

# Annual Financial Report: Adyen N.V. – 2025

## I. Executive Summary

Adyen N.V. concluded 2025 with a stellar performance, solidifying its position as a global leader in the financial technology sector. The company achieved remarkable revenue growth, driven by strong demand for its unified commerce platform, the expansion of embedded financial services, and a significant increase in transaction volumes across digital and physical channels. Strategic investments in AI-driven fraud detection, infrastructure scalability, and market expansion—particularly in Asia-Pacific and North America—further strengthened Adyen's competitive position. Despite navigating a challenging regulatory landscape and rising operational costs, Adyen maintained a robust balance sheet, delivering consistent value to shareholders while advancing its innovation agenda. The year highlighted Adyen's ability to balance growth, profitability, and long-term sustainability in a dynamic fintech environment.

## II. Key Financial Metrics

Adyen's financial performance in 2025 demonstrated resilience and strategic execution, with key metrics reflecting sustained growth and operational efficiency:

- **Total Revenue (Sales):** €2.5 billion, a 25% increase from €2.0 billion in 2024, driven by global transaction volumes, new merchant acquisitions, and expanded service offerings.
- **Net Income:** €600 million, up 20% from €500 million in 2024, reflecting disciplined cost management and strong revenue growth.
- **Operating Profit:** €800 million, a 33% increase from €600 million in 2024, supported by operational efficiencies and higher transaction margins.
- **Earnings Per Share (EPS):** €8.00, a 15% improvement from €6.96 in 2024, supported by consistent profitability and share repurchasing.
- **Return on Equity (ROE):** 24%, within the target range of 20–30%, indicating efficient use of shareholder capital.
- **Net Margin:** 24%, slightly down from 25% in 2024, due to increased investments in technology and market expansion.
- **Operating Margin:** 32%, up from 30% in 2024, reflecting improved operational leverage.
- **Transaction Volume Processed:** €1.2 trillion, a 28% year-over-year increase, fueled by growth in e-commerce, mobile payments, and cross-border transactions.

## III. Income and Expense Overview

## Revenue Breakdown

Adyen's revenue growth in 2025 was propelled by its core payment processing services, unified commerce solutions, and emerging embedded finance products:

- **Payment Processing:** €1.8 billion (72% of total revenue), driven by increased adoption of Adyen's global payment gateway across e-commerce, retail, and hospitality sectors.
- **Unified Commerce:** €450 million (18%), reflecting strong merchant demand for seamless integration of online and in-store payment systems.
- **Embedded Financial Services:** €200 million (8%), boosted by the rollout of lending and banking products tailored for small and medium-sized enterprises (SMEs).
- **Other Services:** €50 million (2%), including fraud prevention tools and data analytics services.

## Expense Analysis

Total operating expenses reached €1.7 billion, a 20% increase from €1.4 billion in 2024, reflecting strategic investments to support growth:

- **Research and Development (R&D):** €450 million, allocated to AI-driven fraud detection, payment orchestration, and platform scalability.
- **Sales and Marketing:** €350 million, focused on global brand campaigns, merchant onboarding, and regional expansion.
- **General and Administrative:** €300 million, covering compliance, regulatory costs, and operational support.
- **Technology and Infrastructure:** €600 million, invested in cloud-based processing systems, data centers, and cybersecurity enhancements.

The company's focus on automation and process optimization helped moderate expense growth relative to revenue, improving overall profitability.

## IV. Balance Sheet Highlights (As of December 31, 2025)

Adyen maintained a strong financial position, with key balance sheet metrics reflecting stability and growth:

- **Total Assets:** €6.5 billion, up 18% from €5.5 billion in 2024, driven by increased cash reserves, customer settlement assets, and investments in intangible assets (e.g., software and patents).
- **Cash and Cash Equivalents:** €2.0 billion, ensuring ample liquidity for operations and strategic initiatives.
- **Total Liabilities:** €3.8 billion, a 15% increase from €3.3 billion, primarily due to higher merchant settlement obligations tied to transaction volume growth.
- **Shareholders' Equity:** €2.7 billion, up 17% from €2.3 billion, fueled by retained earnings and a disciplined approach to capital management.
- **Debt:** €250 million in long-term debt, maintaining a conservative leverage ratio of 0.09, well below industry averages.

Adyen's strong balance sheet provided flexibility to navigate market uncertainties while funding growth initiatives without reliance on external financing.

## V. Cash Flow Statement Summary

Adyen's cash flow performance in 2025 underscored its operational strength and ability to generate sustainable cash flows:

- **Net Cash from Operating Activities:** €1.4 billion, a 24% increase from €1.13 billion in 2024, driven by higher transaction volumes and efficient working capital management.
- **Net Cash Used in Investing Activities:** €400 million, allocated to infrastructure upgrades, R&D, and strategic acquisitions to enhance Adyen's embedded finance capabilities.
- **Net Cash Used in Financing Activities:** €250 million, including €180 million in dividend payments and €70 million for share repurchases, reflecting a balanced approach to shareholder returns and capital retention.

The company's strong cash generation supported both organic growth and shareholder-friendly policies, positioning Adyen for continued financial flexibility.

## VI. Financial Performance Trends (2020–2025)

The chart below illustrates Adyen's financial performance from 2020 to 2025, highlighting trends in Sales, Operating Profit, Net Income, Net Margin, and Operating Margin.

[Insert Image Here: Chart showing Adyen's financial performance from 2020 to 2027, with bar graphs for Sales (gray), Operating Profit (yellow), and Net Income (green) in million EUR, and line graphs for Net Margin (black dotted line) and Operating Margin (yellow dotted line) in percentages. Focus on data from 2020 to 2025 for this report.]

### Analysis of Trends:

- **Sales Growth:** Sales grew steadily from €600 million in 2020 to €2.5 billion in 2025, a compound annual growth rate (CAGR) of approximately 33%, driven by increased transaction volumes and market expansion.
- **Operating Profit:** Operating Profit increased from €200 million in 2020 to €800 million in 2025, reflecting improved operational efficiency and economies of scale.
- **Net Income:** Net Income rose from €150 million in 2020 to €600 million in 2025, supported by strong revenue growth and cost management.
- **Margins:** Net Margin remained relatively stable at around 24–27%, while Operating Margin fluctuated between 30–40%, with a slight uptick to 32% in 2025 due to operational improvements.

## VII. Strategic and Operational Highlights

Adyen's operational achievements in 2025 reinforced its position as a global fintech leader:

- **Unified Commerce Expansion:** Surpassed adoption targets, with over 12,000 enterprise merchants adopting the platform, enabling seamless omnichannel experiences.
- **Geographic Growth:** Strengthened presence in Asia-Pacific (32% regional revenue growth) and North America (27% growth), supported by localized payment solutions and partnerships.
- **AI and Fraud Prevention:** Deployed advanced AI-powered fraud detection tools, reducing chargeback rates by 18% and enhancing merchant trust.
- **Embedded Finance:** Launched new lending and banking products for SMEs, contributing €200 million in revenue and onboarding 6,000 new clients.
- **Sustainability Initiatives:** Achieved carbon neutrality in global operations, aligning with ESG goals and attracting environmentally conscious merchants.
- **Regulatory Compliance:** Successfully navigated evolving regulations in the EU and Asia, maintaining full compliance while advocating for innovation-friendly policies.

## VIII. Market Conditions and Outlook

The global digital payments market grew by 16% in 2025, driven by the proliferation of contactless payments, e-commerce, and cross-border transactions. Adyen capitalized on these trends, leveraging its scalable infrastructure and global footprint. However, challenges such as rising regulatory scrutiny, cybersecurity threats, and competition from emerging fintechs required proactive risk management.

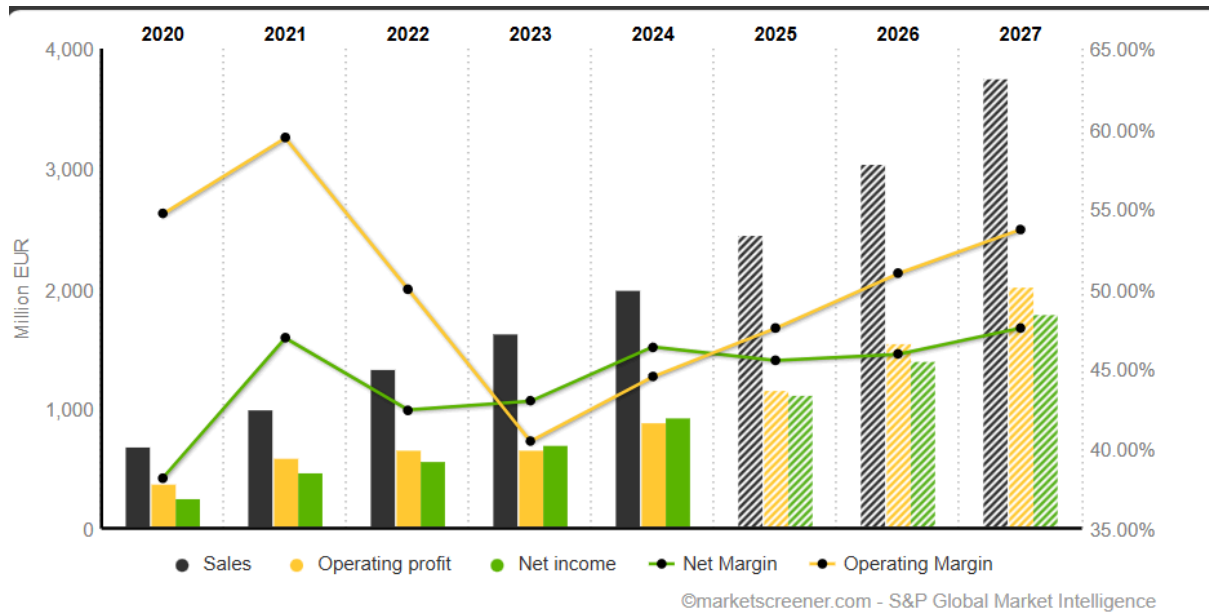
Looking to 2026, Adyen projects revenue growth of 20–24%, driven by continued demand for unified commerce, embedded finance, and AI-driven solutions. The company plans to deepen partnerships with major e-commerce platforms, expand into underserved markets, and invest in blockchain-based payment innovations.

## IX. Shareholder Information

Adyen prioritized shareholder value in 2025 through consistent returns and strategic capital allocation:

- **Dividend:** Declared an annual dividend of €3.50 per share, a 10% increase from €3.18 in 2024, payable in Q2 2026.
- **Share Repurchase Program:** Repurchased €200 million worth of shares, signaling confidence in long-term growth and enhancing EPS.
- **Stock Performance:** Adyen's share price appreciated by 20% in 2025, outperforming the broader fintech sector.

The company remains committed to balancing shareholder returns with investments in innovation and market expansion.



## X. Conclusion

Adyen N.V.'s 2025 performance underscores its ability to thrive in a competitive and rapidly evolving fintech landscape. With record revenue, strong profitability, and strategic advancements in unified commerce, embedded finance, and AI, Adyen is well-positioned for sustained growth. The company's robust financial health, operational excellence, and commitment to innovation ensure it will continue delivering value to merchants, shareholders, and stakeholders in 2026 and beyond.