

Q2 2021 FINANCIAL HIGHLIGHTS

August 11, 2021

ebay

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 management’s vision for the future of eBay and our ability to accomplish our vision, expected financial results for the third quarter and full year 2021 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, and the pending sale of the eBay Korea business to a subsidiary of E-mart Inc. (the “Transaction”), the potential benefits of the Transaction and the impact of the Transaction on future results.

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; 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; 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; our ability to integrate, manage and grow businesses that have been acquired or may be acquired in the future; the possibility that regulatory and other approvals and conditions to the Transaction are not received or satisfied on a timely basis or at all; the possibility that the company may not fully realize the projected benefits of the Transaction; changes in the anticipated timing for closing the Transaction; business disruption during the pendency of or following the Transaction; diversion of management time on Transaction-related issues; the reaction of customers and other persons to the Transaction; and other events that could adversely impact the completion of the Transaction, including COVID-19 and industry or economic conditions outside of our control.

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 August 11, 2021. 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 GUIDANCE RECONCILIATION

	April 28, 2021 Guidance		Korea Impact	Implied Q2 2021 Guidance excl. Korea Off-Platform*	
	Low	High		Low	High
GMV FXN	Neg Low Double Digit	Neg Hi Single Digit	(2)pts	Neg Low Double Digit	Neg Low Double Digit
Revenue (in billions)	\$2.98	\$3.03	\$(0.40)B	\$2.58	\$2.63
Y/Y Growth	12%	14%	(1)pt	11%	13%
Organic FX-Neutral Y/Y Growth	8%	10%	-	8%	10%
Non-GAAP EPS	\$0.91	\$0.96	\$(0.02)	\$0.89	\$0.94
Y/Y Growth	(11)%	(6)%	1pt	(10)%	(5)%

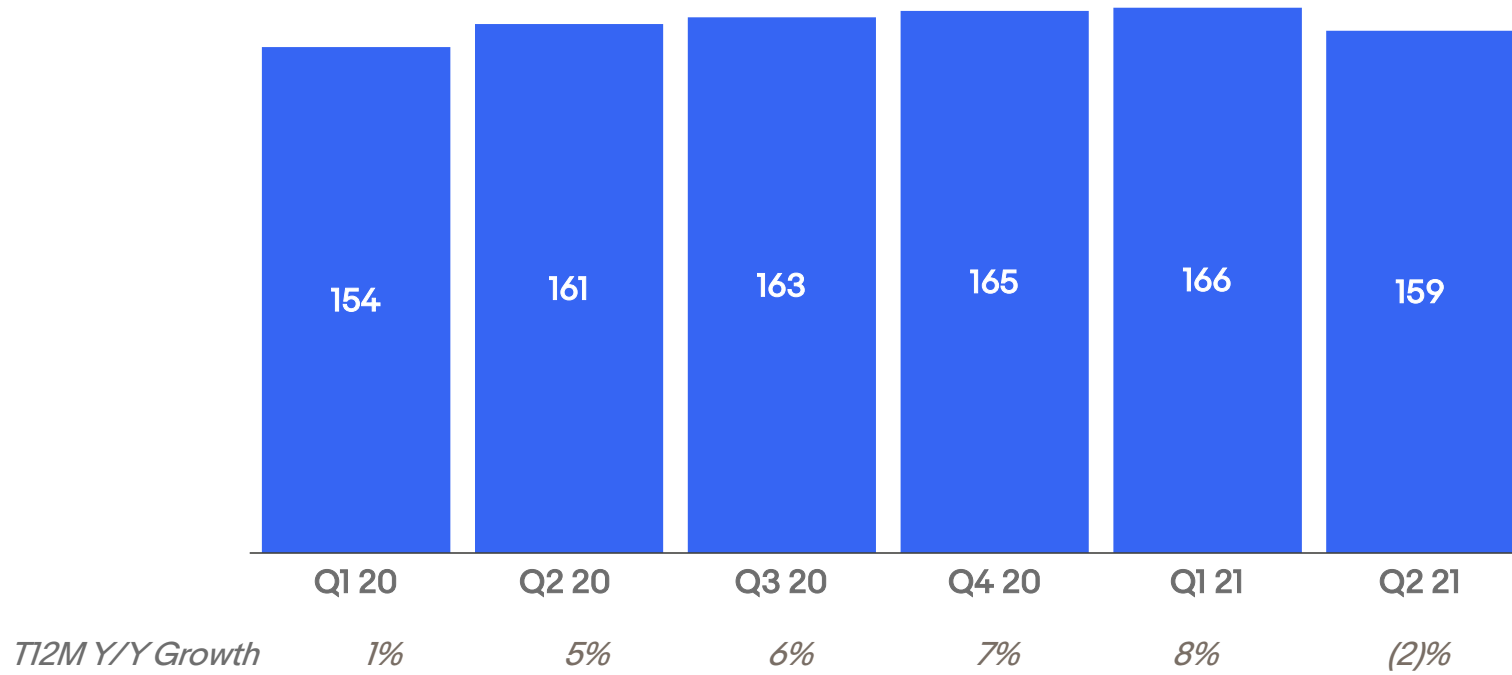
* Revised guidance metrics for the Marketplace business, reflecting the Korean off-platform businesses being reported as discontinued operations. Recast historical financial statements were published in a Form 8-K on July 13, 2021.

Q2 HIGHLIGHTS

- Revenue of \$2.7B, up 14% Y/Y (+11% Y/Y FX-Neutral)
- GAAP EPS of \$0.43 and Non-GAAP EPS of \$0.99
- GAAP operating margin of 27%, down 6pt Y/Y
- Non-GAAP operating margin of 33%, down 6pt Y/Y
- Generated \$1.0B of Operating Cash Flow & \$910M of Free Cash Flow
- Returned \$1.6B to shareholders through share repurchases & cash dividends
- Announced an agreement to sell over 80% of our Korean business to Emart for ~\$3B
- Completed the sale of the Classifieds business to Adevinta for \$13.3B, including \$2.5B in cash & 540M shares in Adevinta (44% stake)
- Agreed to sell ~135M shares of eBay's Adevinta stock to Permira for over \$2.4B
- Increased the estimated 2021 share buyback to \$5B

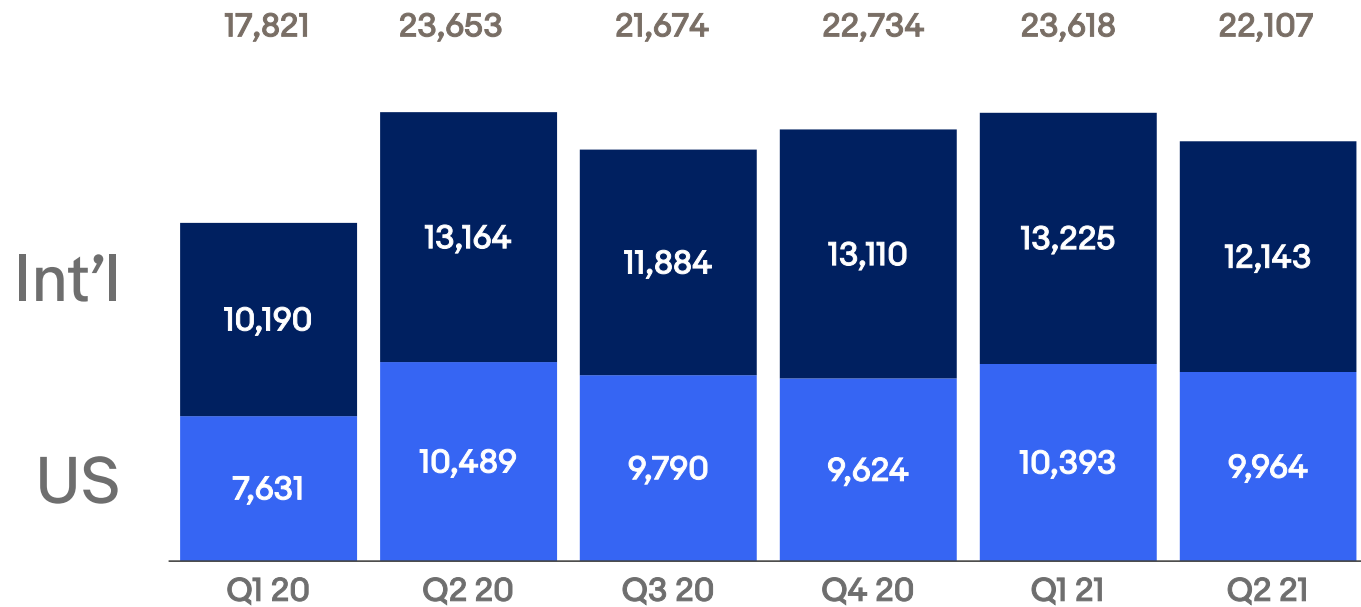
ACTIVE BUYERS

(millions)



GMV

(\$ millions)



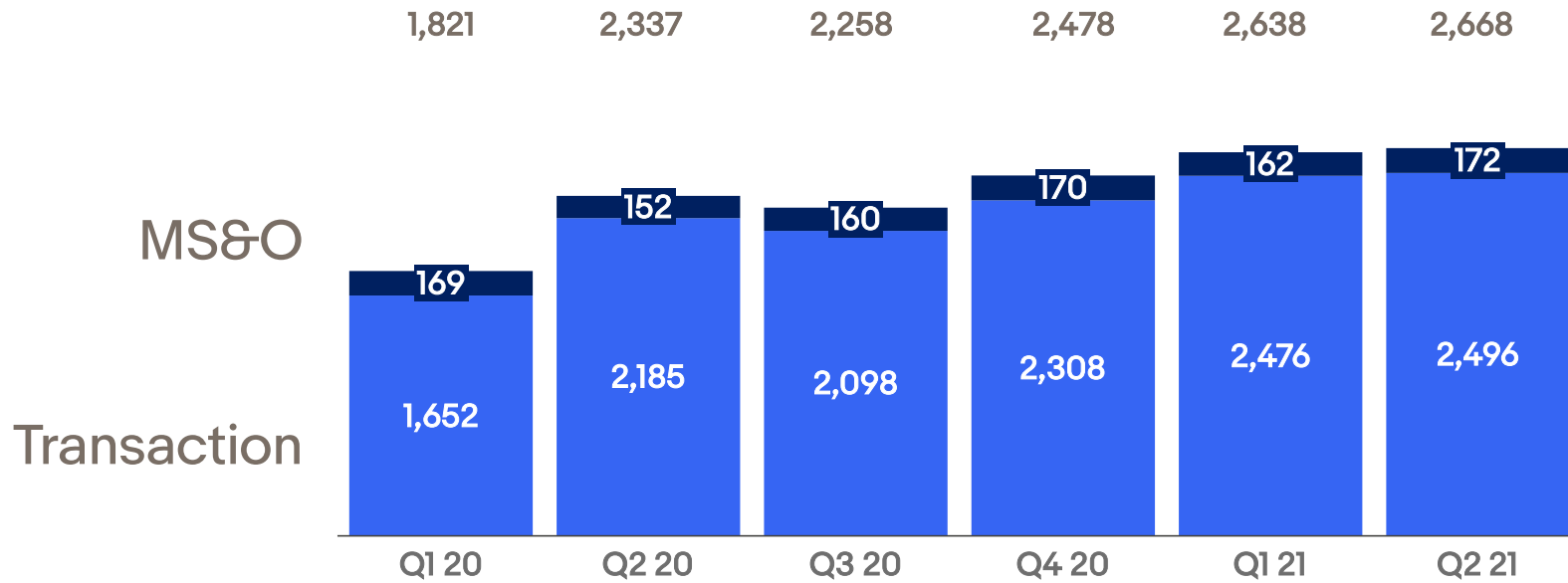
• Q2 B2C GMV down 12% Y/Y and C2C GMV down 7% Y/Y on an FX-Neutral Basis

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21
<i>US Y/Y Growth</i>	(4)%	35%	33%	25%	36%	(5)%
<i>Int'l FX-Neutral Y/Y Growth</i>	2%	34%	18%	18%	21%	(16)%
<i>Total FX-Neutral Y/Y Growth</i>	(1)%	34%	24%	21%	28%	(11)%
<i>Sold Items Y/Y Growth</i>	(4)%	30%	12%	9%	10%	(26)%

7 B2C = Business to Consumer sellers; C2C = Consumer to Consumer sellers
All reported results are from continuing operations

REVENUE

(\$ millions)



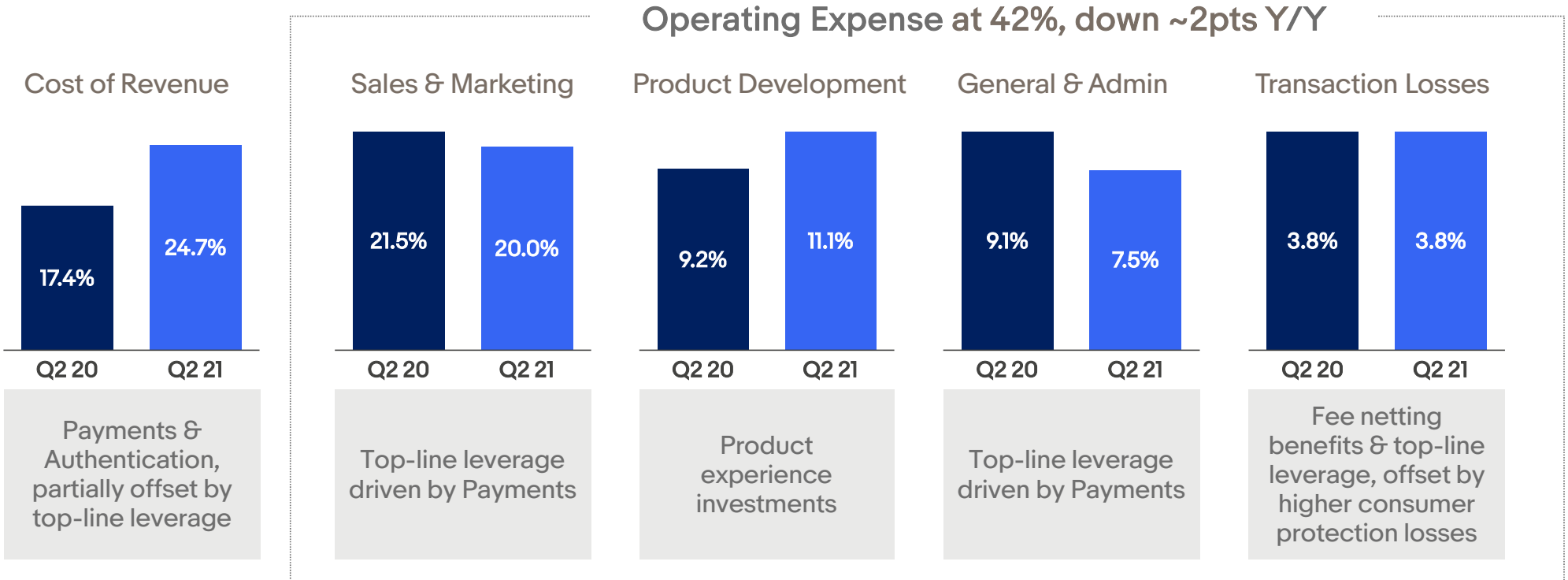
- Q2 FX-Neutral Transaction Revenue up 11% Y/Y, decelerating 36pts Q/Q
- Q2 FX-Neutral MS&O Revenue up 11% Y/Y, accelerating 17pts Q/Q

<i>Y/Y Growth</i>	(2)%	26%	26%	30%	45%	14%
<i>FX-Neutral Y/Y Growth</i>	(1)%	28%	25%	30%	42%	11%
<i>Organic FX-Neutral Y/Y Growth</i>	1%	30%	26%	30%	42%	11%
<i>Trxn Take Rate</i>	9.3%	9.2%	9.7%	10.2%	10.5%	11.3%

8 Calculation of total Revenue and Organic FX-Neutral Revenue growth is included in the Appendix of this presentation; MS&O = Marketing Services & Other Revenue
All reported results are from continuing operations

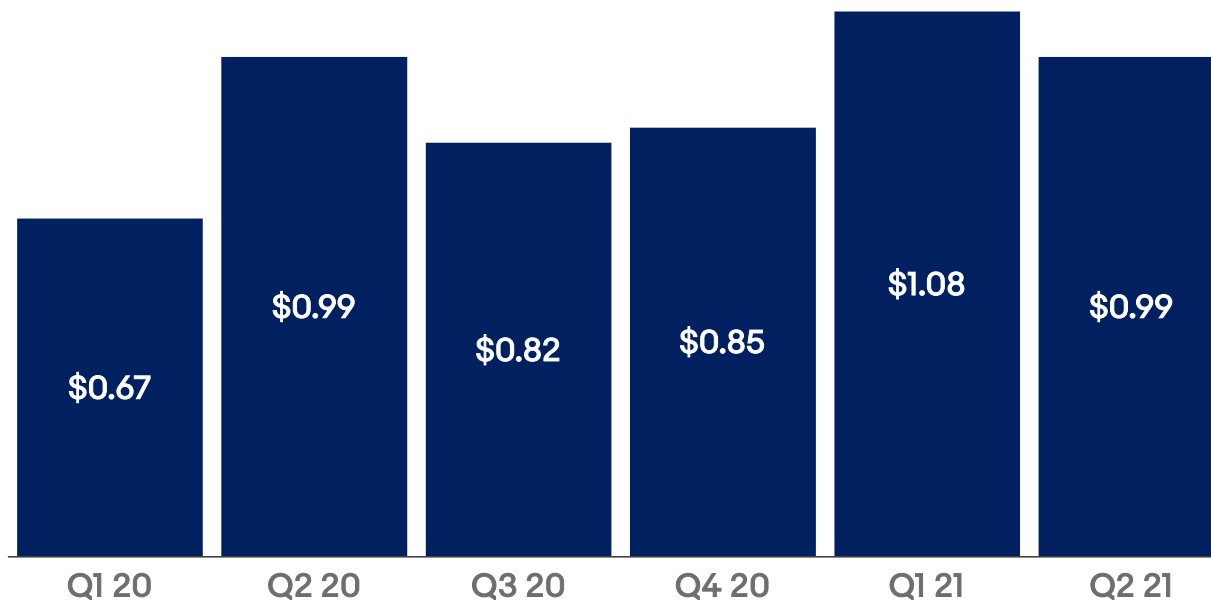
NON-GAAP EXPENSES

(% of revenue)



9 Reconciliation of Non-GAAP operating expenses is included in the Appendix of this presentation
All reported results are from continuing operations

EARNINGS PER SHARE

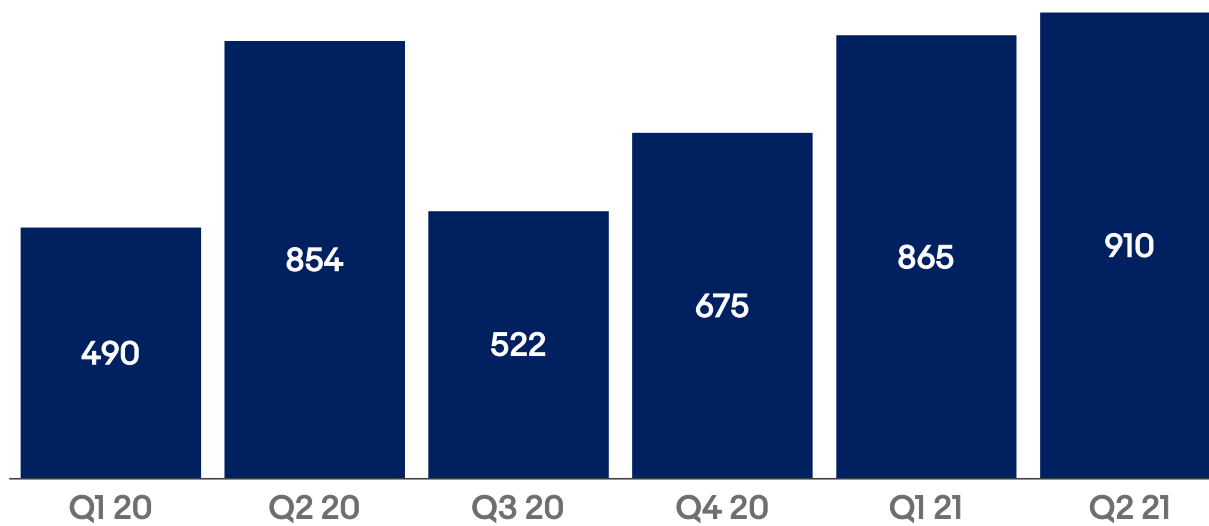


- Q2 Non-GAAP Operating Margin down 6pts Y/Y driven by volume deleverage
- Q2 Non-GAAP EPS flat Y/Y driven by lapping COVID-driven volume, offset by Payments ramp & net benefit of share repurchases
- Q2 GAAP EPS down 56% Y/Y driven by the FV adjustment of Adevinta at quarter-end and the difference in Adyen gain Y/Y

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21
<i>Non-GAAP EPS Y/Y Growth</i>	23%	94%	66%	36%	61%	(0)%
<i>Non-GAAP Operating Margin</i>	35.9%	39.0%	34.4%	31.7%	37.3%	32.8%
<i>GAAP EPS</i>	\$0.56	\$0.97	\$0.86	\$1.11	\$0.82	\$0.43
<i>GAAP EPS Y/Y Growth</i>	15%	136%	266%	103%	47%	(56)%

FREE CASH FLOW

(\$ millions)



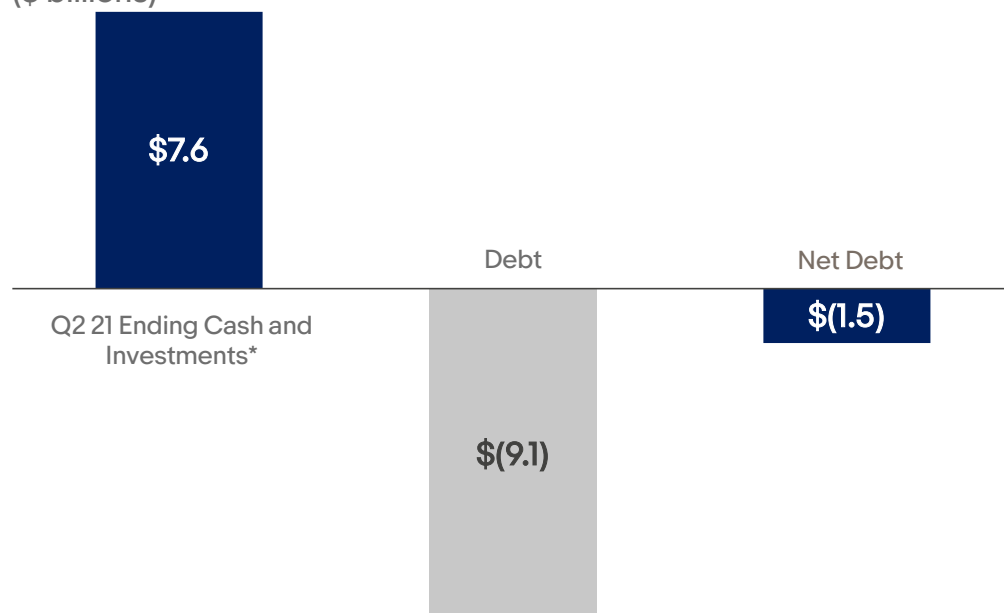
- Q2 FCF up 7% Y/Y primarily driven by strong Payments execution, working capital improvements, partially offset by lapping 2020 cash tax timing

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21
<i>Y/Y Growth</i>	88%	82%	(21)%	31%	77%	7%
<i>CapEx % of Revenue</i>	5%	4%	5%	6%	3%	4%
<i>FCF % of Revenue</i>	27%	37%	23%	27%	33%	34%

11 Calculation of Free Cash Flow (FCF) is included in the Appendix of this presentation
All reported results are from continuing operations

2021 CASH & DEBT

(\$ billions)



- Received \$2.5B cash proceeds for the sale of Classifieds
- Repurchased \$1.5B of shares & paid cash dividends of \$121M in Q2
- \$4.2B repurchase authorization**, increasing auth by \$3B to \$7.2B
- Issued \$2.5B of senior unsecured notes to fund 2022 maturities
- Credit ratios of 0.7x net debt and 2.6x gross debt as of 6/30/21

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
- Long term cash and investment balance of approximately \$3.5B

¹² * Cash balances/flows include cash, cash equivalents and non-equity investments, ** Authorization remaining as of June 30, 2021
All reported results are from continuing operations

INVESTMENTS

ADEVINTA	ADYEN	KAKAO BANK	KOREA
<ul style="list-style-type: none"> Deal closed in Q2 2021, received \$2.5B of cash & 540M shares Agreed to sell ~135M shares to Permira in Q3 2021 for more than \$2.4B Ability to participate in upside of Classifieds recovery from COVID & longer-term growth opportunity 	<ul style="list-style-type: none"> Warrant acquired in Q2 2018, with a term of 7 years Value based on probability of delivering against 4 tranches ... up to 5% of share ownership Strong partnership with aligned incentives for each company to deliver for eBay's sellers 	<ul style="list-style-type: none"> Investment acquired in Q1 2016 Held ~4% stake as of June 30 IPO completed on August 6, 2021 	<ul style="list-style-type: none"> Agreed to sell 80.01% stake in Korean business to Emart in June 2021 for \$3.0B** eBay will retain a 19.99% stake, with an implied value of \$0.8B** Expect transaction to close by year-end or early 2022
\$10.4B*	\$1.1B*	\$0.3B*	\$0.8B**

Investments providing significant returns & optionality to maximize shareholder value

* Investment value as of June 30, 2021, **Based on FX rate as of June 23, 2021 (1 USD = 1,135 KRW)

Q3 2021 GUIDANCE

	Q3 21		Q3 Guidance Context
	Low	High	
Revenue (in billions)	\$2.42	\$2.47	<ul style="list-style-type: none"> Revenue growth driven by: <ul style="list-style-type: none"> Ongoing strong execution in managed payments, advertising and business initiatives Partially offset by low to mid teens volume decline driven by prior year lapping dynamics and increased mobility Non-GAAP EPS increase driven by strength in managed payments and lower share count partially offset by volume deleverage Non-GAAP effective tax rate of 16% - 18%
<i>Y/Y Growth</i>	<i>7%</i>	<i>9%</i>	
<i>Organic FX-Neutral Y/Y Growth</i>	<i>6%</i>	<i>8%</i>	
Non-GAAP EPS	\$0.86	\$0.90	
<i>Y/Y Growth</i>	<i>4%</i>	<i>9%</i>	

Outlook Context

- Continued strong execution of payments. Increasing 2021 revenue expectation from \$1.7B to \$1.8B.
- Balancing growth and operational efficiency. 2021 margin rate ~33%, up 150 bps vs. 2019.
- Strong cash flow & Classifieds sale proceeds. Estimated 2021 share buyback of \$5B, \$3.2B remaining for the year.
- Board approved \$3B additional repurchase authorization with no expiry.

Q&A

RECONCILIATIONS

GAAP TO NON-GAAP QUARTERLY RECONCILIATIONS

OPERATING MARGIN

	Three months ended					
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021
	(in millions, except percentages)					
GAAP operating income	\$ 549	\$ 764	\$ 662	\$ 661	\$ 841	\$ 732
Stock-based compensation expense and related employer payroll taxes	89	108	112	116	104	140
Amortization of acquired intangible assets within cost of net revenues	1	-	-	-	-	-
Amortization of acquired intangible assets within operating expenses	7	7	6	7	7	2
Other significant gains, losses or charges	7	33	(1)	-	33	2
Non-GAAP operating income	\$ 653	\$ 912	\$ 779	\$ 784	\$ 985	\$ 876
Revenues	\$ 1,821	\$ 2,337	\$ 2,258	\$ 2,478	\$ 2,638	\$ 2,668
GAAP operating margin	30.2%	32.7%	29.3%	26.7%	31.9%	27.4%
Non-GAAP operating margin	35.9%	39.0%	34.4%	31.7%	37.3%	32.8%

GAAP TO NON-GAAP QUARTERLY RECONCILIATIONS

NET INCOME / EPS

	Three months ended					
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021
	(in millions, except percentages)					
GAAP Income from continuing operations	\$ 421	\$ 689	\$ 605	\$ 772	\$ 568	\$ 294
Stock-based compensation expense and related employer payroll taxes	89	108	112	116	104	140
Amortization of acquired intangible assets within cost of net revenues	1	-	-	-	-	-
Amortization of acquired intangible assets within operating expenses	7	7	6	7	7	2
Other significant gains, losses or charges	7	33	(1)	-	33	2
Gain/Loss on Investments (in OI&E)	(37)	40	-	(239)	-	(41)
Change in fair market value of warrant	(12)	(293)	(191)	(274)	36	(108)
Change in fair market value of equity investment in Adevinta	-	-	-	-	-	422
Tax effect of non-GAAP adjustments	31	118	53	209	-	(36)
Non-GAAP net income from continuing operations	\$ 507	\$ 702	\$ 584	\$ 591	\$ 748	\$ 675
Non-GAAP net income from continuing operations per diluted share	\$ 0.67	\$ 0.99	\$ 0.82	\$ 0.85	\$ 1.08	\$ 0.99
Shares used in non-GAAP diluted share calculation	757	711	708	697	693	685

GAAP TO NON-GAAP QUARTERLY RECONCILIATIONS

STATEMENT OF INCOME

	Three Months Ended June 30, 2021			Three Months Ended June 30, 2020		
	Reported	Non-GAAP Entries	Non-GAAP	Reported	Non-GAAP Entries	Non-GAAP
	(in millions, except per share data and percentages)					
Net revenues	\$ 2,668	\$ -	\$ 2,668	\$ 2,337	\$ -	\$ 2,337
Cost of net revenues	672	(13) (a)	659	417	(11) (a)(b)	406
Gross Profit	1,996	13	2,009	1,920	11	1,931
Operating expenses:						
Sales and marketing	559	(25) (a)	534	523	(19) (a)	504
Product development	350	(55) (a)	295	256	(41) (a)	215
General and administrative	250	(49) (a)(d)	201	281	(70) (a)(d)	211
Provision for transaction losses	103	-	103	89	-	89
Amortization of acquired intangible assets	2	(2) (b)	-	7	(7) (b)	-
Total operating expense	1,264	(131)	1,133	1,156	(137)	1,019
Income from operations	732	144	876	764	148	912
Interest and other income, net	(331)	273 (e)(f)(g)	(58)	181	(253) (e)(f)	(72)
Income from continuing operations before income taxes	401	417	818	945	(105)	840
Provision for income taxes	(107)	(36) (c)	(143)	(256)	118 (c)	(138)
Income from continuing operations	\$ 294	\$ 381	\$ 675	\$ 689	\$ 13	\$ 702
Net income (loss) from continuing operations per share:						
Basic	\$ 0.44		\$ 1.00	\$ 0.98		\$ 1.00
Diluted	\$ 0.43		\$ 0.99	\$ 0.97		\$ 0.99
Weighted average shares:						
Basic	674		674	703		703
Diluted	685		685	711		711
Operating margin	27.4 %	5.4 %	32.8 %	32.7 %	6.3 %	39.0 %
Effective tax rate	26.6 %	(9.1)%	17.5 %	27.0 %	(10.6)%	16.4 %

Notes:

- (a) Stock-based compensation expense and related employer
- (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
- (g) Change in fair market value of equity investment in Adevinata

CALCULATION OF FREE CASH FLOW

	Three months ended					
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021
	(in millions, except percentages)					
Net cash provided by continuing operating activities	577	951	646	830	948	1,009
Less: Purchases of property and equipment, net	(87)	(97)	(124)	(155)	(83)	(99)
Free cash flow from continuing operations	490	854	522	675	865	910

RECONCILIATION OF TOTAL REVENUE

	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021
	(in millions, except percentages)					
Net Revenues by Type						
Net Transaction Revenues ⁽¹⁾	\$ 1,652	\$ 2,185	\$ 2,098	\$ 2,308	\$ 2,476	\$ 2,496
Marketing services and other revenues	\$ 169	\$ 152	\$ 160	\$ 170	\$ 162	\$ 172
Total net revenues ⁽²⁾	\$ 1,821	\$ 2,337	\$ 2,258	\$ 2,478	\$ 2,638	\$ 2,668
(1) Hedge gain/(loss)	\$ -	\$ 17	\$ 6	\$ (8)	\$ (28)	\$ (18)
(2) Foreign currency impact	\$ (16)	\$ (23)	\$ 33	\$ 32	\$ 54	\$ 95

RECONCILIATION OF ORGANIC FX-NEUTRAL REVENUE

	Three months ended					
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021
As Reported Revenue Growth	(2)%	26 %	26 %	30 %	45 %	14 %
Acquisition/Disposition Impact	1 %	2 %	1 %	—%	—%	—%
Foreign Currency Impact	2 %	2 %	(1)%	—%	(3)%	(3)%
Organic FX-Neutral Revenue Y/Y Growth	1%	30%	26%	30%	42%	11%

Organic FX-Neutral Revenue Growth. The company defines Organic FX-Neutral Revenue Growth 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 September 30, 2021	
	GAAP	Non-GAAP (a)
Net Revenue	\$2.42 - \$2.47	\$2.42 - \$2.47
Diluted EPS	\$0.64 - \$0.68	\$0.86 - \$0.90

(a) Estimated non-GAAP amounts above for the three months ending September 30, 2021 reflect adjustments that exclude the estimated stock-based compensation expense and associated employer payroll tax expense of approximately \$130-\$140 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. The estimated GAAP diluted EPS above does not assume any gains or losses on our investments.

A grid of 15 colored squares arranged in 3 rows and 5 columns. The top row consists of five squares in shades of red and orange. The middle row consists of five squares in shades of purple, pink, yellow, blue, and dark purple. The bottom row consists of four squares in shades of green, light blue, dark blue, and dark navy blue. The word "ebay" is written in white lowercase letters, centered within the blue square in the middle row.

ebay