PayPal 2Q'26 Performance

Financial results & company highlights

July 28, 2026

Non-GAAP Financial Measures

This presentation contains non-GAAP measures relating to our performance. These measures 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 GAAP to non-GAAP reconciliation section of this presentation.

Growth Rates

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.

Forward-Looking Statements

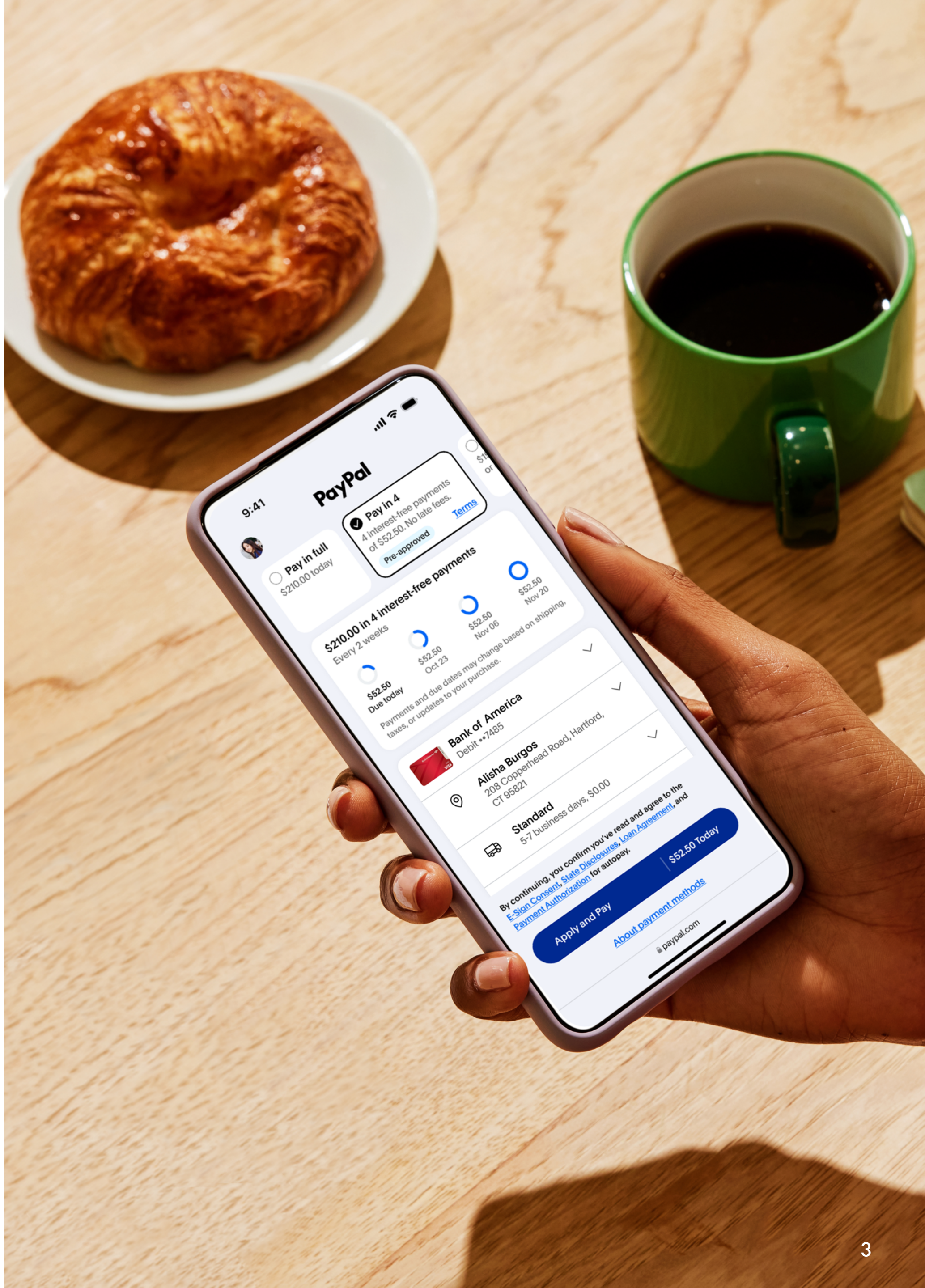
This presentation contains forward-looking statements relating to, among other things, the future results of operations, financial condition, expectations and plans of PayPal Holdings, Inc. and its consolidated subsidiaries (“PayPal”) that reflect current projections and forecasts. Forward-looking statements can be identified by words such as “may,” “will,” “would,” “should,” “could,” “expect,” “anticipate,” “believe,” “estimate,” “intend,” “continue,” “strategy,” “future,” ”opportunity,” “plan,” “guidance,” “project,” “forecast,” “outlook,” 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 2026; our capital return program, including share repurchases and dividend payments, if any; our plans with respect to PayPal's business structure and operating model, and the anticipated benefits; our plans to reduce our cost structure, including anticipated cost savings; the timing and impact of product launches and 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: our ability to compete in markets that are highly competitive and subject to rapid technological change, and to develop and deliver new or enhanced products and services on a timely basis; cyberattacks and security vulnerabilities, and associated impacts; the effect of global and regional political, economic, market and trade conditions including military conflicts, supply chain issues, tariffs or uncertainty thereof, and related events that affect payments or commerce activity, including inflation and interest rates; the impact of catastrophic events, such as global pandemics, that may disrupt our business, as well as our customers, suppliers, vendors and other business partners; the stability, security and performance of our payments platform; the effect of extensive government regulation and oversight related to our business, products and services in a variety of areas, including, but not limited to, laws covering payments, lending and consumer protection; the impact of complex and changing laws and regulations worldwide, including, but not limited to, laws covering cybersecurity, privacy, data protection, and artificial intelligence; the impact of payment card, bank, or other network rules or practices; risks related to our credit products, including our ability to realize benefits from our agreements with third parties such as our agreements to sell our credit receivables; changes in how consumers fund transactions; our ability to effectively detect and prevent the use of our services for fraud, abusive behaviors, illegal activities, or improper purposes; our ability to manage regulatory and litigation risks, and the outcome of legal and regulatory proceedings; our reliance on third parties in many aspects of our business; damage to our reputation or brands; 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 develop and upgrade our technology systems, infrastructure and customer service capabilities; the impact of proposed or completed acquisitions, divestitures, strategic investments, or entries into new businesses or markets; and our ability to attract, hire, and retain talented employees. 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 in PayPal’s most recent annual report on Form 10-K, and its subsequent quarterly reports on Form 10-Q. All information in this presentation is as of July 28, 2026. 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.

2Q'26 financial highlights

- **Delivered +1% TM$ growth, +3% ex-interest on customer balances[1,2]**
  - Product contributions from Venmo, credit, Braintree; investing for growth
- **Branded checkout TPV growth further stabilized at +2% FXN**
  - Raising FY expectation to low single-digit growth
- **Diversifying growth through Venmo and Braintree**
  - Venmo Debit Card MAAs[3] grew >50%; Pay With Venmo MAAs ~30%
  - Braintree TPV continued acceleration in the mid-teens
- **Robust FCF generation, +$1.8B and capital return, +$1.6B**
- **Raising 2026 TM$ guidance and low-end of non-GAAP EPS guidance**
  - While making deliberate opex investments to support growth and platform initiatives
  - Reiterated adjusted free cash flow and share repurchase guidance



All growth rates reference 2Q'26 year-over-year growth unless otherwise noted. Additional financial detail provided in Supplemental Information.
(1) For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures, please see the GAAP to non-GAAP Reconciliations on slides 22-26.
(2) Interest on customer balances is reported within OVAS revenue in this presentation and in our quarterly/annual SEC filings and primarily comprises interest and revenue earned on customer assets.
(3) MAAs are a subset of active accounts that have completed a transaction at least once during the month of measurement. MAAs presented at the end of a quarter or year are the average of each month's MAAs in the respective quarter or year.

A More Focused PayPal

What's Different		Early Proof Points in 2Q
1	**Diversifying beyond checkout into financial services**	BNPL TPV accelerated 3pts to +26% and BNPL MAAs[1] >20% Debit card and tap-to pay TPV growing >60%; Venmo Debit Card MAAs[1] grew >50%
2	**Accelerating Venmo & Braintree**	Both businesses growing TPV mid-teens 4x acceleration in Venmo product feature development[2]
3	**Rebalancing towards the consumer side of the network**	Improving experience and reducing friction: scaling biometrics on Venmo, major app refeshes soon; higher passkey usage drove checkout login friction to an all-time low[3] Increased investment in consumer data, technology and local market capabilities
4	**Simplifying our operating model and leveraging AI**	On-track to at least $1.5B in gross run-rate savings over the next 2-3 years and ~$400M of run-rate savings achieved by year-end AI-assisted coding significantly increasing productivity, implementation time decreased 25%
5	**Innovating with discipline**	Expanding in agentic, stablecoin, identity/biometrics: leveraging two-sided network, risk infrastructure, and trust across consumers, merchants, agents PayPal World facilitating ~$200M TPV between Venmo/PayPal

All growth rates reference 2Q'26 year-over-year growth unless otherwise noted. Additional financial detail provided in Supplemental Information. Detailed definitions on slides 27-28.
(1) MAAs are a subset of active accounts that have completed a transaction at least once during the month of measurement.
(2) Venmo feature development increasing 4x refers to 1H'26 compared to 1H'25.
(3) Checkout login friction measured as login attempts requiring a password divided by total login attempts.

Transforming PayPal over time

A phased approach to fuel faster growth

2026-2027	2027-2028	2028+
Strengthen the fundamentals	**Build momentum**	**Accelerate and disrupt**
• Refocus and rebuild consumer side of PayPal's two-sided network • Continue modernizing technology platform • Sharpen business portfolios, innovation agenda and geographic focus through disciplined investment and prioritization • Focus on quality customer experiences • Simplify organization and reduce cost structure to increase growth investment	• Shift from stabilization to growth investment • Re-energize two-sided network by deepening engagement and customer lifetime value with our most valuable customers • Double down on BNPL and accelerate expansion into consumer financial services • Scale differentiated value-added services	• Expand two-sided network and financial services to more countries • Build the next-generation network and broaden in-store capabilities • Scale AI commerce capabilities across the platform and embed throughout the customer experience • Scale impact of early-stage investments launched in prior years • Lead in digital identity and trusted verification

Timing of impact →

Sharper focus with stronger conviction

Aligned around consumer-led strategy, clear accountability, and concentration of resources

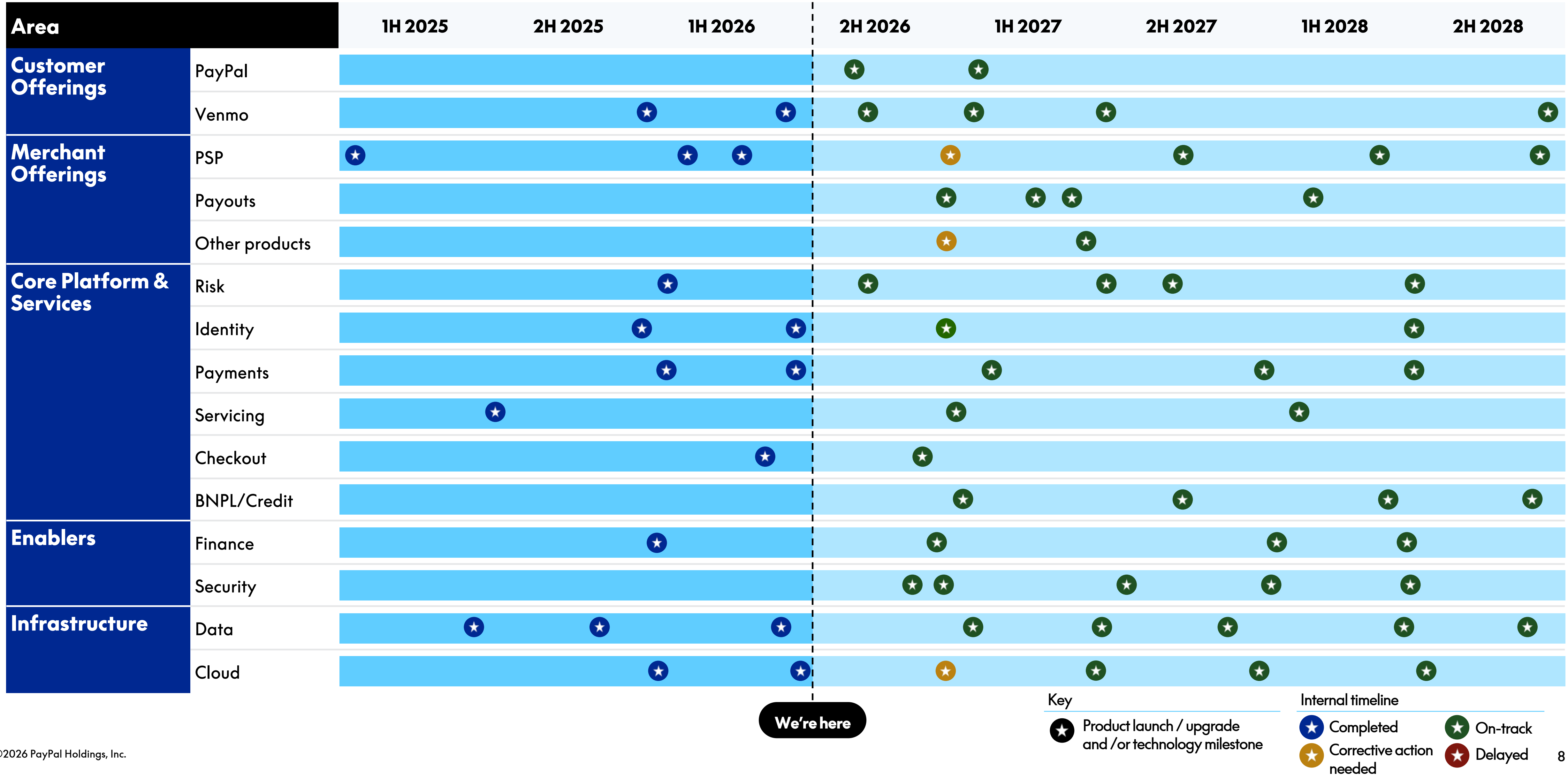
	Checkout Solutions & PayPal	Consumer Financial Services & Venmo	Payment Services & Crypto
Vision	**Trusted and valuable payments network**	**Go-to money movement and management platform**	**Reliable, differentiated processing platform with premium services**
Focus Areas	• Strengthen the consumer value proposition: improved experience, deeper consumer engagement, and compelling loyalty program • Prioritize high-value users who make up less than a third of user-base but more than half of TPV	• Evolve from a P2P app into a broader money management platform • Expand on a product roadmap that resonates with target cohorts • Build on engagement and monetization	• Differentiate with a seamless, unified platform and premium value-added-services (VAS) • Execute targeted GTM motion incorporating expanded platform capabilities and VAS • Build on durable growth and profitability
Key success indicators	• **Higher consumer selection** in focus cohorts • **Sustained BNPL growth** • **Higher customer lifetime value** through product attach and habituation • **Expanded merchant distribution**	• **Increased ARPA** through higher engagement and broader financial services product set • **Greater total funds in** • **Increased financial services penetration**	• **Increased adoption of VAS** helping merchants address complex commerce challenges • **High quality, profitable processing** • **Modernized, interoperable platform** with expanding right-to-win

Multiple paths to at least $1.5B gross run-rate savings over the next 2-3 years

Three broad drivers, phased through 2029.

	2026	2027	2028	2029	Expected gross run-rate savings
1. Simplified structure & alignment *Optimize spans, layers, and location of workforce*	*Simplified operating model* Optimize role ratios Reduce spans and layers across organization	Refine location strategies			**~20-30%** of total savings
2. Operational & portfolio optimization *Drive productivity, process improvements and efficiencies*	*Portfolio and geographic optimization* Improve productivity and performance across business units and enabling functions Increase efficiency in marketing, outside services & vendor spend				**~30-40%** of total savings
3. Accelerated AI Adoption *Integrate AI, automation across the business*	*Technology modernization and focus on customer support redesign* Drive AI enabled process re-design and execution of AI and automation use cases Deepen integration further into technology, risk, ops, fraud, and workforce planning				**~40%** of total savings
	~$400M run-rate by year-end				**At least $1.5B Gross run-rate savings**

Enhancing our technology platform



2Q'26 snapshot

(in millions, except % and per share data)	Results	Y/Y growth
Total payment volume (TPV)	$486,448	10%; 9% FXN
Revenue	$8,682	5%; 3% FXN
Transaction margin $ (TM$)[1]	$3,900	1%
TM$ ex. interest on customer balances[1,2]	$3,619	3%
Non-GAAP EPS[1]	$1.38	(1%)
Adjusted free cash flow[1,3]	$1,832	179%

All growth rates reference 2Q'26 year-over-year growth unless otherwise noted. Additional financial detail provided in Supplemental Information.
(1) For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures, please see the GAAP to non-GAAP Reconciliations on slides 22-26.
(2) Interest on customer balances is reported within OVAS revenue in this presentation and in our quarterly/annual SEC filings and primarily comprises interest and revenue earned on customer assets.
(3) Adjusted free cash flow excludes the net impact from timing differences between originating BNPL receivables classified as held for sale and their subsequent sale. See slide 26 for more detail.

Account and activity metrics[1]

(in millions, except % and TPA)	2Q'26
Active accounts[2]	439
Y/Y growth	—%
Monthly active accounts (MAA)[3]	228
Y/Y growth	1%
Number of payment transactions	6,750
Y/Y growth	8%
Number of payment transactions ex. PSP (unbranded card processing)	4,233
Y/Y growth	7%
Transactions per active account (TPA)[4]	60.0
Y/Y growth	3%
TPA ex. PSP[4]	37.9
Y/Y growth	7%

- Active accounts[2] grew +0.3% and MAA[3] 1%, largely driven by Venmo
- 12-month trailing TPA[4] +3%, inflecting to positive growth following price-value actions in Braintree in prior quarters
- Number of payment transactions ex. PSP +7% driven by growth across the portfolio
- TPA ex. PSP[4] +7%, accelerating for a second consecutive quarter, reflecting continued strong Venmo engagement

All growth rates reference 2Q'26 year-over-year growth unless otherwise noted.

(1) Detailed definitions on slides 27-28.

(2) Active accounts are accounts that have completed a transaction within the past 12 months.

(3) MAAs are a subset of active accounts (primarily PayPal and Venmo) that have completed a transaction at least once during the month of measurement. MAAs presented at the end of a quarter or year are the average of each month's MAAs in the respective quarter or year.

(4) TPA and TPA ex. PSP are trailing 12-month metrics, reflecting transactions within the previous 12-month period, divided by active accounts at the end of the period. TPA ex. PSP excludes both unbranded card processing transactions and unbranded active accounts (primarily Braintree).

TPV mix across PayPal's platform

		2Q'25	1Q'26	2Q'26
Branded experiences (online & offline)[1]	FXN GROWTH	8%	5%	6%
	% OF TOTAL	31%	31%	31%
Venmo[2]	FXN GROWTH	12%	14%	14%
	% OF TOTAL	18%	19%	19%
Branded checkout (online)[3]	FXN GROWTH	5%	2%	2%
	% OF TOTAL	29%	29%	28%
P2P & other consumer[4]	FXN GROWTH	10%	10%	10%
	% OF TOTAL	27%	26%	27%
Payment service provider (PSP)[5]	FXN GROWTH	2%	11%	13%
	% OF TOTAL	44%	45%	45%
Total TPV	FXN GROWTH	5%	8%	9%

- Branded experiences growth supported by strong omni adoption
- Venmo momentum continues, second consecutive quarter of mid-teens growth
- Branded checkout further stabilized, consistent with 1Q, with strength in BNPL, PwV, and the U.S.
- P2P & other consumer continues to grow double digits, reflecting Venmo and debit card momentum
- PSP acceleration continued with Braintree growing in the mid-teens

*Percent of total may not sum to 100% due to rounding. Additional financial detail provided in Supplemental Information and Definitions on slides 27-28.
(1) Branded experiences (online & offline): branded checkout (online) as well as in-store payment methods, including debit (PayPal and Venmo) and tap to pay.
(2) Venmo: Venmo P2P, Pay with Venmo, and Venmo debit.
(3) Branded Checkout (online): PayPal branded checkout, Pay with Venmo, and eBay.
(4) P2P & Other Consumer: P2P (PayPal and Venmo) and debit (PayPal and Venmo), except when used to fund a branded checkout (online) transaction and remittances.
(5) PSP: unbranded card processing across Enterprise and SMB, as well as other merchant solutions (e.g., payouts, invoicing, point-of-sale solutions, etc.).

2Q'26 key financial results

(in millions, except % and per share data)	2Q'26
Total revenue	$8,682
Y/Y growth	5%
FXN Y/Y growth	3%
Transaction margin $ (TM$)[1]	$3,900
Y/Y growth	1%
Y/Y growth ex. int. on cust. balances[1,2]	3%
Non-transaction related expenses[1]	$2,393
Y/Y growth	9%
Non-GAAP operating income[1]	$1,507
Y/Y growth	(8%)
Non-GAAP operating margin %[1]	17.4%
Y/Y change	(248bps)
Non-GAAP EPS[1]	$1.38
Y/Y growth	(1%)

- Transaction revenue +5%, driven by Braintree and Venmo as well as FX favorability
- Other value-added services (OVAS) revenue flat, with higher credit revenue offset by lower interest on customer balances
- TM$ +1%, +3% ex. interest on customer balances driven by Venmo, credit, and Braintree, with FX favorability and lower losses
    - TM$ growth more than offset two headwinds: strategic investments in checkout/BNPL habituation and growing over prior year non-recurring benefit of 1.5pts
- Returned $1.5B via share repurchases and ~$125M in dividends, $6.0B in shares returned on a trailing 12-month basis, reducing weighted average shares by 10%

All growth rates reference 2Q'26 year-over-year growth unless otherwise noted.

Additional financial detail provided in Supplemental Information.

(1) For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures, please see the GAAP to non-GAAP Reconciliations on slides 22-26.

(2) Interest on customer balances is reported within OVAS revenue in this presentation and in our quarterly/annual SEC filings and primarily comprises interest and revenue earned on customer assets.

Raising FY'26 TM$ & low-end of non-GAAP EPS guidance

3Q'26	
Transaction margin $	Slightly positive
TM$ ex. interest on customer balances[1]	Slightly positive to low-single digit
Non-GAAP effective tax rate	19% - 21%
Non-GAAP EPS[2] growth	Low-single digit decline *3Q'25: $1.34*
GAAP EPS growth	Low-single digit decline *3Q'25: $1.30*

FY'26	
Transaction margin $	~$15.6B
TM$ ex. interest on customer balances[1]	~$14.5B
Non-GAAP non-transaction operating expenses	~7% - 8% growth
Non-GAAP effective tax rate	18% - 20%
Non-GAAP EPS[3]	~$5.38 *FY'25: $5.31*
GAAP EPS[4] growth	Mid-single digit decline *FY'25: $5.41*
Adjusted free cash flow	$6B+
Share repurchase	$6B
CAPEX	~$1B

(1) Interest on customer balances is reported within OVAS revenue in this presentation and in our quarterly/annual SEC filings and primarily comprises interest and revenue earned on customer assets.
(2) Estimated non-GAAP amounts for 3Q'26 reflect adjustments of $35M.
(3) Estimated non-GAAP amounts for FY'26 reflect adjustments of $350M which excludes potential second half 2026 transformation related charges.
(4) FY'25 GAAP EPS included a ~$0.14 positive impact from PayPal's strategic investment portfolio and crypto assets held for investment.
For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures, please see the GAAP to non-GAAP Reconciliations on slides 22-26.

Q&A

PayPal's Cannes Lions activation showed brands how PayPal Ads is delivering measurable results for merchants, driven by real purchase behavior across our 439M active accounts. Read more [here](#).

Supplemental information

TPV, revenue, & take rate detail

(in millions, except %)	1Q'25	2Q'25	3Q'25	4Q'25	1Q'26	2Q'26
Total payment volume	$417,208	$443,547	$458,088	$475,135	$463,955	$486,448
Y/Y growth	3%	6%	8%	9%	11%	10%
FXN Y/Y growth	4%	5%	7%	6%	8%	9%
U.S. TPV	$269,916	$276,778	$285,966	$300,798	$300,131	$315,580
Y/Y growth	4%	4%	8%	9%	11%	14%
International TPV	$147,293	$166,768	$172,122	$174,337	$163,824	$170,868
Y/Y growth	2%	10%	10%	8%	11%	2%
FXN Y/Y growth	5%	6%	5%	2%	2%	—%
P2P TPV[1]	$101,383	$108,442	$110,746	$109,810	$108,643	$115,198
Y/Y growth	5%	8%	8%	7%	7%	6%
Venmo TPV	$75,942	$81,976	$85,226	$85,793	$86,206	$93,806
Y/Y growth	10%	12%	14%	13%	14%	14%
Total take rate	1.87%	1.87%	1.84%	1.83%	1.80%	1.78%
Transaction take rate	1.68%	1.68%	1.64%	1.65%	1.62%	1.61%
Total revenue	$7,791	$8,288	$8,417	$8,676	$8,353	$8,682
Y/Y growth	1%	5%	7%	4%	7%	5%
FXN Y/Y growth	2%	5%	6%	3%	5%	3%
Transaction revenue	$7,016	$7,441	$7,522	$7,819	$7,501	$7,832
Y/Y growth	—%	4%	6%	3%	7%	5%
OVAS revenue	$775	$847	$895	$857	$852	$850
Y/Y growth	17%	16%	15%	10%	10%	—%
US revenue Y/Y growth	—%	3%	5%	4%	9%	7%
International revenue FXN Y/Y growth	5%	7%	7%	1%	—%	(3%)
% international	43%	43%	44%	43%	42%	42%

- US TPV +14%, driven by PSP, Venmo, and branded experiences
- International TPV +0% FXN, with branded experiences growth offset by PSP
- Transaction take rate -7bps, driven by higher investments in branded checkout and buy now pay later, lapping a prior year non-recurring benefit, and product mix

All results & growth rates reference 2Q'26 results & year-over-year growth unless otherwise noted. Definitions on slides 27-28.

(1) P2P TPV comprises Venmo, PayPal, and Xoom P2P.

Account and activity metrics detail

(in millions, except % and TPA)	1Q'25	2Q'25	3Q'25	4Q'25	1Q'26	2Q'26
Active accounts[1]	436	438	438	439	439	439
Y/Y growth	2%	2%	1%	1%	1%	—%
Monthly active accounts (MAA)[2]	224	226	227	231	225	228
Y/Y growth	2%	2%	2%	1%	1%	1%
Number of payment transactions	6,045	6,226	6,331	6,754	6,475	6,750
Y/Y growth	(7%)	(5%)	(5%)	2%	7%	8%
Number of payment transactions ex. PSP	3,805	3,946	4,035	4,284	4,081	4,233
Y/Y growth	6%	6%	7%	6%	7%	7%
Transactions per active account (TPA)[3]	59.4	58.3	57.6	57.7	58.7	60.0
Y/Y growth	(1)%	(4%)	(6%)	(5%)	(1%)	3%
TPA ex. PSP[3]	35.2	35.6	36.2	36.6	37.2	37.9
Y/Y growth	4%	4%	5%	5%	6%	7%

- Active accounts[1] 0.3% and MAA[2] +1%, largely driven by Venmo
- Number of payment transactions +8% driven by growth across the portfolio
- 12-month trailing TPA +3%, inflecting to positive growth following price-value actions in Braintree in prior quarters
- Number of payment transactions ex. PSP +7% driven by growth across the portfolio
- TPA ex. PSP[3] +7%, accelerating for a second consecutive quarter, reflecting continued strong Venmo engagement

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(3) TPA and TPA ex. PSP are trailing 12-month metrics, reflecting transactions within the previous 12-month period, divided by active accounts at the end of the period. TPA ex. PSP excludes both unbranded card processing transactions and unbranded active accounts (primarily Braintree).

Transaction margin (TM) detail

(in millions, except %)	1Q'25	2Q'25	3Q'25	4Q'25	1Q'26	2Q'26
Transaction expense (TE)	$3,704	$3,968	$4,063	$4,252	$4,165	$4,385
TE rate	0.89%	0.89%	0.89%	0.89%	0.90%	0.90%
Transaction loss (TL)	$278	$383	$397	$279	$276	$323
TL rate	0.07%	0.09%	0.09%	0.06%	0.06%	0.07%
Credit loss	$93	$93	$86	$111	$102	$74
Credit loss rate	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Volume-based expenses	$4,075	$4,444	$4,546	$4,642	$4,543	$4,782
Y/Y growth	(4)%	4%	8%	5%	11%	8%
Transaction margin $[1]	$3,716	$3,844	$3,871	$4,034	$3,810	$3,900
Y/Y growth	7%	7%	6%	3%	3%	1%
Transaction margin[1]	47.7%	46.4%	46.0%	46.5%	45.6%	44.9%
Y/Y change (bps)	274	62	(58)	(54)	(208)	(146)
TM$ ex. interest on customer balances[1,2]	$3,418	$3,526	$3,550	$3,741	$3,536	$3,619
Y/Y growth	7%	8%	7%	4%	3%	3%

- TE rate +1bps, driven by product mix
- TL rate -2bps, driven by risk mitigation strategies
- Credit loss rate in line with 2Q'25, supported by disciplined underwriting

Definitions on slides 27-28. All results & growth rates reference 2Q'26 results & year-over-year growth unless otherwise noted.

(1) TM, TM$, and TM$ ex. interest on customer balances are non-GAAP measures. A reconciliation to the most directly comparable GAAP measure is included on slide 24.

(2) TM$ is transaction margin dollars. Interest on customer balances is reported within other value added services (OVAS) revenue in this presentation and in our quarterly/annual SEC filings and primarily comprises interest and revenue earned on customer assets.

Non-GAAP[1] operating margin detail

(in millions, except %)	1Q'25	2Q'25	3Q'25	4Q'25	1Q'26	2Q'26
Customer support and operations	$398	$413	$447	$446	$446	$462
Y/Y growth	(12%)	(5%)	5%	(1%)	12%	12%
Sales and marketing	$448	$542	$482	$666	$495	$523
Y/Y growth	18%	33%	3%	14%	10%	(4%)
Technology and development	$731	$767	$800	$803	$792	$846
Y/Y growth	(1%)	8%	8%	4%	8%	10%
General and administrative	$496	$454	$506	$495	$473	$495
Y/Y growth	9%	(19%)	(1%)	(16%)	(5%)	9%
Restructuring and other	$27	$24	$68	$74	$63	$67
Y/Y growth	(27%)	(20%)	143%	100%	133%	179%
Non-transaction related expenses	$2,100	$2,200	$2,303	$2,484	$2,269	$2,393
Y/Y growth	2%	2%	6%	2%	8%	9%
Total operating expenses	$6,175	$6,644	$6,849	$7,126	$6,812	$7,175
Y/Y growth	(2)%	3%	8%	4%	10%	8%
Non-GAAP operating income	$1,616	$1,644	$1,568	$1,550	$1,541	$1,507
Y/Y growth	16%	13%	6%	3%	(5)%	(8%)
Non-GAAP operating margin %	20.7%	19.8%	18.6%	17.9%	18.4%	17.4%
Y/Y change (bps)	257	132	(19)	(9)	(229)	(248)
Non-GAAP EPS	$1.33	$1.40	$1.34	$1.23	$1.34	$1.38
Y/Y growth	23%	18%	12%	3%	1%	(1)%

- Non-transaction opex +9%, driven by a combination of growth investments in technology and risk as well as inflationary pressure

(1) Non-transaction related expenses, total operating expenses, non-GAAP operating income, non-GAAP operating margin, and non-GAAP EPS are non-GAAP financial measures. For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures and additional detail, please see the GAAP to non-GAAP Reconciliations on slides 22-26.

Free cash flow (FCF) and capital allocation detail

(in millions, except %)	1Q'25	2Q'25	3Q'25	4Q'25	1Q'26	2Q'26
Free cash flow	$964	$692	$1,718	$2,190	$903	$1,775
Y/Y growth	(45%)	(49%)	19%	—%	(6%)	157%
Adjusted free cash flow[1]	$1,381	$656	$2,279	$2,095	$1,720	$1,832
Y/Y growth	(26%)	(42%)	48%	—%	25%	179%

- Generated 2Q'26 adjusted FCF of $1.8B
- Returned $1.5B in capital to stockholders through share repurchases and ~$125M in dividends
  - On a trailing 12-month basis, share repurchases of $6.0B reduced weighted average shares by 10%
- Cash, cash equivalents, and investments totaled $15.3B and debt totaled $13.4B as of June 30, 2026

All results & growth rates reference 2Q'26 results & year-over-year growth unless otherwise noted. Free cash flow and adjusted free cash flow are non-GAAP financial metrics. For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures and additional detail, please see the GAAP to non-GAAP Reconciliations on slides 22-26.

(1) Adjusted free cash flow excludes the net timing impact between originating BNPL receivables as HFS and the subsequent sale of those receivables.

Hedging impacts and credit reserve builds and releases

(in millions, except %)	1Q'25	2Q'25	3Q'25	4Q'25	1Q'26	2Q'26
Hedging Impacts[1]						
Favorable (unfavorable) impact to net revenues (exclusive of hedging impact)	$(104)	$111	$134	$198	$257	$74
Hedging impact	35	(70)	(49)	(82)	(86)	6
Favorable (unfavorable) impact to net revenues	(69)	41	85	116	171	80
Favorable (unfavorable) impact to operating expense	52	(50)	(69)	(101)	(139)	(25)
Net favorable (unfavorable) impact to operating income	$(17)	$(9)	$16	$15	$32	$55
Credit net charge-offs, reserve builds (releases) and credit losses						
Net charge-offs[2]	$78	$75	$90	$85	$74	$101
Reserve build (release)[3]	15	18	(4)	26	28	(27)
Credit Losses	$93	$93	$86	$111	$102	$74

(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. Hedging impact is recognized in international transaction revenue. Based on exchange rates on derivative positions as of June 30, 2026, estimated next 12 months hedging gains are $101M.

(2) Net charge-offs includes 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.

GAAP to non-GAAP reconciliations

Reconciliation of GAAP operating expenses to non-GAAP operating expenses

(In Millions/Unaudited)	Note	Three Months Ended June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	Year Ended December 31, 2025	2024	2023
GAAP operating expenses:														
Transaction expense		$ 4,385	$ 4,165	$ 4,252	$ 4,063	$ 3,968	$ 3,704	$ 3,997	$ 3,841	$ 3,942	$ 3,917	$ 15,987	$ 15,697	$ 14,385
Transaction and credit losses		397	378	390	483	476	371	434	352	335	321	1,720	1,442	1,682
Customer support and operations		462	446	446	447	413	398	451	427	436	454	1,704	1,768	1,919
Sales and marketing		546	518	691	521	583	488	626	508	446	421	2,283	2,001	1,809
Technology and development		849	793	804	801	767	731	773	746	718	742	3,103	2,979	2,973
General and administrative		503	491	502	513	461	503	594	519	570	464	1,979	2,147	2,059
Restructuring and other		113	74	80	69	116	66	50	63	113	212	331	438	(84)
Total operating expenses		$ 7,255	$ 6,865	$ 7,165	$ 6,897	$ 6,784	$ 6,261	$ 6,925	$ 6,456	$ 6,560	$ 6,531	$ 27,107	$ 26,472	$ 24,743
Non-GAAP operating expense adjustments:														
Sales and marketing	(a)	(23)	(23)	(25)	(39)	(41)	(40)	(40)	(40)	(40)	(42)	(145)	(162)	(166)
Technology and development	(a)	(3)	(1)	(1)	(1)	—	—	(1)	(4)	(5)	(7)	(2)	(17)	(33)
General and administrative	(a)	(8)	(8)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(28)	(28)	(28)
	(d)	—	(10)	—	—	—	—	—	—	—	—	—	—	—
	(e)	—	—	—	—	—	—	—	—	—	—	—	—	(4)
Restructuring and other	(b)	(46)	(11)	(6)	(1)	(92)	(39)	(13)	(36)	(83)	(175)	(138)	(307)	(122)
	(c)	—	—	—	—	—	—	—	1	—	—	—	1	(58)
	(d)	—	—	—	—	—	—	—	—	—	—	—	—	(21)
	(f)	—	—	—	—	—	—	—	—	—	—	—	—	339
Total operating expenses		$ (80)	$ (53)	$ (39)	$ (48)	$ (140)	$ (86)	$ (61)	$ (86)	$ (135)	$ (231)	$ (313)	$ (513)	$ (93)
Non-GAAP operating expenses:														
Transaction expense		4,385	4,165	4,252	4,063	3,968	3,704	3,997	3,841	3,942	3,917	$ 15,987	$ 15,697	$ 14,385
Transaction and credit losses		397	378	390	483	476	371	434	352	335	321	1,720	1,442	1,682
Customer support and operations		462	446	446	447	413	398	451	427	436	454	1,704	1,768	1,919
Sales and marketing		523	495	666	482	542	448	586	468	406	379	2,138	1,839	1,643
Technology and development		846	792	803	800	767	731	772	742	713	735	3,101	2,962	2,940
General and administrative		495	473	495	506	454	496	587	512	563	457	1,951	2,119	2,027
Restructuring and other		67	63	74	68	24	27	37	28	30	37	193	132	54
Total operating expenses		$ 7,175	$ 6,812	$ 7,126	$ 6,849	$ 6,644	$ 6,175	$ 6,864	$ 6,370	$ 6,425	$ 6,300	$ 26,794	$ 25,959	$ 24,650

(a) Amortization of acquired intangible assets.
(b) Restructuring.
(c) Right-of-use asset impairment and other charges associated with exiting certain leased properties as well as gains and losses associated with early lease terminations and owned property held for sale or sold.
(d) CEO exit costs associated with Alex Chriss' separation agreement, including severance payments and acceleration of restricted stock awards.
(e) Fees related to credit externalization.
(f) Gain on divestiture of business, net of transaction costs.

Reconciliation of GAAP operating income to non-GAAP operating income, Transaction margin dollars, and Transaction margin dollars ex-interest on customer balances and GAAP operating margin to non-GAAP operating margin and Transaction margin

	Three Months Ended										Year Ended December 31,		
(In Millions, Except Percentages/Unaudited)	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	2025	2024	2023
GAAP operating income	$ 1,427	$ 1,488	$ 1,511	$ 1,520	$ 1,504	$ 1,530	$ 1,441	$ 1,391	$ 1,325	$ 1,168	$ 6,065	$ 5,325	$ 5,028
Amortization of acquired intangible assets	34	32	33	47	48	47	48	51	52	56	175	207	227
Restructuring	46	11	6	1	92	39	13	35	83	175	138	306	180
Other	—	10	—	—	—	—	—	—	—	—	—	—	(314)
Total non-GAAP operating income adjustments	80	53	39	48	140	86	61	86	135	231	313	513	93
Non-GAAP operating income	1,507	1,541	1,550	1,568	1,644	1,616	1,502	1,477	1,460	1,399	6,378	5,838	5,121
Transaction margin adjustments:													
Customer support and operations	462	446	446	447	413	398	451	427	436	454	1,704	1,768	1,919
Sales and marketing	523	495	666	482	542	448	586	468	406	379	2,138	1,839	1,643
Technology and development	846	792	803	800	767	731	772	742	713	735	3,101	2,962	2,940
General and administrative	495	473	495	506	454	496	587	512	563	457	1,951	2,119	2,027
Restructuring and other	67	63	74	68	24	27	37	28	30	37	193	132	54
Non transaction-related expense	2,393	2,269	2,484	2,303	2,200	2,100	2,433	2,177	2,148	2,062	9,087	8,820	8,583
Transaction margin dollars	3,900	3,810	4,034	3,871	3,844	3,716	3,935	3,654	3,608	3,461	15,465	14,658	13,704
Interest on customer balances	281	274	293	321	318	298	332	339	341	272	1,230	1,284	918
Transaction margin dollars ex-interest on customer balances	$ 3,619	$ 3,536	$ 3,741	$ 3,550	$ 3,526	$ 3,418	$ 3,603	$ 3,315	$ 3,267	$ 3,189	$ 14,235	$ 13,374	$ 12,786
GAAP net revenues	$ 8,682	$ 8,353	$ 8,676	$ 8,417	$ 8,288	$ 7,791	$ 8,366	$ 7,847	$ 7,885	$ 7,699	$ 33,172	$ 31,797	$ 29,771
GAAP operating margin	*16.4 %*	*17.8 %*	*17.4 %*	*18.1 %*	*18.1 %*	*19.6 %*	*17.2 %*	*17.7 %*	*16.8 %*	*15.2 %*	*18.3 %*	*16.7 %*	*16.9 %*
Non-GAAP operating margin	*17.4 %*	*18.4 %*	*17.9 %*	*18.6 %*	*19.8 %*	*20.7 %*	*18.0 %*	*18.8 %*	*18.5 %*	*18.2 %*	*19.2 %*	*18.4 %*	*17.2 %*
Transaction margin	*44.9 %*	*45.6 %*	*46.5 %*	*46.0 %*	*46.4 %*	*47.7 %*	*47.0 %*	*46.6 %*	*45.8 %*	*45.0 %*	*46.6 %*	*46.1 %*	*46.0 %*

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

	Three Months Ended										Year Ended December 31,		
(In Millions, Except Percentages and Per Share Amount/Unaudited)	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	2025	2024	2023
GAAP income before income taxes	$ 1,310	$ 1,393	$ 1,627	$ 1,533	$ 1,529	$ 1,603	$ 1,410	$ 1,311	$ 1,399	$ 1,209	$ 6,292	$ 5,329	$ 5,411
GAAP income tax expense	206	280	190	285	268	316	289	301	271	321	1,059	1,182	1,165
GAAP net income	1,104	1,113	1,437	1,248	1,261	1,287	1,121	1,010	1,128	888	5,233	4,147	4,246
Non-GAAP adjustments to net income:													
Non-GAAP operating income adjustments (see table above)	80	53	39	48	140	86	61	86	135	231	313	513	93
Net (gains) losses on strategic investments and crypto assets held for investment	81	74	(117)	(9)	(12)	(39)	59	171	6	49	(177)	285	(201)
Other certain significant gains, losses, or charges	(12)	—	(223)	—	—	—	—	—	—	31	(223)	31	39
Tax effect of non-GAAP adjustments	(34)	(6)	19	1	(19)	(5)	(32)	(39)	(26)	(44)	(4)	(141)	63
Non-GAAP net income	$ 1,219	$ 1,234	$ 1,155	$ 1,288	$ 1,370	$ 1,329	$ 1,209	$ 1,228	$ 1,243	$ 1,155	$ 5,142	$ 4,835	$ 4,240
Shares used in diluted share calculation:													
GAAP	882	920	939	960	977	999	1,014	1,024	1,047	1,072	968	1,039	1,107
Non-GAAP	882	920	939	960	977	999	1,014	1,024	1,047	1,072	968	1,039	1,107
Net income per diluted share:													
GAAP	$ 1.25	$ 1.21	$ 1.53	$ 1.30	$ 1.29	$ 1.29	$ 1.11	$ 0.99	$ 1.08	$ 0.83	$ 5.41	$ 3.99	$ 3.84
Non-GAAP	$ 1.38	$ 1.34	$ 1.23	$ 1.34	$ 1.40	$ 1.33	$ 1.19	$ 1.20	$ 1.19	$ 1.08	$ 5.31	$ 4.65	$ 3.83
GAAP effective tax rate	16 %	20 %	12 %	19 %	18 %	20 %	20 %	23 %	19 %	27%	17 %	22 %	22 %
Tax effect of non-GAAP adjustments to net income	1%	(1%)	13%	(1%)	(1%)	(1%)	1%	(1%)	—%	(5%)	3%	(1%)	(2%)
Non-GAAP effective tax rate	17 %	19 %	25 %	18 %	17 %	19 %	21 %	22 %	19 %	22 %	20 %	21 %	20 %

Reconciliation of operating cash flow to free cash flow and adjusted free cash flow

(In Millions/Unaudited)	Three Months Ended										Year Ended December 31,		
	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	2025	2024	2023
Net cash provided by operating activities	$ 1,983	$ 1,134	$ 2,384	$ 1,974	$ 898	$ 1,160	$ 2,394	$ 1,614	$ 1,525	$ 1,917	$ 6,416	$ 7,450	$ 4,843
Less: Purchases of property and equipment	(208)	(231)	(194)	(256)	(206)	(196)	(203)	(169)	(157)	(154)	(852)	(683)	(623)
Free cash flow	1,775	903	2,190	1,718	692	964	2,191	1,445	1,368	1,763	5,564	6,767	4,220
Net timing impact between originating credit receivables as HFS and the subsequent sale of receivables	57	817	(95)	561	(36)	417	(93)	95	(228)	93	847	(133)	334
Adjusted free cash flow	$ 1,832	$ 1,720	$ 2,095	$ 2,279	$ 656	$ 1,381	$ 2,098	$ 1,540	$ 1,140	$ 1,856	$ 6,411	$ 6,634	$ 4,554

Definitions (page 1 of 2)

Our key metrics are calculated using internal company data based on the activity we measure on our payments platform and compiled from multiple systems, including systems that are internally developed or acquired through business combinations. While the measurement of our key metrics is based on what we believe to be reasonable methodologies and estimates, there are inherent challenges and limitations in measuring our key metrics globally at scale. The methodologies used to calculate our key metrics require significant judgment. We regularly review our processes for calculating these key metrics, and from time to time we may make adjustments to improve the accuracy or relevance of our metrics. For example, we continuously apply models, processes, and practices designed to detect and prevent fraudulent account creation on our platforms, and work to improve and enhance those capabilities. When we detect a significant volume of illegitimate activity, we generally remove the activity identified from our key metrics. Although such adjustments may impact key metrics reported in prior periods, we generally do not update previously reported key metrics to reflect these subsequent adjustments unless the retrospective impact of process improvements or enhancements is determined by management to be material.

Active accounts: An active account is an account registered directly with PayPal or a platform access partner that has completed a transaction on our platform, not including gateway-exclusive transactions, within the past 12 months. A platform access partner is a third party whose customers are provided access to PayPal's platform or services through such third party's login credentials, including individuals and entities that utilize Hyperwallet's payout capabilities. A user may register on our platform to access different products and may register more than one account to access a product. Accordingly, a user may have more than one active account. The number of active accounts provides management with additional perspective on the overall scale of our platform, but may not have a direct relationship to our operating results.

Monthly active accounts or "MAA" are a subset of Active Accounts (primarily PayPal and Venmo)[1] that have completed a transaction on our platform at least once during the month of measurement. The number of MAAs provides management with perspective on the overall scale of our platform reflecting recent usage but may not have a direct relationship to our operating results. MAAs presented at of the end of a quarter or year are the average of each month's MAAs in the respective quarter or year.

Number of payment transactions is 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 excluding Unbranded Card Processing[2] or "transactions ex. PSP" is the total number of payments, net of reversals, successfully completed on our payments platform or enabled by PayPal via a partner payment solution, excluding all unbranded card processing transactions and gateway-exclusive transactions.

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. The number of payment transactions per active account provides management with insight into the average number of times an account engages in payments activity on our payments platform in a given period. The number of times a consumer account or a merchant account transacts on our platform may vary significantly from the average number of payment transactions per active account.

Number of payment transactions per active account excluding unbranded card processing[2] or "TPA ex. PSP" reflects the total number of payment transactions within the previous 12-month period excluding all unbranded card processing transactions, divided by active accounts at the end of the period excluding unbranded card processing accounts. This metric provides management with insight into the average number of times an account engages in payments activity on our payments platform in a given period, apart from unbranded card processing activity.

(1) MAAs exclude Braintree, Hyperwallet, Zettle, and certain other products that do not reflect engagement from a consumer perspective.

(2) Unbranded Card Processing primarily comprises Braintree full-stack transactions and does not include gateway-exclusive transactions. Unbranded processing also includes unbranded credit and debit card processing on the PayPal platform.

Definitions (page 2 of 2)

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.

Branded checkout (online) TPV comprises PayPal branded checkout, Pay with Venmo, and eBay.

P2P & other consumer TPV comprises P2P (PayPal and Venmo), debit (PayPal and Venmo) except when used to fund a branded checkout (online) transaction, and remittances.

PSP TPV comprises unbranded card processing across Enterprise & SMB, as well as other merchant solutions (e.g., payouts, invoicing, point-of-sale solutions, etc.).

Branded experiences (online & offline) TPV comprises branded checkout (online), debit (PayPal and Venmo), and tap to pay.

Venmo TPV comprises Venmo P2P, Pay with Venmo, and Venmo debit.

Total take rate is total revenue divided by TPV.

Transaction take rate is transaction revenue divided by TPV.

Transaction expense rate is transaction expense divided by TPV.

Transaction loss rate is transaction losses divided by TPV.

Credit loss rate is credit losses divided by TPV.

Transaction margin or "TM" is total revenue less transaction expense and transaction and credit losses, divided by total revenue.

Transaction margin dollars ($) or "TM$" is total revenue less transaction expense and transaction and credit losses.

Transaction margin dollars excluding interest on customer balances is total revenue excluding interest on customer balances, less transaction expense and transaction and credit losses. Interest on customer balances is captured as part of Other Value Added Services (OVAS) revenue in this presentation and in our quarterly/annual SEC filings.

Upcoming calendar

Third Quarter 2026 Earnings October 27, 2026