

Q4 2018 FINANCIAL HIGHLIGHTS

January 29, 2019



DISCLOSURES

This presentation contains non-GAAP measures relating to our performance. You can find the reconciliation of these measures 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.

Prior period information in this presentation has been recast to reflect Accounting Standards Codification Topic 606, Revenue from Contracts with Customers, which we adopted on January 1, 2018.

This presentation contains forward-looking statements 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 first quarter and full year 2019 and the future growth in our business.

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, 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 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 implement our initiative to 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 January 29, 2019. 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.

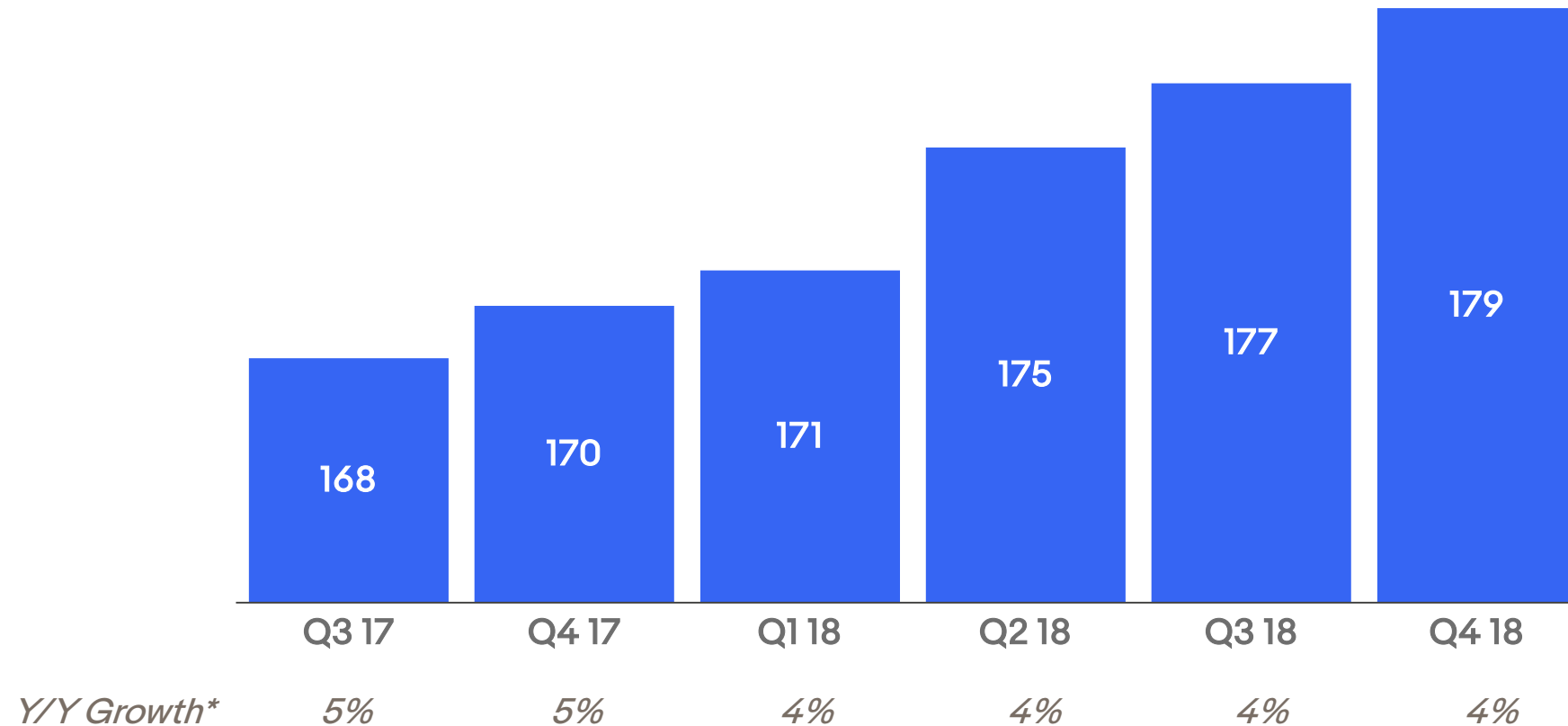
CFO COMMENTS

Q4 HIGHLIGHTS

- Revenue of \$2.9B, up 6% Y/Y (up 6% FX-Neutral)
- GAAP EPS of \$0.80 and Non-GAAP EPS of \$0.71
- Generated \$1.2B of Operating Cash Flow and \$1.1B of Free Cash Flow
- Repurchased \$1.5B of eBay shares

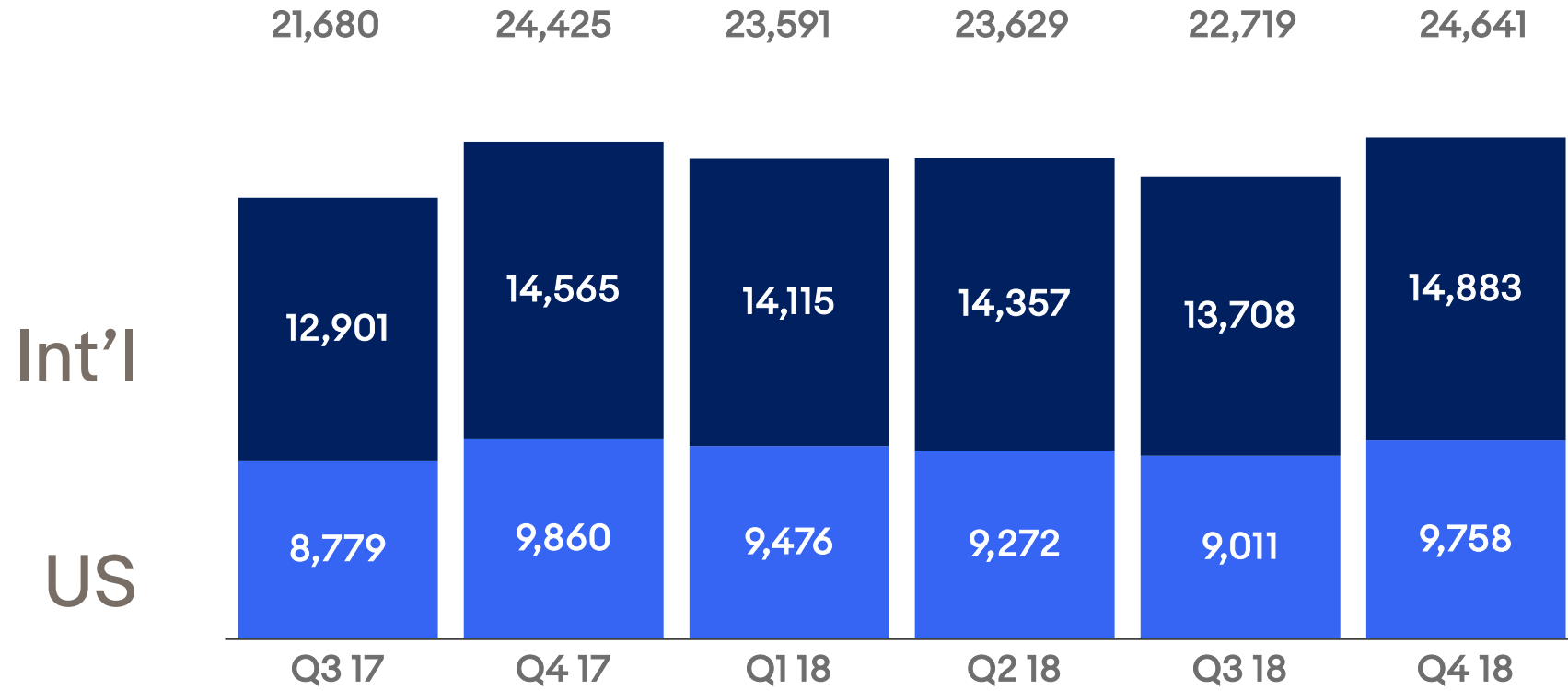
TRAILING 12-MONTH ACTIVE BUYERS

(millions)



GMV

(\$ millions)

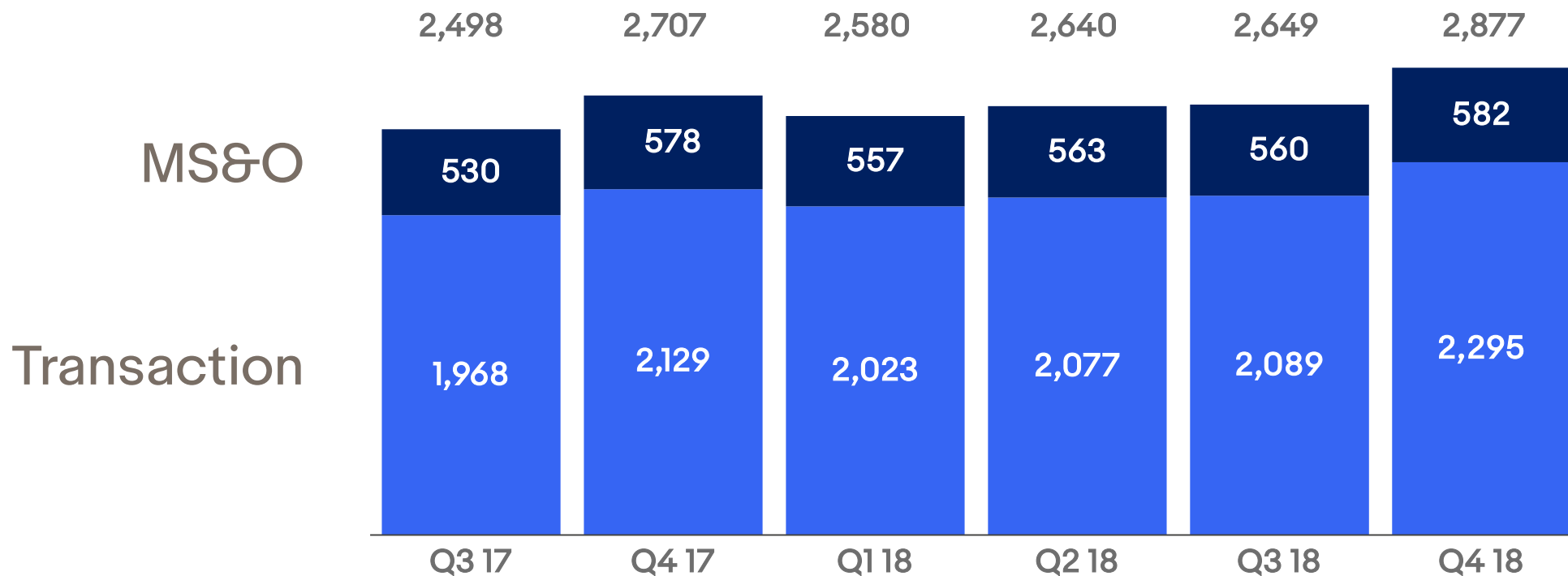


- FY 18 Total GMV \$95B ... FX-Neutral growth 5%
- Q4 Volume purchased by US buyers (US GMB) grew 1%

<i>US Y/Y Growth</i>	5%	8%	7%	5%	3%	(1)%
<i>Int'l FX-Neutral Y/Y Growth</i>	9%	6%	7%	7%	7%	5%
<i>Total FX-Neutral Y/Y Growth</i>	7%	7%	7%	7%	5%	2%
<i>Sold Items Y/Y Growth</i>	3%	2%	1%	0%	0%	0%

REVENUE

(\$ millions)



- Q4 FX-Neutral Transaction Revenue up 7% Y/Y ... up 2pts Q/Q
- Q4 FX-Neutral MS&O Revenue up 3% Y/Y ... down 4pts Q/Q
- FY 18 Total Revenue \$10.7B ... Organic FX-Neutral growth 6% Y/Y

Y/Y Growth 9% 9% 12% 9% 6% 6%

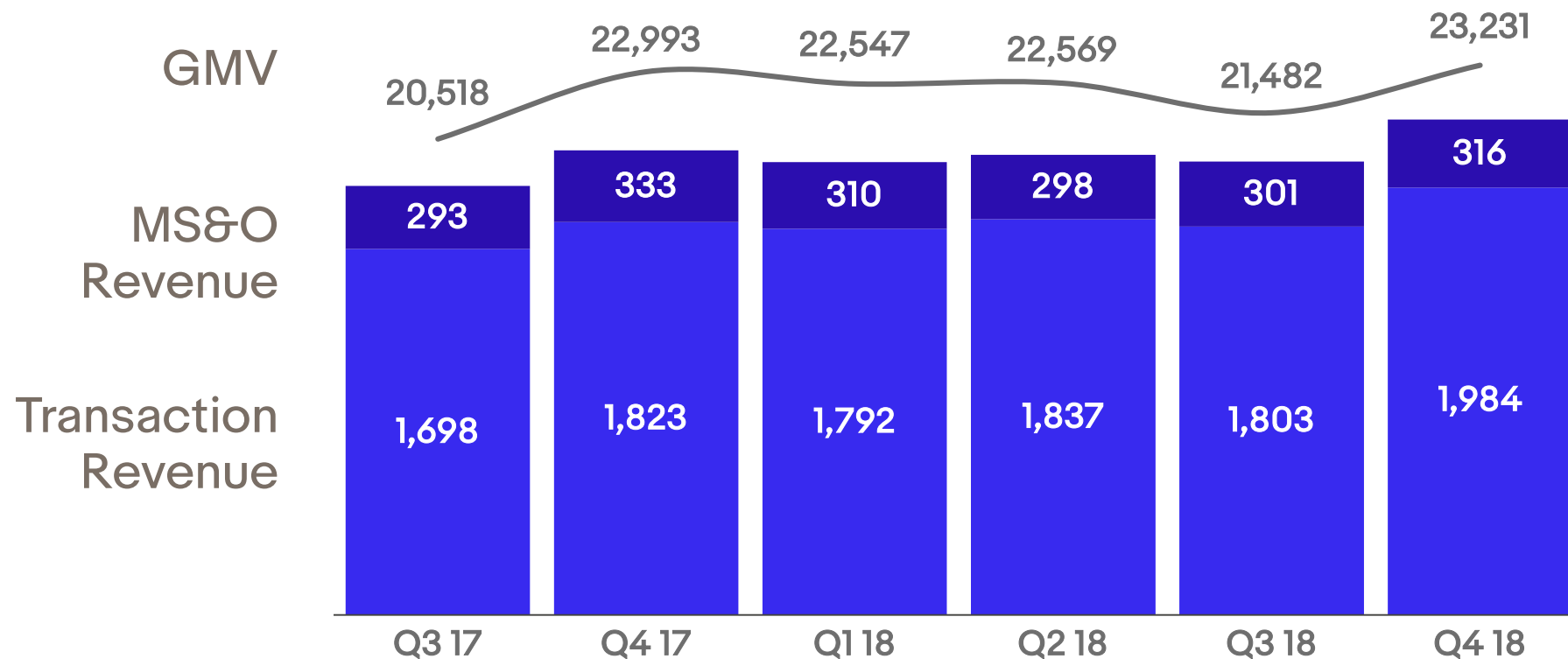
FX-Neutral Y/Y Growth 8% 7% 7% 6% 6% 6%

Organic FX-Neutral Y/Y Growth 7% 7% 7% 6% 5% 5%

Trxn Take Rate 9.1% 8.7% 8.6% 8.8% 9.2% 9.3%

MARKETPLACE GMV & REVENUE

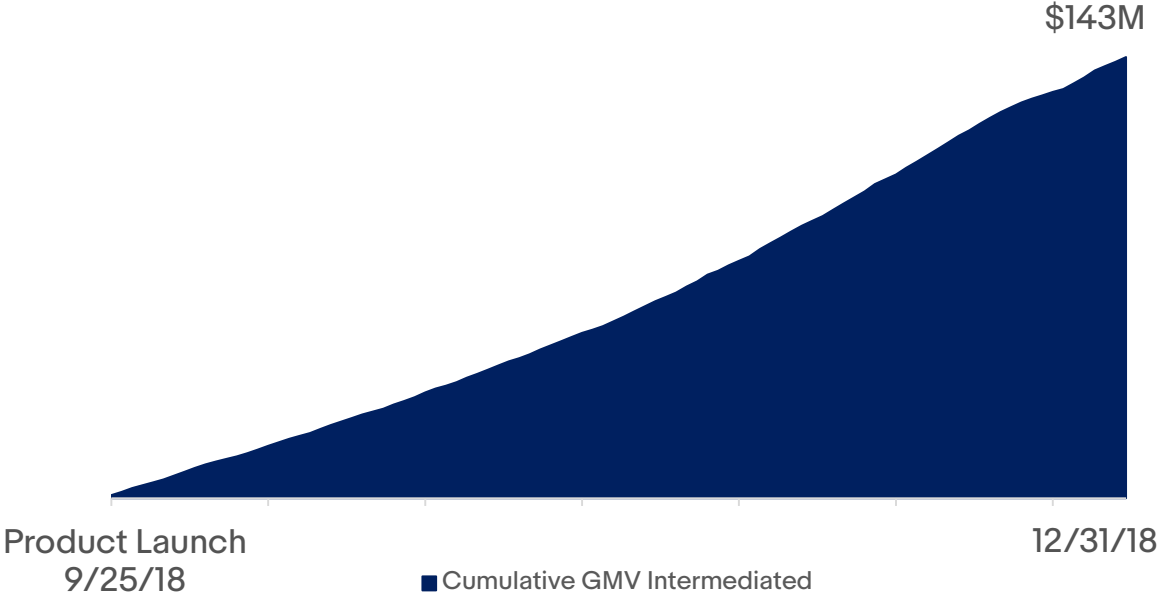
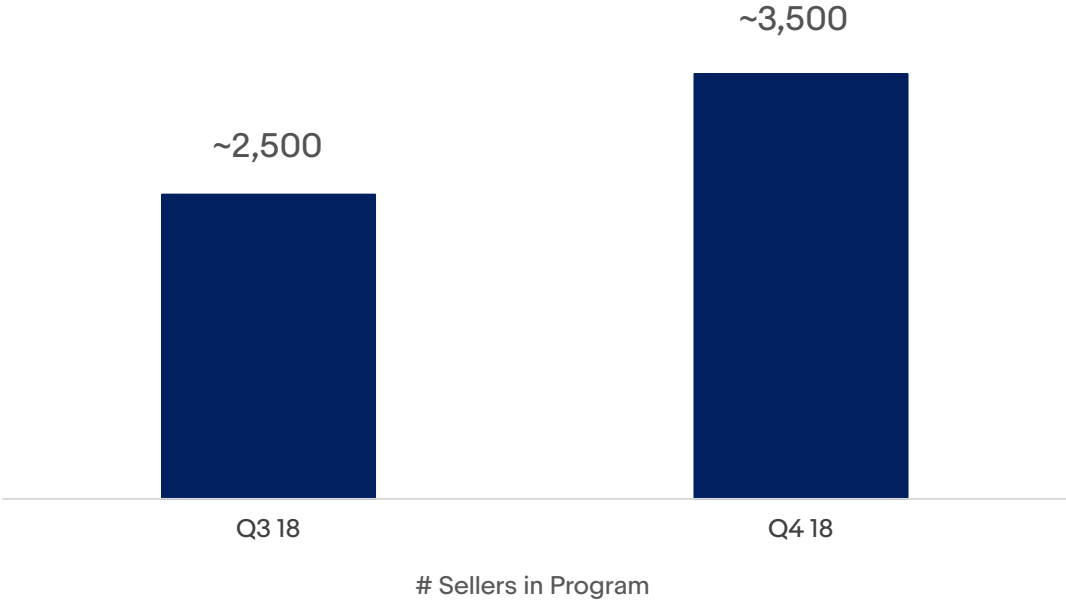
(\$ millions)



- Q4 FX-Neutral B2C GMV grew 4% Y/Y and FX-Neutral C2C GMV declined 1% Y/Y
- Q4 FX-Neutral Transaction Revenue up 7% Y/Y, up 2pts Q/Q
- Q4 FX-Neutral MS&O Revenue down 4% Y/Y, down 7pt Q/Q
- Japan acquisition impact of ~1pt on Q4 FX-Neutral GMV and Revenue
- FY 18 Total GMV \$90B ... FX-Neutral growth 5% Y/Y
- FY 18 Total Revenue \$8.6B ... FX-Neutral growth 6% Y/Y

<i>FX-Neutral GMV Y/Y Growth</i>	7%	6%	7%	7%	5%	3%
<i>FX-Neutral Rev Y/Y Growth</i>	8%	6%	7%	6%	5%	6%
<i>% International Rev</i>	60%	60%	59%	61%	61%	62%
<i>Trxn Take Rate</i>	8.3%	7.9%	7.9%	8.1%	8.4%	8.5%

PAYMENTS PROGRESS

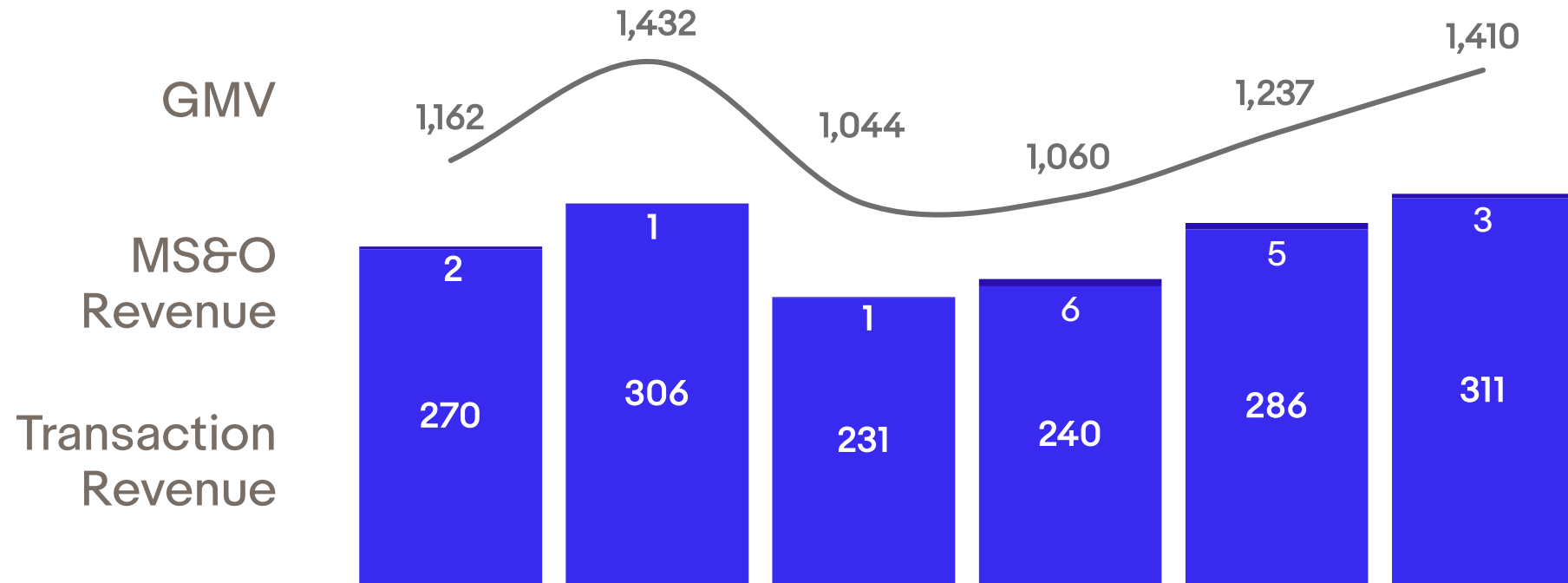


Grew total sellers in the program by ~40% in Q4
Limited new seller onboarding during Holiday period

GMV intermediated in 2018 = \$143M
Total of \$1.2M in seller savings to date
Sellers realized a 25% reduction in payment processing fees*

STUBHUB GMV & REVENUE

(\$ millions)

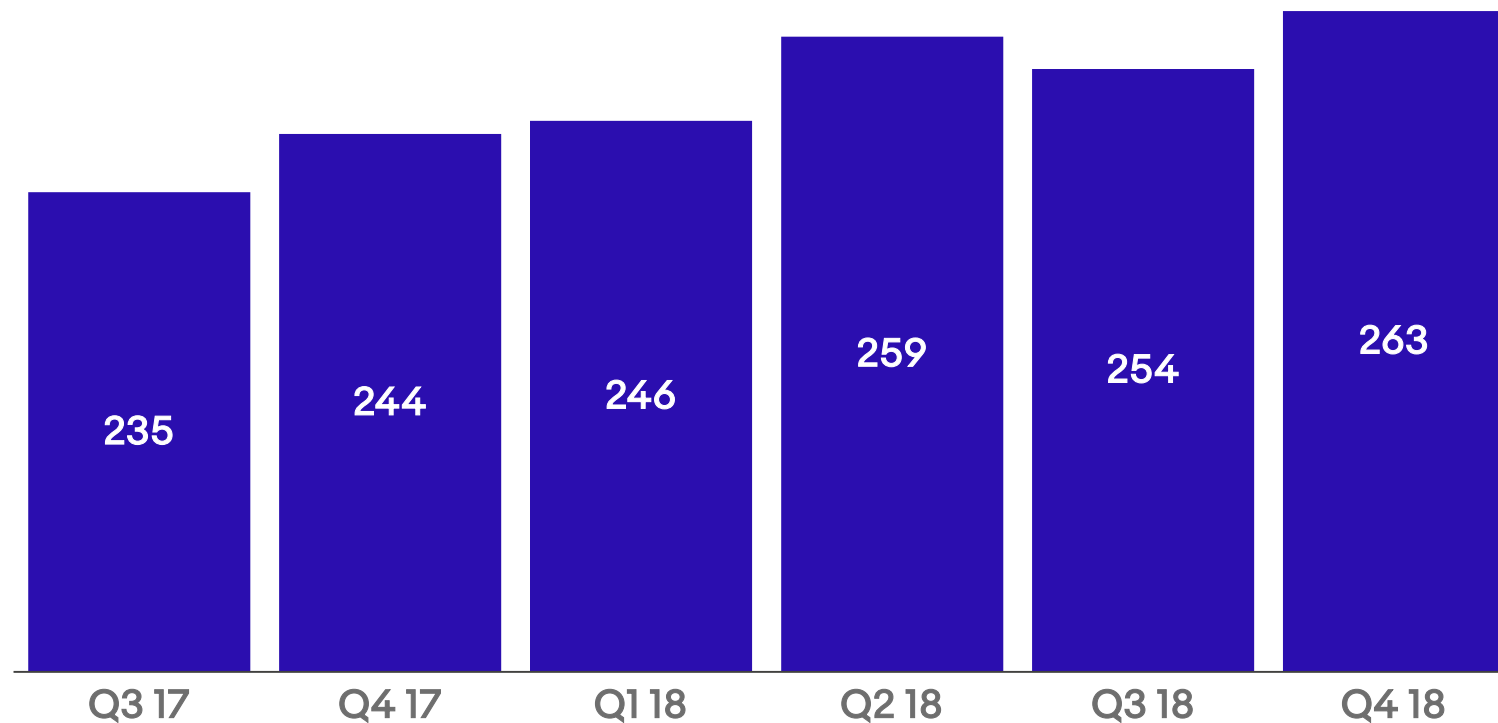


	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18
<i>GMV FX-Neutral Y/Y Growth</i>	2%	15%	13%	5%	7%	(1)%
<i>Rev FX-Neutral Y/Y Growth</i>	4%	11%	9%	3%	7%	2%
<i>Trxn Take Rate</i>	23.2%	21.4%	22.1%	22.7%	23.1%	22.1%

- Q4 FX-Neutral GMV down 1% Y/Y, down 8pts Q/Q on a soft World Series
- Q4 FX-Neutral Revenue up 2% Y/Y
- FY 18 Total GMV \$4.8B ... FX-Neutral growth 5% Y/Y
- FY 18 Total Revenue \$1.1B ... FX Neutral growth 5% Y/Y

CLASSIFIEDS REVENUE

(\$ millions)



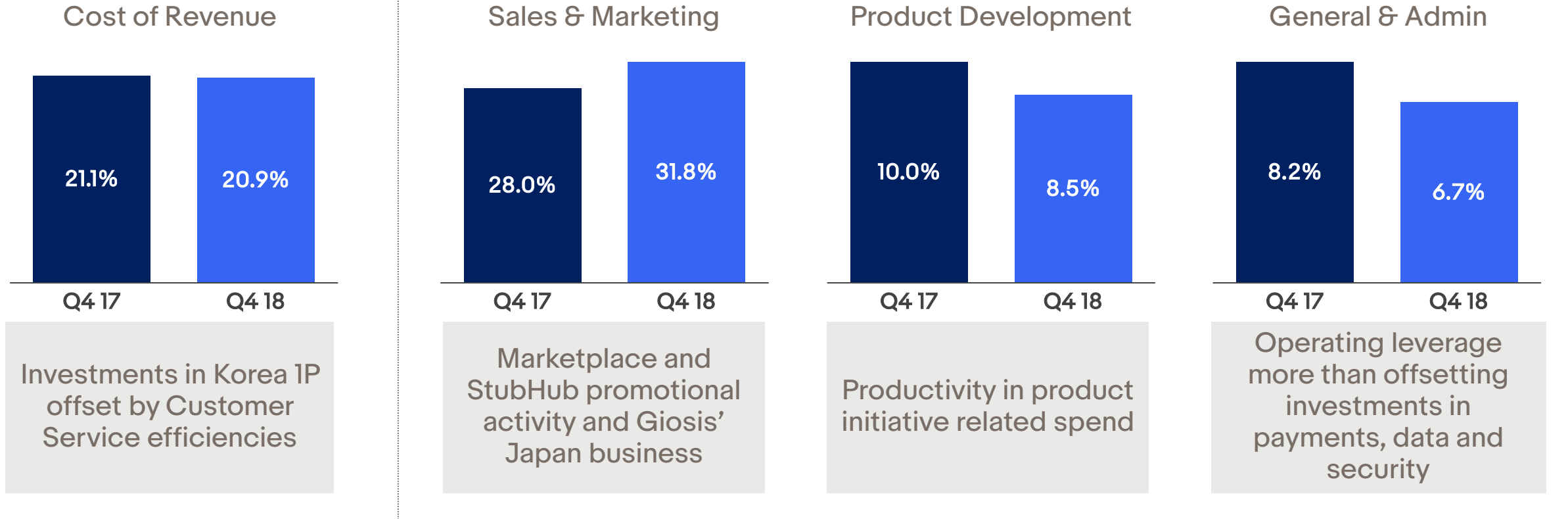
- Q4 FX-Neutral Revenue up 11% Y/Y, stable Q/Q, driven by ongoing strength in Germany
- FY 18 Total Revenue \$1.0B ... FX-Neutral growth 10% Y/Y

	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18
<i>Rev Y/Y Growth</i>	19%	21%	24%	18%	8%	8%
<i>FX-Neutral Rev Y/Y Growth</i>	13%	13%	10%	10%	11%	11%

NON-GAAP EXPENSES

(% of revenue)

Operating Expense at 49.9%, up ~0.8pts Y/Y



NON-GAAP EPS

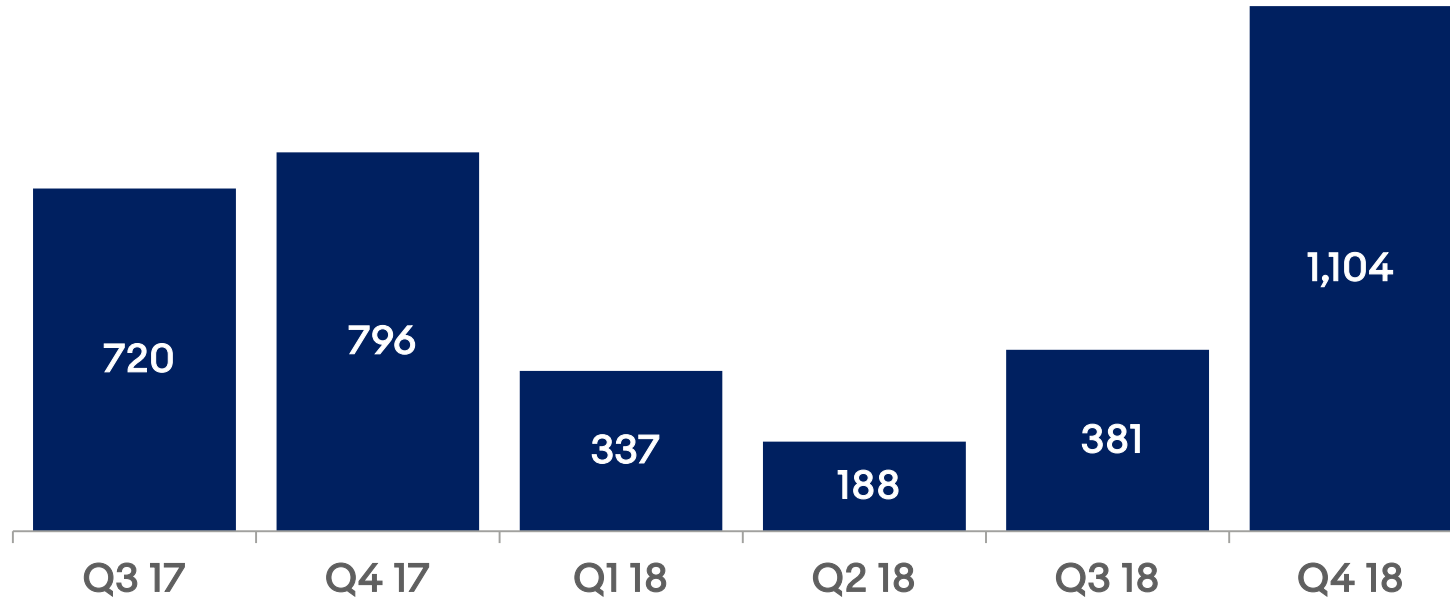


	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18
<i>Non-GAAP EPS Y/Y Growth</i>	6%	9%	9%	17%	19%	20%
<i>Non-GAAP Operating Margin</i>	28.4%	29.8%	27.9%	25.2%	26.4%	29.2%
<i>GAAP EPS</i>	\$0.48	\$(2.51)	\$0.40	\$0.64	\$0.73	\$0.80
<i>GAAP EPS Y/Y Growth</i>	32%	**	-58%	**	52%	**

- Q4 Non-GAAP Operating Margin down 60bps Y/Y primarily due to investments in marketing
- Q4 Non-GAAP EPS growth driven by operational growth, net benefit of share repurchases, hedging benefits and lower tax rate, partially offset by marketing expense and payments investments
- FY 18 GAAP EPS of \$2.55 and Non-GAAP EPS of \$2.32

FREE CASH FLOW

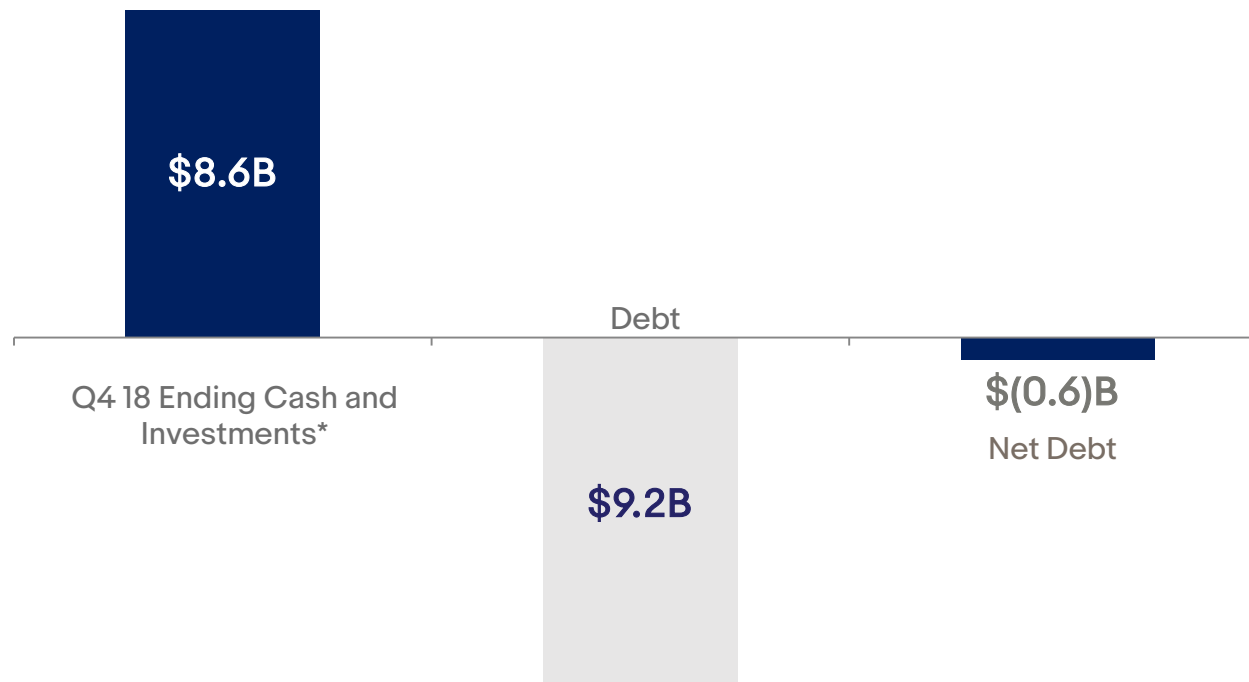
(\$ millions)



- Q4 FCF up 39% Y/Y due to timing of working capital and tax payments
- FY 18 FCF \$2.0B
- FY 18 CapEx 6% of Revenue

	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18
<i>Y/Y Growth</i>	17%	64%	-25%	-64%	-47%	39%
<i>CapEx % of Revenue</i>	7%	7%	6%	7%	7%	5%
<i>FCF % of Revenue</i>	30%	29%	13%	7%	14%	38%

2018 CASH & DEBT



Repurchased \$1.5B in Q4 and \$4.5B of shares in 2018
\$3.2B Authorization Remaining**

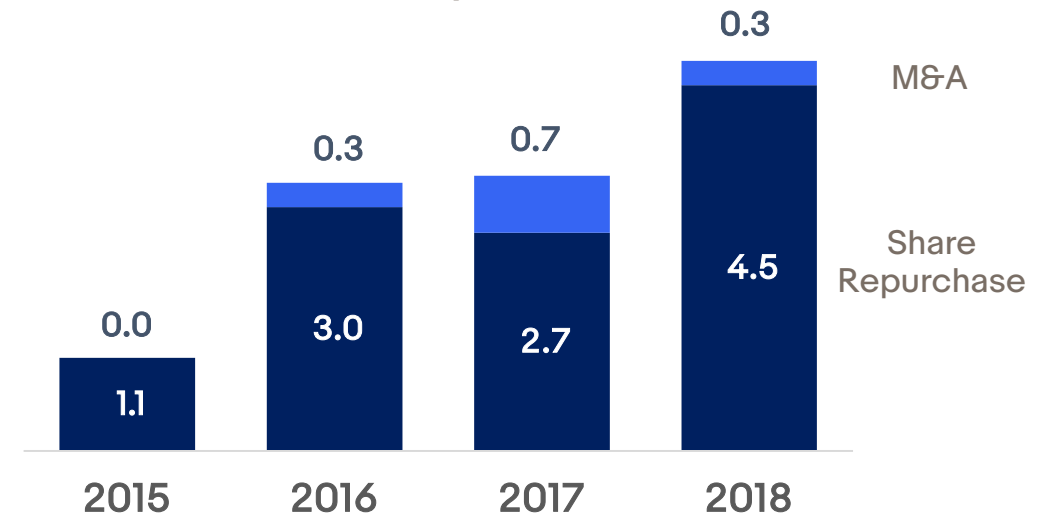
DISCIPLINED CAPITAL ALLOCATION

(\$ billions)

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 repurchase

Since Separation



- Share Repurchases of \$11.3B @ \$31.26 Average Share Price
- ~300M total shares repurchased, 25% of shares outstanding net of dilution
- Invested \$1.3B in M&A and realized nearly \$3.0B in returns from dispositions of assets and investments
- ~140% of FCF returned to shareholders since separation

EVOLVING OUR CAPITAL STRUCTURE

Capital allocation tenets remain the same ... evolving capital structure & return

Capital Allocation & Return

Dividend

- Initiating a quarterly dividend
- First payment of \$0.14 per share expected on or about March 20, 2019 to shareholders of record as of March 1, 2019

Share Repurchase

- Additional share repurchase authorization of \$4.0B with no expiration
- Expected 2019 share repurchase of approximately \$5.0B

Target Capital Structure

- We plan to maintain our current BBB+ rating ... important as we build our payment intermediation capabilities
- Expect to exit 2019 with cash and investments of approximately \$3.5B
- Targeting mid-term leverage of approximately 1.5x net debt and gross debt below 3.0x EBITDA

Expect to return approximately \$7B to shareholders over next two years

2019 GUIDANCE

Revenue **\$10.7B - \$10.9B**

Y/Y Growth *0% - 2%*

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

Operating Margin **28% - 29%**

Non-GAAP EPS **\$2.62 - \$2.68**

Y/Y Growth *13% - 15%*

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

Guidance Context

- Non-GAAP Interest and Other Income will be pressured from the impact of a lower cash balance & higher interest expense ... expect ~\$(250)M for the year
- Non-GAAP effective tax rate of 16% to 18%
- Capex 5-7% of Revenue
- Guidance includes share repurchases of approximately \$5B

Organic FX-Neutral Revenue Growth @ midpoint

MP Volume	~1pt
MP Promoted Listings	~1pt
StubHub & Classifieds offset by 3P advertising decline	~0pt
Organic FX-Neutral Y/Y Growth	~2%

Non-GAAP EPS Drivers (vs 2018)

Operational Growth	\$0.10 - \$0.24
Payments Investments	\$(0.09) - \$(0.11)
Lower Share Count <small>('18 & '19 Buybacks and cost to finance)</small>	\$0.28 - \$0.32
FX Impact <small>(includes impact of hedging program)</small>	\$0.00 - \$(0.04)
Tax Rate	\$0.01 - \$(0.05)
Y/Y Non-GAAP EPS lift	~\$0.30 - \$0.36

Q1 GUIDANCE

	Q1 19		Q1 Guidance Context
	<u>Low</u>	<u>High</u>	
Revenue (in billions)	\$2.55	\$2.60	<ul style="list-style-type: none"> • Non-GAAP EPS growth driven by: <ul style="list-style-type: none"> • ~4pts operational growth partially offset by Payments & Qoo10 (Japan) investment • Net benefit of share repurchase program ~12pts & FX ~2pts • ~4pts benefit of lower tax rate • Non-GAAP effective tax rate of 16% - 18%
<i>Y/Y Growth</i>	<i>(1)%</i>	<i>1%</i>	
<i>Organic FX-Neutral Y/Y Growth</i>	<i>0%</i>	<i>2%</i>	
Non-GAAP EPS	\$0.62	\$0.64	
<i>Y/Y Growth</i>	<i>17%</i>	<i>20%</i>	

Q&A

RECONCILIATIONS

GAAP TO NON-GAAP QUARTERLY RECONCILIATIONS

OPERATING MARGIN

	Three months ended					
	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
	(in millions, except percentages)					
GAAP operating income	\$ 574	\$ 663	\$ 579	\$ 406	\$ 556	\$ 681
Stock-based compensation expense and related employer payroll taxes	119	130	126	158	127	143
Amortization of acquired intangible assets within cost of net revenues	6	5	6	4	3	1
Amortization of acquired intangible assets within operating expenses	10	10	10	13	13	13
Other significant gains, losses or charges	—	—	—	84	2	1
Non-GAAP operating income	<u>\$ 709</u>	<u>\$ 808</u>	<u>\$ 721</u>	<u>\$ 665</u>	<u>\$ 701</u>	<u>\$ 839</u>
Revenues	\$ 2,498	\$ 2,707	\$ 2,580	\$ 2,640	\$ 2,649	\$ 2,877
GAAP operating margin	23.0 %	24.5 %	22.5 %	15.4 %	21.0 %	23.7 %
Non-GAAP operating margin	28.4 %	29.8 %	27.9 %	25.2 %	26.4 %	29.2 %

GAAP TO NON-GAAP QUARTERLY RECONCILIATIONS

NET INCOME / EPS

	Three months ended					
	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
	(in millions, except per share data)					
GAAP Income from continuing operations	\$ 520	\$ (2,597)	\$ 407	\$ 638	\$ 720	\$ 763
Stock-based compensation expense and related employer payroll taxes	119	130	126	158	127	143
Amortization of acquired intangible assets within cost of net revenues	6	5	6	4	3	1
Amortization of acquired intangible assets within operating expenses	10	10	10	13	13	13
Other significant gains, losses or charges	–	–	–	84	2	1
Gains or losses on investments and sale of business	(167)	60	–	(246)	(313)	–
Change in fair market value of warrant	–	–	–	(106)	(126)	128
Tax Effects of US Tax Reform	–	3,142	–	–	–	(463)
Tax effect of step-up of intangible assets basis	–	–	–	–	–	(9)
Tax effect of non-GAAP adjustments	23	(132)	(1)	(12)	128	93
Non-GAAP net income from continuing operations	\$ 511	\$ 618	\$ 548	\$ 533	\$ 554	\$ 670
Non-GAAP net income from continuing operations per diluted share	\$ 0.47	\$ 0.59	\$ 0.53	\$ 0.53	\$ 0.56	\$ 0.71
Shares used in non-GAAP diluted share calculation	1,078	1,051	1,029	1,004	983	950

GAAP TO NON-GAAP QUARTERLY RECONCILIATIONS

STATEMENT OF INCOME

	Three months ended					
	December 31, 2018			December 31, 2017		
	Reported	Non-GAAP Entries	Non-GAAP	Reported	Non-GAAP Entries	Non-GAAP
	(in millions, except per share data and percentages)					
Net revenues	\$ 2,877	\$ –	\$ 2,877	\$ 2,707	\$ –	\$ 2,707
Cost of net revenues	618	(17) (a)(b)	601	590	(19) (a)(b)	571
Gross Profit	2,259	17	2,276	2,117	19	2,136
Operating expenses:						
Sales and marketing	945	(29) (a)	916	784	(27) (a)	757
Product development	292	(49) (a)	243	317	(47) (a)	270
General and administrative	245	(50) (a)(h)	195	264	(42) (a)	222
Provision for transaction losses	83	–	83	79	–	79
Amortization of acquired intangible assets	13	(13) (b)	–	10	(10) (b)	–
Total operating expense	1,578	(141)	1,437	1,454	(126)	1,328
Income from operations	681	158	839	663	145	808
Interest and other income, net	(165)	128 (e)	(37)	(102)	60 (d)	(42)
Income from continuing operations before income taxes	516	286	802	561	205	766
Provision for income taxes	247	(379) (c)(f)(g)	(132)	(3,158)	3,010 (c)(f)	(148)
Income from continuing operations	\$ 763	\$ (93)	\$ 670	\$ (2,597)	\$ 3,215	\$ 618
Net income (loss) from continuing operations per share:						
Basic	\$ 0.81		\$ 0.71	\$ (2.51)		\$ 0.60
Diluted	\$ 0.80		\$ 0.71	\$ (2.51)		\$ 0.59
Weighted average shares:						
Basic	945		945	1,035		1,035
Diluted	950		950	1,035		1,051
Operating margin	23.7 %	5.5 %	29.2 %	24.5 %	5.3 %	29.8 %
Effective tax rate	(47.9)%	64.3 %	16.4 %	563.4 %	(544.0)%	19.4 %

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) Gains or losses on investments
- (e) Change in fair market value of warrant
- (f) Tax effects of U.S. Tax Reform
- (g) Tax effect of step-up of intangible assets basis
- (h) Other significant gains, losses or charges

CALCULATION OF FREE CASH FLOW

	Three months ended					
	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
	(in millions)					
Net cash provided by continuing operating activities	\$ 877	\$ 988	\$ 495	\$ 372	\$ 560	\$ 1,234
Less: Purchases of property and equipment, net	(157)	(192)	(158)	(184)	(179)	(130)
Free cash flow	<u>\$ 720</u>	<u>\$ 796</u>	<u>\$ 337</u>	<u>\$ 188</u>	<u>\$ 381</u>	<u>\$ 1,104</u>

RECONCILIATION OF TOTAL REVENUE

	Three months ended					
	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
Net Revenues by Type	(in millions)					
Net Transaction Revenues:						
Marketplace	\$ 1,698	\$ 1,823	\$ 1,792	\$ 1,837	\$ 1,803	\$ 1,984
StubHub	270	306	231	240	286	311
Total net transaction revenues	\$ 1,968	\$ 2,129	\$ 2,023	\$ 2,077	\$ 2,089	\$ 2,295
Marketing services and other revenues:						
Marketplace	\$ 293	\$ 333	\$ 310	\$ 298	\$ 301	\$ 316
Classifieds	235	244	246	259	254	263
StubHub, Corporate and other	2	1	1	6	5	3
Total marketing and other revenues	\$ 530	\$ 578	\$ 557	\$ 563	\$ 560	\$ 582
Total net revenues	\$ 2,498	\$ 2,707	\$ 2,580	\$ 2,640	\$ 2,649	\$ 2,877

RECONCILIATION OF ORGANIC REVENUE

	Three months ended					
	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
As Reported Revenue Growth	9%	9%	12%	9%	6%	6%
Acquisition/Disposition Impact	(0)%	—%	—%	(0)%	(1)%	(1)%
Foreign Currency Impact	(1)%	(2)%	(5)%	(3)%	(0)%	(1)%
Organic FX-Neutral Revenue Growth	7%	7%	7%	6%	5%	5%

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 March 31, 2019	
(in billions, except per share amounts)	GAAP	Non-GAAP (a)
Net Revenue	\$2.55 - \$2.60	\$2.55 - \$2.60
Diluted EPS	\$0.40 - \$0.44	\$0.62 - \$0.64

	Twelve Months Ending December 31, 2019	
(in billions, except per share amounts)	GAAP	Non-GAAP (b)
Net Revenue	\$10.7 - \$10.9	\$10.7 - \$10.9
Diluted EPS	\$1.83 - \$1.93	\$2.62 - \$2.68

	Twelve Months Ending December 31, 2019	
(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 March 31, 2019 reflect adjustments that exclude the estimated amortization of acquired intangible assets of approximately \$13-\$18 million, 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 \$40 - \$50 million.

(b) Estimated non-GAAP amounts above for the twelve months ending December 31, 2019 reflect adjustments that exclude the estimated amortization of acquired intangible assets of approximately \$50-\$60 million, estimated stock-based compensation expense and associated employer payroll tax expense of approximately \$550-\$570 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 \$170 - \$190 million.



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