



## OVERVIEW

Groupon (NASDAQ: GRPN) is a global leader of local commerce and the place you start when you want to buy just about anything, anytime, anywhere. By leveraging the company's global relationships and scale, Groupon offers consumers a vast marketplace of unbeatable deals all over the world. Shoppers discover the best a city has to offer on the web or on mobile with Groupon Local, enjoy vacations with Groupon Getaways, and find a curated selection of electronics, fashion, home furnishings and more with Groupon Goods. Groupon is redefining how traditional small businesses attract, retain and interact with customers by providing merchants with a suite of products and services, including customizable deal campaigns, credit card payment processing capabilities, and point-of-sale solutions that help businesses grow and operate more effectively.

To search for great deals or subscribe to Groupon emails, visit [www.Groupon.com](http://www.Groupon.com).

To learn more about the company's merchant solutions and how to work with Groupon, visit [www.GrouponWorks.com](http://www.GrouponWorks.com).

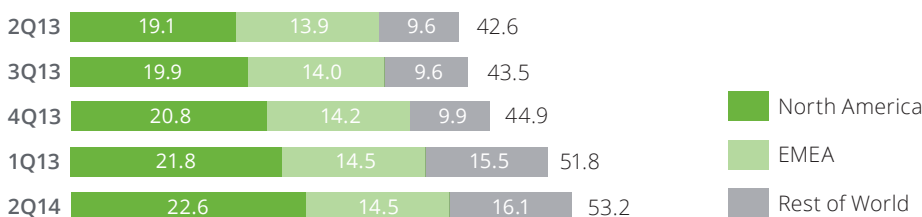
## MERCHANTS LOVE Groupon

- More than **650,000 merchants** have been featured as of Dec. 31, 2013
- Number of **active deals** was more than **240,000 globally** and more than **105,000 on average in North America** at the end of Q2, compared with more than 200,000 globally and more than 95,000 in NA as reported in Q1 and ~1,000 worldwide at the time of the IPO<sup>1</sup>
- More than **75% of Groupon's North American merchants** opt to be **featured in the Pull marketplace on an ongoing basis**
- **84% of merchants** feel the Groupon **deal increased awareness of their business** within the community (see p.4)

## CONSUMERS LOVE Groupon

- Groupon has sold more than **600 million units to date**
- Nearly **92 million people worldwide** have downloaded the **Groupon Mobile app** as of June 30
- **Consolidated units increased 79% YoY to 83 million in Q2**; North America units increased 8%, EMEA units increased 10% and Rest of World units increased 342% YoY
- **Groupon users spend 45% more** than the average U.S. online consumer<sup>2</sup>
- North American **customer satisfaction is best-in-class** with 95% of customers satisfied with their most recent purchase (see p.4)
- Active customers **increased 25% year-over-year**<sup>1</sup>

### ACTIVE CUSTOMERS (IN MILLIONS)



<sup>1</sup> Active deals reflect the number of daily featured and Deal Bank deals offered on average at the end of the quarter. Units reflect vouchers and products sold before cancellations and refunds. Active customers reflect the total number of unique user accounts who have purchased a voucher or product during the trailing twelve months.

<sup>2</sup> North American Technographics Retail Online Benchmark Recontact Survey, July 2013

<sup>3</sup> Gross billings defined as the total dollar value of customer purchases of goods and services, excluding applicable taxes and net of estimated refunds

<sup>4</sup> Please refer to the non-GAAP reconciliation tables in Groupon's Q2 2014 earnings release, available at [investor.groupon.com](http://investor.groupon.com)

## FINANCIAL RESULTS: Q2

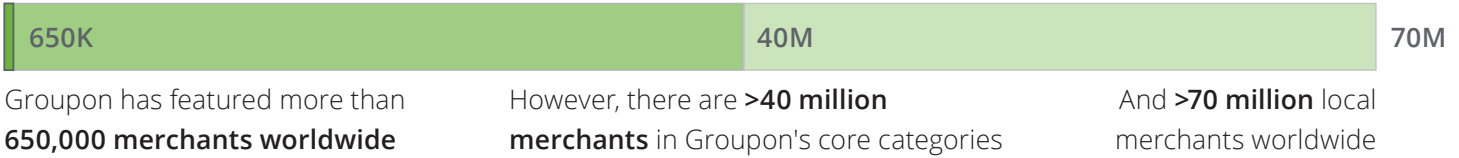
- **Gross billings increased 29% YoY** to \$1.82 billion<sup>3</sup>
- **Consolidated revenue of \$751.6 million**, an increase of 23% YoY
- **Adjusted EBITDA of \$59.1 million**, up from \$40.3 million in Q1<sup>4</sup>
- **Net earnings per share of \$0.01**, excluding stock compensation, amortization of acquired intangible assets and acquisition-related costs<sup>4</sup>
- **Trailing 12-month Free Cash Flow** of \$40.5 million<sup>4</sup>
- At the end of the quarter, Groupon had **\$868.1 million in cash** and cash equivalents

## BY THE NUMBERS

- **47 countries worldwide** (see country list on p.5), **500+ markets worldwide**
- More than **200 million subscribers worldwide**
- **53.2 million active customers** worldwide as of June 30, a **25% increase YoY**<sup>1</sup>
- Globally in the last 12 months, **customers purchased 3,000+ different types of goods, services and experiences**
- **Nearly 12,000 Groupon employees** worldwide
- **Seven acquisitions** in 2013 and **four acquisitions by the end of June 2014** (TMON and Ideel); TMON brings scale and expertise to the Rest of World region



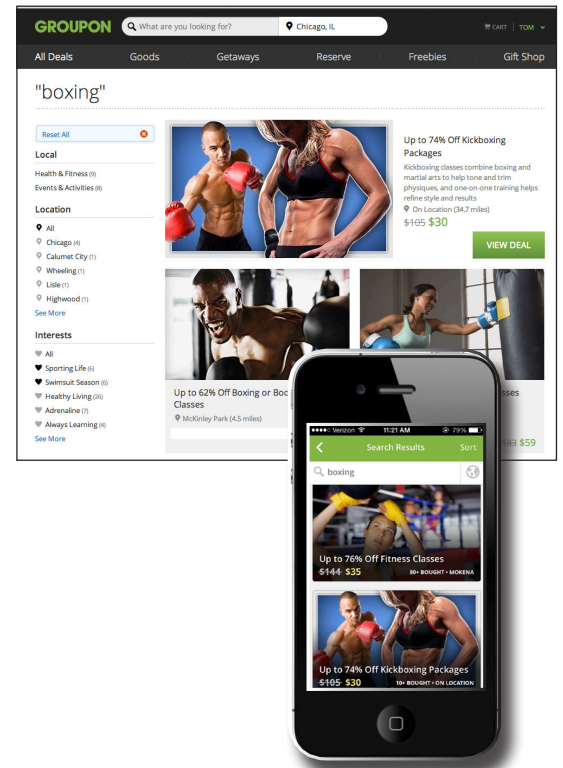
# GROUPON'S POTENTIAL - BUILDING A LOCAL PLATFORM WORLDWIDE<sup>1</sup>



## DISTRIBUTION

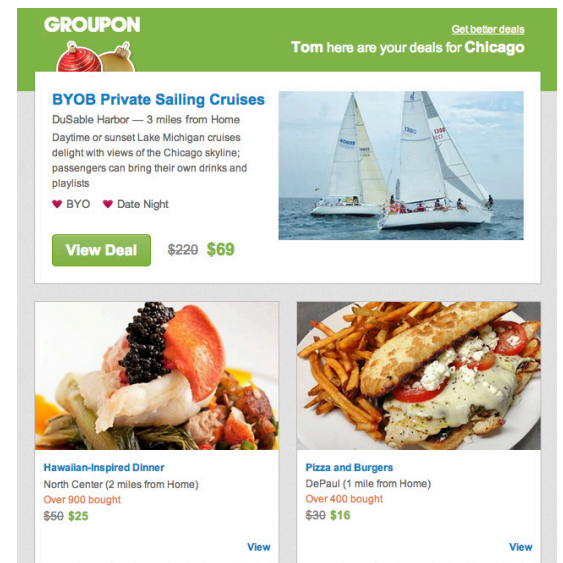
### THE WORLD'S LARGEST DEAL MARKETPLACE - CHECK GROUPON FIRST!

- Launched in November 2012, Groupon's marketplace is the **world's first local e-commerce marketplace** featuring a massive selection where customers can browse or search for deals on demand
- Groupon's marketplace included more than **240,000 active deals globally** and more than **105,000 on average in North America** at the end of Q2
- Customers are checking Groupon first with the intention of using their deal soon after purchase: In Q2, **redemptions** in North America local have stabilized and the **average number of unused Groupons** per customer has decreased more than 25% in the past year
- Percentage of merchant contracts signed in North America that **opted to feature in our Pull marketplace** with a monthly recurring deal remains **at 75%**
- **Deal Builder**, an online tool that allows merchants to create their own Groupon deal, improves automation and helps grow the marketplace by getting more merchants on the platform
- In June, 10% of total traffic in North America searched for a deal, with **customers who searched continuing to spend significantly more than those who did not**



## EMAIL - YOUR PERSONALIZED DEAL DELIVERY

- Groupon's 200+ million subscribers receive emails each day surprising and delighting them with curated, unbeatably priced offers from an **ever-expanding list of more than 3,000 different types of goods, services and experiences sold globally in the last 12 months**
- Email is **diversified beyond local deals** to include Groupon Goods, Groupon Getaways, GrouponLive, Groupon Reserve and Groupon Freebies
- **Smart Deals email personalization** gives Groupon the ability to customize the deals subscribers receive every day and includes input subscribers submit on their interests and curiosities
- Groupon's widget-based email system, creates **assortments of deals by category or theme** to broaden the relevance of our emails for customers



<sup>1</sup> Localize/Neustar & Factual.com Business Listings and company estimates; Groupon merchants as of 12/31/13



### DISTRIBUTION

Mobile - A Global M-Commerce Leader

Groupon is a predominantly mobile business, as mobile accounts for more than half of Groupon's business worldwide.

*By most reports, Groupon is the most mobile large-scale e-commerce company in the world.*

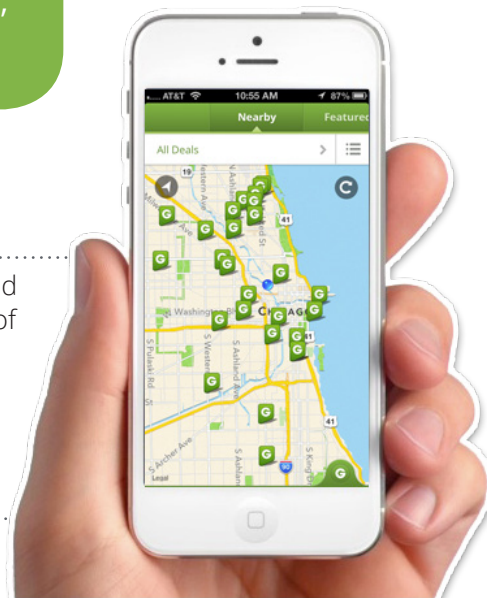
MOBILE ACCOUNTS FOR **MORE THAN HALF** OF Groupon'S TRANSACTIONS WORLDWIDE, REACHING YET ANOTHER **ALL-TIME HIGH** IN Q2

NEARLY **92**

million people ..... worldwide have downloaded our mobile app at the end of Q2, including more than 33 million in 2013

ONE OF THE **25**

most downloaded ..... free apps of all time in the United States<sup>1</sup>



### Mobile Customers

**Mobile customers** continue to be more engaged than our web-only customers, **purchasing more frequently and spending more**

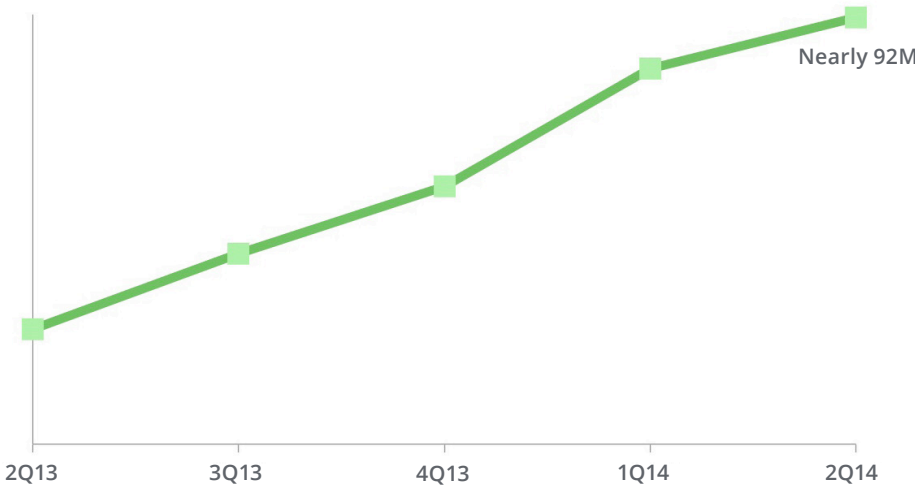
Groupon Mobile app versions are consistently given a perfect **five-star user rating** in the U.S. iTunes App Store

While **mobile purchasers are more engaged**, it takes longer for a mobile customer to activate

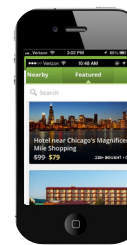
Groupon's apps are available in **43 countries**

### MOBILE APP DOWNLOADS

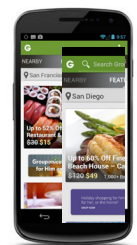
Quarterly, 2Q13 to 2Q14



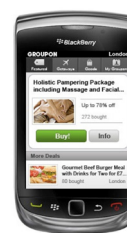
### Mobile Devices



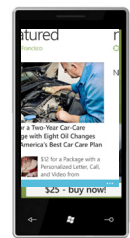
iPhone



Android



BlackBerry



Windows Phone

<sup>1</sup> iTunes ranking for US stores (as of 8/1/14) available here - <https://itunes.apple.com/WebObjects/MZStore.woa/wa/viewFeature?id=500873243&mt=8&v=www-itunes25Bcountdown-appstore>



## GROUPON MERCHANT AND CUSTOMER SATISFACTION

Groupon earns high marks in customer and merchant satisfaction, improving scores across the globe.

**Customer and Merchant Satisfaction:** Groupon's customer and merchant satisfaction scores remain best in class. International CSAT and MSAT remain steady.

Groupon brings in customers from key demographics: <sup>2</sup>

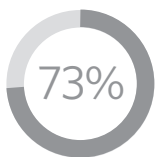
**74%** are women  
This is the key to reaching families, where women are often the primary household decision makers

**71%** have a college education  
What's more, 14% have a graduate degree

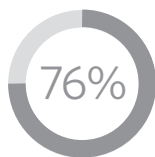
**24%** have a household income greater than \$100k  
Higher income means the freedom to try new experiences

*Of the 7.2 million customers we've surveyed in North America, **63%** were trying the merchant for the first time <sup>3</sup>*

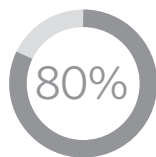
Merchants find Groupon to be: <sup>4</sup>



reliable



trustworthy



easy to use

**95%**

of customers and 71% of merchants are satisfied with Groupon <sup>1,2</sup>

**93%**

of merchants agree that their Groupon deal brought in new customers <sup>5</sup>

**77%**

of customers spend beyond the value of the Groupon <sup>6</sup>

**72%**

of customers would not have gone to the merchant if not for the Groupon deal, and 15% were not even considering the purchase before they saw the deal <sup>2</sup>

**89%**

of customers are satisfied with the Groupon Mobile app <sup>2</sup>

**85%**

of customers say they are likely to return to the merchant again <sup>2</sup>

**82%**

of businesses that Groupon works with have 20 employees or fewer <sup>1</sup>

**84%**

of merchants felt the Groupon deal increased awareness of their business within the community <sup>5</sup>

**79%**

of customers have referred someone to the business – Groupon customers are “influencers” who spread the word in their peer group <sup>2</sup>

<sup>1</sup> ForeSee Groupon Merchant Satisfaction Study, Q2 2014 (commissioned by Groupon)

<sup>2</sup> ForeSee Groupon Customer Satisfaction Study, June 2014 (commissioned by Groupon). Recent purchasers surveyed on most recent Groupon purchase

<sup>3</sup> Internal Post-Redemption Data, October 2011 - June 2014

<sup>4</sup> AbsolutData, Q1 2014 Merchant Business Partnership Survey, March 2014 (commissioned by Groupon)

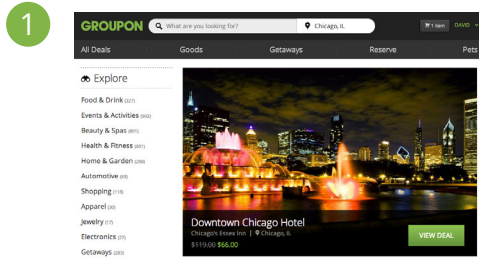
<sup>5</sup> Q1 2014 State of the Groupon Merchant Business Study, February 2014 (conducted by Groupon)

<sup>6</sup> Internal Redemption Data, Jan. 2013 - June 2014. In instances where a merchant has recorded a total bill

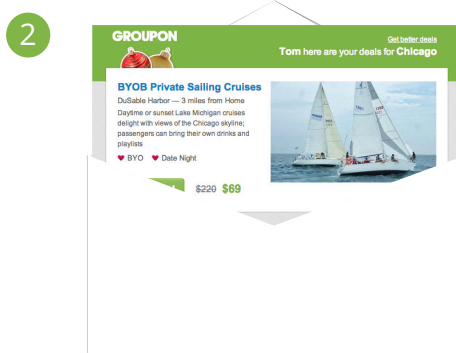




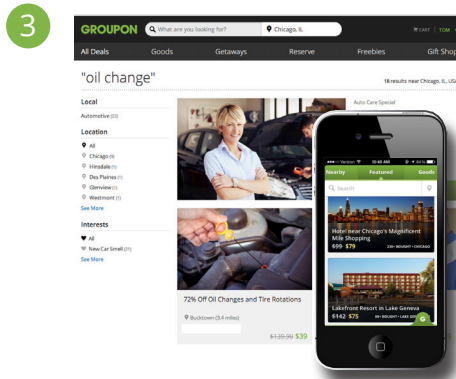
# ANATOMY OF A Groupon DEAL



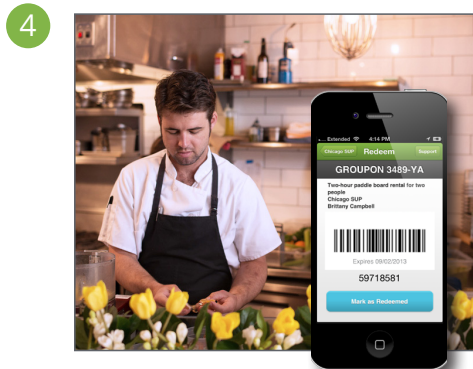
Deals sourced from high-quality merchants sold at a discount (e.g. \$20 for \$40 in value at local retailer)



Groupon offers sent to subscribers via email or browsed by consumers on the website or mobile app



Customers viewing deals via Groupon.com or Groupon Mobile can search deals and browse by location and keyword



Simply redeem goods or services from merchants

## 5 Groupon pays merchants

**North America:** Groupon typically pays merchants and suppliers in installments within 60 days. Merchants with an ongoing deal in the marketplace typically receive payments on an ongoing basis, generally bi-weekly, throughout the term of the offering.

**International:** Groupon typically pays merchants when the customer redeems the Groupon. Goods suppliers are typically paid within 60 days.

# GLOBAL FOOTPRINT

Since 2008, Groupon has experienced record-setting growth, expanding from its first market in Chicago to operations in 47 countries and 500+ markets worldwide.

## MARKET 1ST DEAL SOLD

MARKET	1ST DEAL SOLD
United States	October 2008
Canada	April 2010
Germany	May 2010
UK	May 2010
France	May 2010
Austria	May 2010
Italy	May 2010
Spain	May 2010
Netherlands	May 2010
Switzerland	May 2010
Sweden	May 2010
Poland	May 2010
Turkey	May 2010
Finland	May 2010
Ireland	May 2010
Norway	May 2010
Belgium	May 2010
Chile	June 2010
Greece	June 2010
Portugal	June 2010
Argentina	June 2010
Brazil	June 2010
Mexico	June 2010
Colombia	June 2010
Japan	August 2010
Russia	August 2010
Peru	September 2010
Taiwan	November 2010
Hong Kong	November 2010
Singapore	November 2010
Philippines	November 2010
Uruguay	November 2010
Israel	December 2010
South Africa	January 2011
Malaysia	January 2011
India	January 2011
Romania	January 2011
Ukraine	January 2011
Australia	February 2011
South Korea	March 2011
UAE	March 2011
China	March 2011
Indonesia	April 2011
New Zealand	May 2011
Morocco	July 2011
Denmark	September 2011
Panama	October 2011
Thailand	March 2012



## CATEGORIES AND MERCHANT TOOLS

Groupon's diverse categories and integrated Merchant Operating System tools continue to help merchants grow

### Categories

#### Local - [www.groupon.com](http://www.groupon.com)

- Groupon offers consumers incredible deals on the best stuff to eat, see, do and buy in 47 countries
- Subscribers are emailed deals customized for them by Groupon's Smart Deals email personalization technology (currently available in NA; rolling out in international markets), which includes input subscribers submit on their interests and curiosities
- Local deals are available in the deal marketplace on Groupon.com and Groupon Mobile, searchable by keyword and location
- Local deals make up a large part of Groupon's 3,000+ different types of goods, services and experiences sold globally in the last 12 months, including food and drink, health and beauty, leisure/activities and services
- Local gross billings increased 6% YoY to \$859 million in Q2, with continued growth in customers, units and active deals

#### Goods - [www.groupon.com/goods](http://www.groupon.com/goods)

- Launched in September 2011 in select North American and International markets
- Consumer products featuring a variety of subcategories, including electronics, home and garden and toys
- Acquired TMON in January 2014, which added more than \$300 million in billings in Q2 with the majority coming from Goods
- Acquired leading online fashion retailer ideeli (relaunched as Ideel) in January 2014, which launched a website redesign in February 2014
- Goods gross margins reached 11.5% globally and 9% in North America in Q2
- Goods gross billings increased 65% YoY to \$720 million in Q2

#### Getaways - [www.groupon.com/getaways](http://www.groupon.com/getaways)

- Launched in July 2011
- Customers can now browse among thousands of hotels and either find a deal or find a desired hotel and book their reservation
- Acquired last-minute hotel booking app Blink in September 2013, which will further bolster the Getaways business
- Getaways gross billings increased 44% YoY to \$240 million in Q2 with strong growth of 44% in North America
- Recently expanded to add another 20,000 hotels in NA to the marketplace

#### GrouponLive - [www.groupon.com/live](http://www.groupon.com/live)

- GrouponLive launched in May 2011, G-Pass in April 2012
- Partnership with Live Nation whereby Groupon serves as a local resource for Live Nation events and clients of its global ticketing business, Ticketmaster
- Acquired activity marketplace SideTour in September 2013

#### Coupons - [www.groupon.com/coupons](http://www.groupon.com/coupons)

- Launched in November 2013 to provide shoppers with an easy way to save money in the online stores of their favorite brands
- Includes more than 30,000 digital coupons, promotion codes, sales, giveaways and samples available in the U.S. from more than 6,500 brands

### Merchant OS Tools

#### Gnome - [www.gnome.groupon.com](http://www.gnome.groupon.com)

- Launched in May 2014
- Groupon's operating system for merchants, wrapped inside an iPad mini with a credit card swiper
- Offers seamless redemption; customers are able to use Groupons without taking their phone out of their pocket
- Includes an easy to use iPad Point of Sale system and full payments processing at some of the best rates in the market
- Deployed in over 75 cities in North America, with more to be added

#### Payments - [www.breadcrumb.groupon.com/payments](http://www.breadcrumb.groupon.com/payments)

- Launched nationwide September 2012; integrated into Gnome
- A payments service backed by a low price guarantee, built into the latest version of the Groupon Merchants app for the iPhone and iPod Touch

#### Breadcrumb PRO - [www.breadcrumb.groupon.com](http://www.breadcrumb.groupon.com)

- Launched nationwide May 2013
- A complete restaurant and bar management system with more than 200 features including customizable menus, full modifiers, flexible kitchen printing, labor tracking and real-time reporting

#### Groupon Merchant Center - <https://merchants.groupon.com>

- Dashboard that provides merchants with comprehensive real-time view of customer insights, feedback and performance measurement across Groupon campaigns; tracks customer comments, customer acquisition, incremental customer spending and ROI from Groupon marketing services

### Resources

#### GrouponWorks - [www.grouponworks.com](http://www.grouponworks.com)

- Launched new redesigned version in July 2012
- Features Groupon's entire suite of marketing products and services for merchants, more than 1,000 case studies and video testimonials from merchants and hundreds of small-business articles to help merchants succeed
- Deal Builder - a self-serve tool on GrouponWorks that allows merchants to create their own deal and join the Pull marketplace

### Social Innovation

#### Groupon Grassroots - [www.grassroots.groupon.com](http://www.grassroots.groupon.com)

- First launched as G-Team in 2010, relaunched as Groupon Grassroots in April 2012
- Raised more than \$8.4 million toward fostering neighborhood advancement and promoting worthy causes