



The PayPals

The PayPals



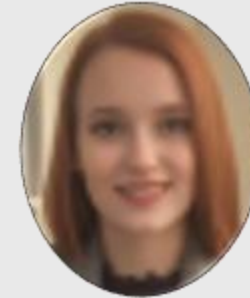
Gameplan



Enrique Alvarado
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Logan Arciba
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Sydney Jordan
Capital Allocation
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Emily De La Rosa
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Jaiden Conrad
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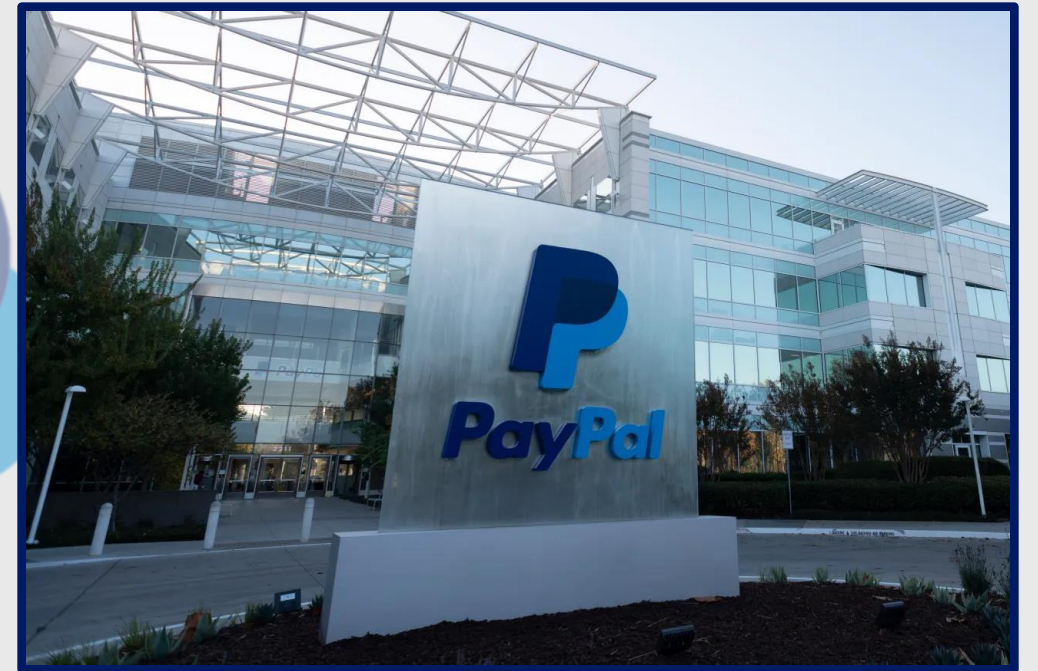
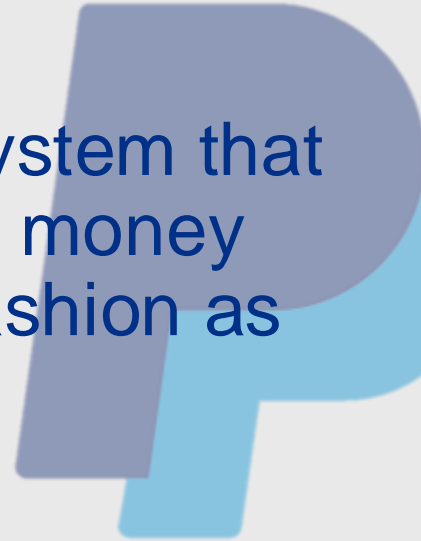
Company Overview

Enrique Alvarado

What is PayPal?



PayPal is an online payment system that allows you to send and receive money around the world in a secure fashion as both vendor and customer.



Company Overview



Ticker Symbol: PYPL

Market Cap: \$80.76B

Headquarters: San Jose, CA

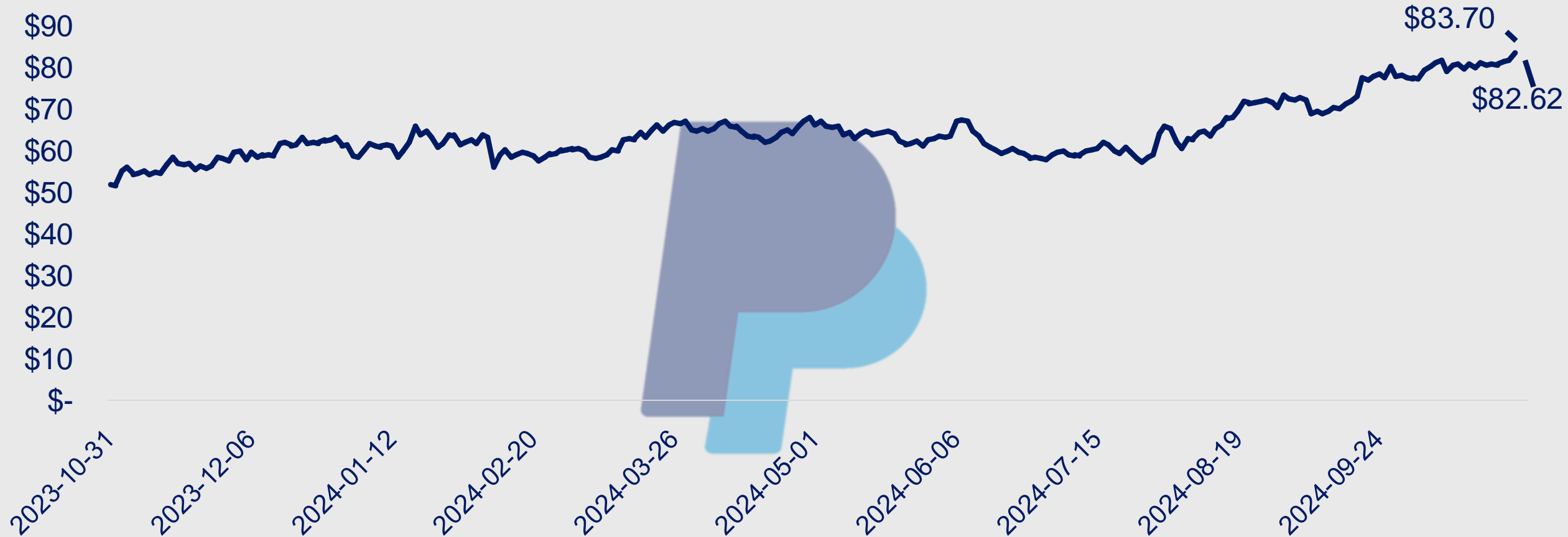
Stock Price:\$82.62

Revenue:\$31.03B

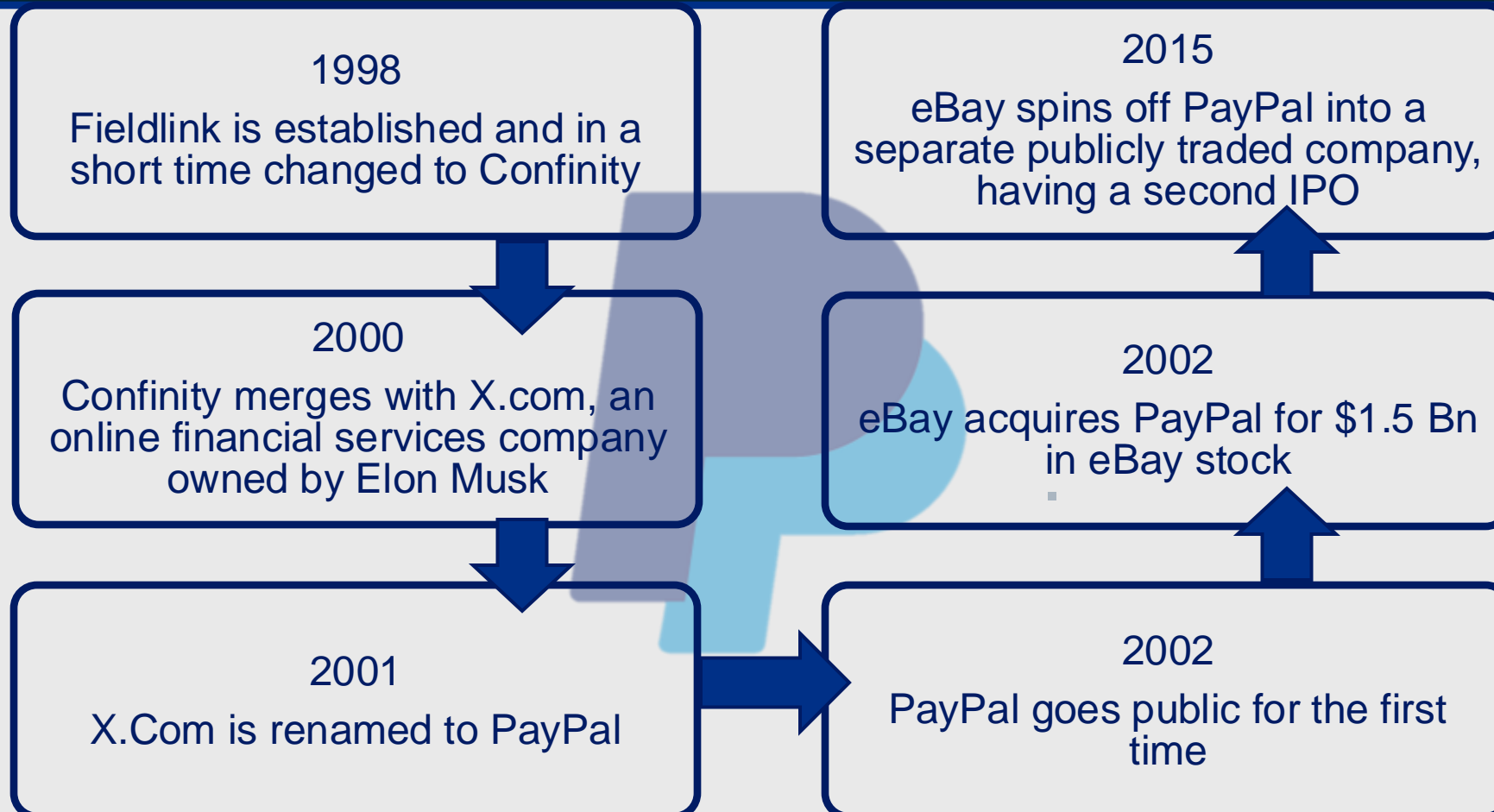
Employee Count: 27,200



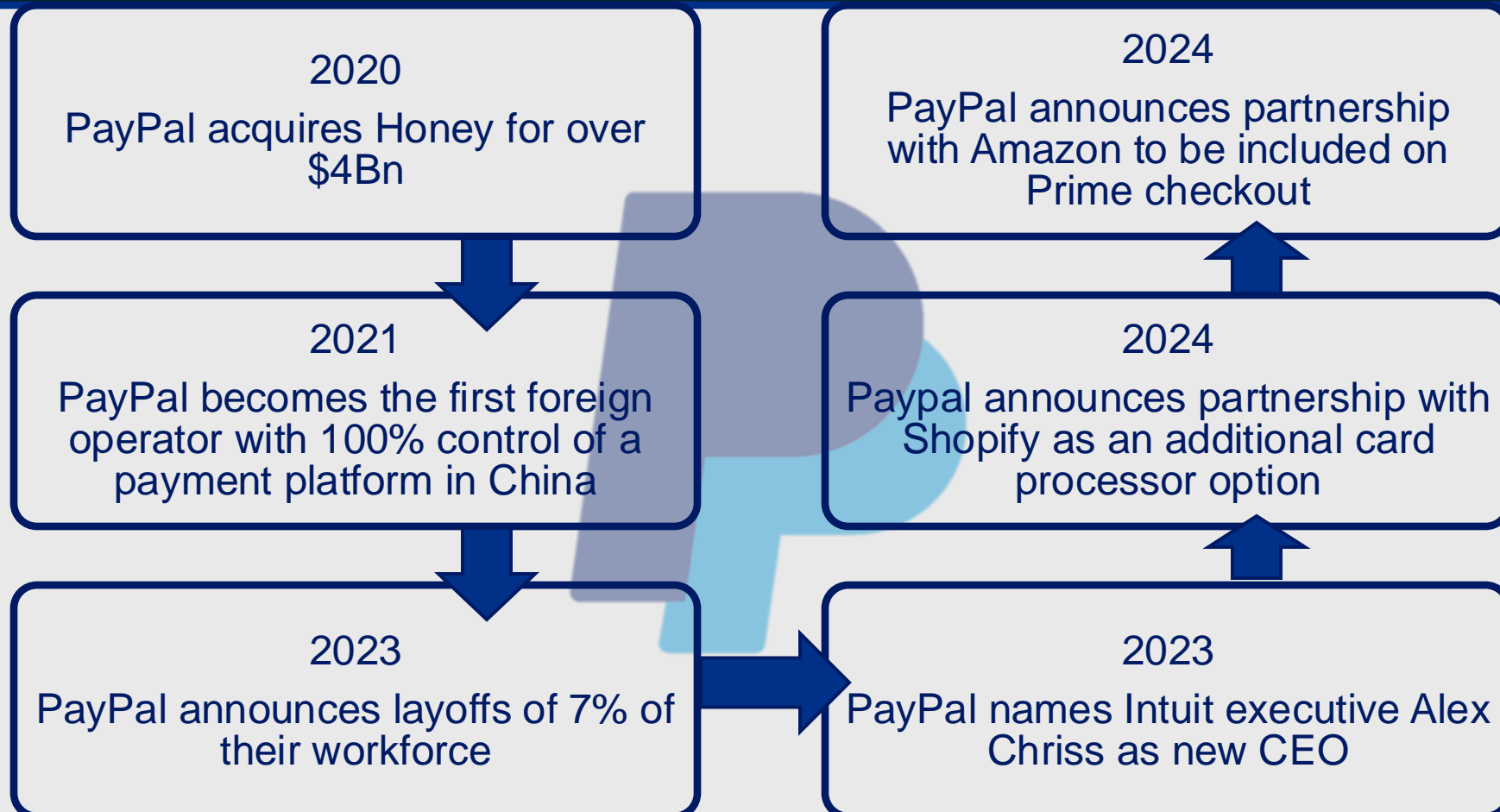
52 Week Price Chart



Company History



Company History

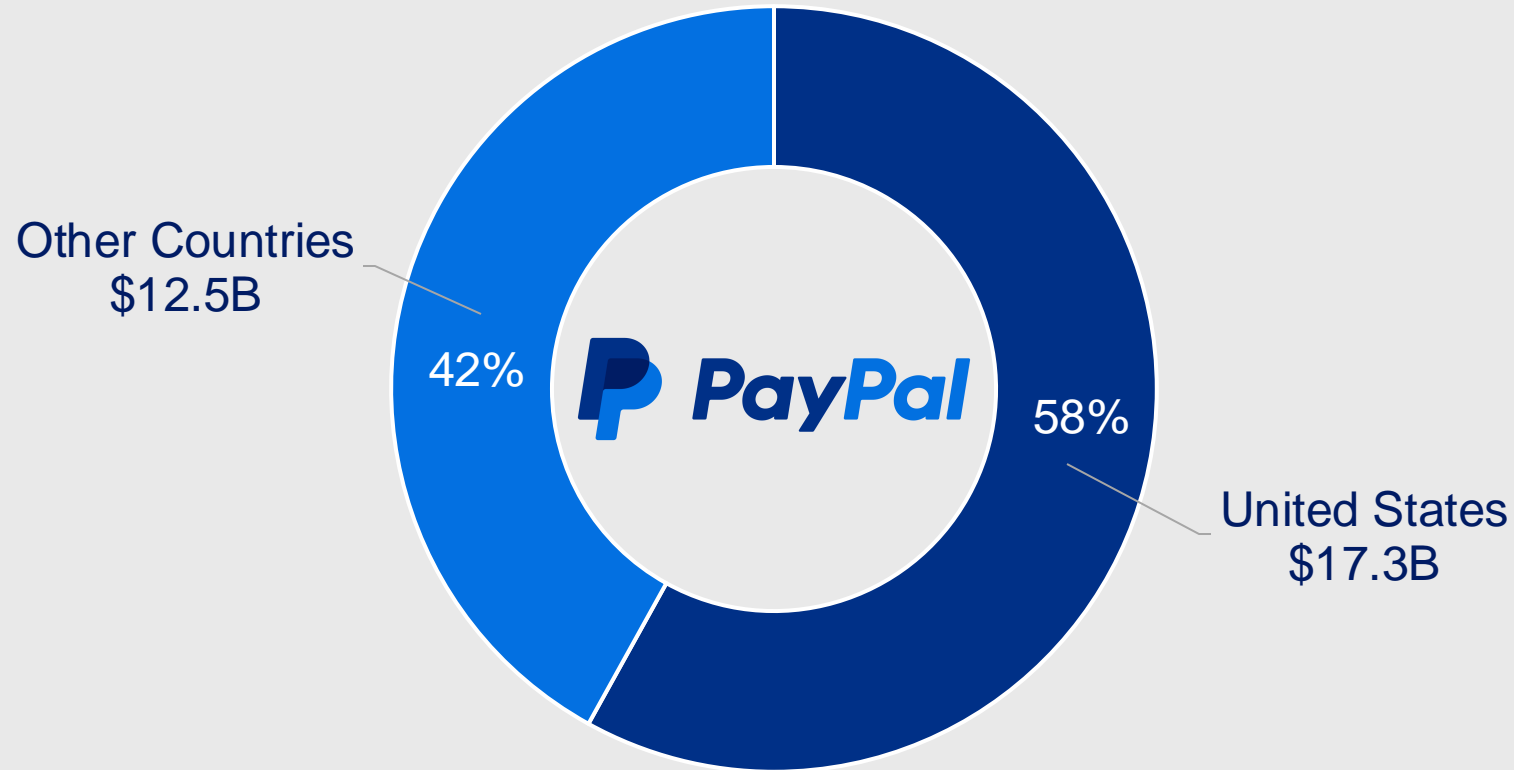




Revenue Breakdown

Enrique Alvarado

Operating Revenue by Geographic Region



FY 2023 Revenue by Business Segment



Transaction Revenues



Net transaction fees charged to merchants & consumers on a transaction basis based on total payment volume (TPV) on the PayPal platform



Revenues From Other Value-Added Services



- Partnerships
- Referral fees
- Subscription fees
- Gateway fees
- Other services
- Interest & fees earned from loans & other assets underlying customer balances



PayPal Solutions



PayPal's Payment Solutions



Merchants integrate with PayPal to manage their business



Consumers use PayPal for financial products and services and shopping tools

Checkout

PayPal

venmo

Pay Later

PayPal CREDIT

paidy

Processing

PayPal

PayPal
Braintree

Digital Wallets

Consumer Financial Services

Credit Cards and
Debit Cards

Credit Crypto
Giving P2P Savings

Shopping and Rewards
Deals Loyalty Rewards

Merchant Services

Fraud Protection and
Risk Management

Omnichannel and
Point-of-Sale Solutions

Payouts

3rd Party Payment Process



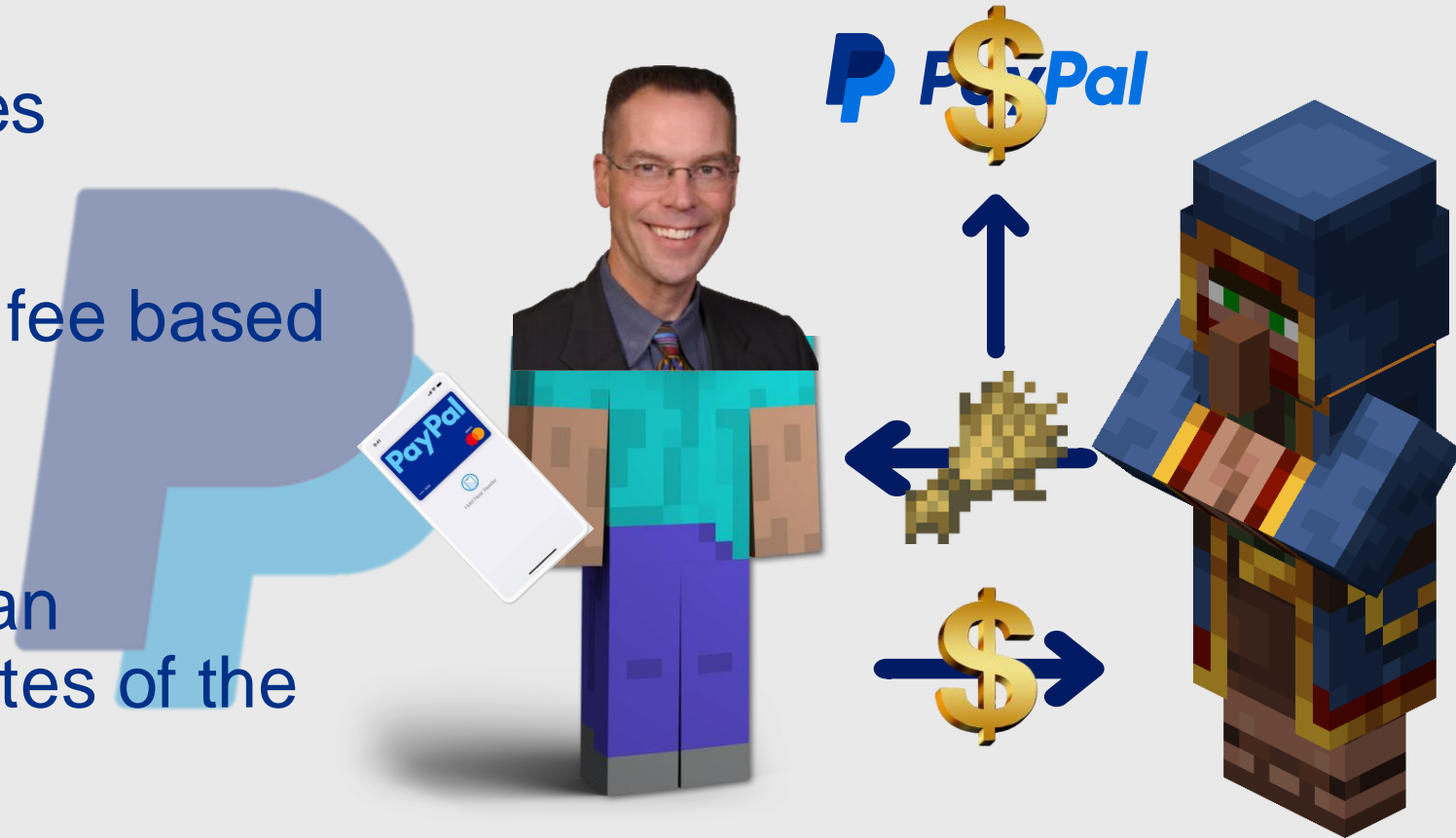
Merchants Transaction Fees



Apply to transactions of all types

Generally around 2.5% + fixed fee based on currency

International transactions add an additional % to the domestic rates of the same kind



Payment Gateway Process



Merchant Gateway Fees



Payflow Pro Transaction: 0.10 USD

Payflow Link Transaction: 0.10 USD



Consumer Transaction Fees



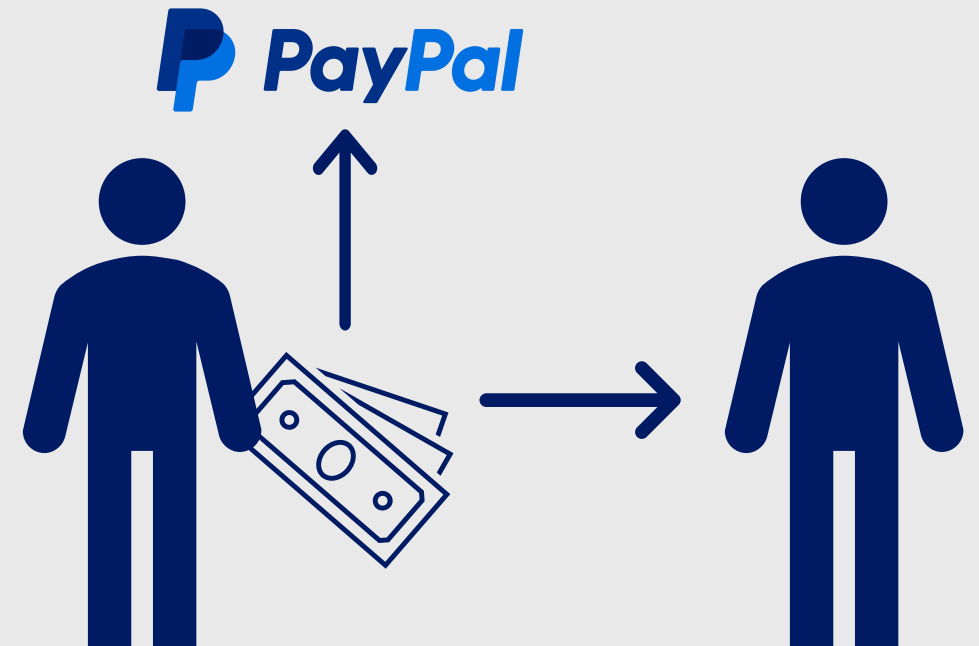
Apply to sending & receiving money as well as buying, selling or converting crypto

Receiving: no fee – 2.9% + fixed fee

Sending: no fee - 2.9% + fixed fee

Crypto: generally 0.49 USD - 1.8%

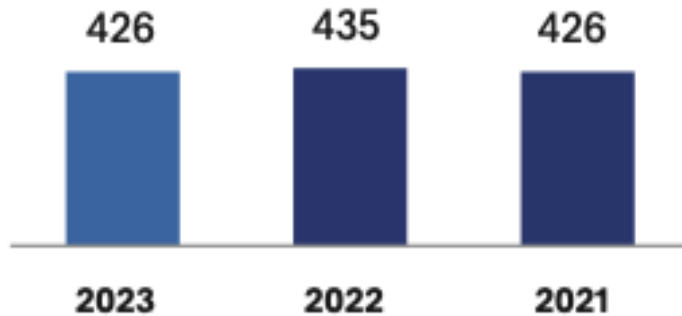
International adds extra % or % + fixed fee



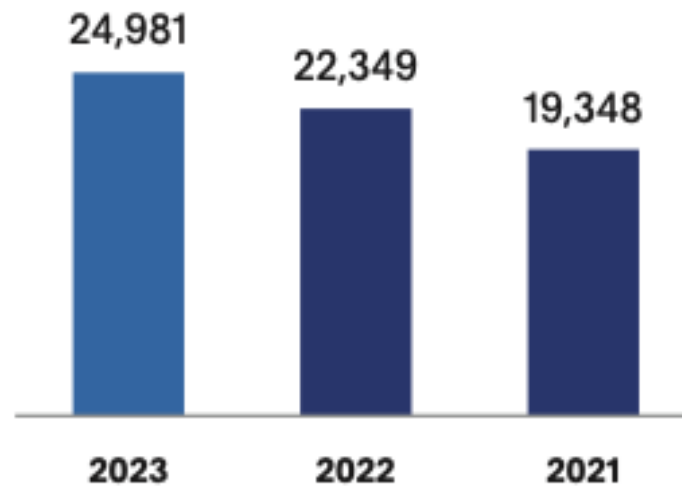
Transaction Revenue Key Metrics



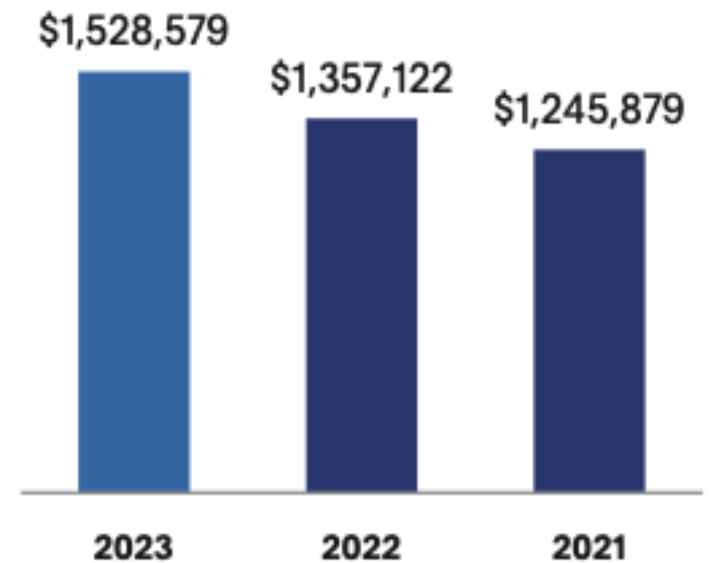
Active accounts* (millions)



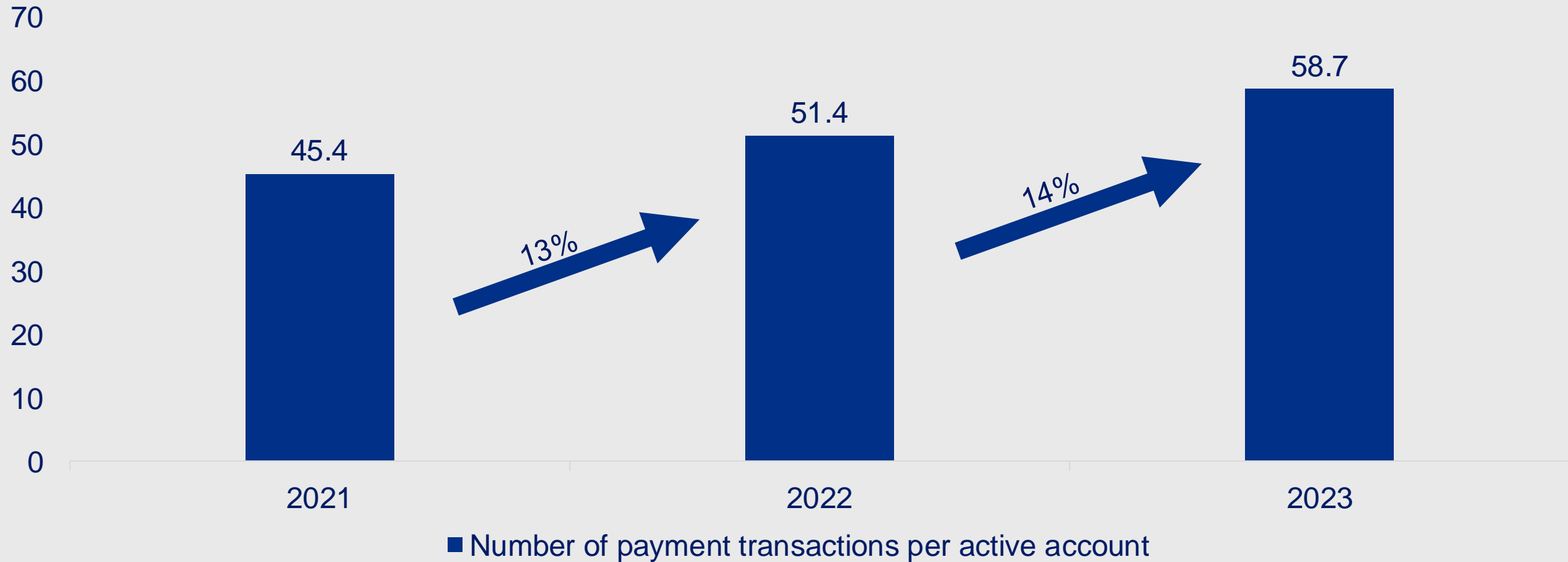
Number of payment transactions
(Millions)



TPV (Millions of USD)

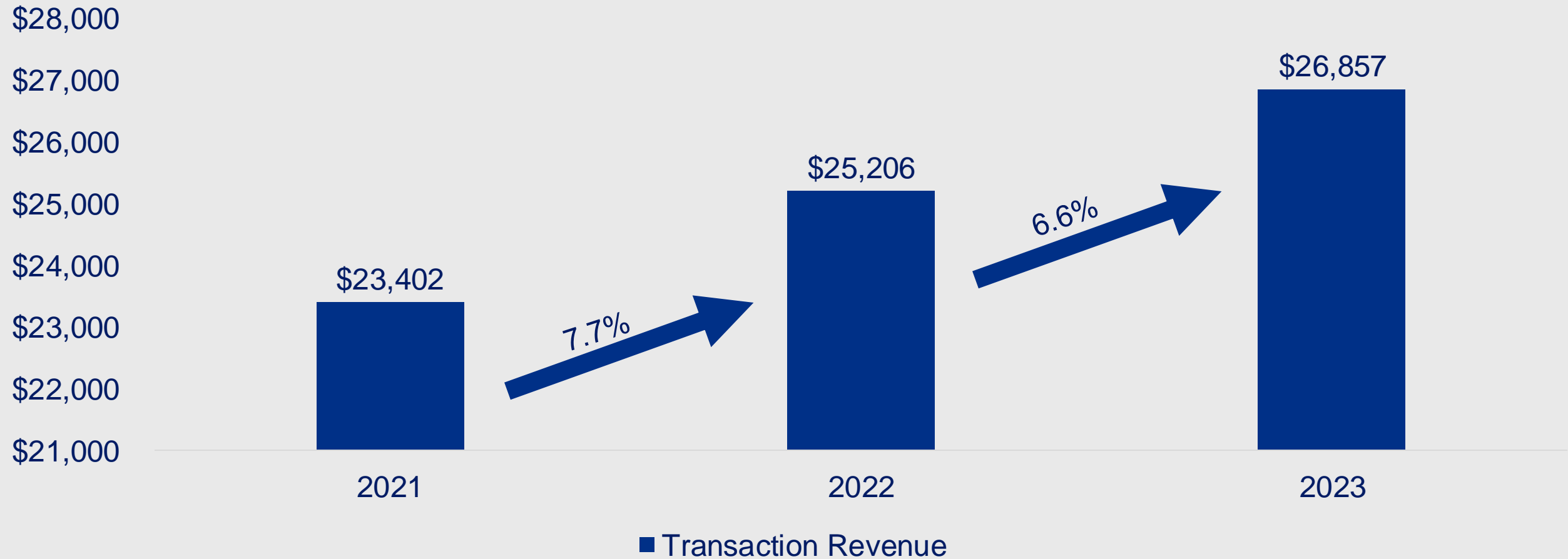


Number of payment transactions per Active Account



Transaction Revenue

(In Million of USD)



Partnerships



602 Partnerships

Enhance services, expands reach, drives TPV

Builds long-standing relationships between PayPal & many massive companies

Multi-year deals spanning across a wide variety of products and services

Direct revenue comes in undisclosed amounts



adyen



VISA

Referral Fees



Same partners

PayPal receives undisclosed fees when actions are taken with the partners through their referral directory or deal offers



Walmart
Save money. Live better.



Subscription & Gateway Fees



Additional services & tools for merchants to enhance consumer spending & fraud protection

Generally \$30 USD monthly fee



PayPal Credit Loans



Buy now pay later

- Monthly or pay in 4 ranging from 0%-36% APR interest

PayPal Working capital

- Repaid as a % of your PayPal sales every 90 days

PayPal Business loan

- Weekly fixed payments

PayPal Loan builder

- Weekly fixed payments



PayPal earns interest from their APR

Debit Cards & Interest

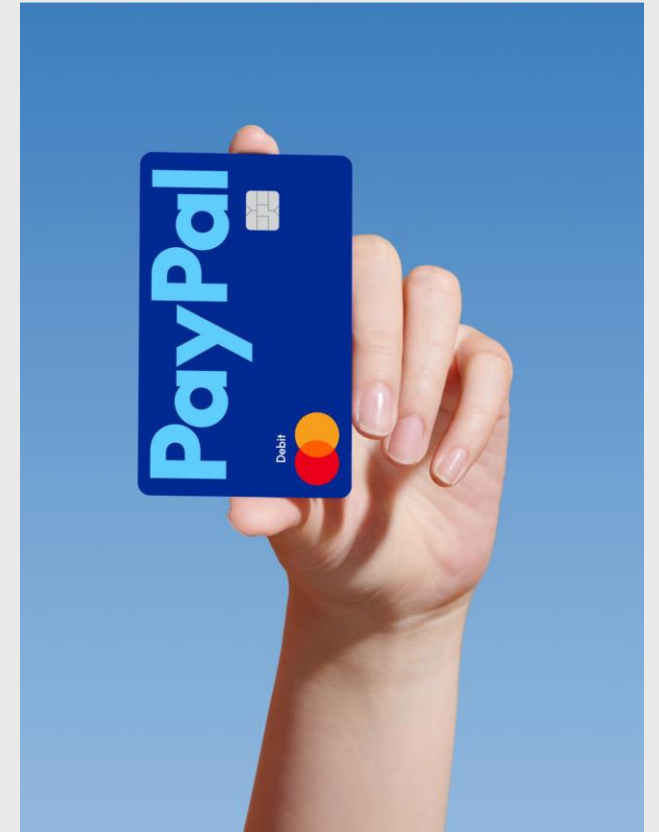


PayPal Debit Mastercard

- “Earns 5% cash back” which drives TPV by encouraging spending

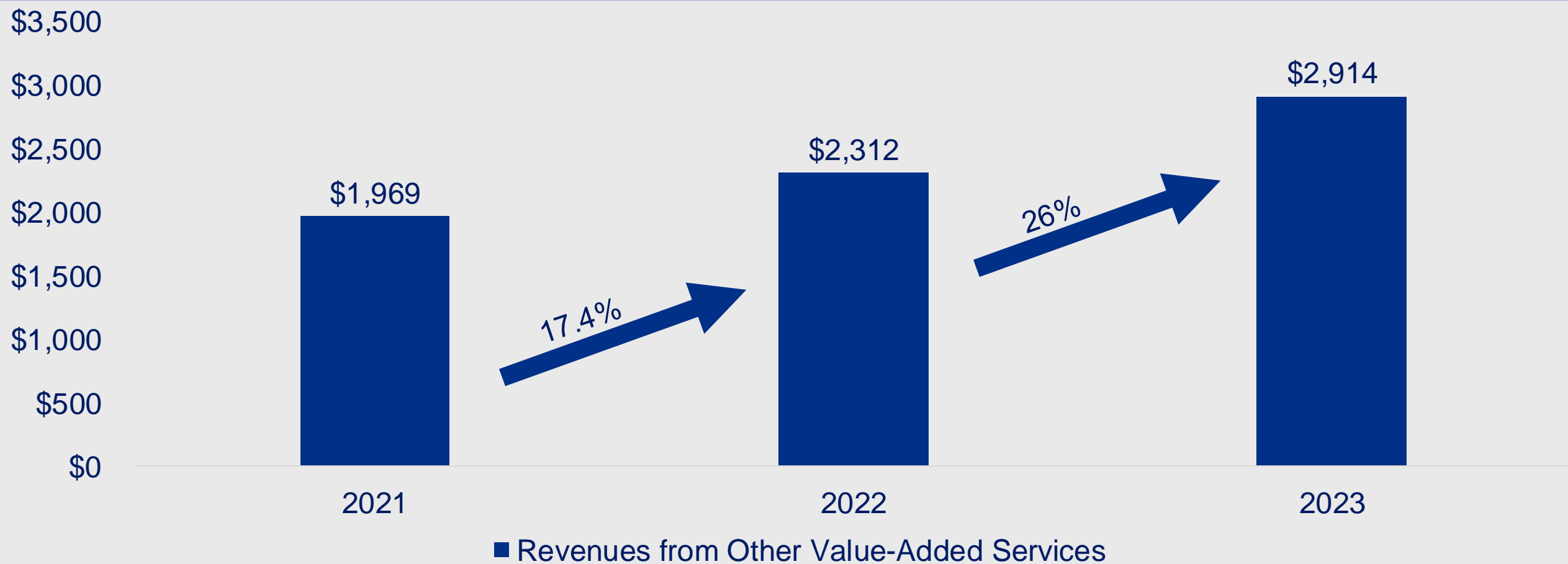
Customer Balances

- The money kept in PayPal customer balances is deposited in liquid investments that provide interest as revenue



Revenues from Other Value-Added Services

(In Million of USD)





Interpretation of Financial Statements

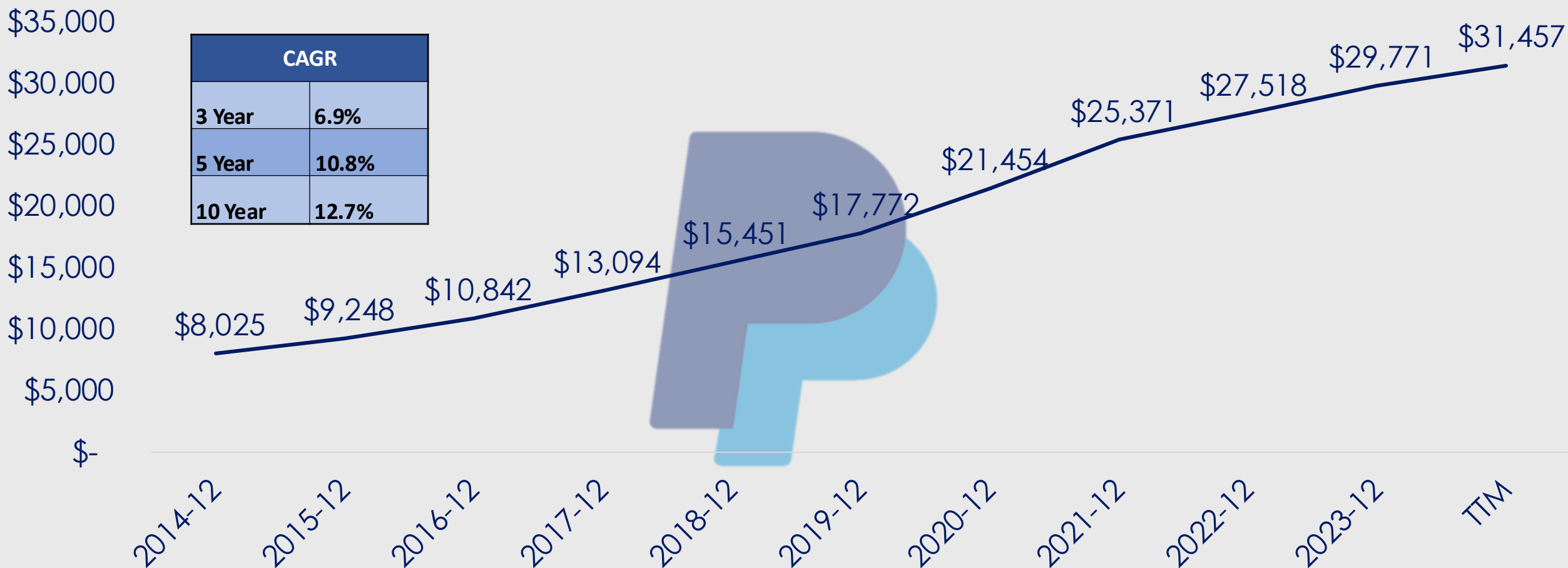
Jaiden Conrad



Revenue

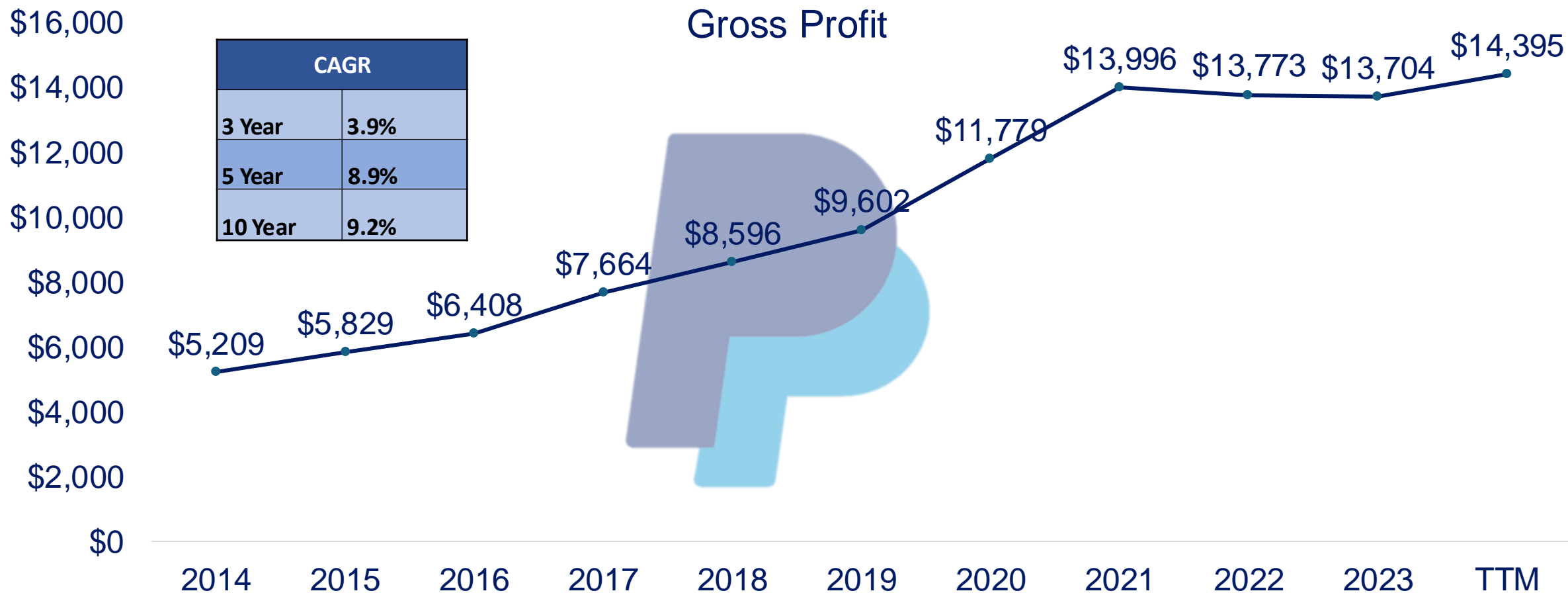


CAGR	
3 Year	6.9%
5 Year	10.8%
10 Year	12.7%



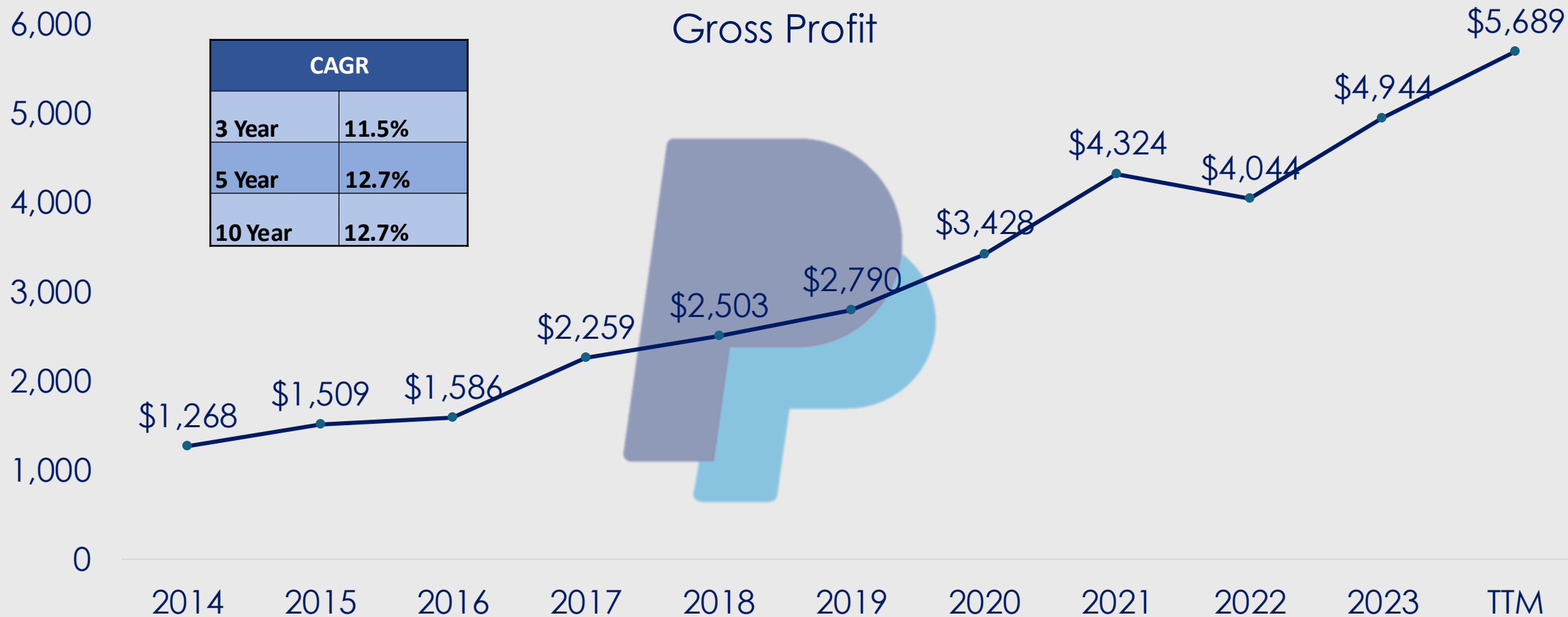


Gross Profit(in millions)



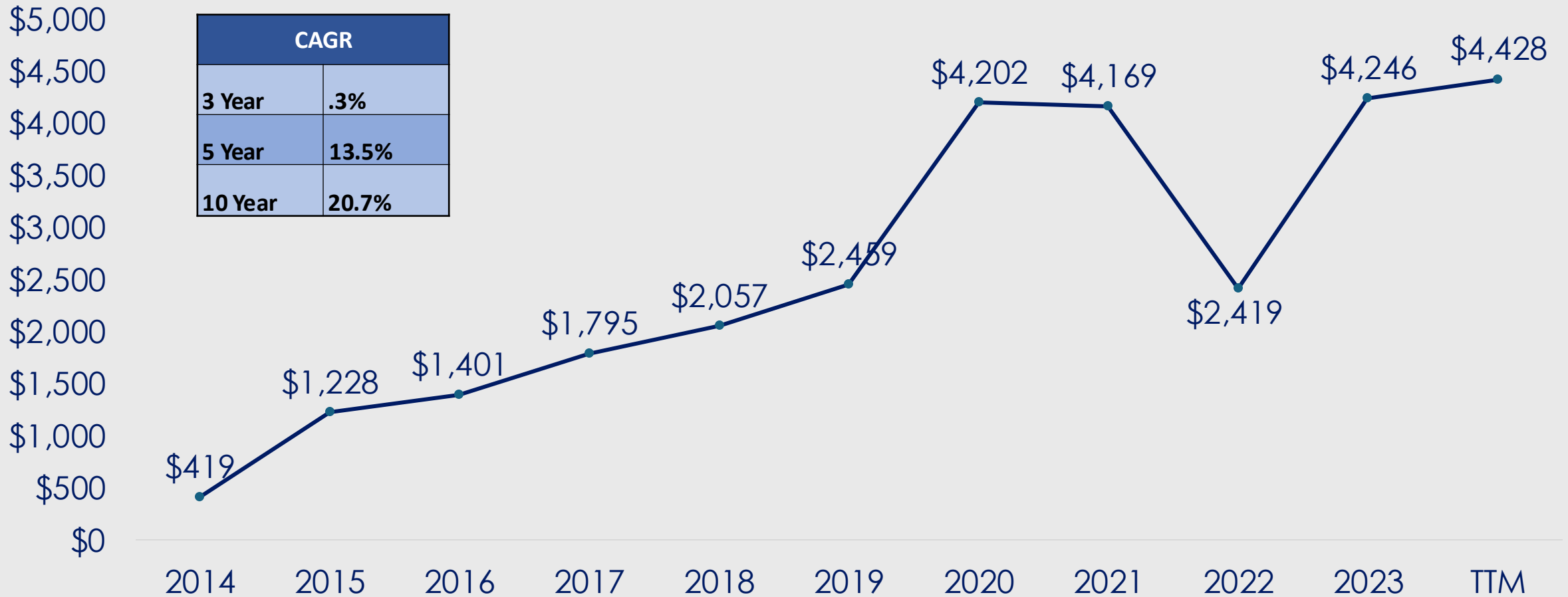


Operating Income(in millions)





Net Income



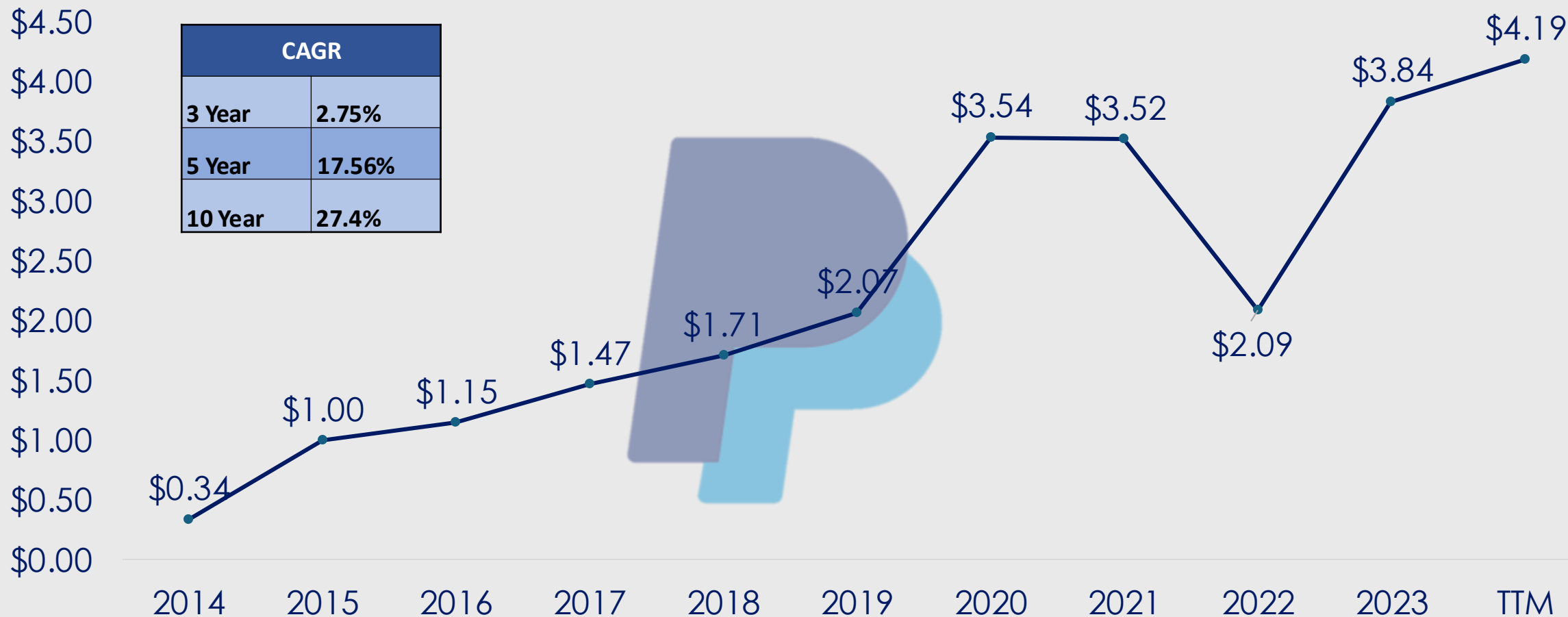


Free Cash Flow(in millions)





Earnings Per Share



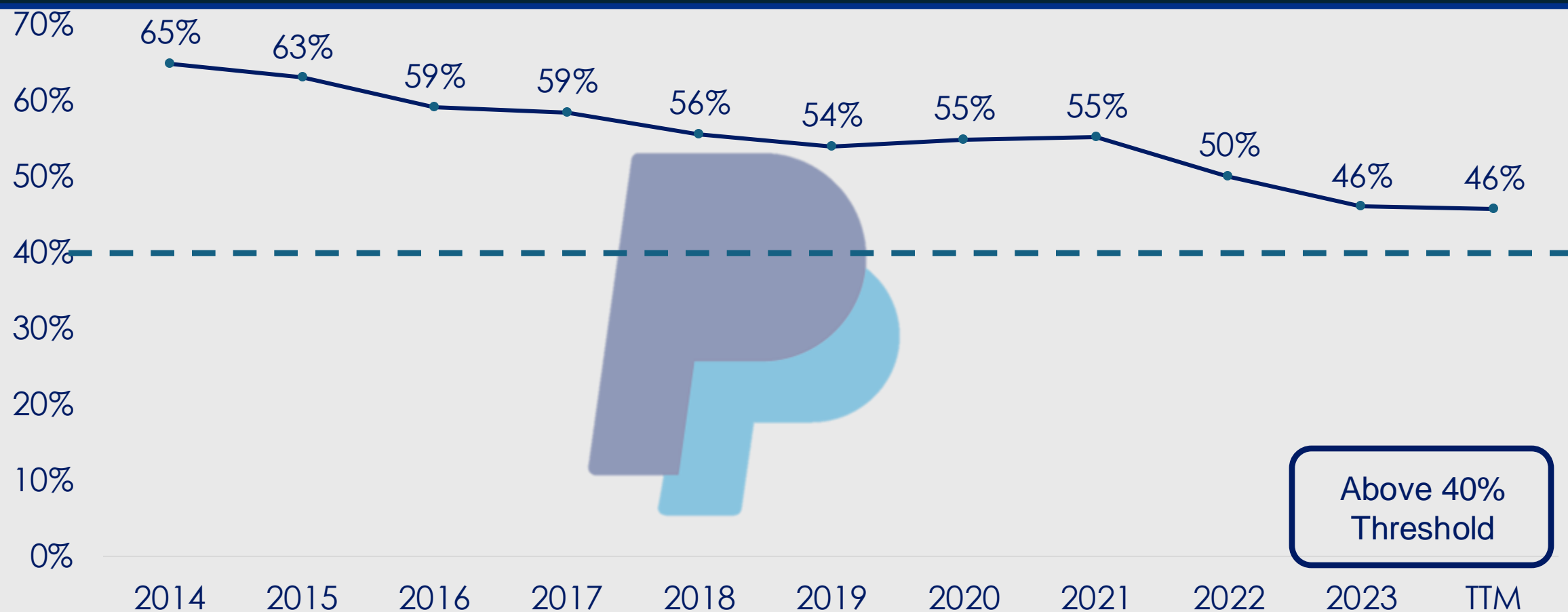


Shares Outstandings





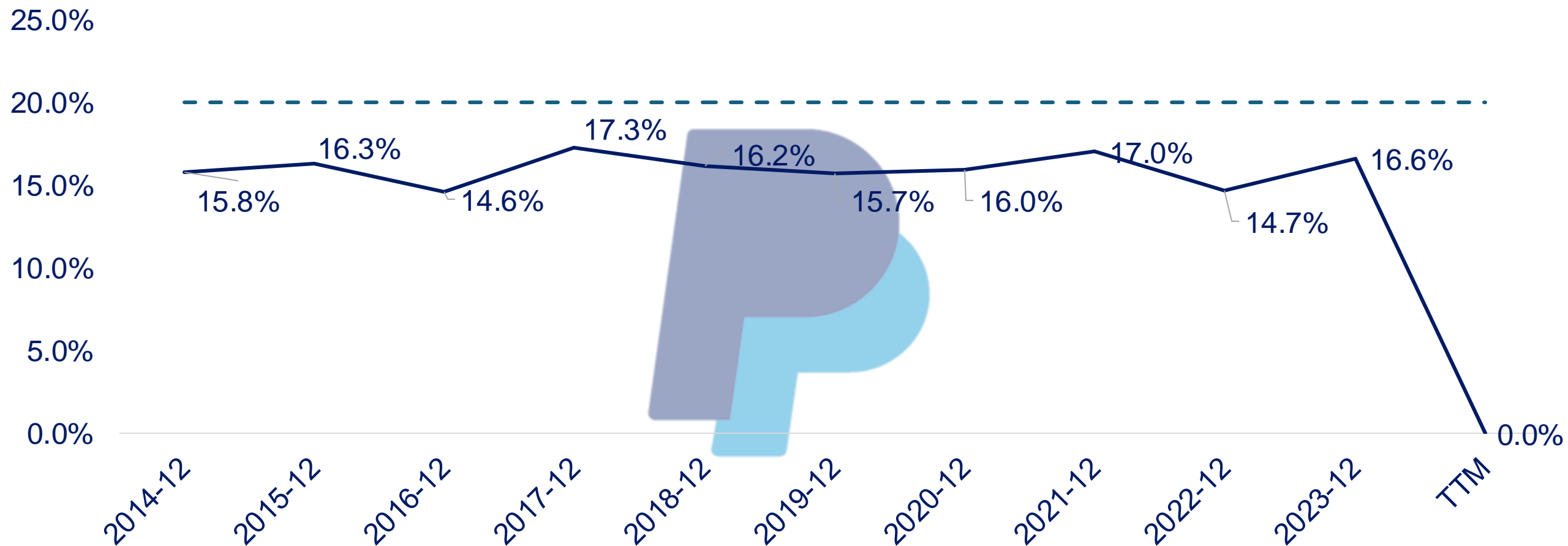
Gross Margin



Above 40%
Threshold



Operating Margin



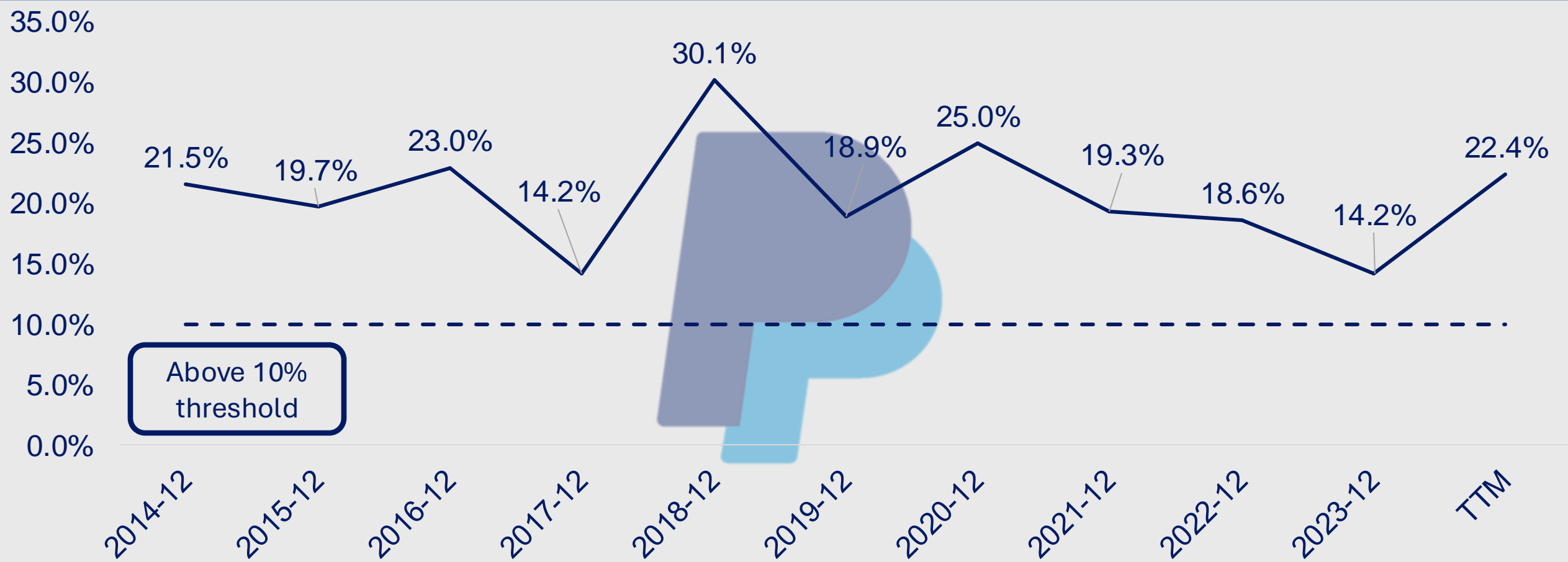


Net Margin



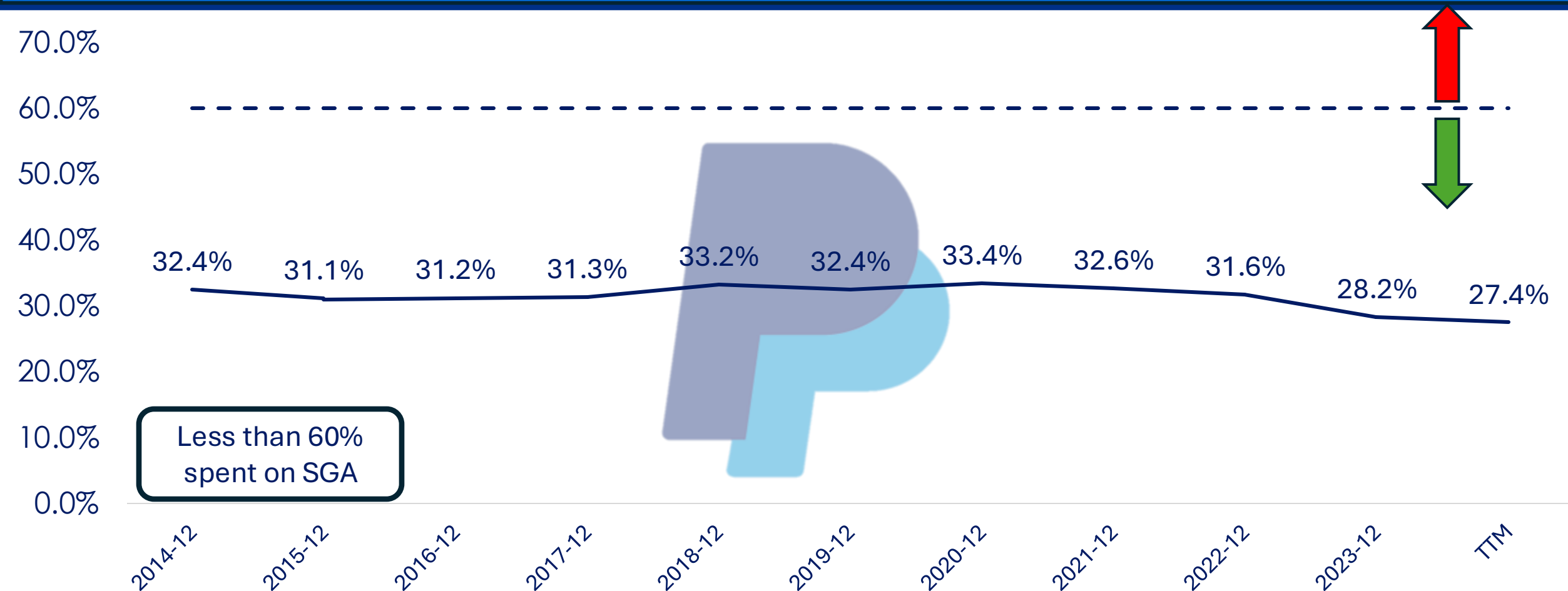


Free Cash Flow Margin



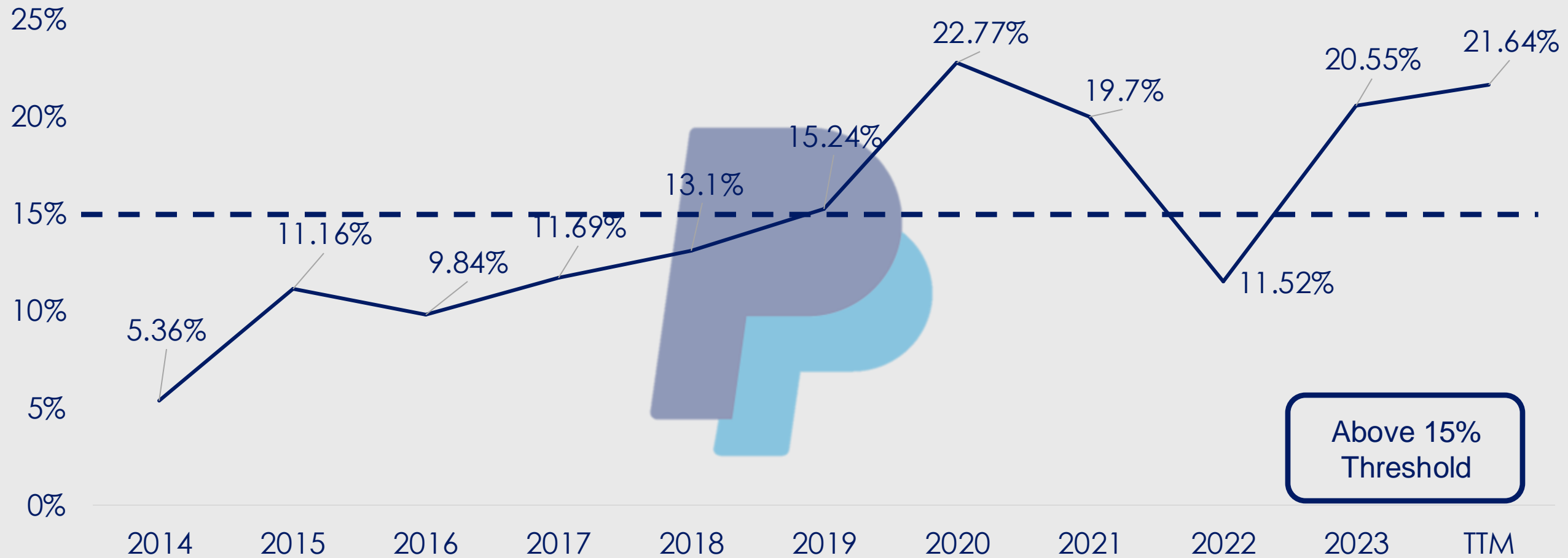


Selling General & Administrative/Revenue





Return on Equity





Return on Invested Capital





Obligation Ratio



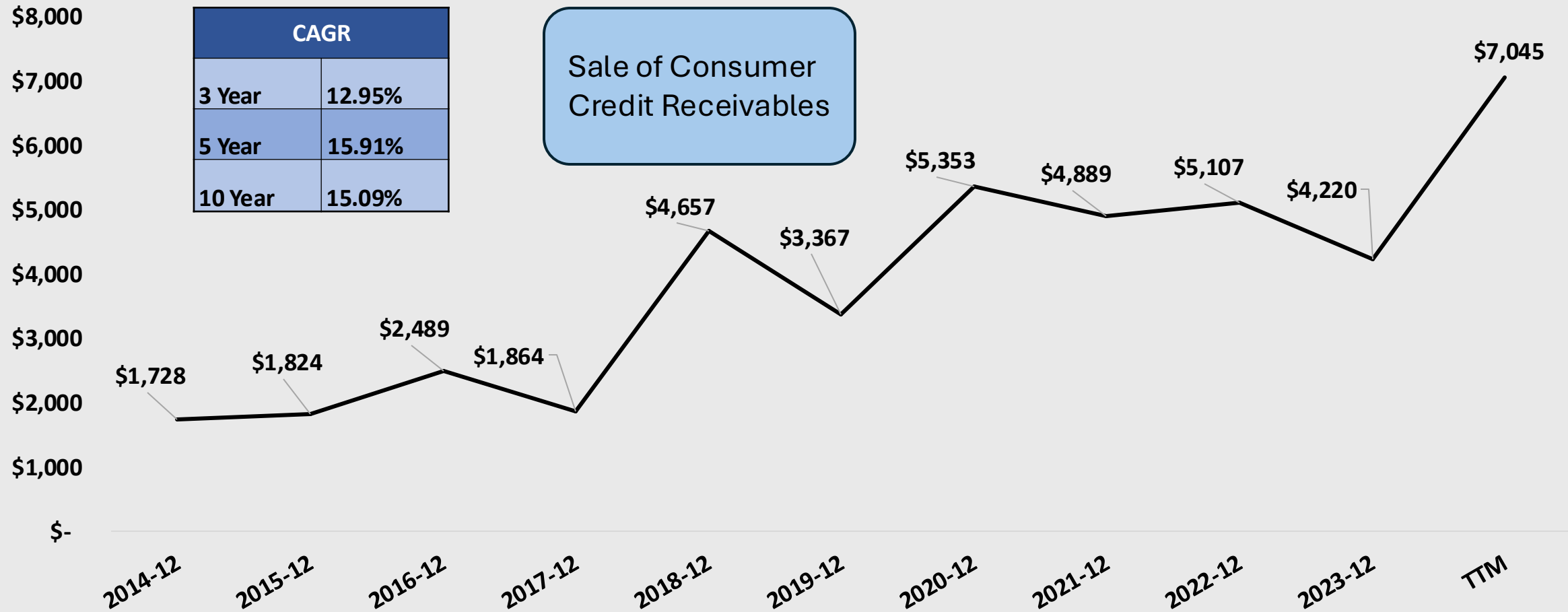
Item	Amount
(+) Long-Term Debt	9.76B
(+) Short Term Debt	0\$
(+) Preferred Stock	0\$
(+) Annualized Leases	0\$
(-) Cash	7.2B
(/) TTM Net Income	4.2B
Obligation Ratio	.61



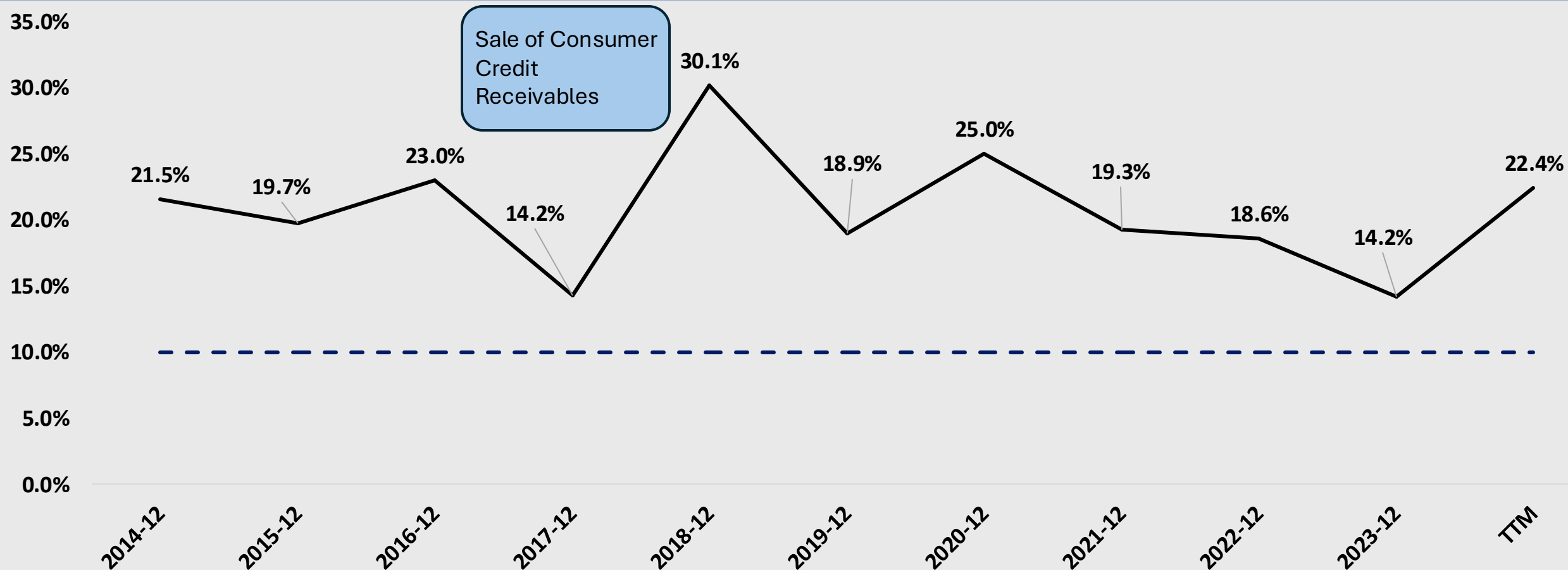
Capital Allocation

Sydney Jordan

Free Cash Flow in Millions



Free Cash Flow Margin



FCF Uses



- Pay off Debt
- Buyback Shares
- Reinvest in the Business
- Buy Other Businesses
- Pay Dividends

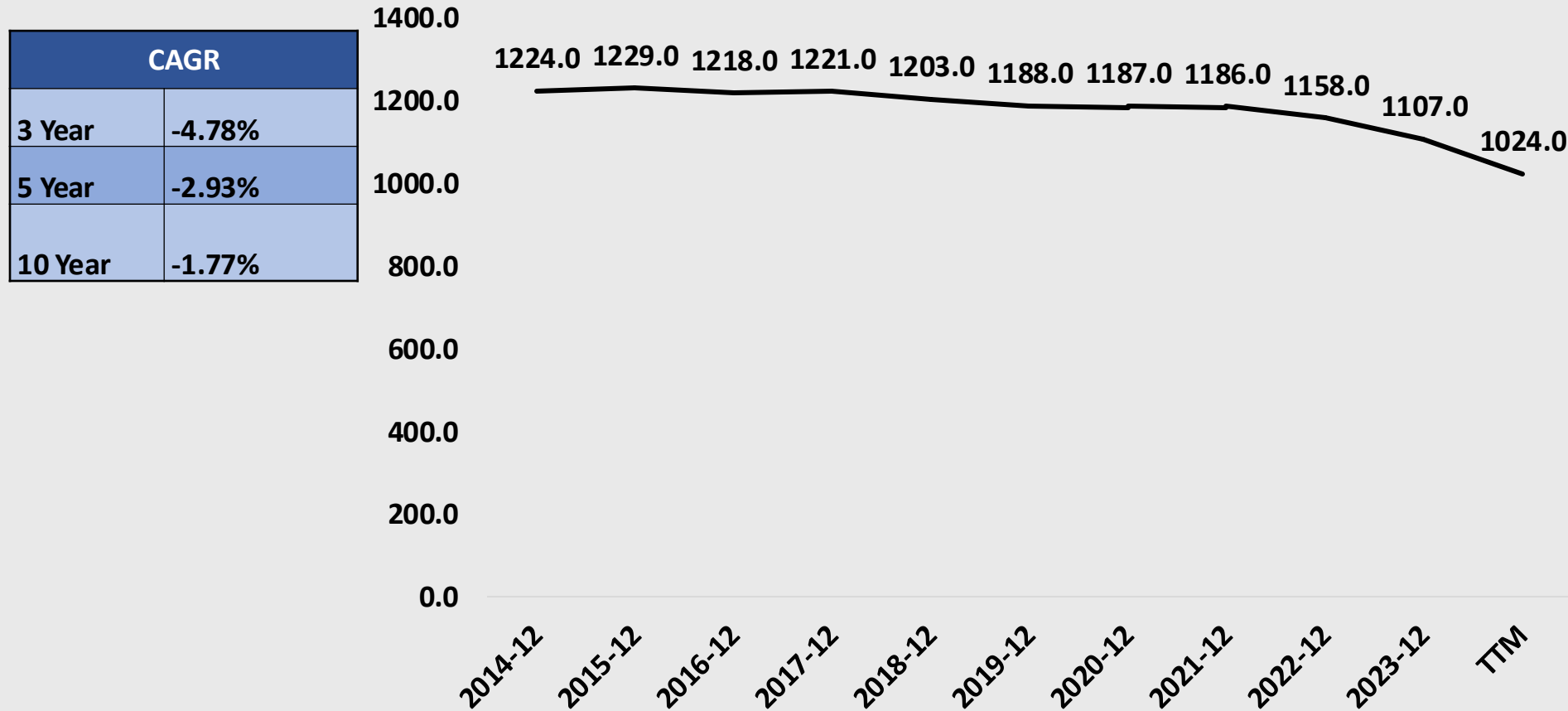


Share Repurchases in Millions

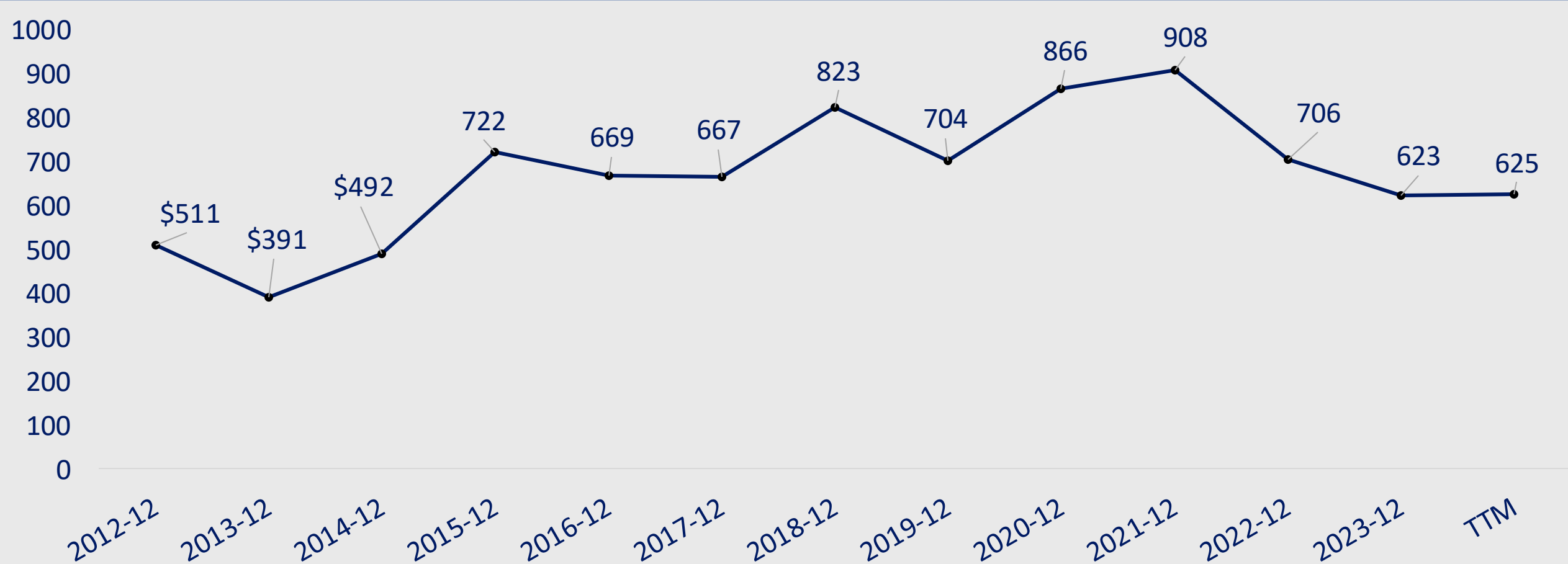




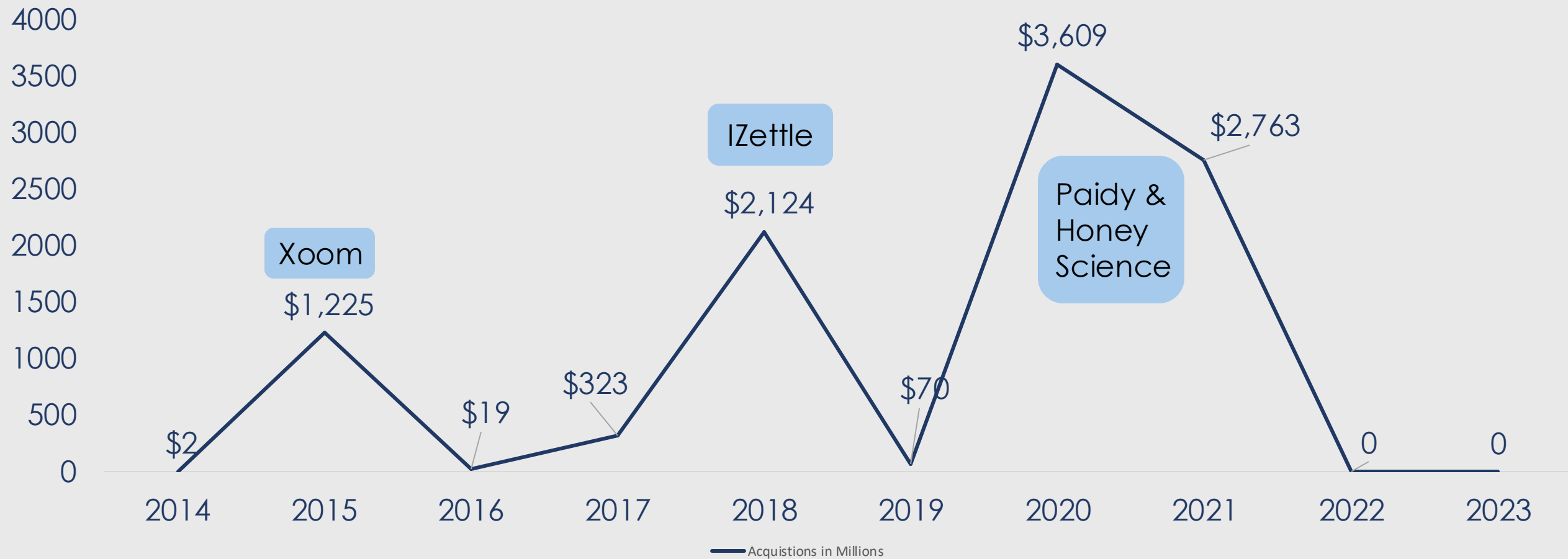
Shares Outstanding



Capital Expenditures in Millions



Acquisitions in Millions



Dividends in Millions



PayPal does not pay dividends



Management

Emily De La Rosa

Executive Board



intuit.

Alex Chriss

Joined since Sep. 2023

President & CEO



John Kim

Joined since Sep. 2022

EVP, Chief Product Officer



Jamie Miller

Joined since Nov. 2023

EVP, Chief Financial Officer



intuit.

Michelle Gill

Joined since Nov. 2023

EVP, General Manager-
Small Business &
Financial Services Group

Compensation Elements



1

Salary

2

Annual Incentive Plan (AIP)


3

Long term Incentive Plan
(LTI)

Salary





1

	Form of Payment	Performance Period	Performance Criteria	Objectives
Salary	 Cash	Ongoing	Alignment of salary with performance is evaluated on an annual basis	<ul style="list-style-type: none">• Compensates for expected day-to-day performance• Rewards individuals' current contributions• Reflect scope of roles and responsibilities

Annual Incentive Plan (AIP)



2

	Form of Payment	Performance Period	Performance Criteria	Objectives
Annual Incentive Plan ("AIP")	 PBRsUs	One year	Revenue and Non-GAAP Operating Margin	<ul style="list-style-type: none">• Rewards successful annual performance• Motivates achievement of short-term performance goals designed to enhance value of PayPal• Significant equity portion to further align with stockholder interests
	 Cash	One year	Individual Performance	



AIP Formula



Long-Term Incentive Plan (LTI)



3

Long-Term Incentive Plan ("LTI")	50% PBRsUs	Three years	FX-Neutral Revenue Compound Annual Growth Rate ("CAGR") and Free Cash Flow CAGR	<ul style="list-style-type: none">• Rewards successful achievement of three-year performance goals designed to enhance long-term value of PayPal• Intended to satisfy long-term retention objectives
	50% RSUs	Vests over three years	Service-based vesting; ultimate value based on stock price performance	<ul style="list-style-type: none">• Rewards the creation of long-term value• Recognizes potential future contributions• Intended to satisfy long-term retention objectives

Compensation Structure



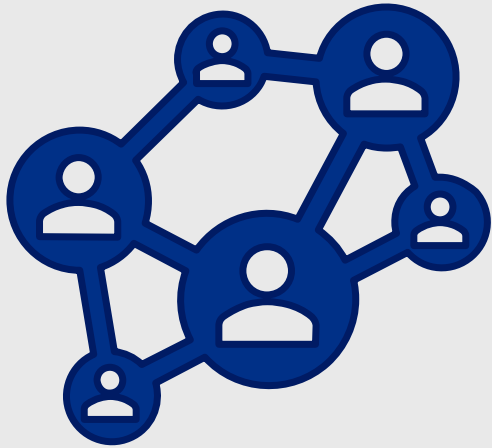
Executive Officer	Base Salary	AIP (Annual Incentive Plan)	LTI (Long-term Incentive Plan)
Alex Chriss	\$1,250,000	\$657,535	—
Jamie Miller	\$750,000	—	—
Michelle Gill	\$750,000	—	—
John Kim	\$750,000	\$937,500	\$8,000,000



Economic Moat

Enrique Alvarado

Economic Moat



Network Effect



Niche



Intangible Assets

Network Effect



Two-Sided
Network



User Growth



Ease of Use

Two-Sided Network



Our Two-Sided Payments Platform Serves Merchants and Consumers

Merchants

Power all aspects of digital checkout online and in person



Provide access to seamless credit solutions to enable growth



Protect against fraud and improve risk management



Offer tools and insights to attract new customers and increase sales



Consumers

Help people manage and move money domestically and internationally



Offer credit and installment payment services that are accessible and cost effective



Facilitate simple, secure payments across devices



Deliver flexibility with payment options globally, across platforms and merchants

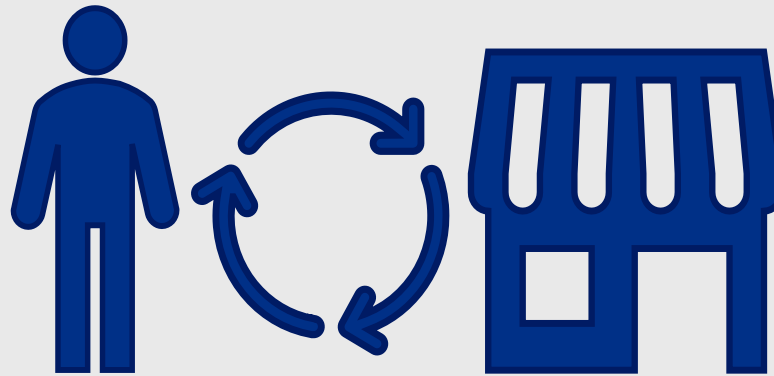


Two-Sided Network



PayPal operates a 2-sided network made of both consumers & merchants

As more consumers use PayPal, the network becomes more attractive for merchants



As more merchants use PayPal, PayPal becomes more valuable to consumers

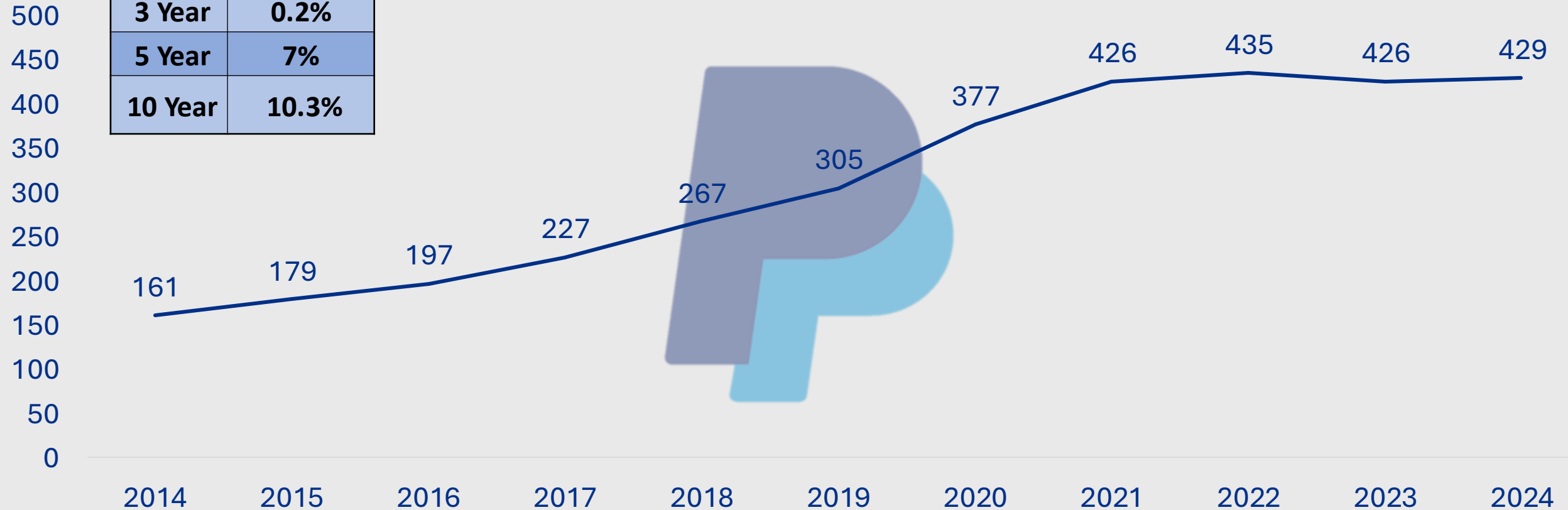
PayPal gains an edge in combatting fraud, & experiences growth & value increase

User Growth (in millions)

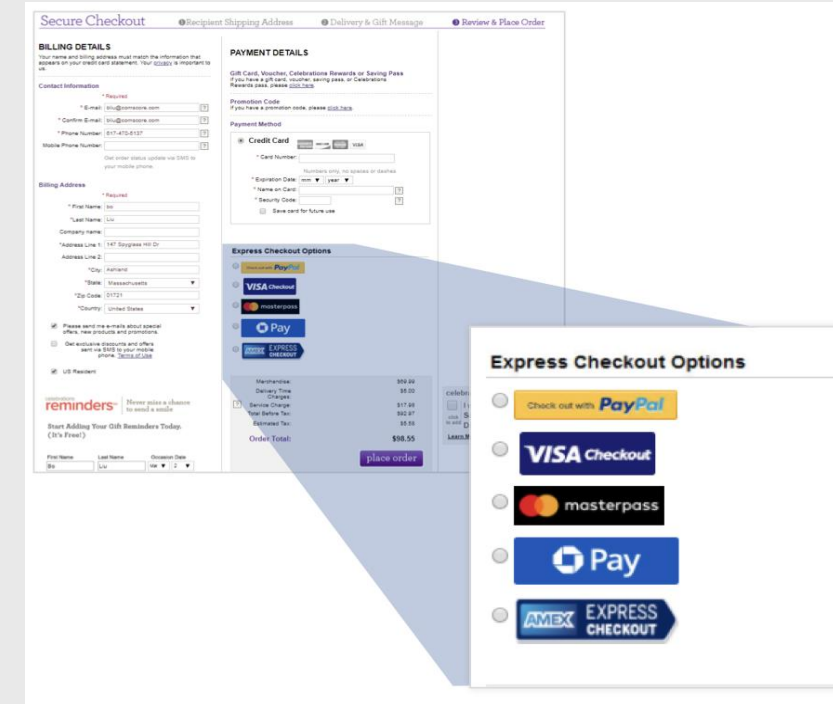
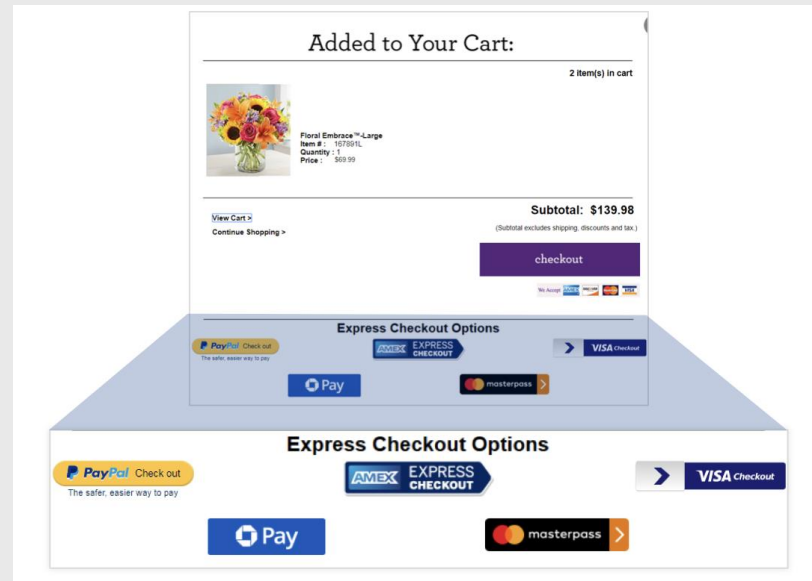
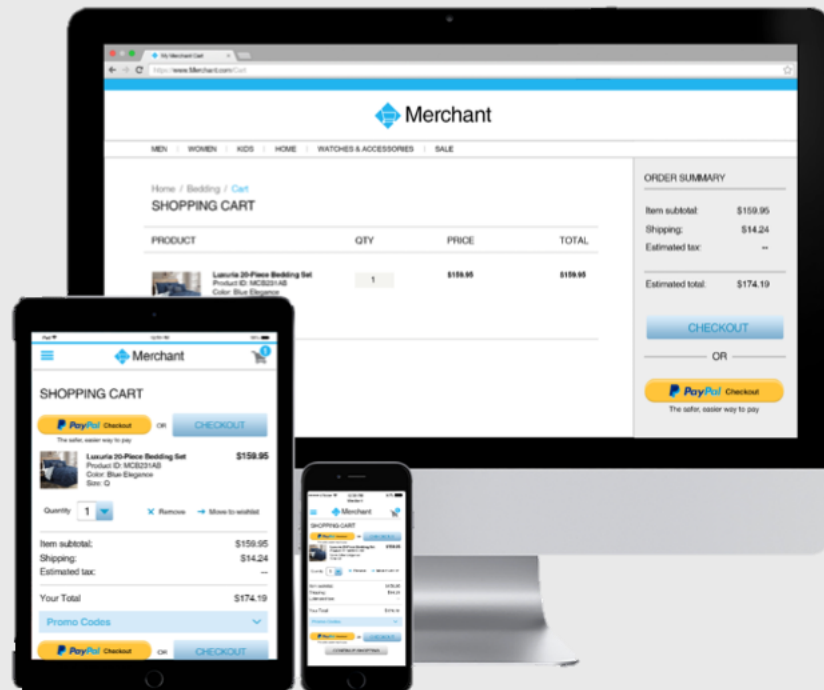


CAGR	
3 Year	0.2%
5 Year	7%
10 Year	10.3%

Active Accounts (in millions)



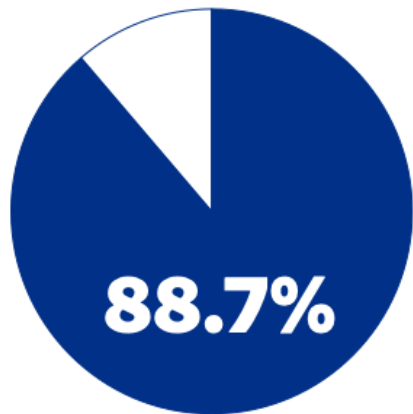
Ease of Use



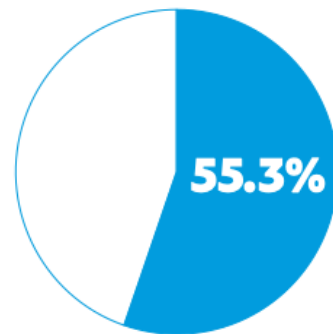
Checkout Conversion Rate



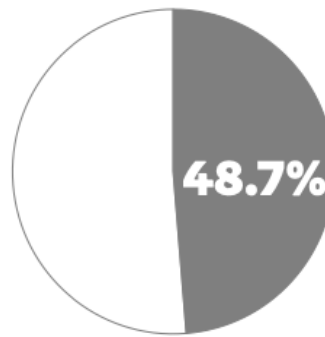
PayPal Conversion



Other Digital Wallets Conversion



Overall Conversion (All Payment Types)



As of 2024, this conversion rate is still almost 90%, while the industry average is about 50% (source: Morningstar)

This highlights ease of use of checkout for consumers and the attraction for merchants, boosting the network effect

Source: comScore online panel, Q4 2017. Analyzed shopping behavior at 20 large merchant sites across categories, utilizing its 1 million US consumer panel.

Niche

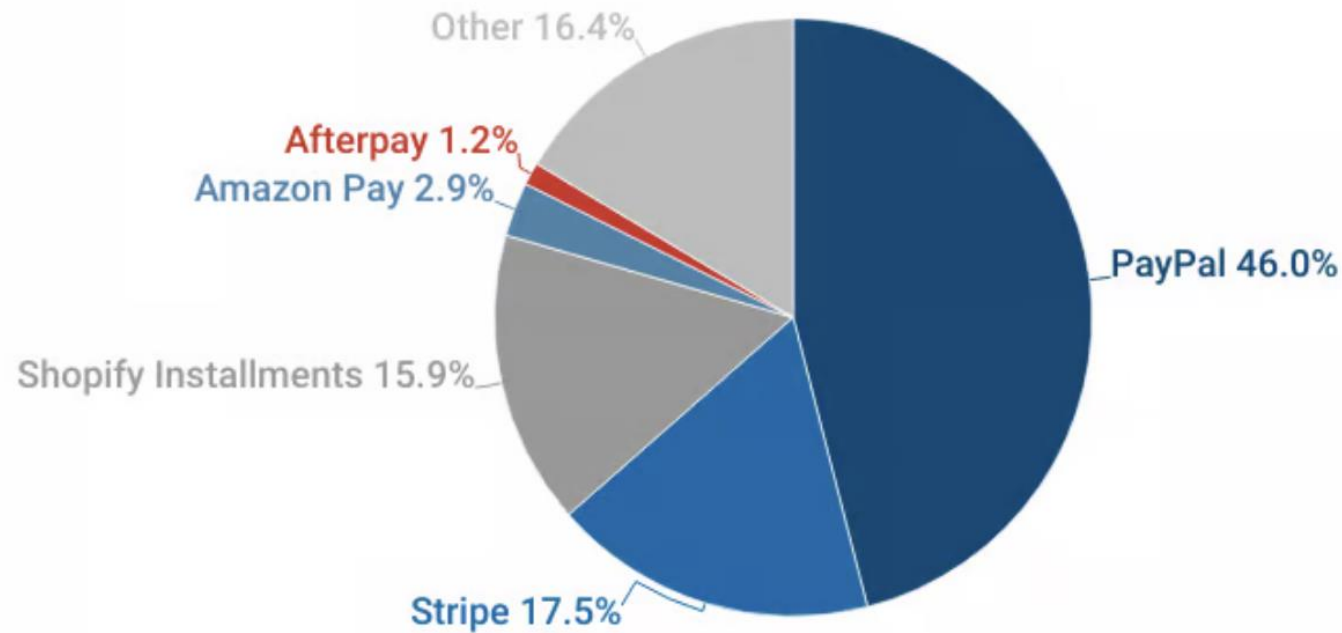


E-Commerce

Niche

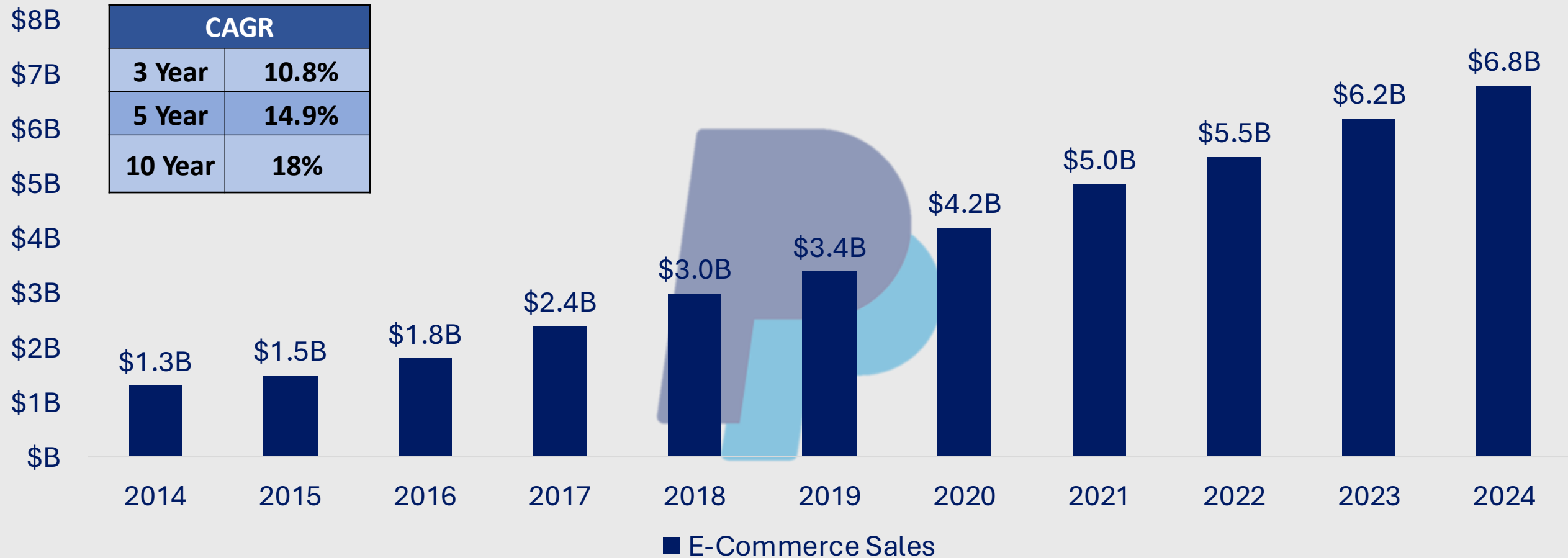


PayPal Electronic Payments Market Share



Source: Statista

E-Commerce Sales (in billions of USD)



Intangible Assets



Data collection

Data Collection



When consumers use PayPal, their data is collected & used to improve engagement and effectiveness of products now and in the future



PayPal builds a customer profile that benefits customers & in November 2024 will also benefit merchants

Have been collecting data since 1999
Gaining over 500 PB of data on customers



Competitor Analysis

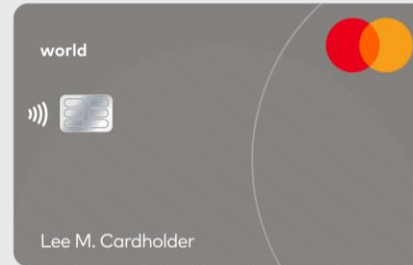
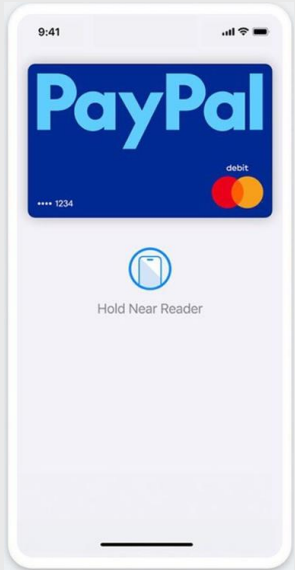
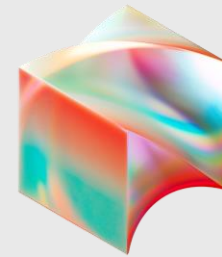
Logan Arciba

PayPal's Competitors

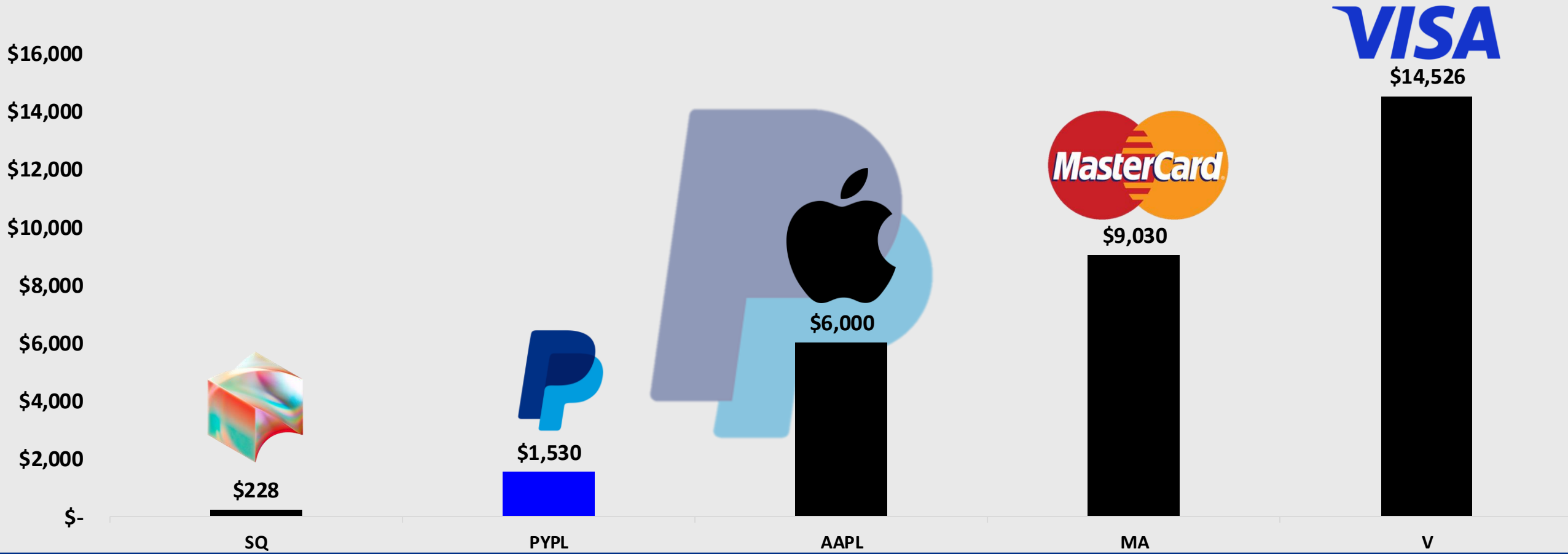


Apple Pay

VISA



Total Payment Volume *In Billions*

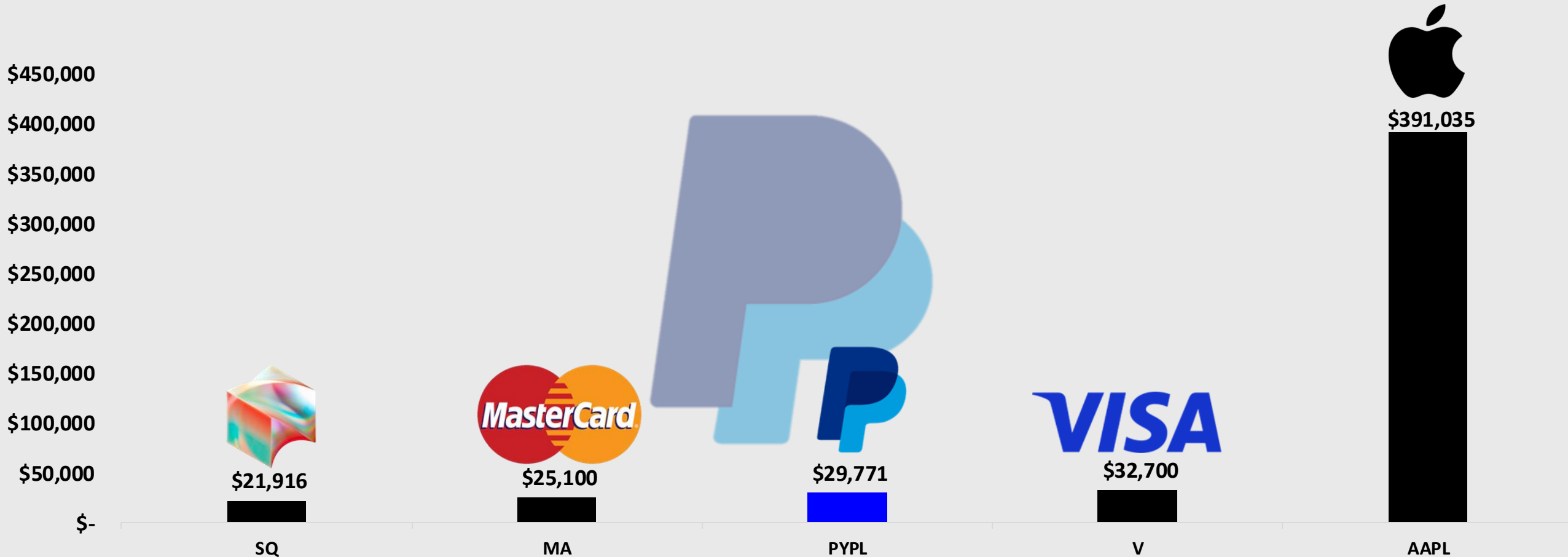


31-Jan-25



78

Revenue *In Millions*

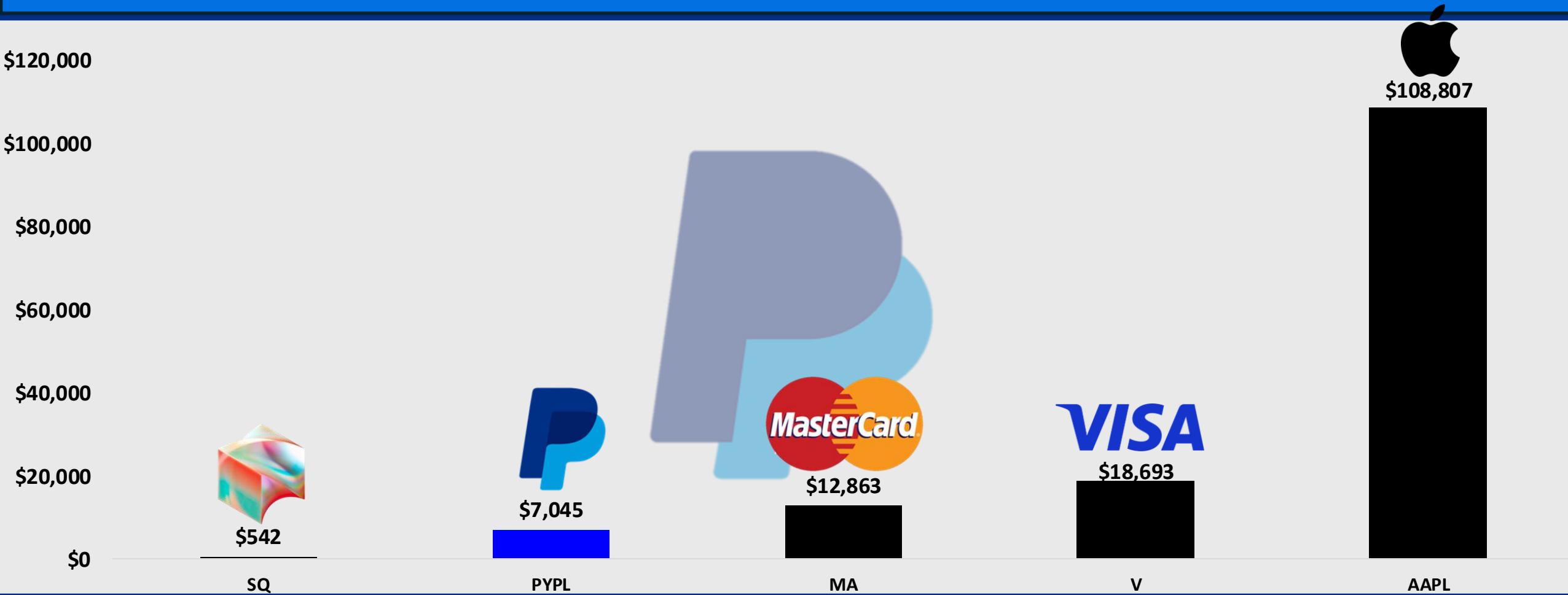


31-Jan-25



79

Free Cash Flow *In Millions*

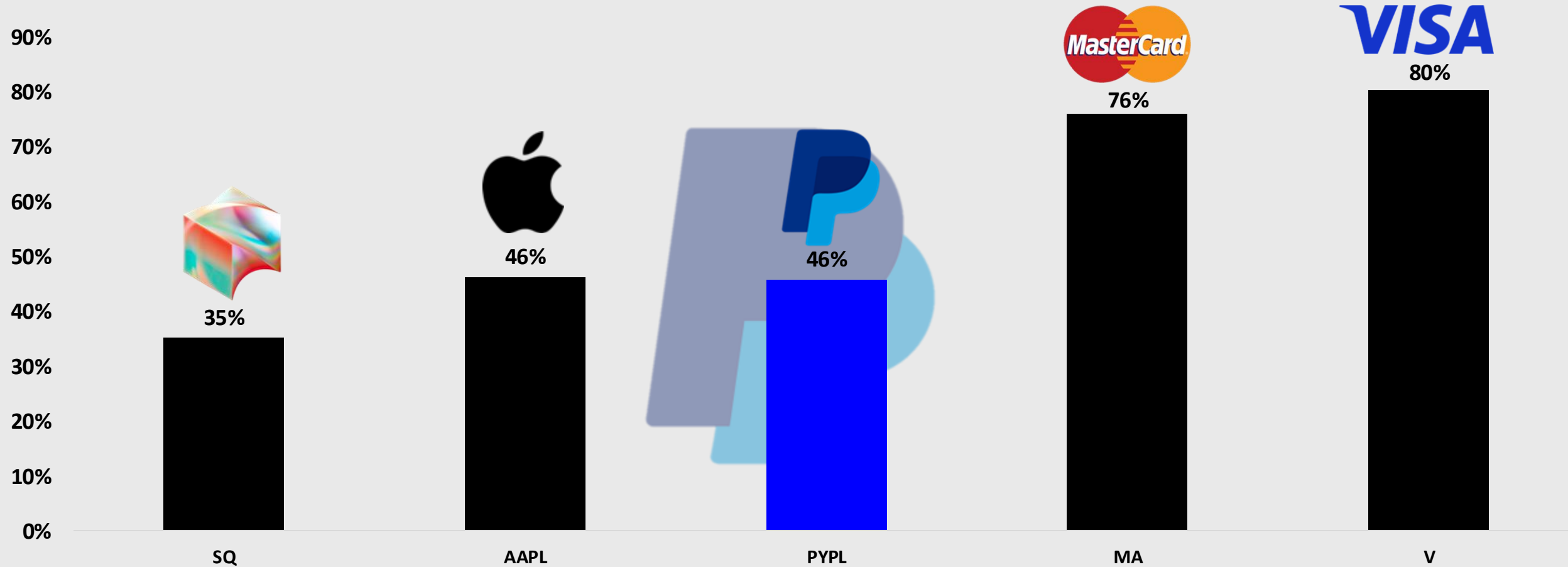


31-Jan-25

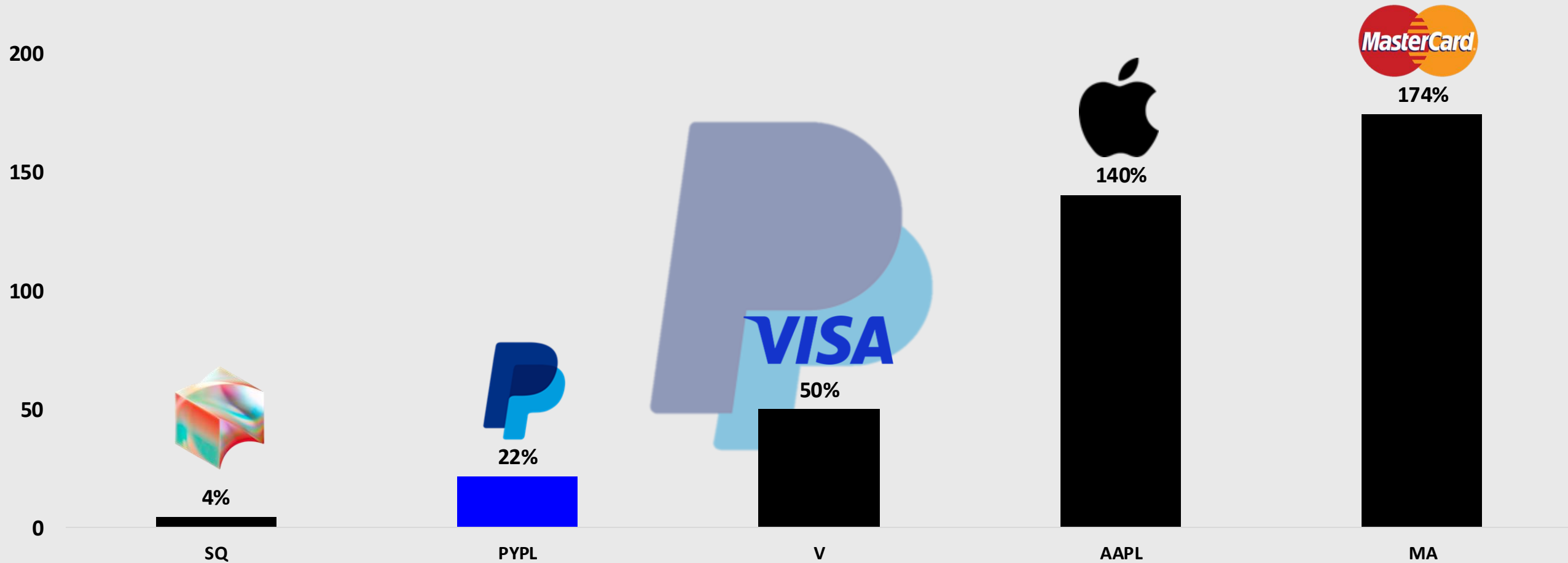


80

Gross Margin %



ROE %

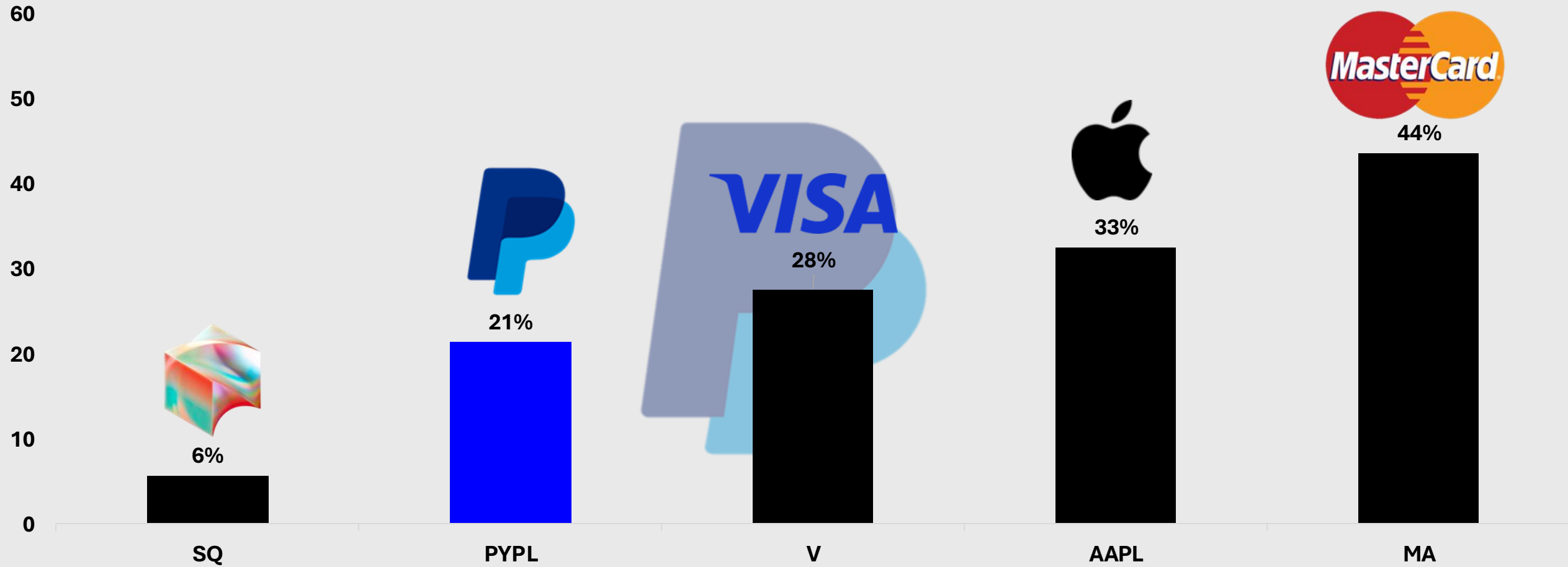


31-Jan-25

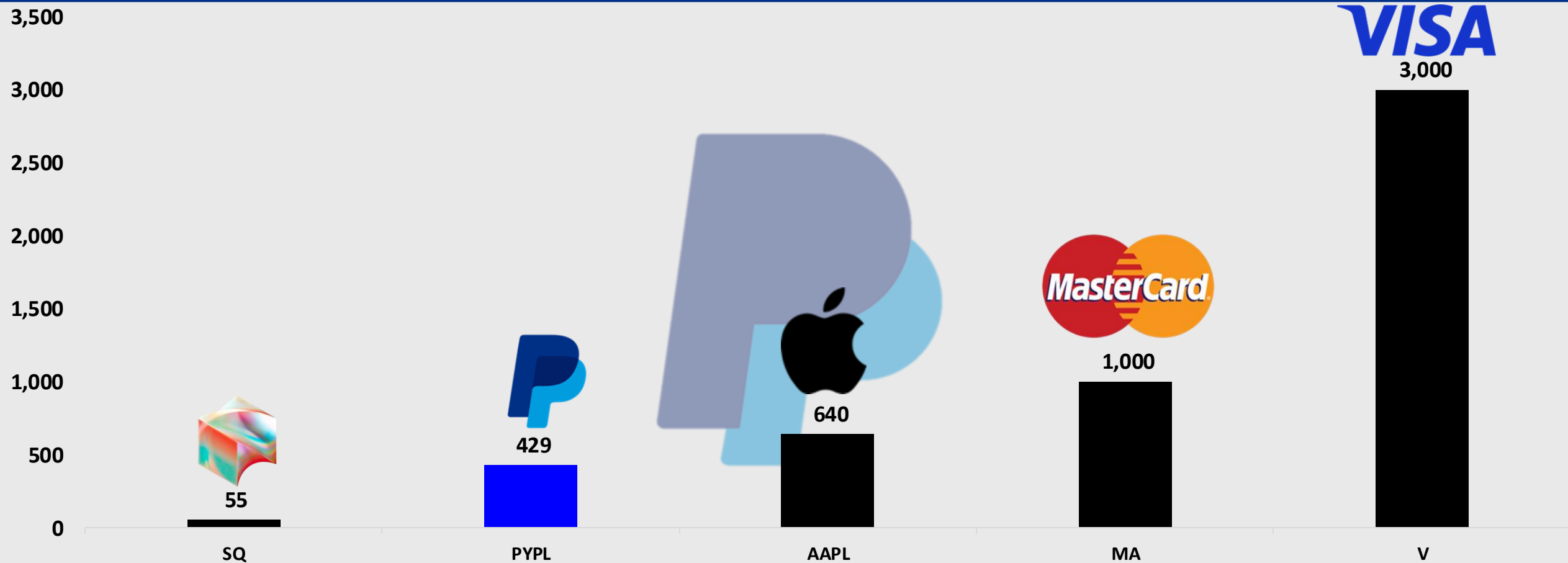


82

ROIC %



Active Users *In Millions*

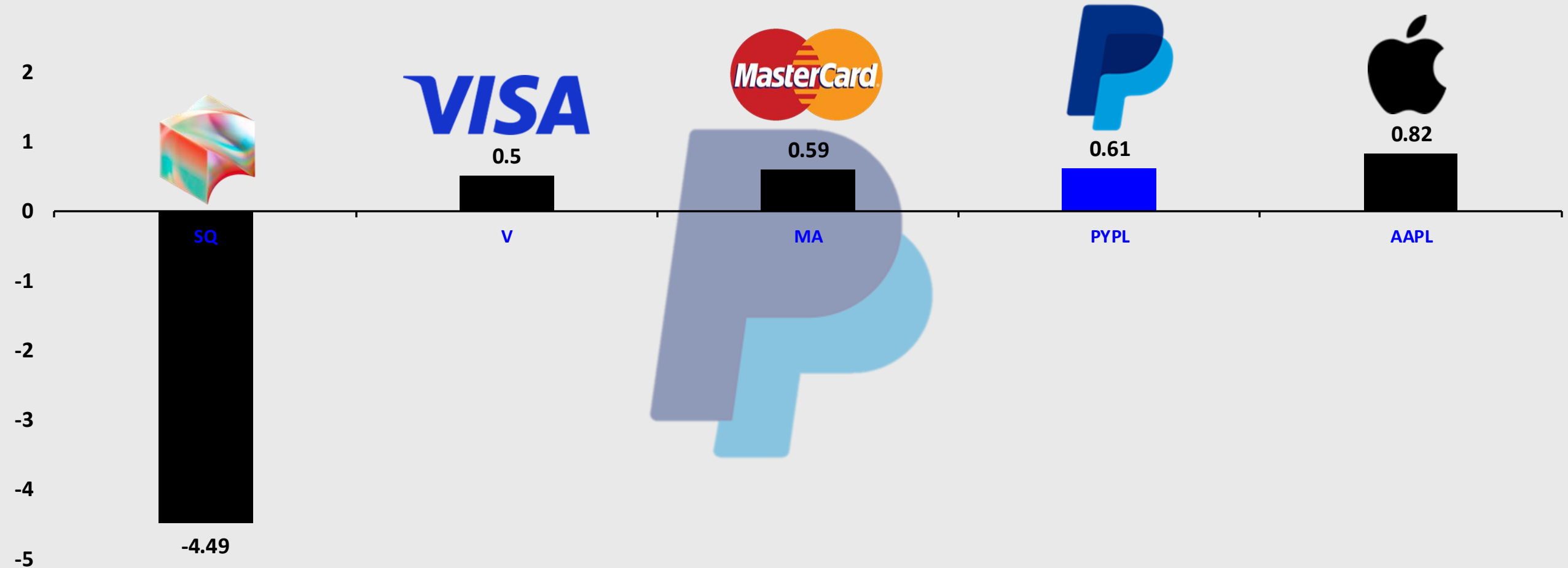


31-Jan-25



84

Obligation Ratio



31-Jan-25

85



Risk Factors

Logan Arciba

Risk Factors



Competitive Pressures

Cyber Security and Hacks

Macroeconomic Pressures

Regulatory Risks

Competitive Pressures



- PayPal operates in the global payments industry, which is highly competitive and dynamic.
 - Highly Innovative
 - Highly Regulated
- Competitors within this market range from large, established companies to smaller, younger companies that have agility.



Cyber Security and Hacks



- Has been collecting user data since 1999, with over 500 petabytes (100 million GBs)
 - With this much information and PayPal being predominately online, PayPal is susceptible to data breaches/hacks.
 - Could be liable to the payment card issuing banks.
- Also reliant on facilities, applications, software, and services provided by 3rd parties.



Macroeconomic Pressures



- PayPal's business is prone to macroeconomic pressures, especially due to its nature of business.
- Risks Included:
 - High/Higher Interest Rates
 - Reduced Interest Rates
 - Foreign Exchange Rates/Currency Inflation
 - Geopolitical Conflicts



Regulatory Risks



- PayPal operates in a heavily regulated industry due to involvement in financial services and heavy data collection
- Financial Regulatory Risks
 - Evolving payment regulations
 - Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF)
- Data Protection and Privacy Laws
 - AI regulations is evolving
 - Cross-Boarder Data Transfers
 - Data protection laws in various jurisdictions





Growth Opportunities

Logan Arciba

The Consumer Side



- Increase consumer value proposition through enhancements to both branded and unbranded checkouts.
- Improve checkout processes and conversion rates
- Aiming to increase Total Payment Volume (TPV) and number of transactions.



Fastlane



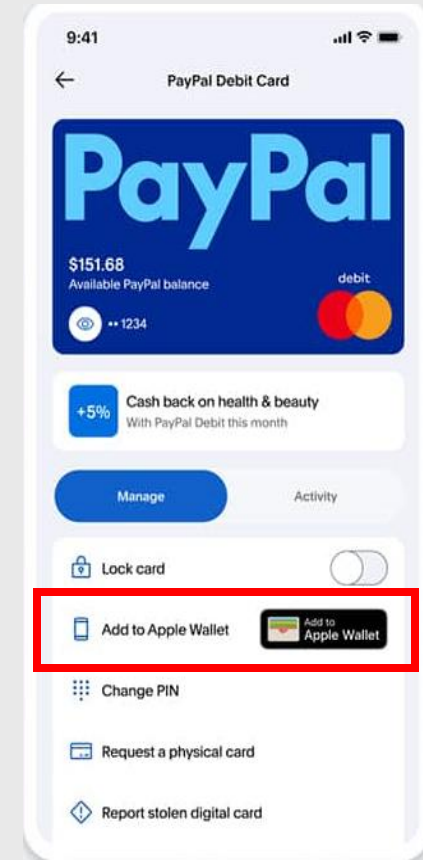
- Launched August 2024
- Online checkout solution
 - Fast
 - Easy
 - Secured
- Auto fills shopping details wherever Fastlane is available
- Targets 60% of e-commerce purchases made without branded mark
- Reduced checkout abandonment rates
 - Less abandonment rates means higher transactions.
 - 80% of Fastlane users convert at checkout

Fastlane by *PayPal*

PayPal Everywhere



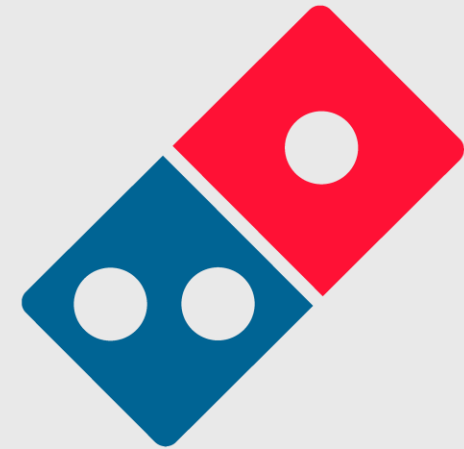
- Initiative launched in September 2024
- Aims to position PayPal as an all-in-one payment solution
- Brings a comprehensive reward program to PayPal's debit card users.
 - 5% cashback on selected monthly spending categories up to \$1,000.
 - Gas, groceries, etc.
- Apple Wallet Integration



PayPal Everywhere



- Auto-Reload Feature
- Brand offers
 - Door Dash
 - Domino's
 - Sephora
 - Hundreds others
- With these brands, you can get up to a total of 15% cashback on selected items.



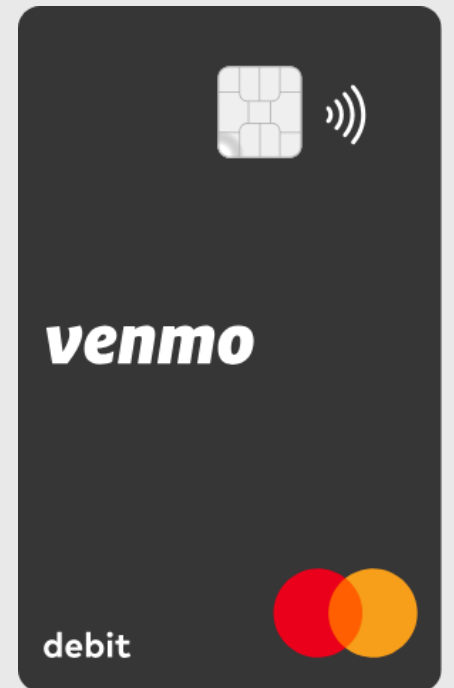
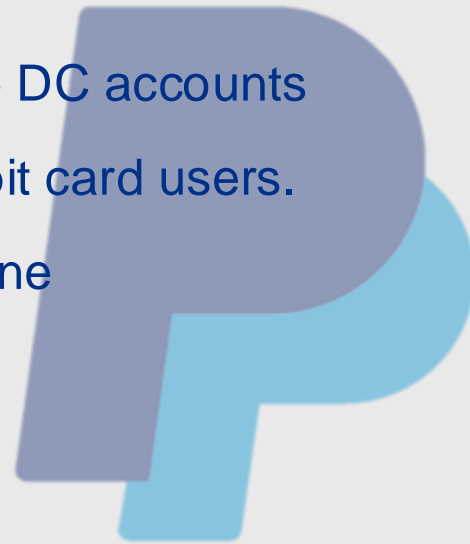
PayPal Everywhere



Venmo



- Venmo monthly active users grew 5%
- Venmo debit card
 - In Q3, 30% increase in monthly active DC accounts
 - Only 5% of total Venmo users are debit card users.
 - Allows customers to spend offline/online
- Pay With Venmo
 - Seamless way to pay online
 - 8% of all Venmo Active Accts
 - Up 20% in Q3





The Merchant Side

- PayPal wants to be an end-to-end solution for merchants
 - “Revolutionizing commerce globally”
- As of 2023, there were 35M merchant active accounts in approx. 200 markets globally.
- Offers businesses global reach and value-added services with:
 - PayPal Complete Payments
 - Braintree



PayPal Complete Payments



- Launched in 2023
- An all-in-one payment solution for SMEs
- Enables transactions in about 200 countries and regions
- Supports over 100 currencies
- Approx. 40% of PayPal's SMB processing and checkout volume
- In 2024, launched in new geographies
 - China
 - Hong Kong

PayPal Complete Payments



- Added and Enhanced Futures
 - PayPal Vault
 - Apple Pay Accepted Payment
 - Interchange Plus Plus (IC ++)
 - Buy Now, Pay Later



Braintree



- a white-label payment processor, accepting a variety of payment methods geared to larger enterprises
 - Apple Pay, Google Pay
 - Credit/Debit Cards
 - PayPal and PayPal Credit
 - Venmo (U.S. only)
 - ACH Direct Debit

Braintree
A **PayPal** Company

Braintree



- Serves various large enterprises such as:
 - Uber, Spotify, Airbnb, etc.
- Offers value-added services
 - Payouts
 - Risk as a Service
 - Orchestration
 - Guest Checkout
 - Personalization Capabilities



Uber

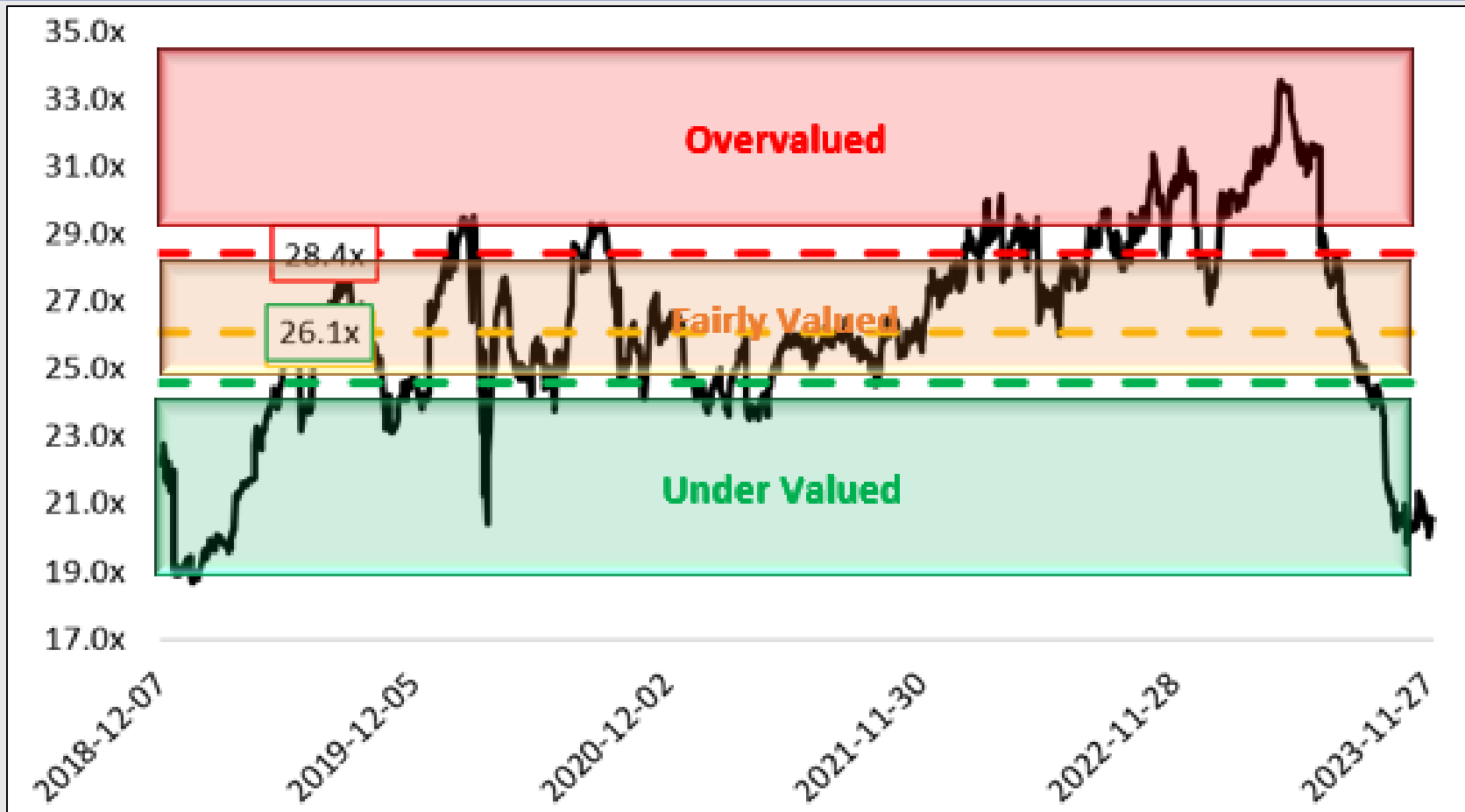


Value Bands

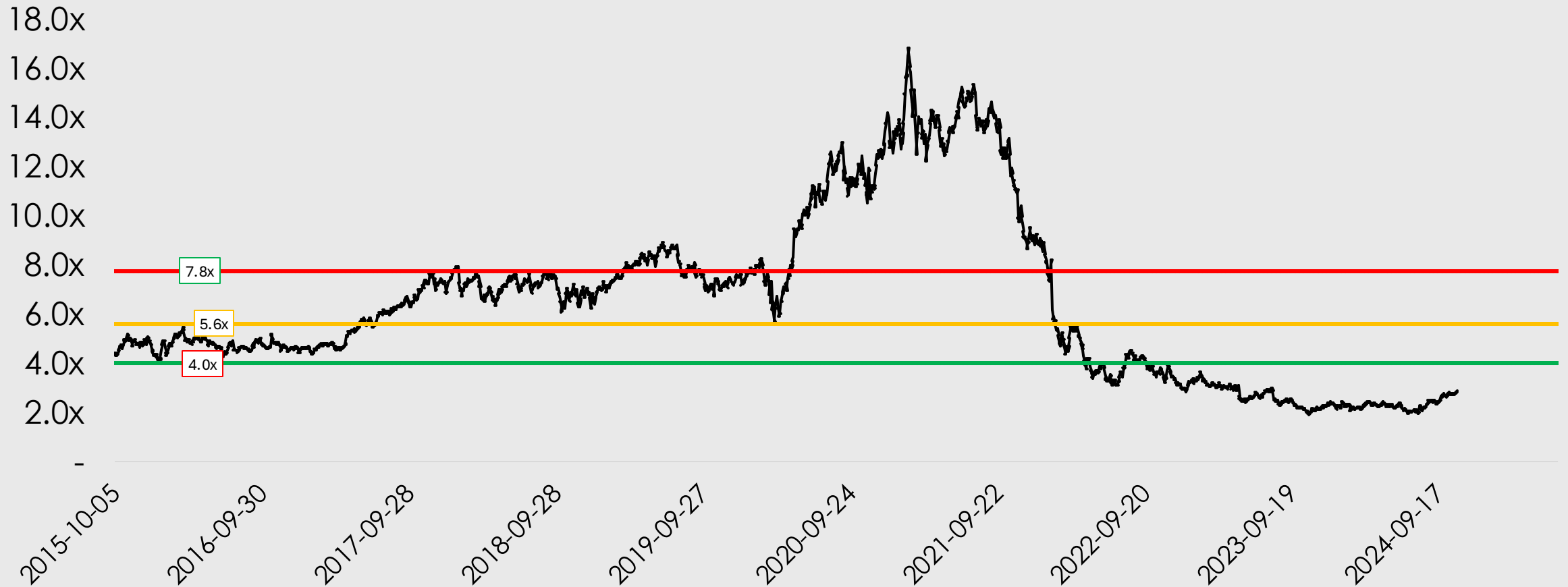
Sydney Jordan



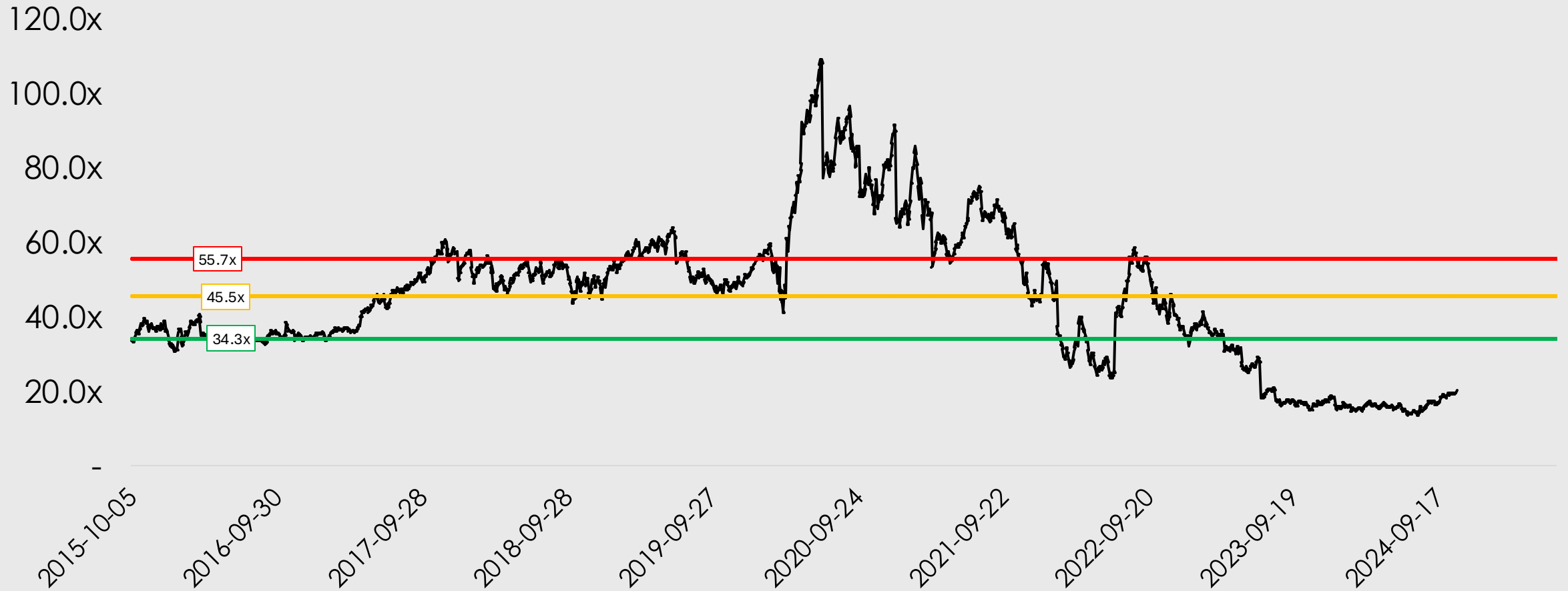
10 Year Value Bands



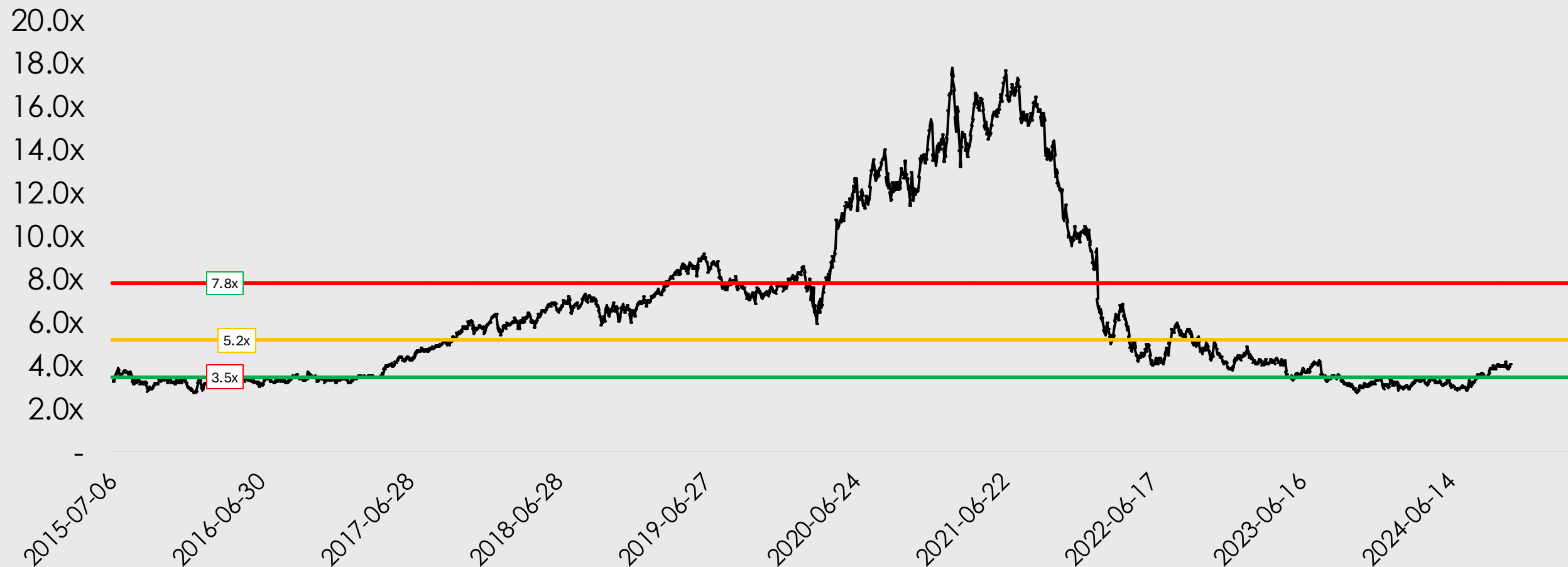
Price to Sales Ratio



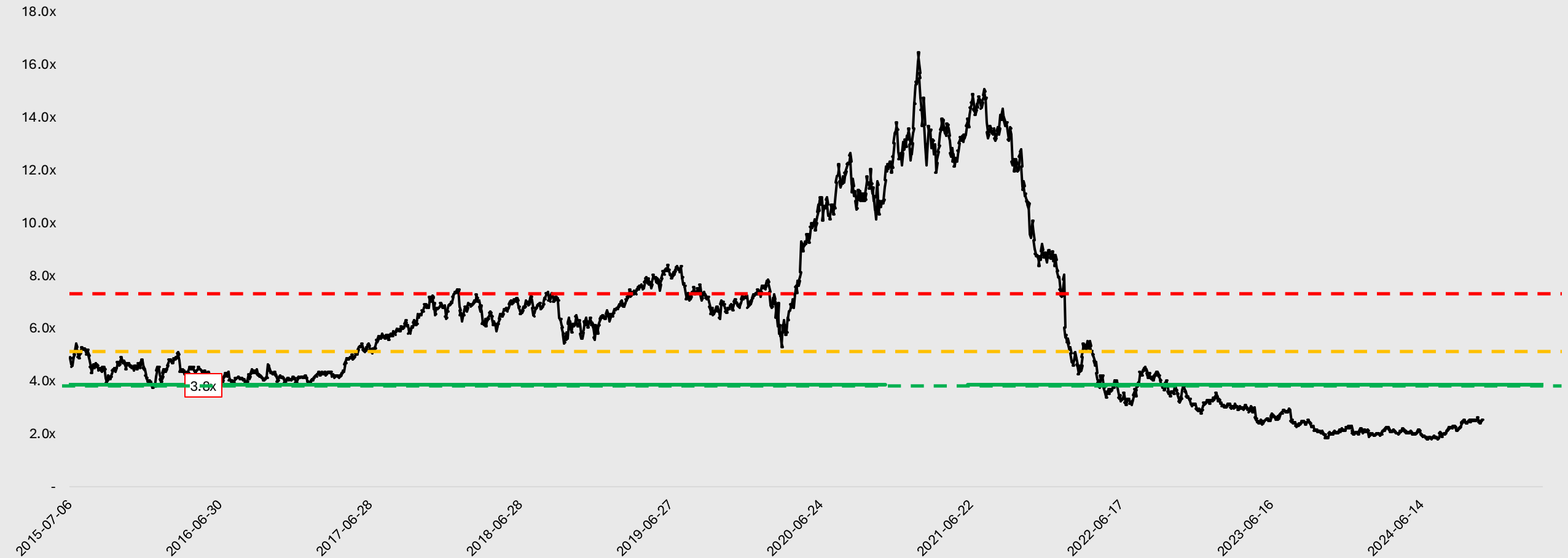
Price to Earnings Ratio



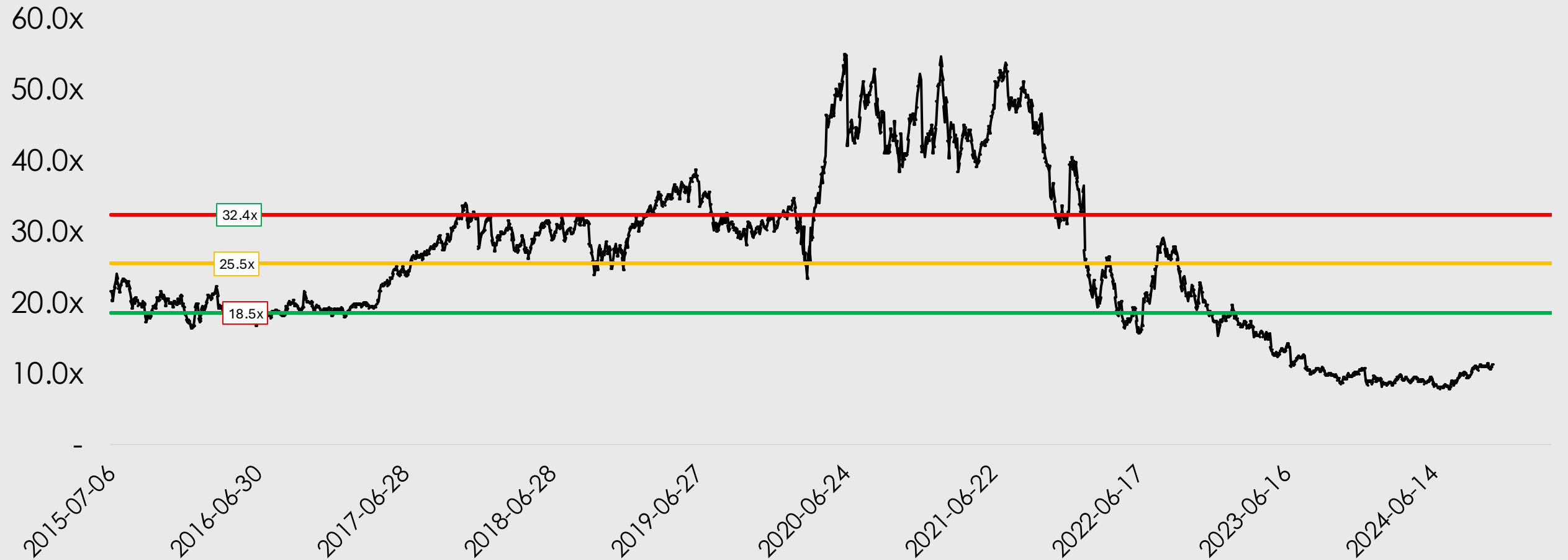
Price to Book Ratio



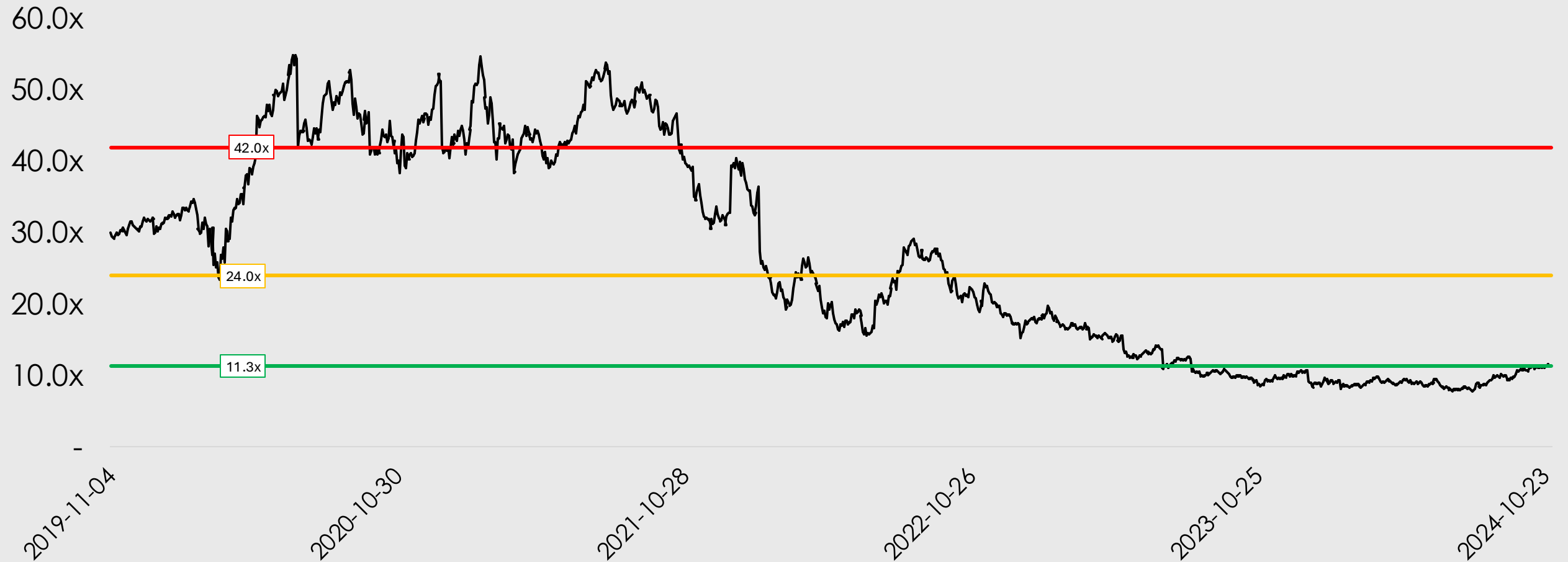
Enterprise Value-to-Revenue



Enterprise Value-to-EBIT



Enterprise Value-to-EBITDA

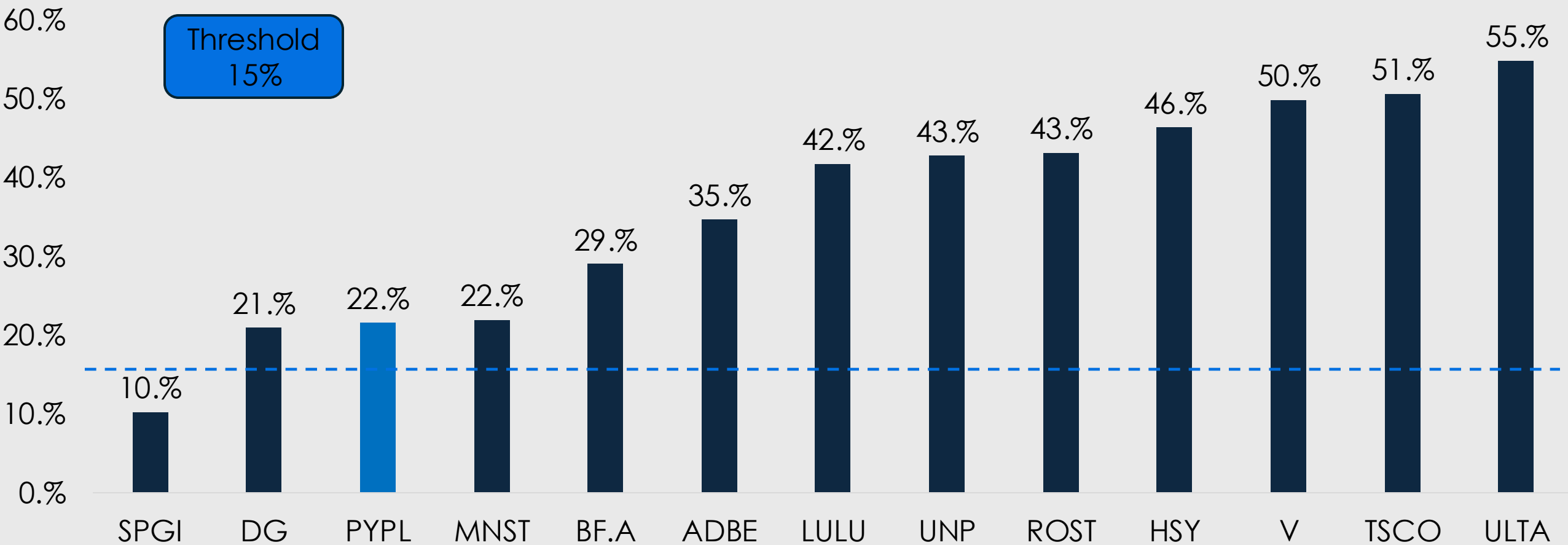




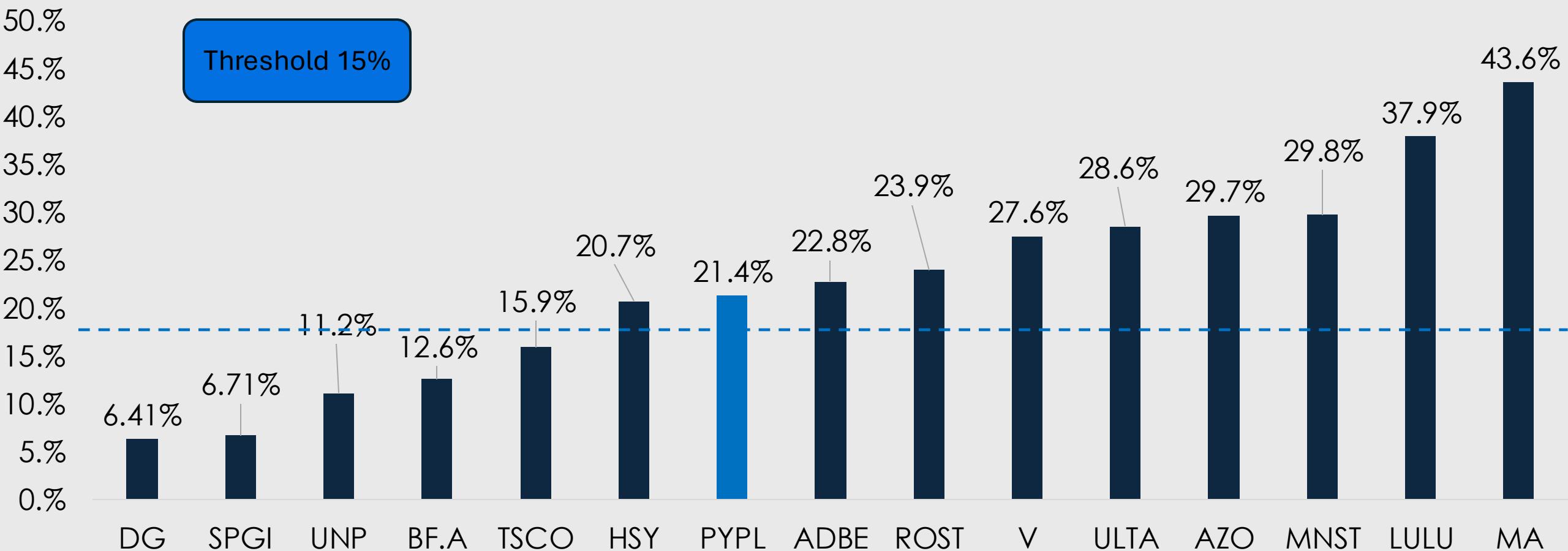
Intraportfolio Analysis

Sydney Jordan

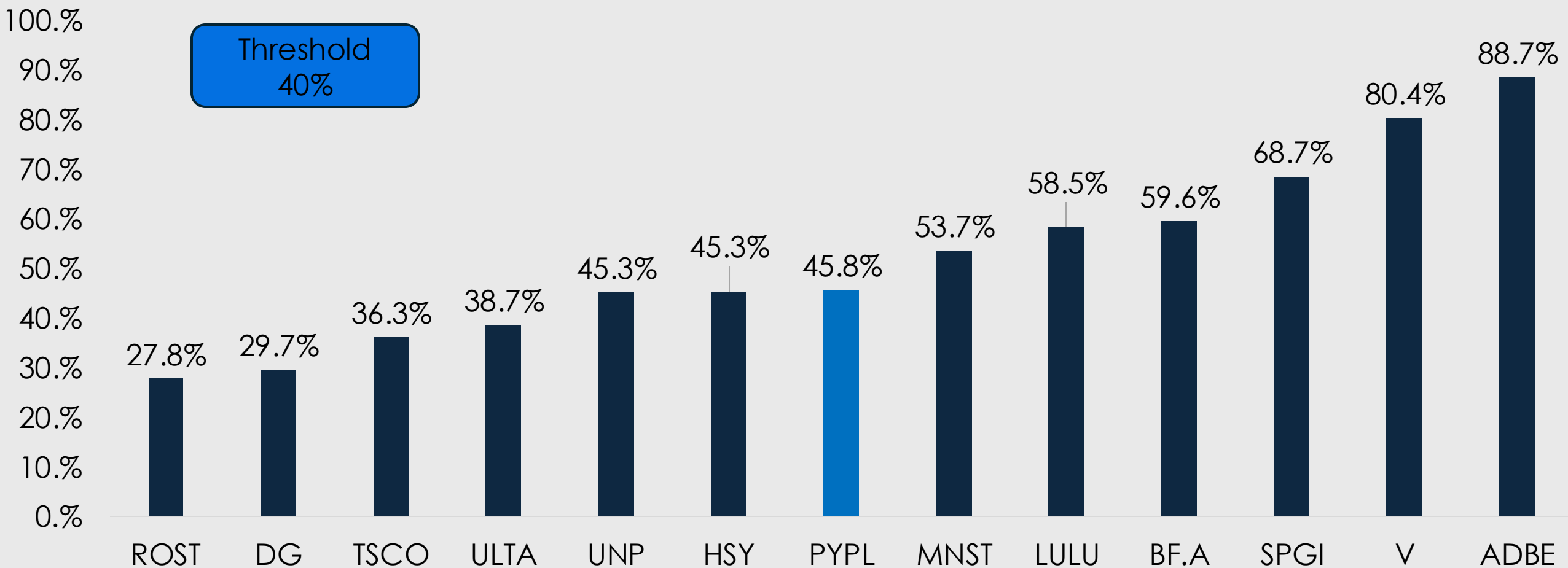
Return on Equity%



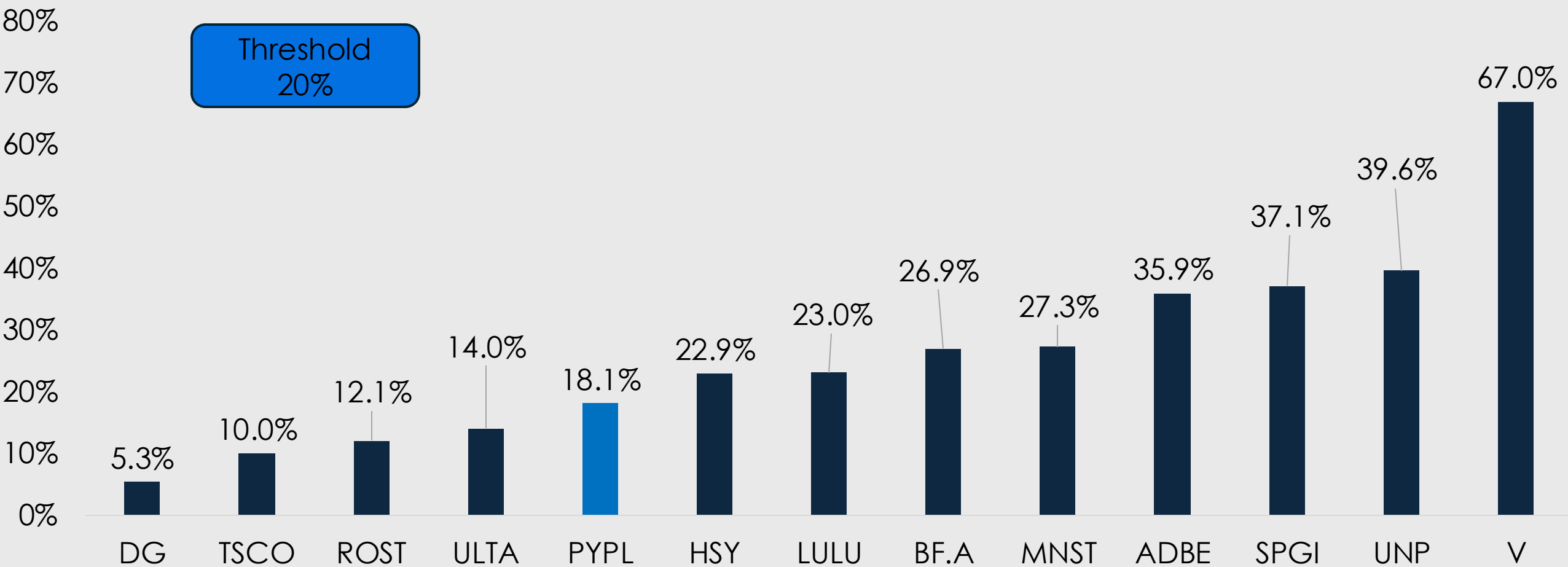
Return on Invested Capital%



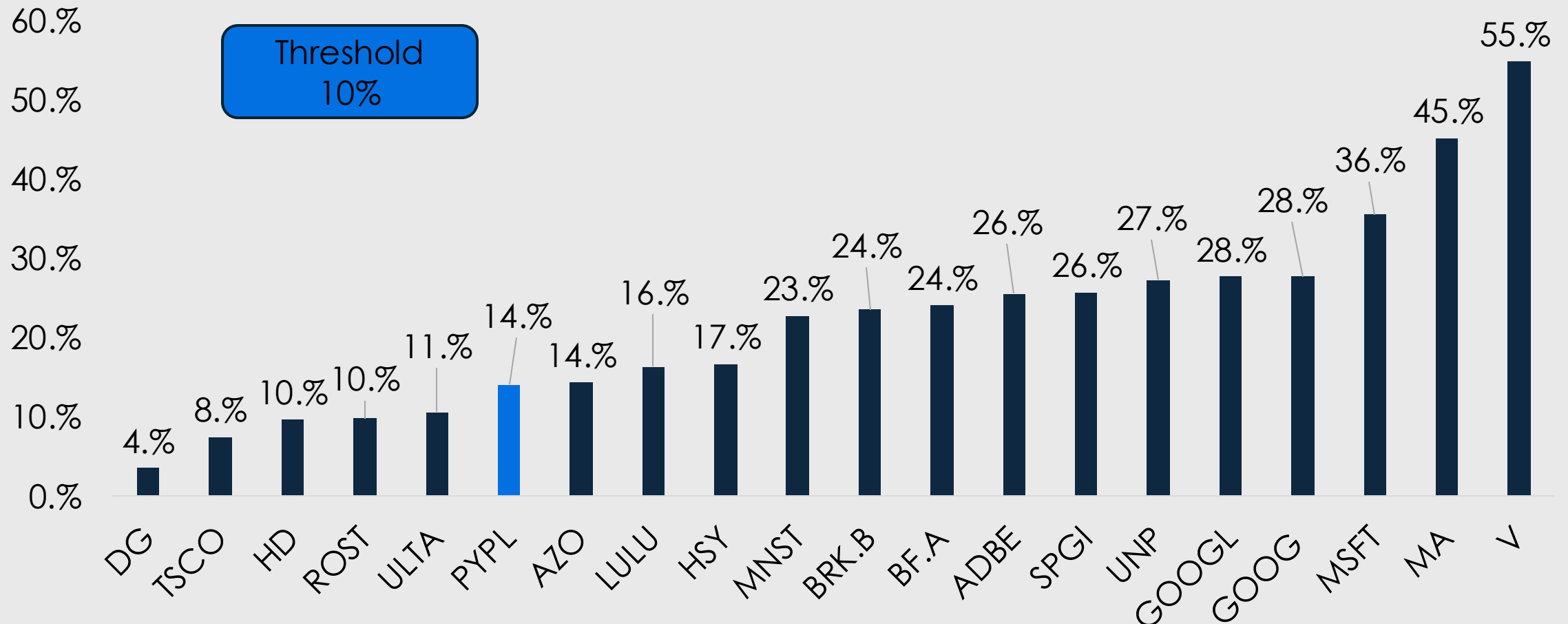
Gross Margin%



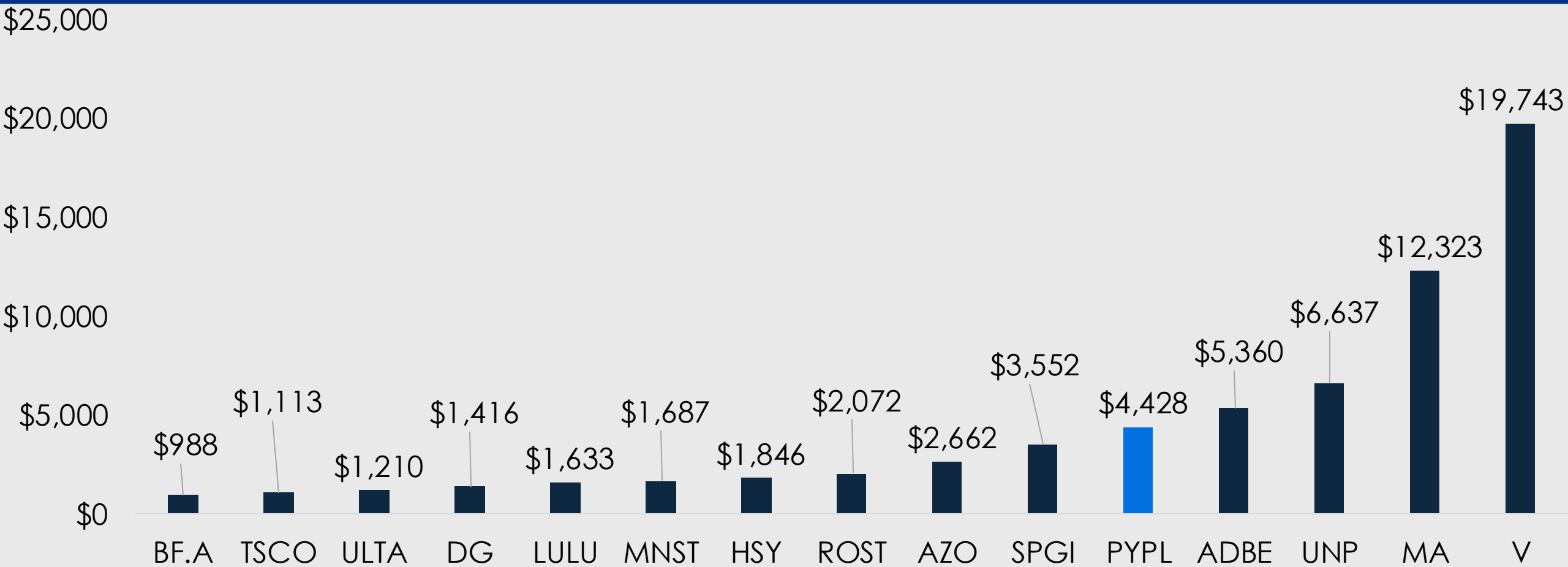
Operating Margin%



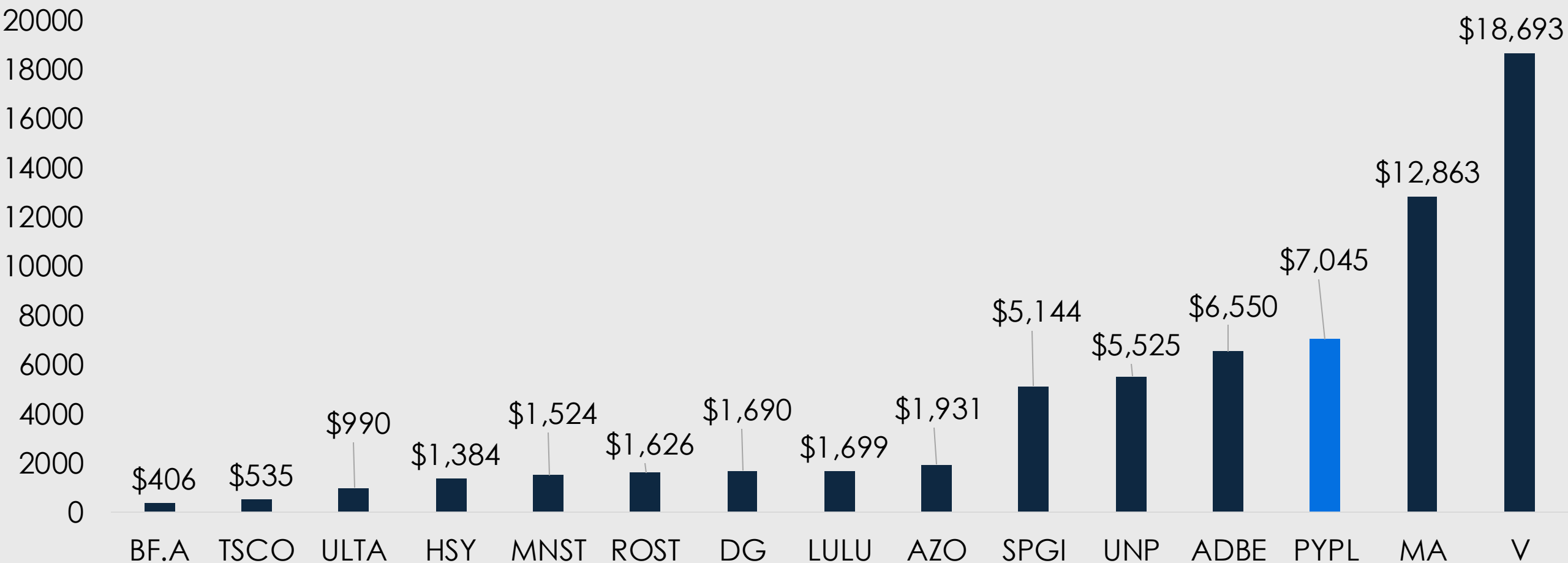
Net Margin%



Net Income in Millions

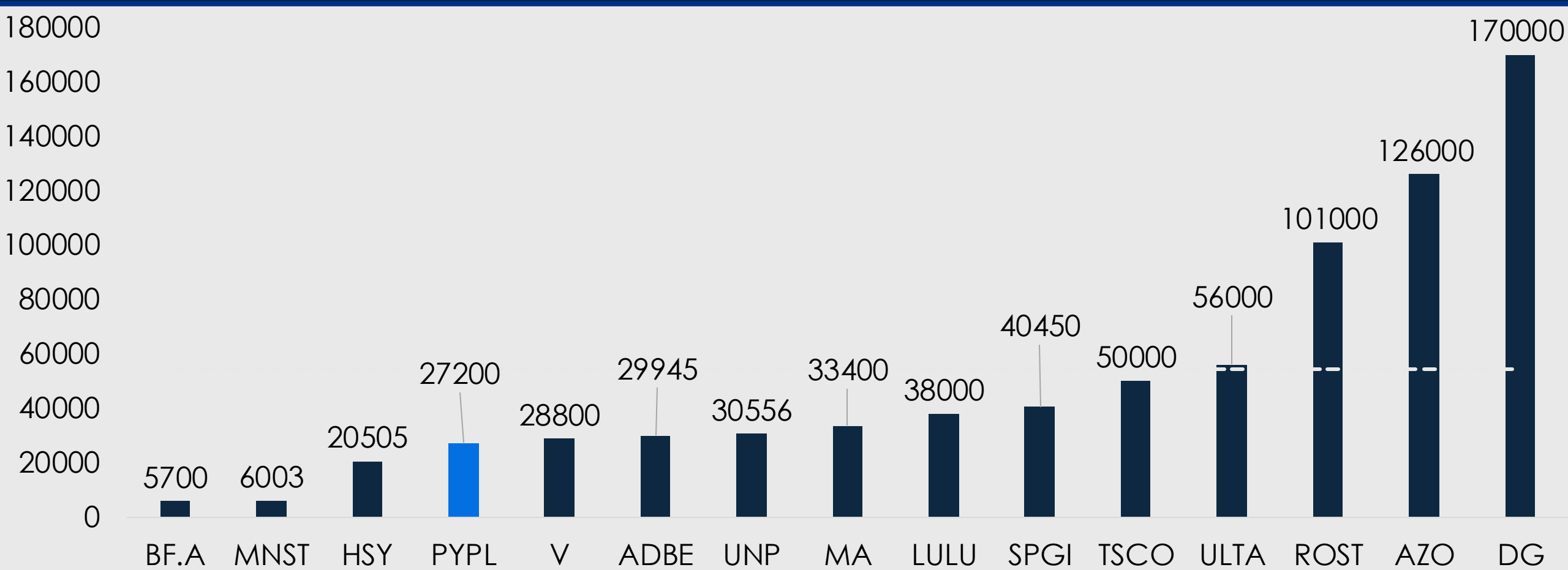


Free Cash Flow





Number of Employees In Thousands





Valuation & Conclusion

Enrique Alvarado

EPS Growth Rate Inputs



	Revenue	Net Margin	Share Repurchases	EPS Growth Rate
Bear	8%	0%	(3.5%)	11.5%
Base	9%	0.5%	(4%)	13.5%
Bull	10%	1%	(4.5%)	15.5%

5 Year Discounted Cash Flow



Ticker:		PYPL										
Price:		\$82.62										
5 Year Discounted Cash Flow												
								P/E	Total Return Price	PV	5 YR Return	Annual Return
Bear	EPS	<u>Current</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	20.0x	\$145.06	\$86.09	75.6%	11.9%
		\$4.19	\$4.69	\$5.23	\$5.83	\$6.51	\$7.25	22.0x	\$159.57	\$94.70	93.1%	14.1%
		12%	12%	12%	12%	12%	12%	24.0x	\$174.08	\$103.31	110.7%	16.1%
Base	EPS	<u>Current</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	20.0x	\$157.84	\$93.67	91.0%	13.8%
		\$4.19	\$4.76	\$5.40	\$6.13	\$6.95	\$7.89	22.0x	\$173.63	\$103.04	110.2%	16.0%
		14%	14%	14%	14%	14%	14%	24.0x	\$189.41	\$112.41	129.3%	18.0%
Bull	EPS	<u>Current</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	20.0x	\$172.25	\$102.22	108.5%	15.8%
		\$4.19	\$4.84	\$5.59	\$6.46	\$7.46	\$8.61	22.0x	\$189.47	\$112.44	129.3%	18.1%
		16%	16%	16%	16%	16%	16%	24.0x	\$206.70	\$122.66	150.2%	20.1%

Discount rate:

11%

Expected Rate of Return



	Bear	Base	Bull
Present Value	\$94.70	\$103.04	\$112.44
Margin of safety	13%	25%	36%

RoR Sensitivity



Total RoR Sensitivity				
P / E	Est. EPS growth rate			
		12%	14%	16%
	20.0x	11.9%	13.8%	15.8%
	22.0x	14.1%	16.0%	18.1%
	24.0x	16.1%	18.0%	20.1%

Reverse Discounted Cash Flow



Ticker: PYPL

Price: \$82.62

Reverse Discounted Cash Flow

							Total Return			Annual		
							P/E	Price	PV	5 YR Return	Return	
Reverse DCF		<u>Current</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	16.0x	\$112.97	\$67.04	42.5%	7.3%
	EPS	\$4.19	\$4.65	\$5.16	\$5.73	\$6.36	\$7.06	19.4x	\$136.97	\$81.29	72.8%	11.6%
			11%	11%	11%	11%	11%	20.0x	\$141.21	\$83.80	78.2%	12.2%

PYPL must grow at a 11%
CAGR to be fairly-valued

Conclusion



- High FCF company with many growth opportunities
- Massive amounts of partnerships to lean on
- Recommendation:
 - Purchase 600 shares at market price





Question & Answer Session

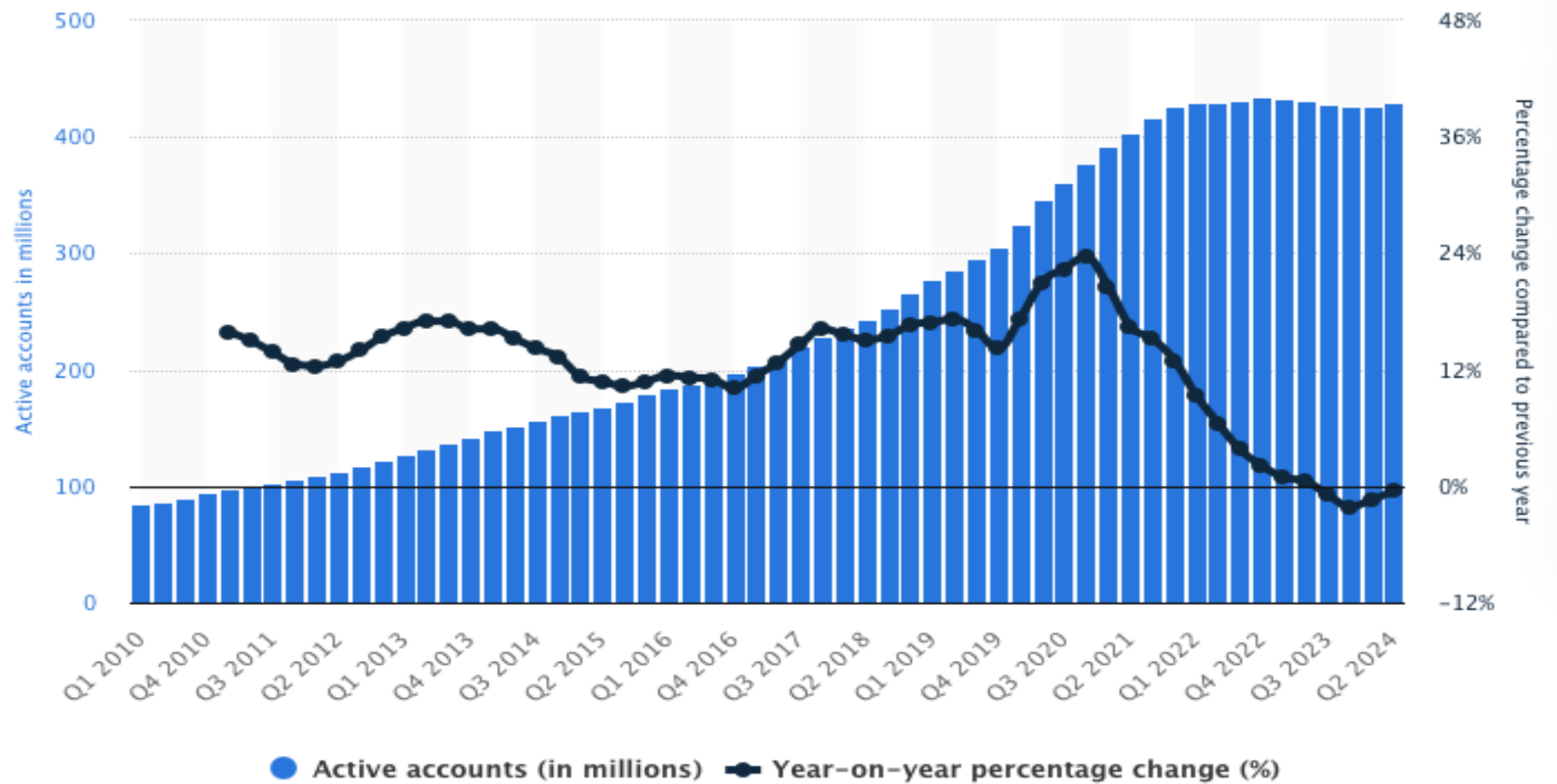


Appendix

User Growth



Global PayPal active accounts from 1st quarter 2010 to 2nd quarter 2024



Study on conversion rates



- https://www.paypalobjects.com/digitalassets/c/website/marketing/global/shared/global/media-resources/documents/comScore_Checkout_Conversion_4-23-8.pdf



PayPal's Solutions



Solution Type	Description
Digital Wallet	Access DC & CC details through PayPal account, allows shopping & money transfer through PayPal identification
One-Touch	Save login details on your device so you can checkout with a single press of a button
Money Transfer	Ability to transfer money to 200+ countries & 100+ currencies with bank or PayPal account
Payment Gateway	With business account, sell on & offline & receive payments via PayPal
Debit Card	Works like traditional bank DC, used to shop on or offline, withdraw money & earn rewards
Credit	No interest on credit of \$149+ if paid off within 6 months
Capital Loan	A daily payable loan with a lower fee than banks



1. PayPal receives the customer's payment information
2. PayPal requests approval to process the payment & reviews it using anti-fraud systems to verify & approve the payment information
3. PayPal securely sends the information to the payment processor to complete the transaction
4. PayPal receives a transaction fee



1. PayPal receives the customer's payment information
2. PayPal reviews it & uses anti-fraud systems to verify & approve the transaction, transferring the money into the merchant's PayPal account
3. PayPal receives a transaction fee

The merchant has no contact with any sensitive information at any point

PayPal Payment Processing Fees

(Merchants Receiving Transactions)



Payment Type	Domestic	Payment Type	Domestic
Alternative Payment Method	2.59%-2.99% + Fixed Fee	Standard Credit & Debit Card Payments	2.99% + Fixed Fee
PayPal Checkout	3.49% + Fixed Fee	All other Commercial Transactions	3.49% + Fixed Fee
PayPal Guest Checkout	3.49% + Fixed Fee	<div>Receiving International Transactions</div> <div>The fee for receiving domestic transactions plus 1.5%</div>	
QR Code Transactions	2.29% + Fixed Fee		
QR Code with 3 rd party integrator	2.29% + 0.09USD		
Pay With Venmo	3.49% + Fixed Fee		
Send/Receive Money for Goods & Services	2.99%		

PayPal Payment Processing Fees

(Merchants Receiving Donations)



Payment Type	Domestic
Donate Button	2.89% + Fixed Fee
PayPal Fundraisers (Listed Fundraisers)	2.99%
PayPal Fundraisers (Unlisted Fundraisers)	No Fee
PayPal Checkout for Donations	2.89% + Fixed Fee

Receiving International Donations
1.5%

Merchant Transaction Fees



Payment Processing Type	Domestic Fee Range	International Fee Range
Receiving Transactions	2.29%-3.49% + Fixed Fee where fit	The fee for domestic plus 1.5%
Receiving Donations	No Fee-2.99% + Fixed Fee where fit	1.5%
Sending Donations	Sending & Receiving Money Rates or No Fee	3-4% or an amount disclosed during the transaction
Receiving Charity Transactions	1.99% + Fixed Fee	1.5%
Receiving Transactions using PayPal Online Card Payment Services	2.59%-3.09% + Fixed Fee	None – 1.5%

PayPal Payment Processing Fees

(Merchants Sending Donations)



Payment Type	Domestic & International	
PayPal Fundraisers (Unlisted Fundraisers)	Sending & Receiving Money Rates(5 more different rates based on Payment Method)	
All Other Donations	No Currency Conversion	No Fee
	Currency Conversion	3-4% or an amount disclosed to you during the transaction

PayPal Payment Processing Fees

(Merchants Receiving Charity Transactions)



Payment Type	Domestic	International
Charity Transactions	1.99% + Fixed Fee	1.5%

PayPal Payment Processing Fees

(Merchants Using PayPal Online Card Payment Services)



Activity	Description	Fee
Monthly Fees	Advanced Credit & Debit Card Payments	No Fee
	Payments Advanced	5 USD
	Payments Pro	30 USD
	Payments Pro Payflow	30 USD
	Virtual Terminal	30 USD
Uncaptured Authorization Transactions	For Each Successful but Uncaptured Authorization Transaction	0.30 USD

PayPal Payment Processing Fees

(Merchants Using PayPal Online Card Payment Services)



Activity	Description	Fee
Account Monitoring Service	Optional Service	29.95 USD set up fee 19.95 USD per month
Fraud Protection Advanced	Optional Service	0.07 USD per transaction
Additional Risk Factors	If PayPal determines that an account receives or is likely to receive higher amounts of customer incidents , PayPal may increase transaction fees	Up to 5% per transaction
Buyer Authentication Service	Optional Service	10 USD per month 0.10 USD per transaction
Card Verification Transactions	For Each Account Verification Request	0.30 USD

Consumer Transaction Fees



Payment Processing Type	Purchase or Sale Amount Range	Fee
Buying with PayPal Online or In-Store	All	No Fee (when no currency conversion is involved)
Buying, Selling & Transferring Cryptocurrencies	1-1000.01USD+	0.49 USD-1.8%
Converting PYUSD & another crypto	1-1000.01USD+	0.49USD-1.75%

Consumer Transaction Fees



Payment Processing Type	Domestic Fee Range	International Fee Range
Receiving Donations	No Fee to 2.89% + Fixed Fee	1.5%
Sending Donations	Sending & Receiving Money Rates – No Fee	Sending & Receiving Money Rates – No Fee
Sending Transactions	No Fee – 2.90% + Fixed Fee	5% + Int Fee range from 0.99 USD – 4.99 USD
Receiving Personal Transactions	No Fee	Currency Conversion Ratios
Withdrawing from a PayPal Personal Account	No Fee – 1.75% + Fee	

Subscription & Gateway Fees

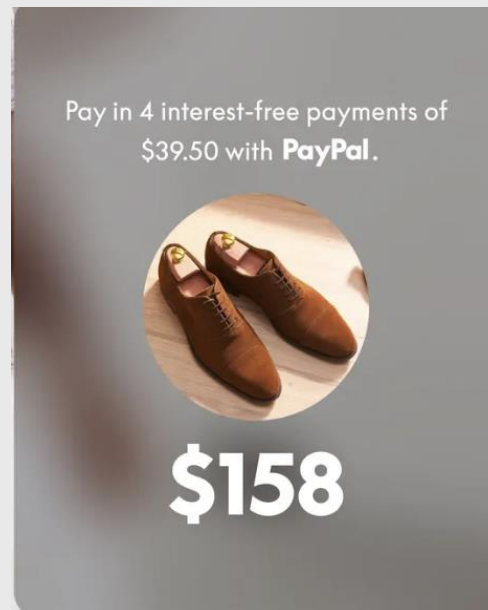


Activity	Description	Fee
Monthly Fees	Advanced Credit & Debit Card Payments	No Fee
	Payments Advanced	5 USD
	Payments Pro	30 USD
	Payments Pro Payflow	30 USD
	Virtual Terminal	30 USD
Recurring Billing	Optional Service	10 USD per month
Recurring Payment Tool	Optional Service	30 USD per month
Buyer Authentication Service	Optional Service	10 USD per month 0.10 USD per transaction
Account Monitoring Service	Optional Service	29.95 USD set up fee 19.95 USD per month



Buy Now Pay Later

- Short term credit option to consumers and merchants
- Pay in 4 or Pay Monthly
- PayPal earns interest on their APR



	Pay in 4 ¹	Pay Monthly ²
Purchase amount	\$30 to \$1,500	\$49 to \$10,000
Number of payments	4 interest-free payments	3, 6, 12, or 24 payments
Time between payments	Bi-weekly (1 down payment & 3 payments)	Monthly
APR	0%	9.99% to 35.99%
Repayment method	Debit card, credit card, confirmed bank account, or PayPal Balance (not available for autopay)	Debit card, confirmed bank account, or PayPal Balance (not available for autopay)
Purchase Protection ³	Included	Included
Late fees	None	None
Sign-up fees	None	None
Autopay available	Automatically enrolled at time of purchase	Optionally enroll in autopay at time of purchase or any time after

PayPal Working Capital



- Loan amounts up to 35% of merchant's annual paypal sales, with maximum of \$150,000



PayPal Working Capital	
Loan amount	\$1,000 to \$200,000 (up to \$300,000 for repeat borrowers)
Time to receive funds	Get funding in minutes if approved
Minimum eligibility requirements	<ul style="list-style-type: none">• Have a PayPal Business or Premier account for at least 90 days• Processed at least \$15,000 in PayPal sales in the last 12 months (\$20,000 for Premier accounts)• No outstanding PayPal Working Capital loan
Credit check	No credit check because the loan is based on your PayPal account history
How the loan is paid back	Repaid as a percentage of your PayPal sales; minimum repayment every 90 days
One fixed fee that's paid over the life of the loan ⁸	✓
No hidden fees and no late fees	✓



Other Services

(Merchants Using PayPal Online Card Payment Services)

Activity	Description	Fee
Fraud Protection Advanced	Optional Service	0.07 USD per transaction
Additional Risk Factors	If PayPal determines that an account receives or is likely to receive higher amounts of customer incidents , PayPal may increase transaction fees	Up to 5% per transaction
Card Verification Transactions	For Each Account Verification Request	0.30 USD
Chargeback Protection Services	Chargeback Protection Advanced Credit & Debit Card Payments	0.4% per transaction
	Effortless Chargeback Protection Advanced Credit & Debit Card Payments	1% per transaction
Failure to Implement Express Checkout	Fees can increase if express checkout is not implemented as required	1% per transaction

PayPal Business Loan Types



LoanBuilder

- Term loans up to \$500K

PayPal Business Loan

- A

PayPal Working Capital

- a

LoanBuilder Loan

Financing built for your business.

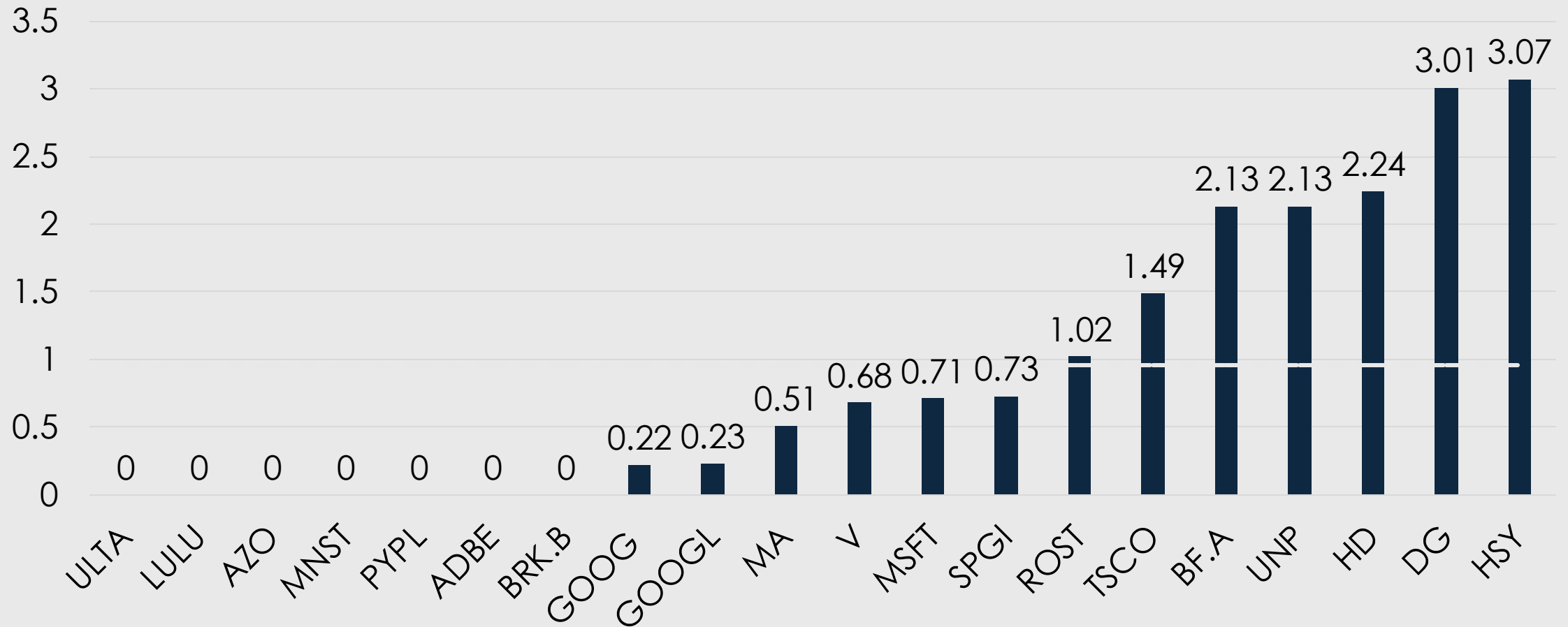
Build the loan that's right for your business with LoanBuilder, A PayPal Service. It's a fixed-term small business loan ranging from \$5,000 to \$100,000 for first time borrowers and up to \$150,000 for repeat borrowers. No PayPal Business account required.

[Check Eligibility](#)

PayPal Business Loan

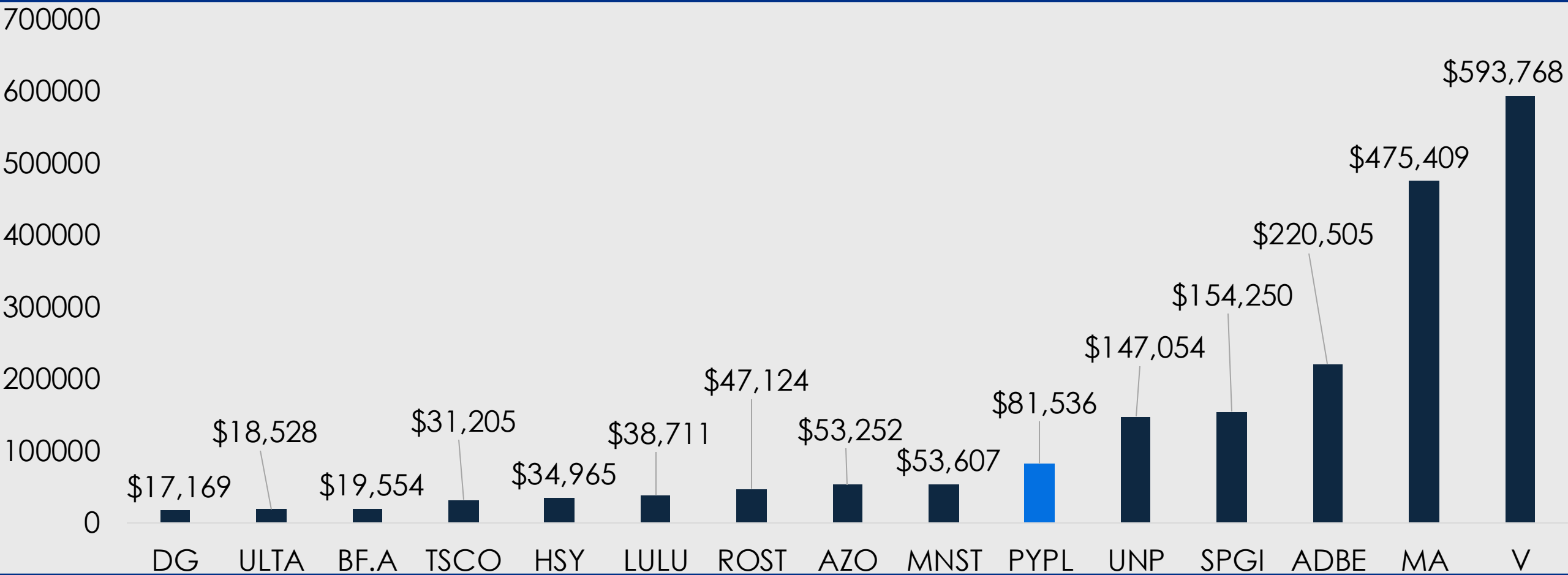
Loan amount	\$5,000 to \$100,000 (up to \$150,000 for repeat borrowers)
Time to receive funds	Check eligibility and, if approved, ⁶ get funding as soon as the next business day ⁷
Minimum eligibility requirements	<ul style="list-style-type: none">• Annual revenue of at least \$33,300• Business is at least nine months old• A PayPal Business account is required
Credit check	Requires credit checks because the loan is based on a full picture of your business
How the loan is paid back	Weekly fixed payments are automatically made from your bank account
One fixed fee that's paid over the life of the loan ⁸	✓
No hidden fees and no late fees	✓

Dividend Yield





Market Capital in Millions



31-Jan-25



150

How PayPal Handles Cybersecurity



Our Information Security Program is built on a three lines of defense model integrated into our overall Enterprise Risk and Compliance Management Program (“ERCM Program”). It shares common methodologies, reporting channels, and governance processes that apply across the ERCM Program to other legal, compliance, strategic, operational, and financial risk areas. The Program is governed by the Technology, Information Security, and Privacy Risk Management Committee and overseen by our Board of Directors (“Board”) and its Audit, Risk and Compliance Committee (“ARC Committee”).

The three lines of defense model is designed to provide a structure for risk accountability in the first line of defense (“FLOD”), effective challenge by the second line of defense (“SLOD”), and independent risk assurance by the third line of defense (“TLOD”). Our Office of the Chief Information Security Officer serves as FLOD and provides operational and technical controls and capabilities to protect against cybersecurity risks. The Technology and Information Security team serves as SLOD and provides independent oversight of our technology and cybersecurity risk mitigation practices and capabilities. As TLOD, Internal Audit independently assesses the effectiveness of our first and second line of defense organizations in managing cybersecurity risk and independently reports the results of audits to our ARC Committee to assist it in its oversight duties.

Our Information Security Program includes:

- Risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise Information Technology (“IT”) environment;
- Regular testing of our systems to identify and address potential vulnerabilities;
- Integrated planning and preparedness activities supporting business continuity and operational resiliency;
- Security teams principally responsible for managing (1) our annual cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents;
- A cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents;
- 24/7 monitoring and measurement of cybersecurity threats through our PayPal Cyber Defense Center (“CDC”);
- The use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security controls;
- An information training and awareness program for our employees, contractors, incident response personnel, and senior management; and
- A third-party risk management framework designed to monitor and address risks from cybersecurity incidents of service providers, suppliers, and vendors that includes due diligence over third-party’s information security and technology control environment at onboarding and periodically throughout the lifecycle of the relationship. In addition, our standard contractual terms require notification and communication from third parties in the event of a cybersecurity incident. We maintain procedures to respond to, manage and mitigate third-party cybersecurity events and vulnerabilities when identified.

For a description of risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition, see “Item 1A. Risk Factors” under the captions “Cyberattacks and security vulnerabilities could result in serious harm to our reputation, business, and financial condition” and “Business interruptions or systems failures may impair the availability of our websites, applications, products or services, or otherwise harm our business.”

Risk Factors



- We face substantial and increasingly intense competition worldwide in the global payments industry.
- We face substantial and increasingly intense competition worldwide in the global payments industry.
- Changes in how consumers fund their PayPal transactions could harm our business.
- Our credit products expose us to additional risks.
- Changes in tax laws, exposure to unanticipated additional tax liabilities, or implementation of reporting or record-keeping obligations could have a material adverse effect on our business

Fastlane



- Will leverage Braintree, PPCP, and its partnerships with Fiserv, Adyen, and Global Payments
- 170 million eligible customers profiles from PayPal platform
- Add up to **EIGHT** cards





TPV mix across PayPal's payments platform

		3Q'23	2Q'24	3Q'24
		Prior year period	Prior quarter	Current quarter
Branded checkout	FXN GROWTH	6%	6%	6%
	% OF TOTAL	27%	27%	27%
PSP (unbranded card processing)	FXN GROWTH	32%	19%	11%
	% OF TOTAL	35%	37%	36%
Venmo	FXN GROWTH	8%	8%	8%
	% OF TOTAL	18%	18%	18%
P2P ex-Venmo	FXN GROWTH	(4%)	4%	5%
	% OF TOTAL	8%	8%	8%
Other merchant services	FXN GROWTH	6%	15%	16%
	% OF TOTAL	9%	10%	10%
eBay	FXN GROWTH	(11%)	(6%)	(3%)
	% OF TOTAL	2%	2%	2%
Total TPV	FXN GROWTH	13%	11%	9%

- Branded checkout TPV +6%, with continued strength across large enterprise platforms, marketplaces, and international
- Consistent with price-to-value strategy, PSP TPV decelerated from 2Q while Braintree continues to contribute to TMS growth
- Venmo TPV growing consistently, with 4% growth in MAAs
- Continuing P2P ex-Venmo TPV growth, benefiting from increased engagement among existing user base
- Other merchant services TPV maintaining momentum, primarily driven by Hyperwallet (payouts)

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Percent of total may not sum to 100% due to rounding. Additional financial detail provided in Supplemental Information and definitions included on slide 27 of this presentation.

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