

PayPal's Strategic Investment Portfolio: Effect of Net Unrealized Gain on Expected Q4'19 and FY'19 Results

Fourth Quarter 2019

- Q4'19 EPS Guidance as provided on 10/23/19 included no expected gain or loss related to PayPal's strategic investment portfolio:
 - GAAP EPS: \$0.39 - \$0.42
 - Non-GAAP EPS: \$0.81 - \$0.83
- In Q4'19, PayPal's strategic investments resulted in a net unrealized gain, primarily driven by MercadoLibre
- For Q4'19, the aggregate net unrealized gain on our strategic investment portfolio is \$38M pre-tax and \$29M after-tax, representing an approximate \$0.02 per-share benefit to both GAAP and non-GAAP results

Full Year 2019

- FY'19 EPS Guidance as provided on 10/23/19 included a year-to-date net unrealized gain of \$0.11 related to PayPal's strategic investment portfolio:
 - GAAP EPS: \$2.03 - \$2.06
 - Non-GAAP EPS: \$3.06 - \$3.08
- For FY'19, the aggregate net unrealized gain on our strategic investment portfolio is \$208M pre-tax and \$164M after-tax, representing an approximate \$0.14 per-share benefit to both GAAP and non-GAAP results

Full Year 2020

- As a reminder, beginning in Q1'20, PayPal's non-GAAP results will exclude the effect of unrealized and realized gains and losses from our strategic investment portfolio



Note: The net unrealized gain on PayPal's strategic investments in Q4-19 was approximately \$0.02; due to rounding, the net unrealized gain for Full Year 2019 was approximately \$0.14