

1Q16 Earnings

April 2016

Forward-Looking Statements

The statements contained in this presentation that refer to plans and expectations for the next quarter, the full year or the future are forward-looking statements that involve a number of risks and uncertainties, and actual results could differ materially from those discussed. The risks and uncertainties that could cause our results to differ materially from those included in the forward-looking statements include, but are not limited to, volatility in our revenue and operating results; risks related to our business strategy, including our strategy to grow our local marketplaces, marketing strategy and spend and the productivity of those marketing investments and the impact of our shift away from lower margin products in our Goods category; effectively dealing with challenges arising from our international operations, including fluctuations in currency exchange rates; retaining existing customers and adding new customers, including as we increase our marketing spend and shift away from lower margin products in our Goods category; retaining and adding high quality merchants; cyber security breaches; incurring expenses as we expand our business; competing successfully in our industry; maintaining favorable payment terms with our business partners; providing a strong mobile experience for our customers; delivery and routing of our emails; product liability claims; managing inventory and order fulfillment risks; integrating our technology platforms; litigation; managing refund risks; retaining, attracting and integrating members of our executive team; difficulties, delays or our inability to successfully complete all or part of the announced restructuring actions or to realize the operating efficiencies and other benefits of such restructuring actions; higher than anticipated restructuring charges or changes in the timing of such restructuring charges; completing and realizing the anticipated benefits from acquisitions, dispositions, joint ventures and strategic investments; tax liabilities; tax legislation; compliance with domestic and foreign laws and regulations, including the CARD Act and regulation of the Internet and e-commerce; classification of our independent contractors; maintaining our information technology infrastructure; protecting our intellectual property; maintaining a strong brand; seasonality; customer and merchant fraud; payment-related risks; our ability to raise capital if necessary and our outstanding indebtedness; global economic uncertainty; the impact of our ongoing strategic review and any potential strategic alternatives we may choose to pursue; our senior convertible notes; and our ability to complete and realize the anticipated benefits from the hedge and warrant transactions. For additional information regarding these and other risks and uncertainties, we urge you to refer to the factors included under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the company's Annual Report on Form 10-K for the year ended December 31, 2015, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 and our other filings with the SEC, copies of which may be obtained by visiting the company's Investor Relations web site at <http://investor.groupon.com> or the SEC's web site at www.sec.gov. Groupon's actual results could differ materially from those predicted or implied and reported results should not be considered an indication of future performance.

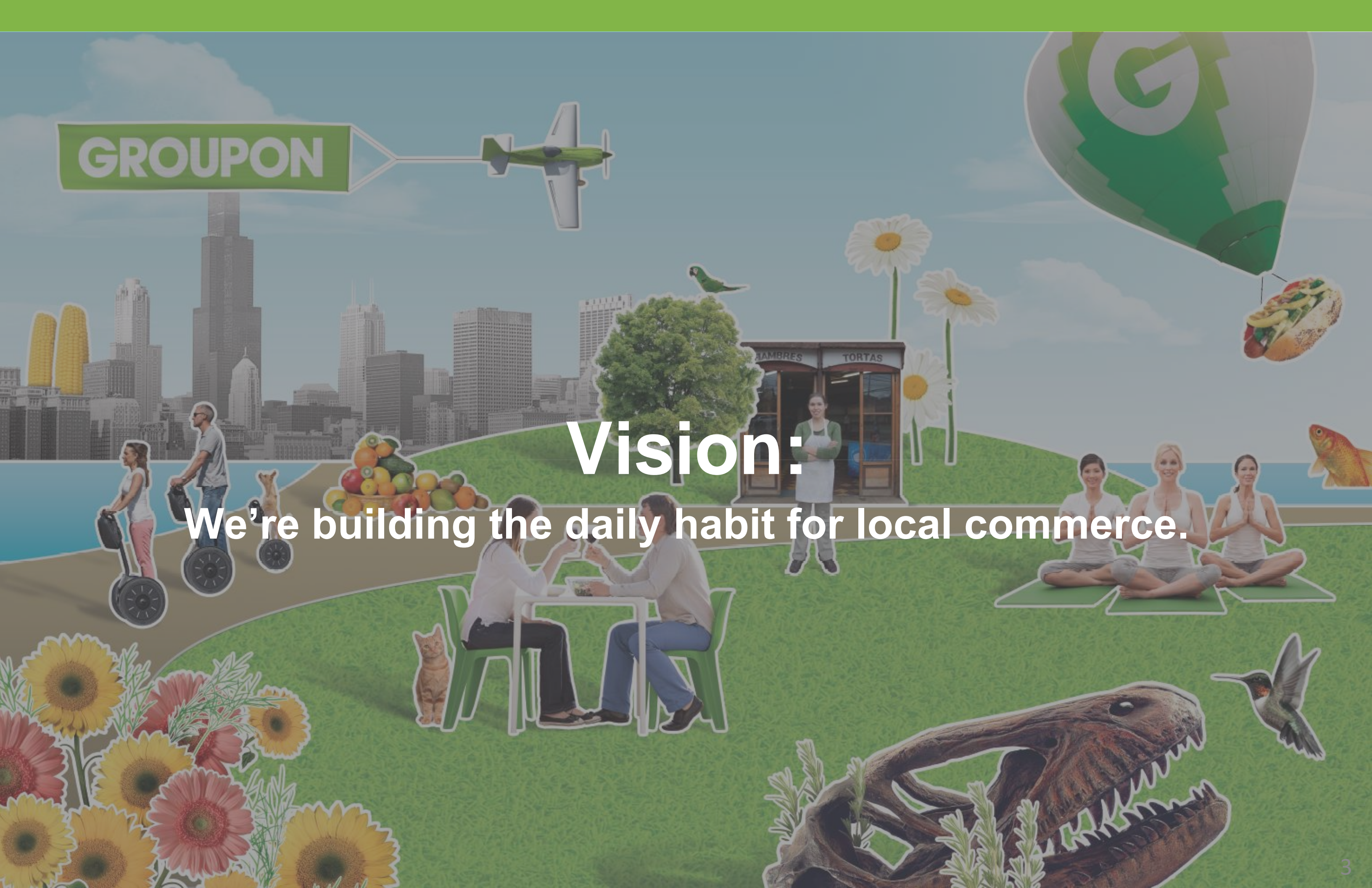
You should not rely upon forward-looking statements as predictions of future events. Although Groupon believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither the company nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. The forward-looking statements reflect Groupon's expectations as of April 28, 2016. Groupon undertakes no obligation to update publicly any forward-looking statements for any reason after the date of this release to conform these statements to actual results or to changes in its expectations.

Additional information relating to certain of our financial measures contained herein is available in our most recent earnings release and at our website at investor.groupon.com.

GROUPON

Vision:

We're building the daily habit for local commerce.



Q1 2016 Financial Highlights

- Gross Billings decreased **3%**¹ to \$1.47 billion and Revenue decreased **1%**¹ to \$732 million
 - North America Gross billings increased **5%** to **\$937 million**
 - North America Services billings increased **6%**
 - North America Shopping Margins improved **390 bps** to 12.3%
- Adjusted EBITDA² of **\$31 million**; TTM Free Cash Flow³ of **\$94 million**
- Non-GAAP earnings per share of **(\$0.01)**
- We repurchased approximately **19 million** shares during Q1. Approximately **\$94 million** was available for repurchase as of March 31, 2016. In April 2016, the Board approved an increase of \$200 million to the program and an extension of the program through April 2018.

All comparisons are year-over-year.

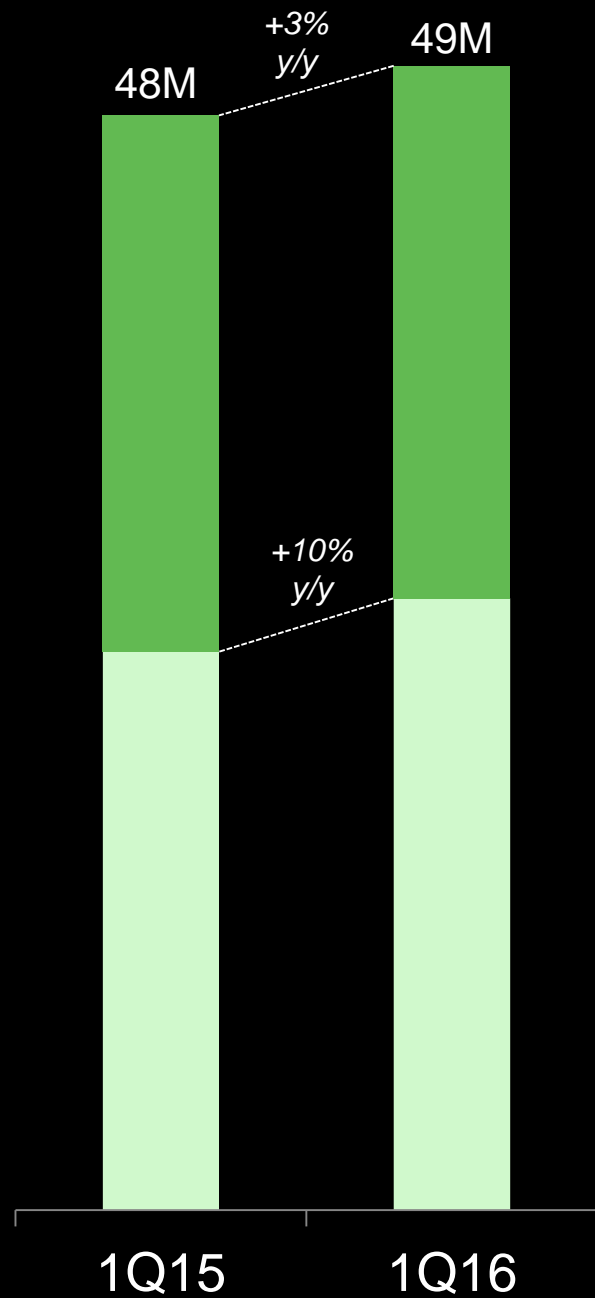
(1) Excludes the unfavorable impact from year-over-year changes in foreign exchange rates.

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

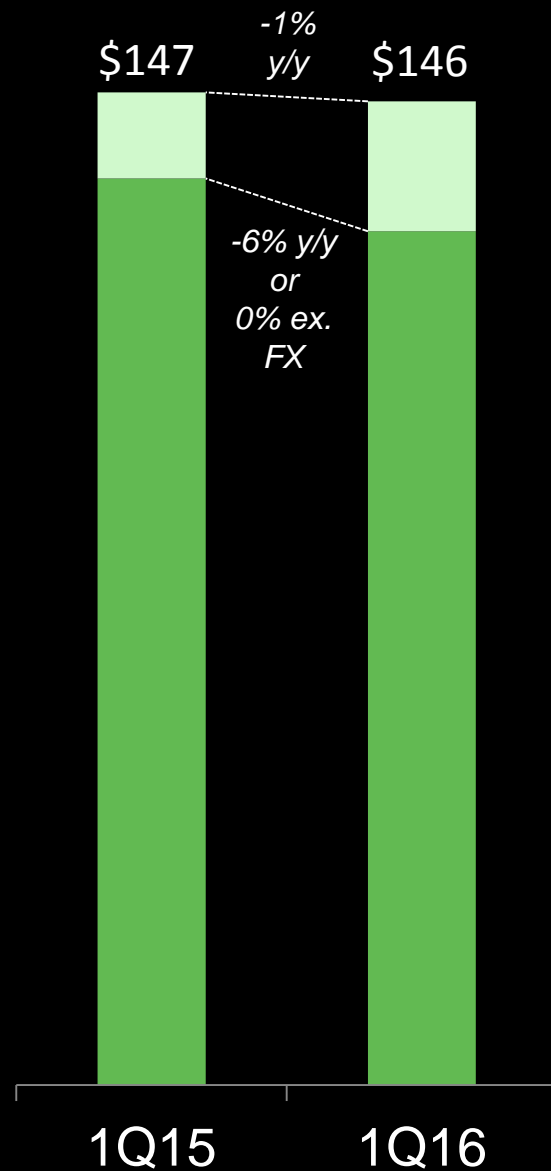
(3) Free cash flow is a non-GAAP financial measure. See appendix for a reconciliation to the most comparable U.S. GAAP financial measure, "Net cash provided by (used in) operating activities from continuing operations."

Our Marketplace Fundamentals Remain Strong

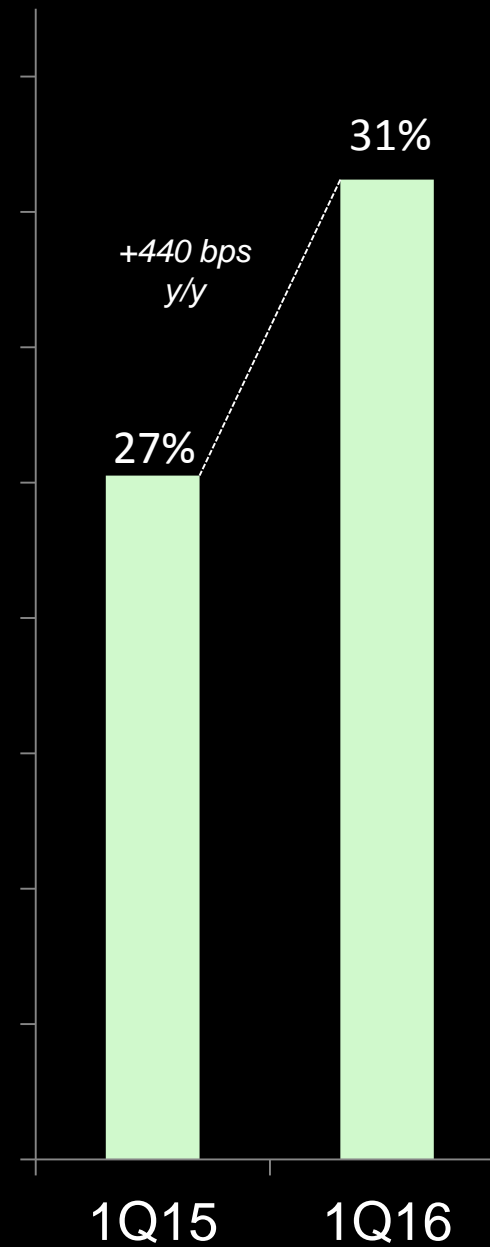
Active Customers¹



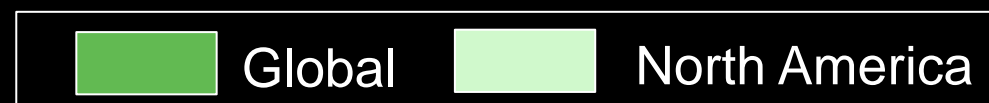
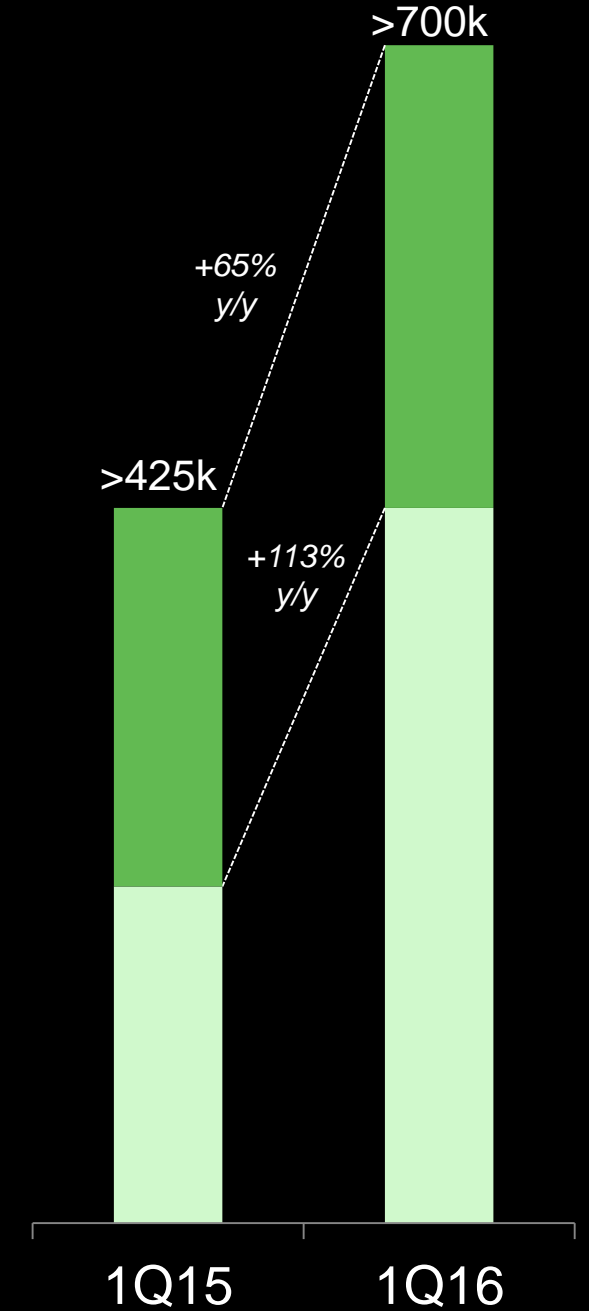
Spend per Average Active Customer²



Search³



Active Deals⁴

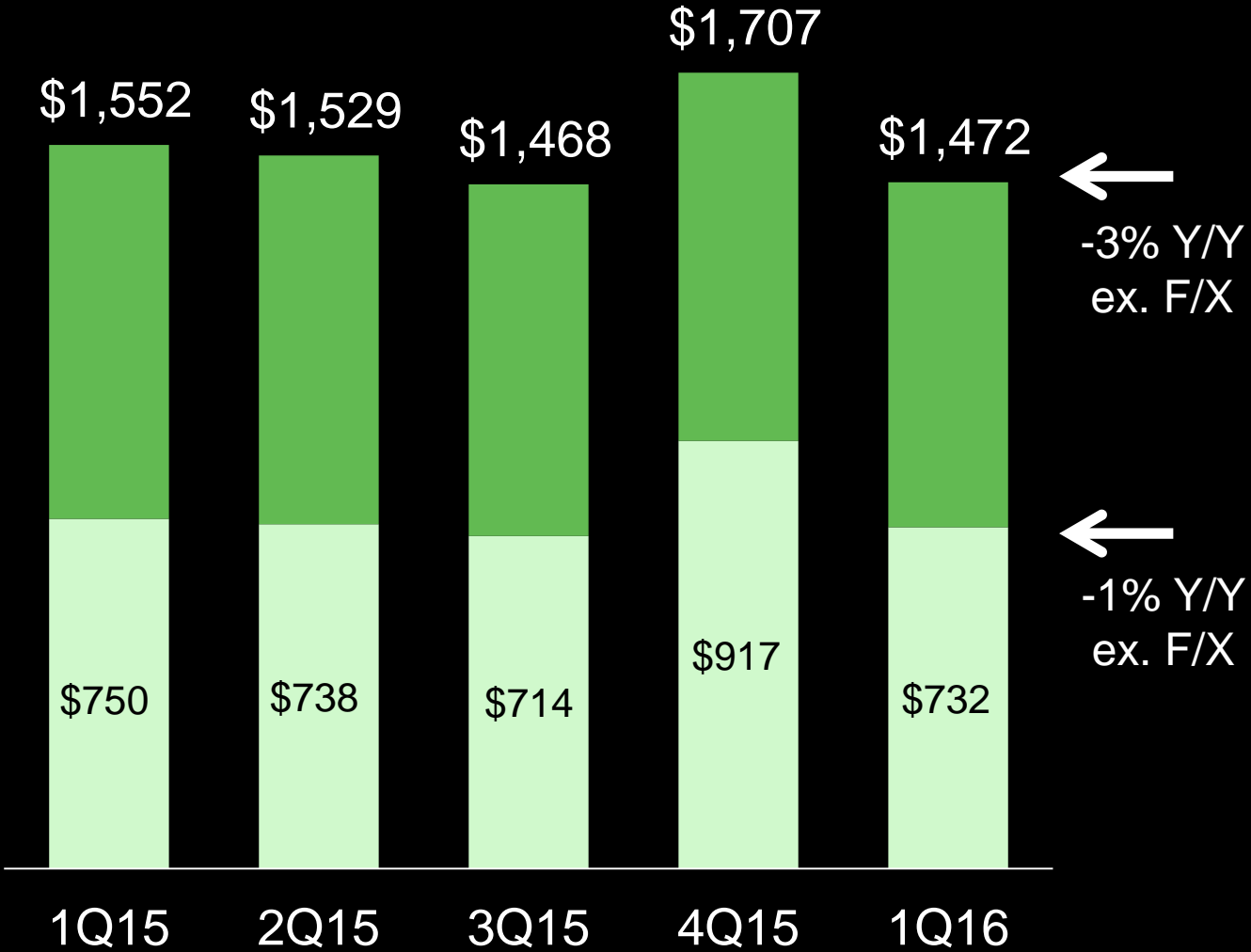


(1) Active customers reflect the total number of unique user accounts who have purchased a voucher or product during the trailing twelve months.
 (2) Spend per average active customer reflects the total gross billings generated in the trailing twelve months per average active customer over that period.
 (3) Search represents percentage of transactions in North America related to search (includes free text search on web and mobile; excludes SEO and SEM).
 (4) Active deals represents the number of daily featured, Deal Bank deals and Coupons offered on average at the end of that period.

Financial Summary – Consolidated Quarterly

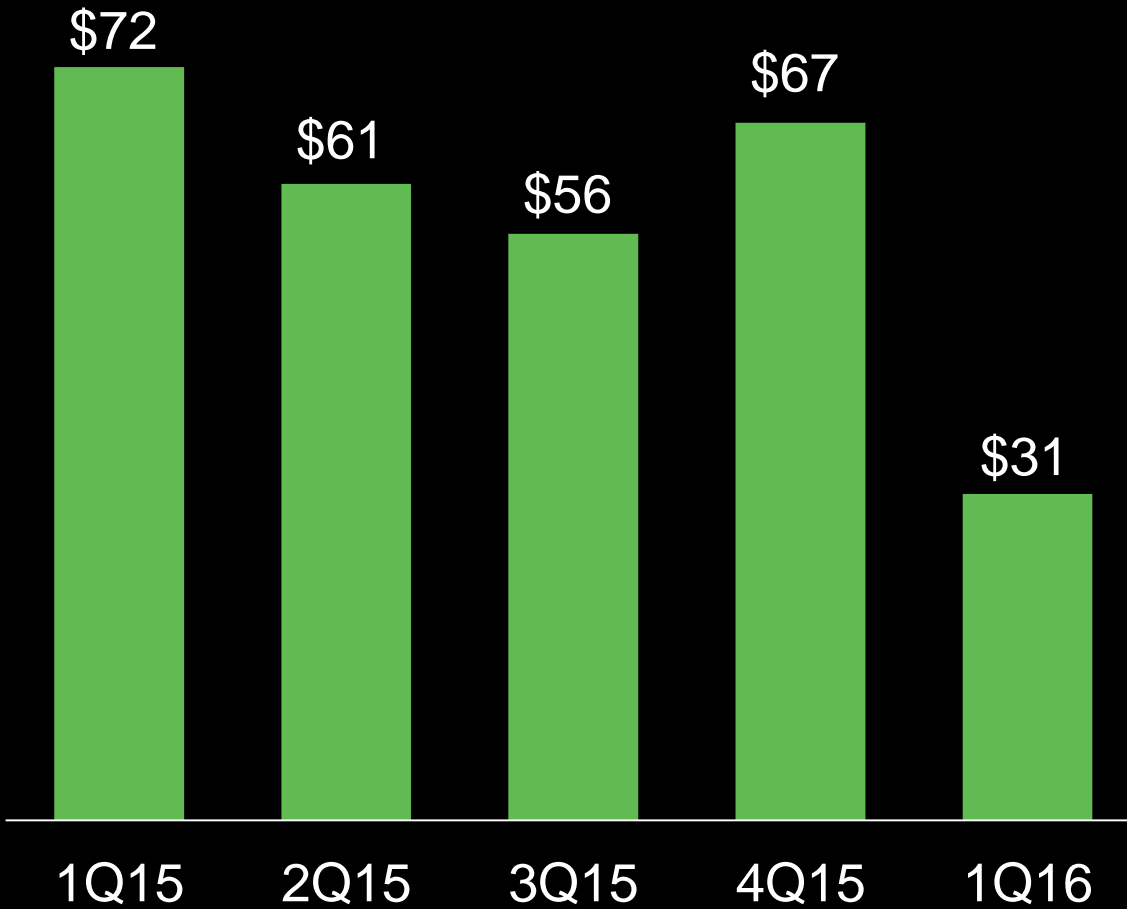
Gross Billings & Revenue

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

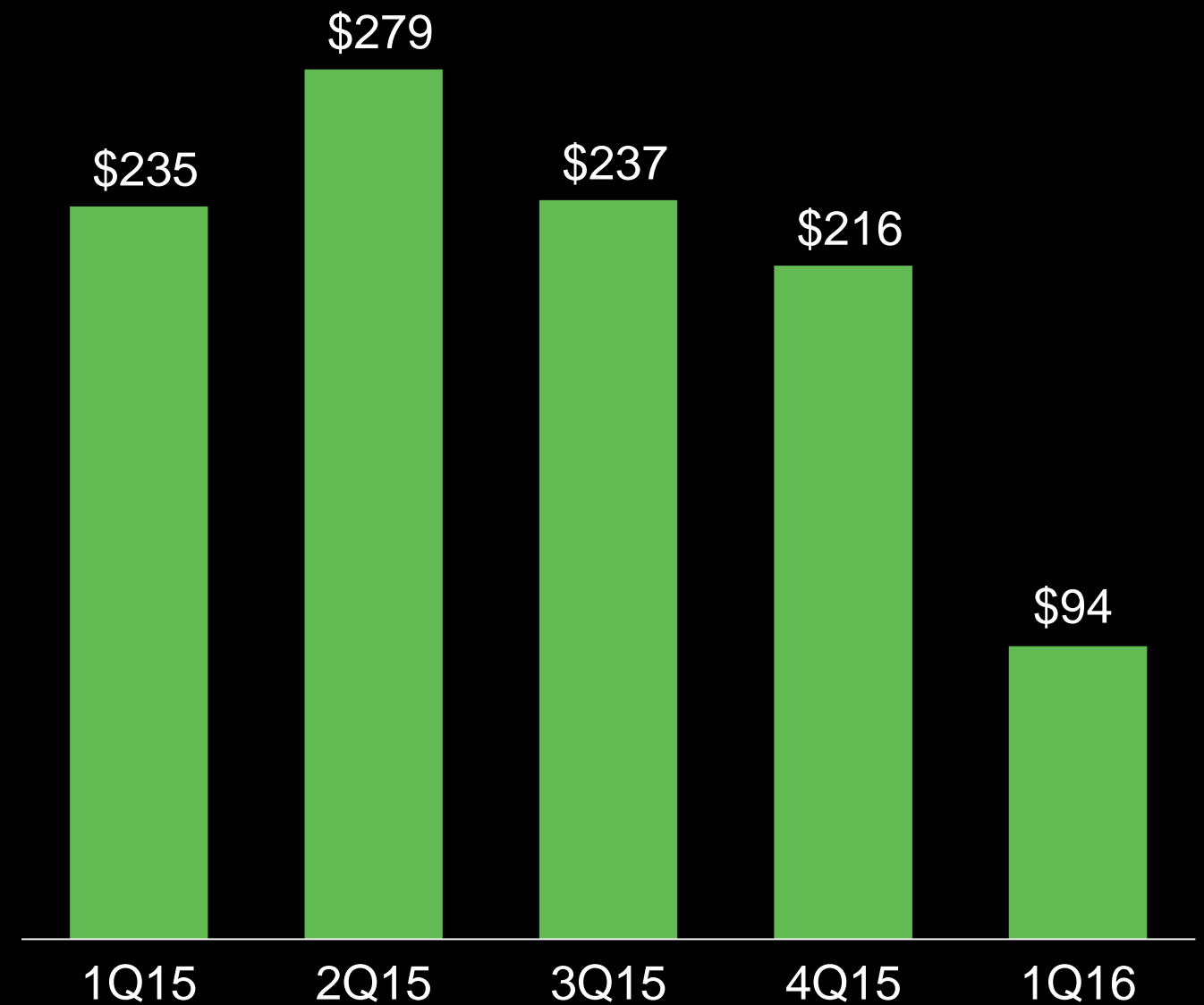
Operating Cash Flow (TTM)

USD, Millions



Free Cash Flow (TTM)¹

USD, Millions

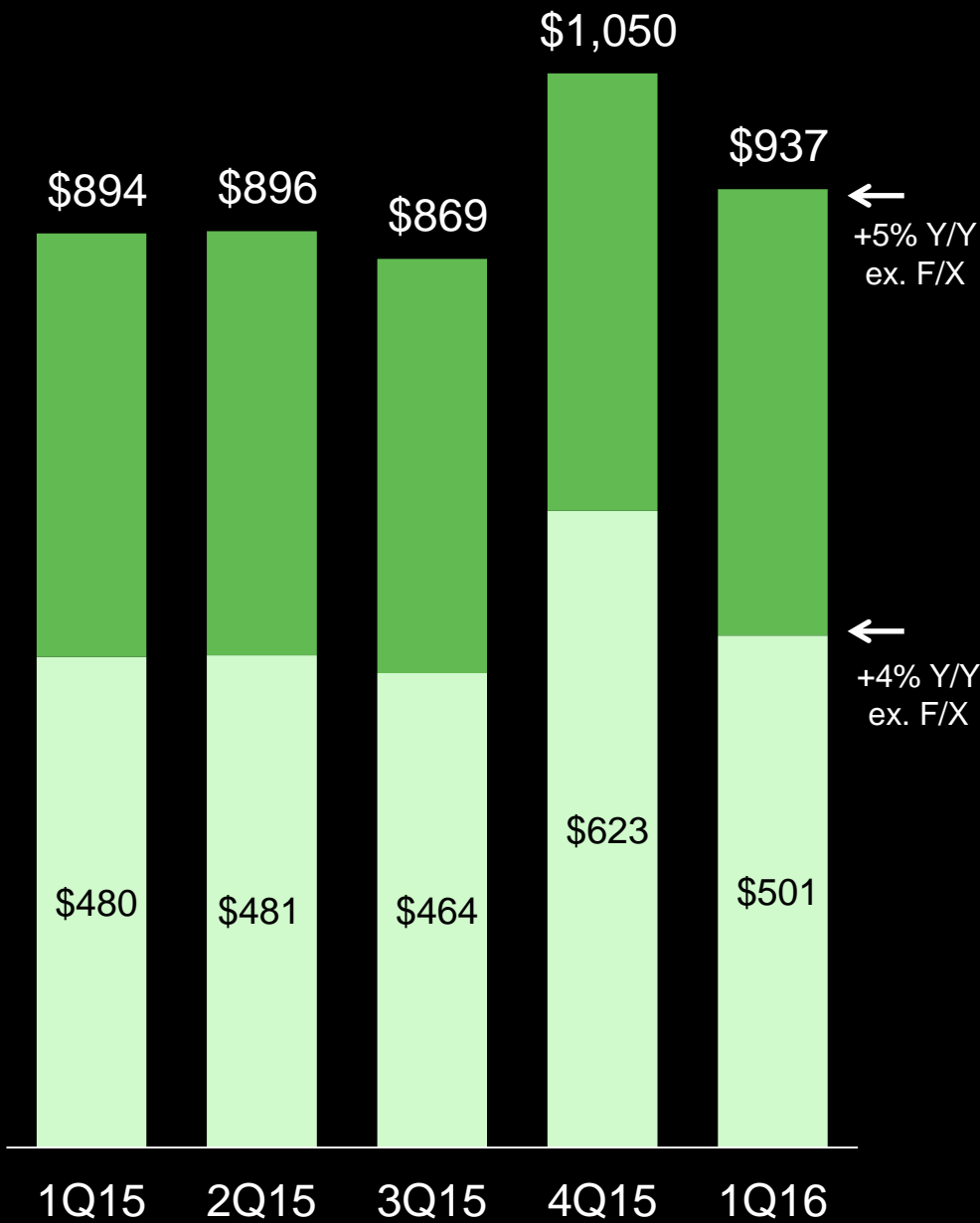


(1) Free cash flow is a non-GAAP financial measure. See appendix for a reconciliation to the most comparable U.S. GAAP financial measure, "Net cash provided by (used in) operating activities from continuing operations."

Financial Summary – Segment

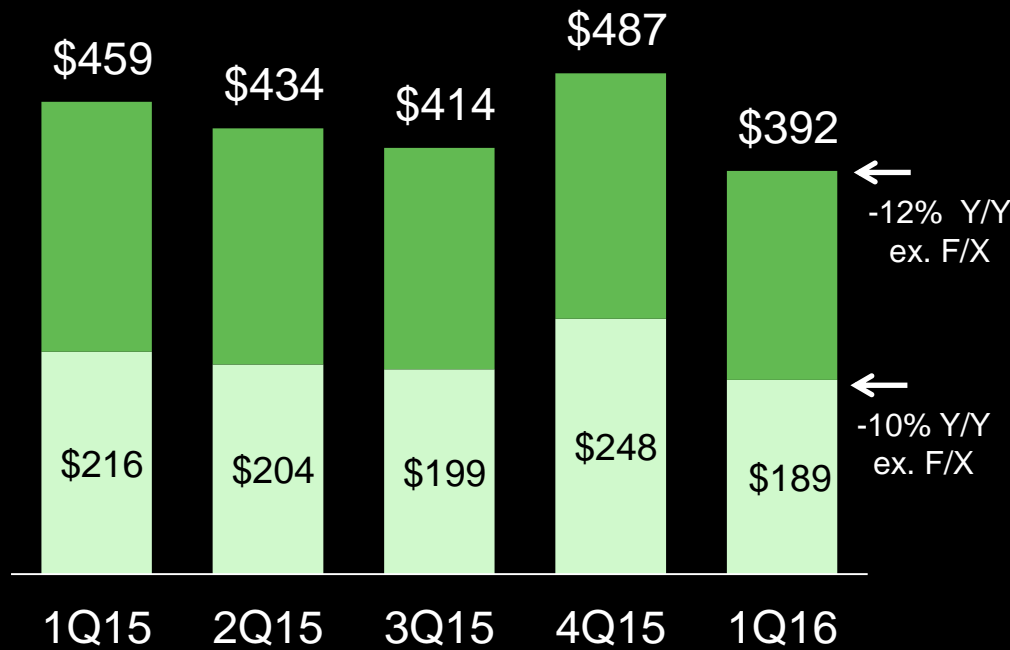
North America

Gross Billings & Revenue (USD, Millions)



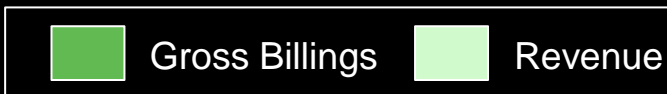
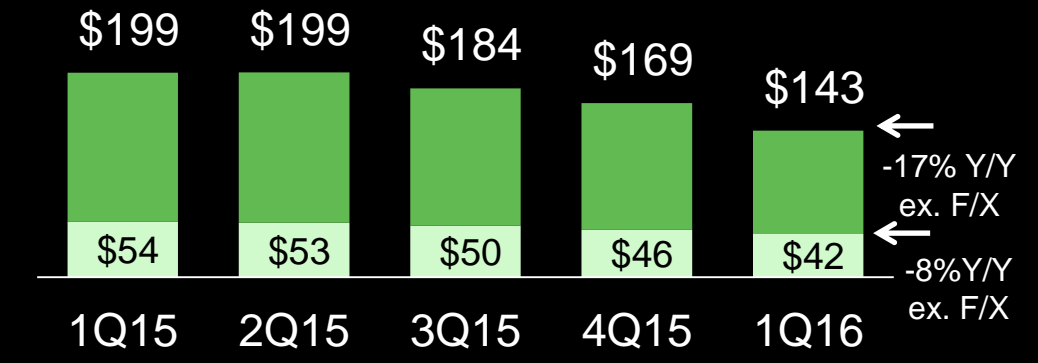
EMEA

Gross Billings & Revenue (USD, Millions)



Rest of World

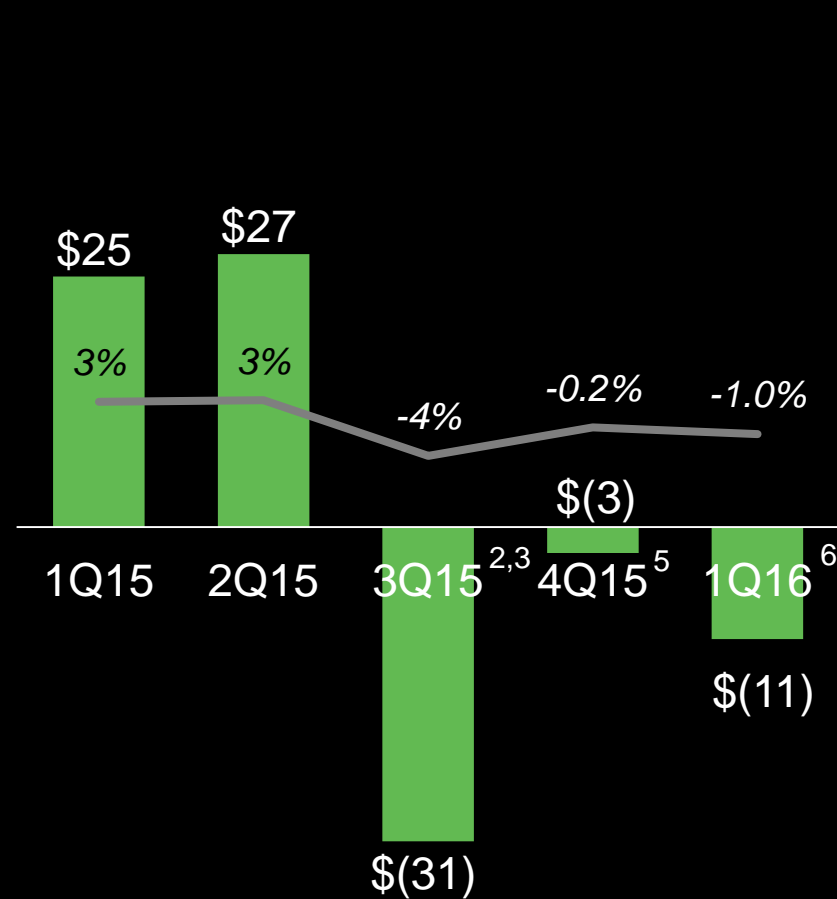
Gross Billings & Revenue (USD, Millions)



Financial Summary – Segment Operating Results

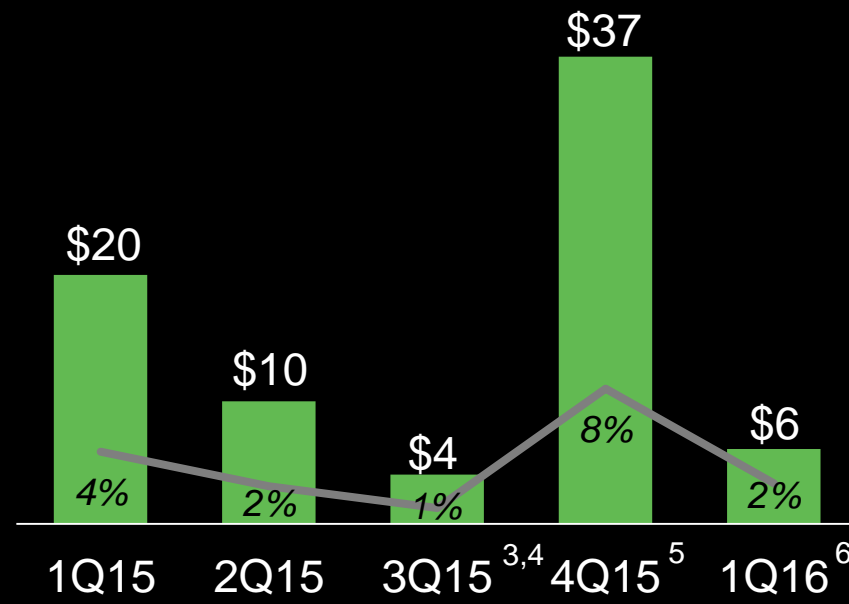
North America

Segment Operating Income (Loss) & Margin¹



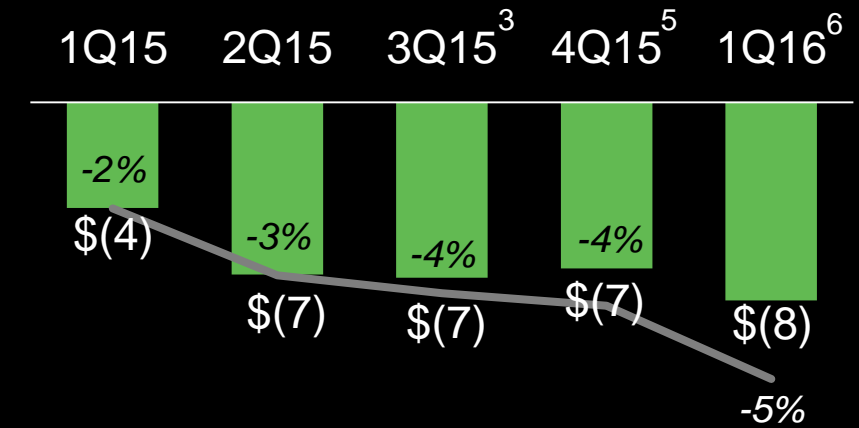
EMEA

Segment Operating Income (Loss) & Margin¹



Rest of World

Segment Operating Income (Loss) & Margin¹



Segment Operating Income (Loss)
 Segment Operating Income (Loss) % of Billings

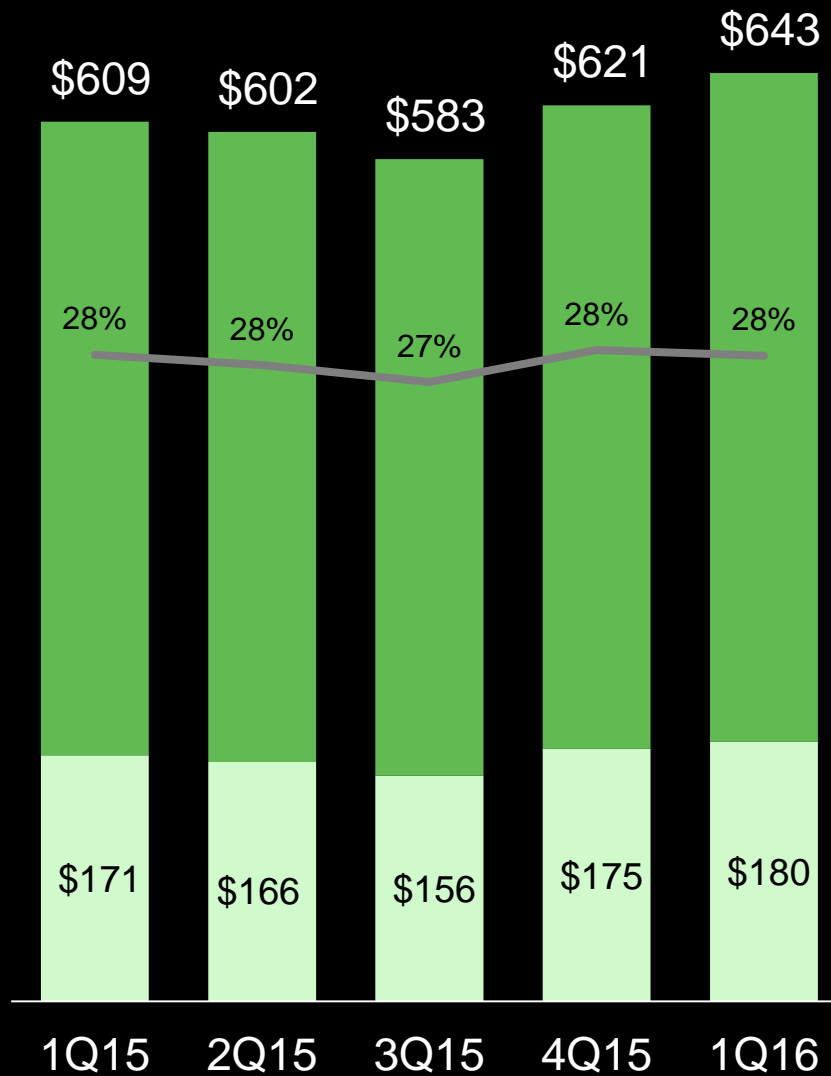
- (1) Represents segment revenue less cost of revenue and operating expenses, excluding stock-based compensation and acquisition-related expense (benefit), net, in absolute dollars and as a percentage of gross billings. Segment operating margin is defined as segment operating income (loss) as a percent of gross billings in order to eliminate the differences in gross versus net presentation of revenue.
- (2) Segment cost of revenue and operating expenses for the three months ended September 30, 2015 for North America includes a \$37.5 million expense related to an increase in the Company's contingent liability for its securities litigation matter.
- (3) Segment cost of revenue and operating expenses for the three months ended September 30, 2015 includes restructuring charges of \$1.4 million in North America, \$19.7 million in EMEA and \$3.0 million in Rest of World.
- (4) Segment cost of revenue and operating expenses for the three months ended September 30, 2015 for EMEA includes a \$6.7 million expense for the write-off of a prepaid asset related to a marketing program that was discontinued because the counterparty ceased operations.
- (5) Segment cost of revenue and operating expenses for the three months ended December 31, 2015 includes restructuring charges of \$9.1 million in North America, (\$3.6) million in EMEA, and (\$0.1) million in Rest of World.
- (6) Segment cost of revenue and operating expenses for the three months ended March 31, 2016 includes restructuring charges of \$2.9 million in North America (which excludes \$2.6 million of stock-based compensation), \$3.5 million in EMEA, and \$3.4 million in Rest of World.

Appendix

Financial Summary – Services¹

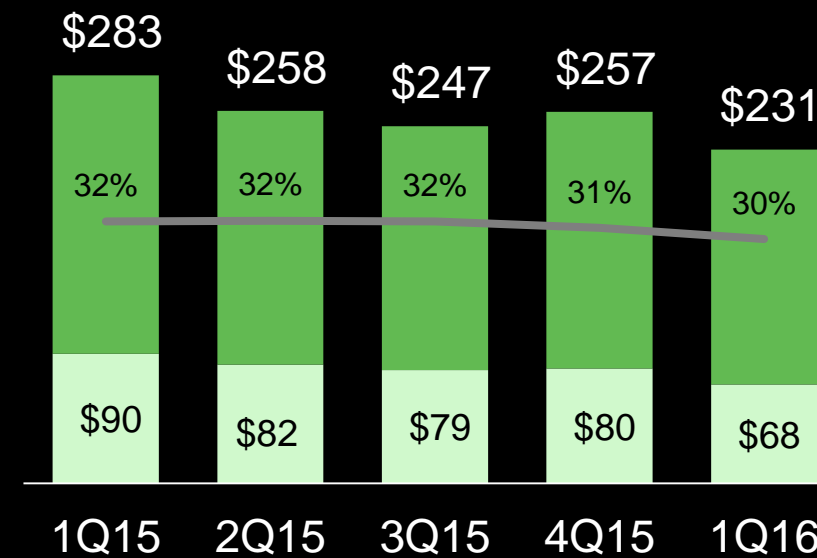
North America

Gross Billings & Gross Profit (USD, Millions)



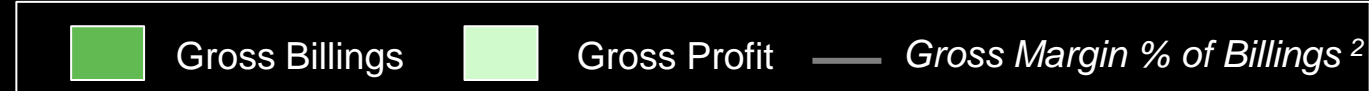
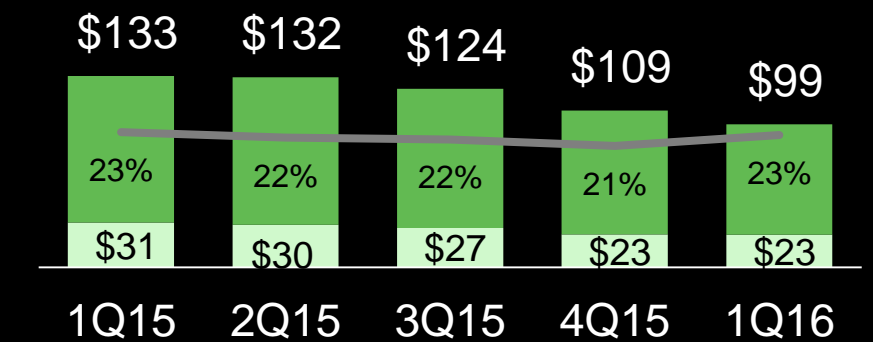
EMEA

Gross Billings & Gross Profit (USD, Millions)



Rest of World

Gross Billings & Gross Profit (USD, Millions)



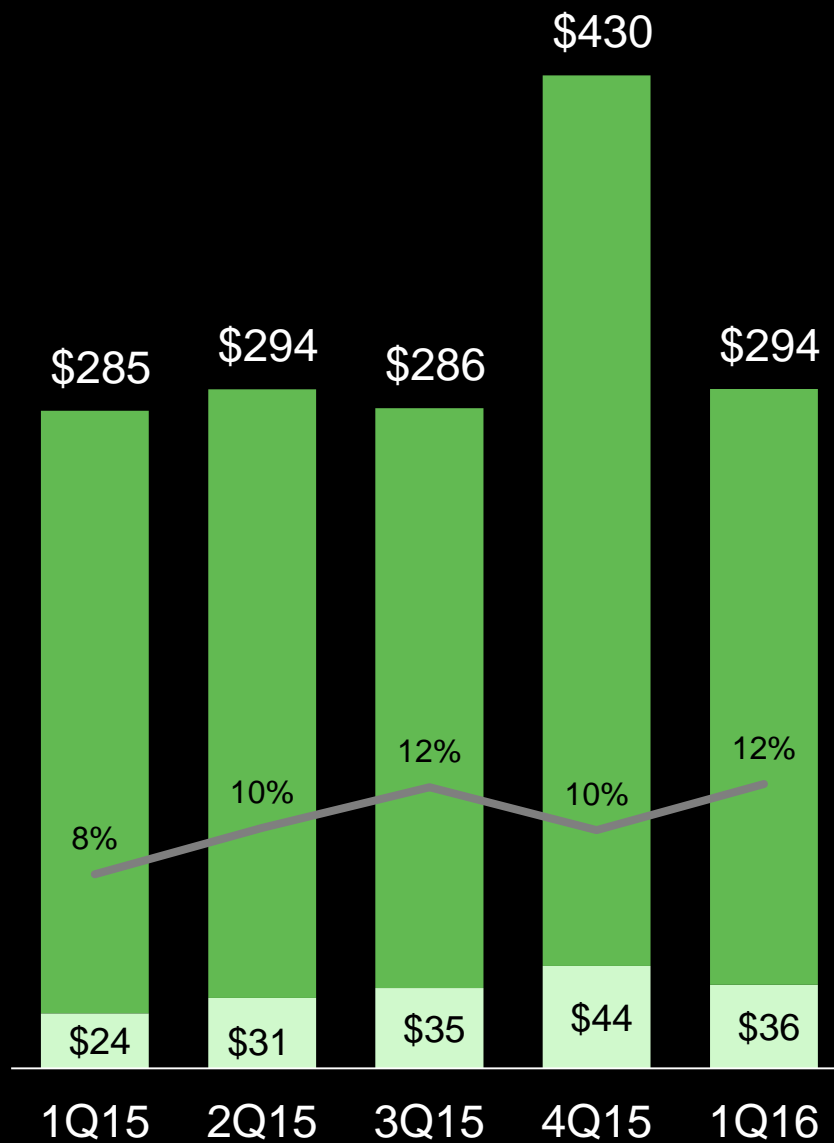
(1) Services represents deals from local and national merchants and deals on local events, as well as travel deals.

(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

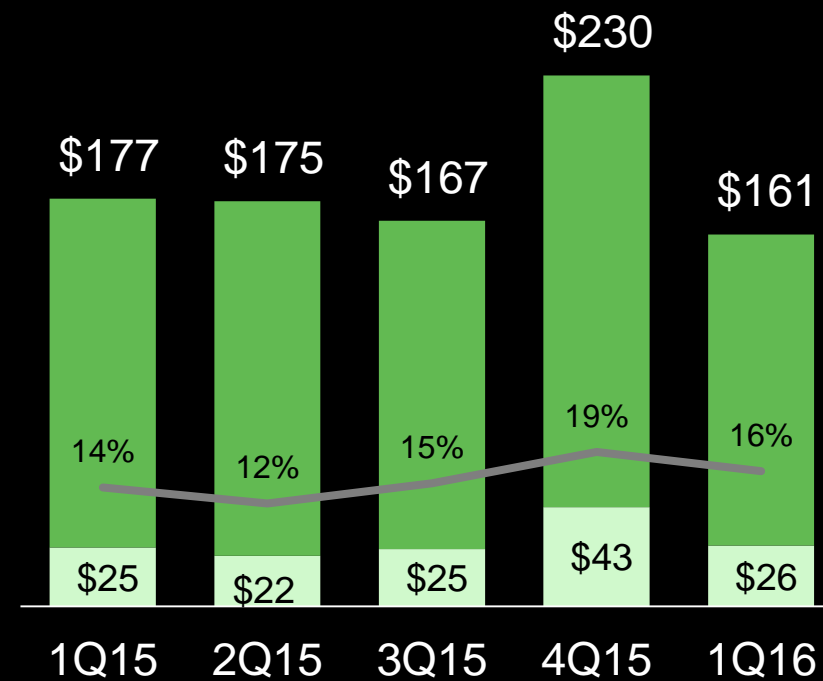
North America

Gross Billings & Gross Profit (USD, Millions)



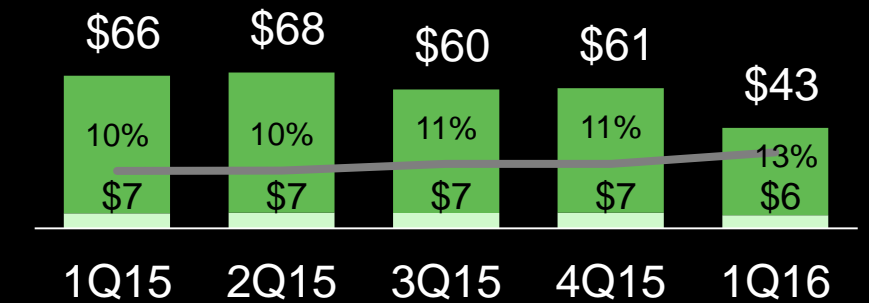
EMEA

Gross Billings & Gross Profit (USD, Millions)



Rest of World

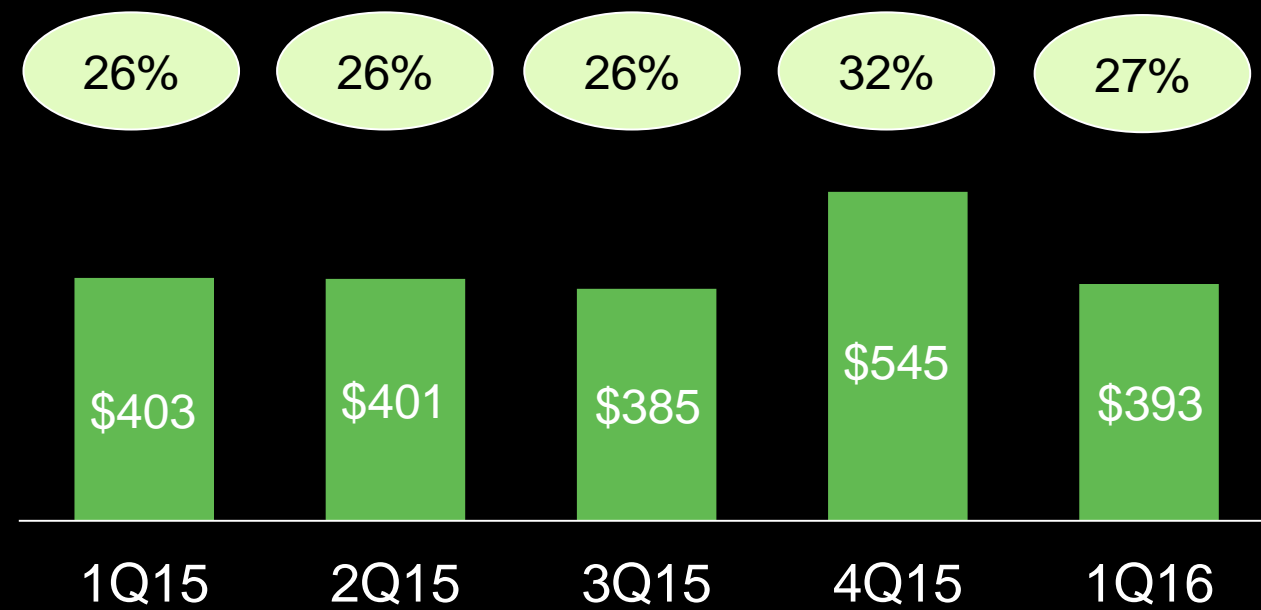
Gross Billings & Gross Profit (USD, Millions)



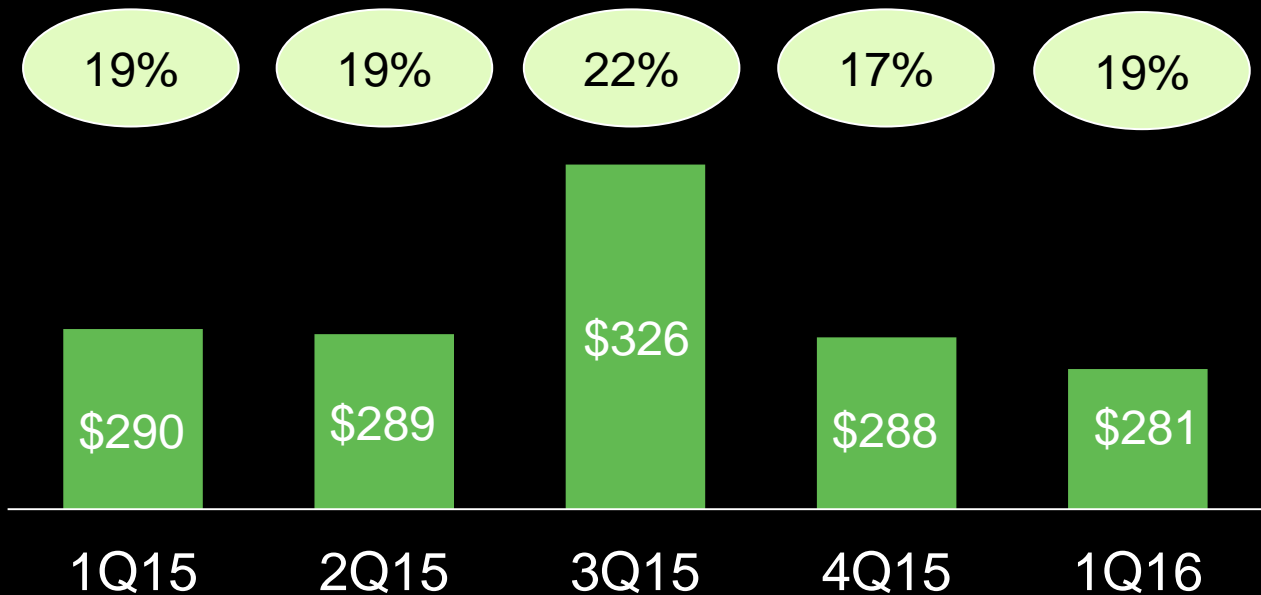
(1) Gross margin is defined as gross profit as a percent of gross billings in order to eliminate the differences in gross versus net presentation of revenue.

Financial Summary – Consolidated Expenses

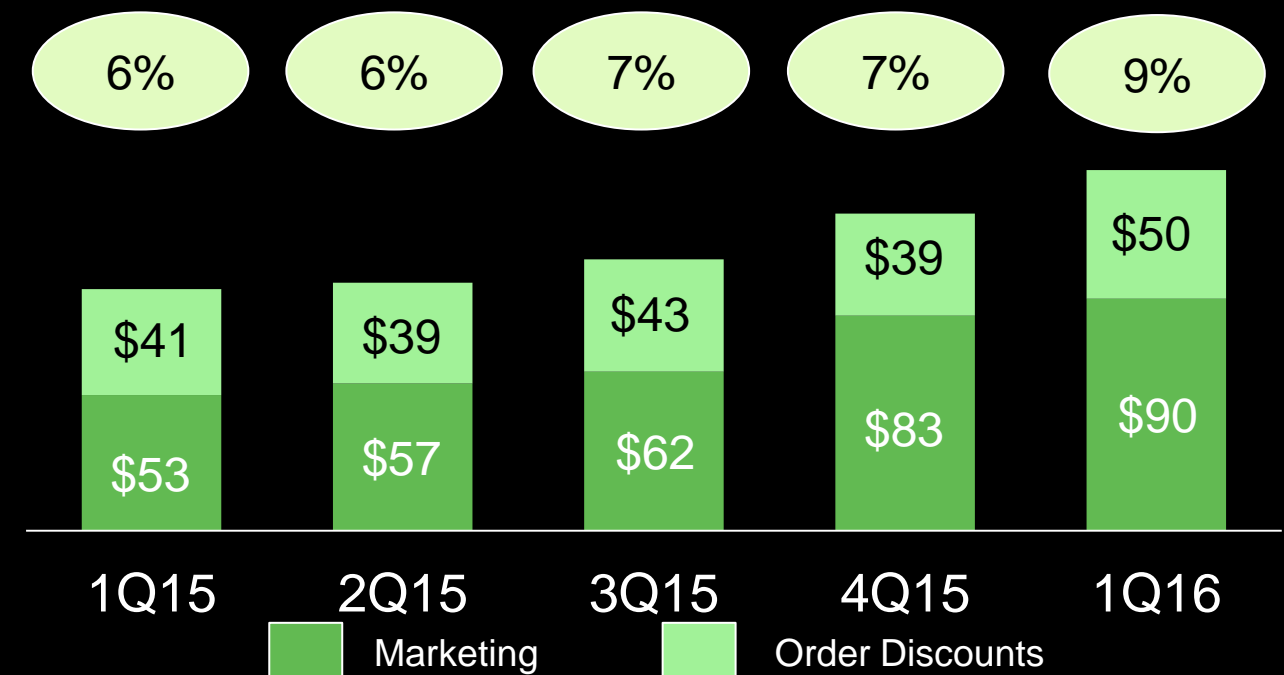
Cost of Revenue USD, Millions



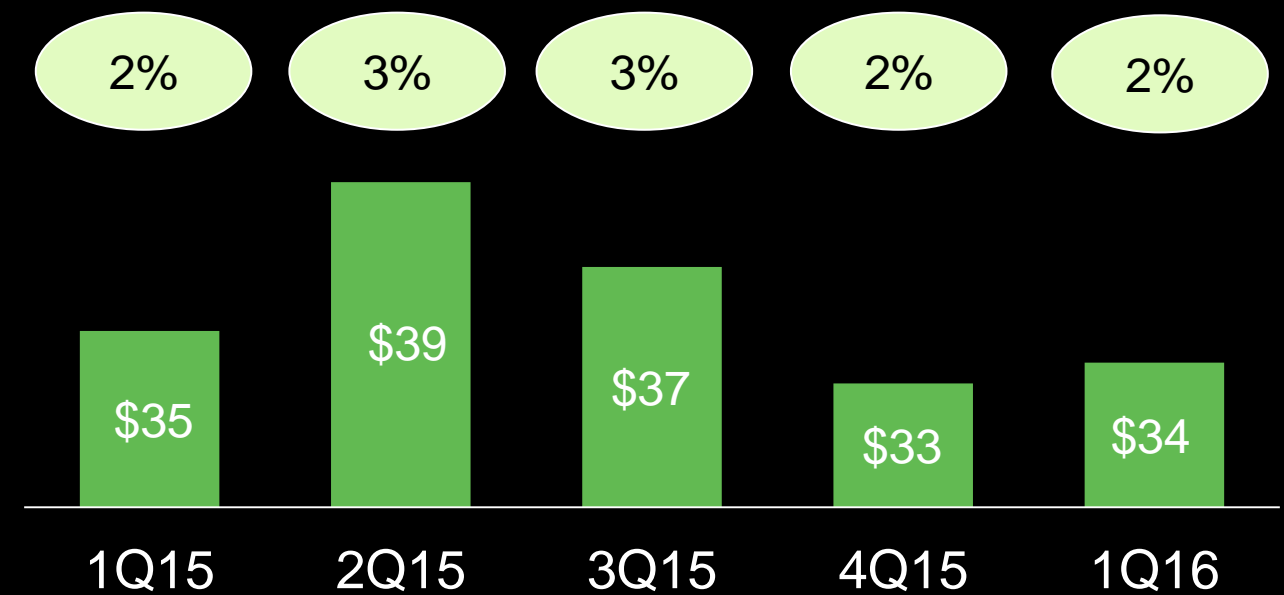
Selling, General & Administrative USD, Millions



Marketing and Order Discounts¹ USD, Millions



Stock Compensation and Acquisition-Related USD, Millions



% of
Gross Billings

(1) Order Discounts are considered to be a marketing-related activity, even though they are not presented as "Marketing" on our consolidated statements of operations. Instead, Order Discounts are a reduction to Gross Billings and Revenue. Percent of Gross Billings presentation includes both Marketing and Order Discounts.

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 compensation ¹ | 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 earnings ² | (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

(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:

| | 1Q16 |
|---|--------|
| 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:

| | 1Q16 |
|--|--------|
| 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) % |

