4Q17 EARNINGS

FEBRUARY 2018

GROUPON®

FORWARD-LOOKING STATEMENTS

The statements contained in this release that refer to plans and expectations for the next quarter, the full year or the future are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding our future results of operations and financial position, business strategy and plans and our objectives for future operations. The words "may," will," should," "could," "expect," anticipate," "believe," "estimate," intend," "continue" and other similar expressions are intended to identify forward-looking statements. We have based these forward looking statements largely on current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in our forward-looking statements. Such risks and uncertainties include, but are not limited to, risk related to volatility in our operating results; execution of our business and marketing strategies; retaining existing customers and adding new customers; challenges arising from our international operations, including fluctuations in currency exchange rates, legal and regulatory developments and any potential adverse impact from the United Kingdom's likely exit from the European Union; retaining and adding high quality merchants; our voucherless offerings; cybersecurity breaches; competing successfully in our industry; changes to merchant payment terms; providing a strong mobile experience for our customers; maintaining our information technology infrastructure; delivery and routing of our emails; claims related to product and service offerings; managing inventory and order fulfillment risks; litigation; managing refund risks; retaining and attracting members of our executive team; completing and realizing the anticipated benefits from acquisitions, dispositions, joint ventures and strategic investments; lack of control over minority investments; tax liabilities; tax legislation; compliance with domestic and foreign laws and regulations, including the CARD Act, GDPR and regulation of the Internet and e-commerce; classification of our independent contractors; protecting our intellectual property; maintaining a strong brand; customer and merchant fraud; payment-related risks; our ability to raise capital if necessary and our outstanding indebtedness; global economic uncertainty; our common stock, including volatility in our stock price; our senior convertible notes; and our ability to realize the anticipated benefits from the hedge and warrant transactions. For additional information regarding these and other risks and uncertainties, we urge you to refer to the factors included under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the company's Annual Report on Form 10-K for the year ended December 31, 2017, and our other filings with the Securities and Exchange Commission, copies of which may be obtained by visiting the company's Investor Relations web site at http://investor.groupon.com or the SEC's web site at www.sec.gov. Groupon's actual results could differ materially from those predicted or implied and reported results should not be considered an indication of future performance.

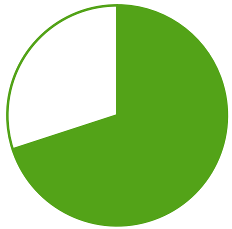
You should not rely upon forward-looking statements as predictions of future events. Although Groupon believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither the company nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. The forward-looking statements reflect Groupon’s expectations the date of this presentation unless otherwise expressly stated. Groupon undertakes no obligation to update publicly any forward-looking statements for any reason after the date of this release to conform these statements to actual results or to changes in its expectations.

Additional information relating to certain of our financial measures contained herein is available in our most recent earnings release and at our website at investor.groupon.com.

GROUPON IS A CLEAR LEADER IN LOCAL E-COMMERCE

SUBSTANTIAL SCALE IN UNDER-PENETRATED LOCAL MARKET

TOP 5 E-COMMERCE BRAND[1]



~70% OF TRANSACTIONS ON MOBILE[2]

5-STAR APP WITH 171 MILLION DOWNLOADS

TOP 10 US APP[3]

- Strong brand and improving awareness through offline advertising campaigns
- Mobile-first platform well-positioned for continued offline-to-online shift
- Advanced analytics allow us to leverage our substantial Local transactional and consumer purchase data to connect users with great Local deals at scale
- Product innovation, customer growth, and cost efficiencies driving shareholder returns through sustainable Adjusted EBITDA growth

(1) Verto Analytics, “Verto Content Watch,” in company blog November 17, 2016
(2) For the quarter ending December 31, 2017
(3) Ages 25-54; comScore 2017 U.S. Mobile App Report, “Mobile Metrix, U.S., 18+, June 2017”

FOCUSING ON OUR KEY PRIORITIES FOR 2018

1. **Grow customer value** through **global customer acquisition**, increasing **gross profit per customer** and **improving customer experience** by removing friction and creating more seamless engagement

2. **Establish Groupon as true platform** by aggregating **third-party and Groupon-sourced supply and increasing distribution** of Groupon content

3. **Unlock international potential** by applying our **North America playbook**

ENHANCING OUR FINANCIAL PROFILE

Gross Profit	**Focus on driving long-term gross profit dollar growth** • Continued focus on core North America Local business; emerging products such as Groupon+, Bookability, and Marketplace • Unlock International potential by executing on North America playbook
Marketing	**Plan to maintain 12-18 month payback of incremental spend** • Integrated offline campaigns; Super Bowl, product, and merchant focused • Continued ramp in International markets in line with improving returns
SG&A	**Maintain leverageable cost structure** • Significant cost restructuring completed in 2017 • Expect 2018 SG&A to grow slightly above inflation with investment in business being somewhat offset by continued efficiencies
Adjusted EBITDA	**Target multi-year Adjusted EBITDA growth** • Facilitate flow through from gross profit • Expect gross profit dollar growth to exceed marketing and SG&A dollar growth
Free Cash Flow	**Target multi-year Free Cash Flow growth** • Expect to generate significant positive Free Cash Flow in 2018 • Expect operating cash flow to trend above the rate of Adjusted EBITDA growth • Capex targeted at $60-70 million for 2018
Balance Sheet	**Strong balance sheet provides strategic flexibility[1]** • $880 million cash balance • $250 million undrawn revolver[2] • Over $1.1 billion available liquidity

(1) As of 12/31/2017
(2) Excluding the impact of outstanding letters of credit.

2018: LOOKING FORWARD

2018 Guidance

Adjusted EBITDA[1]
(USD millions)

2017 Actual	2018 Guidance
$250	**$260-270**

Key Themes

- We are **investing in marketing and scaling our key initiatives to increase gross profit per customer** (including Groupon+, bookability, and third-party supply)
- As a result, we expect **gross profit and Adjusted EBITDA to ramp over the course of the year**
- We anticipate these initiatives will result in a **headwind to billings and revenue,** resulting in FY18 revenue of around $2.6 billion
- We are targeting **gross profit dollar growth that exceeds** marketing and SG&A dollar growth
- We expect **operating cash flow to trend above the rate of Adjusted EBITDA growth** and are targeting Capex to be in the range of $60-70 million for FY18

(1) Adjusted EBITDA is a non-GAAP performance measure. See the appendix for a reconciliation to the most comparable U.S. GAAP performance measure, "Net income (loss) from continuing operations."

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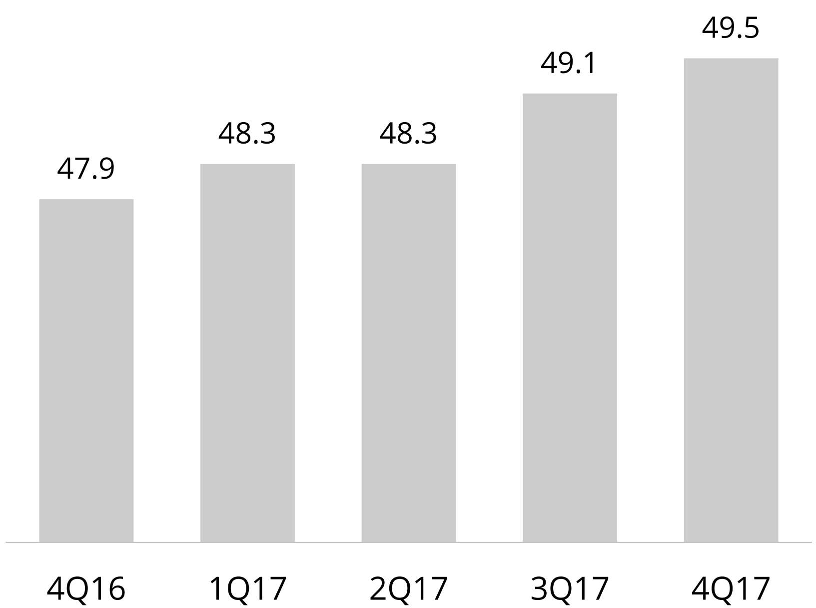
FINANCIAL INFORMATION AND OPERATING METRICS

GROWING CUSTOMERS WHILE MAINTAINING GROSS PROFIT PER CUSTOMER

Global Active Customers[1]
(millions)



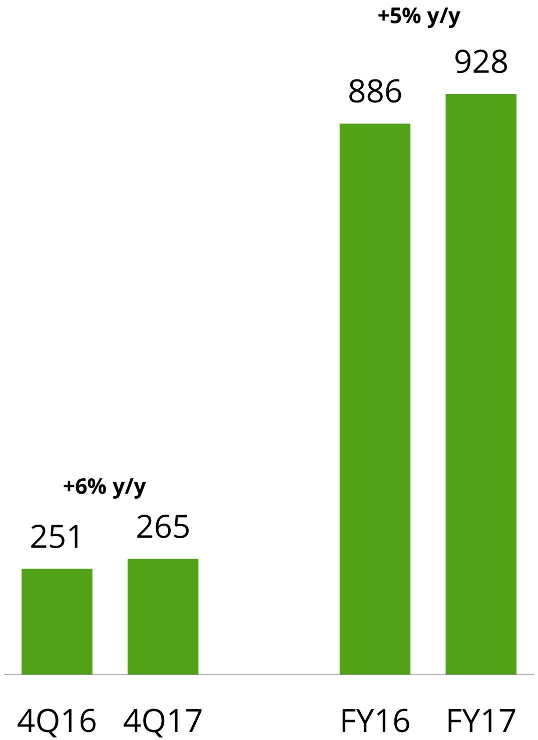
Global TTM Gross Profit / Average Active Customer[1]

Added 1.7 million customers in 2017 while maintaining gross profit per customer

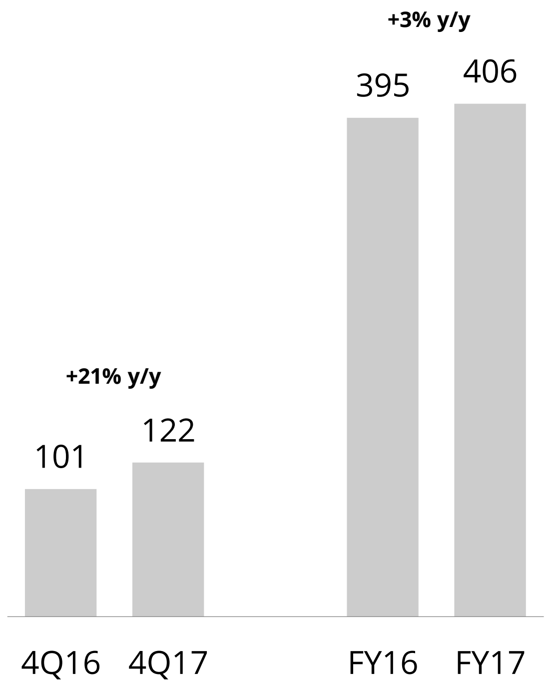
(1) Active customers represent unique user accounts that have made a purchase during the trailing twelve months either (1) through one of our online marketplaces or (2) directly with a merchant for which we earned a commission.

GROSS PROFIT - FOCUS ON DOLLAR GROWTH

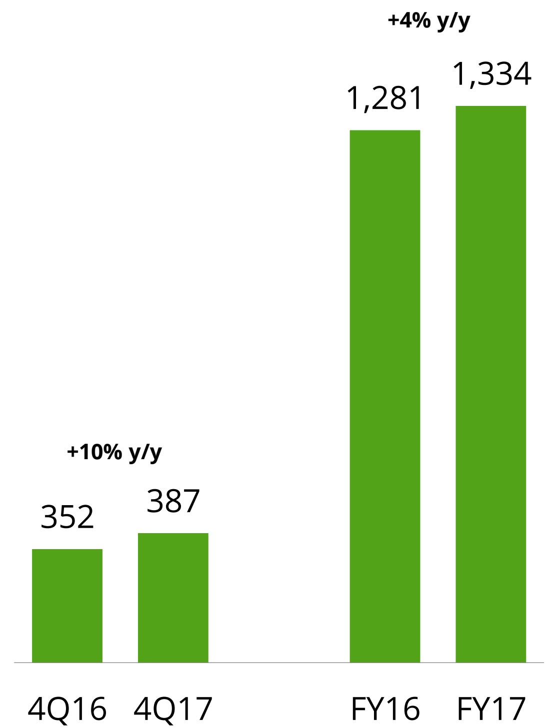
North America
(USD millions)



International
(USD millions)



Global
(USD millions)



ex-f/x *12%* *2%* *8%* *4%*

North America gross profit up 6%, International up 21%, and Global up 10% year-over-year for Q4

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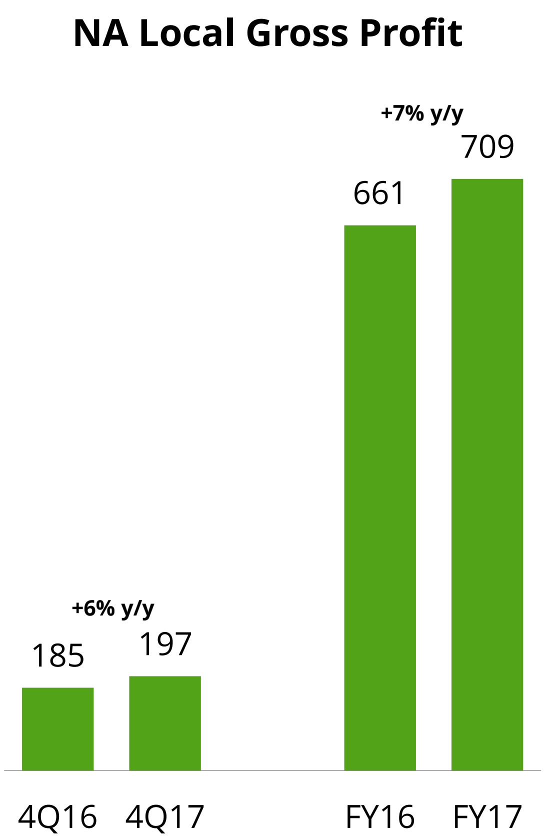
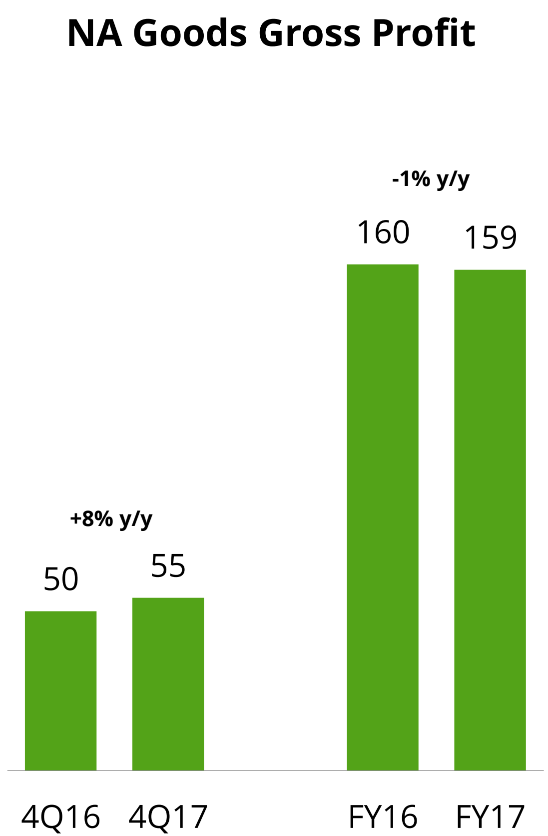
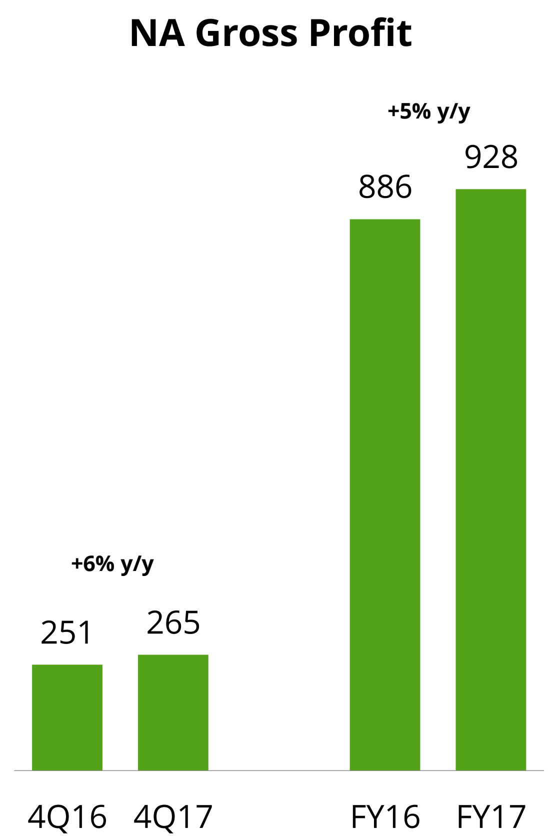
NORTH AMERICA GROSS PROFIT

(USD millions)







North America Local gross profit grew 6% year-over-year in Q4

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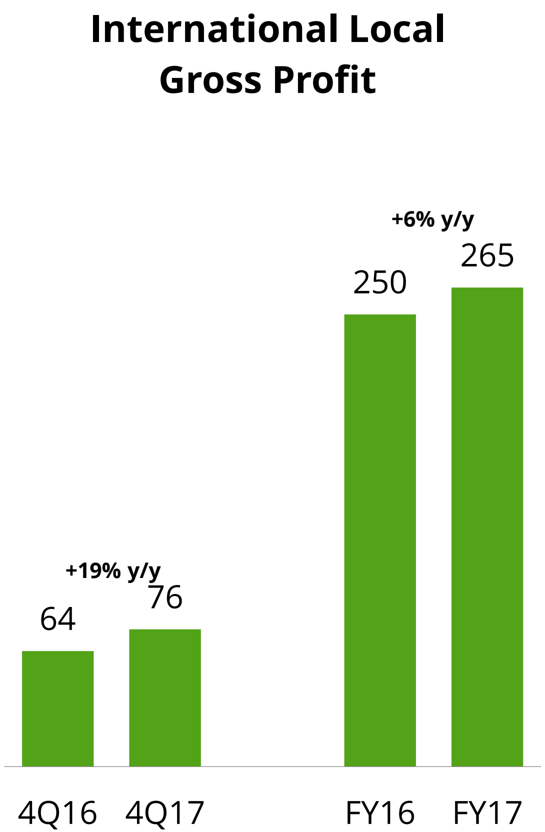
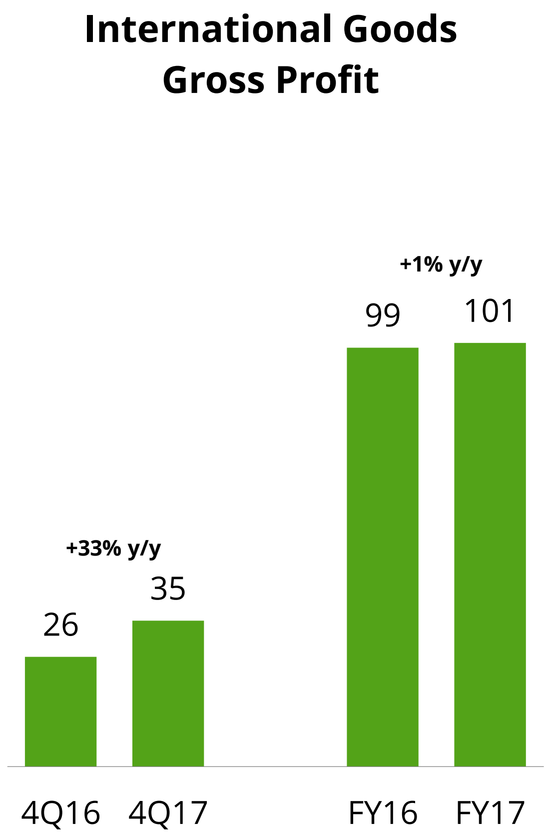
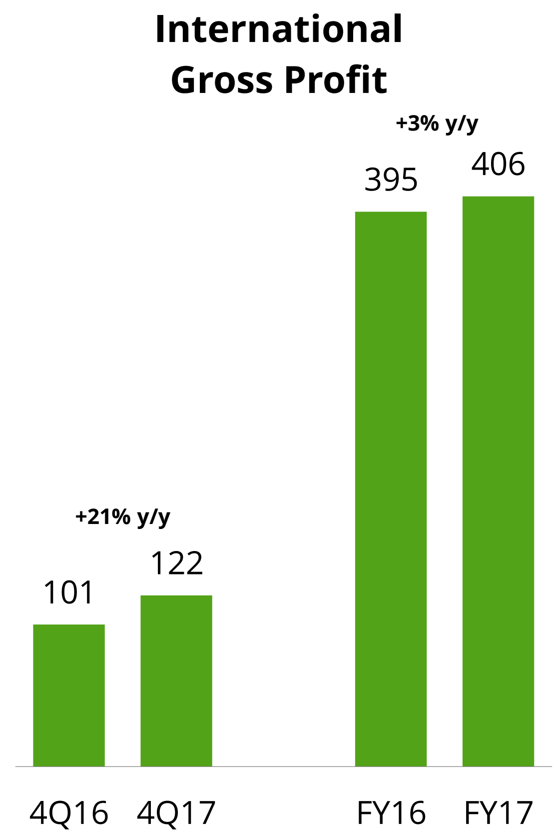
INTERNATIONAL GROSS PROFIT

(USD millions)







ex-f/x	*11%*	*5%*	*22%*	*-2%*	*12%*	*2%*

International gross profit grew 21% year-over-year in Q4; Local grew 19%

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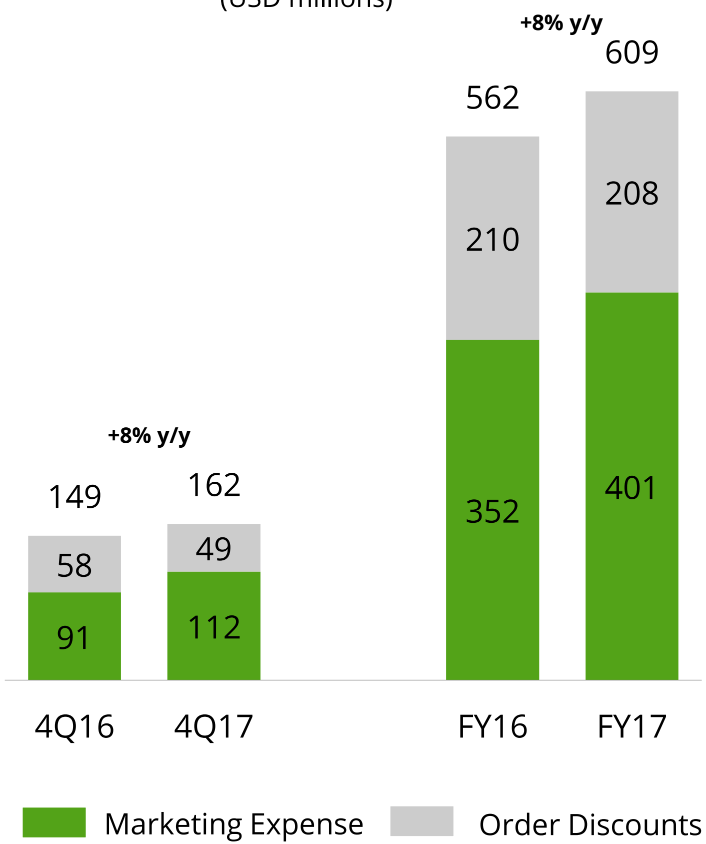
MARKETING - INVEST AT 12-18 MONTH PAYBACK

Marketing + Order Discounts

(USD millions)



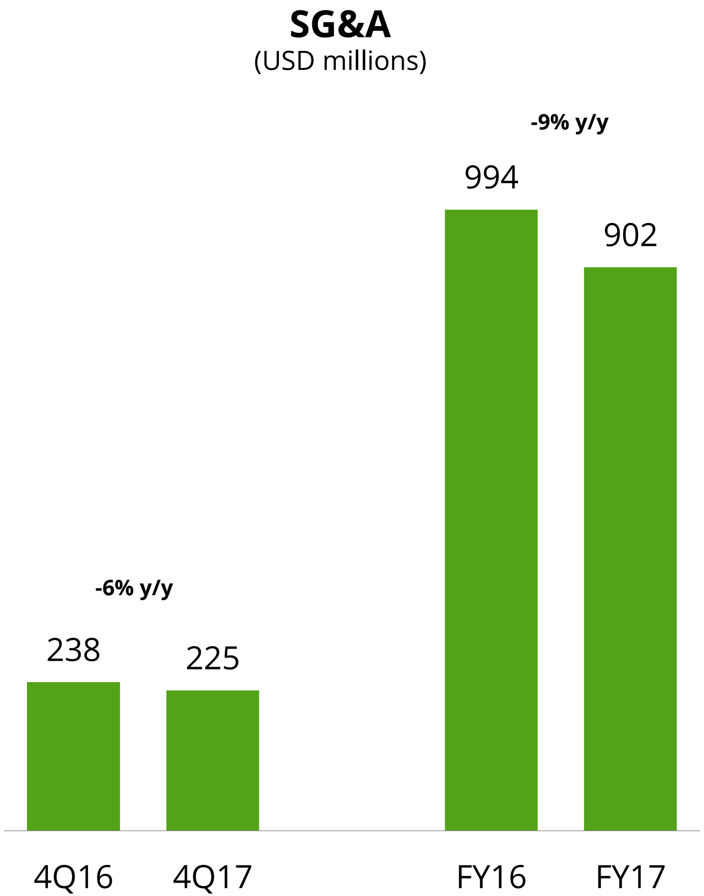
Marketing ROI = Incremental Gross Profit / Incremental Marketing Spend = **100%**

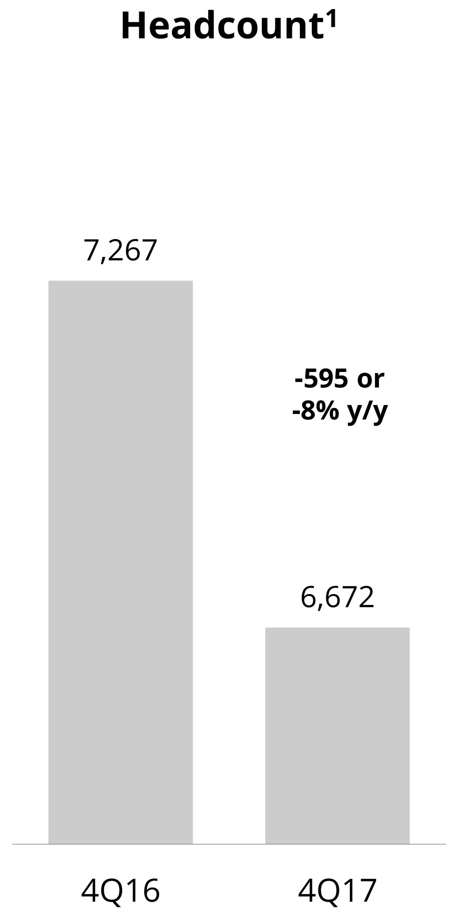
Time to Payback = **12 to 18 months**

- ROI tracking across marketing channels, platforms, and categories
- Supporting International in target cities leveraging deepened marketing analytics
- Driving brand awareness and educating consumers through offline ad campaigns

Marketing (including order discounts) increased $12 million in Q4, supporting $35 million of gross profit growth

SG&A – BENEFITING FROM PAST RESTRUCTURING ACTIONS





Global SG&A declined by $13 million year-over-year in Q4

(1) Prior periods exclude headcount from discontinued operations. Including employees of discontinued operations, our headcount decreased by 1,651 employees, or 20%, year-over-year in Q4, from 8,323 total employees in the prior year period.

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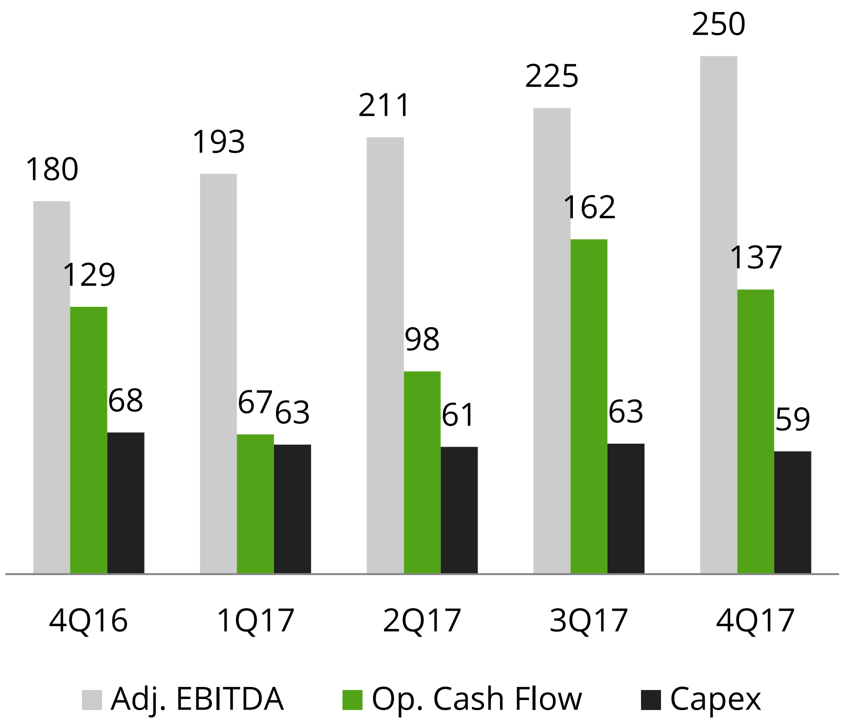
FOCUS ON IMPROVING CONVERSION FROM ADJUSTED EBITDA TO FREE CASH FLOW

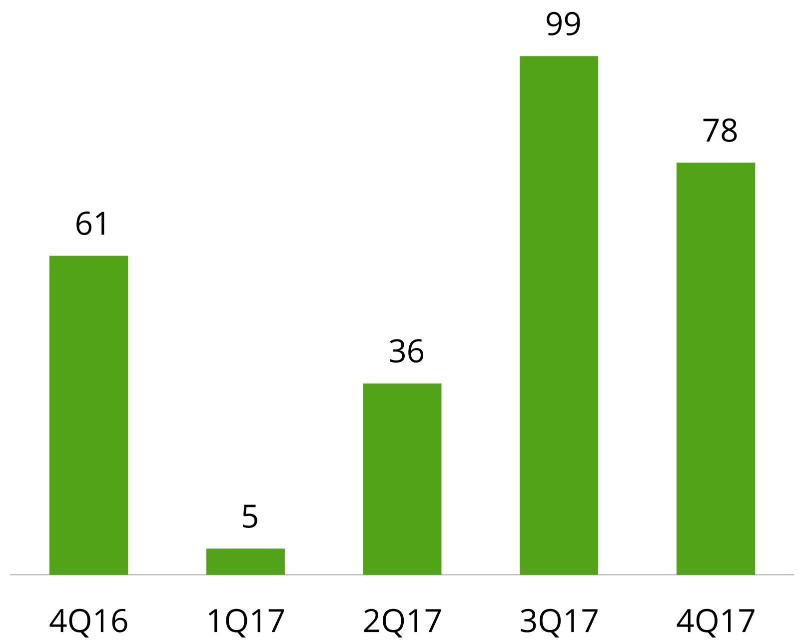
Adjusted EBITDA[1], Operating Cash Flow, and Capital Expenditures

(TTM, USD millions)



Free Cash Flow[2]

(TTM, USD millions)



(1) Adjusted EBITDA is a non-GAAP performance measure. See the appendix for a reconciliation to the most comparable U.S. GAAP performance measure, "Net income (loss) from continuing operations."
(2) Free Cash Flow is a non-GAAP liquidity measure. See the appendix for a reconciliation to the most comparable U.S. GAAP financial measure, "Net cash provided by (used in) operating activities from continuing operations."

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APPENDIX

NON-GAAP RECONCILIATIONS[1]

ADJUSTED EBITDA - QUARTERLY

THE FOLLOWING IS A RECONCILIATION OF ADJUSTED EBITDA TO THE MOST COMPARABLE U.S. GAAP PERFORMANCE MEASURE, "INCOME (LOSS) FROM CONTINUING OPERATIONS":

(in thousands)	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Income (loss) from continuing operations	$(43,539)	$(48,768)	$(34,447)	$(39,455)	$(20,869)	$(5,403)	$3,802	$51,071
Adjustments:								
Stock-based compensation[(2)]	27,293	34,210	25,457	22,563	19,650	21,392	18,235	21,673
Depreciation and amortization	34,415	33,916	32,897	34,681	34,067	34,679	35,231	33,850
Acquisition-related expense (benefit), net	3,464	850	(9)	1,345	12	36	—	—
Restructuring charges	11,513	15,702	1,163	12,060	2,731	4,584	11,503	10
Gain on sale of intangible assets	—	—	—	—	—	—	(17,149)	—
Gains on business dispositions	—	(9,339)	(2,060)	—	—	—	—	—
Non-operating expense (income), net	(2,618)	11,253	7,917	54,737	4,602	(5,878)	(7,546)	2,112
Provision (benefit) for income taxes	1,009	(2,238)	1,690	(5,779)	4,587	3,883	2,531	(3,457)
Total adjustments	75,076	84,354	67,055	119,607	65,649	58,696	42,805	54,188
Adjusted EBITDA	$31,537	$35,586	$32,608	$80,152	$44,780	$53,293	$46,607	$105,259

(1) See Q4 earnings press release posted on our Investor Relations website for additional information regarding non-GAAP financial measures.
(2) Represents stock-based compensation recorded within cost of revenue, marketing expense, and selling, general and administrative expense. Nonoperating expense (income), net, includes $0.2 million, $0.2 million, $0.3 million $0.2 million, $0.1 million, $0.0 million, $0.1 million, and $0.1 million of additional stock-based compensation for the three months ended March 31, 2016, June 30, 2016, September 30, 2016, December 31, 2016, March 31, 2017, June 30, 2017, September 30, 2017, and December 31, 2017, respectively. Restructuring charges include $2.6 million, $2.1 million, and $0.8 million of additional stock-based compensation for the three months ended March 31, 2016, June 30, 2016, and September 30, 2017, respectively.

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NON-GAAP RECONCILIATIONS CONT'D

EXPECTED ADJUSTED EBITDA RANGE

THE FOLLOWING IS A RECONCILIATION OF THE COMPANY'S ANNUAL OUTLOOK FOR ADJUSTED EBITDA TO THE COMPANY'S OUTLOOK FOR THE MOST COMPARABLE U.S. GAAP PERFORMANCE MEASURE, "INCOME (LOSS) FROM CONTINUING OPERATIONS":

(in thousands)	Year Ending December 31, 2018
Expected income (loss) from continuing operations range[1]	$25,000 to $35,000
Expected adjustments:	
Stock-based compensation	95,000
Depreciation and amortization	112,000
Non-operating expense (income), net	20,000
Provision (benefit) for income taxes	8,000
Total expected adjustments	$235,000
Expected Adjusted EBITDA range	$260,000 to $270,000

(1) The expected income (loss) from continuing operations range does not reflect the potential impact of any business or asset acquisitions or dispositions, changes in the fair values of investments, foreign currency gains or losses or unusual or infrequently occurring items that may occur during 2018.

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NON-GAAP RECONCILIATIONS CONT'D

NON-GAAP EARNINGS PER SHARE AND NON-GAAP EARNINGS

THE FOLLOWING IS A RECONCILIATION OF NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS TO NON-GAAP NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS AND A RECONCILIATION OF DILUTED NET INCOME (LOSS) PER SHARE TO NON-GAAP NET INCOME (LOSS) PER SHARE:

(in thousands, except share and per share amounts)	Three Months Ended December 31, 2017	Year Ended December 31, 2017
Net income (loss) attributable to common stockholders	$47,721	$14,040
Less: Net income attributable to noncontrolling interest	(3,127)	(12,587)
Net income	50,848	26,627
Less: Loss from discontinued operations, net of tax	(223)	(1,974)
Income from continuing operations	51,071	28,601
Less: Provision (benefit) for income taxes	(3,457)	7,544
Income from continuing operations before provision (benefit) for income taxes	47,614	36,145
Stock-based compensation(1)	21,726	81,168
Amortization of acquired intangible assets	5,410	23,032
Acquisition-related expense (benefit), net	—	48
Restructuring charges	10	18,828
Gain on sale of intangible assets	—	(17,149)
Gain on sale of investment	—	(7,624)
Losses (gains), net from changes in fair value of investments	(5,482)	(382)
Intercompany foreign currency losses (gains) and reclassifications of translation adjustments to earnings	(112)	(16,177)
Non-cash interest expense on convertible senior notes	2,794	10,758
Non-GAAP income from continuing operations before provision (benefit) for income taxes	71,960	128,647
Non-GAAP provision (benefit) for income taxes)	27,103	50,452
Non-GAAP net income	44,857	78,195
Net income attributable to noncontrolling interest	(3,127)	(12,587)
Non-GAAP net income attributable to common stockholders	41,730	65,608
Plus: Cash interest expense from assumed conversion of convertible senior notes(2)	1,004	4,337
Non-GAAP net income attributable to common stockholders plus assumed conversions	$42,734	$69,945
Weighted-average shares of common stock – diluted	570,734,081	568,418,371
Incremental dilutive securities	46,296,300	46,296,300
Weighted-average shares of common stock – non-GAAP	617,030,381	614,714,671
Diluted net income per share	$0.08	$0.02
Impact of non-GAAP adjustments and related tax effects	(0.01)	0.09
Non-GAAP net income per share	$0.07	$0.11

(1) Represents stock-based compensation expense recorded within "Selling, general, and administrative," "Cost of Revenue," "Marketing" and "Other (income) expense, net." "Restructuring charges" includes $0.8 million of additional stock-based compensation expense for the twelve months ended December 31, 2017.
(2) Adjustment to interest expense for assumed conversion of convertible senior notes excludes non-cash interest expense that has been added back above in calculating non-GAAP net income (loss) attributable to common stockholders.

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NON-GAAP RECONCILIATIONS CONT'D

FREE CASH FLOW

THE FOLLOWING IS A RECONCILIATION OF FREE CASH FLOW TO THE MOST COMPARABLE U.S. GAAP FINANCIAL MEASURE, "NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES FROM CONTINUING OPERATIONS":

(in thousands)	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Net cash provided by (used in) operating activities from continuing operations	**$(74,777)**	**$(51,009)**	**$(39,879)**	**$294,593**	**$(136,233)**	**$(20,695)**	**$23,861**	**$270,564**
Purchases of property and equipment and capitalized software from continuing operations	**(19,852)**	**(16,499)**	**(12,682)**	**(19,254)**	**(14,076)**	**(15,385)**	**(14,255)**	**(15,442)**
Free Cash Flow	**$(94,629)**	**$(67,508)**	**$(52,561)**	**$275,339**	**$(150,309)**	**$(36,080)**	**$9,606**	**$255,122**
Net cash provided by (used in) investing activities from continuing operations	**$(20,678)**	**$(18,957)**	**$(11,902)**	**$(4,049)**	**$(14,020)**	**$(13,782)**	**$18,230**	**$(15,751)**
Net cash provided by (used in) financing activities	**$(78,015)**	**$169,225**	**$(38,342)**	**$(67,533)**	**$(45,726)**	**$(47,924)**	**$(27,972)**	**$(16,424)**

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U.S. TAX REFORM IMPACT

Groupon expects:

- No significant impact in 2018 from lower corporate income tax rate
- No transition tax on accumulated foreign earnings due to overall cumulative deficit position
- Immaterial impact from changes in Net Operating Loss (NOL) treatment
- Transition adjustment to revalue our deferred tax assets related to NOLs to be offset by associated valuation allowances
- **Impact of U.S. tax reform included in FY2018 guidance**

No significant P&L impact from U.S. tax reform in 2018

REVENUE RECOGNITION STANDARD IMPACT

Groupon expects:

- Will require a one-time transition adjustment to our balance sheet, primarily relating to variable consideration and deferred sales commissions
- Changes in classification will reduce our revenue by approximately $35 to $40 million
- **Impact of revenue recognition standard changes included in FY2018 guidance**

No significant impact to gross profit or Adjusted EBITDA from revenue recognition standard changes

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