

April 29, 2025

PayPal Releases 1Q 2025 Results



PayPal President and CEO Alex Chriss with Linzi Rooney of [Born & Bred](#), a PayPal small business merchant in Belfast, Northern Ireland who was featured at our recent global all hands employee meeting.

PayPal released its first quarter 2025 financial results this morning. We encourage you to read the [full materials](#) and [listen](#) to our earnings call at 8:00 AM ET.

In 1Q, PayPal delivered a strong quarter to start the year:

- Transaction margin dollars¹ of \$3.7B, +7%
- Non-GAAP operating income of \$1.6B, +16%; GAAP operating income of \$1.5B, +31%
- Non-GAAP operating margin of 20.7%, +257 bps; GAAP operating margin of 19.6%, +447 bps
- Non-GAAP EPS of \$1.33, +23%; GAAP EPS of \$1.29, +56%

President and CEO Alex Chriss said, "PayPal had a great start to the year and our strategy is working. This is our fifth consecutive quarter of profitable growth with progress across branded checkout, PSP, omnichannel, and Venmo."

Chriss continued, “We are transforming into the leading commerce platform connecting consumers and merchants globally. Our foundation is solid and we have multiple ways to win.”

We are seeing clear signs of strength across the business. Transaction margin dollars¹ excluding interest on customer balances² accelerated sequentially to 7%. Online branded checkout TPV grew nearly 6% ex. leap day, and our new checkout experience is now available on more than 45% of US checkout traffic. Branded experiences TPV, which includes online branded checkout, as well as debit and tap-to-pay, grew 8% ex. leap day, highlighting the growing contribution of our omnichannel initiatives. We accelerated Venmo monetization, with revenue growing 20%, and our PSP business contributed meaningfully to transaction margin dollar growth.

As we transform PayPal from a payments company to a commerce platform, we are building more holistic relationships with consumers by bringing our value proposition everywhere they shop and pay. The best way to see the traction we’re gaining is through branded experiences TPV, which accelerated two points in the first quarter compared to the full year 2024. We added nearly two million first-time PayPal and Venmo debit card users in the quarter. This growth is significant because we see a halo effect with debit card users choosing to check out with PayPal more often. We are making steady progress growing omnichannel, and it is driving our commerce flywheel.

For the second quarter of 2025, we expect:

- Transaction margin dollars¹ of \$3.75B to \$3.80B, or 4% to 5% growth
- Non-GAAP EPS of \$1.29 to \$1.31, or 8% to 10% growth
- GAAP EPS of \$1.24 to \$1.26

Despite a strong first quarter and good start to the second quarter, we are maintaining our full year 2025 guidance due to uncertainty in the global macro environment:

- Transaction margin dollars¹ of \$15.2B to \$15.4B, or 4% to 5% growth
- Non-GAAP EPS of \$4.95 to \$5.10, or 6% to 10% growth
- GAAP EPS of \$4.80 to \$4.95
- Free cash flow of \$6B to \$7B
- Share repurchase of ~\$6B

As we shared at Investor Day, we are transforming PayPal into a diversified commerce platform. We have a strong foundation to navigate whatever lies ahead, and our teams are focused on execution.

Thank you for your continued interest in PayPal,
Steve and team

Footnotes:

1. Transaction margin dollars is a non-GAAP financial measure.
2. Interest on customer balances is reported within Other Value Added Services (OVAS) revenue in our 1Q-25 Earnings Presentation and in our quarterly/annual SEC filings and primarily comprises interest and revenue earned on customer assets.

All growth rates represent year-over-year comparisons, except as otherwise noted. This document contains non-GAAP financial measures and forward-looking statements. FX-neutral (FXN) results are calculated by translating the current period local currency results by the prior period exchange rate. FXN growth rates are calculated by comparing the current period FXN results with the prior period results, excluding the impact from hedging activities. All amounts in tables are presented in US dollars, rounded to the nearest million, except as otherwise noted. As a result, certain amounts and rates may not sum or recalculate using the rounded dollar amounts provided. Please see [here](#) for important information, including a reconciliation to the most directly comparable GAAP financial measures, and [here](#) for additional information on forward-looking statements.