



NEWS RELEASE

eBay Comments on Letter from Starboard Value

2/4/2020

SAN JOSE, Calif., Feb. 4, 2020 /PRNewswire/ -- eBay Inc. (Nasdaq: [EBAY](#)), a global commerce leader that connects millions of buyers and sellers around the world, today issued the following statement regarding the letter to eBay released by Starboard Value LP ("Starboard") this morning:

The eBay Board of Directors includes a director jointly nominated and agreed upon with Starboard, a representative of one of our largest shareholders, Elliott Management, and other strong, experienced and independent directors. The Board and eBay's management team are aligned in their commitment to taking all appropriate steps to drive the value of the Company. Our Board and management team have implemented changes based on investor input and have taken significant actions to deliver long-term shareholder value and strengthen the business. Through that lens, we will review Starboard's letter and perspectives as we continue to rigorously review our business and opportunities for growth and value creation.

In 2019, we made a number of decisions to enhance value that led to positive results and positioned the Company for future growth, including:

- **Delivering on our financial commitments** – results were at the high end or better than our January 2019 full year guidance – including growth of Organic FX-Neutral revenues, non-GAAP EPS, and Free Cash Flow
- **Scaling growth initiatives** – accelerated our Managed Payments transformation in the US and Germany while tracking towards \$2 billion of revenue and \$500 million of operating income in 2022 and doubled Promoted listings Advertising revenue in 2019 to nearly \$400 million
- **Delivering better margins** – delivered 2 points of margin improvement in 2019 enabling 1 point of reinvestment in Payments and Advertising; announced 2 points of additional operating margin by 2022, taking total operating margin rate to at least 30%
- **Returning significant capital to shareholders** – implemented our first ever dividend while repurchasing \$5.0 billion of common stock in 2019, bringing the total shares repurchased since July 2015 to 35%, returning over

150% of Free Cash Flow

- **Executing on portfolio transformation** – performed a strategic business review resulting in an agreement to sell StubHub to viagogo for over \$4 billion in cash and are on track to share an update on Classifieds mid-year 2020
- **Refreshing Board with investor perspectives** – added two new independent directors within the past year to our experienced, focused and deeply engaged Board, including a director jointly nominated and agreed upon with Starboard and a representative of one of our largest shareholders, Elliott Management. Since 2016, five new independent directors have joined the Board, adding complementary and relevant skillsets, leadership and diversity, and the Board continues to be led by an independent chair.

While eBay's Board and leadership team are confident that the above actions will help us achieve our previously-stated priorities for 2020 and position eBay for sustainable, profitable long-term growth, we remain open to all value-enhancing opportunities.

About eBay

eBay Inc. (Nasdaq: [EBAY](#)) is a global commerce leader including the Marketplace, StubHub and Classifieds platforms. Collectively, we connect millions of buyers and sellers around the world, empowering people and creating opportunity for all. Founded in 1995 in San Jose, California, eBay is one of the world's largest and most vibrant marketplaces for discovering great value and unique selection. In 2019, eBay enabled \$90 billion of gross merchandise volume. For more information about the company and its global portfolio of online brands, visit www.ebayinc.com.

Forward-Looking Statements

This press release 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 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 2020 and the future growth in its business, operating efficiency and margins, reinvestments, dividends, share repurchases, and the expected timing of the announcements regarding the company's strategic portfolio review, including the timing and other expectations regarding the sale of StubHub to viagogo. 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; the

outcome of the strategic portfolio review; fluctuations in foreign currency exchange rates; the company's need to successfully react to the increasing importance of mobile commerce and the increasing social aspect of commerce; an increasingly competitive environment for its business; changes to the company's 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; the company's ability to increase operating efficiency to drive margin improvements and enable reinvestments; the company's ability to manage its indebtedness, including managing exposure to interest rates and maintaining its credit ratings; the company's need to manage an increasingly large enterprise with a broad range of businesses of varying degrees of maturity and in many different geographies; the ability to successfully intermediate payments on our marketplace platform; the company's 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; the company's ability to timely upgrade and develop its technology systems, infrastructure and customer service capabilities at reasonable cost while maintaining site stability and performance and adding new products and features; and the company's ability to integrate, manage and grow businesses that have been acquired or may be acquired in the future.

The forward-looking statements in this release 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.

SOURCE eBay Inc.