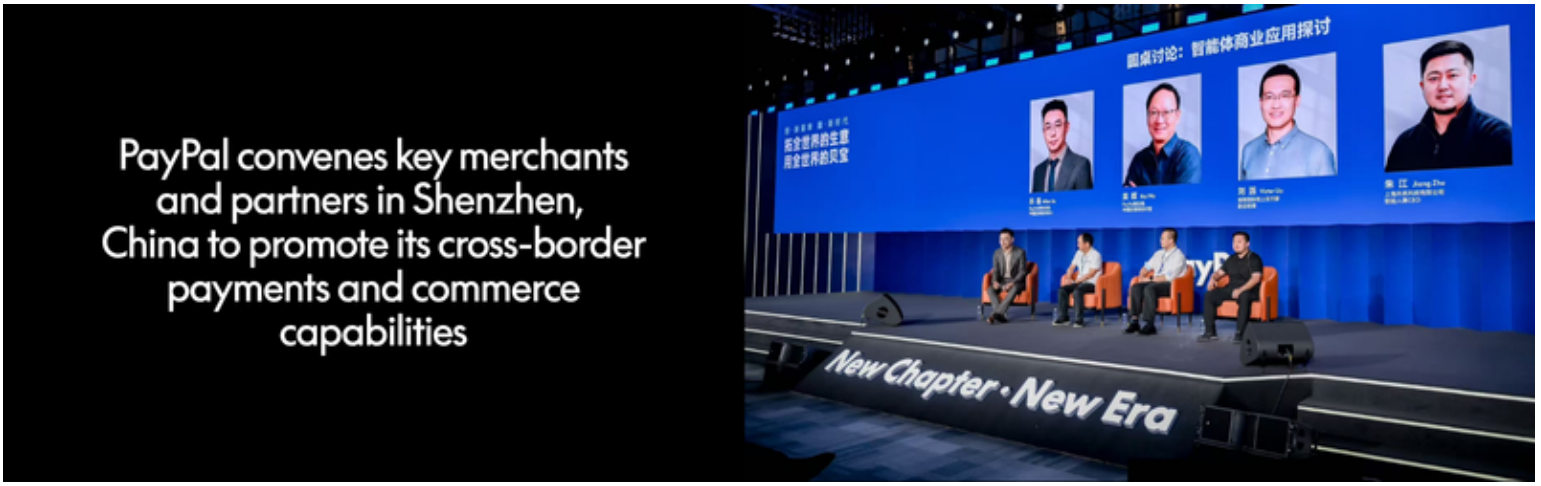
IR Newsletter

September 15, 2026

September 2026 IR Newsletter



Since reporting our second-quarter earnings, we have continued to execute on our strategy. We are expanding our financial services offerings, accelerating the momentum of Venmo and PSP, strengthening the consumer side of our network, and investing in the areas with the greatest opportunity for long-term, profitable growth. You can see that strategy in action as we extend PayPal and Venmo into more everyday financial experiences, expand our Buy Now, Pay Later (BNPL) offerings with leading merchants, and maintain a disciplined approach to capital allocation.

Below are several recent highlights.

Embedding PayPal and Venmo across the college experience

In August, we announced integrations with three leading education payment platforms – Illumia, Nelnet Campus Commerce, and TouchNet – giving students and their families the option to pay tuition and fees with PayPal and Venmo directly through schools' existing payment portals. Together, these platforms serve thousands of colleges and universities across the U.S. The integrations are already live at universities like Kansas State, Michigan State, and Texas Tech, with additional institutions expected to launch throughout the year.

These partnerships build on our broader strategy in higher education, including our Big Ten and Big 12 partnerships, college-branded Venmo debit cards, and Venmo brand ambassador partnerships with student athletes. Together, these initiatives are expanding the role PayPal and Venmo play in students' everyday financial lives.

Expanding BNPL to Amazon customers in Germany and Austria

As we expand our consumer financial services offerings, we brought PayPal Ratenzahlung, our Pay Later installment product, directly into Amazon's checkout for customers in Germany, our second-largest branded checkout market globally, and Austria. The experience is now ramped to 100% across both markets, enabling eligible customers to split purchases into fixed monthly payments, including new 36- and 48-month terms available exclusively on Amazon.

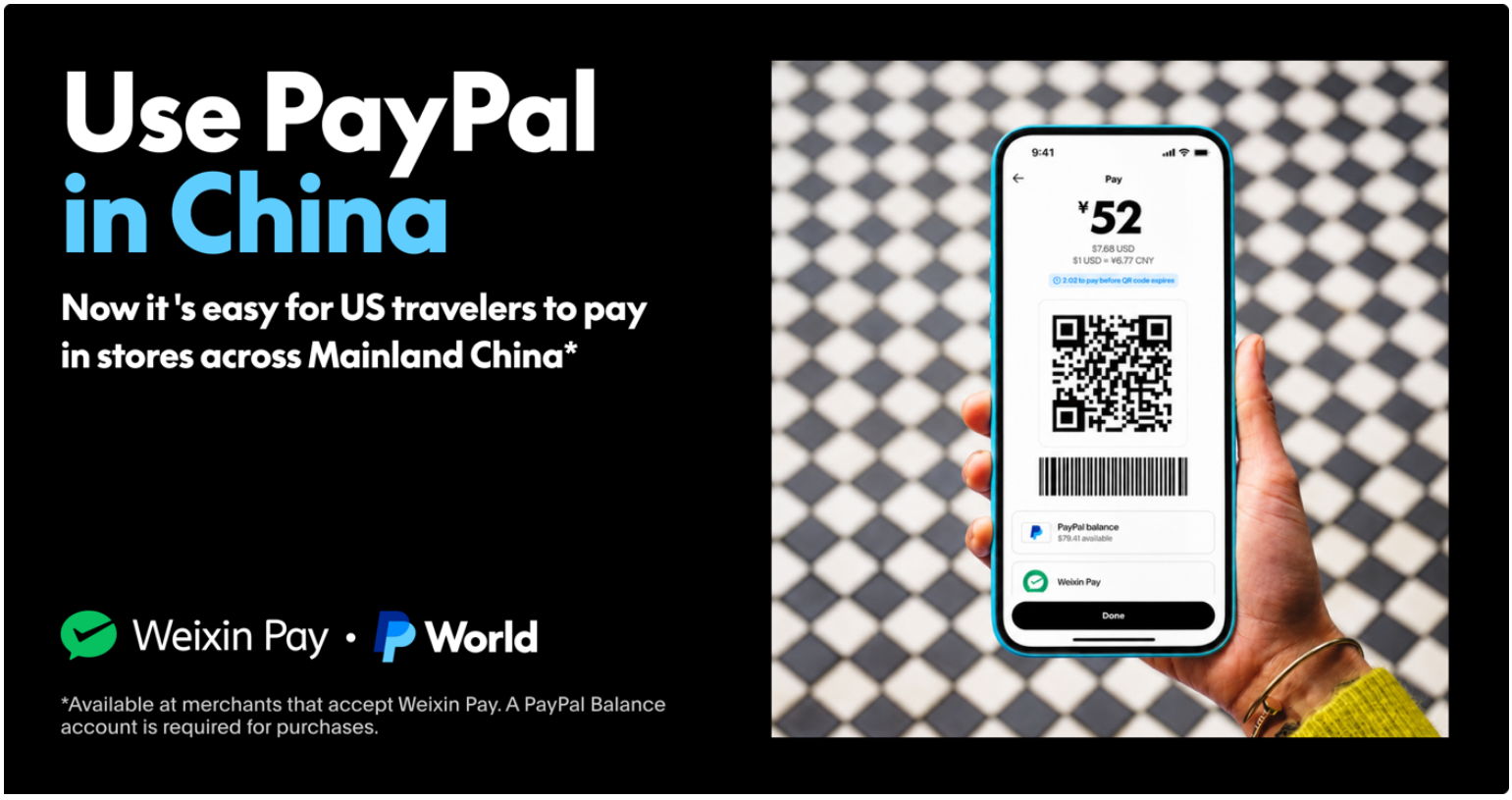
This launch builds on our strong consumer brand and trusted position in Europe, while advancing our strategy to embed more financial services into the checkout experience.



Solving the complexities of cross-border payments in China through PayPal World

In August, we expanded PayPal World in China, allowing U.S. PayPal customers to make in-store QR code payments with the PayPal app at merchants that accept Weixin Pay (Tencent's payment service). Customers can pay seamlessly without downloading another app, setting up a local wallet, or opening a Chinese bank account. This comes as international travel to China continues to grow, with the country welcoming 68 million international visitors in 2025, up more than 15% year-over-year.[1]

The launch marks an important step for PayPal World, our platform designed to connect digital wallets and payment systems across markets. By making cross-border payments simpler and expanding where customers can use PayPal, we are strengthening our global checkout business.



Diversifying funding for the German Pay Monthly portfolio

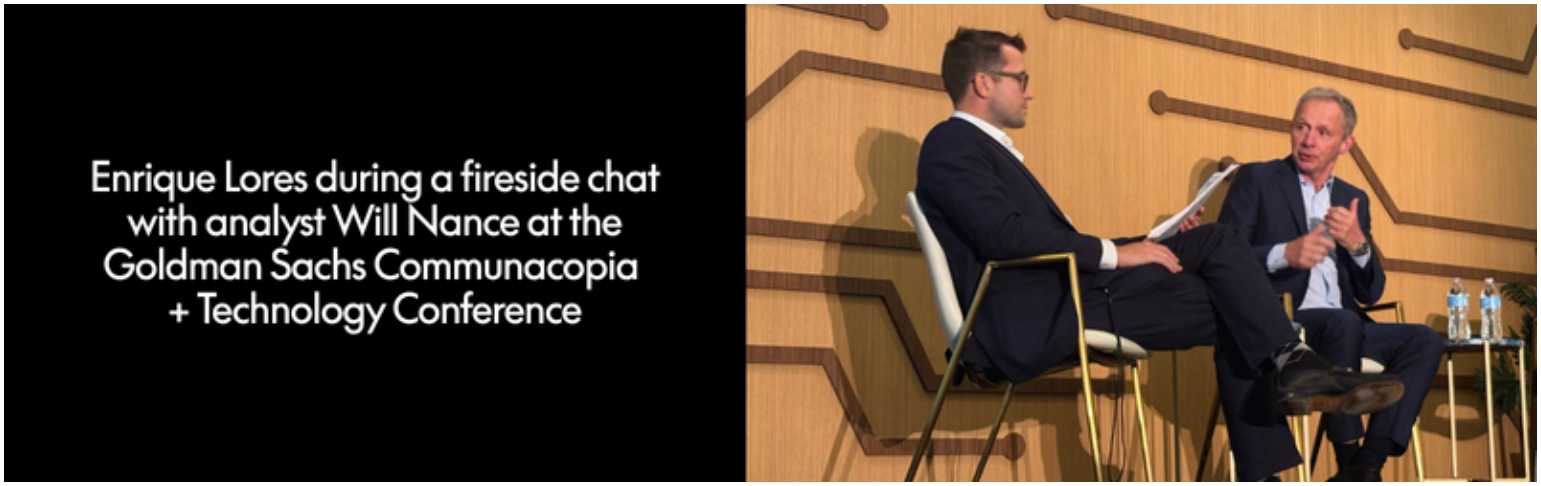
In July, we supported KKR in their public securitization of a portion of German Pay Monthly receivables owned by KKR-managed credit funds and accounts. The transaction broadens the funding sources available to PayPal and reduces the cost of funding for this Pay Later portfolio. It also advances our balance sheet-light credit strategy and complements our existing private credit partnerships.

Engaging with the financial community at recent investor conferences and meetings

During the quarter, we participated in investor conferences and meetings hosted by Susquehanna, Morgan Stanley, Seaport, Deutsche Bank, Goldman Sachs, and FT Partners. We discussed our strategy and progress in strengthening execution, improving efficiency, and positioning PayPal for long-term, profitable growth.

On September 9, our President and CEO Enrique Lores joined the Goldman Sachs Communacopia + Technology Conference for a fireside chat with analyst Will Nance. Enrique discussed the progress we are making across our three businesses, our investments in consumer financial services, Venmo, and Braintree, and our work to simplify the organization, modernize our technology platform, and use AI to better serve customers and improve how we work.

A replay of the discussion is available on our Investor Relations website.



Enrique also spoke with Brian Sozzi of Yahoo Finance during the conference to discuss PayPal's transformation and growth opportunities. Listen to the interview here.

Some of the questions we've been hearing in recent analyst/investor meetings

What progress are you making in your strategy to drive branded online checkout growth by focusing on better serving your highest-value customers?
We have identified cohorts of high-value customers that drive the majority of our overall transaction margin, and our strategy is focused on offering them specific products and programs to increase engagement and drive growth. We are concentrating capital, product investment, and go-to-market resources on these customers, the merchants where they shop, and the markets where we have the greatest opportunity to win. These customers value several things: safety and trust, flexibility, and value. Products like BNPL and our loyalty programs deliver on all of these vectors. We are already seeing strong growth in BNPL, with total payment volume (TPV) up 26% and monthly active accounts up more than 20% in the second quarter, and we believe that doubling down on products like these will help drive more durable transaction margin dollar growth.

How did branded checkout trend during the summer, and what are you seeing as we near the end of the third quarter?
As Enrique highlighted at the Goldman Sachs conference, we've seen underlying branded checkout performance in the U.S. and Europe remain broadly stable through the summer, though facing some incremental pressure at select merchants in Europe related to tariff policy changes. In particular, the EU's elimination of the de minimis tariff exemption in July has weighed on volume from certain large APAC-based merchants.

Against that backdrop, third-quarter online branded checkout TPV growth is currently tracking in the 1%–2% range on an FX-neutral basis, and we continue to expect low-single-digit growth for the second half of the year.

Our teams remain focused on strengthening branded checkout by improving the consumer and merchant experience, increasing presentment and selection, and scaling offerings like BNPL. Given the diversification of our business, we remain confident in our transaction margin dollar and earnings per share guidance for the quarter and full year.

How are you thinking about strategic alternatives, and what are you measuring those opportunities against when you consider PayPal's standalone value-creation potential?
As a management team and Board, our objective is to maximize long-term shareholder value. We have a very clear view of PayPal's value today and, more importantly, the value we believe we can create as we execute our strategy over the next several years. As alternatives have come and may come in the future, we benchmark them against the value we believe we will create, and we will always objectively recommend the option we think is best for shareholders. Our focus remains on transforming the business, executing the plan we've laid out, and realizing the full potential we see for PayPal.

What's the latest on your $1.5B+ cost savings plan and where do you plan to invest those savings to generate the highest returns?
We have identified three key areas where we can generate savings: simplifying our organizational structure by reducing the number of layers and expanding spans of control, simplifying our portfolio and go-to-market activities, and deploying automation and AI. We are already executing in each of these areas, but we still have a much bigger opportunity in front of us. We expect to exit this year at a roughly $400M annualized run-rate, with more to come in 2027.

As we have said, we will invest these savings in growth opportunities like expanding financial services with BNPL, better serving our high-value customers, and modernizing our technology stack. These investments are designed to drive sustainable growth and shareholder value creation.

As you're leaning into investments around the business, do you expect any changes to capital allocation?
In the short term, investors should expect that we will continue the same capital allocation strategy, which includes investing to support growth, share repurchases, and our quarterly dividend. Over time, we will look at M&A as another way to utilize the free cash flow we generate and drive shareholder value. If and when we pursue M&A, it will be related to the growth strategy we have defined and managed in a very rigorous way to ensure there is a good strategic fit, solid integration plan, and clear path to financial returns.

PayPal is well-positioned to capture the opportunity ahead

Over the past several months, we've continued to execute on our strategy by diversifying with financial services, accelerating the momentum of Venmo and PSP, strengthening the consumer side of our network, simplifying our operating model, investing in AI and tech modernization, and maintaining a disciplined approach to capital allocation. We believe these investments position PayPal for long-term, profitable growth, and we look forward to updating you on our progress when we report third-quarter results in October.

Thank you for your continued interest in PayPal. We appreciate your engagement and support.

Best,
Steve and team

Footnote:

1. According to the World Travel & Tourism Council.

All growth rates represent year-over-year comparisons, except as otherwise noted.

Forward-looking statements

This newsletter may contain forward-looking statements relating to, among other things, the future results of operations, financial condition, expectations, and plans of PayPal Holdings, Inc. and its consolidated subsidiaries ("PayPal") that reflect PayPal's current projections and forecasts. Forward-looking statements can be identified by words such as "may," "will," "would," "should," "could," "expect," "anticipate," "believe," "estimate," "intend," "continue," "strategy," "future," "opportunity," "plan," "project," "forecast," and other similar expressions. Forward-looking statements may include, but are not limited to, statements regarding our guidance and projected financial and operating results for third quarter and full year. Forward-looking statements are based upon various estimates and assumptions, as well as information known to PayPal as of the date of the release of such information and are inherently subject to numerous risks and uncertainties. Our actual results could differ materially from those estimated or implied by forward-looking statements.

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