CEO Letter to Stockholders

Dear Stockholders,

This past year has been a transformative one for eBay: We delivered solid results, and in our continued pursuit to drive long-term sustainable growth, we've set an even more ambitious vision — to reinvent the future of ecommerce for enthusiasts.

We made significant progress against our goals, with improvements in organic FX-Neutral and as-reported year-over-year GMV growth during each quarter of 2023. For the full year, revenue was up 3% organically, we generated approximately $2 billion of free cash flow, and we returned over $1.9 billion to stockholders through repurchases and dividends. Based on these results, we are confident that our strategy is the right one and that we are on the path to build a stronger, more resilient company.

Since I rejoined eBay as CEO four years ago, we've renewed our focus on offering meaningful choices and value, and building trust with our global community of sellers and buyers. The pace of innovation at eBay has accelerated, and we have pivoted to a full-funnel marketing approach aimed at attracting and retaining enthusiast customers.

In 2023, we raised the bar further to enhance the end-to-end experience for our customers and drive growth for stockholders by leveraging three key strategic pillars: relevant experiences, scalable solutions, and magical innovations.

As we navigated a dynamic macroeconomic environment, we set our organization up for speed and prioritized initiatives that we believe will have an outsized impact on our customers, community, and stockholders.

Relevant Experiences

We are focused on solving the specific and ever-changing needs of our sellers and buyers across all shopping occasions. Through our Focus Category playbook, we have seen a meaningful improvement in our growth relative to the market in every category we've invested in to date.

In 2023, Focus Categories grew by 4% year-over-year on an FX-neutral basis, outpacing the remainder of our business by roughly seven points. We exited the year with Focus Categories making up nearly 30% of our business, and we will continue to expand to new categories in 2024. Our investments in Focus Categories led to numerous improvements in the overall customer experience on eBay last year, including:

- We launched eBay Guaranteed Fit in the U.S. and similar programs in the UK and Germany to benefit our Motors Parts & Accessories (P&A) business, assuring buyers that eBay will stand behind them if a part doesn't fit their vehicle. These programs are underpinned by multiple years of investment in P&A technology, have delivered a game-changing level of trust for buyers, and have yielded measurable uplift in conversion for sellers.
- We launched the Certified by Brand program with over 30 brands offering new and certified pre-owned inventory, bringing an enhanced level of trust to the watch, jewelry, and handbag categories.
- Our eBay Refurbished program continues to outperform as consumers turn to eBay for sustainability and value in the current economic environment. eBay Refurbished was one of our fastest growing Focus Categories in 2023, posting healthy double-digit, FX-Neutral GMV growth for the full year. Last year, we added dozens of new categories to the program, signed up more brands and OEMs to sell refurbished inventory directly on eBay, and made onboarding for small business sellers faster and more scalable to increase the amount of great refurbished inventory available to buyers.

In addition to Focus Categories, we're investing in country-specific experiences so that our marketplace is more attuned to the needs of local sellers and buyers. Last year, we made a significant investment in Germany, our third largest market as measured by demand, adopting a similar approach to our vertical playbook:

- We removed some of the biggest hurdles for sellers and introduced a number of features to address the unique needs of German consumers, including search and SEO enhancements, shipping and return label improvements, and a complete overhaul of the local pickup experience. Additionally, we eliminated final value fees for German C2C sellers on domestic transactions to stimulate our sell-to-buy flywheel in the country.
- Over the past year, C2C seller NPS and customer satisfaction have increased by 20 points or more, buyers who sell returned to positive growth, unpaid items have been cut in half for local pickups, and C2C volume in Germany has returned to positive growth.
- Notably, these investments have made our business significantly more resilient to the challenging macroenvironment in Germany and have resulted in hundreds of millions of dollars of incremental GMV relative to our prior trajectory.

Finally, we continued to improve the selling and buying experiences with horizontal enhancements in 2023:

- We invested further in new capabilities for Search, such as deep learning and visual similarity to improve ranking and retrieval, reducing queries with low or null results to surface more of our amazing inventory for customers.
- We began our work in modernizing the buying experience on eBay by rolling out an enhanced View Item page, which features a streamlined appearance, larger and higher-resolution images, and an optimized information hierarchy. This update has contributed to a measurable uplift in GMV versus our previous design, and our work to modernize the overall shopping experience will continue in 2024.

Scalable Solutions

eBay's scale is one of our most powerful assets, with over 28 years of data, 132 million buyers, and nearly 2 billion live listings in 190 markets around the world at the end of 2023. With the foundational capabilities we developed using AI last year, we will continue to invest in unlocking the power of our data assets to fuel next-gen ecommerce experiences that we are confident will exceed our customers' expectations and set a new standard for the industry.

Our advertising business continued to show strong double-digit growth rates in 2023, driving our ability to invest meaningfully into the rest of the business. Our advertising platform, which surpassed 900 million live Promoted Listings in 2023, helps sellers achieve greater velocity and price realization for their inventory.

- We generated over $1.4 billion of total advertising revenue, up roughly 25% on an FX-Neutral basis for the year and more than double our advertising revenue in 2019.
- Promoted Listings Standard, our cost-per-acquisition product, remains our largest contributor to advertising revenue due to its simplicity and proven return on ad spend.
- And Promoted Listings Advanced, our cost-per-click format, was among the fastest-growing products in our advertising portfolio on a year-over-year basis. Over the course of the year, we significantly enhanced this product with customized keywords and bidding structures, and by using AI to optimize campaigns.

Also, the payments platform processed approximately $70 billion of volume in 2023 while enabling transactions between millions of eBay sellers and buyers globally. We continued to scale our financial services offerings like FX conversion and alternative methods to pay and get paid. We also meaningfully improved our identity and risk management capabilities that enhance customer value and marketplace trust. For instance, investments in the eBay checkout experience and in-house risk modeling enhancements aimed at reducing transaction friction have measurably improved conversion on our marketplace and contributed nearly $1 billion in incremental GMV in 2023.

Lastly, our global scale and cross-border capabilities enabled us to launch the eBay International Shipping (eIS) program, which makes trade more seamless and cost effective for sellers and buyers worldwide by simplifying the complexities of taxes, duties, and returns.

- We introduced combined shipping for eIS, allowing buyers to order multiple items from an international seller and pay one consolidated shipping fee.
- We ended 2023 with over 400 million live listings from U.S. sellers shippable to international buyers, and sellers have had an overwhelmingly positive response to the program, with customer satisfaction ratings over 40 points higher than the previous global shipping program eIS replaced.

Magical Innovations

Our teams are focused on leveraging the latest technology to develop experiences that delight our customers at every touch point. This includes leveraging generative AI to make it simpler and faster to buy and sell on eBay. Some examples include:

- We rolled out the first phase of our magical listing tool to 100% of sellers in our top five markets. This tool uses generative AI to create a description within the listing flow based on known product attributes. Customer satisfaction and adoption have been strong, with content acceptance rates above 90%, including edits.
- The next phase of our magical listing tool is currently being tested, and uses AI to pre-populate the title, category, description, and item specifics of a listing based on an image.
- We also released an improved background removal tool powered by AI, and in 2024, we began rolling out a new background enhancement tool that allows users to show their product alongside a wide variety of AI-generated backgrounds.
- For eBay Motors, we launched the “Shop by Upgrade” and “Engine Code Lookup” features, using generative AI to help customers discover the most relevant fitment-enabled upgrade options for their vehicles and address the root cause of hard-to-decipher error codes. Notably, these features went from concept to launch in a matter of weeks, exemplifying the speed at which we are working to deliver magical innovations to our customers.

Making An Impact

As a pioneer of recommerce, eBay is building a stronger future for our communities and our planet through our commitment to sustainability and the circular economy. In 2023, our marketplace generated nearly $4.9 billion in positive economic impact through the sale of pre-loved and refurbished goods. As a result, we helped prevent approximately 1.6 million metric tons of carbon emissions expected from the production of comparable new goods and kept nearly 70,000 metric tons of waste from going into landfills. We are working toward a goal of sourcing 100% renewable energy by the end of 2025 for eBay-controlled data centers and offices, and we are committed to reducing our own emissions (scopes 1 and 2) by 90% by 2030 from a 2019 baseline. Our efforts are being recognized externally, as we were included in the Dow Jones Sustainability World and North America Indices for the fifth year in a row, as well as S&P Global's Sustainability Yearbook for 2023.

As part of our mission to champion small businesses, we've advocated for changes to tax reporting requirements in the U.S. and EU. When the American Rescue Plan Act lowered the threshold for the issuance of a 1099-K tax form from $20,000 in annual payments (and 200 transactions) to just $600, we urged Congress to move to a more reasonable figure that wouldn't place an unnecessary burden on sellers. Our advocacy helped persuade the IRS to twice delay the implementation of the lower reporting threshold, and we continue to work toward a permanent solution on behalf of our seller community. In the EU, we also joined a group of small business owners from Denmark, France, Germany, Italy, the Netherlands, Poland, and Spain to meet with lawmakers and representatives about the evolving landscape. Together, we advocated for key legislative initiatives that will promote the growth of the circular economy and lower regulatory barriers for small sellers.

Our mission to create economic opportunity for all extends beyond our marketplace and into the communities in which we live and work. This past year marked the 20th anniversary of eBay for Charity, a global platform supporting countless organizations and causes that has raised more than $1.3 billion for 225,000 nonprofits to date. In 2023 alone, the eBay community raised nearly $162 million for charity organizations around the world. The eBay Foundation, which partners with nonprofit organizations that are addressing and removing barriers to entrepreneurship for people who identify with

KEY STRATEGIC AND FINANCIAL OUTCOMES OF THE YEAR

- **Revenue was $10.1 billion, up 3% on an as-reported basis and up 4% on an FX-Neutral basis.**
- **Gross merchandise volume (GMV) was $73.2 billion, down 1% on an as-reported basis and FX-Neutral basis.**
- **GAAP operating margin was 19.2%. Non-GAAP operating margin was 27.4%**
- **GAAP EPS per diluted share was $5.21. Non-GAAP EPS per diluted share was $4.24.**
- **Generated $2.4 billion operating cash flow and $2.0 billion of free cash flow.**
- **Repurchased approximately $1.4 billion of common stock and paid $528 million in cash dividends.**

historically excluded groups, has awarded over $120 million to global nonprofit organizations since 1998. This past year, eBay Foundation granted more than $19 million to support historically excluded entrepreneurs and causes our employees care about through employee contributions and our matching gift program.

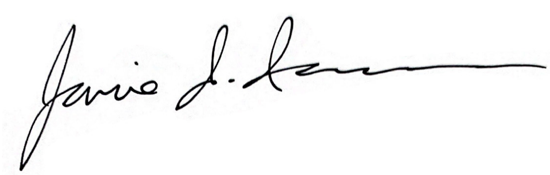
Finally, we remain deeply committed to Diversity, Equity, and Inclusion — cultivating a sense of belonging and maintaining an inclusive marketplace. In 2023, we launched our first ever Inclusion Index, which helps us gain a stronger understanding of our employee experience, measure our progress over time, and determine how we can better support our employees as a workplace. These efforts are an essential part of how we serve customers and support employees. Our eBay community around the world brings different experiences, backgrounds, and passions, enabling us to execute our strategic vision thoughtfully and deliver game-changing innovations.

Building a Stronger Future

Over the past year, we have made significant progress toward our vision of reinventing the future of ecommerce for enthusiasts, and we plan to expand our efforts in 2024 and beyond. Our strategy is delivering results – enhancing the experience for our customers around the world through relevant experiences, scalable solutions, and magical innovations.

This has set us on the path to long-term sustainable growth for eBay and our stockholders. I am extremely proud of how our teams are leveraging the power of AI to make selling and buying more seamless, and how we're showing up for our community in everything we do. We're building a stronger eBay, and I'm optimistic about the opportunities that lie ahead.

Thank you for your continued support.



Jamie Iannone

Non-GAAP Financial Measures

This letter includes financial measures defined as “non-GAAP financial measures” by the Securities and Exchange Commission (SEC). For a reconciliation of these non-GAAP financial measures, except for FX-Neutral basis, to the nearest comparable GAAP measures, please refer to our Q4 and FY’23 earnings release. All growth rates represent year-over-year comparisons, except as otherwise noted. For numbers in this letter provided “on an FX-Neutral basis,” we calculate the year-over-year impact of foreign currency movements using prior period foreign currency rates, excluding hedging activity, applied to current year transactional currency amounts.

Forward-Looking Statements

This letter contains forward-looking statements relating to, among other things, the future performance of eBay Inc. and its consolidated subsidiaries that are based on the company’s current expectations, forecasts and assumptions and involve risks and uncertainties. These forward-looking statements can often be identified by the use of words such as “will,” “predict,” “continue,” “forecast,” “expect,” “believe,” “anticipate,” “outlook,” “could,” “target,” “project,” “intend,” “plan,” “seek,” “estimate,” “should,” “may,” and “assume,” as well as variations of such words and similar expressions. 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, and the future growth in our business, the effects and potential of current and contemplated strategic initiatives and offerings including with respect to artificial intelligence, the effects of geopolitical events, foreign currency volatility, and inflationary pressure on our business and operations and our ability to respond to such effects, operating efficiency and margins, reinvestments, dividends and share repurchases. Actual results could differ materially from those expressed or implied and reported results should not be considered as an indication of future performance. Factors that could cause or contribute to such differences include, but are not limited to: fluctuations in, and our ability to predict, our results of operations and cash flows; our ability to convert visits into sales for our sellers, attract and retain sellers and buyers and execute on our business strategy; our ability to compete in the markets in which we participate; our ability to generate revenue from our foreign operations and expand in international markets; the impact of inflationary pressure, fluctuations in foreign currency exchange rates, increasing interest rates and geopolitical events such as the ongoing wars in Ukraine and in Israel and Gaza, including the related disruptions to international shipping in the Red Sea; our ability to keep pace with rapid technological developments or continue to innovate and create new initiatives to provide new programs, products and services; our ability to operate and continuously develop our payments system and financial services offerings; the impact of evolving domestic and foreign government laws, regulations, rules and standards that affect us, our business and/or our industry; our reliance on third-party providers; our ability to protect or enforce our intellectual property rights; our ability to deal effectively with fraudulent activities on our platforms; the impact of any security breaches, cyberattacks or system failures and resulting interruptions; our ability to attract, retain and develop highly skilled employees; our ability to accomplish or accurately track and report results related to our environmental, social and governance goals; current and potential litigation and regulatory and government inquiries, investigations and disputes involving us or our industry; our ability to generate sufficient cash flow to service our indebtedness; the impact of evolving sales and other tax regimes in various jurisdictions and anticipated tax liabilities; and the success of our pending or potential acquisitions, dispositions, joint ventures, strategic partnerships and strategic investments, including the proposed transactions involving Adevinta, Goldin, Collectors and PSA.

The forward-looking statements in this letter 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 the company’s operating results is included under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the company’s most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q, copies of which may be obtained by visiting the company’s Investor Relations website at https://investors.ebayinc.com or the SEC’s website at www.sec.gov. Undue reliance should not be placed on the forward-looking statements in this press release, which are based on information available to the company on the date hereof. The company assumes no obligation to update such statements.