. of shares outstanding (m)				602.5			
Equity value per share (US\$)				150.0			CGS-CIMB Research's target price

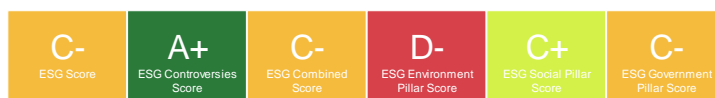
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Re-rating catalysts: further commission rate hikes for Shopee and positive updates on Free Fire India. Downside risks: weaker-than-expected consumer spend in the region amidst macro uncertainties.

ESG in a nutshell



Refinitiv ESG Scores



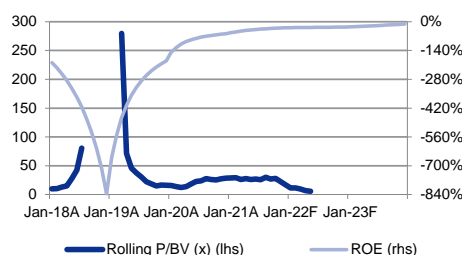
SE actively engages in CSR activities and is committed to the UN Sustainable Development Goals (SDGs) in the areas of education, decent work and economic growth, reducing inequalities, health and well-being and partnerships with international organisations, government-linked bodies and educational institutions. SE maintains a good employee diversity profile with an almost equal gender mix of males and females from over 50 nationalities. Its continued localised approach across markets can help its merchants draw more customers onto its platform to provide more selling opportunities. This in turn raises household income and creates employment to narrow the income inequality gap in rural and emerging regions in ASEAN.

Keep your eye on	Implications
<p>SE adopts a hyperlocalisation strategy for its offerings across its three platforms – digital entertainment, e-commerce and digital financial services which can raise household income and create employment to narrow the income inequality gap, especially in rural and emerging regions in ASEAN.</p> <p>For example, Shopee has enabled 57% of Indonesian MSMEs to generate higher profits compared to other marketplaces in the country and provides merchants with a platform to expand regionally, creating additional streams of revenue for its merchants.</p>	<p>We believe SE's hyperlocalisation strategy is key to its success in ASEAN. As more consumers get attracted to SE's ecosystems, existing merchants will be able to derive greater sales revenue, in turn attracting more new merchants onto the platform thereby expanding product offerings available, and increasing user stickiness on SE's platforms. This will drive further monetisation for SE through higher take rates, and stronger average revenue per user (ARPU) and average revenue per paying user (ARPPU), bringing it closer to profitability.</p>
ESG highlights	Implications
<p>SE maintains a good diversity profile. Its gender ratio of male to female employees is 54:46 as of 1 Jan 2021, and its workforce comprises employees from over 50 nationalities.</p>	<p>This is positive for SE as it underscores SE's commitment to the UN SDGs in ensuring equality and does not discriminate based on gender or nationality.</p>
Trends	Implications
<p>As SE's sustainability report for 2020 is its first, there are no meaningful trends we can observe.</p>	<p>Not meaningful.</p>

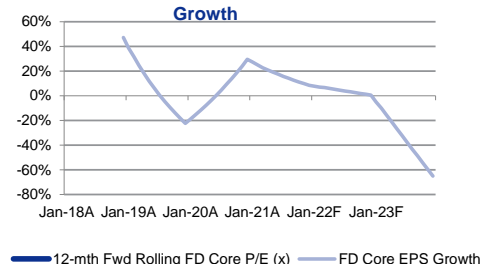
SOURCES: CGS-CIMB RESEARCH, REFINITIV

BY THE NUMBERS

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

(US\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues	4,565	10,243	14,194	18,911	23,853
Gross Profit	1,539	4,184	5,380	8,075	10,238
Operating EBITDA	(1,123)	(1,304)	(1,490)	(314)	671
Depreciation And Amortisation	(181)	(279)	(396)	(493)	(597)
Operating EBIT	(1,303)	(1,583)	(1,887)	(807)	73
Financial Income/(Expense)	(123)	(103)	(91)	(120)	(120)
Pretax Income/(Loss) from Assoc.	1	5	10	8	8
Non-Operating Income/(Expense)	(56)	(29)	(5)	0	0
Profit Before Tax (pre-EI)	(1,482)	(1,710)	(1,973)	(919)	(39)
Exceptional Items	(0)	0	0	0	0
Pre-tax Profit	(1,483)	(1,710)	(1,973)	(919)	(39)
Taxation	(142)	(333)	(353)	(429)	(521)
Exceptional Income - post-tax					
Profit After Tax	(1,624)	(2,043)	(2,325)	(1,348)	(560)
Minority Interests	6	(4)	(2)	(3)	(3)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	(1,618)	(2,047)	(2,327)	(1,351)	(563)
Recurring Net Profit	(1,328)	(1,576)	(1,745)	(644)	297
Fully Diluted Recurring Net Profit	(1,328)	(1,576)	(1,745)	(644)	297

Cash Flow

(US\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
EBITDA	(1,123)	(1,304)	(1,490)	(314)	671
Cash Flow from Inv. & Assoc.	(1)	(5)	(10)	(8)	(8)
Change In Working Capital	1,501	2,601	776	1,391	1,539
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	304	(980)	234	287	347
Net Interest (Paid)/Received	(123)	(103)	(91)	(120)	(120)
Tax Paid	(2)	0	0	0	0
Cashflow From Operations	556	209	(581)	1,235	2,429
Capex	(357)	(500)	(650)	(780)	(936)
Disposals Of FAs/subsidiaries	21	0	0	0	0
Acq. Of Subsidiaries/investments	(297)	(307)	(400)	(479)	(575)
Other Investing Cashflow	(254)	0	0	0	0
Cash Flow From Investing	(887)	(807)	(1,049)	(1,259)	(1,511)
Debt Raised/(repaid)	779	800	800	800	800
Proceeds From Issue Of Shares	2,970	3,498	297	297	297
Shares Repurchased					
Dividends Paid					
Preferred Dividends					
Other Financing Cashflow	(16)	0	0	0	0
Cash Flow From Financing	3,733	4,298	1,097	1,097	1,097
Total Cash Generated	3,402	3,699	(533)	1,073	2,015
Free Cashflow To Equity	448	201	(830)	776	1,718
Free Cashflow To Firm	(183)	(460)	(1,498)	136	1,078

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(US\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	7,179	11,749	11,216	12,289	14,304
Total Debtors	1,723	3,307	4,345	5,095	5,959
Inventories	64	117	153	202	251
Total Other Current Assets	0	0	0	0	0
Total Current Assets	8,966	15,174	15,714	17,586	20,514
Fixed Assets	386	1,030	1,245	1,487	1,771
Total Investments	190	1,053	1,463	1,950	2,534
Intangible Assets	256	592	630	675	730
Total Other Non-Current Assets	656	907	932	962	998
Total Non-current Assets	1,489	3,582	4,270	5,074	6,032
Short-term Debt	0	100	100	100	100
Current Portion of Long-Term Debt	0	0	0	0	0
Total Creditors	4,509	6,709	8,568	10,769	13,236
Other Current Liabilities	127	368	368	368	368
Total Current Liabilities	4,636	7,176	9,035	11,237	13,704
Total Long-term Debt	0	0	0	0	0
Hybrid Debt - Debt Component	1,840	3,476	4,276	5,076	5,876
Total Other Non-Current Liabilities	557	672	688	706	728
Total Non-current Liabilities	2,398	4,148	4,963	5,782	6,604
Total Provisions	2	7	7	7	7
Total Liabilities	7,035	11,332	14,006	17,026	20,314
Shareholders' Equity	3,383	7,399	5,950	5,604	6,198
Minority Interests	37	26	28	31	34
Total Equity	3,420	7,424	5,978	5,634	6,231

Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	101%	128%	39%	33%	26%
Operating EBITDA Growth	45.9%	16.2%	14.3%	(78.9%)	N/A
Operating EBITDA Margin	(25.7%)	(13.1%)	(10.7%)	(1.7%)	2.9%
Net Cash Per ADS (US\$)	11.05	14.79	11.64	11.52	13.33
BVPADS (US\$)	7.00	13.39	10.13	9.08	9.92
Gross Interest Cover	(8.79)	(11.39)	(14.34)	(5.05)	0.46
Effective Tax Rate	0%	0%	0%	0%	0%
Net Dividend Payout Ratio	NA	NA	NA	NA	NA
Accounts Receivables Days	23.00	13.77	20.14	26.57	27.88
Inventory Days	5.51	5.47	5.60	5.97	6.09
Accounts Payables Days	193.8	177.7	171.0	167.4	160.7
ROIC (%)	132%	82%	138%	27%	27%
ROCE (%)	(33.1%)	(19.6%)	(17.3%)	(7.2%)	1.0%
Return On Average Assets	(19.3%)	(13.4%)	(11.6%)	(6.0%)	(7.2%)

Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Game QAU (m)	521.2	689.3	562.9	573.5	608.7
Game QPU (m)	56.0	85.6	56.7	58.9	63.8
Game paying ratio (%)	10.7%	12.4%	10.1%	10.3%	10.5%
GMV (USD 'm)	35,532.1	62,664.8	89,090.8	124,637.4	160,484.8
E-commerce take-rate (%)	7.0%	0.0%	0.0%	0.0%	0.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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Corporate Governance Report:

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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 - 89	70 - 79	Below 70	No Survey Result
Description:	Excellent	Very Good	Good	N/A	N/A

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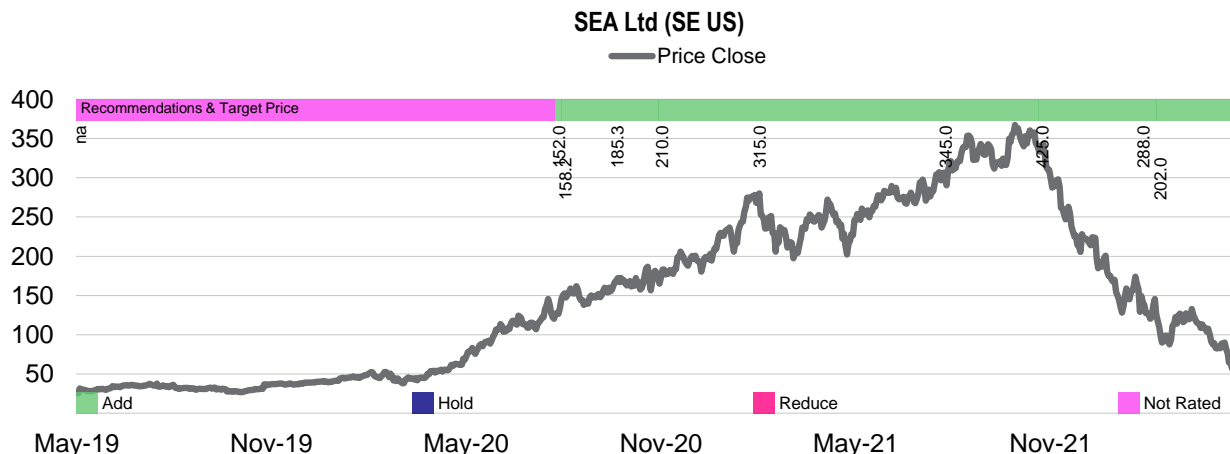
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2022		
632 companies under coverage for quarter ended on 31 March 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	70.3%	0.8%
Hold	22.0%	0.0%
Reduce	7.8%	0.2%

Spitzer Chart for stock being researched (2 year data)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021

ADVANC – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENTEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** – Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** – Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, n/a, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** – Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** – Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TOP** – Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

Recommendation Framework	
Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.
The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.	
Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.