



Company Name: PAYPAL HOLDINGS, INC. 

Assumptions	
Date	March 3, 2022
Discount Rate	8.16%
Tax Rate	21%
EBITDA Growth Rate	17.92%
52-Week Low	94.50
52-Week High	310.16
Current Price	101.34
Price Target	132.22
Upside	30.48%

In Millions of USD

Year	TTM	2022	2023	2024	2025	2026
EBITDA	4,774	5,630	6,638	7,828	9,231	10,885
Depreciation & Amortization	(443)	(443)	(443)	(443)	(443)	(443)
EBIT	4,331	5,187	6,195	7,385	8,788	10,442
Check	4,331					
Variance						
Tax	70	(1,089)	(1,301)	(1,551)	(1,845)	(2,193)
EBIT (1-t)	4,401	4,097	4,894	5,834	6,942	8,249
Add Back Depreciation	443	443	443	443	443	443
NWC	-	-	-	-	-	-
Capital Expenditures	(852)	(852)	(852)	(852)	(852)	(852)
Unlevered Free Cash Flow	3,992	3,688	4,485	5,425	6,533	7,840
PV Unlevered Free Cash Flow		3,410	3,834	4,287	4,773	5,295
	21,599					

Terminal value - Growing perpetuity

Long term growth rate	5%
2025 FCF x (1+g)	8,232
Terminal value in 2025	260,147
PV Terminal Value	175,711
Enterprise Value	197,310

Terminal value - EBITDA Multiple

EBITDA multiple	16.89
Terminal value in 2025	183,844
PV Terminal Value	124,173
Enterprise Value	145,772
Total Shares Outstanding	1,165

Net Debt

Total Debt	27,000
Cash and Short Term Investments	9,500
Net Debt	17,500

Share Price Target

Growing Perpetuity	154.34
EBITDA Multiple	110.10

Enterprise Value

Market Cap	118,062
Total Debt	27,000
Less Cash	(9,500)
Enterprise Value	135,562

Ratios

PE Ratio (TTM)	30.35
Price / Sales (TTM)	4.65
EV / Sales (TTM)	5.34
EV / EBITDA (TTM)	28.40
EV / EBITDA (2022)	24.08