

**eBay Inc.**  
**CONSOLIDATED STATEMENT OF INCOME**

	Year Ended December 31,		
	2019	2018	2017
	(In millions, except per share amounts)		
Net revenues	\$ 10,800	\$ 10,746	\$ 9,927
Cost of net revenues	2,508	2,382	2,221
Gross profit	8,292	8,364	7,706
Operating expenses:			
Sales and marketing	3,194	3,391	2,878
Product development	1,240	1,285	1,224
General and administrative	1,189	1,131	1,030
Provision for transaction losses	300	286	272
Amortization of acquired intangible assets	48	49	38
Total operating expenses	5,971	6,142	5,442
Income from operations	2,321	2,222	2,264
Interest and other, net	(114)	496	11
Income from continuing operations before income taxes	2,207	2,718	2,275
Income tax provision	(415)	(190)	(3,288)
Income (loss) from continuing operations	\$ 1,792	\$ 2,528	\$ (1,013)
Income (loss) from discontinued operations, net of income taxes	(6)	2	(4)
Net income (loss)	\$ 1,786	\$ 2,530	\$ (1,017)
Income (loss) per share - basic:			
Continuing operations	\$ 2.11	\$ 2.58	\$ (0.95)
Discontinued operations	(0.01)	—	—
Net income (loss) per share - basic	\$ 2.10	\$ 2.58	\$ (0.95)
Income (loss) per share - diluted:			
Continuing operations	\$ 2.10	\$ 2.55	\$ (0.95)
Discontinued operations	(0.01)	—	—
Net income (loss) per share - diluted	\$ 2.09	\$ 2.55	\$ (0.95)
Weighted average shares:			
Basic	849	980	1,064
Diluted	856	991	1,064

The accompanying notes are an integral part of these consolidated financial statements.

**eBay Inc.**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**

	Year Ended December 31,		
	2019	2018	2017
	(In millions)		
Common stock:			
Balance, beginning of year	\$ 2	\$ 2	\$ 2
Common stock issued	—	—	—
Common stock repurchased/forfeited	—	—	—
Balance, end of year	2	2	2
Additional paid-in-capital:			
Balance, beginning of year	15,716	15,293	14,907
Common stock and stock-based awards issued	104	109	120
Tax withholdings related to net share settlements of restricted stock awards and units	(202)	(225)	(219)
Stock-based compensation	505	538	484
Other	3	1	1
Balance, end of year	16,126	15,716	15,293
Treasury stock at cost:			
Balance, beginning of year	(26,394)	(21,892)	(19,205)
Common stock repurchased	(5,002)	(4,502)	(2,687)
Balance, end of year	(31,396)	(26,394)	(21,892)
Retained earnings:			
Balance, beginning of year	16,459	13,929	14,946
Net income (loss)	1,786	2,530	(1,017)
Dividends and dividend equivalents declared	(491)	—	—
Balance, end of year	17,754	16,459	13,929
Accumulated other comprehensive income (loss):			
Balance, beginning of year	498	717	(124)
Change in unrealized gains (losses) on investments	61	(41)	(66)
Change in unrealized gains (losses) on derivative instruments	(77)	125	(111)
Foreign currency translation adjustment	(99)	(286)	978
Tax benefit (provision) on above items	1	(17)	40
Balance, end of year	384	498	717
Total stockholders' equity	\$ 2,870	\$ 6,281	\$ 8,049
Number of shares:			
Common stock - shares outstanding:			
Balance, beginning of year	915	1,029	1,087
Common stock issued	15	17	24
Common stock repurchased/forfeited	(134)	(131)	(82)
Balance, end of year	796	915	1,029
Dividends and dividend equivalents declared per share or restricted stock unit	\$ 0.56	\$ —	\$ —

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**eBay Inc.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Year Ended December 31,		
	2019	2018	2017
	(In millions)		
Cash flows from operating activities:			
Net income (loss)	\$ 1,786	\$ 2,530	\$ (1,017)
(Income) loss from discontinued operations, net of income taxes	6	(2)	4
Adjustments:			
Provision for transaction losses	300	286	272
Depreciation and amortization	681	696	676
Stock-based compensation	505	538	483
(Gain) loss on investments, net	—	(572)	49
(Gain) loss on sale of business	52	—	(167)
Deferred income taxes	117	(153)	1,728
Change in fair value of warrant	(133)	(104)	—
Other	—	19	—
Changes in assets and liabilities, net of acquisition effects			
Accounts receivable	(124)	(98)	(195)
Other current assets	177	(143)	(148)
Other non-current assets	222	108	19
Accounts payable	4	(47)	19
Accrued expenses and other liabilities	(391)	(437)	206
Deferred revenue	—	33	8
Income taxes payable and other tax liabilities	(88)	7	1,209
Net cash provided by continuing operating activities	3,114	2,661	3,146
Net cash used in discontinued operating activities	—	(3)	—
Net cash provided by operating activities	3,114	2,658	3,146
Cash flows from investing activities:			
Purchases of property and equipment	(554)	(651)	(666)
Purchases of investments	(46,977)	(28,115)	(14,599)
Maturities and sales of investments	50,548	30,901	14,520
Equity investment in Flipkart	—	—	(514)
Equity investment in Paytm Mall	(160)	—	—
Proceeds from sale of equity investment in Flipkart	—	1,029	—
Acquisitions, net of cash acquired	(93)	(302)	(34)
Other	23	32	(2)
Net cash provided by (used in) investing activities	2,787	2,894	(1,295)
Cash flows from financing activities:			
Proceeds from issuance of common stock	106	109	120
Repurchases of common stock	(4,973)	(4,502)	(2,746)
Tax withholdings related to net share settlements of restricted stock awards and units	(202)	(225)	(219)
Proceeds from issuance of long-term debt, net	—	—	2,484
Payments for dividends	(473)	—	—
Repayment of debt	(1,550)	(750)	(1,452)
Other	1	(30)	29
Net cash used in financing activities	(7,091)	(5,398)	(1,784)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(33)	(75)	238
Net increase (decrease) in cash, cash equivalents and restricted cash	(1,223)	79	305
Cash, cash equivalents and restricted cash at beginning of period	2,219	2,140	1,835
Cash, cash equivalents and restricted cash at end of period	\$ 996	\$ 2,219	\$ 2,140