

PayPal Holdings Inc

PayPal Holdings operates as a technology platform company that enables digital and mobile payment services to consumers and merchants worldwide. It enables consumers to transact with merchants without sharing their financial data. Sales increased (y/y) 11% (+12% in c.c.) to USD6.9bn (better than cons.), on growth in both transactions (+11%, led by Braintree) and other VAS (+6%). TPV rose 9% y/y (+14% y/y in c.c.; Q2 2022: +9% y/y) to USD337bn. Excluding eBay (Hold, Price/Target: USD 40.57/45.00), TPV grew 10% y/y (+15% y/y in c.c.). NNA fell to 2.9m from 13.3m in Q3 2021 and 0.4m in Q2 2022, while the TTR improved 4bps y/y (flat q/q) to 1.85%. Also, payment transactions vol. inclined 15% y/y to 5.6bn and the total number of active accounts stood at 432m (+4% y/y and +1% q/q). The adj. OM contracted 140bps y/y to 22.4% (Q3 2020: 27.2%). Adj. NI fell 5% y/y to USD1.3bn, resulting in adj. EPS of USD 1.08 (-3% y/y; above cons.). For Q4 2022, PYPL expects net revenues of ca USD7.38bn (+7% y/y and +9% y/y in c.c.; 5% miss) and adj. EPS of USD 1.18-USD1.20. For 2022, PYPL lowered its revenue growth guidance to ca 10% in c.c. (vs +11% in c.c. earlier) while raised its adj. EPS forecast to USD 4.07-USD 4.09 (vs USD 3.87-USD 3.97 earlier; 4% beat).

Corporate Ratings		Periodicity	Fiscal Quarterly	Currency	Default	Parent/Consolidated			C	Data	Adjusted (if Available)			
S&P	A-	Income Statement Summary	03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q	
Outlook	Stable		Revenue	6,981.0	7,383.4	27,053.0	6,846.0	6,806.0	6,483.0	6,918.0	6,182.0	6,238.0	6,033.0	6,116.0
Moody's	A3		Operating Income	1,475.4	1,635.1	3,827.0	1,174.0	854.0	747.0	1,052.0	1,044.0	1,128.0	1,100.0	1,007.0
Outlook	Stable		Pretax Income	1,376.6	1,595.0	3,599.0	1,139.0	811.0	651.0	998.0	993.0	1,074.0	1,050.0	962.0
Fitch	A-		Income bef XO Items	815.7	994.3	2,299.0	1,330.0	-341.0	509.0	801.0	1,087.0	1,184.0	1,097.0	1,567.0
Outlook	Stable	Net Income	1,194.8	1,367.4	3,162.0	918.1	712.8	527.6	1,003.5	1,002.0	963.2	1,181.9	915.9	
CDS Data		Basic EPS Before XO Items	--	--	2.72	0.80	0.62	0.45	0.86	0.85	0.82	1.01	0.78	
5 YR CDS	N/A Currency	Basic EPS	1.05	1.19	4.00	1.08	0.93	0.88	1.11	1.11	1.15	1.22	1.08	
% 3 Months	N/A Currency	Diluted EPS Before XO Items	--	--	2.71	0.79	0.62	0.45	0.85	0.85	0.81	0.99	0.77	
% 6 Months	N/A Currency	Diluted EPS	--	--	1.97	1.15	-0.29	0.43	0.68	0.92	1.00	0.92	1.32	
% 1 Year	N/A Currency	Dividends per Share	--	--	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
52 Week Low	N/A Currency	EBITDA	1,723.4	1,884.3	6,768.0	1,862.0	1,635.0	1,554.0	1,717.0	1,683.0	1,861.0	1,867.0	1,703.0	
52 Week High	N/A Currency	Return on Common Equity	14.7	19.1	10.9	10.9	10.1	17.9	20.0	24.3	25.3	29.5	22.8	
Profitability		Balance Sheet Summary		03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
EBIT	3,827	Total Current Assets	55,105.0	55,105.0	55,252.0	52,382.0	52,574.0	54,130.0	53,231.0	53,432.0	50,995.0			
Operating Margin	14.15	Total Long-Term Assets	21,330.0	21,330.0	22,558.0	23,423.0	23,229.0	20,404.0	20,585.0	19,085.0	19,384.0			
Pretax Margin	13.30	Total Assets	76,435.0	76,435.0	77,810.0	75,805.0	75,803.0	74,534.0	73,816.0	72,517.0	70,379.0			
Return on Assets	4.19	Total Current Liabilities	43,228.0	43,228.0	45,095.0	43,967.0	43,029.0	41,695.0	41,268.0	41,340.0	38,447.0			
Return on Common Equity	14.93	Total Long-Term Liabilities	12,943.0	12,943.0	12,948.0	11,235.0	11,047.0	10,749.0	11,643.0	11,736.0	11,869.0			
Return on Capital	10.97	Total Liabilities	56,171.0	56,171.0	58,043.0	55,202.0	54,076.0	52,444.0	52,911.0	53,076.0	50,316.0			
Asset turnover	0.36	Total Shareholders' Equity	20,264.0	20,264.0	19,767.0	20,603.0	21,727.0	22,090.0	20,905.0	19,441.0	20,063.0			
Structure		Shares Outstanding	1,147.0	1,147.0	1,156.0	1,161.0	1,168.0	1,174.0	1,175.0	1,174.0	1,174.0			
Current Ratio	1.27	Book Value per Share	19.3	18.6	17.7	17.7	17.1	17.7	18.6	18.8	17.8			
Quick Ratio	0.27	Tangible Book Value / Sh			7.3	7.3	6.6	6.9	7.7	10.0	8.9			
Total Debt to Total Assets	14.34	Shareholder Equity/Total Liab			26.5	26.5	25.4	27.2	28.7	29.6	28.3			
Total Debt to Com Equity	54.08	Cash Flow Summary		03/23 E	12/22 E	LTM	09/22 Q	06/22 Q	03/22 Q	12/21 Q	09/21 Q	06/21 Q	03/21 Q	12/20 Q
Acct Receivable Turnover	33.30	Net Income	815.7	994.3	2,299.0	1,330.0	-341.0	509.0	801.0	1,087.0	1,184.0	1,097.0	1,567.0	
Inventory Turnover	--	Depreciation and Amortization	224.9	212.5	844.0	211.0	213.0	210.0	210.0	213.0	206.0	194.0	193.0	
Gross Margin	--	Change in Working Capital	--	--	-558.0	1,720.0	1,742.0	-1,130.0	-2,890.0	472.0	-129.0	-456.0	-910.0	
EBIT / Total Inter	13.97	Cash - Operating Activities	6,419.0	1,948.0	1,466.0	1,242.0	1,763.0	1,513.0	1,306.0	1,758.0	1,347.0			
Growth Potential		Capital Expenditures	-256.0	-248.0	-761.0	-182.0	-175.0	-191.0	-213.0	-227.0	-247.0	-221.0	-226.0	
Sales 1yr Growth	18.26	Cash - Investing Activities	-6,415.0	1,381.0	-3,916.0	-751.0	-3,129.0	326.0	-1,099.0	-1,583.0	-2,934.0			
Asset 1yr Growth	7.71	Cash - Financing Activities	-3,249.0	-3,289.0	1,291.0	-677.0	-574.0	-888.0	-189.0	785.0	2,505.0			
Capital 1yr Growth	2.52	Net Changes in Cash	-3,245.0	40.0	-1,159.0	-186.0	-1,940.0	951.0	18.0	960.0	918.0			
		Free Cash Flow	1,330.1	1,459.7	5,658.0	1,766.0	1,291.0	1,051.0	1,550.0	1,286.0	1,059.0	1,537.0	1,121.0	

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