

A large, stylized graphic of the PayPal logo, composed of overlapping shapes in blue, yellow, and green, positioned on the left side of the slide.

***PayPal***

Q3-21

Investor Update

November 8, 2021

# Non-GAAP Financial Measures; Forward-Looking Statements

This presentation contains non-GAAP measures relating to our performance. These measures may include adjustments attributable to the reclassification of the U.S. consumer credit receivable portfolio as held for sale from November 2017 and may exclude certain expenses, gains and losses that may not be indicative of our core operating results and business outlook, and, in each case, may be different from the 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. You can find the reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures in the Supplemental Information at the end of this presentation.

As previously disclosed, beginning with the first quarter of 2020, we modified the presentation of our non-GAAP results to exclude the impact of all gains and losses on our strategic investments. In addition, beginning with the fourth quarter of 2020, we have reclassified certain cash flows related to customer balances from cash flows from operating activities to cash flows from investing activities or financing activities within the consolidated statements of cash flows. Prior period amounts have been reclassified to conform to the current period presentation.

All growth rates represent year-over-year comparisons, except as otherwise noted. FX-Neutral (which we also refer to as FXN or currency-neutral) results are calculated by translating the current period's local currency results by the prior period's exchange rate. FX-Neutral growth rates are calculated by comparing the current period's FX-Neutral results with the prior period's results, excluding the impact from currency hedging activities.

This presentation 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 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," "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 results for fourth quarter and full year 2021 and our outlook for 2022, the impact and timing of 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 presentation 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: the impact of the COVID-19 pandemic, natural disasters or other business interruptions on our business and financial condition, as well as our customers, suppliers, vendors and other business partners; the effect of global and regional political, economic, market, trade and related conditions that affect payments or commerce growth; our ability to compete in markets that are highly competitive and subject to rapid technological change, and to develop new or enhanced products and services on a timely basis; cyberattacks and security vulnerabilities in our products and services and associated impacts; the stability, security and performance of our Payments Platform and Honey Platform; regulatory, antitrust, payment card association-related and other risks specific to our business, products and services; our ability to detect and prevent fraud; the impact of complex and changing laws and regulations worldwide, which expose us to potential liabilities, increased costs, and other adverse effects on our business, our ability to manage regulatory and litigation risks, and the outcome of legal and regulatory proceedings; 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 upgrade and develop our technology systems, infrastructure and customer service capabilities; our ability to successfully identify, manage, and integrate any existing and potential acquisitions; and our ability to attract, hire, and retain highly qualified personnel. The forward-looking statements in this presentation do not include the potential impact of any acquisitions or divestitures that may be announced and/or contemplated after the date of this presentation.

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.pypl.com> or the SEC's website at [www.sec.gov](http://www.sec.gov). All information in this presentation is as of November 8, 2021. For the reasons discussed above, you should not place undue reliance on the forward-looking statements in this presentation. PayPal assumes no obligation to update such forward-looking statements.

# Highlights

## Q3-21: TPV reaches \$310B with 416M active accounts

- TPV growth: 26% at spot / 24% FXN<sup>(1)</sup>, to \$310B
  - Merchant Services growth: **31% at spot / 30% FXN<sup>(1)</sup>**
  - eBay Marketplaces<sup>(2)</sup> now ~3% of TPV versus 7% in Q3-20
- Revenue growth: 13% at spot / 13% FXN<sup>(1)</sup>, to \$6.18B
  - **Revenue growth ex-eBay Marketplaces: 25% at spot**
  - eBay Marketplaces now <4% of revenue versus 13% in Q3-20
- **13.3M net new active accounts** (NNAs); 15% growth in active accounts to 416M
  - +1.2M merchant accounts
- 44.2 transactions per active account, 10% growth
  - 22% growth in transactions to 4.90B
- Non-GAAP op margin of 23.8%, 2-year op income CAGR of ~20%<sup>(3)</sup>
- \$1.11 non-GAAP EPS, 4% growth => **21% on a 2-year CAGR basis<sup>(4)</sup>**
  - Includes 29 cent headwind related to reduced transaction margin dollars from eBay Marketplaces
- Generated **\$1.3B in free cash flow**, 20% growth and 21% of revenue

## Business updates

Our full year 2021 guidance of 33%-34% TPV growth at spot and \$25.3-\$25.4B in revenue reflects...

**39%**

FY-21 TPV growth at spot excluding eBay

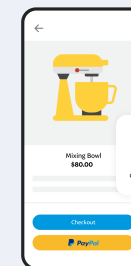
**28%**

FY-21 revenue growth at spot excluding eBay

### Operating highlights:

Pay with Venmo launching on Amazon next year

**venmo**



Buy Now, Pay Later **TPV run rate now exceeds \$8B annually** and expanding to Spain and Italy in Q4-21

The **most accepted digital wallet** with **>75%** of the top 1,500 largest global merchants utilizing **PayPal** at checkout

Non-GAAP operating margin and expenses, non-GAAP EPS, and free cash flow are non-GAAP financial measures. Please see the Supplemental Information for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures.

(1) Foreign currency-neutral

(2) All references to eBay Marketplaces and eBay in this presentation refer to eBay Marketplaces on our Payments Platform

(3) 2-year CAGR from Q3-19 OI (\$1,026) to Q3-21 OI (\$1,470) = ~20%

(4) 2-year CAGR from Q3-19 EPS (\$0.76) to Q3-21 EPS (\$1.11) = ~21%

# Third Quarter 2021 Summary

## Two-year CAGRs highlight strong performance

### Active Accounts

**416M**

Includes **33M** active merchant accounts

↑ **15%** increase y/y

**13.3M**

Net new active accounts (NNAs)

### Customer Engagement

**44.2**

Payment transactions per active account (TPA)

↑ **10%** increase y/y

**4%** y/y increase in daily active accounts using PayPal Core experiences, 2-year CAGR of **17%**

### Total Payment Volume

**\$310B**

~**\$1.2T** on a trailing 12-month basis

↑ **26%** spot and **24%** FX-neutral y/y growth

2-year spot CAGR of **32%**<sup>(2)</sup>

**31%** spot and **30%** FX-neutral y/y growth ex-eBay Marketplaces

### Revenue

**\$6.18B**

↑ **13%** spot and FX-neutral y/y growth

2-year spot CAGR of **19%**<sup>(3)</sup>

**25%** y/y growth ex-eBay Marketplaces

### Non-GAAP EPS<sup>(1)</sup>

**\$1.11**

↑ **4%** increase y/y

Includes **29 cent per share** headwind from lower eBay Marketplaces transaction margin dollars

2-year CAGR of **21%**<sup>(4)</sup>

### Free Cash Flow<sup>(1)</sup>

**\$1.3B**

↑ **20%** increase y/y primarily attributable to a decrease in cash taxes

**21%** as % of revenue

(1) Non-GAAP earnings per share and free cash flow are non-GAAP financial measures. Please see the Supplemental Information for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures.

(2) 2-year CAGR from Q3-19 TPV (\$179B) to Q3-21 TPV (\$310B) = ~32% (3) 2-year CAGR from Q3-19 revenue (\$4.378B) to Q3-21 revenue (\$6.182B) = ~19% (4) 2-year CAGR from Q3-19 EPS (\$0.76) to Q2-21 EPS (\$1.11) = ~21%

# Pay with Venmo on Amazon



Teaming up with Amazon to enable customers in the U.S. to pay with Venmo at checkout. Starting in 2022, customers will be able to make purchases on Amazon.com and the Amazon mobile shopping app using their Venmo accounts.

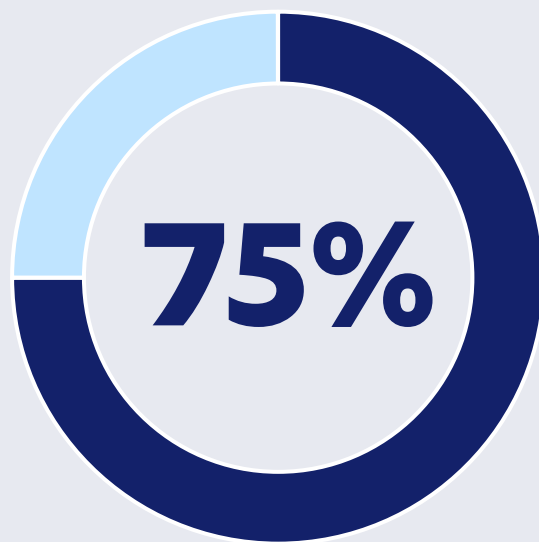
The Venmo logo, consisting of the word "venmo" in a white, lowercase, sans-serif font, centered within a blue rounded rectangular button.

**venmo**

# PayPal is the most accepted online digital wallet and continues to expand and deepen relationships

We are ubiquitous with industry-leading presentment...

PayPal checkout available across 75% of top 1,500 North American and European retailers<sup>(1)</sup>



(1) Digital Commerce 360 2021 Europe

(2) PayPal Checkout already available

...and we continue to expand and deepen relationships across our merchant network

**Walmart** 

New checkout experience with enhanced presentment including grocery business

**Booking.com**

Launched Pay with Venmo in Q3<sup>(2)</sup>

 **Fanatics**

Added Pay with Venmo in Q4<sup>(2)</sup>

 **gofundme**

Launched PayPal Checkout in Q3 and Pay with Venmo to follow

**EVERLANE**

Partnered with Happy Returns to facilitate in-person returns in the U.S.<sup>(2)</sup>

 **Valero**

QRC pilot to go live in Q4

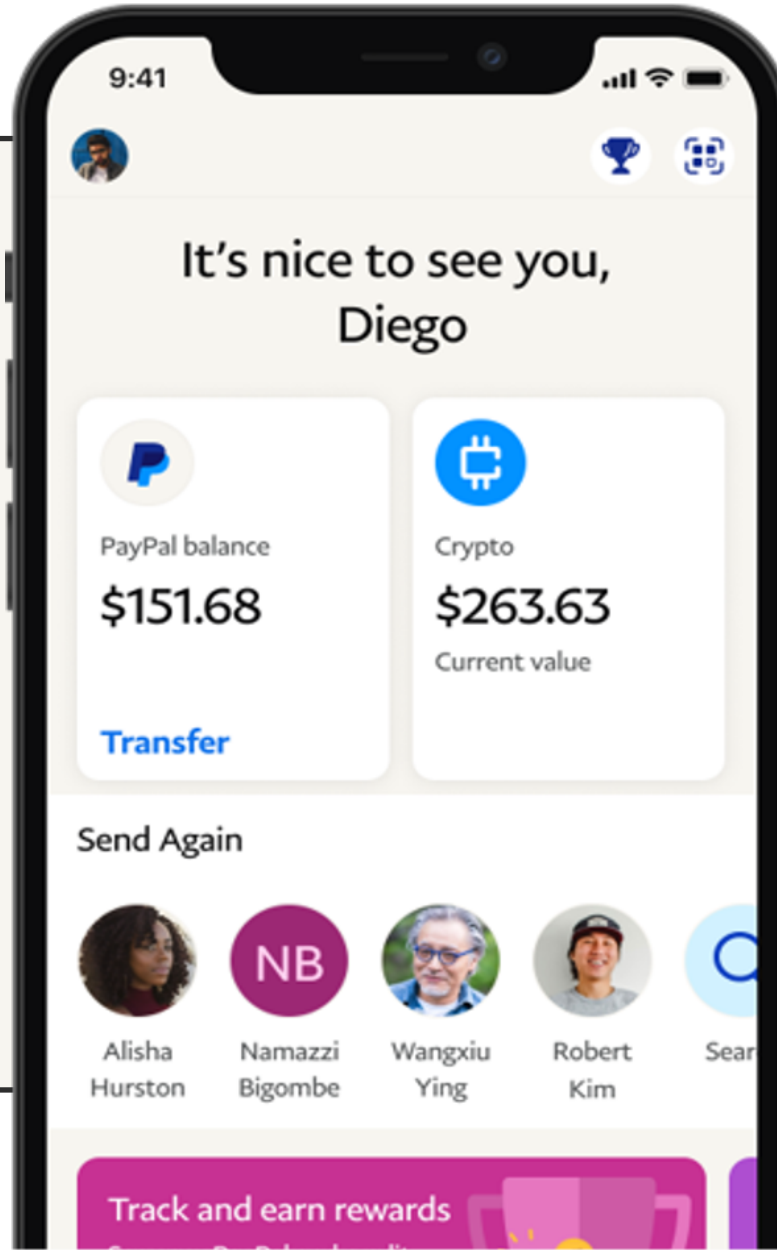


QRC pilot to go live in Q4

# Our new digital wallet has been fully rolled out globally

## Features

- An all-in-one, personalized app empowering PayPal customers to do more with their money and easily manage their daily financial lives
- Intelligent digital wallet with personalized dashboard, new wallet, finances, and payments tabs
- High-yield savings to launch in early 2022



## Early wins<sup>(1)</sup>



### Deals

Discoverability<sup>(2)</sup> of Deals has increased by 25x



### Cash Card

PayPal Cash Card enrollments increased 35%



### Crypto

First time users have increased 15%



### Giving

First time users have increased 35%

# Growing our global pay later footprint

Q3-21 annual TPV run rate of \$8.0B+

**PayPal pay later offerings now available in:** Australia, France, Germany, Japan (Paidy), United Kingdom, and United States. Expanding to Spain and Italy in Q4-21

**Removal of late fees:** Eliminated consumer late fees for missed payments on Buy Now, Pay Later (BNPL) products globally beginning October 1

**Acquisition of Paidy:** Leading two-sided payments platform and provider of Buy Now, Pay Later solutions in Japan. The transaction closed on October 13

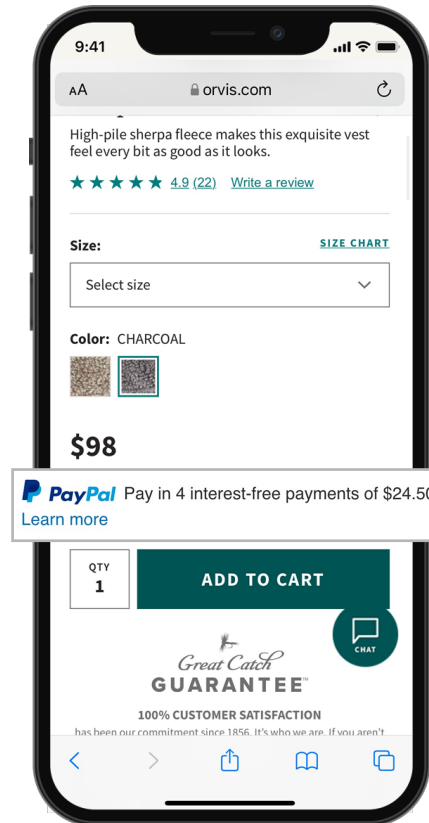
**Recent large merchant presentment wins:**

**ASOS**

**AliExpress™**

**ACE  
Hardware**

**ORVIS®**



## LTM Ended Q3-21 Results<sup>(1)</sup>

**~\$5.4B** Transaction volume

**9.5M+** Consumers elected to use BNPL at checkout

**~950K** Merchants use BNPL solutions

**65K+** Merchants with upstream presentment

(1) From Q4-20 thru Q3-21 results and include Pay in 4 (U.S.), Pay in 3 (U.K.), PayPal Ratenzahlung (Germany), Paiement en 4X (France), and Pay in 4 (AU)



# Paidy acquisition expands PayPal's reach in Japan

Transaction closed Q4-21 (October 13)



Deal announced on September 7; acquired for \$2.7B, principally in cash



HQ: Tokyo, Japan with 200+ employees



2021 GMV run rate<sup>(1)</sup> of ~\$1.5B USD



Expect Paidy to contribute ~3 million NNAs in 2021



Multiple BNPL products including: single pay, 3-pay, multi-pay, and pay-in-90

## Japan is the world's third largest ecommerce market<sup>(2)</sup>

- ~\$5 trillion economy (GDP) with a population of ~125 million<sup>(3)</sup>
- Online shopping volume has more than tripled over the last 10 years to ~\$200 billion<sup>(4)</sup>
  - >70% of Japanese consumers have shopped online<sup>(5)</sup>
- Digital commerce and cashless transactions are growing, but ~70% of all purchases are still paid for in cash<sup>(6)</sup>
  - One of the few developed markets where “cash on delivery” is still used for digital commerce
- Rapid growth of Paidy solutions illustrates that consumers are seeking more seamless, secure and flexible ways to pay

# Q3-21 ESG Updates

# Environmental sustainability and climate action at PayPal

## Mitigating our climate impact and advancing climate resilience of vulnerable populations

### Our long-term commitment to combating the climate crisis

In 2019, we established ambitious, measurable science-based emissions reduction targets informed by stakeholder consultation and validated by the Science Based Targets initiative.

This year, we announced our pledge to reach **net zero emissions by 2040**.

Our reduction targets address emissions from our operations and value chain through medium-term goals:

- 100% renewable energy sources to power our data centers by 2023
- 25% reduction of operational greenhouse gas emissions by 2025, from a 2019 base year
- 75% of our suppliers by spend to adopt science-based targets by 2025



In 2020, we matched 98% of the energy in our data centers with renewable generation – up from 65% in 2019

### Investing in digital financial inclusion solutions for climate resilience

PayPal joined as a new supporter of **Catalyst Fund**, which will help promising startups build and deliver inclusive digital finance products and services that can enhance the climate resilience of vulnerable populations.



Additionally, PayPal is proud to be a member and financial supporter of the **Digital Finance for Climate Resilience (DF4CR) Task Force**, which recently released a Framework for Action that illustrates the opportunity for the financial sector to build climate resilience among the world's most vulnerable populations.



### Supporting inclusive climate impact projects

We're supporting climate impact projects that also deliver financial health and social benefits to underserved communities.

Building on our first steps into carbon credit procurement in 2020, we're **purchasing carbon credits from innovative projects that help communities on the front lines of climate change build greater climate resilience**, including:

- **HELPS International** builds fuel efficient stoves for families in Guatemala, while also supporting local economic empowerment for women
- **Impact Carbon** and **Gold Standard** help people from the Shanxi, Hubei and Guizhou Provinces of China switch to clean fuel for cooking and heating
- **Scolel'te** runs reforestation efforts in Mexico in partnership with Plan Vivo and AMBIO
- **Carbonfund.org Foundation** invests in and develops Amazon Rainforest conservation projects in Brazil

# Meet the winners of PayPal's Maggie Lena Walker award



## PayPal MAGGIE LENA WALKER AWARD

As an extension of PayPal's \$535 million commitment to racial equity, we established an annual award program to recognize the achievements of underrepresented women who have demonstrated a deep commitment to empowering those in their communities.

The award program was named for Maggie Lena Walker (1864 – 1934), a Black business leader, teacher, and civil rights activist, who was the first woman to charter and run a U.S. bank.

Winners receive a cash award to advance their work plus support from the PayPal ecosystem.

### Achievement Award Winner



#### **Kathryn Finney**

**Founder and CEO, Genius Guild; General Partner, Greenhouse Fund**

Kathryn Finney has dedicated her career to investing in Black-women owned businesses and empowering entrepreneurs who are breaking the glass ceiling and claiming their spot in industries that have historically excluded them. Through Genius Guild, a business creation platform that invests in Black entrepreneurs, and Greenhouse Fund, a pre-seed venture fund that invests in market-based innovations that end racism, she is rethinking and rebuilding how capital flows and is accessed in Black communities across the county.

### Emerging Leader Winners



#### **Vanessa Roanhorse**

**CEO, Roanhorse Consulting & Co-Founder Native Women Lead**

Vanessa Roanhorse is a pillar of the Indigenous community in the U.S. and her work informing organizations, local city governments, and others on how to approach inclusive economic development initiatives that impact Indigenous communities has shaped the opportunities that many people around the Santa Fe area and Southwest have today.



#### **Chloe McKenzie**

**Founder, BlackFem**

Chloe McKenzie has spent her career working to closing the wealth gap and is helping young women of color overcome financial trauma and achieve economic mobility. She founded BlackFem, a 501(c)(3) non-profit with the goal of transforming school-based learning so that girls of color are empowered with skills, habits, and resources to build and sustain wealth.



#### **Sheena Allen**

**Founder and CEO, CapWay**

Sheena is believed to be the youngest among only three black women in the United States to currently own and operate a bank and is the first to start her own digital bank. In 2016, she founded CapWay, a mobile bank and financial tech company for unbanked and underbanked American adults in need, serving underserved and underbanked communities nationally.

# PayPal recognition & corporate awards

## FORTUNE CHANGE THE WORLD 2021



PayPal ranked #7 out of 53 companies on Fortune's 7th annual Change the World list, celebrating companies that make measurable progress addressing pressing social problems as part of their core business strategy.

## FORBES WORLD'S BEST EMPLOYERS 2021



PayPal was named to Forbes' fifth annual World's Best Employers list which recognizes companies for exceptional workplace culture based on surveys collected from employees.

## INTERBRAND'S BEST GLOBAL BRANDS 2021



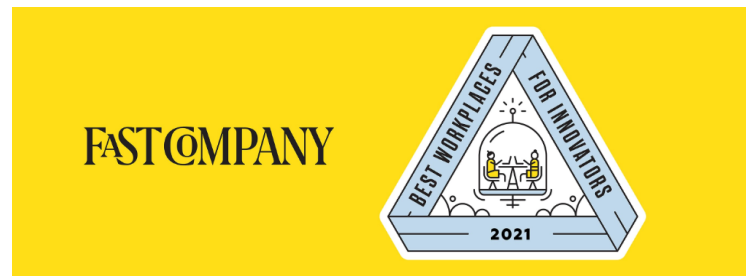
PayPal was ranked #42 on the Interbrand Best Global Brands 2021 list, which recognizes the most valuable brands in the world based on financial performance of branded products or services, the role the brands play in purchasing decisions, and the brands' competitive strength and ability to create loyalty.

## JUST CAPITAL AMERICA'S MOST JUST COMPANIES



PayPal ranked #26 on JUST Capital's 2021 America's Most JUST Companies ranking in Commercial Support Services. PayPal, a partner of JUST's and participating company in The Worker Financial Wellness Initiative, is recognized for its expanded worker financial security efforts during the pandemic with new equity awards, remote work stipends, and an early pay access benefit for U.S. employees.

## FAST COMPANY BEST WORKPLACES FOR INNOVATORS IN THE UNITED STATES



PayPal was named one of Fast Company's Best Workplaces for Innovators in the United States, a new breakout of the publication's third annual Best Workplaces for Innovators list. The list honors organizational cultures that empower employees at all levels to improve processes, create new products or invent new ways of doing business. PayPal was recognized for connecting global employees via the "extended reality" PayPal pavilion. In 2020, PayPal was named to the main list at #58 out of 100.

## FORBES BEST EMPLOYERS FOR WOMEN



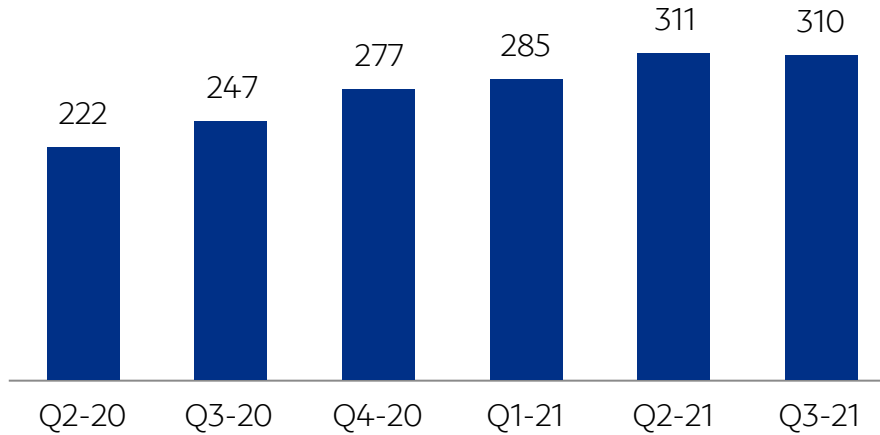
PayPal ranked #47 on the Best Employers for Women 2021 list from Forbes in partnership with Statista. The list highlights companies based on a survey of 50,000 employees on general work topics including salary and wage, topics relating to women including parental leave and pay equity, employee sentiment on diversity practices and the share of women in executive or board positions.

# Q3-21 Business Updates

# Q3-21 Total Payment Volume (TPV)

Last twelve months TPV ~\$1.2T

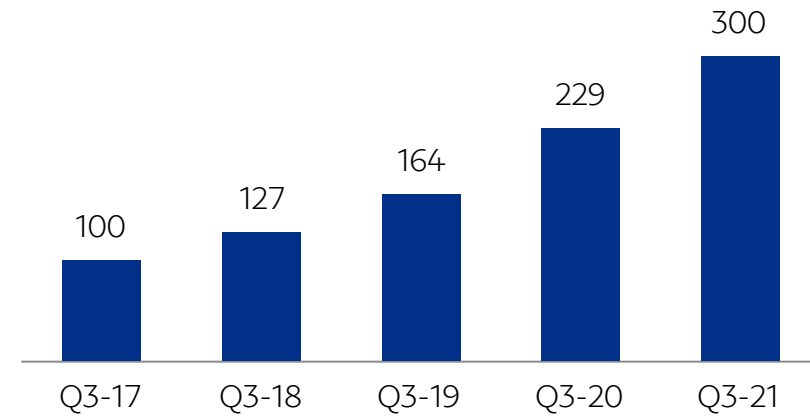
Q2-20 thru Q3-21  
Total Payment Volume (TPV) (\$B)



Spot Y/Y Growth

29% 38% 39% 50% 40% 26%

Consistent growth excluding eBay  
Merchant Services TPV (\$B)



34% 27% 29% 40% 31%

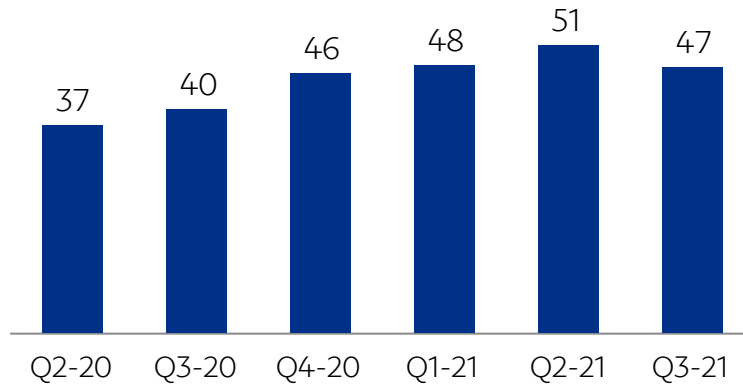
- **\$310 billion of TPV**; grew 26% on a spot basis and 24% on an FX-neutral basis. On a **2-year CAGR basis, TPV grew 32%<sup>(1)</sup> spot**
- P2P volume, which includes PayPal, Venmo and Xoom, increased 24% to \$92B and represented 30% of TPV
  - Venmo volume increased 36% to \$60B
- eBay Marketplaces TPV declined 46% on an FX-neutral basis and represented 3% of TPV
- Merchant Services TPV, which excludes eBay Marketplaces, **grew by 31% on a spot basis and 30% on an FX-neutral basis**

(1) 2-year CAGR from Q3-19 TPV (\$179B) to Q3-21 TPV (\$310B) = ~32%

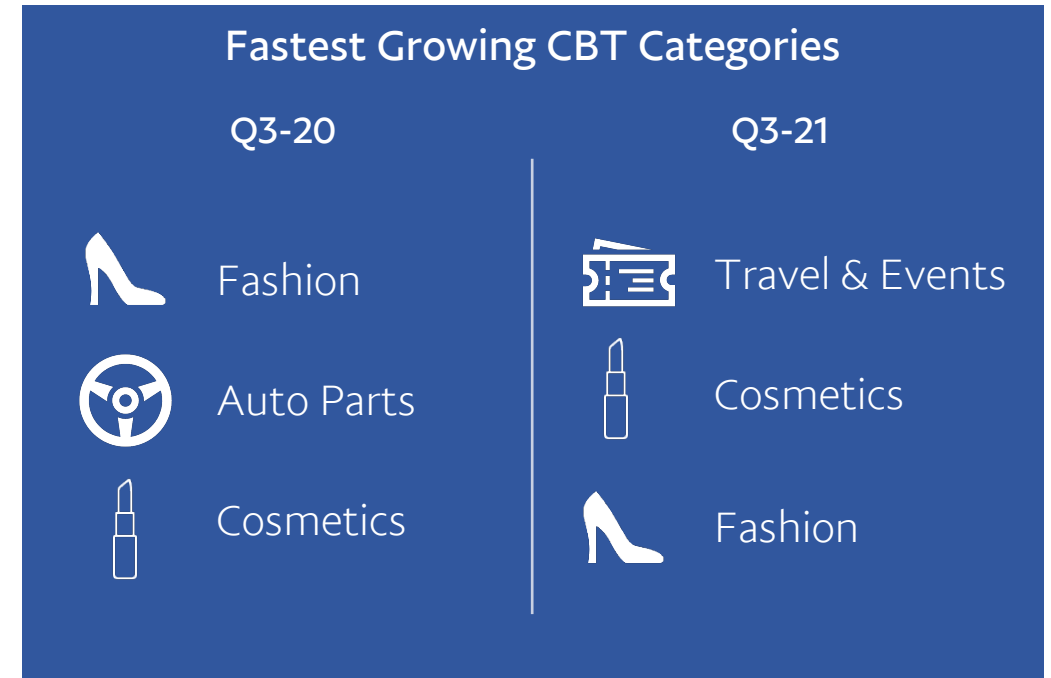
# Q3-21 TPV: Cross-Border Trade (CBT)

CBT TPV of \$47B, 17% FX-neutral y/y growth

Cross-Border Trade TPV<sup>(1)</sup> (\$B)



Y/Y Growth	22%	27%	35%	51%	38%	19%
FXN Y/Y Growth	24%	24%	31%	44%	30%	17%
Share of Total TPV	17%	16%	17%	17%	16%	15%



- CBT TPV was ~\$47 billion in Q3-21, up 17% on an FX-neutral basis
  - Excluding eBay, cross-border TPV up 20%
  - Key corridors in Q3-21 include intra-European corridors and U.K. to EU
  - CBT TPV represented 15% of TPV in Q3-21, compared to 16% in Q3-20

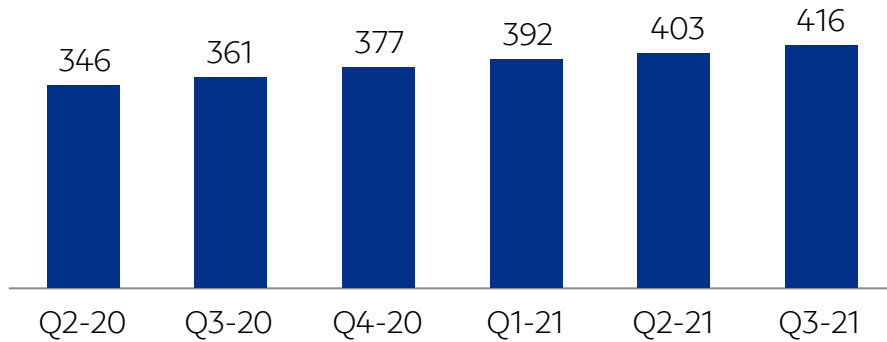
(1) In a typical purchase transaction, cross border TPV is counted in the region where the merchant is located. For example, in the case of a U.S. seller and a German buyer, the TPV is counted in the U.S.



# Q3-21 Active Accounts

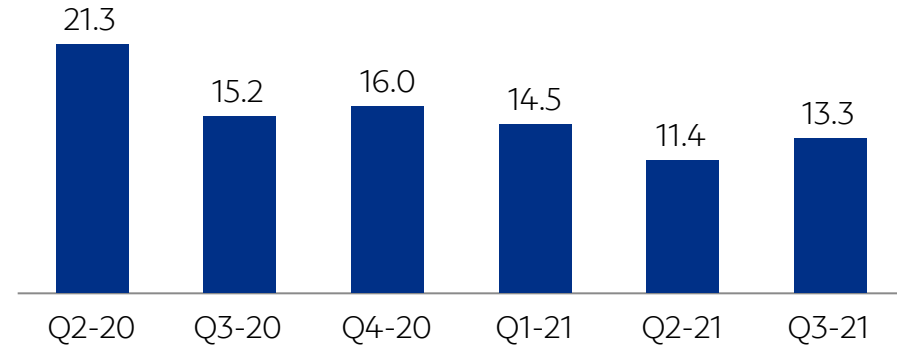
Surpassed 416M active accounts; added 1.2M merchant accounts

Active Accounts (M)



Y/Y Growth 21% 22% 24% 21% 16% 15%

Net New Active Accounts (M)

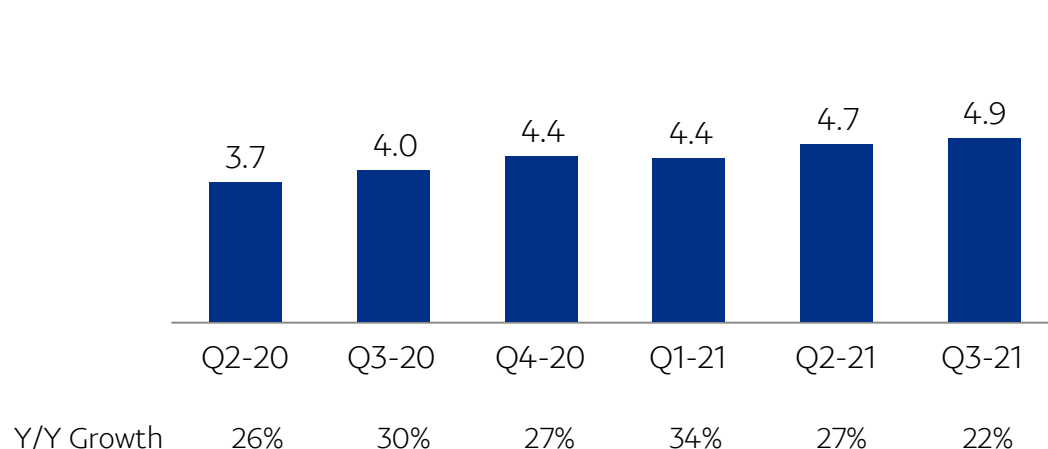


- Ended the quarter with **416 million active accounts**, up 15%, including **33 million merchant accounts**
- Added 13.3 million active accounts in Q3-21, with strength across PayPal, Venmo and Honey
  - Includes **1.2 million merchant accounts added** in Q3-21
- Added average of 91 consumer and 9 merchant NNAs every minute during Q3-21

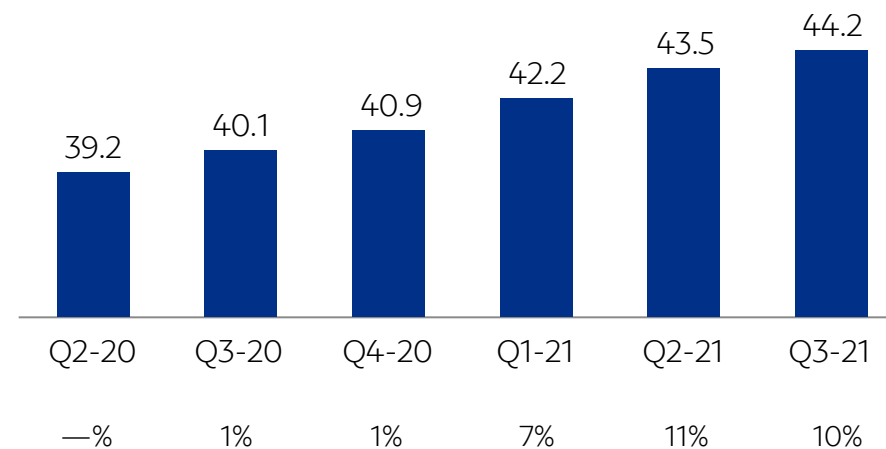
# Q3-21 Customer Engagement<sup>(1)</sup>

Transactions per active account reach 44.2, growing 10% y/y

### Number of Payment Transactions (B)



### Customer Engagement (TPA)



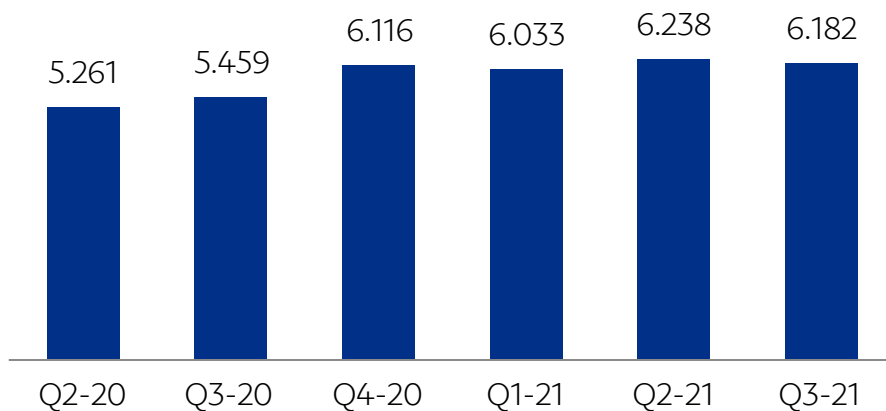
- Processed ~**4.9 billion payment transactions** during Q3-21, up 22%, despite eBay Marketplaces transactions decline of 53%
- In Q3-21, growth in TPA was driven by continued transaction growth from Braintree, Venmo and PayPal core excluding eBay
- +4% y/y increase in daily active accounts using PayPal Core experiences, on top of 32% in Q3-20 for a **2-year CAGR of 17%**, indicative of the structural behavior shift towards digital experiences

(1) Customer Engagement or engagement is defined as number of payment transactions per active account

# Q3-21 Revenue

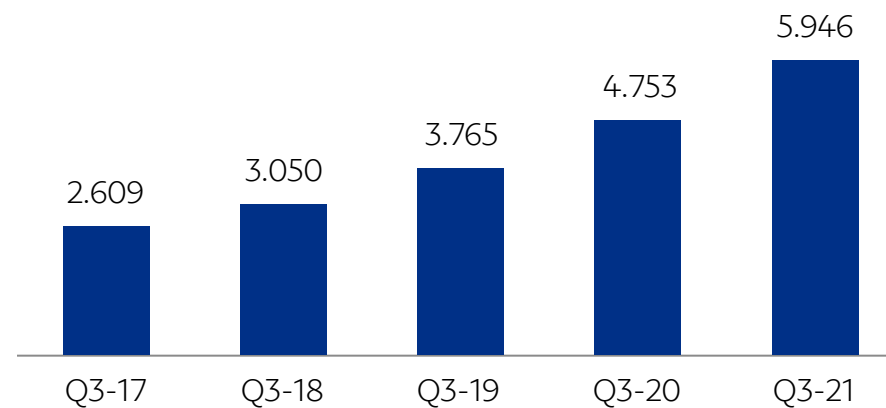
2-year CAGR of 19% on a spot basis

Q2-20 thru Q3-21  
Total Revenue (\$B)



Spot Y/Y Growth      22%      25%      23%      31%      19%      13%

Consistent growth excluding eBay  
Merchant Services Revenue (\$B)

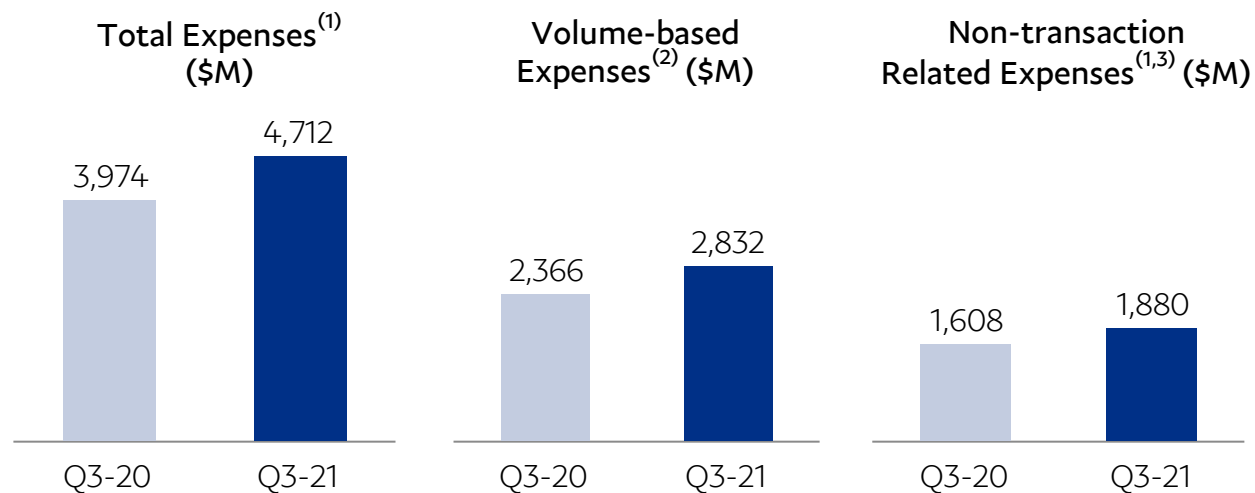


24%      17%      23%      26%      25%

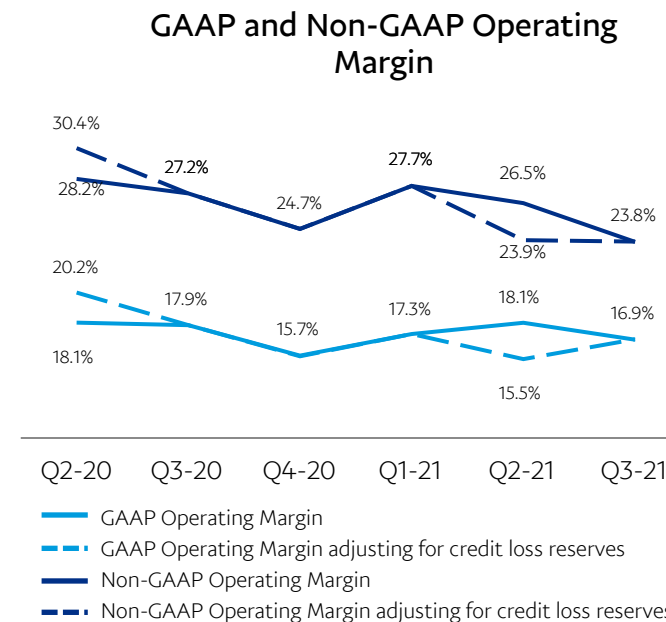
- Total revenue grew 13% at spot rates and 19% on a two-year basis
  - Transaction revenue grew 10% at spot rates, driven by Braintree and Venmo, excluding eBay, transaction revenue grew 23%
  - Other Value Added Services (OVAS) revenue increased 50% at spot rates driven by higher Synchrony revenue share and an increase in revenue recognized from PPP loan forgiveness and extinguishment of a portion of our servicing obligations with respect to PPP loans
- Hedging losses, recognized in international transaction revenue, were \$44 million in Q3-21 versus hedging losses of \$17 million in Q3-20
- Exiting Q3, at exchange rates as of September 30, 2021, we estimate that our derivative positions would result in the recognition of \$83 million of hedging gains in international transaction revenue over the next 12 months

# Q3-21 Non-GAAP Expense Detail

Non-GAAP operating margin of 23.8%



	Q3-20	Q3-21	Q3-20	Q3-21	Q3-20	Q3-21
Y/Y Growth	18.6%	18.6%	15.9%	19.7%	22.7%	16.9%
% of Revenue	72.8%	76.2%	43.3%	45.8%	29.5%	30.4%



- Volume-based expenses grew 19.7% and non-transaction related expenses grew 16.9%
  - Sales and marketing expenses increased 23.0% and technology and development increased 21.6%
- Non-GAAP operating margin of 23.8%, contracting ~340bps while lapping strong non-GAAP operating margin performance in Q3-20 of 27.2%
  - The release of \$63M in principal reserves benefited GAAP and non-GAAP EPS; consistent impact with Q3-20

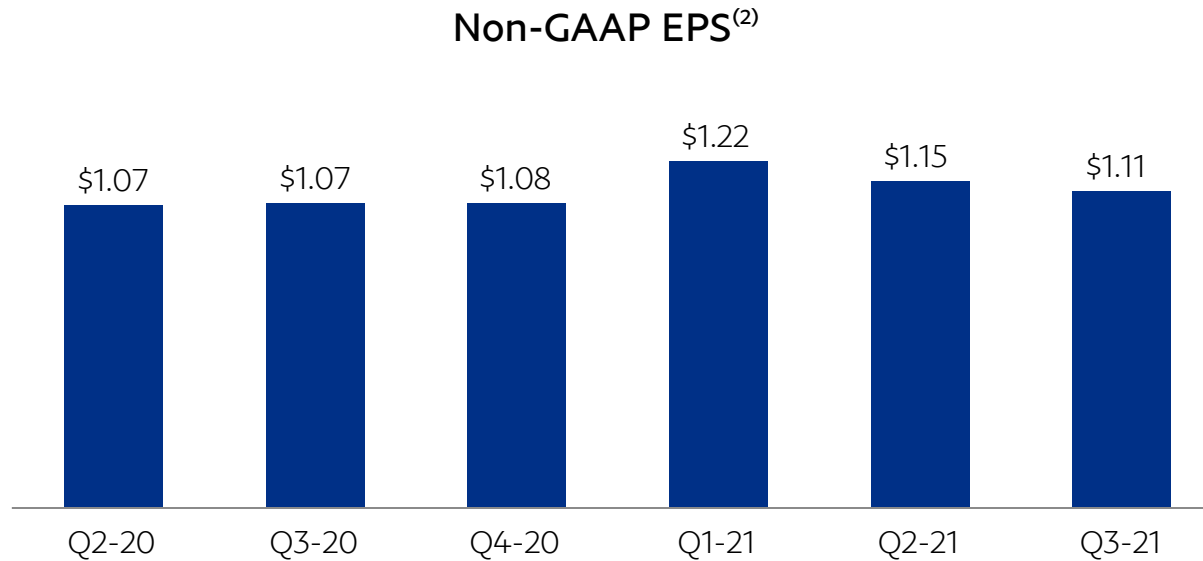
(1) Non-GAAP operating margin and expenses presented on a non-GAAP basis are non-GAAP financial measures. Please see the Supplemental Information for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures.

(2) Volume-based expenses include transaction expense and transaction and credit losses.

(3) Non-transaction related expenses include customer support & operations, sales & marketing, technology & development, general & administrative and restructuring & other charges.

# Q3-21 EPS

Non-GAAP EPS of \$1.11, 4% y/y growth and 2-year CAGR of 21%<sup>(1)</sup>



- Q3-21 GAAP EPS of \$0.92, including \$0.13 of impact from net gains related to strategic investments
- GAAP and non-GAAP EPS include an approximate \$0.04 benefit from the release of credit reserves in both Q3-21 and Q3-20
- Q3-21 non-GAAP effective tax rate decreased to 7.0% from 11.6% in Q3-20

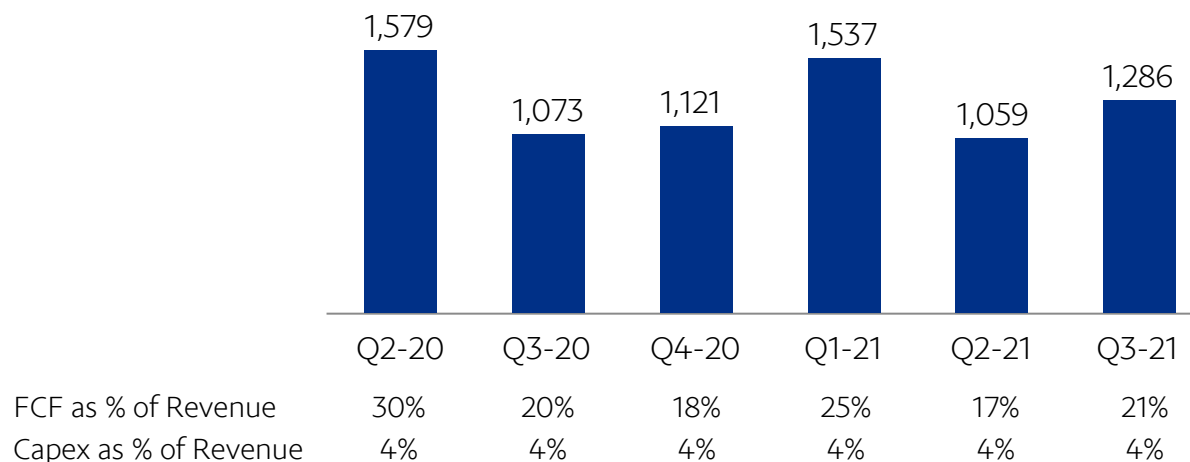
(1) 2-year CAGR from Q3-19 EPS (\$0.76) to Q3-21 EPS (\$1.11) = ~21%

(2) Non-GAAP EPS is a non-GAAP financial measure. Please see the Supplemental Information for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure

# Q3-21 Free Cash Flow

FCF of \$1.29 billion, 20% y/y increase

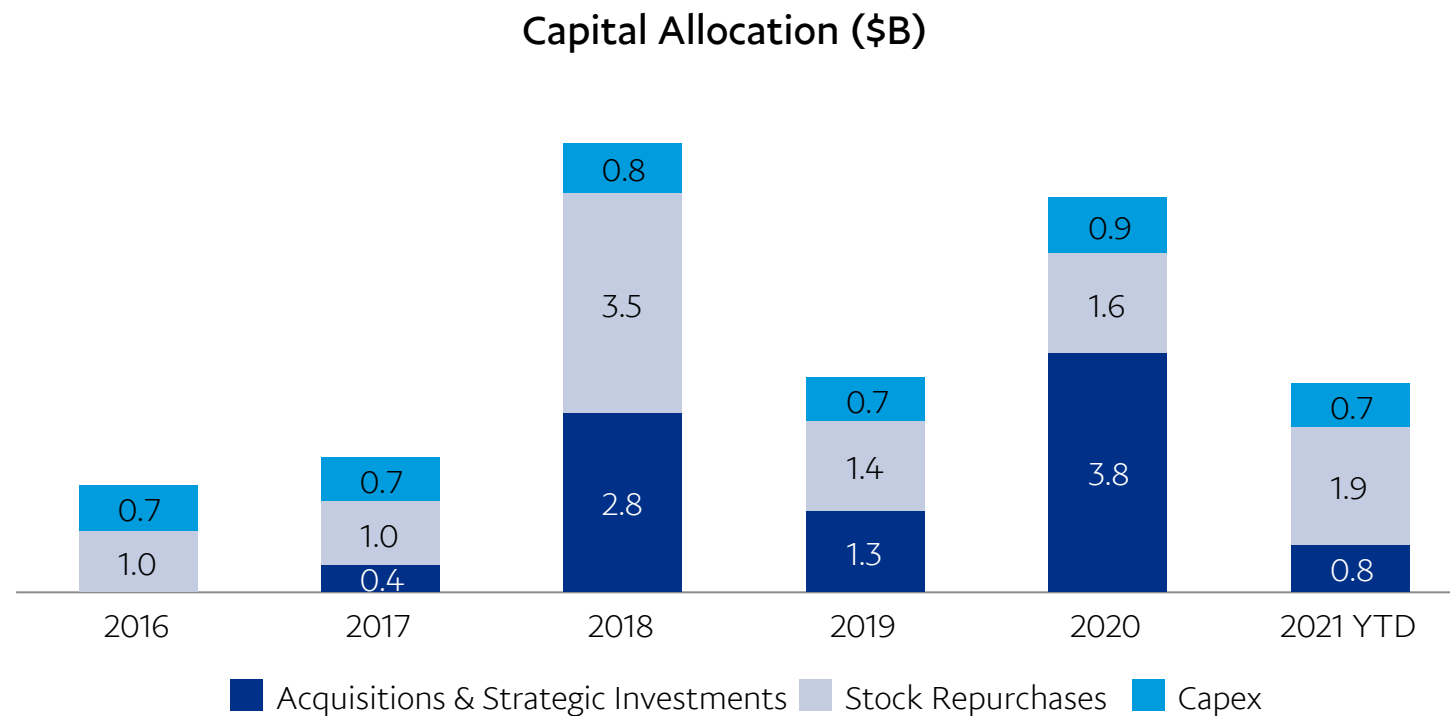
Free Cash Flow<sup>(1)</sup> (\$M)



- Free Cash Flow (FCF) of **\$1.29 billion in Q3-21, increasing 20%**, primarily attributable to a decrease in cash taxes
- In the third quarter of 2021, **for every \$1 of revenue, PayPal generated 21 cents of FCF**
- \$20.0 billion in cash and cash equivalents (\$7.8B), short-term (\$5.5B) and long-term investments (\$6.8B)
- Long-term debt of \$7.9 billion and short-term debt of \$1.0 billion as of September 30, 2021

(1) Free cash flow is a non-GAAP financial measure. Please see the Supplemental Information for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure.

# Q3-21 Capital Allocation



- In Q3-21, returned \$350 million in capital to shareholders by repurchasing ~1.27 million shares at an average price of \$275.12 per share
- Since separation, repurchased ~124 million shares of common stock, returning \$10.4 billion in capital to shareholders at an average price of \$84.24 per share

# FY-21 Guidance

Revenue expected to grow ~18% and end the year with >430M active accounts

Net Revenue (\$B)	\$25.3-\$25.4
Net Revenue Growth (Spot)	~18%
Non-GAAP EPS Growth	~19%
Free Cash Flow (\$B)	~\$5.2

Percentages shown are year-on-year growth rates

- Non-GAAP effective tax rate of ~12%
- Capex of ~4% of revenue
- GAAP EPS of ~\$3.62

- **NNAs:** Expect to add ~55 million NNAs in FY-21, including ~3 million active accounts added from the acquisition of Paidy
- **TPV:** Expect TPV growth to be in the range of ~33%-34% on a spot and ~31%-32% FXN basis
  - Excluding eBay, TPV expected to grow ~39%
- **Revenue:** Expect revenue growth of ~18% at spot and ~17% FXN, which includes eBay revenue decline of ~\$1.4B
  - Excluding eBay, revenue expected to grow ~28%
- **Non-GAAP Operating Margin:** Expect in-line with prior year
- **EPS:** Expect non-GAAP EPS growth of ~19% to ~\$4.60
  - GAAP EPS guidance includes a net gain of ~\$0.24 on PayPal's strategic investment portfolio
  - In 2020, GAAP EPS included a net gain of ~\$1.24 on PayPal's strategic investment portfolio

Non-GAAP EPS, non-GAAP operating margin and free cash flow are non-GAAP financial measures. Please see the Supplemental Information for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures.



# Q4-21 Guidance

Excluding eBay, TPV and revenue expected to grow ~27%-30% and ~21%-22%, respectively

Net Revenue (\$B)	\$6.85 - \$6.95
Net Revenue Growth (Spot)	~12% - 14%
Non-GAAP EPS Growth	~4%

Percentages shown are year-on-year growth rates

- **Revenue:** Expect revenue growth of ~12%-14% at spot and FXN, expect TPV growth in the mid-20% range
  - On an ex-eBay basis, revenue expected to grow ~21%-22%
- **EPS:** Expect GAAP EPS to be ~\$0.79, compared to \$1.32 in the prior year period, and for non-GAAP EPS to grow ~4% to ~\$1.12
  - In the fourth quarter of 2020, GAAP EPS included a net gain of \$0.60 relating to PayPal's strategic investment portfolio
  - GAAP EPS guidance does not include any expectation of net realized and unrealized gains and losses on PayPal's strategic investment portfolio

Non-GAAP EPS, non-GAAP operating margin and free cash flow are non-GAAP financial measures. Please see the Supplemental Information for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures.

# Supplemental Information

## Q3-21 PayPal Metrics<sup>(1)</sup>

(in millions, except %)

	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21
<b>Active Accounts</b>	<b>346</b>	<b>361</b>	<b>377</b>	<b>392</b>	<b>403</b>	<b>416</b>
Y/Y Growth	21%	22%	24%	21%	16%	15%
<b>Net New Active Accounts</b>	<b>21.3</b>	<b>15.2</b>	<b>16.0</b>	<b>14.5</b>	<b>11.4</b>	<b>13.3</b>
<b>Number of Payment Transactions</b>	<b>3,742</b>	<b>4,013</b>	<b>4,408</b>	<b>4,371</b>	<b>4,735</b>	<b>4,900</b>
Y/Y Growth	26%	30%	27%	34%	27%	22%
<b>Total Payment Volume</b>	<b>\$221,731</b>	<b>\$246,691</b>	<b>\$277,072</b>	<b>\$285,447</b>	<b>\$310,992</b>	<b>\$309,910</b>
Y/Y Growth	29%	38%	39%	50%	40%	26%
FXN Y/Y Growth	30%	36%	36%	46%	36%	24%
US TPV	\$132,673	\$149,618	\$162,931	\$171,124	\$188,506	\$192,428
Y/Y Growth	30%	40%	37%	46%	42%	29%
International TPV	\$89,058	\$97,074	\$114,141	\$114,323	\$122,486	\$117,482
Y/Y Growth	27%	35%	41%	56%	38%	21%
FXN Y/Y Growth	30%	30%	35%	45%	26%	18%
<b>Total Take Rate</b>	<b>2.37%</b>	<b>2.21%</b>	<b>2.21%</b>	<b>2.11%</b>	<b>2.01%</b>	<b>1.99%</b>
<b>Transaction Take Rate</b>	<b>2.23%</b>	<b>2.06%</b>	<b>2.05%</b>	<b>1.97%</b>	<b>1.86%</b>	<b>1.81%</b>
Transaction Expense Rate	0.83%	0.82%	0.84%	0.80%	0.81%	0.83%
Transaction and Credit Loss Rate	0.20%	0.14%	0.13%	0.10%	0.05%	0.09%
<b>Transaction Margin</b>	<b>56.6%</b>	<b>56.7%</b>	<b>55.9%</b>	<b>57.8%</b>	<b>56.8%</b>	<b>54.2%</b>

- TPV growth of 26% on a spot basis, decelerating ~12pts on a y/y basis and decelerating ~14pts on a sequential basis
- Transaction growth of 22%, decelerating ~8pts on y/y basis and decelerating ~5pts on a sequential basis. Transaction growth primarily attributable to Braintree, Venmo and PayPal Core excluding eBay
- Cross-border trade (CBT) was 15% of TPV in the quarter, growing 17% on an FX-neutral basis
- 44% of active accounts were outside the U.S. as of September 30, 2021
- Average Payment Volume (APV) was \$63, up 3% y/y
- Transaction take rate down 25 bps year over year. Decline driven by lower eBay volumes, higher share from platform partners, larger merchants, and other marketplaces, and unfavorable impact from hedging

(1) Definitions included in Supplemental Information.

## Q3-21 Financial Detail

(in millions, except %)	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21
Transaction Revenue	\$4,945	\$5,076	\$5,682	\$5,621	\$5,797	\$5,607
Y/Y Growth	28%	28%	25%	33%	17%	10%
Other Value Added Services (OVAS)	\$316	\$383	\$434	\$412	\$441	\$575
Y/Y Growth	(26%)	(9%)	2%	2%	40%	50%
<b>Total Revenue</b>	<b>\$5,261</b>	<b>\$5,459</b>	<b>\$6,116</b>	<b>\$6,033</b>	<b>\$6,238</b>	<b>\$6,182</b>
Y/Y Growth	22%	25%	23%	31%	19%	13%
FXN Y/Y Growth	25%	25%	23%	29%	17%	13%
US Revenue Y/Y Growth	15%	21%	18%	24%	23%	23%
International Revenue FXN Y/Y Growth	36%	30%	29%	35%	10%	2%
% International	50%	48%	50%	49%	48%	44%
Volume-based expenses	\$2,283	\$2,366	\$2,696	\$2,548	\$2,693	\$2,832
Non-transaction related expenses	\$1,493	\$1,608	\$1,910	\$1,812	\$1,891	\$1,880
<b>Total Operating Expenses<sup>(1)</sup></b>	<b>\$3,776</b>	<b>\$3,974</b>	<b>\$4,606</b>	<b>\$4,360</b>	<b>\$4,584</b>	<b>\$4,712</b>
Y/Y Growth	14%	19%	22%	18%	21%	19%
<b>Non-GAAP Op. Income<sup>(1)</sup></b>	<b>\$1,485</b>	<b>\$1,485</b>	<b>\$1,510</b>	<b>\$1,673</b>	<b>\$1,654</b>	<b>\$1,470</b>
<b>Non-GAAP Op. Margin %<sup>(1)</sup></b>	<b>28%</b>	<b>27%</b>	<b>25%</b>	<b>28%</b>	<b>27%</b>	<b>24%</b>
<b>Non-GAAP EPS<sup>(1)</sup></b>	<b>\$1.07</b>	<b>\$1.07</b>	<b>\$1.08</b>	<b>\$1.22</b>	<b>\$1.15</b>	<b>\$1.11</b>
Y/Y Growth	49%	41%	29%	84%	8%	4%
CAPEX	\$193	\$241	\$226	\$221	\$247	\$227
<b>Free Cash Flow<sup>(1)</sup></b>	<b>\$1,579</b>	<b>\$1,073</b>	<b>\$1,121</b>	<b>\$1,537</b>	<b>\$1,059</b>	<b>\$1,286</b>

(1) Non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, non-GAAP EPS, and free cash flow are non-GAAP financial measures. Please see the Supplemental Information for a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures.

## Q3-21 Hedging impacts and credit reserve builds and releases

(in millions, except %)

### Hedging Impacts<sup>(1)</sup>

	Q2-20	Q3-20	Q4-20	Q1-21	Q2-21	Q3-21
Favorable (unfavorable) impact to net revenues (exclusive of hedging impact) \$	(74)	\$ 73	\$ 117	\$ 190	\$ 237	\$ 61
Hedging impact	33	(17)	(38)	(59)	(89)	(44)
Favorable (unfavorable) impact to net revenues	(41)	56	79	131	148	17
Favorable (unfavorable) impact to operating expense	38	(21)	(50)	(73)	(101)	(29)
Net (unfavorable) favorable impact to operating income	<b>\$ (3)</b>	<b>\$ 35</b>	<b>\$ 29</b>	<b>\$ 58</b>	<b>\$ 47</b>	<b>(12)</b>

### Credit net charge-offs, reserve builds (releases) and credit losses

Net charge-offs <sup>(2)</sup>	\$ 68	\$ 79	\$ 78	\$ 76	\$ 52	\$ 38
Reserve build (release) <sup>(3)</sup>	101	(64)	—	(84)	(156)	(63)
Credit Losses	<b>\$ 169</b>	<b>\$ 15</b>	<b>\$ 78</b>	<b>(8)</b>	<b>(104)</b>	<b>(25)</b>

(1) Foreign currency movements relative to the US dollar. We calculate the year-over-year impact of foreign currency movements on our business using prior period foreign currency exchange rates applied to current period transactional currency amounts.

(2) Net charge-offs includes the principal charge-offs partially offset by recoveries for consumer and merchant receivables.

(3) Reserve build (release) represents change in allowance for principal receivables excluding foreign currency remeasurement and, for the prior periods, impact of adoption of credit losses accounting standard.

# Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses

(In Millions/Unaudited)	Note	Three Months Ended								Year Ended December 31,				
		September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	2020	2019	2018
<b>GAAP operating expenses:</b>														
Transaction expense		\$ 2,564	\$ 2,524	\$ 2,275	\$ 2,330	\$ 2,022	\$ 1,843	\$ 1,739	\$ 1,913	\$ 1,701	\$ 1,627	\$ 7,934	\$ 6,790	\$ 5,581
Transaction and credit losses		268	169	273	366	344	440	591	381	340	318	1,741	1,380	1,274
Customer support and operations		504	521	518	507	449	423	399	438	390	399	1,778	1,615	1,407
Sales and marketing		549	628	602	605	471	414	371	400	316	356	1,861	1,401	1,314
Technology and development		755	746	741	732	674	631	605	558	533	483	2,642	2,085	1,831
General administrative		498	522	524	569	503	512	486	472	401	419	2,070	1,711	1,541
Restructuring and other changes		1	1	58	44	19	47	29	—	—	(2)	139	71	309
Total operating expenses		\$ 5,139	\$ 5,111	\$ 4,991	\$ 5,153	\$ 4,482	\$ 4,310	\$ 4,220	\$ 4,162	\$ 3,681	\$ 3,600	\$ 18,165	\$ 15,053	\$ 13,257
<b>Non-GAAP operating expense adjustments:</b>														
Customer support and operations	(a)	(56)	(77)	(72)	(71)	(63)	(64)	(52)	(54)	(51)	(45)	(250)	(198)	(174)
	(b)	(1)	(3)	(16)	(1)	—	(1)	(7)	(1)	(1)	(2)	(9)	(9)	(9)
Sales and marketing	(a)	(38)	(48)	(48)	(41)	(45)	(47)	(39)	(32)	(31)	(32)	(172)	(127)	(125)
	(b)	(2)	(5)	(13)	(1)	(1)	(3)	(7)	(1)	(1)	(5)	(12)	(12)	(7)
	(c)	(39)	(39)	(38)	(40)	(43)	(44)	(43)	(32)	(34)	(33)	(170)	(135)	(92)
Technology and development	(a)	(117)	(147)	(139)	(145)	(138)	(133)	(113)	(128)	(119)	(80)	(529)	(420)	(303)
	(b)	—	(5)	(34)	(2)	(1)	(1)	(17)	(1)	(1)	(3)	(21)	(17)	(20)
	(c)	(64)	(63)	(61)	(61)	(63)	(64)	(64)	(18)	(18)	(18)	(252)	(75)	(54)
General administrative	(a)	(100)	(129)	(119)	(130)	(127)	(116)	(87)	(79)	(72)	(73)	(460)	(305)	(269)
	(b)	(2)	(3)	(26)	(4)	(1)	—	(14)	(1)	(1)	(4)	(19)	(16)	(13)
	(c)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(1)	—	—	(28)	(1)	—
	(e)	—	—	—	—	—	—	(20)	(3)	—	—	(20)	(3)	(24)
	(g)	—	—	—	—	—	(7)	(11)	(23)	—	—	(18)	(23)	—
Restructuring and other charges	(d)	—	5	(32)	(35)	(19)	(26)	(29)	—	—	—	(109)	(78)	(25)
	(f)	—	—	—	—	—	—	—	—	—	2	—	7	(40)
	(h)	(1)	(6)	(26)	(9)	—	(21)	—	—	—	—	(30)	—	—
Total operating expenses		\$ (427)	\$ (527)	\$ (631)	\$ (547)	\$ (508)	\$ (534)	\$ (510)	\$ (374)	\$ (329)	\$ (293)	\$ (2,099)	\$ (1,412)	\$ (1,155)
<b>Non-GAAP operating expenses:</b>														
Transaction expense		2,564	2,524	2,275	2,330	2,022	1,843	1,739	1,913	1,701	1,627	7,934	6,790	5,581
Transaction and credit losses		268	169	273	366	344	440	591	381	340	318	1,741	1,380	1,274
Customer support and operations		447	441	430	435	386	358	340	383	338	352	1,519	1,408	1,224
Sales and marketing		470	536	503	523	382	320	282	335	250	286	1,507	1,127	1,090
Technology and development		574	531	507	524	472	433	411	411	395	382	1,840	1,573	1,454
General and administrative		389	383	372	428	368	382	347	365	328	342	1,525	1,363	1,235
Restructuring and other charges		—	—	—	—	—	—	—	—	—	—	—	—	244
Total operating expenses		\$ 4,712	\$ 4,584	\$ 4,360	\$ 4,606	\$ 3,974	\$ 3,776	\$ 3,710	\$ 3,788	\$ 3,352	\$ 3,307	\$ 16,066	\$ 13,641	\$ 12,102

- (a) Stock-based compensation expense.
- (b) Employer payroll taxes on stock-based compensation.
- (c) Amortization and impairment of acquired intangible assets.
- (d) Restructuring.
- (e) Acquisition related transaction expense.
- (f) Net gain (loss) related to the sale of our U.S. Consumer Credit receivables portfolio.
- (g) Award for a legal proceeding and expenses related to pre-acquisition contingencies of an acquired company.
- (h) Asset impairment charges for right-of-use lease assets and related leasehold improvements in conjunction with exiting certain leased properties, charges associated with early lease termination, and a charge associated with exiting a leased property.

# Reconciliation of GAAP Operating Margin to Non-GAAP Operating Margin

(In Millions, Except Percentages/Unaudited)	Three Months Ended										Year Ended December 31,		
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	2020	2019	2018
GAAP net revenues	\$ 6,182	\$ 6,238	\$ 6,033	\$ 6,116	\$ 5,459	\$ 5,261	\$ 4,618	\$ 4,961	\$ 4,378	\$ 4,305	\$ 21,454	\$ 17,772	\$ 15,451
GAAP operating income	1,043	1,127	1,042	963	977	951	398	799	697	705	3,289	2,719	2,194
Stock-based compensation expense and related employer payroll taxes	316	417	467	395	376	365	336	297	277	244	1,472	1,104	920
Amortization of acquired intangible assets	110	109	106	108	113	115	114	51	52	51	450	211	146
Restructuring	—	(5)	32	35	19	26	29	—	—	—	109	78	25
Other	1	6	26	9	—	28	11	23	—	(2)	48	16	40
Acquisition related transaction expense	—	—	—	—	—	—	20	3	—	—	20	3	24
Total non-GAAP operating income adjustments	427	527	631	547	508	534	510	374	329	293	2,099	1,412	1,155
Non-GAAP operating income	\$ 1,470	\$ 1,654	\$ 1,673	\$ 1,510	\$ 1,485	\$ 1,485	\$ 908	\$ 1,173	\$ 1,026	\$ 998	\$ 5,388	\$ 4,131	\$ 3,349
GAAP operating margin	16.9 %	18.1 %	17.3 %	15.7 %	17.9 %	18.1 %	8.6 %	16.1 %	15.9 %	16.4 %	15.3 %	15.3 %	14.2 %
Non-GAAP operating margin	23.8 %	26.5 %	27.7 %	24.7 %	27.2 %	28.2 %	19.7 %	23.6 %	23.4 %	23.2 %	25.1 %	23.2 %	21.7 %

# Reconciliation of GAAP Net Income to Non-GAAP Net Income, GAAP Diluted EPS to Non-GAAP Diluted EPS, and GAAP Effective Tax Rate to Non-GAAP Effective Tax Rate

(In Millions, Except Percentages and Per Share Amount/Unaudited)	Three Months Ended								Year Ended December 31,				
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	2020	2019	2018
GAAP income before income taxes	\$ 1,165	\$ 1,356	\$ 872	\$ 1,859	\$ 1,144	\$ 1,799	\$ 263	\$ 854	\$ 484	\$ 943	\$ 5,065	\$ 2,998	\$ 2,376
GAAP income tax expense (benefit)	78	172	(225)	292	123	269	179	347	22	120	863	539	319
GAAP net income	1,087	1,184	1,097	1,567	1,021	1,530	84	507	462	823	4,202	2,459	2,057
Non-GAAP adjustments to net income:													
Non-GAAP operating income adjustments (see table above)	427	527	631	547	508	534	510	374	329	293	2,099	1,412	1,155
(Gains) losses on strategic investments	(173)	(283)	120	(941)	(209)	(888)	124	(38)	228	(218)	(1,914)	(208)	(87)
Other certain significant gains, losses, or charges	43	(7)	—	—	—	(17)	259	230	—	—	242	230	43
Tax effect of non-GAAP adjustments	(65)	(59)	(393)	108	(45)	104	(191)	(85)	(119)	(50)	(24)	(371)	(322)
Non-GAAP net income	\$ 1,319	\$ 1,362	\$ 1,455	\$ 1,281	\$ 1,275	\$ 1,263	\$ 786	\$ 988	\$ 900	\$ 848	\$ 4,605	\$ 3,522	\$ 2,846
Shares used in diluted share calculation	1,187	1,186	1,190	1,191	1,190	1,184	1,185	1,187	1,188	1,187	1,187	1,188	1,203
Net income per diluted share:													
GAAP	\$ 0.92	\$ 1.00	\$ 0.92	\$ 1.32	\$ 0.86	\$ 1.29	\$ 0.07	\$ 0.43	\$ 0.39	\$ 0.69	\$ 3.54	\$ 2.07	\$ 1.71
Non-GAAP	\$ 1.11	\$ 1.15	\$ 1.22	\$ 1.08	\$ 1.07	\$ 1.07	\$ 0.66	\$ 0.83	\$ 0.76	\$ 0.71	\$ 3.88	\$ 2.96	\$ 2.37
GAAP effective tax rate	7 %	13 %	(26)%	16 %	11 %	15 %	68 %	41 %	5 %	13 %	17 %	18 %	13 %
Tax effect of non-GAAP adjustments to net income	— %	2 %	36 %	(3)%	1 %	(2)%	(56)%	(24)%	9 %	4 %	(5)%	(2)%	4 %
Non-GAAP effective tax rate	7 %	15 %	10 %	13 %	12 %	13 %	12 %	17 %	14 %	17 %	12 %	16 %	17 %



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

(In Millions/Unaudited)	Three Months Ended										Year Ended December 31,		
	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	2020	2019	2018
Net cash provided by operating activities <sup>(1)</sup>	\$ 1,513	\$ 1,306	\$ 1,758	\$ 1,347	\$ 1,314	\$ 1,772	\$ 1,421	\$ 922	\$ 1,253	\$ 980	\$ 5,854	\$ 4,071	\$ 5,480
Less: Purchases of property and equipment	(227)	(247)	(221)	(226)	(241)	(193)	(206)	(174)	(173)	(139)	(866)	(704)	(823)
Free cash flow	1,286	1,059	1,537	1,121	1,073	1,579	1,215	748	1,080	841	4,988	3,367	4,657
Impact of held for sale accounting presentation related to our U.S. consumer credit receivables portfolio on cash flow from operating activities	—	—	—	—	—	—	—	—	—	—	—	—	(1,508)
Adjusted free cash flow	\$ 1,286	\$ 1,059	\$ 1,537	\$ 1,121	\$ 1,073	\$ 1,579	\$ 1,215	\$ 748	\$ 1,080	\$ 841	\$ 4,988	\$ 3,367	\$ 3,149

<sup>(1)</sup> Reflects the impact of reclassification as described in our Form 8-K filed with the SEC on February 3, 2021.

## Q4-21 and FY-21 GAAP and Non-GAAP Guidance

	<b>Three Months Ending December 31, 2021</b>	
	<b>GAAP</b>	<b>Non-GAAP<sup>(a)</sup></b>
Revenue Growth Rate (Spot)	~12% to ~14%	~12% to ~14%
Revenue Growth Rate (FXN)	~12% to ~14%	~12% to ~14%
Diluted EPS \$	~\$0.79	~\$1.12

	<b>Twelve Months Ending December 31, 2021</b>	
	<b>GAAP</b>	<b>Non-GAAP<sup>(b)</sup></b>
Revenue Growth Rate (Spot)	~18%	~18%
Revenue Growth Rate (FXN)	~17%	~17%
Diluted EPS \$	~\$3.62	~\$4.60

(a) Estimated non-GAAP amounts for the three months ended December 31, 2021, reflect adjustments of approximately ~\$530 million, primarily representing estimated stock-based compensation expense and related payroll taxes of approximately ~\$410 million.

(b) Estimated non-GAAP amounts for the twelve months ended December 31, 2021, reflect adjustments of approximately ~\$2.1 billion, primarily representing estimated stock-based compensation expense and related payroll taxes of approximately ~\$1.6 billion.

## Definitions

**Active Accounts:** An active account is an account registered directly with PayPal or a platform access partner that has completed a transaction on our Payments Platform or through our Honey Platform, not including gateway-exclusive transactions, within the past 12 months.

**Daily Active Accounts:** Daily Active Accounts “DAA” represent the number of Active Accounts that have completed a transaction using our core PayPal payments products and services, including person-to-person payments transfers and checkout transactions, on a given day. DAA is presented as the average daily active accounts during the designated period.

**Number of Payment Transactions:** Payment transactions are 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.

**Number of Payment Transactions per Active Account:** Number of payment transactions per active account or “TPA” reflects the total number of payment transactions within the previous 12-month period, divided by active accounts at the end of the period.

**Total Payment Volume:** Total Payment Volume or “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.

**Total Take Rate:** Total take rate is total revenue divided by TPV.

**Transaction Take Rate:** Transaction take rate is transaction revenue divided by TPV.

**Transaction Expense Rate:** Transaction expense rate is calculated by dividing transaction expense by TPV.

**Transaction and Credit Loss Rate:** Transaction and credit loss rate is calculated by dividing transaction and credit loss by TPV.

**Transaction Margin:** Transaction margin is total revenue less transaction expense and transaction and credit loss, divided by total revenue.

