

Q2 2017 FINANCIAL HIGHLIGHTS

July 20, 2017



DISCLOSURES

This presentation contains non-GAAP measures relating to our performance. You can find the reconciliation of these measures to the nearest comparable GAAP measures in the appendix at the end of this presentation. All growth rates represent year-over-year comparisons, except as otherwise noted.

This presentation contains forward-looking statements that are based on our current expectations, forecasts and assumptions and involve risks and uncertainties. These statements include, but are not limited to, statements regarding the future performance of eBay Inc. and its consolidated subsidiaries, including expected financial results for the third quarter and full year 2017 and the future growth in our business.

Our actual results could differ materially from those predicted or implied and reported results should not be considered as an indication of future performance. Other factors that could cause or contribute to such differences include, but are not limited to: changes in political, business and economic conditions, any regional or general economic downturn or crisis and any conditions that affect ecommerce growth or cross-border trade; fluctuations in foreign currency exchange rates; our need to successfully react to the increasing importance of mobile commerce and the increasing social aspect of commerce; an increasingly competitive environment for our business; changes to our capital allocation or management of operating cash; our ability to manage indebtedness, including managing exposure to interest rates and maintaining credit ratings; our need to manage an increasingly large enterprise with a broad range of businesses of varying degrees of maturity and in many different geographies; our need and ability to manage regulatory, tax, data security and litigation risks; whether the operational, marketing and strategic benefits of the separation of the eBay and PayPal businesses can be achieved; our ability to timely upgrade and develop technology systems, infrastructure and customer service capabilities at reasonable cost while maintaining site stability and performance and adding new products and features; and our ability to integrate, manage and grow businesses that have been acquired or may be acquired in the future.

The forward-looking statements in this presentation do not include the potential impact of any acquisitions or divestitures that may be announced and/or completed after the date hereof.

More information about factors that could affect our operating results is included under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our most recent Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q, copies of which may be obtained by visiting our Investor Relations website at <https://investors.ebayinc.com> or the SEC’s website at www.sec.gov. All information in this presentation is as of July 20, 2017. Undue reliance should not be placed on the forward-looking statements in this presentation, which are based on information available to us on the date hereof. We assume no obligation to update such statements.



CFO COMMENTS

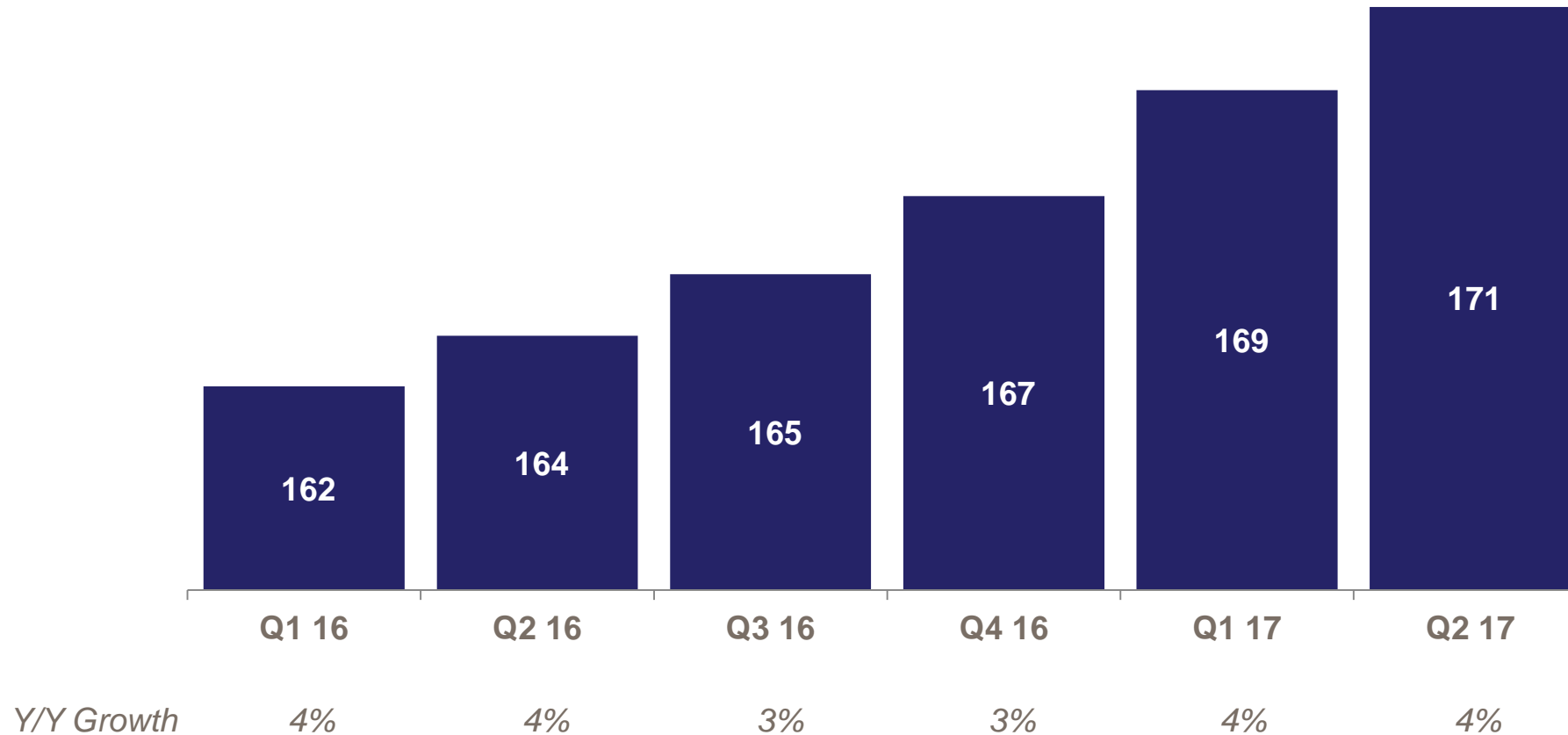
Q2 RESULTS

- Revenue of \$2.3B, up 4% Y/Y (up 7% FX-Neutral ... 6% Organic FX-Neutral)
- Non-GAAP EPS of \$0.45 up 5% Y/Y
- Generated \$517M of Free Cash Flow
- Repurchased \$507M of eBay shares ... \$3.0B additional authorization



TRAILING 12-MONTH ACTIVE BUYERS

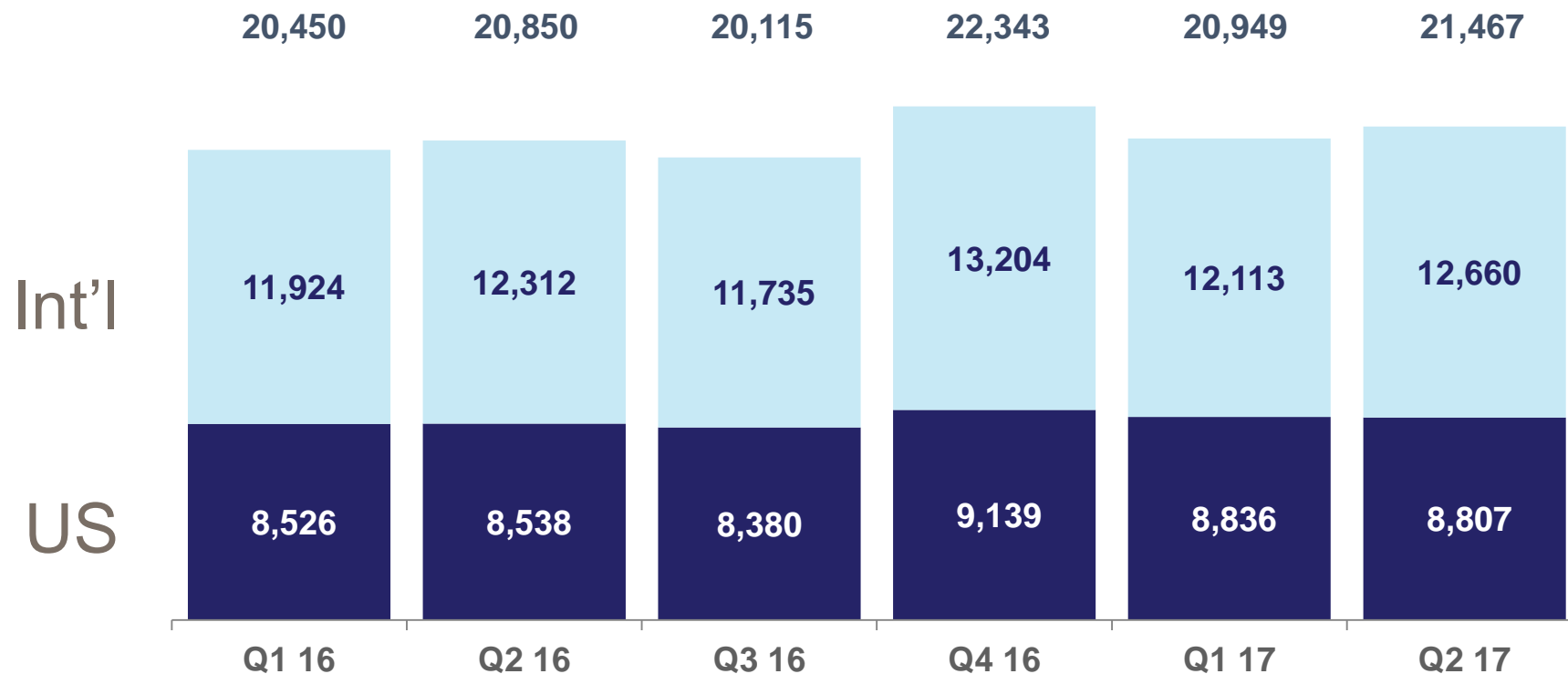
(millions)



- Added 2M more buyers in Q2
- Q2 T12M growth stable Q/Q driven by steady retention and momentum in new user acquisition
- Excluding buyers in India, growth accelerated ~1pt

GMV

(\$ millions)



- Q2 Volume purchased by US buyers (US GMB) grew 5% ... US Marketplace acceleration offset by StubHub

- Q2 Sold Items growth stable versus Q1

US Y/Y Growth 3% 5% 3% 3% 4% 3%

Int'l FX-Neutral Y/Y Growth 6% 6% 7% 7% 6% 7%

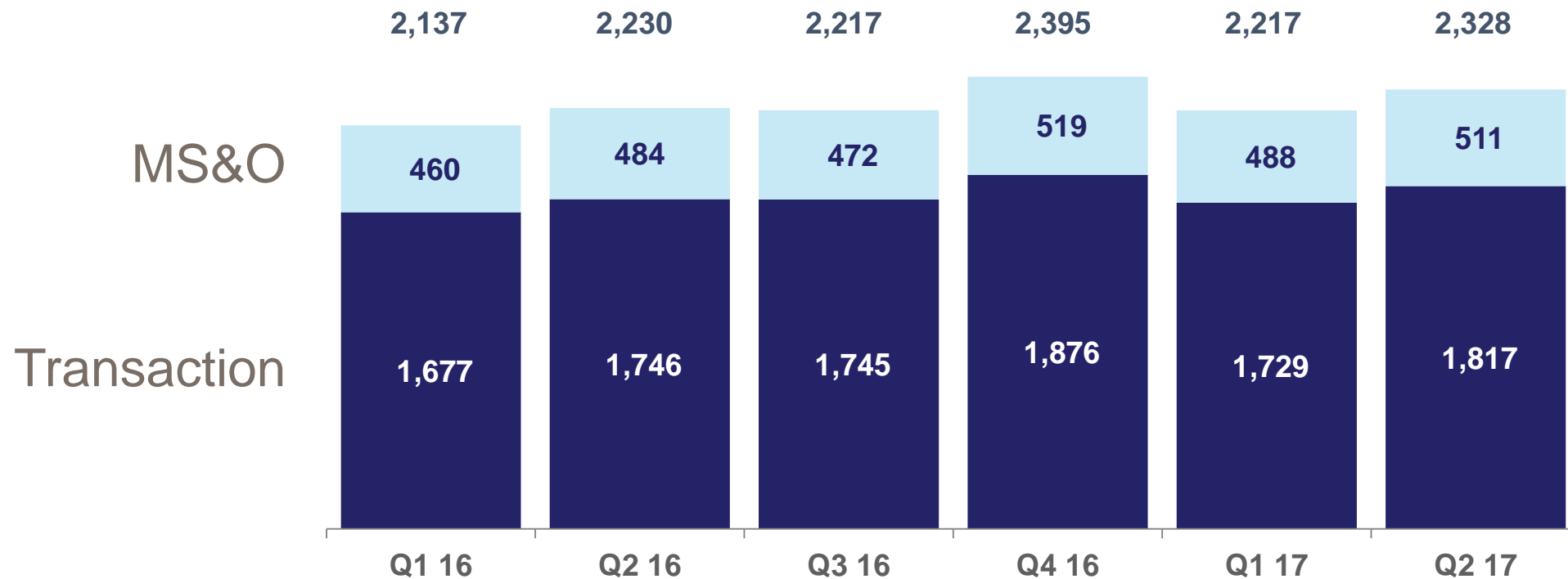
Total FX-Neutral Y/Y Growth 5% 6% 5% 5% 5% 5%

Sold Items Y/Y Growth 3% 4% 5% 5% 4% 4%



REVENUE

(\$ millions)



- Q2 FX-Neutral Transaction Revenue up 6% Y/Y ... in line with Q1
- Q2 FX-Neutral MS&O Revenue up 9% Y/Y ... stable Q/Q

Y/Y Growth 4% 6% 6% 3% 4% 4%

FX-Neutral Y/Y Growth 6% 7% 8% 6% 7% 7%

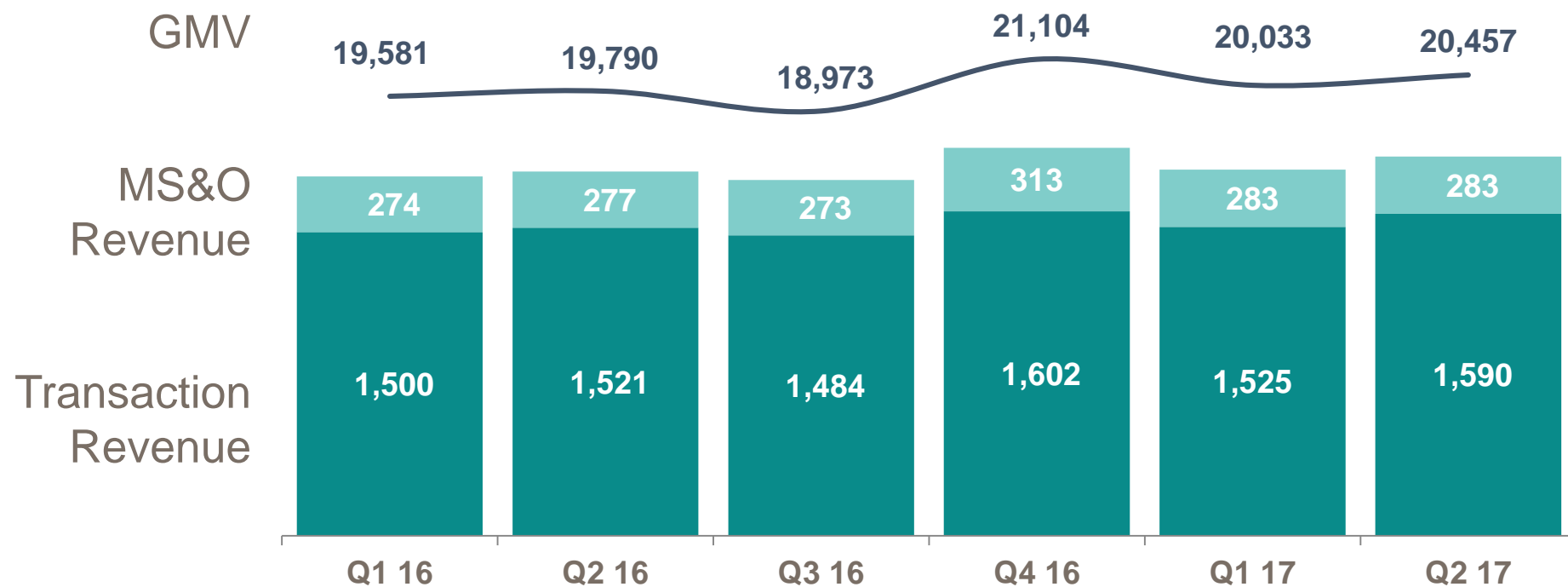
Organic FX-Neutral Y/Y Growth 6% 7% 8% 6% 6% 6%

Trxn Take Rate 8.2% 8.4% 8.7% 8.4% 8.3% 8.5%



MARKETPLACE GMV & REVENUE

(\$ millions)



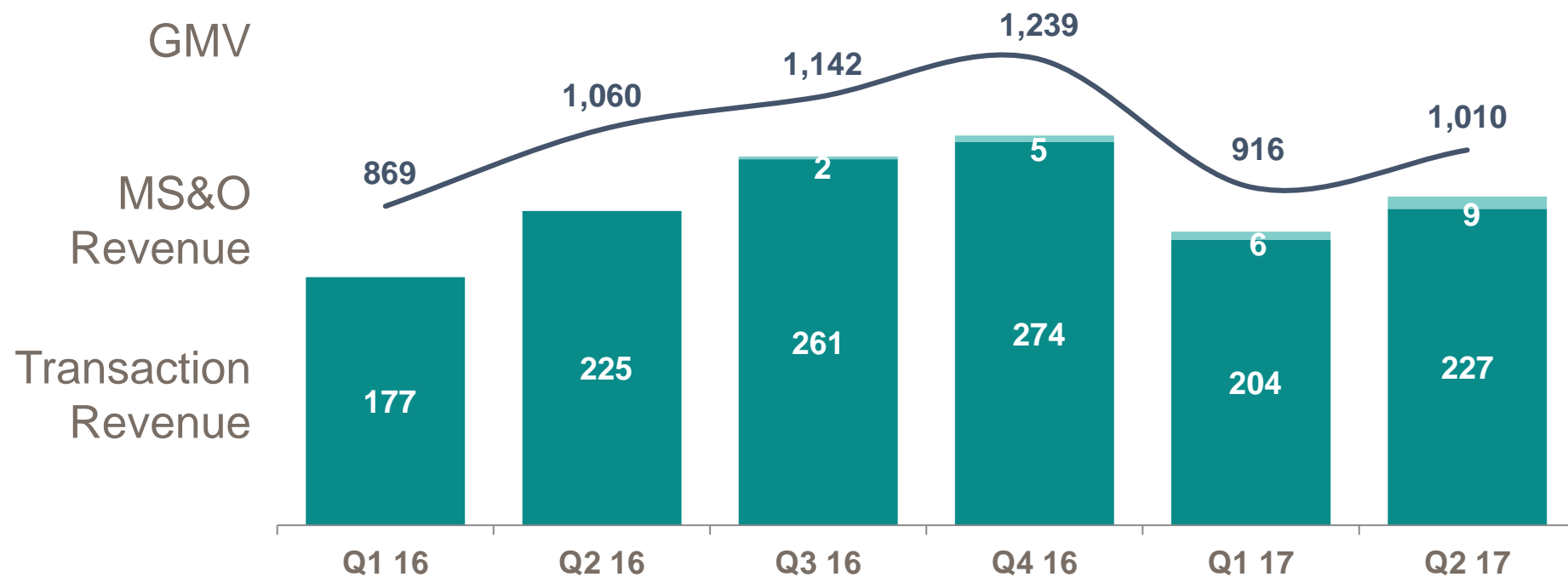
- Q2 FX-Neutral B2C GMV grew 6% Y/Y and FX-Neutral C2C GMV grew 3% Y/Y
- Q2 FX-Neutral Transaction Revenue up 7% Y/Y, accelerated 2pts Q/Q driven by volume growth acceleration and pricing changes
- Q2 FX-Neutral MS&O Revenue up 4% Y/Y, decelerated 2pts Q/Q

<i>FX-Neutral GMV Y/Y Growth</i>	4%	5%	4%	5%	5%	6%
<i>FX-Neutral Rev Y/Y Growth</i>	3%	3%	5%	4%	5%	7%
<i>% International Rev</i>	59%	60%	59%	60%	58%	59%
<i>Trxn Take Rate</i>	7.7%	7.7%	7.8%	7.6%	7.6%	7.8%



STUBHUB GMV & REVENUE

(\$ millions)



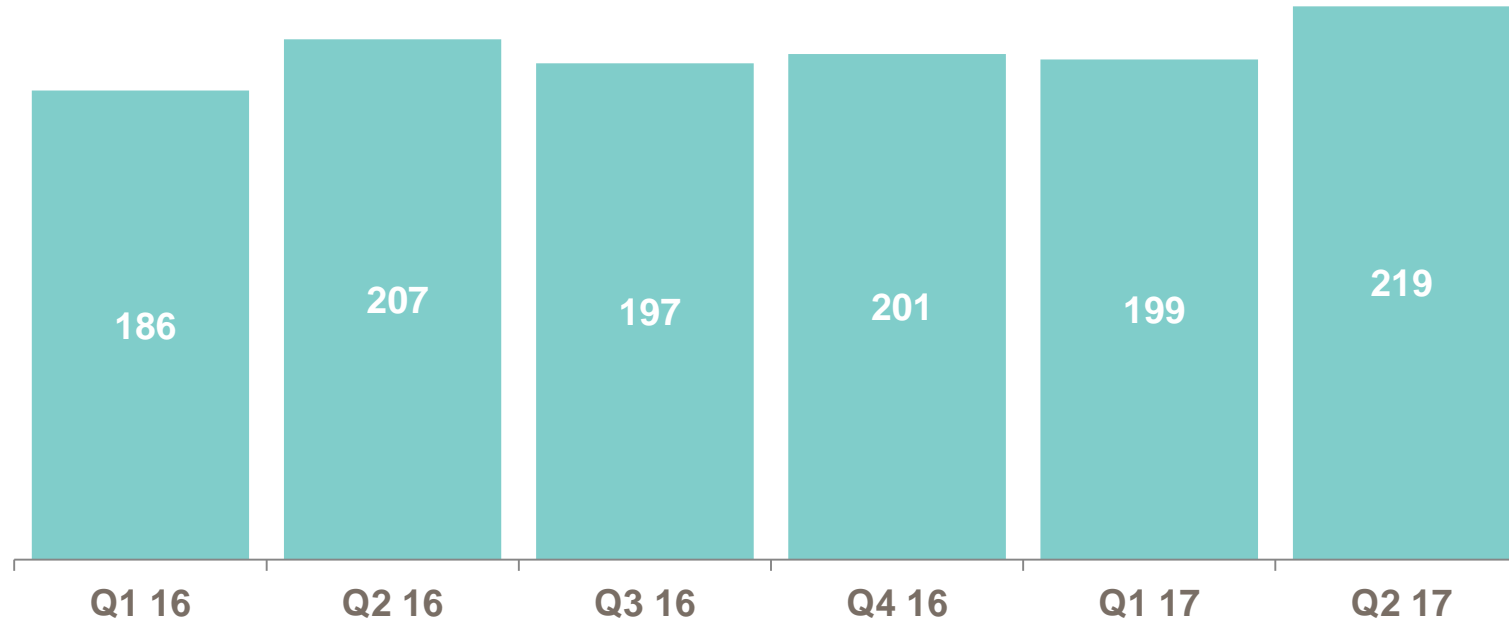
- Q2 FX-Neutral GMV declined 5% Y/Y ... decelerated 11pts Q/Q driven by difficult comps and event landscape
- Q2 FX-Neutral Revenue up 5% Y/Y, decelerated 14pts Q/Q
- Ticketbis impact of 3pts on Q2 FX-Neutral GMV and 7pts on Q2 FX-Neutral Revenue

<i>GMV FX-Neutral Y/Y Growth</i>	29%	35%	23%	5%	6%	(5%)
<i>Rev FX-Neutral Y/Y Growth</i>	34%	40%	32%	20%	19%	5%
<i>Trxn Take Rate</i>	20.4%	21.2%	22.9%	22.1%	22.3%	22.4%



CLASSIFIEDS REVENUE

(\$ millions)



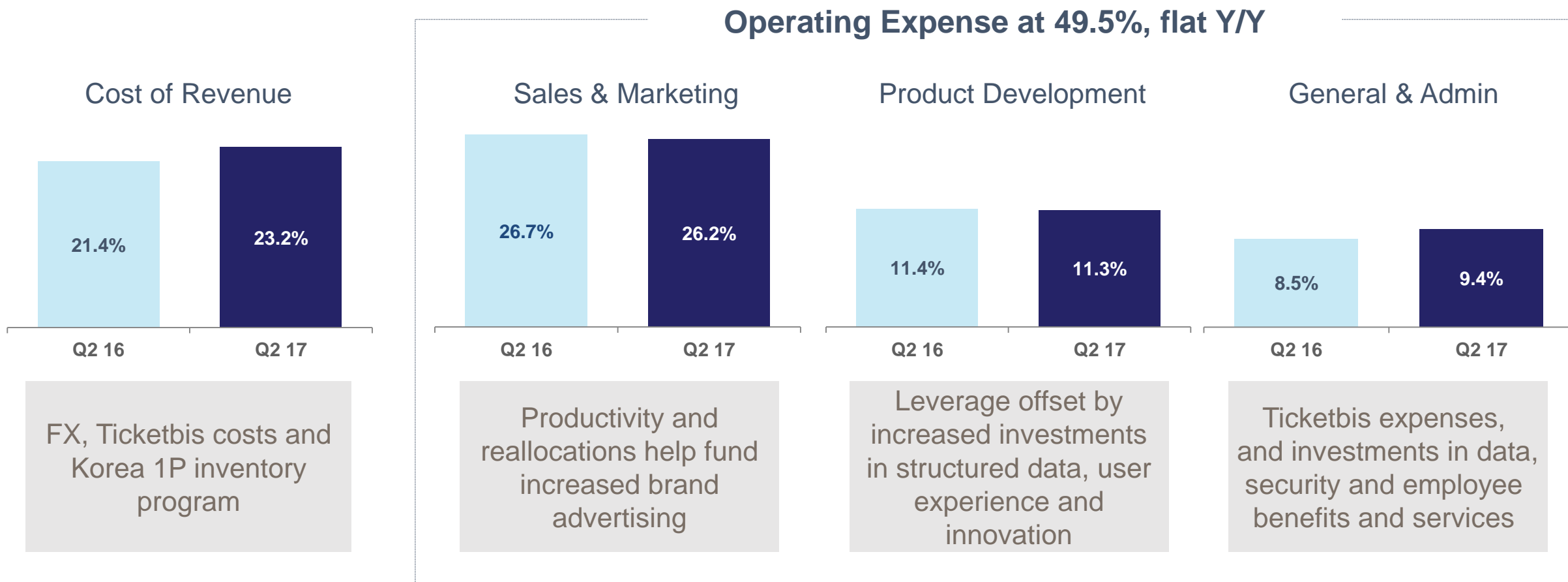
- Q2 FX-Neutral Revenue up 11% Y/Y
- Good traffic growth and user engagement
- Strong growth in Germany and Canada

	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17	Q2 17
<i>Rev Y/Y Growth</i>	15%	15%	11%	10%	7%	6%
<i>FX-Neutral Rev Y/Y Growth</i>	17%	15%	14%	13%	10%	11%

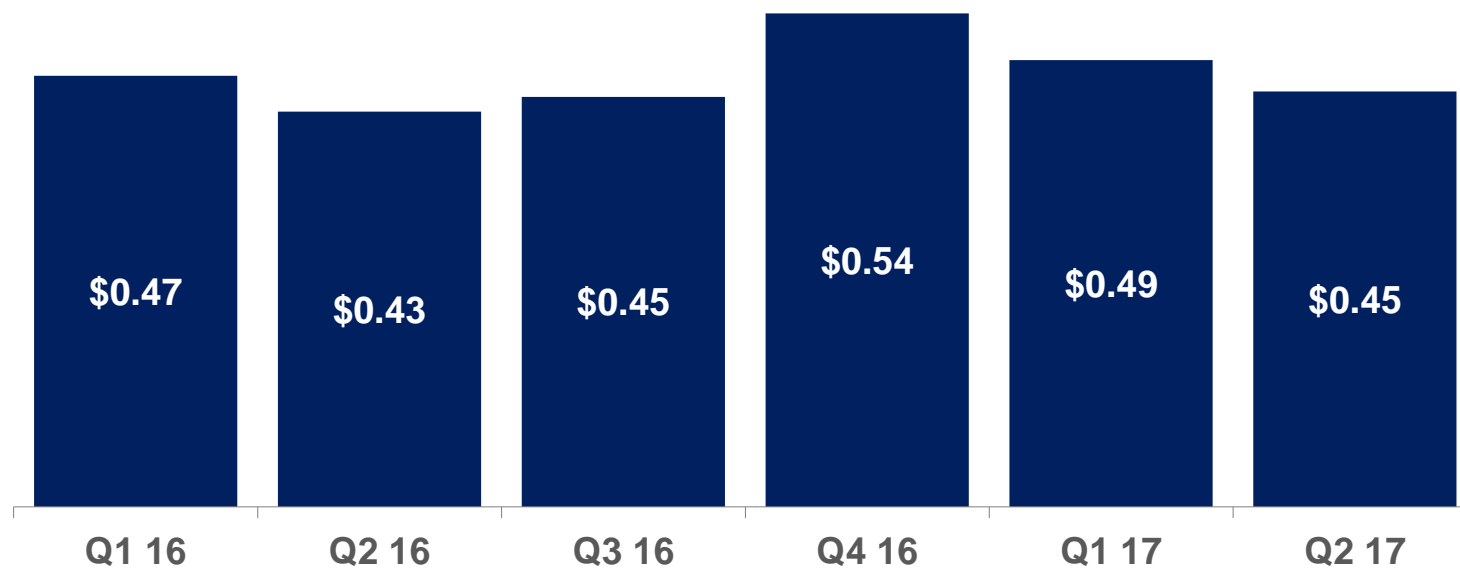


NON-GAAP EXPENSES

(% of revenue)



NON-GAAP EPS



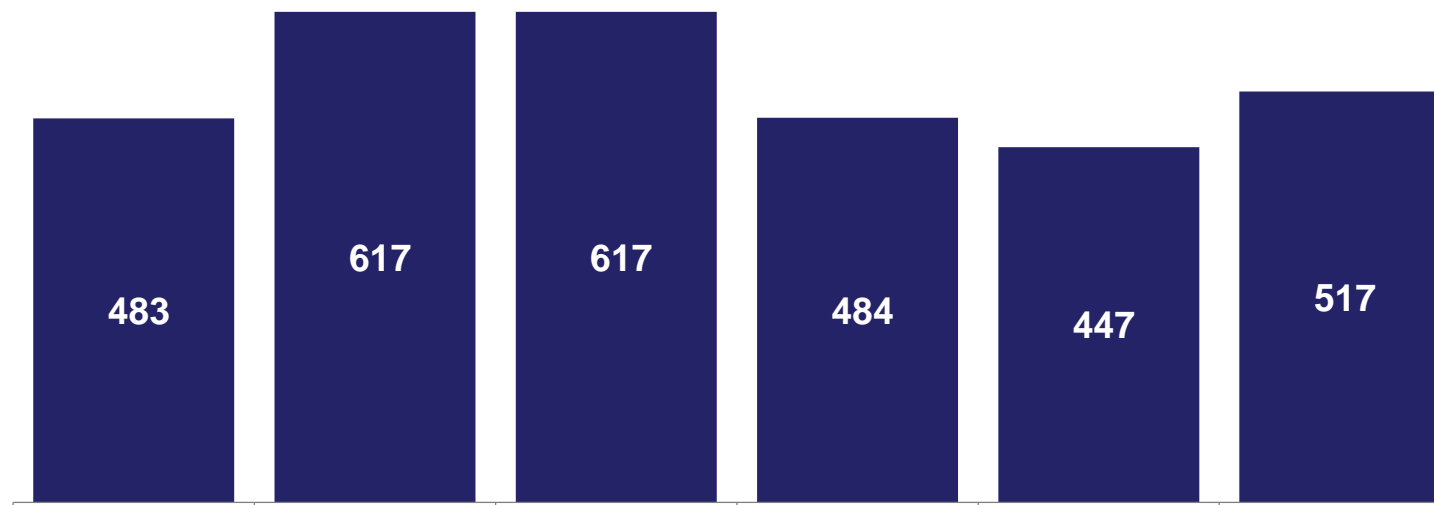
- Q2 Non-GAAP Operating Margin declined ~180bps Y/Y with 80bps negative impact from FX
- Q2 Non-GAAP EPS growth driven by revenue growth and share repurchases partially offset by investments
- FX impacted Non-GAAP EPS growth by 5pts

	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17	Q2 17
<i>Y/Y Growth</i>	-1%	2%	3%	8%	4%	5%
<i>Non-GAAP Operating Margin</i>	33.4%	29.1%	29.9%	31.9%	30.0%	27.3%



FREE CASH FLOW

(\$ millions)

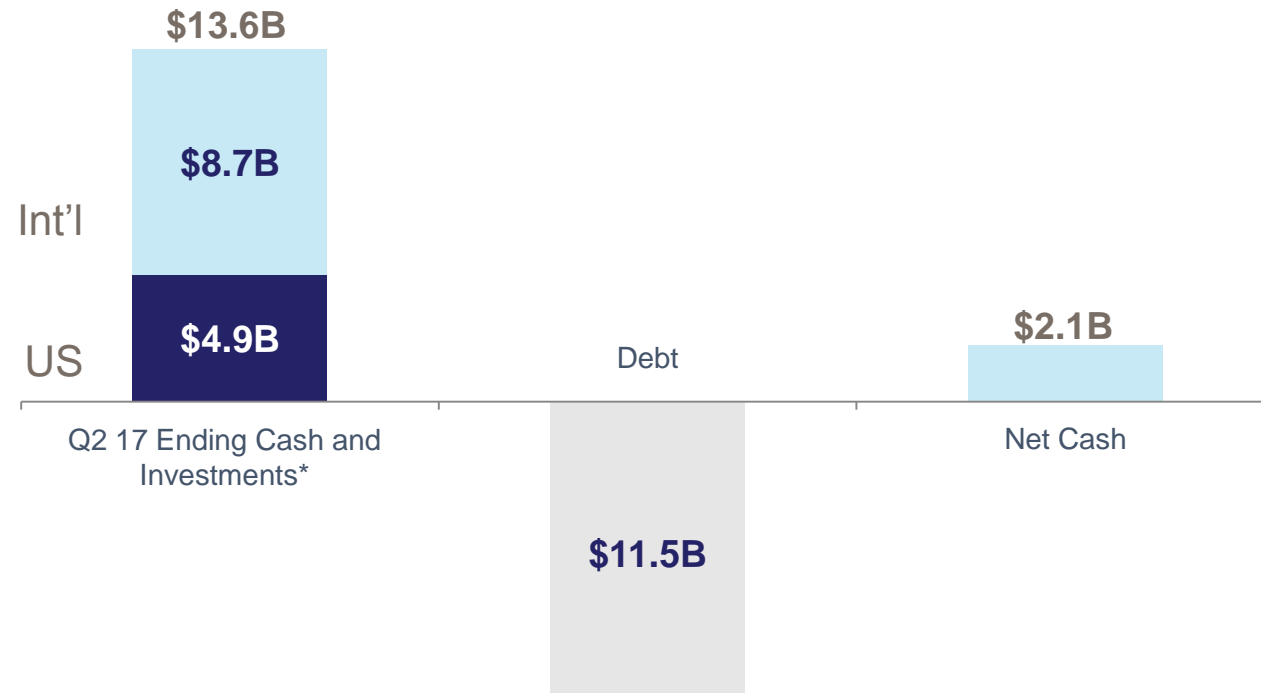


- Q2 FCF down 16% Y/Y primarily due to timing of cash tax payments

	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17	Q2 17
<i>Y/Y Growth</i>	19%	79%	34%	-51%	-7%	-16%
<i>CapEx % of Revenue</i>	7%	7%	8%	6%	6%	8%
<i>FCF % of Revenue</i>	23%	28%	28%	20%	20%	22%



CASH & CAPITAL ALLOCATION



Capital Allocation Tenets

- Focus on long-term value creation while maintaining the resources to execute the strategy
- Drive growth while balancing profitability
- Supplement organic growth with disciplined acquisitions and investments
- Optimize financial flexibility, access to debt and cost of capital

Repurchased \$507M of eBay shares ... \$479M authorization remaining**
 Board approves additional \$3.0B authorization
 Issued New Debt of \$2.5B



* Cash balances/flows include cash, cash equivalents and non-equity investments

**Authorization remaining as of June 30, 2017

Q3 GUIDANCE

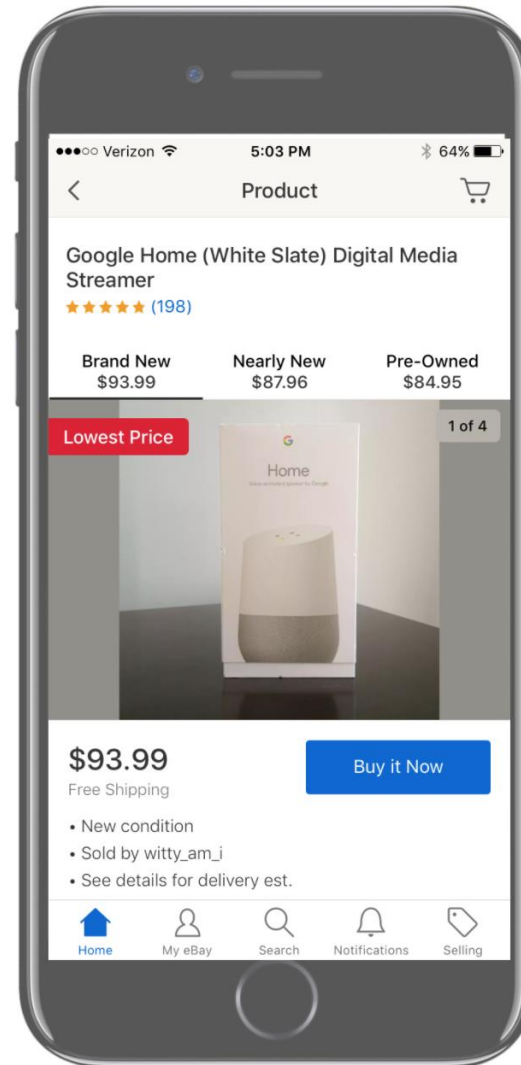
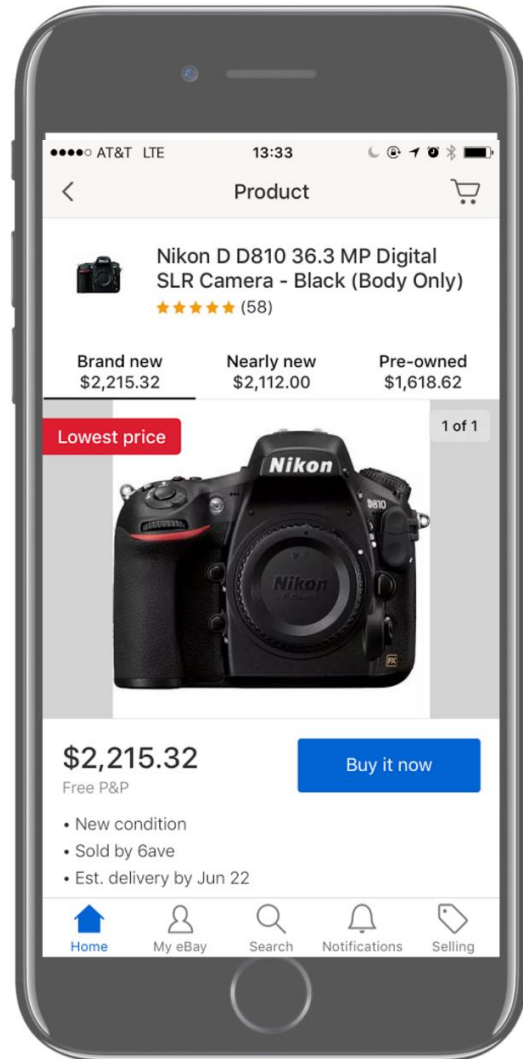
	Q3 17		Guidance Context
	<u>Low</u>	<u>High</u>	
Revenue (in billions)	\$2.35	\$2.39	<p><u>Q3</u></p> <ul style="list-style-type: none"> • Marketplace GMV & revenue acceleration • EPS growth impacted by: <ul style="list-style-type: none"> • FX ~(5)pts • Net benefit of share repurchase program ~5pts • Non-GAAP effective tax rate of 21.5% - 22.5% <p><u>Full Year</u></p> <ul style="list-style-type: none"> • No change to Full Year Non-GAAP Guidance
<i>Y/Y Growth</i>	6%	8%	
<i>Organic FX-Neutral Y/Y Growth</i>	6%	8%	
Non-GAAP EPS	\$0.46	\$0.48	
<i>Y/Y Growth</i>	3%	7%	

Q&A

APPENDIX

PRODUCT EXPERIENCES

Mobile Product Pages



PRODUCT EXPERIENCES

Structured Data Elements in Search

Condition

Product Attributes

Reviews

Reviews

Verizon 10:27 PM 49% ebay.com

Samsung UN75J6300 75" Class Smart 1080P LED HDTV With Wi-Fi
Brand New · Samsung · 75" · 1080p
★★★★★ (11)
See Price Was: \$2,097.99
Free Shipping

Sylvania 32" TV 720p 60Hz LED HDTV with 2X HDMI, VGA & RF Inputs - Brand New
Brand New · SYLVANIA · 32" · 720p
\$139.36 Was: \$279.99
Free Shipping
100 Watching

Samsung UN58MU6100 - 58-inch Smart MU6100 Series LED 4K UHD TV With Wi-Fi
Brand New · Samsung · 58" · 2160p
See Price Was: \$999.00
Free Shipping

LG 55 Inch 4K UHD HDR Smart LED TV / 3 x HDMI / 2 x USB / 2017 Model | 55UJ6300
Brand New · LG · 55" · 4K
★★★★★ (3)
See Price Was: \$1,499.99
Free Shipping



RECONCILIATIONS

GAAP TO NON-GAAP QUARTERLY RECONCILIATIONS

OPERATING MARGIN

	Three months ended					
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017
	(in millions, except percentages)					
GAAP operating income	\$ 614	\$ 531	\$ 542	\$ 638	\$ 546	\$ 478
Stock-based compensation expense and related employer payroll taxes	89	120	105	110	103	145
Amortization of acquired intangible assets within cost of net revenues	4	4	7	8	7	6
Amortization of acquired intangible assets within operating expenses	8	7	9	10	9	9
Other significant gains, losses or charges	—	(13)	—	(2)	—	(3)
Separation	(1)	—	—	—	—	—
Restructuring	—	—	—	—	—	—
Non-GAAP operating income	<u>\$ 714</u>	<u>\$ 649</u>	<u>\$ 663</u>	<u>\$ 764</u>	<u>\$ 665</u>	<u>\$ 635</u>
Revenues	\$ 2,137	\$ 2,230	\$ 2,217	\$ 2,395	\$ 2,217	\$ 2,328
GAAP operating margin	28.7 %	23.8 %	24.4 %	26.6 %	24.6 %	20.5 %
Non-GAAP operating margin	33.4 %	29.1 %	29.9 %	31.9 %	30.0 %	27.3 %

GAAP TO NON-GAAP QUARTERLY RECONCILIATIONS

NET INCOME / EPS

	Three months ended					
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017
	(in millions, except per share data)					
GAAP Income from continuing operations	\$ 482	\$ 437	\$ 418	\$ 5,948	\$ 1,035	\$ 27
Stock-based compensation expense and related employer payroll taxes	89	120	105	110	103	145
Amortization of acquired intangible assets within cost of net revenues	4	4	7	8	7	6
Amortization of acquired intangible assets within operating expenses	8	7	9	10	9	9
Separation	(1)	—	—	—	—	—
Restructuring	—	—	—	—	—	—
Other significant gains, losses or charges	—	(13)	—	(2)	—	(3)
Gains or losses on investments	—	(35)	—	(1,334)	(16)	—
Tax effect of step-up of intangible assets basis	—	—	—	(4,603)	(695)	—
Foreign exchange effect of step-up of intangible assets basis	—	—	—	—	65	311
Tax effect of non-GAAP adjustments	(32)	(24)	(30)	464	30	(2)
Non-GAAP net income from continuing operations	\$ 550	\$ 496	\$ 509	\$ 601	\$ 538	\$ 493
Non-GAAP net income from continuing operations per diluted share	\$ 0.47	\$ 0.43	\$ 0.45	\$ 0.54	\$ 0.49	\$ 0.45
Shares used in non-GAAP diluted share calculation	1,170	1,149	1,139	1,119	1,102	1,091

GAAP TO NON-GAAP QUARTERLY RECONCILIATIONS

STATEMENT OF INCOME

	Three months ended					
	June 30, 2017			June 30, 2016		
	Reported	Non-GAAP Entries	Non-GAAP	Reported	Non-GAAP Entries	Non-GAAP
	(in millions, except per share data and percentages)					
Net revenues	\$ 2,328	\$ —	\$ 2,328	\$ 2,230	\$ —	\$ 2,230
Cost of net revenues	561	(21) (a)(b)	540	493	(16) (a)(b)	477
Gross Profit	1,767	21	1,788	1,737	16	1,753
Operating expenses:						
Sales and marketing	637	(28) (a)	609	622	(26) (a)	596
Product development	313	(50) (a)	263	295	(41) (a)	254
General and administrative	267	(49) (a)(d)	218	218	(28) (a)(d)	190
Provision for transaction losses	63	—	63	64	—	64
Amortization of acquired intangible assets	9	(9) (b)	—	7	(7) (b)	—
Total operating expense	1,289	(136)	1,153	1,206	(102)	1,104
Income from operations	478	157	635	531	118	649
Interest and other income, net	(18)	— (e)	(18)	(8)	(35) (e)	(43)
Income from continuing operations before income taxes	460	157	617	523	83	606
Provision for income taxes	(433)	309 (c)(g)	(124)	(86)	(24) (c)	(110)
Income from continuing operations	\$ 27	\$ 466	\$ 493	\$ 437	\$ 59	\$ 496
Net income (loss) from continuing operations per share:						
Basic	\$ 0.03		\$ 0.46	\$ 0.38		\$ 0.43
Diluted	\$ 0.02		\$ 0.45	\$ 0.38		\$ 0.43
Weighted average shares:						
Basic	1,076		1,076	1,144		1,144
Diluted	1,091		1,091	1,149		1,149
Operating margin	20.5 %	6.8 %	27.3 %	23.8 %	5.3 %	29.1 %
Effective tax rate	94 %	(74)%	20 %	16 %	2 %	18 %

Notes:

- (a) Stock-based compensation expense and related employer payroll taxes
- (b) Amortization of acquired intangible assets
- (c) Income taxes associated with certain non-GAAP entries
- (d) Other significant gains, losses or charges
- (e) Gains or losses on investments
- (f) Tax effect of step-up of intangible assets basis
- (g) Foreign exchange effect of step-up of intangible assets basis



CALCULATION OF FREE CASH FLOW

	Three months ended					
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017
	(in millions)					
Net cash provided by continuing operating activities	\$ 641	\$ 764	\$ 802	\$ 620	\$ 582	\$ 699
Less: Purchases of property and equipment, net	(158)	(147)	(185)	(136)	(135)	(182)
Free cash flow from continuing operations	<u>\$ 483</u>	<u>\$ 617</u>	<u>\$ 617</u>	<u>\$ 484</u>	<u>\$ 447</u>	<u>\$ 517</u>

RECONCILIATION OF TOTAL REVENUE

	Three months ended					
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017
Net Revenues by Type	(in millions)					
Net Transaction Revenues:						
Marketplace	\$ 1,500	\$ 1,521	\$ 1,484	\$ 1,602	\$ 1,525	\$ 1,590
StubHub	177	225	261	274	204	227
Total net transaction revenues	\$ 1,677	\$ 1,746	\$ 1,745	\$ 1,876	\$ 1,729	\$ 1,817
Marketing services and other revenues:						
Marketplace	\$ 274	\$ 277	\$ 273	\$ 313	\$ 283	\$ 283
Classifieds	186	207	197	201	199	219
StubHub, Corporate and other	—	—	2	5	6	9
Total marketing and other revenues	\$ 460	\$ 484	\$ 472	\$ 519	\$ 488	\$ 511
Total net revenues	\$ 2,137	\$ 2,230	\$ 2,217	\$ 2,395	\$ 2,217	\$ 2,328

RECONCILIATION OF ORGANIC REVENUE

	Three months ended					
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017
As Reported Revenue Growth	4%	6%	6%	3%	4%	4%
Acquisition/Disposition Impact	—%	—%	—%	—%	(1)%	(1)%
Foreign Currency Impact	2%	1%	2%	3%	3%	3%
Organic FX-Neutral Revenue Growth	6%	7%	8%	6%	6%	6%

Organic FX-Neutral Revenue Growth. The company defines Organic FX-Neutral Revenue Growth as As Reported Revenue Growth excluding incremental revenue from acquisitions or dispositions for the twelve-month period following such acquisitions or dispositions and foreign exchange rate effects. The company believes this measure provides useful supplemental information regarding the company's underlying revenue trends by presenting revenue growth exclusive of these effects.

GAAP TO NON-GAAP RECONCILIATIONS GUIDANCE

	Three Months Ending September 30, 2017	
(in billions, except per share amounts)	GAAP	Non-GAAP (a)
Net Revenue	\$2.35 - \$2.39	\$2.35 - \$2.39
Diluted EPS	\$0.30 - \$0.32	\$0.46 - \$0.48

	Twelve Months Ending December 31, 2017	
(in billions, except per share amounts)	GAAP	Non-GAAP (b)
Net Revenue	\$9.3 - \$9.5	\$9.3 - \$9.5
Diluted EPS	\$1.65 - \$1.75	\$1.98 - \$2.03

(a) Estimated non-GAAP amounts above for the three months ending September 30, 2017, reflect adjustments that exclude the estimated amortization of acquired intangible assets of approximately \$15 - \$20 million and estimated stock-based compensation expense and associated employer payroll tax expense of approximately \$125 - \$135 million, as well as the related income tax impact. Estimated non-GAAP amounts above for the three months ending September 30, 2017, reflect adjustments that exclude the estimated tax impacts of the Company's legal entity realignment of approximately \$65 - \$80 million.

(b) Estimated non-GAAP amounts above for the twelve months ending December 31, 2017, reflect adjustments that exclude the estimated amortization of acquired intangible assets of approximately \$55 - \$65 million and estimated stock-based compensation expense and associated employer payroll tax expense of approximately \$490 - \$510 million, as well as the related income tax impact. Estimated non-GAAP amounts above for the twelve months ending December 31, 2017, reflect adjustments that exclude the estimated tax impacts of the Company's legal entity realignment of approximately \$(10) - \$(40) million.