

PAYPAL HOLDINGS NDQ-PYPL

RECENT PRICE **60.77** P/E RATIO **13.8** (Trailing: 15.3 Median: NMF) RELATIVE P/E RATIO **0.75** 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 3/31/24
 Total Debt \$9.683 bill. Due in 5 Yrs \$1.285 bill
 LT Debt \$9.683 bill. Lt Interest \$360 mill.
 (32% of Cap'l)

No Defined Benefit Pension Plan

Leases, Uncapitalized Annual Rentals \$161.0 mill.
Pfd Stock None

Common Stock 1,053,000,000 shs.

MARKET CAP: \$64 billion (Large Cap)

CURRENT POSITION	2022	2023	3/31/24
Cash Assets	10868	14060	14318
Accounts Rec.	963	1069	1108
Inventory	-	-	-
Other	45686	47440	48280
Current Assets	57517	62569	63706
Accounts Payable	126	139	108
Debt Due	-	1249	-
Other	44975	47078	49738
Current Liab.	45101	48466	49846

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23
of change (per sh)			
Revenues	--	17.5%	7.0%
"Cash Flow"	--	15.5%	10.0%
Earnings	--	17.0%	11.5%
Dividends	--	--	Nil
Book Value	--	7.5%	7.5%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2021	6033	6238	6182	6918	25371
2022	6483	6806	6846	7383	27518
2023	7040	7287	7418	8026	29771
2024	7699	7800	8000	8251	31750
2025	8000	8150	8300	8550	33000

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2021	.92	1.00	.92	.68	3.52
2022	.43	d.29	1.15	.81	2.09
2023	.70	.92	.93	1.29	3.84
2024	.83	1.00	1.25	1.32	4.40
2025	.90	1.10	1.35	1.50	4.85

Cal-endar	QUARTERLY DIVIDENDS PAID				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2020					
2021					
2022					
2023					
2024					

NO CASH DIVIDENDS BEING PAID

	2014 ^B	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
Revenues per sh	--	7.56	8.98	10.91	13.16	15.15	18.31	21.72	24.22	27.77	31.00	33.00	Revenues per sh	36.50
"Cash Flow" per sh	--	1.50	1.76	2.17	2.41	2.87	4.60	4.65	3.29	4.96	5.75	6.30	"Cash Flow" per sh	7.65
Earnings per sh ^A	--	1.00	1.15	1.47	1.71	2.07	3.54	3.52	2.09	3.84	4.40	4.85	Earnings per sh ^A	6.05
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	.62	.58	.90	.95	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	17.85	19.64	21.85	24.00	Book Value per sh	28.75
Common Shs Outst'g ^C	--	1224.0	1207.0	1200.0	1174.0	1173.0	1172.0	1168.0	1136.0	1072.0	1025.0	1000.0	Common Shs Outst'g ^C	1000.0
Avg Ann'l P/E Ratio	--	NMF	33.2	37.8	48.2	NMF	45.5	NMF	46.8	17.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	25.0
Relative P/E Ratio	--	NMF	1.74	1.90	2.60	NMF	2.34	NMF	2.70	.98			Relative P/E Ratio	1.40
Avg Ann'l Div'd Yield	--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil
Revenues (\$mill)	8025.0	9248.0	10842	13094	15451	17772	21454	25371	27518	29771	31750	33000	Revenues (\$mill)	36500
Operating Margin	22.2%	22.9%	21.3%	23.4%	21.1%	20.8%	21.5%	22.0%	19.5%	20.2%	23.5%	24.0%	Operating Margin	27.0%
Depreciation (\$mill)	516.0	608.0	724.0	805.0	776.0	912.0	1189.0	1265.0	1317.0	1072.0	1400	1450	Depreciation (\$mill)	1600
Net Profit (\$mill)	419.0	1228.0	1401.0	1795.0	2057.0	2459.0	4202.0	4169.0	2419.0	4246.0	4510	4850	Net Profit (\$mill)	6050
Income Tax Rate	66.8%	17.5%	14.1%	18.4%	13.4%	18.0%	17.0%	--	28.1%	21.5%	21.0%	21.0%	Income Tax Rate	21.0%
Net Profit Margin	5.2%	13.3%	12.9%	13.7%	13.3%	13.8%	19.6%	16.4%	8.8%	14.3%	14.2%	14.7%	Net Profit Margin	16.6%
Working Cap'l (\$mill)	4282.0	7031.0	8855.0	9782.0	7059.0	11576	12548	9545.0	12416	14103	14250	14850	Working Cap'l (\$mill)	16250
Long-Term Debt (\$mill)	--	--	--	--	--	4965.0	8939.0	8049.0	10417	9676.0	8000	7500	Long-Term Debt (\$mill)	6250
Shr. Equity (\$mill)	8248.0	13759	14712	15994	15386	16885	20019	21727	20274	21051	22500	24000	Shr. Equity (\$mill)	28750
Return on Total Cap'l	5.1%	8.9%	9.5%	11.2%	13.4%	11.5%	14.9%	14.4%	8.4%	14.4%	15.5%	16.0%	Return on Total Cap'l	17.5%
Return on Shr. Equity	5.1%	8.9%	9.5%	11.2%	13.4%	14.6%	21.0%	19.2%	11.9%	20.2%	20.0%	20.0%	Return on Shr. Equity	21.0%
Retained to Com Eq	5.1%	8.9%	9.5%	11.2%	13.4%	14.6%	21.0%	19.2%	11.9%	20.2%	20.0%	20.0%	Retained to Com Eq	21.0%
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 425 million active users. In 2023, approximately 25.0 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: Alex Chriss. Off./Dir. own less than 1% of the common stock; Vanguard, 8.4% (4/24 proxy). Incorporated: DE. Address: 2211 North First Street, San Jose, California 95131. Telephone: 408-967-1000. Internet: www.paypal.com

PayPal started the year off on a bright note. First-quarter revenues of \$7.7 billion, or a 9% annual advance, came in better than anticipated, thanks largely to improving operating metrics during the period, such as total payment volumes, payment transactions, and transactions per active account. On the earnings front, PayPal reported profits of \$0.83 per share, up 19% versus the previous-year figure. Operating margins improved nearly 1% year over year, supporting the gain. Based on our model, we look for top- and bottom-line expansion of 7% and 15%, respectively, in 2024.

The stock price has treaded water for much of this year. From a financial standpoint, the company has performed decently over the past year or so. That said, few price catalysts have been present, and investors appear somewhat unenthusiastic about the current year's projected growth rates. In the same breath, our Timeliness Ranking System pegs PayPal shares as just an Average (3) selection for relative year-ahead price performance.

We think better days probably lie *Nicholas Patrikis* August 2, 2024

(A) Diluted earnings. Earnings may not sum to total due to rounding. Next earnings report due early October.	forma.	Company's Financial Strength	B++
(B) Figures for full-year 2013 and 2014 are pro forma.	(C) In millions.	Stock's Price Stability	40
		Price Growth Persistence	60
		Earnings Predictability	50