



BUSINESS & FINANCIAL HIGHLIGHTS

Q2'23

July 26, 2023



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 2023 and the future growth in our business, the effects of geopolitical events 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.

Our actual results could differ materially from those predicted 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: changes in political, business and economic conditions, including impacts from the ongoing war in Ukraine, rising inflation and interest rates, decreases in consumer confidence, 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; the ultimate resolution of ongoing investigations and other legal matters involving the company; 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 26, 2023. 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**
Q2'23

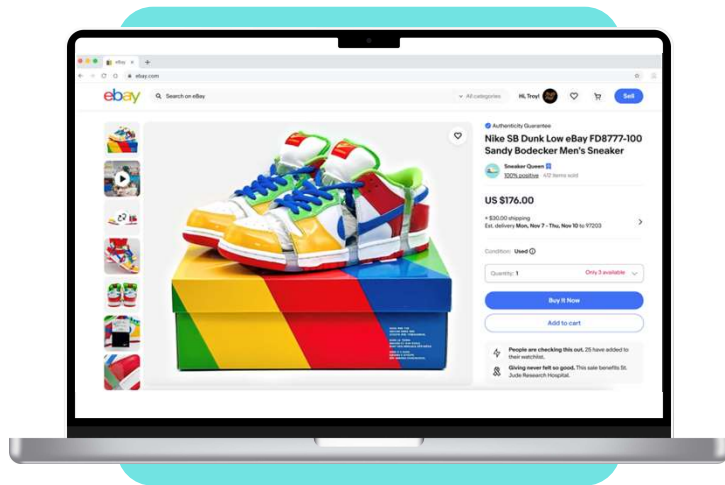
WHERE WE ARE GOING

**Reinvent the future of ecommerce
for enthusiasts – only at eBay**

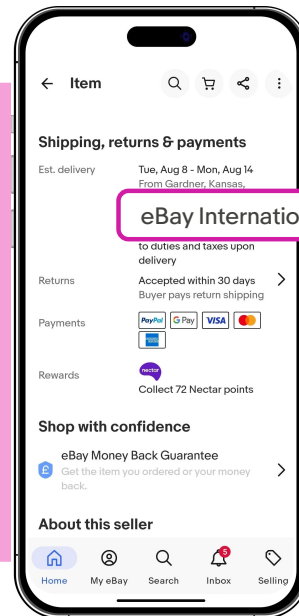
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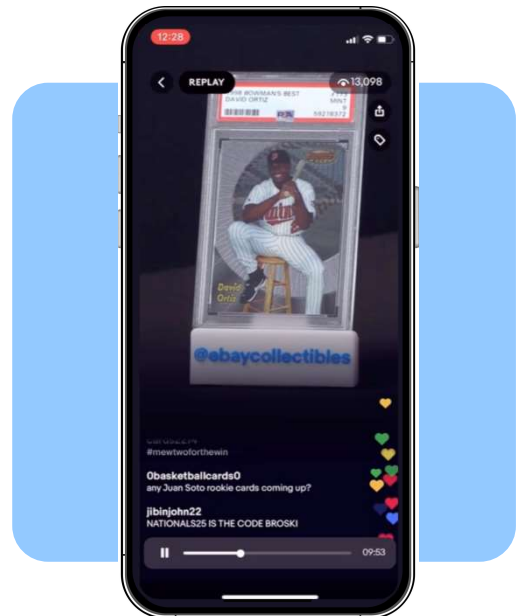
Our Strategy Will Focus on Three Key Pillars



Relevant Experiences



Scalable Solutions



Magical Innovations

**BUSINESS
HIGHLIGHTS**
Q2'23

Q2 Highlights



\$18.2 Billion
Gross Merchandise Volume

\$2.5 Billion
Revenue

26.9%
Non-GAAP Operating Margin

\$1.03
Non-GAAP EPS

16 Million
Enthusiast Buyers*

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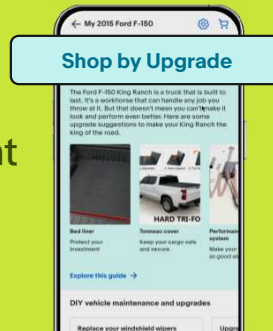
* Enthusiast Buyers are defined as buyers with at least 6 purchase days and \$800+ (or local currency equivalent) annual spend; this is a T12M metric



Focus Categories Continue to Drive Growth

Parts & Accessories

Grew mid-single digits
YoY for the second straight
quarter



Authenticity Guarantee

Expanded to Streetwear in
the US for 20 trusted mass
appeal brands



Certified by Brand

Launched to facilitate
more recommerce in
the luxury space

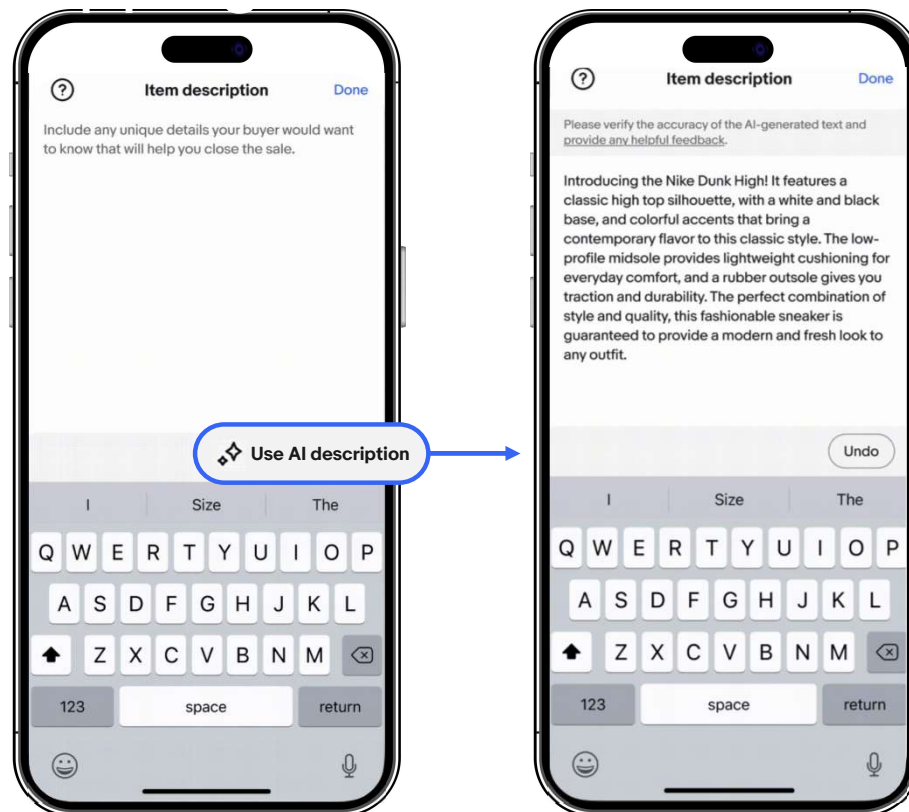


Acquisition of Certilogo

Encourages recommerce
via QR codes that serve as
digital product passports



Magical Listing Experience Powered by AI



~30% of users tried the feature

90%+ acceptance rate of AI-generated descriptions

80%+ customer satisfaction

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 Q2'23

Q2'23 Results

	Guidance	Actuals
GMV (in billions)	\$17.8 - \$18.2 (4)% - (2)% spot (4)% - (1)% FXN (5)% - (2)% organic FXN	\$18.2 (2)% spot (1)% FXN (1)% organic FXN
Revenue (in billions)	\$2.47 - \$2.54 2% - 5% spot 2% - 5% FXN 1% - 4% organic FXN	\$2.54 5% spot 6% FXN 5% organic FXN
Non-GAAP Op Margin	26.1% - 26.8%	26.9%
Non-GAAP EPS	\$0.96 - \$1.01 (3)% - 2%	\$1.03 5%

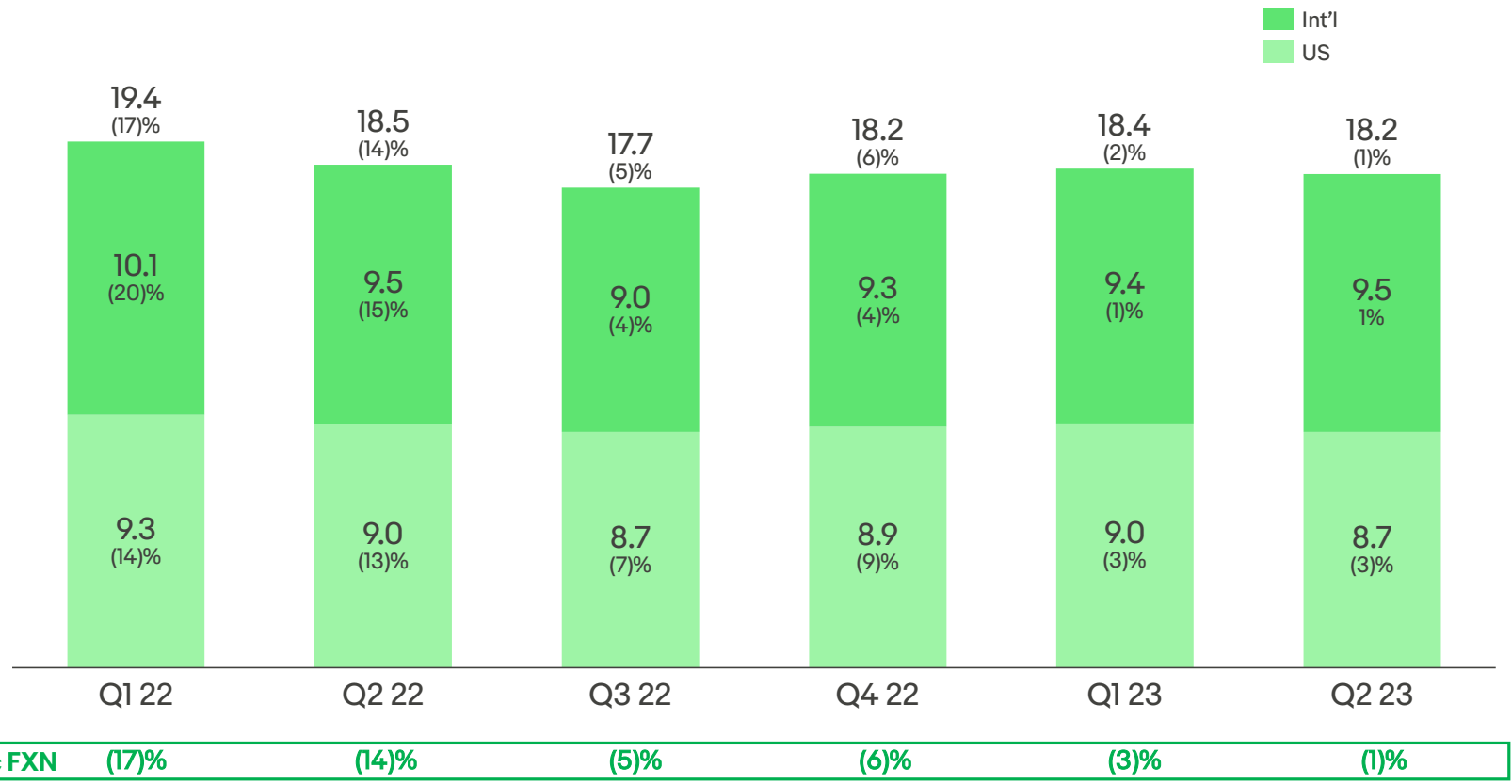
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Reconciliation of Non-GAAP measures are included in the Appendix of this presentation



FINANCIAL
HIGHLIGHTS
Q2'23

GMV
(\$ billions, Y/Y FXN growth)



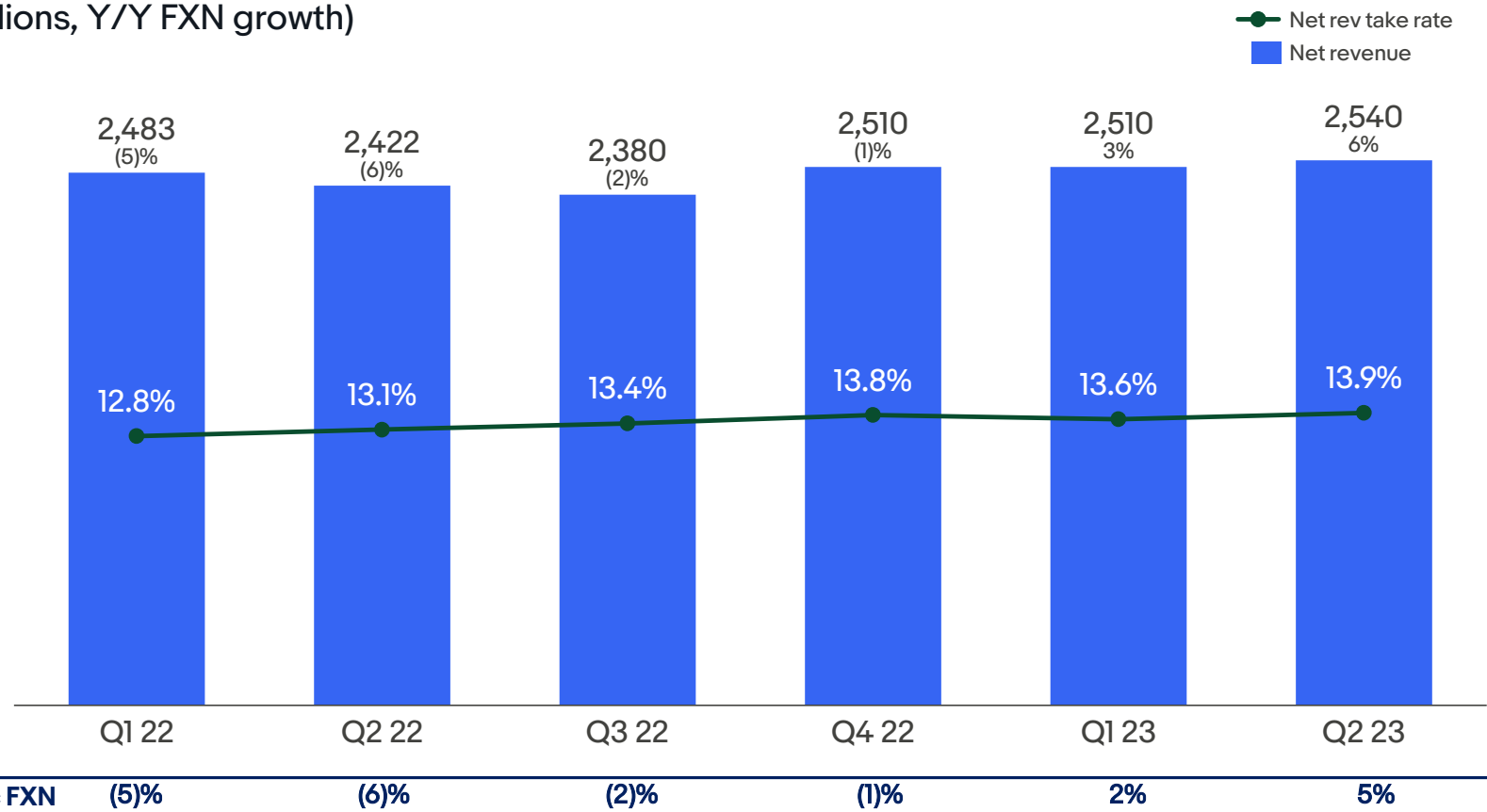
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All growth rates are FX-neutral growth rates, unless noted otherwise
All reported results are from continuing operations



FINANCIAL HIGHLIGHTS Q2'23

Revenue

(\$ millions, Y/Y FXN growth)



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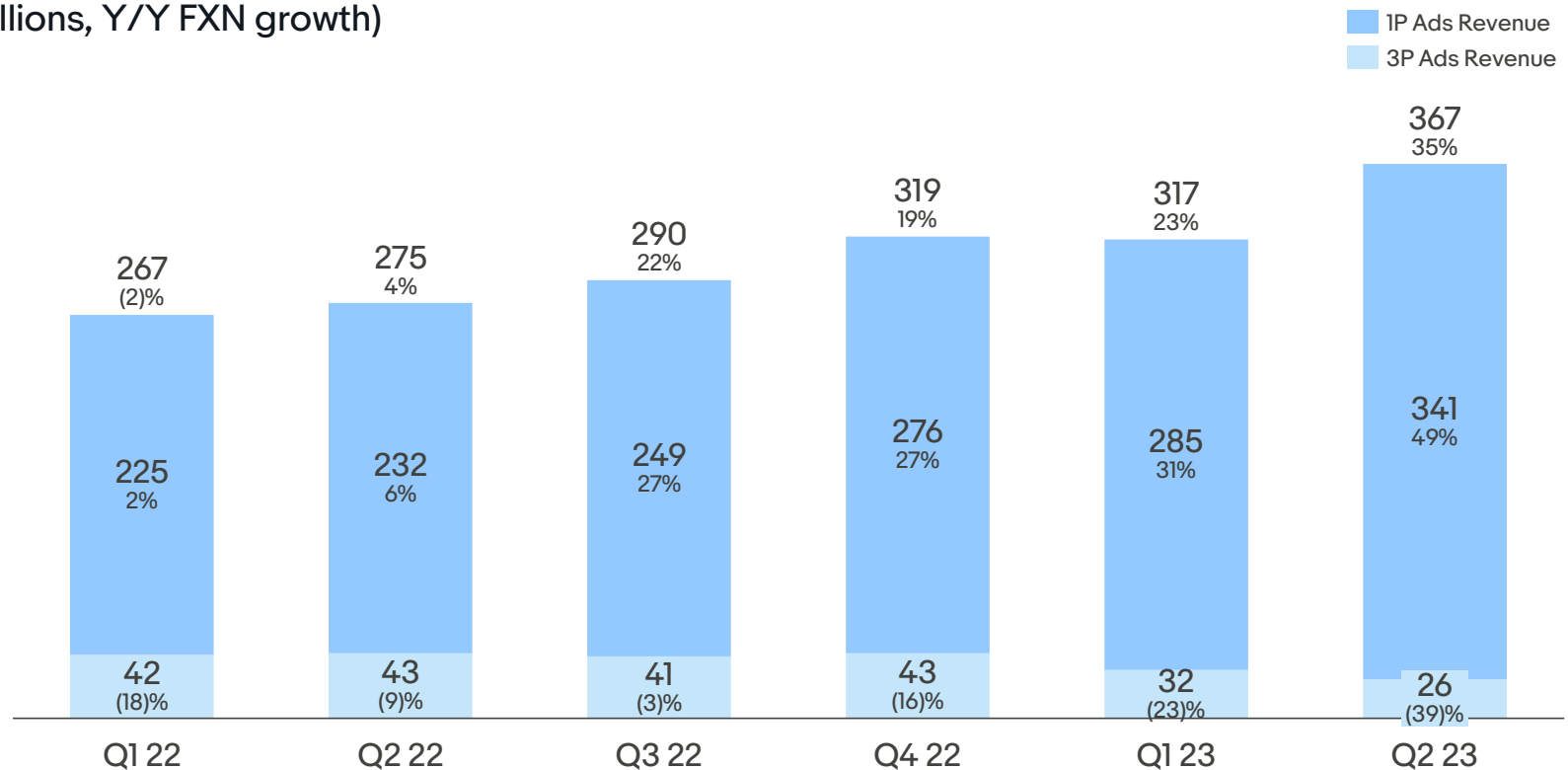
Calculation of total net revenue organic FX-neutral growth is included in the Appendix of this presentation
All growth rates are FX-neutral growth rates, unless noted otherwise
All reported results are from continuing operations



FINANCIAL HIGHLIGHTS Q2'23

Advertising Revenue

(\$ millions, Y/Y FXN growth)



1P vs. GMV	+19pts	+20pts	+32pts	+33pts	+33pts	+50pts
GMV Penetration	1.4%	1.5%	1.6%	1.8%	1.7%	2.0%

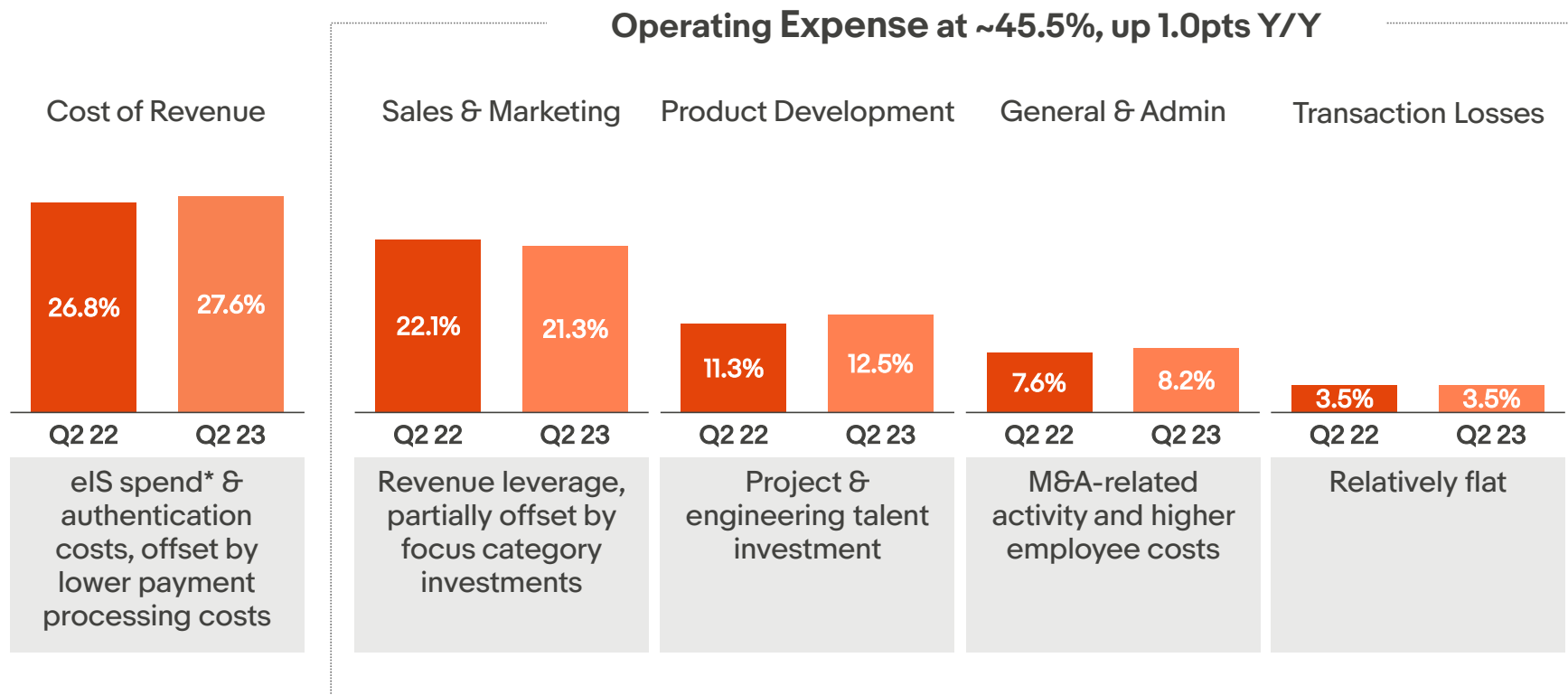
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GMV penetration calculated under current GMV definition and based on total ads revenue
 1P = First-party advertising revenue, including Promoted Listings products and first-party display advertisements; 3P = Third-party advertising revenue
 All reported results are from continuing operations



Non-GAAP Expenses

(% of revenue)

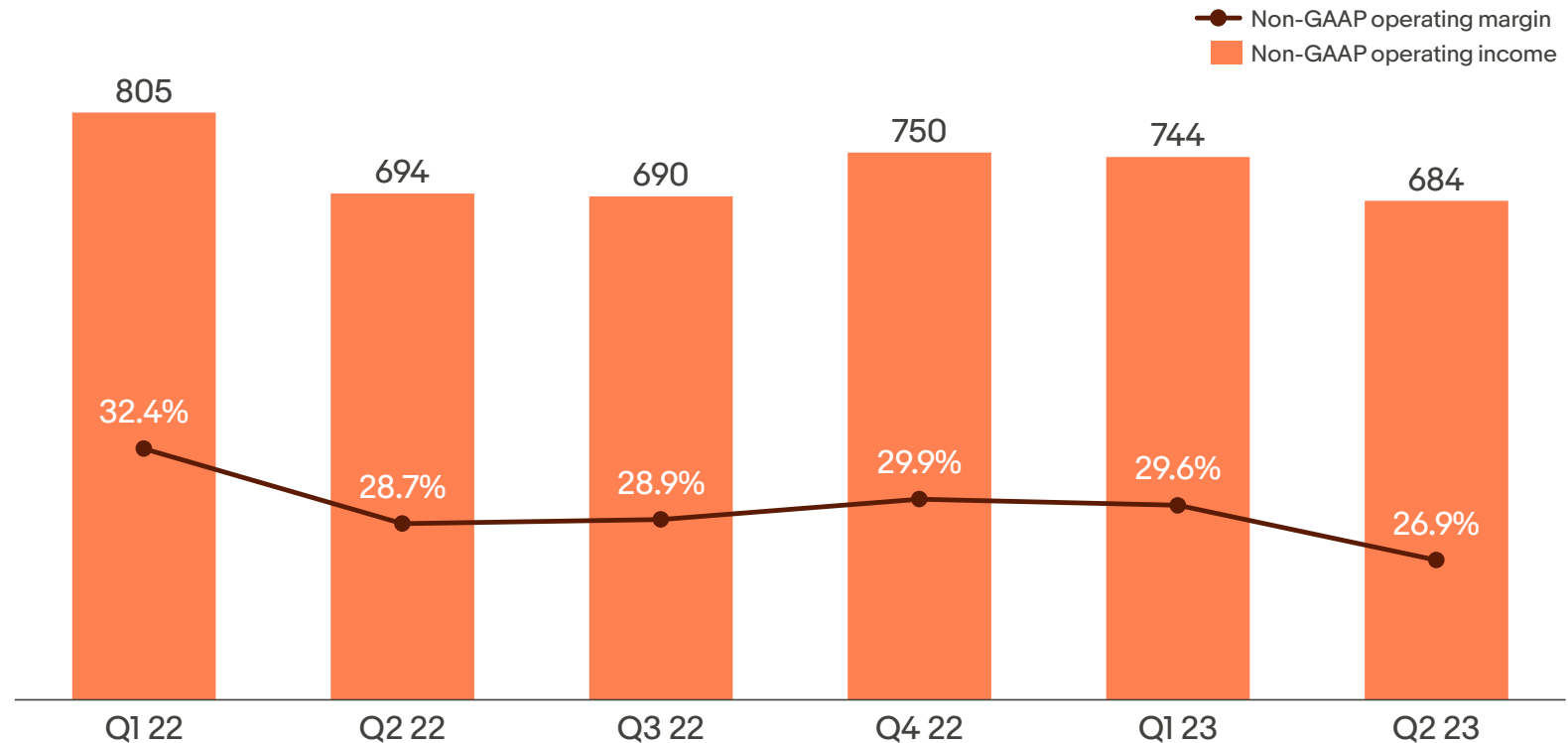


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* eIS = eBay International Shipping
Reconciliation of Non-GAAP operating expenses is included in the Appendix of this presentation
All reported results are from continuing operations



Non-GAAP Operating Income & Margin (\$ millions)

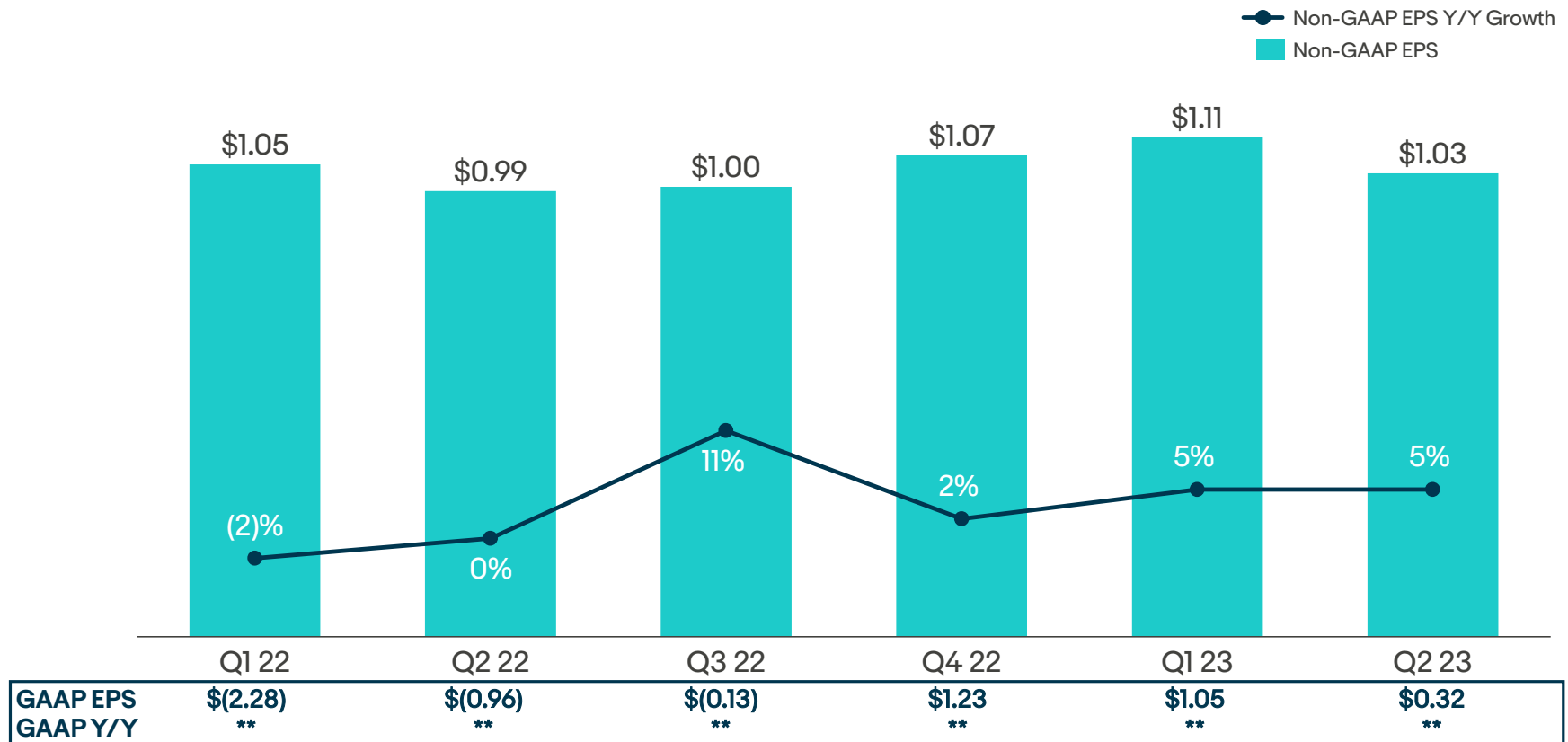


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Reconciliation of Non-GAAP operating income and margin are included in the Appendix of this presentation
All reported results are from continuing operations



Earnings Per Share



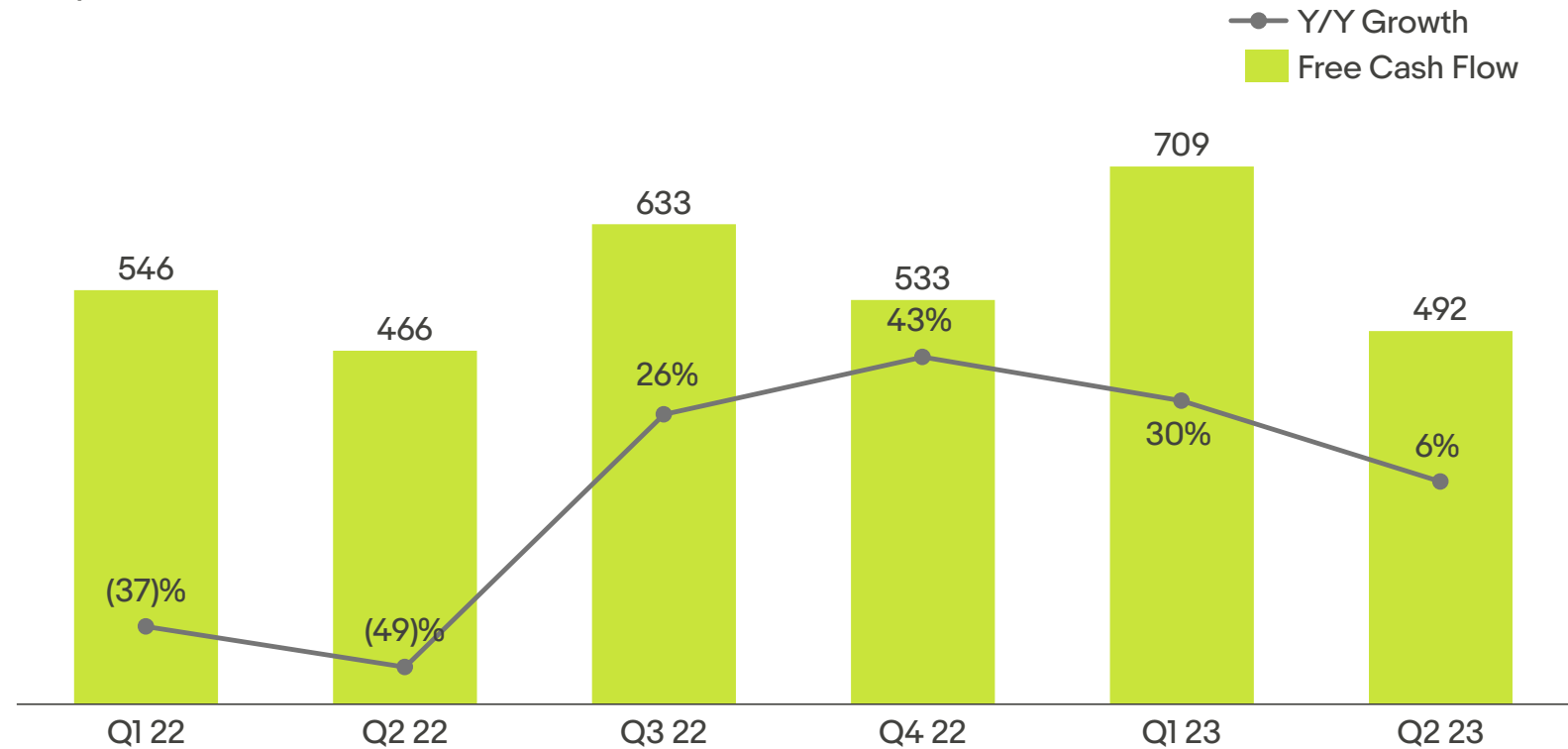
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** Not meaningful
Reconciliation of Non-GAAP earnings per share is included in the Appendix of this presentation
All reported results are from continuing operations

FINANCIAL HIGHLIGHTS Q2'23

Free Cash Flow

(\$ millions)



CapEx % of Rev	3%	5%	4%	6%	5%	4%
FCF % of Rev	22%	19%	27%	21%	28%	19%

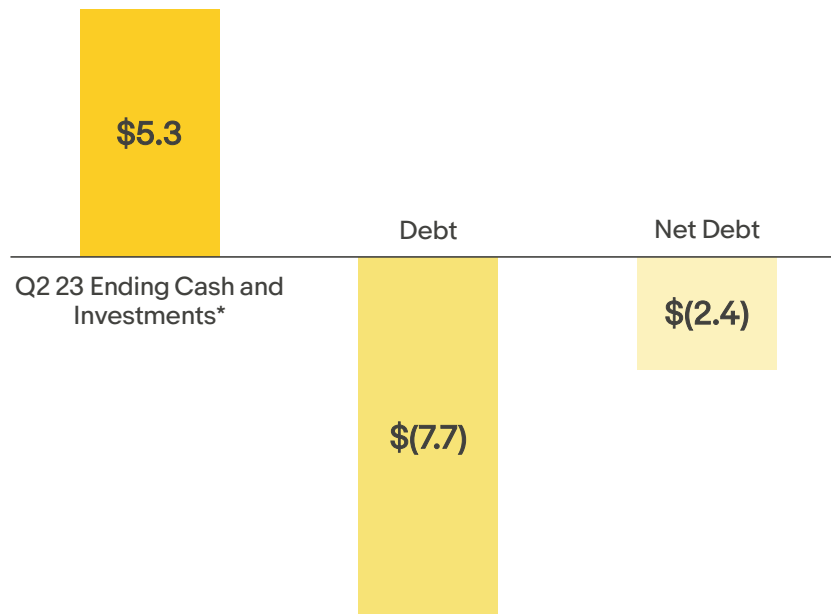
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Calculation of Free Cash Flow (FCF) is included in the Appendix of this presentation
All reported results are from continuing operations



Cash & Debt

(\$ billions)



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

- 1.2x net debt
- 3.0x gross debt

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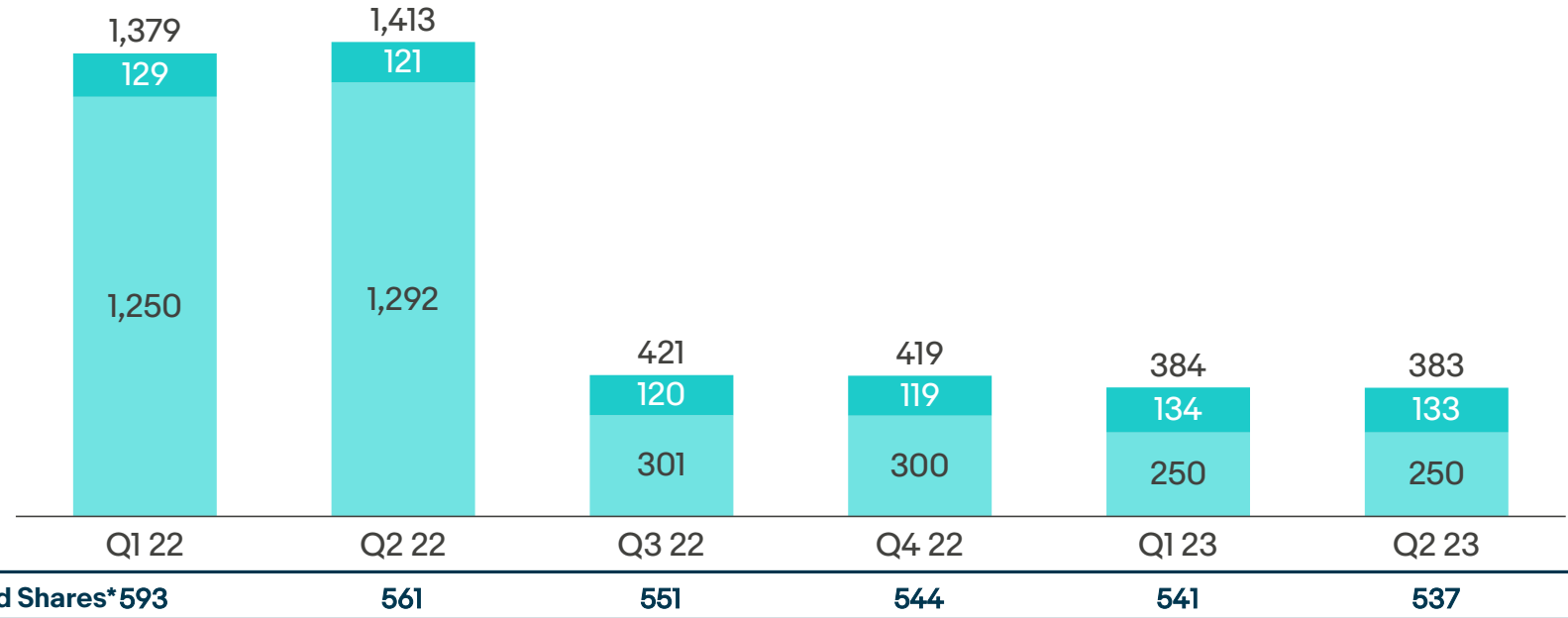
* Cash balance includes cash, cash equivalents, and non-equity investments; excludes Customer Account balance of \$380M as of June 30, 2023
All reported results are from continuing operations

Capital Returns

(\$ millions)

Approximately \$2.3B repurchase authorization remaining as of June 30, 2023

■ 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**
Q2'23

Investments

\$2.7B
Adevinta

404M shares
33% current ownership
Must maintain 25%
ownership through
Q3'23

\$0.3B
Adyen warrant

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

\$0.4B
Gmarket

19.99% private stake
Value assessed based
on the fair value option

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All investment positions as of June 30, 2023

Q3'23 Guidance

	Guidance	Context
GMV (in billions)	\$17.6 - \$18.0 (1)% - 2% spot (3)% - (1)% FXN (4)% - (1)% organic FXN	<ul style="list-style-type: none"> Volume driven by: <ul style="list-style-type: none"> Macro headwinds, including inflationary pressures and rising interest rates Offset by focus category execution & horizontal innovation FX tailwind of more than 2 pts on GMV Revenue driven by volume dynamics offset by: <ul style="list-style-type: none"> Promoted Listing adoption and optimization eBay International Shipping (eIS) Q3 operating margin (2) - (3) pts Y/Y driven by strategic investments, M&A / eIS costs, and FX, partially offset by ads momentum and expense discipline Non-GAAP EPS driven by lower share count and operating income dynamics
Revenue (in billions)	\$2.46 - \$2.52 3% - 6% spot 3% - 5% FXN 2% - 4% organic FXN	
Non-GAAP Op Margin	25.8% - 26.5%	
Non-GAAP EPS	\$0.96 - \$1.01 (4)% - 1%	

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



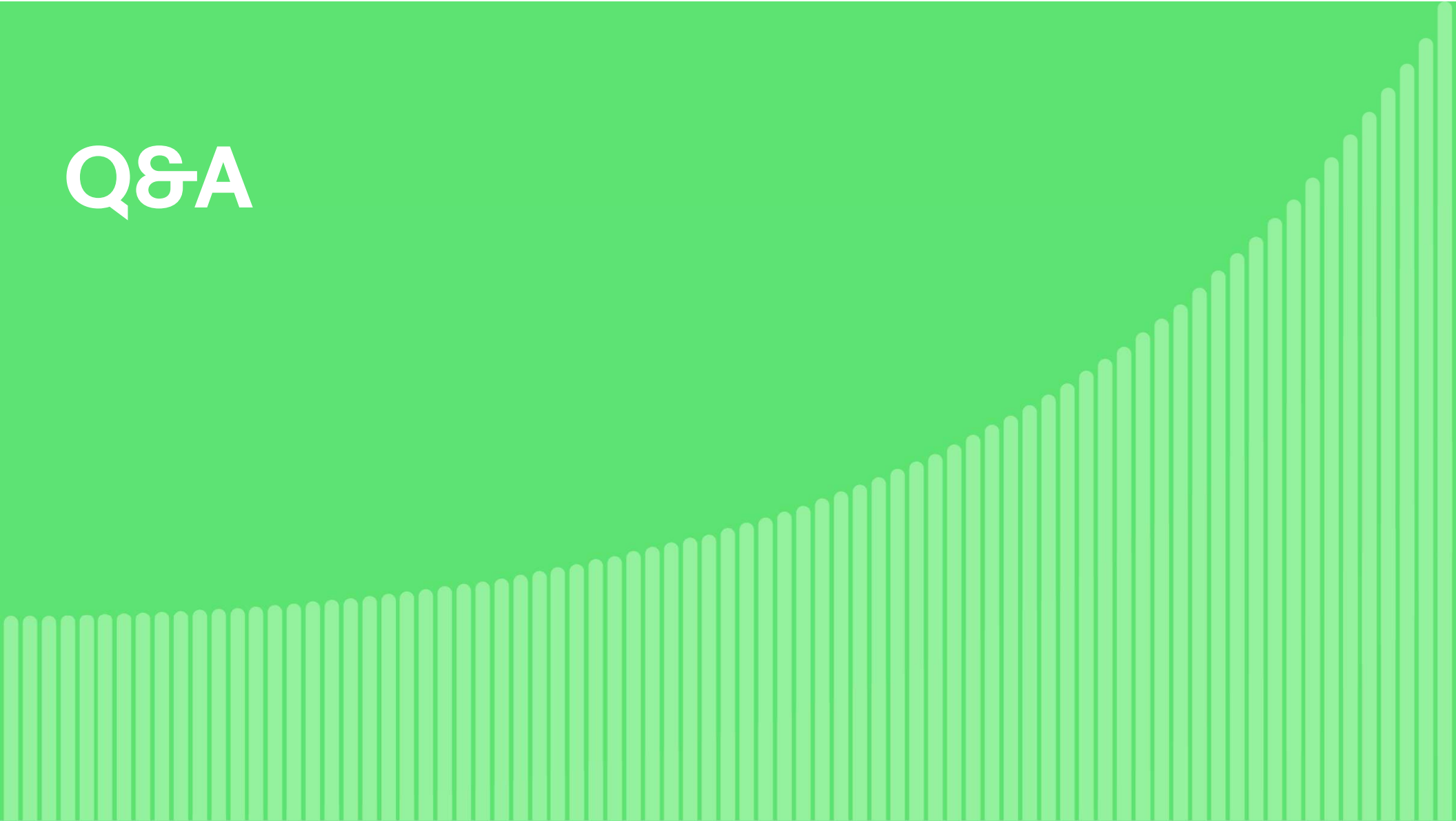
FY'23 Context

	Planning Assumptions
GMV / Revenue	<ul style="list-style-type: none"> • Total FX-Neutral Y/Y GMV growth of (2)% - (1)% for the full year • ~0.5 pt FX tailwind on Y/Y GMV growth in 2023 (at current rates) • Revenue growth expected to outpace GMV growth by ~4.5 pts on a spot basis
Expenses	<ul style="list-style-type: none"> • Full year non-GAAP operating margin of 27.0% - 27.4% <ul style="list-style-type: none"> • Inclusive of ~100 bps Y/Y margin headwind from M&A & eIS costs • Net of more than \$100M opex savings from structural cost program • ~0.5 pt headwind to FY operating margin from FX (at current rates), ~2 pt headwind in Q4 alone
Non-GAAP EPS	<ul style="list-style-type: none"> • Non-GAAP effective tax rate of 16.5% • 2+ pt FX headwind on Y/Y non-GAAP EPS growth in 2023 (at current rates)
Capital Allocation	<ul style="list-style-type: none"> • Just under \$2B FCF; majority of cash tax payments in Q4, so bulk of remaining FCF in Q3 • Target returning ~125% of FCF to shareholders through buybacks & dividends from 2022 - 2024 • Capex 4-6% of Revenue

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Q&A



Appendix



GAAP to Non-GAAP Quarterly Reconciliations

Operating Margin

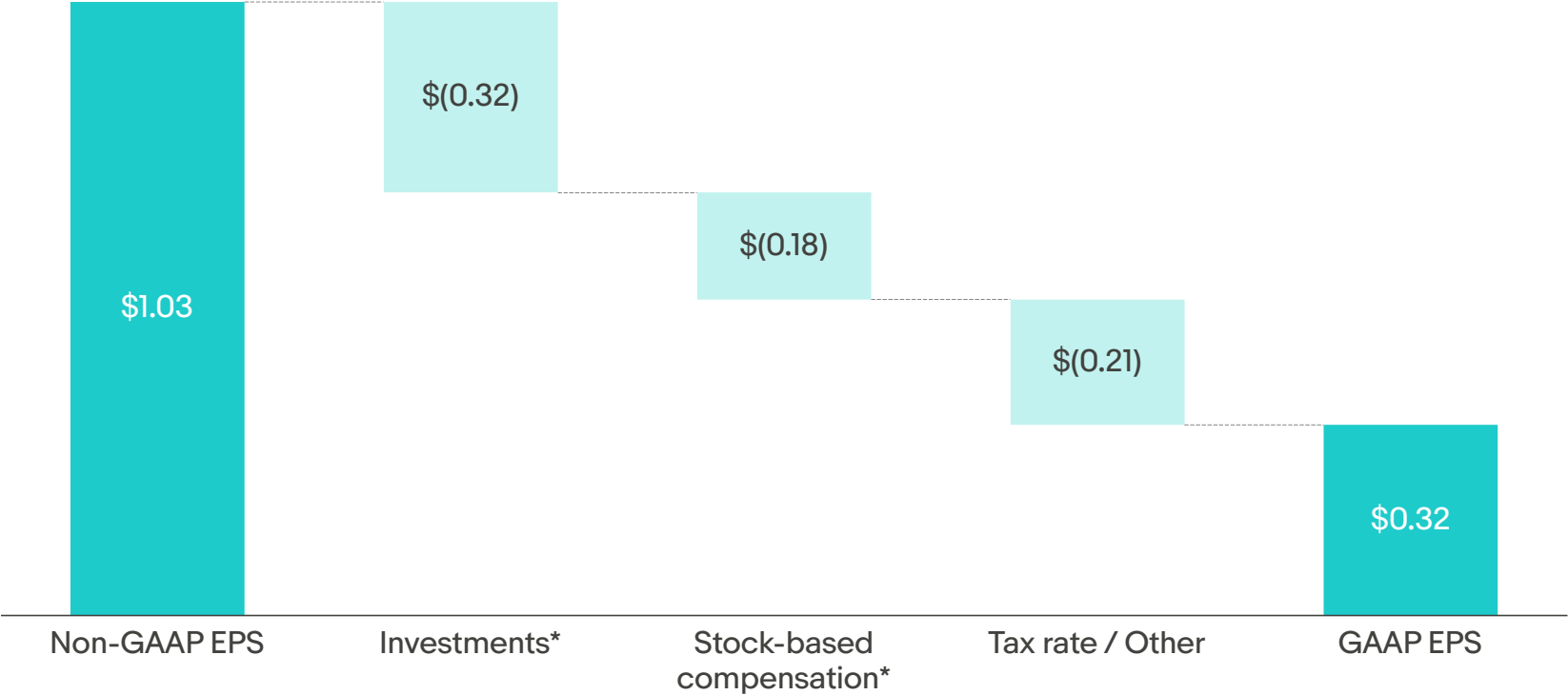
	Three months ended					
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
GAAP operating income	\$ 692	\$ 525	\$ 568	\$ 565	\$ 558	\$ 518
Stock-based compensation expense and related employer payroll taxes	117	140	120	130	132	158
Amortization of acquired intangible assets within cost of net revenues	-	-	1	4	2	3
Amortization of acquired intangible assets within operating expenses	1	1	1	1	8	5
Other significant (gains), losses or charges	(5)	28	-	50	44	-
Non-GAAP operating income	\$ 805	\$ 694	\$ 690	\$ 750	\$ 744	\$ 684
Revenues	\$ 2,483	\$ 2,422	\$ 2,380	\$ 2,510	\$ 2,510	\$ 2,540
GAAP operating margin	27.9 %	21.7 %	23.9 %	22.5 %	22.2 %	20.4 %
Non-GAAP operating margin	32.4 %	28.7 %	28.9 %	29.9 %	29.6 %	26.9 %

GAAP to Non-GAAP Quarterly Reconciliations

Net Income / EPS

	Three months ended					
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
	(In millions, except per share data)					
GAAP Income (Loss) from continuing operations	\$ (1,339)	\$ (536)	\$ (70)	\$ 671	\$ 569	\$ 172
Stock-based compensation expense and related employer payroll taxes	117	140	120	130	132	158
Amortization of acquired intangible assets within cost of net revenues	-	-	1	4	2	3
Amortization of acquired intangible assets within operating expenses	1	1	1	1	8	5
Other significant (gains), losses or charges within operating expenses	(5)	28	-	50	44	-
Other significant (gains), losses or charges within OI&E	-	-	(1)	-	-	-
Realized change in fair market value of other equity investments	174	68	(24)	(2)	-	-
Unrealized change in fair market value of other equity investments	353	220	90	(18)	14	35
Change in fair market value of warrant	115	104	27	(16)	(38)	(31)
Change in fair market value of equity investment in Adevinta	1,643	829	501	(282)	(174)	210
Income tax effects and adjustments	(434)	(300)	(93)	43	43	3
Non-GAAP net income from continuing operations	\$ 625	\$ 554	\$ 552	\$ 581	\$ 600	\$ 555
Non-GAAP net income from continuing operations per diluted share	\$ 1.05	\$ 0.99	\$ 1.00	\$ 1.07	\$ 1.11	\$ 1.03
Shares used in non-GAAP diluted share calculation	593	561	551	544	541	537

Earnings Per Share, Non-GAAP to GAAP Recon



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All reported results are from continuing operations.
* "Investments" includes gains or losses on investments, change in fair market value of warrant, and change in fair market value of equity investment in Adevinata. "Stock-based compensation" includes stock-based compensation expense and related employer payroll taxes. All items above have been tax-effected for the purpose of calculating the impact on GAAP EPS.

GAAP to Non-GAAP Quarterly Reconciliations

Statement of Income

	Three Months Ended June 30, 2023			Three Months Ended June 30, 2022		
	Reported	Non-GAAP Entries	Non-GAAP	Reported	Non-GAAP Entries	Non-GAAP
	(in millions, except per share data and percentages)					
Net revenues	\$ 2,540	\$ -	\$ 2,540	\$ 2,422	\$ -	\$ 2,422
Cost of net revenues	718	(17) (a)(b)	701	663	(13) (a)	650
Gross profit	1,822	17	1,839	1,759	13	1,772
Operating expenses:						
Sales and marketing	566	(25) (a)	541	566	(32) (a)(d)	534
Product development	392	(76) (a)(d)	316	344	(69) (a)(d)	275
General and administrative	251	(43) (a)(d)	208	237	(54) (a)(d)	183
Provision for transaction losses	90	-	90	86	-	86
Amortization of acquired intangible assets	5	(5) (b)	-	1	(1) (b)	-
Total operating expenses	1,304	(149)	1,155	1,234	(156)	1,078
Income from operations	518	166	684	525	169	694
Gain (loss) on equity investments and warrant, net	(214)	214 (e)(f)(g)	-	(1,221)	1,221 (e)(f)(g)	-
Interest and other income (expense), net	(19)	-	(19)	(31)	-	(31)
Income (loss) from continuing operations before income taxes	285	380	665	(727)	1,390	663
Income tax benefit (provision)	(113)	3 (c)	(110)	191	(300) (c)	(109)
Income (loss) from continuing operations	\$ 172	\$ 383	\$ 555	\$ (536)	\$ 1,090	\$ 554
Net income (loss) from continuing operations per share:						
Basic	\$ 0.32		\$ 1.04	\$ (0.96)		\$ 0.99
Diluted	\$ 0.32		\$ 1.03	\$ (0.96)		\$ 0.99
Weighted average shares:						
Basic	534		534	556		556
Diluted	537		537	556		561
Operating margin	20.4 %	6.5 %	26.9 %	21.7 %	7.0 %	28.7 %
Effective tax rate	39.7 %	(23.2)%	16.5 %	26.3 %	(9.8)%	16.5 %

Notes:

- | | |
|---|--|
| (a) Stock-based compensation expense and related employer payroll taxes | (e) Gains or losses on investments |
| (b) Amortization of acquired intangible assets | (f) Change in fair market value of warrant |
| (c) Income tax effects and adjustments | (g) Change in fair market value of equity investment in Adevinia |
| (d) Other significant gains, losses or charges | |

Calculation of Free Cash Flow

	Three months ended					
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
	(in millions)					
Net cash provided by continuing operating activities	\$ 629	\$ 577	\$ 735	\$ 686	\$ 841	\$ 605
Less: Purchases of property and equipment, net	(83)	(111)	(102)	(153)	(132)	(113)
Free cash flow from continuing operations	\$ 546	\$ 466	\$ 633	\$ 533	\$ 709	\$ 492

Reconciliation of Total Revenue

	Three months ended					
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
	(in millions)					
Net revenues ⁽¹⁾⁽²⁾	\$ 2,483	\$ 2,422	\$ 2,380	\$ 2,510	\$ 2,510	\$ 2,540
(1) Hedge gain/(loss)	\$ 6	\$ 9	\$ 36	\$ 89	\$ 29	\$ 14
(2) Foreign currency impact	\$ (58)	\$ (95)	\$ (100)	\$ (67)	\$ (45)	\$ (9)

Reconciliation of Organic FX-Neutral Revenue

	Three months ended					
	March 31, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
As Reported Revenue Growth	(6)%	(9)%	(5)%	(4)%	1 %	5 %
Acquisition/Disposition Impact	—%	—%	—%	—%	(1)%	(1)%
Foreign Currency Impact	1 %	3 %	3 %	3 %	2 %	1 %
Organic FX-Neutral Revenue Y/Y Growth	-5%	(6)%	(2)%	(1)%	2 %	5 %

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, 2022	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023
	(in millions)					
Quarter-end common shares outstanding	571	549	544	539	536	533
Quarter-end shares underlying outstanding RSUs	17	24	22	21	18	27
Quarter-end fully diluted shares	588	573	566	560	554	560

GAAP to Non-GAAP Reconciliations

Guidance

(in billions, except per share amounts)	Three Months Ending September 30, 2023	
	GAAP	Non-GAAP (a)
Net Revenue	\$2.46 - \$2.52	\$2.46 - \$2.52
Diluted EPS	\$0.67 - \$0.72	\$0.96 - \$1.01

(a) Estimated non-GAAP amounts above for the three months ending September 30, 2023 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 \$145-\$155 million and estimated adjustment between our GAAP and non-GAAP tax rate of approximately \$20-\$30 million. The estimated GAAP diluted EPS above does not assume any gains or losses on our equity investments.

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