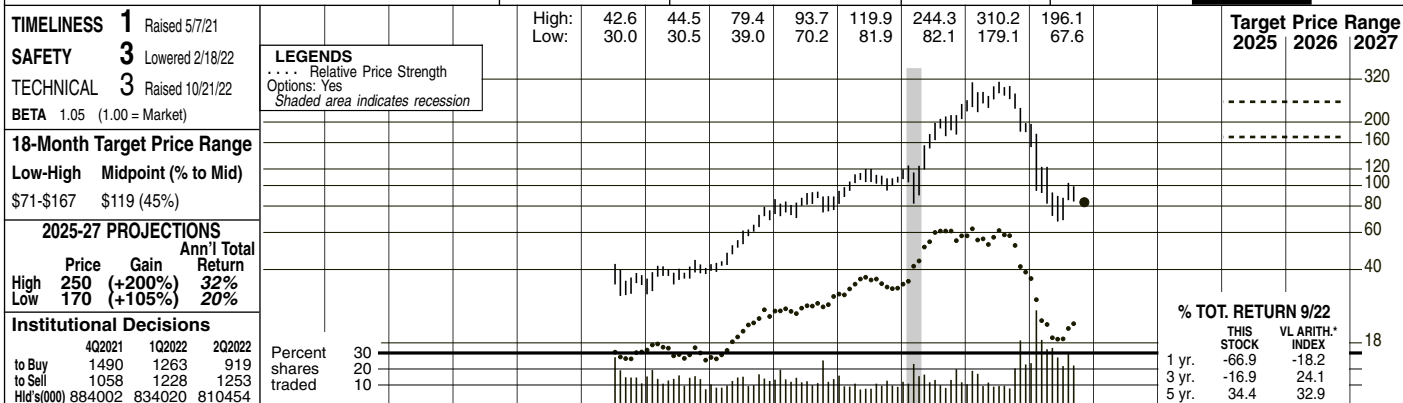


PAYPAL HOLDINGS NDQ-PYPL

RECENT PRICE **83.32** P/E RATIO **49.9** (Trailing: 47.9 Median: NMF) RELATIVE P/E RATIO **3.30** DIV'D YLD **Nil** VALUE LINE



PayPal Holdings, Inc. had been a subsidiary of eBay Inc. since 2002. In July 2015, eBay spun off PayPal, where shareholders received one PayPal share for every eBay share held. PayPal began regular trading on the NASDAQ Exchange under the ticker PYPL on July 20th.

CAPITAL STRUCTURE as of 6/30/22
 Total Debt \$10.198 bill. Due in 5 Yrs None
 LT Debt \$10.198 bill. Lt Interest \$360 mill.
 (34% of Cap'l)

No Defined Benefit Pension Plan

Leases, Uncapitalized Annual Rentals \$160.0 mill.
Pfd Stock None

Common Stock 1,156,000,000 shs.

MARKET CAP: \$96 billion (Large Cap)

CURRENT POSITION	2020	2021	6/30/22
Cash Assets	13083	9500	9306
Accounts Rec.	577	800	867
Inventory			
Other	37335	42274	45079
Current Assets	50995	52574	55252

Accounts Payable	252	197	156
Debt Due			
Other	38195	42832	44939
Current Liab.	38447	43029	45095

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '19-'21
of change (per sh)			to '25-'27
Revenues	--	17.5%	9.5%
"Cash Flow"	--	20.0%	10.5%
Earnings	--	23.0%	12.0%
Dividends	--	--	Nil
Book Value	--	7.5%	8.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2019	4128	4305	4378	4961	17772
2020	4618	5261	5459	6116	21454
2021	6033	6238	6182	6918	25371
2022	6483	6806	7100	7411	27800
2023	7500	7650	7850	8150	31150

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2019	.56	.69	.39	.43	2.07
2020	.07	1.29	.86	1.32	3.54
2021	.92	1.00	.92	.68	3.52
2022	.43	d.29	.35	.76	1.25
2023	.85	1.00	1.15	1.20	4.20

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018					
2019					
2020					
2021					
2022					

NO CASH DIVIDENDS BEING PAID

	2012	2013 ^B	2014 ^B	2015	2016	2017	2018	2019	2020	2021	2022	2023	© VALUE LINE PUB. LLC	25-27
Revenues per sh	--	--	--	7.56	8.98	10.91	13.16	15.15	18.31	21.72	24.15	27.30	Revenues per sh	31.70
"Cash Flow" per sh	--	--	--	1.50	1.76	2.17	2.41	2.87	4.60	4.65	2.35	5.40	"Cash Flow" per sh	7.45
Earnings per sh ^A	--	--	--	1.00	1.15	1.47	1.71	2.07	3.54	3.52	1.25	4.20	Earnings per sh ^A	6.00
Div'ds Decl'd per sh	--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
Cap'l Spending per sh	--	--	--	.59	.55	.56	.70	.60	.74	.78	.85	.90	Cap'l Spending per sh	1.35
Book Value per sh	--	--	--	11.24	12.19	13.33	13.11	14.39	17.08	18.60	18.70	21.95	Book Value per sh	26.80
Common Shs Outst'g ^C	--	--	--	1224.0	1207.0	1200.0	1174.0	1173.0	1172.0	1168.0	1150	1140	Common Shs Outst'g ^C	1120
Avg Ann'l P/E Ratio	--	--	--	NMF	33.2	37.8	48.2	NMF	45.5	NMF	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	35.0
Relative P/E Ratio	--	--	--	NMF	1.74	1.90	2.60	NMF	2.34	NMF			Relative P/E Ratio	1.95
Avg Ann'l Div'd Yield	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
Revenues (\$mill)	--	6727.0	8025.0	9248.0	10842	13094	15451	17772	21454	25371	27800	31150	Revenues (\$mill)	35500
Operating Margin	--	23.0%	22.2%	22.9%	21.3%	23.4%	21.1%	20.8%	21.5%	22.0%	15.5%	23.5%	Operating Margin	27.5%
Depreciation (\$mill)	--	453.0	516.0	608.0	724.0	805.0	776.0	912.0	1189.0	1265.0	1275	1350	Depreciation (\$mill)	1600
Net Profit (\$mill)	--	955.0	419.0	1228.0	1401.0	1795.0	2057.0	2459.0	4202.0	4169.0	1440	4790	Net Profit (\$mill)	6725
Income Tax Rate	--	11.9%	66.8%	17.5%	14.1%	18.4%	13.4%	18.0%	17.0%	17.0%	17.5%	17.0%	Income Tax Rate	18.0%
Net Profit Margin	--	14.2%	5.2%	13.3%	12.9%	13.7%	13.3%	13.8%	19.6%	16.4%	5.2%	15.4%	Net Profit Margin	18.9%
Working Cap'l (\$mill)	--	3359.0	4282.0	7031.0	8855.0	9782.0	7059.0	11576	12548	9545.0	12000	13500	Working Cap'l (\$mill)	16250
Long-Term Debt (\$mill)	--	--	--	--	--	--	--	4965.0	8939.0	8049.0	10000	7750	Long-Term Debt (\$mill)	6250
Shr. Equity (\$mill)	--	7390.0	8248.0	13759	14712	15994	15386	16885	20019	21727	21500	25000	Shr. Equity (\$mill)	30000
Return on Total Cap'l	--	12.9%	5.1%	8.9%	9.5%	11.2%	13.4%	11.5%	14.9%	14.4%	5.0%	15.0%	Return on Total Cap'l	19.0%
Return on Shr. Equity	--	12.9%	5.1%	8.9%	9.5%	11.2%	13.4%	14.6%	21.0%	19.2%	6.5%	19.0%	Return on Shr. Equity	22.5%
Retained to Com Eq	--	12.9%	5.1%	8.9%	9.5%	11.2%	13.4%	14.6%	21.0%	19.2%	6.5%	19.0%	Retained to Com Eq	22.5%
All Div'ds to Net Prof	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

BUSINESS: PayPal Holdings, Inc. operates a technology platform that enables digital and mobile payments by consumers and merchants throughout the world. It offers a wide range of payment solutions under the brands: PayPal, PayPal Credit, Venmo, Xoom, Paydiant, and Braintree. Has more than 305 million active users. In 2021, approximately 19.3 billion transactions were completed on its

platform. From 2002 to July 2015, PayPal was a wholly-owned subsidiary of eBay. The company employs more than 30,000 individuals. President & CEO: Daniel H. Schulman. Off./Dir. own less than 1% of the common stock; Vanguard, 8.0% (4/22 proxy). Incorporated: DE. Address: 2211 North First Street, San Jose, California 95131. Telephone: 408-967-1000. Internet: www.paypal.com

PayPal's bottom line dipped into the red in the June period. The global payment processor reported a loss of \$0.29 per share in the second quarter, owing largely to an uptick in transaction expenses, credit losses, and other expenses. On a brighter note, operating costs, such as general & administrative and R&D, showed signs of cooling, suggesting that management should be able to quickly right the ship and return the company to the black in the third quarter. Even so, we are lowering our full-year 2022 earnings estimate by \$1.90, to \$1.25 per share.

shape, even after taking on some debt. PayPal issued \$3.0 billion in senior notes, which, at the end of the second quarter, lifted its long-term obligations above \$10.0 billion, or roughly 34% of total capital. Meanwhile, cash reserves are healthy, and the company remains active on the stock buyback front.

Our top-line projection is being reduced, as well. PayPal generated revenues of \$6.8 billion in the June period. The figure rose 9% year over year, but considerably missed our mark. Operating metrics, namely Total Payment Volume (+9% annually) and total active accounts (+6%) represented decent growth rates, despite lagging consensus targets. On balance, we now look for revenues of \$27.8 billion this year (down from our previous estimate of \$28.8 billion), which is more closely aligned with leadership's outlook. **The balance sheet is still in good**

The company should continue to make strides on product development enhanced service capabilities. Indeed, the global payment landscape is ever-evolving, and management is keen on keeping its products and services fresh and relevant for its expanding customer base. Most recently, PayPal introduced in-store Tap to Pay functionality in some locations, launched crypto transfers between PayPal and other wallets, and further expanded its buy-now-pay-later offerings.

A variety of investors ought to find these shares appealing. The equity is pegged to outperform the broader market averages over the coming six to 12 months (Timeliness: 1). Too, capital recovery potential is wide out to mid-decade. *Nicholas Patrikis November 4, 2022*

(A) Diluted earnings. Earnings may not sum to total due to rounding. Next earnings report due early February.	forma.	Company's Financial Strength	A
(B) Figures for full-year 2013 and 2014 are pro	(C) In millions.	Stock's Price Stability	40
		Price Growth Persistence	95
		Earnings Predictability	60