

# IR Newsletter



February 3, 2026

## PayPal Appoints New CEO; Releases 4Q and Full Year 2025 Results



Robert Griffin III, 2011 Heisman Trophy winner, showcases the Venmo Debit Card at the Big 12 Championship Game

This morning, we announced that the Board of Directors has appointed Enrique Lores as the next President and CEO of PayPal. Enrique will help accelerate execution and bring greater discipline to how we implement our strategic priorities as we enter our next phase of growth. Please read the announcement [here](#).

PayPal also released fourth quarter and full year 2025 financial results today. We encourage you to read the [full materials](#) and [listen](#) to our earnings call at 8:00 AM ET.

Key highlights for 4Q include:

- Transaction margin dollars of \$4.0B, +3%; \$3.7B, +4% excluding interest on customer balances<sup>1,2</sup>

- Non-GAAP operating income of \$1.6B, +3%; GAAP operating income of \$1.5B, +5%
- Non-GAAP operating margin of 17.9%, (9 bps); GAAP operating margin of 17.4%, +19 bps
- Non-GAAP EPS of \$1.23, +3%; GAAP EPS<sup>3</sup> of \$1.53, +38%

Key highlights for the full year include:

- Transaction margin dollars of \$15.5B, +6%; \$14.2B, +6% excluding interest on customer balances<sup>1,2</sup>
- Non-GAAP operating income of \$6.4B, +9%; GAAP operating income of \$6.1B, +14%
- Non-GAAP operating margin of 19.2%, +87 bps; GAAP operating margin of 18.3%, +154 bps
- Non-GAAP EPS of \$5.31, +14%; GAAP EPS<sup>3</sup> of \$5.41, +35%

Interim CEO Jamie Miller said, “In 2025, PayPal delivered solid performance across multiple areas of the business. We grew revenue, transaction margin dollars, and earnings per share, underscoring the strength of our increasingly diversified platform. At the same time, our execution has not been where it needs to be, particularly in branded checkout. As announced today, the Board’s appointment of Enrique Lores as PayPal’s next President and CEO reflects a clear commitment to strengthening execution, innovation, and results. We are fully aligned on the path forward as PayPal enters its next chapter of growth.”

In 2025, we delivered a second consecutive year of diversified, profitable growth. Transaction margin dollars excluding interest on customer balances grew 6%, and non-GAAP EPS grew 14%, reflecting disciplined execution across the business. We grew Venmo revenue ~20%<sup>4</sup> to \$1.7B, delivered more than \$40B in buy now, pay later (BNPL) TPV, and returned our Enterprise Payments business to double-digit volume growth.

At the same time, online branded checkout performance was below our expectations, with TPV growing 1% FXN in 4Q. The deceleration was driven by several factors, which Jamie will discuss on the call. That said, we are taking deliberate steps to get back on track. We are focused on delivering a best-in-class experience by driving adoption of biometric login methods and scaling our redesigned paysheet, improving presentment to surface PayPal early, and strengthening selection through rewards, BNPL, and the PayPal app.

Looking ahead in 2026, we're strengthening our foundation through deliberate, targeted growth investments in branded checkout, BNPL, consumer engagement, and agentic commerce, while continuing to drive durable growth across PSP and Venmo. We're also continuing to invest in our next-generation growth vectors to support long-term innovation, including agentic commerce, ads and personalization, stablecoins, and PayPal World.

Our 2026 guidance incorporates ongoing, diversified growth across key initiatives with offset from lower interest rates, an approximate 3-point headwind from TM \$ investments (intended to improve experience, presentment, and consumer selection over time), less contribution from credit, and lower branded checkout volume growth relative to 2025.

For the first quarter of 2026, we expect:

- Transaction margin dollars: slight decline
- Transaction margin dollars ex. interest on customer balances: roughly flat
- Non-GAAP EPS growth: mid-single digit decline
- GAAP EPS growth: mid-single digit decline

For the full year 2026, we expect:

- Transaction margin dollars: slight decline
- Transaction margin dollars ex. interest on customer balances: roughly flat
- Non-GAAP EPS growth: low-single digit decline to slightly positive
- GAAP EPS growth: mid-single digit decline
- Adjusted free cash flow: \$6B+
- Share repurchase: \$6B

As we enter 2026, we have a solid plan in place to restore branded checkout momentum and we are making targeted investments to strengthen our foundation and accelerate our growth initiatives. We believe we have the right strategy in place to deliver durable, profitable growth over the long term, and we are confident in our path forward.

Thank you for your interest in PayPal,  
Steve and team

## Highlights from our results

### **4Q'25 financial & operating highlights**

- TPV of \$475.1B, +9% spot and +6% FXN
- Net revenues of \$8.7B, +4% spot and +3% FXN
- Non-GAAP operating income of \$1.6B, +3%; GAAP operating income of \$1.5B, +5%
- Non-GAAP operating margin of 17.9%, (9 bps); GAAP operating margin of 17.4%, +19 bps
- Transaction margin dollars of \$4.0B, +3%; \$3.7B, +4% excluding interest on customer balances<sup>1,2</sup>
- Non-GAAP EPS of \$1.23, +3%; GAAP EPS<sup>3</sup> of \$1.53, +38%

### **FY'25 financial & operating highlights**

- TPV of \$1.79T, +7% spot and +6% FXN
- Net revenues of \$33.2B, +4% spot and FXN
- Non-GAAP operating income of \$6.4B, +9%; GAAP operating income of \$6.1B, +14%
- Non-GAAP operating margin of 19.2%, +87 bps; GAAP operating margin of 18.3%, +154 bps
- Transaction margin dollars of \$15.5B, +6% and +6% ex-interest on customer balances<sup>1,2</sup>
- Non-GAAP EPS of \$5.31, +14%; GAAP EPS<sup>3</sup> of \$5.41, +35%

In addition, PayPal:

- **Advanced Venmo monetization:** Venmo revenue reached \$1.7B, up ~20%<sup>4</sup>
- **Scaled Buy Now, Pay Later:** BNPL TPV reached >\$40B, up >20%
- **Deepened consumer engagement:** Monthly active accounts increased 2% and transactions per active account (excluding PSP) increased 5%
- **Returned PSP to volume growth:** PSP TPV growth accelerated to 8% FXN in 4Q, and we exited 2025 with 16 value-added services

- **Established a leadership position in agentic commerce:** Forged partnerships with top AI platforms including Perplexity, Microsoft, Google, and OpenAI to support emerging use cases and long-term growth

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Footnotes:

1. TM \$, TM \$ excluding interest on customer balances, non-GAAP operating income, non-GAAP operating margin, non-GAAP EPS, and free cash flow are non-GAAP financial measures. "Non-GAAP Measures of Financial Performance" and subsequent tables at the end of our [earnings press release](#) provide reconciliations of non-GAAP financial measures to the most directly comparable GAAP financial measures.
2. Interest on customer balances is reported within other value added services ("OVAS") revenue and primarily comprises interest and revenue earned on customer assets.
3. 4Q'25 GAAP EPS includes a ~\$0.10 positive impact from PayPal's strategic investment portfolio and crypto assets held for investment, compared to a ~\$0.04 negative impact in 4Q'24.
4. Excludes interest on customer balances.

*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. 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.*