

TECH

# EBay CEO Devin Wenig Resigns

'It became clear that I was not on the same page as my new Board,' the eBay CEO tweeted Wednesday



EBay says its president and CEO, Devin Wenig, is stepping down. PHOTO: JACOB KEPLER/BLOOMBERG NEWS

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EBay Inc. Chief Executive Devin Wenig has left the online marketplace citing conflicts with the company's new board, which is overseeing a strategic review of the business.

The San Jose, Calif., company has been evaluating its business since March after activist investors Elliott Management Corp. and Starboard Value LP had criticized the company's performance and called for breaking it up.

The company, which has been searching for growth in light of steep online retail competition, said it plans to share the results from that review this fall.

Mr. Wenig, who is also stepping down as a board director, served as CEO for more than four years. He joined the firm in 2011 as president over its marketplace, which generates the bulk of eBay's revenue.

"In the past few weeks it became clear that I was not on the same page as my new Board," Mr. Wenig tweeted from his personal account Wednesday. "Whenever that happens, its [sic] best for everyone to turn that page over."

EBay declined to comment about Mr. Wenig's statements.

“Notwithstanding this progress, given a number of considerations, both Devin and the board believe that a new CEO is best for the company at this time,” Chairman Thomas Tierney said in a statement.

EBay said Chief Financial Officer Scott Schenkel will serve as CEO on an interim basis while it conducts a search for a successor, adding that it will consider internal and external candidates.

Andy Cring, currently vice president of global financial planning and analysis, will serve as interim finance chief.

Shares in eBay fell about 1% in Wednesday trading. The stock has gained about 40% this year.

Earlier this year, eBay agreed to add three new board members after reaching agreements with big hedge funds Starboard and Elliott. So far eBay has added two new directors, including Jesse Cohn, who runs Elliott's U.S. equity activism.

Elliott and Starboard had pressured the online marketplace company to rid itself of StubHub. Elliott had also said eBay should unload its classified advertising business.

The company paid its first-ever quarterly dividend in March; months earlier, it pledged to return \$7 billion to shareholders through dividends and share buybacks over the next two years. EBay on Wednesday maintained its revenue outlook for the year, expecting revenue between \$10.75 billion and \$10.83 billion, which would represent growth of between 2% and 3% from 2018.

Mr. Wenig became eBay's CEO after the company spun off PayPal in 2015, which it had purchased in 2002 for roughly \$1.5 billion—one of the biggest tech deals at the time. The rationale for the split was that it would allow both companies greater flexibility in their respective industries, eBay in online retail and PayPal in a rapidly evolving payments industry.

Currently, PayPal Holdings Inc. carries a stock market value of more than \$120 billion, while eBay's is more than \$32 billion, the latter being little changed since the spinoff.

Pierre Omidyar led eBay from its founding in 1995 through 1997. Meg Whitman, who steered the company through its 1998 initial public offering, left the company in 2008. Its next CEO, John Donahoe, ran eBay from then until 2015.

Mr. Wenig has faced difficulties in growing the company from its roots as an online auction into more of a true marketplace. EBay has tried to attract younger customers and worked to get brands to sell more of their products through the company's e-commerce platform.

Yet with those difficulties, eBay's annual revenue has grown in each year after the PayPal sale.

“Devin did a really great job initially shepherding the transition following the separation of eBay and PayPal,” said D.A. Davidson analyst Tom Forte. “Where Devin could’ve done a better job is taking eBay to the next level.” With the CEO’s exit, Mr. Forte said he believes eBay is more likely to sell the classified business, StubHub or both.

Mr. Wenig’s departure also follows a string of other high-level exits from eBay over the past year or so, including chief technology officer Steve Fisher, who left in May, and chief product officer RJ Pittman, who left in 2018.

Beginning in late 2018, eBay began making drastic changes to its managed-payment systems, allowing sellers to manage their selling, payments and other services within one account and accepting different forms of payment.

eBay also has been altering its advertisement business. And it recently shut down its third-party ad network that let merchants advertise on other sites to focus on promoted listings on its own site

While eBay has said its new initiatives could bolster the business, it hasn’t seen enough growth to offset problems elsewhere.

eBay’s revenue growth has been slowing, rising just 2% in its most recent quarter from the prior year, as the value of goods sold on its site has declined, falling another 4% in the quarter to \$22.6 billion.

Once an online juggernaut, eBay has struggled to match the growth of its larger rival Amazon.com Inc., which commands about 38% of U.S. online retail sales, according to eMarketer, while eBay has just a 6% share.

Unlike Amazon, which has built warehouses throughout the country, a third-party seller network and built up its own brands, eBay’s revenue relies heavily on transaction fees, and it hasn’t grown its own distribution network.

In July, eBay launched a fulfillment service, but only for its biggest sellers.

—Colin Kellaher contributed to this article.

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