

Q1 2020 FINANCIAL HIGHLIGHTS

April 29, 2020



DISCLOSURES

This presentation contains non-GAAP measures relating to our performance. You can find the reconciliation of these measures, except for FX-Neutral basis, 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. For numbers in this presentation provided on an “FX-Neutral” basis, we calculate the year-over-year impact of foreign currency movements using prior period foreign currency rates applied to current year transactional currency amounts.

This presentation contains forward-looking statements relating to, among other things, the future performance of eBay Inc., and its consolidated subsidiaries 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 second quarter and full year 2020 and the future growth in our business, the effects of COVID-19 on our business and operations and our ability to respond to such effects, operating efficiency and margins, reinvestments, dividends, share repurchases, internet sales tax headwinds, and the expected timing of the announcements regarding the company’s strategic portfolio review.

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, the duration of the COVID-19 pandemic and the effects of COVID-19 on our business and operations and on the general economy, including effects on our sellers and customers, any regional or general economic downturn or crisis and any conditions that affect ecommerce growth or cross-border trade; the company’s ability to realize expected growth opportunities in payments intermediation and advertising; the outcome of the strategic portfolio review; 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, including the timing, declaration, amount and payment of any future dividends or levels of the company’s share repurchases, or management of operating cash; our ability to increase operating efficiency to drive margin improvements and enable reinvestments; 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 successfully 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 April 29, 2020. 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.

DEPLOYING OVER \$100M TO SUPPORT EMPLOYEES, COMMUNITIES AND CUSTOMERS WHEN NEEDED MOST

Employees

- ❖ Nearly all global employees are working from home
- ❖ Providing equipment, training and resources to enable work from home dynamics
- ❖ Offering additional resources to support employee health and safety, including virtual training, work-from-home guides, and mental health and wellness support
- ❖ Financially protecting hourly and alternative workforces
- ❖ Flexibility to balance personal and professional responsibilities

Communities

- ❖ Matching up to \$1M in donations made to Feeding America, Direct Relief and Opportunity Fund through eBay for Charity
- ❖ Over \$3M in grants made to non-profits around the world through eBay Foundation
- ❖ U.S. shoppers can buy Gifts That Give Back to support relief efforts
- ❖ Partnering with the NHS and DHSC in the U.K. to pilot new platform to supply primary care and social care providers access to PPE for free
- ❖ Advocating for small business relief via our grassroots advocacy community, eBay Main Street

Customers

- ❖ Deferring fees for hundreds of thousands of eBay sellers to support their cash flow needs
- ❖ Provided eBay Store subscribers with up to 100,000 extra listings for free
- ❖ Extended protections for Seller Performance Standards
- ❖ Invited brick-and-mortar retailers to keep their businesses going on eBay with efforts in major markets around the world
- ❖ Blocking or quickly removing items that make false health claims or offer products at inflated prices – over 15 million listings globally to date

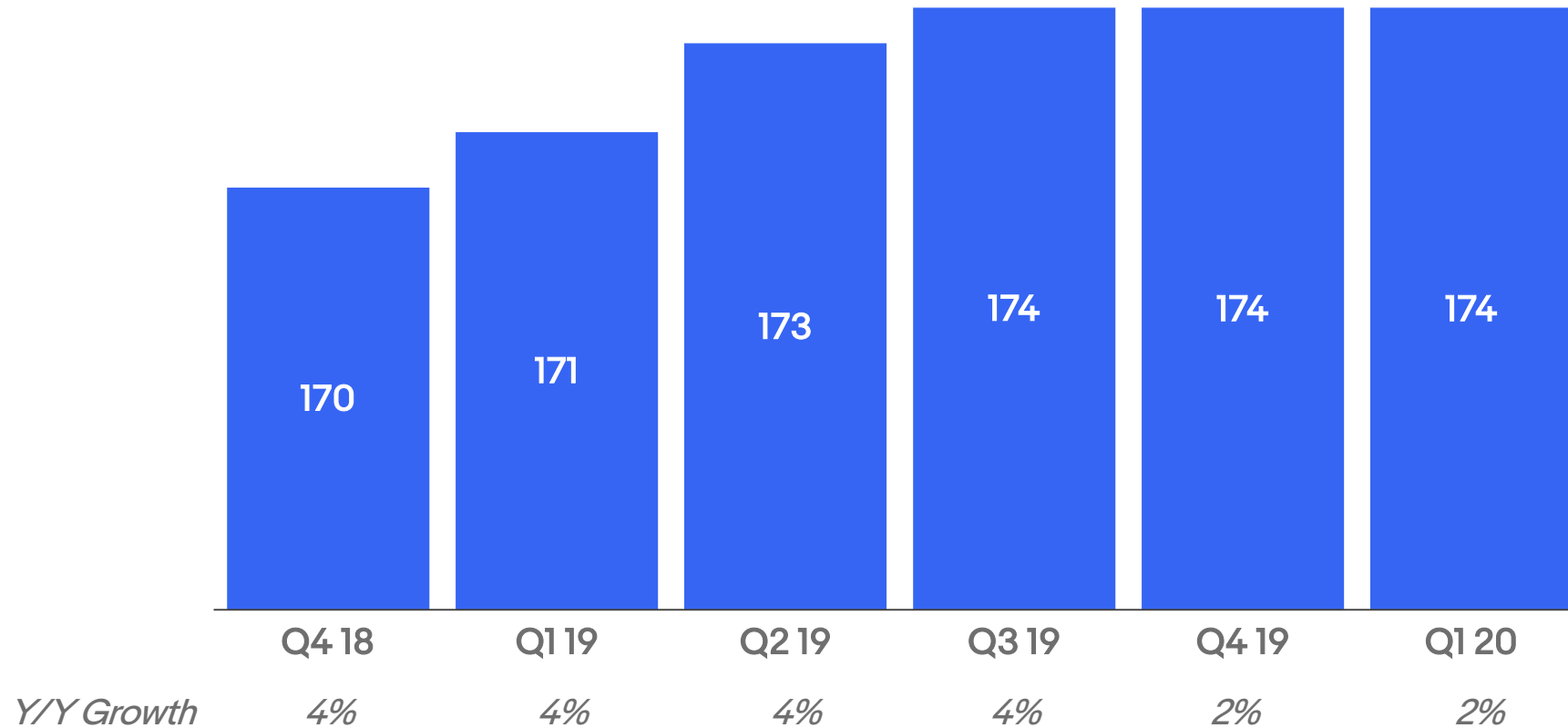
CFO COMMENTS

Q1 HIGHLIGHTS

- Revenue of \$2.4B, down 2% Y/Y (+2% Y/Y Organic FX-Neutral)
- GAAP EPS of \$0.64 and Non-GAAP EPS of \$0.77
- GAAP operating margin of 26%, up 1pt Y/Y
- Non-GAAP operating margin of 32%, flat Y/Y
- Generated \$702M of Operating Cash Flow and \$604M of Free Cash Flow
- Returned \$4.1B to shareholders through share repurchases and cash dividends
- Completed the sale of StubHub to viagogo for \$4.1B in proceeds, subject to working capital adjustments

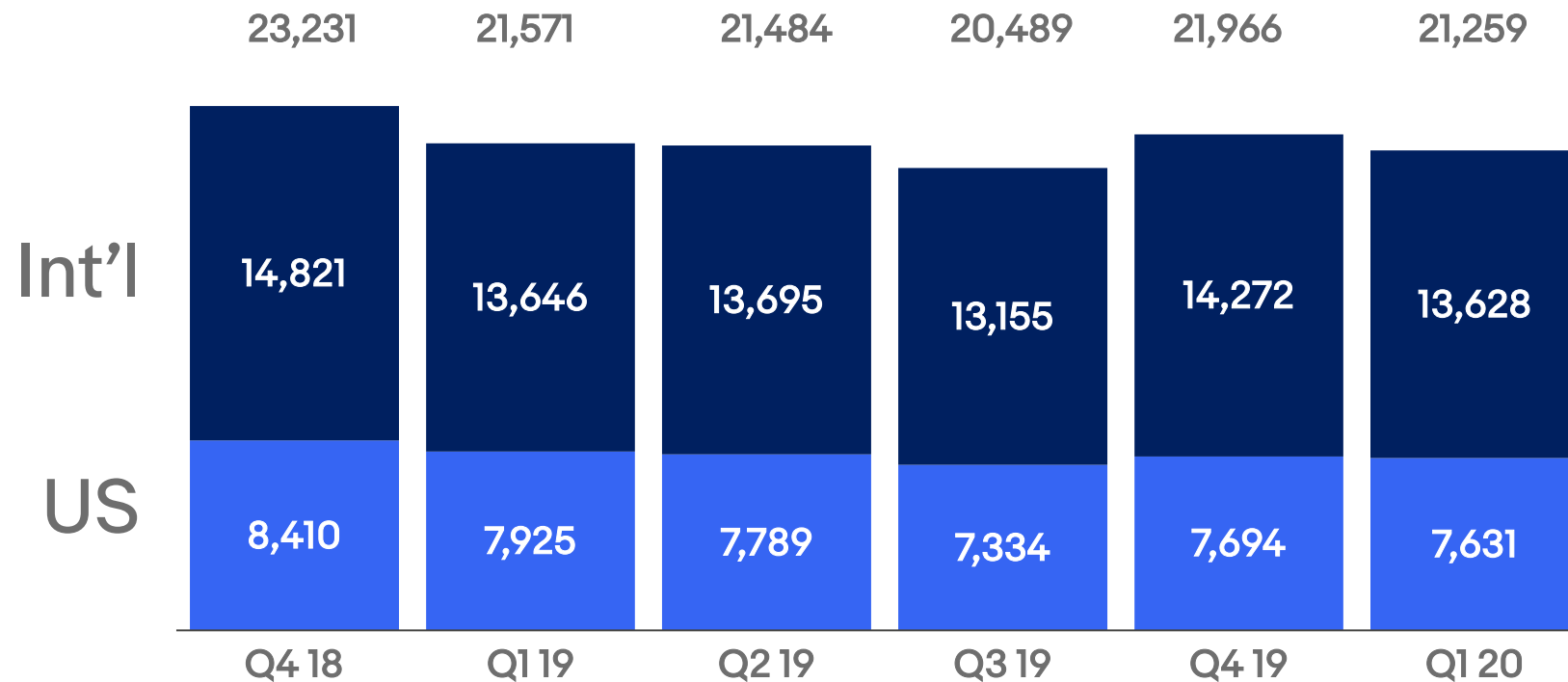
TRAILING 12-MONTH ACTIVE BUYERS

(millions)



MARKETPLACE GMV

(\$ millions)



- Q1 FX-Neutral B2C GMV up 1% Y/Y and FX-Neutral C2C GMV flat Y/Y

US Y/Y Growth (1)% (7)% (6)% (6)% (9)% (4)%

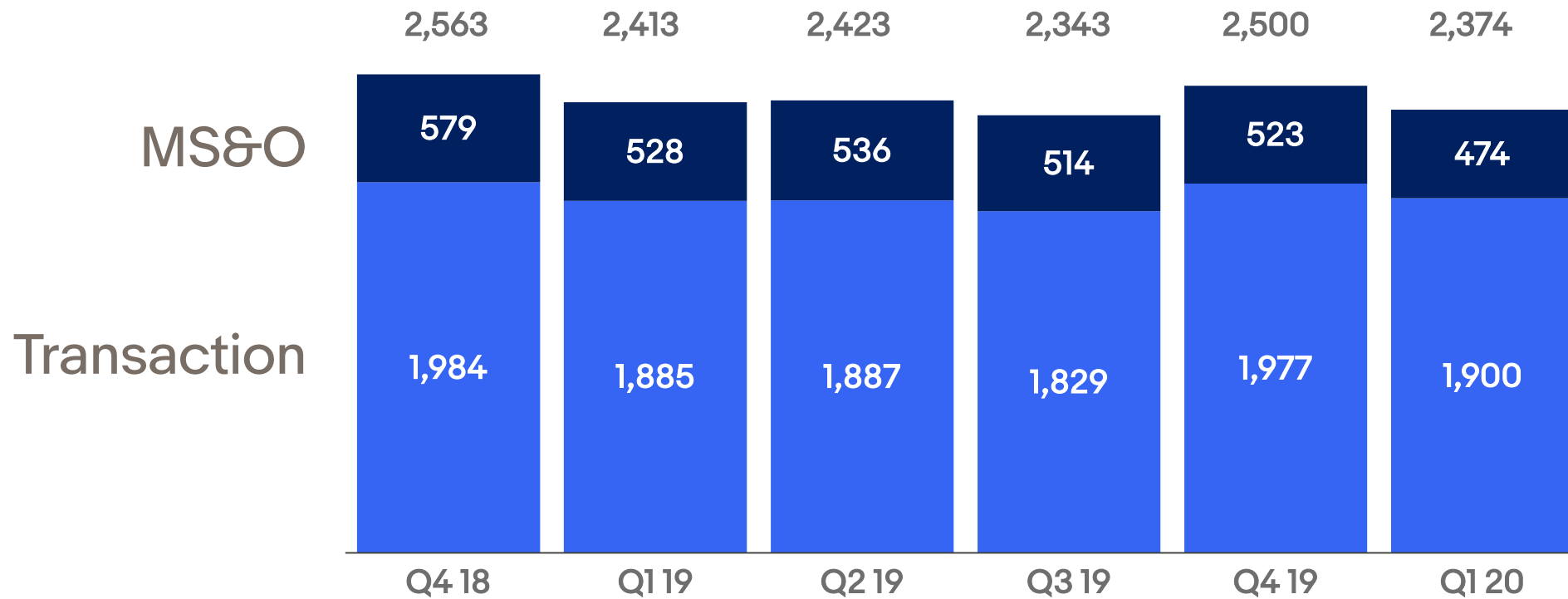
Int'l FX-Neutral Y/Y Growth 5% 3% 2% 1% (1)% 3%

Total FX-Neutral Y/Y Growth 3% (1)% (1)% (2)% (4)% 0%

Sold Items Y/Y Growth 0% 0% 0% (3)% (4)% (1)%

REVENUE

(\$ millions)



- Q1 FX-Neutral Transaction Revenue up 3% Y/Y ... up 2pts Q/Q
- Q1 FX-Neutral MS&O Revenue down 8% Y/Y, with 6pts driven by divestiture of B4F... down 1pt Q/Q

Y/Y Growth 7% 3% 1% (1)% (2)% (2)%

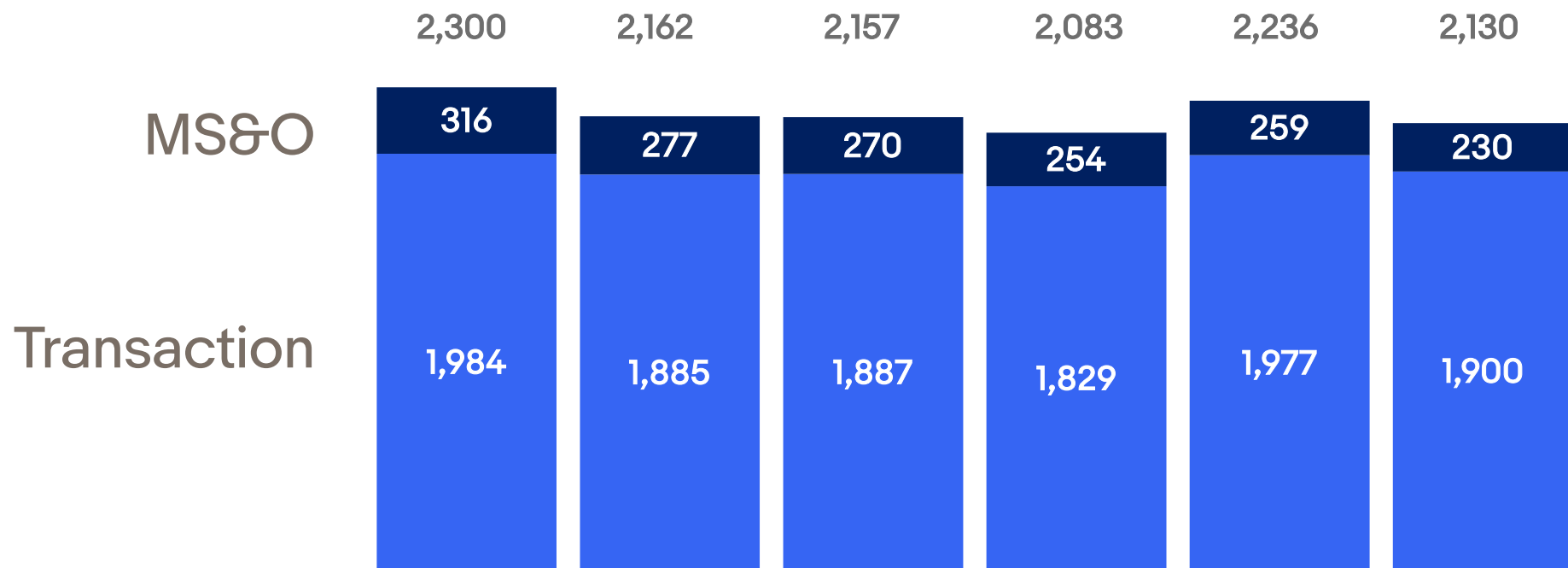
FX-Neutral Y/Y Growth 6% 4% 4% 2% (1)% 1%

Organic FX-Neutral Y/Y Growth 5% 3% 3% 2% 1% 2%

Trxn Take Rate 8.5% 8.7% 8.8% 8.9% 9.0% 8.9%

MARKETPLACE REVENUE

(\$ millions)

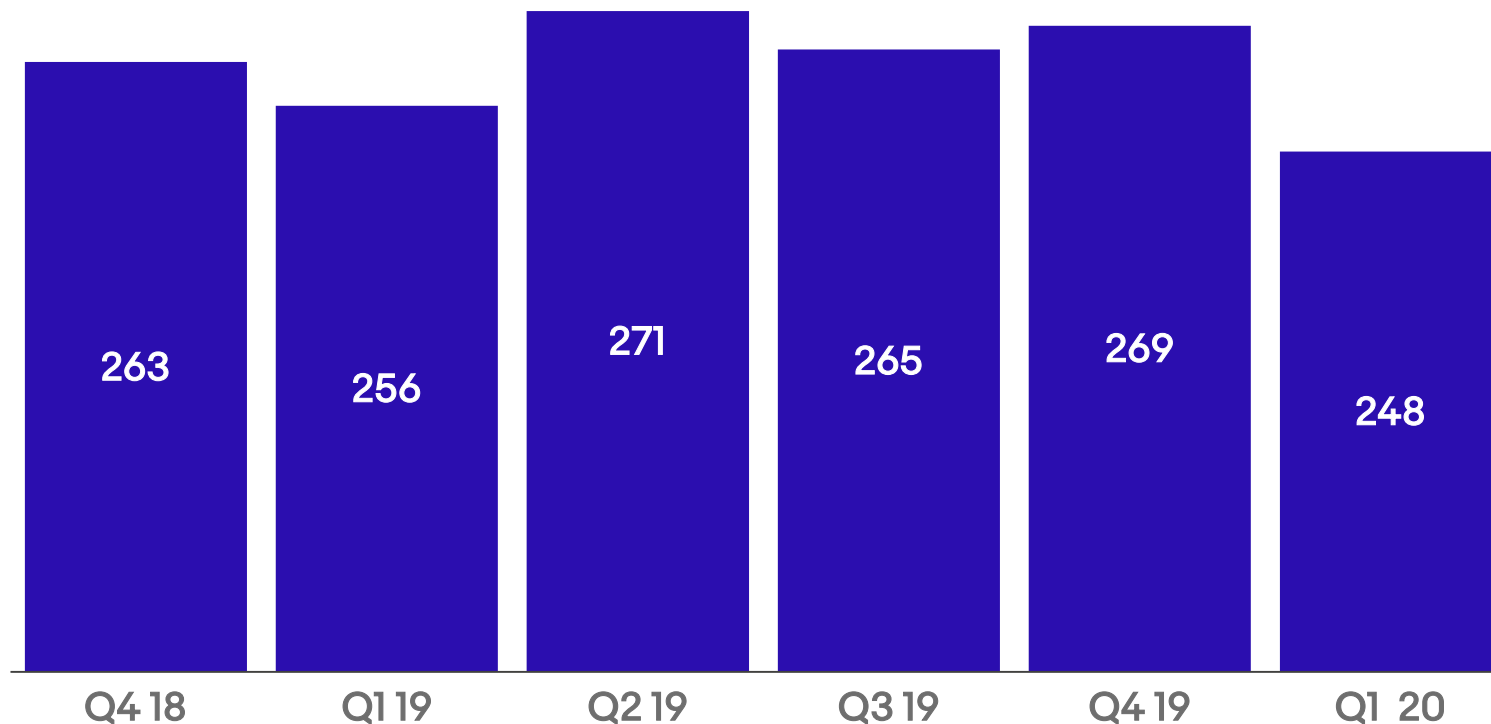


- Q1 FX-Neutral Transaction Revenue up 3% Y/Y, up 2pts Q/Q
- Q1 FX-Neutral MS&O Revenue down 15% Y/Y, up 2pts Q/Q
- Segment Margin flat Y/Y

	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q 20
<i>Y/Y Growth</i>	7%	3%	1%	(1)%	(3)%	(1)%
<i>FX-Neutral Y/Y Growth</i>	6%	4%	3%	1%	(1)%	1%
<i>Trxn Take Rate</i>	8.5%	8.7%	8.8%	8.9%	9.0%	8.9%
<i>Segment Margin</i>	31%	36%	32%	31%	32%	36%

CLASSIFIEDS REVENUE

(\$ millions)



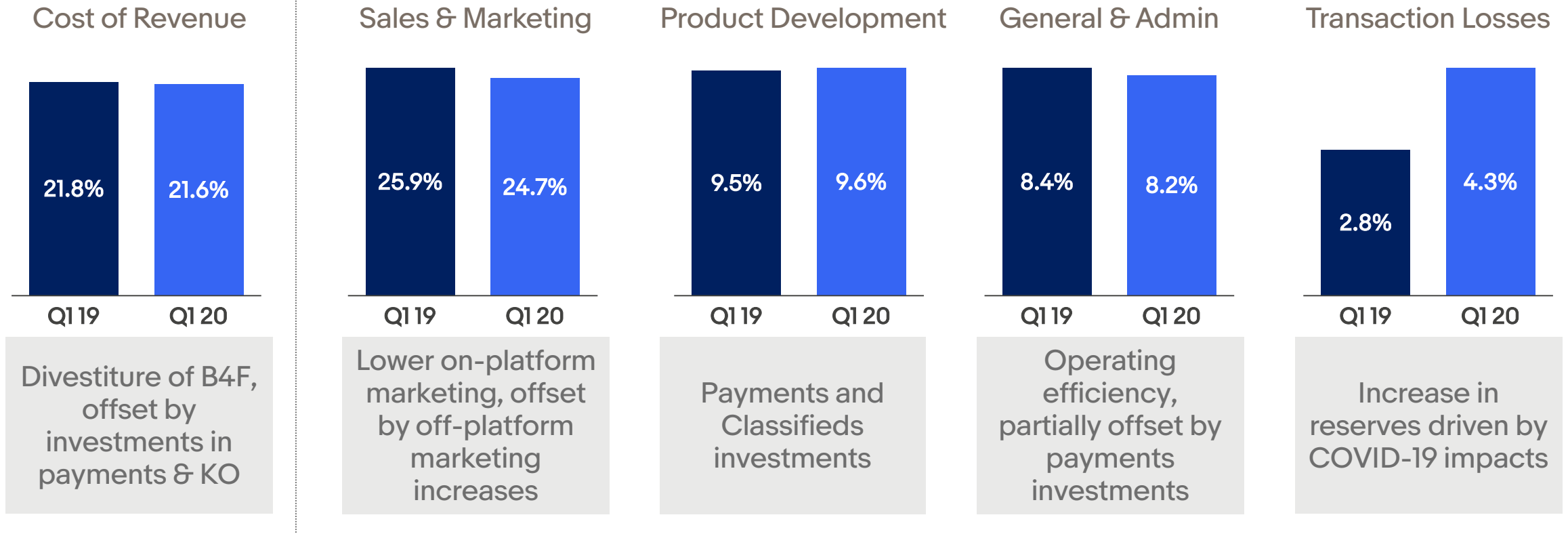
- Q1 FX-Neutral Revenue flat Y/Y, down 6pts Q/Q, driven by continued display advertising headwinds and Motors revenue pressure driven by COVID-19
- Segment Margin down 3pts Y/Y, driven primarily by increased reserves related to COVID-19

	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20
<i>Rev Y/Y Growth</i>	8%	4%	5%	4%	3%	(3)%
<i>FX-Neutral Rev Y/Y Growth</i>	11%	12%	12%	8%	6%	0%
<i>Segment Margin</i>	44%	36%	38%	41%	43%	33%

NON-GAAP EXPENSES

(% of revenue)

Operating Expense at 46.8%, flat Y/Y



NON-GAAP EPS

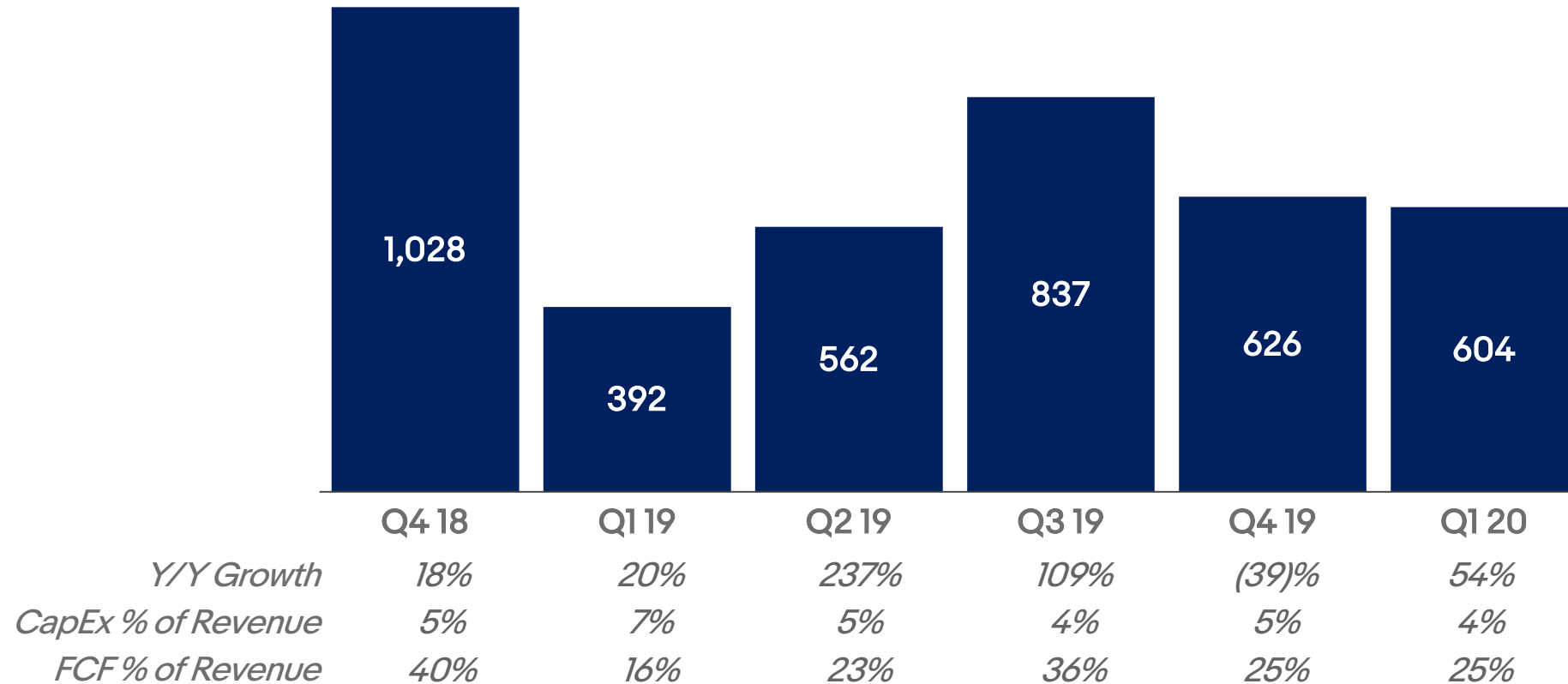


- Q1 Non-GAAP Operating Margin flat Y/Y, with marketing reductions offset by COVID-19 impacts and FX pressure
- Q1 Non-GAAP EPS Y/Y growth driven by net benefit of share repurchases, revenue growth and improved cost structure

	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19	Q1 20
<i>Non-GAAP EPS Y/Y Growth</i>	11%	29%	27%	19%	18%	19%
<i>Non-GAAP Operating Margin</i>	29.4%	31.6%	29.2%	28.7%	29.8%	31.5%
<i>GAAP EPS</i>	\$0.74	\$0.57	\$0.46	\$0.35	\$0.65	\$0.64
<i>GAAP EPS Y/Y Growth</i>	**	50%	(28)%	(52)%	(13)%	12%

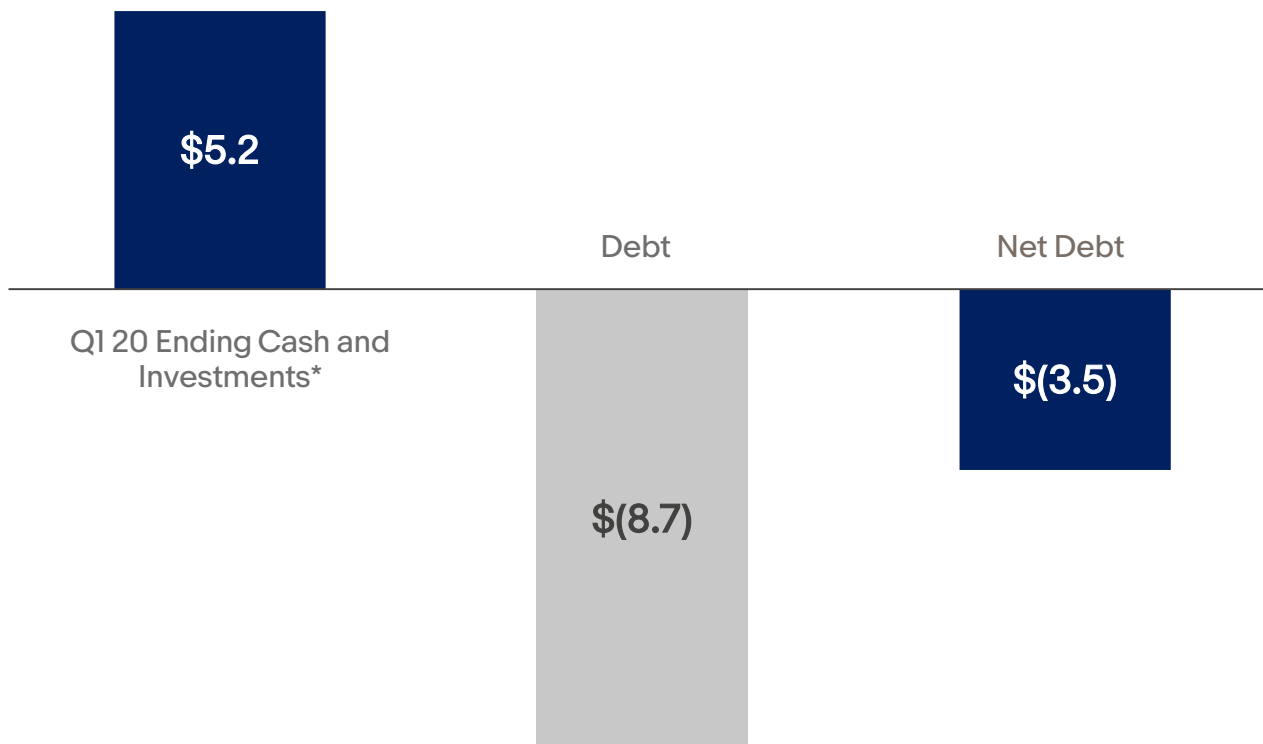
FREE CASH FLOW

(\$ millions)



- Q1 FCF up 54% Y/Y driven by higher earnings and timing of capex spend and working capital

2020 CASH & DEBT



Ample Liquidity

- Received \$4.1B in proceeds from sale of StubHub, subject to working capital adjustments
- Repurchased \$4.0B of shares and paid cash dividends of \$114M in Q1
- \$3.2B of authorization remaining**
- Announced pricing \$1.0B of senior unsecured notes offering to fund upcoming 2020 maturities
- Renewed our \$2.0B credit revolver for another five years

PROTECTING OUR CAPITAL STRUCTURE

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 repurchases and dividends

Targets

- Maintain current BBB+ rating
- Targeting mid-term leverage of approximately 1.5x net debt and gross debt below 3.0x EBITDA
- Expect to exit 2020 with cash and investment of approximately \$3.5B

We remain committed to our capital allocation tenets

Q2 GUIDANCE

	Q2 20		Q2 Guidance Context
	<u>Low</u>	<u>High</u>	
Revenue (in billions)	\$2.38	\$2.48	<ul style="list-style-type: none"> Revenue growth driven by: <ul style="list-style-type: none"> Marketplace Volume and Revenue growth in high-single digits Classifieds Revenue contracting between 30% and 40% Non-GAAP EPS growth driven by: <ul style="list-style-type: none"> ~24 pts from combined benefit of lower share count, cost control and operational growth, partially offset by payments investments Headwinds of ~9 pts from combination of FX, higher Q2 tax rate, and less Interest & Other Income Non-GAAP effective tax rate of 15.5% - 17.5%
<i>Y/Y Growth</i>	<i>(2)%</i>	<i>2%</i>	
<i>Organic FX-Neutral Y/Y Growth</i>	<i>2%</i>	<i>6%</i>	
Non-GAAP EPS	\$0.73	\$0.80	
<i>Y/Y Growth</i>	<i>10%</i>	<i>21%</i>	

2020 GUIDANCE

FY 2020

Revenue **\$9.56B - \$9.76B**

Y/Y Growth *(1)% - 1%*

Organic FX-Neutral Y/Y Growth *1% - 3%*

Operating Margin **30.0% - 31.0%**

Non-GAAP EPS **\$3.00 - \$3.10**

Y/Y Growth *12% - 15%*

FCF **\$2.1B - \$2.3B**

Guidance Context

- Non-GAAP Interest and Other Income will face y/y pressure from the impact of a lower cash balance
- Non-GAAP effective tax rate of 15.5% to 17.5%
- Capex 4-6% of Revenue
- Guidance includes share repurchases of \$4.5 billion

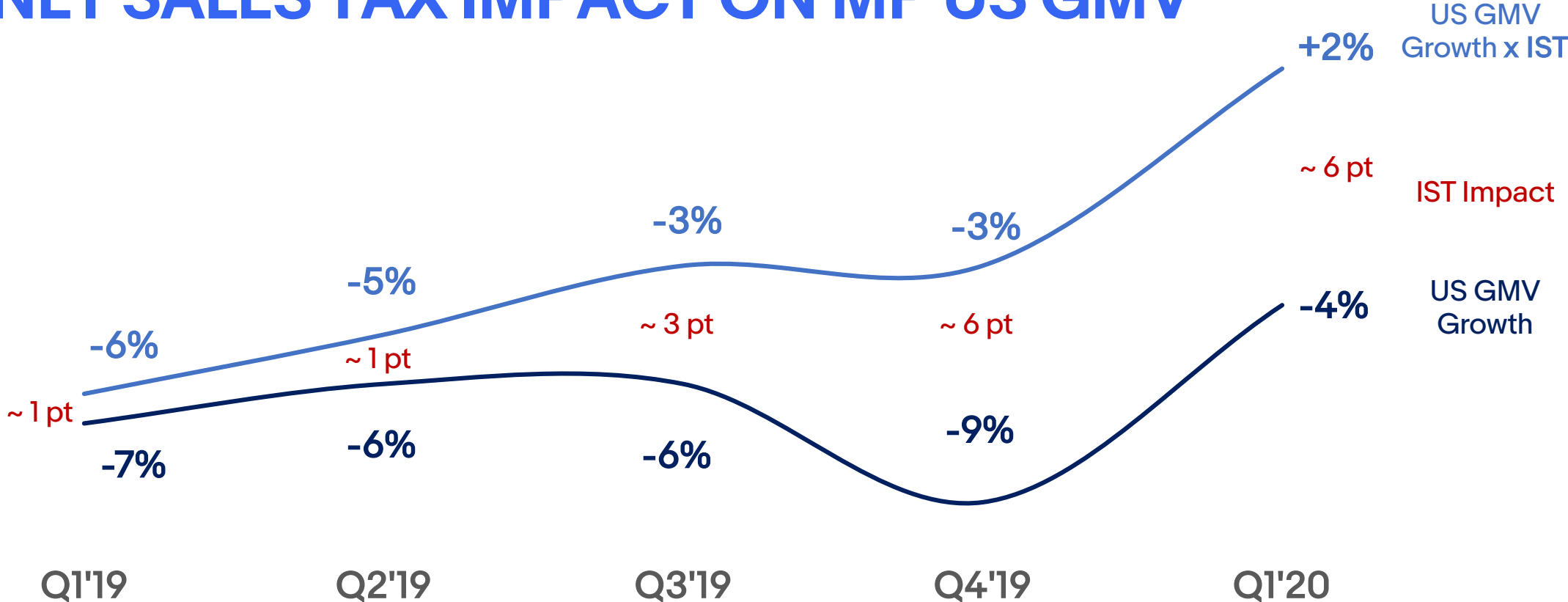
Current context on Full Year outlook

- Given dynamic environment, no revisions to Revenue, Margin and EPS guidance
- Dynamics that could pressure low end of FY range:
 - Marketplace Volume growth regressing to levels below Q1, driven by consumer spending weakness and/or further macro-economic dislocation
 - Classifieds Revenue improves, but continued disruption remains in Automotive verticals and/or a prolonged recovery in Advertising
- Dynamics that could drive high end or above FY range:
 - Marketplace Volume growth stronger than original second-half plan driven by a more permanent on-line shopping shift and we retain newly acquired buyers and sellers
 - Classifieds Revenue returns to growth in the second-half, but still below pre-COVID-19 levels
- If current FX rates hold, we would have Revenue pressure of approximately \$100 million and EPS impact of \$0.04
- Increased FCF guide by \$1.0B as cash tax payments related to the sale of StubHub will be recorded in Discontinued Operations

Q&A

APPENDIX

INTERNET SALES TAX IMPACT ON MP US GMV



New States:	3	5	14	11	5
Total States:	3	8	22	33	38
Large States:		NY		CA, TX	

RECONCILIATIONS

GAAP TO NON-GAAP QUARTERLY RECONCILIATIONS

OPERATING MARGIN

	Three months ended					
	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
	(in millions, except percentages)					
GAAP operating income	\$ 607	\$ 593	\$ 558	\$ 512	\$ 589	\$ 629
Stock-based compensation expense and related employer payroll taxes	134	117	135	110	121	101
Amortization of acquired intangible assets within cost of net revenues	1	2	2	1	2	1
Amortization of acquired intangible assets within operating expenses	10	11	10	9	9	9
Other significant gains, losses or charges	1	38	3	41	24	8
Non-GAAP operating income	<u>\$ 753</u>	<u>\$ 761</u>	<u>\$ 708</u>	<u>\$ 673</u>	<u>\$ 745</u>	<u>\$ 748</u>
Revenues	\$ 2,563	\$ 2,413	\$ 2,423	\$ 2,343	\$ 2,500	\$ 2,374
GAAP operating margin	23.7 %	24.6 %	23.0 %	21.9 %	23.6 %	26.5 %
Non-GAAP operating margin	29.4 %	31.6 %	29.2 %	28.7 %	29.8 %	31.5 %

GAAP TO NON-GAAP QUARTERLY RECONCILIATIONS

NET INCOME / EPS

	December 31,		Three months ended		December 31,	
	2018	March 31, 2019	June 30, 2019	September 30, 2019	2019	March 31, 2020
	(in millions, except per share data)					
GAAP Income from continuing operations	\$ 708	\$ 516	\$ 400	\$ 291	\$ 526	\$ 485
Stock-based compensation expense and related employer payroll taxes	134	117	135	110	121	101
Amortization of acquired intangible assets within cost of net revenues	1	2	2	1	2	1
Amortization of acquired intangible assets within operating expenses	10	11	10	9	9	9
Other significant gains, losses or charges	1	38	3	41	24	8
Gain/Loss on Investments (in OI&E)	-	-	-	52	-	(37)
Change in fair market value of warrant	128	(113)	8	49	(77)	(12)
Tax effects of US Tax Reform	(463)	-	-	-	-	-
Tax effect of step-up of intangible assets basis	(9)	-	199	-	-	-
Tax effect of non-GAAP adjustments	88	19	(181)	(20)	(5)	31
Non-GAAP net income from continuing operations	\$ 598	\$ 590	\$ 576	\$ 533	\$ 600	\$ 586
Non-GAAP net income from continuing operations per diluted share	\$ 0.63	\$ 0.65	\$ 0.66	\$ 0.64	\$ 0.74	\$ 0.77
Shares used in non-GAAP diluted share calculation	950	908	867	837	812	757

GAAP TO NON-GAAP QUARTERLY RECONCILIATIONS

STATEMENT OF INCOME

	Three Months Ended March 31, 2020			Three Months Ended March 31, 2019		
	Reported	Non-GAAP Entries	Non-GAAP	Reported	Non-GAAP Entries	Non-GAAP
	(in millions, except per share data and percentages)					
Net revenues	\$ 2,374	\$ -	\$ 2,374	\$ 2,413	\$ -	\$ 2,413
Cost of net revenues	526	(11) (a)(b)	515	539	(13) (a)(b)	526
Gross Profit	1,848	11	1,859	1,874	13	1,887
Operating expenses:						
Sales and marketing	607	(20) (a)	587	647	(22) (a)	625
Product development	267	(39) (a)	228	272	(42) (a)	230
General and administrative	234	(40) (a)(d)	194	284	(80) (a)(d)	204
Provision for transaction losses	102	-	102	67	-	67
Amortization of acquired intangible assets	9	(9) (b)	-	11	(11) (b)	-
Total operating expense	1,219	(108)	1,111	1,281	(155)	1,126
Income from operations	629	119	748	593	168	761
Interest and other income, net	2	(49) (e)(f)	(47)	64	(113) (f)	(49)
Income from continuing operations before income taxes	631	70	701	657	55	712
Provision for income taxes	(146)	31 (c)	(115)	(141)	19 (c)	(122)
Income from continuing operations	\$ 485	\$ 101	\$ 586	\$ 516	\$ 74	\$ 590
Net income (loss) from continuing operations per share:						
Basic	\$ 0.64		\$ 0.78	\$ 0.58		\$ 0.66
Diluted	\$ 0.64		\$ 0.77	\$ 0.57		\$ 0.65
Weighted average shares:						
Basic	753		753	900		900
Diluted	757		757	908		908
Operating margin	26.5 %	5.0 %	31.5 %	24.6 %	7.0 %	31.6 %
Effective tax rate	23.2 %	(6.8)%	16.4 %	21.3 %	(4.3)%	17.0 %

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) Change in fair market value of warrant

CALCULATION OF FREE CASH FLOW

	Three months ended					
	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
	(in millions)					
Net cash provided by continuing operating activities	\$ 1,155	\$ 572	\$ 695	\$ 931	\$ 763	\$ 702
Less: Purchases of property and equipment, net	(127)	(180)	(133)	(94)	(137)	(98)
Free cash flow from continuing operations	\$ 1,028	\$ 392	\$ 562	\$ 837	\$ 626	\$ 604

RECONCILIATION OF TOTAL REVENUE

	Three months ended					
	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
	(in millions)					
Net Revenues by Type						
Net Transaction Revenues:						
Marketplace ⁽²⁾	\$ 1,984	\$ 1,885	\$ 1,887	\$ 1,829	\$ 1,977	\$ 1,900
Total net transaction revenues	1,984	1,885	1,887	1,829	1,977	1,900
Marketing services and other revenues:						
Marketplace	\$ 316	\$ 277	\$ 270	\$ 254	\$ 259	\$ 230
Classifieds	263	256	271	265	269	248
Elimination of intersegment revenue	-	(5)	(5)	(5)	(5)	(4)
Total marketing and other revenues	579	528	536	514	523	474
Total net revenues ⁽¹⁾	\$ 2,563	\$ 2,413	\$ 2,423	\$ 2,343	\$ 2,500	\$ 2,374
(1) Foreign currency impact	\$ (8)	\$ (67)	\$ (85)	\$ (42)	\$ (14)	\$ (41)
(2) Hedge gain/(loss)	\$ 29	\$ 20	\$ 13	\$ 19	\$ 29	\$ -

RECONCILIATION OF ORGANIC REVENUE

	Three months ended					
	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020
As Reported Revenue Growth	7%	3%	1%	(1)%	(2)%	(2)%
Acquisition/Disposition Impact	(1)%	(1)%	(0)%	1%	2%	1%
Foreign Currency Impact	(1)%	2%	3%	2%	2%	3%
Organic FX-Neutral Revenue Growth	5%	3%	3%	2%	1%	2%

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 June 30, 2020	
(in billions, except per share amounts)	GAAP	Non-GAAP (a)
Net Revenue	\$2.38 - \$2.48	\$2.38 - \$2.48
Diluted EPS	\$0.50 - \$0.57	\$0.73 - \$0.80

	Twelve Months Ending December 31, 2020	
(in billions, except per share amounts)	GAAP	Non-GAAP (b)
Net Revenue	\$9.56 - \$9.76	\$9.56 - \$9.76
Diluted EPS	\$2.20 - \$2.30	\$3.00 - \$3.10

	Twelve Months Ending December 31, 2020	
(in billions)		
Net cash provided by continuing operations	\$2.6 - \$3.0	
Less: Purchase of property and equipment, net	\$(0.5) - \$(0.7)	
Free cash flow	\$2.1 - \$2.3	

(a) Estimated non-GAAP amounts above for the three months ending June 30, 2020 reflect adjustments that exclude the estimated amortization of acquired intangible assets of approximately \$8-\$13 million, estimated stock-based compensation expense and associated employer payroll tax expense of approximately \$125-\$135 million and an adjustment that excludes the net deferred tax impact related to the step-up in the tax basis of intangible assets of approximately \$35-\$45 million.

(b) Estimated non-GAAP amounts above for the twelve months ending December 31, 2020 reflect adjustments that exclude the estimated amortization of acquired intangible assets of approximately \$40-\$50 million, estimated stock-based compensation expense and associated employer payroll tax expense of approximately \$480-\$500 million and an adjustment that excludes the net deferred tax impact related to the step-up in the tax basis of intangible assets of approximately \$140-\$160 million.



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