



# BUSINESS & FINANCIAL HIGHLIGHTS

Q2'22

August 3, 2022



# 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 2022 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 and share repurchases.

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, including impacts from the ongoing war in Ukraine, 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; 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](http://www.sec.gov). All information in this presentation is as of August 3, 2022. 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.

# Business Highlights



**BUSINESS  
HIGHLIGHTS**  
Q2'22

## Q2 Highlights



**\$18.5 Billion**  
Gross Merchandise Volume

**\$2.4 Billion**  
Revenue

**28.7%**  
Non-GAAP Operating Margin

**\$0.99**  
Non-GAAP EPS

**17 Million**  
Enthusiast Buyers\*

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\* Enthusiast Buyers are defined as buyers with at least 6 purchase days and \$800+ annual spend; this is a T12M metric



## Focus Categories Highlights



### **Motors P&A**

**Expanded  
fitment & supply**



### **eBay Refurb**

**Increased seller  
base & expanded  
categories**



### **Handbags**

**Authentication  
expansion to  
Germany**



### **Jewelry**

**Initial launch of  
Authentication in  
the US**

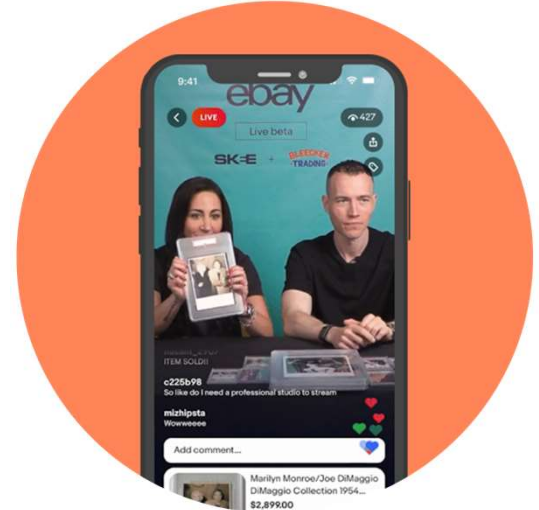
## Innovation Highlights



eBay Vault



Expanded NFT  
Capabilities



Live Commerce

## Payments & Ads Highlights



**1P Ads:  
+20pts vs. GMV**

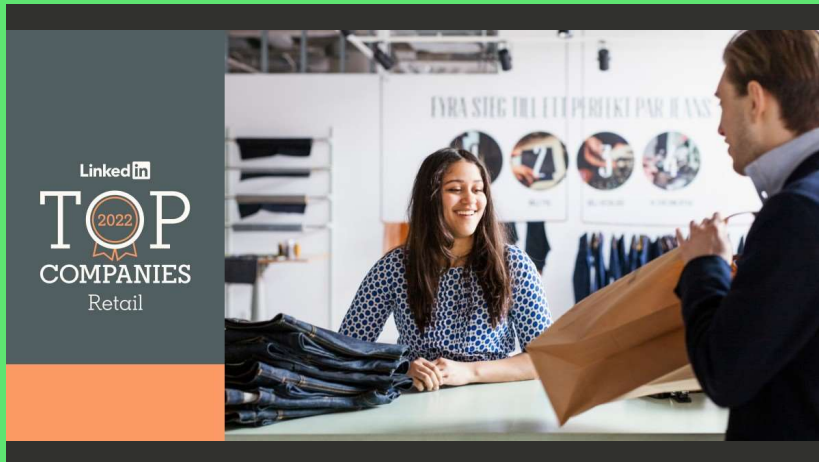
**Klarna.**

**Pay Upon Invoice &  
Installments**



**Buyer FX: New  
Payment & Currency  
Options**







# Financial Highlights

A green bar chart with 40 bars of increasing height, representing a positive growth trend. The bars are arranged in a row, starting from the left and increasing in height towards the right. The background is a solid green color.

**FINANCIAL  
HIGHLIGHTS**  
Q2'22

## Q2'22 Results

	Guidance	Actuals
<b>GMV</b> (in billions)	<b>\$18.02 - \$18.42</b> (20)% - (18)% spot (16)% - (14)% FXN	<b>\$18.5</b> (18)% spot (14)% FXN
<b>Revenue</b> (in billions)	<b>\$2.35 - \$2.40</b> (12)% - (10)% spot (9)% - (7)% FXN	<b>\$2.42</b> (9)% spot (6)% FXN
<b>Non-GAAP Op Margin</b>	<b>26.5% - 27.5%</b>	<b>28.7%</b>
<b>Non-GAAP EPS</b>	<b>\$0.87 - \$0.91</b> (12)% - (8)%	<b>\$0.99</b> 0%

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Reconciliation of Non-GAAP measures are included in the Appendix of this presentation

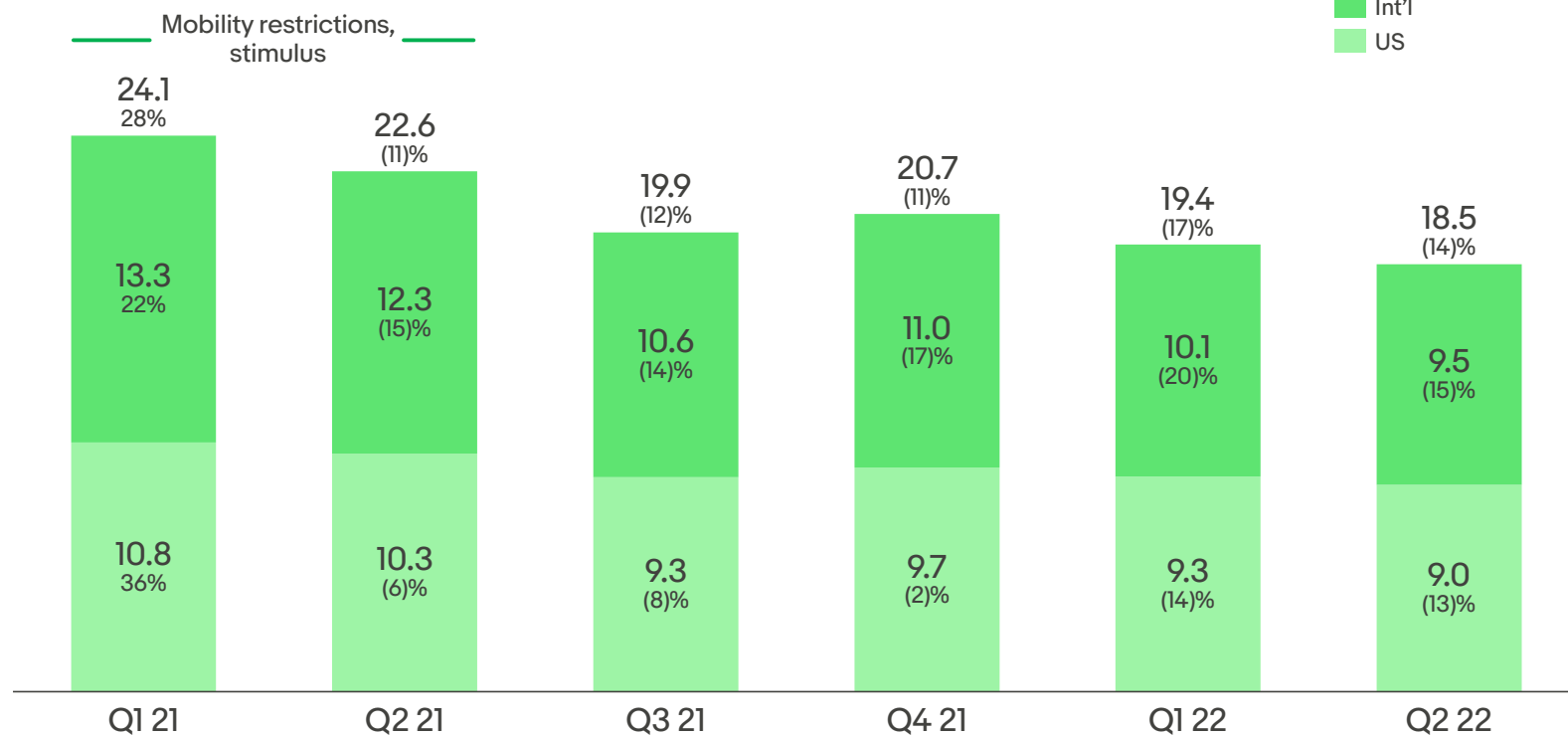


# FINANCIAL HIGHLIGHTS

## Q2'22

### GMV

(\$ billions, Y/Y FXN growth)



Growth vs. 2019	29%	22%	12%	9%	7%	5%
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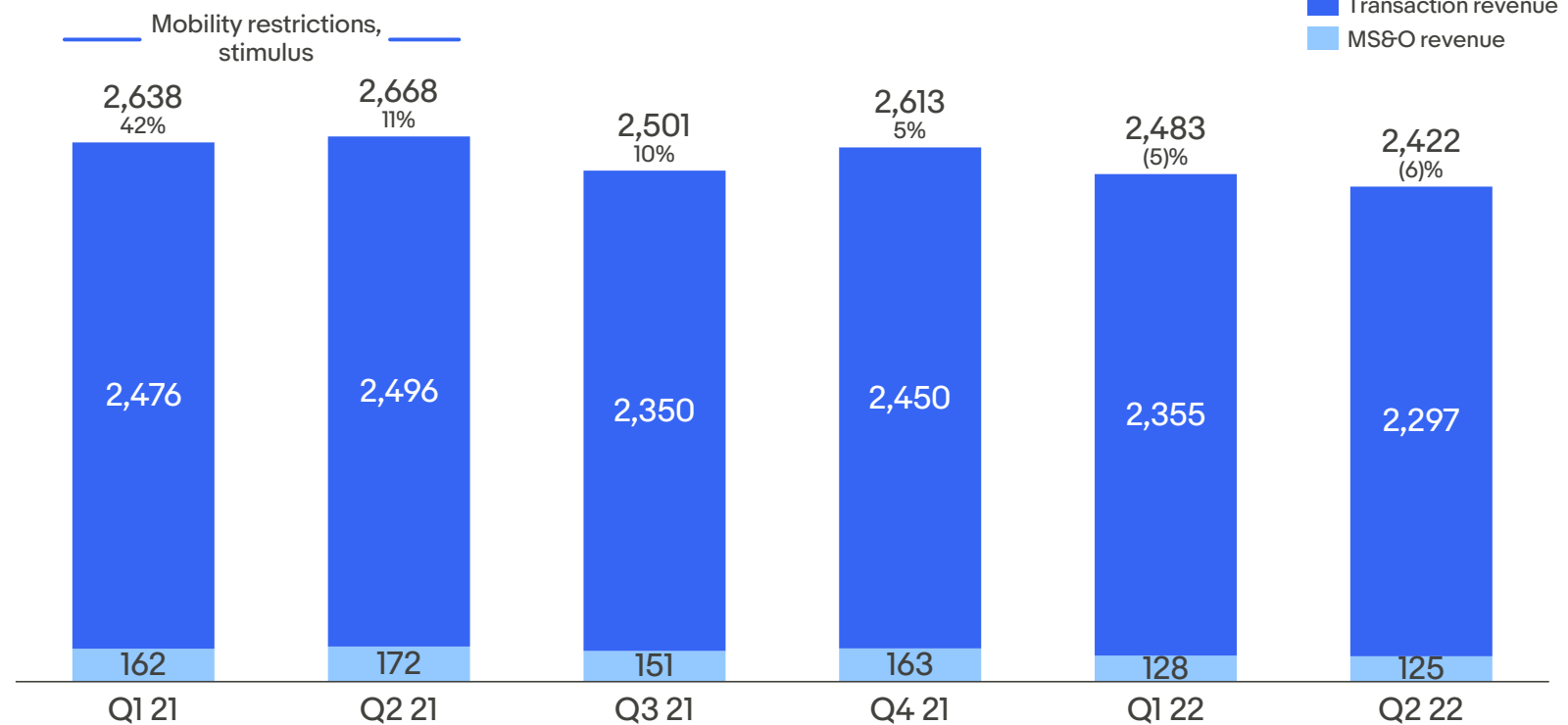
All growth rates are FX-neutral growth rates  
All reported results are from continuing operations



# FINANCIAL HIGHLIGHTS Q2'22

## Revenue

(\$ millions, Y/Y FXN growth)



Trxn Take Rate	10.3%	11.1%	11.8%	11.8%	12.1%	12.4%
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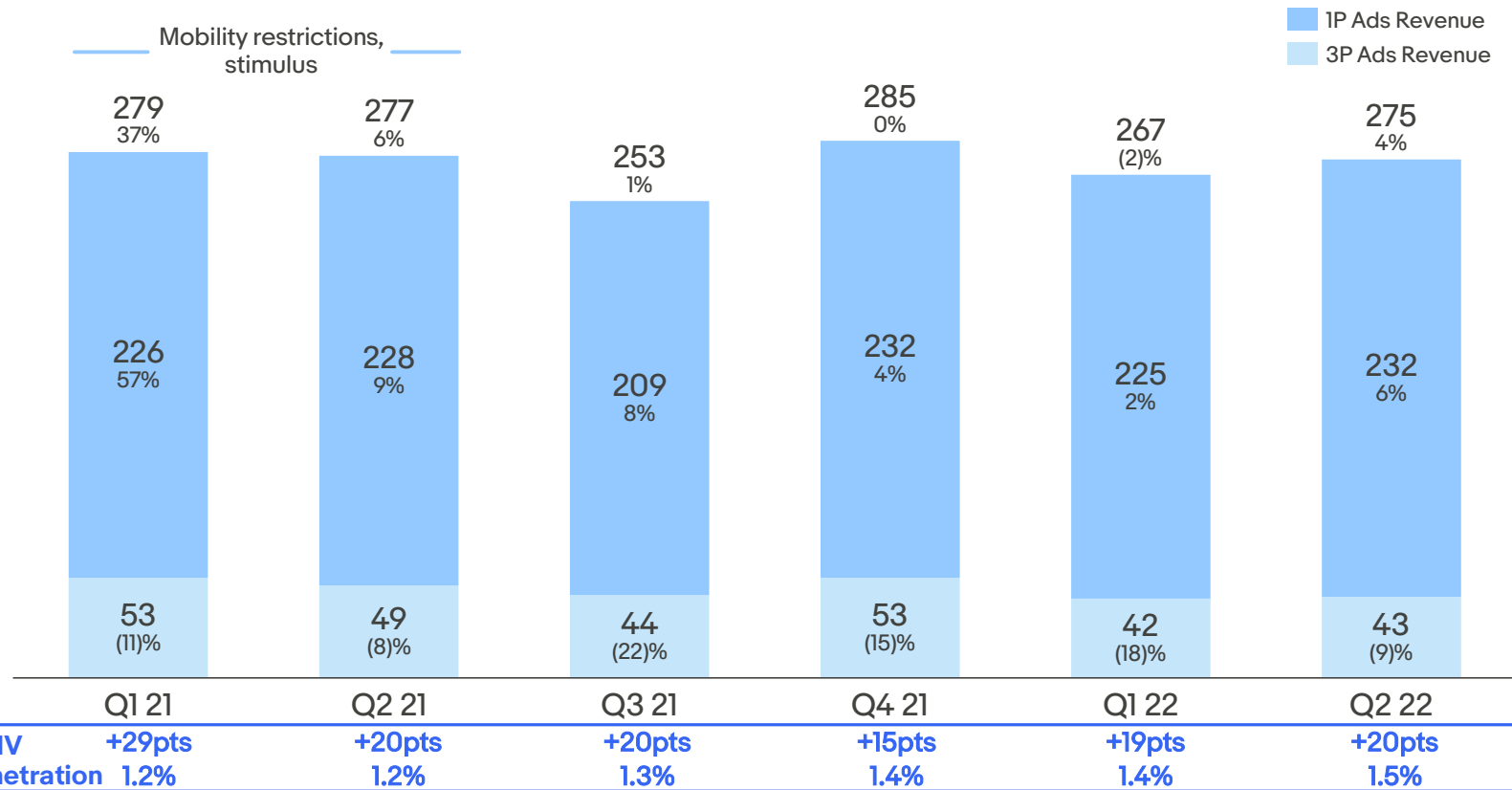
Calculation of total net revenue organic FX-neutral growth is included in the Appendix of this presentation  
MS&O = Marketing Services & Other  
All reported results are from continuing operations



# FINANCIAL HIGHLIGHTS Q2'22

## Advertising Revenue

(\$ millions, Y/Y FXN growth)



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GMV penetration calculated under current GMV definition

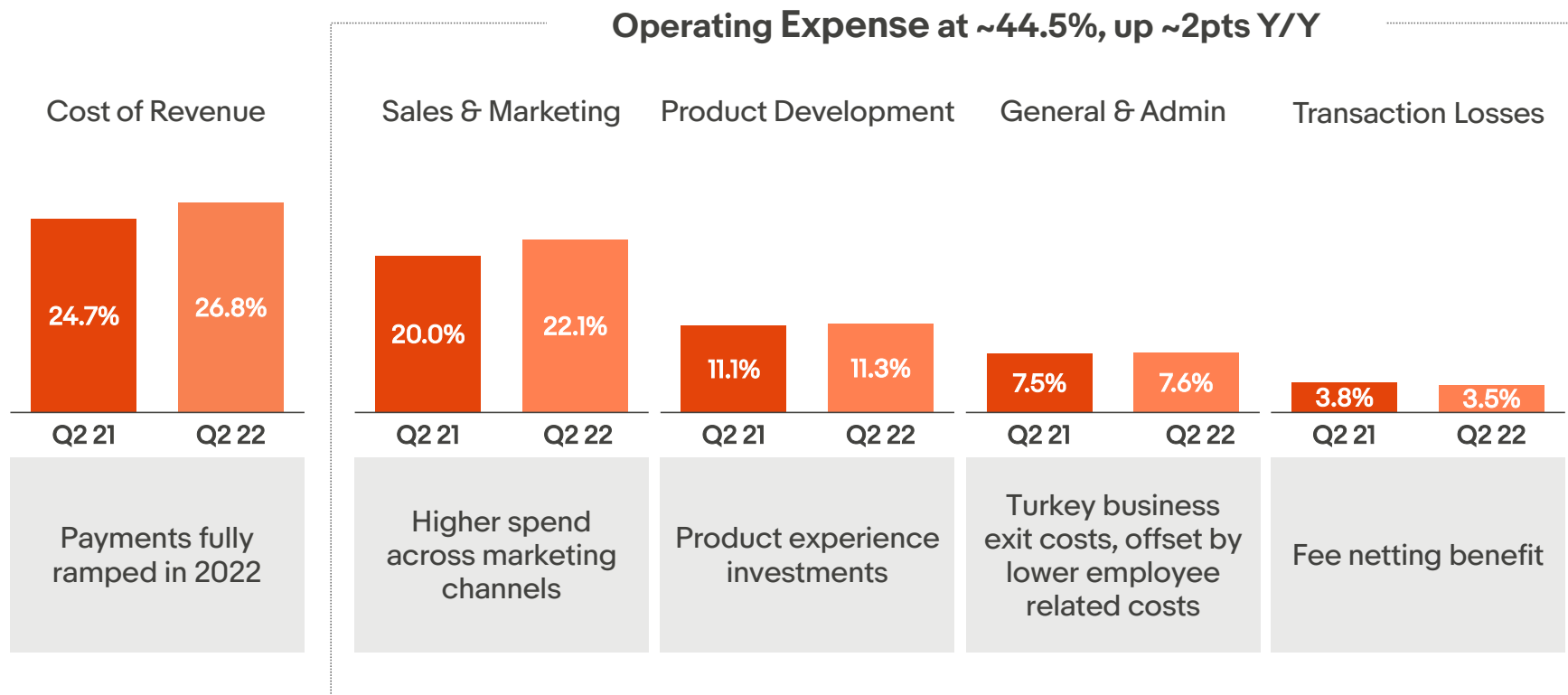
1P = First-party advertising revenue, including Promoted Listings products and first-party display advertisements (recorded in Transaction Revenue); 3P = Third-party advertising revenue (recorded in Marketing Services & Other Revenue)

All reported results are from continuing operations



# Non-GAAP Expenses

(% of revenue)



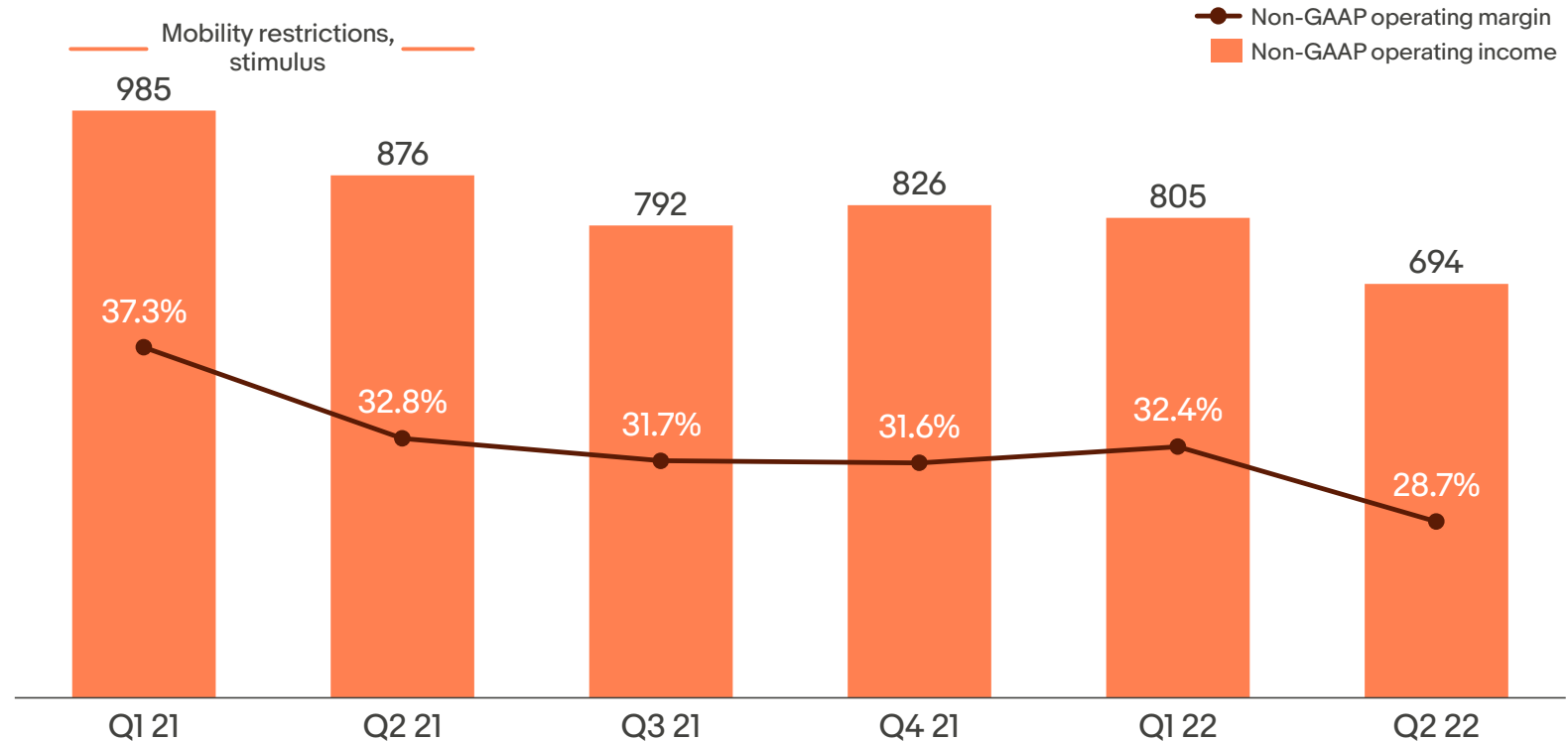
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Reconciliation of Non-GAAP operating expenses is included in the Appendix of this presentation  
All reported results are from continuing operations



## Non-GAAP Operating Income & Margin

(\$ millions)



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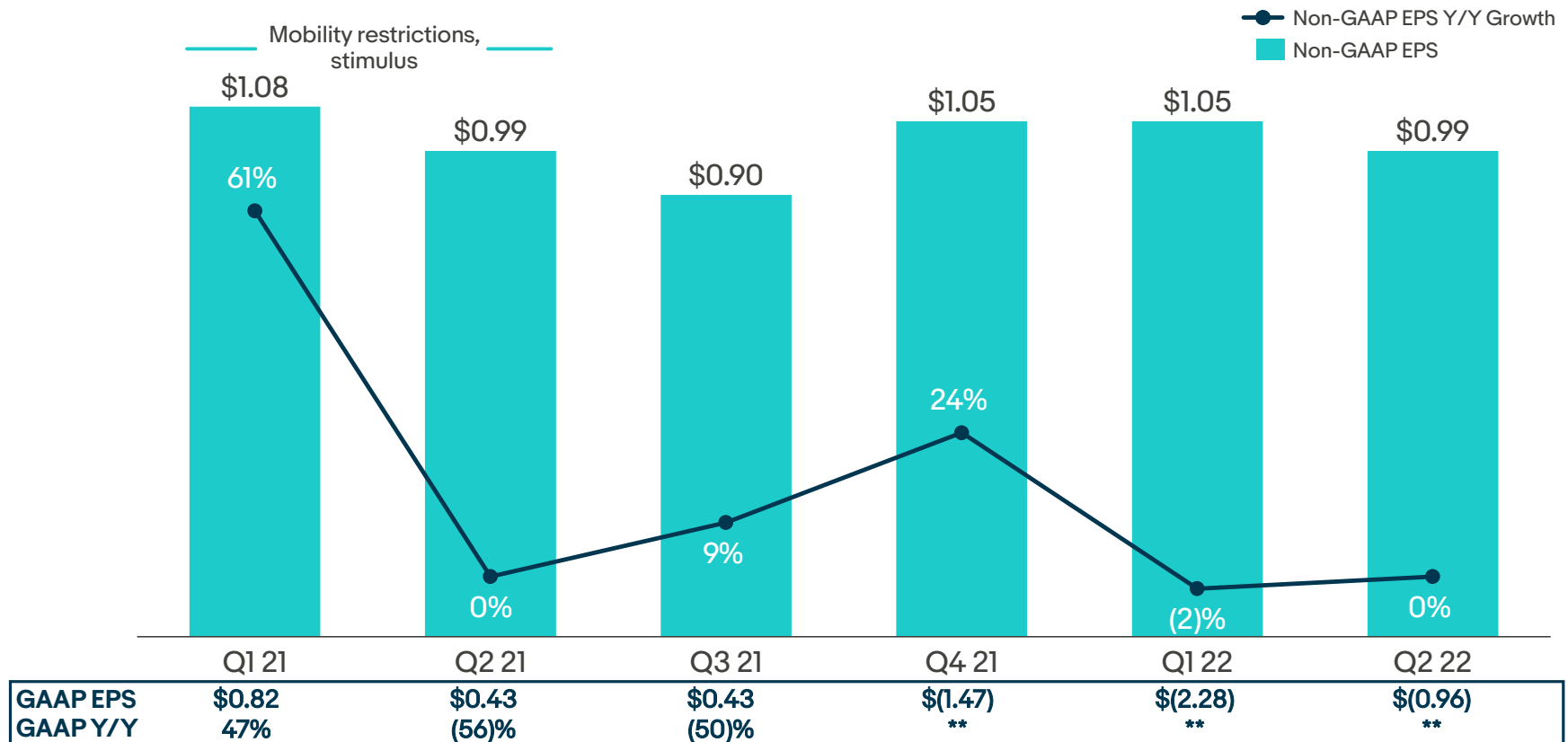
Reconciliation of Non-GAAP operating income and margin are included in the Appendix of this presentation  
All reported results are from continuing operations





## FINANCIAL HIGHLIGHTS Q2'22

# Earnings Per Share



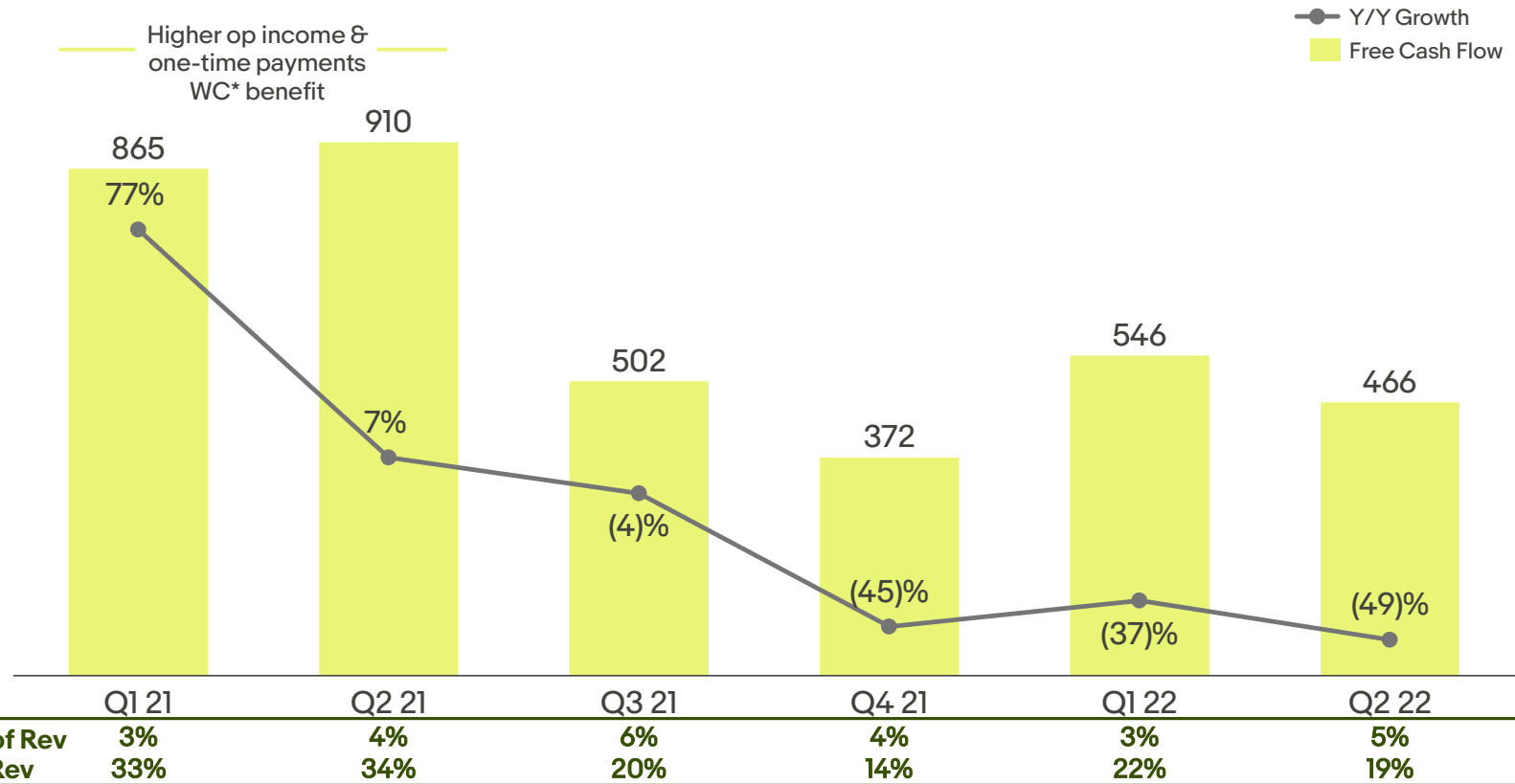
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\*\* Not meaningful  
Reconciliation of Non-GAAP earnings per share is included in the Appendix of this presentation  
All reported results are from continuing operations



# FINANCIAL HIGHLIGHTS Q2'22

## Free Cash Flow (\$ millions)



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Calculation of Free Cash Flow (FCF) is included in the Appendix of this presentation

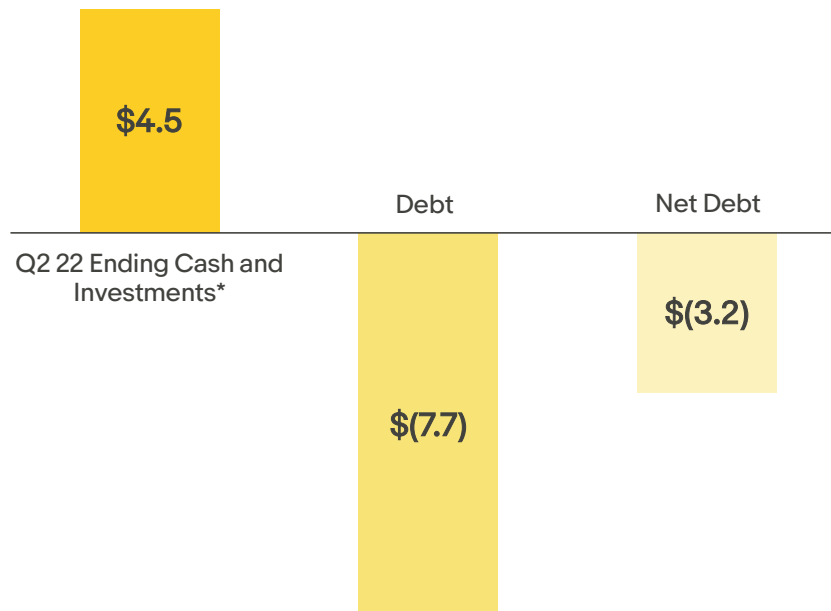
All reported results are from continuing operations

\* In 2021, we had a one-time working capital benefit of ~\$300M as a result of fee netting from the payments migration



# FINANCIAL HIGHLIGHTS Q2'22

## Cash & Debt (\$ billions)



Repaid \$605M of debt during Q2'22

### 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

### Credit Ratios

- 1.3x net debt
- 2.5x gross debt

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\* Cash balance includes cash, cash equivalents, and non-equity investments  
All reported results are from continuing operations



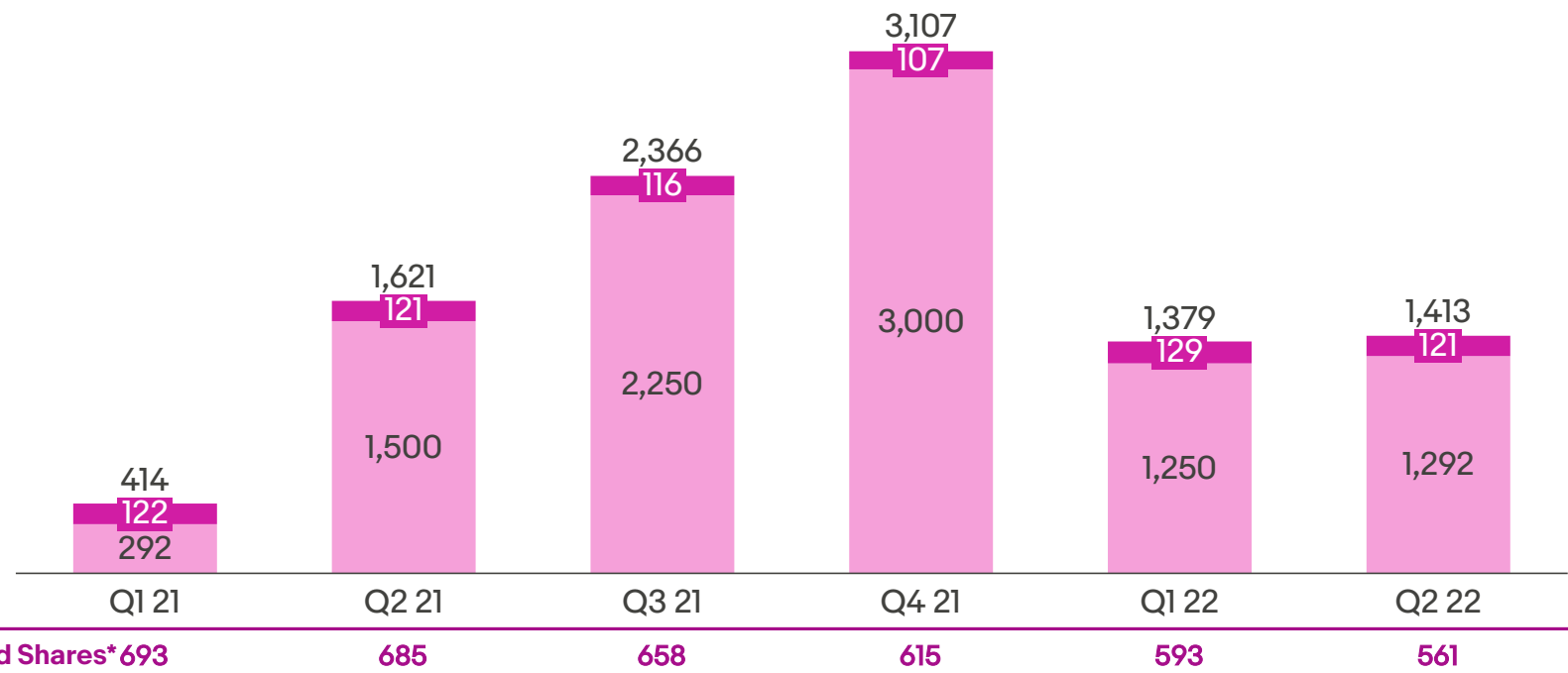
## FINANCIAL HIGHLIGHTS Q2'22

# Capital Returns

(\$ millions)

\$3.4B repurchase authorization remaining as of June 30, 2022

■ Dividend  
■ Stock repurchases



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\* Average diluted shares are non-GAAP in millions  
Reconciliation of period-end fully diluted shares is included in the Appendix of this presentation  
All reported results are from continuing operations



**FINANCIAL  
HIGHLIGHTS**  
Q2'22

## Investments

**\$2.9B**

Adevinta

405M shares\*\*

33% current ownership

Must maintain 25%  
ownership through  
Q3'23

**\$0.3B\***

Adyen

66K shares + warrant\*\*

Sold 65K shares in  
Q2'22 for \$129M

Warrant acquired in  
Q2'18 (7 yr term, up to  
5% ownership)

Warrant value based on  
probability of vesting 3  
remaining tranches

**\$0.1B**

Kakao Bank

5.4M shares\*\*

Sold 7.3M shares in  
Q2'22 for \$242M

**\$0.5B**

Gmarket

19.99% private stake\*\*

Value assessed based  
on the fair value option

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\* Investment value as of June 30, 2022 includes \$0.1B of Adyen shares and \$0.2B warrant asset

\*\* Investment position as of June 30, 2022



## Full Year 2022 Guidance

	Guidance	Context
<b>GMV</b> (in billions)	<b>\$72.7 - \$74.7</b> (17)% - (15)% spot (12)% - (10)% FXN	<ul style="list-style-type: none"> <li>• <b>2022 impacted by lapping &amp; macro headwinds:</b> <ul style="list-style-type: none"> <li>• Tougher comps due to mobility restrictions and stimulus in H1'21</li> <li>• Macro headwinds, including war impact, inflation, supply chain challenges, and consumer confidence</li> <li>• Incremental \$0.5B GMV headwind from FX relative to prior FY'22 guide</li> </ul> </li> <li>• <b>Additional full-year context:</b> <ul style="list-style-type: none"> <li>• Revenue ~6 - 7 pts higher than volume driven by Payments, Ads (FXN)</li> <li>• Op margin rate ~(4)pts Y/Y driven by volume deleverage &amp; investments in focus categories</li> <li>• Raised low-end of NG* EPS guide by \$0.05</li> </ul> </li> <li>• <b>Other full-year assumptions:</b> <ul style="list-style-type: none"> <li>• Non-GAAP effective tax rate of 16.5%</li> <li>• Capex 4-6% of Revenue</li> </ul> </li> </ul>
<b>Revenue</b> (in billions)	<b>\$9.6 - \$9.9</b> (8)% - (5)% spot (6)% - (3)% FXN	
<b>Non-GAAP Op Margin</b>	<b>29.0% - 30.0%</b>	
<b>Non-GAAP EPS</b>	<b>\$3.95 - \$4.10</b> (2)% - 2%	

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Reconciliation of Non-GAAP measures are included in the Appendix of this presentation  
 \*NG = Non-GAAP



## Q3'22 Guidance

	Guidance	Context
<b>GMV</b> (in billions)	<b>\$17.0 - \$17.6</b> (15)% - (12)% spot (9)% - (6)% FXN	<ul style="list-style-type: none"> <li>Volume driven by:               <ul style="list-style-type: none"> <li>Macro headwinds, including war impact, inflation, supply chain challenges, and consumer confidence</li> </ul> </li> </ul>
<b>Revenue</b> (in billions)	<b>\$2.29 - \$2.37</b> (8)% - (5)% spot (5)% - (2)% FXN	<ul style="list-style-type: none"> <li>Revenue driven by volume dynamics offset by:               <ul style="list-style-type: none"> <li>Payments tailwind (100% in '22 vs. ~90% in '21)</li> <li>Promoted Listing adoption and optimization</li> </ul> </li> </ul>
<b>Non-GAAP Op Margin</b>	<b>27.0% - 28.0%</b>	<ul style="list-style-type: none"> <li>Q3 operating margin lower than full-year 2022 margin driven by volume seasonality &amp; phasing of investments</li> </ul>
<b>Non-GAAP EPS</b>	<b>\$0.89 - \$0.95</b> (1)% - 6%	<ul style="list-style-type: none"> <li>Non-GAAP effective tax rate of 16.5%</li> <li>Non-GAAP EPS driven volume &amp; margin dynamics, partially offset by lower share count &amp; tax rate</li> </ul>

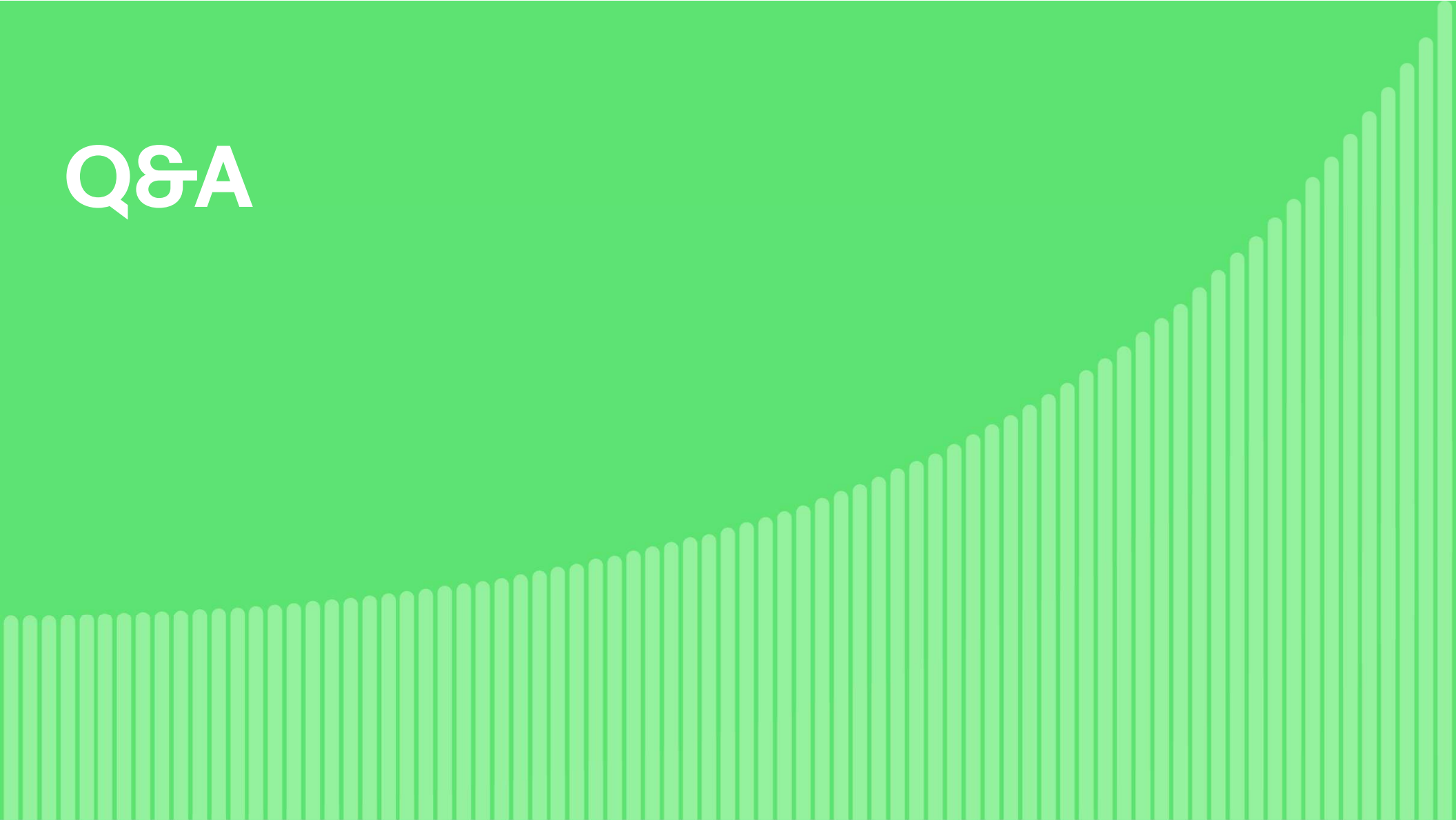
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Reconciliation of Non-GAAP measures are included in the Appendix of this presentation





Q&A



# Appendix



# GAAP to Non-GAAP Quarterly Reconciliations

## Operating Margin

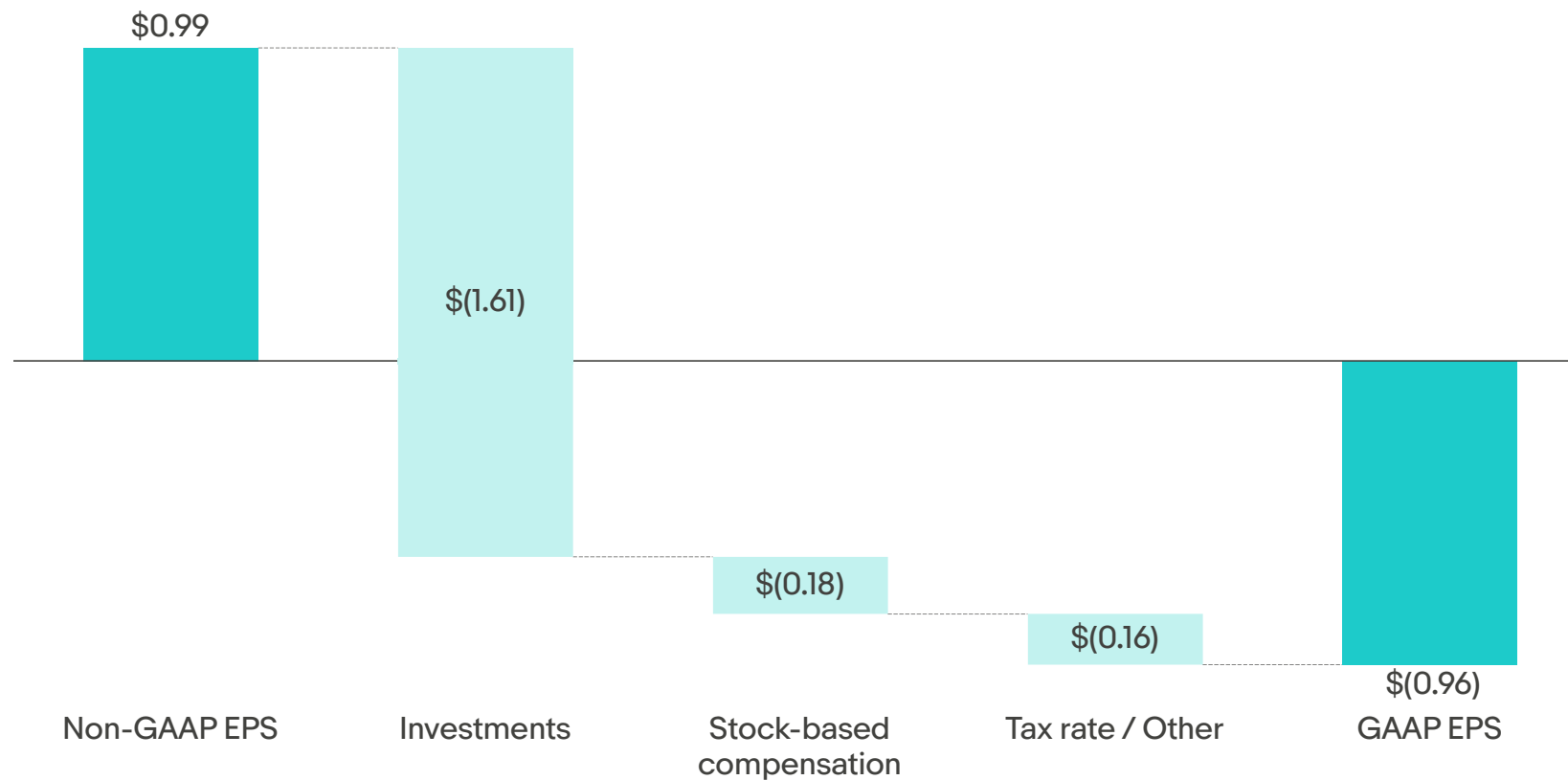
	Three months ended					
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022
GAAP operating income	\$ 841	\$ 732	\$ 662	\$ 688	\$ 692	\$ 525
Stock-based compensation expense and related employer payroll taxes	104	140	130	115	117	140
Amortization of acquired intangible assets within operating expenses	7	2	-	-	1	1
Other significant gains, losses or charges	33	2	-	23	(5)	28
Non-GAAP operating income	<u>\$ 985</u>	<u>\$ 876</u>	<u>\$ 792</u>	<u>\$ 826</u>	<u>\$ 805</u>	<u>\$ 694</u>
Revenues	\$ 2,638	\$ 2,668	\$ 2,501	\$ 2,613	\$ 2,483	\$ 2,422
GAAP operating margin	31.9 %	27.4 %	26.5 %	26.3 %	27.9 %	21.7 %
Non-GAAP operating margin	37.3 %	32.8 %	31.7 %	31.6 %	32.4 %	28.7 %

# GAAP to Non-GAAP Quarterly Reconciliations

## Net Income / EPS

	Three months ended					
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022
	(In millions, except per share data)					
GAAP Income (Loss) from continuing operations	\$ 568	\$ 294	\$ 283	\$ (893)	\$ (1,339)	\$ (536)
Stock-based compensation expense and related employer payroll taxes	104	140	130	115	117	140
Amortization of acquired intangible assets within operating expenses	7	2	-	-	1	1
Other significant gains, losses or charges within operating expenses	-	-	-	23	(5)	28
Other significant gains, losses or charges within OI&E	33	2	(14)	(71)	-	-
(Gain) Loss on investments	-	(41)	(595)	275	527	288
Change in fair market value of warrant	36	(108)	(311)	29	115	104
Change in fair market value of equity investment in Adevinta	-	422	1,075	1,573	1,643	829
Income tax effects and adjustments	-	(36)	23	(404)	(434)	(300)
Non-GAAP net income from continuing operations	\$ 748	\$ 675	\$ 591	\$ 647	\$ 625	\$ 554
Non-GAAP net income from continuing operations per diluted share	\$ 1.08	\$ 0.99	\$ 0.90	\$ 1.05	\$ 1.05	\$ 0.99
Shares used in non-GAAP diluted share calculation	693	685	658	615	593	561

## Earnings Per Share, Non-GAAP to GAAP Recon



All reported results are from continuing operations

# GAAP to Non-GAAP Quarterly Reconciliations

## Statement of Income

	Three Months Ended June 30, 2022			Three Months Ended June 30, 2021		
	Reported	Non-GAAP Entries		Reported	Non-GAAP Entries	Non-GAAP
	(in millions, except per share data and percentages)					
Net revenues	\$ 2,422	\$ -	\$ 2,422	\$ 2,668	\$ -	\$ 2,668
Cost of net revenues	663	(13) (a)	650	672	(13) (a)	659
Gross profit	1,759	13	1,772	1,996	13	2,009
Operating expenses:						
Sales and marketing	566	(32) (a)(d)	534	559	(25) (a)	534
Product development	344	(69) (a)(d)	275	350	(55) (a)	295
General and administrative	237	(54) (a)(d)	183	250	(49) (a)(d)	201
Provision for transaction losses	86	-	86	103	-	103
Amortization of acquired intangible assets	1	(1) (b)	-	2	(2) (b)	-
Total operating expenses	1,234	(156)	1,078	1,264	(131)	1,133
Income from operations	525	169	694	732	144	876
Gain (loss) on equity investments and warrant, net	(1,221)	1,221 (e)(f)(g)	-	(273)	273 (e)(f)(g)	-
Interest and other income (expense), net	(31)	-	(31)	(58)	-	(58)
Income (loss) from continuing operations before income taxes	(727)	1,390	663	401	417	818
Income tax benefit (provision)	191	(300) (c)	(109)	(107)	(36) (c)	(143)
Income (loss) from continuing operations	<u>\$ (536)</u>	<u>\$ 1,090</u>	<u>\$ 554</u>	<u>\$ 294</u>	<u>\$ 381</u>	<u>\$ 675</u>
Net income (loss) from continuing operations per share:						
Basic	<u>\$ (0.96)</u>		<u>\$ 0.99</u>	<u>\$ 0.44</u>		<u>\$ 1.00</u>
Diluted	<u>\$ (0.96)</u>		<u>\$ 0.99</u>	<u>\$ 0.43</u>		<u>\$ 0.99</u>
Weighted average shares:						
Basic	<u>556</u>		<u>556</u>	<u>674</u>		<u>674</u>
Diluted	<u>556</u>		<u>561</u>	<u>685</u>		<u>685</u>
Operating margin	<u>21.7 %</u>	<u>7.0 %</u>	<u>28.7 %</u>	<u>27.4 %</u>	<u>5.4 %</u>	<u>32.8 %</u>
Effective tax rate	<u>26.3 %</u>	<u>(9.8)%</u>	<u>16.5 %</u>	<u>26.6 %</u>	<u>(9.1)%</u>	<u>17.5 %</u>

### Notes:

(a) Stock-based compensation expense and related employer payroll taxes  
 (b) Amortization of acquired intangible assets  
 (c) Income tax effects and adjustments  
 (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 Adevinta

# Calculation of Free Cash Flow

	Three months ended					
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022
	(in millions)					
Net cash provided by continuing operating activities	\$ 948	\$ 1,009	\$ 661	\$ 475	\$ 629	\$ 577
Less: Purchases of property and equipment, net	(83)	(99)	(159)	(103)	(83)	(111)
Free cash flow from continuing operations	\$ 865	\$ 910	\$ 502	\$ 372	\$ 546	\$ 466



# Reconciliation of Total Revenue

	Three months ended					
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022
	(in millions)					
Net Revenues by Type						
Net Transaction Revenues <sup>(1)</sup>	\$ 2,476	\$ 2,496	\$ 2,350	\$ 2,450	\$ 2,355	2,297
Marketing services and other revenues	162	172	151	163	128	125
Total net revenues <sup>(2)</sup>	\$ 2,638	\$ 2,668	\$ 2,501	\$ 2,613	\$ 2,483	2,422
(1) Hedge gain/(loss)	\$ (28)	\$ (18)	\$ (19)	\$ -	\$ 6	9
(2) Foreign currency impact	\$ 54	\$ 95	\$ 32	\$ 7	\$ (58)	(95)

# Reconciliation of Organic FX-Neutral Revenue

	Three months ended					
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022
As Reported Revenue Growth	45 %	14 %	11 %	5 %	(6)%	(9)%
Acquisition/Disposition Impact	—%	—%	—%	—%	—%	—%
Foreign Currency Impact	(3)%	(3)%	(1)%	—%	1 %	3 %
<b>Organic FX-Neutral Revenue Y/Y Growth</b>	<b>42%</b>	<b>11%</b>	<b>10%</b>	<b>5%</b>	<b>(5)%</b>	<b>(6)%</b>

*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.

# Calculation of Period-End Fully Diluted Share Count

	Three months ended					
	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022
	(in millions)					
Quarter-end common shares outstanding	681	661	633	594	571	549
Quarter-end shares underlying outstanding RSUs	22	26	24	20	17	24
Quarter-end fully diluted shares	703	687	657	614	588	573

# GAAP to Non-GAAP Reconciliations

## Guidance

(in billions, except per share amounts)	Three Months Ending September 30, 2022	
	GAAP	Non-GAAP (a)
Net Revenue	\$2.29 - \$2.37	\$2.29 - \$2.37
Diluted EPS	\$0.63 - \$0.69	\$0.89 - \$0.95

(in billions, except per share amounts)	Twelve Months Ending December 31, 2022	
	GAAP	Non-GAAP (b)
Net Revenue	\$9.6 - \$9.9	\$9.6 - \$9.9
Diluted EPS	\$(1.98) - \$(1.83)	\$3.95 - \$4.10

(a) Estimated non-GAAP amounts above for the three months ending September 30, 2022 reflect adjustments that exclude estimated stock-based compensation expense and associated employer payroll tax expense of approximately \$130-\$140 million and estimated adjustment between our GAAP and non-GAAP tax rate of approximately \$25-\$35 million. The estimated GAAP diluted EPS above does not assume any gains or losses on our equity investments.

(b) Estimated non-GAAP amounts above for the twelve months ending December 31, 2022 reflect adjustments that exclude the amortization of acquired intangible assets of approximately \$2-\$5 million, estimated stock-based compensation expense and associated employer payroll tax expense of approximately \$525-\$545 million and estimated adjustment between our GAAP and non-GAAP tax rate of approximately \$80-\$100 million. The estimated GAAP diluted EPS above does not assume any future gains or losses on our equity investments.

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