

Call participants

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Takeaways

Transaction Margin Dollar Growth (Excluding Interest) -- On track for 6%-7% transaction margin dollar growth, excluding interest, for the full year 2025.

Revenue Growth Acceleration -- Revenue growth accelerated over the past two quarters, driven by a focus on profitable growth strategies.

Branded Experiences TPV Growth -- Rose 8% on a currency-neutral basis; includes PayPal Buy Now, Pay Later, Venmo, and debit program volumes.

US Branded Experiences TPV -- Achieved 10% branded experiences volume growth in the U.S, more than doubling the rate a year ago, propelled by omnichannel adoption and improved online checkout trends.

Buy Now, Pay Later (BNPL) Volume -- Sustained volume growth of more than 20% each quarter, led by U.S. performance; BNPL is projected to approach \$40 billion in total payment volume (TPV) for 2025.

Venmo Revenue and User Metrics -- Venmo revenue is on track to reach \$1.7 billion in 2025, excluding interest income, up more than 20% and representing a 10-point acceleration from two years prior; Monthly active accounts advanced 7% to nearly 66 million.

Venmo Debit and Pay with Venmo Adoption -- Venmo debit card monthly actives surged 43%, and Pay with Venmo monthly active accounts climbed 24%.

PSP Volume Growth -- Accelerated to 6%, up from 2% in the first half, indicating renewed momentum in enterprise and SMB processing.

Non-GAAP EPS -- Non-GAAP EPS rose 12%, attributed to transaction margin performance, strong credit, share repurchases, and favorable tax impacts.

Monthly Active Account and Engagement -- Active accounts grew 2% year over year to 227 million, with transactions per active account (ex-PSP) up 5%, evidencing increased user engagement.

Debit Card and Tap to Pay -- Spend increased 65% year over year, outpacing volume growth in branded experiences and reflecting rapid uptake of newer payment methods.

Total Payment Volume (TPV) -- Grew 8% at spot and 7% currency-neutral to over \$458 billion.

Transaction Revenue and Value-Added Services -- Transaction revenue increased 6% to \$7.5 billion; other value-added services revenue advanced 15% to \$895 million, bolstered by credit performance.

Transaction Take Rate -- Decreased three basis points to 1.64%, mainly due to changes in product and merchant mix and reduced FX hedge impact.

Loan Receivables -- Net loan receivables stood at \$6.4 billion, down 8% sequentially, following externalization of a portion of U.S. pay later receivables.

Shareholder Returns -- Share repurchases totaled \$1.5 billion and \$5.7 billion in share repurchases over the past four quarters; initiated a dividend with a 10% payout ratio relative to net income, complementing the buyback strategy.

Cash and Debt Levels -- Ended the quarter with \$14.4 billion in cash, cash equivalents, and investments, and \$11.4 billion in debt.

2025 Full-Year Guidance Increase -- Raised transaction margin dollar guidance by \$100 million at the low end to \$15.45-\$15.55 billion (5%-6% growth) for 2025; non-GAAP EPS guidance increased to \$5.35-\$5.39 (15%-16% growth) for the full year; projected \$6-\$7 billion in adjusted free cash flow for the year and \$6 billion in share buybacks.

Q4 Outlook -- Expects TM dollar growth at about 3.5% (midpoint) for Q4; non-GAAP EPS in the range of \$1.27 to \$1.31 (up 7%-10%) for Q4; currency-neutral revenue growth anticipated in the mid-single digits for Q4.

Capital Allocation -- Targets returning 70%-80% of free cash flow to shareholders, primarily via buybacks, with dividend serving as a supplementary return mechanism.

Product/Market Expansion -- Expanded BNPL to Canada and extended installment options in Italy and Spain; launched PayPal World pilot and established partnerships with OpenAI, Google, and Perplexity in agentic commerce.

Summary

PayPal ([PYPL](#) **3.92%**) delivered meaningful acceleration in transaction margin dollar growth and revenue, highlighting sustained momentum across branded experiences, BNPL, Venmo, and PSP. Management articulated a clear strategy focused on omnichannel expansion, upstream BNPL presentment, and broadening high-value user engagement, supported by recent rollouts and key industry partnerships. The company initiated its first dividend, increased capital returns through share buybacks, and raised full-year guidance for both transaction margin dollars and non-GAAP EPS.

Jamie S. Miller stated, "Transaction margin dollars, excluding interest, grew 7%" with contribution from branded checkout, Venmo, PSP, and credit, partially offset by higher transaction losses due to a temporary service disruption in Germany.

Management indicated that ongoing investments in agentic commerce, branding, and product attachment initiatives in Q4 and 2026 "are likely to be a near-term headwind to how fast transaction margin dollars or earnings grow next year."

Expansion of the redesigned pay sheet has reached close to 25% of global checkouts, with "conversion rates increase 2% to 5%," according to Alex Chriss, demonstrating early success but also the complexity of legacy integrations.

BNPL originations remain global, with "less than 30% of originations in the U.S.," according to Alex Chriss, BNPL monthly active accounts up 21%, underscoring the international scale and engagement uplift from BNPL adoption.

The company cited "basket sizes or average order value has decreased" according to Jamie S. Miller in both the U.S. and Europe, particularly among discretionary spend, and noted this trend is persisting into October, but did not alter long-term strategic initiatives as a result.

Industry glossary

Branded Experiences TPV: Total payment volume transacted through PayPal's proprietary branded solutions, including online, in-store, Venmo, and debit programs, used as a transformation progress metric.

PSP: PayPal's "Payment Service Provider" business encompassing enterprise and SMB processing, payouts, invoicing, and POS solutions.

TM (Transaction Margin): Profit on payment transactions after deducting direct costs (such as transaction losses and processing costs), used as a core profitability metric for PayPal.

ARPA (Average Revenue per Account): Average revenue generated per active account within a specific product or platform on an annualized basis.

Agentic Commerce: Commerce through AI-powered agents or large language models (LLMs), enabling consumers and merchants to transact in conversational, automated shopping interfaces.

Pay Sheet: The checkout interface shown to consumers during payment, whose optimization is intended to increase conversion rates.

Full Conference Call Transcript

Alex Chriss: Thank you, Steve. Good morning, everyone, and thanks for joining the call. PayPal Holdings, Inc. is a fundamentally stronger company today than it was two years ago. Focus and execution have enabled us to drive a positive inflection across our business. Take transaction margin dollar growth, excluding interest on customer balances. We are on pace for 6% to 7% growth in 2025 compared to negative growth just two years ago. Revenue growth has accelerated in the past two quarters as a result of our deliberate strategy to focus on profitable growth. Operationally, we are winning new customers and deepening engagement across our existing base. We have reinvigorated unprofitable and underperforming parts of the business.

We're leveraging our incredible brands to innovate and expand our addressable market beyond online payments. Thanks to our omnichannel initiatives, we've accelerated branded experiences TPV growth to be between 7% and 8% on a currency-neutral basis over the past four quarters. Our BNPL business is sustaining 20% volume growth quarter after quarter. Venmo revenue growth has accelerated 10 points compared to two years ago, while we have also continued to grow our user base. Our enterprise payments business has turned a corner, returning to volume growth and consistently

contributing to company transaction margin dollar growth. We have delivered this acceleration in our business while remixing inefficient spend into growth investments and returning capital to shareholders.

In total, we are on pace to deliver at least 15% non-GAAP EPS growth this year. All of this gives us confidence in the business's longer-term growth potential and ability to deliver high single-digit transaction margin dollar growth and non-GAAP EPS growth in the teens or better over the longer term. I'm also excited to announce that we are initiating a dividend. Our overall capital allocation priorities remain the same. We will continue investing first and foremost in our business's growth and transformation. We see this dividend as strengthening our overall capital return program, working in conjunction with our ongoing share buybacks.

Our free cash flow generation and balance sheet are strong and give us ample room to both deploy capital to drive growth and return capital in a disciplined way to shareholders. Put simply, this is the new PayPal Holdings, Inc., built for faster, more profitable growth. Our strong foundation, differentiated competitive advantages, and clear strategic direction position us to capture a massive and growing addressable market. With building execution momentum, we are driving innovation at a remarkable pace and scale. This makes us exceptionally well-placed to win into the future. Turning to our third quarter performance, we delivered at or above the high end of our guidance range for transaction margin dollars and EPS.

Importantly, our TM dollar growth continues to come from multiple areas of the business, including branded experiences, PSP, and Venmo. Non-GAAP earnings per share increased 12%, reflecting the flow-through of our transaction margin performance. The strength of our two-sided platform is evident in how customers are choosing to deepen their relationship with us. Monthly active accounts grew 2%. When you look at transactions per active account growing 5%, excluding PSP, you see the real story. Customers aren't just signing up; they're incorporating PayPal Holdings, Inc. and Venmo into their daily lives. This engagement depth makes us a valuable partner to merchants and will drive sustainable, profitable growth.

Now I'd like to discuss the progress we are making in our four strategic growth drivers: winning checkout, scaling Omni, and growing Venmo, driving PSP profitability, and scaling our next-gen growth vectors. As you can see on slide four, PayPal Holdings, Inc.'s TM dollar growth, excluding interest, has not only accelerated, it is coming from a far more balanced mix across our business. This is important to appreciate the strategy underpinning the value our teams are working to create. Compared to last year, win

checkout's contribution increased, and PSP, Omni, and Venmo's contributions are a multiple of what they were in the past.

This is a direct result of the work we have done to build more holistic, healthier merchant relationships, to scale our omnichannel presence, and to monetize Venmo. The innovation and momentum across the company are increasingly visible, as you have seen in our recent announcements and as you will hear today. I plan to move quickly so that we can go deep in a few key areas like BNPL and Venmo, while also leaving ample time for Q&A. Let me start with branded experiences, which covers our first two growth drivers: online and in-store branded checkout. Our strategy is to meet our customers everywhere they shop, whether online, in-store, or agentic.

We are focused on delivering the best checkout experience so consumers can pay how, where, and when they want. It means they can pay online with PayPal Holdings, Inc., Buy Now, Pay Later, Venmo, crypto, or soon a partner wallet through PayPal World. It means they can pay in-store with a PayPal Holdings, Inc. or Venmo debit card, BNPL, or Tap to Pay. It also means building for a future where consumers can pay through AI agents powered by Google, OpenAI, Perplexity, and others. Last September, we launched PayPal Everywhere in the U.S. to move beyond our legacy in online branded checkout into an omnichannel world. A year in, and the results show our strategy is working.

Branded experiences TPV grew 8% on a currency-neutral basis in the quarter. This includes PayPal Holdings, Inc., Buy Now, Pay Later, Venmo, and our debit card programs, and is the single most important metric to track the progress on transformation from an online payments company to a commerce company. We need to be available everywhere a consumer wants to make a purchase. This is about more than being present across channels. It's fundamentally expanding what PayPal Holdings, Inc. means to our customers and the total spending we can capture. Historically, PayPal Holdings, Inc. was synonymous with online retail payments.

Today, we're evolving the way consumers pay for all of their commerce needs, moving beyond retail into services, subscriptions, bills, everyday expenses, and more. We're now playing for a much bigger addressable market. Our confidence in the financial impact of this strategy comes from the flywheel effects we see across our ecosystem. When customers start using PayPal Holdings, Inc. or Venmo offline with our debit card, their online activity increases as well. ARPA goes up, profitability improves. In Q3, our PayPal Holdings, Inc. debit card actives transacted nearly six times more and generated nearly three times the ARPA of checkout-only accounts. We see a similar pattern with BNPL. Its use drives an uplift in overall activity and engagement.

The data clearly validates our strategy and gives us confidence to increase our growth investments. Most of our product initiatives, plus our marketing investments over the past year, have started in the U.S. It's worth examining our U.S. proof points as they demonstrate the potential for our business as adoption scales internationally. For example, in the third quarter, we reached 10% branded experiences volume growth in the U.S., more than double our growth the same quarter a year ago. That acceleration comes from two things: growing omnichannel adoption and sustained improvement in the U.S. online branded checkout trends, supported by our improved experiences. We have the right set of drivers and initiatives in place.

Now our focus is on adoption and investing to amplify our impact. As we move into 2026, we will be leaning more into these efforts and expanding across key international markets. Let me address online branded checkout in more detail. TPV grew 5% in the third quarter on a currency-neutral basis. That's solid growth, especially with the choppy global macro trends we continued to see this quarter. Given the competitive intensity online, we know more work is needed to close the gap between our performance and overall e-commerce growth. Our strategy moving into next year centers on three priorities: continuing to scale our redesigned checkout experiences, improving how we are prioritized across merchants, and importantly, driving biometric adoption.

We are also leaning into new verticals and geographies that expand our addressable market and avenues for growth. All of this will be complemented by a consumer value prop with a highly competitive rewards program aimed at increasing frequency and selection rate. We also have a powerful growth lever with Buy Now, Pay Later and Venmo, which I'll discuss further shortly. This year, we've made significant progress deploying our redesigned pay sheet experience, which now covers close to 25% of our global checkout transactions. We're moving quickly, but untangling a decade or more of legacy integrations is complex and taking more time than planned.

In the cohorts where we are now optimized in the U.S., we continue to see close to one point conversion improvement. This gives us confidence. It's a win, not if we see more benefit from this monetization. At the same time, it's critical that we keep improving PayPal Holdings, Inc.'s prioritization across merchants and scaling biometric login, both of which have been proven to increase conversion. On the prioritization side, we are focused on scaling upstream messaging on product pages, driving adoption of our payment-ready API that allows merchants to target high-converting PayPal Holdings, Inc. users when they land on their site, and improving PayPal Holdings, Inc.'s placement at checkout. Improved prioritization and presentment are powerful.

In testing, when our Buy Now, Pay Later options are presented upstream on a product page, we see a nearly 10% lift in branded checkout volume on average. That improvement drives incremental sales for our merchants and customer loyalty with repeat use for PayPal Holdings, Inc. Within biometrics, we are focused on scaling biometric login, including passkeys, and driving mobile app adoption, which enables seamless authentication during checkout. In ongoing testing to date, these authentication efforts, when paired with the redesigned pay sheet we've been scaling, have shown improved conversion between 2% to 5%. Consumers benefit from a mobile checkout experience that is second to none, while merchants see a higher customer satisfaction and sales.

It's a win for both sides of our network. The bottom line, the initial results we have seen to date in the U.S. make us confident we're on the right path and have the right initiatives in place, both to drive acceleration and increase growth investments as we move through next year. Now that I've covered some of the foundational work underway, let me dive deeper on two important growth levers that I mentioned: BNPL and Venmo. The shift towards Buy Now, Pay Later is a fundamental change in how consumers want to pay, and we are extremely well-positioned to capture this shift.

In the markets where we offer BNPL, our solutions are available nearly everywhere PayPal Holdings, Inc. is accepted. It's a reach and scale that's hard to replicate. This quarter, BNPL volume continued to grow more than 20%, with particular strength in the U.S. This puts us on track to process close to \$40 billion in BNPL TPV in 2025. Monthly active accounts climbed 21%, and our net promoter score globally is 80. People love this product. We have everything we need to win this market. We are investing to transform our BNPL business from a payment option that consumers discover in the PayPal Holdings, Inc. Wallet after they made a purchase decision into a customer acquisition channel.

This means moving to the beginning of the shopping journey through marketing and upstream presentment so that consumers know they can increase their purchasing power with BNPL. This focus and investment will expand our right to win in BNPL and further accelerate growth. We are also expanding BNPL to new geographies and introducing new product offerings, both online and in-store. We have successfully expanded BNPL into Canada and extended payment terms in Italy and Spain to up to 24 installments. After proving the model in Germany, we brought Buy Now, Pay Later (BNPL) in-store to the U.S. through the PayPal Holdings, Inc. mobile app, seamlessly connecting online and offline shopping.

We are building the future of flexible payments, and we're doing it at scale. Moving to our Venmo business, Venmo isn't just another payment app. It's the money movement platform of choice for the next generation. One of the things that continues to set Venmo apart is its user base, young, affluent, digitally native consumers who are shaping the future of commerce. With nearly 100 million total active accounts growing mid-single digits, Venmo has tremendous scale in this attractive demographic. We have a deliberate, sequenced strategy that's changing how these users engage with Venmo.

At the core is maintaining our leadership as the best P2P platform in the market, attracting more funds into the Venmo ecosystem, driving omnichannel spending, and seamlessly integrating commerce into the Venmo app. We are already seeing results. Venmo is at a clear inflection, with TPV growing 14% in the third quarter, continuing to accelerate from 12% in Q2 and 9% in 2024. Pay with Venmo just hit a milestone: \$1 billion of TPV in September alone, and Pay with Venmo monthly active accounts grew by nearly 25% in the quarter. We hit a new record with our Venmo debit card, which attracted 1 million first-time users in Q3, thanks in part to our college partnerships.

Monthly Venmo debit actives grew by more than 40%. This has resulted in overall Venmo monthly active account growth accelerating to 7% year over year to nearly 66 million monthly active accounts. From a financial perspective, Venmo is on pace to generate \$1.7 billion in revenue this year, excluding interest income. That's up more than 20% and a 10-point acceleration from two years ago. Under the surface, we are also changing our revenue mix and growing in high margin areas. Over the past two years, we've doubled Pay with Venmo and Venmo debit card revenue. Not only can Venmo become a more significant revenue driver as it scales, but it is also accretive to transaction margin.

Here's what makes this so compelling. We're still in the early innings of monetization. Today, Venmo's average revenue per monthly active account sits at just over \$25. While over 90% of Venmo's users engage with P2P, only 5% to 10% are using our debit card or Pay with Venmo, and less than 5% have set up recurring funds in. For the subset of accounts engaged across P2P, debit, and Pay with Venmo, which is still small today, ARPA is about 4x higher. For accounts that are also bringing funds in through direct deposit or instant add, ARPA is 6x higher. In other words, the upside on Venmo's revenue is a multiple of where we stand today.

The good news is that adoption is accelerating. For example, new users today are adopting our debit card at nearly 4x the rate they were two years ago, giving us massive runway as we continue driving attachment of these high-value products. This is one of the reasons why we are investing in our college partnerships and introducing unique,

personalized rewards that drive multi-product adoption and encourage balanced spending within the Venmo ecosystem. We're also expanding Pay with Venmo into new high-value use cases like our built partnership for rent payments.

At Investor Day, we discussed growing Venmo revenue to more than \$2 billion by 2027, and it's clear that the team's execution will allow us to deliver well beyond this over time. Taken together, these businesses, online branded checkout, BNPL, Venmo, and Omni, drove branded experiences TPV growth of 8% on a currency-neutral basis. Moving to our PSP business, our PSP volume growth accelerated to 6% from 2% last quarter, demonstrating that we are accelerating growth after rebaselining. This growth is profitable and contributed to transaction margin dollar growth in the quarter. We are doing this by continuing to build holistic relationships with merchants.

Value-added services like payouts, adaptive payment optimization, and FX as a service deliver real, measurable value, including improvements to authorization rates and cost reduction. We're seeing merchants not only willing to pay for these capabilities, but actively requesting more of our services as they begin to recognize the benefits for their business. As we continue to expand our unified enterprise payments platform globally, we are bringing these margin-accretive services to new merchants from day one. We expect accelerated growth in this business as we expand the adoption of value-added services across our existing customer base and launch with Verifone as our first omnichannel solution provider in Q4, strengthening our position in the PSP market.

While we accelerate growth in branded experiences and PSP, we are also aggressively innovating in agentic, ads, stablecoins, and digital wallet interoperability through PayPal World to establish avenues for future growth. I'll highlight just a few of our recent developments. We continue to partner with leaders across the agentic space, including Perplexity earlier this year, and in September, we announced our expansive multi-year partnership with Google to create new AI shopping experiences. This morning, we announced a significant partnership with OpenAI to expand payments and commerce in ChatGPT, including adding PayPal Holdings, Inc. branded checkout for shoppers and payment processing for merchants using instant checkout. This is a big win for PayPal Holdings, Inc. and our customers.

Today, we also announced our own agentic commerce services, which help merchants sell through multiple AI platforms, including Google, OpenAI, and Perplexity. Merchants will have one integration to access consumers through multiple LLMs. Agentic commerce will take time, but we do believe consumer behavior will shift. PayPal Holdings, Inc. is building for that future. Finally, I'm very excited to share that PayPal World is officially in its pilot stage, and the first test transactions are happening this

week. I'm proud of the progress that we've made this quarter, from partnerships to new product innovations to continuing to strengthen our profitability. With that, let me turn it over to Jamie to go into the financials in more detail.

Jamie S. Miller: Thanks, Alex. Moving to slide 10, PayPal Holdings, Inc. delivered another quarter with good execution and real momentum across the underlying business. TPV and revenue growth both accelerated by 2 points from the second quarter. Transaction margin dollars, excluding interest, grew 7%, continuing the momentum we built through the first half. The drivers of that growth have been broad-based, led by strong credit performance, branded checkout flow-through, improvements in PSP profitability, and Venmo monetization. Growth across these areas was partially offset by higher transaction losses in the quarter. The diversification and quality of this growth is a meaningful improvement from where we were at the start of the company's transformation.

We have clear opportunities to build on this progress with investments that strengthen our competitive position and drive durable, profitable growth. Moving back to third quarter financials, non-GAAP operating income grew 6%. Strong operating income, share buyback, and a favorable tax rate more than offset headwinds from lower interest rates, contributing to 12% growth in non-GAAP EPS. Adjusted free cash flow, which excludes the timing impact from the origination and sale of pay later receivables, was \$2.3 billion or \$4.3 billion year to date. Turning to slide 11, we are driving deeper, more active relationships with our customers. Monthly active account trends showed steady progress, up 2% year over year to 227 million.

Transactions per active account, excluding PSP, which is a good proxy for engagement, accelerated to 5% growth. Moving to slide 12, total payment volume accelerated to 8% growth at spot and 7% on a currency-neutral basis to over \$458 billion. We've moved branded experiences to the top of this slide to reflect the importance of this metric to our more expansive strategy and value creation. Looking across the product portfolio, we see encouraging signs that our initiatives are gaining traction and making an impact. Branded experiences TPV, which includes online checkout, PayPal Holdings, Inc., and Venmo debit, as well as Tap to Pay, posted another quarter of 8% growth.

As Alex mentioned, U.S. branded experiences TPV growth accelerated to 10% in the quarter, benefiting from both omnichannel adoption and better trends in U.S. online branded checkout. While debit card and Tap to Pay spend represent a small portion of branded experiences volume today, they are growing rapidly, up 65% year over year, accelerating from last quarter. Venmo TPV growth accelerated two points to 14%, marking the fourth consecutive quarter of double-digit growth. On an online-only

branded checkout basis, volume grew 5% on a currency-neutral basis. Compared to last quarter, there was less pressure on volumes from Asia-based marketplaces selling into the U.S.

At the same time, this improvement was offset by pockets of softer consumer discretionary spending in Europe and the U.S. later in the quarter. Overall, we have seen relatively consistent growth in the number of checkout transactions, but basket sizes or average order value has decreased. While still early in a back-end loaded quarter, we've observed this trend continuing through October. We remain focused on the initiatives we can control. We're confident in our branded checkout strategy and the roadmap that our teams are advancing. The early results in the U.S. demonstrate that we're on the right path with our initiatives, including our redesigned experiences, Buy Now, Pay Later, and Pay with Venmo.

We're laser-focused on execution across the three key areas Alex Chriss discussed: scaling our redesigned experiences, improving prioritization, and driving biometric adoption. All of this is increasingly complemented by a compelling consumer value prop that differentiates PayPal Holdings, Inc. and Venmo as one of the best, most rewarding ways to pay. While this work is complex and takes time, we fully expect to see our efforts build as we move through the next year and scale these initiatives. Pay with Venmo and Buy Now, Pay Later continue to outpace the market, taking share from other payment methods, growing 40% and 20% respectively.

These results give us the confidence to begin making targeted investments in the fourth quarter that amplify the impact of these and other initiatives throughout the portfolio. Turning to PSP, which spans both enterprise and SMB processing, as well as parts of our vast portfolio like payouts, invoicing, and point-of-sale solutions, volume growth accelerated to 6% from 2% in the first half of the year. Our focus on prioritizing healthy, quality growth within our enterprise payments business is contributing to steady improvement in both revenue growth and transaction margin dollars. We expect to see ongoing improvement in the quarters ahead, supported by profitable frontbook business, our existing merchant base, and the attachment of value-added services.

Moving to more financial detail on slide 13, transaction revenue accelerated to 6% growth on a spot basis to \$7.5 billion. Other value-added services revenue grew 15% to \$895 million, driven by another quarter of strong performance in consumer and merchant credit. We've also been encouraged by growth in customer balances and the impact of our initiatives designed to encourage customers to bring more funds into the ecosystem. While lower interest rates are still a headwind, a portion of this impact has

been offset by higher balances. We continue to be pleased with the quality, diversification, and performance of our credit portfolio.

In September, we took another step forward in line with our balance sheet light model for credit, externalizing a portion of our short-term U.S. pay later receivables with Blue Owl Capital. We ended the quarter with \$6.4 billion in net loan receivables, down 8% sequentially. Transaction take rate declined by three basis points to 1.64%, driven largely by product and merchant mix as well as the impact of foreign exchange hedges. This decline was an improvement relative to last quarter and included less impact from foreign exchange hedges and enterprise processing. Online branded checkout take rates continue to be relatively stable year over year, reflecting our transaction and merchant mix as well as our focus on profitable growth.

As I mentioned earlier, TM dollars ex interest grew 7%. TM dollar growth included a one and a half point headwind from higher volume-based expenses, largely transaction loss provisions resulting from the temporary service disruption in August, which primarily impacted Germany. There was also a slight benefit, less than one point, from the Blue Owl pay later externalization I referenced earlier. Setting aside the impact of loss provisions related to the August service disruption, we've seen an improvement in transaction loss rates relative to last quarter. Non-transaction related OpEx increased 6% as we continue to actively manage our cost structure while reinvesting in key growth initiatives. Non-GAAP operating income grew 6% in the quarter to nearly \$1.6 billion.

Moving to capital allocation, as you saw in our materials and heard from Alex, I'm excited to share that we are initiating a dividend as part of a disciplined capital allocation strategy. Our strong free cash flow generation and balance sheet give us ample room to both deploy capital for growth and return capital to shareholders. In general, we continue to target about 70% to 80% of our free cash flow for capital return, with the vast majority going to buyback. The dividend serves as a complement to our existing buyback plans and will be calculated based on a 10% payout ratio relative to net income.

This quarter, we completed \$1.5 billion in share repurchases, bringing share repurchases over the past four quarters to \$5.7 billion. Finally, we ended the quarter with \$14.4 billion in cash, cash equivalents, and investments, and \$11.4 billion in debt. Moving to guidance on slide 14, following another quarter of strong financial performance, we are raising our full-year guidance for TM dollars and non-GAAP EPS. For the fourth quarter, we expect currency-neutral revenue growth in the mid-single digits. We expect fourth quarter TM to be between \$4.02 billion and \$4.12 billion, which represents about 3.5% growth at the midpoint.

Excluding interest on customer balances, we expect TM dollars to grow by about 5% at the midpoint compared to 7% year to date. Setting interest rates aside, there are a few factors to highlight that impact our fourth quarter outlook. First, we have seen strong credit outperformance over the past year, driven by good execution from the team, as well as a more benign loss environment. We expect to see year-over-year comparisons start to normalize more in the fourth quarter. Second, given the performance of some of our key initiatives, we see an opportunity to lean into our competitive differentiation with additional investment to drive faster growth over time.

In the fourth quarter, we will begin increasing investments designed to drive product attachment and habituation. Some of these investments are linked to volumes and therefore recorded as contra revenue, impacting TM dollars and designed to drive additional growth over time. Other growth investments, such as global brand awareness campaigns, typically sit within marketing and non-transaction OpEx. Lastly, on TM, our fourth quarter guide assumes some deceleration in branded checkout growth relative to our third quarter average. From a volume perspective, the most important weeks and months of the quarter still lay ahead. That said, we are planning prudently given recent spending trends and the uncertain macro backdrop.

We are also cognizant of lapping strong consumer spending in the fourth quarter of last year. Moving to OpEx, we are planning for low single-digit non-transaction OpEx in the quarter and expect about 3% growth for the full year. We expect to deliver fourth quarter non-GAAP earnings per share in the range of \$1.27 to \$1.31, up 7% to 10%. For the full year, we are raising our transaction margin dollar guidance by \$100 million at the low end and \$50 million at the high end to a range of \$15.45 to \$15.55 billion, which represents 5% to 6% growth. Excluding interest, we expect transaction margin dollars to grow between 6% to 7%.

We are raising our full-year non-GAAP earnings per share guidance to a range of \$5.35 to \$5.39, growing at 15% to 16%. Our guidance continues to project approximately \$6 billion in share buyback and full-year adjusted free cash flow of approximately \$6 to \$7 billion, which excludes the timing impact of the origination and sale of pay later receivables. I'd like to wrap up by thanking the PayPal Holdings, Inc. team for their hard work and execution this quarter. We are making tangible progress across the business, and the foundation we're building positions us well for continued growth ahead. With that, back to you, Alex.

Alex Chriss: Thanks, Jamie. We are operating from a position of strength. The results you're seeing are proof that our strategy is working. We built a more balanced, profitable growth engine across branded experiences, PSP, and Venmo, and that's exactly what

we set out to do. We're investing in high-impact growth initiatives that will move the needle and future-proofing the business with critical partnership, while simultaneously returning value to shareholders through our buyback program and our newly launched dividend. We've moved this business from defense to offense, from stabilization to acceleration. We know exactly where the opportunities are, and we are laser-focused on executing our strategy. With that, Steve, let's go to Q&A.

Steven Eric Winoker: Before we open the lines for Q&A, I'd like to ask everyone to limit themselves to one question so we can get through as many of your fellow analysts as possible. Sarah, please open the line.

Sarah: Thank you. At this time, I would like to remind everyone, in order to ask a question, press star, then the number one on your telephone keypad. We'll pause for just a moment to compile the Q&A roster. Your first question comes from the line of Tien-Tsin Huang with J.P. Morgan Payments. Your line is open.

Tien-Tsin Huang: Hey, thanks a lot. Good morning here. I just want to ask about agentic commerce. It's a popular topic here at Money2020, and I'm not sure how to ask it, Alex and team, but maybe I'll just rapid-fire a few, if you don't mind. Has agentic commerce changed PayPal Holdings, Inc.'s strategic priorities in any way? What's your right to win? Can you fully fund investments here without sacrificing your incremental margins? Of course, you've announced a lot of key partnerships like OpenAI today, Perplexity, Google, et cetera. Do you have the coverage you need to drive ubiquity, or is there more work to do on the partner front?

It seems like there's a lot of talk about collaboration, and you guys are definitely in the center of all that. Just love to hear your thoughts on all of that, if you don't mind. Thanks.

Alex Chriss: Love it. Thanks, Tien-Tsin, and hope you're enjoying Money2020. We've got a good contingent there as well. To hit on a few of those, first, from a prioritization, from a priority question, not really, right? Our strategy we've laid out very clearly is that we want PayPal Holdings, Inc. to be available anywhere and everywhere that consumers want to pay, and we want merchants to be able to sell to consumers anywhere and everywhere. We've talked about this even back at Investor Day, where we laid out we want it to be online, we want it to be in-person, and we want it to be agentic. Agentic is just an evolution of this strategy.

In terms of our right to win, we actually think we're extremely well-positioned to win here. Let me just lay out a couple of the different components. First, on the merchant side, merchants are going to need to figure out how to integrate with each of these

LLMs. That's hard because there's multiple LLMs that are out there. Whether you're a large enterprise or a small business, you really don't have the bandwidth to go figure out how to integrate with each and every one of these LLMs, make your catalog available, understand the identity and fraud protection that comes with each of these different elements.

What we announced today was our PayPal Holdings, Inc. agentic commerce services, which enables merchants to integrate once with PayPal Holdings, Inc., a partner that they've known and loved and integrated with for years, and be able to orchestrate their services to every LLM that's out there so that they get full coverage of consumers. That is a huge win for merchants. We give them seller protection. We give them the ability to scale across all the different LLMs. From the consumer standpoint, we're, again, very well-positioned.

We've got the largest wallet ecosystems that are out there, and our ability to give consumers the trust, the safety, the buyer protection, and the ability to get access and make purchases on any of the LLMs they want to is a huge win. They get to use the wallet that they know and love and have a great end-to-end experience, which includes not only the purchase through the LLM, but also then all of the things that happen afterwards, whether it's package tracking or customer service or returns. That's, again, a big win for consumers.

For the LLMs themselves, it would take over a decade if they wanted to go and try to build the same kind of merchant ecosystem of the head, the torso, and tail of merchants that PayPal Holdings, Inc. has established over the last couple of decades. Instead, they get to partner once with us and get access to tens of millions of merchants with identity authentication, fraud protection, and payment processing on a global scale. We really feel like we are connecting this ecosystem together.

It will take time for agentic to eat into overall purchasing, but if you think about it, we want to meet customers where they are: online, offline, agentic, and PayPal Holdings, Inc. is in a very strong position there. As far as investments, Jamie, do you want to hit on that?

Jamie S. Miller: Sure. These partnerships do entail some level of investment, whether that's in product and tech or around co-marketing, things that really drive usage and habituation around the product. I mentioned in my prepared remarks that we would be reinvesting, begin reinvesting some of our margin dollars in the fourth quarter to really amplify some of our product initiatives. Between the push into agentic and that, some of those investments are likely to be a near-term headwind to how fast transaction margin

dollars or earnings grow next year. We are really excited about understanding what's working and really putting our dollars behind that and the core business, in addition to really advancing our initiatives across the business on things like agentic.

Alex Chriss: The last part of your question was ubiquity. We obviously feel like we've got the largest breadth of merchants. We obviously have the largest breadth of consumers. Now with the partnerships, we've already announced OpenAI, Perplexity, Google. As we look to partner with any of the LLMs that are out there, we think we've got actually quite good scale and ubiquity across the ecosystem. We are very well-positioned to win as agentic commerce continues to evolve.

Sarah: The next question comes from Harshita Rawat with Bernstein. Your line is open.

Harshita Rawat: Hi, good morning. I want to ask about branded. I know you highlighted some headwinds and the 5% growth number. You highlighted some kind of deceleration in the fourth quarter. I'm also thinking you have some benefit from Pay with Venmo and the Buy Now, Pay Later promotion in the holiday season. Going back to the Investor Day, you laid out the path to branded acceleration. I know it's not linear. How should we think about just the overall path from here? Should we focus more on slide four, right, that you highlighted, which is very helpful, which focuses on more diversified drivers of growth? Thank you.

Jamie S. Miller: Yeah, Harshita, maybe I'll answer that in two parts. I'll talk about fourth quarter and then really talk about the broader investor framework. We've had consistent mid-single digit growth in branded checkout for multiple quarters now. For the quarter, we've seen really good momentum across our growth initiatives with Buy Now, Pay Later, with Pay with Venmo. We've seen continued U.S. growth at higher rates as well this quarter. When we got into September, we began to see macro-related deceleration, and that is both in the U.S. and in Europe. I talked about it in my prepared remarks, but really a relatively consistent number of transactions.

We're seeing basket sizes just trade down, average order value being down, particularly in retail where consumers are just being more selective. That behavior has continued into October. Obviously, it's really early in the fourth quarter. The holiday season is very back-end loaded. It's something we're watching. We did call out, and you're right, our guidance assumes a rate of growth lower than that of third quarter. When you look at that macro, and I pivot now to talking about the broader framework, we've seen very good progress. I think what I'm most excited about is we know what's working, and we're really doubling down against that. Alex has talked a lot about Buy Now, Pay Later.

We've talked a lot about Pay with Venmo. Importantly, year to date in the U.S., our growth rates are higher than what we saw year to date last year in the U.S. We're really seeing nice progress. That macro piece of it, whether it's tariffs or some of this deceleration, is offsetting our progress. We set those 2027 targets, assuming a consistent consumer macro environment. Ultimately, that's how we'll measure progress against that. What I am excited about is we have scaled our initiatives in the U.S. first. Where we see progress, we've got real confidence as we scale outside of the U.S. and internationally. I think we've invested in the right products.

We're seeing customer adoption and engagement around the things we've talked about, in addition to things like omnichannel initiatives and places where we get other halo effect. The investments we're making are really predicated on our confidence and our ability to continue to build on our progress as we get through the next couple of years.

Sarah: The next question comes from Dan Dolev with Mizuho. Your line is open.

Dan Dolev: Hey, guys. Great results, as always. Just wanted to ask a quick question in a very, very short follow-up. On Buy Now, Pay Later, huge momentum here. Can you maybe give us sort of the lay of the land, like how you view, Alex, the industry? Who are you gaining share from most and in what territories? I just have a super quick follow-up for you, Jamie, on the investments next year. If there's any way to quantify that, that would be great. Those are my questions. Thank you.

Alex Chriss: Great. Thanks, Dan. Look, we're very excited about BNPL. We see this as one of those generational shifts that's happening now. We're seeing not only in the results, but also just as we talk to customers, particularly a younger generation is moving more and more towards debit and BNPL as the way that they want to make purchases. We think we're incredibly well-positioned to win there. As you said, we're seeing good growth. We're actually seeing growth across the board. U.S. MAs are up 21% in Q3. TPV continuing to grow pretty consistently over 20%. This is a product that people love. An NPS of 80 is quite incredible.

From a strategy and a share perspective, we think we have something unique. We have a brand that people know and love. We have a global scale. Not only seeing good gains in the U.S., but we continue to expand our global footprint. It just expanded to Canada within the last week or so and continuing to expand the offerings across the board and across Europe. We're also moving to where customers want to pay as well, not just online, but moving in store. We started in Germany and are now expanding that in the U.S. We really see BNPL as one of those growth drivers for us.

The other big shift that I would want you to be aware of is most of our BNPL, and again, we're on track to do \$40 billion or so of TPV in 2025. Most of that has come almost after they've chosen the PayPal Holdings, Inc. button choice. For many customers, that's actually too late. They want to make a choice upfront when they're making that purchase, and they want to see what that payment could look like if it was split into a few payments. Strategically, we're now meeting our customers where they are, and think we have a really exciting expansion opportunity to be upstream in presentment.

Again, with a brand that people know and love, with a product that they're already familiar with and using, when we get upstream into some of these purchases, we think we have the opportunity to continue to accelerate. Very, very excited with BNPL and something that we're going to invest in to win over the next few years.

Jamie S. Miller: Dan, with respect to the second part of your question, it's early. We are still working our 2026 plan, and we plan to take you through that on our February earnings call. When you look at the types of investments that we're talking about, these are targeted really around product attach and habituation. Things like merchant co-marketing, cashback offers, and rewards, and things around better placement and presentment drive right back into the business and around growth. We'll have some more information for you on that in a couple of months.

Sarah: The next question comes from Sanjay Sakhrani with KBW. Your line is open.

Sanjay Sakhrani: Thank you. I want to dig into the really strong growth momentum at Venmo, where the revenues have been consistently growing 20%. Alex, you mentioned sort of the multiplier of upside from here. Could you maybe map that out for us in terms of how we should think about the growth rate you've posted recently and what you could do next year and beyond, given all the different initiatives you have in place inside of Venmo?

Alex Chriss: Yeah, thank you. We, Sanjay, are equally excited about the trajectory that Venmo is on. Let me just pull back and talk a little bit about where Venmo was a couple of years ago and the contours of where we're moving. Venmo a couple of years ago was an incredible P2P product, a brand in the U.S. that was a verb. It was the way a younger, very valuable demographic was moving money amongst themselves. That was a very strong starting position. The challenge was we really weren't meeting customers where they are. Money was moving from a P2P perspective, but if you were splitting a meal, you couldn't actually pay for that meal in person.

You had to use a different instrument. We've expanded what Venmo means to this demographic. We're now meeting them where they are and enabling them to make purchases in person, online, move money between each other, as well as starting to think about different experiences that they're having together. I'll touch on that in a minute. If you look at what that means, it means that not only are we continuing to grow our active base, so MA is up 7% year over year at 66 million. That's very strong. Now we're starting to see real penetration into two of our monetization levers. Debit card MAs are up 43%. Pay with Venmo MAs are up 24%.

This is starting to drive ARPA up. ARPA is up mid-teens year to date. When you put all of that together, I still feel like we're just scratching the surface. If I look at us versus peers from an ARPA perspective, we are a third to a quarter of what I believe our potential is over time. We're starting to now see really good adoption of the cards that we're putting in, the debit card and Pay with Venmo. All of the trajectory is moving in the right direction. What you're going to start to see on top of that is new products and services coming in. The way that we've talked about it is Venmo is a social product.

It's the product that you're using oftentimes with other people. You look at the announcement that we made yesterday with Built to be able to make rent and mortgage payments. Oftentimes, this is a demographic where they're making rent payments because they're living with others. They were using Venmo after the fact to move money across. Now we're enabling them to make their rent payments and split their rent payments upfront with that kind of partnership. You are going to see more of those types of things from us over the coming months as we start to think about all of those experiences that this incredible demographic is using to be able to move money across.

We think we are just scratching the surface of the ARPA that is available. We have good proof points of the monetization levers of debit card, Pay with Venmo, and now we are expanding into other experiences where folks can go. Our go-to-market campaigns are working as well. You have seen the success of the college partnerships that we put out that drove over 1 million FTUs of debit card in Q3 alone. We are really, really excited about where this is going. It is starting to bring in very, very valuable merchants as well. Whether it is eBay or Ticketmaster, Sephora, Taco Bell, DoorDash, TikTok, these are all merchants that really want access to this demographic.

Venmo is the best way to get access to them. We are just getting started, excited about the growth trajectory, and we expect this to continue well into the future.

Sarah: The next question comes from Darrin David Peller with Wolfe Research. Your line is open.

Darrin David Peller: Hey, guys. Thanks, and congrats on the OpenAI and the dividend announcements. I just want to touch on the exit growth rate of the year for a minute. I know you're guiding 2% to 5% for transaction margin growth. Maybe the puts and takes of what that could compare when you think about trending into 2026 and how we should think about next year in the context of the exit rate. I know you talked about investments being made, obviously, for all these initiatives. How does that impact our thought process on operating leverage and just overall investment EPS potentially for our next year as well? Whatever you can comment. I know it's early. Thanks, guys.

Jamie S. Miller: Yeah. Good morning, Darrin. I'll stay away from giving 2026 guidance, but I will give you some color on the fourth quarter transaction margin dollars and what we expect to see there. You know, to some level, we've got some impact from interest rate cuts coming in the fourth quarter. In the credit business, we've got tougher comps. You may remember that we really got that business back to growth in the fourth quarter of last year, and we just have tougher comps coming into the fourth quarter this year. I mentioned some level of investments in growth initiatives as well.

With what we're seeing on macro, you know, we want to be prudent in terms of how we guide there. Across the portfolio, the product initiatives, I think what's probably important to call out is that some of this goes through transaction margin dollars. Other parts go through OpEx. Things like investment in product and tech and brand marketing, things like that go through OpEx. As we work our plan, you know, we work across all of that to really get to the right mix as we get into it. We'll take you through more in a couple of months, but hopefully, that's some color for you.

Alex Chriss: Hey, Darrin. I want to, without going into the details for next year, I do though want to set a mindset for us because this is what we're thinking about internally. You know, I've mentioned, and we've talked about it so far on this call, a couple of big shifts that we see in the market. I want to call that out. We see three pretty significant generational shifts right now. One is a massive shift to digital wallets, and this is globally. The second is a real shift to Buy Now, Pay Later. Again, a younger generation that's now moving the way they're spending.

This, we think, can start to take share away from credit cards and be the way that this new generation is going to start to pay. The third shift we've talked about is towards agentic commerce. These are all three massive shifts that can recast the entire commerce landscape. We think we're extremely well-positioned in all three of them. If you look at digital wallets, we have leading wallets such as PayPal Holdings, Inc. and Venmo we just talked about, and we have our expansion into PayPal World, which continues to connect wallets around the world. In Buy Now, Pay Later, we just talked

about upstream presentment. We talked about the expansion and the trajectory we have there.

We've talked earlier about agentic commerce and the shift that's happening in our ability to lean in and win. The mindset that we have from a company is these are generational shifts that we are well-positioned and we must win in. We are going to invest appropriately. Those investments may very well lead to some near-term headwinds in how fast transaction margin dollars and earnings grow in 2026. We'll come back with more details as we think through that. Our goal is to win these markets and set ourselves up for faster, durable growth in the future across all of commerce. I just wanted to set that tone.

Sarah: The next question comes from Jason Kupferberg with Wells Fargo. Your line is open.

Jason Kupferberg: Good morning, guys. Thanks for taking the question. You obviously had a nice beat here on transaction margin dollars in the quarter. It seems like the branded business came in right in line with your expectations. The OWAS revenues were quite strong. I wanted to just unpack the sources of transaction margin upside in the quarter a bit. If you can give us a relative sense on how much of that upside came from the credit products versus some of the other drivers, and then just any quick comments on how you see cadence of additional penetration of the new checkout experience moving beyond the 25% level as we move into next year. Thanks.

Jamie S. Miller: Thanks, Jason. Good morning. Really, when you look at third quarter transaction margin dollar performance, we had meaningful contribution across each of branded checkout, Venmo, PSPVAS, and credit. What's important there, and we really tried to highlight this in our prepared remarks as well, is that we've got nice diversification not only on the revenue side, but on the margin sources. I think that's demonstrative of that.

Alex Chriss: Yeah. On the penetration, we've talked a little bit about it. Just to set the tone, we really started in the U.S. We now are roughly 25% of global transactions. Even under that 25%, though, about half are actually optimized. We're really working through how do we nail the overall pay sheet improvement, the biometrics that we're starting to put together. When all of that comes together, the pay sheet and the biometrics, we're actually seeing conversion rates increase 2% to 5%. We know we have a winning product. It just is taking time. I'm as impatient as anyone. I want to see this move as fast as we can.

We're talking about bending the curve on over half a trillion dollars of spend, and it's just taking time to get there. We have confidence, as Jamie mentioned earlier, U.S. branded checkout is growing faster year to date than it did in 2024. We know the experiences are working. We're now rolling it out in Europe. We expect that to continue through 2026. In the meantime, we're leaning into BNPL growing north of 20%, Pay with Venmo growing north of 40%. We know that overall in branded checkout, we're on the right path. It's just taking time.

Sarah: The next question comes from Will Nance with Goldman Sachs. Your line is open.

Will Nance: Hey, I appreciate you taking the question. I wanted to dig in a little bit on the BNPL volumes. Just a couple of questions here. I guess first, if you could just quantify some of the run rate financial impacts you're expecting on the Blue Owl offloading, just any help with the geography of those impacts on the P&L if we think about that going forward. Maybe a big picture question on the BNPL growth. Obviously, very strong. I think you've said in the past that the branded numbers or the branded volumes are roughly 40% U.S., 60% international. Do the BNPL volumes skew meaningfully differently?

Any color on what you're seeing from a geographical perspective in terms of adoption and penetration of branded volumes in BNPL? Thank you.

Alex Chriss: Yeah. Let me take that second part, and then Jamie can lean in. BNPL, right now, we're looking at less than 30% of originations in the U.S. This is still a very global business. It's one where, as I mentioned earlier, what we're excited about is really an expansion of our strategy into upstream presentment. We think that's going to be a big, big shift and opportunity for us, as well as a change as we start to expand into omnichannel. Being able to move Buy Now, Pay Later into in-store, you know, it's interesting. The dynamics of how we're seeing people shop is it's not just hard lines of in-store or e-commerce.

There are a lot of people that are shopping on their phone and then wanting to pick up in-store, and that's where they get the opportunity to do their Buy Now, Pay Later purchase. All of this is coming together in a holistic product. Again, we're seeing the flywheel effect of BNPL as well. When somebody starts to leverage BNPL, there's a lift in engagement. Their TPV is up 35%, and we start to see their ability to use us for all purchases. This is, you know, it's very interesting just to see the dynamics of purchase behavior. I think in the past, as e-commerce and commerce in general was evolving, there were much harder lines.

What we're seeing from customers now is they want to pay when they want to pay. Sometimes it's pay now. Sometimes it's pay later. Where they want to pay, online, in-store, or agentic, and how they want to pay, whether it's with their friends, whether it's with crypto, whether it's the wallet from their home country. We now have a strategy that enables us to meet them everywhere they are. Exciting trajectory there. Again, you're going to see us lean in even more into BNPL over the coming years.

Jamie S. Miller: Yeah. With respect to the first part of your question on Blue Owl, we had a small impact in the quarter, but that was net neutral to operating income, which both raised margin a bit, but also was offset in OpEx. With respect to 2026, there's a small impact to 2026 OpEx in terms of increasing the run rate.

Alex Chriss: Hey Sarah, let's make time. I know we're past the top of the hour, everybody, but let's make time for one last question if we can.

Sarah: Thank you. Your last question will come from Timothy Edward Chiodo with UBS. Your line is open.

Timothy Edward Chiodo: Great. Thank you. I think we've covered some great numbers on the BNPL business today. I was hoping we could round it out with a few more, and this would help us in comparability to some of the competitors in Affirm and Carta. I was hoping you could give a little bit on the mix of paying for versus some of your longer-term pay monthly loans. Also, maybe touch on the loss rates. What I think investors really want to get down to is balancing those losses and potentially more favorable funding mix for the repayment.

What really is the transaction margin dollar net take rate per unit of BNPL volume so that we can compare that to metrics like RLTC as a % of GMV for Affirm? Thanks.

Jamie S. Miller: Good morning, Tim. You've packed a lot into that, so I'm hoping I remember it all. Let me start with sort of thinking about unit economics on the core product. First, with respect to what type of product is it, most of this is paying for, pay monthly. We've got about an average turn on the portfolio of Buy Now, Pay Later of about 40 days. When you think about that compared to peers, the duration of the portfolio is a much higher turn than maybe some of the others you look at. Secondly, as we price it, our economics are on par or better than our peers.

The thing I'd really point you to here is when we look at Buy Now, Pay Later, we do run it at the business level, but we look at it much more holistically at the total branded checkout or PayPal Holdings, Inc. level around how do we habituate and engage our

consumers around the brand and across the brand and drive sustained lift or a halo across that with Buy Now, Pay Later adoption. It just drives stickiness. We really see to 40% sort of incremental usage of branded checkout, and that stays with us as the consumer continues to spend with BNPL. We're expanding through new geographies, as Alex mentioned, really focused on driving consumer experience and marketing dollars.

Hopefully, that gives you a little bit of color as to how to compare.

Steven Eric Winoker: Hey, Alex. Any final thoughts before we wrap?

Alex Chriss: Thank you, everyone, for your questions. As you can hear from us, it is an exciting time at PayPal Holdings, Inc. We mentioned some of these significant generational shifts, and that makes it exciting to be at the forefront and a leader in this space. We have got the right plan. We are making great progress and delivering results along the way. I look forward to updating you as we continue to make progress. Take care, everyone.

Sarah: Thank you. This concludes today's conference. Thank you for participating. You may now disconnect.