



UConn Undergraduate Student Managed Fund

Company Overview

PayPal Holdings Inc. is a leading technology platform and digital payments company that enables digital and mobile payments on behalf of merchants and consumers worldwide. PayPal is committed to democratizing financial services to improve the financial health of individuals and to increase economic opportunity for entrepreneurs and businesses of all sizes around the world.

Industry Outlook

The Global Fintech Market is anticipated to grow at a CAGR of around 20% over the next 4 years. The transaction value for the Global Digital Payments Market was USD 5.44 trillion in 2020, and it is projected to be worth USD 11.29 trillion by 2026, registering a CAGR of 11.21% during the period of 2021-2026. Buy-Now-Pay-Later (BNPL) platforms have increased in popularity, especially amongst younger generations. Customers are pivoting to P2P apps for instant transactions as many financial institutions don't have the infrastructure to support real-time payments. E-commerce accounts are now increasing in percentage of total sales.

YTD Stock Performance



PAYPAL HOLDINGS INC.

Target Price	Current Price	Market Cap
\$306.75	\$260.20	\$305.76 (\$B)
Margin of Safety	P/E Ratio	Beta
17.9%	55.15	1.15
52 Week High	52 Week Low	Strength
\$310.16	\$174.81	BBB

NASDAQ: PYPL

Investment Thesis

PayPal has had consistent revenue growth and a strong and growing user base of over 400 Million Active Users. Growth in the eCommerce and Digital Payments Industry will increase revenues and grow their business over the coming years. Not only are they an industry leader in digital payments but they continue to have high user expectations in the near future. Finally, strategic partnerships help them compete and continue to grow in the digital payments industry to increase their already 58% market share.

ESG

PayPal finds ESG an essential part of their long-term strategy continuing to expand their internal ESG expertise, advance programmatic and reporting activities, and identify new partnerships and opportunities to advance their key ESG Issues.

Risks

PayPal may have new competition in the form of new payment systems trying to enter the market in the near future. The divestiture in Ebay could also pose issues to the company. PayPal and the market itself is also at threat to unpredictable foreign policy regulation and currency risk.