



GROUPON[®]

Annual Shareholder Meeting

June 8, 2016

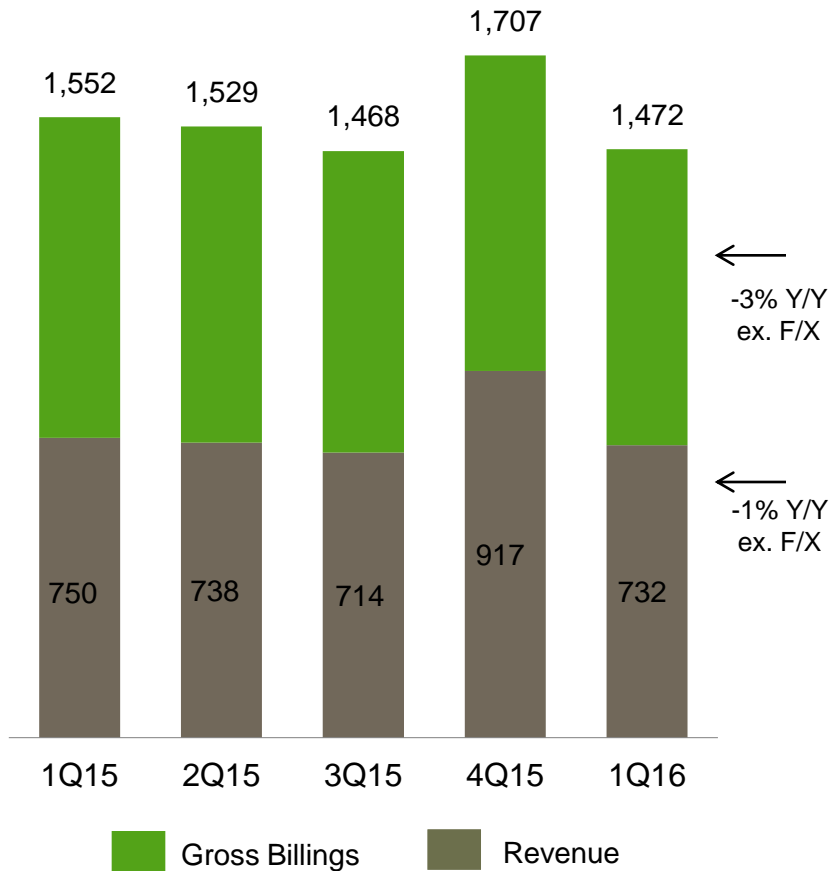
Appendix



Financial Summary – Consolidated Quarterly

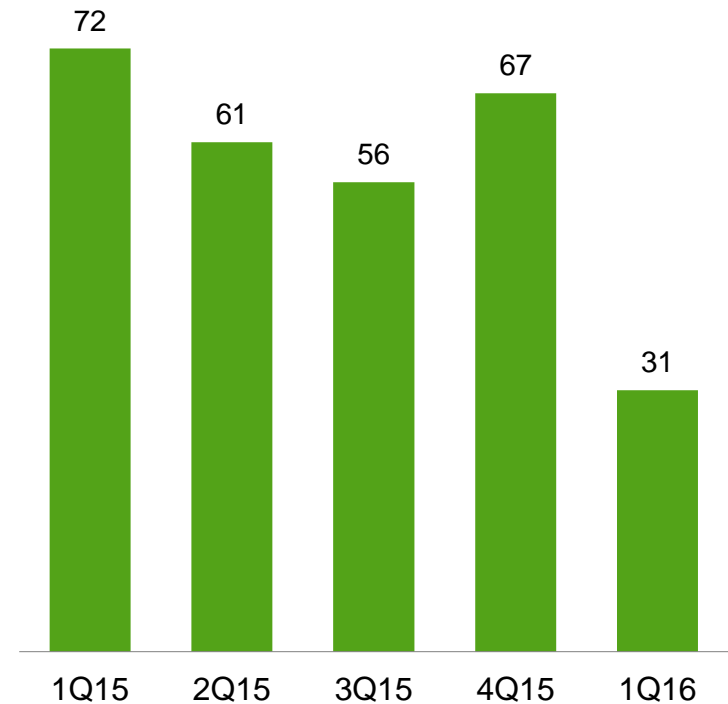
Gross Billings & Revenue

(USD millions)



Adjusted EBITDA¹

(USD millions)



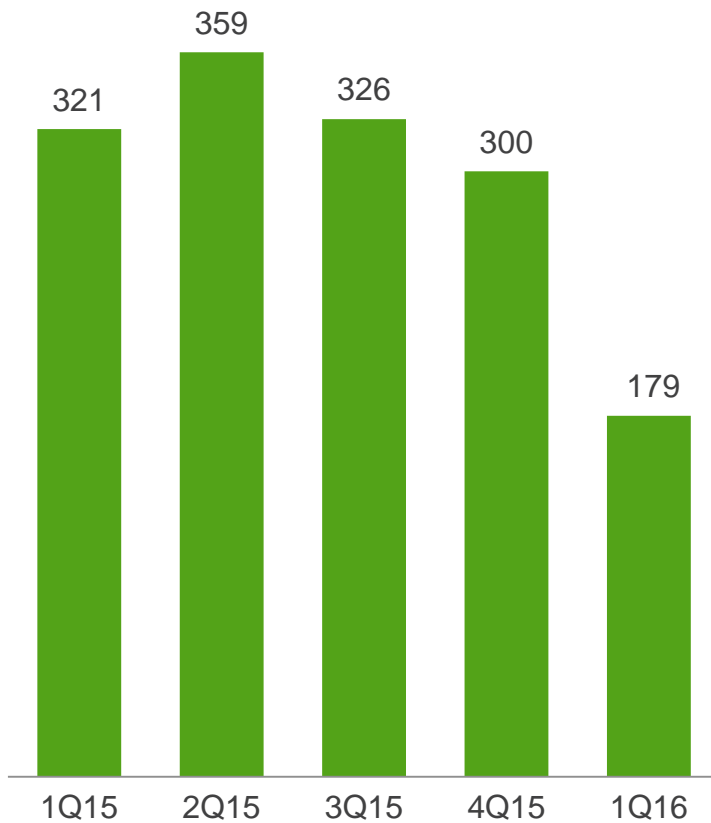
(1) Adjusted EBITDA is a non-GAAP financial measure. See appendix for a reconciliation to the most comparable U.S. GAAP financial measure, "Net income (loss) from continuing operations."



Financial Summary – Cash Flow

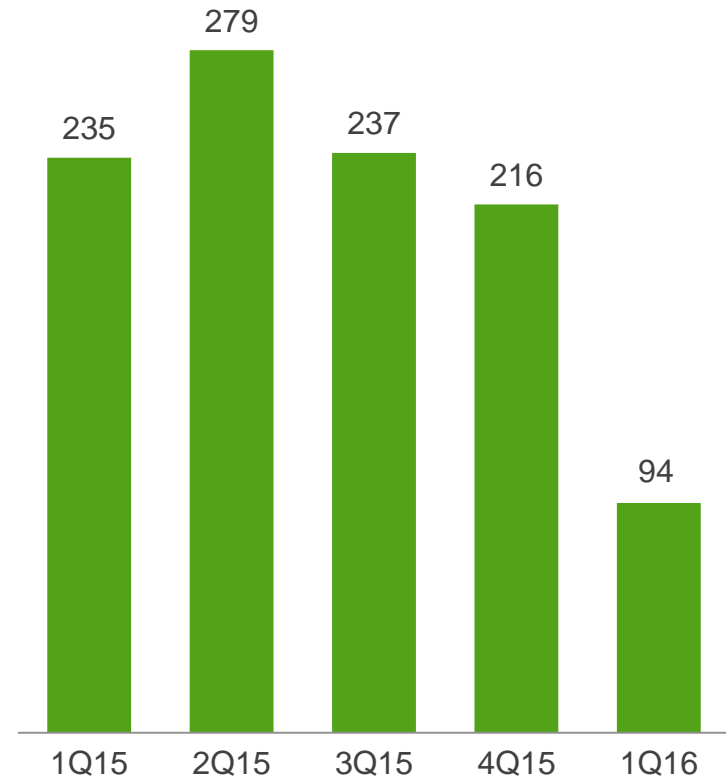
Operating Cash Flow TTM

(USD millions)



Free Cash Flow TTM¹

(USD millions)



(1) Free cash flow is a non-GAAP financial measure. See appendix for a reconciliation to the most comparable U.S. GAAP financial measure, "Net cash provided by (used in) operating activities from continuing operations."

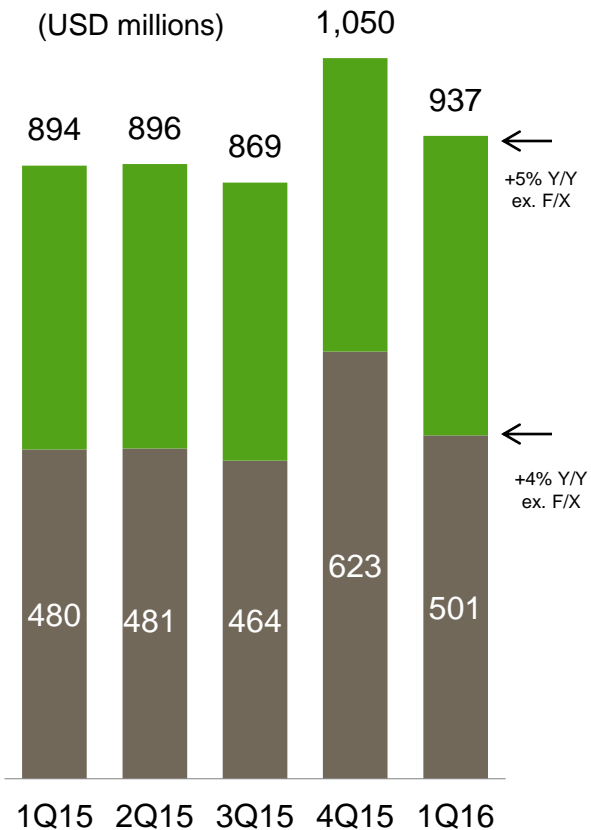


Financial Summary – Segment

North America

Gross Billings & Revenue

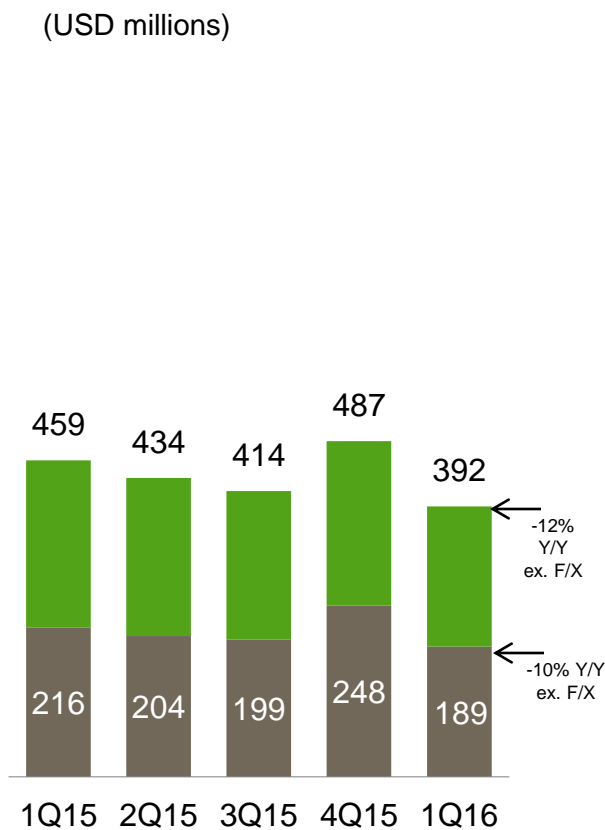
(USD millions)



EMEA

Gross Billings & Revenue

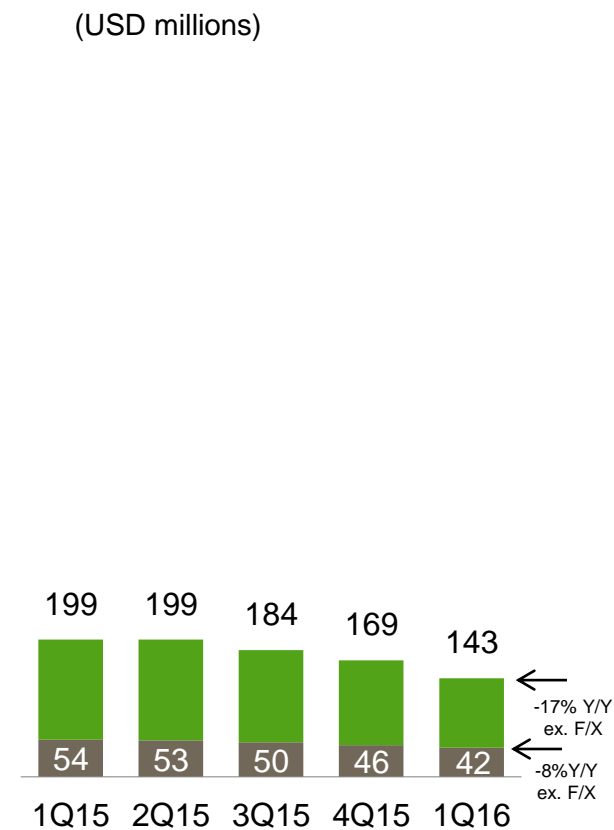
(USD millions)



Rest of World

Gross Billings & Revenue

(USD millions)



Gross Billings Revenue

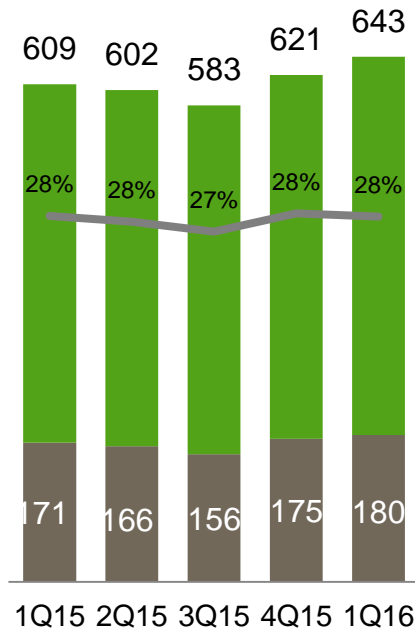


Financial Summary – Services¹

North America

Gross Billings & Gross Profit

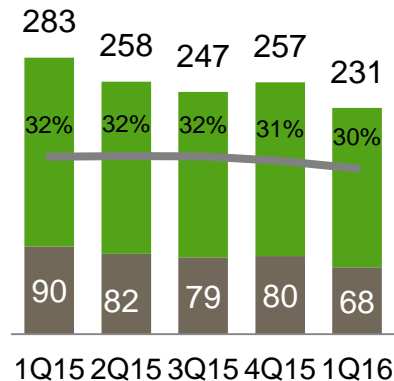
(USD millions)



EMEA

Gross Billings & Gross Profit

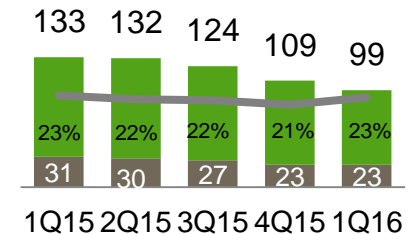
(USD millions)



Rest of World

Gross Billings & Gross Profit

(USD millions)



■ Gross Billings
 ■ Gross Profit
 — Gross Margin % of Billings²

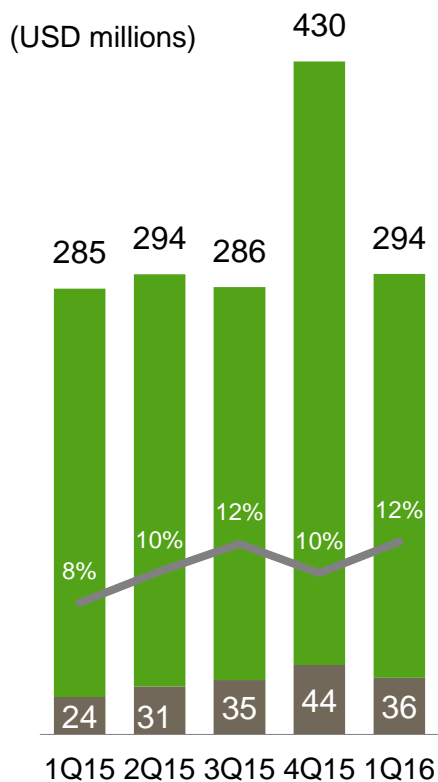
(1) Services represents deals from local and national merchants and deals on local events, as well as travel deals.
 (2) Gross margin is defined as gross profit as a percent of gross billings in order to eliminate the differences in gross versus net presentation of revenue.



Financial Summary – Shopping

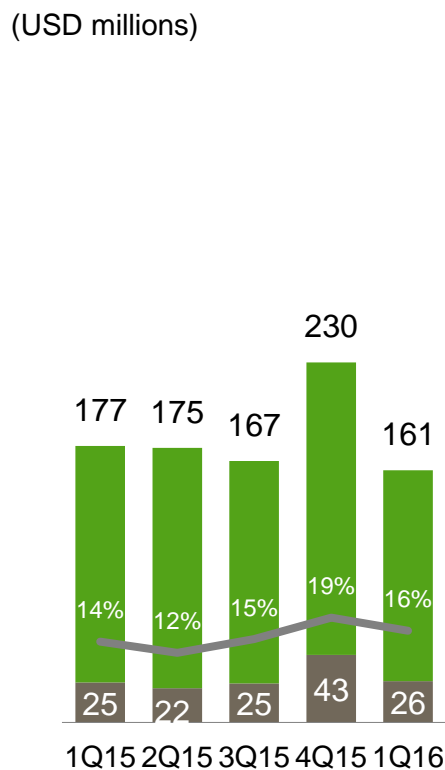
North America

Gross Billings & Gross Profit



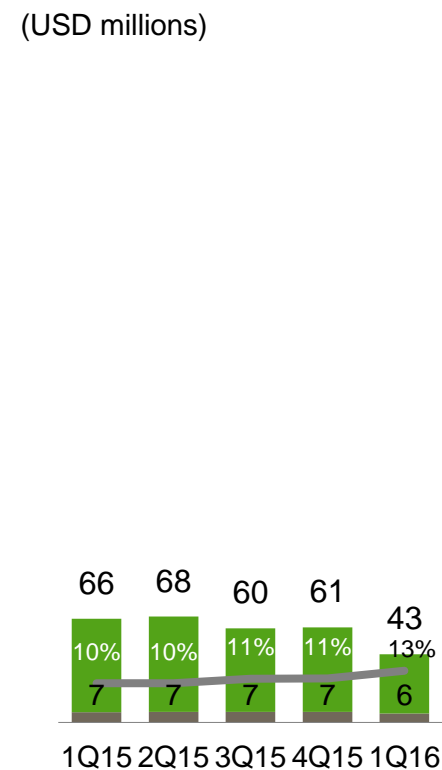
EMEA

Gross Billings & Gross Profit



Rest of World

Gross Billings & Gross Profit



■ Gross Billings
 ■ Gross Profit
 — Gross Margin % of Billings¹

(1) Gross margin is defined as gross profit as a percent of gross billings in order to eliminate the differences in gross versus net presentation of revenue.



Non-GAAP Reconciliations¹

Adjusted EBITDA - Annual

(in thousands)

The following is a reconciliation of Adjusted EBITDA to the most comparable U.S. GAAP financial measure, "Income (loss) from continuing operations":

	2012	2013	2014	2015
Income (loss) from continuing operations	\$(51,031)	\$(88,946)	\$(18,473)	\$(89,171)
Adjustments				
Stock-based compensation	104,117	121,462	115,290	141,734
Depreciation and amortization	55,801	89,449	115,041	132,970
Acquisition-related expense (benefit), net	897	(11)	1,269	1,857
Restructuring charges	—	—	—	29,568
Gain on disposition of business	—	—	—	(13,710)
Prepaid marketing write-off	—	—	—	6,690
Securities litigation expense	—	—	—	37,500
Non-operating expense (income), net	3,759	94,663	33,450	28,539
Provision (benefit) for income taxes	145,973	70,037	15,724	(19,145)
Total Adjustments	310,547	375,600	280,774	346,003
Adjusted EBITDA	\$259,516	\$286,654	\$262,301	\$256,832

(1) See press release posted on our Investor Relations website for additional information regarding non-GAAP financial measures.



Non-GAAP Reconciliations¹

Adjusted EBITDA - Quarterly

(in thousands)

The following is a reconciliation of Adjusted EBITDA to the most comparable U.S. GAAP financial measure, "Income (loss) from continuing operations":

	1Q15	2Q15	3Q15	4Q15	1Q16
Income (loss) from continuing operations	\$(16,739)	\$(15,267)	\$(24,613)	\$(32,552)	\$(45,596)
Adjustments					
Stock-based compensation	35,144	38,467	35,432	32,691	27,976
Depreciation and amortization	32,200	31,372	35,635	33,763	34,797
Acquisition-related expense (benefit), net	(269)	505	1,064	557	3,464
Restructuring charges	—	—	24,146	5,422	12,444
Gain on disposition of business	—	—	(13,710)	—	—
Prepaid marketing write-off	—	—	6,690	—	—
Securities litigation expense	—	—	37,500	—	—
Non-operating expense (income), net	19,927	(2,941)	8,160	3,393	(3,486)
Provision (benefit) for income taxes	2,107	8,982	(53,970)	23,736	1,749
Total Adjustments	89,109	76,385	80,947	99,562	76,944
Adjusted EBITDA	\$72,370	\$61,118	\$56,334	\$67,010	\$31,348

(1) See press release posted on our Investor Relations website for additional information regarding non-GAAP financial measures.



Non-GAAP Reconciliations cont'd

Non-GAAP Earnings Per Share and Non-GAAP Earnings

(in thousands, except share and per share amounts)

The following is a reconciliation of net income (loss) attributable to common stockholders to non-GAAP net income (loss) attributable to common stockholders and a reconciliation of diluted net income (loss) per share to non-GAAP net income (loss) per share:

	Three Months Ended March 31, 2016
Net income (loss) attributable to common stockholders	\$(49,119)
Stock-based compensation¹	28,208
Amortization of acquired intangible assets	4,654
Acquisition-related expense (benefit), net	3,464
Restructuring charges	12,444
Intercompany foreign currency losses (gains) and reclassifications of translation adjustments to earnings²	(5,470)
Loss from changes in fair value of investments	1,100
Income tax effect of above adjustments	88
Non-GAAP net income (loss) attributable to common stockholders	\$(4,631)
Diluted shares	582,751,678
Incremental diluted shares	—
Adjusted diluted shares	582,751,678
Diluted net income (loss) per share	\$(0.08)
Impact of stock-based compensation, amortization of acquired intangible assets, acquisition-related expense (benefit), net, intercompany foreign currency losses (gains), items that are unusual in nature and infrequently occurring and related tax effects	0.07
Non-GAAP net income (loss) per share	\$(0.01)

(1) Excludes \$2.6 million of stock-based compensation classified within restructuring charges.

(2) For the three months ended March 31, 2016, a \$1.5 million cumulative translation loss was reclassified to earnings as a result of the Company's exit from certain countries as part of its restructuring plan.



Non-GAAP Reconciliations cont'd

Free Cash Flow - Annual

(in thousands)

The following is a reconciliation of free cash flow (TTM) to the most comparable U.S. GAAP financial measure, "Net cash provided by (used in) operating activities from continuing operations (TTM)"⁽¹⁾:

	2012	2013	2014	2015
Net cash provided by (used in) operating activities from continuing operations	\$293,857	\$238,886	\$268,477	\$299,747
Purchases of property and equipment and capitalized software from continuing operations	(95,836)	(63,505)	(83,560)	(83,988)
Free Cash Flow	\$198,021	\$175,381	\$184,917	\$215,759
Net cash provided by (used in) investing activities from continuing operations	\$(194,979)	\$(96,315)	\$(152,818)	\$(177,250)
Net cash provided by (used in) financing activities	\$(14,928)	\$(102,151)	\$(210,136)	\$(515,785)

(1) The Company adopted the guidance in Accounting Standards Update ("ASU") 2016-09, Compensation - Stock Compensation (Topic 718) – Improvements to Employee Share-Based Payment Accounting, on January 1, 2016. ASU 2016-09 requires that all income tax-related cash flows resulting from share-based payments be reported as operating activities in the statement of cash flows. Previously, income tax benefits at settlement of an award were reported as a reduction to operating cash flows and an increase to financing cash flows to the extent that those benefits exceeded the income tax benefits reported in earnings during the award's vesting period. The Company has elected to apply that change in cash flow classification on a retrospective basis, which has resulted in adjustments to net cash provided by (used in) operating activities from continuing operations, net cash used in financing activities, and free cash flow for the periods ending December 31, 2012, December 31, 2013, December 31, 2014 and December 31, 2015.



Non-GAAP Reconciliations cont'd

Free Cash Flow

(in thousands)

The following is a reconciliation of free cash flow (TTM) to the most comparable U.S. GAAP financial measure, "Net cash provided by (used in) operating activities from continuing operations (TTM)":

	1Q15	2Q15	3Q15	4Q15	1Q16
Net cash provided by (used in) operating activities from continuing operations (TTM)	\$320,803	\$358,576	\$325,971	\$299,747	\$179,415
Purchases of property and equipment and capitalized software from continuing operations (TTM)	(85,761)	(79,501)	(88,598)	(83,988)	(85,646)
Free Cash Flow (TTM)	\$235,042	\$279,075	\$237,373	\$215,759	\$93,769
Net cash provided by (used in) investing activities from continuing operations (TTM)	\$(105,821)	\$(102,205)	\$(181,187)	\$(177,250)	\$(178,585)
Net cash provided by (used in) financing activities (TTM)	\$(198,627)	\$(221,354)	\$(216,683)	\$(515,785)	\$(557,962)

The following is a reconciliation of free cash flow to the most comparable U.S. GAAP financial measure, "Net cash provided by (used in) operating activities from continuing operations":

	1Q15	2Q15	3Q15	4Q15	1Q16
Net cash provided by (used in) operating activities from continuing operations	\$43,607	\$13,325	\$(7,640)	\$250,455	\$(76,725)
Purchases of property and equipment and capitalized software from continuing operations	(18,294)	(22,452)	(27,735)	(15,507)	(19,952)
Free Cash Flow	\$25,313	\$(9,127)	\$(35,375)	\$234,948	\$(96,677)
Net cash provided by (used in) investing activities from continuing operations	\$(19,443)	\$(28,541)	\$(98,028)	\$(31,238)	\$(20,778)
Net cash provided by (used in) financing activities	\$(35,838)	\$(141,557)	\$(14,793)	\$(323,597)	\$(78,015)



Non-GAAP Reconciliations cont'd

Foreign exchange rate neutral

The following is a quarterly reconciliation of foreign exchange rate neutral Gross billings growth from the comparable quarterly period of the prior year to reported Gross billings growth from the comparable quarterly period of the prior year:

	<u>1Q16</u>
EMEA Gross billings growth, excluding FX	(12) %
FX Effect	(3)
EMEA Gross billings growth	(15) %
Rest of World Gross billings growth, excluding FX	(17) %
FX Effect	(11)
Rest of World Gross billings growth	(28) %
Consolidated Gross billings growth, excluding FX	(3) %
FX Effect	(2)
Consolidated Gross billings growth	(5) %

The following is a quarterly reconciliation of foreign exchange rate neutral Revenue growth from the comparable quarterly period of the prior year to reported Revenue growth from the comparable quarterly period of the prior year:

	<u>1Q16</u>
EMEA Revenue growth, excluding FX	(10) %
FX Effect	(3)
EMEA Revenue growth	(13) %
Rest of World Revenue growth, excluding FX	(8) %
FX Effect	(14)
Rest of World Revenue growth	(22) %
Consolidated Revenue growth, excluding FX	(1) %
FX Effect	(1)
Consolidated Revenue growth	(2) %

