



PayPal Reports Fourth Quarter and Full Year 2024 Results

PayPal delivered solid fourth quarter and 2024 results; begins 2025 with strong foundation for continued transformation and new \$15 billion share repurchase authorization

SAN JOSE, Calif., (February 4, 2025) – PayPal Holdings, Inc. (NASDAQ: PYPL) today reported results for the fourth quarter and full year ending December 31, 2024.

“PayPal had a strong finish to a successful 2024 with results that were better than we expected. We set out at the beginning of 2024 to narrow our focus, improve execution, and reposition the business. One year later, I’m proud that we’ve laid a strong foundation for long-term, profitable growth across the company’s most important areas. The improvements we made to branded checkout, peer-to-peer, and Venmo, plus the progress we made on our price-to-value strategy, are beginning to show up in our results.

The strong momentum we’ve created sets us up well for 2025, which is about scaling adoption. I’m excited to share more at our Investor Day later this month.”

Alex Chriss

President and CEO

4Q'24 Financial Results

- Net revenues increased 4% to \$8.4 billion; 4% currency-neutral (“FXN”).
- Transaction margin dollars increased 7% to \$3.9 billion.
- GAAP operating income decreased 17% to \$1.4 billion; non-GAAP¹ operating income increased 2% to \$1.5 billion.
- GAAP operating margin contracted 431 basis points to 17.2%; non-GAAP operating margin contracted 34 basis points to 18.0%.
- GAAP EPS decreased 15% to \$1.11²; non-GAAP EPS increased 5% to \$1.19.

FY'24 Financial Results

- Net revenues increased 7% to \$31.8 billion; 7% FXN.
- Transaction margin dollars increased 7% to \$14.7 billion.
- GAAP operating income increased 6% to \$5.3 billion; non-GAAP operating income increased 14% to \$5.8 billion.
- GAAP operating margin contracted 14 basis points to 16.7%; non-GAAP operating margin expanded 116 basis points to 18.4%.
- GAAP EPS increased 4% to \$3.99³; non-GAAP EPS increased 21% to \$4.65.

4Q'24 & FY'24 Operating Results

- 4Q'24 total payment volume (“TPV”) increased 7% (7% FXN) to \$437.8 billion; FY'24 TPV increased 10% (10% FXN) to \$1.68 trillion.
- 4Q'24 payment transactions decreased 3% to 6.6 billion; FY'24 payment transactions increased 5% to 26.3 billion.
- Payment transactions per active account on a trailing 12-month basis increased 3% to 60.6.
- Active accounts increased 2.1%, or by 8.8 million, to 434 million. In 4Q'24, active accounts increased sequentially by 0.6%, or by 2.6 million.

1. “Non-GAAP Measures of Financial Performance” and subsequent tables at the end of this press release provide reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures.

2. 4Q'24 GAAP EPS includes ~\$0.04 negative impact from PayPal’s strategic investment portfolio. 4Q'23 GAAP EPS includes ~\$0.01 negative impact from PayPal’s strategic investment portfolio and ~\$0.25 positive impact from the gain on sale of Happy Returns.

3. FY'24 GAAP EPS includes ~\$0.23 negative impact from PayPal’s strategic investment portfolio. FY'23 GAAP EPS includes ~\$0.14 positive impact from PayPal’s strategic investment portfolio and ~\$0.24 positive impact from the gain on sale of Happy Returns.



Cash Flow

- 4Q'24 cash flow from operations of \$2.4 billion and free cash flow of \$2.2 billion; FY'24 cash flow from operations of \$7.5 billion and free cash flow of \$6.8 billion.
- Adjusted free cash flow of \$2.1 billion in 4Q'24 and \$6.6 billion in FY'24, which excludes the net timing impact between originating European buy now, pay later ("BNPL") receivables as held for sale and the subsequent sale of these receivables.

Balance Sheet and Liquidity

- Cash, cash equivalents, and investments totaled \$15.4 billion as of December 31, 2024.
- Debt totaled \$11.1 billion as of December 31, 2024.
- Returned \$1.2 billion to stockholders by repurchasing approximately 15 million shares of common stock in 4Q'24.
 - For full year 2024, returned \$6.0 billion to stockholders by repurchasing approximately 92 million shares of common stock.
- Announced today that PayPal's Board of Directors has authorized a new \$15 billion stock repurchase program. This new repurchase authorization is in addition to the Company's June 2022 stock repurchase program, which had \$4.86 billion remaining authorization as of December 31, 2024.

Financial Guidance

Presented in millions, except per share data and percentages

	February 2025 Guidance	Prior year period
1Q'25		
GAAP EPS	\$1.11 - \$1.13	\$0.83
Non-GAAP EPS ¹	\$1.15 - \$1.17	\$1.08
FY'25		
GAAP EPS ²	\$4.80 - \$4.95	\$3.99
Non-GAAP EPS ³	\$4.95 - \$5.10	\$4.65

Please see "Non-GAAP Financial Measures" and "Non-GAAP Measures of Financial Performance" for reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures and important additional information.



1. Estimated non-GAAP amounts for the three months ending March 31, 2025 reflect adjustments of approximately \$50 million.
2. FY'24 GAAP EPS included a negative impact of ~\$0.23 from PayPal's strategic investment portfolio.
3. Estimated non-GAAP amounts for the full year ending December 31, 2025 reflect adjustments of approximately \$200 million.

4Q'24 Financial Results

<i>Presented in millions, except per share data and percentages</i>	<u>4Q'24</u>	<u>4Q'23</u>	<u>YoY Growth</u>	<u>FXN YoY Growth</u>
Total payment volume	\$437,836	\$409,832	7%	7%
GAAP				
Net revenues	\$8,366	\$8,026	4%	
Transaction margin dollars	\$3,935	\$3,672	7%	
Operating income	\$1,441	\$1,728	(17%)	
Operating margin	17.2%	21.5%	(431bps)	
Effective tax rate	20.5%	21.8%	(1.3pts)	
Net income (loss)	\$1,121	\$1,402	(20%)	
Earnings per diluted share	\$1.11	\$1.29	(15%)	
Net cash provided by operating activities	\$2,394	\$2,614	(8%)	
Non-GAAP				
Net revenues	\$8,366	\$8,026	4%	4%
Transaction margin dollars	\$3,935	\$3,672	7%	
Operating income	\$1,502	\$1,468	2%	
Operating margin	18.0%	18.3%	(34bps)	
Effective tax rate	21.0%	19.8%	1.2pts	
Net income	\$1,209	\$1,233	(2%)	
Earnings per diluted share	\$1.19	\$1.14	5%	
Free cash flow	\$2,191	\$2,469	(11%)	
Adjusted free cash flow	\$2,098	\$774	171%	

FY'24 Financial Results

<i>Presented in millions, except per share data and percentages</i>	<u>FY'24</u>	<u>FY'23</u>	<u>YoY Growth</u>	<u>FXN YoY Growth</u>
Total payment volume	1,681,150	1,528,579	10%	10%
GAAP				
Net revenues	\$31,797	\$29,771	7%	
Transaction margin dollars	\$14,658	\$13,704	7%	
Operating income	\$5,325	\$5,028	6%	
Operating margin	16.7%	16.9%	(14bps)	
Effective tax rate	22.2%	21.5%	0.7pts	
Net income (loss)	\$4,147	\$4,246	(2%)	
Earnings per diluted share	\$3.99	\$3.84	4%	
Net cash provided by operating activities	\$7,450	\$4,843	54%	
Non-GAAP				
Net revenues	\$31,797	\$29,771	7%	7%
Transaction margin dollars	\$14,658	\$13,704	7%	
Operating income	\$5,838	\$5,121	14%	
Operating margin	18.4%	17.2%	116bps	
Effective tax rate	21.1%	20.0%	1.0pts	
Net income	\$4,835	\$4,240	14%	
Earnings per diluted share	\$4.65	\$3.83	21%	
Free cash flow	\$6,767	\$4,220	60%	
Adjusted free cash flow	\$6,634	\$4,554	46%	



Conference Call & Webcast

PayPal Holdings, Inc. will host a conference call to discuss fourth quarter and full year 2024 results at 8:00 a.m. Eastern Time today. A live webcast of the conference call, together with a slide presentation that includes supplemental financial information and reconciliations of certain non-GAAP measures to their most directly comparable GAAP measures, can be accessed through the company's Investor Relations website at <https://investor.pypl.com>. In addition, an archive of the webcast will be accessible for 90 days through the same link.

Disclosure Channels

PayPal Holdings, Inc. uses the following channels as means of disclosing information about the company and for complying with its disclosure obligations under Regulation FD:

- Investor Relations website (<https://investor.pypl.com>)
- PayPal Newsroom (<https://newsroom.paypal-corp.com/>)
- PayPal Corporate website (<https://about.pypl.com>)
- PayPal's LinkedIn page (<https://www.linkedin.com/company/paypal>)
- PayPal's Facebook page (<https://www.facebook.com/PayPalUSA/>)
- PayPal's YouTube channel (<https://www.youtube.com/paypal>)
- Alex Chriss' LinkedIn profile (<https://www.linkedin.com/in/alexchriss/>)
- Alex Chriss' X profile (<https://x.com/acce>)
- Jamie Miller's LinkedIn profile (<https://www.linkedin.com/in/jamiesmiller/>)
- Steven Winoker's LinkedIn profile (<https://www.linkedin.com/in/steven-winoker-0764548/>)

The information that is posted through these channels may be deemed material. Accordingly, investors should monitor these channels in addition to PayPal's press releases, filings with the Securities and Exchange Commission ("SEC"), public conference calls, and webcasts.

About PayPal

PayPal has been revolutionizing commerce globally for more than 25 years. The company creates innovative experiences that make moving money, selling, and shopping simple, personalized, and secure. PayPal empowers consumers and businesses in approximately 200 markets to join and thrive in the global economy.

Presentation

All growth rates represent year-over-year comparisons, except as otherwise noted. FXN results are calculated by translating the current period local currency results by the prior period exchange rate. FXN growth rates are calculated by comparing the current period FXN results with the prior period results, excluding the impact from hedging activities. All amounts in tables are presented in U.S. dollars, rounded to the nearest million, except as otherwise noted. As a result, certain amounts and rates may not sum or recalculate using the rounded dollar amounts provided.

Non-GAAP Financial Measures

This press release includes financial measures defined as "non-GAAP financial measures" by the SEC including: non-GAAP net income, non-GAAP earnings per diluted share, non-GAAP operating income, non-GAAP operating margin, non-GAAP effective tax rate, free cash flow, and adjusted free cash flow. For an explanation of the foregoing non-GAAP measures, please see "Non-GAAP Measures of Financial Performance" included in this press release. These measures may be different from non-GAAP financial measures used by other companies. The presentation of this financial information, which is not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation of, or as a substitute for, the financial information prepared and presented in accordance with generally accepted accounting principles ("GAAP"). For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures, see "Non-GAAP Measures of Financial Performance," "Reconciliation of GAAP Operating Income to Non-GAAP Operating Income and GAAP Operating Margin to Non-GAAP Operating Margin," "Reconciliation of GAAP Net Income (Loss) to Non-GAAP Net Income, GAAP Diluted EPS to Non-GAAP Diluted EPS, and GAAP Effective Tax Rate to Non-GAAP Effective Tax Rate," and "Reconciliation of Operating Cash Flow to Free Cash Flow and Adjusted Free Cash Flow."



Forward-looking statements

This press release contains forward-looking statements relating to, among other things, the future results of operations, financial condition, expectations, and plans of PayPal Holdings, Inc. and its consolidated subsidiaries ("PayPal") that reflect PayPal's current projections and forecasts. Forward-looking statements can be identified by words such as "may," "will," "would," "should," "could," "expect," "anticipate," "believe," "estimate," "intend," "continue," "strategy," "future," "opportunity," "plan," "project," "forecast," and other similar expressions. Forward-looking statements may include, but are not limited to, statements regarding our guidance and projected financial and operating results for the first quarter and full year 2025; our capital return program; the timing and impact of product launches and acquisitions; and the projected future growth of PayPal's businesses. Forward-looking statements are based upon various estimates and assumptions, as well as information known to PayPal as of the date of this press release, and are inherently subject to numerous risks and uncertainties. Our actual results could differ materially from those estimated or implied by forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to: our ability to compete in markets that are highly competitive and subject to rapid technological change, and to develop and deliver new or enhanced products and services on a timely basis; cyberattacks and security vulnerabilities, and associated impacts; the effect of global and regional political, economic, market and trade conditions, including military conflicts, supply chain issues and related events that affect payments or commerce activity, including inflation and interest rates; the impact of catastrophic events, such as global pandemics, that may disrupt our business, as well as our customers, suppliers, vendors and other business partners; the stability, security and performance of our payments platform; the effect of extensive government regulation and oversight related to our business, products and services in a variety of areas, including, but not limited to, laws covering payments, lending and consumer protection; the impact of complex and changing laws and regulations worldwide, including, but not limited to, laws covering cybersecurity, privacy, data protection, and artificial intelligence; the impact of payment card, bank, or other network rules or practices; risks related to our credit products, including our ability to realize benefits from our agreements with third parties such as our agreement to sell our European BNPL loan receivables; changes in how consumers fund transactions; our ability to effectively detect and prevent the use of our services for fraud, abusive behaviors, illegal activities, or improper purposes; our ability to manage regulatory and litigation risks, and the outcome of legal and regulatory proceedings; our reliance on third parties in many aspects of our business; damage to our reputation or brands; fluctuations in foreign currency exchange rates; changes in tax rates and exposure to additional tax liabilities; changes to our capital allocation, management of operating cash or incurrence of indebtedness; our ability to timely develop and upgrade our technology systems, infrastructure and customer service capabilities; the impact of proposed or completed acquisitions, divestitures, strategic investments, or entries into new businesses or markets; and our ability to attract, hire, and retain highly talented employees. The forward-looking statements in this release do not include the potential impact of any acquisitions or divestitures that may be announced and/or contemplated after the date hereof. More information about factors that could adversely affect PayPal's results of operations, financial condition and prospects, or that could cause actual results to differ from those expressed or implied in forward-looking statements is included under the captions "Risk Factors," "Legal Proceedings" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in PayPal's most recent annual report on Form 10-K and its subsequent quarterly reports on Form 10-Q, copies of which may be obtained by visiting PayPal's Investor Relations website at <https://investor.ppyl.com> or the SEC's website at www.sec.gov. All information in this release speaks as of February 4, 2025. For the reasons discussed above, you should not place undue reliance on the forward-looking statements in this press release. PayPal assumes no obligation to update such forward-looking statements.

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PayPal Holdings, Inc.
Unaudited Condensed Consolidated Balance Sheets

	December 31, 2024	December 31, 2023
(In millions, except par value)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,561	\$ 9,081
Short-term investments	4,262	4,979
Accounts receivable, net	984	1,069
Loans and interest receivable, held for sale	541	563
Loans and interest receivable, net	6,422	5,433
Funds receivable and customer accounts	37,671	38,935
Prepaid expenses and other current assets	4,651	2,509
Total current assets	61,092	62,569
Long-term investments	4,583	3,273
Property and equipment, net	1,508	1,488
Goodwill	10,837	11,026
Intangible assets, net	326	537
Other assets	3,265	3,273
Total assets	\$ 81,611	\$ 82,166
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 227	\$ 139
Funds payable and amounts due to customers	39,671	41,935
Accrued expenses and other current liabilities	8,478	6,392
Total current liabilities	48,376	48,466
Other long-term liabilities	2,939	2,973
Long-term debt	9,879	9,676
Total liabilities	61,194	61,115
Equity:		
Common stock, \$0.0001 par value; 4,000 shares authorized; 993 and 1,072 shares outstanding as of December 31, 2024 and December 31, 2023, respectively	—	—
Preferred stock, \$0.0001 par value; 100 shares authorized, unissued	—	—
Treasury stock at cost, 337 and 245 shares as of December 31, 2024 and December 31, 2023, respectively	(27,085)	(21,045)
Additional paid-in-capital	20,705	19,642
Retained earnings	27,347	23,200
Accumulated other comprehensive income (loss)	(550)	(746)
Total equity	20,417	21,051
Total liabilities and equity	\$ 81,611	\$ 82,166



PayPal Holdings, Inc.
Unaudited Condensed Consolidated Statements of Income (Loss)

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
	(In millions, except per share data)			
Net revenues	\$ 8,366	\$ 8,026	\$ 31,797	\$ 29,771
Operating expenses:				
Transaction expense	3,997	3,958	15,697	14,385
Transaction and credit losses	434	396	1,442	1,682
Customer support and operations ⁽¹⁾	451	465	1,768	1,919
Sales and marketing ⁽¹⁾	626	466	2,001	1,809
Technology and development ⁽¹⁾	773	770	2,979	2,973
General and administrative ⁽¹⁾	594	554	2,147	2,059
Restructuring and other ⁽¹⁾	50	(311)	438	(84)
Total operating expenses	6,925	6,298	26,472	24,743
Operating income	1,441	1,728	5,325	5,028
Other income (expense), net	(31)	65	4	383
Income before income taxes	1,410	1,793	5,329	5,411
Income tax expense	289	391	1,182	1,165
Net income (loss)	\$ 1,121	\$ 1,402	\$ 4,147	\$ 4,246
Net income (loss) per share:				
Basic	\$ 1.12	\$ 1.30	\$ 4.03	\$ 3.85
Diluted	\$ 1.11	\$ 1.29	\$ 3.99	\$ 3.84
Weighted average shares:				
Basic	997	1,077	1,029	1,103
Diluted	1,014	1,084	1,039	1,107
⁽¹⁾ Includes stock-based compensation as follows:				
Customer support and operations	\$ 60	\$ 78	\$ 233	\$ 305
Sales and marketing	35	47	143	179
Technology and development	112	159	478	612
General and administrative	82	119	339	434
Restructuring and other	12	—	100	—
	\$ 301	\$ 403	\$ 1,293	\$ 1,530



PayPal Holdings, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
(In millions)				
Cash flows from operating activities:				
Net income (loss)	\$ 1,121	\$ 1,402	\$ 4,147	\$ 4,246
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Transaction and credit losses	434	396	1,442	1,682
Depreciation and amortization	249	263	1,032	1,072
Stock-based compensation	283	388	1,230	1,475
Deferred income taxes	223	(229)	231	(668)
Net (gains) losses on strategic investments	59	4	285	(201)
Gain on divestiture of business, excluding transaction costs	—	(356)	—	(356)
Accretion of discounts on investments, net of amortization of premiums	(45)	(102)	(335)	(367)
Adjustments to loans and interest receivable, held for sale	33	4	125	53
Other	135	(102)	(3)	(104)
Originations of loans receivable, held for sale	(7,325)	(5,765)	(24,498)	(11,470)
Proceeds from repayments and sales of loans receivable, originally classified as held for sale	7,193	7,119	24,352	10,795
Changes in assets and liabilities:				
Accounts receivable	54	(79)	85	(114)
Accounts payable	59	13	83	7
Other assets and liabilities	(79)	(342)	(726)	(1,207)
Net cash provided by operating activities	2,394	2,614	7,450	4,843
Cash flows from investing activities:				
Purchases of reverse repurchase agreements	(125)	—	(424)	—
Maturities of reverse repurchase agreements	111	—	337	—
Purchases of property and equipment	(203)	(145)	(683)	(623)
Proceeds from sales of property and equipment	1	1	1	45
Purchases and originations of loans receivable	(6,433)	(5,396)	(21,807)	(25,198)
Proceeds from repayments and sales of loans receivable, originally classified as held for investment	5,567	5,341	20,272	26,660
Purchases of investments	(5,390)	(7,005)	(26,209)	(21,980)
Maturities and sales of investments	5,783	8,185	26,962	24,295
Proceeds from divestiture of business, net of cash divested	—	466	—	466
Funds receivable	2,756	(1,927)	2,908	(2,943)
Collateral posted related to derivative instruments, net	131	(64)	73	(56)
Other	259	10	159	86
Net cash provided by (used in) investing activities	2,457	(534)	1,589	752
Cash flows from financing activities:				
Borrowings from repurchase agreements	—	—	656	—
Repayments of repurchase agreements	—	—	(656)	—
Proceeds from issuance of common stock	40	45	95	127
Purchases of treasury stock	(1,269)	(607)	(6,047)	(5,002)
Tax withholdings related to net share settlements of equity awards	(80)	(32)	(351)	(257)
Borrowings under financing arrangements	—	699	1,546	1,528
Repayments under financing arrangements	(1,250)	(111)	(1,661)	(1,053)
Funds payable and amounts due to customers	(1,183)	3,138	(1,954)	1,861
Collateral received related to derivative instruments and reverse repurchase agreements, net	157	(132)	156	(197)
Other	—	—	(60)	—
Net cash (used in) provided by financing activities	(3,585)	3,000	(8,276)	(2,993)



PayPal Holdings, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows—(continued)

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
	(In millions)			
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(310)	171	(207)	76
Net change in cash, cash equivalents, and restricted cash	956	5,251	556	2,678
Cash, cash equivalents, and restricted cash at beginning of period	21,434	16,583	21,834	19,156
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 22,390</u>	<u>\$ 21,834</u>	<u>\$ 22,390</u>	<u>\$ 21,834</u>
Supplemental cash flow disclosures:				
Cash paid for interest	\$ 198	\$ 164	\$ 366	\$ 331
Cash paid for income taxes, net	\$ 52	\$ 1,060	\$ 1,027	\$ 2,118



PayPal Holdings, Inc.
Unaudited Summary of Consolidated Net Revenues

Our revenues are classified into the following two categories:

- *Transaction revenues*: Net transaction fees charged to merchants and consumers on a transaction basis based on the Total Payment Volume (“TPV”) completed on our payments platform. Growth in TPV is directly impacted by the number of payment transactions that we enable on our payments platform. We generate additional revenue from merchants and consumers: on transactions where we perform currency conversion, when we enable cross-border transactions (i.e., transactions where the merchant and consumer are in different countries), to facilitate the instant transfer of funds for our customers from their PayPal or Venmo account to their bank account or debit card, to facilitate the purchase and sale of cryptocurrencies, as contractual compensation from sellers that violate our contractual terms (for example, through fraud or counterfeiting), and other miscellaneous fees.
- *Revenues from other value added services*: Net revenues derived primarily from revenue earned through partnerships, referral fees, subscription fees, gateway fees, and other services we provide to our consumers and merchants. We also earn revenues from interest and fees earned on our portfolio of loans receivable, and interest earned on certain assets underlying customer balances.

Net Revenues by Type

	Three Months Ended				
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
	(In millions, except percentages)				
Transaction revenues	\$ 7,588	\$ 7,067	\$ 7,153	\$ 7,034	\$ 7,283
<i>Current quarter vs prior quarter</i>	7 %	(1)%	2 %	(3)%	9 %
<i>Current quarter vs prior year quarter</i>	4 %	6 %	9 %	11 %	9 %
<i>Percentage of total</i>	91 %	90 %	91 %	91 %	91 %
Revenues from other value added services	\$ 778	\$ 780	\$ 732	\$ 665	\$ 743
<i>Current quarter vs prior quarter</i>	— %	7 %	10 %	(10)%	(3)%
<i>Current quarter vs prior year quarter</i>	5 %	2 %	— %	(2)%	9 %
<i>Percentage of total</i>	9 %	10 %	9 %	9 %	9 %
Total net revenues	\$ 8,366	\$ 7,847	\$ 7,885	\$ 7,699	\$ 8,026
<i>Current quarter vs prior quarter</i>	7 %	— %	2 %	(4)%	8 %
<i>Current quarter vs prior year quarter</i>	4 %	6 %	8 %	9 %	9 %

Net Revenues by Geography

	Three Months Ended				
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
	(In millions, except percentages)				
U.S. net revenues	\$ 4,732	\$ 4,518	\$ 4,550	\$ 4,467	\$ 4,639
<i>Current quarter vs prior quarter</i>	5 %	(1)%	2 %	(4)%	9 %
<i>Current quarter vs prior year quarter</i>	2 %	6 %	8 %	8 %	8 %
<i>Percentage of total</i>	57 %	58 %	58 %	58 %	58 %
International net revenues	\$ 3,634	\$ 3,329	\$ 3,335	\$ 3,232	\$ 3,387
<i>Current quarter vs prior quarter</i>	9 %	— %	3 %	(5)%	7 %
<i>Current quarter vs prior year quarter</i>	7 %	5 %	8 %	12 %	10 %
<i>(FXN) Current quarter vs prior year quarter</i>	7 %	6 %	10 %	14 %	12 %
<i>Percentage of total</i>	43 %	42 %	42 %	42 %	42 %
Total net revenues	\$ 8,366	\$ 7,847	\$ 7,885	\$ 7,699	\$ 8,026
<i>Current quarter vs prior quarter</i>	7 %	— %	2 %	(4)%	8 %
<i>Current quarter vs prior year quarter</i>	4 %	6 %	8 %	9 %	9 %
<i>(FXN) Current quarter vs prior year quarter</i>	4 %	6 %	9 %	10 %	9 %



PayPal Holdings, Inc.
Unaudited Supplemental Operating Data

	Three Months Ended				
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023
	(In millions, except percentages)				
Active accounts⁽¹⁾	434	432	429	427	426
<i>Current quarter vs prior quarter</i>	1 %	1 %	— %	— %	(1)%
<i>Current quarter vs prior year quarter</i>	2 %	1 %	— %	(1)%	(2)%
Number of payment transactions⁽²⁾	6,619	6,631	6,580	6,505	6,798
<i>Current quarter vs prior quarter</i>	— %	1 %	1 %	(4)%	8 %
<i>Current quarter vs prior year quarter</i>	(3)%	6 %	8 %	11 %	13 %
Payment transactions per active account⁽³⁾	60.6	61.4	60.9	60.0	58.7
<i>Current quarter vs prior quarter</i>	(1)%	1 %	2 %	2 %	4 %
<i>Current quarter vs prior year quarter</i>	3 %	9 %	11 %	13 %	14 %
TPV⁽⁴⁾	\$ 437,836	\$ 422,641	\$ 416,814	\$ 403,860	\$ 409,832
<i>Current quarter vs prior quarter</i>	4 %	1 %	3 %	(1)%	6 %
<i>Current quarter vs prior year quarter</i>	7 %	9 %	11 %	14 %	15 %
<i>(FXN) Current quarter vs prior year quarter</i>	7 %	9 %	11 %	14 %	13 %
Transaction Expense Rate ⁽⁵⁾	0.91 %	0.91 %	0.95 %	0.97 %	0.97 %
Transaction and Credit Loss Rate ⁽⁶⁾	0.10 %	0.08 %	0.08 %	0.08 %	0.10 %
Transaction Margin ⁽⁷⁾	47.0 %	46.6 %	45.8 %	45.0 %	45.8 %

Amounts in the table are rounded to the nearest million, except as otherwise noted. As a result, certain amounts may not recalculate using the rounded amounts provided.

⁽¹⁾ An active account is an account registered directly with PayPal or a platform access partner that has completed a transaction on our platform, not including gateway-exclusive transactions, within the past 12 months. A platform access partner is a third party whose customers are provided access to PayPal's platform or services through such third-party's login credentials, including individuals and entities that utilize Hyperwallet's payout capabilities. A user may register on our platform to access different products and may register more than one account to access a product. Accordingly, a user may have more than one active account. The number of active accounts provides management with additional perspective on the overall scale of our platform, but may not have a direct relationship to our operating results.

⁽²⁾ Number of payment transactions is the total number of payments, net of payment reversals, successfully completed on our payments platform or enabled by PayPal via a partner payment solution, not including gateway-exclusive transactions.

⁽³⁾ Number of payment transactions per active account reflects the total number of payment transactions within the previous 12-month period, divided by active accounts at the end of the period. The number of payment transactions per active account provides management with insight into the average number of times an account engages in payments activity on our payments platform in a given period. The number of times a consumer account or a merchant account transacts on our platform may vary significantly from the average number of payment transactions per active account.

⁽⁴⁾ TPV is the value of payments, net of payment reversals, successfully completed on our payments platform or enabled by PayPal via a partner payment solution, not including gateway-exclusive transactions.

⁽⁵⁾ Transaction expense rate is transaction expense divided by TPV.

⁽⁶⁾ Transaction and credit loss rate is transaction and credit losses divided by TPV.

⁽⁷⁾ Transaction margin is net revenues less transaction expense and transaction and credit losses, divided by net revenues.



PayPal Holdings, Inc. Non-GAAP Measures of Financial Performance

To supplement the company's condensed consolidated financial statements presented in accordance with generally accepted accounting principles, or GAAP, the company uses non-GAAP measures of certain components of financial performance. These non-GAAP measures include non-GAAP net income, non-GAAP earnings per diluted share, non-GAAP operating income, non-GAAP operating margin, non-GAAP effective tax rate, free cash flow, and adjusted free cash flow.

These non-GAAP measures are not in accordance with, or an alternative to, measures prepared in accordance with GAAP and may be different from non-GAAP measures used by other companies. In addition, these non-GAAP measures are not based on any comprehensive set of accounting rules or principles. Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with the company's results of operations as determined in accordance with GAAP. These measures should be used to evaluate the company's results of operations only in conjunction with the corresponding GAAP measures.

Reconciliation of all non-GAAP measures to the most directly comparable GAAP measures can be found in the subsequent tables included in this press release.

These non-GAAP measures are provided to enhance investors' overall understanding of the company's current financial performance and its prospects for the future. Specifically, the company believes the non-GAAP measures provide useful information to both management and investors by excluding certain expenses, gains and losses, as the case may be, that may not be indicative of its core operating results and business outlook. In addition, because the company has historically reported certain non-GAAP results to investors, the company believes that the inclusion of non-GAAP measures provides consistency in the company's financial reporting.

For its internal budgeting process, and as discussed further below, the company's management uses financial measures that do not include amortization or impairment of acquired intangible assets, impairment of goodwill, restructuring-related charges, certain other gains, losses, benefits, or charges that are not indicative of the company's core operating results, and the income taxes associated with the foregoing. In addition to the corresponding GAAP measures, the company's management also uses the foregoing non-GAAP measures in reviewing the financial results of the company.

The company excludes the following items from non-GAAP net income, non-GAAP earnings per diluted share, non-GAAP operating income, non-GAAP operating margin, and non-GAAP effective tax rate:

Amortization or impairment of acquired intangible assets, impairment of goodwill, and transaction expenses from the acquisition or disposal of a business. We incur amortization or impairment of acquired intangible assets and goodwill in connection with acquisitions and may incur significant gains or losses or transactional expenses from the acquisition or disposal of a business and therefore exclude these amounts from our non-GAAP measures. We exclude these items because management does not believe they are reflective of our ongoing operating results.

Restructuring. These consist of expenses related to workforce reduction and include employee severance and benefits costs, real estate and facilities charges, stock-based compensation expense, and other exit and disposal costs. The company excludes significant restructuring charges primarily because management does not believe they are reflective of ongoing operating results.

Gains and losses on strategic investments. The gains and losses we record on our strategic investments are tied to the performance of the companies that we invest in. We exclude such gains and losses in full because the operations of the investee and the related gains and losses are not indicative of our ongoing operating results.

Certain other significant gains, losses, benefits, or charges that are not indicative of the company's core operating results. These are significant gains, losses, benefits, or charges during a period that are the result of isolated events or transactions that have not occurred frequently in the past and are not expected to occur regularly in the future. The company excludes these amounts from its non-GAAP results because management does not believe they are indicative of our current or ongoing operating results.

Tax effect of non-GAAP adjustments. This adjustment is made to present the amounts described above on an after-tax basis consistent with the presentation of non-GAAP net income.

Free cash flow represents operating cash flows less purchases of property and equipment. The company uses free cash flow as a liquidity measure that provides useful information to management and investors about the amount of cash generated by the business after the purchases of property, buildings, and equipment, which can then be used to, among other things, invest in the company's business, make strategic acquisitions and investments, and repurchase stock. A limitation of the utility of free cash flow as a measure of financial performance is that it does not represent the total increase or decrease in the company's cash balance for the period.

In addition to the non-GAAP measures discussed above, the company also analyzes certain measures, including net revenues and operating expenses, on an FX-neutral basis to better measure the comparability of operating results between periods. The company believes that changes in foreign currency exchange rates are not indicative of the company's operations and evaluating growth in net revenues and operating expenses on an FX-neutral basis provides an additional meaningful and comparable assessment of these measures to both management and investors. FX-neutral results are calculated by translating the current period's local currency results with the prior period's exchange rate. FX-neutral growth rates are calculated by comparing the current period's FX-neutral results by the prior period's results, excluding the impact from hedging activities.



PayPal Holdings, Inc.
Reconciliation of GAAP Operating Income to Non-GAAP Operating Income and
GAAP Operating Margin to Non-GAAP Operating Margin

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023 ⁽¹⁾	2024	2023 ⁽¹⁾
	(In millions, except percentages)			
	(unaudited)			
GAAP net revenues	\$ 8,366	\$ 8,026	\$ 31,797	\$ 29,771
GAAP operating income	1,441	1,728	5,325	5,028
Amortization of acquired intangible assets	48	54	207	227
Restructuring ⁽²⁾	13	4	306	180
Other ⁽³⁾	—	(318)	—	(314)
Total non-GAAP operating income adjustments	61	(260)	513	93
Non-GAAP operating income	<u>\$ 1,502</u>	<u>\$ 1,468</u>	<u>\$ 5,838</u>	<u>\$ 5,121</u>
GAAP operating margin	17 %	22 %	17 %	17 %
Non-GAAP operating margin	18 %	18 %	18 %	17 %

⁽¹⁾ As announced on February 7, 2024, the Company's non-GAAP results now include the impact of stock-based compensation expense and related employer payroll taxes. Prior period non-GAAP results have been recast to reflect this change.

⁽²⁾ Beginning in 2024, restructuring includes any stock-based compensation associated with the restructuring activities. The three months and year ended December 31, 2024 include \$12 million and \$100 million of stock-based compensation expense. The year ended December 31, 2023 primarily includes \$61 million in asset impairment charges for right-of-use lease assets and related leasehold improvements in conjunction with exiting certain leased properties.

⁽³⁾ The three months and year ended December 31, 2023 primarily includes \$339 million in pre-tax gain, net of transaction costs, related to the sale of Happy Returns and \$21 million in fees related to credit externalization.



PayPal Holdings, Inc.

Reconciliation of GAAP Net Income (Loss) to Non-GAAP Net Income, GAAP Diluted EPS to Non-GAAP Diluted EPS, and GAAP Effective Tax Rate to Non-GAAP Effective Tax Rate

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023 ⁽¹⁾	2024	2023 ⁽¹⁾
(In millions, except per share data and percentages) (unaudited)				
GAAP income before income taxes	\$ 1,410	\$ 1,793	\$ 5,329	\$ 5,411
GAAP income tax expense	289	391	1,182	1,165
GAAP net income (loss)	1,121	1,402	4,147	4,246
Non-GAAP adjustments to net income (loss):				
Non-GAAP operating income adjustments (see table above)	61	(260)	513	93
Net (gains) losses on strategic investments	59	4	285	(201)
Other ⁽²⁾	—	21	31	39
Tax effect of non-GAAP adjustments	(32)	66	(141)	63
Non-GAAP net income	\$ 1,209	\$ 1,233	\$ 4,835	\$ 4,240
Diluted net income (loss) per share:				
GAAP	\$ 1.11	\$ 1.29	\$ 3.99	\$ 3.84
Non-GAAP	\$ 1.19	\$ 1.14	\$ 4.65	\$ 3.83
Shares used in GAAP diluted share calculation	1,014	1,084	1,039	1,107
Shares used in non-GAAP diluted share calculation	1,014	1,084	1,039	1,107
GAAP effective tax rate	20 %	22 %	22 %	22 %
Tax effect of non-GAAP adjustments to net income (loss)	1 %	(2)%	(1)%	(2)%
Non-GAAP effective tax rate	21 %	20 %	21 %	20 %

⁽¹⁾ As announced on February 7, 2024, the Company's non-GAAP results now include the impact of stock-based compensation expense and related employer payroll taxes. Prior period non-GAAP results have been recast to reflect this change.

⁽²⁾ The year ended December 31, 2024 and the three months and year ended December 31, 2023 consist primarily of tax expense related to intra-group transfer of assets.

Reconciliation of Operating Cash Flow to Free Cash Flow and Adjusted Free Cash Flow

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
(In millions) (unaudited)				
Net cash provided by operating activities	\$ 2,394	\$ 2,614	\$ 7,450	\$ 4,843
Less: Purchases of property and equipment	(203)	(145)	(683)	(623)
Free cash flow	2,191	2,469	6,767	4,220
Net timing impact between originating European BNPL receivables as held for sale and the subsequent sale of receivables	(93)	(1,695)	(133)	334
Adjusted free cash flow	\$ 2,098	\$ 774	\$ 6,634	\$ 4,554

