

Q2 2018 FINANCIAL HIGHLIGHTS

July 18, 2018



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.

Prior period information in this presentation has been recast to reflect Accounting Standards Codification Topic 606, Revenue from Contracts with Customers, which eBay adopted on January 1, 2018.

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 2018 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 ability to implement our initiative to intermediate payments on our marketplace platform; 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 18, 2018. 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.

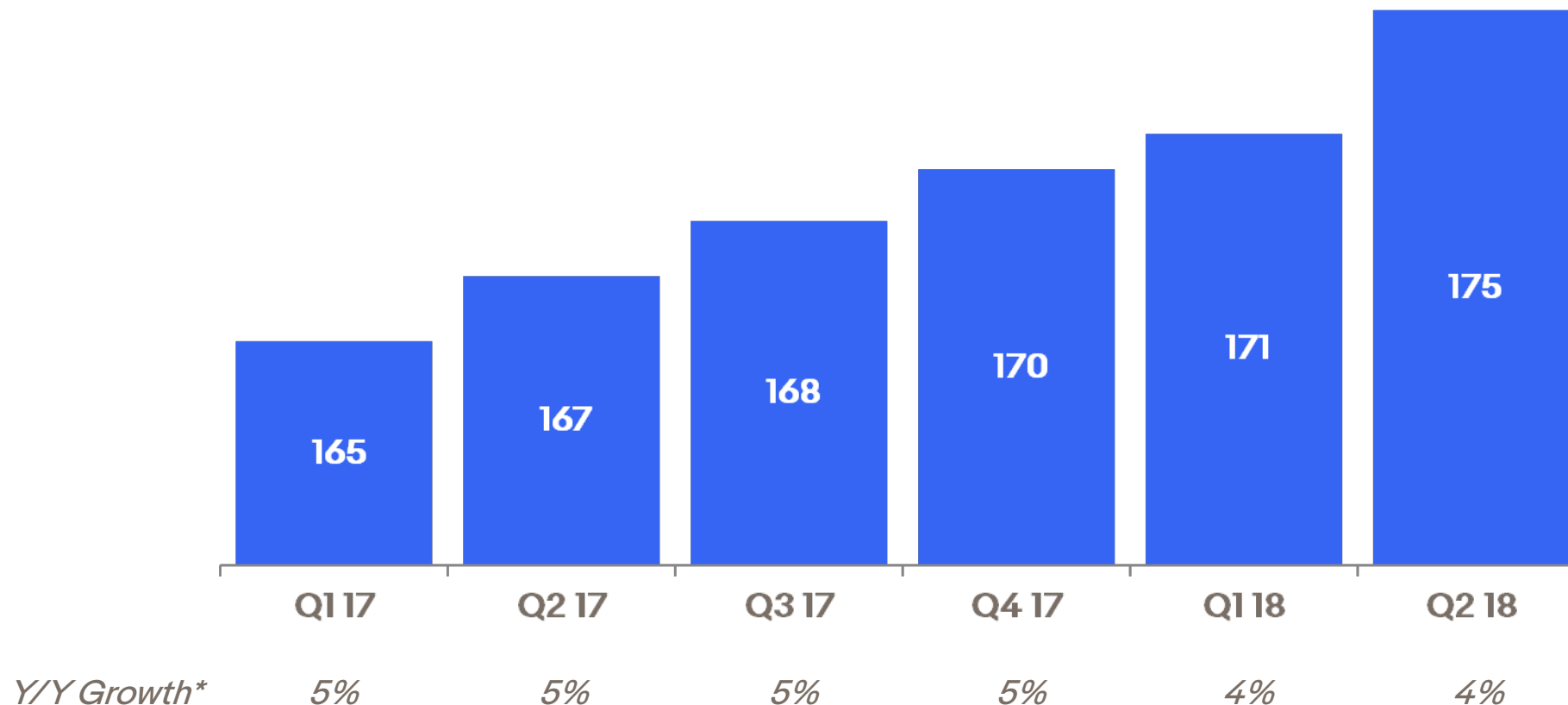
CFO COMMENTS

Q2 HIGHLIGHTS

- Revenue of \$2.6B, up 9% Y/Y (up 6% FX-Neutral)
- GAAP EPS of \$0.64 and Non-GAAP EPS of \$0.53
- Generated \$372M of Operating Cash Flow and \$188M of Free Cash Flow
- Repurchased \$1.0B of eBay shares

TRAILING 12-MONTH ACTIVE BUYERS

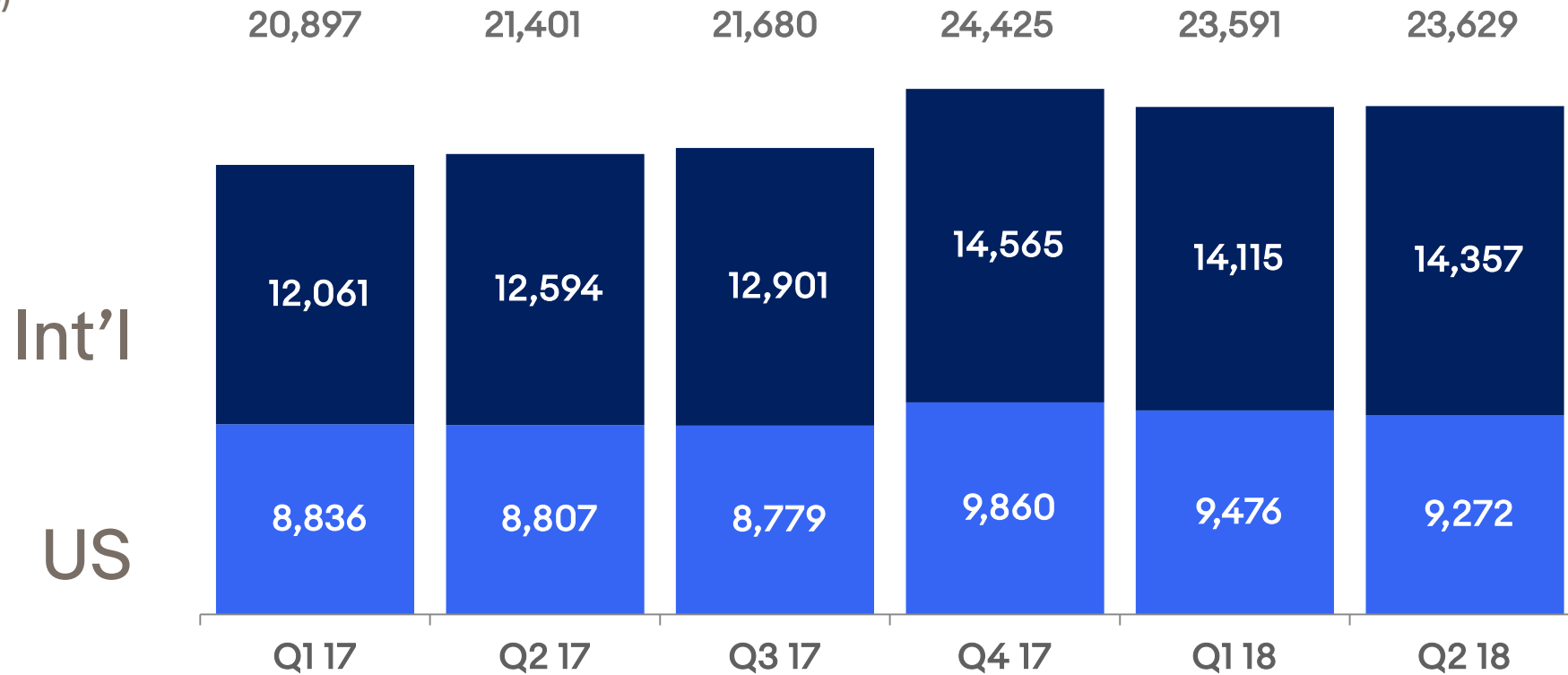
(millions)



- Q2 active buyers included 3M acquired from Giosis' Japan business
- Q2 T12M grew at 4%, flat Q/Q, including Giosis' Japan business on a pro-forma basis

GMV

(\$ millions)

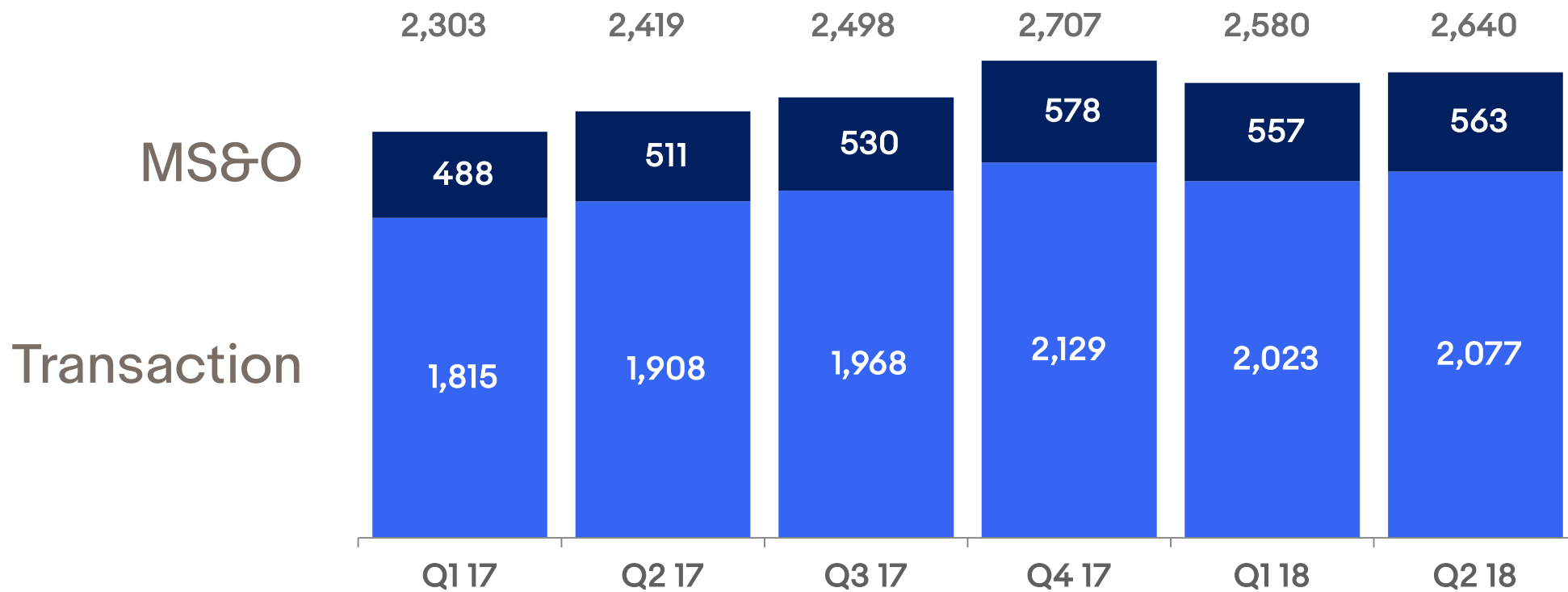


- Q2 Sold Items growth decelerated slightly vs Q1 driven by mix of higher ASP products

<i>US Y/Y Growth</i>	4%	3%	5%	8%	7%	5%
<i>Int'l FX-Neutral Y/Y Growth</i>	7%	7%	9%	6%	7%	7%
<i>Total FX-Neutral Y/Y Growth</i>	5%	5%	7%	7%	7%	7%
<i>Sold Items Y/Y Growth</i>	4%	4%	3%	2%	1%	0%

REVENUE

(\$ millions)

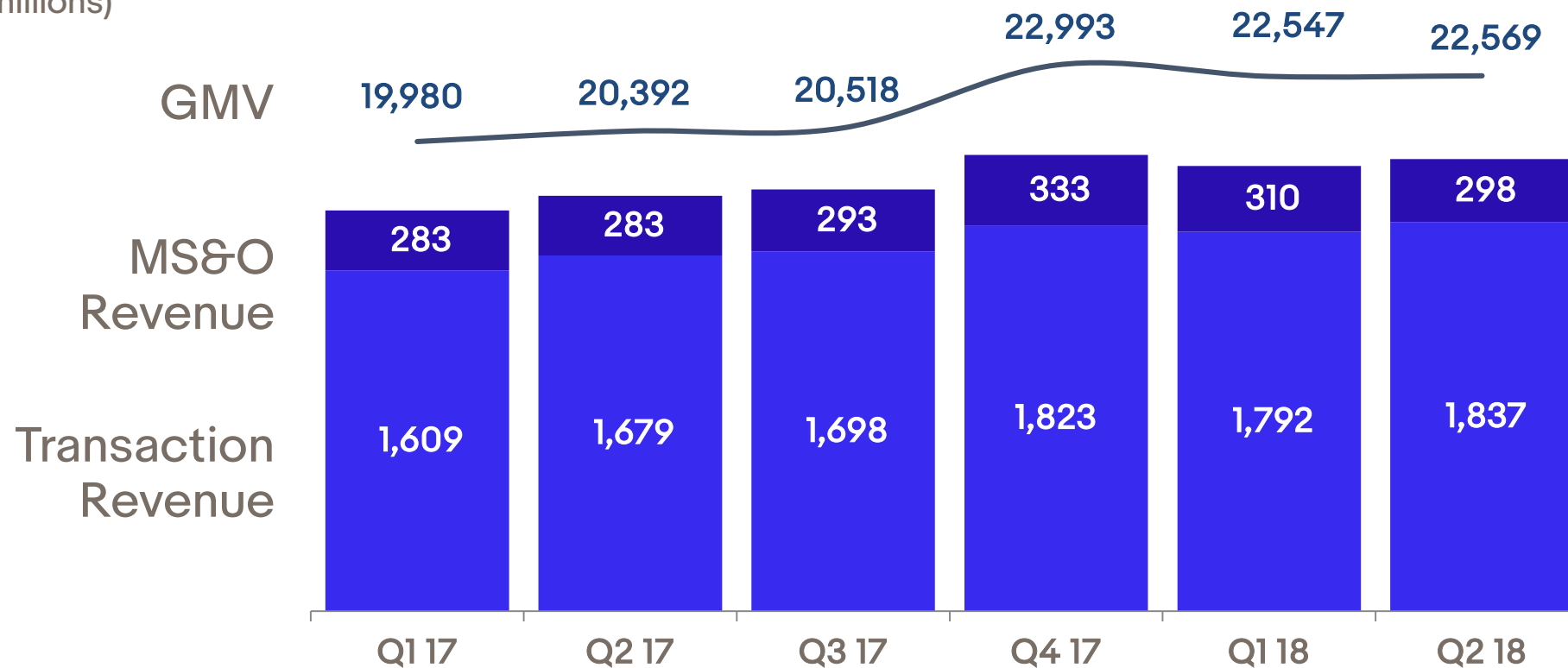


- Q2 FX-Neutral Transaction Revenue up 7% Y/Y ... down 1pt Q/Q
- Q2 FX-Neutral MS&O Revenue up 5% Y/Y ... stable Q/Q

	Q1 17	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18
<i>Y/Y Growth</i>	4%	5%	9%	9%	12%	9%
<i>FX-Neutral Y/Y Growth</i>	7%	7%	8%	7%	7%	6%
<i>Organic FX-Neutral Y/Y Growth</i>	6%	6%	7%	7%	7%	6%
<i>Trxn Take Rate</i>	8.7%	8.9%	9.1%	8.7%	8.6%	8.8%

MARKETPLACE GMV & REVENUE

(\$ millions)



- Q2 FX-Neutral B2C GMV grew 8% Y/Y and FX-Neutral C2C GMV grew 2% Y/Y
- Q2 FX-Neutral Transaction Revenue up 7% Y/Y, stable Q/Q
- Q2 FX-Neutral MS&O Revenue up 2% Y/Y, down 2pts Q/Q
- Japan acquisition impact of ~60bps on Q2 FX-Neutral GMV and ~50bps on Q2 FX-Neutral Revenue

<i>FX-Neutral GMV Y/Y Growth</i>	5%	6%	7%	6%	7%	7%
<i>FX-Neutral Rev Y/Y Growth</i>	5%	7%	8%	6%	7%	6%
<i>% International Rev</i>	58%	60%	60%	60%	59%	61%
<i>Trxn Take Rate</i>	8.1%	8.2%	8.3%	7.9%	7.9%	8.1%

STUBHUB GMV & REVENUE

(\$ millions)

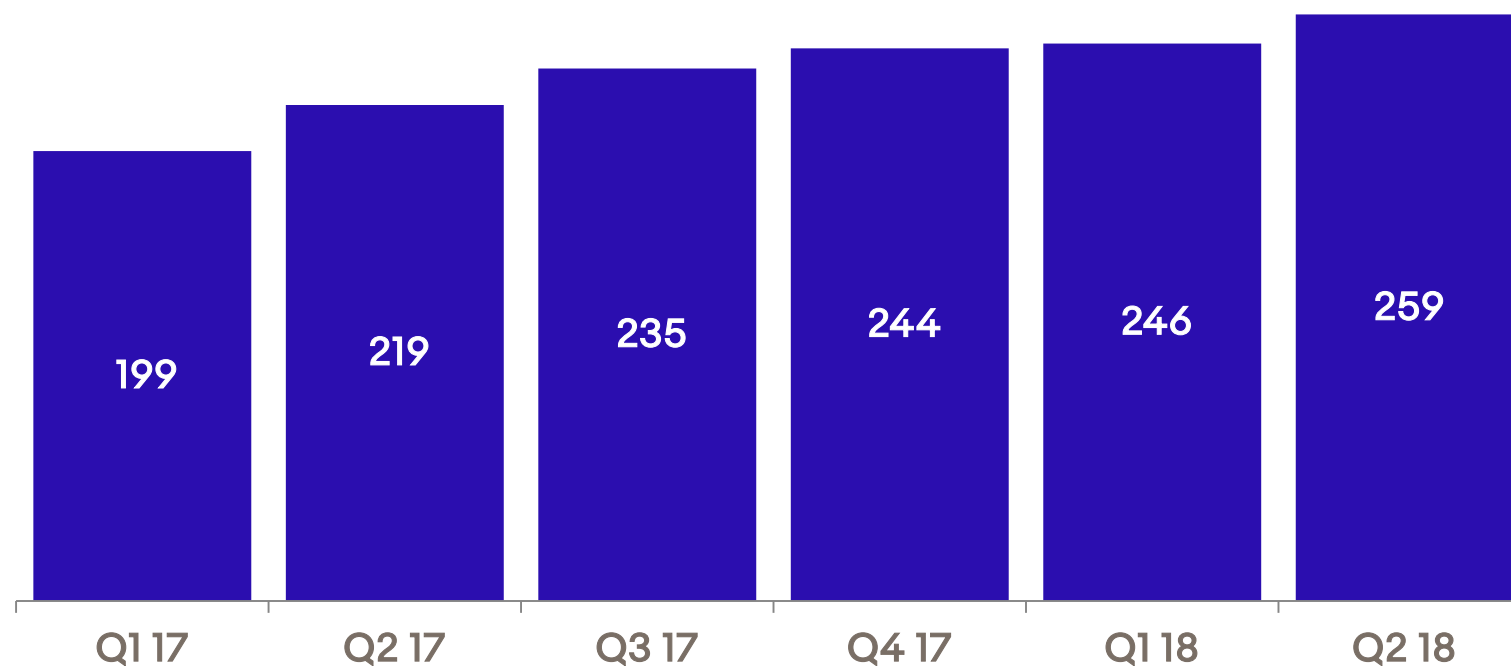


- Q2 FX-Neutral GMV grew 5% Y/Y, down Q/Q on softer event landscape
- Q2 FX-Neutral Revenue up 3% Y/Y

<i>FX-Neutral GMV Y/Y Growth</i>	6%	-5%	2%	15%	13%	5%
<i>FX-Neutral Rev Y/Y Growth</i>	20%	5%	4%	11%	9%	3%
<i>Trxn Take Rate</i>	22.5%	22.7%	23.2%	21.4%	22.1%	22.7%

CLASSIFIEDS REVENUE

(\$ millions)

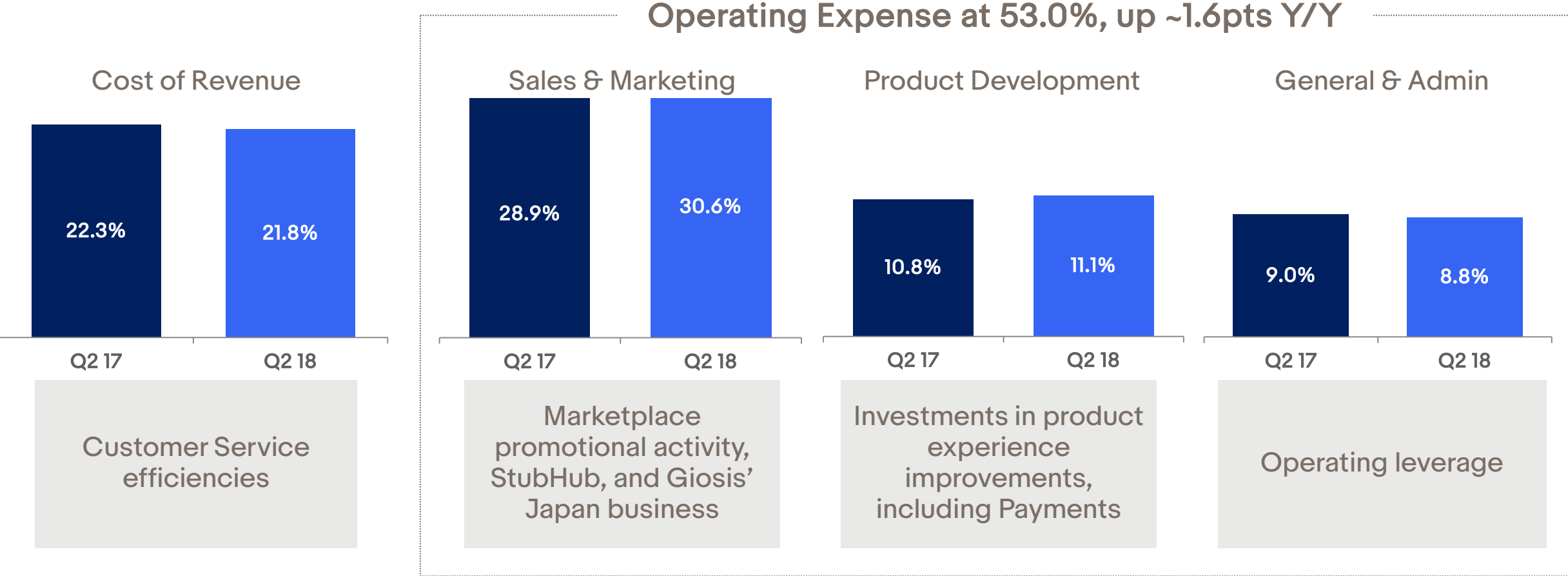


- Q2 FX-Neutral Revenue up 10% Y/Y, stable Q/Q
- Q2 performance driven by strength in Germany

	Q1 17	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18
<i>Rev Y/Y Growth</i>	7%	6%	19%	21%	24%	18%
<i>FX-Neutral Rev Y/Y Growth</i>	10%	11%	13%	13%	10%	10%

NON-GAAP EXPENSES

(% of revenue)



NON-GAAP EPS

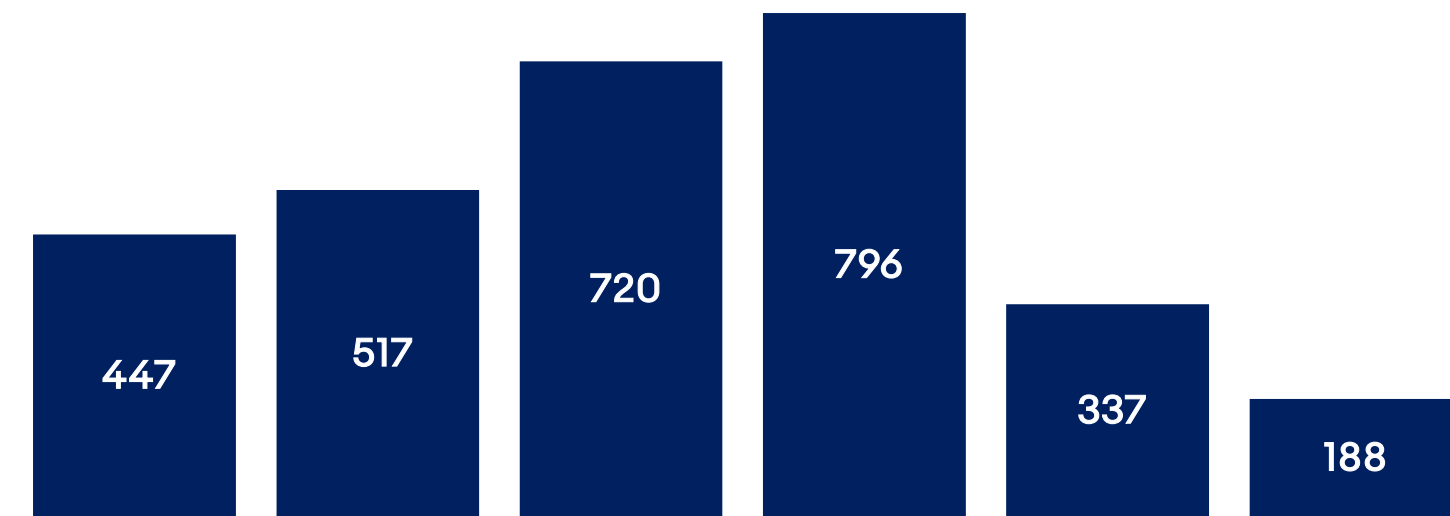


	Q1 17	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18
<i>Non-GAAP EPS Y/Y Growth</i>	4%	5%	6%	9%	9%	17%
<i>Non-GAAP Operating Margin</i>	28.9%	26.4%	28.4%	29.8%	27.9%	25.2%
<i>GAAP EPS</i>	\$0.94	\$0.03	\$0.48	\$(2.51)	\$0.40	\$0.64
<i>GAAP EPS Y/Y Growth</i>	128%	-93%	32%	**	-58%	**

- Q2 Non-GAAP Operating Margin down 1.2pts Y/Y due to investments in Payments, Marketing, and Japan
- Q2 Non-GAAP EPS growth driven by net benefit of lower tax rate and share repurchases, offset by investment
- FX positively impacted Non-GAAP EPS growth by 2pts

FREE CASH FLOW

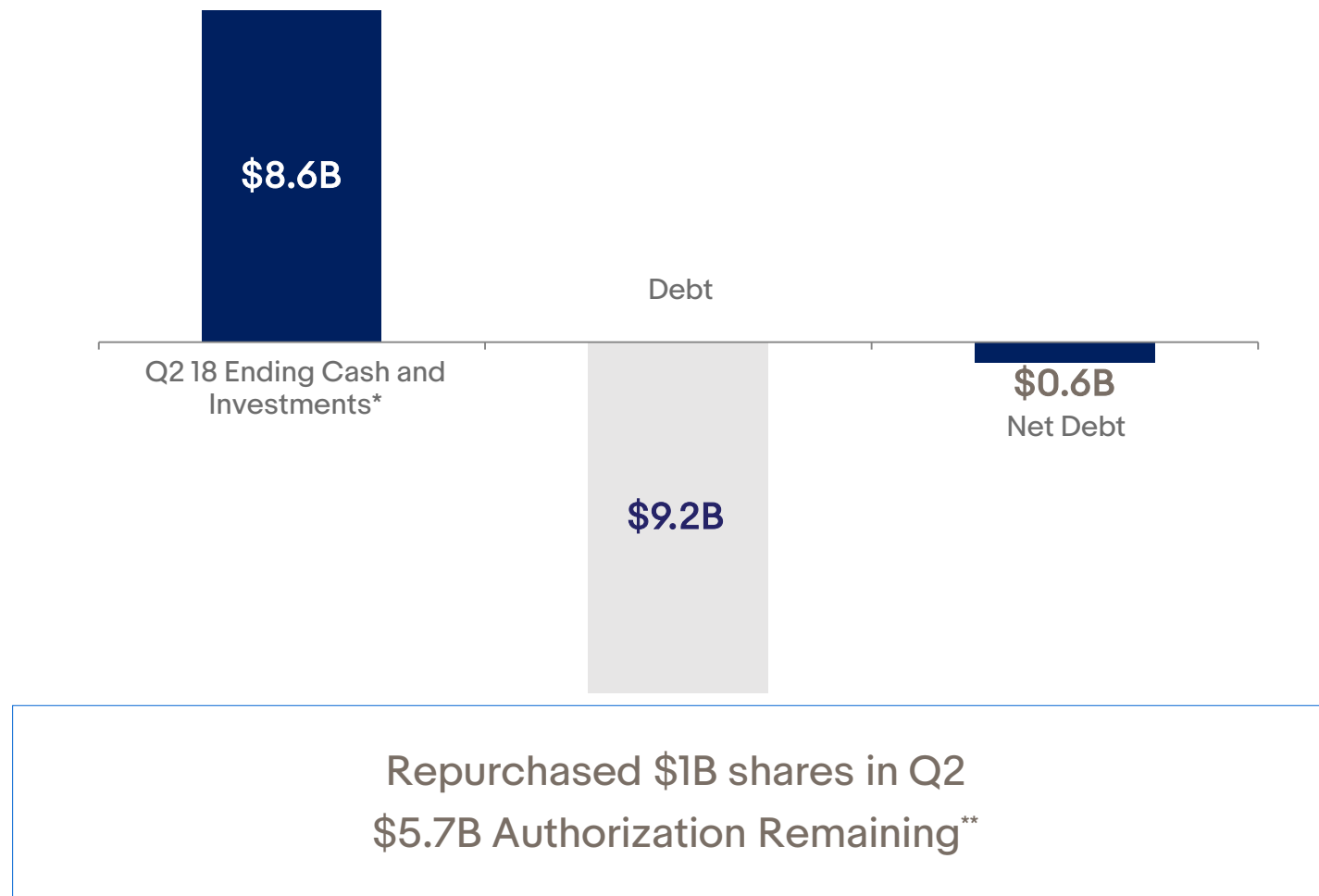
(\$ millions)



- Q2 FCF down 64% Y/Y due to timing of cash tax payments

	Q1 17	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18
<i>Y/Y Growth</i>	-7%	-16%	17%	64%	-25%	-64%
<i>CapEx % of Revenue</i>	6%	8%	7%	7%	6%	7%
<i>FCF % of Revenue</i>	19%	21%	30%	29%	13%	7%

CASH & CAPITAL ALLOCATION



Capital Allocation Tenets

- Preserve financial flexibility to execute on strategy and drive long-term value creation
- Drive organic growth while balancing profitability
- Supplement organic growth with disciplined acquisitions and investments
- Optimize financial flexibility, access to debt and cost of capital
- Meaningful returns to shareholders through share repurchase

2018 GUIDANCE

Revenue	\$10.75B - \$10.85B
<i>Y/Y Growth</i>	<i>8% - 9%</i>
<i>Organic FX-Neutral Y/Y Growth</i>	<i>6% - 7%</i>
Operating Margin	27% - 29%
Non-GAAP EPS	\$2.28 - \$2.32
<i>Y/Y Growth</i>	<i>14% - 16%</i>
FCF	\$2.1B - \$2.3B

Revenue Growth Drivers (vs Prior guidance)

Prior Guidance	\$10.9B - \$11.1B
MP/SH	~\$(0.05) - \$(0.15)B
Stronger USD / Japan	~\$(0.1)B
Current Guide	\$10.75B - \$10.85B

Non-GAAP EPS Drivers (vs Prior guidance)

Prior Guidance	\$2.25 - \$2.30
Revenue pressure offset by cost control and lower share count	-
Japan Acquisition	~\$(0.02)
Stronger USD (includes impact of hedging program)	~\$(0.02)
Tax rate	~\$0.06
Current Guide	~\$2.28 - \$2.32

Guidance Context

- Non-GAAP effective tax rate of 17% to 20% ... lowered due to benefit from continued international restructuring
- Operating Margin at the mid to lower-end of the 27% - 29% guidance range primarily driven by Japan
- FCF at the low-end of \$2.1B - \$2.3B guidance range ... CAPEX guidance range remains 6-8% of Revenue
- Guidance includes share repurchases of approximately \$3.5B, inclusive of dilution offset

Q3 GUIDANCE

	Q3 18		Q3 Guidance Context
	<u>Low</u>	<u>High</u>	
Revenue (in billions)	\$2.64	\$2.69	<ul style="list-style-type: none"> • Non-GAAP EPS growth driven by: <ul style="list-style-type: none"> • Operational growth offset by ~4pts investment in Payments & Giosis' Japan business • Net benefit of share repurchase program ~5pts & FX ~5pts • Net tax benefit ~6pts • Non-GAAP Interest and Other Income at similar levels to H1 2018 quarterly run-rate • Non-GAAP effective tax rate of 17% - 20%
<i>Y/Y Growth</i>	<i>6%</i>	<i>8%</i>	
<i>Organic FX-Neutral Y/Y Growth</i>	<i>5%</i>	<i>7%</i>	
Non-GAAP EPS	\$0.54	\$0.56	
<i>Y/Y Growth</i>	<i>14%</i>	<i>18%</i>	

Q&A

RECONCILIATIONS

GAAP TO NON-GAAP QUARTERLY RECONCILIATIONS OPERATING MARGIN

	Three months ended					
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018
	(in millions, except percentages)					
GAAP operating income	\$ 547	\$ 480	\$ 574	\$ 663	\$ 579	\$ 406
Stock-based compensation expense and related employer payroll taxes	103	145	119	130	126	158
Amortization of acquired intangible assets within cost of net revenues	7	6	6	5	6	4
Amortization of acquired intangible assets within operating expenses	9	9	10	10	10	13
Other significant gains, losses or charges	—	(3)	—	—	—	84
Non-GAAP operating income	<u>\$ 666</u>	<u>\$ 637</u>	<u>\$ 709</u>	<u>\$ 808</u>	<u>\$ 721</u>	<u>\$ 665</u>
Revenues	\$ 2,303	\$ 2,419	\$ 2,498	\$ 2,707	\$ 2,580	\$ 2,640
GAAP operating margin	23.7 %	19.8 %	23.0 %	24.5 %	22.5 %	15.4 %
Non-GAAP operating margin	28.9 %	26.4 %	28.4 %	29.8 %	27.9 %	25.2 %

GAAP TO NON-GAAP QUARTERLY RECONCILIATIONS

NET INCOME / EPS

	Three months ended					
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018
	(in millions, except per share data)					
GAAP Income from continuing operations	\$ 1,035	\$ 29	\$ 520	\$ (2,597)	\$ 407	\$ 638
Stock-based compensation expense and related employer payroll taxes	103	145	119	130	126	158
Amortization of acquired intangible assets within cost of net revenues	7	6	6	5	6	4
Amortization of acquired intangible assets within operating expenses	9	9	10	10	10	13
Other significant gains, losses or charges	—	(3)	—	—	—	84
Gains or losses on investments and sale of business	(16)	—	(167)	60	—	(246)
Change in fair market value of warrant	—	—	—	—	—	(106)
Tax Effects of US Tax Reform	—	—	—	3,142	—	—
Tax effect of step-up of intangible assets basis	(695)	—	—	—	—	—
Foreign exchange effect of step-up of intangible assets basis	65	311	—	—	—	—
Tax effect of non-GAAP adjustments	30	(2)	23	(132)	(1)	(12)
Non-GAAP net income from continuing operations	\$ 538	\$ 495	\$ 511	\$ 618	\$ 548	\$ 533
Non-GAAP net income from continuing operations per diluted share	\$ 0.49	\$ 0.45	\$ 0.47	\$ 0.59	\$ 0.53	\$ 0.53
Shares used in non-GAAP diluted share calculation	1,102	1,091	1,078	1,051	1,029	1,004

GAAP TO NON-GAAP QUARTERLY RECONCILIATIONS

STATEMENT OF INCOME

	June 30, 2018			Three months ended			June 30, 2017		
	Reported	Non-GAAP Entries	Non-GAAP	Reported	Non-GAAP Entries	Non-GAAP	Reported	Non-GAAP Entries	Non-GAAP
	(in millions, except per share data and percentages)								
Net revenues	\$ 2,640	\$ —	\$ 2,640	\$ 2,419	\$ —	\$ 2,419			
Cost of net revenues	597	(20) (a)(b)	577	560	(21) (a)(b)	539			
Gross Profit	2,043	20	2,063	1,859	21	1,880			
Operating expenses:									
Sales and marketing	838	(31) (a)	807	727	(28) (a)	699			
Product development	352	(58) (a)	294	313	(50) (a)	263			
General and administrative	368	(137) (a)(g)	231	267	(49) (a)(g)	218			
Provision for transaction losses	66	—	66	63	—	63			
Amortization of acquired intangible assets	13	(13) (b)	—	9	(9) (b)	—			
Total operating expense	1,637	(239)	1,398	1,379	(136)	1,243			
Income from operations	406	259	665	480	157	637			
Interest and other income, net	301	(352) (d)(f)	(51)	(18)	—	(18)			
Income from continuing operations before income taxes	707	(93)	614	462	157	619			
Provision for income taxes	(69)	(12) (c)	(81)	(433)	309 (c)(e)	(124)			
Income from continuing operations	\$ 638	\$ (105)	\$ 533	\$ 29	\$ 466	\$ 495			
Net income (loss) from continuing operations per share:									
Basic	\$ 0.64		\$ 0.54	\$ 0.03		\$ 0.46			
Diluted	\$ 0.64		\$ 0.53	\$ 0.03		\$ 0.45			
Weighted average shares:									
Basic	992		992	1,076		1,076			
Diluted	1,004		1,004	1,091		1,091			
Operating margin	15.4 %	9.8 %	25.2 %	19.8 %	6.6 %	26.4 %			
Effective tax rate	9.7 %	3.6 %	13.3 %	93.6 %	(73.7)%	19.9 %			

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) Gains or losses on investments
- (e) Foreign exchange effect of step-up of intangible assets basis
- (f) Change in fair market value of warrant
- (g) Other significant gains, losses or charges

CALCULATION OF FREE CASH FLOW

	Three months ended					
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018
	(in millions)					
Net cash provided by continuing operating activities	\$ 582	\$ 699	\$ 877	\$ 988	\$ 495	\$ 372
Less: Purchases of property and equipment, net	(135)	(182)	(157)	(192)	(158)	(184)
Free cash flow from continuing operations	\$ 447	\$ 517	\$ 720	\$ 796	\$ 337	\$ 188

RECONCILIATION OF TOTAL REVENUE

	Three months ended					
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018
Net Revenues by Type	(in millions)					
Net Transaction Revenues:						
Marketplace	\$ 1,609	\$ 1,679	\$ 1,698	\$ 1,823	\$ 1,792	\$ 1,837
StubHub	206	229	270	306	231	240
Total net transaction revenues	\$ 1,815	\$ 1,908	\$ 1,968	\$ 2,129	\$ 2,023	\$ 2,077
Marketing services and other revenues:						
Marketplace	\$ 283	\$ 283	\$ 293	\$ 333	\$ 310	\$ 298
Classifieds	199	219	235	244	246	259
StubHub, Corporate and other	6	9	2	1	1	6
Total marketing and other revenues	\$ 488	\$ 511	\$ 530	\$ 578	\$ 557	\$ 563
Total net revenues	\$ 2,303	\$ 2,419	\$ 2,498	\$ 2,707	\$ 2,580	\$ 2,640

RECONCILIATION OF ORGANIC REVENUE

	Three months ended					
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018
As Reported Revenue Growth	4%	5%	9%	9%	12%	9%
Acquisition/Disposition Impact	(1)%	(1)%	(0)%	–%	–%	(0)%
Foreign Currency Impact	3%	2%	(1)%	(2)%	(5)%	(3)%
Organic FX-Neutral Revenue Growth	6%	6%	7%	7%	7%	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, 2018	
(in billions, except per share amounts)	GAAP	Non-GAAP (a)
Net Revenue	\$2.64 - \$2.69	\$2.64 - \$2.69
Diluted EPS	\$0.37 - \$0.41	\$0.54 - \$0.56

	Twelve Months Ending December 31, 2018	
(in billions, except per share amounts)	GAAP	Non-GAAP (b)
Net Revenue	\$10.75 - \$10.85	\$10.75 - \$10.85
Diluted EPS	\$1.91 - \$2.01	\$2.28 - \$2.32

(a) Estimated non-GAAP amounts above for the three months ending September 30, 2018 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 September 30, 2018, reflect adjustments that exclude tax impacts of the company's legal entity realignment, which are not reduced by the effects of the global minimum tax associated with the Tax Cuts and Jobs Act, of approximately \$35 - \$45 million.

(b) Estimated non-GAAP amounts above for the twelve months ending December 31, 2018 reflect adjustments that exclude the estimated amortization of acquired intangible assets of approximately \$60-\$70 million and estimated stock-based compensation expense and associated employer payroll tax expense of approximately \$550-\$570 million, as well as the related income tax impact. Estimated non-GAAP amounts above for the twelve months ending December 31, 2018, reflect adjustments that exclude tax impacts of the company's legal entity realignment, which are not reduced by the effects of the global minimum tax associated with the Tax Cuts and Jobs Act, of approximately \$160 - \$180 million.



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