

Q3 2017 FINANCIAL HIGHLIGHTS

October 18, 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 fourth 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 October 18, 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

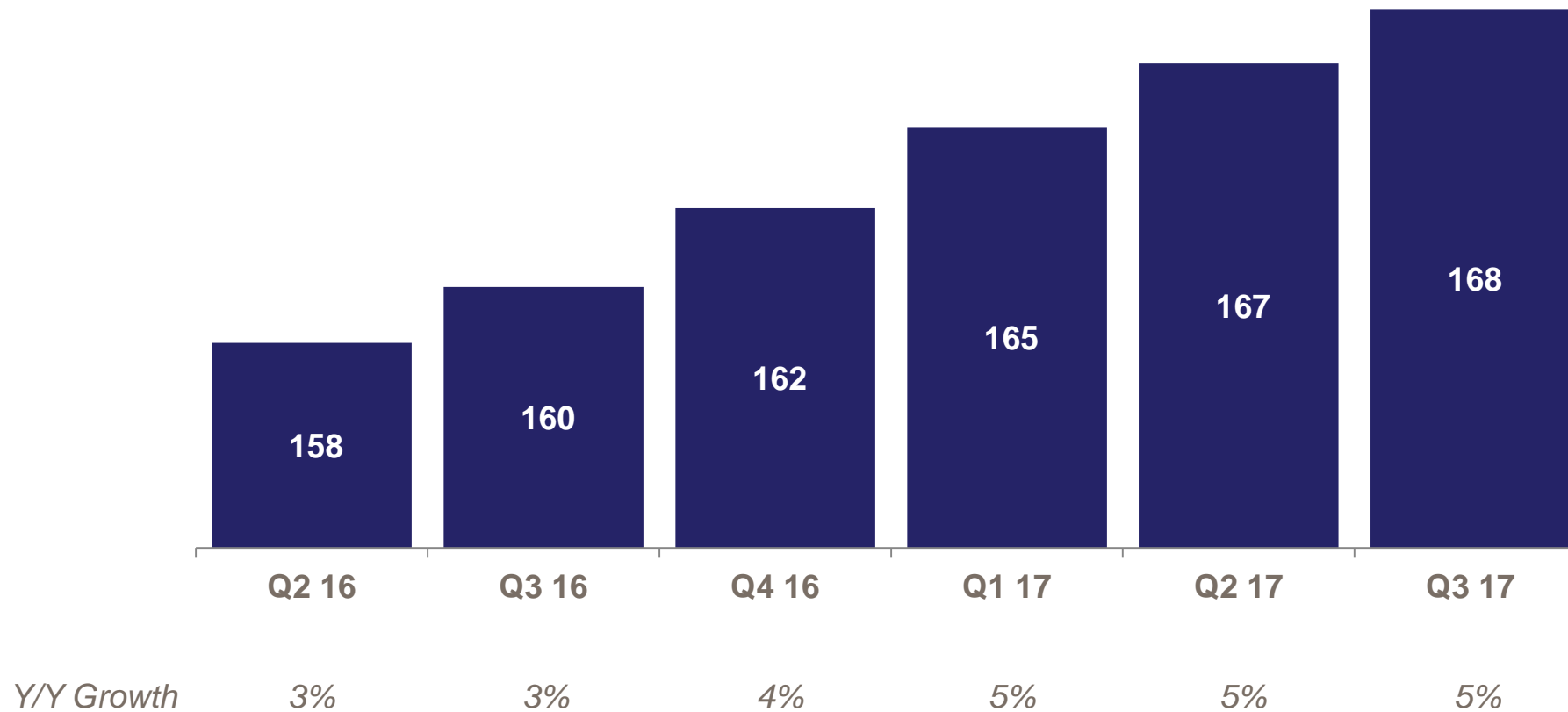
Q3 RESULTS

- GMV of \$21.7B, up 8% Y/Y (up 7% FX-Neutral)
- Revenue of \$2.4B, up 9% Y/Y (up 8% FX-Neutral ... 7% Organic FX-Neutral)
- Both GAAP and Non-GAAP EPS of \$0.48, up 32% and 7% Y/Y, respectively
- Generated \$720M of Free Cash Flow
- Repurchased \$907M of eBay shares



TRAILING 12-MONTH ACTIVE BUYERS

(millions)

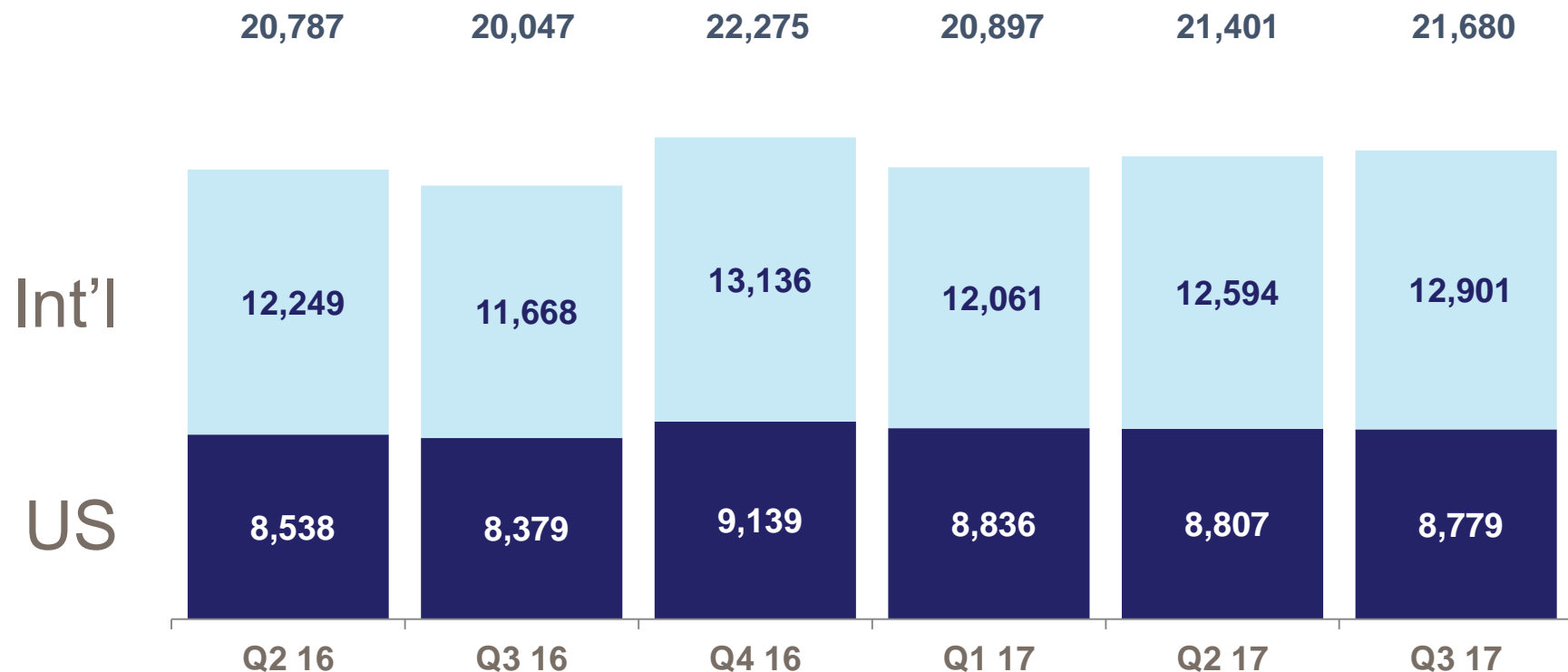


- Added nearly 2M more active buyers in Q3
- Q3 T12M grew 5%, with Marketplace acceleration offset by StubHub



GMV

(\$ millions)



- Q3 Volume purchased by US buyers (US GMB) grew 5% ... primarily driven by US Marketplace strength
- Q3 Sold Items growth decelerated slightly vs Q2 driven by mix of higher ASP products

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

Int'l FX-Neutral Y/Y Growth 7% 7% 8% 7% 7% 9%

Total FX-Neutral Y/Y Growth 6% 5% 6% 5% 5% 7%

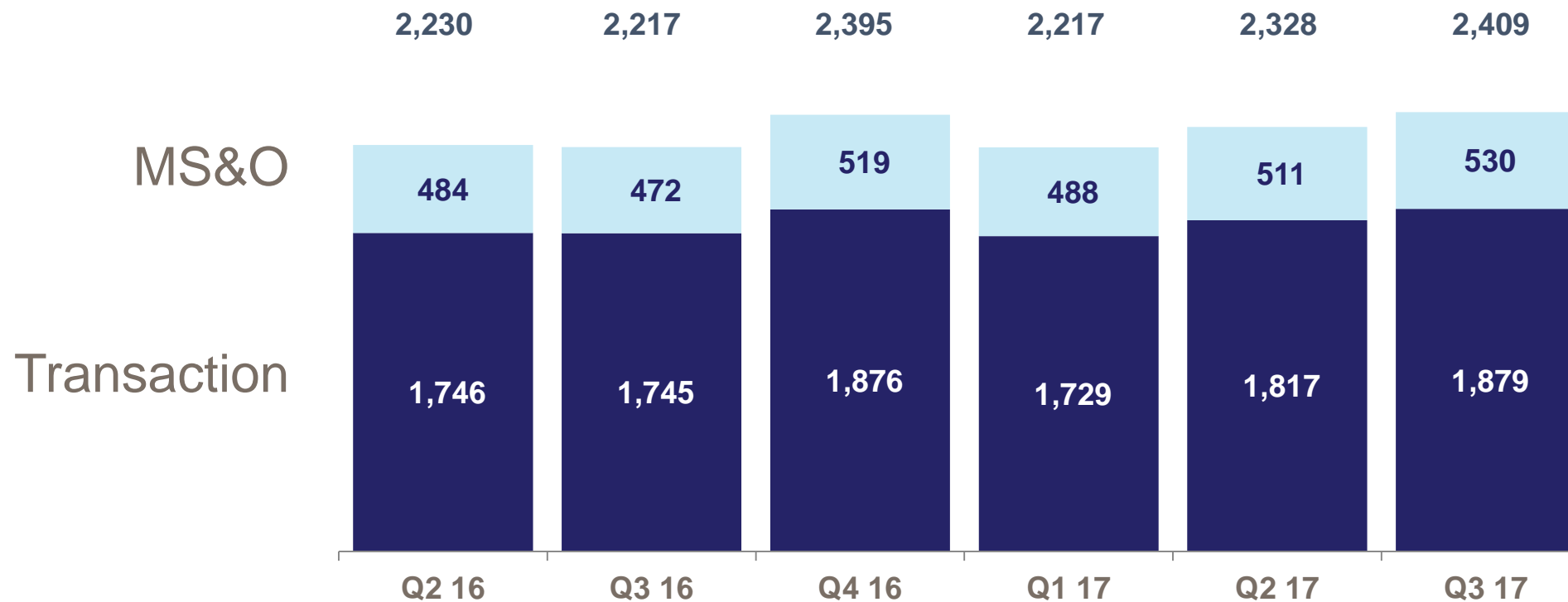
Sold Items Y/Y Growth 4% 5% 5% 4% 4% 3%



Prior period GMV has been adjusted and related growth rates recalculated to exclude the impact of the sale of our India business

REVENUE

(\$ millions)



- Q3 FX-Neutral Transaction Revenue up 7% Y/Y ... accelerated 1pt vs Q2
- Q3 FX-Neutral MS&O Revenue up 9% Y/Y ... stable Q/Q

Y/Y Growth 6% 6% 3% 4% 4% 9%

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

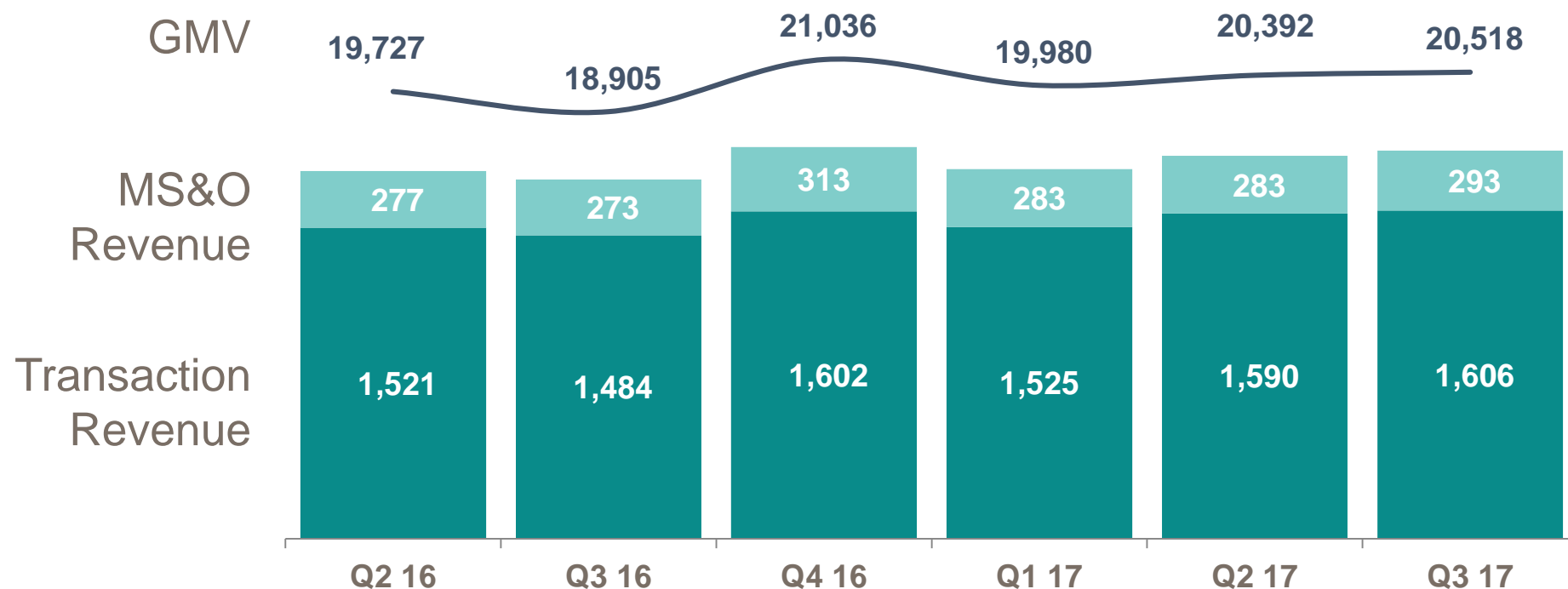
Organic FX-Neutral Y/Y Growth 7% 8% 6% 6% 6% 7%

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



MARKETPLACE GMV & REVENUE

(\$ millions)



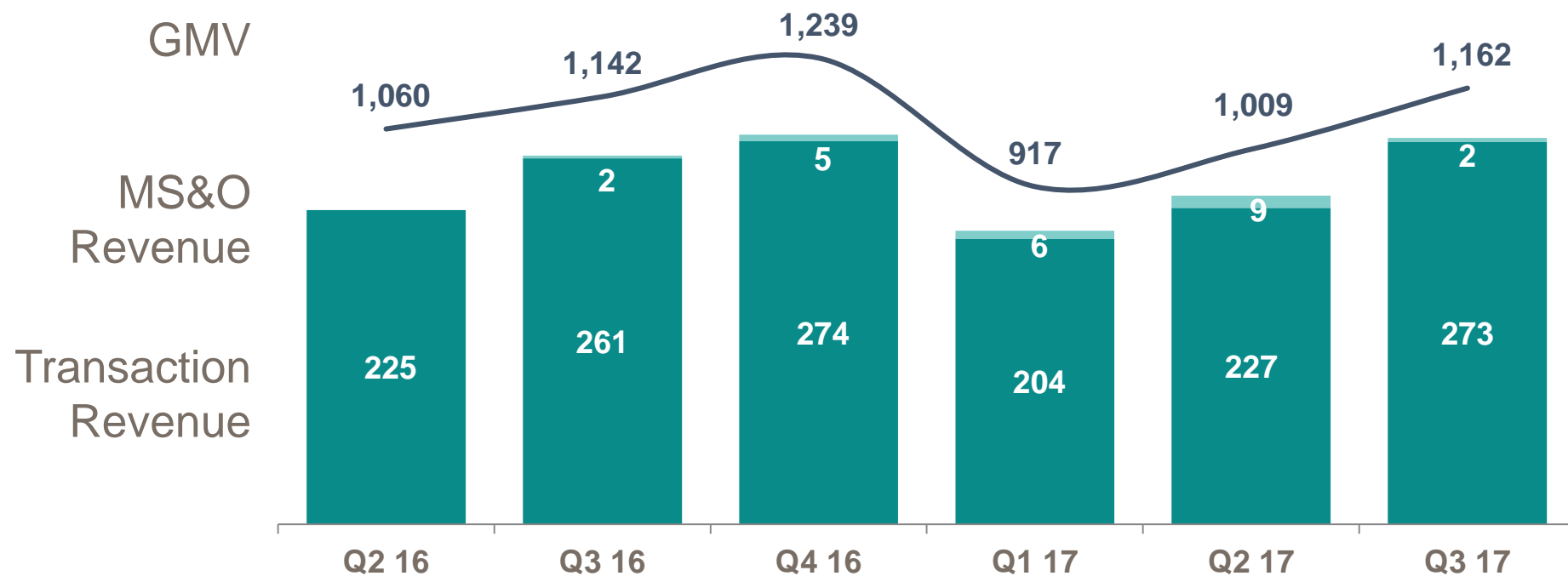
- Q3 FX-Neutral B2C GMV grew 7% Y/Y and FX-Neutral C2C GMV grew 9% Y/Y
- Q3 FX-Neutral Transaction Revenue up 8% Y/Y, accelerated 1pt Q/Q driven primarily by volume growth
- Q3 FX-Neutral MS&O Revenue up 6% Y/Y, accelerated 2pts Q/Q

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



STUBHUB GMV & REVENUE

(\$ millions)

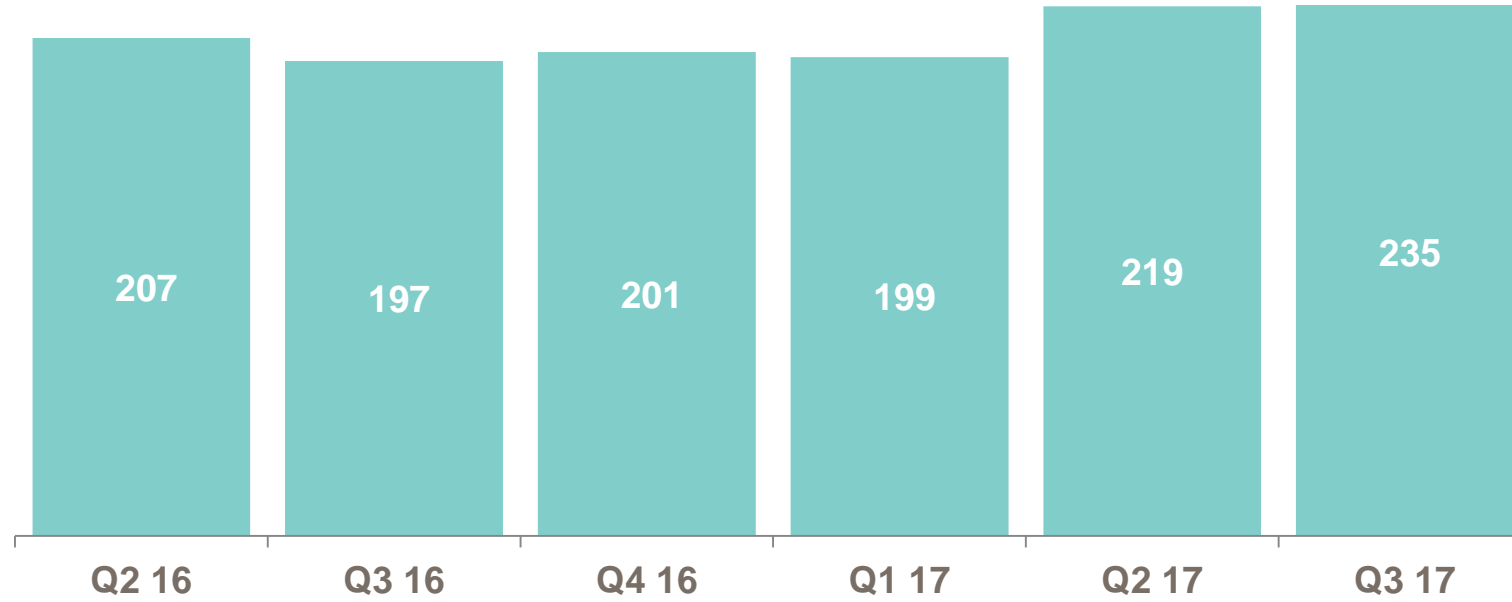


- Q3 FX-Neutral GMV grew 2% Y/Y, accelerated 7pts Q/Q driven by strong Theater and NHL performance
- Q3 FX-Neutral Revenue up 5% Y/Y, stable Q/Q
- Ticketbis impact of 1pt on Q3 FX-Neutral GMV and 2pts on Q3 FX-Neutral Revenue

<i>GMV FX-Neutral Y/Y Growth</i>	35%	23%	5%	6%	-5%	2%
<i>Rev FX-Neutral Y/Y Growth</i>	40%	32%	20%	19%	5%	5%
<i>Trxn Take Rate</i>	21.2%	22.9%	22.1%	22.3%	22.4%	23.5%

CLASSIFIEDS REVENUE

(\$ millions)



- Good traffic growth and user engagement
- Strong growth in Germany, particularly in mobile.de motors vertical

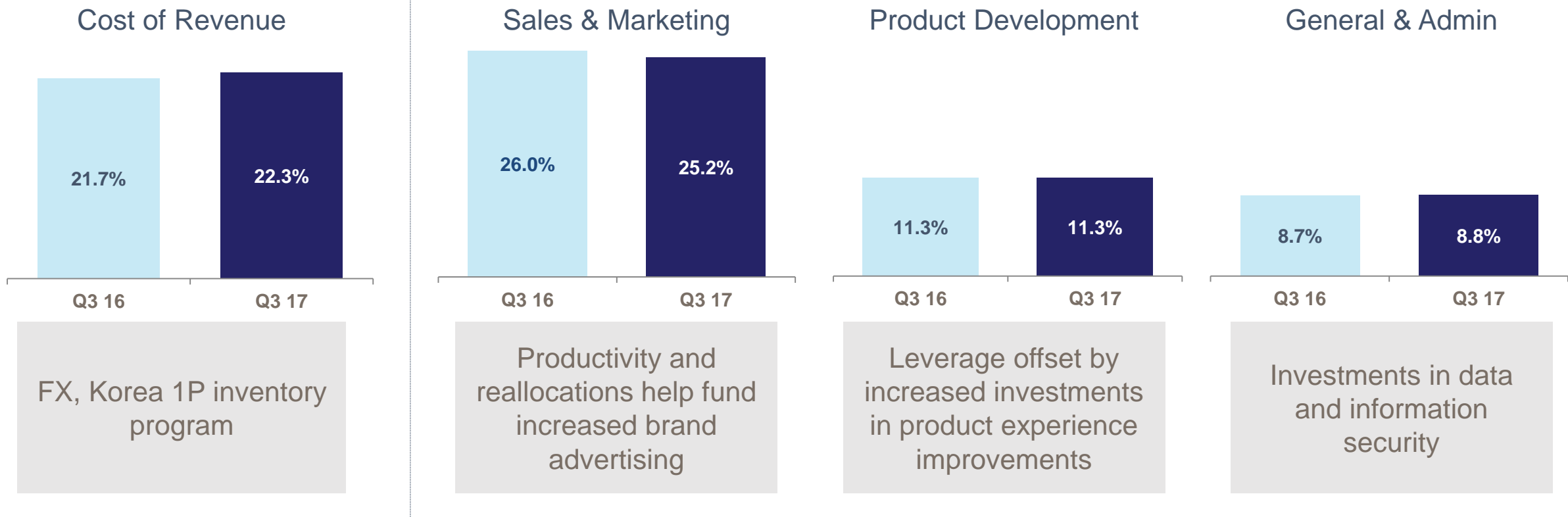
	Q2 16	Q3 16	Q4 16	Q1 17	Q2 17	Q3 17
<i>Rev Y/Y Growth</i>	15%	11%	10%	7%	6%	19%
<i>FX-Neutral Rev Y/Y Growth</i>	15%	14%	13%	10%	11%	13%



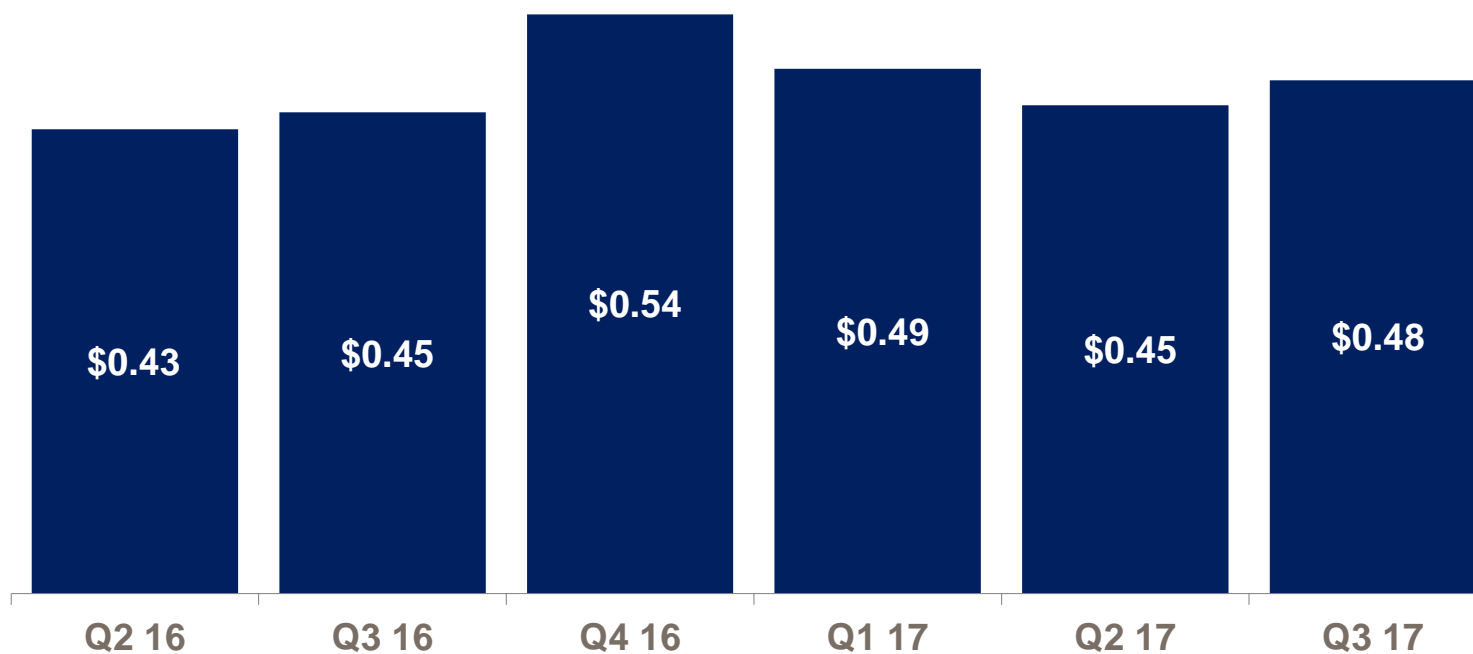
NON-GAAP EXPENSES

(% of revenue)

Operating Expense at 48.1%, down ~0.3pts Y/Y



NON-GAAP EPS



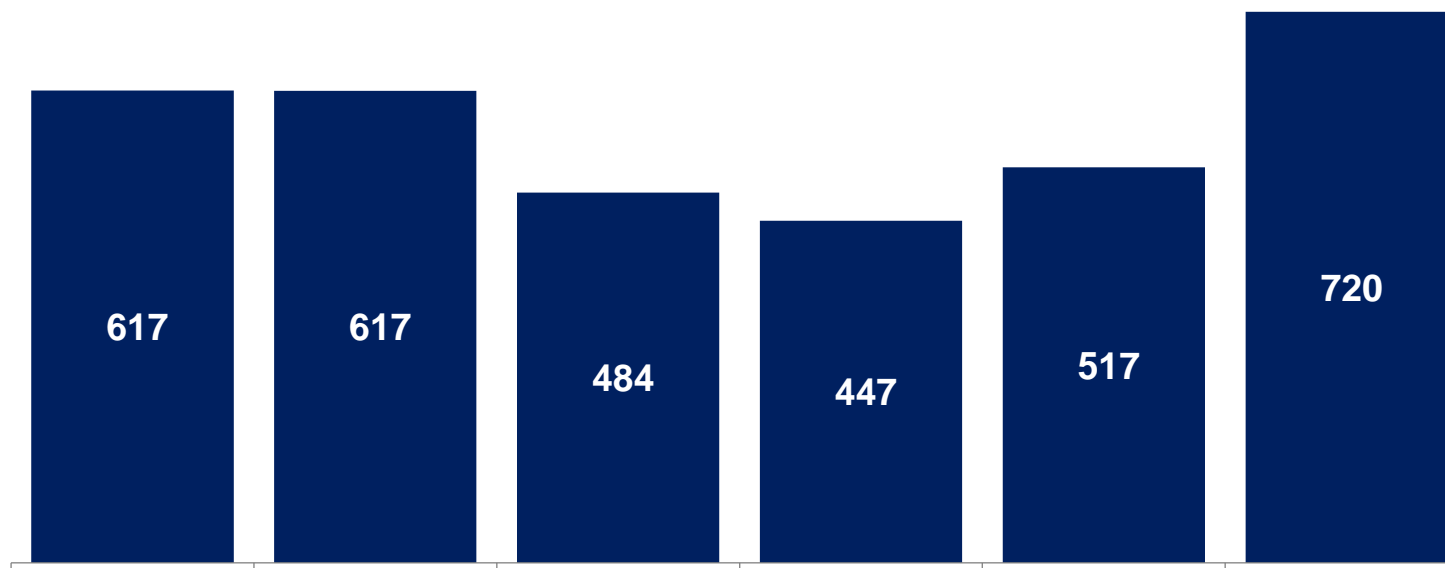
- Q3 Non-GAAP Operating Margin declined 30bps Y/Y with 50bps impact from FX
- Q3 Non-GAAP EPS growth driven by revenue growth and share repurchases partially offset by lower hedging gains
- FX impacted Non-GAAP EPS growth by 5pts

	Q2 16	Q3 16	Q4 16	Q1 17	Q2 17	Q3 17
<i>Non-GAAP EPS Y/Y Growth</i>	2%	3%	8%	4%	5%	7%
<i>Non-GAAP Operating Margin</i>	29.1%	29.9%	31.9%	30.0%	27.3%	29.6%
<i>GAAP EPS</i>	\$0.38	\$0.36	\$5.31	\$0.94	\$0.02	\$0.48
<i>GAAP EPS Y/Y Growth</i>	8%	-20%	1,135%	128%	-95%	32%



FREE CASH FLOW

(\$ millions)

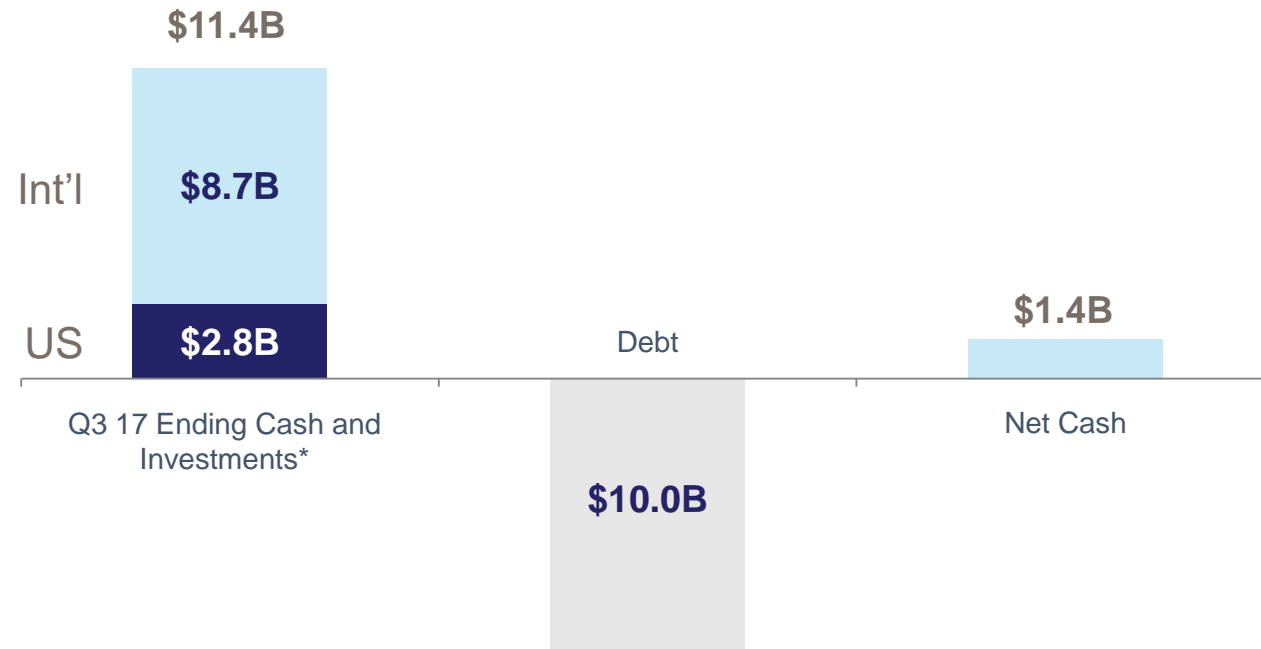


- Q3 FCF up 17% Y/Y primarily due to timing of cash tax payments and capital expenditures

	Q2 16	Q3 16	Q4 16	Q1 17	Q2 17	Q3 17
<i>Y/Y Growth</i>	79%	34%	-51%	-7%	-16%	17%
<i>CapEx % of Revenue</i>	7%	8%	6%	6%	8%	7%
<i>FCF % of Revenue</i>	28%	28%	20%	20%	22%	30%



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 \$907M of eBay Shares ... \$2.6B Authorization Remaining**
 Repaid \$1.45B of Debt Maturities
 Completed \$500M Investment in Flipkart



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

** Authorization remaining as of September 30, 2017

GUIDANCE

	Q4 17		Q4 Guidance Context
	<u>Low</u>	<u>High</u>	
Revenue (in billions)	\$2.58	\$2.62	<ul style="list-style-type: none"> Marketplace GMV and Revenue acceleration offset by SH headwinds and timing & length of Korean Thanksgiving EPS growth impacted by: <ul style="list-style-type: none"> FX ~(6)pts Net benefit of share repurchase program ~5pts Non-GAAP Interest and Other Income at similar levels to Q3 17 Non-GAAP effective tax rate of 20% - 21%
<i>Y/Y Growth</i>	8%	10%	
<i>FX-Neutral Y/Y Growth</i>	6%	8%	
Non-GAAP EPS	\$0.57	\$0.59	
<i>Y/Y Growth</i>	6%	10%	

Full Year Guidance

- Revenue of \$9.53 - \$9.57 billion ... Organic FX-Neutral growth of approximately 7%
- Non-GAAP Operating Margin of approximately 30%
- Non-GAAP EPS of \$1.99 – \$2.01
- Free Cash Flow of \$2.2B to \$2.4B



Q&A

APPENDIX

PRODUCT EXPERIENCES

Grouped Listings – Search Results

2,138 results for xbox 360 lego games

Quickly compare offers in our new grouped view

- LEGO Marvel Avengers Xbox 360 [Brand New]**
Brand New
★ ★ ★ ★ ★ (25 product ratings)
\$18.92
Buy It Now
Free Shipping
102 sold
37 New & refurbished from \$18.69
- LEGO Batman: The Videogame Xbox 360 [Factory Refurbished]**
Pre-Owned
\$7.85
Buy It Now
Free Shipping
16 sold
- Microsoft Xbox 360: LEGO Dimensions**
Pre-Owned
\$5.99
or Best Offer
Free Shipping
FAST 'N FREE
Estimated Delivery Thu, Oct. 19

Learn How To Earn \$30 Back

As a statement credit if you are approved for a new eBay Extras MasterCard® account

LEGO The Hobbit Microsoft Xbox 360

78 grouped results for xbox 360 lego games

- LEGO Marvel's Avengers (Microsoft Xbox 360, 2016)**
★ ★ ★ ★ ★ (25)
Brand New
\$18.92
Free Shipping
44 More Buying Options
Brand New - Lowest Price: **\$18.69**
Pre-owned - Lowest Price: **\$15.95**
- LEGO Jurassic World (Microsoft Xbox 360, 2015)**
★ ★ ★ ★ ★ (74)
New (Other)
\$13.99
Free Shipping
FAST 'N FREE
Estimated Delivery Tue, Oct. 17
77 More Buying Options
Brand New - Lowest Price: **\$12.97**
Pre-owned - Lowest Price: **\$8.98**
- LEGO Harry Potter: Years 1-4 (Microsoft Xbox 360, 2010)**
★ ★ ★ ★ ★ (69)
Brand New
\$14.66
Free Shipping
67 More Buying Options
Brand New - Lowest Price: **\$14.66**
New (Other) - Lowest Price: **\$10.49**

Learn How To Earn \$30 Back


As a statement credit if you are approved for a new eBay Extras MasterCard® account

LEGO The Hobbit Microsoft Xbox 360



PRODUCT EXPERIENCES

Grouped Listings – Product Page


 Shop by category All Categories Advanced

eBay > Video Games & Consoles > Video Games Share

LEGO Marvel's Avengers (Microsoft Xbox 360, 2016)

★★★★★ 25 product ratings | [About this product](#) | Microsoft Xbox 360

Platform: Microsoft Xbox 360



Almost gone **XBOX 360**

Our Pick
\$18.92
Free Shipping

Get it by **Monday, Oct 23** from Shakopee, Minnesota

- Brand New condition
- Returns accepted - 30 days money back


"Avengers Assemble! Play as Earth's Mightiest Heroes in their quest to save the world.Features."

[See details >](#)

Qty : 1

Sold by **gamercandy (7374)**
99.8% Positive feedback


Our Pick



\$18.92
Free Shipping

Get it by **Monday, Oct 23** from Shakopee, Minnesota

Brand New: Lowest Price




\$18.69
Free Shipping

Get it by **Thursday, Oct 19**

[See all 36 Brand New](#)

Pre-Owned: Lowest Price




\$15.95
Free Shipping

Get it by **Thursday, Oct 19**

[See all 5 Pre-Owned](#)

Auction: Ending Soon



\$0.99
+ \$8.35 Shipping

See details for delivery est.

[See all 2 Auction](#)

RECONCILIATIONS

GAAP TO NON-GAAP QUARTERLY RECONCILIATIONS

OPERATING MARGIN

	Three months ended					
	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017
	(in millions, except per share data and percentages)					
GAAP operating income	\$ 531	\$ 542	\$ 638	\$ 546	\$ 478	\$ 578
Stock-based compensation expense and related employer payroll taxes	120	105	110	103	145	119
Amortization of acquired intangible assets within cost of net revenues	4	7	8	7	6	6
Amortization of acquired intangible assets within operating expenses	7	9	10	9	9	10
Other significant gains, losses or charges	(13)	—	(2)	—	(3)	—
Separation	—	—	—	—	—	—
Restructuring	—	—	—	—	—	—
Non-GAAP operating income	<u>\$ 649</u>	<u>\$ 663</u>	<u>\$ 764</u>	<u>\$ 665</u>	<u>\$ 635</u>	<u>\$ 713</u>
Revenues	\$ 2,230	\$ 2,217	\$ 2,395	\$ 2,217	\$ 2,328	\$ 2,409
GAAP operating margin	23.8 %	24.4 %	26.6 %	24.6 %	20.5 %	24.0 %
Non-GAAP operating margin	29.1 %	29.9 %	31.9 %	30.0 %	27.3 %	29.6 %

GAAP TO NON-GAAP QUARTERLY RECONCILIATIONS

NET INCOME / EPS

	Three months ended					
	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017
	(in millions, except per share data)					
GAAP Income from continuing operations	\$ 437	\$ 418	\$ 5,948	\$ 1,035	\$ 27	\$ 523
Stock-based compensation expense and related employer payroll taxes	120	105	110	103	145	119
Amortization of acquired intangible assets within cost of net revenues	4	7	8	7	6	6
Amortization of acquired intangible assets within operating expenses	7	9	10	9	9	10
Other significant gains, losses or charges	(13)	—	(2)	—	(3)	(167)
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	(24)	(30)	464	30	(2)	23
Non-GAAP net income from continuing operations	\$ 496	\$ 509	\$ 601	\$ 538	\$ 493	\$ 514
Non-GAAP net income from continuing operations per diluted share	\$ 0.43	\$ 0.45	\$ 0.54	\$ 0.49	\$ 0.45	\$ 0.48
Shares used in non-GAAP diluted share calculation	1,149	1,139	1,119	1,102	1,091	1,078

GAAP TO NON-GAAP QUARTERLY RECONCILIATIONS

STATEMENT OF INCOME

	Three months ended					
	September 30, 2017			September 30, 2016		
	Reported	Non-GAAP Entries	Non-GAAP	Reported	Non-GAAP Entries	Non-GAAP
	(in millions, except per share data and percentages)					
Net revenues	\$ 2,409	\$ —	\$ 2,409	\$ 2,217	\$ —	\$ 2,217
Cost of net revenues	556	(19) (a)(b)	537	498	(18) (a)(b)	480
Gross Profit	1,853	19	1,872	1,719	18	1,737
Operating expenses:						
Sales and marketing	627	(19) (a)	608	600	(24) (a)	576
Product development	316	(45) (a)	271	288	(37) (a)	251
General and administrative	254	(42) (a)	212	224	(33) (a)	191
Provision for transaction losses	68	—	68	56	—	56
Amortization of acquired intangible assets	10	(10) (b)	—	9	(9) (b)	—
Total operating expense	1,275	(116)	1,159	1,177	(103)	1,074
Income from operations	578	135	713	542	121	663
Interest and other income, net	119	(167) (d)	(48)	(9)	—	(9)
Income from continuing operations before income taxes	697	(32)	665	533	121	654
Provision for income taxes	(174)	23 (c)	(151)	(115)	(30) (c)	(145)
Income from continuing operations	\$ 523	\$ (9)	\$ 514	\$ 418	\$ 91	\$ 509
Net income (loss) from continuing operations per share:						
Basic	\$ 0.49		\$ 0.48	\$ 0.37		\$ 0.45
Diluted	\$ 0.48		\$ 0.48	\$ 0.36		\$ 0.45
Weighted average shares:						
Basic	1,062		1,062	1,126		1,126
Diluted	1,078		1,078	1,139		1,139
Operating margin	24.0 %	5.6 %	29.6 %	24.4 %	5.5 %	29.9 %
Effective tax rate	25 %	(2)%	23 %	22 %	—%	22 %

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



CALCULATION OF FREE CASH FLOW

	Three months ended					
	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017
	(in millions)					
Net cash provided by continuing operating activities	\$ 764	\$ 802	\$ 620	\$ 582	\$ 699	\$ 877
Less: Purchases of property and equipment, net	(147)	(185)	(136)	(135)	(182)	(157)
Free cash flow from continuing operations	<u>\$ 617</u>	<u>\$ 617</u>	<u>\$ 484</u>	<u>\$ 447</u>	<u>\$ 517</u>	<u>\$ 720</u>

RECONCILIATION OF TOTAL REVENUE

	Three months ended					
	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017
Net Revenues by Type	(in millions)					
Net Transaction Revenues:						
Marketplace	\$ 1,521	\$ 1,484	\$ 1,602	\$ 1,525	\$ 1,590	\$ 1,606
StubHub	225	261	274	204	227	273
Total net transaction revenues	\$ 1,746	\$ 1,745	\$ 1,876	\$ 1,729	\$ 1,817	\$ 1,879
Marketing services and other revenues:						
Marketplace	\$ 277	\$ 273	\$ 313	\$ 283	\$ 283	\$ 293
Classifieds	207	197	201	199	219	235
StubHub, Corporate and other	—	2	5	6	9	2
Total marketing and other revenues	\$ 484	\$ 472	\$ 519	\$ 488	\$ 511	\$ 530
Total net revenues	\$ 2,230	\$ 2,217	\$ 2,395	\$ 2,217	\$ 2,328	\$ 2,409

RECONCILIATION OF ORGANIC REVENUE

	Three months ended					
	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017	June 30, 2017	September 30, 2017
As Reported Revenue Growth	6%	6%	3%	4%	4%	9%
Acquisition/Disposition Impact	—%	—%	—%	(1)%	(1)%	(0)%
Foreign Currency Impact	1%	2%	3%	3%	3%	(1)%
Organic FX-Neutral Revenue Growth	7%	8%	6%	6%	6%	7%

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

(in billions, except per share amounts)	Three Months Ending December 31, 2017	
	GAAP	Non-GAAP (a)
Net Revenue	\$2.58 - \$2.62	\$2.58 - \$2.62
Diluted EPS	\$0.40 - \$0.45	\$0.57 - \$0.59

(in billions, except per share amounts)	Twelve Months Ending December 31, 2017	
	GAAP	Non-GAAP (b)
Net Revenue	\$9.53 - \$9.57	\$9.53 - \$9.57
Diluted EPS	\$1.85 - \$1.90	\$1.99 - \$2.01

(a) Estimated non-GAAP amounts above for the three months ending December 31, 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 \$130 - \$140 million, as well as the related income tax impact. Estimated non-GAAP amounts above for the three months ending December 31, 2017, reflect adjustments that exclude the estimated tax impacts of the Company's legal entity realignment of approximately \$60 - \$90 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 \$60 - \$65 million and estimated stock-based compensation expense and associated employer payroll tax expense of approximately \$500 - \$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 as well as a \$167 million gain from the sale of eBay's India business.