

# **Bernstein 42<sup>nd</sup> Annual Strategic Decisions Conference**

**May 27, 2026**

**PayPal**

## 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," "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 second 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 the amount and timing of 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 May 27, 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.

# CEO Learnings and Actions

## Learnings from the first 90 days

- **Building on a strong foundation and valuable assets**
  - Customer trust built over more than two decades with leading brands, risk capabilities, technology, and teams at global scale
- **Operate in growing and changing markets**
  - Clear opportunity to innovate and drive medium- and long-term growth
- **Two-sided network is a core strength**
  - Strengthen consumer value proposition to increase platform value for merchants
- **Modernize and upgrade the technology platform**
  - Aggressive adoption of AI to increase developer productivity, shorten time-to-market, enable more resilient, scalable systems
- **Opportunity to simplify operations**
  - Streamline decision-making and define accountability to strengthen execution
- **Potential to reduce cost structure and invest in growth**
  - Generate savings that can be used for reinvestment in growth and to improve financial profile over time

## Taking action

- **Unlocking full growth opportunity with new operating model**
  - Strengthening ownership with clear accountability, enabling faster decision-making with improved execution
  - Realigning structure to distinct, attractive, and complementary market opportunities where PayPal has strong right to win
- **Optimizing cost structure through simplification and accelerated AI adoption**
  - At least \$1.5B gross run-rate savings anticipated over the next 2-3 years
  - AI transformation and simplification function to drive enterprise-wide growth and efficiency agenda
- **Reinvesting into technology modernization and most impactful growth initiatives**
  - Enabling greater speed and interoperability, with AI embedded in products and operations
  - Improving experience, presentation, selection in branded checkout
  - Deepening consumer relationships to grow ARPA and LTV
  - Accelerating Venmo with expanded consumer financial services

# Three Market Opportunities

High value market opportunities where PayPal has a differentiated right to win

<b>01</b>	<b>\$390B revenue TAM<sup>1</sup></b> Growing mid-single digits With <5% penetration	<b>Market dynamics and growth</b> <ul style="list-style-type: none"><li>↳ Growing use of digital wallets prioritizing convenience, security, rewards/loyalty</li><li>↳ Strong demand for flexible payment options, including buy now, pay later (BNPL)</li><li>↳ Attractive and growing verticals outside of retail</li></ul>	<b>PayPal's Right to Win</b> <ul style="list-style-type: none"><li>✓ Scaled, global, agnostic, two-sided network driving flywheel of greater consumer preference and merchant value</li><li>✓ Market-leading branded checkout merchant acceptance<sup>4</sup></li><li>✓ Strengthening experience, presentment, and selection drives industry-leading conversion rates</li><li>✓ Strong consumer trust built over decades and proven at scale</li></ul>
<b>02</b>	<b>\$210B revenue TAM<sup>2</sup></b> Growing low-double digits With <5% penetration	<b>Market dynamics and growth</b> <ul style="list-style-type: none"><li>↳ Growing use of digital banking solutions to handle everyday financial activities</li><li>↳ Demand for more complete, integrated capabilities that enable consumers to send, spend, save, invest, and borrow seamlessly</li></ul>	<b>PayPal's Right to Win</b> <ul style="list-style-type: none"><li>✓ Top, trusted fintech brand with digital-first consumer experience</li><li>✓ Large, growing, and engaged user base: #1 (PayPal) and #2 (Venmo) most popular payment apps in the US<sup>5</sup> and platform agnostic</li><li>✓ Momentum in driving BNPL, debit and credit card attach, and still underpenetrated across user base</li></ul>
<b>03</b>	<b>\$260B revenue TAM<sup>3</sup></b> Growing low-double digits With <1% penetration	<b>Market dynamics and growth</b> <ul style="list-style-type: none"><li>↳ Continued shift to digital and growing complexity of global payments</li><li>↳ Demand for integrated solutions that improve performance and deepen customer relationships through infrastructure and value-added services</li></ul>	<b>PayPal's Right to Win</b> <ul style="list-style-type: none"><li>✓ Holistic relationships with merchants, including value-added services</li><li>✓ Scale drives compounding advantage in performance, data, and reliability, with a cost structure positioned for reinvestment</li><li>✓ Low-cost, always-on crypto experiences with the largest federally regulated stablecoin</li></ul>

(1) Internal estimates. 2025 global online and in-store transaction revenue opportunity.

(2) Company Websites. 2025 remote only bank and neobank revenue opportunity in the US, UK, Germany, France, Italy, and Spain.

(3) Internal Estimates. C2B acquiring, B2B acquiring, C2B cross border, value-added services.

(4) Presence across top 100 ecommerce merchants and marketplaces in 2025.

(5) 2024 eMarketer survey on mobile payment use among US adults.

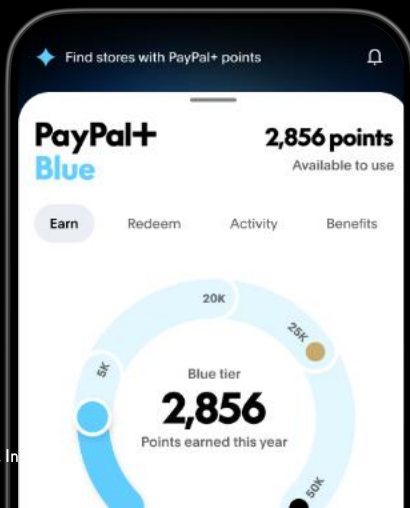
# New Operating Model

Realigning to accelerate execution of growth priorities, streamline decision-making, and drive innovation

## Checkout Solutions & PayPal

### Market Opportunities: Checkout, CFS

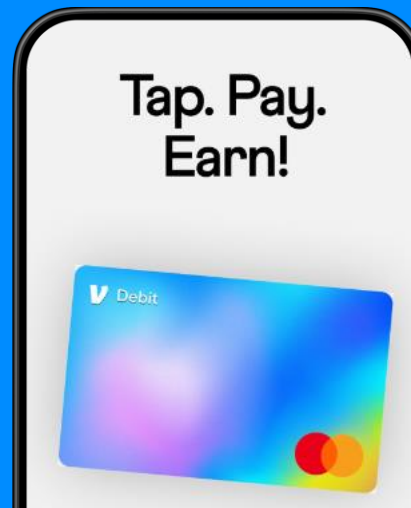
Brings together consumer and merchant ecosystems under one unified strategy, spanning PayPal checkout, PayPal wallet, PayPal World, and ads to fully leverage our two-sided network and accelerate innovation across both sides of the platform.



## Consumer Financial Services & Venmo

### Market Opportunity: CFS

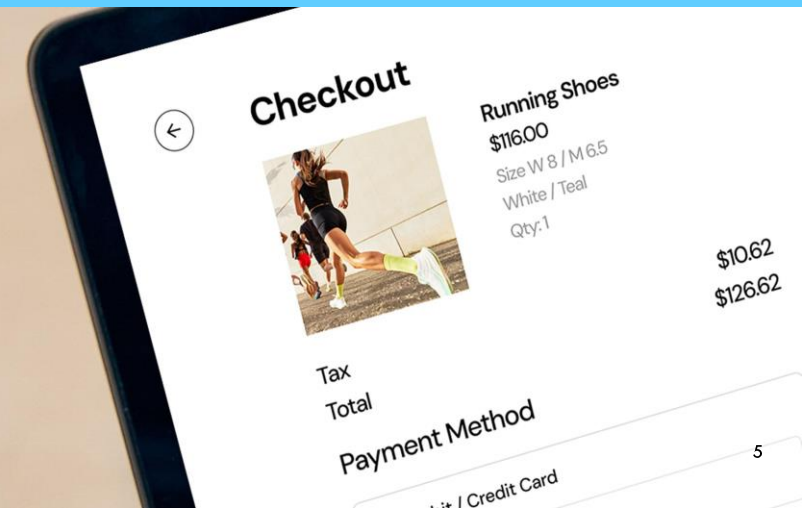
Builds on the strong momentum Venmo has established and aims to expand into a broader consumer financial services platform, enabling consumers to send, spend, save, invest, and borrow seamlessly.



## Payment Services & Crypto

### Market Opportunity: Payment Processing & VAS

Unifies payment processing and platform capabilities – including Braintree, SMB processing, crypto (including PYUSD), and value-added services – into a single, scalable offering for merchants.



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

Three broad drivers, phased through 2029. '26 benefits in current guide<sup>1</sup>.

	2026	2027	2028	2029	Expected gross run-rate savings
<b>1. Simplified structure &amp; alignment</b> <i>Optimize spans, layers, and location of workforce</i>	Simplified operating model				~20-30% of total savings
	Optimize role ratios	Refine location strategies			
	Reduce spans and layers across organization				
<b>2. Operational &amp; portfolio optimization</b> <i>Drive productivity, process improvements and efficiencies</i>	Portfolio and geographic optimization				~30-40% of total savings
	Improve productivity and performance across business units and enabling functions				
	Increase efficiency in marketing, outside services & vendor spend				
<b>3. Accelerated AI Adoption</b> <i>Integrate AI, automation across the business</i>	Technology modernization and focus on customer support redesign				~40% of total savings
	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				

**At least \$1.5B  
Gross run-rate savings**

# Modernizing our technology platform

Cloud Modernization	One Platform	Target State Architecture
<p>Global, horizontally scaled, fully automated, cloud-based infrastructure</p> <p>Migrating core systems and replacing aging databases</p>	<p>One identity platform, one risk API, and one payments stack across all brands driving optimal performance and total cost of ownership</p> <p>Built for global scale and local data residency – faster market entry, stronger reliability, and lower long-term cost</p>	<p>Leverage identity, payment &amp; other competitive advantages</p> <p>Deliver benefits in authentication, authorization, profile, onboarding, digital wallet capabilities, accepted payment methods, acquiring, processing and VAS</p>

## AI Driven Development and Quality through Rigor

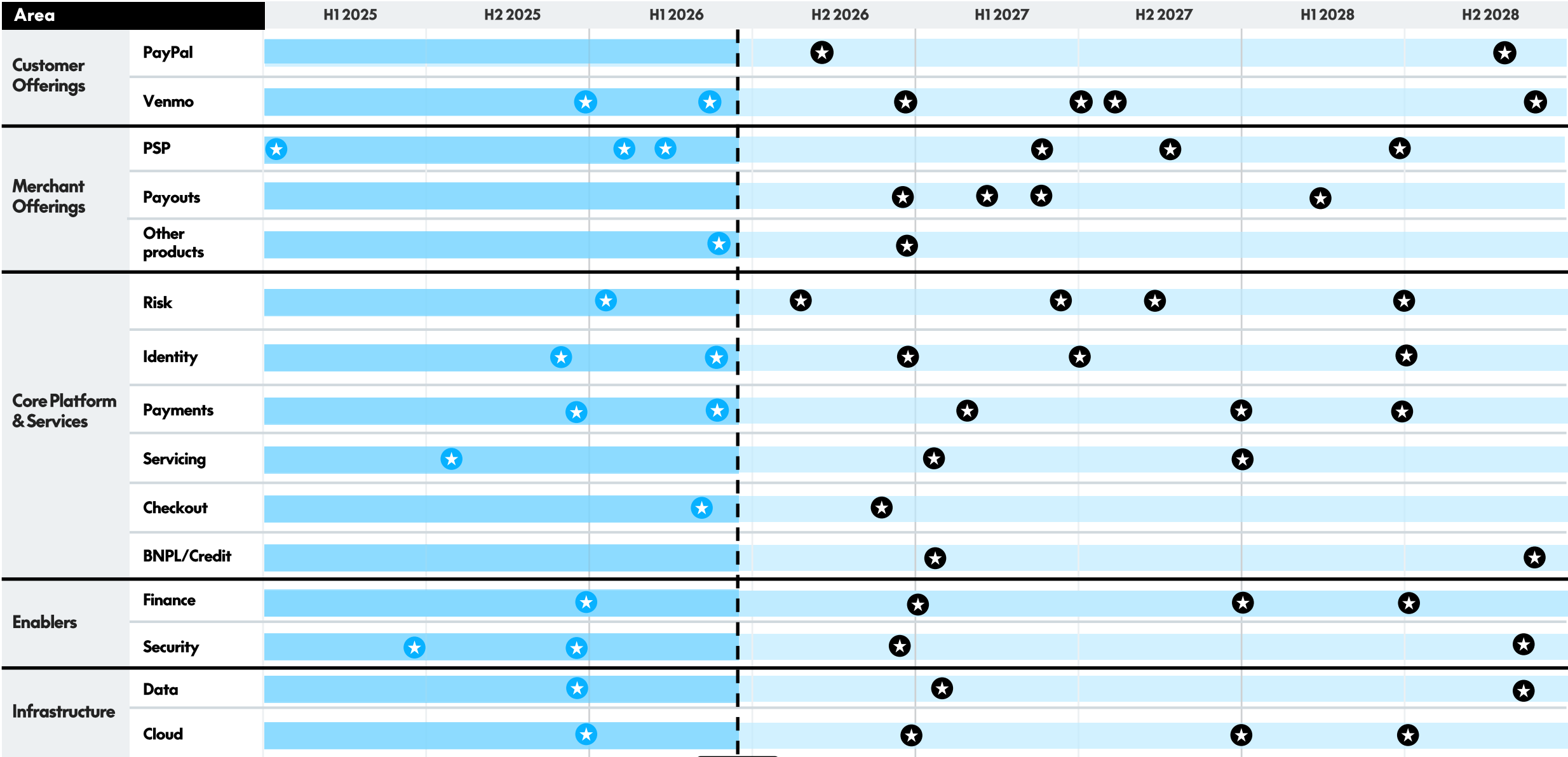
- AI and agentic pipelines embedded across software development lifecycle – modernizing legacy code & accelerating engineering productivity
- AI woven into the customer experience – sharper risk detection, faster servicing, and more personalized journeys
- Enterprise-grade resilience built into money movement - automated payment safeguards, real-time transaction controls, and live settlement monitoring

## Examples in action today:

<p><b>Modern security solutions</b> → <b>lower fraud</b></p> <p>Modern security solutions mitigating 99% of US account takeovers while substantially reducing related friction</p>	<p><b>5 brands</b> → <b>1 unified identity experience</b></p> <p>One identity powers 90%+ of customer login experiences across brands – including PayPal, Venmo, Xoom, Zettle, Hyperwallet</p>	<p><b>6 weeks</b> → <b>1 day</b></p> <p>AI rebuilt old merchant pages from C++ to modern code — 6 weeks of work, now done in a day<sup>1</sup></p>
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(1) Example cites code rebuild of a merchant user interface; rebuilds will vary in timeline

# We are executing our technology plan through 2028

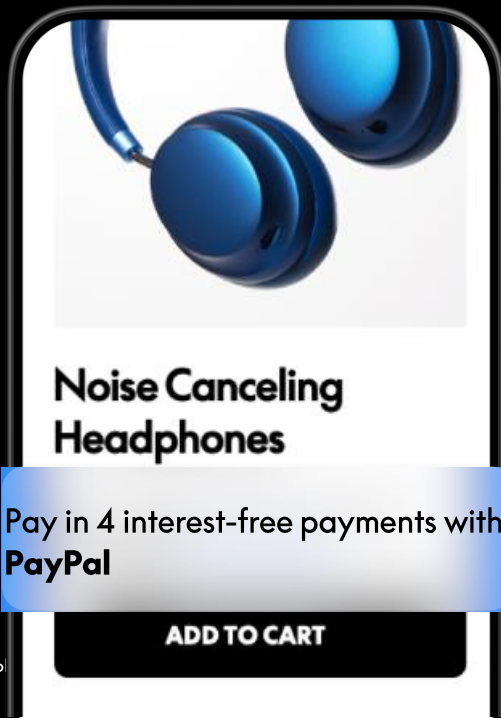


We're here

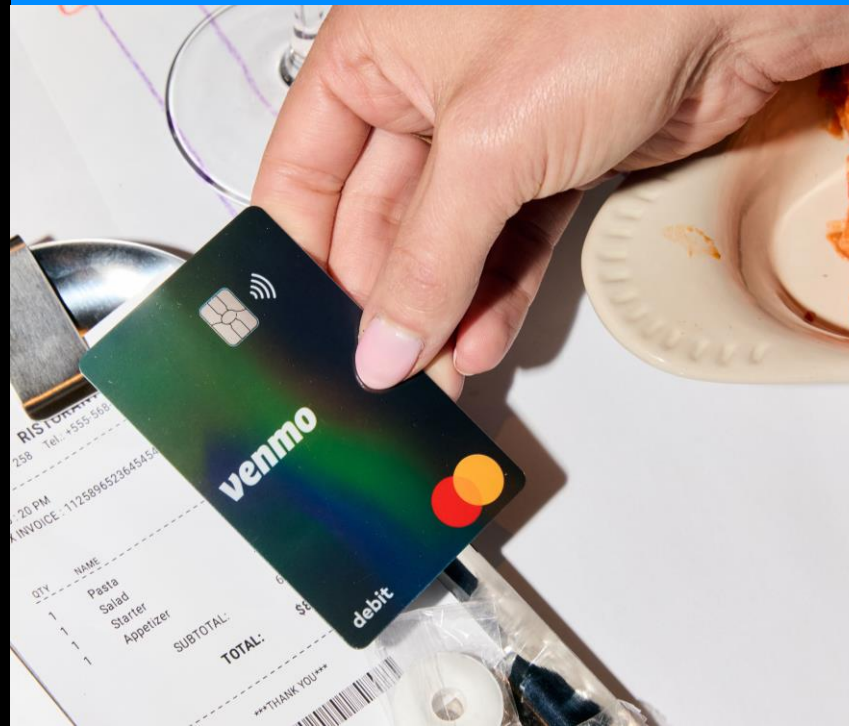
# Investing for growth

Rigorously prioritizing investment opportunities to drive the highest return

## Checkout Solutions & PayPal



## Consumer Financial Services & Venmo



## Payment Services & Crypto

**GRUBHUB**

Payment Optimization &  
Pinless Debit



Pinless Debit

**Z ZWIFT**

Fraud Protection Advanced